



2Q
2025

Financial Results
Conference Call Presentation
Aug 20, 2025

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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\$1,525
-0.4% QoQ

Net Income
US\$16.4
162% QoQ

Adj. EBITDA
US\$383
10% QoQ

LTM Adj. EBITDA
US\$1,886
-1.6% QoQ

Net Debt to EBITDA
3.33x

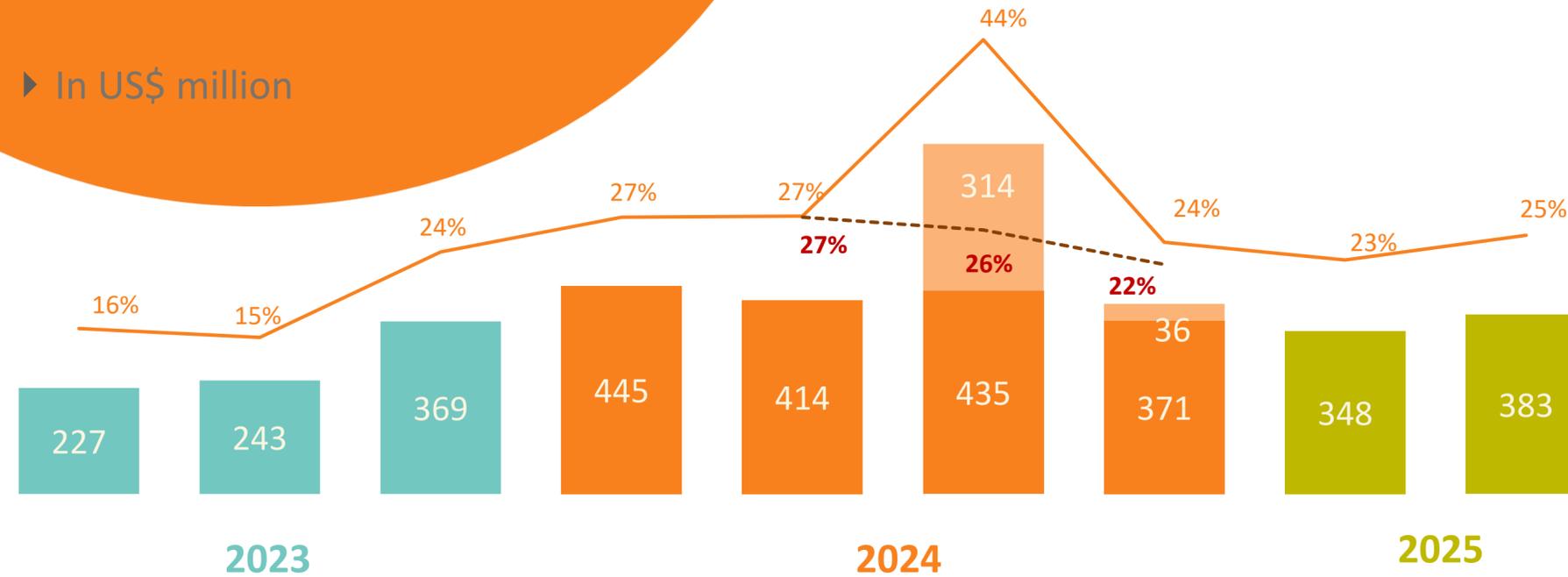
Sucuriú Project
Progress
13.2%



EBITDA & INCOME STATEMENT

ADJUSTED EBITDA

► In US\$ million



Breakdown by division

Pulp	259
Wood Products	138
Consolidated Adj. & Others	13



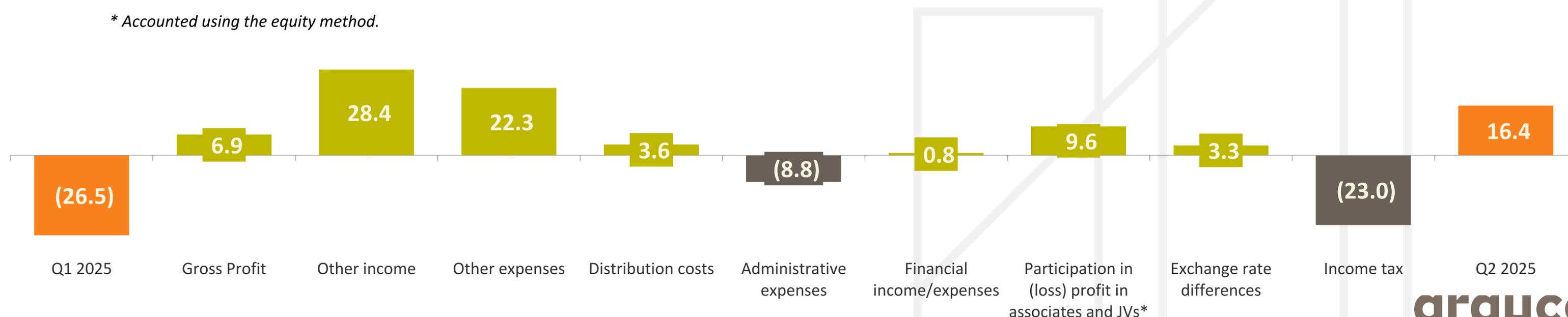
- Adjusted EBITDA during the second quarter reached US\$383.1 million.
- There was an increase of 2.8% or US\$6.9 million in the Adjusted EBITDA of our pulp business segment.
- Adjusted EBITDA of our wood products business segment increased 16.8% or US\$19.8 million, mainly due to higher sales volume.

