



**GRUPO ELEKTRA ANNOUNCES EBITDA OF Ps.4,082 MILLION
AND OPERATING PROFIT OF Ps.2,198 MILLION IN 3Q19**

**—Consolidated revenue increases 17% to Ps.29,733 million
as a result of the firm dynamism in both commercial and financial revenues—**

**—21% growth in consolidated deposits to Ps.150,781 million,
generates solid perspectives for the financial division—**

—Consolidated gross loan portfolio grows 17% to Ps.110,393 million—

—Consolidated delinquency rate is reduced from 4.9% to 4.3%—

**Mexico City, October 24, 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 third quarter 2019 financial results.**

Consolidated third quarter results

Consolidated revenue was Ps.29,733 million in the period, 17% above the Ps.25,490 million for the same quarter of the previous year. Costs and operating expenses were Ps.25,652 million, compared to Ps.21,217 million for the same period of 2018.

As a result, Grupo Elektra reported EBITDA of Ps.4,082 million, in comparison with Ps.4,273 million of the previous year's quarter, with an EBITDA margin of 14% for the period.

Operating profit was of Ps.2,198 million this quarter, from Ps.3,501 million during 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 third quarter of 2019 EBITDA for the period was Ps.3,115 million and operating profit was Ps.1,963 million.

The company reported net income of Ps.4,258 million, compared to net income of Ps.6,443 million a year ago.

	3Q 2018	3Q 2019	Change	
			Ps.	%
Consolidated revenue	\$25,490	\$29,733	\$4,243	17%
EBITDA	\$4,273	\$4,082	\$(192)	-4%
Operating profit	\$3,501	\$2,198	\$(1,303)	-37%
Net result	\$6,443	\$4,258	\$(2,184)	-34%
Net result per share	\$28.38	\$18.64	\$(9.74)	-34%

Figures in millions of pesos

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

As of September 30, 2018, Elektra* outstanding shares were 227 million and as of September 30, 2019, were 228.4 million.

Revenues

Consolidated revenue increased 17%, as a result of a 22% growth in commercial sales and a 14% increase in financial revenues.

The increase in commercial division sales — to Ps.10,725 million, up from Ps.8,779 million last year — largely results from a solid increase in sales of *Italika* motorcycles — which provide a safe and fuel-efficient transportation alternative, and reduce travelling times for thousands of users — as well as notable dynamism in telephony and appliances, commercialized in the most competitive market conditions.

The 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.

The increase in financial revenue — to Ps.19,008 million, from Ps.16,711 million the previous year — mainly reflects revenue growth of 15% at Banco Azteca Mexico, in the context of a strong rise in the gross portfolio and a notable dynamism in deposits.

Costs and expenses

Consolidated costs for the quarter were Ps.12,806 million, from Ps.9,735 million in the previous year, as a result of a 38% increase in financial costs, which reflects the creation of reserves, as well as higher interest paid, in the context of solid growth in deposits. As well as a 27% increase in commercial costs, congruent with the increase in commercial income.

Sales, administration, and marketing expenses increased 12% to Ps.12,846 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 focuses on substantially boosting bank deposits, as well as the credit portfolio, with strong quality standards, the development of institutional and governmental banking that increases and diversifies Banco Azteca's top line, and an increasingly competitive structure in Afore Azteca, which allows to substantially grow the number of customers and assets under management.

Likewise, there is an impact on expenses coming from the development of systems to further strengthen the high standards of efficiency of digital banking — which currently has more than six million users and grow dynamically — the Omnichannel sales efforts, and the maintenance expenses of the company's infrastructure, which includes the new Elektra stores, as well as expenses related to a growing number of ATM's that allow to optimally serve millions of users.

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 4% to Ps.4,082 million this quarter. Operating income declined 37% to Ps.2,198 million, from Ps.3,501 million for the same quarter of 2018.

The most significant change below EBITDA was a negative variation of Ps.2,192 million in other financial results, which reflects an 11% appreciation this quarter in the market value of underlying assets of financial instruments held by the company, and does not imply cash flow, in comparison to a 58% increase a year ago.

Congruent with the negative variation of other financial results, a decrease of Ps.734 million in the provision of taxes line was registered during the period.

Grupo Elektra reported net income of Ps.4,258 million, compared to a net income of Ps.6,443 million a year ago.

Unconsolidated Balance Sheet

In order to allow the visualization of the non-consolidated financial situation, a pro forma exercise of the balance sheet of Grupo Elektra is presented, 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 makes up the company and allows financial market participants to estimate the value of the company, considering only the relevant debt for such calculations.

