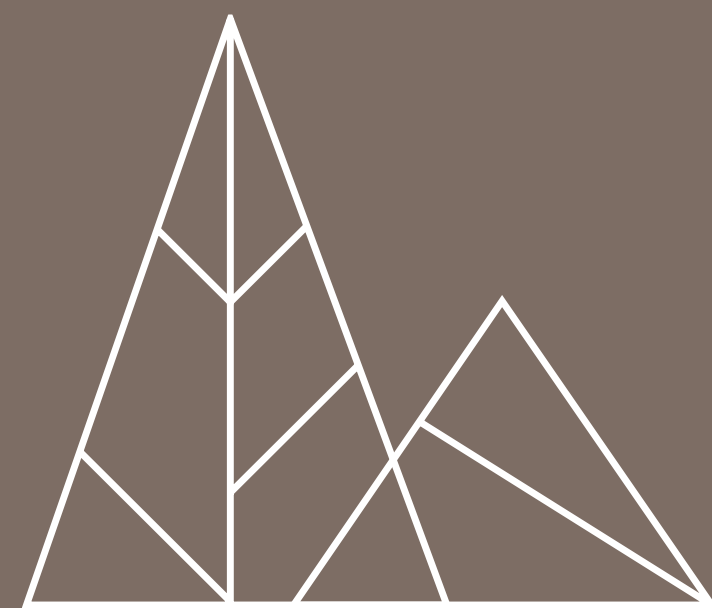


4th QUARTER
2023

Financial Results
Conference Call Presentation
March 7, 2023

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\$1,569
2% QoQ

Net Income
-US\$84
51% QoQ

Adj. EBITDA
US\$369
52% QoQ

LTM Adj. EBITDA
US\$1,026
-2% QoQ

Net Debt to EBITDA
6.3x

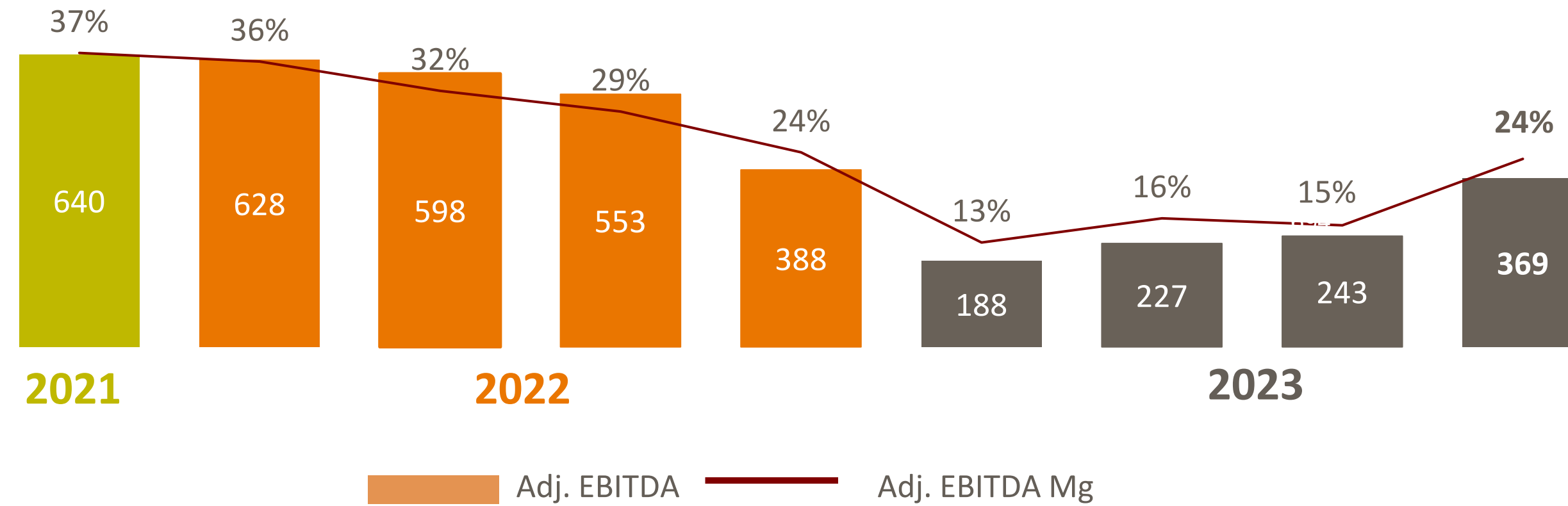
Forestry assets
sale in Brazil for
US\$1,160



EBITDA & INCOME STATEMENT

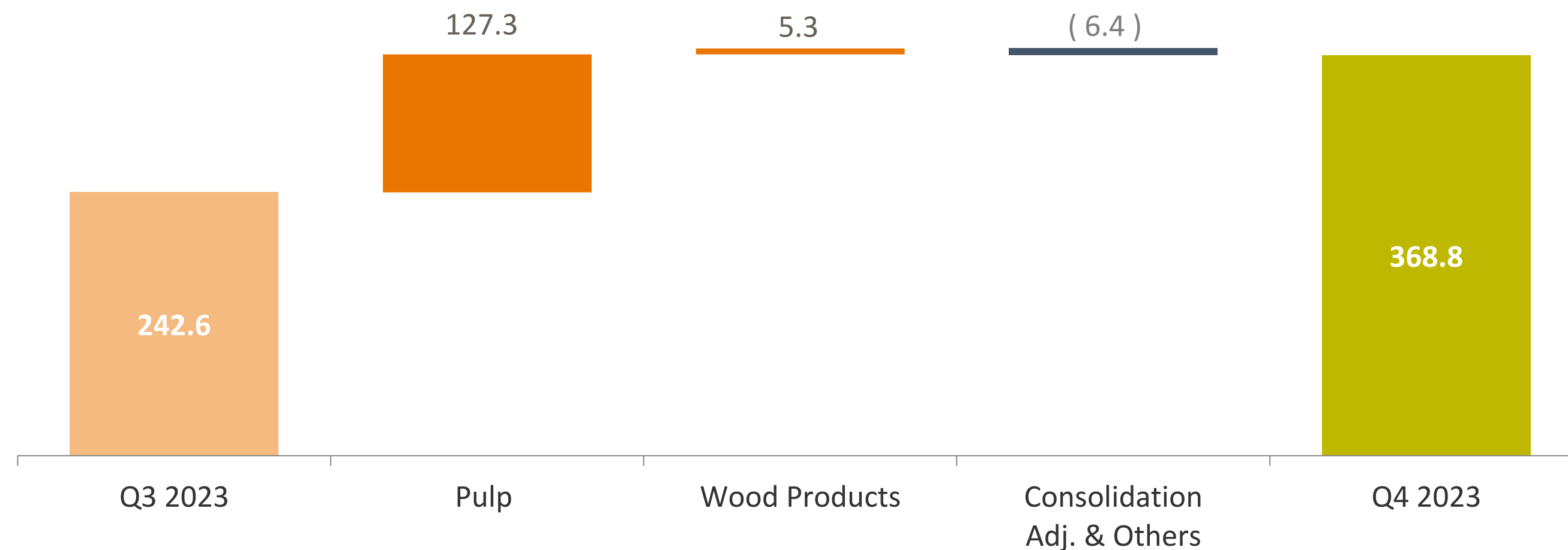
ADJUSTED EBITDA

► In US\$ million



Breakdown by division

Pulp	272
Wood Products	138
Consolidated Adj. & Others	-41



- Adjusted EBITDA during the fourth quarter reached US\$368.8 million.
- There was an increase of 88.2% or US\$127.3 million in the Adjusted EBITDA of our pulp business segment, mainly due to:
 - Indemnifications from insurance companies (Valdivia and Constitución mills).
 - Better production from Arauco's Line 3 (MAPA).
- Adjusted EBITDA of our wood products business segment, there was an increase of 4.0% or US\$5.3 million.

