

# 4Q22 Earnings

## **SMU S.A.**

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March 2023



## 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.

## 4Q22 Earnings



## Omnichannel Growth

# New Store Openings

➤ 2022: 9 openings

 uniMARC	5
 Club Alvi MAYORISTA	1
 Maxi ahorro	3





4Q22 Earnings

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Omnichannel  
Growth

## Robotic Microfulfillment Center



- Optimize order fulfillment for Unimarc.cl
- Efficiency in picking process
- Strong performance in operating indicators

## 4Q22 Earnings

## Customer Experience

# Successful Promotional Strategy

- Satisfying customers by delivering a variety of attractive promotions, helping families optimize their budgets



**AHORRA**  
**CON TUS TARJETAS**  
**BANCOESTADO**

Dicta tu RUT en caja y paga.



**Super 10**

Las 10 de **SUPER 10**  
Las ofertas que te encuentran a súper precio

**Abastero, Carnicero, Huachalomo, Punta de paleta o Sobrecostilla al vacío importado kg**

**\$5.190 kg**

Precio normal: \$8.490 kg  
AHORRAS: \$3.300



## 4Q22 Earnings

### Customer Experience



## Private Label Offering

- Expanded private label assortment: 330 product launches in 2022
- Sales growth 69% vs. 2021



## 4Q22 Earnings



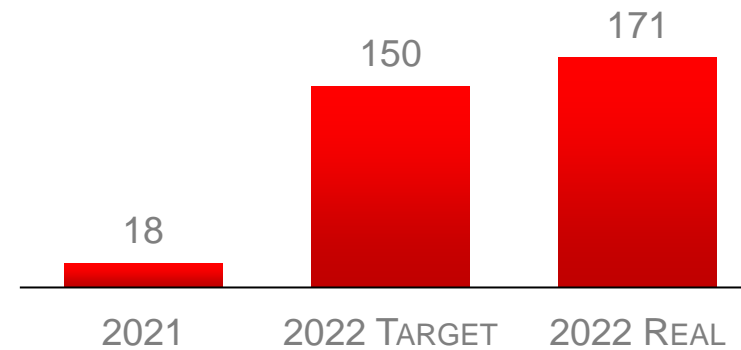
## Customer Experience

# Recyclable Packaging

- Surpassed 2022 target for private label products certified with recyclable packaging



Private Label Products with Ecolabeling Seal





## 4Q22 Earnings

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### Efficiency & Productivity

## Progress in Energy Efficiency

- Energy Management System certified under ISO 50001 for Lo Aguirre DC + two Unimarc stores
- Electric trucks: Kicking-off progress towards 2025 goal, with first delivery this week







Committed &  
Sustainable  
Organization

## Reducing **Food Waste**

- Reducing our environmental impact while benefiting people facing food insecurity

### Food Donations in 2022



661  
tons



250+  
non-  
profits



87K+  
people



## 4Q22 Earnings

Committed &  
Sustainable  
Organization

# Creating Shared Value Through **Diversity & Inclusion**

- First food retailer in Chile with an independently-certified gender equality management program
- Recipients of *Equality & Conciliation* seal from Chile's National Women and Gender Equity Service



## 4Q22 Earnings

### Strategic Plan Launch

Strategic  
Plan  
23  
25

Attain **profitable and sustainable growth** through the consolidation of our **multiformat strategy**, satisfying the **needs of our customers** and creating **shared value** for all of our stakeholders





# NOTE ON PRESENTATION & COMPARISON OF INFORMATION

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## Sale of OK Market Convenience Business

- Transaction approved on November 26, 2021 and completed on February 28, 2022
- Business presented as available for sale in December 2022 and 2021 financial statements, in accordance with IFRS 5
- Statements of comprehensive income: amounts corresponding to the OK Market business from 2021 and the first two months of 2022 are presented under a single line, “Profit (loss) from discontinued operations”.
- Statements of cash flows: 2021 includes cash flows corresponding to OK Market. Such cash flows are not included in 2022.
- Statements of financial position: Assets are consolidated in a single line, “Non-current assets or asset groups classified as held-for-sale”, and liabilities are consolidated in a single line, “Non-current liabilities or liability groups classified as held-for-sale”.

