



SMU



EARNINGS PRESENTATION: FOURTH QUARTER 2017

MARCH 2018

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

THIS PRESENTATION MAY CONTAIN FORWARD-LOOKING STATEMENTS. WE HAVE BASED ANY SUCH FORWARD-LOOKING STATEMENTS LARGELY ON OUR CURRENT BELIEFS, EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS AFFECTING OUR BUSINESS. ALTHOUGH MANAGEMENT CONSIDERS THESE PROJECTIONS TO BE REASONABLE BASED ON INFORMATION CURRENTLY AVAILABLE TO IT, MANY IMPORTANT FACTORS COULD CAUSE OUR ACTUAL RESULTS TO DIFFER SUBSTANTIALLY FROM THOSE ANTICIPATED IN OUR FORWARD-LOOKING STATEMENTS. THE WORDS “BELIEVE,” “MAY,” “WILL,” “AIM,” “ESTIMATE,” “CONTINUE,” “ANTICIPATE,” “INTEND,” “EXPECT,” “FORECAST” AND SIMILAR WORDS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS INCLUDE INFORMATION CONCERNING OUR POSSIBLE OR ASSUMED FUTURE RESULTS OF OPERATIONS, BUSINESS STRATEGIES, FINANCING PLANS, COMPETITIVE POSITION, INDUSTRY ENVIRONMENT, POTENTIAL GROWTH OPPORTUNITIES AND THE EFFECTS OF FUTURE REGULATION AND COMPETITION. BY THEIR VERY NATURE, FORWARD-LOOKING STATEMENTS INVOLVE INHERENT RISKS AND UNCERTAINTIES, BOTH GENERAL AND SPECIFIC, AND RISKS THAT PREDICTIONS, FORECASTS, PROJECTIONS AND OTHER FORWARD-LOOKING STATEMENTS WILL NOT BE ACHIEVED. IN LIGHT OF THE RISKS AND UNCERTAINTIES DESCRIBED ABOVE, THE FORWARD-LOOKING EVENTS AND CIRCUMSTANCES DISCUSSED IN THIS PRESENTATION MIGHT NOT OCCUR AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. THEREFORE, WE CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON THESE STATEMENTS. FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE THEY WERE MADE, AND WE UNDERTAKE NO OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS INCLUDED IN THIS PRESENTATION BECAUSE OF NEW INFORMATION, FUTURE EVENTS OR OTHER FACTORS.

NOTE REGARDING PRESENTATION AND COMPARISON OF INFORMATION

ON NOVEMBER 9, 2017, SMU SIGNED A BINDING AGREEMENT FOR THE SALE OF ITS SUBSIDIARY CONSTRUMART S.A. AND ITS SUBSIDIARIES. SUCH COMPANIES COMPRISED THE “CONSTRUCTION MATERIALS” OPERATING SEGMENT. IN ACCORDANCE WITH THE PROVISIONS OF IFRS 5, IN SMU’S CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017, THIS SEGMENT IS PRESENTED AS AVAILABLE FOR SALE.

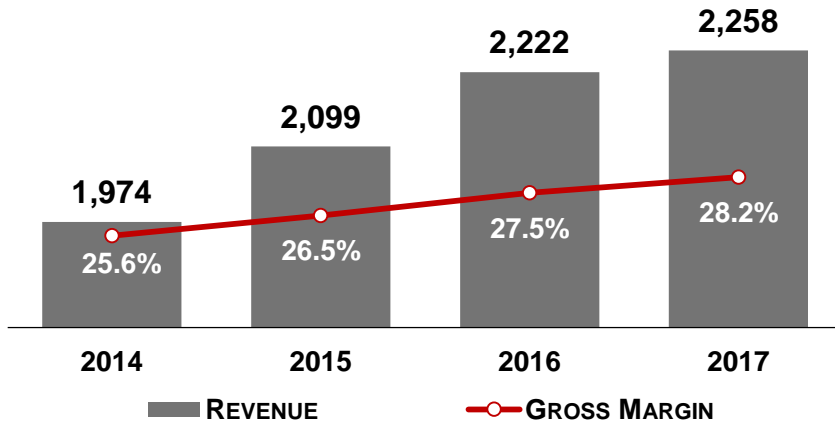
CONSEQUENTLY, THE ACCOUNTS IN THE COMPANY’S STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR 2016, AS WELL AS FOR THE FIRST NINE MONTHS OF 2017, HAVE BEEN RESTATED IN ORDER TO PROVIDE THE SAME PRESENTATION AS THE FULL YEAR 2017 FIGURES. AS SUCH, IN BOTH PERIODS PRESENTED, CONSTRUMART’S RESULTS ARE CONSOLIDATED IN A SINGLE LINE OF SMU’S STATEMENTS OF COMPREHENSIVE INCOME, UNDER “PROFIT (LOSS) FROM DISCONTINUED OPERATIONS”.

