



# CORPORATE PRESENTATION

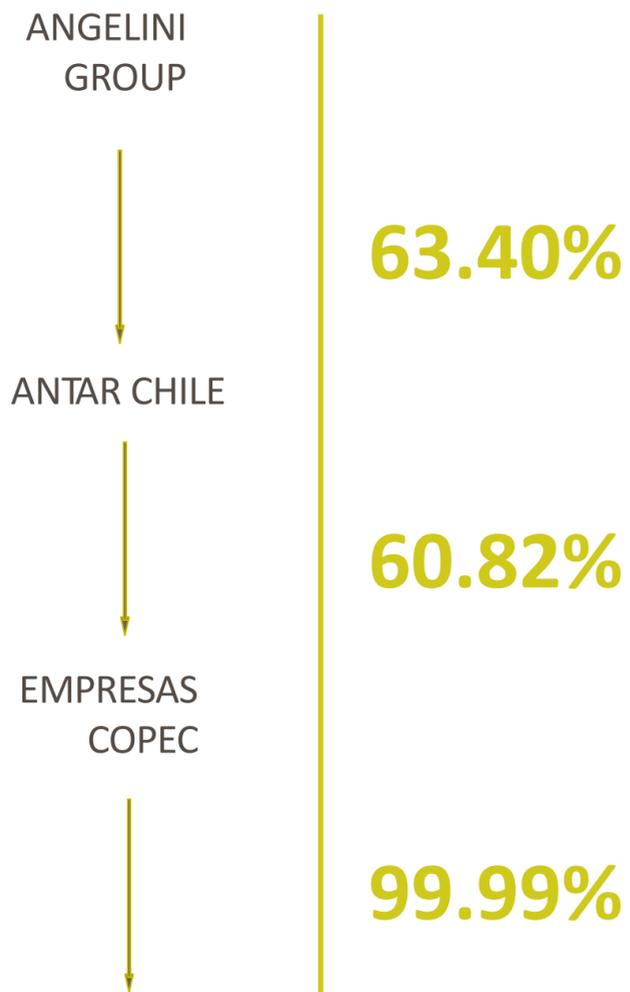
Q4  
2023

renewables  
for a  
better life

**arauco**

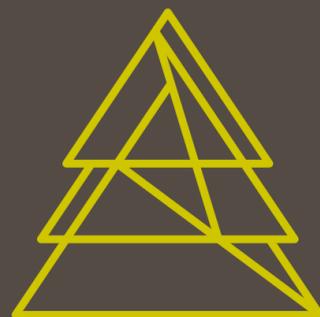


**SHAREHOLDER STRUCTURE**



**arauco**

**ARAUCO  
AT A  
GLANCE**



**CREDIT RATINGS**

**INTERNATIONAL SCALE**

FITCH RATINGS	BBB ✓
S&P	BBB- ✓
MOODY'S	Baa3 ✗

**NATIONAL SCALE**

FITCH RATINGS	AA ✓
FELLER RATE	AA ✓

- ✓ Outlook: stable
- ✗ Outlook: negative

**FINANCIAL HIGHLIGHTS**

In US\$ million, as of December 2023, LTM

Adj. EBITDA	1,026	Net Income	(359)
EBITDA Margin	17.1%	CAPEX	1,298
Net Debt / EBITDA	6.3x	Revenues	6,012

# REVENUES MUS\$6,012

PULP 47%      WOOD 53%

DIVERSIFIED  
SALES  
AROUND  
THE WORLD



As of December 2023, LTM

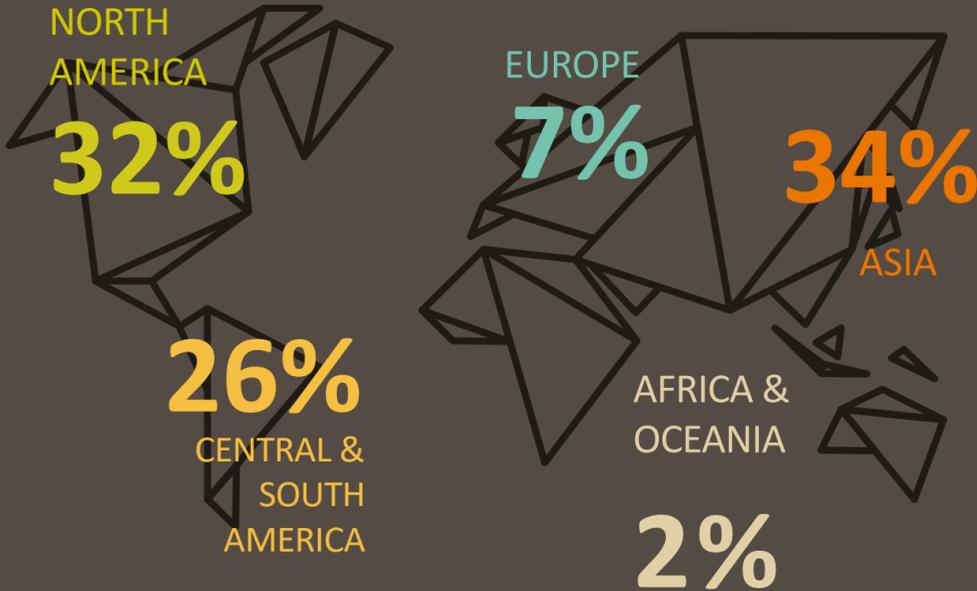
# Adjusted EBITDA MUS\$1,026

PULP 58%      WOOD 55%  
OTHERS -13%



# REVENUES BY REGION

As of December 2023



**TWO STRATEGIC BUSINESS SEGMENTS**



**Forestry and Pulp Business**

**Wood Products Business**

	Forest Plantations <sup>(1)</sup>	Pulp Mills	Energy Operations	Panels	Solid Wood
	649 th. ha	5 Mills (5) 4,205 th. t	10 Power plants 606 mw Surplus: 219 mw	2 Mills PB: 340 th. m <sup>3</sup> MDF: 500 th. m <sup>3</sup>	2 Mills Sawn Timber: 2,398 th. m <sup>3</sup> Plywood : 710 th. m <sup>3</sup> 4 Remanufacturing Facilities
	115 th. ha	1 Mill 350 th. t	2 Power plants 82 mw Surplus: 13 mw	2 Mills PB: 260 th. m <sup>3</sup> MDF: 300 th. m <sup>3</sup>	1 Mill Sawn Timber: 318 th. m <sup>3</sup> 1 Remanufacturing Facility
	170 th. ha			4 Mills PB: 450 th. m <sup>3</sup> MDF: 1,520 th. m <sup>3</sup>	
(2)	127 th. ha	1 Mill 720 th. t	1 Power plant 91 mw Surplus: 52 mw		
<b>Total</b>	<b>1.1 million ha</b>	<b>5.3 million t.</b>	<b>779 mw</b> <b>Surplus: 284 mw</b>	7 Mills PB: 1,630 th. m <sup>3</sup> MDF: 1,015 th. m <sup>3</sup>	
				2 Mills PB: 315 th. m <sup>3</sup> MDF: 250 th. m <sup>3</sup>	
				9 Mills (4) PB : 1,191 th. m <sup>3</sup> MDF: 615 th. m <sup>3</sup> OSB : 230 th. m <sup>3</sup>	1 Mill Sawn Timber: 35 th. m <sup>3</sup>
			(3)		
			<b>Total</b>	<b>8.6 million m<sup>3</sup></b>	<b>3.8 million m<sup>3</sup></b>

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) Licancel mill indefinitely suspended operations in August 2023

**WE ARE A  
MAIN PLAYER  
IN THE GLOBAL  
MARKET**

World market pulp and panel competitors capacity as of December 2023.

\* Arauco capacity includes 50% of Montes del Plata and 50% of Sonae Arauco.

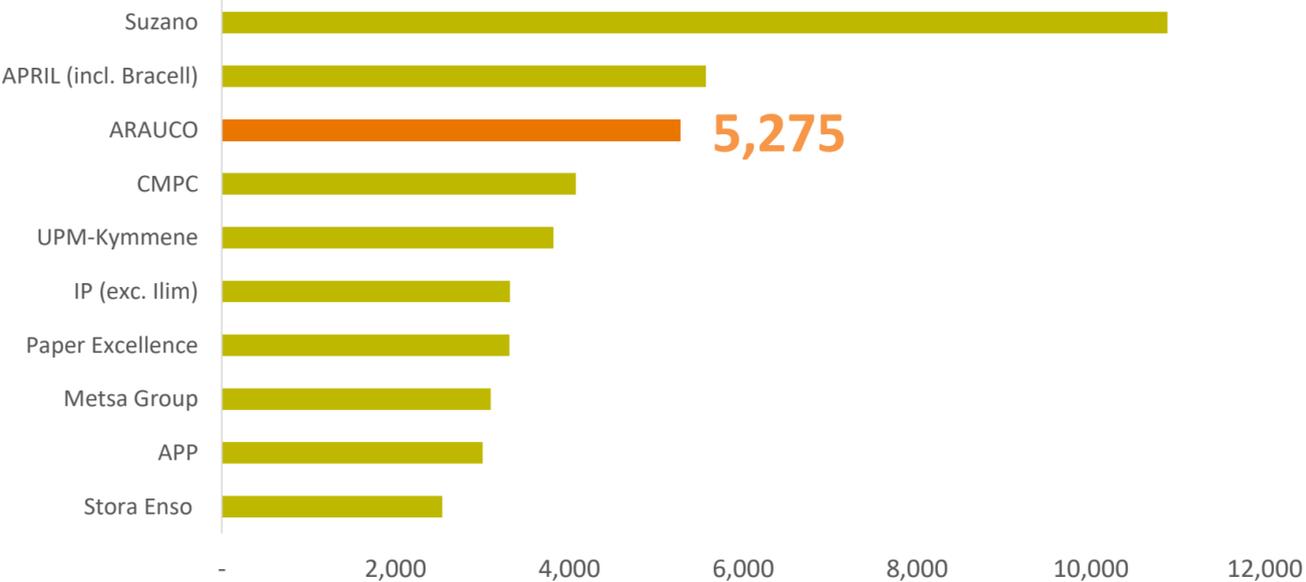
\*\* Panels refers to Composite Panels, which corresponds to MDF, PB and OSB.

**Source:** Hawkins Wright, public fillings, Arauco's estimations, information and fillings.

#3

**IN MARKET  
PULP CAPACITY  
IN THE WORLD**

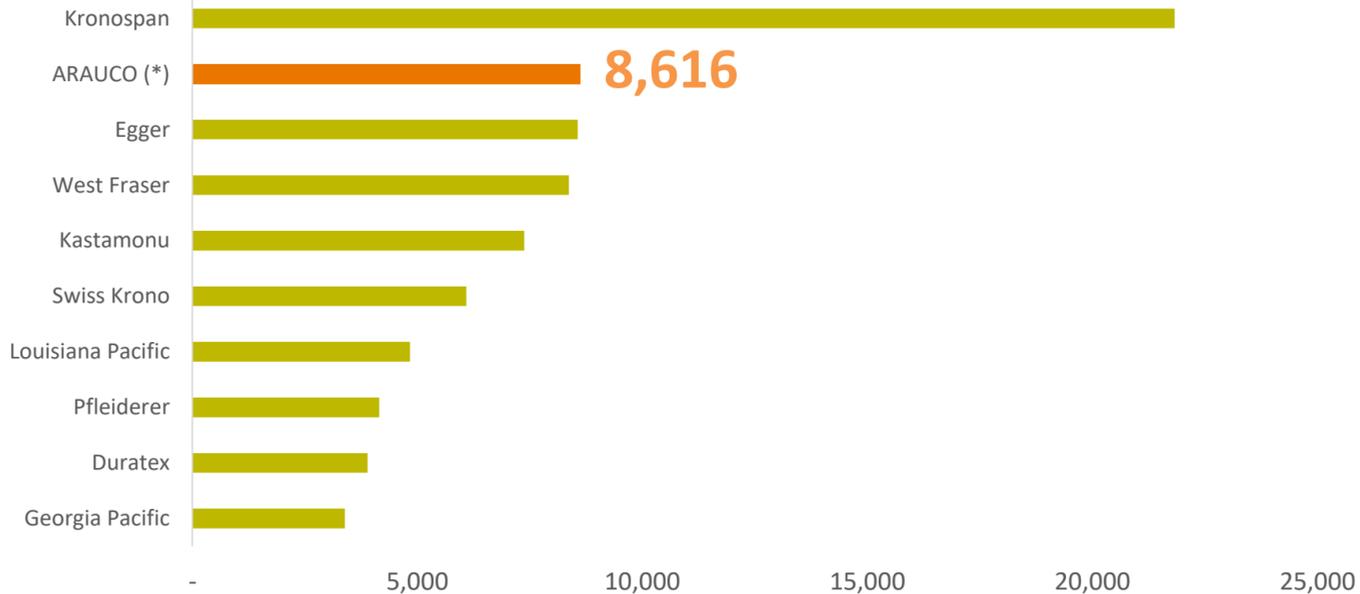
**MARKET PULP CAPACITY (THOUSAND TONNES)**

