

Earnings Call 3Q-2022



SODIMAC

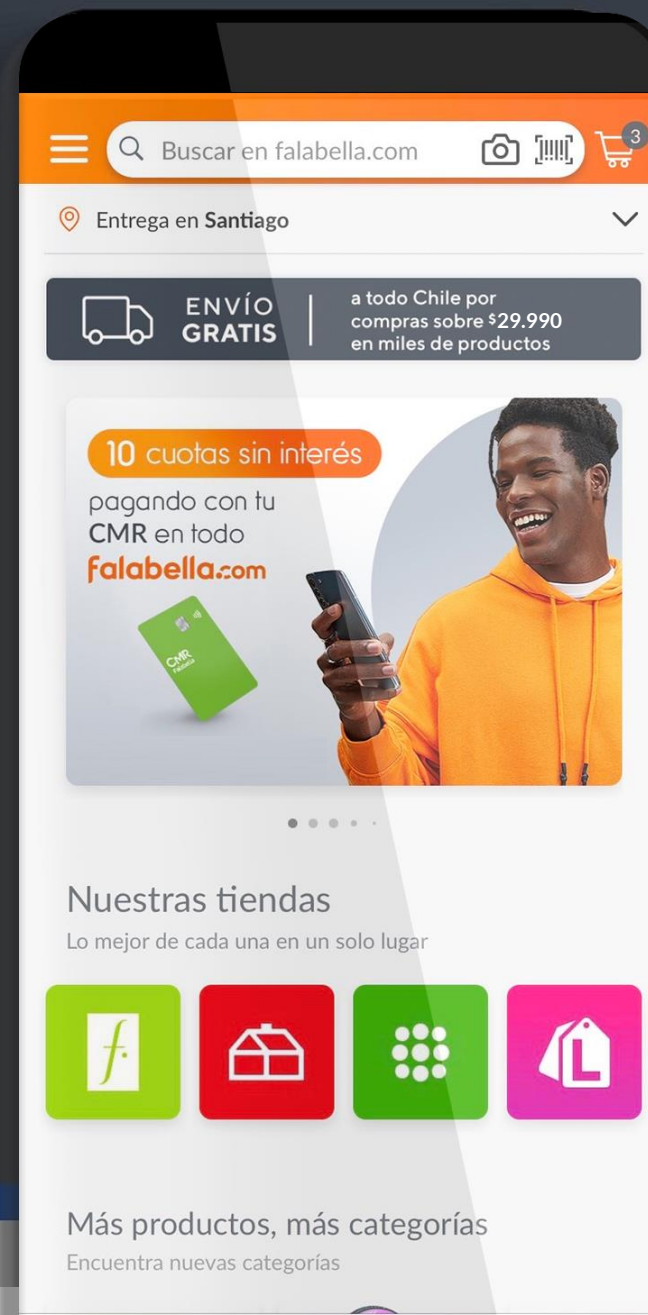
TOTTUS

mallplaza

Banco Falabella

Fpay

[falabella.com](https://www.falabella.com)



FALABELLA

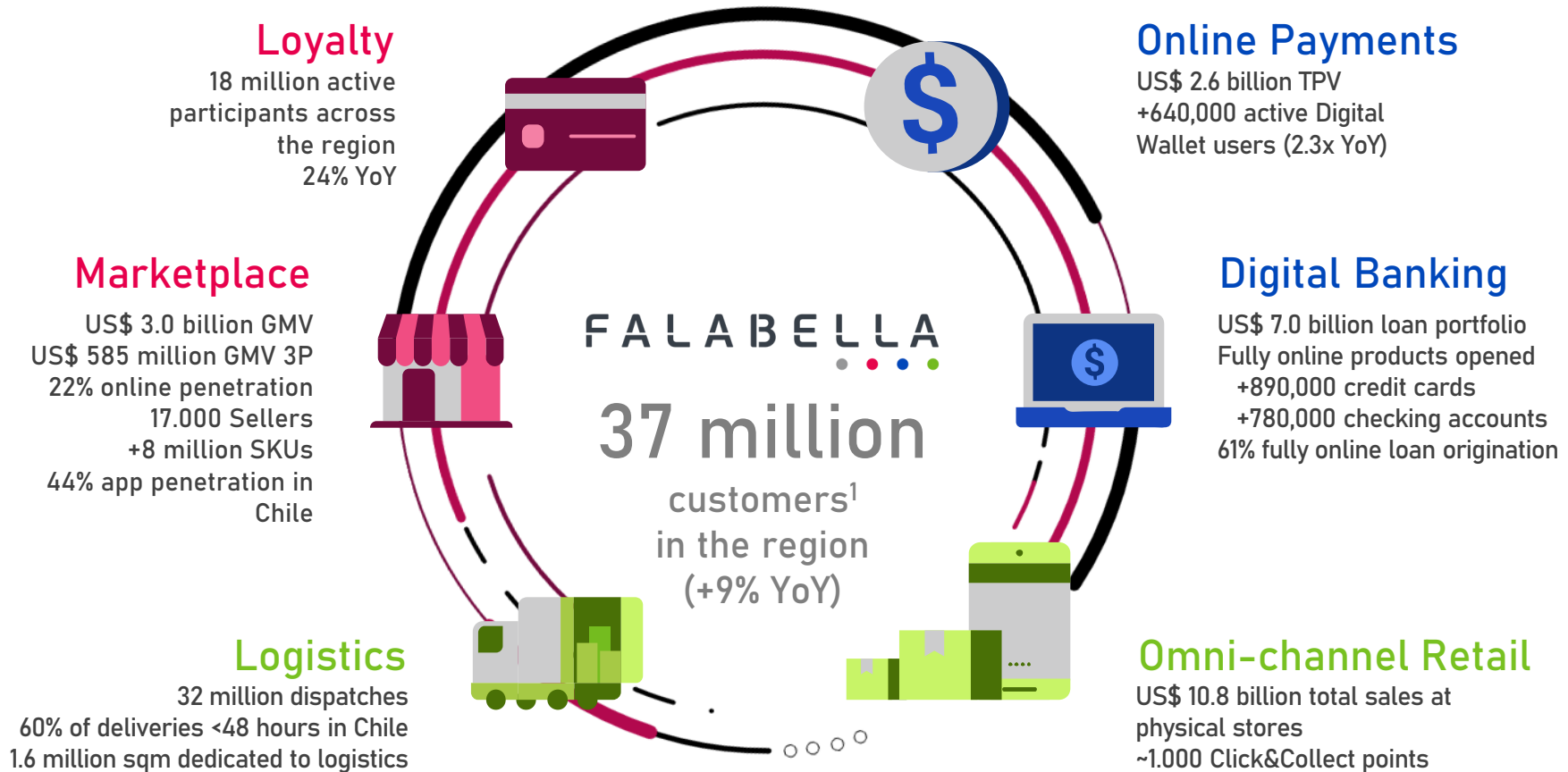
This presentation contains forward-looking statements, including statements regarding the intent, belief or current expectations of the company and its management. Investors are cautioned that any such forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties including, but not limited to, the risks detailed in the company's financial statements, and actual results could differ materially from those indicated by such forward-looking statements.



