GRUPO COMERCIAL CHEDRAUI

CORPORATE PRESENTATION

2023

Timeline

1970 — The first Chedraui store is opened in Xalapa, Veracruz, Mexico.

1970-1980 — Chedraui expands to other regions in Mexico, opening new stores.

1985 — Chedraui starts operating its Real Estate Division

1987 — Establishment of Grupo Comercial Chedraui, S.A. de C.V. in Xalapa, Mexico

1997 — Chedraui expands internationally, opening its first stores in the United States under the El Super banner.

2005 — Chedraui acquires the Mexican operations of the supermarket chain Carrefour, entering Mexico City through the deal

2008 — Chedraui acquires the Gigante operation in the US

2010 — Chedraui becomes a publicly traded company in the Mexican Stock Exchange (BMV).

2012 — Acquisition of 8 stores in California, USA.

2018 — Chedraui continues to expand its store presence in the United States through the acquisition of Fiesta Mart in Texas

2020 — Chedraui releases its first Sustainability Annual report, reaffirming it commitment with best practices

2021 — Acquisition of 254 Smart & Final stores in California, Nevada and New Mexico.

2022 — Acquisition of 36 Arteli stores in Northeast Mexico

Value Pilars

✓ LOWEST PRICE:

We constantly monitor the competition, both at the central and local level, to adjust prices based on results, ensuring that we are the best option for our customers.

✓ BEST ASSOTMENT STORE BY STORE:

Chedraui conducts ongoing analysis of the products available in each store in order to adapt the offering of each format to meet the preferences of the customers who visit them, according to the region and socioeconomic level.

✓ CUSTOMER EXPERIENCE:

Chedraui operates with standard measures in each store to ensure that the customer's shopping experience is as satisfactory and comfortable as possible, with good lighting, clear signage of its stores, and ample parking space.

HONESTY

We always conduct ourselves with truth and integrity, both within and outside the Company, in order to maintain the trust and credibility of our customers, suppliers, shareholders, and colleagues.



DELIVERING RESULTS

All our actions are aimed at working with profitability and efficiency to guarantee the continuity of the Company, by achieving established objectives and maximizing the use of the resources available to us, without any waste.





COMMITMENT

We assume with loyalty and responsibility the mission of the Company: "Improve the lives of clients by taking the products they prefer to every possible location at the best price, inspiring our team members to grow and develop within Chedraui.”.



RESPECT

We treat our employees, customers, and suppliers with dignity and fairness, without abusing our level of authority.

Grupo Chedraui at a Glance

GCC is a US$13bn(1) leading company operating in the food retail sector in Mexico and the U.S. with 780 stores(2) across multiple formats

Store Presence

Retail Mexico

- 205 stores; 70,000 sqft
- 75 stores; 23,000 sqft
- 8 stores; 8,000 sqft
- 80 stores; 2,550 sqft
- 36 stores; 11,600 sqft

Retail US

- 64 stores; 27,000 sqft
- 59 stores; 35,000 sqft
- 253 stores; 25,000 sqft

+ Real Estate division managing 4,600,000 sqft of leasable area

(1) Represents consolidated sales in 2022; converted from Mexican Pesos to USD at an FX rate of 20.00
(2) As of December 2022

Value Proposition

Lowest price, right assortment of products and the best customer experience possible

Mission 

“Improve the lives of clients by taking the products they prefer to every possible location at the best price, inspiring our team members to grow and develop within Chedraui”.

Mexico at a Glance



404 Stores as of December 2022

- Sales in 2022: USD $ 5,237 million
- EBITDA in 2022 : USD $ 428 million; 8.2% margin

- Real Estate in 2022 : USD $ 57 million; 67.4% margin

- +42,000 team members

JV in Northwest Mexico

- 17 Smart & Final Stores in Northwest Mexico through a Joint-venture

Mexico at a Glance – Multi-format strategy

Multi-format strategy		Socio-economic level		
		Selecto	AB	CD
Store size	Tienda Chedraui *(Hypermarket)*			
	Súper Chedraui *(Supermarket)*			
	Super Che *(Supermarket)*			
	Supercito *(Proximity)*			

