



## 3Q20 Earnings SMU S.A.



## Caution Regarding Forward-Looking Statements

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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.



## 3Q20 Earnings Revenue

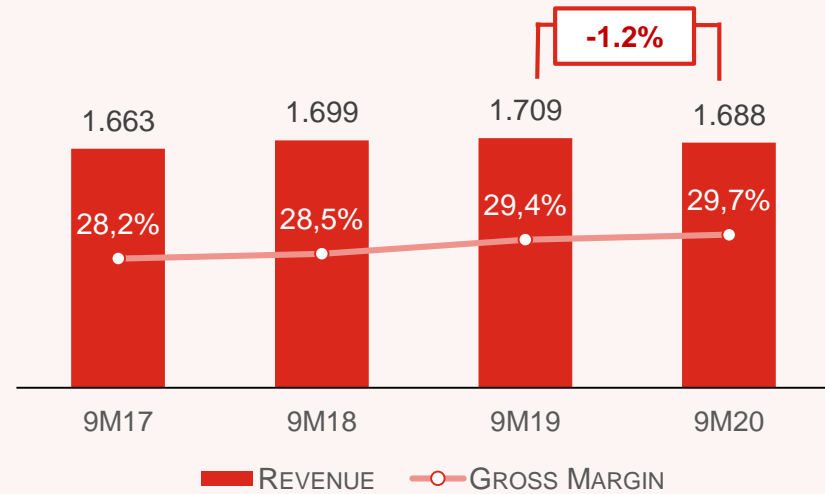
### Revenue YoY:

- Quarantines significantly affect traffic and purchase frequency, especially between April-July
- Evidence of recovery beginning in August
- Fewer stores in operation vs. 2019 following social unrest

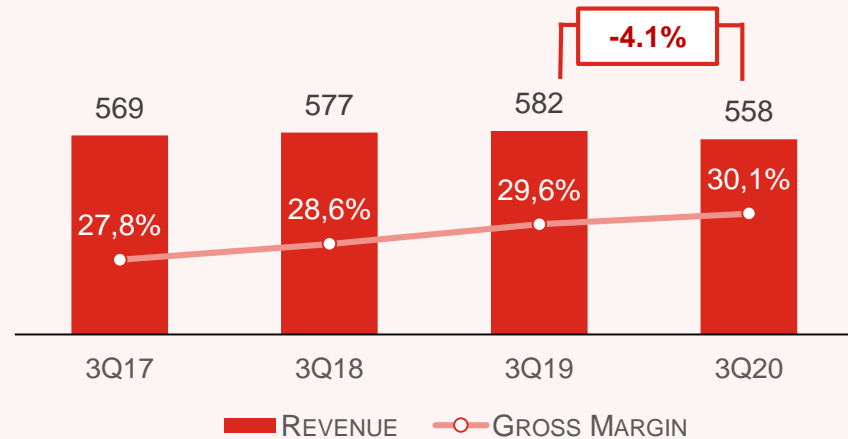
### Gross Margin YoY:

- Expansion despite change in product mix due to pandemic-related customer preferences

Revenue – First Nine Months (CLP Bn)



Revenue – Third Quarter (CLP Bn)



