El Puerto de Liverpool

Grupo BMV

LIVEPOL

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

FIRST QUARTER 2023 RESULTS

El Puerto de Liverpool began the year by once again demonstrating its ability for profitable growth, with strong first quarter results. Net revenue for the first quarter increased 16.5%, with all business segments once again reporting double-digit growth. EBITDA for the first quarter reached $5.189 billion pesos, representing a 5.3% increase from 2022, while the EBITDA margin stood at 13.8%, a 1.5 p.p. decrease year over year. Taking aside the nearly $700 million-peso YoY negative impact from bad debt reserve, announced during our Investor Day, EBITDA still grew by 20.0%, with the margin improving by 43 bps.

Our credit portfolio increased 23.2% compared to the same period last year, with NPL levels at 2.8%, an increase of 38 bps compared to 1Q22, reflecting adequate credit risk management. The bad debt reserve had a coverage of 10.6%.

As of March 31st, the cash balance stood at $18.539 billion pesos, resulting in a net leverage to EBITDA ratio of 0.28x for the quarter, reflecting the Company's robust balance sheet.

Our Ecosystem

During the first quarter of 2023 we achieved significant progress in all our strategic initiatives.

GMV for our digital channel increased 33% for the quarter, compared to the same period of the previous year, ending the quarter with a 24.5% share. This reflects a 280 bps increase compared to the same period of last year.

Marketplace registered a 62% increase in sales during the quarter. The number of sellers increased 22%, while SKUs increased 44% vs the same quarter of the previous year and represented more than 42% of our total catalog.

Supply Chain and Logistics

Customers experience continues to be the foundation of the service we provide. During the first quarter of the year, delivery orders within 2 days or less increased almost 35% vs the same period of last year and accounted for 39% of the total, relatively unchanged compared to the previous year.

Click & Collect reached 36% of digital sales during the first quarter, 4 p.p. above the level reported 1Q22.

Store deliveries during 1Q23 accounted for 16% of total deliveries, 370 bps higher vs the figure reported in the same period of 2022.

At the end of the quarter, we observed an increase in inventories of almost 21%, compared to the same period of 2022. It is worth noting that, last year we were still facing merchandise shortages related to supply chain issues caused by the pandemic.

Results

- **Liverpool's same-store sales** increased 15.0% in the quarter.
- **Suburbia's same-store sales** increased 3.1% in the period.
- **Total income** for the quarter increased 16.5%.
- **EBITDA** for the quarter stood at $5.189 billion pesos.
- During the quarter, our **net profit** was $2.143 billion pesos.

Our quarterly earnings call will be held on Wednesday, April 26th, at 9 am Mexico City time. Information on how to join the call can be found at https://www.elpuertodeliverpool.mx

On March 9th, we held the third edition of Liverpool Day in person at our headquarters. The material and recordings from this session are available on our website https://www.elpuertodeliverpool.mx

Key Figures

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

Million pesos	QUARTER		
	1Q2023	1Q2022	VAR %
Total Revenue	**37,569.5**	**32,246.7**	**16.5%**
Commercial (includes services and oth	32,953.2	28,550.4	15.4%
Interest	3,583.7	2,816.0	27.3%
Leasing	1,032.6	880.3	17.3%
Gross Income	**15,216.8**	**13,008.5**	**17.0%**
Gross Margin	40.5%	40.3%	0.16 p.p.
Total Operating Expenses	**11,331.0**	**9,336.3**	**21.4%**
Operating expenses	9,624.9	8,348.2	15.3 %
Provisions for overdue accounts	402.8	- 268.8	N/C
Depreciation & amortization	1,303.3	1,256.9	3.7%
Operating Income	**3,885.8**	**3,672.2**	**5.8%**
Financing cost	**1,027.1**	**817.3**	**25.7%**
Net income	2,142.8	2,231.6	(4.0%)
EBITDA	**5,189.1**	**4,929.1**	**5.3%**
EBITDA Margin	**13.8 %**	**15.3 %**	**(1.5 p.p)**
EBITDA 12 Months	**30,946.5**	**26,558.0**	**16.5%**
EBITDA margin 12 Months	**17.1 %**	**16.8%**	**0.2 p.p.**
Same-store growth Liverpool	**15.0%**	**27.6%**	**(12.6 p.p)**
Same-store growth Suburbia	**3.1%**	**24.1%**	**(21.0 p.p)**
Same-store growth Total	**13.5%**	**27.2%**	**(13.7 p.p)**
Customer's portfolio	**40,578.9**	**32,937.7**	**23.2%**
Overdue portfolio	**2.8%**	**2.4%**	**0.4 p.p.**
Portfolio coverage index	**10.6%**	**11.3%**	**(0.7 p.p)**
Same shopping centers occupation	**91.4%**	**88.5%**	**2.9 p.p.**

RESULTS

I. Sales of goods and services

In the first quarter, total retail revenues increased by 15.4%.

