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BUSINESS SCHOOL

Latin America Research Center

# Innovation During COVID-19: How Falabella Continues to Thrive

November 2020

PRESENTED BY

**Gaston Bottazzini**  
Chief Executive Officer,  
Falabella

**Amy Bernstein**  
Vice President and Executive Editorial  
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Editor, Harvard Business Review

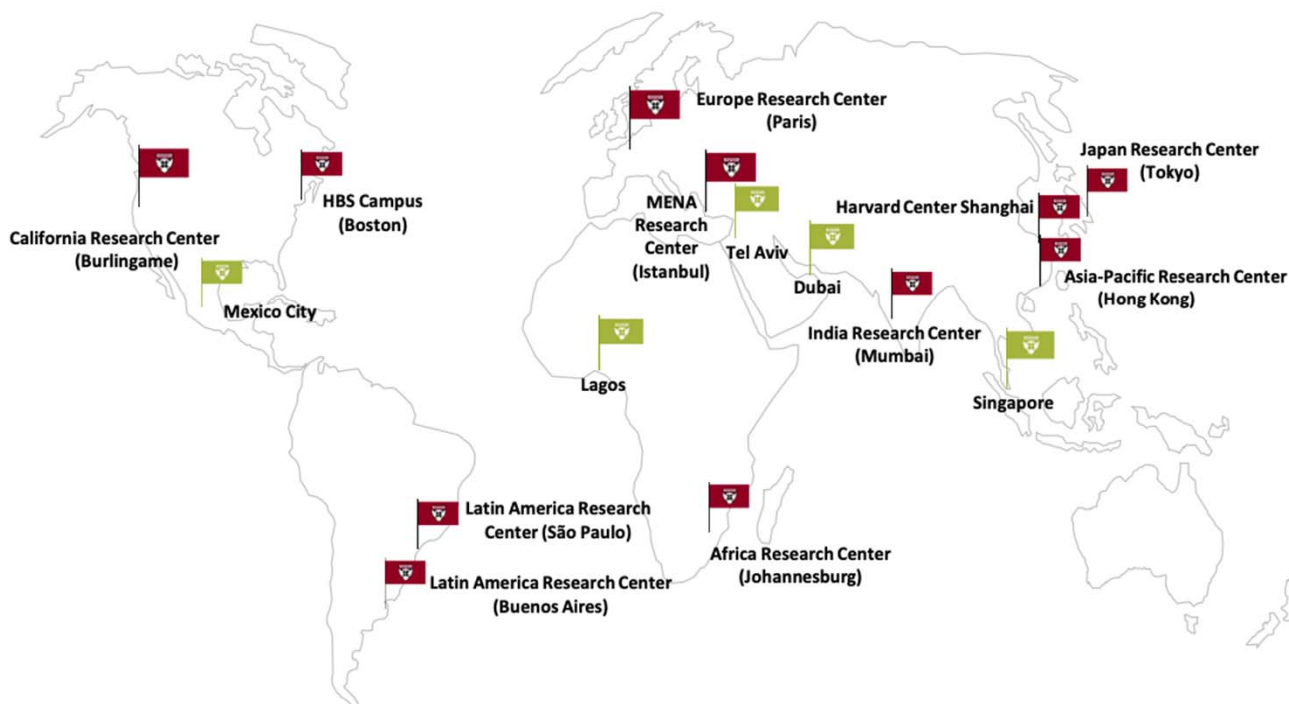


## During Today's Session

- All attendees will be in listen-only mode
- Technical issues? Log out and log back in.
- Session is being recorded
- Questions should be submitted using the Q&A panel
- Please complete the survey that will pop up at the end of the webinar

