



**GRUPO ELEKTRA ANNOUNCES 27% EBITDA GROWTH
TO Ps.5,578 MILLION IN 1Q19**

—Solid performance of the commercial and financial businesses translates into a 13% increase in consolidated revenues, to Ps.27,062 million

—19% growth in consolidated deposits, to Ps.133,500 million, generates firm prospects for the financial business—

—The consolidated gross portfolio increases 14%, to Ps.103,236 million—

—Consolidated delinquency rate is reduced from 4.8% to 3.4%—

Mexico City, April 30, 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 first quarter 2019 financial results.

Consolidated First Quarter Results

As of this quarter, in accordance with the accounting regulations applicable to public issuers in Mexico, Grupo Elektra adopted the new lease standard (IFRS 16), which implies recognizing in the balance sheet "Right of use asset" and "Leasing" in liabilities.

Meanwhile, in the income statement, the payment for leases, which was previously presented in "Sales, administration and promotion expenses" is now recognized through "Depreciation right of use asset", plus the expense for interest, both below EBITDA.

Under the new standard, applied to the figures for the first quarter of 2019, consolidated revenues were Ps.27,062 million in the period, 13% higher than Ps.24,007 million in the same quarter of the previous year. Costs and operating expenses were Ps.21,484 million, from Ps.19,610 million in the same period of 2018.

As a result, Grupo Elektra reported EBITDA of Ps.5,578 million, 27% higher than the Ps.4,397 million of the previous year's quarter. EBITDA margin was 21% for the period, three percentage points above the previous year.

Operating profit was Ps.3,914 million this quarter, 5% above the Ps.3,720 million in the same period of 2018.

On a pro forma basis, without considering the application of the IFRS 16 standard in the first quarter of 2019, EBITDA for the period was Ps.4,747 million, 8% above the previous year. Meanwhile, pro forma operating income was Ps.3,781 million, 2% higher than the previous year.

The company reported net income of Ps.4,663 million, compared to net loss of Ps.1,291 million a year ago.

	1Q 2018	1Q 2019	Change	
			Ps.	%
Consolidated revenue	\$24,007	\$27,062	\$3,055	13%
EBITDA	\$4,397	\$5,578	\$1,181	27%
Operating profit	\$3,720	\$3,914	\$194	5%
Net result	\$(1,291)	\$4,663	\$5,955	---
Net result per share	\$(5.67)	\$20.40	\$26.07	---

Figures in millions of pesos

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

As of March 31, 2018, Elektra* outstanding shares were 227.7 million and as of March 31, 2019, were 228.6 million.

Revenue

Consolidated revenue increased 13%, as a result of growth of this magnitude in both financial income and commercial sales.

The increase in financial revenue —to Ps.17,712 million, from Ps.15,698 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.9,350 million from Ps.8,310 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 a growing number of users, as well as solid increase in telephone 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, the 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.9,976 million, from Ps.8,936 million in the previous year, as a result of a 16% increase in financial costs—which mainly reflects higher interest paid, in the context of solid growth in deposits—and a 9% increase in commercial costs, congruent with growth in merchandise revenues.

Sales, administration, and promotion expenses increased 8% to Ps.11,508 million, as a result of increases in personnel expenses—in the context of growing operations, both in the financial and commercial businesses—and increases in both operating and fee expenses.

EBITDA and net result

The EBITDA of the company grew 27% to Ps.5,578 million this quarter. Operating income increased 5% to Ps.3,914 million, from Ps.3,720 million for the same quarter of 2018.

The most significant change below EBITDA was a positive variation of Ps.7,346 million in other financial results—which reflects a 10% appreciation this quarter in the market value of underlying assets of financial instruments held by the company and does not imply cash flow— compared to a 27% decrease a year ago.

Congruent with the positive variation of other financial results, an increase of Ps.2,057 million in the provision of taxes was registered during the period.

Grupo Elektra reported net income of Ps.4,663 million, compared to a net loss of Ps.1,291 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 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.22,936 million as of March 31, 2019, compared to Ps.13,393 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 the last twelve months, 62 new Elektra stores were opened, 55 existing stores were remodeled, a new Italika motorcycle distribution centre was opened, 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.28,854 million, from Ps.14,795 million from previous year. As a result, the net cash balance excluding the amount of debt with cost as of March 31, 2019, was favorable at Ps.5,918 million, compared to a positive figure of Ps.1,402 million a year ago.

The company's equity increased 36% to Ps.88,555 million; while the ratio of stockholders' equity to total liabilities was 1.5 times at the close of the quarter.

