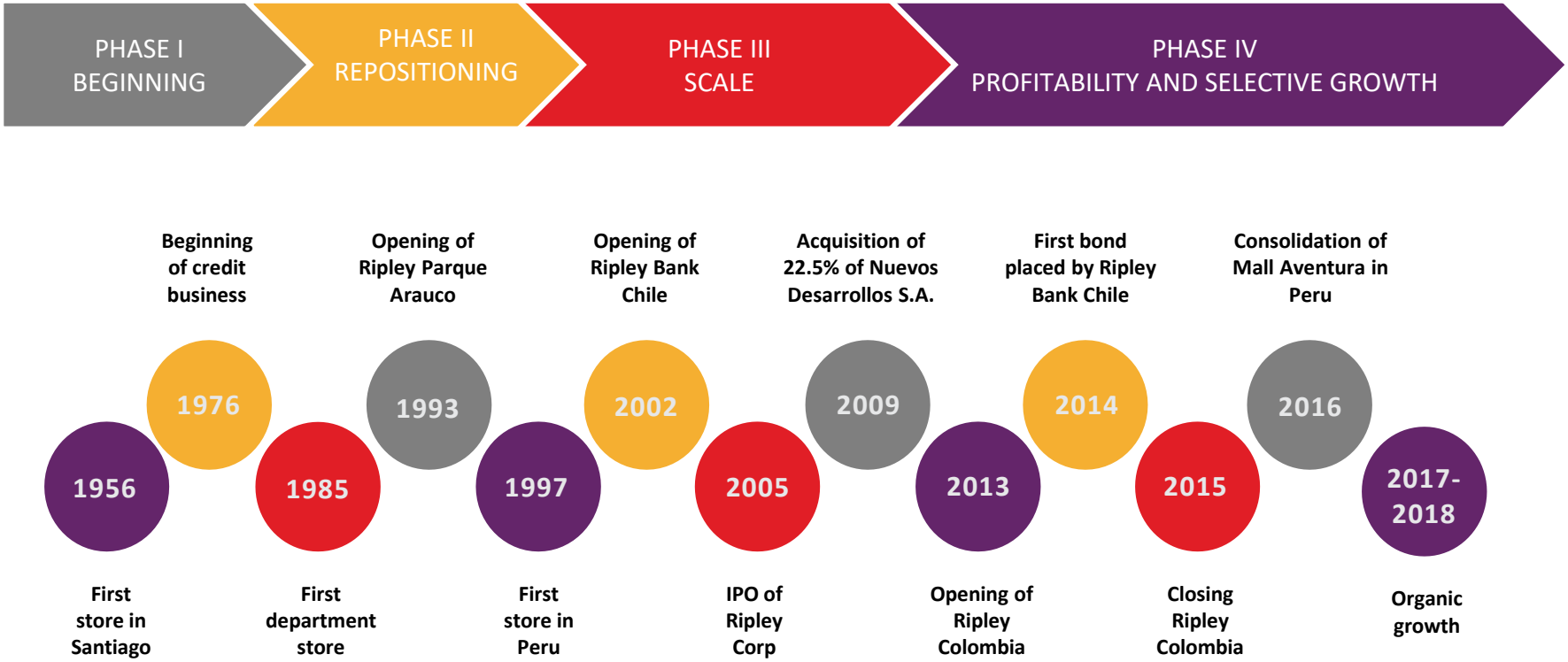


Ripley Corp January 2019

Over 60 Years of History

- Present in Chile and Peru
- Listed in Santiago Stock Exchange and a member of the 30 Largest Chilean Companies included in S&P Index



Ripley by Segments

Ripley Corp

- Revenues: MMM$1,701
  - *MMUSD 2,697*
- EBITDA: MMM$170
  - *MMUSD 269*
- Market Cap: MMM$1,123
  - *MMUSD 1,781*
- Employees: 24,122

Retail

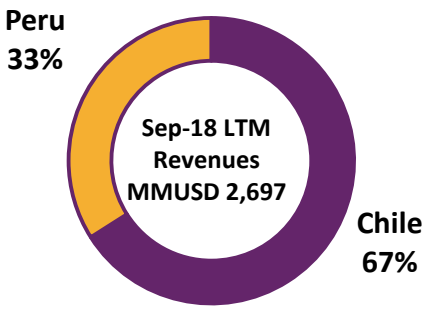
- Revenues: MMM$1,225
  - *MMUSD 1,944*
- EBITDA: MMM$37
  - *MMUSD 59*
- 76 stores
- 484,803 m^2
- Online channel: + 40% YoY

Banking

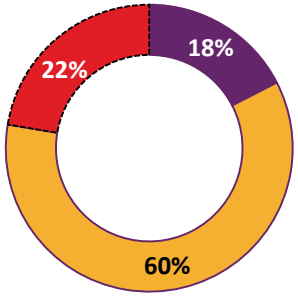
- Revenues: MMM$457
  - *MMUSD 725*
- EBIT: MMM$70
  - *MMUSD 111*
- Loan Portfolio: MMM$1,205
  - *MMUSD 1,911*
- 82 branches
- 1,742 (Th) cards w/debt

Real Estate

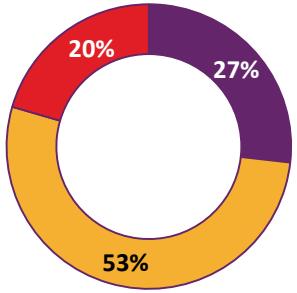
- Revenues: MMM$26
  - *MMUSD 41*
- Invest. properties: MMM$511
  - *MMUSD 810*
- EBITDA(1): MMM$ 47
  - *MMUSD 75*
- 13 malls
- GLA: 329,775 m^2 owned



Referential EBITDA(2)



Assets



Notes: Ripley's functional currency is Chilean pesos. However for referential purposes, all amounts throughout the presentation are represented in USD at a fixed rate of 630.43 CLP/USD
***Data LTM as of September 2018**. Segment details do not consider central offices Corp, Chile nor Peru.*
(1) Referential EBITDA considers the proportional EBITDA from non-consolidating investments properties (13%).

Ripley by Country

Ripley Chile

Retail

- 47 stores
- 291,919 m^2
- EBITDA: MMM$22
  - *MMUSD 35*

Banking

- Loan Portfolio: MMM$841
  - *MMUSD 1,334*
- 1,273 (Th) cards w/debt
- EBIT: MMM$49
  - *MMUSD 78*

Real Estate

- 11 malls (1 fully owned)
- Investment properties: MMM$312
  - *MMUSD 495*
- EBITDA(1): MMM$33
  - *MMUSD 53*

Ripley Peru

Retail

- 29 stores
- 192,884 m^2
- EBITDA: MMM$15
  - *MMUSD 24*

Banking

- Loan Portfolio: MMM$364
  - *MMUSD 577*
- 469 (Th) cards w/debt
- EBIT: MMM$21
  - *MMUSD 34*

