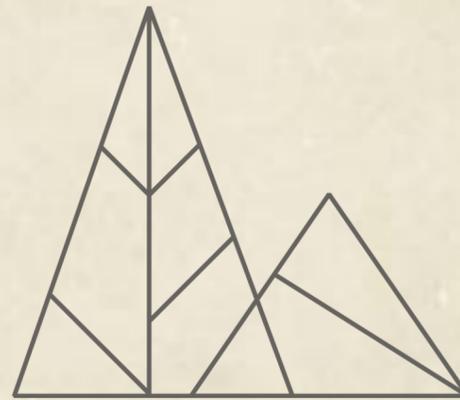




2Q
2024

Financial Results
Conference Call Presentation
August 21, 2024

Gianfranco Truffello
Chief Financial Officer



Disclaimer

This presentation contains forward-looking statements that are based on the beliefs, assumptions and expectations of the management of the Company based on currently available information.

They involve risks and uncertainties because they relate to future events or expectations and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Arauco and could cause results to differ materially from those expressed in such forward-looking statements. For further discussion of these risks and uncertainties, investors should refer to quarterly and annual Arauco filings with the Chilean CMF and US SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements due to new information or future developments.

This presentation contains certain performance measures that do not represent IFRS definitions, as “EBITDA” and “Net financial debt”. These measures cannot be compared with the same previously used by Arauco and the same used by other companies.

HIGHLIGHTS

► Quarterly figures, in US\$ million

Revenues
US\$1,534
-7% QoQ

Net Income
US\$41
-60% QoQ

Adj. EBITDA
US\$414
-7% QoQ

LTM Adj. EBITDA
US\$1,471
15% QoQ

Net Debt to EBITDA
4.33x

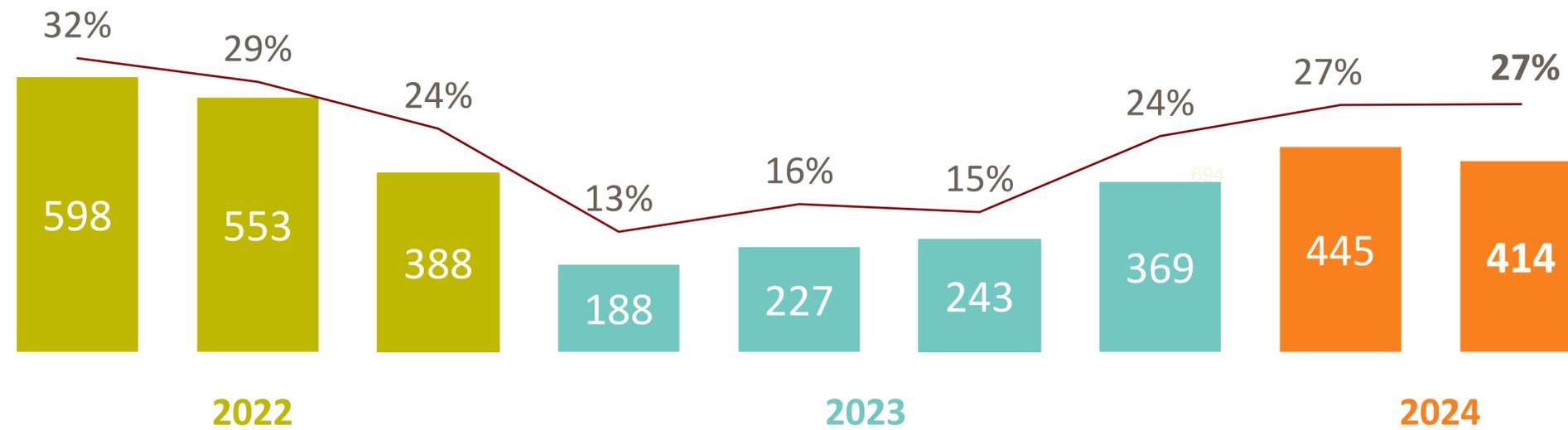
Sustainable Bond
Reports
2023 Local
Issuance



EBITDA & INCOME STATEMENT

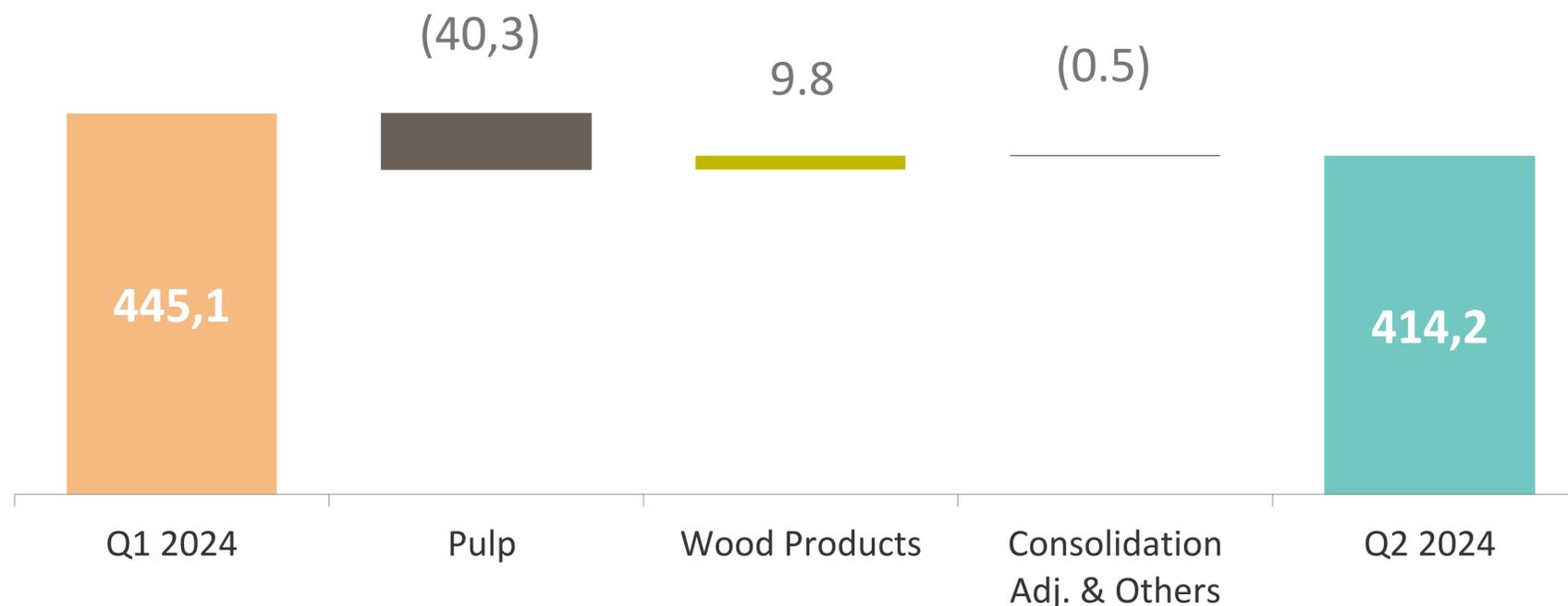
ADJUSTED EBITDA

► In US\$ million



Breakdown by division

Pulp	320
Wood Products	125
Consolidated Adj. & Others	-31



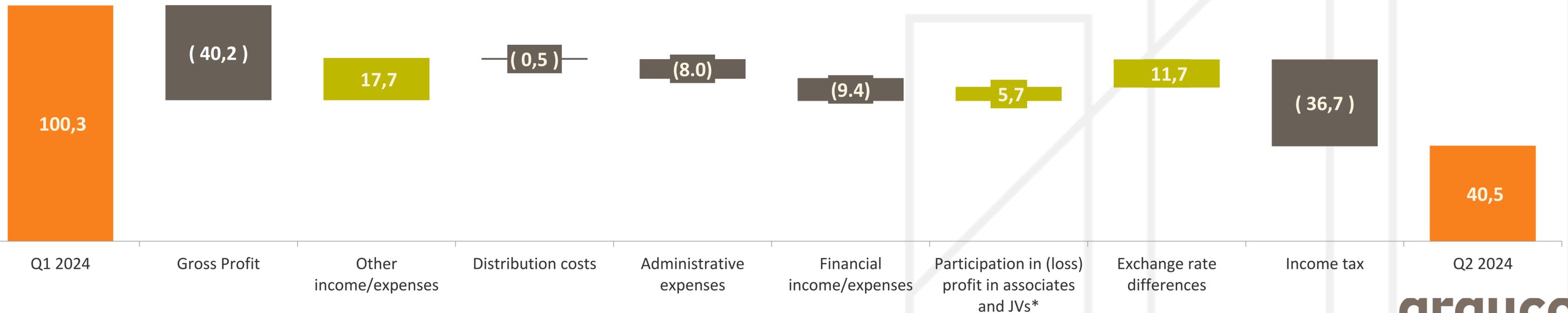
- Adjusted EBITDA during the first quarter reached US\$414.2 million.
- There was a decrease of 11.2% or US\$40.3 million in the Adjusted EBITDA of our pulp business segment, mainly due to a decrease in sales volume.
- Adjusted EBITDA of our wood products business segment increased 8.6% or US\$9.8 million.

