

3Q  
2025

Financial Results  
Conference Call Presentation  
Nov 12, 2025

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Marcelo Bennett – Corporate Treasurer

renewables for a better life

arauco



# 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\$1,509.5**  
-1.0% QoQ

Net Income  
**-US\$0.2**  
-101.3% QoQ

Adj. EBITDA  
**US\$281.4**  
-26.6% QoQ

LTM Adj. EBITDA  
**US\$1,419.4**  
-24.8% QoQ

Net Debt to EBITDA  
**4.83x**

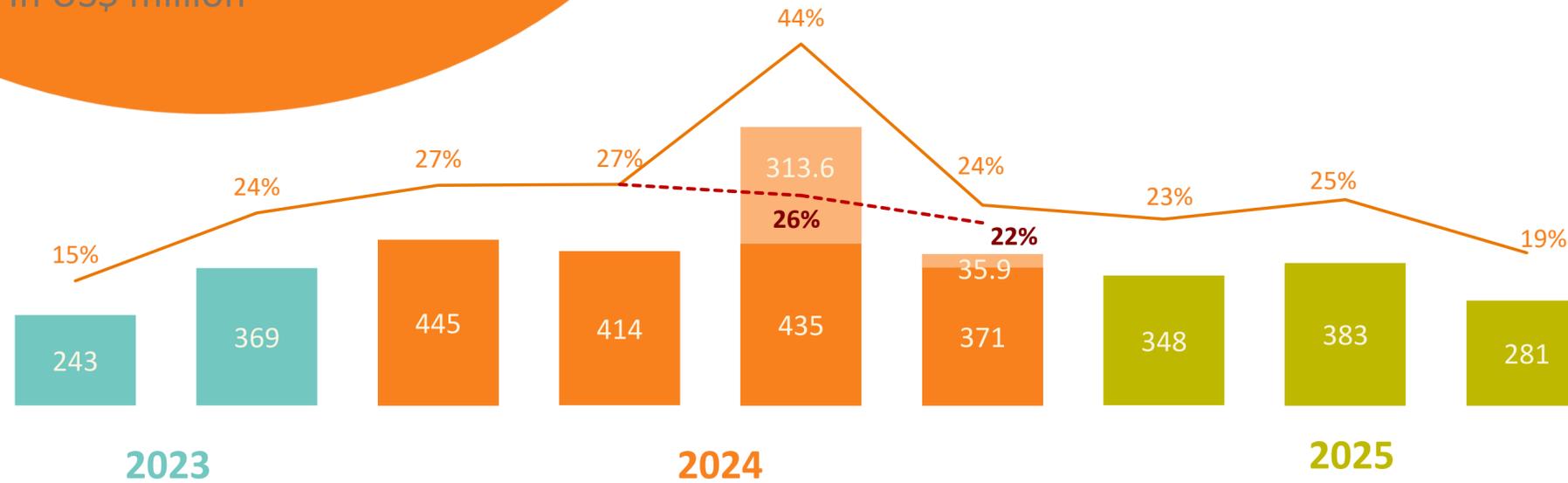
Sucuriú Project  
Progress  
25.7%



# EBITDA & INCOME STATEMENT

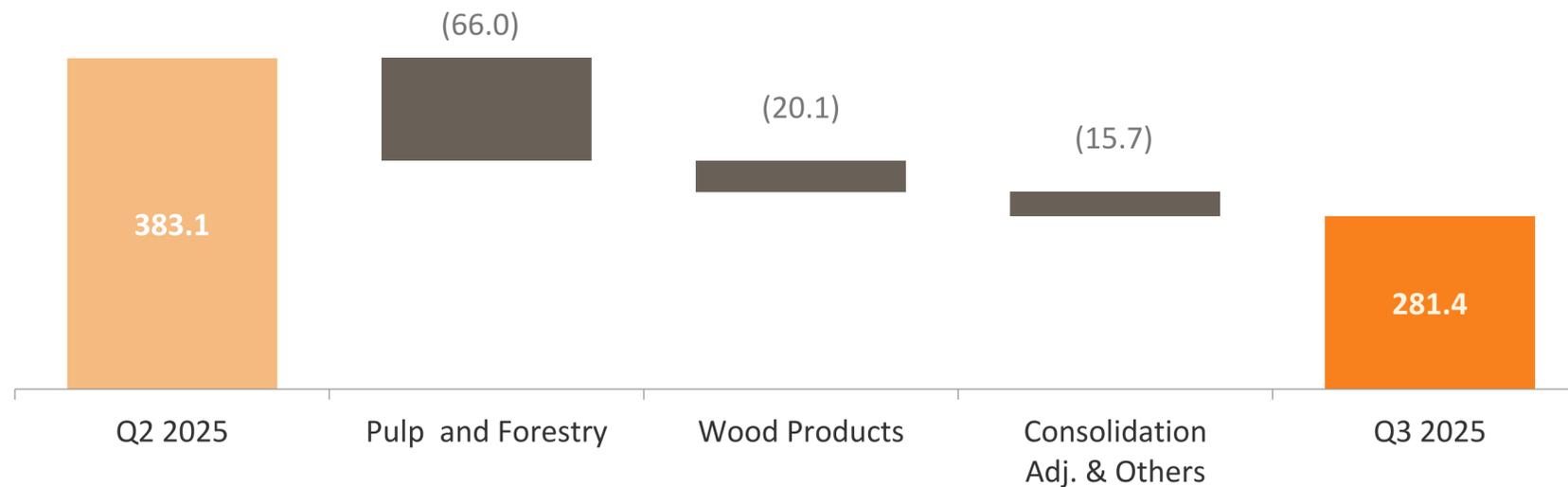
# ADJUSTED EBITDA

► In US\$ million



## Breakdown by division

Pulp and Forestry	193
Wood Products	118
Consolidated Adj. & Others	-29



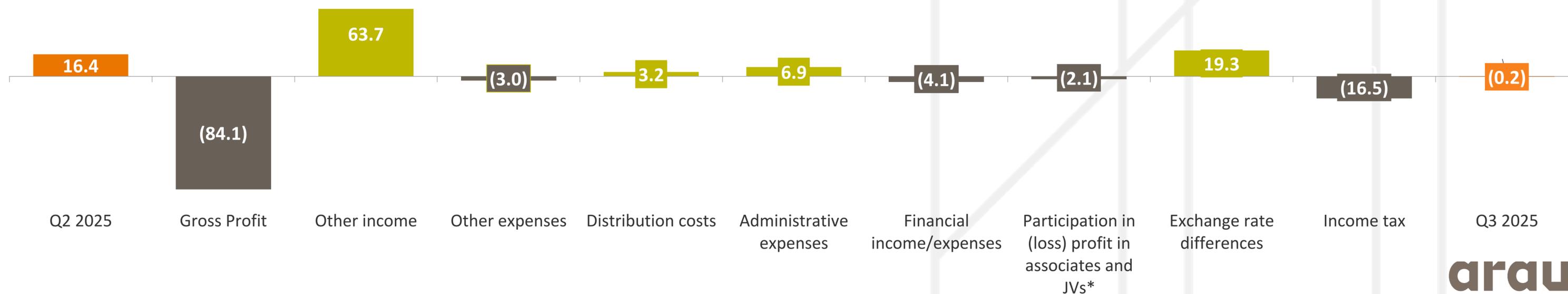
- Adjusted EBITDA during the third quarter reached US\$281.4 million.
- There was a decrease of 25.5% or US\$66 million in the Adjusted EBITDA of our pulp and forestry business segment.
- Adjusted EBITDA of our wood products business segment decreased 14.6% or US\$20.1 million, mainly due to a decrease in average prices.

