

## EL PUERTO DE LIVERPOOL, S.A.B. DE C.V.

### FIRST QUARTER 2022 RESULTS

El Puerto de Liverpool started the year with all its stores and shopping centers operating normally, unlike last year where we faced significant restrictions during January and part of February. In the first quarter of 2022, Liverpool and Suburbia's same store sales grew 27.6% and 24.1%, respectively, compared to the same quarter of the previous year. EBITDA for this period reached \$4.929 billion pesos, 116% above 2021. EBITDA margin for the first quarter of the year was 15.3%, a 640-bps increase compared to the same period of the previous year.

Once again, an improvement in commercial margin is being observed, with 4.4 p.p. above the same period of 2021. This improvement is attributed to higher full-price sales, category mix and lower logistics expenses. It is worth mentioning that during the first quarter of 2021, the year-end clearance was extended due to store closures.

Our NPL levels continued to be on the low side, closing at 2.4%, which still reflects the importance of an adequate credit risk management. This figure represents a 2.8 p.p. decrease compared to the previous year and allowed us to release almost \$270 million pesos from bad debt reserves.

First quarter operating cash flow was -\$6.309 billion pesos, 35% lower than the same period of 2021. This result reflects working capital needs, mainly for the inventories' build up considering the low comparison base from 2021, as well as the payment of income taxes for the 2021 fiscal year. The cash balance as of March 31<sup>st</sup> was \$21.643 billion pesos, which resulted in a net leverage to EBITDA ratio of 0.26x for the quarter.

The Company continued to make progress on its strategic initiatives, which we will discuss in more detail below.

The Group's digital sales achieved a participation of 21.8% of commercial sales, roughly the same level seen in the last two quarters. Digital sales decreased 16.4% compared to the same period of 2021, as mobility restrictions then in place have now been lifted, but grew 3x compared to pre-pandemic levels. Marketplace, which is an enabler to achieve our objectives, grew 41% during the quarter.

## Our Ecosystem

The development of our ecosystem is moving forward as planned, allowing us to offer the best customer experience.

During the first quarter of the year, we made progress in meeting our omnichannel objectives. In the January-March 2022 period, we fulfilled our customer delivery promise by 95%, reiterating our commitment to our customers.

As a result of the logistical initiatives implemented, delivery cost decreased 7% during the quarter compared to the same period of last year. Delivery times improved by 25% compared to the first quarter of 2021. Click & Collect operations play an important role in our strategy, a priority for our operation and reaching a 31% share. During the period, same-day and next-day deliveries increased by 89% versus the previous year. Ship from store deliveries more than doubled versus the previous year.

In February of this year, our Arco Norte Logistics Platform, PLAN, was inaugurated. As of this date, a progressive transition from our distribution center in Huehuetoca to the new site for Hardline articles is being carried out.

## Results (compared to 2021)

- **Liverpool's same-store sales** increased 27.6% in the quarter.
- **Suburbia's same-store sales** increased 24.1% in the period.
- **Total income** for the quarter increased 26.0%.
- **EBITDA** for the quarter was \$4.929 billion pesos.
- For the quarter, our **net profit** was \$2.232 billion pesos.

The second edition of our Investor Day will be held on May 4<sup>th</sup> at 8 am (CST). You can join the event by registering in advance at the following link:

[https://us02web.zoom.us/webinar/register/WN\\_MfkBc5kGSb-8G6Pskd89XA](https://us02web.zoom.us/webinar/register/WN_MfkBc5kGSb-8G6Pskd89XA)

## Key Figures

The following are the main income statement indicators at the close of the first quarter:

Million pesos	QUARTER		
	1Q2022	1Q2021	VAR %
<b>Total revenue:</b>	<b>32,246.7</b>	<b>25,586.3</b>	<b>26.0%</b>
Commercial (includes services and oth	28,550.4	22,420.8	27.3%
Interest	2,816.0	2,551.7	10.4%
Leasing	880.3	613.7	43.4%
Cost of sales	19,238.2	16,101.3	19.5%
<b>Gross income</b>	<b>13,008.5</b>	<b>9,485.0</b>	<b>37.1%</b>
Gross margin	40.3%	37.1%	3.27 p.p.
<b>Total operating expenses</b>	<b>9,336.3</b>	<b>8,477.9</b>	<b>10.1%</b>
Operating Expenses	8,348.2	7,164.4	16.5 %
Provisions for overdue accounts	(268.8)	40.7	n/m
Depreciation & Amortization	1,256.9	1,272.7	(1.2%)
<b>Operating income</b>	<b>3,672.2</b>	<b>1,007.1</b>	<b>264.6%</b>
	<b>817.3</b>	<b>818.9</b>	<b>(0.2%)</b>
Net income	2,231.6	690.2	223.3%
<b>EBITDA</b>	<b>4,929.1</b>	<b>2,279.9</b>	<b>116.2%</b>
<b>EBITDA margin</b>	<b>15.3 %</b>	<b>8.9 %</b>	<b>6.4 p.p.</b>
<b>EBITDA 12 Months</b>	<b>26,558.0</b>	<b>8,717.8</b>	<b>204.6 %</b>
<b>EBITDA margin 12 Months</b>	<b>16.8 %</b>	<b>7.6%</b>	<b>9.2 p.p.</b>
<b>Same-store growth Liverpool</b>	<b>27.6%</b>	<b>1.2%</b>	<b>26.4 p.p.</b>
<b>Same-store growth Suburbia</b>	<b>24.1%</b>	<b>(16.7%)</b>	<b>40.8 p.p.</b>
<b>Same-store growth Total</b>	<b>27.2%</b>	<b>(1.5%)</b>	<b>28.7 p.p.</b>
<b>Customer's portfolio</b>	<b>32,937.7</b>	<b>27,683.7</b>	<b>19.0%</b>
<b>Past due portfolio</b>	<b>2.4%</b>	<b>5.2%</b>	<b>(2.8 p.p)</b>
<b>Portfolio coverage index</b>	<b>11.3%</b>	<b>15.6%</b>	<b>(4.3 p.p)</b>
<b>Same shopping centers occupation</b>	<b>92.1%</b>	<b>90.5%</b>	<b>1.6 p.p.</b>

## RESULTS

### I. Sales of goods and services

In the first quarter, total retail revenues increased 27.3%. During 2021, stores in the central region of the country were closed during January and part of February.

Million pesos	QUARTER		
	1Q2022	1Q2021	VAR %
<b>Commercial Revenues</b>			
Liverpool	24,883.8	19,484.3	27.7%
Suburbia	3,666.6	2,936.5	24.9%
<b>Total</b>	<b>28,550.4</b>	<b>22,420.8</b>	<b>27.3%</b>

During the quarter there was an additional Saturday compared to the same period of 2021.

### **Liverpool**

In the first quarter, same-store sales increased by 27.6% compared to 2021.

Due to the return to normal activities and the social behavior of our customers, the first quarter saw a recovery in Soft Lines, especially in apparel, fragrances, shoes, bags, and accessories. Multimedia continues to lead sales participation, particularly cell phones, home appliances, and computer equipment.

### **Suburbia**

Same store sales increased by 24.1% in the quarter.

