

Roadshow Presentation



October | 2018

f | Disclaimer

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LA COMISIÓN PARA EL MERCADO FINANCIERO NO SE PRONUNCIA SOBRE LA CALIDAD DE LOS VALORES OFRECIDOS COMO INVERSIÓN. LA INFORMACIÓN CONTENIDA EN ESTA PRESENTACIÓN ES DE RESPONSABILIDAD EXCLUSIVA DEL EMISOR.

Señor inversionista:

Antes de efectuar su inversión usted deberá informarse cabalmente de la situación financiera de Falabella y deberá evaluar la conveniencia de la adquisición de estos valores.

El intermediario deberá proporcionar al inversionista la información contenida en el Prospecto presentado con motivo de la solicitud de inscripción al Registro de Valores, antes de que efectúe su inversión.

The information described in this presentation is a synthesis of the Spanish-language prospectus registered with the Comisión para el Mercado Financiero and the complete information that Falabella provides to the market about this transaction is in the aforementioned Spanish-language prospectus registered with the Comisión para el Mercado Financiero.

"This presentation freely translates into Spanish the presentation made in English language for the international private placement of common shares by S.A.C.I. Falabella ("Falabella"), originated from a capital increase approved on August 20, 2018 by the extraordinary shareholders' meeting of Falabella, and a concurrent and synchronized secondary offer of shares in Falabella owned by Inversiones Los Olivos S.A. It is intended to be made available to investors in Chile within a public offering of such securities. The issuance of the new shares has been registered in the Securities Registry (*Registro de Valores*) of the Chilean Financial Markets Commission (*Comisión para el Mercado Financiero*, or "CMF"). As required by applicable law, this presentation has been sent to the CMF and is being published in the website of the issuer".

01. USE OF PROCEEDS

02. FALABELLA AT A GLANCE

03. RETAIL MARKET OPPORTUNITY

04. STRATEGY

05. FALABELLA'S UNIQUE POSITION TO CAPTURE MARKET OPPORTUNITY

06. APPENDIX: KEY FINANCIALS



Issuer	S.A.C.I. Falabella (“Falabella”)
Distribution format	Santiago Stock Exchange registered offering with international distribution efforts through 144A/Reg S format
Offering size	70.7 mm common shares
Offering composition	49.7 mm primary shares (from a capital increase of 84.3 mm common shares) 21.0 mm secondary shares from Inversiones Los Olivos S.A.
Roadshow	LatAm roadshow International roadshow in key money centers
Auction mechanism	Subasta de Libro de Órdenes on the Santiago Stock Exchange
Syndicate	 J.P.Morgan INTERNATIONAL BOOKRUNNER  Bank of America Merrill Lynch INTERNATIONAL BOOKRUNNER  CRECORPCapital LATAM BOOKRUNNER  LarrainVial LATAM BOOKRUNNER
Lock-Up	90 days



INVEST IN THE COMPANY GROWTH STRATEGY

US\$285M

US\$138m fund the acquisition of Linio

US\$147m strengthen its operation



US\$200M

Develop **logistic** and **e-payment solutions**



US\$120M

Invest in **data analytics**



US\$150M

Finance the IKEA project



US\$80M

Consolidate **Sodimac** brand operations in **Brazil**



+11%
Free float increase¹



BALANCE SHEET FLEXIBILITY

Source: Company Filings and Bloomberg as of September 23rd, 2018.
¹ Falabella's free float increase from 26.5% to 29.3%

7
COUNTRIES



FINANCIAL SERVICES



HOME IMPROVEMENT



SUPERMARKETS



MARKETPLACE



FASHION AND ELECTRONICS



REAL ESTATE

US\$14.0bn

LTM 2Q18
Revenues

13.5%

LTM 2Q18
EBITDA margin

US\$800m

LTM 2Q18
Online revenues¹

53.8%

Online orders
annual growth²

US\$7.4bn

2Q 2018
Gross Loan Book

5.3m

Active CMR Accounts
with balance

496 stores

Three retail formats

43.1%

2Q 18 Financial
Products Online Sales
Penetration³

Source: Company filings

Note: Main figures as of June 2018. All dollar figures are calculated based on the observed exchange rate as of July 3rd, 2018 (651.21 CLP/US\$). EBITDA calculated as Operational income + Depreciation and Amortization; ¹ Online Revenue includes revenue generated through online channels for Department Stores in Chile, Peru, Argentina & Colombia; Home Improvement in Chile, Peru, Argentina, Brazil & Uruguay; Supermarkets in Chile & Peru; ² As of December 2017; ³ Online sales for CMR Chile and Banco Falabella Chile as percentage of financial products sales for CMR Chile and Banco Falabella Chile



