



# mabe

Cuando tu hogar funciona,  
todo funciona.

CONTROLADORA MABE  
2Q19 EARNINGS  
PRESENTATION

# DISCLAIMER

## GENERAL INFORMATION

The following material is submitted by way of general information regarding Controladora Mabe, S.A. de C.V., "Mabe", as it stands to date. Said information is presented in a summarized fashion and is not intended to be comprehensive. Nor does it constitute a recommendation for potential investors. This presentation is strictly confidential and shall not be divulged to any other person.

No representation or guarantee, either expressed or implied, is intentional, and its exactness, precision or comprehensive information herein presented shall not be emphasized. This presentation may contain declarations that express the expectations of management regarding future events or results in lieu of historic events. These forward-looking declarations imply risk and uncertainty that may cause the real results to differ materially from those forecast, and Mabe cannot ensure that said declarations will prove to be correct. These risks and uncertainties include factors related to all the economies where we operate, which in turn may show volatility and may be adversely affected by factors pertaining to other countries, related to the business of retail sales, that by its very nature is cyclical and linked to the highly competitive industry of which Mabe is a part and in which it operates.

## COMMENTS ON FINANCIAL INFORMATION:

This presentation contains our unaudited financial information. EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net income or operating income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. IFRS became effective January 1<sup>st</sup>, 2019, this new standard affects the way leasing assets and liabilities are reported in the Balance Sheet.

## INDUSTRY & MARKET DATA:

Certain data is based on our estimates, which are derived from our review of internal surveys, as well as independent sources.

## TERMS AND CONDITIONS OF USE:

Viewers or recipients of the information herein that do not agree with the term and conditions of use, should not utilize any information contained herein. Decisions based on information contained herein are the sole responsibility of the person viewing it. In exchange for utilizing the information you agree to indemnify and hold Mabe, its officers, directors, employees, affiliates, agents, licensors and suppliers harmless against any and all claims, losses, liability, costs and expenses (including but not limited to attorneys' fees) arising from the use of the above mentioned information or from any decisions that the viewer makes based on such information.

These terms and conditions and this Site are governed by the federal laws of Mexico applicable therein, excluding any conflict of laws which would lead to the application of any other laws. You hereby irrevocably submitted to the federal courts located in Mexico City for any disputes or matters arising from, connected with, or relating to this information or any related matters.

# HIGHLIGHTS

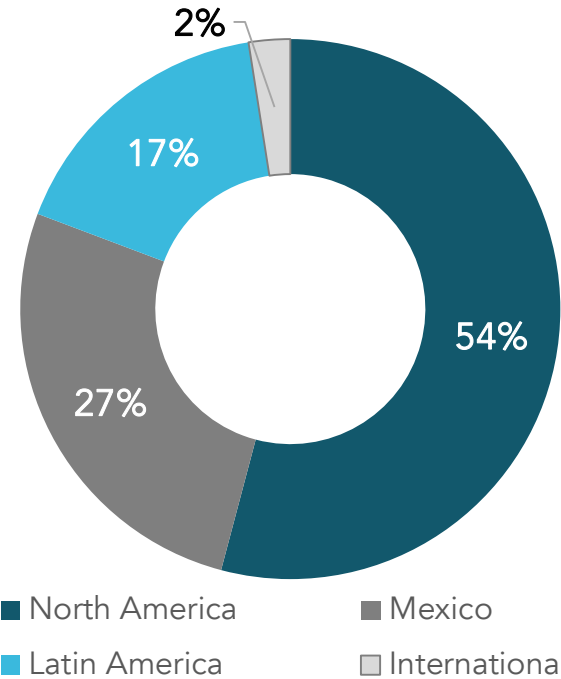
2Q19 sales rose 5% compared to 2Q18.



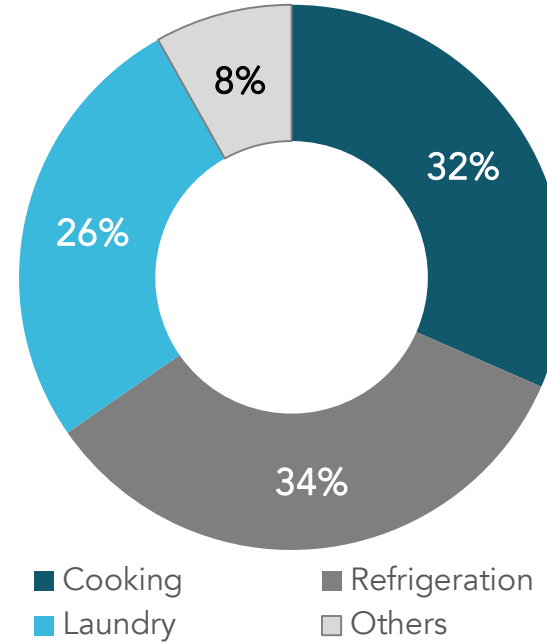
- Strong sales performance in the US, followed by Mexico and Canada.
- EBITDA fell 16% due to sales mix, FX impact in Canada and South America, and a weaker-than-expected Mother's Day season in the Latin America and Mexico regions
- We signed a commitment for a US\$150MM bank loan with a competitive rate.

