



**GRUPO ELEKTRA REPORTS EBITDA OF Ps.4,014 MILLION
AND OPERATING PROFIT OF Ps.2,255 MILLION IN 2Q19**

**—Consolidated revenues increase 14%, to Ps.28,899 million
as a result of strong dynamism in both financial and commercial income—**

**—16% growth in consolidated deposits, up to Ps.140,603 million,
creates strong prospects for the financial business—**

—The consolidated gross portfolio increases 13%, to Ps.106,956 million—

—Consolidated delinquency rate is reduced from 4.6% to 3.6%—

**Mexico City, July 23, 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 second quarter 2019 financial results.**

Consolidated second quarter results

Consolidated revenue was Ps.28,899 million in the period, 14% above the Ps.25,344 million for the same quarter of the previous year. Costs and operating expenses were Ps.24,885 million, compared to Ps.20,746 million for the same period of 2018.

As a result, Grupo Elektra reported EBITDA of Ps.4,014 million, in comparison with Ps.4,599 million of the previous year's quarter, with an EBITDA margin of 14% for the period.

Operating profit was of Ps.2,255 million this quarter, up from Ps.3,895 million in the same period of 2018.

On a pro forma basis— without considering the application of IFRS 16 standard, which was adopted as of 2019, as previously detailed— in the second quarter of 2019 EBITDA for the period was Ps.3,152 million and operating profit was Ps.2,127 million.

The company reported net income of Ps.5,697 million, compared to net income of Ps.3,678 million a year ago.

	2Q 2018	2Q 2019	Change	
			Ps.	%
Consolidated revenue	\$25,344	\$28,899	\$3,554	14%
EBITDA	\$4,599	\$4,014	\$(585)	-13%
Operating profit	\$3,895	\$2,255	\$(1,640)	-42%
Net result	\$3,678	\$5,697	\$2,019	55%
Net result per share	\$16.20	\$24.94	\$8.74	54%

Figures in millions of pesos

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

As of June 30, 2018, Elektra* outstanding shares were 227.1 million and as of June 30, 2019, were 228.4 million.

Revenues

Consolidated revenue increased 14%, as a result of 14% growth in financial revenues and 15% growth in commercial sales.

The increase in financial revenue —to Ps.17,955 million, from Ps.15,798 million the previous year— mainly reflects revenue growth of 20% 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.10,944 million, up from Ps.9,547 million last year— largely results from a solid increase in sales of *Italika* motorcycles, which provide safe transportation alternatives and reduce the travel time for thousands of families and small-businesses. This growth also results from exceptional dynamism in the telephone and electronic lines, which are marketed in the most competitive market conditions.

Elektra's commercial business sales have added 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, Omnichannel operations— with the online store www.elektra.com.mx, which sells thousands of products at unparalleled prices from any device and at any time— further strengthens the performance of the division.

Costs and Expenses

Consolidated costs for the quarter were Ps.12,163 million, from Ps.9,819 million in the previous year, as a result of a 26% increase in financial costs, which mainly reflects higher interest paid—in the context of strong growth in deposits—and a 23% increase in commercial costs that results from the promotion of product lines that will generate superior positions in various markets of remarkable dynamism.

Sales, administration, and marketing expenses increased 16% to Ps.12,722 million as a result of increases in both personnel and operating expenses. The growth of expenses is related to the implementation of both marketing and customer service structures—which have added specialized personnel that focus on substantially boosting bank deposits, as well as the credit portfolio, with strong quality standards.

Likewise, staff have an impact on expenses, Omnichannel sales efforts, maintenance of distribution infrastructure costs—which include the new Elektra stores—and the development of new technology to further strengthen high standards of digital banking efficiency—which currently has more than five million users and is growing rapidly.

The company anticipates that the development of these initiatives, will further boost the firm performance of the financial and commercial businesses in the future, with solid profitability.

