



GRUPO COMERCIAL CHEDRAUI, S.A.B. DE C.V. THIRD QUARTER 2021 RESULTS

Mexico City, October 27, 2021 – Grupo Comercial Chedraui, S.A.B. de C.V. reports its 2021 third quarter results. All figures in this report are shown in nominal terms and reported in accordance with International Financial Reporting Standards (IFRS).

Quarter Highlights:

- **9.1% same store sales increase in Mexico vs. ANTAD's 5.4% increase**
- **7.5% consolidated EBITDA margin, +46.5% year on year, +11.7% on a comparable basis**
- **40% consolidated Net Income increase YoY; +261% vs Q3'19**
- **Close of Smart & Final acquisition on July 28, 2021**
- **Proforma leverage ratio: 0.91x in Q3'21**

CONSOLIDATED RESULTS FOR THE THIRD QUARTER 2021

The following chart summarizes the Income Statement in million pesos for the third quarter 2021. The margin for each figure represents its ratio to net sales as compared to the same period in 2020.

MXN in millions	As reported		As reported			Comparable ⁽¹⁾		
	Q3'20	% NS	Q3'21	% NS	Var %	Q3'21	% NS	Var %
Net Sales	35,412	100.0%	52,473	100.0%	48.2%	36,779	100.0%	3.9%
Gross Profit	8,148	23.0%	11,835	22.6%	45.3%	8,360	22.7%	2.6%
Operating Income	1,694	4.8%	2,521	4.8%	48.8%	2,148	5.8%	26.8%
EBITDA	2,677	7.6%	3,923	7.5%	46.5%	2,991	8.1%	11.7%
Recurring EBITDA ⁽²⁾	2,677	7.6%	4,206	8.0%	57.1%	2,991	8.1%	11.7%
Net Income	640	1.8%	896	1.7%	40.0%	1,028	2.8%	60.6%
Recurring Net Income ⁽²⁾	640	1.8%	1,084	2.1%	69.4%	1,028	2.8%	60.6%

(1) Comparable excludes the effect of the consolidation of the Smart & Final result

(2) "Recurring" excludes one-time expenses related to the Smart & Final acquisition

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Comments from Mr. Antonio Chedraui, CEO of Grupo Comercial Chedraui

“The great results for the third quarter of the year demonstrate once again the strength of our business model, and our ability to execute. In Mexico, we are achieving growth rates above the market thanks to our strong competitive advantages, while meeting our profitability goals. In the United States, during this quarter, we closed the acquisition of Smart & Final, an operation that complements our current formats and will allow us to reach a broader customer base. Today, we approach the integration of this new business determined to continue creating value for Chedraui and its shareholders.”

Smart & Final

On May 13, Grupo Comercial Chedraui entered into a definitive agreement to acquire Smart & Final Holdings for approximately USD \$ 620 million. Smart & Final operates 254 stores in California, Arizona and Nevada, as well as an additional 16 stores in Northwestern Mexico operated through a joint venture.

The acquisition was closed on July 28 after the required regulatory approvals in the U.S. and Mexico; therefore, as of that date, Smart & Final’s results are included in the Group's consolidated figures.

An Investor Presentation with additional details about the acquisition can be found in the Investor Relations section of our website, or on the following [link](#).

Revenues

During the third quarter of 2021, the Company reported \$ 52,473 million pesos in consolidated revenues, with growth of 48.2% year-on-year. Excluding the consolidation of the Smart & Final operation, comparable growth was 3.9%. This result was impacted by a 9.3% negative exchange rate effect on the sales of the US division.

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For the **Retail Mexico** operation, sales corresponding to the third quarter of 2021 grew 12.5%, reaching \$ 21,916 million pesos, with same store sales increasing 9.1% year-on-year. 4 stores were opened in the quarter and 19 net stores have opened in the last 12 months, representing 1.2% growth in the sales floor area.

Through Omnichannel, sales of \$ 878 million pesos were achieved, which is equivalent to 4% of total Mexican operation sales and is in line with the yearly objective. This increase is due to growth in both our internal and third-party channels.