UNLIKE THE STATEMENTS OF COMPREHENSIVE INCOME, THE STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2016 HAVE NOT BEEN RESTATED, AND AS A RESULT, SUCH FIGURES ARE NOT COMPARABLE TO THE FIGURES PRESENTED AS OF DECEMBER 31, 2017. IN 2017, CONSTRUMART’S ASSETS ARE CONSOLIDATED IN A SINGLE LINE OF SMU’S STATEMENTS OF FINANCIAL POSITION, UNDER “NON-CURRENT ASSETS OR ASSET GROUPS CLASSIFIED AS HELD-FOR-SALE”, AND CONSTRUMART’S LIABILITIES ARE CONSOLIDATED IN A SINGLE LINE UNDER “NON-CURRENT LIABILITIES OR LIABILITY GROUPS CLASSIFIED AS HELD-FOR-SALE”.

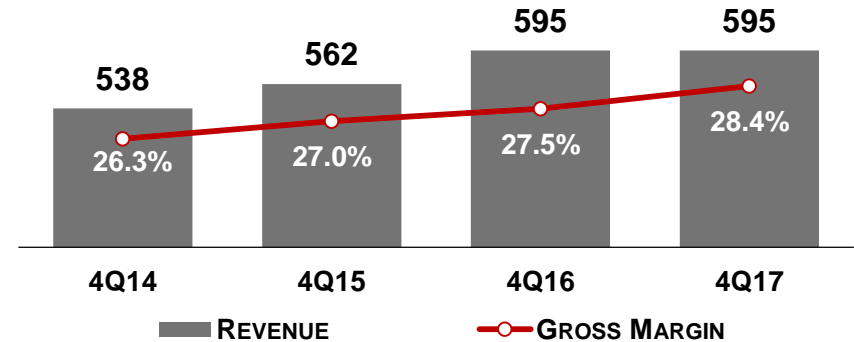
THE STATEMENTS OF CASH FLOWS FOR THE YEAR 2016 HAVE NOT BEEN RESTATED, AND AS A RESULT, SUCH FIGURES ARE NOT COMPARABLE TO THE FIGURES FOR THE YEAR 2017. THE STATEMENTS OF CASH FLOWS FOR THE YEAR 2016 INCLUDE CASH FLOWS CORRESPONDING TO CONSTRUMART, WHEREAS IN 2017, SUCH CASH FLOWS ARE NOT INCLUDED. IN ADDITION, IN 2017, THERE IS AN ADJUSTMENT TO ELIMINATE THE BALANCE OF CASH AND CASH EQUIVALENTS CORRESPONDING TO CONSTRUMART.

REVENUE AND GROSS PROFIT – FOOD RETAIL SEGMENT (1)

ANNUAL REVENUE (CLP BN)



FOURTH QUARTER REVENUE (CLP BN)



REVENUE

- REVENUE GROWTH +1.6% IN 2017 AND +0% IN 4Q17
- LOWER REVENUE GROWTH FOR FOOD RETAIL BUSINESS, IN LINE WITH INDUSTRY PERFORMANCE

GROSS PROFIT

- GROSS MARGIN GROWTH +70 BPS IN 2017 AND +90 BPS IN 4Q17
- REFLECTS LOGISTICS FEE ASSOCIATED WITH HIGHER LEVELS OF CENTRALIZED DISTRIBUTION AND INTERNAL RE-STOCKING FEE

SOURCE: COMPANY INFORMATION

(1) THE FOOD RETAIL SEGMENT, ALSO REFERRED TO AS THE SUPERMARKETS SEGMENT, INCLUDES REVENUE AND EXPENSES OF THE HEADQUARTERS AND SUPPORT AREAS, AS WELL AS CONSOLIDATION ADJUSTMENTS. THIS SEGMENT IS CALCULATED AS THE SUM OF SUPERMARKETS PLUS SUPPORT SERVICES, FINANCING, ADJUSTMENTS AND OTHERS, AS PRESENTED IN NOTE 37 OF THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017.

REVENUE BY FORMAT

2017 vs 2016 REVENUE BY FORMAT (CLP BN)

