



**GRUPO ELEKTRA ANNOUNCES 13% EBITDA GROWTH
TO Ps.4,836 MILLION IN 4Q18**

—Operating profit increases 8% to Ps.3,968 million in the period—

—Continuous dynamism of the commercial and financial businesses translates into a 7% increase in consolidated revenues, to Ps.29,047 million—

—13% growth in consolidated deposits, to Ps.123,463 million, generates strong prospects for the financial business—

—The delinquency rate of Banco Azteca Mexico is reduced from 4.2% to 3.5%—

Mexico City, February 19, 2019—Grupo Elektra, S.A.B. de C.V. (BMV: ELEKTRA*; Latibex: XEKT), Latin America's leading specialty retailer and financial services company and the largest non-bank provider of cash advance services in the United States, today announced fourth quarter 2018 and full year 2018 financial results.

Consolidated Fourth Quarter Results

Consolidated revenue was Ps.29,047 million in the period, 7% above the Ps.27,087 million for the same quarter of the previous year. Costs and operating expenses were Ps.24,210 million, from Ps.22,803 million for the same period of 2017.

As a result, Grupo Elektra reported EBITDA of Ps.4,836 million, 13% higher than the Ps.4,284 million of the previous year's quarter; EBITDA margin was 17% for the period, one percentage point above the previous year.

Operating profit was Ps.3,968 million this quarter, 8% above the Ps.3,669 million in the same period of 2017.

The company reported net income of Ps.5,913 million, compared to net profit of Ps.902 million a year ago.

	4Q 2017	4Q 2018	Change	
			Ps.	%
Consolidated revenue	\$27,087	\$29,047	\$1,959	7%
EBITDA	\$4,284	\$4,836	\$552	13%
Operating profit	\$3,669	\$3,968	\$299	8%
Net result	\$902	\$5,913	\$5,011	---
Net result per share	\$3.90	\$25.99	\$22.09	---

Figures in millions of pesos

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

As of December 31, 2017, Elektra* outstanding shares were 231.3 million and as of December 31, 2018, were 227.5 million.

Revenue

Consolidated revenue increased 7%, as a result of 9% and 5% growth in both financial revenue and commercial sales, respectively.

The increase in financial revenue — to Ps.17,362 million from Ps.15,968 million the previous year— mainly reflects revenue growth of 19% at Banco Azteca Mexico, in the context of strong growth in the gross portfolio and a notable dynamism in deposits.

The increase in commercial division sales —to Ps.11,685 million from Ps.11,119 million last year— mainly results from the dynamic performance of Italika motorcycles sales in the quarter; with models that optimally meet the need for efficient and safe transportation for thousands of users, as well as solid growth in electronic and computer lines that are marketed in the most competitive market conditions.

Recently, such strategies have gained additional momentum with the launch of a new store format with a larger exhibition space that includes an extensive merchandise and services selection to satisfy an increasing number of customers. Similarly, Grupo Elektra's Omni-channel operations —through the online store www.elektra.com.mx, which offers thousands of products at unparalleled prices, from any device and at all times— has further strengthened the company's commercial business performance.

Costs and Expenses

Consolidated costs for the quarter had a marginal decrease to Ps.11,915 million, from Ps.11,965 million in the previous year, as a result of a 6% decrease in financial costs — which reflects lower provisions requirements for credit risks, in line with solid increase in asset quality— and a 2% increase in commercial costs, congruent with growth in merchandise revenues.

Sales, administration, and promotion expenses increased 13% to Ps.12,295 million, as a result of: increases in personnel expenses, in the context of growing operations, both in the financial and commercial businesses, mainly related to digital banking and Omni-channel strategies; higher payment of rents, related to increases in both the number and size of Elektra stores; and an increase in advertising expenses, which translates in a superior position of Grupo Elektra in the market.

EBITDA and net result

EBITDA grew 13% to Ps.4,836 million this quarter. Operating income increased 8% to Ps.3,968 million, from Ps.3,669 million for the same quarter of 2017.

The most significant variation below EBITDA was a positive variation of Ps.7,480 million in other financial results—which reflects a 12% appreciation this quarter in the market value of the underlying assets of financial instruments held by the company, and does not imply cash flow— compared to a 15% decrease a year ago.

