



## GRUPO LALA REPORTS SECOND QUARTER 2019 RESULTS

Mexico City, July 24, 2019 – Grupo LALA, S.A.B. de C.V., a Mexican Company focused on healthy and nutritious foods, (“LALA”) (BMV: LALA), today reported results for the second quarter 2019. The following information has been presented based on International Financial Reporting Standards (IFRS) and in nominal terms.

### Quarter Highlights:

- Comparable Net Sales increased 3.3% in constant currency and 1.5% in consolidated figures, driven by +3.9% from Mexico with flat sales in Brazil, and a 9.6% BRL depreciation
- Comparable EBITDA grew 14.4% YOY, to MXN \$2,210m
- +130bps EBITDA margin expansion; the highest margin in the last six quarters, having all regions increasing margins
- Mexico reached a 13.6% EBITDA margin, a 10bps YOY and sequential improvement
- Brazil with a 7.8% EBITDA margin, mitigating high raw milk cost by anticipating price increase vs. competitors
- USA delivered highest EBITDA since business was acquired, with 2.8% margin
- Controlling Net Income expanded +44.6% YOY to MXN \$536m, due to the strengthened Operating Income and optimized tax rate
- -290bps YOY Working Capital improvement, to 2.7% of sales
- 3.1x leverage ratio (*pro forma of 2.9x including Itambé settlement paid on July 3, 2019*)

The following chart provides an abridged Income Statement, in millions of pesos. The margin for each figure represents its ratio to net sales for the quarter ended on June 30, 2019 as compared to the same period in 2018. Net Sales and EBITDA information related to Q2’18 has been presented on “comparable” basis. Comparable Q2’18 figures will include the effect of IFRS 16 and the deconsolidation of Elopak.

MXN\$ in millions	Q2’18	% Sales	Q2’19	% Sales	Var. %	Var. bps
Net Sales	18,596 <sup>(1)</sup>	100%	18,876	100%	1.5%	
Gross Profit	6,611	35.0%	6,839	36.2%	3.4%	+120bps
Operating Income	1,311	6.9%	1,452	7.7%	10.8%	+80bps
EBITDA <sup>(2)</sup>	1,932 <sup>(1)</sup>	10.4%	2,210	11.7%	14.4%	+130bps
Controlling Net Income	371	2.0%	536	2.8%	44.6%	+80bps

(1) Comparable figures, including IFRS 16 adjustments and the deconsolidation of Elopak JV

(2) EBITDA is defined as operating income before depreciation and amortization

### MESSAGE FROM MANAGEMENT

#### Mauricio Leyva, Grupo LALA’s CEO, commented:

“The virtuous cycle is in place and starting to deliver results, albeit lower than expected topline growth in Q2. Productivity initiatives are fueling resources for our premiumization and value-added growth strategies in Mexico, allowing us to invest more in innovation and categories like premium milk and plant-based beverages. We have started to see signs of profitability recovery, as well as a strengthened working capital, setting the path to deleverage the business and increase value for our shareholders.”

## REPORTING CHANGES

### IFRS 16 and Deconsolidation of Elopak

As explained during Q1'19, Grupo LALA applied IFRS 16 accounting standards into its financial statements and deconsolidated the Company's Elopak Joint Venture, effective January 1, 2019.

Due to its non-material effect, historical financial statements have not been restated. 2018 Net Sales and EBITDA have been adjusted in 2019 for comparison purposes only. The Deconsolidation of Elopak does not affect Controlling Net Income; therefore, during 2019 this will be used to evaluate the performance of the business.

The following chart shows the estimated full year 2019 net variation by region and consolidated:

Sales	Net Variation
Mexico	-1.9%
<b>Group Sales</b>	<b>-1.5%</b>
EBITDA	Net Variation
Mexico	+44bps
Brazil	+80bps
United States	+74bps
Central America	+50bps
<b>Group EBITDA</b>	<b>+48bps</b>

## CONSOLIDATED RESULTS FOR

### THE SECOND QUARTER 2019

**Net Sales:** Second quarter 2019 comparable net sales increased 3.3% in constant currency and 1.5% in consolidated figures, reaching \$18,876 million pesos. These results were adversely impacted by a 9.6% depreciation of the BRL on consolidated Pesos, a -1.7pp translation effect on sales growth for the second quarter 2019.

