

# CENCOSUD

CORPORATE PRESENTATION

Fourth Quarter 2022



# 01. About Cencosud

**+55**

Years of history

**1,448**

Retail Stores

**3.68 million sqm**

Sales Area

**+122 thousand**

Employees<sup>(1)</sup>

**67**

Shopping Centers

**2.25 million sqm**

GLA leased to Tenants

*IPO 2004*

**US\$ 4.67 bn**

Market Cap Cencosud<sup>(2)</sup>

Free Float: 45.0%

*IPO 2019*

**US\$ 2.67 bn**

Market Cap CencoShopp<sup>(2)</sup>

Free Float: 27.7%

**+5,5 million sqm**

of land bank

## Business Units



Supermarkets



Home Improvement



Department Stores



Shopping Centers



Financial Services

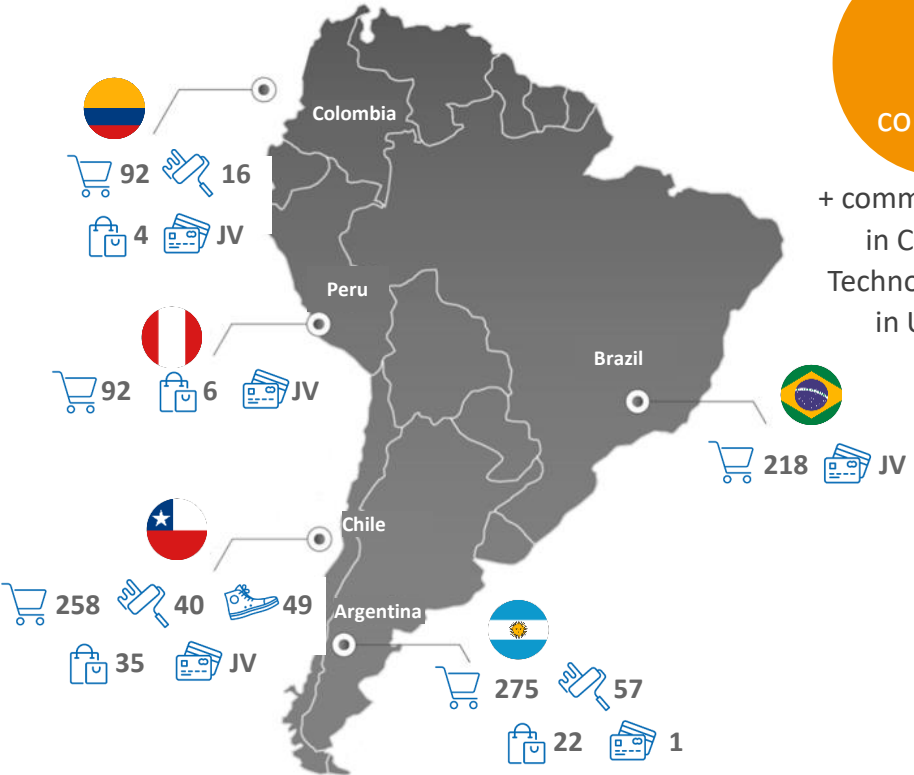


**Supermarkets  
Cencosud's DNA**

<sup>(1)</sup> Considers the incorporation of employees from The Fresh Market and GIGA Atacado. <sup>(2)</sup> As of December 31, 2022.