INCOME STATEMENT

► In US\$ million

	Q2 2024	Q1 2024	Q2 2023	QoQ	YoY
Revenue	1,534.4	1,654.9	1,408.9	-7.3%	8.9%
Cost of sales	(1,066.2)	(1,146.5)	(1,195.6)	-7.0%	-10.8%
Gross Profit	468.2	508.4	213.3	-7.9%	119.6%
Other income	48.3	17.9	159.2	169.9%	-69.6%
Distribution costs	(167.7)	(167.2)	(172.2)	0.3%	-2.6%
Administrative expenses	(146.6)	(138.6)	(161.2)	5.8%	-9.1%
Other expenses	(48.3)	(35.6)	(38.6)	35.7%	25.0%
Financial income	16.6	22.1	28.2	-24.9%	-41.2%
Financial costs	(105.1)	(101.1)	(92.4)	3.9%	13.7%
Participation in (loss) profit in associates and JVs*	(2.1)	(7.8)	10.1	-73.4%	-120.5%
Exchange rate differences	(0.8)	(12.5)	(19.9)	-93.6%	-96.0%
Income before income tax	62.5	85.6	(73.6)	-27.0%	184.9%
Income tax	(22.0)	14.7	26.5	-249.7%	-183.0%
Net income	40.5	100.3	(47.1)	-59.6%	186.0%

* Accounted using the equity method.

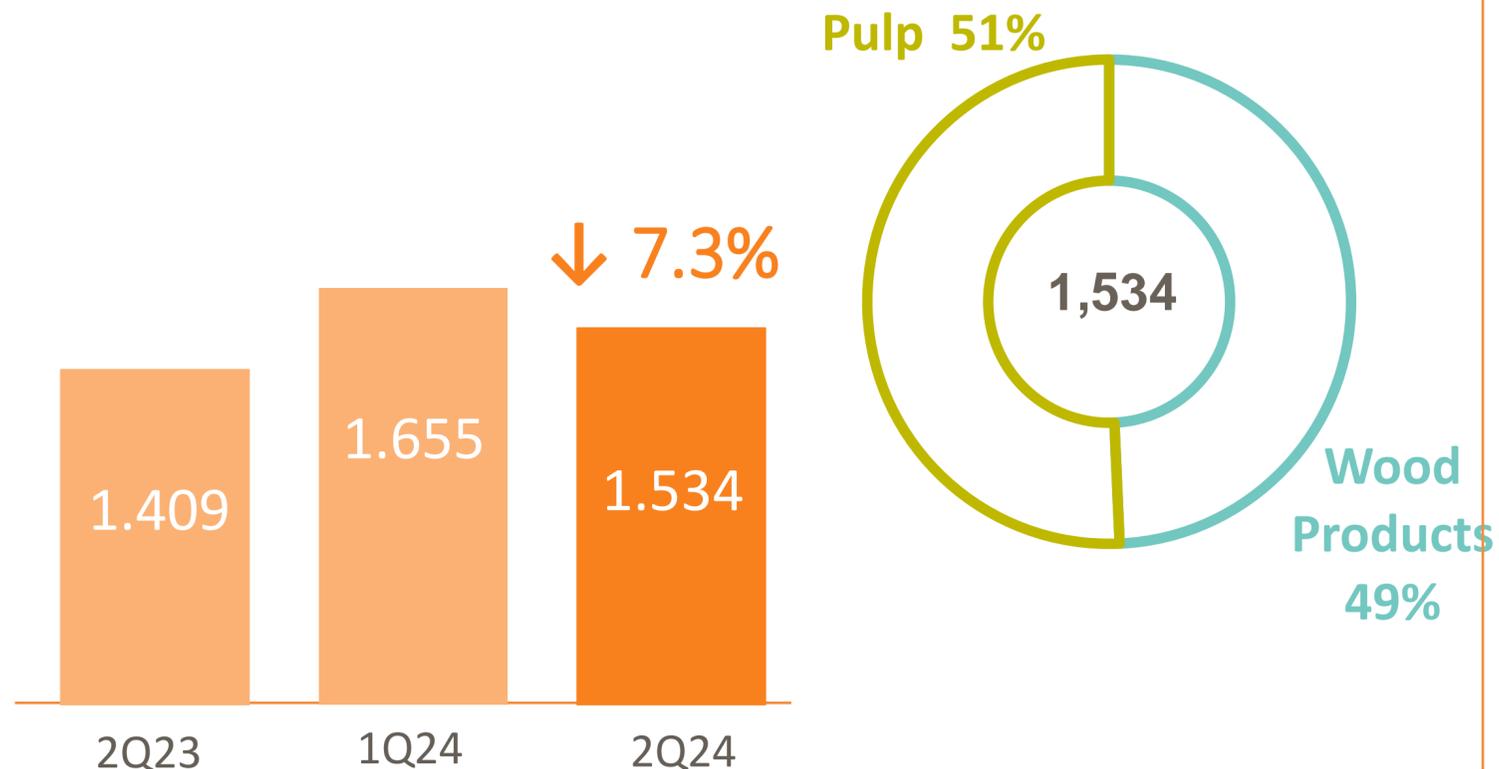


INCOME STATEMENT – REVENUES & COST OF SALES

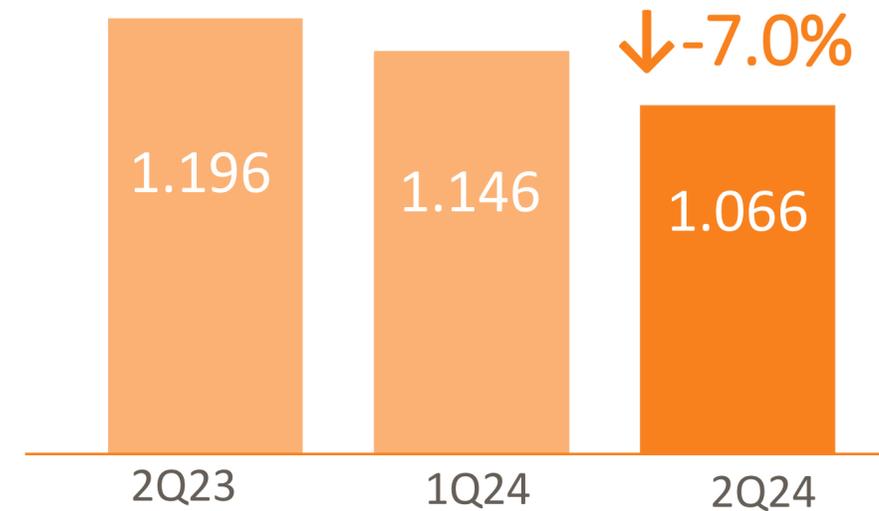
► In US\$ million

Revenues decreased by 7.3% compared to the first quarter of 2024 and increased by 8.9% compared to the second quarter of 2023.

- **Pulp revenues** decreased by US\$112.4 million or 12.6% mainly driven by a decrease of 16.9% in sales volume, partially offset by a 4.5% increase in average prices
- **Wood products revenues** decreased by US\$8.2 million or 1.1%, mainly due to a 2.5% decrease in sales volume, partially offset by a 0.8% increase in average prices.



Cost of sales decreased by 7.0% or US\$80.3 million compared to the first quarter, mostly explained by *Timber costs*, mainly due to a decrease in sales volume of pulp related to the Constitución mill, Montes del Plata and Arauco's Line 3 programmed stoppages.



Pulp unitary sale costs QoQ

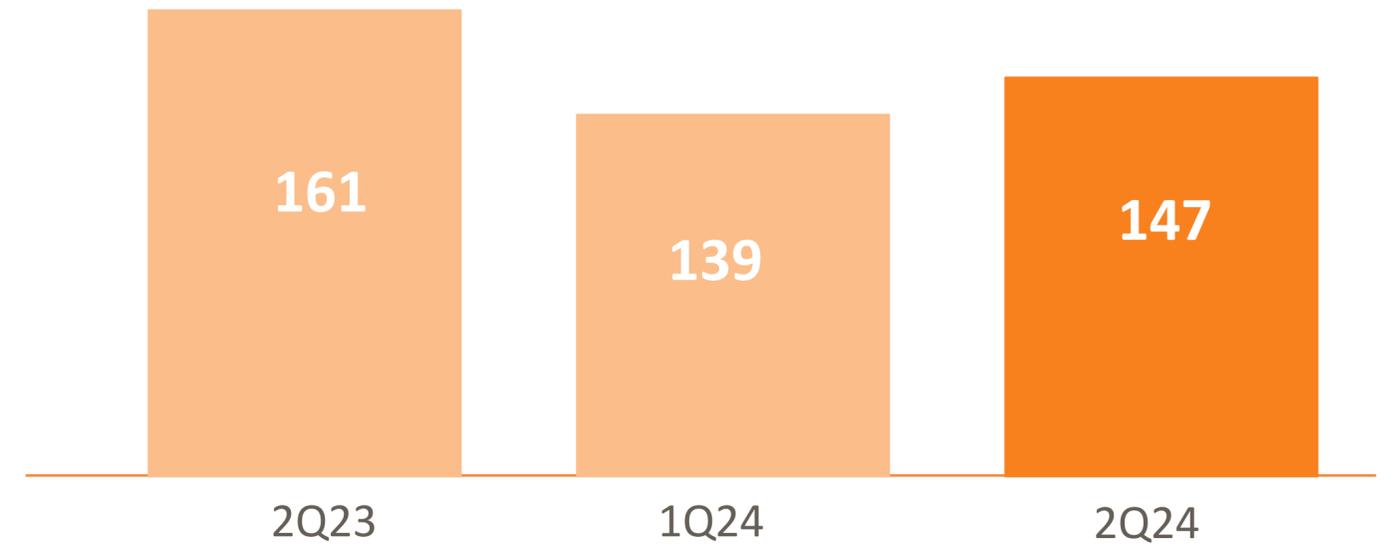
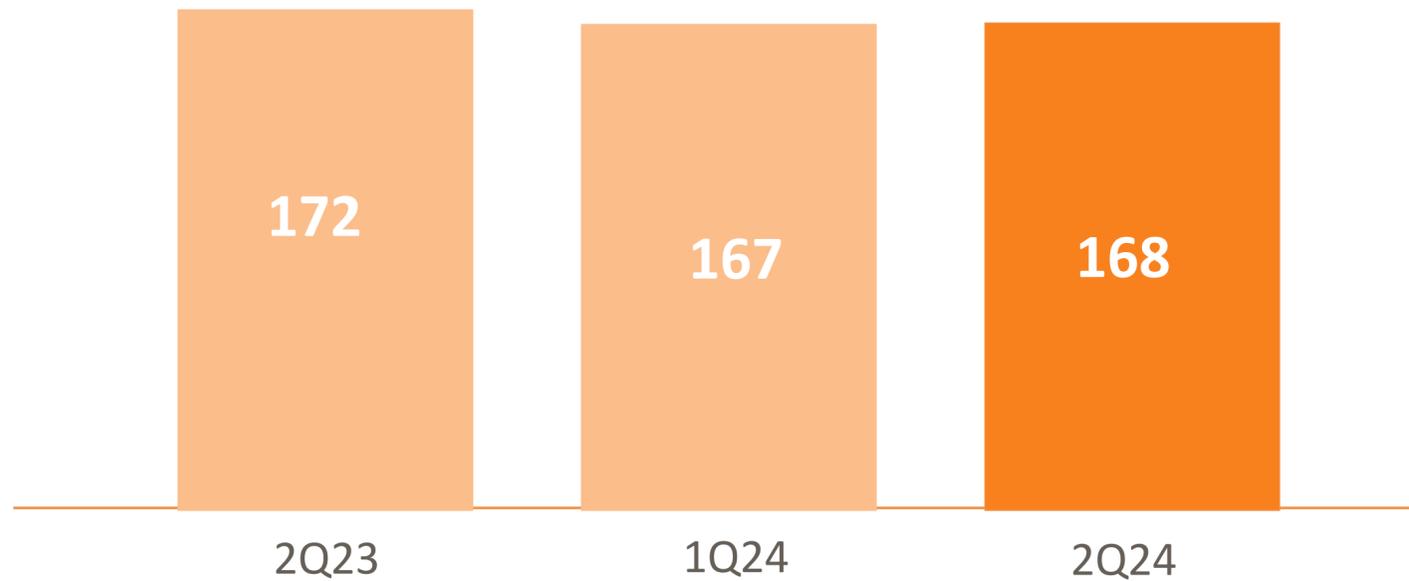
Softwood bleached pulp	▲	11.0%
Hardwood bleached pulp	▲	14.1%
Unbleached softwood pulp	▲	18.5%
Dissolving pulp	▼	-5.6%

