

# Corporate Presentation

SMU S.A.

April 2024



## CAUTION REGARDING **FORWARD-LOOKING STATEMENTS**

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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.

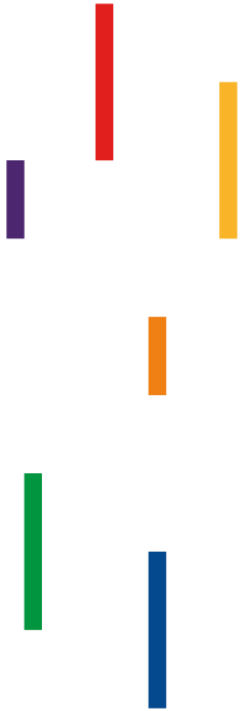
By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. In light of the risks and uncertainties described above, the forward-looking 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.

# CONTENTS

## 1. **Company Overview**

2. Company Strategy

3. Financials



Leading food retailer in Chile, with multiple formats  
and broad market coverage in a defensive industry



**+10 MM**  
Deep insight into customer base

**US\$ 3 bn**  
annual revenue



Multiple Formats



**23,000**  
employees

**98%**  
of sales  
Defensive industry with focus on food

**3#** food retailer in Chile, with share of **17.3%**

SMU Today  
Our Formats

Multiple formats provide broad coverage of all socioeconomic segments and all shopping habits