US - Hispanic Division at a Glance

Overview

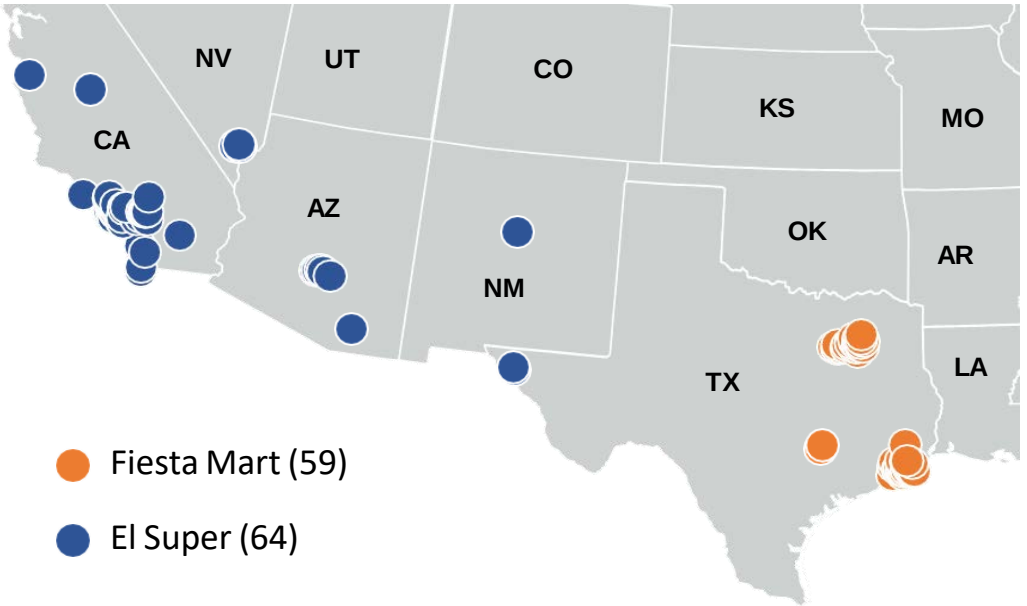
- 1st store opened in 1997
- Presence in 5 states
- 123 stores
- ~USD $3,248 million in sales in 2022
- 14,000 total employees

Key Strengths

- ✓ Price leadership strategy
- ✓ Perishable department execution
- ✓ Limited SKU
- ✓ Low cost operating model
- ✓ Strategic store locations
- ✓ Focus on Hispanic consumer







US - Smart & Final at a Glance

Overview

- Highly differentiated, value-oriented food retailer
- Presence in 3 states
- 253 stores
- ~USD $4,423 million in sales in 2022

