

Earnings Conference Call 2Q24

SMU S.A.

August 13, 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.



2Q24
Earnings

Strategic
Plan
23
25



Omnichannel
Growth

Omnichannel Growth

New Store Openings in 2024



4



1



3

Strong performance at stores opened in 2023:

- On average, sales are well above plan
- 50% of 2023 openings have sales/m2 above the average for the total format



Maxi Ahorro Sechura



Unimarc Isla de Maipo



Unimarc Pirque:
Premium Affordable

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Omnichannel
Growth

Omnichannel Growth

Online Growth

- Sales through SMU's online platforms and last milers grew 28% in 2Q24 vs. 2Q23
- Online penetration for 2Q24: 4.7%

YA **COMENZÓ**

EL GRAN CYBERAZO

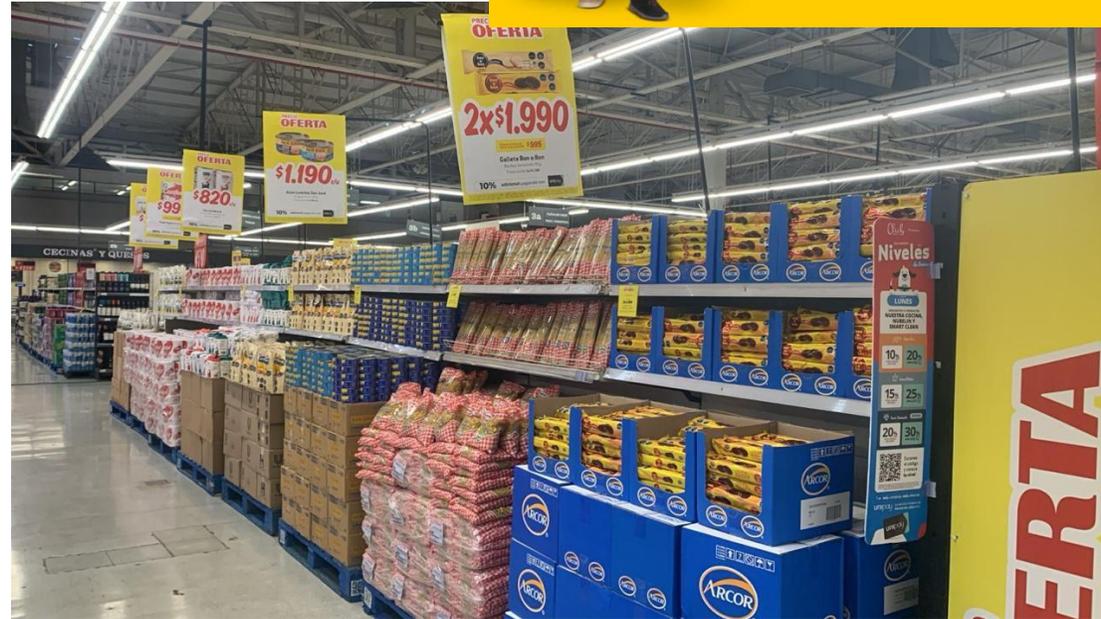
Exclusivo **UNIMARC.cl** y App

¡Bienvenid@ al Gran Cyberazo de Unimarc! Del 3 al 5 de junio,
Prepárate para disfrutar de increíbles descuentos y ofertas en una amplia
variedad de productos y categorías

DESPACHO GRATIS
POR COMPRAS SOBRE \$40.000

New Promotions

- Focus on basic products to which customers are highly price-sensitive





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Customer
Experience

Customer Experience

Private Label Growth

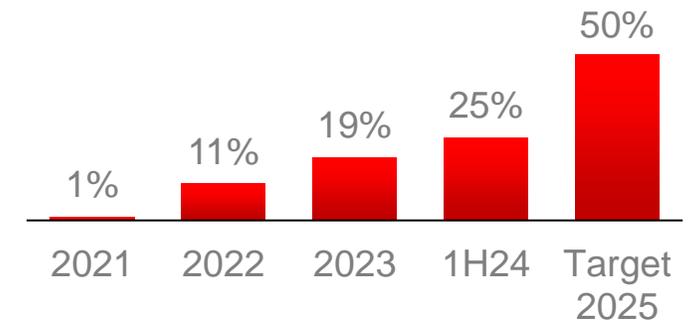
- 100+ new products launched in 1H24



- Expanding coverage of private label products with certified recyclable packaging



Private Label Products with Ecolabeling Seal (% of Assortment)



