# Alsea

**3Q16**

# Our presence

**22%** Franchises

**14** Brands

# 3,093 units

**78%** Corporate

| Mexico | Argentina | Colombia | Chile | Brazil | Spain |
|---|---|---|---|---|---|
| 2,140 | 197 | 140 | 129 | 4 | 483 |

**+60,000** employees

**+399 millions** clients served*

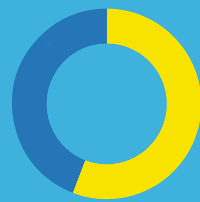
*3Q16 LTM

3Q16

# Alsea Mexico - Today

| Stores | Corporate | Franchises |
|---|---|---|
| Domino's | 398 | 234 |
| | 565 | |
| Burger King | 205 | 243 |
| Chili's | 54 | |
| California Pizza Kitchen | 20 | 2 |
| P.F. Chang's | 22 | |
| Italiannis | 63 | 12 |
| Vips | 248 | 5 |
| El Portón | 67 | |
| The Cheesecake Factory | 2 | |
| Total | 1,644 | 496 |

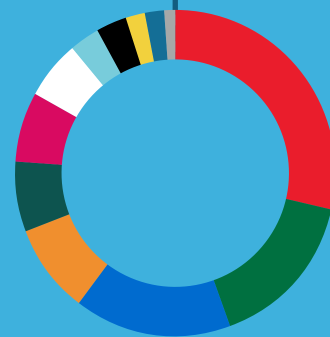
## Alsea Mexico



57%
Sales Share

69%
EBITDA ShareShare

## Employees



%

| | |
|---|---|
| Vips | 28 |
| | 16 |
| Domino's | 18 |
| Burger King | 9 |
| Italiannis | 6 |
| El Portón | 6 |
| Chili's | 6 |
| DIA | 3 |
| P.F. Chang's | 3 |
| California Pizza Kitchen | 2 |
| Alsea | 2 |
| The Cheesecake Factory | 1 |

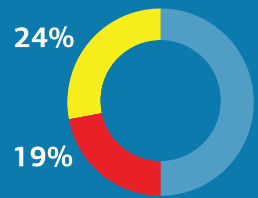
# Alsea International - Today

3Q16

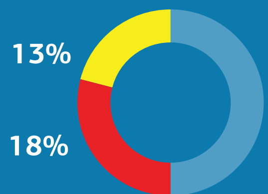
| Stores | Corporate | Franchises |
|---|---|---|
| Domino's | 220 | 36 |
| | 209 | |
| Burger King | 202 | |
| P.F. Chang's | 9 | |
| Foster's Hollywood | 85 | 126 |
| Cañas y Tapas | 5 | 10 |
| LAVACA | 9 | |
| il Tempietto ristorante | 1 | |
| Archie's | 41 | |
| Total | 781 | 172 |

## Alsea International

South America
Spain

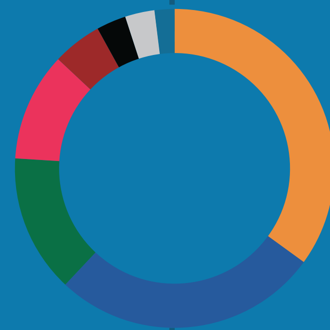



43%
Sales Share




31%
EBITDA ShareShare

## Employees



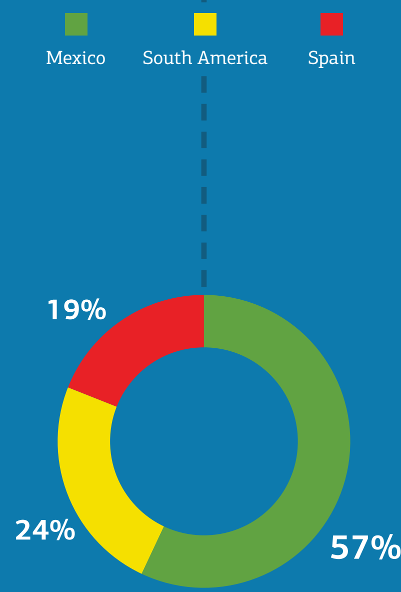
%

| | |
|---|---|
| Burger King | 35 |
| Domino's | 27 |
| | 14 |
| Foster's Hollywood | 11 |
| Archie's | 5 |
| P.F. Chang's | 3 |
| *Others | 3 |
| Alsea | 2 |