# INCOME STATEMENT

► In US\$ million

	Q3 2025	Q2 2025	Q3 2024	QoQ	YoY
<b>Revenue</b>	<b>1,509.5</b>	<b>1,524.7</b>	<b>1,695.2</b>	<b>-1.0%</b>	<b>-11.0%</b>
Cost of sales	(1,160.0)	(1,091.1)	(1,192.2)	6.3%	-2.7%
<b>Gross Profit</b>	<b>349.5</b>	<b>433.6</b>	<b>503.0</b>	<b>-19.4%</b>	<b>-30.5%</b>
Other income	121.9	58.2	339.5	109.4%	-64.1%
Other expenses	(29.8)	(26.7)	(53.7)	11.4%	-44.5%
Distribution costs	(166.2)	(169.5)	(182.0)	-1.9%	-8.6%
Administrative expenses	(140.0)	(146.9)	(143.9)	-4.7%	-2.7%
Financial income/expenses	(86.8)	(82.7)	(85.6)	27.5%	20.6%
Participation in (loss) profit in associates and JVs*	(0.2)	1.9	(6.0)	-112.4%	96.2%
Exchange rate differences	(16.3)	(35.6)	(4.5)	54.2%	-259.5%
<b>Income before income tax</b>	<b>32.0</b>	<b>32.2</b>	<b>366.8</b>	<b>-0.6%</b>	<b>-91.3%</b>
Income tax	(32.3)	(15.8)	(136.2)	104.3%	-76.3%
<b>Net income</b>	<b>(0.2)</b>	<b>16.4</b>	<b>230.6</b>	<b>-101.3%</b>	<b>-100.1%</b>

\* Accounted using the equity method.



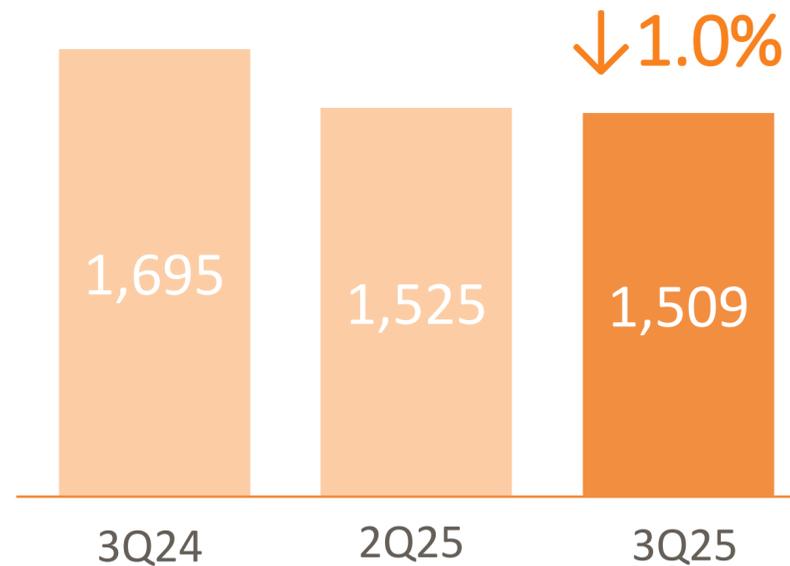
# INCOME STATEMENT – REVENUES & COST OF SALES

► In US\$ million

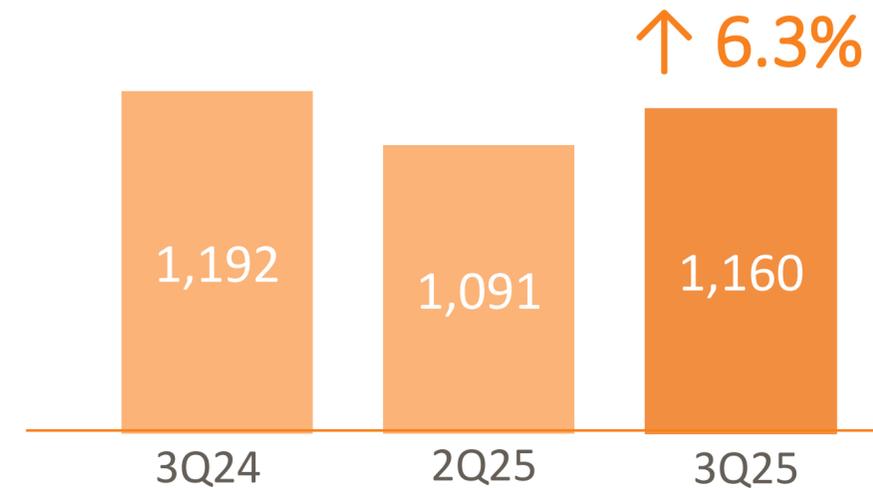
**Revenues** decreased by 1.0% compared to the second quarter of 2025 and by 11.0% compared to the third quarter of 2024.

- **Pulp revenues** decreased by US\$4.5 million or 0.6% mainly driven by a decrease in average pulp prices.

- **Wood products revenues** decreased by US\$10.8 million or 1.4%, mainly due to a 4.3% decrease in average prices.



**Cost of sales** increased by 6.3% or US\$68.9 million compared to the second quarter, mostly explained by an increase in *Timber* and *Depreciation and Amortization*, mainly related to higher costs of Arauco L3 and Valdivia mill.



### Pulp unitary sale costs QoQ

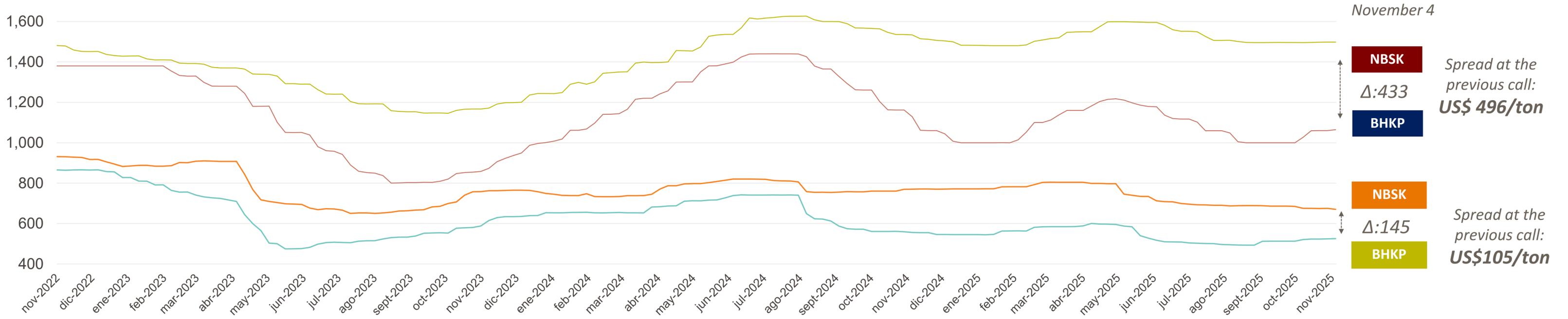
Softwood bleached pulp	▼	-4.4%
Hardwood bleached pulp	▲	1.1%
Unbleached softwood pulp	▼	-7.6%
Dissolving pulp	▲	13.3%