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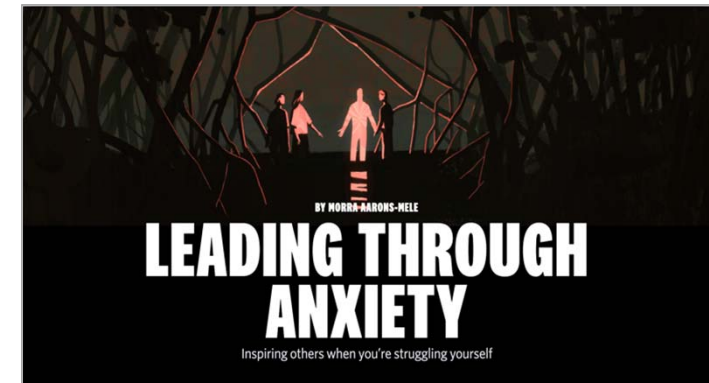
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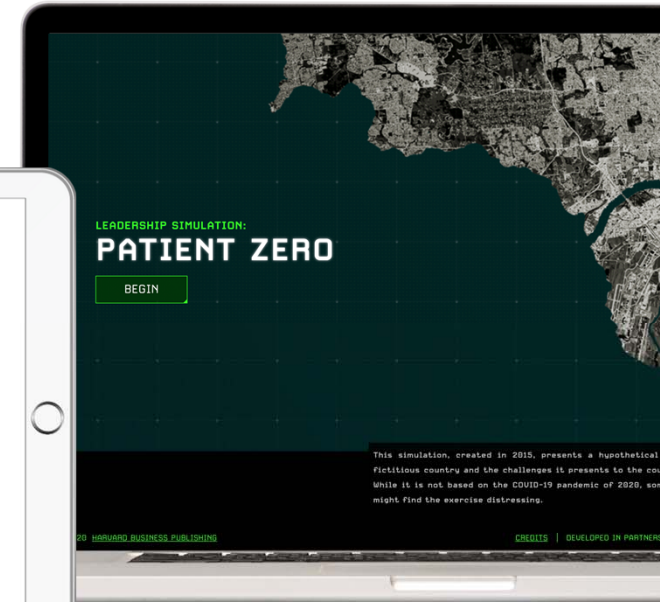
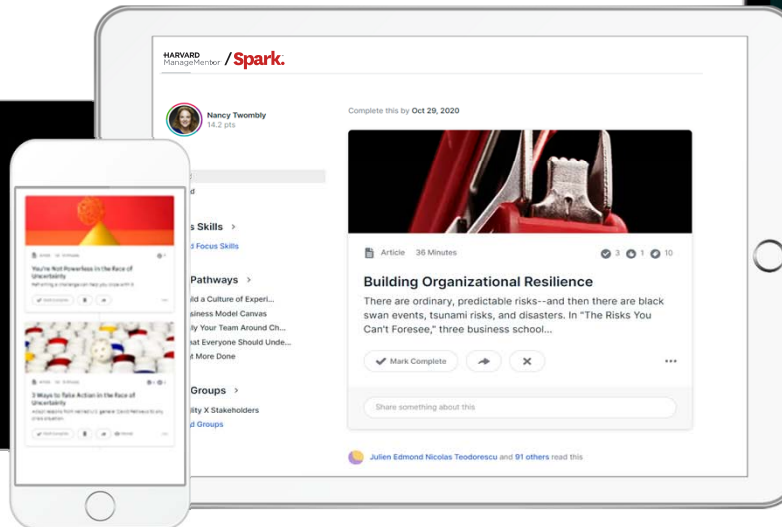
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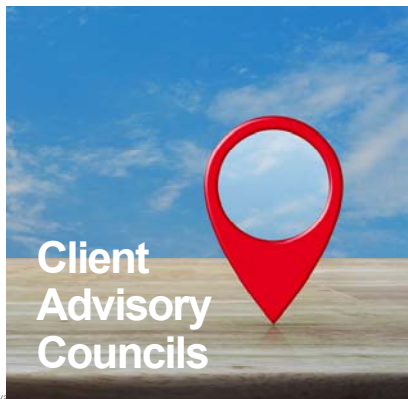


