

arauco

Corporate Presentation
Q2 2022

renewables for a better life

ARAUCO at a glance

As of June 2022

Shareholder Structure



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)

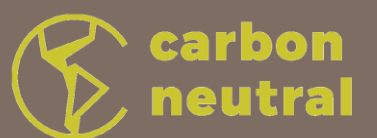
Financial highlights

In US\$ million, last twelve months

EBITDA	2,789	Net Income	1,361
EBITDA Margin	39%	CAPEX	1,682
Net Debt/EBITDA	1.64x	Revenues	7,076

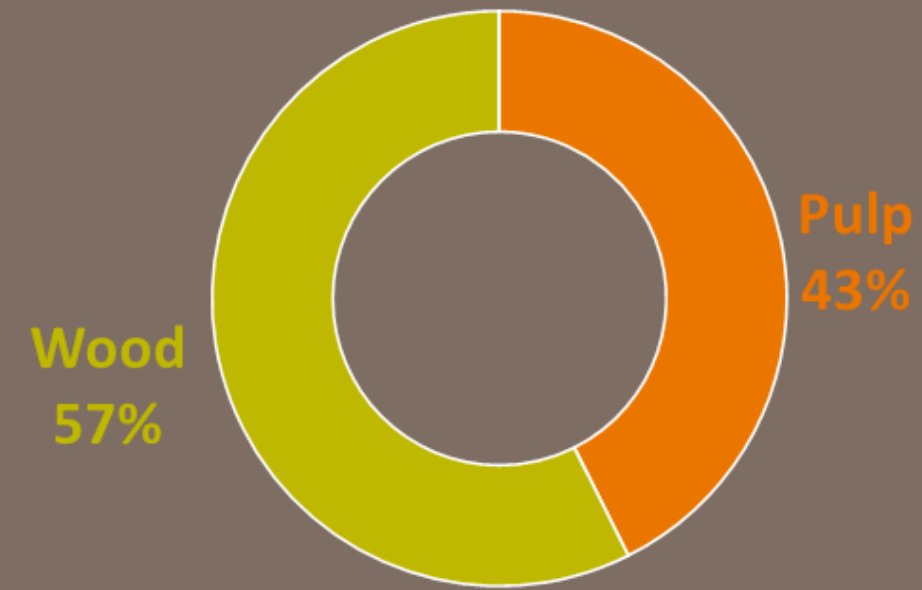
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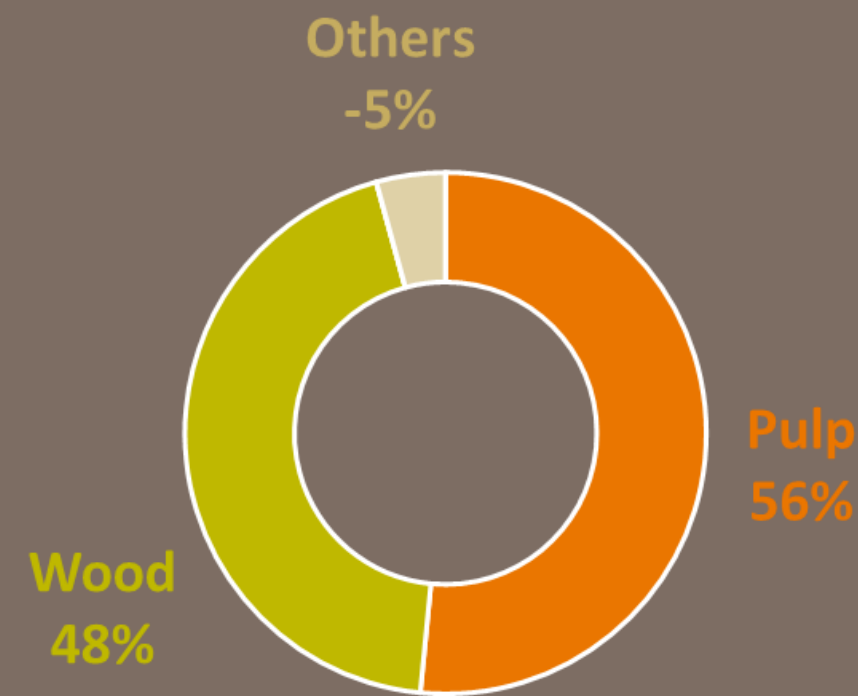


DIVERSIFIED SALES AROUND THE WORLD

Revenues
MUS\$7,076



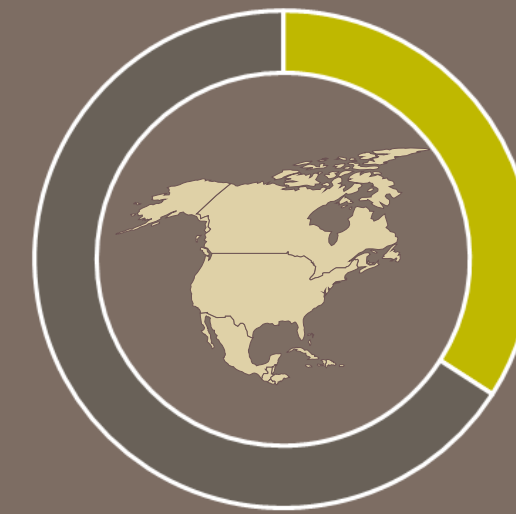
Adjusted EBITDA
MUS\$2,789



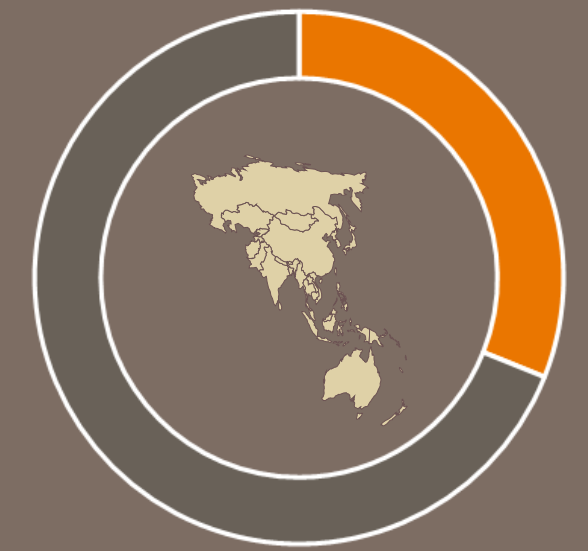
As of June 2022 LTM

REVENUES BY REGION

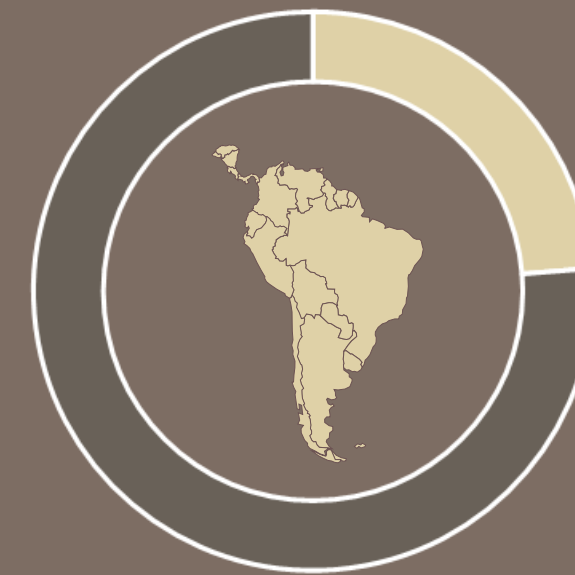
As of December 2021



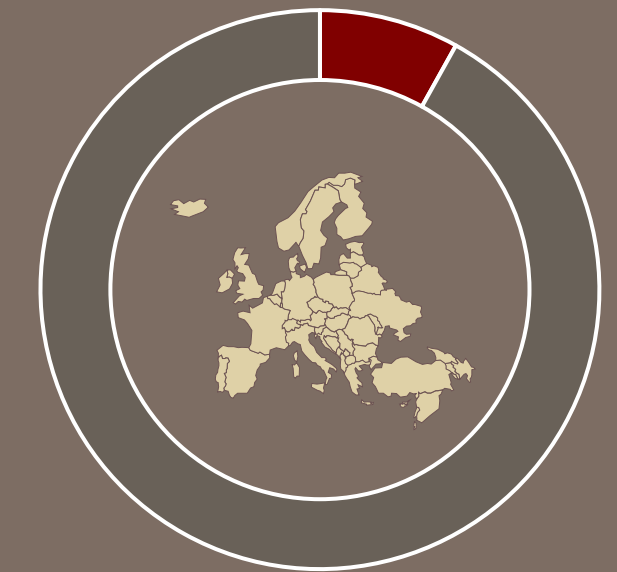
32%
North America



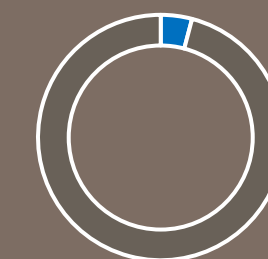
30%
Asia and Oceania



25%
Central and
South America


























7%
Europe



5%
Others

TWO STRATEGIC BUSINESS SEGMENTS

	Pulp		Wood products		Complementary energy operations
	Forest Plantations	Mills	Panels	Solid Wood	
	614 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
	130 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: 15 MW
	114 th. Ha ⁽¹⁾		4 Mills MDF: 1,520 th. m ³ PB: 730 th. m ³		
	86 th. Ha ^{(1) (2)}	1 Mill 710 th. t ⁽²⁾			1 Power Plant 91 MW ⁽²⁾ Surplus: 50 MW
			8 Mills MDF: 1,015 th. m ³ PB: 1,630 th. m ³		
			2 Mills MDF: 250 th. m ³ PB: 315 th. m ³		
			10 Mills ⁽³⁾⁽⁴⁾ PB: 1,191 th. m ³ MDF: 727 th. m ³ OSB: 230 th. m ³	1 Sawmill ⁽³⁾ : 35 th. m ³	
Total	0.9 million ha	4.0 million t	9.0 million m³	3.7 million m³	779 MW

As of December 2021

(1) Considers hectares planted mainly with eucalyptus (globulus, nitens), pine (radiata, taeda, elliottii) and others.

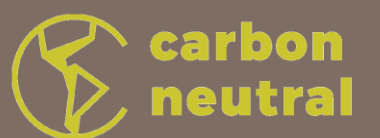
(2) Considers 50% of Montes del Plata

(3) Considers 50% of Sonae Arauco

(4) One PB mill in South Africa is currently shut down

(5) Considers 2 plywood mills.