Loyalty Programs

- First food retailer in Chile to offer membership levels as part of loyalty program
- Differentiated discounts depending on membership level
- 300K+ customers upgraded to a higher level during first month of operations

Club UNIMARC -Presenta- los nuevos Niveles de Socios

Membresía Contrata en Unimarc.cl

 Socio Club	 Socio Oro	 Socio Platino	 Socio Diamante
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Conoce tu nivel en UNIMARC.cl y App U

→ más compras, más ahorras



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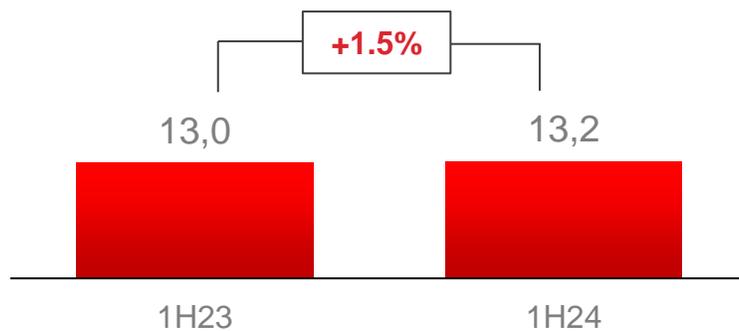
Efficiency &
Productivity

Efficiency & Productivity

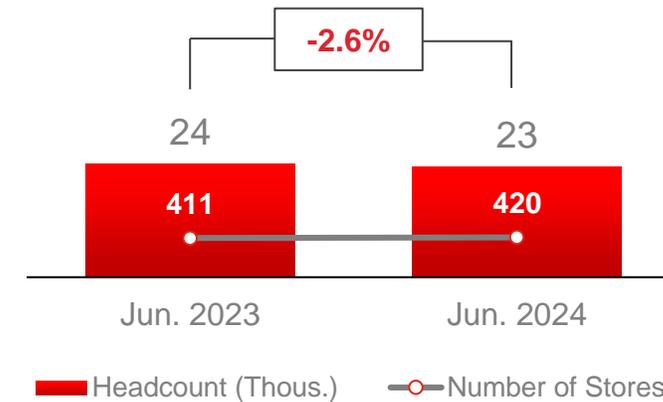
Operating Efficiency

- Ongoing implementation of technologies such as self-service modules, voice picking, and automated demand planning that improve efficiency, productivity, and customer experience.
- Higher sales per full-time equivalent, despite lower sales

Sales / FTE
(Chile; CLP Mn/month)



Headcount vs. # of Stores





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Efficiency &
Productivity

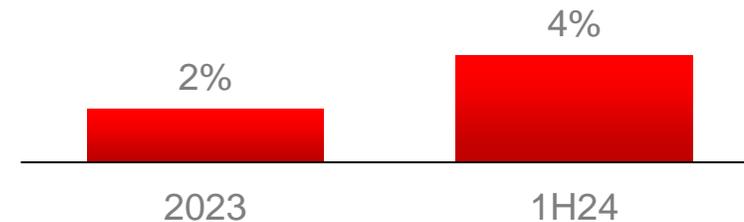
Efficiency & Productivity

Energy Efficiency

- Shipments from distribution centers to stores using electric trucks have doubled in 1H24 vs. FY23.
 - Additional electric truck added to fleet in 2Q24.
- Renewable energy accounts for 15% of electricity consumption in Chile.
 - Currently in bidding process to select suppliers for a further 15% of consumption, for a total of 30%



DC to Store Deliveries with Electric Trucks
(% of shipments)





Shared Value

- *Gift card Unidos* campaign: supporting social organizations to make a positive impact on communities, in line with our Diversity and Inclusion Model
- Club de Los Leones Cruz del Sur de Magallanes provides rehabilitation services for people with disabilities, and Fundación Las Rosas supports at-risk senior citizens

Unidos

Comparte, regala y ayuda

Para celebrar un 18 de Septiembre más solidario prefiere nuestra

Gift card Unidos

Unimarc, Club Alvi, Mayorista 10 y Super 10 aportarán un 10% del total recaudado en apoyo a las siguientes fundaciones.

