



## GRUPO LALA REPORTS THIRD QUARTER 2019 RESULTS

Mexico City, October 21, 2019 – Grupo LALA, S.A.B. de C.V., a Mexican Company focused on healthy and nutritious foods, (“LALA”) (BMV: LALAB), today reported results for the third quarter 2019. The following information has been presented based on International Financial Reporting Standards (IFRS) and in nominal terms.

### Quarter Highlights:

- +2.9% YOY Branded Net Sales increase
- +28.0% YOY comparable EBITDA growth, to MXN \$2,306m (includes one-time payment from Lactalis settlement)
- +240bps YOY comparable EBITDA margin expansion
- Controlling Net Income expanded +213% YOY to MXN \$641m, due to Operating Income increase and optimized tax rate
- -290bps YOY Working Capital improvement, to 1.6% of sales, driven by negative WC in Mexico
- Leverage ratio improvement to 2.9x

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 September 30, 2019 as compared to the same period in 2018. Net Sales and EBITDA information related to Q3’18 has been presented on “comparable” basis. Comparable Q3’18 figures will include the effect of IFRS 16 and the deconsolidation of Elopak.

MXN\$ in millions	Q3’18	% Sales	Q3’19	% Sales	Var. %	Var. bps
Branded Sales <sup>(1)</sup>	18,192		18,723		2.9%	
Raw Materials and Others Sales	292 <sup>(2)</sup>		261		(10.7%)	
Net Sales	18,484 <sup>(2)</sup>	100%	18,984	100%	2.7%	
Gross Profit	6,425	34.3%	6,687	35.2%	4.1%	+90bps
Operating Income	1,157	6.2%	1,507	7.9%	30.3%	+170bps
EBITDA <sup>(3)</sup>	1,802 <sup>(2)</sup>	9.7%	2,306	12.1%	28.0%	+240bps
Controlling Net Income	205	1.1%	641	3.4%	212.9%	+230bps

(1) Branded Sales exclude raw materials sales

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

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

### MESSAGE FROM MANAGEMENT

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

“Through impactful top line creation, operational discipline and a motivating working culture, this quarter we continued to evolve in our *Virtuous Cycle* to extract value for all stakeholders and keep the Company on track of accomplishing our targets.”

## REPORTING CHANGES

### IFRS 16 and Deconsolidation of Elopak

Per the Company's Q1'19 Earnings Press Release, Grupo LALA has applied IFRS 16 accounting standards to its financial statements and has also deconsolidated the Company's Elopak Joint Venture, effective January 1, 2019. Please refer to the Q1 and Q2 Earnings Press Releases for further details.

### "Branded" and "Raw Material and Others" Sales

In order to better explain the dynamics of LALA's business, starting in the third quarter of 2019 Grupo LALA will report "Raw Materials and Others" sales separately. Raw Materials and Others are primarily comprised of sales of surplus raw milk, milk by-products and packaging.

This change primarily affects results for LALA's Mexico operations. Branded sales are not affected by the deconsolidation of Elopak; the of Elopak deconsolidation is on Raw Materials and Others only.

Detailed historical results will be published in the Fundamental Spreadsheet available on the Grupo LALA corporate website and can be found at: [www.lala.com.mx](http://www.lala.com.mx).

## CONSOLIDATED RESULTS FOR

### THE THIRD QUARTER 2019

**Net Sales:** Third quarter 2019 branded sales increased 2.9%, reaching \$18,723 million pesos; a 2.4% increase in constant currency. Total net sales grew 2.7% YOY, or 2.2% in constant currency.

#### Sales by Region:

Third quarter 2019 Branded Net Sales in **Mexico** increased by 3.2% YOY, to \$14,057 million pesos. This sales increase was reflected in all segments, with particularly strong performance in Yogurt, Cream, Plant Based, Cold Cuts and Milk. Year-on-year increases were as follows: LALA Milk and Cream increased 6.9%, Plant Based 84.2% and Cold Cuts 28.9%.

