

SMU S.A.

EARNINGS 3Q18

NOVEMBER 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 APRIL 27, 2018, SMU COMPLETED 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, THIS SEGMENT IS PRESENTED AS AVAILABLE FOR SALE.

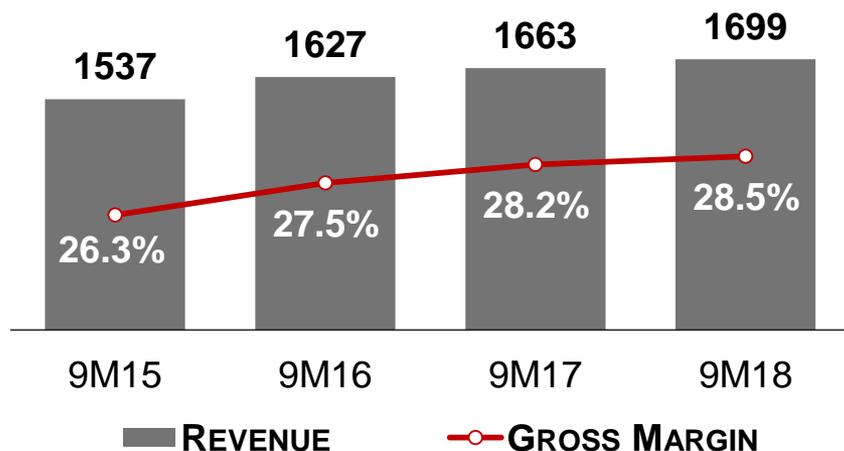
CONSEQUENTLY, THE ACCOUNTS IN THE COMPANY’S STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST NINE MONTHS AND THIRD QUARTER OF 2017 HAVE BEEN RESTATED IN ORDER TO PROVIDE THE SAME PRESENTATION AS THE FIRST NINE MONTHS AND THIRD QUARTER 2018 FIGURES. AS SUCH, IN BOTH PERIODS PRESENTED, CONSTRUMART’S RESULTS ARE CONSOLIDATED IN A SINGLE LINE OF SMU’S STATEMENTS OF COMPREHENSIVE INCOME, UNDER “PROFIT (LOSS) FROM DISCONTINUED OPERATIONS”. THE STATEMENTS OF CASH FLOWS FOR THE FIRST NINE MONTHS OF 2017 HAVE ALSO BEEN RESTATED IN ORDER TO BE COMPARABLE TO THE FIGURES FOR THE FIRST NINE MONTHS OF 2018.

THE STATEMENTS OF FINANCIAL POSITION ARE COMPARABLE BETWEEN PERIODS, BECAUSE THE COMPARISON IS BETWEEN SEPTEMBER 30, 2018 AND DECEMBER 31, 2017, AND AS OF BOTH DATES, CONSTRUMART IS PRESENTED AS AVAILABLE FOR SALE. THEREFORE, IN BOTH PERIODS, 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”.

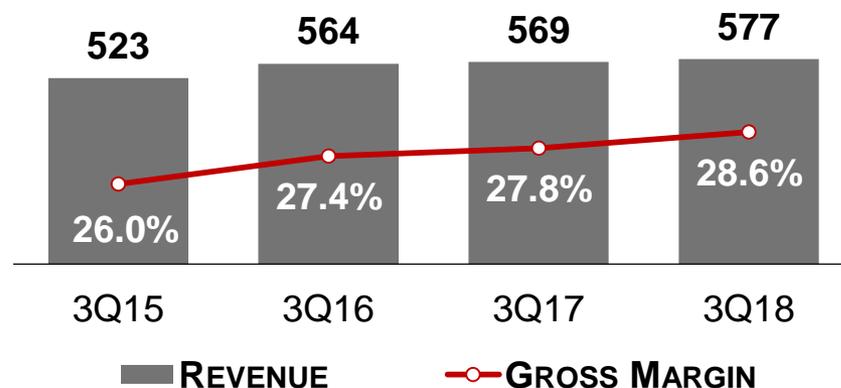
GIVEN THAT THE SALE OF CONSTRUMART WAS COMPLETED DURING THE SECOND QUARTER OF 2018, AS OF SEPTEMBER 30, 2018, THE TOTAL AMOUNT OF ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE IS ZERO, AND DURING THE THIRD QUARTER OF 2018, THERE IS NO PROFIT OR LOSS FROM DISCONTINUED OPERATIONS. HOWEVER, IT IS NECESSARY TO CONTINUE TO PRESENT THESE LINE-ITEMS FOR COMPARISON PURPOSES WITH THE PREVIOUS YEAR.

