



**GRUPO ELEKTRA REPORTS EBITDA OF Ps.4,630 MILLION
AND OPERATING PROFIT OF Ps.3,921 MILLION IN 2Q18**

**—Solid performance in both commercial and financial businesses generates
11% increase in consolidated revenue to Ps.25,223 million—**

—Firm increase of 11% in gross loan portfolio to Ps.94,503 million—

**Mexico City, July 24, 2018—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, reported
today financial results for the second quarter of 2018.

Consolidated second quarter results

Consolidated revenue was Ps.25,223 million in the period, 11% above the Ps.22,794 million for the same quarter of the previous year. Costs and operating expenses were Ps.20,593 million, compared to Ps.18,301 million for the same period of 2017.

As a result, Grupo Elektra reported EBITDA of Ps.4,630 million, 3% higher than the Ps.4,493 million of the previous year's quarter; EBITDA margin was 18% for the period.

Operating profit was of Ps.3,921 million this quarter, from Ps.3,895 million in the same period of 2017.

The company reported net income of Ps.3,678 million, compared to net income of Ps.7,137 million a year ago.

	2Q 2017	2Q 2018	Change	
			Ps.	%
Consolidated revenue	\$22,794	\$25,223	\$2,428	11%
EBITDA	\$4,493	\$4,630	\$137	3%
Operating profit	\$3,895	\$3,921	\$25	1%
Net result	\$7,137	\$3,678	\$(3,460)	-48%
Net result per share	\$30.78	\$16.20	\$(14.58)	-48%

Figures in millions of pesos

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

As of June 30, 2017, Elektra* outstanding shares were 231.9 million and as of June 30, 2018, were 227.1 million.

Revenue

Consolidated revenue increased 11%, as a result of 11% and 9% growth in both financial revenues and commercial sales, respectively.

The increase in commercial division sales —to Ps.9,394 million from Ps.8,597 million last year— results from strategies focused on effectively satisfying customer needs with world class merchandise, optimal customer service and the most competitive terms in the market.

In recent quarters, these strategies have an additional boost with the launch of a new, larger store format, which includes a greater selection of goods and services to satisfy a growing number of families. In October, Grupo Elektra also launched its omnichannel strategy, with its online store www.elektra.com.mx, through which thousands of products are sold, at unparalleled prices, from any device and at all times, which further strengthens the company's business operations.

The increase in financial revenue —to Ps.15,829 million from Ps.14,197 million the previous year— reflects mainly revenue growth of 20% at Banco Azteca Mexico.

Costs and expenses

Consolidated costs for the quarter increased 12% to Ps.9,568 million, from Ps.8,563 million in the previous year, as a result of a 4% increase in commercial costs, and 27% growth in financial cost. The increase in the financial cost results from the creation of loan-loss provisions and higher interest payments, in line with higher market interest rates, as well as increased consolidated deposits.

Sales, administration and promotion expenses increased 13% to Ps.11,025 million, as a result of higher personnel and maintenance expenditures, in the context of growing operations in Grupo Elektra.

EBITDA and net result

EBITDA grew 3% to Ps.4,630 million this quarter. Operating income increased 1% to Ps.3,921 million, from Ps.3,895 million for the same quarter of 2017.

The most significant variation below EBITDA was a negative variation of Ps.5,997 million in other financial results—which reflects a 6% 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 72% increase a year ago.

Congruent with the negative variation of other financial results, a decrease of Ps.1,406 million in the provision of taxes was registered during the period.

Grupo Elektra reported net income of Ps.3,678 million, compared to a net profit of Ps.7,137 million a year ago.

Unconsolidated balance sheet

A proforma exercise of the balance sheet of Grupo Elektra is presented, which allows visualizing the non-consolidated financial situation, excluding the net assets of the financial business, whose investment is valued in this case under the equity method.

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 proforma 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 participants in financial markets to make estimates of the value of the company, considering only the relevant debt for such calculations.

Congruent with that, debt with cost was Ps.21,930 million as of June 30, 2018, compared to Ps.11,864 million for the previous year.

During the quarter, Certificados Bursátiles were issued for Ps.7,500 million for capital investments largely related to growth and improvement of the company's distribution infrastructure.

The balance of cash and cash equivalents was Ps.24,917 million; as a result, the net cash balance excluding the amount of debt with cost as of June 30, 2018, was favorable at Ps.2,987 million.

