

Corporate Presentation

SMU S.A.

November 2023



CAUTION REGARDING **FORWARD-LOOKING STATEMENTS**

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.

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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
18%

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

289 STORES

AVG SIZE 1,200 M²



MAYORISTA 10/ SUPER10

SOFT DISCOUNT

FOCUS ON PRICE AND STOCK-UP

17% OF REVENUE

62 STORES

AVG SIZE 1,300 M²



ALVI

Alvi.cl

CASH & CARRY

WHOLESALE CLUB, FOCUS ON FILL-IN

14% OF REVENUE

33 STORES

AVG SIZE 1,300 M²



SMU PERU

LOW-COST / CASH & CARRY

FOCUS ON PRICE AND STOCK-UP

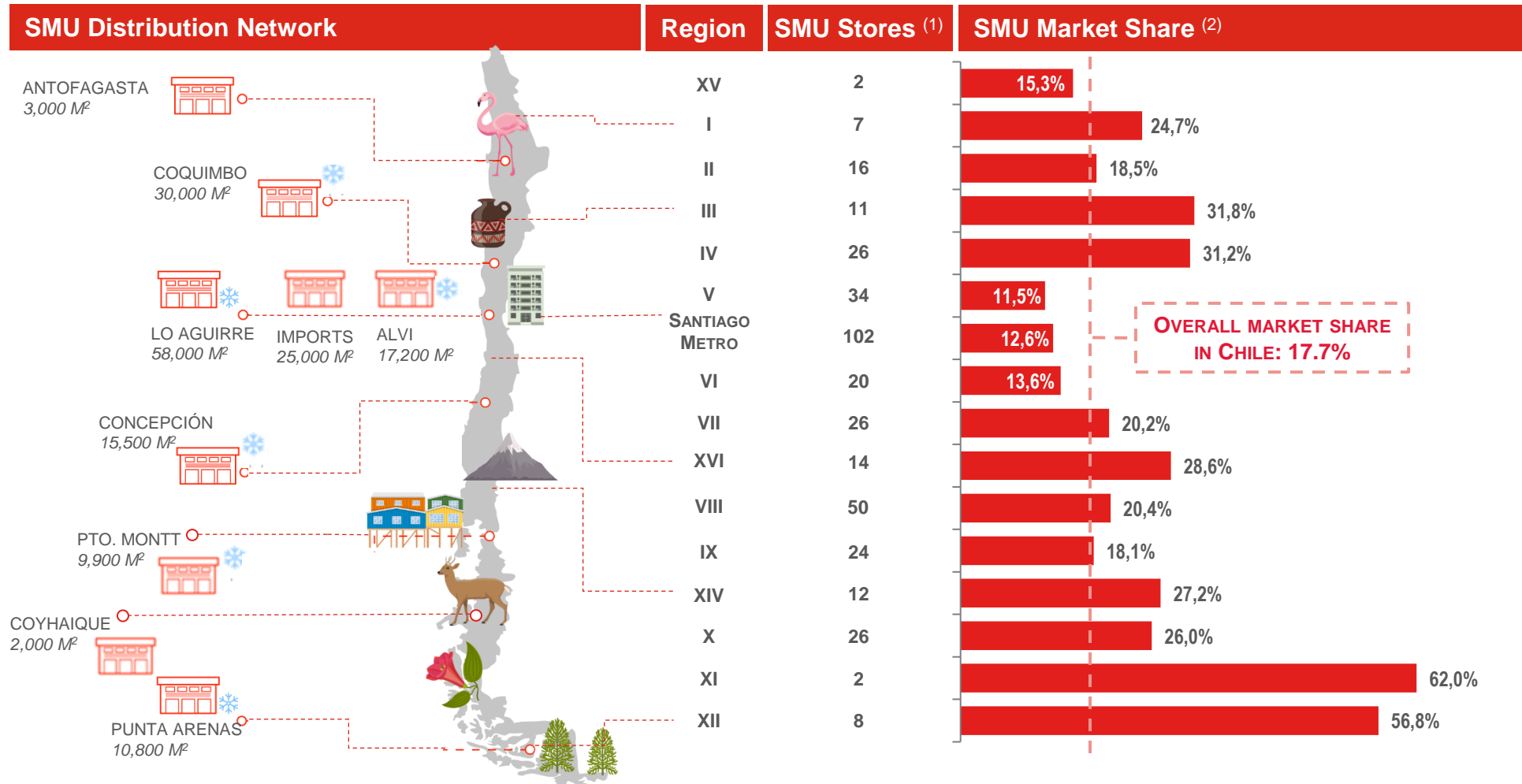
2% OF REVENUE

30 STORES

AVG SIZE 700 M²

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, 2022.
 (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, 2022.

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



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3. Financials

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



27



9



7



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