# 02. Presence Across the Region<sup>(1)</sup>

## LATAM



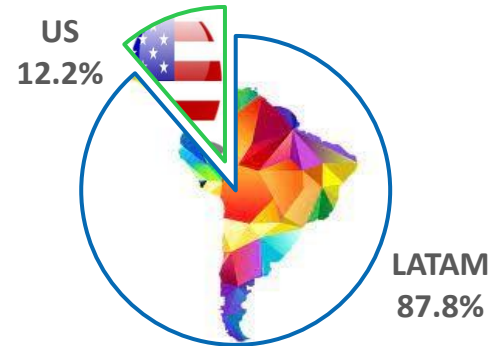
**6**  
countries

+ commercial office  
in China and  
Technological Hub  
in Uruguay

## United States

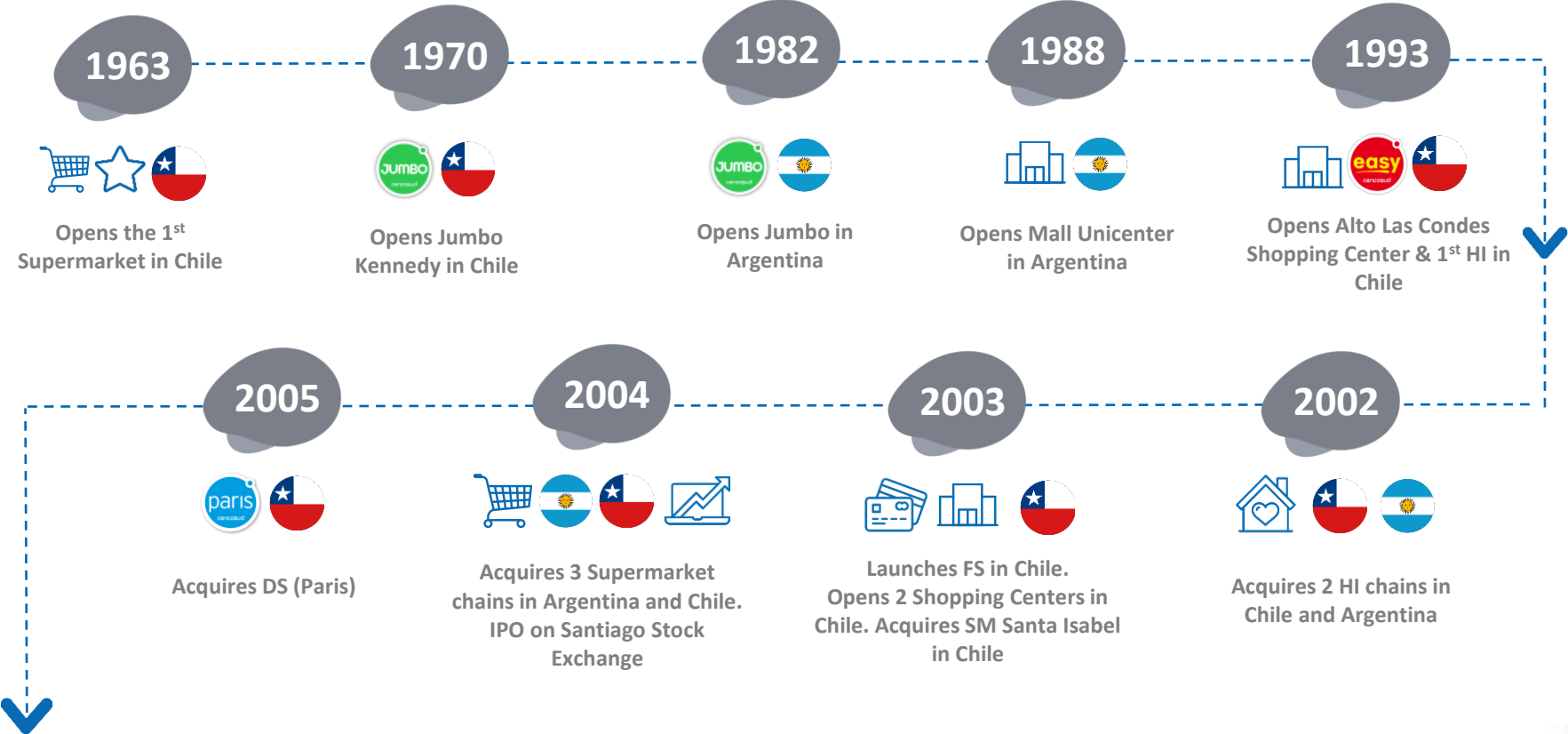


## Revenue Breakdown<sup>(2)</sup>

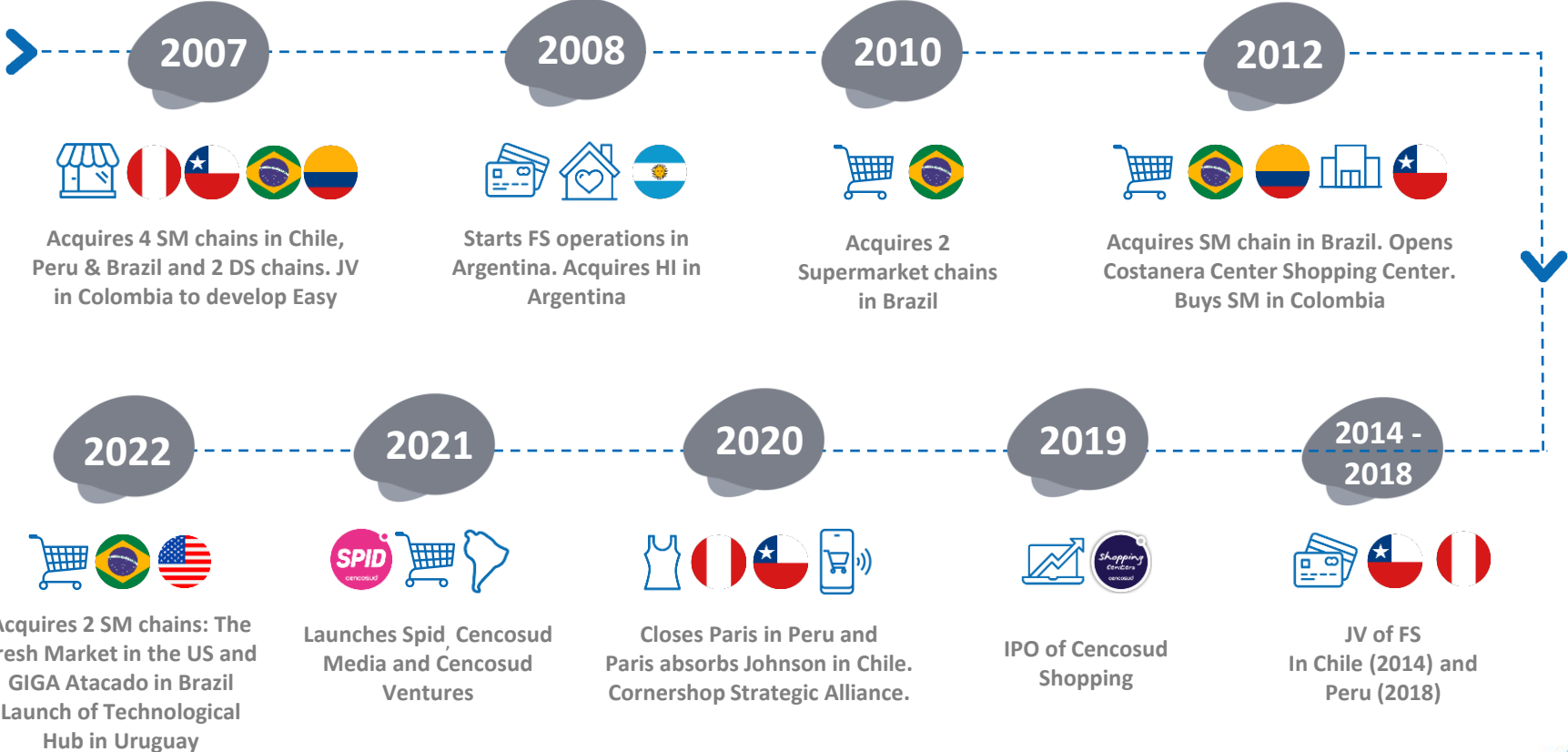


<sup>(1)</sup>The Retail stores shown in the image do not include "Others" (191 additional stores – 37 in Colombia and 154 in Brazil). The Other category includes Pharmacies, Service Stations, Delicatessen and Electroshow. <sup>(2)</sup> Revenue breakdown as of 4Q22.

# 03. Cencosud's History...



# 04. ...Cencosud's History



# 05. Highlights 2022

## Opening #HubCenco!

Cencosud has inaugurated **#HubCenco**, a new and modern workspace designed with **high standards of architecture and technology**. The space boasts green, organic, and sustainable environments, providing employees with a comfortable and environmentally-friendly workplace.

## Digital Advances

In 2022, the Company continued to enhance its digital capabilities, undertaking several noteworthy initiatives, including:

- The development of the new Santa Isabel App.
- The improvement in the usability of its web platforms throughout the region.
- The development of the App Mi Local, which assists store staff in managing the quantity and distribution of stock
- Easy joined Paris.cl Marketplace, expanding the Company's digital capabilities.

## Acquisitions

In 2022, the Company completed the acquisition of two new supermarket chains: **The Fresh Market** in the United States and **GIGA Atacado** in Sao Paulo, Brazil.

## Upgrade Fitch Rating to 'BBB' from 'BBB-'

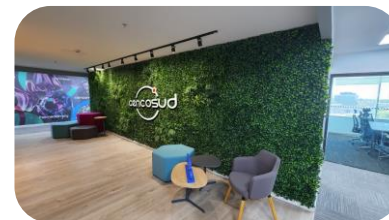
Fitch Ratings improved Cencosud's risk rating to **'BBB'** from **'BBB-'** with a stable outlook. This rating upgrade represents a one-notch improvement to Investment Grade, which was achieved for the first time in Cencosud's history.

## Improvement in the DJSI and MSCI indices

Cencosud **improved its rating in the DJSI**, placing in the **top 6% of the world's most sustainable food retailers**, while in the MSCI ESG Index, Cencosud improved from a 'BB' to a 'BBB' rating.

## New Technology Hub in Uruguay

As part of its overall strategy for business growth and diversification, Cencosud opened a new Center for **Technology, Digital, and Innovation** in Uruguay to develop and accelerate its digital ecosystem.



