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Ripley Corp's 4Q18 Earnings Presentation



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4Q18 Results Summary

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Looking Forward

- Net income dropped due to non operational results and reaches MM\$69,656 (-MM\$16,188)
 - Lesser gain from fair value revaluations of JV investment properties (-MM\$14,063)
 - Income before taxes of MM\$3,904 in 2017, for the sale of a plot in Peru
- Operational results increased 1.5%:
 - Consolidated revenues increased 2.0%
 - Improvement in the retail business in Peru and banking segment in Chile
 - Greater SG&A efficiencies at a consolidated level
 - Strength of the real estate segment
- Increase in the consolidated sales from the digital channels reached 37% during the year

RIPLEY CORP (amounts in MMCLP)	Acumulado		
	2018	2017	Var %
Total revenues	1.702.063	1.669.038	2,0%
Gross profit	635.755	615.970	3,2%
SG&A	(559.560)	(540.930)	3,4%
EBIT	76.195	75.040	1,5%
Income/loss before taxes	89.845	100.492	-10,6%
Income/loss from continued operations	69.697	90.803	-23,2%
Income/loss from discontinued operations	(33)	(4.952)	
Non-controlling interest	8	8	
Net income	69.656	85.843	-18,9%
EBITDA	163.862	161.351	1,6%

Hechos Recientes

- **Financial instruments issuances by both banks:**

- ***Ripley Chile Bank:***

- Bond for UF 1.5 million, for up to 2.5 years

- ***Ripley Peru Bank:***

- Bond for PEN 40.74 million, for up to 2.5 years
- NCDs for PEN 49.07 million, to one year



- **Ripley Peru Bank names Mr. Samuel Sánchez, its new CEO who, until the moment of his appointment, was the bank's Digital Transformation CEO**

- **Mall Aventura updates its projects folder⁽¹⁾:**

- Expansion of Mall Aventura Santa Anita (est. opening 2S19)
- New mall in San Juan de Lurigancho (est. opening 2S21)
- New mall in Iquitos (est. opening 2S21)
- New mall in Chiclayo (est. opening 1S20)



(1) Opening dates are referencial

Ripley Corp's 4Q18 Results Summary

- Net income dropped mainly due to the non operational results and reaches MM\$35,337 (-MM\$19,435)
 - Lesser gain from fair value revaluations of JV investment properties (-MM\$14,063)
- Operational results decreased 18,1%:
 - Lower operational results of retail in Chile (-MM\$4,740) impacted by a high level of markdowns in the industry, partially compensated by the better performance of the retail segment in Perú (+MM\$2,961)
 - Strength of the real estate business
- Consolidated retail sales from the digital channels reached 15.1% of the total retail sales in 4Q18

RIPLEY CORP (amounts in MMCLP)	Trimestral		
	4T18	4T17	Var %
Total revenues	507.238	499.994	1,4%
Gross profit	187.807	183.728	2,2%
SG&A	(156.739)	(145.776)	7,5%
EBIT	31.069	37.952	-18,1%
Income/loss before taxes	44.475	62.644	-29,0%
Income/loss from continued operations	35.390	59.670	-40,7%
Income/loss from discontinued operations	(46)	(4.889)	-99,1%
Non-controlling interest	7	9	
Net income	35.337	54.772	-35,5%
EBITDA	53.807	59.525	-9,6%

Ripley Chile: Retail Business

REVENUES

- ✓ +1.5% increase (SSS +0.4%)
- ✓ High level of markdowns in the industry
 - Lower consumption demand: fewer purchases from foreigners and climate effects

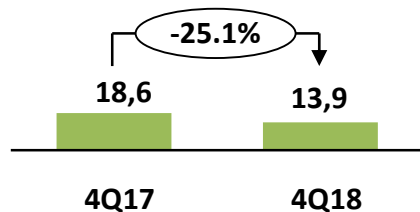
GROSS PROFIT

- ✓ Gross margin decreases 110 bps
 - High level of markdowns

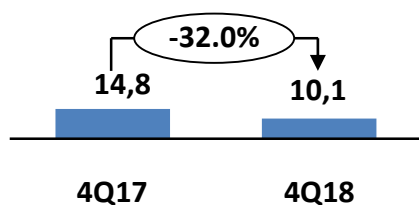
EBITDA

- ✓ +4.5% increase in SG&A expenses attributed to more stores in operation (Arica) and to inflation
- ✓ Efficiencies in expenses allow to compensate the omnichannel development and growth

