

# GRUPO LACOMER



# LA COMER SUMMARY

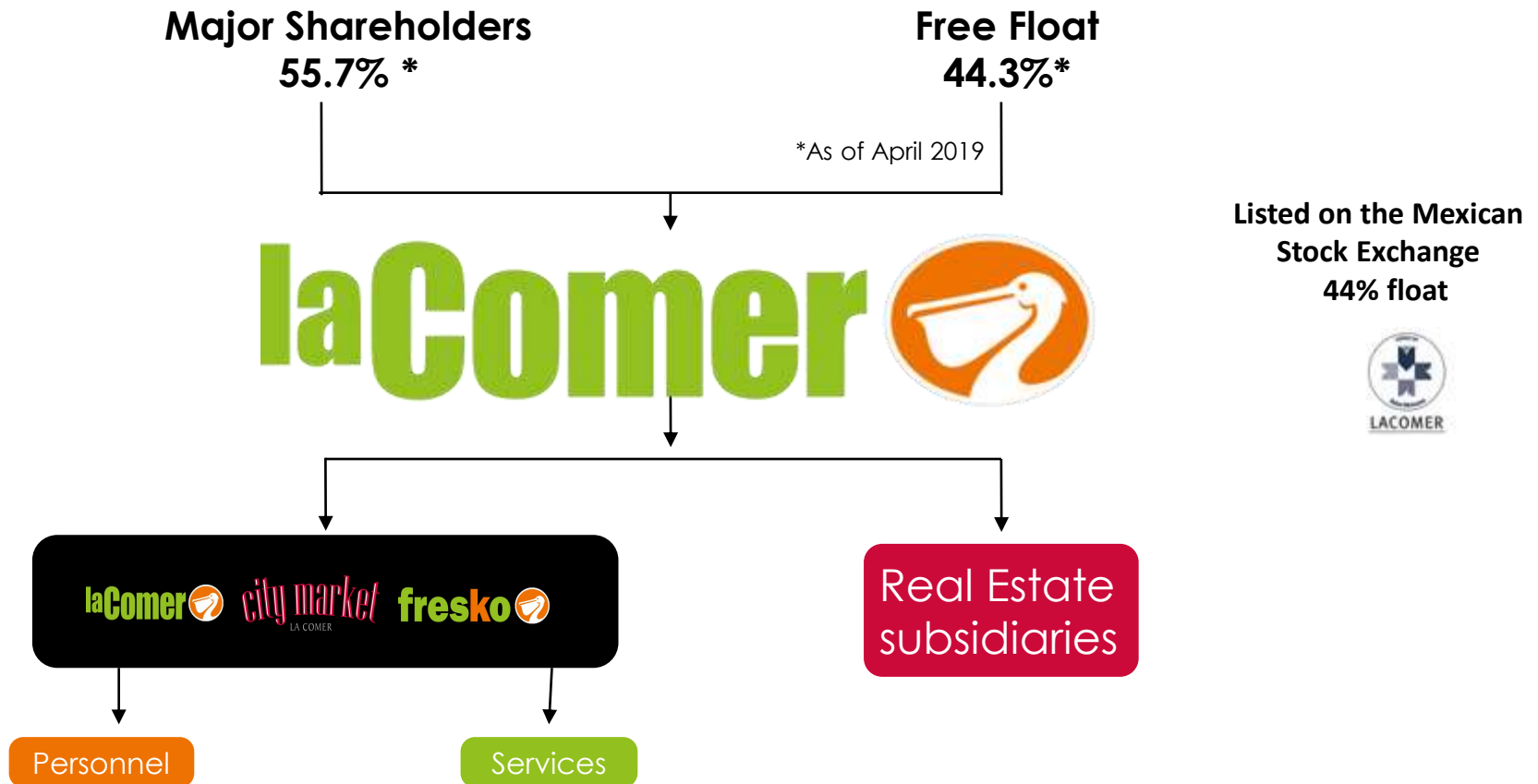


- Almost 60 years of experience in the **Mexican Food Retail** market.
- **Stores:** 72, more than 300,000 sq.mts. of sale area, in 4 different formats.
- **Geographic Distribution:** 60% of the stores located in Mexico City metropolitan area.
- **Real Estate:**
  - ✓ 47 units (of which 35 are stores that represent 61% sales area)
  - ✓ 340 commercial spaces ( +70,000 m<sup>2</sup> leasing area);
- **Employees:** 13,331
- **Brands and logos:** La Comer, City Market, Fresko, Sumesa, Golden Hills, Farmacom, Pet's Club, Miércoles de Plaza, Monedero Naranja and the Pelican logo.
- **Marketing Campaigns:** "Temporada Naranja", "Miércoles de plaza", "¿Vas al Super o a La Comer?".
