



Tiendas 3B

Fourth Quarter & Full–Year 2023 Financial Results

April 2024

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Today's Presenters



Anthony Hatoum
Chairman and CEO



Eduardo Pizzuto
CFO

Agenda

• 4Q23 and Full-Year 2023 Key Highlights

- Operational Performance
- Financial Results
- 2024 Guidance
- Q&A

4Q23 & Full-Year 2023 - Key Highlights

4Q23 revenue of **Ps. 12,316 million** with **30.8%** growth

2023 revenue of **Ps. 44,078 million** with **35.3%** growth

2,288 stores as of December 2023

Negative working capital for 2023 was **Ps. 4,559 million** with

Cash Flows from Operations of **Ps. 3,140 million**

Robust balance sheet post-IPO. Fully **repaid US\$ 288 million of outstanding debt**



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- **Operational Performance**

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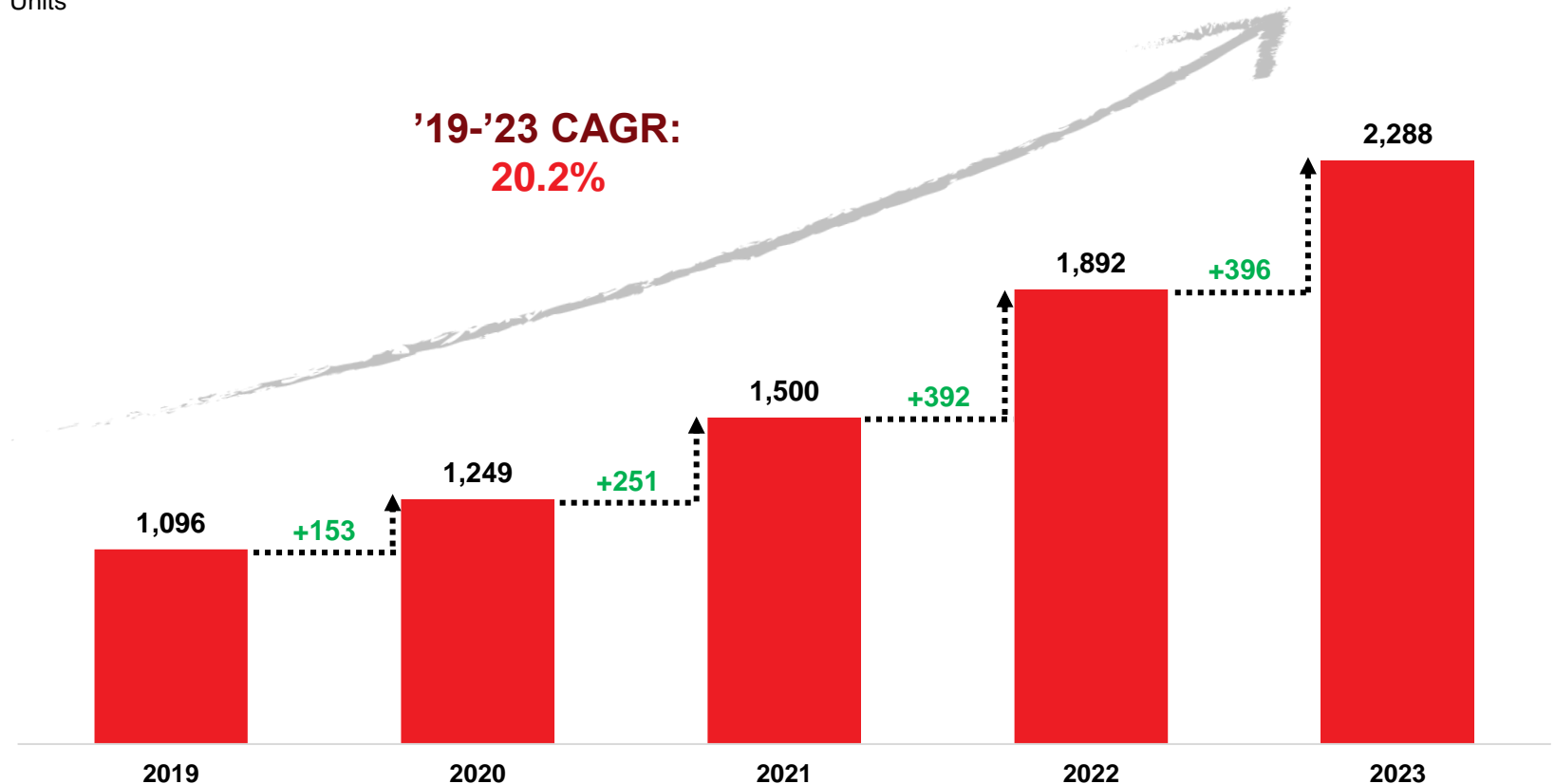
- Q&A

