



9M25

RESULTS PRESENTATION VIÑA CONCHA Y TORO



9M25 Results Presentation Transcript – Viña Concha y Toro

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Speakers:

- Osvaldo Solar - CFO
- Daniela Lama - IRO
- Ma. José Undurraga - Moderator

Moderator: María José Undurraga

→ Good morning everyone. My name is María José Undurraga, your moderator representing Viña Concha y Toro. Thank you for joining us for this presentation of results corresponding to the 3Q, 2025.

Before we begin, please note that on the right side of your screen you may select the language in which you wish to listen. The presentation we will review today is already available on our website in Spanish and English.

First, let me read a brief disclaimer. This presentation contains forward-looking statements based on the information available at this time and should be considered as made in good faith. Such statements are subject to risks and uncertainties beyond the company's control, which could cause the actual Viña Concha y Toro results to differ materially from those indicated in these statements.

Today, we will take a closer look at the results for the first nine months of the year. We will begin with the highlights of the period together with Osvaldo Solar, CFO of Viña Concha y Toro. After that, we will move on to the quarterly and year-to-date sales

analysis with Daniela Lama, IRO the company, and we will finish again with Osvaldo who will bring us the financial results.

For a more detailed quarterly or cumulative analysis, please refer to the press release published yesterday, Tuesday, November 4. If you have any additional questions or doubts, please contact Daniela Lama.

To wrap up today's presentation, we will take some time to answer the questions you can send us through the platform's chat.

I will now leave you with Osvaldo Solar.
(The presentation begins)

Speaker: Osvaldo Solar

→ Good morning and good afternoon to some of you. It is a pleasure for us to comment on the results for this quarter and also to share a bit about the effects of the year. And I say it is a pleasure because we believe these results show a rather consistent trajectory for the company; one that differs, in fact, quite clearly from much of the information we have seen coming from the wine industry and alcohol industry in general, presenting us a Concha y

Toro that has, as we will discuss, the elements that explain why these results differ significantly from other companies in the sector.

First, as a highlight for the period, we saw a growth in wine sales revenue of 10.1%, a fact we consider quite relevant when analyzing and comparing overall sales performance.

On the other hand, the strategy we designed several years ago with respect to the company's premiumization remains fully valid. Let us remember that this is a premiumization where our great flagship brand is Casillero del Diablo. Therefore, it represents an entry level premiumization, not a case of great wines with a different trajectory. But this reflects the strength that Concha y Toro holds in market segments where today approximately 57.1% of total wine sales come from the brands we classify as premium or super-premium.

What did this mean at the gross profit level? It resulted in a growth of 9.8%, achieving a gross margin over sales of 39.1%.

As for EBITDA, it increased by 22.1% percent, and the EBITDA margin reached 16.4%, figures we will explain in greater detail shortly.

As for the bottom line, the net profit shows a growth of 13.4%.

In this context, we wanted to highlight some key elements of the quarter, which are also a reflection of our strategy and part of the continuity that Concha y Toro has been developing, allowing us to continue to show growing results over time.

A first aspect, which we had mentioned before, was the recent recognition of Don Melchor as the number one wine in the world, as awarded by the Wine Spectator guide, which for these purposes is considered the most prestigious ranking. This recognition translated into Don Melchor sales that increased by 119.4% during the quarter. We want to emphasize this because it carries a double message: on one hand, Concha y Toro's capacity to produce wines in the uppermost range such as Don Melchor, the recognition of that excellence in quality that the company has consistently instilled in its products, and on the other hand, this acknowledgment strengthens the positioning of our brands.

For that reason, we also wanted to highlight four brand groups that reflect what Concha y Toro is generating and that account for the growth we are discussing in average terms.

First, Casillero del Diablo and the Diablo brand, which together increased during the quarter by 13.2%. Secondly, we would like to highlight Trivento Golden, a brand at the level of Marques de Casa Concha, originating from our Argentine vineyard, which grew by 33.3% and, at the same time, surpassed Marques de Casa Concha in sales. So, we have managed to position Trivento Golden, a relatively new brand, at a similar price point to Marques, while exceeding it in volume.

We also wanted to mention Amelia, a white wine with a retail price of around CLP\$35,000, which has been growing very strongly. This fills a gap we had of white wines in that segment, and we believe Amelia is an excellent reflection of what can be achieved there, as well as of the growing recognition our products are receiving from specialists.

And finally, Bonterra and its line extensions in the United States, our organic brand, which grew by 14.9% in the quarter. So, we can see that there is a set of brands providing solid support for Concha y Toro's overall growth.

