

Santiago, 10 de octubre de 2018

**HECHO ESENCIAL 09/18**

**S.A.C.I. FALABELLA**

**INSCRIPCIÓN REGISTRO DE VALORES 582**

En cumplimiento de lo establecido en el artículo 9 e inciso segundo del artículo 10 de la Ley N° 18.045 sobre Mercado de Valores y en la Norma de Carácter General N° 30 de la Comisión para el Mercado Financiero (en adelante, la "CMF"), debidamente facultado al efecto, vengo en informar lo siguiente al mercado en general y a la CMF en calidad de **HECHO ESENCIAL** relativo a S.A.C.I. Falabella (en adelante, la "Sociedad"):

En relación con la colocación de las acciones de pago correspondientes al aumento de capital de la Sociedad aprobado en Junta Extraordinaria de Accionistas de fecha 20 de agosto del presente año, cuya emisión fue inscrita en el Registro de Valores de la CMF bajo el N°1.075 con fecha 27 de septiembre de 2018, se adjunta a la presente un ejemplar actualizado de la presentación del *Roadshow*, a difundirse a los inversionistas con motivo del proceso de colocación de la referida emisión. Dicha presentación incluye una lámina final que se ha sumado a la versión anteriormente presentada a la CMF y publicada en la página web de la Sociedad, con un resumen de hechos posteriores y por tanto no incluidos en los Estados Financieros de la Sociedad correspondientes al período finalizado el 30 de junio de 2018.

Atentamente,

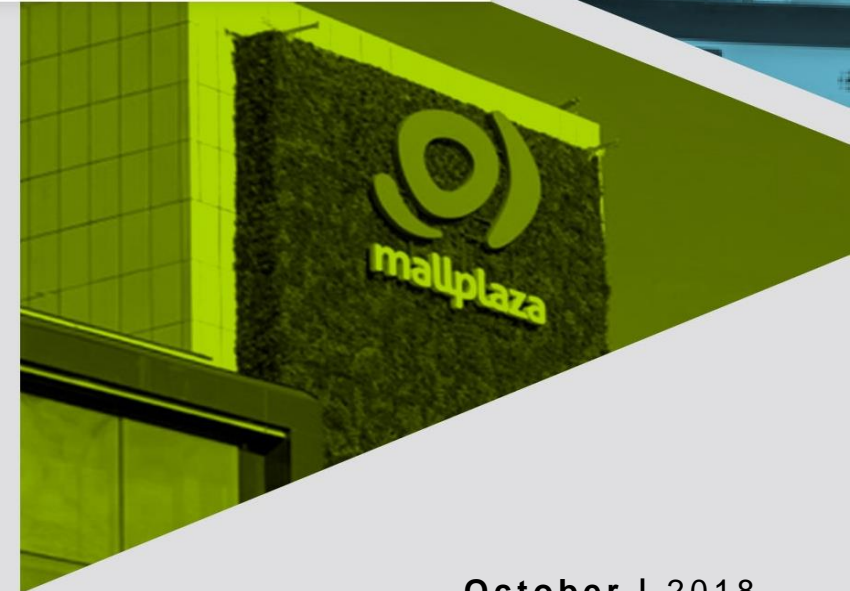


Gaston Bottazzini  
Gerente General  
S.A.C.I. Falabella

c.c.: Bolsa de Comercio  
Bolsa Electrónica de Chile  
Bolsa de Corredores – Bolsa de Valores  
Banco de Chile/ Representantes de los Tenedores de Bonos  
Banco Santander / Representantes de los Tenedores de Bonos



## Roadshow Presentation



October | 2018



SODIMAC

TOTTUS

CMR  
Falabella

Banco  
Falabella

mallplaza

OPEN

LINIO

# f | Disclaimer

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Recipients of this presentation should carefully review the offering memorandum relating to the offering of the shares described herein, including the risk factors in that offering memorandum, before making any investment decision.

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This presentation makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of Falabella's results of operations from a management perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of Falabella's financial information reported under IFRS. A reconciliation of all non-IFRS measures used in this presentation to the most comparable IFRS metric is included at the end of this presentation.

