

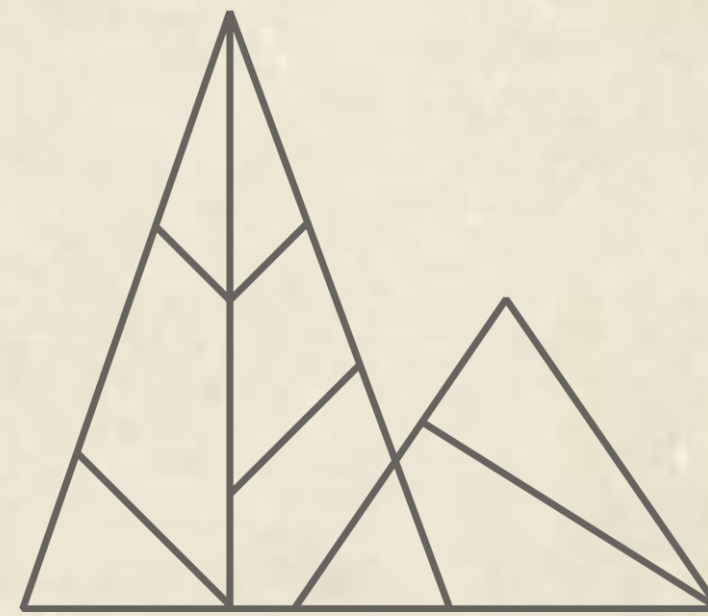


4Q  
2024

# Financial Results Conference Call Presentation March 6, 2025

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\$1,662**  
-2% QoQ

FY US\$6,546 million

Net Income  
**US\$105**  
-55% QoQ

FY US\$476 million

Adj. EBITDA  
**US\$407**  
-46% QoQ

LTM Adj. EBITDA  
**US\$2,014**  
2% QoQ

Net Debt to EBITDA  
**2.74x**

**Sucuriú Project** at  
3.7% of progress



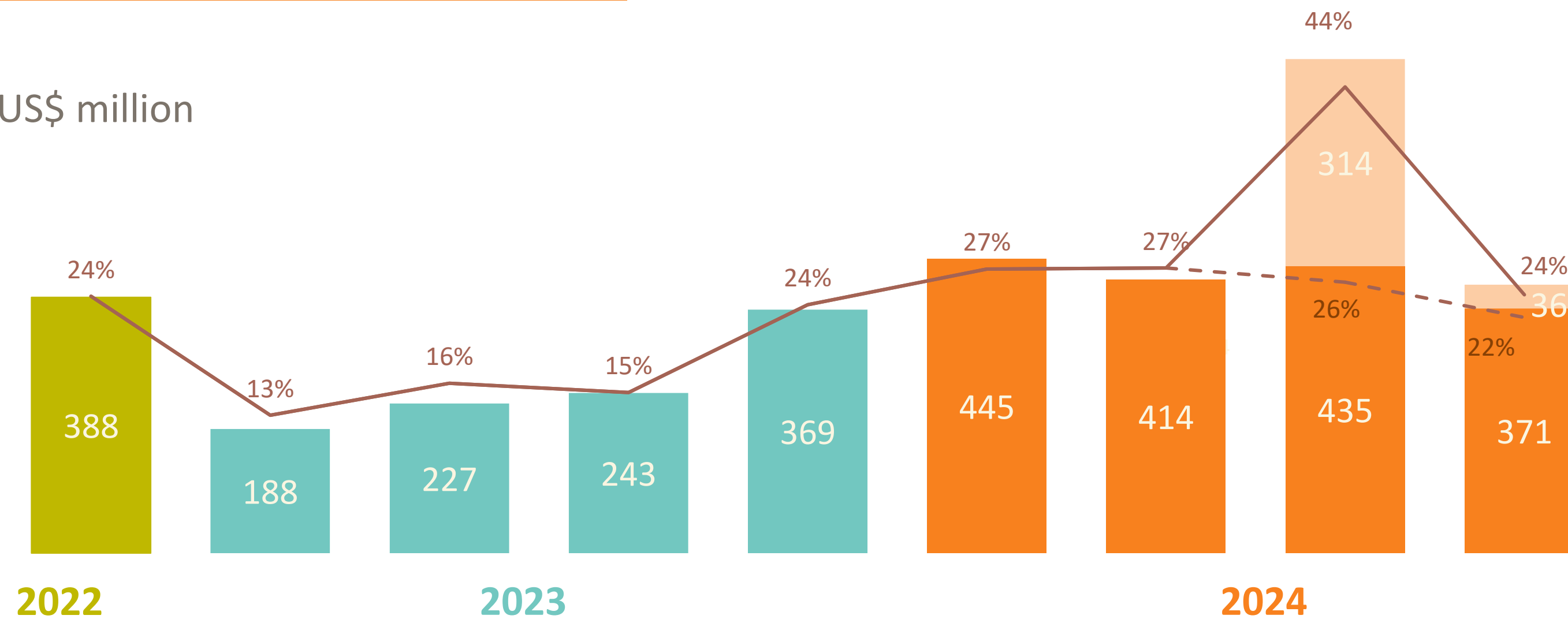


# EBITDA & INCOME STATEMENT



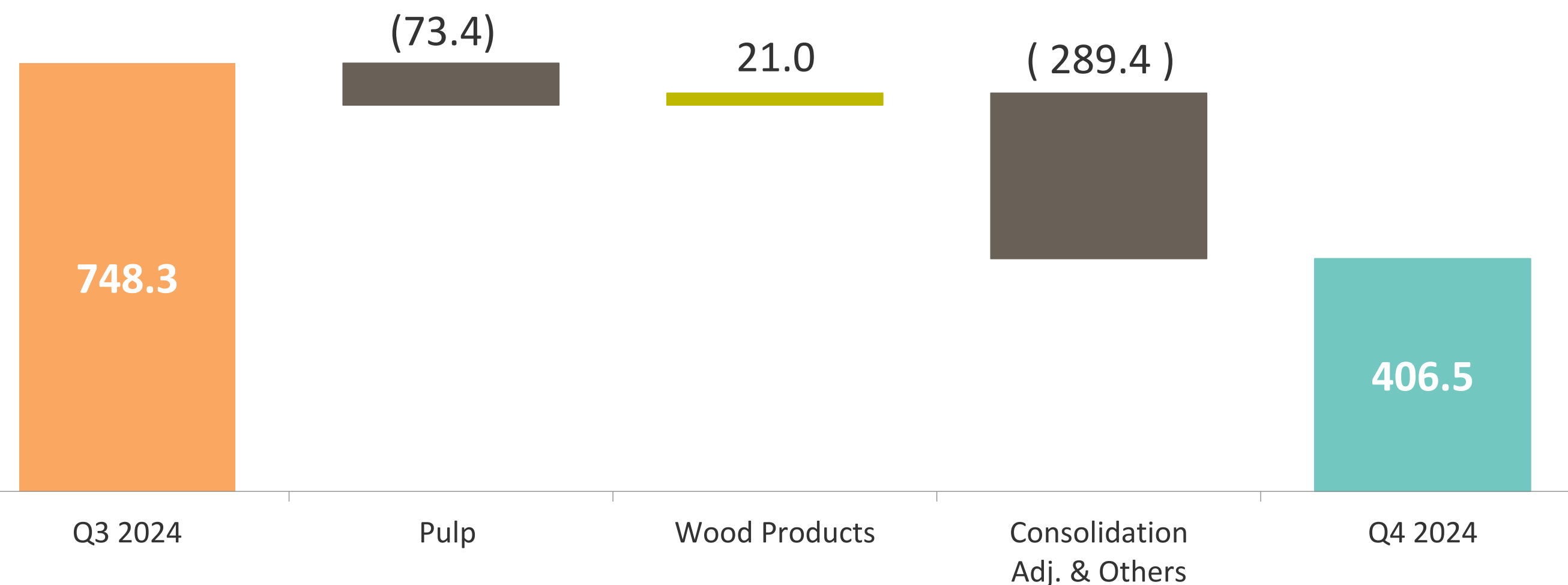
# ADJUSTED EBITDA

► In US\$ million



## Breakdown by division

Pulp	265
Wood Products	145
Consolidated Adj. & Others	(4)

