

# Corporate Presentation 1Q19

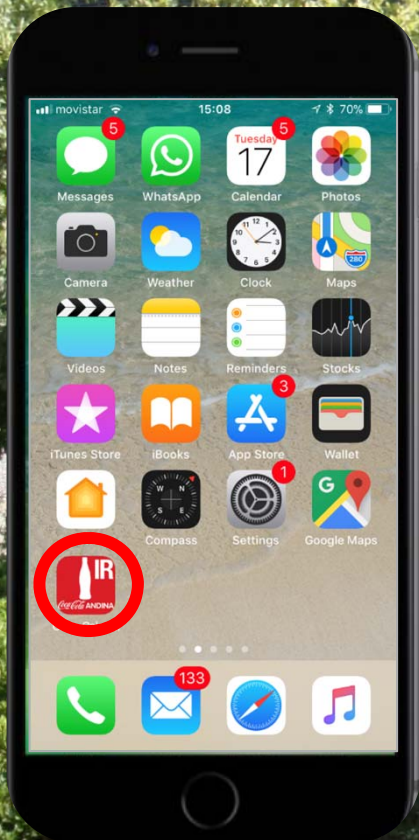


*Coca-Cola* **ANDINA**



In line with our constant effort to improve communication with the financial market and at the same time reduce waste generation, we have developed the **Coca-Cola Andina IR** App.

This is an investor relations application, and we will begin a 100% digital communication plan of our Financial Information. You can download our application from the App Store and Google Play.



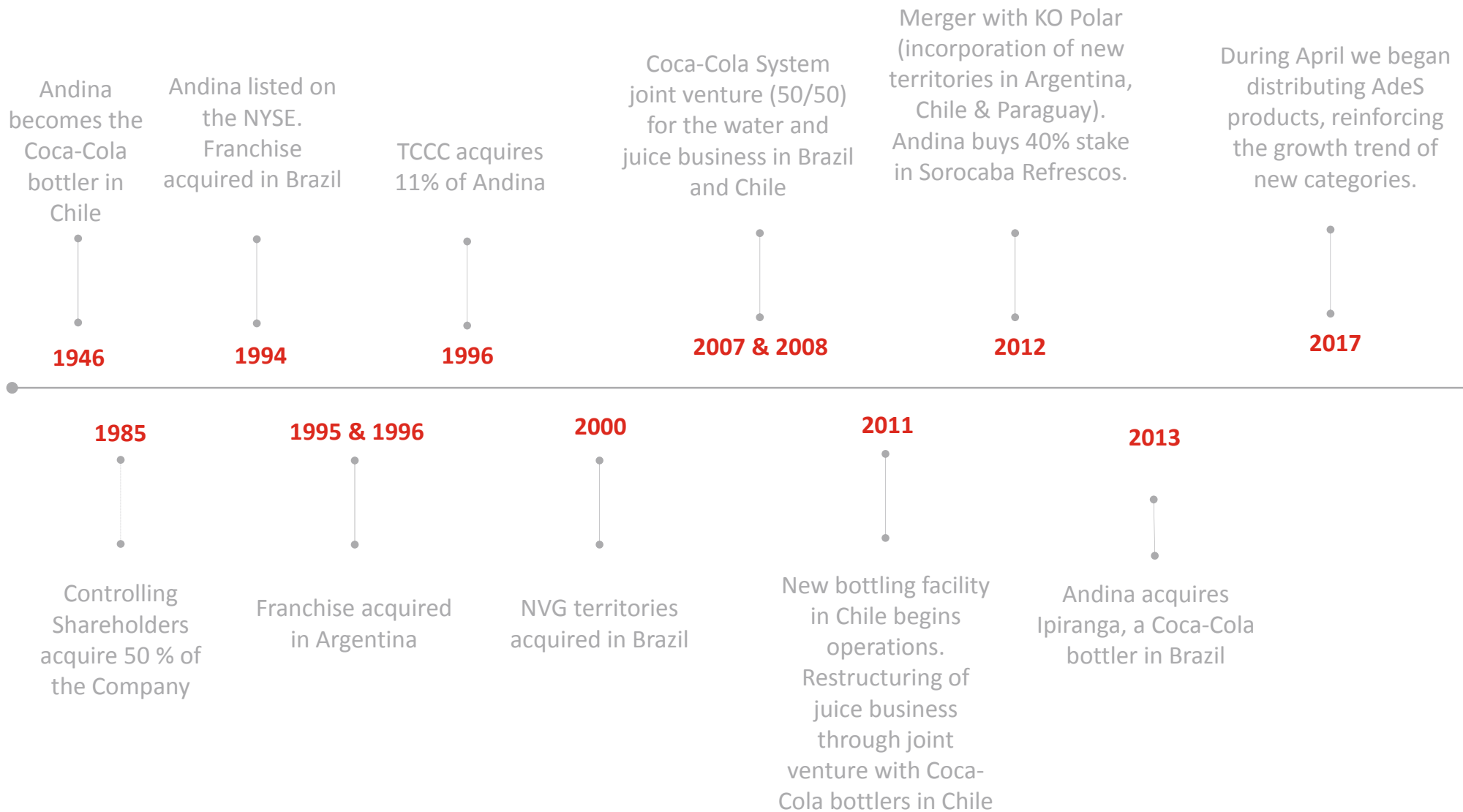
**#goPaperless**



# 1. Company Description

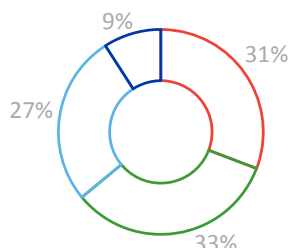


# History



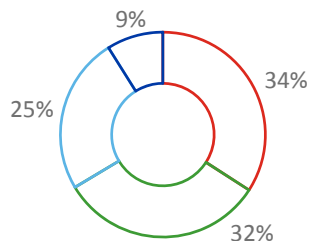
# A regional and diversified platform (FY18)

## Volume



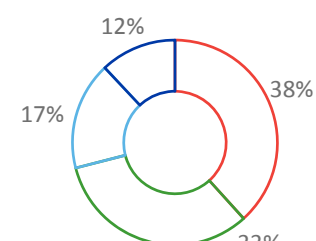
751 MM UCs

## Revenues



US\$2,569 MM

## Adjusted EBITDA



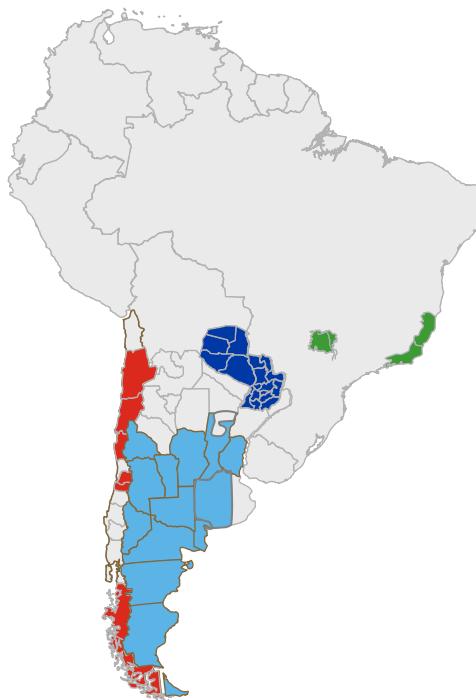
US\$502 MM

## Chile

- ▶ **Territories:** Antofagasta, Atacama, Coquimbo, Metropolitan Region, San Antonio, Cachapoal, Aysen & Magallanes
- ▶ **Extension:** 398 thousand Km2
- ▶ **Population covered:** 9.7 million
- ▶ **Total volume FY 2018:** 231.4 million UCs

