

GRUPO LACOMER



LA COMER SUMMARY

- Almost 60 years of experience in the **Mexican Food Retail** market.
- **Stores:** 69, almost 290,000 sq.mts. of sale area, in 4 different formats:

31 **laComer** 

12 **city market**
LA COMER

13 **fresko** 
LA COMER

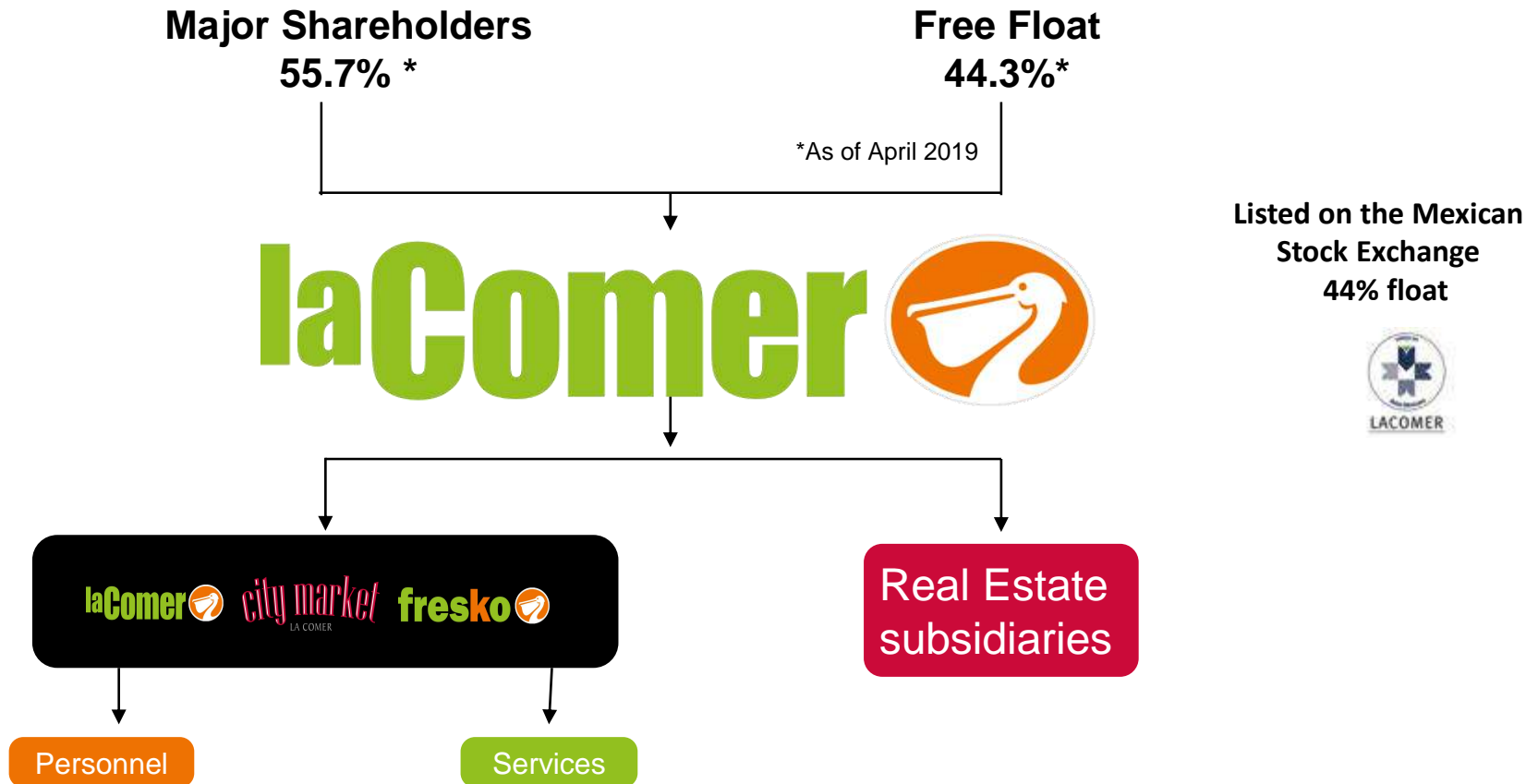
13  **sumesa**

- **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 m² leasing area);
- **Employees:** Approximately 11,000 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.