In the third quarter of 2021, total sales in **Retail US** grew 112.2% as a result of the Smart & Final acquisition. On a comparable basis, in dollar terms, same store sales grew 2.7% while total sales grew 2.3%. In Mexican pesos, total sales grew 92.5% year-on-year to \$ 30,307 million pesos; this result includes an adverse foreign exchange impact of 9.3%.

For the **Real Estate** division, revenues in the third quarter of 2021 grew by 27.1% year-on-year, representing \$ 250 million pesos, and is a continued sign of the improvement experienced in recent quarters. During the last twelve months, 29,801 m² of profitable area were incorporated, representing growth of 7.8%.

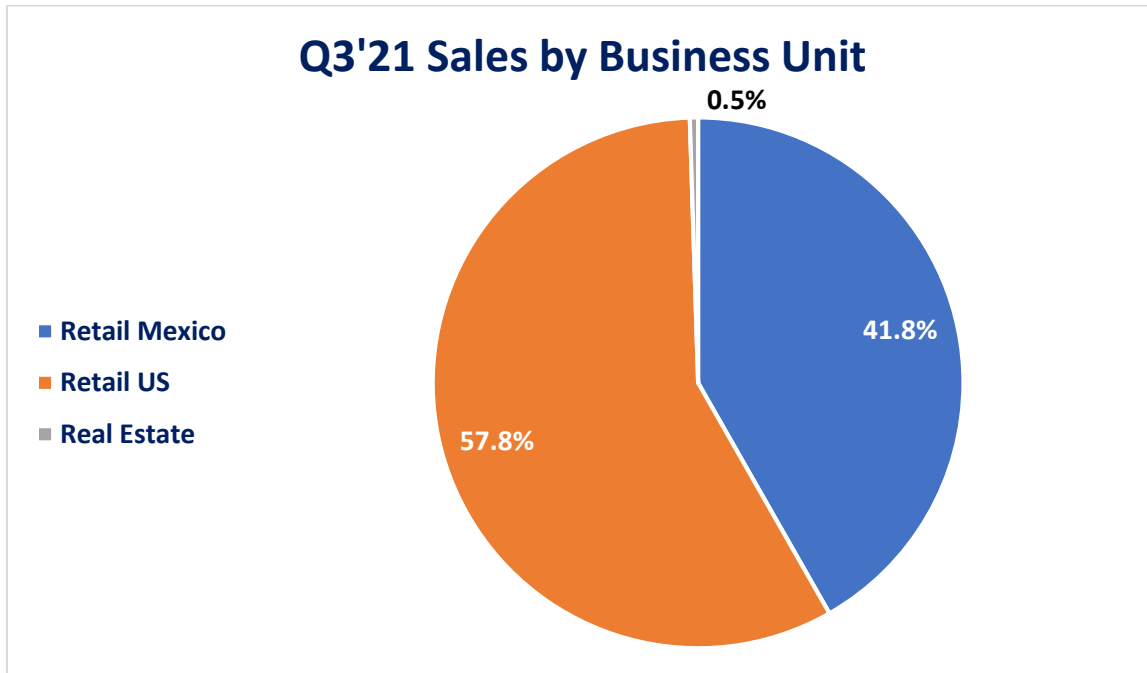
Net Sales <i>MXN in millions</i>	As Reported			Comparable		
	Q3'20	Q3'21	Var %	Q3'20	Q3'21	Var %
Retail Mexico	19,472	21,916	12.5%	19,472	21,916	12.5%
Retail US	15,742	30,307	92.5%	15,742	14,613	-7.2%
Real Estate	197	250	27.1%	197	250	27.1%
CONSOLIDATED	35,412	52,473	48.2%	35,412	36,779	3.9%

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Gross Profit

Gross Profit increased 45.3% in the quarter to \$ 11,835 million pesos and represented 22.6% of sales.

