

# Corporate Presentation

SMU S.A.

November 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.

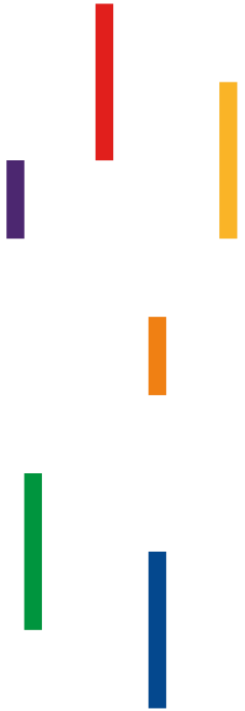
By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. In light of the risks and uncertainties described above, the forward-looking 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  
65% WOMEN 35% MEN

**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

## Mayorista 10 & Super 10

## Alvi

## Maxiahorro & Mayorsa

Traditional supermarket (Focus on proximity and fill-in)

**296**  
Stores

**67%**  
of revenue

**1,200**  
Average size (m2)

**6,500**  
Average SKUs

Soft discount (Focus on Price and stock-up)

**67**  
Stores

**17%**  
of revenue

**1,300**  
Average size (m2)

**3,400**  
Average SKUs

Cash & carry (Wholesale club: focus on fill-in)

**35**  
Stores

**14%**  
of revenue

**1,400**  
Average size (m2)

**3,200**  
Average SKUs

Soft discount/ cash & carry (Focus on price and stock-up)

**30**  
Stores

**2%**  
of revenue

**600**  
Average size (m2)

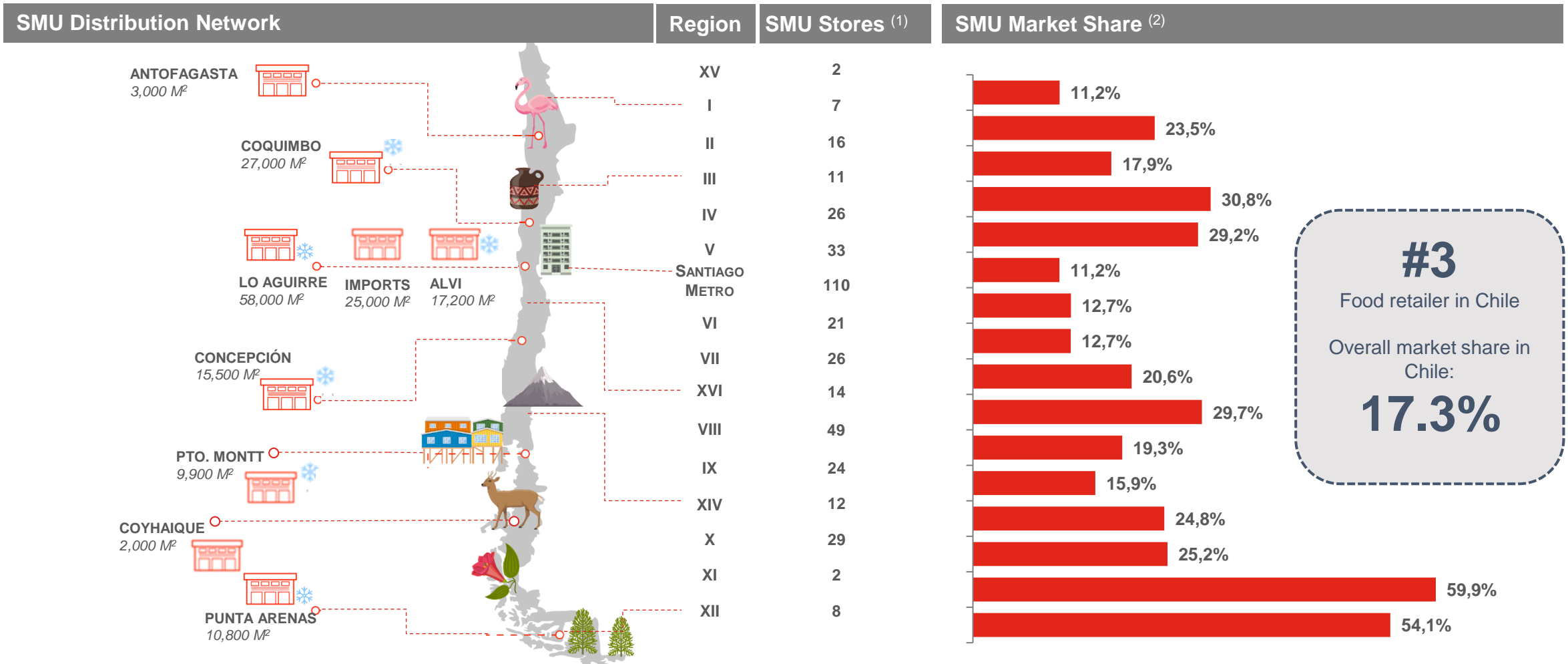
**3,000**  
Average SKUs



Number of stores as of September 2024.

