



arcalco

Corporate Presentation
4Q 2020

renewables for a better life

ARAUCO at a glance

As of December 2020 LTM

Shareholder Structure

Angelini Group

74.70%

Antar Chile

60.82%

Empresas Copec

99.98%

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Credit Ratings

International Scale

Fitch Ratings	BBB (Negative*)
S&P	BBB- (Stable)
Moody's	Baa3 (Stable)

National Scale

Fitch Ratings	AA-* (Negative*)
Feller Rate	AA (Stable)

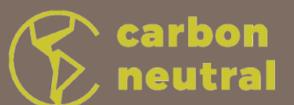
*On July 2021, Fitch Ratings upgraded our National Scale Rating From AA- to AA, and our Outlook from Negative to Stable.

Financial highlights

In US\$ million

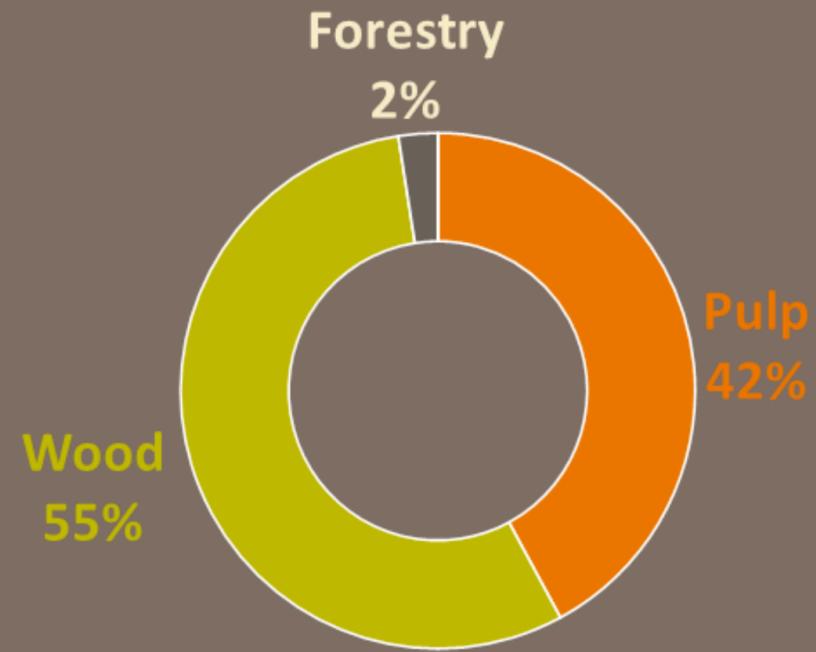
EBITDA	1,072	Net Income	25
EBITDA Margin	23%	CAPEX	1,740
Net Debt/EBITDA	4.8x	Revenues	4,733

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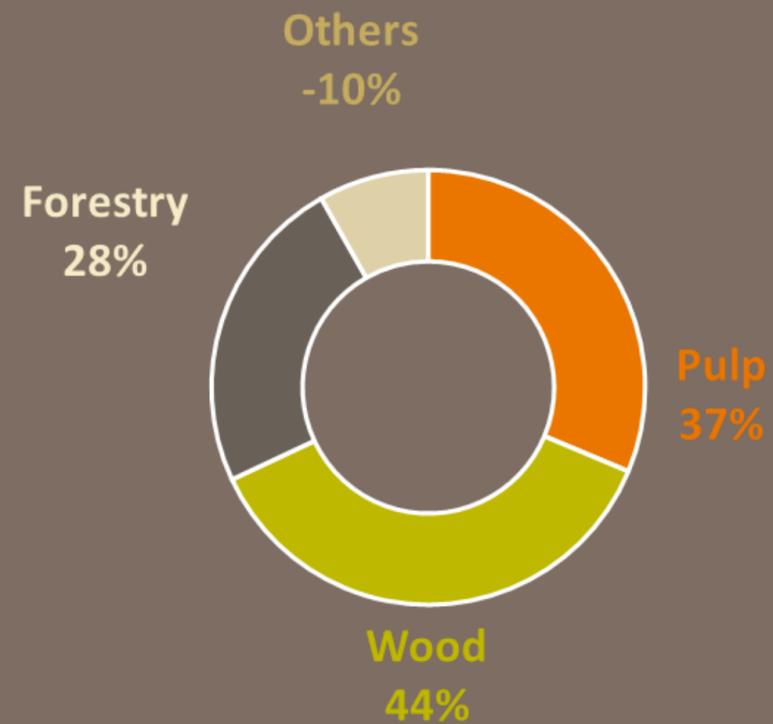


DIVERSIFIED SALES AROUND THE WORLD

Revenues
MUS\$4,733



Adjusted EBITDA
MUS\$1,072



As of December 2020 LTM

REVENUE BY REGION

As of December 2020



34%
North America



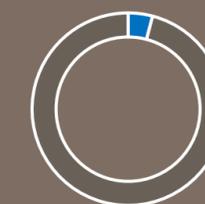
31%
Asia and Oceania



24%
Central and
South America



6%
Europe



5%
Others

THREE STRATEGIC BUSINESS SEGMENTS

	Forestry	Pulp	Wood products		Complementary energy operations
			Panels	Solid Wood	
	698 th. Ha ⁽¹⁾	5 Mills 2,905 th. t	2 Mills MDF: 500 th. m ³ PB: 340 th. m ³	7 Sawmills: 2,646 th. m ³ Plywood ⁽⁵⁾ : 710 th. M ³ 4 Rem. Facilities	10 Power Plants 606 MW Surplus: 219 MW
	131 th. Ha ⁽¹⁾	1 Mill 350 th. t	2 Mills MDF: 300 th. m ³ PB: 260 th. m ³	1 Sawmill: 318 th. m ³ 1 Rem. Facility	2 Power Plants 82 MW Surplus: 8 MW
	110 th. Ha ⁽¹⁾		4 Mills MDF: 1,520 th. m ³ PB: 690 th. m ³		
	83 th. Ha ⁽¹⁾⁽²⁾	1 Mill 710 th. t ⁽²⁾			1 Power Plant 91 MW ⁽²⁾ Surplus: 50 MW
			8 Mills MDF: 1,065 th. m ³ PB: 1,680 th. m ³		
			2 Mills MDF: 250 th. m ³ PB: 315 th. m ³		
			10 Mills ⁽³⁾⁽⁴⁾ PB: 1,201 th. m ³ MDF: 736 th. m ³ OSB: 230 th. m ³	1 Sawmill ⁽³⁾ : 35 th. m ³	
Total	1.0 million ha	4.0 million t	9.1 million m³	3.7 million m³	779 MW

As of December 2020

(1) Considers hectares planted, in thousands

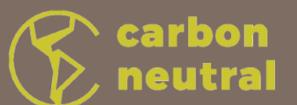
(2) Considers 50% of Montes del Plata

(3) Considers 50% of Sonae Arauco

(4) One PB mill in South Africa is currently shut down

(5) Considers 2 plywood mills.

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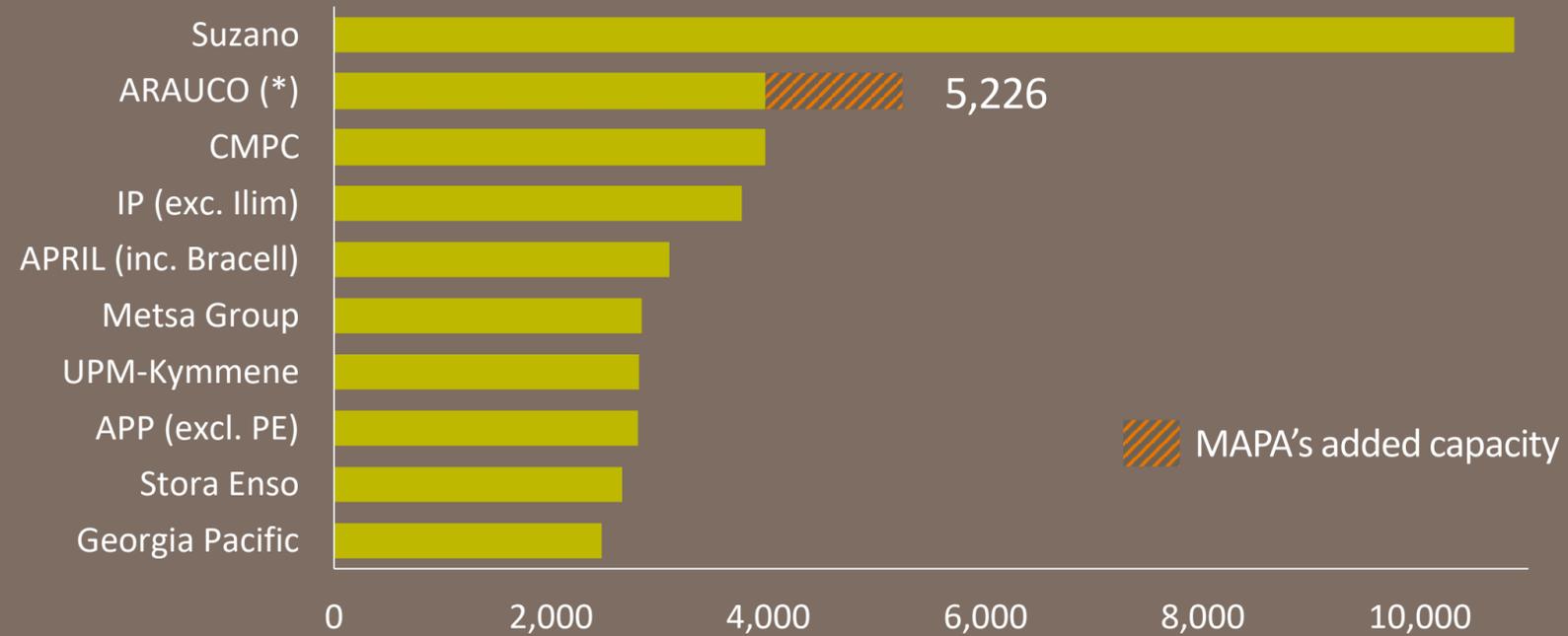