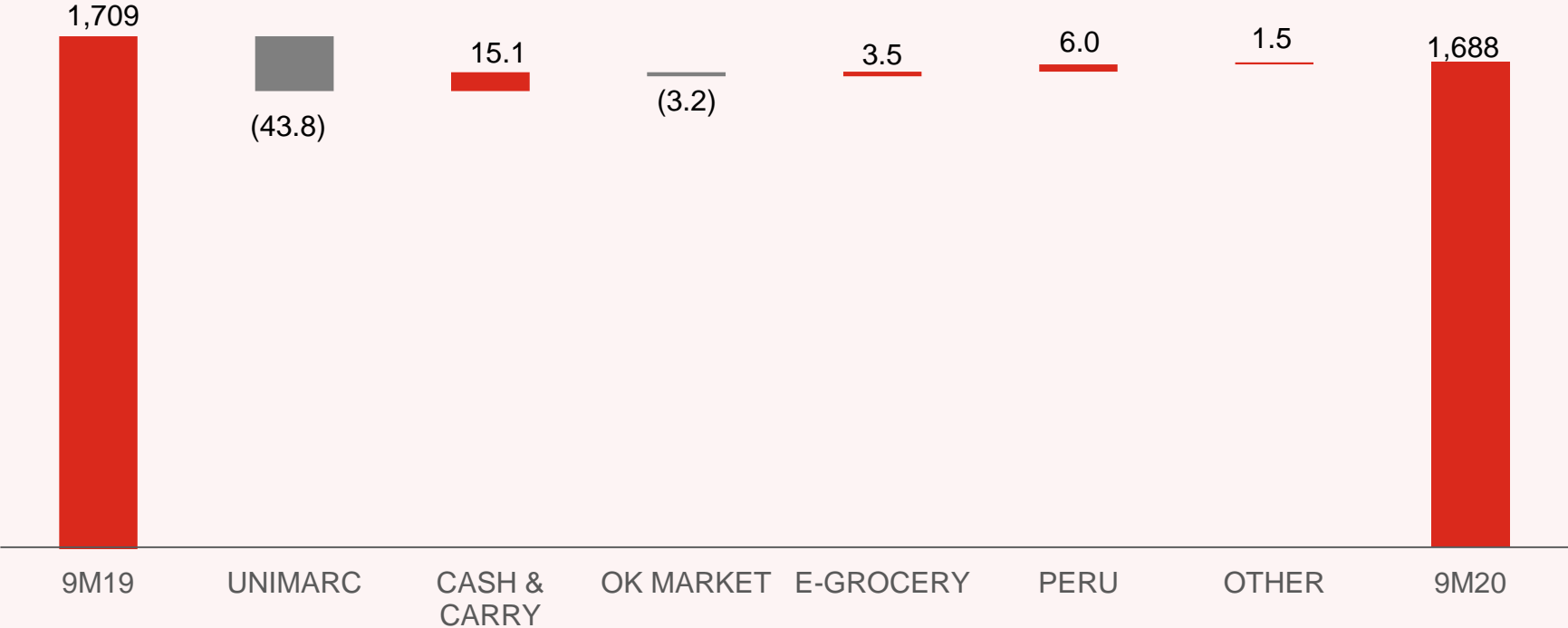
# 3Q20 Earnings Revenue by Format



### Highlights:

- Cash & Carry +3.4%
- e-Grocery +63.2%

### 9M20 vs 9M19 Revenue by Format (CLP Bn)



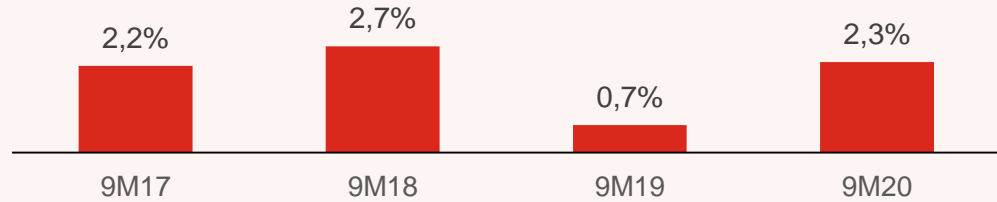
## 3Q20 Earnings Same-Store Sales



### Same-Store Sales:

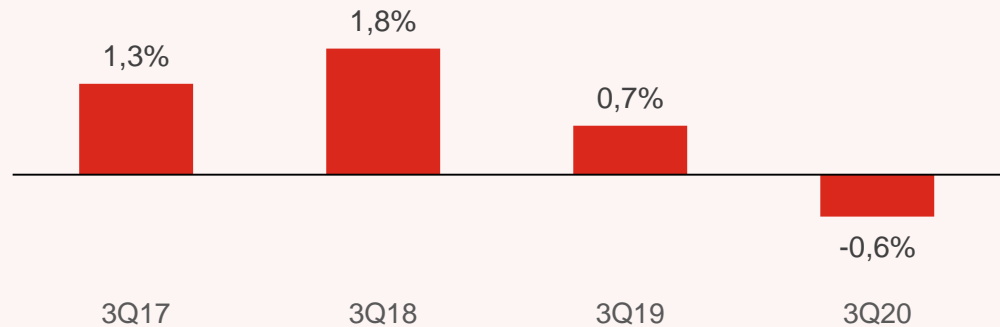
- Strong sales performance in 1Q offset by significant decrease in traffic in 2Q and 3Q, especially between April and July
- Centrally located stores are most heavily impacted by lower traffic

### Same-Store Sales – First Nine Months <sup>(1)</sup>



**SSS 9M20:** Unimarc -1.3%; Cash & Carry +10.6%; OK Market -2.3%; Peru +2.9%

### Same-Store Sales – Third Quarter



**SSS 3Q20:** Unimarc -4.0%; Cash & Carry +7.1%; OK Market +1.4%; Peru -1.9%

(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.

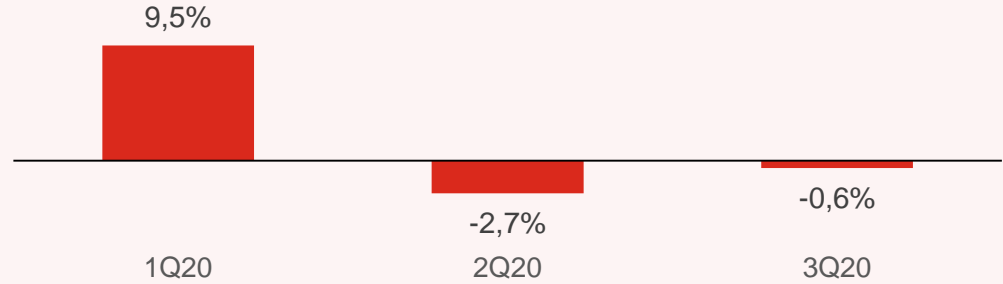
# 3Q20 Earnings Same-Store Sales and Traffic