- **2 Distribution Centers:** Mexico City and Guadalajara.



# CORPORATE STRUCTURE

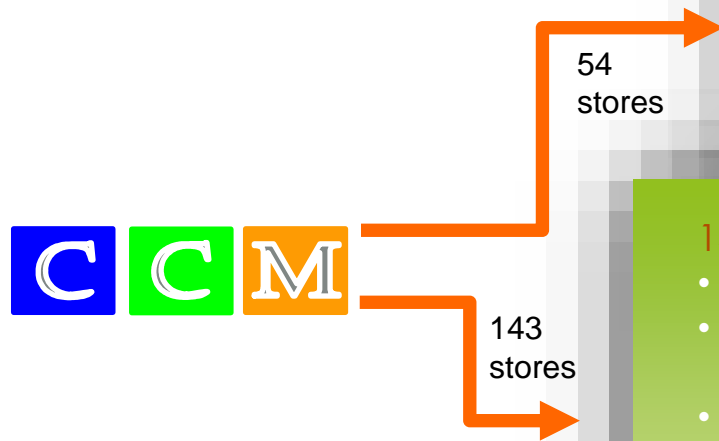
La Comer is the product of the spin-off of Comercial when on January 1<sup>st</sup> 2016, 143 stores were sold to Soriana.



La Comer started operations on January 1<sup>st</sup>, 2016 with 54 stores

# NEW LA COMER GROUP– SPIN-OFF RATIONALE

---



In 2016 La Comer started operations with 54 stores:

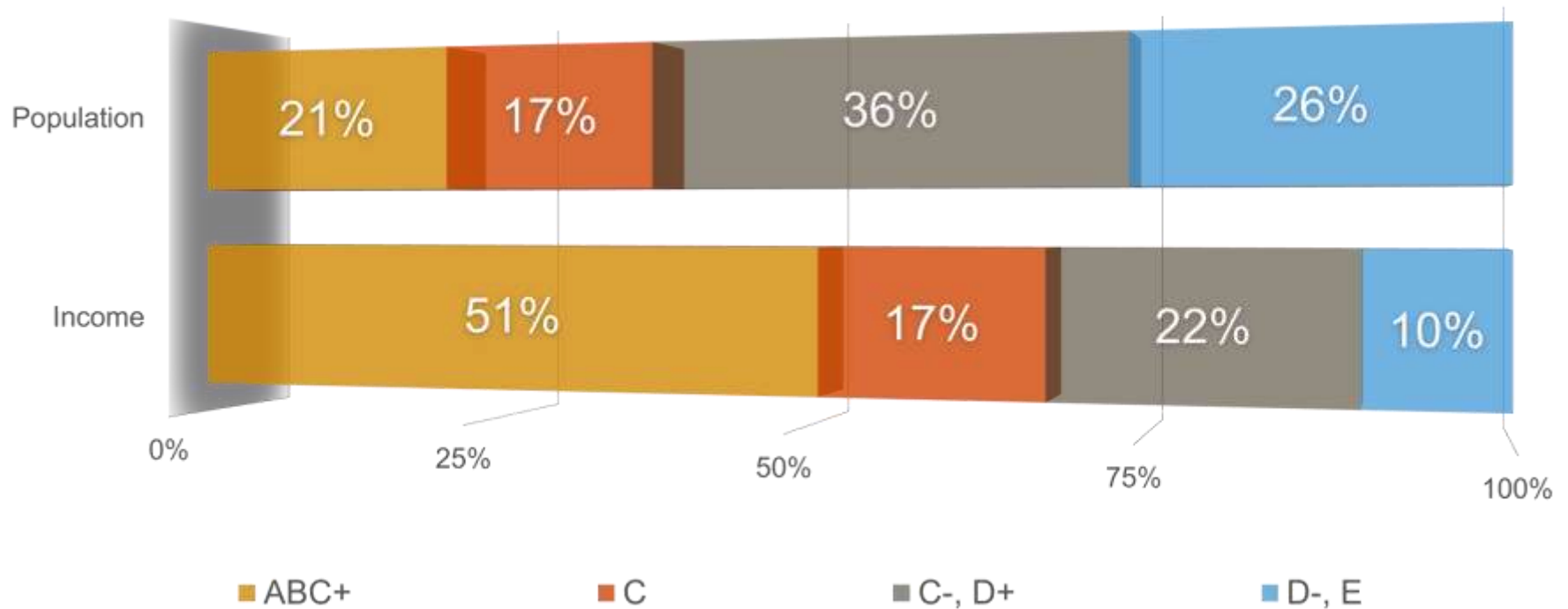
- Differentiation
- Focus on medium to high segments
- Medium and small formats
- Development of innovative concepts
- Growth potential
- Value proposition based on price, quality and shopping experience

