Viña Concha y Toro | 140th Anniversary

INVESTOR PRESENTATION

1Q23 Results

AGENDA

Chapter 01

Overview

Osvaldo Solar, CFO

A challenging and complex quarter

The complex world situation marked by inflationary pressures, an overstock of inventories due to logistical disruptions, higher interest rates, economic slowdown, increases in dry goods and freight costs and lower consumption continued this quarter, so the performance of the period was not in line with our projections.

Measures implemented to deal with this scenario:

- **Focus on volume growth without affecting the premiumization strategy:**
  - Take advantage of our cost advantages to drive growth in non-Premium segments.
  - Construction of brands with investment in marketing.
  - Development of the new Strategic Plan for the 2023-2025 triennium with a focus on accelerating the profitable growth of Premium brands. A growth between 3% to 5% is projected for 2023 vs. 2022.
- **Company financial strength:**

  60% of the financial debt is long-term with a fixed rate, with agreed annual inflation of 2.78%.
- **Working capital optimization:**

  Reduce days of finished product inventories by 42 days by the end of 2023, which translates into a reduction of Ch$ 42,000 m YoY.
- **Strict control of costs and expenses:**

  Savings of Ch$ 18,000 million in 2023 generated by Ch$ 13,000 million due to lower extraordinary expenses and Ch$ 5,000 million due to new efficiencies.

The impacts on costs and expenses due to transitory events begin to moderate.

Decreases in shipping rates are already being observed, which as of March 31 represent 65% of extraordinary expenses, **not yet reflected** in the financial statements..

Additionally, there are lower expenses for extraordinary leases due to high inventories and other expenses.

EBIT 2023 will improve by **Ch$ 13,000 m** vs 2022.

	2022	LE 2023	Var
COGS / Sales	2.4%	1.5%	(80 bp)
SG&A / Sales	0.9%	0.2%	(70 bp)
EBIT effect	**3.3%**	**1.7%**	**(160 bp)**

Improvement by 1.6 points

Ch$: Chilean peso
m: million

Results Analysis *1Q23*

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1. Sales revenue

(million of Ch$)	1Q23	1Q22	Var (Ch$)	Var (%)
Consolidated sales	163,172	178,055	(14,884)	(8.4%)

Main reasons for the drop in sales:

- Adjustments to consumption in the different markets in a global context that continues to be challenging and with higher inflation.
- Inventory adjustments carried out by distributors in a more restrictive financial context.

The performance of the period was not in line with expectations, with volume drops of 9.7% YoY.

Performance of the four main markets

1Q23	% of Sales	Var % Value	Var % Volume
UK	27.8%	2.0%	3.4%
Chile	19.7%	1.7%	2.7%
US	15.4%	(15.3%)	(11.9%)
Brazil	5.8%	9.4%	20.5%

Sales result impacted by:

- Strong accumulation of inventories throughout the logistics chain due to fears of shortages and an estimate of sales for December not reached.
- Need to optimize working capital due to interest rate increases not seen in the last 15 years.
- Slowdown in demand, however, three of the main markets returning to growth.

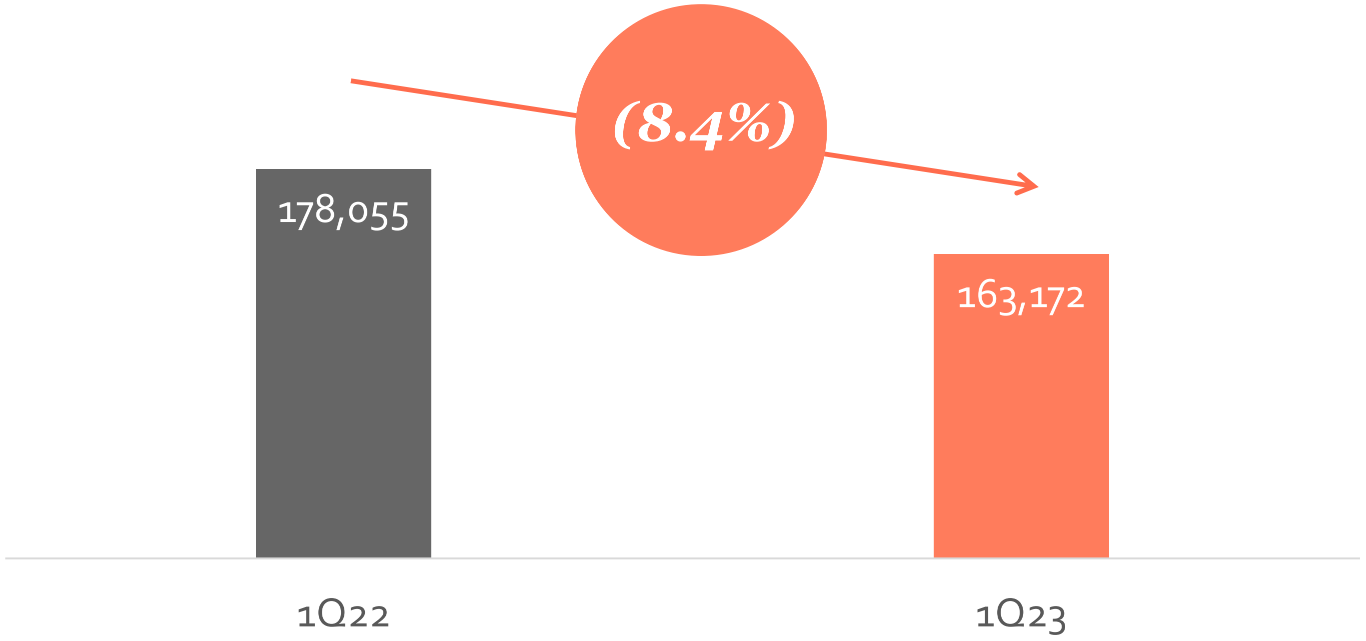
Chapter 02

1Q23 Sales Analysis

Daniela Lama, Head of IR

1Q23 sales

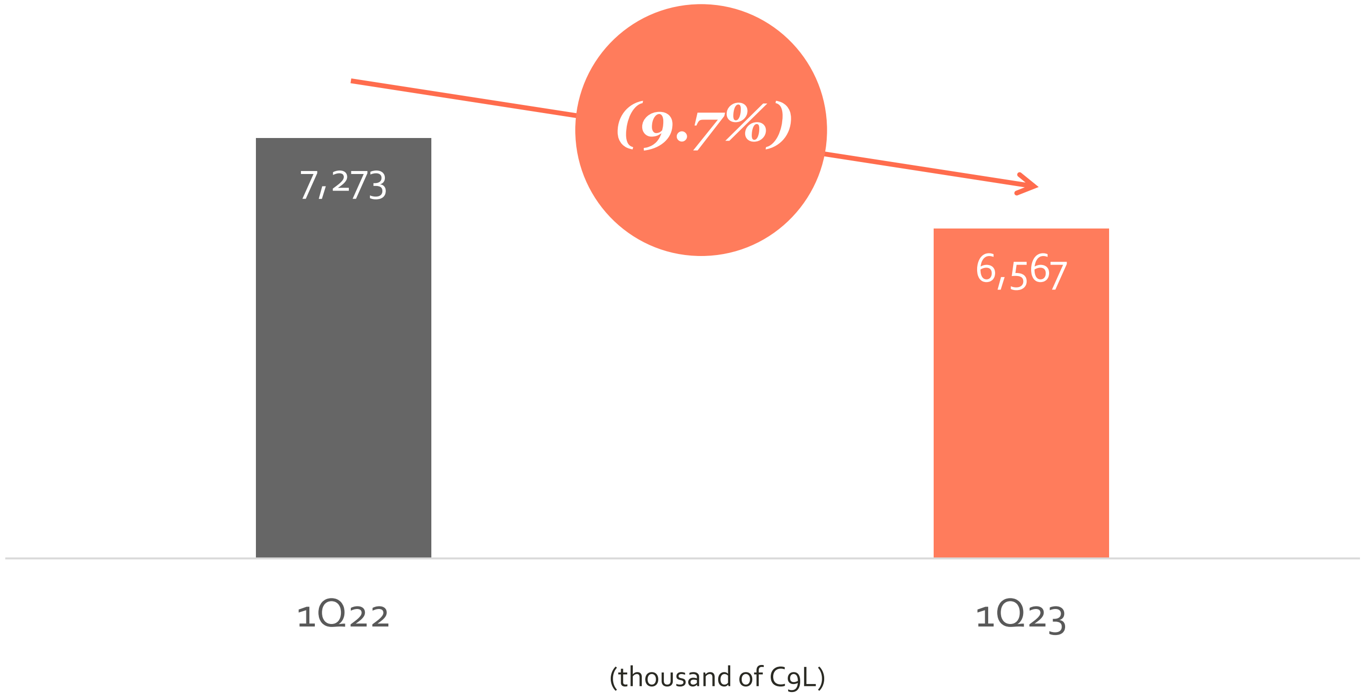
Drop in sales for the quarter due to lower volumes, a higher average price and slowdown in the industry.