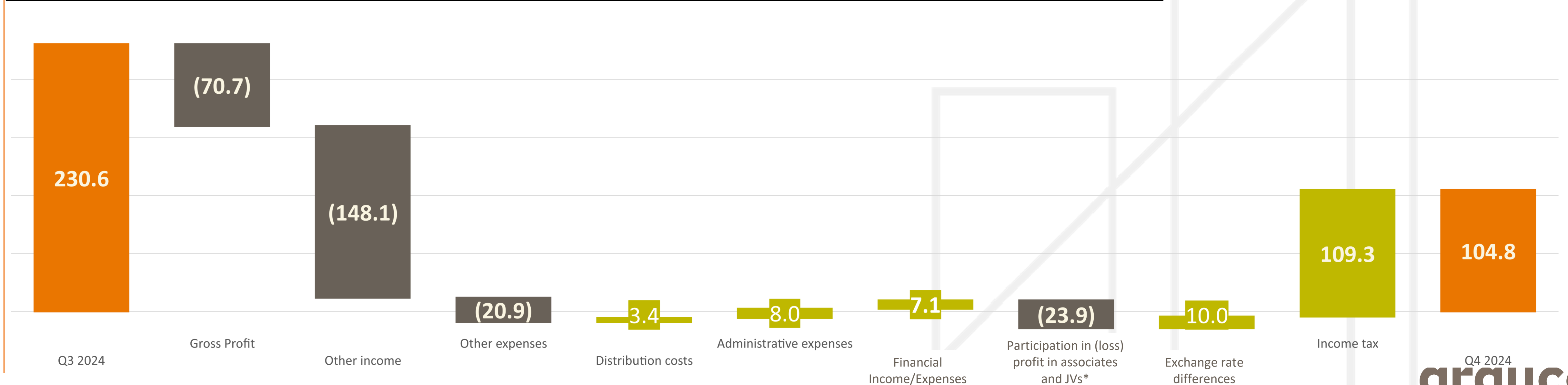


- Adjusted EBITDA during the fourth quarter reached US\$406.5 million. There was an extraordinary US\$289.4 decrease in Adjusted EBITDA due to the effect of our forestry asset sale in Brazil materialized during the third quarter of 2024
- There was a decrease of 21.7% or US\$73.4 million in the Adjusted EBITDA of our pulp business segment, mainly due to a lower operational result.
- Adjusted EBITDA of our wood products business segment increased 17.0% or US\$21.0 million.

# INCOME STATEMENT

► In US\$ million

	Q4 2024	Q3 2024	Q4 2023	QoQ	YoY
<b>Revenue</b>	<b>1,661.6</b>	<b>1,695.2</b>	<b>1,568.5</b>	<b>-2.0%</b>	<b>5.9%</b>
Cost of sales	(1,229.3)	(1,192.2)	(1,221.3)	3.1%	0.7%
<b>Gross Profit</b>	<b>432.3</b>	<b>503.0</b>	<b>347.3</b>	<b>-14.1%</b>	<b>24.5%</b>
Distribution costs	(178.5)	(182.0)	(175.5)	-1.9%	1.8%
Administrative expenses	(135.9)	(143.9)	(153.9)	-5.5%	-11.7%
Financial Income (Expenses) net	(78.4)	(85.6)	(53.2)	-8.3%	47.3%
Other Income (Expenses) net	116.7	285.8	174.7	-59.2%	-33.2%
Others	(24.5)	(10.6)	(114.5)	131.6%	-78.6%
<b>Income before income tax</b>	<b>131.7</b>	<b>366.8</b>	<b>24.8</b>	<b>-64.1%</b>	<b>431.3%</b>
Income tax	(26.9)	(136.2)	(108.9)	-80.2%	-75.3%
<b>Net income</b>	<b>104.8</b>	<b>230.6</b>	<b>(84.1)</b>	<b>-54.6%</b>	<b>24.6%</b>