# REVIEW BY BUSINESS SEGMENT & OUTLOOK

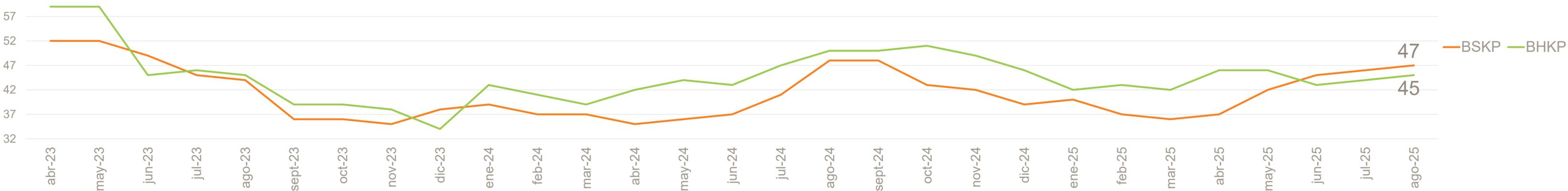
### PIX Pulp Indexes (in US\$)

— NBSK (China) — BHKP (China) — NBSK (Europe) — BHKP (Europe)



Source: RISI

### Global BCP Producer Stocks In days of supply

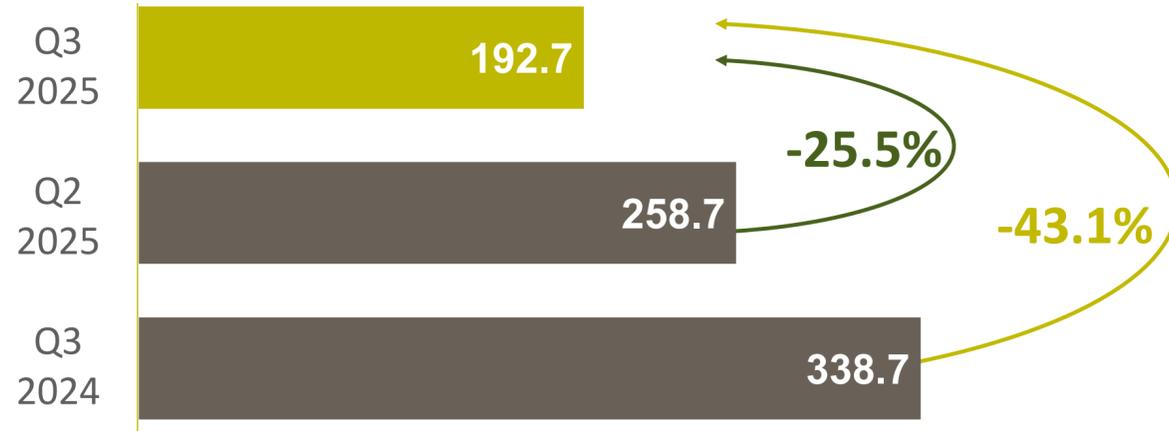


Excludes Russia & Indonesia  
 Source: Hawkins Wright

# PULP & FORESTRY/ ADJUSTED EBITDA

## Adjusted EBITDA

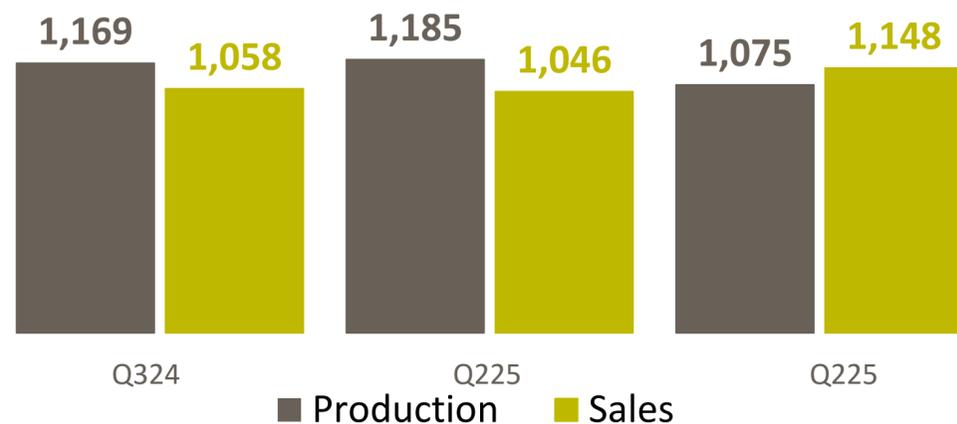
▶ In US\$ million



	Price	Volume	Sales
QoQ	-8.5%	9.8%	-0.6%
YoY	-24.1%	8.5%	-17.2%

## Production and Sales Volume

In thousand tons



## Q3 2025

- During the third quarter, inventories began to increase following seasonality due to summer in the Northern Hemisphere. Oversupply persisted across all markets, however, despite this situation, there was a rebound in short-fiber prices toward the end of the quarter.
- In **China**, demand remained stable despite oversupply. The printing and writing (P&W) industry struggled with oversupply, limiting price increases, while the tissue industry remained stable. Regarding prices, long-fiber decreased slightly throughout the quarter, while short-fiber increased toward the end of the period.
- In **Europe**, demand showed signs of recovery, with short-fiber prices slightly recovering toward the end of the quarter, which caused interest in securing volumes in some clients. The P&W industry remained challenged, causing producers to reduce output to maintain prices. Additionally, tissue exports from Brazil and of P&W and packaging papers from China increased, as the tissue industry improved slightly towards the end of the quarter after seasonal low demand.
- The **viscose** market showed oversupply; however, the **textile pulp** market remained stable.
- Production during the third quarter decreased by 8.0% compared to the same period in 2024 and decreased by 9.4% compared to the second quarter of 2025, mainly due to Arauco L3 stoppage and an operational incident at the Valdivia Mill.

