



# **Grupo Elektra, S.A.B. de C.V.**

**BMV: ELEKTRA\*; LATIBEX: XEKT**

3Q2022

*This Presentation makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. These measures are provided as additional information to complement IFRS measures by providing further understanding of Grupo Elektra, S.A.B de C.V.'s ("Grupo Elektra", "Elektra" or the "Company") results of operations from a management perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of Grupo Elektra's financial information reported under IFRS.*

#### *Forward-Looking Statements*

*This Presentation contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "plan," "believe," "estimate," "expect," "strategy," "should," "will," "seek," "forecast," and similar references to future periods. Examples of forward-looking statements include, among others, statements concerning the Company's business outlook, future economic performance, anticipated profitability, revenues, expenses, or other financial items, market share, market growth rates, market demand, product or services growth. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are estimates that reflect the best judgment of Grupo Elektra's management based on currently available information. Because forward-looking statements relate to the future, they involve a number of risks, uncertainties and other factors that are outside of its control and could cause actual results to differ materially from those stated in such statements. Therefore, you should not rely on any of these forward-looking statements. All forward-looking statements are based on information available to Grupo Elektra on the date of this Presentation and Grupo Elektra assumes no obligation to update such statements, whether as a result of new information, future developments or otherwise, except as required by law.*

- Company description
- Financial Highlights
- Sustainability



## Banking and Financial, and Retail



## Media



## Telecommunications



## Others



## Social Responsibility / Alliance



- More than 100,000 direct employees
- Presence in Mexico, the US, Colombia, Guatemala, Honduras and Panama

- ❑ 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.
- ❑ Seven decades of experience in consumer lending, helping increase the purchasing power of millions of families ignored by the traditional banking system.

**+70**  
**years**  
offering  
consumer  
loans

**~72,000**  
direct  
employees

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

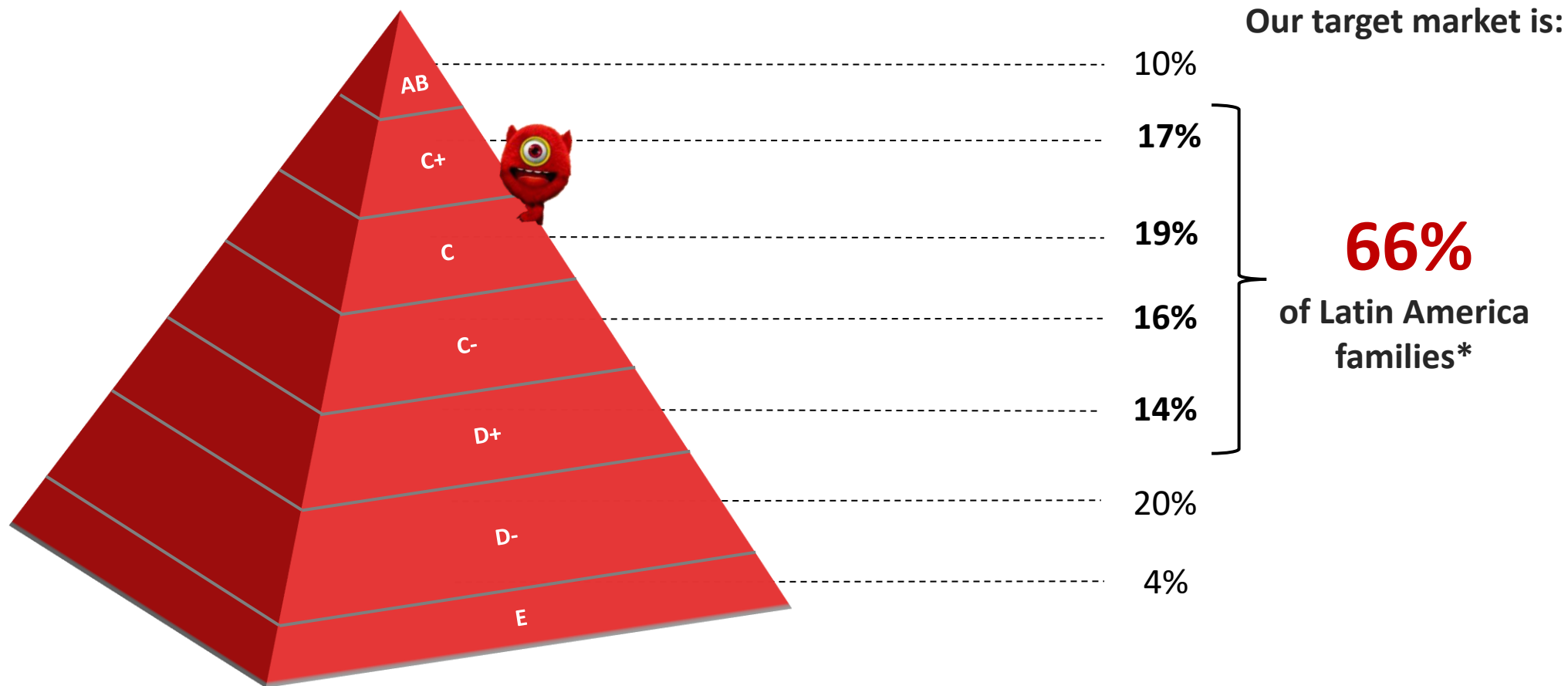
**6,207** POS  
in **5**  
countries in  
America

