Earnings Release
2Q20

Alsea

22.07.20

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CONFERENCE CALL

Date and Time: Thursday July 23, 2020, 16:00 hrs (Mexico City Time)

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INDEX

Results and Highlights for the Second Quarter 2020

- **Same Store Sales (SSS)* decreased 42.5% in the second quarter**
  - **Mexico SSS decreased 44.3%, Europe SSS decreased 35.7% and South America SSS decreased 44.2%**
- **Expense reduction in 2Q20 of 3,211 million pesos compared to 2Q19**
- **4,256 Total Units in the portfolio, a decrease of 218 compared to the second quarter of 2019**
- **Net Debt / EBITDA** closed at 7.2x compared to 3.5x in 2Q19**
- **81% of the total units open at the end of the quarter, as the COVID-19 contingency eased**
- **Cash position of 4,300 million pesos at the end of the second quarter**
- **A successful agreement was reached with related banks to obtain a 12 month waiver on certain debt covenants**

** The SSS data excludes the units that were closed due to the contingency related to COVID-19.*

*** The Net Debt / EBITDA calculation does not include the effect of IFRS 16.*

MESSAGE FROM THE EXECUTIVE PRESIDENT

Alberto Torrado, CEO of Alsea, commented: "Since the outbreak of COVID-19 forced temporary store closings, senior management of Alsea has been focused on three priorities: 1) the health and well-being of our employees, customers and the broader community in which we operate, 2) the financial sustainability of the company and 3) adaption to the new reality as the pandemic recedes and restaurants reopen. I am pleased to report that four months after the crisis first affected us, we managed to contain the pandemic-related impact to the extent possible, and are now ready to do business as our restaurants reopen.

The second quarter results were negative, in line with expectations given the circumstances, since a substantial number of our stores remained closed in that period. To offset the reduction in revenues, we implemented a savings plan, while paying our essential operating costs, as well as all financial obligations. At the consolidated level, net sales were down 64.4% year on year, EBITDA was negative 1,745 million pesos, and net income negative 2,578 million pesos. That said, and as we reported previously, we have observed a somewhat more positive trend than expected as the quarter progressed, where revenues in the second quarter of the year slightly exceeded our internal projections. Additionally, as a result of an effort in negotiations with our strategic partners, suppliers and creditors, coupled with access to the different government support programs in most of the geographies where we operate, during the second quarter we have achieved significant savings compared to the figures reported in the same period of the previous year, mainly in the areas of labor (35%), income (30%), advertising (60%) and payment of royalties (75%). As a result of the aforementioned, savings in expenses as well as improvements in working capital and access to guaranteed lines of credit, we ended the quarter with a stronger cash position (4,329 billion pesos) than originally expected, with a Net Debt / EBITDA ratio at the end of the quarter of 7.2x.

As far as possible, we continue to increase the number of units in operation in all Alsea geographies, in line with the instructions of the local authorities, while home delivery and carry out sales have continued to develop as an important sales channel in this atypical period. On a consolidated basis, at the end of June, 81% of our restaurants were open, the majority through delivery and carry out sales, while 22% with on-site service at a limited capacity. Detailing by geography, the percentage of the units we have in operation in Mexico is 86%, in Europe 82% and in Latin America 66%.

Alsea has always known how to adapt quickly to new circumstances and we know that this crisis brings with it many challenges, but also many opportunities in our industry. A clear example is the digital market, where we have been able to advance significantly with the development of our apps and loyalty programs. We have approximately 15 million active users of the Domino's Pizza app in Mexico and Spain, more than 500 thousand active users of Starbucks Rewards in Mexico, Chile and Argentina, 1.4 million members of Fosterianos, as well as 1.2 million members of Club Vips both in Spain, and finally approximately 350 thousand active users of Wow Rewards in Mexico.

Returning to the first of our initial three priorities, we implemented the strict protocols and standards in all our restaurants, and corporate offices. We have also put in place programs to help our employees and families in need and the broader community, with which we have benefited 135 thousand people by donating 288 tons of food, equivalent to more than 14 million pesos, as well as by distributing more than 165 thousand food rations for health workers in various hospitals and through the "Va por mi cuenta" movement the distribution of 7,185 pantries to vulnerable people.

Corporate Social Responsibility is at the core of Alsea's values and I am proud of what we have accomplished and contributed in these months, as well as enormously grateful to our entire team for their hard work in the most difficult circumstances. On June 22, it was reported that Alsea became part of the new S&P/BMV Total Mexico ESG Index of the S&P Dow Jones Indices and the Mexican Stock Exchange, which is an indicator that evaluates environmental, social and corporate governance practices. Likewise, for the ninth consecutive year, Alsea has been accredited by CEMEFI and Alliance for Social Responsibility in Mexico for its commitment to corporate social responsibility. Both achievements will help the diverse public and society in general to be aware of and value our sustainable management even more. We will continue working so that our actions become positive impact for our people, communities and planet.

Second, Alsea has been keen to stabilize its financial situation with a number of important initiatives. Since March, we have sought to maximize revenues through delivery, and pickup from the stores that were allowed to stay open. As mentioned, we reduced expenses by 38% compared to the second quarter of last year, through the re-negotiation of rents, in some cases agreeing to delay royalty payments, achieving G&A efficiencies and significantly reducing marketing and advertising expenses, among others. As previously reported, we negotiated the exemption of some debt covenants with our banks for the next 12 months until June 30, 2021, which gives us financial flexibility as we recover from the crisis.

Third, and most importantly, we have positioned Alsea for the new reality post COVID-19. We have made important progress in digitalizing our operations and customer experience, from ordering to delivery, and better understanding our customer through our Starbucks Rewards and Domino's Pizza's OLO apps, and loyalty programs for Club Vips, Foster's Hollywood's Fosterianos and Wow Rewards, altogether reaching more than 18 million customers.

Alsea has long been a leader in home delivery through its Domino's brand and now we are taking advantage of that experience to expand the reach of other brands within our portfolio, finding positive surprises in some brands such as P.F. Chang's and Starbucks where the share of the delivery segment in sales exceeded 80% and 10% respectively in the second quarter of the year. In 2019, home deliveries across all our brands (including Domino's Pizza) represented approximately 14% of Alsea's total sales, while in the second quarter of 2020 the same item increased to 49%. The goal is not only to increase the volume of orders, but to do so more and more profitably. With our multi-national scale, global brands, a huge customer base, investments in new trends like dark kitchens, and other factors, we believe Alsea is the best positioned company to make home delivery a profitable success. We are confident that initiatives such as multi-brand and multi-channel delivery will help improve the efficiency of these operations, and therefore, we will work on a hybrid model, with and without aggregators, allowing customers to choose the channel and the way to order.

Undoubtedly, many independent restaurants and cafes will face difficulties in this new environment of social distancing, and some will not have the necessary financial resources to continue to overcome this crisis. In this scenario with a reduced restaurant capacity, we expect Alsea's share n the restaurant market to grow materially.

We are sure that the measures taken will allow us to re-emerge from the crisis and I would like, once again, to thank our strategic partners, collaborators, clients, and shareholders for their support. In the case that the positive trend in terms of number of units in operation and consumption in general continue, we trust that we will report better results in the coming quarters.

