Tiendas 3B

Second Quarter 2024
Financial Results

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Today's Presenters



Anthony Hatoum
Chairman and CEO



Eduardo Pizzuto
CFO

Agenda

- **2Q24 Key Highlights**
- Operational Performance
- Financial Results
- Closing Remarks
- Q&A

2Q24 - Key Highlights

Opened **121 net new stores** and **1 distribution center** in 2Q24

2,503 stores and **16 distribution centers** as of 2Q24

Same Store Sales[1] growth of **10.7%**

Revenue of **Ps. 13,574 million,** YoY growth of **27.5%.**

EBITDA of **Ps. 689 million**, YoY growth of **43.2%**

1H24 Cash Flow from Operation of **Ps. 1,256 million**

Net cash of **Ps. 1,245 million**; additionally, cash of **Ps. 2,774 million** in USD bank deposits





1. *We measure "Same Store Sales" using revenue from sales of merchandise from stores that were operational for at least the full preceding 12 months for the periods under consideration.*

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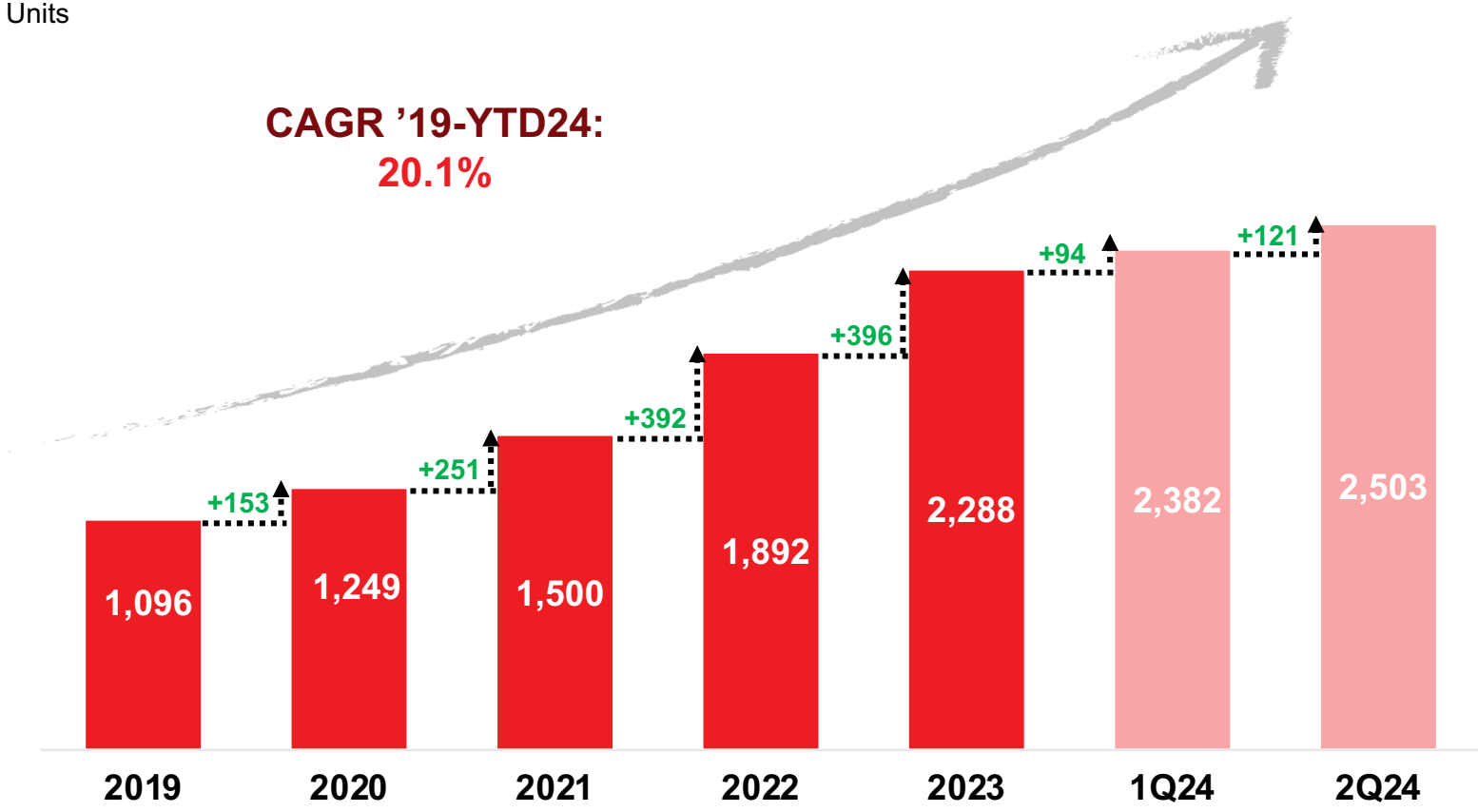
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Continued Momentum in Store Openings