# 06. Organic Growth 2022

| Year 2022               | Chile  |        | Argentina |       | Brazil |       | Peru   |        | Colombia |       | Total | Sqm    |
|-------------------------|--------|--------|-----------|-------|--------|-------|--------|--------|----------|-------|-------|--------|
|                         | Stores | Sqm    | Stores    | Sqm   | Stores | Sqm   | Stores | Sqm    | Stores   | Sqm   |       |        |
| Openings                | 12     | 24,125 | 2         | 4,258 | 20     | 6,311 | 1      | 129    | 2        | 756   | 37    | 35,578 |
| Closures <sup>(1)</sup> | 1      | 3,012  | 8         | 6,493 | 4      | 2,633 | N.A.   | N.A.   | N.A.     | N.A.  | 13    | 12,139 |
| Transformations         | 2      | 2,331  | N.A.      | N.A.  | 2      | 7,059 | 4      | 11,381 | 1        | 4,848 | 9     | 25,619 |
| Remodelings             | 45     | N.A.   | 33        | N.A.  | 14     | N.A.  | 8      | N.A.   | 22       | N.A.  | 122   | N.A.   |

**9**  
Transformations

**122**  
Remodelings

**37**  
Openings

**100%**  
Compliance

With 2022 Openings  
Guidance

<sup>(1)</sup> Considers 2 temporary closures

# 07. Inorganic Growth 2022

## Acquisitions

During 3Q22, the acquisition of two new supermarket chains was completed: **GIGA Atacado** and **The Fresh Market**.

| GIGA Atacado |                            | The Fresh Market |                           |
|--------------|----------------------------|------------------|---------------------------|
| Acquisition  | ~US\$100 million           | Acquisition      | US\$682 million           |
| Stores       | 10 + 1 Distribution Center | Stores           | 160 stores (in 22 states) |



Sao Paulo, Brazil

+ 1 new GIGA store in 4Q22



East Coast, United States



# 08. Why invest in Cencosud?



# 09. Value Distribution

## GENERATED ECONOMIC VALUE

**7,340,400**  
Tenant Sales Shopping Center

**18,971,485**  
Revenues from operating activities<sup>(1)</sup>

**70,189**  
Financial Income

**10,801**  
Income from participation in other companies

## DISTRIBUTED ECONOMIC VALUE

**15,543,482**  
Payments for operating activities<sup>(2)</sup>

**1,798,017**  
Salaries and benefits to our team

**420,992**  
Creditors Payment

**427.560**  
Dividends Payment

**376,981**  
State Payments

### HIGHLIGHTS LTM 4Q22

Distribution of value  
in Cencosud  
(USD thousand)

<sup>(1)</sup> Includes Revenues from Sales and other charges for operating activities. <sup>(2)</sup> Includes Payments to suppliers and other payments for operating activities.