(million of Ch$)

1Q23 volume

During this quarter, wine volume fell 11.5%, reflecting a slowdown in the industry and inventory adjustments by distributors and retailers.



VAR
(11.5%)
wine

Main markets performance

1Q23	% of Sales	Var % Value	Var % Volume
UK	27.8%	2.0%	3.4%
Chile	19.7%	1.7%	2.7%
US	15.4%	(15.3%)	(11.9%)
Brazil	5.8%	9.4%	20.5%
Mexico	5.6%	4.3%	(9.7%)
China	3.6%	32.9%	49.5%
Canada	3.0%	(21.3%)	(33.9%)
Sweden	2.3%	(8.7%)	3.1%
Netherlands	1.8%	(26.2%)	(17.3%)
Norway	1.6%	(3.2%)	2.2%

Sales results in the main markets impacted by:

UK (+2.0% value | +3.4% volume)

- Best performance in volume driven by Invest category: Trivento Reserve (+18.7%) and Isla Negra (+5.4%).
- CDD with positive performance in March (+40.7%).
- CyT market share in line vs 2022, with growth in CDD and Trivento Reserve (L4Weeks).
- CS relaunch.

Chile (+1.7% value | +2.7% volume)

- Volume recovery driven by Protect category: Exportacion (+23.5%) and Clos de Pirque (+3.0%).
- Growth in beers driven by Miller (+14.7% in volume), due to high temperatures.

USA (-15.3% value | -11.9% volume)

- Adjustments continue to be observed in the market. Drop in sales in segments under US$ 10.
- Bonterra, Frontera, CDD, 1,000 Stories and Trivento brands have better category performance.
- Shipments vs Depletions.

Sales results in the main markets impacted by:

Brazil (+9.4% value | +20.5% volume)

- Best performance driven by Principal and Invest categories.
- Diablo and Don Melchor brand growth of three and two digits respectively.

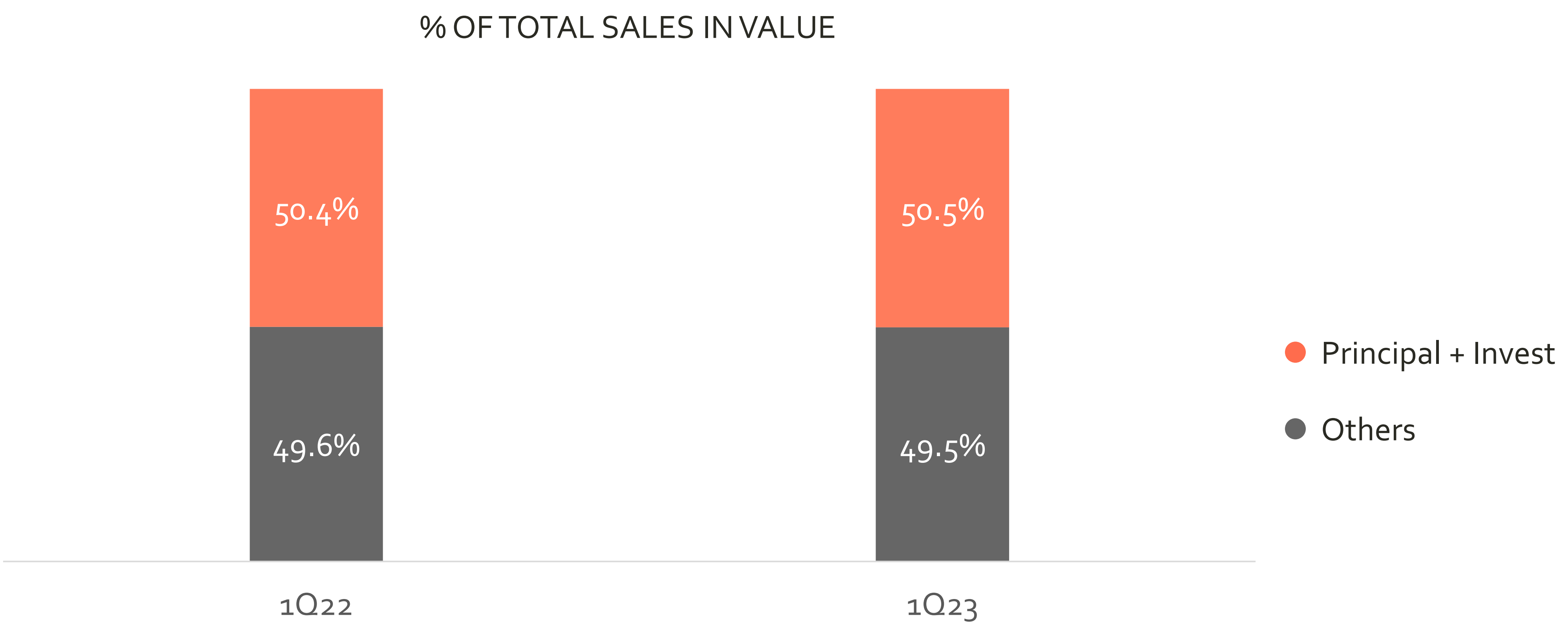
Mexico (+4.3% value | -9.7% volume)

- Growth in total CDD, with an increase of 22.6% in volume and 30.0% in value.
- Inflation in hotels and consumer centers slow down the industry.

China (+32.9% value | +49.5% volume)

- Market is waking up little by little.
- Best performance driven by Principal and Protect categories.
- Growth potential in Premium and up categories.

Principal + Invest mix: ***+10 bp***



Chapter 03

1Q23 Results

Osvaldo Solar, CFO

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Operating Costs

(million of Ch$)	1Q23	1Q22	Var (Ch$)	Var (%)
Operating cost	(103,386)	(106,403)	3,017	(2.8%)
% Op. cost / Sales	(63.4%)	(59.8%)		(360 bp)

