4Q24 Conference Call Guidelines

Miguel Ángel Peirano: *Good morning and welcome to Coca-Cola Andina's fourth quarter 2024 earnings conference call.*

We closed the fourth quarter of 2024 with very solid financial results, as we had in the previous quarters of the year. Adjusted consolidated EBITDA reached CLP 182,178 million, a 14.5% year-over-year growth, driven by local currency adjusted EBITDA growth in Brazil (9.4%), Chile (5.2%) and Paraguay (1.8%), and by the translation effect. In Argentina, adjusted EBITDA in local currency decreased by 7.1%, reflecting a significant improvement over previous quarters, which makes us optimistic about 2025.

Sales volumes also showed a positive performance in the quarter, growing in all 4 operations. Consolidated sales volume reached 268.7 million unit cases, an 8.2% increase over the same period of the previous year, with Paraguay growing 12.0%, Chile 8.6%, Brazil 8.1% and Argentina 6.2%. Excluding sales to Coca-Cola Femsa as a result of flood damage to one of its Brazilian plants, consolidated volume reached 264.7 million unit cases, an increase of 6.6% over the previous year, with Brazil growing by 8.0%, Paraguay by 6.7% and Argentina by 0.9%.

Our company values both financial results and sustainability achievements, which are fundamental pillars of our purpose. In 2024, we achieved significant milestones that demonstrate our commitment to the environment and social responsibility. We were included in the Dow Jones Chile Index for the ninth year in a row, as well as the Dow Jones Sustainability Index MILA Pacific Alliance for the eighth year in a row. These accolades highlight our dedication and perseverance, establishing us as the best-ranked Chilean company in our industry and one of the top five globally. We'd also like to point out that we made our commitment to establish a carbon emissions reduction target for 2030 public this year by signing a commitment letter with the Science Based Targets Initiative (SBTi), and we're currently validating targets for all three scopes.

During 2024, we completed two significant projects that reaffirmed our commitment to sustainability. We opened the ReCiclar plant in Chile in August, in collaboration with Coca-Cola Embonor, to produce recycled food-grade resin that will be incorporated into our bottles beginning in 2025, preventing thousands of tons of plastic from ending up in landfills. In November, we reopened our plant in Mendoza, Argentina, with a modern production line for returnable bottles. This initiative, with an investment of about USD 40 million, not only reaffirms our commitment to Argentina and its returnability, but also helps us reduce costs and our carbon footprint.

Regarding soft drink returnability, we closed the year with 45.3% in Argentina, 40.0% in Paraguay, 39.8% in Chile, and 23.3% in Brazil, all of which were consistent with the previous year, placing us among the top bottlers in the system globally in terms of this indicator.

We also continued to optimize processes to reduce our water consumption, finishing the year with a ratio of 1.64 liters of water withdrawn for every liter of beverage produced, with the implementation of effluent water treatment and recovery projects in Chile and Brazil standing out.

Our work also focuses on clean and renewable energy. In June, we signed a seven-year agreement with Pampa Energía, an energy supplier, in Argentina to integrate wind energy into the operations of the Coca-Cola Andina plants in Córdoba, Trelew, Bahía Blanca and Andina Empaques. Consequently, at a consolidated level, over 44% of our total energy consumption in 2024 came from renewable sources.

Andrés will now comment on the ***Company's financial results:***

Andrés Wainer: Good morning*,*

To begin, I would like to remind you that the figures analyzed incorporate the application of IAS 29. The figures for our Argentine operation for both the fourth quarter of 2023 and the fourth quarter of 2024 are presented in local currency as of December 2024.

Regarding the exchange rates of the other countries where we have operations and their effect on the consolidation of the figures this quarter we had a positive impact when consolidating the figures of the Paraguay operation and a negative effect when consolidating the figures of the Argentina and Brazil operations.

For each of our franchises, the figures we will analyze in each of them will be in nominal local currency, and in the case of Argentina, as mentioned above, they will be in real currency, as of December 2024.

