

Earnings Conference Call 1Q24

SMU S.A.

May 15, 2024
11:00 am ET / 11:00 am Chile



CAUTION REGARDING **FORWARD-LOOKING STATEMENTS**

This presentation contains forward-looking statements. We have based all 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. Figures related to future dates, as well as the words “target,” “goal,” “objective,” “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.



New Store Openings in 2024



- Three stores opened to date (Unimarc, Super10 & Maxiahorro).
- Other new stores in stages of permitting, design, and/or construction, to begin operations later in the year.
- Strong performance at stores opened in 2023.



Unimarc Huachalalume



Maxiahorro Guardia Civil



Super10 Limache

Loyalty Programs & Promotions

- Innovative promotional activity.
- New benefits for members of Club Unimarc, with partnerships offering discounts on travel, health and wellness, dining, and entertainment, among others.





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Customer
Experience

Customer Experience

Private Label Growth

- New additions to product assortment in a variety of categories.





Operating Efficiency

- Ongoing implementation of technologies such as self-service modules, voice picking, and automated demand planning that improve efficiency, productivity, and customer experience.
- Efficient operating model implemented in over 150 Unimarc stores, improving shrinkage, lost sales, and inventory turnover.
- Increased productivity has enabled us to accelerate adoption of the 40-hour work week in stores that have 100% implemented the efficient model, without increasing headcount.



Energy Efficiency

- Energy Management System implemented in 100% of facilities operated by SMU Chile in 2023.
 - International best practices in energy management.
 - Policies and procedures to optimize energy consumption.
- ISO 50001 certification of Energy Management System obtained in February 2024.





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Committed & Sustainable Organization

Diversity & Inclusion

- Lo Aguirre distribution center received the Equality & Conciliation Award from the National Service for Women and Gender Equity, in recognition of its implementation of a gender equity management system.

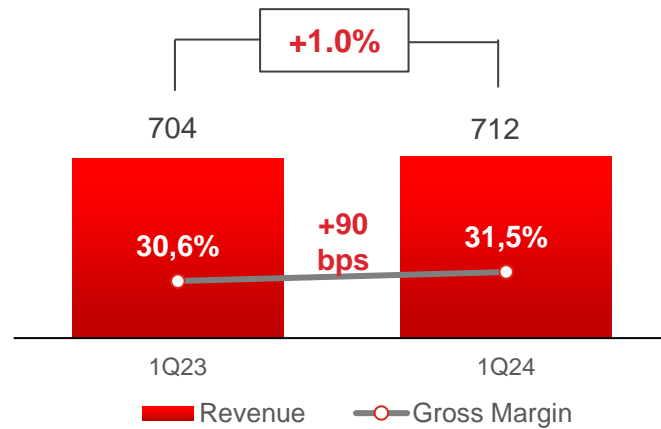




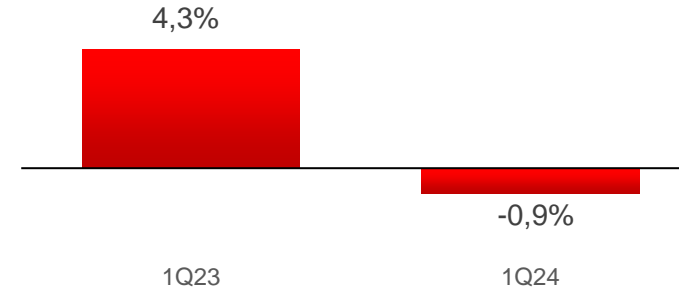
1Q24 Earnings

Revenue and Same-Store Sales ⁽¹⁾

Revenue
First Quarter; CLP Bn



Same-Store Sales
First Quarter; % Change



- Consumer behavior continues to reflect challenging macro conditions, affecting average ticket, but number of customers and transactions continues to increase across formats.
- Gross margin gains reflect improved commercial efficiency.