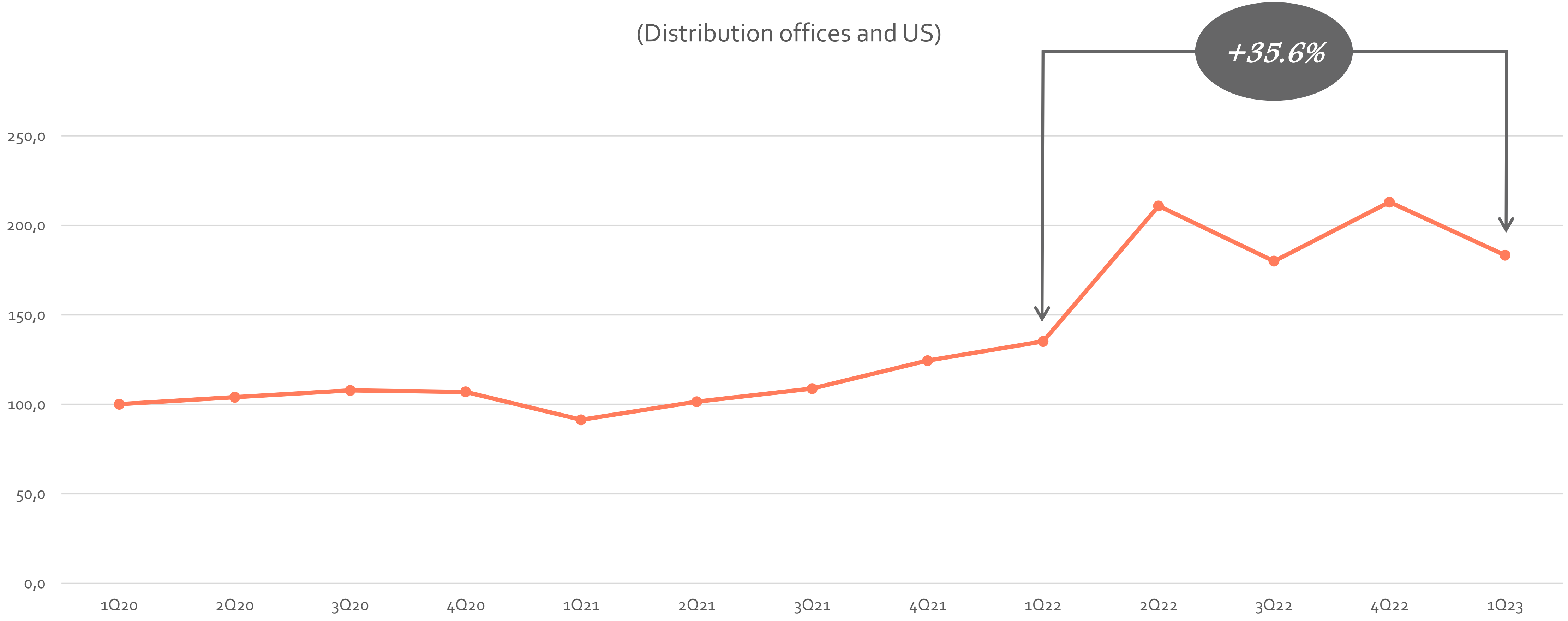
Main variations :

- The increase in costs of dry goods, equivalent to **Ch$ 3,377 m** YoY.
- Strong increase in shipping rates, equivalent to **Ch$ 3,552 m**, which is already beginning to decrease (14% lower than 4Q22).
- An increase in Operations and Supply Chain of **Ch$ 245 m**.

In this period, lower costs are already beginning to be seen compared to the last months of 2022, but they are still higher than 1Q22. This increase represented **3.4 points** of the gross margin in the quarter.

Shipping costs index

Shipping cost of finished product in USD/C9L, for distribution offices and US. Base 100 index as of 1Q20.



Gross profit: **-16.6%**, impacted by cost increases

(million of Ch$)	1Q23	1Q22	Var (%)
Consolidated sales	163,172	178,055	(8.4%)
Operating cost	(103,386)	(106,403)	(2.8%)
Gross profit	59,786	71,652	(16.6%)
Gross margin	**36.6%**	**40.2%**	**(360 bp)**

Concepts that mainly explain the rise in operating costs :

1. Extraordinary costs of **Ch$ 5,515 m** (Ch$ 3,552 m maritime freight and Ch$ 1,704 m for one-time indemnities).

SG&A – Higher expenses in the quarter

(million of Ch$)	1Q23	1Q22	Var (%)
Consolidated sales	163,172	178,055	(8.4%)
Gross profit	59,786	71,652	(16.6%)
SG&A	(52,728)	(48,149)	9.5%
SG&A / Sales	**(32.3%)**	**(27.0%)**	**(530 bp)**

SG&A / Sales ratio increased due to lower sales in the quarter.

2 concepts that mainly explain the increase in SG&A:

- Increases in remunerations due to the indexing of salaries to inflation of **11.2%**.
- Marketing spending increased by **19.4%** to strengthen the positioning of our main brands.

Extraordinary expenses represented **0.6 points** of sales.

EBIT and EBITDA

	1Q23		1Q22		Var (%)	
(millones de Ch$)		% / Sales		% / Sales		% / Sales
Consolidated sales	163,172		178,055		(8.4%)	
Gross profit	59,786	36.6%	71,652	40.2%	(16.6%)	(360 bp)
SG&A	(52,728)	(32.3%)	(48,149)	(27.0%)	(9.5%)	(530 bp)
Other incomes and expenses	(425)	(0.3%)	1,076	0.6%	(139.5%)	(90 bp)
Real estate result		0.0%		0.0%		
EBIT	6,632	4.1%	24,579	13.8%	(73.0%)	(970 bp)
EBITDA	13,014	8.0%	32,050	18.0%	(59.4%)	(1,000 bp)

Non-Operating result

(million of Ch$)	1Q23	1Q22	Var (Ch$)	Var (%)
Net financial expense (*)	(3,707)	(2,534)	(1,173)	46.3%
Exchange differences	644	632	12	1.9%
Non-Operating result (**)	(3,063)	(1,902)	(1,161)	61.0%
Associated companies	(285)	(171)	(114)	66.5%

(*) Net Financial expense = Financial income, Financial Costs and Results by readjustment units.
(**) Does not consider results of affiliated companies

Non-Operating result

Non-operating result (*) increases by Ch$ 1.161 m due to:

- Higher net financial expense of **Ch$ 1,173 m**.
- Exchange differences of **Ch$ 12 m**.

* Does not consider results of affiliated companies

FACTORS TO HIGHLIGHT:

- Positive effect, agreed annual inflation of 2.78% vs. 5.47% (annualized quarterly). Estimated savings of **Ch$ 1,167 m** in the first quarter of 2023.