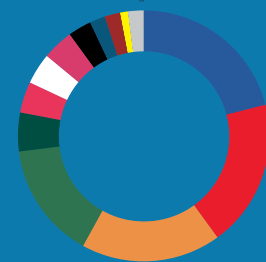
# Alsea - Today

| Stores | Corporate | Franchises |
|---|---|---|
| Domino's | 618 | 270 |
| Starbucks | 774 | |
| Burger King | 407 | 243 |
| vips | 248 | 5 |
| Foster's Hollywood | 85 | 126 |
| chili's | 54 | |
| Italiannis | 63 | 12 |
| El Portón | 67 | |
| P.F. Chang's | 31 | |
| Archie's | 41 | |
| California Pizza Kitchen | 20 | 2 |
| The Cheesecake Factory | 2 | |
| Cañas y Tapas | 5 | 10 |
| LAVACA | 9 | |
| il Tempietto ristorante | 1 | |
| Total | 2,425 | 668 |

## Sales per geography




## Employees



%

| | |
|---|---|
| Domino's | 21 |
| vips | 18 |
| Burger King | 18 |
| Starbucks | 16 |
| Italiannis | 5 |
| Foster's Hollywood | 4 |
| chili's | 4 |
| El Portón | 4 |
| P.F. Chang's | 3 |
| Alsea | 2 |
| Archie's | 2 |
| California Pizza Kitchen | 1 |
| *Others | 2 |

# Acquisitions Update

- New menu: more attractive
- New image: Product, service, layout & culture
- Improved SSS
- Re-launch of the brand

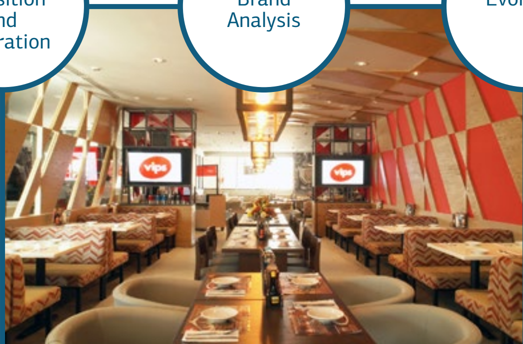
El Portón — Currently

vips — Currently

1 Transition and Integration

2 Brand Analysis

3 Evolution




BURGER KING

- Positive SSS trend
- 40 units remodeled - 2015
- 40 units to be remodeled - 2016
- Development plan on hold - 2017

1 Improving Operation

2 Adjusting Business Model

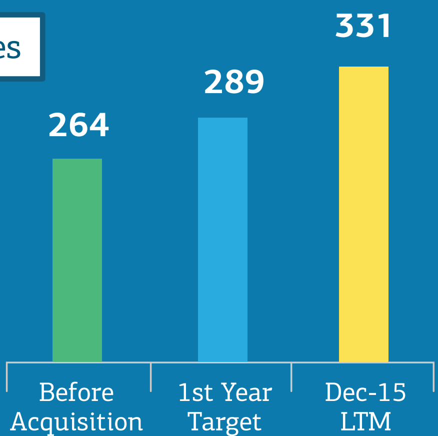
Currently

3 Growth Strategy

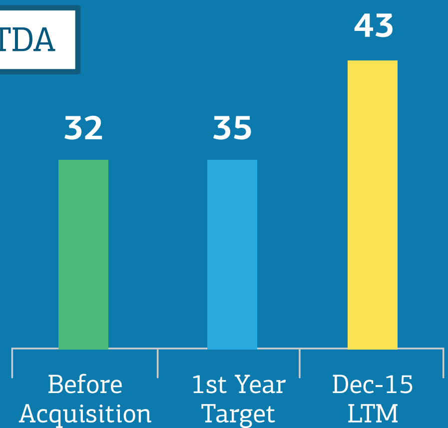
# Grupo Zena Acquisition

## Estimates at acquisition vs. Real

Sales




EBITDA




| | |
|---|---|
| Acquisition Multiple | 8.1x |
| Dec-15LTM | 6.2x |
| Free Cash Flow Dec-15LTM | €14m |
| Dec-15Net Debt/EBITDA | 2.2x |