## Paraguay

- ▶ **Territories:** Ciudad del Este, Asunción, Coronel Oviedo, Encarnación
- ▶ **Extension:** 407 thousand Km2
- ▶ **Population covered:** 7.1 million
- ▶ **Total volume FY 2018:** 68.2 million UCs



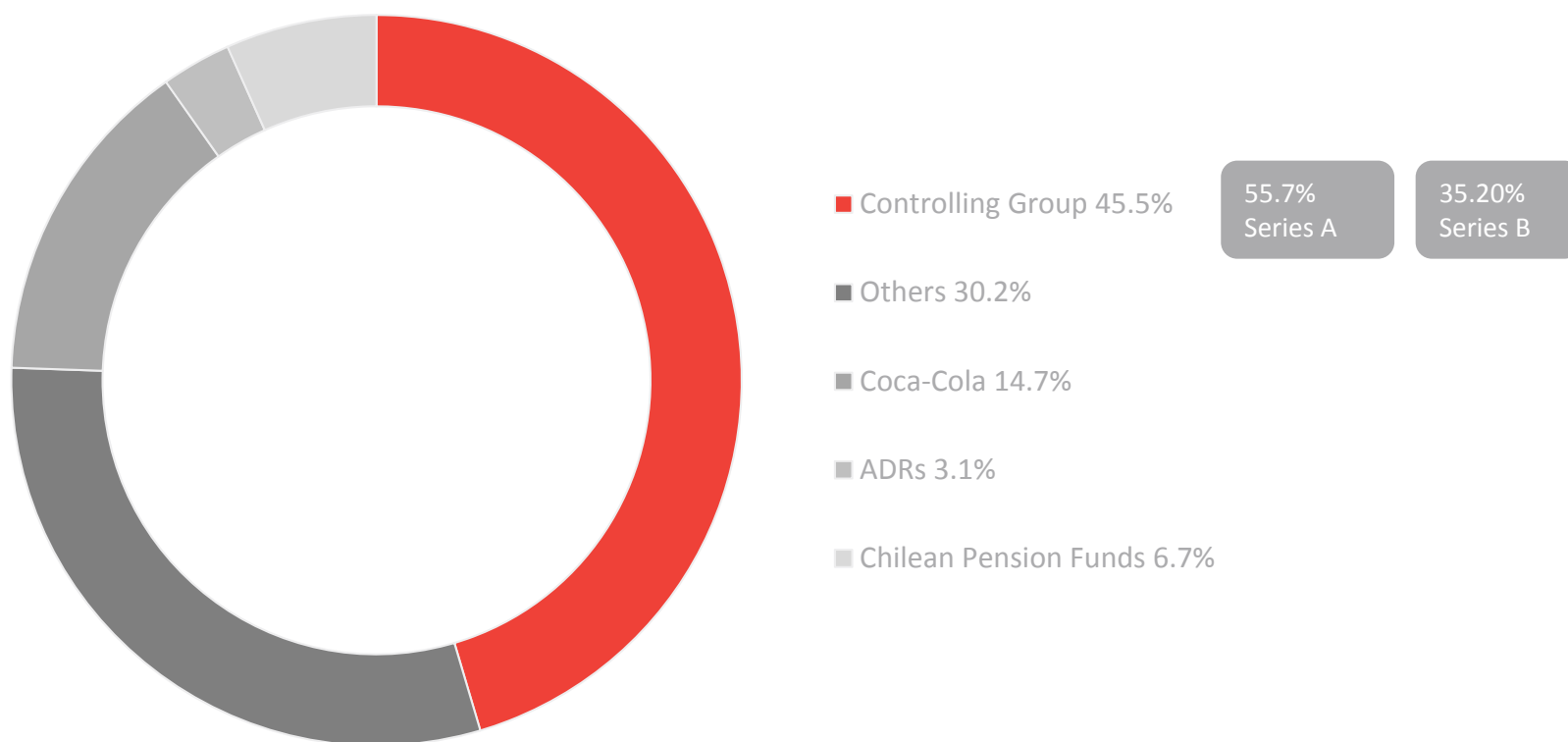
## Brazil

- ▶ **Territories:** Rio de Janeiro, Espírito Santo, part of Sao Paulo and part of Minas Gerais
- ▶ **Extension:** 165 thousand Km2
- ▶ **Population covered:** 21.9 million
- ▶ **Total volume FY 2018:** 249.2 million UCs

## Argentina

- ▶ **Territories:** San Juan, Mendoza, San Luis, Córdoba, Santa Fé, Entre Ríos, La Pampa, Neuquén, Rio Negro, Chubut, Santa Cruz, Tierra del Fuego & Western Province of Buenos Aires
- ▶ **Extension:** 1.9 million Km2
- ▶ **Population covered:** 13.9 million
- ▶ **Total volume FY 2018:** 201.9 million UCs

## Ownership (As of December 31, 2018)

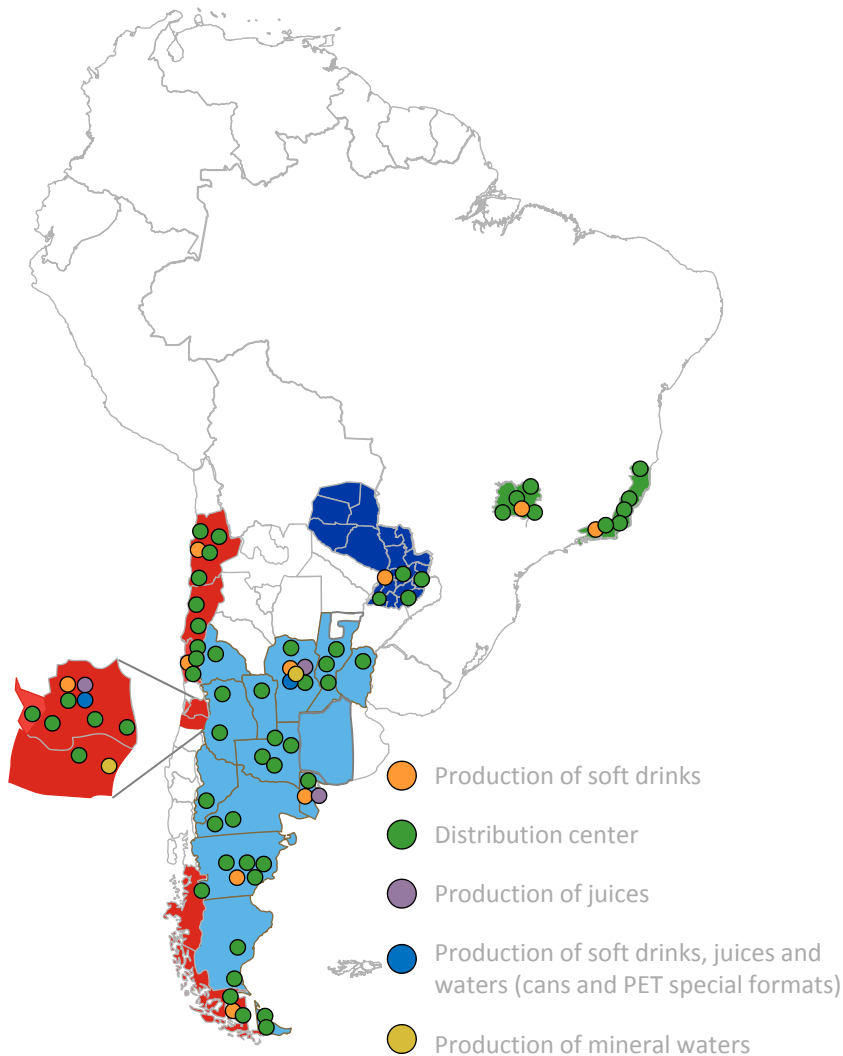


The Controlling Group is composed of 5 Chilean families with equal parts, that have a shareholders' agreement which includes TCCC.