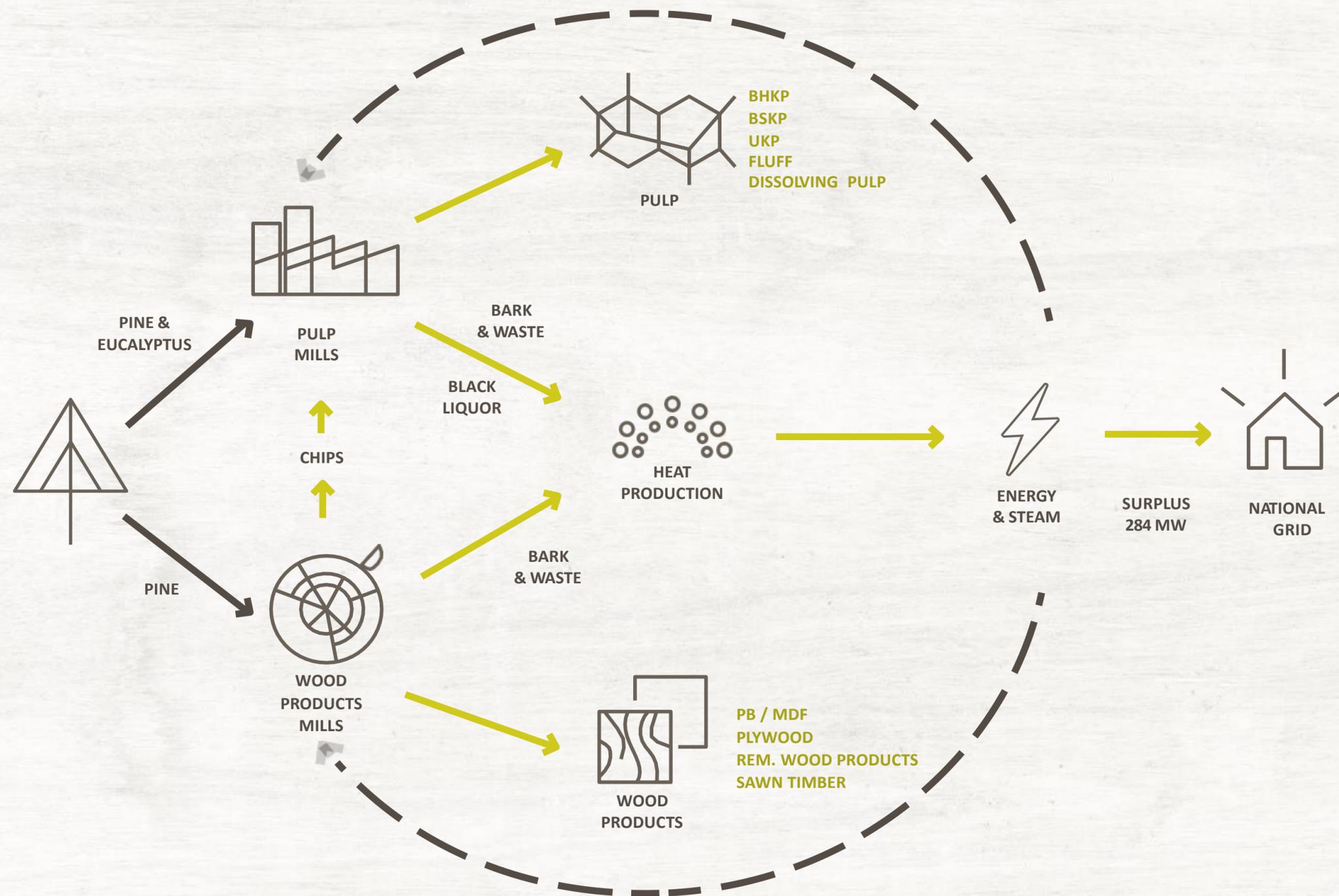


#2

**IN PANEL  
CAPACITY IN  
THE WORLD**

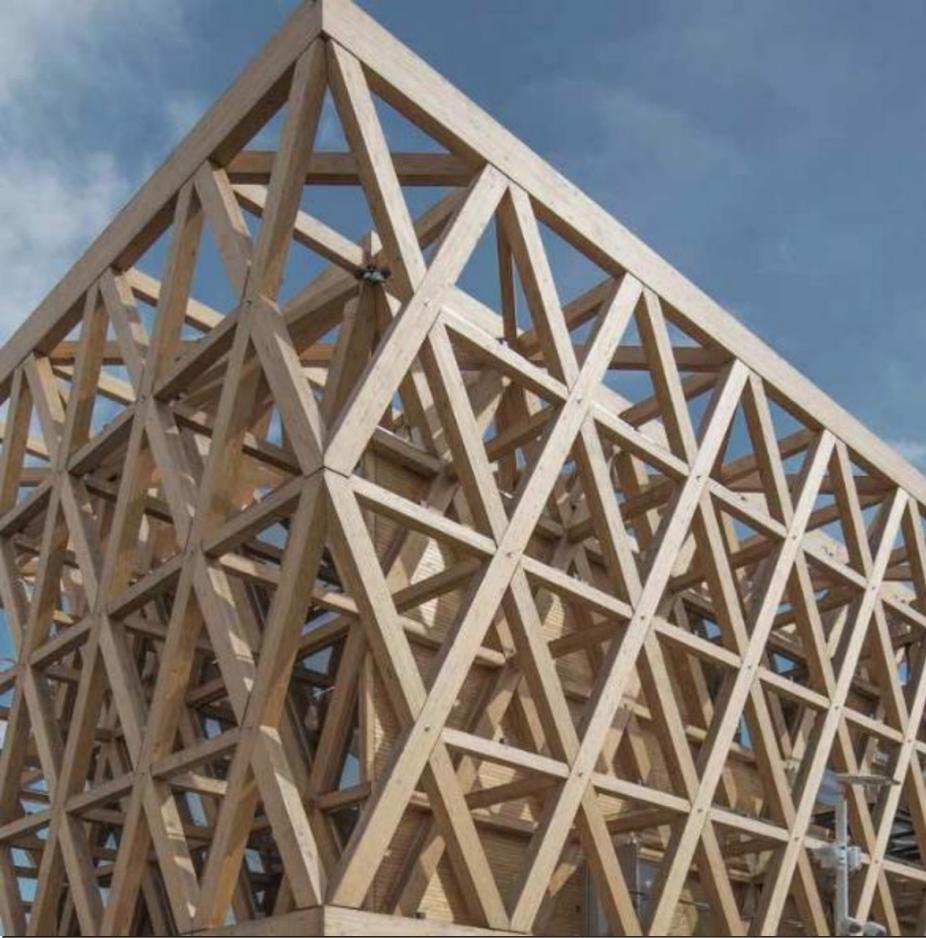
**WORLD PANELS\*\* CAPACITY (THOUSAND m³)**



