



3Q 2020



*The following information contains or may be deemed to contain, “forward-looking statements” (as defined by the U.S. Private Securities Litigation Reform Act of 1995). By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The future results of the issuer may vary from the results expressed in, or implied by, the following forward-looking statements, possibly to a material degree. Grupo Elektra (“Elektra” or the “Company”) undertakes no obligation to update or revise any forward-looking statements.*

- ❑ Grupo Elektra in Grupo Salinas
- ❑ Market
- ❑ Value Proposal
- ❑ Historic Performance
- ❑ Growth Strategies
- ❑ ESG



## Banking and Financial, and Retail



## Media



## Telecommunications



## Energy and Others



## Social Responsibility



- ❑ More than 110,000 direct employees
- ❑ Presence in Mexico, the US, Guatemala, Honduras, Panama and Peru

- ❑ Grupo Elektra is the **leading financial services company** and **specialty retailer** in Latin America, and the largest non-bank provider of cash advance services in the US.
- ❑ Close to seven decades of experience in consumer lending, helping increase the purchasing power of millions of families **ignored by traditional banking system**.



**70 years**  
offering  
consumer  
loans

More than  
**74,000**  
direct  
employees

**Largest  
bank in  
Mexico, by  
number of  
branches**

**~7,000** POS in  
6 countries in  
America

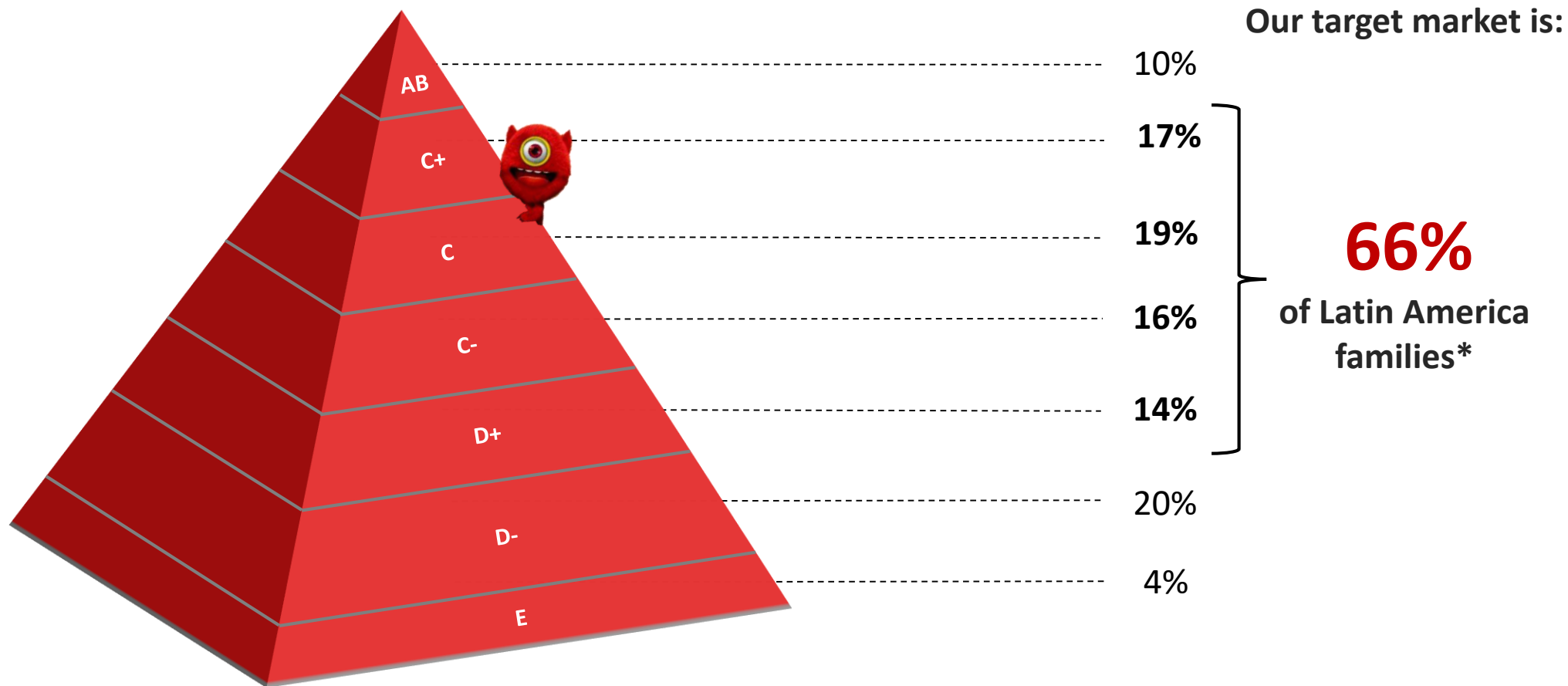
**elektra.com.mx:  
Best eCommerce  
retailer company\* &  
Best Corporate  
Market Place\*\*\***