Figures in Thousand Euros

# Innovation – Consumer - Tecnology

## Multi-brand Rewards program


Description / Objective: **know your customer**
Reach: **1st stage - Mexico**
How does it work: **Gaining and Redeeming points**
**270,000** registered users
Aproximately **30%** Increase in average ticket
**+1,200** Restaurants on board

## Apps

Alsea

Strategy

3Q16

# Alsea Strategic Definitions



**PURPOSE**

To be the best restaurant operator, ensuring a great experience with each customer with the best portfolio and the best profitability; Stiring people's spirits

**VALUE PROPOSITION**

We are a determined community committed to excellence and integrity, we maximize synergies to delivered a surprising offer to our Guests and to make sure that our restaurants generate extraordinary results, contributing with hapiness doses even in the samallest details.

**WAYS TO WIN**

- Best Employer
- Store Comes First
- Best Operator
- Strong Portfolio
- Technology for our clients
- Alsea Ecosystem
- Sustainability

**OUR CULTURE**

- **Winning** Attitude
- **Engaged** Leadership
- **Surprising** Service
- **Collaborative** Spirit
- **Attention** to Detail

**STRATEGIC AREAS**

| Customers | Employees | Synergy | Results | Corporate Responsibility |
|---|---|---|---|---|
| Exceed customers' expectations consistently | Promotes people's development and has the industry's most talented management team | Provides and efficient and enabler platform for synergy and growth | Integrates and operates successful brands, preserving their essence, ensuring a profitable and sustainable growth | Promotes a culture with a strong focus on growth and continuous learning, with a high sense of social responsibility |

# Business Model

## Support

| | | | | |
|---|---|---|---|---|
| Operations | Marketing | Human Resources | Real Estate | Strategic Planning |
| Finance | Supply Chain | Information Technology | Corporate Responsability | Internal Audit |

## Brands

Domino's · Burger King · chili's · california pizza kitchen · P.F. Chang's · Italiannis · The Cheesecake Factory

vips · El Portón · Foster's Hollywood · Cañas y Tapas · LAVACA · Archie's

## Competitive Advantages

| Brands | Synergy | People | Others |
|---|---|---|---|
| . Diversified Portfolio<br>. Leading GLobal Brands<br>. Marketing Leading Own brands | . Shared Services<br>. Cross Brand synergies & best practices<br>. Economies of Scale<br>. Negotiating Power with Suppliers and Real Estate<br>. Distribution | . Market Experience<br>. Skilled People | . Acces to Technology<br>. Social responsability<br>. Corporate Governance |