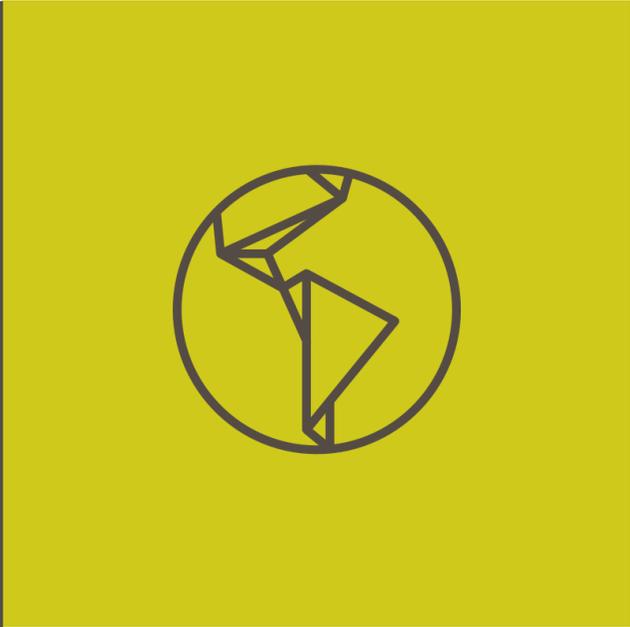


MAXIMIZING  
THE VALUE  
OF OUR FOREST





**BUSINESS  
SEGMENTS**



# PULP BUSINESS

## PULP SALES



# MUS

# \$2,687

Energy sales not included

As of December 2023

### BHKP

Bleached Hardwood Kraft Pulp

### BSKP

Bleached Softwood Kraft Pulp

### UKP

Unbleached Kraft Pulp

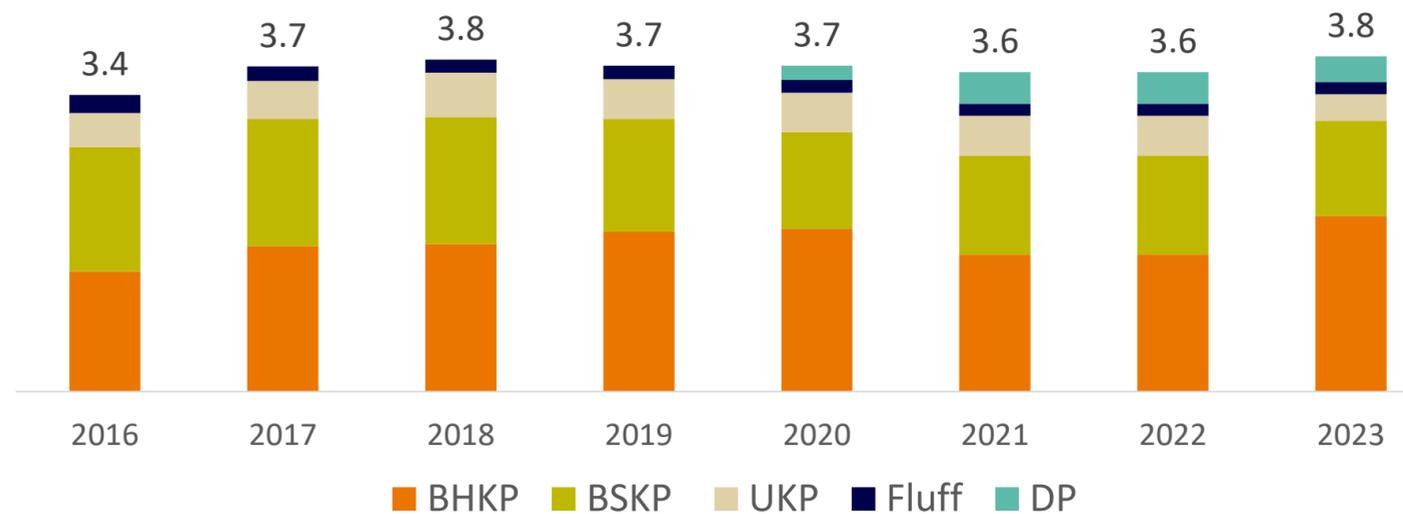
### FLUFF

### DP

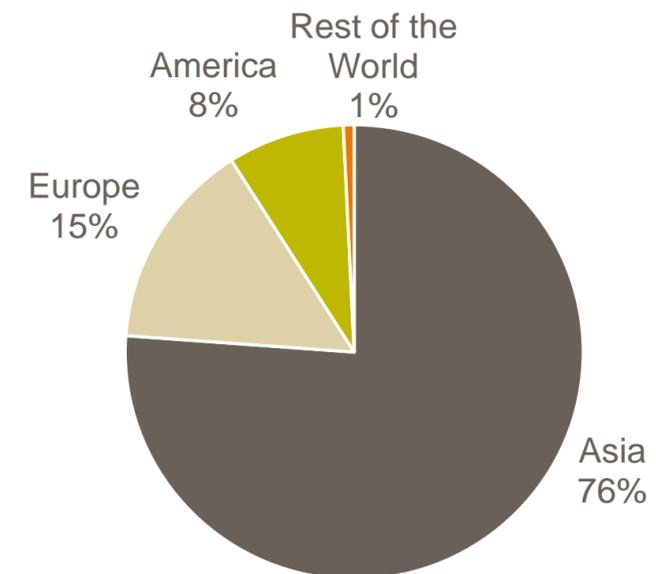
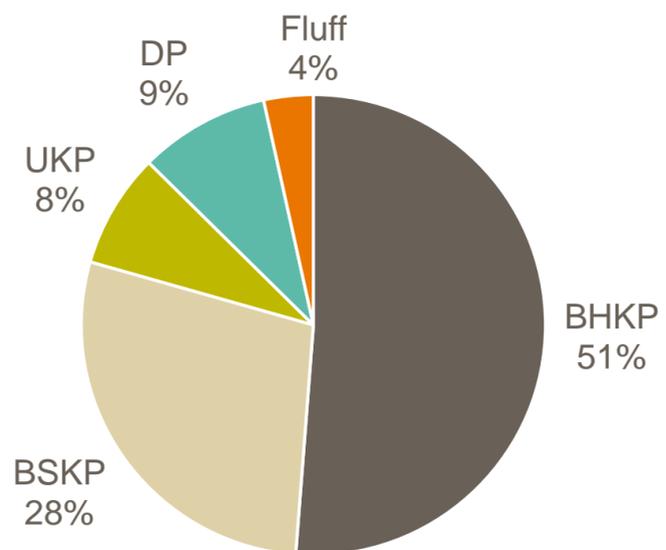
Dissolving Pulp

## PRODUCTION

million tonnes



SALES VOLUME: 3.8 million tonnes



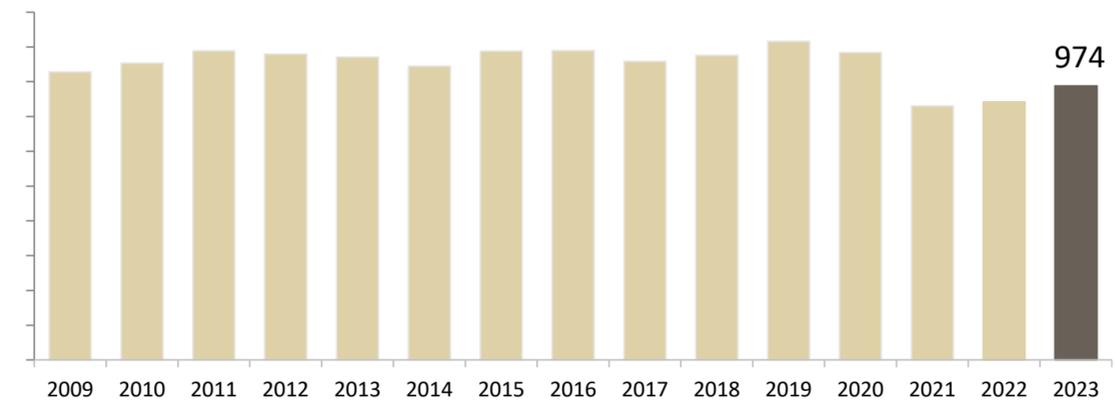
**PULP  
BUSINESS**

**FORESTRY  
OPERATIONS**

**TOTAL PLANTATIONS**

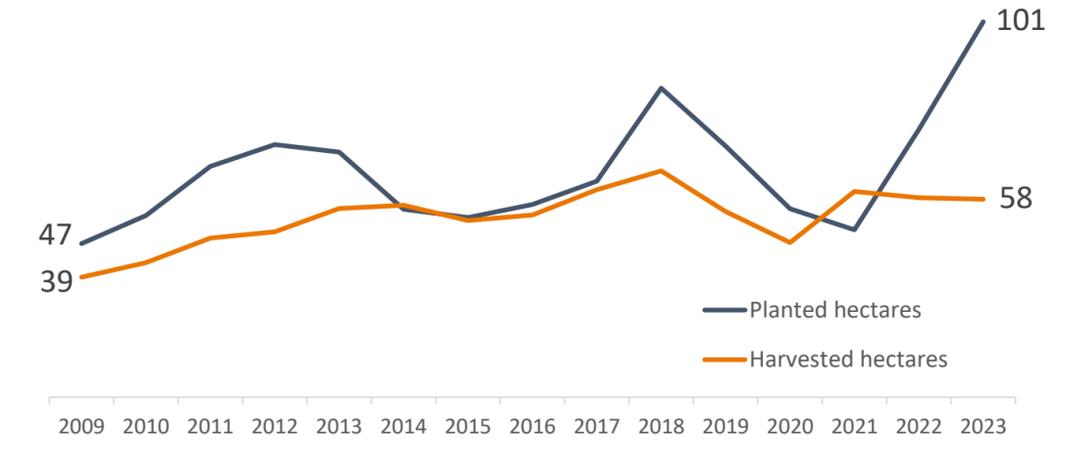
Includes plantations in Chile, Argentina, Brazil and Uruguay

In thousand hectares



**PLANTING AND HARVESTING**

In thousand hectares



**1.8** MILLION HECTARES OWNED

**974** THOUSAND HECTARES PLANTED

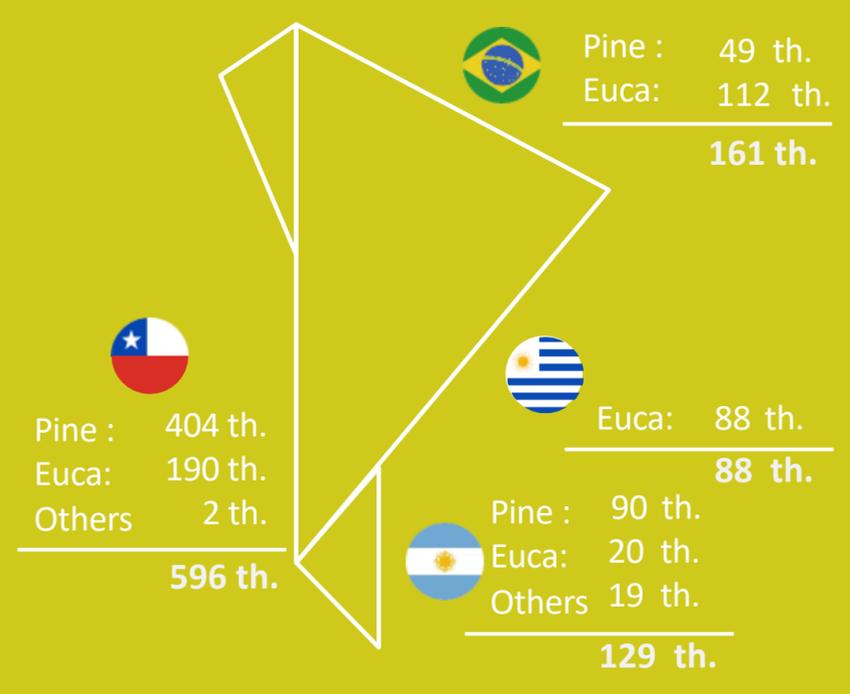
**544** TH OF PINE

**409** TH OF EUCA

**21** TH OTHERS

**509** TH OF NATIVE FOREST

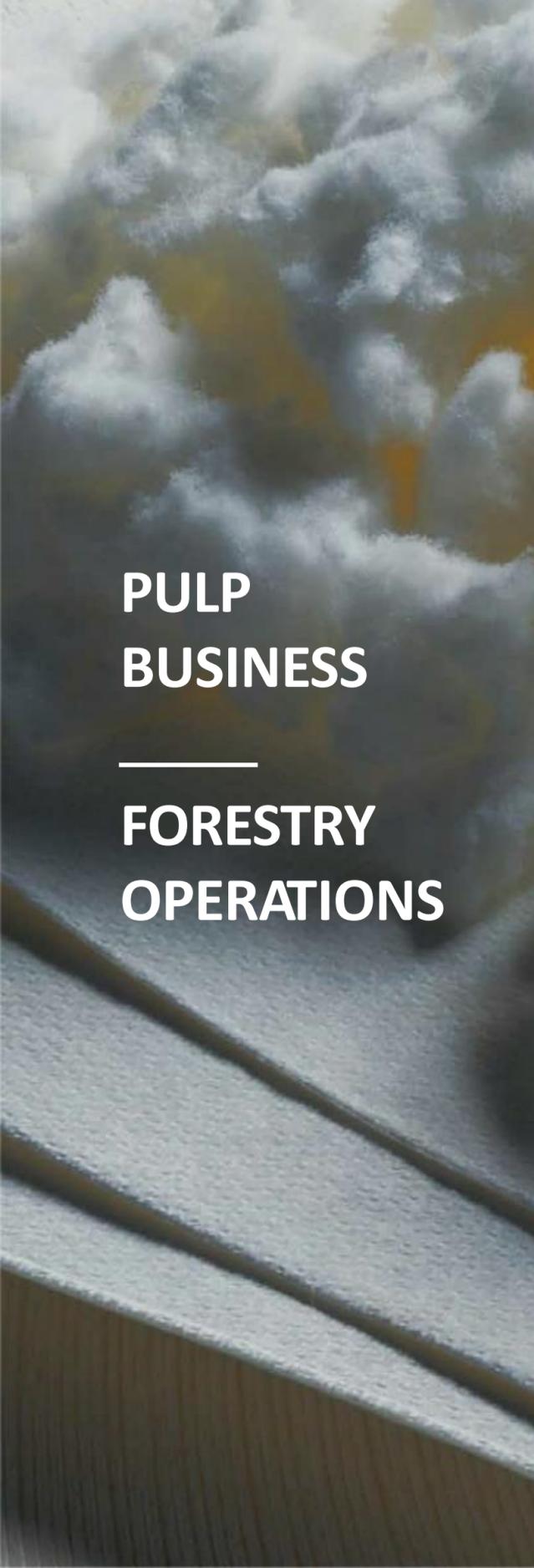
**HECTARES PLANTED**



**ENVIROMENTAL 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](http://www.arauco.com)



**PULP  
BUSINESS**

**FORESTRY  
OPERATIONS**

## BIOFOREST RESEARCH AND DEVELOPMENT

For over 30 years, we have been researching, developing, and applying innovative technologies to enhance the productivity of our forest and industrial resources. We continuously study and apply new processes in the business segments in the countries where we operate.