 FUNDACIÓN LAS ROSAS 

Para que compartamos entre todos

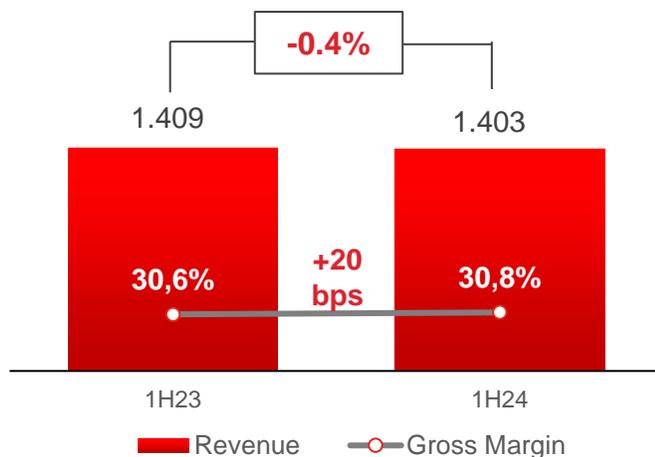


2Q24 Earnings

Revenue

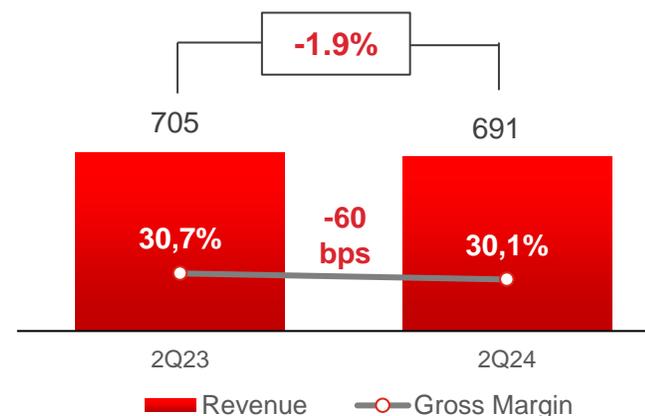
Revenue

First Half; CLP Bn



Revenue

Second Quarter: CLP Bn



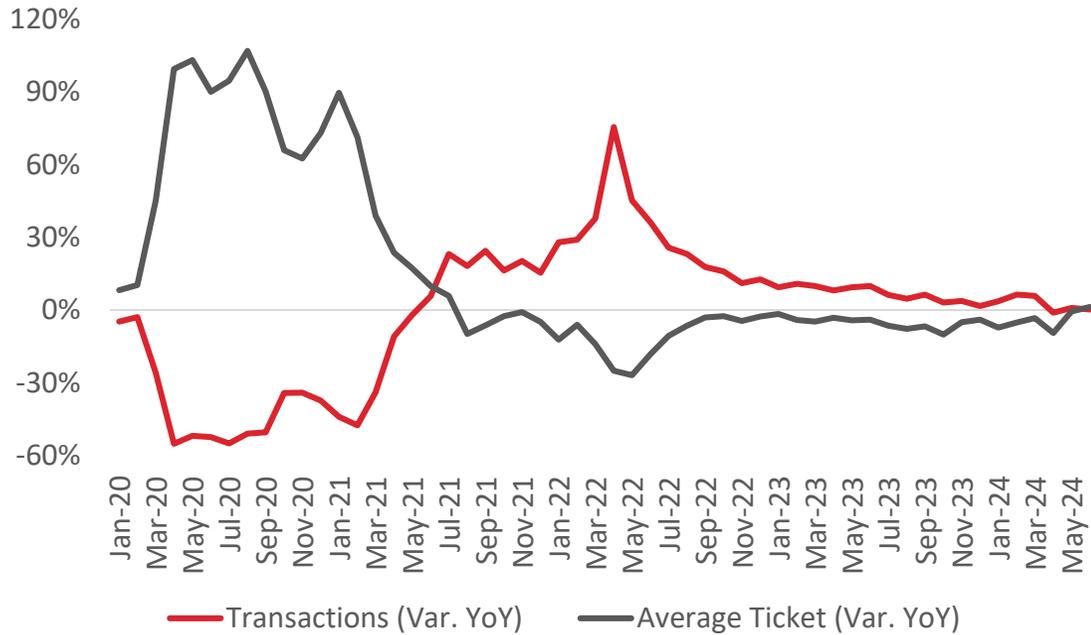
- Decrease in revenues: calendar effect in April + continued weakness in consumption environment, but operating indicators recovered in May and June.
- Strong performance at new stores contributes to revenue, partially offsetting lower SSS (-2.5% in 1H24 and -4.1% in 2Q24) related to consumer behavior: customers optimize their budgets through downtrading and purchasing lower quantities.
- Lower gross margin in 2Q24 reflects new promotional activity focused on basic products that are highly price-sensitive for consumers, affecting sales and margin mix.



