

Grupo Elektra (EKT B1/BB/-) 2Q26 Earnings - Soft

Summary: Mexican retailer, Grupo Elektra, reported softer 2Q26 earnings. Revenue decreased 6% y/y, driven by continued weakness in the commercial segment, with retail revenue declining 10% y/y, while financial revenue decreased 4% y/y despite the loan portfolio growing 6% y/y to MXN\$214.4 bn. Asset quality improved q/q, with NPLs declining to 5.4%, although remaining above 2Q25 levels, while the NIM contracted to 18.9% from 21.6% in 1Q26. EBITDA decreased 13% y/y, resulting in margin contraction to 11%. FCF burn was negative MXN\$18.9 bn driven by large WK outflows, which appear to include remaining Tax settlement payment. While liquidity stood at MXN\$156.5 bn, and net leverage improved to 1.7x. The bank's capitalization ratio remained stable at 15.1%. Regarding the EKT 31s SPV, in June 2026 the monthly remittance flows were up to US\$1.57 bn and resulted in a 166x debt service coverage ratio.

Recall that in January 2026, Grupo Salinas reached an agreement with the Mexican Tax Authorities (SAT) for a total settlement of MXN\$32.1 bn. Grupo Elektra disclosed that its attributable amount to pay was MXN\$25.0 bn, of which MXN\$6.5 bn were paid with cash on hand and the remaining MXN\$18.5 bn will be paid over 18 monthly installments. For further details on the announcement please refer to our note from February ([Link here](#)).

Ticker	Coupon	Maturity	Amt (US\$ MM)	Ratings (M/SP/F)	Mid Price	Mid YTM
EKT	12.50%	10/15/2031	350	B1/BB/-	110.34	9.92%

2Q26 Consolidated Earnings – Grupo Elektra

- For reference, Grupo Elektra's consolidated results have limited disclosure regarding Banco Azteca and NEM (Nuevo Elektra del Milenio)
 - As their individual standalone financials are only made available later
 - Total Revenue was 6% lower y/y at MXN\$47.8 bn (US\$27 bn), decreasing by 4% q/q
 - Financial revenue was MXN\$30.4 bn (-4% y/y and -10% q/q)
 - Despite the gross loan portfolio reaching MXN\$214.4 bn (US\$12.3 bn) (+6% y/y and +1% q/q)
 - NPLs improved to 5.4% vs 5.8% last quarter, yet well above the 4.4% in 2Q25
 - Provisions slightly increased to 14.7%, vs 14.2% last quarter
 - Charge-offs decreased to (-34.1%), vs 17.9% last quarter and (-39.9%) in 2Q25
 - The NIM decreased to 18.9% vs 21.6% last quarter
 - Deposits were MXN\$255.7 bn (US\$14.6 bn) (+3% y/y and +2% q/q)
 - The loans to deposits ratio was 74%
 - Commercial (retail) revenue was MXN\$17.4 bn (-10% y/y),
 - Driven by lower computing and other product sales
- EBITDA decreased by 13% y/y to MXN\$5.3 bn (US\$308 mm), decreasing by 20% q/q
 - Y/Y EBITDA decline was due to a foreign exchange loss of MXN\$182 mm, lower revenue and higher commercial costs
 - As a result, the EBITDA margin decreased to 11%
- FCF (excl. provisions) was negative MXN\$18.9 bn (US\$1.1 bn), driven by a large WK outflow
 - An MXN\$20.0 bn outflow was other accounts payable, which appears to include the Tax settlement payment
 - Recall that in January 2026, Grupo Salinas reached an agreement with the Mexican Tax Authorities (SAT) for a total settlement of MXN\$32.1 bn

- Grupo Elektra disclosed that its attributable amount to pay was MXN\$25.0 bn
- Of which MXN\$6.5 bn were paid with cash on hand and the remaining MXN\$18.5 bn will be paid over 18 monthly installments
- For further details on the announcement please refer to our note from February 2026
 - [BCP Research: Grupo Elektra \(EKT B1/BB/-\) Recent Events, reiterate 'Outperform' on EKT 31s](#)
- Total debt (incl. repo agreements) steeply decreased to MXN\$78.2 bn (US\$4.5 bn), with total liquidity decreasing to MXN\$156.5 bn (US\$8.9 bn)
 - Total liquidity is comprised of MXN\$40.8 bn in cash and MXN\$115.7 bn in investments in securities
- The annualized net leverage improved to 1.7x (excl. investments in securities)
- The bank's capitalization ratio (financial equity / financial assets) remained flat at 15.1%

EKT SPV

- June 2026:
 - Monthly remittance eligible collections “reimbursements” were US\$1.57 bn
 - Monthly debt service coverage ratio was very solid and increased to 166.1x, well above the minimum monthly coverage ratio of 10.0x
- Recall that the EKT SPV bonds are secured by the receivables of US-Mexico remittances from Western Union and six additional US remitters
 - The receivables are booked in accordance to remittances paid upfront by Elektra to the recipient
 - The “reimbursements” of the receivables are paid to the SPV structure by all the US remitters
 - Hence, the collateral of the EKT SPV are the full “reimbursements” that flow through the structure
 - Not the actual customer remittances, nor the commissions earned by NEM
 - The EKT SPV bonds are guaranteed by the Grupo Elektra HoldCo and are structurally senior “commercial” debt
 - Most of the “commercial” debt are local MXN CEBUREs issued by the Grupo Elektra HoldCo
- The EKT 31s will start amortizing at a fixed 5.0% per quarter starting in 2027