# SMU Today Geographic Coverage

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



**#3**  
Food retailer in Chile  
Overall market share in Chile:  
**17.3%**

(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 2023 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 RICICO? ¡altiro!

Nuevo beneficio!

Desde 20%\* dcto. RESTAURANTES SELECCIONADOS

¡Galletita (queso, chocolate)

20%\* dcto. De lunes a jueves en todo el país, excepto en feriados. Máximo \$50.000

20%\* dcto. En restaurantes TOLOLO PRM PR

DESCUBRE ESTAS OFERTAS CLUB UNIMARC ¡altiro!

BAJA LA APP Y AHORRA MÁS PARA TU NEGOCIO

Descuento en lo que TÚ siempre compras.

MÁS promociones al alcance de tu mano.

DESCARGALA GRATIS EN

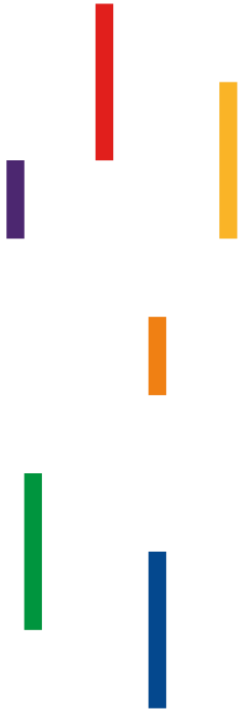
Disponible en el App Store

Disponible en Google Play



# CONTENTS

1. Company Overview
- 2. Company Strategy**
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# SMU Strategy Our History

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



**NET INCOME**

2013  
CLP (531) bn

2016  
CLP 12 bn

2019  
CLP 35 bn

2022 <sup>(1)</sup>  
CLP 111 bn

(1) Excludes impact of sale of OK Market

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

Leverage multiformat  
strategy and build on broad  
geographic coverage

- ✓ New openings (58), remodels (78), and conversions M10/S10 (14)
- ✓ Consolidate e-commerce business, improving experience and efficiency

Unimarc Pirque:  
Premium Affordable



Alvi Tobalaba



Maxi Ahorro Sechura



Super10 Limache

	 UNIMARC			
Plan	26	9	8	15
Progress	16	3	5	4

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



Customer  
Experience

Satisfy customer needs through loyalty programs and improved product assortment

- ✓ Loyalty programs: attractive promotions; new benefits and partnerships
- ✓ Private label growth, with new products and specialty brands

## Customer Loyalty



- ✓ Deep customer insight
- ✓ Innovative promotions & immediate benefits
- ✓ New membership levels



## Private Label

- ✓ **300+** new products
- ✓ **20+** specialty brands
- ✓ Certified recyclable packaging for **35% of assortment**



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

Strategic  
Plan  
23  
25



Efficiency &  
Productivity

**Optimization and innovation to improve the customer experience while controlling operating expenses**

- ✓ **In-store:** new technologies and operating models
- ✓ **Logistics:** new technologies; expand network to support organic growth and multiformat strategy
- ✓ **Energy:** optimize consumption; expand use of renewables and electric vehicles

### In-Store Efficiency

- ✓ New efficient operating model (150+ stores)
- ✓ Self-service modules (190+ stores)
- ✓ Roll-out of digital treasury system



### Logistics Efficiency

- ✓ Expansion of voice picking
- ✓ Expansion of automated demand planning tool
- ✓ Roll-out of new warehouse management system

### Energy Efficiency

- ✓ Implementation of energy management system, certified under ISO 50001
- ✓ Increasing use of renewable energy sources from 15% to 30% of consumption in Chile





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

# Strategic Plan 23 25



Committed &  
Sustainable  
Organization

Continue to drive initiatives that promote sustainable practices across our operations, covering the different pillars of our sustainability model

- ✓ Shared value with suppliers and communities
- ✓ Reduce food waste; manage carbon footprint
- ✓ Diversity and inclusion

## Shared Value



- ✓ **400+** small, regional suppliers have benefited from *100% Nuestro* program,

which supports development through training, visibility, and other initiatives

## Diversity & Inclusion

- ✓ **Gender equity management system:** Expanding coverage of certification
- ✓ Alliances with organizations that promote diversity and inclusion, such as *Teletón*, *Fundación Las Rosas*, *Fundación Descúbreme*, and others

## Environment



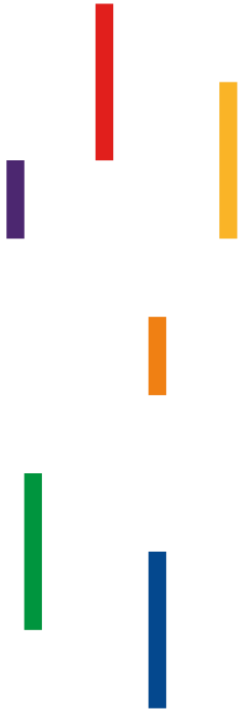
- ✓ **11.3%** increase in tons of food waste avoided in 2023 vs. 2022, through *Pronto Consumo* and donation programs

