



# CORPORATE PROFILE

**Organizacion Soriana S.A.B de C.V**  
**Soriana Investor Relations**

September 2020

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# A Growth Story



1920	1968	1986	1987	1994	2000	2001	2002	2003	2005
<p>Soriana's beginnings</p>	<p>Soriana's first store opened in Torreon, Coahuila</p>	<p>Soriana Sorimex Family Separation</p>	<p>IPO</p>	<p>Merger of Organization Soriana and Sorimex 48 Stores</p>	<p>100 in operation</p>	<p>Loyalty Program Kickoff</p>	<p>Store format diversification Star operation City Club</p>	<p>First Soriana Mercado</p>	<p>Convenience Store format</p>
2007	2010	2011	2012	2013	2014	2016	2017	2018	2019
<p>Acquisition of 205 Gigante stores</p>	<p>Smallest store format 1,500sqm</p>	<p>Soriana starts its transformation project</p>	<p>600 stores &amp; revenues over MXN\$100 billion</p>	<p>First wind energy park</p>	<p>Corporate image renovation</p>	<p>Acquisition of 143 Comercial mexicana stores and JV with Grupo Falabella</p>	<p>Soriana Movil 34K lines</p>	<p>Opening of the 1st Sodimac store in the country and 50th anniversary of the Company</p>	<p>Payback Dunnhumby</p>

# Business Units



# Business Units – Store Formats



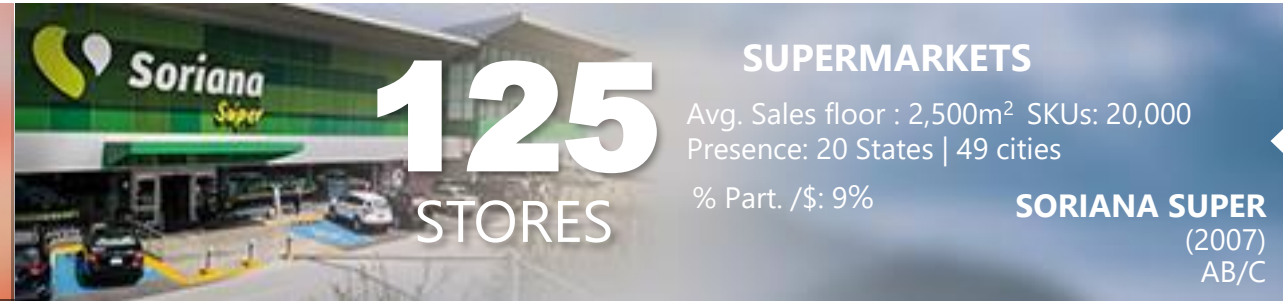
Data as of 2Q20



**376**  
STORES

**HYPERMARKETS**  
Avg. Sales floor: 7,000m<sup>2</sup> SKUs: 45,000  
Presence: 32 States | 125 cities  
% Part. /\$: 63%

**SORIANA HIPER**  
(1968)  
AB/C



**125**  
STORES

**SUPERMARKETS**  
Avg. Sales floor : 2,500m<sup>2</sup> SKUs: 20,000  
Presence: 20 States | 49 cities  
% Part. /\$: 9%

**SORIANA SUPER**  
(2007)  
AB/C



**LOW PRICE**  
Avg. Sales floor: 4,500m<sup>2</sup> SKUs: 12,000  
Presence: 24 States | 111 cities  
% Part. /\$: 14%

**162**  
STORES

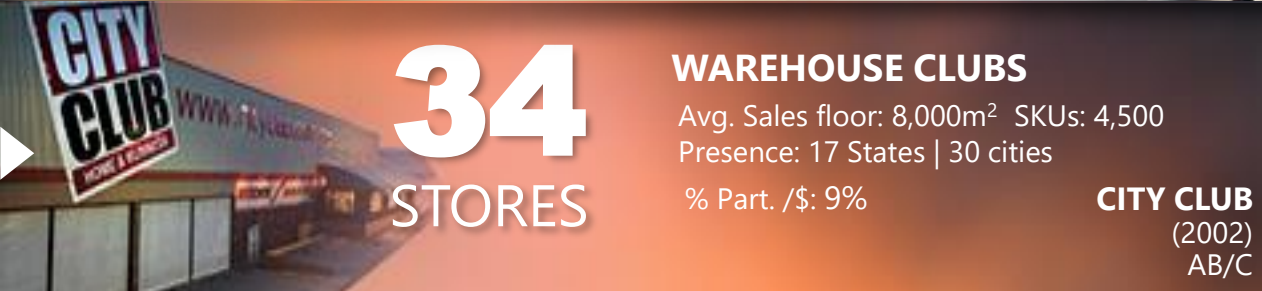
**SORIANA MERCADO**  
(2003) C/D



**LOW PRICE**  
Avg. Sales floor: 1,500m<sup>2</sup> SKUs: 6,500  
Presence: 26 States | 100 cities  
% Part. /\$: 5%

**104**  
STORES

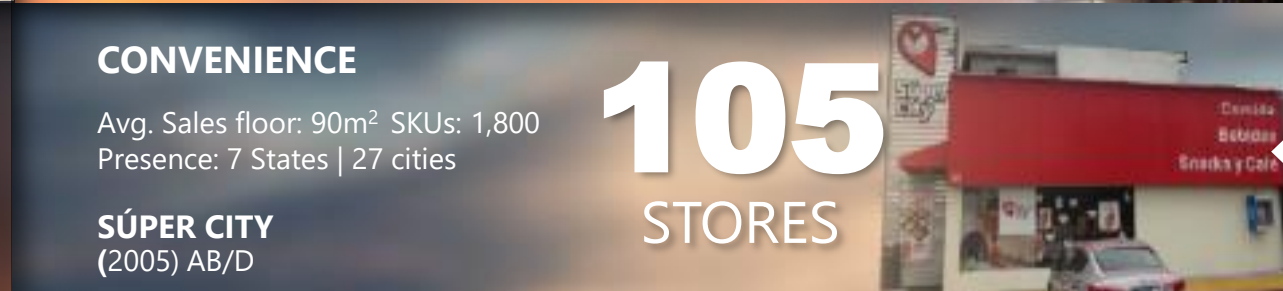
**SORIANA EXPRESS**  
(2010) C/D



**34**  
STORES

**WAREHOUSE CLUBS**  
Avg. Sales floor: 8,000m<sup>2</sup> SKUs: 4,500  
Presence: 17 States | 30 cities  
% Part. /\$: 9%