INCOME STATEMENT – DISTRIBUTION COSTS & EXPENSES

► In US\$ million

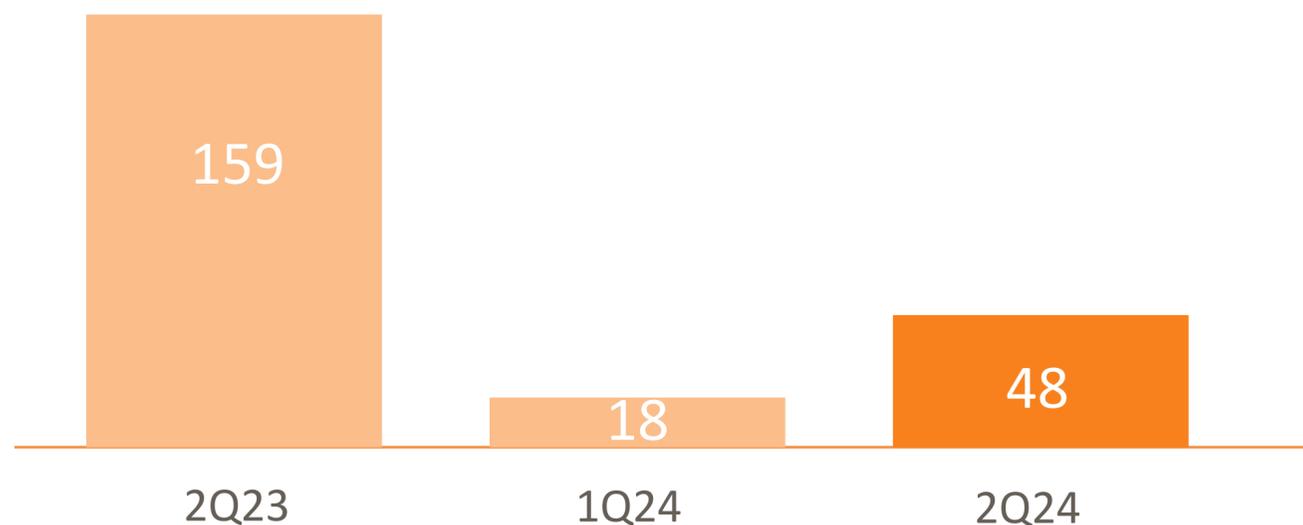
Distribution costs increased by US\$0.5 million or 0.3% mostly due to an increase of US\$5.0 million or 36.0% in *port services*, offset by a US\$4.4 million or 3.4% decrease in *freight costs*.

Administrative expenses increased by US\$8.1 million or 5.8% during the quarter. This is mostly due to an increase in Property taxes

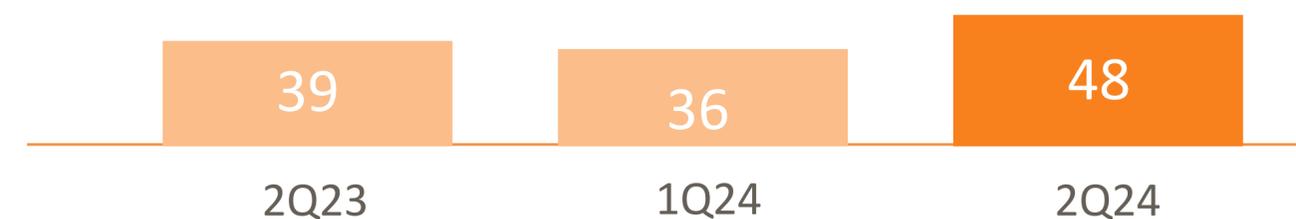


INCOME STATEMENT – OTHER INCOME & EXPENSES

► In US\$ million



Other income increased by US\$30.4 million or 169.9% mostly due to an increase in *Gains from changes in fair value of biological assets*. Additionally, *other operating results* increased by US\$8.0 million.



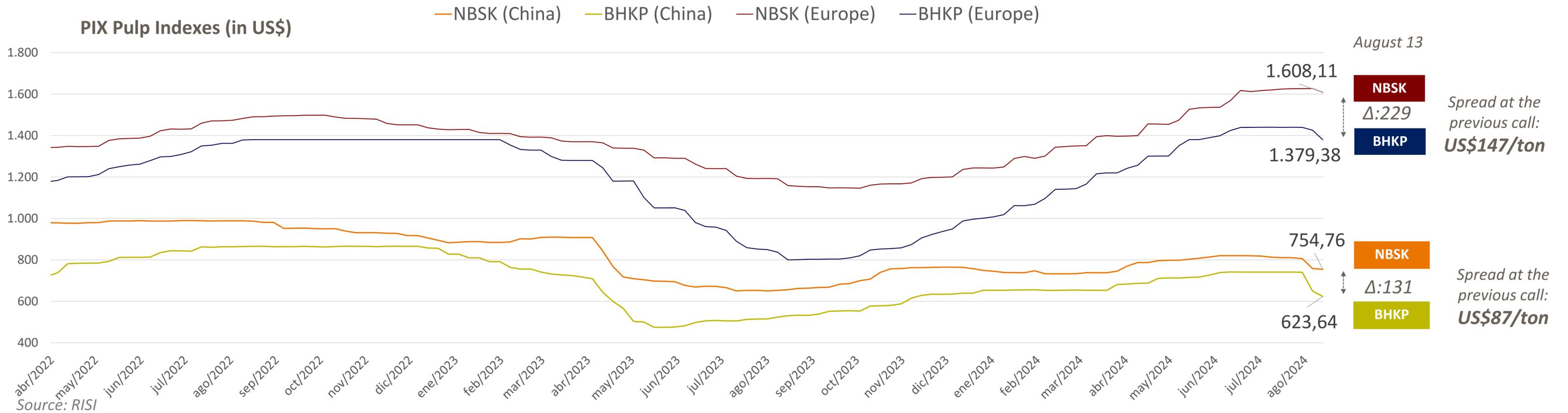
Other expenses increased by US\$12.7 million or 35.7% when compared with the first quarter of 2024, mainly explained by an increase in *Impairment provision property, plant and equipment and others* and *Operating expenses* related to plant stoppages mainly related to the indefinite shutdown of El Colorado sawmill.