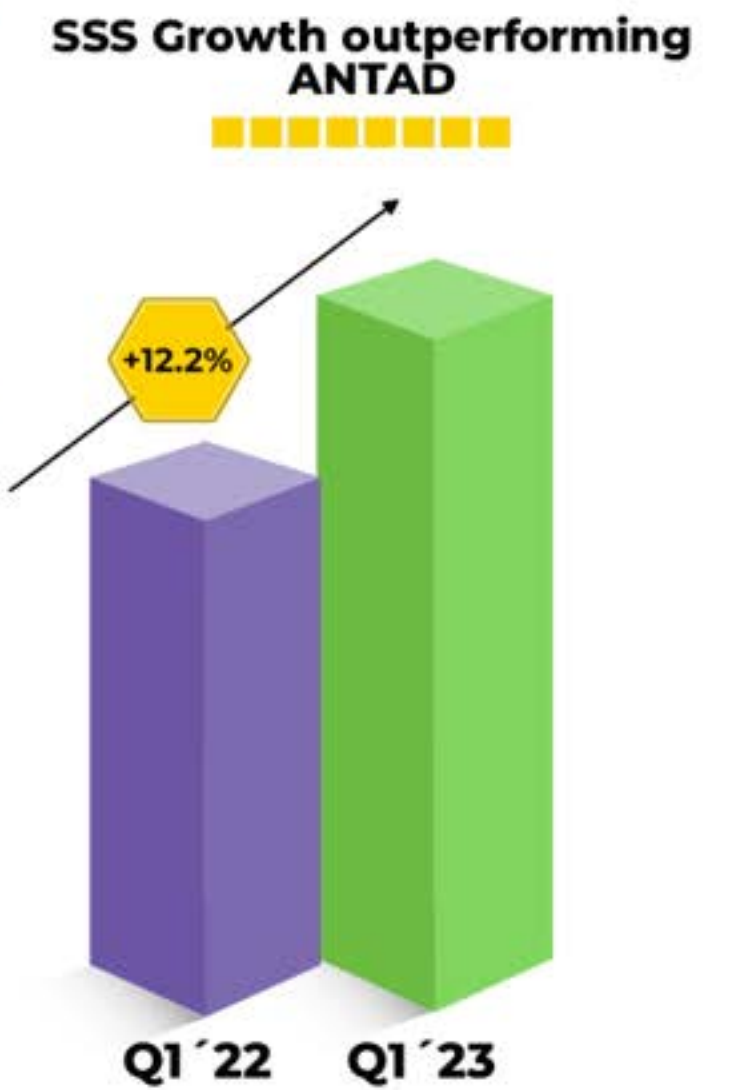
Key Strengths

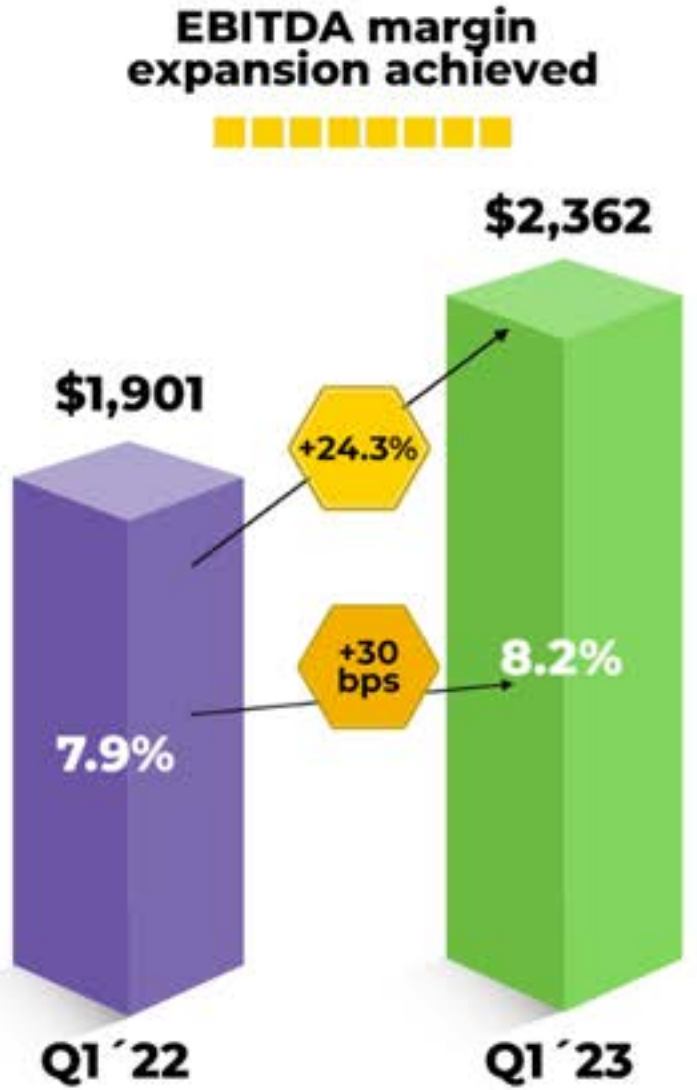
- ✓ Products priced at a meaningful discount to conventional grocers and modest premium to warehouse clubs
- ✓ No membership fee
- ✓ Serves both household (~70% of revenues) and business customers (~30% of revenues).
- ✓ Unique customer mix allows the grocer to thrive regardless of macro-environment
- ✓ Product mix combines high purchase frequency perishables with broad selection of warehouse club packs, strong private label offerings (~28% of sales) and key SKUs suitable for small businesses