143 stores sold to Soriana:

- Low differentiation
- Little opportunity for innovation
- Large stores
- Value based on low prices



# SOCIOECONOMIC LEVELS IN MEXICO



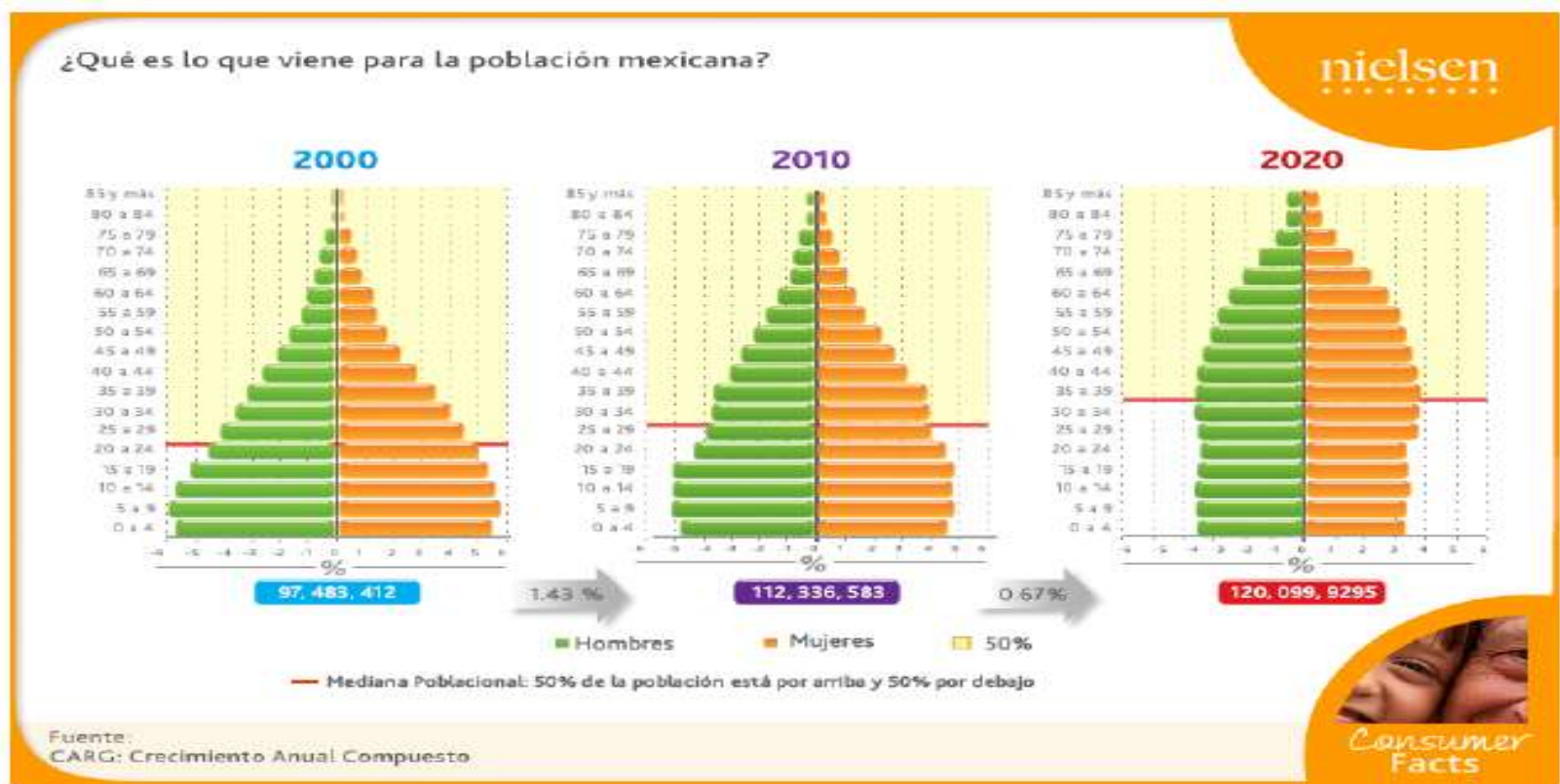
From 15% to 25% of income, used for food and basic necessities.  
> Looking for quality and service