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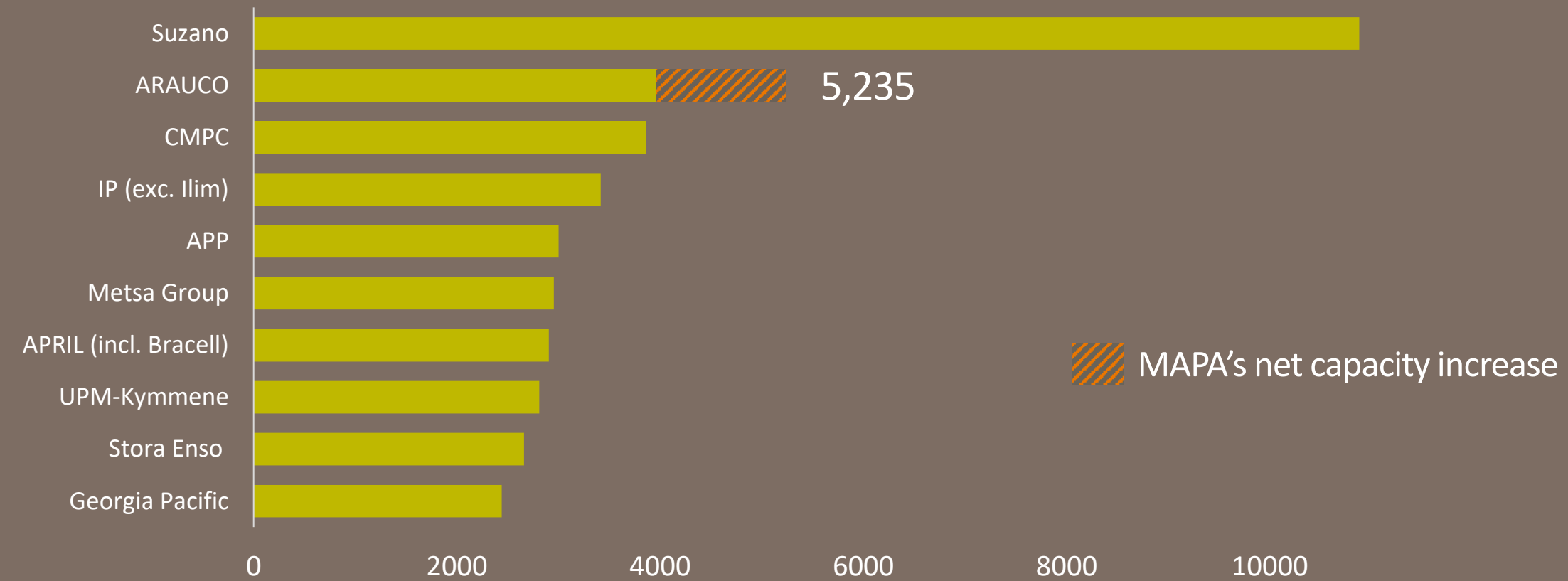


WE ARE A MAIN PLAYER IN THE GLOBAL MARKET

#2

In market pulp capacity in the world

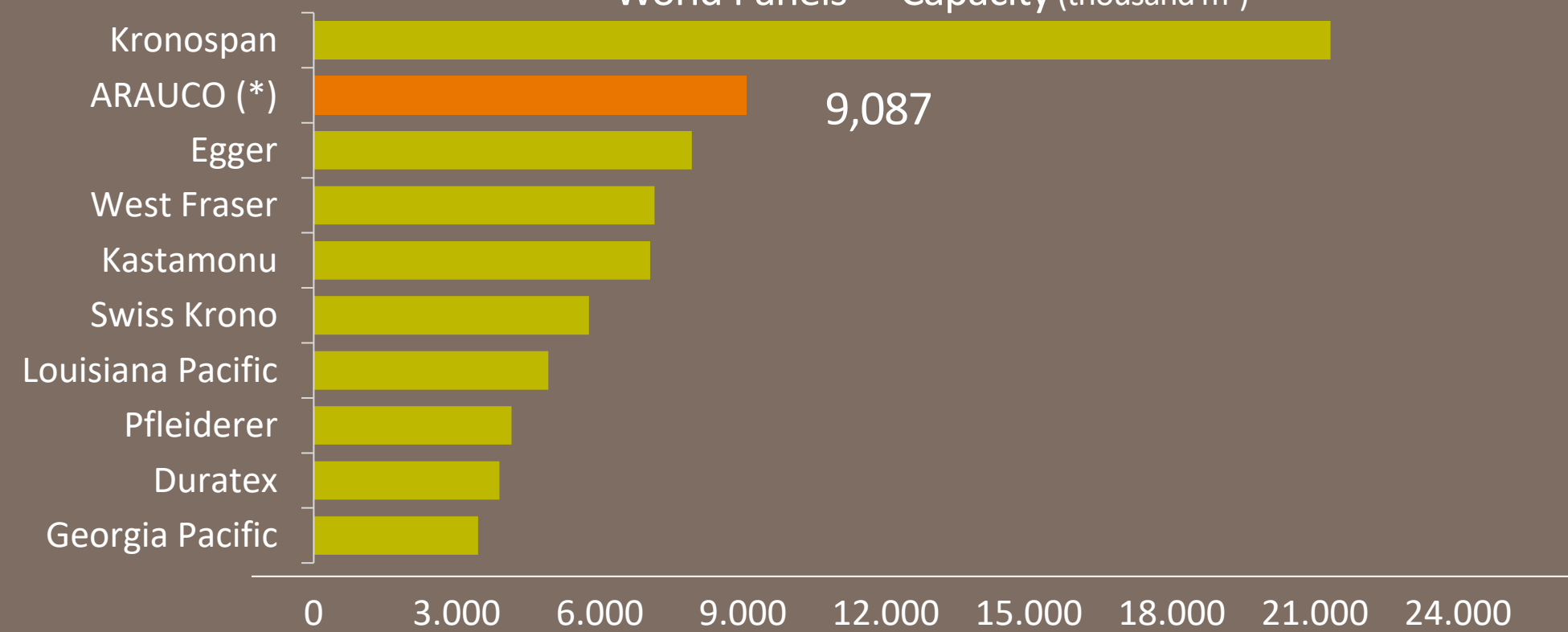
Market Pulp Capacity (thousand tonnes)



#2

In panels capacity in the world

World Panels** Capacity (thousand m³)



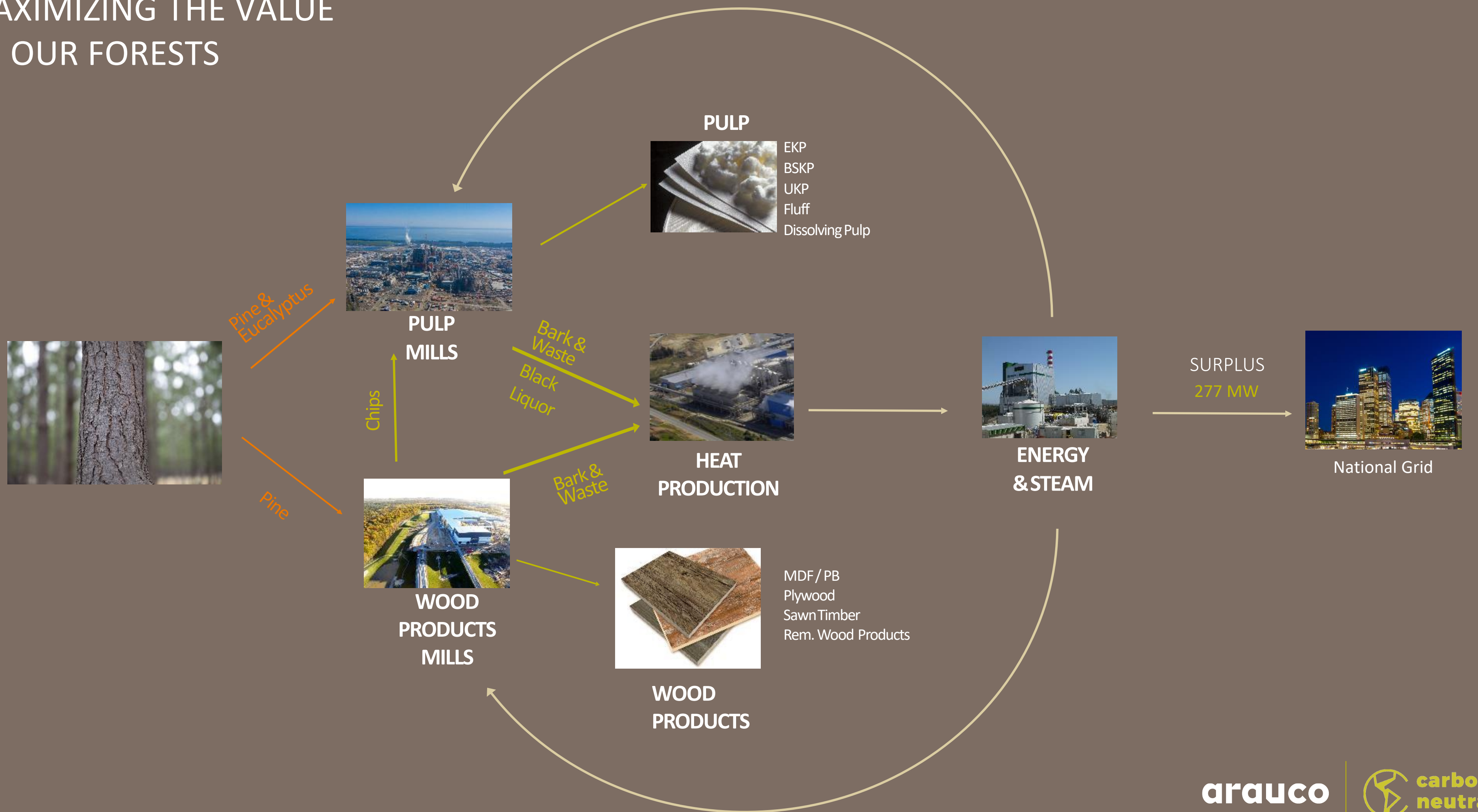
World market pulp and panel competitors capacity as of December 2021