REVIEW BY BUSINESS SEGMENT & OUTLOOK

PULP

REVIEW BY BUSINESS SEGMENT & OUTLOOK



Global Bleached Chemical Pulp Shipments variation – (5 months 2023 – 2024)

Global BCP Shipments Change (tonnes)			
	2023	2024	%Var.
China	9,400	9,290 ▼	-1.2%
Europe	5,900	6,675 ▲	13.1%
Other Asia	3,545	3,685 ▲	3.9%
USA	2,920	3,035 ▲	3.9%
Rest of the World	1,670	1,710 ▲	2.4%
Total	23,435	24,395 ▲	4.1%

Source: Hawkins Wright (Jan to Feb)

Global BCP Producer Stocks In days of supply



Excludes Russia & Indonesia
Source: Hawkins Wright

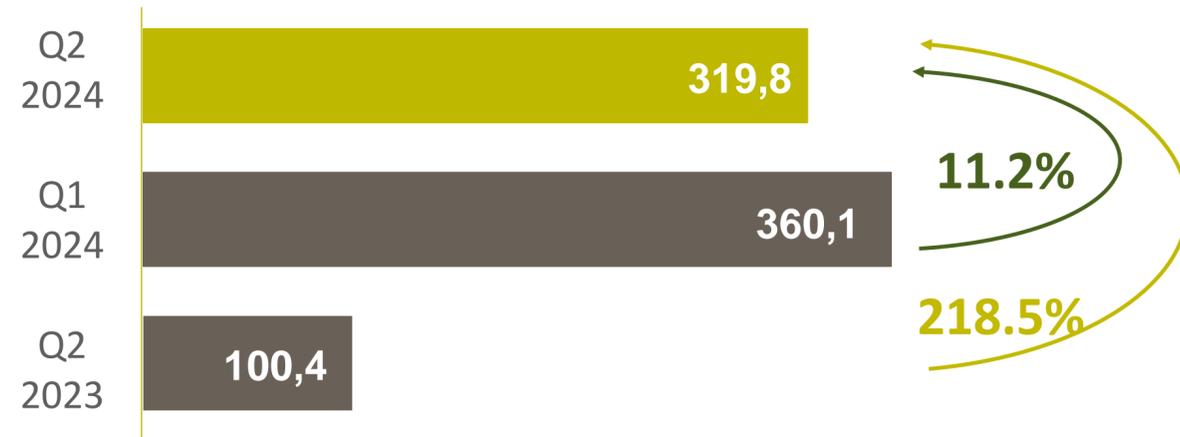
arauco

PULP / ADJUSTED EBITDA

REVIEW BY BUSINESS SEGMENT & OUTLOOK

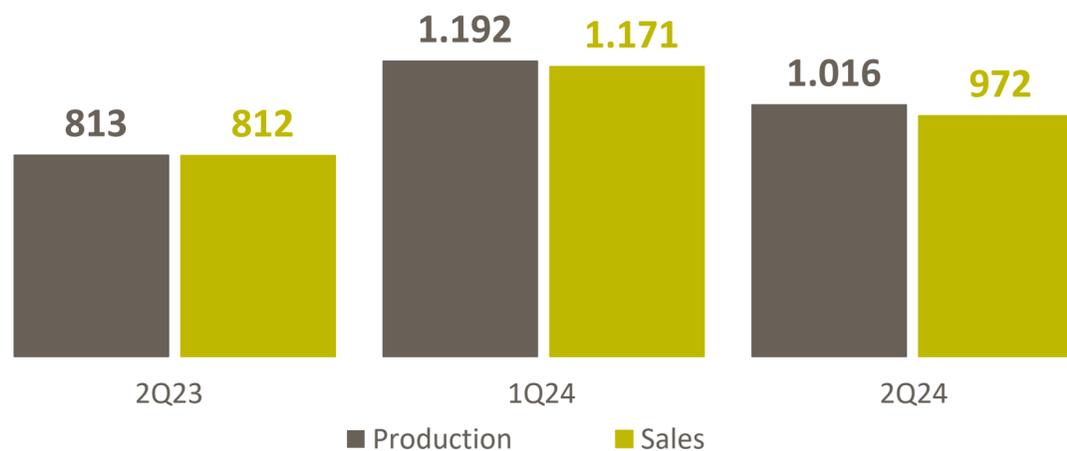
Adjusted EBITDA

▶ In US\$ million



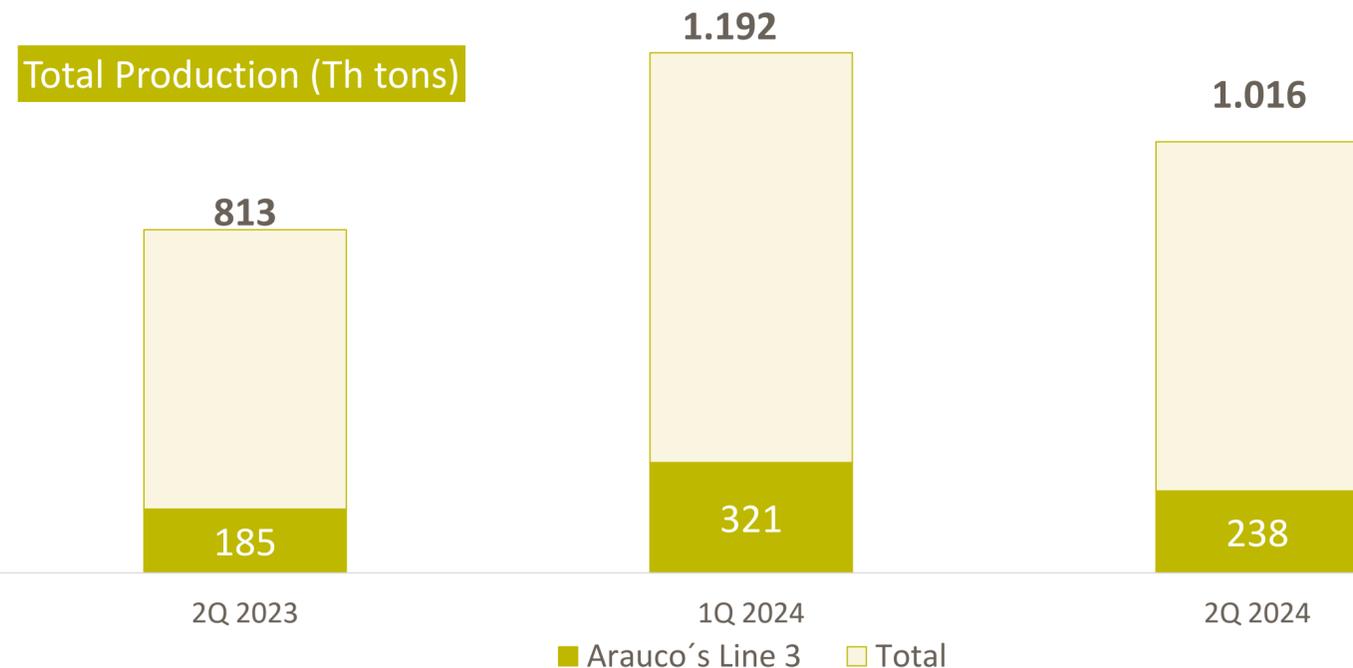
	Price	Volume	Sales
QoQ	4.5%	-16.9%	-12.6%
YoY	10.1%	19.8%	32.5%

Production and Sales Volume In thousand tons



2Q 2024

- During the second quarter, stability and caution characterized the market. There was a slight increase in global stocks for both short and long fiber throughout the quarter.
- In **China**, the pulp market was stable. Customers failed to pass the increase in pulp prices to final products which led to a decrease in operating rates of some mills. Prices increased at the beginning of the quarter and stabilized towards the end of the period and inventories in ports were stable.
- In **Europe**, the quarter began with strong demand, however, started to deteriorate mainly due to a decrease in P&W demand. The tissue industry had a strong demand. Long fiber continued to be affected by operational problems in some mills and short fiber spot supply increased towards the end of the quarter.
- The **textile pulp** market remained stable and balanced between supply and demand.
- Production during the first quarter of 2024 decreased by approximately 176.6 thousand tons (-14.8% QoQ), with Arauco's Line 3 decreasing its production by 82.4 thousand tons (-25.7% QoQ).



PULP OUTLOOK

REVIEW BY BUSINESS SEGMENT & OUTLOOK

For the third quarter of 2024,

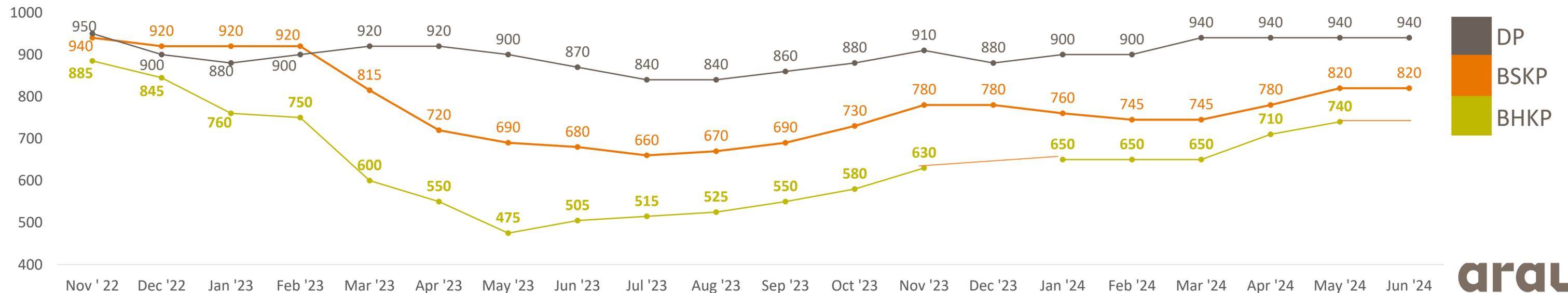
- We are seeing a more challenging Chinese market. Consumption is not strong, local pulp production is increasing and there are differences between import and local pulp prices, all these issues is putting pressure in prices and demand.
- Europe: Demand should decrease due to lower demand for finished products. We expect prices to decrease also due to the difference in net prices with China.
- Pulp supply should increase during the quarter due to the ramp up of two new pulp mills.