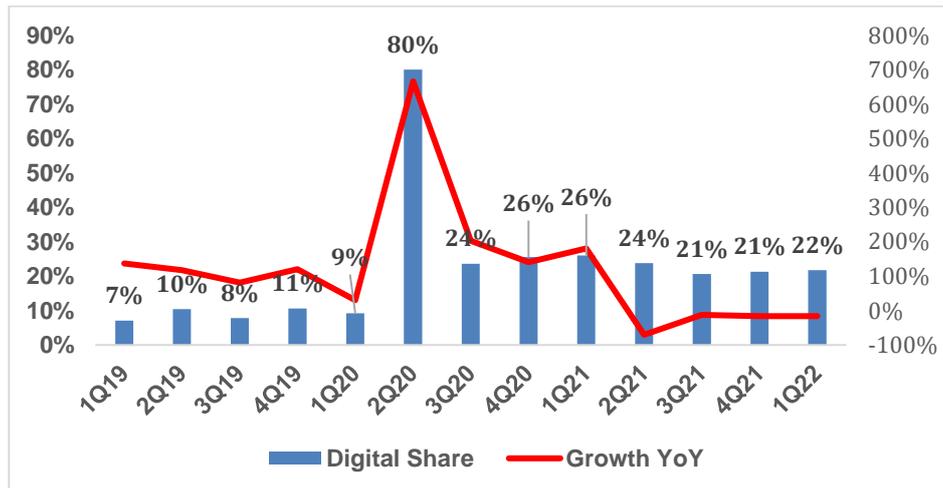
Suburbia's performance reflects the recovery of clothing sales, which is mainly related to our customers social behavior, as well as a healthier inventory position, with a significant reduction in slow-moving merchandise. Six new stores were opened during the quarter.

Department stores associated with ANTAD saw an increase in same-store sales of 21.2% for the first quarter. The clothing and footwear category, within ANTAD, grew by 26.4% in same-stores sales.

As of the date of this report, we continue to build inventory in advance to the Mother's Day and Father's Day night sales (Ventas Nocturnas), reducing the risk of inventory shortages due to the supply chain crunch caused by the slowdown in China's economy and cost increases due to the global economic conditions.

## **II. Omnichannel Strategy**

During the first quarter of the year, the digital channel continued to show favorable results, slightly above the last two quarters. The digital channel's share reached 21.8% during the quarter. Again, it is important to highlight that the 2021 comparison basis is very high given the closure of physical stores during January and part of February, generating a high digital channel share. In Marketplace, the number of sellers increased 110% compared to the same period of last year.



### III. Financial Businesses

#### Interest Income and Customer Portfolio

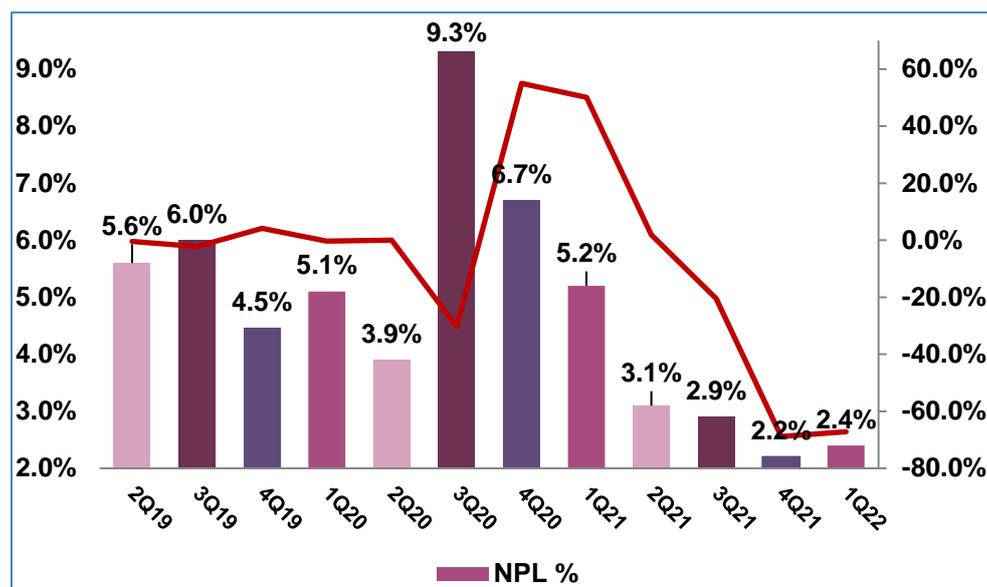
Revenues from the credit division resulted in a 10.4% increase for the first quarter, compared to the same period of 2021. The client portfolio increased by 13.2% compared to 2021. Our total number of cardholders was 6.1 million at the end of the period, which was 8.1% higher than the previous year.

