



aravalco

Corporate Presentation
1Q 2021

renewables for a better life

ARAUCO at a glance

As of March 2021 LTM

Shareholder Structure

Angelini Group

74.70%

Antar Chile

60.82%

Empresas Copec

99.98%

arauco

Credit Ratings

International Scale

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

National Scale

Fitch Ratings	AA* (Stable*)
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

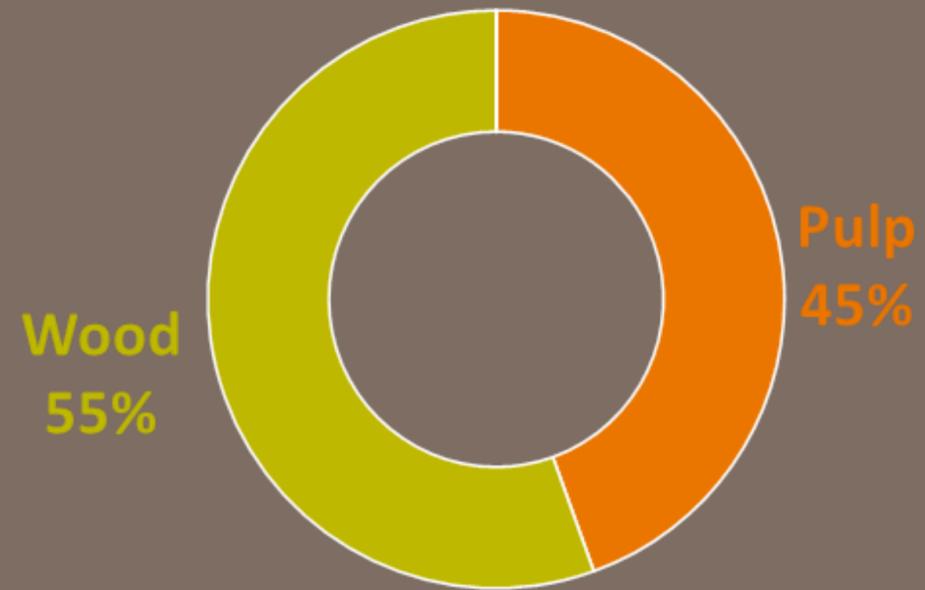
EBITDA	1,262	Net Income	157
EBITDA Margin	25%	CAPEX	1,587
Net Debt/EBITDA	4.0x	Revenues	4,952

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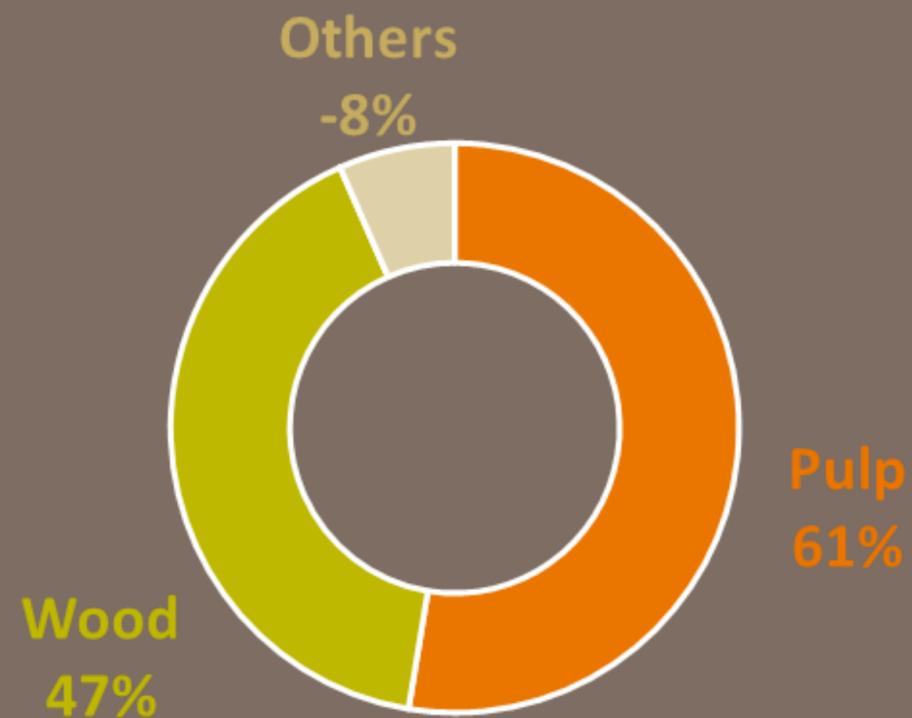


DIVERSIFIED SALES AROUND THE WORLD

Revenues
MUS\$4,952



Adjusted EBITDA
MUS\$1,262



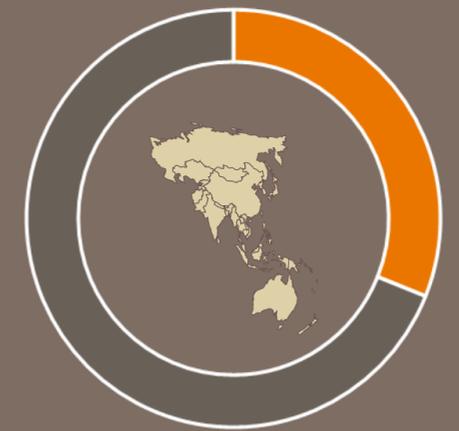
As of March 2021 LTM

REVENUES BY REGION

As of December 2020



34%
North America



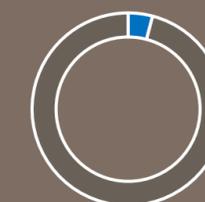
31%
Asia and Oceania



24%
Central and
South America



6%
Europe



5%
Others

TWO STRATEGIC BUSINESS SEGMENTS

	Pulp		Wood products		Complementary energy operations
	Forest Plantations	Mills	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 mainly with eucalyptus (globulus, nitens), pine (radiata, taeda, elliottii) and others.

(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.

