



• The Fresh Market

• Diversification and Growth

May 2022



The Fresh Market – Leader in Fresh Foods and Specialties



The Fresh Market is a premium specialty retailer with a reputation for high-quality fresh products, curated meal offerings and an enhanced, differentiated shopping experience

- The Fresh Market is a supermarket chain founded in 1982 and headquartered in North Carolina
- The company is a premium specialty grocer focusing on organic, vegan, local produce and products, with an additional focus on ready to eat and ready to cook food (~15% of sales)



- The Fresh Market has been recognized in USA Today's 10 Best Readers' Choice polls in '21 and '22 as the #1 Customer's Best supermarket
- Newsweek and Statista have rated The Fresh Market as the #5 for best guest services in grocery in America in 2020
- Winsight Grocery Business has ranked The Fresh Market as one of the top 10 innovators in the food retail sector
- Newsweek has also ranked The Fresh Market as a top 5 trusted grocery retailer in gourmet foods and natural organic foods

The Fresh Market – Leader in Fresh Foods and Specialties

- • 160 stores (100% leased)
- Stores have an average size of approximately 21,000 square feet
- Presence in 22 states, concentrated in the states of Florida, North Carolina, Virginia and Georgia
- 10,159 employees as of October 31, 2021
 - Certified sales and customer service staff
 - 215 courses available for training



The Fresh Market – Highly Profitable Model

- - 2021 Revenues: USD 1,933 MM**
 - ~70% of total sales from perishables (~35% in traditional supermarkets)
 - ~15% from prepared food: key driver of growth and profitability
 - Online program launched in 2021 with penetration of ~5% and growing, through a partnership with Instacart**