Million pesos	QUARTER		
Commercial Revenues	1Q2023	1Q2022	VAR %
Liverpool	29,019.8	24,883.8	16.6%
Suburbia	3,933.4	3,666.6	7.3%
Total	**32,953.2**	**28,550.4**	**15.4%**

Liverpool

Same-store sales increased 15.0% in the quarter, compared to the same period of 2022. Transactions grew by 13.4%, while the average ticket grew 1.3%.

During the quarter, we continued to see an acceleration in the Softline categories. Geographically, regions including the northern metropolitan area of Mexico City, the North, Gulf and Southeast all reported above average growth.

Suburbia

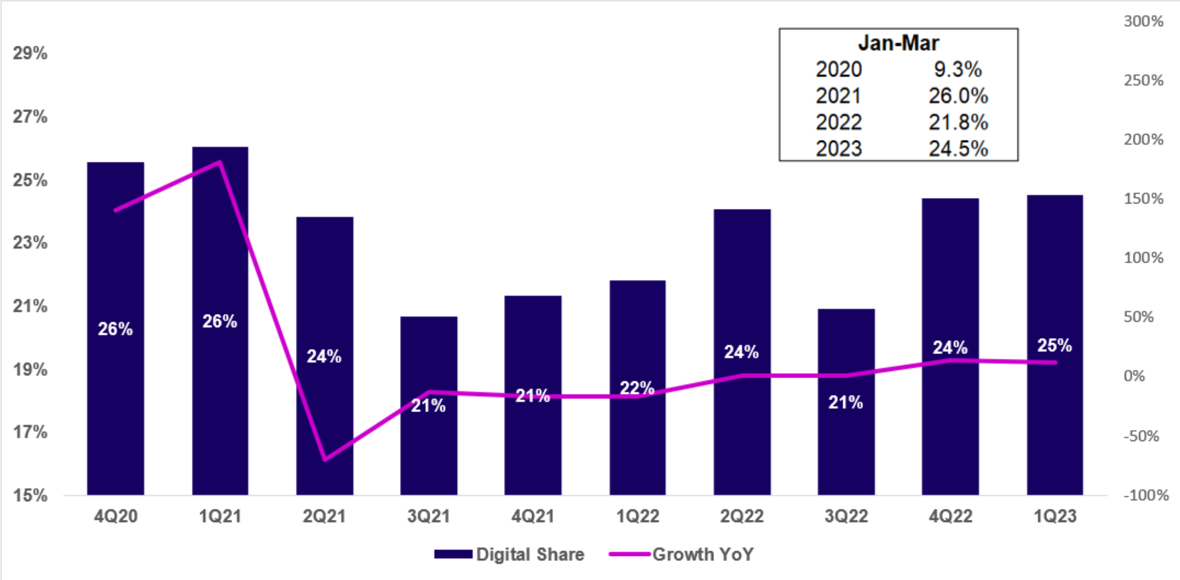
Same-store sales increased by 3.1% compared to the first quarter of 2022. Transactions increased 3.7% and the average ticket decreased 0.7%.

Department stores associated with ANTAD registered an increase in same-store sales of 5.6% during the first quarter. The clothing and footwear category, within ANTAD, registered a 10.0% same-store sales growth for the quarter, while general merchandise grew 4.2%.

II. Omnichannel Strategy

Progress in our digital channel continues to be significant. During the first quarter, the digital share of commercial revenue was 24.5%, 280 bps higher than the same period of the previous year.

The number of SKUs on our digital platform grew by 35% during the quarter and new Customers increased by 17% compared to the same quarter of the previous year. In terms of the Liverpool Pocket App, during the first quarter there were 16% more downloads than in the same period of last year, representing a 27% increase in active users when compared to 2022. These figures reflect the Company’s progress in its omnichannel strategy.



III. Financial Businesses

Interest Income and Customer Portfolio

Revenues from the credit division stood out during the period, with a 27.3% increase compared to the same period of 2022. The net portfolio increased by 23.2% vs March of 2022. Our total cardholder base closed the quarter at 6.8 million, a 10.9% increase vs the previous year.