Currency diversification

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

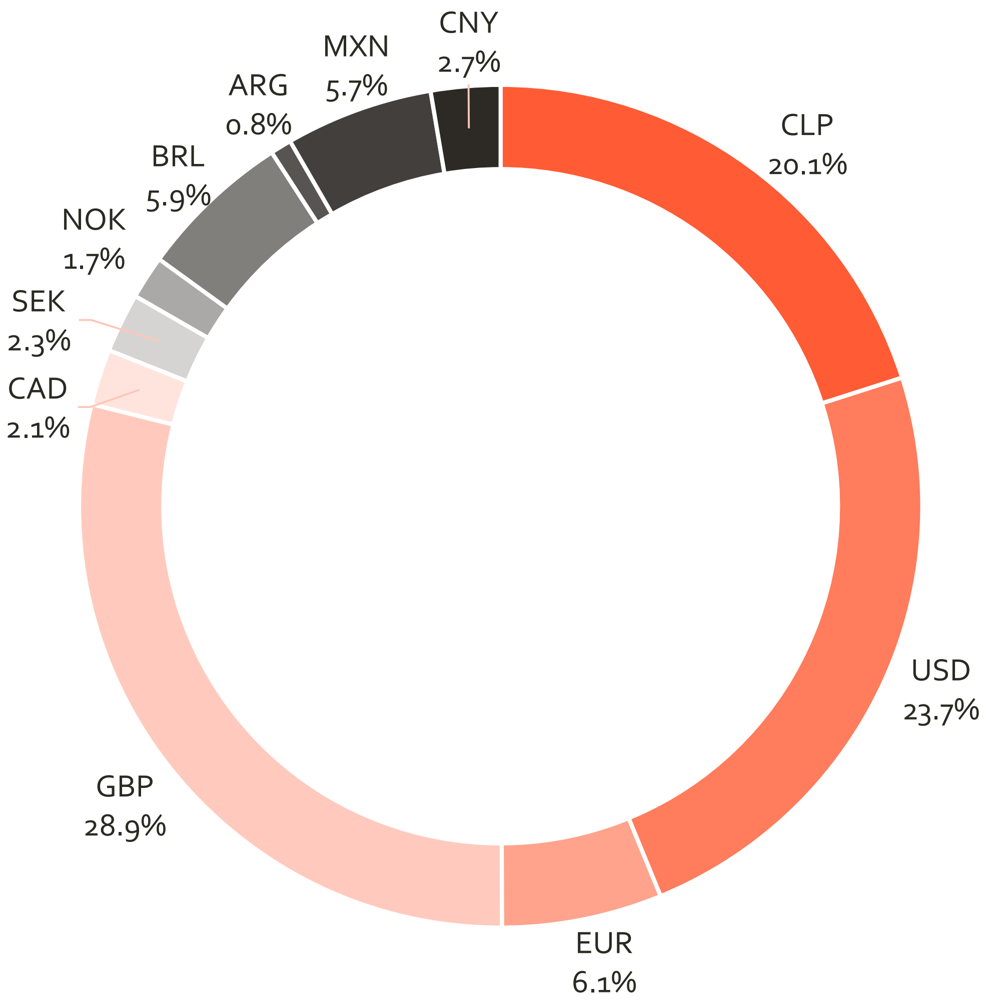
EXCHANGE RATE VARIATION 1Q23 VS 1Q22

CyT basket index: -4.6%

Dólar: -0.1%

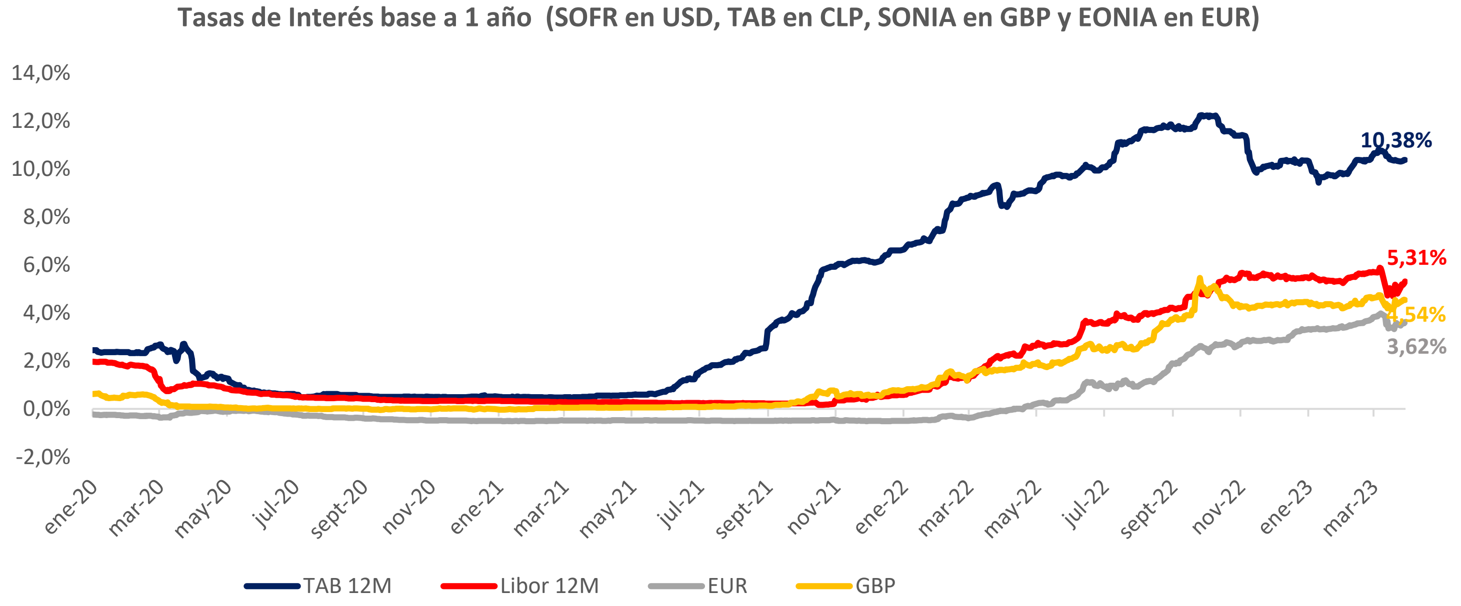
Libra: -9.1%

EUR: -4.8%



Non-Operating result: Effects of interest rate increases

Tasas de Interés	1Q 2023		1Q 2022	
	Tasa	Propoción	Tasa	Propoción
CLP	5,5%	43,9%	4,8%	66,2%
UF	4,4%	0,1%	3,4%	1,9%
USD	4,6%	40,5%	1,3%	27,5%
BRL	14,5%	2,2%	12,8%	2,5%
ARS	31,7%	3,5%	28,6%	1,6%
MXN	12,9%	1,0%	7,9%	0,3%
EUR	0,5%	2,9%	0,0%	0,0%
GBP	3,3%	5,9%	0,0%	0,0%
Tasa promedio	**6,0%**	**100,0%**	**4,4%**	**100,0%**

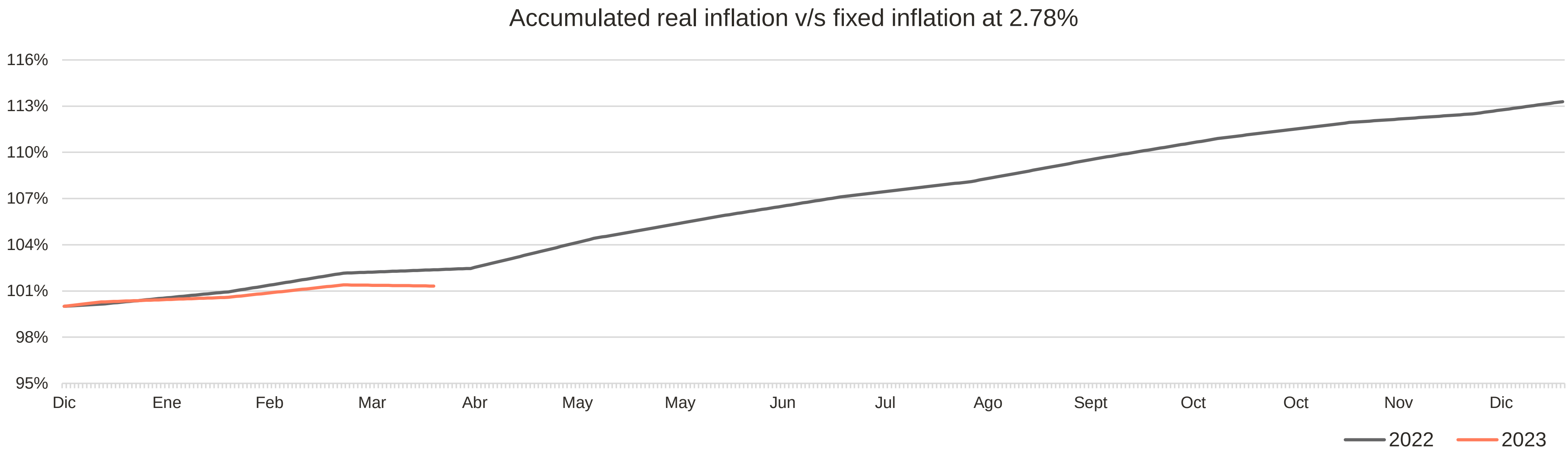


Annual impact:

Interest rate effect: -Ch$ 1.374 m due to an increase in the average interest rate, which has been minimized by changing the debt currency mix and anticipating loan renewals at the beginning of the year.

Capital effect: -Ch$ 281 m (increase in average gross debt from Ch$ 318,507 m to Ch$ 343,890 m).