The company's equity increased 6% to Ps.70,496 million; while the ratio of stockholders' equity to total liabilities is 1.6 times at the close of the quarter.

	As of June 30, 2017	As of June 30, 2018	Change Ps.	%
Cash & marketable fin. instr.	\$12,193	\$24,917	\$12,724	104%
Inventories	\$7,980	\$10,462	\$2,482	31%
Other current assets	\$2,065	\$2,084	\$20	1%
Financial instruments	\$16,202	\$17,841	\$1,639	10%
Accounts receivable	\$25,844	\$20,159	\$(5,685)	-22%
Investment share	\$28,415	\$31,847	\$3,432	12%
Fixed assets	\$4,104	\$5,833	\$1,729	42%
Other assets	\$1,490	\$1,471	\$(19)	-1%
Total assets	\$98,292	\$114,615	\$16,323	17%
Short-term debt	\$3,278	\$8,908	\$5,630	172%
Other short-term liabilities	\$14,617	\$17,057	\$2,440	17%
Long-term debt	\$8,406	\$13,022	\$4,616	55%
Other long-term debt	\$5,351	\$5,131	\$(220)	-4%
Total liabilities	\$31,653	\$44,119	\$12,466	39%
Stakeholders' equity	\$66,639	\$70,496	\$3,857	6%
Liabilities and equity	\$98,292	\$114,615	\$16,323	17%

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 June 30, 2018 grew 11% to Ps.94,503 million, from Ps.85,050 million for the previous year. The consolidated delinquency rate was 4.6% at the end of the period, compared to 3.1% in the previous year.

The gross portfolio of Banco Azteca Mexico grew 12% to Ps.77,931 million, from Ps.69,850 million a year ago.

The delinquency rate for the bank at the end of the quarter was 4.2%, from 2.5% for the previous year. The past-due loan portfolio is reserved 2.3 times, which reflects a past-due portfolio of Ps.3,296 million, in comparison to allowance for credit risks of Ps.7,447 million in balance, as of June 30, 2018.

The average term of the credit portfolio for principal credit lines —consumer, personal loans and Tarjeta Azteca— was 62 weeks at the end of the second quarter.

Grupo Elektra consolidated deposits were Ps.121,090 million, 17% higher than the Ps.103,896 million a year ago. Deposits of Banco Azteca Mexico were Ps.118,489 million, 16% higher than the Ps.102,538 million a year ago.

As of June 30, 2018, the estimated capitalization index of Banco Azteca Mexico was 17.97%.

Infrastructure

Grupo Elektra currently has 7,317 points of contact, compared to 7,181 units a year ago.

In the last twelve months, 52 new Elektra stores were opened at strategic points across Mexico, with greater exhibition area, which increases the offer of products and services, and thereby maximizes customer shopping experiences.

The company has 4,672 points of contact in Mexico, 2,018 in the United States, and 627 in Central and South America. The extensive distribution network allows the company to maintain close contact with clients, granting superior market positioning in the countries where it operates.

Six months consolidated results

Total consolidated revenue in the first six months of the year grew 10% to Ps.49,119 million, from Ps.44,801 million for the same period of 2017, boosted by 10% and 9% growth in both financial and commercial businesses, respectively.

EBITDA was Ps.9,028 million, 5% higher than the Ps.8,628 million for the same period a year ago; the EBITDA margin in the first six months of 2018 was 18%. Operating profit grew 2% to Ps.7,640 million during the period.

The company reported net income of Ps.2,386 million, compared to Ps.11,638 million a year ago, mainly due a depreciation this period in the market value of underlying financial instruments that the company holds, which doesn't imply cash flow, compared to depreciation the prior year.

	6M 2017	6M 2018	Change	
			Ps.	%
Consolidated revenue	\$44,801	\$49,119	\$4,318	10%
EBITDA	\$8,628	\$9,028	\$400	5%
Operating profit	\$7,483	\$7,640	\$158	2%
Net result	\$11,638	\$2,386	\$(9,252)	-79%
Net result per share	\$50.19	\$10.51	\$39.68	-79%

Figures in millions of pesos

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

As of June 30, 2017, Elektra* outstanding shares were 231.9 million and as of June 30, 2018, were 227.1 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 create social capabilities to improve the communities' conditions; and environmental value, by reducing the negative impact related to 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 (<http://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.