WE ARE A MAIN PLAYER IN THE GLOBAL MARKET

#2

In market pulp capacity in the world

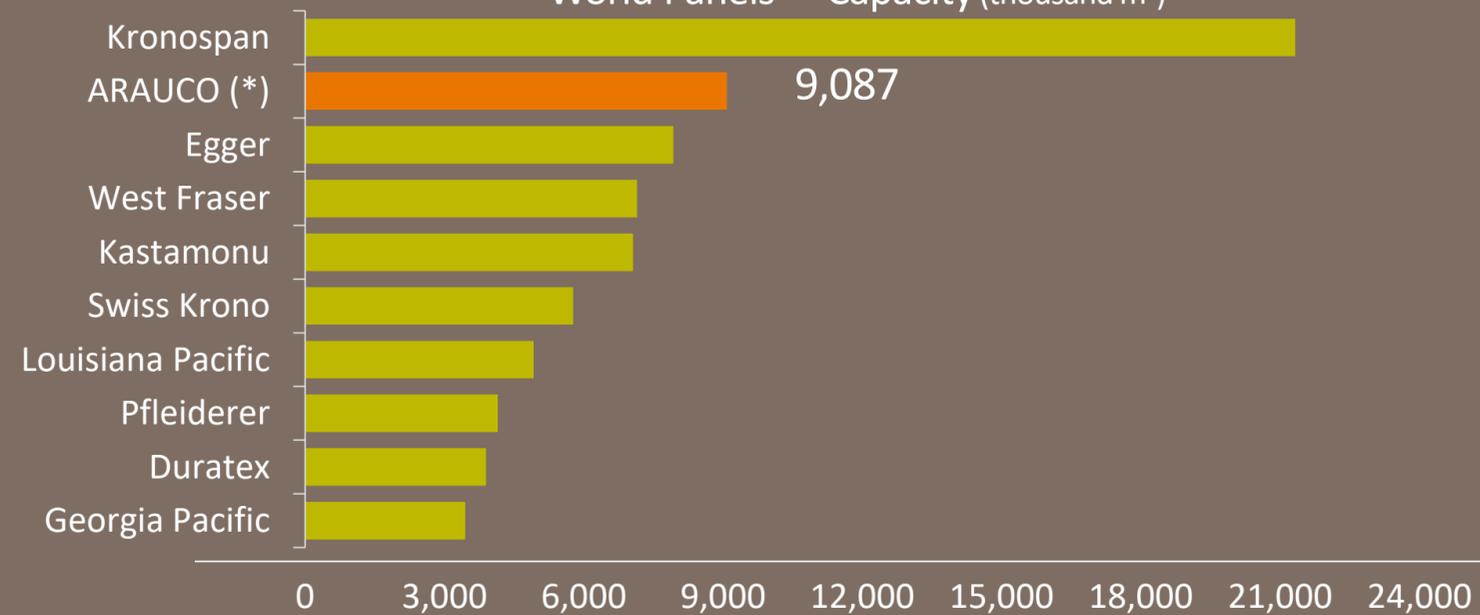
Market Pulp Capacity (thousand tonnes)



#2

In Panels capacity in the world

World Panels** Capacity (thousand m³)



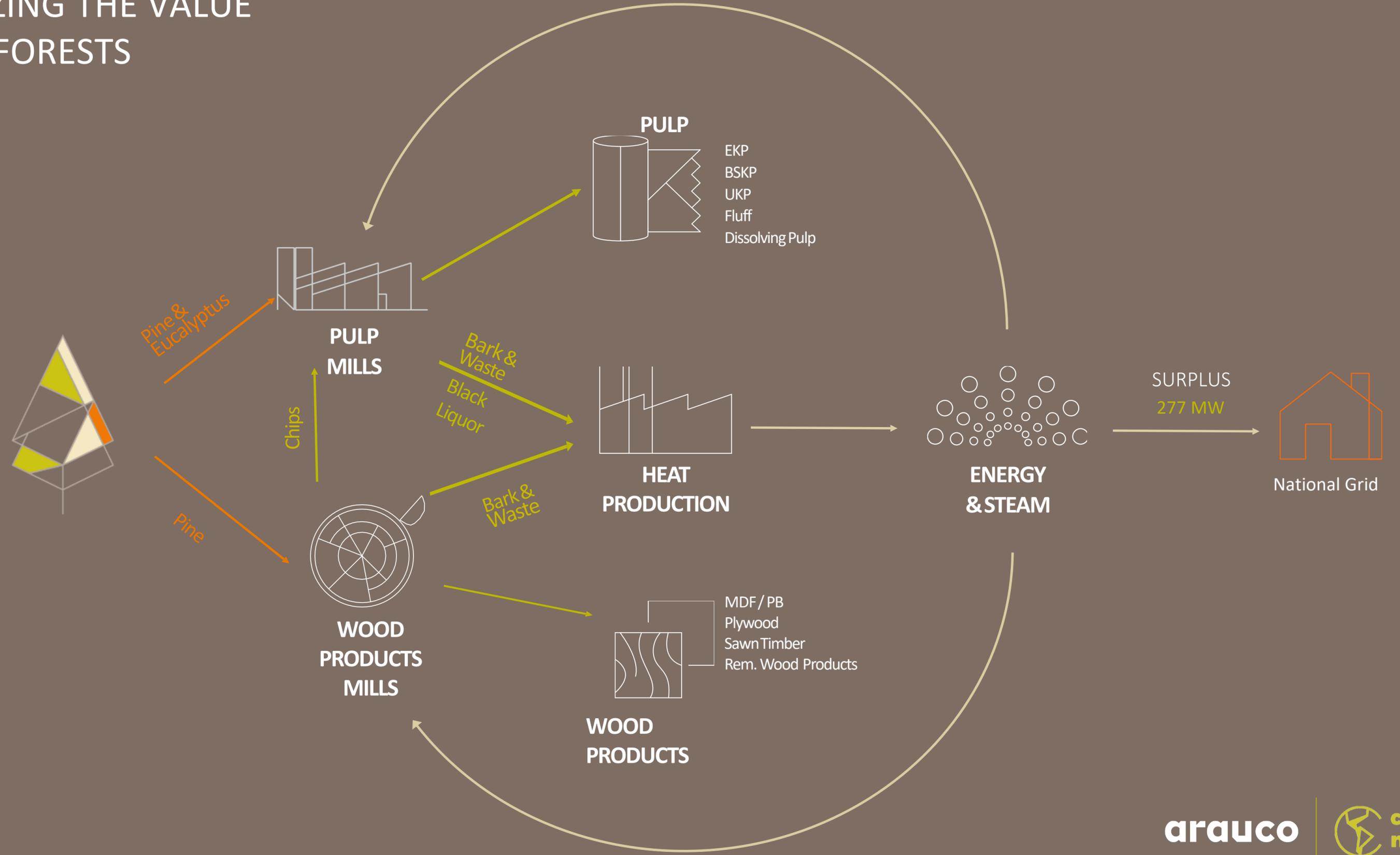
World market pulp and panel competitors capacity as of December 2020

*Arauco capacity includes 50% of Montes del Plata, 50% Sonae Arauco, and MAPA Project, as of December 2020

**Panels refers to Composite Panels, which corresponds to MDF, PB and OSB.

Source: Hawkins Wright, Public fillings, Arauco estimations and Company information and fillings