Series A elects 12 of 14 Board members.

Series B receives an additional 10% in dividends.

# Superior manufacturing and logistics capabilities



## Argentina

- ▶ 3 production facilities with a total of 22 lines
  - Average utilization ranged from 31.5% to 62.2%
- ▶ 45 distribution centers
- ▶ Fleet of 813 third party trucks

## Brazil

- ▶ 3 production facilities with a total of 28 lines
  - Average utilization range from 34.8% to 69.2%
- ▶ 17 distribution centers
- ▶ Fleet of 828 owned trucks and 103 third party trucks

## Chile

- ▶ 4 production facilities with a total of 20 lines
  - Average utilization ranged from 24.5% to 61.5%
- ▶ 17 distribution centers
- ▶ Fleet of 171 owned trucks and 487 third party trucks
- ▶ Through its subsidiaries, operates 3 additional production facilities with a total of 21 lines

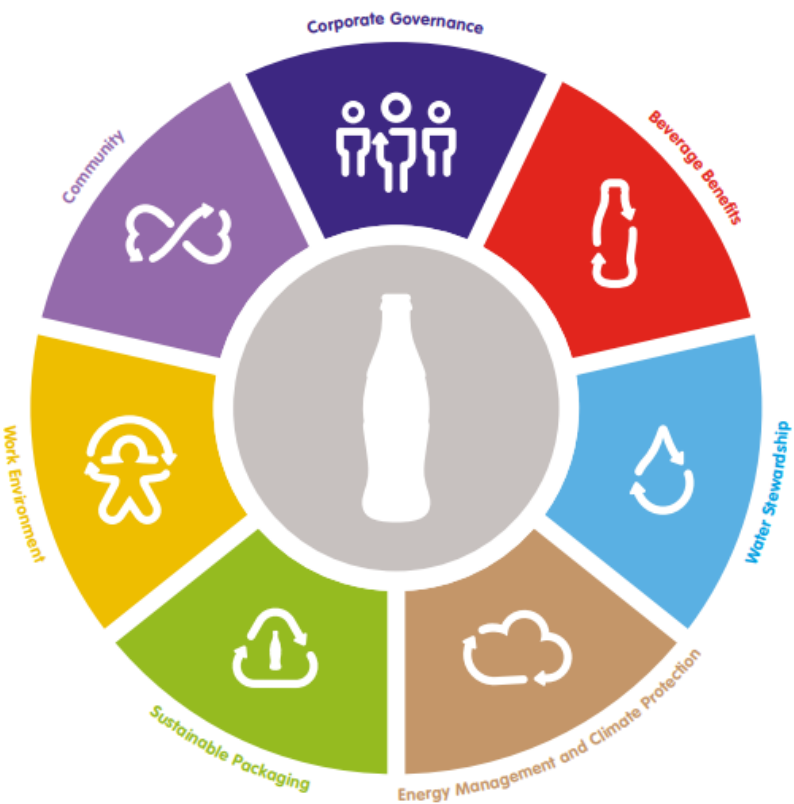
## Paraguay

- ▶ 1 production facility with a total of 13 lines
  - Average utilization range from 47.0% to 88.0%
- ▶ 6 distribution centers
- ▶ Fleet of 332 third party trucks

Reaching over 268,000 clients

# Committed to Sustainable Development

Pilar	Key indicators
Beverage Benefits	Calories sold Kilocalories sold on total liters sold Light and zero calories sales Percentage of liters sold of light and zero calories products, compared to total liters sold
Water Stewardship	Efficiency in water consumption Number of liters of water needed to produce one liter of beverage
Energy Management and climate protection	Efficiency in energy consumption Energy Used (Mjoules) per liter of beverage produced
Sustainable packaging	Solid Waste generation. Grams of waste generated per liter of drink produced. Solid Waste Recycling. Percentage of recycled waste in relation to the waste generated. Work safety.
Work environment	LTIR Number of accidents LTISR Severity of accidents Employee turnover Favorable internal climate Bi-annual survey
Community	Customer Satisfaction Survey of each country to the traditional channel clients National Suppliers Percentage of national suppliers with respect to the total of active suppliers



Generating Social, Economic and Environmental Value in all of our actions



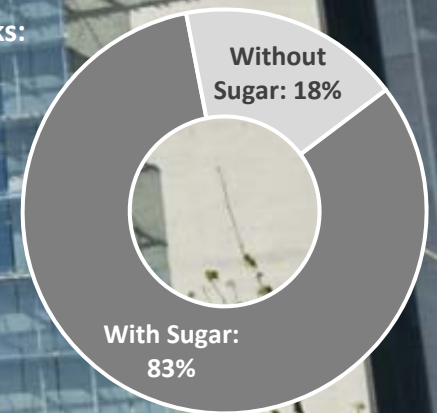
## 2. Market Description



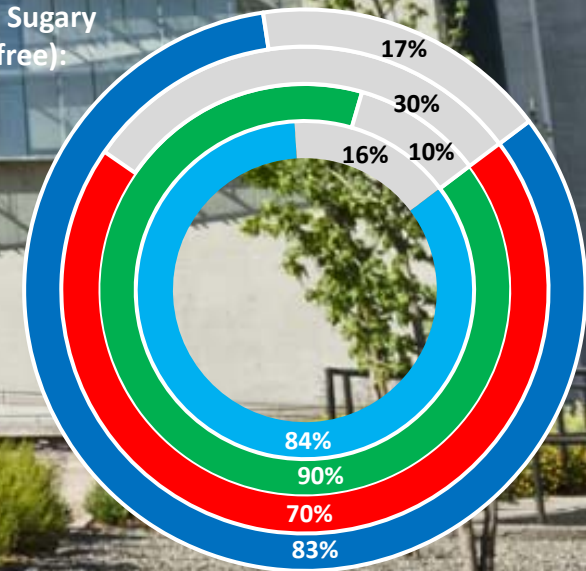
# Coca-Cola Andina at a Glance: Market Structure (FY2018)



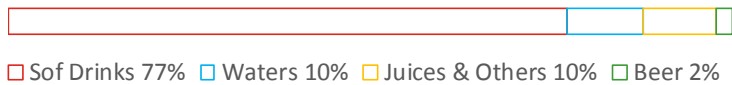
Soft Drinks:



Soft Drinks per country, Sugary mix (grey bar = Sugarfree):