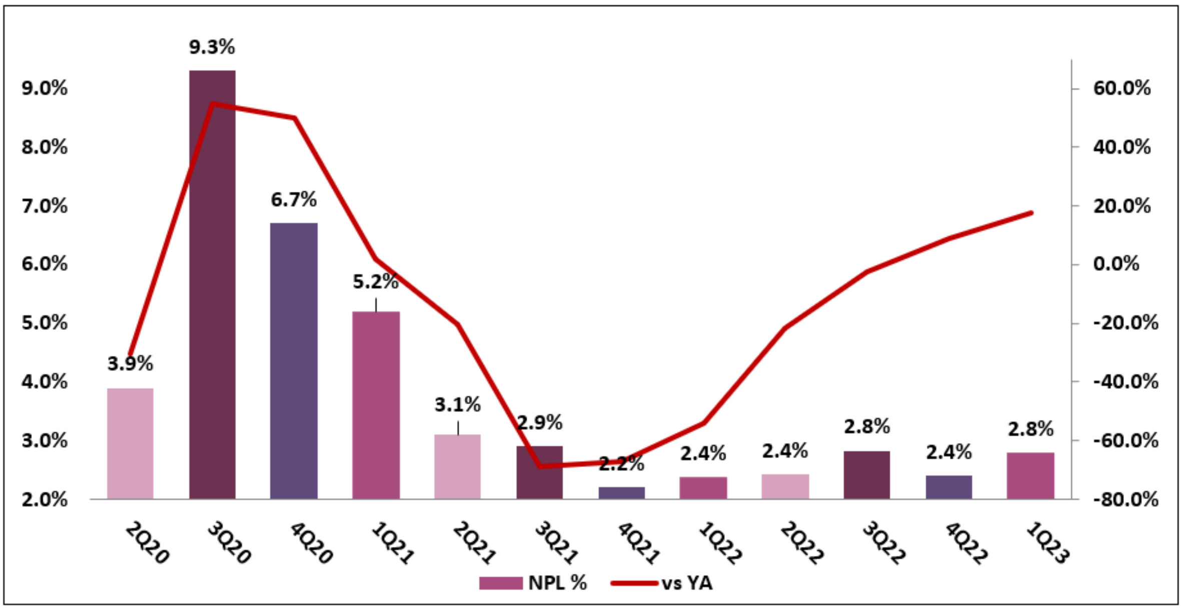
During the quarter, 46.3% of Liverpool's sales were made with our means of payment, 1.8 p.p. higher than the first quarter of 2022.

NPLs for Liverpool credit cards, past 90 days overdue, stood at 2.6%, 32 bps above the same period of last year.

Suburbia credit cards' NPLs stood at 5.2%, representing an increase of 134 bps compared to the end of March of the previous year. Suburbia's accumulated sales with our credit cards represent 27.3%, an improvement of 221 bps. At the end of the quarter, we had over 1.4 million accounts, a 26.6% increase when compared to the same quarter of last year.

The Group's NPLs, past 90 days overdue, stood at 2.8% at the end of the quarter. Of that figure, 14 bps corresponded to Suburbia's portfolio performance.

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



The portfolio's coverage ratio closed the quarter at 10.6%, 0.7 p.p. lower compared to the same period last year. Based on the balance of the non-performing loan portfolio, reserves stood at 3.8x the NPLs. Beginning this year, quarterly bad debt reserve calculations are based on an annual outlook. New reserves of $403 million pesos were created during the quarter, which contrasts with a loan for $269 million pesos recorded during 1Q22, translating in a negative impact on results of $672 million pesos. Write offs grew by 26.3%.

TOTAL RESERVES

Million pesos	1Q2023	1Q2022	VAR %
Initial reserve balance	4,924.0	4,887.1	0.8%
(+) New reserves	402.8	- 268.8	N/C
(-) Write off	(537.2)	(425.5)	26.3%
Ending reserve balance	**4,789.7**	**4,192.9**	**14.2%**

	MAR 23	MAR 22	VAR
Coverage Index	10.6%	11.3%	**(0.7 p.p)**

LIVERPOOL

	QUARTER		
Million pesos	1Q2023	1Q2022	VAR %
Initial reserve balance	4,537.3	4,470.6	1.5%
(+) New reserves	339.1	- 237.9	N/C
(-) Write off	(478.1)	(388.1)	23.2%
Ending reserve balance	**4,398.2**	**3,844.6**	**14.4%**

SUBURBIA

	QUARTER		
Million pesos	1Q2023	1Q2022	VAR %
Initial reserve balance	386.8	416.6	(7.2%)
(+) New reserves	63.8	- 30.9	N/C
(-) Write off	(59.1)	(37.4)	58.1%
Ending reserve balance	**391.4**	**348.3**	**12.4%**

IV. Leasing

Leasing income increased by 17.3% in the first quarter, compared to the same period of 2022.