Part of the **S&P/BMV Total Mexico ESG Index** in 2021, **FTSE Emerging ESG Index** y **FTSE4GOOD Latin America Index** in 2022

**63%** market share  
in motorcycles in  
Mexico

**18.9 millions**  
Digital banking  
customers





❑ 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.

## America

## Mexico (Concentration by state)

USA:  
978

Mexico:  
4,843

Centro  
América  
386

Total:  
6,207

Purpose  
Financial USA

   Mexico

  Guatemala

Honduras  

 Panama



- ❑ More than 70 years focused on the dynamic middle class
- ❑ 1,284 points of contact as of 3Q22:
  - 1,173 in Mexico.
  - 111 in Central America.
- ❑ Average store sales floor in Mexico: 1,098 m<sup>2</sup>.
- ❑ 19 distribution centers:
  - 12 in Mexico.
  - 7 in Central America.
- ❑ Free home delivery or click & collect options.
- ❑ Our own logistics service, "*baz entregas*", it goes where no one else goes.





**elektra.com.mx**  
**Best Market Place**  
 Corporate<sup>1</sup>






- ❑ Purchases from any device (cell phone, tablet, computer), call center or in store, a mobile platform is added with a native application (App) for Android and iOS.
- ❑ Uses any form of payment (online and offline), including “Crédito Elektra”, from Banco Azteca, and cryptocurrencies (Bitcoin).
- ❑ Definition of the digital zone in stores:
  - +1,000 tablets for assisted sales.
  - +700 kiosks with specialized hardware for in-store navigation.
  - Click & collect in stores.

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



- ❑ Free deliveries at home or in our stores on products sold by Elektra.
- ❑ +56% of deliveries are made in store.
- ❑ 29% share of deliveries with "*baz entregas*", which allows us to reduce delivery times up to 48 hours; telephony category same day or day after.
- ❑ New categories with a higher repurchase rate (fashion, footwear, pharmacy, babies, pets, sports, etc.).
- ❑ As of 9M22, online sales represent 4.5% of the total.


  
 Toma el beneficio de **CRÉDITO elektra** que necesitas hoy:

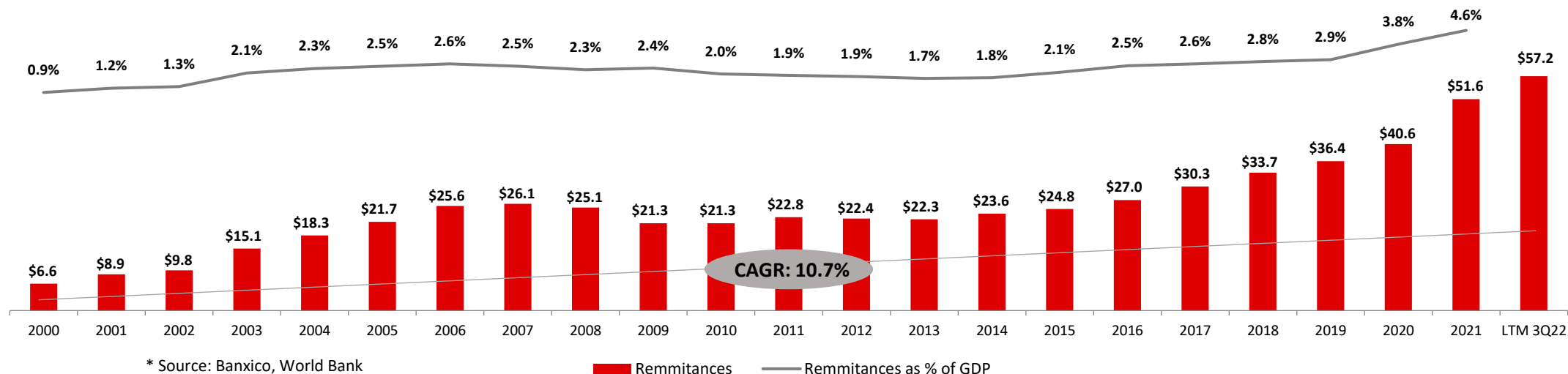
Fecha de pago a mi elección	Pago puntual para pagar menos	Descuentos únicos	Promociones exclusivas	Pagos anticipados sin penalización
				



