



# 2Q22 Results

INVESTOR PRESENTATION

VIÑA CONCHA Y TORO  
— FAMILY OF WINERIES —

# AGENDA

*Chap. 01*

## 2022 Vision and 1H22 Results

Eduardo Guilisasti, CEO

*Chap. 02*

## 2Q22 Sales Analysis

Blanca Bustamante, IR Director

*Chap. 03*

## 2Q22 and 1H22 Financial Result

Oswaldo Solar, CFO

*Chap. 01*

# 2022 Vision and 1H22 Results

*Eduardo Guilisastj, CEO*

## How Concha y Toro have faced this year?

Excessively complex and uncertain year. A year that has tested the resilience of our Company and challenges us to continue looking at the medium and long term.

The resilience to adapt quickly and with conviction to the new environment: *productive, logistical, commercial and financial*, in the three countries where we have productive operations and in the most varied markets in the world.

## Aspects that we have worked on and adapted:

- **Productive:** Ensure the production of our products, in wines, supplies and availability of labor.
- **Logistics:** Make a strong follow-up of our logistics chain, strengthening our relationship with the main shipping companies, together with exceptional actions that have allowed us to reduce the backlog 38% from the beginning of the year to the end of this semester.
- **Commercial:** Assume a higher expense, which will be of a transitory nature, in the concept of freight to ensure the availability of our products and reduce the loss of promotional sales to a minimum. Along with the above, continue to strengthen the positioning of our brands, for the long term, without reducing investment in marketing.
- **Financial:** The higher cost of capital has led us to have a focus on reducing inventories, without risking the adequate availability of products to supply demand.

We have been in this business for decades and we have proven experience to, without losing the focus that is required in the short term, not stop looking at the medium and long term. This vision has given the Company and its shareholders a security that beyond the conjuncture, we will not lose the constant search to generate sustainable value over time.

## Initiatives that we have implemented in this first semester, with a medium and long-term vision:

- **Adjustments in the prices** of our main brands that allow us to face higher rates of inflation, volatility in exchange rates, and more structural changes in shipping fare costs.
- **Continue investing in marketing** to achieve a correct positioning of our brands and grow in the perception of these by our consumers.
- Prepare to enter 2023 with **new brand and product proposals** than what had been done in the last five years.
- **Completely review our productive-logistics model** to adapt it to the new reality.
- Make the **largest investment in history** in our production plants and wineries, aiming to increase our level of automation and productivity.



## Initiatives that we have implemented in this first semester, with a medium and long-term vision:

- **Acquisition of new lands** that allows us to continue with a high percentage of our own grape production, which conforms to meet the objectives of our strategy.
- **Excellent results in our climate performance.** The 2025 targets have already been met.
- **Strong social commitment:** partnership with the Choshuenco Foundation in several communities where we are present to help in pre-school education.
- We received with great joy the **heavy rains and snowfalls of mid-July** that allow us to look calmly at the water supply in all the localities where we have plantations.