	As of March 31, 2018	As of March 31, 2019	Change Ps.	%
Cash & marketable fin. instr.	\$14,795	\$28,854	\$14,059	95%
Inventories	\$9,760	\$9,731	\$(29)	0%
Other current assets	\$1,385	\$4,118	\$2,733	---
Financial instruments	\$16,558	\$16,611	\$54	0%
Accounts receivables	\$19,489	\$36,557	\$17,068	88%
Investment shares	\$31,473	\$35,114	\$3,641	12%
Fixed assets	\$5,357	\$7,485	\$2,128	40%
Right of use asst	---	\$7,932	\$7,932	---
Other assets	\$761	\$1,386	\$625	82%
Total assets	\$99,580	\$147,789	\$48,210	48%
Short-term debt	\$8,741	\$4,182	\$(4,559)	-52%
Leasing	---	\$979	\$979	---
Other short-term liabilities	\$16,590	\$18,267	\$1,677	10%
Long-term debt	\$4,652	\$18,754	\$14,102	---
Leasing	---	\$7,061	\$7,061	---
Other long-term debt	\$4,616	\$9,991	\$5,375	---
Total liabilities	\$34,599	\$59,234	\$24,635	71%
Stakeholder´s equity	\$64,981	\$88,555	\$23,574	36%
Liabilities and equity	\$99,580	\$147,789	\$48,210	48%

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 March 31, 2019 grew 14% to Ps.103,236 million, from Ps.90,582 million for the previous year. The consolidated delinquency rate was 3.4% at the end of the period, compared to 4.8% in the previous year.

The gross portfolio of Banco Azteca Mexico grew 18% to Ps.88,063 million, from Ps.74,875 million a year ago.

The delinquency rate for the bank at the end of the quarter was 2.9%, down from 4.6% for the previous year. Despite the solid increase of the gross loan portfolio, the balance of the past due loans decreased to Ps.2,571 million, from Ps.3,457 million a year ago, as a result of firm strategies to further strengthen asset quality.

The past-due loan portfolio is reserved 2.7 times, which reflects a past-due portfolio of Ps.2,571 million, in comparison to allowance for credit risks of Ps.6,935 million in the balance sheet, as of March 31, 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 first quarter.

Grupo Elektra consolidated deposits were Ps.133,500 million, 19% higher than the Ps.112,658 million a year ago. Deposits of Banco Azteca Mexico were Ps.131,410 million, 19% higher than the Ps.110,397 million a year ago.

As of March 31, 2019, the capitalization index of Banco Azteca Mexico was 16.89%.

Infrastructure

Grupo Elektra currently has 7,256 storefronts, compared to 7,344 units a year ago.

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

The company has 4,642 storefronts in Mexico, 1,965 in the United States, and 649 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.

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

	1Q18		1Q19		Change	
Financial income	15,698	65%	17,712	65%	2,014	13%
Commercial income	8,310	35%	9,350	35%	1,040	13%
Income	24,007	100%	27,062	100%	3,055	13%
Financial cost	3,473	14%	4,015	15%	542	16%
Commercial cost	5,463	23%	5,961	22%	498	9%
Costs	8,936	37%	9,976	37%	1,040	12%
Gross income	15,071	63%	17,086	63%	2,015	13%
Sales, administration and promotion expenses	10,674	44%	11,508	43%	834	8%
EBITDA	4,397	18%	5,578	21%	1,181	27%
Depreciation and amortization	667	3%	962	4%	295	44%
Depreciation right of use asset	-	0%	698	3%	698	----
Other expense, net	11	0%	4	0%	(7)	-64%
Operating income	3,720	15%	3,914	14%	194	5%
Comprehensive financial result:						
Interest income	128	1%	308	1%	180	141%
Interest expense	(346)	-1%	(838)	-3%	(492)	-100%
Foreign exchange loss, net	(834)	-3%	(108)	0%	727	87%
Other financial results, net	(4,357)	-18%	2,990	11%	7,346	----
	(5,409)	-23%	2,351	9%	7,760	----
Participation in the net income of CASA and other associated companies	(26)	0%	26	0%	52	----
(Loss) income before income tax	(1,716)	-7%	6,291	23%	8,007	----
Income tax	429	2%	(1,627)	-6%	(2,057)	----
(Loss) income before discontinued operations	(1,286)	-5%	4,664	17%	5,950	----
Result from discontinued operations	(5)	0%	(1)	0%	4	83%
Impairment of intangible assets	-	0%	-	0%	-	----
Consolidated net (loss) income	(1,291)	-5%	4,663	17%	5,955	----