Operating Expenses

During the third quarter of 2021, operating expenses (without depreciation or amortization) reached \$ 7,912 million pesos, representing 15.1% of consolidated sales. The result of this quarter was impacted by one-time transaction expenses of \$ 283 million pesos related to the acquisition of Smart & Final. This expense is non-operating and non-recurring and was fully accounted for in this quarter.

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EBITDA

Grupo Chedraui's consolidated EBITDA for Q3'21 grew 46.5% year-on-year to \$ 3,923 million pesos and represented 7.5% of sales. The result, excluding the one-time transaction expenses of Smart & Final, amounted to \$ 4,206 million pesos, with a margin on sales of 8.0%. On a comparable basis, excluding the consolidation of the acquisition, the Company's EBITDA reached \$ 2,991 million pesos, with a margin of 8.1% and growth of 57 basis points year on year.

Retail Mexico grew EBITDA 15.9% to \$ 1,759 million pesos and 8.0% of sales. Margin expanded 24 basis points because of efficient control of operating expenses.

Regarding the **Retail US** operation, the EBITDA generated in the period reached the amount of \$ 1,990 million pesos. EBITDA results including the Smart & Final operation (as well as transaction expenses), grew 92.1% and represented 6.6% of sales. On a comparable basis, the operation registered an EBITDA of \$ 1,057 million pesos, with a 7.2% margin on sales, and a 65 basis points margin expansion. The El Super operation expanded its margin 62 basis points due to an efficient management of operating expenses, while the Fiesta business expanded its EBITDA margin by 74 basis points and continues to be in line with the plan implemented since its acquisition.

The EBITDA of the **Real Estate** division in the third quarter grew 40.2% year-on-year, growing from \$ 125 million pesos in 2020 to \$ 175 million pesos in the third quarter of 2021. This result represents 69.8% of sales.

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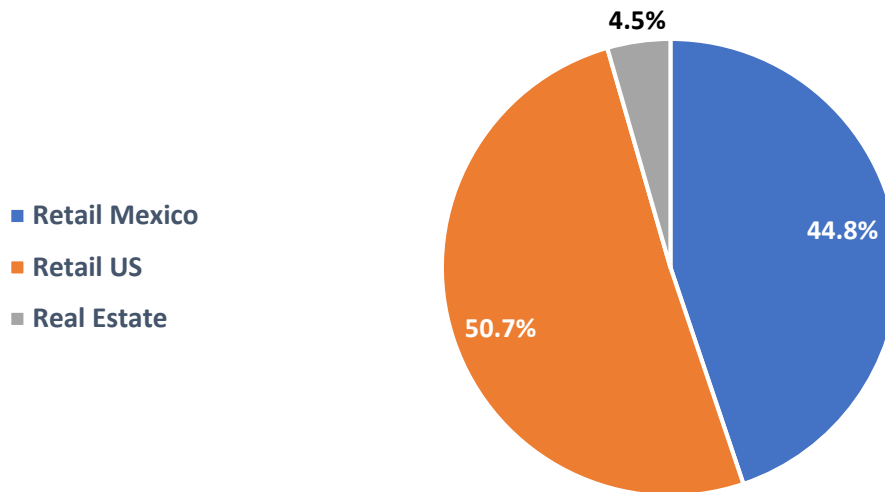
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EBITDA <i>MXN millions</i>	Quarterly				
	Q3'20	% NS	Q3'21	% NS	Var %
Retail Mexico	1,517	7.8%	1,759	8.0%	15.9%
Retail US	1,036	6.6%	1,990	6.6%	92.1%
<i>Smart & Final (recurring) ⁽¹⁾</i>			1,215	7.7%	
<i>Smart & Final (as reported)</i>			933	5.9%	
<i>El Super</i>	746	8.0%	740	8.7%	-0.8%
<i>Fiesta</i>	290	4.5%	317	5.2%	9.4%
Real Estate	125	63.2%	175	69.8%	40.2%
Consolidated EBITDA	2,677	7.6%	3,923	7.5%	46.5%
Recurring Consolidated EBITDA ⁽¹⁾	2,677	7.6%	4,206	8.0%	57.1%

(1) "Recurring" excludes one-time expenses related to the Smart & Final acquisition

EBITDA by Business Unit



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Financial Expenses

In the third quarter of 2021, the financial cost increased 61.1% compared to the same period of the previous year, growing from \$ 749 million pesos in 2020 to \$ 1,207 million pesos in 2021. The increase is a result of the cost of debt incurred from the acquisition of Smart & Final as well as their associated capital leases.