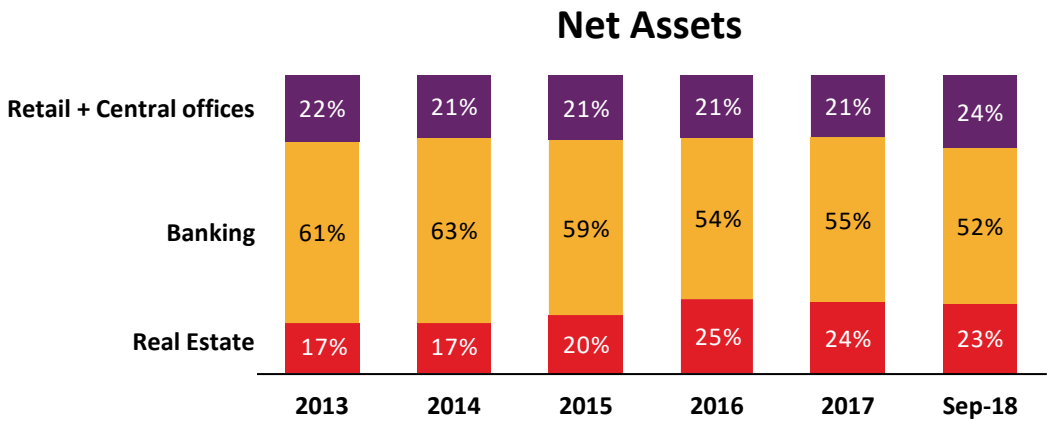
Real Estate

- 2 malls fully owned
- Investment properties: MMM$199
  - *MMUSD 316*
- EBITDA: MMM$14
  - *MMUSD 22*

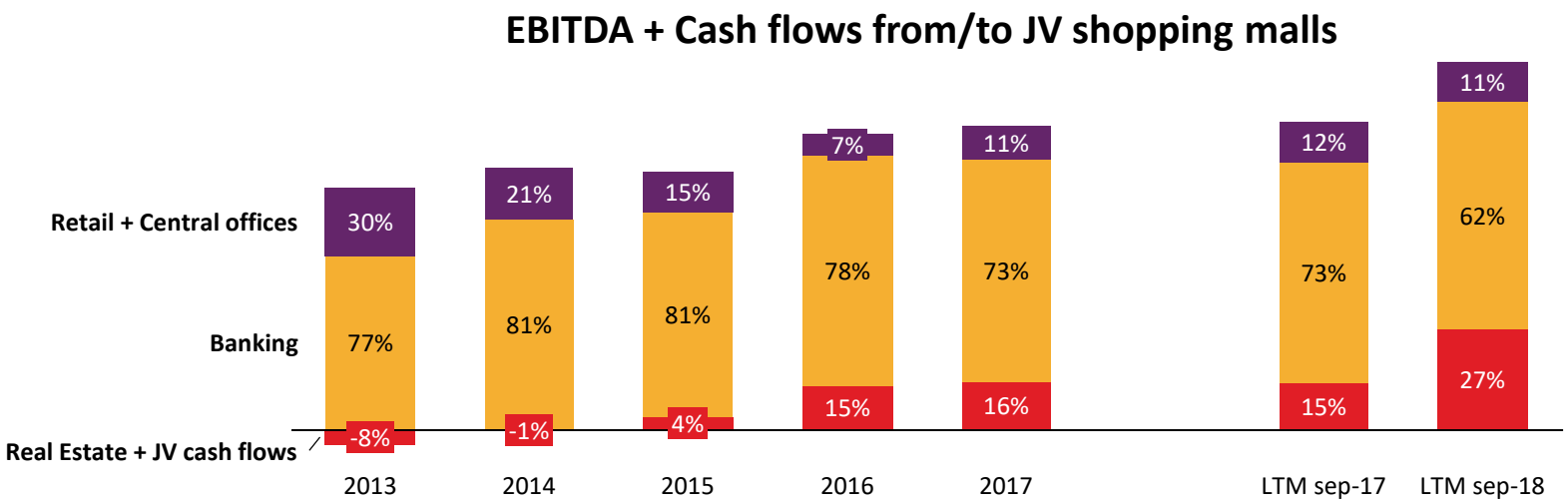
Notes: *Data LTM as of September 2018. Segment details do not consider central offices Corp, Chile nor Peru.*

(1) Referential EBITDA considers the proportional EBITDA from non-consolidating investments properties (13%).

Diversified Net Assets Structure Evolution



Positive Operational Performance Evolution



Note: *Amounts do not include operation in Colombia. EBITDA: EBIT + Depreciation + amortization + interest expenses.*

Key Considerations

1. Over 60 years of experience in the retail industry in Chile and 20 years of experience in Peru, with vast knowledge of our clients and their purchase behavior

2. Continuous omnichannel development through strengthening the digitalization and e-Commerce channels in the retail and banking businesses

3. Profitable and low leveraged banking businesses, strongly integrated with the retail business. Banks are regulated by the SBIF(1) in Chile and SBS(1) in Peru

4. Stores in the best locations, along with modern distribution centers, allow the development of the retail business

5. Real Estate business with investments in various shopping centers, in the best locations and with projects at different levels of maturity

6. Solid financial stance with a healthy composition and controlled leverage indicators

(1) SBIF: Superintendence of banking and financial institutions; SBS: Superintendence of banking, insurance and pension funds.

Index

1 **Retail Business**

2 **Banking Business**

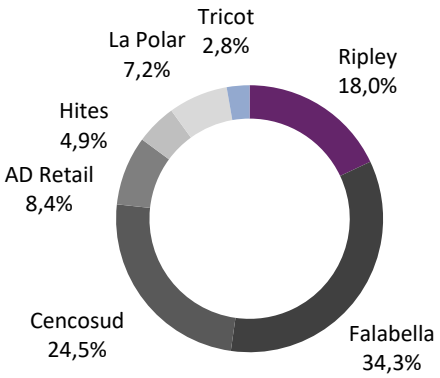
3 **Real Estate Business**

Retail Business

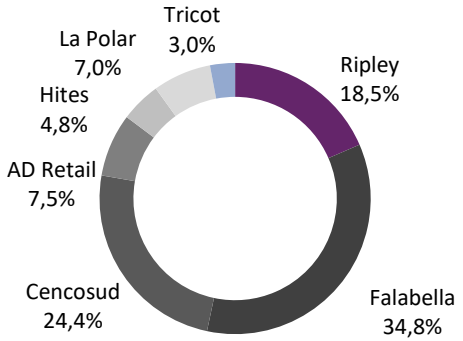
Wide presence in Chile and Peru, with leadership in both countries

Chile

Market-share LTM sep-17 (1)

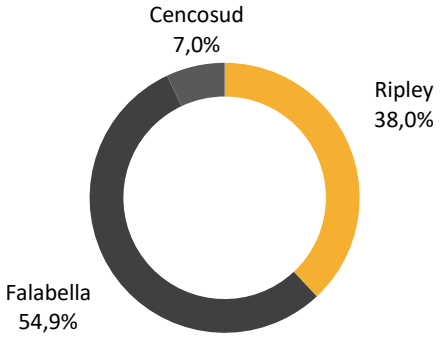


Market-share LTM sep-18 (1)