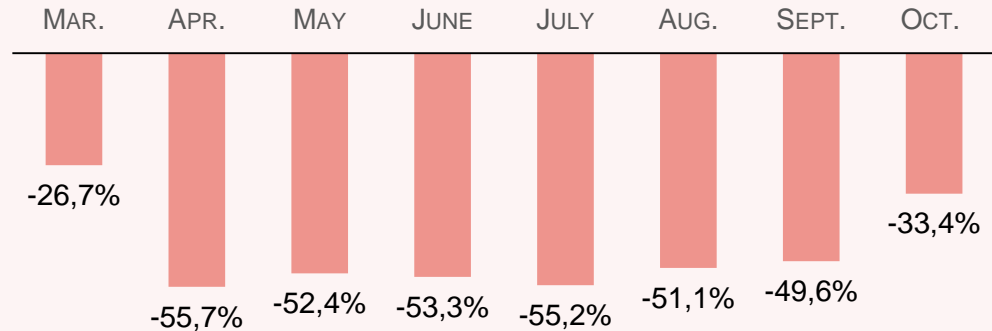
## Same-Store Sales:

- Significant improvement in third quarter with respect to second quarter
- Inflection point in traffic during 3Q

## Quarterly Same-Store Sales – 2020 <sup>(1)</sup>



## Number of Transactions per Month (Chile) - 2020 vs. 2019



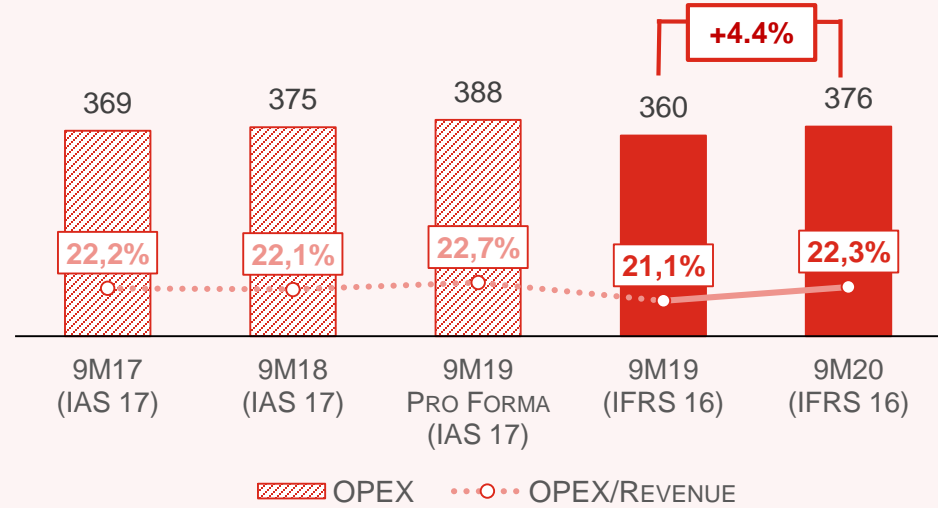
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# 3Q20 Earnings Operating Expenses<sup>(1)</sup>

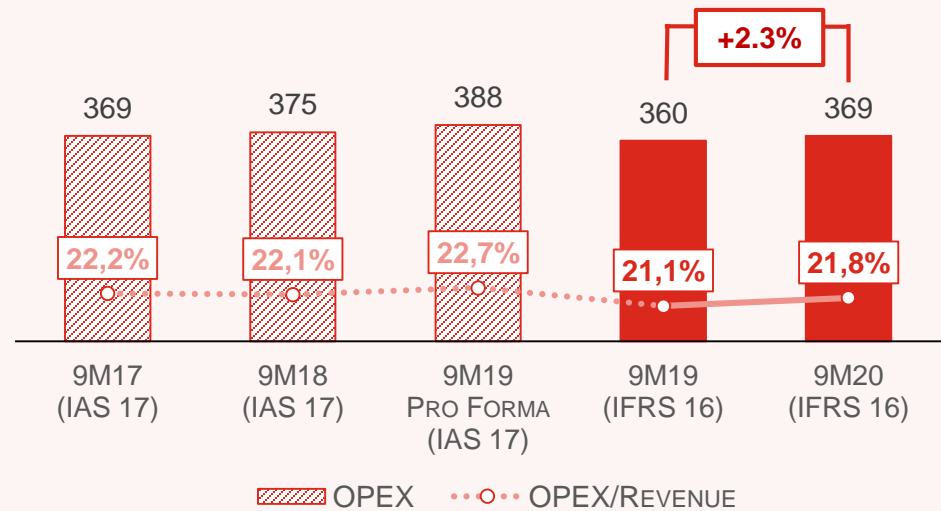
## Operating Expenses:

- Include extraordinary COVID-related expenses of CLP 7.4 Bn in 9M20

### Operating Expenses – First Nine Months (CLP Bn)



### Operating Expenses – First Nine Months, ex COVID Expenses (CLP Bn)



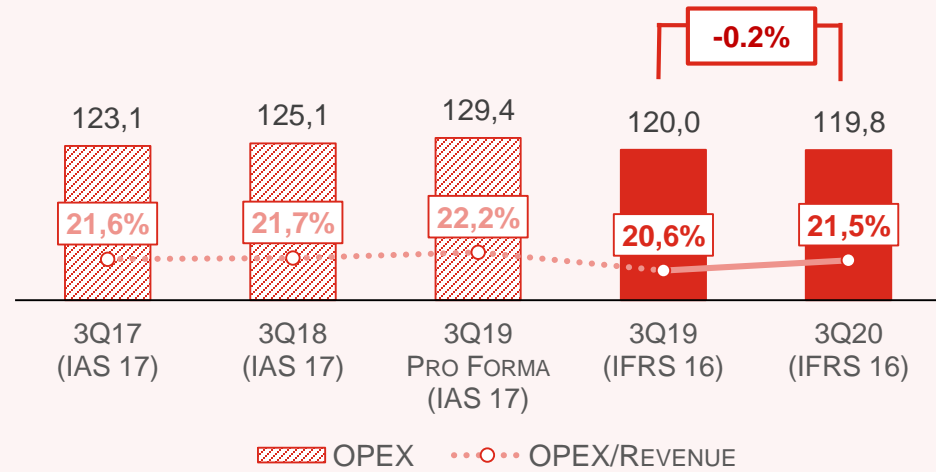
(1) Sum of distribution and administrative expenses, excluding depreciation and amortization.

# 3Q20 Earnings Operating Expenses<sup>(1)</sup>

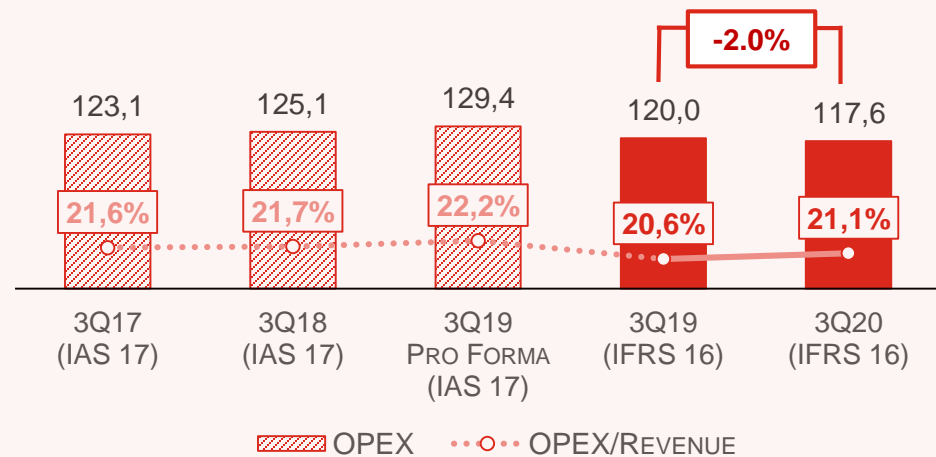
## Operating Expenses:

- Include extraordinary COVID-related expenses of CLP 2.2 Bn in 3Q20
- Disciplined approach to expenses:
  - Including COVID expenses, 3Q opex decrease 0.2%
  - Excluding COVID expenses, 3Q opex decrease 2.0%

