

Falabella Peru

Corporate Presentation



September 2017



CONTENTS

FALABELLA GROUP



FALABELLA PERU:



✓ GENERAL INFORMATION



✓ BUSINESS UNITS OVERVIEW



✓ CONSOLIDATED FINANCIALS





FALABELLA GROUP



Presence In 7 Countries In Latin America



DEPARTMENT STORES	HOME IMPROVEMENT	SUPERMARKETS	FINANCIAL SERVICES	REAL ESTATE
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US\$ 4.2 billion Revenues	US\$ 5.6 billion Revenues	US\$ 2.1 billion Revenues	US\$ 6.9 billion Loan Book 5 million CMR accounts	2.0 million GLA ¹ 19/21 Malls/power centers
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44 Stores 305,000 m ²	85 Stores 715,000 m ²	62 Stores 206,000 m ²	2,388,000 active CMR cards	25 shopping centers 1,467,000 m ² GLA
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29 Stores 177,000 m ²	56 Stores 372,000 m ²	61 Stores 225,000 m ²	1,012,000 active CMR cards	14 shopping centers 517,000 m ² GLA
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26 Stores 175,000 m ²	38 Stores 366,000 m ²		1,039,000 active CMR cards	1 shopping centers 27,000 m ² GLA
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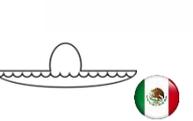
11 Stores 58,000 m ²	8 Stores 86,000 m ²		512,000 active CMR cards	
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	56 Stores 158,000 m ²			
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	3 Stores 25,000 m ²			
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COMING SOON !

Recently launched Falabella–Soriana credit card

1. Does not include an 964,000 m² of additional GLA in free standing stores in the region also owned by S.A.C.I. Falabella.
 Note: Revenues as of June 2017 LTM. Number of stores and sales area as of June 2017. Number of CMR accounts with balance. FX rate as of July 3rd 2017 (664.29 CLP/US\$). Home Improvement includes Sodimac Colombia which the company does not consolidate. Does not include Uruguay revenue, which the company does consolidate.

Main Figures

TOTAL REVENUES (LTM)



US\$ 13.2 billion

LOAN BOOK



US\$ 6.9 billion

CMR ACCOUNTS



+ 4,950,000

STORES

479



2,868,000 m²
sales area

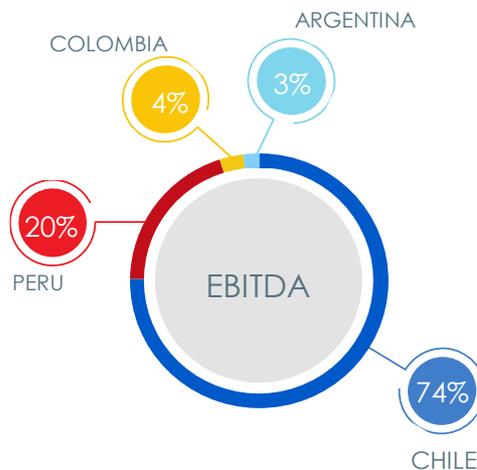
SHOPPING CENTERS

40



2,011,000 m²
GLA

Mix by Country (LTM)



Total Employees:



Total: 105,200



Note: Revenue and EBITDA do not include Sodimac Colombia, which do not consolidate.
CMR accounts with balance and employees as of June 2017.
Total number of employees includes +200 employees in Asia and Mexico.

Investment Plan 2017-2020

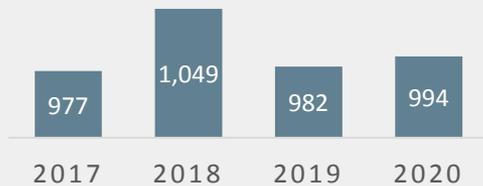
As of January 2017

US\$ 4.0 bn

Investment over the next 4 years



Investment (US\$ million)