EBITDA and net result

The EBITDA of the company decreased 13% to Ps.4,014 million this quarter. Operating income declined 42% to Ps.2,255 million, from Ps.3,895 million for the same quarter of 2018.

The most significant change below EBITDA was a positive variation of Ps.5,803 million in other financial results, which reflects a 20% appreciation this quarter—compared to a 6% increase a year ago—in the market value of underlying assets of financial instruments held by the company, and does not imply cash flow.

Congruent with the positive variation of other financial results, an increase of Ps.1,050 million in the provision of taxes line registered during the period.

Grupo Elektra reported net income of Ps.5,697 million, compared to a net income of Ps.3,678 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 Banco Azteca's immediate and term deposits, 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 proforma exercise provides greater clarity regarding the businesses that make up the company and allows financial market 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.25,384 million as of June 30, 2019, compared to Ps.21,930 million in the previous year.

The growth in the debt balance is derived mainly from the issuance of *Certificados Bursátiles* for Ps.2,500 million in the quarter, which were issued in order to continue with stimulus to capital investments related to improvement and growth of the distribution infrastructure and operations of the company.

During the last twelve months, 88 new Elektra stores were opened, 67 existing stores were remodeled, a new *Italika* motorcycle distribution centre was opened, and investments were made in systems development to optimize Banco Azteca and Tiendas Elektra operations.

The balance of cash and cash equivalents was Ps.29,117 million, from Ps.24,917 million from previous year. As a result, the net cash balance —excluding the amount of debt with cost as of June 30, 2019— was favorable at Ps.3,733 million, compared to a positive figure of Ps.2,987 million a year ago.

The company's equity increased 31% to Ps.92,182 million, while the ratio of stockholders' equity to total liabilities was 1.5 times at the close of the quarter.

	As of June 30, 2018	As of June 30, 2019	Change Ps.	%
Cash & marketable fin. instr.	\$24,917	\$29,117	\$4,200	17%
Inventories	\$10,462	\$9,914	\$(549)	-5%
Other current assets	\$2,084	\$2,868	\$784	38%
Financial instruments	\$17,841	\$16,529	\$(1,312)	-7%
Accounts receivables	\$20,159	\$44,283	\$24,124	---
Investments in shares	\$31,847	\$34,601	\$2,754	9%
Fixed assets	\$5,833	\$7,846	\$2,014	35%
Right of use asset	---	\$8,252	\$8,252	---
Other assets	\$1,471	\$2,029	\$558	38%
Total assets	\$114,615	\$155,439	\$40,825	36%
Short-term debt	\$8,908	\$4,058	\$(4,850)	-54%
Leasing	---	\$736	\$736	---
Other short-term liabilities	\$17,057	\$17,355	\$298	2%
Long-term debt	\$13,022	\$21,326	\$8,304	64%
Leasing	---	\$7,601	\$7,601	---
Other long-term debt	\$5,131	\$12,180	\$7,049	---
Total liabilities	\$44,119	\$63,257	\$19,138	43%
Stakeholder's equity	\$70,496	\$92,182	\$21,686	31%
Liabilities and equity	\$114,615	\$155,439	\$40,824	36%

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, 2019 grew 13% to Ps.106,956 million, from Ps.94,503 million for the previous year. The consolidated delinquency rate was 3.6% at the end of the period, compared to 4.6% in the previous year.

The gross portfolio of Banco Azteca Mexico grew 17% to Ps.90,860 million, from Ps.77,931 million a year ago.

The delinquency rate for the bank at the end of the quarter was 3%, in comparison with 4.2% for the previous year. Despite the solid increase of the gross loan portfolio, the balance of the past due loans decreased to Ps.2,761 million, from Ps.3,296 million a year ago, as a result of robust strategies to further strengthen asset quality.

The past-due loan portfolio is reserved 2.6 times, which reflects a past-due portfolio of Ps.2,761 million, in comparison to allowance for credit risks of Ps.7,288 million in the balance sheet as of June 30, 2019.