#### Sales by Region:

Net Sales in **Mexico** for the second quarter increased by 3.9% YOY on a comparable basis, to \$14,467 million pesos, primarily driven by innovation and an improved mix. Value-Added Dairy reflected a high single digit increase fueled by the Premium Milk, Cheese, Cream and Yogurt categories, while Plant-Based reflected a triple digit increase, achieving the second largest share in this market. Volume in Mexico contracted slightly, due to: 1) a softening in consumption, 2) double digit contraction in Beverages (soft drinks), in line with the Company's strategic focus on higher-profit categories, and 3) flat Milk volume.

Grupo LALA's **Brazil** operations reported second quarter net sales of \$2,839 million pesos; a 0.3% year-on-year increase when expressed in BRL. The result was due to a combination of price increases, which were executed between Q4'18 and Q1'19 to offset raw milk price inflation, constrained UHT Milk sales, and given the challenging macroeconomic situation in Brazil. Volume in Other Dairy declined below mid-single digit, as pricing to offset raw milk costs was implemented ahead of competitors in Q2. A 9.6% depreciation of the BRL adversely impacted these results in Mexican Pesos.

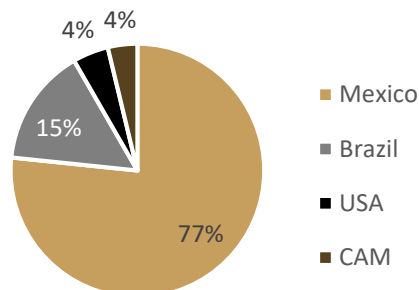
**USA** reported \$860 million pesos in net sales, a 1.6% growth in USD. Volume of Promised Land reflected a low single digit increase while Drinkable Yogurt declined by double digit. This was due to: 1) a slow-down in the yogurt category growth, and 2) an increased focus on a more profitable geographic and channel footprint.

LALA's **Central America** grew 4.4% in constant USD, to reach \$710 million pesos. This increase was driven by sales expansion in local currencies of 14.7% in Guatemala and 10.1% in Nicaragua, with volume growing double digit across all segments. Local currencies depreciation adversely impacted results when conveyed in Mexican Pesos.

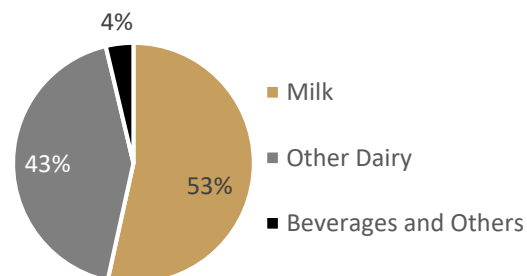
Regions	Volume KL in millions <sup>(1)</sup>			Net Sales MXN\$ in millions			
	Q2'18	Q2'19	Var. %	Comparable <sup>(2)</sup>	Reported	Vs Comparable	Vs Comparable constant currency <sup>(3)</sup>
				Q2'18	Q2'19	Var. %	Var. %
Mexico	780	773	(0.9%)	13,922	14,467	3.9%	3.9%
Brazil	98	95	(3.3%)	3,132	2,839	(9.3%)	0.3%
USA	22	20	(8.5%)	856	860	0.5%	1.6%
CAM	34	37	8.8%	686	710	3.5%	4.4%
<b>Total Sales</b>	<b>934</b>	<b>925</b>	<b>(1.0%)</b>	<b>18,596</b>	<b>18,876</b>	<b>1.5%</b>	<b>3.3%</b>

- (1) Volume is measured in "KL", which is calculated by adding Kilos and Liters.  
(2) Comparable is defined as the reported year-ago result, including Elopak JV deconsolidation  
(3) Constant currency uses constant BRL for Brazil and USD for the United States and Central America

Net Sales by Region  
As Reported Q2'19



Net Sales By Segment  
As Reported Q2'19



Sales by Segment:

**Milk** comparable constant currency sales grew 5.1% during the second quarter of 2019, reflecting solid results in Mexico, USA and CAM, which offset a decrease in Brazil UHT Milk sales.

**Other Dairy** sales growth was driven by mid-single digit growth in Mexico and CAM, partially offset by a 9.6% BRL depreciation year-on-year.