Pulp Mills Days of Stoppages

Mill	2024				2025	
	1Q	2Q	3Q	4Q	1Q	
Arauco - Line 2					16	
Arauco - Line 3		16				
Constitución		18				
Licancel						
Nueva Aldea			15			
Valdivia					13	
Esperanza					10	
Montes del Plata		15				

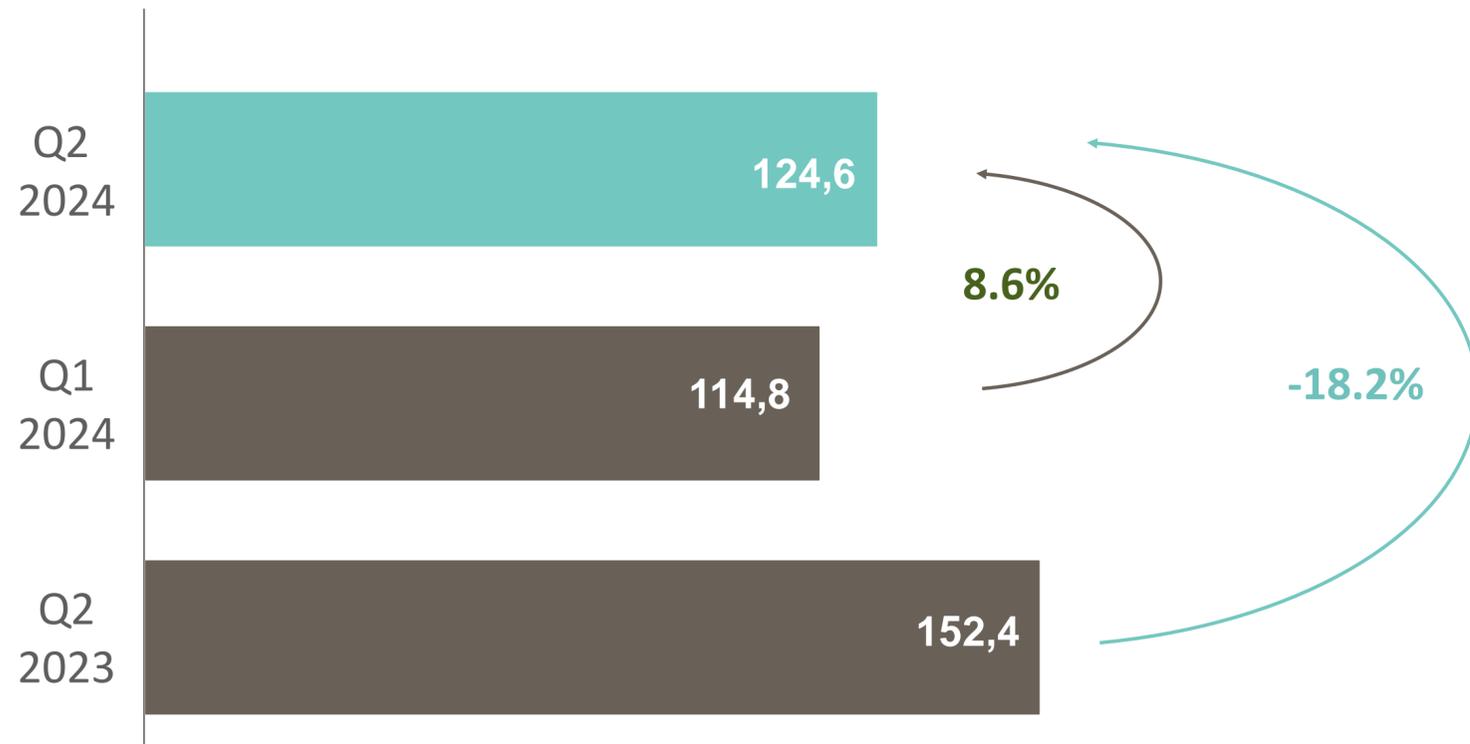
Finished
 In Progress
 Planned

BSKP, BHKP and DP Net Prices - China



WOOD PRODUCTS / ADJUSTED EBITDA

Adjusted EBITDA
In US\$ million



Q2 2024

Adjusted EBITDA of our wood products business segment increased 8.6%, mainly due to a stronger operational result. Better margins due to lower cost of sales and reversal of non realized profits.

Wood Products

	Price	Volume
QoQ	0.8%	-2.5%
YoY	-4.6%	-4.5%

Panels*

	Price	Volume
QoQ	1.0%	2.1%
YoY	-8.3%	-0.6%

Solid Wood**

	Price	Volume
QoQ	0.5%	-11.8%
YoY	4.0%	-12.6%

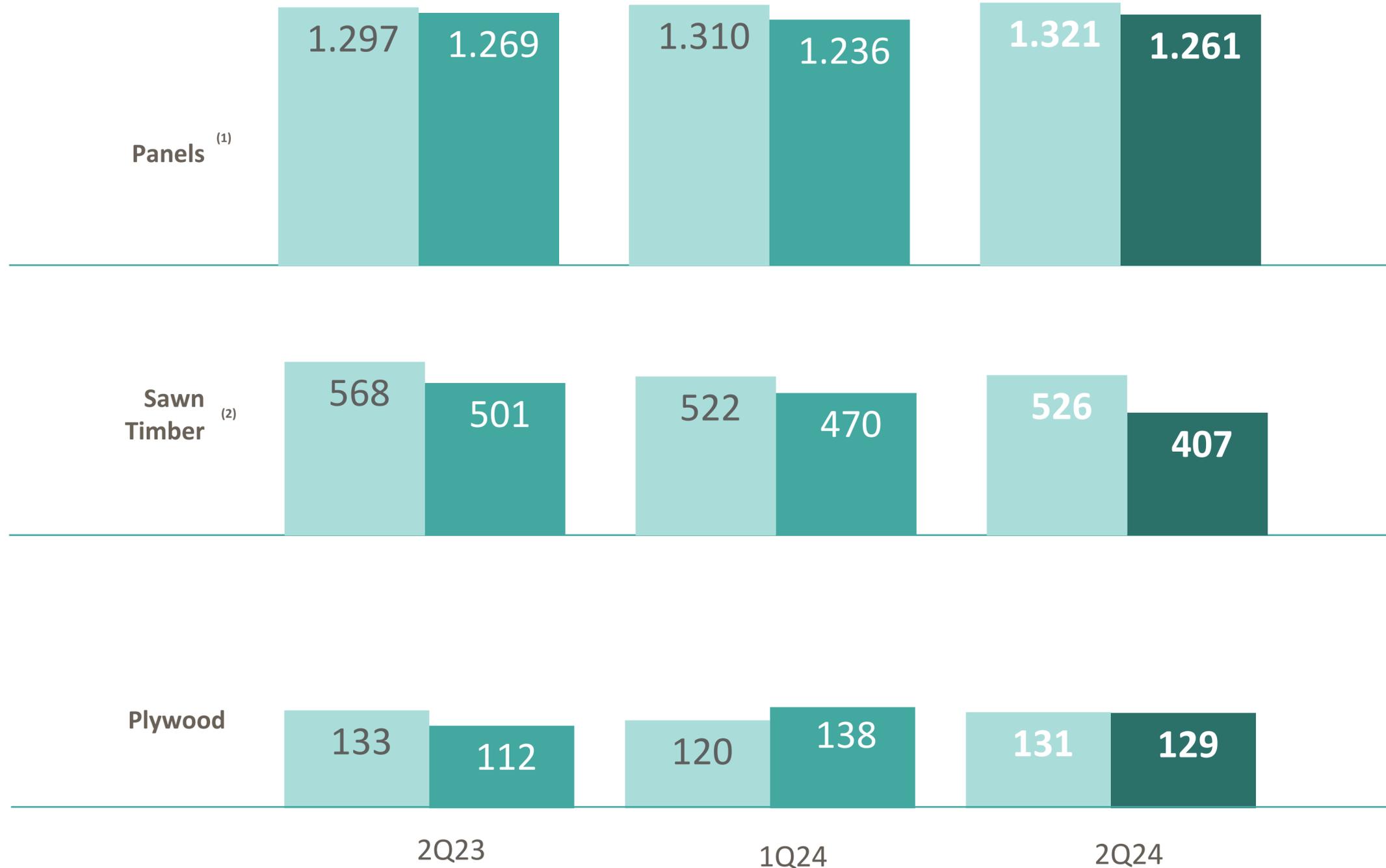
*MDF, PBO, HB

**Sawn Timber, Remanufactured Wood products and Plywood

WOOD PRODUCTS PRODUCTION AND SALES VOLUME

REVIEW BY BUSINESS SEGMENT & OUTLOOK

► In thousand m³



(1) Includes PB, MDF and OSB, Composite Panels and Retail Panels

(2) Includes sawn timber, kilned sawn timber, remanufactured wood products, pallets

Note: Sales include trading

● Production ● Sales

WOOD PRODUCTS / OUTLOOK

53%

North America

MDF:

- We expect gradual improvement in demand, with prices stabilizing during the rest of the quarter.

PB:

- Positive outlook with supply restrictions from other producers, which could potentially improve prices.

REMANUFACTURED PRODUCTS:

- Improvement to be seen due to seasonality and logistic issues in Asia and Latin America.

PLYWOOD:

- Positive outlook as we expect a normalization in exportation to the US market for the rest of the year



Source: Bloomberg

35%

Central and
South America

BRAZIL:

- Positive outlook in the second half of the year, although the depreciation of the Brazilian real could encourage exports.

CHILE:

- Uncertainty due to poor indicators in key sectors, such as construction and retail.

ARGENTINA:

- We expect improvement for the second half of the year. We believe that the market already touched bottom in the first semester.

12%

Asia,
Oceania,
Europe and
Middle East

ASIA:

- Slow demand is expected during the second half of the year and prices to have already peaked

OCEANIA:

- We expect a slightly better market for the rest of the year.