Product Mix



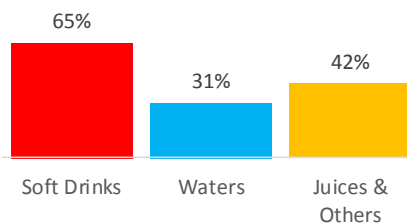
Format Mix



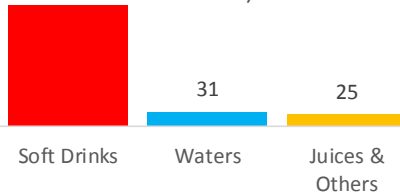
Channel Mix



Market Share

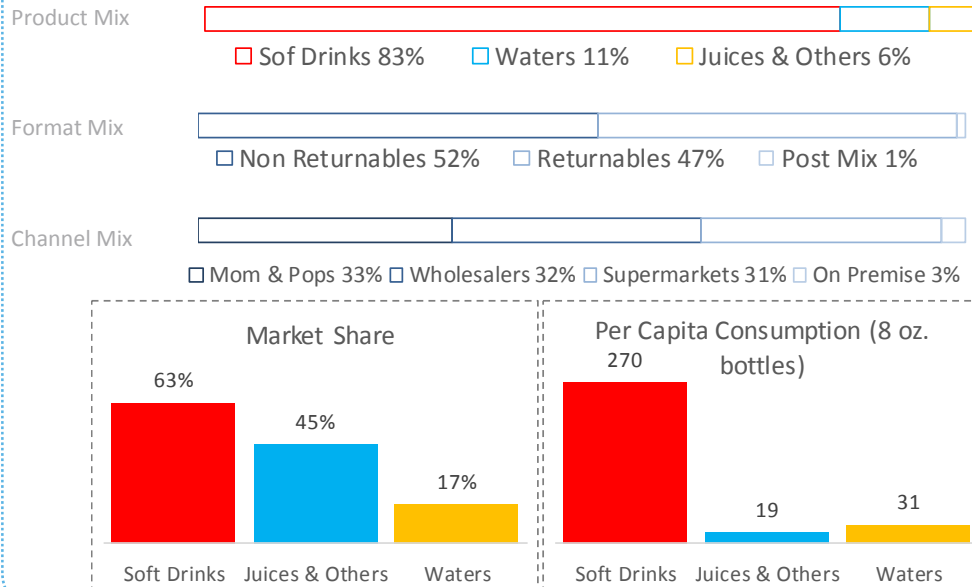


Per Cápita Consumption (8 258 oz. bottles)

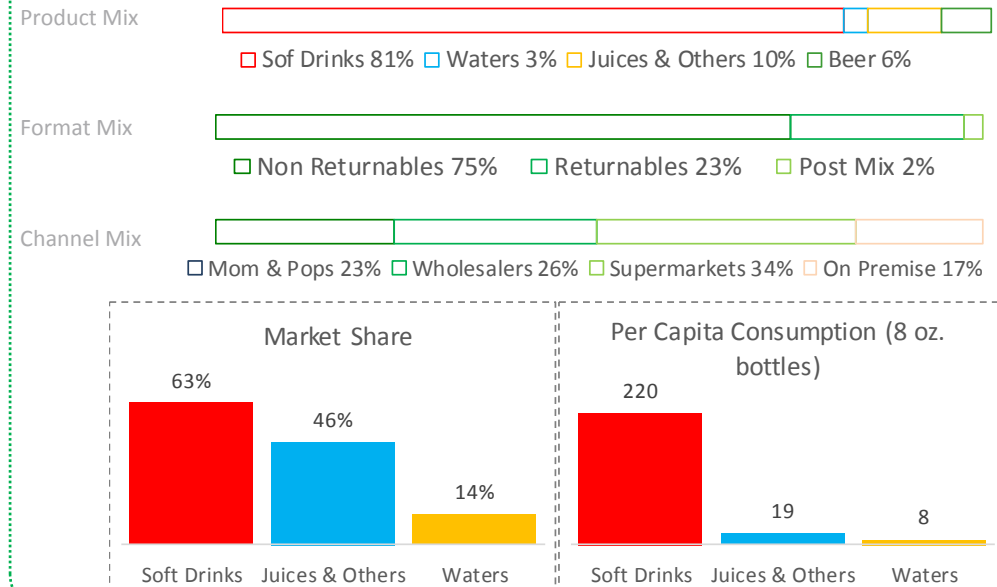


# Market Structure (FY2018)

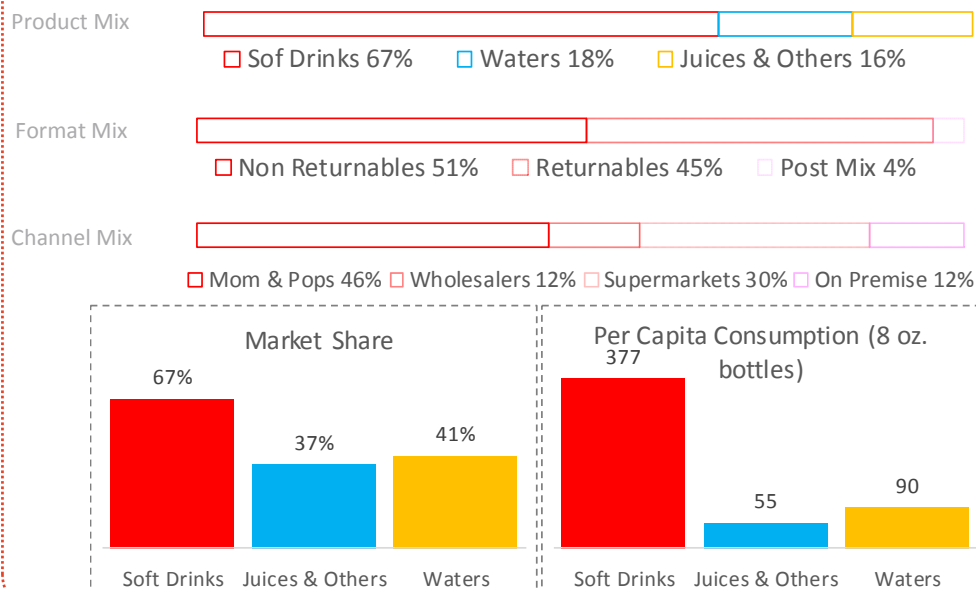
## ARGENTINA



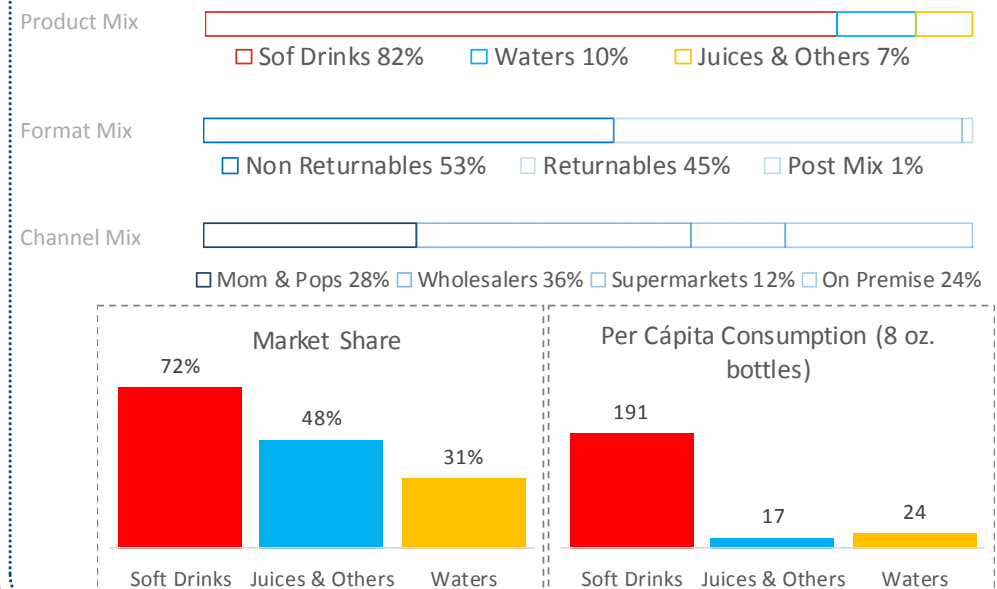
## BRAZIL



## CHILE






















## PARAGUAY





# Diversified brand portfolio across segments and geographies

(As of March 31, 2019)

	Argentina 	Brazil 	Chile 	Paraguay 
SSDs <sup>1</sup>				
Juices and other NCBs <sup>1</sup>				
Water				
Beer				
Spirit Beverages <sup>2</sup>				

Source: Company filings and public releases

<sup>1</sup> SSDs: Sparkling Soft Drinks; NCBs: Non-Carbonated Beverages

<sup>2</sup> The complete Diageo portfolio that the company distributes is: (i) Scotch Whisky: Johnnie Walker, Sandy Mac, Vat 69, Buchanan's, Old Parr, White Horse y The Singleton; (ii) Vodka: Smirnoff, Smirnoff Ice y Ciroc; (iii) Rum: Pampero, Zacapa and Cacique; (iv) Gin: Tanqueray; (v) Bourbon: Bulleit; (vi) Cream-based liqueur: Baileys y Sheridan's; (vii) Beer: Guinness Original; y (viii) Tequila: Don Julio.