Q1’23

QUARTER HIGHLIGHTS MEXICO



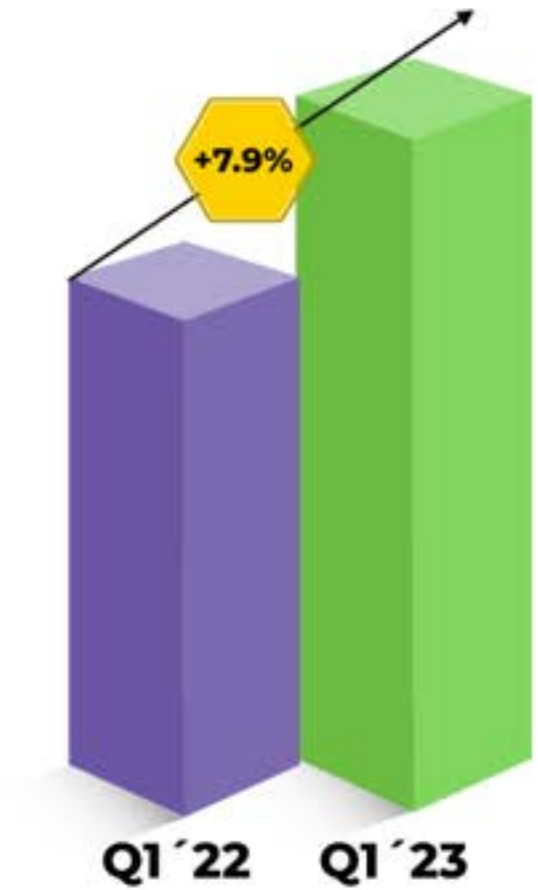


MXN in million

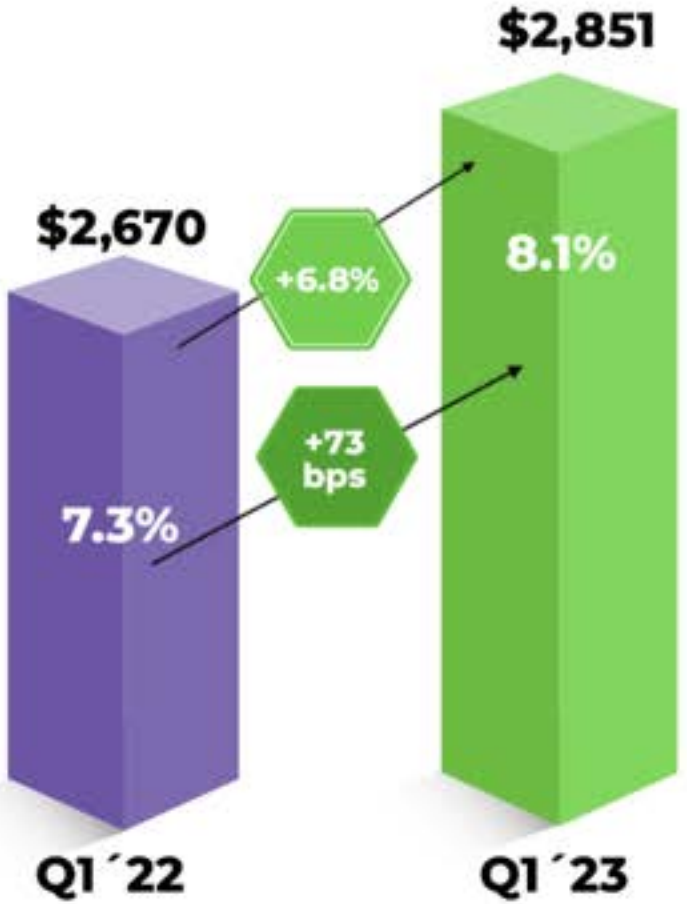
Q1’23

QUARTER HIGHLIGHTS US

Accelerated SSS for Chedraui USA



EBITDA margin expanding across the board



MXN in million

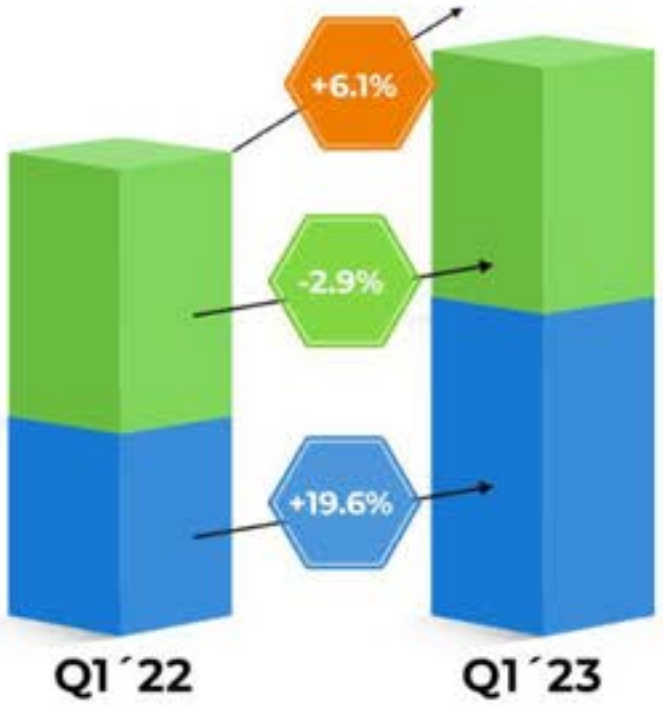