Mexico sales reflected a \$207 million peso negative impact, due to an operational issue in the Cheese plant which resulted in an inventory shortage. Volumes in Cheese therefore contracted by -8.8%. Immediate operational actions have been taken to control the problem and stabilize inventory.

Volume in Volume in Mexico contracted due to reduced consumption and the inventory shortage described.

Grupo LALA's **Brazil** operations reported second quarter net sales of \$3,089 million pesos; a year-on-year contraction of 0.2% in MXN and 2.3% in BRL. This decrease in sales was due to an economic slowdown which adversely affected consumption within this market. However, Grupo LALA's Brazil operations increased its market share in Yogurt, *Requeijão* and Cream Cheese during the third quarter 2019. Value-Added Dairy sales increased during the quarter but could not mitigate a reduction in UHT milk production in order to protect margins in light of increased raw milk costs.

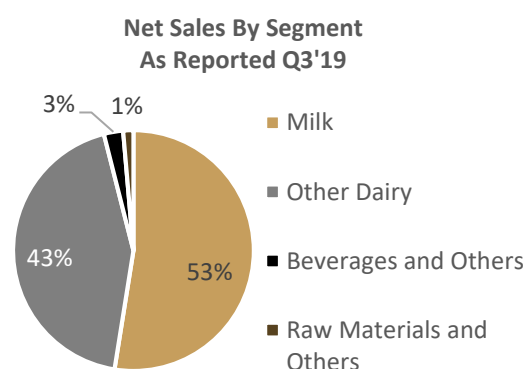
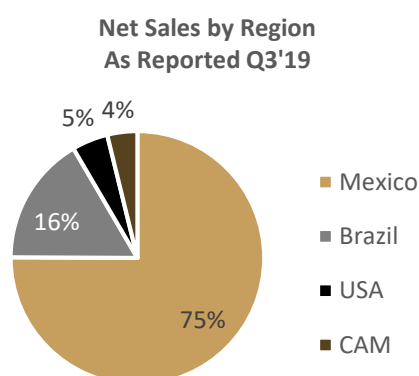
**The Company's U.S. operations** reported \$860 million pesos in net sales; a 1.6% increase in USD and 4.0% in MXN. Milk volume continued to increase during the quarter, as sales of the Company's *Promised Land* products began at Costco retail chains in the third quarter of 2019. Q3 19 Yogurt sales declined during the quarter, in line with the Company's strategy to reduce its presence in unprofitable retail outlets, in order to relaunch LALA branded products throughout targeted Hispanic retail channels, thereby leveraging the important LALA brand heritage.

LALA's **Central America** operations reported an 11.4% sales increase in MXN and 8.9% in USD, to reach \$717 million pesos in sales for the third quarter 2019. This increase was due to an increase in local currency denominated sales expansion of 16.3% in Nicaragua and 12.1% in Guatemala, driven by double-digit volume growth in the region.

Net Sales by Region	Comparable <sup>(1)</sup>	Reported	Vs Comparable	Vs Comparable constant currency <sup>(2)</sup>
<i>MXN\$ in millions</i>	Q3'18	Q3'19	Var. %	Var. %
<b>Mexico</b>	13,627	<b>14,057</b>	3.2%	3.2%
<b>Brazil</b>	3,094	<b>3,089</b>	(0.2%)	(2.3%)
<b>USA</b>	826	<b>860</b>	4.0%	1.6%
<b>CAM</b>	644	<b>717</b>	11.4%	8.9%
<b>Total Branded Sales</b>	<b>18,192</b>	<b>18,723</b>	<b>2.9%</b>	<b>2.4%</b>
<b>Raw Materials and Others</b>	292	261	(10.7%)	(10.7%)
<b>Total Sales</b>	<b>18,484</b>	<b>18,984</b>	<b>2.7%</b>	<b>2.2%</b>

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

(2) Constant currency uses constant BRL for Brazil and USD for the United States and Central America



#### Sales by Segment:

**Milk** sales increased in Mexico, the US and CAM, as innovation and the core portfolio expanded during the third quarter of 2019, successfully offsetting a decrease in Brazil UHT Milk sales.