# 10. Strategic Pillars of the Company



**01**

**Financial  
Strengthening**

**02**

**Innovation & New  
Trends**



**04**

**Talent  
Development**



**03**

**Organic &  
Inorganic Growth**



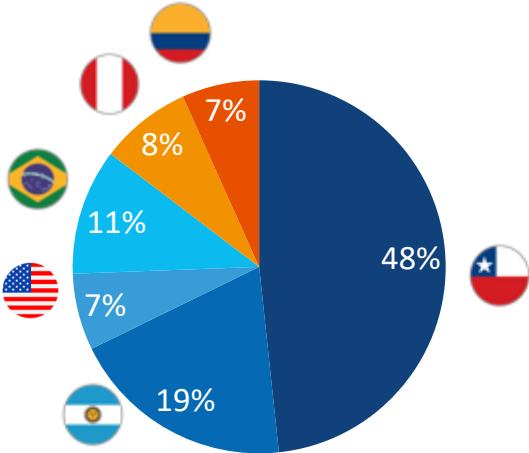
**05**

**ESG**



# 11. Geographical Diversification<sup>(1)</sup>

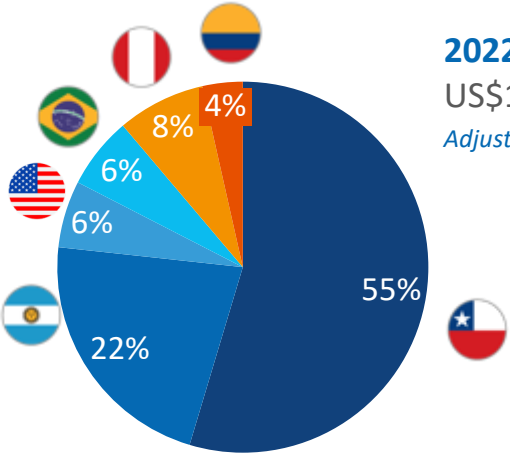
**2022 Revenues**  
US\$16.3 bn



**2022 Adj. EBITDA**

US\$1.8 bn

*Adjusted EBITDA Margin : 11,1%*



**United States**  
represented during  
4Q22<sup>(2)</sup>:

**11.3%**  
Revenues

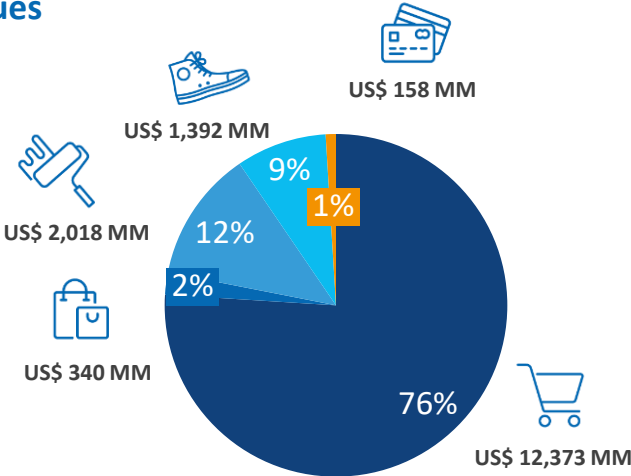
**8.7%**  
Adj. EBITDA

**of the total consolidated**

<sup>(1)</sup> For calculation details, see slides 23 and 24. <sup>(2)</sup> Excluding the 4Q22 one off, the US represents 12.8% of the total Adjusted EBITDA of the Company.