# Markets

Actual Market **3,093** units

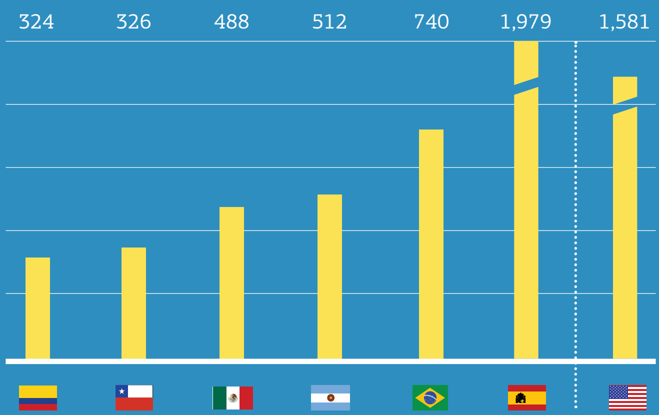
Population **478** million

GDP USD **5,118** billion

**+399** Million Clients served as of Sep 16 LTM

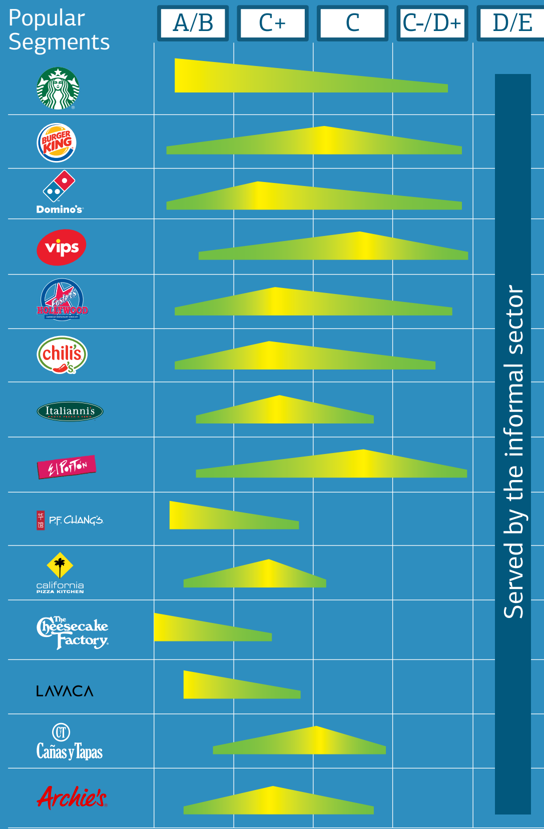
## Potencial Per-Capita expense expansion

(Figures in usd)



