

THIRD QUARTER RESULTS 2024



ConsorcioARA®

CONSORCIO ARA, S. A. B. DE C. V. (ARA*)

RESULTS FOR THE THIRD QUARTER OF 2024 (3Q24)

(All figures in millions of pesos)

Mexico City, October 22, 2024 – Consorcio ARA, S.A.B. de C.V. (“ARA” – BMV: ARA*) reports its results for 3Q24.

I. Remarks by the Chief Executive Officer

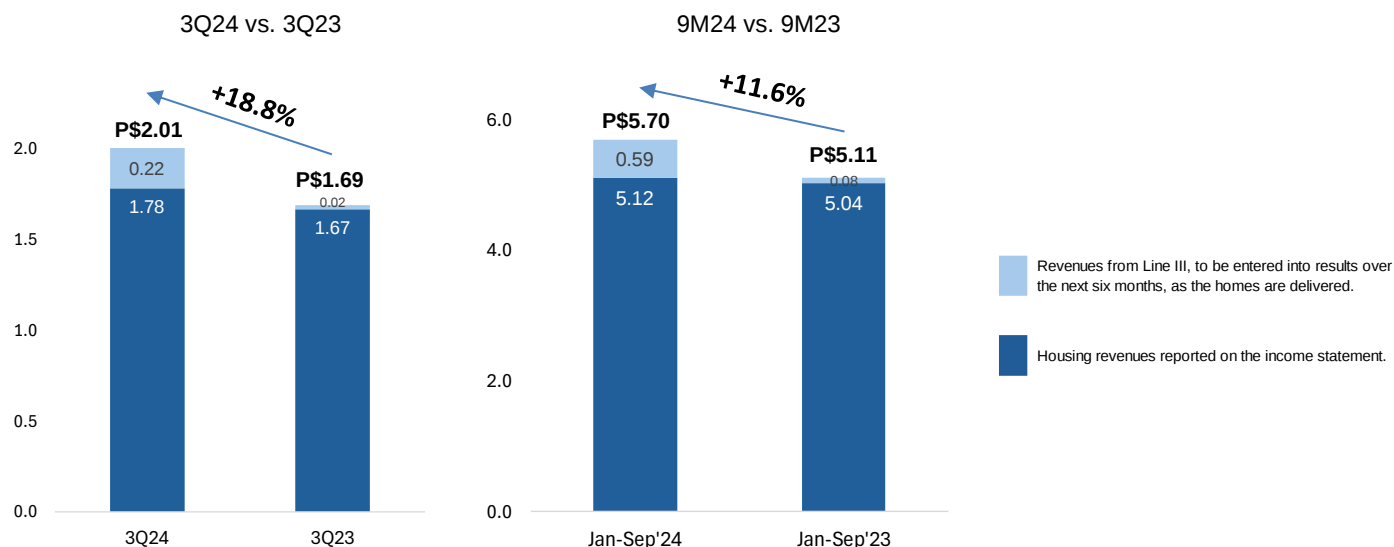
Germán Ahumada Russek remarks: **Our revenue performance in the third quarter was once again positive, with a total of \$P1.86 billion, which was 6% higher than in the same quarter of last year, the highest growth in seven quarters.**

Housing revenues totaled \$P1.78 billion, a 6.8% increase, corresponding to the sale of 1,475 homes, so the average price was \$P1,209,500, 7.9% higher than in the third quarter of 2023.

This 6.8% increase in housing revenues was due largely to higher sales from the “Build with Infonavit Loan” or Line III program. In the third quarter of the year, we titled homes for \$P445.2 million, which will be booked under revenues in a maximum of six months, as the homes are delivered. Revenues from titled homes delivered under the Line III program totaled \$P220.6 million. The vast majority of these homes titled were affordable entry-level units.

As we have explained before, this type of loan allows Infonavit beneficiaries to build their homes through a developer, in an authorized housing complex (comprehensive mode). One of the benefits is that it requires a qualifying score of just 880 for the borrower, lower than what they need for a traditional loan. During the construction period, the developer receives installments as the work progresses, under the supervision of a managing financial entity.

Housing revenues counting Line III revenues pending recognition in results



As you can see in the graph, **counting Line III revenues pending recognition in our results, housing revenues in the third quarter would come to \$P2.01 billion, which is a solid 18.8% growth compared to the same period of 2023, and in the first nine months of the year they totaled \$P5.70 billion, an 11.6% increase.**



Revenues in the Affordable Entry-Level and Middle-Income segments grew 9.5% and 12.5%, respectively, from the third quarter of 2023 to the third quarter of 2024. The Residential segment continues to recover, this time dropping just 4.3%, and these revenues were higher than those of the three preceding quarter.

As we said earlier, this reduction in Residential segment revenues has been caused primarily by lower revenues from Acapulco, a city that was severely affected by the devastation of hurricane Otis in October of 2023. In the third quarter of 2024, revenues from this region accounted for 11.7% of all housing revenues, compared to 18.6% in the same period of last year.

On September 23, hurricane John hit the city of Acapulco, causing serious flooding. We are deeply saddened by the destruction the storm left in its wake, and we hope families whose homes were lost or damaged will soon be moving forward again. As we informed our customers at the time, primarily through social media, none of the three developments we are operating there were damaged, so we will continue our homebuilding and sales activities.

In the third quarter of 2024, operating income came to P\$192.2 million, with a margin of 10.4%, net income was P\$173.8 million with a margin of 9.4%, and EBITDA was P\$272.9 million, with a margin of 14.7%.

Free Cash Flow to the Firm was basically neutral in the third quarter of 2024, and in the first nine months of the year it was positive by P\$238.9 million.

Regarding our leverage ratios, **Cost-bearing debt to EBITDA was 2.68 times**, and **Net debt to EBITDA was 0.21 times**, both of them stable against the close of 2023.

In the last quarter of the year, we will continue to focus on achieving our goals for revenue growth and positive Free Cash Flow to the Firm. I am grateful to the ARA team for the results achieved up until now, and we are confident that with their dedication and day-to-day commitment, we can reach our goals.