Proven Ability To Expand Rapidly

We opened a record of 396 net stores in 2023 to reach 2,288 stores, of which 153 were opened during 4Q23

Number of Stores

Units

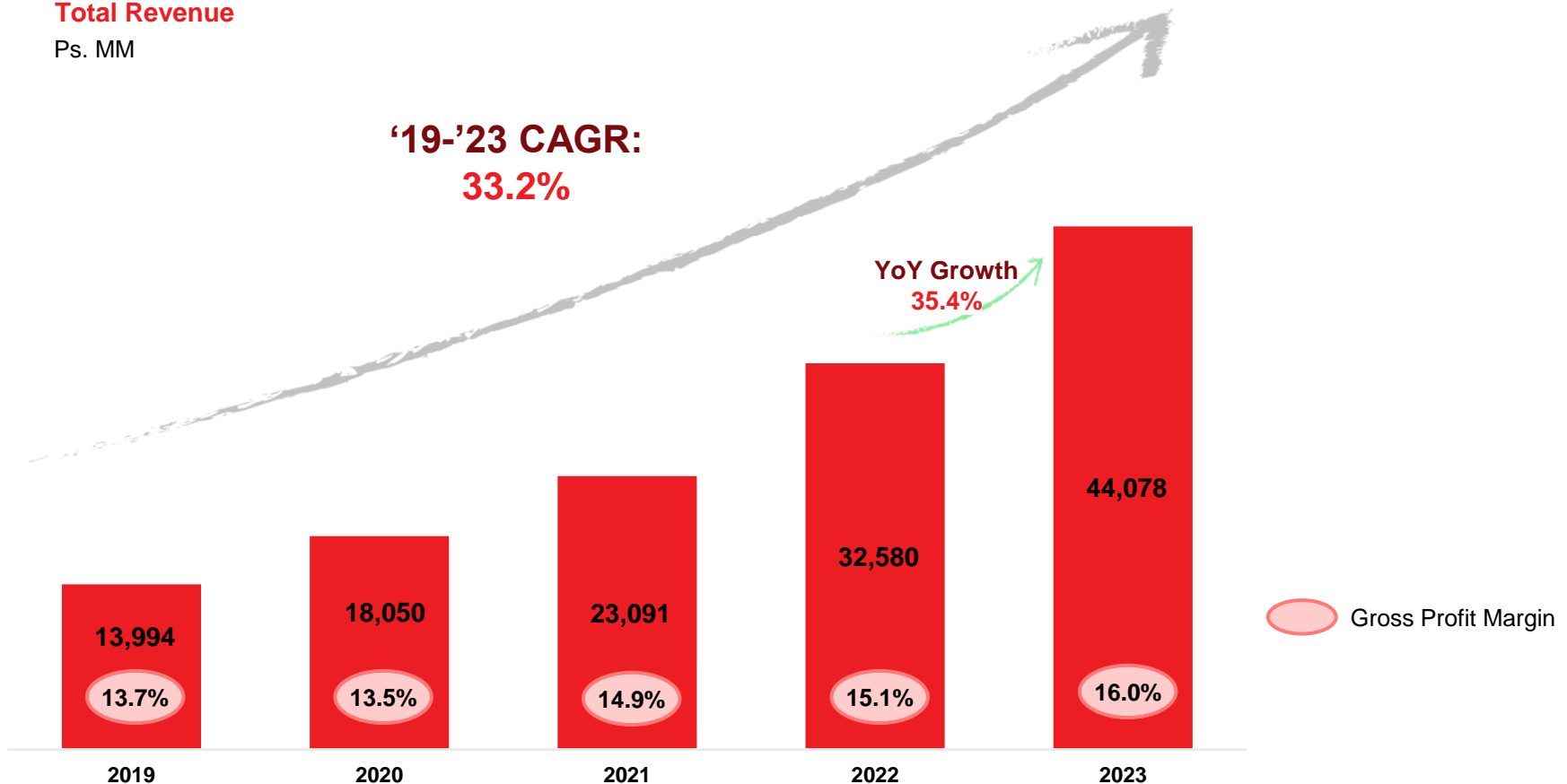


Total Revenue and Margins

We have grown our total revenues +30% year-over-year

Total Revenue

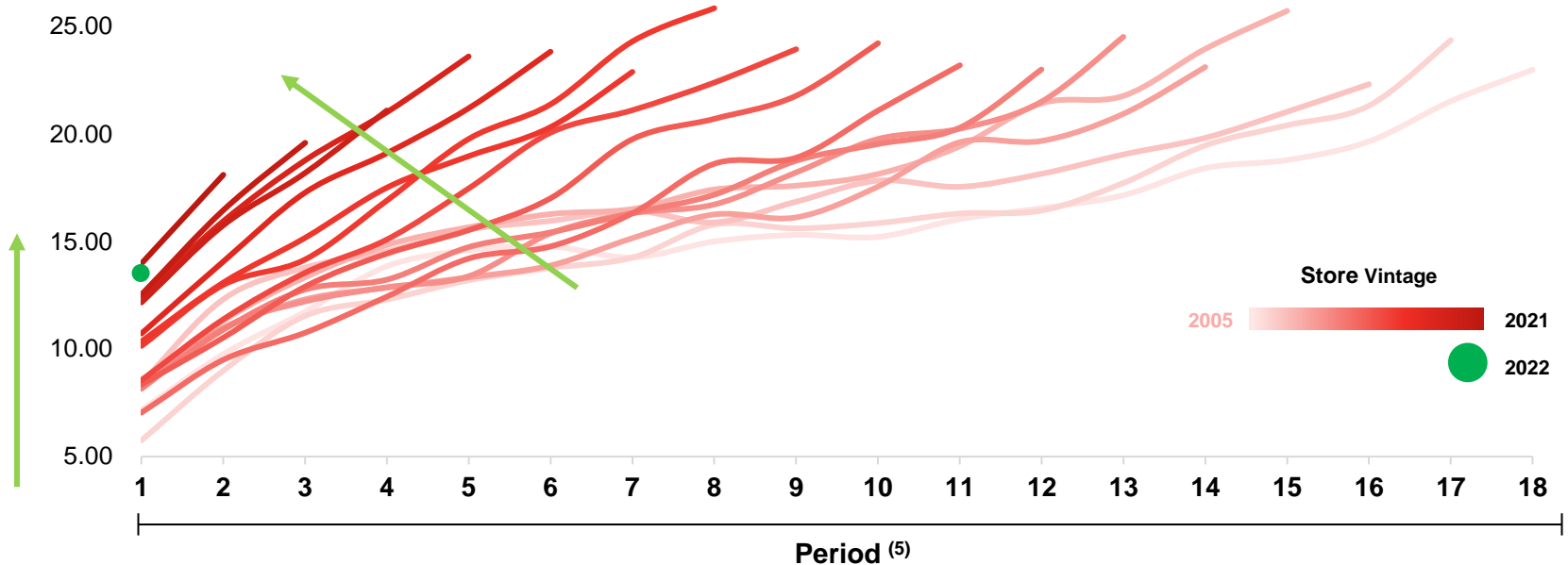
Ps. MM



Attractive Sales Ramp-Up Evolution

Median Sales per Store Vintage⁽¹⁾

Ps. MM | Median 12-Month Period⁽²⁾ Sales per Store⁽³⁾ in Real Terms⁽⁴⁾



Sales of each new vintage start higher, and their sales curve is steeper

Source: Company information. INEGI

Notes:

- 12-month period since opening, excluded month 1. (i.e. period 1 is from month 2 through month 13 since opening)
- Median 12-month period sales of all stores in the corresponding vintage (excludes the first month to "normalize" dates in which stores are operational since opening). Closed stores are excluded from median calculation.
- All figures in real Mexican pesos terms as of December 31, 2022 adjusted for inflation using Mexican National Consumer Price (Índice Nacional de Precios al Consumidor), as provided by the Mexican Statistic and National Geography Institute (Instituto de Estadística y Geografía), and as published by Banco de México.
- Number of stores opened in the corresponding that remain open as of December 2022.
- Each period = 12 months.

Sales Driven by Increasing Traffic

	2022	2023	Var %
Number of Transactions per store per month⁽¹⁾	23,767	25,635	7.9%
Average Ticket Size (Ps.) ⁽²⁾	Ps. 79.3	Ps. 82.5	4.0%
Private Label Sales Products (% of Sales of Merchandise)	42.8%	46.5%	370 bps

Notes:
 1. Stores with five or more years of operations.
 2. Numbers have been rounded

Agenda

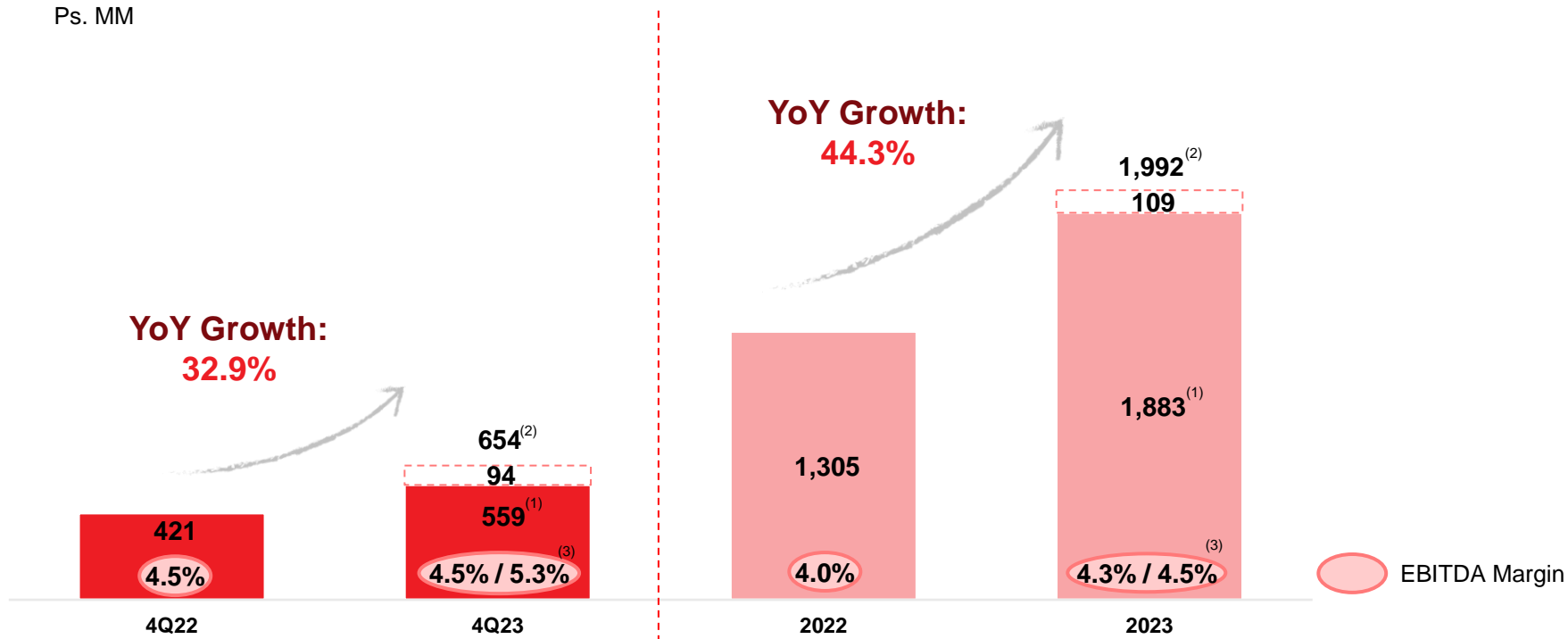
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Strong EBITDA Growth

