

2Q19 Conference Call Guidelines

Miguel Ángel Peirano: *Good morning and welcome to Coca-Cola Andina's second quarter 2019 results Conference Call.*

The focus on our strategic goals of customer service and process optimization led us to receive two awards from The Coca-Cola Company this quarter.

In Argentina *we were recognized with the first place in the Global Customer and Commercial Leadership Awards 2018 in the Route to Market category, for the digitalization and innovation program that we have developed, and which has also allowed us to consistently gain market share in this country that is facing a strong economic contraction.*

In Brazil *we received for the third consecutive year the Supply Chain Award, which recognizes best practices in the supply chain, leading in the Out of Stock, Fill rate, and forecast accuracy indicators, among all bottlers in Brazil.*

On the other hand, in Paraguay we were recognized for the eighth consecutive year with the Top of Mind Award, with the Coca-Cola brand, reflecting the outstanding execution at the point of sale that we have been implementing in this franchise. In addition, we received the Employer of the Year Award for the third consecutive year.

Additionally, in Brazil, on June 25 we officially inaugurated the Duque de Caxias plant, with the presence of important local authorities, company directors and officers. This plant, which has been operating on trial run since mid-2018, is beginning to show results: our mineral water sales volume in Brazil has grown by more than 55% in 2019, and returnable formats show a sales mix increase of 23% to 25% of our carbonated soft drinks volume. These changes contribute to the sustainability of the business, and additionally allow us to deepen our Revenue Management strategy.

During 2018 we started working on a strategic project that was going to help us be less dependent on the price of sugar in Paraguay. The idea was to diversify the use of sugar by incorporating the use of fructose, an ingredient that we can import from Argentina, at a lower price than sugar, which has high tariffs. In 2018 we used 25% fructose in flavors and 25% in Coca-Cola, with satisfactory results. So far during 2019, we are using 50% fructose in flavors and 25% in Coca-Cola. This allows us to be less dependent on the domestic price of sugar and have a lower average cost of sweetener.

I would like to emphasize that the financial results of this quarter were quite positive, despite the macro environment to which we are exposed. Consolidated sales of the company grew 4.5% and EBITDA grew by 6.6%, with which the company's EBITDA margin expanded more than 30 basis points, reaching 16.4%. On the other hand, net Income grew more than 80%, and net margin expanded more than 170 basis points. On a neutral currency comparison basis ("neutral currency"), Net Sales grew 13.6% in the quarter, consolidated Adjusted EBITDA grew 13.5%, and net income grew 114.7%.

Moving on to the operations,

***In Argentina** during this quarter sales volume decreased by 11.7%, which although continues to be negative, represents an improvement regarding the magnitude of reduction we had seen in the last three quarters. The macroeconomic situation that the country is going through is delicate, and our results have suffered the sharp contraction in consumption. We believe that in this second half of the year this trend should be reversed, when Argentina's economy grows again. However, we have continued to increase our market share, which reached 62.7 points in the quarter, increasing 33 basis points over the same period of the previous year.*

***In Brazil**, sales volume during the quarter increased by 3.6% over the previous year, explained by an increase in the volume of soft drinks, water and beer categories. Our market share reached 60.8 points; 132 basis points lower regarding the same period of the previous year. Additionally, we reformulated Kuat and launched Coca-Cola sin Azúcar (without sugar), in line with our goal of reducing calories from our product portfolio. So far this year the low-cal mix reaches almost 14%, which compares to levels of approximately 10% in 2018.*

***In Chile**, sales volume remained stable regarding the same quarter of the previous year. Our soft drinks market share reached levels of 67.1 points; 51 basis points higher compared to the same period of the previous year.*

This quarter we made some price increases in the main formats and channels, in line with what we had commented in our previous Conference Call regarding the Revenue Management strategy that we wanted to implement for the franchise, which resulted in an improvement in financial results.

***In Paraguay**, our sales volume decreased by 6.8% in the quarter, explained by a decreased volume in the soft drinks and juice categories, partially offset by a volume growth in the water category. This quarter we faced a quite high comparison base, since the same period of the previous year our sales volume grew 19.5%.*

The market share levels we have reached are historic, this quarter we reached 73.2 points, 161 basis points higher compared to the same period of the previous year, reflecting the outstanding execution at the point of sale that we have been implementing in this franchise. Finally, during April we launched Monster in this market, and as of June we began commercializing hotfill juices that we import from our plant in Córdoba, thus taking advantage of the capacity that this plant has.