Opened 121 net new stores to reach 2,503 stores, aligned with FY guidance of 380-420

Number of Stores

Units

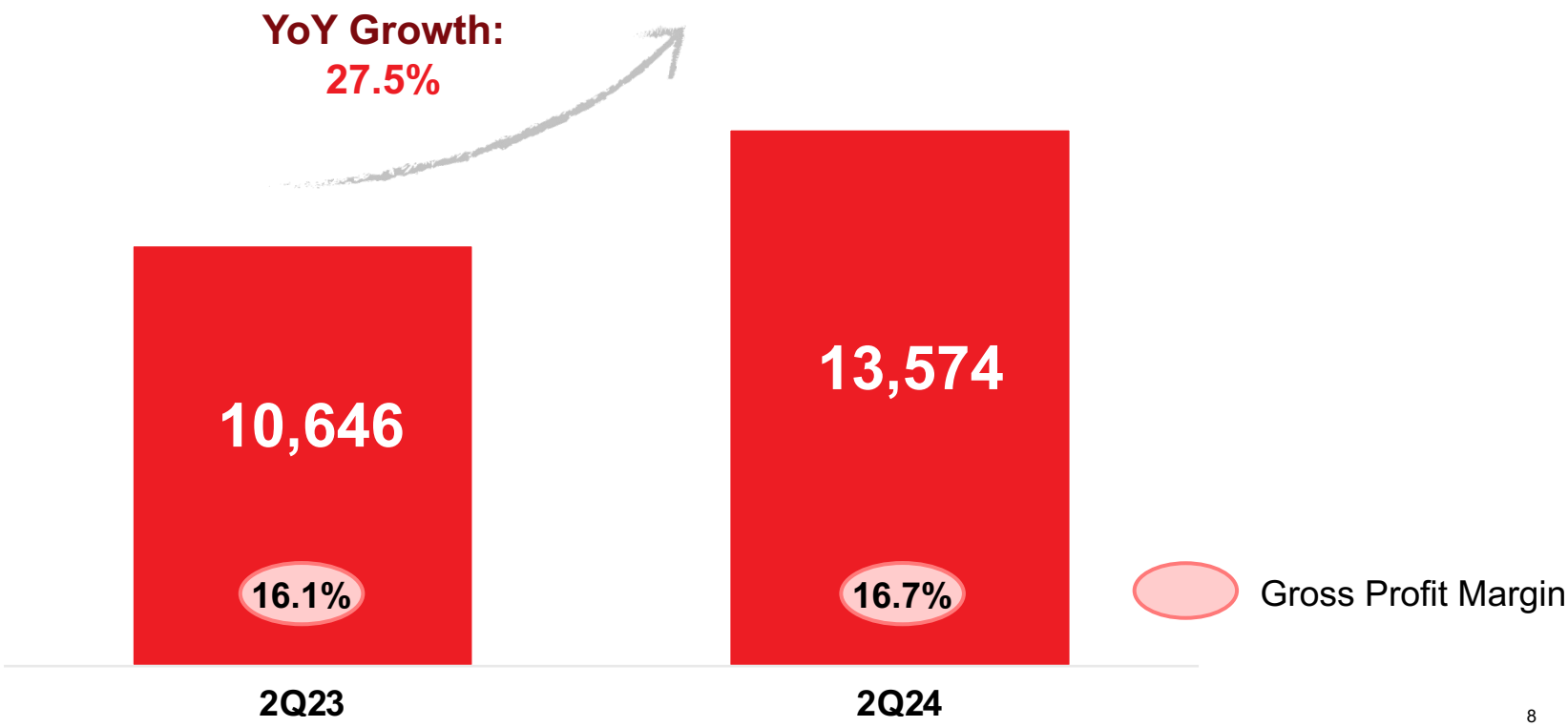


Rapid Revenue Growth and Increased Gross Margins