# TOTAL SALES 2Q19

TOTAL SALES 2Q19 BY REGION



TOTAL SALES 2Q19 BY SEGMENT

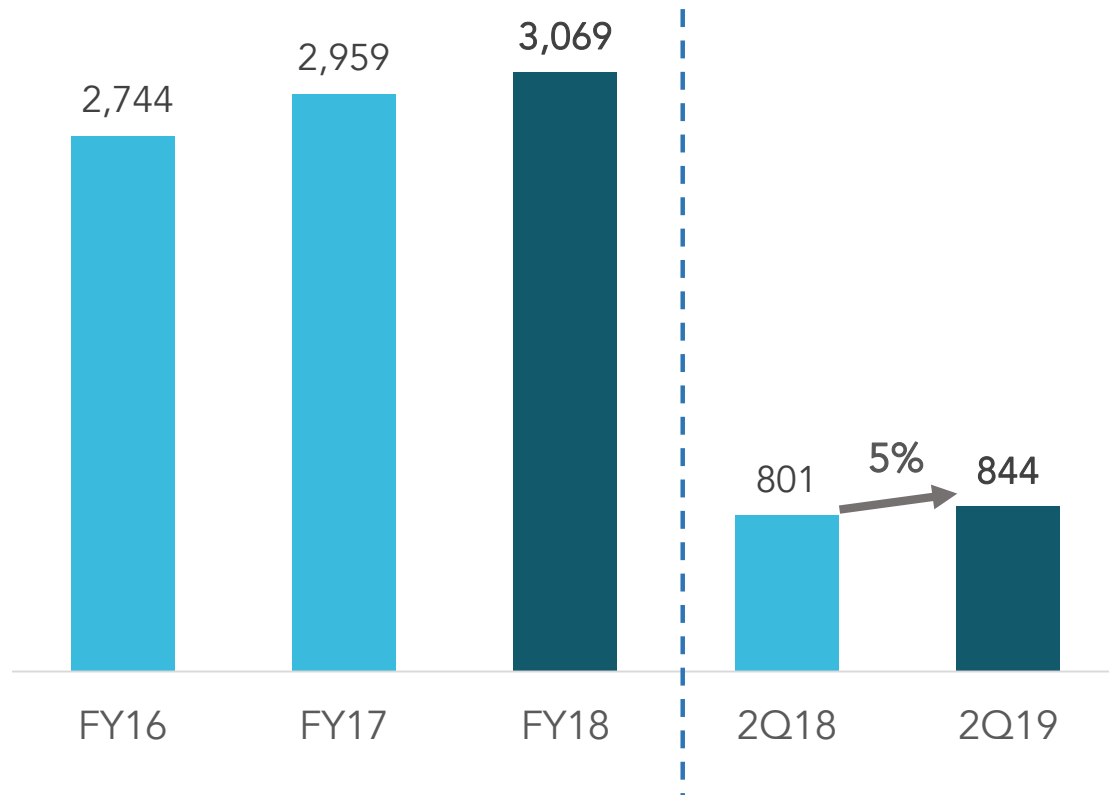


	NORTH AMERICA	MEXICO	LATIN AMERICA	INTERNATIONAL	TOTAL
Sales Change vs 2Q18	12%	7%	(9%)	(25%)	5%
SALES BY SEGMENT	NORTH AMERICA	MEXICO	LATIN AMERICA	INTERNATIONAL	TOTAL
Cooking	35%	27%	25%	42%	32%
Refrigeration	30%	34%	47%	28%	34%
Laundry	31%	24%	18%	17%	26%
Others	4%	16%	10%	13%	8%