*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\$2,910

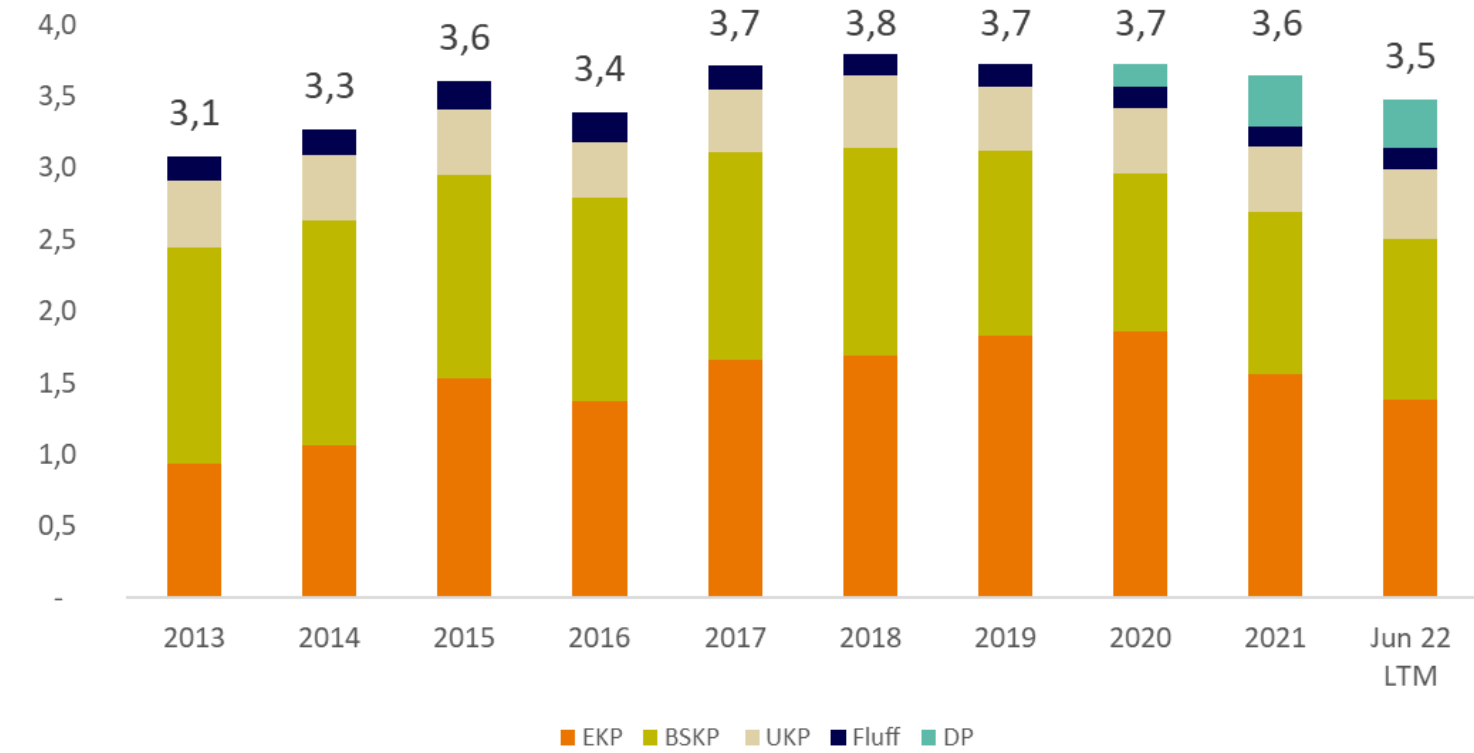
Does not include energy sales
As of June 2022 LTM



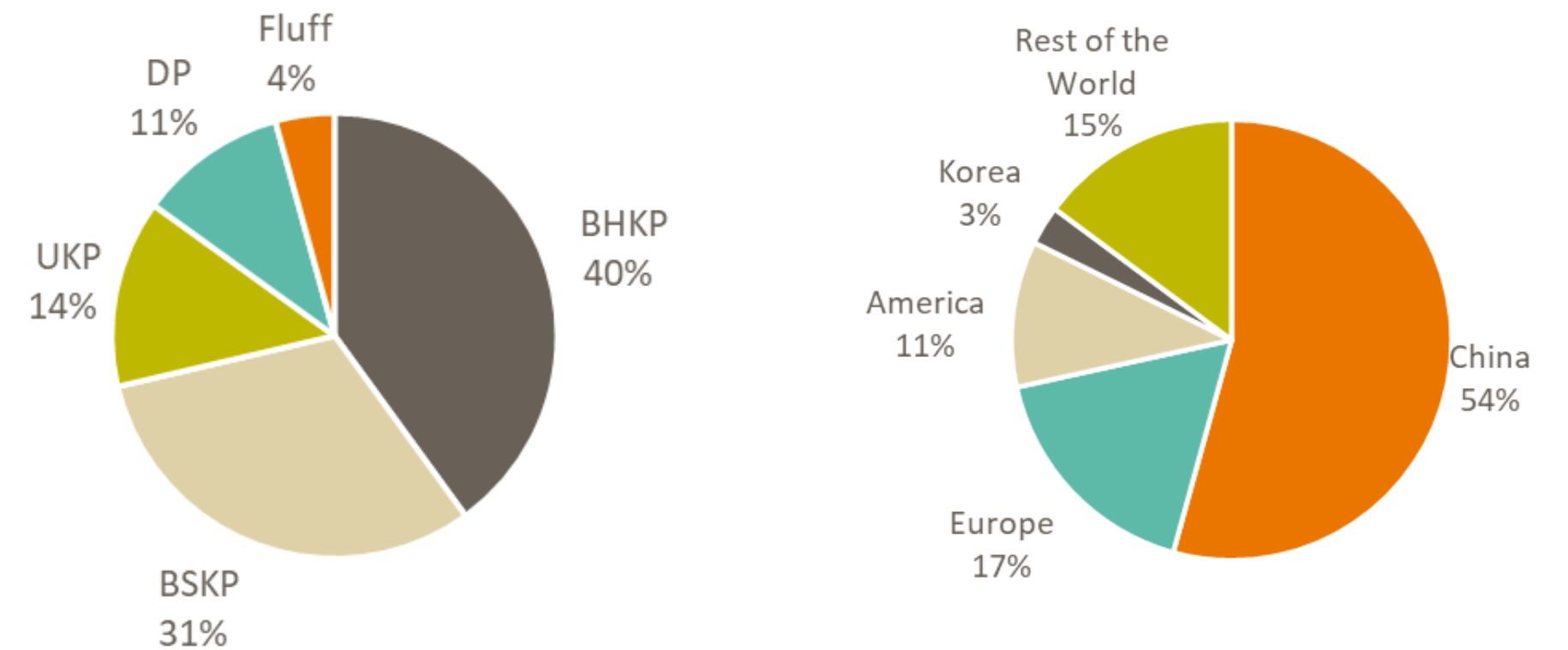
- (1) Eucalyptus Kraft Pulp
- (2) Bleached Softwood Kraft Pulp
- (3) Unbleached Kraft Pulp
- (4) Dissolving Pulp

Production

million tonnes



Sales volume: 3.5 million tonnes



As of June 2022 LTM

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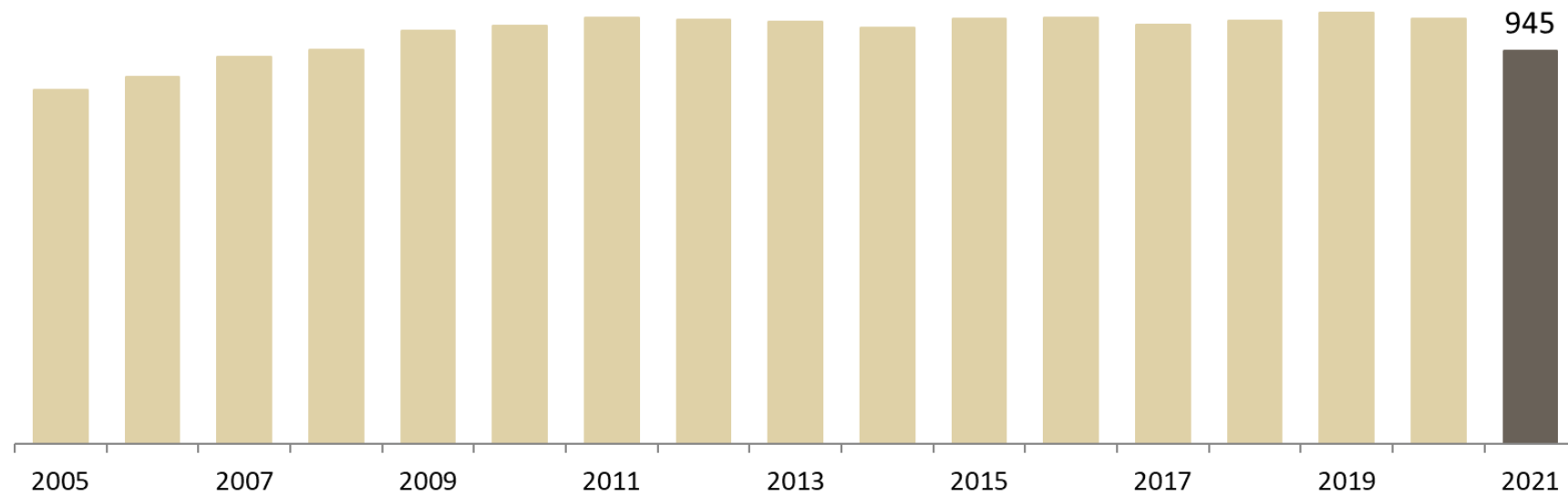


PULP BUSINESS – FORESTRY OPERATIONS

Total Plantations

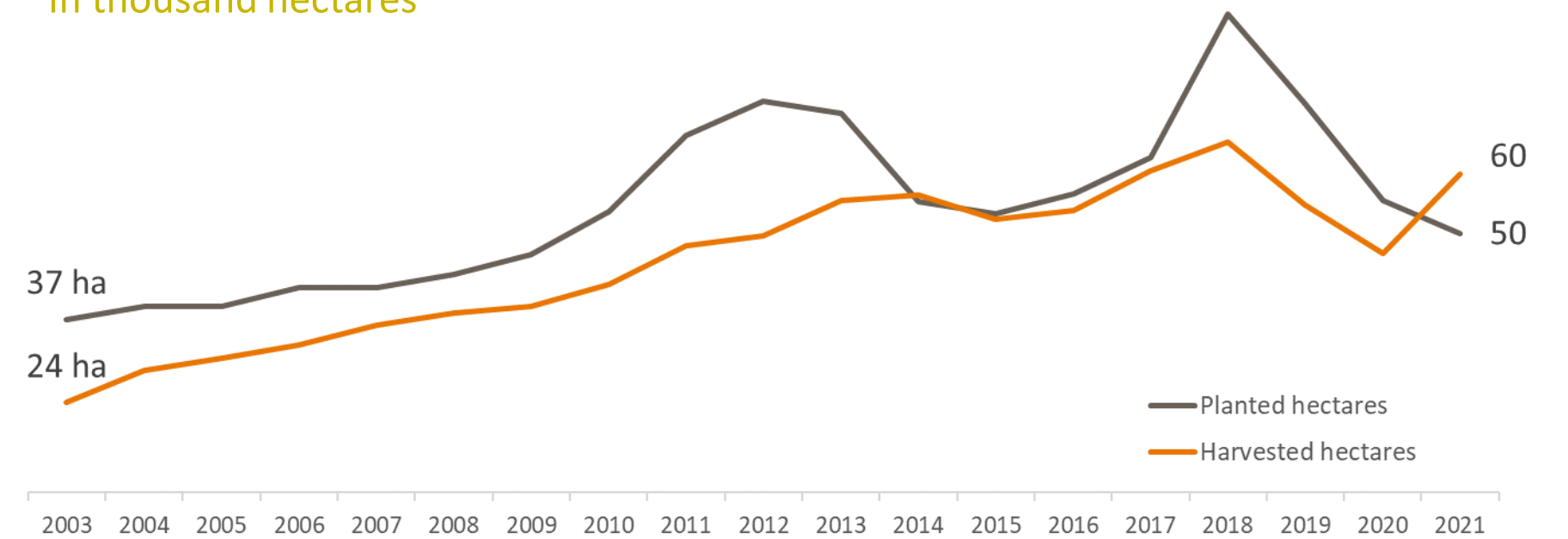
Includes plantations in Chile, Argentina, Brazil and Uruguay

In thousand hectares



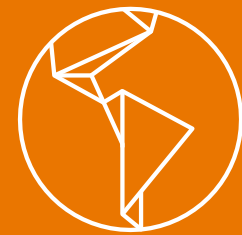
Planting and harvesting

In thousand hectares



1.6 million (*)

hectares owned



945 thousand

hectares planted



643 th. of Pine

356 th. of Euca

22 th. Others



Hectares Planted



Pine : **429 th.**
Euca: **183 th.**
Others: **2 th.**
614 th.