INCOME STATEMENT

► In US\$ million

	Q2 2025	Q1 2025	Q2 2024	QoQ	YoY
Revenue	1.524,7	1.531,5	1.534,4	-0,4%	-0,6%
Cost of sales	(1.091,1)	(1.104,8)	(1.066,2)	-1,2%	2,3%
Gross Profit	433,6	426,7	468,2	1,6%	-7,4%
Other income	58,2	29,8	48,3	95,3%	20,5%
Distribution costs	(169,5)	(173,1)	(167,7)	-2,1%	1,1%
Administrative expenses	(146,9)	(138,1)	(146,6)	6,4%	0,2%
Other expenses	(26,7)	(49,0)	(48,3)	45,4%	-44,6%
Financial income	13,8	14,9	16,6	-7,1%	-16,5%
Financial costs	(96,5)	(98,3)	(105,1)	-1,8%	-8,2%
Participation in (loss) profit in associates and JVs*	1,9	(7,7)	(2,1)	124,1%	189,5%
Exchange rate differences	(35,6)	(38,8)	(0,8)	8,4%	4357,6%
Income before income tax	32,2	(33,7)	62,5	195,6%	-48,5%
Income tax	(15,8)	7,2	(22,0)	-318,8%	28,3%
Net income	16,4	(26,5)	40,5	162,0%	-59,4%

* Accounted using the equity method.



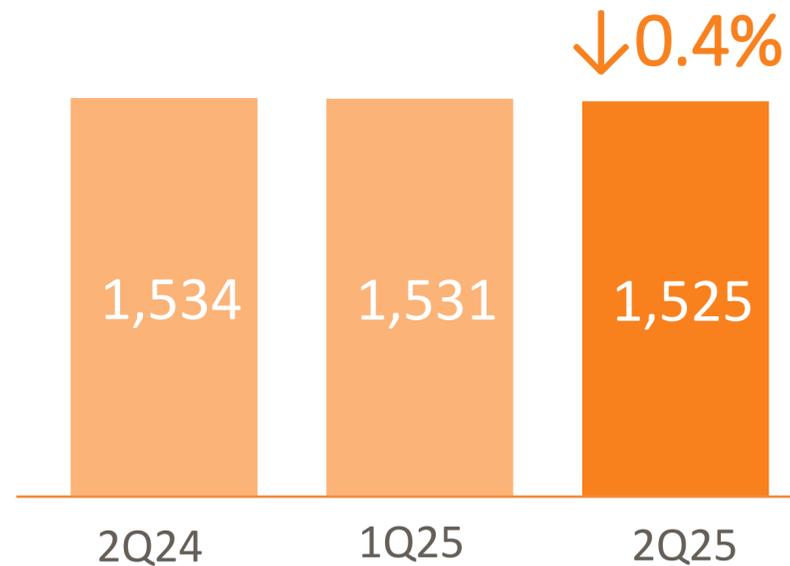
INCOME STATEMENT – REVENUES & COST OF SALES

► In US\$ million

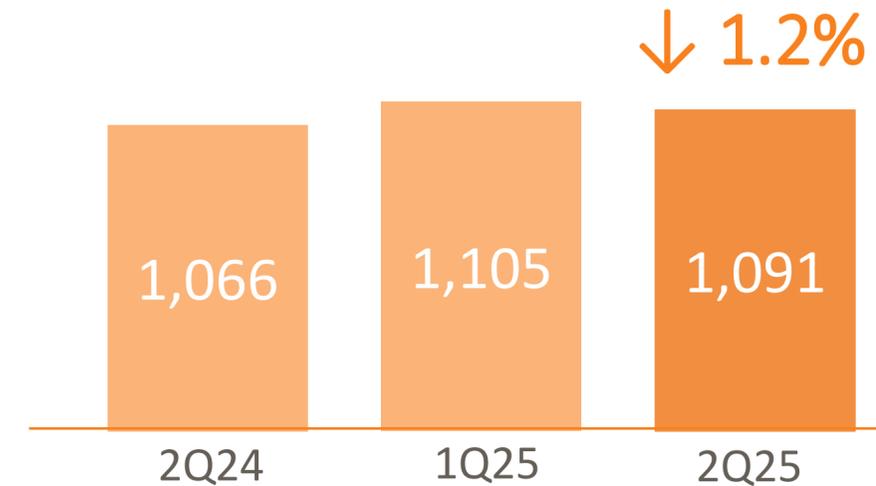
Revenues decreased by 0.4% compared to the first quarter of 2025 and by 0.6% compared to the second quarter of 2024.

- **Pulp revenues** decreased by US\$58.6 million or 7.3% mainly driven by a decrease of 11.6% in sales volume.

- **Wood products revenues** increased by US\$52.1 million or 7.1%, mainly due to a 5.6% increase in sales volume.



Cost of sales decreased by 1.2% or US\$13.7 million compared to the first quarter, mostly explained by a decrease in *Timber* and *Depreciation and Amortization* related to plant stoppages in Line 3 and Nueva Aldea.

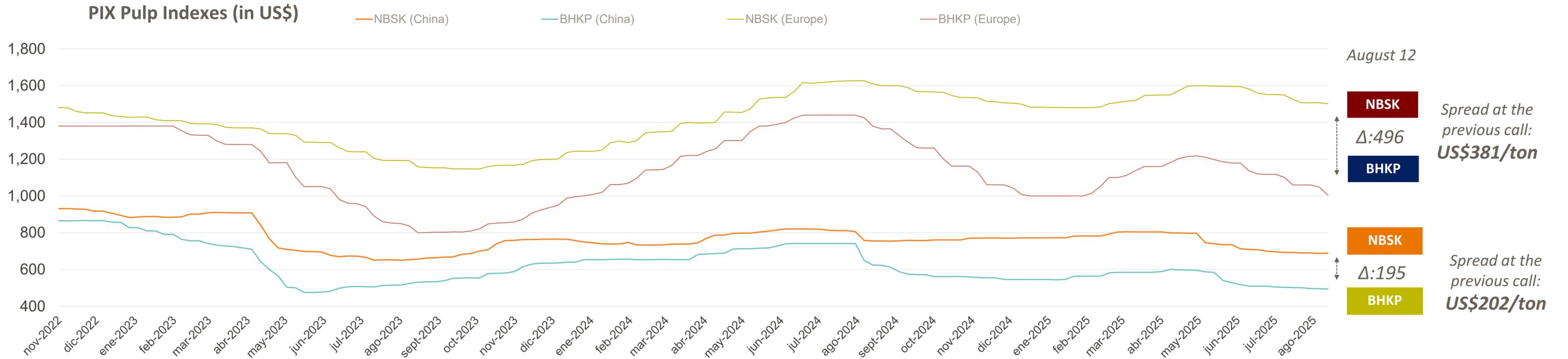


Pulp unitary sale costs QoQ

Softwood bleached pulp	▼	-3.5%
Hardwood bleached pulp	▲	2.2%
Unbleached softwood pulp	▲	18.6%
Dissolving pulp	▼	-2.4%