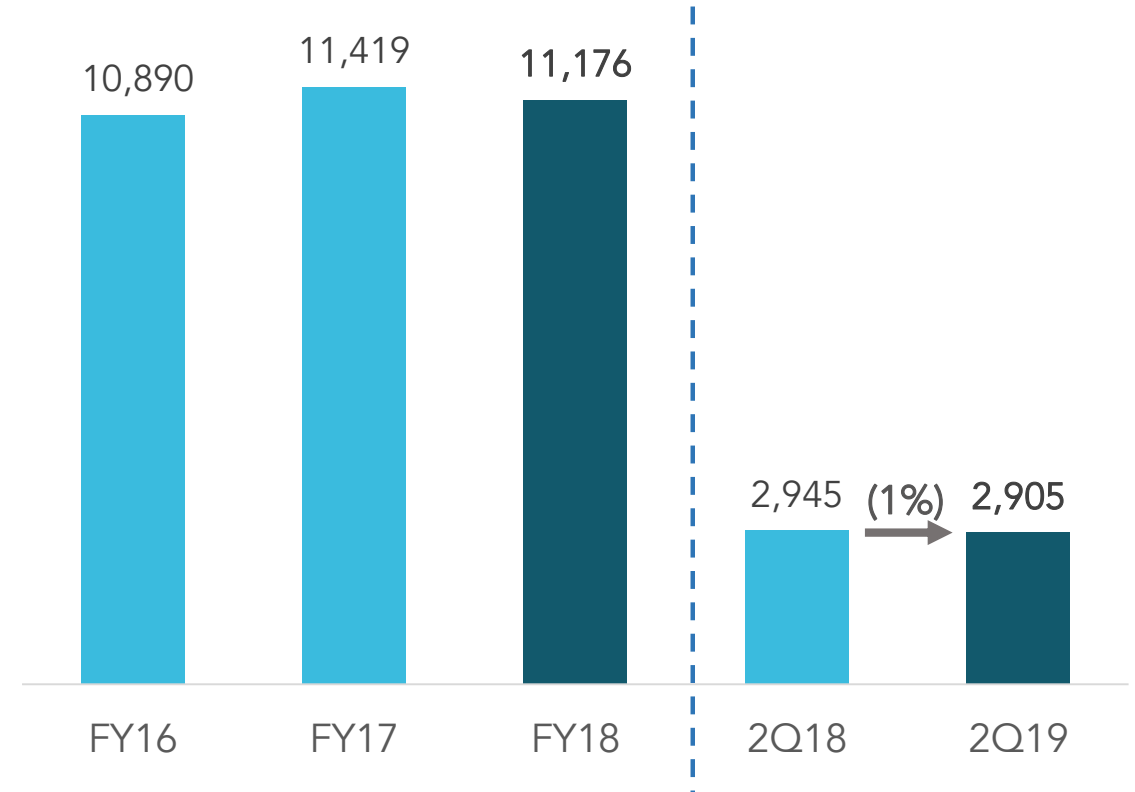
4 Figures in US\$MM, unless otherwise noted