During the quarter, 44.4% of Liverpool's sales were made with our means of payment, which reduced its share by 1.4 p.p. compared to 2021. This was related to the prior year's digital channel share of sales having a higher participation due to store closures.

The NPLs past 90 days overdue for Liverpool credit cards were 2.3%, 270 bps below the level reported in 1Q21.

The NPLs for Suburbia credit cards were 3.9%, representing an improvement of 441 bps compared to the end of March of the previous year.

The Group's NPLs past 90 days overdue were 2.4% at the end of the quarter. Of that figure, 10 bps correspond to the performance of the Suburbia portfolio.

**Accounts more than 90 days overdue (%) and growth rate vs. the prior year**


The quarter's portfolio coverage ratio closed at 11.3%, 4.3 p.p. lower than the same period of the previous year. The reserve represents 5.2 times the NPLs. The allowance for overdue accounts in the income statement represents a benefit of \$310 million pesos compared to the previous year as a result of the positive performance of the NPL ratio.

**TOTAL RESERVE**

Millions pesos	1Q2022	1Q2021	VAR %	2022	2021	VAR %
Initial balance of reserve:	4,887.1	6,486.3	(24.7%)	4,887.1	6,486.3	(24.7%)
(+) New reserves:	(268.8)	40.7	N/C	(268.8)	40.7	N/C
(-) Write off:	(425.5)	(1,412.8)	(69.9%)	(425.5)	(1,412.8)	(69.9%)
<b>Ending balance of reserve</b>	<b>4,192.9</b>	<b>5,114.2</b>	<b>(18.0%)</b>	<b>4,192.9</b>	<b>5,114.1</b>	<b>(18.0%)</b>

	DIC 21	DIC 20	VAR	DIC 21	DIC 20	VAR
Coverage ratio	11.3%	15.6%	(4.3 p.p)	11.3%	15.6%	(4.3 p.p)

**LIVERPOOL**

Million pesos	QUARTER			YTD		
	1Q2022	1Q2021	VAR %	2022	2021	VAR %
Initial balance of reserve:	4,470.6	5,789.2	(22.8%)	4,470.6	5,789.2	(22.8%)
(+) New reserves:	(237.9)	28.5	N/C	(237.9)	28.5	N/C
(-) Write off:	(388.1)	(1,252.9)	(69.0%)	(388.1)	(1,252.9)	(69.0%)
<b>Ending balance of reserve</b>	<b>3,844.6</b>	<b>4,564.8</b>	<b>(15.8%)</b>	<b>3,844.6</b>	<b>4,564.8</b>	<b>(15.8%)</b>

**SUBURBIA**

Million pesos	QUARTER			YTD		
	1Q2022	1Q2021	VAR %	2022	2021	VAR %
Initial balance of reserve:	416.6	697.1	(40.2%)	416.6	697.1	(40.2%)
(+) New reserves:	(30.9)	12.2	N/C	(30.9)	12.2	N/C
(-) Write off:	(37.4)	(160.0)	(76.6%)	(37.4)	(160.0)	(76.6%)
<b>Ending balance of reserve</b>	<b>348.3</b>	<b>549.3</b>	<b>(36.6%)</b>	<b>348.3</b>	<b>549.3</b>	<b>(36.6%)</b>

#### IV. Leasing

Leasing income increased by 43.4% in the first quarter compared to the same period of 2021. This increase is due to the health contingency during the first quarter of 2021.

The occupancy levels of comparable shopping centers at the end of the quarter stood at 92.1%, 1.6 p.p. above the prior year, reflecting the recovery of the real estate sector.