REVENUE

REVENUE – FIRST NINE MONTHS (CLP BN)



REVENUE – THIRD QUARTER (CLP BN)



REVENUE

- +2.2% IN 9M18 vs 9M17
- +1.5% IN 3Q18 vs 3Q17

GROSS MARGIN

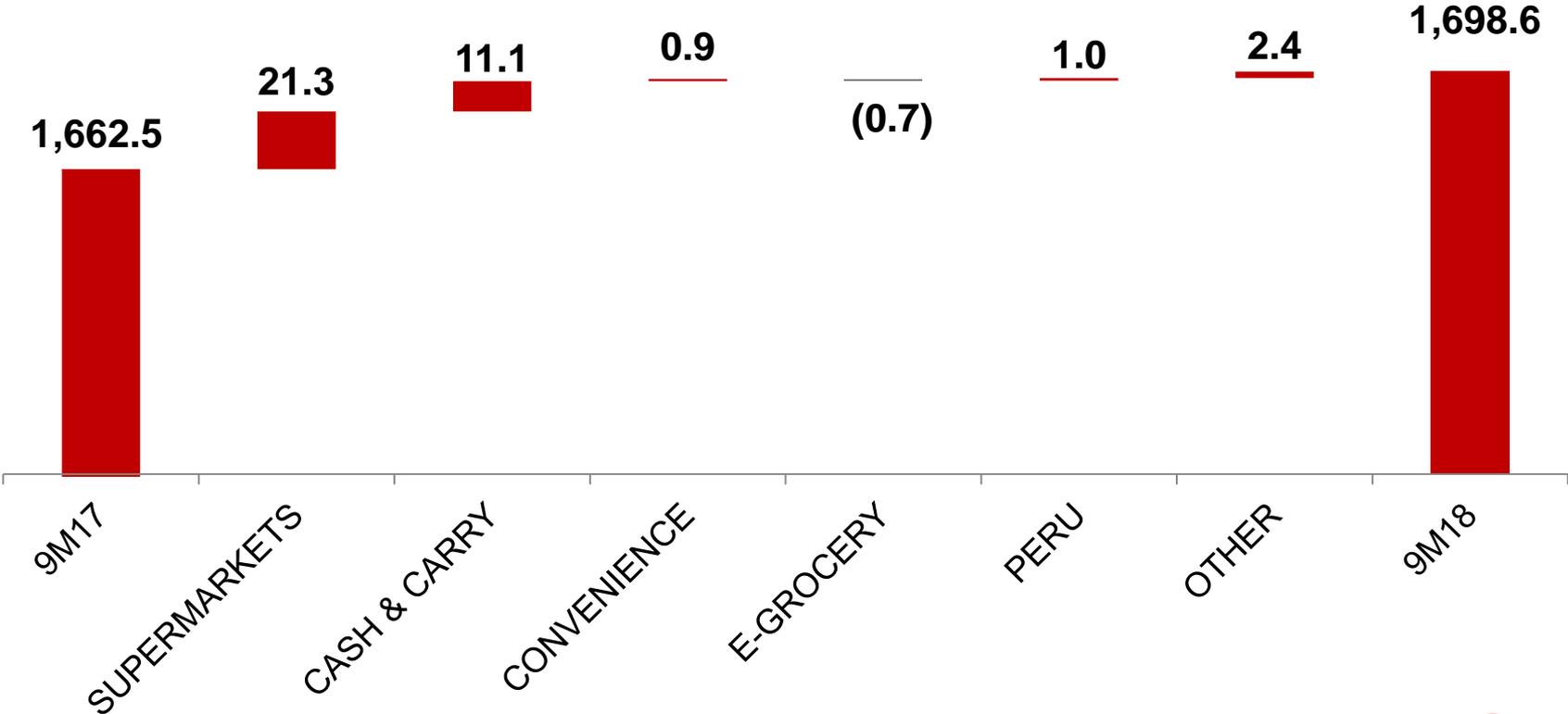
- +30 BPS IN 9M18 vs 9M17
- +80 BPS IN 3Q18 vs 3Q17