**UNIMARC**

**unimarc.cl**

TRADITIONAL SUPERMARKET

FOCUS ON PROXIMITY AND FILL-IN

67% OF REVENUE

292 STORES

AVG SIZE 1,200 M<sup>2</sup>



**MAYORISTA 10/ SUPER10**

SOFT DISCOUNT

FOCUS ON PRICE AND STOCK-UP

17% OF REVENUE

64 STORES

AVG SIZE 1,300 M<sup>2</sup>



**ALVI**

**Alvi.cl**

CASH & CARRY

WHOLESALE CLUB, FOCUS ON FILL-IN

14% OF REVENUE

34 STORES

AVG SIZE 1,400 M<sup>2</sup>



**SMU PERU**

LOW-COST / CASH & CARRY

FOCUS ON PRICE AND STOCK-UP

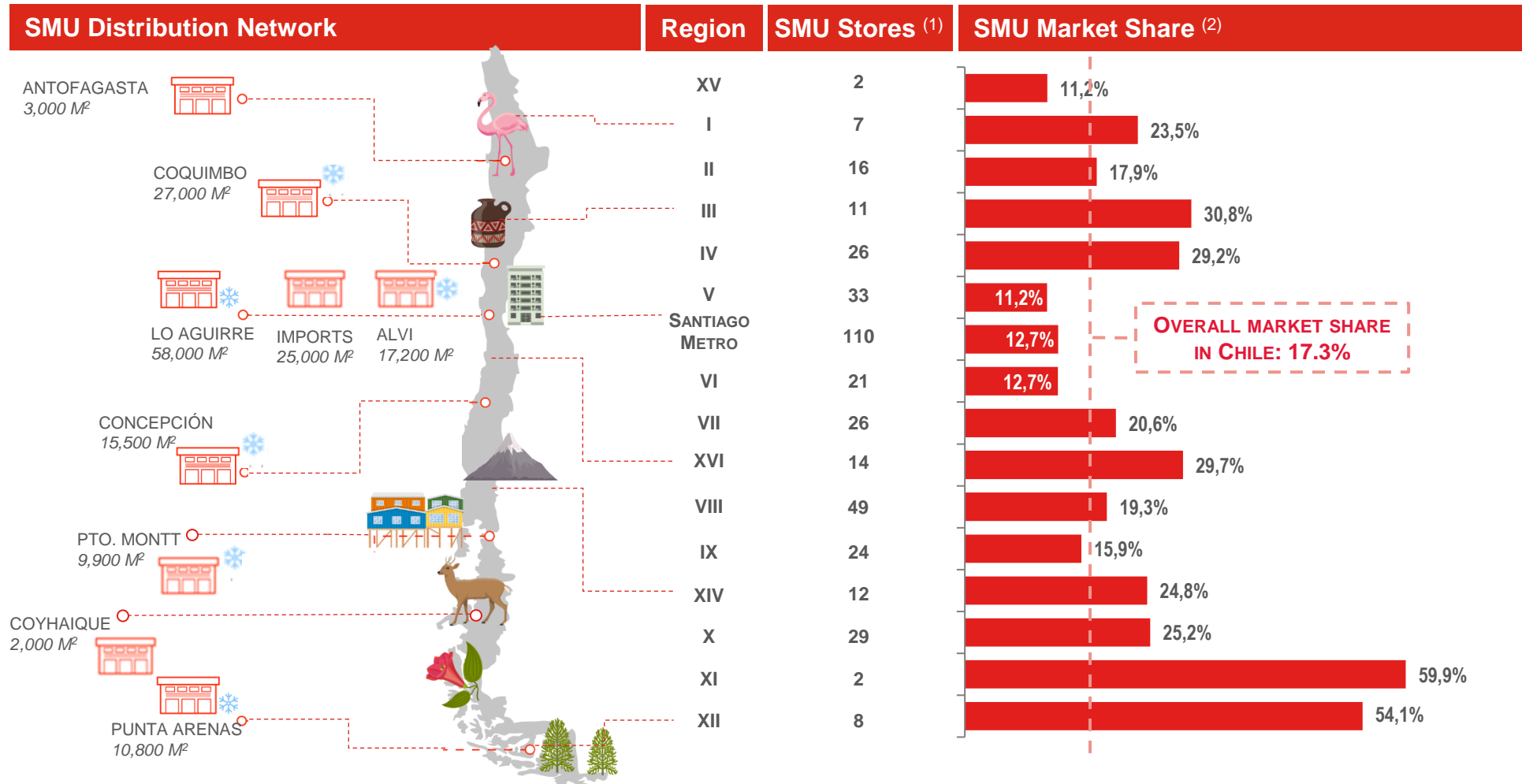
2% OF REVENUE

30 STORES

AVG SIZE 700 M<sup>2</sup>

# SMU Today Geographic Coverage

100% coverage of Chile with leading position in several regions, supported by integrated operating platform



(1) Number of Unimarc, Alvi, Mayorista 10, and Super10 stores as of Dec. 31, 2023.

(2) Market share figures are calculated as portion of SMU's sales in total 2022 Chilean supermarket sales by region according to INE as of Dec. 31, 2023.

Loyalty programs provide insight that allows us to better understand our more than 10 million customers and respond to their changing needs and preferences

Club  
UNIMARC



Regístrate aquí y disfruta los descuentos del Club Unimarc en viajes, restaurantes, entretenición y mucho más!



Ahorro y beneficios

¡altiro!

Regístrate en el Club Unimarc y disfruta los descuentos en viajes, restaurantes, entretenición y mucho más!

YA ES MOMENTO DE UNAS VACACIONES... ¿UN VIAJECITO? ¡altiro!

Fin de semana largo

Hasta 30%\* dcto. EN PASAJES NACIONALES E INTERNACIONALES

JetSMART

¡APROVECHA ALTIRO!

¿Y SI COMEMOS ALGO RICO? ¡altiro!

Desde 20%\* dcto. RESTAURANTES SELECCIONADOS

20%\* dcto. De lunes a jueves en todo el país. \$100.000 de descuento. \$10.000 de descuento. \$10.000 de descuento.

DISFRUTA TAMBIÉN ESTOS RESTAURANTES

DESCUBRE ESTAS OFERTAS CLUB UNIMARC ¡altiro!

**BAJA LA APP Y AHORRA MÁS PARA TU NEGOCIO**

Descuento en lo que **TU** siempre compras.

MÁS promociones al alcance de tu mano.