The occupancy levels of comparable shopping centers at the end of the quarter stood at 91.4%, 290 bps above the same period of last year, reflecting the industry's recovery. The Real Estate Division's priority continues to be increasing occupation.

V. Cost of Goods Sold and Gross Margin

Retail Margin

The retail margin for the quarter stood at 32.2% compared to the 32.6% reported in the same quarter of 2022. This 45-bps contraction was mainly related to the normalization of promotional activity related to fall-winter closeout, partially offset by a favorable commercial mix.

	QUARTER		
Million pesos	**1Q2023**	**1Q2022**	**Dif %**
Retail sales	32,953.2	28,550.4	15.4%
Cost of goods sold	22,352.7	19,238.2	16.2%
Commercial margin	**32.2%**	**32.6%**	**(0.4 p.p)**

Consolidated Gross Margin

The consolidated gross margin increased 16 bps during the first quarter, compared to the same period of 2022. These results reflect the behavior of the commercial segment's gross margin as well as the increased share of the financial business.

	QUARTER		
As % of total income	**1Q2023**	**1Q2022**	**VAR bps**
Retail	87.7%	88.5%	(0.8 p.p)
Interest	9.5%	8.7%	0.8 p.p.
Leasing	2.7%	2.7%	0.0 p.p.

VI. Operating Expenses

Total operating expenses, excluding loan loss provision and depreciation, increased 15.3% compared to the same quarter of last year. This increase reflects variable expenses associated with higher sales and a higher minimum wage, new vacation and pension laws, above-average wage inflation in divisions such as Logistics, Digital and Technology, and an increased headcount, especially in these last two areas.

VII. EBITDA

EBITDA for the quarter reached $5.189 billion pesos, a 5.3% increase compared to the first quarter of 2022. The quarter also saw a margin of 13.8%, which was 1.5 p.p. lower than the previous year. However, when excluding the effects from the bad debt reserves, EBITDA grew 20.0% and reached a margin of 14.9%, which was 43 bps higher than in 2022 on the same basis.

VIII. Operating Income

For the first quarter, operating income was $3.886 billion pesos, 5.8% higher than the same period of 2022.

IX. Financial Expense and Income

During the first quarter, the net financial expense was $1.027 billion pesos, 25.7% higher than in 2022. There was a 15.1% decrease in net interest expense without considering extraordinary effects, compared to the same period of the previous year. The mark to market (MTM) of the speculative derivative, included in the net interest expense, had a negative effect of $450 million pesos, which is 24.5% higher than 2022, mainly due to the 7.3% revaluation of the Mexican peso against the U.S. dollar.

Million pesos	QUARTER		
Net Financial Income/(Expense)	1Q2023	1Q2022	Effect
Interest	(467.0)	(549.8)	(15.1%)
Exchange Effect	(109.9)	94.1	N/C
Derivative MTM	(450.1)	(361.6)	24.5%
Total Financial Income/(Expense)	(1,027.1)	(817.3)	25.7%

X. Results of associated companies and joint ventures

This quarter's results reflect a $79 million pesos profit, a 26% decrease compared to the previous year. This contraction is mainly driven by Unicomer's results.

XI. Income Tax

The effective annual income tax rate (current and deferred), excluding the participation in associated companies, was 27.7%, compared to the 25.5% reported in 2022.

XII. Net Profit / Loss

This quarter we reported a net profit of $2.143 billion pesos, representing a 4.0% decrease compared to the previous year. Without the effect of the aforementioned bad debt, growth would be of 18.7%.

XIII. Balance Sheet

Cash and Short-Term Investments

As of March 31st, 2023, the balance of this account was $18.539 billion pesos. Of the total amount, 22.3% is invested in foreign currency (mainly in USD).

Inventories and Accounts Payable

The inventory account had a balance of $31.284 billion pesos, 20.7% higher than the previous year. We consider that the current inventory level does not represent a risk to our profitability for 2023.