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 second quarter.

Grupo Elektra consolidated deposits were Ps.140,603 million, 16% higher than the Ps.121,090 million a year ago. Deposits of Banco Azteca Mexico were Ps.137,891 million, 16% higher than the Ps.118,489 million a year ago.

As of June 30, 2019, the capitalization index of Banco Azteca Mexico was 16.53%.

Infrastructure

Grupo Elektra currently has 7,145 storefronts, compared to 7,317 units a year ago. The reduction is mainly due to a decrease in the number of branches of financial services, made in order to optimize the profitability of the financial business infrastructure.

Meanwhile, during the last twelve months, 88 new Elektra stores were opened at strategic locations throughout Mexico, with larger exhibition areas, which increase the offering of products and services and maximize customer shopping experiences.

The company has 4,640 storefronts in Mexico, 1,916 in the United States, and 589 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.

Sale of Banco Azteca El Salvador

During the quarter, the company announced the sale of all of Banco Azteca El Salvador's shares to Grupo Perinversiones, S.A. de C.V.

For 10 years, Banco Azteca El Salvador offered financial services to sectors of society that were ignored by traditional banking, providing enhanced access to banking and credit to large segments of the population that, in turn, helped to boost the development of the country.

Currently, Grupo Elektra focusses its efforts on markets that strengthen its solid business model —with exceptional financial and commercial operations— which allows to advance the well-being and progress of the communities where it has a presence.

Six months consolidated results

Total consolidated revenue in the first six months of the year grew 13% to Ps.55,800 million, from Ps.49,204 million for the same period of 2018, boosted by 13% and 14% growth in both financial and commercial businesses, respectively.

EBITDA was Ps.9,571million, up 7% compared to Ps.8,983 million last year; EBTIDA margin of the first six months of 2019 was 17%. Operating profit decreased 19% to Ps.6,192 million in the period.

The company reported net income of Ps.10,360 million, compared to net income of Ps.2,386 million a year ago, mainly due an appreciation this period in the market value of underlying financial instruments that the company holds, which do not imply cash flow, compared to depreciation the prior year.

	6M 2018	6M 2019	Change	
			Ps.	%
Consolidated revenue	\$49,204	\$55,800	\$6,596	13%
EBITDA	\$8,983	\$9,571	\$588	7%
Operating profit	\$7,629	\$6,162	\$(1,466)	-19%
Net result	\$2,386	\$10,360	\$7,973	---
Net result per share	\$10.51	\$45.36	\$34.85	---

Figures in millions of pesos

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

As of June 30, 2018, Elektra* outstanding shares were 227.1 million and as of June 30, 2019, were 228.4 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, Panama and Peru.

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 Spain's 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

	2Q18		2Q19		Change	
Financial income	15,798	62%	17,955	62%	2,157	14%
Commercial income	9,547	38%	10,944	38%	1,398	15%
Income	25,344	100%	28,899	100%	3,554	14%
Financial cost	3,806	15%	4,784	17%	978	26%
Commercial cost	6,013	24%	7,379	26%	1,366	23%
Costs	9,819	39%	12,163	42%	2,344	24%
Gross income	15,526	61%	16,736	58%	1,210	8%
Sales, administration and promotion expenses	10,927	43%	12,722	44%	1,795	16%
EBITDA	4,599	18%	4,014	14%	(585)	-13%
Depreciation and amortization	707	3%	1,031	4%	324	46%
Depreciation right of use asset	-	0%	734	3%	734	----
Other income, net	(3)	0%	(6)	0%	(3)	-84%
Operating income	3,895	15%	2,255	8%	(1,640)	-42%
Comprehensive financial result:						
Interest income	188	1%	324	1%	136	72%
Interest expense	(491)	-2%	(922)	-3%	(431)	-88%
Foreign exchange gain (loss), net	982	4%	(88)	0%	(1,071)	-109%
Other financial results, net	614	2%	6,417	22%	5,803	----
	1,294	5%	5,730	20%	4,437	----
Participation in the net income of CASA and other associated companies	(218)	-1%	(84)	0%	134	61%
Income before income tax	4,970	20%	7,901	27%	2,930	59%
Income tax	(1,317)	-5%	(2,367)	-8%	(1,050)	-80%
Income before discontinued operations	3,653	14%	5,534	19%	1,881	51%
Result from discontinued operations	25	0%	163	1%	138	----
Impairment of intangible assets	-	0%	-	0%	-	----
Consolidated net income	3,678	15%	5,697	20%	2,019	55%