MAXIMIZING THE VALUE OF OUR FORESTS



BUSINESS SEGMENTS

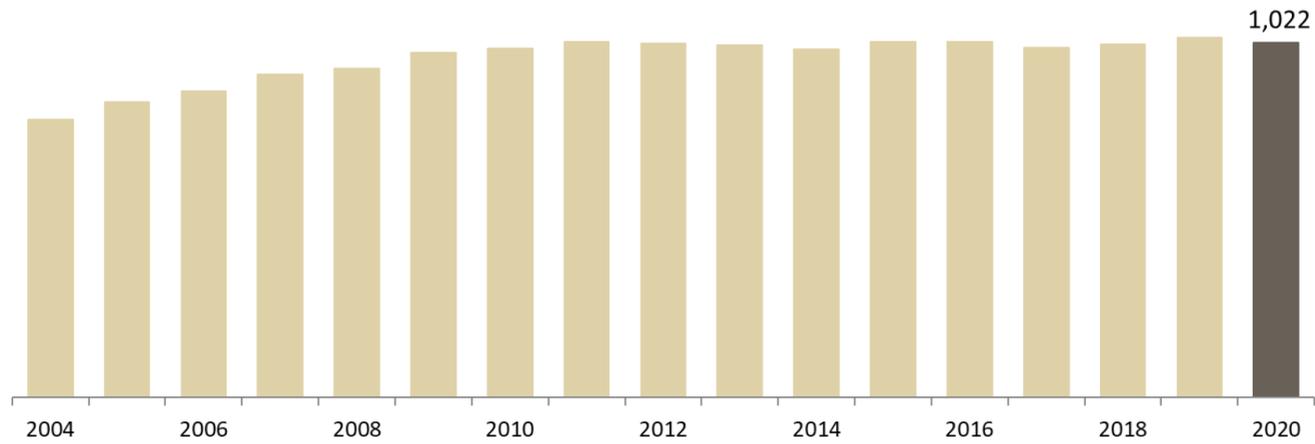


FORESTRY BUSINESS

Total Plantations

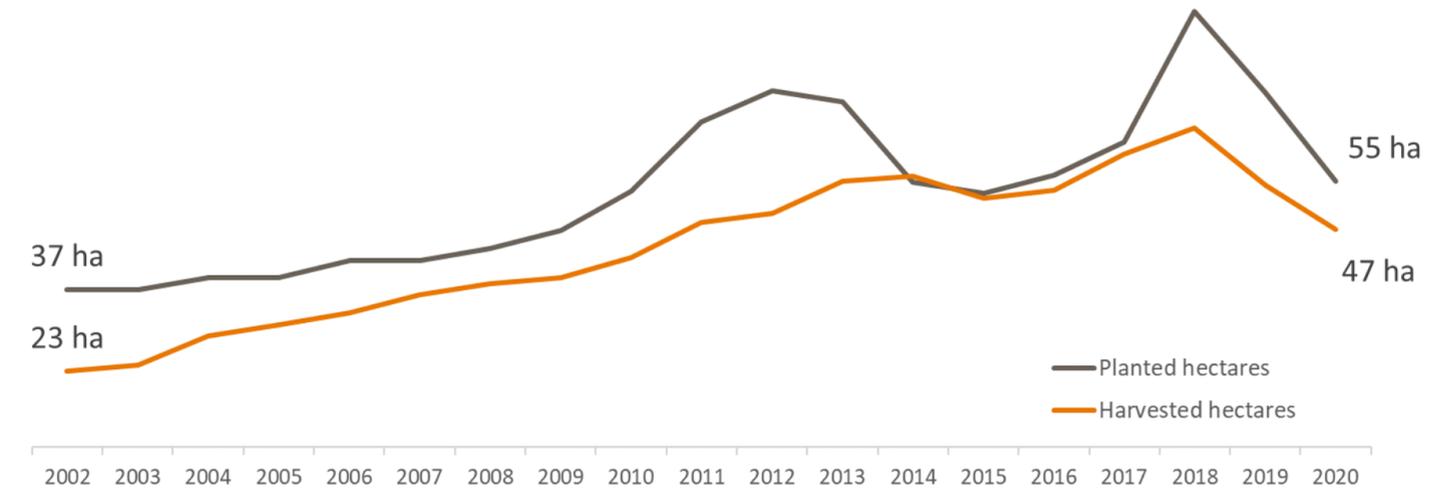
Includes plantations in Chile, Argentina, Brazil and Uruguay

In thousand hectares



Planting and harvesting

In thousand hectares



1.7 million (*)

hectares owned



1.0 million

hectares planted



643 th. of Pine

356 th. of Euca

22 th. Others



Hectares Planted



Pine : **499 th.**
 Euca: **197 th.**
 Others: **2 th.**
698 th.



Pine : **52 th.**
 Euca: **58 th.**
 Others: **0.4 th.**
110 th.



Euca: **82 th.**
 Pine: **0.2 th.**
 Others: **0.4 th.**
83 th.



Pine : **92 th.**
 Euca: **19 th.**
 Others: **20 th.**
131 th.

Environmental Certifications

Our forests plantations have international certification in Forestry Management and Chain of Custody

For detailed information about each certification, you can visit our web site www.arauco.com

(*) includes 496 th. hectares of native forest plantations.
 As of December 2020

FORESTRY BUSINESS

Bioforest research and development

Bioforest was formed in 1990 by Arauco and one of the achievements has been the increase in the plantation yields by 40%

48 Highly trained researchers

work in order to develop and apply the best technologies, maximizing the forestry and industrial resources.



- Bioforest has a wide participation in local and international organizations that are leaders in the forestry-industrial scientific knowledge
- In addition, Bioforest aims to fulfill the environmental objectives for the protection and conservation of biodiversity present in our native forests

PULP BUSINESS

Pulp Sales
MUS
\$1,929

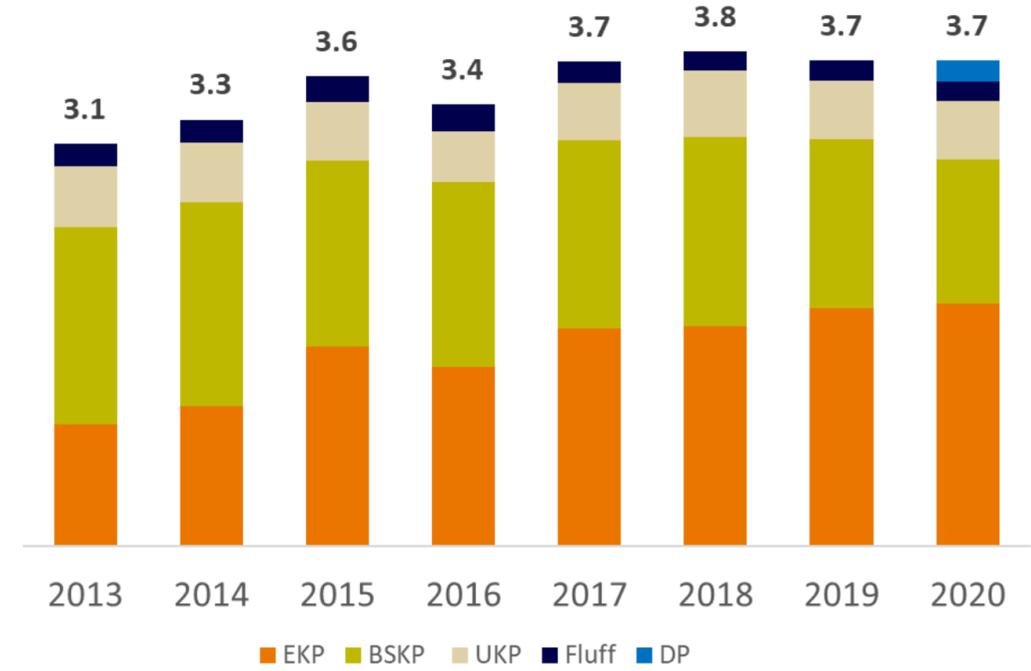
Does not include energy sales
As of December 2020 LTM



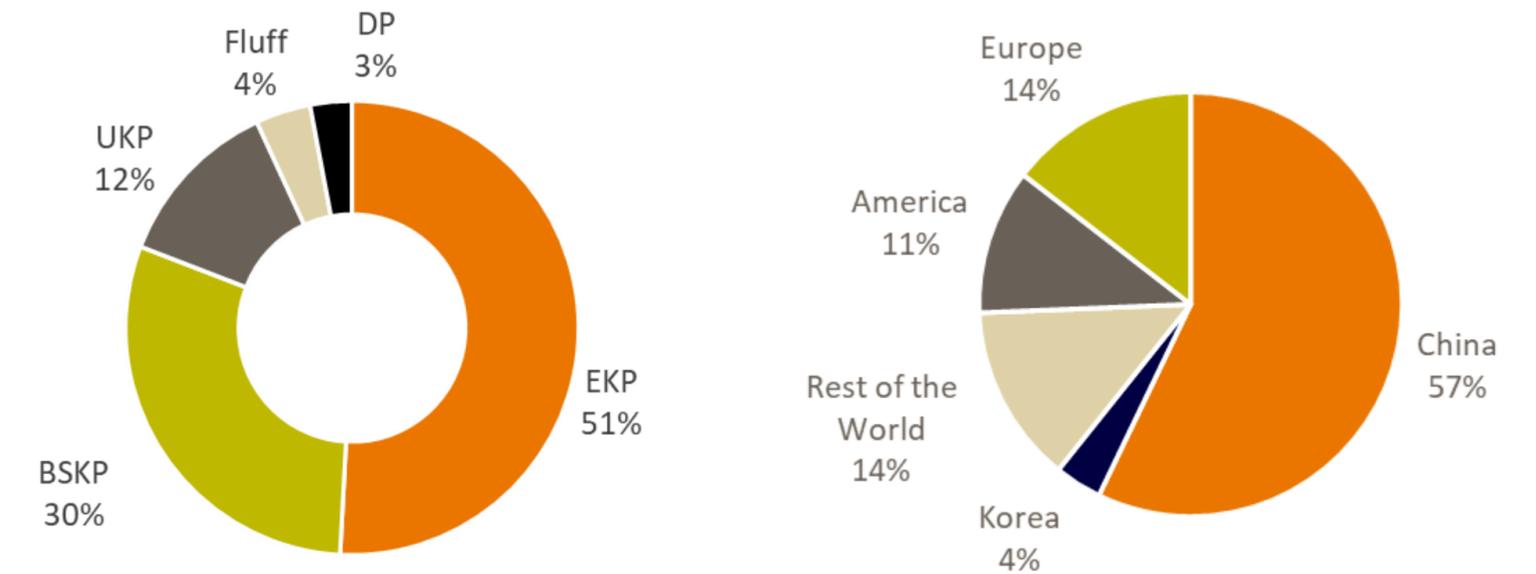
- (1) Eucalyptus Kraft Pulp
- (2) Bleached Softwood Kraft Pulp
- (3) Unbleached Kraft Pulp
- (4) Dissolving Pulp

Production

million tonnes



Sales volume: 3.7 million tonnes



As of December 2020 LTM

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PULP BUSINESS

OUR MILLS

in thousand tonnes

As of December 2020

MAPA PROJECT (2021)
NEW LINE 3
 1,560 EKP

Line 1 will be shut down upon completion.