EUROPE AND MIDDLE EAST:

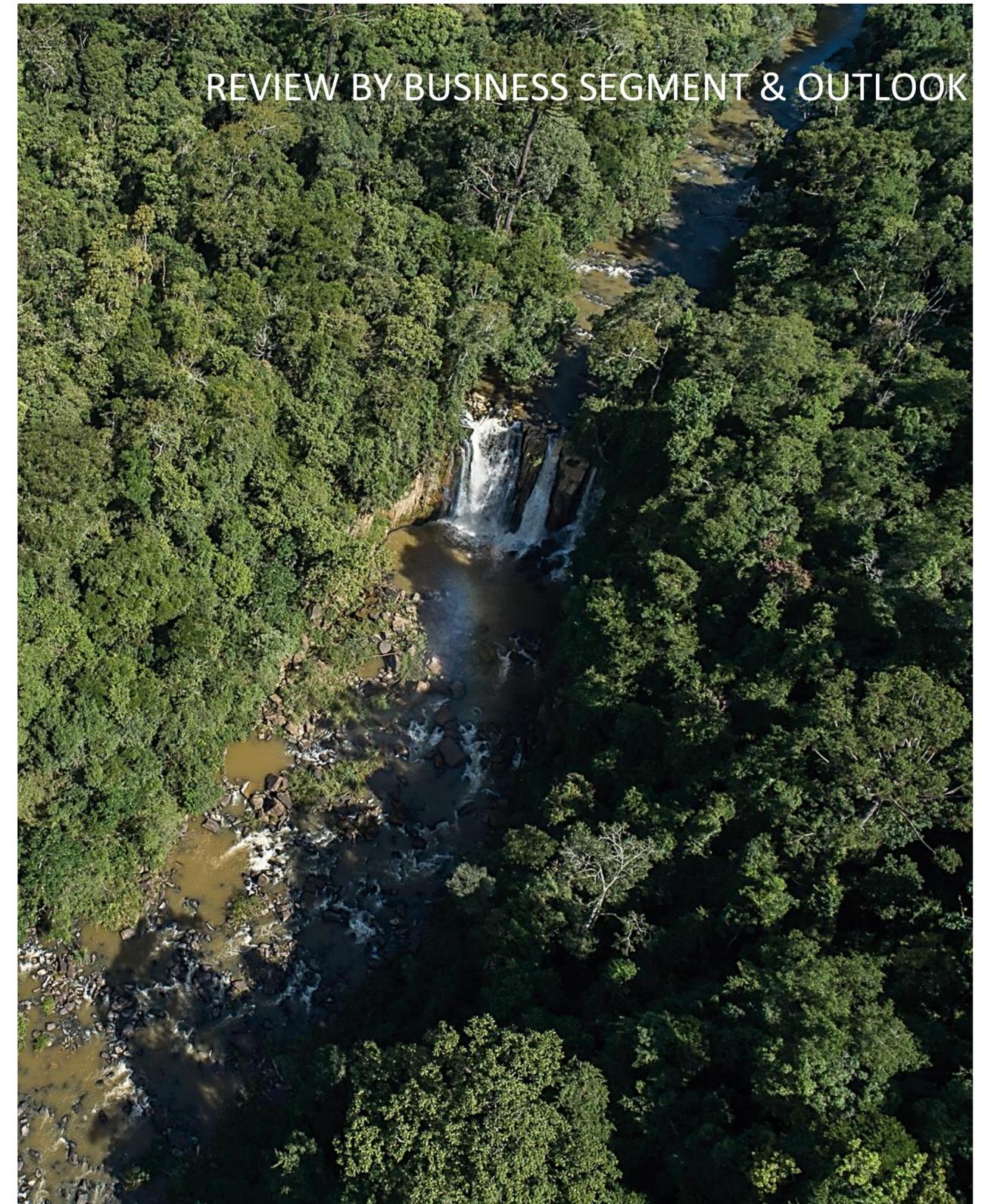
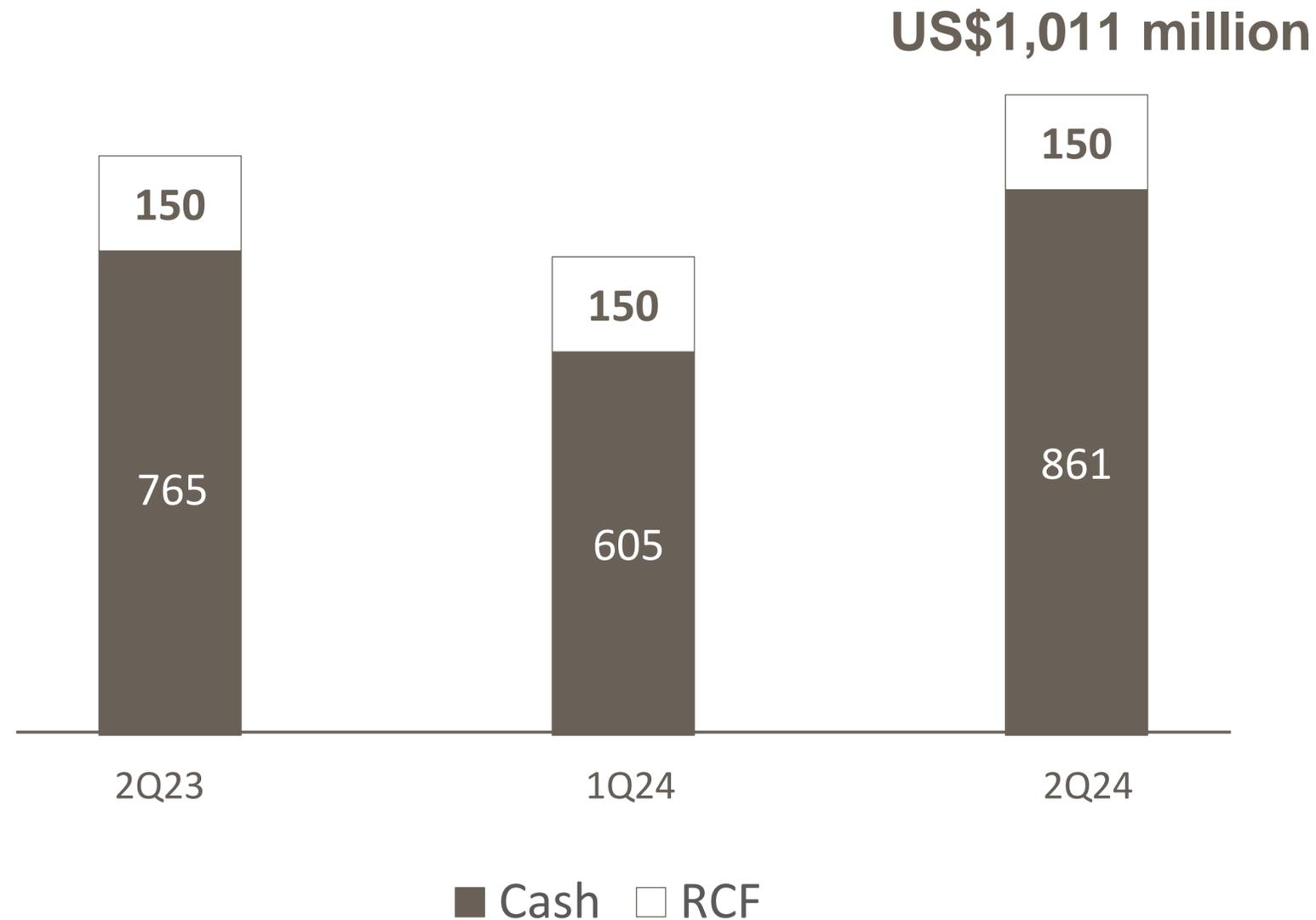
- Both markets are expected to continue at good levels, mainly due to restricted supply in both regions.



FINANCIAL REVIEW

CASH AND LIQUIDITY

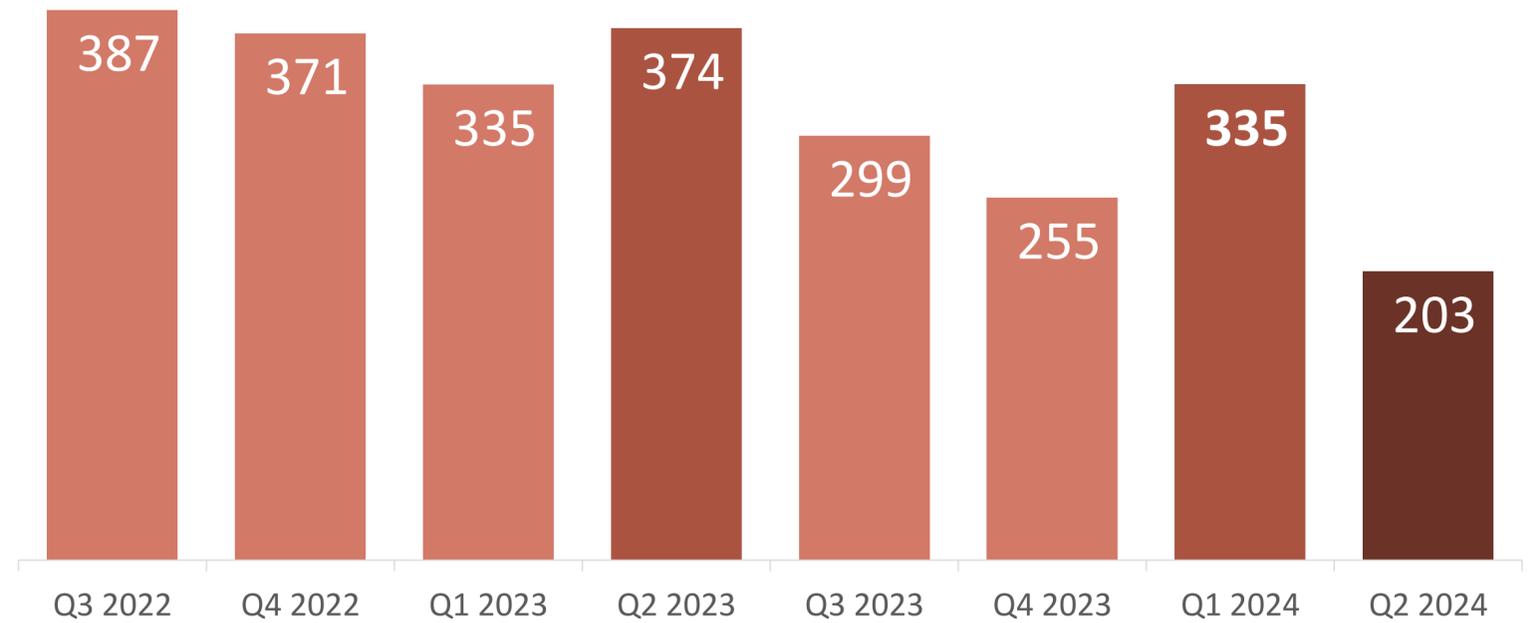
Our cash position was US\$861.3 million at the end of the first quarter of 2024. In addition to our cash position, we have a revolving credit facility (RCF) for a total amount of US\$375 million due in February 2025 of which US\$225 million were withdrawn in June 2023.