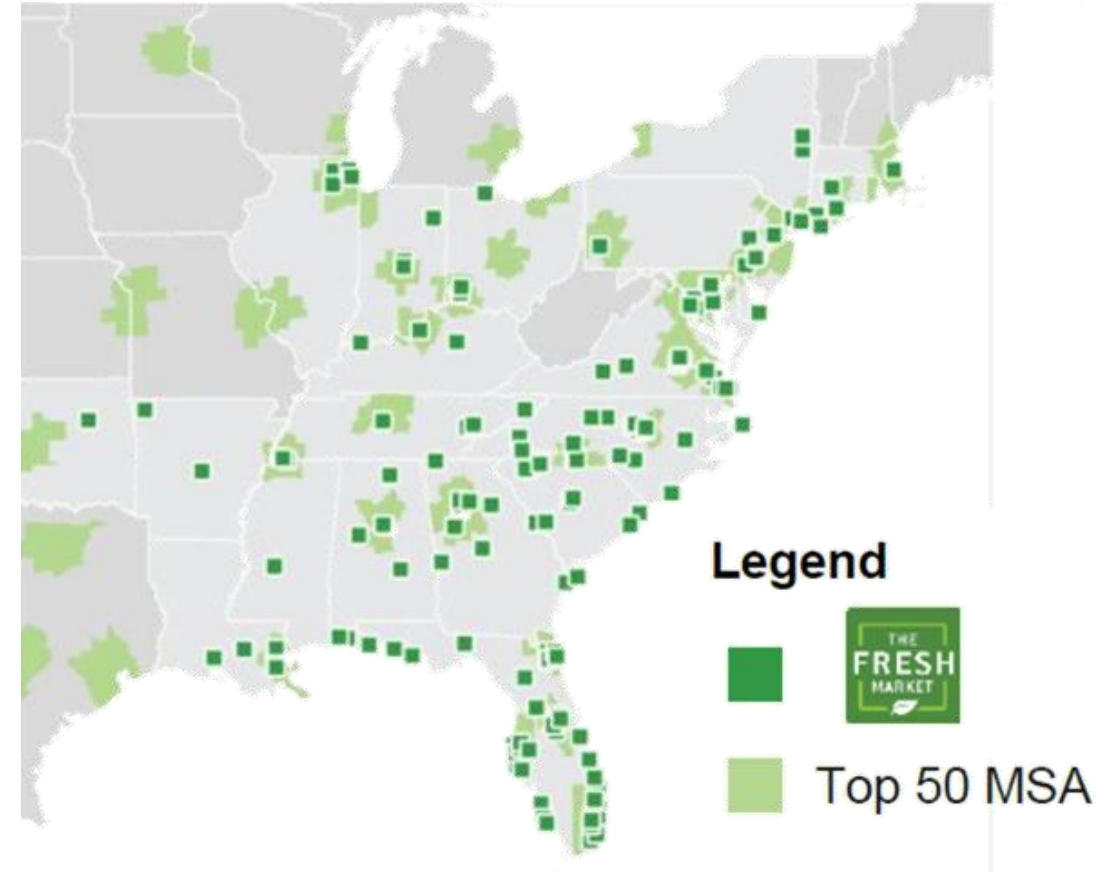


- **Gross Margin: USD 677 MM (35,0%)**
- **Adjusted EBITDA: USD 196 MM (2021)**
- **Adjusted EBITDA margin: 10.2% (2021) - USGAPP**
- **Target gross leverage: 3.0x**

The Fresh Market – Prime Locations and Growth Potential



State	Stores
Florida	47
North Carolina	21
Virginia	13
Georgia	12
South Carolina	9
Tennessee	8
Alabama	7
Louisiana	5
Pennsylvania	5
Illinois	0
Indiana	4
Maryland	0
New York	4
Ohio	4
Connecticut	3
Arkansas	2
Kentucky	2
New Jersey	2
Delaware	1
Massachusetts	1
Mississippi	1
Oklahoma	1
Total	160



Exceptional and Complementary Asset for Cencosud

> Partnership with Apollo Global Management

- **Founded in 1990 in New York**
- **Through its various funds, Apollo has a long and successful history of investing in grocery companies, including leading franchises such as The Fresh Market, Sprouts Farmers Market, Smart & Final, and Albertsons, among others**
- **Listed on the New York Stock Exchange since 2011 (APO) and currently has a market capitalization of USD 33 billion**
- **Assets under management as of 2021: USD 498 billion**
- **Provides experience and continuous strategic support**
- **Strong corporate governance with board members with recognized expertise**



Exceptional and Complementary Asset for Cencosud

> Experienced Management team will stay at The Fresh Market

- Management team with more than 30 years of retail experience in North America
- Provides strong management and extensive knowledge in the main functional areas



Jason Potter
President and CEO
Years at The Fresh Market: 2
Years Experience: 30+



Dan Portnoy
Senior VP, Chief Merchandising Officer
Years at The Fresh Market: ~3
Years Experience: 35+



Adrian Bartella
CFO
Years at The Fresh Market: <1
Years Experience: 15+



Ted Frumkin
Group Vice President, Real Estate, Development and Construction
Years at The Fresh Market: 1
Years Experience: 35+



Brian Johnson
Senior Vice President, Store Operations
Years at The Fresh Market: ~2
Years Experience: ~30



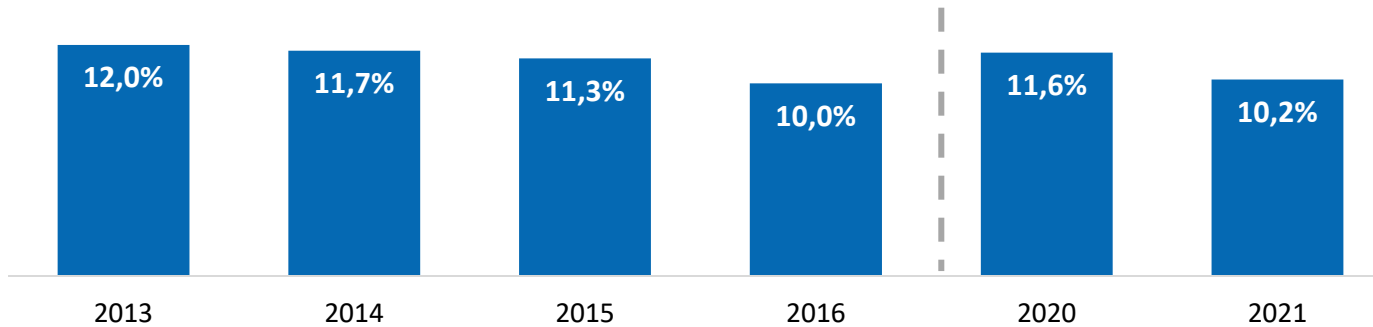
Kevin Miller
Senior Vice President, Chief Marketing Officer and Digital Strategy
Years at The Fresh Market: ~2
Years Experience: 35+