II. Overview

3Q24 vs. 3Q23

- Revenues rose to P\$1.86 billion, a growth of 6.0%.
- A total of 1,475 homes were sold, and the average price was P\$1,209,500, a 7.9% increase.
- Operating income was P\$192.2 million, 4.1% lower, and the operating margin was 10.4%.
- EBITDA came to P\$272.9 million, a slight decrease of 0.8%, and the EBITDA margin was 14.7%.
- Net income was P\$173.8 million, 5.8% lower, and the net margin was 9.4%.
- Free Cash Flow to the Firm was positive by P\$0.8 million.

9M24 vs. 9M23

- Revenues rose to P\$5.34 billion, a growth of 1.8%.
- A total of 4,333 homes were sold, and the average price was P\$1,180,900, a 1.4% increase.
- Operating income was P\$564.0 million, 3.6% lower, and the operating margin was 10.6%.
- EBITDA came to P\$797.2 million, a growth of 1.9%, and the EBITDA margin was 14.9%.
- Net income was P\$503.7 million, 4.1% lower, and the net margin was 9.4%.
- Free Cash Flow to the Firm was positive by P\$238.9 million.

Results

(Millions of pesos)

	3Q24	3Q23	Chge. %	9M24	9M23	Chge. %
Revenues	1,855.0	1,749.3	6.0	5,335.1	5,239.9	1.8
Sales (homes)	1,475	1,490	-1.0	4,333	4,325	0.2
Average price (thousands of pesos)	1,209.5	1,120.8	7.9	1,180.9	1,164.5	1.4
Gross profit	496.7	470.9	5.5	1,419.5	1,382.9	2.6
Income from operations	192.2	200.5	-4.1	564.0	584.9	-3.6
Net income	173.8	184.5	-5.8	503.7	525.3	-4.1
EBITDA ⁽¹⁾	272.9	275.2	-0.8	797.2	782.0	1.9
Gross margin	26.8%	26.9%		26.6%	26.4%	
Operating margin	10.4%	11.5%		10.6%	11.2%	
Net margin	9.4%	10.5%		9.4%	10.0%	
EBITDA margin	14.7%	15.7%		14.9%	14.9%	
Free Cash Flow to the Firm	0.8	-80.0		238.9	144.9	

(1) EBITDA: Income from operations excluding depreciation, capitalized interest expense that was transferred to cost, and other income (expense) - net.



Financial Position

(Millions of pesos)

	As of Sep'24	As of Dec'23	Chge. %
Cash and cash equivalents	2,480.4	2,298.6	7.9
Cost bearing liabilities	2,686.3	2,463.7	9.0
Net debt	206.0	165.1	24.8

(Times)

As of Sep'24 As of Dec'23 Change				
Cost bearing liabilities	/ Stockholders' equity	0.17	0.17	0.00
	/ Total assets	0.11	0.11	0.00
	/ EBITDA (12m)	2.68	2.50	0.18
Net debt / EBITDA (12m)		0.21	0.17	0.04
Net debt / Stockholders' equity		0.01	0.01	0.00

	LTM Sep'24	LTM Dec'23	Chge.
Interest coverage:			
EBITDA / Interest expense	3.10	3.15	-0.05
EBITDA / Interest expense less interest income	9.00	49.92	-40.92

Land Bank

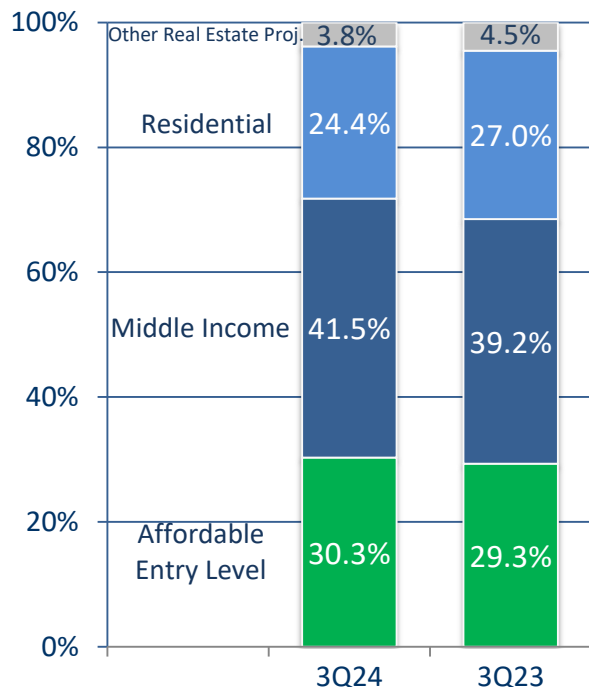
As of September 30, 2024, ARA's land bank had a book value of P\$4.35 billion and included 30.1 million m², enough to build 116,058 master-plan homes. This land bank includes 2 million m² set aside for non-housing development, such as the retail properties, tourist resorts and industrial zones.



III. Third Quarter Results 2024 / 2023 (3Q24 / 3Q23)

Revenues

Revenues 3Q24 / 3Q23



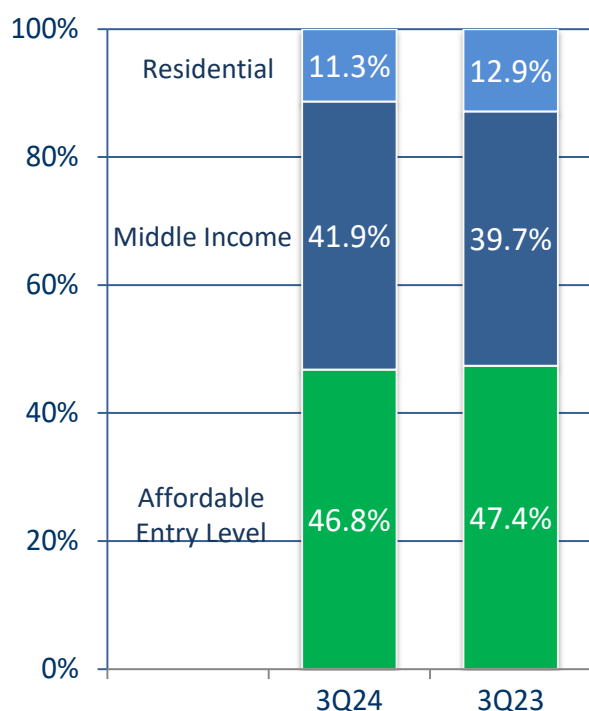
In 3Q24, revenues totaled P\$1.86 billion pesos, which is 6.0% more than in the same quarter of last year. Housing revenues came to P\$1.78 billion, 6.8% above their year-earlier level.