Large and highly fragmented retail market

US\$919bn

LATIN AMERICA MARKET VALUE



With low banking penetration

37% in LATAM

BANK DEPOSITS TO GDP¹

GROWING YOUNG AND MIDDLE CLASS POPULATION

624.6m

Total population



~59% LESS THAN 35 YEARS OLD



FAMILIES EARNING +US\$15K ANNUALLY

2.5x in last **10** years

Urban population in major cities²

MIDDLE CLASS POPULATION GROWTH

18% Middle Class growth ('12-'17)¹

Source: Euromonitor International Limited, Retailing 2018 edition (current, fixed exchange rates); World Bank, United Nations. Information as of December 2017 unless stated otherwise
¹ Comprised of Chile, Brazil, Colombia, Mexico, Peru and Argentina; ² Economist Intelligence Unit 2017 – Latin American Cities with a population of 500.000 or more

>65%



Visit social media almost every day, **over 80%** visit 1-2 times per month

357m



Active internet users

49%



Internet users growth between 2012-2017

US\$38bn



Latin America's e-Commerce Market Value

3.1x






e-Commerce market size growth between 2012-2017

4.2%



e-Commerce penetration¹ vs **10.0%** global average²

754 SQM OF RETAIL FOR EVERY 1,000 PEOPLE **V S**

	US	2,431 sqm
	CONTINENTAL EUROPE ¹	1,135 sqm
	UK	1,291 sqm

STORES ARE TYPICALLY SMALLER THAN IN THE US



3,500 sqm
Falabella average store size

9,100 sqm
US benchmark average store size



6,500 sqm
Falabella average store size

13,700 sqm
US benchmark average store size

Sources: Euromonitor International Limited Retailing 2018 edition; Company Filings
¹ Excludes UK



We simplify Latin American consumers' life by transforming their purchasing experiences

**RETAIL
ASSORTMENT**



**DISTRIBUTION
NETWORK**



FINANCING



**LOYAL
CUSTOMERS**



**LEADING
E-COMMERCE**



Logistics

- Leverage on our **Distribution centres** and logistic network

Payment solutions

- Open platform with tools for our customers, merchants

Financial solutions

- Consumer Loans to our **customers**
- **Merchants** financing



Loyalty

- Customer knowledge
- Novelty

Data Analytics

- Business intelligence

Marketplace

- Sellers **integrate** into our platform
- Longtail
- Seller.com

Strategic Priorities



01. OWN BRANDS
AND LONG TAIL PRODUCTS



02. SCALING UP LOGISTICS
AND FULFILLMENT



03. FINANCING AND
ELECTRONIC PAYMENTS

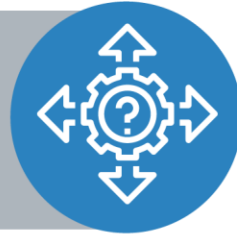


04. DATA ANALYTICS
AND BUSINESS INTELLIGENCE



05. TECHNOLOGICAL PLATFORM
DEVELOPMENT

A. DIFFERENTIATION
An exclusive offer with strong positioning,



Sybilla BASEMENT  **AMERICANINO**

FASHION

B. CONVENIENT PROPOSITION
High quality / price relationship,



BauKer.  **UBERMANN** 

HOME IMPROVEMENT

C. PROFITABILITY
Stronger margins



 **TOTTUS**  **PRECIO uno**

FOOD

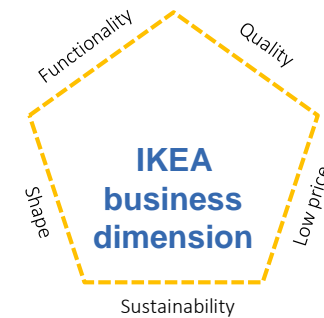
Opportunity to partner with a well-known home furnishings retailer with a strong private brand portfolio

Continuously adapting to meet emerging trends

Focused on providing a democratic design, delivering quality products at affordable prices