LICANCEL
 160 UKP



CONSTITUCION
 355 UKP



ARAUCO MILL
LINE 1: 290 EKP
LINE 2: 510 BSKP



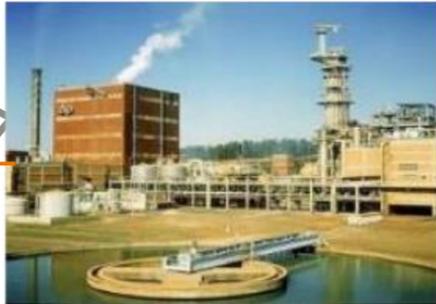
NUEVA ALDEA
 520 EKP
 520 BSKP



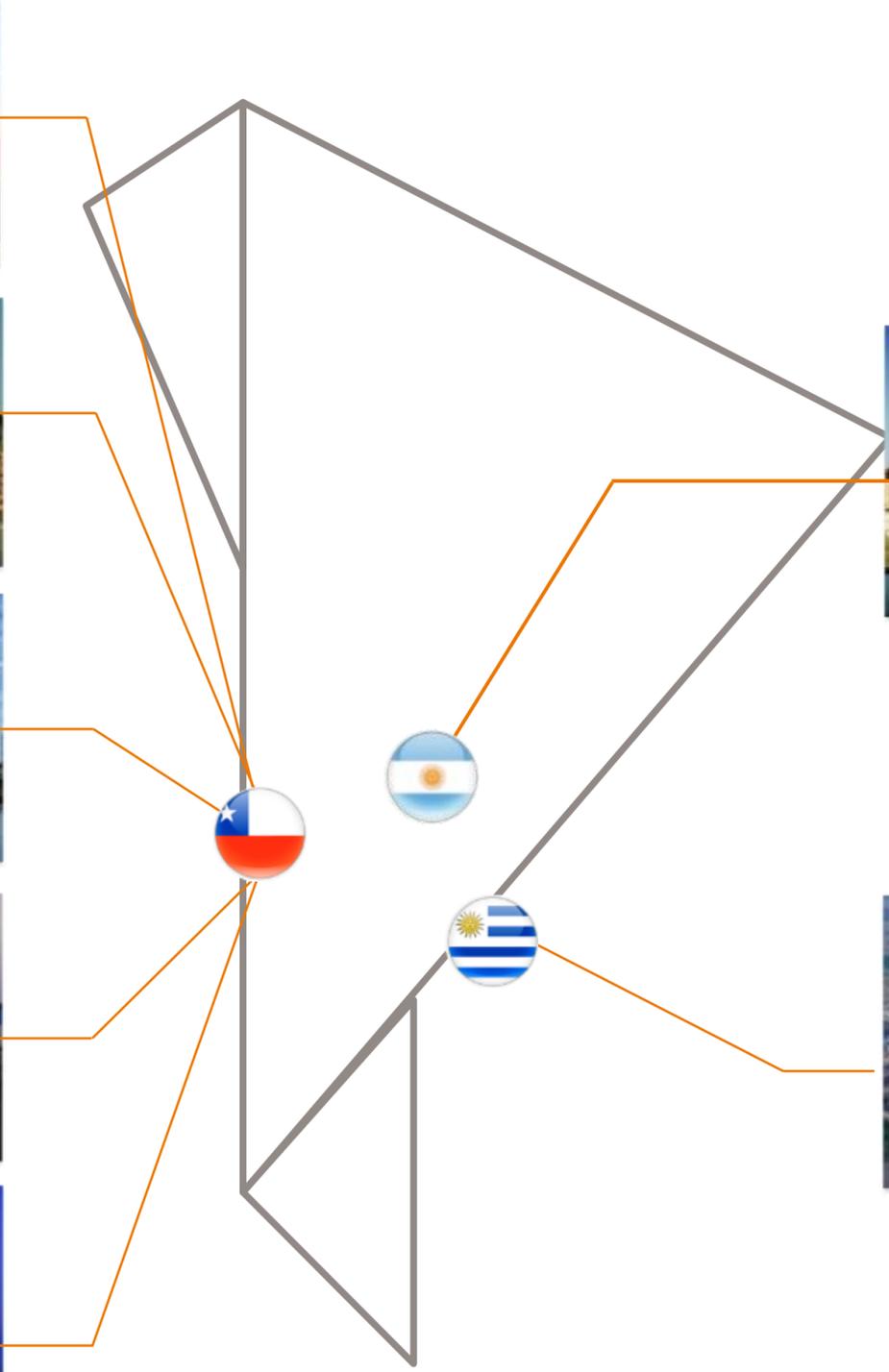
VALDIVIA
 550 EKP,
 or DP Swing mill



ALTO PARANA
 350 BSKP & Fluff
 Swing mill



MONTES DEL PLATA
 1,414 EKP
 Arauco owns 50%



PULP BUSINESS COMPETITIVE ADVANTAGES

1. Logistic Efficiency



Average distances from
Forests to Mills

Chile	85
Argentina	80
Uruguay	282

Average distances from
Mills to Ports

	Km
Licancel	420
Constitucion	316
Nueva Aldea	63
Arauco	35
Valdivia	301
Alto Paraná	1,200
Montes del plata	0
Weighted Avg.	203⁽¹⁾

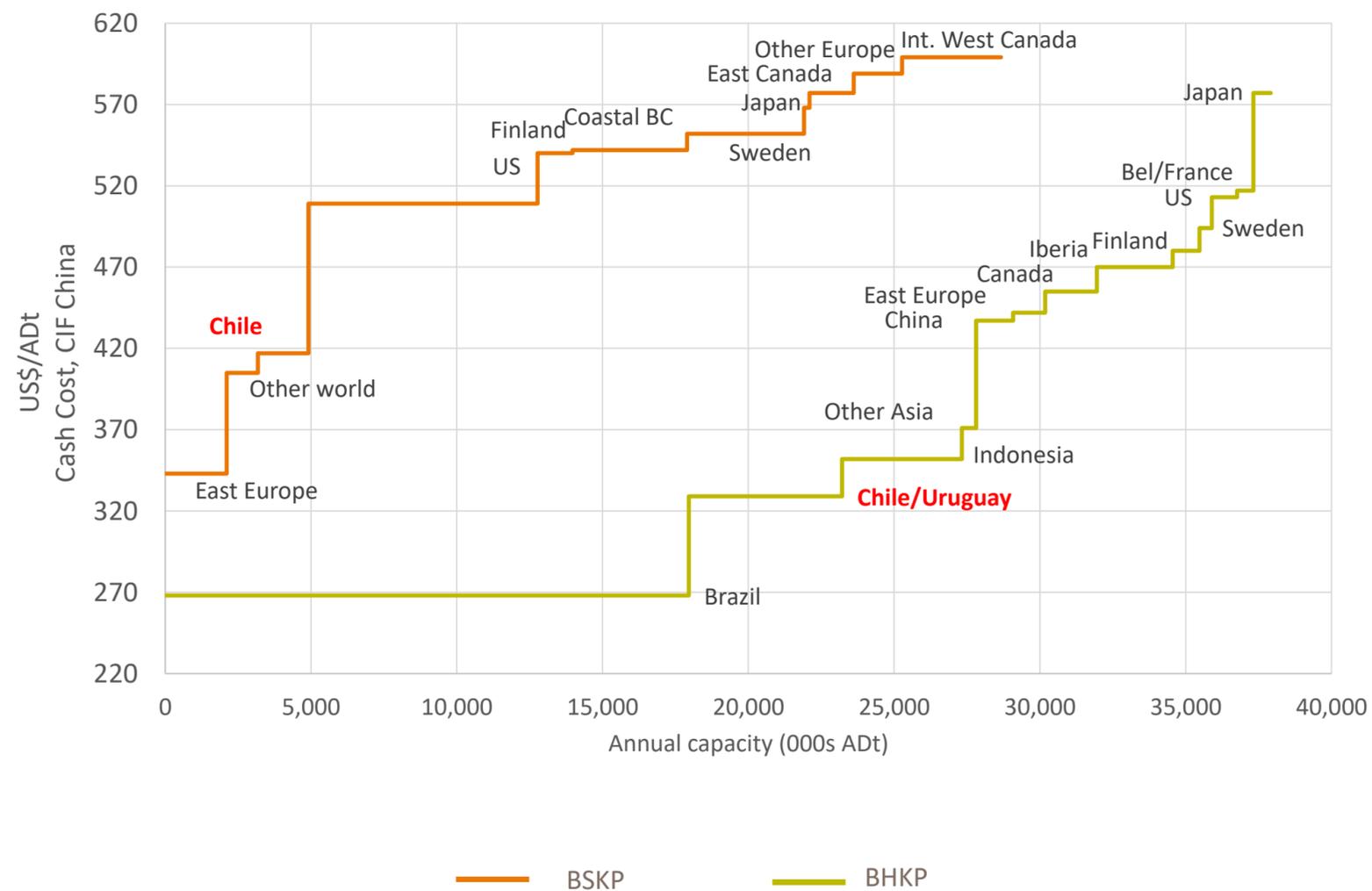
with MAPA

Source: ARAUCO, as of December 2020

(1) Calculated using sales volume for 2020

(2) Calculated including sales volume from ARAUCO's Line 3 expected capacity and assuming Line 1's shutdown