July, 2020

Mexico City, July 22, 2020. Alsea, S.A.B. de C.V. (BMV: ALSEA), the leading Quick Service Restaurant (QSR), Coffee Shop, Casual Dining and Family Restaurant operator in Latin America and Europe, released its results for the second quarter of 2020. This information is presented in nominal terms pursuant to International Financial Reporting Standards (IFRS). For purposes of comparison against the previous year, the comments presented in this report do not include the effect of IFRS 16, nor the effect regarding restatement due to the hyperinflation in Argentina. These effects are detailed in the financial statements added at the end of this report.*

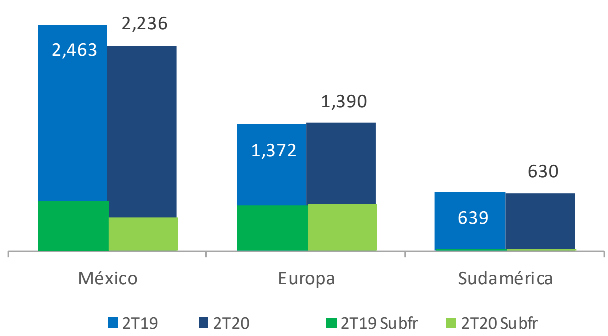
FINANCIAL HIGHLIGHTS FOR THE SECOND QUARTER OF 2020

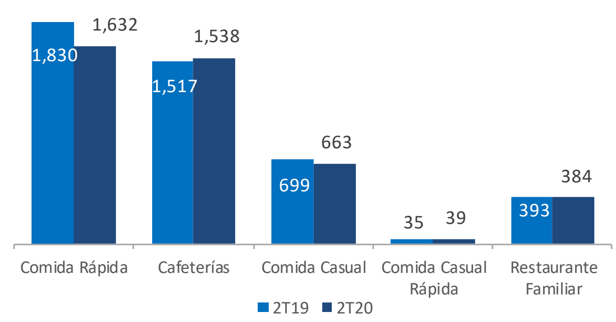
The following table shows a condensed Financial Summary, the margin for each line item, as well as the percentage change for the quarter ended June 30, 2020 compared to the same period of 2019:

	2Q 20	2Q 19	Var %
Same-store sales	(42.5)%	8.0%	(50.5) pp
Sales	5,151	14,456	(64.4)%
Gross Profit	3,408	10,197	(66.6)%
EBITDA (1)	(1,745)	1,833	N.M.
EBITDA Margin	*(33.9)%*	*12.7%*	*N.M.*
Operating Income	(2,863)	849	N.M.
Net Income	(2,578)	227	N.M.
Net Income Margin	*(50.1)%*	*1.6%*	N.M.
ROIC	(1.4)%	8.4%	N.M.
ROE	(18.8)%	8.4%	N.M.
Net Debt/EBITDA	7.2x	3.7x	N.M.
EPS (2)	(1.49)	0.99	N.M.

*** Figures in million pesos, except EPS**
(1) EBITDA is defined as operating income before depreciation and amortization.
(2) EPS is earnings per share for the last 12 months.

NUMBER OF UNITS *



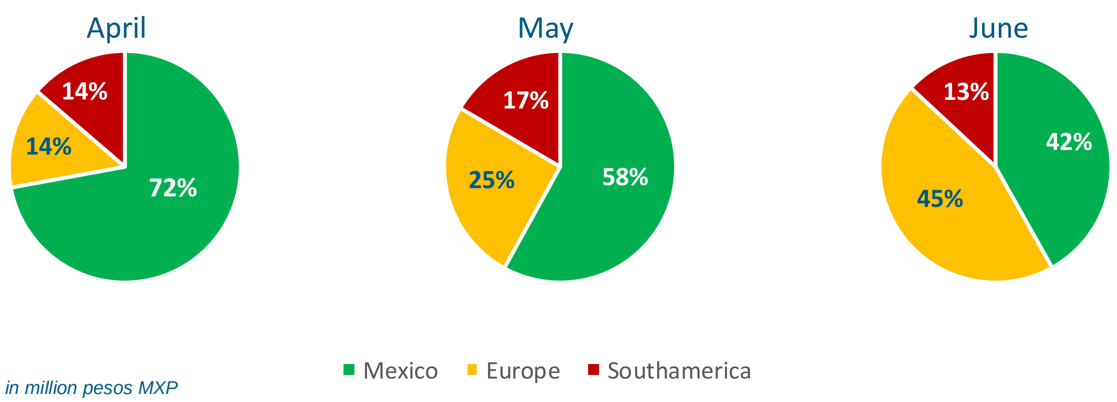


** Total Units (corporate + sub-franchises)*

IMPLICATIONS RELATED TO COVID-19

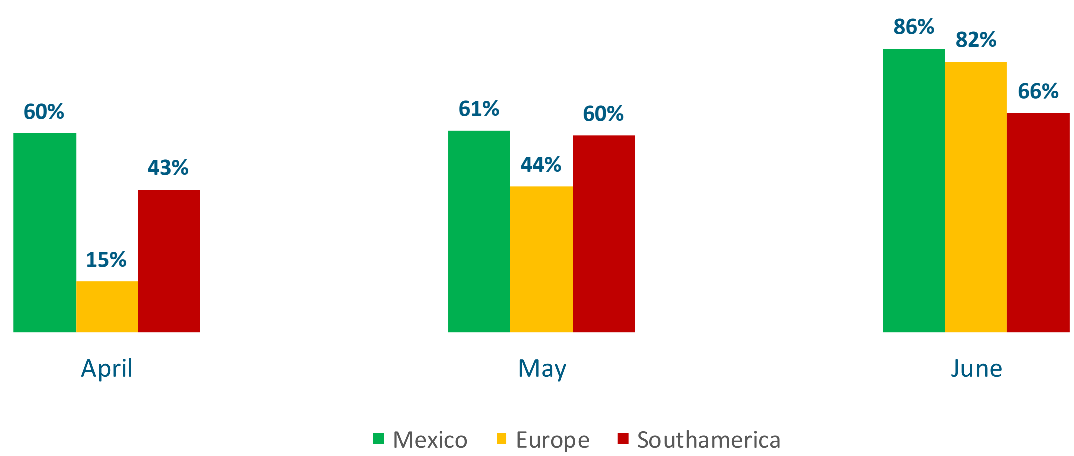
During the second quarter of the year, we began to see a recovery in Alsea Europe's consolidated sales share, going from 14% in April to 45% in June, as a result of the reopening of units in said continent as sanitary restriction have been lifted.

SALES BY GEOGRAPHIC LOCATION DURING THE QUARTER



** Figures in million pesos MXP*

CORPORATE UNITS IN OPERATION BY GEOGRAPHIC LOCATION DURING THE QUARTER



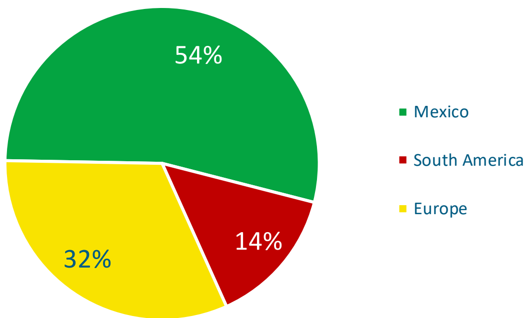
** Information updated as of the last day of each month*

In all our geographies with the exception of Chile, where we returned to strict containment measures in mid-June after experiencing a new spike in the level of infections, we have managed to reopen more and more units. At the end of the second quarter, we have approximately 59% of the units in operation, operating under the scheme of home delivery and take-out counter sales, as well as 22% with on-site service implementing a limited capacity and the remaining 19% remains closed.