**Other Dairy** sales increased across all regions, led by Mexico.

**Beverages and Others:** Plant Based Beverages and Cold Cuts continued to drive segment growth during the quarter, successfully offsetting decreased Mexico Juice sales, in line with the Company's strategy to focus on higher profit categories.

Net Sales by Segment	Comparable <sup>(1)</sup>	Reported	Vs Comparable	Vs Comparable constant currency <sup>(2)</sup>
MXN\$ in millions	Q3'18	Q3'19	Var. %	Var. %
Milk	9,833	9,978	1.5%	1.3%
Other Dairy	7,935	8,251	4.0%	3.0%
Beverages and Others	423	494	16.8%	16.2%
<b>Total Branded Sales</b>	<b>18,192</b>	<b>18,873</b>	<b>2.9%</b>	<b>2.4%</b>
Raw Materials and Others	292	261	(10.7%)	(10.7%)
<b>Total Sales</b>	<b>18,484</b>	<b>18,984</b>	<b>2.7%</b>	<b>2.2%</b>

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

(2) Constant currency uses constant BRL for Brazil and USD for the United States and Central America

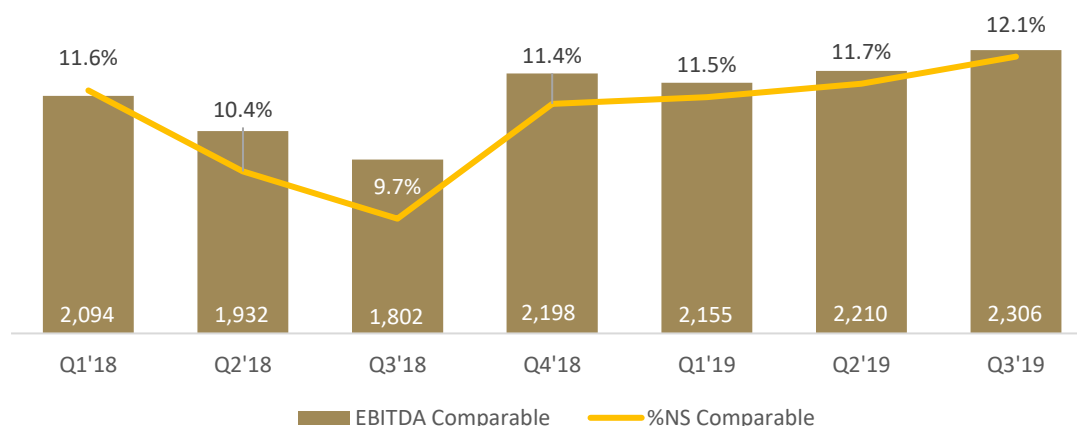
**Costs and Gross Profit:** third quarter 2019 Costs of Goods Sold decreased by 0.3%, resulting in a Gross Profit of \$6,687 million pesos; a 90bps expansion in gross margin to 35.2%. This result was due to a combination of price increases, a decrease in low-margin volume, and strengthened productivity at the Company's Mexico and Brazil operations. The Company remains focused on implementing these initiatives throughout all regions, notably ZBB (zero based budgeting), and RGM (revenue growth management) and Route to Market in Mexico.

**Expenses and Operating Income:** Operating Expenses increased 11.9%, to \$5,945 million pesos. The increase was mainly due to \$194 million pesos in additional waste and transport expenses related to the Cheese operational issue in Mexico as previously described.

Reported operating income reached \$1,507 million pesos during the third quarter 2019, benefited by the payment received through the Lactalis settlement; resulting in a 30.3% increase with a 7.9% operating margin. This represents a 170bps year-on-year operating margin expansion.