REVENUE BY FORMAT

9M18 vs 9M17 REVENUE BY FORMAT (CLP BN)

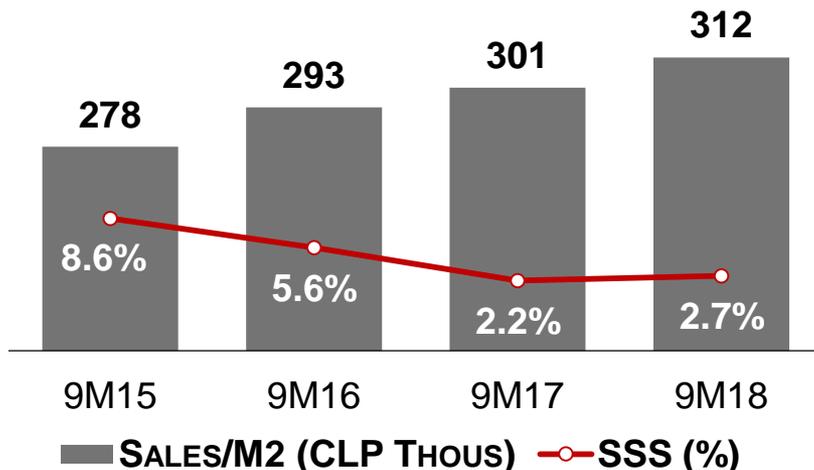
HIGHLIGHTS

- MAYORISTA 10 REVENUE GROWTH: +4.9%
- REVENUE GROWTH IN PERU IN PERUVIAN SOLES: +7.3%

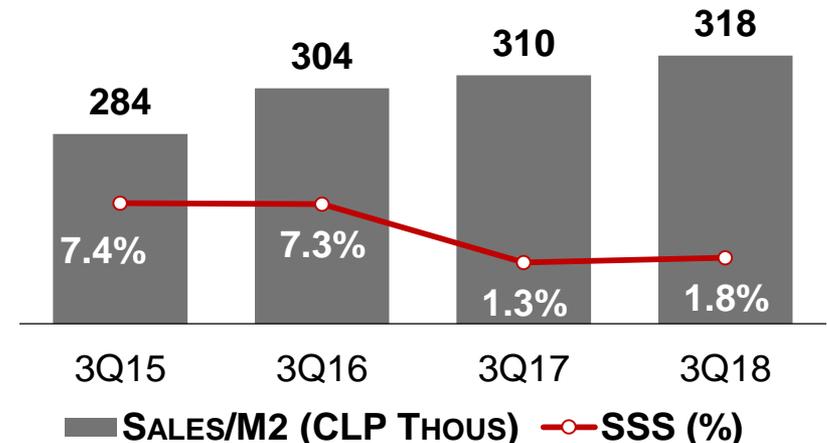


SAME-STORE SALES AND SALES PER SQUARE METER

SSS AND SALES/M² – FIRST NINE MONTHS⁽¹⁾⁽²⁾



SSS AND SALES/M² – THIRD QUARTER⁽¹⁾⁽²⁾



SAME-STORE SALES BY FORMAT

- 9M18: SUPERMARKETS +2.2%, CASH & CARRY +4.2%, CONVENIENCE +1.3%, PERU +7.0%
- 3Q18: SUPERMARKETS +1.2%, CASH & CARRY +2.8%, CONVENIENCE +2.1%, PERU +10.3%