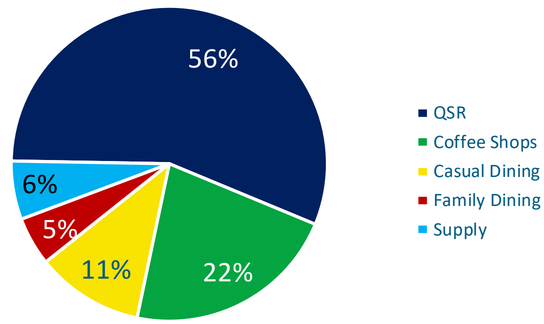
CONSOLIDATED RESULTS

SALES

SALES BY GEOGRAPHIC LOCATION*



SALES BY SEGMENT *



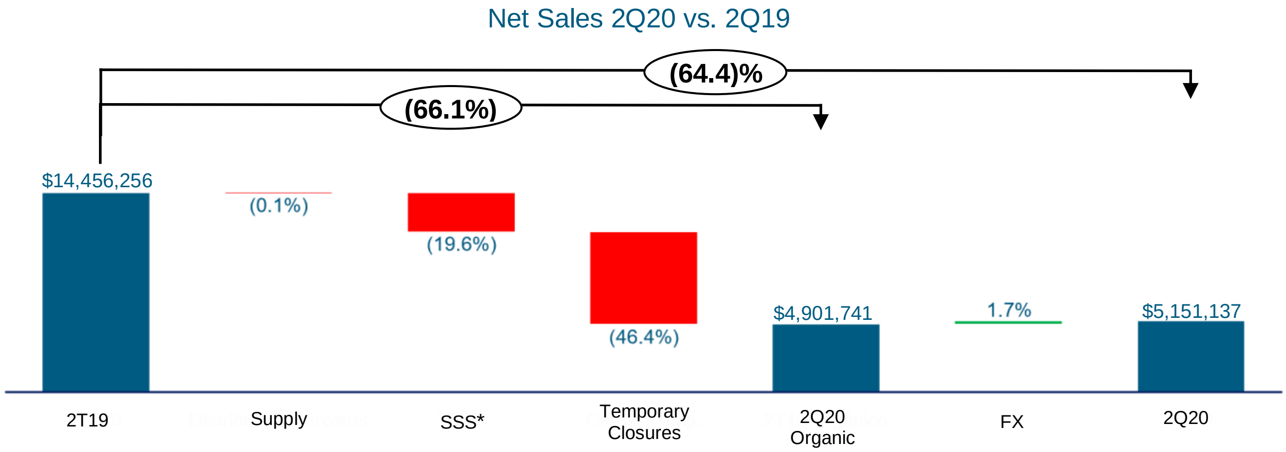
** Figures as of 2Q20*

Net sales for the second quarter of 2020 **decreased 64.4%,** reaching **5,151 million pesos,** compared to 14,456 million pesos in the previous year. This decrease is mainly due to the impact of the contingency caused by the COVID-19 pandemic, which affected both the number of our units in operation, and the consumer trends throughout our markets. As a result of the various initiatives in which Alsea had been working on prior to the contingency, we were able to count on the processes, agreements and platforms necessary to achieve the largest possible sales through the new remote sales channels, thus achieving, in the second quarter, a share of the delivery segment of 44% of Alsea's consolidated sales.

In terms of same-store sales, excluding units that did not report sales, the portfolio in **Mexico decreased 44.3%**, in **South America decreased 44.2%**, and in **Europe decreased 35.7%**.

It is important to mention that Domino's Pizza has achieved a positive performance despite the current circumstances, in terms of same store sales registered in the quarter, Domino's Pizza in Mexico showed a growth of 2.5%, while the same brand in Colombia achieved an increase of 8.6%. Starbucks and P.F. Chang's have been two other brands that have successfully adapted to the delivery segment, with growth in the second quarter of the year of approximately 150% and 170% respectively compared to the sales recorded by this channel prior to the pandemic.

The segments that have been most affected by the current crisis are casual dining and family restaurants, where same-store sales reported for the second quarter in the most affected brands range from -60% to -80%.



** The percentage contribution of SSS is the effect on the total revenue base.*

EBITDA

EBITDA in the second quarter of 2020 decreased to -1,745 million pesos, compared to 1,833 million pesos in the second quarter of the previous year. The decrease in EBITDA of 3,579 million pesos was driven by:

- The decrease in the generation of EBITDA from **Alsea Europe's** operation, affected by the implementation of quarantine measures due to the COVID-19 pandemic. This decrease was partially offset by the access to governmental support in relation to employee salaries.
- The **contraction of 35.1 and 31.9 percentage points** in **Alsea Mexico and South America's** EBITDA margin respectively, when compared to the same period of the previous year, as well as the **devaluation of certain currencies against the Mexican Peso**.
- This decrease was partially offset mainly by government support and union agreements related to employee salaries, as well as agreements reached in rents.

From the end of the first quarter of the year, actions were implemented to reduce non-essential expenses for operations and corporate expenses. In addition to this, during the second quarter a reduction of 38.4% or 3,211 million pesos was achieved in operating expenses, compared to the same period of the previous year, supported mainly by the agreements reached in rents and by government and union agreements on wages and salaries.

The EBITDA margin contracted by 46.6 percentage points, from 12.7% in the second quarter of 2019 **to -33.9% in the same period of 2020**.

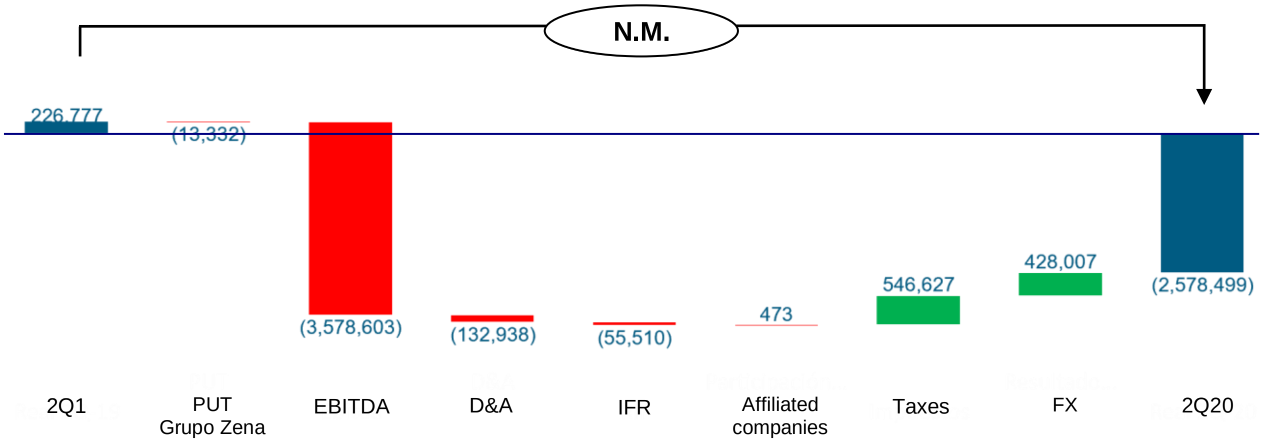
NET INCOME

Net income for the quarter decreased 2,805 million pesos compared to the same period of the previous year, closing at **-2,578** million pesos, in comparison to 227 million pesos in 2019. This decrease was related to:

- The 61.5 percentage point reduction in operating profit as a percentage of net sales, was derived from the **42.1 percentage point increase in operating expenses** due to lower sales from the COVID-19 pandemic.

This was partially offset by a benefit in deferred taxes, the decrease in the all in cost of financing, manily as a consequence of the foreign exchange profit of our assets and cash in foreign currency of 428 million pesos. This decrease was partially offset by the negative effect of the exchange rate related to the purchase and sales options of the remaining 21.0% of Grupo Zena, couple with an increase of 55 million pesos in net interest paid.