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

	6M18		6M19		Change	
Financial income	31,348	64%	35,506	64%	4,157	13%
Commercial income	17,856	36%	20,294	36%	2,438	14%
Income	49,204	100%	55,800	100%	6,596	13%
Financial cost	7,246	15%	8,757	16%	1,511	21%
Commercial cost	11,476	23%	13,341	24%	1,865	16%
Costs	18,722	38%	22,097	40%	3,376	18%
Gross income	30,482	62%	33,702	60%	3,220	11%
Sales, administration and promotion expenses	21,499	44%	24,131	43%	2,632	12%
EBITDA	8,983	18%	9,571	17%	588	7%
Depreciation and amortization	1,368	3%	1,986	4%	617	45%
Depreciation right of use asset	-	0%	1,425	3%	1,425	----
Other income, net	(14)	0%	(2)	0%	12	84%
Operating Income	7,629	16%	6,162	11%	(1,466)	-19%
Comprehensive financial result:						
Interest income	316	1%	631	1%	315	100%
Interest expense	(837)	-2%	(1,760)	-3%	(923)	-110%
Foreign exchange gain (loss), net	148	0%	(196)	0%	(344)	----
Other financial results, net	(3,743)	-8%	9,406	17%	13,149	----
	(4,115)	-8%	8,082	14%	12,197	----
Participation in the net income of CASA and other associated companies	(245)	0%	(58)	0%	186	76%
Income before income tax	3,269	7%	14,186	25%	10,917	----
Income tax	(886)	-2%	(3,990)	-7%	(3,104)	----
Income before discontinued operations	2,383	5%	10,196	18%	7,813	----
Result from discontinued operations	3	0%	164	0%	161	----
Impairment of intangible assets	-	0%	-	0%	-	----
Consolidated net income	2,386	5%	10,360	19%	7,973	----

