

# 1Q26

## RESULTS PRESENTATION VIÑA CONCHA Y TORO

### 1Q26 Results Presentation Transcript Viña Concha y Toro

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#### Speakers:

- María José Undurraga, Moderator
- Eduardo Guilisasti, CEO
- Osvaldo Sola, CFO
- Daniela Lama, Head of IR

#### Moderator: María José Undurraga

→ Good morning, everyone. My name is María José Undurraga, and I will be moderating today's call. Thank you for joining us for our first-quarter 2026 results presentation.

Before we begin, please note that you can select your preferred language for the webcast using the options on the right side of your screen. The presentation we will review today is already available on our website in Spanish and English.

Before we start, let me read a brief disclaimer.

This presentation contains forward-looking statements based on information currently available to the company and made in good faith. These statements are subject to risks and uncertainties beyond the company's control that could cause actual results for Viña Concha y Toro to differ materially from those expressed herein.

Today, we will review the company's performance during the first three months of the year 2026 in greater detail.

We will begin with a message from Eduardo Guilisasti, CEO of Viña Concha y Toro, who will discuss the key highlights of the quarter. We will then move on to an overview of the quarter with Osvaldo Solar, the company's CFO. After that, Daniela Lama, Head of Investor Relations, will review sales performance for the period, and we will conclude with a review of the quarter's financial results with Osvaldo Solar.

For further analysis of the quarter, please refer to the press release published on Tuesday, May 5. If you have any additional questions, please contact Daniela Lama.

I will now leave you with Eduardo Guilisasti.

#### Speaker: Eduardo Guilisasti

→ Good morning, everyone, and thank you for joining the call.

I'm making an exception by participating in this first-quarter presentation, as I usually join only for the half-year and full-year results, but I wanted to provide additional context for this first quarter, in face of results that are not good at all, with a decline on operating profit by almost 29%, and over 36% decline in terms of net profit.

I would like to offer some insight to better understand these results and the sales performance behind them, so that the situation we are currently facing may be better understood.

For starters, the first quarter has traditionally been a slow quarter for the wine industry. And to fully understand what is going on within the markets, I would like to divide the matter into three main groups. First, the export market, excluding the United States from that segment, and then, the domestic market in Chile.

If we look at the export market excluding the United States, we see that the company's strategy, which we have been working on for some time now, remains very sound, and we even had a growth in dollars by 5.8%, a very good figure, which reflects the consistency, the focus and the discipline we have had, despite the turbulent conditions affecting the alcohol and wine industry, although volumes declined, which is something I will explain later on.

If we move to the second segment, the Chilean market, we also see a slight decline in volume, but our average price is approximately 4.1% higher, which is in line with the company premiumization strategy I mentioned earlier.

And then, if we focus on the United States, the situation is considerably more complex, not because of internal factors, and I want to stress out this, but due to external ones, as our main distributor in the United States, under the three-tier system, was RNDC. And RNDC has gradually exited several states and is now practically out of the business, as it has been recently announced. It began in California, then exited the East Coast, and a few weeks ago it has also left Texas and the central region; and now it is also seeking to exit some smaller states.

When this happens, the transition of one distributor to another, there is naturally a significant adjustment process, as you all know very well. We are currently in the middle of that process. I hope that by July we will be fully integrated with the new distributors, with whom we are already having very constructive and optimistic discussions about what our performance could look like for the second half of this year. During this type of distributor transition, inventories are the main factor affecting results. There is a very clear destocking process. The distributor handling our brands begins reducing their orders in order to have to transfer as little inventory as possible to the new distributor. This translates into shipments, as we were just seeing, or in sell-in declines, with a very sharp drop in the United States, of almost 30% during the first quarter, with some brands being more affected than others.

What is interesting is that if we look at the depletions or the sell-outs, which we monitor very closely, sell-out performance held up much better than shipments, declining by only 10%. It is not a good decline, but it is significantly better than the shipment decline, precisely because of this whole phenomenon.

Looking at the different brands, the most affected was Frontera, where we implemented a price increase as a result of the tariffs we are facing in that market. However, in

recent weeks we have already started to see some recovery in that brand. As for the rest of the company's main brands, i.e. Bonterra, Casillero del Diablo, Trivento, 1000 Stories, depletions are practically in line with last year. In terms of volume, our sharp decline is due to Frontera. This explains the significant drop that ultimately affected our overall results.