Store and Mall Openings



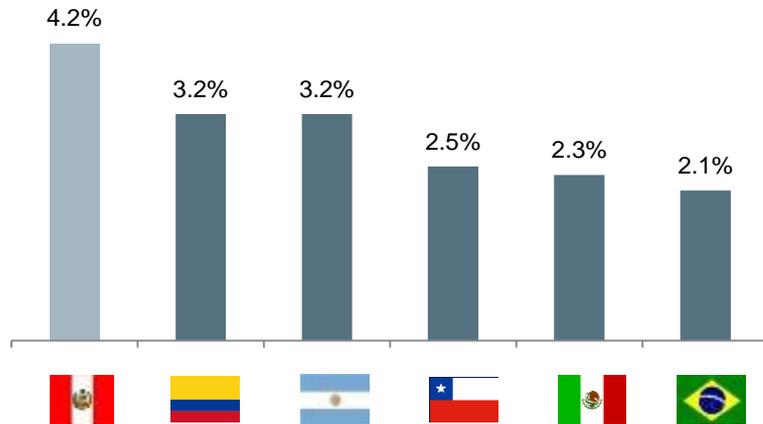
Note: The investment plan includes 100% of expected capex for S.A.C.I. Falabella and subsidiaries, including Sodimac Colombia, Sodimac Mexico, CMR Mexico, which the Company does not consolidate.



FALABELLA PERU: GENERAL INFORMATION

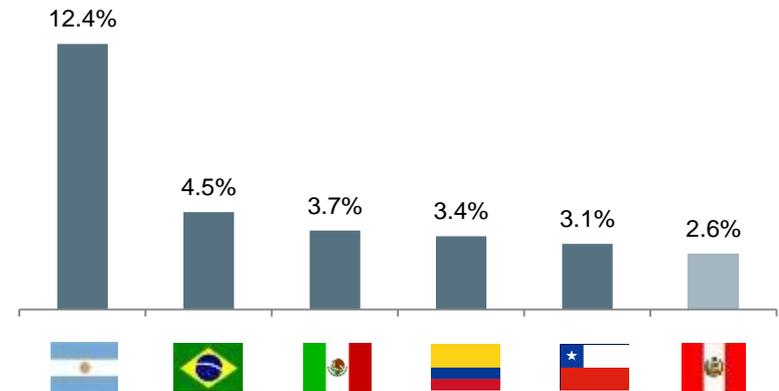


Average Real GDP Growth ('17E-'21E)



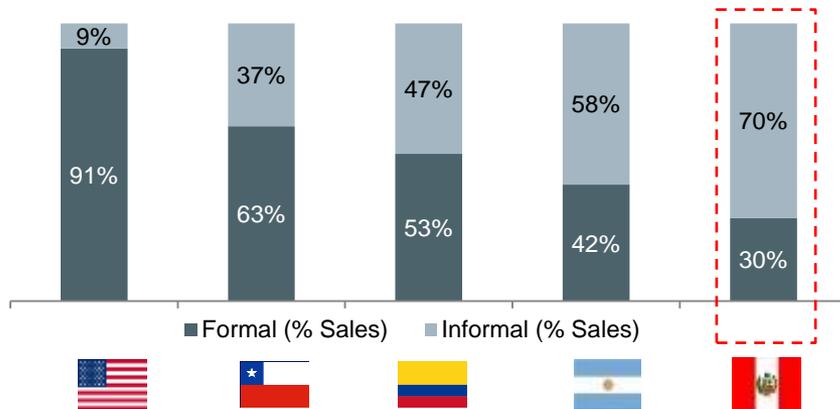
Source: Latin Focus Concesus Forecast January 2017

Average Inflation Rate ('17E-'21E)



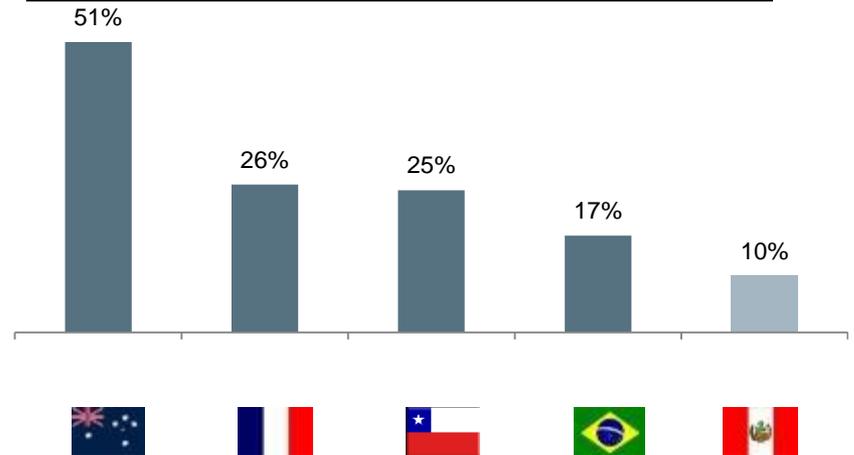
Source: Latin Focus Concesus Forecast January 2017