#### V. Cost of Goods Sold and Gross Margin

##### Retail Margin

The retail margin for the quarter was 32.6%, 4.4 p.p above when compared to the same period of 2021. This was a result of higher full-price sales from inventory control, lower discounts in the autumn-winter merchandise clearance sale, a recovery in Softline sales, and lower logistics expenses.

Million pesos	1Q2022	1Q2021	Dif %
Commercial sales	28,550.4	22,420.8	27.3%
Cost of goods sold	19,238.2	16,101.3	19.5%
<b>Commercial margin</b>	<b>32.6%</b>	<b>28.2%</b>	<b>4.4 p.p.</b>

##### Consolidated Gross Margin

The consolidated gross margin improved 327 bps during the first quarter, compared to the same period of 2021. These results can be explained by an improvement in operating results in the commercial segment.

As % of total income	1Q2022	1Q2021	VAR pbs
Retail	88.5%	87.6%	0.9 p.p.
Interest	8.7%	10.0%	(1.2 p.p)
Leasing	2.7%	2.4%	0.3 p.p.

#### VI. Operating Expenses

Total operating expense increased 10.1% during the quarter compared to 2021. Excluding depreciation and overdue accounts, quarterly expenses increased 16.5%, reflecting variable expenses associated with sales, normal store and mall operations, increased headcount in the technology and digital areas, and higher inflation.

## VII. EBITDA

EBITDA in the January-March quarter was \$4.929 billion pesos, 116% higher than the first quarter of 2021.

## VIII. Operating Income

For the first quarter, operating income was \$3.672 billion pesos, 3.6x higher than the same period of 2021.

## IX. Financial Expense and Income

In the first quarter, net interest expense was almost the same as in the same period of the previous year. This result includes a \$363 million loss on the valuation of the derivative associated with the prepayment of long-term debt made in September of last year, that we decided to maintain and therefore became speculative. This loss reflects the strength of the exchange rate.

Million pesos Net Financial Income/(Expense)	QUARTER		
	1Q2022	1Q2021	Effect
Interest	(549.8)	(793.3)	(30.7%)
Exchange Effect	95.4	(25.6)	(472.2%)
MTM Derivatives	(362.9)	-	(100.0%)
<b>Total Special Effects</b>	<b>(362.9)</b>	<b>-</b>	<b>(100.0%)</b>
<b>Total Financial Income/(Expense)</b>	<b>(817.3)</b>	<b>(818.9)</b>	<b>(0.2%)</b>

## X. Results of associated companies and joint ventures

This quarter's results show a profit of \$107 million pesos, compared to a profit of \$505 million pesos in 2021. This decrease mainly reflects the results of Grupo Unicomer related to a normalization of the doubtful accounts reserve, as opposed to the previous year when the reserve was being released.

## XI. Income Tax

The effective income tax rate (current and deferred) for the quarter, excluding the participation in associates, was 25.5%. This level is explained by the significant increase in inflation observed during the quarter.

## XII. Net Profit / Loss

This quarter we had a net profit of \$2.232 billion pesos, significantly higher than the \$690 million pesos net profit obtained in the same quarter of the previous year.

### XIII. Balance Sheet

#### Cash and Short-Term Investments

The balance of this account was \$21.643 billion pesos as of March 31<sup>st</sup>, 2021, of which 3% is invested in foreign currency (mainly in USD).

#### Inventories and Accounts Payable

The inventory account had a balance of \$25.916 billion pesos, 16.6% above previous year. This level reflects efforts to secure merchandise in the face of global supply chain issues. Suburbia's inventories closed 8.9% below the previous year.

The balance of accounts payable to merchandise suppliers was \$21.343 billion pesos, this represents an increase of 32% compared to the same period of 2021. The ratio of suppliers to inventories closed the year at 0.8x.