In addition, we wanted to highlight something that we have previously discussed with you regarding the company's new products. Here, we have included a reference framework to show what these first nine months of the year have meant compared to the same period two years ago, in 2023, as we believe it clearly illustrates the company's direction and its ability to identify and respond to market trends, where Concha y Toro, through the strength of its brands, and how the market effectively takes advantage of these reactions.

As a result, the share of these new products, which have a lower alcohol content, has increased in total sales (Chile origin) from 4.5% two years ago to 14.3% today. We consider this to be particularly relevant, as it reflects the company's accurate reading of market trends combined with its capacity to respond effectively, always through the strength of its brands, which convey that message directly to consumers.

On the other hand, we also wanted to touch on a market concept that Daniela Lama will cover in more detail when we go over the sales figures for the period. What I want to highlight specifically here is the low per capita consumption levels in many markets where Concha y Toro holds the number one position and that today represents major growth potential for the company.

For example, we have included Brazil and Mexico, which together account for almost 15% of the company's total sales, and yet per capita wine consumption in Brazil is about 2.1 liters, or Mexico, for instance, where it does not even reach 1 liter.

Why do we emphasize this? Because it reflects the reality of Concha y Toro's strong position as number 1 in various markets, as shown in the fourth column of this slide, where we hold the relative positions: number 1 or 2, supported by our operational strength and the power of our brands; so, even in these markets with extremely low per capita consumption, these are regions that are now beginning to grow, where Concha y Toro has a very strong position to capitalize on this growth.

Finally, within these highlights, we have included this chart, which reflects a longer-term trajectory. It shows how, in the past eight quarters, Concha y Toro has continued to grow its revenue in an interesting and consistent way, fully in line with what we have been communicating about the strength of the company and the reasons behind our sustained growth.

This provides a broader context that demonstrates not just the result of one particular quarter but a clear growth trajectory over eight quarters, something few companies are showing today. In the case of Concha y Toro, it reflects the combined strength of our brands, our distribution, and other factors that we have already discussed, all of which continue to support steady and consistent growth.

With that, we close the highlights section and will now move on to review the sales performance for the period, before going over the results for both the third quarter and the first nine months of the year.

Speaker: Daniela Lama

→ Hello, good morning, everyone. Continuing with the sales analysis, here we can see the company's wine sales volume, which represents the main and priority segment of our business. As shown

by the orange line on the chart on the left and the bars below, representing 2025, in the quarter we exceeded the level of last year by 4.4%, and by 0.9% in the year-to-date total.

What we have mainly seen is an increase in premium and superior wines. Let us remember that, for the company, a premium wine is Casillero del Diablo and above.

Looking at the volume figures for that specific category, you can see how we have exceeded the volumes of all our previous years. This is very important, as this is where the company's main focus has been in recent years. Thus, we recorded 4.9% increase in volume for the quarter and 4.3% growth year-to-date.

If we now turn to sales in value terms, we can see that this year has been a historic one, the last three quarters have all exceeded the results of the previous three years. We are up 5.2% year-to-date, and in the quarter we achieved a growth of 10.1%, which was quite strong. This is thanks to the company's strategic focus in recent years on premium and superior products. In fact, looking specifically at the premium and superior segment, it grew by 11.7% in the quarter and 8.3% year-to-date. Here too, we can see how it has clearly pulled away upward compared with previous years.

If we now look at the main markets that represent the majority of total wine sales, we can see that during the quarter we also experienced growth in these five markets, although we had volume declines in the United Kingdom, Chile and Mexico. This is mainly explained by the effect of the mix and by variations in exchange rates, as well as the company's strategic focus on more premium products. These factors have allowed us to improve our overall sales mix in the Principal & investment segment.

In particular, we can see that the United Kingdom and Chile have followed a growth trend, while Brazil and Mexico, which had shown volume growth in the first and second quarters, has not behaved accordingly on value growth, due to currency devaluation. In this two markets we can see that we have a stronger third quarter. In the US we saw the impact of the shift in sales, where a promotional campaign originally scheduled for the second

quarter was postponed to the third. This adjustment took effect here and balanced out the results for the year.

Looking at the cumulative results, the five main countries are all growing. As mentioned above, among the top 20 markets, seven are growing at rates greater than 10%, another seven between 3% and 10%, and only four are declining, but even in those cases, there are specific factors: for example, Japan, which shows a decrease, but mainly due to inventory timing, which makes that sales are not often perceived until the end of the year.

If we now turn to the seven main brands, which together represent 62.8% of our wine sales, these brands continue to perform well. For example, Casillero del Diablo grew by 11.9% in the quarter, and Diablo by 19.5%. We have two brands that saw declines: Frontera mainly due to the Japan inventory timing mentioned earlier and, in the case of Bonterra, due to Canada, given that current US tariff policies have affected sales in that market, which led to a temporary drop in Bonterra sales. However, as we can see here, on a cumulative basis Bonterra still showing growth of 4.5%.