DESCARGALA GRATIS EN

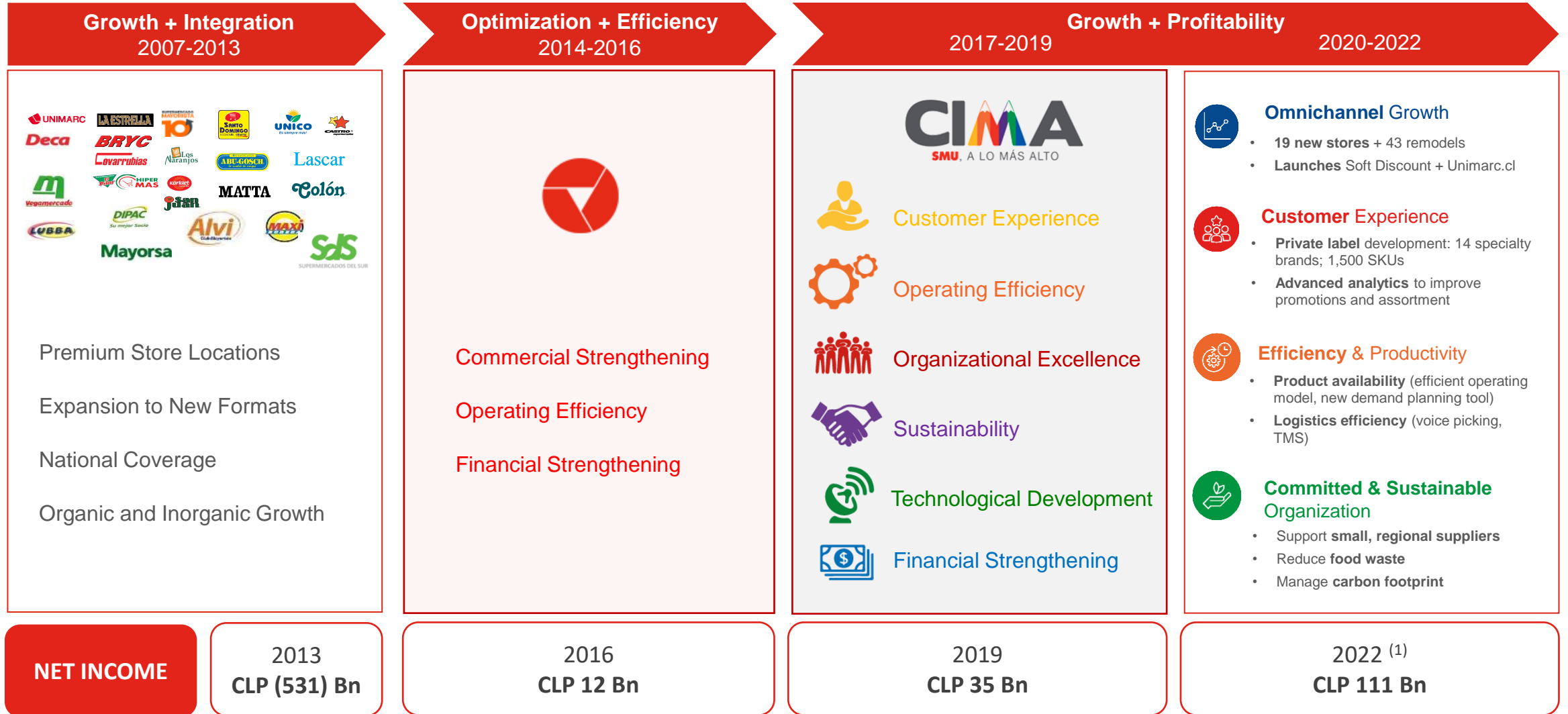
Disponible en el App Store

Disponible en Google Play



# SMU Strategy Our History

Proven track record of strategy execution, with action plans for future growth and profitability

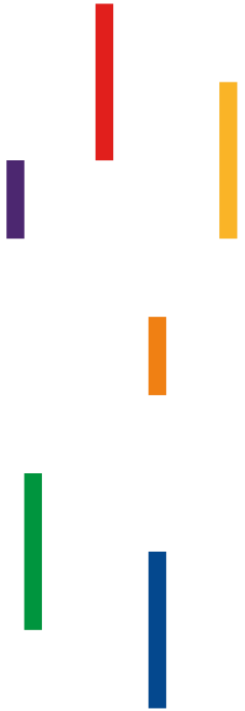


(1) Excludes impact of sale of OK Market



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1. Company Overview
- 2. Company Strategy**
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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

Strategic  
Plan  
23  
25



Omnichannel  
Growth



Customer  
Experience



Efficiency &  
Productivity



Committed &  
Sustainable Organization

FINANCIAL  
CAPACITY

TECHNOLOGY &  
DIGITALIZATION

# Omnichannel Growth – Organic growth leverages multiformat strategy and builds on broad geographic coverage

## New Store Openings

- Total of 58 new store openings planned for 2023-2025



26



9



8



15

## Montserrat Stores

- New store openings include stores previously operated by Montserrat chain
  - Investment with a higher return than a brand-new store
  - Growth in Santiago Metro and Valparaíso Regions
  - Through multiformat strategy we can turn 21 locations into 23 stores, with Unimarc/Alvi combos

## Conversions & Remodels

- Convert 14 M10 stores into S10



- Remodel 78 Unimarc and Alvi stores



75



3



## Omnichannel Growth – Consolidate e-commerce offering, improving shopping experience and profitability



### Better Customer Experience

- Improve accuracy, completeness, and on-time delivery of orders (**Micro Fulfillment Center**).
- Offer more delivery options (**Click & Collect**) and expand assortment.
- Continue improving platform UX/UI.

### Focus on Profitability

- Attract new customers and increase purchase frequency of existing customers.
- Monetization opportunities.
- Optimize order preparation and delivery costs.
- Expand long-term partnerships.



## Customer Experience – Satisfy customer needs through personalization and improved product assortment

### Customer Loyalty

- Expand personalization to grow incremental sales



unidata dunnhumby

- Add value for both customers and suppliers through retail media business

unimedios  
powered by dunnhumby

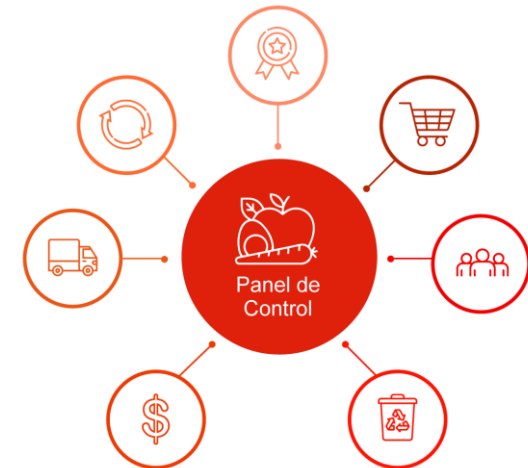
### Private Label

- New brands and products that meet customer needs, including:
  - Health and wellbeing
  - Indulgence, treat yourself.
- Promote the use of environmentally friendly packaging



### Fresh Products

- Expand 360° methodology to additional fresh product categories that are highly relevant to customer experience



## Efficiency & Productivity: Optimization and innovation to improve the customer experience while controlling operating expenses

### In-Store Efficiency

- Expand operating model, with more efficient replenishment and more frequent distribution (*148 stores as of Dec. 2023*)
- Implement self-service equipment (check-outs and scales) in more stores
- Extend new digital treasury system, saving time on manual treasury processes and reducing frequency of armored transportation services

### Logistics Efficiency

- Grow distribution network to support organic growth and multiformat strategy
  - +40% M<sup>2</sup> in Chile
  - +120% M<sup>2</sup> in Peru
- Expand use of technologies that drive productivity and availability
  - Automated demand planning
  - Voice picking
  - New automated, multiformat distribution center

### Energy Efficiency

- Increase energy from renewable sources (*12% in 2023 vs. 3% in 2022*)
- Implement and certify energy management system (*Implemented in 100% of facilities operated by SMU Chile*)