*Now Andrés will comment on the **Company's financial results**.*

***Andrés Wainer:** Good morning,*

To begin, I would like to remind you that the figures analyzed incorporate the adoption of IAS 29 since Argentina was categorized as a hyperinflationary economy. For this reason, among other implications, the figures of Argentina in the second quarter of 2018 were consolidated using the closing exchange rate of June 2018, which was \$22.57 Chilean pesos per Argentine peso, and those of the second quarter of 2019 were consolidated using the closing exchange rate of the second quarter of 2019, which reached \$15.99 Chilean pesos per Argentine peso, which generates a strong negative impact upon consolidation. In addition, to facilitate the analysis, we present the figures of our Argentine operation for both the second quarter of 2018 and the second quarter of 2019, in currency of June 2019.

With regard to the exchange rates of the other countries where we have operations and their effect on the consolidation of the figures, this quarter we had a slight positive impact in consolidating the figures of our

operation in Brazil, since in the consolidation of figures we use an exchange rate of \$174.52 Chilean pesos per real, which is compared to an exchange rate of \$172.43 Chilean pesos per real in 2Q18. The Guarani did not have greater variations in the period, it remained stable at \$0.11 Chilean pesos per Guarani in both periods.

Regarding each of the franchises where the company has operations, and for a better understanding, the figures that we will analyze in each of them are expressed in nominal local currency, and in the case of Argentina, as we discussed, will be expressed in currency of June 2019.

In Argentina, Net Sales decreased by 11.8% in the quarter, which was mainly explained by the decrease in the volume already mentioned by Miguel Ángel, since prices remained stable in real terms.

Cost of Sales decreased by 9.1% in the quarter, explained by the reduction in volumes, which was partially offset by the devaluation of the Argentine peso with respect to the U.S. dollar, which has a negative impact on our dollarized costs, due to a higher cost of PET resin and an increase in the cost of concentrate given the price increases we have made.

For its part, Distribution Costs and Administrative Expenses decreased 10.6% in the quarter, which is mainly explained by expenses such as freight, labor and services provided by third parties, which have increased below local inflation, and by the effect of lower volumes on distribution costs.

Finally, Adjusted EBITDA decreased by 16.0% in the quarter, and Adjusted EBITDA margin expanded 78 basis points reaching 11.9%. Argentina represented 16% of Adjusted EBITDA generated by the company.

In Brazil Net Sales increased by 10.3%, which was mainly explained by the price increases we have made and by the increase in sales volume already mentioned by Miguel Ángel.

Cost of sales increased 10.3%, which is mainly explained by the negative effect on dollarized costs of the depreciation of the real against the U.S. dollar, and by a higher cost of concentrate, due to the price increases made.

On the other hand, Distribution Costs and Administration Expenses increased 8.9%, which is mainly explained by higher advertising expenses and higher distribution freight costs.

Brazil's Adjusted EBITDA increased by 11.3% in the quarter and Adjusted EBITDA margin was 16.9%, an expansion of 15 basis points. Brazil represented 35% of Adjusted EBITDA generated by the company.

In Chile, Net Sales increased by 5.2% in the quarter, mainly due to an increase in average prices.

Cost of Sales increased by 6.5%, which was explained by 3 factors:

1. The shift in the mix to low and sugar-free products, which have a higher cost of concentrate,
2. The negative effect of the depreciation of the Chilean peso on our dollarized costs, and
3. A higher cost of PET resin.

All this was partially offset by a lower cost of sugar, and a lower use of this raw material due to the shift in the mix towards sugar-free products and the reformulations carried out.

Distribution Costs and Administration Expenses increased 1.2% in the quarter, mainly explained by higher labor costs and higher distribution expenses. This was partially offset by lower advertising expenses.

Adjusted EBITDA increased 10.5% in the quarter and Adjusted EBITDA margin reached 17.6%, an expansion of 85 basis points over the previous year. During the period, the Chilean operation represented 37% of the Adjusted EBITDA generated by the company.

In Paraguay, Net Sales decreased 3.6% in the quarter, which was explained by the reduction in sales volume, partially offset by an increase in the average price.