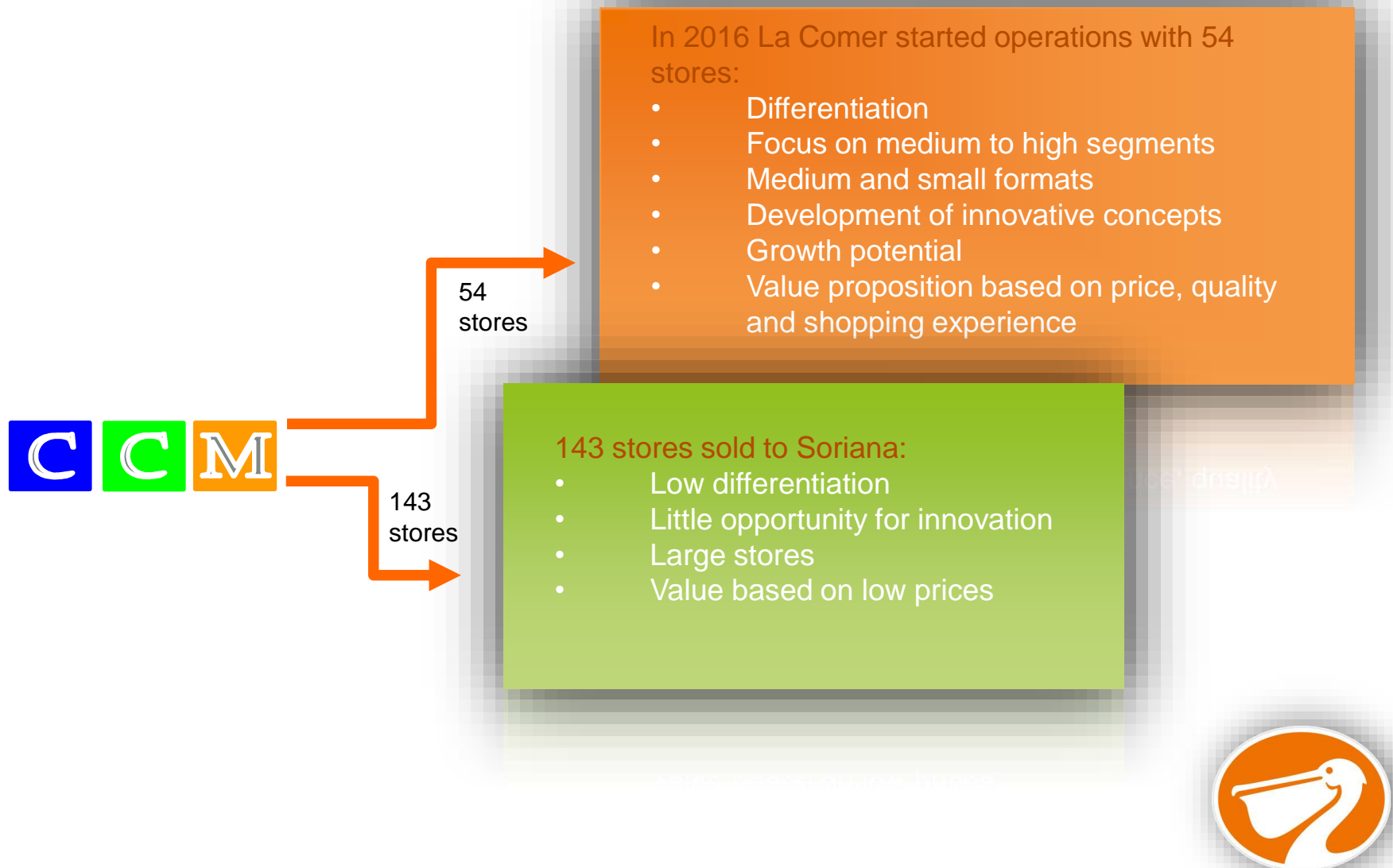
CORPORATE STRUCTURE

La Comer is the product of the spin-off of Comerci when on January 1st 2016, 143 stores were sold to Soriana.