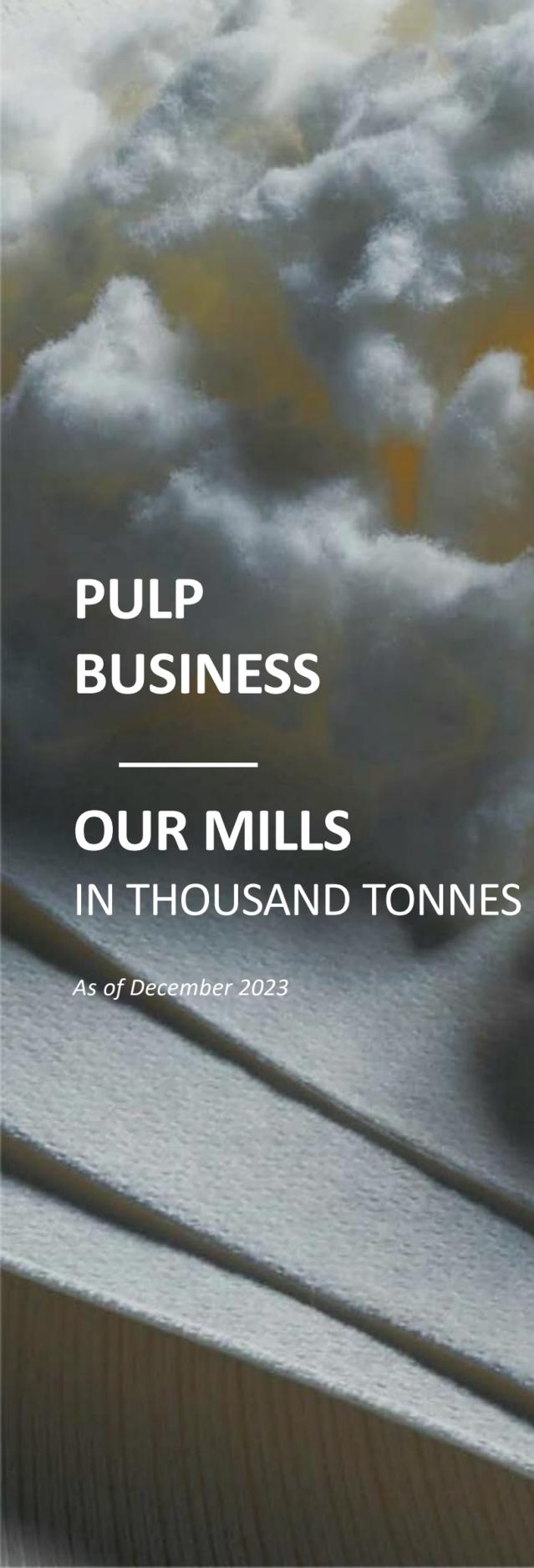
We are investing in our pulp mill technology and expect improvements in the production process and in the environmental footprint of our operations, achieving the reuse of a significant portion of our solid waste, reducing disposal in landfills.

We believe that research and development are essential to ensure long-term sustainability. For this purpose, we own the Bioforest research center, which has been restructured to focus more on disruptive research and delivering greater value to our businesses. It now has a team of more than 30 people primarily dedicated to research new technologies and products derived from the pulp process and forest improvements.

Bioforest collaborates with a broad network to improve our industrial and forestry management based on empirical evidence and transferring knowledge.

Additionally, through scientific research programs, we uphold our commitment to the surrounding environment of our operations and to building trust with the adjacent communities.





**PULP  
BUSINESS**

**OUR MILLS  
IN THOUSAND TONNES**

*As of December 2023*

**NUEVA  
ALDEA**  
520 BHKP  
520 BSKP



**MONTES DEL PLATA**  
1,420 BHKP

ARAUCO owns 50%



**CONSTITUCIÓN**  
355  
UKP



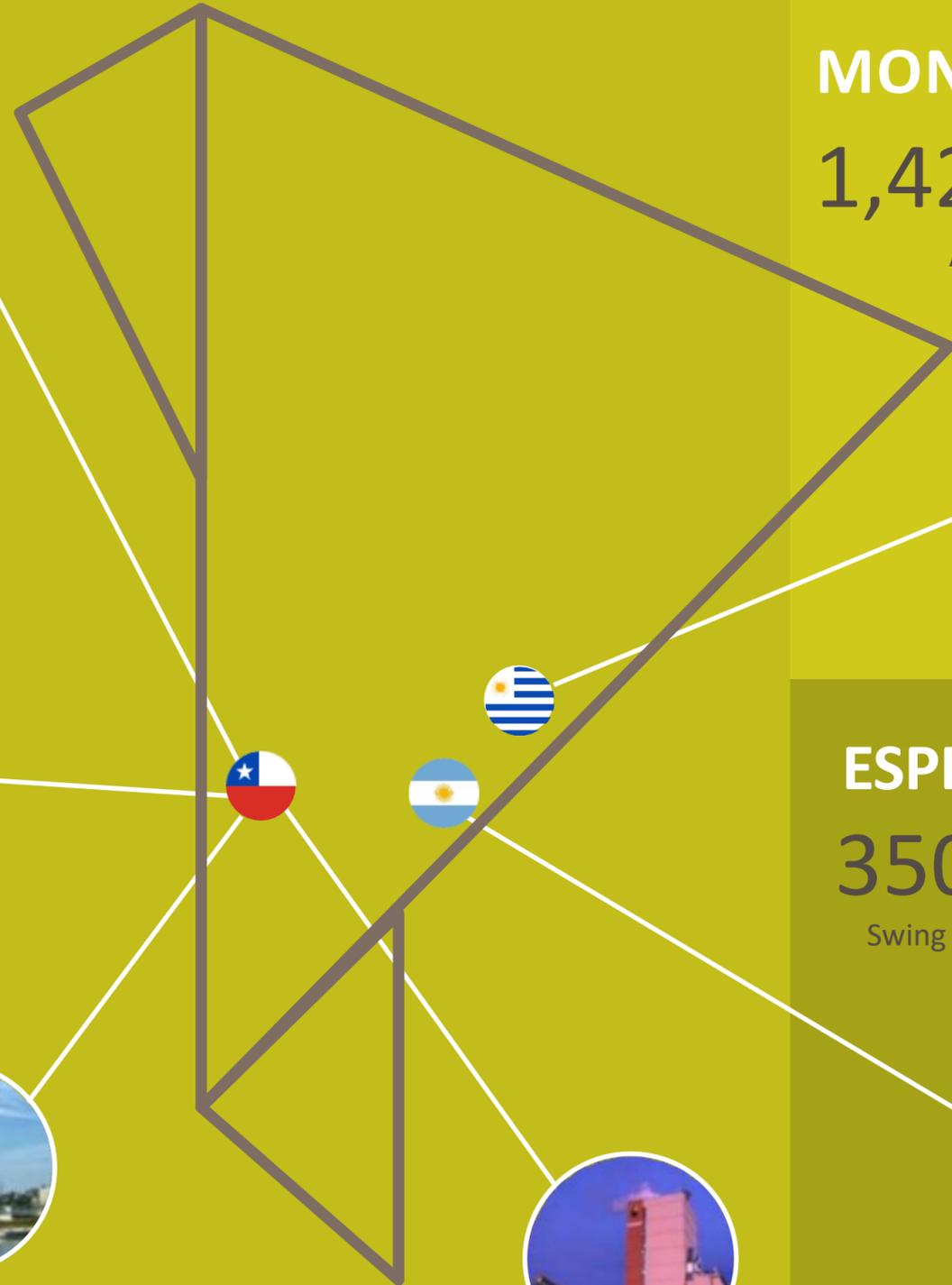
**ESPERANZA**  
350 FLUFF or BSKP  
Swing mill



**ARAUCO MILL**  
1,560 BHKP  
540 BSKP



**VALDIVIA**  
550 DP or BHKP  
Swing mill



1. LOGISTIC EFFICIENCY

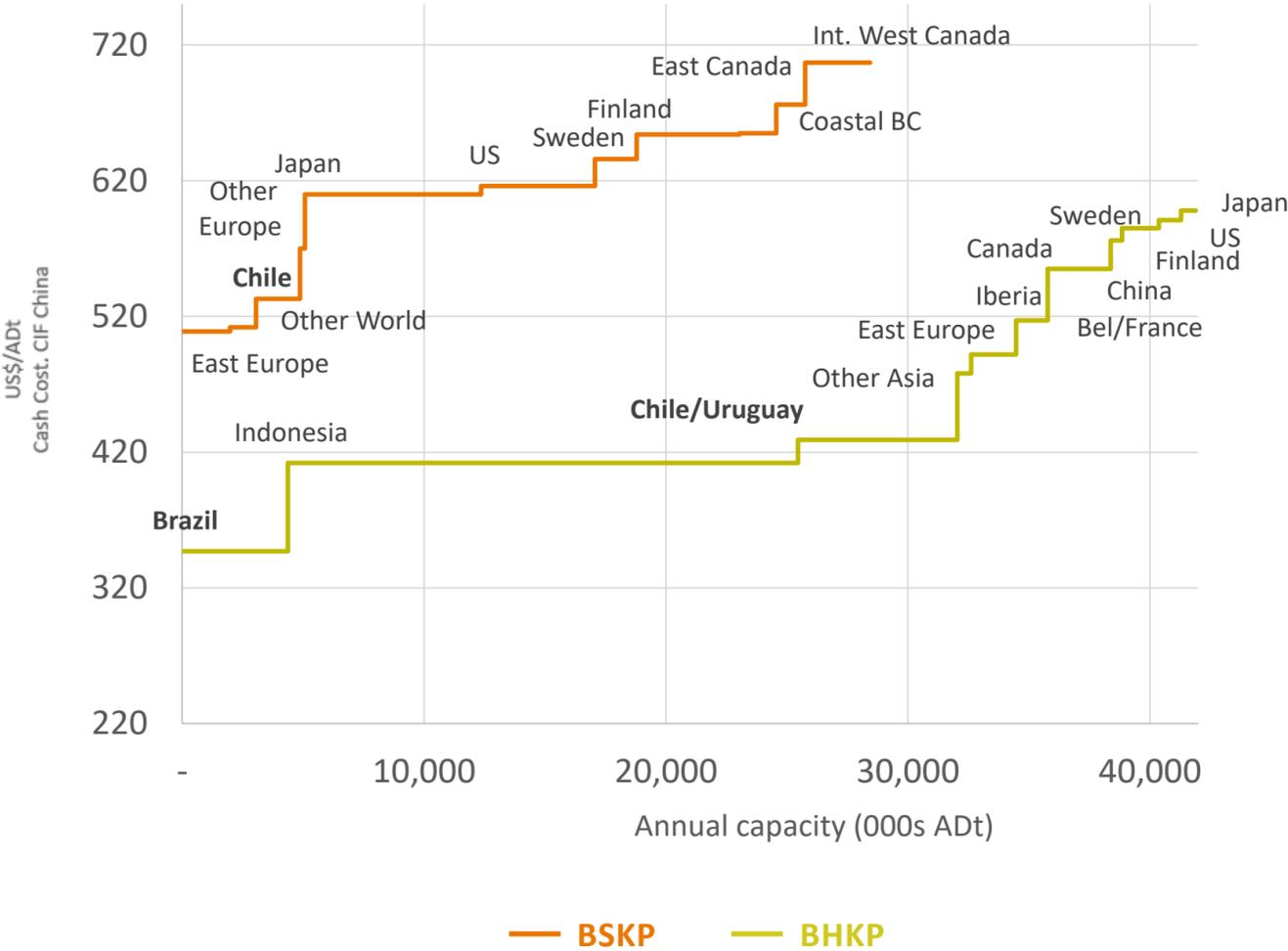


AVERAGE DISTANCES (km) FROM

FORESTS TO MILLS		MILLS TO PORTS	
CHILE	> 85	CONSTITUCIÓN	> 316
ARGENTINA	> 80	NUEVA ALDEA	> 63
URUGUAY	> 282	ARAUCO	> 35
		VALDIVIA	> 301
		ALTO PARANÁ	> 1.200
		MONTES DEL PLATA	> 0
		<b>WEIGHTED AVG.</b>	<b>&gt; 152<sup>(1)</sup></b>

Source: ARAUCO.  
 (1) Calculated using sales volume for 2023.

2. COST ADVANTAGES



Source: Hawkins Wright.  
 Other world includes Argentina, China and Oceania.