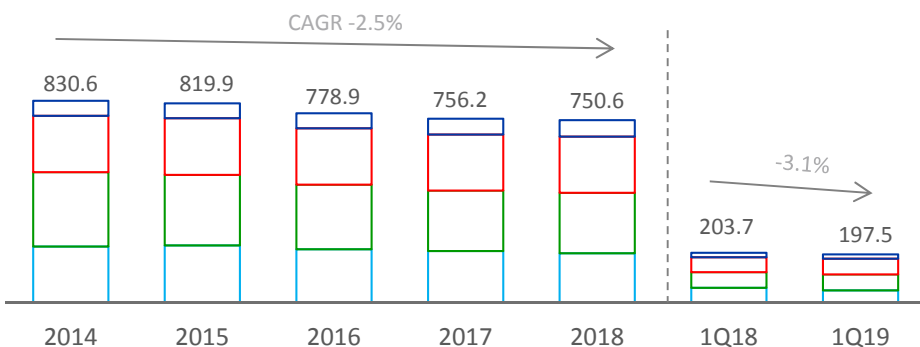


# 3. Financial Highlights

# Track record of profitability, Adjusted EBITDA growth, diversification and strong cash generation

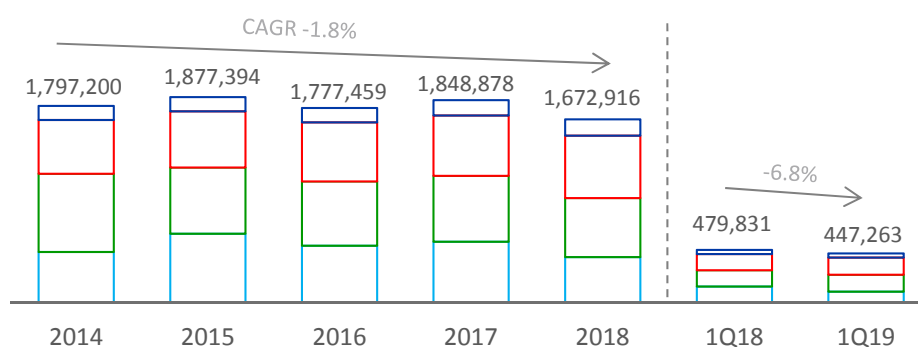
## Sales volume (million UCs)

Argentina Brazil Chile Paraguay



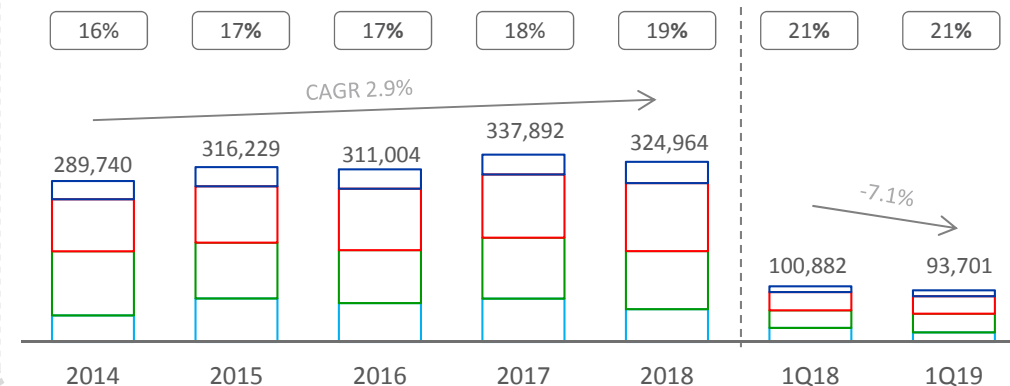
## Revenues (CLP\$ mm)

Argentina Brazil Chile Paraguay



## Adjusted EBITDA and Adjusted EBITDA Margin (CLP\$ mm)

Argentina Brazil Chile Paraguay Margin

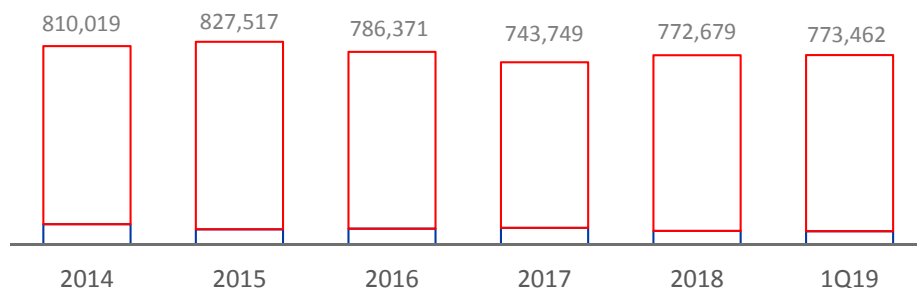


Source: Data as reported on Company filings.

# Solid Financial Position

## Financial Debt (CLP\$ mm)

■ Short Term Financial Debt ■ Long Term Financial Debt



## Financial Debt Summary (CLP\$ mm) as of March, 2019

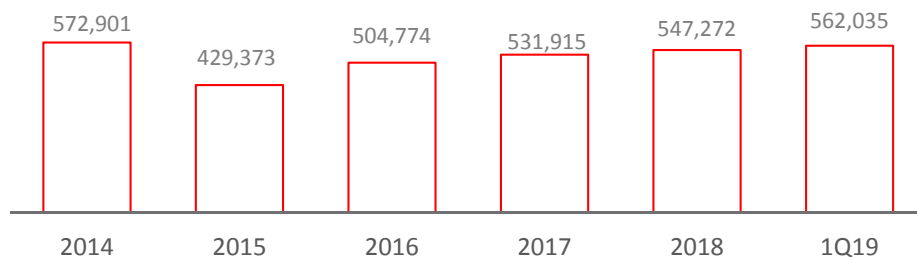
	Banks	Bonds	Total
Ch\$mm	67,167	706,295	773,462
%	8.7%	91.3%	100%

Note: Banks includes: Bank, Leasing, Derivatives & Warrantee Deposits

	UF	R\$	CLP\$	US\$	AR\$	PGY\$	Total
Ch\$mm	461,278	282,420	22,507	5,100	1,128	1,030	773,462
%	59.6%	36.5%	2.9%	0.7%	0.2%	0.1%	100%

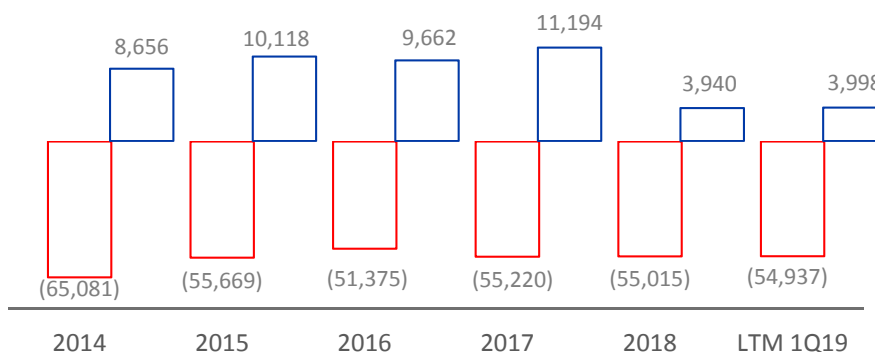
Note: After Cross Currency Swaps without its corresponding MtM