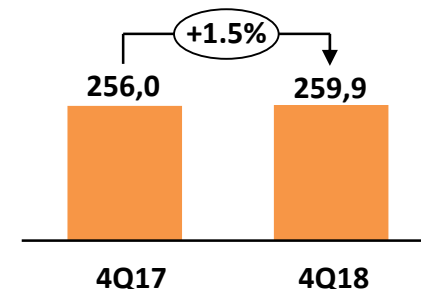
EBITDA



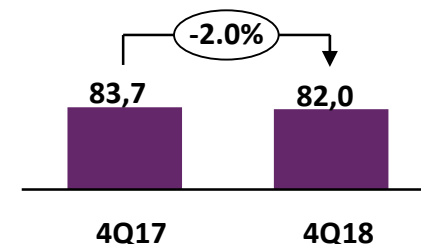
EBIT



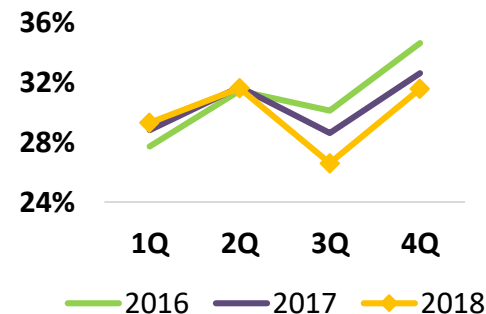
Revenues



Gross Profit



Gross margin (%)



Ripley Peru: Retail Business

REVENUES

- ✓ Stable -0.5% (SSS -0.4%) in local currency (+3.0% in CLP)
- ✓ Own brands sales compensated lower sales of electronics in 4Q18, due to the FIFA World Cup in 2Q18

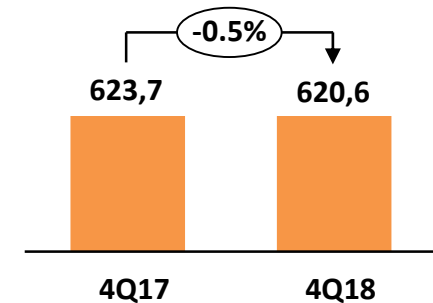
GROSS PROFIT

- ✓ Gross margin increased 236 bps
 - Higher contribution of apparel

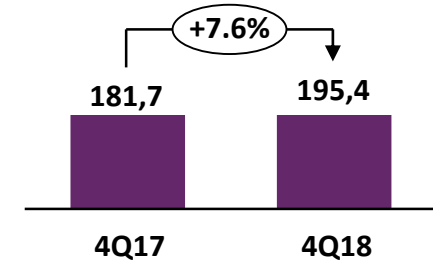
EBITDA

- ✓ SG&A expenses remained flat in PEN (+3.5% in CLP) thanks to efficiency plans
- ✓ EBITDA grew MPEN 14,290 (MM\$3,141)

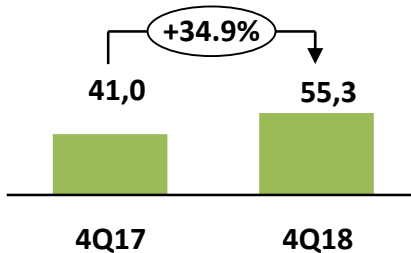
Revenues



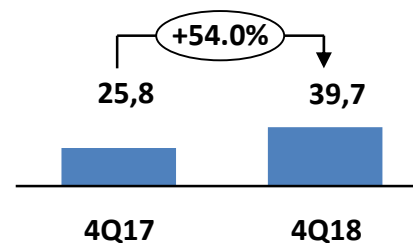
Gross Profit



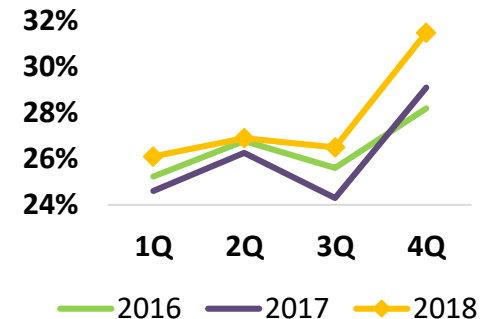
EBITDA



EBIT



Gross margin (%)