OUR PHYSICAL-DIGITAL ECOSYSTEM

3Q-2022 LTM

FALABELLA



¹ Customers are people who made at least one purchase at our retailers, either online or in-store, or one transaction in our Banking business over the last 12 months

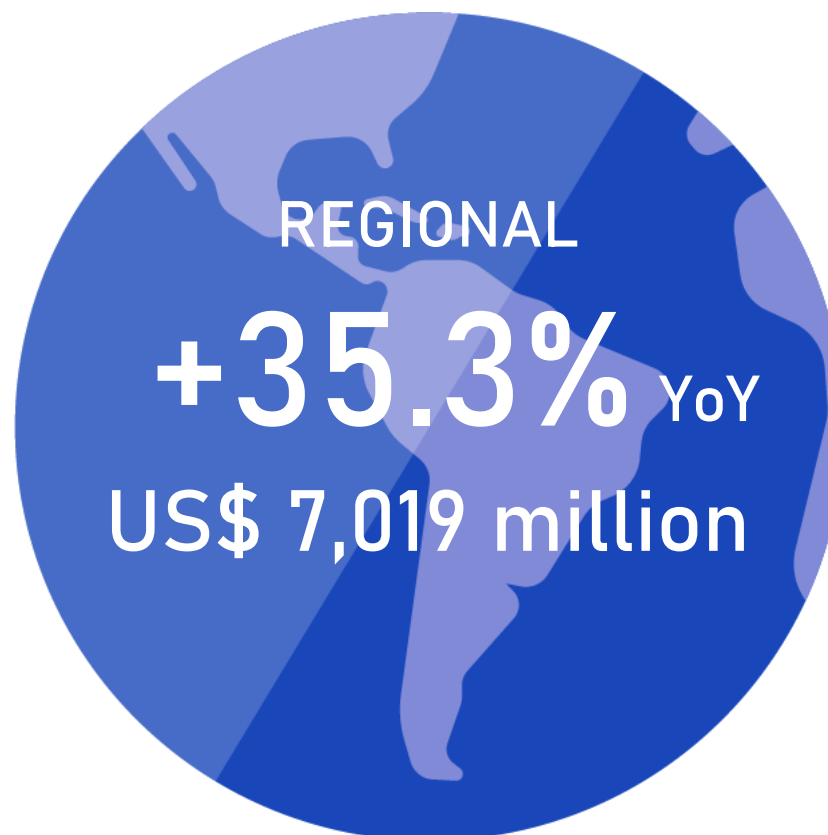
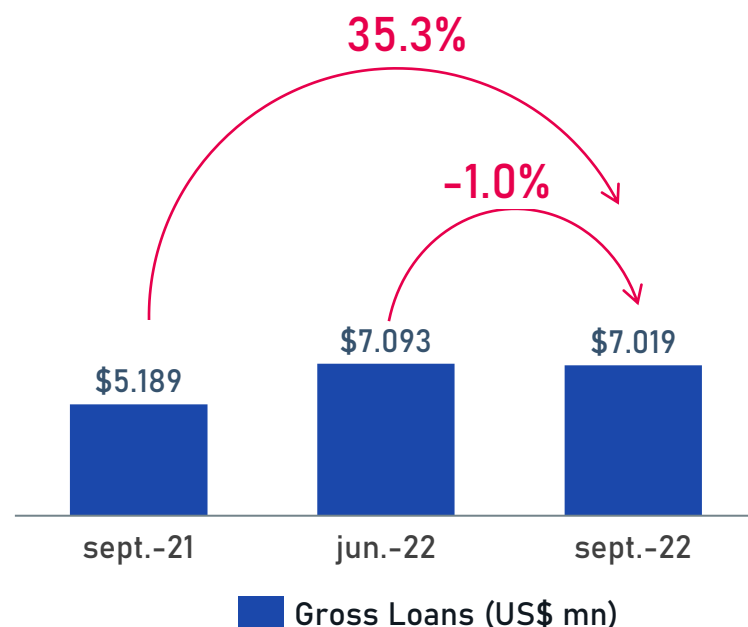
HIGHLIGHTS OF THE PERIOD



Digital banking

FALABELLA

Our loan portfolio grew by 35% YoY



We maintained **third place** in consumer loans in Chile as of September 30, 2022, with a market share of over **13.5%**



Chile

+24.8%

YoY local currency

US\$ 4,608 million



Colombia

+48,6%

YoY Local currency

US\$ 1,462 million



Peru

+51,6%

YoY Local currency

US\$ 949 million

Digital banking

1 Our online product origination journeys continue to drive growth

+205,000

digital credit cards

~210,000

passive digital accounts

57%

of total product openings are online

2 Our customers increase their preference for our services

+20% YoY

in CMR purchases

67%

CMR purchases outside our ecosystem

5.5

million active app customers

3 Customers are increasing engagement with our loyalty program

18 million

24% growth YoY across the region

20% YoY

Redemptions growth to reach 2.6 million

Third-party product (3P) sales in the regional Marketplace grew by 7% YoY and represented 22% of the group's total online sales

Progress of our Global Seller Center in Chile

+40% in Seller's onboarded

+50% in SKUs
3Q22 versus 2Q22

Plan to attract more Sellers and drive growth

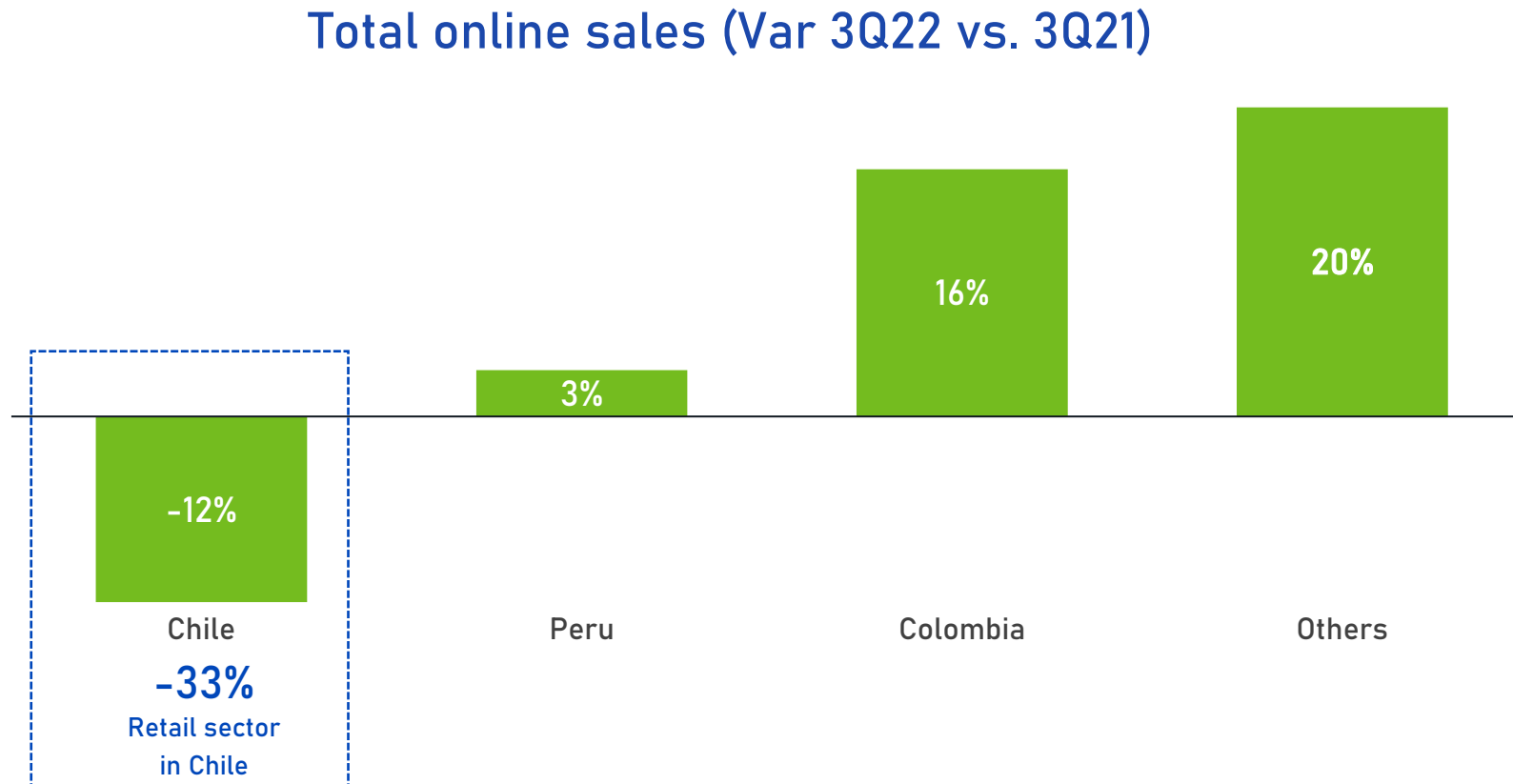
Sellers Top

- Focus on Sellers of categories in which we are strong
- Attract Sellers with systems that can be automatically integrated into Falabella.com