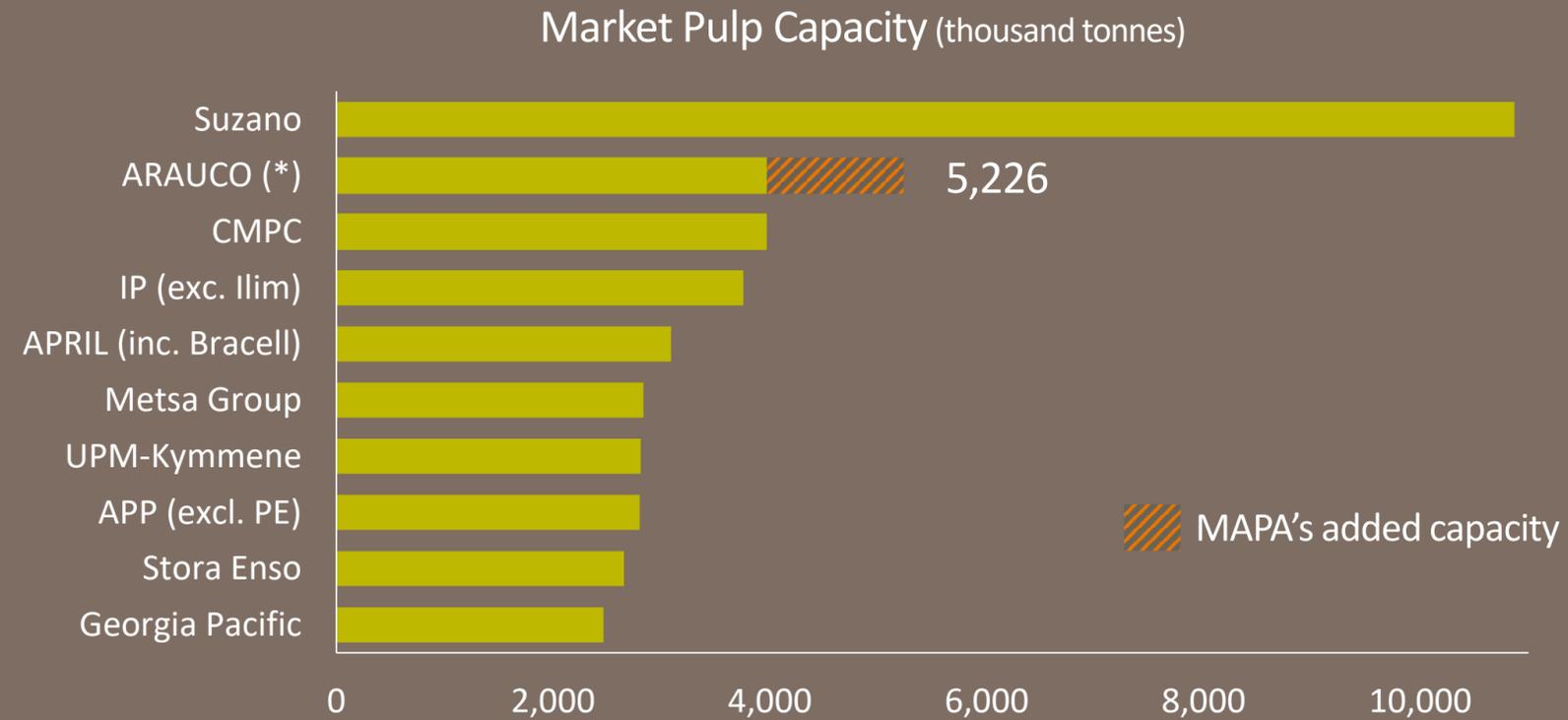
arauco



WE ARE A MAIN PLAYER IN THE GLOBAL MARKET

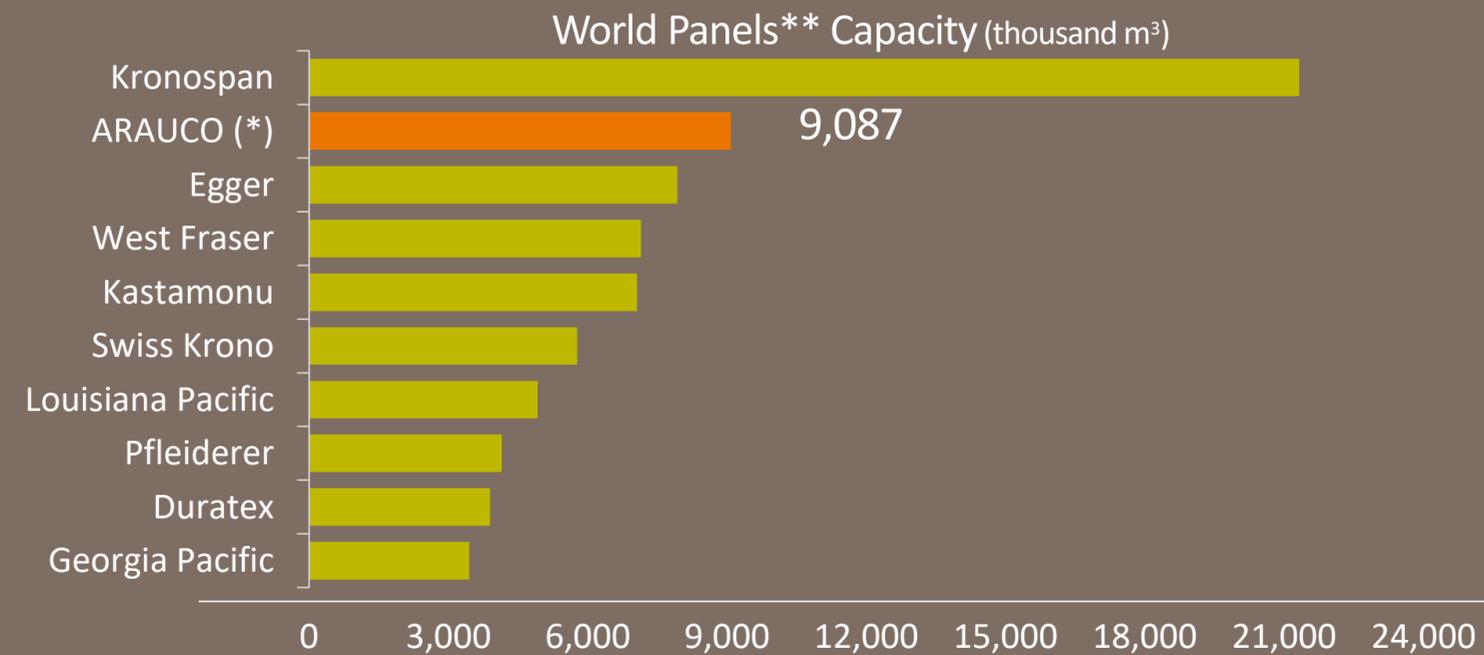
#2

In market pulp capacity in the world



#2

In Panels capacity in the world



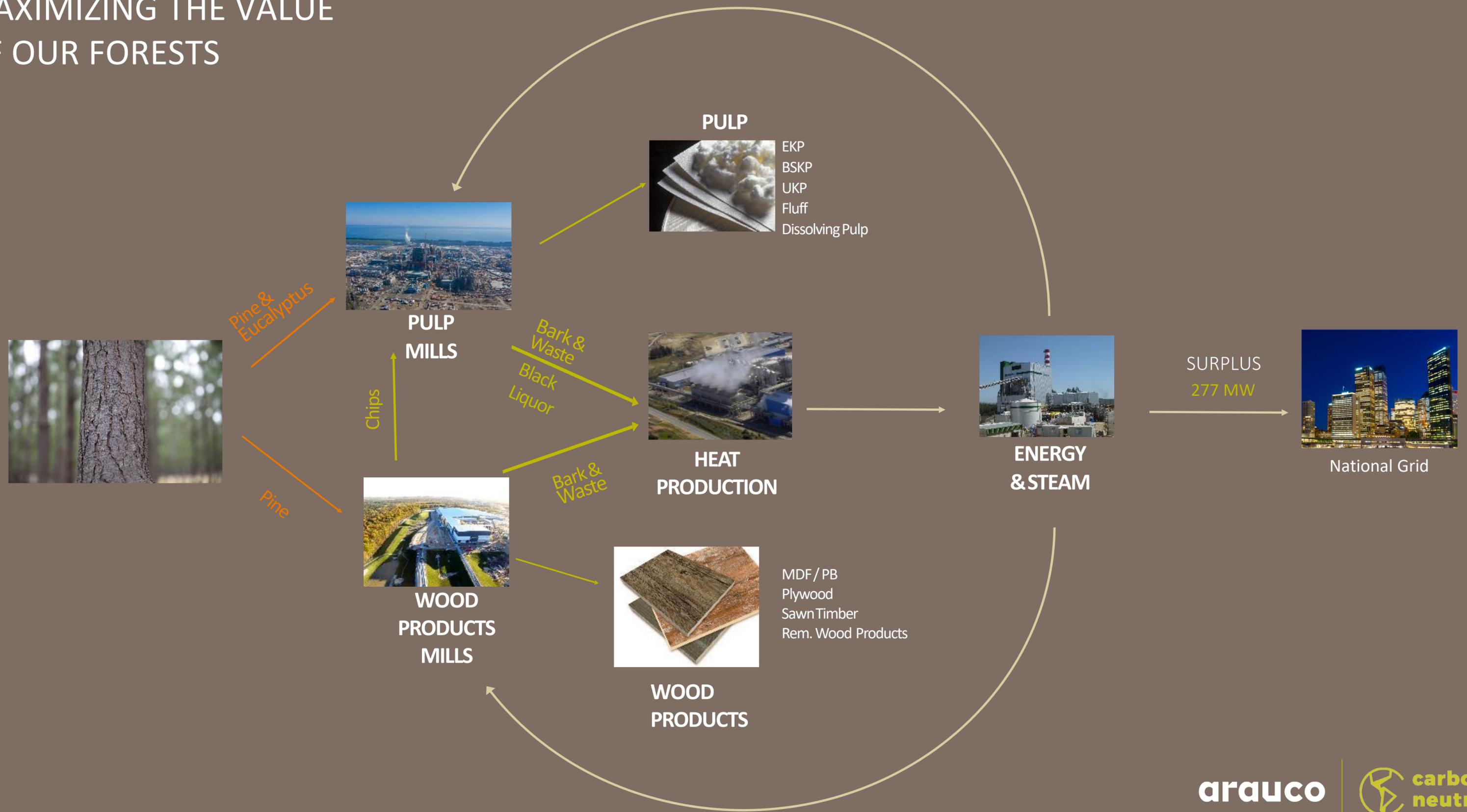
World market pulp and panel competitors capacity as of December 2020

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

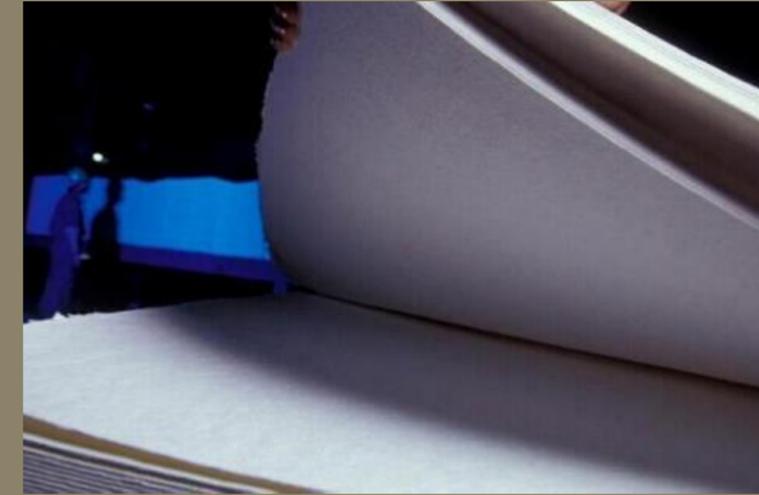
**Panels refers to Composite Panels, which corresponds to MDF, PB and OSB.