Pine : **53 th.**
Euca: **61 th.**
Others: **0.2 th.**
114 th.



Euca: **86 th.**
Pine: **0.2 th.**
Others: **0.3 th.**
86 th.



Pine : **92 th.**
Euca: **19 th.**
Others: **20 th.**
130 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 483 th. hectares of native forest plantations.
As of December 2021

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%

50+
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 2021

MAPA PROJECT (2022)
NEW LINE 3
1,560 EKP

LICANCEL
160 UKP



CONSTITUCION
355 UKP



ARAUCO MILL
LINE 2: 510 BSKP



NUEVA ALDEA
520 EKP
520 BSKP



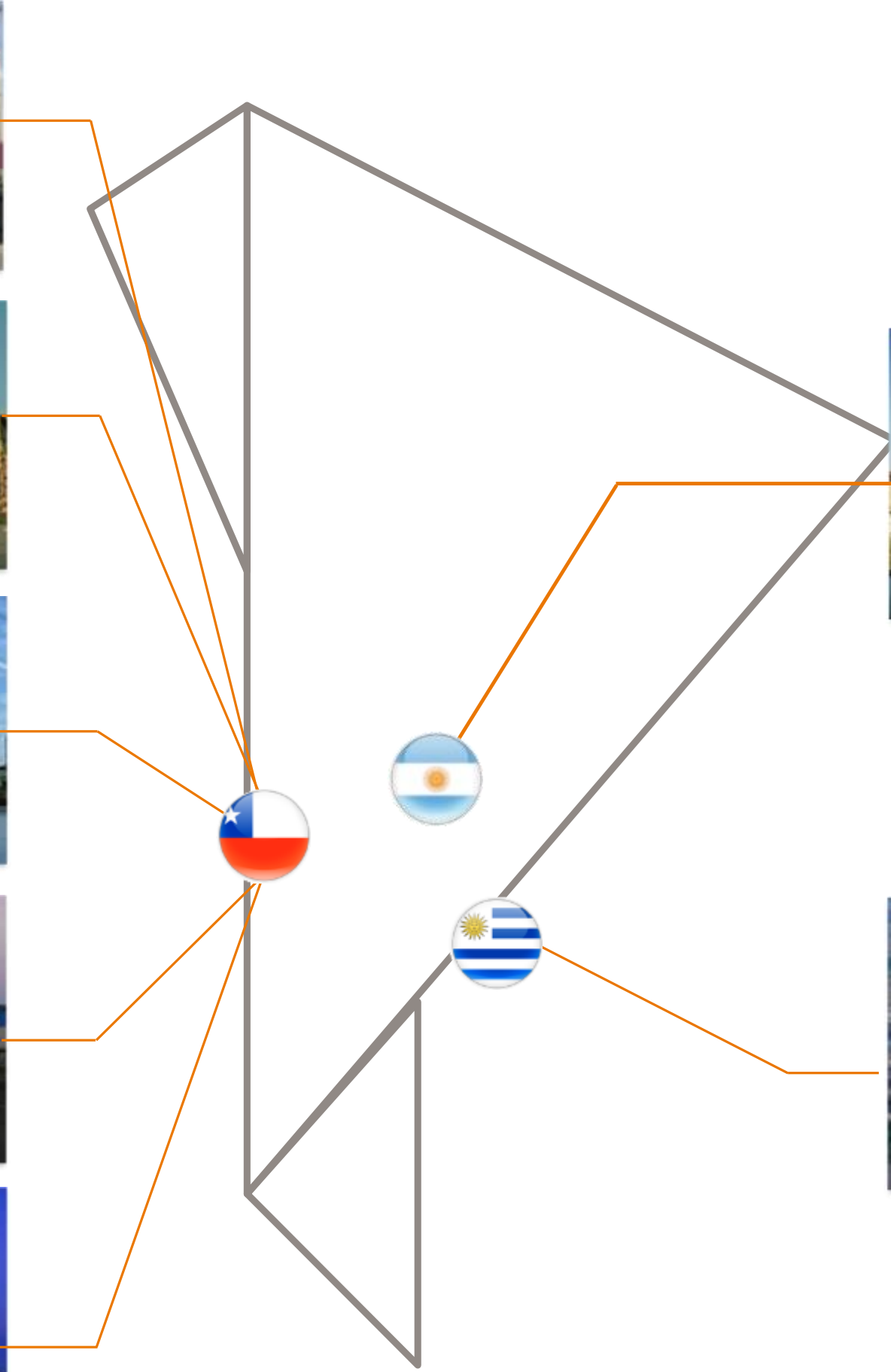
VALDIVIA
550 EKP,
or DP Swing mill



ESPERANZA
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

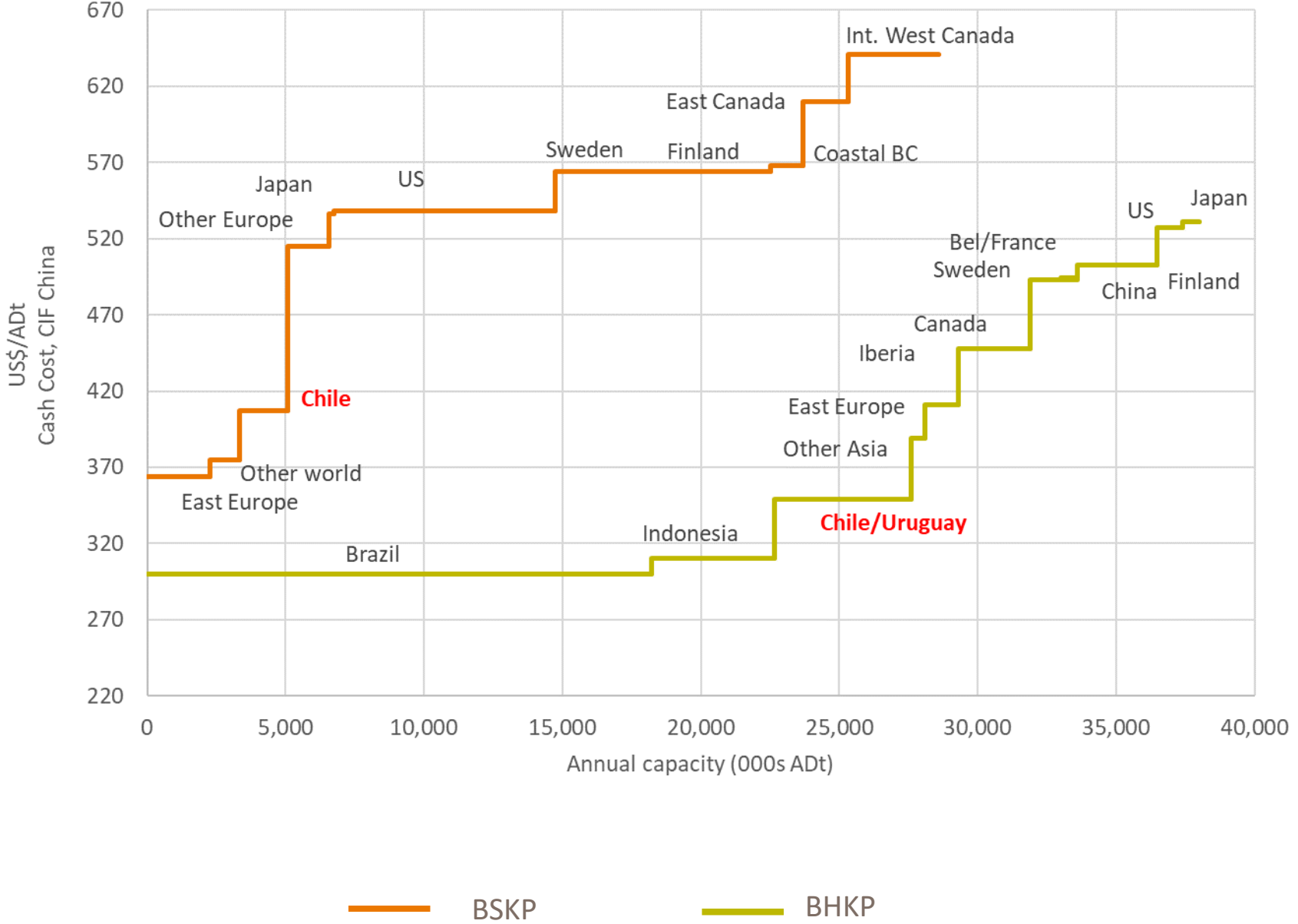
Average distances from
Mills to Ports

	Km
Licancel	420
Constitucion	316
Nueva Aldea	63
Arauco	35
Valdivia	301
Alto Paraná	1,200
Montes del plata	0
Weighted Avg.	195⁽¹⁾

149⁽²⁾
with MAPA

Source: ARAUCO, as of December 2021
 (1) Calculated using sales volume for 2021
 (2) Calculated including sales volume from ARAUCO's Line 3 expected capacity