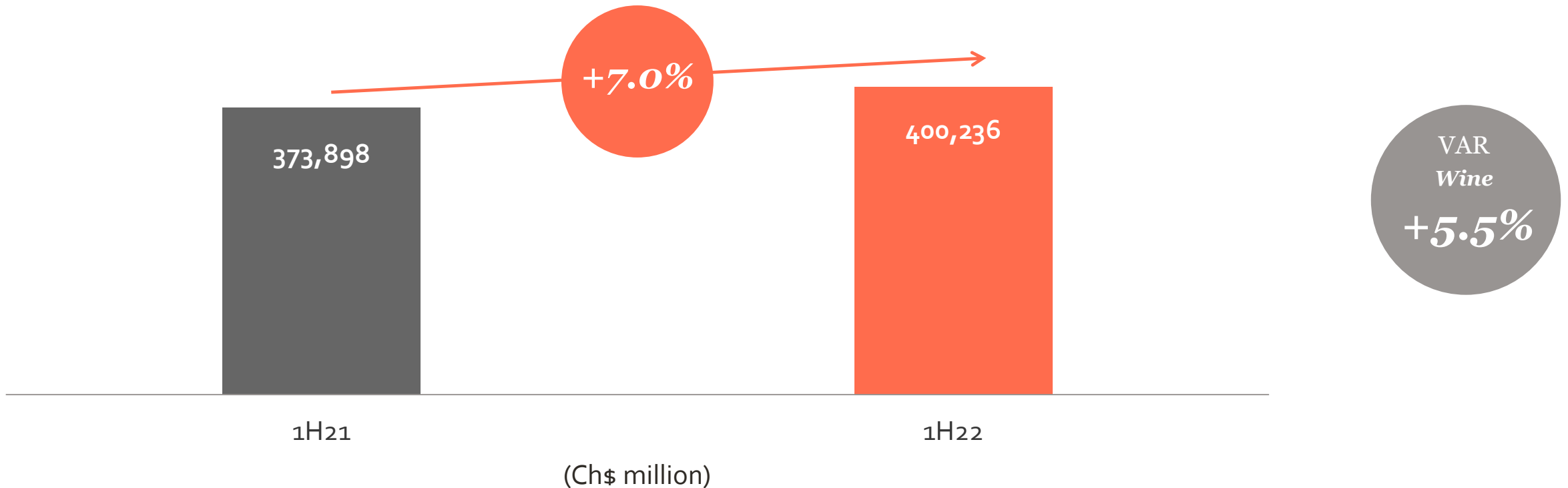
*Chap. 01*

# 1H22 Results

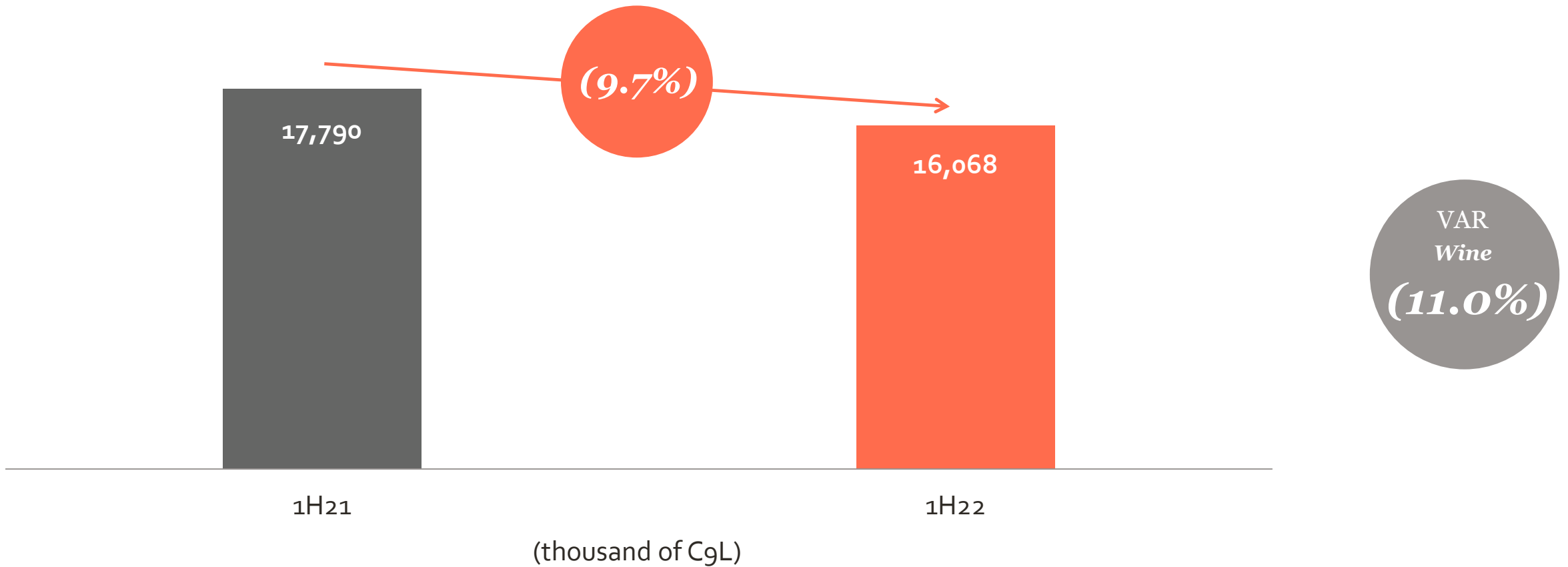
*Eduardo Guilisastj, CEO*

## Consolidated sales grew 7%

This result reflects a positive effect of a higher average price, a favorable exchange rate effect, offset by a lower volume.



# Consolidated volume down 9.7%



## Wine: Brand Matrix performance

WINE	VAR % VALUE	VAR. % VOL.
PRINCIPAL	3.9%	(13.7%)
INVEST	5.8%	(8.2%)
PROTECT	11.6%	(4.7%)
WATCH	(3.8%)	(23.9%)
PORTFOLIO SUPER & ULTRA PREMIUM	46.0%	20.0%
<b>TOTAL WINE</b>	<b>5.5%</b>	<b>(11.0%)</b>

BRAND MATRIX

## Relevant aspects:

- Due to the inflationary effects, a slight change is perceived in the consumer to buy products of lower value, within the Premium and Lower categories. It is a strength of our Company to have a portfolio that covers all relevant categories.
- In the semester, the Principal and Invest categories show a decrease in volume of 11.4%, which is explained by the above reason, but mainly by the price adjustments that are being implemented and the loss of promotional spaces due to logistical difficulties.
- In contrast, the Super & Ultra Premium category shows a volume growth of 20.0%.
- In terms of markets, decreases are observed in most of them, with the exception of Latin America and Canada.

# Gross profit increased **9.1%**

(Ch\$ million)	1H22	1H21	VAR (%)
Consolidated sales	400,236	373,898	7.0%
Gross profit	157,011	143,851	9.1%
Gross margin	39.2%	38.5%	80 bp

## SG&A growth: 22,2%

(Ch\$ million)	1H22	1H21	VAR (%)
SG&A	(106,869)	(87,431)	22.2%
<b>SG&amp;A / Sales</b>	<b>26.7%</b>	<b>23.4%</b>	<b>330 bp</b>

### 3 concepts that mainly explain the increase in SG&A:

1. Remuneration, personnel expenses, and third party services with **+15%** and a net increase of **Ch\$ 6,534 M.**
2. Freight and shipping cost, and logistic space rental with **+34%** and a net increase of **Ch\$ 5,946 M.**
3. Marketing with **+21%** and a net increase of **Ch\$ 4,289 M.**



# EBIT y Net profit

IISS	1H22		1H21		Var (%)	
	(Ch\$ million)	% / Sales		% / Sales		% / Sales
Consolidated sales	400,236		373,898		7.0%	
Gross profit	157,011	39.2%	143,851	38.5%	9.1%	80 bp
SG&A	(106,869)	26.7%	(87,431)	23.4%	22.2%	330 bp
Other incomes and expenses	(980)		(116)		744.8%	
Real estate result	-		629			
<b>EBIT</b>	<b>49,162</b>	<b>12.3%</b>	<b>56,932</b>	<b>15.2%</b>	<b>(13.6%)</b>	<b>(290 bp)</b>
<b>Net profit</b>	<b>40,878</b>	<b>10.2%</b>	<b>37,746</b>	<b>10.1%</b>	<b>8.3%</b>	<b>10 bp</b>