INCOME STATEMENT

► In US\$ million

	Q4 2023	Q3 2023	Q4 2022	QoQ	YoY
Revenue	1,568.5	1,594.9	1,594.0	-1.7%	-1.6%
Cost of sales	(1,221.3)	(1,293.2)	(1,051.9)	-5.6%	16.1%
Gross Profit	347.3	301.7	542.1	0.2	-0.4
Other income	261.3	76.9	(144.5)	239.8%	-280.9%
Distribution costs	(175.5)	(184.5)	(192.4)	-4.9%	-8.8%
Administrative expenses	(153.9)	(159.3)	(167.7)	-3.4%	-8.2%
Other expenses	(86.7)	(146.1)	(208.4)	-40.7%	-58.4%
Financial income	47.6	33.1	22.3	43.7%	113.3%
Financial costs	(100.8)	(100.1)	(64.5)	0.7%	56.4%
Participation in (loss) profit in associates and JVs	(7.1)	(3.2)	(7.8)	121.8%	-9.6%
Exchange rate differences	(107.4)	(43.7)	(36.8)	145.8%	192.3%
Income before income tax	24.8	(225.1)	(257.7)	-111.0%	-109.6%
Income tax	(108.9)	52.1	80.1	-309.1%	-236.0%
Net income	(84.1)	(173.0)	(177.6)	-51.4%	-52.6%

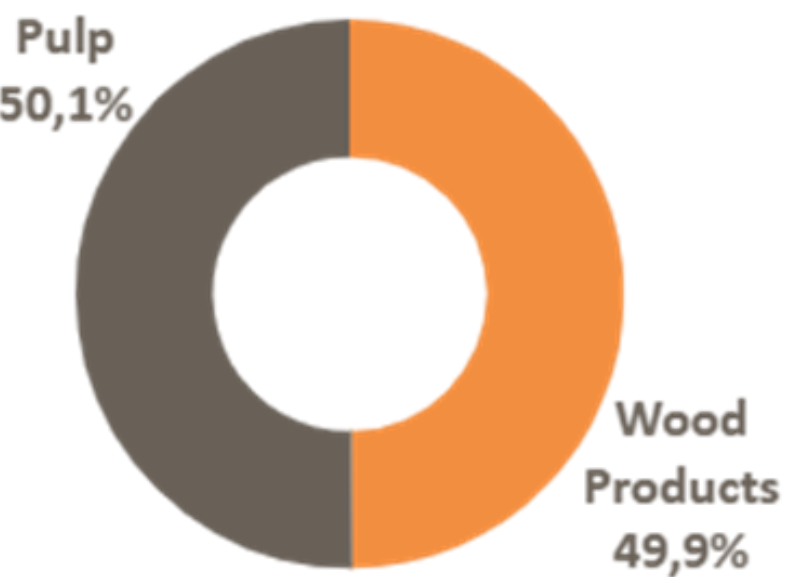
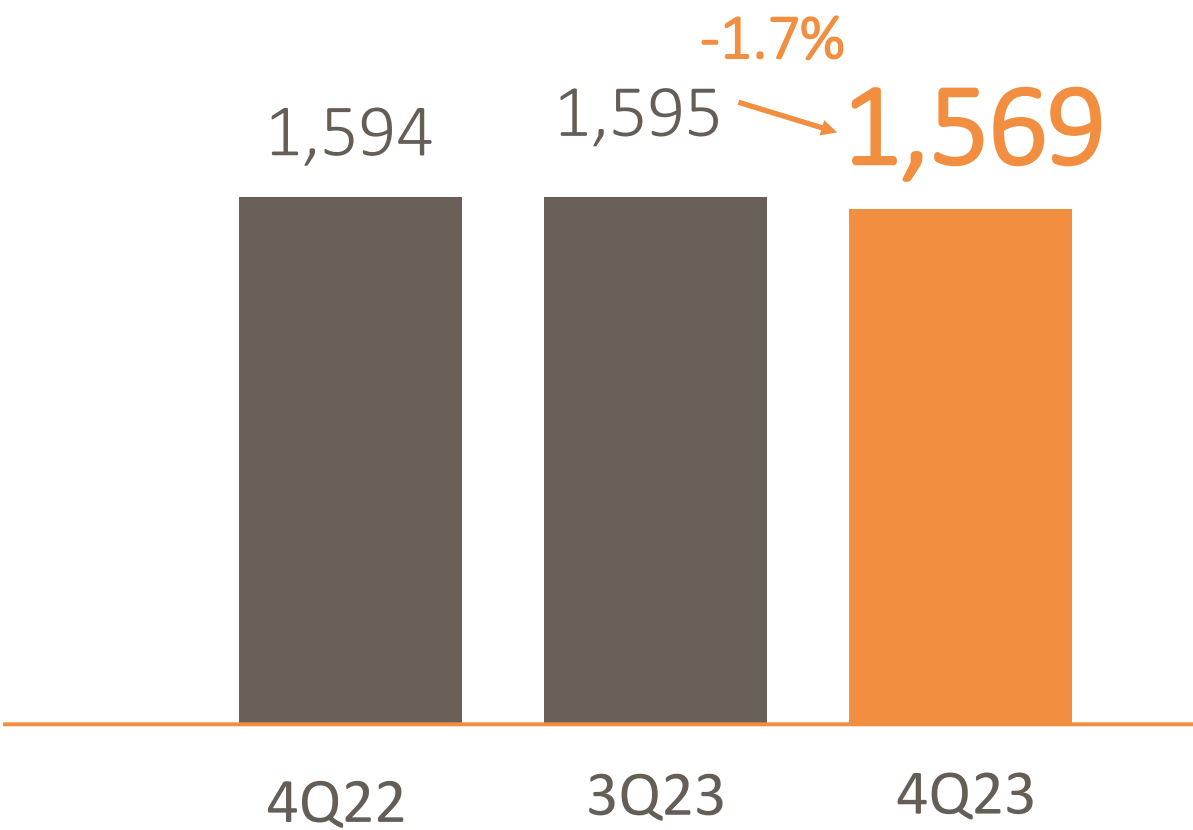
* Accounted using the equity method.

INCOME STATEMENT – REVENUES & COST OF SALES

► In US\$ million

Revenues decreased by 1.7% compared to the third quarter of 2023 and by 1.6% compared to the fourth quarter of 2022 .

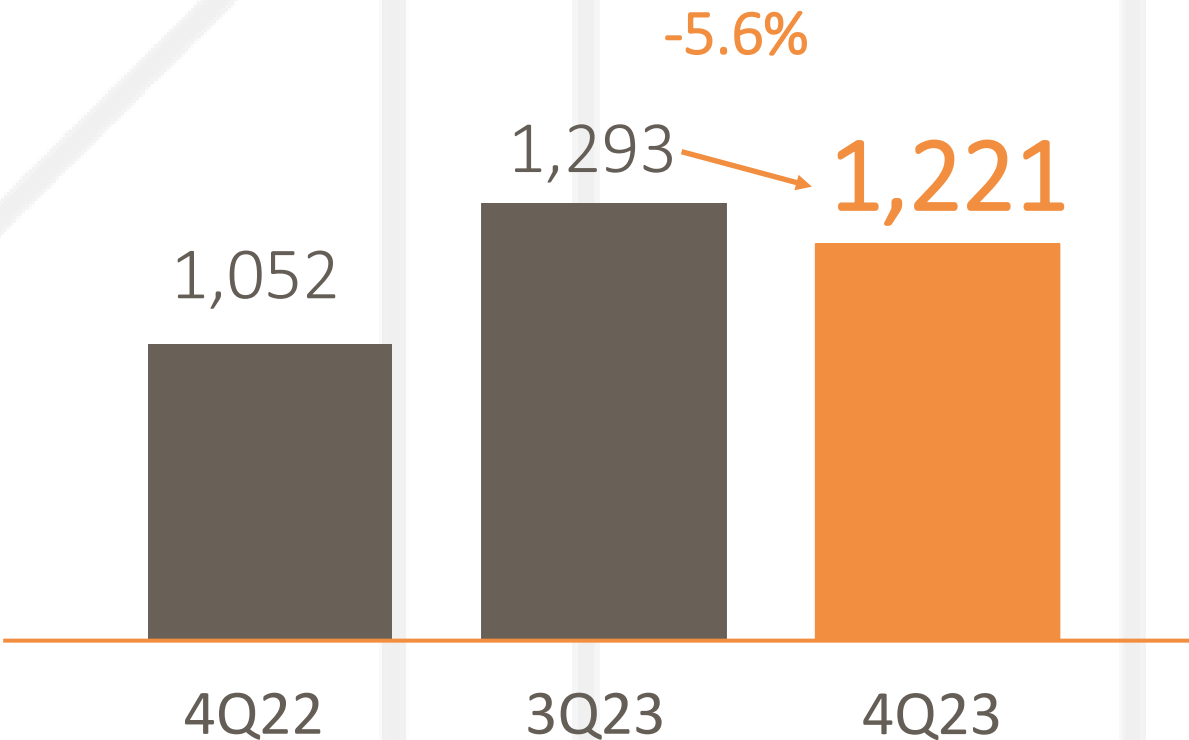
- Pulp revenues increased by US\$7.1 million or 0.9%, mainly driven by a 3.0% increase in average prices, offset by a 1.6% decrease in sales volume.
- Wood products revenues decreased by US\$33.6 million or 4.1%, mainly due to a 3.4% and 0.8% decrease in sales volume and average prices, respectively.