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 March 31, 2018</u>			<u>At March 31, 2019</u>				
Cash and cash equivalents	5,075	17,678	22,753	5,497	19,624	25,120	2,368	10%
Marketable financial instruments	9,720	52,291	62,012	23,357	64,595	87,952	25,940	42%
Performing loan portfolio	-	58,428	58,428	-	69,411	69,411	10,983	19%
Total past-due loans	-	4,097	4,097	-	3,284	3,284	(814)	-20%
Gross loan portfolio	-	62,526	62,526	-	72,694	72,694	10,169	16%
Allowance for credit risks	-	8,235	8,235	-	7,551	7,551	(683)	-8%
Loan portfolio, net	-	54,291	54,291	-	65,143	65,143	10,852	20%
Inventories	9,802	-	9,802	9,731	-	9,731	(71)	-1%
Other current assets	7,148	7,880	15,028	24,354	9,086	33,439	18,412	123%
Total current assets	31,745	132,139	163,884	62,938	158,447	221,385	57,501	35%
Financial instruments	16,558	295	16,852	16,611	261	16,872	20	0%
Performing loan portfolio	-	27,790	27,790	-	30,293	30,293	2,503	9%
Total past-due loans	-	266	266	-	248	248	(17)	-6%
Gross loan portfolio	-	28,056	28,056	-	30,542	30,542	2,486	9%
Allowance for credit risks	-	757	757	-	1,019	1,019	262	35%
Loan portfolio	-	27,299	27,299	-	29,523	29,523	2,224	8%
Other non-current assets	1,729	656	2,385	3,859	188	4,047	1,662	70%
Investment in shares	1,982	-	1,982	2,076	-	2,076	94	5%
Property, furniture, equipment and investment in stores, net	5,357	3,211	8,568	7,485	5,040	12,525	3,957	46%
Intangible assets	694	6,228	6,922	617	6,639	7,256	335	5%
Right of use asset	-	-	-	7,932	2,245	10,177	10,177	----
Other assets	761	283	1,044	1,386	455	1,841	797	76%
TOTAL ASSETS	58,826	170,111	228,937	102,905	202,799	305,704	76,766	34%
Demand and term deposits	-	112,658	112,658	-	133,500	133,500	20,842	19%
Creditors from repurchase agreements	-	6,319	6,319	-	10,410	10,410	4,091	65%
Short-term debt	8,741	58	8,799	4,182	143	4,325	(4,475)	-51%
Leasing	-	-	-	979	751	1,730	1,730	----
Short-term liabilities with cost	8,741	119,035	127,776	5,160	144,803	149,964	22,188	17%
Suppliers and other short-term liabilities	14,477	9,529	24,006	15,886	10,626	26,512	2,506	10%
Short-term liabilities without cost	14,477	9,529	24,006	15,886	10,626	26,512	2,506	10%
Total short-term liabilities	23,218	128,564	151,782	21,046	155,429	176,475	24,693	16%
Long-term debt	4,065	945	5,010	16,615	2,504	19,119	14,110	282%
Leasing	-	-	-	7,061	1,458	8,519	8,519	----
Long-term liabilities with cost	4,065	945	5,010	23,676	3,962	27,638	22,629	452%
Long-term liabilities without cost	4,616	2,549	7,165	9,991	3,044	13,035	5,870	82%
Total long-term liabilities	8,681	3,494	12,175	33,667	7,006	40,673	28,499	234%
TOTAL LIABILITIES	31,899	132,058	163,956	54,714	162,435	217,149	53,192	32%
TOTAL STOCKHOLDERS' EQUITY	26,927	38,053	64,981	48,191	40,364	88,555	23,574	36%
LIABILITIES + EQUITY	58,826	170,111	228,937	102,905	202,799	305,704	76,766	34%

INFRASTRUCTURE

	<u>1Q18</u>		<u>1Q19</u>		<u>Change</u>	
Points of sale in Mexico						
Elektra	1,056	14%	1,118	15%	62	6%
Salinas y Rocha	47	1%	44	1%	(3)	-6%
Banco Azteca	1,287	18%	1,309	18%	22	2%
Freestanding branches	2,282	31%	2,171	30%	(111)	-5%
Total	4,672	64%	4,642	64%	(30)	-1%
Points of sale in Central and South America						
Elektra	164	2%	170	2%	6	4%
Banco Azteca	164	2%	170	2%	6	4%
Freestanding branches	316	4%	309	4%	(7)	-2%
Total	644	9%	649	9%	5	1%
Points of sale in North America						
Advance America	2,028	28%	1,965	27%	(63)	-3%
Total	2,028	28%	1,965	27%	(63)	-3%
TOTAL	7,344	100%	7,256	100%	(88)	-1%
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Floor space (m²)	1,597	100%	1,716	100%	119	7%
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Employees						
Mexico	58,329	80%	74,366	83%	16,037	27%
Central and South America	8,789	12%	9,631	11%	842	10%
North America	5,677	8%	5,583	6%	(94)	-2%
Total employees	72,795	100%	89,580	100%	16,785	23%