- Electric vehicles in supply chain (*2% of shipments from CDs to stores in 2023*)

**Committed & Sustainable Organization:** Continue to drive initiatives that promote sustainable practices across our operations, covering the different pillars of our sustainability model

## Diversity & Inclusion

- Strengthen alliances with organizations that promote diversity and inclusion, such as *Teletón*, *Fundación Las Rosas*, *Fundación Descúbreme*, and others
- In 2022-2023, we certified our gender equity management system for SMU Chile central office and Santiago logistics operation



## Shared Value

- **100% Nuestro Program:** Strengthen the development of small, local suppliers through business conferences and training programs
- Over 400 small, regional suppliers have benefited since the program's inception



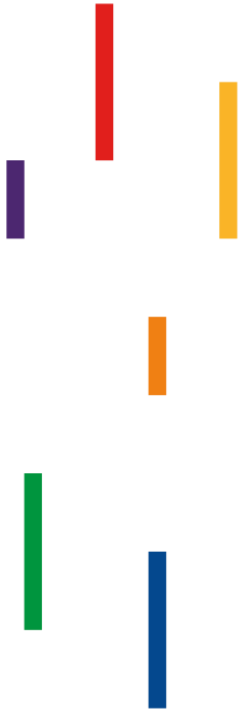
## Environment

- **Reducing Food Waste:** Multi-tier approach including correct product assortment; accurate demand planning; price reductions; and food donation
- **Manage Carbon Footprint:** Measure and certify footprint, and reduce carbon intensity through energy efficiency and other initiatives



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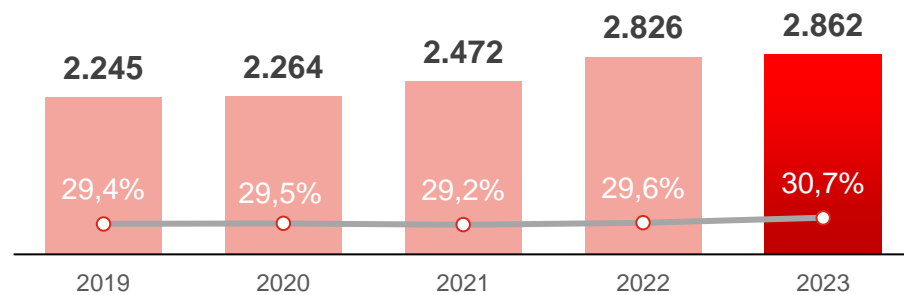




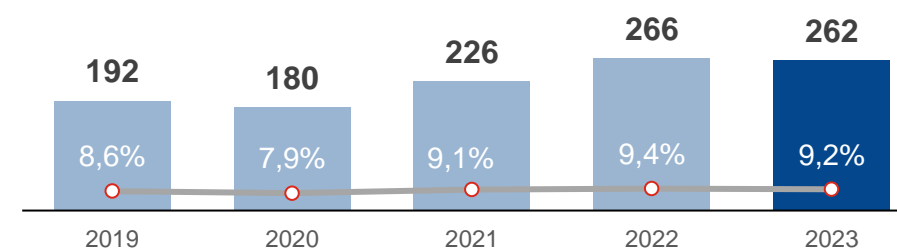
## Financial Position

Consistent delivery of growth in revenue, gross margin, EBITDA, EBITDA margin, and net income...

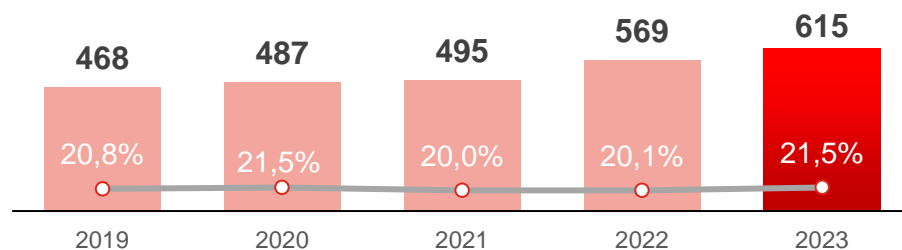
**Revenue and Gross Margin <sup>(1)</sup>**  
(CLP Bn; %)



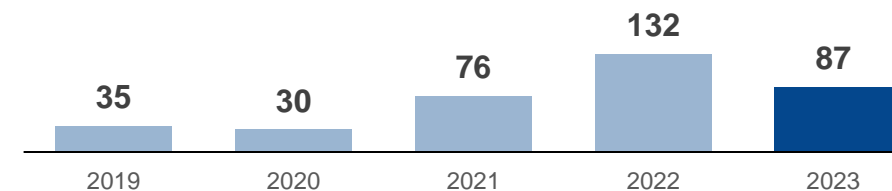
**EBITDA and EBITDA Margin <sup>(1,3)</sup>**  
(CLP Bn; %)