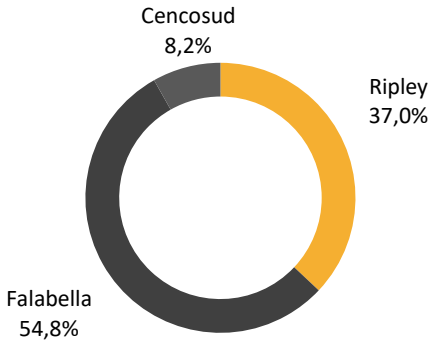


Peru

Market-share LTM sep-17 (2)



Market-share LTM sep-18 (2)

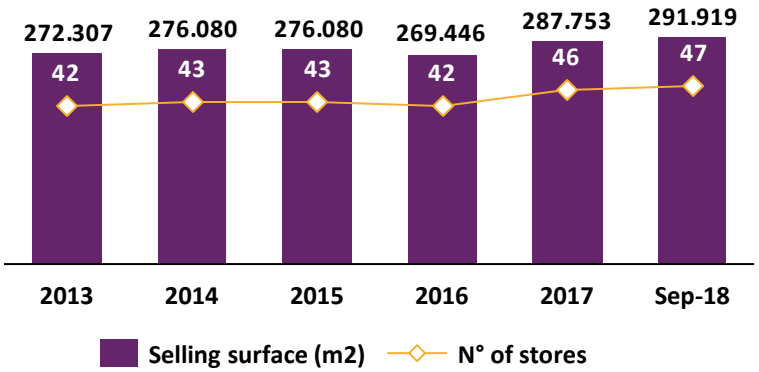


80% of our selling surface is located in **main shopping centers** in **major cities**

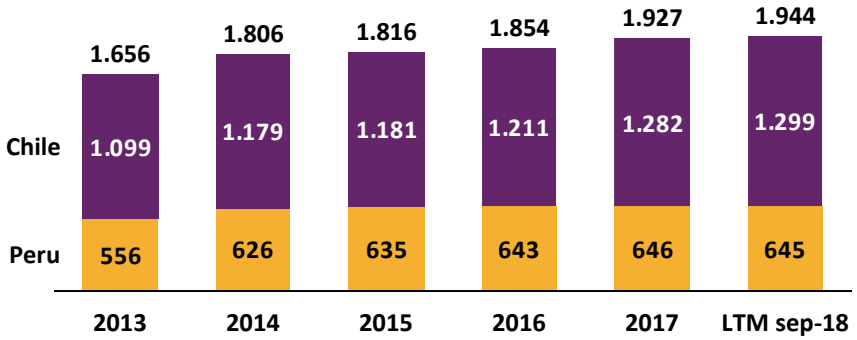
(1) Market-share calculated based on LTM sep-18 revenues, from companies with public information.
(2) Does not consider Oechsle and other minor retailers since information is not publicly available.

Retail Business

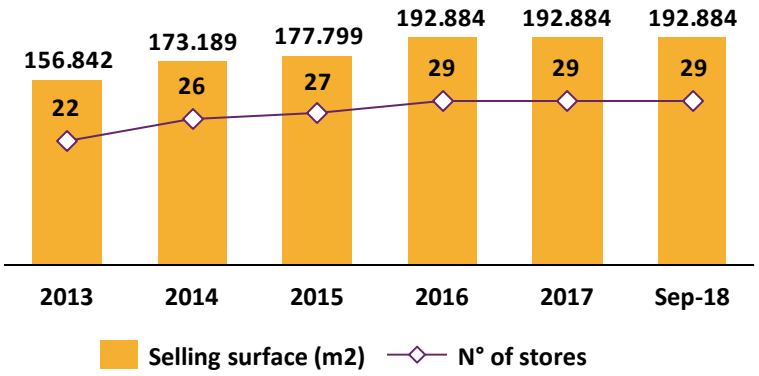
Selling surface Chile



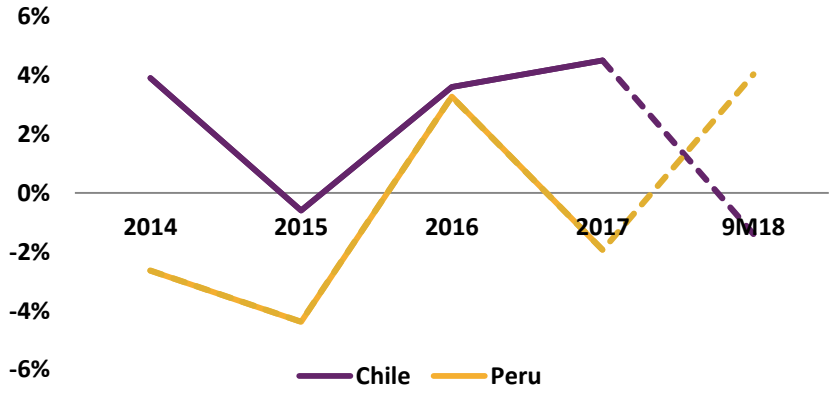
Sales evolution *(MMUSD)*



Selling surface Peru



SSS Evolution



Controlled growth of our selling surface

Retail Business

Large logistic infrastructure in place

Ripley Chile's distribution center has a surface of 67,000 m2. Meanwhile, Ripley Peru's distribution center has a surface of 45,000 m2

Both distribution centers have growth potential for the online and physical channels







Stores in the best locations, along with self-sufficient distribution centers, allow the development of the retail business

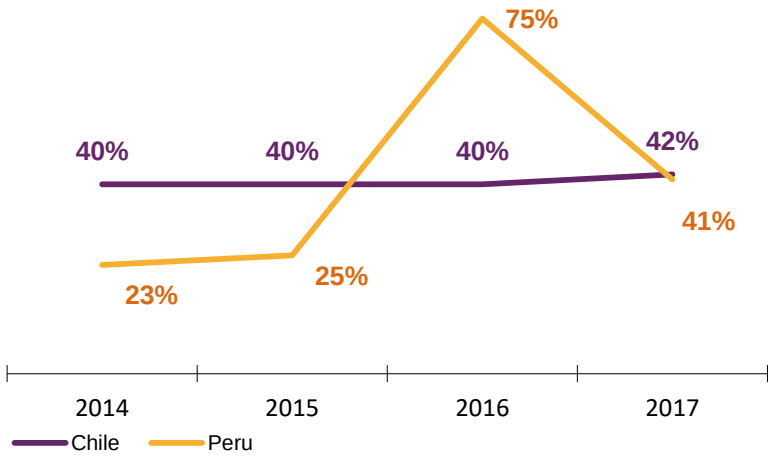
e-Commerce Business and Omnichannel Experience

- Greater emphasis in omnichannel experience and digitalization
  - Recent developments:
    - Online virtual assistant, Mobile POS, Mobile apps
- MercadoRipley.com (Ripley's Marketplace) allows third parties to sell their products through Ripley's website
  - Launched in 2017 in Chile and in 2018 in Peru
- Millions of visits to Ripley's website in Chile and Peru