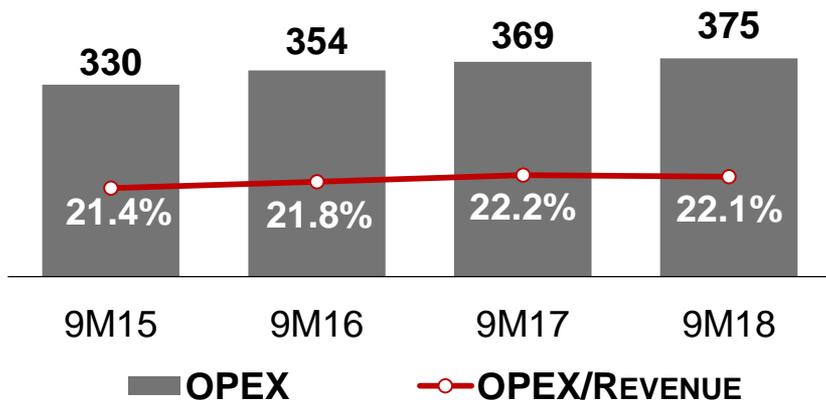
SOURCE: COMPANY INFORMATION

(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⁾

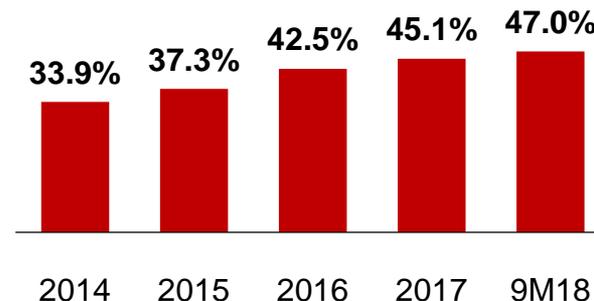
OPERATING EXPENSES – FIRST NINE MONTHS (CLP BN)



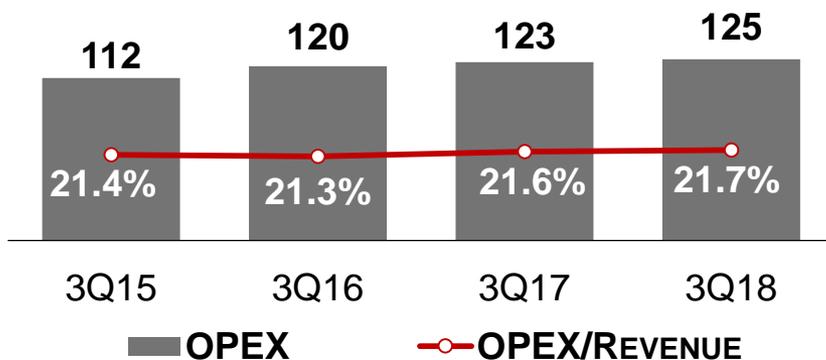
HIGHLIGHTS

- LOW GROWTH IN SELLING AND ADMINISTRATIVE EXPENSES (+1.0% IN 9M18 / +1.0% IN 3Q18)
- DECREASE IN PERSONNEL EXPENSES (-2.2% IN 9M18 AND -0.7% IN 3Q18)

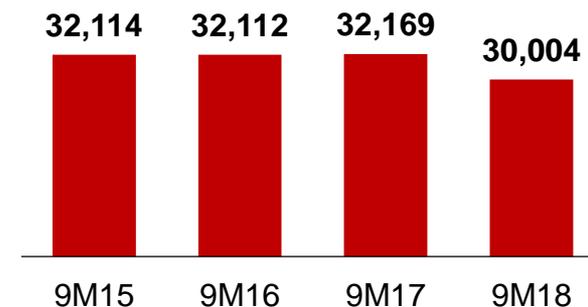
CENTRALIZATION (CHILE⁽²⁾)



OPERATING EXPENSES – THIRD QUARTER (CLP BN)