PULP BUSINESS

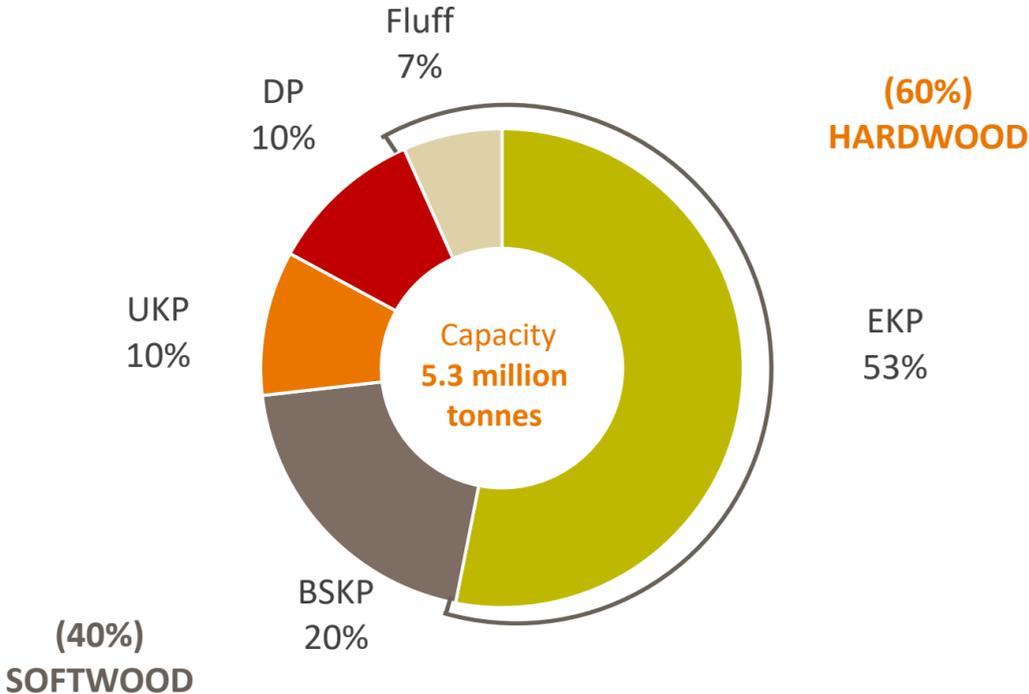
COMPETITIVE ADVANTAGES

As of December 2023

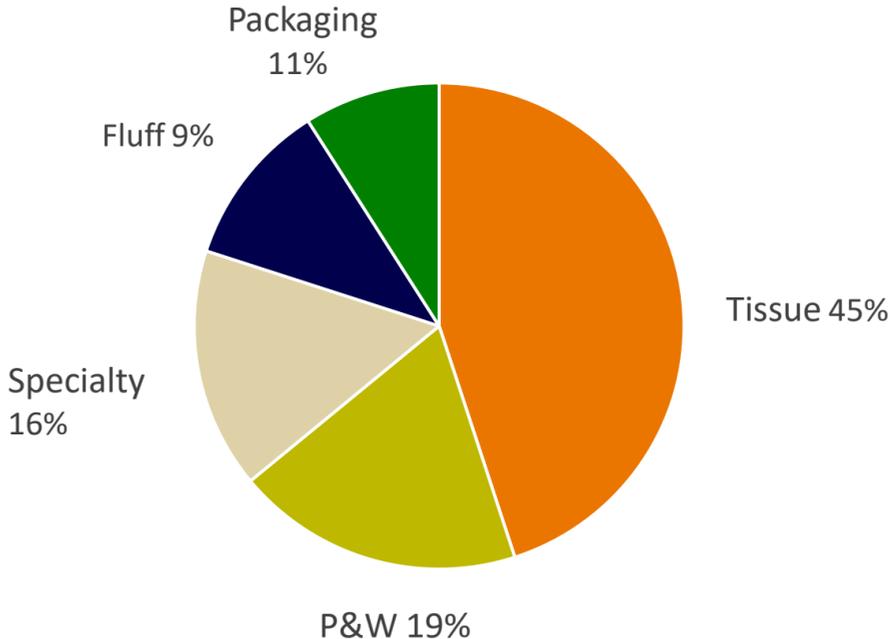
3. PRODUCT DIVERSIFICATION

PULP BUSINESS  
 COMPETITIVE ADVANTAGES

As of December 2023



BCP SHIPMENT BY END-USE, 2023 ESTIMATE <sup>(2)</sup>



Source: ARAUCO.  
 (1) Dissolving Pulp  
 The Valdivia mill will keep the ability to switch from producing dissolving pulp to paper grade (BHKP).

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

REVENUES

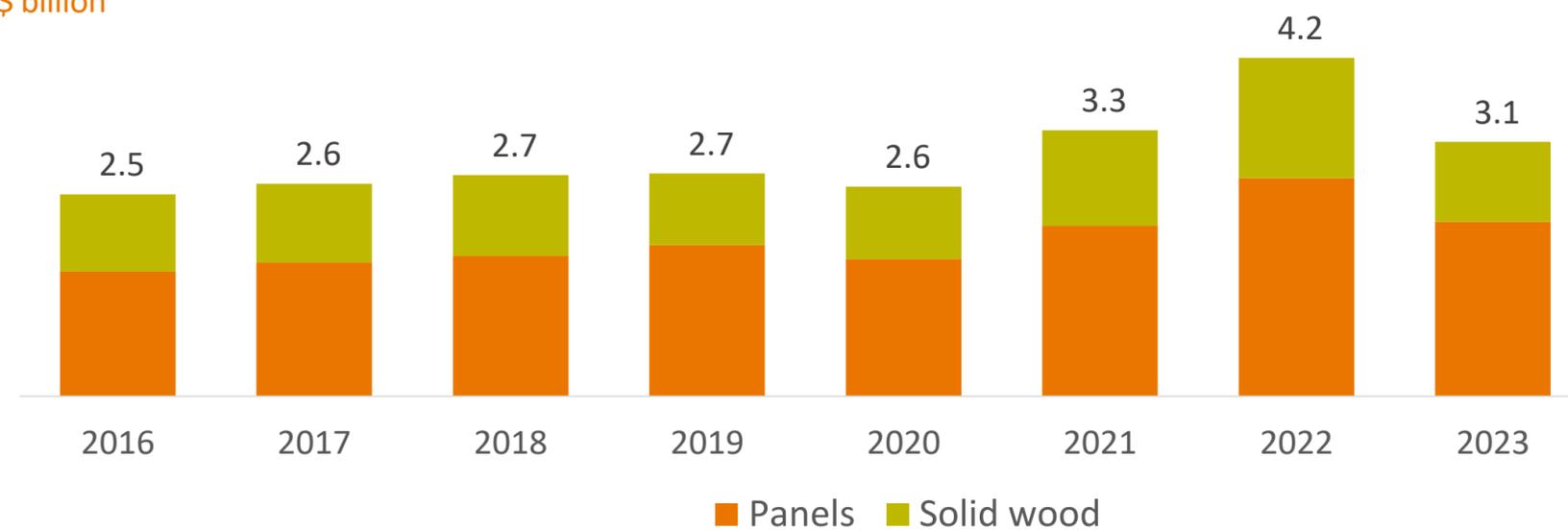
MUS  
\$3,131

Energy sales not included  
As of December 2023 LTM



SALES  
EVOLUTION

US\$ billion



SUBDIVISIONS

PANELS



SOLID  
WOOD



WOOD  
PRODUCTS  
BUSINESS:  
PANELS

**PANELS  
SALES**

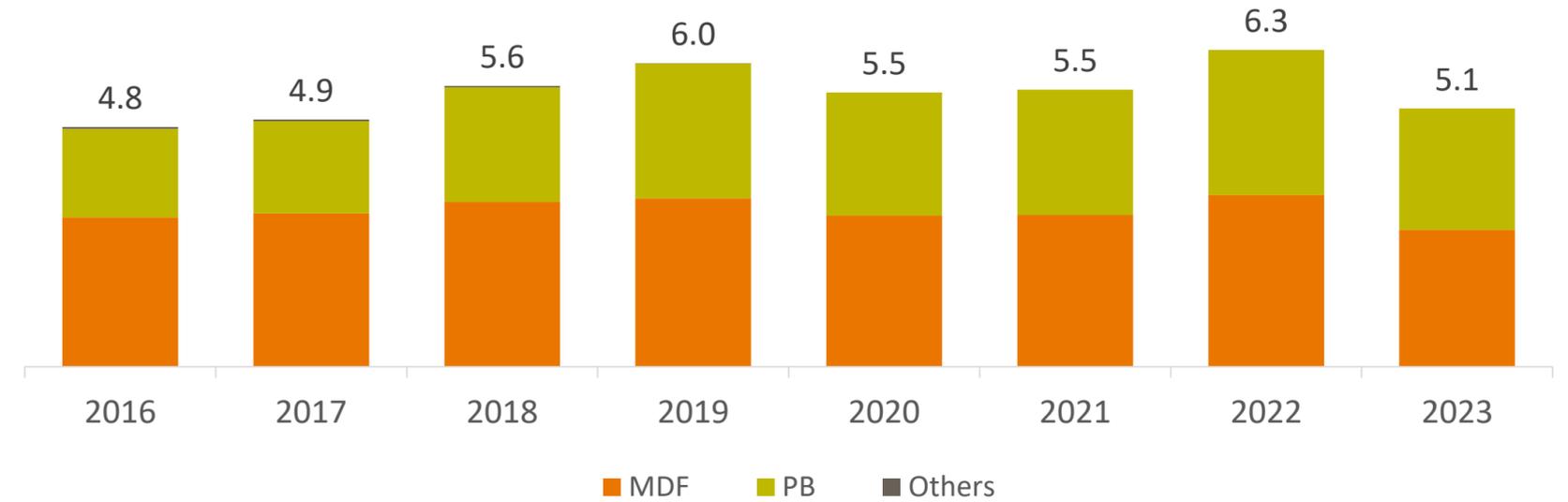
**MUS  
\$2,148**

Energy sales not included  
As of December 2023.

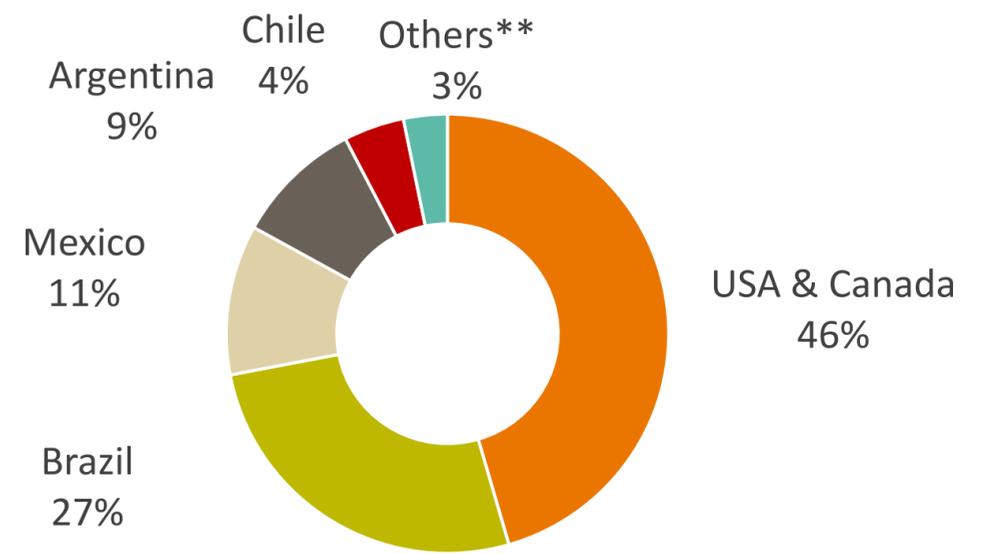
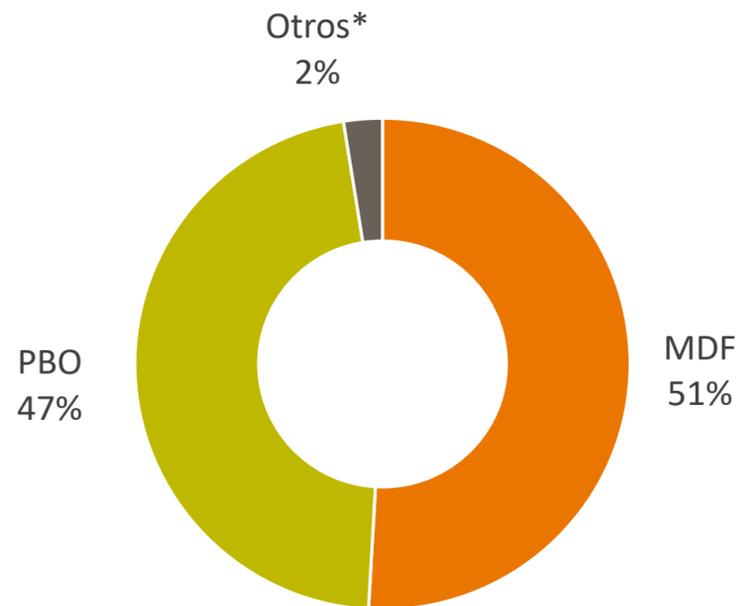
Does not include Sonae Arauco volumes  
\*OSB, HB, Retail and Composite panels  
\*\* EMEA, Asia, Oceania and Rest of Latam