Track record of profitable growth despite one-off expenses and adjustments in the fourth quarter of 2023

EBITDA

Ps. MM



Notes:

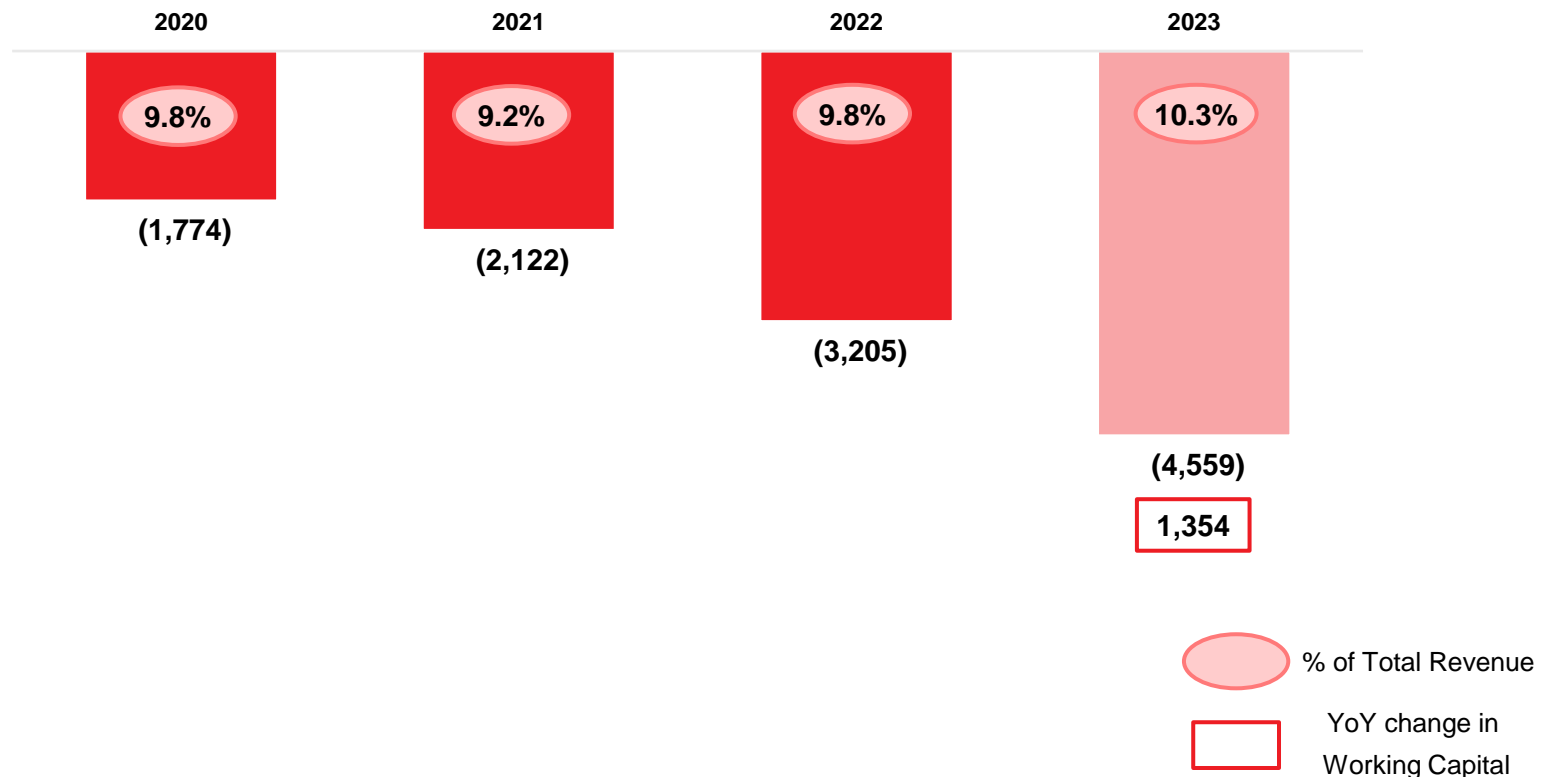
1. We calculate "EBITDA" as net income (loss) for the period, plus income tax expense, financial costs, net, and total depreciation and amortization. We calculate "EBITDA Margin" for a period by dividing EBITDA for the corresponding period by total revenue for such period. See Annex 3 for a reconciliation of net income (loss) for the period to EBITDA.
2. We calculate "Adjusted EBITDA" as EBITDA minus the impact of Hurricane Otis for a total of Ps. 80 million in 4Q23 and 2023 and IPO-related expenses of Ps. 14 million in 4Q23 and Ps. 28 million in 2023. See Annex 3 for a reconciliation of net income (loss) for the period to Adjusted EBITDA.
3. We calculate EBITDA Margin for a period by dividing EBITDA for the corresponding period by total revenue for such period and Adjusted EBITDA for a period by dividing Adjusted EBITDA for the corresponding period by total revenue for such period.