## Net Financial Debt<sup>1</sup> (CLP\$ mm)



## Financial Expenses / Income (CLP\$ mm)

■ Financial Income ■ Financial Expenses

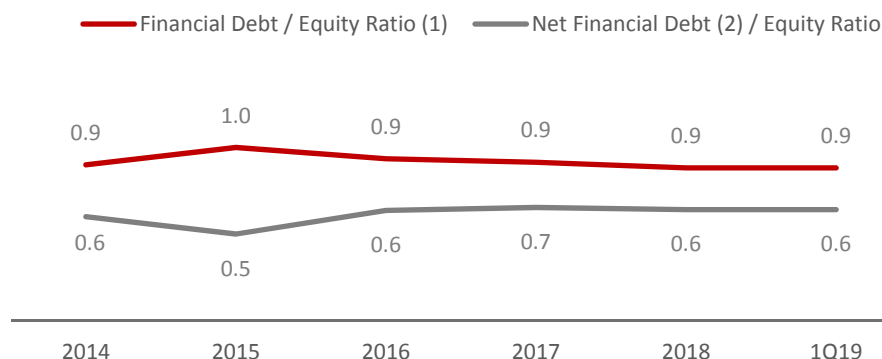


Source: Data as reported on Company filings

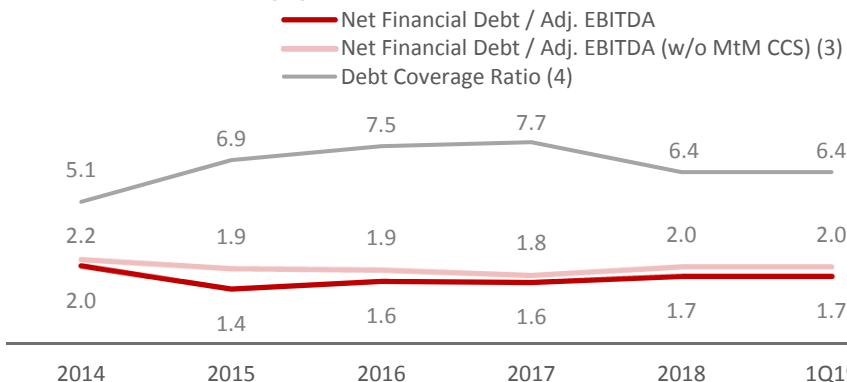
(1) Considers Cash and Cash Equivalents, Other Current Financial Assets and Other Non Current Financial Assets. MtM of Derivatives is CLP\$ 89,619 MM

# Solid Financial Position

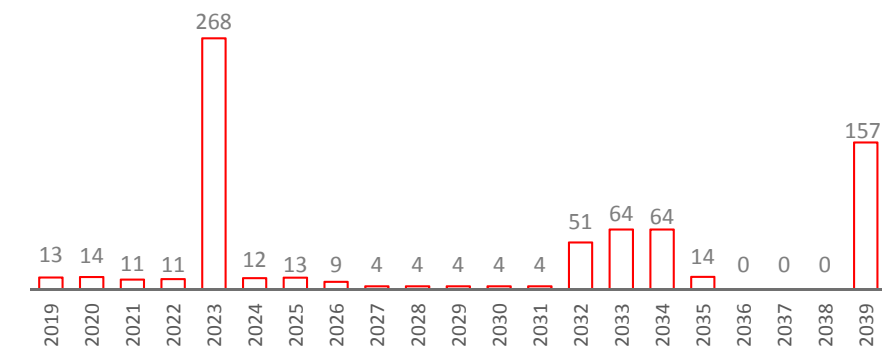
## Financial Ratios (I)



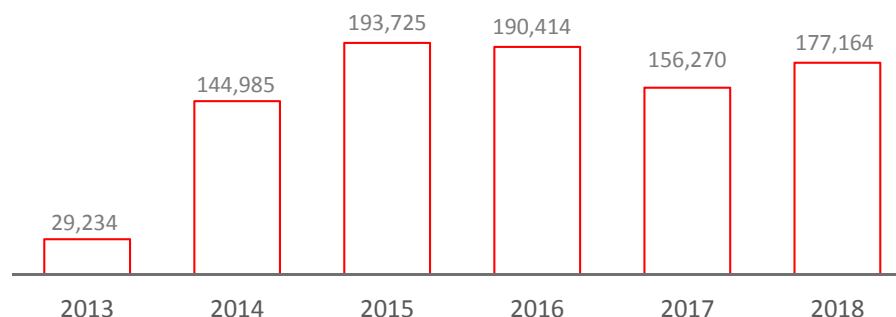
## Financial Ratios (II)



## Debt Amortizations<sup>5</sup> (CLP\$ bn)



## Free Cash Flow<sup>6</sup> (CLP\$ mm)



Source: Data as reported on Company filings

- (1) Financial Debt to Equity Ratio:  $[\text{Other Current Financial Debt} + \text{Other Non-Current Financial Debt}] / \text{Equity}$
- (2) Net Financial Debt:  $[\text{Other Current Financial Debt} + \text{Other Non-Current Financial Debt}] - [\text{Cash} + \text{Cash Equivalents} + \text{Other Current Financial Assets} + \text{Other Non Current Financial Assets}]$ .  
Other Current and Non-Current Fin. Assets considers the effect of the Mark to Market of the Cross Currency Swaps according to IAS 32, since 01.01.2014.
- (3) Net Financial Debt not considering CCS's MtM effect:  $[\text{Other Current Financial Debt} + \text{Other Non-Current Financial Debt}] - [\text{Cash} + \text{Cash Equivalents} + \text{Other Current Financial Assets} + \text{Other Non Current Financial Assets} - \text{CCS MtM}]$ .  
For the Mark to Market of the Cross Currency Swaps (CCS MtM) see Note 21 of the Company Financial Statements.
- (4) Adjusted EBITDA / (Financial Expenses – Financial Income)
- (5) Oct-18 Partial Tender Offer of the 144A 2023 Andina Bond executed (US\$ mm210 nominal). The purchase was refinanced by the issuance of a UF 5.7mm Local Bond (Bullet structure with maturity on 2039)
- (6) Free Cash Flow = Operating Income + Depreciation – CAPEX – Taxes (+/-) Working Capital Variation.



## Consolidated Financial Highlights (Billion Ch\$)

	2013	2013P	2014	2015	2016	2017	2018	1Q18	1Q19
Total Volume (million UCs)	763	826	831	820	779	756	751	204	198
Net Sales	1,522	1,640	1,797	1,877	1,777	1,849	1,673	480	447
Operating Income	171	179	187	216	214	239	225	76	68
Operating Margin	11.3%	10.9%	10.4%	11.5%	12.0%	12.9%	13.5%	15.9%	15.2%
Adjusted EBITDA	255	270	290	316	311	338	325	101	94
Adjusted EBITDA Margin	16.7%	16.4%	16.1%	16.8%	17.5%	18.3%	19.5%	21.1%	21.0%
Net Income	89	85	75	88	91	118	97	42	46
Revenues per unit case (US\$)	4.03	4.01	3.79	3.50	3.37	3.77	3.42	3.91	3.38
Adj. EBITDA per unit case (US\$)	0.67	0.66	0.61	0.59	0.59	0.69	0.67	0.82	0.71
Capital Expenditures (million US\$)	362	N/A	220	170	184	228	197	38	56
CAPEX/Depreciation (times)	2.2	N/A	1.2	1.1	1.3	1.6	1.3	0.9	1.4
FX (Ch\$/USD) period average	495.5	495.5	570.8	654.4	676.8	649.1	638.0	601.8	666.8
FX (Ch\$/USD) end of period	524.6	524.6	606.8	710.1	669.5	614.8	694.8	603.4	678.5
Legal Results	AKO FY + KOP FY + (Vital+VAS A+ECSA) FY + IPI 4Q		AKO FY + KOP FY + (Vital+VAS A+ECSA) FY + IPI FY						
Proforma Results			AKO FY + KOP FY + (Vital+VAS A+ECSA) FY + IPI FY						

Note: 2018 results are constructed with Argentine results expressed at dec-18 currency. 1Q18 results are constructed with Argentine results expressed at march-18 currency.