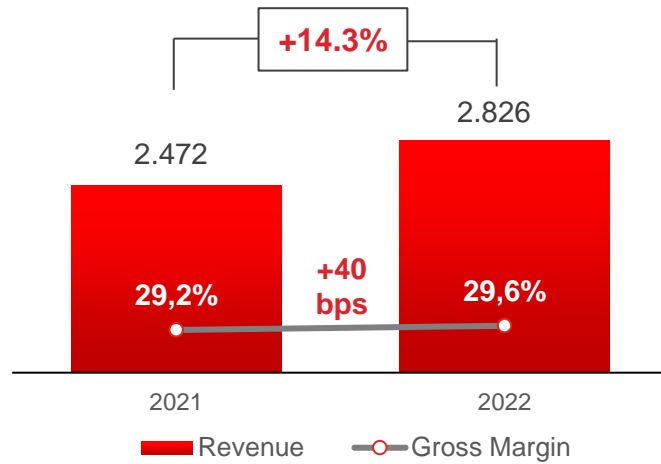
## Consolidation of Financial Services Companies

- December 20, 2022: SMU increased ownership interest in Inversiones RF S.A., thereby acquiring control by becoming the main shareholder.
- Inversiones RF is the controlling shareholder of Unicard S.A, Administradora de Tecnologías y Servicios Unicard Ltda. and Unimarc Corredores de Seguros Ltda
- Consequently, beginning on such date, the aforementioned companies are consolidated on a line-by-line basis in SMU’s financial statements.
- Companies are associated with the operation of the Unipay credit card, a payment method that is available for customers of Unimarc, Alvi, Mayorista 10 and Super10, complementing their value proposition and promotional activity, offering a convenient payment option, and helping to build customer loyalty.
- In SMU’s statements of comprehensive income for the year ended December 31, 2022, the revenue, costs and expenses of these companies for the dates between December 20 and 31, 2022, are consolidated on a line-by-line basis. Likewise, the statement of cash flow also includes cash movements for that same period.
- In the statements of financial position, all assets and liabilities are consolidated on a line-by-line basis as of December 31, 2022, while on December 31, 2021, these companies were consolidated in a single line under “Share of Profit (Loss) of Associates” in the income statement, and under “Investments Accounted for Using the Equity Method” in the statements of financial position.