Exceptional and Complementary Asset for Cencosud

> Solid Profitability and High Growth Potential

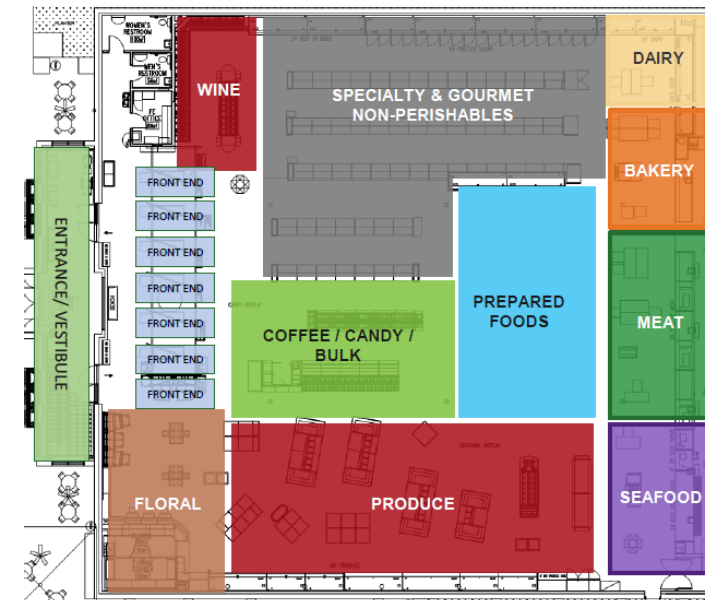
- One of two supermarket chains in the USA with a double-digit EBITDA Margin



- Potential to triple the number of stores in current geographic areas
 - Redesign of new store features, such as “in-store” restaurant
 - Target opening of 9 stores by 2023

> Strong Post-Acquisition Capital Structure

- Debt reduction to boost future growth
- Reduction of financial expense to boost FCF
- Cencosud will finance the operation primarily with its own cash



Exceptional and Complementary Asset for Cencosud



The Fresh Market vs. Restaurants

- Robust breadth and depth of high-quality foods
- Convenient, curated meal offering at an attractive price



The Fresh Market vs. Conventional Grocery

- Entirely different consumer proposition with ~71% high-quality fresh food, hard to find items, European market feel and high-touch guest service



The Fresh Market vs. Online Food

- Fresh food / perishables and true omni-channel approach



Restaurant-Quality Curated Offering Drives Top-Line Growth & Profitability

01

Ready to Eat / Heat

02

Lunch-Type Items

03

Ready to Cook

04

Meals for Special Occasions

Exceptional and Complementary Asset for Cencosud

Operational Key Figures

	Cencosud (Supermarkets)	The Fresh Market
Revenues	USD 10,768 MM	USD 1,933 MM
% perishables	40%	70%
% non-food	13%	1%
% private label	10%	26%
Ready to eat meals	1%	15%
Online sales penetration	9%	5%
Curbside pickup stores	71%	100%
Loyalty program members	15.5 MM	500 K