Formal and Informal Retail Penetration



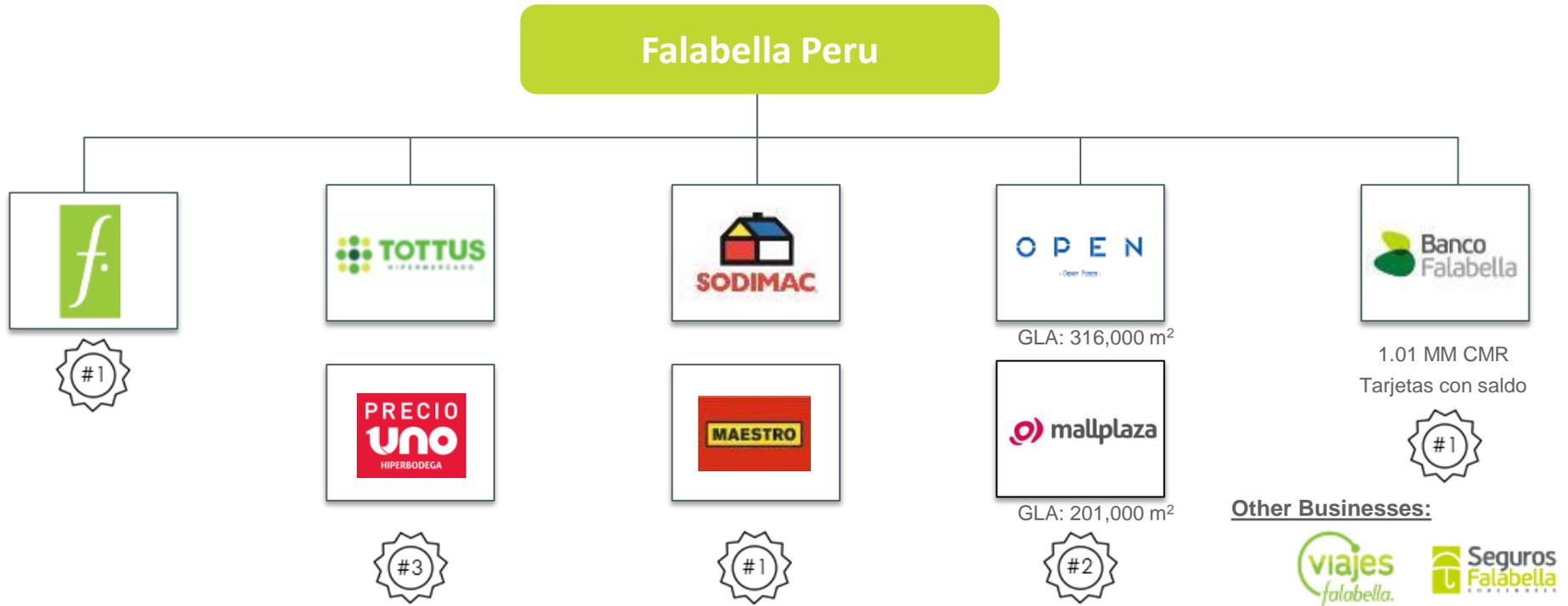
Source: ILACAD World Retail and US Census Bureau for In/Formal Retail Market, SBIF

% of Retail Sales in Shopping Malls

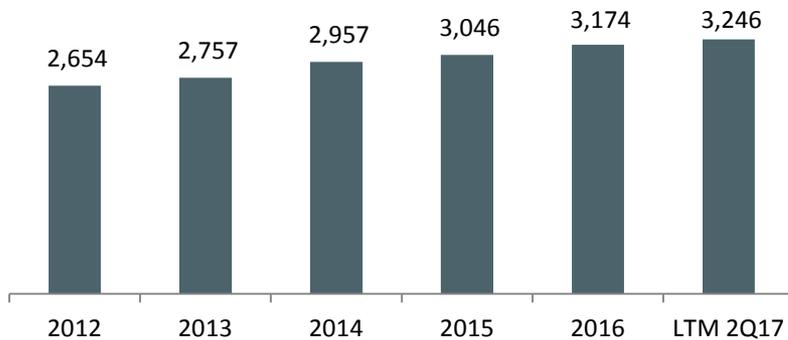


Source: Planet Retail, International Council of Shopping Centers, Wall Street Research, ACCEP, A.T. Kearney.