Third-quarter revenues by segment broke down as follows:

	3Q24			3Q23			Chge. 3Q 24/23	
	Units	Mill. \$	Rev%	Units	Mill. \$	Rev%	Mill. \$	%
Affordable Entry Level	690	561.9	30.3	706	513.0	29.3	48.9	9.5
Middle Income	618	770.3	41.5	592	685.0	39.2	85.3	12.5
Residential	167	451.8	24.4	192	472.0	27.0	-20.2	-4.3
Total as Home Builder	1,475	1,784.0	96.2	1,490	1,670.0	95.5	114.0	6.8
Other Real Estate Projects		71.1	3.8		79.3	4.5	-8.2	-10.4
Total	1,475	1,855.0	100	1,490	1,749.3	100	105.8	6.0

Revenues from the sale of Affordable Entry-Level and Middle-Income homes in 3Q24 continued to improve, growing 9.5% and 12.5%, respectively, over 3Q23. The Residential segment meanwhile continues to recover, this time down by just 4.3%, and its revenues were higher than those of the three preceding quarter.

Units 3Q24 / 3Q23



ARA sold 1,475 homes in 3Q24, remaining virtually unchanged with the same period of the previous year. By segment, Middle-Income housing volume increased 4.4%, while Affordable Entry-Level and Residential home sales were off by 2.3% and 13% YoY, respectively.

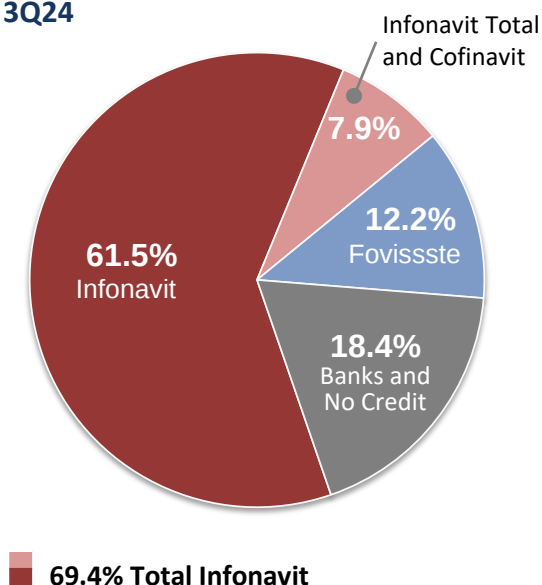
Meanwhile, homes in vertical developments accounted for 64.5% of the total number sold in 3Q24, and 57.9% in 3Q23.

Revenues from "Other Real-Estate Projects", primarily from the sale of commercial land and revenues from shopping center leases, accounted for 3.8% of total revenues in 3Q24, compared to 4.5% in 3Q23. In 3Q24, this line sank 10.4% from its year-earlier levels, due to lower revenues from land sales.

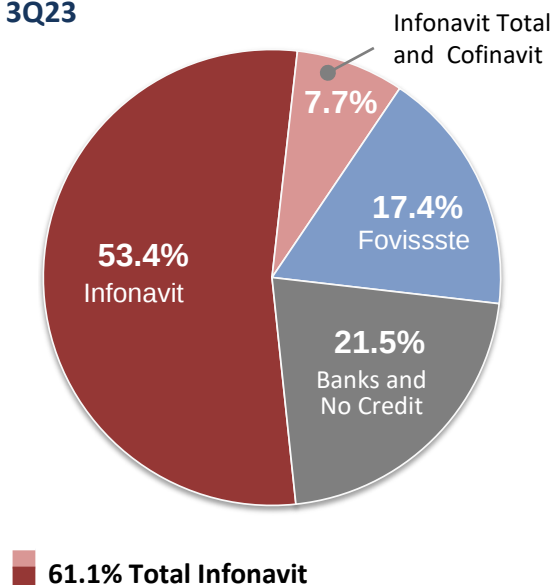


Percentage of homes titled by type of financing 3Q24 / 3Q23

3Q24

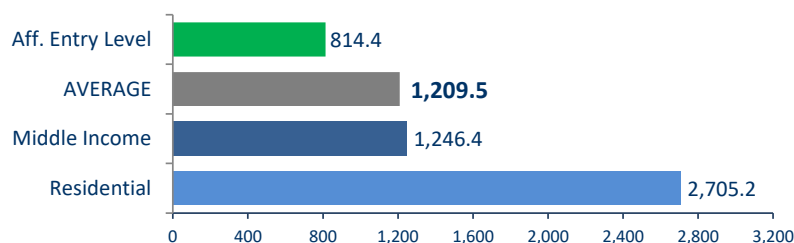


3Q23



Average sale prices by type of housing unit 3Q24

(Thousands of pesos)



The average sale price of an ARA home in 3Q24 was P\$1,209,500, an increase of 7.9% over the same period of last year. Average prices in the Affordable Entry-Level, Middle-Income and Residential segments rose by 12.1%, 7.7% and 10.0%, respectively.

Costs

In 3Q24, costs totaled P\$1.36 billion, which was 6.3% more than the P\$1.28 billion reported in 3Q23. Costs in 3Q24 were equivalent to 73.2% of total revenues, 10bp higher than in 3Q23.

Gross profit

At the close of 3Q24, gross profit totaled P\$496.7million, growing 5.5% over the same period of last year. The gross margin was 26.8%, 10bp lower than in 3Q23.

General expenses

In 3Q24, general expenses, which include wages and compensation for administrative and sales personnel as well as sales expense, came to P\$291.3 million, 11.2% more than in 3Q23. In proportion to revenues, general expenses accounted for 15.7%, 70bp higher than in 3Q23.

Operating income

Operating income in 3Q24 was P\$192.2 million, and fell 4.1% compared to 3Q23. The operating margin in 3Q24 was 10.4%, 110bp lower than in 3Q23.



Financial income - net

	3Q24	3Q23	Change	
	Mill \$	Mill \$	Mill \$	%
Net interest expense	21.4	20.2	1.2	5.8
Interest income	-48.3	-72.7	24.3	-33.5
Exchange gain	-4.3	-0.7	-3.6	512.5
Loss on derivatives	0.3	0.9	-0.6	-65.1
Financial income - net	-30.9	-52.3	21.4	-40.9

Interest income - net in 3Q24 was P\$30.9 million, primarily due to interest income.