**Beverages and Others**, Plant Based Beverages grew strongly during this quarter; however, the segment contracted year-on-year mainly due to lower raw milk sales and a decrease in volume of Beverages (soft drinks) in Mexico, in line with the Company's strategy to focus on more profitable and Premium categories.

Net Sales by Segment	Comparable <sup>(2)</sup>	Reported	Vs Comparable	Vs Comparable constant currency <sup>(3)</sup>
MXN\$ in millions	Q2'18	Q2'19	Var. %	Var. %
Milk	9,565	10,025	4.8%	5.1%
Other Dairy	8,097	8,076	(0.3%)	3.4%
Beverages and Others	934	775	(17.0%)	(16.8%)
<b>Total Sales</b>	<b>18,596</b>	<b>18,876</b>	<b>1.5%</b>	<b>3.3%</b>

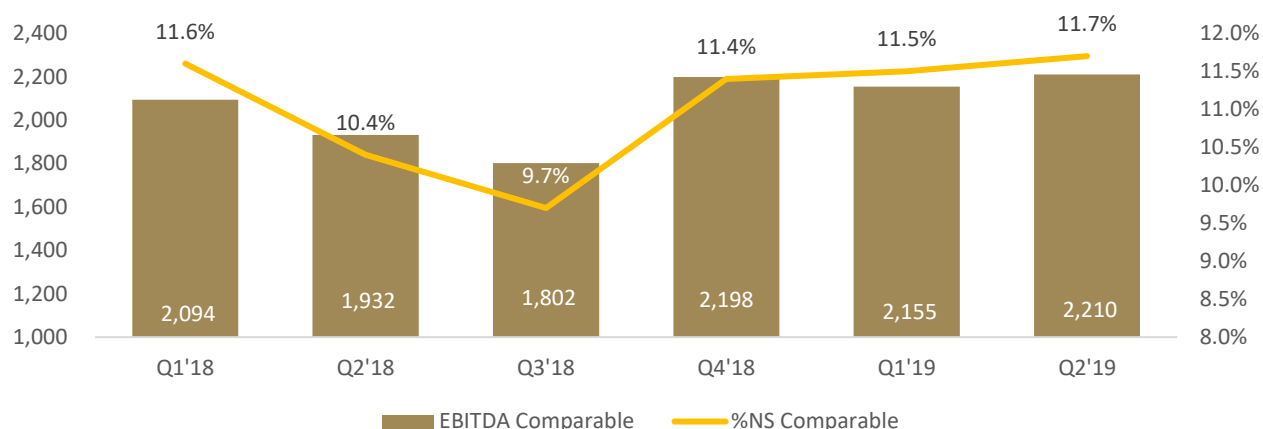
- (1) Volume is measured in "KL", which is calculated by adding Kilos and Liters.  
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**Costs and Gross Profit:** Costs of Goods Sold decreased 1.8%, resulting in a Gross Profit of \$6,839 million pesos; a 120bps expansion in gross margin to 36.2%. This result was due to a combination of price increases, a decrease in low-margin volume, savings related to operational productivity in Mexico and Brazil, which more than offset 25% increase in raw milk costs in Brazil. The Company remains focused on implementing productivity initiatives throughout all regions, notably ZBB (zero based budgeting) and RGM (revenue growth management) in Mexico.

**Expenses and Operating Income:** Operating expenses increased 1.3% to \$5,515 million pesos, behind strict controls of fixed and overhead costs. Reported operating income was \$1,452 million pesos; a 10.8% increase with a 7.7% operational margin; this represents an 80bps year-on-year operating margin expansion.

**EBITDA:** Second quarter EBITDA was \$2,210 million pesos, resulting in a 14.4% year-on-year increase in comparable figures, a 130bps year-on-year margin expansion, and a 20bps sequential margin increase. This is the result of The Company's virtuous cycle strategy and the actions taken to successfully expand margins across the regions.