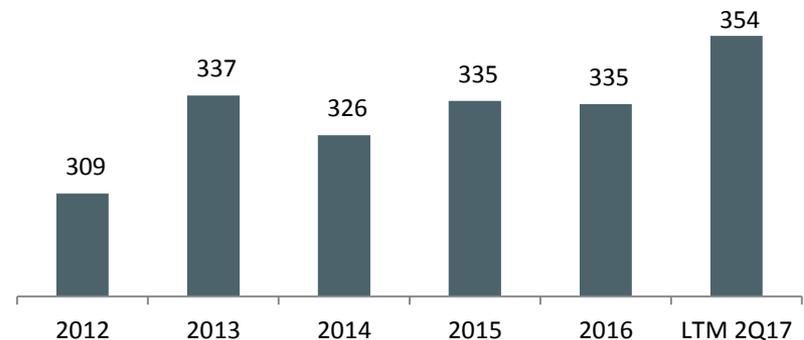




Corporate Revenues (US\$ Millions)



Corporate EBITDA (US\$ Millions)



1995



2Q17



Maestro Home Center - Acquisition



Saga Falabella – Centro Cívico



Hiperbodega Precio Uno



Open Plaza - Huancayo





FALABELLA PERU: BUSINESS UNITS OVERVIEW





Business Overview

- Over 50 years of strong performance with world-class operating techniques.
- Strong brand recognition across the country, with 29 stores* (13 out of Lima).
- Market leadership supported by elements that ensure success in the industry:
 - Attractive locations and format
 - Large product mix
 - Loyal customer base
 - Powerful exclusive brands

Highlights

- Industry leader by market share**
- Number of workers, # 8 GPTW 2016
- #1 in Average Quarterly Sales per SQM, 2Q17
- Average SQM per store, 2Q17

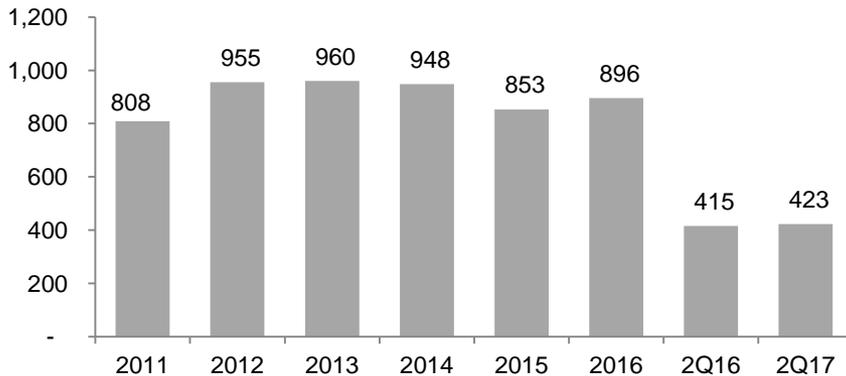
>50%

8.2 M

398
USD/Month

6.1 M

Revenues (US\$ million)



Overview

	2011	2012	2013	2014	2015	2016	2Q17
Area (M SQM)	117	132	145	155	164	177	177
SSS	9.8%	8.7%	5.9%	-0.7%	-1.2%	-1.6%	0.2%
Stores	17	19	23	25	27	29	29

*Includes Crate & Barrel. // **Considered Ripley, Oechsle, Saga Falabella.