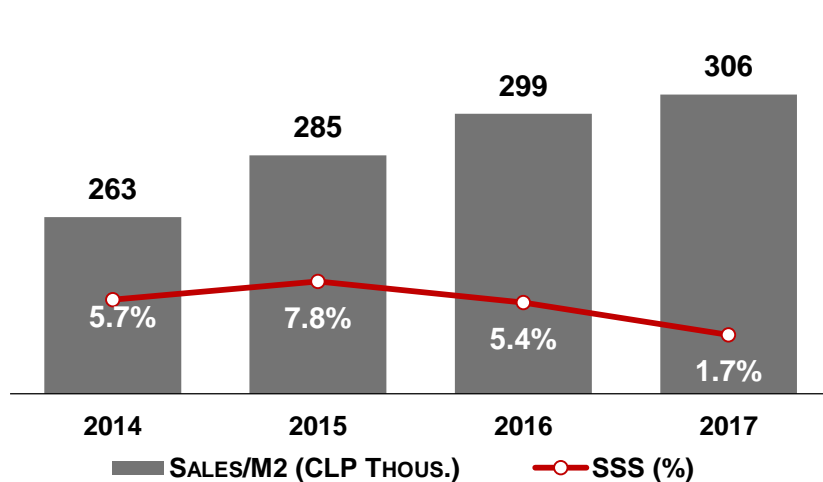
HIGHLIGHTS

- STRONGEST GROWTH SEEN IN UNIMARC SUPERMARKETS (+2.3%) AND PERU (+12.8%)
- LOWER CASH & CARRY REVENUES DUE TO CHANGE IN MAYORISTA 10 VALUE PROPOSITION, BUT WITH POSITIVE GROWTH IN 4Q17 (+0.5%)

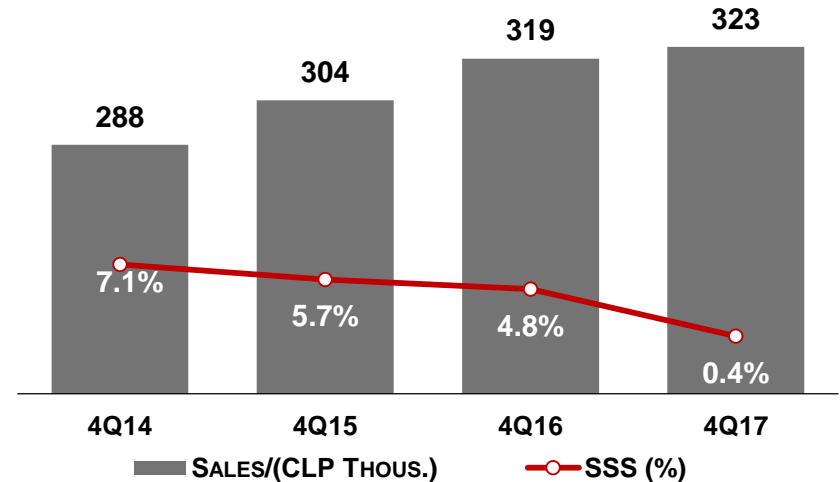


FOOD RETAIL SEGMENT: SAME-STORE SALES AND SALES/M²

ANNUAL SSS AND SALES/SQUARE METER ⁽¹⁾⁽²⁾



FOURTH QUARTER SSS AND SALES/SQUARE METER ⁽¹⁾⁽²⁾



- SAME-STORE SALES TRENDS IN LINE WITH REVENUE PERFORMANCE :
 - 2017 SUPERMARKETS +2.3%, CASH & CARRY -0.7%, CONVENIENCE +3.7%, PERU +11.6%
 - 4Q17 SUPERMARKETS +0.3%, CASH & CARRY +0.5%, CONVENIENCE +1.4%, PERU +4.7%
- CONTINUING UPWARD TREND IN SALES PER SQUARE METER

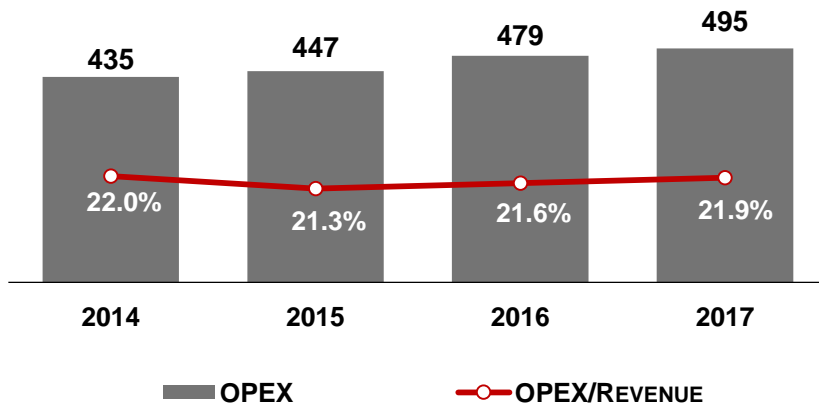
SOURCE: COMPANY INFORMATION

(1) SAME-STORE SALES REFLECTS THE PERCENTAGE CHANGE IN SALES OF OUR STORES OPERATING THROUGHOUT THE SAME MONTHS OF BOTH FINANCIAL PERIODS BEING COMPARED, FOR THE FOOD RETAIL SEGMENT. IN ORDER TO BE INCLUDED IN THE CALCULATION, A STORE MUST HAVE BEEN OPERATING FOR AT LEAST 13 CONSECUTIVE MONTHS, BEGINNING ON THE DATE ON WHICH THE STORE WAS OPENED OR RE-OPENED.