In Argentina, *Net Sales increased 0.3% in the quarter, which was mainly explained by the increase in volume already mentioned by Miguel Angel, partially offset by the decrease in the average revenue per unit case sold, which is explained by the lower average price of exports to Coca-Cola Femsa in Brazil.*
Cost of sales increased 7.9% in the quarter, which is mainly explained by the higher sales volume, and the negative effect of the devaluation of the Argentine peso on our dollarized costs. This was partially offset by lower concentrate costs and lower sugar costs.
Distribution Costs and Administrative Expenses decreased 3.3% in the quarter, which is mainly explained by lower labor expenses and higher other operating income classified under this item. This was partially offset by higher distribution expenses.
Finally, Adjusted EBITDA decreased 7.1% in the quarter, and Adjusted EBITDA margin contracted 139 basis points to 17.3%. Argentina accounted for 23.4% of Adjusted EBITDA generated by the Company.

In Brazil*, Net Sales increased 13.9%, mainly explained by the aforementioned increase in volume and the increase in the average revenue per unit case sold.*
Cost of sales increased 12.6%, which is mainly explained by the higher sales volume, the effect of the devaluation of the real on our dollarized costs, a higher cost of concentrate due to price increases, and a higher cost of Pet resin. This was partially offset by lower sugar costs.
Distribution Costs and Administrative Expenses increased 23.6%, which is mainly explained higher marketing expenses, higher distribution expenses due to higher volumes sold, and lower other operating income classified under this item.
Brazil Adjusted EBITDA increased 9.4% in the quarter and Adjusted EBITDA margin was 19.4%, a contraction of 80 basis points. Brazil accounted for 26.4% of Adjusted EBITDA generated by the Company.

In Chile*, Net sales increased 9.8% in the quarter, mainly explained by the aforementioned increase in volume and to a lesser extent by the increase in the average revenue per unit case sold, as result of price increases.*
Cost of Sales increased 11.9%, which was mainly explained higher sales volume, higher sugar cost, and the devaluation of the Chilean peso, which has a negative effect on dollar-denominated costs. This was partially offset by a lower cost of concentrate, and a lower cost of Pet resin.
Distribution Costs and Administrative Expenses increased 7.7% in the quarter, which is mainly explained by higher distribution expenses due to higher sales volumes, and higher labor and service costs provided by third parties. This was partially offset by lower marketing expenses.
Adjusted EBITDA increased 5.2% in the quarter and Adjusted EBITDA margin reached 19.1%, a contraction of 82 basis points from the previous year. In the period, the Chilean operation represented 37.5% of Adjusted EBITDA generated by the Company.

In Paraguay*, Net Sales grew 19.5% in the quarter, which was mainly explained by the aforementioned increase in volume and a higher average revenue per unit case sold.*

<u>Cost of Sales</u> increased 25.0%, was mainly explained by the higher volume sold, the devaluation of the local currency affecting our dollarized costs, a higher cost of Pet resin, and the change in the mix towards higher unit cost products.
<u>Distribution Costs and Administrative Expenses</u> increased 30.4%. This is mainly explained by the higher cost of labor and services provided by third parties, lower other operating income classified under this item, higher marketing expenses, and higher distribution costs, due to the higher volume sold and higher tariffs.
<u>Adjusted EBITDA</u> increased 1.8% in the quarter and Adjusted EBITDA margin reached 27.9%, a contraction of 488 basis points from the previous year. Paraguay accounted for 12.7% of Adjusted EBITDA generated by the Company.

***By 2025 we are projecting a Capex of approximately USD 240 million**. An important part of this amount will be allocated to investments in returnable bottles and cases, as well as cold equipment to be installed at points of sale that require it, thus supporting our customers. In Brazil, we will invest in a new mineral water production line, and we will complete the investment in a multi-category line in Duque de Caxias, which will allow us to produce beer, among other products. In Paraguay, we will invest in a line of returnable glass bottles. It is important to mention that the Capex 2025 estimate is under constant evaluation and monitoring, and may vary depending on the macroeconomic conditions of the countries in which we operate, among other considerations.*

This opens the door to any questions you may have.