**EBITDA:** Third quarter 2019 EBITDA reached \$2,306 million pesos, resulting in a 28% year-on-year increase in comparable figures; representing a 240bps year-on-year margin expansion. This year-on-year EBITDA increase is a reflection of the implementation of the Company's *Virtuous Cycle* strategy, which has successfully expanded margins in the US and CAM, as well as the benefits of resources from the Lactalis settlement which offset decreases at LALA's Mexico operations.

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



## EBITDA by Region

EBITDA by Region <i>MXN\$ in millions</i>	Comparable <sup>(1)</sup>		As reported		Vs. Comparable
	Q3'18	% NS	Q3'19	% NS	Var. bps
<b>Mexico</b>	1,757	12.6%	<b>1,730</b>	<b>12.1%</b>	(50)
<b>Brazil</b>	223	7.2%	<b>547</b>	<b>17.7%</b>	1,050
<b>USA</b>	(152)	(18.3%)	<b>27</b>	<b>3.2%</b>	2,150
<b>CAM</b>	(26)	(4.0%)	<b>2</b>	<b>0.3%</b>	430
<b>Total EBITDA</b>	<b>1,802</b>	<b>9.7%</b>	<b>2,306</b>	<b>12.1%</b>	<b>240</b>

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

In **Mexico**, third quarter 2019 EBITDA was \$1,730 million pesos with a 12.1% margin; a 50bps year-on-year contraction on a comparable basis. This is due to the \$207 million peso sales impact and an additional \$194 million pesos in expenses related to the operational issue previously described.

In **Brazil**, LALA closed the quarter with \$547 million pesos in EBITDA and a 17.7% margin; a 1,050bps year on year increase. This quarter was positively impacted by a one-time payment received associated with the settlement reached with Groupe Lactalis. Operational margin excluding said Lactalis payment is in line with prior quarters. Decreased milk costs offset some margin pressure during the quarter as compared with prior quarters.

The Company's **US** operation reached its highest EBITDA margin since the business was acquired; achieving a 3.2% EBITDA on sales. LALA US operation therefore closed the quarter with \$27 million pesos in EBITDA; a \$179 million peso year-on-year increase. It is important to note that Q3'18 results were adversely impacted by a one-off charge associated with this business's restructuring. This resulted in a YOY and sequential expansion of 2,150bps and 40bps, respectively, driven by operational improvements, restructuring benefits and successful pricing initiatives.

**LALA's Central America operation** achieved break-even, with a \$2 million peso EBITDA and a 0.3% margin. Year-on-year, this result represents a 430bps increase. This was due to increased sales across all countries and the restructuring of the Company's operations in Nicaragua, post socioeconomic crisis.

**Net Financial Expenses:** During the third quarter 2019, the Company had \$600 million pesos in financing expenses, comprised of debt-related interest associated with the acquisition of Vigor in Brazil. Financing expenses decreased 11% year-on-year due to exchange rate fluctuation affecting intercompany debt.

**Taxes:** Taxes for the third quarter 2019 were \$282 million pesos. The effective tax rate decreased from 55.1% in Q3'18, when it was adversely impacted by a one-time tax penalty, to 30.6% in Q3'19, mainly due to an improved tax rate in Mexico from the reduction of non-deductible expenses and a lower inflation (annual inflation adjustment).

**Controlling Net Income:** Controlling Net Income increased 212.9%, to \$641 million pesos, due to a 30.3% Operating Income increase and a lower effective tax rate. As Q3'18 Controlling Net Income does not include Grupo LALA's Elopak JV stake, it is comparable to Q3'19 results.