# SALES AND VOLUME

## SALES

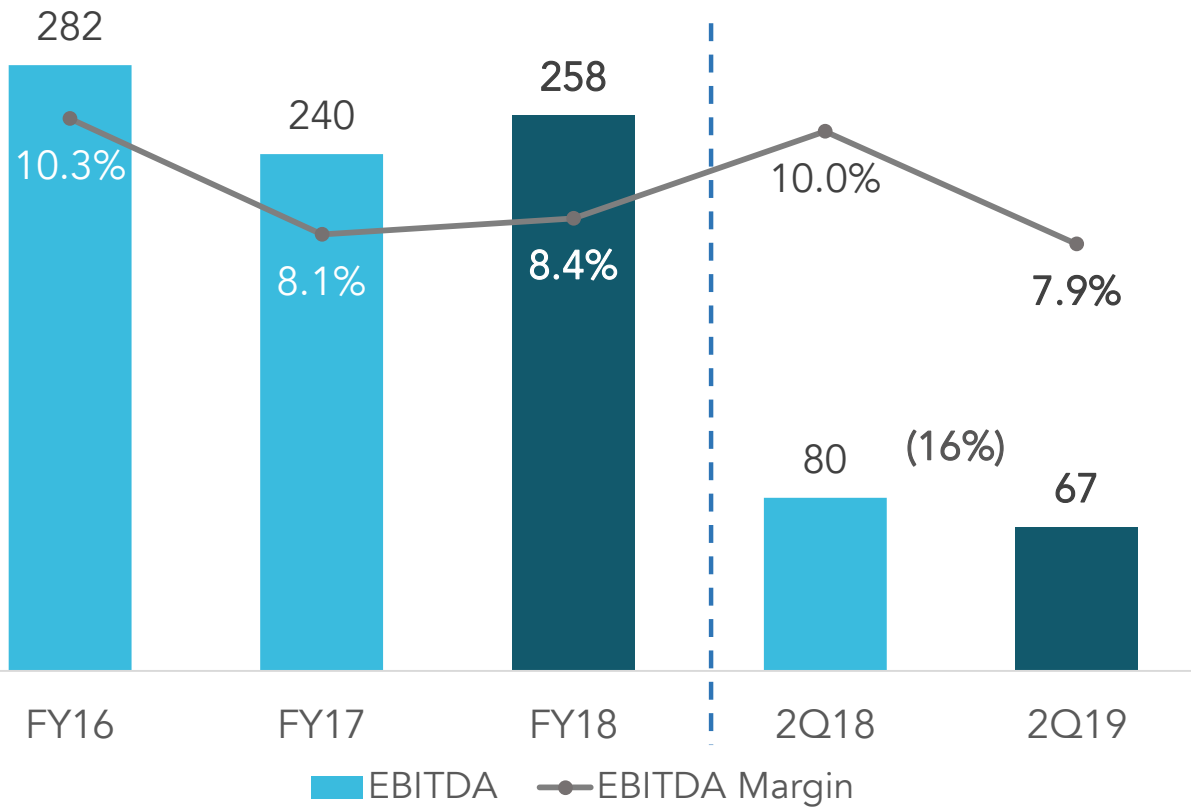


## VOLUME (IN UNITS)



# EBITDA

For purposes of this slide, EBITDA does not consider IFRS 16, which affects the way leasing assets and liabilities are reported in the Balance Sheet.



# RESULTS OVERVIEW

CONCEPT	2Q19	2Q18	Δ VS 2018
Sales	844	801	5%
EBITDAR	73	85	(14%)
EBITDAR Margin	9%	10%	
CapEx	22	26	(14%)
Net Debt	686	722	(5%)
Net Leverage	2.6x	3.1x	
Net Interest Coverage	4.6x	2.9x	

*Figures in US\$MM, unless otherwise noted*