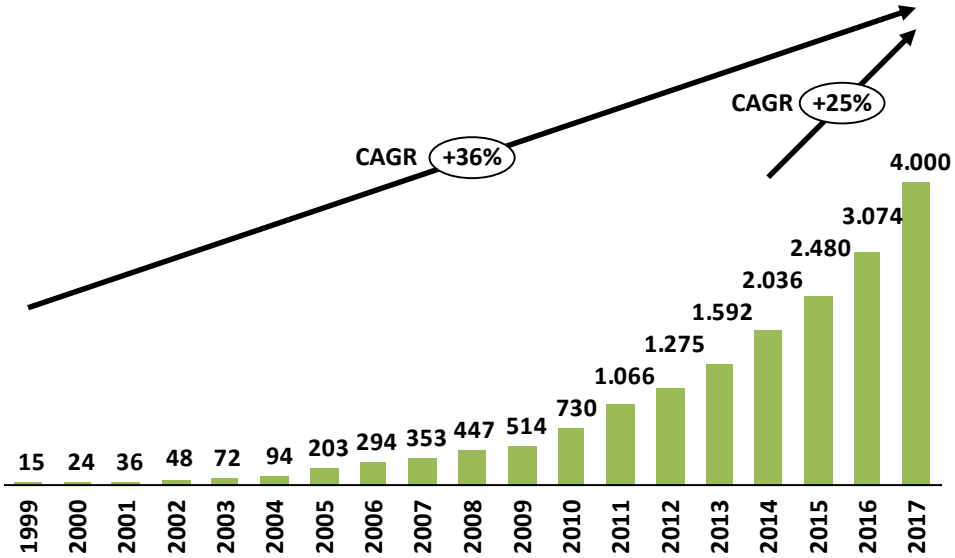
Awards



Online sales YoY growth



B2C e-Commerce* in Chile 1999 – 2017 *(MMUSD)



Source: *Ripley Corp, Estimates from Santiago's Chambers of Commerce. CAGR: compound annual growth rate.*

Retail Business

What we have been working on:

- Increase traffic on our online and physical stores
  - *Marketplace*
  - Growing product availability in Ripley.com and enhanced look and feel of the website
  - Customer delivery focus
  - Entertaining store







Hola, soy Eva, cuéntame en qué te puedo ayudar? :)

- Development of omnichannel and digital experience
  - Online virtual assistant
  - Omnichannel new tools
  - Mobile retail apps / digital store







- Emphasis in fashion & private brands

- Positioning of Ripley brand beyond retail
  - Success in high impact social campaigns
    - Women relevance
    - Chile's Telethon / social commitments
    - Anti-bullying



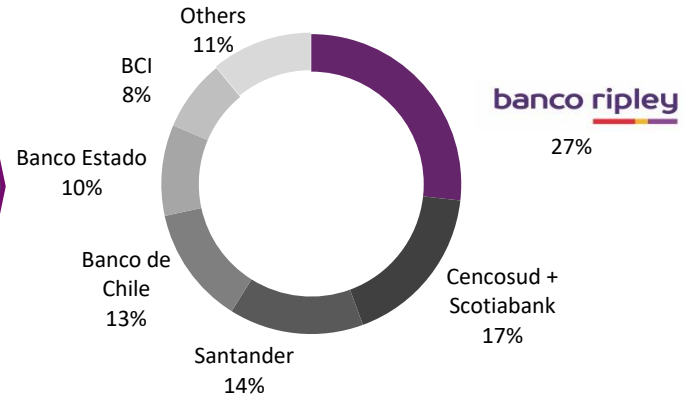
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1
Retail Business
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Banking Business
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Real Estate Business

Banking Business

Chile

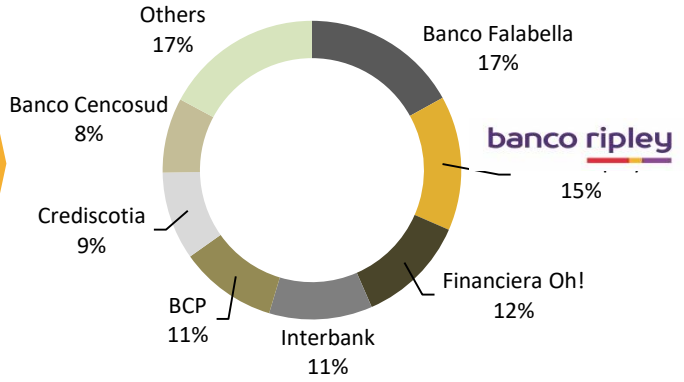
Credit cards market-share(1)



- **47** branch offices
- **#1** in credit card market-share
- **#4** in the banking industry of credit card loans
- **3,8%** ROA, the highest in the banking industry

Peru

Credit cards market-share(1)



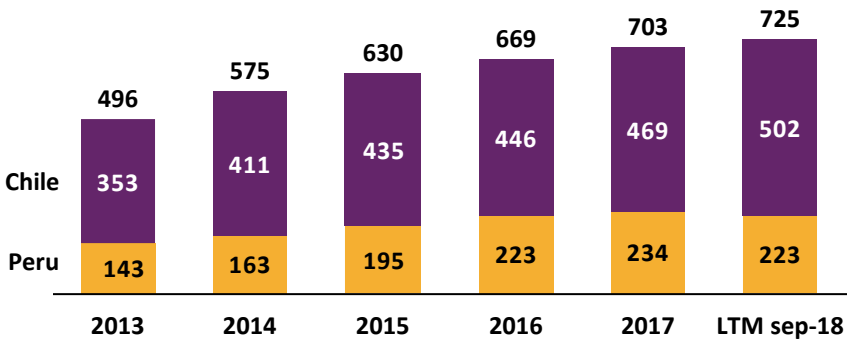
- **35** branch offices
- **#2** in credit card market-share
- **3,0%** ROA, second highest in the banking industry

Source: SBIF and SBS, last available data.

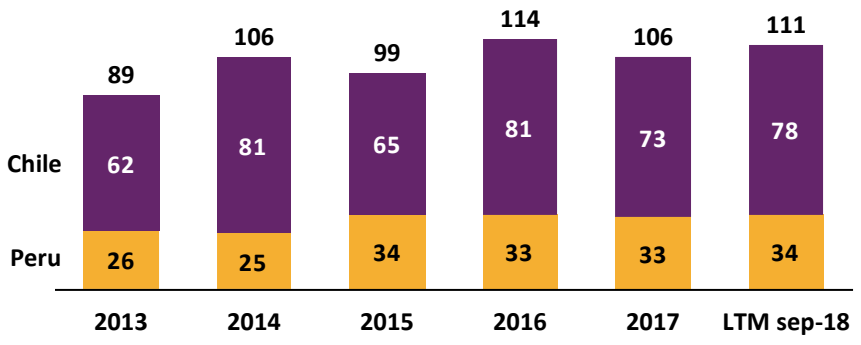
(1) As a percentage of the total credit cards in the industry.

