

3Q24 Conference Call Guidelines

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

In the third quarter of 2024, sales volume increased by 5.7% compared to the same period in the previous year, reaching 214.4 million unit cases. The Brazilian market has experienced exceptional development, with a volume growth rate of 15.8% during the period. This growth can be attributed to favorable weather conditions, industry expansion, market share gains, and an increase in sales to other bottlers. Excluding sales to Coca-Cola Femsa's Rio Grande do Sul franchise in Brazil, which is temporarily facing production capacity issues due to the floods it experienced in May, sales volume still showed strong growth of 13.9%. In Paraguay, sales volumes increased by 6.3%, primarily driven by exports to Brazil for the previously mentioned reason. Excluding these exports, sales volume would have decreased by 0.8%, which is mainly explained by less favorable weather than in the previous year. In contrast to the significant declines observed in the first half of the year, Argentina's sales volume decreased by only 4.3% (-10.0% excluding exports to Brazil). This improvement provides us with a sense of optimism for the remainder of 2024 and the upcoming year. We estimate that during October of this year, sales volumes in Argentina will decline by approximately 5%, confirming the improvement we have seen in recent months. Finally, in Chile, sales volume grew 1.7%.

Consolidated Adjusted EBITDA reached CLP 114,634 million, an increase of 3.7% compared to the same quarter of the previous year. Adjusted EBITDA in local currency grew by 28.1% in Brazil and 4.4% in Paraguay, while it decreased in Chile by 3.1% and in Argentina by 21.4%. Net Income attributable to the owners of the controller for the quarter reached CLP 41,942 million, a 34.2% decrease compared to the same period of the previous year, which is mainly explained by the gain on price-level restatement in Argentina, which this year was substantially higher than the previous year.

The Re-Ciclar recycled resin plant in Santiago, Chile, was inaugurated in August in collaboration with our partners at Coca-Cola Embonor. In this innovative facility, we reinvigorate beverage bottles by converting them into recycled food-grade resin. This resin is subsequently utilized to produce new PET containers. With an investment of 35 million dollars, the plant has the capacity to recycle over 350 million bottles annually, thereby reducing the circulation of new plastic and creating over 25,000 indirect jobs throughout the recycling value chain. Its PET collection model is inclusive and collaborative, uniting grassroots recyclers, local governments, and territorial organizations. This facility is a trailblazer in the implementation of sustainable technologies. It is powered by solar energy via photovoltaic panels, and the water used in the production process is treated and subsequently repurposed for irrigation of gardens. The cranes are 100% electrical and operate on lithium batteries.

First place was awarded to us in the Best Corporate-Startup Strategic Alliance category at the Innova Awards 2024 in September. This award recognizes our most innovative strategic alliances, assessing the strategic impact, economic return and value we generate for both our business and the startups that we collaborate with. Finally, in October for the second consecutive year we were awarded with the Most Innovative Companies award in the Beverages and Juices category. Organized by MIC Business Consulting, ESE Business School Chile and El Mercurio, this recognition underscores our constant effort to remain at the forefront of innovation and reaffirms the commitment we have as an organization to lead with creativity and passion in each of our processes.

We continue to make steady progress in our digital transformation agenda. Our B2B platform is experiencing consistent transaction growth across all operations. Currently, over 60% of the Company's total revenue is generated through our digital platforms—an increase of 30 percentage points compared to the same quarter of the previous year and with customer satisfaction levels (Net Promoter Score) of approximately 55%.

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 third quarter of 2023 and the third quarter of 2024 are presented in local currency as of September 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 September 2024.

In Argentina, Net Sales decreased 5.0% in the quarter, which was mainly explained by the volume decrease already mentioned by Miguel Ángel.

Cost of sales decreased 0.2% in the quarter, which is mainly explained by lower sales volume, a lower cost of concentrate, and a lower cost of sugar. This was partially offset by higher labor costs.

Distribution Costs and Administrative Expenses decreased 4.3% in the quarter, which is mainly explained by lower labor expenses and lower marketing expenses.

Finally, Adjusted EBITDA decreased 21.4% in the quarter, and Adjusted EBITDA margin contracted 261 basis points to 12.5%. Argentina accounted for 18.1% of Adjusted EBITDA generated by the Company.

In Brazil, Net Sales increased 18.0%, 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 16.4%, which is mainly explained by the higher sales volume, the effect of the devaluation of the Brazilian real on our dollarized costs, and a higher cost of concentrate due to price increases. This was partially offset by the lower cost of Pet resin.