# PULP OUTLOOK

## REVIEW BY BUSINESS SEGMENT & OUTLOOK

### For the fourth quarter of 2025,

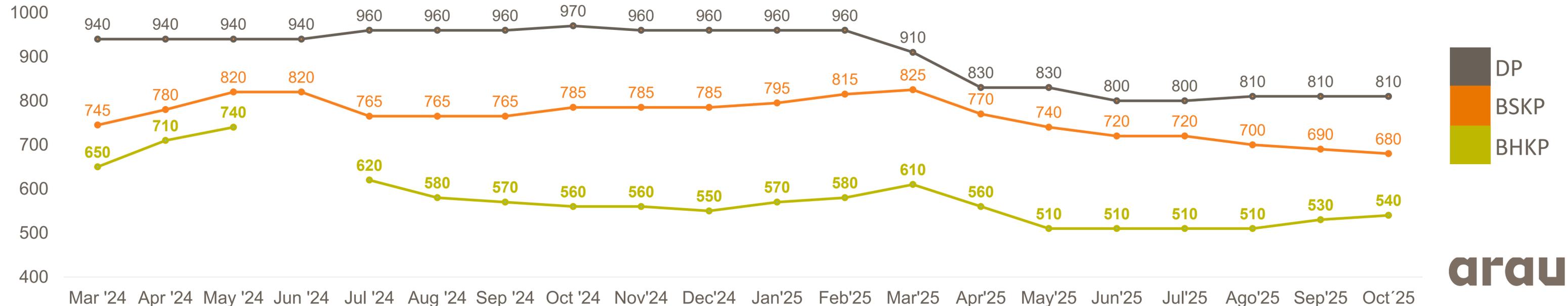
- In **China**, domestic demand remains stable despite the persistent oversupply in pulp and paper, as the return of a main producer has added additional pressure to the market. Short fiber prices seem to have reached their lowest point two months ago and no meaningful recovery is expected in long fiber in the short term. Pulp inventories of paper producers remain under control.
- In **Europe**, no signs of demand recovery are expected, although we expect sales to remain stable. The P&W and Tissue industries are likely to continue at current levels, without showing signs of improvement. Toward the end of the year, many paper companies typically shut down operations for a few weeks, which is normal for that period.
- Uncertainty and concerns remains 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			2026
	2Q	3Q	4Q	1Q
Arauco - Line 2				
Arauco - Line 3		17		
Constitución	19			
Nueva Aldea			17	
Valdivia		25		
Esperanza				11
Montes del Plata			15	



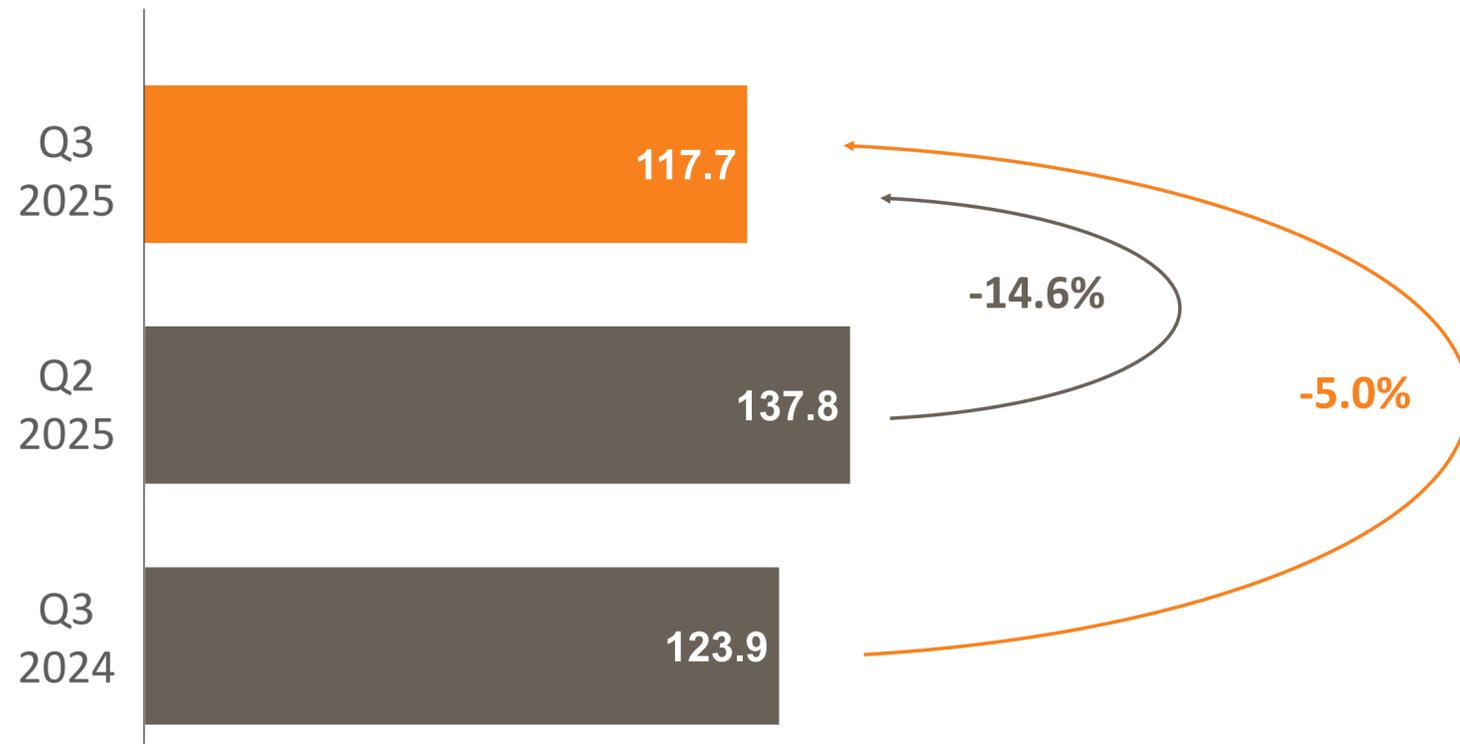
BSKP, BHKP and DP Net Prices - China



Source: ARAUCO

# WOOD PRODUCTS / ADJUSTED EBITDA

Adjusted EBITDA  
In US\$ million



## Q3 2025

Adjusted EBITDA of our wood products business segment decreased US\$20.1 million or 14.6% when compared to the previous quarter, mainly due to the effect of the one-time urban land sale in Brazil during the second quarter.