**PRODUCTION**

million m<sup>3</sup>



**SALES VOLUME: 5.0 MILLION M<sup>3</sup>**



WOOD  
PRODUCTS  
BUSINESS :  
SOLID WOOD

SOLID  
WOOD  
SALES

MUS  
\$983

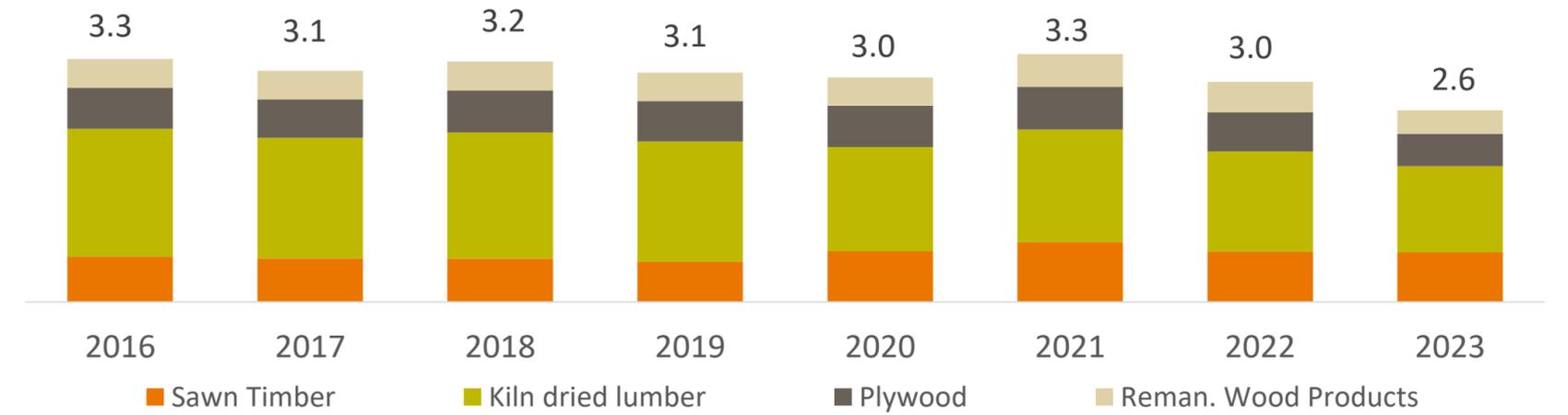
Energy sales not included  
As of December 2023



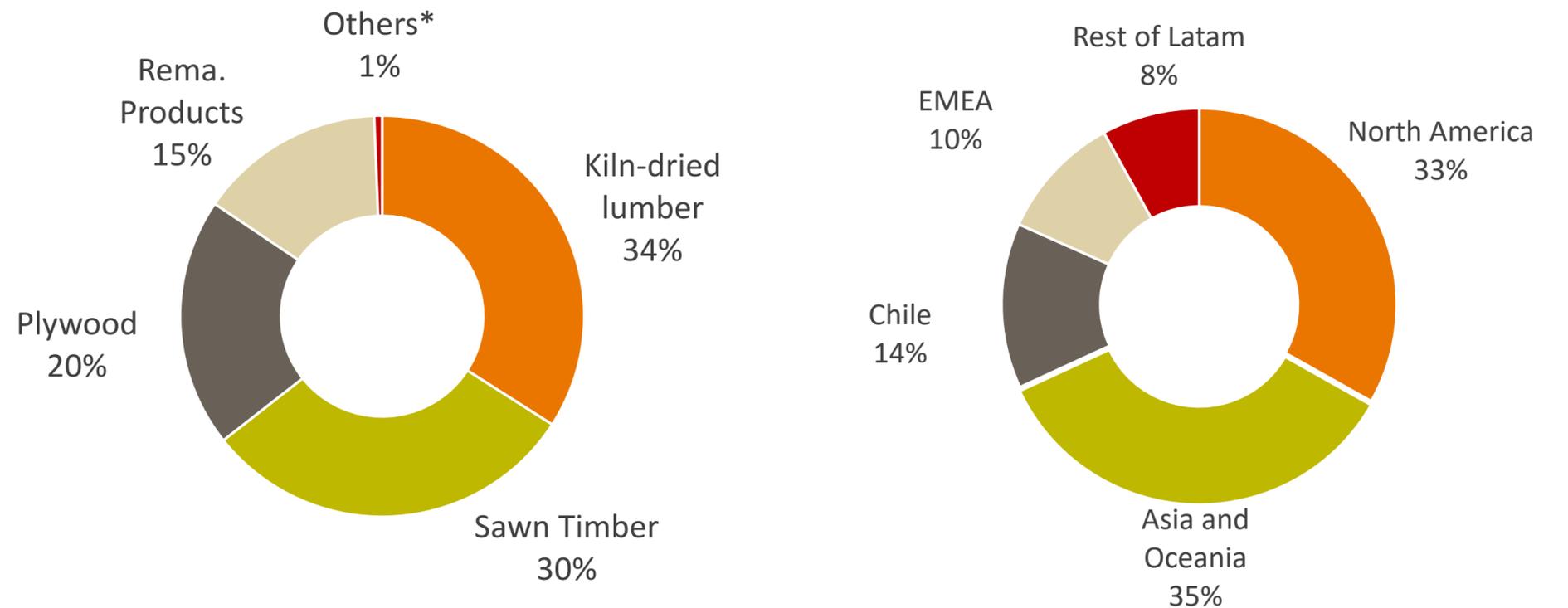
Sonae Arauco's volume not included.

PRODUCTION

million m³

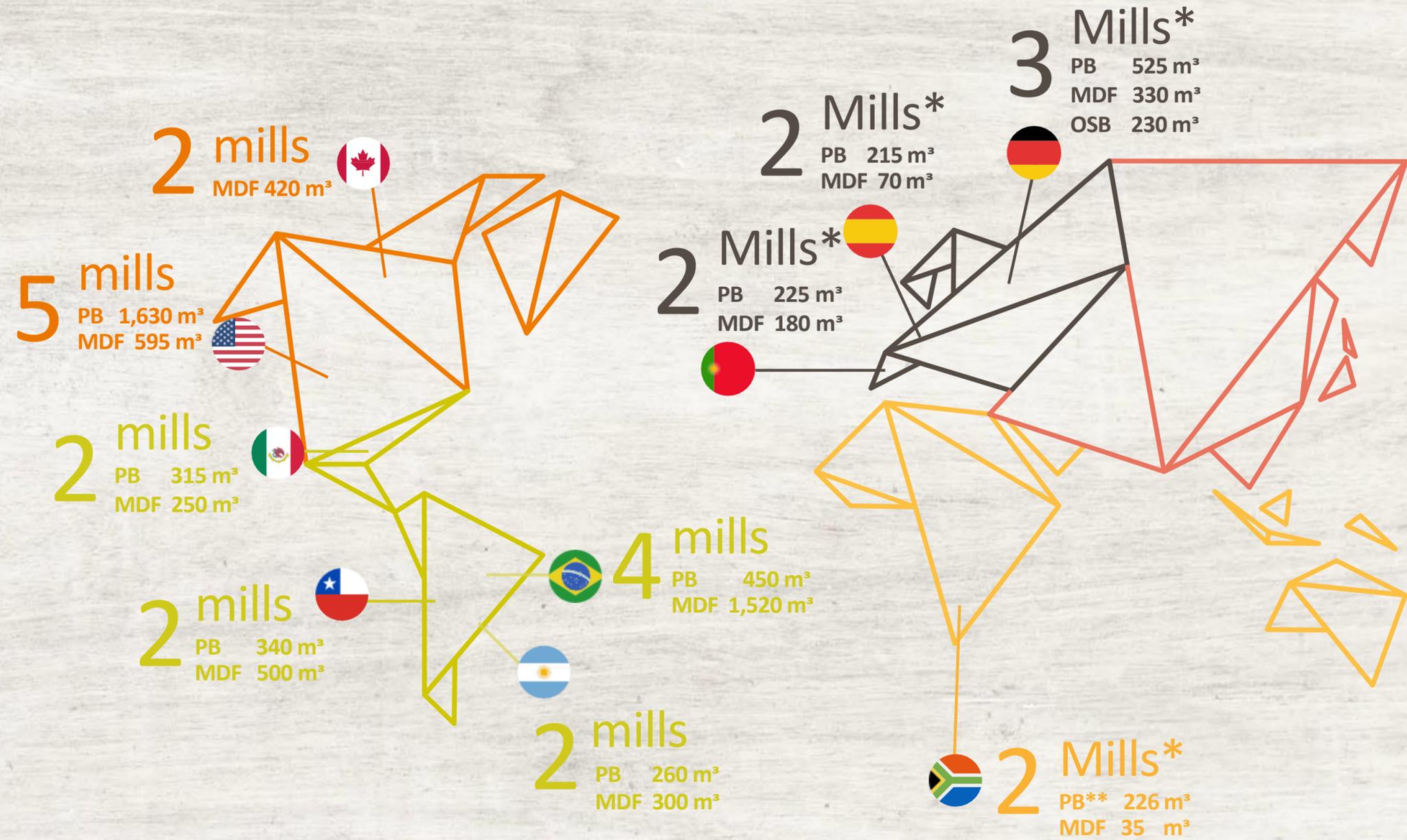


SALES VOLUME: 2.3 MILLION M³



**PANELS  
OUR  
MILLS**

**IN  
THOUSANDS**  
As of December 2022

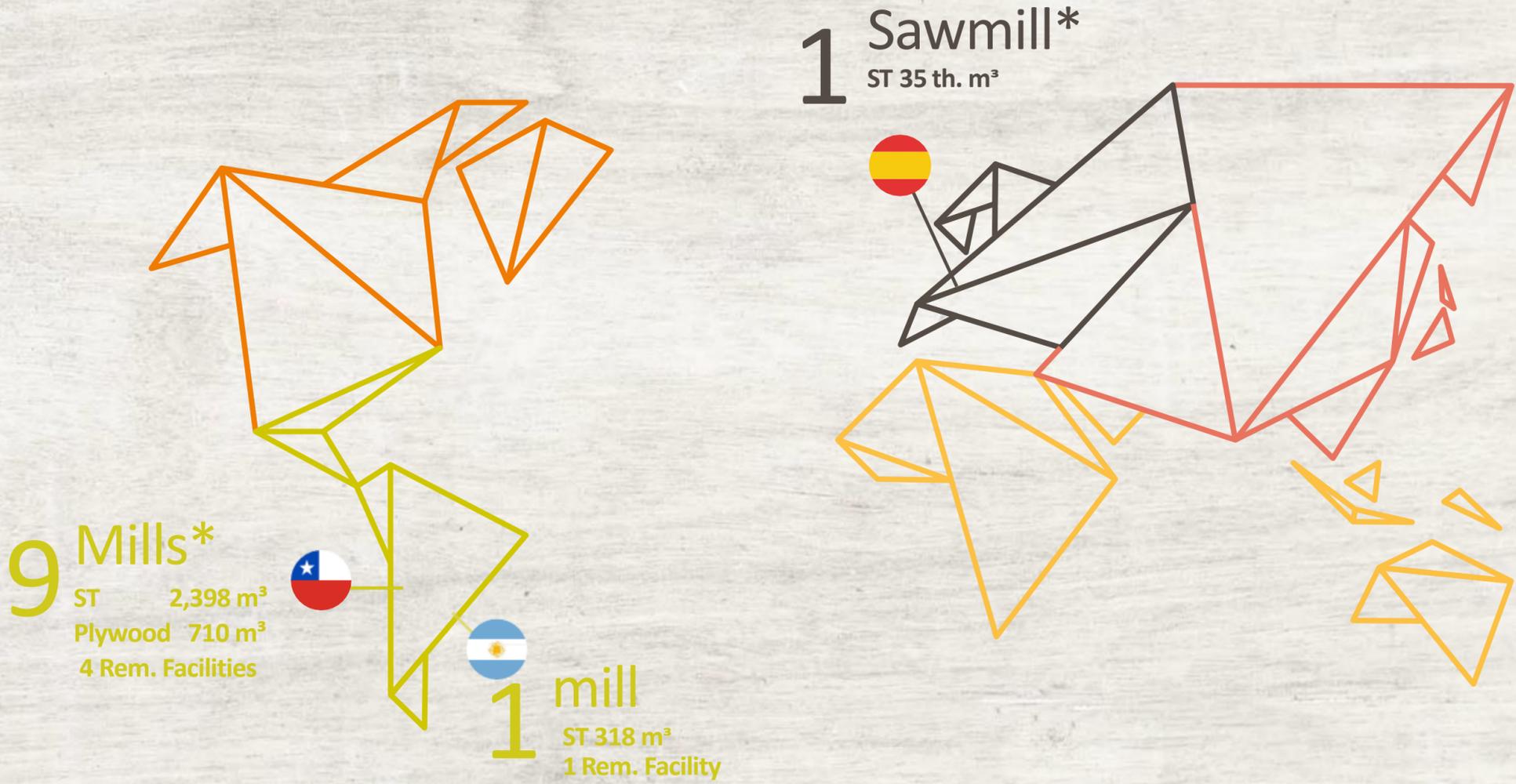



PB: Particle Board  
MDF: Medium Density Fiberboard  
OSB: Oriented Strand Board

\*Arauco owns 50% of Sonae Arauco  
\*\*One PB mill in South Africa is currently shut down