- ✓ **Carbon footprint:** Measurement and certification of carbon footprint since 2018



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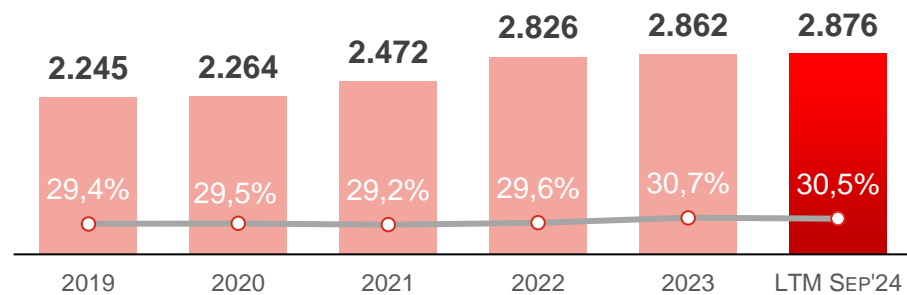




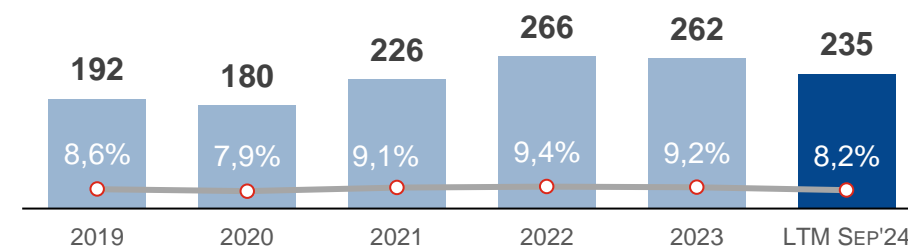
# Financial Position

**Solid performance** in revenue, gross margin, EBITDA, EBITDA margin, and net income, with a **focus on profitability**

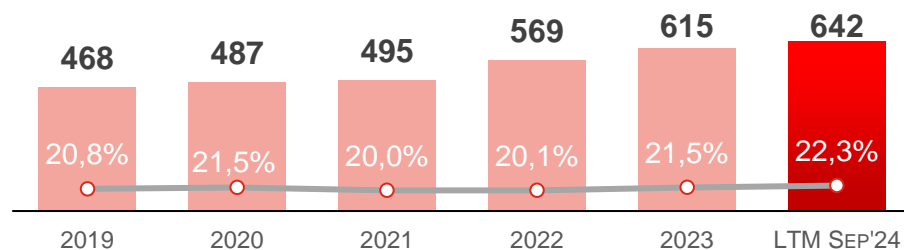
**Revenue and Gross Margin <sup>(1)</sup>**  
(CLP Bn; %)



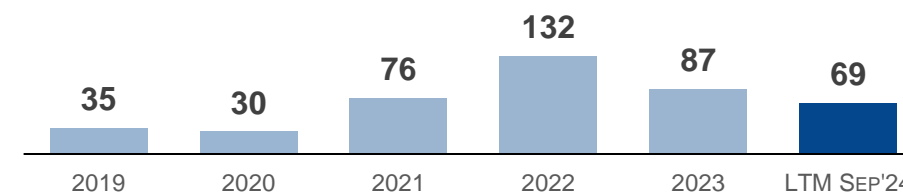
**EBITDA and EBITDA Margin <sup>(1,3)</sup>**  
(CLP Bn; %)



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



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

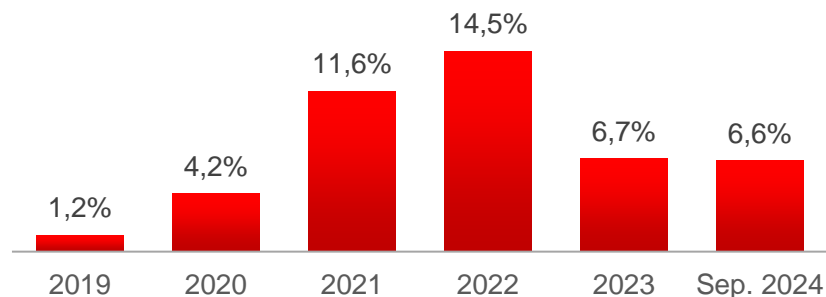


(1) Revenue, operating expenses, and EBITDA exclude OK Market in all periods.  
 (2) Operating expenses: Sum of distribution and administrative expenses, excluding depreciation and amortization.  
 (3) EBITDA = Gross profit - administrative expenses - distribution costs + depreciation + amortization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