From 30% to 50% of income, used for food and basic necessities  
> High sensibility to price





# POPULATION IN MEXICO IS BECOMING LESS YOUNG



As Mexico becomes an “older” country, disposable income grows and the taste for “culture and sophistication” increases



## MEDIUM AND HIGH INCOME CLASSES

### Why?

- It is not a well attended market
- We compete better against other players
- The customer values our attributes more
- These are segments that better resist crises
- Potentially more profitable



# STRATEGY



## Differentiation:

- Superior in perishable quality
- Pleasant shopping experience
- Superior shopping environment
- Trained employees and better customer support
- Premium and gourmet products
- Collection of imported products
- Specialized departments like cava and prepared food
- Fair and competitive prices





# MISSION

---

Food retail company that best serves medium and high socioeconomic level in the country, offering the best shopping experience in the market based on quality, customer support and service.



# BRANDS & FORMATS

---

La Comer is the umbrella that supports all formats to deliver a consistent brand image.



# city market

LA COMER

- Wide range of gourmet products as wines, cheeses, meat, imported groceries, and organic products.
- Exclusive product agreements with international brands.
- Sophisticated atmosphere and high quality service.
- Prepared foods for consumption in and out of the store.
- Specialized departments of prepared foods as tapas, seafood, chocolate, ice cream, coffee and cakes.
- 12 stores
- Sales area between 3,000 and 5,000 sq. mts.
- Located in high income areas



# CITY MARKET MONTERREY





# fresko

LA COMER



- Neighborhood market with a selected variety of special products by local customs (kosher, organic).
- Excellent quality of perishables, emphasizing freshness.
- Designed especially for a convenient and quick purchase.
- 15 stores as of today
- Sales area of about 1,500 to 4,000 square meters.
- Located in power centers throughout large cities.



# FRESKO MIGUEL ÁNGEL DE QUEVEDO, CDMX



# laComer



- In addition to perishable and grocery products, this format offers general merchandise and household appliances as tableware and linens, among others.
- La Comer offers greater range and variety of products .
- Specialized departments such as Xpressa Café, prepared food and fine pastry
- Located in large shopping centers.
- Sales area of 4,000 to 7,500 square meters



# LA COMER PUEBLA







# Home delivery service - Omni channel

Since the start of La Comer, a new area was created to focus in e-business and home delivery