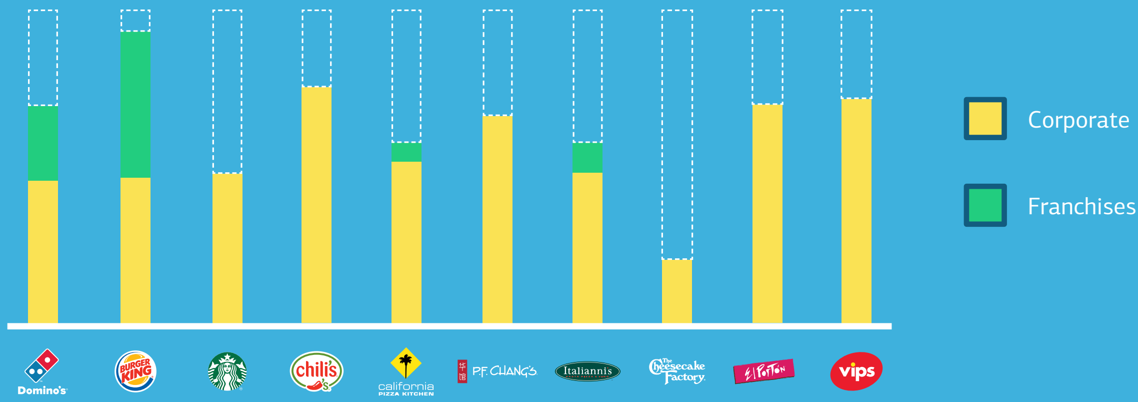

**Food Service Industry**

## Diversified Portfolio



# Mexico Strategy

## Market Holding Capacity



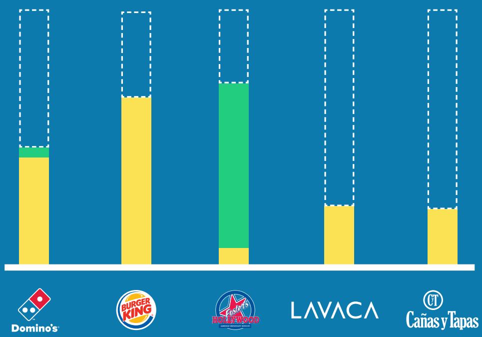

## 85 - 95 Openings for 2016

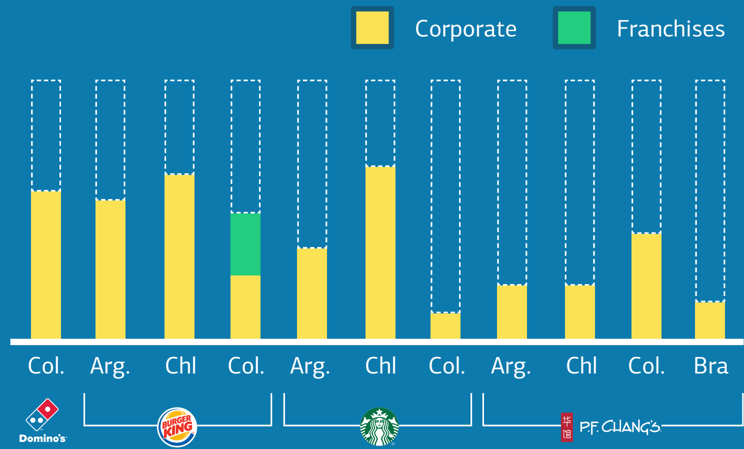
| | Domino's | BURGER KING | | chili's | california PIZZA KITCHEN | P.F. CHANG'S | Italiannis | The Cheesecake Factory | El Portón | vips |
|---|---|---|---|---|---|---|---|---|---|---|
| **Finance** | 15 - 20 | - | 50 - 55 | 4 | 1 | 1 | 5 - 8 | 1 | 2 | 5 - 7 |

# International Strategy



## Market Holding Capacity




## 70 - 80 Openings for 2016

### Annual Growth by Country

| | Argentina | Chile | Colombia | Brazil | Spain |
|---|---|---|---|---|---|
| **2016e** | 15 - 20 | 10 - 15 | 8 - 10 | 1 - 2 | 25 - 30 |

# Growth Strategy

## GROWTH

**Organic Growth** + **Acquisitions**

| Organic Growth | | Acquisitions | |
|---|---|---|---|
| + SSS | + Store Openings | + New Brands | + Franchisees & Sub franchisees |
| + New Brands | + New Markets | + Existing Brands | + New Markets |

## MARGIN EXPANSION

| Operating Leverage | | Business Mix | | Operating Efficiencies |
|---|---|---|---|---|
| SSS + Units | + | Corporate, Franchised, Sub-franchised, Brands, Segments, Geographies | + | Cost of Sales<br>Pricing Strategy<br>Expenses<br>Synergies<br>Best practices |