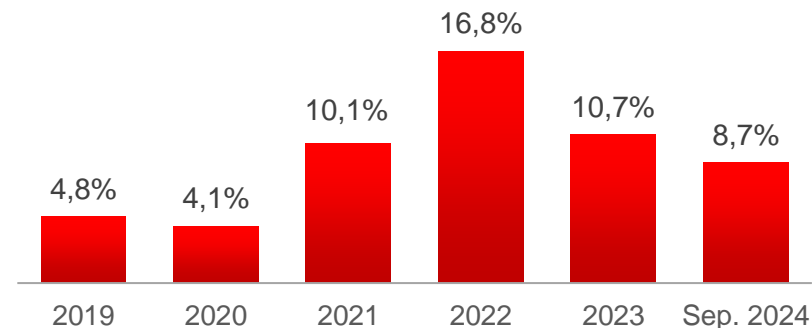
## Financial Position

Total profitability for SMU's share price in 2023 was 50%, outperforming the IPSA

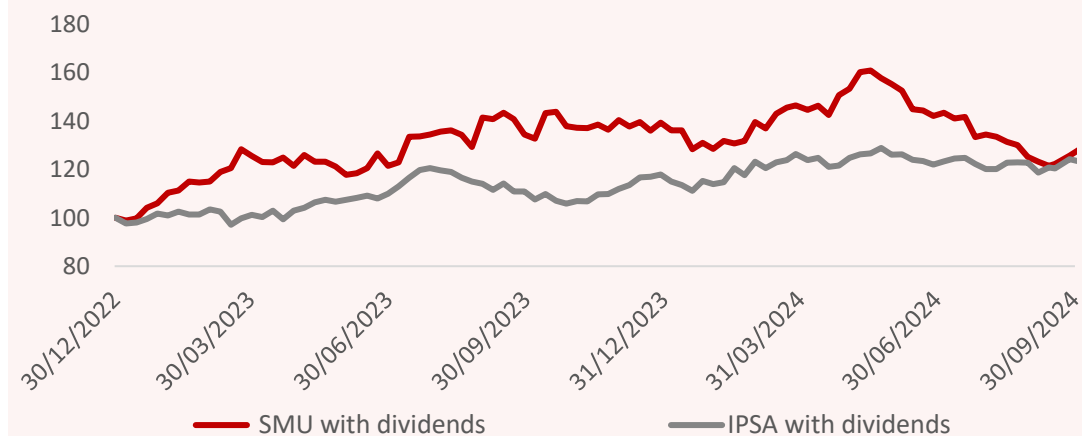
Dividend Yield <sup>(1)</sup>



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



SMU Share Price vs. IPSA (Base 100)



- Dividend policy: 75% of net income

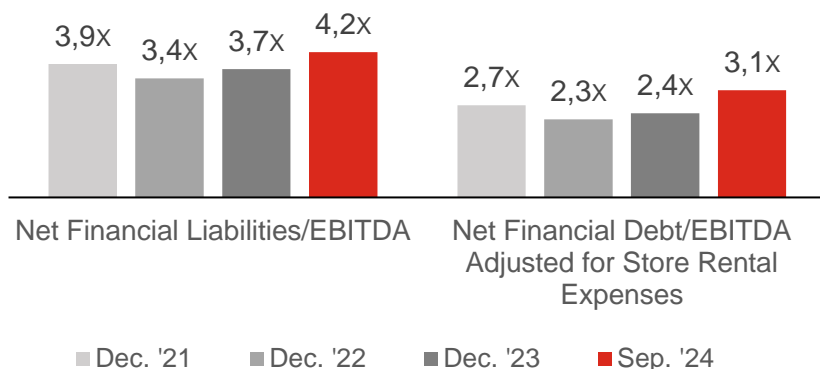
(1) Dividend Yield = Dividends paid during last 12 months / share price at period end.