CAPEX



During this quarter, capital expenditures (on a cash basis) were US\$203.2 million, US\$131.5 million lower than the previous quarter.



FREE CASH FLOW

► In US\$ million

	Q2 2024	Q1 2024
Adjusted EBITDA	414.2	445.1
Working Capital Variation	(137.9)	35.2
Interest paid and received	(110.7)	(31.1)
Income tax received (paid)	(22.4)	2.6
Others	(11.7)	40.6
Cash from Operating Activities	131.5	492.4
Capex (1)	(203.2)	(334.7)
Others	(3.8)	(63.1)
Proceeds from investment activities	(0.2)	18.7
Cash from Investment Activities	(207.2)	(379.0)
Cash from Financing Activities (net of debt)	(12.1)	(15.9)
Effect of exchange rate changes on cash	(9.4)	(13.5)
Free Cash Flow	(97.1)	84.0

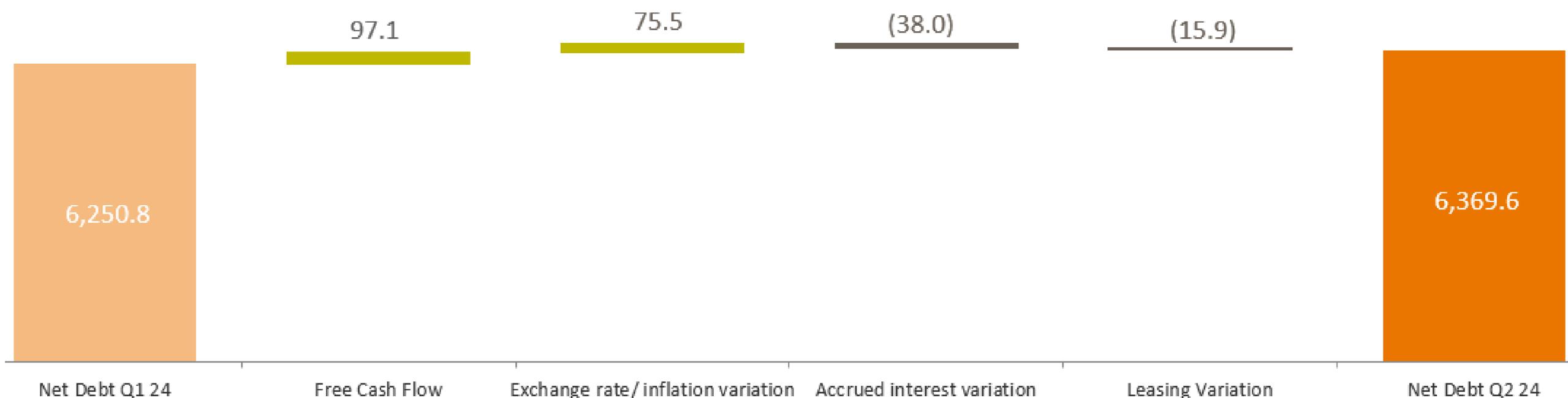
(1) On a cash basis.

Cash flows received from operating activities decreased US\$360.9 million mostly due to *Working Capital Variation* and *interest paid and received*.

Cash flows used in investment activities decreased US\$171.9 million.

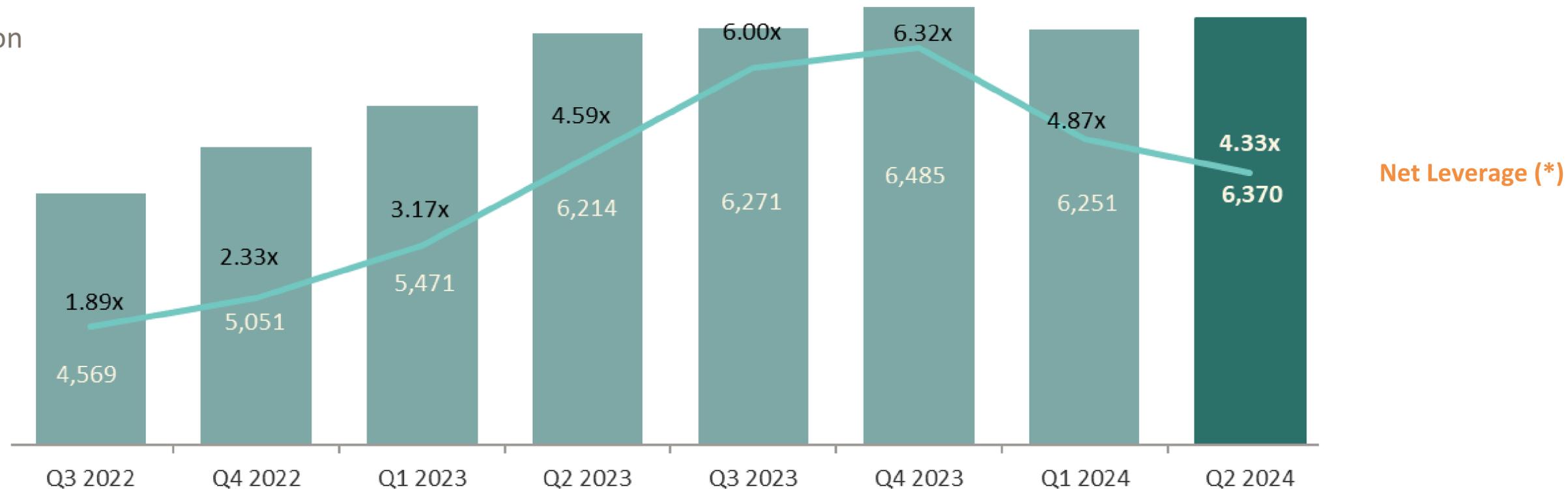
Cash flows used in financing activities decreased by US\$3.8 million.

► Net Debt increased by US\$118.8 million or by 1.9%, mainly due to both a decrease in our cash flow and exchange rate effects.



NET FINANCIAL DEBT

► In US\$ million



Cash and cash equivalents increased by 42.3% or US\$255.9 million.

Total Financial Debt increased by 5.5% or US\$374.6 million.

LTM Adjusted EBITDA was US\$1,470.7 million, 14.6% higher QoQ.

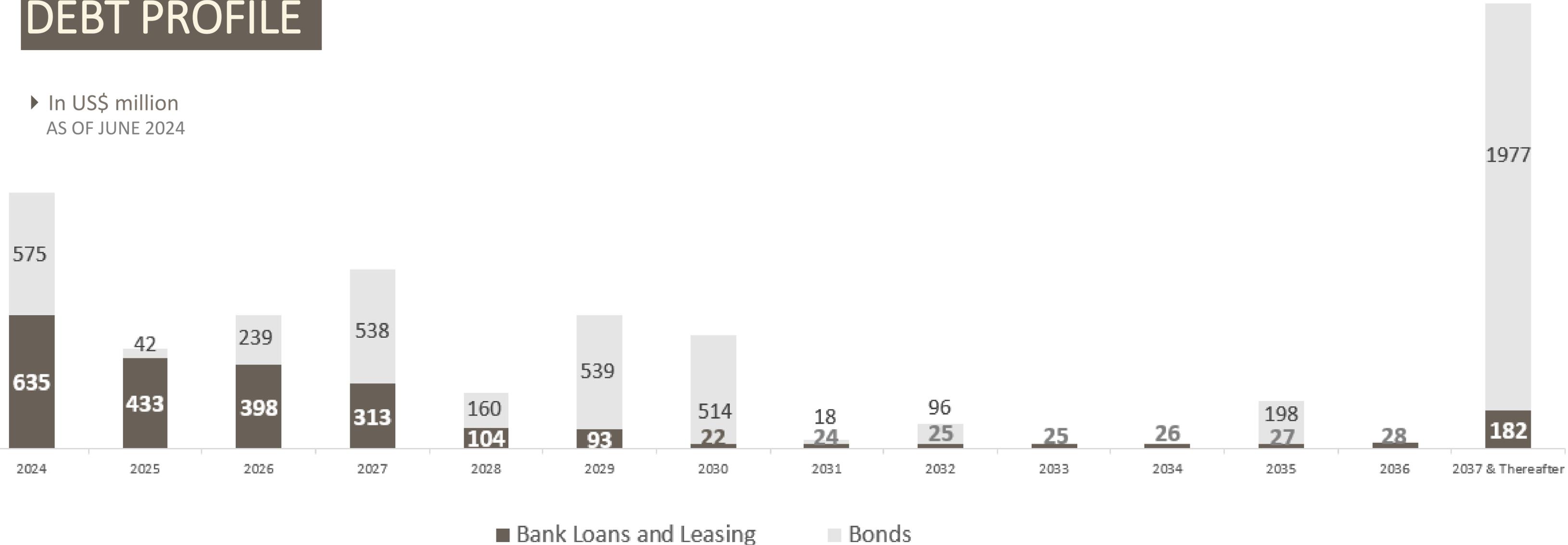
Net Leverage (*) decreased from 4.87x to 4.33x.