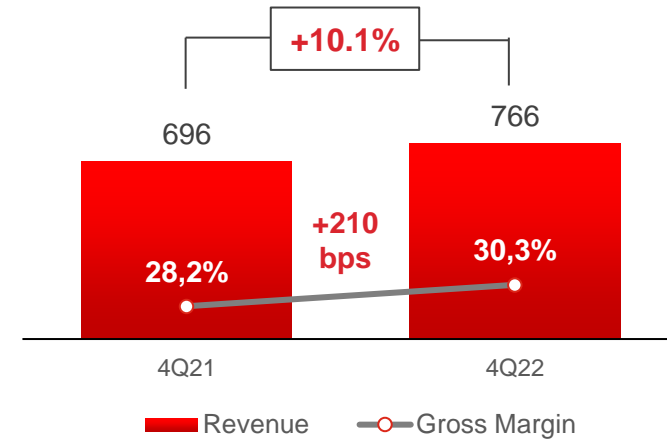
Revenue

Full year 2022; CLP Bn

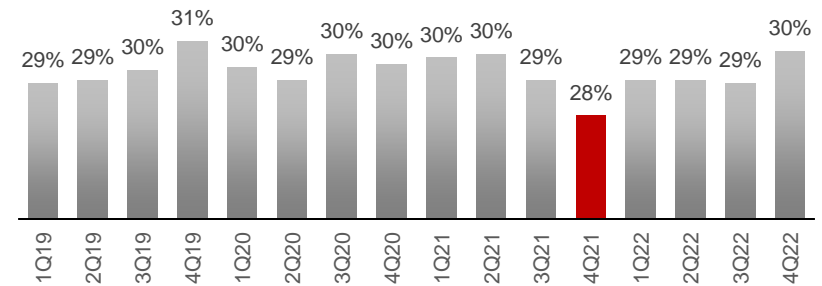


Revenue

Fourth Quarter; CLP Bn



Quarterly Gross Margin

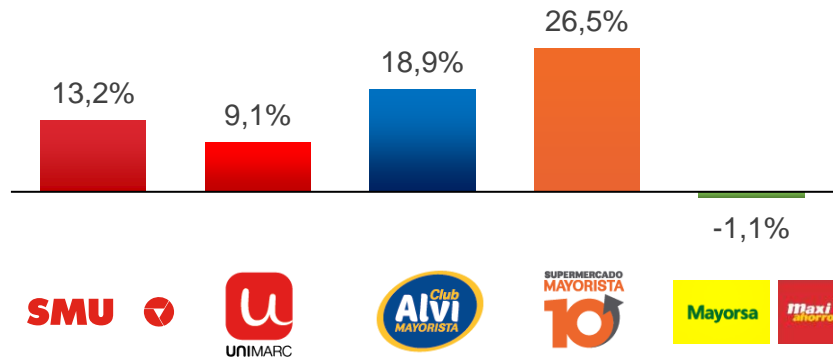


- Revenue growth driven by recovery in customer traffic, number of customers, and strong cash & carry performance, outperforming industry
- Gross margin gains reflect improved commercial efficiency and low comparison base in 4Q21

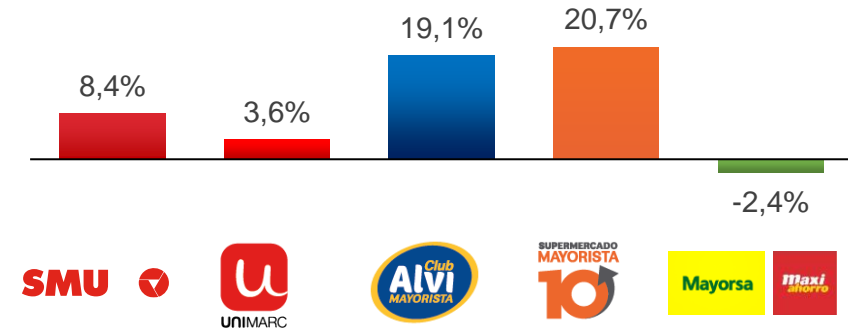
Same-Store Sales <sup>(1)</sup>



Same-Store Sales – Full Year 2022



Same-Store Sales – Fourth Quarter 2022



Multiformat strategy delivers strong results, satisfying needs of customers in different segments

- Chile: +13.1% in 2022 and 8.3% in 4Q22
- Peru: high comparison base in 4Q21, plus SSS doesn't reflect strong results in new stores

(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.