Net Income 2Q20 vs. 2Q19



RESULTS BY SEGMENT FOR THE SECOND QUARTER OF 2020

MEXICO

Alsea Mexico	*2Q20*	*2Q19*	*Var.*	*% Var.*
Number of units	2,236	2,463	(227)**	(9)%
Same-store sales	(44.3)%	6.3%	(50.6) pp	-
Sales	2,768	6,899	(4,131)	(59.9)%
Costs	995	2,121	(1,126)	(53.1)%
Operating expenses	2,072	3,105	(1,033)	(33.3)%
Adjusted EBITDA*	(300)	1,673	(1,973)	N.M.
*Adjusted EBITDA margin**	*(10.8)%*	*24.3%*	*(35.1) pp*	-
Depreciation and Amortization	575	590	(14)	(2.4)%
G&A and other income / expenses	353	454	(101)	(22.3)%
Operating income	(1,228)	629	(1,857)	N.M.

* Adjusted EBITDA does not include administrative expenses; thus it represents the "Store EBITDA."
** The decrease in the number of units corresponds to the disincorporation of 234 sub-franchises of Burger King in Mexico in 4Q19.
(figures in million pesos)

SALES MEXICO

Alsea Mexico sales represented 54% of Alsea's total consolidated sales in the second quarter of 2020, compared to 48% at the end of the same period in 2019 and **decreased 59.9%** to reach 2,768 million pesos compared to 6,899 million pesos in the same period of 2019. This variation is attributable to the drop-in sales as a result of the contingency due to the COVID-19 pandemic. As a result of the aforementioned, sales have focused mainly on home delivery and carry out, allowing Alsea to make use of the competitive advantage of having established delivery strategies and agreements with the main aggregator platforms, giving continuity to sales through these channels. As previously mentioned, Dominos' Pizza has been the best performing brand in the current environment, achieving a 2.5% growth in same store sales in the quarter.

Each week, sequentially, sales showed a positive trend, reaching a sales level of 35% in May and 40% in June, compared to sales registered in the same months of the previous year. Starting the third quarter, we have managed to reopen 92% of our restaurants with limited seating restrictions, according to government indications.

In order to attract customers, we actively implement digital strategies, such as promotions through digital coupons and joint promotions with aggregators. Similarly, we have taken advantage of the reach of our Wow Rewards platforms with more than 350,000 active users, the Domino's Pizza App with more than 6 million downloads and the Starbucks Rewards program with more than 450 thousand members.

Adjusted EBITDA MEXICO

Alsea Mexico's Adjusted EBITDA represented 30% of the decrease in consolidated Adjusted EBITDA in the second quarter and, closing at -300 million pesos compared to 1,673 million pesos in the same period of the previous year, mainly impacted by the decrease in sales compared to the same period of the previous year.

Since the beginning of the pandemic in March, the implementation of actions to reduce expenses and services not essential to the operation continued, as well as the decrease in expenses in accordance with the contraction in expected demand, achieving in turn important savings in logistics and distribution.

As part of the cost control efforts, of the previously mentioned 3,211 million pesos achieved in savings at the consolidated Alsea level during the quarter, 38% were achieved in Alsea Mexico, mainly thanks to agreements with unions, negotiations regarding discounts of rents, cuts in advertising and corporate expenses, among others.

At the end of the first quarter, Alsea Mexico had a total of 1,876 corporate units and 360 sub-franchisee units.

EUROPA

Alsea Europe	*2Q20*	*2Q19*	*Var.*	*% Var.*
Number of units	1,390	1,372	18	1%
Same-store sales	(35.7)%	5.3%	(41.0) pp	-
Sales	1,648	5,242	(3,593)	(68.6)%
Costs	452	1,377	(925)	(67.2)%
Operating expenses	1,763	3,000	(1,237)	(41.2)%
Adjusted EBITDA*	(566)	865	(1,431)	N.M.
*Adjusted EBITDA margin**	*(34.3)%*	*16.5%*	*(50.8) pp*	-
Depreciation and amortization	383	285	98	34.4%
G&A and other income / expenses	264	393	(130)	(33)%
Operating Income	(1,213)	186	(1,399)	N.M.

* Adjusted EBITDA does not include administrative expenses; thus it represents the "Store EBITDA.". (figures in million pesos)

SALES EUROPE

The sales for Alsea Europe represented 32% of the company's consolidated sales, compared to 36% at the end of the second quarter of 2019, and are made up by operations in Spain, Portugal, France, the Netherlands, Belgium, and Luxembourg.

This segment presented a decrease in sales of 68.6%, reaching 1,648 million pesos compared to 5,242 million pesos in the second quarter of 2019. This decrease of 3,593 million pesos is related to the temporary closure of restaurants during the quarter, especially during the month of April, where there was only the partial operation of Domino's Pizza since the other brands remained closed, as a direct effect of the measures implemented by the governments surrounding the COVID-19 pandemic.

During the first two months of the quarter, sales levels were reported at approximately 8% and 23% respectively compared to the same months of the previous year. For the month of June, an improvement of 57% over the sales levels reported in June 2019 was recorded, mainly driven by a better pace in the reopening of units and the lifting of certain containment measures during the quarter. For the third quarter, despite the fact that some separation and capacity limitations within restaurants remain, consumption has been improving, reaching sales levels between 65% and 70% with respect to the total sales for the same period in the previous year.

Adjusted EBITDA EUROPE

By the end of the second quarter of 2020, Alsea Europe's adjusted EBITDA represented 57% of the decrease in consolidated Adjusted EBITDA and registered -566 million pesos, compared to 865 million pesos from the same period in 2019.

As part of the cost control efforts, of the previously mentioned 3,211 million pesos achieved in savings at the consolidated Alsea level during the quarter, 51% were achieved in Alsea Europe, mainly as a result of government support in terms of wages, negotiations in rents, efficiencies in G&A, among others.

In Alsea Europe, government support has been obtained through programs such as ERTE (temporary employment regulation file) due to force majeure, effective as of March 19 in Spain. At the end of the second quarter, nearly 50% of the Alsea Europa's staff was still signed up for this program.

Finally, at the end of June, the technological integration of Grupo Sigla with Alsea Europe's systems was completed, with which we have been able to capitalize 100% of the expected synergies regarding the most recent acquisition.

At the end of the first quarter Alsea Europe had a total of 874 corporate units and 513 sub-franchisee units.

SOUTH AMERICA

Alsea South America	*2Q20*	*2Q19*	*Var.*	*% Var.*
Number of units	630	639	(9)	(1)%
Same-store sales	(44.2)%	16.4%	(60.6) pp	-
Sales	735	2,316	($1,580)	(68.2)%
Costs	296	761	($465)	(61.1)%
Operating expenses	574	1,240	($666)	(53.7)%
Adjusted EBITDA*	(135)	314	($449)	N.M.
*Adjusted EBITDA margin**	*(18.4)%*	*13.6%*	*(31.9) pp*	-
Depreciation and amortization	159	110	$49	44.9%
G&A and other income / expenses	127	170	($43)	(25.2)%
Operating Income	(422)	34	($456)	N.M.

* Adjusted EBITDA does not include administrative expenses; thus it represents the "Store EBITDA". ** Figures in million pesos.

SALES SOUTH AMERICA

Alsea South America's sales represent 14% of the company's consolidated sales, compared to 16% at the end of the second quarter of 2019, and are made up by the operations of Argentina, Colombia, Chile, and Uruguay.

Sales for this segment decreased by 68.2%, to 735 million pesos compared to 2,316 million pesos in 2019. This decline was mainly due to the decrease in sales related to the declaration of a health emergency in the different countries, decreeing the closure of restaurants and other non-essential businesses.

