

# GRUPO LACOMER



# LA COMER SUMMARY

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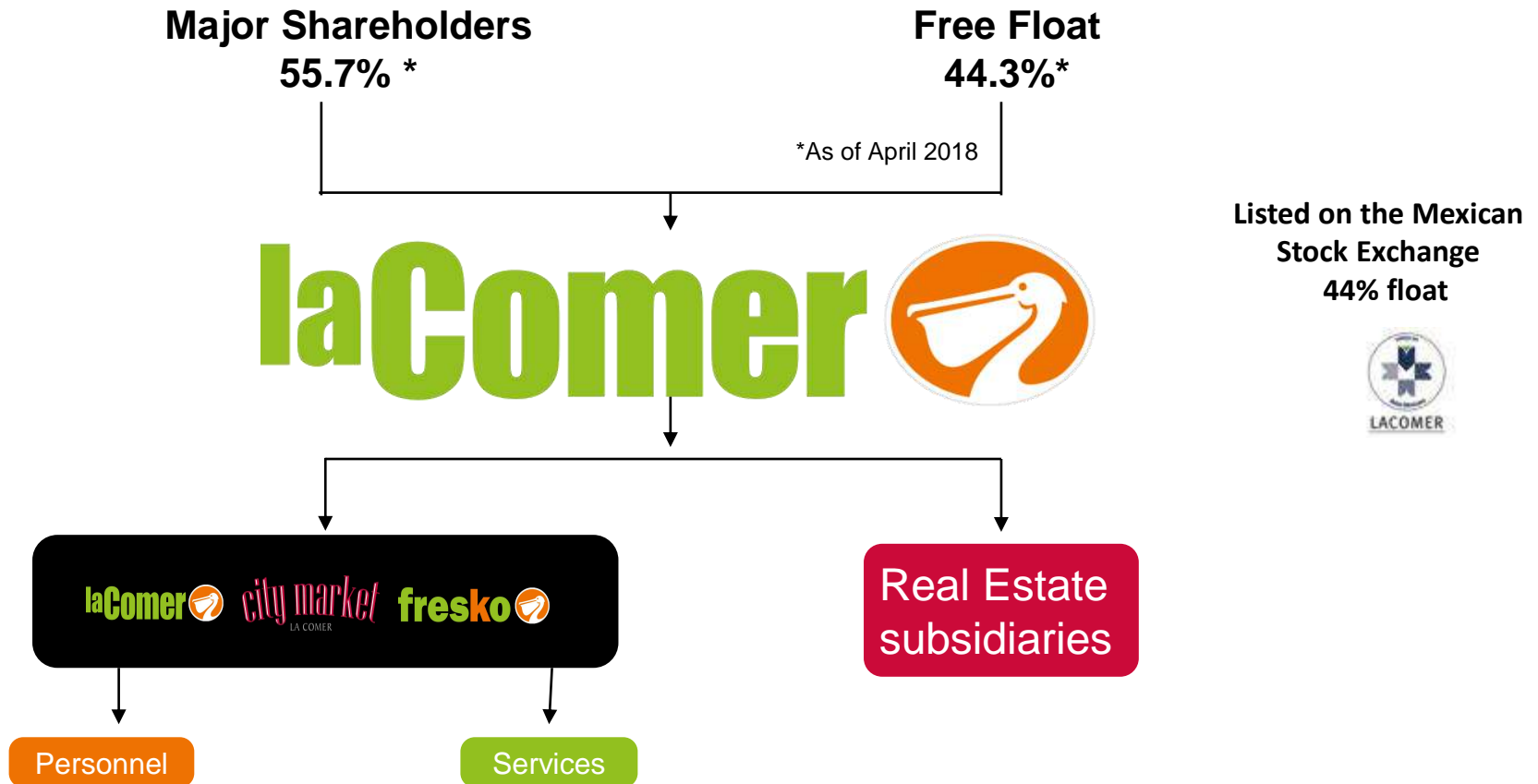


- Almost 60 years of experience in the **Mexican Food Retail** market.
- **Stores:** 63, more than **257,000 sq.mts. of sale area**, in 4 different formats.
- **Geographic Distribution:** 60% of the stores located in Mexico City metropolitan area.
- **Real Estate:**
  - ✓ 47 units (**33 stores +14 additional assets**)
  - ✓ 366 commercial spaces (**+80,000 m<sup>2</sup> leasing area**);
- **Employees:** Approximately 10,000 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