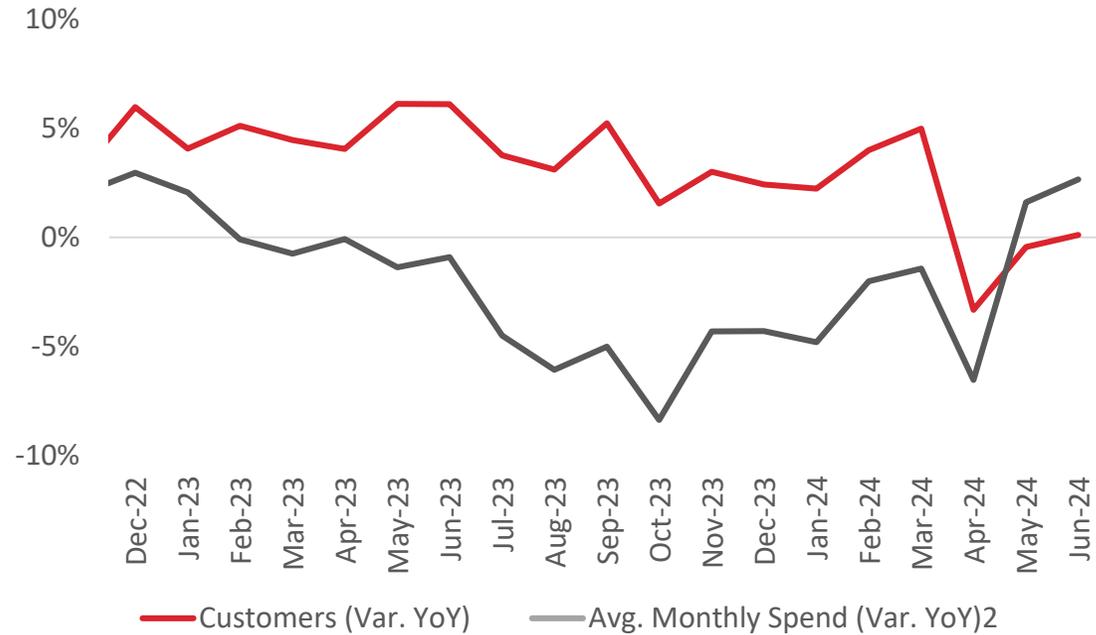
2Q24 Earnings

Customers, Transactions, and Ticket

Number of Transactions and Average Ticket (% Var. Year over Year)



Number of Customers and Average Monthly Spend (% Var. Year over Year)



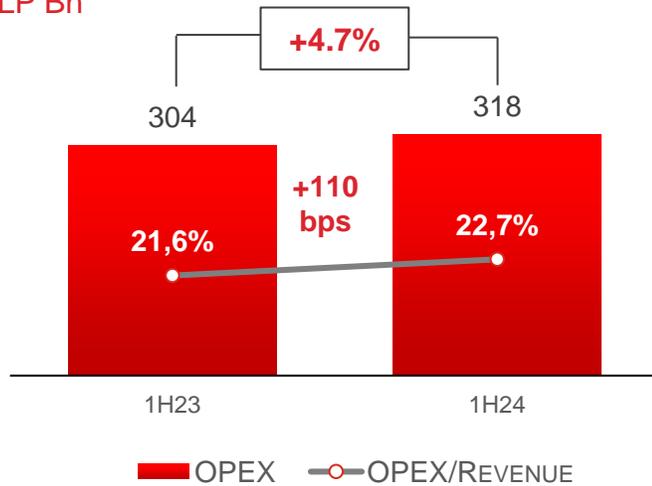
- Consistent growth YoY in number of customers and transactions until April 2024, followed by recovery in May and June
- Average ticket and average monthly spend per customer lower YoY since at least early 2023, with recovery in May and June 2024