It should be noted that the Alsea operation in Colombia has managed to report the smallest drop in sales compared to the other countries where Alsea has a presence, this as a result of the strong penetration that brands have in terms of home delivery. These represented 85% of the country's total sales in the second quarter of the year. In particular, Domino's Pizza Colombia managed to exceed the reported sale in the same period of the previous year, achieving 8.7% growth in same-store sales in the quarter.

Adjusted EBITDA SOUTH AMERICA

Alsea South America's adjusted EBITDA represented 13% of consolidated Adjusted EBITDA in the second quarter, closing at -135 million pesos, compared to 314 million pesos for 2Q19. This decline was partially offset by the strategies focused on reducing expenses, both operational and administrative. These had already been implemented since the beginning of the year throughout the countries of our operation in South America and were accentuated by the start of the pandemic. Continuing with the strategy to improve the company's profitability, we have completed the consolidation and integration of the operations in Chile, Argentina and Uruguay, which has as a priority to maximize efficiencies, synergies, best practices, and capitalize on future opportunities in these three countries, having Chile as our operational base. At the same time, the entire back-office operation of Alsea South America has been consolidated in Colombia, which implies savings in terms of office rent and corporate expenses. We have also completed the project to outsource our own distribution center in Colombia. In this way, a strategic restructuring of the business that had several months of planning and that was accelerated by the unprecedented consequences derived from the pandemic of COVID-19, is completed.

As part of the cost control efforts, of the previously mentioned 3,211 million pesos achieved in savings at the consolidated Alsea level during the quarter, 11% were obtained in Alsea South America, mainly as a result of government support, rental negotiations, G&A efficiencies, among others.

At the end of the second quarter, Alsea South America had a total of 605 corporate units and 25 sub-franchisee units.

NON-OPERATING RESULTS

All-in Cost of Financing

The all-in cost of financing in the second quarter of 2020 **closed at 128 million pesos compared to 487 million pesos in the same period of the previous year.** This change comes from an increase of 428 million pesos **in foreign exchange** earnings compared to those registered in the same period of the previous year. This was partially offset by an **increase in net interest paid**, coupled with a **negative exchange rate** effect related to the purchase and sale options of the remaining 21.0% of Grupo Zena.

BALANCE SHEET

CAPEX

During the six months ended June 30, 2020, **Alsea made capital investments, excluding acquisitions, for 1,077 million pesos**, of which 525 million pesos, equivalent to 49% of total investments, were destined to:

- **The opening of 29 units**
- **The renovation and remodeling of existing units** of the different brands that the Company operates.

The remaining 552 million pesos were mainly destined to:

- **Equipment replacement** (maintenance CAPEX),
- **Strategic technology and process improvement projects,**
- **Software licenses,** among others.

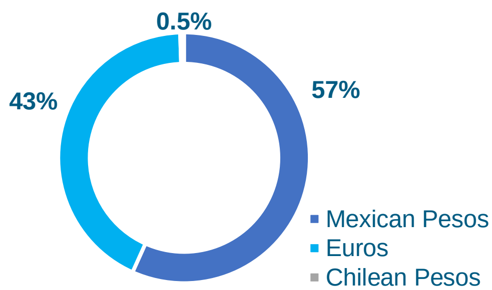
BANK DEBT AND FIXED-RATE BONDS

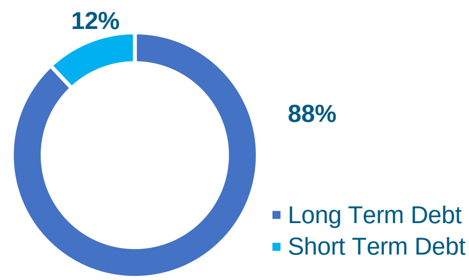
During the second quarter, we have drawn short-term lines for 1.7 billion pesos in Mexico and 44.5 million euros in Spain. Additionally, we currently have committed lines up to 75 million euros to dispose of as necessary according to the solvency of the operation in Europe.

As of June 30, 2020, **Alsea's total debt increased by 5,632 million pesos**, closing at 32,905 million pesos compared to 27,274 million pesos in the previous year. This increase corresponds mainly to the need for liquidity to continue operations during the COVID-19 contingency, coupled with the effect of 2 billion pesos due to the revaluation of debt in euros due to the appreciation of said currency against the Mexican peso.

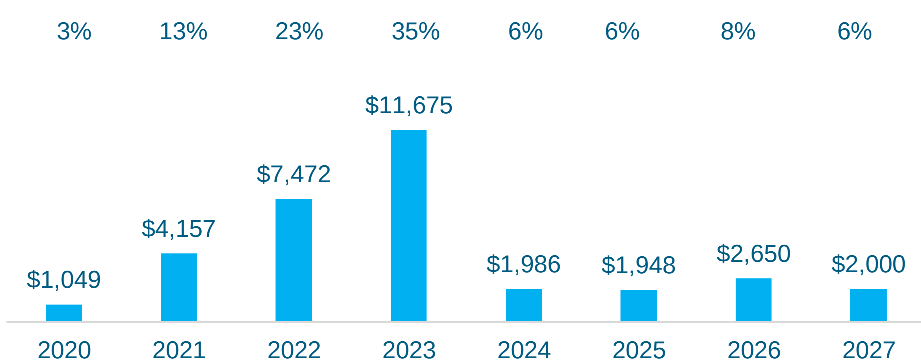
The company's consolidated net debt increased 2,952 million pesos, closing at 28,576 million pesos as of June 30, 2020 compared to 25,624 million pesos at the end of the second quarter of 2019.

As of June 30, 2020, the debt was comprised as follows:





The following graph shows the balance of the total debt in millions of pesos as of June 30, 2020, as well as the maturities held for subsequent years:



* Figures in millions of pesos.

FINANCIAL RATIOS

As of June 30, 2020, the financial ratios established in the Company's loan agreements were:

- **Total Debt to EBITDA** (last 12 months) was **8.3 times (waived until July 2021).**
- **Net Debt to EBITDA** (last 12 months) was **7.2 times.**

- **EBITDA** (last 12 months) **to interest paid** over the last 12 months was **1.7 times (waived until July 2021).**
- In terms of **liquidity**, at the end of the second quarter of 2020, Alsea counts with **4.3 billion pesos in cash**, meeting the minimum level required according to the waiver.
- The **consolidated stockholders' equity** closed at **10.0 billion pesos,** meeting the minimum level of 8.5 billion pesos according to the waiver.

KEY INFORMATION

Financial ratios	2Q20	2Q19	Variation
EBITDA(1) / Interests Paid	1.7 x	3.9 x	N.A
Total Debt / EBITDA(1)	8.3 x	3.7 x	N.A
Net Debt / EBITDA(1)	7.2 x	3.5 x	N.A
ROIC (2)	(1.4)%	8.4%	(9.8) pp
ROE (3)	(18.8)%	8.4%	(27.2) pp

Stock Market Indicators	2Q20	2Q19	Variation
Book Value per Share	$9.47	$13.10	(27.7)%
EPS (12 months) (4)	(1.49)	0.99	250.1%
Shares in circulation at end of period (millions)	832.9	831.3	(0.2)%
Price per Share at Market Close	$22.61	$37.78	(40.2)%

(1) EBITDA last 12 months, for the 2Q20 EBITDA in the last twelve months the pro forma excluding synergy expenses in Alsea Europe is used.
(2) ROIC is defined as operating income after taxes (last 12 months) by net operating investment (total assets – cash and short-term investments – no-cost liabilities).
(3) ROE is defined as net earnings (last 12 months) over shareholders' equity
(4) EPS is earnings per share for the last 12 months.