# 12. Financial Contribution by Business Units <sup>(1)</sup>

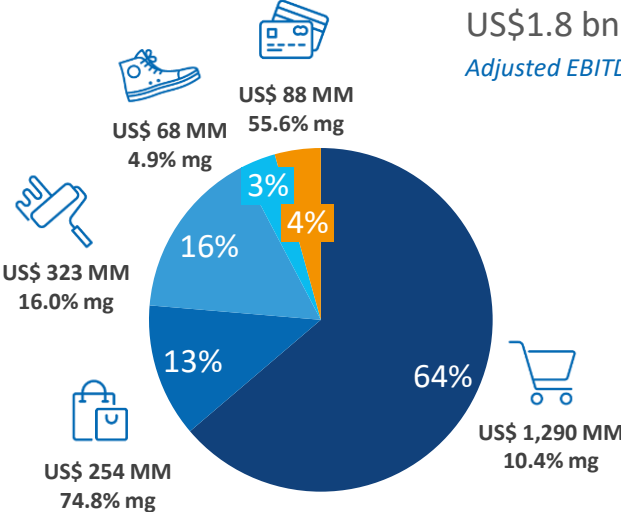
2022 Revenues  
US\$16.3 bn



2022 Adj. EBITDA

US\$1.8 bn

Adjusted EBITDA Margin : 11,1%



## PORTFOLIO OF RECOGNIZED BRANDS

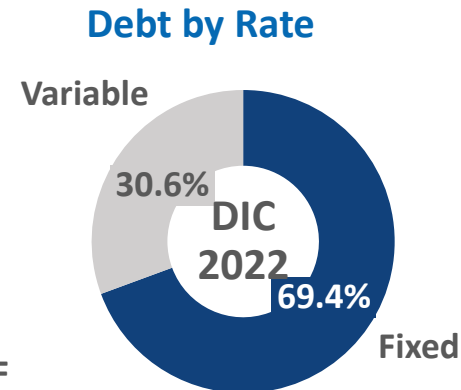
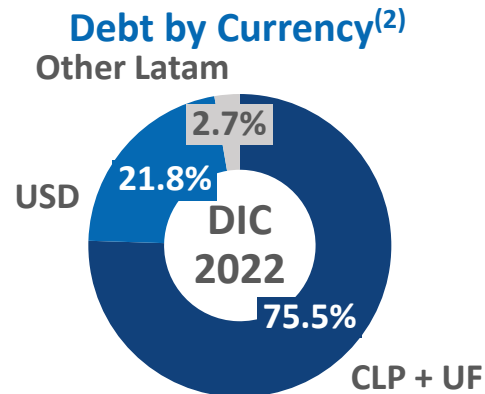


<sup>(1)</sup> For calculation details, see slides 23 and 24.

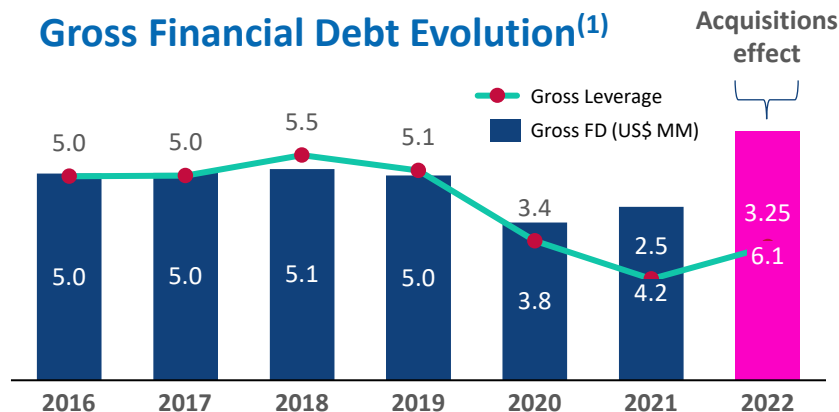
# 13. Healthy Financial Structure

## Relevant News

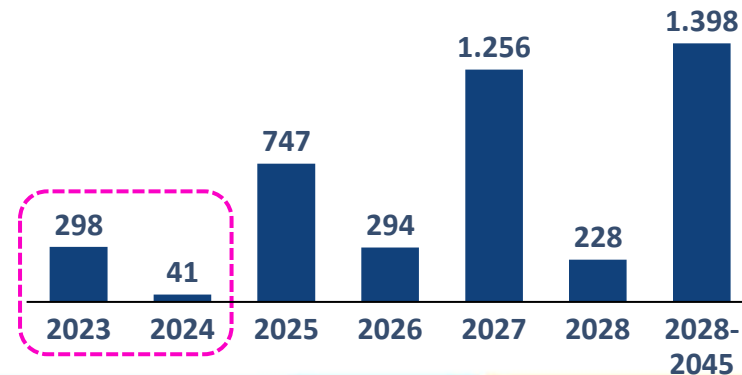
- Investment Grade since 2011:
  - Fitch Ratings: BBB (stable)
  - Moody's: Baa3 (positive)
- Average annual amortization of US\$170, million for the next 2 years.
- As of December 31, 2022, the Company's **cash position is US\$956 million** (including current and non-current assets).



## Gross Financial Debt Evolution<sup>(1)</sup>



## Debt Amortization Schedule (US\$ million)



<sup>(1)</sup> Does not include One Off of the period and Others. <sup>(2)</sup> After CCS and other hedges.

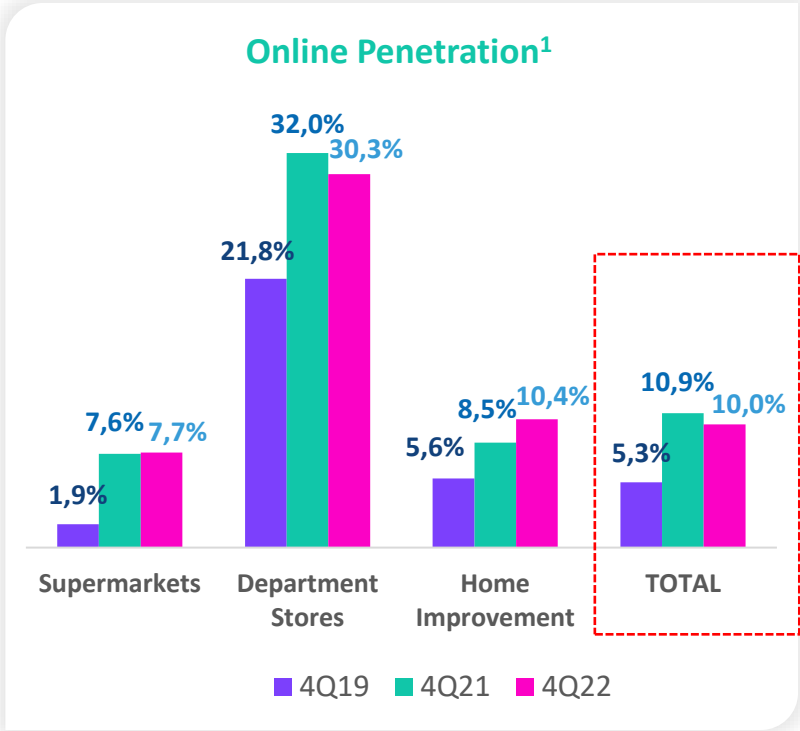
# 14. Omnichannel Strategy

Shopping Service

Customer Experience

Profitability

- Marketplace launch;
- Improve unique product offering;
- Develop hyper-personalization tools;
- Provide a money-back guarantee;
- Benefit from economies of scale;
- Investment in technological developments; and
- Deepen the ability to generate, handle and process data.



