

# GRUPO LACOMER



# LA COMER SUMMARY

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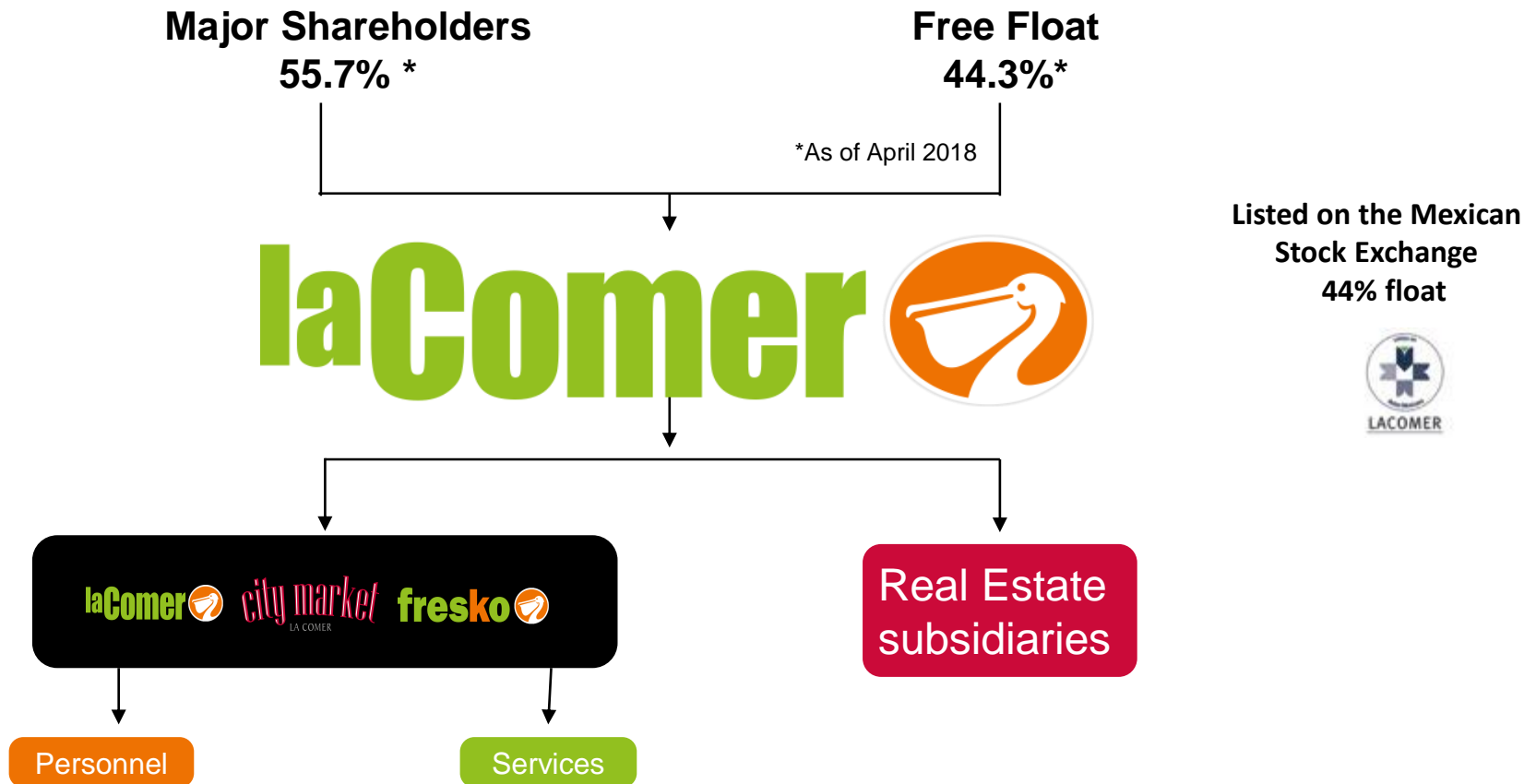


- Almost 60 years of experience in the **Mexican Food Retail** market.
- **Stores:** 65, more than **272,000 sq.mts. of sale area**, in 4 different formats.
- **Geographic Distribution:** 60% of the stores located in Mexico City metropolitan area.
- **Real Estate:**
  - ✓ 47 units (**33 stores +14 additional assets**)
  - ✓ 380 commercial spaces (**+69,000 m<sup>2</sup> leasing area**);
- **Employees:** Approximately 10,800 employees.
- **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.