As reported			
MXN\$ in millions	Q3'18	Q3'19	Var %
<b>Operating Income</b>	<b>1,157</b>	<b>1,507</b>	<b>30.3%</b>
Financing Expenses	675	600	(11.0%)
Results of associated companies	(1)	15	1,540.3%
<b>Net income before taxes</b>	<b>482</b>	<b>923</b>	<b>91.4%</b>
% NS	2.6%	4.9%	
<b>Taxes</b>	<b>266</b>	<b>282</b>	<b>6.3%</b>
Effective tax rate	55.1%	30.6%	
<b>Net Income</b>	<b>216</b>	<b>641</b>	<b>195.9%</b>
% NS	1.2%	3.4%	
<b>Controlling Net Income</b>	<b>205</b>	<b>641</b>	<b>212.9%</b>
% NS	1.1%	3.4%	

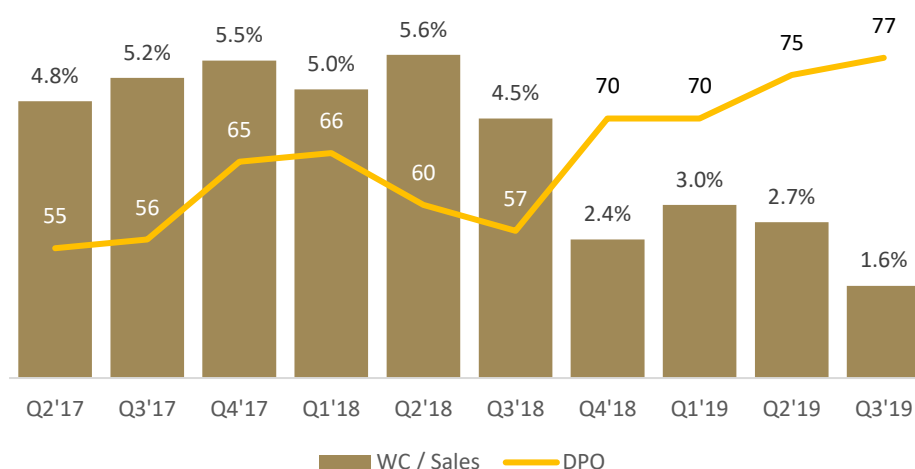
## CONSOLIDATED

### FINANCIAL POSITION

**Capital Investment:** Year-to-date, the Company has invested \$1,220 million pesos in capacity expansion and maintenance Capex. This represents a Capex over Sales ratio of 2.2%, with a full year 2019 estimate of between 2.7% and 3.0%.

**Cash and Cash Equivalents:** As of September 30, 2019, Grupo LALA had a cash position of \$2,776 million pesos, negatively affected by \$132 million pesos associated with the deconsolidation of the Elopak JV.

**Working Capital:** As of September 30, 2019, LALA's consolidated working capital over sales ratio reached 1.6%; a -290bps year-over-year improvement, driven by the achievement of a negative working capital ratio in Mexico of -0.7% of sales.



**Total Debt:** LALA ended the quarter with total debt of \$28,198 million pesos, comprised of \$4,981 million pesos in short-term debt and \$23,217 million pesos in long-term debt. The Company's Net Debt is \$25,422 million pesos, representing a Net Debt-to-EBITDA ratio of 2.9x. The deconsolidation of Elopak JV and implementation of IFRS 16 had a +0.08x impact on this ratio.

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

Currency	% Total Debt	% Weighted avg. Cost of debt	Average maturity
Mexican Pesos	85%	TIIE + 0.71%	4.0 years
Brazilian Reals	15%	CDI + 0.85%	1.5 years

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

Financial Metrics	Q3'18	Q3'19
Net Debt / EBITDA	3.2x	2.9x
EBITDA / Interest Paid	3.2x	3.4x
Earnings per Share (12 months)	\$ 0.61	\$ 1.05
Book Value	\$ 11.02	\$ 10.12
Outstanding shares (in millions)	2,475.9	2,475.9
ROIC %	6.5%	8.0%

#### Share buyback program

As of September 30, 2019, the Company's share buyback program had a balance of 32,116,857 shares, at a weighted average price of \$23.97 pesos per share for a total balance of \$856,512,598.80 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, Barclays, BBVA, BTG Pactual, Citigroup, Credit Suisse, GBM Grupo Bursatil Mexicano, Goldman Sachs, Intercam, INVEX Banco, JP Morgan, Monex, Morgan Stanley, Santander, Scotiabank, UBS, Vector and VePorMas.