AVERAGE HEADCOUNT



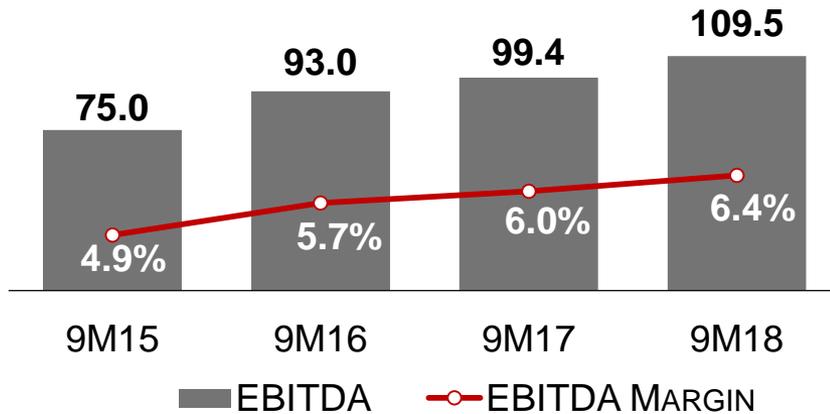
SOURCE: COMPANY INFORMATION

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

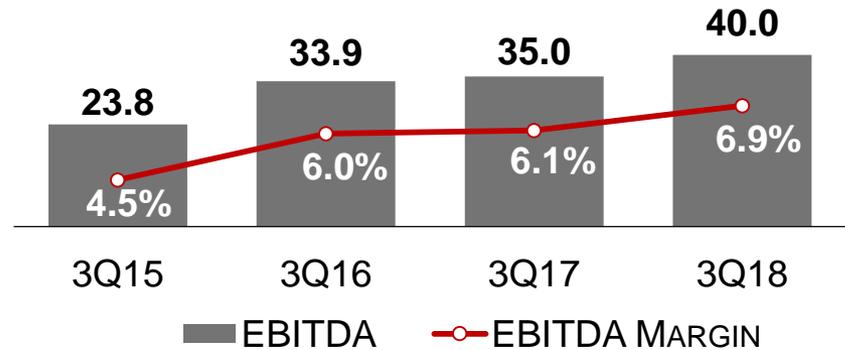
(2) PERCENTAGE OF REVENUES FROM PRODUCTS DISTRIBUTED BY THE COMPANY (AT ANY STAGE) OVER TOTAL REVENUES FROM FOOD RETAIL OPERATIONS IN CHILE.

EBITDA⁽¹⁾

EBITDA – FIRST NINE MONTHS (CLP BN)



EBITDA – THIRD QUARTER (CLP BN)



EBITDA

- +10.1% IN 9M18 VS 9M17
- +14.5% IN 3Q18 VS 3Q17

EBITDA MARGIN

- +80 BPS IN 9M18 VS 9M17
- +40 BPS IN 3Q18 AND 3Q17

SOURCE: COMPANY INFORMATION

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

NON-OPERATING RESULTS

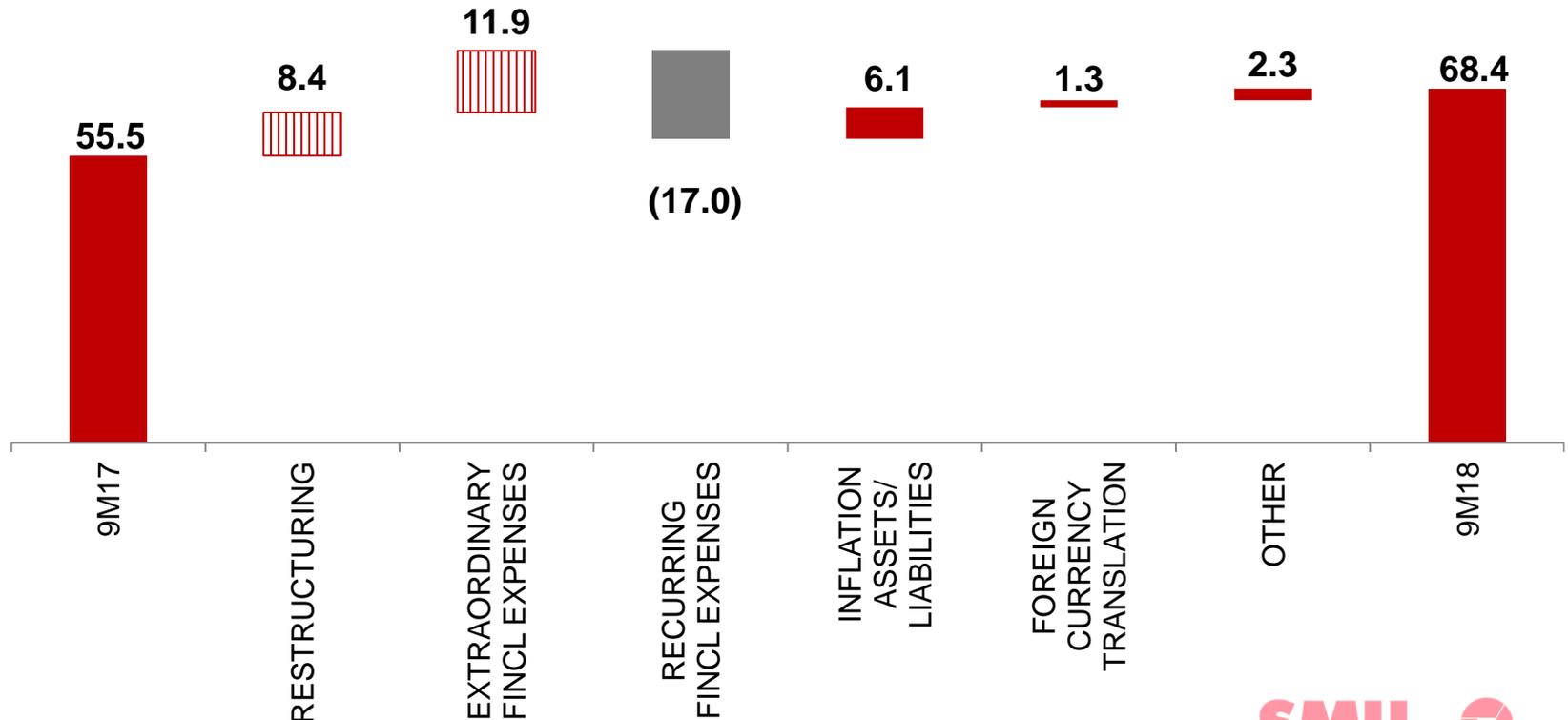
9M18 vs 9M17 NON-OPERATING LOSS (CLP BN)