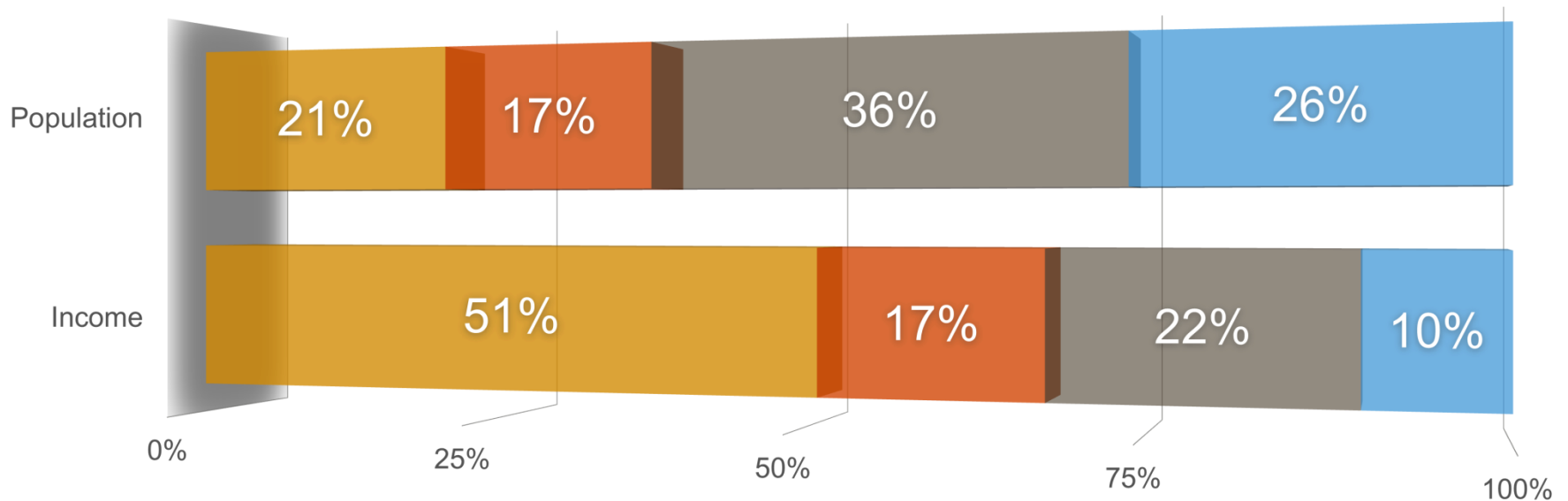
La Comer started operations on January 1<sup>st</sup>, 2016 with 54 stores

# NEW LA COMER GROUP– SPIN-OFF RATIONALE

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# SOCIOECONOMIC LEVELS IN MEXICO



■ ABC+

■ C

■ C-, D+

■ D-, E

From 15% to 25% of income, used for food and basic necessities.