Ripley Chile: Banking Business

REVENUES

- ✓ Healthy growth of the loan portfolio in +5.9% by the end 4Q18
- ✓ Interest revenues grew 4.7%
- ✓ Commission revenues decreased due to the base of comparison

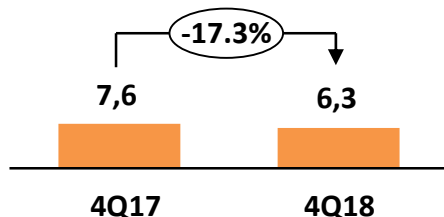
GROSS PROFIT

- ✓ 2.7% increased
 - ✓ Total costs decreased -7.8%
 - ✓ Funding costs +12.6%
 - ✓ Net risk cost dropped -15.2%
 - Healthier loan portfolio and better risk management

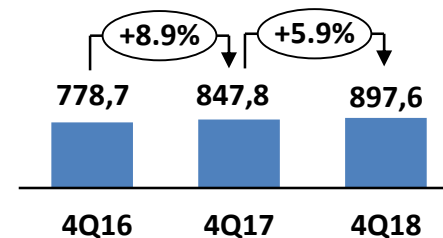
NET INCOME

- ✓ SG&A expenses increased +4.4%, attributed to the higher loan portfolio, new systems, digitalization and commercial agreements with the retail segment
- ✓ Net income reached MM\$6,296, a 17.3% lower than 4Q17

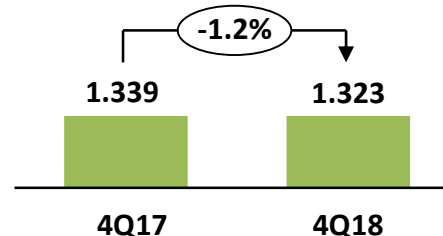
Net income



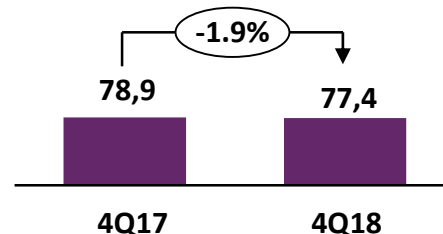
Loan Portfolio



Cards w/debt (th)



Revenues

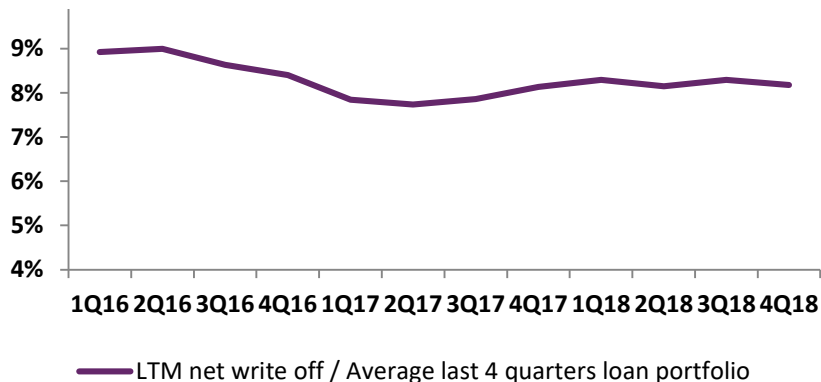


Note: The financial indicators correspond to the banking segments of each country, according to the regulators methodologies, SBIF and SBS in Chile and Peru, respectively. IFRS adjustments are made in the central office segments.

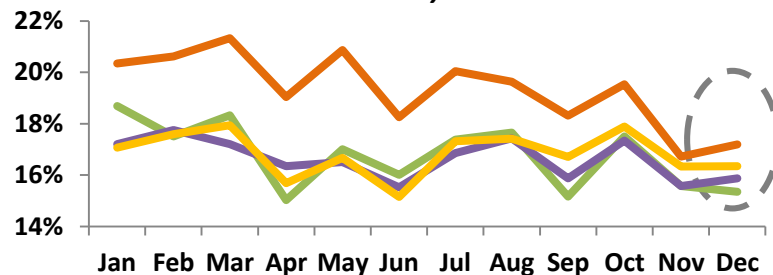
Ripley Chile: Banking Business

- ✓ Healthy evolution of early NPL's (less than 90 days) and over 90 days NPL's (more than 90 days) healthy yet in slightly higher levels than recent years
- ✓ Monthly net risk cost maintaining levels of recent years and lower than shown by the end of 2017
- ✓ Stable evolution of net write offs