# IFRS 16

Income Statement	w/o IFRS 2Q19	IFRS 16 Changes	w IFRS 2Q19 Proforma
Sales	844.2	-	844.2
COGS	682.4	5.4	687.8
SG&A	125.6	(5.7)	119.8
D&A	29.4	5.4	34.8
Operating profit	36.2		36.5
EBITDA	67.5		73.2
Financing cost	12.1	1.1	13.2
Net profit	14.8	(0.7)	14.0

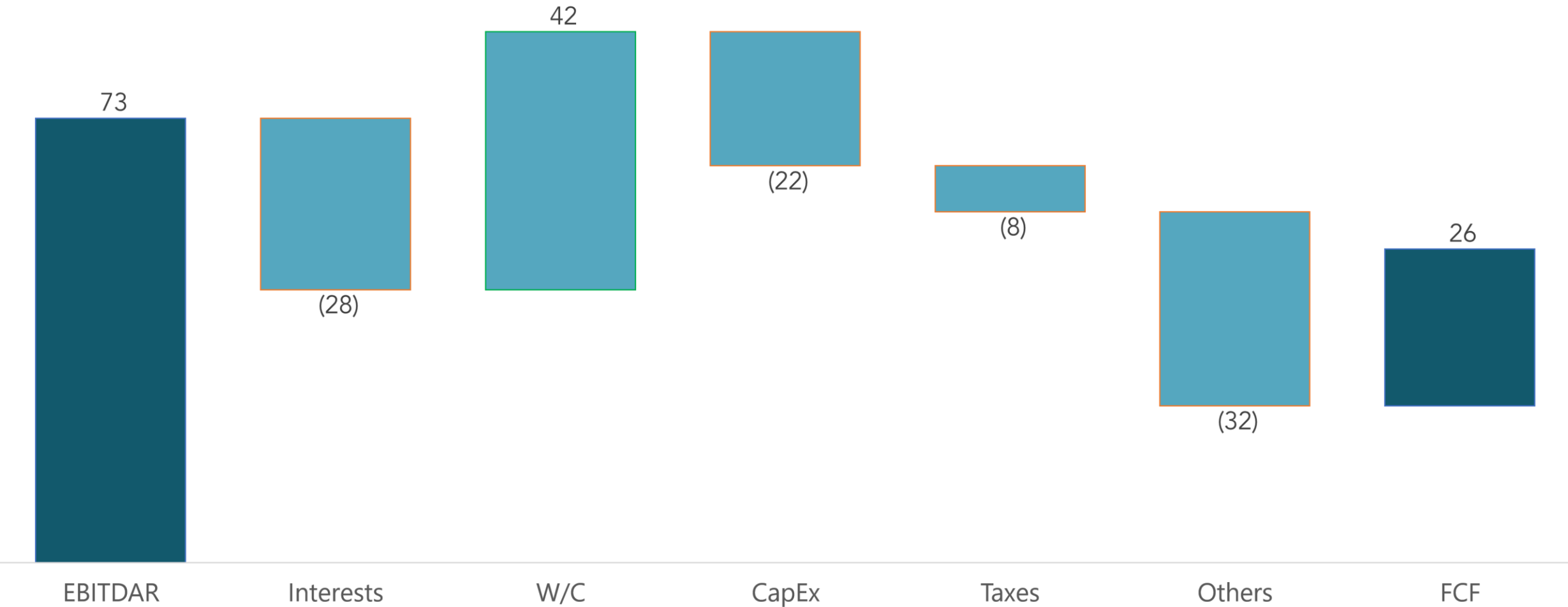
Balance Sheet			
LT Asset Leases	-	86.1	86.1
<b>Total Assets</b>	<b>2,473.1</b>		<b>2,559.3</b>
ST Liability Leases	-	8.6	8.6
<b>Current Liabilities</b>	<b>1,251.7</b>		<b>1,260.3</b>
LT Liability Leases	-	78.2	78.2
<b>Total Liabilities</b>	<b>1,935.5</b>		<b>2,022.4</b>