Cost of sales decreased by 5.6% or US\$71.9 million compared to the third quarter, mainly due to decreases in *Chemical costs* and *Forestry labor costs* and *Other raw materials and indirect costs* due to lower sales volumes in our wood business segment.

Pulp unitary sale costs QoQ

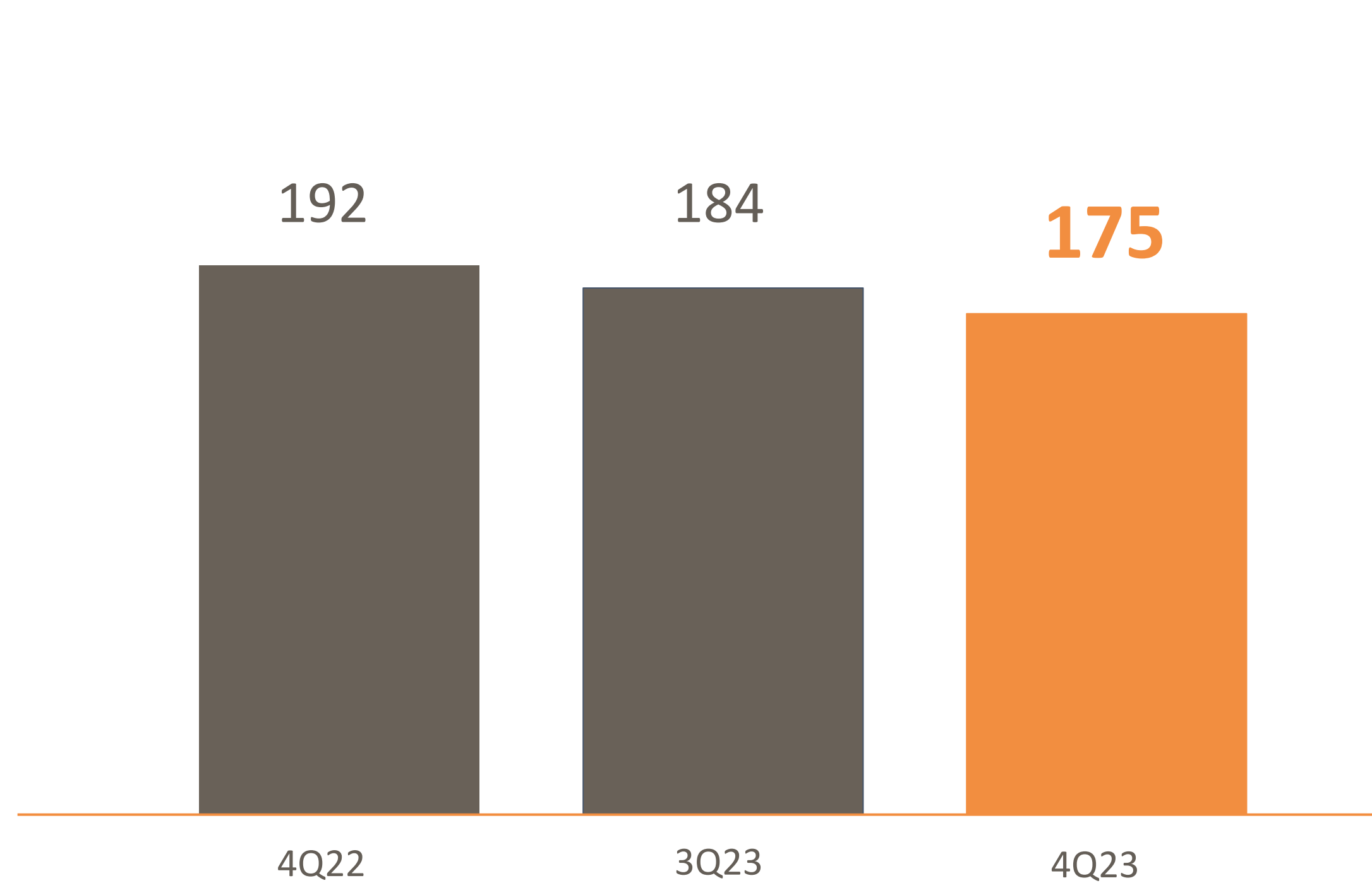
Softwood bleached pulp	▼	-3.0%
Hardwood bleached pulp	▼	-9.6%
Unbleached softwood pulp	▼	-6.2%
Dissolving pulp	▼	-5.7%