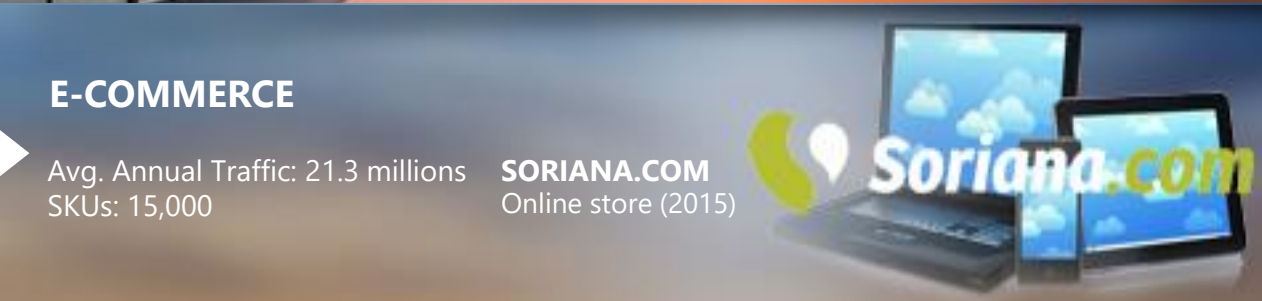
**CITY CLUB**  
(2002)  
AB/C



**CONVENIENCE**  
Avg. Sales floor: 90m<sup>2</sup> SKUs: 1,800  
Presence: 7 States | 27 cities

**105**  
STORES

**SÚPER CITY**  
(2005) AB/D



**E-COMMERCE**  
Avg. Annual Traffic: 21.3 millions  
SKUs: 15,000

**SORIANA.COM**  
Online store (2015)



**HOME IMPROVEMENT - DIY**  
Avg. Sales floor: 11,500m<sup>2</sup> SKUs: 31,000  
Presence: 4 States | 6 cities

**6**  
STORES

**SODIMAC**  
(2018) AB/D+

# Business Units



Data as of 2Q20



# Presence

**4.0** million sales floor area (sqm)

**32** States

**280** Municipalities / Cities

**2** Headquarters Offices

**14** Distribution Centers

**+10,200** Real estate premises



TOTAL STORES