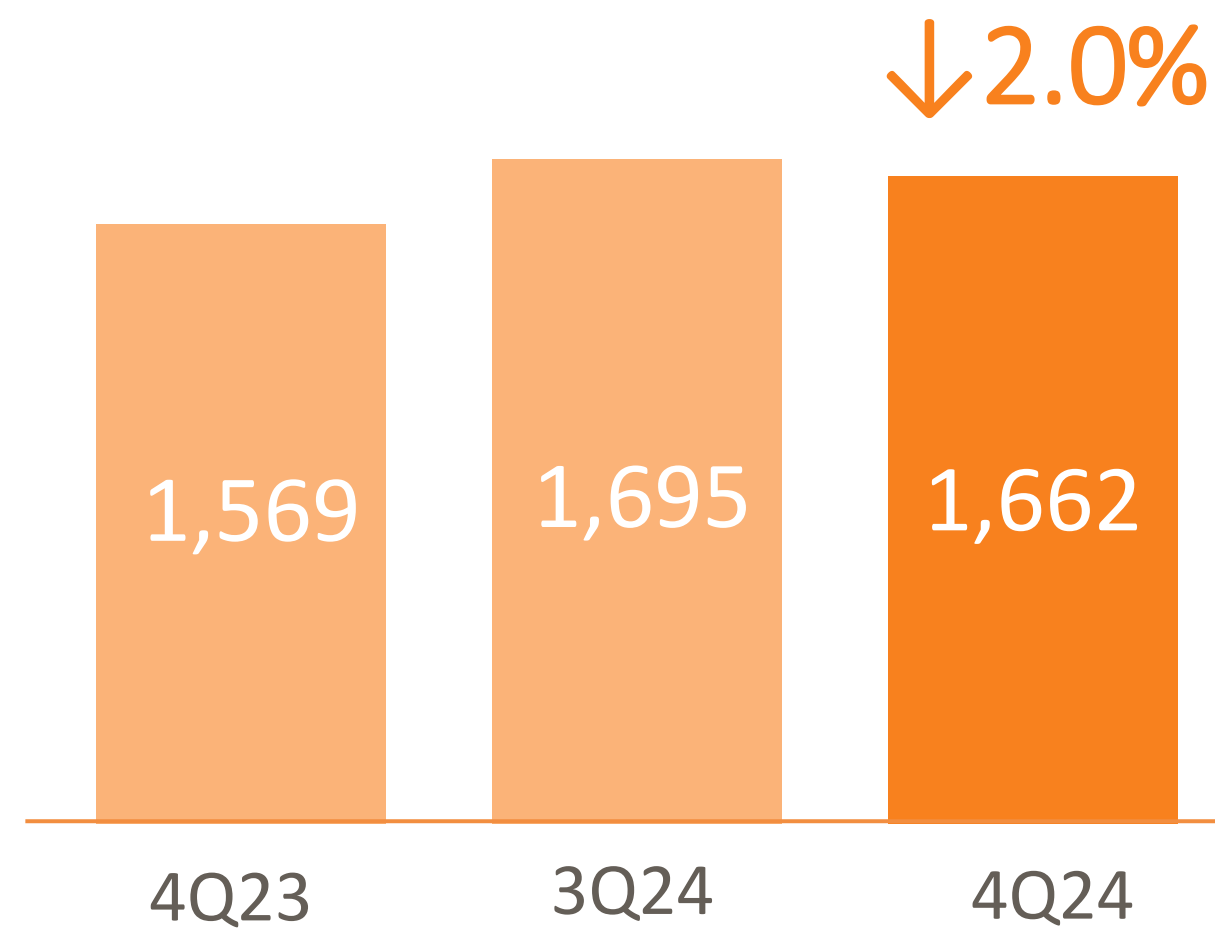


# INCOME STATEMENT – REVENUES & COST OF SALES

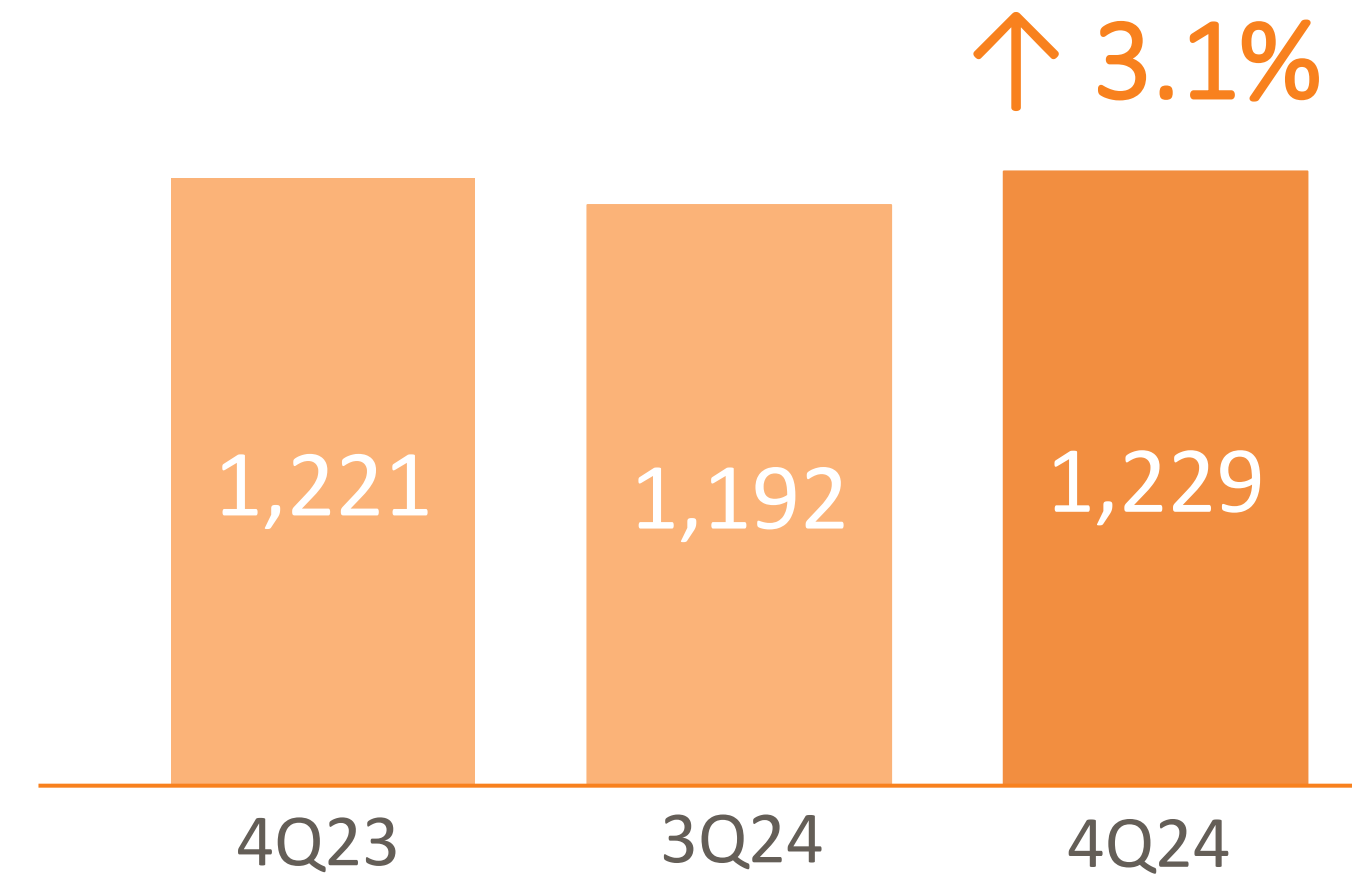
► In US\$ million

**Revenues** decreased by 2.0% compared to the third quarter of 2024 and increased by 5.9% compared to the fourth quarter of 2023.

- **Pulp revenues** decreased by US\$19.9 million or 2.2% mainly driven by a decrease of 18.2% in average prices, offset by a 20.2% increase in sales volume.
- **Wood products revenues** decreased by US\$13.9 million or 1.7%, mainly due to a 3.8% decrease in sales volume, offset by a 2.7% increase in average prices.



**Cost of sales** increased by 3.1% or US\$37.1 million compared to the third quarter, mostly explained by an increase in *Timber costs* and *Depreciation and Amortization* related to higher production in the Nueva Aldea mill, which was stopped for programed maintenance during the third quarter.



### Pulp unitary sale costs QoQ

Softwood bleached pulp	▼	-6.5%
Hardwood bleached pulp	▼	-8.1%
Unbleached softwood pulp	▼	-11.5%
Dissolving pulp	▲	12.2%