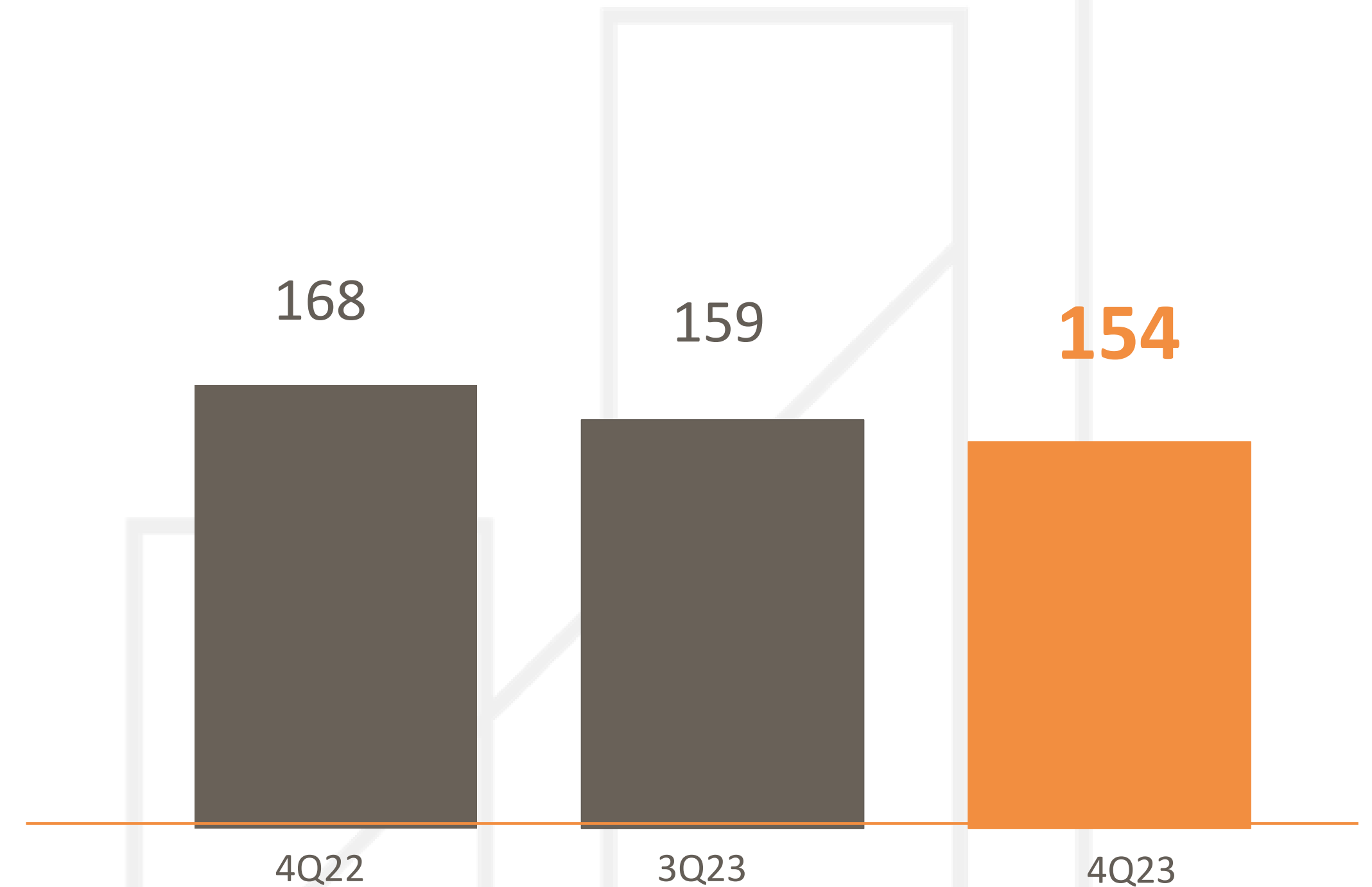
INCOME STATEMENT – DISTRIBUTION COSTS & EXPENSES

► In US\$ million

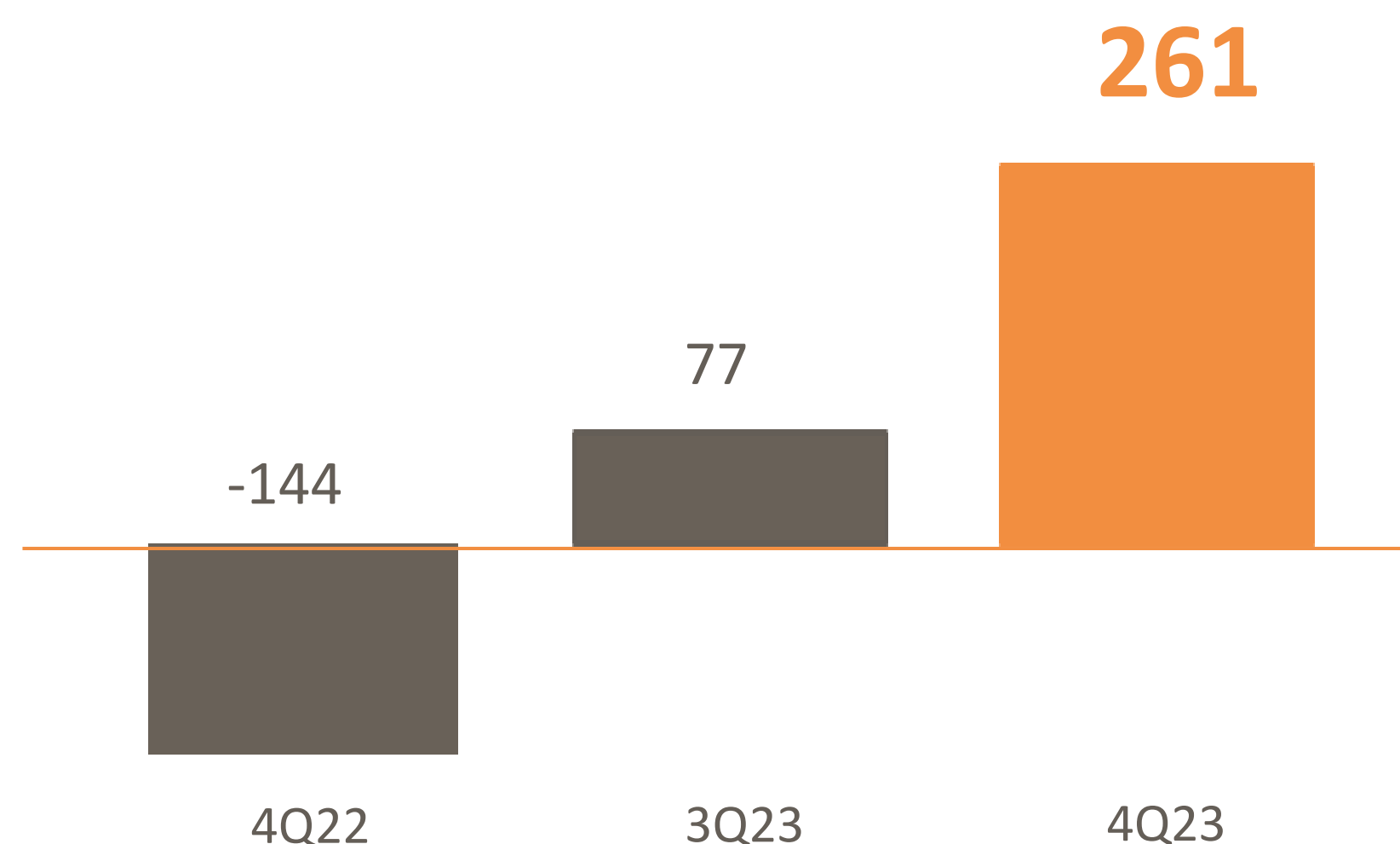
Distribution costs decreased by US\$9.0 million or 4.9% mostly due to a decrease of US\$7.2 million or 5.0% in *Freight costs*, mainly explained by lower sales volume.



Administrative expenses decreased by US\$5.4 million or 3.4%. This is mostly due to a decrease in *Wages, Salaries and severance indemnities* and *Insurance*, offset by an increase in *Other administration expenses*.