- 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% M² in Chile
 - +120% M² 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
- Expand use of IoT sensors to improve energy management, focusing on high-consumption stores
- Implement and certify energy management system
- Electric vehicles in supply chain

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, we certified our gender equity management system for SMU Chile central office
- **2025 Target: extend the process to the rest of operations in Chile**



Shared Value

- **100% Nuestro Program:** Strengthen the development of small, local suppliers through business conferences and training programs
- **Target 2025: Increase the number of 100% Nuestro suppliers by 35%.**



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



We have set ambitious operating targets for 2025



Omnichannel
Growth



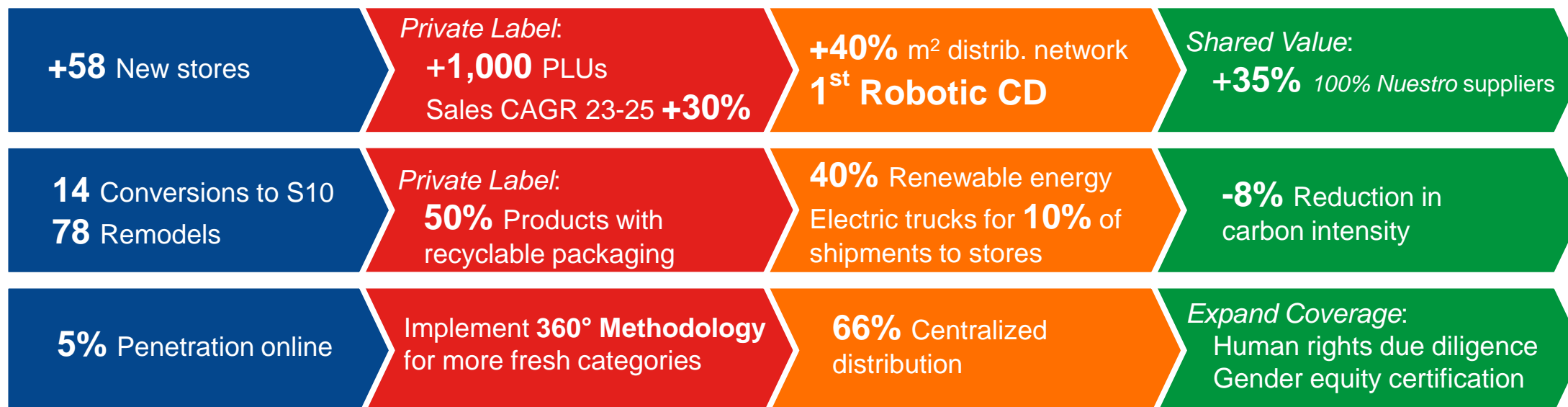
Customer
Experience



Efficiency &
Productivity



Committed &
Sustainable Organization



**FINANCIAL
TARGETS 2025**

EBITDA CLP 350 BN
(CLP 266 BN in 2022)

Net Financial Liabilities / EBITDA 2.0x – 2.5x
(3.4x in 2022)