Congruent with the positive variation of other financial results, an increase of Ps.2,746 million in the provision of taxes was registered during the period.

Grupo Elektra reported net income of Ps.5,913 million, compared to a net profit of Ps.902 million a year ago.

Unconsolidated Balance Sheet

A pro forma exercise of the balance sheet of Grupo Elektra is presented, to allow the visualization of the non-consolidated financial situation, excluding the net assets of the financial business, whose investment is valued under the equity method in this case.

This presentation shows the debt of the company, without considering the immediate and term deposits of Banco Azteca, which do not constitute debt with cost for Grupo Elektra. The pro forma balance sheet also does not include the bank's gross loan portfolio.

This provides greater clarity regarding the businesses that make up the company and allows financial markets participants to make estimates of the value of the company, considering only the relevant debt for such calculations.

Corresponding with this, debt with cost was Ps.21,635 million as of December 31, 2018, compared to Ps.13,464 million from the previous year.

The growth in the debt balance is derived mainly from the issuance of *Certificados Bursátiles* for Ps.7,500 million in the second quarter of 2018 for capital investments related to the growth and improvement of the distribution infrastructure and the operations of the company. During 2018, 62 new Elektra stores were opened, and 55 existing stores were remodeled, a new Italika motorcycle assembly line was launched, and investments were

made in systems development to optimize the operation of Banco Azteca and Tiendas Elektra.

The balance of cash and cash equivalents was Ps.31,052 million, from Ps.15,574 million from previous year. As a result, the net cash balance excluding the amount of debt with cost as of December 31, 2018, was favorable at Ps.9,417 million, compared to a positive figure of Ps.2,110 million a year ago.

The company's equity increased 20% to Ps.84,572 million; while the ratio of stockholders' equity to total liabilities was 1.6 times at the close of the quarter.

	As of December 31, 2017	As of December 31, 2018	Change Ps.	%
Cash & marketable fin. instr	\$15,574	\$31,052	\$15,478	99%
Inventories	\$9,225	\$9,375	\$150	2%
Other current assets	\$1,374	\$3,905	\$2,530	---
Financial instruments	\$17,819	\$16,745	\$(1,074)	-6%
Accounts receivable	\$26,693	\$32,122	\$5,429	20%
Investments shares	\$30,319	\$33,338	\$3,019	10%
Fixed assets	\$5,189	\$7,404	\$2,215	43%
Other assets	\$1,474	\$2,105	\$631	43%
Total assets	\$107,669	\$136,046	\$28,377	26%
Short-term debt	\$3,217	\$8,410	\$5,194	161%
Other short-term liabilities	\$18,156	\$18,789	\$633	3%
Long-term debt	\$10,247	\$13,225	\$2,978	29%
Other long-term debt	\$5,834	\$11,050	\$5,216	89%
Total liabilities	\$37,452	\$51,474	\$14,022	37%
Stakeholder´s equity	\$70,217	\$84,572	\$14,355	20%
Liabilities and equity	\$107,669	\$136,046	\$28,377	26%

Figures in millions of pesos.

Consolidated Balance Sheet

Loan Portfolio and Deposits

Banco Azteca Mexico, Advance America, and Banco Azteca Latin America's consolidated gross portfolio as of December 31, 2018 grew 4% to Ps.97,579 million, from Ps.93,659 million for the previous year. The consolidated delinquency rate was 4.1% at the end of the period, compared to 4.7% in the previous year.

The gross portfolio of Banco Azteca Mexico grew 5% to Ps.80,346 million, from Ps.76,741 million a year ago.

The delinquency rate for the bank at the end of the quarter was 3.5%, from 4.2% for the previous year. The past-due loan portfolio is reserved 2.5 times, which reflects a past-due portfolio of Ps.2,825 million, in comparison to allowance for credit risks of Ps.7,011 million in the balance sheet, as of December 31, 2018.

The average term of the credit portfolio for principal credit lines —consumer, personal loans, and Tarjeta Azteca— was 63 weeks at the end of the fourth quarter.