## Consolidated Financial Highlights (Million US\$)

	2013	2013P	2014	2015	2016	2017	2018	1Q18	1Q19
Total Volume (million UCs)	763	826	831	820	779	756	751	204	198
Net Sales	3,071	3,311	3,151	2,868	2,627	2,848	2,569	797	668
Operating Income	346	361	328	329	316	368	348	127	101
Operating Margin	11.3%	10.9%	10.4%	11.5%	12.0%	12.9%	13.5%	15.9%	15.2%
Adjusted EBITDA	514	544	508	483	460	521	502	168	140
Adjusted EBITDA Margin	16.7%	16.4%	16.1%	16.8%	17.5%	18.3%	19.5%	21.1%	21.0%
Net Income	180	172	132	134	134	182	149	70	69
Revenues per unit case (US\$)	4.03	4.01	3.79	3.50	3.37	3.77	3.42	3.91	3.38
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Proforma Results			AKO FY + KOP FY + (Vital+VAS A+ECSA) FY + IPI FY						

Note: 2018 results are constructed with Argentine results expressed at dec-18 currency. 1Q18 results are constructed with Argentine results expressed at march-18 currency.

# Consolidated Balance Sheet (as of March 31, 2019, in million US\$ and million CLP\$)

Million US\$:

Assets	
Cash and Cash Equivalents	180
Current Assets	474
Non current Assets + Others	2,340
Goodwill	166
<b>Total</b>	<b>3,161</b>

Liabilities and Equity	
Current Financial Liabilities	62
Other Current Liabilities	443
Non-Current Financial Liabilities	1,060
Other Non-Current Liabilities	303
Total Equity	1,293
<b>Total</b>	<b>3,161</b>

Net Debt Position: 828 million US\$

Million CLP\$:

Assets	
Cash and Cash Equivalents	122,252
Current Assets	321,865
Non current Assets + Others	1,587,951
Goodwill	112,863
<b>Total</b>	<b>2,144,932</b>

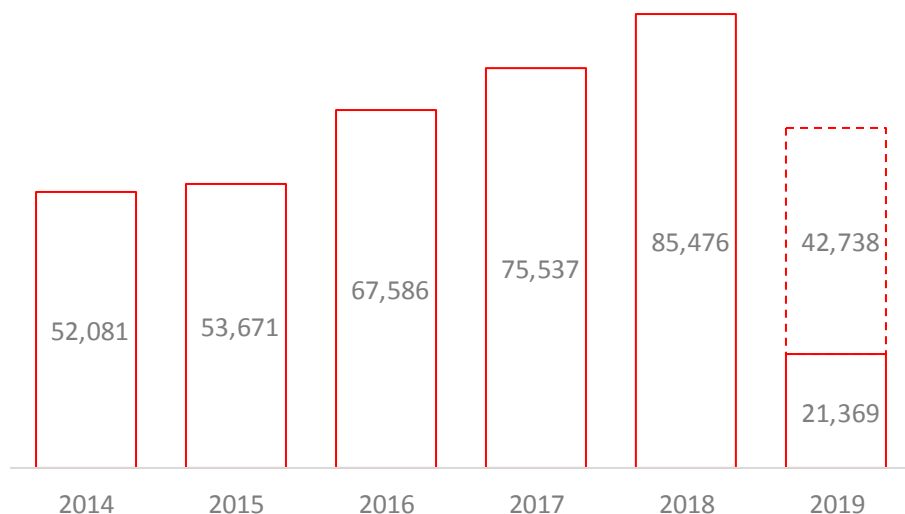
Liabilities and Equity	
Current Financial Liabilities	42,349
Other Current Liabilities	300,630
Non-Current Financial Liabilities	718,915
Other Non-Current Liabilities	205,497
Total Equity	877,542
<b>Total</b>	<b>2,144,932</b>

Net Debt Position: 562,035 million CLP\$

# Dividends and Market Cap (as of March 31, 2018)

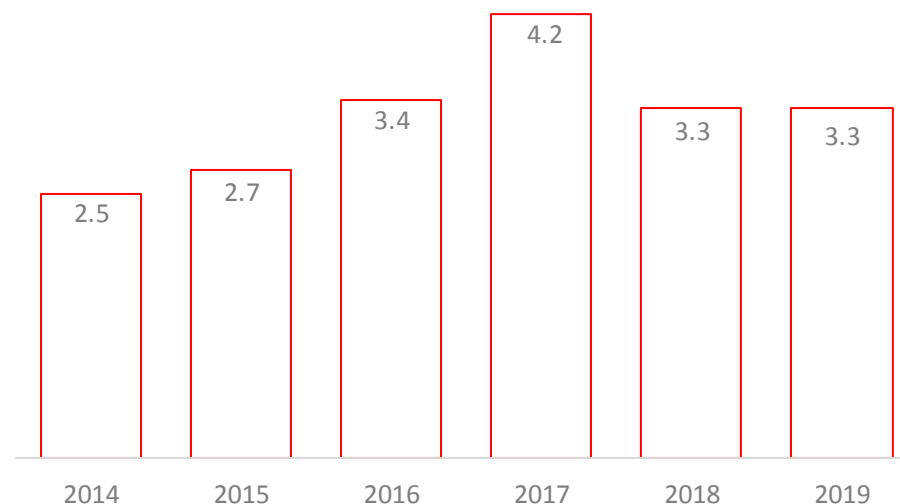
## Dividend Distribution<sup>1</sup>

(million CLP\$)



## Market Cap

(billion USD)



## Dividend Yield<sup>2</sup>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Series A	2.8%	3.7%	3.5%	3.3%	3.0%
Series B	2.4%	3.5%	3.5%	3.4%	3.1%

## Payout Ratio<sup>3</sup>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018<sup>4</sup></u>
69%	75%	82%	69%	88%

(1) 2019 includes dividends announced but not paid during the quarter

(2) Dividend yield is calculated as dividends per share distributed on year t over the closing price of year t-1

(3) Payout ratio is calculated as dividends distributed on account of income from the fiscal year t over the Net Income of the same year. Additional dividends distributed in year t are incorporated in year t-1 sum of dividends.

(4) Estimated. Final 2018 ratio will be defined once the dividends to distribute in 2019 are determined.