Moderator: Okay, the first question is from Felipe Ucros from Scotiabank. Mr. Felipe, go ahead.
Felipe Ucros: Good morning, Miguel Ángel, Andrés, Paula. I appreciate the opportunity to ask questions. A slightly more administrative question comes up first, followed by some strategic ones. The increase in Paraguay's administrative expenses caught my attention. I'm not sure if you could elaborate on the increase and let us know if you anticipate Paraguay's expenses to rise going forward or if this was a particular, one-time event. I then submit two additional strategic questions to you. Thank you.
Andrés Wainer: Hi Felipe, how are you? This is Andrés. The Paraguay administration expenses are one-time. It primarily relates to other income from the operation, which we classify as administrative and selling expenses in the negative, to help reduce it, and this year was lower than previous years. As a result, it cannot be predicted in advance. Paraguay's margins, after adjusting for the issues I mentioned earlier and the sales to Coca-Cola FEMSA, which have lower margins, are nearly identical to last year. They are still at very high levels.
Felipe Ucros: Very clear. I imagined it to be like that. And the other two questions I had, well, it was a great achievement to be back in positive volumes in Argentina, even after accounting for Coca-Cola FEMSA sales. I'm not sure if you can comment on how you see the consumer in Argentina, and perhaps you can give us an idea of the monthly progression within the quarter to see if the upward trend has continued.
And perhaps the second with Therezopolis, given that you already have several years of experience in your own beer business within the system, as well as an internal production project. What are the most important lessons you've learned from the beer business, and how do you see the business evolving in the future?
Miguel Ángel Peirano: Hello Felipe, how are you? This is Miguel Ángel. First, let me address the first Argentina-related question. Argentina is taking some of the steps that we saw last year, and we commented in the conference call about the gradual improvement that Argentina's economy was experiencing, beginning with the macro with an impact on the micro during the first half of last year, and already beginning to see improvements in the micro from 4Q onwards. We believe it should continue. We see no risk in the measures taken by the government or any indication that it will change its position, so the Argentine economy should continue to consolidate in the future, and the reaction in the micro economy is already becoming more consistent as purchasing power improves. That is slow, so we are cautiously optimistic about Argentina, believing that this trend will continue.
In terms of Brazil, we will most likely begin producing beer in July with our Therezópolis beer; we already have Coca-Cola in the line. I remind you that it is a dual line, allowing us to produce both soft drinks and beer, and we will begin producing beer in the plant in July, so we will become much more active in Therezópolis' growth. Today, we are bringing the product from

more than 1,000 kilometers away, so marketing activity is limited. However, beginning in the second half of the year, there will be a shift in our beer positioning and actions, with a continued focus on the premium and super-premium segments.
Felipe Ucros: Very clear, thank you very much.
Miguel Ángel Peirano: Thank you Felipe.

Moderator: The next question is from Alejandro Fuchs from Itaú. Mr. Alejandro, please go ahead.
Alejandro Fuchs: Thank you very much. Hello Miguel Ángel, Andrés, Paula, I hope you are very well and thank you very much for the space for the questions. One for Andrés and one for Miguel Ángel.
For Andrés, we saw some deterioration in working capital in the fourth quarter. I'd like to know if you anticipate this trend continuing and if we can expect some working capital by 2025.
And the second one for Miguel Ángel, I'd like to learn more about the competitive environment in Chile in 2025. Is there anything that caught your attention in Q4 that we can expect in the future? I'd also like to see some perspectives on competitions in Chile. Thank you so much.
Andrés Wainer: Hello, Alejandro. How are you? This is Andres. Working capital is a very difficult line to forecast quarter by quarter; it is volatile, but there is nothing unusual. Perhaps in this quarter, in the case of Argentina, we ended up with more inventory, both finished product and raw material, which impacted the figure slightly. However, working capital should remain relatively stable in 2025, with no significant variations.
Miguel Ángel Peirano: Alejandro, in reference to the competitive situation in Chile, we already experienced volume growth in the fourth quarter. We anticipate that this trend will continue into the first quarter. Given that the weather is on our side—it's hot—and that the competition is fierce, based on the competition's actions. So, if we see very aggressive competition, well, this is part of the game, we will take the actions we normally take to maintain our market position.
Alejandro Fuchs: Thank you very much Miguel Ángel and Andrés.
Miguel Ángel Peirano: Thank you Alejandro.