Total CAPEX 2023-2025
CLP 265 BN

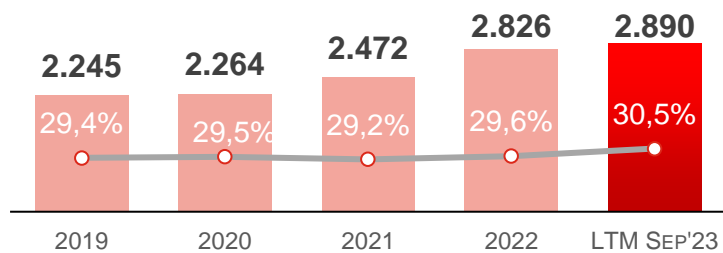
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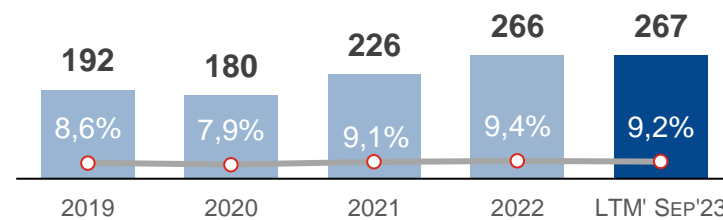
Financial Position

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

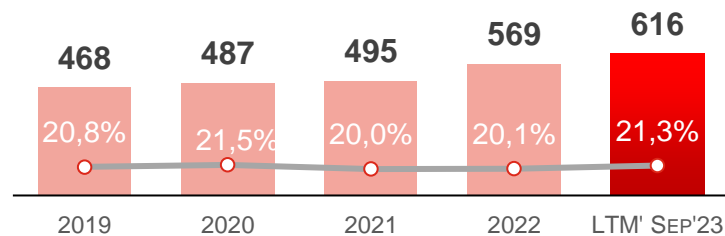
Revenue and Gross Margin ⁽¹⁾
(CLP Bn; %)



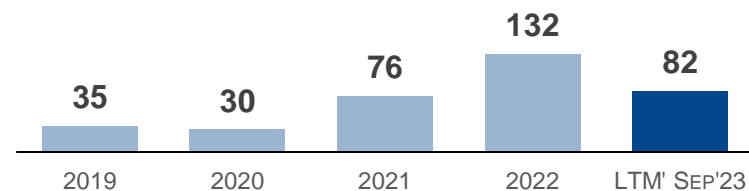
EBITDA and EBITDA Margin ^(1,3)
(CLP Bn; %)



Operating Expenses and OPEX Margin ^(1,2)
(CLP Bn; %)



Net Income ⁽⁴⁾
(CLP Bn)



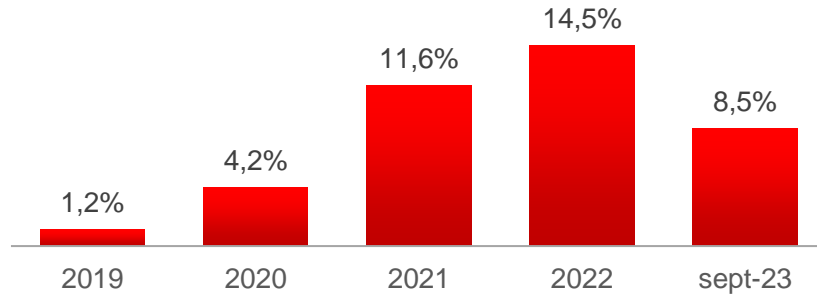
(1) Revenue, operating expenses, and EBITDA exclude OK Market in all periods.
 (2) Operating expenses: Sum of distribution and administrative expenses, excluding depreciation and amortization.
 (3) EBITDA = Gross profit - administrative expenses - distribution costs + depreciation + amortization
 (4)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