2. Cost Advantages



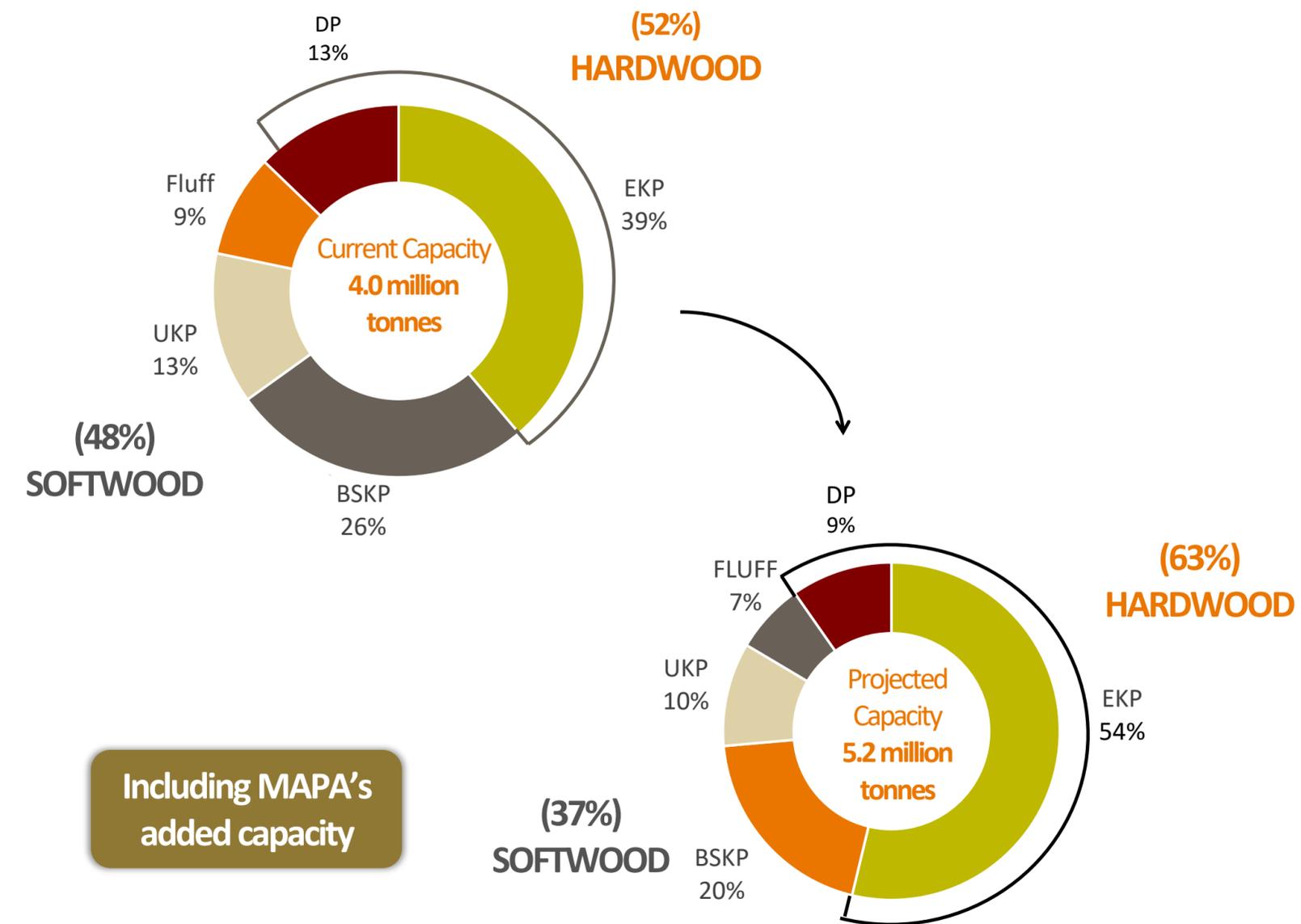
Source: Hawkins Wright, as of December 2020

Other world includes Argentina, China and Oceania.

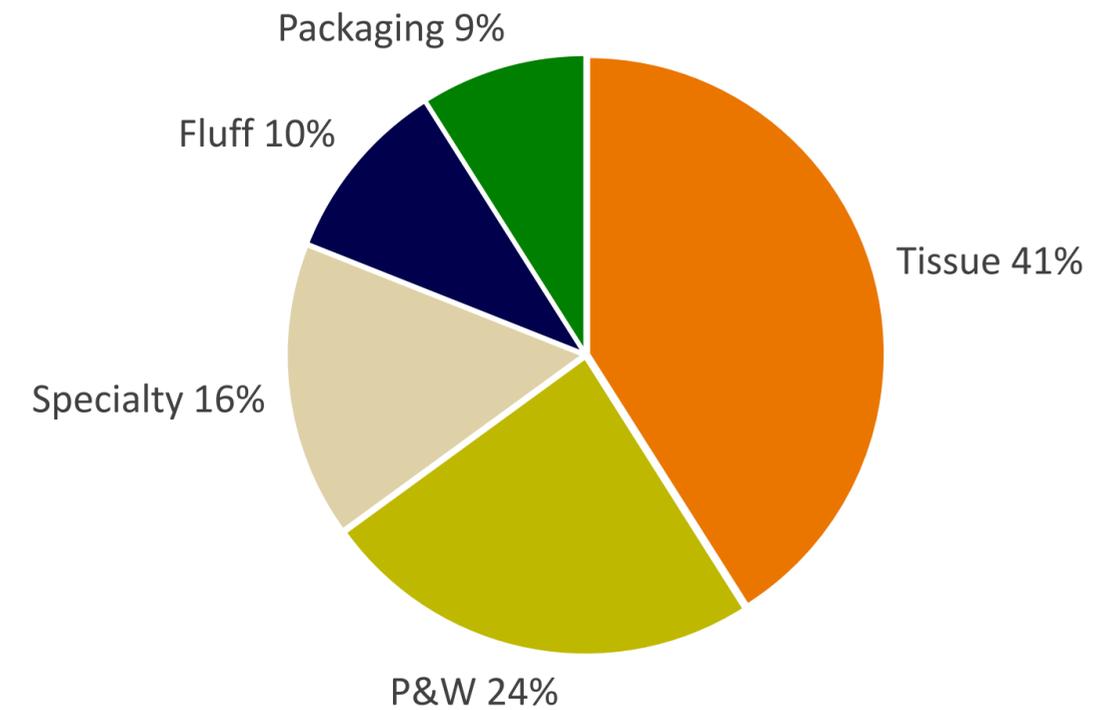
PULP BUSINESS

COMPETITIVE ADVANTAGES

3. Product Diversification



BCP shipment by end-use, 2021 estimate ⁽²⁾



(2) Source: Hawkins Wright, as of December 2020
 BCP: Bleached Chemical Pulp, which includes all bleached kraft pulp (and not unbleached) and sulphite pulp

Source: ARAUCO, as of December 2020

(1) Dissolving Pulp

The Valdivia mill will keep the ability to switch from producing dissolving pulp to paper grade (EKP).