The balance of accounts payable to merchandise suppliers was $25.987 billion pesos, representing a 21.8% increase compared to the end of the previous year. This item includes factoring operations.

Interest-Bearing Debt and Cash Flow

The following table shows the breakdown of our interest-bearing debt:

Million pesos	1Q2023	1Q2022	VAR %
Cost bearing debt	(27,890.3)	(30,881.6)	(9.7%)
Financial derivative instruments*	800.0	2,291.3	(65.1%)
TOTAL	**(27,090.3)**	**(28,590.3)**	**(5.2%)**

*Cross currency swap

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; the weighted average rate is 7.83%.

At the end of the period, the gross and net leverage to 12-month EBITDA ratios were 0.88x and 0.28x, respectively. These ratios were calculated considering the market valuation effect of financial derivate instrument hedges, as shown in the table above, excluding the indebtedness associated with leases (IFRS 16).

There are no debt maturities in 2023. Our next maturity, for almost four billion pesos, will be conducted in October 2024.

Operating Cash Flow

During the first quarter, we reported an operating cash flow of -$4.248 billion pesos, almost two billion pesos above 2022. This difference was mainly due to operating income and lower working capital requirements.

XIV. Capital Expenditure

As of March 31st, 2023, Liverpool invested $1.114 billion pesos in capital expenditure, 2.1% higher than the previous year. This figure represented 3.0% of the consolidated revenue. Of this amount, approximately 32% corresponds to expansions and remodeling, 28% to the Plataforma Logística Arco Norte (PLAN), and 24% to openings.

XV. Dividends

The Ordinary Stockholders' Meeting, held on March 16th, 2023, declared a dividend from the Net Tax Profit Account (CUFIN in Spanish), prior to 2013, of $3.503 billion pesos ($2.61 per share) on the 1,342,196,100 shares representing the Company's capital stock. The total amount of dividends represents 20.2% of net income for fiscal year 2022. Payments will be made beginning May 26th for $2.107 billion ($1.57 per share) and October 13th for $1.396 billion ($1.04 per share).

XVI. Expansion, Initiatives, and Recent Events

On January 24th, we opened Liverpool Parque Tepeyac in northern Mexico City. This is the only opening planned for Liverpool during 2023. Additionally, on January 8th, La Isla's Liverpool in Cancun was closed.

Meanwhile, the remodeling of Liverpool Santa Fe in Mexico City continues to progress according to plan.

On March 30th, we opened Suburbia Peninsula, our fourth store in Tijuana, Baja California. Likewise, the following day, Suburbia Navojoa was opened in Sonora. With these openings, we continue to gain presence in the northern part of the country. On February 10th, we closed Suburbia Ayotla in the State of Mexico.

On April 12th, we opened our first BYD showroom in Galerías Insurgentes in Mexico City.

XVII. Analyst Coverage

In compliance with the Mexican Securities Market Law, the Company hereby discloses the Institutions and Financial Groups that cover its financial and operational performance:

Bank of America Merrill Lynch	GBM	Santander
Banorte	HSBC	Scotiabank
Barclays	Intercam	UBS
BBVA	Itaú BBA	Vector
BTG Pactual	JP Morgan	
Citi	Morgan Stanley	

XVIII. Company Profile

El Puerto de Liverpool, S.A.B. de C.V.: (as of March 31st, 2023)

Liverpool Stores:	124	1,801,041 m2
Liverpool Express	10	2,428 m2
Suburbia Stores:	180	656,242 m2
Shopping Centers:	28	606,726 m2
Boutiques:	114	72,738 m2

XIX. Credit Cards

Number of cards	1Q22	1Q23	VAR %
Liverpool Cards	4,964,314	5,344,361	7.7%
Suburbia Cards	1,141,488	1,424,243	24.8%

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Annexes

Cash Flow as of March 31st, 2023

Cash Flow

	CUMULATIVE	
	2023	2022
Operating income	**3,885.8**	**3,672.2**
Depreciation and amortizati	1,303.3	1,256.9
EBITDA	**5,189.1**	**4,929.1**
Interests	(440.1)	(506.3)
Paid Income Tax	(1,708.8)	(3,312.9)
Working capital	*(4,463.4)*	*(5,547.3)*
Clients	5,891.5	5,483.5
Inventories	(3,143.7)	(2,795.9)
Suppliers	(7,211.2)	(8,234.8)
Other	(2,770.8)	(1,862.3)
Cashflow from operations	**(4,194.0)**	**(6,299.7)**
Capex	(1,114.0)	(1,091.6)
Cash flow before dividends	**(5,308.0)**	**(7,391.3)**
Dividends	-	(1,006.5)
Cashflow	**(5,308.0)**	**(8,397.8)**
Paid Loans	-	(1,900.0)
Other Investment	(56.1)	(9.2)
Lease liabilities	(613.0)	(545.0)
Increase / (Decrease)	**(5,977.1)**	**(10,852.0)**