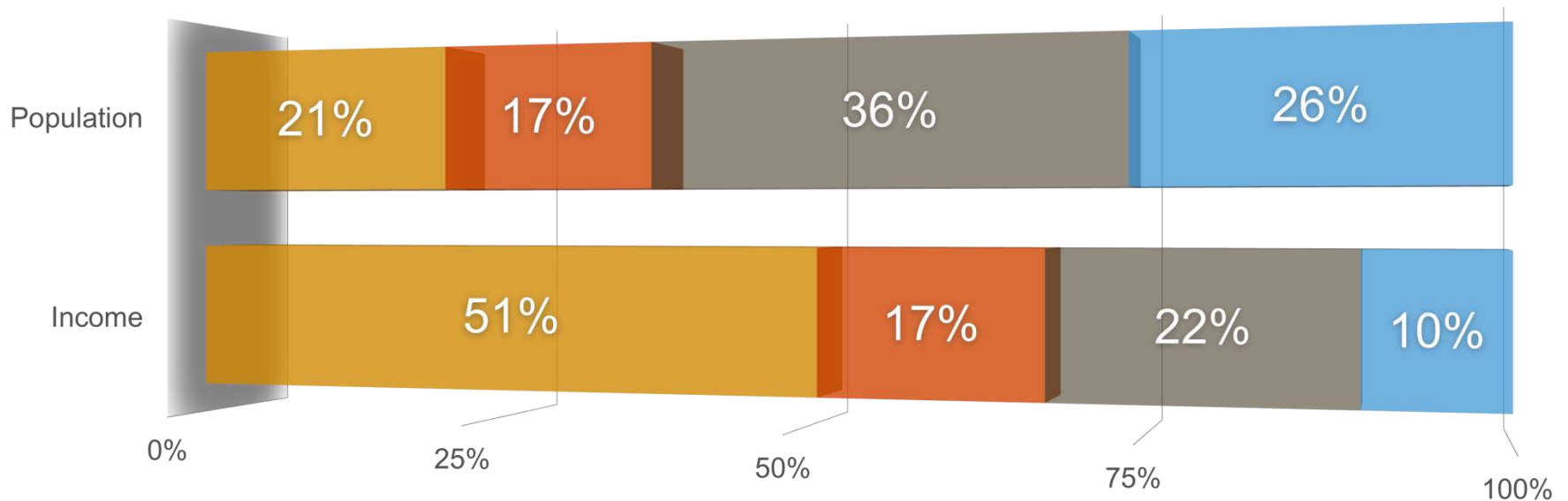


La Comer started operations on January 1st, 2016 with 54 stores

NEW LA COMER GROUP– SPIN-OFF RATIONALE



SOCIOECONOMIC LEVELS IN MEXICO



■ ABC+

■ C

■ C-, D+

■ D-, E

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

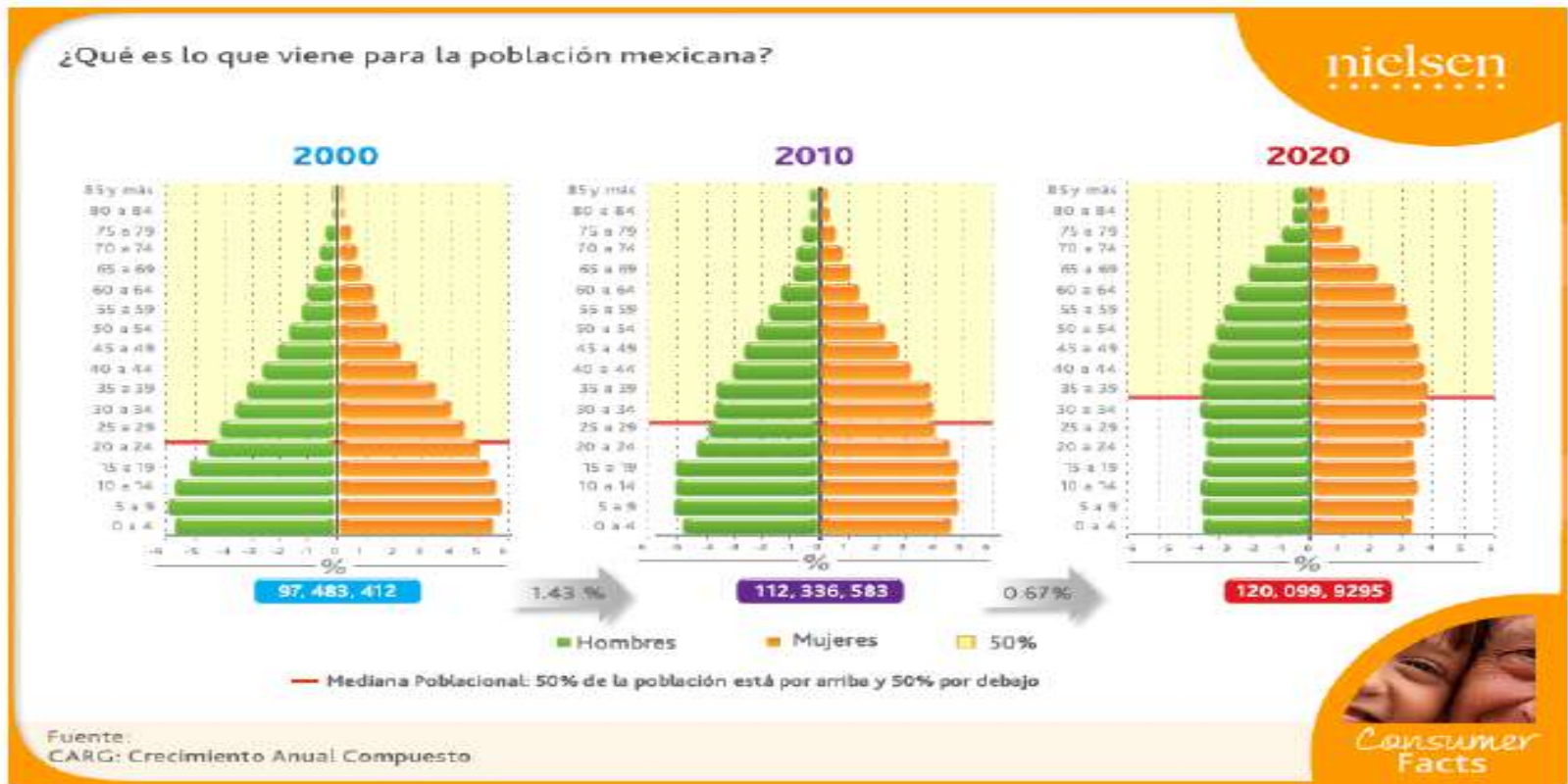
> Looking for quality and service

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