Among the seven main brands, the only one that shows a year-to-date decline is Frontera, but this is mainly due to timing effects and also remember that Frontera is not part of the company's Principal & Invest mix. It is a more mass-market brand that contributes to volume but is not a strategic priority. In contrast, the other brands are today the main focus of the company.

Finally, looking at the Principal & Invest mix, we see a cumulative growth of 170 basis points, moving from 55.4% in 2024 to 57.1%. This is mainly driven by our key Principal & Invest brands, as we can see here with Casillero del Diablo with a 5.8%, Diablo going up 17.5%, which continues to grow at double digits, and Don Melchor, which after being named The Best Wine in the world last year, and once again receiving high recognition this year, has continued to post triple-digit growth, something that has been very positive for us, and we are very pleased with these results.

Thank you very much.

Speaker: Osvaldo Solar

→ After reviewing sales performance, the next step is to assess their impact on quarterly and

year-to-date results. The first aspect to consider is the operational performance. What have we seen at the operational level? As we may see, the quarterly operating result reached CLP\$30,121 million, showing a growth of 17.4% compared with the same quarter last year. With this, the cumulative operating profit has practically reached the level of the previous year. Let us recall that earlier in the year, particularly in the second quarter, we were having a lower number, which we explained at that time. But with this quarter's results, the company has now practically recovered to last year's level.

At the margin level, there is also an element worth highlighting, which I will comment on in more detail later when discussing EBITDA. However, we achieved a one-point increase, going from 11% in sales to 12%, up 100 basis points. In cumulative terms, the figure is still slightly lower, 60 basis points, but that has to do with certain write-offs the company made during 2025, which affected that cumulative number. Since those adjustments occurred mainly during the first quarters of the year, the current results already reflect a different reality in that regard, showing the improvement I mentioned in this third quarter.

Here we include a detailed breakdown, although that is not the purpose of today's meeting, because we wanted to highlight that in the third quarter of this year, the margin was 12%, but if we adjust for certain write-off factors, it reaches 12.6%, which we consider to be very relevant to understand the evolution of Concha y Toro's margins.

That operating result we showed, which was a 0.8% below, becomes a 4.7% above when compared with the following year, once we make that adjustment. Regarding the company's EBITDA, it increased to CLP\$41,057 million, representing a 22.1% growth variation compared with last year, with a 4.0% in the cumulative figure, which also reflects what we have been discussing.

In terms of the EBITDA margin, I want to digress briefly to explain this 16.4%, a figure that incorporates two factors that did not exist or were not foreseeable at the beginning of the year. The first is the U.S. tariffs applied to their imports, which had an impact of 0.2%. The second is a tax introduced in the U.K., not specific to wine or liquor, but a general one, related to the recovery of packaging materials, known as the EPR scheme, which had a 1.3% impact. So, when we

look at this 16.4% margin, in comparative terms it would actually have been closer to 17.9%, virtually a 18%, but we considered these two aforementioned factors, which have real impacts: the U.K. tax and the U.S. tariffs, that were not present last year.

In the case of the EPR, we initially thought that the cost could be absorbed, but it is now clear that this is a lasting market reality. There may be changes going forward, but as of now, even incorporating those effects, we see the company capable of growing its EBITDA by roughly 200 basis points compared with the previous year in the third quarter, in line with previous discussions on the topic.

Another relevant point, which we have always included here, is the company's currency diversification policy. During this third quarter, there was an improvement in the effective exchange rate of 5.3% when compared with the basket of currencies from the same quarter last year. On the left, we can see that the British pound remains our number one currency, representing roughly 29.1% of total sales, followed by the U.S. dollar with a 23.9%, the Chilean peso at around 17% and so on, and we may see a growing importance of the Brazilian real at 8% and the Mexican peso at 5.1%. We see this diversification as a strength: while it may soften both upsides and downsides, it allows for a much smoother currency evolution and therefore reduces exchange rate risk, which is significant for the export industry.

Moving to what are defined as non-operational results, we would like to highlight a couple of points. First, as we have discussed and shown in the chart, financial expenses have been steadily decreasing. In this case, we see an 8.8% decrease. And we also have that last year we achieved extraordinary profits in Argentina, of CLP\$935 million; a profit that did not repeat this year due to their exceptional nature. Nevertheless, the downward trend in financial costs continues to be steady. Even without such exceptional items, we expect the fourth quarter to show a similar result to 2024, given the reduced financial expenses we should have.