Net Income

Consolidated Net Income for the quarter grew 40.0% compared to that achieved in the same period of 2020, reaching an amount of \$ 896 million pesos with a margin over sales of 1.7%. This result includes transaction expenses for the acquisition of Smart & Final. Excluding non-recurring expenses, net income grew **69.4% year-on-year to \$ 1,084 million pesos, and 260.6% over the last two years** and demonstrates the Company's ability to improve profitability.

Financing

As of September 2021, the Company recorded net debt of \$ 15,366 million pesos, which is comprised of \$ 2,430 million pesos in the short term, \$ 17,900 million pesos in the long term, and \$ 4,964 million pesos in cash and temporary investments.

The accumulated invested CAPEX from January to September 2021 amounted to \$ 15,224 million pesos. This amount includes Smart & Final CAPEX amounts.

With these figures, the multiple net debt to pro forma EBITDA, estimating twelve months of results of the Smart & Final operation, closed at 0.91x, while the ratio closed at 1.26x with reported figures.

Note that while debt is shown consolidated, debt contracted in Mexico is in pesos and debt contracted in the United States is in dollars. The fact that revenues and expenses occur in

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the same currency eliminates foreign exchange rate conversion risk; therefore, no currency hedging instruments are used.

Infrastructure information by business unit

<i>Infrastructure (M² sales floor)</i>	Q3'20	Net openings last 12 months	Q3'21	Var %
Retail Mexico	1,483,305	17,712	1,501,017	1.2%
Retail US	352,861	481,775	834,636	136.5%
CONSOLIDATED	1,836,166	499,487	2,335,653	27.2%

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About Grupo Chedraui

Grupo Comercial Chedraui S.A.B. de C.V. trades on the Mexican Stock Exchange under the ticker symbol “CHDRAUIB”; the Company as of September 30, 2021 was operating the following stores:

Mexico	203	Tiendas Chedraui	(20 Selecto)
	64	Tiendas Súper Chedraui	(5 Selecto)
	11	Tiendas Súper Che	
	51	Tiendas Supercito	
United States	64	El Super stores	
	59	Fiesta stores	
	254	Smart & Final stores	
Total	<u>710</u>		
Stores through Joint Ventures	16	Smart & Final in Mexico	

Conference Call Information

Date

Thursday, 28th October, 2021

10:00 am (EST)

9:00 am (CST)

Dial-in

Operator-assisted US toll-free dial-in number: +1 877 353 7089
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Grupo Comercial Chedraui, S.A.B. de C.V.

Consolidated Quarter Income Statement

(MXN million)

	Q3 2020	% Sales	Q3 2021	% Sales	% Var.
Sales	35,412	100.0%	52,473	100.0%	48.2%
Cost of Sales	27,264	77.0%	40,638	77.4%	49.1%
Gross Profit	8,148	23.0%	11,835	22.6%	45.3%
Operating expenses	5,470	15.4%	7,912	15.1%	44.6%
Depreciation and Amortization	984	2.8%	1,402	2.7%	42.6%
Operating Income	1,694	4.8%	2,521	4.8%	48.8%
Operating EBITDA	2,677	7.6%	4,206	8.0%	57.1%
EBITDA	2,677	7.6%	3,923	7.5%	46.5%
Financial expenses	749	2.1%	1,207	2.3%	61.1%
Income from associates and JV			29	0.1%	0.0%
Income Before Taxes	945	2.7%	1,343	2.6%	42.2%
Income Taxes	305	0.9%	447	0.9%	46.9%
Consolidated Net Income	640	1.8%	896	1.7%	40.0%

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Grupo Comercial Chedraui, S.A.B. de C.V.