IFRS 16 IN INCOME STATEMENT

The adoption of IFRS 16 had a **negative effect of 331 million pesos on the Income Statement** for the quarter, which represented 11.1% of net income. Regarding EBITDA, a positive effect of 848 million pesos was registered, representing an increase of 16.5 percentage points in the EBITDA margin, closing at (17.4)%.

Leverage ratios including IFRS 16 and hyperinflation in Argentina	2Q20
Total Debt / EBITDA(1)	6.9 x
Net Debt / EBITDA(1)	6.3 x

(1) EBITDA last twelve months

UNITS BY BRAND

BRANDS	UNITS 2Q20		
	Corporate	Sub-franchises	Total
Domino's Pizza	807	414	1221
Mexico	454	337	791
Spain	273	52	325
Colombia	80	25	105
Burger King	411	-	411
Mexico	177	-	177
Argentina	117	-	117
Spain	60	-	60
Chile	57	-	57
Fast Food Restaurants	**1,218**	**414**	**1,632**
Starbucks			
Mexico	754	-	754
France	65	121	186
Spain	120	24	144
Argentina	136	-	136
Chile	134	-	134
Netherlands	15	70	85
Colombia	32	-	32
Belgium	-	31	31
Portugal	20	3	23
Uruguay	9	-	9
Luxembourg	-	4	4
Coffee Shops	**1285**	**253**	**1538**
Foster's Hollywood	**103**	**126**	**229**
Ginos	**88**	**35**	**123**
Spain	86	35	121
Portugal	2		2
Italianni's	**71**	**15**	**86**
El Portón	**43**	**-**	**43**
Chili's Grill & Bar	**78**	**-**	**78**
Mexico	73	-	73
Chile	5	-	5
Archie's	**30**	**-**	**30**
P.F. Chang's	**30**	**-**	**30**
Mexico	25	-	25
Columbia	2	-	2
Chile	3	-	3
Cañas y Tapas	**8**	**9**	**17**
TGI Fridays	**14**	**-**	**14**
Wagamama	**3**	**-**	**3**
The Cheesecake Factory	**5**	**-**	**5**
Corazón de Barro	**3**	**-**	**3**
La Casa del Comal	**1**	**-**	**1**
Ole Mole	**1**	**-**	**1**
Casual Dining	**478**	**185**	**663**
Foster's Hollywood Street	**1**	**-**	**1**
Vips Smart	**16**	**22**	**38**
Fast Casual Dining	**17**	**22**	**39**
Vips	**360**	**24**	**384**
Mexico	270	8	278
Spain	90	16	106
Family Dining	**360**	**24**	**384**
ALSEA TOTAL UNITS			**4,256**
Corporate	**3,358**		
Sub-franchises		**898**	

UNITS BY COUNTRY

MEXICO	2,236	SPAIN	1,059	ARGENTINA	253	CHILE	199
FRANCE	186	COLOMBIA	169	NETHERLANDS	85	BELGIUM	31
PORTUGAL	25	URUGUAY	9	LUXEMBOURG	4		

ANALYST COVERAGE

INSTITUTION	ANALYST	RECOMMENDATION
ACTINVER	JOSÉ ANTONIO CEBEIRA	UNDER REVIEW
BANK OF AMERICA MERRILL LYNCH	ROBERT E. FORD AGUILAR	SELL
BANORTE-IXE	VALENTIIN MENDOZA BALDERAS	BUY
BARCLAYS	BENJAMIN M. THEURER	HOLD
BBVA BANCOMER	MIGUEL ULLOA SUAREZ	SELL
BRADESCO	RICHARD CATHCART	HOLD
BTG PACTUAL	ÁLVARO GARCÍA	HOLD
BX+	MARISOL HUERTA	BUY
CITI	SERGIO MATSUMOTO	HOLD
CREDIT SUISSE	VANESSA QUIROGA	BUY
GRUPO BURSÁTIL MEXICANO	LUIS RODRIGO WILLARD	UNDER REVIEW
HSBC	RAVI JAIN	BUY
INTERCAM	ALEJANDRA MARCOS	BUY
INVEX	GISELLE MOJICA	SELL
ITAU BBA	JOAQUÍN LEY	HOLD
J.P. MORGAN	IAN LUKETIC	SELL
MONEX	VERÓNICA URIBE BOYZO	UNDER REVIEW
SANTANDER	ALAN ALANIS	BUY.
SCOTIABANK	RODRIGO ECHAGARAY	BUY
UBS	GUSTAVO OLIVEIRA	HOLD
MORGAN STANLEY	JAVIER MARTINEZ DE OLCOZ	BUY
VECTOR	MARCELA MUÑOZ	BUY
PUNTO CASA DE BOLSA	CRISTINA MORALES	BUY

This press release contains certain forward-looking information regarding the Company's results and outlook. However, actual results may vary materially from these estimates. Information on future events contained in this release should be read jointly with the risk summary in the Annual Report. That information, as well as future reports made by the Company or any of its representatives, whether verbally or in writing, may vary significantly from actual results. These projections and estimates, which are prepared in reference to a determined date, should not be taken as fact. The Company is in no way liable for updating or revising any of these projections and estimates, whether as a result of new information, future events or other associated events.

Reclassifications - The financial statements as of June 30, 2019, include certain reclassifications to the financial statements which do not have a material effect on the balance sheet, but are presented only for comparative purposes.

The Company's shares are traded on the Mexican Stock Exchange under the ticker ALSEA*.

Rafael Contreras Grosskelwing
Chief Financial Officer
Teléfono: (5255) 7583-2750 | ri@alsea.com.mx

PRESS RELEASES 2T20

- Alsea successfully held its Ordinary General Shareholders' Meeting on April 16, 2020.
- Alsea has reached agreements with all the banks with which it has relations, to renegotiate its credit contracts, to suspend from June 29, 2020 until June 30, 2021, the commitments originally assumed with the banks that have been affected by the impacts of the pandemic (mainly those related to the gross leverage ratio and the interest coverage ratio), achieving better conditions to deal with COVID-19.

EARNINGS CONFERENCE CALL 2Q20

The conference call will be held on **Thursday, July 23, 2020, at 16:00 hrs (Mexico City time)**, it will be held in English and have a question and answer session.

To join the call, please dial in five minutes before the scheduled time at:

Mexico: (55) 4123.2120
United States: 800 981.3960
Europe: (44) 20.3514.2364

Access code: 1961#

After the replay period is over, the conference call will be available on our website: www.alsea.com.mx in the "investors" section.