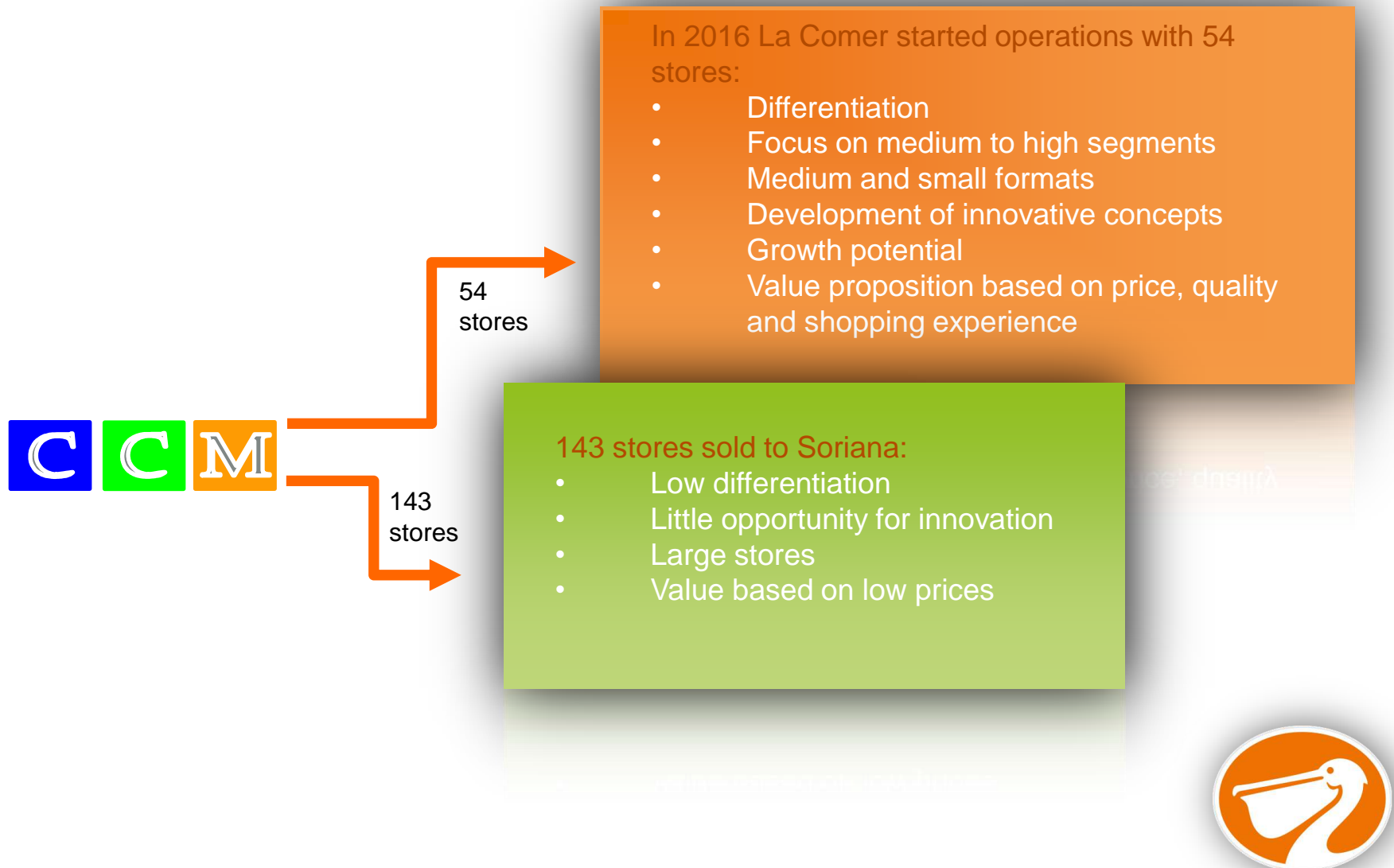
La Comer is the product of the spin-off of Comercial when on January 1<sup>st</sup> 2016, 143 stores were sold to Soriana.