Moderator: The next question is from Álvaro García from BTG Pactual. Go ahead, Álvaro.
Alvaro García: Hello, how are you? Good morning, thank you very much. I have one question for Miguel Ángel and one for Andrés.
Miguel Ángel, perhaps you can zoom in a little bit on the July issue, I'm not sure. Are you able to give us your strategies? There will be an uplift in terms of premium and super premium volumes in Brazil on your end, and could you also share some information about the demand you see there? Although 2024 was a super year, there are a lot of concerns for 2025 that we haven't noticed yet. Beginning in 2025, how do you anticipate volume dynamics in the core business?
Miguel Ángel Peirano: Well, regarding the demand issue in Brazil, it is evident that 2024 was a remarkable year for demand, with growths really out of the curve, so we are going to have a challenging comparison. However, what we are seeing in January is that, despite the comparative, volume is still good, not at the double-digit levels that we had last year, but it is still growing. So we see a pretty solid market thus far and we don't see a reason why this could weaken in the short term. So 2025 should be a year with positive growth and volume in the low single digits, with a very demanding comparison given the 2024 numbers.
And with respect to beer in July, we will have enough capacity to be able to roll out in all our territories and even sell our product to a few other Coca-Cola system franchises, and produce a third brand within our plant to reach our full production capacity. Therefore, I would say that until July the beer activity will continue like this, but from July onwards, the focus will be on repositioning Therezópolis much more strongly in the premium and super premium segment, and to see what other brands we can add to our portfolio.
Alvaro García: Super clear, thank you. One last question about CAPEX, Andrés. Was the 2024 CAPEX slightly higher than expected? If so, what was the reason? And thinking about 2026, it seems like we've already seen a slight decline, and CAPEX intensity may continue to decrease heading into 2026, particularly in the context of expansion projects. Thanks!
Andrés Wainer: Yes, hello Álvaro, this is Andrés. Regarding CAPEX for 2024, it ended up slightly higher than our initial estimate for two main reasons. First, in Brazil, volumes exceeded our expectations, requiring additional investments in the second half of the year to efficiently produce and deliver that increased volume. Second, we purchased land in Renca, Santiago, adjacent to our plant—an unplanned acquisition that, while not immediately in use, will be beneficial in the long term. These factors led to a slightly higher CAPEX for the year than we initially estimated at the start of 2024.

For 2025, we are already seeing a decrease in CAPEX, which is expected to be around USD 240 million. A significant portion—USD 75 million—will be allocated to Brazil as we complete the beer plant. In Chile, CAPEX will be approximately USD 55 million, while Argentina and Paraguay will each receive about USD 40 million. The higher investment in Paraguay is due to the installation of a returnable glass beverage line. Lastly, around USD 20 million will be dedicated to digitalization and IT initiatives.
Alvaro García: Thank you very much.

Moderator: Ok, thank you. The next question is from Constanza from Quest Capital. Constanza, please go ahead.
Constanza González: Hello, good morning. Miguel Ángel, Andrés, Paula. Thank you for taking my question. I have a few inquiries. First, regarding employee expenses—when observing the fourth-quarter results of 2024, they account for about 33% of the total. Could you provide more insight into this? What drove the increase? Was there a bonus payout that you implement from time to time? I'd appreciate any clarification on that point. I also have some follow-up questions from there. Thank you.
Andrés Wainer: Yes, hello Constanza. There are two main factors at play here. First, the conversion of figures and exchange rate fluctuations, particularly from Argentina, which make certain expenses appear as significant increases when converted to Chilean pesos. I'd say this is the primary issue. The second factor are certain bonuses and bonifications that are provisioned at the end-of-year, which were higher than the previous year due to the company's strong results, especially compared to our budget projections.