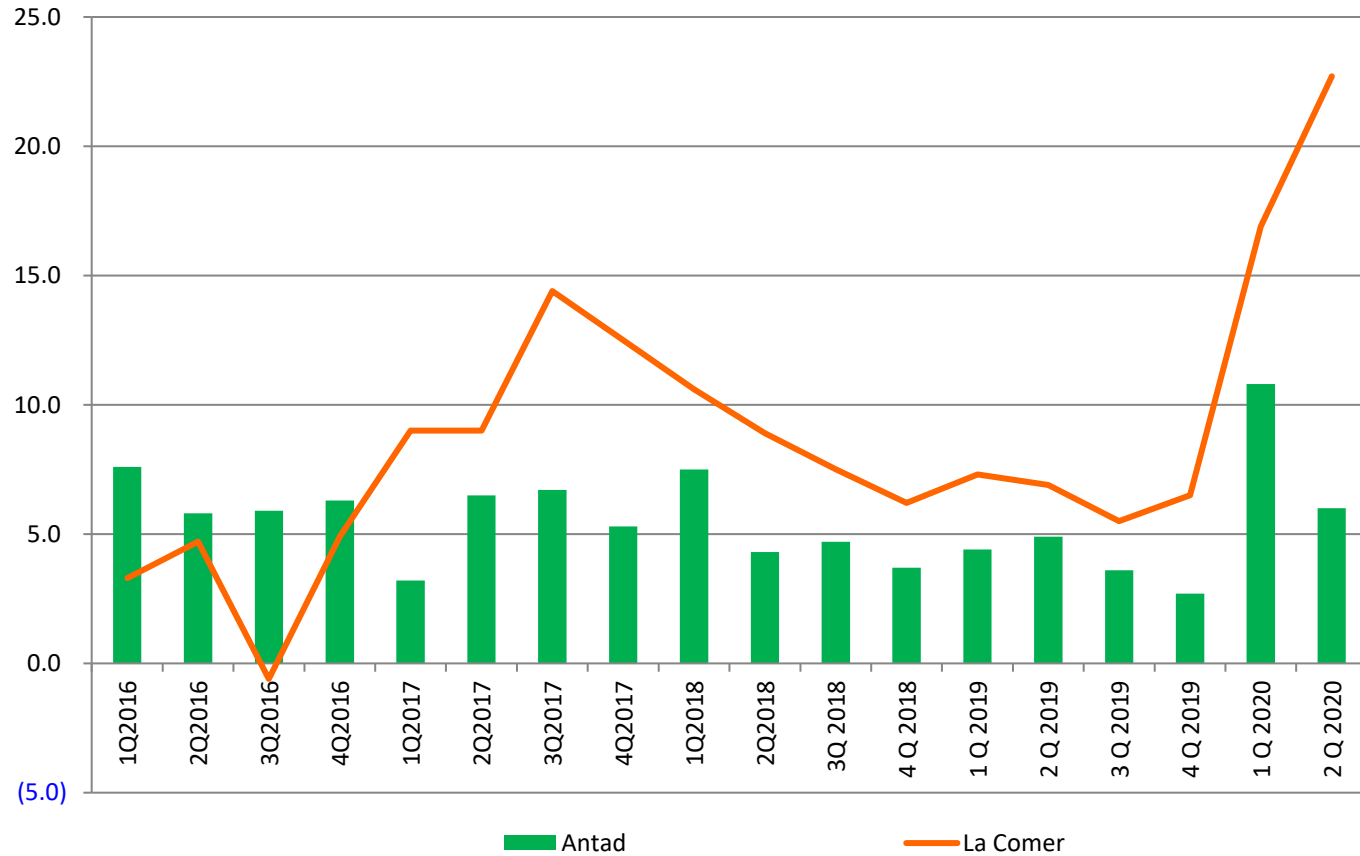
- Strategy of differentiation based on better service and unrivaled quality in perishables.

- 2016:** Improvement in operations and service
- 2017:** New, user friendly platform
  - Integrated with internal systems
- 2018:** Marketing campaign: *“Tú a lo tuyo y La Comer en tu Casa”*
  - New app
- 2019:** New forms of payments are included
  - Online Marketing Capabilities to the next level
  - Enhanced promotional activities
  - 2.0% of total sales
- 2020:** World Pandemic COVID 19
  - Extraordinary increases in the e-commerce platform