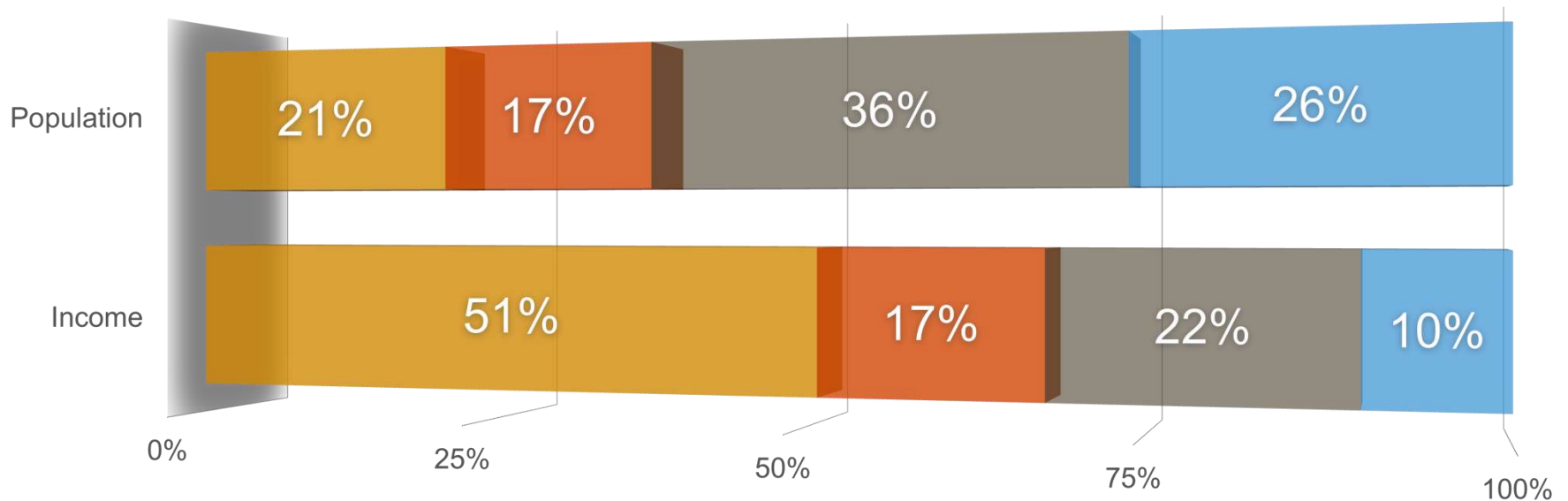
La Comer started operations on January 1<sup>st</sup>, 2016 with 54 stores

# 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.
- 10 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.
- 10 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