2. Cost Advantages

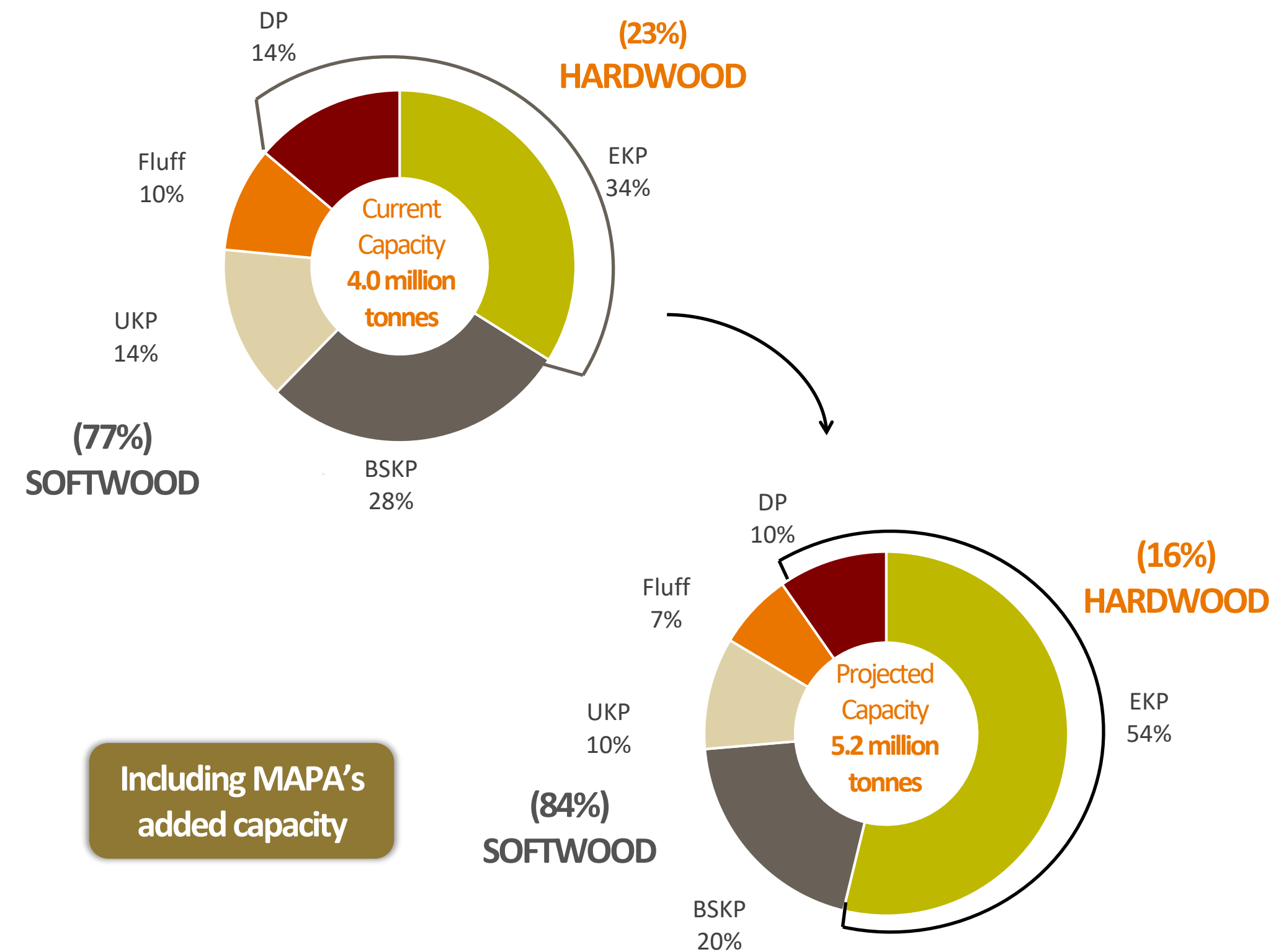


Source: Hawkins Wright, as of December 2021
 Other world includes Argentina, China and Oceania.

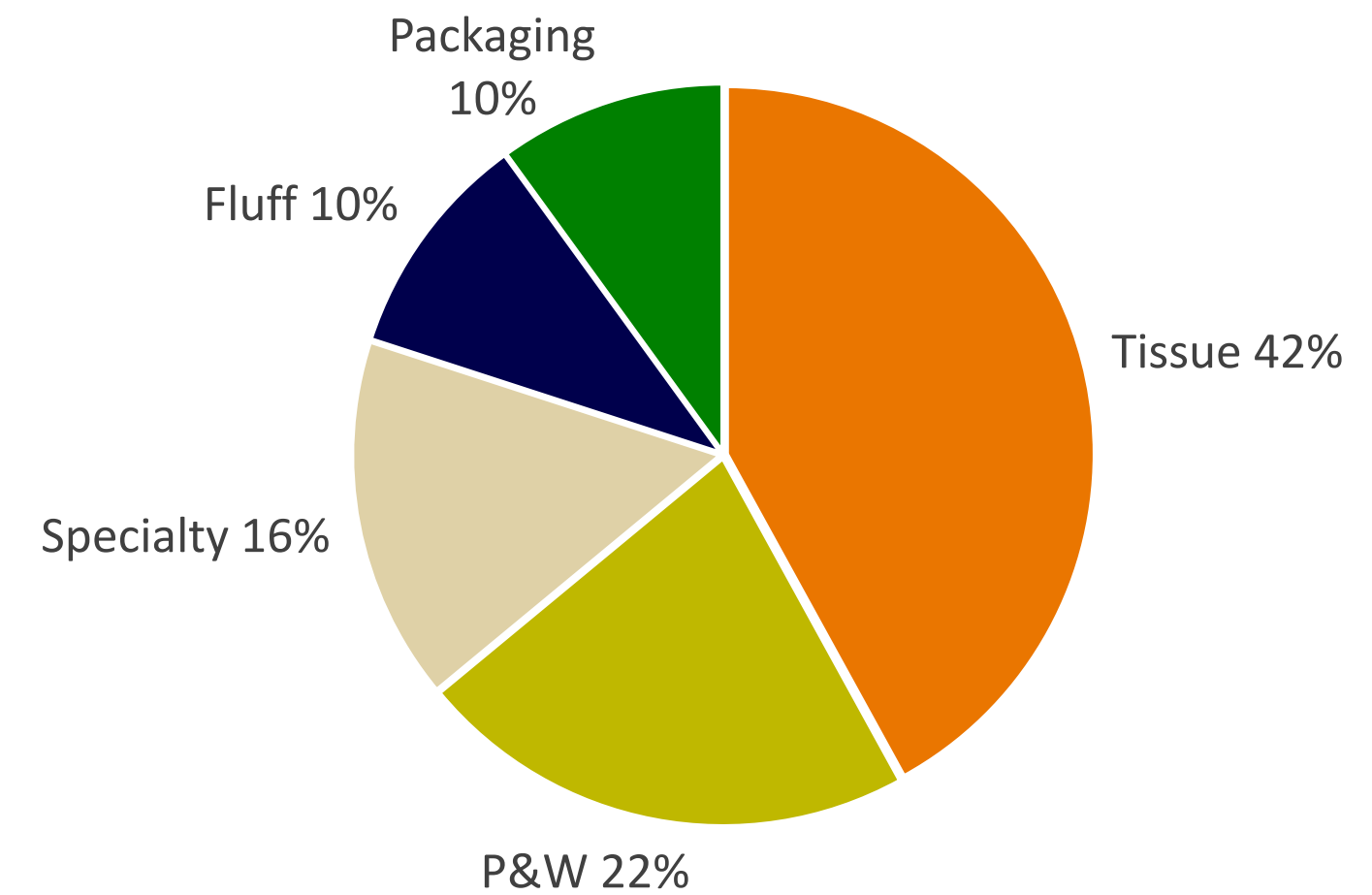
PULP BUSINESS

COMPETITIVE ADVANTAGES

3. Product Diversification



BCP shipment by end-use, 2022 estimate ⁽²⁾



(2) Source: Hawkins Wright, as of December 2021
 BCP: Bleached Chemical Pulp, which includes all bleached kraft pulp (and not unbleached) and sulphite pulp

Source: ARAUCO, as of December 2021

(1) Dissolving Pulp

The Valdivia mill will keep the ability to switch from producing dissolving pulp to paper grade (EKP).

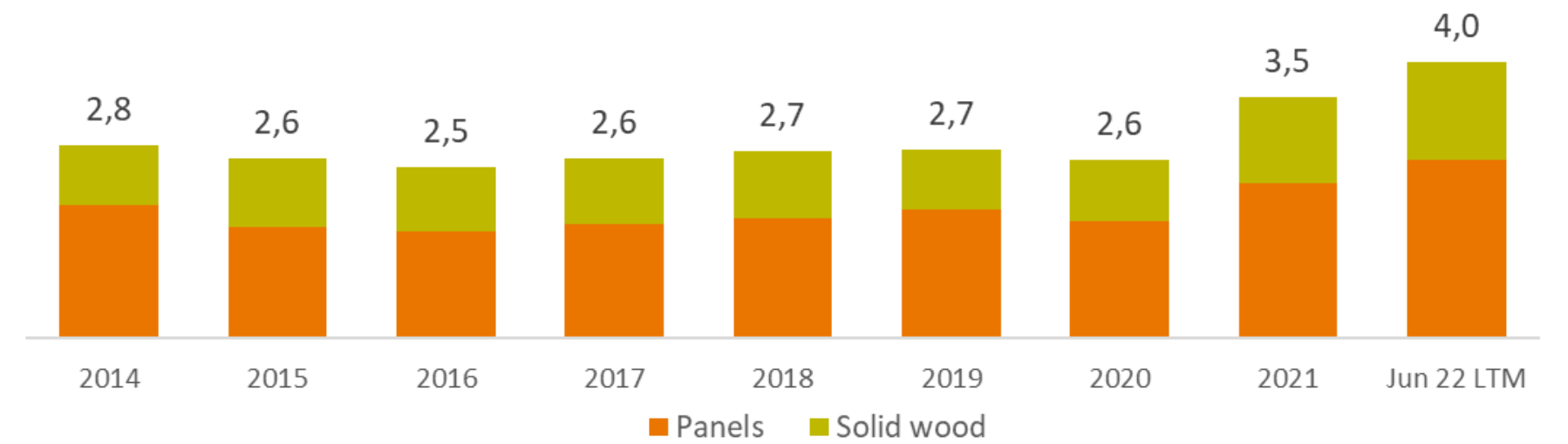
WOOD PRODUCTS BUSINESS

Revenues
MUS\$4,000

Does not include energy sales
As of June 2022 LTM

Sales evolution

US\$ billion



Subdivisions

PANELS



SOLID WOOD

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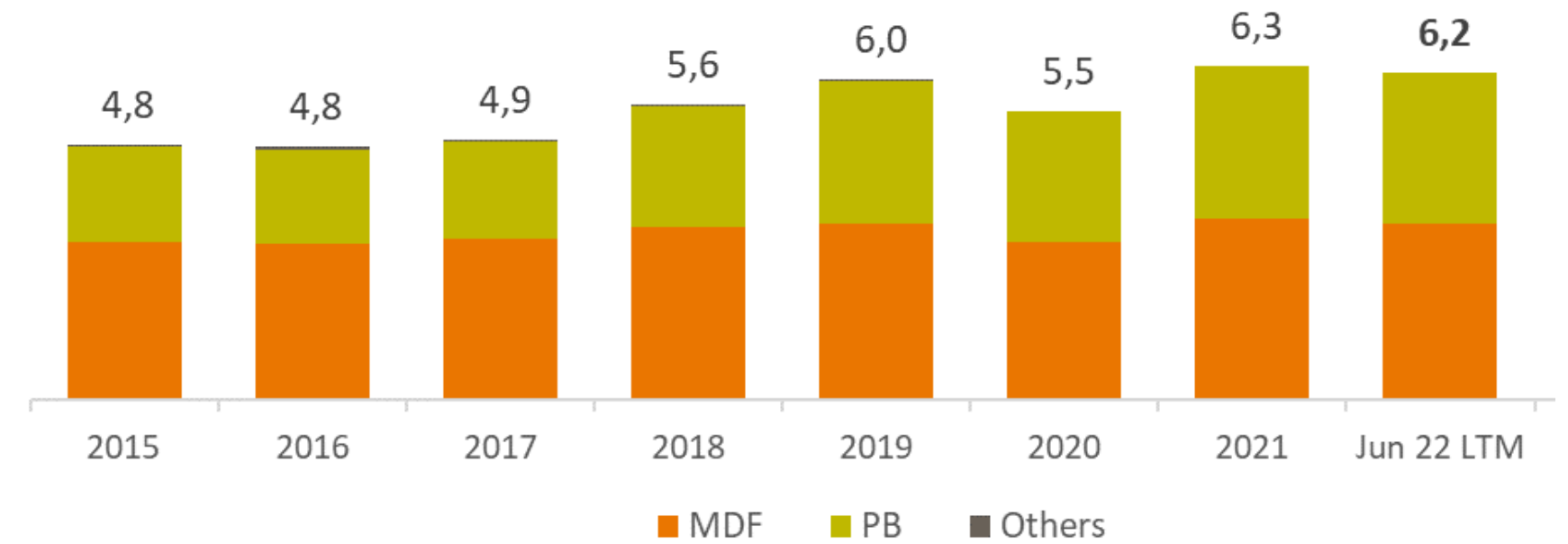
WOOD PRODUCTS BUSINESS: PANELS