Financial Position

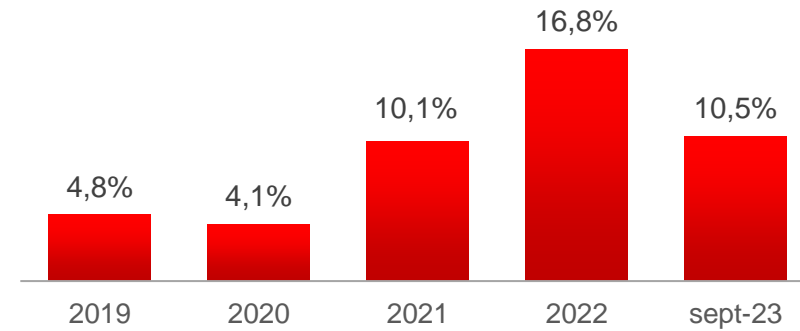
...driving significant growth in profitability



Dividend Yield ⁽¹⁾



Return on Equity ⁽²⁾



SMU Share Price



- Dividend policy: 75% of net income

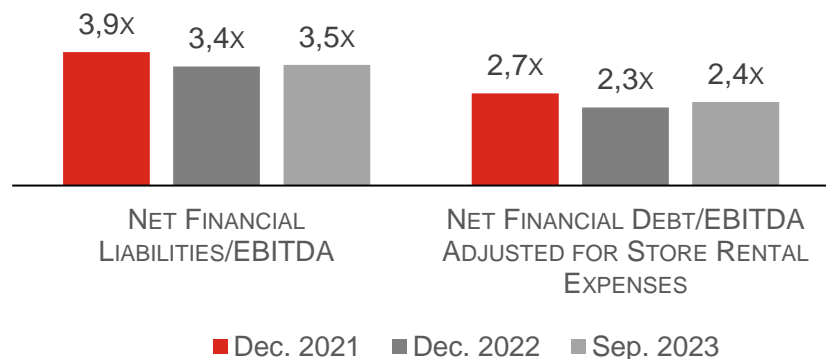
(1) Dividend Yield = Dividends paid during last twelve months / share price at period end.