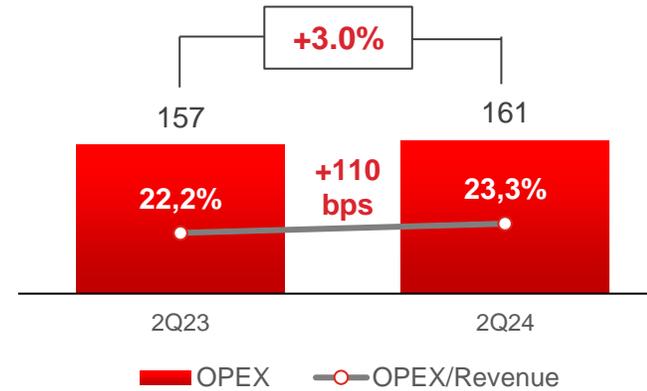
2Q24 Earnings

Operating Expenses ⁽¹⁾

Operating Expenses
First Half; CLP Bn



Operating Expenses
Second Quarter; CLP Bn



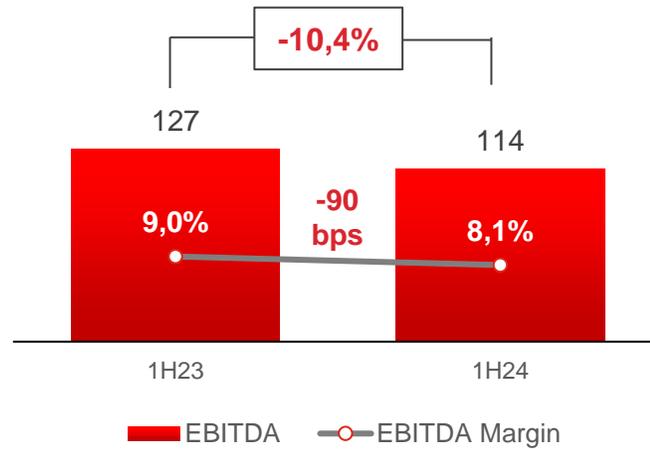
- Efficiency and productivity initiatives help mitigate pressure on operating expenses from accumulated annual inflation (4.2%) and higher average minimum wage (9.5%).
- Personnel expenses grew less than inflation (3.8% in 1H24 and 2.3% in 2Q24), and total operating expenses grew less than inflation in 2Q24 (i.e., operating expenses decreased in real terms).
- Service expenses (+9.3% in 1H24 and +11.1% in 2Q24) affected by higher rates on electricity, security, and cleaning services.

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

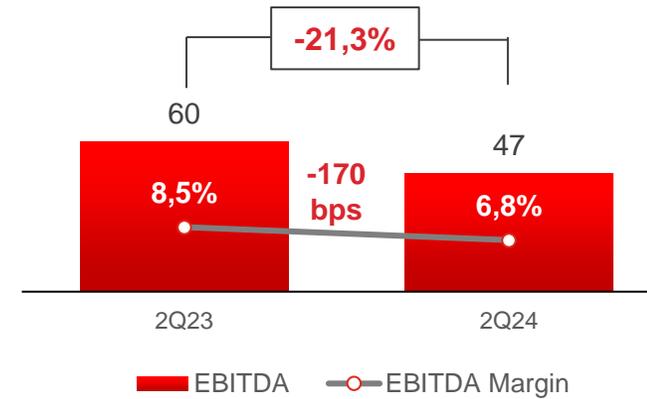
2Q24 Earnings

EBITDA (1)

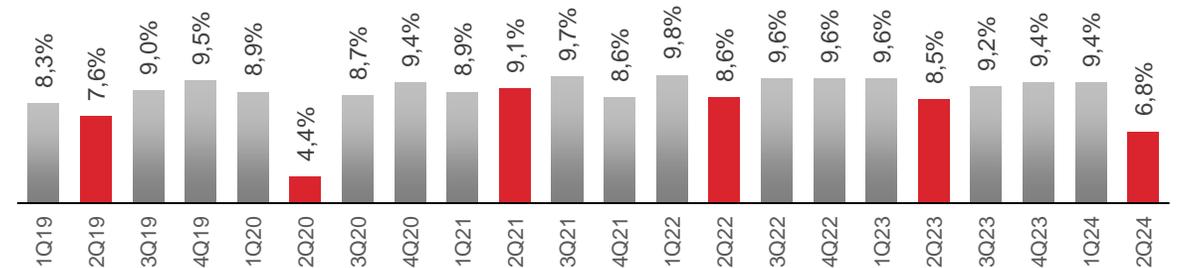
EBITDA
First Half; CLP Bn



EBITDA
Second Quarter; CLP Bn



Quarterly EBITDA Margin



- EBITDA affected by lower operating leverage caused by decrease in sales, despite minimal growth in operating expenses
- Seasonality: 2Q is traditionally the weakest quarter in terms of revenue and EBITDA

