1Q25 Conference Call Guidelines

Miguel Ángel Peirano: *Good morning and welcome to Coca-Cola Andina's first quarter 2025 earnings conference call.*

We began 2025 with strong results across all four of our operations. Consolidated sales volume grew 9.7%, driven by 21.4% volume growth in our Argentina franchise, which recovered 71% of the volume lost in the first quarter of 2024, and by Brazil, which continues to grow at double-digit rates, reaching 13.4% growth in the quarter. Paraguay continues to show positive growth rates, with a 5.6% increase this quarter, while in Chile volume grew by 1.5%.
Our consolidated revenues reached CLP 888,179 million, an increase of 10.4%, while Adjusted EBITDA generated by the Company grew 7.3%, reaching CLP 172,049 million. In local currency, Adjusted EBITDA of our Brazilian operation grew by 15.3%, in Chile by 11.4%, in Paraguay by 10.3%, while in Argentina it fell by 1.9%.
Net income attributable to owners of the controller reached CLP 79,219 million, a growth of 11.9%, bringing the net margin to 8.9%, an expansion of 12 basis points.
During February, in Brazil, we signed a ten-year distribution agreement for the entire portfolio of Cerpa (Cervejaria Paraense), in addition to the distribution of Estrella Galicia and Therezopolis. With the signing of this agreement, we continue to strengthen the portfolio of beer brands that we market in Brazil, incorporating premium and local brands. Thanks to the granularity of our logistics network and sales force, we expect to significantly increase Cerpa's presence in our territory.
We remain committed to advancing our digital transformation with determination. Our B2B platform continues to demonstrate strong growth in transaction volume across all operations. In the first quarter, 65.5% of the Company's total net revenues were generated through digital channels—an increase of 29.7 percentage points compared to the same period last year. Additionally, customer satisfaction, as measured by our Net Promoter Score (NPS), reached 54%, highlighting the strong market acceptance of our B2B platform.

Andres 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 first quarter of 2024 and the first quarter of 2025 are presented in local currency as of March 2025.
Regarding exchange rates in the other countries where we operate and their effect on the consolidation of the figures, this quarter we had a negative impact when consolidating the figures of the operations of Argentina, Brazil and Paraguay, although in the case of Argentina, and given that it is a hyperinflationary economy, the effect of translating figures was positive when considering that local currency figures are adjusted for inflation before converting them to Chilean pesos.
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 March 2025.

In Argentina*, <u>Net Sales</u> increased 15.3% in the quarter, which was mainly explained by the increase in volume already mentioned by Miguel Ángel, partially offset by the decrease in the average revenue per unit case sold.*
<u>Cost of Sales</u> increased 21.6% in the quarter, which is mainly explained by the higher volume sold and the higher cost of Pet resin. This was partially offset by a lower cost of sugar.

Distribution Costs and Administrative Expenses increased 16.8% in the quarter, which is mainly explained by higher freight and distribution costs, due to the higher volume sold, and by lower other operating income classified under this item. This was partially offset by lower labor expenses.
Finally, Adjusted EBITDA decreased 1.9% in the quarter, and Adjusted EBITDA margin contracted 357 basis points to 20.3%. Argentina represented 27.4% of the Adjusted EBITDA generated by the Company.

***In Brazil**, Net Sales increased by 17.3%, mainly explained by the aforementioned increase in volume, and to a lesser extent by the increase in the average revenue per unit case sold.*
Cost of Sales increased 19.6%, which is mainly explained by the higher sales volume, the negative effect of the exchange rate devaluation on our costs, a higher cost of concentrate due to price increases, and a higher cost of Pet resin. This was partially offset by a lower cost of sugar.
Distribution Costs and Administrative Expenses increased 12.7%, which is mainly explained by higher distribution expenses due to higher sales volumes, higher depreciation expenses and higher labor and services provided by third parties.
Brazil Adjusted EBITDA increased 15.3% in the quarter and Adjusted EBITDA margin was 20.7%, a contraction of 35 basis points. Brazil accounted for 27.8% of the Adjusted EBITDA generated by the Company.

***In Chile**, Net sales increased 5.7% in the quarter, mainly explained by the increase in the average revenue per unit case sold as a result of price increases and aforementioned increase in volume.*
Cost of Sales increased 4.7%, which was mainly explained by a change in the mix towards higher unit cost products, and a higher cost of Pet resin. This was partially offset by a lower cost of sugar and a lower cost of concentrate.
Distribution Costs and Administrative Expenses increased 6.7% in the quarter, which is mainly explained higher labor costs and services provided by third parties, higher marketing expenses, and higher distribution costs.
Adjusted EBITDA increased 11.4% in the quarter and Adjusted EBITDA margin reached 16.0%, an expansion of 82 basis points over the previous year. In the period, the Chilean operation represented 31.2% of the Adjusted EBITDA generated by the Company.