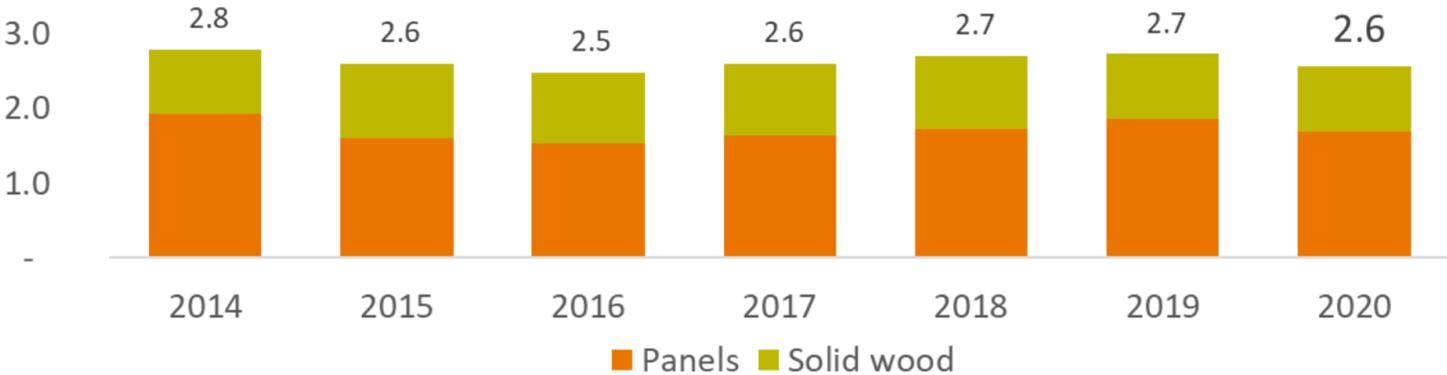
WOOD PRODUCTS BUSINESS

Revenues
MUS
\$2,581

Does not include energy sales
As of December 2020 LTM

Sales evolution

US\$ billion



Subdivisions

PANELS



SOLID WOOD

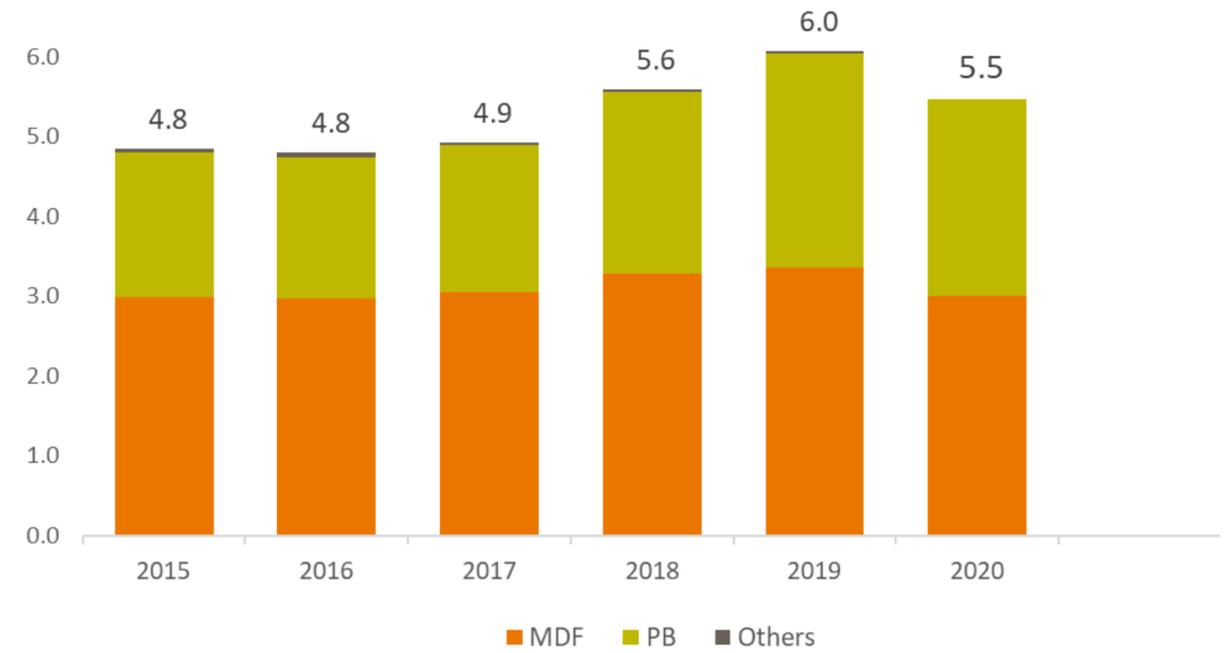
WOOD PRODUCTS BUSINESS: PANELS

Panels Sales
MUS
\$1,689

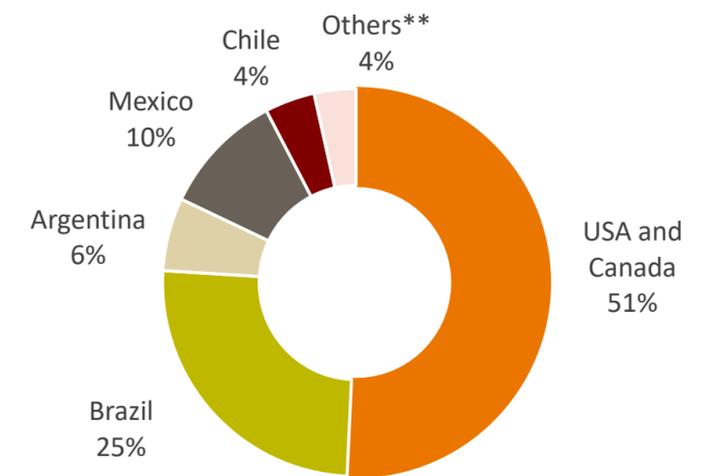
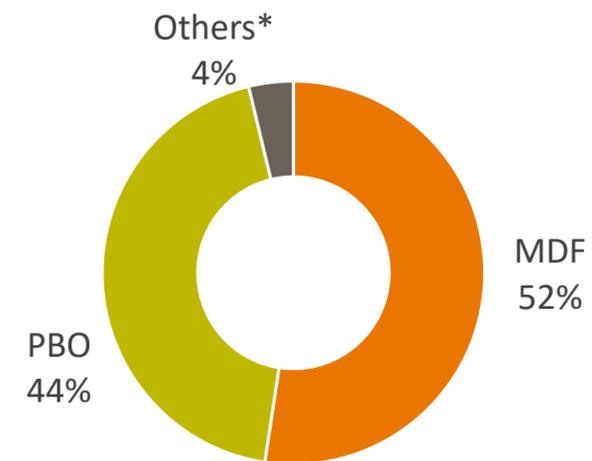
Does not include energy sales
As of December 2020 LTM

Production

million m³



Sales volume: 5.7 million m³



As of December 2020 LTM

Does not include Sonae Arauco volumes

*OSB, HB, Retail and Composite panels

** EMEA, Asia, Oceania and Rest of Latam

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PANELS

OUR MILLS

in thousands

2 mills
470 m³ MDF

4 mills *
1,050 m³ PB
888 m³ MDF
460 m³ OSB

2 mills*
140 m³ MDF
430 m³ PB

2 mills*
360 MDF
450 PB

6 mills
595 m³ MDF
1,680 m³ PB

2 mills
315 m³ PB
250 m³ MDF

4 mills
1,520 m³ MDF
690 m³ PB

2 mills*
472 m³ PB**
84 m³ MDF

3 mills
500 m³ MDF
340 m³ PB

2 mills
300 m³ MDF
260 m³ PB

Legend

MDF: Medium Density Fiberboard

PB: Particle Board

OSB: Oriented Strand Board

As of December 2020

*Arauco owns 50% of Sonae Arauco

**One PB mill in South Africa is currently shut down

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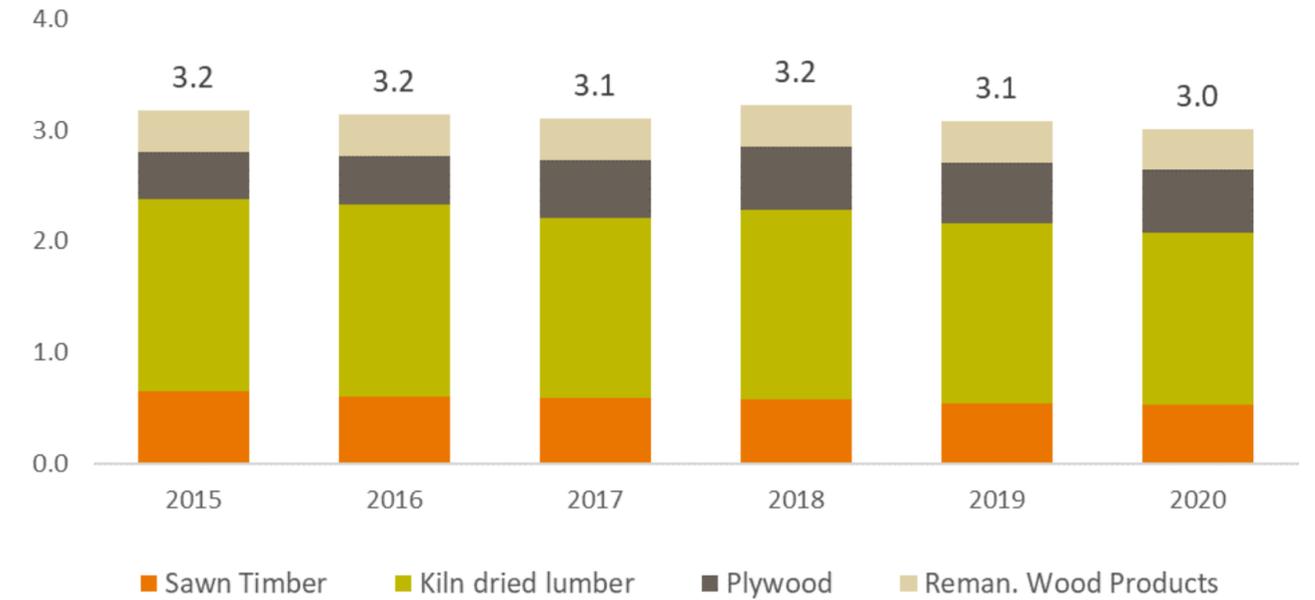
WOOD PRODUCTS BUSINESS: SOLID WOOD

Solid Wood Sales
MUS
\$892

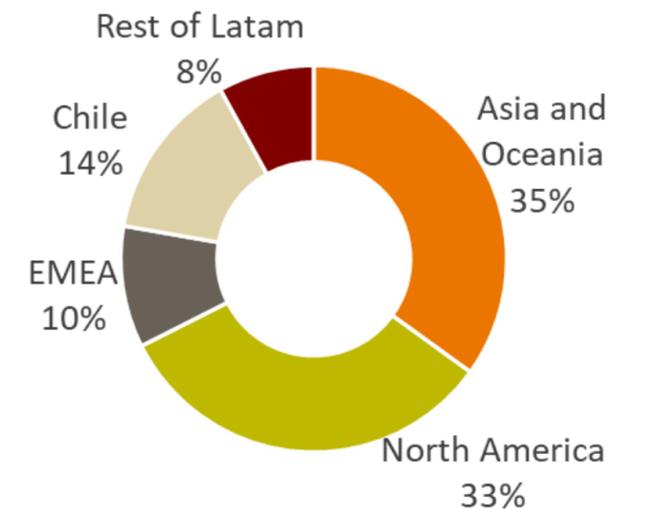
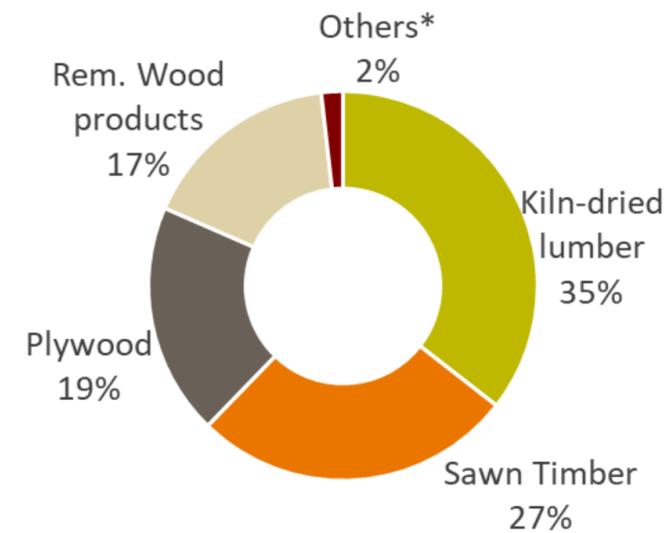
Does not include energy sales
As of September 2020 LTM

Production

million m³



Sales volume: 2.8 million m³



As of December 2020 LTM
Does not include Sonae Arauco volumes
* Pallets

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SOLID WOOD
OUR MILLS
 in thousands