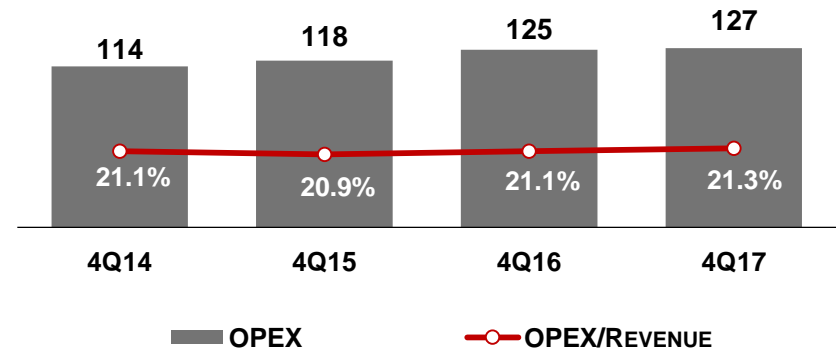
(2) SALES PER SQUARE METER IS CALCULATED AS SALES FOR THE PERIOD DIVIDED BY THE SQUARE METERS OF SELLING SPACE AT THE END OF EACH MONTH DURING THE PERIOD, FOR THE FOOD RETAIL SEGMENT..

OPERATING EXPENSES⁽¹⁾ – FOOD RETAIL SEGMENT

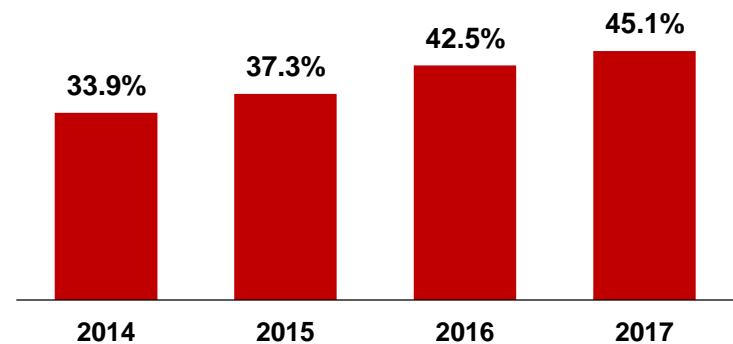
ANNUAL OPERATING EXPENSES (CLP BN)



FOURTH QUARTER OPERATING EXPENSES (CLP BN)



CENTRALIZATION – FOOD RETAIL CHILE⁽³⁾



2017 ADMINISTRATIVE EXPENSES: +3.1%

- PERSONNEL EXPENSES +3.4%
- LEASE EXPENSES +6.0%

2017 DISTRIBUTION EXPENSES: +8.5%

- INCREASE IN CENTRALIZED DISTRIBUTION

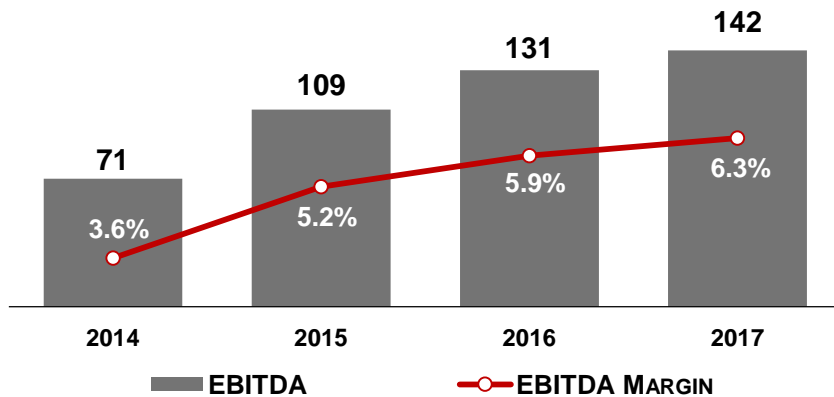
SOURCE: COMPANY INFORMATION

(1) SUM OF DISTRIBUTION AND ADMINISTRATIVE EXPENSES, EXCLUDING DEPRECIATION AND AMORTIZATION.