#### Contact – Investor Relations

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## 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



Tuesday October 22, 2019, at  
11:00am EST / 10:00am CST



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



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<http://public.viavid.com/index.php?id=136355>

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**GRUPO LALA, S.A.B. DE C.V.**  
**Consolidated Income Statements**  
**ended September 30, 2018 and 2019**  
**(In thousands of nominal pesos)**

	For the three months ended September 30,			
	2018		2019	
<b>Net sales</b>	<b>\$ 18,757,695</b>	<b>100.0%</b>	<b>\$ 18,984,001</b>	<b>100.0%</b>
Cost of goods sold	12,332,371	65.7%	12,297,051	64.8%
<b>Gross profit</b>	<b>6,425,324</b>	<b>34.3%</b>	<b>6,686,950</b>	<b>35.2%</b>
Other income (expenses), net	(42,887)	(0.2)%	(764,944)	(4.0)%
Operating expenses	5,311,585	28.3%	5,944,838	31.3%
<b>Operating Income</b>	<b>1,156,626</b>	<b>6.2%</b>	<b>1,507,056</b>	<b>7.9%</b>
Net of financial (income) expenses				
Net of financial income	582,570	3.1%	598,508	3.2%
Exchange rate (profit) loss	90,928	0.5%	1,165	0.0%
Financial instruments	0	0.0%	0	0.0%
<b>Financial income, net</b>	<b>673,498</b>	<b>3.6%</b>	<b>599,673</b>	<b>3.2%</b>
Share in the results of associated companies	(1,073)	(0.0)%	15,454	0.1%
<b>Income before taxes</b>	<b>482,055</b>	<b>2.6%</b>	<b>922,837</b>	<b>4.9%</b>
Income tax expense	265,580	1.4%	282,201	1.5%
<b>Net consolidated income</b>	<b>216,475</b>	<b>1.2%</b>	<b>640,636</b>	<b>3.4%</b>
Non-controlling interest	11,736	0.1%	0	0.0%
<b>Equity holders of the parent</b>	<b>\$ 204,739</b>	<b>1.1%</b>	<b>\$ 640,636</b>	<b>3.4%</b>
Depreciation and amortization	584,148	3.1%	799,392	4.2%
<b>EBITDA</b>	<b>\$ 1,740,774</b>	<b>9.3%</b>	<b>\$ 2,306,448</b>	<b>12.1%</b>
Effective income tax rate	55.1%		30.6%	