Non-Operating result: Inflation effect



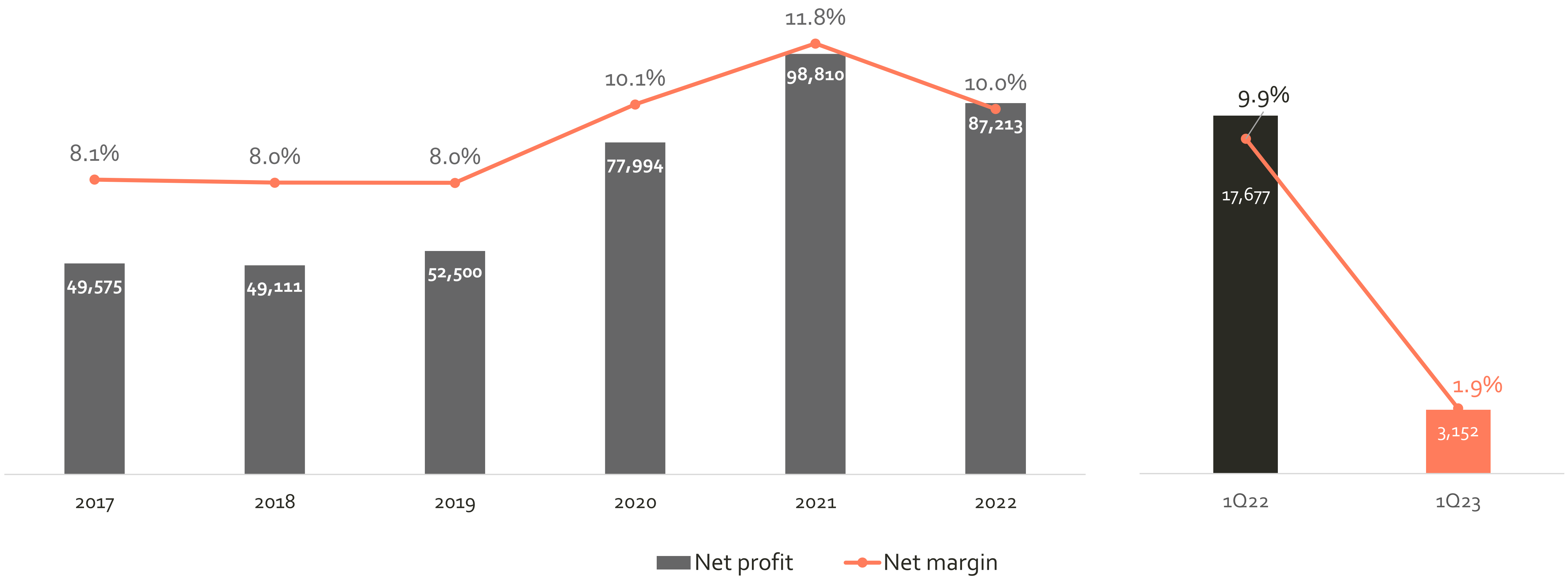
1Q23 benefits:

1) Inflation set for the year 2023: **2.78%**
Effect without hedge in YTD 2023: **Ch$ 2,439 m**
Effect with fixed inflation: **Ch$ 1,272 m**
Loss reduction: Ch$ 1,167 m

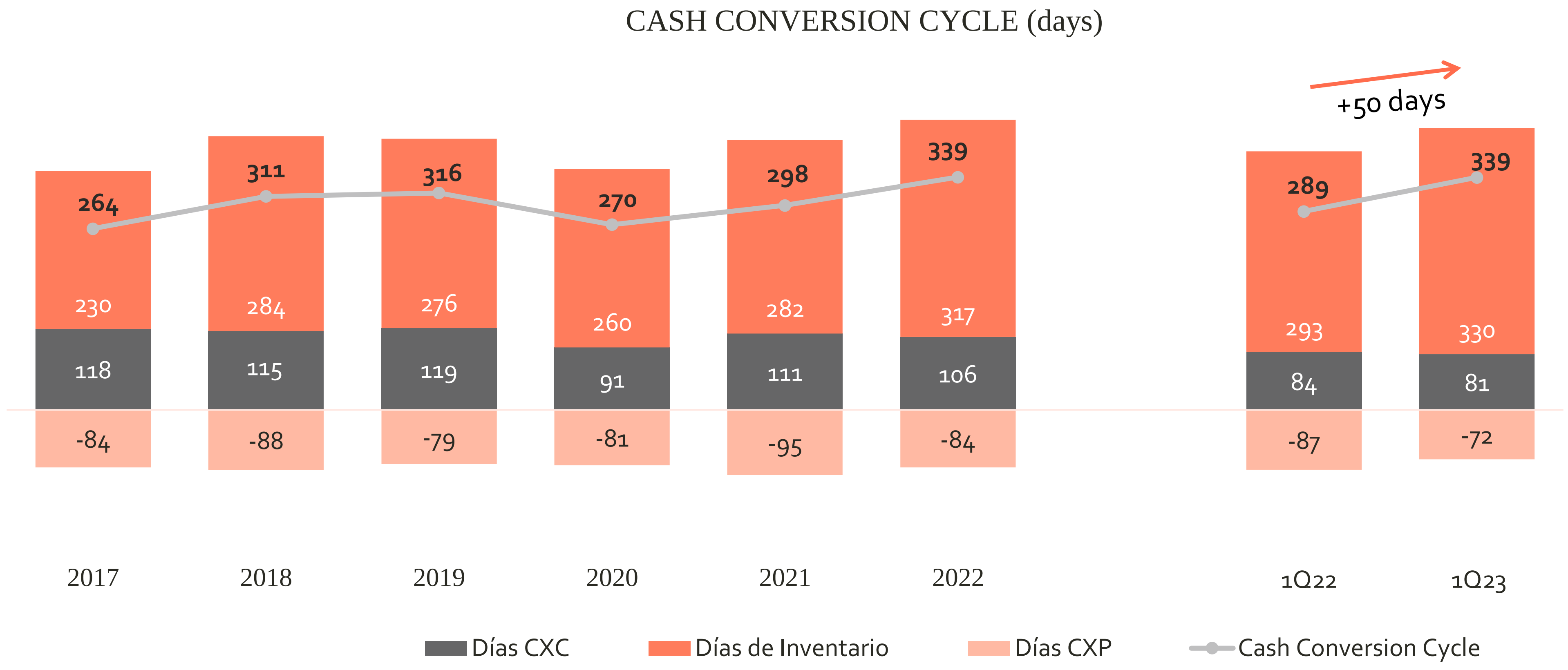
Next months:

1) Currently **100%** of the bonds are covered.
- **UF 5.25 m** to CLP (inflation set at **2.78%**)
- **UF 1.75 m** to USD (rate set at **4,47%**)

1Q23: Net profit (million of Ch$) and Net margin (%)



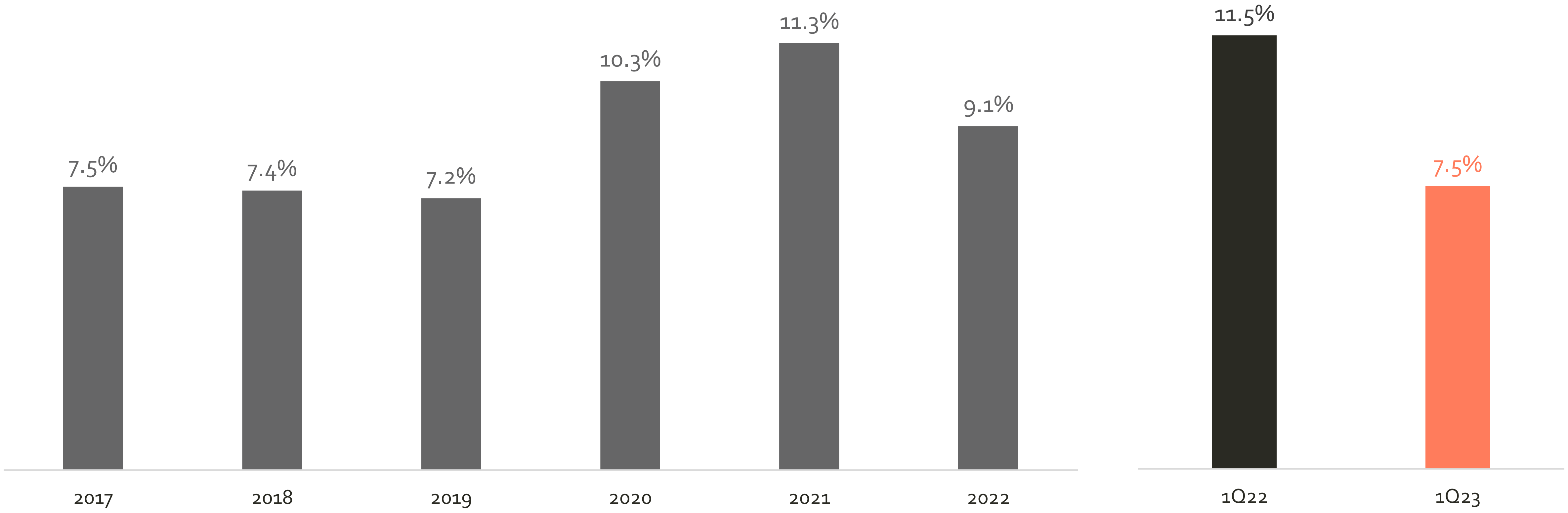
Working capital: Increase of Ch$ 69,000 m (march 23 vs march 22)