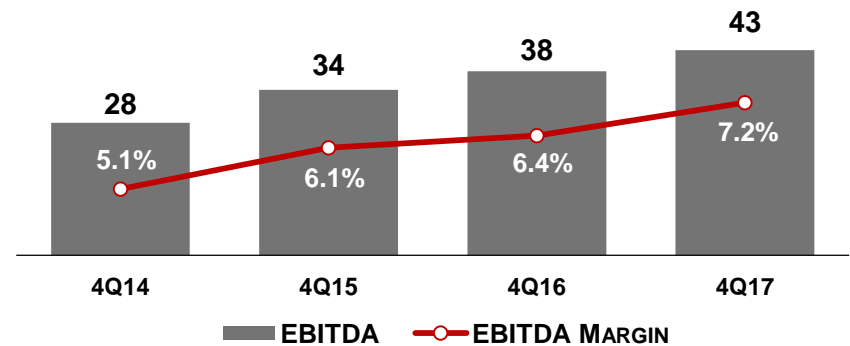
(2) PERCENTAGE OF REVENUES FROM PRODUCTS DISTRIBUTED BY THE COMPANY (AT ANY STAGE) OVER TOTAL REVENUES FROM FOOD RETAIL OPERATIONS IN CHILE.

EBITDA⁽¹⁾ – FOOD RETAIL SEGMENT

ANNUAL EBITDA (CLP BN)



FOURTH QUARTER EBITDA (CLP BN)



2017 EBITDA: CLP 142.0 BN

- +8.3% (+CLP 10.9 BN) vs. 2016
- EBITDA MARGIN: 6.3% (+40 BPS vs. 2016)

4Q17 EBITDA: CLP 42.6 BN

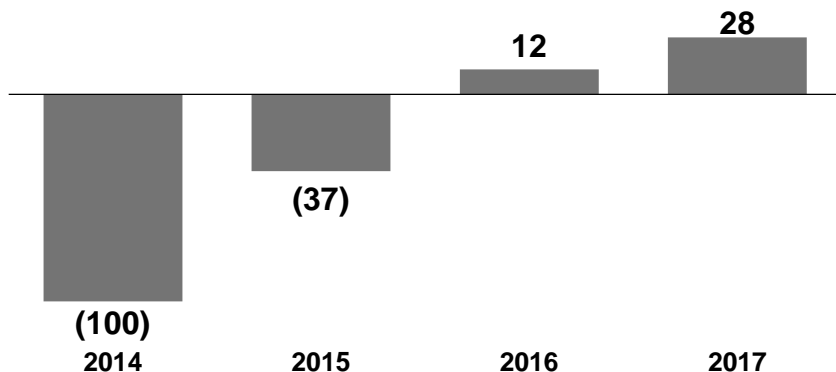
- +11.7% (+CLP 4.4 BN) vs. 4Q16
- EBITDA MARGIN: 7.2% (+80 BPS vs. 4Q16)

SOURCE: COMPANY INFORMATION

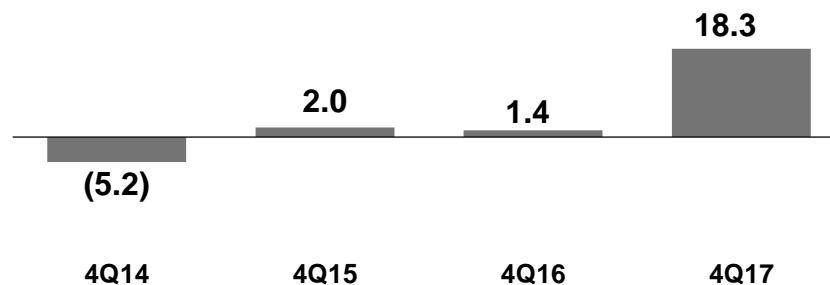
(1) EBITDA = GROSS PROFIT – ADMINISTRATIVE EXPENSES – DISTRIBUTION COSTS + DEPRECIATION + AMORTIZATION

CONSOLIDATED NET INCOME

ANNUAL NET INCOME (CLP BN)



FOURTH QUARTER NET INCOME (CLP BN)



CONSOLIDATED NET INCOME:

- 2017: CLP 27.6 BN (+126.4% / +CLP 15.4 BN vs. 2016)
- 4Q17: CLP 18.3 BN (+1,210% / +CLP 16.9 BN vs. 4Q16)

IMPROVED OPERATING RESULTS

- 2017: +CLP 14 BN
- 4Q17: +CLP 5 BN

IMPROVED NON-OPERATING RESULTS:

- 2017: +CLP 12 BN
- 4Q17: +CLP 16 BN

HIGHER INCOME TAX EXPENSE:

- 2017: +11 BN
- 4Q17: +CLP 5 BN

RECENT HIGHLIGHTS

PLAN CIMA UPDATE

- **CUSTOMER EXPERIENCE:**
 - STORE UPGRADES: 8 RE-INAUGURATIONS IN OCTOBER-JANUARY
- **OPERATING EFFICIENCY:**
 - CENTRALIZED DISTRIBUTION REACHED 45.1% FOR 2017
 - STANDARDIZATION OF PROCESSES: TRAINING PROGRAM FOR FIRST GROUP OF 60 STORES TO COMPLETED AS OF YEAR-END 2017

