



# EARNINGS RELEASE

## 4Q23

**Stock Price as of February 23rd,  
2023: \$131.00**

**Outstanding Shares: 345.5 million**

## Lower revenues due to normalization of demand. Acquisition of Baldocer during 4Q-23.

Figures in millions of nominal Mexican Pesos. Figures may vary due to rounding.  
Figures calculated under IFRS.

Income Statement	4 Q			YTD		
	2022	2023	Var %	2022	2023	Var %
Net Sales	8,534	7,749	-9%	35,412	31,572	-11%
Cost of Sales	5,156	4,833	-6%	20,423	18,251	-11%
Gross Profit	3,377	2,916	-14%	14,989	13,320	-11%
Gross Margin	40%	38%		42%	42%	
Operating Expenses	2,108	2,018	-4%	8,293	8,260	0%
Operating Income	1,472	800	-46%	6,767	4,932	-27%
Operating Margin	17%	10%		19%	16%	
EBITDA	1,879	1,151	-39%	8,101	6,206	-23%
EBITDA Margin	22%	15%		23%	20%	
Comprehensive Financing Result	36	1	-97%	639	-20	
Net Income	1,011	439	-57%	4,201	3,251	-23%
Net Margin	12%	6%		12%	10%	

	DEC		DIC	
	2022	2023	2022	2023
Net Debt	9,166	15,336	67%	
Net Debt / EBITDA <sup>1</sup>	1.1	2.5		
Capex <sup>2</sup>	4,008	8,950	123%	

<sup>1</sup> EBITDA Last Twelve Months

<sup>2</sup> Refers to year-to-date investments, FANOSA acquisition \$ 115 M-USD in 2022 and Baldocer acquisition € 354 M-EUR in 2023.

The normalization of demand in 2023, following a surge in previous years fueled by the COVID pandemic, remained a constant in last year's fourth quarter. The slower pace of home remodeling meant lower sales volume, both in Mexico and in the other countries where Lamosa operates, and this led to a decline in results compared to 2022.

# San Pedro Garza García, Nuevo León, México. February 23rd, 2023. Grupo Lamosa announces its results related to the fourth quarter of 2023.

Figures in millions of Mexican Peso. Figures may vary due to rounding. Figures calculated under International Financial Reporting Standards.

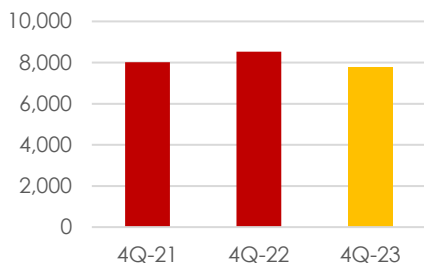
## SALES

Total sales for Grupo Lamosa as of the close of the fourth quarter stood at MXN31.57 billion, 11% lower than in 2022.

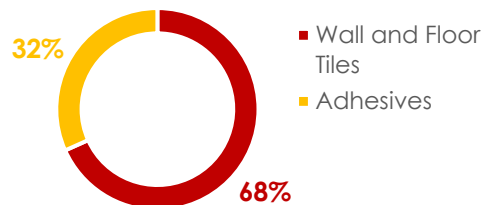
On the domestic front, sales in 2023 came to MXN19.65 billion, which was 4% below the amount reported for 2022, and accounted for 62% of total sales.

### Sales

(million pesos)



### Sales 4Q-23

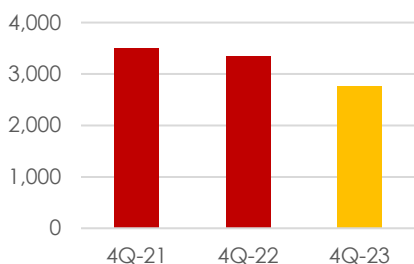


## FOREIGN SALES

Sales outside of Mexico totaled MXN11.92 billion in the year, a 20% reduction from of 2022, and 38% of total sales.

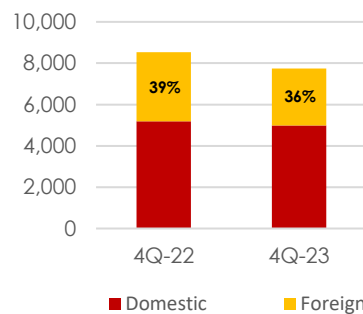
### Foreign Sales

(million pesos)



### Sales Breakdown

(million pesos)



## PERFORMANCE PER BUSINESS SEGMENT

The results of Grupo Lamosa's businesses at the end of the fourth quarter of the year are shown below.

	Wall and Floor Tiles			Adhesives			Total		
	dic-22	dic-23	Var %	dic-22	dic-23	Var %	dic-22	dic-23	Var %
Sales	26,383	22,203	-16%	8,981	9,369	4%	35,412	31,572	-11%
EBIT	5,228	2,938	-44%	1,597	2,116	33%	6,767	4,932	-27%
Dep. & Amort. and Others	1,026	963	-6%	220	212	-3%	1,335	1,274	-5%
EBITDA	6,254	3,902	-38%	1,816	2,329	28%	8,101	6,206	-23%
%	<b>24%</b>	<b>18%</b>		<b>20%</b>	<b>25%</b>		<b>23%</b>	<b>20%</b>	

	Wall and Floor Tiles			Adhesives			Total		
	4Q-22	4Q-23	Var %	4Q-22	4Q-23	Var %	4Q-22	4Q-23	Var %
Sales	6,255	5,293	-15%	2,278	2,456	8%	8,534	7,749	-9%
EBIT	1,156	233	-80%	326	600	84%	1,472	800	-46%
Dep. & Amort. and Others	267	269	0%	119	58	-52%	407	351	-14%
EBITDA	1,424	502	-65%	446	658	48%	1,879	1,151	-39%
%	<b>23%</b>	<b>9%</b>		<b>20%</b>	<b>27%</b>		<b>22%</b>	<b>15%</b>	

### WALL AND FLOOR TILES

At the close of the year, sales in the floor and wall tile business stood at MXN22.20 billion, 70% of total sales and 16% lower than sales in the previous year. The drop in revenues can be attributed to a shift in consumer spending priorities. After the pandemic passed, families put home remodeling on the back burner, a trend seen in all the markets where this business is active.