Emphasis on the design, not the designer

IKEA business dimension



PARTNERSHIP TO DEVELOP AND OPERATE STORES AND E-COMMERCE IN CHILE, PERU & COLOMBIA

STRATEGIC FOCUS



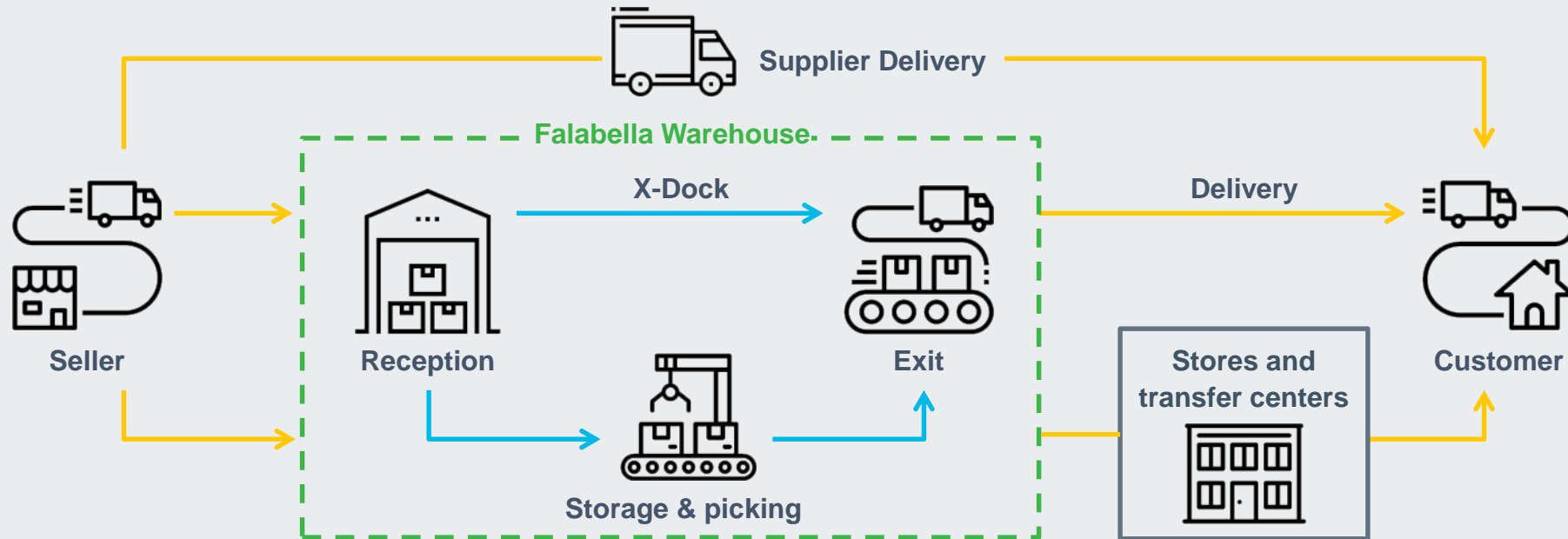
SERVING CUSTOMERS AND THIRD PARTIES



FOCUSING ON LAST MILE
In-house tracking system



STRENGTHENING INFRASTRUCTURE





FRAUD
MANAGEMENT



MERCHANT
FINANCING



TRANSACTION
TRACKING



PAYMENT
RECONCILIATION



ONE-CLICK
PAYMENTS



FINANCIAL
PRODUCTS



LOYALTY
PROGRAMS



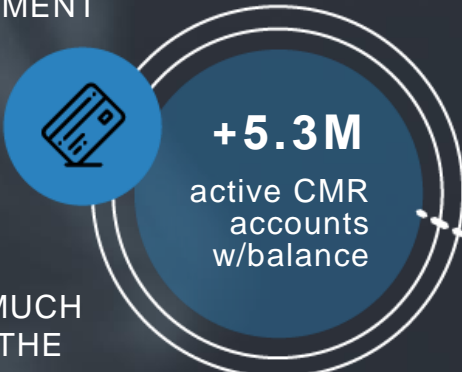
INSURANCE



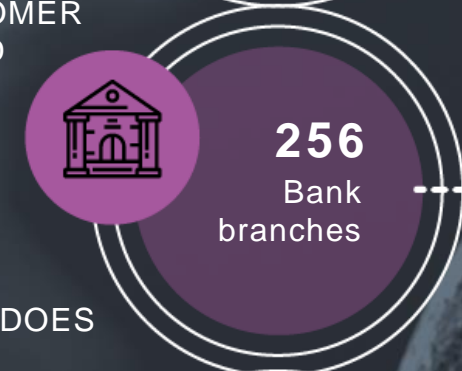
We seek to build an open platform with tools for our customers, merchants and marketplace