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An offer to sell or a solicitation of an offer to buy any securities of the Company will occur solely by means of (a) a confidential offering memorandum or (b) a Spanish-language prospectus registered with the local Comisión para el Mercado Financiero (the Chilean Financial Markets Commission, or the "CMF").

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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

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## 02. FALABELLA AT A GLANCE

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## 03. RETAIL MARKET OPPORTUNITY

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## 04. STRATEGY

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## 05. FALABELLA'S UNIQUE POSITION TO CAPTURE MARKET OPPORTUNITY

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## 06. APPENDIX: KEY FINANCIALS

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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	<div><div><b>J.P.Morgan</b> <small>INTERNATIONAL BOOKRUNNER</small></div><div><b>Bank of America Merrill Lynch</b> <small>INTERNATIONAL BOOKRUNNER</small></div><div> <b>CREDICORPcapital</b> <small>LATAM BOOKRUNNER</small></div><div><b>LarrainVial</b>  <small>LATAM BOOKRUNNER</small></div></div>
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 increase<sup>1</sup>



**BALANCE SHEET FLEXIBILITY**

Source: Company Filings and Bloomberg as of September 23<sup>rd</sup>, 2018.

<sup>1</sup> 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 revenues<sup>1</sup>

**53.8%**

Online orders  
annual growth<sup>2</sup>

**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  
Penetration<sup>3</sup>

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; <sup>1</sup> 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; <sup>2</sup> As of December 2017; <sup>3</sup> 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 GDP<sup>1</sup>

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 cities<sup>2</sup>

MIDDLE CLASS POPULATION GROWTH

**18%** Middle Class  
growth ('12-'17)<sup>1</sup>



>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 penetration<sup>1</sup> vs **10.0%** global average<sup>2</sup>

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

V  
S



US

2,431 sqm



CONTINENTAL  
EUROPE <sup>1</sup>

1,135 sqm



UK

1,291 sqm

## STORES ARE TYPICALLY SMALLER THAN IN THE US



SUPERMARKETS

**3,500 sqm**

Falabella average store size

**9,100 sqm**

US benchmark average store size



DEPARTMENT STORES

**6,500 sqm**

Falabella average store size

**13,700 sqm**

US benchmark average store size

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

**RETAIL  
ASSORTMENT**



**DISTRIBUTION  
NETWORK**



**FINANCING**



**LOYAL  
CUSTOMERS**



**LEADING  
E-COMMERCE**







# Strategic Priorities



**01.** OWN BRANDS  
AND LONG TAIL PRODUCTS



**02.** SCALING UP LOGISTICS  
AND FULFILLMENT



**03.** FINANCING AND  
ELECTRONIC PAYMENTS



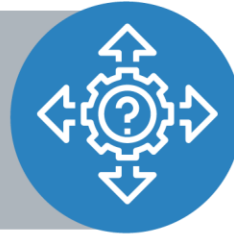
**04.** DATA ANALYTICS  
AND BUSINESS INTELLIGENCE