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

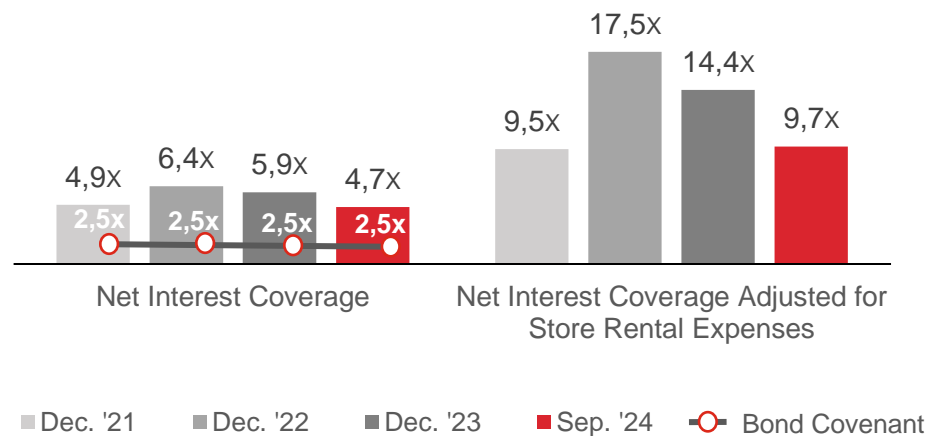
# Financial Position

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>

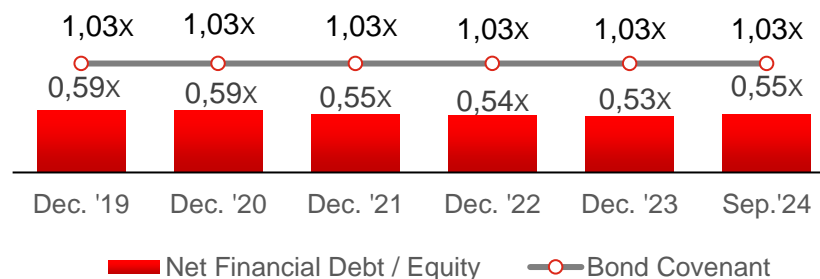


## Net Interest Coverage <sup>(4) (5)</sup>



- (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)

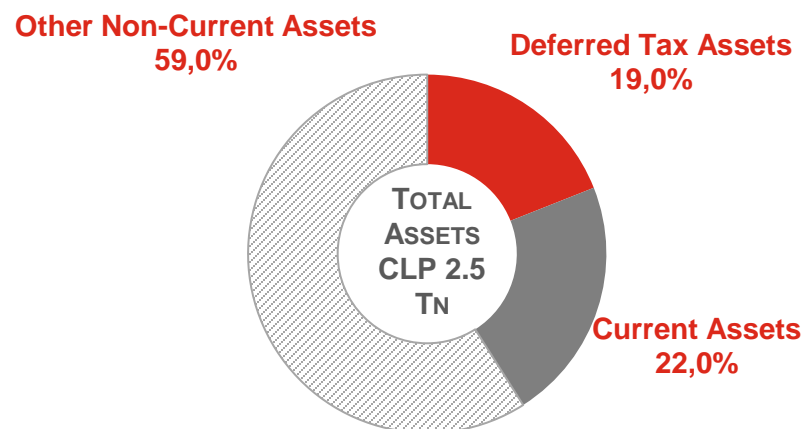
## Net Financial Debt / Equity



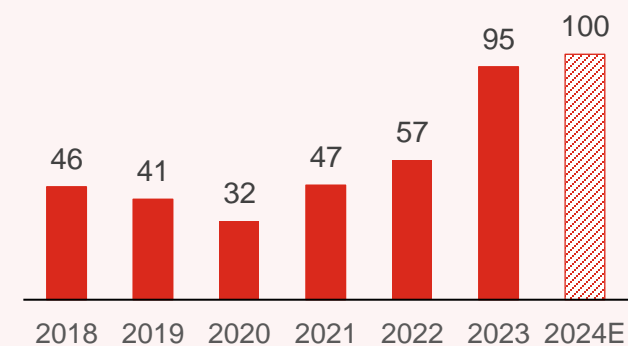
## Financial Position

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

### Net Operating Losses – Sep. 2024



### CAPEX (CLP Bn)



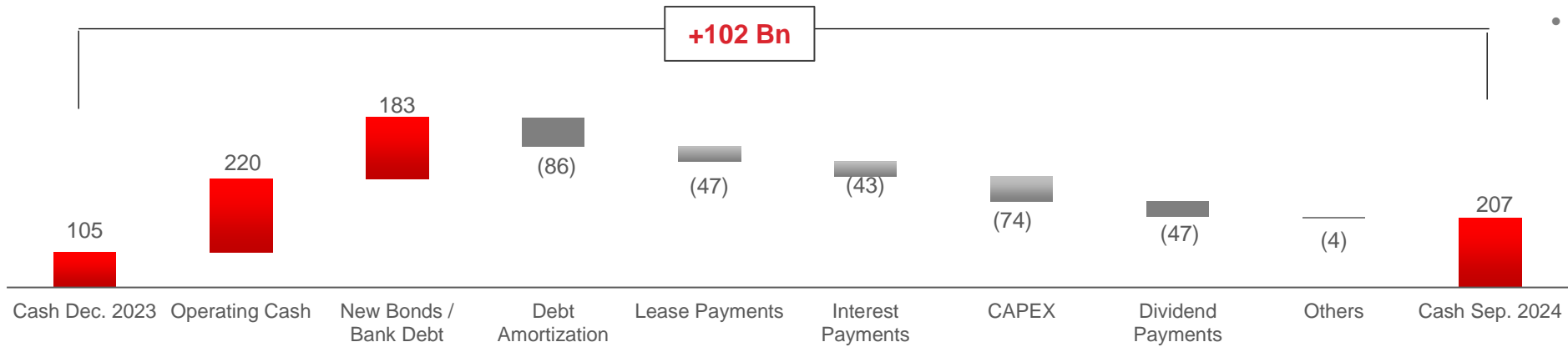
### Highlights:

- SMU has accumulated Net Operating Losses (NOLs) backing a deferred tax asset from tax losses recorded at CLP 471 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

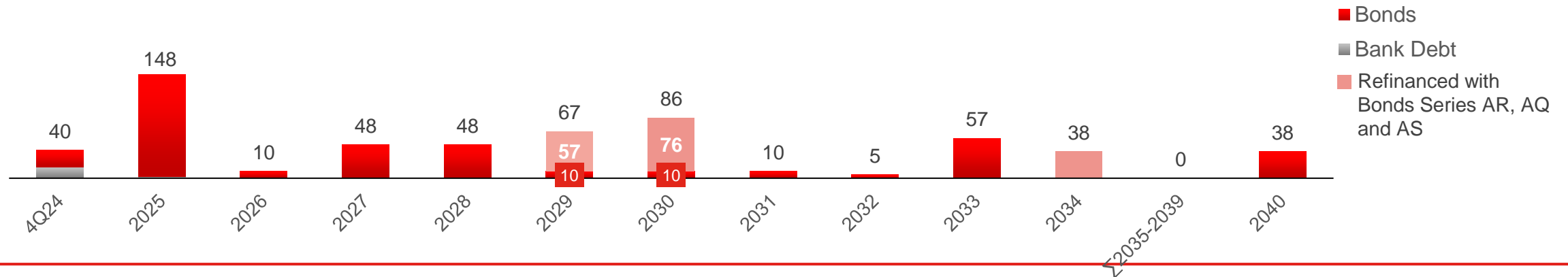
**Solid cash position** provides flexibility to meet financial obligations, finance capex, and pay dividends, with recent bond placements further contributing to a **comfortable debt maturity profile** for coming periods

### Cash Flow 9M24 (CLP Bn)



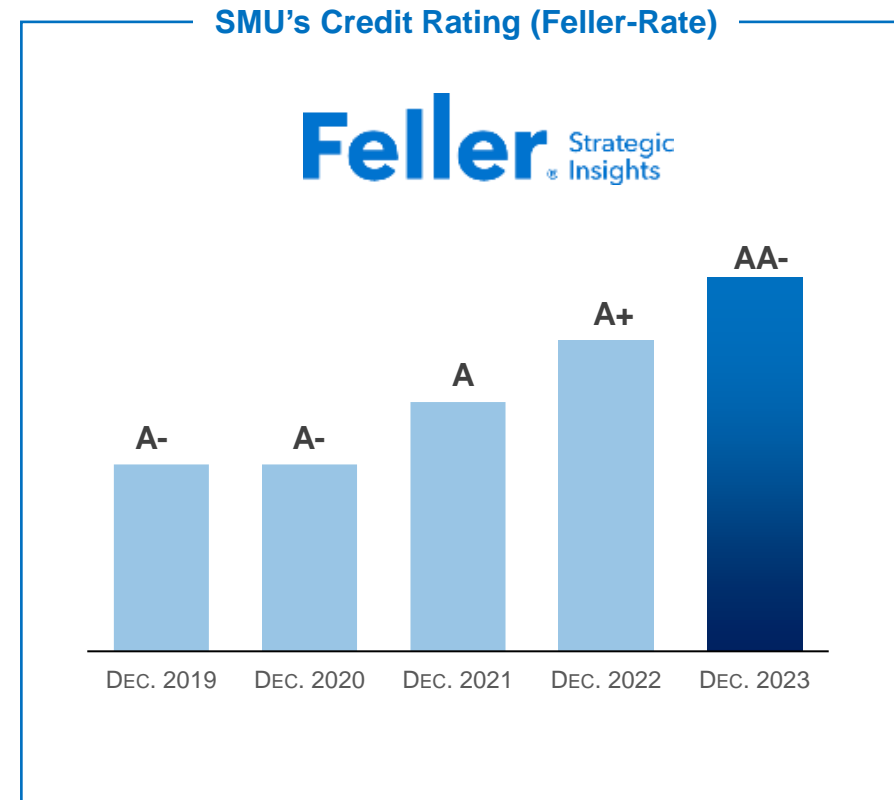
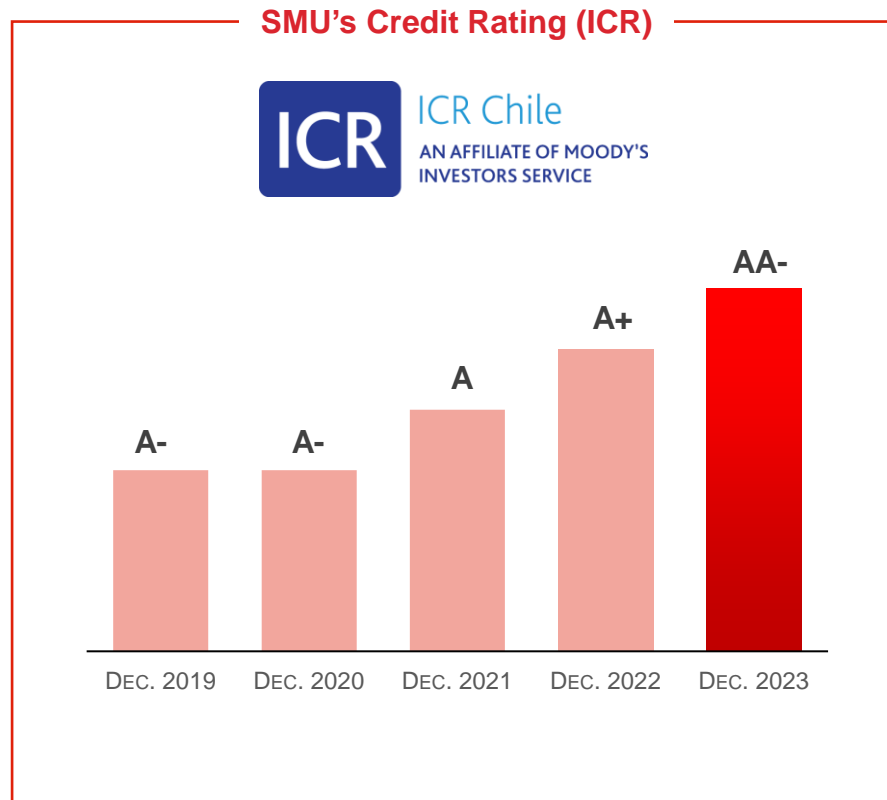
- Refinancing strategy has generated a cash surplus of CLP 160 Bn, providing flexibility to cover bond and bank maturities in 4Q24 + 2025 (CLP 190 Bn)