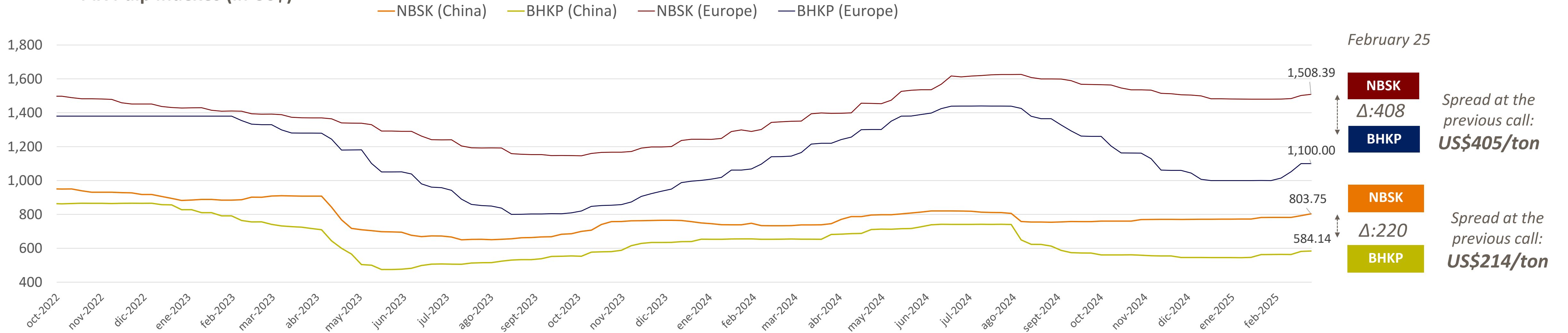




# REVIEW BY BUSINESS SEGMENT & OUTLOOK

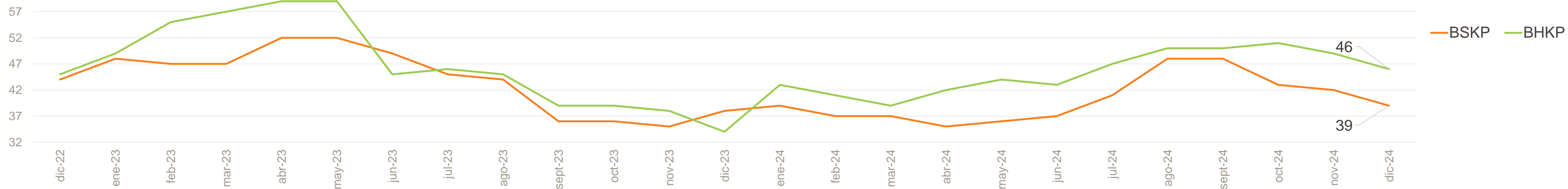


### PIX Pulp Indexes (in US\$)



Source: RISI

### Global BCP Producer Stocks In days of supply



Excludes Russia & Indonesia  
Source: Hawkins Wright

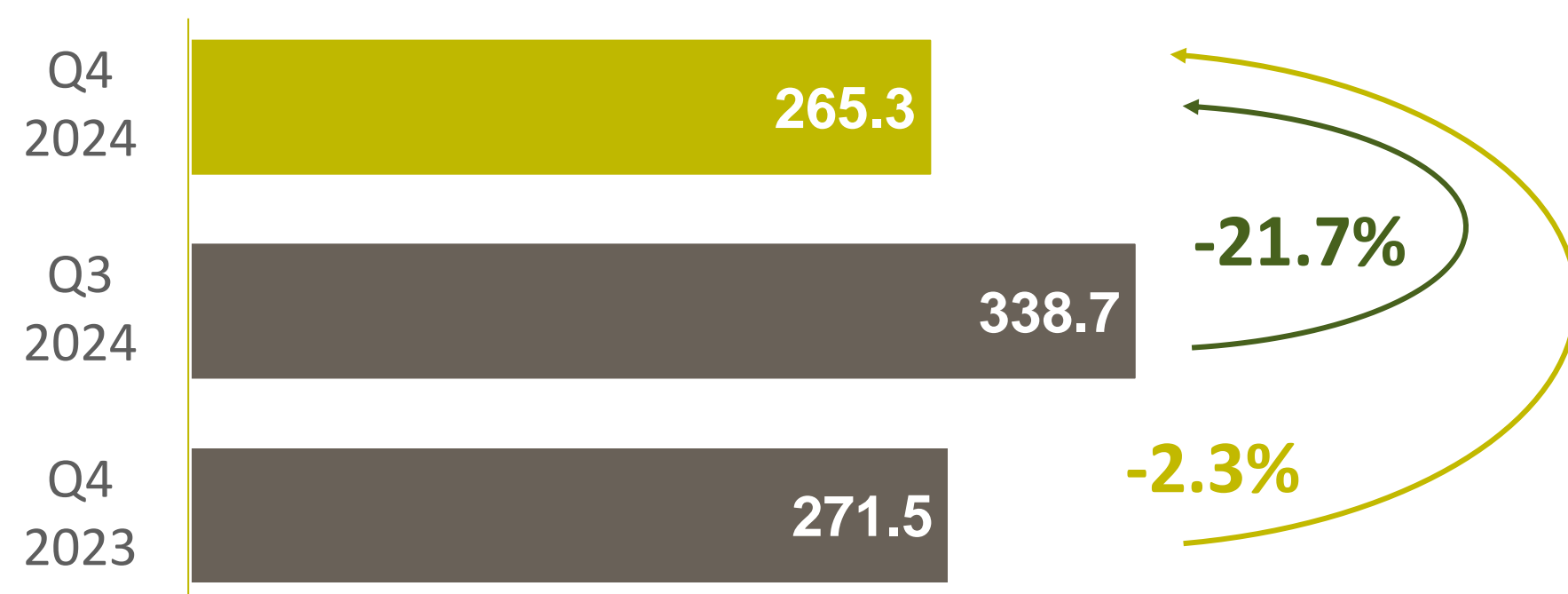


# PULP / ADJUSTED EBITDA

## REVIEW BY BUSINESS SEGMENT & OUTLOOK

### Adjusted EBITDA

► In US\$ million



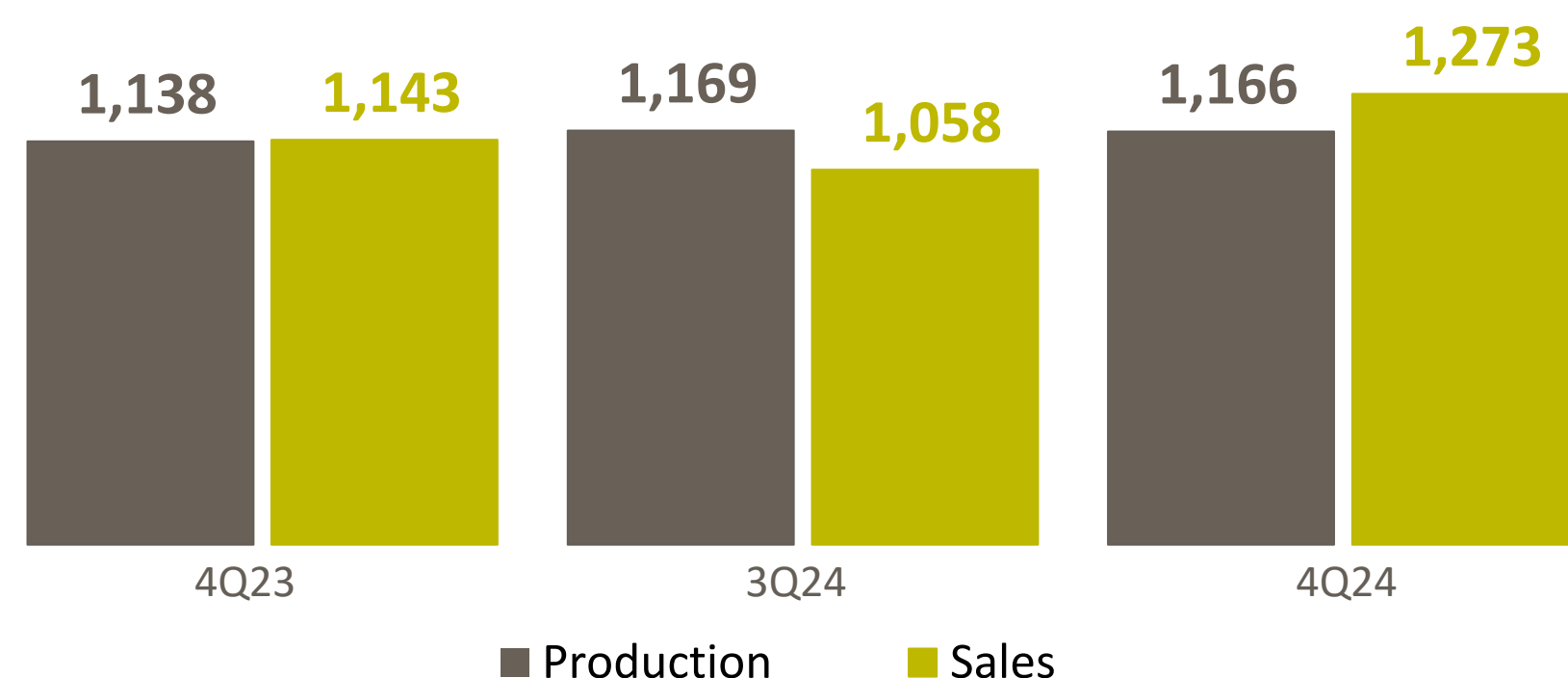
### 4Q 2024

- During the fourth quarter, we saw price decreases in some markets, alongside with a more challenging demand.
- In **China**, the pulp market remained cautious. The bankruptcy of a major local producer led to mill shutdowns, reducing local supply and increasing demand for imported pulp. Long fiber prices increased at the beginning of the quarter before stabilizing, while short fiber prices remained steady.
- In **Europe**, the market improved compared to the third quarter, mainly driven by higher paper producer margins due to the decrease in pulp prices. The tissue demand remained stable. Short fiber prices decreased during most part of the quarter, stabilizing towards the end of the year.
- The **textile pulp** market started stable, however began to show caution due to low seasonality. The viscose market remained with low inventories, and with stable operating rates.
- Production during the fourth quarter was affected by scheduled shutdowns in the Esperanza and Valdivia mill. As for unplanned events, in December the Valdivia mill stopped production due to a labor strike.

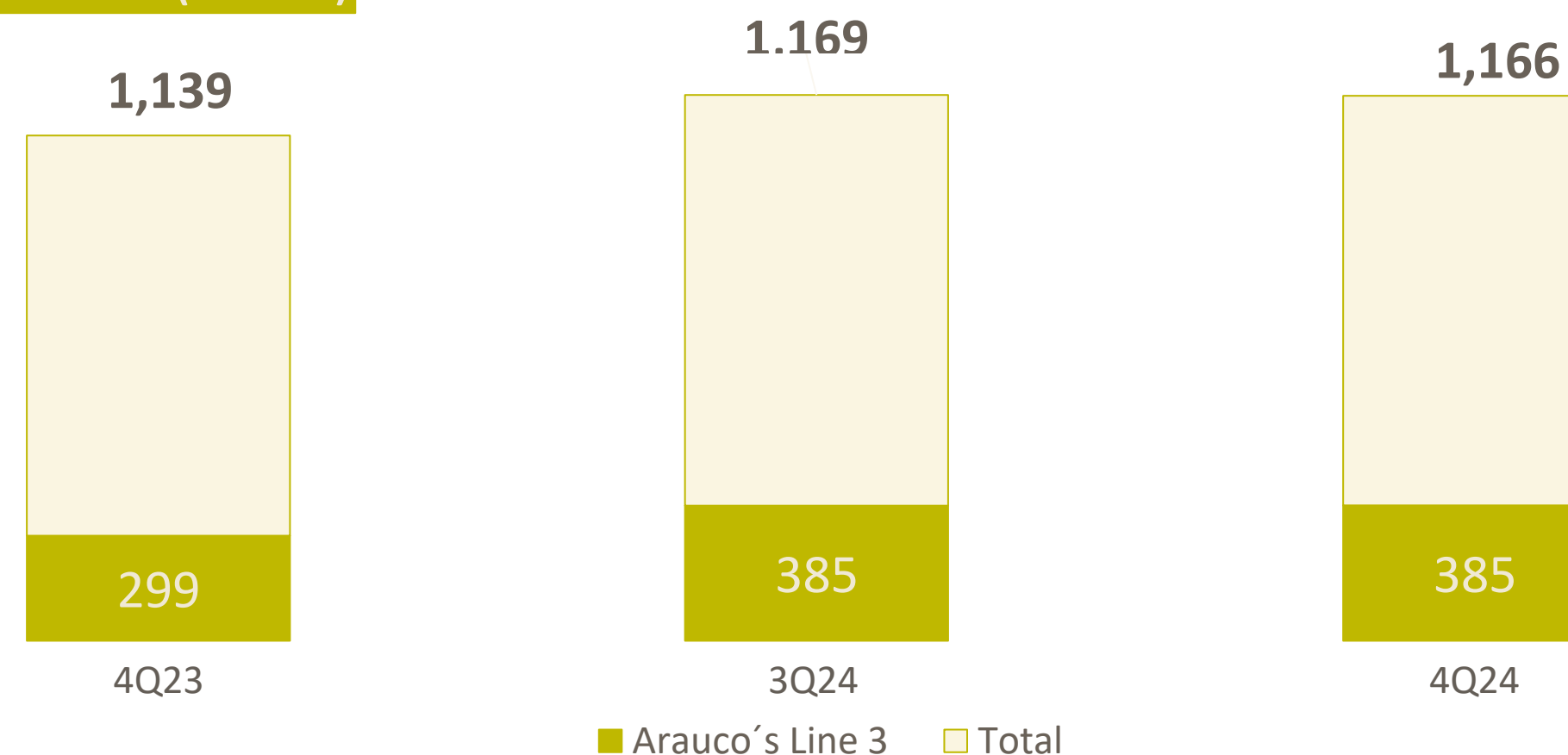
	Price	Volume	Sales
QoQ	-18.2%	20.2%	-2.2%
YoY	-0.4%	11.4%	10.7%

### Production and Sales Volume

In thousand tons



### Total Production (Th Tons)





# PULP OUTLOOK

## REVIEW BY BUSINESS SEGMENT & OUTLOOK

### For the first quarter of 2025,

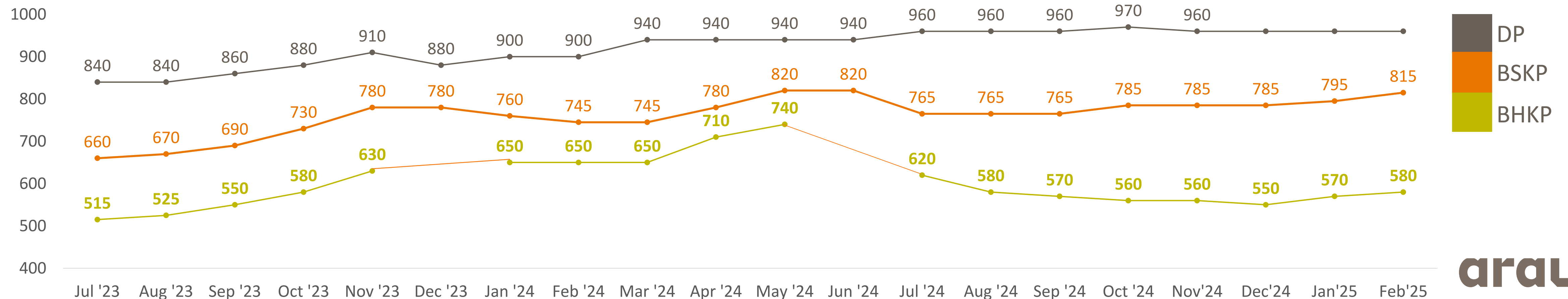
- In China, demand leading up to the Chinese New Year was better than expected. After the holidays, demand and prices remained strong, but we anticipate the market may become more challenging if paper producers struggle to increase their sales.
- In Europe, demand followed the trend from the fourth quarter, with some challenges in both demand and pricing attempts to rise. January price increase was very difficult to implement.
- Uncertainty and concerns are growing with the potential implementation of new tariffs by the U.S. and the risk of trade conflicts with other countries.