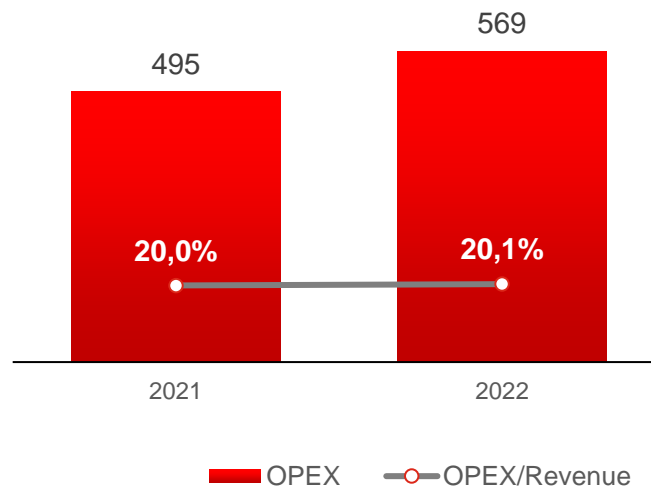


Operating Expenses

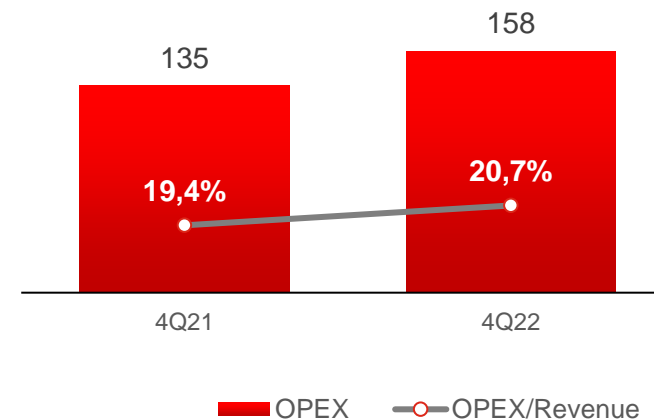
+15.0% vs. 2021 (+17.1% vs. 4Q21)

- Main drivers: inflation, minimum wage

OPEX  
(Full Year; CLP Bn)



OPEX  
Fourth Quarter; CLP Bn



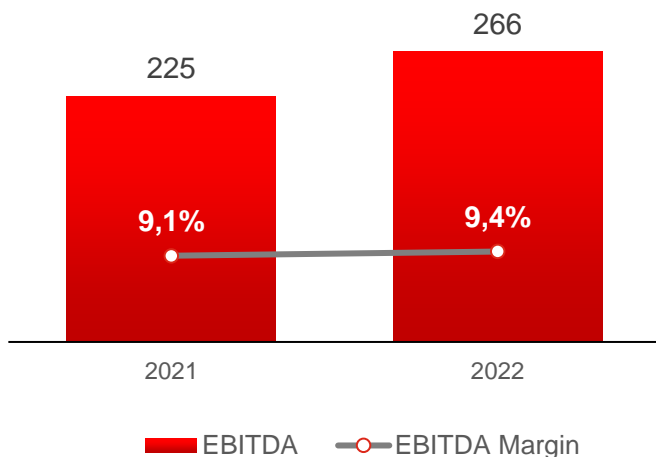
(1) Operating expenses: Sum of distribution and administrative expenses, excluding depreciation and amortization.



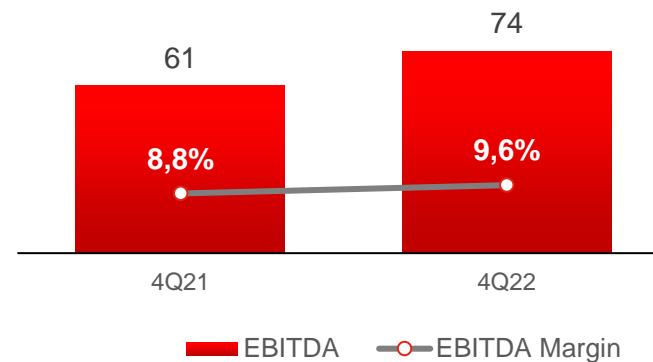
EBITDA +18.0% vs. 2021  
(+20.2% vs. 4Q21)

EBITDA margin exceeds 9%  
target, expanding 30 bps in  
FY22 and 80 bps in 4Q22

EBITDA  
Full Year; CLP Bn



EBITDA  
Fourth Quarter; CLP Bn



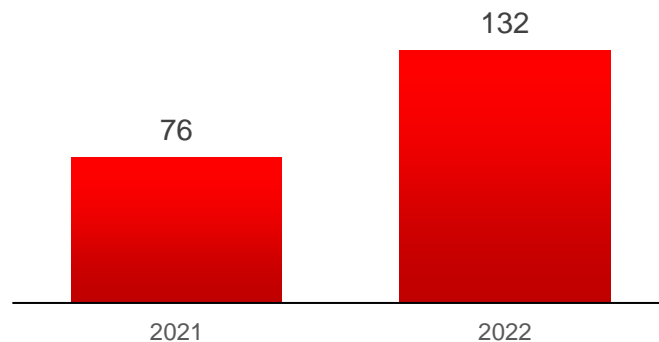
(1) EBITDA = Gross profit – administrative expenses – distribution costs + depreciation + amortization.