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

	2Q17		2Q18		Change	
Financial income	14,197	62%	15,829	63%	1,632	11%
Commercial income	8,597	38%	9,394	37%	797	9%
Income	22,794	100%	25,223	100%	2,428	11%
Financial cost	2,926	13%	3,707	15%	781	27%
Commercial cost	5,637	25%	5,861	23%	224	4%
Costs	8,563	38%	9,568	38%	1,005	12%
Gross income	14,232	62%	15,655	62%	1,424	10%
Sales, administration and promotion expenses	9,738	43%	11,025	44%	1,287	13%
EBITDA	4,493	20%	4,630	18%	137	3%
Depreciation and amortization	537	2%	713	3%	176	33%
Other expense (income), net	61	0%	(3)	0%	(64)	----
Operating income	3,895	17%	3,921	16%	25	1%
Comprehensive financial result:						
Interest income	135	1%	188	1%	53	40%
Interest expense	(327)	-1%	(491)	-2%	(164)	-50%
Foreign exchange (loss) gain, net	(394)	-2%	982	4%	1,377	----
Other financial results, net	6,611	29%	614	2%	(5,997)	-91%
	6,024	26%	1,294	5%	(4,730)	-79%
Participation in the net income of CASA and other associated companies	(8)	0%	(218)	-1%	(210)	----
Income before income tax	9,911	43%	4,996	20%	(4,915)	-50%
Income tax	(2,728)	-12%	(1,323)	-5%	1,406	52%
Income before discontinued operations	7,183	32%	3,674	15%	(3,509)	-49%
Result from discontinued operations	(45)	0%	4	0%	50	----
Impairment of intangible assets	-	0%	-	0%	-	----
Consolidated net income	7,137	31%	3,678	15%	(3,460)	-48%

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

	6M17		6M18		Change	
Financial income	28,566	64%	31,415	64%	2,849	10%
Commercial income	16,234	36%	17,704	36%	1,469	9%
Income	44,801	100%	49,119	100%	4,318	10%
Financial cost	5,527	12%	7,069	14%	1,542	28%
Commercial cost	10,794	24%	11,324	23%	530	5%
Costs	16,321	36%	18,393	37%	2,072	13%
Gross income	28,480	64%	30,726	63%	2,246	8%
Sales, administration and promotion expenses	19,852	44%	21,699	44%	1,846	9%
EBITDA	8,628	19%	9,028	18%	400	5%
Depreciation and amortization	1,074	2%	1,380	3%	306	29%
Other expense, net	71	0%	7	0%	(64)	-90%
Operating Income	7,483	17%	7,640	16%	158	2%
Comprehensive financial result:						
Interest income	276	1%	316	1%	40	14%
Interest expense	(796)	-2%	(837)	-2%	(41)	-5%
Foreign exchange (loss) gain, net	(1,330)	-3%	148	0%	1,478	----
Other financial results, net	10,480	23%	(3,743)	-8%	(14,223)	----
	8,630	19%	(4,115)	-8%	(12,746)	----
Participation in the net income of CASA and other associated companies	57	0%	(245)	0%	(302)	----
Income before income tax	16,170	36%	3,280	7%	(12,890)	-80%
Income tax	(4,489)	-10%	(893)	-2%	3,595	80%
Income before discontinued operations	11,681	26%	2,387	5%	(9,294)	-80%
Result from discontinued operations	(43)	0%	(1)	0%	43	98%
Impairment of intangible assets	-	0%	-	0%	-	----
Consolidated net income	11,638	26%	2,386	5%	(9,252)	-79%