That said, we should briefly mention perspectives for this section of the results, which is also relevant, not only for the operational part but also for this non-operational one due to its strength. We are talking about one of Concha y Toro's enduring strengths,

as we have reiterated in previous opportunities and reiterated here, which is its inflation-hedging policy: fixing inflation at around 2.82% annually. During the nine-month period under analysis, actual inflation in Chile was 3.74%, which generated implicit profits of CLP\$1,290 million, due to this policy of maintaining inflation fixed at 2.82%. This is interesting, especially considering how the convergence process towards the 3% has been gradually delayed as a Central Bank's policy, and at this moment, the available information, according to the latest IPoM, shows that inflation is expected to converge toward the third quarter of next year. That means we still have practically a full year ahead in which inflation will remain above 3%. And even if it does converge to that level, our fixed inflation rate remains below it, which is important for future calculations.

On the other hand, interest rates, while now in a flatter, more stable phase, are returning to much more normal levels, far below the figures we experienced in 2022 and 2023 in particular. They are likely to not reach the very low levels of 2020 or 2021, when the cost of borrowing was practically zero. But what we are seeing is a kind of steady normalization. Once again, we would like to emphasize that the company maintains a natural hedge between its assets and liabilities so that exchange rate risk is not a determining factor once sales are recognized. In terms of debt, we have seen a gradual reduction, which is relevant here because we will discuss it in relation to the company's target indexes.

Here we have included only financial expenses, and as you can see, the orange line is substantially lower than the blue and light blue lines, which reflect the two previous years. The expectation for the fourth quarter is to maintain a figure similar to that of the third quarter, with a slight downward trend.

Regarding affiliated companies, this is a relevant note during this third quarter, mainly due to Almaviva, our main joint venture, whose all their sales are carried on basically during this quarter. Its results for the third quarter were practically the same as those for last year. There had been some concern at one point that sales might drop, given the current global context for ultra-premium and icon wines, but we saw that Almaviva was able to sustain its sales and therefore maintain results in line with last year. Additionally, we show the cork industry, which has its own proportion of results,

which showed a stronger performance of a 27%. Still, the key point here is that Almaviva maintained a situation equivalent to last year, with no additional declines.

This brings us to the company's net income. As we mentioned in the highlights, net income grew by 13.2% to reach CLP\$20,206 million in the third quarter. As of this date, the cumulative result now shows growth, something we hadn't seen in the net income up to June of this year, which underlines the importance of the results that the company has managed to maintain over time.

One aspect we continuously monitor, and where we still have room for improvement, is return on invested capital, which is measured in terms of twelve rolling months. We are at about 7.7%, which remains below our cost of capital and our internal targets. It is important to note, however, that a significant portion of our assets are currently under development, mainly in the agricultural sector, which would correct that 7.7% into a 8.1% or 8.2%, which is in the correct direction, but should improve moving forward.

Regarding the company's financial debt, we have already discussed this.

This leads us to the final section, which we always like to highlight, regarding the company's financial position. We can see what we define as solidity: On the one hand, the net debt ratio, the line in navy blue represents the company's covenant, which is very manageable. The net debt ratio is 0.54, in contrast to 0.56 last year. That is why we emphasize the term "solidity." On the other hand, our financial expense coverage increased from 6.1x to 7.1x, with a covenant of 2.5x. Regarding our net debt-to-EBITDA, this is not a covenant, but rather an internal target set by the board, we are currently at 2.4x, slightly below that target of 2.5x, moving in the right direction.

So, in this context, with strong quarterly results and a solid financial position, we would like to make a couple of closing remarks to wrap up this presentation.

First, we are seeing an acceleration in sales growth. Although these accelerations are moderate, they

show consistent progress, reflecting that the company's strategic direction is paying off and allowing sales to continue to develop positively. That is something we want to highlight as we close this quarter.

Second, we believe that the company has read the market correctly. This is reflected in the success of products with a lower alcohol content, which now represent more than 14% of total sales (Chile origin), an indication of a clear consumer trend. The strength of the Concha y Toro brands allows us to capture and serve this shift by offering a broader portfolio that responds to changing consumer demands while complementing our traditional product lines, which allows this growth we can appreciate.

Finally, we would like to emphasize one more concept aligned in the same direction. On the one hand are the brands associated with our products, and on the other hand, the global distribution network of Concha y Toro, which continues to strengthen as a world-class system. This network gives us a presence in the main markets and allows us to closely follow emerging trends, acting with agility and coordination, especially with our marketing teams. This ensures that the company can reach consumers with innovative products that the consumer requires over time.

With that, we conclude this presentation of our third quarter and nine-month results. Thank you very much.

(End of presentation)

Speaker: María José Undurraga

→ We have now reached the end of this earnings presentation. We appreciate your participation and wish you all a very good afternoon.