Cash Conversion Cycle: Días CxC + Días de Inventario + Días CxP

- **Días CxC (accounts receivable days):** Trade debtors and other current accounts receivable + Accounts receivable from related entities, current / Income from ordinary activities.
- **Días Inventario (inventory days):** Current inventories / Cost of sales.
- **Días CxP (accounts payable days):** Trade accounts payable and other accounts payable + Accounts payable to related entities, non-current - Dividends payable/ (Cost of sales + Distribution costs + Administrative expenses).

Return on invested capital – ROIC

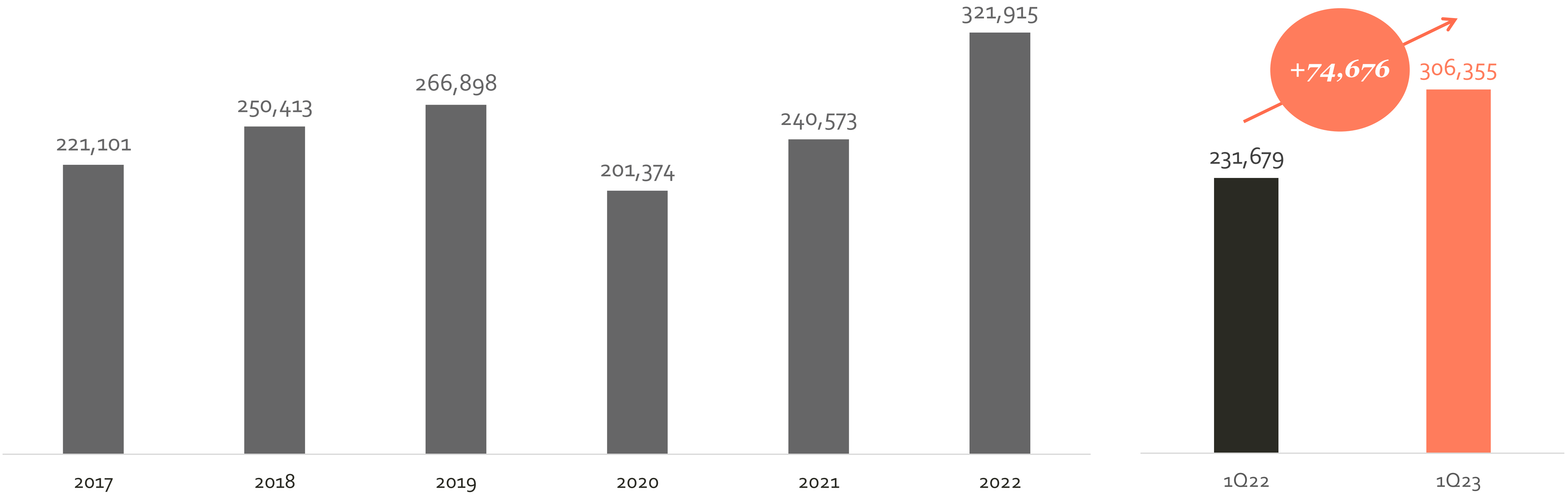


ROIC: (Operating Margin – Taxes + Exchange Differences) / (Equity – Net Financial Debt – Cash) 12 moving months.

* Income Statement corresponds to the 12 moving months.

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

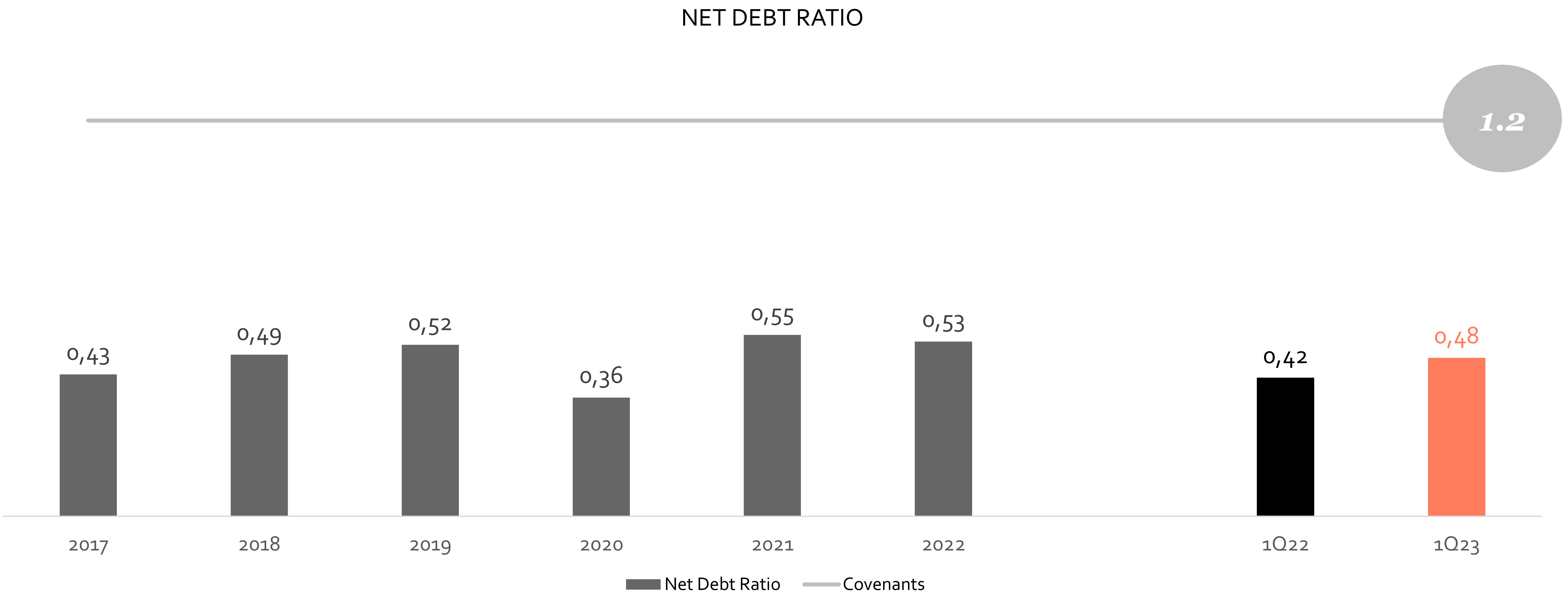
Net financial debt (million of Ch$)



Net Financial Debt: Gross Financial Debt including the effect of Derivatives related to Financial Debt – Interest – Cash and cash equivalent.