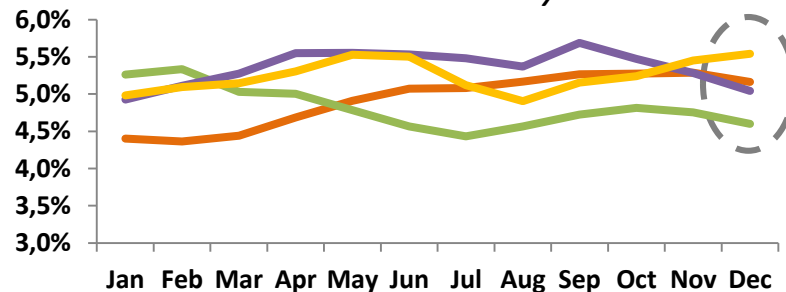
LTM net write offs / Average LTM loan portfolio



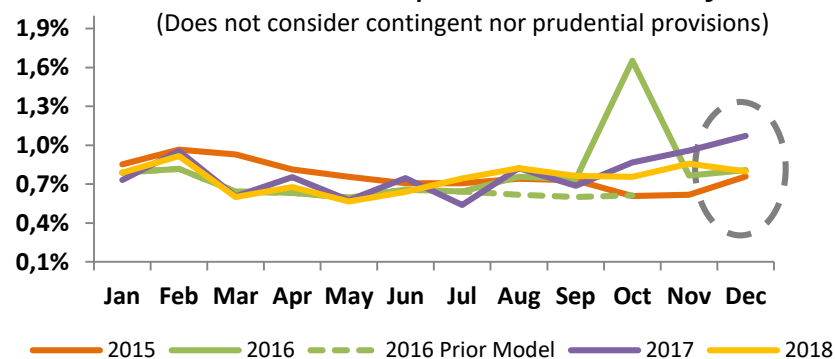
NPL's 1-90 Days



NPL's 90 + Days



Net Provision Expense/ Loan Portfolio



Ripley Peru: Banking Business

REVENUES

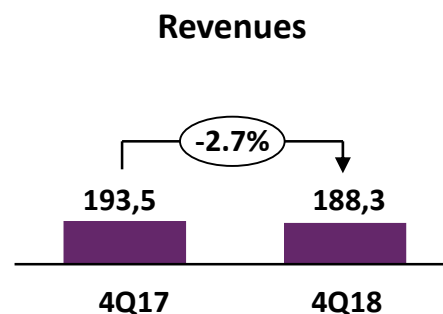
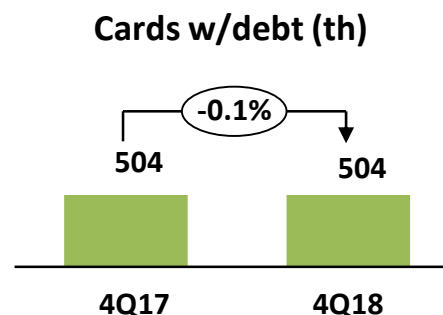
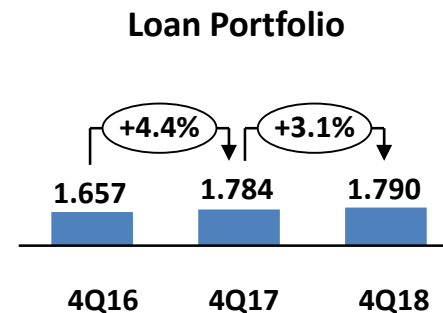
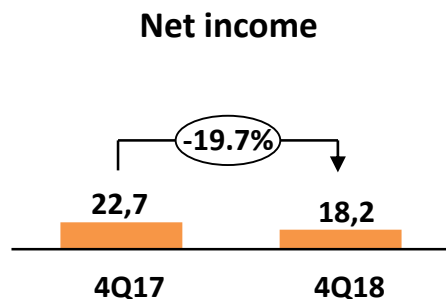
- ✓ Loan portfolio grows +3.1% in PEN (+12.5% in CLP)
- ✓ Total revenues decrease -2.7% (+0.9% in CLP)
- ✓ Commission revenues decreased due to the base of comparison