### Pulp Mills Days of Stoppages

Mill	2024		2025		
	3Q	4Q	1Q	2Q	3Q
Arauco - Line 2			17		
Arauco - Line 3				16	
Constitución				21	
Nueva Aldea	15				
Valdivia		13			
Esperanza		10			
Montes del Plata					

Finished
In Progress
Planned

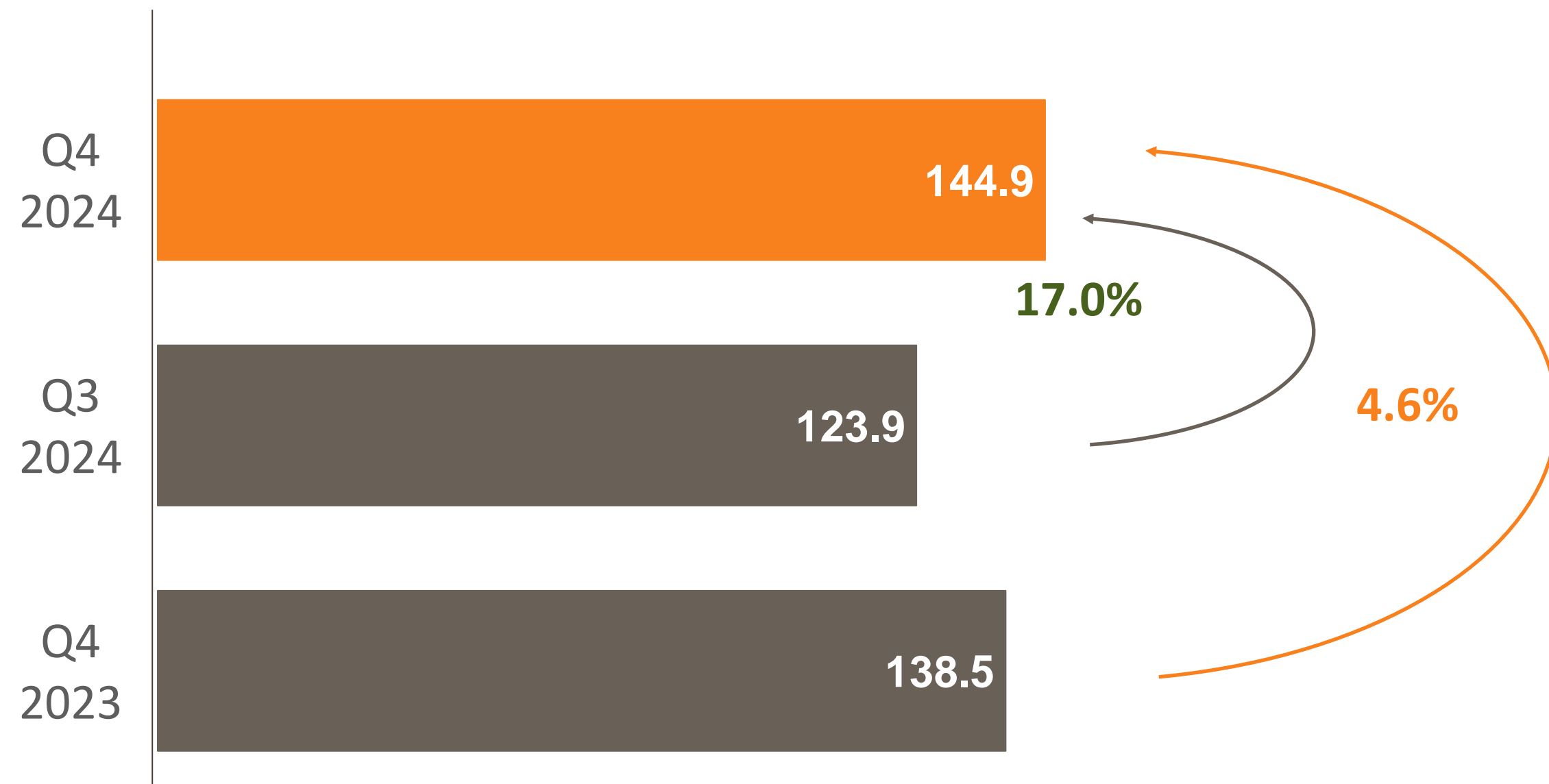
### BSKP, BHKP and DP Net Prices - China





# WOOD PRODUCTS / ADJUSTED EBITDA

**Adjusted EBITDA**  
In US\$ million



## Q4 2024

Adjusted EBITDA of our wood products business segment increased US\$21.0 million or 17.0% when compared to the previous quarter.

## Wood Products

	Price	Volume
QoQ	2,7%	-3,8%
YoY	-2,3%	4,8%

## Panels\*

	Price	Volume
QoQ	1,8%	-6,5%
YoY	-5,2%	7,1%

## Solid Wood\*\*

	Price	Volume
QoQ	4,2%	2,4%
YoY	3,7%	0,2%

\*MDF, PBO, HB

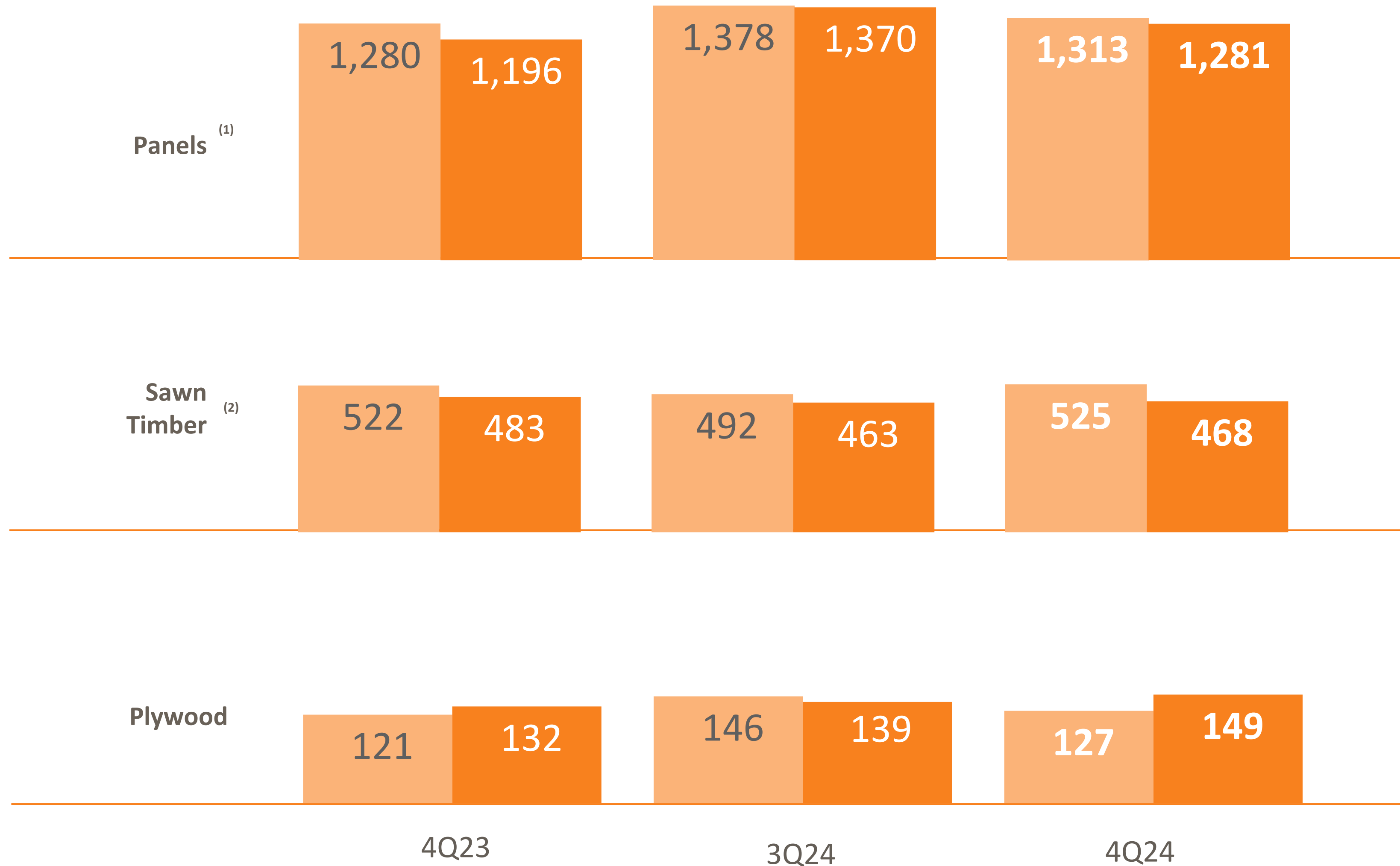
\*\*Sawn Timber, Remanufactured Wood products and Plywood



# WOOD PRODUCTS PRODUCTION AND SALES VOLUME

REVIEW BY BUSINESS SEGMENT & OUTLOOK

► In thousand m<sup>3</sup>



(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



# 51%

## North America

### MDF:

- We anticipate a more challenging scenario, with oversupply expected to persist and reduced downstream consumption.