The following chart reflects the EBITDA margin evolution on comparable basis. EBITDA on comparable basis includes IFRS 16 adjustments and Elopak JV deconsolidation:



**EBITDA by Region:**

EBITDA by Region <i>MXN\$ in millions</i>	Comparable <sup>(1)</sup>		As reported		Vs. Comparable
	Q2'18	% NS	Q2'19	% NS	Var. bps
<b>Mexico</b>	1,880	13.5%	<b>1,962</b>	<b>13.6%</b>	10
<b>Brazil</b>	170	5.4%	<b>220</b>	<b>7.8%</b>	240
<b>USA</b>	(48)	(5.6%)	<b>24</b>	<b>2.8%</b>	840
<b>CAM</b>	(70)	(10.2%)	<b>3</b>	<b>0.5%</b>	1070
<b>Total EBITDA</b>	<b>1,932</b>	<b>10.4%</b>	<b>2,210</b>	<b>11.7%</b>	<b>130</b>

(1) Comparable is defined as the reported year-ago result, including IFRS 16 adjustments and Elopak JV deconsolidation

In **Mexico**, second quarter EBITDA was \$1,962 million pesos, or 13.6% of sales; a 10bps year-on-year and sequential expansion on a comparable basis. The expansion is a combination of: 1) an optimized assortment with strong results in value-added categories, such as Premium Milk and Other Dairy, 2) ZBB and RGM initiatives, and 3) price increases taken in Q4'18 and Q1'19.

In **Brazil**, LALA closed the quarter with \$220 million pesos in EBITDA, with a 7.8% margin; a year-on-year comparable growth of 240bps. It is important to note that Q2'18 results were affected by a nation-wide trucker strike. As previously noted, this margin expansion comes from the price increase taken during Q1'19 as well as progress in the synergies between Brazil and

Mexico operations, which materially offset a significant 25% increase in raw milk in this country, enabling the Company to successfully deliver 20bps in sequential margin expansion.

The **USA** business reached its highest EBITDA margin since the business was acquired, achieving a 2.8% EBITDA on sales. LALA USA closed the quarter with \$24 million pesos (USD \$1.3m); a year-on-year increase of USD \$3.8 million. This resulted in a YOY and sequential expansion of 840bps and 80bps respectively, driven by operational improvements, restructuring benefits and pricing.

**Central America** achieved break-even for the third consecutive quarter, with a \$3 million pesos EBITDA, and a 0.5% margin. This was due to scaling down operations in Nicaragua, as well as the Panama office closure, along with improving operations in Guatemala and Costa Rica.

**Net Financial Expenses:** During the second quarter, the Company had \$677 million pesos in financing expenses, comprised of debt-related interest associated with the acquisition of Vigor in Brazil. Financing expenses grew 13.5% year-on-year. On one hand, Interest rate in Mexico increased by 38bps YOY, augmenting the Company's financing cost by 10 million pesos, and on the other, the adoption of IFRS 16, meant a reclassification of \$38 million pesos from Operating Income to Financial Charges.

**Taxes:** Taxes for the second quarter 2019 were \$253 million pesos. The effective tax rate decreased from 44.0% in Q2'18 to 32.1% in Q2'19, mainly behind an improved tax rate in Mexico from reduction of non-deductible expenses and a lower inflation (annual inflation adjustment).

**Controlling Net Income:** Controlling Net Income increased 44.6%, to \$536 million pesos, behind stronger operating results and a lower effective tax rate. As Q2'18 Controlling Net Income does not include Grupo LALA's Elopak JV stake, it is comparable to Q2'19 results.

MXN\$ in millions	As reported		
	Q2'18	Q2'19	Var %
<b>Operating Income</b>	<b>1,311</b>	<b>1,452</b>	<b>10.8%</b>
Financing Expenses	597	677	13.5%
<b>Net income before taxes</b>	<b>714</b>	<b>789</b>	<b>10.5%</b>
% NS	3.8%	4.2%	
<b>Taxes</b>	<b>314</b>	<b>253</b>	<b>(19.5%)</b>
Effective tax rate	44.0%	32.1%	
<b>Net Income</b>	<b>400</b>	<b>536</b>	<b>34.0%</b>
% NS	2.1%	2.8%	
<b>Controlling Net Income</b>	<b>371</b>	<b>536</b>	<b>44.6%</b>
% NS	2.0%	2.8%	

## CONSOLIDATED

### FINANCIAL POSITION

**Capital Investment:** Year-to-date, the Company has invested \$807 million pesos in capacity expansion and maintenance CapEx. This represents a Capex over Sales ratio of 2.1%.