Business Overview

- Started operating in 2002 as part of Saga until it was spun off in June 2004. HT is dedicated to grocery retailing, consumer goods, household appliances, among others.
- 61 stores strategically located across the country (25 out of Lima)*.
- Strong growth and leadership supported by elements that ensure success in the industry:
 - Large product mix
 - Attractive locations and new store formats
 - Strong brand positioning
 - Quality products at the lowest price

Highlights

- Market share* as of 2Q17**
- Number of workers, #13 GPTW 2016
- #1 in Average Quarterly Sales per SQM, 2Q17
- Average SQM per store, 2Q17

28%

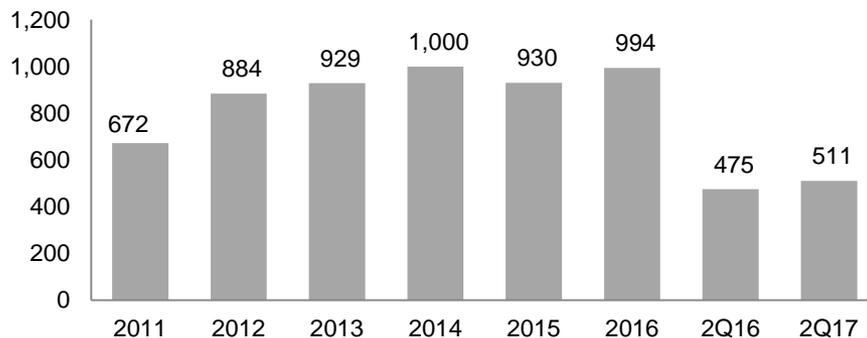
10.2 M

**378
USD/Month**

3.7 M

Revenues

(US\$ million)



Overview

	2011	2012	2013	2014	2015	2016	2Q17
Area (M SQM)	113	140	160	182	189	220	225
SSS	10.3%	14.4%	6.9%	5.1%	0.7%	-1.5%	-0.2%
Stores	27	33	40	49	52	60	61

*Includes Hiperbodega Precio Uno. **Considered Supermercados Peruanos, Cencosud, Hipermercados Tottus.

Business Overview

- Items for construction, repair, equipment and decoration of homes.
- 56 stores strategically located across the country (27 out of Lima)*
 - 26 Sodimac stores (14 out of Lima)
 - 30 Maestro stores (13 out of Lima)
- Leadership supported by elements that ensure success in the industry:
 - Competitive prices in all product segments
 - Excellent customer service

Highlights

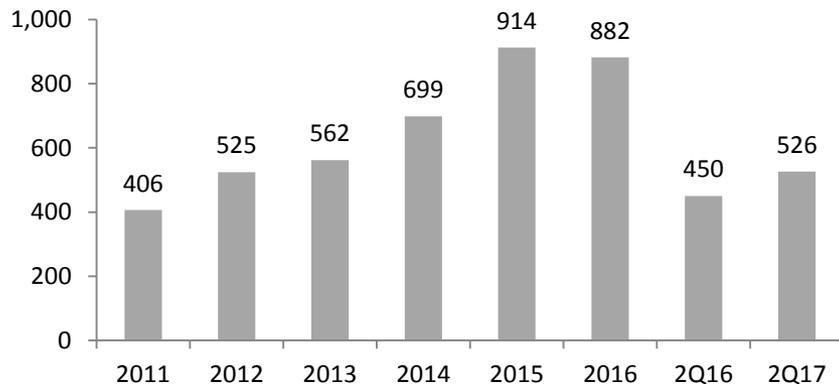
- Industry leader by market share of formal market
- Number of workers*, 2016 GPTW Sodimac (#10) & Maestro (#9)
- #1 in Average Quarterly Sales per SQM, 2Q17
- Average SQM per store, 2Q17

9.3 M

236 USD/Month

6.6 M

Revenues (US\$ million)



Overview							
	2011	2012	2013	2014	2015	2016	2Q17
Area (M SQM)	131	138	179	364	373	372	372
SSS	9.8%	13.8%	7.3%	-3.4%	-3.4%	-4.8%	0.3%
Stores	17	18	24	56	57	56	56

* Considers Sodimac & Maestro

Business Overview

- Open Plaza and Mall Plaza are dedicated to the development and management of malls, with at least a couple of stores from the retail businesses.
- There are two types of formats of Open Plaza:
 - 07 Power Centers
 - 06 Shopping Malls
- Together they are the second largest operator in accordance with gross leasable area*.