Distribution Costs and Administrative Expenses increased 12.7%, which is mainly explained by higher freight expenses, due to higher volumes sold, and higher labor expenses. This was partially offset by lower marketing expenses.

Adjusted EBITDA in Brazil increased 28.1% in the quarter and Adjusted EBITDA margin was 20.1%, an expansion of 159 basis points. Brazil accounted for 35.2% of Adjusted EBITDA generated by the Company.

In Chile, Net sales increased 5.5% in the quarter, mainly explained by the increase in the average revenue per unit case sold, as a result of price increases and the aforementioned volume increase.

Cost of Sales increased 5.6%, which was mainly explained by a higher cost of sugar, a shift in the mix towards higher unit cost products, 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 11.8% in the quarter, which is mainly explained by higher labor costs and services provided by third parties, higher distribution expenses, and higher marketing expenses.

Adjusted EBITDA decreased 3.1% in the quarter and Adjusted EBITDA margin reached 13.0%, a contraction of 115 basis points from the previous year. In the period, the Chilean operation accounted for 32.3% of Adjusted EBITDA generated by the Company.

In Paraguay, Net Sales grew 10.6% 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 16.8%, which was mainly explained by the higher volume sold, the higher cost of sugar and fructose, and the shift in the mix towards higher unit cost products.

Distribution Costs and Administrative Expenses increased 2.7%. This is mainly explained by higher distribution expenses, due to higher volume sold and higher tariffs, and a higher cost of labor and services provided by third parties. This was partially offset by lower marketing expenses.

Adjusted EBITDA increased 4.4% in the quarter and Adjusted EBITDA margin reached 27.2%, a contraction of 159 basis points from the previous year. Paraguay accounted for 14.4% of Adjusted EBITDA generated by the Company.

This opens the floor for any questions you may have.

Moderator: Okay, the first question comes from Alejandro Fuchs from Itaú BBVA. Please go ahead.

Alejandro Fuchs: Thank you very much. Hello Miguel Ángel, Andrés, Paula. I appreciate the opportunity to ask questions. I only have two short ones. Andrés first, I would appreciate it if you could provide us with an update on your current hedging position for the rest of the year and for your raw materials in 2025.

The second one for Miguel Ángel. Even without the volume heading to Rio Grande do Sul, Brazil is still moving forward with a good deal of momentum. I was curious about what you anticipate happening in 2025. Do you think things will normalize in Brazil next year, and how do you see this operation towards 2025? Thank you very much.

Andrés Wainer: Hello Alejandro, good morning. Regarding your first question and hedging, raw materials, as you are aware, we hedge sugar, the price of sugar. And we have almost everything covered for the rest of this year at prices quite similar to the previous year in Argentina, Brazil and Chile, and in Paraguay at a cost of approximately 15% over the previous year. And we have already set fixed prices for roughly 50% of the volume in Argentina, Chile, and Brazil for 2025, with prices that are almost 10% lower than those of the previous year in dollars. And in Paraguay, we have practically all the volume fixed at prices slightly below the previous year.

Miguel Ángel Peirano: Hello Alejandro, how are you? This is Miguel Ángel. Well, regarding Brazil's performance, as you correctly point out, it is really having a spectacular year this year. Regarding next year, from a market perspective, we believe that the same trend will continue in the upcoming year. Given the increase we are experiencing this year, it is obvious that we will face a very difficult comparison. Let's hope that the climatic aspect will remain the same as it is in 2024. Therefore, we see a solid Brazil, but in fact, a very challenging comparison with respect to 2024.

Alejandro Fuchs: Thank you both for your responses.

Miguel Ángel Peirano: Thank you Alejandro.

Moderator: Ok, thank you. The next question comes from Constanza Gonzalez from Quest Capital. Please go ahead.

Constanza Gonzalez: Hello, good morning Miguel Ángel and Andrés. Thank you for taking my question. Well, I actually have three questions. The first one is regarding Brazil, I would appreciate it if you could elaborate a little bit on the volumes. To what extent did the volumes stem from expanding market share and selling to other distributors? The fact that you have sold nearly 80 million unit cases for the second consecutive quarter is also noteworthy.

My second question, regarding Argentina, would you anticipate mid-single-digit volume growth for the fourth quarter or first half of next year, or would you already see growth that is closer to zero or slightly higher?