<sup>1</sup> Includes Cornershop.

# 15. Productivity and Efficiency

## Retail Services Model GLOBAL SERVICE CENTER

Model created to optimize Retail processes



### Goals



Efficiency and Continuous Improvement



Closeness to the Business



RPA Monitoring



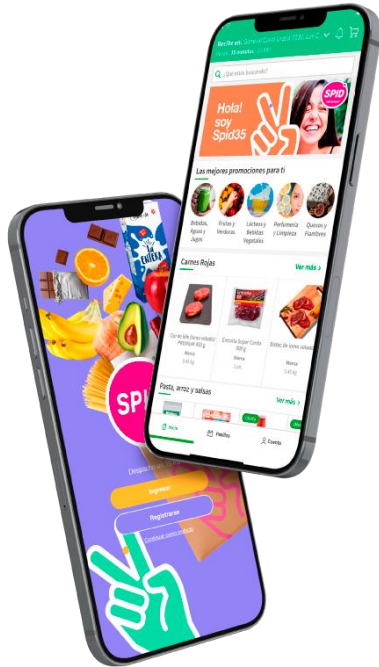
Digital Retail Services

### Achievements

- Process automation represents: **1 million hours automated<sup>(1)</sup>**
- Average Annual Savings: **US\$ 9 million**
- Initiatives completed: **+300**
- Other Initiatives: **+600 initiatives in Pipeline**

<sup>(1)</sup> From 2017 to date

# 16. Productivity and Efficiency (cont.)



## Big Data Analytics

- Creation of the Jumbo Prime Subscription model;
- Initiatives that improve the customer experience based on personalized recommendations;
- Early prediction of inventory stock-outs to improve the digital experience;
- Price Optimization Projects for inventory management and promoting commercial divisions;
- Operational Efficiency Projects based on advanced analytics algorithms.
- Scan&Go with the Paris.cl App, optimizing the customer experience from the purchase in the store without going through the checkout.



## Optimization and Profitability

- Format changes from Supermarket to Cash&Carry;
- Optimization of the Supermarket business by adding Home Improvement stores in Colombia and Argentina;
- Developing the SPID format throughout the region.
- Launch of “Mi Local” App (logistics efficiency and distribution of in-store products for employees).

# 17. Productivity and Efficiency (cont.)



## Regional Procurement & Private Label

- In the current quarter:



**Growth:** Sales increased 53.4% YoY, reaching US\$727 million.



**Relevance:** +247 bps growth in participation over total sales reaching 16.3%.



**Profitability:** Remains more profitable than other categories, both in food and non-food.

The Company created a **regional purchasing team** in order to have **greater availability of products** out of season.

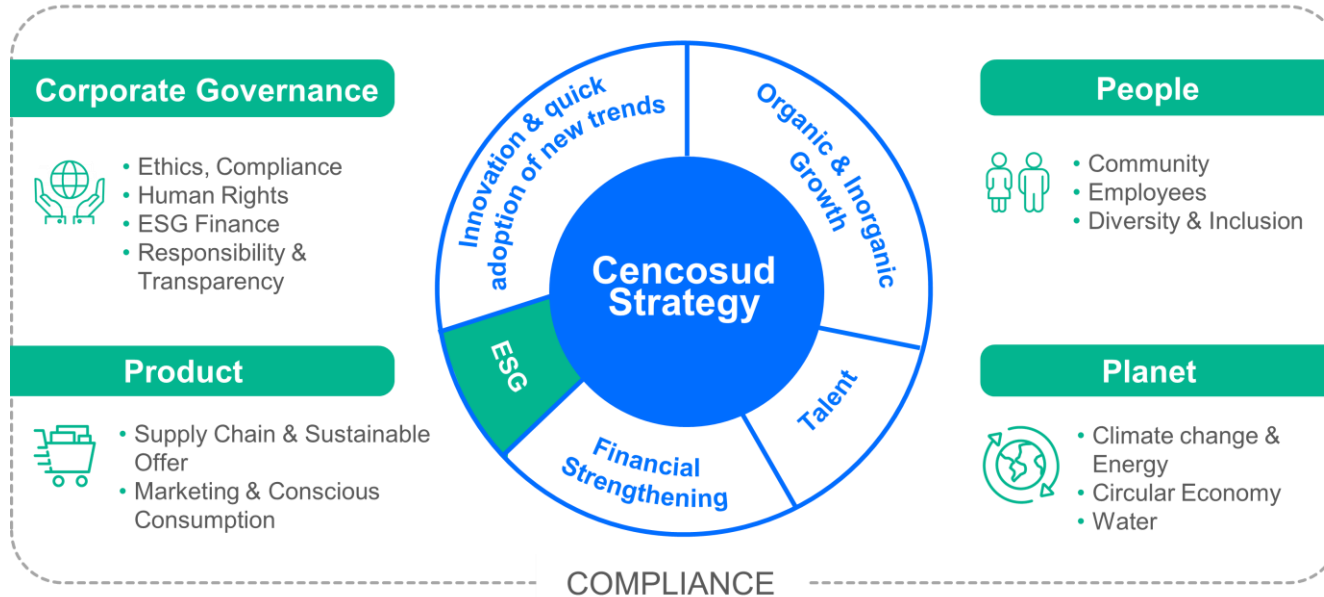
| <i>Private Label Penetration</i> | Total        |              |
|----------------------------------|--------------|--------------|
|                                  | 4Q22         | 4Q21         |
| Chile                            | 16.6%        | 16.3%        |
| Argentina                        | 11.9%        | 12.0%        |
| United States                    | 33.6%        | -            |
| Brazil                           | 3.5%         | 3.7%         |
| Peru                             | 17.7%        | 17.7%        |
| Colombia                         | 8.1%         | 7.2%         |
| <b>TOTAL</b>                     | <b>16.3%</b> | <b>13.9%</b> |