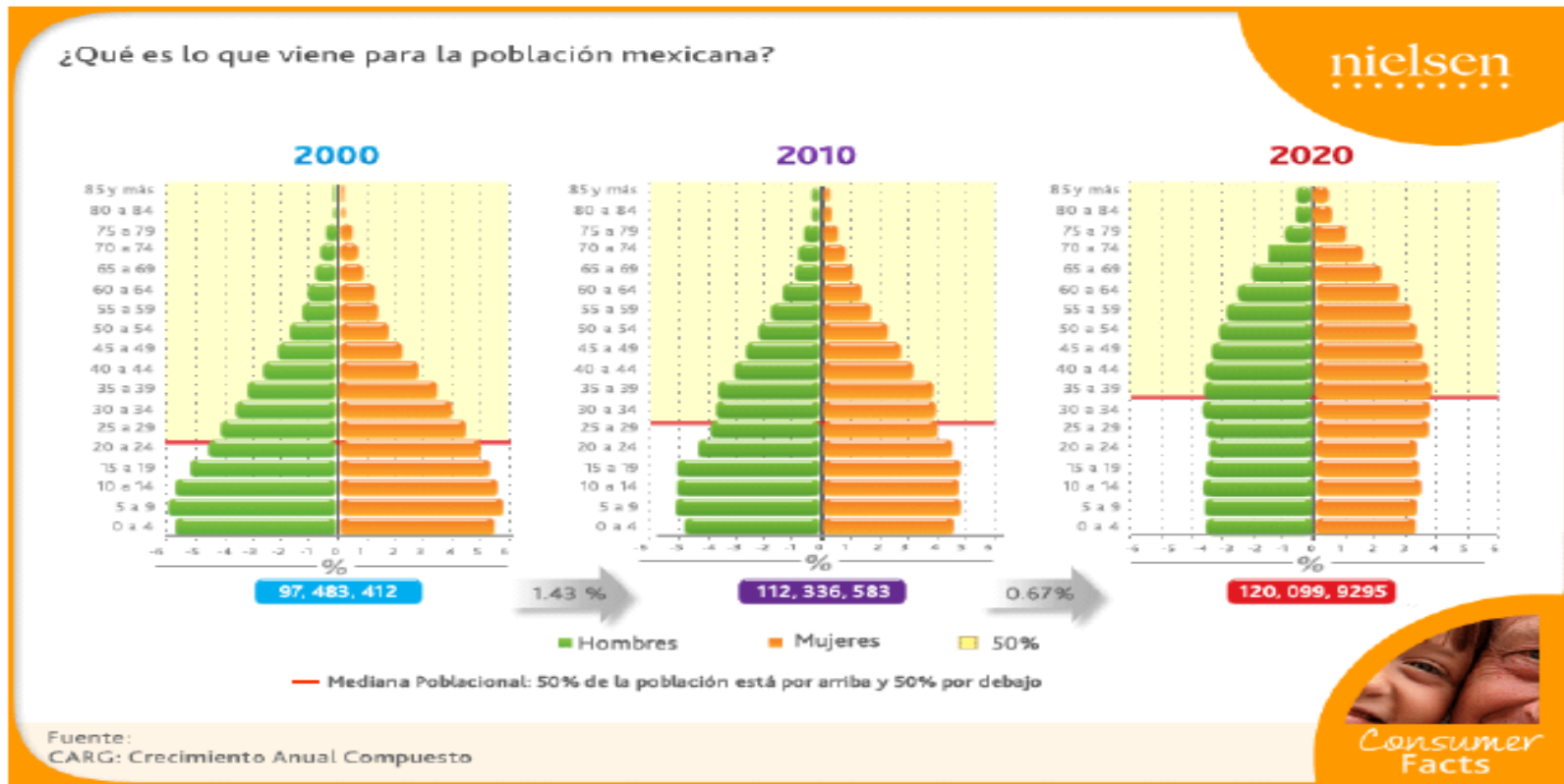
> Looking for quality and service

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

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## 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

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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

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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.
- 11 stores
- Sales area between 3,000 and 5,000 sq. mts.
- Located in high income areas









- 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.
- 11 stores as of today
- Sales area of about 1,500 to 4,000 square meters.
- Located in power centers throughout large cities.