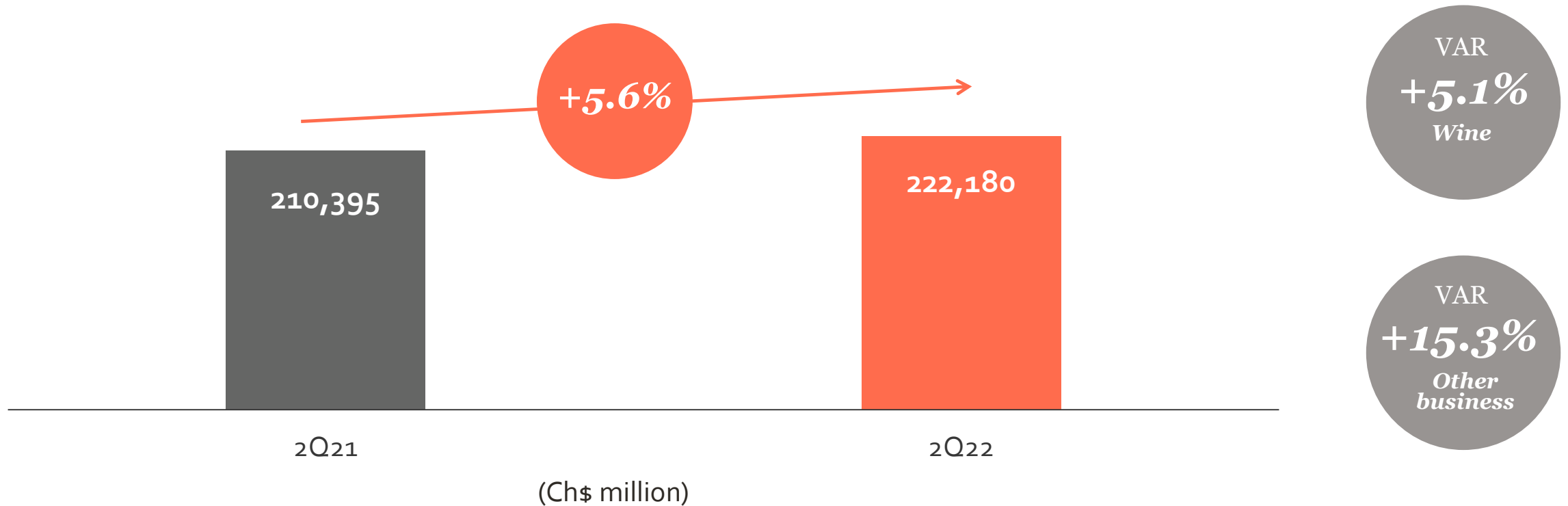
*Chap. 02*

# 2Q22 Sales Analysis

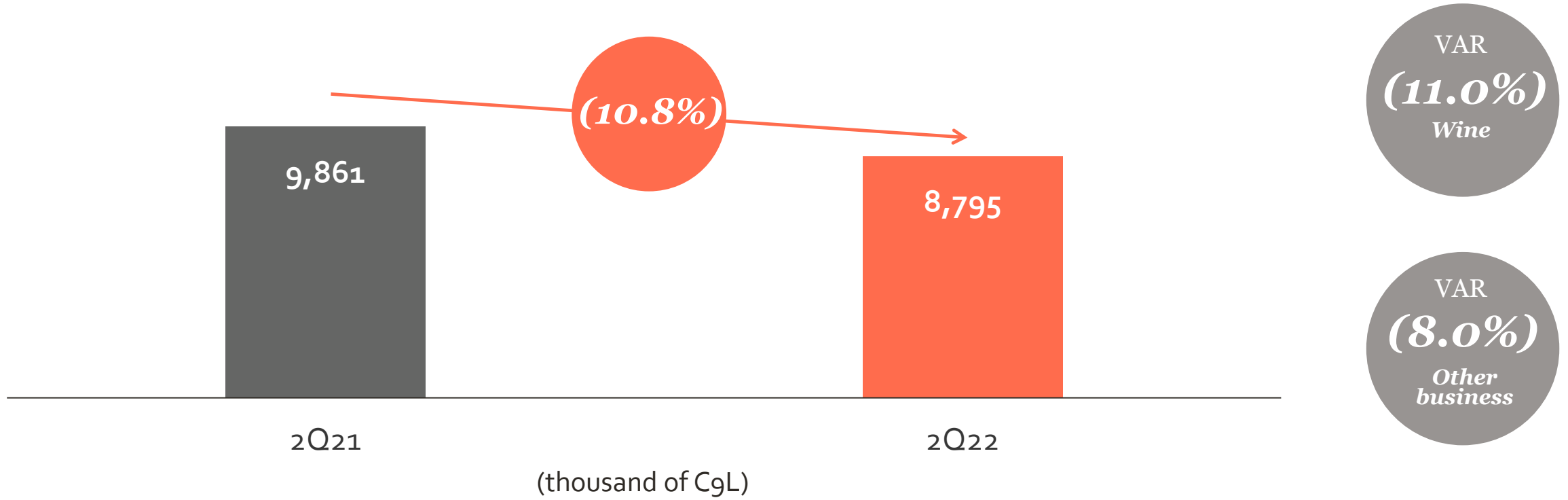
*Blanca Bustamante, Director of Investor Relations*

## 2Q22 Sales growth

Result that reflects a positive effect due to higher average price, favorable exchange rate effect, offset by a lower volume.



# 2Q22 Volume



# Main markets performance

2Q22	% OF SALES	VAR % VALUE	VAR % VOLUME
UK	24.5%	5.4%	(12.2%)
USA	15.4%	5.4%	(15.3%)
Chile	14.6%	(5.0%)	(11.7%)
Brazil	9.2%	7.2%	(14.7%)
Mexico	4.9%	48.6%	29.9%
Canada	3.0%	14.5%	3.6%
China	2.7%	17.9%	10.7%
Sweden	2.1%	1.5%	(0.3%)