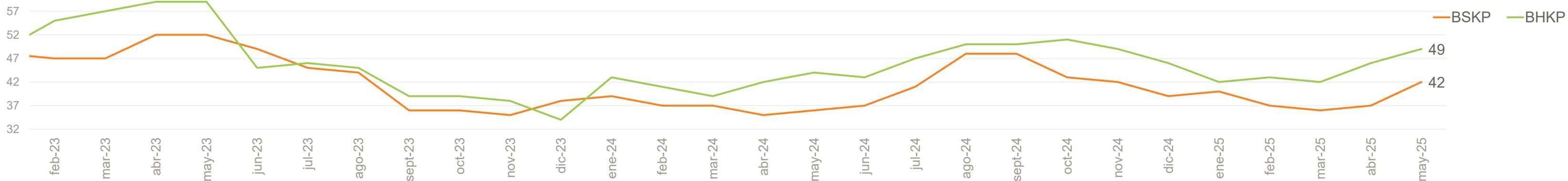


REVIEW BY BUSINESS SEGMENT & OUTLOOK



Source: RISI

Global BCP Producer Stocks *In days of supply*

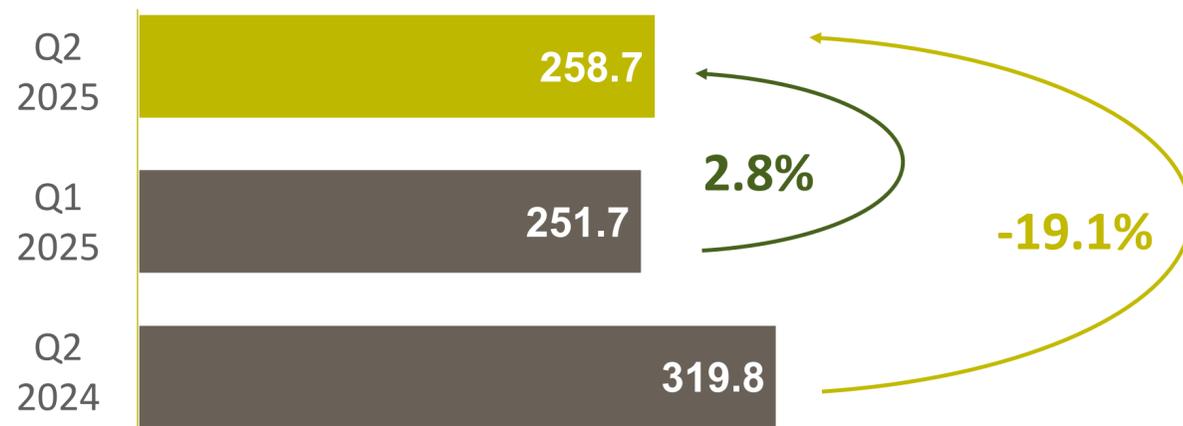


Excludes Russia & Indonesia
Source: Hawkins Wright

PULP / ADJUSTED EBITDA

Adjusted EBITDA

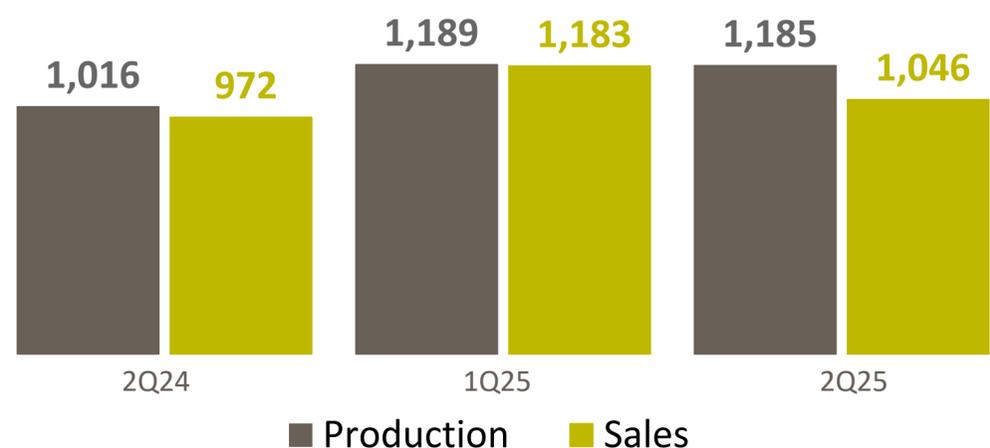
▶ In US\$ million



	Price	Volume	Sales
QoQ	3,3%	-11,6%	-7,3%
YoY	-12,1%	7,6%	-4,5%

Production and Sales Volume

In thousand tons



2Q 2025

- Towards the end of the second quarter, prices started to decrease, mainly in short-fiber, while long-fiber prices remained steady and textile pulp prices increased.
- In **China**, the pulp market began with active demand. While domestic consumption increased it did not grow enough to absorb the new capacity from recently installed production, leading to lower pulp demand. Inventories were stable until April, until they began to rise as paper producers kept low pulp stocks but high finished paper inventories to avoid speculation on future price increases.
- In **Europe**, pulp and paper oversupply combined with lower consumption in nearly all grades—except slight growth in Eastern European tissue—led to some mill closures, though not enough to positively influence prices and margins for paper producers. In pulp, closures increased availability, with only temporary long-fiber shutdowns.
- The **viscose** market was significantly affected by ongoing trade tensions between the U.S., China, and other Asian textile-producing countries.
- Production during the second quarter increased by 16.5% compared to the same period in 2024 and remained unchanged compared to the first quarter of 2025.