Grupo Elektra consolidated deposits were Ps.123,463 million, 13% higher than the Ps.109,373 million a year ago. Deposits of Banco Azteca Mexico were Ps.122,182 million, 13% higher than the Ps.108,654 million a year ago.

As of December 31, 2018, the capitalization index of Banco Azteca Mexico was 18.19%.

Infrastructure

Grupo Elektra currently has 7,269 storefronts, compared to 7,139 units a year ago.

During 2018, 62 new Elektra stores were opened at strategic locations throughout Mexico, with greater exhibition area, which increases the offer of products and services and maximizes customer shopping experiences.

The company has 4,630 storefronts in Mexico, 2,000 in the United States, and 639 in Central and South America. The extensive distribution network allows the company to maintain close contact with customers, granting superior market positioning in the countries where it operates.

Twelve Month Results

Total consolidated revenue in 2018 grew 9% to Ps.103,522 million, from Ps.94,979 million for 2017, boosted by 10% and 7% growth in both financial and commercial businesses, respectively.

EBITDA was Ps.18,150 million, 8% higher than the Ps.16,754 million for the same period a year ago; the EBITDA margin for 2018 was 18%. Operating profit grew 5% to Ps.15,116 million.

The company reported net income of Ps.14,742 million, compared to Ps.15,398 million a year ago. The change mainly results from a lesser appreciation this period in the market value of underlying financial instruments that the company holds, which doesn't imply cash flow, compared to the prior year

	2017	2018	Change	
			Ps.	%
Consolidated revenue	\$94,979	\$103,522	\$8,543	9%
EBITDA	\$16,754	\$18,150	\$1,396	8%
Operating profit	\$14,429	\$15,116	\$687	5%
Net result	\$15,398	\$14,742	\$(656)	-4%
Net result per share	\$66.57	\$64.80	\$(1.77)	-3%

Figures in millions of pesos

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

As of December 31, 2017, Elektra* outstanding shares were 231.3 million and as of December 31, 2018, were 227.5 million.

Company Profile:

Grupo Elektra is Latin America's leading financial services company and specialty retailer and the largest non-bank provider of cash advance services in the United States. The group operates more than 7,000 points of contact in Mexico, the United States, Guatemala, Honduras, Peru, Panama and El Salvador.

Grupo Elektra is a Grupo Salinas company (www.gruposalinas.com), a group of dynamic, fast growing, and technologically advanced companies focused on creating economic value through market innovation and goods and services that improve standards of living; social value to improve community wellbeing; and environmental value by reducing the negative impact of its business activities. Created by Mexican entrepreneur Ricardo B. Salinas (www.ricardosalinas.com), Grupo Salinas operates as a management development and decision forum for the top leaders of member companies. These companies include: TV Azteca (www.TVazteca.com; www.irtvazteca.com), Grupo Elektra (www.grupoelektra.com.mx), Banco Azteca (www.bancoazteca.com.mx), Advance America (www.advanceamerica.net), Afore Azteca (www.aforeazteca.com.mx), Seguros Azteca (www.segurosazteca.com.mx), Punto Casa de Bolsa (www.puntocasadebolsa.mx), Totalplay (www.totalplay.com.mx) and Totalplay Empresarial (totalplayempresarial.com.mx). TV Azteca and Grupo Elektra trade shares on the Mexican Stock Market and in Spains' Latibex market. Each of the Grupo Salinas companies operates independently, with its own management, board of directors and shareholders. Grupo Salinas has no equity holdings. The group of companies shares a common vision, values and strategies for achieving rapid growth, superior results and world-class performance.

Except for historical information, the matters discussed in this press release are concepts about the future that involve risks and uncertainty that may cause actual results to differ materially from those projected. Other risks that may affect TV Azteca and its subsidiaries are presented in documents sent to the securities authorities.

