EL Puerto de Liverpool
S.A.B. de C.V

January, 2017
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Founded in the 19th century, with ~170 years of successful track record
Highly recognized brand, consistently in the top of mind of consumers
One of the leading department store retailers with national presence in prime locations

Liverpool at a glance

- Unique and proven integrated business model

**Consumer Finance**
- Leading non-bank and third largest credit card issuer in Mexico
- More than 4mm credit card holders
- ~46% of the total commercial sales were through own credit cards

**Retail Department Stores & Boutiques**
- 114 department stores (+1.5mm sqmt) in prime locations
- Leading e-commerce apparel retailer

**Shopping Centers**
- More than 1,500 tenants
- Occupancy rate of 97%
- With ~470K m2 of GLA

Liverpool strives to provide an outstanding and seamless shopping experience across all channels
Employment

Job creation – Social Security registration (YoY chg)

Unemployment level (% of workers)

Source: Banxico, Inegi and Santander
US Dollar remittances grow in USD and Pesos terms

Gross salary index (% vs YA)

Source: Santander, Banxico and Inegi
ANTAD

- ANTAD (local NRF) SSS figures reflect a growth of 6.3% for 2016
- Specifically, department stores grew 7.0%

Source: ANTAD, Walmex releases
Economics

Consumer Confidence Index

On a low point as a result of uncertainty on the economic future and security matters.

Consumer Price Index

Still below maximum, facing the Fx effects

Source: Santander, Banxico and Inegi
Consumer discretionary spending will be affected as prices are adjusted as a result of the Peso devaluation vs USD.

Else, government is increasing prices of commodities, services and taxes such as: all kinds of fuel, property taxes, etc.

Mexican government has announced an overall spending reduction. However......

Major elections to be held during 2017 (State of Mexico) and 2018 (Presidential and houses’ renovation) will have as a consequence funds’ release in an effort to maintain control.

New US government is adding stress on the Mexican economy as it has been the speech tone before and after elections.
Highly competitive and fragmented landscape

**Strong Presence Across Multiple Socioeconomic Sectors**

- **Full line** department store
- **Over 180,000 SKU’s**
- **32%** of sku’s directly imported from China, Europe and USA
- **Private labels** to target specific economic sectors
- **81** fashion specialty boutiques
- **Sales mix** with no product category above 25% of total sales
- **Omni-Channel** sales strategy

**Source:** WEB page of each company
Company Highlights
Liverpool is a best in class retailer globally

EBITDA Margin

The sphere size represents the number of stores

Annual reports of each company
# Company Highlights

## 3rd Q2016 Release (Million Pesos)

<table>
<thead>
<tr>
<th></th>
<th>Reported Quarter</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3Q16</td>
<td>3Q15</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td>21,767</td>
<td>19,623</td>
</tr>
<tr>
<td>Retail &amp; Services</td>
<td>18,774</td>
<td>16,792</td>
</tr>
<tr>
<td>Consumer Finance</td>
<td>2,236</td>
<td>2,103</td>
</tr>
<tr>
<td>Leasing</td>
<td>757</td>
<td>728</td>
</tr>
<tr>
<td><strong>COGS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>as % of Total Income</td>
<td>60.0%</td>
<td>59.4%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>8,710</td>
<td>7,968</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>40.0%</td>
<td>40.6%</td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>as % of Total Income</td>
<td>29.7%</td>
<td>30.1%</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>1,665</td>
<td>1,385</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>as % of Total Income</td>
<td>13.0%</td>
<td>13.3%</td>
</tr>
<tr>
<td><strong>Customer's Portfolio</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer's Portfolio</td>
<td>27,427</td>
<td>25,593</td>
</tr>
<tr>
<td><strong>Same stores growth</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SSS growth of 7.7%

Increase in average ticket explains 90% of SSS growth

Plans for opening new stores during the year: 4 Liverpool (three already opened) and 6 Fabricas de Francia (two already opened)

During 2016 we continue with the expansion of Boutiques, plans are to open twenty new units including brands: Williams Sonoma, West Elm and Pottery Barn, among others
Leading non-bank credit card issuer...

Overview of consumer finance division
- Leading non-bank and third largest credit card issuer in Mexico
- More than 4mm credit card holders
- Credit card sales account for ~46% of total sales
- NPLs of 4.9% as of 3Q16
- Average duration of 9 months
- Liverpool has the flexibility to scale down its credit offerings when market conditions deteriorate
- Provides insurance services to its credit card holders

Constitution of provisions
- Historical creation of reserves have led to a solid balance sheet with capacity to cover uncollectible accounts (NPLs)
- The average loan loss provision since 2013 has been ~173%

Proprietary and comprehensive credit process
- Evaluation
- Promotion
- Analysis
- Collections
- Grant
- Customer service
- Fraud prevention
- Customer service
- Authorizations

Loan origination and portfolio management policy
- Consultation of the credit bureau in order to implement statistic models focused in analyzing customer’s capacity to pay credit
- Customized models for the risk management of each credit account, leading to low levels in the NPLs account (below industry average)

Liverpool’s integrated consumer finance division supports and enhances its retail business
Liverpool has been expanding its customer base while maintaining low levels of NPLs with a strong portfolio growth and performance.