**Ideas that matter  
today and tomorrow.**



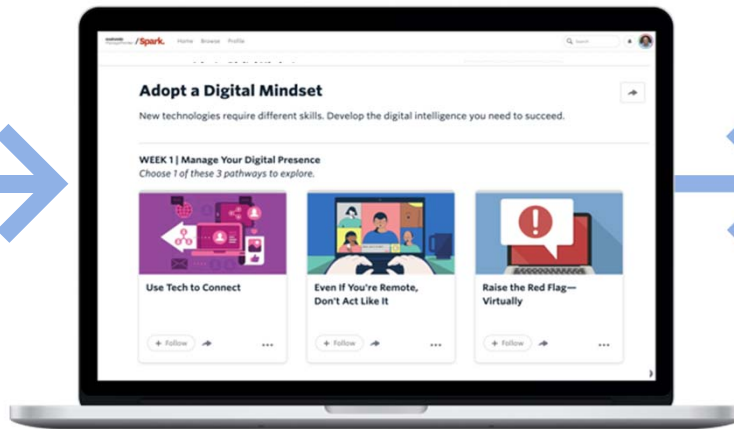
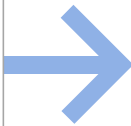
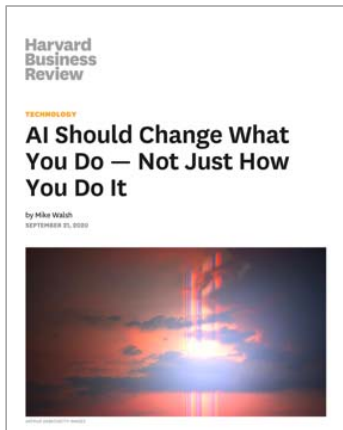
# Engaging learning experiences deliver impact at speed and scale.





**Deep partnership and  
continuous innovation to  
future-proof your talent.**

# Inspire your leaders. Activate your organization.



Address today's challenges and prepare for tomorrow's



Deliver broad impact at speed and scale



Build future-ready leaders





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# Introduction



**Gaston Bottazzini**

Chief Executive Officer,  
Falabella



**Amy Bernstein**

Vice President and Executive Editorial  
Director, Harvard Business Publishing;  
Editor, *Harvard Business Review*

# FALABELLA OVERVIEW

Harvard Webinar, November 2020



SODIMAC

TOTTUS

CMR  
Falabella

Banco  
Falabella

mallplaza

Falabella  
INMOBILIARIO



OMNICHANNEL RETAIL PLATFORM IN LATIN AMERICA

7 COUNTRIES



FASHION & ELECTRONICS



SUPERMARKETS



HOME IMPROVEMENT



FINANCIAL SERVICES



MARKETPLACE



REAL ESTATE

US\$10.7bn

2Q20 LTM Total Revenues

US\$1.8bn

2Q20 LTM GMV<sup>1</sup>

124%

2Q20 GMV Growth

US\$6.2bn

2Q20 Gross Loan Book

5.2mn

Active CMR Accounts with balance

515 stores

Three retail formats

Source: Company filings

Note: Main figures as of June 2020. All dollar figures are calculated based on the observed exchange rate as of July 1<sup>st</sup>, 2020 (821,23 CLP/US\$).

<sup>1</sup> GMV 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 and Linio's GMV.

## REGIONAL FOOTPRINT

							
FALABELLA RETAIL	47 Stores 326,706 m <sup>2</sup>	29 Stores 178,326 m <sup>2</sup>	26 Stores 190,604 m <sup>2</sup>	10 Stores 56,890 m <sup>2</sup>			
HOME IMPROVEMENT	89 Stores 776,067 m <sup>2</sup>	55 Stores 376,265 m <sup>2</sup>	40 Stores 386,256 m <sup>2</sup>	9 Stores 94,073 m <sup>2</sup>	53 Stores 173,228 m <sup>2</sup>	3 Stores 24,849 m <sup>2</sup>	6 Stores 65,628 m <sup>2</sup>
SUPERMARKETS	70 Stores 228,826 m <sup>2</sup>	78 Stores 266,134 m <sup>2</sup>					
FINANCIAL SERVICES	2,692,00 active credit cards	1,076,00 active credit cards	1,051,000 active credit cards	327,000 active credit cards			
REAL ESTATE	26 malls 1,586,000 m <sup>2</sup> GLA	14 malls 524,000 m <sup>2</sup> GLA	3 malls 122,000 m <sup>2</sup> GLA				