### Debt Maturity Profile as of September 30, 2024 (Bonds and Bank Debt - CLP Bn)



## Financial Position

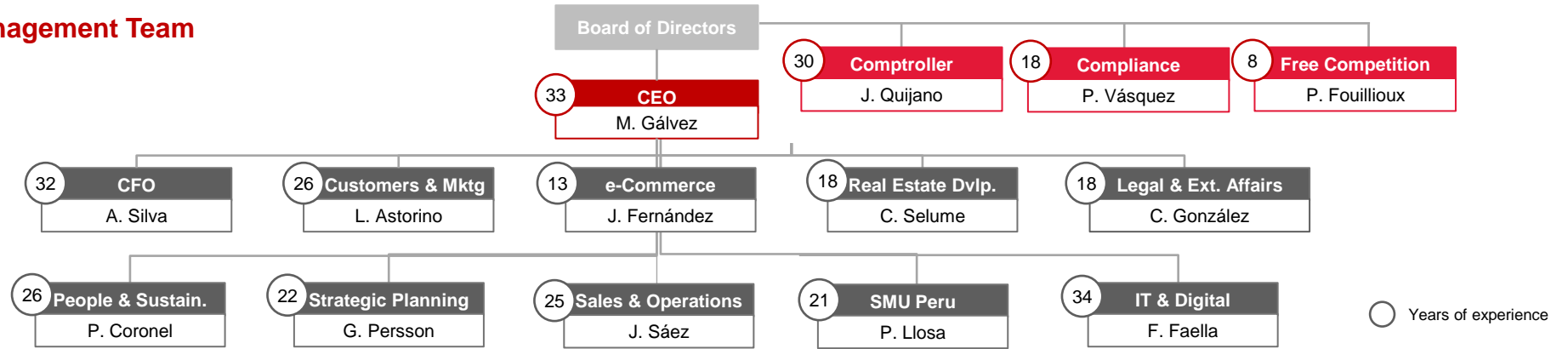
In 2023, for the third consecutive year, **SMU's local credit rating was upgraded, reaching category AA-**