In line with the above, debt with cost was Ps.25,226 million as of September 30, 2019, compared to Ps.21,969 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 previous 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, 66 new Elektra stores were opened, 35 existing stores were remodelled; in addition, the development of systems that optimize the operation of Banco Azteca and Tiendas Elektra were promoted.

The balance of cash and cash equivalents was Ps.18,120 million, from Ps.23,800 million from the previous year. As a result, net debt as of September 30, 2019, was Ps.7,106 million, while a year ago the net cash balance excluding the amount of debt with cost was favorable at Ps.1,831 million.

The company's equity increased 26% to Ps.97,203 million, while the ratio of stockholders' equity to total liabilities was 1.5 times at the close of the quarter.

	As of Sept. 30, 2018	As of Sept. 30, 2019	Change	
			Ps.	%
Cash & marketable fin. instr.	\$23,800	\$18,120	\$(5,680)	-24%
Inventories	\$10,321	\$12,017	\$1,696	16%
Other current assets	\$2,030	\$3,882	\$1,852	91%
Financial instruments	\$16,964	\$26,681	\$9,717	57%
Accounts receivables	\$27,725	\$48,870	\$21,145	76%
Investments in shares	\$32,834	\$34,860	\$2,026	6%
Fixed assets	\$6,623	\$8,183	\$1,560	24%
Right of use asset	---	\$8,325	\$8,325	---
Other assets	\$1,372	\$2,050	\$678	49%
Total assets	\$121,668	\$162,987	\$41,319	34%
Short-term debt	\$8,827	\$3,912	\$(4,914)	-56%
Leasing	---	\$465	\$465	---
Other short-term liabilities	\$15,383	\$18,412	\$3,029	20%
Long-term debt	\$13,142	\$21,314	\$8,173	62%
Leasing	---	\$8,036	\$8,036	---
Other long-term debt	\$7,395	\$13,644	\$6,249	85%
Total liabilities	\$44,747	\$65,784	\$21,037	47%
Stakeholder´s equity	\$76,921	\$97,203	\$20,282	26%
Liabilities and equity	\$121,668	\$162,987	\$41,319	34%

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 September 30, 2019 grew 17% to Ps.110,393 million, from Ps.94,008 million for the previous year. The consolidated defaulting rate was 4.3% at the end of the period, compared to 4.9% in the previous year.

The gross portfolio of Banco Azteca Mexico grew 20% to Ps.93,102 million, from Ps.77,465 million a year ago.

The defaulting rate for the bank at the end of the quarter was 3.7%, in comparison with 4.5% for the previous year. The past-due loan portfolio is reserved 2.26 times, which reflects a past-due portfolio of Ps.3,481 million, in comparison to allowance for credit risks of Ps.7,870 million in the balance sheet, as of September 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 third quarter.

Grupo Elektra's consolidated deposits were Ps.150,781 million, 21% higher than the Ps.124,229 million a year ago. Deposits of Banco Azteca Mexico were Ps.146,593 million, 21% higher than the Ps.120,828 million a year ago.

As of September 30, 2019, the capitalization index of Banco Azteca Mexico was 16.27%.

Infrastructure

Grupo Elektra currently has 7,232 storefronts, compared to 7,200 units a year ago.

During the last twelve months, 66 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 4,689 storefronts in Mexico, 1,898 in the United States, and 645 in Central and South America. The extensive distribution network allows the company to maintain close contact with customers and grants a superior market positioning in the countries where it operates.

Nine months consolidated results

Total consolidated revenue in the first nine months of the year grew 15% to Ps.85,533 million, from Ps.74,694 million for the same period of 2018, boosted by 16% and 13% growth in both commercial and financial businesses, respectively.

EBITDA was Ps.13,653 million, 3% higher than the Ps.13,256 million for the same period a year ago; the EBITDA margin in the first nine months of 2019 was 16%. Operating profit decreased 25% to Ps.8,360 million during the period.

The company reported net income of Ps.14,618 million, compared to net profit of Ps.8,829 million a year ago, mainly due to a more significant appreciation this period in the market value of underlying financial instruments that the company holds, which doesn't imply cash flow, compared to the year before.