Total revenues increased by +27% year-over-year while gross margin benefited from scaling up

Total Revenue

Ps. MM



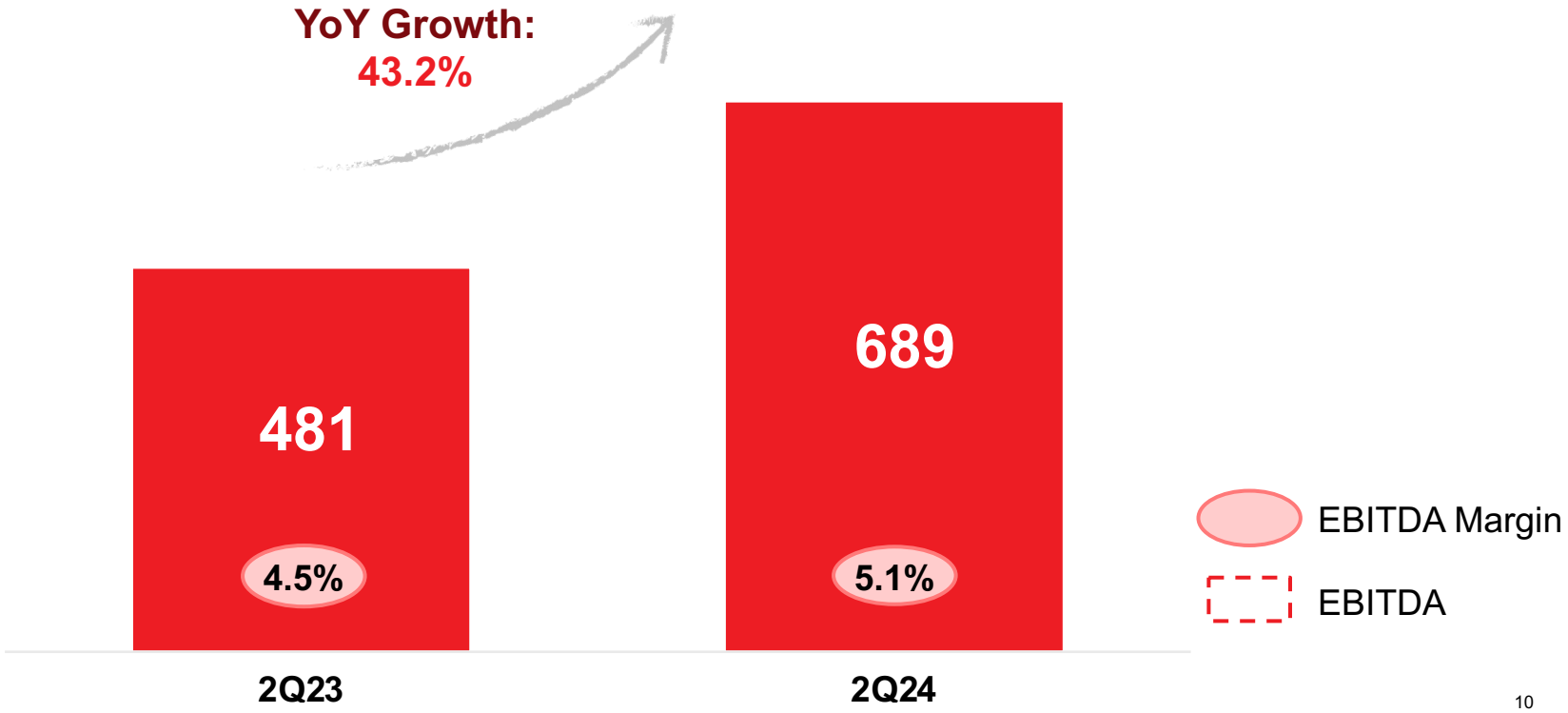
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EBITDA & EBITDA Margin