Q1’23

QUARTER HIGHLIGHTS CONSOLIDATED

Mexico
US
Margin

MXN in million

Consolidated sales growing despite FX impact



Consolidated EBITDA Margin Expansion



Q1’23

QUARTER HIGHLIGHTS CONSOLIDATED

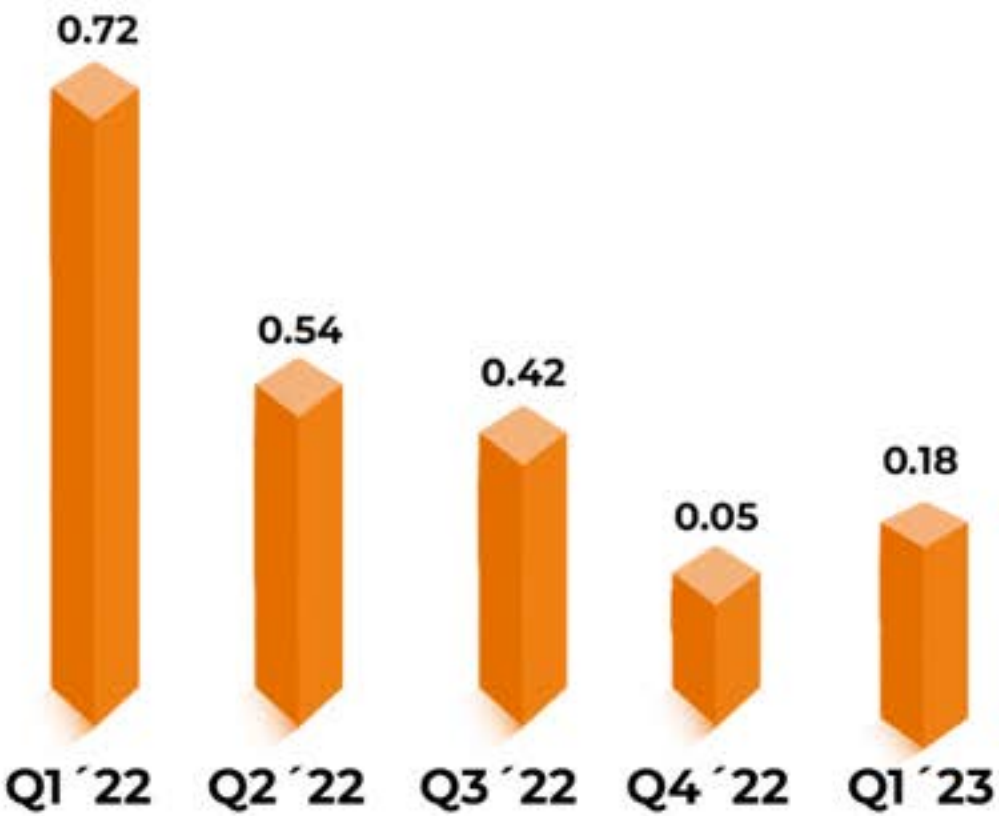
Net Income increasing above sales growth