**Growing credit card issuance and loan portfolio**

<table>
<thead>
<tr>
<th>Credit cards mm</th>
<th>Balance (Ps$ in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>$35</td>
</tr>
<tr>
<td>4</td>
<td>$30</td>
</tr>
<tr>
<td>3</td>
<td>$25</td>
</tr>
<tr>
<td>2</td>
<td>$20</td>
</tr>
<tr>
<td>1</td>
<td>$15</td>
</tr>
<tr>
<td>0</td>
<td>$10</td>
</tr>
<tr>
<td>0</td>
<td>$5</td>
</tr>
<tr>
<td>0</td>
<td>$0</td>
</tr>
</tbody>
</table>

- **Jan-13**
- **Jan-14**
- **Jan-15**
- **Jan-16**

**Loan loss provisions**

- **2012**: 145%
- **2013**: 173%
- **2014**: 173%
- **2015**: 173%
- **LTM 3Q16**: 219%

**Consistent revenue growth**

- **2012**: $5,353
- **2013**: $7,745
- **2014**: $8,439
- **2015**: $9,030
- **LTM 3Q16**: $9,229

**Maintaining a low % of NPLs (June 2016)**

- **Jan**: 5%
- **Feb**: 4%
- **Mar**: 3%
- **Apr**: 2%

**Consistent revenue growth**

- **CAGR: 16.8%**

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(1) CNBV as of LTM 2Q16.
Liverpool’s shopping centers are strategically located in Mexico’s most important cities.

**Overview of shopping centers**
- Development, leasing and management of shopping centers and retail premises
- 25 shopping centers with standardized high quality operations
- More than 1,500 tenants with an average occupancy rate of 97%
  - Average leasing period of 2 years
  - No tenant accounts for more than 10% of GLA
- GLA has more than doubled from 2005 to 2015
- More than 100mm visitors per year
- Liverpool is not a tenant of its shopping centers, all clients are third parties
- Balanced mix of entertainment, shopping and dining

**Diversified across the country**
- **North**: 3 shopping centers
- **West**: 2 shopping centers
- **Central**: 10 shopping centers
- **Mexico City**: 5 shopping centers
- **South**: 5 shopping centers

**Growing leasing area**

<table>
<thead>
<tr>
<th>Year</th>
<th># of Malls</th>
<th>GLA (’000 sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>19</td>
<td>$2,116</td>
</tr>
<tr>
<td>2013</td>
<td>22</td>
<td>$2,580</td>
</tr>
<tr>
<td>2014</td>
<td>24</td>
<td>$2,707</td>
</tr>
<tr>
<td>2015</td>
<td>25</td>
<td>$3,021</td>
</tr>
<tr>
<td>LTM3Q16</td>
<td>25</td>
<td>$2,926</td>
</tr>
</tbody>
</table>

**Consistent revenue growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Ps$ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$2,116</td>
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<tr>
<td>2013</td>
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<td>2015</td>
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<td>LTM3Q16</td>
<td>$2,926</td>
</tr>
</tbody>
</table>
Omni-channel Strategy

Omni-channel sales strategy and superior customer service

- Phone
- Bricks & mortar
- Mobile devices
- E-commerce
- Social networks
Should you prefer the Click & Collect option:
Omnichannel (tracking of your order)

Pedidos de Internet de los últimos 6 meses

Fecha de compra : 07/11/2016 12:02
Total: $1,079.28
Dirección de envío:
No. de pedido: 0390824789
Detalles del pedido >

CASCO HJC CS-2N RAZOR
Cantidad: 1
Pedido confirmado
Fecha estimada de entrega: 10 de noviembre-18 de noviembre

Seguimiento a entrega >
Omnichannel

How your order is being processed....

Fecha de compra: Lun 07/11/2016 12:02
Total: $1,079.28
Dirección de envío: Dirección Predeterminada
No. de pedido: 0390824789

CASCO HJC CS-2N RAZOR
Cantidad: 1
Fecha estimada de entrega: 10 de noviembre-18 de noviembre

Pedido confirmado
07 de noviembre
Preparando tu pedido
Pedido en camino
Pedido entregado
Liverpool’s distribution network is a key competitive advantage.

Extensive nationwide distribution network

One of the most extensive distribution networks among Mexican retailers

+2mm Home deliveries, traveling more than 18mm km

250 trucks and trailers  450 home delivery units

2 National distribution centers: Tultitlán (soft line) and Huehuetoca (big ticket)

95% Of SKU’s centrally received

+180k SKU’s

+36mm Imported goods per year

An investment of US$240 million has been announced to build a new logistics facility
Investment highlights

1. One of the leading department store retailers with national presence in prime locations

2. Highly recognized brand, consistently in the top of mind of consumers

3. Unique and proven integrated business model

4. Distinctive customer-centric, family-oriented product offering

5. Experienced management team with proven track record and strong corporate governance

6. Strong financial performance with robust cashflow generation and a disciplined leverage policy

7. Attractive macroeconomic and retail sector fundamentals in Mexico for continued growth
Liverpool has a well-defined strategy to continue delivering sustained and profitable growth.
Acquisitions
Ripley Corp.