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 June 30, 2018</u>			<u>At June 30, 2019</u>				
Cash and cash equivalents	6,268	19,745	26,013	5,420	21,599	27,019	1,006	4%
Marketable financial instruments	18,649	56,585	75,235	23,697	74,100	97,797	22,563	30%
Performing loan portfolio	-	61,210	61,210	-	76,616	76,616	15,407	25%
Total past-due loans	-	4,051	4,051	-	3,682	3,682	(370)	-9%
Gross loan portfolio	-	65,261	65,261	-	80,298	80,298	15,037	23%
Allowance for credit risks	-	8,321	8,321	-	8,481	8,481	159	2%
Loan portfolio, net	-	56,940	56,940	-	71,818	71,818	14,878	26%
Inventories	10,513	-	10,513	9,914	-	9,914	(600)	-6%
Other current assets	7,903	9,607	17,511	28,840	12,617	41,458	23,947	137%
Total current assets	43,334	142,877	186,211	67,872	180,133	248,005	61,794	33%
Financial instruments	17,841	316	18,157	16,529	271	16,800	(1,357)	-7%
Performing loan portfolio	-	28,990	28,990	-	26,506	26,506	(2,484)	-9%
Total past-due loans	-	253	253	-	153	153	(100)	-40%
Gross loan portfolio	-	29,242	29,242	-	26,659	26,659	(2,583)	-9%
Allowance for credit risks	-	746	746	-	677	677	(69)	-9%
Loan portfolio	-	28,496	28,496	-	25,982	25,982	(2,515)	-9%
Other non-current assets	1,693	648	2,342	6,026	440	6,466	4,124	176%
Investment in shares	1,881	-	1,881	1,772	-	1,772	(109)	-6%
Property, furniture, equipment and investment in stores, net	5,833	3,675	9,508	7,846	5,360	13,207	3,699	39%
Intangible assets	662	6,673	7,336	678	6,677	7,355	19	0%
Right of use asset	-	-	-	8,252	2,012	10,263	10,263	---
Other assets	809	331	1,141	1,351	505	1,856	715	63%
TOTAL ASSETS	72,054	183,018	255,072	110,326	221,380	331,706	76,634	30%
Demand and term deposits	-	121,090	121,090	-	140,603	140,603	19,512	16%
Creditors from repurchase agreements	-	4,609	4,609	-	13,904	13,904	9,295	202%
Short-term debt	8,908	528	9,436	3,943	62	4,004	(5,432)	-58%
Leasing	-	-	-	736	851	1,587	1,587	---
Short-term liabilities with cost	8,908	126,227	135,136	4,679	155,419	160,098	24,963	18%
Suppliers and other short-term liabilities	15,950	11,112	27,062	15,821	18,945	34,766	7,703	28%
Short-term liabilities without cost	15,950	11,112	27,062	15,821	18,945	34,766	7,703	28%
Total short-term liabilities	24,858	137,339	162,198	20,500	174,364	194,864	32,666	20%
Long-term debt	12,434	1,865	14,299	19,303	2,336	21,639	7,340	51%
Leasing	-	-	-	7,601	1,122	8,723	8,723	---
Long-term liabilities with cost	12,434	1,865	14,299	26,904	3,458	30,362	16,063	112%
Long-term liabilities without cost	5,132	2,948	8,079	12,180	2,118	14,298	6,219	77%
Total long-term liabilities	17,566	4,812	22,378	39,084	5,576	44,660	22,282	100%
TOTAL LIABILITIES	42,425	142,152	184,576	59,584	179,940	239,524	54,948	30%
TOTAL STOCKHOLDERS' EQUITY	29,629	40,866	70,496	50,742	41,440	92,182	21,686	31%
LIABILITIES + EQUITY	72,054	183,018	255,072	110,326	221,380	331,706	76,634	30%

INFRASTRUCTURE

	<u>2Q18</u>		<u>2Q19</u>		<u>Change</u>	
<u>Points of sale in Mexico</u>						
Elektra	1,063	15%	1,117	16%	54	5%
Salinas y Rocha	46	1%	38	1%	(8)	-17%
Banco Azteca	1,259	17%	1,302	18%	43	3%
Freestanding branches	2,304	31%	2,183	31%	(121)	-5%
Total	4,672	64%	4,640	65%	(32)	-1%
<u>Points of sale in Central and South America</u>						
Elektra	165	2%	168	2%	3	2%
Banco Azteca	165	2%	168	2%	3	2%
Freestanding branches	297	4%	253	4%	(44)	-15%
Total	627	9%	589	8%	(38)	-6%
<u>Points of sale in North America</u>						
Advance America	2,018	28%	1,916	27%	(102)	-5%
Total	2,018	28%	1,916	27%	(102)	-5%
TOTAL	7,317	100%	7,145	100%	(172)	-2%
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<u>Floor space (m²)</u>	1,614	100%	1,703	100%	89	5%
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<u>Employees</u>						
Mexico	59,758	80%	73,149	83%	13,391	22%
Central and South America	8,921	12%	9,093	10%	172	2%
North America	5,659	8%	5,392	6%	(267)	-5%
Total employees	74,338	100%	87,634	100%	13,296	18%