## Wine: Brand matrix performance

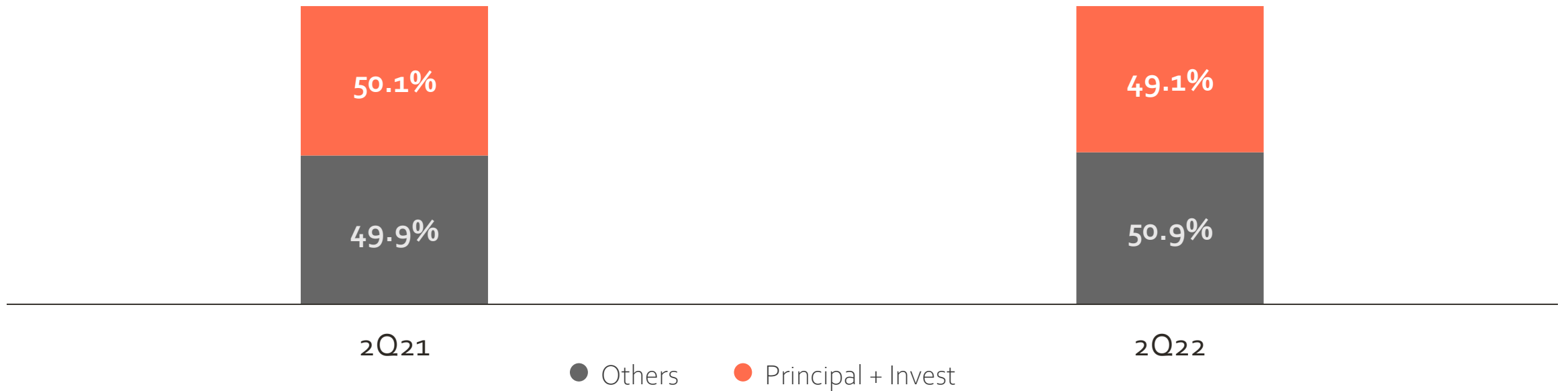
WINE	VAR % VALUE	VAR. % VOL.
PRINCIPAL	3.3%	(11.9%)
INVEST	1.3%	(10.0%)
PROTECT	14.4%	(4.2%)
WATCH	(15.3%)	(31.4%)
PORTFOLIO SUPER & ULTRA PREMIUM	44.3%	25.1%
<b>WINE TOTAL</b>	<b>5.1%</b>	<b>(11.0%)</b>

BRAND MATRIX

## Premium mix

Slight drop in the Principal and Invest mix, given volume adjustments in the company's main export markets.

% OF SALE IN VALUE



*Chap. 03*

# Financial Results – 2Q22

*Oswaldo Solar, CFO*



# Gross profit +5.1%

(Ch\$ million)	2Q22	2Q21	Var (%)
Consolidated sales	222,180	210,395	5.6%
Gross profit	85,359	81,182	5.1%
Gross margin	38.4%	38.6%	(20 bp)

## SG&A – Impact due to increased freight, wages and marketing

(Ch\$ million)	2Q22	2Q21	Var (%)
Consolidated sales	222,180	210,395	5.6%
Gross profit	85,359	81,182	5.1%
<b>SG&amp;A</b>	<b>(58,720)</b>	<b>(47,546)</b>	<b>23.5%</b>
<b>SG&amp;A / Sales</b>	<b>26.4%</b>	<b>22.6%</b>	<b>380 bp</b>

## Other income and expenses

This result mainly reflects non-recurring expenses in this quarter related to extraordinary freights necessary to timely fulfill commercial contracts.

(Ch\$ million)	2Q22	2Q21	Var (%)
Consolidated sales	222,180	210,395	5.6%
Gross profit	85,359	81,182	5.1%
SG&A	(58,720)	(47,546)	23.5%
Other income and expenses	(2,056)	247	

## EBIT and EBITDA:

IISS	2Q22		2Q21		Var (%)	
(Ch\$ million)	% / Sales		% / Sales		% / Sales	
Consolidated sales	222,180		210,395		5.6%	
Gross profit	85,359	38.4%	81,182	38.6%	5.1%	(20 bp)
SG&A	(58,720)	26.4%	(47,546)	22.6%	23.5%	380 bp
Other income and expenses	(2,056)		247			
EBIT	24,583	11.1%	33,882	16.1%	(27.4%)	(500 bp)
EBITDA	31,860	14.3%	42,315	20.1%	(24.7%)	(580 bp)

## Non-Operating result

- Lower net financial expenses
- Better result of Exchange Differences and Associated Companies

(Ch\$ million)	2Q22	2Q21	Var (%)	Var (Ch\$)
Net Financial expense (*)	(1,933)	(2,234)	(13.5%)	301
Exchange differences	776	(275)		1,051
Associated companies (**)	357	(163)		520
<b>Non-Operating result</b>	<b>(800)</b>	<b>(2,672)</b>	<b>(70.1%)</b>	<b>1,872</b>

(\*) Net Financial expense = Financial income, Financial Costs and Results by readjustment units.

(\*\*) Participation in the profit of associates and joint ventures.

# Financial expenses and Exchange differences

## IMPROVEMENT IN NET FINANCIAL EXPENSES DUE TO HIGHER CASH BALANCES

Non-operating income improved by Ch\$ 1,872 M due to:

- Lower net financial expense of **Ch\$ 301 M**.
- Improvement in exchange difference of **Ch\$ 1,051 M**.
- Improvement in profit by affiliated companies of **Ch\$ 520 M**.

## FACTORS TO HIGHLIGHT:

- Higher financial profit of **Ch\$ 406 M** due to an increase in placement rates.
- Positive effect, agreed annual inflation of 2.78% vs. 18.32% (annualized quarterly). Estimated savings of **Ch\$ 6,169 M** in the second quarter of 2022.