## Operating Expenses – Third Quarter (CLP Bn)



## Operating Expenses – Third Quarter, ex COVID Expenses (CLP Bn)



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

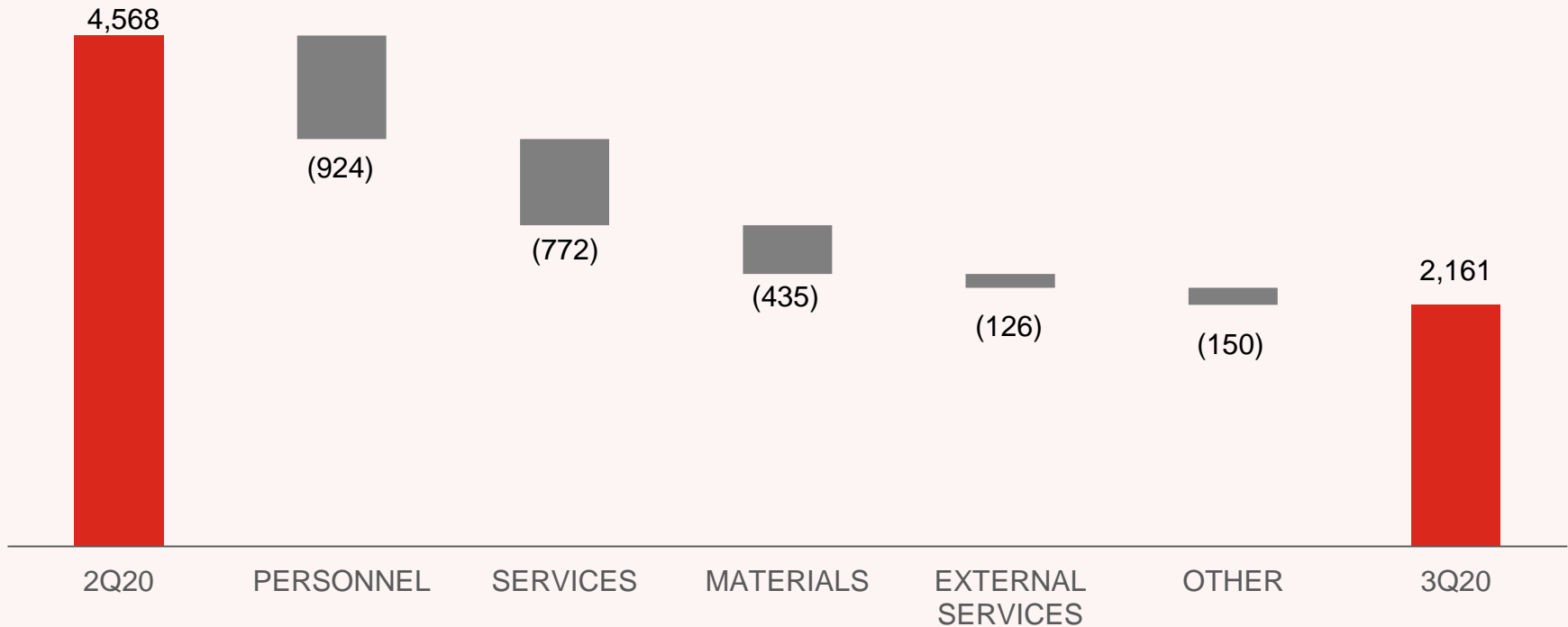


# 3Q20 Earnings COVID-19 Expenses

## Reduction of 53% quarter over quarter

- Optimization of extraordinary expenses while remaining in strict compliance with all public health protocols

### 3Q20 vs 2Q20 COVID-19 Expenses (CLP Bn)

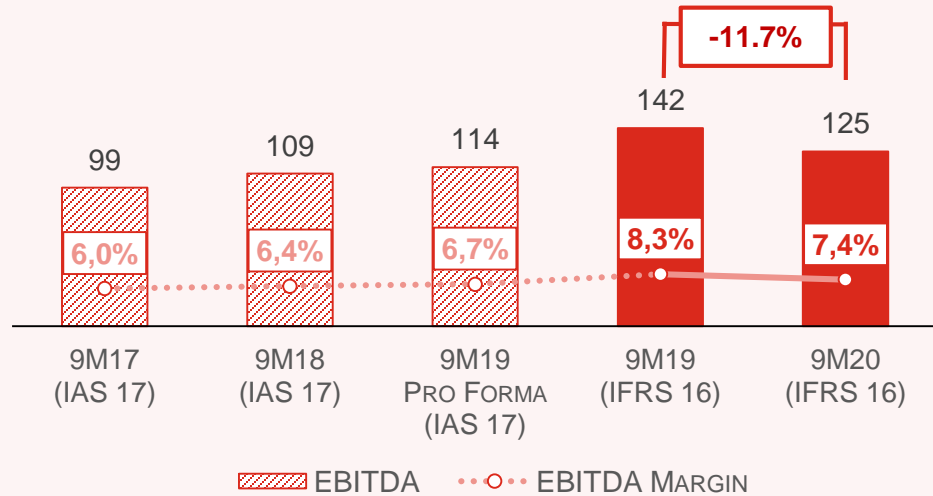


## 3Q20 Earnings EBITDA<sup>(1)</sup>

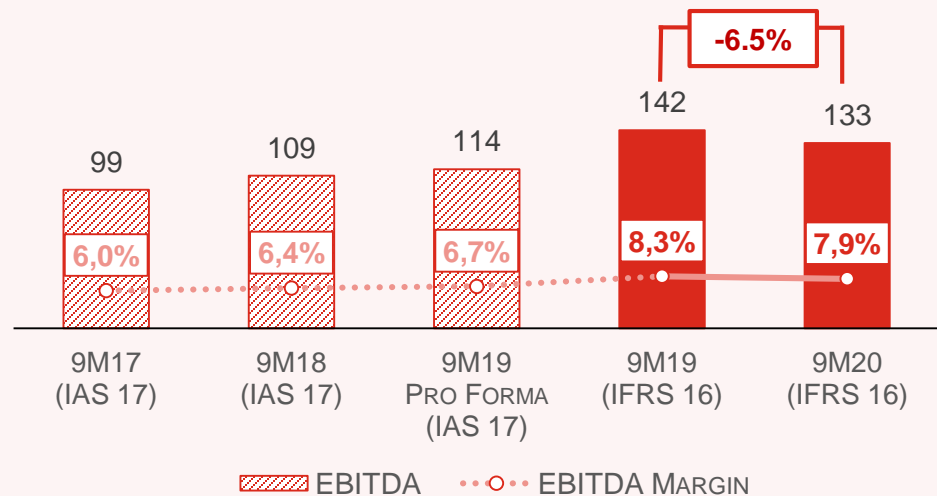
### EBITDA:

- Includes extraordinary COVID-related expenses of CLP 7.4 Bn in 9M20

### EBITDA – First Nine Months (CLP Bn)



### EBITDA – First Nine Months, ex COVID Expenses (CLP Bn)



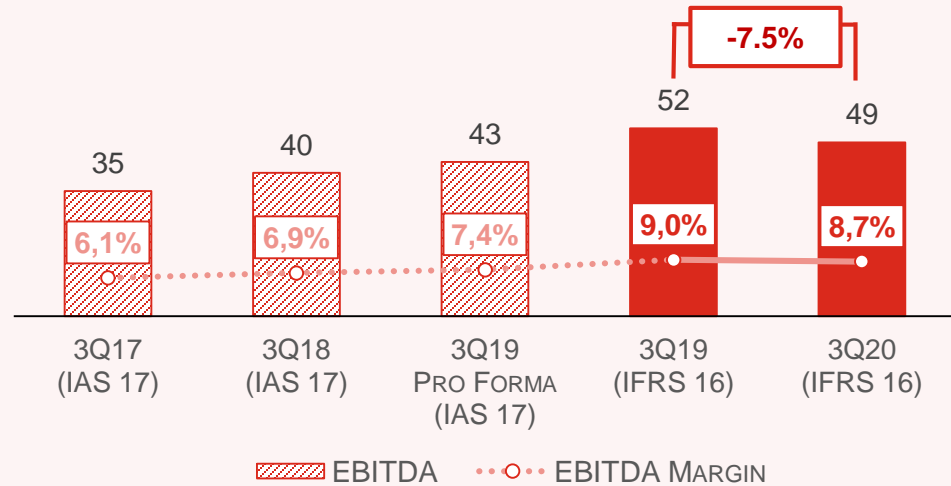
(1) EBITDA = Gross profit – administrative expenses – distribution costs + depreciation + amortization.

## 3Q20 Earnings EBITDA<sup>(1)</sup>

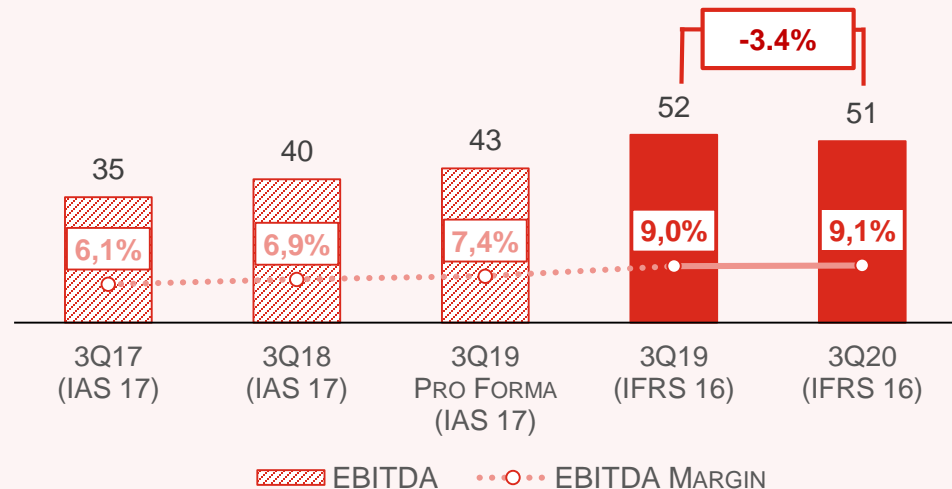
### EBITDA:

- Includes extraordinary COVID-related expenses of CLP 2.2 Bn in 3Q20
- Significant recovery with respect to 2Q20
- Excluding COVID expenses, 3Q EBITDA margin increase 10 bps YoY

### EBITDA – Third Quarter (CLP Bn)



### EBITDA – Third Quarter, ex COVID Expenses (CLP Bn)



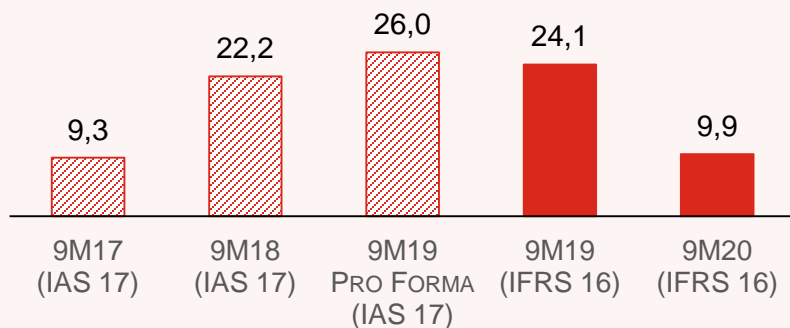
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# 3Q20 Earnings Net Income

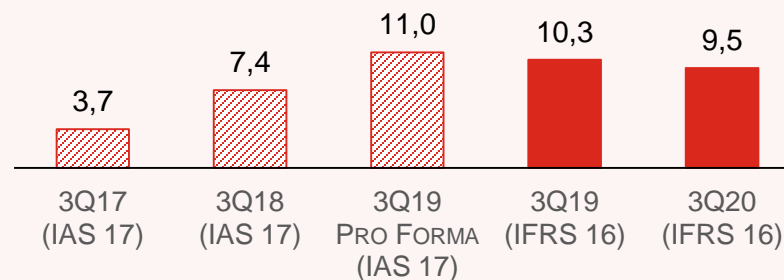
## Net Income:

- Decrease in 9M20 reflects net loss in 2Q20
- Net income for 3Q20 similar to 3Q19, with significant recovery vs. 2Q20