#### Interest-Bearing Debt and Cash Flow

The following shows the breakdown of our interest-bearing debt, at the end of the first quarter:

Million pesos	1Q2022	1Q2021	VAR %
Cost bearing debt	(30,881.6)	(38,362.0)	(19.5%)
Financial derivative instruments acquire	2,291.3	2,967.9	(22.8%)
<b>TOTAL</b>	<b>(28,590.3)</b>	<b>(35,394.1)</b>	<b>(19.2%)</b>

\*Cross currency swap

On March 17<sup>th</sup>, the bond with ticker symbol LIVEPOL 12-2 was settled for a total of \$1.9 billion pesos. The next debt maturity is scheduled for August 19<sup>th</sup> for \$1.5 billion pesos.

100% of the debt denominated in U.S. dollars is hedged with a cross currency swap, considering both principal and interest.

100% of our debt is at a fixed rate, which is weighted 7.8%. It has an average life of 5.41 years.

At the end of the period, the gross and net leverage to 12-month EBITDA ratios were 1.08x and 0.26x, respectively. These ratios were calculated considering the market valuation of financial derivative instrument hedges, as shown in the table above, and excluding the indebtedness associated with leases (IFRS 16).

#### XIV. Capital Expenditure

As of March 31<sup>st</sup>, 2022, Liverpool invested \$1.092 billion pesos in capital expenditure. Of this amount, 47% corresponds to expansion, 15% to remodeling, and 38% to logistics and systems.

#### XV. Dividends

At the Ordinary Stockholders' Meeting held on March 10, 2022, the Board of Directors declared a dividend from the Net Tax Profit Account (CUFIN in Spanish) of \$2,282 million pesos for the 1,342,196,100 shares representing the Company's capital stock. At its April 29 meeting, the Board of Directors determined that the dividend would be paid on May 27<sup>th</sup> and October 14<sup>th</sup>, both dates in 2022.

#### XVI. Expansion, Initiatives, and Recent Events

As of the date of this report, we have opened six new Suburbia stores as follows:

		2022 Openings
<b>Suburbia Stores:</b>		
1	Suburbia León Vía Alta	March 24 <sup>th</sup>
2	Suburbia Cancún Mall	March 31 <sup>st</sup>
3	Suburbia Comalcalco	April 7 <sup>th</sup>
4	Suburbia León Galerías Las Torres	April 21 <sup>st</sup>
5	Suburbia Villahermosa Galerías Tabasco 2000	April 28 <sup>th</sup>
6	Suburbia Galerías Perinorte	April 19 <sup>th</sup>

## XVI. Analyst Coverage

In accordance with the Mexican Securities Market Law, the Company hereby discloses the list of Institutions and Financial Groups that covers its financial and operational performance:

Analysts		
Bank of America Merrill Lynch	Credit Suisse	JP Morgan
Banorte	GBM	Morgan Stanley
Barclays	HSBC	Scotiabank
BBVA	Intercom	UBS
BTG Pactual	Itaú BBA	Vector

## XVII. Company Profile

El Puerto de Liverpool, S.A.B. de C.V.: (as of March 31<sup>st</sup>, 2022)

Liverpool Stores:	122	1,739,932 m2
Suburbia Stores:	166	608,995 m2
Shopping Centers:	28	569,879 m2
Boutiques:	116	71,825 m2

## XVIII. Credit Cards

Number of cards	1Q22	1Q21	VAR %
Liverpool Cards	4,964,314	4,776,476	3.9%
Suburbia Cards	1,141,488	873,453	30.7%