**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



 **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



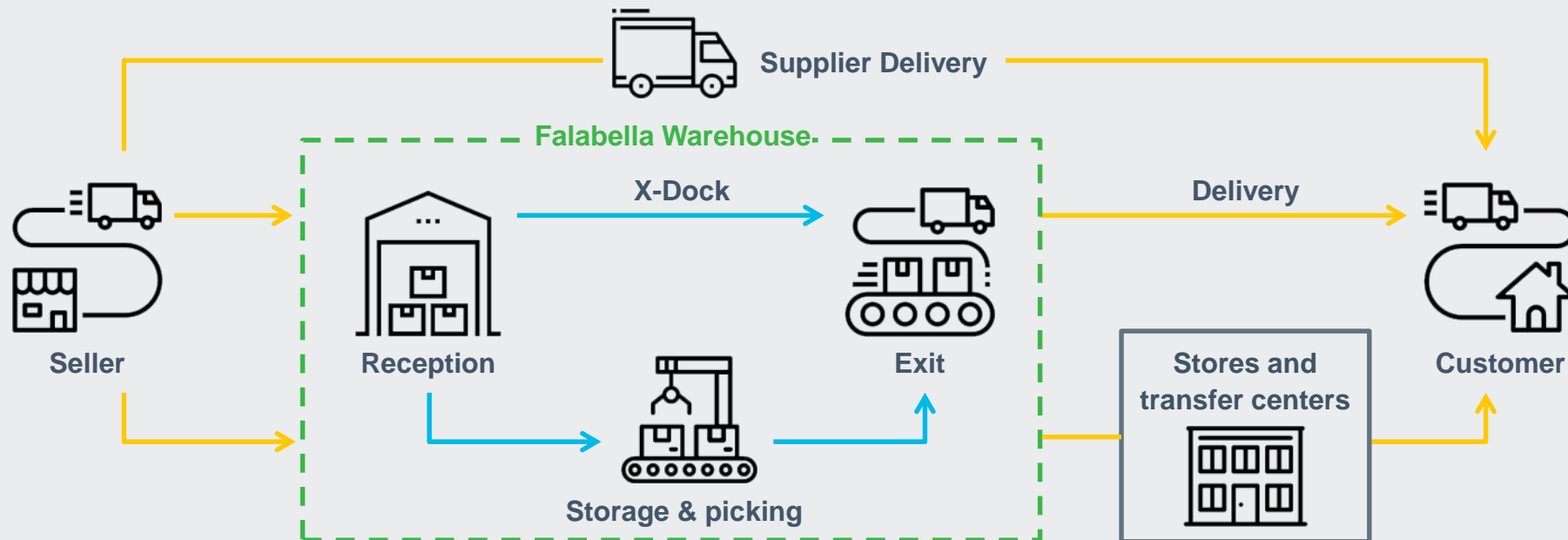
**SERVING  
CUSTOMERS  
AND THIRD PARTIES**



**FOCUSING ON  
LAST MILE**  
In-house  
tracking system



**STRENGTHENING  
INFRASTRUCTURE**







**FRAUD  
MANAGEMENT**



**MERCHANT  
FINANCING**



**TRANSACTION  
TRACKING**



**PAYMENT  
RECONCILIATION**



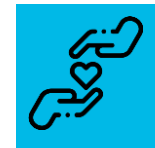
**ONE-CLICK  
PAYMENTS**



**FINANCIAL  
PRODUCTS**



**LOYALTY  
PROGRAMS**



**INSURANCE**

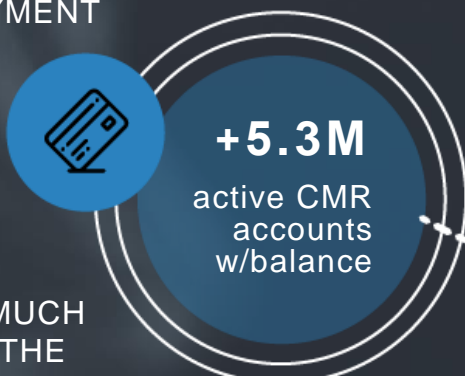


**We seek to build an open platform with tools for our customers, merchants and marketplace**

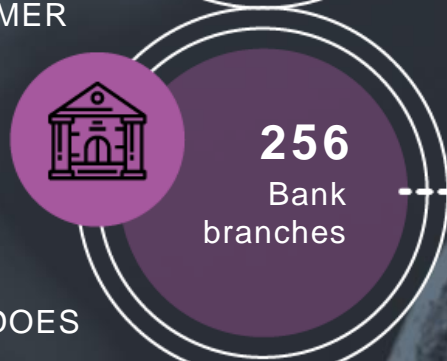
# LEVERAGE ON OUR CUSTOMER KNOWLEDGE UNDERPINNED BY THE DEVELOPMENT OF BUSINESS INTELLIGENCE