Year-over-year increase in profitability

EBITDA[1]
Ps. MM



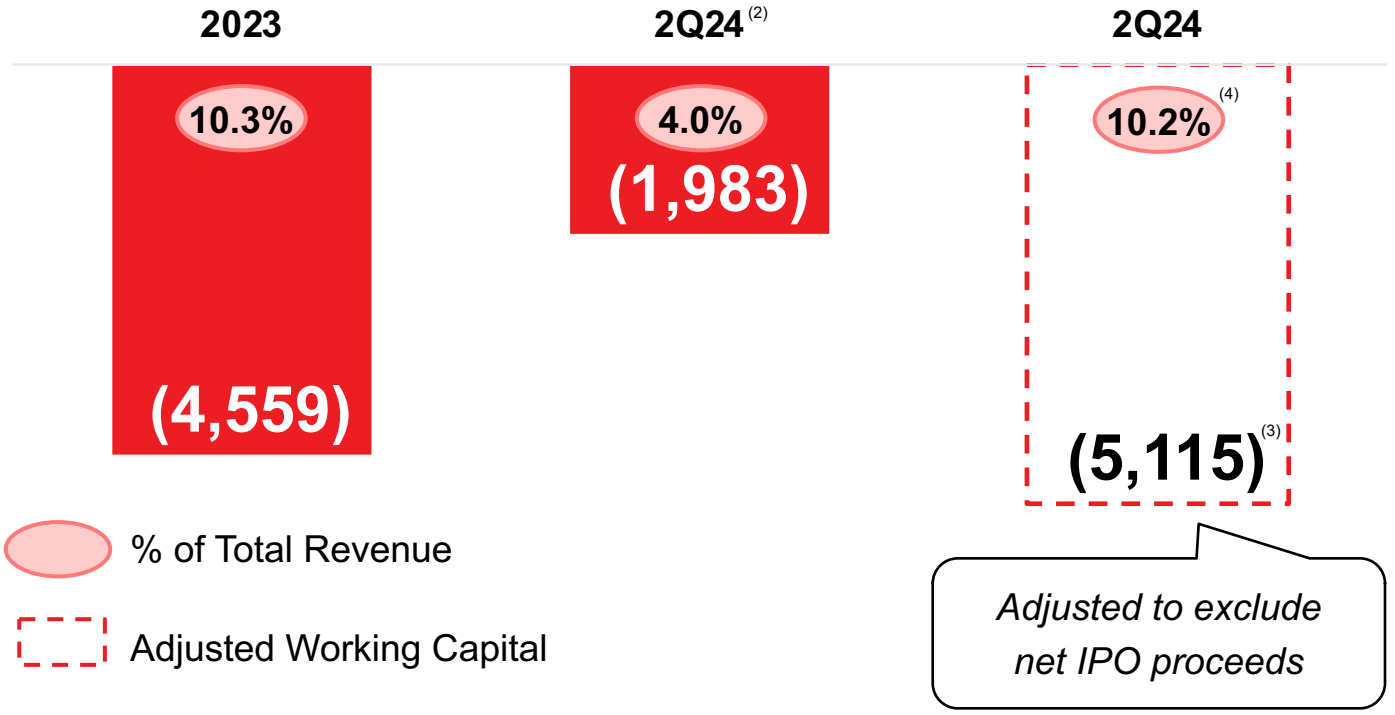
Notes:
1. We calculate "EBITDA" as net income (loss) for the period, plus income tax expense, financial costs, net, and total depreciation and amortization. We calculate "EBITDA Margin" for a period by dividing EBITDA for the corresponding period by total revenue for such period. See Annex 2 for a reconciliation of net income (loss) for the period to EBITDA.