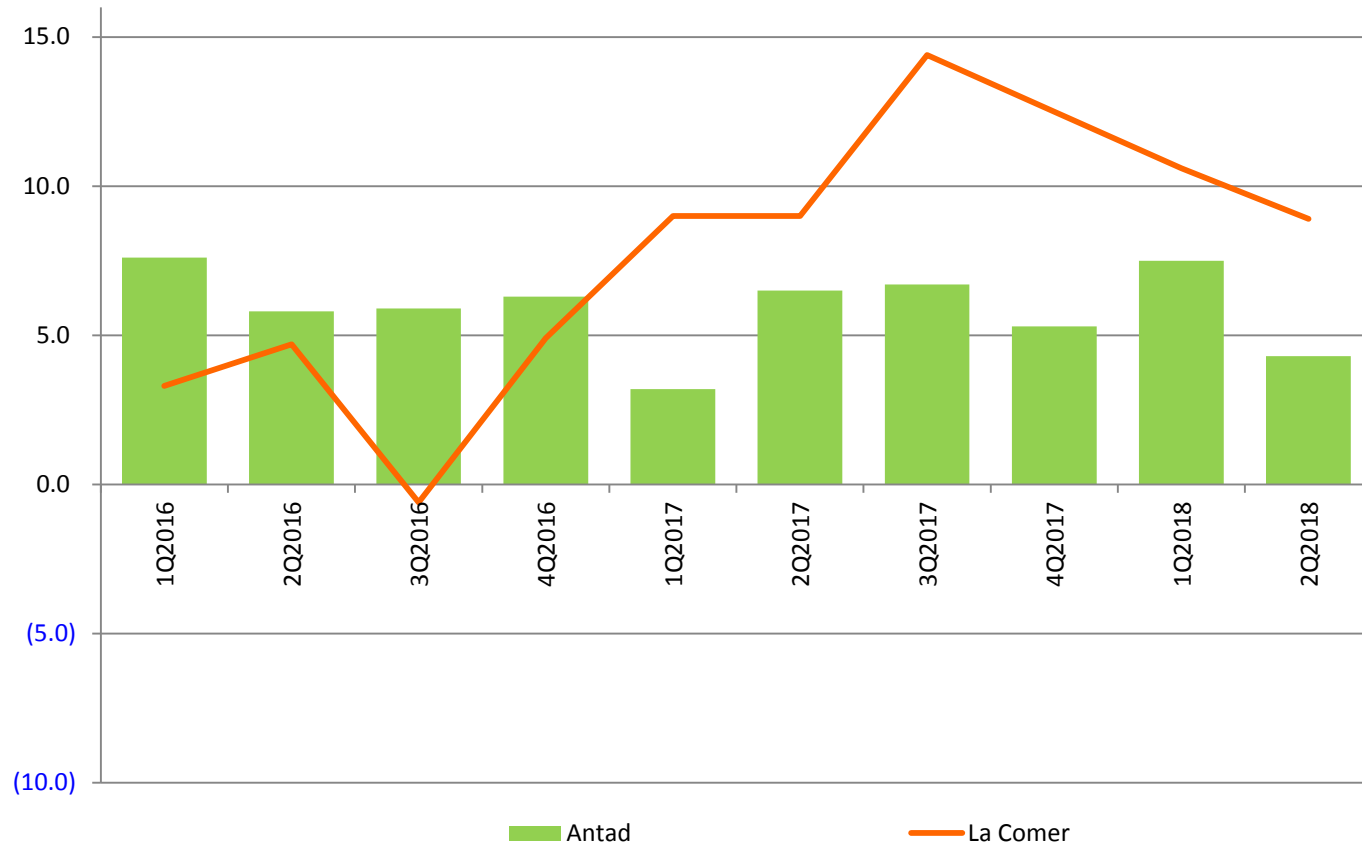
## Home delivery service - Omni channel

- 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	%
<b>Net sales</b>	12,071	100	13,078	100	14,041	100	14,757	100	16,635	100
<b>Cost of sales</b>	9,078	75.2	9,781	74.8	10,531	75.0	11,148	75.5	12,423	74.7
<b>Gross profit</b>	2,993	24.8	3,297	25.2	3,509	25.0	3,610	24.5	4,213	25.3
<b>Expenses</b>	1,969	16.3	2,166	16.6	2,330	16.6	3,184	21.6	3,441	20.7
<b>Operating income</b>	981	8.1	1,077	8.2	1,174	8.4	416	2.8	771	4.6
<b>EBITDA</b>	1,228	10.2	1,378	10.5	1,465	10.4	938	6.4	1,374	8.3

\* Proforma Financial information, La Comer Prospectus, BMV

\*\* Internal proforma financial information



# FINANCIAL DATA

## Income Statement

	2Q2018	%	2Q2017	%	Var.
<b>Net sales</b>	4,830	100.0%	4,137	100.0%	16.7%
Cost of sales	3,582	74.2%	3,095	74.8%	15.7%
<b>Gross profit</b>	<b>1,248</b>	<b>25.8%</b>	<b>1,042</b>	<b>25.2%</b>	<b>19.7%</b>
Selling expenses net	1,045	21.6%	865	20.9%	20.7%
<b>Operating profit</b>	<b>203</b>	<b>4.2%</b>	<b>177</b>	<b>4.3%</b>	<b>15.0%</b>
Financial income	79	1.6%	56	1.4%	41.2%
Financial expenses	11	0.2%	20	0.5%	-44.5%
<b>Earnings before tax &amp; profit sharing</b>	<b>271</b>	<b>5.6%</b>	<b>213</b>	<b>5.1%</b>	<b>27.6%</b>
Income tax	74	1.5%	65	1.6%	14.0%
<b>Net income</b>	<b>198</b>	<b>4.1%</b>	<b>148</b>	<b>3.6%</b>	<b>33.6%</b>
Depreciation & amortization	190	3.9%	150	3.6%	26.2%
<b>EBITDA</b>	<b>393</b>	<b>8.1%</b>	<b>327</b>	<b>7.9%</b>	<b>20.2%</b>