17

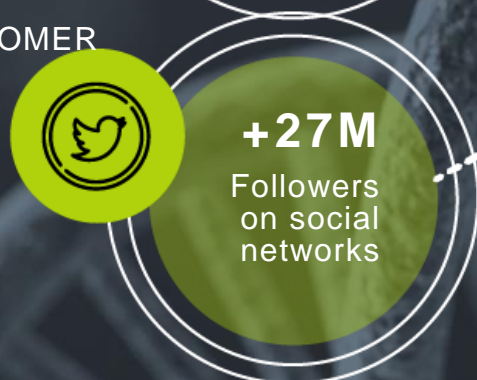
MEANS  
OF PAYMENT



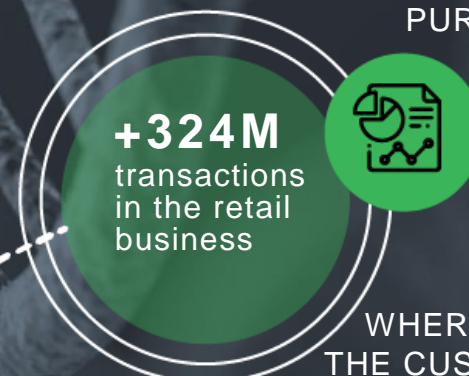
HOW MUCH  
DOES THE  
CUSTOMER  
SPEND



WHAT DOES  
THE  
CUSTOMER  
LIKE



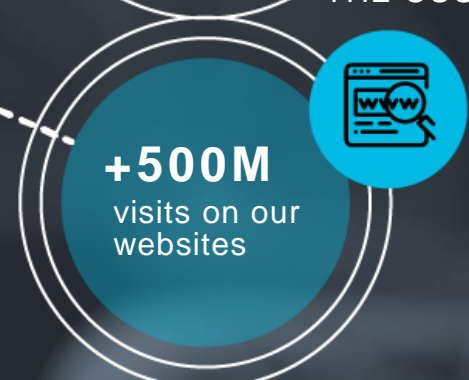
WHEN DOES  
THE CUSTOMER  
PURCHASE



WHERE DOES  
THE CUSTOMER  
PURCHASE



WHAT DOES  
THE CUSTOMER  