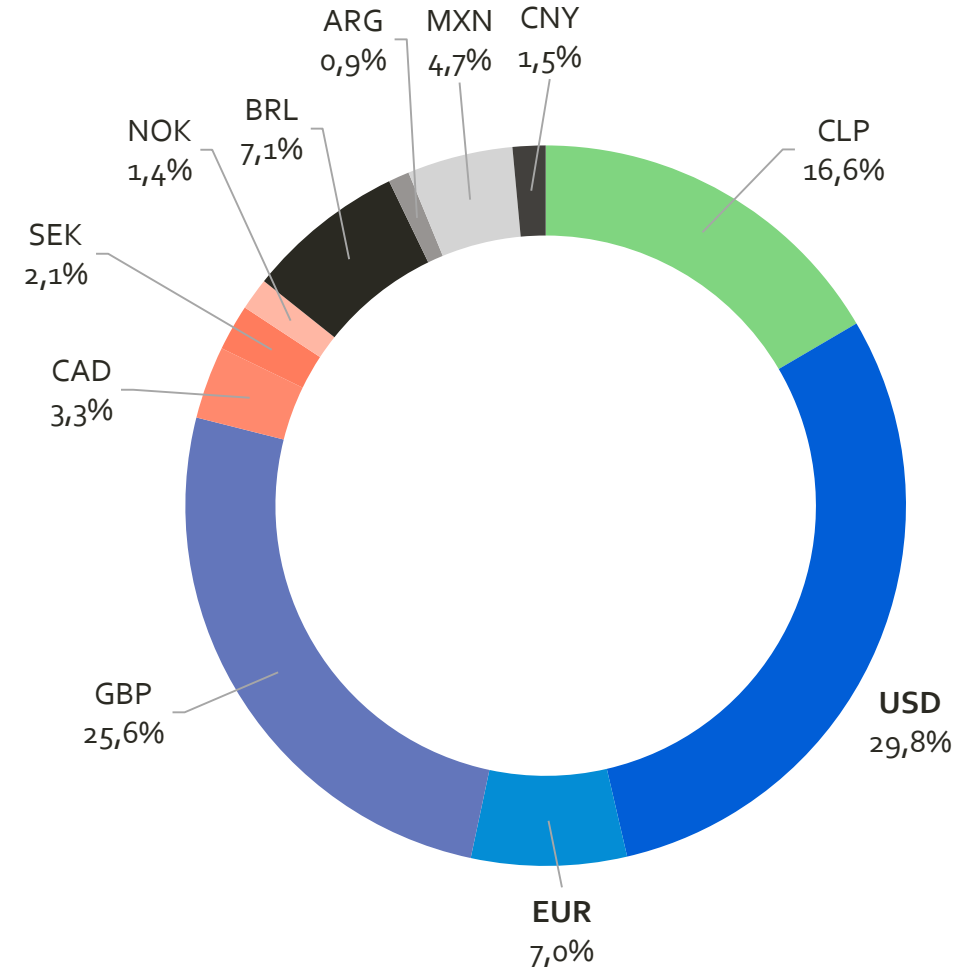
## 2Q22 Currency diversification

Diversification of currencies attenuates the variations of the dollar as a single currency.

### Exchange rate variation 2Q22 vs 2Q21

Dolar: **+18.4%**

CyT basket: **+11.7%**



## 2Q22 Taxes

(Ch\$ million)	2Q22	2Q21	Var (%)
Consolidated sales	222,180	210,395	5.6%
Gross profit	85,359	81,182	5.1%
EBIT	24,583	33,882	(27.4%)
<b>Profit before taxes</b>	<b>23,783</b>	<b>31,210</b>	<b>(23.8%)</b>
<b>Taxes</b>	<b>(250)</b>	<b>(7,866)</b>	<b>(96.8%)</b>



## 2Q22 Net profit

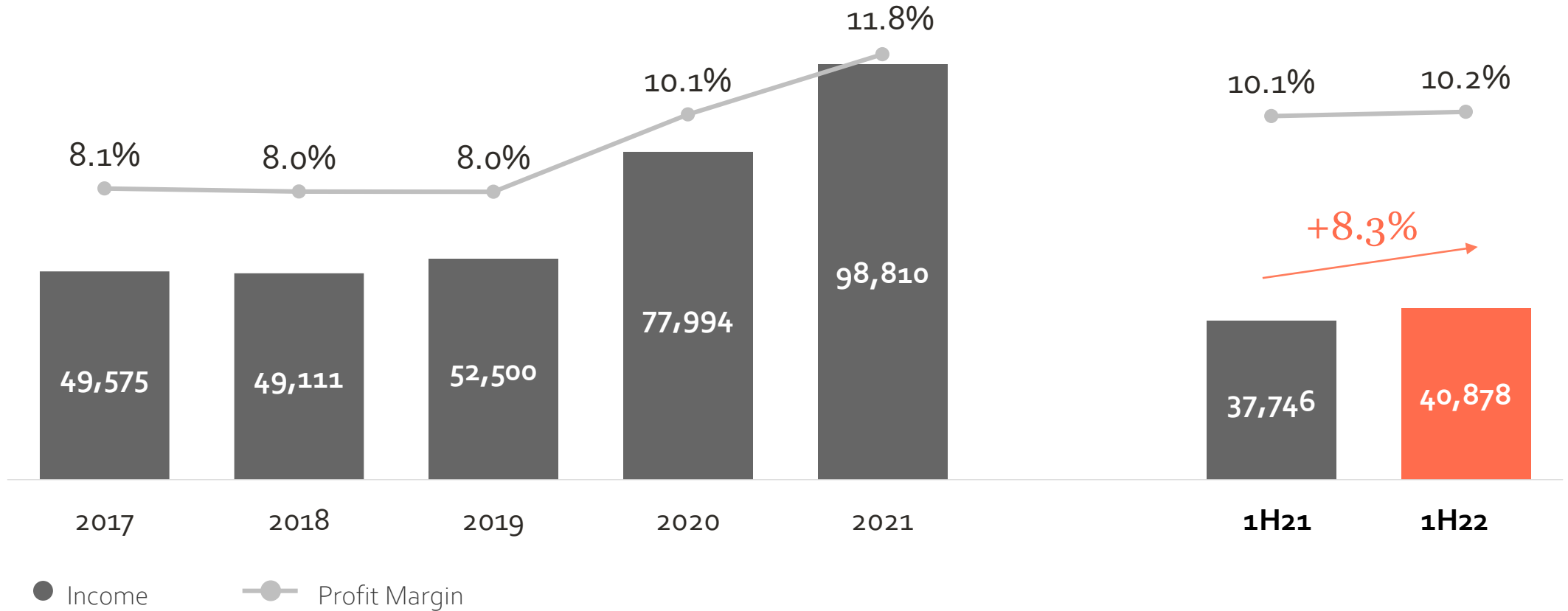
(Ch\$ million)	2Q22	2Q21	Var (%)
Consolidated sales	222,180	210,395	5.6%
Gross profit	85,359	81,182	5.1%
EBIT	24,583	33,882	(27.4%)
<b>Net profit</b>	<b>23,201</b>	<b>23,015</b>	<b>0.8%</b>
<b>Net margin</b>	<b>10.4%</b>	<b>10.9%</b>	<b>(50 bp)</b>