- Main line of business: departament stores, consumer credit and shopping malls.
- Total revenue 2015 Ps. 42,402 mm (US$2,292 mm) and EBITDA Ps.2,738 mm (US$48mm); EBITDA margin 6.5%
- The company has ~26,000 employees
- Banco Ripley focused on consumer credit
- Positioning: retailer focused on the market’s medium income segment

Geographic presence (70 Stores)

- **Peru**
  - 27 Stores
  - 4 shopping malls
  - Credit portfolio: USD$460M

- **Chile**
  - 43 Stores
  - 9 shopping malls
  - Credit portfolio: USD$1,055M

Source: Company WEB site
Partnership with a highly respected company with 60 years of experience in the South American market
- Total network of 70 stores in Chile and Peru
- Minority investment, accounted for as an equity investment

Diversification into new markets
- **Chile**: developed market with stable purchasing power
- **Peru**: developing market with growth potential

Similar operations: department stores, consumer credit and shopping centers

Potential synergies by sharing best practices (private label, e-commerce, credit cards)
Suburbia

- Leader in the apparel specialty retail sector in Mexico
- Total revenue 2015 Ps.13,406 mm (US$844 mm), EBITDA Ps.1,862 mm (US$117mm) and 13.9% EBITDA margin
- The company has ~8,800 employees
- Positioning: Affordable fashion for the whole family

National presence in Mexico
(119 Stores)

- **North**
  - 6 Stores
  - 2.7% of total revenue
  - 5.8% Sales CAGR (6 years)

- **Northeast**
  - 9 Stores
  - 6.6% of total revenue
  - 8.6% Sales CAGR (6 years)

- **Southeast**
  - 12 Stores
  - 8.6% of total revenue
  - 5.9% Sales CAGR (6 years)

- **Nortwest**
  - 5 Stores
  - 2.2% of total revenue
  - 4.6% Sales CAGR (6 years)

- **Central**
  - 55 Stores
  - 44.2% of total revenue
  - 3.8% Sales CAGR (6 years)

- **Southwest**
  - 7 Stores
  - 3.6% of total revenue
  - 6.9% Sales CAGR (6 years)

- **Mexico City**
  - 25 Stores
  - 32.0% of total revenue
  - 4.7% Sales CAGR (6 years)
Strategic rationale

- Favorable perspective in the apparel sector in Mexico
- Attractive opportunity to expand consumer base and enhance multi-format strategy
  - Suburbia is the leader on lower-income segment of the population
- Continue to strengthen presence in the central region of Mexico and expand underserved regions with high growth potential
  - Suburbia has prime locations, especially in Mexico City
  - Top positioned brand
- Private label portfolio of leading brands in its target market (~$8mm in sales during 2015; Weekend is the top selling clothing brand in México with 26% of total sales)
- Potential synergies: operational, additional categories, logistics, expansion of consumer financial business (credit and insurance), e-commerce, Fábricas de Francia
- Strong management team
- High potential for growth in categories such as shoes, jewelry and cosmetics
- Sound financial results and attractive margins
- Solid operational model: CATMex, PUC, low cost focus
### Stores Summary

<table>
<thead>
<tr>
<th>Format</th>
<th># of Stores</th>
<th>Sales / Store (mm)</th>
<th>SqMt/Store</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUB 55</td>
<td>42</td>
<td>168</td>
<td>4,884</td>
</tr>
<tr>
<td>SUB 45</td>
<td>49</td>
<td>102</td>
<td>3,757</td>
</tr>
<tr>
<td>SUB 35</td>
<td>18</td>
<td>66</td>
<td>2,719</td>
</tr>
<tr>
<td>Zona Suburbia</td>
<td>5</td>
<td>13</td>
<td>822</td>
</tr>
<tr>
<td>SUB Outlet</td>
<td>44</td>
<td></td>
<td>2,073</td>
</tr>
</tbody>
</table>

### Sales Mix 2015 by Category

- **Women’s** 32%
- **Men’s** 18%
- **Children** 12%
- **Juniors** 17%
- **Sports Clothes** 7%
- **Gral. Merch.** 7%
- **Jewelry** 2%
- **Cosmetics** 4%
- **Shoes** 6%
- **Children** 12%

### Sales Mix 2015 by Brand

- **National Brands** 32%
- **Exclusive Brands** 32%
- **Private Label** 60%
EL Puerto de Liverpool S.A.B. de C.V

Stock Information
Bolsa Mexicana de Valores (BMV):
LIVEPOL

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