Mid and longtail

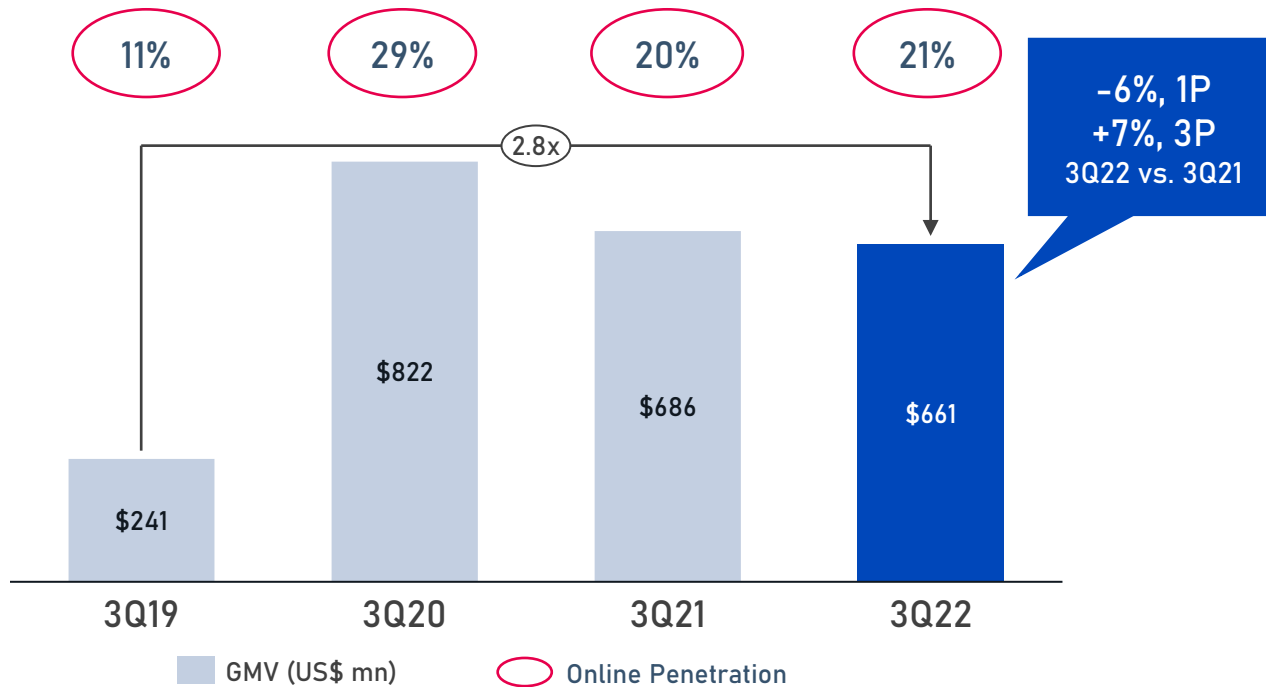
- Attract mid-size Sellers focusing in longtail, leveraging in the express onboarding process and in agencies and SME associations