- ❑ Own brand of motorcycles with 63% market share in Mexico.
- ❑ Six assembly lines: close to 830 thousand motorcycles assembled LTM 3Q22.
- ❑ 70 models with engines between 90 and 650 cc.
- ❑ Commercialized in close to 4,000 outlets, including more than 2,600 third-party points of contact in Mexico; and at Elektra.com.mx, Tienda.Italika.mx and its Italika+ app.
- ❑ 990 authorized service centers in Mexico and 250 in Central America.
- ❑ It has sold more than 7 million motorcycles since 2005; and more than 919 thousand motorcycles during the LTM 3Q22.
- ❑ In 2021, the Hero brand was launched in Mexico; more than 24,000 motorcycles have been sold.
- ❑ Participate with the government of Mexico to establish a plan for locating components for the promotion of the national supply.



## Total Remittances to Mexico



### ❑ In Mexico, remittances remain strong despite economic cycles:

- GDP in Mexico 2021 +5% vs remittances +27%.
- GDP 9M 2022 +2.7% vs remittances +15%.
- New historical record LTM Q3 2022, reaching US\$57,201 million (+19% vs LTM Q3 2021).

- ❑ Since 2002, Banco Azteca has offered banking and financial products and services to millions of families unattended by the traditional banking sector.
- ❑ 28.2 million savings accounts in Mexico, a significant figure in a country with 35 million households.
- ❑ In México, we are:
  - The largest bank measured by points of contact, employees and personal loan portfolio.
  - The only financial institution in 200 municipalities.
  - 3,912 points of contact (1,317 inside our Elektra and Salinas y Rocha stores), and a network of almost 5,000 ATMs in agreement with other Banks.
- ❑ Workforce close to 17,000 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 18% of those under assistance.





# ESTE CREDITO

## SÍ VALE LA PENA

**1 ELIGE EL TIEMPO EN QUE QUIERES PAGAR.**

**2 PAGAS PUNTUALMENTE, PAGAS MENOS.**

**SOLICÍTALO DESDE TU APP Y RECÍBELO DE INMEDIATO.**

**Conoce más**

Consulta requisitos de contratación de Credimax (Crédito en Efectivo), términos y condiciones para activación de la Aplicación Móvil de Banco Azteca, tasas y CAT aplicable del producto en [www.bancoazteca.com.mx](http://www.bancoazteca.com.mx)

### Digital Banking:

- ❑ 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.
- ❑ **18.9 million active digital accounts.**
- ❑ On average, about **77 million weekly transactions** during 9M22.
- ❑ **6 of 10 personal credits** are through the app.
- ❑ It is mobile banking app highest rated by users in the iOS and Android stores in Mexico.



- ❑ Pension fund administrator “AFORE” since 2003.
- ❑ Assets under management for Ps.209.2 billion in 3Q22 (7% vs. 3Q21).
- ❑ 8.2 million accounts, which represents 16% of the total accounts registered as of 1Q22
- ❑ 1st AFORE with net transfers as of 2Q22.
- ❑ +10,000 registered promoters.
- ❑ +2,400 branches for personalized service.
- ❑ 14% market share in 2021.



- ❑ 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.
- ❑ In 2020, started to offer special products for immigrants, education, remittances and COVID-19.
- ❑ Premiums for Ps.3,277 million in LTM 3Q22.