**Operating Expenses and OPEX Margin <sup>(1,2)</sup>**  
(CLP Bn; %)



**Net Income <sup>(4)</sup>**  
(CLP Bn)

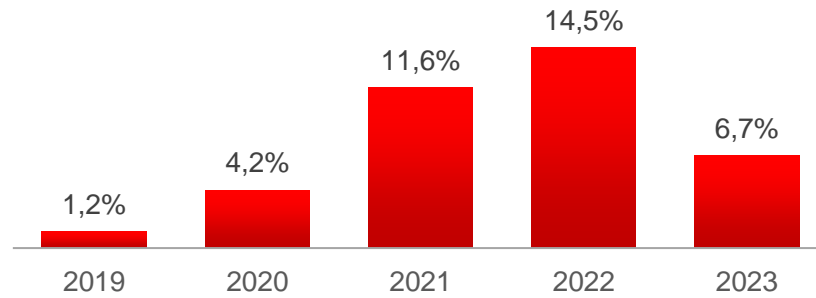


(1) Revenue, operating expenses, and EBITDA exclude OK Market in all periods.  
 (2) Operating expenses: Sum of distribution and administrative expenses, excluding depreciation and amortization.  
 (3) EBITDA = Gross profit - administrative expenses - distribution costs + depreciation + amortization  
 (4) Net income for 2022 includes the non-recurring impact of the sale of OK Market (CLP 20.5 Bn)

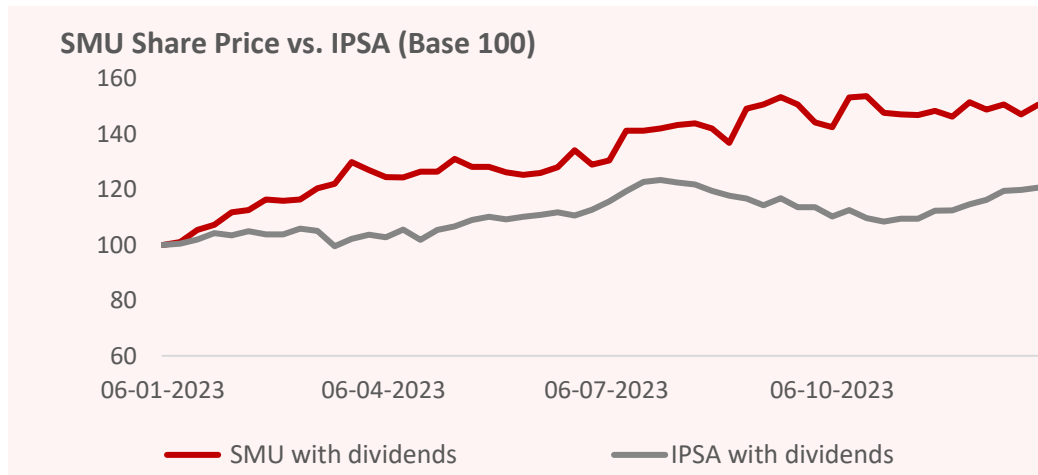
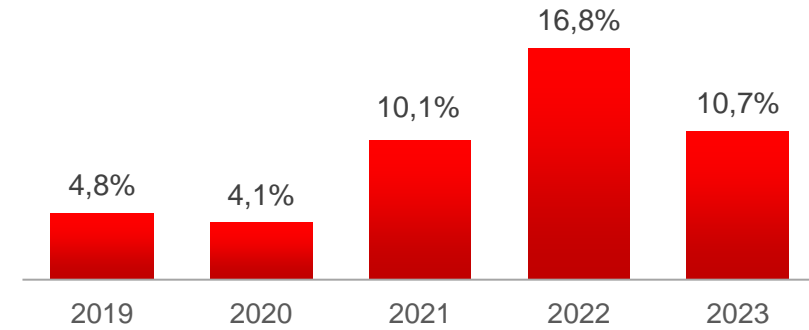
# Financial Position

...driving significant growth in profitability

Dividend Yield <sup>(1)</sup>



Return on Equity <sup>(2)</sup>



- Dividend policy: 75% of net income

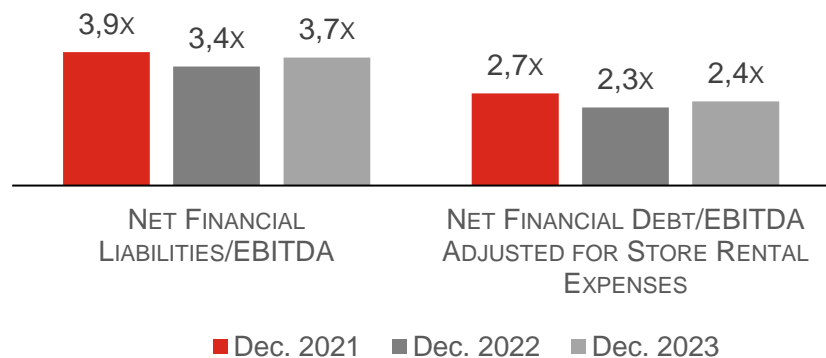
(1) Dividend Yield = Dividends paid during last 12 months / share price at period end.

(2) Return on Equity = Net income for last 12 months / shareholders' equity at period end.