I would also like to highlight another trend that is currently taking place and that will naturally take time to fully play out. On the one hand, we have our Category 1, which includes all brands from Casillero del Diablo upward. Within that category, the company continues to deliver a robust performance. Casillero del Diablo, our flagship brand, has remained highly resilient despite all these scenarios, and we have not seen decline either in the Casillero del Diablo Universe or in that category overall.

Where we have been indeed affected is in Category 2, particularly with Frontera in the United States and in the more mass-market wine segment. There is strong pressure from mid-sized companies to put wine on the market because they have a lot of inventory, given the current market conditions. At the same time, retailers are carrying out a much more aggressive rationalization process.

As a result, there is a profound phenomenon taking place in Category 2 with significant implications, although in my view the market should begin stabilizing toward the end of this year, when some players will likely exit the market, leaving behind a more orderly and rational competitive environment.

As I mentioned, Category 1 continues to perform very well for Concha y Toro, while Category 2 is where we have experienced declines, and we expect to reverse that trend during the second half of the year.

I would now like to move on to efficiency. Last year we had a very solid sales volume performance, broadly in line with the prior year, with strong growth in our premium and superior categories. The area where we faced greater challenges was Category 2, which is in the middle of a rationalization process. This is something I want to emphasize. Concha y Toro is fully aware that the industry can no longer operate the way it did prior to 2022. The sector must go through a process of simplification and rationalization.

We are eliminating brands and intentionally reducing volume in several important markets in order to discontinue brands where we no longer see future potential. We believe that by the second half of 2026 and 2027 we will have a much stronger concentration around our core brands, which are

the ones that will drive the company's future growth and where investment will continue to be focused. That is a very clear real fact for us.

And to achieve that simplification, we have launched a rationalization process across the entire commercial and logistics chain. This has already begun to generate savings and should deliver much more significant efficiencies over the coming months.

Last year we faced elevated costs for the reasons explained at the time. This year, however, costs are already more controlled and below the levels seen in the first quarter of 2025.

I can also anticipate that the harvest, which is now nearly complete, with only about one week remaining, has been a very good one, both in terms of volume and costs for the company, and we believe this will have a favorable impact during the second half of the year.

Overall, I wanted to focus these remarks mainly on sales performance and on the most relevant factors affecting the business. Then we continue to execute our premiumization strategy, which has delivered very strong results. At the same time, costs are now much better under control, and we are moving forward with a rationalization process that will generate significant production efficiencies, although with a loss in terms of volume.

We are fully aware of that trade-off. This was exactly the case when we implemented these measures between 2018 and 2022. There is an initial cost, but in the long term, this simplification process will generate substantial benefits. Looking ahead, we remain optimistic that we can close the year with single-digit growth, driven mainly by Latin America, where performance in Brazil and Mexico has been very strong, while Chile is also recovering significantly. We are also seeing positive developments in Europe, Asia, and Canada. We have seen major changes with our distributor in Canada as well as with the one in Germany, a very large market where we have a very small presence, and we believe this will produce encouraging results.

In the United States, as I mentioned earlier, we expect operations to be fully normalized during the second half of the year, while recovering from the adjustment process associated to any process of transition from one distributor to another.

I encourage you to maintain confidence in Concha y Toro. The company is fully aware of the things that have happened, those currently taking place, and those still ahead of us. I

believe we have been able to anticipate the road ahead with a high degree of certainty, and we are taking decisions with a medium and long-term perspective.

Of course, can we suffer during a particular quarter? Yes, we can. And we are prepared to absorb that impact because we believe it will ultimately lead to a stronger year ahead.

Thank you very much.

*(The presentation begins)*

### **Speaker: Osvaldo Solar**

→ Following the context Eduardo has provided, we will now review the quarter in greater detail, always from a medium and long-term perspective, which is consistent with the measures Eduardo discussed and with the direction we have been communicating over time.

The first point is this summary of the quarter, which can essentially be described as a continuation of Concha y Toro's disciplined and programmed execution of its strategy focused on profitability and value.

This means continuing to prioritize premium and superior brands, which during this quarter represented 53.7% of the company's total sales, which is 1.4 points higher than the same quarter of last year.