Locations



Highlights

- Open Plaza maintains a leasable area of approximately
- Mall Plaza maintains a leasable area of approximately

316 M SQM

201 M SQM

Net selling area and number of stores

	2011	2012	2013	2014	2015	2016	2Q17
Area (M SQM)	206	206	228	257	271	473	517
Number of malls	7	7	8	10	10	13	14
Open Plaza	7	7	8	10	10	11	11
Mall Plaza	-	-	-	-	-	2	3

*Source: ACEP - "Los Centros Comerciales en el Perú 2016".

Business Overview

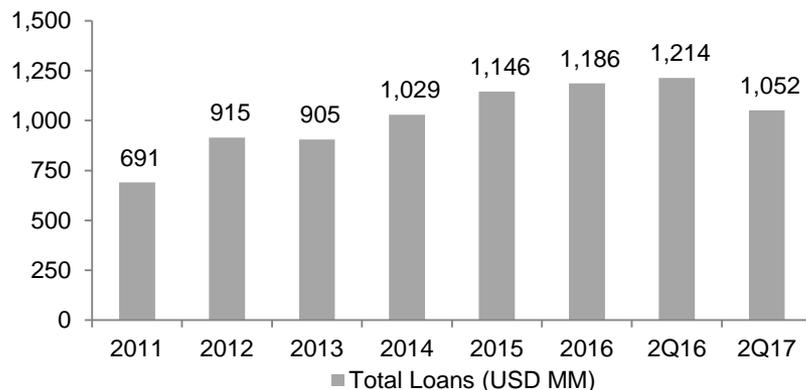
- Banco Falabella arises from the transformation of Financiera CMR into a commercial bank.
- CMR cards are its main product; however, the bank is fostering new products and expanding card usage through the Visa network.
- Important synergies with the retail business allow to maintain the dynamic growth in the business activities of the group.
- Growing focus on expanding the available portfolio of products and services targeting their customer base.

Highlights

- % of total sales paid with CMR for SF, HT, SD as of 2Q17 **37.3%**
- #3 bank in revolving consumer credit, by market share* **19%**
- Average duration (months) **8.3**
- Average loan (USD) **1,163**

Financial Indicators

(US\$ million)



Loans Portfolio							
	2011	2012	2013	2014	2015	2016	2Q17
Total loans (MM USD)	898	898	903	1032	1,146	1,186	1,052
Open accounts w/balance (M)	891.6	949	939	1,018	1,057	1,048	1,012
Average loan (USD)	804	882	965	1,014	1,084	1,132	1,163

*Source: SBS as of July 31th, 2017.



FALABELLA PERU: CONSOLIDATED FINANCIALS



Income Statement

<i>USD Million</i>	2Q17	% Rev.	2Q16	% Rev.	Var.%
Revenues	1,612	100%	1,540	100%	5%
COGS	(1,107)	-69%	(1,059)	-69%	4%
Gross Profit	505	31%	481	31%	5%
SG&A	(338)	-21%	(333)	-22%	1%
Operational Income	167	10%	148	10%	13%
Depreciation + Amortization	55	3%	49	3%	11%
EBITDA	222	14%	197	13%	13%
Other Income / (Expenses)	2	0%	3	0%	-44%
Net Financial Income / (Cost)	(33)	-2%	(31)	-2%	5%
Profit / (Loss) in Associates	1	0%	5	0%	-89%
Exchange Rate Differences	4	0%	2	0%	68%
Gain on financial derivative instruments / (Loss)	(2)	0%	(2)	0%	-4%
Net Profit Before Taxes	193	12%	174	11%	11%
Income Taxes	(25)	-2%	(22)	-1%	18%
Net Profit / (Loss)	167	10%	152	10%	10%

Note: All dollar figures are calculated based on the observed exchange rate as of March 31 2017 (3.249 PEN/USD) and March 31 2016 (3.328 PEN/USD)
 "NM" : Not Meaningful