## REVIEW BY BUSINESS SEGMENT & OUTLOOK

Wood Products	Price	Volume
QoQ	-0.9%	-0.3%
YoY	3.8%	-7.3%

Panels*	Price	Volume
QoQ	-1.4%	1.0%
YoY	2.9%	-6.0%

Sawn Timber	Price	Volume
QoQ	0.2%	-3.4%
YoY	6.0%	-10.1%

Remanufactured Wood Products	Price	Volume
QoQ	-0.1%	3.3%
YoY	1.1%	17.3%

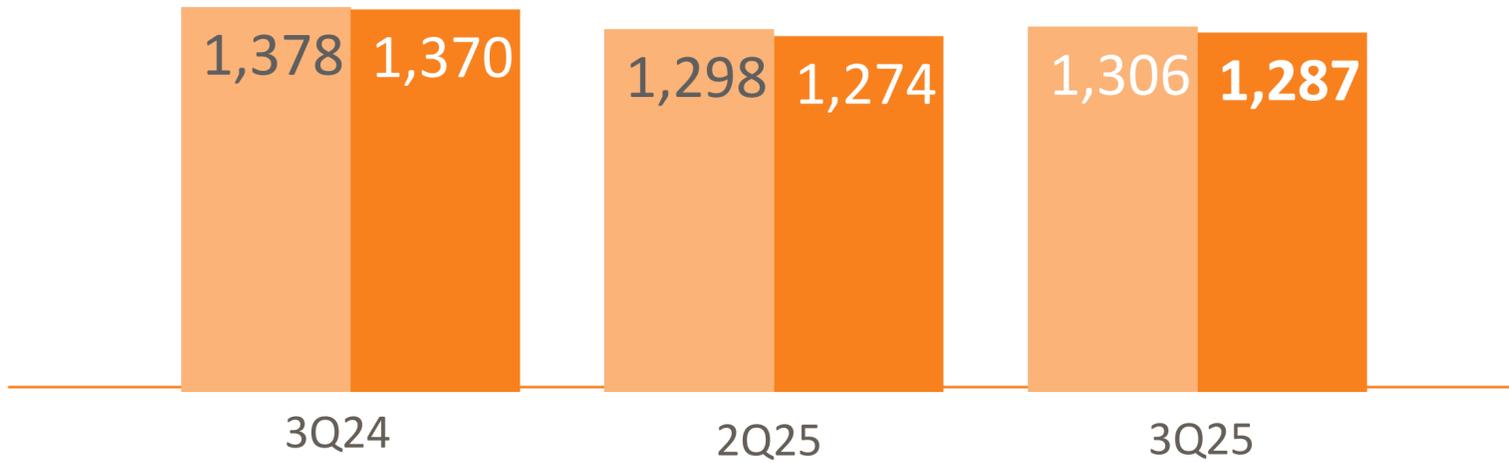
\*MDF, PBO, HB

# WOOD PRODUCTS PRODUCTION AND SALES VOLUME

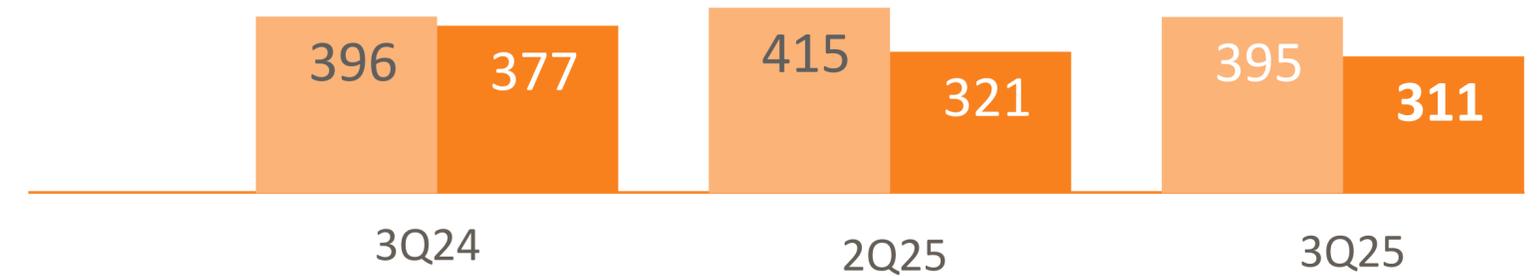
REVIEW BY BUSINESS SEGMENT & OUTLOOK

► In thousand m<sup>3</sup>

Panels <sup>(1)</sup>



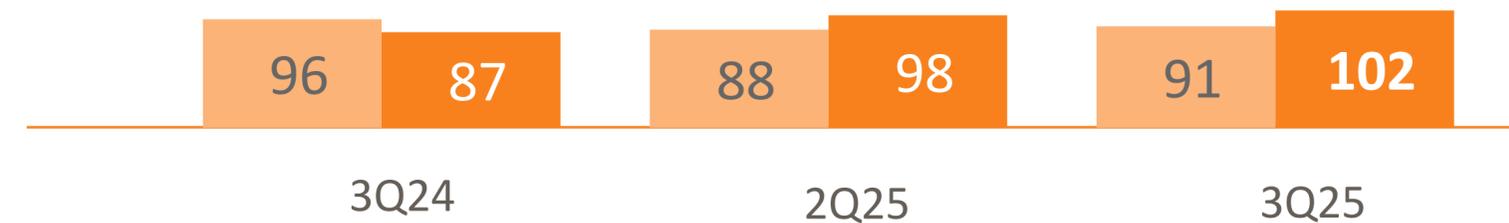
Sawn Timber <sup>(2)</sup>



Plywood



Remanufactured Wood Products



(1) Includes PB, MDF and OSB, Composite Panels and Retail Panels

(2) Includes sawn timber, kilned sawn timber, pallets

Note: Sales include trading

● Production ● Sales

# WOOD PRODUCTS / OUTLOOK

REVIEW BY BUSINESS SEGMENT & OUTLOOK

## 47% 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. Plenty of supply, holding prices with stable volume.

### REMANUFACTURED PRODUCTS:

- We anticipate a negative trend for the rest of 2025, with uncertainty leading buyers to keep inventories low and housing starts remaining weak. On the supply side, slight advantage due to higher tariffs on Brazilian products

### PLYWOOD:

- Demand is expected to remain stable, with limited supply. Prices are likely to stay flat.

## 42% Central and South America

### BRAZIL:

- Market expected to remain solid, supported by strong PB demand. MDF segment is well balanced and shows stable prices.

### CHILE:

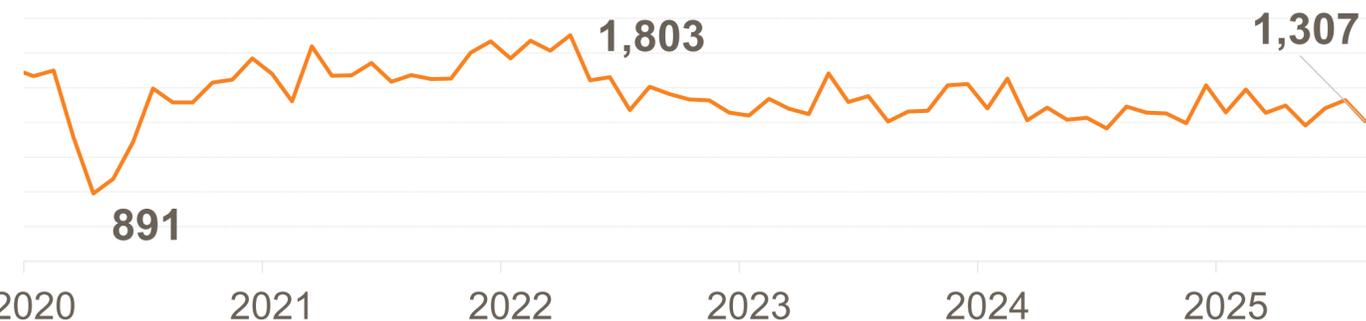
- Mixed conditions: stronger PB and melamine demand contrasted with continued weakness in MDF, pressured by high import supply and a slow moulding market.