***In Paraguay**, Net Sales grew 11.5% in the quarter, which was mainly explained by the aforementioned increase in volume and a higher average revenue per unit case sold.*
Cost of Sales increased 12.8%, which was mainly explained by the higher volume sold, a change in the mix towards higher unit cost products, a higher cost of concentrate due to price increases, and a higher cost of Pet resin. This was partially offset by the lower cost of sugar.
Distribution Costs and Administrative Expenses increased 3.7%. This is mainly explained higher distribution expenses, higher volume and higher tariffs, which were partially offset by lower labor costs.
Adjusted EBITDA increased 10.3% in the quarter and Adjusted EBITDA margin reached 30.7%, a contraction of 34 basis points from the previous year. Paraguay accounted for 13.6% of the Adjusted EBITDA generated by the Company.

Finally,** as a result of the continued high volume growth in our Brazilian franchise**, we will increase our CAPEX plan in Brazil by approximately US$60 million.** These additional investments will be focused on increasing our logistics and production capacity. As a result, **our consolidated Capex for 2025 will reach approximately US$300 million.

We now welcome any questions you may have.

Moderator: At this point we are going to move on to the question and answer session. Okay, our first question comes from Fernando Olvera with Bank of America. Please go ahead.

Fernando Olvera: Good morning and thank you for taking the time to answer our questions. I'd like to focus on Brazil. Could you share your insights on what drove the strong volume growth in the region? How does this performance compare to your initial expectations, and what is your outlook for beverage demand going forward?.

My second question also relates to Brazil and concerns the CAPEX you just mentioned. Could you provide more details on the capacity expansion—specifically, how much additional capacity is being added and whether it's targeted at any particular category? Thank you very much.

Miguel Ángel Peirano: Hi, Fernando. Regarding Brazil, there's no doubt that the strong growth we've seen over recent months—and indeed over several consecutive quarters—has been driven by multiple factors. First, the market itself has shown very active consumer demand, particularly in the area of consumer goods. Second, we anticipated this trend to some extent and were able to effectively respond thanks to our installed capacity, which not only meets local demand but also supports other bottlers in the region. Perhaps most importantly, the significant improvements we've made in customer service and overall service levels in Brazil have positioned us as a preferred supplier in the market. These three factors combined have enabled Brazil to grow at the pace we're seeing, and to continue doing so—even as year-over-year comparisons become more challenging. While future growth rates may naturally moderate, we see no cause for concern at this stage. Brazil remains a key growth driver for us this year.

Fernando Olvera: Ok.

Andrés Wainer: Hello Fernando. I will address your question regarding CAPEX.

Fernando Olvera: Yes, thank you.

Andrés Wainer: Regarding CAPEX, we are increasing our budget in Brazil by approximately US$60 million. Most of this investment will go toward logistics, because we have very little storage capacity given the strong volume growth over the last three years. Therefore, a large part of this CAPEX will be used to increase our capacity in distribution and storage centers. There is also a portion that will go toward solving certain bottlenecks in our production lines, which will also allow us to somewhat increase production. It's also likely that in 2026—not 2025—we will need to add another returnable line, as our capacity in that area is also becoming quite limited.

Fernando Olvera: Perfect. Thank you very much.

Moderator: The next question comes from Felipe Ucros with Scotiabank. Please go ahead.

Felipe Ucros: Good morning, Miguel Ángel, Andrés. Thanks for the space. A couple from my side. Maybe starting with Argentina—a very important recovery in volumes, but a price/mix that was a bit weak. I would imagine that sales to KOF may have something to do with that, but I wanted to confirm. And I don't know if you can give us some more detail on what you saw in the market, which has been bouncing around quite a bit.

And the second one, maybe in terms of Brazil—you already mentioned a little bit about the issue I'm interested in, but how the COGS are going to get a little more difficult, especially because they're not going to have the sales to KOF. Maybe that's more of a visibility issue, since those sales probably weren't the highest-margin ones, but how should we think about the Brazil growth algorithm for the next quarters, given this comparability situation?