We reported a foreign-exchange gain of P\$4.3 million in 3Q24, largely due to the valuation of our dollar investments (cash equivalents); as well as a slight loss of P\$0.3 million on our derivatives positions--corresponding to instruments acquired for the purpose of hedging certain loans (see the Debt section).

	3Q24	3Q23	Change	
	Mill \$	Mill \$	Mill \$	%
Interest expense	78.2	74.1	4.1	5.6
Capitalized interest expense	-56.8	-53.9	-2.9	5.5
Net interest expense	21.4	20.2	1.2	5.8

Capitalized interest expense is based on the weighted average acquisition of inventories (which includes land and work in process). The interest is capitalized into inventories and transferred to costs as revenues from the corresponding developments are entered.

In 3Q24 and 3Q23, capitalized interest expense included in inventories was P\$56.8 million and P\$53.9 million, respectively. At the same time, capitalized interest expense of P\$45.4 million was transferred from inventories to costs in 3Q24, compared to P\$43.6 million in 3Q23.

Income Tax

ARA's income tax bill for 3Q24 totaled P\$71.4 million, corresponding to an income tax rate of 30% of net fiscal earnings and deferred taxes.

Net income

Net income in 3Q24 was P\$173.8 million, a 5.8% reduction compared to the same period of the preceding year. The net margin was 9.4% in 3Q24, 110bp lower than in 3Q23.

EBITDA

Reconciliation of net income with EBITDA

	3Q24	3Q23	Change	
	Mill \$	Mill \$	Mill \$	%
Net income	173.8	184.5	-10.7	-5.8
Depreciation	22.1	22.6	-0.5	-2.4
Capitalized interest paid transferred to costs	45.4	43.6	1.9	4.3
Income taxes	71.4	87.6	-16.2	-18.5
Equity method in joint ventures	-22.1	-19.3	-2.8	14.3
Other expenses - net	13.2	8.5	4.7	54.8
Financial income - net	-30.9	-52.3	21.4	-40.9
EBITDA	272.9	275.2	-2.3	-0.8

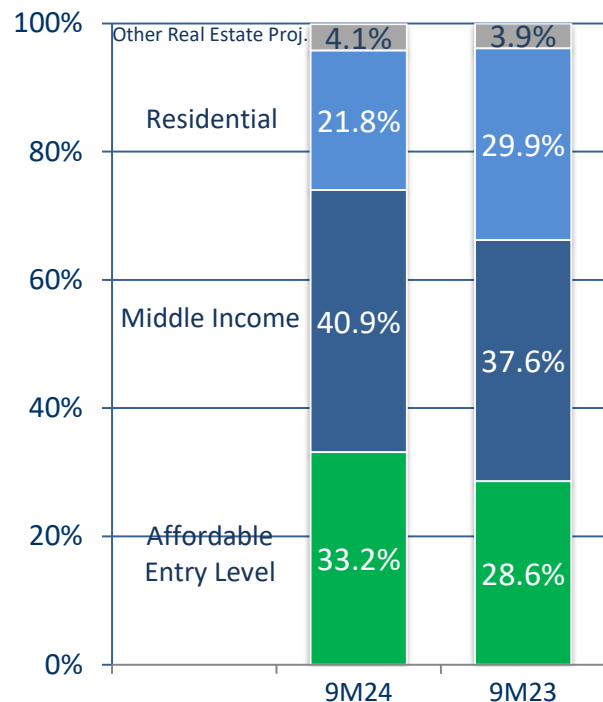
In 3Q24, ARA generated P\$272.9 million in EBITDA, basically stable against 3Q23, and with a margin of 14.7%.



IV. Results January-September 2024 / 2023 (9M24 / 9M23)

Revenues

Revenues 9M24 / 9M23



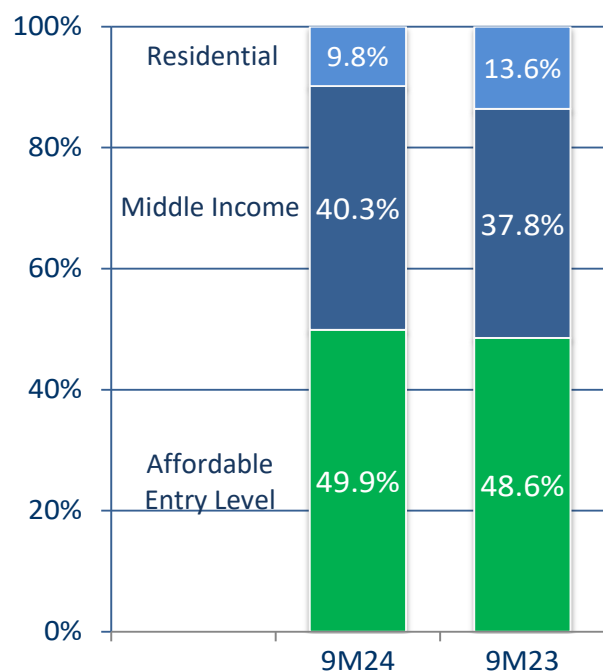
In Jan-Sep'24, total revenues amounted to P\$5.34 billion and grew 1.8% compared to the same period of the previous year. Housing revenues totaled P\$5.12 billion, 1.6% higher.

Revenues by segment broke down as follows:

	Jan-Sep'24			Jan-Sep'23			Chge. 9M 24/23	
	Units	Mill. \$	Rev%	Units	Mill. \$	Rev%	Mill. \$	%
Affordable Entry Level	2,162	1,774.5	33.2	2,100	1,500.8	28.6	273.6	18.2
Middle Income	1,746	2,180.7	40.9	1,636	1,970.1	37.6	210.6	10.7
Residential	425	1,161.5	21.8	589	1,565.6	29.9	-404.1	-25.8
Total as Home Builder	4,333	5,116.7	95.9	4,325	5,036.6	96.1	80.1	1.6
Other Real Estate Projects		218.4	4.1		203.3	3.9	15.1	7.4
Total	4,333	5,335.1	100	4,325	5,239.9	100	95.2	1.8

Revenues in the Affordable Entry-Level and Middle-Income segments in January-September 2024 grew by 18.2% and 10.7%, compared to the year-earlier period; while Residential revenues fell by 25.8%, mainly due to lower revenues in the city of Acapulco, as well as the completion of some developments.