LEVERAGE ON OUR CUSTOMER KNOWLEDGE UNDERPINNED BY THE DEVELOPMENT OF BUSINESS INTELLIGENCE

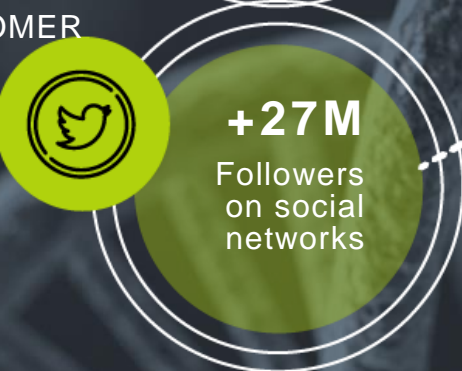
MEANS OF PAYMENT



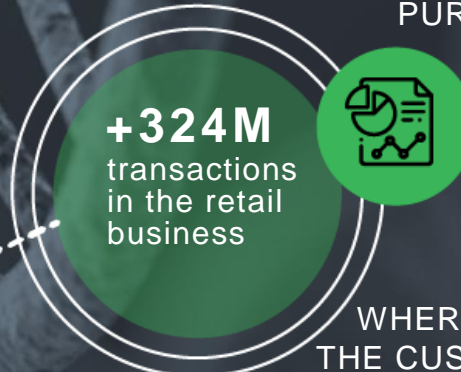
HOW MUCH DOES THE CUSTOMER SPEND



WHAT DOES THE CUSTOMER LIKE



WHEN DOES THE CUSTOMER PURCHASE



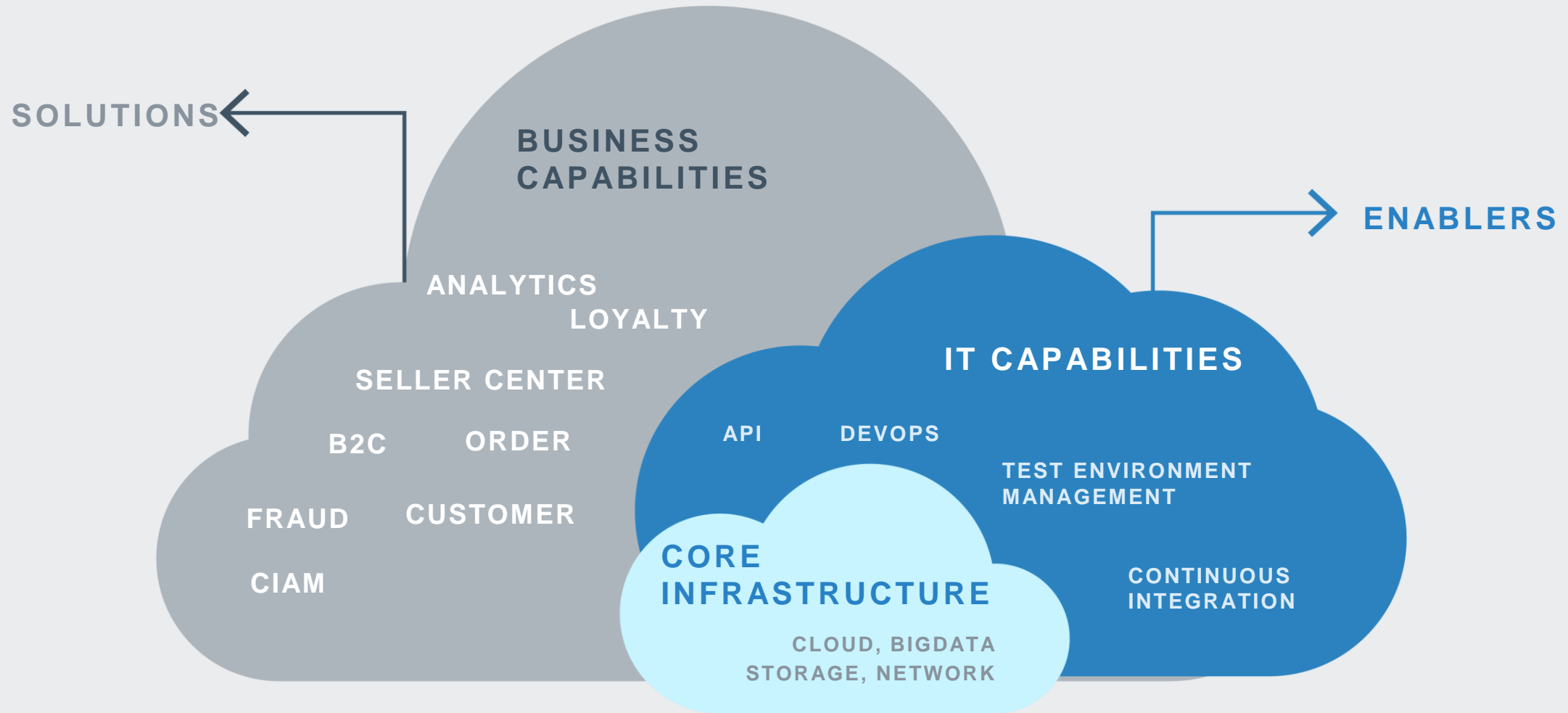
WHERE DOES THE CUSTOMER PURCHASE



WHAT DOES THE CUSTOMER BUY



Source: Company Filings
Note: All main figures as of December 2017; except for million active CMR cards and bank branches, which are as of June 2018



Supported by a cybersecurity framework that strives to meet the highest global standards



ONE FALABELLA TEAM

Exceed
customers'
expectations



Make things
happen



Meritocracy



Purposeful
actions



01.



GREAT OPPORTUNITY IN LATIN AMERICA

02.



UNIQUE ASSETS AND CAPABILITIES

03.



PROVEN TRACK RECORD OF EXECUTION

04.



ATTRACTIVE AND CONSISTENT BUSINESS PLAN

05.