In Chile, despite the e-commerce slowdown, we decreased less than the sector



Marketplace

Online sales remain stable, despite the slowdown

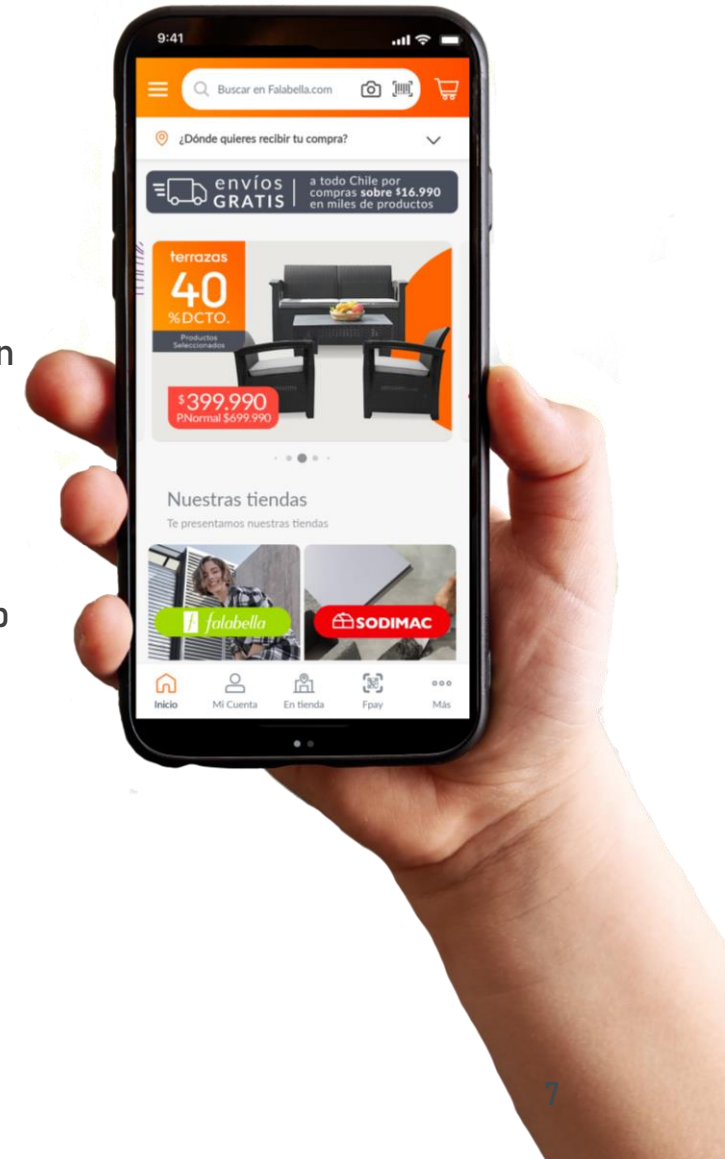


22%

Regional Total
Online Penetration
3Q22 LTM

44%

Falabella.com app
penetration Chile
3Q-2022



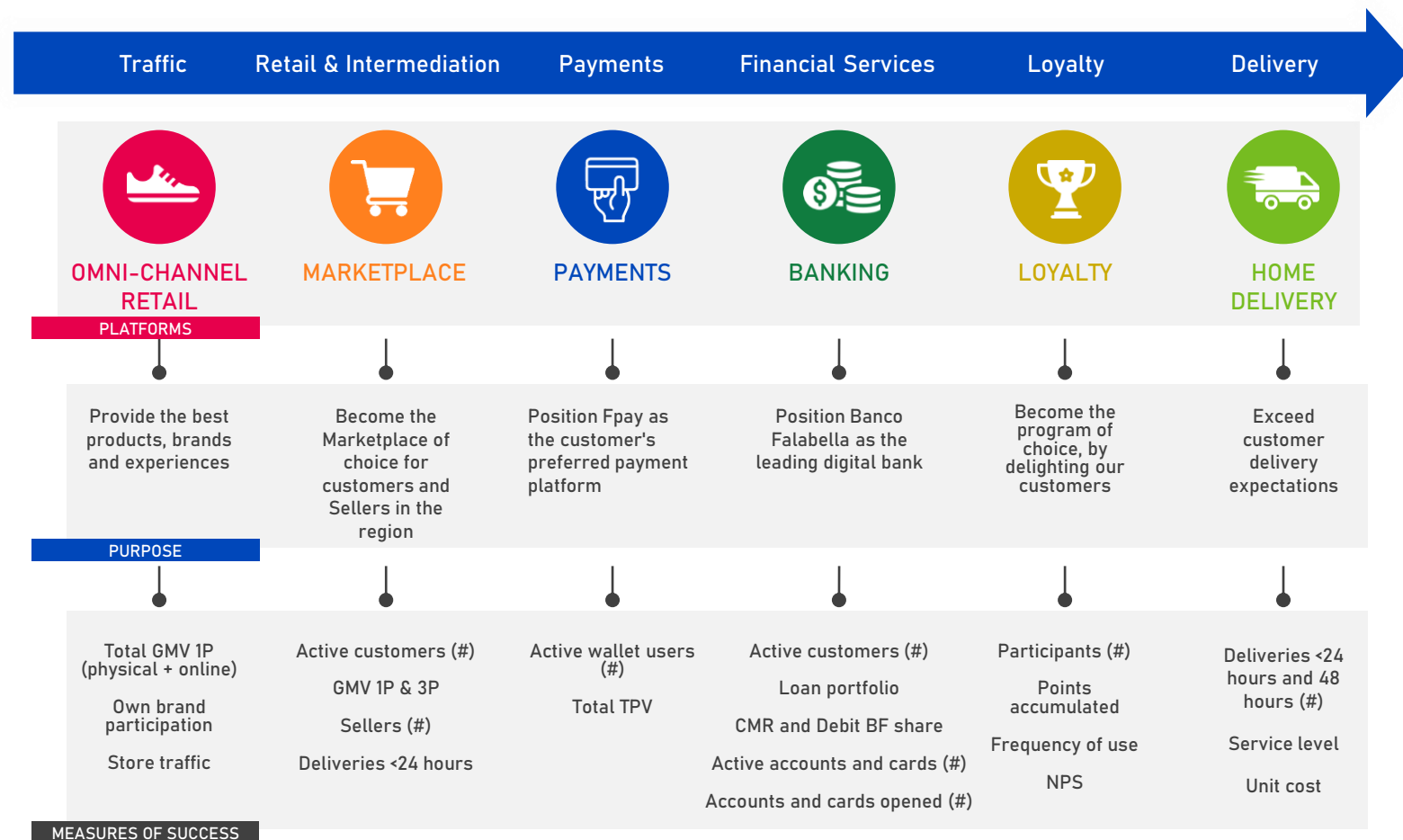
Investor Day

We held our Investor Day 2022 in New York on October 12, where we presented progress with our strategy and discussed the development of each platform

This presentation can be seen [here](#)



Strategic focus of our platforms



We presented a comprehensive efficiency plan to improve margins

Gross margin

Revenue & margins

- Rationalizing mix of categories, brands and SKUs
- Pricing management (inflation)
- 1P for high rotation & high margin categories, 3P for longtail
 - Recover international logistic efficiencies

Inventories

- Shortening product purchase cycles while diversifying and optimizing origins

EBITDA margin

Store operation expenses

- Rationalizing physical footprint, improving profitability per sqm by decreasing stores sizes and selective closures

Logistics, MKT & SG&A

- Continue to improve logistics processes and efficiencies in our warehouses and last mile deliveries, while increasing shipping cost recovery
- Decreasing mass marketing expenditure to instead push direct marketing, while leveraging our loyalty program

Banking

- Reducing the number of physical branches

Corporate efficiencies

- Centralizing business functions and processes and reducing management layers throughout the company

Technology

- Continue phasing out legacy systems
- Continue integrating operations to optimize technology and infrastructure expenses

The impact of this plan will gradually become evident by the end of 2023, and it is expected a minimum of 200 bps of gross EBITDA margin improvement

Mallplaza achieves record revenue

- The company achieved its highest quarterly revenue in its history at US\$ 101 million, an increase of 21% over the same period in 2019 and 24% higher than in 2021.
- Visitor flow grew by 10% versus 3Q21, which indicates a recovery to pre-pandemic levels (-7% compared to 3Q19).
- This growth reflects interest in visiting Mallplaza, which was driven by strengthening the commercial mix focusing on socializing and enjoyment opportunities, and additional visitor flow from our various omni-channel initiatives.



Digital payments

The transactional flow
of our payment
processing platform
Fpay continues to grow

TPV

US\$ 589 million

+16% YoY

3Q22

US\$ 2,566 million

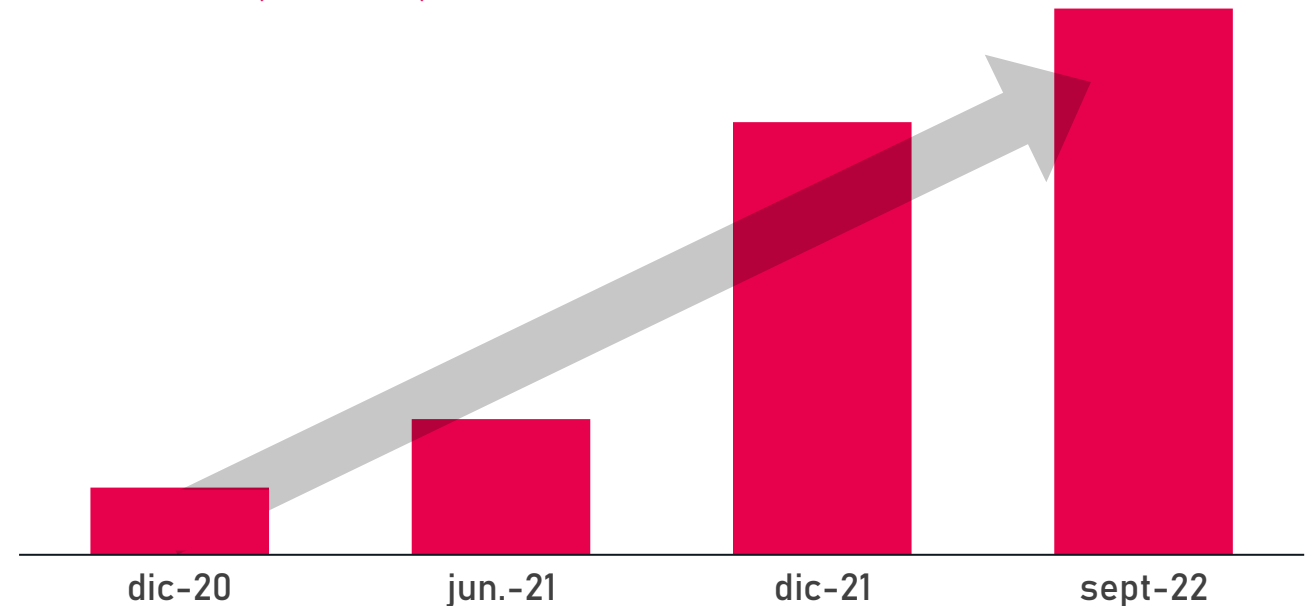
+21% YoY

3Q22 LTM

Our digital wallet
continues to grow

+640,000

Active Fpay users
(2.3x YoY)