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

MAXIMIZING THE VALUE OF OUR FORESTS



BUSINESS SEGMENTS



PULP BUSINESS

Pulp Sales MUS\$2,027

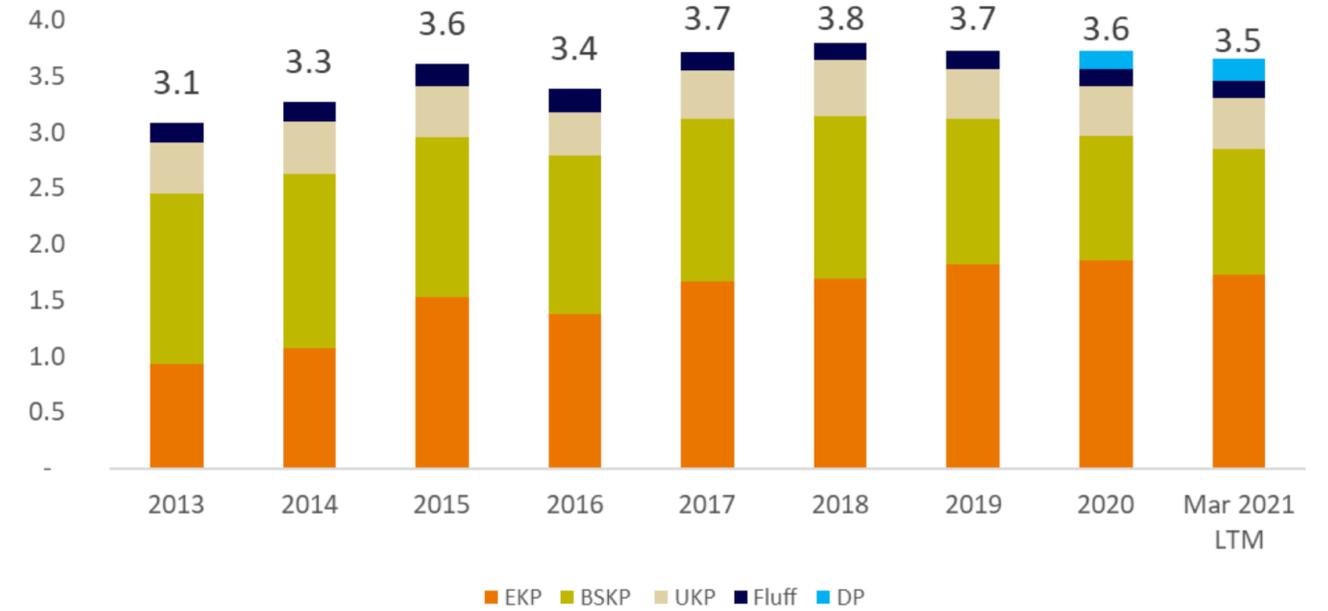
Does not include energy sales
As of March 2021 LTM



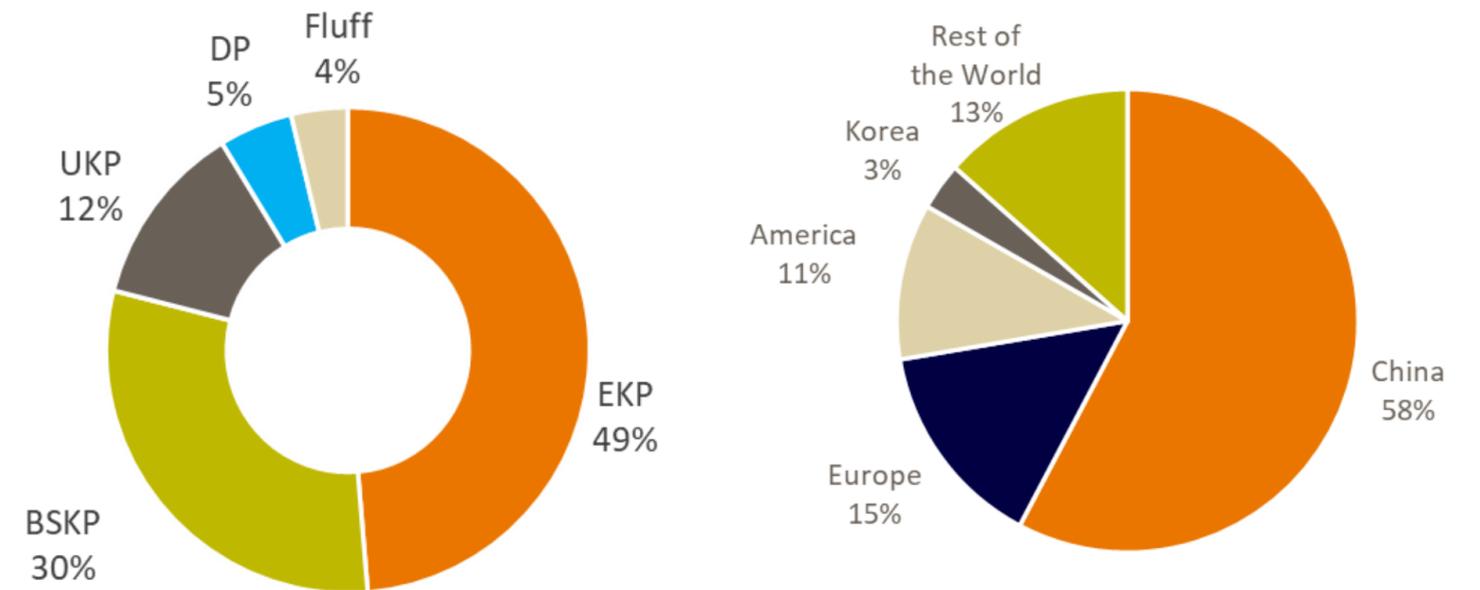
- (1) Eucalyptus Kraft Pulp
- (2) Bleached Softwood Kraft Pulp
- (3) Unbleached Kraft Pulp
- (4) Dissolving Pulp