**Good Macroeconomics** + **Solid Business Plan** + **Great Execution** = **Formula for Success**

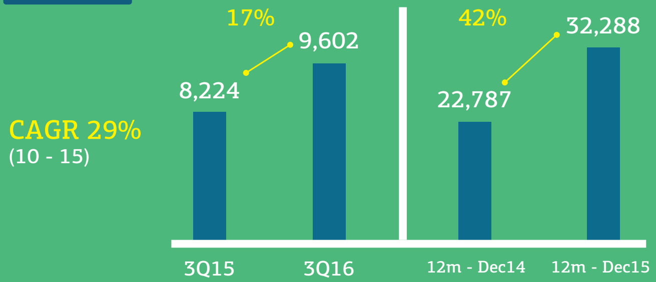
Alsea

# Financials

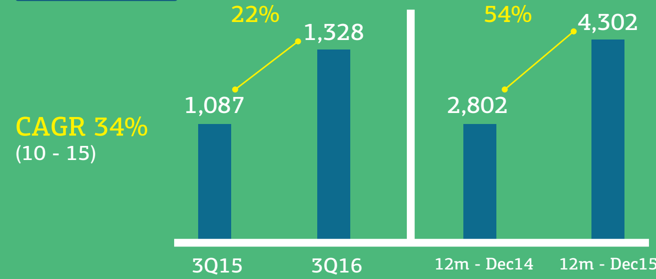
## 3Q16

# Consolidated Results

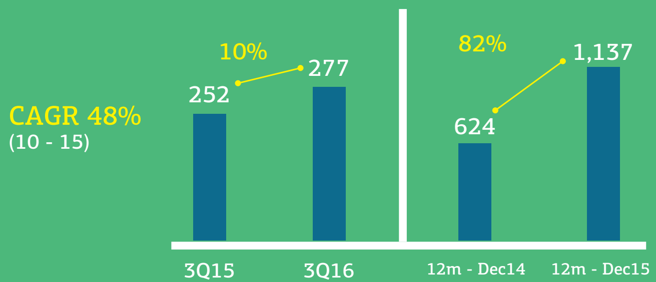
## Sales



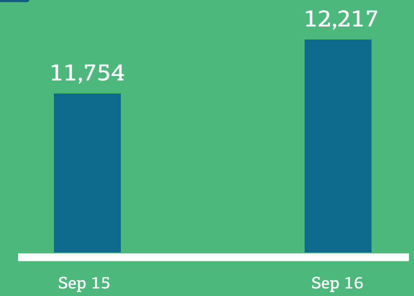

## EBITDA




## Net Ordinary Income *



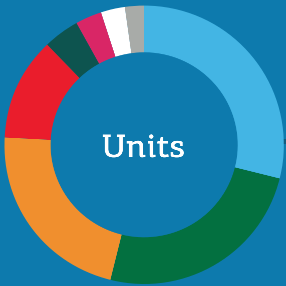

## Net Debt



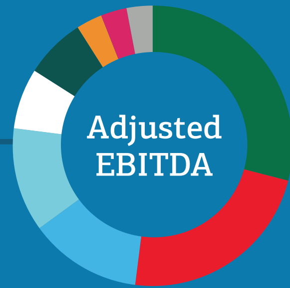

*Excluding put/call effect

# Business Overview - Mexico

3Q16





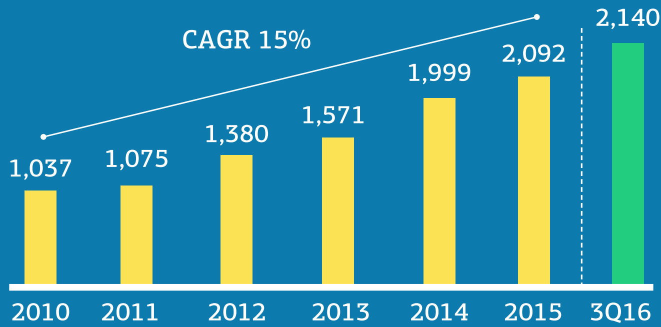



%

| 3Q16* | Units | Sales | Adjusted EBITDA |
|---|---|---|---|
| | 26 | 26 | 29 |
| vips | 12 | 23 | 23 |
| Domino's | 30 | 15 | 13 |
| BURGER KING | 21 | 9 | 3 |
| chili's | 2 | 6 | 7 |
| Italiannis | 4 | 6 | 7 |
| DIA | - | 6 | 12 |
| El Portón | 3 | 4 | 3 |
| Other** | 2 | 5 | 3 |

| RESULTS | 3Q16 | 12m Dec15 |
|---|---|---|
| SSS | **6.4%** | **4.4%** |
| Revenues | **$5,516** | **$19,896** |
| Adjusted EBITDA | **$1,339** | **$4,674** |
| Margin | **24.3%** | **23.5%** |