Banking Business

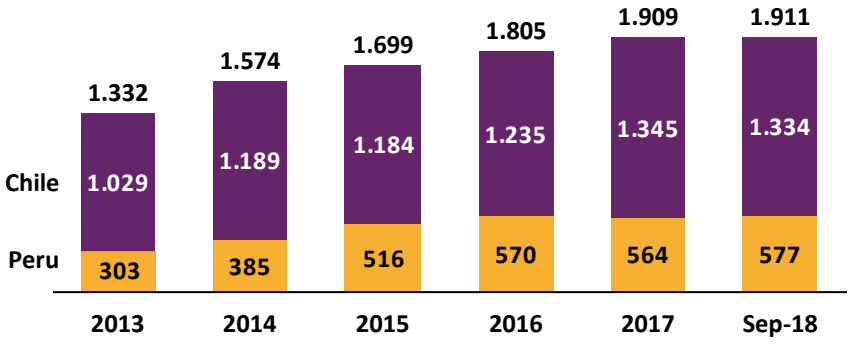
Revenues *(MMCLP)*



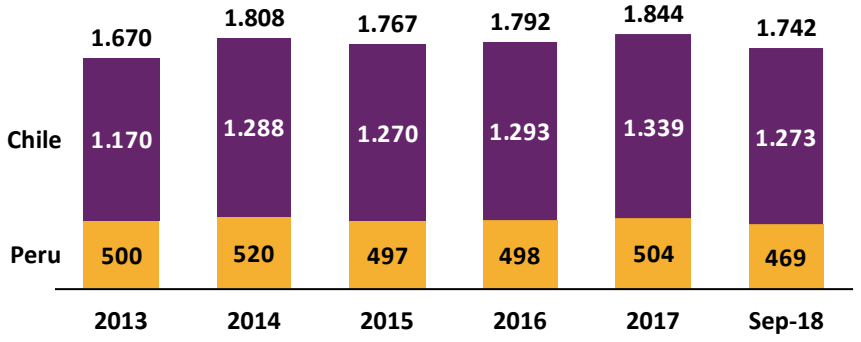
EBIT *(MMUSD)*



Loan Portfolio *(MMUSD)*



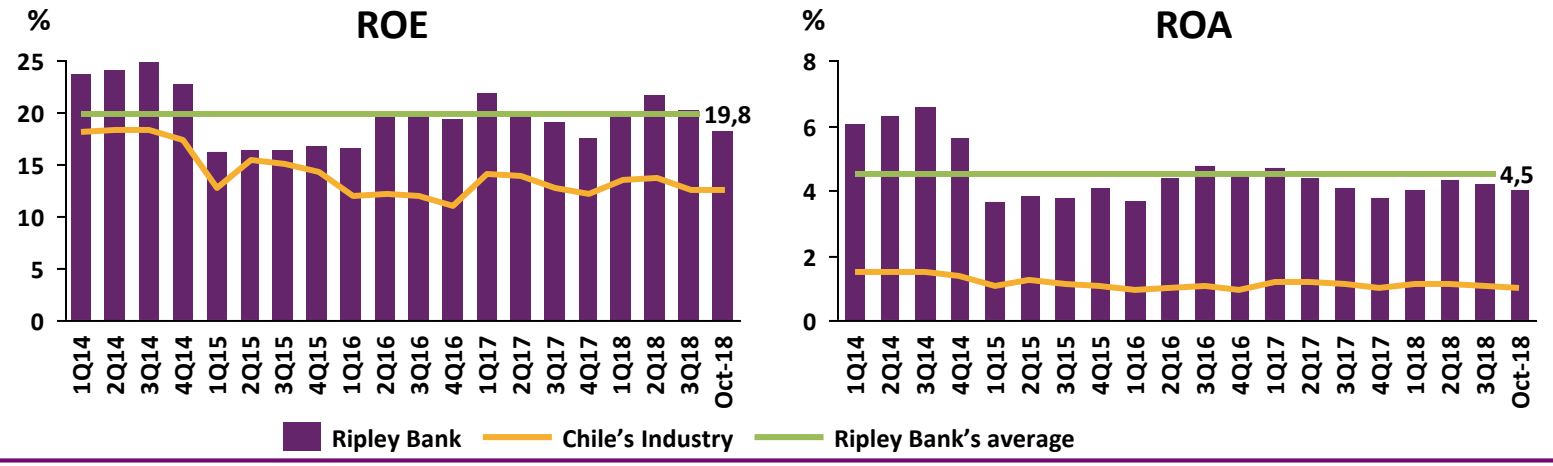
Cards w/debt



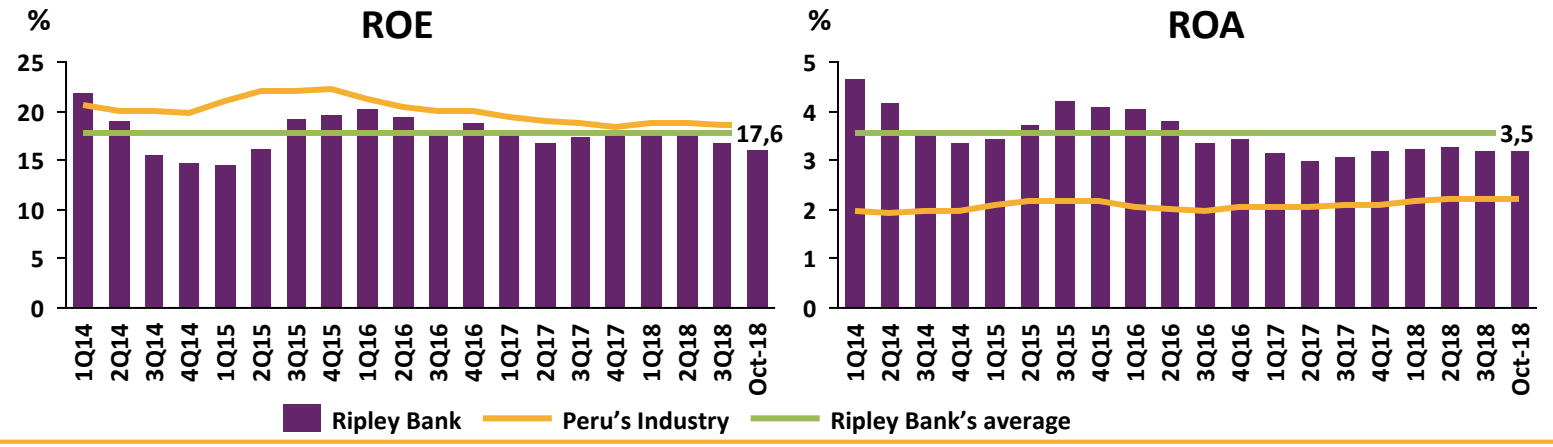
Note: *Amounts in CLP currency, converted to USD for reference*

Banking Business

Chile



Peru



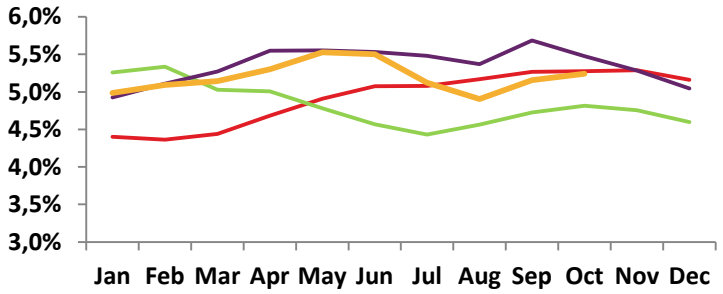
Profitable business with low leverage and highly integrated with the retail business

Note: *According to the information presented by the regulators SBIF in Chile and SBS in Peru*

Banking Business(1)