Units 9M24 / 9M23



In the first nine months of the year, 4,333 homes were sold, basically unchanged against the same period of 2023. By housing segment, the number of Affordable Entry-Level and Middle-Income homes sold increased 3.0% and 6.7%, respectively, while the volume of Residential homes decreased 27.8%.

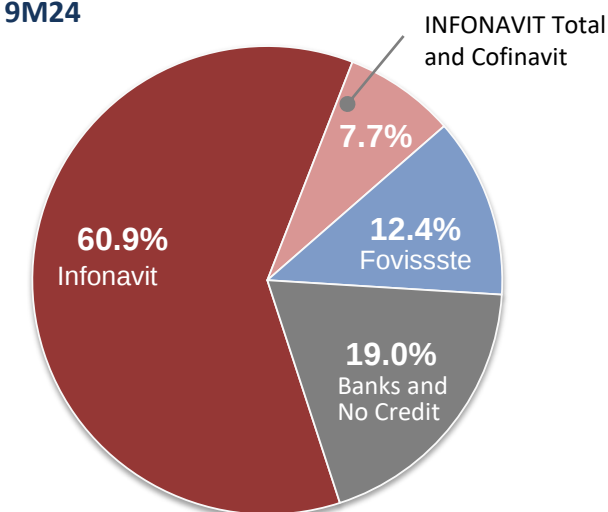
Homes in vertical developments accounted for 65.6% of the total number sold in Jan-Sep'24, and 60.0% in the same period of last year.

Revenues from "Other Real-estate Projects" in Jan-Sep'24 and Jan-Sep'23 accounted for 4.1% and 3.9% of total revenues, respectively. This line saw a growth of 7.4% from Jan-Sep'24 to the same period of 2023, due to higher revenues from both land sales and shopping center leasing.

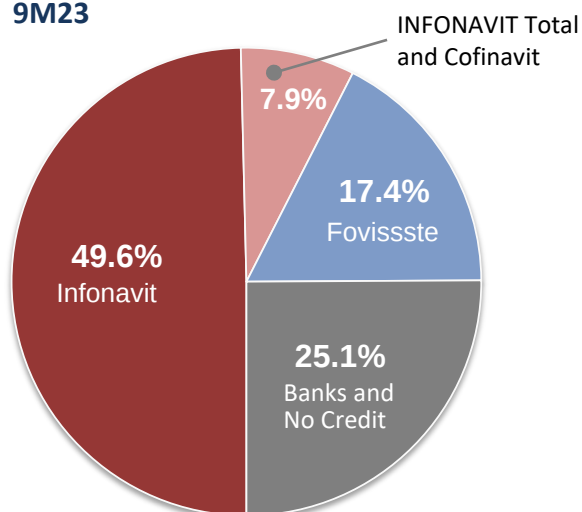


Percentage of titled homes by type of financing 9M24 / 9M23

9M24

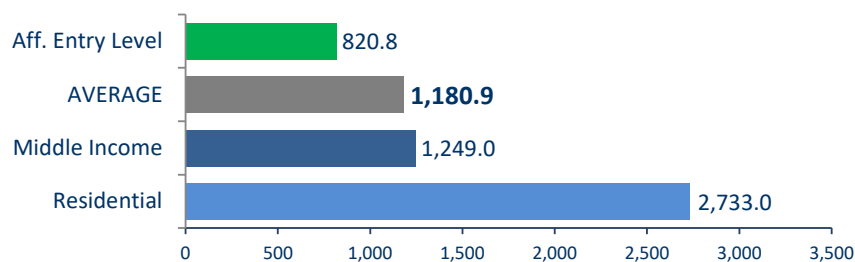


9M23



Average sale price by type of housing unit 9M24

(Thousands of pesos)



The average sale price of an ARA home in Jan-Sep'24 was P\$1,180,900, an increase of 1.4% over the same period of last year. Average prices in the Affordable Entry-Level, Middle-Income and Residential segments rose by 14.8%, 3.7% and 2.8%, respectively.

V. Financial position, liquidity and capital resources

Cash and cash equivalents

As of September 30, 2024, cash and cash equivalents totaled P\$2.48 billion, a 7.9% increase over the close of last year.

Accounts receivable

Accounts receivable showed a balance of P\$853.2 million at the close of 3Q24, an 18.2% increase against the close of last year. Accounts receivable turnover remained at an optimum level of 1.5 months.

Inventories

As of September 30, 2024, total inventories amounted to P\$17.81 billion, which includes: i) P\$4.35 billion in land currently under development and for future development, and ii) P\$13.46 billion in works in progress (building, urbanization, infrastructure, equipment, licenses, and capitalized interest expense), and construction materials in storage.

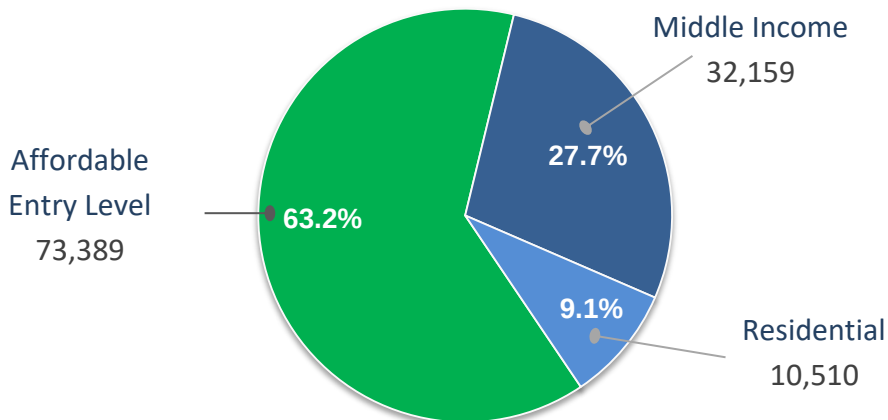


The table and map below show the geographic distribution of ARA's land bank:

State	Units	%
State of Mexico	32,726	28.2
Quintana Roo	31,467	27.1
Guerrero	9,625	8.3
Guanajuato	6,907	6.0
Jalisco	6,313	5.4
Veracruz	5,071	4.4
Puebla	4,805	4.1
Baja California	4,377	3.8
Hidalgo	2,754	2.4
Nayarit	2,259	1.9
Nuevo León	1,915	1.7
Baja California Sur	1,600	1.4
Morelos	842	0.7
Sonora	772	0.7
Subtotal	111,433	96.0
Various (4 states)	4,625	3.9
Total	116,058	100



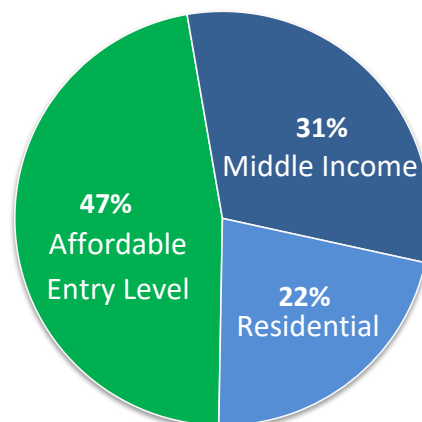
Land bank by type housing unit as of September 30, 2024



116,058 master- plan
homes

Land Bank / Revenues by housing type

Percentage obtained by multiplying
units per LTM average price





Debt and Net Debt

As of September 30, 2024, cost-bearing debt (securities market debt, bank loans and lease liabilities) totaled P\$2.69 billion, 9.0% more than at the close of 2023, mainly due to two unsecured straight loans that we took out for a total of P\$300 million.

At the close of the third quarter of 2024, short-term maturities, meaning debt coming due in the next fifteen months, made up 14.9% of cost-bearing debt, and 85.1% long-term debt.

Sustainable notes totaling P\$1.7 billion (P\$1.68 billion net of placement expenses pending accrual) made up 62.9% of the cost-bearing debt. At the end of last year, ARA issued P\$1.2 billion in sustainable unsecured bond certificates with the ticker symbol "ARA 23X" with a term of three years and an annual gross interest rate of 1.70% over the TIIE at up to 28 days. These bond certificates received a credit rating of "HR AA+" from HR Ratings, and "mxAA-" from S&P Global Ratings; they also have a sustainable impact rating of HR XB 1+ from HR Ratings. The proceeds of the bonds will go toward financing future or existing projects, with the requirement that they focus on and promote social and/or environmental development in the communities where ARA operates.

Another bond issue, the ARA21-2X, which was placed at seven years, remains outstanding, with a total of P\$500 million (P\$494.9 million net of placement expenses pending accrual) and a gross annual interest rate of 9.63%, referenced to the MBono rate at book closing date, which was 7.33%, plus a spread of 2.30 percentage points. This issue has an irrevocable and unconditional guarantee of prompt payment to bondholders from Sociedad Hipotecaria Federal, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo. Currently, this issue is rated "AA-" by Fitch and "HR AAA" by HR Ratings.

At the close of 3Q24, the balance of the simple unsecured bank loan taken out in 4Q22 stood at P\$125.0 million (P\$124.3 million net of commissions payable). This loan bears interest at a rate of 200bp over the TIIE, and its term is three years, with quarterly principal payments and monthly interest payment.

In 3Q24, ARA took out two further simple unsecured bank loans totaling P\$300 million (P\$299.1 million net of commissions payable) at a spread of 150bp over the TIIE, and also at a term of three years, with quarterly principal payments and monthly interest payment.

The total outstanding balance of these simple unsecured loans as of September 30, 2024 was P\$425 million (P\$423.4 million net of commissions payable) and they accounted for 15.7% of cost-bearing debt.

As of September 30, 2024, the balance of the simple loans secured by real property, collection rights, partnership shares and stock in the two shopping malls that are 100% owned by ARA, was P\$372.6 million, and accounted for 13.8% of the cost-bearing debt. For these loans, we have hedged interest-rate risks through derivatives: six interest rate caps (three at 7%, two at 8% and one at 9%), all expiring in 2027. In January 2024 we took out an interest-rate collar with a cap strike rate of 12.4% and a floor strike rate of 7.9%, expiring in December 2026. The 7.43% fixed-rate swap expired in July 2024.

With regard to lease liabilities, primarily for the acquisition of machinery and equipment, as well as corporate offices, the balance as of September 30, 2024 stood at P\$206.7 million, and accounted for 7.6% of cost-bearing debt.

Net debt as of September 30, 2024 was positive by P\$206.0 million.



		(Times)		
		As of Sep'24	As of Dec'23	Change
Cost bearing liabilities	/ Stockholders' equity	0.17	0.17	0.00
	/ Total assets	0.11	0.11	0.00
	/ EBITDA (12m)	2.68	2.50	0.18
Net debt / EBITDA (12m)		0.21	0.17	0.04
Net debt / Stockholders' equity		0.01	0.01	0.00
Total Liabilities / Total Assets		36.9%	34.9%	200 bp
Total Liabilities ^(a) / Total Assets		21.5%	18.9%	260 bp
Total Liabilities / Stockholders' equity		58.4%	53.7%	470 bp

For eighteen years in a row, ARA has maintained the highest credit ratings in the Mexican homebuilding sector, from Standard and Poor's "mxAA-" (CaVal National Scale). Starting in 2017, the Company also obtained a credit rating from HR Ratings, currently at "HR AA+", also the highest among Mexico's publicly traded housing developers. Also, in 2021, Fitch Ratings assigned ARA a long-term national-scale rating of "A+(mex)".

^(a) Deferred income tax not included.

Other financial ratios

In addition to the debt ratios presented above, the following table contains further indicators of this firm's solid financial structure.

	As of Sep'24	As of Dec'23
Liabilities in Foreign Currency / Total Liabilities	0.3%	0.3%
Cash and Investments / Current Liabilities	85.0%	111.3%
Current Assets / Current Liabilities	5.73 times	7.45 times
Current Assets (-) Inventories / Current Liabilities	1.44 times	1.84 times

Deferred income tax

The deferred income tax liability is produced basically by the deductibility of land acquisitions. The balance as of September 30, 2024 was P\$3.74 billion, a 2.0% increase over the amount reported at the close of 2023.