**+60%** market  
share in  
motorcycles in  
Mexico

Tiendas Elektra,  
Banco Azteca and  
Italika recognized  
as **ESR**  
companies\*\*

\*<http://ecommerceaward.org/los-ganadores-del-ecommerce-award-mexico-2018/>  
 \*\*(ESR®) otorgado por el Centro Mexicano para la Filantropía (Ceme) y la Alianza por la Responsabilidad Social Empresarial (AliaRSE)  
 \*\*\* <https://www.the-eawards.mx/eawards-2020>





❑ In the USA, our target market matches that of the average American citizen: 43 years old, family income of US\$50,000, 79% owns their home, and 96% has a high school certificate or higher.

Source: AMAI (Mexican Association of Research Agencies).

\*AMAI estimation based on the data from the national household income and expense poll 2018. Considers cities of 100,000 or more people.





- ❑ 70 years focusing to C, D+ socioeconomic segments.
- ❑ 1,333 points of contact as of 3Q20:
  - ❑ 1,141 in Mexico.
  - ❑ 192 in Latin America.
- ❑ Average store sales floor in Mexico: 1,067 m<sup>2</sup>.
- ❑ 13 distribution centers:
  - ❑ 8 in Mexico.
  - ❑ 5 in Latin America.
- ❑ In 2019, **double-digit growth** vs. ANTAD\*.



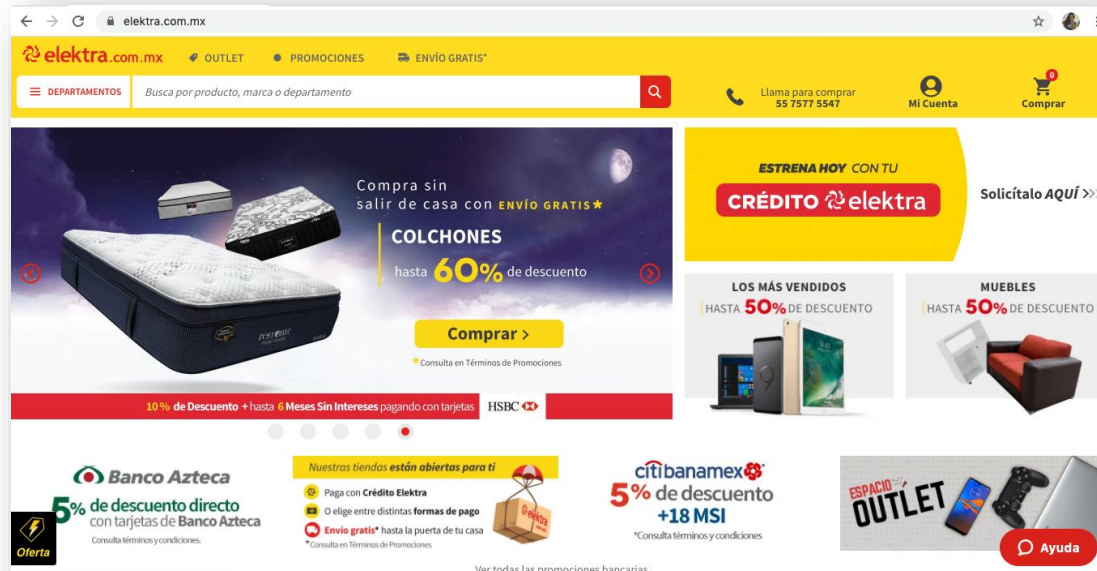


**elektra.com.mx**  
**Best eCommerce**  
**in Retail<sup>1</sup> and**  
**Best Corporate**  
**Market Place**

- ❑ Focus on the customer:
  - Purchases from any device (cellphone, tablet, computer), by phone or in store.
  - Using any form of payment (online and offline), including “Crédito Elektra” from Banco Azteca.
- ❑ Approximately, 75% of our stores have a digital zone to offer the first online experience to our customers:
  - 1,000 tablets for assisted sale.
  - 700 kiosks with computers.
- ❑ Expansion of the Marketplace to increase the scope of product offering from qualified sellers (400K SKUs).
  - B&M stores.
  - Offer of credit to customers.
- ❑ New in 2020:
  - New digital zone.
  - Elektra lockers.

1) <http://ecommerceaward.org/los-ganadores-del-ecommerce-award-mexico-2018/>

2) <https://www.the-eawards.mx/eawards-2020>



- ❑ Free delivery to the door of our customers or to our stores:
  - 68% of deliveries are done to our stores.
  - Our agreements with delivery companies are extended to our Market Place sellers.
  - Our delivery service, “EKT Envía”, serves few postal codes with big sale volume.
  