	9M 2018	9M 2019	Change	
			Ps.	%
Consolidated revenue	\$74,694	\$85,533	\$10,839	15%
EBITDA	\$13,256	\$13,653	\$396	3%
Operating profit	\$11,130	\$8,360	\$(2,770)	-25%
Net result	\$8,829	\$14,618	\$5,789	66%
Net result per share	\$38.89	\$64.00	\$25.11	65%

Figures in millions of pesos

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

As of September 30, 2018, Elektra* outstanding shares were 227 million and as of September 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

	3Q18		3Q19		Change	
Financial income	16,711	66%	19,008	64%	2,297	14%
Commercial income	8,779	34%	10,725	36%	1,946	22%
Income	25,490	100%	29,733	100%	4,243	17%
Financial cost	3,980	16%	5,506	19%	1,526	38%
Commercial cost	5,755	23%	7,300	25%	1,545	27%
Costs	9,735	38%	12,806	43%	3,071	32%
Gross income	15,755	62%	16,927	57%	1,172	7%
Sales, administration and promotion expenses	11,482	45%	12,846	43%	1,364	12%
EBITDA	4,273	17%	4,082	14%	(192)	-4%
Depreciation and amortization	790	3%	1,120	4%	330	42%
Depreciation right of use asset	-	0%	732	2%	732	---
Other income, net	(18)	0%	31	0%	49	---
Operating income	3,501	14%	2,198	7%	(1,303)	-37%
Comprehensive financial result:						
Interest income	199	1%	357	1%	158	79%
Interest expense	(577)	-2%	(923)	-3%	(346)	-60%
Foreign exchange gain (loss), net	(600)	-2%	186	1%	786	---
Other financial results, net	6,587	26%	4,396	15%	(2,192)	-33%
	5,610	22%	4,016	14%	(1,594)	-28%
Participation in the net income of CASA and other associated companies	78	0%	57	0%	(21)	27%
Income before income tax	9,189	36%	6,270	21%	(2,919)	-32%
Income tax	(2,744)	-11%	(2,010)	-7%	734	27%
Income before discontinued operations	6,445	25%	4,261	14%	(2,185)	-34%
Result from discontinued operations	(3)	0%	(2)	0%	0	13%
Impairment of intangible assets	-	0%	-	0%	-	---
Consolidated net income	6,443	25%	4,258	14%	(2,184)	-34%

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

	9M18		9M19		Change	
Financial income	48,059	64%	54,514	64%	6,455	13%
Commercial income	26,635	36%	31,019	36%	4,384	16%
Income	74,694	100%	85,533	100%	10,839	15%
Financial cost	11,225	15%	14,262	17%	3,037	27%
Commercial cost	17,232	23%	20,641	24%	3,409	20%
Costs	28,457	38%	34,903	41%	6,446	23%
Gross income	46,237	62%	50,630	59%	4,392	9%
Sales, administration and promotion expenses	32,981	44%	36,977	43%	3,996	12%
EBITDA	13,256	18%	13,653	16%	396	3%
Depreciation and amortization	2,158	3%	3,106	4%	948	44%
Depreciation right of use asset	-	0%	2,158	3%	2,158	---
Other income, net	(32)	0%	29	0%	61	---
Operating Income	11,130	15%	8,360	10%	(2,770)	-25%
Comprehensive financial result:						
Interest income	515	1%	988	1%	473	92%
Interest expense	(1,414)	-2%	(2,683)	-3%	(1,270)	-90%
Foreign exchange gain (loss), net	(452)	-1%	(10)	0%	442	98%
Other financial results, net	2,845	4%	13,802	16%	10,957	---
	1,495	2%	12,097	14%	10,603	---
Participation in the net income of CASA and other associated companies	(167)	0%	(2)	0%	165	99%
Income before income tax	12,458	17%	20,456	24%	7,998	64%
Income tax	(3,629)	-5%	(6,000)	-7%	(2,370)	-65%
Income before discontinued operations	8,829	12%	14,456	17%	5,628	64%
Result from discontinued operations	1	0%	162	0%	161	---
Impairment of intangible assets	-	0%	-	0%	-	---
Consolidated net income	8,829	12%	14,618	17%	5,789	66%