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

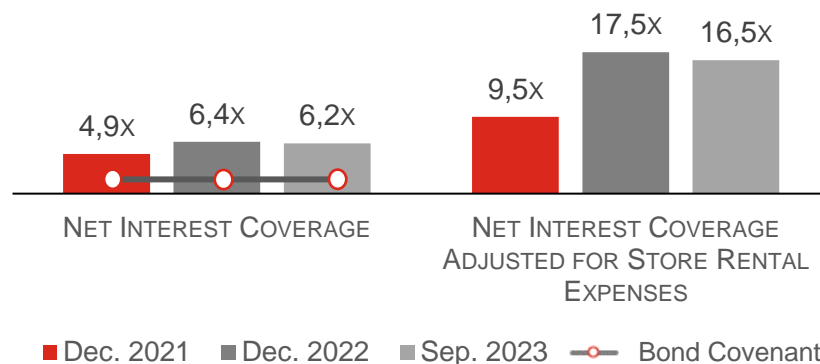
Financial Position

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

Net Financial Liabilities / EBITDA ^{(1) (2) (3)}

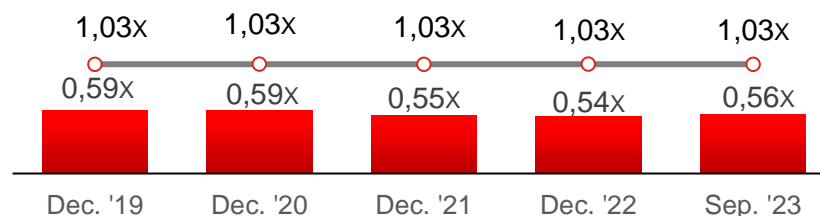


Net Interest Coverage ^{(4) (5)}



- (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

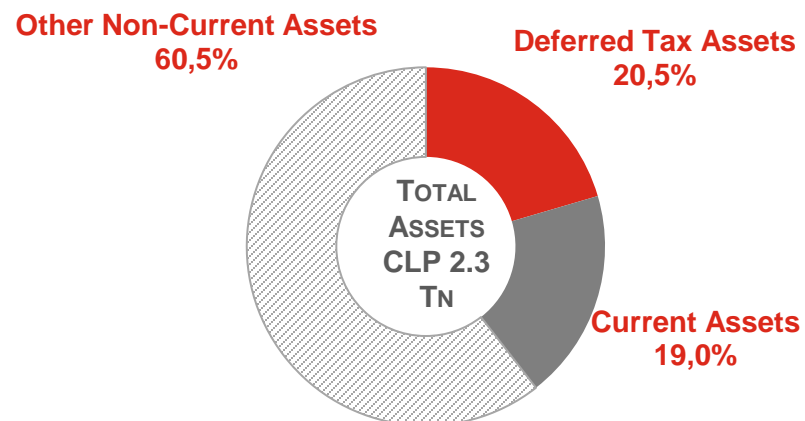


■ Net Financial Debt / Equity ○ Bond Covenant

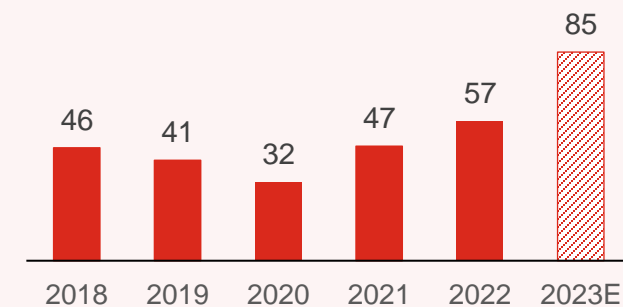
Financial Position

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

Net Operating Losses – . 2023



CAPEX (CLP Bn)



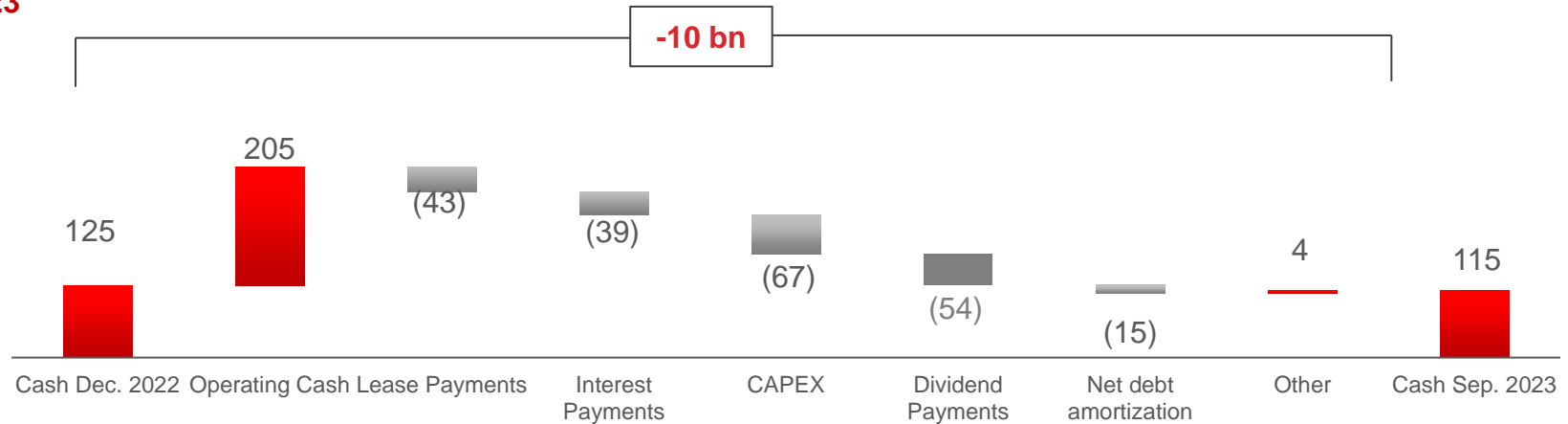
Highlights:

- SMU has accumulated Net Operating Losses (NOLs) backing a deferred tax asset from tax losses recorded at CLP 468 Bn
- Chilean law allows companies to carry losses forward indefinitely, offsetting future income taxes
- Currently no annual limit on the utilization of tax losses in Chile; potentially subject to change under future tax reform (original proposal would have allowed companies to use up to 50% each year)
- NOLs are adjusted annually for inflation