Stockholders' equity

Consortio ARA's stockholders' equity totaled P\$15.38 billion as of September 30, 2024. Of this amount, 93.1% corresponded to accumulated earnings, which totaled P\$14.31 billion.

Earnings Per Share (EPS)

For the twelve months ended in September 2024, EPS was P\$0.524, a 10.1% decline compared to the P\$0.583 reported for the twelve months leading up to September 2023.



VI. Shopping malls

ARA has a unit devoted to developing, managing and marketing shopping malls. These shopping malls are strategically located in areas of high demographic growth potential, typically inside or close to ARA's housing developments, serving as a major source of added value for those developments. The following table shows the geographic location of the developments and their Gross Leasable Area (GLA), as of September 30, 2024:

Shopping center	State	GLA* (m)	%
Centro Las Américas	State of Mexico	82,065	41.5%
Paseo Ventura	State of Mexico	26,100	13.2%
Centro San Miguel	State of Mexico	38,891	19.7%
Plaza Centella	State of Mexico	18,349	9.2%
Centro San Buenaventura	State of Mexico	11,474	5.8%
Plaza Carey	Veracruz	20,917	10.6%
Total		197,796	100%

* Gross Leasable Area

ARA has 7,688 m² in “uni” and “mini” shopping mall formats, bringing the full total of Gross Leasable Area to 205,484 m². The occupancy rate as of September 30, 2024 was 95.6%, a very competitive level.

In 3Q24, shopping mall revenues totaled P\$123.2 million, an 11.6% growth over the same period of last year; while Net Operating Income was P\$88.0 million, 12.5% higher. Revenues in the first nine months of 2024 totaled P\$359.3 million, a 13.4% increase over the same period of last year, while Net Operating Income was P\$257.9 million, a solid 17.6% growth.

These results correspond to shopping malls that are 100% owned by ARA and are consolidated into our financial statements—Centro San Miguel, Plaza Centella, Centro San Buenaventura and Plaza Carey, “uni” and “mini” malls—as well as 50% of Centro las Américas and Paseo Ventura, according to our stake in those properties, which are entered under the equity method.



Conference Call and Webcast

ARA will hold its conference call to discuss the Company's 3Q24 results on Wednesday, October 23, 2024 at 10:00 a.m. (Mexico City Time). In order to connect to the call, please dial up ten minutes before the conference is scheduled to begin, at one the following numbers:

United States	+1.800.981.3960
International	+1.917.672.7372
Identification code	0109

The Conference Call and presentation will also be transmitted live over the Internet. For access, go to: <https://consorcioara.transmision.com.mx/>

A recording of the full Conference Call will be available for replay beginning at 12:00p.m. on October 23, 2024 until October 30, 2024 at 10:59 p.m. To listen to the replay please dial one of the following numbers:

Mexico City	+52.55.4123.2122
Identification code	2938

Company Profile

Consortio ARA has more than 47 years of experience in the building and marketing of Affordable Entry Level, Middle Income and Residential housing, as well as building and leasing shopping centers in Mexico. So far, Consortio ARA has sold around 395,000 homes and today approximately 1,580,000 people live in ARA homes. It currently has a presence in 15 states, with 39 developments in operation. Since 1996, when ARA became a publicly traded company, it has been characterized by a diversified product offering and a long-term vision, with a solid financial structure that is reflected in the efficient use of our working capital, liquidity and a moderate level of debt.

Disclaimer

The information provided herein by Consortio ARA may contain forward-looking statements about future events and financial results. The reader should understand that the results obtained may differ from the projections contained in this document, because past results in no way offer any guarantee of future performance. For this reason, the Company assumes no responsibility for any indirect factors or elements beyond its control that might occur inside Mexico or abroad and which might affect the outcome of these projections.



VII. Financial Statements

Statements of Profit or Loss and other Comprehensive Income

	Third Quarter 2024 / 2023				Change 3Q24 / 3Q23		January-September 2024 / 2023				Change 9M24 / 9M23	
	3Q24	%	3Q23	%	\$	%	9M24	%	9M23	%	\$	%
Revenues	1,855.0	100	1,749.3	100	105.8	6.0	5,335.1	100	5,239.9	100	95.2	1.8
Costs	1,358.3	73.2	1,278.3	73.1	80.0	6.3	3,915.6	73.4	3,857.0	73.6	58.6	1.5
Gross profit	496.7	26.8	470.9	26.9	25.8	5.5	1,419.5	26.6	1,382.9	26.4	36.6	2.6
General expenses	291.3	15.7	261.9	15.0	29.4	11.2	821.7	15.4	784.2	15.0	37.5	4.8
Other income - net	(13.2)	-0.7	(8.5)	-0.5	(4.7)	54.8	(33.8)	-0.6	(13.8)	-0.3	(20.1)	146
Income from operations	192.2	10.4	200.5	11.5	(8.3)	(4.1)	564.0	10.6	584.9	11.2	(20.9)	(3.6)
Financial income - net:												
Interest expense	78.2	4.2	74.1	4.2	4.1	5.6	240.5	4.5	230.9	4.4	9.7	4.2
Capitalized interest expense	(56.8)	-3.1	(53.9)	-3.1	(2.9)	5.5	(175.2)	-3.3	(160.5)	-3.1	(14.6)	9.1
Interest income	(48.3)	-2.6	(72.7)	-4.2	24.3	(33.5)	(143.8)	-2.7	(225.6)	-4.3	81.8	(36.2)
Exchange gain	(4.3)	-0.2	(0.7)	0.0	(3.6)	512.5	(8.8)	-0.2	7.1	0.1	(15.9)	(223.3)
Loss on derivatives	0.3	0.0	0.9	0.0	(0.6)	(65.1)	1.6	0.0	3.7	0.1	(2.1)	(55.7)
	(30.9)	-1.7	(52.3)	-3.0	21.4	(40.9)	(85.6)	-1.6	(144.4)	-2.8	58.8	(40.7)
Equity method in join ventures	22.1	1.2	19.3	1.1	2.8	14.3	67.4	1.3	44.0	0.8	23.4	53.1
Income before Income taxes	245.2	13.2	272.1	15.6	(26.9)	(9.9)	717.0	13.4	773.3	14.8	(56.4)	(7.3)
Taxes:												
ISR deferred	19.7	1.1	90.6	5.2	(70.9)	(78.3)	68.9	1.3	145.0	2.8	(76.2)	(52.5)
ISR current	51.7	2.8	(2.9)	-0.2	54.6	(1,872.7)	144.4	2.7	103.0	2.0	41.4	40.2
	71.4	3.8	87.6	5.0	(16.2)	(18.5)	213.3	4.0	248.0	4.7	(34.7)	(14.0)
Net Income	173.8	9.4	184.5	10.5	(10.7)	(5.8)	503.7	9.4	525.3	10.0	(21.6)	(4.1)
Other comprehensive income	-	0.0	-	0.0	-	-	-	0.0	-	0.0	-	-
Comprehensive income	173.8	9.4	184.5	10.5	(10.7)	(5.8)	503.7	9.4	525.3	10.0	(21.6)	(4.1)
Depreciation	22.1	1.2	22.6	1.3	(0.5)	(2.4)	61.6	1.2	59.5	1.1	2.1	3.5
NCFR recognized in costs	45.4	2.4	43.6	2.5	1.9	4.3	137.8	2.6	123.8	2.4	14.0	11.3
EBITDA	272.9	14.7	275.2	15.7	(2.3)	(0.8)	797.2	14.9	782.0	14.9	15.2	1.9