- ❑ Average ticket sale is Ps.5,040 (vs. Ps.300 of the industry leader and Ps.1,000 of the industry average).
  
- ❑ New categories with higher repurchase rates (e.g. pharmacy, babies, pets, sporting goods, footwear, spare parts, clothing, etc.).
  
- ❑ At the end of 2019, Ecommerce sales represented 5% of total commercial business revenues.
  
- ❑ Elektra USA (www.elektra.com.mx/beneficios-usa) targets Mexicans living in the USA.



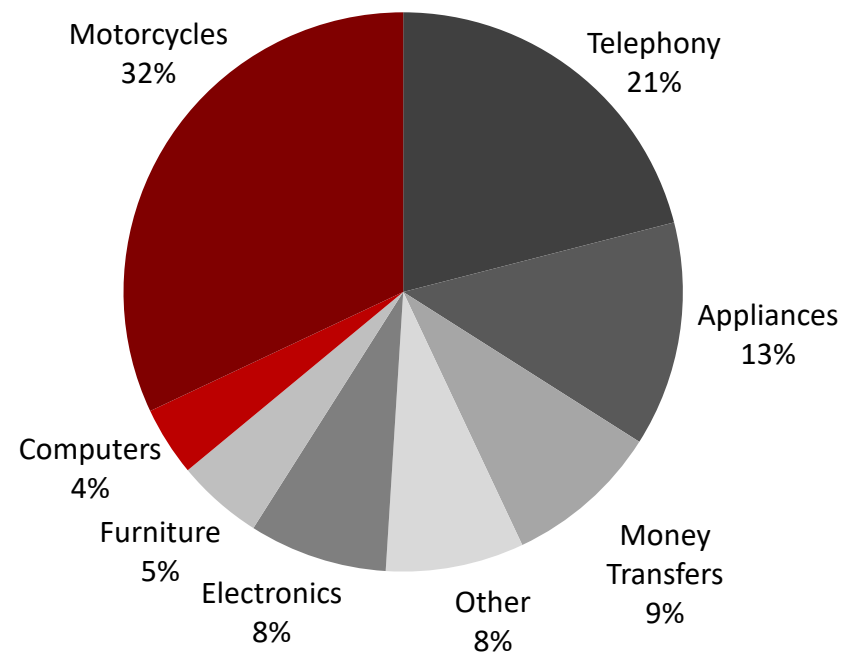


- ❑ Own brand of motorcycles with more than 60% market share in Mexico.
- ❑ Presence in Mexico, Guatemala, Peru, Honduras and Panama.
- ❑ Five assembly lines that assembled 769,740 motorcycles in 2019.
- ❑ 70 models with engines between 80 and 650 cc.
- ❑ 841 authorized service centers in Mexico and 174 in Latin America.
- ❑ Commercialized in 4,000 outlets approximately, including more than 2,000 third party points of contact in Mexico, and from Elektra.com.mx and its online store at Tienda.Italika.mx
- ❑ It has sold over 5.9 million motorcycles in 15 years.
- ❑ Participates with the Government of Mexico to establish a plan for locating components to boost national manufacturing.
- ❑ In 2020, relaunched its electric model and began offering its first folding electrical bike.