# 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









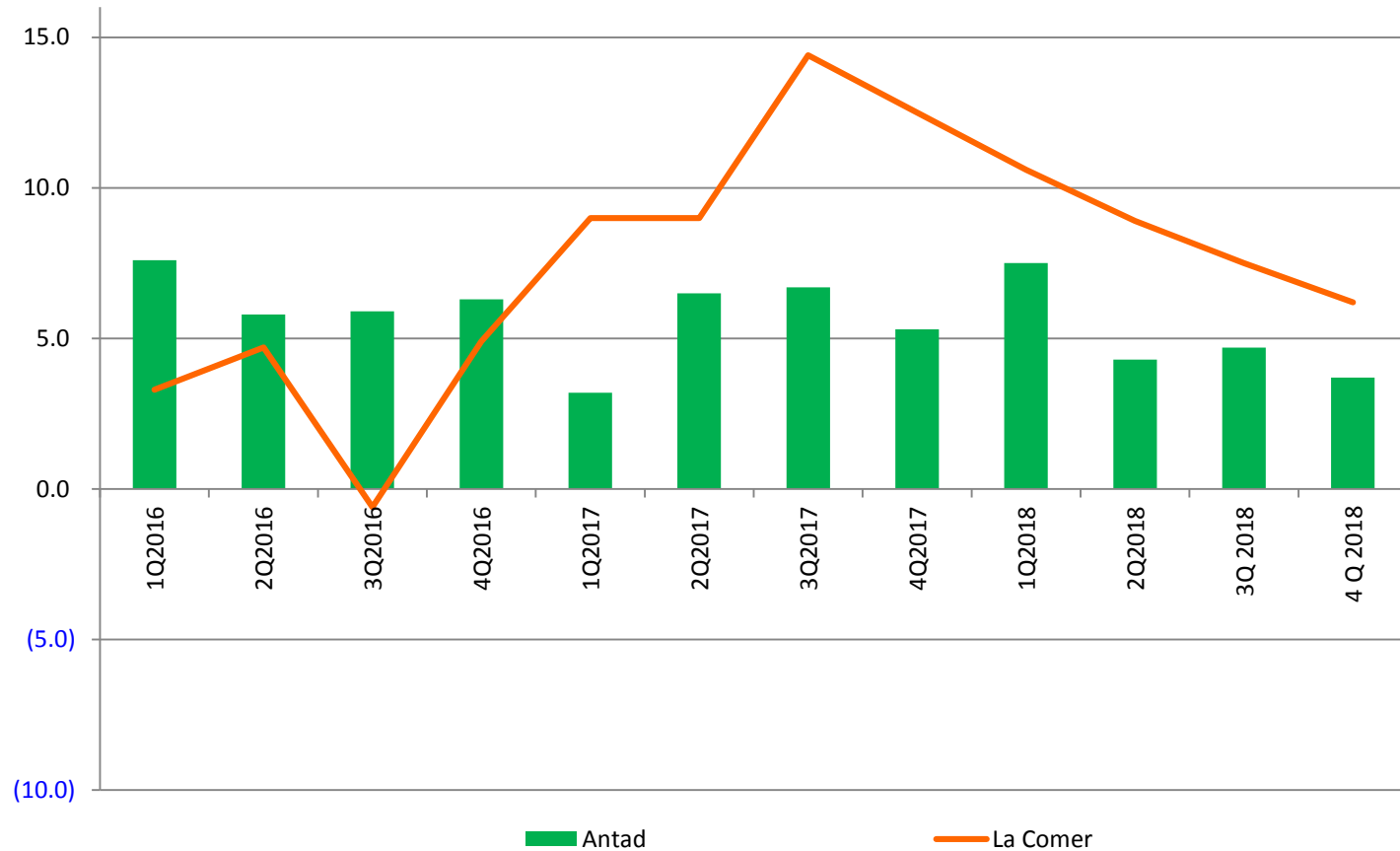
## Home delivery service - Omni channel

- 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 platform
    - User friendly
    - Integrated with internal systems
  - 2018:** Marketing campaign:  
*“Tú a lo tuyo y La Comer en tu Casa”*
    - New app
    - Plan of doubling sales



# FOOD RETAIL SSS GROWTH

## Food Retail Sector SSS Growth (%)





# FINANCIAL DATA

	Dec-13*	%	Dec-14*	%	Dec-15**	%	Dec-16	%	Dec-17	%	Dec-18	%
<b>Net sales</b>	12,071	100	13,078	100	14,041	100	14,757	100	16,554	100	19,119	100
<b>Cost of sales</b>	9,078	75.2	9,781	74.8	10,531	75.0	11,148	75.5	12,305	74.7	14,078	73.6
<b>Gross profit</b>	2,993	24.8	3,297	25.2	3,509	25.0	3,610	24.5	4,249	25.7	5,041	26.4
<b>Expenses</b>	1,969	16.3	2,166	16.6	2,330	16.6	3,184	21.6	3,472	21.0	3,994	20.9
<b>Operating income</b>	981	8.1	1,077	8.2	1,174	8.4	416	2.8	777	4.7	1,047	5.5
<b>EBITDA</b>	1,228	10.2	1,378	10.5	1,465	10.4	938	6.4	1,379	8.3	1,753	9.2

\* Proforma Financial information, La Comer Prospectus, BMV

\*\* Preliminar internal proforma financial information



# FINANCIAL DATA

## Income Statement

	4Q2018	%	4Q2017	%	Var.
<b>Net sales</b>	5,071	100.0%	4,412	100.0%	14.9%
Cost of sales	3,729	73.5%	3,276	74.3%	13.8%
<b>Gross profit</b>	<b>1,342</b>	<b>26.5%</b>	<b>1,136</b>	<b>25.7%</b>	<b>18.1%</b>
Selling expenses net	1,137	22.4%	848	19.2%	34.1%
<b>Operating profit</b>	<b>205</b>	<b>4.0%</b>	<b>288</b>	<b>6.5%</b>	<b>-28.9%</b>
Financial income	85	1.7%	67	1.5%	27.0%
Financial expenses	17	0.3%	17	0.4%	-0.8%
<b>Earnings before tax &amp; profit sharing</b>	<b>273</b>	<b>5.4%</b>	<b>338</b>	<b>7.7%</b>	<b>-19.3%</b>
Income tax	(138)	-2.7%	(58)	-1.3%	136.4%
<b>Net income</b>	<b>411</b>	<b>8.1%</b>	<b>396</b>	<b>9.0%</b>	<b>3.6%</b>
Depreciation & amortization	166	3.3%	157	3.6%	6.1%
<b>EBITDA</b>	<b>371</b>	<b>7.3%</b>	<b>445</b>	<b>10.1%</b>	<b>-16.6%</b>