MXN in million

Deleverage through strong cash generation

Net Debt to EBITDA



MEXICO PERFORMANCE (1/2)

Q1'23



Outperforming the market

- +12.2% SSS growth YoY, outperforming ANTAD's +9%
- Consumption resilient to economic environment
- +19.7% total sales growth in the quarter due to Arteli consolidation and store openings
- All regions growing, with South and Southeast still outperforming



Investing in Mexico

- 5 stores opened in the quarter; 68 in the last 12m including the acquisition of Arteli
- On track to open 60 new stores in 2023, a 3.6% sales floor growth YoY, with most of the openings coming on the second half of the year

Q1’23

MEXICO PERFORMANCE (2/2)



Operating leverage fueling EBITDA

- 24.3% EBITDA growth YoY in the quarter to $ 2,362 million pesos, coming from organic performance and Arteli consolidation
- 30 bps margin expansion in Q1'23
  - Significantly higher than the 10-15 bps objective for the year
  - Topline growth allows operating leverage and offsets increases in operating expenses



Real Estate asserting recovery

- 12.6% YoY growth to $ 312 million, asserting recovery post-pandemic
- 12.4% EBITDA growth in the quarter

US PERFORMANCE (1/2)





Continuing strong sales performance

- +7.9% SSS growth YoY in USD
  - Hispanic division driving growth
  - Increase in number of clients, showing a market share growth to due value orientation
- Business resilience proved in challenging economic environment
- -2.9% total sales growth in pesos, impacted by a 9.9% exchange rate effect for the operation in the quarter
- On track to open 4 new stores in 2023, resuming growth after businesses integration

Q1’23

US PERFORMANCE (2/2)





Profitability expansion

- +6.8% EBITDA growth for Chedraui USA YoY to $ 2,851 million pesos, including FX impact
- +73 bps margin expansion to 8.1% in the quarter

- Hispanic Division margin +89 bps to 8.6% in the quarter behind improvement in Fiesta’s gross margin and El Super rigorous OPEX control
- 7.6% margin in Smart & Final in Q1’23
  - Continued synergy identification with Hispanic division
  - Headquarters consolidation achieved in the quarter

FINANCIAL PERFORMANCE - FY 2022

01

MXN$ (Million)	2021	2022	Var. %
Net Sales	188,487	259,326	37.6%
Cost of Goods Sold	146,535	200,026	36.5%
Gross Profit	41,952	59,300	41.4%
% NS	22.3%	22.9%	
Operating Expenses	27,964	37,873	35.4%
% NS	14.8%	14.6%	
EBITDA	13,988	21,427	53.2%
% NS	7.4%	8.3%	

02

MXN$ (Million)	2021	2022	Var. %
Operating Income	8,748	13,746	57.1%
Financing Expenses	3,853	5,112	32.7%
Results of associated companies	54	89	63.0%
Net Income Before Taxes	4,950	8,722	76.2%
Taxes	1,469	2,546	73.3%
Effective Tax Rate	29.7%	29.2%	
Net Income	3,480	6,176	77.4%
% NS	1.8%	2.4%	