PULP OUTLOOK

REVIEW BY BUSINESS SEGMENT & OUTLOOK

For the third quarter of 2025,

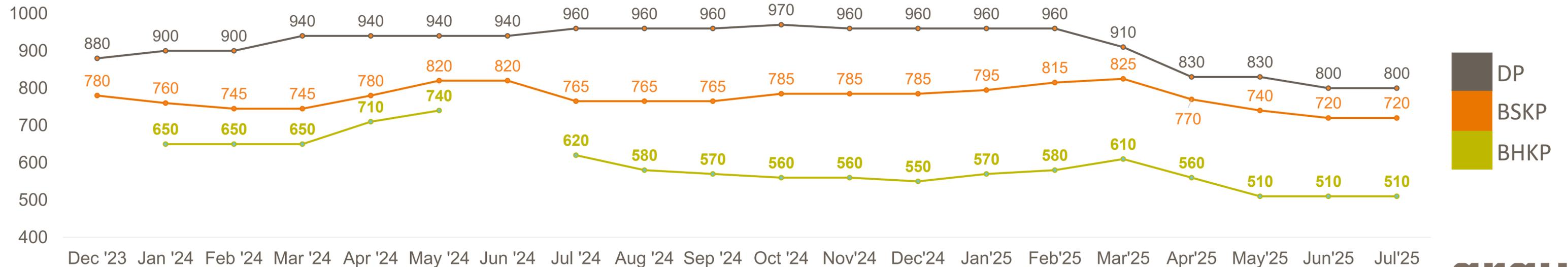
- In **China**, hardwood prices appear to be nearing a bottom, although some further deterioration in softwood prices remains possible. Overall, local demand is active and growing; however, an oversupply of pulp continues to keep prices at a low. At the same time, excess capacity in the paper industry is also exerting downward pressure on paper prices. Consequently, despite lower pulp costs, margins have continued to deteriorate.
- In **Europe**, demand remains weak, with little expectation of a short-term recovery. An oversupply of pulp continues to suppress prices, a situation further influenced by the seasonal slowdown during the summer months.
- Uncertainty and concerns continue with the implementation of tariffs by the U.S. and the risk of trade conflicts with other countries.

Pulp Mills Days of Stoppages

Mill	2025			
	1Q	2Q	3Q	4Q
Arauco - Line 2	16			
Arauco - Line 3			13	
Constitución		23		
Nueva Aldea				17
Valdivia				
Esperanza				12
Montes del Plata				15

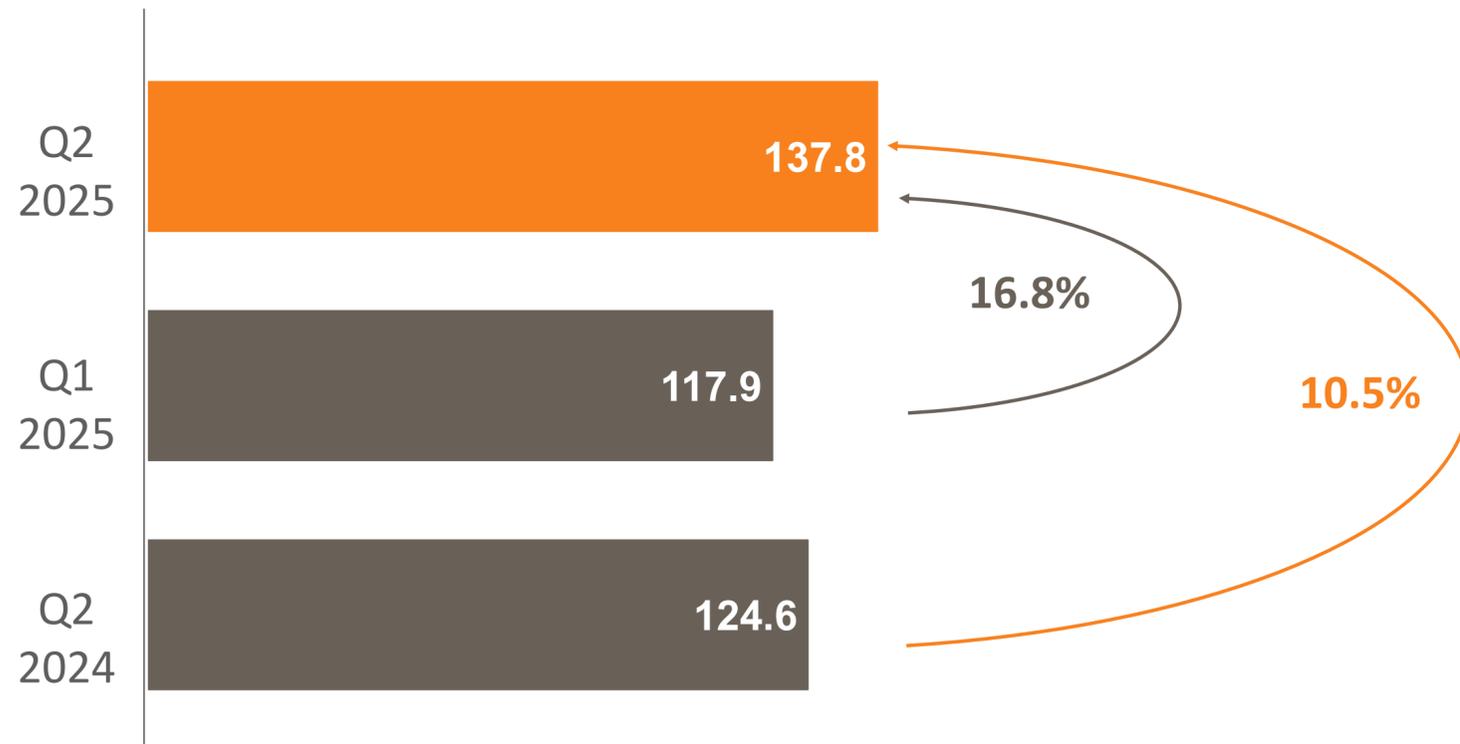


BSKP, BHKP and DP Net Prices - China



WOOD PRODUCTS / ADJUSTED EBITDA

Adjusted EBITDA
In US\$ million



Q2 2025

Adjusted EBITDA of our wood products business segment increased US\$137.8 million or 16.8% when compared to the previous quarter.