Transaction Overview



Purchase Price: USD 676 MM

- Cencosud invests 67% in The Fresh Market equity with cash
- The Fresh Market debt reduction of USD 265 MM
- Purchase price: 8x EBITDA



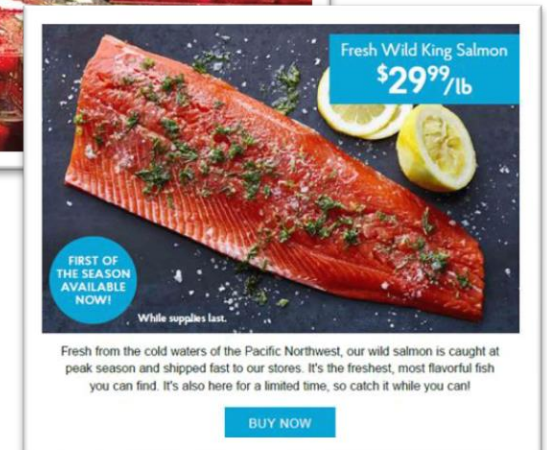
C-Suite and Apollo representatives remain

- Current ownership continues with 33% stake
- Sellers to receive USD 411 MM in the sale



Improved Balance Sheet for Growth

- The Fresh Market post-transaction net leverage of 3.0x
- Cencosud leverage post transaction reaches 3.1x



Strategic Combination

> Competitive advantages and synergies for The Fresh Market

- Negotiation of efficiencies and commercial opportunities by selling Cencosud’s best products such as Wines, Meats, Coffee, Fruits, Salmon, etc., through The Fresh Market
- Opportunity to expand the exclusive Cuisine & Co. brand in The Fresh Market stores



> Competitive advantages and synergies for Cencosud

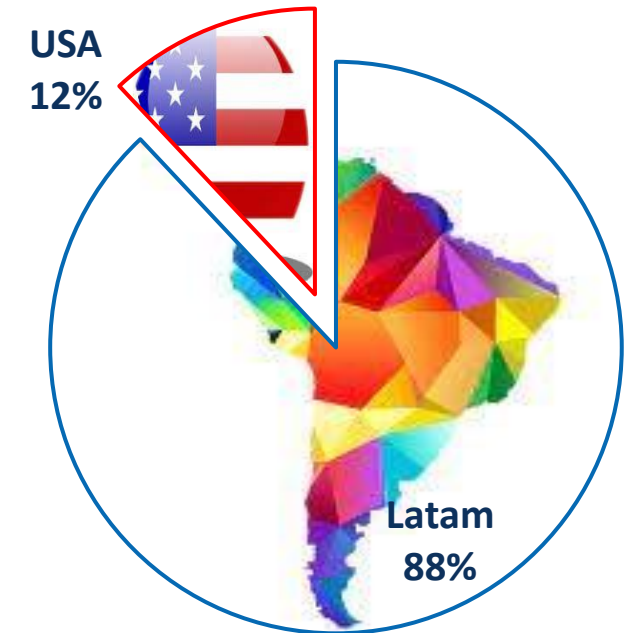
- Deepen specialization in fresh food through The Fresh Market’s high quality private-label products
- Favored access, greater negotiation power and expansion of the base of suppliers of American products: Meats, Frozen, Organic and Healthy Dishes
- Knowledge and technology for delivery processes, through Instacart, an e-commerce leader in North America
- World class visual merchandising, specialist assortment and global consumer trends
- Knowledge in logistics of fresh and frozen products
- Leader in business and operation processes
- Unique loyalty program and advanced knowledge in customer relationship management

Strategic Contribution

> Financial Benefits

- Diversify geography: 12% of Revenues and 12% Adjusted EBITDA outside of Latam
- Revenues in defensive currency (USD), offsetting fluctuations in Latam currencies
- Access to capital markets with greater depth
- Access to market with greater purchasing power
- Board of directors and administration with vast experience