Production

million tonnes



Sales volume: 3.7 million tonnes



As of March 2021 LTM

arauco

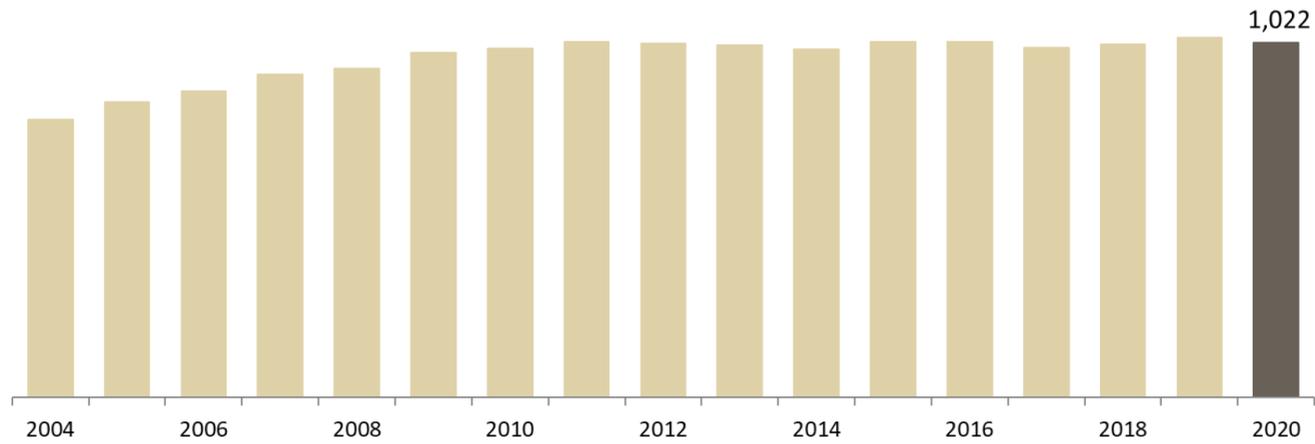


PULP BUSINESS – FORESTRY OPERATIONS

Total Plantations

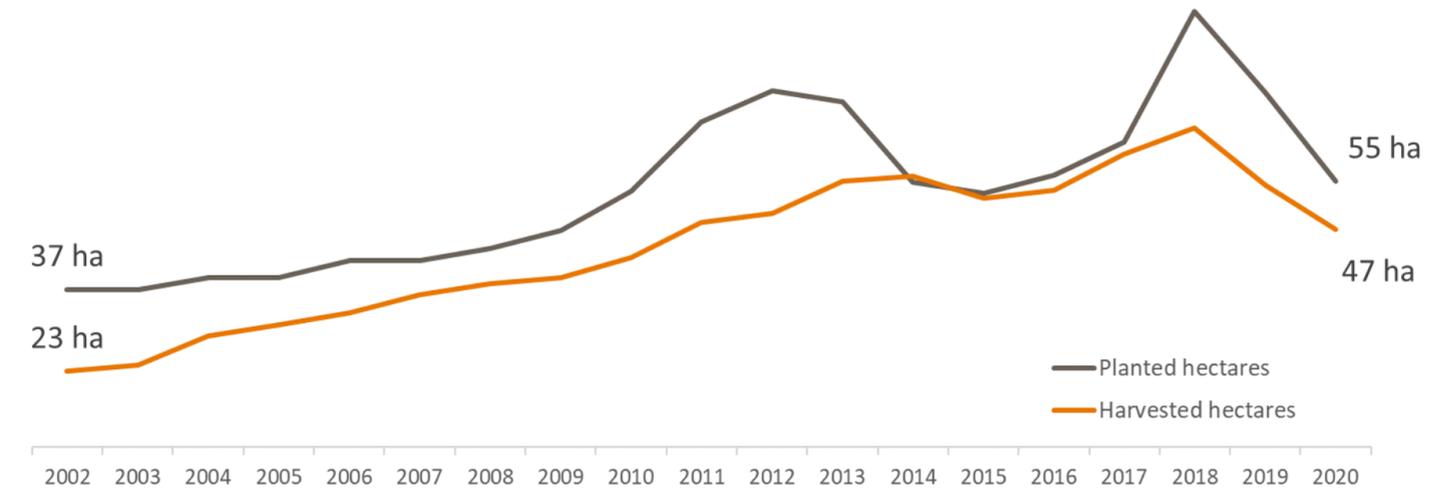
Includes plantations in Chile, Argentina, Brazil and Uruguay