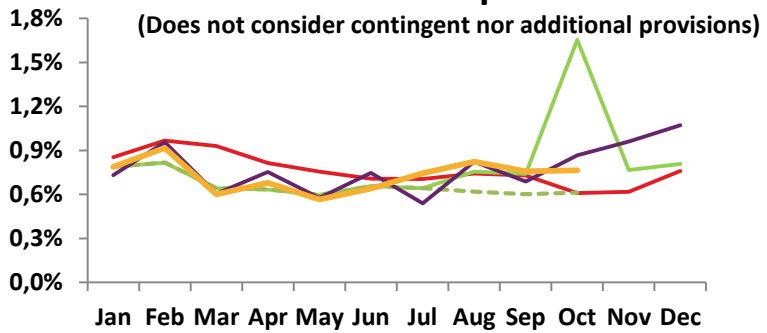
Chile

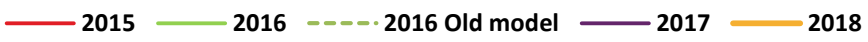
Over 90 days NPLs



Provision expenses(2)

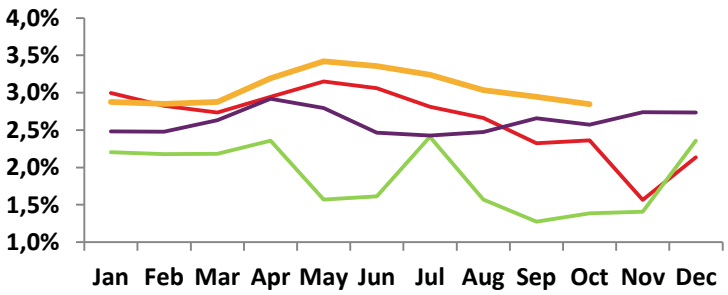
(Does not consider contingent nor additional provisions)



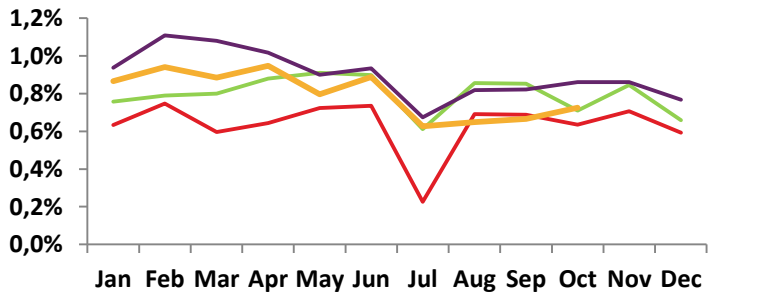


Peru

Over 90 days NPLs



Provision expenses





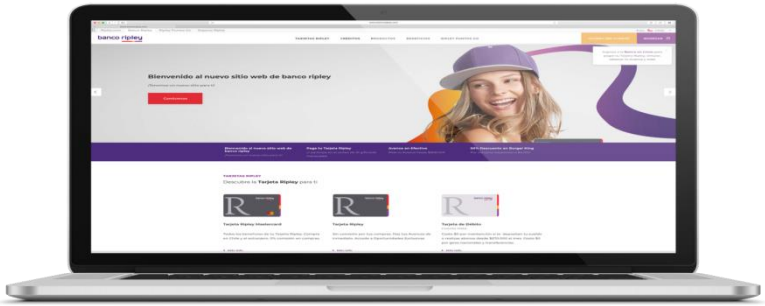
Healthy risk indicators in a more defiant macroeconomic scenario

(1) All Indicators shown as a percentage of total loan portfolio
(2) In October 2016, Ripley Bank Chile changed its risk provisions model aligning it to the SBIF definitions.

Banking Business

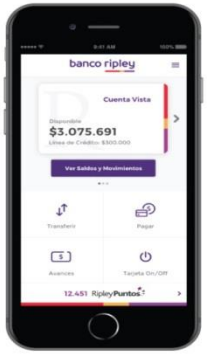
What we have been working on:

- Digitalization
  - New Home Banking
  - Banking App



- Strengthen loyalty programs
  - *Puntos Go*
  - Growing number of alliances
  - Data analytics





- Growth of loan portfolio and cards, maintaining risk under control

- Increase preference and use
  - Launch of current accounts and debit cards
  - Growth of Ripley's credit card outside Ripley store

RipleyPuntos GO



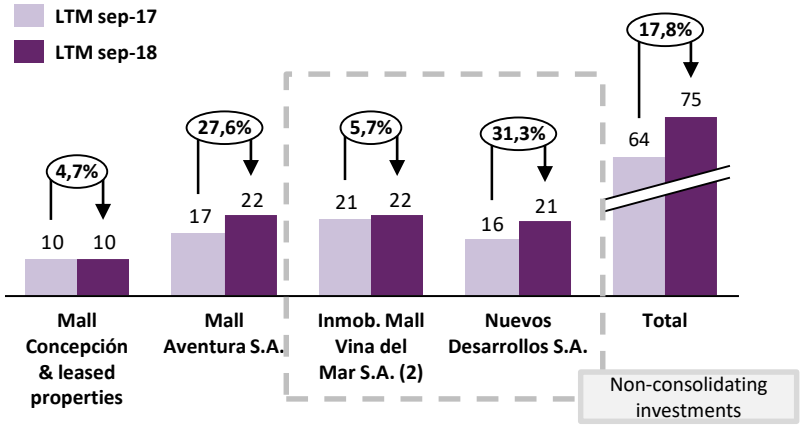
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1. Retail Business
2. Banking Business
3. **Real Estate Business**

Real Estate Business: Shopping Malls

Strength of the segment and its solid evolution

EBITDA LTM sep-18 *(MMUSD)*



Ripley Corp's ownership in real estate businesses (sep-18)

	Ownership	Country	Investment properties[3] *(MMUSD)*	EBITDA LTM[3] *(MMUSD)*	Net Income LTM[3] *(MMUSD)*	2018 GLA[3] (m2)	2018 Malls	2017 GLA[3] (m2)	2017 Malls
Mall Concepcion & leased properties	100%	Chile	121	10	10	36,800	1	26,000	1
Nuevos Desarrollos S.A.	22.5%	Chile	240	21	44	105,075	8	76,605	6
Inm. Vina del Mar S.A.	50%	Chile	134	22	18	59,700	2	58,500	2
Mall Aventura S.A.	100%	Peru	316	22	13	128.200	2	122,900	2
Total			**810**	**75**	**85**	**329.775**	**13**	**284,005**	**11**

More Details about the investment properties in the appendix.

(1) On July 2016, the division of Aventura Plaza S.A. was executed and Ripley began to consolidate the operation of Mall Aventura S.A.

(2) On April 2016 Ripley's ownership of Inm. Mall Vina del Mar came up to 50% after the purchase of an extra 16.67% of it.

(3) Amounts equivalent to the total of assets weighed by the percentage of Ripley Corp's ownership.