**801**



Data as of 2Q20

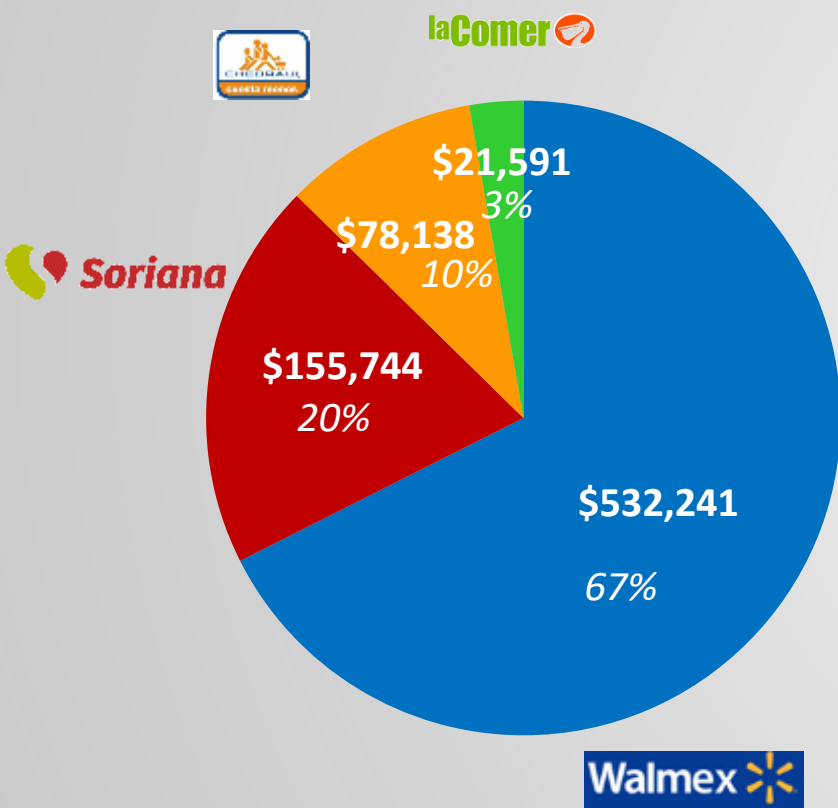
# Competitive Environment



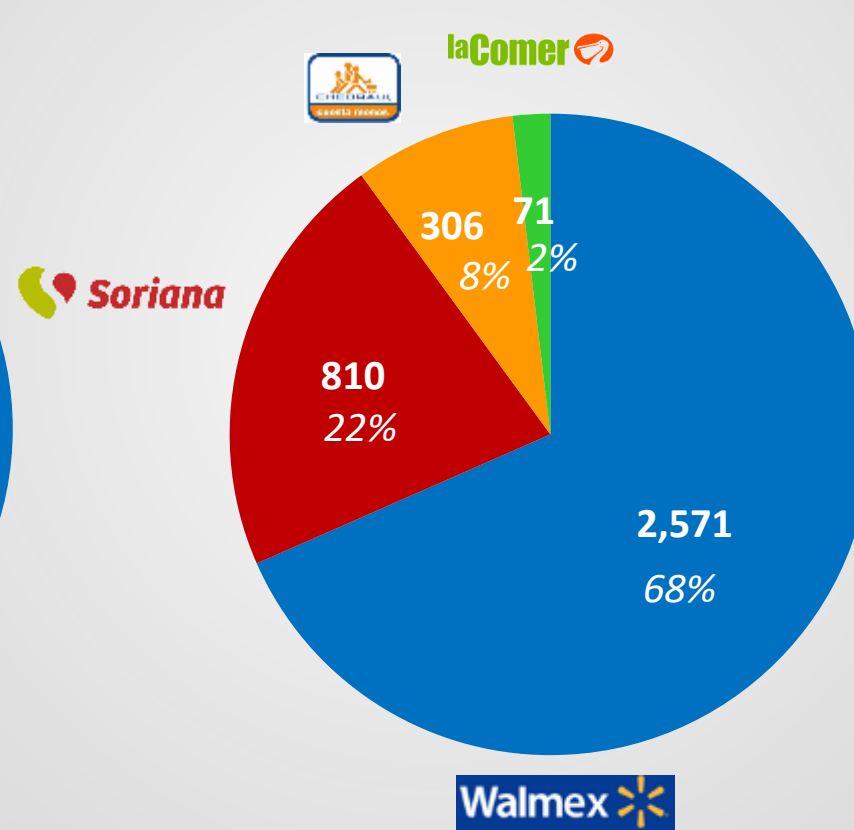
## Public Companies

### Income

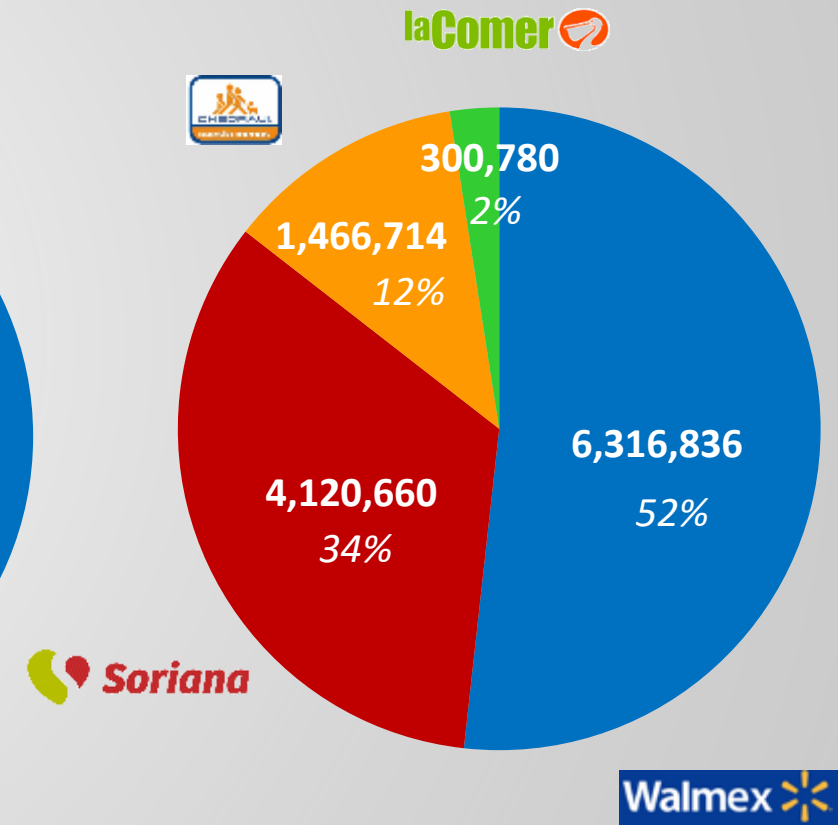
(figures in billion pesos)



### Stores



### Sales Floor Area (sqm)



\* For Walmex and Chedraui, only the Mexico operation is considered

\* Data from the 2019 annual report of companies listed on the Mexican Stock Exchange.

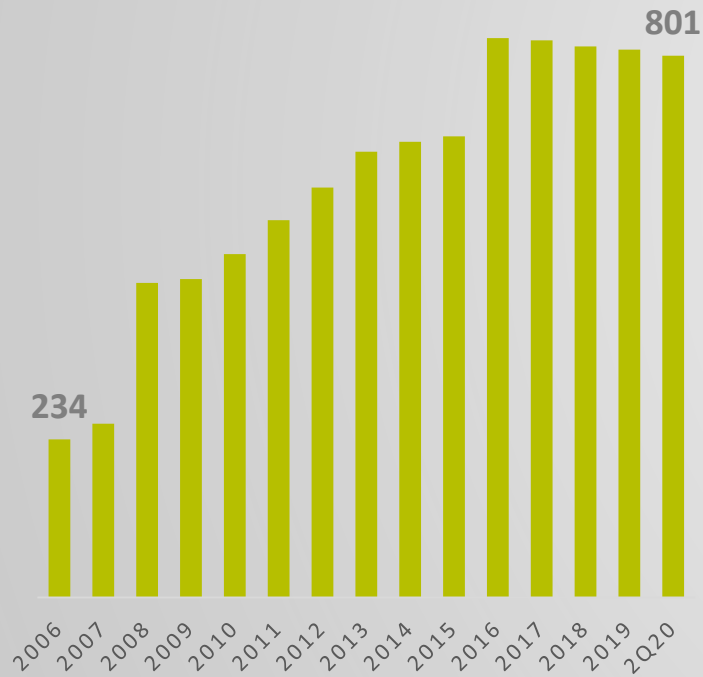


# Historical Key Indicators



## Stores

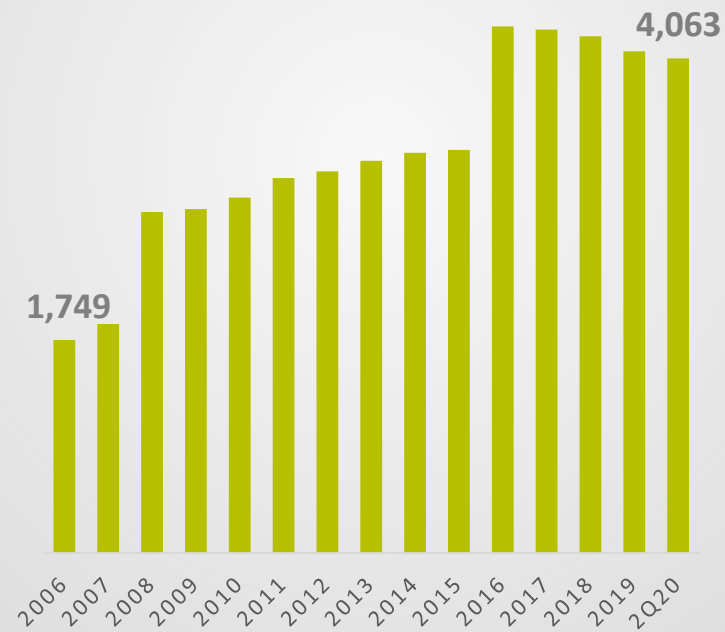
CAGR: 10.0%



## Sales Floor Area

(thousands m<sup>2</sup>)