**Cash and Cash Equivalents:** As of June 30, 2019, Grupo LALA had a cash position of \$1,778 million pesos, negatively affected by the deconsolidation of Elopak JV by \$132 million pesos.

**Working Capital:** As of June 30, 2019, the Company's consolidated working capital over sales ratio was of 2.7%, a -290bps year-over-year improvement. Working Capital was reduced during the quarter due to the successful renegotiation of trade terms with certain key suppliers and by optimizing inventory levels across the supply chain.

**Total Debt:** LALA ended the quarter with total debt of \$27,470 million pesos, comprised of \$4,986 million pesos in short-term debt and \$22,484 million pesos in long-term debt. The Company's Net Debt is \$25,692 million pesos, representing a Net Debt-to-EBITDA ratio of 3.1x. The deconsolidation of Elopak JV and implementation of IFRS 16 had a negative impact of +0.08x on this ratio.

Including payment received on July 3, 2019, from the recently announced Itambé settlement, LALA's pro forma leverage ratio would be of 2.9x.

The following table shows the composition of the Company's debt by currency, interest rate and year of maturity as of June 30, 2019.

Currency	% Total Debt	% Weighted avg. Cost of debt	Average maturity
Mexican Pesos	90%	TIEE + 0.6%	4.2 years
Brazilian Reals	10%	CDI + 0.5%	0.6 years

**Key Financial Data:** As of June 30, 2018, the Company's key financial ratios were as follows:

Financial Metrics	Q2'18	Q2'19
Net Debt / EBITDA	3.1x	3.1x
EBITDA / Interest Paid	4.6x	3.3x
Earnings per Share (12 months)	\$ 0.92	\$ 0.87
Book Value	\$ 11.47	\$ 9.99
Outstanding shares (in millions)	2,475.9	2,475.9
ROIC %	7.3%	7.6%

#### Share buyback program

As of June 30, 2019, the Company's share buyback program had a balance of 32,897,757 shares, at a weighted average price of \$24.10 pesos per share for a total balance of \$875,047,738.80 pesos.

#### Sell-side analyst coverage

In compliance with the internal regulation of the BMV, article 4.033.01 Frac. VIII, Grupo LALA is covered by analysts at the following brokers: Actinver, Bank of America Merrill Lynch, Banorte-IXE, Barclays, BBVA Bancomer, BTG Pactual, Citigroup, Credit Suisse, GBM Grupo Bursatil Mexicano, Goldman Sachs, Intercam, INVEX Banco, JP Morgan, Monex, Santander, Scotiabank, UBS and Vector

#### Contact – Investor Relations

David González Peláez, Elisa Manzato and Elías Rangel

Tel.: +52 (55) 9177- 5900

[investor.relations@grupolala.com](mailto:investor.relations@grupolala.com)

## About LALA

Grupo LALA is a Mexican company focused on healthy and nutritious foods, with more than 65 years of experience in the production, innovation and marketing of milk, dairy products and beverages under the highest quality standards. The Company operates 31 production plants and 172 distribution centers in Mexico, Brazil, United States and Central America, supported by more than 38,000 employees. Grupo LALA's fleet of approximately 7,000 vehicles distributes its more than 600 products to more than 578,000 points of sale. LALA's portfolio is led by its three main brands: LALA®, Nutri Leche® and Vigor®.

For more information, visit: [www.lala.com.mx](http://www.lala.com.mx)

Grupo LALA trades on the Mexican Stock Exchange under the ticker symbol "LALAB"

This press release contains certain forward-looking statements about the Company's results and outlook. However, actual results may vary materially from these estimates. The information on future events contained in this press release should be read together with a summary of these risks, which are included in the Annual Report. That information, as well as future reports issued by the Company or any of its representatives, whether verbally or in writing, may vary materially from actual results. These projections and estimates, which were prepared with reference to a specific date, should not be considered as fact. The Company has no obligation whatsoever to update or revise any of these projections and estimates, whether as a result of new information, future events, or other associated events.

## CONFERENCE CALL INFORMATION



Thursday July 25, 2019, at  
11:00am EST / 10:00am CST



Mauricio Leyva, Chief Executive Officer  
Alberto Arellano, Chief Financial Officer  
David González, Investor Relations Officer



Webcast:  
<http://public.viavid.com/index.php?id=135100>

To participate, please dial-in ten minutes ahead of the scheduled time.

