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## **Mallplaza: Becoming the largest mall operator in South America with a compelling value proposition**

**Fernando de Peña, CEO of Mallplaza**

Thank you, Renato. Good morning, everybody. I'm going to talk about the three strategic pillars of Mallplaza. One is the value we deliver to our customers or visitors. Second, is the value we get from our omnichannel proposal. And third, growth, growth and growth. First, I want to make two statements. Mallplaza is the best platform for investors to invest in the Andes region because of the quality of the assets and because of the quality that the markets we serve. And second, Mallplaza is the best getaway to the global brands to get into the Andes region or to expand in the Andes region.

We are the largest operator in the Andes region, with a unique portfolio of top-tier assets. We have 2.3 million square meters, and our market cap in the US is 3.7 billions. And we have 10 Tier A assets that deliver 60% of the company's EBITDA. We have presence in three countries, Colombia, Peru and Chile, with 37 shopping centers in 23 cities. What is a tier A asset? A tier A asset is a shopping mall that leads a big market, a market with a high potential of growth, and it leads in terms of sales and visitors. For example, in Chile, the 10 best assets or shopping malls, six of them are Mallplaza malls.

So, we have 350 million visitors per year. We have almost 5,000 stores, and 47% of GLA is focused on experience and convenience. What is this? Convenience delivers us daily use, so it brings people every day to our projects. And experience, it's how people socially buy, socialize in our projects. Saying that, we are the gateway in the region, in the Andes region, for global brands and for investing. Let's see a video with our 10 tier A assets. Play the video, please.

*(Video Begins)*

We are Mallplaza, the main shopping center platform in South America. Our portfolio includes assets that are leaders in their respective markets, 10 of which are tier A. They represent over 60% of the company's EBITDA, generating a higher return on investments with high visitor flows, growth potential and highly productive leasable area. All of them are in densely populated areas and are well-connected and easily accessible by public or private transport, making them strategic points within the city. Seven of our tier A assets are in Chile, with a presence in the country's main regions, Mallplaza Vespucio, Oeste, Norte and Egaña are in the metropolitan region and satisfy the multiple visiting purposes of the inhabitants of La Florida, Cerrillos, Huechuraba and La Reina, respectively.

Mallplaza Antofagasta in the region by the same name in the northern part of the country, is part of the city's port complex thanks to a public private partnership. Meanwhile, Mallplaza La Serena in the Coquimbo region, has a renewed value proposition leveraged on high traffic international brands. For its part, Mallplaza Trebol in the city of Talcahuano Bio Bio region offers a powerful commercial mix of services and entertainment that makes it a leader in its area of influence. Our tier A asset in Peru is Mallplaza Trujillo, which has strengthened its retail offering by incorporating new formats and brands that attract foot traffic.

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Meanwhile, we have two tier A urban centers in Colombia. Mallplaza Buena Vista in the city of Barranquilla was inaugurated in 2019 and is where our successful El Mercado food and beverage model, which we have replicated with very good results at different urban centers in three countries, was created. And Mallplaza NQS, in Bogota, the capital of Colombia, this urban center acquired in 2020 was our first M&A operation in the country. Today, it is a must visit destination within the city, serving multiple purposes for visitors.

Thus, Mallplaza has one of the best asset portfolios in the region, with a varied and customer focused value proposition. We continue to work to strengthen our assets through organic growth, with a plan that considers adding 225,000 square meters in Chile and Peru over the next five years. In this way, our shopping centers will continue to be capable of providing multiple and powerful reasons for visiting, with new brands, services and categories to consolidate our leadership in the region.

*(Video Ends)*

I will say that there's no company in Latin America that has such amount of tier A projects. In terms of our first strategic pillar is the value that we deliver to our visitors. These 2.3 million square meters, 28% is convenience. Convenience is supermarket, hyper market, cash and carry, home improvement, public services, private services, gym, etc. That gives us a daily, daily visit to our projects.

Then we have fashion. Fashion is 43%, half is department stores, and half is, specialty retailers. In terms of department stores, in the last five years we lowered up this percentage, this 22 percentage, and we are increasing specialty stores percentage, mainly with international brands. We are the most important operator in Latin America with H&M, Decathlon. We are growing a lot with Inditex group, mainly with Zara and other brands, and also with regional brands like Casa Ideas. So, we are rebalancing the mix between specialty retails and department stores.