Favorable Negative Working Capital Cycle

Favorable Negative Working Capital dynamics drive our self-funded expansion strategy

Working Capital⁽¹⁾

Ps. MM



Notes:

1. We calculate working capital as total current assets minus total current liabilities

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Guidance 2024

	Range
Number of New Stores (#)	380 - 420
Revenue Growth (%)	28% - 32%
Same Store Sales Growth (%)	Mid-teens

More of the Same - Better and Faster

Leader in Mexico Hard Discount

1. More stores
2. More value for money
3. More growth
4. More efficiency
5. More cash

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• **Q&A**



Q&A

Now Speaking



Anthony Hatoum
Founder, Chairman and CEO

Now Speaking



Eduardo Pizzuto
CFO

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Appendix: Financial Statements

Annex 1 - Income Statement

In Ps. Thousands

	For the Years Ended December 31,			For the Three Month Period Ended December 31,		
	2023	2022	%	2023	2022	%
Revenue From Sales of Merchandise	Ps.43,987,803	Ps.32,472,577	35.5%	Ps.12,293,230	Ps.9,391,177	30.9%
Sales of Recyclables	90,656	107,820	(15.9%)	22,374	24,442	(8.5%)
Total Revenue	44,078,459	32,580,397	35.3%	12,315,604	9,415,619	30.8%
Cost of Sales	(37,038,542)	(27,655,643)	33.9%	(10,304,939)	(7,985,538)	29.0%
Gross Profit	7,039,917	4,924,754	42.9%	2,010,665	1,430,081	40.6%
<i>Gross Profit Margin</i>	<i>16.0%</i>	<i>15.1%</i>		<i>16.3%</i>	<i>15.2%</i>	
Sales Expenses	(4,822,912)	(3,460,840)	39.4%	(1,391,882)	(990,865)	40.5%
Administrative Expenses	(1,386,929)	(952,090)	45.7%	(353,785)	(231,818)	52.6%
Other Income (Expense) - Net	(36,213)	8,445	n.m.	(36,905)	7,430	n.m.
Operating Profit	793,863	520,269	52.6%	228,093	214,828	6.2%
<i>Operating Profit Margin</i>	<i>1.8%</i>	<i>1.6%</i>		<i>1.9%</i>	<i>2.3%</i>	
Financial Income	26,069	19,840	31.4%	5,559	5,326	4.4%
Financial Costs	(1,527,107)	(1,168,786)	30.7%	(519,239)	(340,436)	52.5%
Exchange Rate Fluctuation	606,270	264,930	128.8%	202,348	211,408	(4.3%)
Financial Cost - Net	(894,768)	(884,016)	1.2%	(311,332)	(123,702)	151.7%
Loss Before Income Tax	(100,905)	(363,747)	(72.3%)	(83,239)	91,126	(191.3%)
Income Tax Expense	(205,248)	(201,363)	1.9%	(13,745)	(72,036)	(80.9%)
Net Loss for the Period	Ps.(306,153)	Ps.(565,110)	(45.8%)	Ps.(96,984)	Ps.19,090	(608.0%)
<i>Net Profit Margin</i>	<i>(0.7%)</i>	<i>(1.7%)</i>		<i>(0.8%)</i>	<i>0.2%</i>	

Annex 2 - Non-IFRS Financial Measures

In Ps. Thousands

	For the Years Ended December 31,			For the Three Month Period Ended December 31,		
	2023	2022	%	2023	2022	%
Net Loss for the Period	Ps.(306,153)	Ps.(565,110)	(45.8%)	Ps.(96,984)	Ps.19,090	(608.0%)
<i>Net Profit Margin</i>	<i>(0.7%)</i>	<i>(1.7%)</i>		<i>(0.8%)</i>	<i>0.2%</i>	
Income Tax Expense	205,248	201,363	1.9%	13,745	72,036	(80.9%)
Financial Cost - Net	894,768	884,016	1.2%	311,332	123,702	151.7%
D&A	1,089,096	785,054	38.7%	331,050	206,015	60.7%
EBITDA	Ps.1,882,959	Ps.1,305,323	44.3%	Ps.559,143	Ps.420,843	32.9%
<i>EBITDA Margin</i>	<i>4.3%</i>	<i>4.0%</i>		<i>4.5%</i>	<i>4.5%</i>	
Hurricane Otis Adjustments	80,429	-	n.m.	80,429	-	n.m.
Pre-IPO Adjustments	28,432	-	n.m.	14,030	-	n.m.
Adjusted EBITDA	Ps.1,991,820	Ps.1,305,323	52.6%	Ps.653,602	Ps.420,843	55.3%
<i>Adjusted EBITDA Margin</i>	<i>4.5%</i>	<i>4.0%</i>		<i>5.3%</i>	<i>4.5%</i>	