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2020 AND 2019
(In thousands of nominal pesos)

	June 30,				Re-expression Argentina	NIIF 16	June 30,	
	2019		2020				2020	
ASSETS								
Current assets:								
Cash and short-term investments	1,649,440	2.9%	4,329,421	7.0%	-	-	4,329,421	5.1%
Clients	857,328	1.5%	946,940	1.5%	-	-	946,940	1.1%
Other accounts and documents receivable	426,226	0.7%	521,435	0.8%	-	-	521,435	0.6%
Inventory	2,079,915	3.7%	1,926,611	3.1%	-	-	1,926,611	2.3%
Taxes recoverable	397,907	0.7%	669,235	1.1%	-	-	669,235	0.8%
Other current assets	1,610,796	2.8%	1,639,538	2.6%	-	-	1,639,538	2.0%
Assets held for sale	-	0.0%	-	0.0%	-	-	-	0.0%
Current assets	7,021,612	12.3%	10,033,180	16.3%	-	-	10,033,180	12.0%
Investments in shares of associated companies	36,683	0.1%	83,613	0.1%	-	-	83,613	0.1%
Store equipment, improvements to leased locales, and property, net	19,203,377	33.7%	18,841,103	30.4%	62,490	(954,584)	17,949,009	21.3%
Right of use assets non-executable	-	0%	-	0%	17,781	22,971,759	22,971,759	27.3%
Brand use rights, pre-operations, other intangible assets, net	27,718,510	48.7%	29,403,588	47.4%	-		29,421,369	35.0%
Deferred Income Tax	2,921,778	5.1%	3,618,506	5.8%	-	-	3,618,506	4.3%
Total Assets	**56,901,960**	**100.0%**	**61,979,990**	**100.0%**	**80,271**	**22,017,175**	**84,077,436**	**100.0%**
LIABILITIES								
Short term:								
Providers	4,952,900	8.7%	5,735,488	9.3%	-	-	5,735,488	6.8%
Taxes payable	304,754	0.5%	216,530	0.3%	-	-	216,530	0.3%
Other accounts payable	4,693,817	8.2%	5,054,631	8.2%	-	(794,378)	4,260,253	5.1%
Lease liability non-executable	-	0.0%	-	0.0%	-	4,483,601	4,483,601	5.3%
Other short-term liabilities	2,415,546	4.2%	2,879,955	4.6%	-		2,879,955	3.4%
Bank loans	847,771	1.5%	4,074,605	6.6%	-		4,074,605	4.8%
Short-term liabilities	-	0.0%	-	0.0%	-	-	-	0.0%
Long term:	13,214,788	23.2%	17,961,209	29.2%	-	3,689,223	21,650,432	25.8%
Bank loans								
Commercial papers	18,452,894	32.4%	20,853,526	33.6%	-	-	20,853,526	24.8%
Deferred taxes - net	7,972,884	14.0%	7,977,153	13.0%	-	-	7,977,153	9.5%
Lease liability non-executable	3,608,786	6.3%	4,332,358	7.0%	17,981	-	4,350,339	5.2%
Other long-term liabilities	-		-	0.0%		20,554,542	20,554,542	24.4%
Long-term liabilities	731,711	1.3%	886,936	1.4%		(268,573)	618,363	0.7%
Total Liabilities	30,766,275	54.1%	34,049,973	54.9%	17,981	20,285,969	54,353,923	64.6%
LIABILITIES	**43,981,063**	**77.3%**	**52,011,182**	**83.9%**	**17,981**	**23,975,192**	**76,004,355**	**90.4%**
SHAREHOLDERS' EQUITY								
Minority interest	1,919,565	3.4%	1,529,287	2.5%	-	-	1,529,287	1.8%
Majority interest:					-	-		
Capital	475,110	0.8%	475,919	0.8%	-	-	475,919	0.6%
Net premium in share placement	8,625,720	15.2%	8,625,720	14.0%	-	-	8,625,720	10.3%
Accumulated income	2,053,667	3.6%	3,300,220	5.3%	187,046	(2,265,375)	1,221,891	1.5%
Income during the year	309,579	0.5%	(2,472,298)	(4.0)%	(120,132)	(283,495)	(2,875,925)	(3.4)%
Exchange rate effects from foreign entities	(462,744)	(0.8)%	(1,490,040)	(2.4)%	(4,624)	590,853	(903,811)	(1.1)%
Majority interest	11,001,332	19.3%	8,439,521	13.6%	62,290	(1,958,017)	6,543,794	7.8%
Total Shareholders' Equity	**12,920,897**	**22.7%**	**9,968,908**	**16.1%**	**62,290**	**(1,958,017)**	**8,073,081**	**9.6%**
Total Liabilities and Shareholders' Equity	**56,901,960**	**100.0%**	**61,979,990**	**100.0%**	**80,271**	**22,017,175**	**84,077,436**	**100%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS
ENDED JUNE 30, 2020 AND 2019
(In thousands of nominal pesos)

	Three months ended on june 30, 2020		Re-expression Argentina	NIIF 16	Three months ended on june 30, 2020	
Net sales	$ 5,151,137	100%	$ 46,640	-	$ 5,197,777	100%
Cost of sales	1,742,932	33.8%	17,239	-	1,760,171	33.9%
Gross Income	**3,408,205**	**66.2%**	**29,401**	**-**	**3,437,606**	**66.1%**
Operating expenses	5,153,660	100.0%	35,449	(848,501)	4,340,608	83.5%
Depreciation and amortization	1,117,107	21.7%	69,594	895,090	2,081,791	40.1%
Operating Income	**(2,862,562)**	**(55.6)%**	**(75,642)**	**(46,589)**	**(2,984,793)**	**(57.4)%**
Interest paid – net	530,424	10.3%	(654)	284,897	814,667	15.7%
Changes in reasonable value Financial Liabilities	9,485	0.2%	-	-	9,485	0.2%
Exchange rate loss / (income)	(411,976)	(8.0)%	(810)	-	(412,786)	(7.9)%
	127,933	2.5%	(1,464)	284,897	411,366	7.9%
Participation in associated companies' results	(1,444)	-	-	-	(1,444)	-
Income before Taxes	**(2,991,939)**	**(58.1)%**	**(74,178)**	**(331,486)**	**(3,397,603)**	**(65.4)%**
Tax on earnings	(413,440)	(8.0)%	(2,626)	-	(416,066)	(8.0)%
Consolidated Net Income	**(2,578,499)**	**(50.1)%**	**(71,552)**	**(331,486)**	**(2,981,537)**	**(57.4)%**
Non-controlling stake	(386,089)	(7.5)%	**-**	**-**	(386,089)	(7.4)%
Controlling Stake	**$ (2,192,410)**	**(42.6)%**	**$ (71,552)**	**(331,486)**	**$ (2,595,448)**	**(49.9)%**

	Three months ended on june 30, 2019		Re-expression Argentina	NIIF 16	Three months ended on june 30, 2019	
Net sales	$ 14,456,256	100%	$ 124,281	-	$ 14,580,537	100%
Cost of sales	4,258,792	29.5%	41,666	-	4,300,458	29.5%
Gross Income	**10,197,464**	**70.5%**	**82,615**	**-**	**10,280,079**	**70.5%**
Operating expenses	8,364,316	57.9%	80,797	(1,226,541)	7,218,572	49.5%
Depreciation and amortization	984,169	6.8%	59,539	887,426	1,931,134	13.2%
Operating Income	**848,979**	**5.9%**	**(57,721)**	**339,115**	**1,130,373**	**7.8%**
Interest paid – net	474,914	3.3%	6,413	293,241	774,568	5.3%
Changes in reasonable value Financial Liabilities	(3,847)	-	-	-	(3,847)	-
Exchange rate loss / (income)	16,031	0.1%	(4,092)	-	11,939	0.1%
	487,098	3.4%	2,321	293,241	782,660	5.4%
Participation in associated companies' results	(1,917)	-	-	-	(1,917)	-
Income before Taxes	**359,964**	**2.5%**	**(60,042)**	**45,874**	**345,796**	**2.4%**
Tax on earnings	133,187	0.9%	(1,576)	-	131,611	0.9%
Consolidated Net Income	**226,777**	**1.6%**	**(58,466)**	**45,874**	**214,185**	**1.5%**
Non-controlling stake	40,899	0.3%	-	-	40,899	0.3%
Controlling Stake	**$ 185,878**	**1.3%**	**$ (58,466)**	**45,874**	**$ 173,286**	**1.2%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT BY SEGMENT FOR THE THREE MONTHS ENDED JUNE 30, 2020
(In thousands of nominal pesos)