Favorable Working Capital

Our business model continues to generate significant negative working capital

Working Capital[1]

Ps. MM



Notes:

1. *We calculate Working Capital as total current assets minus total current liabilities.*
2. *Includes last twelve months.*
3. *We calculate "Adjusted Working Capital" as Working Capital minus the net proceeds from Initial Public Offering net from underwriting fees and repayment of promissory and convertible notes, assuming an exchange rate of Ps.18.38. See Annex 5 for a reconciliation of the Adjusted Working Capital.*
4. *We calculate the percentage of Working Capital to Total Revenue for a period by dividing the corresponding by the last twelve months of total revenue for the corresponding period and the percentage of Adjusted Working Capital to Total Revenue for a period by dividing the corresponding by the last twelve months of total revenue for the corresponding period.*

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Closing Remarks

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Q&A

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Appendix: Financial Statements

Annex 1 - Income Statement

In Ps. Thousands

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Revenue From Sales of Merchandise	Ps.13,550,402	Ps.10,624,938	27.5%	Ps. 26,207,287	Ps. 20,295,007	29.1%
Sales of Recyclables	23,945	20,842	14.9%	51,308	42,673	20.2%
Total Revenue	**13,574,347**	**10,645,780**	**27.5%**	**26,258,595**	**20,337,680**	**29.1%**
Cost of Sales	(11,302,030)	(8,927,904)	26.6%	(21,924,105)	(17,114,756)	28.1%
Gross Profit	**Ps. 2,272,317**	**Ps. 1,717,876**	**32.3%**	**Ps. 4,334,490**	**Ps. 3,222,924**	**34.5%**
Gross Profit Margin	*16.7%*	*16.1%*		*16.5%*	*15.8%*	
Sales Expenses	(1,414,329)	(1,159,667)	22.0%	(2,709,958)	(2,212,460)	22.5%
Administrative Expenses	(486,204)	(333,455)	45.8%	(932,152)	(658,797)	41.5%
Other Income - Net	2,663	(2,195)	n.m.	5,296	3,557	48.9%
Operating Profit	**Ps. 374,447**	**Ps. 222,559**	**68.2%**	**Ps. 697,676**	**Ps. 355,224**	**96.4%**
Operating Profit Margin	*2.8%*	*2.1%*		*2.7%*	*1.7%*	
Financial Income	41,354	8,296	398.5%	61,859	13,122	371.4%
Financial Costs	(276,257)	(343,956)	(19.7%)	(637,125)	(709,341)	(10.2%)
Exchange Rate Fluctuation	303,796	256,841	18.3%	175,144	549,589	(68.1%)
Financial Cost - Net	**68,893**	**(78,819)**	**n.m.**	**(400,122)**	**(146,630)**	**172.9%**
Profit Before Income Tax	**443,340**	**143,740**	**208.4%**	**297,554**	**208,594**	**42.6%**
Income Tax Expense	(112,085)	(72,690)	54.2%	(197,161)	(78,712)	150.5%
Net Profit for the Period	**Ps. 331,255**	**Ps. 71,050**	**366.2%**	**Ps. 100,393**	**Ps. 129,882**	**(22.7%)**
Net Profit Margin	*2.4%*	*0.7%*		*0.4%*	*0.6%*	