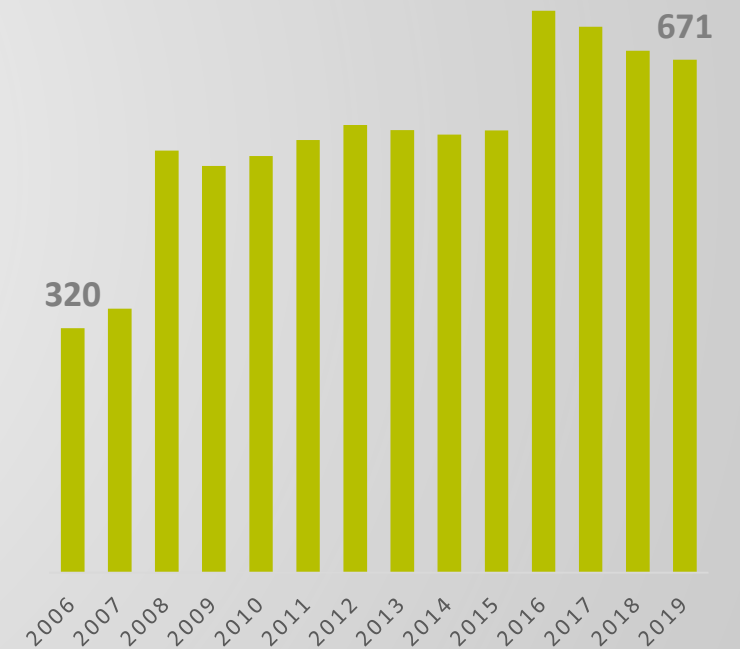
CAGR: 6.8%



## Clients / Transactions

(millions)

CAGR: 5.9%



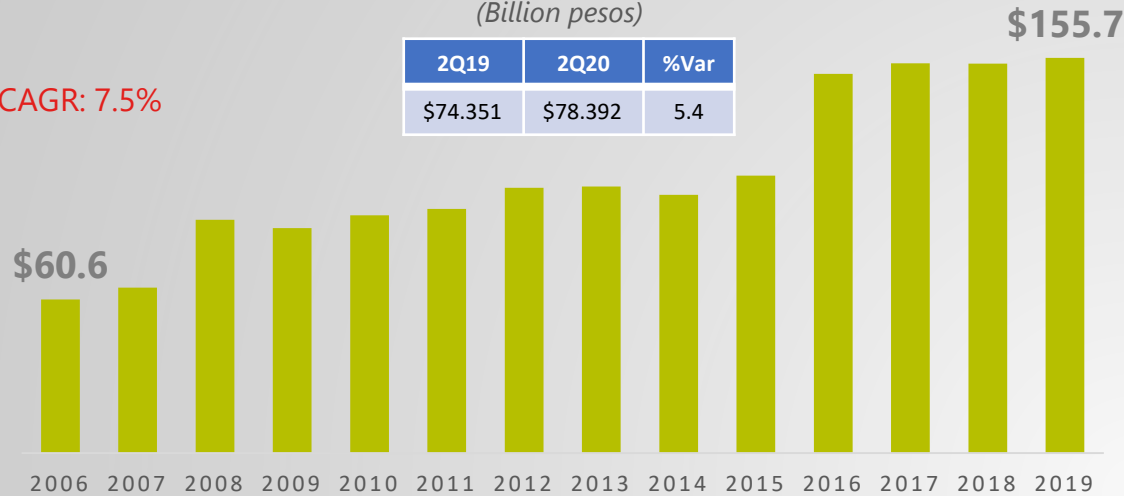
# Historical Key Indicators



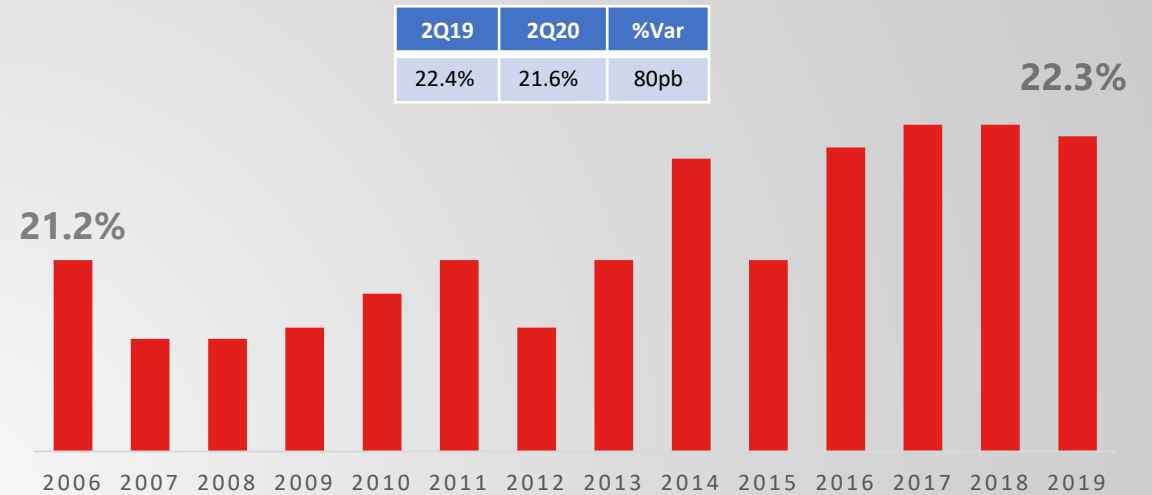
## Total Revenues

(Billion pesos)