Loyalty program



Our customers are increasingly interacting with our CMR points program throughout the region

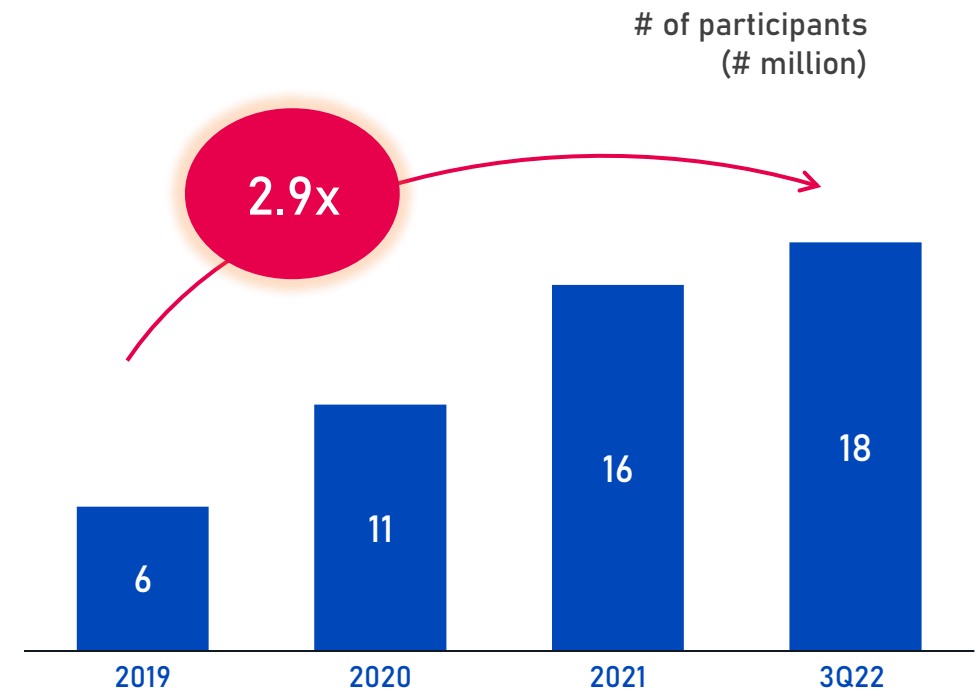
18.1 million participants in total across the region, with growth of **24% YoY**

Redemptions grew by **20% YoY** to reach **2.6 million**

As of September, online redemptions already represent **26%** of total redemptions in the region

New functionality

The **Points+\$** program was launched in Chile on Falabella.com and purchases can now be made by partly redeeming CMR Points and paying the remaining with credit card. This is directly done during checkout on the e-commerce.



Physical expansion plan

Our selective physical expansion plan progressed as we opened a Supermarket and an IKEA store



521

total stores
across the region in 3Q22

2 new stores
in the region

9,299 sqm in
new stores

Summary of store openings 3Q22

Format	IKEA	Supermarkets
City	Santiago	Proceres
Surface Area (sqm)	8,303	996
Opened	1	1
Total Country	1	88





IKEA Chile: Inauguration of the first IKEA store in South America

We expect to open the company's second store in Chile shortly
~25,000 m² in Mallplaza Oeste, Cerrillos

IKEA is also expected to enter the Colombian market by 2023

FALABELLA

"We are proud to offer our customers IKEA, which is one of the most admired and successful brands in the world. Its unique combination of well-designed and low-priced home improvement products will support the development of Falabella's physical and digital ecosystem and help people to make life simpler and more enjoyable."



Sustainability milestones



Diversity, equity and inclusion are our core values

Tottus launched the first e-learning sign language course during August, aimed at support service employees and store teams.

Furthermore, Sodimac in Peru and Colombia excel at diversity and inclusion, as they were awarded the Inspiring Company Award by the ANDI Foundation, and achieved fourth place in the Best Place to Work for Diversity and Inclusion survey. Banco Falabella became a mentor for sexual diversity issues at Fedex, Porsche and Impronta, after being recognized as one of the best places for LGBTI+ talent.

The first physical meeting of the "Mujeres Conectadas" (Connected Women) network was held in Colombia, which was attended by the CEOs of Falabella Retail, Bank, Seguros Falabella, Linio and Mallplaza, as well as female leaders within the group.

Our businesses confirm their commitment to zero waste

Falabella Retail continues its +green initiative. The "Give your clothes a second life" initiative was launched in Colombia and Chile, which suggests renewing, donating or reusing garments no longer worn, to reduce the waste generated by the business.

The Tottus food donation program has benefited more than 47,000 people to date. It has recycled 281 tons of organic waste and 71 stores have joined the program.

FALABELLA

Emissions reduction performance

Sodimac Colombia was awarded carbon neutrality certification by the Colombian Technical Standards Institute (ICONTEC), while Falabella Retail Colombia ratified this certification for the fourth consecutive year. Mallplaza is committed to achieving carbon neutrality by 2030, and planted its first native forest in Mallplaza Oeste with 400 low water consuming trees such as Quillay, Espino, Molle, Tara and Colliguay. The aim is to support climate action and this forest is expected to become a green lung for the community and its neighbors.

Building trust

Sodimac Peru was included in the top 100 companies in Peru with the best reputation, according to the Merco Empresas 2022 report. It was also ranked in second place in the retail sector by that report. Sodimac Brazil also achieved favorable results and was one of the Best Companies by Customer Satisfaction for the fifth consecutive year.

Banco Falabella continues to promote financial literacy in Chile, where its "Captains of the Future" program has reached over 900 students in 16 schools throughout the country. It arranged the "Edductivity Tournament", which was attended by over 250 boys and girls.

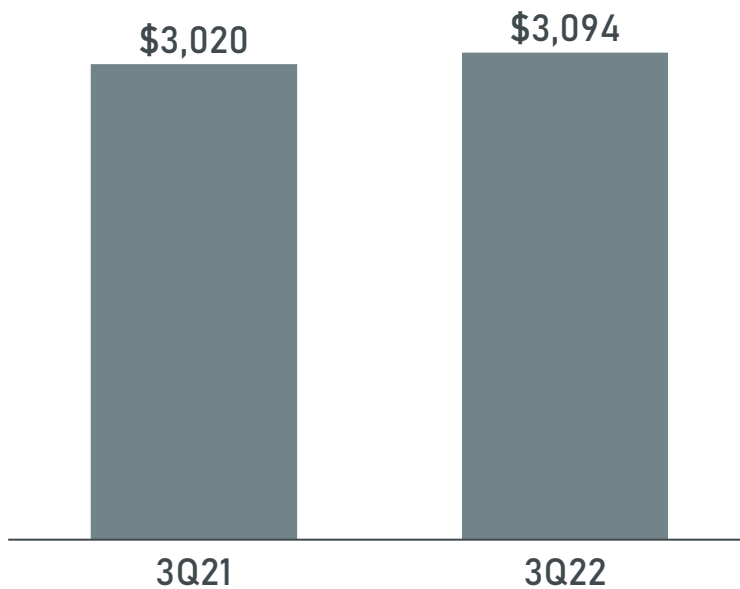
THIRD QUARTER CONSOLIDATED FINANCIAL RESULTS