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







- 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.
- 13 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, user friendly platform

- Integrated with internal systems

2018: Marketing campaign: *“Tú a lo tuyo y La Comer en tu Casa”*

- New app

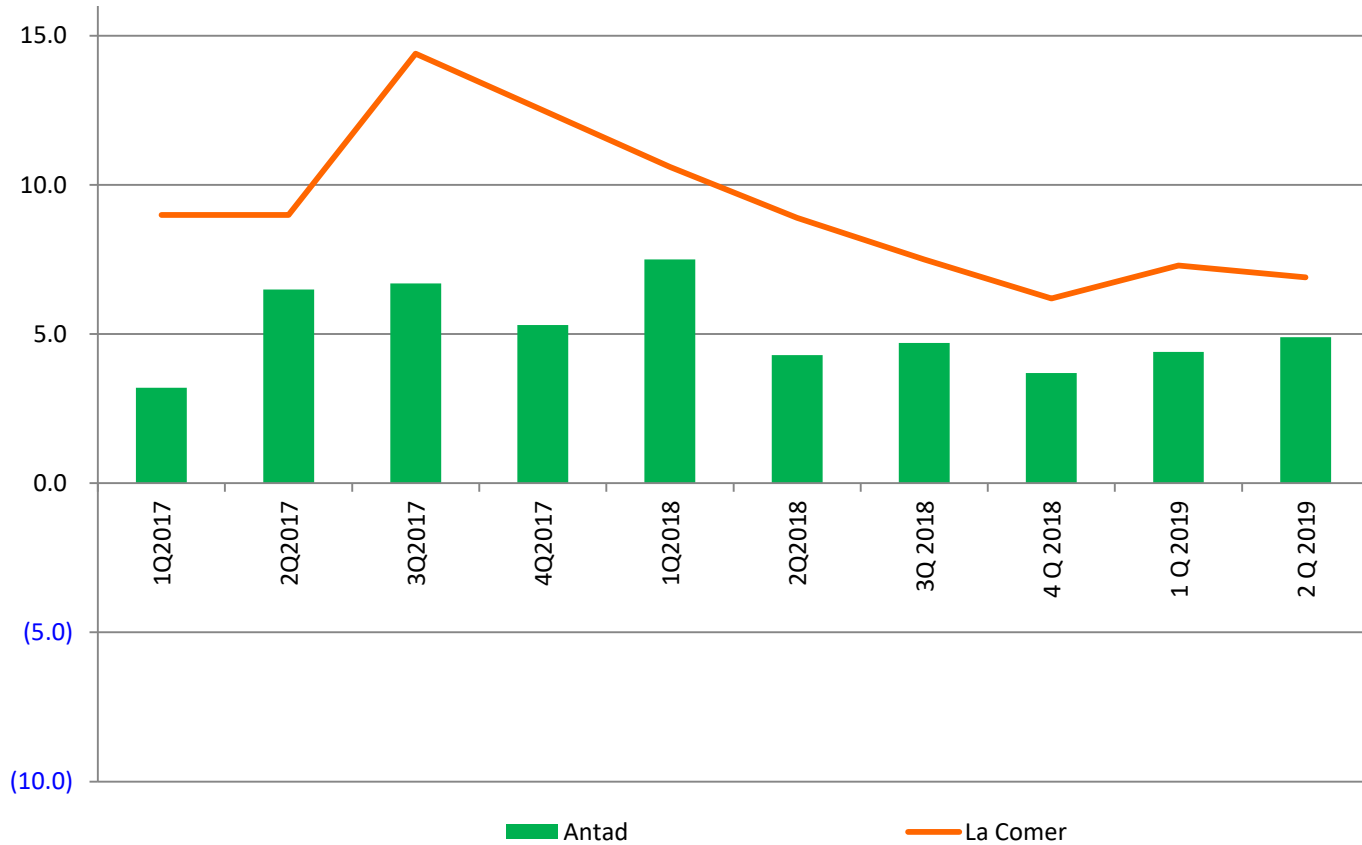
2019: New forms of payments are included