### ADHESIVES

The adhesives business, which includes Fanosa operations, reported revenues totaling MXN9.37 billion at the close of the fourth quarter, 30% of total Group revenues and 4% higher than was reported for 2022.

### OPERATING INCOME

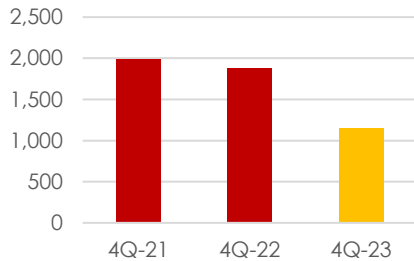
Lower company revenues meant a reduction in operating income as well. At the close of the fourth quarter of the year, Grupo Lamosa had generated MXN4.93 billion in operating income during the year, down 27% from the year-earlier period, and a margin of 16% of sales.



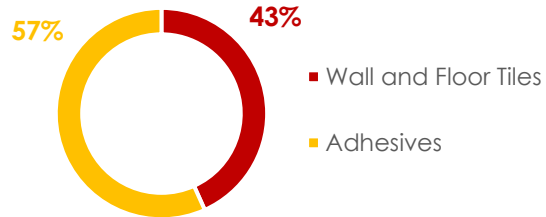
EBITDA was MXN6.21 billion pesos in the full twelve months of the year, 23% less than in 2022; the EBITDA margin was 20% of sales.

### EBITDA

(million pesos)



### EBITDA 4Q-23

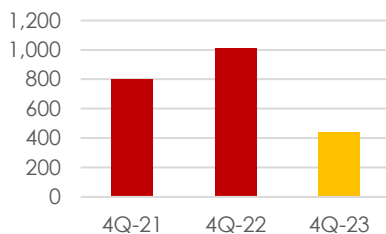


At the close of the fourth quarter, Grupo Lamosa reported a 9% reduction in net interest expense. This, coupled with a 12% increase in foreign-exchange gains due to the peso's appreciation against the US dollar, favored the comprehensive financing result. At the end of 2023, this line showed a benefit of MXN20 million, a significant improvement over the MXN639 million charge booked in 2022.

Net income for in the year 2023 was helped by this improvement in the comprehensive financing result, because it offset some of the impact of lower operating results. The company posted net profits of MXN3.25 billion for 2023, a 23% decline from the year before and a net margin of 10% of sales.

### Net Income

(million pesos)



### Net Comprehensive Financing Cost

	YTD 4Q-22	YTD 4Q-23	Var %
Net Financial Expense	556	504	-9%
Exchange (Gain) Loss	-359	-703	
Others	442	178	
	<b>639</b>	<b>-20</b>	

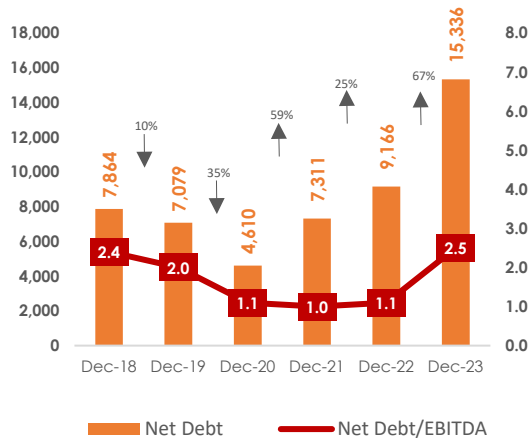
## FINANCIAL PERFORMANCE

In the fourth quarter of the year, Grupo Lamosa announced that it had finalized its purchase of the Spanish ceramic group Baldocer. It has already made the first payment of EUR354 million, financed mainly with debt, and a second payment is due in 2025 for no less than EUR71 million, although the amount will vary depending on the results.

By the close of December, the Group had invested MXN8.95 billion pesos in the year, including the first installment on the Baldocer purchase. Despite this level of investment, which was one of the highest in recent years, Grupo Lamosa kept up solid leverage ratios and maintained a healthy level of risk. Consolidated net debt at the close of the fourth quarter totaled MXN15.34 billion, and the net debt to EBITDA ratio was 2.5 times.

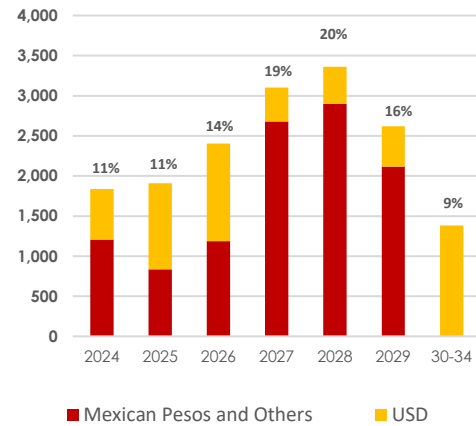
### Consolidated Net Debt

(million pesos)



### Maturity Debt Profile

Dec-23



Grupo Lamosa is confident that the investments it has made in all the countries where it operates, primarily to maintain cutting-edge technology in its production plants, and recent acquisitions like Baldocer, put it in an optimum position to continue capitalizing on synergies and opportunities and the various markets where it participates.

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