Annex 3 -Statement of Cash Flows

In Ps. Thousands

	For the Years Ended December 31,	
	2023	2022
Loss before income tax	Ps.(100,905)	Ps.(363,747)
Adjustments for:		
Depreciation of property and equipment	488,409	297,743
Depreciation of right-of-use assets	598,031	484,916
Amortization of intangible assets	2,655	2,395
Impairment of property and equipment	42,422	-
Costs related with defined benefits to employees	3,873	3,631
Interest payable on Promissory Notes	619,779	615,592
Interest expense on lease liabilities	762,872	507,875
Interest on debt and bonus payable to related parties	29,747	45,319
Loss related to modification and remeasurement of Promissory Notes	84,236	-
Finance income	(26,069)	(19,840)
Exchange fluctuation	(610,703)	(285,990)
Share-based payment expense	384,566	303,789
	2,278,913	1,591,683
Increase in inventories	(425,880)	(528,363)
Increase in other current assets and guarantee deposits	(138,014)	(233,823)
Increase in suppliers (including supplier finance arrangements)	1,735,897	1,496,811
Increase in other current liabilities	78,963	87,344
(Decrease) Increase on bonus payable to related parties	(8,564)	10,688
Income taxes paid	(380,967)	(308,005)
Net cash flows provided by operating activities	3,140,349	2,116,335
Purchase of property and equipment	(1,798,019)	(1,122,877)
Sale of property and equipment	3,776	2,646
Investment in intangible assets	(1,185)	(2,805)
Interest received on short-term investments	16,639	11,686
Net cash flows used in investing activities	(1,778,789)	(1,111,350)
Payments made on reverse factoring transactions-net of commissions received	(2,074,890)	(1,409,089)
Finance obtained through supplier finance arrangements	2,195,833	1,528,143
Proceeds from Promissory Notes	-	-
Proceeds credit lines	99,618	82,527
Payment of debt	(104,769)	(360,107)
Interest payment on debt	(25,224)	(41,859)
Lease payments	(1,186,260)	(826,730)
Net cash flows used in financing activities	(1,095,692)	(1,027,115)
Net (decrease) increase in cash and cash equivalents	265,868	(22,130)
Effect of foreign exchange movements on cash balances	(30,373)	7,066
Cash and cash equivalents at beginning of year	984,976	1,000,040
Cash and cash equivalent at end of year	Ps.1,220,471	Ps.984,976

Annex 4 - Statement of Financial Position

In Ps. Thousands

	As of December 31,	
	2023	2022
Current Assets:		
Cash and Cash Equivalents	Ps.1,220,471	Ps.984,976
Sundry Debtors	11,020	19,885
VAT Receivable	731,186	609,581
Advanced Payments	72,998	53,155
Inventories	2,357,485	1,931,605
Total Current Assets	Ps.4,393,160	Ps.3,599,202
Non-Current Assets:		
Guarantee Deposits	Ps.33,174	Ps.27,741
Property, Furniture, Equipment, and Lease-hold Improvements	4,606,300	3,164,204
Right-of-use Assets - Net	5,520,596	4,696,459
Intangible Assets - Net	6,771	8,241
Deferred Income Tax	403,801	299,060
Total Non-current Assets	Ps.10,570,642	Ps.8,195,705
Total Assets	Ps.14,963,802	Ps.11,794,907
Current liabilities:		
Suppliers	Ps.7,126,089	Ps.5,390,192
Accounts Payable and Accrued Expenses	322,959	273,731
Income Tax Payable	2,326	73,304
Bonus Payable to Related Parties	78,430	43,834
Short-term Debt	744,137	491,236
Lease Liabilities	537,515	417,307
Employees' Statutory Profit Sharing Payable	140,485	114,798
Total Current Liabilities	Ps.8,951,941	Ps.6,804,402
Non-current liabilities:		
Debt with Related Parties	Ps.4,340,452	Ps.4,276,058
Bonus Payable to Related Parties	-	44,528
Long-term Debt	577,318	540,734
Lease Liabilities	5,706,707	4,828,135
Employee Benefits	22,232	14,311
Total Non-current Liabilities	Ps.10,646,709	Ps.9,703,766
Total Liabilities	Ps.19,598,650	Ps.16,508,168
Stockholders' Equity:		
Capital Stock	Ps.471,282	Ps.471,282
Reserve for Share-based Payments	851,701	467,135
Cumulatives Losses	(5,957,831)	(5,651,678)
Total Stockholders' Equity	(Ps.4,634,848)	(Ps.4,713,261)
Total Liabilities and Stockholders' Equity	Ps.14,963,802	Ps.11,794,907