CAPITAL INCREASE IN NOVEMBER 2017

- PLACEMENT OF 575 MILLION SHARES AT PRICE OF CLP 165/SHARE
- APPROX. **USD 150 MILLION**
- PROCEEDS USED PRIMARILY FOR PARTIAL REDEMPTION OF INTERNATIONAL BOND (USD 120 MILLION IN FEBRUARY 2018)

AGREEMENT FOR SALE OF CONSTRUMART

- BINDING AGREEMENT SIGNED NOV. 9, 2017
- PRICE OF ASSETS: **CLP 49.5 BILLION**
 - LESS NET FINANCIAL DEBT AND OTHER HABITUAL ADJUSTMENTS
- **DUE DILIGENCE REVIEW COMPLETE AND SHARE PURCHASE AGREEMENT SIGNED**
- TRANSACTION SUBJECT TO REGULATORY APPROVAL
- SALE WOULD ALLOW **SMU** TO FOCUS EXCLUSIVELY ON CORE BUSINESS, FOOD RETAIL

CAPITAL INCREASE IN JANUARY 2018

- PLACEMENT OF 400 MILLION SHARES AT PRICE OF CLP 185/SHARE
- APPROX. **USD 122 MILLION**
- PROCEEDS WILL ALLOW **SMU** TO FURTHER STRENGTHEN ITS FINANCIAL POSITION, CONTINUING DELEVERAGING PROCESS

INTERNATIONAL BOND – PARTIAL REDEMPTIONS

PARTIAL REDEMPTION FEBRUARY 9, 2018

- **USD 120 MILLION** PRINCIPAL AMOUNT
- COST OF PREPAYMENT: **1.938%**
- USING PROCEEDS FROM NOVEMBER 2017 CAPITAL INCREASE

PARTIAL REDEMPTION APRIL 2, 2018

- BONDHOLDERS WERE NOTIFIED ON MARCH 2, 2018
- **USD 80 MILLION** PRINCIPAL AMOUNT
- COST OF PREPAYMENT: **1.938%**
- USING PROCEED FROM JANUARY 2018 CAPITAL INCREASE

OUTSTANDING AMOUNT

- FOLLOWING BOTH PARTIAL REDEMPTIONS, THE TOTAL PRINCIPAL AMOUNT OUTSTANDING WILL BE **USD 100 MILLION, MATURING IN FEBRUARY 2020.**

CREDIT RATING UPGRADES

LOCAL CREDIT RATINGS: INVESTMENT GRADE

- **HUMPHREYS:** UPGRADE FROM BB (STABLE OUTLOOK) TO BBB- (STABLE OUTLOOK) ON NOVEMBER 23, 2017, AND SUBSEQUENTLY TO **BBB (STABLE OUTLOOK)** ON FEBRUARY 6, 2018
- **ICR:** UPGRADE FROM BB+ (POSITIVE OUTLOOK) TO **BBB- (POSITIVE OUTLOOK)** ON JANUARY 24, 2018
- **FELLER RATE:** UPGRADE FROM BB+ (POSITIVE OUTLOOK) TO **BBB- (POSITIVE OUTLOOK)** ON JANUARY 26, 2018

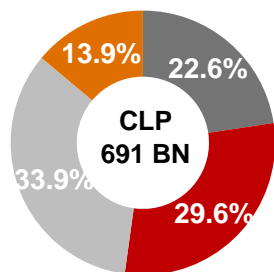
INTERNATIONAL CREDIT RATINGS: RECENT IMPROVEMENTS

- **S&P:** UPGRADE FROM B- (POSITIVE OUTLOOK) TO **B (STABLE OUTLOOK)** ON NOVEMBER 17, 2017
- **MOODY'S:** CHANGE IN OUTLOOK FROM STABLE TO **POSITIVE**, MAINTAINING THE **B3** RATING, ON MARCH 12, 2018

FINANCIAL DEBT (1)

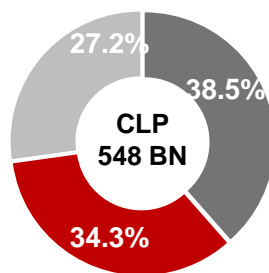
FINANCIAL DEBT (EXCL. FINANCIAL LEASES⁽²⁾)

AS OF DEC. 31, 2016

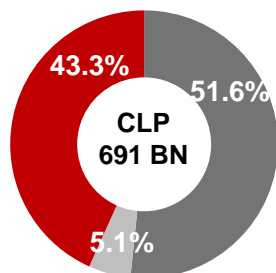


■ LOCAL BONDS ■ INTERNATIONAL BOND ■ BANK DEBT ■ RELATED-PARTY DEBT

AS OF DEC. 31, 2017

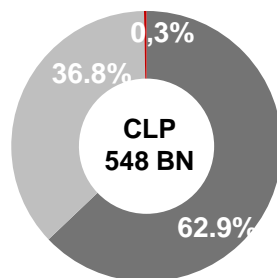


AS OF DEC. 31, 2016



■ UF ■ CLP ■ USD

AS OF DEC. 31, 2017



CAPITAL INCREASES 2017-2018:

- TOTAL PROCEEDS: APPROX. CLP 300 BN
- PROCEEDS USED TO REPAY AND PREPAY DEBT

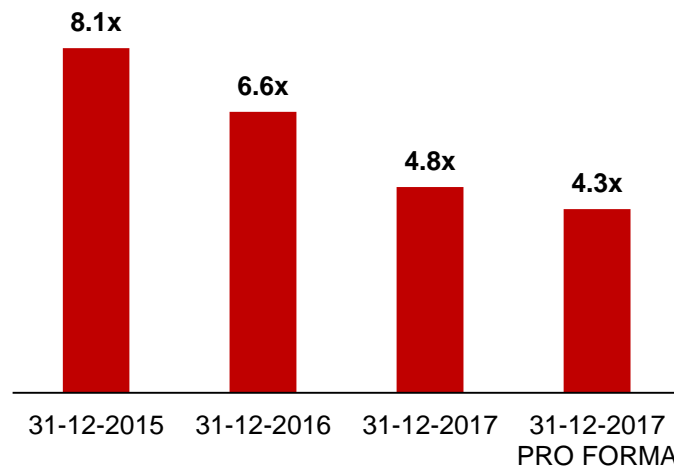
LOCAL BOND PLACEMENTS 2017:

- TOTAL PROCEEDS: UF 4 MN (APPROX. CLP 110 BN)
- PROCEEDS USED TO REFINANCE DEBT, GENERATING SAVINGS ON INTEREST EXPENSE

SIGNIFICANT REDUCTION IN FX EXPOSURE :

- 100% OF INTERNATIONAL BOND HEDGED WITH FORWARDS
- REMAINING USD-DENOMINATED DEBT HAS BEEN PAID DOWN

NET DEBT (INCL. FINAN. LEASES⁽²⁾)/EBITDA⁽³⁾



SOURCE: COMPANY INFORMATION.

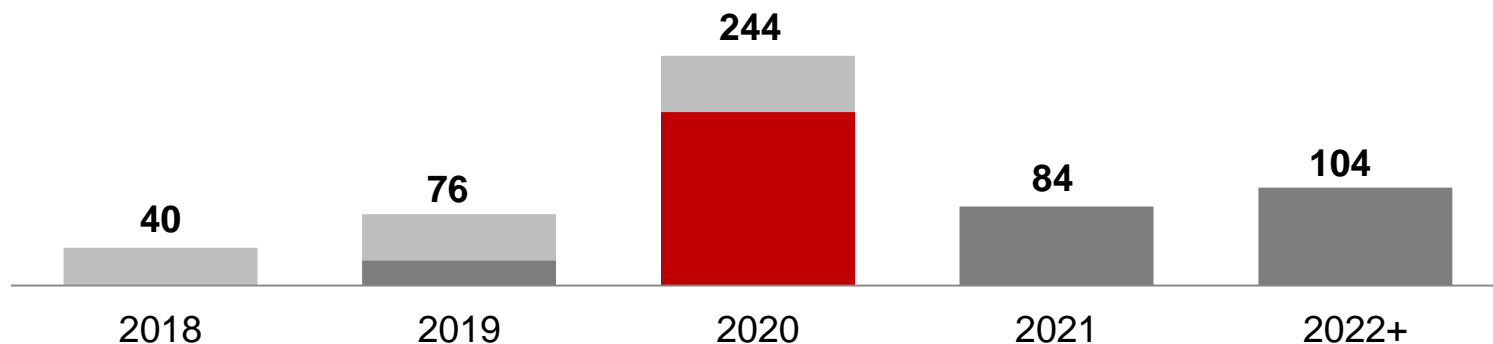
(1) FIGURES AS OF DEC. 31, 2017 ARE NOT COMPARABLE TO FIGURES FROM PRIOR PERIODS, BECAUSE 2017 FIGURES DO NOT INCLUDE DEBT, CASH OR EBITDA CORRESPONDING TO CONSTRUMART.

(2) AS OF DEC. 31, 2017, SMU'S FINANCIAL LIABILITIES INCLUDED FINANCIAL LEASES OF CLP 250 BN. A LEASE IS CLASSIFIED AS A FINANCE LEASE IF IT TRANSFERS SUBSTANTIALLY ALL THE RISKS AND REWARDS INCIDENTAL TO OWNERSHIP OF AN ASSET IN ACCORDANCE WITH IAS 17 "LEASES". AS OF DEC. 31, 2016, FINANCIAL DEBT INCLUDES FINANCIAL DEBT WITH RELATED PARTIES. AS OF DEC. 31, 2017, SMU HAD NO FINANCIAL DEBT WITH RELATED PARTIES.