- ❑ Previously known as Advance America.
- ❑ Leading provider of non-bank cash advance services in the USA, measured by number of stores.
- ❑ +900 locations in 24 states.
- ❑ 1.2 million of loans during 2022: pay day, title, instalment and online.



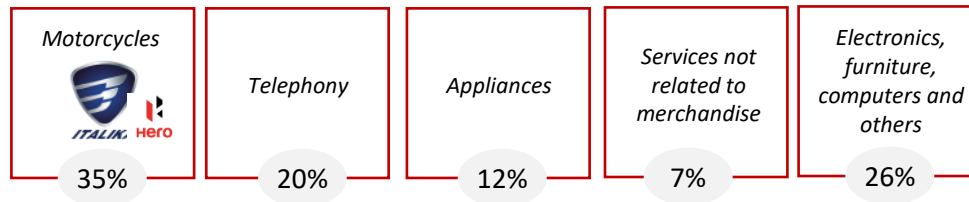
- ❑ Participation in 124 issuances in the securities market, for an amount of Ps.124 billion as of 3Q22.



**Commercial Business**  
*Revenues LTM 3Q22: Ps.\$69,349 millions,  
 43% of Consolidated Revenues*



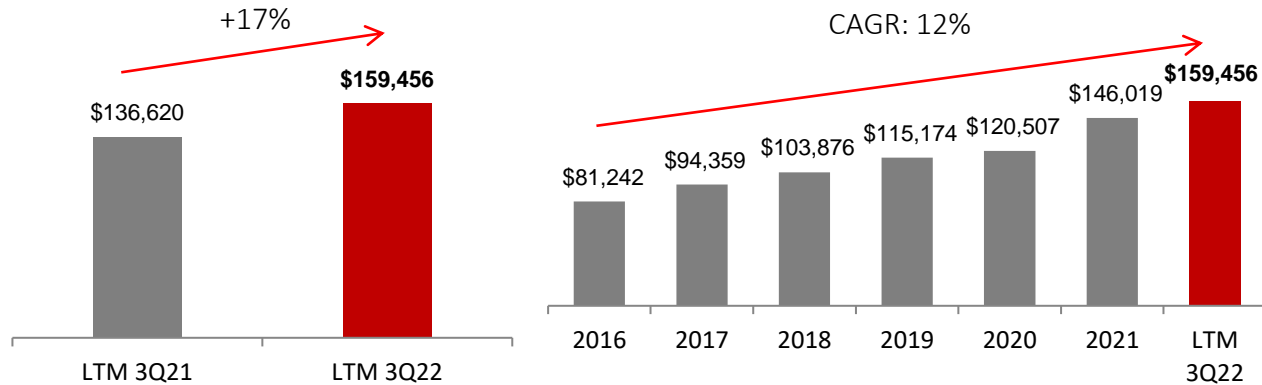
### Categories



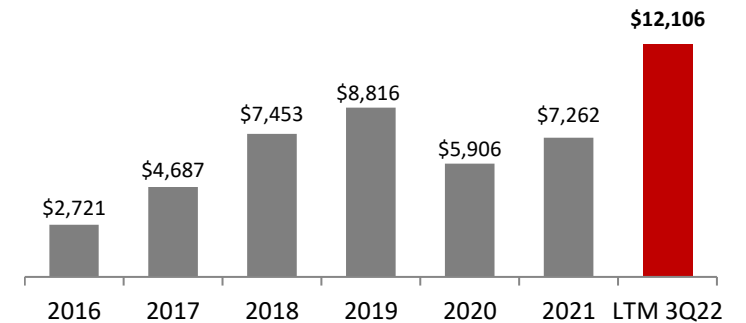
**Financial Business**  
*Revenues LTM 3Q22: Ps.\$90,107 millions  
 57% of Consolidated Revenues*