- High comparison base in 1Q23, especially in cash & carry segment (SSS +10.8% in 1Q23).
- Super10 SSS +12% in 1Q24.

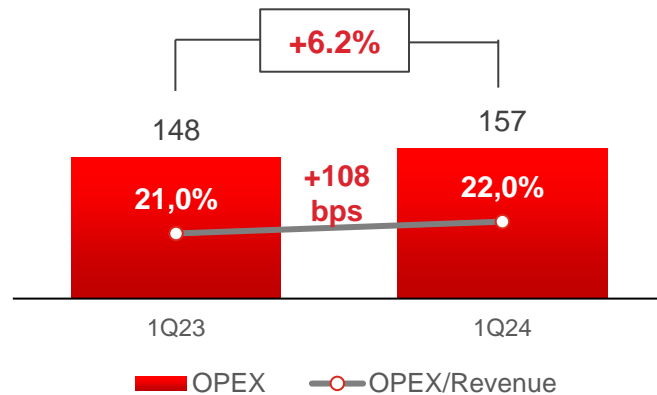
(1) Same-store sales reflects the percentage change in sales of stores operating throughout the same months of both financial periods being compared. In order to be included in the calculation, a store must have been operating for at least 13 consecutive months, beginning on the date on which the store was opened or re-opened.



1Q24 Earnings

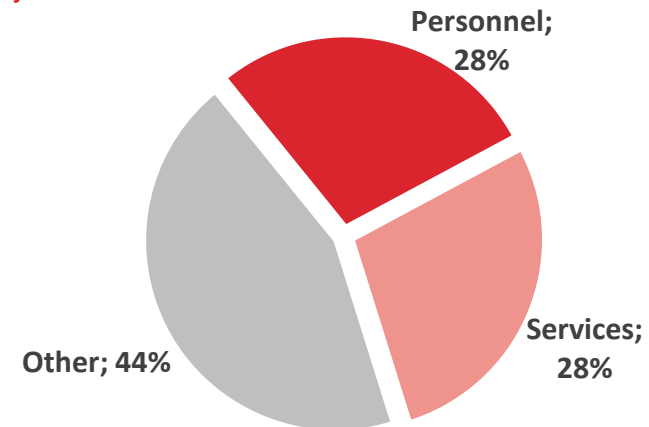
Operating Expenses (1)

Operating Expenses First Quarter; CLP Bn



- Increase in operating expenses driven by accumulated annual inflation (4.8%) and higher average minimum wage (12.2%).
- Personnel and service expenses account for 56% of increase in opex in 1Q24.
- Service expenses affected by higher rates on electricity, security, and cleaning services.

Increase in Operating Expenses 1Q24 vs 1Q23: CLP 9 bn Share by account



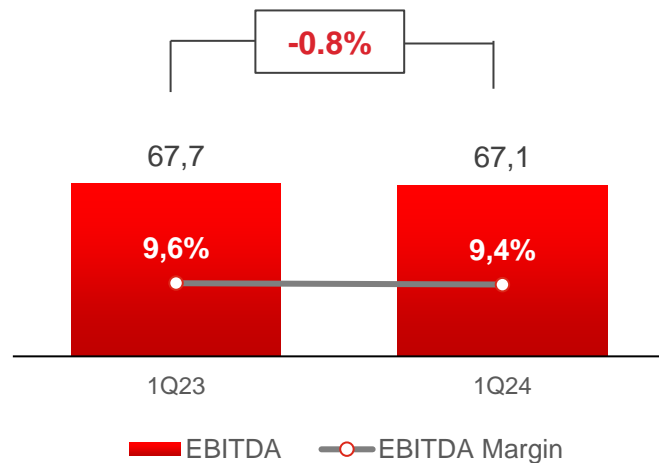
(1) Operating expenses: Sum of distribution and administrative expenses, excluding depreciation and amortization.