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LIVEPOL

Balance Sheet as of March 31st, 2023

Million Pesos	2023	2022	Dif	% vs AA
Cash / cash equivalent	18,539.1	21,642.9	(3,103.8)	(14.3%)
Loan portfolio	40,578.9	32,937.7	7,641.2	23.2%
Inventories	31,284.3	25,916.2	5,368.1	20.7%
Nordstrom Investment	4,624.6	0.0	4,624.6	100.0%
Unicomer Investment	7,428.9	6,865.4	563.5	8.2%
Other Investment in Associates	2,504.5	2,102.9	401.6	19.1%
Fixed assets	54,958.0	52,400.6	2,557.4	4.9%
Investment properties	24,413.8	22,942.4	1,471.4	6.4%
Right of use assets	12,250.6	11,394.9	855.7	7.5%
Other	29,629.8	32,002.6	(2,372.8)	(7.4%)
Total Assets	**226,212.6**	**208,205.6**	**18,007.0**	**8.6%**
Suppliers	25,986.7	21,343.1	4,643.6	21.8%
Short term loans	0.0	1,500.0	(1,500.0)	(100.0%)
Long term loans	27,890.3	29,381.6	(1,491.3)	(5.1%)
Lease liabilities	13,602.5	12,510.6	1,092.0	8.7%
Other liabilities	28,308.2	24,665.5	3,642.7	14.8%
Total Liabilities	**95,787.7**	**89,400.9**	**6,386.9**	**7.1%**
Stockholders' equity	**130,424.8**	**118,804.8**	**11,620.1**	**9.8%**

El Puerto de Liverpool

Grupo BMV

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Consolidated Income Statement
As of March 31st, 2023
Millions of Pesos

	QUARTER		
	1Q2023	1Q2022	% VAR.
Commercial Income	**32,953.2**	**28,550.4**	**15.4**
Leasing Income	**1,032.6**	**880.3**	**17.3**
Interest Income	**3,583.7**	**2,816.0**	**27.3**
Total Income	**37,569.5**	**32,246.7**	**16.5**
COGS	(22,352.7)	(19,238.2)	16.2
Commercial Gross Profit	**10,600.5**	**9,312.2**	**13.8**
Commercial Margin	32.2 %	32.6 %	(0.4 p.p)
Net Gross Profit	**15,216.8**	**13,008.5**	**17.0**
Gross Margin	40.5 %	40.3 %	0.2 p.p.
Operating expenses without depreciation, overdue accounts and one time provisions	**(9,624.9)**	**(8,348.2)**	**15.3**
Provisions for overdue accounts	**(402.8)**	**268.8**	**N/C**
EBITDA Expenses	**(10,027.7)**	**(8,079.5)**	**24.1**
Depreciation & Amortization	(1,303.3)	(1,256.9)	3.7
Net Operating Expenses	**(11,331.0)**	**(9,336.3)**	**21.4**
Consolidated Operating Income	3,885.8	3,672.2	5.8
Consolidated EBITDA	**5,189.1**	**4,929.1**	**5.3**
Consolidated EBITDA Margin	13.8 %	15.3 %	(1.5 p.p)
Financing expense	**(467.0)**	**(549.8)**	**(15.1)**
Foreign exchange gain	**(560.0)**	**(267.5)**	**109.4**
Profit before income tax	**2,858.7**	**2,854.9**	**0.1**
Income Tax	(791.7)	(727.2)	8.9
Effective Rate	27.7 %	25.5 %	
Net Income before Investment in Associates	**2,067.0**	**2,127.7**	**(2.9)**
Investment in Associates	**79.0**	**107.3**	**(26.4)**
Net Income	**2,146.1**	**2,235.0**	**(4.0)**
Non-controlling Net Income	**3.3**	**3.4**	**(5.1)**
Controlling Net Income	**2,142.8**	**2,231.6**	**(4.0)**