	June 2024	March 2024
Short Term Debt	1,508	1,116
Long Term Debt	5,723	5,740
Total Debt	7,231	6,856
Cash	861	605
Net Debt	6,370	6,251

(*) Net Debt / LTM Adjusted EBITDA

DEBT PROFILE

► In US\$ million
AS OF JUNE 2024

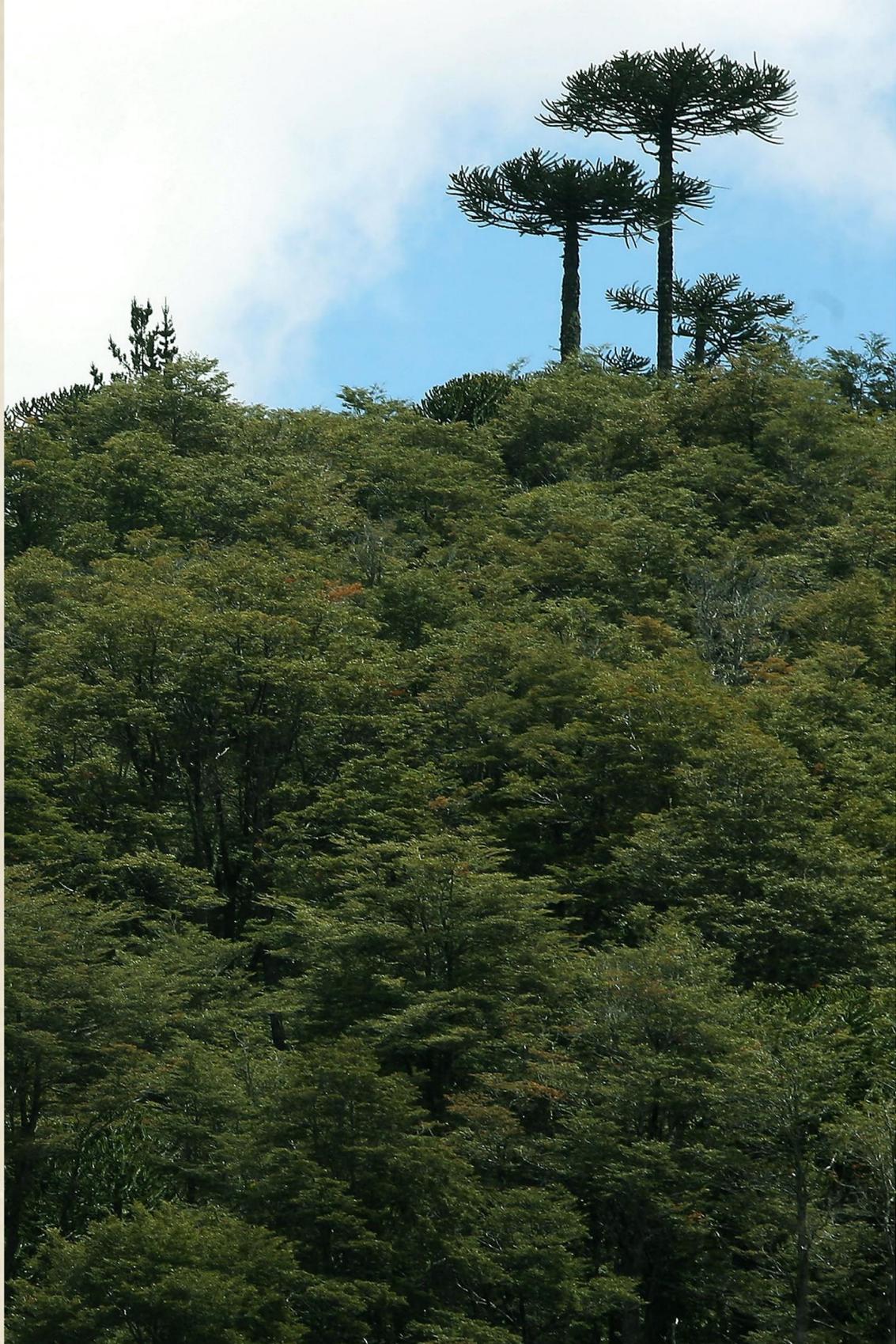


BANK OBLIGATIONS FOR 2024 INCLUDE:

- US\$ 613.8 million in bank loans.
- US\$ 21.6 million in leasing.

BOND OBLIGATIONS FOR 2024 INCLUDE:

- US\$ 30.5 million in local bond obligations.
- US\$ 544.1 million in USD-denominated bond obligations.



MATERIAL FACTS

MATERIAL FACTS AND NEWS

Forestry Asset Sale, Brazil

In December 2023, the Company entered into a share purchase and sale agreement, to sell all the shares and social rights that we hold directly in the Brazilian Forestry Companies (with assets mainly in the state of Paraná, Brazil), to a company specially incorporated for such purpose, appointed by Klabin S.A.

On July 16, the Company transferred all the shares and corporate rights that the Sellers directly held in the Brazilian Forestry Companies. The forest plantations subject to the transaction occupied approximately 85,000 hectares and the sale price, which arises to the sum of US\$ 1,168 million, is subject to customary price adjustments after the closing of the transaction. The after-tax amount received by Arauco on July 16 was approximately US\$967 million, which will generate an after-tax gain of approximately US\$174 million to be recognized in this year's results.

The sale of shares and social rights does not extend to our panel mills in Brazil, nor to other forestry assets located mainly in the state of Mato Grosso do Sul, Brazil, associated to our project to build a pulp mill in Brazil ("Sucuriú Project").

MATERIAL FACTS AND NEWS

RCF committed facility and Yankee 2024

On July 22 we repaid the US\$225 million of the committed facility that was withdrawn in June 2023. Additionally, on August 1 we made the final payment of our outstanding 4.5% notes for a total of US\$500 million

New OSB Line in Trupán - Cholguán Complex

In an extraordinary session held on July 3, the Board of Directors of Maderas Arauco S.A. approved the project of an Oriented Strands Board (OSB) mill in the Trupán-Cholguán Complex in Chile. The project include the modernization and renovation of some sections of the MDF 1 line that was closed, taking advantage of the current facilities and incorporating and adapting equipment and processes that allow the production of OSB.

The capacity will be 110,000 cubic meters per year with an estimated investment is US\$ 92 million.

We expect operations to begin in the second quarter of 2026.



MATERIAL FACTS AND NEWS

Moody's Ratings affirms Arauco's Baa3 ratings; outlook changed to stable

On August 15 Moody's changed our ratings outlook from negative to stable, mentioning that Arauco will be able to achieve a significant debt reduction by year-end 2024 as a result of the cash proceeds from our forestry asset sale in July 2024 and an improvement in operating performance.

You can find the full report in Moody's website or in our Investor Relations section in our website.

FSC Forest Management audit successfully completed

On July 3, we successfully concluded our follow-up audit of FSC Forest Management (FSC-C108276), carried out by the Soil Association. This was a thorough and collaborative effort to ensure that our forestry practices meet the highest standards of sustainability and responsibility.

During 30 days of on-site review and 10 days of office work, our team demonstrated the commitment to continuous improvement and efficient resource management. A highlight of this audit was the visit to high value conservation areas and review of some restoration processes within our forests.

As a company, we thank everyone who participated and contributed to this process. Together, we continue to build a more sustainable and responsible future for our communities and the world.

Sustainable Bond Reports

Arauco continues to consolidate the path towards a sustainable future by reporting the fulfillment of the social and environmental impact projects associated with the issuance of UF 12 million (equivalent to approximately US\$ 500 million) in sustainable bonds. This figure represents the total funds raised through the sustainable bond issuances carried out in April and June 2023.

Among the projects that were financed, which are classified as sustainable, are some related to sustainable land use and forest management, water management programs, emissions, waste and access to basic services, such as health, water, transportation, education and employment programs, among others. These projects obtained a "VERY GOOD" rating in sustainability quality score from Moody's Second Party Opinion (SPO).

You can find our Sustainable Bond Reports and SPOs in our Investor Relations section in our website.



TAKEAWAYS

- LTM Adj. EBITDA increased 14.6%, which led to a decrease from 4.87x to 4.33x in our Net Leverage.
- In our Pulp business segment, we expect a challenging third quarter in China and a more difficult market in Europe.
- Our gross debt decreased significantly in July 2024 as the Yankee 2024 bond and RCF committed facility were paid after the closing of the forestry asset sale in Brazil. Moody's changed our outlook to stable.
- Sustainable Bond Reports for our 2023 Local issuances are available in our Investor section in our webpage

3Q 2024
RESULTS &
CONF CALL

MID-NOV
2024





Q&A
[Click link](#)

INVESTOR RELATIONS

A replay of this conference call will be available on the IR section of our web site.

FOR FURTHER INFORMATION

Marcelo Bennett
Treasurer

marcelo.benett@arauco.com

Constanza Vasquez
Investor Relations

constanza.vasquez@arauco.com

José Manuel Guzmán
Finance Analyst

jose.guzman@arauco.com

Phone: (562) 2461 7438

investor_relations@arauco.com

For more information, please visit www.arauco.com