Wood Products

	Price	Volume
QoQ	4,8%	1,7%
YoY	5,6%	-1,7%

Panels*

	Price	Volume
QoQ	7,6%	0,8%
YoY	6,4%	-4,3%

Solid Wood**

	Price	Volume
QoQ	-0,9%	3,8%
YoY	3,8%	4,5%

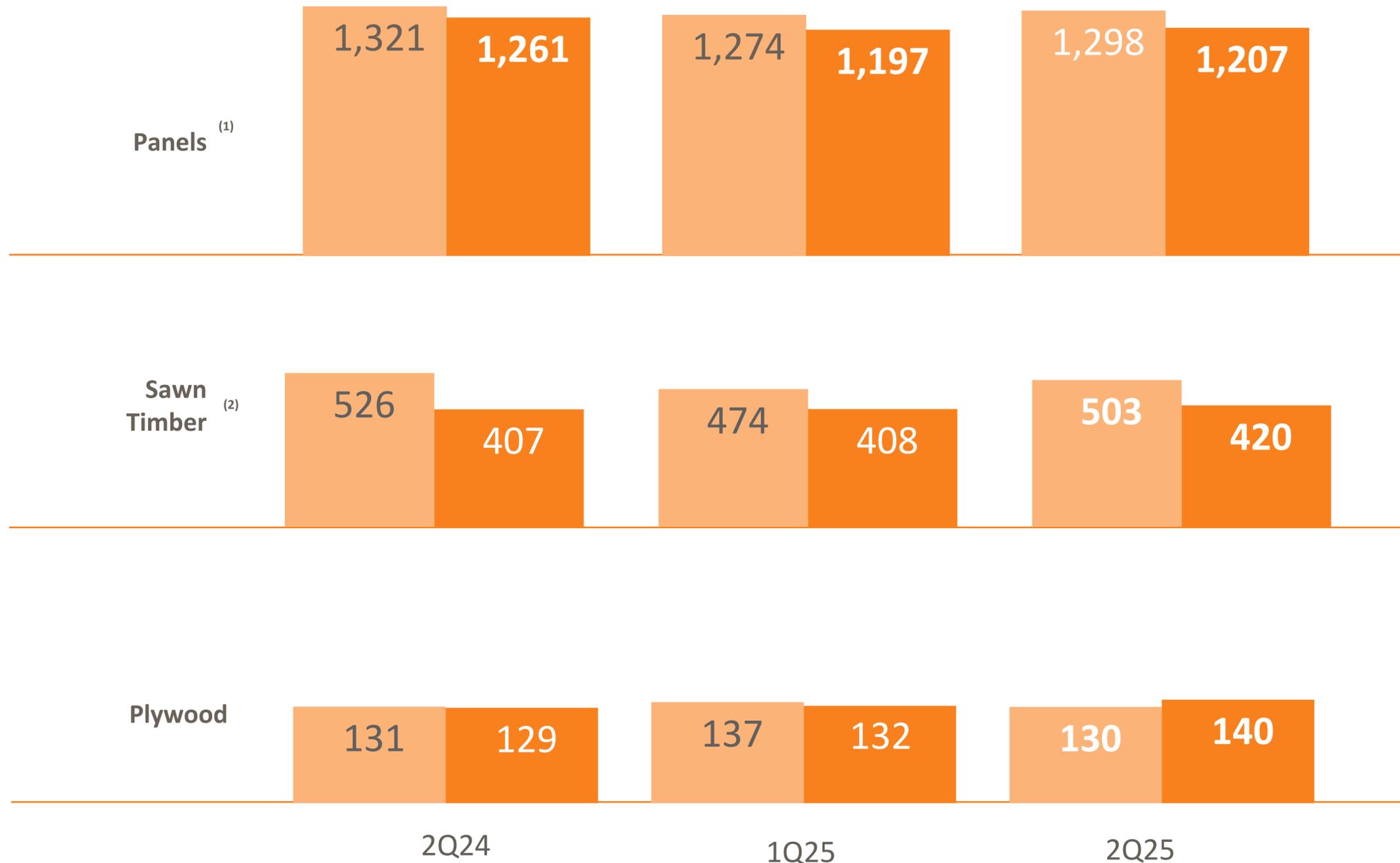
*MDF, PBO, HB

**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

REVIEW BY BUSINESS SEGMENT & OUTLOOK

50% North America

MDF:

- Market remains challenging, with oversupply and persistent price pressures.

PB:

- The market is expected to remain difficult, with low demand and tariff uncertainty complicating forecasts.

REMANUFACTURED PRODUCTS:

- We anticipate a negative trend for the rest of 2025, with high interest rates impacting the market, uncertainty leading buyers to keep inventories low, and housing starts remaining weak.

PLYWOOD:

- Demand is expected to remain solid, with supply staying tight. Prices are likely to stay firm with an upward trend.

U.S Housing Starts Index ('000 units per year)



Source: Bloomberg

39% Central and South America

BRAZIL:

- We expect a strong market, with stable volumes and price increases.

CHILE:

- Mixed conditions persist: MDF pressured by weak moulding demand despite price gains, PB and plywood performing well, while uncertainty remains in wood markets.

ARGENTINA:

- Market outlook points to growth potential, though export uncertainty and demand volatility keep conditions challenging.