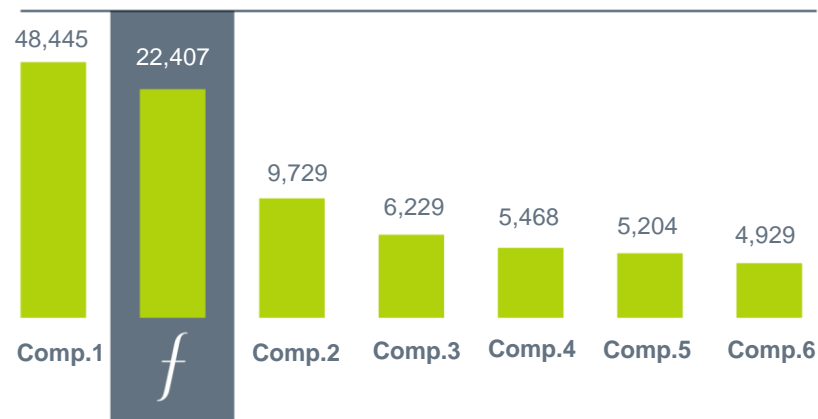


SUPPORTED BY A DETERMINED AND COMMITTED TEAM

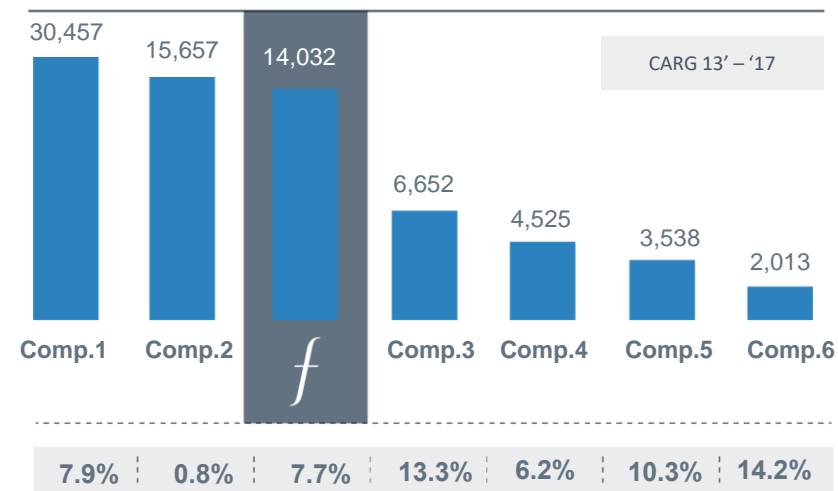


Appendix

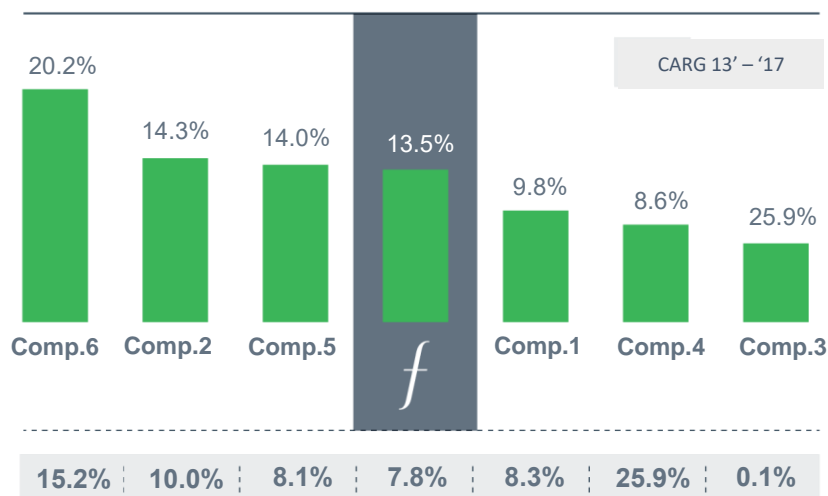