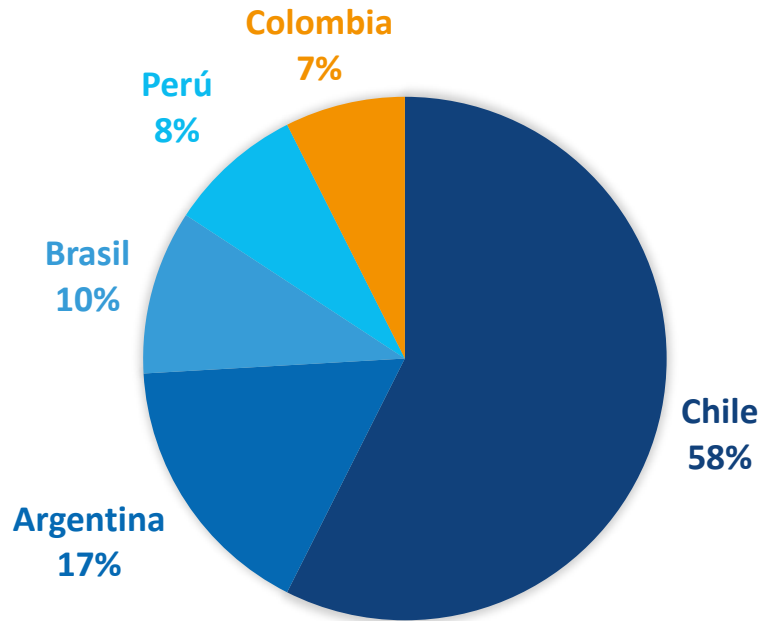
Diversify geography: Pro Forma Sales Contribution



Cencosud Revenues Post-Agreement

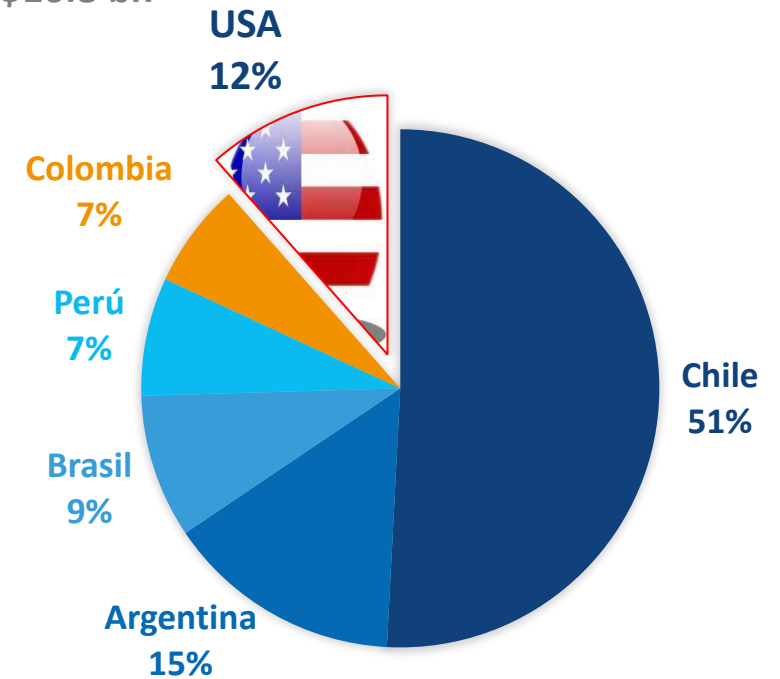
Revenues 2021

USD \$14.9 bn



Revenues 2021 (pro forma)