Annex 2 – EBITDA Reconciliation

In Ps. Thousands

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Net Profit for the Period	**Ps. 331,255**	**Ps. 71,050**	***366.2%***	**Ps. 100,393**	**Ps. 129,882**	***(22.7%)***
Net Profit Margin	*2.4%*	*0.7%*		*0.4%*	*0.6%*	
Income Tax Expense	112,085	72,690	*54.2%*	197,161	78,712	*150.5%*
Financial Cost - Net	68,893	(78,819)	*n.m.*	(400,122)	(146,630)	*172.9%*
D&A	314,159	258,192	*21.7%*	616,701	521,821	*18.2%*
EBITDA	**Ps. 688,606**	**Ps. 480,751**	***43.2%***	**Ps. 1,314,377**	**Ps. 877,045**	***49.9%***
EBITDA Margin	*5.1%*	*4.5%*		*5.0%*	*4.3%*	

Annex 3 - Statement of Cash Flows

In Ps. Thousands

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Profit before income tax	**Ps. 443,340**	**Ps. 143,740**	**Ps. 297,554**	**Ps. 208,594**
Adjustments for:				
Depreciation of property, furniture, equipment, and lease-hold improvements	154,939	114,861	294,976	224,975
Depreciation of right-of-use assets	158,641	142,666	320,478	295,528
Amortization of intangible assets	579	665	1,247	1,318
Defined costs on employee benefits	3,999	1,936	3,999	1,936
Interest payable on Promissory Notes and Convertible Notes	-	152,260	82,588	310,705
Interest expense on lease liabilities	252,461	179,693	494,203	379,707
Interest on debt and bonus payable, and amortization of issuance costs	12,827	5,228	22,363	12,135
Financial income	-37,486	-8,296	-57,991	-13,122
Gain on fair value valuation of derivative financial instrument	-3,868	-	-3,868	-
Interests and commissions from credit lines	25,065	-	37,971	-
Initial Public Offering capitalized costs	-	-	-23,269	-
Exchange fluctuation	-303,777	-254,425	-175,144	-549,589
Share-based payment expense	140,745	91,909	269,586	190,170
(Increase) decrease in inventories	-196,042	20,014	-16,567	-94,199
Increase in other current assets and guarantee deposits	-195,165	-28,258	-291,910	-66,597
Increase (decrease) in suppliers (including supplier finance arrangements)	69,018	-10,053	156,317	238,825
Increase in other current liabilities	15,378	10,559	135,024	123,926
Decrease on bonus payable to related parties	-	-	-79,351	-43,834
Income taxes paid	-87,134	-145,913	-212,237	-215,638
Net cash flows provided by operating activities	**Ps. 453,520**	**Ps. 416,586**	**Ps. 1,255,969**	**Ps. 1,004,840**
Purchase of property, furniture, equipment, and lease-hold improvements	-597,537	-373,310	-965,129	-711,059
Reconditioning of damaged assets due to Huracan Otis (impairment reversal)	-9,583	-	-26,069	-
Sale of property and equipment	314	-	2,365	987
Additions to intangible assets	-903	-383	-1,317	-799
Short-term bank deposits	-2,774,363	-	-2,774,363	-
Interest received on short-term investments	33,711	6,232	51,283	8,431
Net cash flows used in investing activities	**Ps. (3,348,361)**	**Ps. (367,461)**	**Ps. (3,713,230)**	**Ps. (702,440)**
Payments made on reverse factoring transactions-net of commissions received	-756,066	-424,598	-1,447,752	-874,679
Finance obtained through supplier finance arrangements	791,965	550,134	1,516,903	935,077
Proceeds (payment) from credit lines	-33,736	21,800	143,892	-39,552
Payment of Promissory Note Agreements and Convertible Notes	0	0	-4,925,097	-
Payment of debt	-56,896	-21,665	-77,229	-43,071
Interest payment on debt	-31,924	-4,109	-53,176	-9,622
Proceeds from initial public offering, net of underwriting fees	0	0	7,841,837	-
Lease payments	-371,403	-284,742	-742,989	-558,298
Net cash flows provided by (used in) financing activities	**Ps. (458,060)**	**Ps. (163,180)**	**Ps. 2,256,389**	**Ps. (590,145)**
Net increase (decrease) in cash and cash equivalents	**-3,352,901**	**-114,055**	**-200,872**	**-287,745**
Effect of foreign exchange movements on cash balances	305,180	-13,996	225,638	-32,791
Cash and cash equivalents at beginning of period	4,292,958	792,491	1,220,471	984,976
Cash and cash equivalent at end of period	**Ps.1,245,237**	**Ps.664,440**	**Ps.1,245,237**	**Ps.664,440**