# 4Q22 Earnings

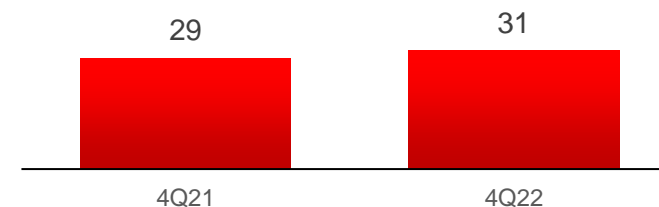
## Net Income



**Net Income**  
Full Year; CLP Bn



**Net Income**  
Fourth Quarter; CLP Bn



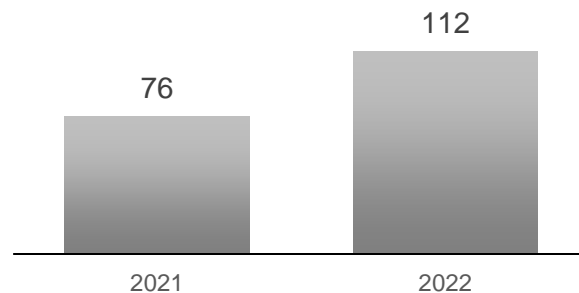
### Net Income:

+74% vs. 2021 (+7.7% vs. 4Q21)

### Net Income excluding effect of OK Market sale:

+48% vs 2021

**Net Income ex. Sale of OKM**  
Full Year; CLP Bn

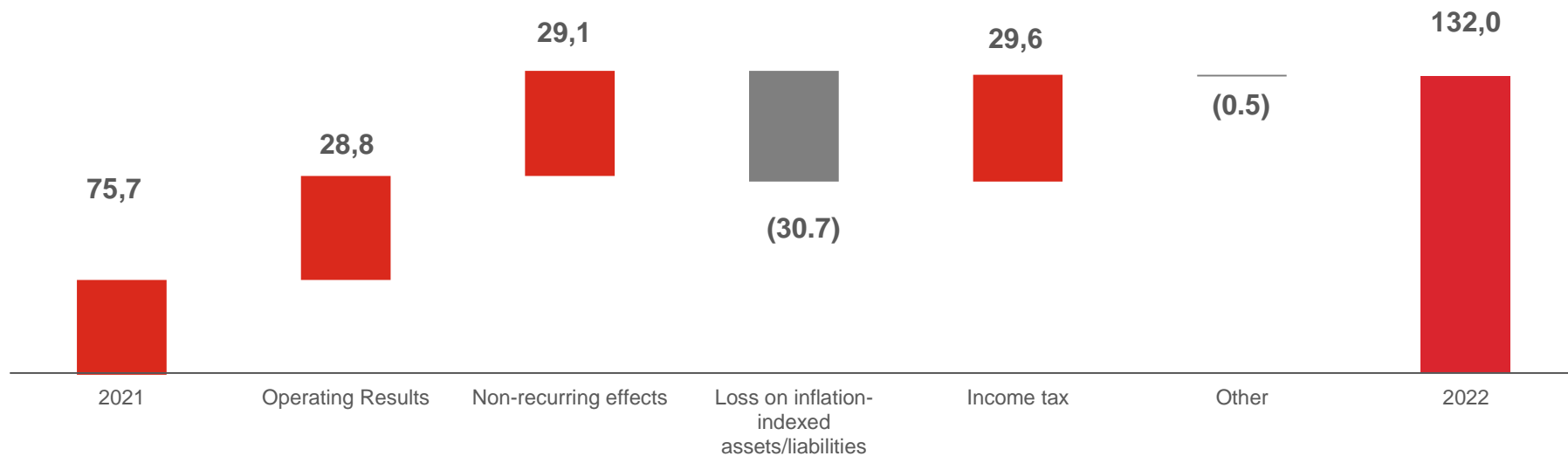




Net Income: 2022 vs 2021 (CLP Bn)