11% Others

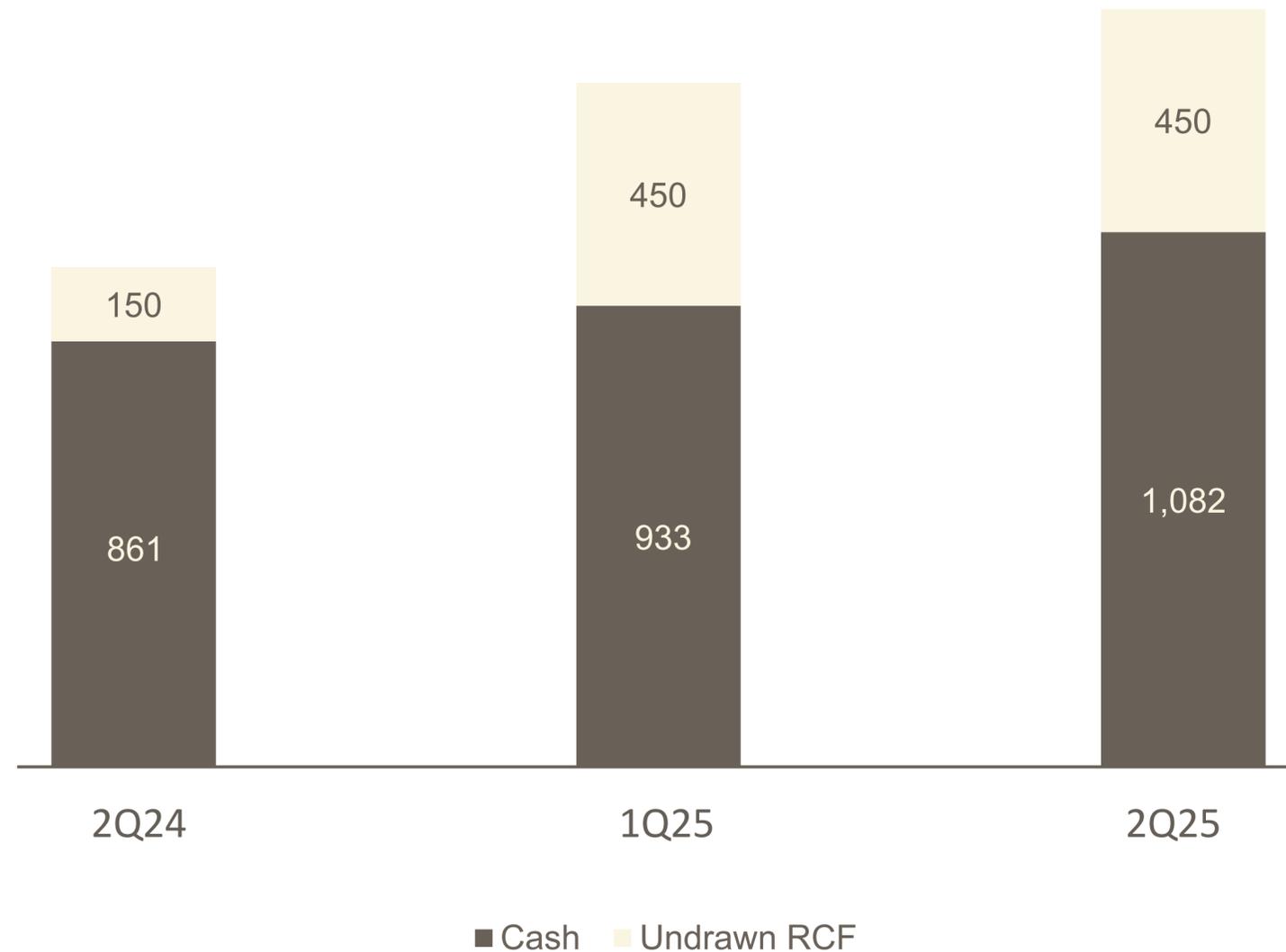


FINANCIAL REVIEW

CASH AND LIQUIDITY

Our cash position was US\$1082.2 million at the end of the second quarter of 2025. 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 has not been withdrawn.

US\$1,532.2 million

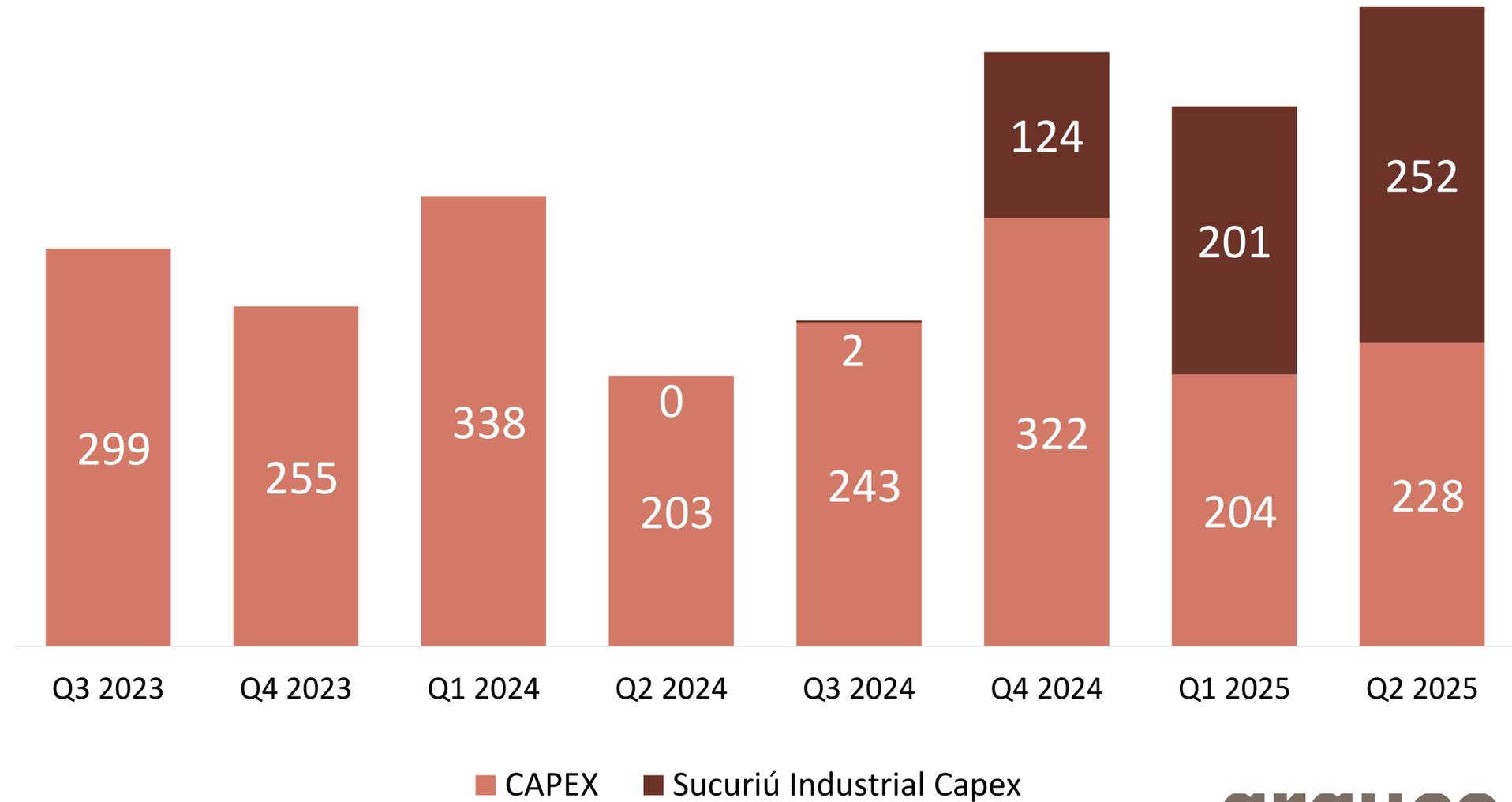


CAPEX

► In US\$ million



During this quarter, capital expenditures (on a cash basis) were US\$480.3 million, US\$74.6 million higher than the previous quarter, mainly explained by higher expenses in *Purchase of sale of property, plant and equipment*.