## Technology & E-commerce

- Take the Company to the next level, more agile, dynamic, enabled, and supported by the best technologies, including infrastructure, architecture, digital products, and analytics.
- Creation of CencoTech: Area that encompasses 7 departments associated with technology, which seeks to promote a new way of doing business, being part of the development and acceleration of digital business in conjunction with our digital culture.

# 18. Sustainability



- **Code of Ethics** reviewed annually
- **Board of Directors and Employees** trained in issues related to **ethics**. More than **100,000 people** trained in **ethics and sustainability** issues
- **Code of Ethics and Conduct** signed by all employees
- **Independent hotline** for reporting inappropriate business behavior

# 19. ASG Highlights 2022<sup>(1)</sup>



## Corporate Governance

- **Merco 2022 Ranking:** of the top 100 leaders with the best corporate reputation, recognized both Heike Paulmann, Chairman of the Board, and Matías Videla, CEO of the company.
- **1st place Marcas Corporativas:** Cencosud achieves first place in the corporate brand category, studying citizen brands of Cadem. Jumbo reaches position number 16, and Santa Isabel is at position 38.
- **1st place Marcas Corporativas:** The survey undertaken by EY, the Santiago Stock Exchange and the Institute of Directors of Chile selected Cencosud as "Outstanding Company 2022" for demonstrating a strong commitment to incorporating best Corporate Governance practices



## Planet

- Shopping Centers in Chile operated **100% with Non-Conventional Renewable Energies**. The first shopping center to achieve this was Costanera Center.
- **Food Rescue Program:** During 2022, through the Food Rescue Program the Company has donated 550 tons of food to more than 4,800 entities.
- **Clothes x Home:** Program that seeks to transform used clothing into mineral wool to use it as insulating panels in new social housing, also contributing to reducing greenhouse gas emissions produced by landfills.

<sup>(1)</sup>For more details about our ESG initiatives, subscribe to our Sustainability Newsletter on our website.

# 20. ASG Highlights 2022<sup>1</sup> (cont.)



## People

- **Women Economic Forum:** Cencosud hosted the Women Economic Forum Chile (WEF), one of the most outstanding events in the search for initiatives for the advancement of women.
- **1st place Merco Talent:** Cencosud was recognized in the context of the Merco Talento 2022 Ranking as the best company in the holding company sector in Chile to attract and retain talent.
- **#CencoWomen Mentoring:** Cencosud has launched its first version of the #CencoWoman, a 4-months mentoring program seeking to promote an inclusive culture and create further opportunities for female development and leadership.



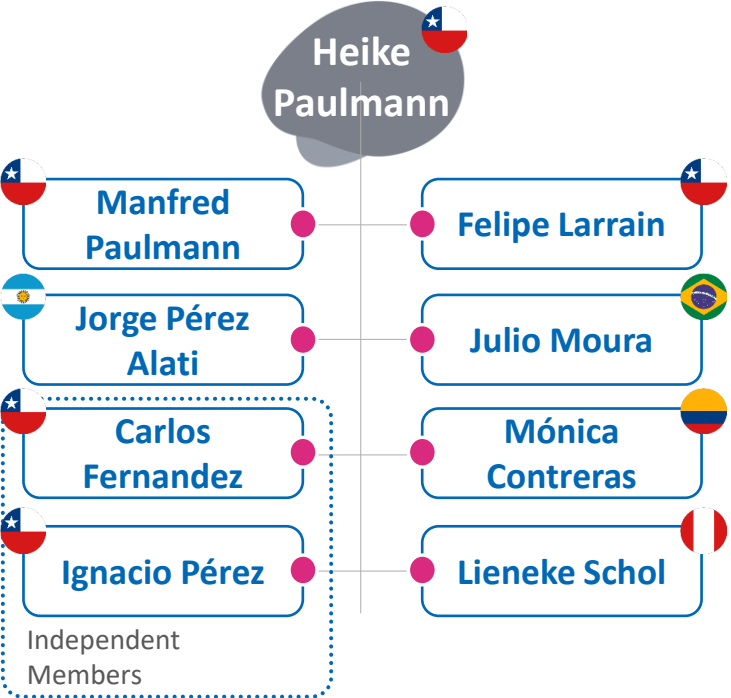
## Product

- **Paris winner of the GDSS World's Best Sustainability:** at the global summit of Department Stores, the Toy x Toy program campaign in Paris was awarded the best Sustainability initiative worldwide.
- **PXI-Praxis Xperience Index Ranking:** Jumbo was highlighted among 120 service brands for its service and quality to consumers, both in physical stores and online.
- **Jumbo Chile summons SMEs:** As part of the Our Producers program, Jumbo Chile has invited local producers and entrepreneurs to sell their products in the Supermarkets of Cencosud.
- **ProCalidad 2022 Awards for Easy, Jumbo y Paris:** Jumbo, Easy, and Paris are recognized for their quality and service in ProCalidad 2022 awards in their respective categories, standing out among more than 130 companies nationwide.