### MIX BY COUNTRY (LTM)



**Colombia**  
8% revenue  
10% EBITDA

**Peru**  
27% revenue  
25% EBITDA

**Chile**  
58% revenue  
61% EBITDA

**Brazil**  
2% revenue  
<1% EBITDA

**Uruguay**  
<1% revenue  
<1% EBITDA

**Argentina**  
4% revenue  
2% EBITDA

### MIX BY BUSINESS (LTM)



**Home Improvement**  
US\$ 3.4 billion revenues

32% Revenue  
16% EBITDA



**Supermarkets**  
US\$ 2.2 billion revenues

20% Revenue  
14% EBITDA



**Financial Services**  
US\$ 6.2 billion Loan Book

16% Revenue  
36% EBITDA



**Fashion & Electronics**  
US\$ 2.9 billion revenues

28% Revenue  
6% EBITDA



**Real Estate**  
3.2 million m<sup>2</sup> of GLA<sup>3</sup>

4% Revenue  
28% EBITDA

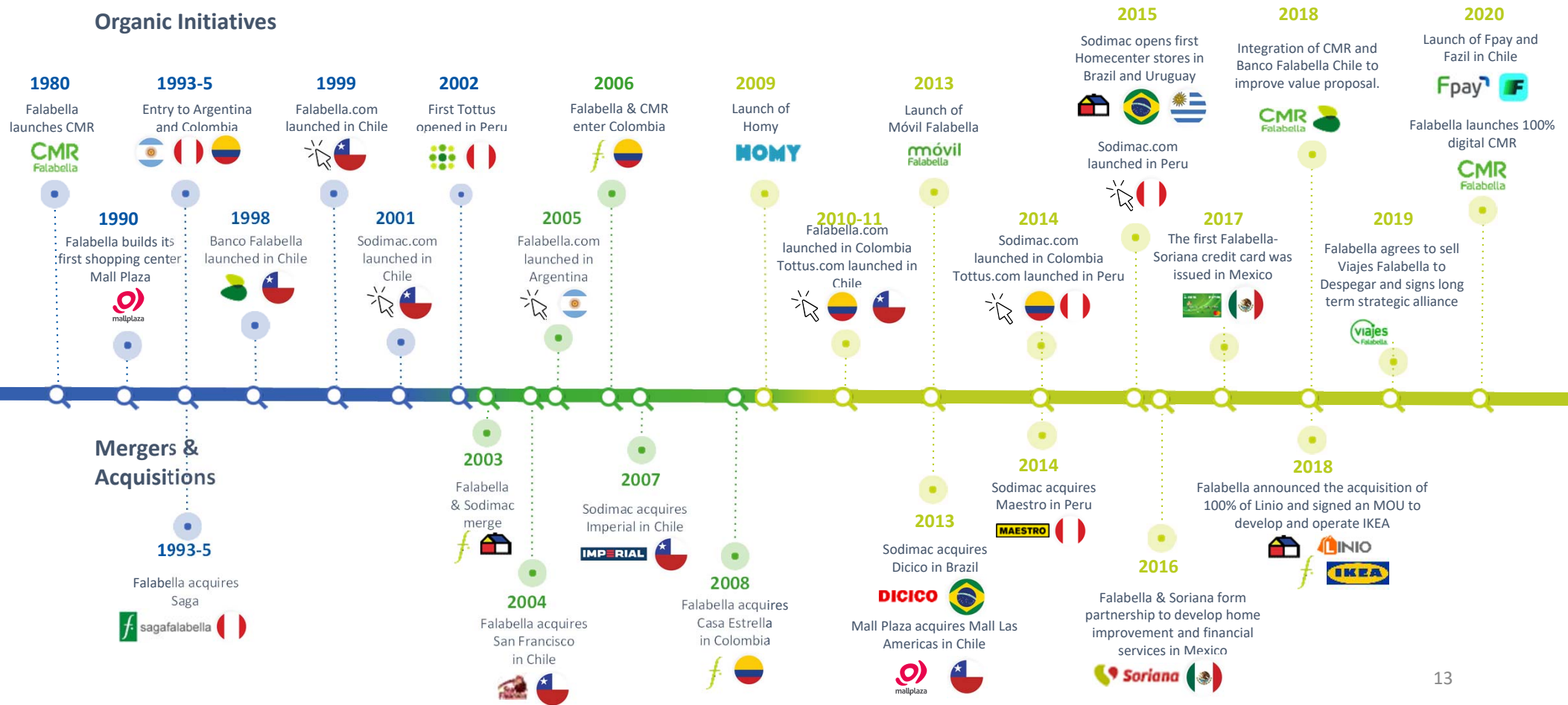
1. All figures as of June 2020.