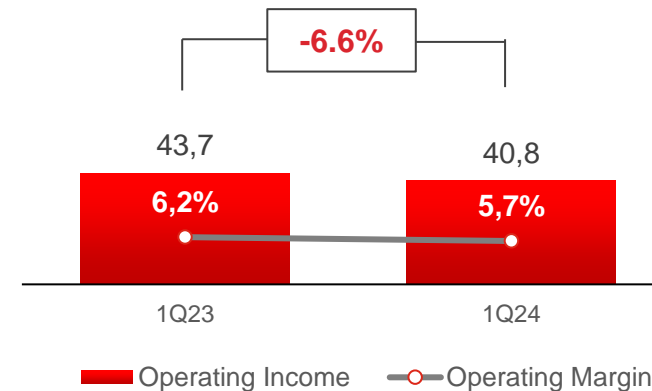
1Q24 Earnings

EBITDA ⁽¹⁾ and Operating Income

EBITDA
First Quarter; CLP Bn



Operating Income
First Quarter; CLP Bn



- EBITDA margin of 9.4% is well above long-term target level.
- Stable EBITDA despite challenging consumption environment.
- Decrease in operating income due to higher depreciation & amortization (+ CLP 2.3 bn in 1Q24 vs. 1Q23), related to higher capex as part of strategic growth plan.

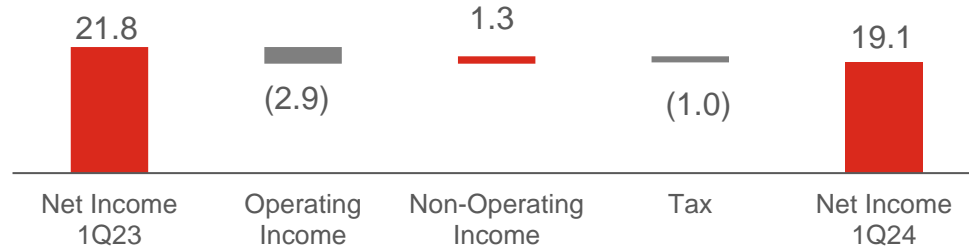
(1) EBITDA = Gross profit – administrative expenses – distribution costs + depreciation + amortization.



1Q24 Earnings

Net Income

Net Income 1Q24 vs. 1Q23
CLP Bn



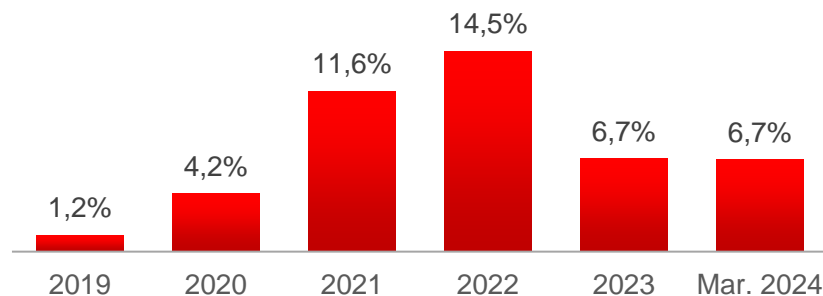
- Main impacts on net income are from higher depreciation (affecting operating income) and lower inflation adjustments to tax loss carryforwards (affecting income tax expense).
- Non-operating income improved due lower losses on inflation-indexed liabilities, partially offset by higher net financial expenses.