# 1H22 Net profit

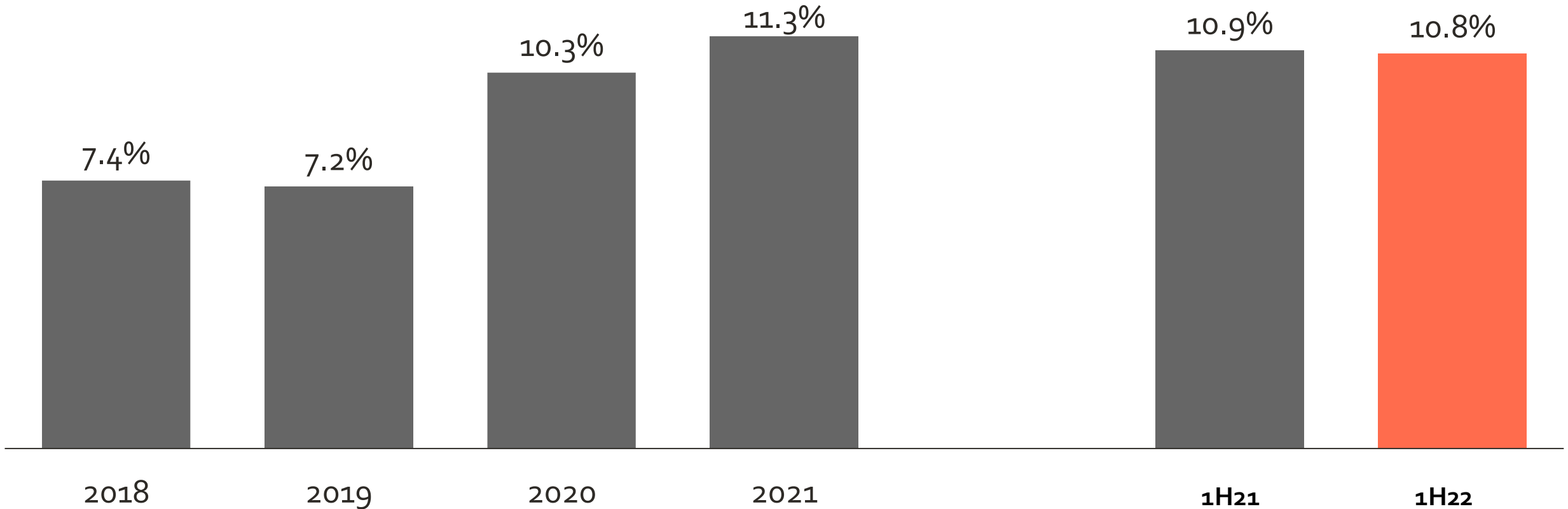
(Ch\$ million)	1H22	1H21	Var (%)
Consolidated sales	400,236	373,898	7.0%
Gross profit	157,011	143,851	9.1%
EBIT	49,162	56,932	(13.6%)
<b>Net profit</b>	<b>40,878</b>	<b>37,746</b>	<b>8.3%</b>
<b>Net margin</b>	<b>10.2%</b>	<b>10.1%</b>	<b>10 bp</b>

# 1H22: Net profit +8.3% and Net margin +10 bp

(Ch\$ M)