Cost of sales decreased by 2.4%, explained by the lower volume sold, and a reduction in the price of sugar and fructose. This was partially offset by a higher cost of PET resin.

Distribution Costs and Administration Expenses increased 6.1%, which is mainly explained by higher advertising expenses.

Adjusted EBITDA decreased 12.8% in the quarter and Adjusted EBITDA margin reached 24.8%, a contraction of 261 basis points over the previous year.

Paraguay represented 13% of Adjusted EBITDA generated by the company.

We are now available for any questions you may have.

Operator: The first question comes from Felipe Ucros with Scotiabank, your line is open.

Felipe Ucros: Hi Miguel Ángel, Andrés, thanks for taking my question. I wanted to talk about Argentina first. We have heard several companies operating in the country talking about a remarkable improvement towards the end of June and so far in July in consumption, and well, one month of the year clearly does not set a trend, but first I wanted to ask if you are seeing something similar or not.

Miguel Ángel Peirano: Hi Felipe, how are you? Good morning, this is Miguel Ángel. Yes, you are right. In Argentina, there is a significant improvement with respect to the drops in the past months, especially at the beginning of the year. There is a trend that is being positive in the sense that drops are declining. Although they are still negative, they are already at much lower numbers, and we expect this trend to continue forward, depending on what happens with the elections, consumption would begin to intensify considering that there will no longer be the factor of uncertainty there is today. But the trend is still positive, undoubtedly. I believe that in Argentina the worst of the adjustment has already happened, and it is now stabilizing - it is reaching a level of stabilization and going forward it should start growing if everything normalizes in Argentina after the elections.

Felipe Ucros: But have you seen positive volumes in June or July?

Miguel Ángel Peirano: Not yet, but low single digit decreases.

Felipe Ucros: Okay, perfect. And if I may, a follow up question on Brazil: obviously most of the operators in Brazil have had very good results the last two quarters, do you think there has been some pre-stocking by retailers, and maybe also by the traditional channel, knowing that will be an increase in the price of bottlers on account of IPI changes?

Miguel Ángel Peirano: The issue of pre-stocking has not been dramatic - there was no such impact. Brazil has been improving in terms of consumption. In the particular case of Rio, although there is a lag, it is also improving, and it is reflecting on the numbers. But there have been no increases due to the IPI issue.

Felipe Ucros: OK. That is clear enough for me. Thank you.

Miguel Ángel Peirano: Thank you, Felipe.

Operator: Thank you, and the next question comes from Fernando Olvera with Banco de América. Your line is open.

Fernando Olvera: Hi, how are you? Good morning everyone, and thanks for taking my call. I have one question. It is regarding PET, still in this quarter you had pressure from PET, right? And since prices of this raw material have been dropping so far this year, I wanted to ask you, when could we- or when would you expect to see a profit in margins given the price reduction? Thank you.

Andrés Wainer: Hello, good morning Fernando. As you say, the price of PET resin has been falling for the past two to three months. We will begin to see this positive effect in our 3Q results, and therefore, during 3Q and 4Q we will no longer have the negative effect that we had the first semester. And we should have prices quite similar to those we had the second half of the previous year. It might be a little more or a little less, but it will not have such a negative effect as we saw in 1Q and especially 2Q, which was quite strong.

Fernando Olvera: OK. If you allow me an additional question, regarding other raw materials, would you expect the same positive trend for the second half? Referring mostly to sugar.

Andrés Wainer: Yes. Sugar, another relevant raw material in our P&L also has a positive trend. We have already fixed prices for a large part of the second semester in the four countries, and at prices below the previous year, beginning 3Q and 4Q we should expect prices in U.S dollars, between 5% and 10% lower than the previous year.

Fernando Olvera: Perfect. Thank you very much.

Andrés Wainer: You're welcome.

Operator: And the next question comes from Alex Robarts with Citigroup. Your line is open.

Alex Robarts: Hello good morning everyone. Thank you for the question. I have two regarding Chile. Starting with the non-carbonated segment in Chile. You have talked about SSD having a growth in 2Q, right? In Chile. But there was a specific situation with juices, it seems that it was something in the category that was difficult, if you can comment a little about this category, what is happening there? And in general, if we see the non-carbonated segment in Chile as a whole, do you think there is a good prospect for growth in the second half? It is a segment that should perhaps go in line with GDP growth, or do you think maybe it is early to tell, and maybe it will be a little more stable in terms of volume growth?