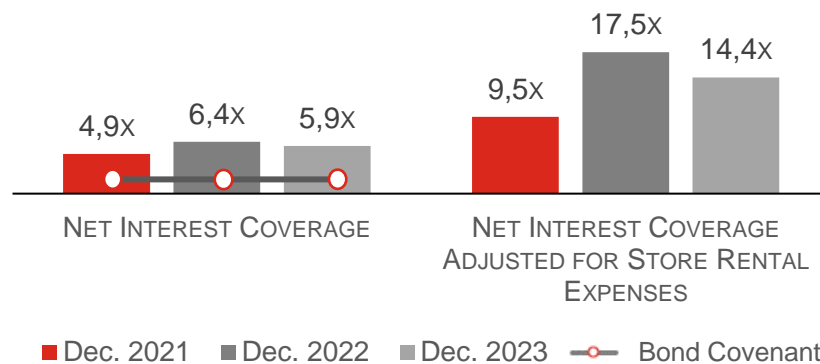
# Financial Position

Operating improvements and capital structure optimization have led to sustained strengthening of financial position, maintaining full compliance with bond covenants

## Net Financial Liabilities / EBITDA <sup>(1) (2) (3)</sup>

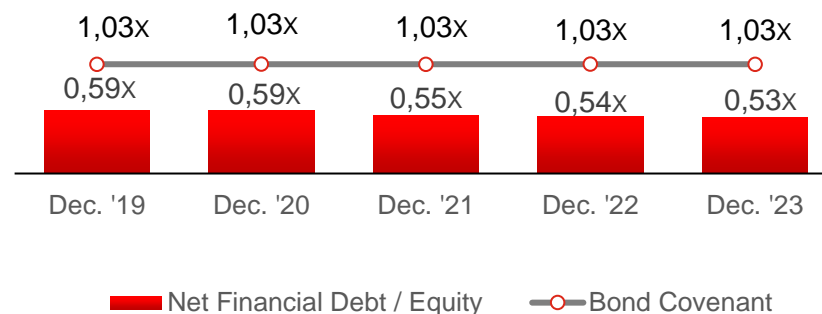


## Net Interest Coverage <sup>(4) (5)</sup>



- (1) Net financial liabilities = other current and non-current financial liabilities - cash and cash equivalents
- (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) EBITDA adjusted for store rental expenses = EBITDA including store rental expenses not included in administrative expenses under IFRS
- (4) Net interest coverage = EBITDA/net financial expenses
- (5) Net interest coverage adjusted for store rental expenses = EBITDA adjusted for store rental expenses/(total financial expenses – financial expenses for obligations for rights of use – total financial income)

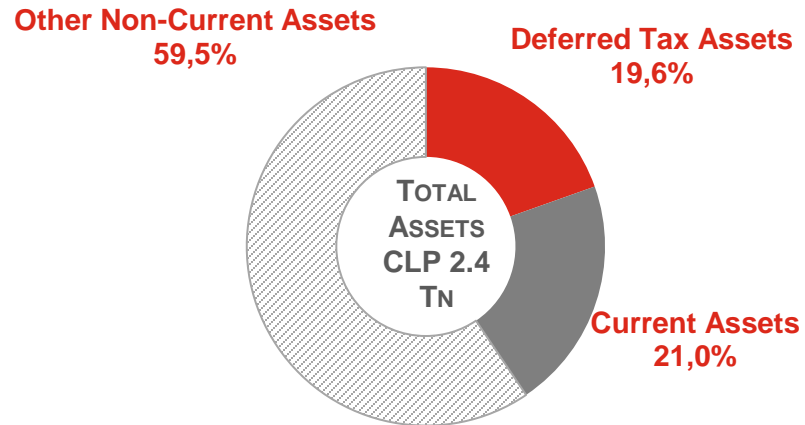
## Net Financial Debt / Equity



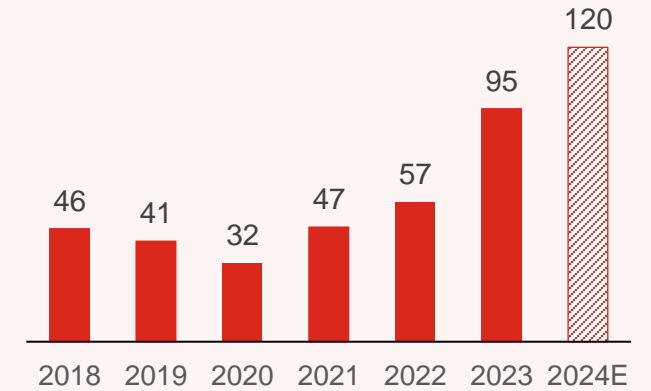
## Financial Position

...and flexibility in the Company's cash position, further supported by valuable accumulated NOL's

### Net Operating Losses – Dec. 2023



### CAPEX (CLP Bn)



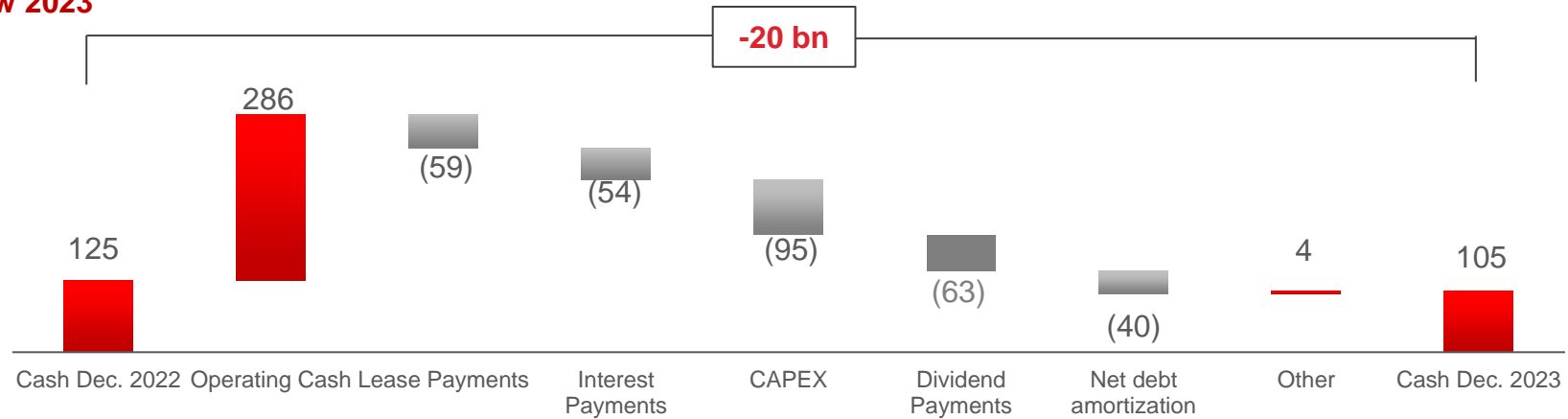
### Highlights:

- SMU has accumulated Net Operating Losses (NOLs) backing a deferred tax asset from tax losses recorded at CLP 467 Bn
- Chilean law allows companies to carry losses forward indefinitely, offsetting future income taxes
- No annual limit on the utilization of tax losses in Chile
- NOLs are adjusted annually for inflation

## Financial Position

**Financial capacity:** Cash generation provides flexibility to meet financial obligations, finance capex, and pay dividends

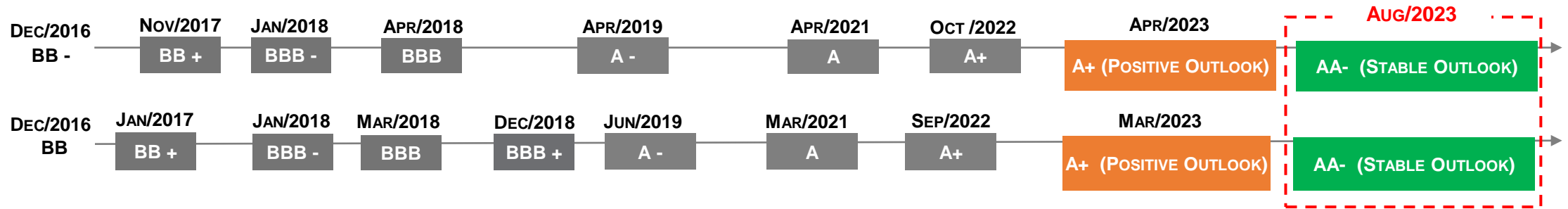
### Cash Flow 2023 (CLP Bn)



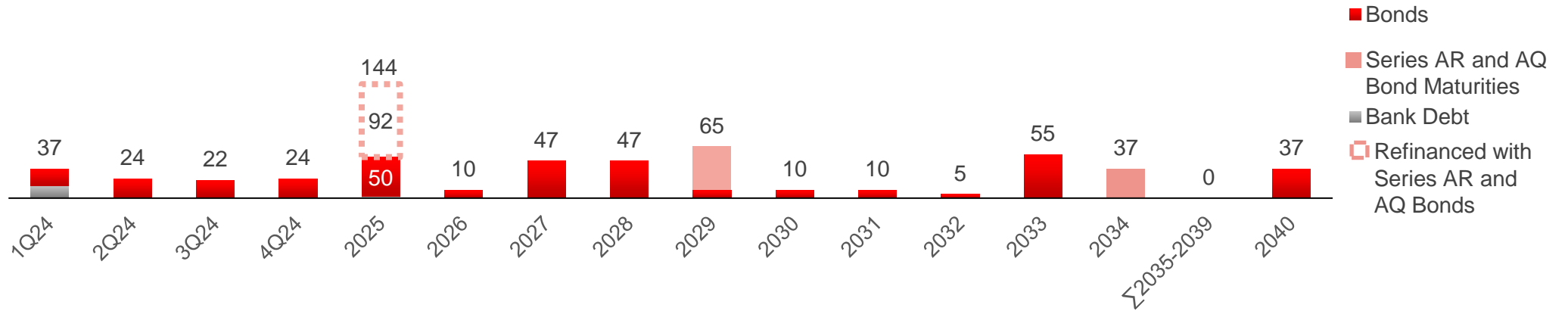
- Ending cash balance of CLP 105 bn, CLP 20 below Dec. and well above minimum target (CLP 50 bn)
  - Doesn't include payment of insurance claim received in Jan '24 (CLP 52 bn)
- Uses of cash in 2023 includes amortization of CLP 40 bn in bonds and bank debt, as well as CLP 95 bn in capex (+38 bn vs. 2022)

# Financial Position

...as well as improve credit ratings, and a comfortable debt maturity profile for coming periods...