## Return over invested capital – ROIC

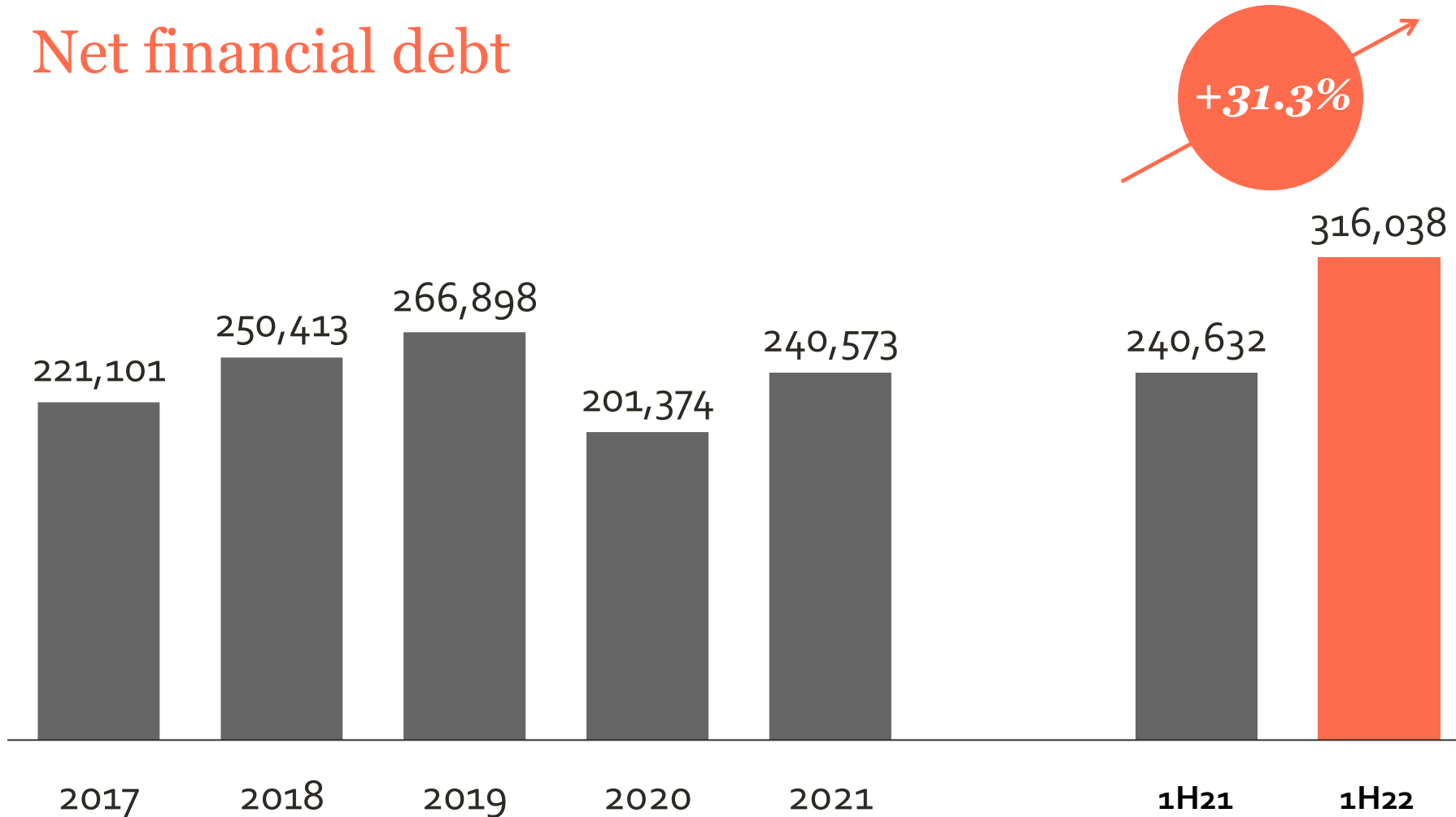


ROIC:  $(\text{Operating Margin} - \text{Taxes} + \text{Exchange Difference}) / (\text{Equity} - \text{Other Financial Liabilities} - \text{Derivatives} - \text{Cash})$ .

\* Income Statement corresponds to the 12 moving months.

\* Balance Sheet Accounts correspond to the average of the last four quarters.

# Net financial debt



Increases in:

Ch\$ 75,407 MM vs 1H21

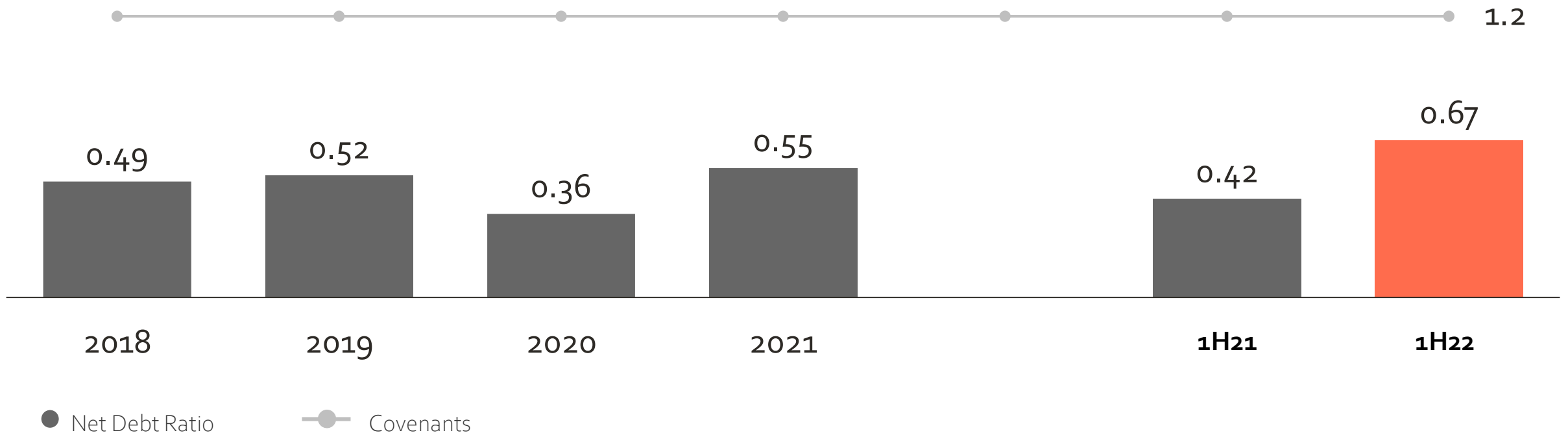
Increases in:

Ch\$ 75,466 MM vs 2021

Net financial debt is calculated as: Gross financial debt including the effect of Derivatives related to Financial debt – Interest – Cash and cash equivalents.

# Financial strength

Net Debt Ratio  
(Net Financial Liabilities\*/ Equity)