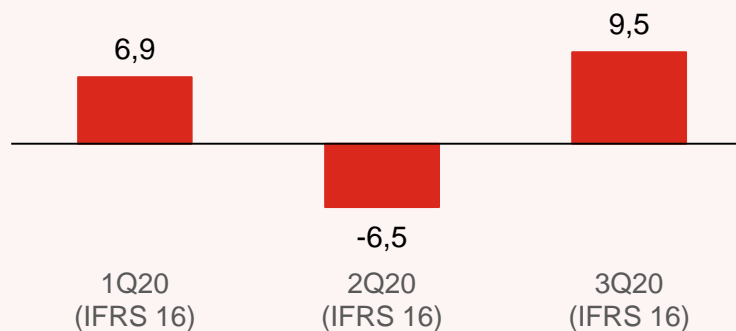
Net Income – First Nine Months (CLP Bn)



Net Income – Third Quarter (CLP Bn)

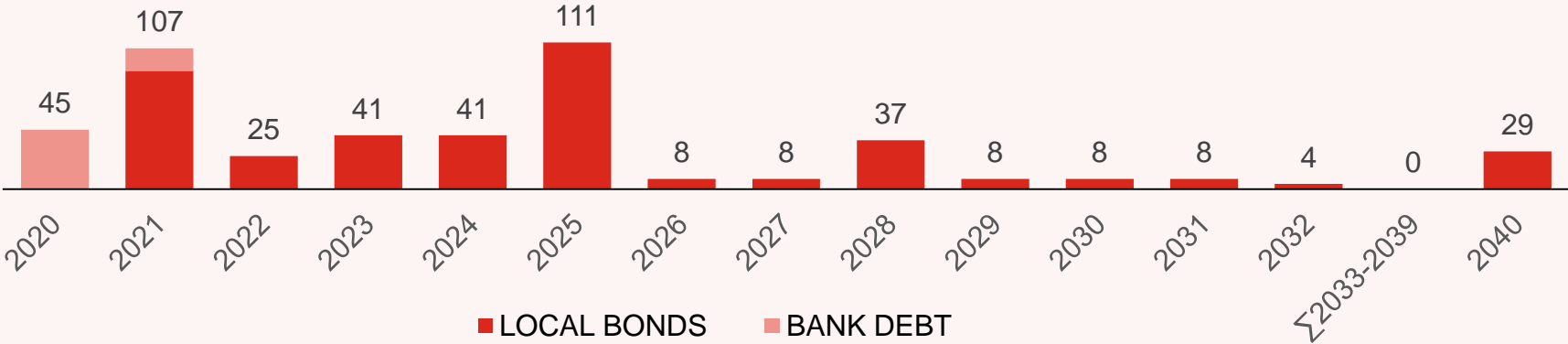


Quarterly Net Income – 2020 (CLP Bn)