Covenants Calculations			
Net Debt + Leases	685.9	86.8	772.7
Interests LTM	57.6	2.0	59.6
EBITDA LTM	262.3	11.0	273.3
<b>Net debt / EBITDA</b>	<b>2.61x</b>		<b>2.83x</b>
<b>EBITDA / Interests</b>	<b>4.56x</b>		<b>4.59x</b>



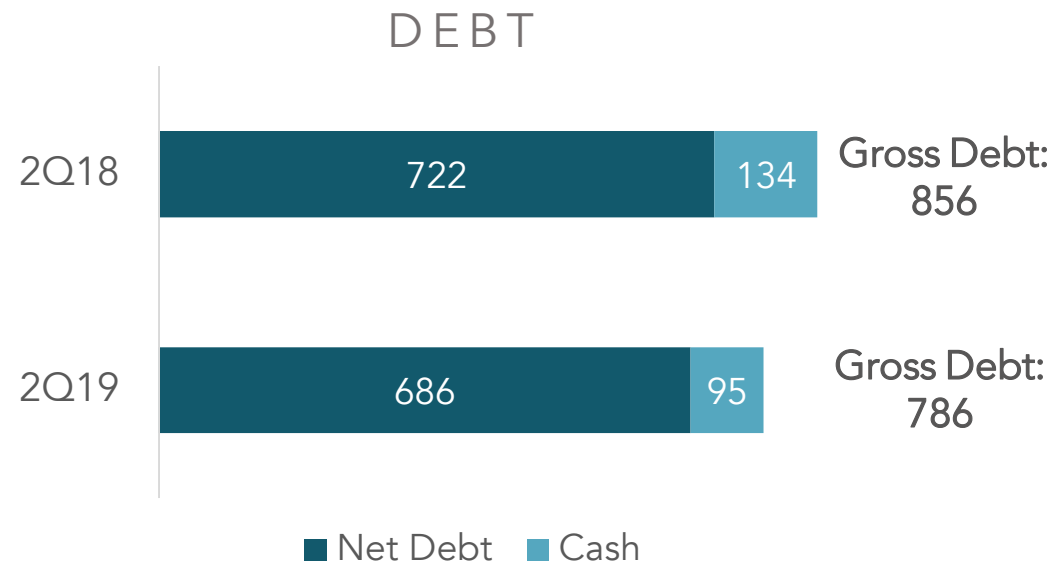


# 2Q19 FREE CASH FLOW

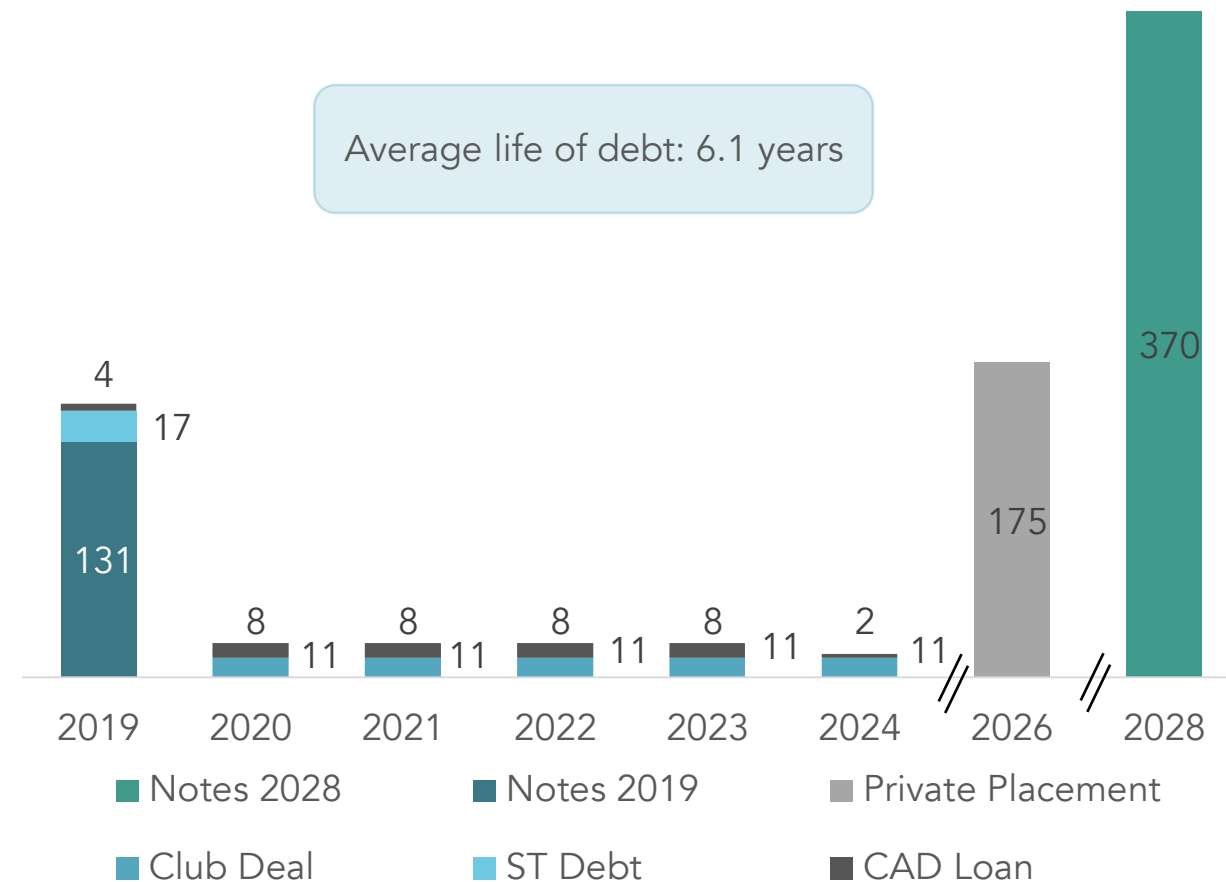


9 Figures in US\$MM, unless otherwise noted.


# DEBT PROFILE



- During June we signed a commitment for a **US\$150MM** bank loan and we made a **US\$54MM** drawdown from it to fully prepay our MXN loan.
- Loan pays a quarterly interest of **L+1.40%** and will begin to amortize in January 2020 and mature in 2024.



# FINAL REMARKS

- 
- Strong US demand for GE Appliances products.
  - We expect Mexico and Argentina to end the year in line with our forecasts.
  - South America is likely to deliver mixed results for remainder of 2019.
  - Notes maturing in 2019 will be partially refinanced with a Club Deal loan, for which we have already signed a commitment

# CONTACT

## DANIELA GARZA

Corporate Finance Manager  
Phone: +52 55 9178 8100 ext. 3757  
E-mail: [daniela.garza@mabe.com.mx](mailto:daniela.garza@mabe.com.mx)

## LAURA ALVIZO

Treasury & Investors Relations Jr. Manager  
Phone: +52 55 9178 8268  
E-mail: [laura.alvizo@mabe.com.mx](mailto:laura.alvizo@mabe.com.mx)

Av. Paseo de las Palmas 100, Lomas - Virreyes,  
Lomas de Chapultepec, 11000  
Ciudad de México, CDMX