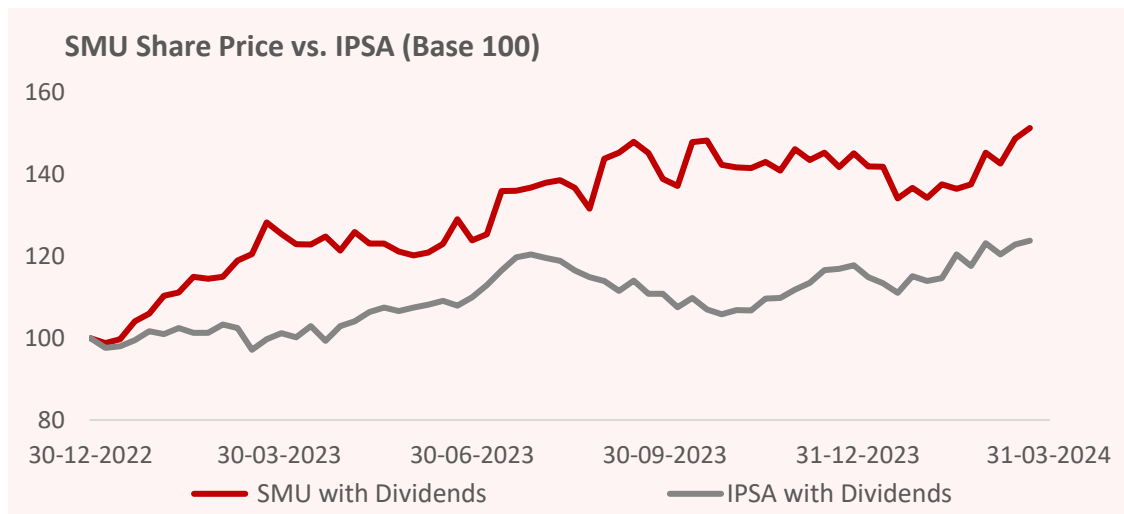
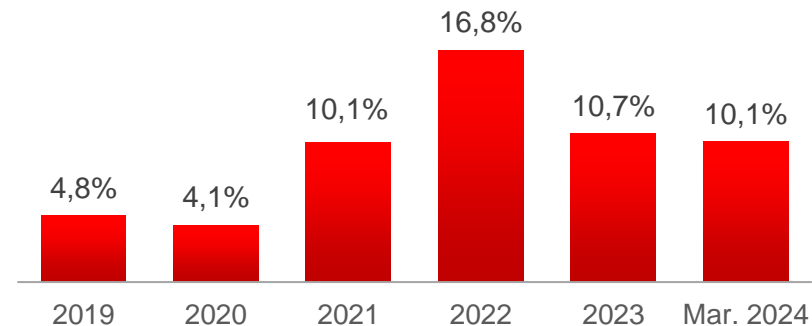
1Q24 Earnings

Profitability

Dividend Yield ⁽¹⁾



Return on Equity ⁽²⁾



(1) Dividend Yield = Dividends paid during last twelve months / share price at period end.

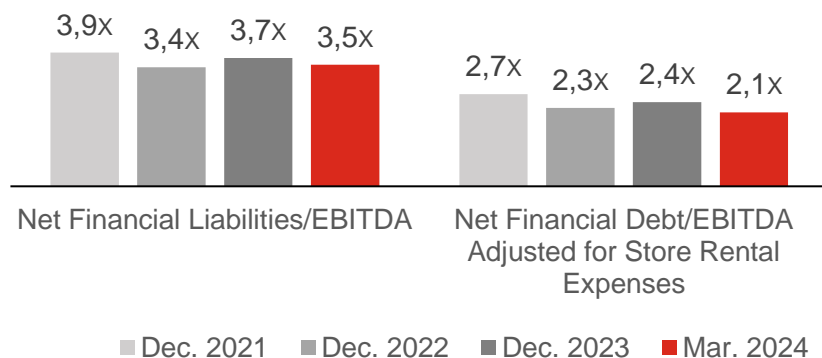
(2) Return on Equity = Net income for last twelve months / shareholders' equity at period end.