FINANCIAL PERFORMANCE - Q1'23

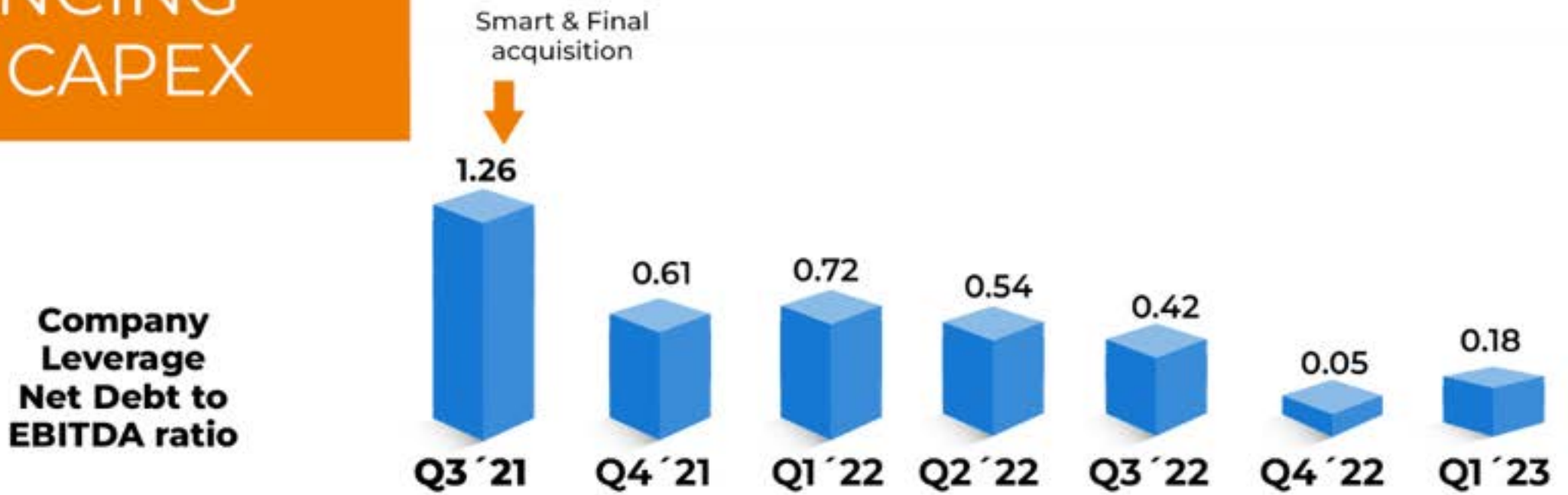
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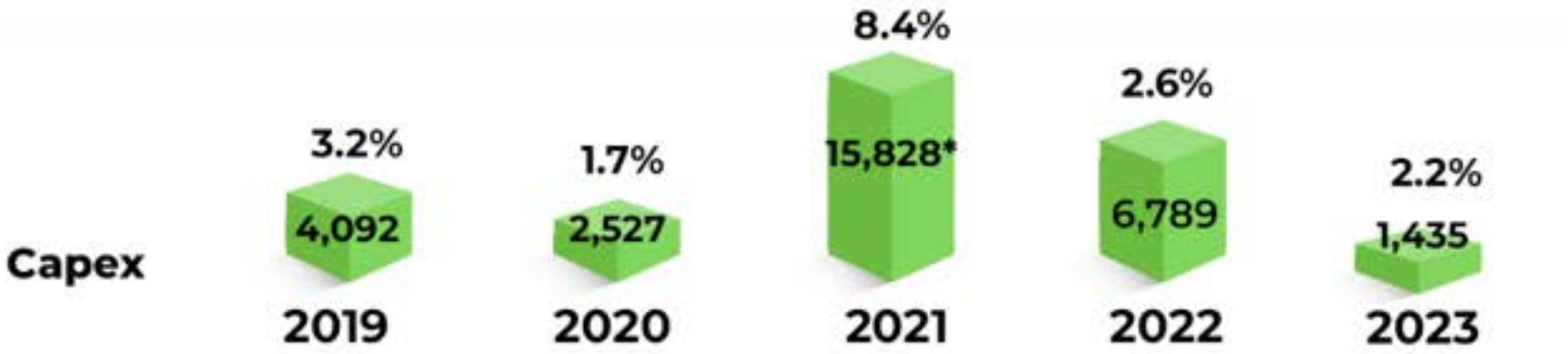
MXN$ (Million)	Q1'22	Q1'23	Var. %
Net Sales	60,728	64,427	6.1%
Cost of Goods Sold	47,074	49,529	5.2%
Gross Profit	13,654	14,897	9.1%
% NS	22.5%	23.1%	
Operating Expenses	10,804	11,398	5.5%
% NS	17.8%	17.7%	
EBITDA	4,748	5,412	14.0%
% NS	7.8%	8.4%	

02

MXN$ (Million)	Q1'22	Q1'23	Var. %
Operating Income	2,850	3,500	22.8%
Financing Expenses	1,254	1,190	-5.1%
Results of associated companies	21	10	53.2%
Net Income Before Taxes	1,617	2,320	43.5%
Taxes	522	718	37.4%
Effective Tax Rate	32.3%	30.9%	
Net Income	1,095	1,602	46.3%
% NS	1.8%	2.5%	