Million pesos as of June 30, 2018





# FINANCIAL DATA

## Cumulative Income Statement as of June 30

	2018	%	2017	%	Var.
<b>Net sales</b>	9,117	100.0%	7,904	100.0%	15.3%
Cost of sales	6,707	73.6%	5,870	74.3%	14.3%
<b>Gross profit</b>	<b>2,410</b>	<b>26.4%</b>	<b>2,033</b>	<b>25.7%</b>	<b>18.5%</b>
Selling expenses, net	1,999	21.9%	1,694	21.4%	18.0%
<b>Operating profit</b>	<b>410</b>	<b>4.5%</b>	<b>339</b>	<b>4.3%</b>	<b>20.9%</b>
Financial income	124	1.4%	106	1.3%	18.0%
Financial expenses	31	0.3%	84	1.1%	-63.4%
<b>Earnings before tax &amp; profit sharing</b>	<b>504</b>	<b>5.5%</b>	<b>361</b>	<b>4.6%</b>	<b>39.7%</b>
Income tax	134	1.5%	110	1.4%	21.9%
<b>Net income</b>	<b>370</b>	<b>4.1%</b>	<b>251</b>	<b>3.2%</b>	<b>47.5%</b>
Depreciation & amortization	352	3.9%	292	3.7%	20.4%
<b>EBITDA</b>	<b>762</b>	<b>8.4%</b>	<b>632</b>	<b>8.0%</b>	<b>20.7%</b>

*Million pesos as of June 30, 2018*



# BALANCE SHEET

*as of June 30, 2018*

Assets		Total liabilities and stockholders' equity	
Cash and Temporary investments	2,743	Trade payables	4,374
Clients (net account receivables)	704	Taxes payable	39
Recoverable taxes	19	Other accrued liabilities	240
Inventories	3,202	<b>Current Liabilities</b>	<b>4,653</b>
Other assets	125		
<b>Total Current Assets</b>	<b>6,793</b>	Provisions for employee long term benefits	81
		Deferred tax liabilities	192
		<b>Total long-term liabilities</b>	<b>273</b>
Property, plant and equipment (Net)	11,447	<b>Total Liabilities</b>	<b>4,926</b>
Property and leasehold improvements	750		
Intangible assets other than goodwill	6,278	Capital Stock	1,967
Deferred tax assets	198	Premium in issuance of shares	194
Other non-current non-financial assets	697	Total Earned Capital	17,358
<b>Total noncurrent assets</b>	<b>19,370</b>	Other comprehensive income	1,719
		Total controlling interest	21,237
		<b>Stock Holders' Equity</b>	<b>21,237</b>
<b>Total Assets</b>	<b>26,163</b>	<b>Total liabilities and stockholders' equity</b>	<b>26,163</b>

*Million pesos*



# EXPANSION PLANS

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➡ Two more stores to be open in 2018.

➡ 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) We will focus mostly on **City Market** and **Fresko** formats, but willing to open La Comer and Sumesa too.
- 4) Priority areas:
  - 1) Metropolitan area of Mexico City
  - 2) Central part of the country
  - 3) Western area: Guadalajara, Baja California, etc.
  - 4) North of the country

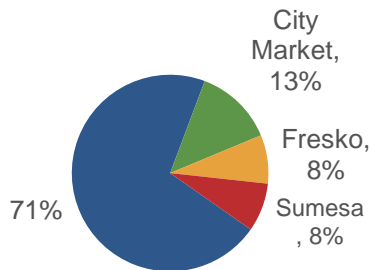


# STORE OPENINGS

**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**

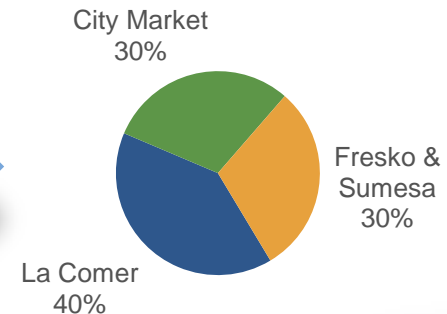
# stores 54



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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