### ARGENTINA:

- Market outlook remains positive through year-end, supported by strong local demand for MDF and PB. Supply conditions are stable, and sales are expected to close the year on solid ground.

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

October 2025



Source: Bloomberg

## 11% Others

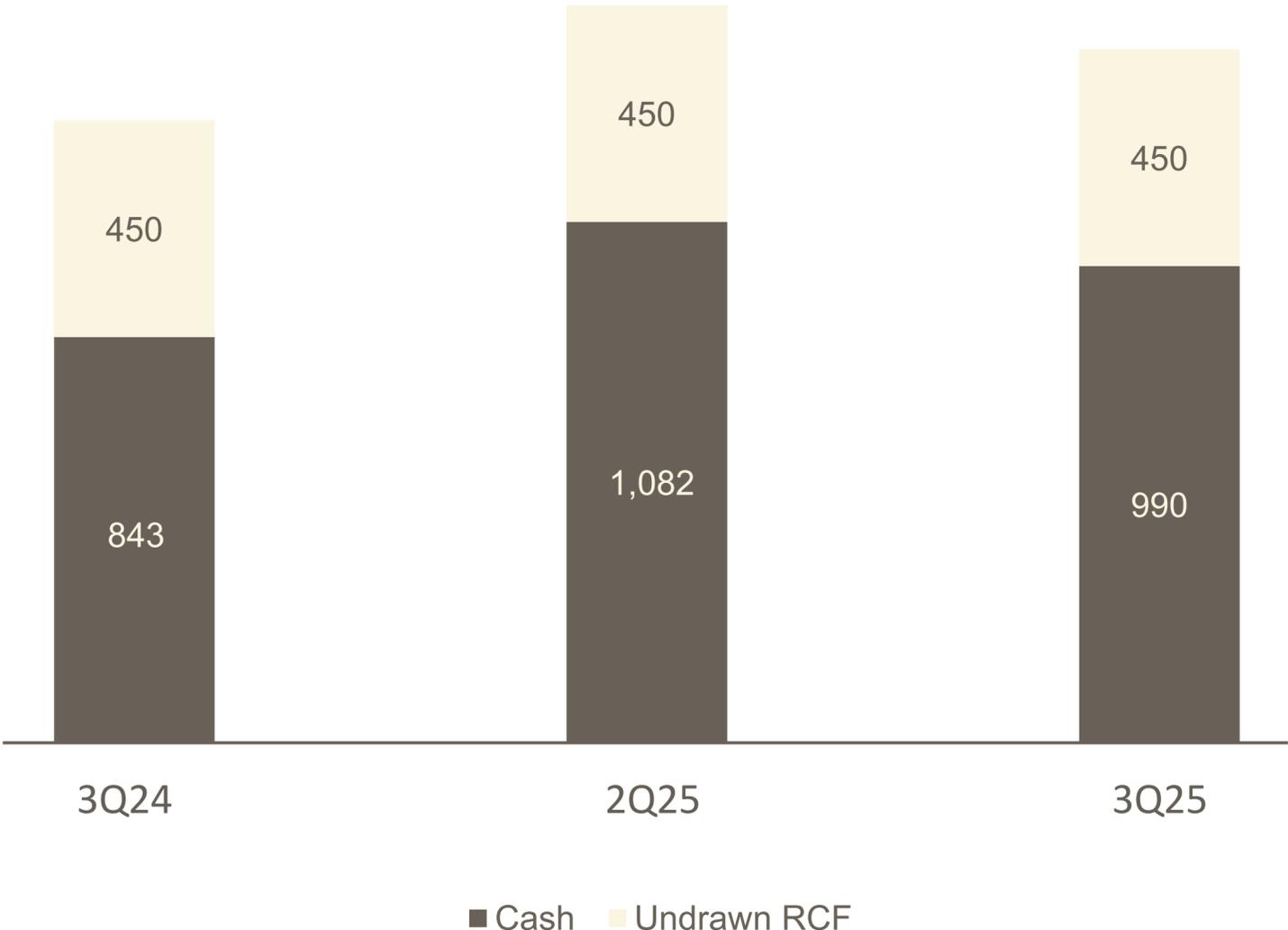


# FINANCIAL REVIEW

# CASH AND LIQUIDITY

Our cash position was US\$990.2 million at the end of the third 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\$1,440.2 million**

