

GRUPO LACOMER





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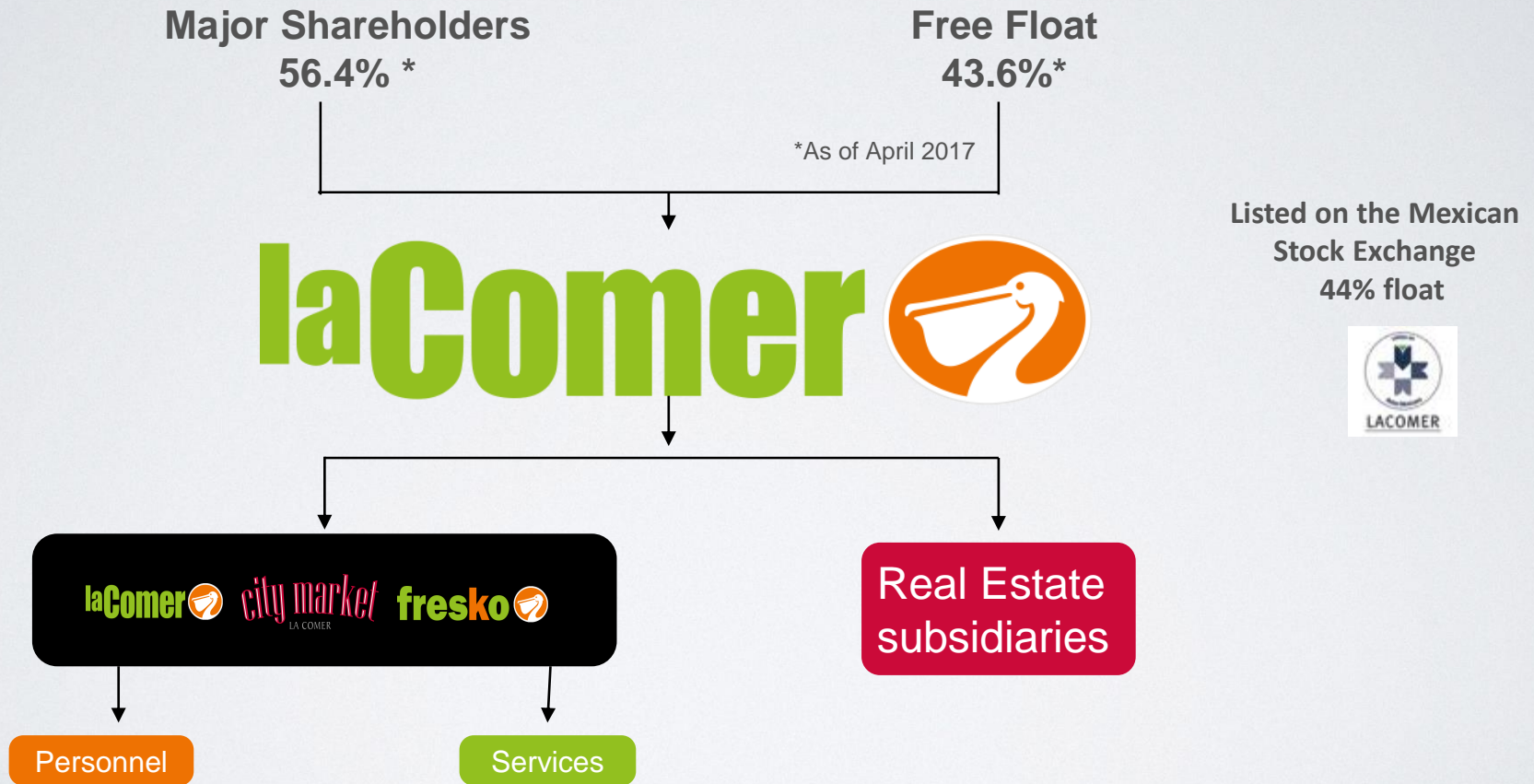
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CORPORATE STRUCTURE

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



54
stores

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

143 stores sold to Soriana:

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



LA COMER SUMMARY



- Almost 60 years of experience in the **Mexican Self Service Retail** market.
- **Stores:** 61, more than **250,000 sq.mts. of sale area**, in 4 different formats.
- **Geographic Distribution:** 64% of the stores located in Mexico City metropolitan area.
- **Real Estate:**
 - ✓ 45 units (**31 stores +14 additional assets**)
 - ✓ 338 commercial spaces (**+80,000 m² leasing area**);
- **Employees:** Approximately 9,500 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.