# 4. Strategy



# Expansion potential through organic and inorganic growth avenues

## Organic growth

### Superior organic growth within the Coca-Cola system

#### ► Fuel growth in SSD business

- Strengthen our returnable segment to an attractive value proposition
- Increase immediate consumption as a vehicle for recruiting and profitability
- Optimize our product portfolio and price structure



#### ► Increase our share in still categories

- Implement new technologies to improve quality
- Invest in brand positioning and awareness
- Offer attractive price and packaging options
- Develop the category in the point of sale



#### ► Develop best in class processes

- Invest in production, logistics and commercial capacity
- Innovate in our Route to Market (RTM) models
- Optimize the logistic network improving client delivery processes
- Invest in employee development opportunities
- Increase productivity and optimize cost structure



## Inorganic growth

### Key role in the consolidation process of the Coca-Cola system in Latin America

- Inorganic expansion in line with TCCC goals
- Main focus on businesses of or related to non-alcoholic beverages
- Selectively looking for opportunities in Latin America
- Flexibility in transaction structures to align incentives with potential targets
- Optimization of capital structure to continue generating value to all stakeholders



# Appendix



## Argentina: Main Financial Highlights (Local Currency (million))

	2013	2014	2015	2016	2017	2018	1Q18	1Q19
Sales Volume (million UCs)	224	229	234	219	211	202	60	49
Net Sales	4,898	6,541	8,903	11,343	14,203	22,441	7,324	6,177
Operating Income	398	428	829	1,198	1,588	2,158	1,028	811
Operating Margin	8.0%	6.6%	9.3%	10.6%	11.2%	9.6%	14.1%	13.1%
Adjusted EBITDA	591	689	1,128	1,557	2,039	3,269	1,318	1,127
Adjusted EBITDA Margin	12.0%	10.6%	12.7%	13.8%	14.4%	14.6%	18.1%	18.3%
Revenues per unit case (US\$)	3.97	3.52	4.09	3.49	4.04	2.95	4.01	2.91
Adj. EBITDA per unit case (US\$)	0.47	0.37	0.52	0.48	0.58	0.43	0.72	0.53
Capital Expenditures (million US\$)	88	46	37	62	49	43	8	8
CAPEX/Depreciation (times)	2.5	1.4	1.1	2.5	2.0	1.8	0.9	1.0
FX (AR\$/US\$) period average	5.48	8.13	9.27	15.45	16.56	28.11	19.70	39.10
FX (AR\$/US\$) end of period	6.52	8.55	13.04	15.89	18.65	37.70	20.15	43.35

Note: 2018 results are expressed at dec-18 currency. 1Q18 results are expressed at march-18 currency.



## Brazil: Main Financial Highlights (Local Currency (million))

	2013	2013P	2014	2015	2016	2017	2018	1Q18	1Q19
Sales Volume (million UCs)	243	305	306	291	266	249	249	65	66
Net Sales	2,142	2,657	2,959	3,059	3,037	2,976	3,062	809	877
Operating Income	257	290	354	378	369	414	448	139	153
Operating Margin	12.0%	10.9%	11.8%	12.5%	12.1%	13.9%	14.7%	17.1%	17.5%
Adjusted EBITDA	342	407	489	512	501	551	600	174	193
Adjusted EBITDA Margin	16.0%	15.4%	16.4%	16.9%	16.4%	18.5%	19.7%	21.4%	22.0%
Revenues per unit case (US\$)	4.09	4.04	4.10	3.19	3.28	3.74	3.40	3.85	3.53
Adj. EBITDA per unit case (US\$)	0.65	0.62	0.67	0.54	0.54	0.69	0.67	0.83	0.78
Capital Expenditures (million US\$)	126	N.A.	89	41	52	112	74	16	13
CAPEX/Depreciation (times)	3.2	N.A.	1.5	1.0	1.4	3.0	1.8	1.5	1.2
FX (R\$/USD) period average	2.16	2.16	2.35	3.33	3.29	3.19	3.65	3.24	3.77
FX (R\$/USD) end of period	2.34	2.34	2.66	3.90	3.26	3.31	3.87	3.32	3.90

## Chile: Main Financial Highlights (Local Currency (million))

	2013	2014	2015	2016	2017	2018	1Q18	1Q19
<b>Sales Volume (million UCs)</b>	<b>235</b>	<b>232</b>	<b>234</b>	<b>232</b>	<b>231</b>	<b>231</b>	<b>62</b>	<b>65</b>
Net Sales	477,918	492,072	514,733	540,427	551,873	570,939	147,712	156,876
Operating Income	66,620	56,460	63,059	68,879	72,890	82,131	23,061	20,455
<i>Operating Margin</i>	<i>13.9%</i>	<i>11.5%</i>	<i>12.3%</i>	<i>12.7%</i>	<i>13.2%</i>	<i>14.4%</i>	<i>15.6%</i>	<i>13.0%</i>
<b>Adjusted EBITDA</b>	<b>102,587</b>	<b>95,167</b>	<b>103,142</b>	<b>112,499</b>	<b>115,579</b>	<b>124,485</b>	<b>33,316</b>	<b>31,917</b>
<i>Adjusted EBITDA Margin</i>	<i>21.5%</i>	<i>19.3%</i>	<i>20.0%</i>	<i>20.8%</i>	<i>20.9%</i>	<i>21.8%</i>	<i>22.6%</i>	<i>20.3%</i>
<b>Revenues per unit case (US\$)</b>	<b>4.11</b>	<b>3.72</b>	<b>3.36</b>	<b>3.44</b>	<b>3.68</b>	<b>3.87</b>	<b>3.99</b>	<b>3.65</b>
<b>Adj. EBITDA per unit case (US\$)</b>	<b>0.88</b>	<b>0.72</b>	<b>0.67</b>	<b>0.72</b>	<b>0.77</b>	<b>0.84</b>	<b>0.90</b>	<b>0.74</b>
Capital Expenditures (million US\$)	103	58	76	55	51	58	11	34
<i>CAPEX/Depreciation (times)</i>	<i>1.4</i>	<i>0.9</i>	<i>1.2</i>	<i>0.9</i>	<i>0.8</i>	<i>0.9</i>	<i>0.6</i>	<i>2.0</i>
FX (Ch\$/USD) period average	495.5	570.8	654.5	676.8	648.6	638.0	601.8	666.8
FX (Ch\$/USD) end of period	524.6	606.8	710.2	669.5	614.8	694.8	603.4	678.5

## Paraguay: Main Financial Highlights (Local Currency (million))

	2013	2014	2015	2016	2017	2018	1Q18	1Q19
<b>Sales Volume (million UCs)</b>	<b>61</b>	<b>63</b>	<b>61</b>	<b>62</b>	<b>65</b>	<b>68</b>	<b>18</b>	<b>18</b>
Net Sales	968,523	1,010,735	1,033,215	1,107,678	1,227,001	1,337,989	353,045	354,575
Operating Income	129,747	157,306	176,418	199,617	221,018	260,735	77,203	78,892
<i>Operating Margin</i>	<i>13.4%</i>	<i>15.6%</i>	<i>17.0%</i>	<i>18.0%</i>	<i>18.0%</i>	<i>19.4%</i>	<i>21.9%</i>	<i>22.2%</i>
<b>Adjusted EBITDA</b>	<b>220,229</b>	<b>260,203</b>	<b>278,172</b>	<b>296,810</b>	<b>315,831</b>	<b>349,512</b>	<b>99,000</b>	<b>99,698</b>
<i>Adjusted EBITDA Margin</i>	<i>22.7%</i>	<i>25.7%</i>	<i>26.9%</i>	<i>26.8%</i>	<i>25.7%</i>	<i>26.1%</i>	<i>28.0%</i>	<i>28.1%</i>
<b>Revenues per unit case (US\$)</b>	<b>3.70</b>	<b>3.63</b>	<b>3.23</b>	<b>3.15</b>	<b>3.35</b>	<b>3.44</b>	<b>3.52</b>	<b>3.24</b>
<b>Adj. EBITDA per unit case (US\$)</b>	<b>0.84</b>	<b>0.94</b>	<b>0.87</b>	<b>0.84</b>	<b>0.86</b>	<b>0.90</b>	<b>0.98</b>	<b>0.91</b>
Capital Expenditures (million US\$)	45	28	16	16	16	22	2	2
<i>CAPEX/Depreciation (times)</i>	<i>2.1</i>	<i>1.2</i>	<i>0.8</i>	<i>0.9</i>	<i>0.9</i>	<i>1.4</i>	<i>0.6</i>	<i>0.6</i>
FX (G\$/US\$) period average	4,280	4,459	5,209	5,731	5,619	5,732	5,578	6,076
FX (G\$/US\$) end of period	4,585	4,629	5,835	5,767	5,590	5,961	5,548	6,181

# Corporate Presentation 1Q19