Accumulated Consolidated Income Statement

(Figures in millions of Mexican pesos)

	2020	% Sales	2021	% Sales	Growth %
Sales	107,325	100.0%	123,408	100.0%	15.0%
Cost of Sales	83,386	77.7%	95,749	77.6%	14.8%
Gross Profit	23,938	22.3%	27,658	22.4%	15.5%
Operating expenses	15,940	14.9%	18,295	14.8%	14.8%
Depreciation and Amortization	2,860	2.7%	3,138	2.5%	9.7%
Operating Income	5,138	4.8%	6,225	5.0%	21.2%
Operating EBITDA	7,999	7.5%	9,646	7.8%	20.6%
EBITDA	7,999	7.5%	9,363	7.6%	17.1%
Financial expenses	2,405	2.2%	2,578	2.1%	7.2%
Income from associates and JV			29	0.0%	0.0%
Income Before Taxes	2,733	2.5%	3,676	3.0%	34.5%
Income Taxes	871	0.8%	1,200	1.0%	37.8%
Consolidated Net Income	1,863	1.7%	2,476	2.0%	33.0%

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GRUPO COMERCIAL CHEDRAUI, S. A. B. DE C. V. Y SUBSIDIARIAS
CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2021, 2020
 (Figures in thousands of Mexican pesos)

	September 2020	%	September 2021	%	Differences	
					\$	%
Assets						
Current assets						
Cash and cash equivalents	2,304,864		4,964,315		2,659,451	115.4
Trade accounts receivables	165,871		435,046		269,175	162.3
Other currents receivable	615,616		1,595,185		979,569	159.1
Current tax assets, current	2,365,395		2,603,830		238,435	10.1
Other current financial assets	625,542		1,288,238		662,696	105.9
Current inventories	12,498,491		17,433,840		4,935,349	39.5
Total current assets	18,575,779	20.7%	28,320,454	21.7%	9,744,675	52.5
Non-current assets						
Trade and other non-current receivables	350,573		835,754		485,181	138.4
Investments in subsidiaries, joint ventures and associates	139,336		537,931		398,595	286.1
Property, plant and equipment	33,419,953		39,286,982		5,867,029	17.6
Investment property	9,511,675		9,809,610		297,935	3.1
Right-of-use assets that do not meet definition of investme	21,025,112		34,634,819		13,609,707	64.7
Goodwill	2,562,334		9,767,824		7,205,490	281.2
Intangible assets other than goodwill	2,583,066		5,032,650		2,449,584	94.8
Deferred tax assets	798,485		997,349		198,864	24.9
Other non-current non-financial assets	870,901		1,528,932		658,031	75.6
Total non-current assets	71,261,435	79.3%	102,431,851	78.3%	31,170,416	43.7
Total assets	89,837,214	100.0%	130,752,305	100.0%	40,915,091	45.5
Equity and liabilities						
Liabilities						
Current liabilities						
Trade accounts payable	16,696,351		22,244,131		5,547,780	33.2
Other short-term accounts payable	2,864,697		4,924,194		2,059,497	71.9
Current tax liabilities, current	296,100		611,880		315,780	106.6
Short-term bank debt	2,079,801		2,430,076		350,275	16.8
Other current financial liabilities	17,934		21,225		3,291	18.4
Current lease liabilities	642,912		2,068,229		1,425,317	221.7
Current provisions						
Current provisions for employee benefits	905,996		1,811,321		905,325	99.9
Other current provisions	211,574		385,277		173,703	82.1
Total current provisions	1,117,570		2,196,598		1,079,028	96.6
Total current liabilities	23,715,365	26.4%	34,496,333	26.4%	10,780,968	45.5
Non-current liabilities						
Other long-term accounts payable	30,400		349,834		319,434	1,050.8
Long Term Bank debt	8,437,715		17,900,209		9,462,494	112.1
Other non-current financial liabilities	893,386		1,926,993		1,033,607	115.7
Non-current lease liabilities	24,461,987		37,755,445		13,293,458	54.3
Non-current provisions						
Non-current provisions for employee benefits	850,354		3,019,720		2,169,366	255.1
Deferred tax liabilities	3,134,119		3,728,501		594,382	19.0
Total non-current liabilities	37,807,961	42.1%	64,680,702	49.5%	26,872,741	71.1
Total liabilities	61,523,326	68.5%	99,177,035	75.9%	37,653,709	61.2
Equity						
Issued capital	252,120		252,120		-	-
Share premium	3,473,081		3,517,193		44,112	1.3
Treasury shares	274,700		250,200		-	8.9
Retained earnings	24,914,512		27,803,345		2,888,833	11.6
Other reserves	70,106		136,790		206,896	295.1
Total equity attributable to owners of parent	28,294,907	31.5%	31,459,248	24.1%	3,164,341	11.2
Non-controlling interests	18,981	0.0%	116,022	0.1%	97,041	511.3
Total equity	28,313,888	31.5%	31,575,270	24.1%	3,261,382	11.5
Total equity and liabilities	89,837,214	100.0%	130,752,305	100.0%	40,915,091	45.5