CAGR: 7.5%



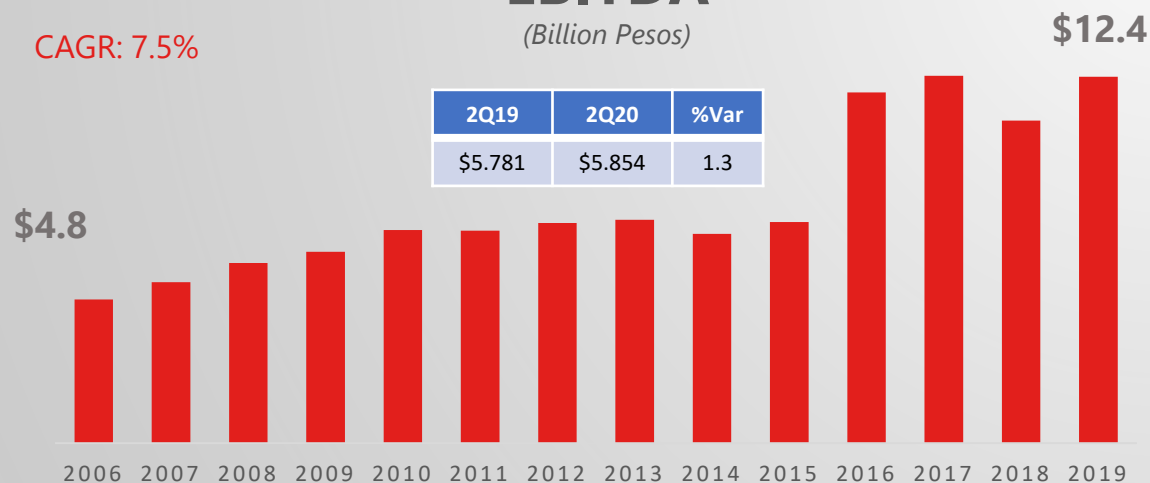
## Gross Margin



## EBITDA

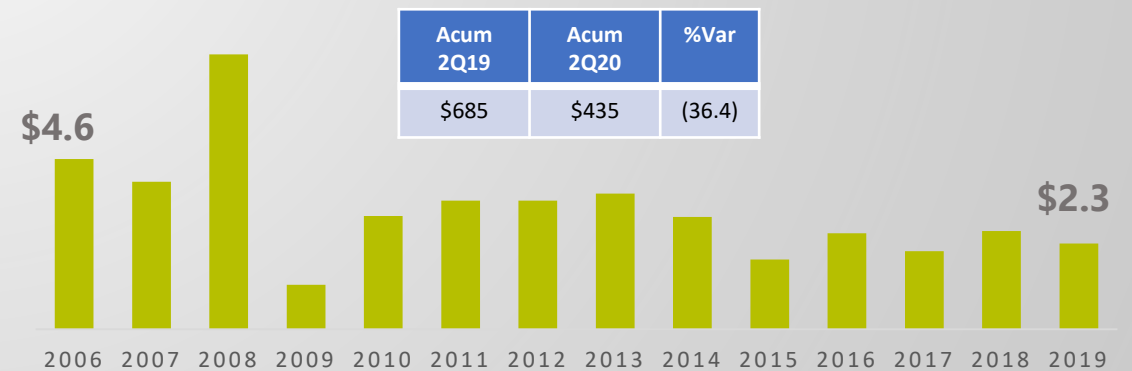
(Billion Pesos)

CAGR: 7.5%



## CAPEX

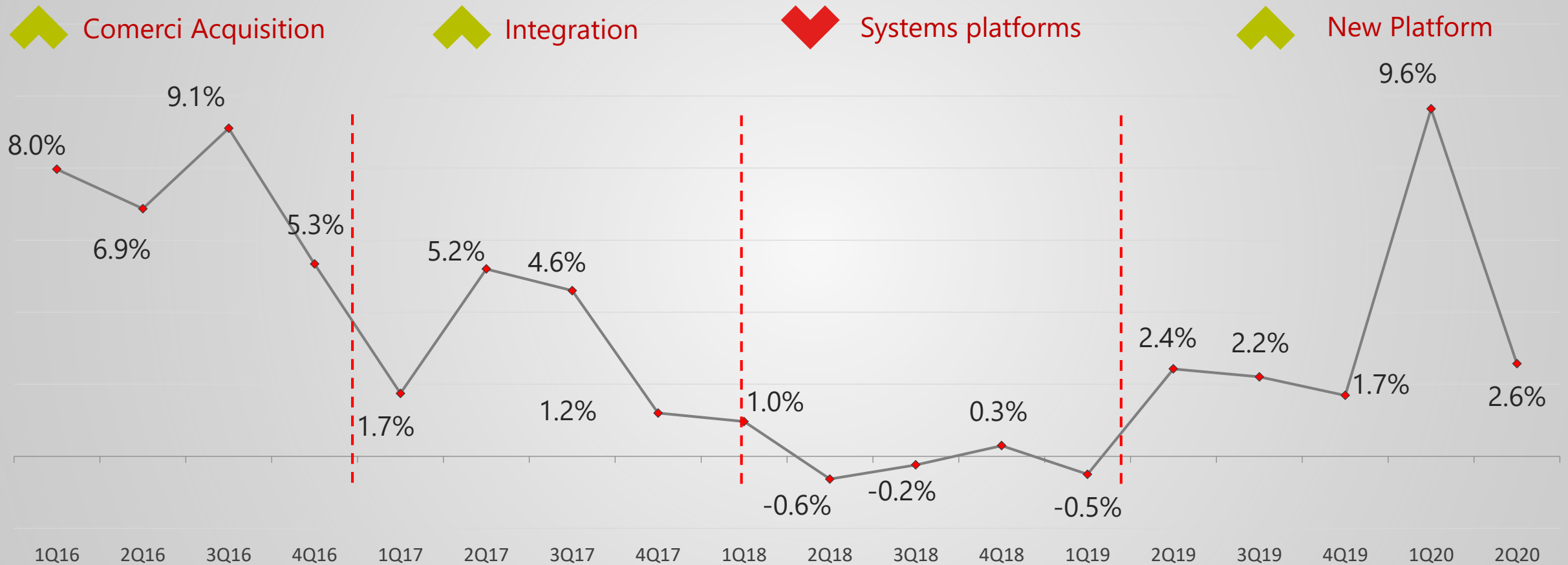
(Billion pesos)