## Contact Details

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## Annexes

### Cash Flow

	1Q	
	2022	2021
<b>Operating income</b>	<b>3,672.2</b>	<b>1,007.1</b>
Depreciation and amortization	1,256.9	1,272.7
<b>EBITDA</b>	<b>4,929.1</b>	<b>2,279.9</b>
Interests	(506.3)	(492.4)
Derivatives	362.9	-
Taxes	(3,312.9)	(656.3)
Working capital	(5,547.3)	(3,827.4)
Clients	5,483.5	5,141.2
Inventories	(2,795.9)	(756.0)
Suppliers	(8,234.8)	(8,212.7)
Other	(2,234.4)	(1,965.4)
<b>Cashflow from operation</b>	<b>(6,308.9)</b>	<b>(4,661.7)</b>
Capex	(1,091.6)	(1,127.5)
<b>Cash flow before dividends</b>	<b>(7,400.5)</b>	<b>(5,789.2)</b>
Dividends	(1,006.5)	(2,011.9)
<b>Cashflow</b>	<b>(8,407.0)</b>	<b>(7,801.1)</b>
Paid Loans	(1,900.0)	
Lease liabilities	(545.0)	(517.6)
<b>Increase / (Decrease)</b>	<b>(10,852.0)</b>	<b>(8,318.6)</b>

**Balance Sheet as of March 31<sup>st</sup>, 2022**

Million Pesos	2022	2021	Dif	% vs AA
Cash / cash equivalent	21,642.9	17,877.3	3,765.6	21.1%
Loan portfolio	32,937.7	27,683.7	5,254.1	19.0%
Inventories	25,916.2	22,231.0	3,685.2	16.6%
Investment in associates	8,968.3	8,861.5	106.8	1.2%
Fixed assets	52,400.6	50,957.0	1,443.6	2.8%
Right of use assets	11,394.9	11,509.4	(114.5)	(1.0%)
Investment properties	22,942.4	22,252.5	689.9	3.1%
Other	32,002.6	33,749.7	(1,747.1)	(5.2%)
<b>Total Assets</b>	<b>208,205.6</b>	<b>195,122.0</b>	<b>13,083.6</b>	<b>6.7%</b>
Suppliers	21,343.1	16,167.1	5,176.0	32.0%
Short term loans	1,500.0	1,900.0	(400.0)	100.0%
Long termn loans	29,381.6	36,462.0	(7,080.4)	(19.4%)
Lease liabilities	12,510.6	12,363.9	146.6	1.2%
Other liabilities	24,665.5	21,002.7	3,662.8	17.4%
<b>Total Liabilities</b>	<b>89,400.9</b>	<b>87,895.7</b>	<b>1,505.1</b>	<b>1.7%</b>
<b>Stockholders' equity</b>	<b>118,804.8</b>	<b>107,226.3</b>	<b>11,578.5</b>	<b>10.8%</b>

**Consolidated Income Statement**  
**As of March 31<sup>st</sup>**  
**Millions of Pesos**

Million pesos	QUARTER		
	1Q2022	1Q2021	VAR %
<b>Total revenue:</b>	<b>32,246.7</b>	<b>25,586.3</b>	<b>26.0%</b>
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<b>Total operating expenses</b>	<b>9,336.3</b>	<b>8,477.9</b>	<b>10.1%</b>
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<b>EBITDA 12 Months</b>	<b>26,558.0</b>	<b>8,717.8</b>	<b>204.6 %</b>
<b>EBITDA margin 12 Months</b>	<b>16.8 %</b>	<b>7.6%</b>	<b>9.2 p.p.</b>
<b>Same-store growth Liverpool</b>	<b>27.6%</b>	<b>1.2%</b>	<b>26.4 p.p.</b>
<b>Same-store growth Suburbia</b>	<b>24.1%</b>	<b>(16.7%)</b>	<b>40.8 p.p.</b>
<b>Same-store growth Total</b>	<b>27.2%</b>	<b>(1.5%)</b>	<b>28.7 p.p.</b>
<b>Customer's portfolio</b>	<b>32,937.7</b>	<b>27,683.7</b>	<b>19.0%</b>
<b>Past due portfolio</b>	<b>2.4%</b>	<b>5.2%</b>	<b>(2.8 p.p)</b>
<b>Portfolio coverage index</b>	<b>11.3%</b>	<b>15.6%</b>	<b>(4.3 p.p)</b>
<b>Same shopping centers occupation</b>	<b>92.1%</b>	<b>90.5%</b>	<b>1.6 p.p.</b>