GROSS PROFIT

- ✓ 4.5% increase
- ✓ Total costs increased -14.8% (-11.7% in CLP)
 - ✓ Funding costs decrease -10.6% (-7.3% in CLP)
 - ✓ Net risk cost dropped -17.3% (-14.2% in CLP)
 - Better payment behavior and portfolio management

NET INCOME

- ✓ SG&A expenses grew +12.3% (+16.4% in CLP) due to higher concentration in commercial and marketing campaigns in 4Q18
- ✓ Net income reached MPEN 18,195, 19.7% lower than 4Q17

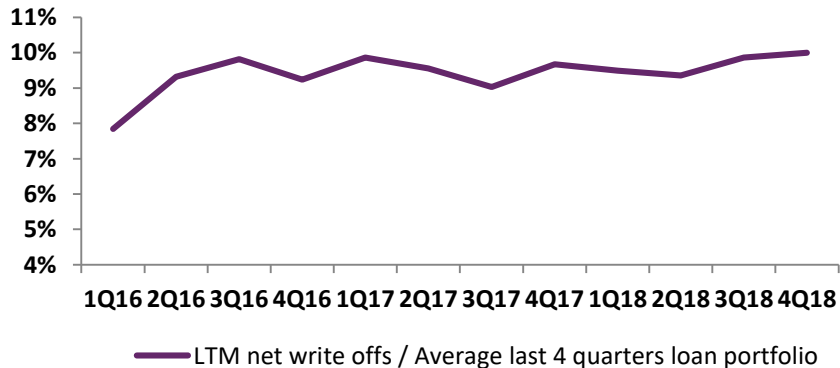


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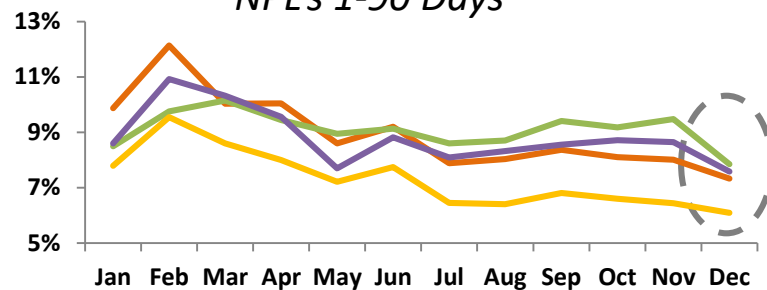
Ripley Perú: Banking Business

- ✓ Early NPL's at its lower level of last 4 years, whereas over 90 days NPL's increase in regards to previous years, but maintaining in healthy levels
- ✓ Improvement of net risk costs when compared to 2017, thanks to risk policies in place and a 1H17 affected by a climate phenomenon
- ✓ Stable evolution of net write offs

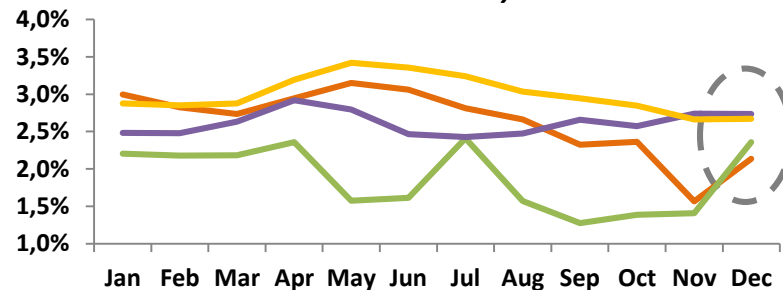
LTM net write offs / Average LTM loan portfolio