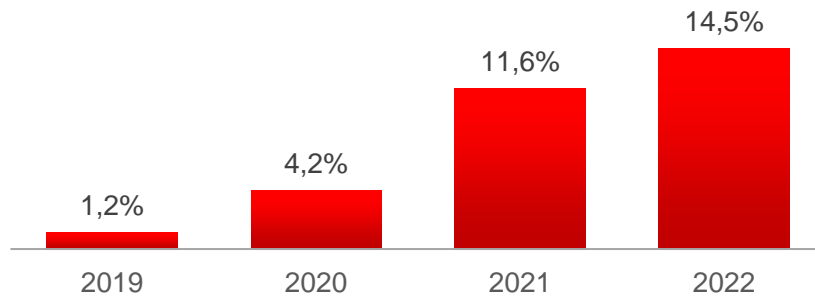
Main Impacts

- Improved operating results drive recurring improvements to net income (+CLP 28.8 bn)
- Non-recurring effects (sale of OK Market in 2022 and organizational restructuring in 2021) account for CLP 29,1 bn)
- Inflation: negative impact from inflation-indexed liabilities is offset by positive impact from inflation-indexed tax asset

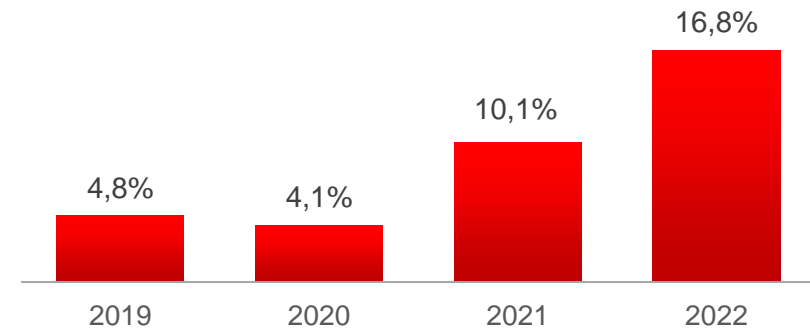




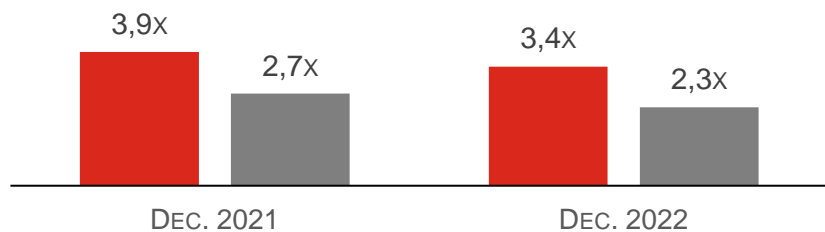
**Dividend Yield**  
(Dividends Paid/Share Price)



**Return on Equity**

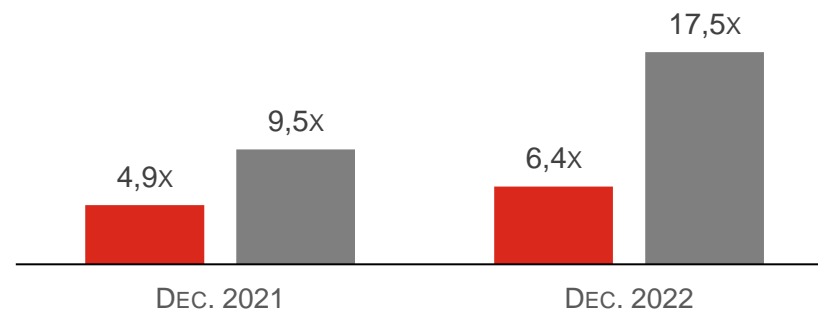


**Net Financial Debt / EBITDA**



- Net Financial Liabilities/EBITDA
- Net Financial Debt/EBITDA Adjusted for Store Rental Expenses

**Interest Coverage**



- Net Interest Coverage
- Net Interest Coverage Adjusted for Store Rental Expenses