Then we have a 15% in entertainment and FMB. Since COVID, we pushed very hard this percentage from 10%, 11% to 15%. Today, the US market has a 10% and they're willing to have a 15% in the next five years. What is this? This is social deviation. This is where people really meet people, see people, connect with people. So really people connect with people. This is very important, because human beings, we are social animals or people, whatever.

Then we have a 10% of big use, mainly in healthcare and education. That is the same role that the convenience, they bring us people every day to our project. So, in the end, we have 38% of our proposal is to bring people. And then we have a 4% of mainly automotive. I will say that 50% of the new cars in Chile, they are sold in Mallplaza. So, our value proposition is very diversified, but also, it has very strong reason to visit our places. In terms of the value that we get from our omni channel proposition I will say that we have two drivers, first omni channel services and then new revenue streams.

In terms of omni channel services, we have 19 click and collect. This click and collect generate digital floor to our shopping malls. But this click and collect, they are absolutely agnostic. They are not only for the stores that are present in the mall. They are for every retailer, every marketplace and every last mile company. Because at 10 minutes of each of our malls live too many people. We are in really, very dense locations. So, then the mall, it's a hub to consolidate packages, and people can come to the mall to get

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them and visit the mall. But also, we are increasing our sales in ship from store with the same idea, not only the stores that they are present in the mall, so we have some dark stores, so we can deliver packages for stores that we are present in the mall, and other retailers, they are not in the mall. So, people can come to the mall, or we can send them packages to their house.

All this generates us a lot of data and data that we really have a better understanding of our customers, and we can give value also to the stores that are present with us. I will say that up to today, we have 560,000 contact clients, and there are 330 stores that they're using all these to have a better transaction and conversion in the store with a huge amount of people that visit us. On the other hand, we have these new revenue streams. The first is on and off-site marketing media services. I will say that today, today we have 1.5 of our revenue coming from here. We see Brazil, for example, it's 6% of the revenue. So, we have a very big ramp up over there. We are working on that. We are really in kind of an exponential ramp up, so we think that will be in 6% and 7% of the revenue with our BIS proposals.

And then frictionless parking. We digitalize all our parkings in the three countries. Today, we have 25% of our clients, they have free flow, but NPS increased a lot, but we have a check in. So, each time you get by car into our projects, we know that. And as we know you, we can deliver you the best experience you want. So, we are working very hard on that. And in terms of growth, we will have two drivers of growth, Brownfield, and M&A. In terms of Brownfield, we will grow in Chile about 135,000 square meters in the next five years, and in Peru, at least 100,000 meters in the next five years.

I will say that Brownfield has been very, very strong in the history of this company. Today, these 2.3 million of square meters, 50% of that comes from Brownfield. So, we really, really--we know how to do Brownfield. Brownfield is faster and low-risk execution. It's cost attractive because the mall, there's a lot of investment that the malls has already done. It's marginal. And improve the market share of that particular mall, because we have better reason to visit our mall. But also, we have a lot of amount of available land in almost all our tier A malls, so we have the capability to continue doing Brownfield in the time.

In terms of M&A, today, we have a 31% of market share in Chile, 21% of market share in Peru, after the OPA that we finished last week, and 4% in Colombia. So, we plan to continue increasing our market share in Peru and Colombia. And we have two stories about this. First is Mallplaza NQS. Mallplaza NQS, we bought this small lot called Calima, in a very good market in a very good location in Bogota but was mainly convenience. So, we bought it in 2020. We simplified the navigation of the mall. We added fashion. We added entertainment. We added F&B. We added socialization. And today, we have 1.3 million visitors per month. When we bought it, there was, or before the pandemic, there was 300,000 visitors per month. So, the value that we created there is enormous.

Today, NQS is one of the three best malls in Bogota. And as I told you, next week--we finished the OPA and in Peru, we bought 66% of Mallplaza Peru and 100% of Mallplaza Peru, and it's more or less the same history as in NQS, in the sense that there's a lot of projects in very good markets with very good location, so we will deliver a better experience. How? First, we will simplify the navigation. We will add a very good convenience proposal, fashion, entertainment, F&B, socialization. So, we plan that in the next five years. In Peru, we will go from one tier A in Trujillo to four tier As in Peru. So, in Peru, we will deliver this opportunity in the next years with a very, very strong value that we will get from that. I will say that Mallplaza is really a very strong platform of tier A, but also in middle markets, like Calima, etc., Los Angeles, we are the leaders

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of those mid markets. We have a very strong tier A proposal, but also in mid markets we are leading, mainly, all of our middle market.

Now I will give you Juan Manuel.