Panels Sales
MUS\$2,576

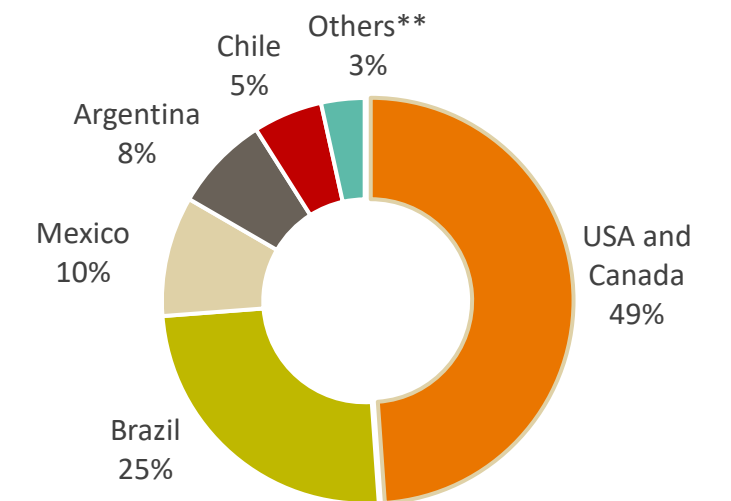
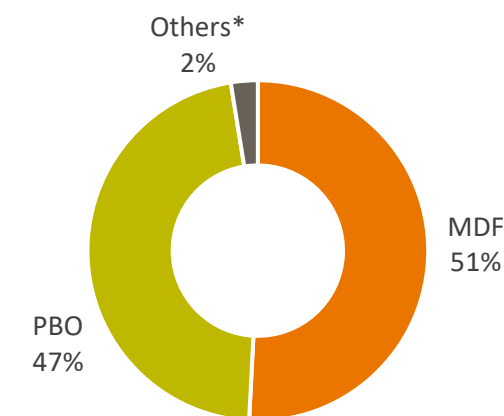
Does not include energy sales
 As of June 2022 LTM

Production

million m³



Sales volume: 5.9 million m³



As of June 2022 LTM

Does not include Sonae Arauco volumes

*OSB, HB, Retail and Composite panels

** EMEA, Asia, Oceania and Rest of Latam

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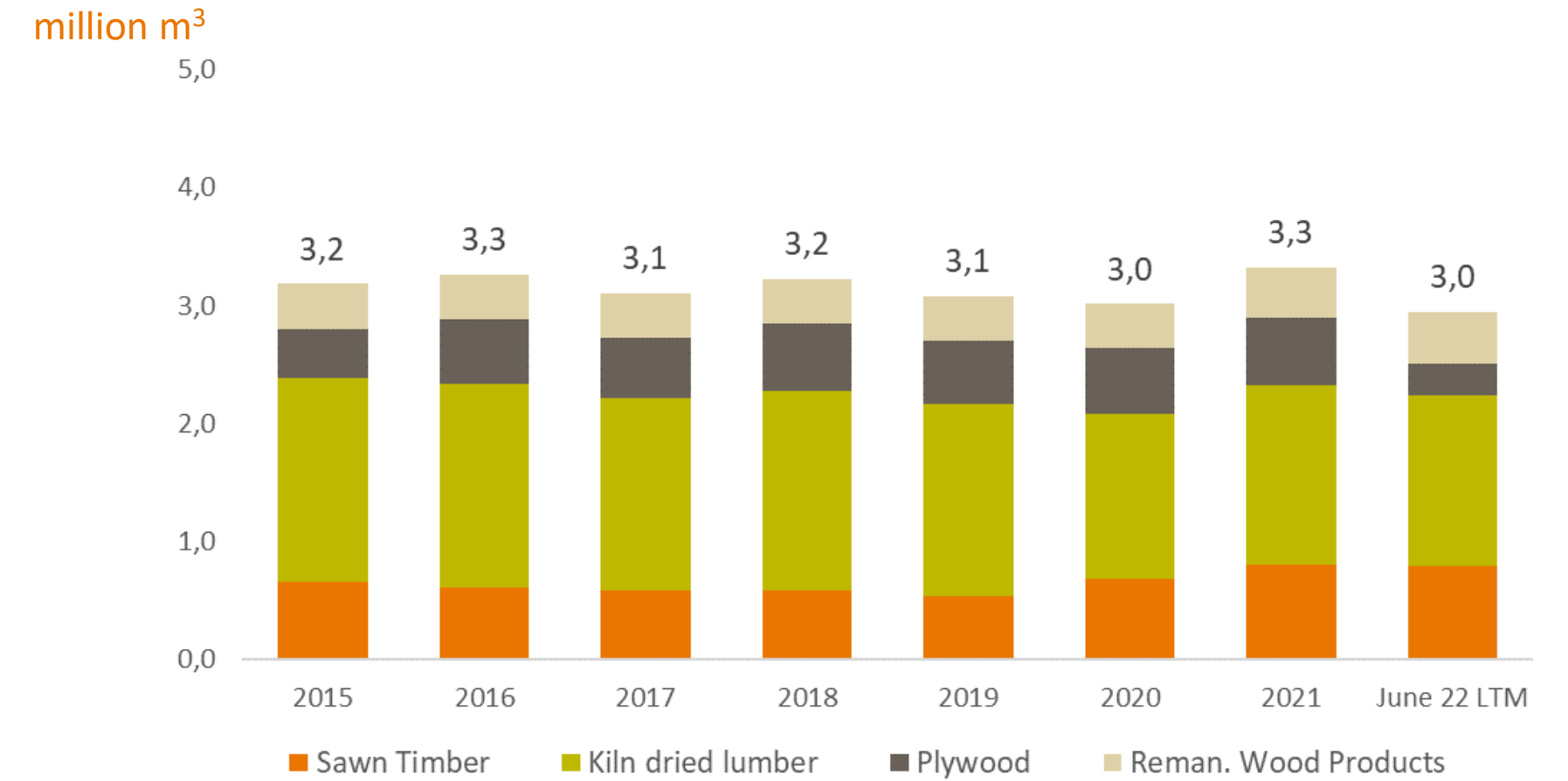
WOOD PRODUCTS BUSINESS: SOLID WOOD

Solid Wood Sales

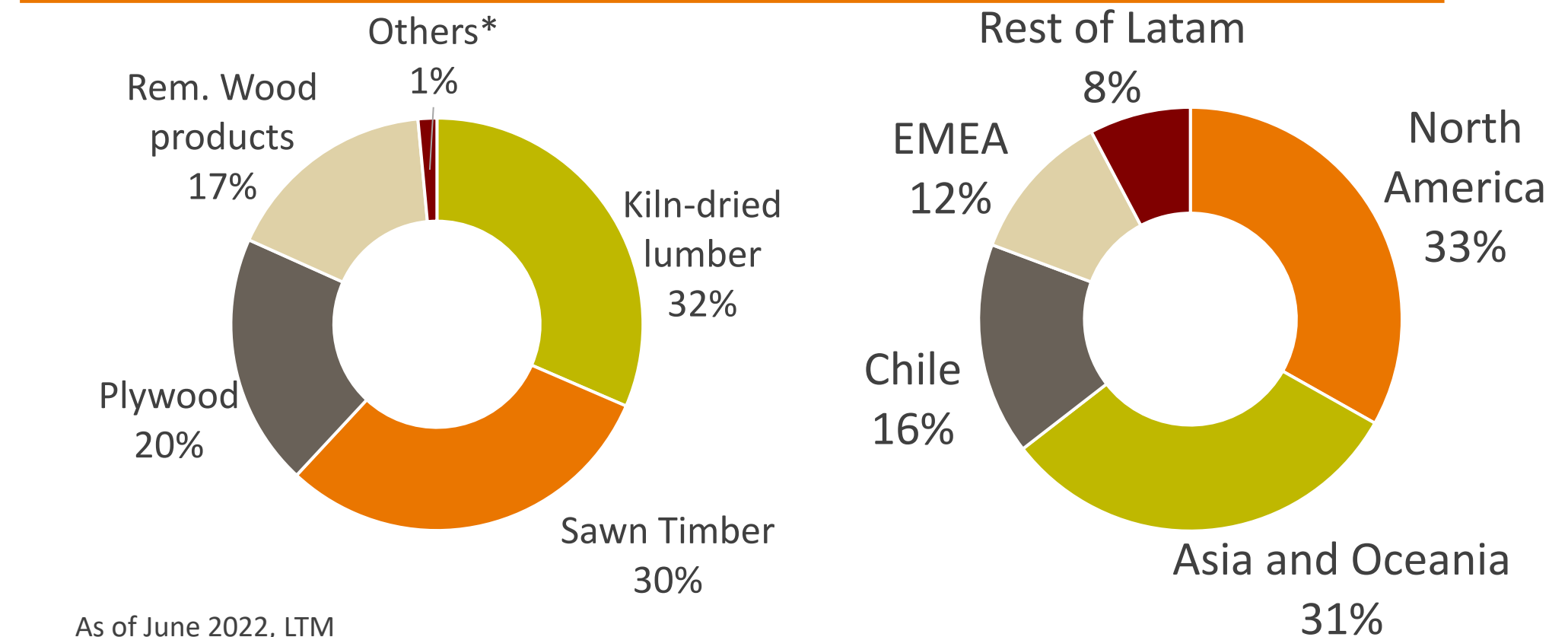
MUS\$1,424

Does not include energy sales
As of June 2022 LTM

Production



Sales volume: 2.8 million m³



As of June 2022, LTM
Does not include Sonae Arauco
volumes
* Pallets

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PANELS

OUR MILLS

in thousands

2 mills
420 m³ MDF

4 mills *
1,050 m³ PB
884 m³ MDF
460 m³ OSB

2 mills*
140 m³ MDF
430 m³ PB

2 mills*
360 MDF
450 PB

6 mills
595 m³ MDF
1,630 m³ PB

2 mills
315 m³ PB
250 m³ MDF

4 mills
1,520 m³ MDF
730 m³ PB

2 mills*
452 m³ PB**
70 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 2021
*Arauco owns 50% of Sonae Arauco
**One PB mill in South Africa is currently shut down