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



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.
- 9 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





FINANCIAL DATA

	Dec-13*	%	Dec-14*	%	Dec-15**	%	Dec-16	%	Dec-17	%
Net sales	12,071	100.0	13,078	100.0	14,041	100.0	14,757	100.0	16,635	100.0
Cost of sales	9,078	75.2	9,781	74.8	10,531	75.0	11,148	75.5	12,422	74.7
Gross profit	2,993	24.8	3,297	25.2	3,509	25.0	3,610	24.5	4,213	25.3
Expenses	1,969	16.3	2,166	16.6	2,330	16.6	3,184	21.6	3,441	20.7
Operating income	981	8.1	1,077	8.2	1,174	8.4	416	2.8	772	4.6
EBITDA	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

** Preliminar internal proforma financial information



FINANCIAL DATA

Income Statement

	2017	%	2016	%	Var.
Net sales	16,635	100.0%	14,757	100.0%	12.7%
Cost of sales	12,423	74.7%	11,148	75.5%	11.4%
Gross profit	4,213	25.3%	3,610	24.5%	16.7%
Selling expenses	2,987	18.0%	2,600	17.6%	14.9%
Administrative expenses	640	3.8%	584	4.0%	9.5%
Other income	257	1.5%	155	1.1%	65.0%
Other expenses	71	0.4%	166	1.1%	-57.4%
Operating profit	771	4.6%	416	2.8%	85.6%
Financial income	230	1.4%	158	1.1%	45.3%
Financial expenses	106	0.6%	35	0.2%	205.0%
Earnings before tax & profit sharing	895	5.4%	539	3.7%	66.1%
Income tax	113	0.7%	87	0.6%	30.1%
Gains from discontinued operations	-	0.0%	65	0.4%	-100.0%
Net income	782	4.7%	518	3.5%	51.1%
Depreciation & amortization	603	3.6%	522	3.5%	15.4%
EBITDA	1,374	8.3%	938	6.4%	46.5%

Million pesos as of December 31st, 2017



FINANCIAL DATA

4rd Quarter Income Statement

	4Q2017	%	4Q2016	%	Var
Net sales	4,428	100.0%	3,928	100.0%	12.7%
Cost of sales	3,302	74.6%	2,971	75.6%	11.1%
Gross profit	1,126	25.4%	957	24.4%	17.7%
Selling expenses	862	19.5%	746	19.0%	15.5%
Administrative expenses	173	3.9%	161	4.1%	7.1%
Operating profit	286	6.4%	51	1.3%	462.3%
Financial income	69	1.6%	70	1.8%	-0.7%
Financial expenses	17	0.4%	32	0.8%	-45.6%
Earnings before tax & profit sharing	338	7.6%	89	2.3%	279.7%
Income tax	(58)	-1.3%	(45)	-1.2%	29.0%
Gains from discontinued operations	-	0.0%	1	0.0%	-100.0%
Net income	396	8.9%	135	3.4%	193.4%
Depreciation & amortization	157	3.5%	166	4.2%	-5.5%
EBITDA	442	10.0%	217	5.5%	104.3%

Million pesos as of December 31st, 2017



BALANCE SHEET

Assets		Total liabilities and stockholders' equity	
Cash and Temporary investments	2,545	Trade payables	3,349
Clients (net account receivables)	720	Taxes payable	105
Recoverable taxes	10	Other accrued liabilities	206
Inventories	2,376	Current Liabilities	3,660
Other assets	126		
Total Current Assets	5,777	Provisions for employee long term benefits	78
		Deferred tax liabilities	9
		Total long-term liabilities	87
		Total Liabilities	3,747
Property, plant and equipment (Net)	10,863	Capital Stock	1,967
Property and leasehold improvements	752	Premium in issuance of shares	194
Intangible assets other than goodwill	6,278	Total Earned Capital	16,977
Deferred tax assets	150	Other comprehensive income	1,700
Other non-current non-financial assets	764	Total controlling interest	20,837
Total noncurrent assets	18,807	Stock Holders' Equity	20,837
Total Assets	24,585	Total liabilities and stockholders' equity	24,585

Million pesos as of December 31st, 2017



2017 & 2018

➔ *2017 Summary*

- 1) One store closure for total remodeling
- 2) Partial remodeling of two stores
- 3) Opening of 3 new stores in the year
- 4) Most of the projects for this year were delayed, and are expected to be open during 2018.

➔ *2018 Plans*

- 1) Control of pre-operating expenses
- 2) Estimate of 8 new store openings.
- 3) Taking some steps to recover and “catch up” with expansion plan for extra store openings
- 4) Consolidate City Market format to operate outside of Mexico City

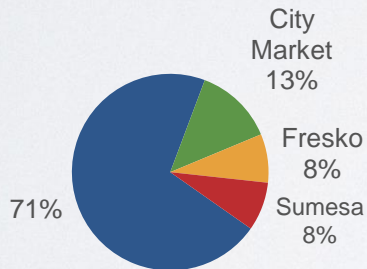


STORE OPENINGS

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 1st 2016

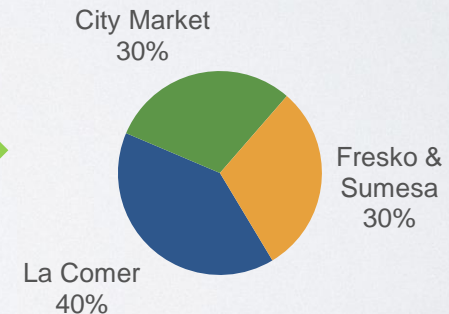
stores 54



Participation by format

Year end
2022

117



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fresko



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city market

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