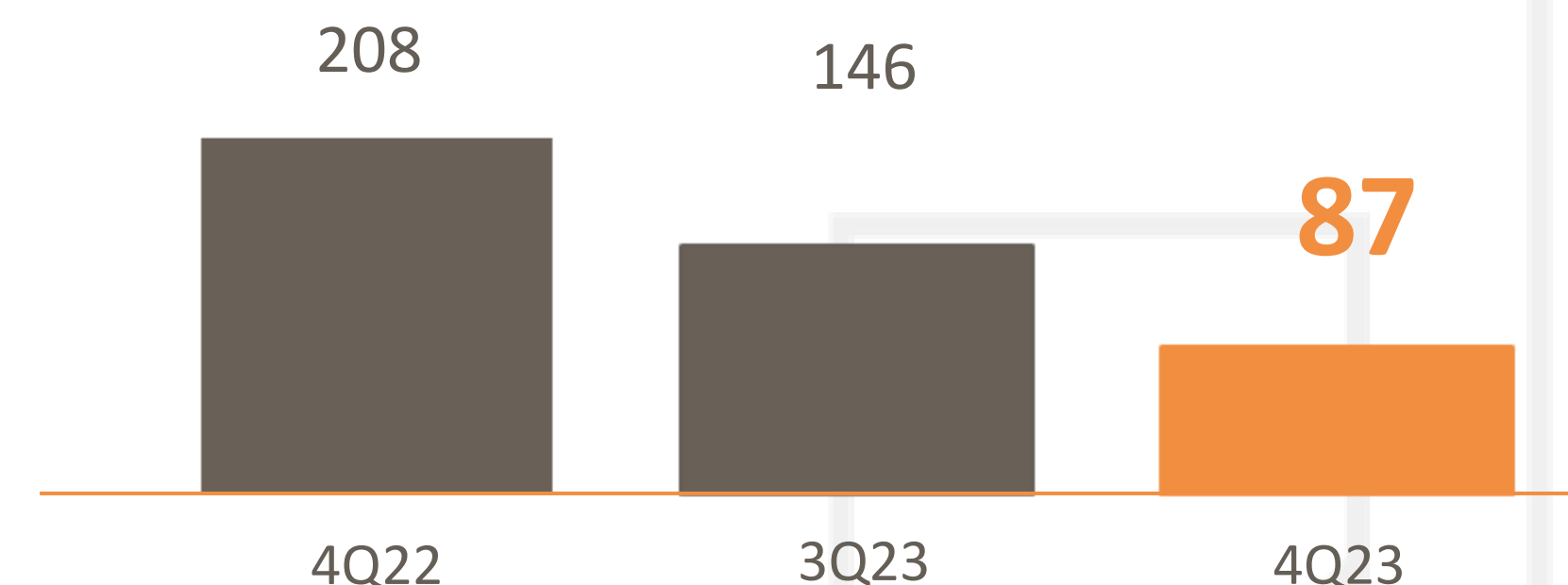


► In US\$ million



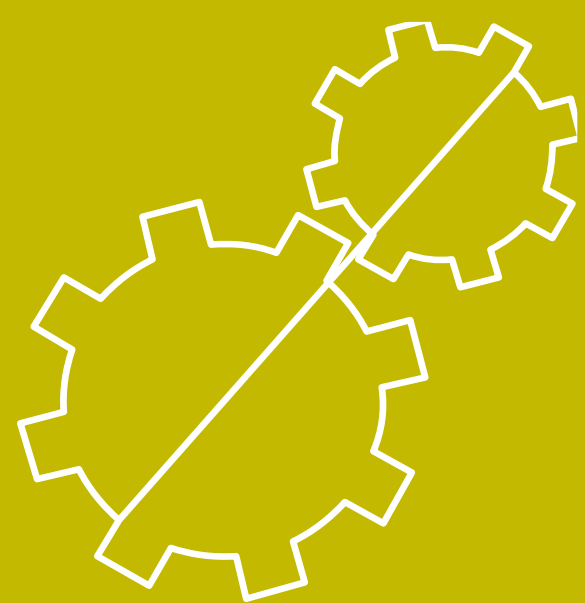
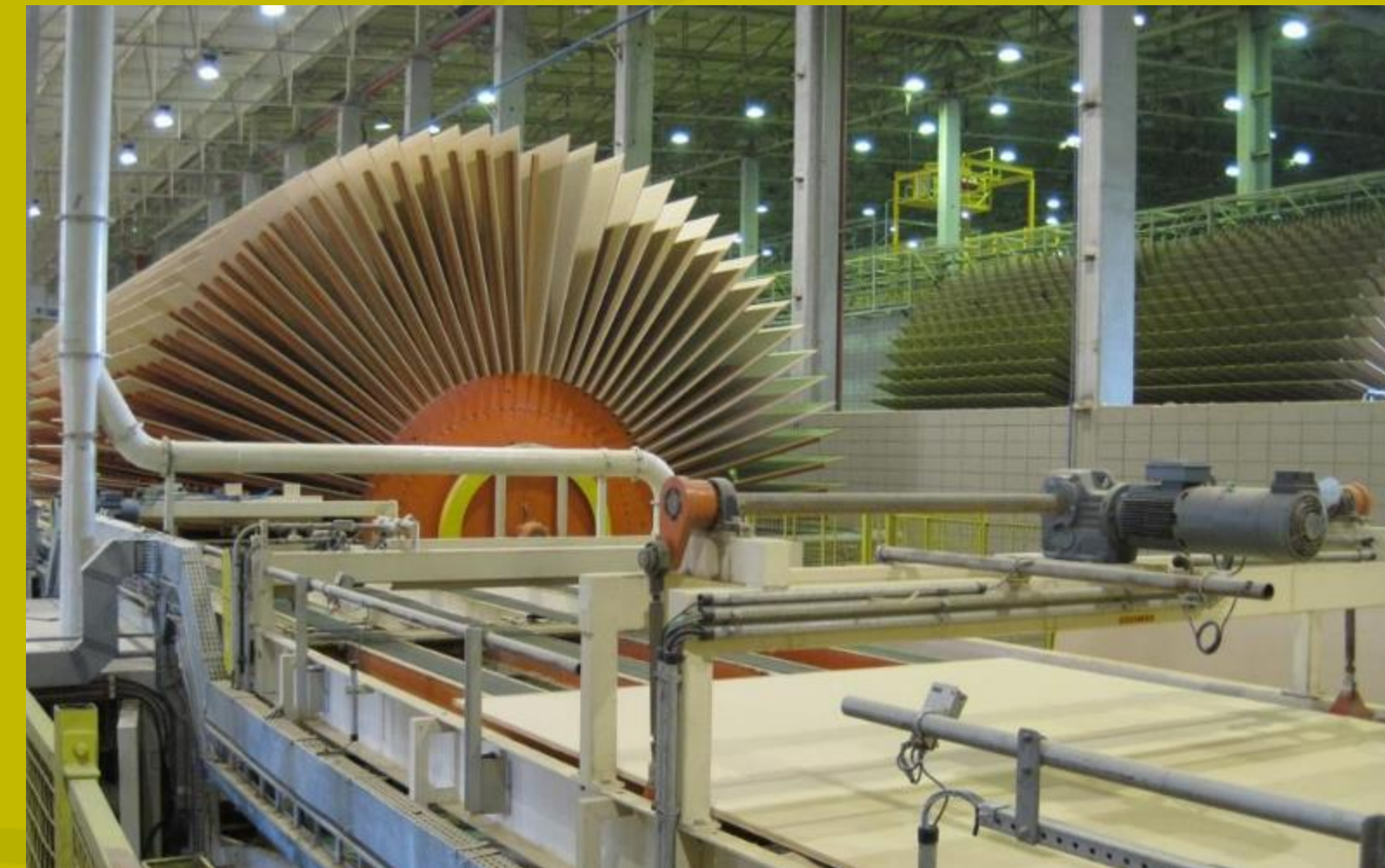
Other income increased by US\$184.4 million or 240% mostly due to:

- An increase in *Net income from insurance compensation* mainly caused by indemnifications related to insurance companies:
 - US\$108.6 million related to our Valdivia mill
 - US\$14.0 million related to our Constitucion mill.
- Increase in Gains from changes in fair value of biological assets.



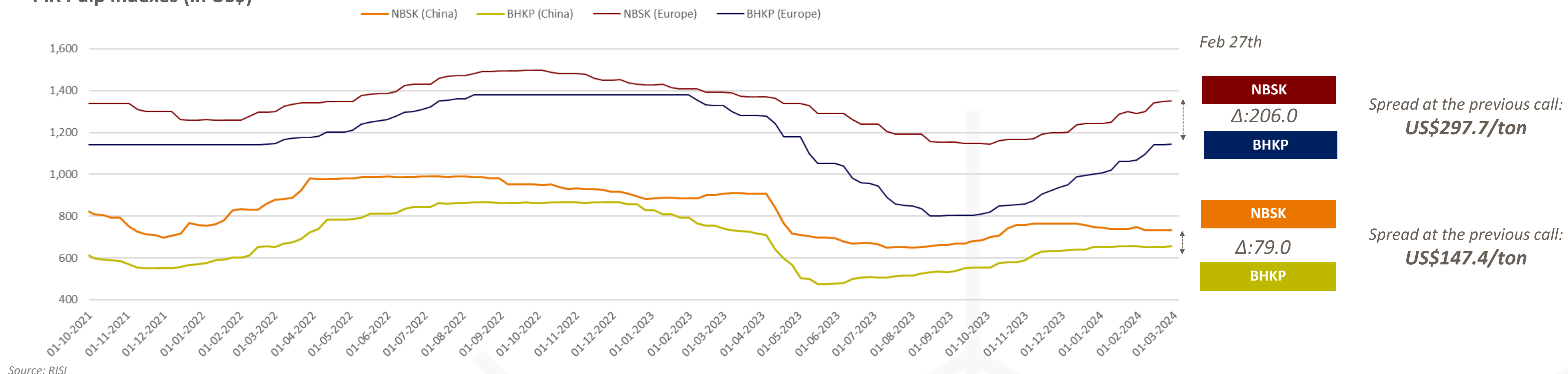
Other expenses decreased by US\$59.4 million or 40.7%, mainly explained by a decrease in Impairment provision property, plant and equipment and others, due to the impairment before tax accounted in the previous quarter related to the indefinite stoppage of our Licancel mill.