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

PULP BUSINESS – FORESTRY OPERATIONS

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

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



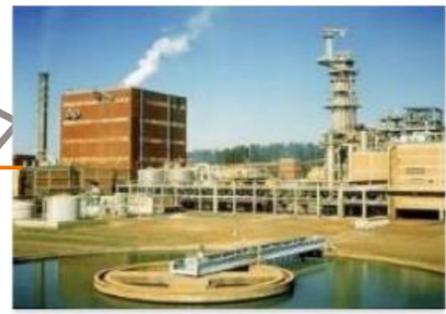
NUEVA ALDEA
 520 EKP
 520 BSKP



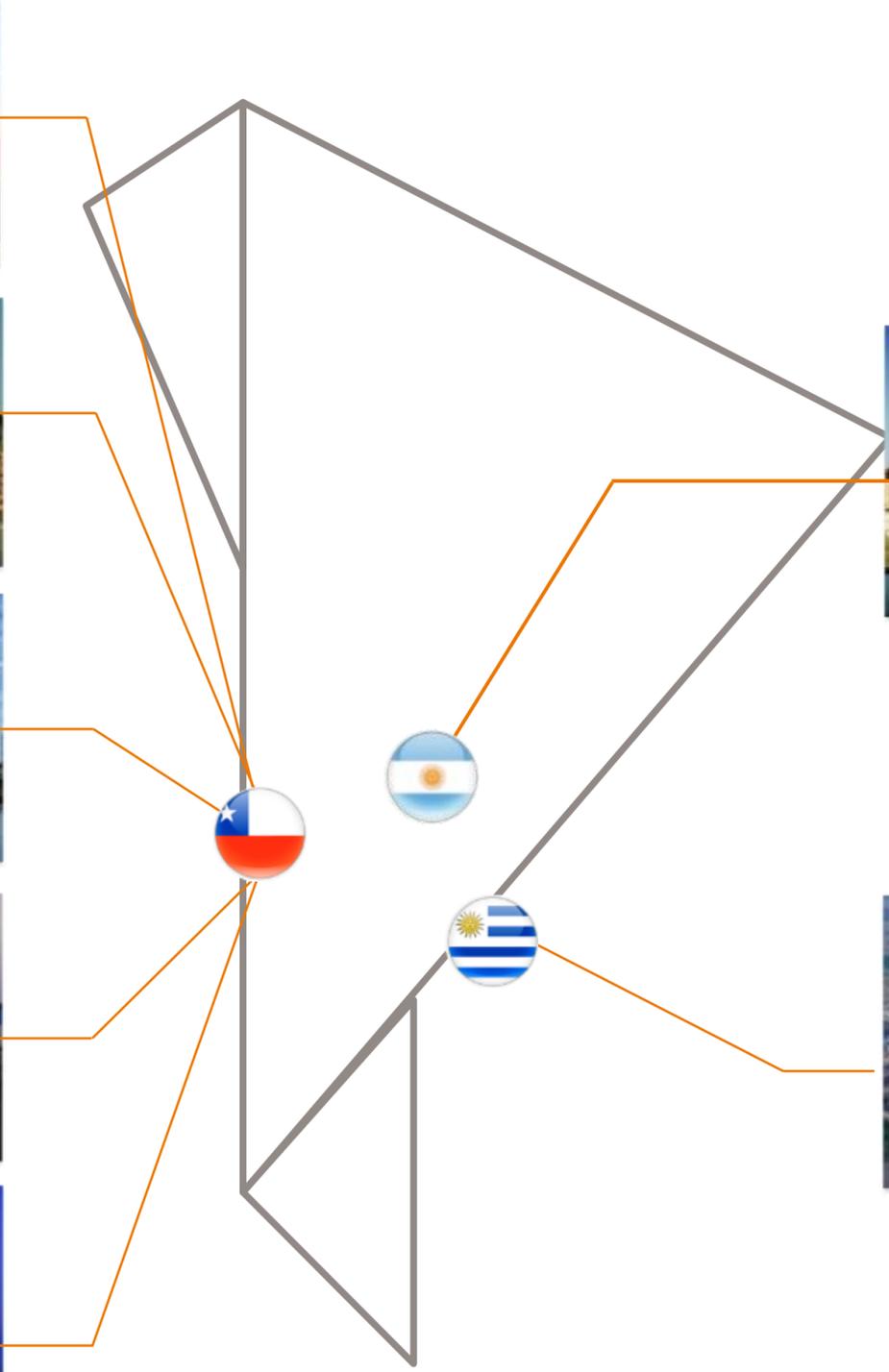
VALDIVIA
 550 EKP,
 or DP Swing mill



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

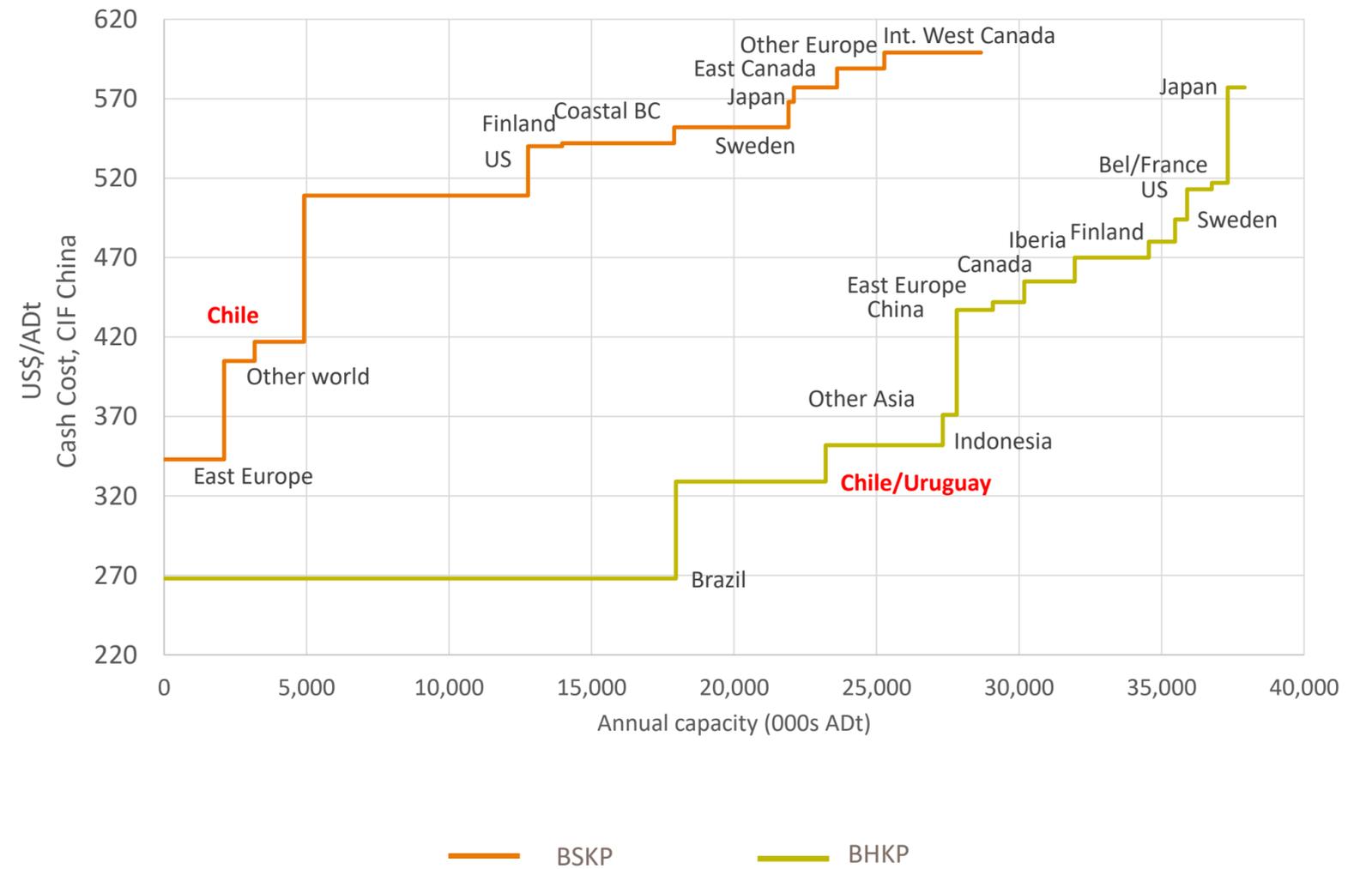
Chile	85
Argentina	80
Uruguay	282

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

2. Cost Advantages



Source: Hawkins Wright, as of December 2020
Other world includes Argentina, China and Oceania.

Source: ARAUCO, as of December 2020

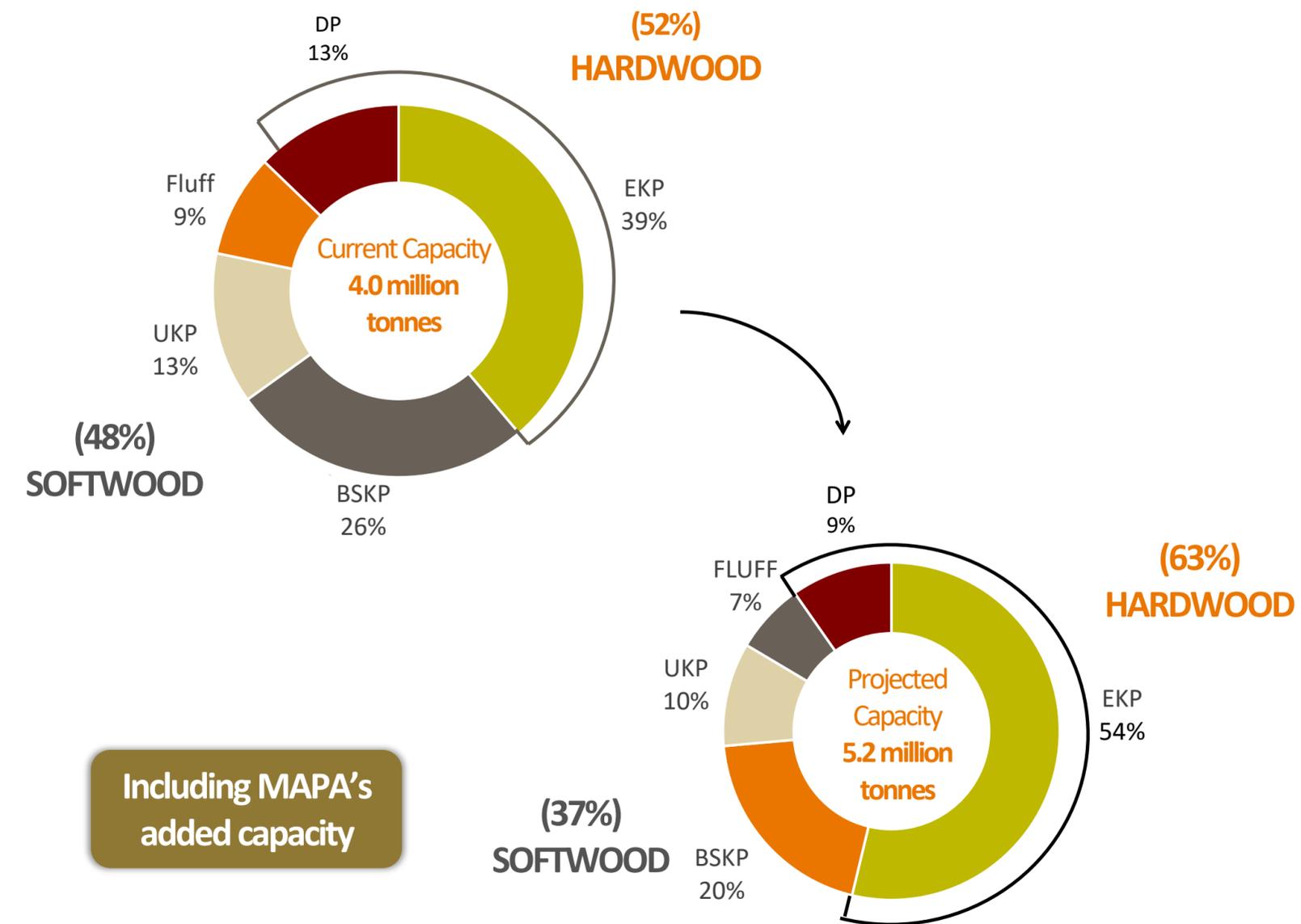
(1) Calculated using sales volume for 2020

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

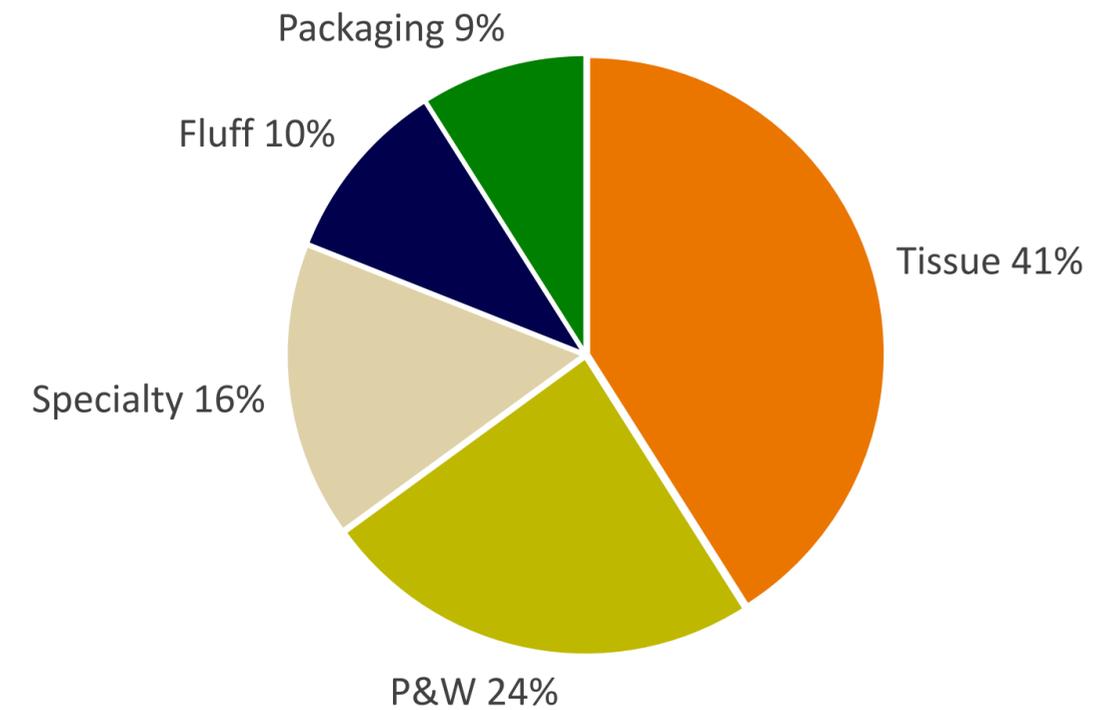
PULP BUSINESS

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).