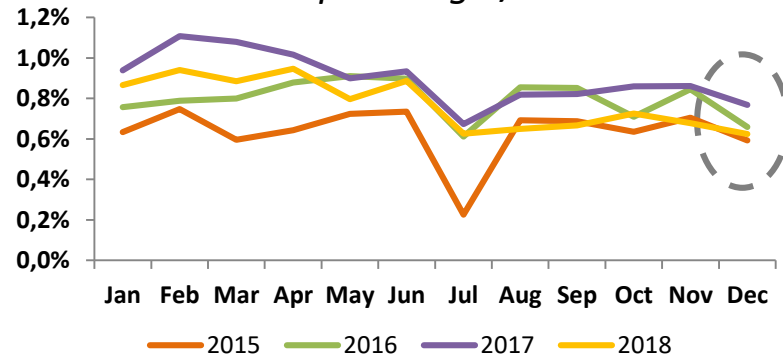
NPL's 1-90 Days



NPL's 90 + Days



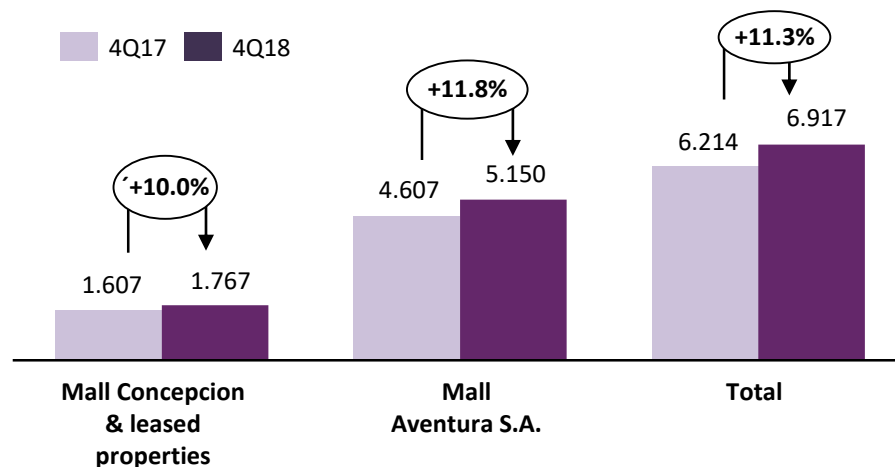
Costo por riesgo / Cartera



Ripley's Real Estate Business

- ✓ Net income decreased 32.8% reaching MM\$21,399, due to lower FV in 4Q18
 - Own malls: MM\$5,834 (+12.9%)
 - Associates: MM\$15,565 (-41.7%)
- ✓ Own malls EBITDA reached MM\$6,917 (+11.3%)

EBITDA (MMCLP)



	Ownership	Country	4Q18				4Q17		
			Investment (MMCLP) ⁽¹⁾	Net Income	GLA (m ²) ⁽²⁾	Malls	Net Income	GLA (m ²) ⁽¹⁾	Malls
Mall Concepcion & leased properties	100%	Chile	77,958	2,372	36,600	1	1,768	36,600	1
Inm. Mall Vina del Mar S.A.	50%	Chile	88,087	4,246	67,700	2	4,952	59,700	2
Nuevos Desarrollos S.A.	22,5%	Chile	160,160	11,320	106,847	8	21,746	97,425	7
Mall Aventura S.A.	100%	Peru	219,252	3,462	128,700	2	3,400	126,000	2
Total			545,457	21,400	339,847	13	31,866	319,725	12

Nota: Weighted average of Ripley's ownership in each investment property, which incorporates fair value valuations of investment properties. Nuevos Desarrollos S.A. holds its investment properties at cots, then Ripley makes adjustments for that valuation to be aligned to the accounting policy of the Company

(1) Proportional Weighted by Ripley's ownership in each investment property

Real Estate development in Chile

Company	Type of project	Mall	Opening date	GLA in operation (m ²)	Project GLA (m ²)
Inmobiliaria Mall Viña del Mar	Expansion	Marina Arauco	2H19	13,000	27,000
Inmobiliaria Mall Viña del Mar	Expansion	Mall Curicó	1H20	3,500	8,000

Real Estate development in Peru

Company	Type of project	Project	Opening date	GLA in operation (m ²)	Project GLA (m ²)	Status
Mall Aventura	Expansion	Santa Anita	2H19	-	35,000	Under construction
Mall Aventura	New Mall	Chiclayo	1H20	-	51,000	Under development
Mall Aventura	New Mall	San Juan de Lurigancho	2H21	-	62,000	Under development
Mall Aventura	New Mall	Iquitos	2H21	-	56,000	Under development

Nota: Referential opening dates and GLA, therefore they may suffer modifications during the course of developing the projects

Focos en nuestros negocios



Hola, soy Eva, cuéntame en qué te puedo ayudar? ·1

➤ Retail

- Omnichannel strategy
- Market Place
- Own/private brands
- Logistics and apps



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➤ Bank

- Increase preference and use
- Digitalization
- Loyalty programs
- Growth with controlled risk



Ripley Puntos GO

➤ Real Estate

- Expansion of existing malls
- Selective development of new projects



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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