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GRUPO COMERCIAL CHEDRAUI, S. A. B. DE C. V. Y SUBSIDIARIAS
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
FIGURES IN THOUSANDS OF PESOS

	SEPTEMBER 2020	SEPTEMBER 2021
Cash flows from (used in) operating activities		
Profit (loss)	1,862,571	2,476,438
Adjustments to reconcile profit (loss)		
+ Adjustments for income tax expense	870,588	1,199,887
+ (-) Adjustments for finance costs	1,381,676	1,738,915
+ Adjustments for depreciation and amortisation expense	2,978,240	3,415,802
+ (-) Adjustments for losses (gains) on disposal of non-current assets	88,716	151,552
Participation in associates and joint ventures	-	29,001
+ (-) Adjustments for decrease (increase) in inventories	1,414,117	- 449,586
+ (-) Adjustments for decrease (increase) in trade accounts receivable	633,582	253,863
+ (-) Adjustments for decrease (increase) in other operating receivables	132,722	- 974,378
Adjustments for increase (decrease) in trade accounts payable	- 2,153,232	- 1,081,205
+ (-) Adjustments for increase (decrease) in other operating payables	363,689	- 789,994
+ Other adjustments for non-cash items	- 287,294	44,786
Total adjustments to reconcile profit (loss)	5,422,804	3,538,643
Net cash flows from (used in) operations	7,285,375	6,015,081
- Dividends paid	- 427,882	- 457,858
Net cash flows from (used in) operating activities	6,857,493	5,557,223
Cash flows from (used in) investing activities		
- Cash flows used in obtaining control of subsidiaries or other businesses	-	- 11,547,773
- Other cash payments to acquire equity or debt instruments of other entities	- 135,000	-
+ Proceeds from sales of property, plant and equipment	3,224	68,710
- Purchase of property, plant and equipment	- 1,699,182	- 3,047,067
- Purchase of intangible assets	- 94,048	- 119,601
+ Dividends received	2,078	-
+ Interest received	58,386	79,243
Net cash flows from (used in) investing activities	- 1,864,542	- 14,566,488
Cash flows from (used in) financing activities		
- Payments to acquire or redeem entity's shares	- 17,555	- 42,107
- Payments of other equity instruments	- 165,610	173,297
+ Proceeds from borrowings	583,333	16,124,720
- Repayments of borrowings	- 1,681,020	- 5,231,184
- Payments of lease liabilities	- 453,940	- 692,890
- Interest paid	- 1,440,061	- 1,818,158
+ (-) Other inflows (outflows) of cash	- 428,688	-
Net cash flows from (used in) financing activities	- 3,603,541	8,513,678
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	1,389,410	- 495,587
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	- 68,590	15,238
Net increase (decrease) in cash and cash equivalents	1,320,820	- 480,349
Cash and cash equivalents at beginning of period	984,044	5,444,663
Cash and cash equivalents at end of period	2,304,864	4,964,314

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