**SOLID  
WOOD  
OUR  
MILLS**

**IN  
THOUSANDS**  
As of December 2023

ST: Sawn Timber  
Rem: Remanufactured Wood Products

As of December 2023  
\*Arauco owns 50% of Sonae Arauco  
\*\*One mill in Chile (Horcones II) is currently shut down

# ENERGY COMPLEMENTARY OPERATIONS

## REVENUES

MUS  
\$90

As of December 2023 LTM



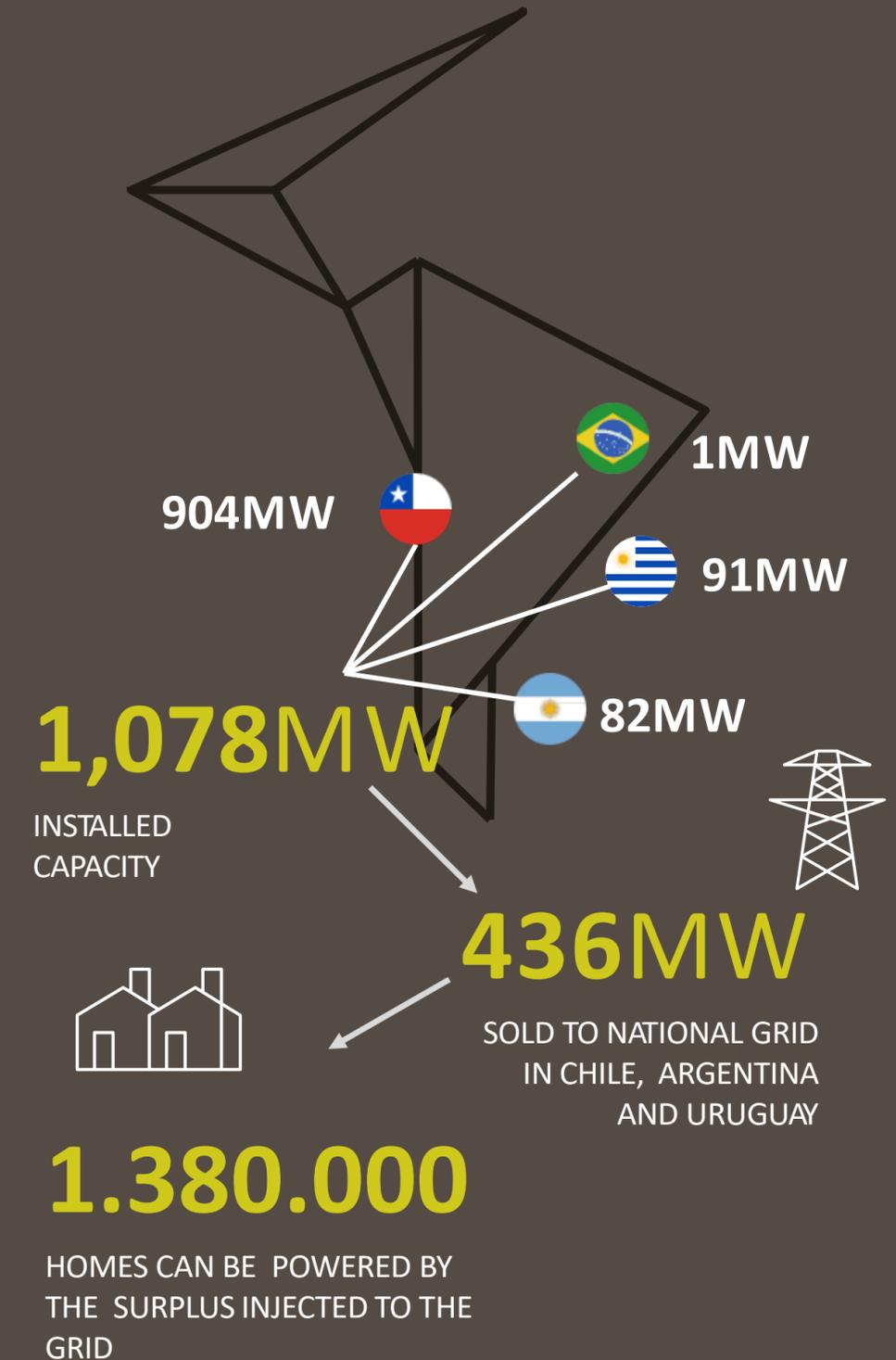
## HIGHLIGHTS

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).

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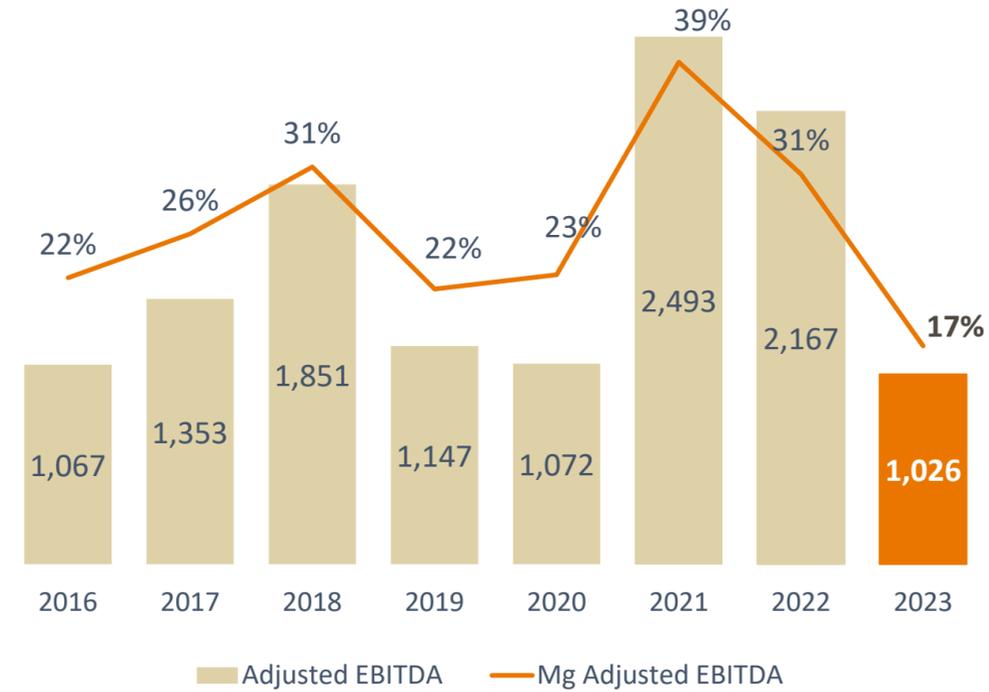