- In addition, we had a decrease in plant stoppages during this quarter.



REVIEW BY BUSINESS SEGMENT & OUTLOOK

PIX Pulp Indexes (in US\$)

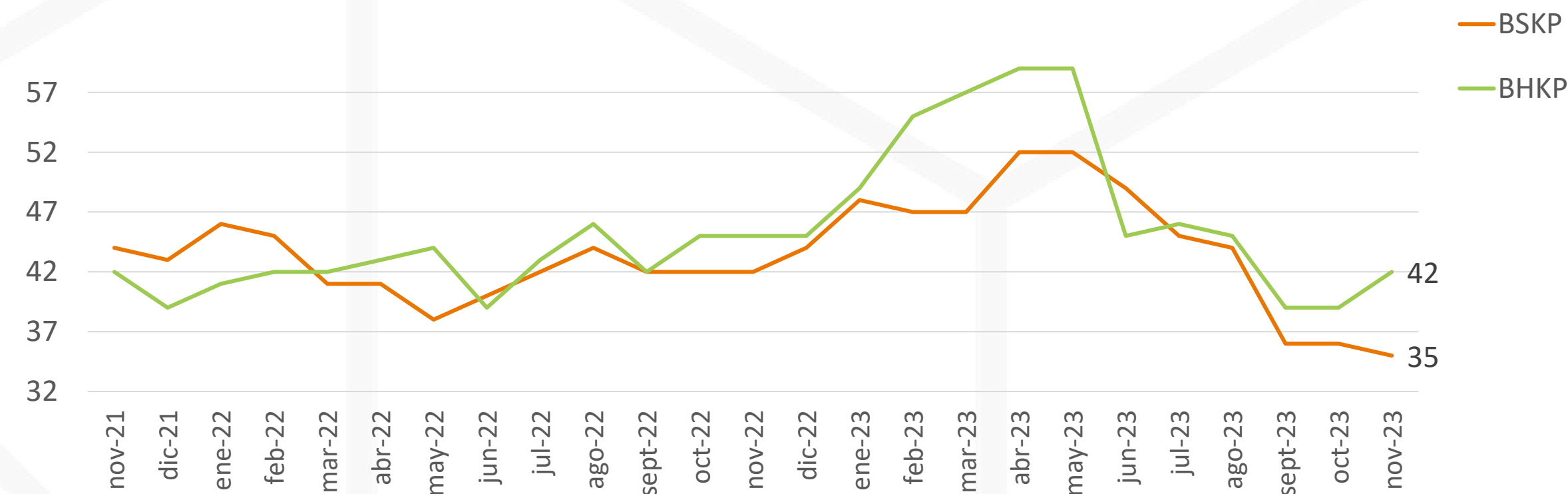


Global Bleached Chemical Pulp Shipments variation – (11 months 2022 – 2023)

Global BCP Shipments Change (tonnes)			
	2022	2023	%Var.
China	17,705	23,470 ▲	32.6%
Europe	15,350	13,080 ▼	-14.8%
Other Asia	9,290	8,075 ▼	-13.1%
USA	6,230	5,710 ▼	-8.3%
Rest of the World	4,355	4,630 ▲	6.3%
Total	52,930	54,965 ▲	3.8%

Source: Hawkins Wright (Jan to Aug)

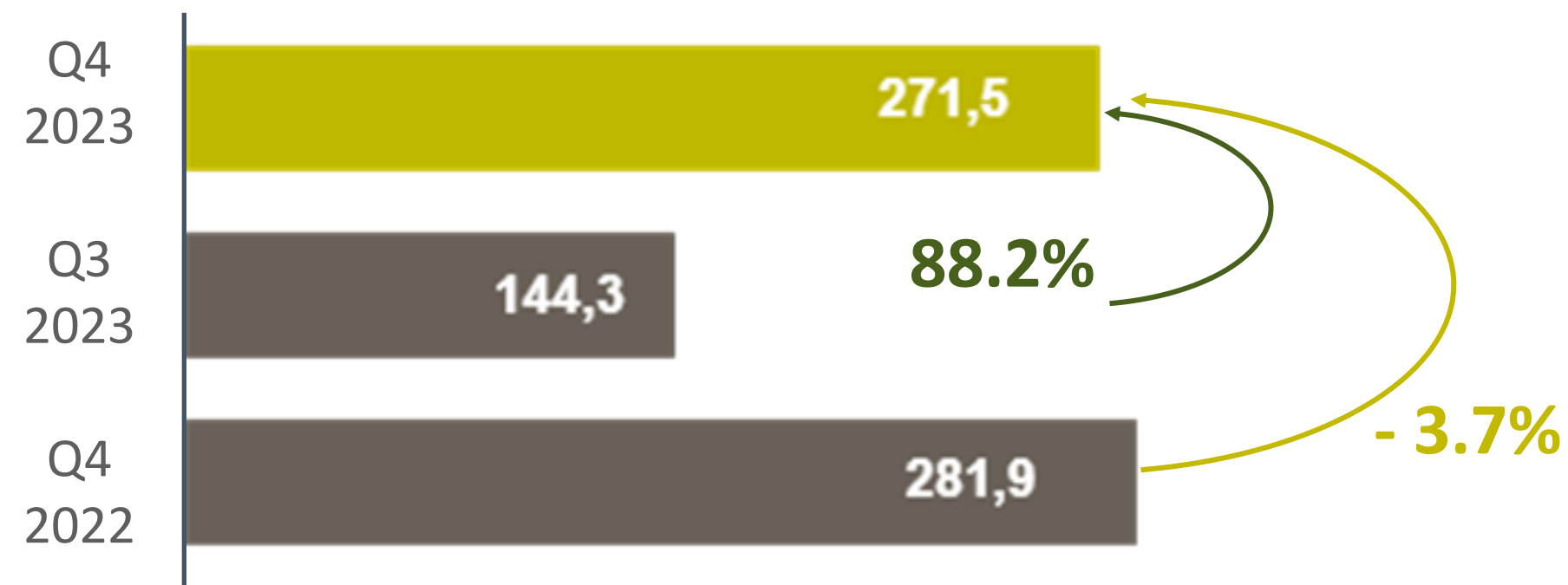
Global BCP Producer Stocks In days of supply