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

	As of September 30, 2018	As of September 30, 2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,135,056	\$ 2,775,820
Investments in financial instruments	240,095	347,676
Accounts receivable	6,431,861	6,231,669
Taxes and other accounts receivable	3,664,172	5,133,513
Related parties	37,208	32,566
Inventories	4,749,539	5,528,936
Prepaid expenses	470,285	413,230
<b>Current assets</b>	<b>17,728,216</b>	<b>20,463,410</b>
Investments in associates	131,701	510,026
Property, plant and equipment, net	22,045,586	21,517,623
Right of use assets	0	2,395,560
Intangible and other assets	3,420,207	10,522,343
Goodwill	20,637,797	18,261,421
Long term recoverable taxes	1,601,180	1,526,084
Financial instruments investments	82,592	0
Deferred income tax	1,247,088	1,135,227
<b>Non-current assets</b>	<b>49,166,151</b>	<b>55,868,284</b>
<b>Total assets</b>	<b>\$ 66,894,367</b>	<b>\$ 76,331,695</b>
<b>LIABILITIES</b>		
Short-term loans	\$ 1,118,737	\$ 909,121
Current portion of long-term debt	\$ 338,778	\$ 4,071,839
Current lease liabilities	0	673,880
Suppliers	6,956,413	9,628,925
Financial instruments liability	29,339	47,817
Related parties	1,700,765	1,791,031
Taxes and other accounts payable	3,346,635	3,243,449
<b>Current liabilities</b>	<b>13,490,667</b>	<b>20,366,062</b>
Non Current Lease Liabilities	0	1,783,218
Long-term debt	25,990,352	23,216,627
Deferred income tax and other taxes payable	1,124,067	1,200,806
Taxes payable in the long term	634,001	548,331
Derivative financial instruments	0	250,262
Other accounts payable	2,043,661	5,061,667
<b>Long-term liabilities</b>	<b>29,792,081</b>	<b>32,060,911</b>
<b>Total liabilities</b>	<b>43,282,748</b>	<b>52,426,973</b>
<b>SHAREHOLDERS EQUITY</b>		
Capital Stock	1,488,356	1,488,289
Net premium in share placement	12,836,921	12,855,079
Retained earnings	7,899,024	7,825,079
Income of the year	1,053,532	1,736,275
<b>Equity attributable to equity holders of the parent</b>	<b>23,277,833</b>	<b>23,904,722</b>
Non-controlling interest	333,786	0
<b>Total shareholders equity</b>	<b>23,611,619</b>	<b>23,904,722</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 66,894,367</b>	<b>\$ 76,331,695</b>

**GRUPO LALA, S.A.B. DE C.V.**  
**Consolidated Cash Flow Statement**  
**for the 9 months ended September 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	\$ 1,995,401	\$ 2,541,546
Depreciation, amortization, and trademarks impairment	1,741,934	2,257,482
Changes in net financial expenses (income)	1,713,687	1,921,672
Results from the sale of property, plant and equipment	(1,799)	(55,200)
Result on disposal of Associates	(3,782)	0
Participation in associates	(227)	(45,927)
<b>Total</b>	<b>5,445,215</b>	<b>6,619,573</b>
<b>Changes in operation assets and liabilities</b>		
Accounts receivable	16,401	27,392
Inventories	305,005	(661,928)
Related parties	951,900	(149,241)
Suppliers	(134,730)	1,010,947
Other accounts receivable and prepaid expenses	(964,091)	(1,420,111)
Other assets and liabilities	317,015	(367,203)
<b>Total</b>	<b>491,501</b>	<b>(1,560,144)</b>
Taxes	(1,772,766)	(1,452,391)
<b>Net cash flow provided by operating activities</b>	<b>4,163,950</b>	<b>3,607,038</b>
<b>Investing activities</b>		
Acquisition of property, plant, equipment, and intangibles	(1,972,662)	(1,219,932)
Acquisition of intangibles and other assets	(110,651)	(254,234)
Proceeds from sale of property, plant, and equipment	86,652	78,109
Dividends collected from associates		69,915
Investments in Financial instruments	(7,068)	3,687
Interest collected	181,700	99,679
Cash received by sale of associates and adjustment to the sale price	(60,964)	0
Cash received on the sale of investments	0	(131,973)
<b>Net cash flow used in investing activities</b>	<b>(1,882,994)</b>	<b>(1,354,747)</b>
<b>Financing activities</b>		
Loans obtained	39,481,186	18,876,713
Repayments of borrowings to third parties	(42,436,020)	(17,332,578)
Interest paid	(1,947,910)	(2,092,744)
Payment of lease liabilities	(1,989)	(504,900)
Reissuance (repurchase) of capital stock	(253,632)	121,318
Dividends paid to equity holders of the parent	(1,143,792)	(1,121,968)
<b>Net cash flows provided (used) in financing activities</b>	<b>\$ (6,407,994)</b>	<b>\$ (2,054,159)</b>
<b>Net increase of cash and equivalents</b>	<b>(4,127,038)</b>	<b>198,132</b>
Adjustments to cash due to exchange rate fluctuations	(471,288)	27,572
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>\$ 2,135,056</b>	<b>\$ 2,775,820</b>