Revenues LTM 3Q20:  
**Ps. 49,653**  
 millions

**41%**  
 of consolidated  
 revenues



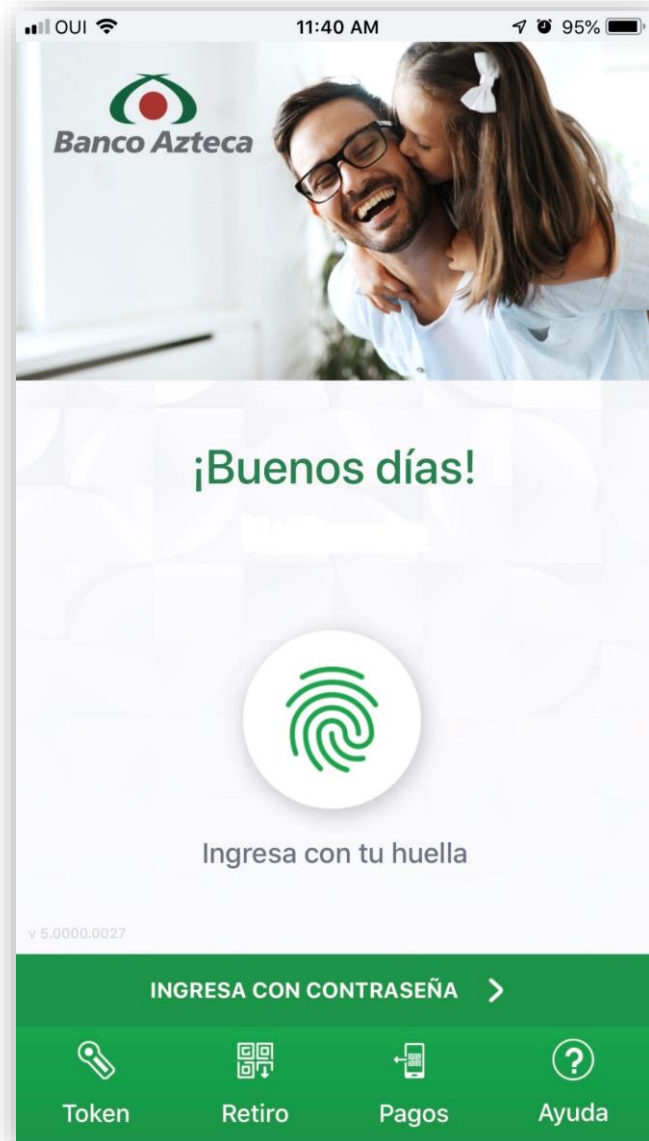
## Leading brands in revenues\*





- ❑ Since 2002, Banco Azteca has offered banking and financial products and services to millions of families unattended by the traditional banking sector.
- ❑ It currently serves 28 millions of customers.
- ❑ Operates in Mexico, Guatemala, Honduras, Panama and Peru.
- ❑ In México, we are:
  - ❑ Largest bank by number of points of contact.
  - ❑ The second one by amount of personal loans granted.
  - ❑ The only financial institution in 170 out of 780 municipalities where we have presence.
  - ❑ More than 4,000 points of contact (1,370 inside our Elektra and Salinas y Rocha stores), and a network of 4,700 ATMs in agreement with other Banks.
- ❑ It has a workforce of 10,500 collectors in field to collect either late installments or past due loans. No other competitor has a comparable workforce only for this task.
- ❑ A solid base of deposits with flexible funding, no commissions, and savings accounts starting with Ps.1.
- ❑ Banco Azteca disperses the social programs from the federal government of Mexico to approximately 38% of those under assistance.





- ❑ Acquisition of banking products and services through mobile devices.
- ❑ Since 2002, Banco Azteca pioneered the use of fingerprints to identify customers and authenticate their operations.
- ❑ In 2019, certified the use of “Cobro Digital” or “CoDi” (Digital Purchase), based on QR codes, and facial recognition was implemented.
- ❑ Currently, close to 11 millions clients use it.
- ❑ It is mobile banking app highest rated by users in the iOS and Android stores in Mexico.
- ❑ Value of the brand increased US\$100 million in one year and was the only bank that climbed positions in the “Banking 500, 2019” ranking edition, obtaining an AA rating<sup>1</sup>.
- ❑ Bank with the highest growth in terms of reputation during the 2016-2019 period, with a rating of 9.9 and third place in Mexico.<sup>2</sup>

1) Ranking published in The Banker magazine, prepared by consultant Brand Finance.

2) Brand Dynamics study, done by Kantar.





- ❑ Pension fund administrator “AFORE”.
- ❑ Started operations in 2003.
- ❑ Assets under management for Ps.141.3 billion as of 3Q20 (+37% vs. 3Q19).
- ❑ 5.6 million of accounts as of 3Q20 (+37% vs. 3Q19).
- ❑ 5<sup>th</sup>. AFORE with the highest number of accounts under administration.
- ❑ Market share 9.6% in 2019 (vs. 7.1% in 2018).
- ❑ 4<sup>th</sup>. place in performance achieved during the last five years, as of 2Q20.



- ❑ Started operations in 2004.
- ❑ Provides life, health and casualty insurance products.
- ❑ Casualty insurance covers property, cars and motorcycles.
- ❑ Micro insurance in case of accidents and illnesses: accidental death, breast or cervical cancer, first heart attack.
- ❑ Started to offer recently special products for immigrants, education, remittances and COVID-19.
- ❑ Premiums for Ps.2,824 million as of LTM 3Q20 (+20% vs. LTM 3Q19).