USD \$16.8 bn

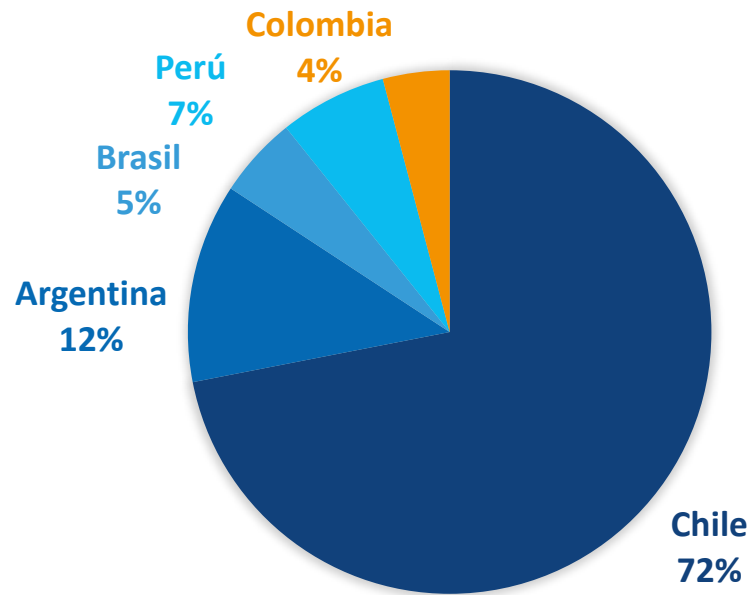


- Greater geographic diversification
- 12% exposure to American market
- Natural hedge to strong US dollar currency

Cencosud Adj. EBITDA Post Agreement

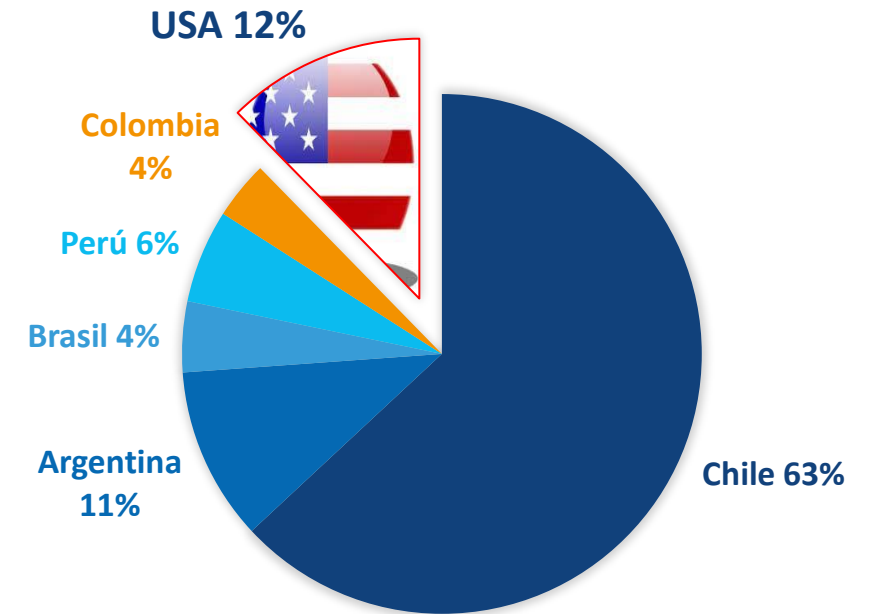
Adj. EBITDA 2021

USD \$1.8 bn



Adj. EBITDA 2021 (pro forma)

USD \$2.1 bn



- Reduction in exposure to Chile
- US second largest country in terms of EBITDA
- Increase EBITDA margin 12 bps pro forma

Cencosud Post-Agreement

> Solid Capital Structure

- Cencosud continues with solid levels of gross debt and cash
- Leverage up slightly, but remains solid for IG and Cencosud estimates 3x gross leverage at year-end 2022
- Does not affect guidance for organic growth in the region
- Comfortable pro forma amortization schedule
- Approximately 10% of Cencosud’s FCF in USD



Gross Debt and Leverage

	Cencosud Dec 2021	Cencosud Pro Forma *
Gross Financial Debt (USD million)	4,279	5,878
Gross Leverage	2.6x	3.1x
Net Leverage	1.4x	2.2x



* Gross financial debt includes rent leases as financial debt