BUY

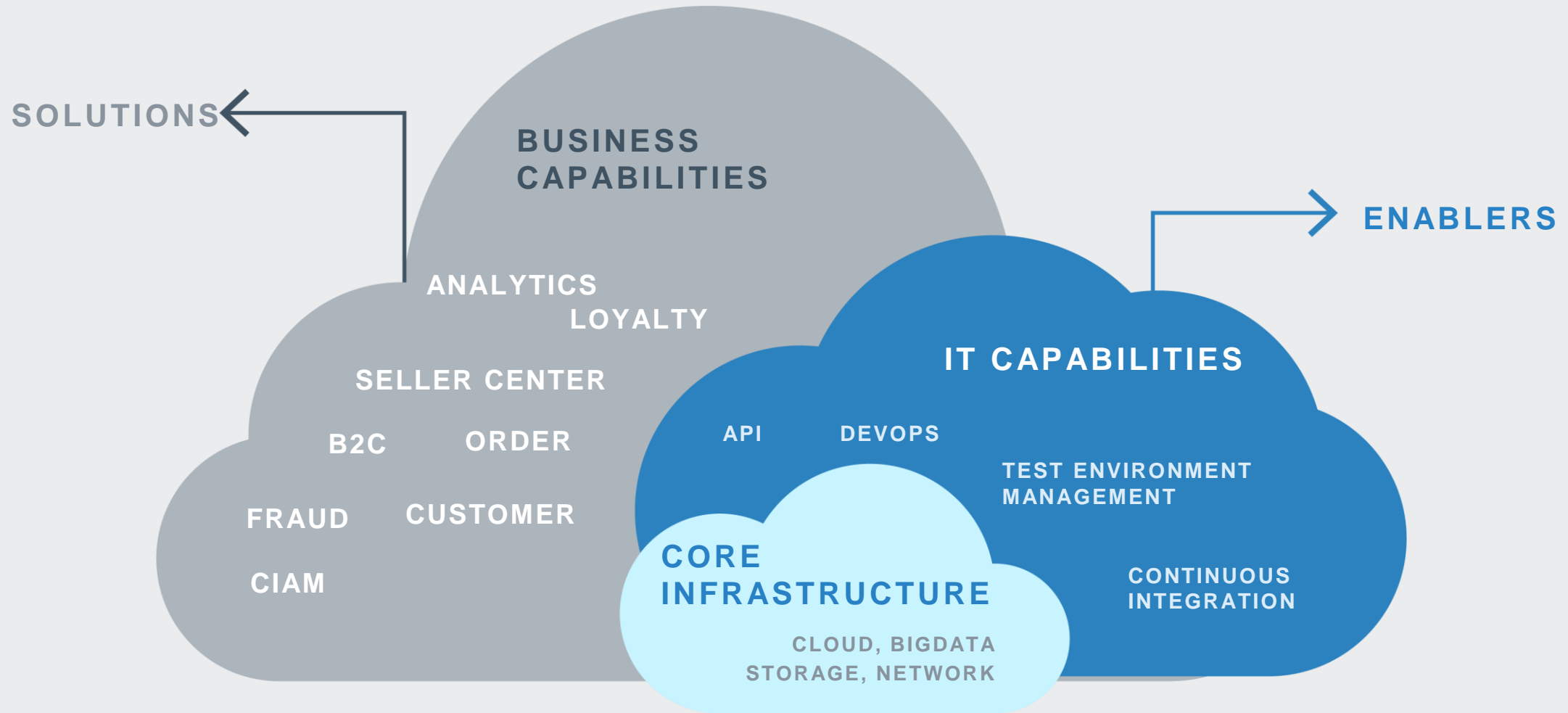


## Customer Behavior

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

f



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

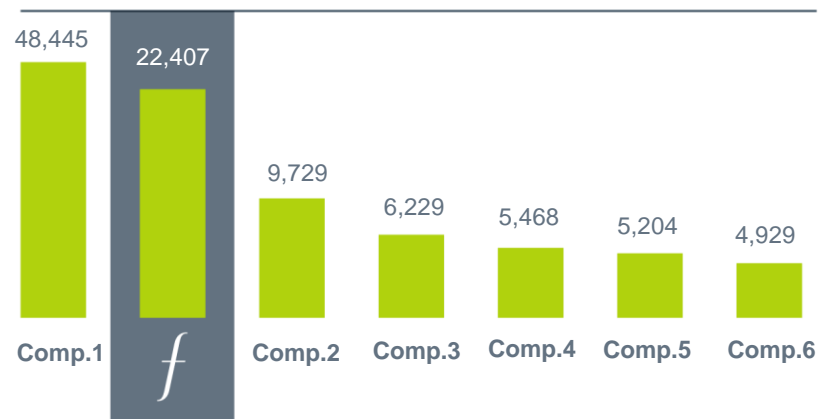
05.



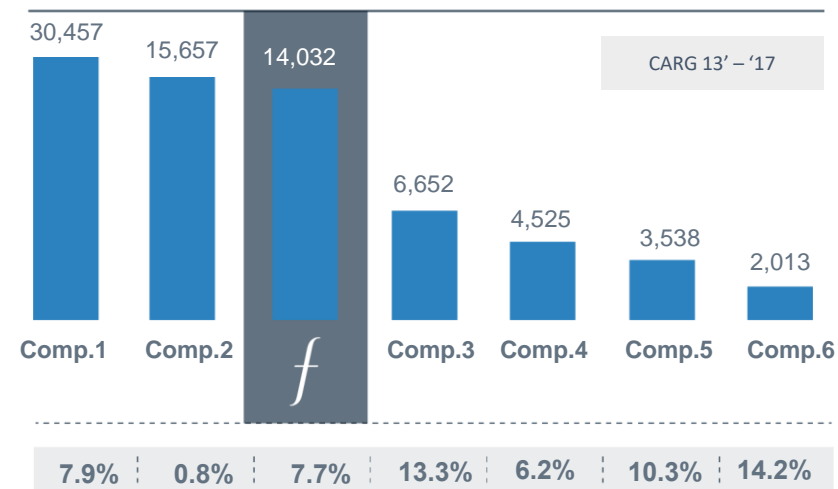
SUPPORTED BY A DETERMINED AND COMMITTED TEAM