# FOOD RETAIL SSS GROWTH

## Food Retail Sector SSS Growth (%)



# FINANCIAL DATA

	2016	%	2017	%	2018	%	2019	%
<b>Net sales</b>	14,757	100	16,635	100	19,119	100	21,591	100
<b>Cost of sales</b>	11,148	75.5	12,423	74.7	14,078	73.6	15,698	72.7
<b>Gross profit</b>	3,610	24.4	4,213	25.3	5,041	26.4	5,893	27.3
<b>Expenses</b>	3,184	21.6	3,441	20.7	3,994	20.9	4,775	22.1
<b>Operating income</b>	416	2.8	772	4.6	1,047	5.5	1,119	5.2
Op. income proforma*	416	2.8	576	3.5	817	4.3	1,119	5.2
<b>EBITDA <sup>(1)</sup></b>							1,979	9.2
<b>Op. cash flow <sup>(2)</sup></b>	938	6.4	1,374	8.3	1,753	9.2	1,783	8.3
Op. cash flow proforma* <sup>(2)</sup>	938	6.4	1,178	7.1	1,523	8.0	1,783	8.3

Million pesos

(1) Includes effects of IFRS 16

(2) Operating cash flow refers to EBITDA minus the flow for payment of rents, EBITDA without IFRS16 effects.

\* Proforma - Excluding extraordinary effects from profit on sale of properties of \$ 196 million in 2017 and \$ 230 million in 2018.



# FINANCIAL DATA

## 2Q Income Statement

	2Q 2020				
	2020	%	2019	%	Var %
<b>Net sales</b>	<b>7,064.0</b>	<b>100.0</b>	<b>5,403.0</b>	<b>100.0</b>	<b>30.7</b>
Cost of sales	5,198.2	73.6	3,949.5	73.1	31.6
Gross profit	1,865.8	26.41	1,453.5	26.90	28.4
Operating expenses	1,387.5	19.6	1,157.1	21.4	19.9
<b>Operating profit</b>	<b>478.30</b>	<b>6.8</b>	<b>296.4</b>	<b>5.5</b>	<b>61.4</b>
<b>EBITDA <sup>1</sup></b>	<b>720.0</b>	<b>10.2</b>	<b>501.2</b>	<b>9.3</b>	<b>43.7</b>
<b>Operational cash flow <sup>2</sup></b>	<b>663.6</b>	<b>9.4</b>	<b>453.4</b>	<b>8.4</b>	<b>46.4</b>
Net financial result	10.4	0.1	-0.3	(0.0)	-
Taxes and other	79.9	1.1	49.7	0.9	61.1
<b>Net Income</b>	<b>408.8</b>	<b>5.8</b>	<b>246.4</b>	<b>4.6</b>	<b>65.9</b>

*In millions of Mexican pesos,*

*1 EBITDA refers to Earnings before Interest, Taxes, Depreciation and Amortization.*

*2 Operating cash flow refers to EBITDA minus the flow for payment of rents, EBITDA without IFRS16 effects.*





# FINANCIAL DATA

## Income Statement

As of June 2020					
	2020	%	2019	%	Var %
<b>Net sales</b>	<b>13,247.9</b>	<b>100.0</b>	<b>10,324.6</b>	<b>100.0</b>	<b>28.3</b>
Cost of sales	9,659.6	72.9	7,506.7	72.7	28.7
Gross profit	3,588.3	27.1	2,817.9	27.3	27.3
Operating expenses	2,646.3	20.0	2,221.7	21.5	19.1
<b>Operating profit</b>	<b>942.0</b>	<b>7.1</b>	<b>596.2</b>	<b>5.8</b>	<b>58.0</b>
<b>EBITDA <sup>1</sup></b>	<b>1,443.4</b>	<b>10.9</b>	<b>1,008.5</b>	<b>9.8</b>	<b>43.1</b>
Operational cash flow <sup>2</sup>	<b>1,333.0</b>	<b>10.1</b>	<b>914.0</b>	<b>8.9</b>	<b>45.8</b>
Net financial result	40.6	0.3	13.2	0.1	207.6
Taxes and other	145.8	1.1	102.2	1.0	42.7
<b>Net Income</b>	<b>836.7</b>	<b>6.3</b>	<b>507.0</b>	<b>4.9</b>	<b>65.0</b>