Real Estate Business: Shopping Malls

What we have been working on:



- Recent openings in Chile
  - Mall Concepcion → Office Tower (GLA 10,975 m2)
  - Nuevos Desarrollos → Mall Los Dominicos (GLA 93,000 m2)
    → Mall Arica (GLA 34,000 m2)



- Extensions in Chile and Peru:
  - Inmobiliaria Mall Vina del Mar
    - Marina Arauco (est. 2H18) (GLA 27,000m2)
    - Curico (est. H18) (GLA 8,000 m2)
  - Mall Aventura
    - Arequipa (est. 2H18) (GLA 7,000 m2)
    - Santa Anita (est. 2H19) (GLA 30,000 m2)



- Greenfield projects:
  - Iquitos (est. 2H21) (GLA 52,000 m2)
  - San Juan de Lurigancho (est. 2H21) (GLA 64,000 m2)

Note: Estimated opening dates

Appendix

Recent Highlights

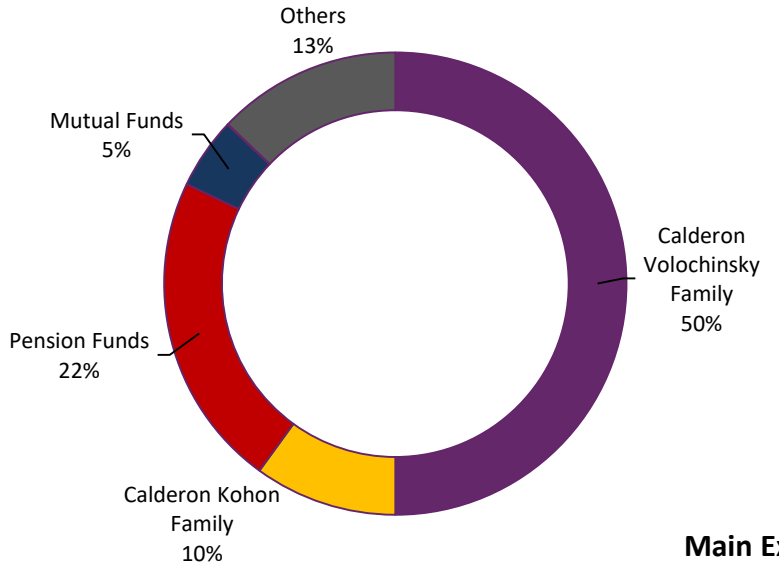
- The **stock of Ripley Corp** is part of the new **S&P Chile index**, which considers a group of publicly listed companies with high levels of presence and liquidity in the Chilean stock market
- Ripley was able to maintain its place as one of the best companies to work in Chile according to the Great Place to Work ranking.
- Partial opening of **Mall Marina Arauco's expansion**:
  - Expansion's GLA: 27.000 m2
  - Total GLA(1): 97.000 m2
- **NCD issuance** by Banco Ripley Peru
  - PEN 65 million, one-year debt issuance
- *On Premise to **Cloud*** **migration** for online sales of retail and launching of Ripley's **MarketPlace** in Peru

(1) *Includes Mall Marina, Boulevard Marina and expansion*

Shareholders and Management

Involved shareholders and an executive team with vast experience

Shareholders (nov-18)



Board Members

Name	Position	Years in Ripley
Felipe Lamarca	President	13
Michel Calderon	Vice-president	22
Mauricio Balbontin	Director	1
Debora Calderon	Director	7
Andres Calderon	Director	23
Veronica Edwards	Director	7
Laurence Golborne	Director	4
Alejandro Rosemblatt	Director	1
Hernan Uribe	Director	14

Main Executives (1)

RIPLEY CORP CEO
Lazaro Calderon
35 years of experience

CFO
Rafael Ferrada
Exp:2 years

CORPORATE VP
Sergio Hidalgo
Exp: 35 years

COMPTROLLER
Miguel Nuñez
Exp: 7 years

CORPORATE RETAIL CEO
Francisco Irrarazaval
Exp: 7 years

RIPLEY BANK CHILE CEO
Alejandro Subelman
Exp: 3 years

RIPLEY BANK PERU CEO
Rene Jaime
Exp: 4 years

MALL AVENTURA CEO
Javier Postigo
Exp: 10 years

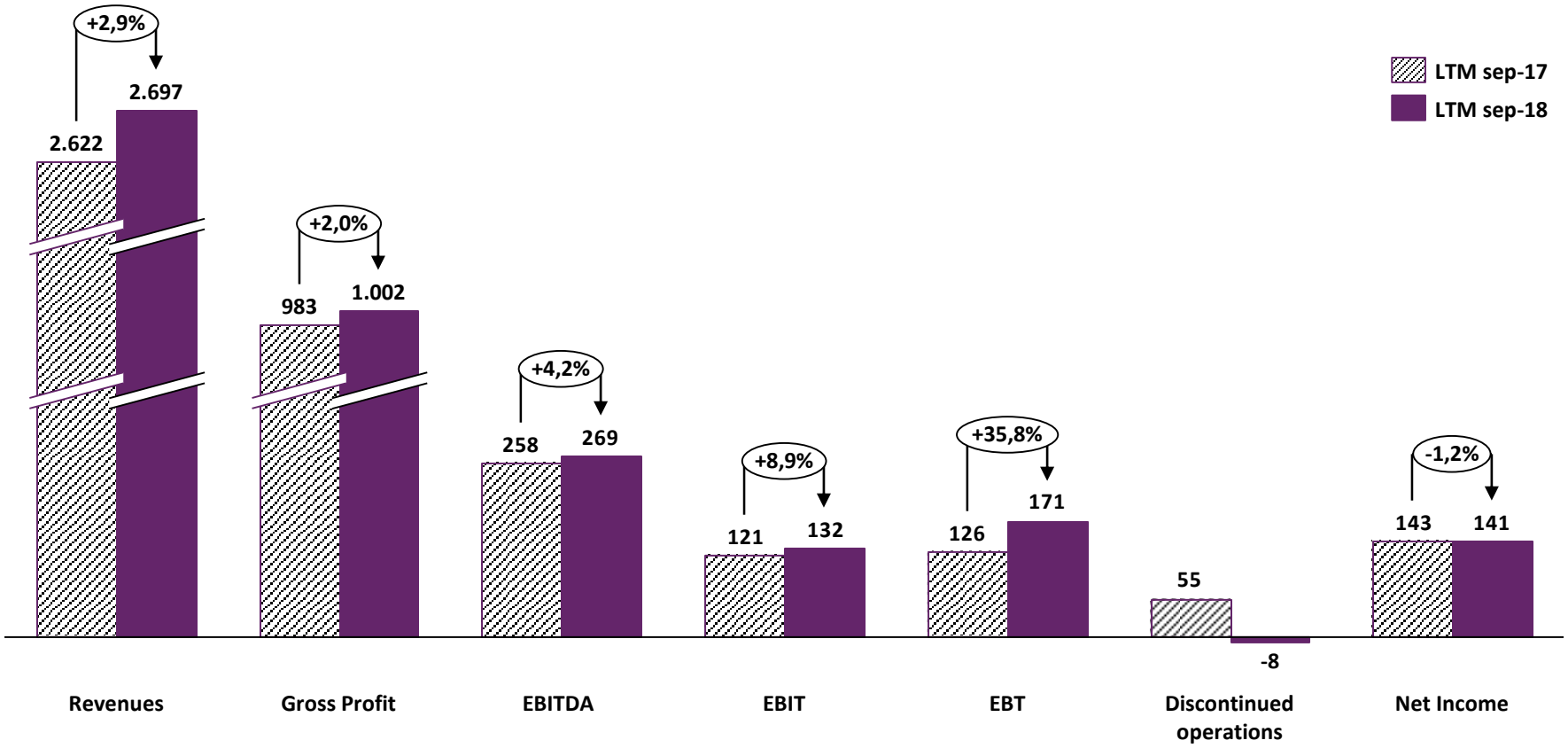
(1) Years in Ripley Corp.