FINANCING AND CAPEX



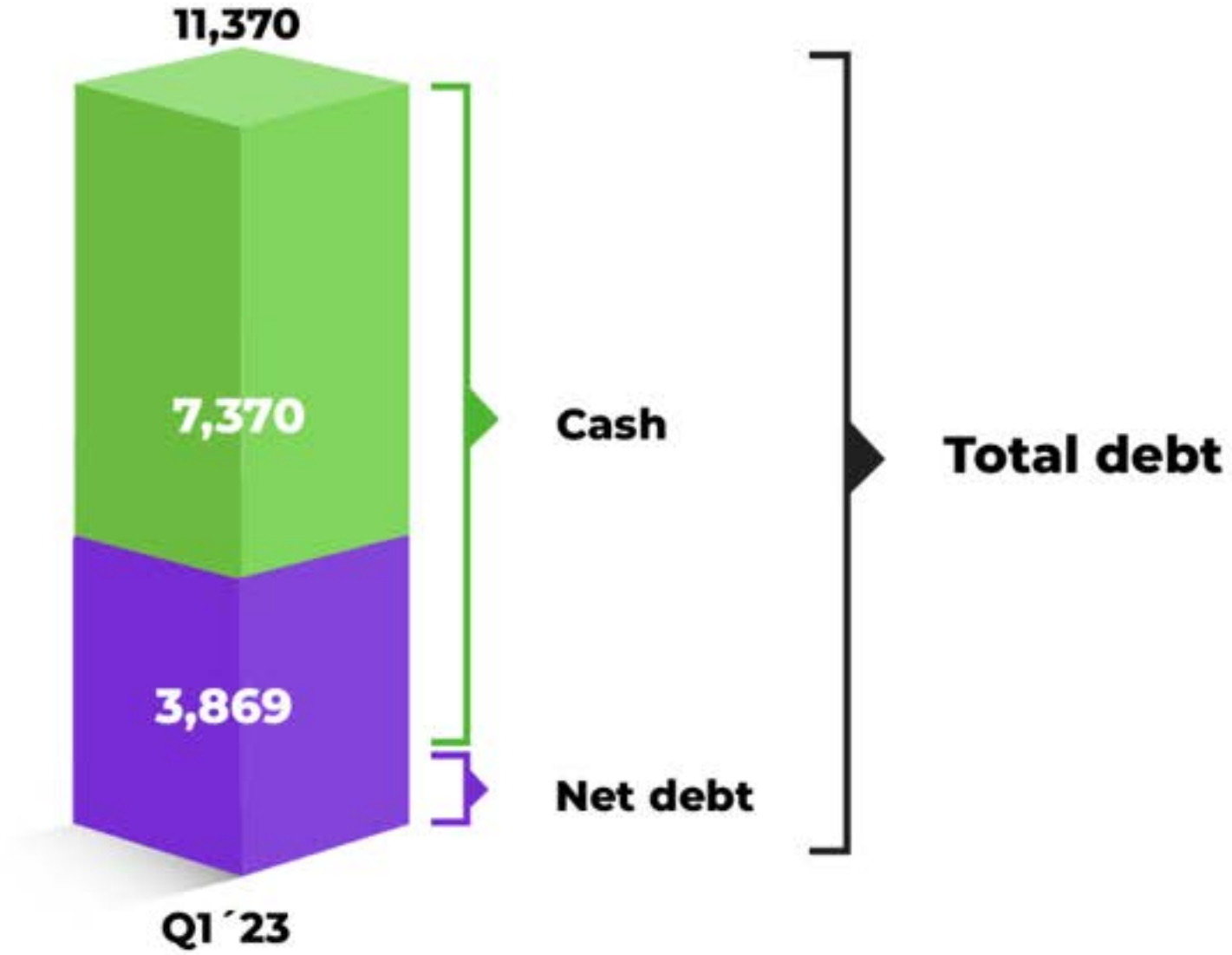


Total Capex... %NS

* Includes the investment for the acquisition of Smart & Final

MXN in million

DEBT BREAKDOWN



MXN in million

Thank you

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