● MARKET CAPITALIZATION (US\$M)



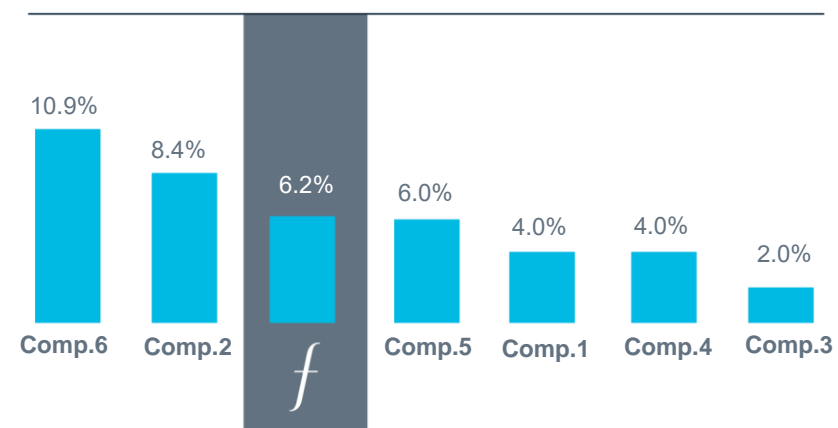
● REVENUES LTM2Q18 (US\$M)



● EBITDA MARGIN LTM2Q18 (%)



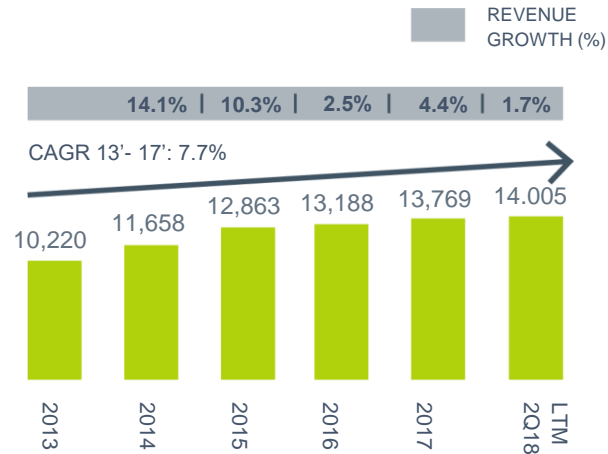
● NET INCOME MARGIN LTM2Q18 (%)