Together with this, and this is the reason for all the rationale Eduardo mentioned earlier; these are brands that face market competition in much more powerful and resilient way, with more sustainable margins and results over time. Unlike, for instance, something like Category 2, which consists mainly of entry-level wines that are more exposed to cost fluctuations, exchange-rate volatility, and changes in competitive pressure resulting from excess supply in the market.

At the same time, it is important to highlight the price improvements we have achieved, which are partly the result of the stronger sales mix we have been discussing, where the average price increased by 4.1% in the Chilean market, as Eduardo also mentioned earlier, while the revenue in dollar terms in export markets increased by 5.8%.

In parallel, we continue moving forward with our efficiency plan focused on costs and expenses. As we will discuss in more detail later, the most significant effects are not yet fully visible, although some elements have already been captured, while most of them will become more evident next year. But the company is already fully aligned in that direction.

Going into more detail, these are figures that were published yesterday, so I will not go through every line item individually.

However, this summary clearly shows the 7.9% decline recorded in the wine business during the quarter.

One point worth noticing is the figure shown on the right, which highlights this difference. When looking exclusively at the wine business, the mix of premium and superior products reaches the figure of 58.1%. Previously, we referred to a figure of around 53.7% for the overall business mix, but it is 58.1% when focusing solely on wine.

Another crucial point looking ahead is the evolution of gross margin, which has improved, if only by 0.2 percentage points. This is relevant, though, because despite the decline in terms of volume, gross margin remains at what I would describe as a fairly reasonable level under the circumstances.

It is important to remember that the company still carries a substantial fixed-costs, which are part of a structure that we aim to optimize with the initiatives we discussed during the previous results presentation, and I will comment on them in greater detail later.

On the other hand, EBITDA margin declined by 2.4 points, reaching 12.3%, while the bottom line results show a margin of 4.6%, which is, of course, a very low figure, that includes the decline of 36% in the US, as a result of what we have already discussed.

We must understand that we are dealing with a first-quarter dynamic. The first quarter is the smallest quarter of the year, and therefore margins are weaker, given this being a company with such a scale that the first quarter is not representative of a steady performance level throughout the year, which means that these kind of results end up appearing as impaired in quantitative terms.

So now the idea is to move into a more detailed sales analysis with Daniela and then return to a broader review of results and the factors the company continues to view as key drivers of future growth.

**Speaker: Daniela Lama**

→ Turning now to the sales analysis, from now on, we will start showing this waterfall chart, which shows how we went from sales in this same quarter last year to sales in the current quarter.

As Eduardo mentioned earlier, we can see that the volume/mix effect is the main factor impacting results. Here we can see that the majority of the decline is explained by those

factors, in particular, due to the decline in the United States. From the drop-in volume we had, of 6.8% specifically in the wine business, 74% of it was mainly driven by the United States, which is something we will discuss in more detail shortly.

Foreign exchange also had an impact, contributing to a decline in sales measured in CLP\$2,620 million. However, the primary effect came from the effects of volumes.

If we look only at wine volumes, we can see that although we indeed had 6.8% decline during the quarter, the premium and superior segments saw a volume growth of 0.2%. If we break down that segment further, we see that performance remains aligned with our strategy, and the objective is to maintain that trend throughout the year.

Looking at wine sales by value, we have a 7.9% decline, although foreign exchange also played a role. As Eduardo mentioned earlier, export market sales in dollars went up by 5.8%, but they declined in Chilean pesos. So, in addition to the volume effect, we can see there was also an exchange rate effect.

Unlike what we saw in volumes, here the premium and superior category did observe a decline of 5.1%.

We will now move into a regional sales performance breakdown. The business is organized into five major regions: Europe; America excluding the United States; the United States; Chile; and Asia, Africa and Others. Here, Europe remains the company's largest region, representing 46% of total wine sales.

Within Europe, the United Kingdom is the company's largest market. Excluding the UK, Europe would have observed a growth of 4.7%, meaning that the rest of Europe manages to slightly offset the decline in the UK market, which was 4.6%. In America excluding the United States, the main markets are Brazil and Mexico, both of which show a double-digit growth. As a result, the consolidated America region excluding the United States grew 4.8% during the quarter. As already explained, the United States declined 32.2%, mainly due to timing sales effects between the first quarter of 2025, which created a higher comparison base, and the first quarter of 2026; in addition to the distributor transition process in the U.S.