(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

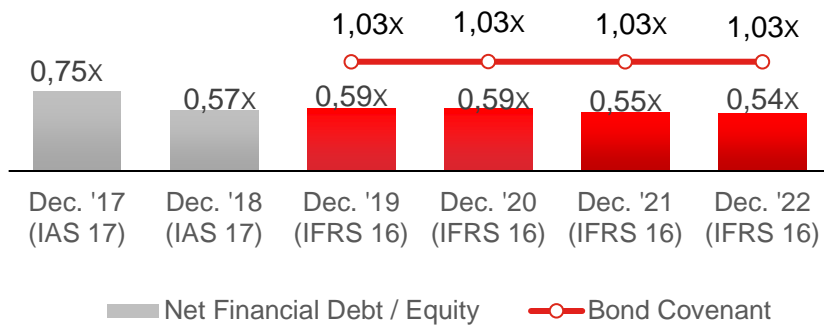
EBITDA adjusted for store rental expenses = EBITDA including store rental expenses not included in administrative expenses under IFRS

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

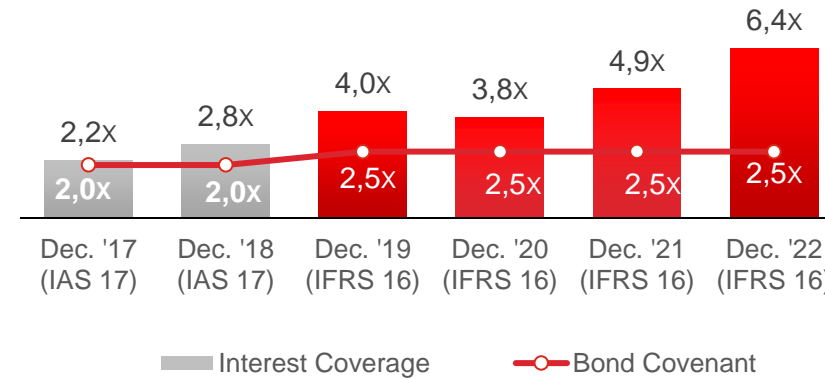
Net interest coverage = EBITDA adjusted for store rental expenses/(total financial expenses – financial expenses for obligations for rights of use – total financial income)



**Bond Covenant: Net Financial Debt / Equity (2)**



**Bond Covenant: Interest Coverage (3)**



(1) Due to the implementation of IFRS 16 on Jan. 1, 2019, figures for 2019, 2020, 2021 and 2022 as reported are not comparable with figures for prior periods, when IAS 17 was in force. Pro forma IAS 17 figures have been provided for 2019 for illustrative purposes only, in order to facilitate comparative analysis over time.