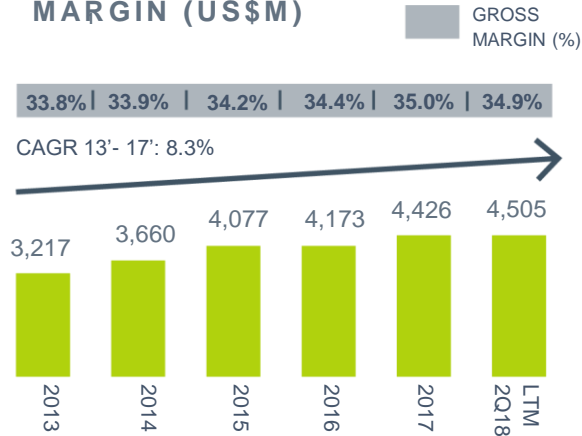
Source: Bolsa de Comercio de Santiago, Bloomberg and Capital IQ as of September 11, 2018
 Note: Falabella market capitalization as of June 30th, 2018, as is shown in Offering Memorandum. All dollar figures are calculated based on the observed exchange rate as of July 3, 2018 (651.21 CLP/US\$, 19.46 MEX/US\$, 3.89 BRL/US\$)



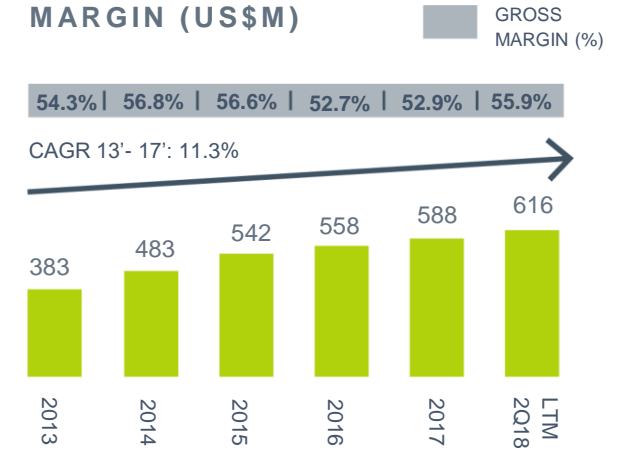
REVENUES (US\$M)



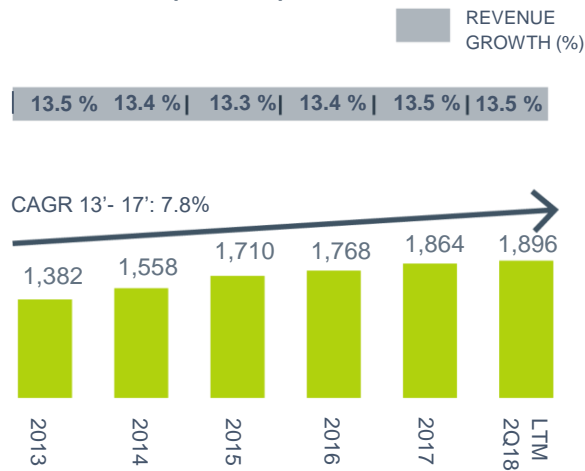
NON BANKING GROSS MARGIN (US\$M)



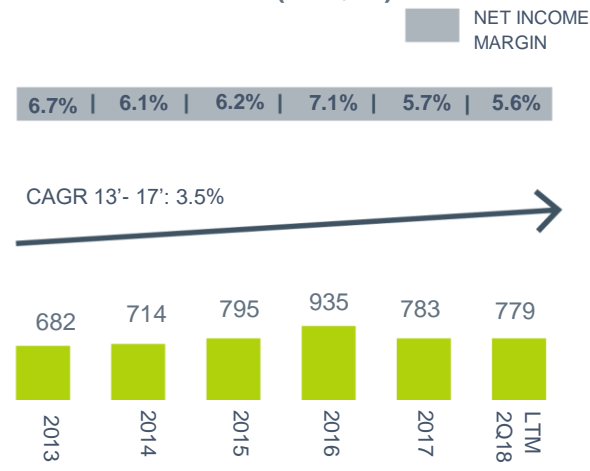
BANKING GROSS MARGIN (US\$M)