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GRUPO ELEKTRA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
MILLIONS OF MEXICAN PESOS

	4Q17		4Q18		Change	
Financial income	15,968	59%	17,362	60%	1,394	9%
Commercial income	11,119	41%	11,685	40%	566	5%
Income	27,087	100%	29,047	100%	1,959	7%
Financial cost	4,293	16%	4,054	14%	(239)	-6%
Commercial cost	7,671	28%	7,861	27%	190	2%
Costs	11,965	44%	11,915	41%	(49)	0%
Gross income	15,123	56%	17,131	59%	2,009	13%
Sales, administration and promotion expenses	10,838	40%	12,295	42%	1,457	13%
EBITDA	4,284	16%	4,836	17%	552	13%
Depreciation and amortization	626	2%	847	3%	221	35%
Other (income) expense, net	(10)	0%	21	0%	32	100%
Operating income	3,669	14%	3,968	14%	299	8%
Comprehensive financial result:						
Interest income	300	1%	361	1%	60	20%
Interest expense	(352)	-1%	(610)	-2%	(258)	-73%
Foreign exchange gain, net	896	3%	376	1%	(520)	-58%
Other financial results, net	(2,555)	-9%	4,925	17%	7,480	----
	(1,710)	-6%	5,052	17%	6,762	----
Participation in the net income of CASA and other associated companies	(506)	-2%	(22)	0%	484	96%
Income before income tax	1,453	5%	8,998	31%	7,545	----
Income tax	(203)	-1%	(2,949)	-10%	(2,746)	----
Income before discontinued operations	1,250	5%	6,049	21%	4,799	----
Result from discontinued operations	(105)	0%	(60)	0%	46	43%
Impairment of intangible assets	(243)	-1%	(76)	0%	167	----
Consolidated net income	902	3%	5,913	20%	5,011	----

GRUPO ELEKTRA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
MILLIONS OF MEXICAN PESOS

	12M17		12M18		Change	
Financial income	59,366	63%	65,533	63%	6,167	10%
Commercial income	35,614	37%	37,989	37%	2,376	7%
Income	94,979	100%	103,522	100%	8,543	9%
Financial cost	13,254	14%	15,021	15%	1,767	13%
Commercial cost	23,989	25%	24,762	24%	773	3%
Costs	37,243	39%	39,783	38%	2,540	7%
Gross income	57,737	61%	63,739	62%	6,003	10%
Sales, administration and promotion expenses	40,982	43%	45,589	44%	4,607	11%
EBITDA	16,754	18%	18,150	18%	1,396	8%
Depreciation and amortization	2,270	2%	3,023	3%	754	33%
Other expense, net	56	0%	11	0%	(44)	-80%
Operating Income	14,429	15%	15,116	15%	687	5%
Comprehensive financial result:						
Interest income	731	1%	876	1%	145	20%
Interest expense	(1,493)	-2%	(2,023)	-2%	(530)	-35%
Foreign exchange loss, net	(317)	0%	(76)	0%	242	76%
Other financial results, net	9,297	10%	7,770	8%	(1,527)	-16%
	8,217	9%	6,547	6%	(1,670)	-20%
Participation in the net income of CASA and other associated companies	(526)	-1%	(188)	0%	338	64%
Income before income tax	22,119	23%	21,474	21%	(645)	-3%
Income tax	(6,161)	-6%	(6,591)	-6%	(429)	-7%
Income before discontinued operations	15,958	17%	14,884	14%	(1,074)	-7%
Result from discontinued operations	(309)	0%	(65)	0%	244	79%
Impairment of intangible assets	(251)	0%	(76)	0%	175	70%
Consolidated net income	15,398	16%	14,742	14%	(656)	-4%

GRUPO ELEKTRA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
MILLIONS OF MEXICAN PESOS