Chile declined 1.5%, where we also saw timing effects and a more competitive environment. Despite this, we continue to hold the number one market share position.

While in Asia, Africa and Others we saw a decline of 34%,

that region represents 5.4% of total wine sales. Here, the main factor was Japan, which also showed a decline.

Turning to brand groupings, this presentation format was introduced starting in the fourth quarter of 2025. We group together the Casillero del Diablo universe, including all of its line extensions, along with Diablo; Trivento and its respective extensions. The same with Bonterra; Cono Sur, which includes all the brands of that origin; and we included Frontera and Reservado, which are two large brands within the mass-market segment. Together, these brand groupings represent nearly 73% of total wine volume.

And, as previously mentioned, here the main impact came from the decline in Frontera, by 25.5%. It is important to note that this chart is now presented in volume terms for greater clarity, whereas previous presentations focused primarily on value.

We can see that the Casillero del Diablo universe remained essentially flat in volume terms, with 0.2% growth, which, given current industry context, is a very positive result for us. This also contributed to the improvement in mix. The main negative impact is still coming from Frontera, primarily due to the United States.

In terms of mix, the wine-only mix improved by 160 basis points, reaching 58.1%. Let us not forget, our target is to reach 60% wine-only mix, and quarter after quarter we continue to move toward that objective. And here, what stands out is brands like Diablo, which grew close to 10% in value sales, Marques de Casa Concha, which also saw a double-digit growth, and Amelia, the new subsidiary announced in recent weeks, which recorded growth over 40%.

### Speaker: Osvaldo Solar

→ Following this review of sales performance, let us return to some aspects of the company's results and address some of these growth drivers that we believe remain central to both quarterly and annual improvement for the company's operations.

As we have already seen, we may see the orange bar in the chart, displaying the decline of 29%, but we are in the weakest quarter of the year. This is important to keep in mind in order to avoid extrapolating these results beyond what is appropriate. Looking ahead, results should rise towards those higher levels rather than remaining at those low levels we are currently seeing. This is particularly relevant considering the decline in sales volumes and the significant impact it has when viewed over the short term,

given the significant fixed-cost structure the company has. This dynamic will also be reflected in terms of operating margin performance.

Regarding the EBITDA, it declined by a smaller proportion, basically because it excludes depreciation, which is a fixed component the company has. In the same way, we are still at the lowest part of the curve. If we look at the first quarters of 2024 and 2025, and further back as well, these are always the weakest moments of the annual result, for the reasons we have already discussed.

In margins we have the same. In the future it should return to more normal levels, of 15% or 16%.

There is a first aspect here that we have mentioned before and that we believe is important to highlight, particularly when questions arise regarding exchange rates, where one might expect the Chilean peso to be further appreciated against the dollar. Here I think the company's diversification policy is reflected quite clearly in what we have called Concha y Toro's "currency basket", here on the chart at our left side.

What appears in this image corresponds to revenue. These figures, as we mentioned, are substantially diluted downwards once costs and expenses in each of these currencies are taken into account. But if we look at revenue alone, it is interesting to point out that although the 7% depreciation the Chilean peso had against the dollar when compared to the first quarter of last year, the impact on Concha y Toro was only of around 1.7% decline. The real impact on revenue, those CLP\$2,600 million we mentioned a moment ago in lower sales, would have been CLP\$9,700 million, had all revenues been denominated in dollars.

So, when one looks at it, as a typical exporter who is concerned about the dollar-peso exchange rate, in Concha y Toro's case it is necessary to look at the full basket of currencies, because that is the reality of the company's revenue exposure. And there is a very strong natural diversification there, which once again proved its effectiveness during this first quarter.

Now, regarding non-operating results, I am not going to comment much on the subsidiaries because although there has been some improvement in those results, the relevant impact is really seen towards the third quarter, since Almaviva is the main contributor and its revenues are booked in September. Until then, those operations are essentially recording expenses.