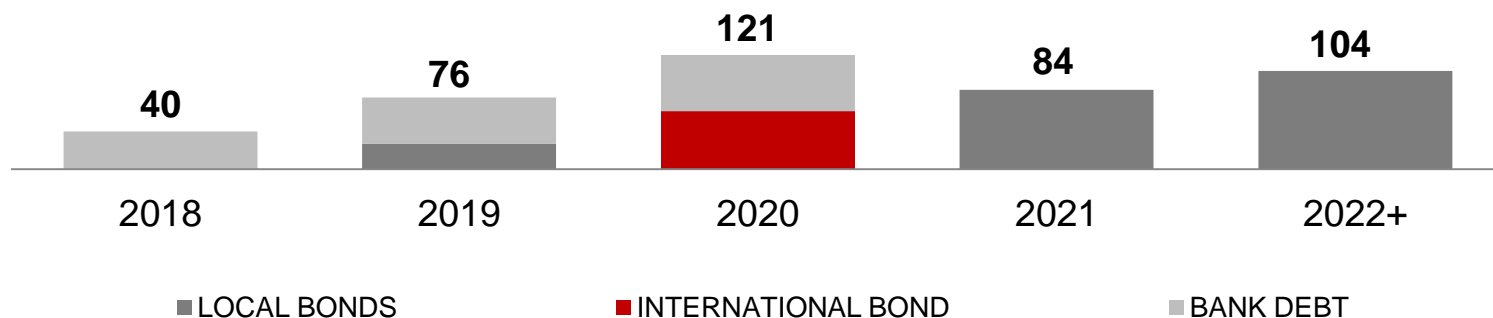
(3) DEC. 31, 2017 PRO FORMA HAS BEEN ADJUSTED TO REFLECT THE EFFECTS OF THE CAPITAL INCREASE COMPLETED ON JAN. 22, 2018, WHERE CASH IS INCREASED BY THE TOTAL GROSS PROCEEDS OF CLP 74,000 MILLION.

DEBT MATURITY PROFILE

DEBT MATURITY PROFILE AS OF DECEMBER 31, 2017⁽¹⁾ (CLP Bn)



DEBT MATURITY PROFILE AS OF DECEMBER 31, 2017⁽¹⁾ PRO FORMA⁽²⁾ (CLP Bn)



SOURCE: COMPANY INFORMATION

(1) EXCLUDES FINANCIAL LEASES. AS OF DECEMBER 31, 2017, SMU'S FINANCIAL LIABILITIES INCLUDED FINANCIAL LEASES OF CLP 250 Bn. A LEASE IS CLASSIFIED AS A FINANCE LEASE IF IT TRANSFERS SUBSTANTIALLY ALL THE RISKS AND REWARDS INCIDENTAL TO OWNERSHIP OF AN ASSET IN ACCORDANCE WITH IAS 17 "LEASES". FINANCIAL DEBT INCLUDES FINANCIAL DEBT WITH RELATED PARTIES. INCLUDES CONSTRUMART BANK DEBT.

(2) PRO FORMA DEBT MATURITY PROFILE HAS BEEN ADJUSTED TO REFLECT PARTIAL REDEMPTIONS OF INTERNATIONAL BOND: USD 120 MILLION (APPROX. CLP 74 Bn) ON FEBRUARY 9, 2018, AND USD 80 MILLION (APPROX. CLP 49 Bn) ANNOUNCED FOR APRIL 2, 2018.

2018 OUTLOOK

CHALLENGES AND INITIATIVES: FORMATS

- **UNIMARC:** STORE UPGRADES AND STANDARDIZATION OF PROCESSES
- **MAYORISTA 10:** CONTINUE FINE TUNING VALUE PROPOSITION AND COST STRUCTURE
- **ALVI:** STRENGTHEN RELATIONSHIP WITH MOM AND POP CUSTOMERS THROUGH *CLUB MAYORISTA ALVI*
- **OK MARKET:** STORE OPENINGS AND IMPROVE ASSORTMENT
- **E-COMMERCE:** NEW TECHNOLOGICAL PLATFORM AND LAUNCH UNIMARC.CL

CHALLENGES AND INITIATIVES: ENTIRE ORGANIZATION

- FURTHER DEVELOP **CUSTOMER CENTRICITY**, ESPECIALLY REGARDING **PURCHASE EXPERIENCE**
- MAINTAIN FOCUS ON **EFFICIENCY AND DISCIPLINE IN OPERATING EXPENSES** AND IMPROVING **PRODUCTIVITY**

CAPEX

- ESTIMATED CAPEX FOR 2018: **CLP 40 BN**: MAIN USES INCLUDE STORE UPGRADES, NEW STORE OPENINGS, AND MAINTENANCE



SMU



EARNINGS PRESENTATION: FOURTH QUARTER 2017

MARCH 2018