	Commercial Business	Financial Business	Grupo Elektra	Commercial Business	Financial Business	Grupo Elektra	Change	
	<u>At December 31, 2017</u>			<u>At December 31, 2018</u>				
Cash and cash equivalents	4,174	21,433	25,607	8,407	17,776	26,183	577	2%
Marketable financial instruments	11,400	44,282	55,682	22,645	56,382	79,027	23,345	42%
Performing loan portfolio	-	61,734	61,734	-	63,229	63,229	1,495	2%
Total past-due loans	-	4,133	4,133	-	3,694	3,694	(439)	-11%
Gross loan portfolio	-	65,867	65,867	-	66,923	66,923	1,056	2%
Allowance for credit risks	-	8,250	8,250	-	8,025	8,025	(225)	-3%
Loan portfolio, net	-	57,617	57,617	-	58,898	58,898	1,281	2%
Inventories	9,257	-	9,257	9,375	-	9,375	118	1%
Other current assets	7,523	9,657	17,180	20,462	10,240	30,703	13,523	79%
Total current assets	32,354	132,988	165,342	60,890	143,296	204,186	38,844	23%
Financial instruments	17,819	324	18,144	16,745	282	17,027	(1,117)	-6%
Performing loan portfolio	-	27,513	27,513	-	30,397	30,397	2,884	10%
Total past-due loans	-	279	279	-	259	259	(20)	-7%
Gross loan portfolio	-	27,792	27,792	-	30,656	30,656	2,864	10%
Allowance for credit risks	-	734	734	-	760	760	26	4%
Loan portfolio	-	27,058	27,058	-	29,896	29,896	2,838	10%
Other non-current assets	5,099	656	5,755	2,836	188	3,023	(2,732)	-47%
Investment in shares	2,125	-	2,125	1,933	-	1,933	(192)	-9%
Property, furniture, equipment and investment in stores, net	5,258	3,165	8,423	7,404	4,918	12,323	3,900	46%
Intangible assets	661	6,700	7,361	633	6,694	7,327	(34)	0%
Other assets	813	385	1,198	1,472	301	1,773	575	48%
TOTAL ASSETS	64,130	171,277	235,407	91,913	185,575	277,489	42,082	18%
Demand and term deposits	-	109,373	109,373	-	123,463	123,463	14,090	13%
Creditors from repurchase agreements	-	7,122	7,122	-	6,237	6,237	(885)	-12%
Short-term debt	3,217	534	3,751	8,410	63	8,473	4,722	126%
Short-term liabilities with cost	3,217	117,029	120,246	8,410	129,763	138,174	17,928	15%
Suppliers and other short-term liabilities	15,382	9,562	24,944	15,589	10,204	25,793	849	3%
Short-term liabilities without cost	15,382	9,562	24,944	15,589	10,204	25,793	849	3%
Total short-term liabilities	18,598	126,591	145,190	23,999	139,967	163,966	18,776	13%
Long-term debt	9,659	1,105	10,765	12,478	2,586	15,065	4,300	40%
Long-term liabilities with cost	9,659	1,105	10,765	12,478	2,586	15,065	4,300	40%
Long-term liabilities without cost	5,827	3,408	9,235	11,049	2,836	13,886	4,650	50%
Total long-term liabilities	15,487	4,513	20,000	23,528	5,423	28,950	8,950	45%
TOTAL LIABILITIES	34,085	131,105	165,190	47,527	145,390	192,917	27,727	17%
TOTAL STOCKHOLDERS' EQUITY	30,045	40,172	70,217	44,387	40,185	84,572	14,355	20%
LIABILITIES + EQUITY	64,130	171,277	235,407	91,913	185,575	277,489	42,082	18%

INFRASTRUCTURE

	4Q17		4Q18		Change	
<u>Points of sale in Mexico</u>						
Elektra	1,051	15%	1,113	15%	62	6%
Salinas y Rocha	47	1%	44	1%	(3)	-6%
Banco Azteca	1,282	18%	1,304	18%	22	2%
Freestanding branches	2,060	29%	2,169	30%	109	5%
Total	4,440	62%	4,630	64%	190	4%
<u>Points of sale in Central and South America</u>						
Elektra	165	2%	171	2%	6	4%
Banco Azteca	165	2%	171	2%	6	4%
Freestanding branches	321	4%	297	4%	(24)	-7%
Total	651	9%	639	9%	(12)	-2%
<u>Points of sale in North America</u>						
Advance America	2,048	29%	2,000	28%	(48)	-2%
Total	2,048	29%	2,000	28%	(48)	-2%
TOTAL	7,139	100%	7,269	100%	130	2%
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<u>Floor space (m²)</u>	1,592	100%	1,703	100%	110	7%
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<u>Employees</u>						
Mexico	57,445	80%	67,567	82%	10,122	18%
Central and South America	8,928	12%	9,416	11%	488	5%
North America	5,714	8%	5,685	7%	(29)	-1%
Total employees	72,087	100%	82,668	100%	10,581	15%