What we define as the pure non-operating result, namely financial expenses and exchange rate differences, showed an improvement of CLP\$500 million. This improvement even absorbed a negative effect of CLP\$189 million caused by the exchange rate on the March 31 closing, at CLP\$937. This forced the company to adjust all financial expenses accrued at the closing exchange rate. So, the year-end picture reflected here, had a last-minute effect, so to speak, during the final week, of CLP\$189 million. Otherwise, the improvement would have been much more substantial. And this is relevant looking ahead, because the non-operating result has been showing a downward trend. We have illustrated it in this chart, with 2024 in light blue, 2025 in dark blue and this year in orange, where we can see that the non-operating result continues to decline consistently. And this year we expect for that same trend we observe in the first quarter to continue throughout the rest of the year, notwithstanding the increase in debt that will naturally occur during the second quarter due to seasonality and ongoing investments.

A third aspect that I think is also important to remember, particularly considering the outlook for higher inflation, both the 1% March CPI figure, which affected the UF beginning on April 9, as the CPI expected for April ranging from 1.3% to 1.6%, is that the company has virtually all of that inflation hedged through a cap with an annual ceiling of 2.82%, which becomes extremely important when inflation begins to rise as we are seeing now, both in March and potentially in April.

Now, during the first quarter, actual inflation came in below that 2.82% cap. If we annualize first-quarter inflation, it was only around 1.2%, compared to the 2.82% ceiling. Therefore, the company's results included recognition of approximately CLP\$855 million in additional expenses. But what matters looking ahead is that we have a significant strength here because this cap is fixed going forward, which protects us against larger inflationary swings.

As for interest rates, the relevant point here is the reduction in debt of CLP\$12,600 million vs December 2025, whose impact we will discuss later in terms of the company's financial solidity.

Net financial debt declined CLP\$5,800 million when compared to March of last year, and net income, as we were just saying, closed the quarter at CLP\$8,779 million versus last year's CLP\$13,700 million, within the context shown in the chart.

Regarding the return on invested capital, which is an issue we monitor very closely and follow very carefully, this is

measured on a rolling twelve-month basis, considering the last four quarters, and it currently stands at 7.2%, which is below the company's cost of capital rate, which stands at 8.5%. The only element to take into account here for now, considering the nature of this quarter that we have already discussed, is the amount of capex that are not yet generating returns and that are therefore affecting the denominator. We currently have an investment volume of approximately CLP\$71,000 million that has not yet begun contributing but will do so in the future, and that naturally have a contractive effect when one analyzes return on invested capital. This is something we monitor continuously, will continue to monitor, and evaluate directly with every investment the company makes.

We also wanted to refer to what we see as the company's growth fundamentals, because this is an issue that drives us month after month and quarter after quarter, although it sometimes go unnoticed when attention is focused only on a specific result such as the one we have been discussing today. There are five elements here that we think are worth reviewing briefly so that you can have a closer understanding of what management is focused on.

The first aspect is operational and productive strength, which is reflected in planted hectares. And if you look at those planted hectares, there is both the productive increase we have already discussed in terms of output per hectare, but it is also important to consider that of those 12,000 hectares, there is practically 20% that are still under development and are not yet contributing, but will begin to have a very significant impact over the coming years as they progressively enter production, especially considering that this is a very strong productive base and that the winery has continued to premiumize its portfolio.

A second aspect is what we discussed in the previous meeting: the operational improvement plan, which comes as a consequence of the rationalization Eduardo mentioned earlier in terms of portfolio and the decision to stop producing certain brands in order to focus more heavily on others. This is tied to an efficiency plan that emerges from eliminating what we have called a "tree of complexity." And as this portfolio becomes more streamlined and concentrated, what we are seeing is that by the end of 2027, we could be reflecting decrease of CLP\$28,000 million. That would translate into 2,8% of EBITDA margin improvement, which we believe is highly relevant considering everything we have been discussing.

This is in addition to those CLP\$71,000 million we already mentioned, which a part of that is still not generating returns despite already having been invested.

Another key factor is brand strength, which remains extremely important, especially in terms of these market changes, where innovation requires brands capable of supporting it. Anyone can attempt innovation because they believe a certain trend goes this or that way, but a key element to doing that, if we read the market correctly, as we believe Concha y Toro is doing, is having brands that can support those changes. And in that regard, the potential of what we call the Casillero del Diablo universe is extremely strong and is allowing us to keep innovating and launching products designed to complement evolving market realities such as the ones we are reading.