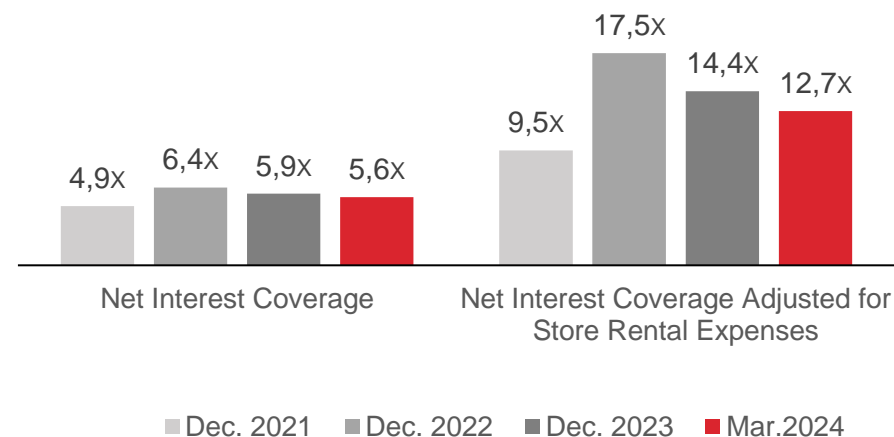
1Q24 Earnings

Financial Ratios ⁽¹⁾

Net Financial Debt / EBITDA



Net Interest Coverage



(1) Definitions:

Net financial liabilities = other current and non-current financial liabilities - cash and cash equivalents

Net financial debt = other current and non-current financial liabilities – current and non-current obligations for rights of use - cash and cash equivalent

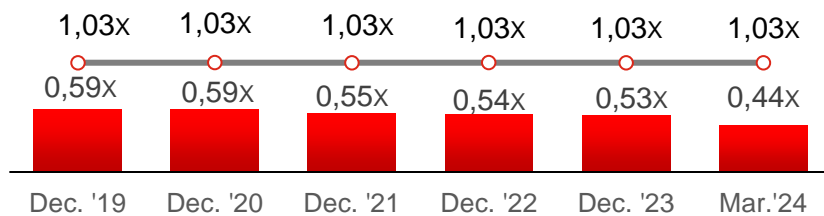
EBITDA adjusted for store rental expenses = EBITDA including store rental expenses not included in administrative expenses under IFRS

Net interest coverage = EBITDA for the last 12 months / (total financial expenses – total financial income)

Net interest coverage = EBITDA adjusted for store rental expenses/(total financial expenses – financial expenses for obligations for rights of use – total financial income)

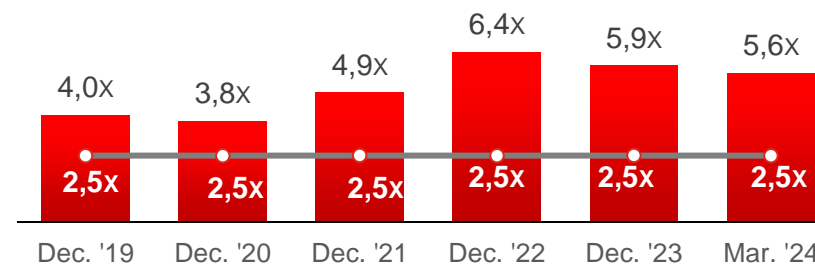


Bond Covenant: Net Financial Debt / Equity ⁽¹⁾



■ Net Financial Debt / Equity ● Bond Covenant

Bond Covenant: Net Interest Coverage ⁽²⁾



■ Net Interest Coverage ● Bond Covenant

(1) Net financial debt = Total current and non-current financial liabilities minus total current and non-current obligations for rights of use minus cash and cash equivalents