*In millions of Mexican pesos,*

*1 EBITDA refers to Earnings before Interest, Taxes, Depreciation and Amortization.*

*2 Operating cash flow refers to EBITDA minus the flow for payment of rents, EBITDA without IFRS16 effects.*



# BALANCE SHEET

As of June 2020

Assets		Total liabilities and stockholders' equity	
Cash and Temporary investments	3,300	Trade payables	5,122
Clients (net account receivables)	926	Taxes payable	93
Recoverable taxes	17	Short-term lease liabilities	64
Inventories	3,551	Other accrued liabilities	327
Other assets	111	<b>Current Liabilities</b>	<b>5,607</b>
<b>Total Current Assets</b>	<b>7,906</b>		
		Long-term lease liabilities	1,287
Property, plant and equipment (Net)	13,970	Provisions for employee long term benefits	125
Property and leasehold improvements	626	Deferred tax liabilities	354
Right-of-use assets	1,315	<b>Total long-term liabilities</b>	<b>1,766</b>
Goodwill	44		
Intangible assets other than goodwill	6,278	<b>Total Liabilities</b>	<b>7,373</b>
Deferred tax assets	180		
Other non-current non-financial assets	475	Capital Stock	1,967
<b>Total noncurrent assets</b>	<b>22,889</b>	Premium in issuance of shares	207
		Total Earned Capital	19,531
		Other comprehensive income	1,717
		Total controlling interest	23,421
		<b>Stock Holders' Equity</b>	<b>23,421</b>
<b>Total Assets</b>	<b>30,794</b>	<b>Total liabilities and stockholders' equity</b>	<b>30,794</b>

Million pesos

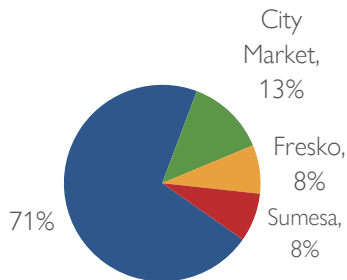


# STORE OPENINGS

**La Comer, has initiated an aggressive plan to open new stores to increase its scale of operation.**

**Beginning La Comer  
January 1<sup>st</sup> 2016**

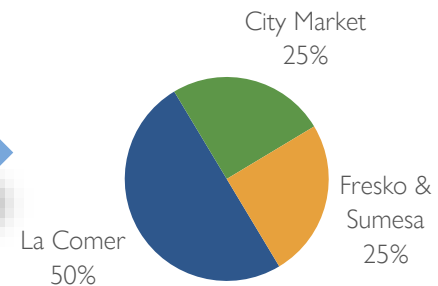
# stores 54



Participation by format

**Year end  
2023**

More than 100





## Disclaimer

---

“The following material is submitted by way of general information regarding *La Comer, S.A.B. de C.V., “La Comer”*, as it stands to date. Said information is presented in a summarized fashion and is not intended to be comprehensive. Nor does it constitute a recommendation for potential investors. This presentation is strictly confidential and shall not be divulged to any other person. No representation or guarantee, either expressed or implied, is intentional, and its exactness, precision or comprehensive information herein presented shall not be emphasized.

This presentation may contain declarations that express the expectations of management regarding future events or results in lieu of historic events. These forward-looking declarations imply risk and uncertainty that may cause the real results to differ materially from those forecast, and La Comer cannot ensure that said declarations will prove to be correct. These risks and uncertainties include factors related to the Mexican economy, which in turn may show volatility and may be adversely affected by factors pertaining to other countries, related to the business of retail sales, that by its very nature is cyclical and linked to the highly competitive industry of which La Comer is a part and in which it operates. For additional information regarding factors that may cause La Comer’s real results to differ from the expectations herein presented, please refer to La Comer reports on file at the Mexican Stock Exchange (Bolsa Mexicana de Valores).

This presentation does not constitute a recommendation, invitation, and request or offer to tender or purchase securities: neither this presentation nor anything herein comprised shall be considered grounds for a contract or any similar commitment.”

---



GRUPO  
LA COMER

laComer



fresko



LA COMER

city market

LA COMER