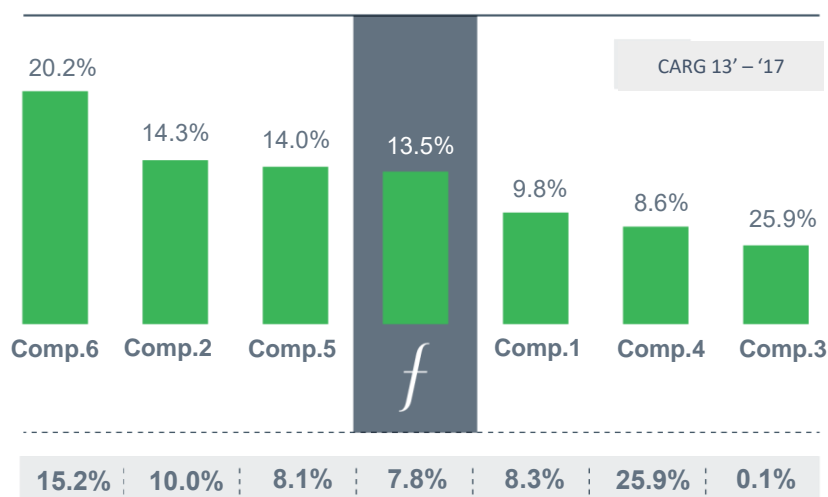
## MARKET CAPITALIZATION (US\$M)



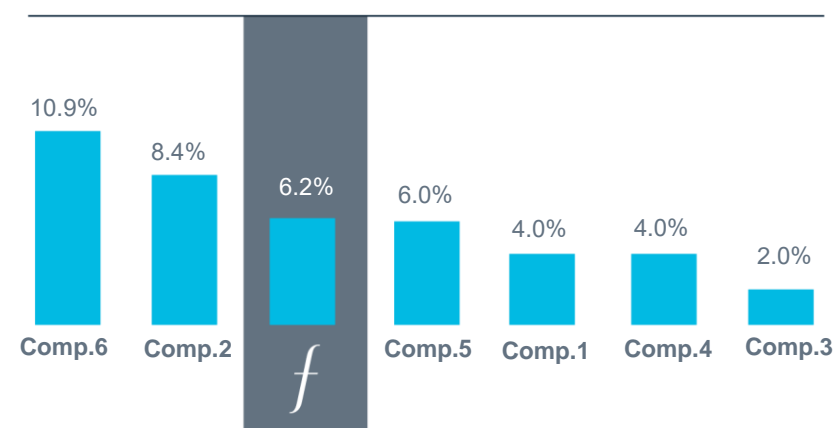
## REVENUES LTM2Q18 (US\$M)



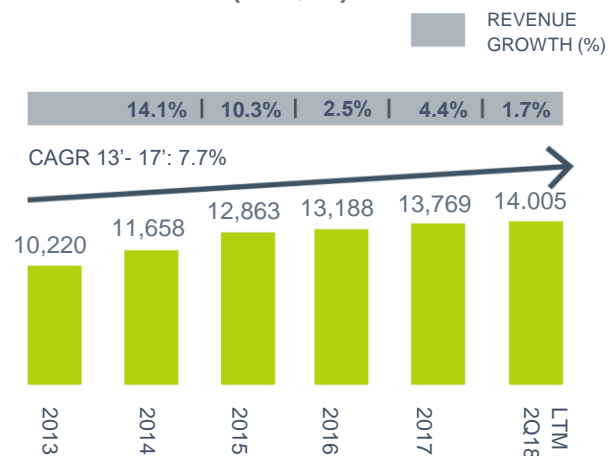
## EBITDA MARGIN LTM2Q18 (%)



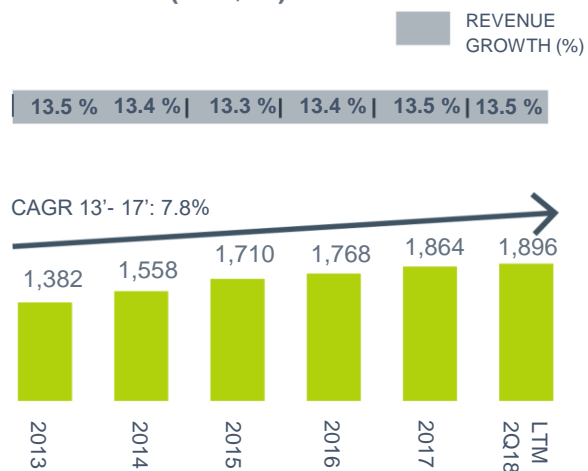
## NET INCOME MARGIN LTM2Q18 (%)