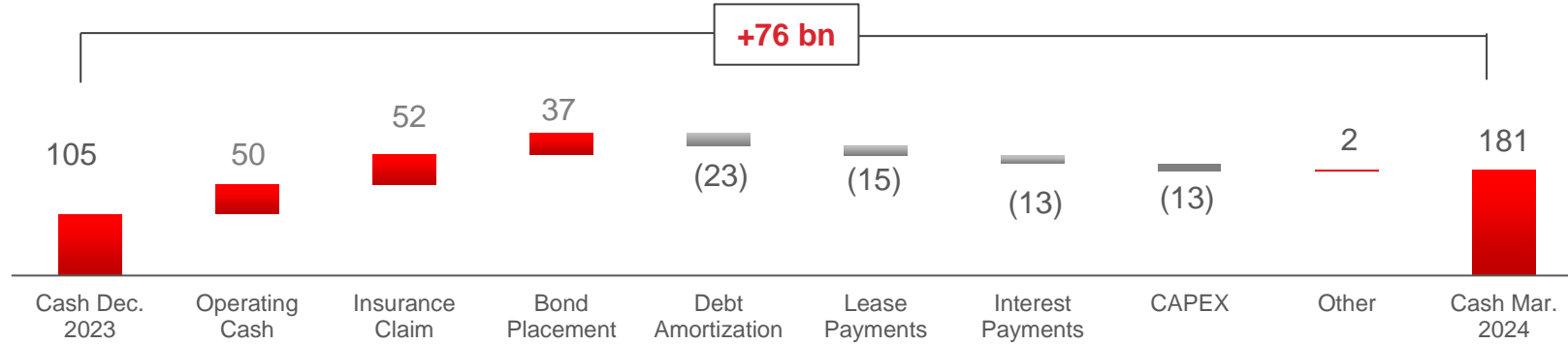
(2) Net interest coverage = EBITDA/net financial expenses



1Q24 Earnings

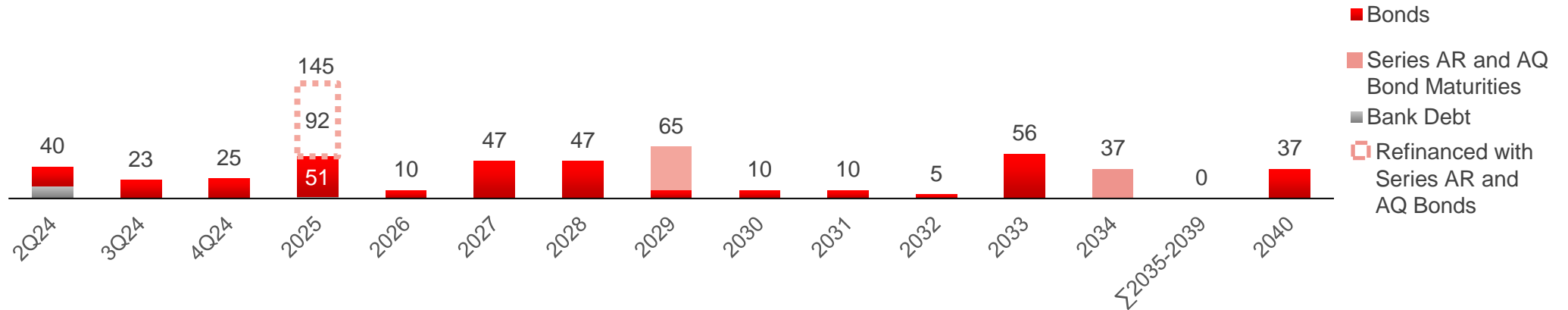
Strong Cash Position

Cash Flow 1Q24 (CLP Bn)



- Ending cash balance of CLP 181 bn, well above minimum target (CLP 50 bn).

Debt Maturity Profile as of March 31, 2024, Pro Forma ⁽¹⁾ (Bonds and Bank Debt - CLP Bn)



(1) Pro forma includes placement of Series AQ bonds (UF 1,500,000; 4.27%) on April 4, 2024.

Board Member Elections

Board of Directors for 2024-2026

- Pilar Dañobeitia (Chairwoman)
- Francisca Saieh (Vice Chairwoman)
- Alejandro Álvarez
- Abel Bouchon
- Alejandro Danús (independent under Chilean law)
- Fernando Del Solar
- Enrique Gundermann (independent under Chilean law)
- Andrés Olivos
- Raúl Sotomayor



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