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	<u>Change</u>	
	<u>At June 30, 2017</u>			<u>At June 30, 2018</u>				
Cash and cash equivalents	2,770	18,008	20,778	6,268	19,745	26,013	5,235	25%
Marketable financial instruments	9,423	46,917	56,340	18,649	56,585	75,235	18,894	34%
Performing loan portfolio	-	56,515	56,515	-	61,210	61,210	4,695	8%
Total past-due loans	-	2,563	2,563	-	4,051	4,051	1,489	58%
Gross loan portfolio	-	59,077	59,077	-	65,261	65,261	6,184	10%
Allowance for credit risks	-	6,960	6,960	-	8,321	8,321	1,361	20%
Loan portfolio, net	-	52,117	52,117	-	56,940	56,940	4,822	9%
Inventories	8,000	-	8,000	10,513	-	10,513	2,513	31%
Other current assets	7,067	7,170	14,237	7,903	9,607	17,511	3,274	23%
Total current assets	27,260	124,212	151,473	43,334	142,877	186,211	34,739	23%
Financial instruments	16,202	291	16,493	17,841	316	18,157	1,665	10%
Performing loan portfolio	-	25,857	25,857	-	28,990	28,990	3,132	12%
Total past-due loans	-	116	116	-	253	253	137	118%
Gross loan portfolio	-	25,973	25,973	-	29,242	29,242	3,269	13%
Allowance for credit risks	-	-	-	-	746	746	746	n.a.
Loan portfolio	-	25,973	25,973	-	28,496	28,496	2,523	10%
Other non-current assets	7,200	672	7,872	1,693	648	2,342	(5,530)	-70%
Investment in shares	2,712	-	2,712	1,881	-	1,881	(831)	-31%
Property, furniture, equipment and investment in stores, net	4,104	2,744	6,848	5,833	3,675	9,508	2,660	39%
Intangible assets	686	6,097	6,784	662	6,673	7,336	552	8%
Other assets	804	405	1,210	809	331	1,141	(69)	-6%
TOTAL ASSETS	58,968	160,395	219,363	72,054	183,018	255,072	35,709	16%
Demand and term deposits	-	103,896	103,896	-	121,090	121,090	17,194	17%
Creditors from repurchase agreements	-	5,785	5,785	-	4,609	4,609	(1,176)	-20%
Short-term debt	3,278	971	4,249	8,908	528	9,436	5,187	122%
Short-term liabilities with cost	3,278	110,652	113,930	8,908	126,227	135,136	21,206	19%
Suppliers and other short-term liabilities	12,900	8,561	21,461	15,950	11,112	27,062	5,601	26%
Short-term liabilities without cost	12,900	8,561	21,461	15,950	11,112	27,062	5,601	26%
Total short-term liabilities	16,178	119,213	135,391	24,858	137,339	162,198	26,807	20%
Long-term debt	7,776	910	8,686	12,434	1,865	14,299	5,613	65%
Long-term liabilities with cost	7,776	910	8,686	12,434	1,865	14,299	5,613	65%
Long-term liabilities without cost	5,351	3,296	8,647	5,132	2,948	8,079	(568)	-7%
Total long-term liabilities	13,127	4,206	17,333	17,566	4,812	22,378	5,045	29%
TOTAL LIABILITIES	29,305	123,419	152,724	42,425	142,152	184,576	31,852	21%
TOTAL STOCKHOLDERS' EQUITY	29,663	36,976	66,639	29,629	40,866	70,496	3,857	6%
LIABILITIES + EQUITY	58,968	160,395	219,363	72,054	183,018	255,072	35,709	16%

INFRASTRUCTURE

	2Q17		2Q18		Change	
<u>Points of sale in Mexico</u>						
Elektra	1,011	14%	1,063	15%	52	5%
Salinas y Rocha	48	1%	46	1%	(2)	-4%
Banco Azteca	1,251	17%	1,259	17%	8	1%
Freestanding branches	2,113	29%	2,304	31%	191	9%
Total	4,423	62%	4,672	64%	249	6%
<u>Points of sale in Central and South America</u>						
Elektra	164	2%	165	2%	1	1%
Banco Azteca	164	2%	165	2%	1	1%
Freestanding branches	344	5%	297	4%	(47)	-14%
Total	672	9%	627	9%	(45)	-7%
<u>Points of sale in North America</u>						
Advance America	2,086	29%	2,018	28%	(68)	-3%
Total	2,086	29%	2,018	28%	(68)	-3%
TOTAL	7,181	100%	7,317	100%	136	2%
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<u>Floor space (m²)</u>	1,512	100%	1,614	100%	103	7%
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<u>Employees</u>						
Mexico	50,881	78%	59,758	80%	8,877	17%
Central and South America	8,730	13%	8,921	12%	191	2%
North America	5,818	9%	5,659	8%	(159)	-3%
Total employees	65,429	100%	74,338	100%	8,909	14%