- Online Marketing Capabilities to the next level
- Enhanced promotional activities
- As of June 2019, 1.8% of total sales



FOOD RETAIL SSS GROWTH

Food Retail Sector SSS Growth (%)



FINANCIAL DATA

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

	As of June 2019			*Proforma 2018	var. vs 2019	
	2019	%	2018	2018		
Net sales	10,324.6	100.0	9,117.1	9,117.1	100.0	13.2%
Cost of sales	7,505.7	72.7	6,707.1	6,707.1	73.6	11.9%
Gross profit	2,818.9	27.3	2,410.0	2,410.0	26.4	17.0%
Operating expenses	2,222.8	21.5	1,999.5	1,963.8	21.5	13.2%
Operating profit	596.2	5.8	410.5	446.2	4.9	33.6%
EBITDA ¹	1,008.5	9.8	762.3	836.6	9.2	20.5%
Operational cash flow²	914.0	8.9	762.3	762.3	8.6	19.9%
Net financial result	13.2	0.1	93.7	39.8	0.4	-66.8%
Taxes and other	102.4	1.0	133.8	133.8	1.5	-23.5%
Net Income	507.0	4.9	370.4	352.2	3.9	44.0%
Same Store Sales (%)	7.1		9.7			
Clients (thousands)	33,403		31,515			6.0%
Inventory days ratio	91		88			3.4%
Supplier days ratio	89		99			-9.8%
Number of stores	68		62			9.7%
Sales Area (sq.mts.)	288,015		253,554			13.6%

In millions of Mexican pesos,

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

Operating Cash Flow refers to EBITDA minus the flow for payment of rents, EBITDA without IFRS16 effects.

** 2018 Pro forma financial information, includes effects of IFRS 16*



BALANCE SHEET

As of June 2019

Assets		Total liabilities and stockholders' equity	
Cash and Temporary investments	2,194	Trade payables	4,478
Clients (net account receivables)	912	Taxes payable	47
Recoverable taxes	23	Short-term lease liabilities	87
Inventories	3,761	Other accrued liabilities	261
Other assets	117	Current Liabilities	4,874
Total Current Assets	7,007	Long-term lease liabilities	1,428
		Provisions for employee long term benefits	100
		Deferred tax liabilities	179
		Total long-term liabilities	1,706
Property, plant and equipment (Net)	12,883	Total Liabilities	6,580
Property and leasehold improvements	628	Capital Stock	1,967
Intangible assets other than goodwill	6,278	Premium in issuance of shares	206
Assets by right of use	1,495	Total Earned Capital	18,601
Deferred tax assets	163	Other comprehensive income	1,717
Other non-current non-financial assets	618	Total controlling interest	22,491
Total noncurrent assets	22,065	Stock Holders' Equity	22,491
Total Assets	29,071	Total liabilities and stockholders' equity	29,071

Million pesos

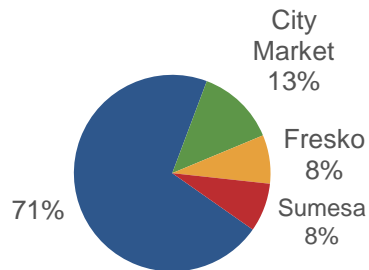


STORE OPENINGS

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

Beginning La Comer
January 1st 2016

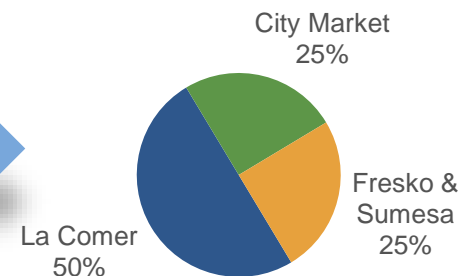
stores 54



Participation by format

Year end
2023

More than 100





Disclaimer

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fresko



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city market

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