NON-RECURRING EFFECTS IN 9M18

- RESTRUCTURING PROGRAM (CLP 8.4 BN)
- EXTRAORDINARY FINANCIAL EXPENSES (CLP 11.9 BN)

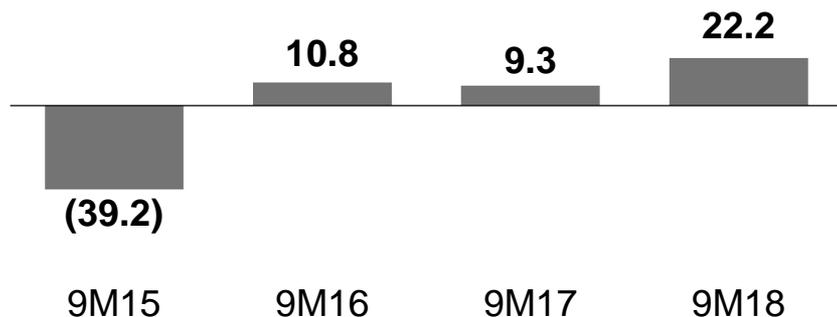
INTEREST EXPENSE SAVINGS

- RECURRING FINANCIAL EXPENSES
9M18: -33.3% / 3Q18: -40.6%

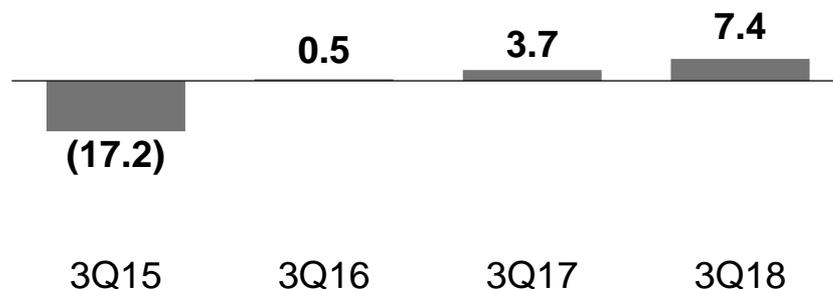


NET INCOME

NET INCOME— FIRST NINE MONTHS (CLP BN)



NET INCOME— THIRD QUARTER (CLP BN)