## Total Stores



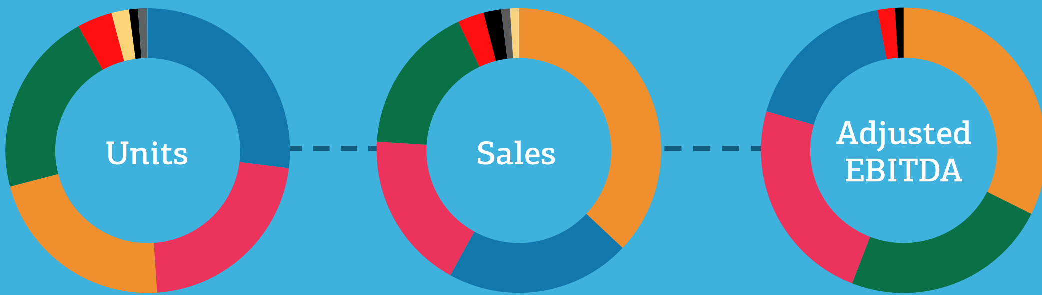

Adjusted EBITDA and Revenues figures in thousand pesos

*Quarterly share figures for sales and Adjusted EBITDA

**P.F. Chang's, The Cheesecake Factory, California Pizza Kitchen

# Business Overview - International

3Q16

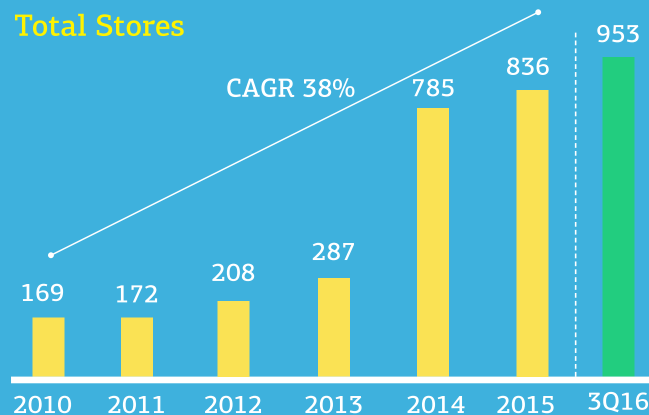



%

| 3Q16* | Units | Sales | Adjusted EBITDA |
|---|---|---|---|
| Burger King | 21 | 39 | 33 |
| Starbucks | 22 | 18 | 24 |
| Foster's Hollywood | 22 | 18 | 24 |
| Domino's | 27 | 19 | 18 |
| P.F. Chang's | 1 | 2 | 1 |
| LAVACA | 1 | 1 | -1 |
| Cañas y Tapas | 2 | 1 | 0 |
| Archie's | 4 | 3 | 2 |

| RESULTS | 3Q16 | 12m Dec15 |
|---|---|---|
| SSS | 23.6% | 21.5% |
| Revenues | $4,086 | $12,392 |
| Adjusted EBITDA | $707 | $2,103 |
| Margin | 17.3% | 17% |

## Total Stores




Adjusted EBITDA and Revenues figures in thousand pesos

*Quarterly share figures for sales and Adjusted EBITDA

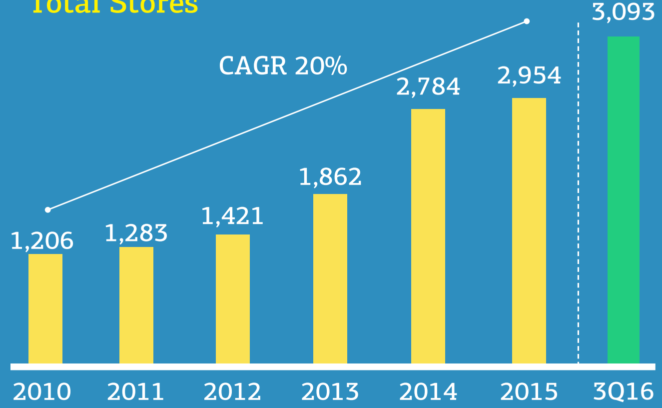
# Business Overview - Alsea

3Q16


| % 3Q16* | Units | Sales | Adjusted EBITDA |
|---|---|---|---|
| | 25 | 23 | 27 |
| BURGER KING | 21 | 22 | 13 |
| Domino's | 29 | 16 | 14 |
| vips | 8 | 13 | 14 |
| Foster's Hollywood | 7 | 7 | 9 |
| chili's | 2 | 4 | 5 |
| Italiannis | 2 | 3 | 5 |
| DIA | - | 4 | 8 |
| El Portón | 2 | 2 | 2 |
| P.F. CHANG'S | 1 | 2 | 2 |
| Other** | 3 | 4 | 2 |

| RESULTS | 3Q16 | 12m Dec15 |
|---|---|---|
| SSS | 9.0% | 9.3% |
| Revenues | $9,602 | $32,288 |
| EBITDA | $1,328 | $4,302 |
| Margin | 13.8% | 13.3% |

## Total Stores




EBITDA and Revenues figures in thousand pesos

*Quarterly share figures for sales and Adjusted EBITDA

**Archie's, The Cheesecake Factory, California Pizza Kitchen, Cañas y Tapas, La Vaca e Il Tempieto

# Debt Profile

## Capital structure

| | 3Q16 | 3Q15 |
|---|---|---|
| Net Debt / EBITDA | 2.5x | 2.9x |
| EBITDA / Interest Paid | 6.3x | 5.8x |