### PB:

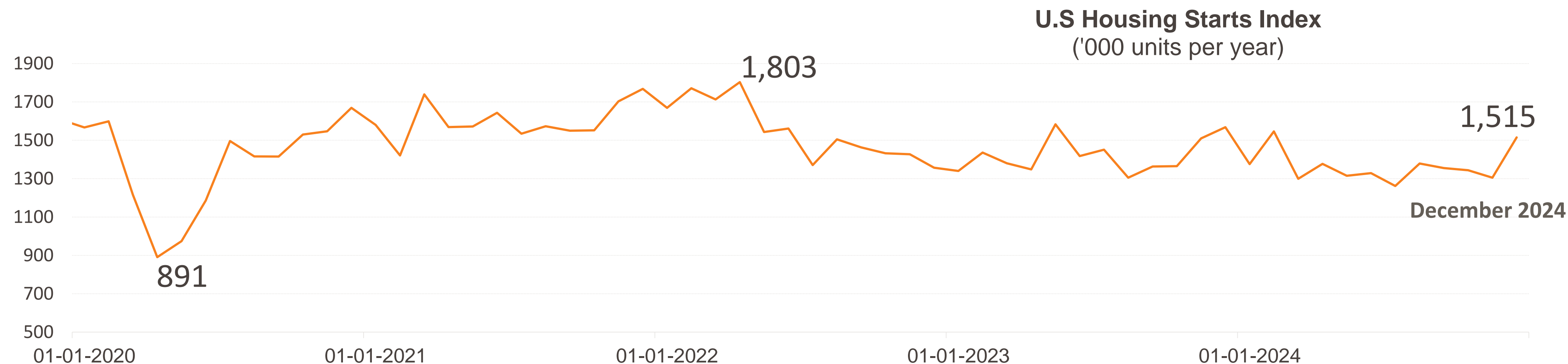
- A stable market is expected, with slight decreases in consumption. Supply remains balanced, with price increases and mills operating at full capacity.

### REMANUFACTURED PRODUCTS:

- We anticipate a negative trend for 2025, with a decrease in demand and prices, primarily driven by slower sales and high inventories that arrived to the market resulting from a clearer supply chain.

### PLYWOOD:

- Market continuing last quarter's positive trend, with steady volumes and pricing.



Source: Bloomberg



# 37%

Central and  
South America

### BRAZIL:

- We expect a steady market, with volumes and price stability.

### CHILE:

- Uncertainty remains as we haven't seen an improvement in the Construction Sector.

### ARGENTINA:

- Some pressure on costs, but with an optimistic scenario due to reduced impact of the recession.

# 11%

Asia,  
Oceania,  
Europe and  
Middle East

### ASIA:

- The outlook remains challenging with weak demand in China and uncertainty in several markets. While the rest of Asia benefits from lower freight rates, overall supply and demand remain limited. Recovery is expected after the Chinese New Year.

### OCEANIA:

- We expect a stable market for the rest of the year.

### EUROPE:

- We expect a positive trend, driven by lower rates, some competitor mill closures, and increased sustainable construction.

### MIDDLE EAST:

- Uncertainty is expected for demand, but with a positive trend in supply.



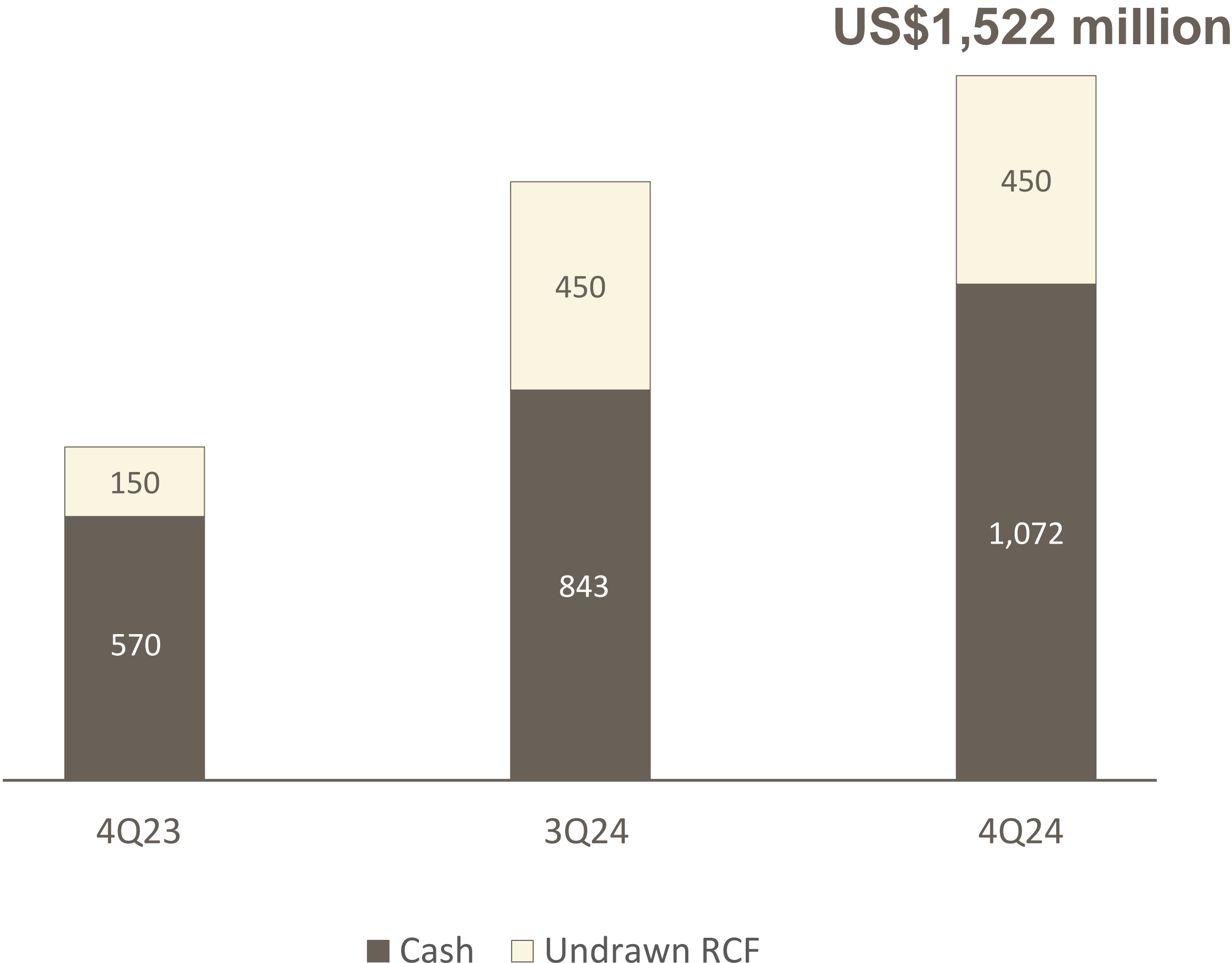


# FINANCIAL REVIEW



# CASH AND LIQUIDITY

Our cash position was US\$1,071.6 million at the end of the fourth quarter of 2024. In addition, we have a revolving credit facility (RCF) for a total amount of US\$450 million due in September 2027, which as of the date of this report hasn't been withdrawn.