SOLID WOOD
OUR MILLS
in thousands



Legend
ST: Sawn Timber
Rem: Remanufactured Wood Products

As of December 2021
*Arauco owns 50% of Sonae Arauco

ENERGY COMPLEMENTARY OPERATIONS

Revenues MUS\$93

As of June 2022 LTM

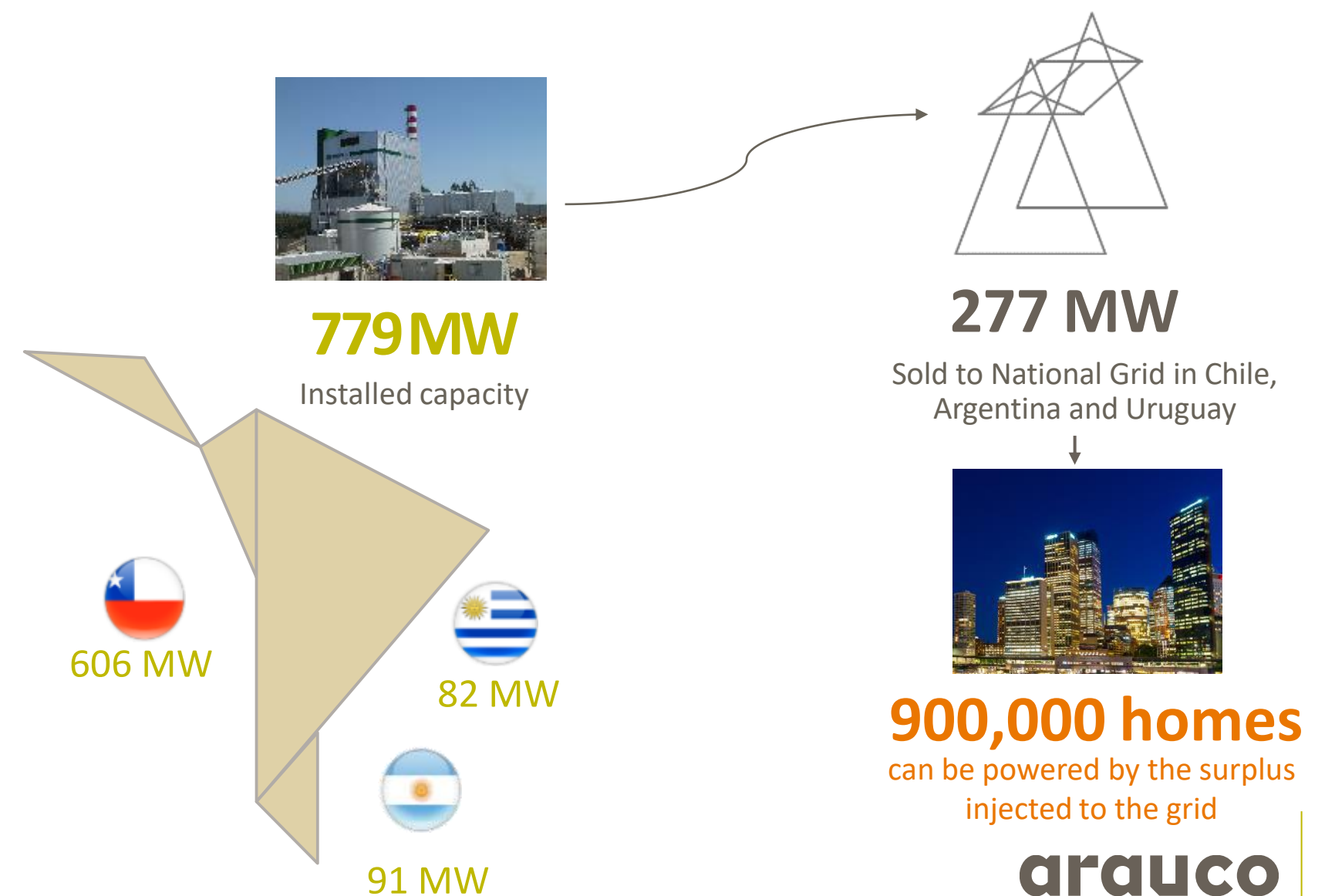
Highlights

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).

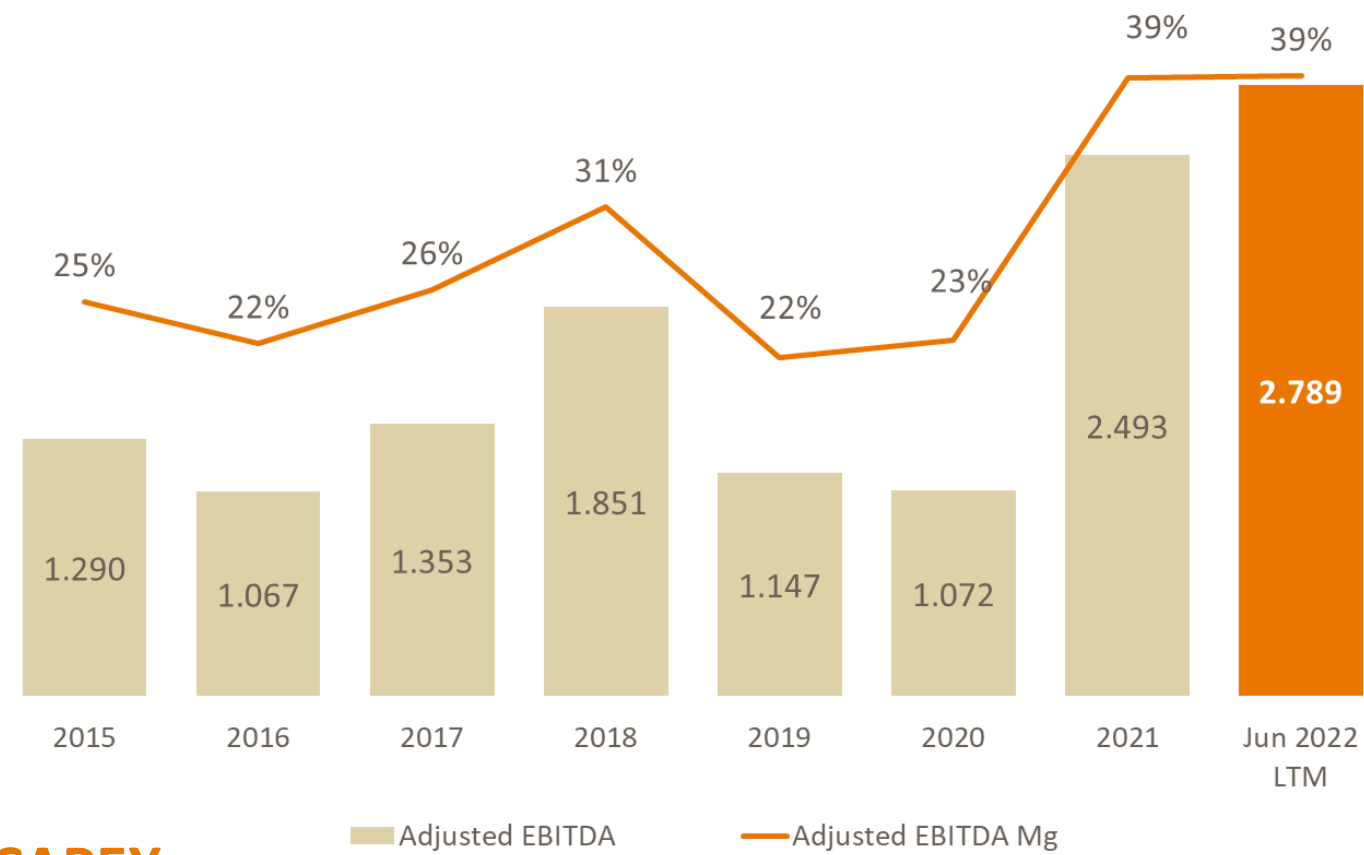
We expect MAPA will generate an additional surplus of 142MW available for the national grid.