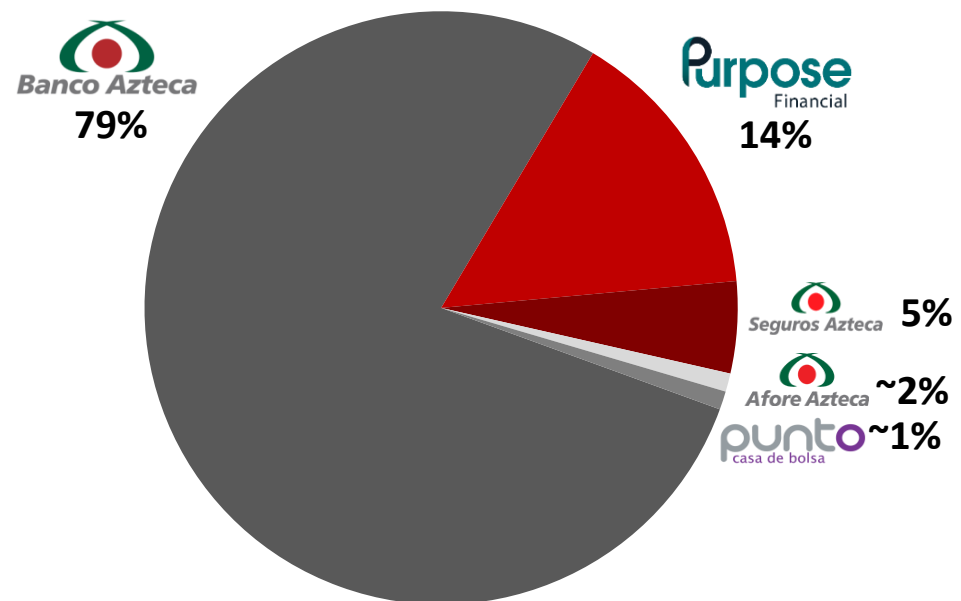
- ❑ Previously known as Advance America.
- ❑ Leading provider of non-bank cash advance services in the USA, measured by number of stores.
- ❑ +1,500 locations in 27 states.
- ❑ More than six million of loans in 2019: pay day, title, instalment and online.



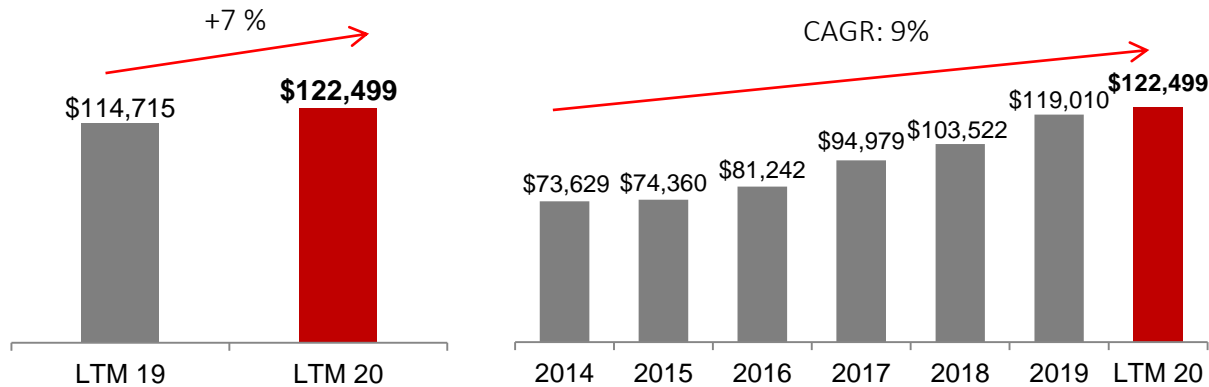
- ❑ Participated in more than 50 issuances in the stock market, for an amount of Ps.60 billion