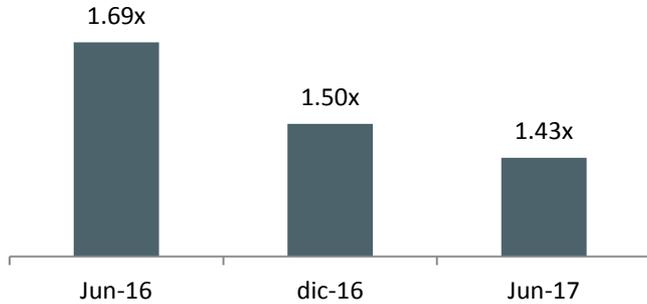
Balance Sheet

<i>USD Million</i>	2Q17	2016	<i>USD Million</i>	2Q17	2016
Cash & Cash Equivalents	260	303	Accounts Payable	359	368
Loans	757	709	Others Financial Liabilities	951	985
Accounts Receivable	72	58	Others	66	66
Inventories	510	509			
Others	221	136			
Total Current Assets	1,820	1,716	Total Current Liabilities	1,377	1,418
Non Current Loans	299	371	Others Financial Liabilities	1,034	992
Other Receivable	21	22	Others	32	173
PPE	1,833	1,766			
Intangible Assets	70	68			
Goodwill	312	302			
Others	61	59			
Total Non Current Assets	2,595	2,588	Total Liabilities	2,443	2,584
Total Assets	4,415	4,304	Total Equity	1,820	1,720
			Total Liabilities & Equity	4,263	4,304

Note: All dollar figures are calculated based on the observed exchange rate as of March 31 2017 (3.249 PEN/USD) and March 31 2016 (3.328 PEN/USD)

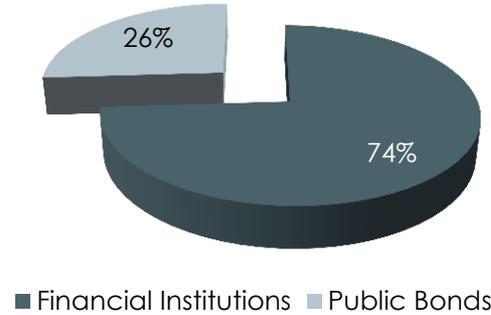
Leverage (times)

w/ Banking Operations



Debt By Type¹

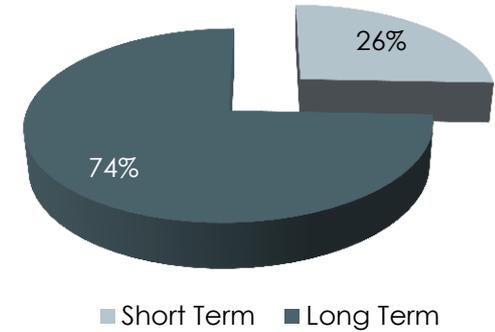
w/o Banking Operations



Financial Debt w/o Banks¹:
US\$ 1,048 MM

Debt By Maturity¹

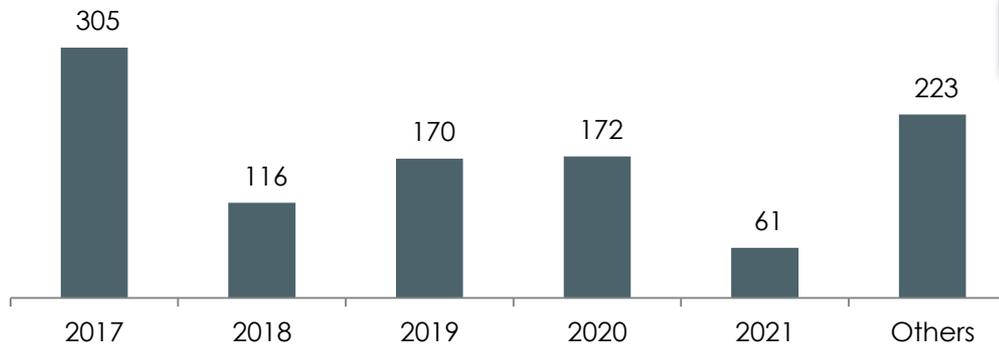
w/o Banking Operations



Duration¹:
2.5 years

Debt Profile (US\$ million)¹

w/o Banking Operations



Total Debt: US\$ 1,048 MM

Note: All dollar figures are calculated based on the observed exchange rate as of June 30 2017: 3.255 PEN/US\$.

1. Does not include accrued interests

Falabella Peru

Corporate Presentation



September 2017