## Avarage cost

peso: 6.3%

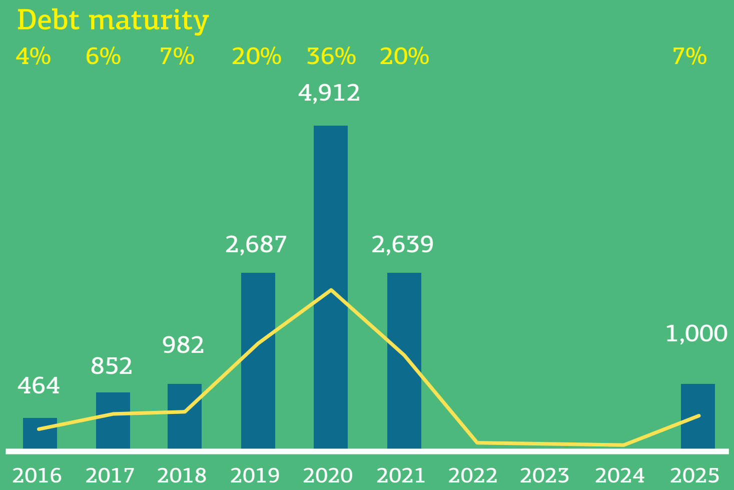
euro: 2.0%

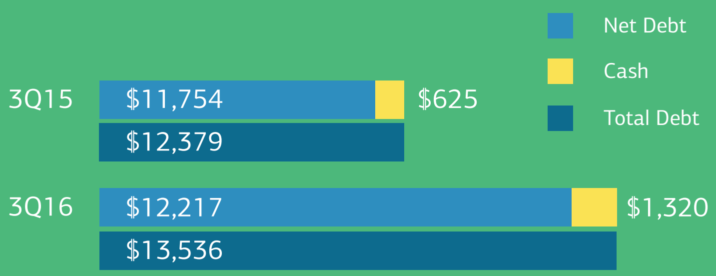
## Debt structure 3Q16

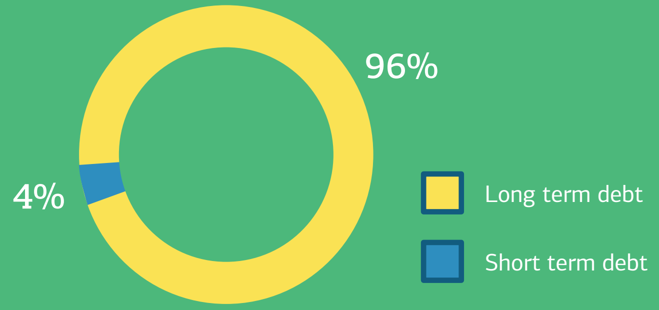
| | |
|---|---|
| Bond Debt | 29% |
| Bank Debt | 71% |

## Main banks

| | |
|---|---|
| Bank of America | 21% |
| Scotiabank | 15% |
| Bank of Tokio | 7% |



# Guidance 2016



**TOP LINE GROWTH**

Between **155 -175** openings

Mid to high Single Digit **SSS**

Mid teens Growth **Revenues**

**EBITDA GROWTH**

**EBITDA** margin expansion **~60** to **70bps**

**>5bn** pesos

**3.2 - 3.3bn** CAPEX*

**< 2.5x** Net debt / EBITDA

Alsea

* Excluding acquisitions

**FUTURE TARGETS**

| | 2016 e | 2020 e |
|---|---|---|
| SALES | Mid-teens | CAGR > 15% |
| EBITDA | High-teens | CAGR = High-teens |
| EBITDA margin expansion | 60 - 70 bps | > 15% |
| Dividends | $0.77 pesos per share | Acum > $ 5 pesos per share |
| Adjusted EPS* | $ 1.50 | CAGR > 25% |
| ROIC | ROIC > WACC | > 20% |
| ROE | >14 % | > 20% |

*Without considering any effects from the Put / Call Options.

Alsea

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