Revenues LTM 3Q20:  
**Ps. 72,845**  
millions

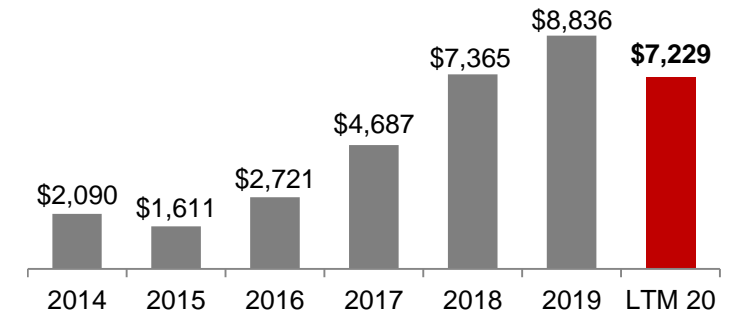
**59%**  
of consolidated  
revenues



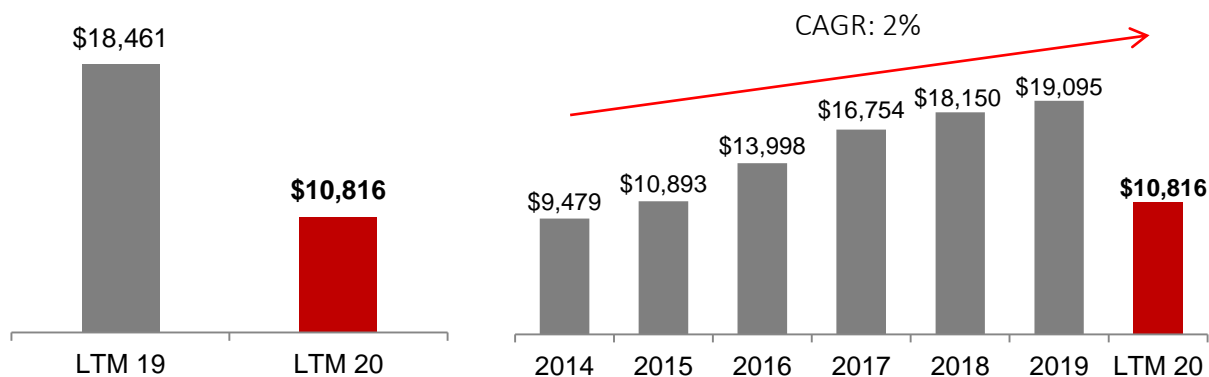
## Consolidated Revenues



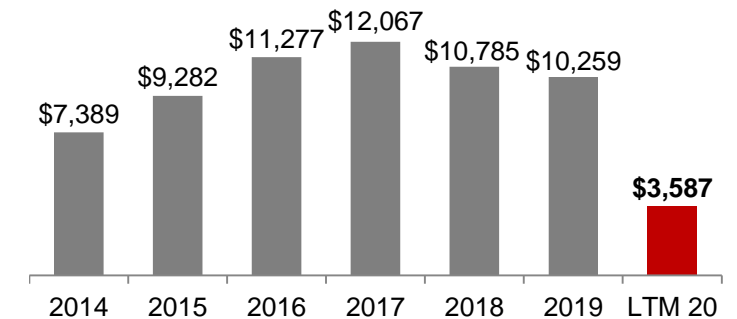
## CAPEX



## Consolidated EBITDA



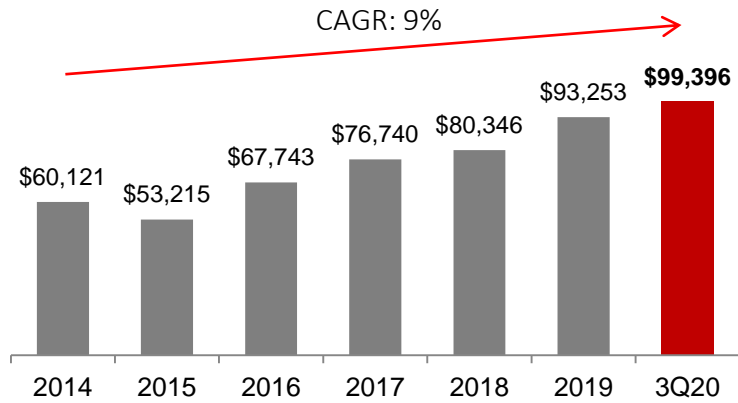
## Cash Flow (1)



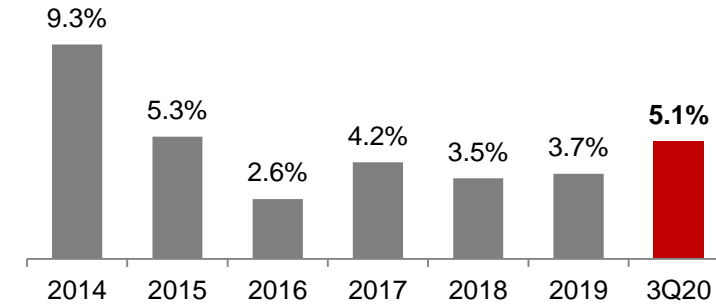
Margin:	2014	2015	2016	2017	2018	2019	LTM 20
	12.9%	14.6%	17.2%	17.6%	17.5%	16.0%	8.8%