Miguel Ángel Peirano: Hello, Felipe, this is Miguel Ángel. On the subject of Argentina, the country is entering a growth path. During the first year of Milei's government, the focus was primarily on adjusting the macroeconomy. Since the last quarter of last year, and continuing into this year, those adjustments are starting to reach the micro level, where growth is beginning to take hold. Industries are seeing different types of reactivations—some are growing faster than others—so the recovery is not uniform but rather depends on the sector. In our case, purchasing power, particularly among formal employees, is improving, and this is driving volume growth. We've already recovered almost 70% of what we had lost. Looking ahead, we expect this to be a progressive recovery, and we believe this trend will continue. Recent agreements between the government and the IMF, among others, are helping consolidate this path, and we see this as very positive for consumer goods and industry overall. So, we believe Argentina will continue to grow. As for the comparison base, let's remember that last year we came out of a period of very high inflation, during which we made several price adjustments. The subsequent drop in inflation happened faster than expected, leaving us with relatively high prices—and that's what explains the margin pressure, especially in Q1. Going forward, as we normalize in Q2 and adjust to a slower inflation environment, the comparative margins will be less challenging. We expect to see growth not only in volume but also in profitability.

Regarding Brazil, as I mentioned, we believe it will continue on its current path. Clearty, the comparison base is more demanding. And about your point regarding sales to KOF: in reality, due to the strong demand in Brazil, most of what we sold to KOF—when they had the issue with their plant in the south—came from Argentina and Paraguay. What was sold from Brazil was very limited, so the impact of KOF not buying from Brazil going forward is almost negligible. Brazil's current performance is genuine, and the volumes we're selling to other bottlers are expected to continue. These bottlers are facing capacity constraints, and their new lines still have more than a year and a half before coming online, so we don't foresee major changes in that area.
Felipe Ucros: Very clear, thank you very much.
Miguel Ángel Peirano: To you, Felipe, thank you.

Moderator: The next question comes from Ewald Stark, with BICE Inversiones. Please go ahead.
Ewald Stark: Hello, and thank you very much for taking my question. I would like to know if you could share a bit more detail on the distribution agreement reached in Brazil. Specifically, how could volume growth evolve as a result of this agreement? And if possible, could you also give us a bit more information about the margins related to it? Thank you very much.
Miguel Ángel Peirano: Hello, how are you. The agreement we signed with Cerpa in Brazil involves a premium brand that originates from the northeast of the country, although it does have a presence throughout Brazil—particularly in the high and very high-end segments. However, due to the limitations of its own distribution network, its presence has remained relatively limited in large markets such as São Paulo, Rio de Janeiro, Espírito Santo, and others. With this agreement, we've secured the rights to sell and expand the reach of all Cerpa brands within our territories. Thanks to the strength of our distribution system, we expect to significantly boost their growth compared to what they've achieved on their own keeping in mind, of course, that as a premium brand, the expected volumes are more niche and not at mass scale.
Ewald Stark: Ok, perfect. Thank you very much.
Miguel Ángel Peirano: To you.

Moderator: The next question comes from Constanza González with Quest Capital. Please go ahead.
Constanza González: Good morning, Miguel Ángel and Andrés. Thank you for taking my question. I actually have two questions. First, regarding Brazil—I'm still not entirely clear on the distinction in volume growth. In the fourth quarter, you mentioned that you don't expect significant growth by 2025. However, if we exclude the high comparative base from sales to FEMSA, would you still expect double-digit growth in volumes in the coming quarters?
Second, regarding Argentina, could you provide more details on the recovery in consumption within the Horeca sector? I'd appreciate it if you could elaborate on which areas of Horeca are seeing the strongest recovery.
Andrés Wainer: Hi Constanza, how are you? Regarding Brazil, we don't expect such strong growth this year. Last year, we saw significant growth, and we anticipated a high comparison base, so we expected lower growth rates this year. However, we've continued to grow at these high double-digit rates, for the reasons Miguel Ángel mentioned. As a result, we are also increasing our CAPEX plan because, with the volumes we're selling, we now need additional assets to support this growth.
Miguel Ángel Peirano: And regarding Argentina, Constanza, as I mentioned earlier, the growth we're seeing depends on the type of industries. Heavy industries like mining, energy, and agri-business in general are experiencing growth. Mass consumption is growing more gradually in the region and is somewhat delayed in this respect, while there are other sectors that are still not seeing growth. In terms of channels, the growth has mainly been in returnable products, and the Horeca channel has been growing at a normal pace. Overall, all channels have grown in a similar way, though with perhaps a greater emphasis on the traditional market. This is because, in the past, price controls in supermarkets created a price gap that artificially boosted supermarket sales over traditional channels. Today, with price controls no longer in place, it's possible to adopt a more balanced pricing strategy across channels. As a result, the traditional market is recovering its historical mix, but this is more of a correction of a previous distortion.
Constanza González: Perfect, thank you very much.