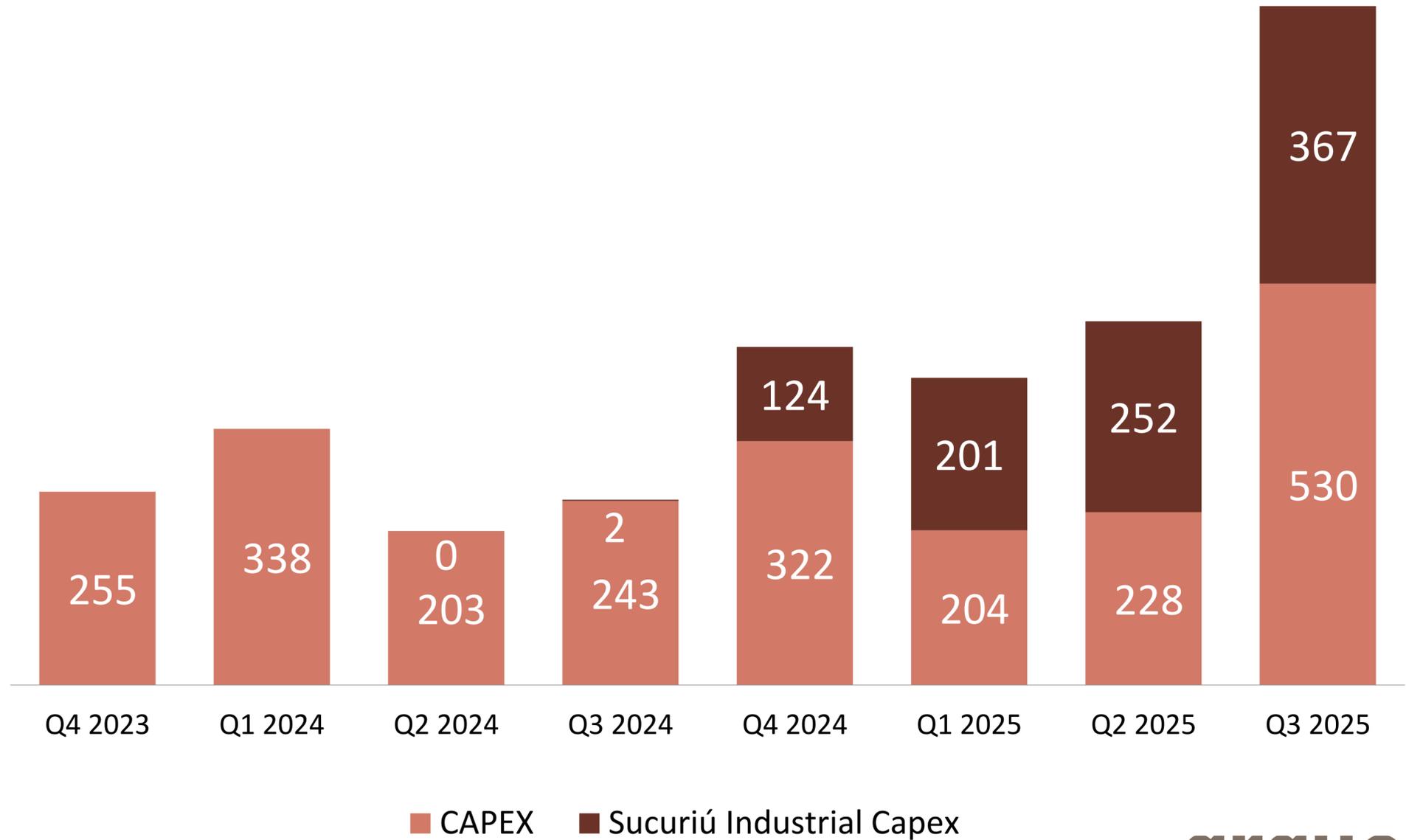


# CAPEX

► In US\$ million



During this quarter, capital expenditures (on a cash basis) were US\$896.5 million, US\$416.2 million higher than the previous quarter, mainly explained by the anticipated payment of wood supply agreements related to the Sucuriú project.



# FREE CASH FLOW

Cash flows from operating activities increased US\$91.5 million mostly due to the net effect between *Working Capital Variation* and *Interest Payments*.

Cash flows used in investment activities increased US\$437.3 million mainly due to an increase in *Capex* related to project Sucuriú.

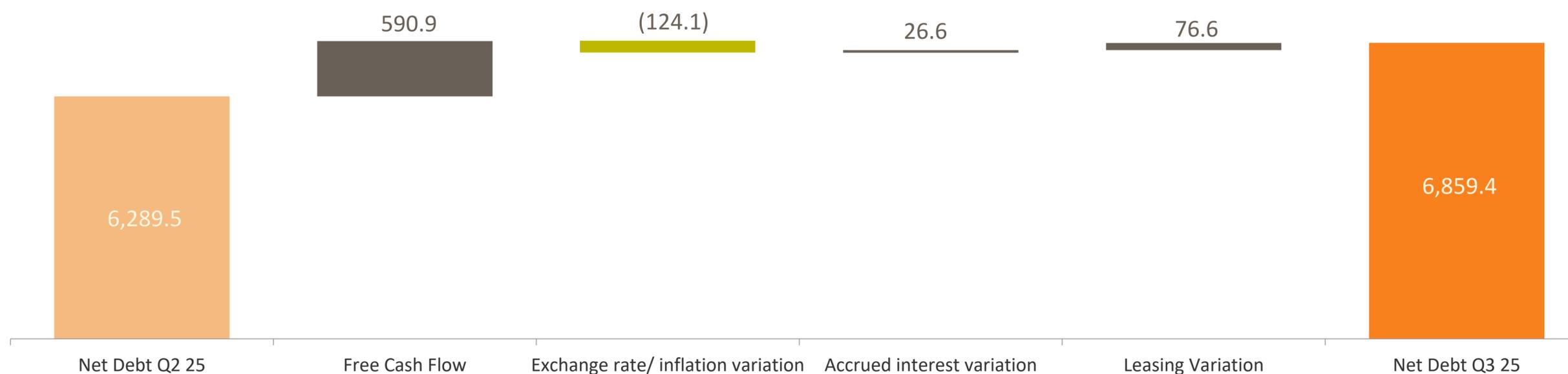
Cash flows used in financing activities decreased by US\$33.9 million, due to *Dividends paid* during May.

► Net Debt increased by US\$424.6 million or by 7.2%, mainly due to the negative free cash flow.

► In US\$ million

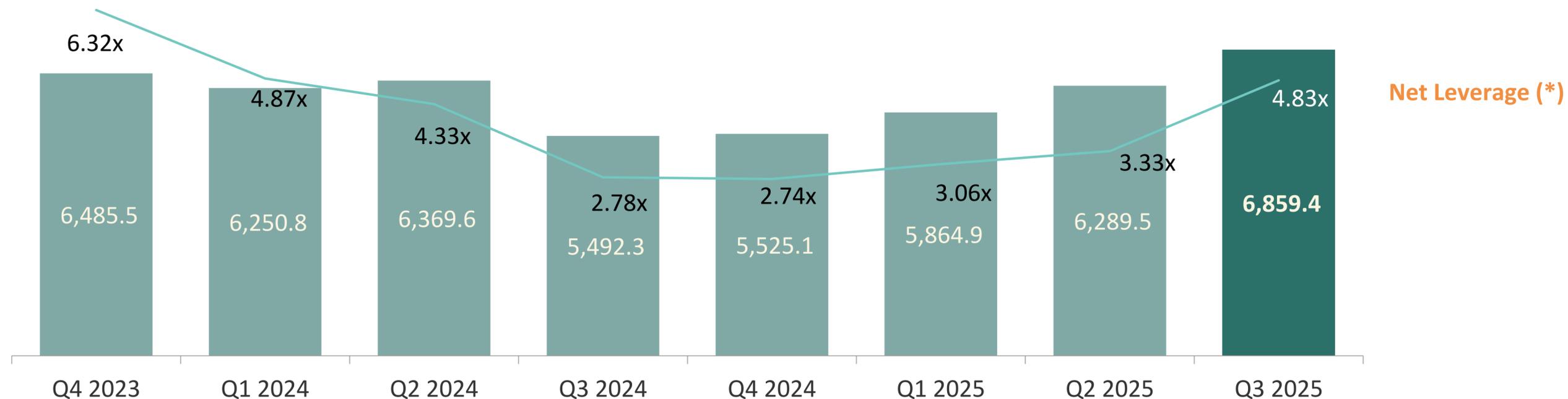
	Q3 2025	Q2 2025
<b>Adjusted EBITDA</b>	<b>281.4</b>	<b>383.1</b>
<i>Working Capital Variation</i>	173.5	94.4
<i>Interest paid and received</i>	(41.8)	(112.9)
<i>Income tax received (paid)</i>	(11.1)	(27.9)
<i>Others</i>	4.5	(21.8)
<b>Cash from Operating Activities</b>	<b>406.4</b>	<b>315.0</b>
<i>Capex (1)</i>	(896.5)	(480.3)
<i>Others</i>	0.4	19.9
<i>Proceeds from investment activities</i>	3.7	5.3
<b>Cash from Investment Activities</b>	<b>(892.3)</b>	<b>(455.1)</b>
<b>Cash from Financing Activities (net of debt)</b>	<b>(106.0)</b>	<b>(139.9)</b>
<i>Effect of exchange rate changes on cash</i>	0.9	11.9
<b>Free Cash Flow</b>	<b>(590.9)</b>	<b>(268.1)</b>

(1) On a cash basis.