(1) Cash Flow = EBITDA - CAPEX

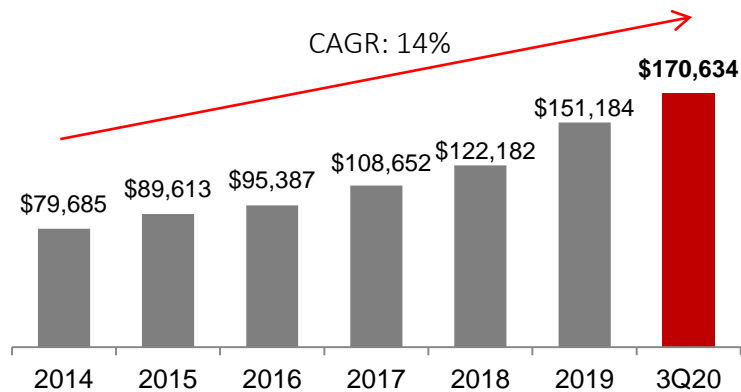
## Gross Loan Portfolio



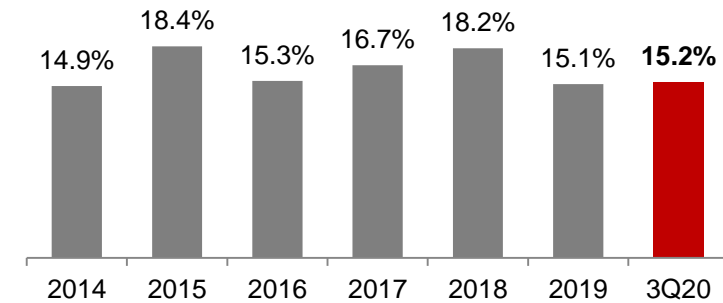
## Delinquency Rate



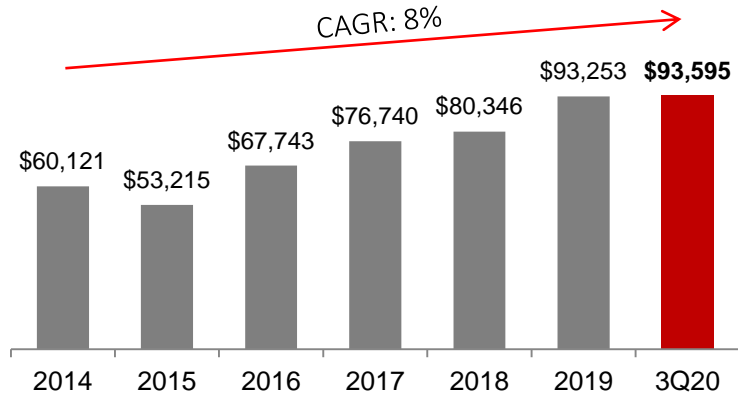
## Demand Deposits



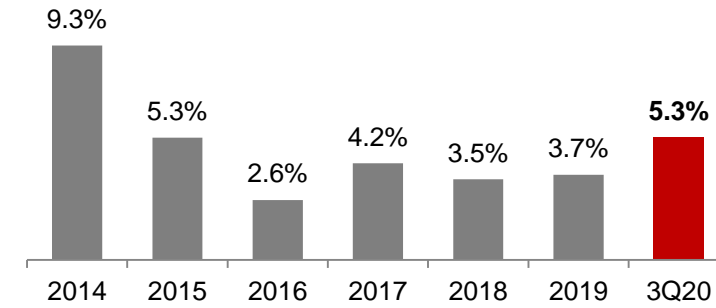
## Capitalization Index



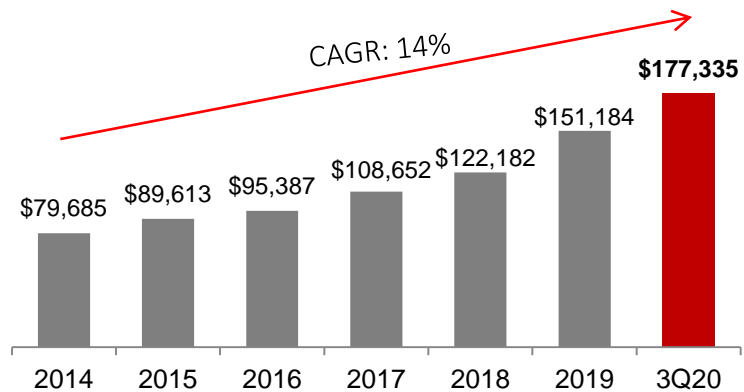
## Gross Loan Portfolio



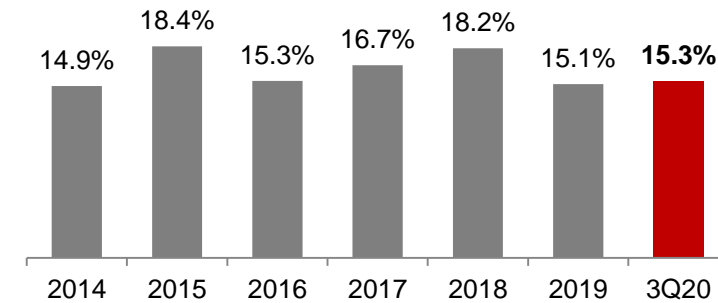
## Delinquency Rate



## Demand Deposits



## Capitalization Index



Description	USD\$ M.	MXN\$ M.	Interest Rate	Duration	Maturity
<b><u>Commercial Business</u></b>					
Cebures Elektra 19	-	5,000	6.9%	1.4	mar-22
Cebures Elektra 19-2	-	2,500	7.3%	2.0	oct-22
Cebures Elektra 16-2	-	500	8.2%	2.5	mar-23
Cebures Elektra 18	-	7,300	10.0%	0.5	abr-21
Cebures Elektra 20	-	2,500	9.4%	6.7	may-27
Cebures Elektra 00119	-	2,500	5.7%	0.2	dic-20
Cebures DINEX 16	-	1,608	10.0%	1.7	oct-23
Cebures DINEX 16-2	-	770	8.8%	3.3	oct-26
Bancomext (Remesas)	-	1,367	9.9%	3.5	jul-27
Banco Multiva (Remesas)	-	644	10.6%	1.8	may-23
Bank of China	35	775	2.5%	2.5	abr-23
<b>Subtotal</b>	<b>35</b>	<b>25,464</b>	<b>8.4%</b>	<b>1.9</b>	
<b><u>Financial Business (BAZ)</u></b>					
Banxico (BAZ)	-	507	5.7%	0.2	feb-21
Banco de México (SHIF)	-	20	9.1%	6.1	jul-27
BAC HONDURAS	5	110	3.9%	0.9	sep-21
<b>Subtotal</b>	<b>5</b>	<b>638</b>	<b>5.5%</b>	<b>0.5</b>	
<b>TOTAL DEBT</b>	<b>40</b>	<b>26,101</b>	<b>8.3%</b>	<b>1.9</b>	

(1) Hedged with IRS

(2) Interest rate in foreign currency



## Social

- ❑ Joins the **United Nations Global Compact**.
- ❑ Tiendas Elektra and Banco Azteca received the **Great Place to Work certification in Mexico, Central America and the Caribbean**.
- ❑ Tiendas Elektra stores and Banco Azteca received the **Socially Responsible Company Distinction** for the **third time**, while **Italika** was recognized for the **fifth consecutive year**.
- ❑ Tiendas Elektra, Banco Azteca and Italika obtained the **certification in the Mexican Standard Norm NMX-R-025-SCFI-2015 for Labor Equality and Non-Discrimination**.
- ❑ **World Bank study**, "From pawnshops to banks. The impact of formal credit on informal households", determined that **Banco Azteca contributes to the stability of household consumption in Mexico**.