MAIN FIGURES

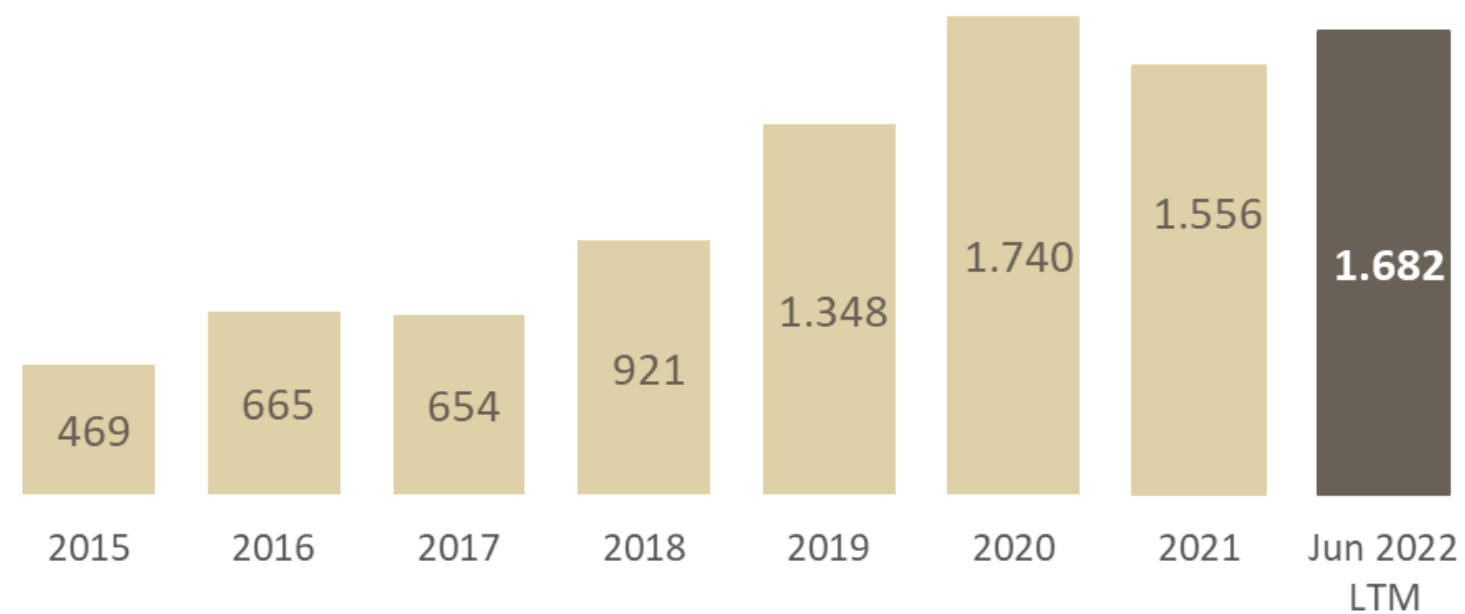
Adjusted EBITDA

US\$ million



CAPEX

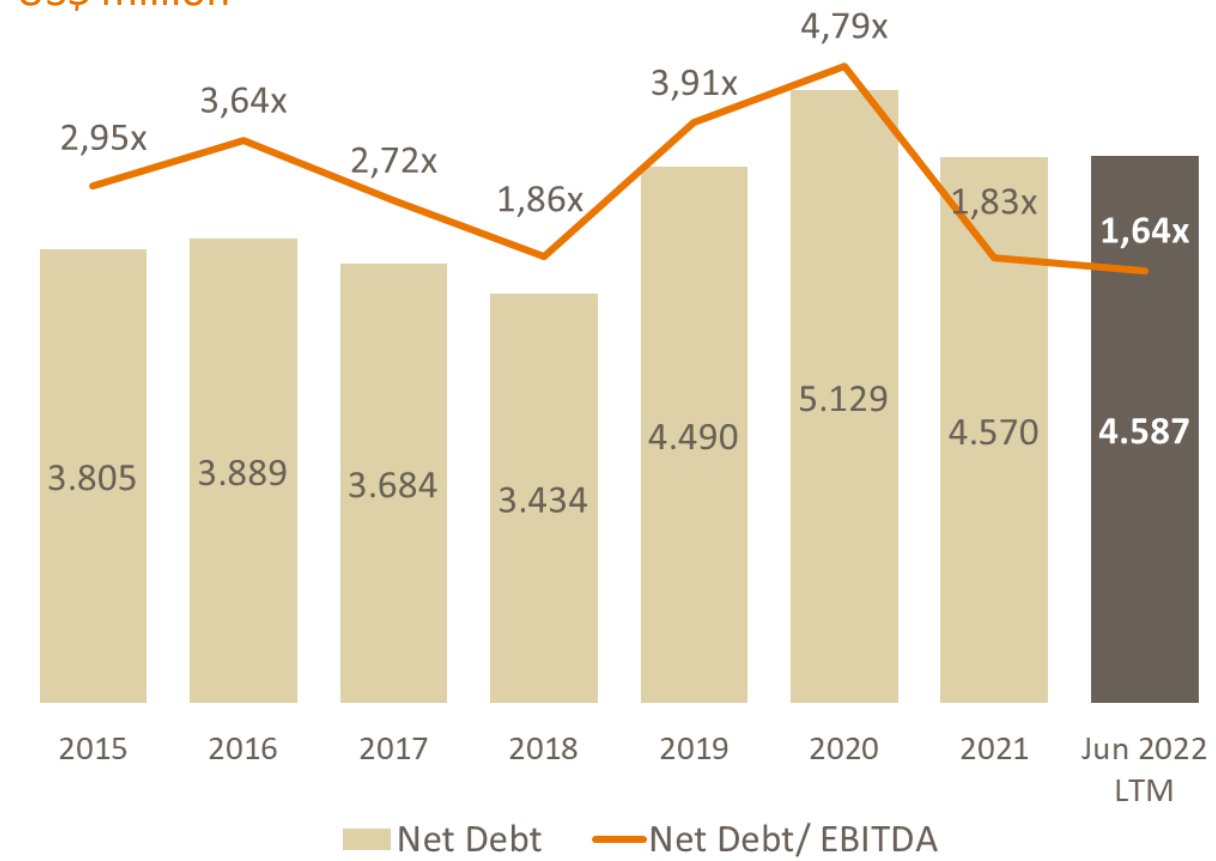
US\$ million



As of June 2022

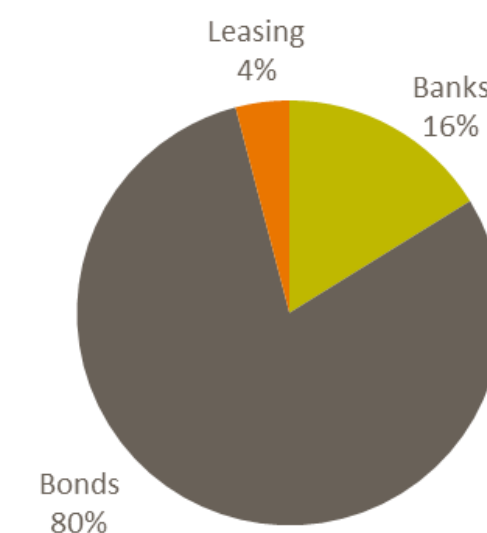
Net Debt

US\$ million

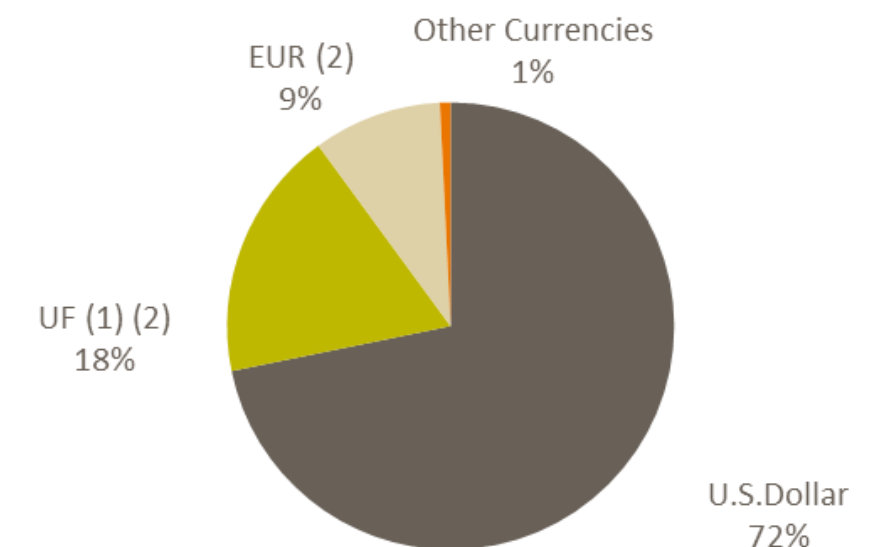


Debt Breakdown

by Instrument



by Currency



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

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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.**



We currently estimate the investment for this project to be of approximately **US\$ 2.8 billion.**

The Project also considers the shut down of Arauco's line 1 of **290 th. tonnes** of short fiber pulp (done on January 3rd 2022), 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.



Production of first bale is estimated for the end of October increasing ARAUCO's total yearly pulp production capacity to more than **5 million tonnes.**

SUSTAINABILITY STRATEGY

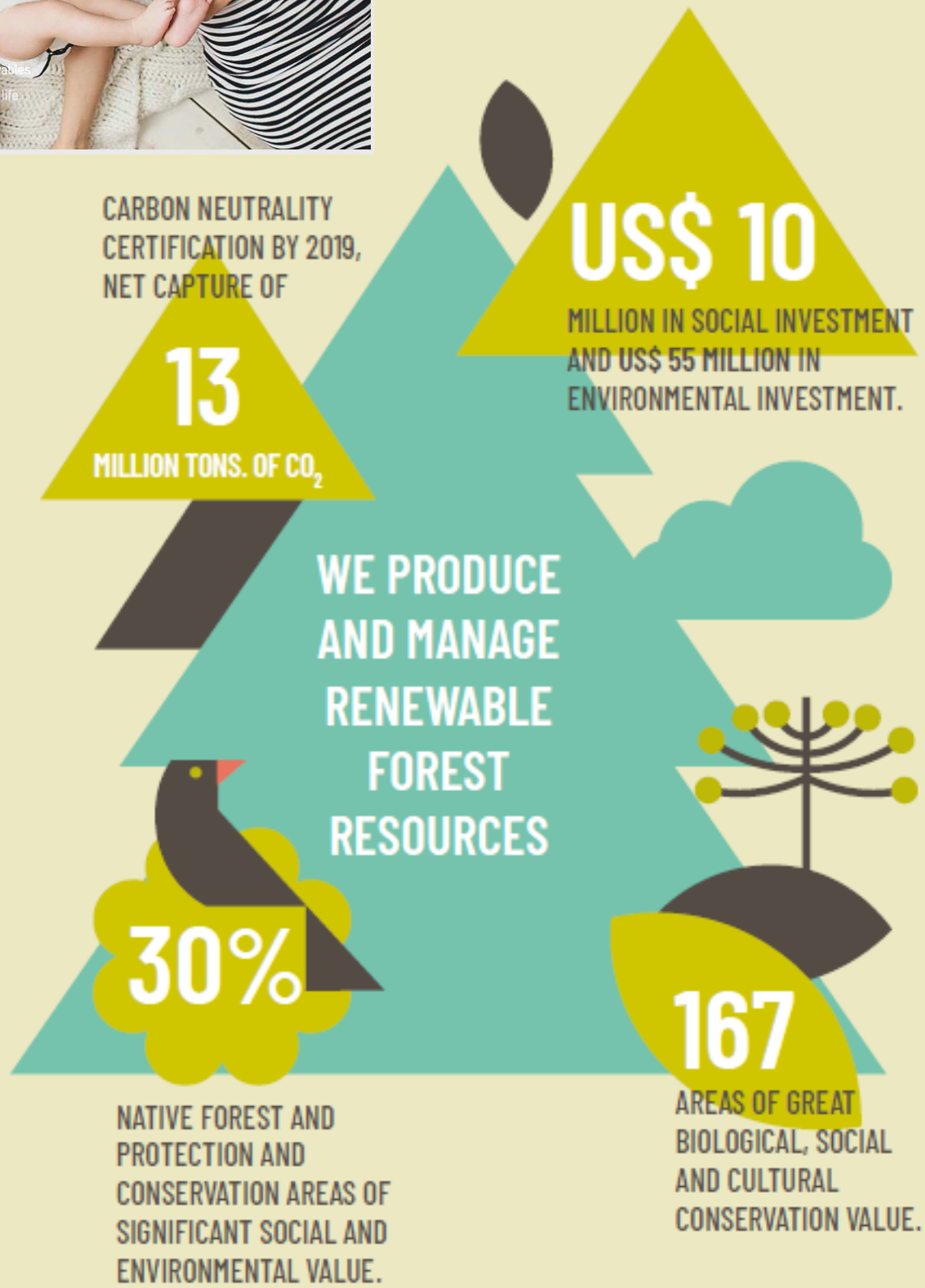


Deloitte officially validated our carbon neutrality for 2018, 2019 and 2020 (Method applied in accordance with the Deloitte Neutrality Protocol guidelines). On 2019, we generated a net surplus of 13,053,590 tons of CO₂e captured.

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.

The goal is to be able to expand the use of this protocol which may be applied to other firms and industries.



**FOR FURTHER INFORMATION,
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