# Recovery Strategy



## Same Store Sales Indicator Evolution

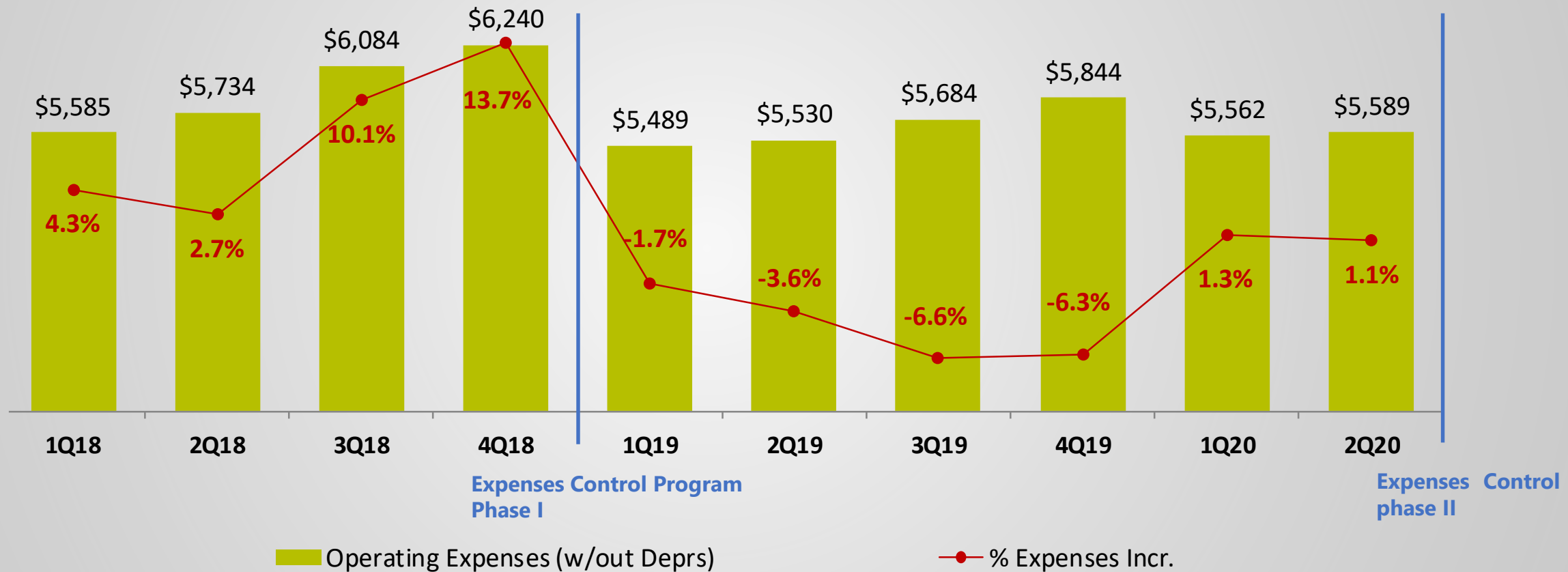


# Recovery Strategy



## Expenses Control

(figures in billion pesos)