My third question is specifically for Chile. You had volume growth for the first time during this quarter. How do you think this will progress in the fourth quarter and how will it affect the transfer to prices going forward?

Andrés Wainer: Hello Constanza, good morning. In response to your first question, Brazil's volumes increased by 15.8% during the quarter. However, that 15.8% would be 13.9% if we exclude the amount delivered to Rio Grande do Sul to Femsa due to their plant flooding issue. This is still a very high figure. In total, we sold 1.3 million cases during the quarter, from our franchise in Brazil to Rio Grande.

Miguel Ángel Peirano: How are you, Constanza? This is Miguel Ángel. Regarding Argentina, from an economic perspective, we are first observing that Argentina's macro continues to stabilize, inflation is continuing to decline, and the country's risk is decreasing. For a few months now, the salary's purchasing power has been outpacing inflation. Thus, we are witnessing an increase in the purchasing power of those employees who are on the books, which leads us to believe that the micro is starting to react based on the market results. We think that the volume will be positive in the fourth quarter, but in the low

single digits, since we are seeing a gradual growth instead of a V-shaped reaction. It will depend on how the economy develops and how consumer confidence responds to the increased certainty about the future, but I don't think it will rise any further than that. Ultimately, the economy is a function of confidence rather than money in the pocket. However, if consumers are more confident and observe that jobs are being created and the economy is functioning suddenly, they may experience a surprise that exceeds their expectations based on the numbers. And with respect to Chile, we are also seeing that in the fourth quarter we are going to have positive numbers in terms of volume.

Constanza González: Thank you.

Miguel Ángel Peirano: Thank you.

Moderator: Okay, we have a text question from Benjamin Guevara, from Fynsa Asset Management. Benjamin asks, considering that the fourth quarter is a high seasonal quarter, does it make sense to you that exports from Argentina and Brazil will continue to be as they were in the third quarter?

Andrés Wainer: Hi Benjamin, good morning. Most likely the export to Brazil will continue throughout Q4, for a volume quite similar to what it was in Q3. In total in Q3 we exported 5 million unit cases to Brazil and in Q4 we expect the total number to be quite similar. Next year that number will most likely be zero, maybe there will be some exports in the first months of the year, but we understand that the plant in Porto Alegre should start operating during the first quarter of next year. Therefore, these exports should end in the first months of next year.

Moderator: Ok, thank you. We have another text question which is in English, I hope you don't mind if I read it in English. Hi team, good morning. Two questions: We saw a general deceleration in pricing vs. 2Q across most of its regions, even printing below inflation in Chile and Brazil. Could you comment on the competitive background in those regions, please?

Number 2, do you see space for an increase/catch-up in prices this year, getting closer to inflation?

This question is from Tiago Bortolucci from Goldman Sachs. Thank you.

Miguel Ángel Peirano: Hello Tiago. This is Miguel Ángel. Regarding price, yes, we have seen a lot of aggressiveness from the competition, particularly in Chile; however, we maintain our strategy, which we believe has been successful, and we believe that we will continue to maintain our prices in order to maintain profitability and remain more or less in line with inflation going forward.

Moderator: Ok, thank you. The next question comes from Jorge Izquierdo from BTG Pactual. The line is open, please go ahead.

Jorge Izquierdo: Hello, how are you? Good morning everyone. Thank you for the opportunity to ask questions. Just a brief question from my end: considering the recent behavior of the Chilean peso, what is your forecast for costs in Chile in 2025? Thank you very much.

Andrés Wainer: Hi Jorge, good morning. Next year in Chile, we will see opposite effects. On the one hand, sugar will be cheaper in dollars, perhaps by 10%. But on the other hand we are going to have an exchange rate that is quite uncertain. This year's average exchange rate will most likely be between 930 and 940, but next year remains to be seen. The exchange rate is currently around 960, so we would have a negative effect on that side, but it would need to rise far more to offset all of the positive effects of sugar. And regarding the other relevant raw material, PET resin, it should have very similar dollar values as this year. We should not see any significant changes.

Jorge Izquierdo: Very clear, thank you very much.

Moderator: Okay, and we have a question from Rodrigo Jacob from Toesca who asks, could you give us some detail regarding the margins on the sale to Femsa or the contribution it makes to EBITDA?

Andrés Wainer: Hello, Rodrigo. We cannot provide too much detail, but the margins we have when we sell to other franchises, such as Femsa Rio Grande, are significantly smaller than when we sell internally. They can be half or even somewhat less than that.

Moderator: Ok, thank you. 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.*