# NET FINANCIAL DEBT

► In US\$ million



Cash and cash equivalents decreased by 8.5% or US\$92.0 million.

Total Financial Debt increased by 6.5% or US\$477.9 million.

LTM Adjusted EBITDA was US\$1,419.4 million, 24.8% lower QoQ.

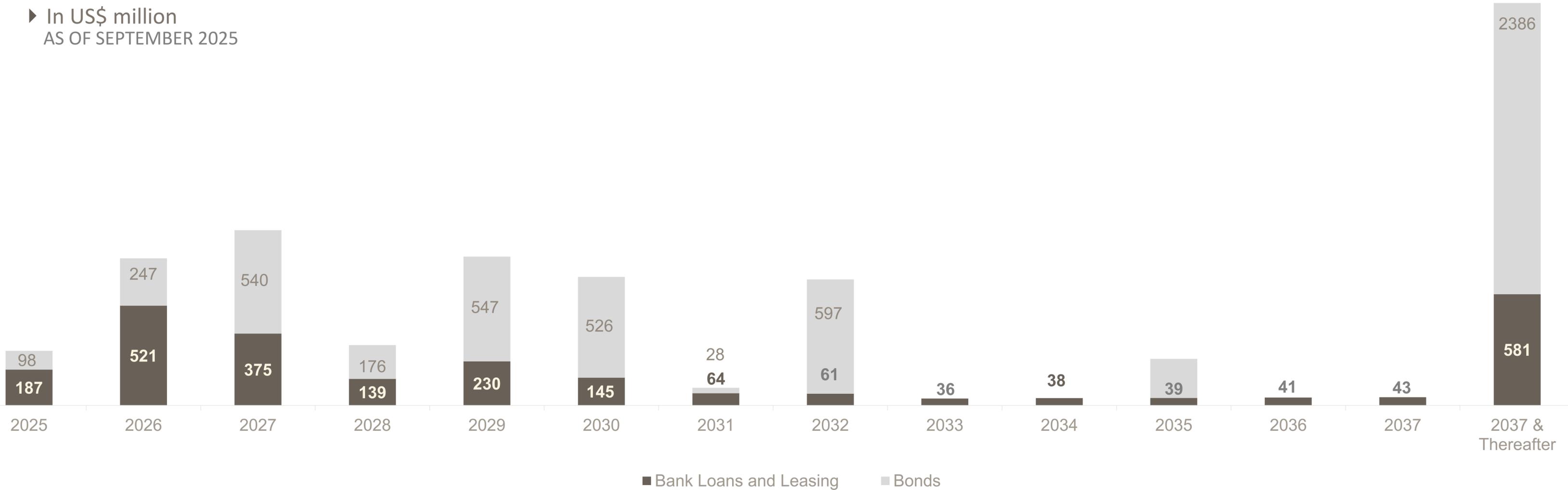
Net Leverage (\*) increased from 3.33x to 4.83x.

	Sep 2025	June 2025
Short Term Debt	490	476
Long Term Debt	7.360	6.896
<b>Total Debt</b>	<b>7.850</b>	<b>7.372</b>
Cash	990	1.082
<b>Net Debt</b>	<b>6.859</b>	<b>6.290</b>

(\*) Net Debt / LTM Adjusted EBITDA

# DEBT PROFILE

► In US\$ million  
AS OF SEPTEMBER 2025



## BANK OBLIGATIONS FOR 2025 INCLUDE:

- US\$ 169.0 million in bank loans.
- US\$ 18.2 million in leasing.

## BOND OBLIGATIONS FOR 2025 INCLUDE:

- US\$ 48.2 million in local bond obligations.
- US\$ 50.1 million in USD-denominated bond obligations.



# MATERIAL FACTS

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# MATERIAL FACTS AND NEWS



## Completion of US\$2.2 Billion Financing of Sucuriú Project, Chile

On August 21, 2025, Arauco announced the successful closing of US\$2.2 billion financing of project Sucuriú. The allocation is divided into (i) a US\$1.25 billion loan co-led by IDB Invest and IFC, with the participation of eight commercial banks, and (ii) a US\$970 million Export Credit Facility (ECA) guaranteed by Finnvera.

The participation of multilaterals and an export credit agency enhances engagement on technical advisory on climate, social and value-chain matters. Sucuriú integrates biodiversity monitoring, clean energy generation, water stewardship, and responsible forest management. Channeling resources through a Socio-Environmental Strategic Plan that contributes to health, education, housing, conservation, all while aligning economic growth with environmental responsibility and social inclusion.

## UF Hybrid / Sustainable Bond, Chile

On October 24, 2025, the Company issued a hybrid / sustainable bond in the Chilean market for a total amount of UF20 million (approximately US\$844 million). This historic transaction represents the largest corporate bond ever issued in Chile. The bond was priced at 3.97% interest rate with a demanded volume of 1.75 times the issued amount, reflecting strong investor confidence and support in the Company.

This is Arauco's first hybrid bond. The instrument is subordinated to senior debt, allows the deferral of interest payments at the Company's discretion, and cannot be redeemed before the seventh year. Due to its structure, rating agencies classify it as 50% debt and 50% equity. The bond has a final maturity of 32 years and 3 months, reaffirming the market's long-term confidence in Arauco's financial strength and sustainability strategy.

# MATERIAL FACTS AND NEWS



## PwC Chile Innovation Award 2025

Arauco was recognized by PwC Chile with the 2025 Innovation Award (Empresa Consolidada) for GloNi, a new hybrid eucalyptus (*Eucalyptus nitens* × *globulus*) combining fast growth, frost tolerance, and strong wood properties. The initiative aims to strengthen sustainable forest management and contribute to climate-change mitigation.

As our CEO Cristián Infante noted, GloNi reflects Arauco's purpose by delivering a more productive, climate-resilient species and extending advanced technology to small and mid-sized forest owners through Bioforest, the company's R&D center with 35 years of impact.





## Sucuriú Project Industrial Update

The Sucuriú project progress is according to schedule, reaching physical progress of 25.7% as of September 2025. Regarding Capital Expenditures, US\$1,017 million has been disbursed as of date. Mechanical erection works began, which includes the pipe racks and boiler steel structure. Additionally, construction also started on the turbogenerators building, cooling tower, and administrative facilities. For more information visit [Projeto Sucuriú](#).



*Log Yard*



*Power and Recovery Boilers*



# TAKEAWAYS

- Uncertainty remains 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 25.7%. Construction begun on mechanical erection works, turbogenerators building, cooling tower, and administrative facilities . Ramp up is expected for the fourth quarter of 2027.
- Arauco completed the largest corporate issuance ever in the Chilean local bond market, placing a hybrid sustainable bond for 20 million UF ( $\approx$  USD 844 million).

**4Q 2025  
RESULTS &  
CONF CALL**

**MID MARCH  
2026**





Q&A

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## 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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