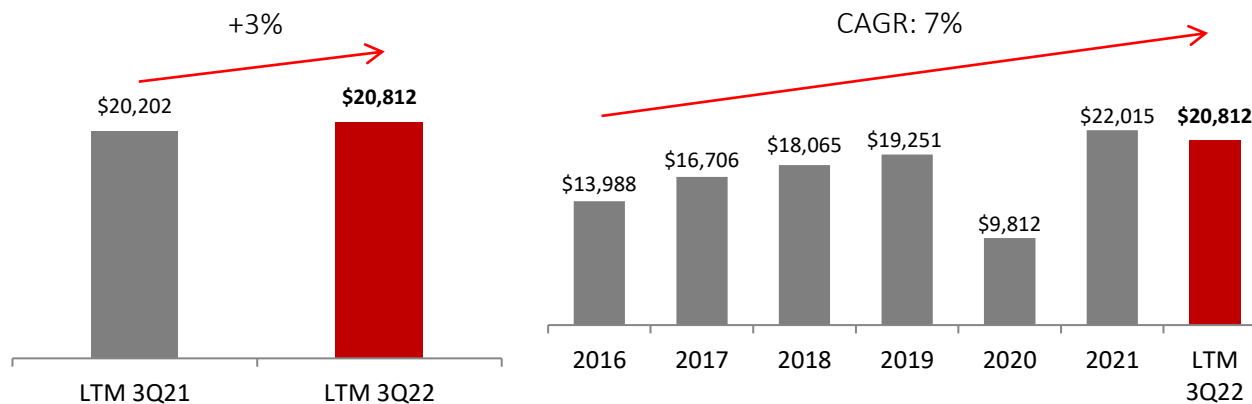
## Consolidated Revenues



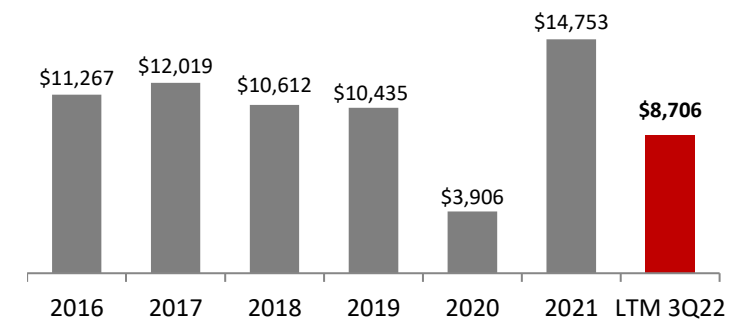
## CAPEX



## Consolidated EBITDA



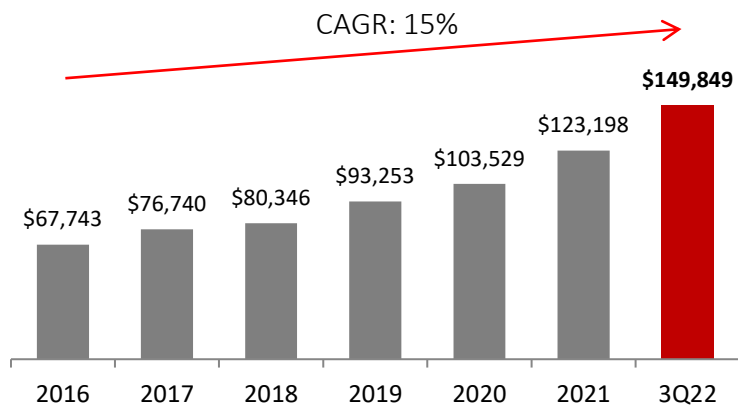
## Cash Flow<sup>(1)</sup>



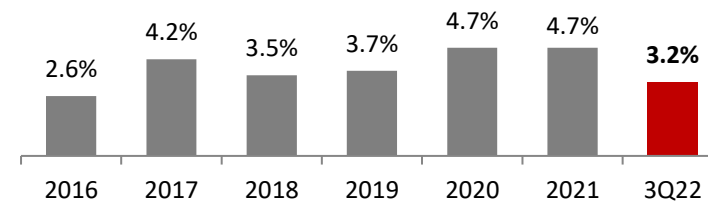
Margin:	2016	2017	2018	2019	2020	2021	LTM 3Q22
	17.2%	17.6%	17.5%	16.0%	8.1%	15.1%	13.0%