The second question is regarding costs. Chile has a certain reputation of having the leadership in the reformulation trend, right? But it is interesting how you are explaining this, correct? On the one hand, reformulation puts more cost on concentrate, doesn't it? As for the mix of COGS, on the other hand, because the use of less sugar and the shift to low calories also puts less cost on sweeteners. Just seeing these two trends, that is, taking out the FX effect, how can we see the net impact? Does one offset the other, or does it really depend on the summer, winter season? If you can comment a little about these two trends in terms of net effect? Thank you.

Miguel Ángel Peirano: Hi, how are you Alex? This is Miguel Ángel. Well, regarding the issue of the first question about volumes in Chile, the trend is clearly *still* growing and sparkling more stable. But if you go by category yes, clearly juices, as an industry

- as a segment, recorded a decrease, it may probably be because they are partly being replaced by water. Waters have been growing more than GDP, and soft drinks will be in line with GDP, or a little below GDP but stable / growing - basically driven by light soft drinks, or Coca-Cola Zero in particular. Andrés will answer the part of your question on costs.

Andrés Wainer: Hi Alex, good morning. Regarding your question, reformulations have several effects as you explained. On the one hand, we use less sugar, right?, Which has a savings in COGS, and on the other hand the increase in concentrate prices, correct? And which works against us. The net effect is positive, right? The total cost ceteris paribus, of someone who changes, or of a reformulation that we make on Sprite, say full calorie to mid-cal, on the cost side is positive, right? The increase in the price of concentrate is less than the savings we have in sugar. And besides that, in the case of Chile - this second part is only for Chile, keep in mind that sugary drinks have an 18% tax, called IABA, and when we go to mid-cal, the tax goes down to 10%. That benefit, which looks like a higher net price, is all for us. Then, we have a profit at the price level, and also one at the level of COGS.

Alex Roberts: Very interesting. Thank you.

Andrés Wainer: You're welcome.

Miguel Ángel Peirano: Thank you, Alex.

Operator: I remind you that you should only press the key with the asterisk symbol and the number 1 to ask a question. The next question comes from Pedro Pereira with Santander. Your line is open.

Pedro Pereira: Hello good day. Thank you very much for receiving my question and congratulations for the results. In Brazil I see that you managed to expand margins, although you have lower tax benefits, and with monetary effects against you. I would like to know if you believe you will be able to transfer to prices the pressures of higher costs due to lower tax benefits, in Brazil specifically. And a second question, I think I have heard that - in the initial comments, Coca-Cola without sugar this quarter was launched in Brazil, what alternatives were there to original Coca-Cola in the previous quarters? And, do you think this could be the explanation for the increase in volumes, or is it rather due to a rebound in consumption? Thank you.

Miguel Ángel Peirano: Hi, how are you Pedro? This is Miguel Angel. Thank you. Well, with respect to Brazil regarding the transfer to prices of the impact on the reduction of tax benefits - yes, that will undoubtedly happen. So far we have done it without any major impact, and I believe that all the training we have had especially in Argentina, to handle situations where you have to be permanently adjusting prices due to the high inflation there, has given our company in particular a differentiated capacity in terms of revenue management that we are applying and leading in different countries. Therefore, undoubtedly in the case of Brazil, although there is a reduction in benefits, it will be off-set by the issue of prices with revenue management and managing the different categories and the different prices to compensate for that.

Regarding the launch of Coca-Cola without sugar in Brazil, that certainly helps, clearly sugar-free products — zero products are growing throughout the region, and this helps volume to grow. Although it is not the only reason Brazil has grown, we must also consider returnables, which have basically grown due to the availability we have through the Duque de Caxias line, as well as the issue of availability in water to better serve all of Rio de Janeiro. Not only with greater availability of products, but also at a much better cost.

Pedro Pereira: Thank you.

Miguel Ángel Peirano: Thank you, Pedro.

Operator: And once again, just press the asterisk button and number 1 on your phone to ask a question. And there are no more questions at this time. Mr. Peirano, do you have any final comments?

Miguel Ángel Peirano: *Just thank you for your time, your participation in this conference call, and for your interest in Coca-Cola Andina's results. As always, our investor relations and management team are and will be available to meet with you and answer any questions you may have. We remain at your disposal. Have a nice day.*