Moderator:The next question comes from Thiago Bertoluci with Goldman Sachs. Please go ahead.
Thiago Bertoluci: Hello, good morning everyone, and congratulations on the results. I'd like to dive into the non-alcoholic beverages segment in Chile. We've observed several consecutive quarters where average prices have lagged behind inflation.

What's driving this pressure? How has your market share evolved during this time? And perhaps most importantly, how should we think about the balance between growth and margin moving forward? Thank you.
Miguel Ángel Peirano: Hello Thiago, very good morning. Regarding non-alcoholic beverages in Chile, it's clearly a mature market, and competition has always been quite aggressive. As a result, adjusting prices in line with inflation can sometimes be more challenging, depending on the situation. Ultimately, our goal is to keep prices aligned with inflation, but the intensity of competition and the market conditions may influence our pricing strategy. We always aim to find the optimal price point, balancing profitability with future growth prospects. Looking ahead, we expect the situation to remain relatively stable. We don't foresee major changes, as Chile remains relatively stable in general, both in terms of the industry and the market. As for market share, we are in line with our historical levels.
Thiago Bertoluci: Very well, Miguel Ángel, thank you very much.
Miguel Ángel Peirano: Thank you, Thiago.

Moderator: The next question comes from David Castillo Salazar with BCI Corredores de Bolsa. Have you seen an increase in market share in Brazil and Argentina?
Miguel Ángel Peirano: Hi, David. Yes, in Brazil we have grown market share in almost all segments and in Argentina we are also growing market share.

Moderator: Thank you. The next question comes from Ignacio Llanos, with Empresas Penta. Given the current level of net debt to EBITDA, do you foresee a potential increase in dividends, or do you prefer to have your balance sheet prepared for any potential M&A opportunities?
Andrés Wainer: Good morning. We already had a dividend plan for the year, and a large portion of the 2025 dividend was delivered in January, where we paid a very high dividend of 140 billion pesos. Will there be additional dividends during the year? Yes, but the total dividend distributed is expected to be 10% to 15% higher than the previous year. However, this is something that is continuously reviewed; it doesn't depend solely on management—it also involves the board of directors. The decision is evaluated monthly, and while there is a possibility of more dividends, it's not something that's decided at this moment.

Moderator: We have another question from David Castillo with BCI. Given the increase in market share in Brazil and Argentina, have you seen greater aggressiveness from competitors via prices?
Miguel Ángel Peirano: Hello, how are you? The competitive intensity has remained stable, and we haven't observed any extraordinary growth in that regard. However, in the specific case of Brazil—and to a lesser extent Argentina—having been well-prepared with the right capacities, sales force, and a distribution system capable of responding to the peaks in demand we've experienced has given us a significant competitive advantage. This advantage has translated into improvements in our market share. The industry, on the other hand, didn't necessarily have the capacity to meet these growth demands, and our position allowed us to capitalize on this opportunity.

Moderator: We have a question from Julia Franco with BCI. How much of the 55% drop in beer sales in Brazil is attributed to the end of the agreement with Heineken, and how much is due to overall industry weakness?
Miguel Ángel Peirano: Well Julia, the majority—almost all of it—was due to the exit of the agreement with Heineken. Currently, we still have relatively low volumes in premium brands because we're waiting to grow in this segment once we have the available capacity. By mid-year, the Duque de Caxias beer plant will be up and running, allowing us to better serve our customers and expand the areas we can cover. Right now, the product is coming to us from nearly a thousand kilometers away, so what we're doing is more of a maintenance strategy than a growth plan, as we don't have the product availability. owever, this situation will be resolved in a few months.

Moderator: We have another question from David Salazar with BCI. What is your view on the positive and negative impacts of the liberalization of the CEPO exchange rate in Argentina?
Miguel Ángel Peirano: From a market perspective, the reality is that, while we still need to complete our analysis (since this is quite recent), we believe that it fosters greater confidence in the economy's growth trajectory. As a result, people are encouraged to spend more, and the first area of spending that typically increases when the economy shows signs of growth

or when people feel more secure is mass consumption. This isn't as significant as a growth in durable goods sectors like cars or real estate, but it does have an impact on consumption. People start going out more and consuming more, which clearly affects our industry. So, we might say this is an indirect impact that comes through consumer confidence, ultimately translating into higher volumes for us.

Moderator: The next question is from Harry Kleiner with Moneda Asset. Could you give us more information about the 5% growth in alcoholic beverages s in Chile? Is it totally organic?
Miguel Ángel Peirano: Yes, it is entirely organic. We have grown across several segments, including volume, wines, and beer—so it's completely organic growth. There is nothing inorganic.

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.*