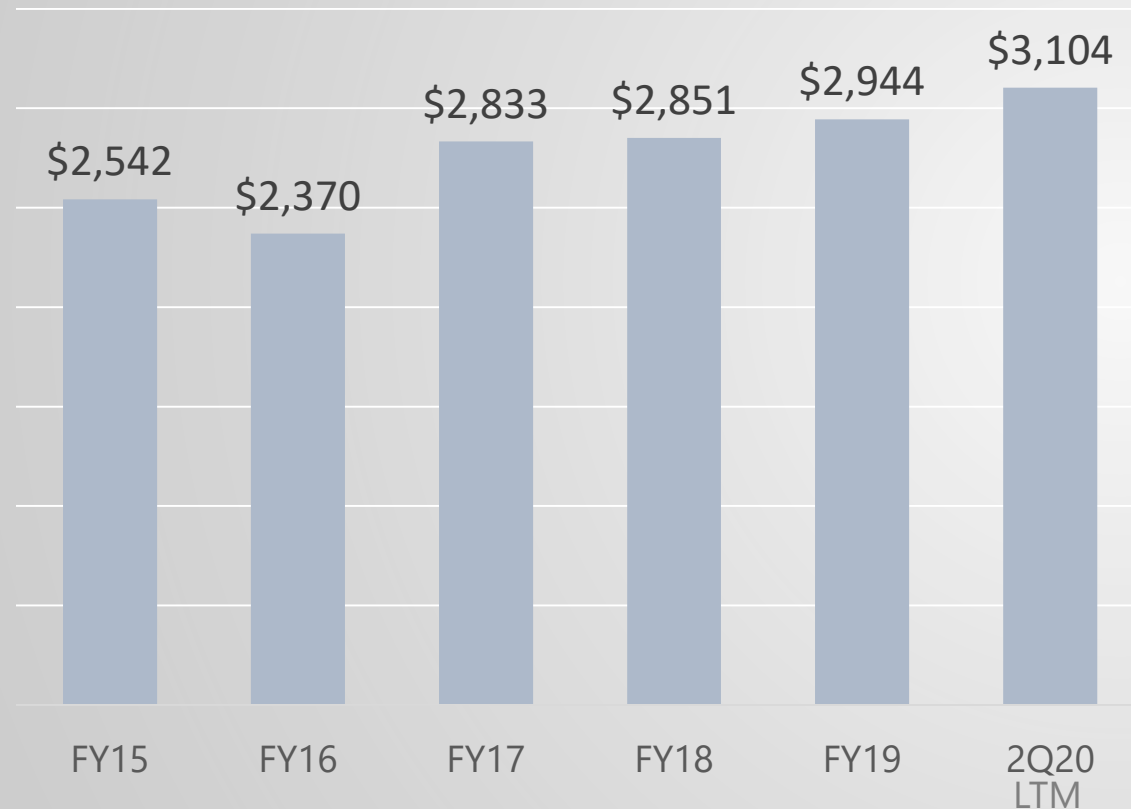


# Recovery Strategy

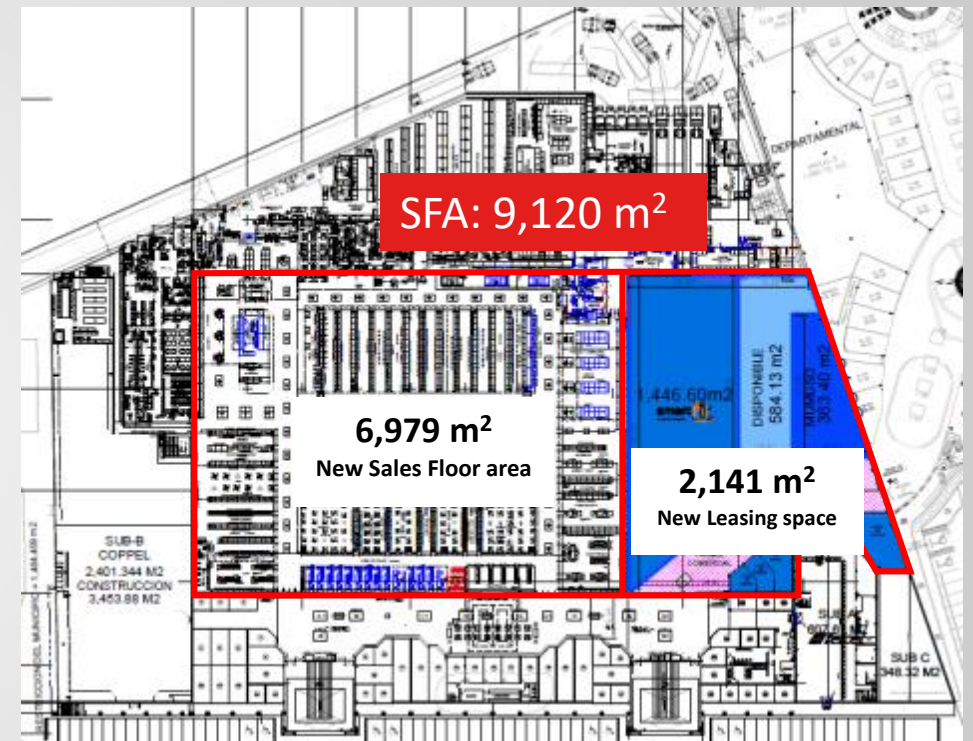
## Monthly Sales per Sq. meter

Only self-service (excludes City Club)  
Figures in Mexican pesos

**CAGR: 4.1%**



## Sales Floor Optimizations



**17** optimized stores  
+ 6 scheduled for 2020

# Optimized Stores



**Hiper San Francisco**  
Chihuahua. Chih

Sales per sq. meter **138%**



BEFORE

AFTER

# Soriana Super Concept Renovation



**Super Descubridores**  
Monterrey, NL.

Sales per sq. meter **16%**



BEFORE

AFTER



## Successful launch of new business units

### HOME CENTER INFO:

### 6 STORES IN OPERATION:

- Homecenter **Izcalli** (Cuautitlan) - Mex
- Homecenter **Arboledas** (Tlalnepantla) - Mex
- Homecenter **Cuernavaca** - Mor
- Homecenter **Boca del Río** (Veracruz) - Ver
- Homecenter **San Mateo** (Naucalpan) – Mex
- Homecenter **El Paseo** (San Luis Potosi) - SLP

Avg. Sales floor area: **11,500m<sup>2</sup>**

Employees per store: **170**

SKUs: **31,000**

Departments: **5 | 16** categories

### COMING SOON:

- Homecenter Cerro Gordo (Leon, Guanajuato)
- Homecenter Gran Sur (CDMX)





Home Center San Mateo  
Dic 2019



San Luis Potosí – Feb 2020



# Soriana-Falabella



## Financial Business Indicators

- 100% control of Soriban
- Established corporate offices and full corporate & operational structure
- 155 in-store modules in operation
- 316 thousand total cards issued
- More than 260,000 total clients
- Credit portfolio: MXN\$1.5 billion pesos
- Sales of MXN\$4.0 billion pesos in 2019



# Loyalty Program

## Soriana Recompensas + Payback

Signing of a collaboration contract with Payback, a subsidiary of AMEX, in order to add the benefits of the Payback Program to our Recompensas Loyalty Program

The main benefits are:

- ✓ Update and improve the quality of our database
- ✓ Attract Payback customers who don't visit us today.
- ✓ Dunnhumby expertise for data mining of customer databases.

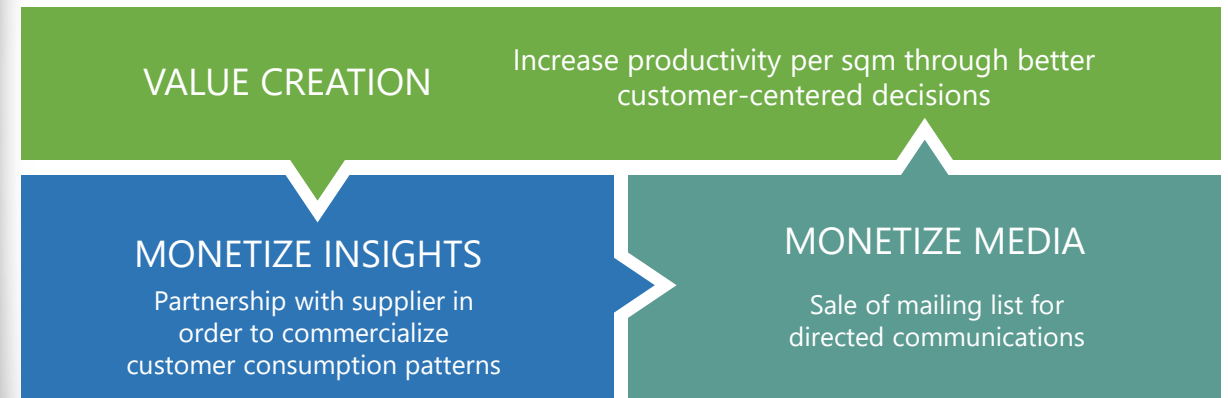


This initiative consists in offering our clients the benefits of the two largest and most important Loyalty Programs in Mexico through our Recompensas Loyalty card and thereby contributing to the increase and recovery of sales.



## dunnhumby

Soriana signed a 5-year collaboration agreement with **Dunnhumby**, world's leading British company in the analysis of information on loyalty programs in the world.



The main objective of this project is to improve sales, by using information from our customers and their consumption patterns in order to improve business decision making, as well as to offer a **personalized shopping experience** and attract new customers.

# Implications of COVID-19



Due to the present sanitary contingency caused by the COVID-19 virus and conscious of our commitment with the Mexican families, is that we have worked in a different series of actions aimed to benefit our collaborators, clients, community, suppliers and tenants.

Among the actions carried out, in addition to those focused on complying with the health authorities recommendations, the following can be mentioned:



**Sanitation and hygiene**



**One single access to the store**



**Shopping cart sanitization**



**Healthy Distance**



**Special discounts for healthcare professionals**



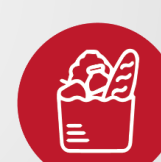
**Preferential schedule for Seniors customers**



**Product supply assurance**



**Pick-Up Service**



**Support for Senior Volunteer Packers**



**+8,500 employees in vulnerable situation were sent home**

# Implications of COVID-19



Soriana, as being part of the essential sector of supplying goods and products to the population, far from having seen a negative impact on sales due to contingency situation, has been favored by the following changes in consumption trends:

\* Q120 panic sales generated an increase in average ticket due to family stock of basic products.

\* Families had increased their weekly spending on food and basic goods due to confinement at home.

\* Capture in our stores the consumption that was typically spend in restaurants or the informal sector.

\* Significant increase in capturing USD as being one of the few companies that are authorized and is open.