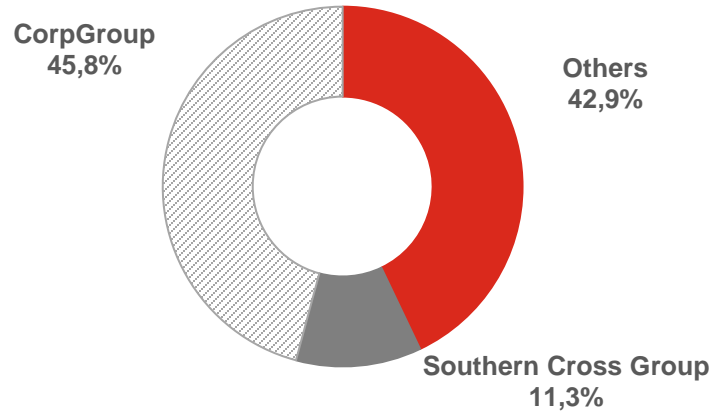


## Experienced management team and a committed board of directors with ample industry expertise

### Experienced Management Team



### Ownership Structure (10-31-2024)

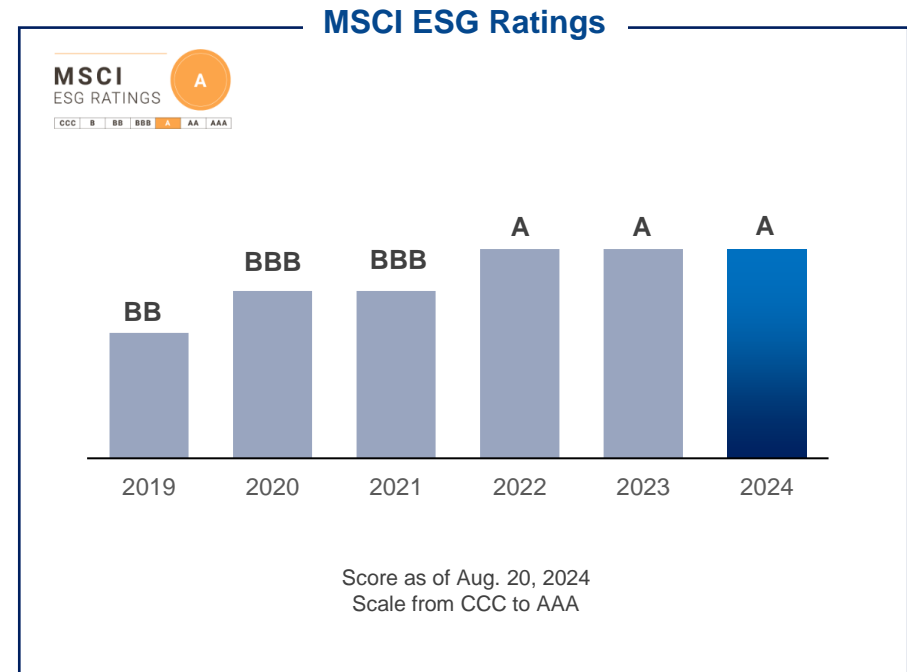
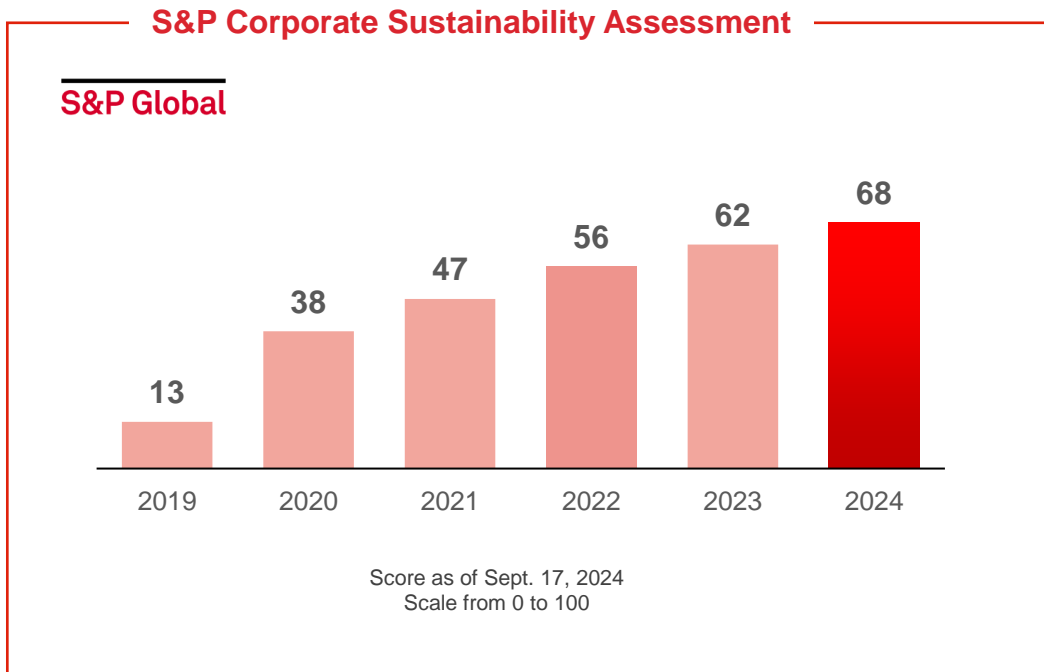


### Board of Directors: Expertise in Diverse Industry Sectors

Name	Position	Sector Expertise
Pilar Dañobeitía E.	Chairwoman	Multisector
Francisca Saieh G.	Vice Chairwoman	Marketing & Consumer Design
Alejandro Álvarez A.	Director	Legal
Abel Bouchon S.	Director	Consumer & Retail
Alejandro Danús Ch.	Independent Director	Multisector
Fernando Del Solar C.	Director	Consumer & Retail
Enrique Gundermann W.	Independent Director	Consumer & Retail
Andrés Olivos B.	Director	Consumer & Retail
Raúl Sotomayor V.	Director	Multisector

# Sustainability

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



# Corporate Presentation

SMU S.A.

November 2024