Legend
 ST: Sawn Timber
 Rem: Remanufactured Wood Products

As of December 2020
 *Arauco owns 50% of Sonae Arauco

ENERGY BUSINESS

Revenues
MUS
\$63

As of December 2020 LTM

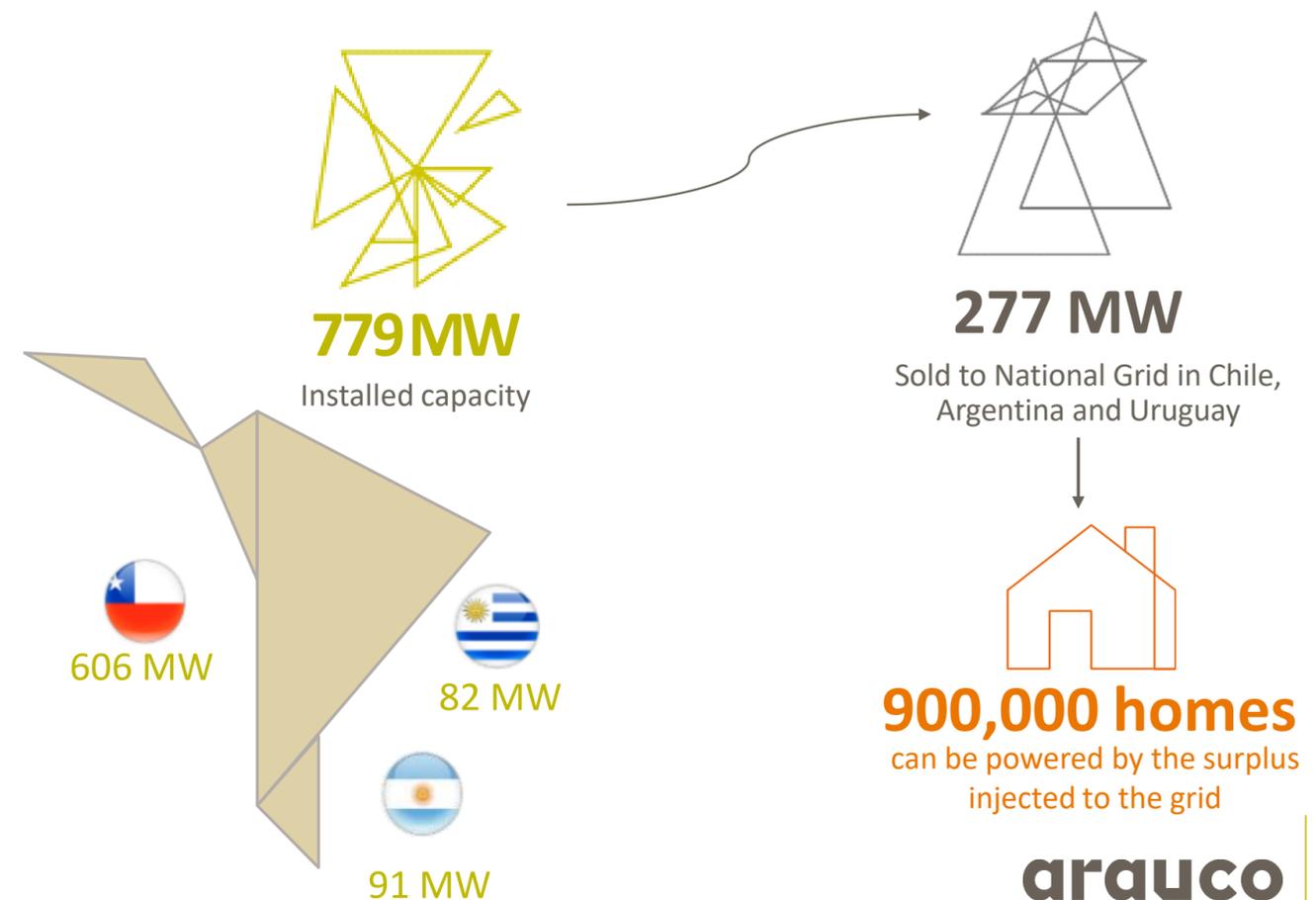
Highlights

Arauco generates renewable energy from forestry biomass and uses it in the production processes.

In Chile, Argentina and Uruguay, we are self-sufficient in net electricity consumption and we sell the surplus to the local grid.

5 cogeneration plants in Chile and 1 plant in Uruguay are registered under the Kyoto Protocol Clean Development Mechanism (CDM).

We expect MAPA will generate an additional surplus of 142MW available for the national grid.



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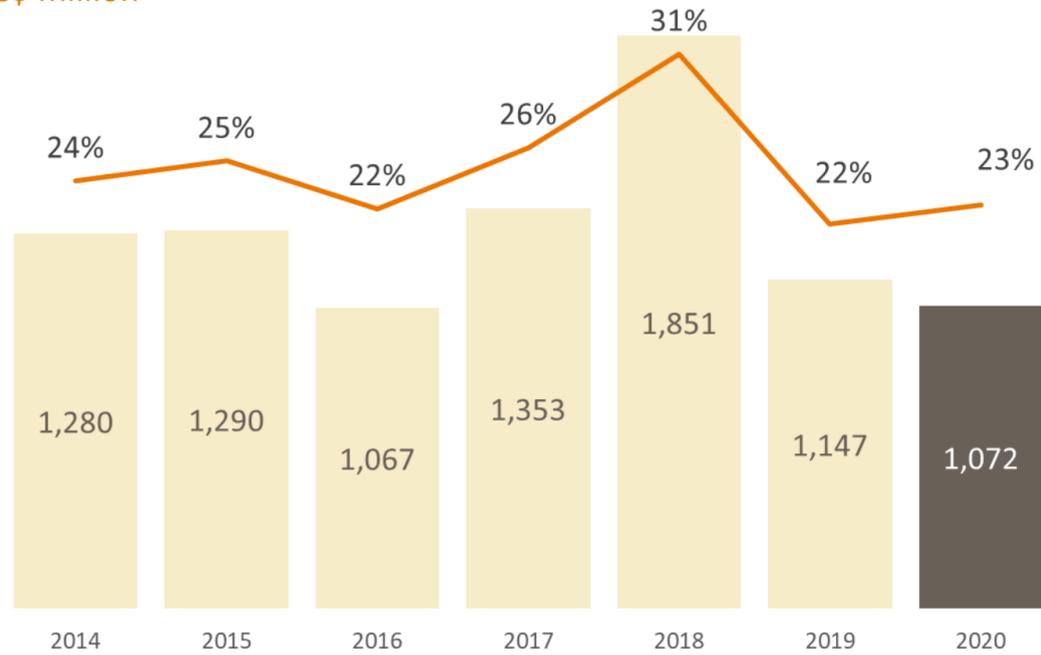


FINANCIAL HIGHLIGHTS

MAIN FIGURES

Adjusted EBITDA

US\$ million



CAPEX

US\$ million

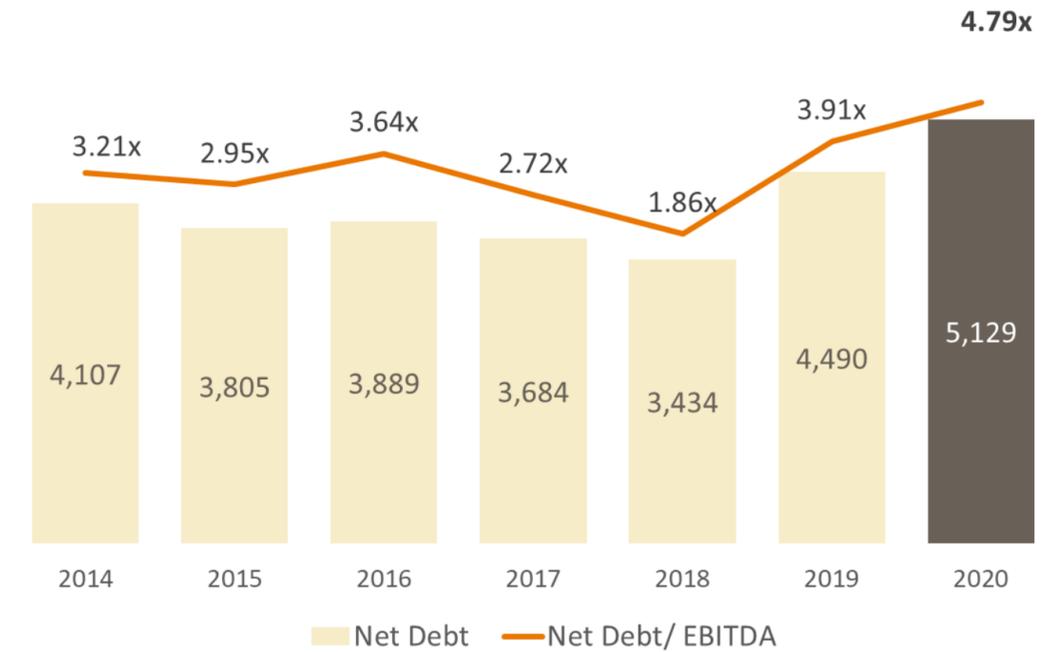


As of December 2020

(*) UF or "Unidad de Fomento" is a Chilean inflation-indexed currency

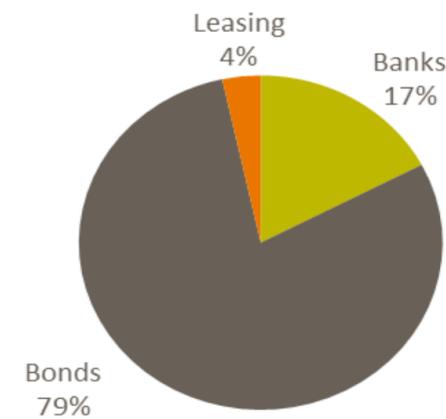
Net Debt

US\$ million

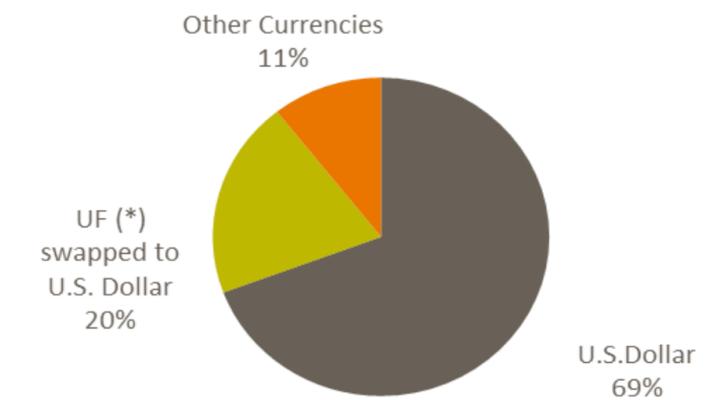


Debt Breakdown

by Instrument



by Currency



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FUTURE INVESTMENTS

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MAPA NEW PULP LINE AT ARAUCO MILL & COGENERATION PLANT

Modernization and Expansion of the Arauco Mill (MAPA) consists in the construction of a **third pulp line of 1.56 million tonnes of short fiber production capacity.**



The investment for this project is approximately **US\$ 2,350 million.**

The Project also considers the shut down of Arauco's line 1 of **290 th. tonnes** of short fiber pulp once the new line (line 3) is operating, and the construction of a cogeneration plant that we expect will generate a surplus of 142 MW to be made available for the national grid.