\* Increase in the caption of remittances as being one of the 5 largest recipients in the country, in addition to the benefit in the currency exchange effect.

\* Accelerated growth of the home delivery service and ecommerce platform through "Super en tu casa" and Soriana.com

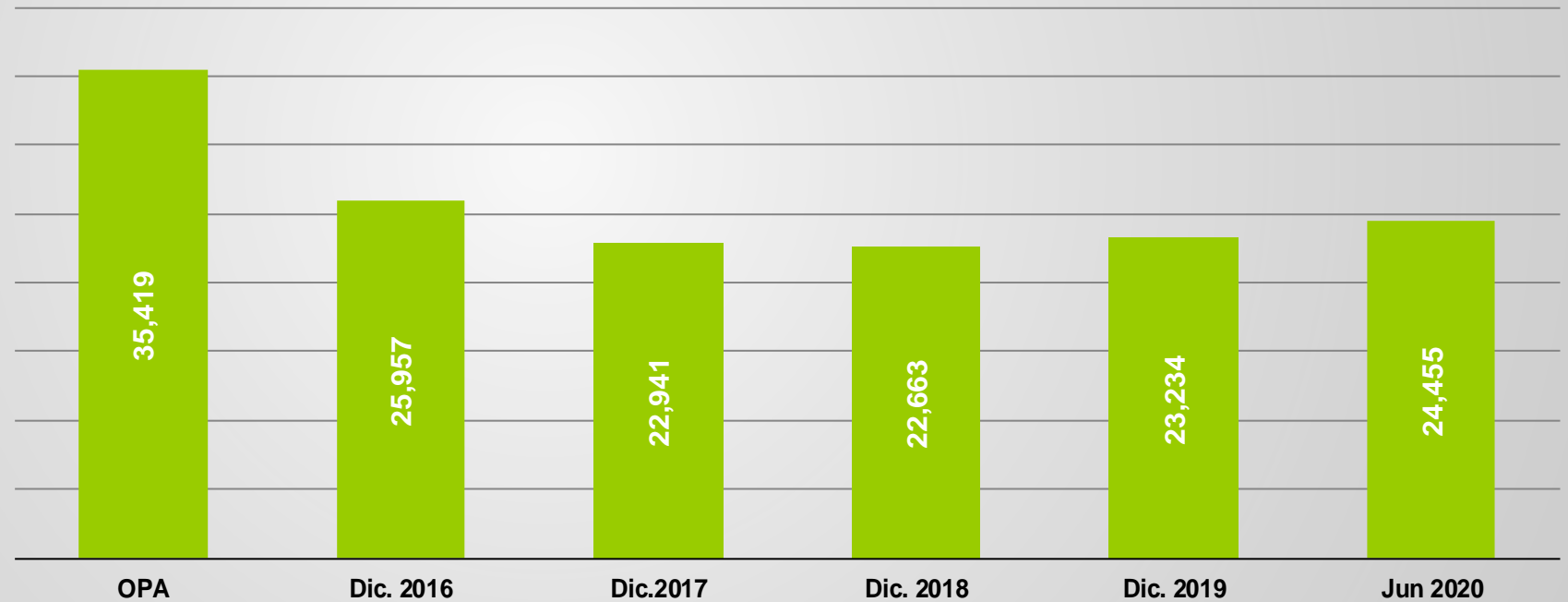
# Deleveraging Strategy



## Maintaining an adequate debt balance

Net Debt / EBITDA  
w/out IFRS16

			<i>IFRS16:</i>	<b>2.6x</b>	<b>2.6x</b>
	<b>3.1x</b>	<b>1.96x</b>	<b>1.9x</b>	<b>2.0x</b>	<b>2.0x</b>



(figures in billion pesos)

# Deleveraging Strategy



## Maintaining an adequate debt balance

- Focus on an accelerated deleveraging strategy.
- Debt renegotiation in order to improve long-term structure and strengthening Soriana's liquidity.
- Capex reduction of 40%. The remaining resources will be mainly allocated for maintenance and replacement of operating equipment.
- Temporary suspension of Soriana's new stores expansion including the JV of Soriana – Falabella.
- Second phase of the expenses control program will be implemented for the rest of the year including Sodimac and Falabella.
- No dividend payment is considered until debt balance is zero.

# Corporate Social Responsibility



In recent years, the Company has been recognized for its actions regarding Social Responsibility in aspects that include its economic, social and environmental commitment:

**#4** The 50 Employers of Mexico



**#4** The 20 Green Companies



**#11** The 50 Leading Companies in Corporate Social Responsibility



**#24** The 100 Companies with the Best Responsibility and Corporate Governance



NOMBRE DEL RANKING	POSICIÓN 2019
Accessibility Lab	Supermercados mexicanos con accesibilidad web <b>Top 3 de 5</b>
EMPRESAS VERDES	Las empresas verdes <b>Top 4 de 20</b>
MUNDO EJECUTIVO	Empleadoras de México <b>Top 4 de 50</b>
GREENPEACE	Ranking de supermercados según su huella plástica <b>Top 5 de 10</b>
PLAYERS	50 empresas más influyentes de Nuevo León <b>Top 7 de 50</b>
MUNDO EJECUTIVO	Ranking empleo <b>Top 8 de 100</b>
empleos	50 empresas con mejores empleos <b>Top 10 de 50</b>
MUNDO EJECUTIVO	50 empresas líderes en responsabilidad social empresarial <b>Posición 11 de 50</b>
EXPANSION	100 empresarios más importantes de México <b>Posición 13 de 100</b>
MUNDO EJECUTIVO	Las 1,000 empresas sector comercio <b>Posición 22 de 50</b>
merco	100 empresas con mejor responsabilidad y gobierno corporativo <b>Posición 24 de 100</b>
EXPANSION	Las 500 empresas más importantes de México <b>Posición 26 de 500</b>
MUNDO EJECUTIVO	Las 50 empresas más innovadoras <b>Posición 26 de 50</b>
merco	Las 100 empresas con mejor reputación en México <b>Posición 28 de 100</b>
EXPANSION	Empresas Responsables <b>Posición 62 de 100</b>
MUNDO EJECUTIVO	Las 1,000 empresas <b>Posición 138 de 1,000</b>
LIDERES	Los 300 <b>Posición 194 de 300</b>
INTEGRIDAD 500	Las 500 empresas con integridad corporativa <b>Posición 279 de 500</b>
Merca20	500 Marcas <b>Posición 432 de 500</b>



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