NET INCOME 9M18 vs 9M17

- OPERATING INCOME +CLP 9.0 BN
- NON-OPERATING LOSS -CLP 13.0 BN
- TAX: +CLP 17.6 BN

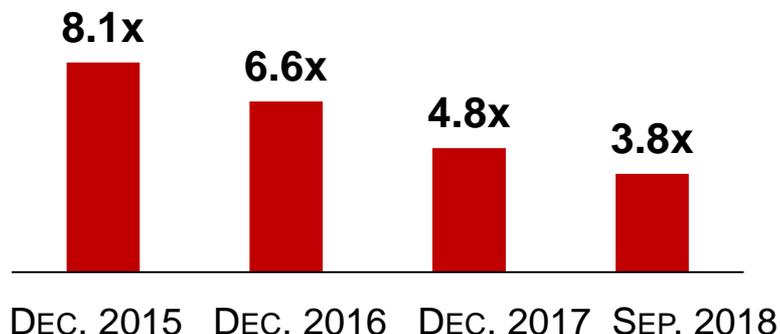
NET INCOME 3Q18 vs 3Q17

- OPERATING INCOME +CLP 4.6 BN
- NON-OPERATING LOSS -CLP 1.1 BN
- TAX: +CLP 0.4 BN

FINANCIAL DEBT

NET DEBT/EBITDA

(INCL. FINANCIAL LEASES)⁽¹⁾

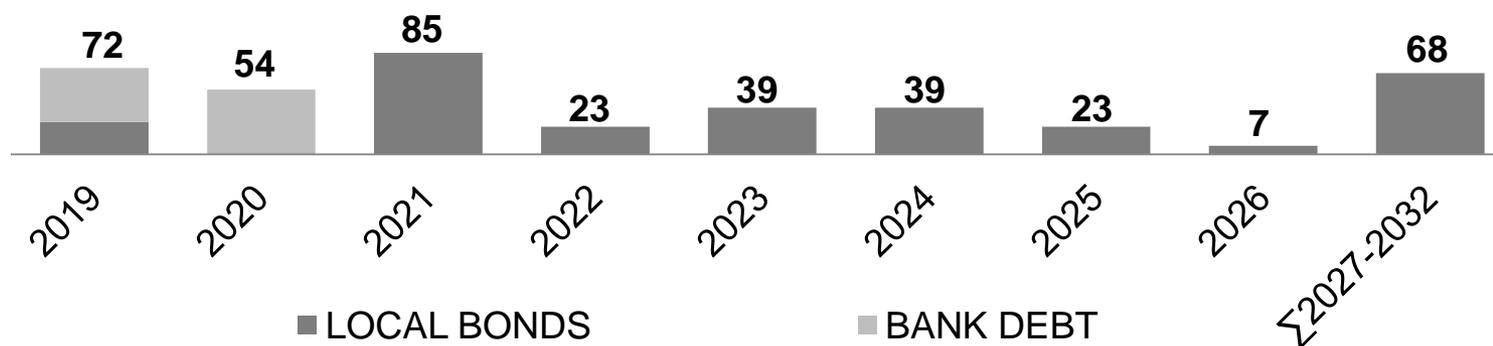


IMPROVEMENTS IN FINANCIAL POSITION

- SUSTAINED IMPROVEMENTS IN OPERATING RESULTS
- CAPITAL INCREASES IN 2017-2018
- ELIMINATION OF USD DEBT
- REFINANCING THROUGH LOCAL BOND PLACEMENTS
- SALE OF CONSTRUMART

DEBT MATURITY PROFILE AS OF SEPT. 30, 2018

(EXCL. FINANCIAL LEASES)⁽¹⁾ (CLP BN)



SOURCE: COMPANY INFORMATION

(1) AS OF SEPTEMBER 30, 2018, SMU'S FINANCIAL LIABILITIES INCLUDED FINANCIAL LEASES OF CLP 254 BN. A LEASE IS CLASSIFIED AS A FINANCIAL LEASE IF IT TRANSFERS SUBSTANTIALLY ALL THE RISKS AND REWARDS INCIDENTAL TO OWNERSHIP OF AN ASSET IN ACCORDANCE WITH IAS 17 "LEASES".

RECENT OPERATING HIGHLIGHTS

PLAN CIMA UPDATE

- **CUSTOMER EXPERIENCE: STORE UPGRADES**
 - 130 STORE UPGRADES PLANNED FOR 2017-2021
 - 29 UPGRADES COMPLETE (+2 REINAUGURATIONS 29 NOV.)
 - 9 UPGRADES IN PROGRESS
 - TOTAL: 40 UPGRADES TO BE COMPLETED BY YEAR-END 2018
- **CUSTOMER EXPERIENCE: PERSONALIZED PROMOTIONS**
- **OPERATING EFFICIENCY: CENTRALIZED DISTRIBUTION**
 - INCREASED TO 47.0% FOR 9M18
- **OPERATING EFFICIENCY: NEW DISTRIBUTION CENTER FOR ALVI**
 - INAUGURATED IN SEPT. 2018

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