EKT SPV (US\$ MM)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
FY 2024												
Total Eligible Collections	1,180	1,081	1,083	1,411	1,315	1,346	1,403	1,335	1,288	1,301	1,407	1,450
Monthly Debt Service Coverage Ratio	118.5x	108.5x	108.8x	143.1x	133.4x	135.2x	143.8x	136.8x	137.6x	128.9x	148.4x	153.0x
FY 2025												
Total Eligible Collections	1,240	1,221	1,423	1,358	1,429	1,499	1,460	1,375	1,473	1,464	1,286	1,537
Monthly Debt Service Coverage Ratio	146.7x	146.7x	150.1x	143.3x	150.7x	158.1x	154.0x	145.1x	155.4x	154.4x	135.7x	162.1x
FY 2026												
Total Eligible Collections	1,170	1,193	1,517	1,347	1,413	1,574						
Monthly Debt Service Coverage Ratio	123.4x	125.8x	160.0x	142.1x	149x	166.1x						

Grupo Elektra (MXN MM)	2Q26	1Q26	2Q25	q/q	y/y
Financial Income	30,387	33,814	31,544	(10%)	(4%)
Financial Cost	5,024	5,226	5,543	(4%)	(9%)
Net Financial Margin	25,363	28,588	26,001	(11%)	(2%)
Provisions	7,851	7,535	5,005	4%	57%
Net Financial Margin	17,512	21,053	20,996	(17%)	(17%)
Commercial Income	17,373	15,989	19,320	9%	(10%)
Commercial Cost	11,893	10,342	13,642	15%	(13%)
Admin. Expenses	18,986	21,365	22,056	(11%)	(14%)
Net Operating Profit	3,012	4,223	3,714	(29%)	(19%)
Financial Income	30,387	33,814	31,544	(10%)	(4%)
Commercial Income	17,373	15,989	19,320	9%	(10%)
Total Revenue	47,760	49,803	50,864	(4%)	(6%)
EBITDA	5,347	6,660	6,142	(20%)	(13%)
EBITDA Margin %	11%	13%	12%	-	-
Grupo Elektra (MXN MM)	2Q26	1Q26	2Q25	q/q	y/y
Total Assets	472,025	490,429	505,108	(4%)	(7%)
Total Debt	78,212	106,395	108,330	(26%)	(28%)
Cash	40,841	48,793	38,968	(16%)	5%
Investments in Securities	115,745	128,476	157,976	(10%)	(27%)
Net Debt	(78,374)	(70,874)	(88,614)	11%	(12%)
Net Leverage (excl. Investments)	1.7x	2.2x	2.8x	-	-
Deposits	255,724	249,589	248,988	2%	3%
Net Debt + Deposits	177,350	178,715	160,374	(1%)	11%
Gross Loan Portfolio	214,360	212,929	201,646	1%	6%
Allowance for Loan Losses	26,146	26,506	25,130	(1%)	4%
Net Loan Portfolio	188,214	186,423	176,516	1%	7%
Loans to Deposits	74%	75%	71%	-	-
Total Equity	65,548	62,775	81,193	4%	(19%)
Financial Equity	59,346	59,346	54,880	0%	8%
Financial Equity / Financial Assets	15.1%	15.1%	14.8%	-	-
Total Debt / Equity	1.2x	1.7x	1.3x	-	-
NIM	27.3%	29.3%	26.1%	-	-
NIM (after Provisions)	18.9%	21.6%	21.1%	-	-
NPL %	5.4%	5.8%	4.4%	-	-
LQA Provision %	14.7%	14.2%	9.9%	-	-
LQA Charge-offs %	-34.1%	17.9%	-39.9%	-	-
Grupo Elektra (MXN MM)	2Q26	1Q26	2Q25	q/q	y/y
EBITDA	5,347	6,660	6,142	(20%)	(13%)
Interest paid	(1,516)	(2,821)	(2,506)	46%	40%
Capex	(819)	(740)	(985)	(11%)	17%
Working capital	(29,673)	(29,067)	5,744	-	-
Taxes paid	(159)	(952)	(707)	83%	77%
FCF	(26,819)	(26,920)	7,688	-	-
(+) Provisions	7,851	7,535	5,005	4%	57%
FCF (excl. Provisions)	(18,968)	(19,385)	12,693	-	-

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Top Picks Universe

"Market Outperform" – The bond's total return is expected to exceed the total return of the ICE BofA Emerging Markets High Yield Bond Index ('EMLH Index') over the next 3 – 6 months.

"Market Perform" – The bond's total return is expected to be in line with the total return of the EMLH Index over the next 3 – 6 months.

"Market Underperform" – The bond's total return is expected to be below the total return of the EMLH Index over the next 3 – 6 months.

"Not Rated" or no comment – Currently, the analyst does not have adequate conviction about the bond's total return relative to the EMLH Index over the next 3 – 6 months.

Quasi Sovereign Universe

"Market Overweight" – The spread of the bond to its similarly duration sovereign controller bond is expected to decrease over the next 3 – 6 months.

"Market Weight" – The spread of the bond to its similarly duration sovereign controller bond is expected to remain unchanged over the next 3 – 6 months.

"Market Underweight" – The spread of the bond to its similarly duration sovereign controller bond is expected to increase over the next 3 – 6 months.

"Not Rated" or no comment – Currently, the analyst does not have adequate conviction about the bond's spread to its similarly duration sovereign controller bond over the next 3 – 6 months.

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"Speculative Buy" – Bonds that in our view have an equity investment risk profile and we think risk/return is significantly skewed to the upside

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"Negative" – Bonds that in our view have an equity investment risk profile and we think risk/return is skewed to the downside

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