Ripley Corp's 9M18 Results Summary

- Net income reached MM$34,319 (+10.5%), while the operational result grew 21.7%:
  - Significant improvement in the retail segment in Peru and the banking segment in Chile
  - Greater SG&A efficiencies at a consolidated level
  - Strength of the real estate segment
  - Depreciation of the PEN (-3.8%) had a negative impact on results measured in CLP

RIPLEY CORP	Accumulated		
(amounts in MMCLP)	9M18	9M17	Var %
Total revenues	1,194,826	1,169,044	2.2%
Gross profit	447,948	432,242	3.6%
SG&A	(402,822)	(395,153)	1.9%
EBIT	45,126	37,089	21.7%
Income/loss before taxes	**45,370**	**37,848**	**19.9%**
Income/loss from continued operations	34,307	31,133	10.2%
Income/loss from discontinued operations	13	(62)	
Non-controlling interest	0	(0)	
Net income	**34,319**	**31,071**	**10.5%**
EBITDA	**110,055**	**101,826**	**8.1%**

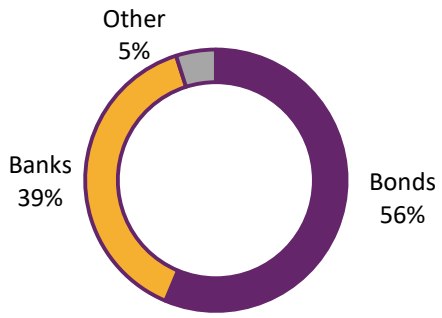
Sep-18 LTM Net Results *(MMUSD)*



Leverage

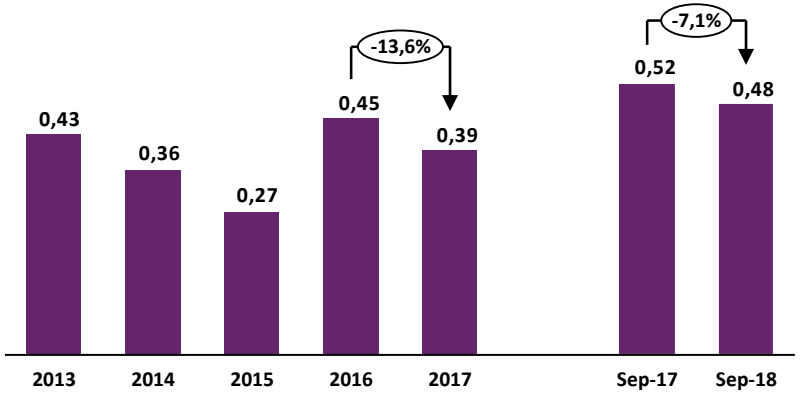
Non-banking businesses: Financial Debt Decomposition (sep-18)

Excludes banking businesses



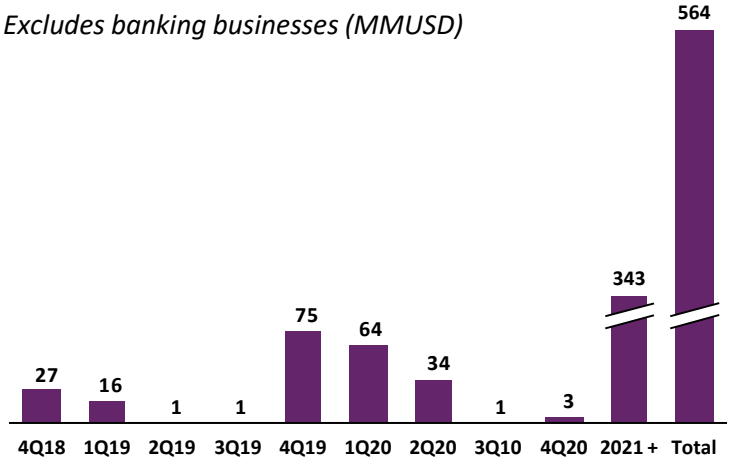
Non-banking businesses: NFD / Equity

Excludes banking businesses



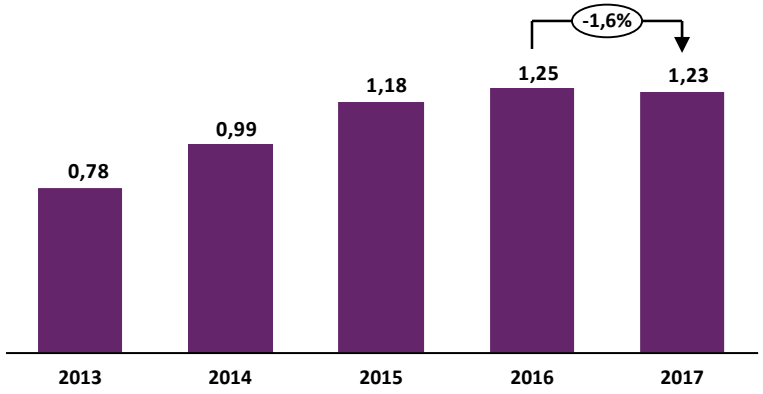
Non-banking businesses: Debt calendar(2)

Excludes banking businesses (MMUSD)



Ripley Corp: NFD / Equity Ripley Corp

Includes all Ripley Corp's businesses



(1) Includes hedging liabilities and financial leasings.
(2) Considers only capital, Nov-18.

Real Estate Business

	Ownership	Country	GLA (m^2)
Mall Concepcion & leased properties	**100%**	**Chile**	**36,800**
Nuevos Desarrollos S.A.	**22.5%**	**Chile**	**105,075**
Mall Plaza Alameda	*22.5%*		*59,100*
Mall Plaza Sur	*22.5%*		*76,900*
Mall Plaza Mirador Bio Bio	*22.5%*		*45,000*
Mall Las Americas	*21.0%*		*24,000*
Mall Plaza Egana	*22.5%*		*92,000*
Mall Plaza Copiapo	*22.5%*		*46,100*
Mall Plaza Los Dominicos	*22.5%*		*91,500*
Mall Plaza Arica	*22.5%*		*34,000*
Inm. Vina del Mar S.A.	**50%**	**Chile**	**59,700**
Marina Arauco	*50%*		*70,000*
Mall del Centro de Curico	*50%*		*49,400*
Mall Aventura S.A.	**100%**	**Peru**	**126,000**
Mall Aventura Arequipa	*100%*		*68,600*
Mall Aventura Santa Anita	*100%*		*57,400*
Total			**716,800**
Total Ripley			**327,575**

Disclaimer

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 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 the fact that actual results could differ materially from those indicated by such forward-looking statements.

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