# MAIN FIGURES

As of December 2023 LTM

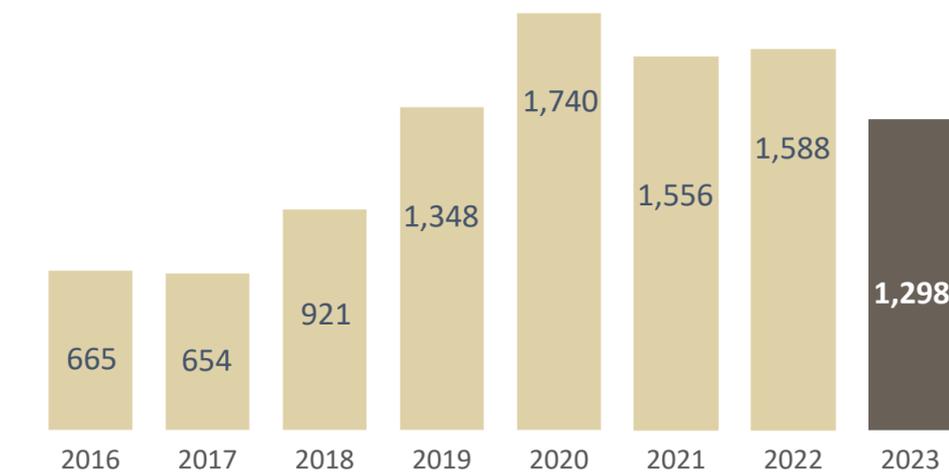
## ADJUSTED EBITDA

US\$ million



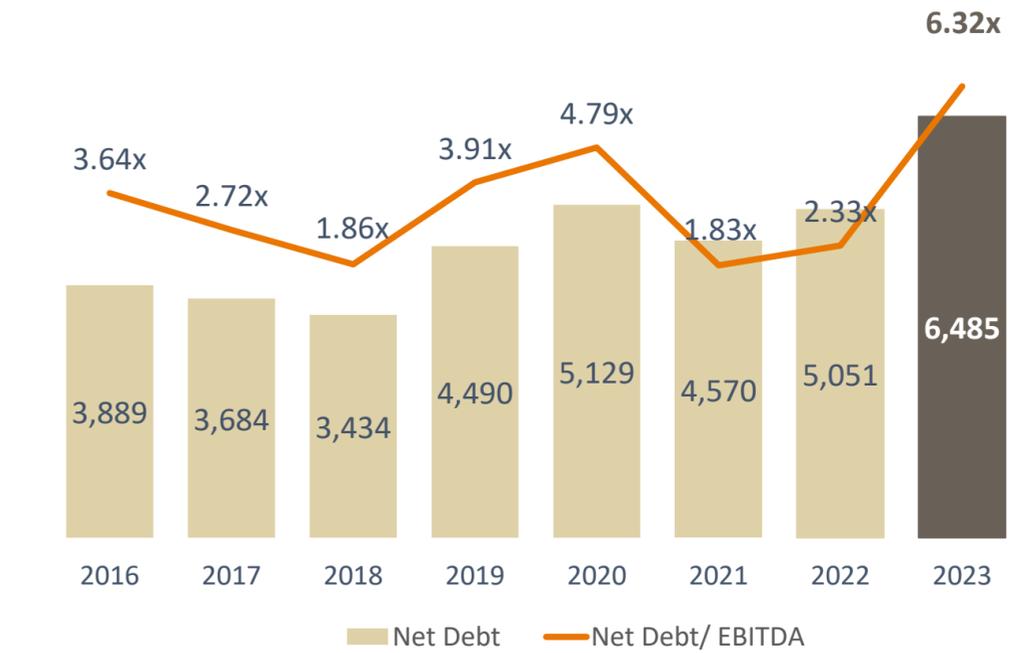
## CAPEX

US\$ million



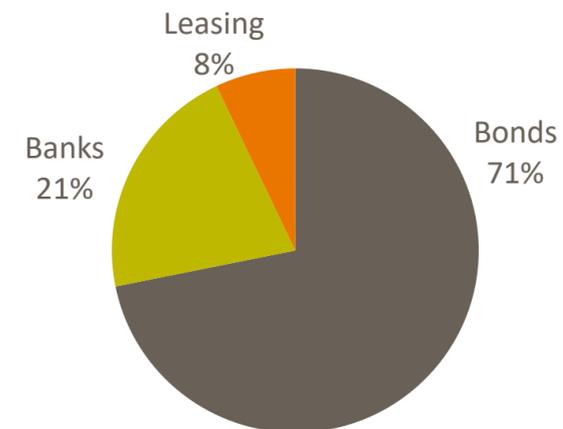
## NET DEBT

US\$ million

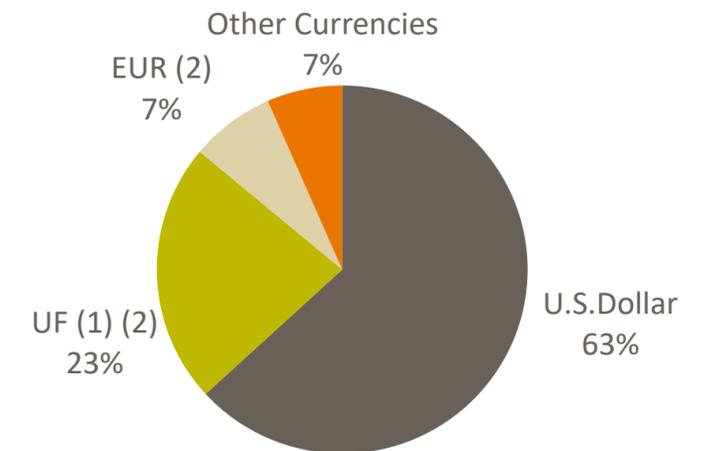


## DEBT BREAKDOWN

by Instrument



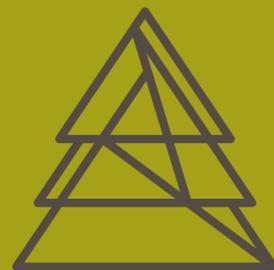
by Currency



(1) UF is a Chilean monetary unit indexed to inflation.  
 (2) Swapped to USD

# ESG

ARAUCO WAS THE  
FIRST LATIN  
AMERICAN  
FORESTRY COMPANY  
TO ISSUE SUSTAINABLE BONDS IN  
OCTOBER 2019



ON APRIL & JUNE 2023  
ARAUCO ISSUED ITS FIRST  
SUSTAINABLE  
BONDS  
IN THE CHILEAN DEBT  
MARKET.



ARAUCO ATTENDED  
COP27 IN  
NOVEMBER 2022  
AND COMMITTED  
TO BEING



## NATURE NET POSITIVE:

- 1  
WATER  
MANAGEMENT
- 2  
BIODIVERSITY  
CONSERVATION
- 3  
CO<sub>2</sub> ATMOSPHERE  
REDUCTION

**arauco**

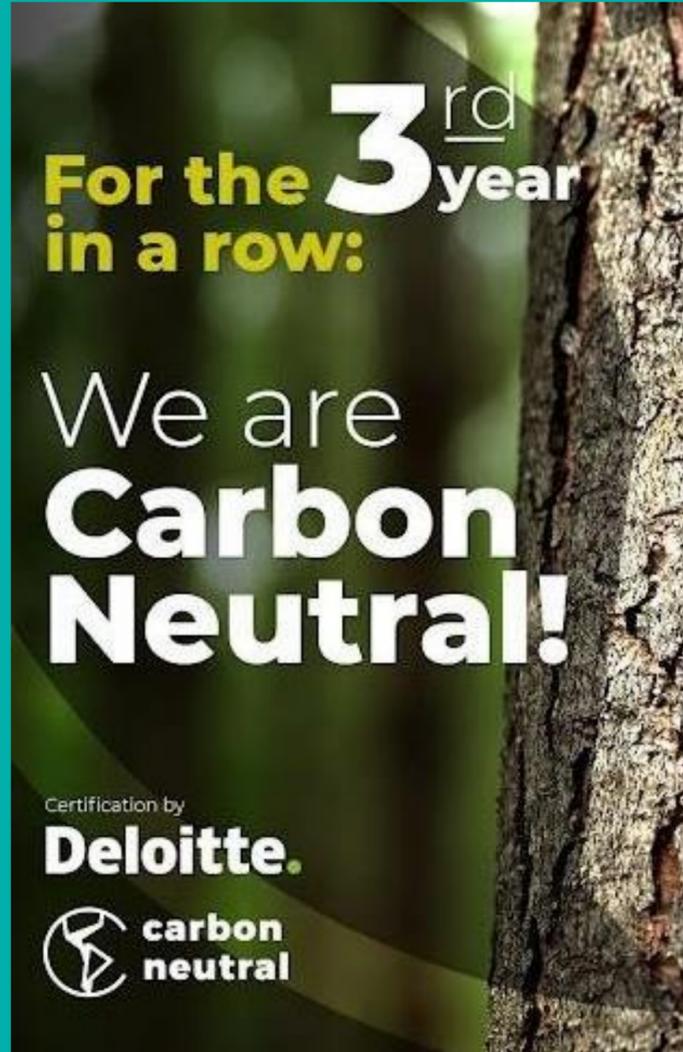
## INTEGRATED REPORT 2023

IN APRIL, WE  
PUBLISHED OUR INTEGRATED  
REPORT.

<https://www.arauco.cl/en/sostenibilidad/reportes-de-sostenibilidad/>



SUSTAINABILITY  
STRATEGY



Deloitte officially validated our carbon neutrality in 2020 for 2018, in 2021 for 2019 and in 2022 for 2020 (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 was the first company to successfully apply this protocol.



A hand holding a small globe with a hummingbird and a pipe. The globe is made of clay and has a small pot of yellow flowers on top. A hummingbird is flying to the left. A pipe is on the right, and a hand is on the left. The background is a light green and blue pattern.

araucó



OUR EMISSIONS ARE  
EQUIVALENT TO

**4.4**

MILLION TONS OF CO<sub>2</sub>

WE HAVE COMMITTED TO  
REDUCING OUR EMISSIONS BY

**1.5**

MILLION TONS BY 2030.

SCIENCE BASED TARGETS (SBTi)  
HAS APPROVED OUR  
**COMMITMENT**  
TO THE PLANET

OUR PRODUCTS REPLACE  
FOSSIL-BASED ALTERNATIVES,  
SAVING

**10.5**

MILLION TONS OF CO<sub>2</sub>.

# SUSTAINABLE FORESTRY DEVELOPMENT ENABLES THE TRANSITION TOWARDS A BIOECONOMY



Economy based on the consumption and production of goods and services derived from **the direct use and sustainable transformation of biological resources.**

**IF IT IS NOT WOOD**

*It will be concrete and steel*

**IF IT IS NOT NATURAL FIBER**

*It will be polyester*

**IF NOT PAPER**

*It will be plastic*

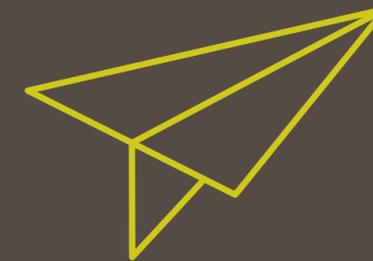
**arauco**

TAKEAWAYS

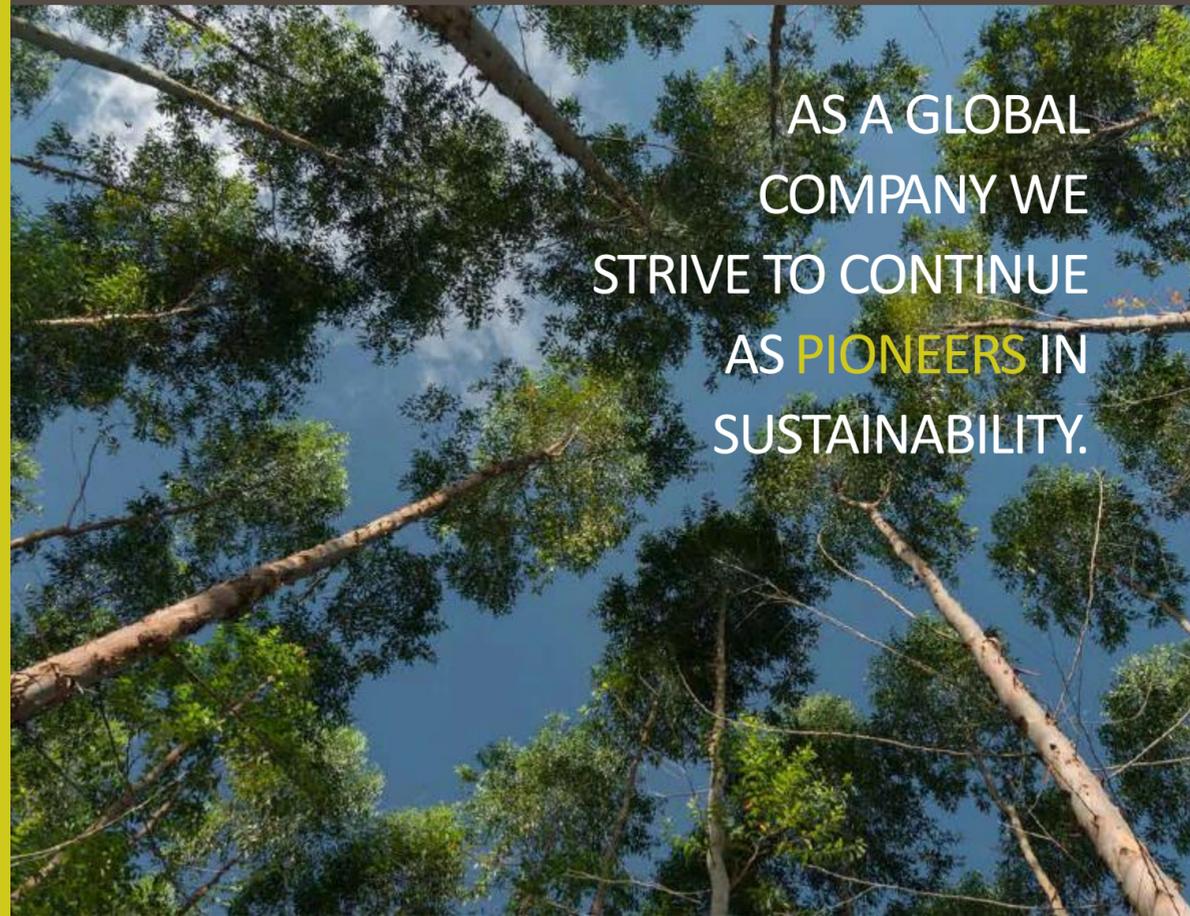


WE EXPECT STABILIZED MARKETS, WITH OUR MILLS FUNCTIONING AS SCHEDULED ALONG WITH A BETTER LIQUIDITY POSITION DUE TO AN EFFICIENT MANAGEMENT OF OUR FORESTRY ASSETS, REFLECTED IN OUR MOST RECENT TRANSACTION FOR 85 THOUSAND HECTARES FOR A TOTAL OF US\$1.16 billion in Brazil.

WE CONTINUE TO EXPAND GLOBALLY, SEEKING NEW CHALLENGES TO MAXIMIZE THE COMPANY'S VALUE IN A SOCIAL, ENVIRONMENTAL, AND ECONOMICAL RESPONSIBLE WAY.



AS A GLOBAL COMPANY WE STRIVE TO CONTINUE AS PIONEERS IN SUSTAINABILITY.



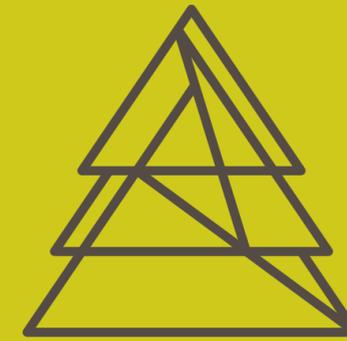
**FOR FURTHER INFORMATION,  
PLEASE CONTACT:**

Marcelo Bennett, Treasurer  
[marcelo.bennett@arauco.com](mailto:marcelo.bennett@arauco.com)  
Phone: (562) 2461 7309

Constanza Vásquez, Investor Relations  
[constanza.vasquez@arauco.com](mailto:constanza.vasquez@arauco.com)  
Phone: (562) 2461 3855

[investor\\_relations@arauco.com](mailto:investor_relations@arauco.com)

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renewables  
for a  
better life

**arauco**