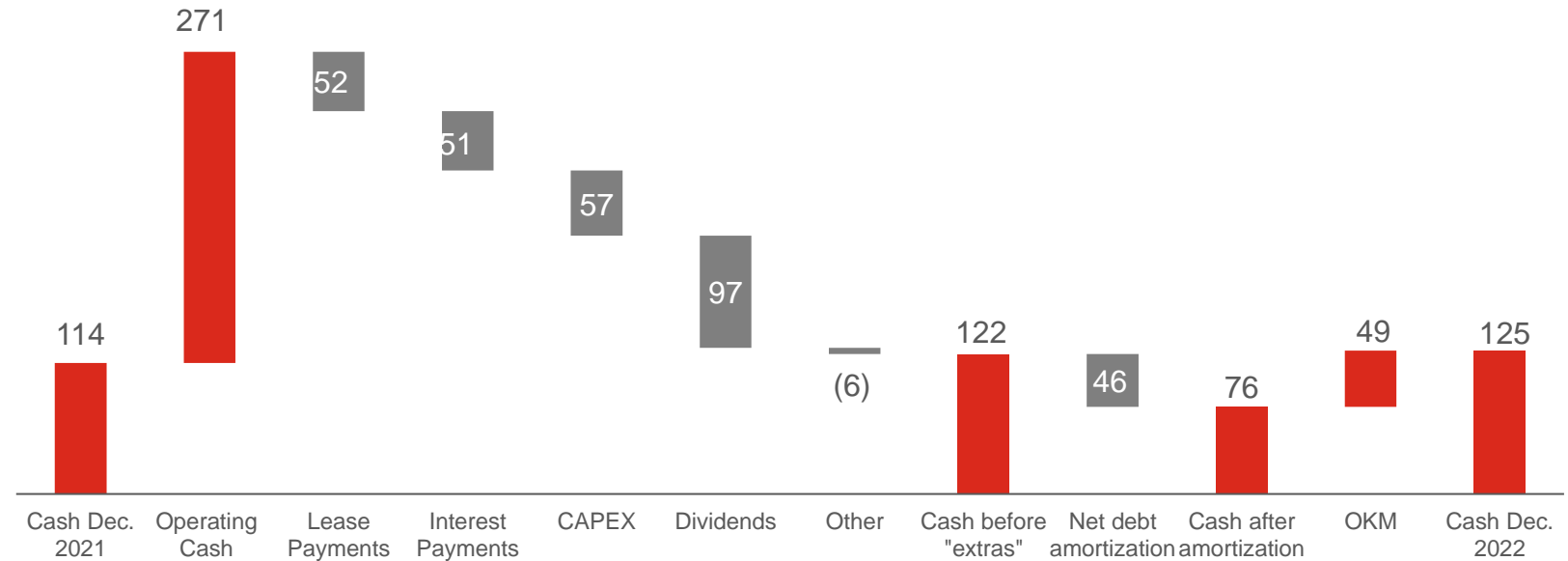
(2) Net financial debt = Total current and non-current financial liabilities minus total current and non-current obligations for rights of use minus cash and cash equivalents

(3) Interest coverage = EBITDA/net financial expenses

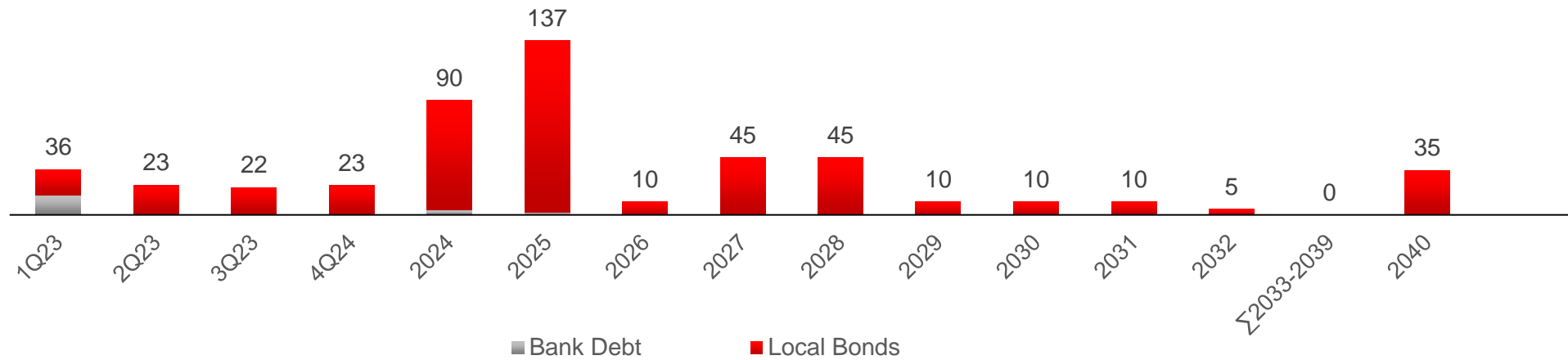
**Strong Cash Generation**

- Operating flows covers all cash needs, including financial, capex, and dividends
- Net debt amortization leaves cash at 76 bn, well above Company-defined minimum level (CLP 50 bn)
- Proceeds from OKM sale provide further flexibility, with an excess of 75 bn over minimum cash level

**Cash Flow 2022**  
(CLP Bn)



**Debt Maturity Profile as of December 31, 2022**  
 (Bonds and Bank Debt - CLP Bn)



THANK YOU

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