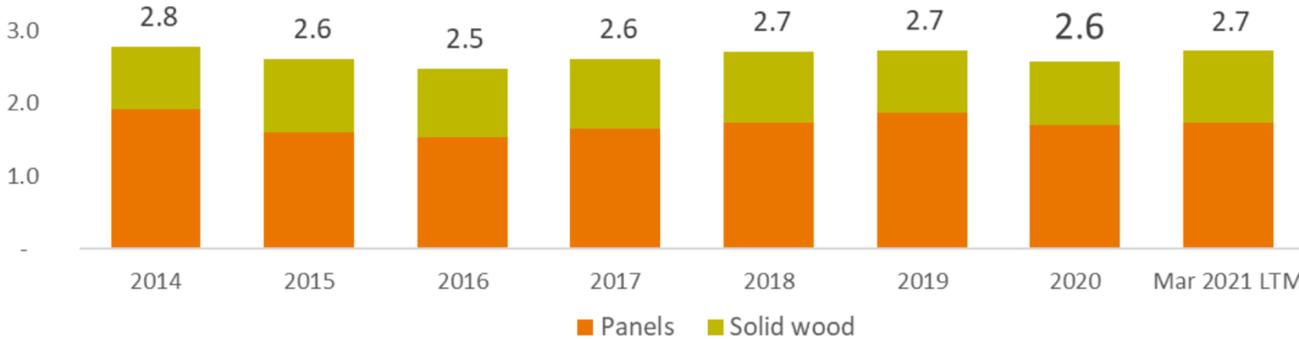
WOOD PRODUCTS BUSINESS

Revenues MUS\$2,732

Does not include energy sales
As of March 2021 LTM

Sales evolution

US\$ billion



Subdivisions

PANELS



SOLID WOOD

WOOD PRODUCTS BUSINESS: PANELS

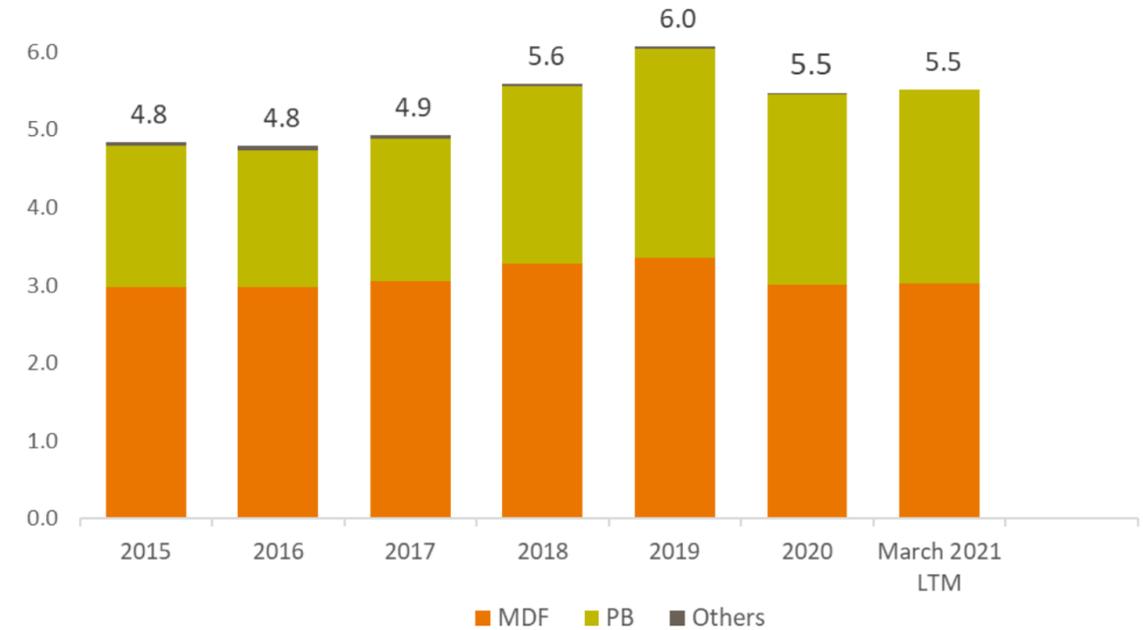
Panels Sales

MUS\$1,727

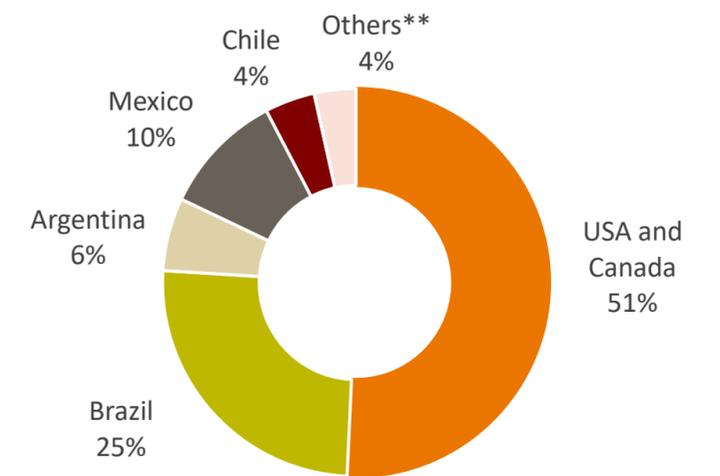
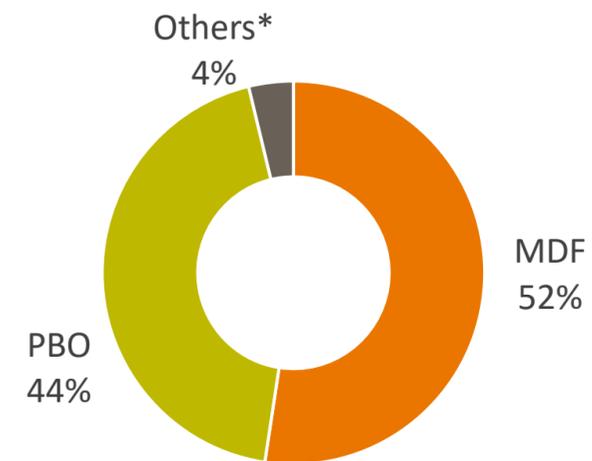
Does not include energy sales
As of March 2021 LTM

Production

million m³



Sales volume: 5.7 million m³



As of March 2021 LTM
Does not include Sonae Arauco volumes
*OSB, HB, Retail and Composite panels
** EMEA, Asia, Oceania and Rest of Latam