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To Access the replay service (1 week), please dial:

<b>United States:</b> +1 844 512 2921 (Toll-free)	<b>International:</b> +1 412 317 6671	<b>PIN #:</b> 13692093
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**GRUPO LALA, S.A.B. DE C.V.**  
**Consolidated Income Statements**  
**ended June 30, 2018 and 2019**  
**(In thousands of nominal pesos)**

	For the three months ended			
	2018		2019	
	June 30,			
	2018		2019	
<b>Net sales</b>	\$ 18,869,644	100.0%	\$ 18,875,744	100.0%
Cost of goods sold	12,258,793	65.0%	12,036,884	63.8%
<b>Gross profit</b>	<u>6,610,851</u>	<b>35.0%</b>	<u>6,838,860</u>	<b>36.2%</b>
Other income (expenses), net	(146,344)	(0.8)%	(128,732)	(0.7)%
Operating expenses	<u>5,446,593</u>	28.9%	<u>5,515,250</u>	29.2%
<b>Operating Income</b>	<u>1,310,602</u>	<b>6.9%</b>	<u>1,452,342</u>	<b>7.7%</b>
Net of financial (income) expenses				
Net of financial income	662,502	3.5%	649,985	3.4%
Exchange rate (profit) loss	(52,026)	(0.3)%	27,124	0.1%
Financial instruments	<u>(13,745)</u>	(0.1)%	<u>0</u>	0.0%
<b>Financial income, net</b>	<u>596,731</u>	<b>3.2%</b>	<u>677,109</u>	<b>3.6%</b>
Share in the results of associated companies	356	0.0%	13,642	0.1%
<b>Income before taxes</b>	<u><b>714,227</b></u>	<b>3.8%</b>	<u><b>788,875</b></u>	<b>4.2%</b>
Income tax expense	314,146	1.7%	252,875	1.3%
<b>Net consolidated income</b>	<u><u><b>400,081</b></u></u>	<b>2.1%</b>	<u><u><b>536,000</b></u></u>	<b>2.8%</b>
Non-controlling interest	29,280	0.2%	0	0.0%
<b>Equity holders of the parent</b>	<u><u><b>\$ 370,801</b></u></u>	<b>2.0%</b>	<u><u><b>\$ 536,000</b></u></u>	<b>2.8%</b>
Depreciation and amortization	559,703	3.0%	757,797	4.0%
<b>EBITDA</b>	<u><u><b>\$ 1,870,305</b></u></u>	<b>9.9%</b>	<u><u><b>\$ 2,210,139</b></u></u>	<b>11.7%</b>
Effective income tax rate	44.0%		32.1%	



**GRUPO LALA, S.A.B. DE C.V.**  
**Consolidated Statement of Financial Position**  
**at June 30, 2018 and 2019**  
**(In thousands of nominal pesos)**

	As of June 30, 2018	As of June 30, 2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,445,641	\$ 1,778,045
Investments in financial instruments	236,104	249,026
Accounts receivable	6,742,196	6,548,138
Taxes and other accounts receivable	3,556,697	4,946,488
Related parties	46,813	28,331
Inventories	5,661,046	5,521,990
Prepaid expenses	576,548	868,114
<b>Current assets</b>	<b>19,265,045</b>	<b>19,940,132</b>
Investments in associates	132,926	572,171
Property, plant and equipment, net	22,727,557	21,587,847
Right of use assets	0	2,103,591
Intangible and other assets	3,544,111	10,595,738
Goodwill	22,540,307	18,921,863
Long term recoverable taxes	1,673,784	1,619,226
Financial instruments investments	82,794	0
Deferred income tax	875,714	1,858,710
<b>Non-current assets</b>	<b>51,577,193</b>	<b>57,259,146</b>
<b>Total assets</b>	<b>\$ 70,842,238</b>	<b>\$ 77,199,278</b>
<b>LIABILITIES</b>		
Short-term loans	\$ 1,118,456	\$ 982,137
Current portion of long-term debt	296,913	4,003,859
Lease liability	0	551,761
Suppliers	7,179,518	9,010,015
Financial instruments liability	8,658	20,072
Related parties	2,226,816	2,309,417
Taxes and other accounts payable	3,509,975	3,613,021
<b>Current liabilities</b>	<b>14,340,336</b>	<b>20,490,282</b>
Lease liability	0	1,582,370
Long-term debt	26,263,776	22,483,775
Deferred income tax and other taxes payable	1,275,524	2,114,842
Taxes payable in the long term	722,632	619,462
Derivative financial instruments	0	114,636
Other accounts payable	2,302,333	5,456,081
<b>Long-term liabilities</b>	<b>30,564,265</b>	<b>32,371,166</b>
<b>Total liabilities</b>	<b>44,904,601</b>	<b>52,861,448</b>
<b>SHAREHOLDERS EQUITY</b>		
Capital Stock	1,489,197	1,486,956
Net premium in share placement	12,954,471	12,836,655
Retained earnings	10,323,232	8,918,471
Income of the year	848,721	1,095,639
<b>Equity attributable to equity holders of the parent</b>	<b>25,615,621</b>	<b>24,337,721</b>
Non-controlling interest	322,016	109
<b>Total shareholders equity</b>	<b>25,937,637</b>	<b>24,337,830</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 70,842,238</b>	<b>\$ 77,199,278</b>