Financial Position

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

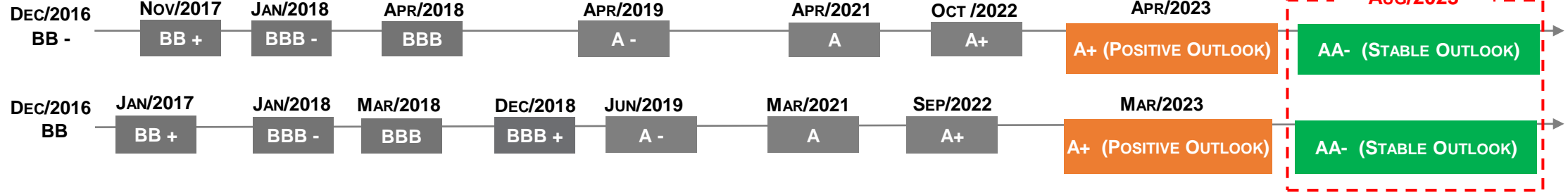
Cash Flow 9M23 (CLP Bn)



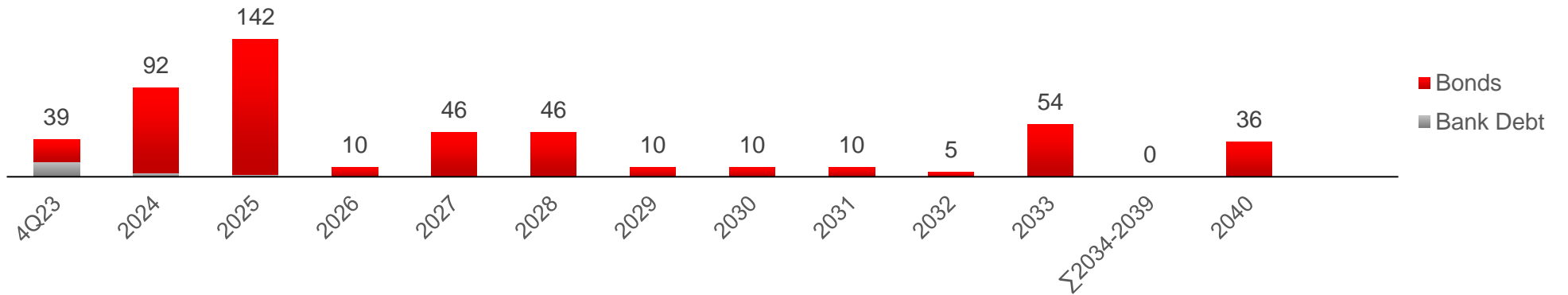
- Ending cash balance of CLP 115 bn, CLP 10 below Dec. and well above minimum target (CLP 50 bn)
- Uses of cash in 9M23 includes amortization of CLP 67 bn in bonds and bank debt

Financial Position

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



Debt Maturity Profile as of September 30, 2023, Pro Forma ⁽¹⁾
(Bonds and Bank Debt - CLP Bn)