FREE CASH FLOW

Cash flows received from operating activities increased US\$44.4 million mostly due to the net effect between *Working Capital Variation* and *Interest Payments*.

Cash flows from investment activities decreased US\$56.3 million mainly due to an increase in *Capex* related to project Sucuriú.

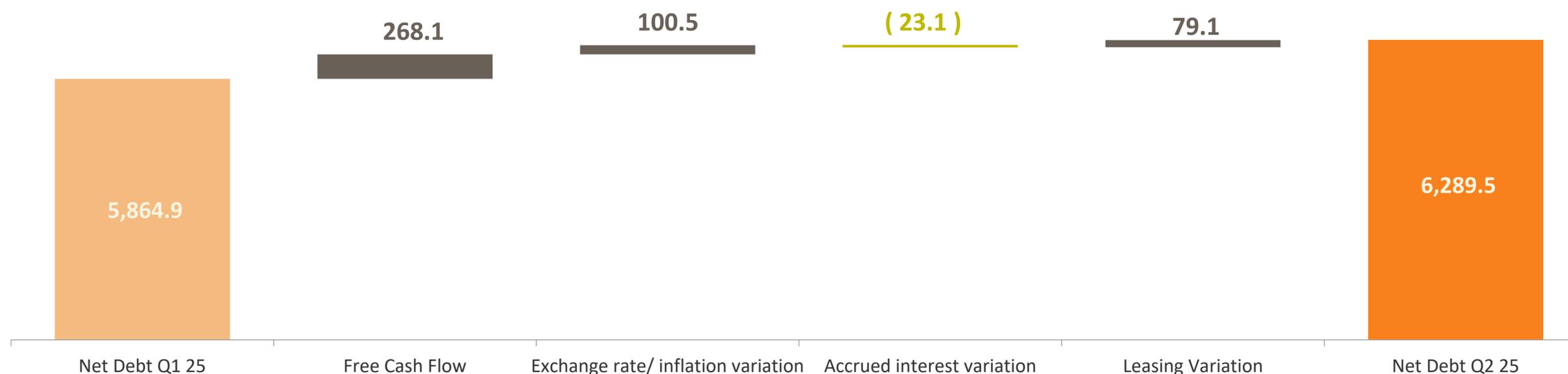
Cash flows used in financing activities decreased by US\$124.5 million, due to *Dividends paid* during May.

► Net Debt increased by US\$424.6 million or by 7.2%, mainly due to the negative free cash flow accompanied by exchange rate/inflation variation during the quarter.

► In US\$ million

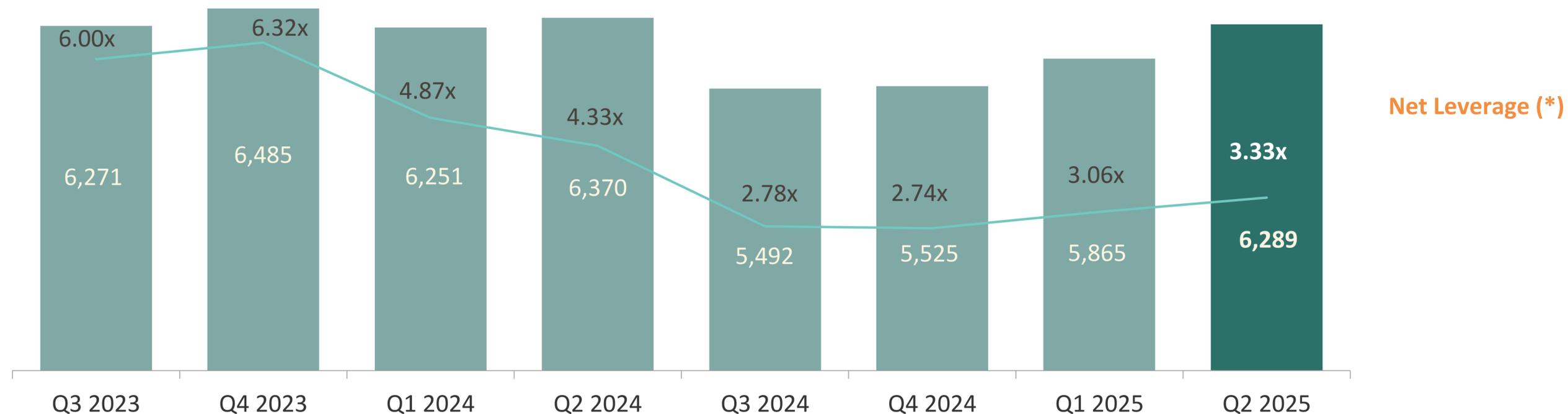
	Q2 2025	Q1 2025
Adjusted EBITDA	383,1	348,3
<i>Working Capital Variation</i>	94,4	(27,3)
<i>Interest paid and received</i>	(112,9)	(37,9)
<i>Income tax received (paid)</i>	(27,9)	(17,3)
<i>Others</i>	(21,8)	4,6
Cash from Operating Activities	315,0	270,6
<i>Capex (1)</i>	(480,3)	(405,7)
<i>Others</i>	22,8	3,1
<i>Proceeds from investment activities</i>	2,4	3,8
Cash from Investment Activities	(455,1)	(398,8)
Cash from Financing Activities (net of debt)	(139,9)	(15,3)
Effect of exchange rate changes on cash	11,9	14,1
Free Cash Flow	(268,1)	(129,5)

(1) On a cash basis.