(1) Cash Flow = EBITDA - CAPEX

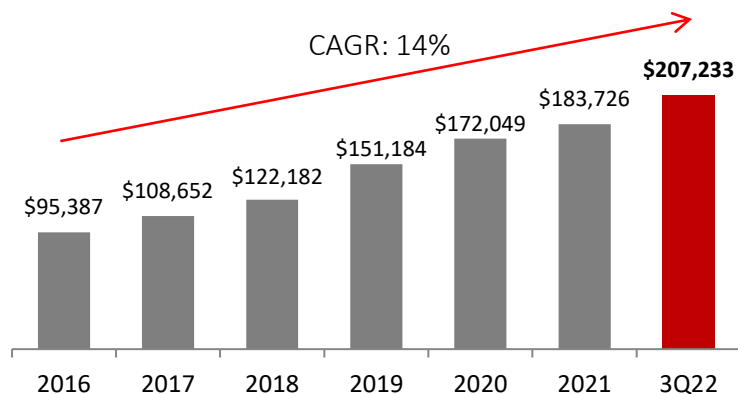
## Gross Loan Portfolio



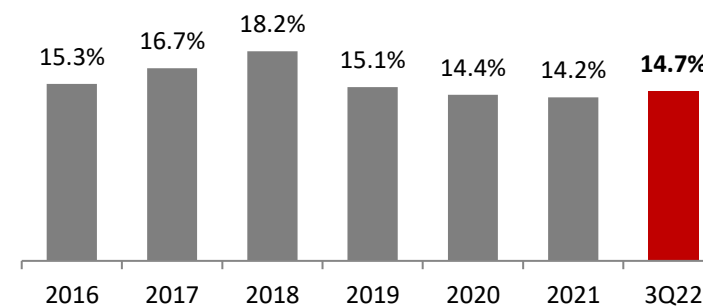
## Delinquency Rate



## Demand Deposits

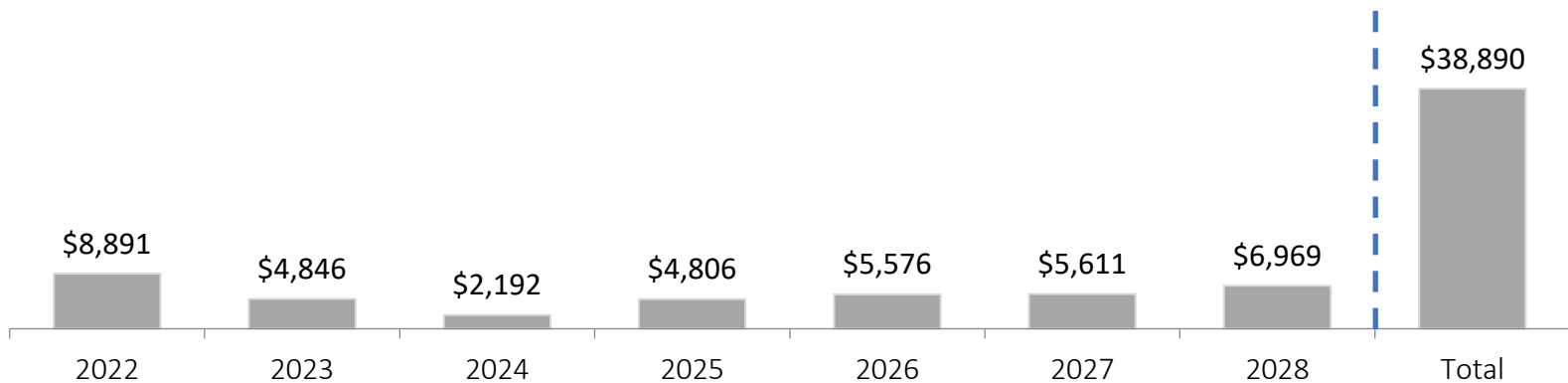


## Capitalization Index

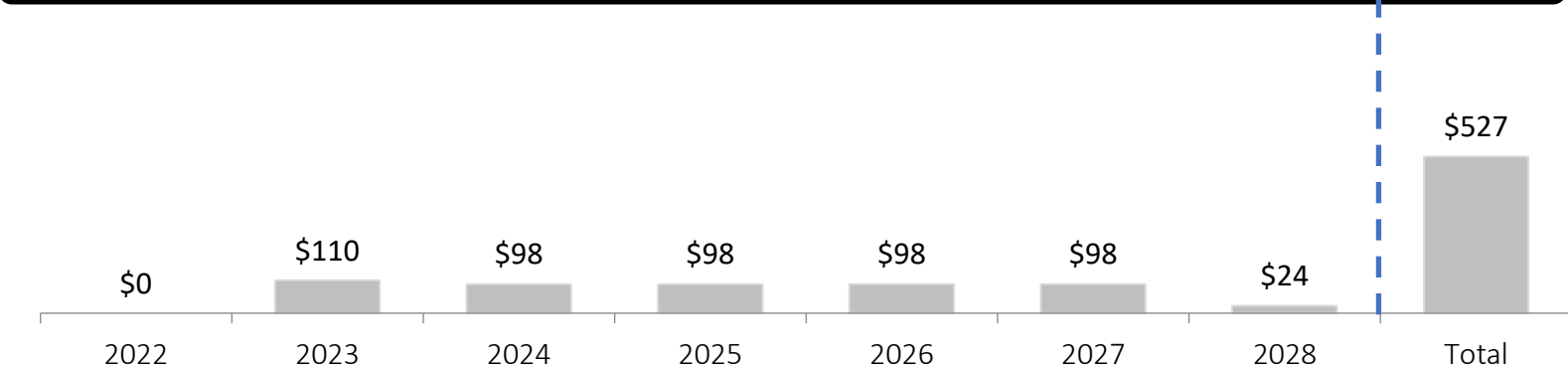


Deposits to Gross Loan Portfolio: 1.7x 1.4x 1.4x 1.5x 1.6x 1.7x 1.4x

## Annual Amortization Schedule (Ps. Millions)



## US\$ Millions Annual Amortization Schedule (included in the graph above)



## Social

- ❑ In 2021, we continue our inclusive prosperity activities through our commitment to the 10 Principles of the United Nations Global Compact and the 17 Sustainable Development Goals, and we **integrated the UN Women Principles for the Empowerment of Women**.
- ❑ Of our collaborators, **39.5% are women, 2.6% speak a total of 28 indigenous languages, 3.9% are LGBT+ and 0.1% are people with a disability**
- ❑ In 2021, **Italika** obtained the **Socially Responsible Company** distinction for the **7th** consecutive year, while **Banco Azteca** and **Tiendas Elektra** obtained it for the **5th** consecutive time. In addition, in 2020, **Tiendas Elektra, Italika and Banco Azteca** obtained the **Social Inclusion Badge** awarded by the Mexican Center for Philanthropy (CEMEFI).
- ❑ Through the financial education program "**Aprrende y Crece**", **60 webinars** were offered and more than **300 different contents** were generated (infographics, notes, videos, etc.), which impacted **more than 66 million children, youth, women, entrepreneurs, businessmen, employees, clients and users of financial services**.



## Environmental

- ❑ **35%** of the electricity consumed by Grupo Elektra comes from **renewable sources**