On the Argentine side, for example, we have seen how Trivento became the number one Argentine wine brand in the world, and we can see similar cases with Don Melchor, Bonterra, etc. This is something we wanted to highlight because the innovations shown here, for example the Casillero del Diablo alcohol-free sparkling wine displayed on the left, can only be released into the market because it has the Casillero del Diablo brand standing behind them. No matter how much one wants to enter the alcohol-free segment to reach a market niche that is clearly growing, it is the Casillero brand that makes it possible.

The same applies to Diablo sparkling wines, and also the fruit-based products and cocktails launched under the Exportacion brand, and even Don Melchor expanding its own portfolio by leveraging the exceptional quality of the wines produced in its terroir. All of this is supported by brand strength, which is what allows the company to keep moving forward.

And we have also added two additional elements that are part of this strategy: the acquisition of Maison Mirabeau, which directly targets the premium rosé wine segment, given the distinctive characteristics of French rosé wines, which are global leaders in this category. And on the other hand, Viña Amelia, with all of its strength and its origin in the northern region of Chile, where it produces truly spectacular Chardonnay. That gives us two additional elements that once again rest on the strength of the brands themselves, both in the case of Mirabeau and Viña Amelia.

And then we have another aspect that remains particularly important: financial solidity. We have wanted to highlight this, as we have done on previous occasions, because it is part of what allows us to have these acquisitions, allows these investments, and allows the company to navigate potentially difficult periods, as well as having a confident and continued development.

The first aspect is indebtedness. We may see there in dark blue the covenant associated with the bonds issued by the winery, of 1.2, against reality's 0.47; then we have the financial expenses, which is 7x, versus the required threshold of 2.5x; and then we have this figure that fluctuates over time, which is not a covenant, but a decision made by the company with which the company feels comfortable which varies in time, but serves as the framework around which we model the business, and this is something that matters, and should matter, to any investor in the company, because it shows that decisions are made with that level of discipline and attention.

Another fundamental element, especially in light of everything happening globally, is the company's research and innovation center. As you know, this research and innovation center has now been operating for nearly twelve years, with an incredibly significant annual investment that has generated major advances ranging from plant development to irrigation systems. All of this helps keep the company at the forefront of innovation and contributes even to the creation of new products aligned with evolving consumer preferences that we are observing in the market.

And for this, research and development are often essential, and this is not something the company has only begun doing recently, but has been doing it consistently for almost twelve years, with a team of researchers, PhDs, highly specialized professionals, and partnerships with several universities, which provides the solidity needed to support the changes the company wants to implement and to pursue market trends that we believe will prove sustainable over time.

And finally, there is the strength of the distribution network. Distribution is not something that can simply be improvised. It is built over many years, and it has allowed Concha y Toro to integrate nearly 85% of its sales operations. This creates a level of proximity to the market and a business capability that is entirely different from what a standard or average exporter can achieve. And as I was saying, this is the result of many years of work, which today allows Concha y Toro to distinguish itself from the rest of the industry quarter after quarter by developing its own sales channels and its own commercial evolution.

And if you look here, we included this market-by-market breakdown because it highlights the opportunities that exist across many markets where Concha y Toro holds either the number one or number two position. All of this supports what Daniela mentioned earlier regarding the decline in sales, which was heavily affected by two very specific

markets: the United States on one hand, and Japan on the other, while we also have UK, which is a mature market where the company already holds the leading position and where there was a differential that had a meaningful impact in volume terms.

But the reality for Concha y Toro, with the strength of its brands and its ability to act across numerous markets, is a potential remains extremely strong.

Finally, we wanted to include these non-financial elements, but which nevertheless contribute and provide solidity regarding the company's position in ESG terms, in terms of the brand, or how Concha y Toro contributes even to Marca Chile, and also in terms of sustainability in general. In other words, these are elements that, while they are not measured in terms of numerical results, are still essential elements on which the company continues working in order to provide consistency not only to the economic results, but also to the company's long-term permanence, where these elements also play in its favor.

Thank you.

*(End of the presentation)*

**Speaker: María José Undurraga**

→ Thank you very much, Osvaldo. We have reached the end of this results presentation. We thank you all for your participation and wish you a very good afternoon.