Adequate level of indebtedness relative to the size of the Equity

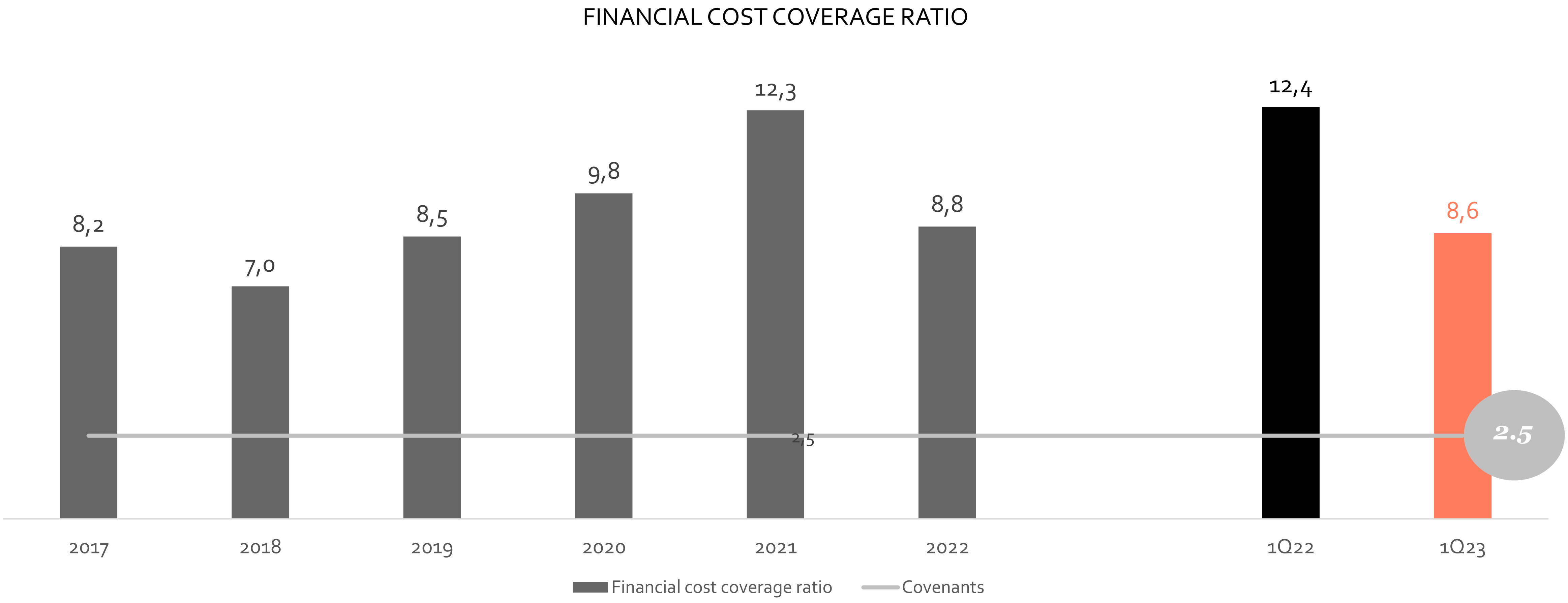
FINANCIAL STRENGTH



Net Debt Ratio: (Other Current and Non-Current Financial Liabilities – Cash) / Equity

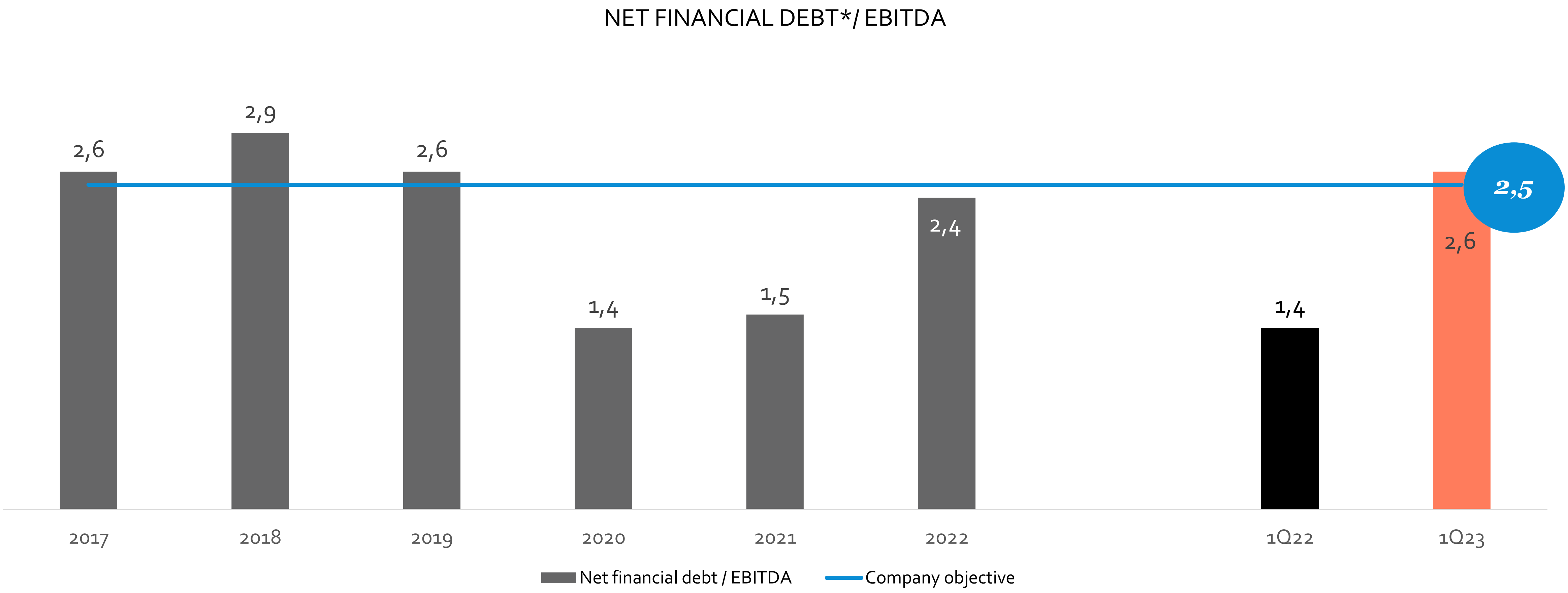
Debt and Financial Expense vs. Cash generation

FINANCIAL STRENGTH



Debt and Financial Expense vs. Cash generation

FINANCIAL STRENGTH



Net Financial Debt: Gross Financial Debt including the effect of Derivatives related to Financial Debt – Interest – Cash and cash equivalent.

Highligts
ESG and Innovation

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ESG progress

ENERGY

FOSSIL INDEPENDENCE

We are making progress towards establishing a clean energy matrix free of CO_2 emissions. For this reason, in 2022, we managed to make the electricity supply of the Viña Concha y Toro holding company 100% renewable.

100%
ELECTRICIDAD RENOVABLE
3 ORÍGENES

We are taking important steps in the replacement of fossil energy in our facilities to reach the goal set for 2025.

(50% replacement in internal sources, compared to 2020)

BIODIVERSITY

AGRICULTURAL ECOSYSTEM MANAGEMENT

Transforming project in the Agricultural Management, where regenerative practices have been implemented to improve conditions of

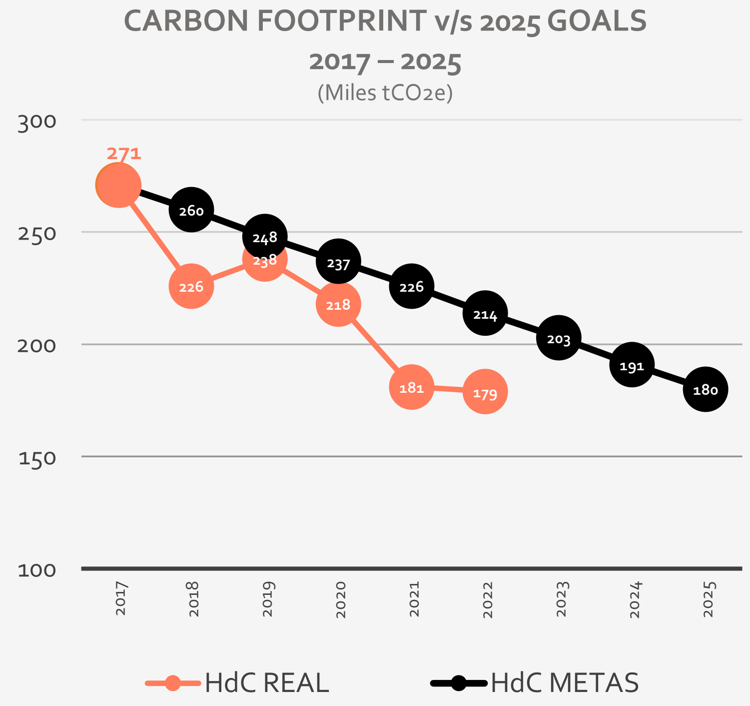
- Soil
- Native Flora and Fauna
- Native forests

NATIVE FORESTATION

Plantation of more than 12,000 native trees that germinated in our own nurseries.