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

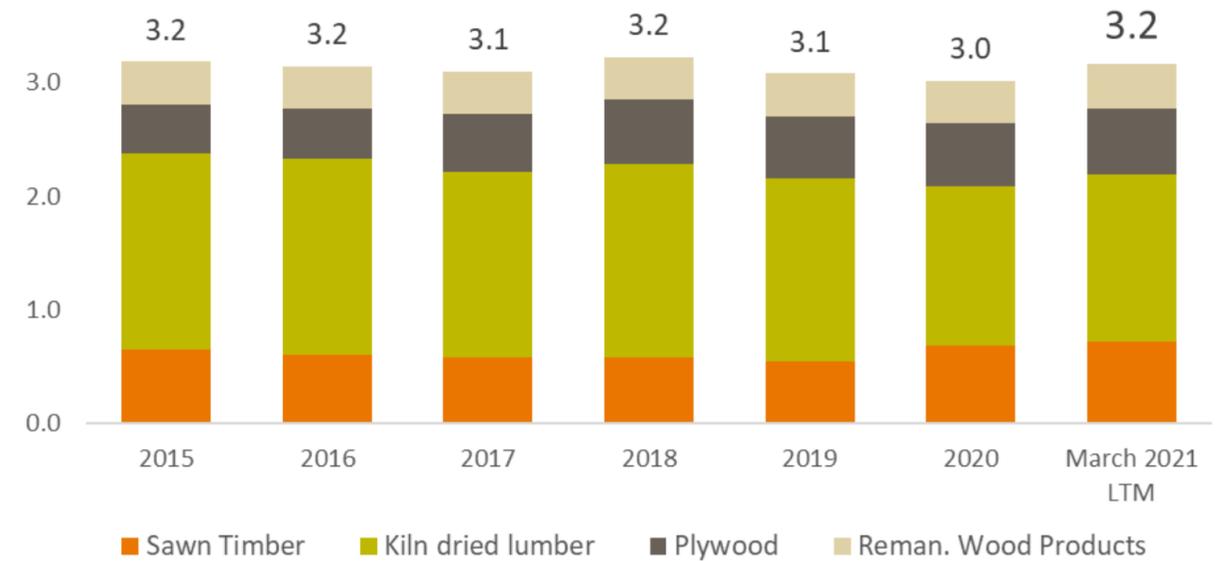
WOOD PRODUCTS BUSINESS: SOLID WOOD

Solid Wood Sales MUS\$1,005

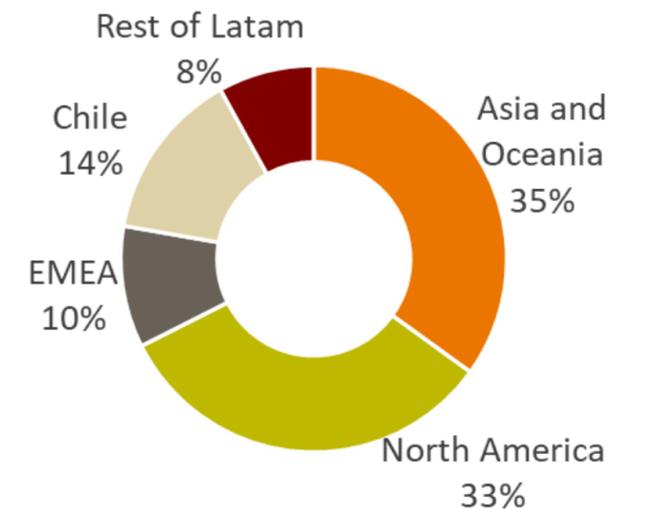
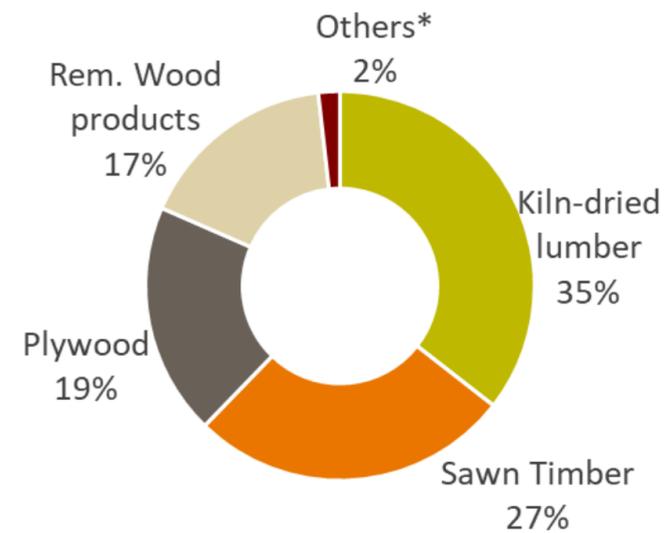
Does not include energy sales
As of March 2021 LTM

Production

million m³



Sales volume: 2.9 million m³



As of March 2021 LTM
Does not include Sonae Arauco volumes
* Pallets

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SOLID WOOD
OUR MILLS
in thousands



1 sawmill*
70 th. m³ ST

7 Sawmills
2,646 m³ ST
408 m³ Rem
2 Plywood Mills
710 m³

1 sawmill
318 m³ ST
67 m³ Rem

Legend
ST: Sawn Timber
Rem: Remanufactured Wood Products

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

ENERGY COMPLEMENTARY OPERATIONS

Revenues MUS\$65

As of March 2021 LTM

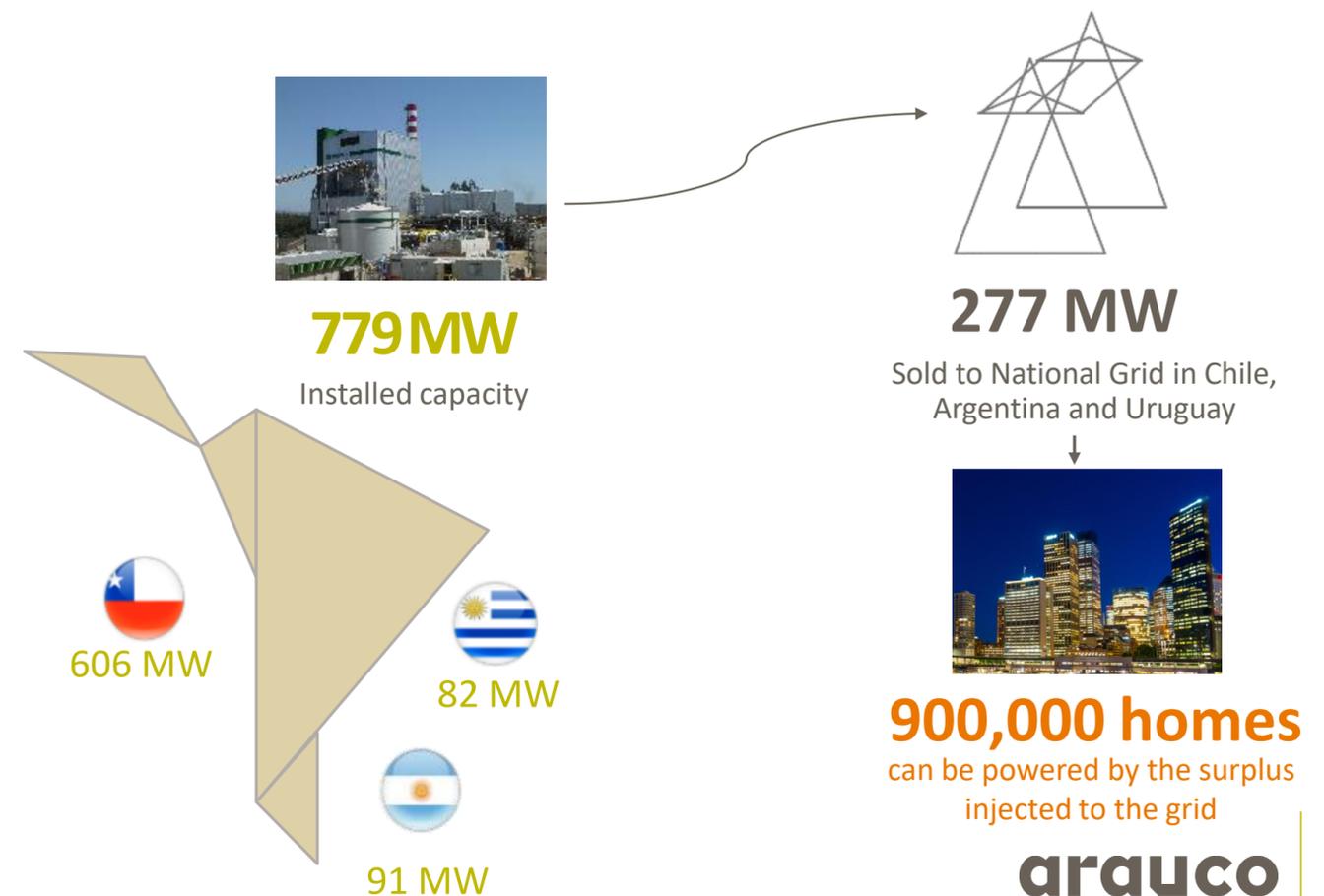
Highlights

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.