Annex 4 - Statement of Financial Position

In Ps. Thousands

	As of June 30, 2024	As of December 31, 2023
Current assets:		
Cash and cash equivalents	Ps. 1,245,237	Ps. 1,220,471
Short-term bank deposits	2,774,363	-
Derivative financial instruments	3,868	-
Sundry debtors	64,946	11,020
VAT receivable	894,899	731,186
Other recoverable taxes	-	-
Advanced payments	136,473	72,998
Inventories	2,374,052	2,357,485
Total Current Assets	**Ps. 7,493,838**	**Ps. 4,393,160**
Non-Current Assets:		
Guarantee deposits	34,443	33,174
Property, furniture, equipment, and lease-hold improvements	5,371,442	4,606,300
Right-of-use assets – Net	6,242,232	5,520,596
Intangible assets – Net	6,841	6,771
Deferred income tax	446,213	403,801
Total Non-Current Assets	**Ps. 12,101,171**	**Ps. 10,570,642**
Total Assets	**Ps. 19,595,009**	**Ps. 14,963,802**

	As of June 30,	As of December 31,
Current liabilities:		
Suppliers	7,282,406	7,126,089
Accounts payable and accrued expenses	467,636	322,959
Income tax payable	26,639	2,326
Bonus payable to related parties	-	78,430
Short-term debt	959,390	744,137
Lease liabilities	605,343	537,515
Employees' statutory profit sharing payable	135,223	140,485
Total Current Liabilities	**Ps. 9,476,637**	**Ps. 8,951,941**
Non-Current Liabilities:		
Debt with related parties	-	4,340,452
Long-term debt	112,738	577,318
Lease liabilities	6,432,207	5,706,707
Employee benefits	26,231	22,232
Total Non-Current Liabilities	**Ps. 6,571,176**	**Ps. 10,646,709**
Total Liabilities	**Ps. 16,047,813**	**Ps. 19,598,650**
Stockholders' equity:		
Capital stock	8,283,347	471,282
Reserve for share-based payments	1,121,287	851,701
Cumulative losses	-5,857,438	-5,957,831
Total Stockholders' Equity	**Ps. 3,547,196**	**Ps. (4,634,848)**
Total Liabilities and Stockholders' Equity	**Ps. 19,595,009**	**Ps.14,963,802**

Annex 5 - Reconciliation of Adjusted Working Capital

In Ps. Thousands

	As of June 30, 2024	As of December 31, 2023
Current Assets	7,493,838	4,393,160
Current Liabilities	9,476,637	8,951,941
Working Capital	**Ps. (1,982,799)**	**Ps. (4,558,781)**
Proceeds from initial public offering, net of underwriting fees	Ps. 3,132,590[1]	-
Adjusted Working Capital	**Ps. (5,115,389)**	**Ps. (4,558,781)**

1. *Considering an exchange rate of Ps. 18.38*