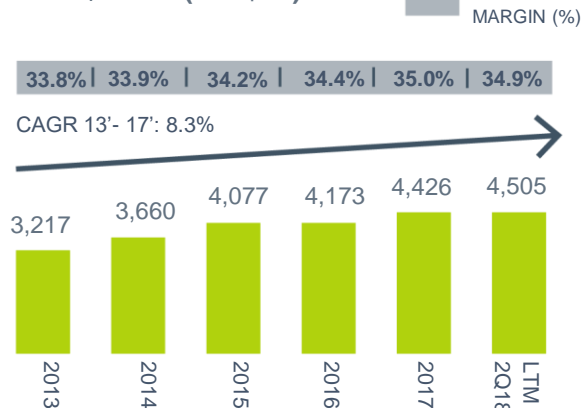
## REVENUES (US\$M)



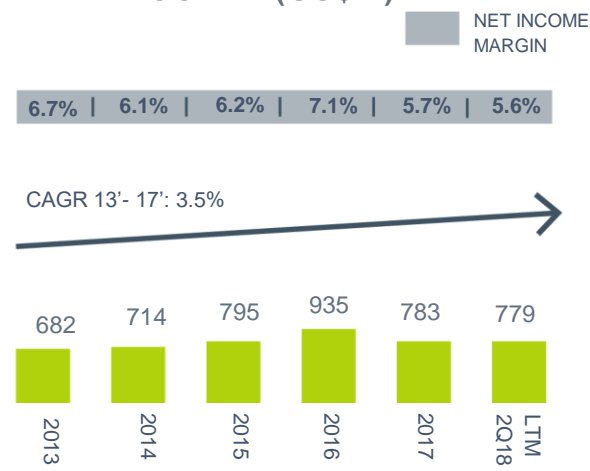
## EBITDA (US\$M)



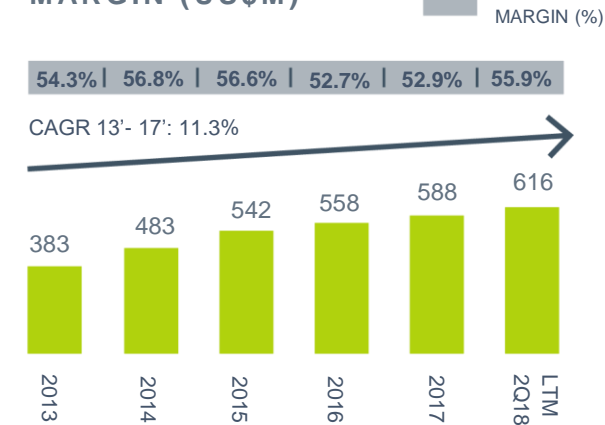
## NON BANKING GROSS MARGIN (US\$M)



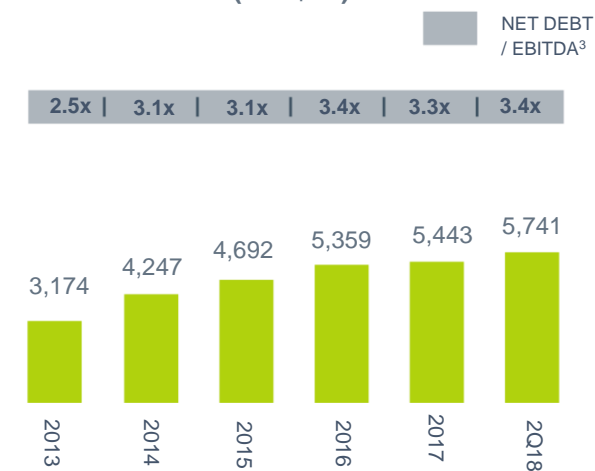
## NET INCOME<sup>2</sup> (US\$M)



## BANKING GROSS MARGIN (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\$)

<sup>1</sup> Excludes financial operations; <sup>2</sup> Considers Net income attributable to owners of the parent company; <sup>3</sup> 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,			2017	Year Ended December 31,		
	2018	2018	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 17<sup>th</sup> 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 20<sup>th</sup>, 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 28<sup>th</sup> 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 voluntary 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