MEXICO		Three months ended on june 30, 2020		NIIF 16		Three months ended on june 30, 2020	
Net sales	$	2,767,509	100%	-	$	2,767,509	100%
Operating expenses		2,425,246	87.6%	(419,004)		2,006,242	72.5%
Depreciation and amortization		575,212	20.8%	337,804		953,016	34.4%
Operating Income		**(1,228,171)**	**(44.4)%**	**41,200**		**(1,186,971)**	**(42.9)%**
All-in cost of financing		87,021	3.1%	161,896		248,917	9.0%
Consolidated Net Income	**$**	**(1,316,636)**	**(47.6)%**	**(120,696)**	**$**	**(1,437,332)**	**(51.9)%**

EUROPE		Three months ended on june 30, 2020		NIIF 16		Three months ended on june 30, 2020	
Net sales	$	1,648,346	100%	-	$	1,648,346	100%
Operating expenses		2,027,000	123.0%	(375,424)		1,651,576	100.2%
Depreciation and amortization		382,685	23.2%	401,813		784,498	47.6%
Operating Income		**(1,212,888)**	**(73.6)%**	**(26,389)**		**(1,239,277)**	**(75.2)%**
All-in cost of financing		97,141	5.9%	94,716		191,857	11.6%
Consolidated Net Income	**$**	**(1,310,029)**	**(79.5)%**	**(121,105)**	**$**	**(1,431,134)**	**(86.8)%**

SOUTH AMERICA		Three months ended on june 30, 2020		Re-expression Argentina	NIIF 16		Three months ended on june 30, 2020	
Net sales	$	735,282	100%	46,640	-	$	781,922	100%
Operating expenses		701,413	95.4%	35,449	(54,073)		682,789	87.3%
Depreciation and amortization		159,210	21.7%	69,594	115,473		344,277	44.0%
Operating Income		**(421,502)**	**(57.3)%**	**(75,642)**	**(61,400)**		**(558,544)**	**(71.4)%**
All-in cost of financing		(56,229)	(7.6)%	(1,464)	28,285		(29,408)	(3.8)%
Consolidated Net Income	**$**	**(365,273)**	**(49.7)%**	**(74,178)**	**(89,685)**	**$**	**(529,136)**	**(67.7)%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(In thousands of nominal pesos)

		Six months ended on june 30, 2020			Re-expression Argentina	NIIF 16		Six months ended on june 30, 2020	
Net sales	$	17,236,435	100%	$	66,432	-	$	17,302,867	100%
Cost of sales		5,346,842	31.0%		24,259	-		5,371,101	31.0%
Gross Income		**11,889,593**	**69.0%**		**42,173**	**-**		**11,931,766**	**69.0%**
Operating expenses		12,407,868	72.0%		48,770	(2,179,864)		10,276,774	59.4%
Depreciation and amortization		2,099,749	12.2%		116,364	1,949,816		4,165,929	24.1%
Operating Income		**(2,618,024)**	**(15.2)%**		**(122,961)**	**230,048**		**(2,510,937)**	**(14.5)%**
Interest paid – net		1,023,058	5.9%		**607**	**513,543**		1,537,208	8.9%
Changes in reasonable value Financial Liabilities		575,092	3.3%		-	-		575,092	3.3%
Exchange rate loss / (income)		(839,302)	(4.9)%		**(810)**	**-**		(840,112)	(4.9)%
		758,848	4.4%		**(203)**	**513,543**		1,272,188	7.4%
Participation in associated companies' results		(2,800)	-		-	-		(2,800)	-
Income before Taxes		**(3,379,672)**	**(19.6)%**		**(122,758)**	**(283,495)**		**(3,785,925)**	**(21.9)%**
Tax on earnings		(410,795)	(2.4)%		(2,626)	-		(413,421)	(2.4)%
Consolidated Net Income		**(2,968,877)**	**(17.2)%**		**(120,132)**	**(283,495)**		**(3,372,504)**	**(19.5)%**
Non-controlling stake		(496,579)	(2.9)%		-	-		(496,579)	(2.9)%
Controlling Stake	**$**	**(2,472,298)**	**(14.3)%**	**$**	**(120,132)**	**(283,495)**	**$**	**(2,875,925)**	**(16.6)%**

		Six months ended on june 30, 2019			Re-expression Argentina	NIIF 16		Six months ended on june 30, 2019	
Net sales	$	28,113,456	100%	$	157,667	-	$	28,271,123	100%
Cost of sales		8,352,224	29.7%		52,741	-		8,404,965	29.7%
Gross Income		**19,761,232**	**70.3%**		**104,926**	**-**		**19,866,158**	**70.3%**
Operating expenses		16,385,020	58.3%		102,230	(2,430,491)		14,056,759	49.7%
Depreciation and amortization		1,917,265	6.8%		112,699	1,819,803		3,849,767	13.6%
Operating Income		**1,458,947**	**5.2%**		**(110,003)**	**610,688**		**1,959,632**	**6.9%**
Interest paid – net		963,345	3.4%		8,423	546,453		1,518,221	5.4%
Changes in reasonable value Financial Liabilities		(90,460)	(0.3)%		-	-		(90,460)	(0.3)%
Exchange rate loss / (income)		(15,981)	(0.1)%		(6,855)	-		(22,836)	(0.1)%
		856,904	3.0%		1,568	546,453		1,404,925	5.0%
Participation in associated companies' results		(1,917)	-		-	-		(1,917)	-
Income before Taxes		**600,126**	**2.1%**		**(111,571)**	**64,235**		**552,790**	**2.0%**
Tax on earnings		222,047	0.8%		(17,514)	-		204,533	0.7%
Consolidated Net Income		**378,079**	**1.3%**		**(94,057)**	**64,235**		**348,257**	**1.2%**
Non-controlling stake		68,500	0.2%		-	-		68,500	0.2%
Controlling Stake	**$**	**309,579**	**1.1%**	**$**	**(94,057)**	**64,235**	**$**	**279,757**	**1.0%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2020 AND 2019
(In thousands of nominal pesos)

		June 30, 2020		June 30, 2019
Operating activities:				
Consolidated result before income taxes	**$**	**(3,785,925)**	**$**	**600,126**
Income from investments:				
Depreciation and amortization of brands		2,216,113		1,930,030
Depreciation for financial leasing		1,949,816		-
Write-down of fixed assets		203,569		95,267
Other entries		577,891		(88,543)
Total		**1,161,464**		**2,536,880**
Clients		173,384		(7,468)
Inventory		(12,046)		6,175
Providers		(379,431)		(288,241)
Taxes payable		(346,238)		(489,410)
Other assets and other liabilities		(513,721)		(1,228,701)
Total		**(1,078,052)**		**(2,007,645)**
Net cash flow from operations		**83,412**		**529,235**
Investment activities				
Store equipment, improvements to leased locales, and property		(812,876)		(1,052,086)
Brand use rights, pre-operations, other intangible assets, net		(264,503)		(223,130)
Acquisition of subsidiary		-		(934,624)
		(1,077,379)		**(2,209,840)**
Cash receivable from financing activities		**(993,967)**		**(1,680,605)**
Financing activities				
Bank credits and loan payments, net		4,984,115		579,982
Commercial papers, net		-		991,655
Financial leasing		(946,913)		-
Sale (repurchase) of shares		(147,512)		(150,931)
Other		64,303		-
Financing activities		**3,953,993**		**1,420,706**
Increase (decrease) net of cash		**2,960,026**		**(259,899)**
Adjustments to cash flow due to exchange rate variations		(1,255,994)		(78,518)
Cash at the beginning of the period		2,625,389		1,987,857
Cash at the end of the period	**$**	**4,329,421**	**$**	**1,649,440**