<sup>(1)</sup>For more details about our ESG initiatives, subscribe to our Sustainability Newsletter on our website.

# 21. Corporate Governance

## Board of Directors



## Organizational Structure



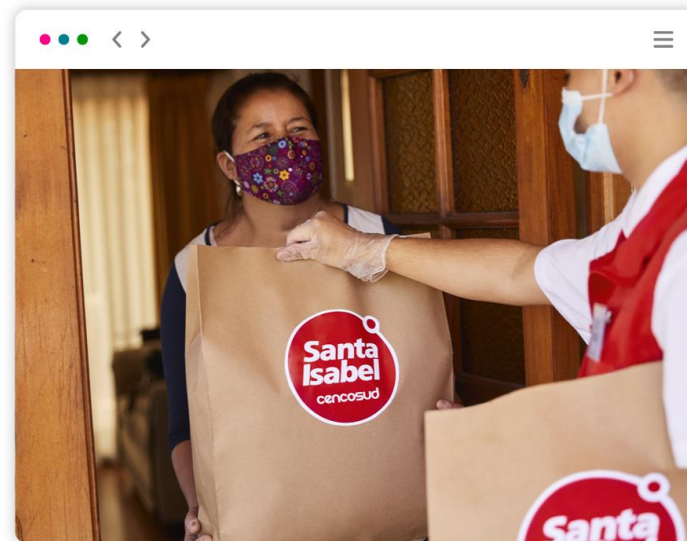
- Board – diverse composition: 5 nationalities and 1/3 are women;
- Structure organized by country, creating synergies between its businesses, thus benefiting from local knowledge with agility in decision-making.

<sup>(1)</sup>After six years, he rejoins, in 2021, as CEO of Cencosud Shopping.

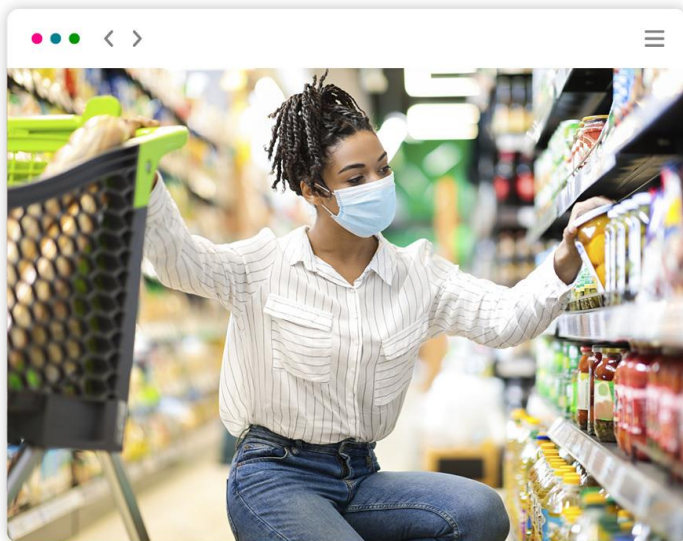
## 22. Calculation Details

For this presentation, the following exchange rates, calculations, and details were considered:

- Market cap calculated as of December 31, 2022, using a closing share price of CLP 1,395 and closing exchange rate of CLP CLP 855.86 per US\$;
- The average traded volume includes figures for 4Q22 using the closing price of the share and the monthly exchange rates of CLP 955.9, CLP 917.1 and CLP 875.7 per US\$;
- Adjusted EBITDA represents: EBITDA + exchange differences + results by readjustment units - the revaluation of assets;
- Revenues and Adjusted EBITDA converted to US\$ using the average exchange rate of CLP 809.4, CLP 840.8, CLP 926.4 y CLP 916.2 per US\$ for each quarter, respectively;
- Revenues and Adjusted EBITDA include IFRS16;



## 23. Calculation Details



- Revenues and Adjusted EBITDA charts by business exclude the other segment, which contributed US\$9 million in revenues and a loss of US\$209 million in Adjusted EBITDA;
- Revenues and Adjusted EBITDA exclude the adjustment for Hyperinflation in Argentina (IAS29). When including the effect, revenues as of December 2022 reached US\$16,218 million and Adjusted EBITDA US\$1,697 million using the average exchange rate of CLP 809.4, CLP 840.8, CLP 926.4 y CLP 916.2 per US\$ for each quarter, respectively. Argentina represents 19.1% of total revenues and 16.6% of total Adjusted EBITDA;
- US Dollar denominated debt is calculated with the closing exchange rate as of December 31, 2022. Debt includes lease liabilities due to the adoption of the IFRS16 standard. Additionally, it consists of the effect of hyperinflation in Argentina, reflecting the IAS29 standard. The amortization schedule is presented net of gains/losses obtained from derivatives, overdrafts, and foreign trade debt (excluding futures);
- Net debt presented after Cross Currency Swaps and other hedges;
- SM refers to Supermarket, FS corresponds to Financial Services, HI to Home Improvement, and DS to Department Stores, while Arg means Argentina and LC refers to Local Currency.

# 24. Disclaimer

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The logo for Cencosud, featuring the word "cencosud" in a white, lowercase, sans-serif font. The text is centered within a white circular outline that is partially open at the top and bottom. A small yellow dot is positioned at the top of the circle, and a small pink dot is at the bottom. The logo is set against a solid blue background.

cencosud