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	
	<i>At September 30, 2018</i>			<i>At September 30, 2019</i>				
Cash and cash equivalents	4,937	17,512	22,450	5,427	21,861	27,288	4,838	22%
Marketable financial instruments	18,863	66,662	85,525	12,693	78,476	91,169	5,644	7%
Performing loan portfolio	-	59,429	59,429	-	71,589	71,589	12,160	20%
Total past-due loans	-	4,332	4,332	-	4,192	4,192	(139)	-3%
Gross loan portfolio	-	63,761	63,761	-	75,782	75,782	12,021	19%
Allowance for credit risks	-	8,564	8,564	-	8,503	8,503	(61)	-1%
Loan portfolio, net	-	55,197	55,197	-	67,279	67,279	12,082	22%
Inventories	10,382	-	10,382	12,017	-	12,017	1,635	16%
Other current assets	8,850	8,777	17,627	12,606	12,584	25,190	7,564	43%
Total current assets	43,031	148,148	191,179	42,743	180,200	222,942	31,763	17%
Financial instruments	16,964	262	17,226	26,681	282	26,964	9,738	57%
Performing loan portfolio	-	29,972	29,972	-	34,056	34,056	4,084	14%
Total past-due loans	-	274	274	-	555	555	280	102%
Gross loan portfolio	-	30,247	30,247	-	34,611	34,611	4,364	14%
Allowance for credit risks	-	694	694	-	1,319	1,319	625	90%
Loan portfolio	-	29,553	29,553	-	33,292	33,292	3,739	13%
Other non-current assets	8,833	658	9,491	27,525	189	27,714	18,223	192%
Investment in shares	1,909	-	1,909	1,779	-	1,779	(130)	-7%
Property, furniture, equipment and investment in stores, net	6,623	4,075	10,698	8,183	6,144	14,326	3,628	34%
Intangible assets	622	6,364	6,986	695	6,871	7,566	580	8%
Right of use asset	-	-	-	8,325	1,973	10,298	10,298	---
Other assets	750	322	1,071	1,355	580	1,935	863	81%
TOTAL ASSETS	78,732	189,382	268,114	117,286	229,530	346,816	78,702	29%
Demand and term deposits	-	124,229	124,229	-	150,781	150,781	26,552	21%
Creditors from repurchase agreements	-	7,103	7,103	-	18,179	18,179	11,076	156%
Short-term debt	8,827	508	9,335	3,797	162	3,959	(5,376)	-58%
Leasing	-	-	-	465	884	1,350	1,350	---
Short-term liabilities with cost	8,827	131,840	140,666	4,262	170,006	174,268	33,602	24%
Suppliers and other short-term liabilities	14,892	11,475	26,367	17,348	11,018	28,366	2,000	8%
Short-term liabilities without cost	14,892	11,475	26,367	17,348	11,018	28,366	2,000	8%
Total short-term liabilities	23,719	143,314	167,033	21,610	181,024	202,634	35,601	21%
Long-term debt	12,341	2,128	14,469	19,291	2,276	21,567	7,098	49%
Leasing	-	-	-	8,036	1,063	9,098	9,098	---
Long-term liabilities with cost	12,341	2,128	14,469	27,327	3,338	30,665	16,196	112%
Long-term liabilities without cost	7,395	2,295	9,691	13,644	2,669	16,313	6,623	68%
Total long-term liabilities	19,736	4,423	24,159	40,971	6,008	46,978	22,819	94%
TOTAL LIABILITIES	43,455	147,738	191,193	62,581	187,032	249,612	58,420	31%
TOTAL STOCKHOLDERS' EQUITY	35,277	41,644	76,921	54,705	42,498	97,203	20,282	26%
LIABILITIES + EQUITY	78,732	189,382	268,114	117,286	229,530	346,816	78,702	29%

INFRASTRUCTURE

	3Q18		3Q19		Change	
Points of sale in Mexico						
Elektra	1,073	15%	1,124	16%	51	5%
Salinas y Rocha	45	1%	38	1%	(7)	-16%
Banco Azteca	1,771	25%	1,819	25%	48	3%
Freestanding branches	1,654	23%	1,708	24%	54	3%
Total	4,543	63%	4,689	65%	146	3%
Points of sale in Central and South America						
Elektra	167	2%	170	2%	3	2%
Banco Azteca	381	5%	381	5%	-	0%
Freestanding branches	92	1%	94	1%	2	2%
Total	640	9%	645	9%	5	1%
Points of sale in North America						
Advance America	2,017	28%	1,898	26%	(119)	-6%
Total	2,017	28%	1,898	26%	(119)	-6%
TOTAL	7,200	100%	7,232	100%	32	0%
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Floor space (m²)	1,635	100%	1,740	100%	105	6%
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Employees						
Mexico	61,392	81%	74,102	83%	12,710	21%
Central and South America	8,337	11%	9,398	11%	1,061	13%
North America	5,676	8%	5,278	6%	(398)	-7%
Total employees	75,405	100%	88,778	100%	13,373	18%