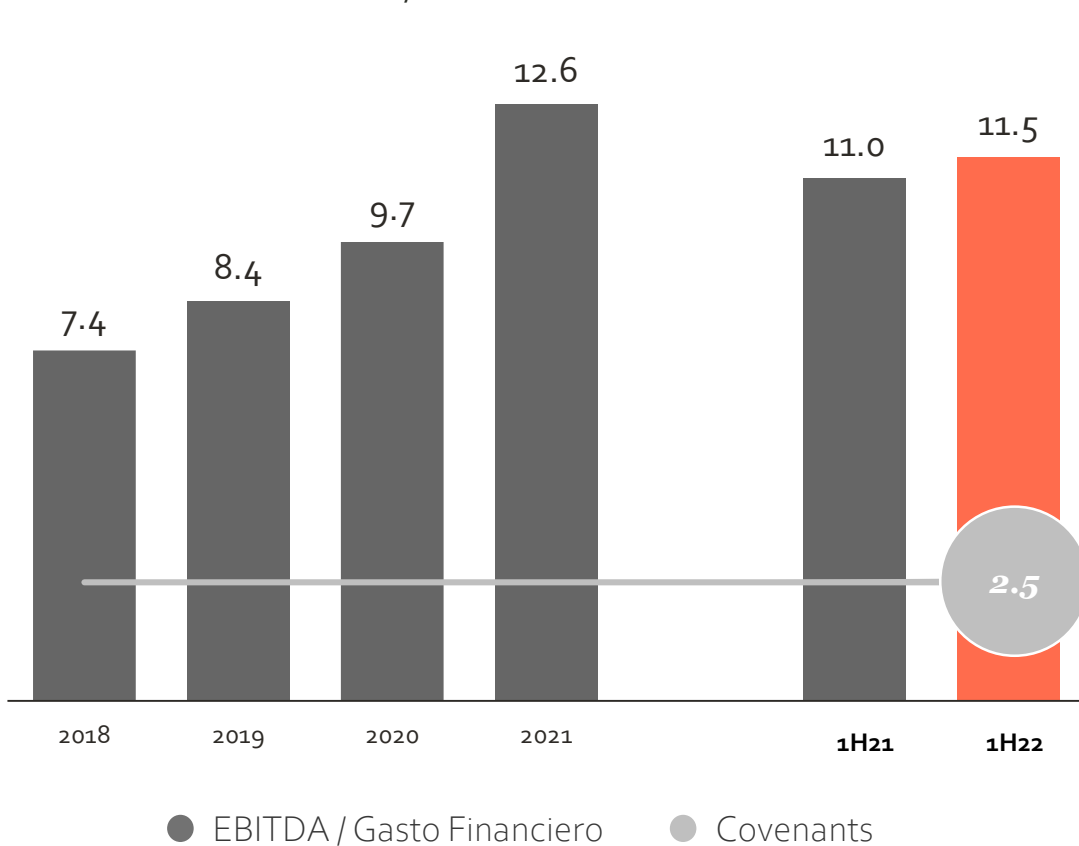


(\* ) Net Financial Liabilities corresponds to Other Current and Non-Current Financial Liabilities – Cash.  
Net Financial Debt / Equity Ratio in June 2022 is 0.45.

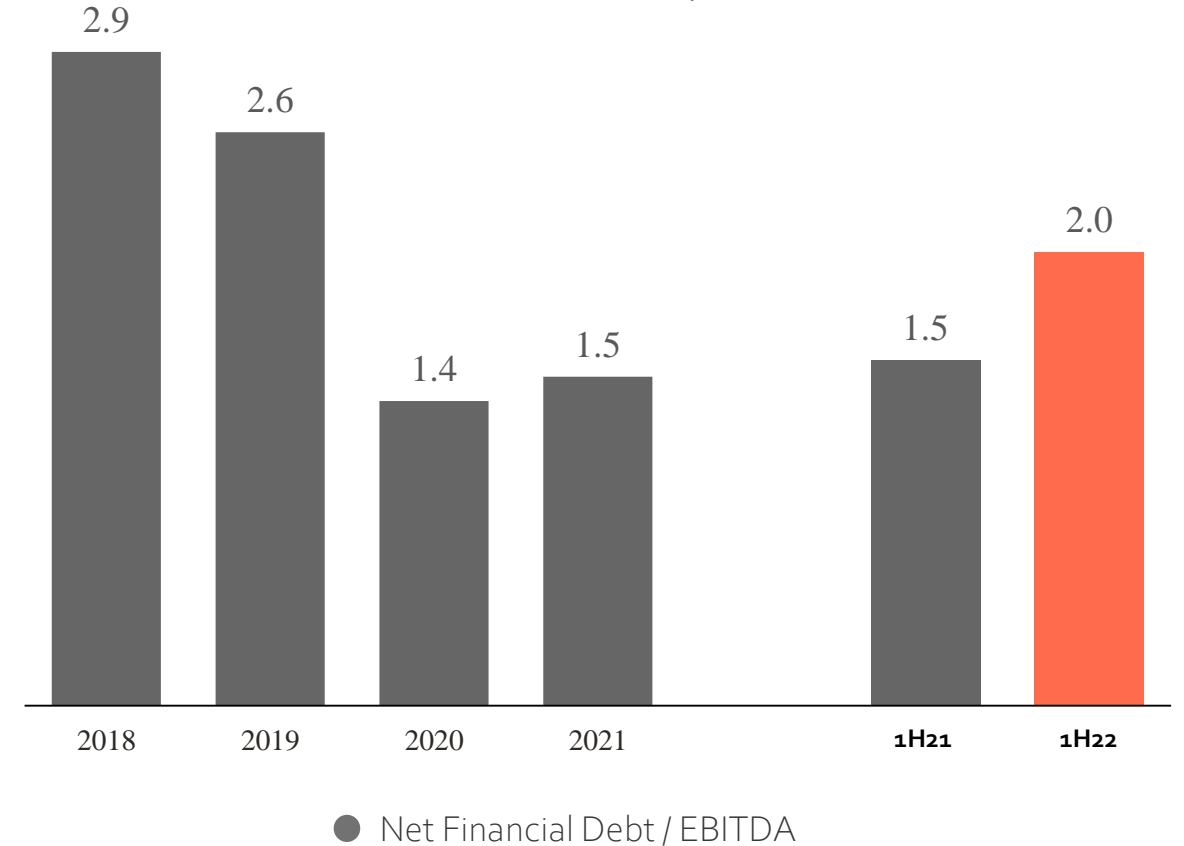
# Debt and Financial Expense vs. Cash Generation:

## FINANCIAL STRENGTH

### EBITDA / FINANCIAL EXPENSES



### NET FINANCIAL DEBT\* / EBITDA



\* Net Financial Debt is calculated as: Gross Financial Debt including the effect of Derivatives related to Financial Debt – Interest – Cash and cash equivalents.

## OUTLOOK

In a scenario that remains challenging, we continue to work on our profitability and growth objectives with a medium and long-term perspective.

- We will continue to make price adjustments in different markets.
- Investment in brand building.
- Tight control of costs and expenses.
- Focus on efficiency and development of new investments.
- Maintain the financial strength of the company.





# 2Q22 Results

INVESTOR PRESENTATION

VIÑA CONCHA Y TORO  
— FAMILY OF WINERIES —