2. Mix by Country and Mix by Business as of June 2020. Segment 'Colombia' and 'Home Improvement' does not include Sodimac Colombia which we do not consolidate. EBITDA Breakdown does not consider adjustment and eliminations

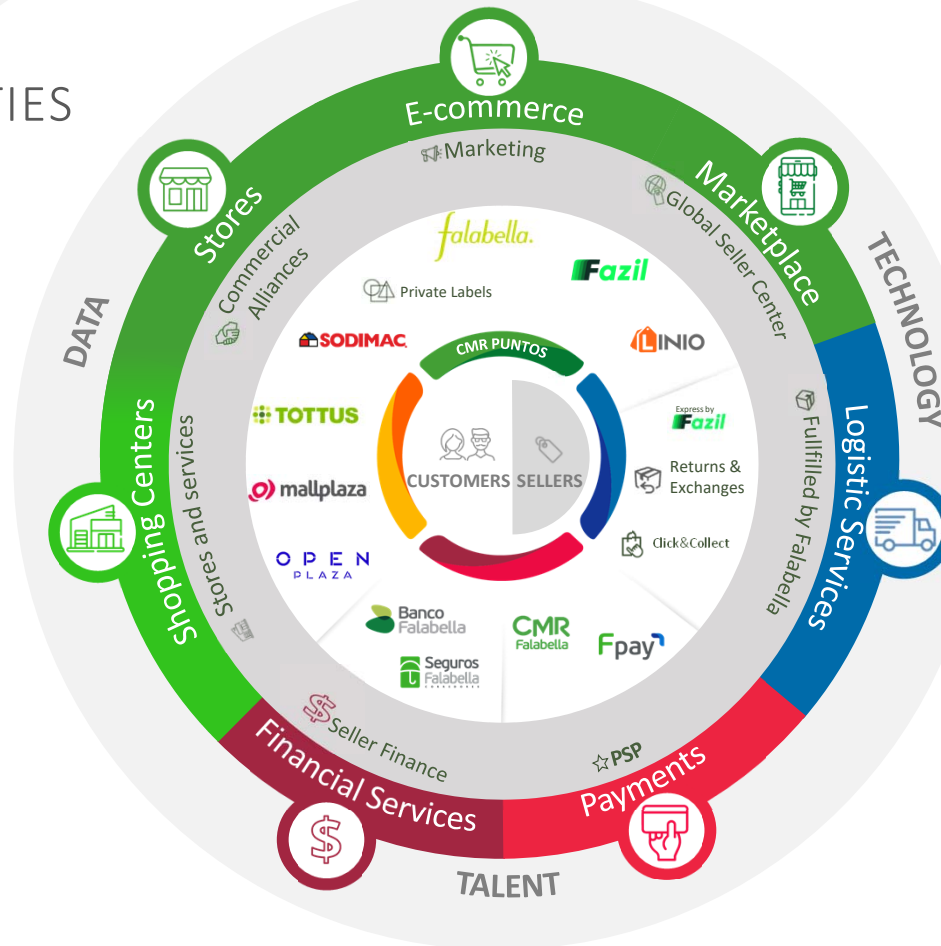
3. Includes 1,030,000 m<sup>2</sup> of additional GLA in free standing stores in the region also owned by Falabella.

## CONSTANTLY EVOLVING TO MEET OUR CUSTOMERS' DEMANDS...

### Organic Initiatives



STRENGTHENING OUR  
OMNICHANNEL CAPABILITIES





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# Discussion



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**Thank you!**



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