CONSOLIDATED FINANCIALS RESULTS

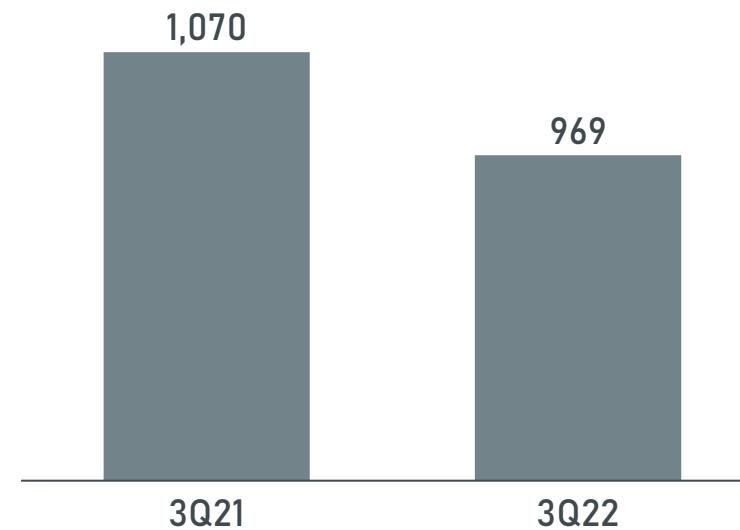
FALABELLA

Revenues
US\$ mn



2.4%
3Q22 vs 3Q21

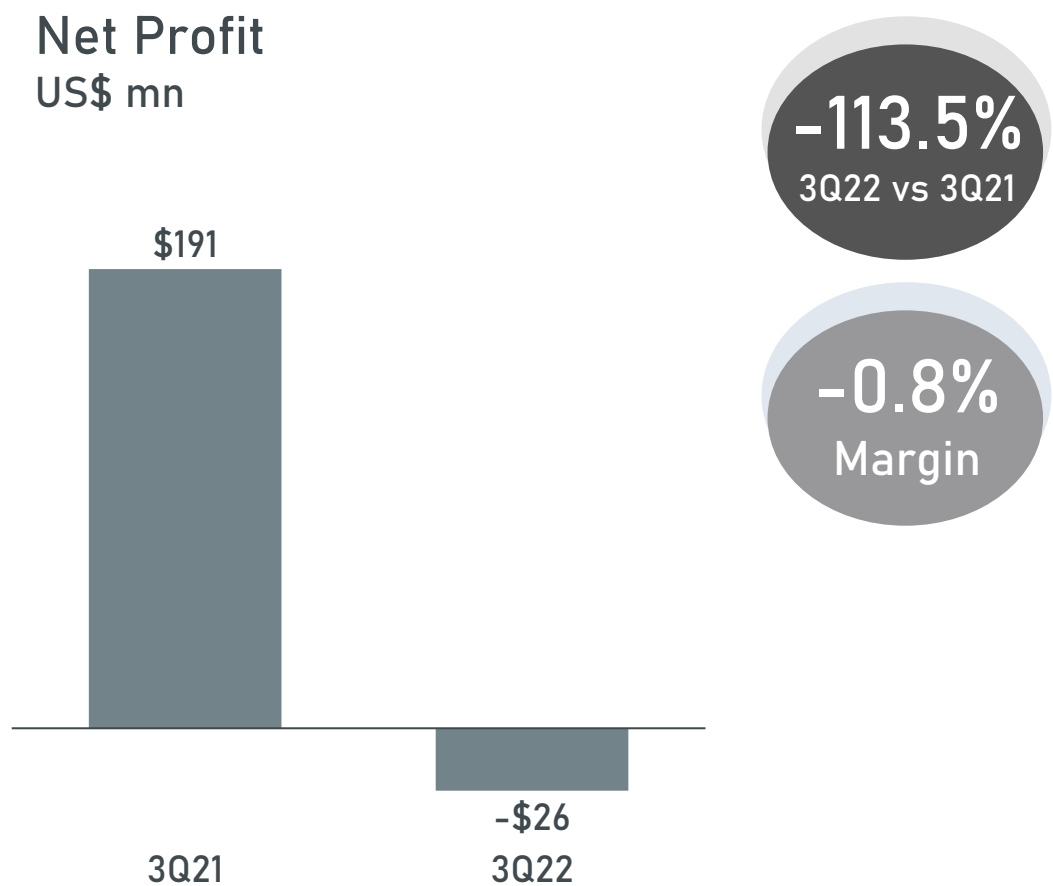
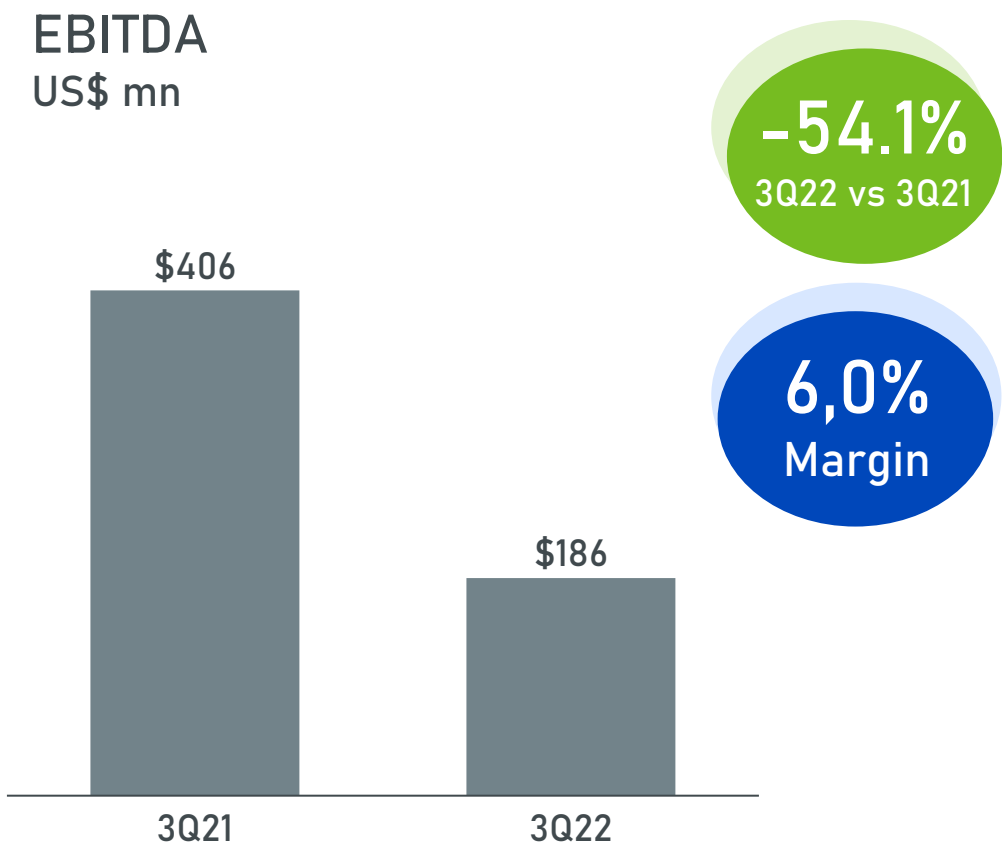
Gross Profit
US\$ mn