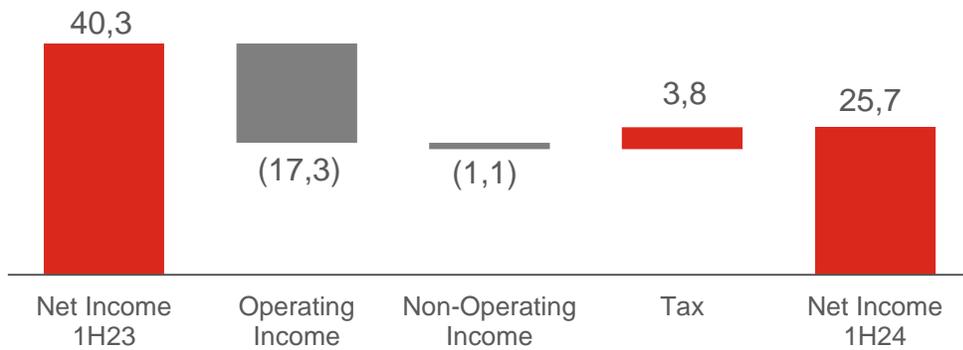
(1) EBITDA = Gross profit – administrative expenses – distribution costs + depreciation + amortization.



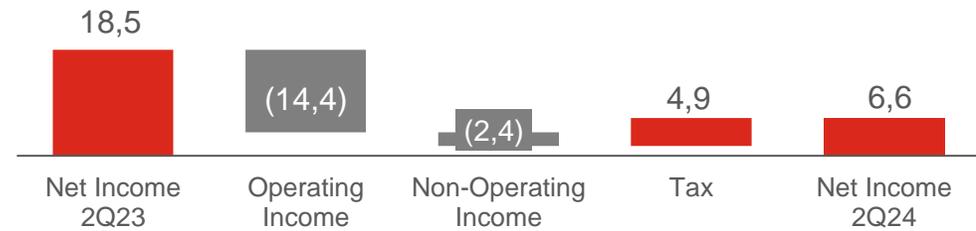
2Q24 Earnings

Net Income

Net Income 1H24 vs. 1H23
CLP Bn



Net Income 2Q24 vs. 2Q23
CLP Bn



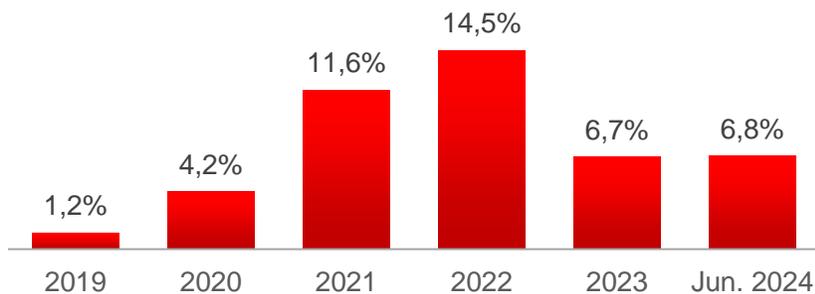
- Lower net income reflects lower operating income, partially offset by income tax benefit



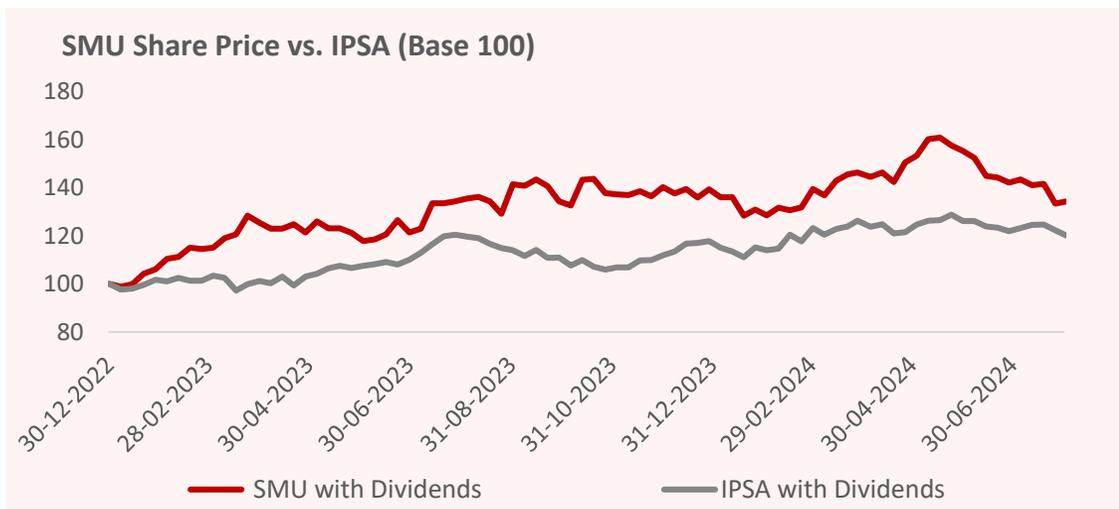
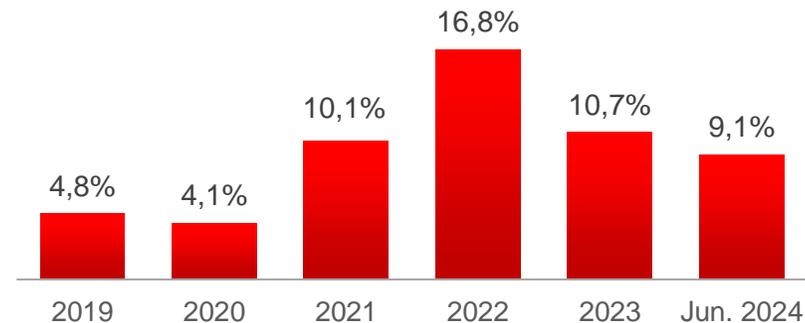
2Q24 Earnings