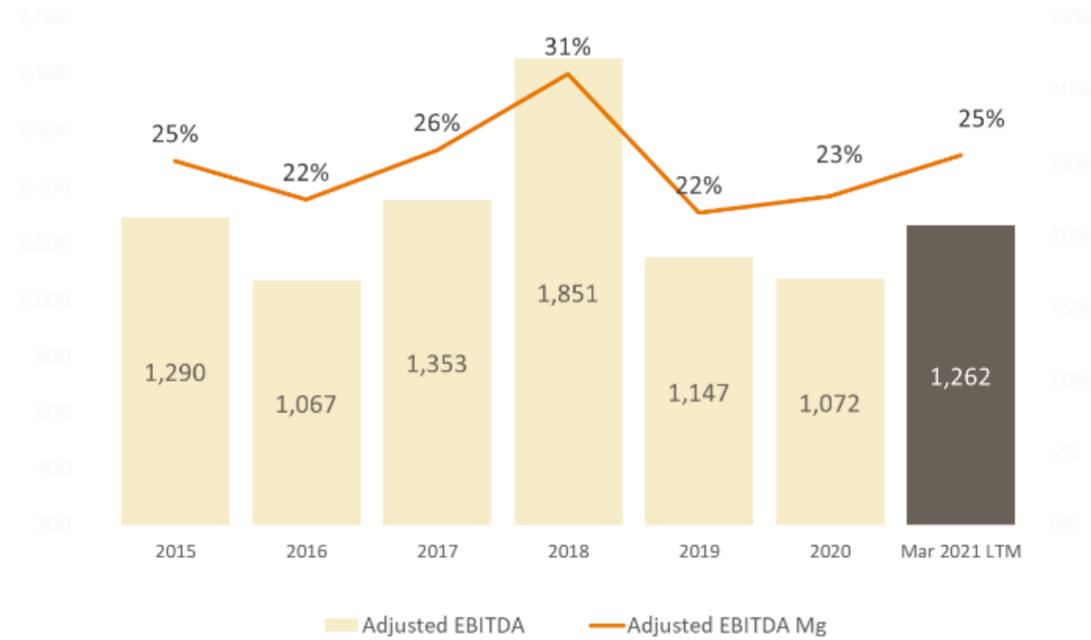


FINANCIAL HIGHLIGHTS

MAIN FIGURES

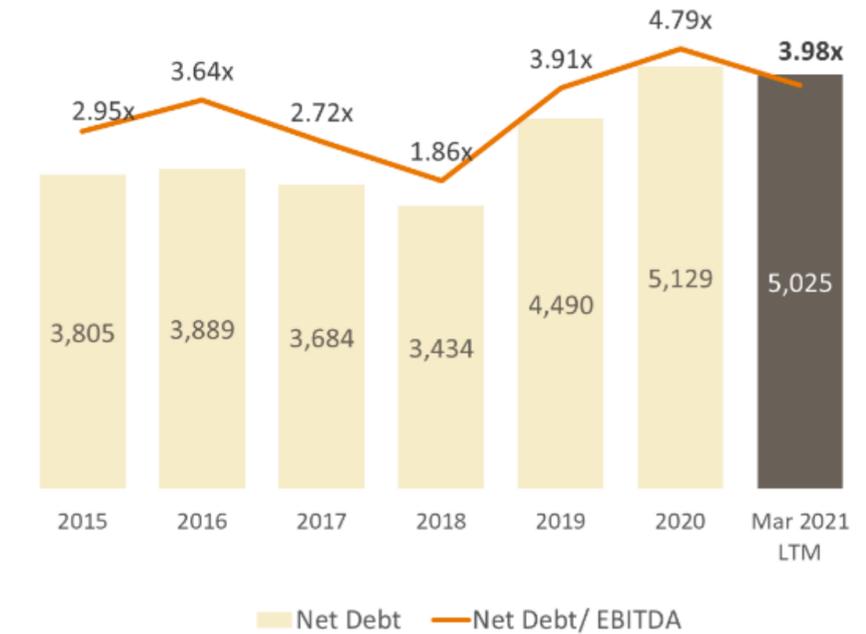
Adjusted EBITDA

US\$ million



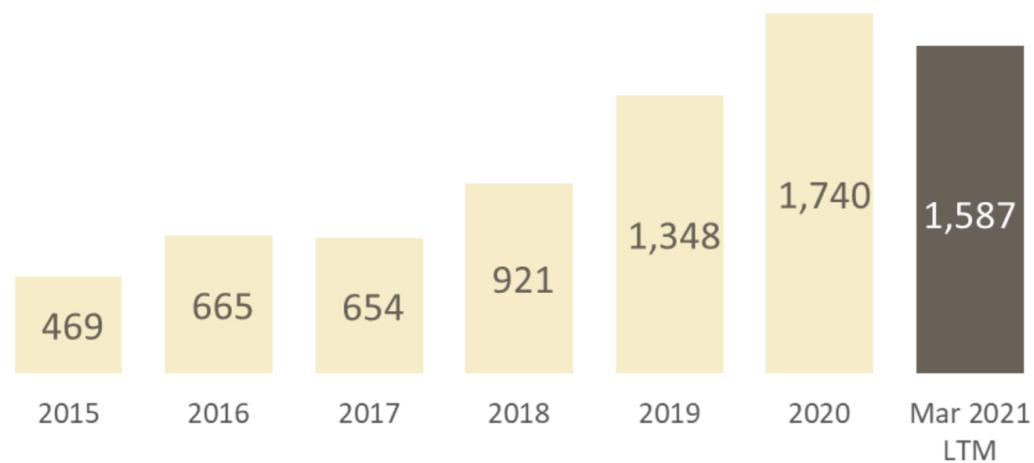
Net Debt

US\$ million



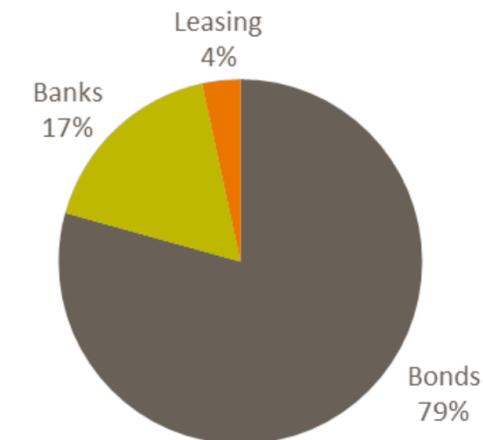
CAPEX

US\$ million

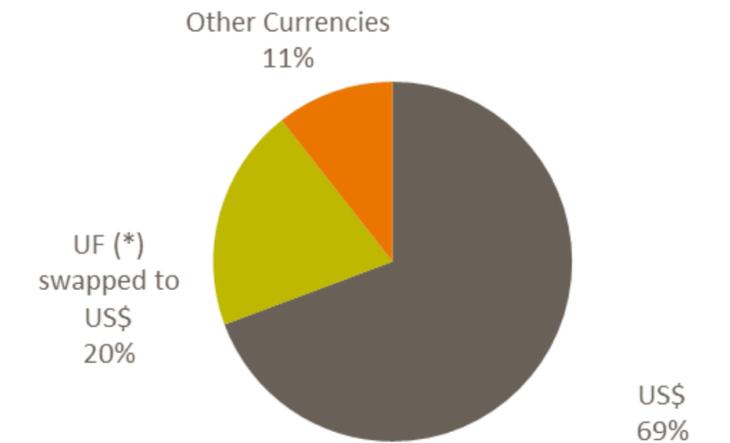


Debt Breakdown

by Instrument



by Currency



As of March 2021

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



April 2011
Arauco's first environmental studies for MAPA Project.

July 2018
The Board of Directors approved the MAPA Project.

October 2018
Arauco signed main equipment contracts with Andritz and Valmet

February 2019
Earth-moving works start.

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.

May 2019
Contracts awarded for construction companies, totaling approximately US\$ 680 million.

End of July 2021:
86% progress
Main equipment and parts on-site and construction continues.

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

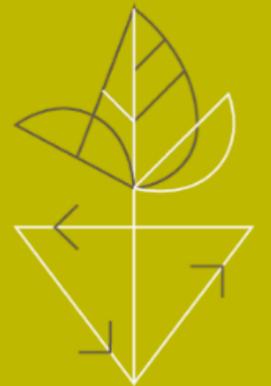
that always aim to be the superior choice for our customers.



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**

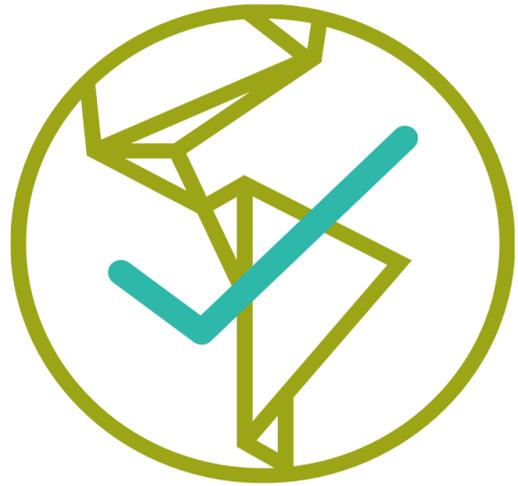
**ARAUCO, THE
WORLD'S FIRST
CARBON NEUTRAL
FORESTRY
COMPANY**



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SUSTAINABILITY STRATEGY



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

Around
US\$15
million

Invested yearly on community
programs

In alignment with the UN



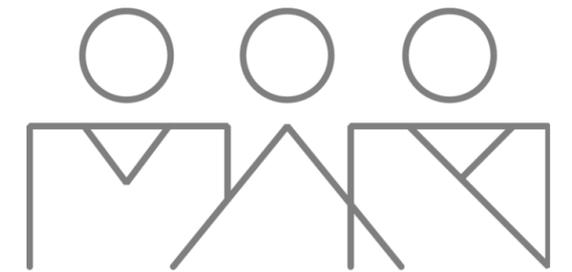
67

Health & Safety
Comittees

We maintain and protect more than,

132

Th. Hectares in Areas of
High Conservation
Value



Educational

Foundation with

more than

545

Schools supported

arauco



Source: ARAUCO Sustainability Report

**FOR FURTHER INFORMATION,
PLEASE CONTACT:**

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