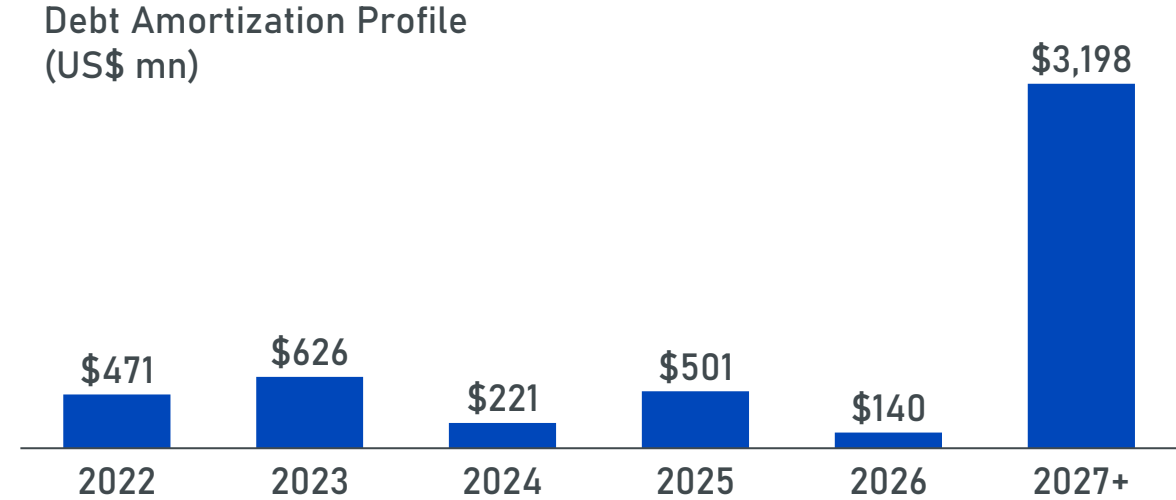
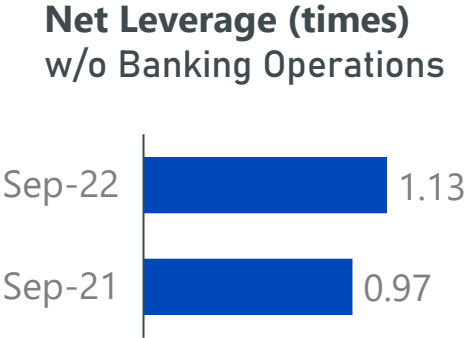
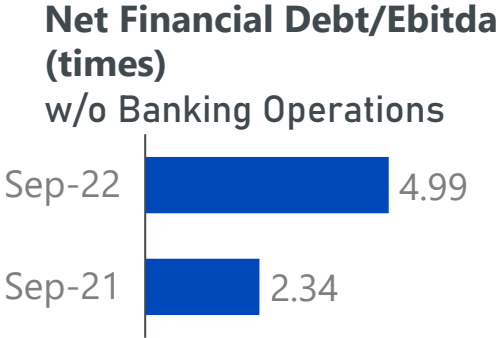
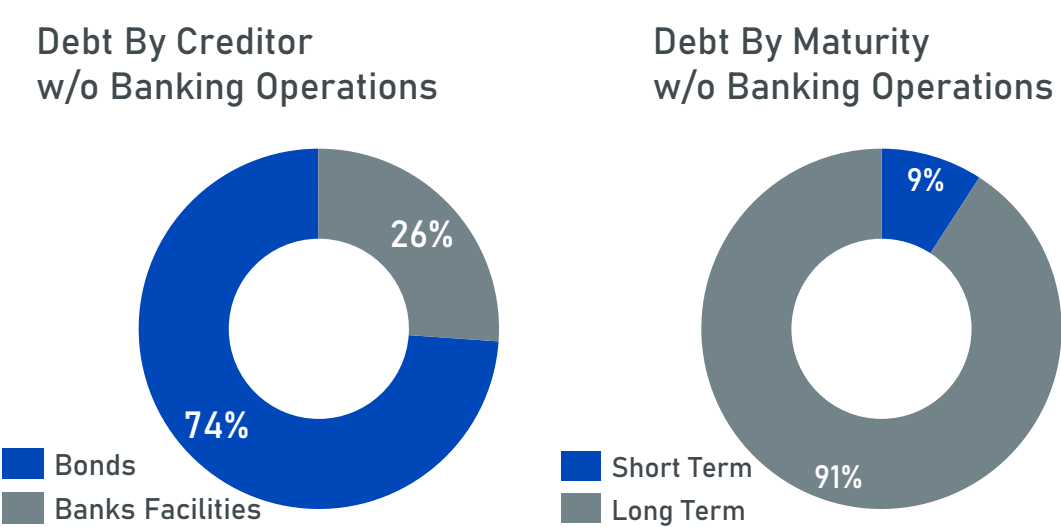
-9.5%
3Q22 vs 3Q21

31.3%
Margin

CONSOLIDATED FINANCIALS RESULTS



STRONG FINANCIAL POSITION



Total debt (exc. Banks) reached US\$ 5,158 million

SUMMARY FINANCIALS

(US\$ mn)

	3Q21	3Q22	Var 22/21
Total sales			
GMV Online	686	661	-3,7%
GMV own products (1P)	554	519	-6,3%
GMV third-party products (3P)	133	142	7,2%
Total sales of physical stores	2.772	2.421	-12,7%
Total sales	3.459	3.082	-10,9%
TPV	507	589	16,4%
Financial Results			
Non-Banking Revenue	2.729	2.593	-5,0%
Financial Services Revenue	291	502	72,4%
Total Revenue	3.020	3.094	2,4%
EBITDA	406	186	-54,1%
Net (Loss) Income	191	(26)	-113,5%
Balance Sheet			
Cash (non-banking)	549	685	24,8%
Gross Loan Book	5.189	7.019	35,3%
Total Net Debt (Exc. Banking)	3.063	4.435	44,8%

Note: Total sales correspond to the total value of the merchandise sold, including our own (1P) and third-party (3P) products, through our omnichannel platform (physical and online stores). Includes value added taxes. Calculated with a neutral exchange rate.

THIRD QUARTER RESULTS BY SEGMENT





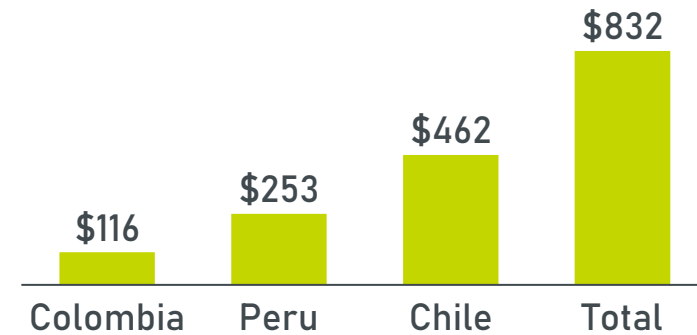
DEPARTMENT STORES



REVENUE 3Q22¹

US\$ mn

Annual var (%) 15.5% 27.8% -23.6% -8.9%



SSS 9.1% 1.6% -33.0%

Var Local
currency (%) 9.1% 2.2% -23.6%

¹Total revenues includes Argentina operation



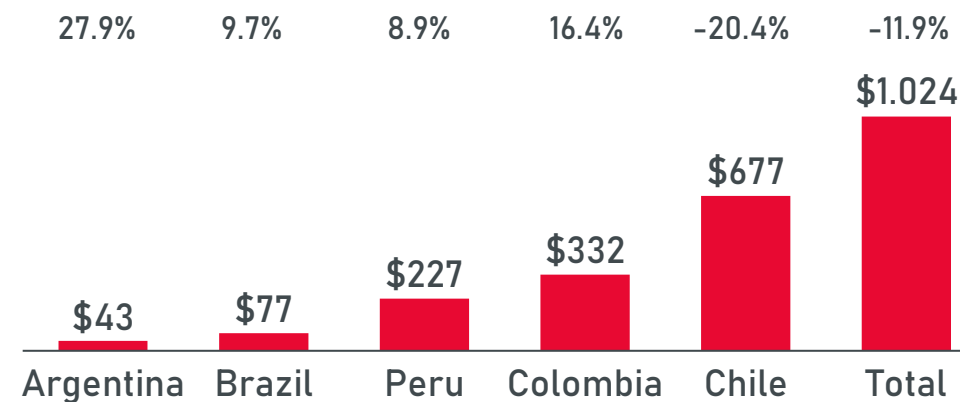
HOME IMPROVEMENT



REVENUE 3Q22¹

US\$ mn

Annual var (%)