- ❑ **81%** of Grupo Elektra's **total emissions** correspond to **indirect emissions** from electricity generation, **Type Scope 2**, which had a 30% decrease compared to the previous year
- ❑ For electricity consumption, we are also making progress in self-generation with solar panels, a project that could be extended to stores and branches that have technical and economic potential



## Corporate Governance

- ❑ In 2022, **four new independent board members** were appointed, including **two women** who add inclusion and skills that strengthen the board's decision-making
- ❑ Grupo Elektra and Banco Azteca ranked 37th and 23rd, respectively, in the **Corporate Integrity Index (IC500)** published in 2022 by Expansión magazine and Mexicans Against Corruption and Impunity and Transparency Mexicana.<sup>1</sup>
- ❑ The **Integrity Committee** was formed, made up of three managers appointed by the Shareholders' Meeting, to support the CEO in compliance with the **Code of Ethics and Conduct**, and the **Ethics, Integrity and Compliance Program** to detect, prevent and treat any risk of corruption.<sup>2</sup>
- ❑ Banco Azteca **ranks fifth** among the financial institutions with the best **Responsibility and Corporate Governance** in Mexico, according to the ranking prepared in 2021 by Merco (Business Monitor of Corporate Reputation).<sup>3</sup>
- ❑ The **2021 Sustainability Report** integrates the methodologies of the Global Reporting Initiative, the UN Global Compact, the UN Sustainable Development Goals, the Sustainability Accounting Standards Board and the UN Women's Principles for the Empowerment of Women.

1. <https://www.integridadcorporativa500.mx/>

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

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



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