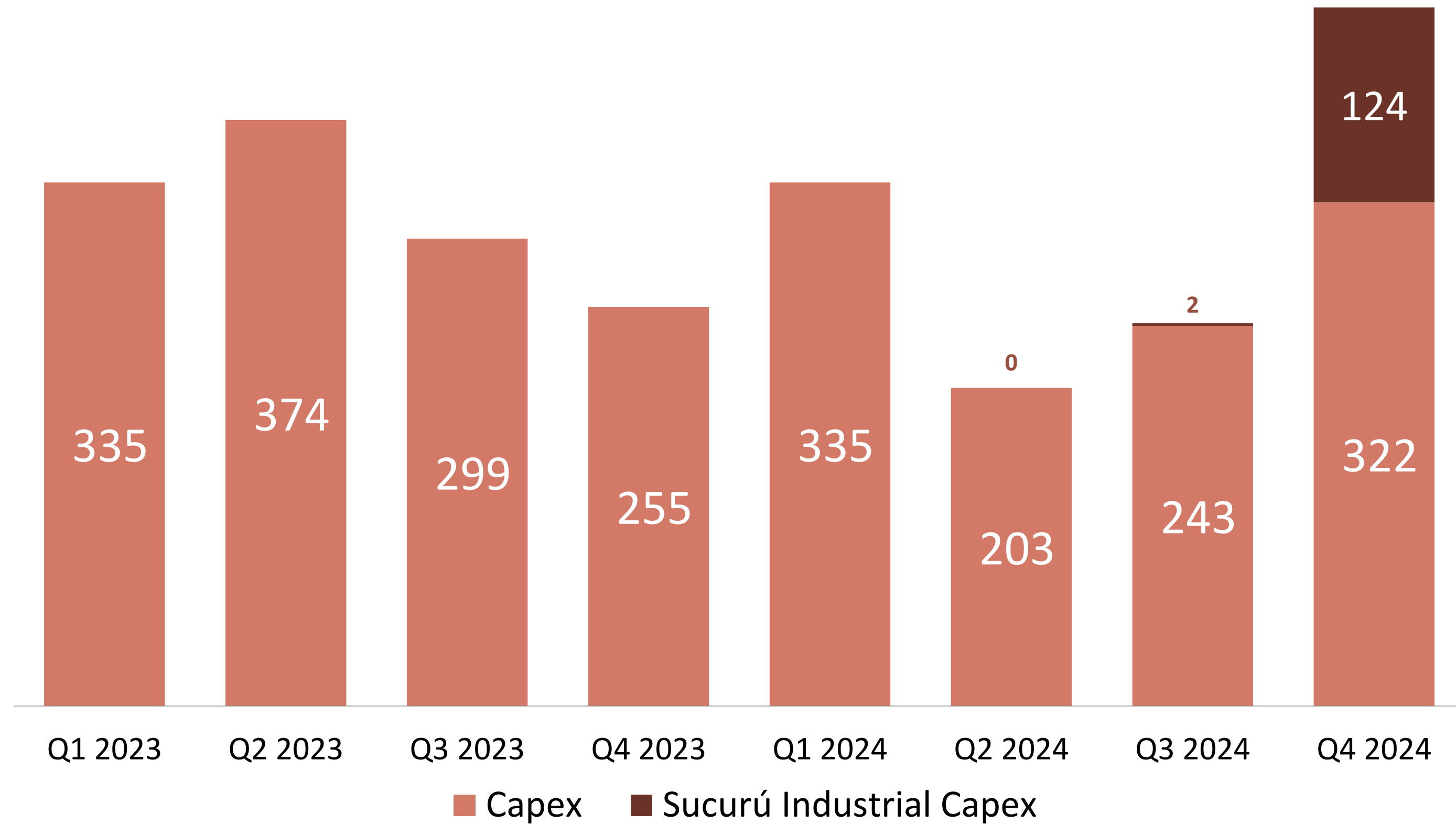




# CAPEX



During this quarter, capital expenditures (on a cash basis) were US\$446.4 million, US\$201.7 million higher than the previous quarter, mainly explained by investments in our Sucuriú Project.





# FREE CASH FLOW

Cash flows received from operating activities decreased US\$184.4 million mostly due to a decrease in *Adjusted EBITDA*.

Cash flows from investment activities decreased US\$1,444.8 million mainly due to the cash received from our forestry asset sale in Brazil during the previous quarter and an increase in Capex.

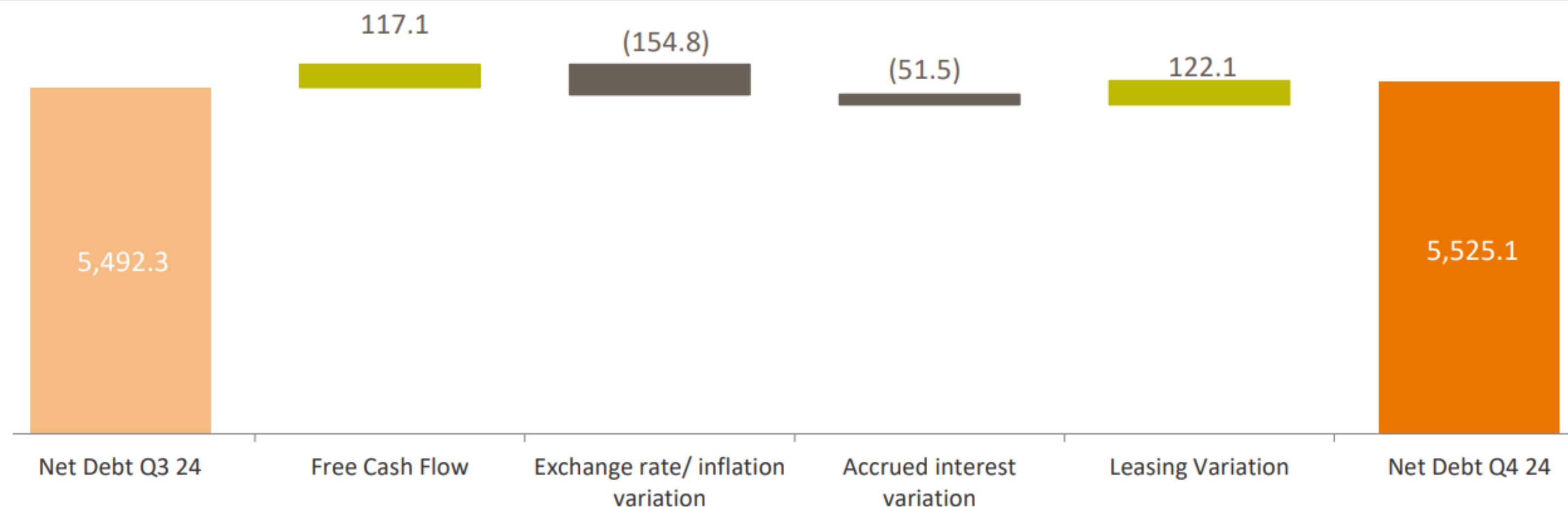
Cash flows used in financing activities increased by US\$159.4 million, due to Empresas Copec's capital injection.

► Net Debt increased by US\$32.9 million or by 0.6%, mainly due to the negative free cash flow and a leasing increase during the quarter.

► In US\$ million

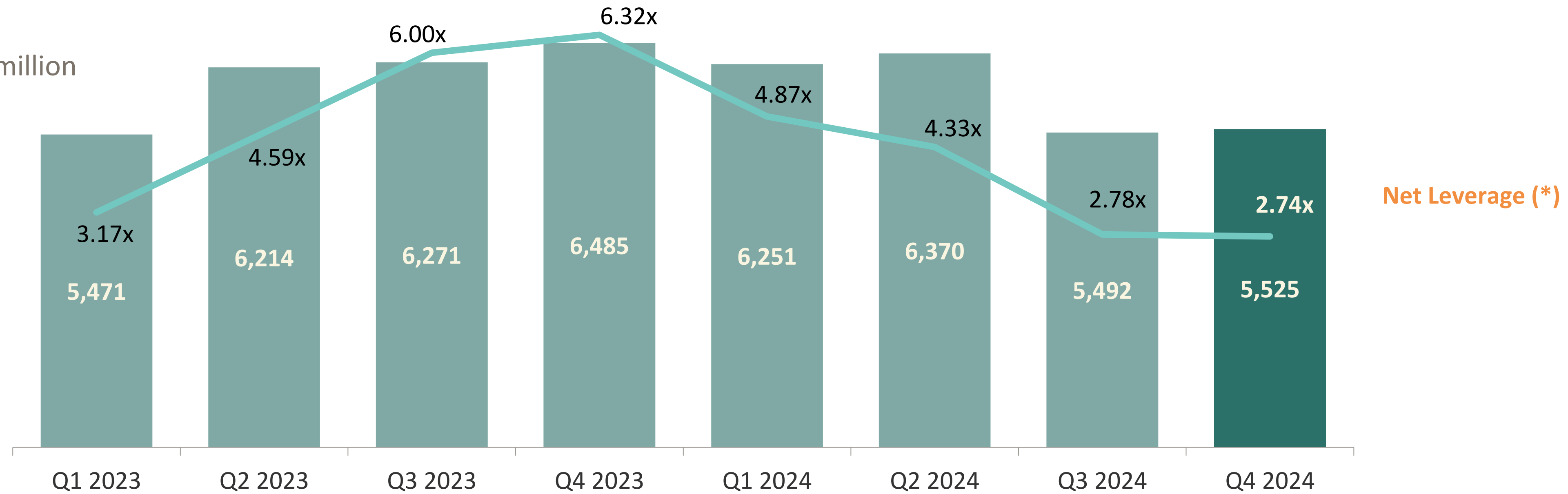
	Q4 2024	Q3 2024
<i>Adjusted EBITDA</i>	406,5	748,3
<i>Non Recurrent Adjusted EBITDA</i>	-	(313,6)
<i>Working Capital Variation</i>	28,8	(57,8)
<i>Interest paid and received</i>	(107,9)	(47,4)
<i>Income tax received (paid)</i>	(32,7)	(17,3)
<i>Others</i>	(108,2)	58,8
<b>Cash from Operating Activities</b>	<b>186,5</b>	<b>370,9</b>
<i>Capex (1)</i>	(446,4)	(244,6)
<i>Others</i>	(13,6)	944,2
<i>Proceeds from investment activities</i>	16,2	1,4
<b>Cash from Investment Activities</b>	<b>(443,8)</b>	<b>701,0</b>
<b>Cash from Financing Activities (net of debt)</b>	<b>173,9</b>	<b>(14,5)</b>
Effect of exchange rate changes on cash	(33,7)	11,8
<b>Free Cash Flow</b>	<b>(117,1)</b>	<b>1.069,2</b>

(1) On a cash basis.