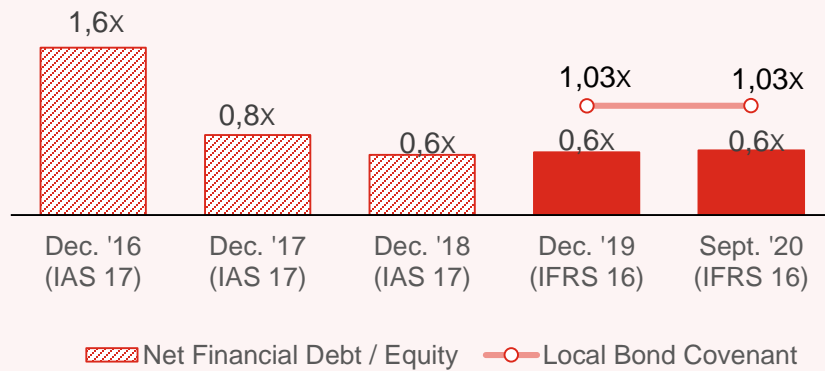
# 3Q20 Earnings Financial Debt

**Debt Maturity Profile as of September 30, 2020**  
(Bonds and Bank Debt - CLP Bn)

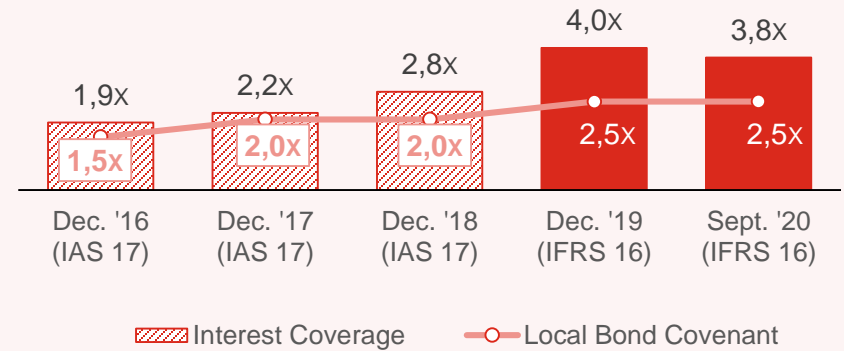


# 3Q20 Earnings Covenants

## Net Financial Debt / Equity <sup>(1)</sup>



## Interest Coverage <sup>(2)</sup>

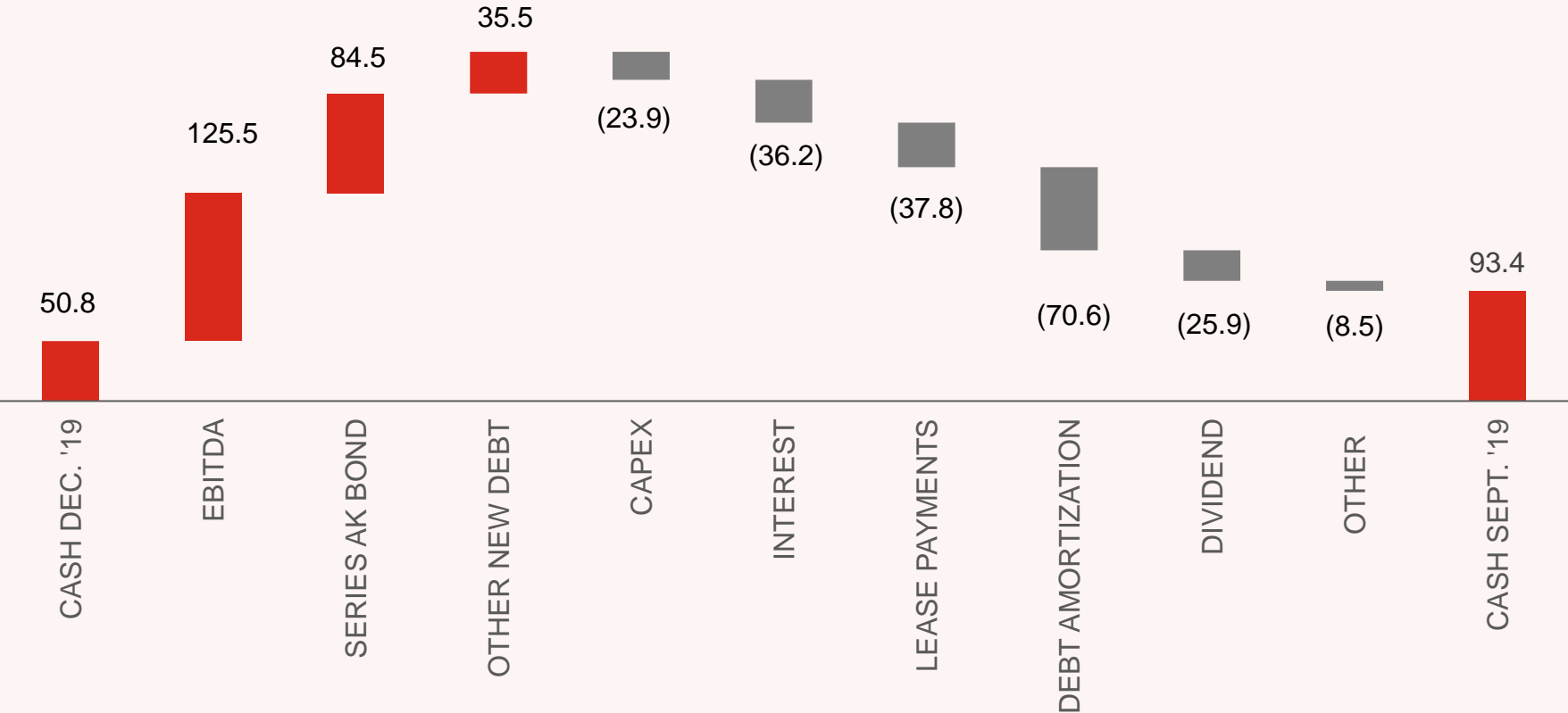


(1) Net financial debt = (Total current and non-current financial liabilities minus (total current and non-current obligations for rights of use)) minus cash and cash equivalents  
 (2) Interest coverage = EBITDA/net financial expenses

# 3Q20 Earnings Cash Flow



## Sources and Uses of Cash 9M20 (CLP Bn)



# 3Q20 Earnings Highlights

- **Customer experience:**

- Personalized promotional activity: extended promotions for loyalty program members through Club Ahorro app
- Adjustments to Unimarc value proposition and product assortment
- Unimarc.cl: pilot program in progress

- **Organic growth: Lifting of pandemic restrictions facilitates progress on store opening plan for 1H21:**

- Unimarc – 2 new stores and 1 store reopening
- OK Market – 2 new stores and 3 store reopenings
- Peru – 3 new stores

- **Commitment to communities:**

- *Unidos salimos de esto*: Campaign designed to help people severely affected by economic consequences of pandemic
- Contributions from customers, neighbors, and SMU: total donation of CLP 186 million





## 3Q20 Earnings Agreement for Sale of OK Market

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- **Oct. 8, 2020: SMU signed binding agreement for sale of OK Market to FEMSA:**
  - Sale of 100% of shares
  - Price: UF 1,515,965 (approx. CLP 43.5 bn or USD 55 mn), subject to customary adjustments.
- **Transaction subject to:**
  - Regulatory approval
  - Due diligence process
- **Use of proceeds:**
  - Investment in SMU's strategic plan



THANK YOU