*Million pesos as of December 31, 2018*



# FINANCIAL DATA

## Cumulative Income Statement

	2018	%	2017	%	Var.
<b>Net sales</b>	19,119	100.0%	16,554	100.0%	15.5%
Cost of sales	14,078	73.6%	12,305	74.3%	14.4%
<b>Gross profit</b>	<b>5,041</b>	<b>26.4%</b>	<b>4,250</b>	<b>25.7%</b>	<b>18.6%</b>
Selling expenses, net	3,994	21.9%	3,473	21.0%	15.0%
<b>Operating profit</b>	<b>1,047</b>	<b>5.5%</b>	<b>777</b>	<b>4.7%</b>	<b>34.9%</b>
Financial income	281	1.5%	225	1.4%	25.3%
Financial expenses	141	0.7%	106	0.6%	32.9%
<b>Earnings before tax &amp; profit sharing</b>	<b>1,188</b>	<b>6.2%</b>	<b>895</b>	<b>5.4%</b>	<b>32.7%</b>
Income tax	98	0.5%	113	0.7%	-12.8%
<b>Net income</b>	<b>1,089</b>	<b>5.7%</b>	<b>782</b>	<b>4.7%</b>	<b>39.3%</b>
Depreciation & amortization	705	3.7%	603	3.6%	17.1%
<b>EBITDA</b>	<b>1,753</b>	<b>9.2%</b>	<b>1,379</b>	<b>8.3%</b>	<b>27.1%</b>

*Million pesos as of December 31, 2018*



# BALANCE SHEET

Assets		Total liabilities and stockholders' equity	
Cash and Temporary investments	2,602	Trade payables	3,572
Clients (net account receivables)	823	Taxes payable	82
Recoverable taxes	11	Other accrued liabilities	247
Inventories	2,672	<b>Current Liabilities</b>	<b>3,902</b>
Other assets	122	Provisions for employee long term benefits	80
<b>Total Current Assets</b>	<b>6,230</b>	Deferred tax liabilities	52
		<b>Total long-term liabilities</b>	<b>132</b>
Property, plant and equipment (Net)	12,130	<b>Total Liabilities</b>	<b>4,034</b>
Property and leasehold improvements	629	Capital Stock	1,967
Intangible assets other than goodwill	6,278	Premium in issuance of shares	206
Deferred tax assets	130	Total Earned Capital	18,080
Other non-current non-financial assets	640	Other comprehensive income	1,750
<b>Total noncurrent assets</b>	<b>19,807</b>	Total controlling interest	22,003
		<b>Stock Holders' Equity</b>	<b>22,003</b>
<b>Total Assets</b>	<b>26,036</b>	<b>Total liabilities and stockholders' equity</b>	<b>26,036</b>

Million pesos as of December 31, 2018



# PLANS FOR 2019 AND AFTER

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## ➔ 2019 - 2022

- 1) Plans to open between 8 to 10 stores per year
- 2) Continue with the expansion, and have more than **100** stores by 2022
- 3) To replicate our shopping experience, we will focus on the expansion mostly on the **City Market** and **Fresco** formats, but willing to open La Comer or Sumesa format.
- 4) Priority in:
  - Metropolitan Area of Mexico City
  - Central region of the country
  - Western region of the country
  - North of the country



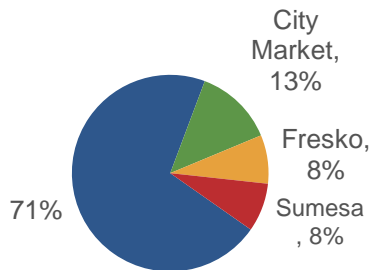


# STORE OPENINGS

**La Comer, has initiated an aggressive plan to open new stores giving priority to the formats Fresko and City Market to increase its scale of operation.**

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

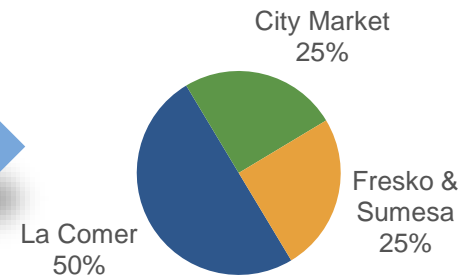
# stores 54



Participation by format

**Year end  
2022**

More than 100





## Disclaimer

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fresko



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city market

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