CLIMATE CHANGE

In 2022 we reached the goal of reducing carbon emissions, which was set for 2025.



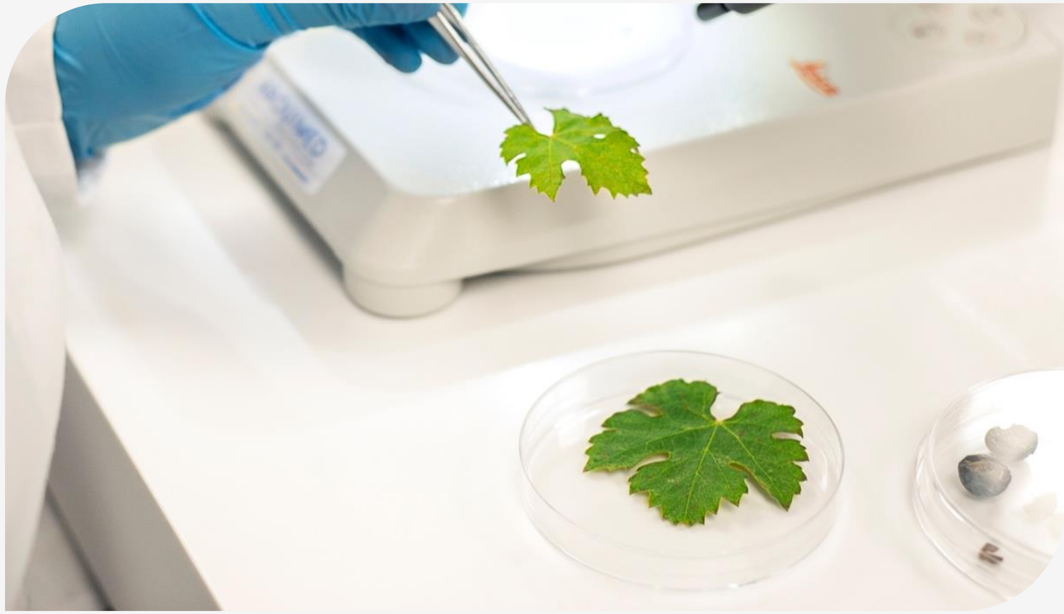
Innovation progress

WATER SAVINGS

Savings of +18% with different efficient irrigation techniques. Today it is in a pilot plan with 900 ha.

The APP developed by the CII makes it possible to receive data on leaf evapotranspiration, soil moisture and weather forecasts to know how much and when to irrigate.

PLANTS 2.0



Virus-free vines and wood fungi without affecting their identity.

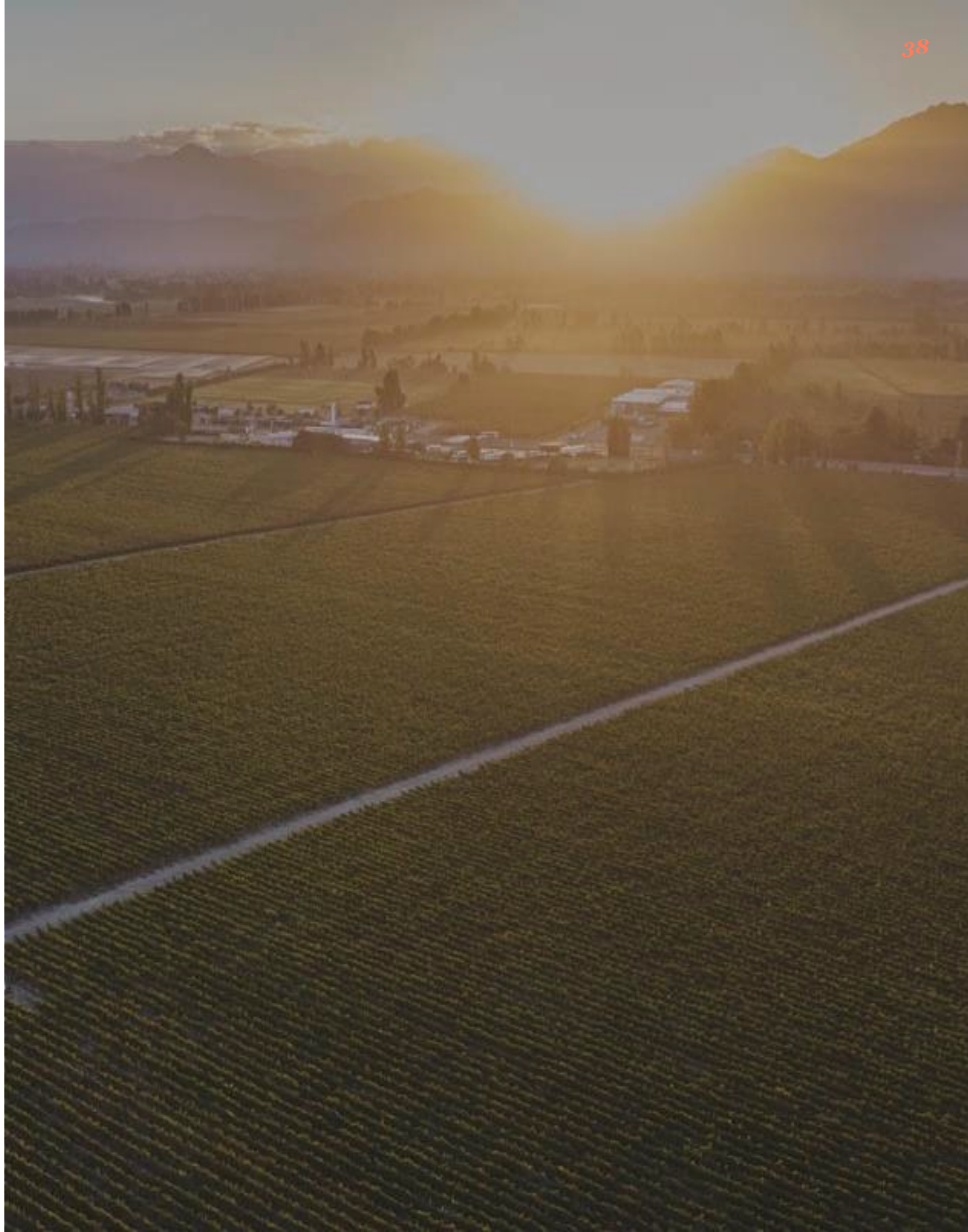
This allows them to be better prepared to face climate change and live longer.

Outlook 2023

After a challenging and complex first quarter, our priority objective is to refocus the company on strong sales growth, supported by our premiumization strategy and focusing on consumers. With this, we will achieve profitable and sustained growth over time.

- Growth in volume between **3% to 5%**.
- Savings in costs and extraordinary expenses for **Ch$ 18,000 m**.
- Optimization of working capital with a reduction equivalent to **Ch$ 42,000 m** due to a decrease in inventories.

Today we are a more agile company and with a more Premium portfolio. We are convinced that we have all the fundamentals to take the company to the next level.



VIÑA CONCHA Y TORO

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FAMILY OF NEW WORLD WINERIES