- ❑ **14.9 million** children, young people, women, entrepreneurs, users of financial services, partners and clients of Banco Azteca **benefited** from its **"Aprende y Crece"** ("Learn and Grow") Program in Mexico and Latin-America in 2019; and it is the **only financial education program certified by the Ministry of Public Education, the Ministry of Labor and Social Security, the National Commission for the Protection and Defense of Users of Services Financial, and the Banco del Bienestar**.
- ❑ Banco Azteca is the **second** bank with the largest number of **trainees in Mexico** through the **"Jóvenes Construyendo el Futuro"** ("Young People Building the Future") government program.
- ❑ **220,912 hours of training** given in **Mexico** on prevention of money laundering and financing of terrorism during 2019; **four hours on average per employee**.



## Environmental

- ❑ **23% of the energy consumed** by Grupo Elektra comes from **renewable sources**.
- ❑ The National Commission for the Efficient Use of Energy (Conuee) recognized Banco Azteca with the award for Excellence in Energy Efficiency in Buildings.
- ❑ In 2019, the national reforestation campaign "*Un Nuevo Bosque*" ("**A New Forest**") reached more than **7 million trees planted**.



Banco Azteca - Award in Excellence in Energy Efficiency

## Corporate Governance

- ❑ Grupo Elektra received the "**Recognition of the Best Corporate Governance in Mexico**" award.\*
- ❑ Grupo Elektra launched the "**Ethics, Integrity and Compliance Program**" that aims **to detect, prevent and address any risk of corruption**, thereby endorsing our **commitment to the principle of zero tolerance for corruption**.\*\*
- ❑ Grupo Elektra and Banco Azteca **ranked 13th** in the "**2019 Ranking: The 500 companies against corruption**".
- ❑ Banco Azteca **ranked 58th** in "**The companies with the best reputation in Mexico 2019**" and was part of the list "**The most responsible companies and with the best corporate governance in Mexico**", both prepared by Merco.
- ❑ Tiendas Elektra was recognized for **having the fewest complaints** before the PROFECO during the "**Buen Fin**".
- ❑ Banco Azteca and **CONDUSEF** rectified its **collaboration agreement** for the **benefit of users**.

\*<http://cfi.co/awards/latin-america/2017/grupo-elektra-best-corporate-governance-mexico-2016/>

\*\*<http://www.grupoelektra.com.mx/es/programa-etica-integridad-cumplimiento>



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