SSS	69.6%	-11.0%	-13.5%	7.7%	-21.0%
Var Local currency (%)	114.1%	-8.3%	-12.8%	9.9%	-20.4%

¹Total revenues excludes Uruguay, Colombia and Mexico operations

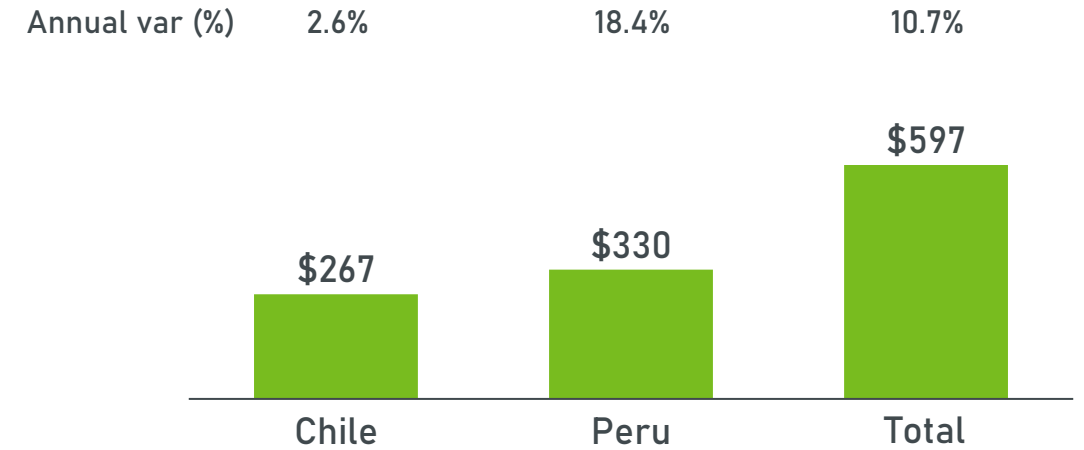


SUPERMARKETS



REVENUE 3Q22

US\$ mn



SSS	-1.5%	-6.5%
Var Local currency (%)	2.6%	-5.2%

FINANCIAL SERVICES



LOAN BOOK 3Q22

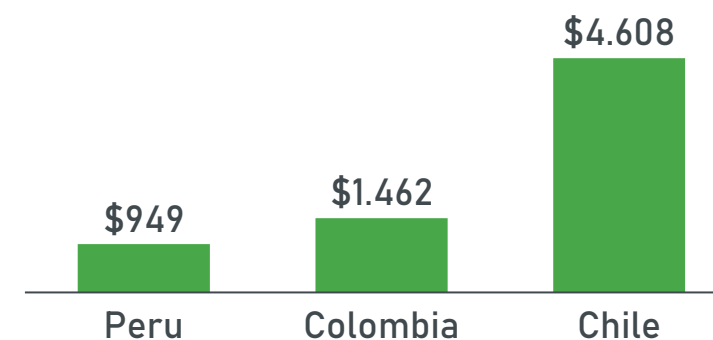
US\$ mn

Annual var (%)
In local currency

51.6%

48.6%

24.8%



REAL ESTATE



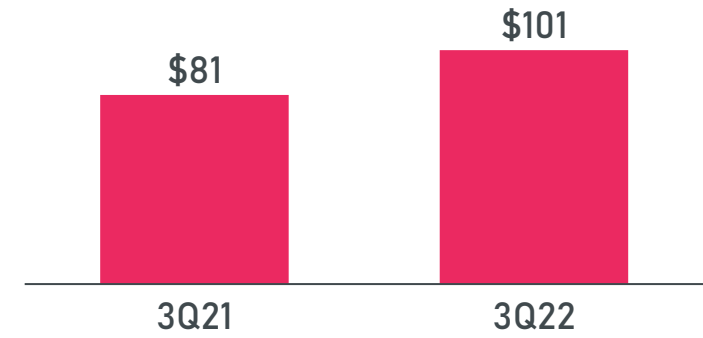
REVENUE 3Q22

US\$ mn

Annual var (%)

163.3%

23.7%



E-mail
inversionistas@falabella.cl

Website
investors.falabella.com



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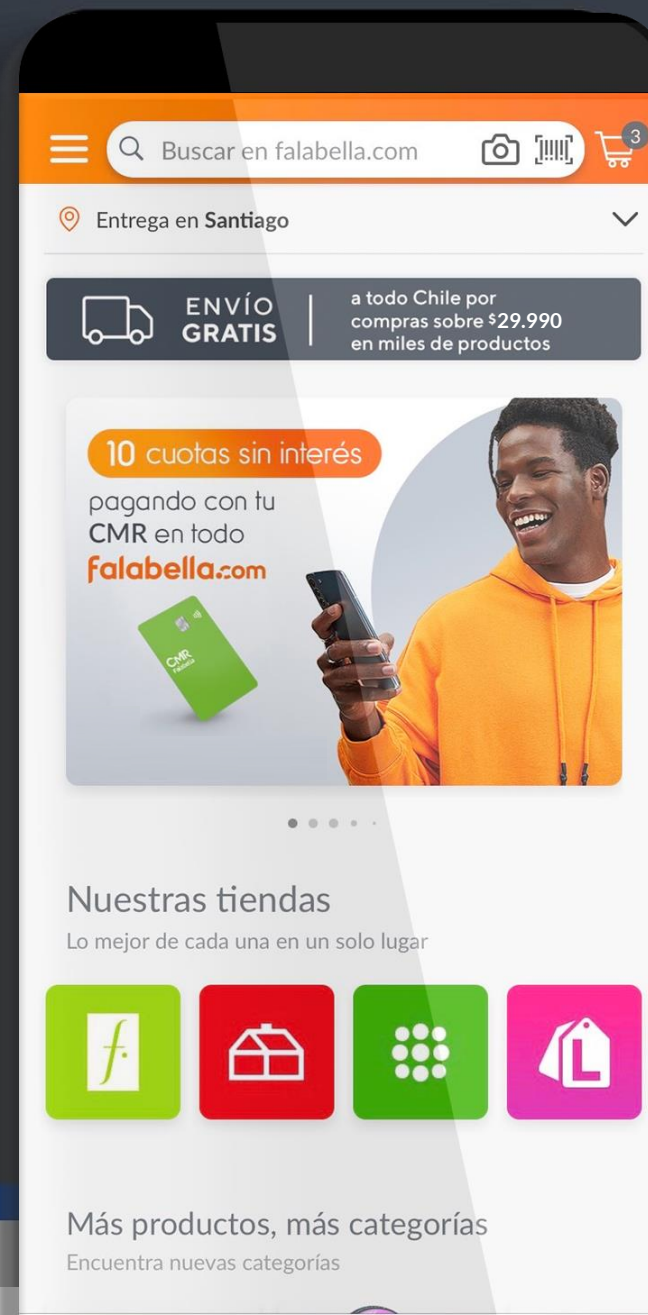
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