**Debt Maturity Profile as of December 31, 2023, Pro Forma <sup>(1)</sup>**  
(Bonds and Bank Debt - CLP Bn)

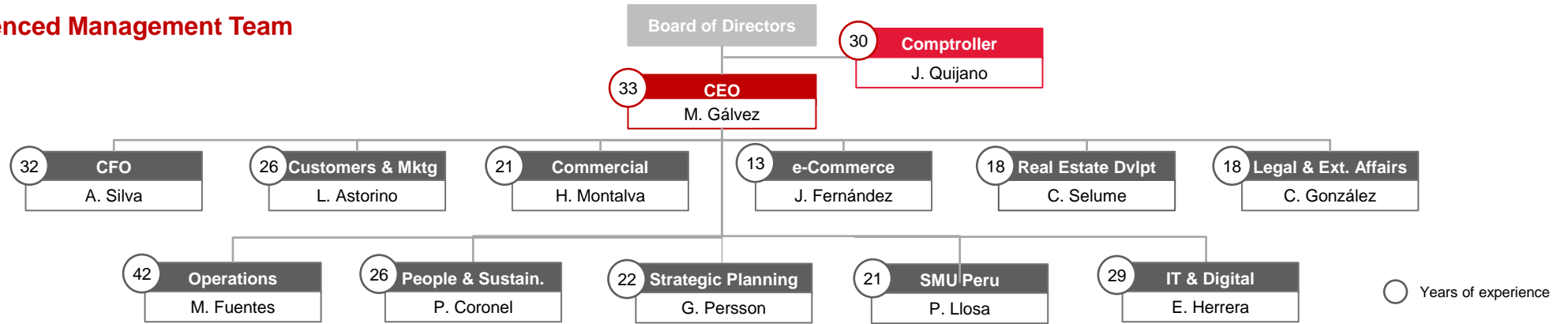


(1) Pro forma includes placement of Series AR bonds (UF 1,000,000; 4.44%) on March 21, 2024 and Series AQ bonds (UF 1,500,000; 4.27%) on April 4, 2024.

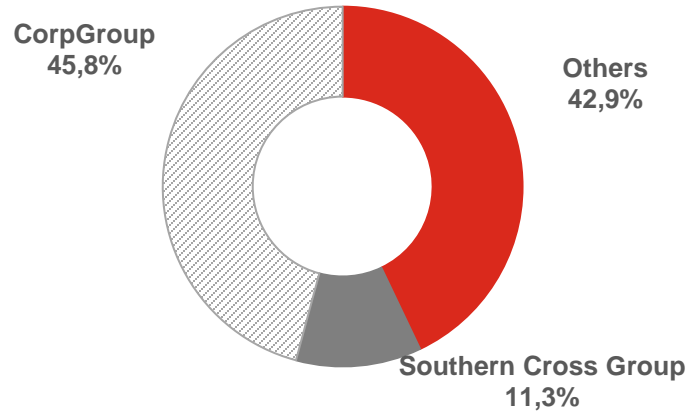
# Corporate Governance

Experienced management team and a committed board of directors with ample industry experience

## Experienced Management Team



## Ownership Structure (Mar. 31, 2024)



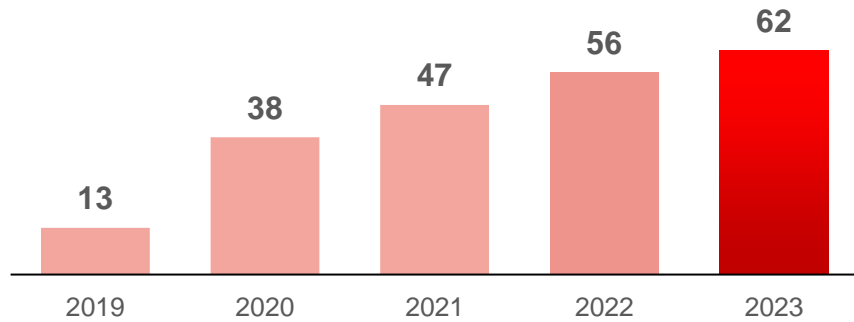
## Board of Directors: Expertise in Diverse Industry Sectors

Name	Position	Sector Expertise
Pilar Dañobeitia E.	Chairwoman	Multisector
Francisca Saieh G.	Vice Chairwoman	Marketing & Consumer Design
Alejandro Álvarez A.	Director	Legal
Abel Bouchon S.	Director	Consumer & Retail
Fernando Del Solar C.	Director	Consumer & Retail
Andrés Olivos B.	Director	Consumer & Retail
Rodrigo Pérez M.	Independent Director	Financial & Public
Tina Rosenfeld K.	Independent Director	Consumer & Retail
Raúl Sotomayor V.	Director	Multisector

# Sustainability

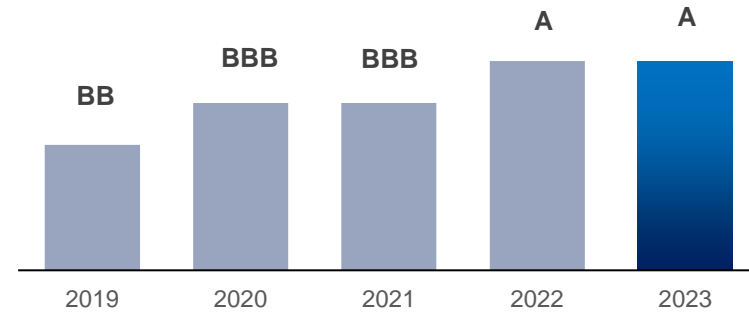
We have strengthened our ESG performance and transparency, improving our ESG scores

### S&P Corporate Sustainability Assessment



Score as of Jan. 22, 2024  
Scale from 0 to 100

### MSCI ESG Ratings



Score as of Feb. 26, 2024  
Escala de CCC a AAA



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