Moderator: Constanza, we can't hear you; can you try calling back or texting the question? Thank you. We will get back to Constanza.
The next question is from Thiago from Goldman Sachs. Thiago, go ahead, please.
Thiago Bortoluci: Good morning. Thanks for taking my question. I have a follow-up on the competition question in Chile. This quarter, we observed a slight slowdown in prices and a rise below inflation for both beer and soft drinks. Although I am aware of the increased level of competition, how does this translate into market share during the quarter? Perhaps more significantly, how should we consider Andina's profitability and volume growth in Chile in 2025?. Thank you very much.
Miguel Ángel Peirano: Hi, Thiago. Regarding the price issue, yes, that is correct. The increase has been below inflation and this is basically because of the issue of a very aggressive competitive scenario that we had to face. In 4Q we have gained market share, at the year level we have remained the same. And going forward, we will see how this competitive scenario develops and we will react according to our strategies, based on what we are looking for. Always trying to prioritize, on the one hand, margins, but also looking at market share. Therefore, this is a balance that we will take as the competitive scenario unfolds.
Thiago Bortoluci: Super, perfect. Thank you very much.
Miguel Ángel Peirano: Thank you, Thiago.

Moderator: We have a question from Gonzalo from Banchile. After the strong growth in Brazil, is there room for efficiency or dilution of fixed costs with the new scale that the operation is taking?
Miguel Ángel Peirano: Hello, how are you Gonzalo? This is Miguel Ángel. Well, in Andina, we have a gymnastics that is present and permanent in all four countries, and it has to do with efficiency in costs, expenses, and so forth. It makes sense that when there is growth of the size generated in Brazil, inefficiencies are occasionally generated in order to respond to those market volume peaks. And you fix the inefficiencies as soon as you begin to stabilize. We generated the effects of consistently meeting our customers' needs, which is our top priority. Beyond that, though, we are constantly searching for ways to improve and increase achieve efficiencies because we know that this is a volume business and that even a small amount of efficiency has significant effects. As a result, it is somewhat permanent in every country.

Moderator: Constanza has a text question. Additionally, I had the following questions: One, the volume growth that you mentioned earlier in Brazil, low single digit, would that be excluding sales to FEMSA? Does it continue in this quarter?

Miguel Ángel Peirano: Hello, Constanza. This is Miguel Ángel. Yes, this is excluding FEMSA sales. We understand that they are going to be less and less significant in the first quarter and probably by the second or third quarter they will no longer exist, because FEMSA, fortunately, is already recovering its production capacity in that.

Moderator: Constanza has another question. I would appreciate it if you could comment more on other income, on the 20 billion that was included as other income in 4Q24. Do you have any other ongoing process?
Andres Wainer: Other income is generally reimbursements from the Coca-Cola Company related to investments made by the Company and in which the Coca-Cola Company participates in some percentage.

Moderator: And Constanza's last question. In terms of CAPEX, how much do you anticipate maintenance CAPEX to be after these investments end in 2025?
Andres Wainer: The company's maintenance CAPEX should range between USD 220 million and USD 240 million. That is a CAPEX that is sufficient for both maintenance and a normal volume growth rate of 3–4%. It should be in that range.

Moderator: Ok, thank you very much. There are no further questions at this time. Mr. Peirano, do you have any final comments?

Miguel Ángel Peirano*: I simply want to thank you for your time, your participation in this call and your interest in Coca-Cola Andina's results. As always, our investor relations team and management are and will be available to meet with you and answer any questions you may have. We remain at your disposal. Have a good day.*