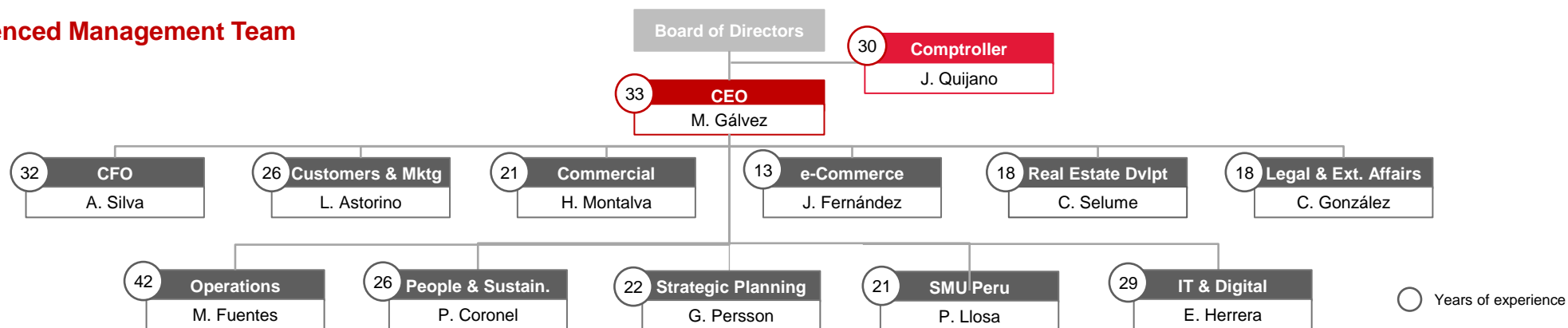


(1) Pro forma includes placement of series AP bond on September 14, 2023, for a total of UF 1,500,000.

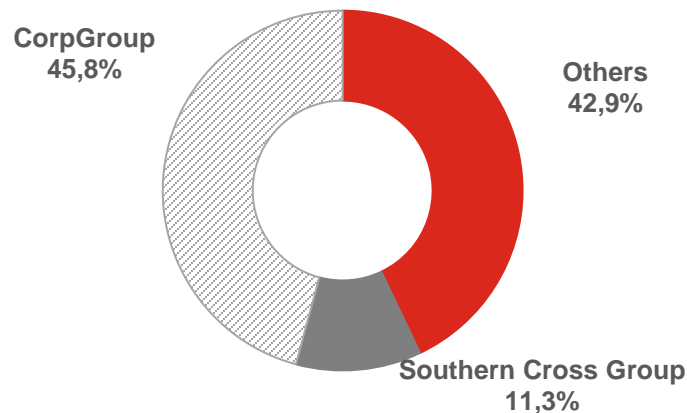
Corporate Governance

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

Experienced Management Team



Ownership Structure (09.08.2023)



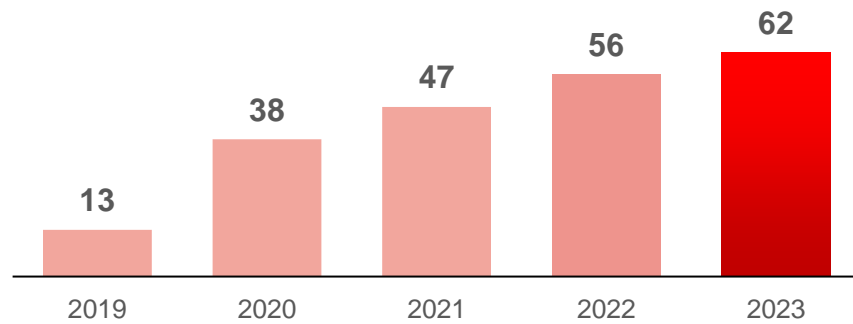
Board of Directors: Expertise in Diverse Industry Sectors

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

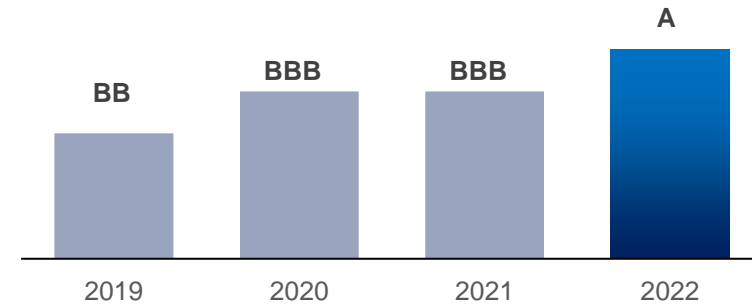
We have strengthened our ESG performance and transparency, improving our ESG scores

S&P Corporate Sustainability Assessment



Score as of Sept. 21, 2023
Scale from 0 to 100

MSCI ESG Ratings



Score as of Aug. 17, 2023
Scale from CCC to AAA

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