It is expected that the new line will start its operations during the fourth quarter of 2021, increasing ARAUCO's total pulp production capacity to more than **5 million tonnes.**

MAPA PROJECT TIMELINE



July 2018

The Board of Directors approved the MAPA Project.

February 2019

Earth-moving works start.

May 2019

Contracts awarded for construction companies, totaling approximately US\$ 680 million.

End of April 2021:

83% progress

Main equipment and parts on-site and construction continues.

April 2011

Arauco's first environmental studies for MAPA Project.

October 2018

Arauco signed main equipment contracts with Andritz and Valmet

April 2019

On April 1st, 2019, Arauco signed an ECA* agreement for a total of Eur 555 million. This financing is mainly associated with the suppliers contracts signed on October 2018.

2021

The new Line 3 is expected to start operating during the fourth quarter 2021, while Line 1 is shutdown.



(*) Export Credit Agency

SUSTAINABILITY



SUSTAINABILITY STRATEGY

Combining science, innovation and technology

with the goal of unlocking the full potential of our plantations.



Developing high standard, quality-oriented products

that always aim to be the superior choice for our customers.



Responsibly managing our operations using **best-in-class environmental practices** and promoting the safety of ARAUCO's workers.



Being a **virtuous actor** in the areas where we maintain operations to become an active agent for their social and economic development.



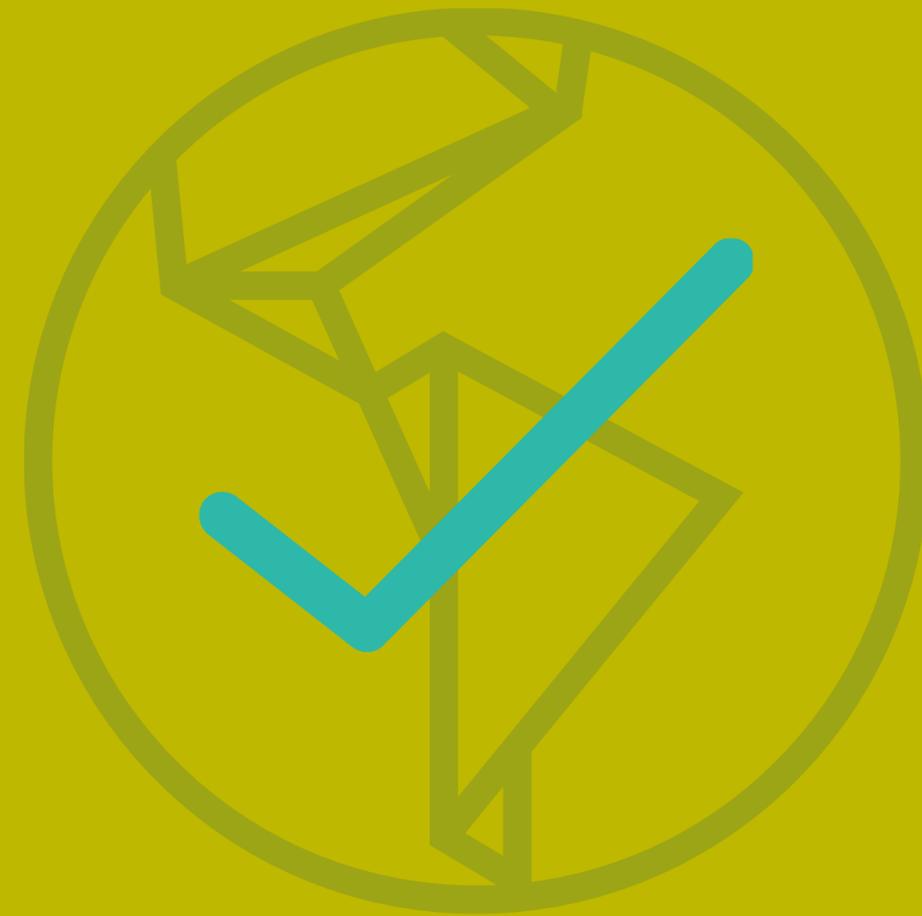
Towards a Bioeconomy

With products that come from responsible management of natural and renewable resources

**IN FACING THE
CHALLENGES FOR A
MORE SUSTAINABLE
WORLD, WE ARE
NOT NEUTRAL**

**ARAUCO, THE
WORLD'S FIRST
CARBON NEUTRAL
FORESTRY COMPANY**

A SIGNIFICANT AND REAL
CONTRIBUTION TO FIGHT THE
CLIMATE CRISIS



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WHAT WAS MEASURED?

CAPTURES BY FOREST PLANTATIONS AND CARBON STORED IN PRODUCTS



CAPTURES BY NATIVE FORESTS



GREATER IN ABSOLUTE TERMS

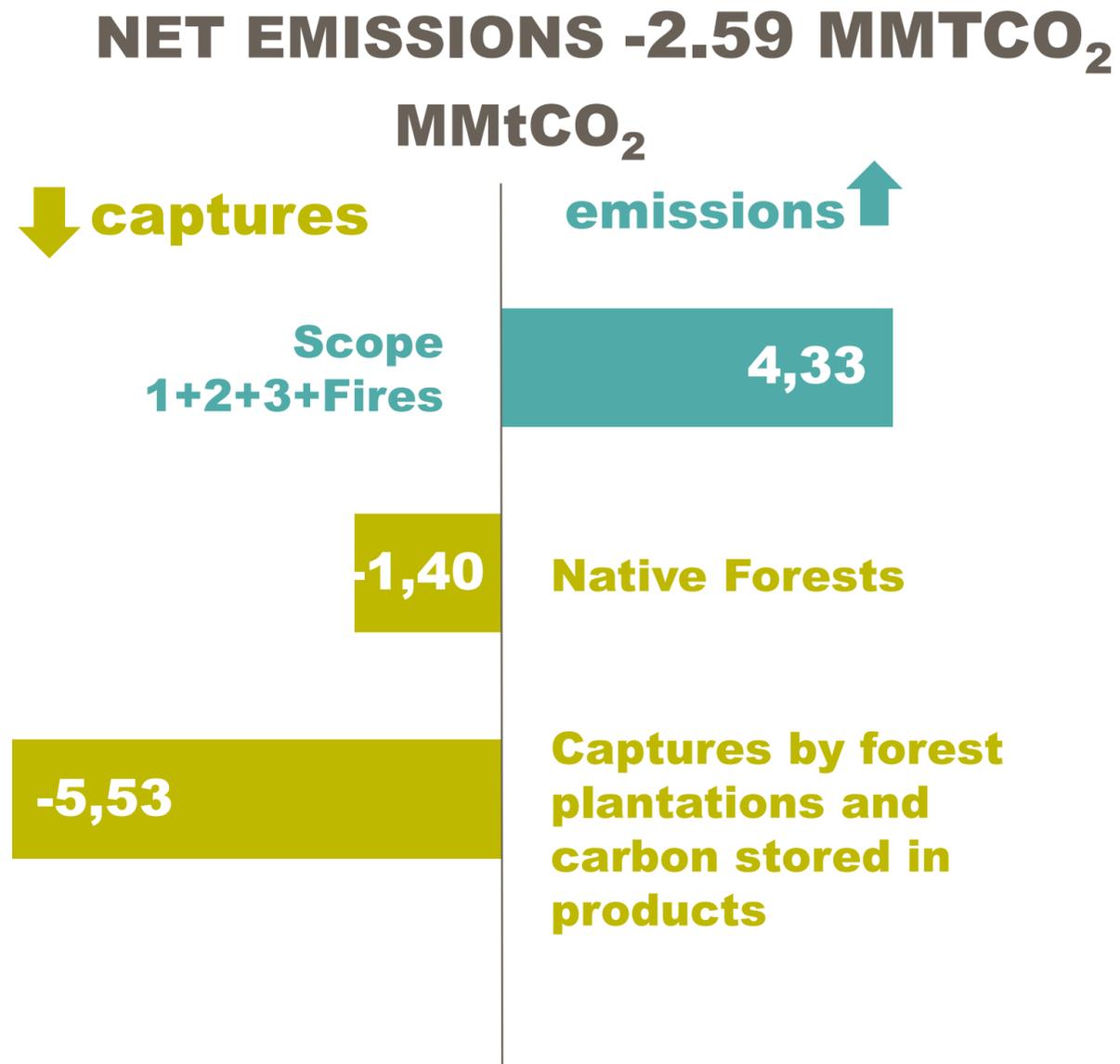
ARAUCO'S CARBON FOOTPRINT



EMISSIONS FROM FIRES

CARBON NEUTRAL 2020

ARAUCO achieved neutrality in 2018, generating a surplus of 2,599,753 tons of CO₂e.



Deloitte.



Deloitte officially validated our carbon neutrality for 2018 (Method applied in accordance with the Deloitte Neutrality Protocol guidelines)

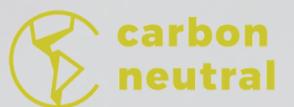
Price Waterhouse Coopers audited the entire estimation process of captures and storage in forestry products

ARAUCO is the first company to successfully apply this protocol

The goal is to be able to expand the use of this protocol which may be applied to other firms and industries



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SUSTAINABILITY STRATEGY



Engagement with

220

communes

over

50

programs with communities



Around

US\$56 million

Invested during 2019
in environmental projects

We maintain and protect,

63

Areas of High Biological
Conservation Value

128

Areas of High Social,
Cultural or Religious
Conservation Value



more than 70,000 direct beneficiaries

In alignment with the UN



**FOR FURTHER INFORMATION,
PLEASE CONTACT:**

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