Profitability

Dividend Yield (1)



Return on Equity (2)



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

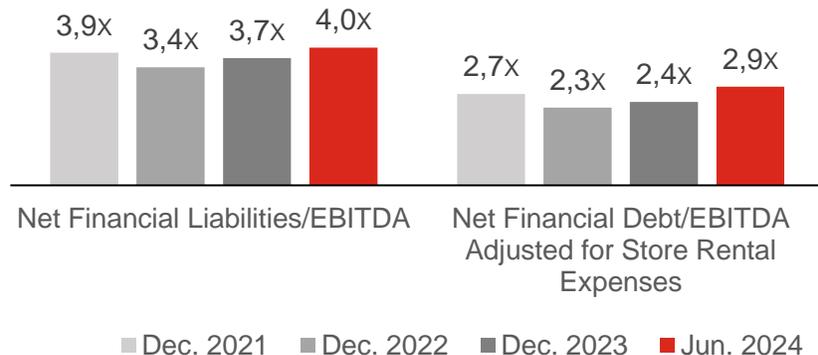
(2) Return on Equity = Net income for last twelve months / shareholders' equity at period end.



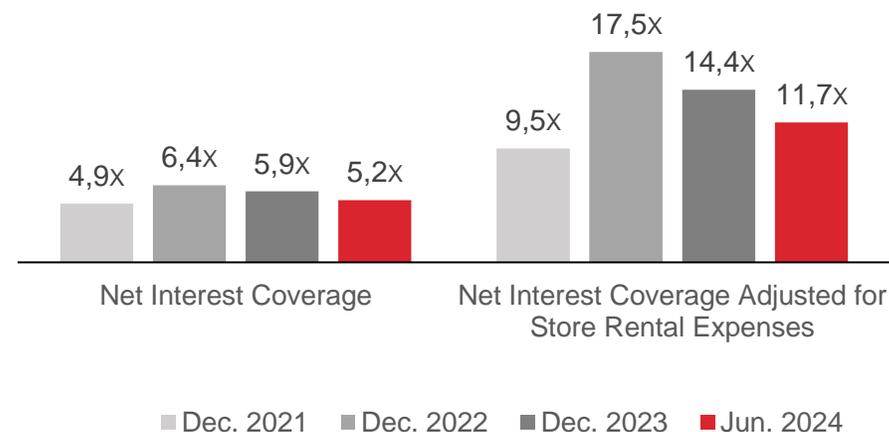
2Q24 Earnings

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

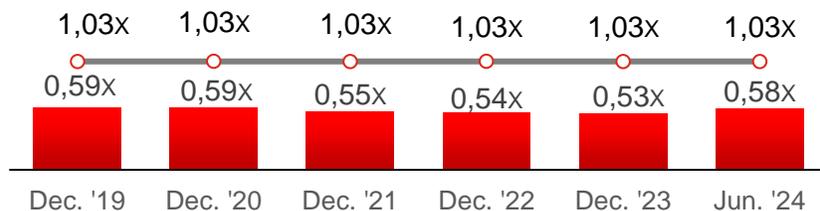
EBITDA adjusted for store rental expenses = EBITDA including store rental expenses not included in administrative expenses under IFRS

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)