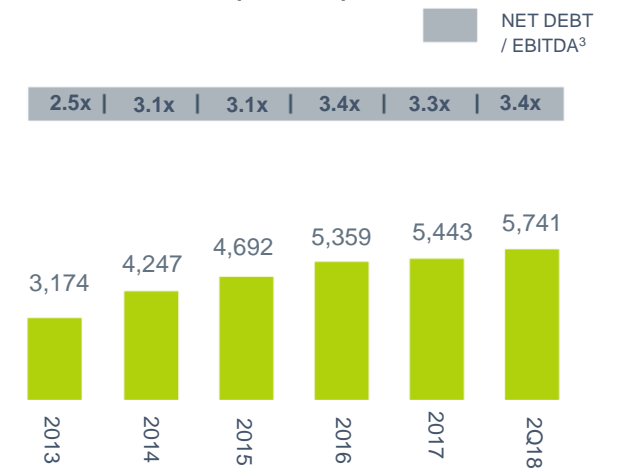
EBITDA (US\$M)



NET INCOME² (US\$M)



NET DEBT (US\$M)



Source: Company filings

Note: All dollar figures are calculated based on the observed exchange rate as of July 3, 2018 (651.21 CLP/US\$)

¹ Excludes financial operations; ² Considers Net income attributable to owners of the parent company; ³ Net debt / EBITDA without banking operations

The following table sets for the reconciliation of our total net income (retail) to our retail EBITDA for each of the periods presented:

	Six months ended June 30,			Year Ended December 31,			
	2018	2018	2017	2017	2017	2016	2015
	(US\$ in millions)	(Ch\$ in millions) (unaudited)		(US\$ in millions)	(Ch\$ in millions)		
Total net income (retail)	354	230,433	227,629	738	480,410	594,669	479,755
(-) Other gains (retail)	(3)	(1,794)	1,141	9	5,689	160,726	33,749
(-) Financial income (retail)	23	15,183	6,733	25	16,197	15,268	33,869
(-) Financial costs (retail)	(145)	(94,444)	(94,546)	(302)	(196,455)	(207,569)	(174,033)
(-) Exchange differences (retail)	(9)	(5,827)	(840)	(1)	(466)	3,637	(18,209)
(-) Income in indexation units (retail)	(18)	(11,645)	(10,918)	(27)	(17,264)	(26,088)	(33,455)
(-) Depreciation and amortization (retail)	(222)	(144,546)	(129,860)	(410)	(267,008)	(245,379)	(228,159)
(-) Equity interest in profits (losses) of associates and joint ventures accounted for using the equity method (retail)	6	4,036	7,104	23	15,279	21,248	25,272
(-) Income tax (retail)	(98)	(64,039)	(69,582)	(246)	(159,921)	(148,580)	(134,096)
Retail EBITDA	819	533,509	518,397	1,665	1,084,359	1,021,405	974,815



Mergers and Acquisitions

On October 9th, the *Superintendencia de Bancos e Instituciones Financieras* of Chile approved the integration of Banco Falabella and CMR operations. This integration will generate important synergies resulting from additional income from the accelerated growth, efficiencies in infrastructure and technology, and the speed up of digital transformation

On August 30th, the acquisition of the 35% stake that the Company did not own of Construdecor (Sodimac Brazil) was made effective. As of the date, 100% of the net income of Construdecor will be consolidated on SACI Falabella's net income, negatively affecting the Company's results for 3Q18

Linio's operation will be consolidated on the Company's 3Q18 Financial Statements and reported under Other, Eliminations and Annulments, negatively affecting the Company's results for the quarter

Organic Growth

New store openings:

- Sodimac Izcali, Mexico
- Falabella Tunja, Colombia
- Hiperbodega Precio Uno Ica, Perú
- Sodimac Independencia, Chile
- Sodimac Adrogué, Argentina

New Mall Opening:

- Manizales, Colombia

Follow-on

On August 17th the Comisión para el Mercado Financiero (CMF) recorded that Los Olivos S.A. would be the only shareholder participating in the simultaneous and synchronized secondary offering to be held together with the capital increase, selling 21,000,000 shares

On August 20th, the Extraordinary General Shareholders Meeting approved a capital increase for 84.3 million shares, where the controlling shareholders will subscribe US\$ 100 MM

On September 28th the CMF authorized the Company to issue 84.3 million new ordinary shares

On October 4th, the Company received a letter from the Controlling Shareholders stating that they will voluntarily extend their lock-up period to 180 days after pricing

Accounting Policy

The adoption of IFRS 9 will significantly increase the level of provisioning required by the banking business during the 3Q18

Sustainability

S.A.C.I. Falabella was selected as part of the Dow Jones Sustainability Index World, MILA and Chile