# NET FINANCIAL DEBT

► In US\$ million



Cash and cash equivalents increased by 27.1% or US\$228.7 million.

Total Financial Debt increased by 4.1% or US\$261.6 million.

LTM Adjusted EBITDA was US\$2,014.1 million, 1.9% higher QoQ.

Net Leverage (\*) decreased from 2.78x to 2.74x.

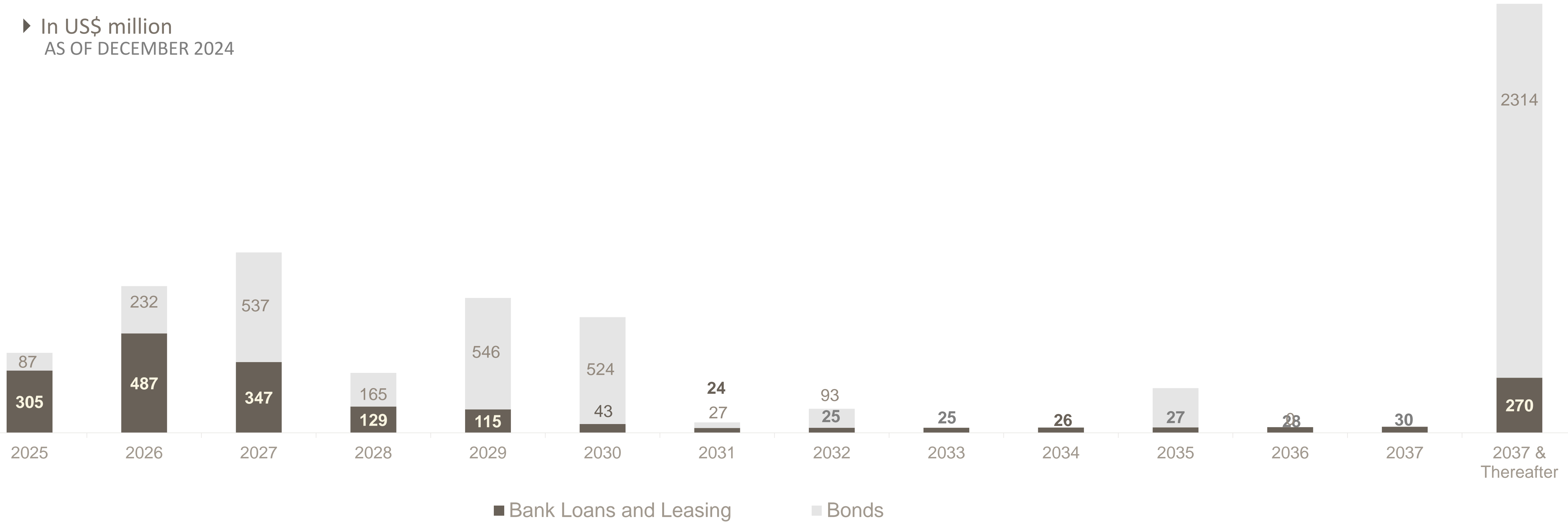
	December 2024	September 2024
Short Term Debt	392	397
Long Term Debt	6.205	5.938
<b>Total Debt</b>	<b>6.597</b>	<b>6.335</b>
Cash	1.072	843
<b>Net Debt</b>	<b>5.525</b>	<b>5.492</b>

(\*) Net Debt / LTM Adjusted EBITDA



# DEBT PROFILE

► In US\$ million  
AS OF DECEMBER 2024



## BANK OBLIGATIONS FOR 2025 INCLUDE:

- US\$ 248.8 million in bank loans.
- US\$ 55.9 million in leasing.

## BOND OBLIGATIONS FOR 2025 INCLUDE:

- US\$ 52.5 million in local bond obligations.
- US\$ 34.8 million in USD-denominated bond obligations.





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# MATERIAL FACTS



# MATERIAL FACTS AND NEWS

## Sucuriú Project Industrial Update

The Sucuriú project is progressing according to schedule, reaching physical progress of 3.7% as of February 2025. Regarding Capital Expenditures, US\$126.1 million was disbursed during 2024, which corresponds to 2.7% of the total capex of the project (US\$4,600 million). We finished the first “casino” (dining area), one entrance of the site and the communications tower. Construction is expected to begin in April 2025.





# MATERIAL FACTS AND NEWS

## Sucuriú Project ESG Update

We have implemented different instances for engaging with the community and studying the environment surrounding our Sucuriú project:

- **Arauco connection:** Program to help entrepreneurs prepare for the arising demand due our project.
- **Open Meetings:** Presentations of our project, schedule and action planning.
- **PEOT / Master Plan:** The Municipality of Inocência adopted de Strategic Plan for Territorial Occupation (PEOT), where we contributed with a specialized team in urban planning.
- **Lodging:** A total of 7 modules with a capacity of 7,800 people is under construction
- We have implemented various **platforms** and spaces to keep the community updated on the project such as Casa Arauco, a Bulletin, Servicio de Atendimento à Comunidade, our website and also a radio frequency “Momento Arauco”
- We have been collecting data since 2022 on the High Conservation Value Area of Reúgio das Antas, focusing on the **protection of native fauna**. We identified 243 species of birds, 26 species of mammals, and 42 species of herpetofauna.





# MATERIAL FACTS AND NEWS

## UF Sustainability bonds, Chile

In November 2024, we issued two series of sustainability bonds in the Chilean market for a total amount of UF 10.0 million (approximately U.S.\$386 million). The amount of the issuance of the 7-year series was UF 1.0 million (equivalent to U.S.\$39 million as of December 31, 2024), while the amount of the 20-year series was UF 9.0 million (equivalent to U.S.\$347 million as of December 31, 2024). The proceeds from these issuances were for general corporate purposes and assumed a commitment to finance or refinance eligible green and social projects, in an amount equivalent to the issuance of such bonds.

## Sustainable Financing Framework

In November 2024, we adopted a new Sustainable Financing Framework to guide our sustainable initiatives and investments. The framework aligns with the UN Global Compact and UN Guidelines on Business and Human Rights, covering the use of proceeds, project evaluation, management, and reporting. Annually, we will publish a report on our website detailing the allocation of proceeds to eligible projects, their expected impacts, and project descriptions.

The report will also include an independent third-party review of allocated amounts.





# MATERIAL FACTS AND NEWS

## Forest Fires, Chile

During this forest fire season in Chile, we had 467 fires (17% down when compared to last season's 566 fires), affecting approximately 375 hectares (208 hectares more than last season). As part of our permanent efforts in fighting these fires, we made more than 6,000 water drops, in more than 1,600 flight hours. Also, 44% of the fires we fought during this season took place in properties that belong to third parties.



## Construction in wood, Chile



Tupungato refugee, made of cross-laminated timber (CLT) from the HILAM mill in Arauco, finished its construction during December 2024 at an altitude of 5,800 meters above sea level. The Tupungato Mountain is one of the most imposing peaks in the Andes, that year after year captures the attention of thousands of hikers, mountaineers and travelers.

The first Copec S.A. power station built with CLT from the HILAM mill in Arauco is now a reality. The project promotes electromobility and demonstrates how design, innovation and commitment to the environment can go hand in hand and not only boosts electromobility, but also demonstrates that good ideas and strategic alliances can contribute to a cleaner and more sustainable future for all.



# MATERIAL FACTS AND NEWS

## Outstanding performance of Constitución and Arauco Schools in the PAES\* test 2024, Chile

With great pride, we recognize the excellent results obtained by our students from the Constitución and Arauco Schools in the recent test to access college education (PAES). Colegio Constitución was positioned in third place nationally and first regionally, while Colegio Arauco stood out with second place regionally and 24th nationally, thanks to the excellent performance of its students.

These results reflect the joint effort of students, families and teachers, reaffirming their commitment to educational excellence.





# TAKEAWAYS

- YoY Net Leverage decreased significantly from 6.32x to 2.74x as our Adjusted EBITDA increased 96.3% and Net Financial Debt decreased 14.8%.
- Uncertainty growing in some markets, due to the potential implementation of new tariffs in the U.S. and the effect of trade conflicts with other countries.
- Sucuriú Project with a current physical progress of 3.7%. Construction expected to begin on April 2025 and ramp up in the fourth quarter of 2027.
- New Sustainable Financing Framework issued in November 2024, which guides our sustainable initiatives and investments.

1Q 2025  
RESULTS &  
CONF CALL

MID MAY  
2025







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**

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