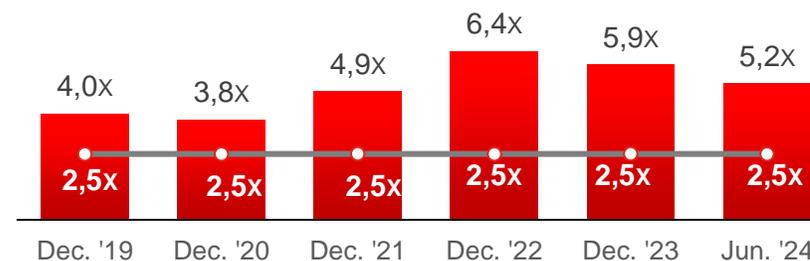


Bond Covenant: Net Financial Debt / Equity ⁽¹⁾



■ 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

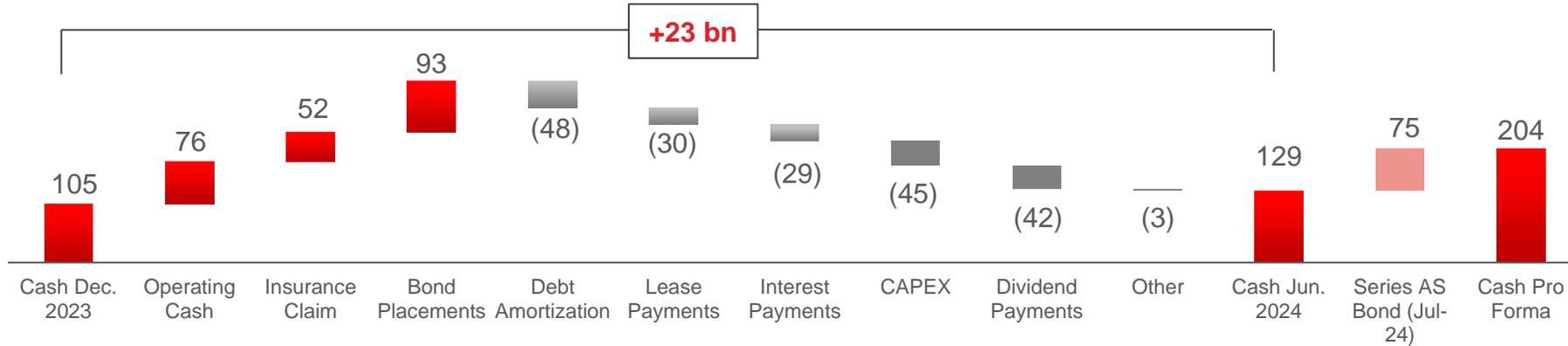
(2) Net interest coverage = EBITDA/net financial expenses



2Q24 Earnings

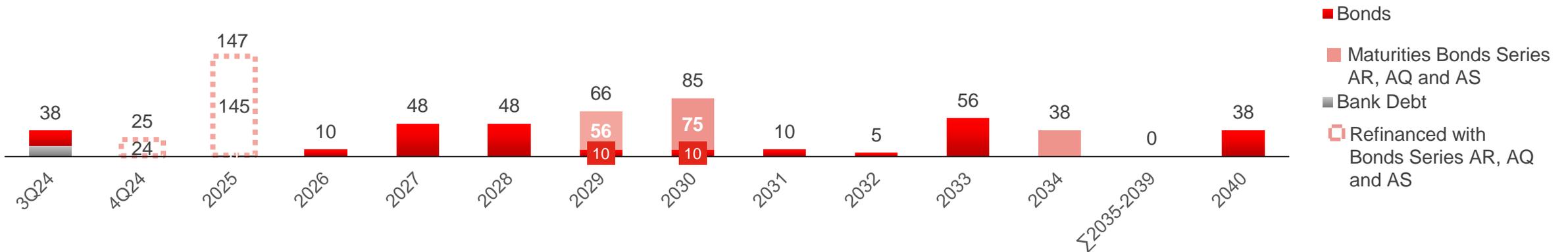
Strong Cash Position

Cash Flow 1H24 (CLP Bn)



- Ending cash balance of CLP 129 bn, well above minimum target (CLP 50 bn).
- Bond placement in July adds CLP 75 bn to cash balance

Debt Maturity Profile as of June 30, 2024, Pro Forma ⁽¹⁾
(Bonds and Bank Debt - CLP Bn)



(1) Pro forma includes placement of Series AS bonds (UF 2,000,000; 4.14%) on July 10, 2024.

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