PULP / ADJUSTED EBITDA

Adjusted EBITDA

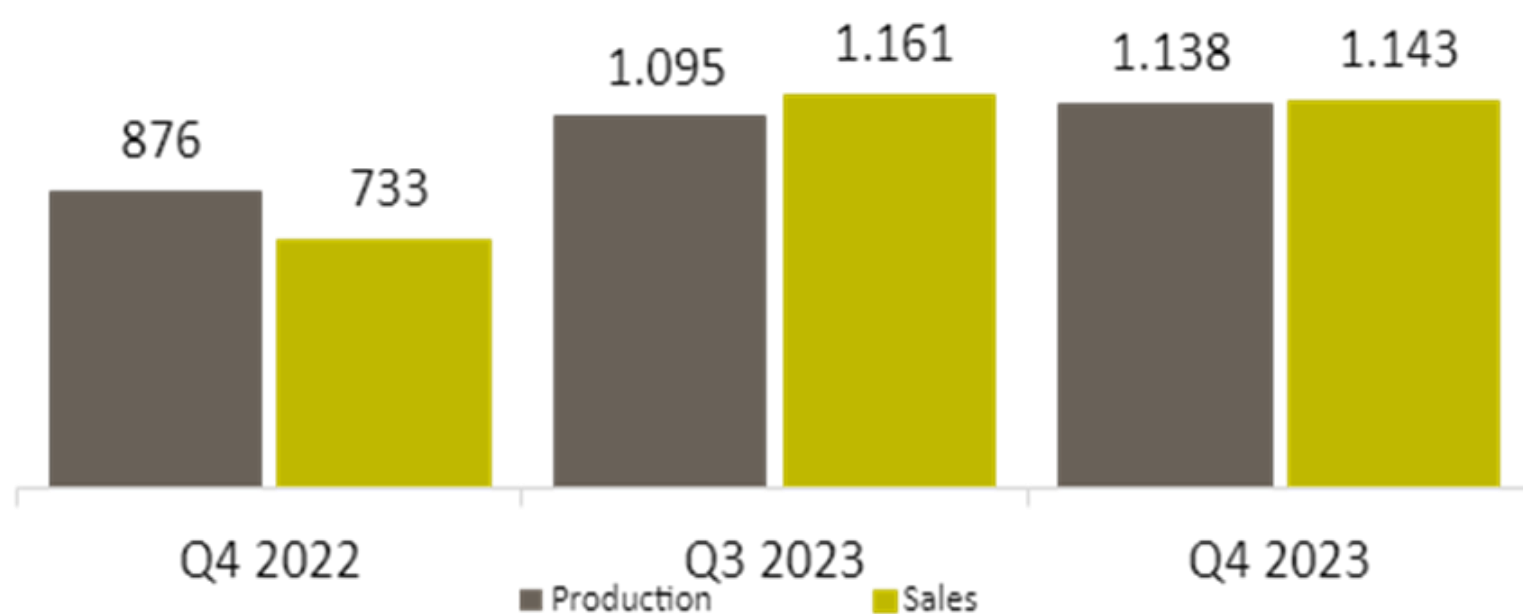
In US\$ million



	Price	Volume	Sales
QoQ	3.0%	-1.6%	0.9%
YoY	-30.5%	55.9%	8.4%

Production and Sales Volume

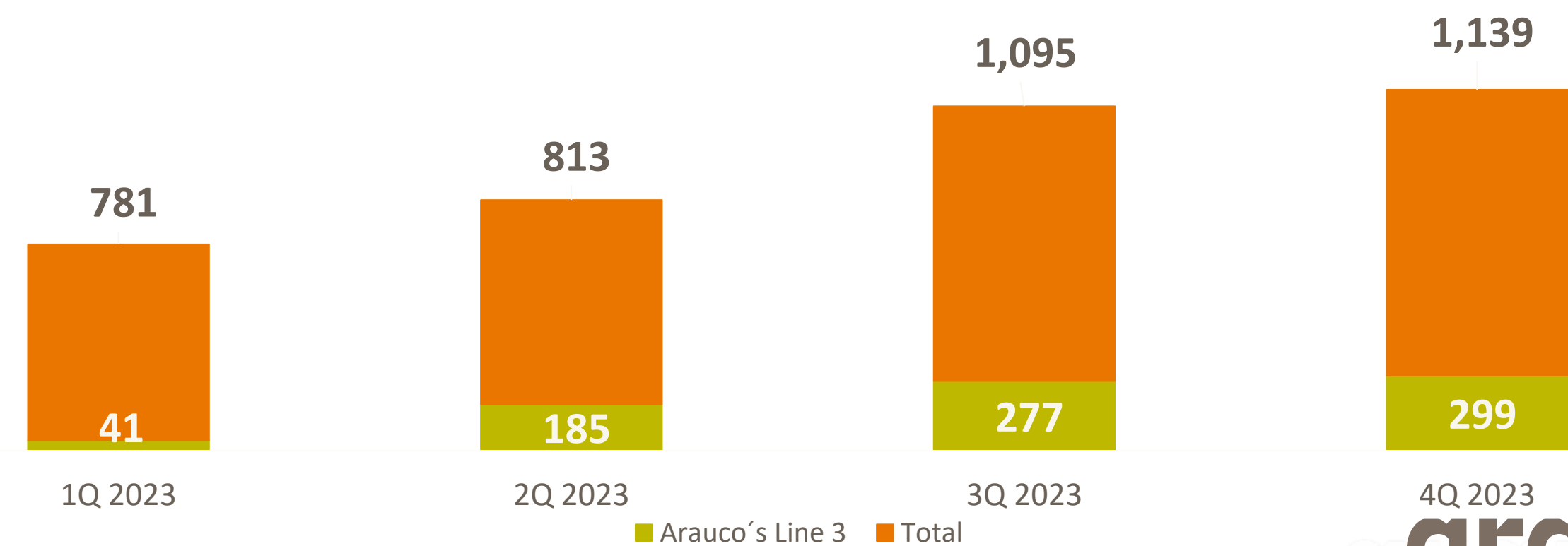
In thousand tons



4Q 2023

- Market improved throughout the quarter, despite a weak start and higher supply observed in several markets. Global inventories dropped as the quarter passed, which helped strengthen demand.
- In **China**, demand remained stable; however, the paper market showed a slight deterioration. We observed an increase in prices for both long and short fiber pulp, while operational rates and prices experienced a decline. In **Europe**, pulp demand began to improve in the last quarter of the year. Paper mills increased operating rates, leading to higher pulp purchase volumes by some industries. Price increases in short fiber were driven by decreased pulp inventories and a price differential with China.
- The **textile pulp** market had an increase in average prices.
- Production during the fourth quarter of 2023 increased by approximately 43.3 thousand tons (+4.0% QoQ), with Arauco's Line 3 increasing its production by 22.1 thousand tons (+8.0% QoQ).

Total Production (Th Tons)



For the first quarter of 2024,

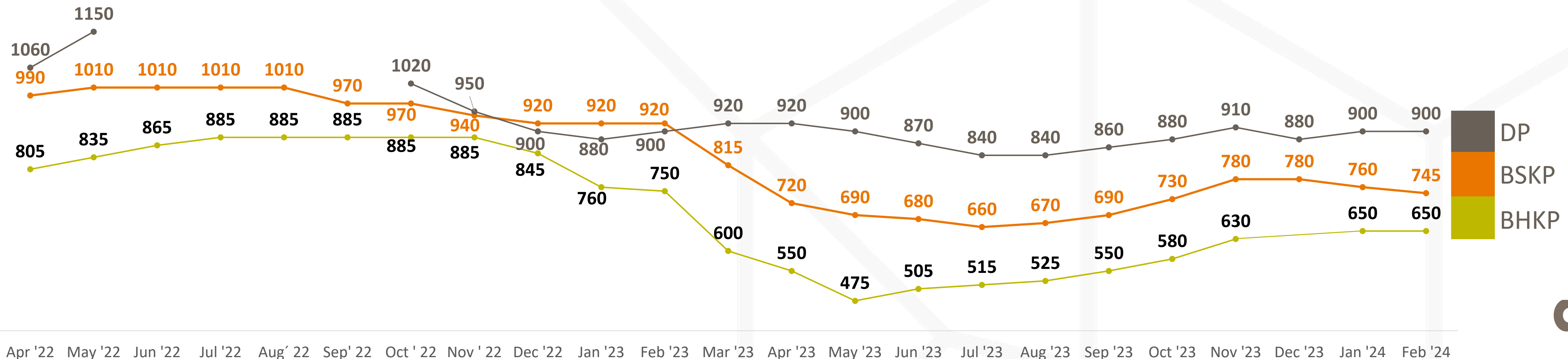
- In China, demand stabilized after the Chinese New Year. Paper machines should begin to gradually restart following a temporary shutdown due to lower operating rates in the preceding weeks.
- In Europe, we expect a more active market, with some price increases and a more active pulp demand.
- Logistic issues in the Panama and the Suez Canals may reduce paper product shipments from Asia to Europe and the Middle East. Nevertheless, this situation could benefit local paper producers in both regions by allowing them to increase their production and absorb the rising demand.