Statements of financial position

	As of Sep'24	As of Dec'23	Change	
			Amount	%
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	2,480.4	2,298.6	181.7	7.9
Accounts receivable	853.2	721.7	131.5	18.2
Land for development	1,138.1	1,203.3	-65.2	(5.4)
Real estate inventories and land for development	11,386.3	10,390.4	995.9	9.6
Total Inventories	12,524.4	11,593.7	930.7	8.0
Other current assets	860.8	779.8	81.0	10.4
	16,718.7	15,393.8	1,324.9	8.6
NON-CURRENT ASSETS:				
Golf Club memberships available for sale	173.5	173.5	0.0	-
Investment properties	1,044.2	1,052.3	-8.1	(0.8)
Land for development	3,209.8	3,088.7	121.1	3.9
Long-term real estate inventories	2,073.7	2,073.7	0.0	-
Property, machinery and equipment – Net	205.3	202.6	2.7	1.3
Investments in joint venture	365.2	340.0	25.3	7.4
Deferred tax asset	261.1	257.6	3.6	1.4
Derivative financial instrument	-	0.5	-0.5	(100.0)
Asset for use right	243.3	206.4	37.0	17.9
Other non-current assets	67.1	67.5	-0.4	(0.6)
	7,643.2	7,462.7	180.5	2.4
TOTAL ASSETS	24,362.0	22,856.5	1,505.4	6.6
CURRENT LIABILITIES:				
Bank Loans	305.1	174.9	130.2	74.5
Liability for leasing	96.2	76.4	19.7	25.8
Suppliers	657.7	663.4	-5.7	(0.9)
Other current liabilities	1,858.6	1,151.4	707.2	61.4
	2,917.6	2,066.2	851.4	41.2
NON-CURRENT LIABILITIES:				
Bank Loans	490.9	425.8	65.1	15.3
Unsecured Securities Certificate	1,683.5	1,678.6	4.9	0.3
Liability for leasing	110.6	107.9	2.7	2.5
Deferred income tax	3,741.0	3,668.6	72.4	2.0
Other Long Term Liabilities	41.2	34.4	6.8	19.8
	6,067.3	5,915.4	151.9	2.6
TOTAL LIABILITIES	8,984.8	7,981.6	1,003.3	12.6
STOCKHOLDERS' EQUITY	15,377.1	14,875.0	502.1	3.4
LIABILITIES AND STOCKHOLDERS' EQUITY	24,362.0	22,856.5	1,505.4	6.6



Statements of changes in stockholder's equity

	Common stock	Additional paid-in capital (A)	Reserve for acquisition of own stock	Retained earnings	Non- controlling interest	Total stockholders' equity
Balances as of January 1, 2023	621.2	351.5	-12.4	13,481.8	33.5	14,475.7
Cancellation of repurchased shares			78.1	-78.1		0.0
Dividends				-200.0		-200.0
Net repurchase of own stock	-4.8		-47.6			-52.4
Other					-0.8	-0.8
Net comprehensive income				524.1	1.2	525.3
Balances as of September 30, 2023	616.4	351.5	18.1	13,727.8	34.0	14,747.8
Balances as of January 1, 2024	616.3	351.5	17.1	13,855.7	34.3	14,875.0
Cancellation of repurchased shares			48.3	-48.3		0.0
Net repurchase of own stock	-0.2		-2.0			-2.2
Others				0.9	-0.2	0.7
Net comprehensive income				502.5	1.2	503.7
Balances as of September 30, 2024	616.1	351.5	63.5	14,310.8	35.2	15,377.1

(A) Includes Premium on sale of repurchased stock.



Statements of cash flow

	Jan-Sep'24	Jan-Sep'23
Operating activities:		
Income before taxes	717.0	773.3
Items related to investing activities:		
Depreciation	61.6	59.5
Amortization of expenses for debt placement	4.5	5.8
Equity in earnings of equity method investees	-67.4	-44.0
Other	0.5	3.7
	-0.8	25.0
Items related to financing activities:		
Interest expense	65.4	70.3
	781.5	868.6
(Increase) decrease in:		
Trade accounts receivable - Net	-131.5	-44.6
Inventories	-868.0	-537.9
Other assets	-63.5	-25.7
Increase (decrease) in:		
Suppliers	-5.7	6.8
Other liabilities	557.9	24.2
Income taxes paid	-23.7	-91.9
Net cash provided by operating activities	247.0	199.6
Investing activities:		
Purchasing of property, machinery and equipment	-30.3	-51.3
Dividends received from equity method investees	25.0	0.0
Investment property	-2.8	-3.4
Cash excess to apply to financing activities	238.9	144.9
Proceeds from debt	300.0	0.0
Payment for debt	-104.2	-99.4
Liability for leasing	-32.8	-37.0
Dividends	0.0	-200.0
Interest paid	-218.8	-207.7
Repurchase of own stock - net	-1.3	-52.4
Financing activities	-57.1	-596.5
Net increase in cash and cash equivalents	181.7	-451.6
Cash and cash equivalents at beginning of year	2,298.6	3,146.4
Cash and cash equivalents at end of the period	2,480.4	2,694.8