**GRUPO LALA, S.A.B. DE C.V.**  
**Consolidated Cash Flow Statement**  
**for the 3 months ended June 30, 2018 and 2019**  
**(In thousands of nominal pesos)**

	As of June 30, 2018	As of June 30, 2019
<b>Operating activities:</b>		
Income before taxes	\$ 1,513,274	\$ 1,618,710
Depreciation, amortization, and trademarks impairment	1,157,786	1,458,090
Changes in net financial expenses (income)	1,165,576	1,300,699
Results from the sale of property, plant and equipment	(4,840)	(5,944)
Result on disposal of Associates	(3,782)	0
Participation in associates	(1,300)	(30,473)
<b>Total</b>	<b>3,826,714</b>	<b>4,341,082</b>
<b>Changes in operation assets and liabilities</b>		
Accounts receivable	(97,385)	(209,867)
Inventories	(483,691)	(591,337)
Related parties	1,020,629	(2,973)
Suppliers	(75,538)	412,955
Other accounts receivable and prepaid expenses	(874,998)	(1,599,536)
Other assets and liabilities	504,829	86,558
<b>Total</b>	<b>(6,155)</b>	<b>(1,904,200)</b>
Taxes	(1,085,584)	(1,033,115)
<b>Total</b>	<b>(1,091,740)</b>	<b>(2,937,315)</b>
<b>Net cash flow provided by operating activities</b>	<b>2,734,974</b>	<b>1,403,766</b>
<b>Investing activities</b>		
Acquisition of property, plant, equipment, and intangibles	(1,510,311)	(807,468)
Acquisition of intangibles and other assets	(86,857)	(133,000)
Proceeds from sale of property, plant, and equipment	67,075	46,010
Investments in Financial instruments	(6,572)	(2,080)
Interest collected	143,364	60,064
Cash received by sale of associates and adjustment to the sale price	(60,964)	0
Effect from losing control of subsidiary	0	(131,973)
<b>Net cash flow used in investing activities</b>	<b>(1,454,266)</b>	<b>(968,447)</b>
<b>Financing activities</b>		
Loans obtained	35,347,716	12,673,506
Repayments of borrowings to third parties	(38,288,892)	(11,816,498)
Interest paid	(1,177,345)	(1,260,093)
Payment of lease liabilities	(1,463)	(307,933)
Reissuance (repurchase) of capital stock	(135,241)	102,783
Dividends paid to equity holders of the parent	<b>(767,238)</b>	<b>(750,108)</b>
<b>Net cash flows provided (used) in financing activities</b>	<b>\$ (5,128,300)</b>	<b>\$ (1,358,344)</b>
<b>Net increase of cash and equivalents</b>	<b>(3,847,592)</b>	<b>(923,025)</b>
Adjustments to cash due to exchange rate fluctuations	(440,150)	150,953
Cash and equivalents at beginning of the year	6,733,382	2,550,117
<b>Cash and equivalents at the end of the period</b>	<b>\$ 2,445,641</b>	<b>\$ 1,778,045</b>