NET FINANCIAL DEBT

► In US\$ million



Cash and cash equivalents increased by 16.0% or US\$149.1 million.

Total Financial Debt increased by 8.4% or US\$573.6 million.

LTM Adjusted EBITDA was US\$1,886.3 million, 1.6% lower QoQ.

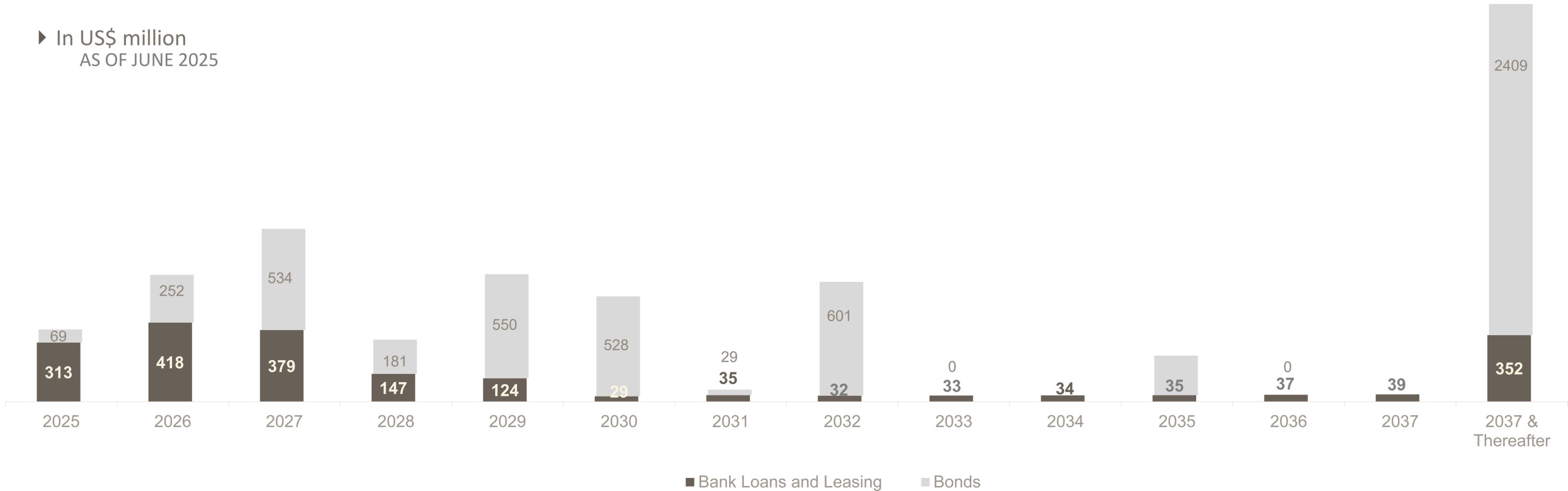
Net Leverage (*) increased from 3.06x to 3.33x.

	June 2025	March 2025
Short Term Debt	476	502
Long Term Debt	6.896	6.291
Total Debt	7.372	6.798
Cash	1.082	933
Net Debt	6.290	5.865

(*) Net Debt / LTM Adjusted EBITDA

DEBT PROFILE

► In US\$ million
AS OF JUNE 2025



BANK OBLIGATIONS FOR 2025 INCLUDE:

- US\$ 277.8 million in bank loans.
- US\$ 35.3 million in leasing.

BOND OBLIGATIONS FOR 2025 INCLUDE:

- US\$ 34.2 million in local bond obligations.
- US\$ 34.8 million in USD-denominated bond obligations.



MATERIAL FACTS

MATERIAL FACTS AND NEWS



Technology, efficiency and local commitment mark half a century of operations for Constitucion Pulp Mill, Chile

Since beginning its operations in 1975, this pulp mill has become one of the most important industrial hubs in the Maule region in Chile. Generating employment, innovation, and sustainable development for both the region and the country.

The anniversary celebration, held on-site at the mill, brought together executives and workers, community leaders, regional and local authorities, media, and community representatives from Constitución. The event served as a moving tribute to the many generations who have been part of this story

Fifty years since its founding, this operation continues to look ahead with the same guiding spirit: to be a bridge between the forest and people, between innovation and environmental care, between Constitución and the world.



MATERIAL FACTS AND NEWS



Arauco Joins an International Project to Value Natural Assets

The unprecedented initiative led by the International Sustainable Forestry Coalition (ISFC) brings together 18 forestry companies from around the world to pilot the application of Natural Capital Accounting (NCA) principles. This effort aims to create a framework for measuring and reporting the value of natural assets held by companies in the forestry sector, with the support of the Capitals Coalition and the Taskforce on Nature-related Financial Disclosures (TNFD).

Arauco will be part of this pilot, which seeks to tangibly quantify the benefits provided by forests (such as carbon capture, biodiversity, and water regulation) alongside timber production, while also projecting their long-term contribution to the economy and communities

The project highlights the need to recognize nature as a strategic asset. For companies like Arauco, whose work revolves around forests, having healthy, functional, and enduring ecosystems is essential for future sustainability



MATERIAL FACTS AND NEWS



Sucuriú Project Industrial Update

The Sucuriú project progress is according to schedule, reaching physical progress of 13.2% as of July 2025. Regarding Capital Expenditures, US\$650 million was disbursed as of date, which corresponds to 14.1% of the total capex of the project (US\$4,600 million). Construction advanced with work on water and effluent treatment and Balance of Plant (BoP), plus new dining and accommodation facilities. Over 70% of required plantation land is secured, ensuring initial supply. For more information visit [Projeto Sucuriú](#).



TAKEAWAYS

- Uncertainty keeps growing in some markets, due to the implementation of tariffs in the U.S. and the effect of trade conflicts with other countries.
- Sucuriú Project with a current physical progress of 13.2%. Construction begun on water and effluent treatment plant. Ramp up is expected for the fourth quarter of 2027.
- Arauco to be part of the initiative of International Sustainable Forestry Coalition (IFSC) aiming to create a framework for measuring and reporting the value of natural assets.

**3Q 2025
RESULTS &
CONF CALL**

**MID OCT
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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