

Falabella's online NMV grew 46% in 2Q19

- *Meanwhile, in the financial business, the sale of products through digital channels grew 28%, reaching US\$ 338 million.*
- *The company posted profits of US\$ 145 million and EBITDA of US\$ 465 million.*

Santiago, August 27th, 2019. Falabella's online channel continues to grow steadily: during the second quarter of the year, the net merchandise value (NMV) of the company's online ecosystem reached US\$ 339 million, 46% more than in the same period in 2018.

The above is explained by sales of Falabella.com (US\$ 238 million), Sodimac.com (US\$ 49 million), Tottus.com (US\$ 7 million) and Linio, which contributed an NMV of US\$ 45 million. The positive performance of e-commerce sites was driven by a 33% increase in the number of orders across the segment, which in turn was boosted by Cyber Day in Chile, where the number of Falabella.com orders grew 51%. On the other hand, Linio's NMV registered a 31% increase with respect to the same period last year.

Gaston Bottazzini, CEO Falabella, explained that "we are working to consolidate our strategy and build a digital and physical ecosystem, strengthening the transversal capacities of the different business units".

He added that "the response of the clients to our omnichannel proposal has made us happy and optimistic. Falabella.com grew strongly again during Cyber Day in Chile, consolidating our leadership. We continue to strengthen our ecosystem with a strong focus on developing the technological capabilities that will allow us to scale faster".

The digital channel of the financial business also continued to strengthen. Online product sales grew 28%, reaching US\$ 338 million and representing 35% of total sales. Likewise, the consolidated loan portfolio as of June 2019 amounted to US\$7,598 million, 6% more than the same period of the previous year, highlighting the growth of Banco Falabella in Chile and Colombia.

2Q19 results

EBITDA for the period was US\$ 465 million, an increase of 3% compared to 2Q18. Profit for the period was US\$ 145 million, 23% less than in the same period of 2018.

At the same time, the company recorded consolidated revenues of US\$ 3,437, 2% more than in the same period of the previous year. Excluding the exchange rate effect, Falabella's consolidated revenues grew 4%.

The results were especially impacted by the weakness of consumption in Chile. Likewise, the lower dynamism during the first half of the year due to the high levels of promotions at the industry level, put pressure on sales and margins of retail formats in Chile.

On the other hand, expenses for the period increased 4%, due to the incorporation of Linio and an increase in technology expenses. The latter were partially offset by efficiency measures in all of our operations.

In this regard, Bottazzini pointed out that "we are making investments to make our operations more efficient, in order to continue strengthening the capacities that complement the unique assets that we have in the Region. Our store network continues to be the preferred option for our customers to withdraw their purchases online. We continue to expand cross Click&Collect spots, which to date number more than 80 across the Region, and continue to incorporate new technology to enhance our customers' experience.

About Falabella

Falabella is present in Chile, Peru, Colombia, Argentina, Brazil, Uruguay and Mexico, through five business units (department stores, home improvement, supermarkets, real estate and financial services). At the end of December, the company operated 504 stores and 42 shopping centers in Latin America. The company is part of the Dow Jones Sustainability Index (DJSI World), which brings together the leading companies in responsible growth efforts at the international level. It was also selected in the DJSI Emerging Markets, DJSI Chile and the newly created DJSI MILA indexes. More information at investors.falabella.com.