Pulp Mills Days of Stoppages

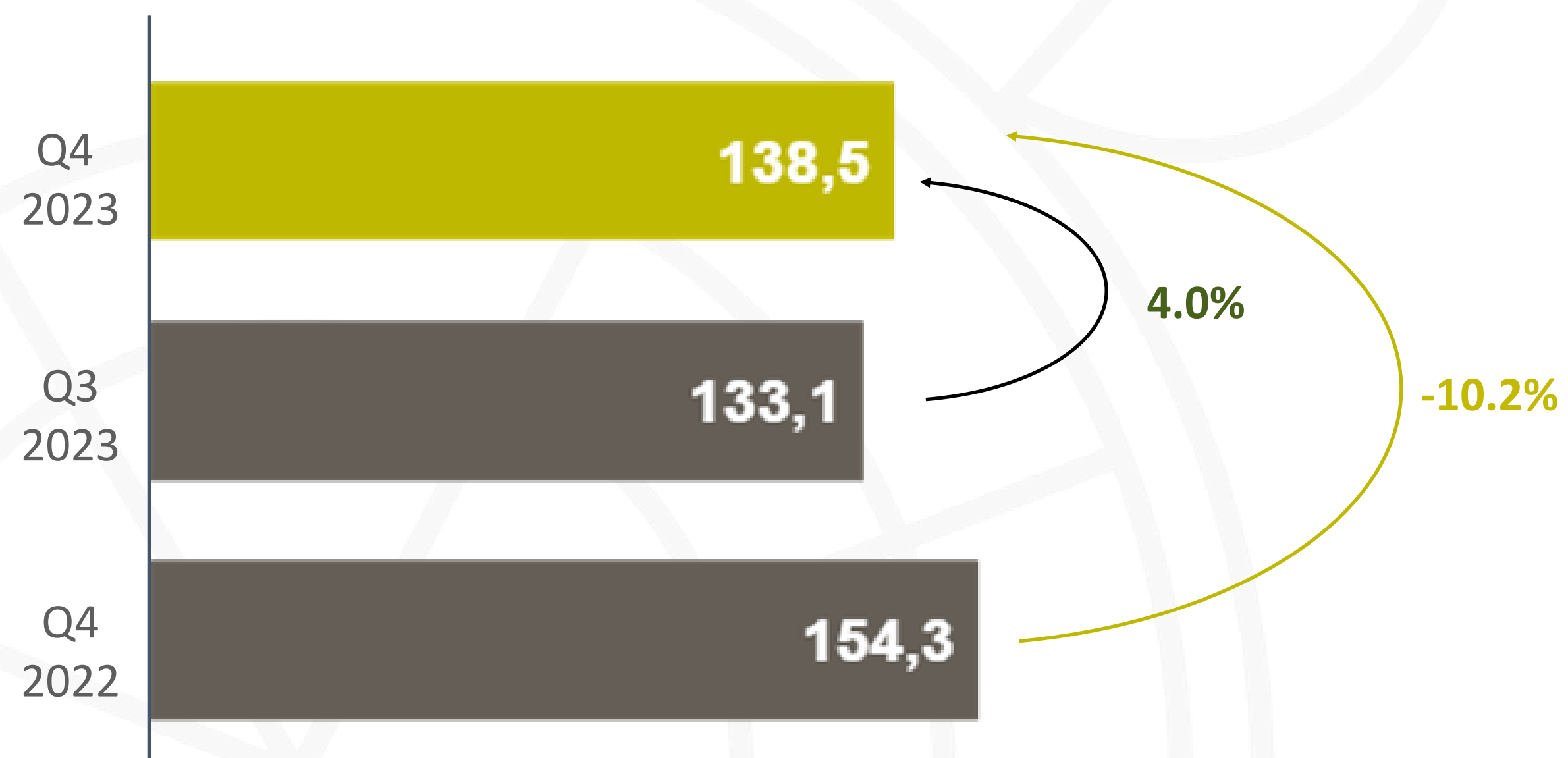
Mill	2023		2024		
	3Q	4Q	1Q	2Q	3Q
Arauco - Line 2		16			
Arauco - Line 3				16	
Constitución				21	
Licancel	14				
Nueva Aldea					
Valdivia	126				12
Esperanza		16			10
Montes del Plata				12	



BSKP, BHKP and DP Net Prices - China



Adjusted EBITDA
In US\$ million



Q4 2023

Adjusted EBITDA of our wood products business segment increased 4.0%, due to better sales volumes in Sawn Timber, Remanufactured Wood Products and Plywood.

Wood Products

	Price	Volume
QoQ	-0.8%	-3.4%
YoY	-11.1%	0.0%

Panels*

	Price	Volume
QoQ	0.3%	-5.4%
YoY	-10.2%	-2.8%

Solid Wood**

	Price	Volume
QoQ	-2.9%	0.7%
YoY	-12.8%	5.9%

*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

48%
North America

MDF:

- Supply to remain abundant with producers operating at reduced capacities.
- We expect gradual improvement in demand in the first half of 2024 with prices stabilizing

PB:

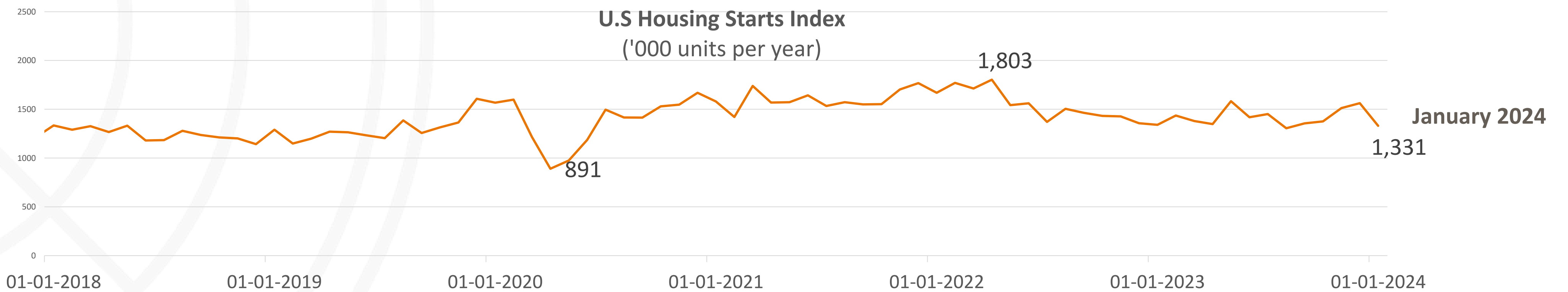
- We expect a relatively better situation than MDF with less oversupply
- Stability is expected with volumes to reach full capacity.

REMANUFACTURED PRODUCTS:

- Slight improvement to be seen due to seasonality and an improvement in customer inventories

PLYWOOD:

- We expect a balanced supply/demand in the first half of the year, with volumes increasing



Source: Bloomberg

37%

**Central and
South America**

10%

**Asia and
Oceania**

5%

**Europe and
Middle East**

BRAZIL:

- Market is showing some improvement. With the decrease in interest rates, construction should improve.

CHILE:

- Uncertainty for 2024 with poor indicators in key sectors such as construction and retail.

ARGENTINA:

- The outlook remains positive for MDF, including better prices, but more complicated for PB.

ASIA:

- Optimistic outlook of what's coming for the first half of 2024

OCEANIA:

- We expect a slow recuperation during this year, specially in Remanufactured Wood Products and Plywood.

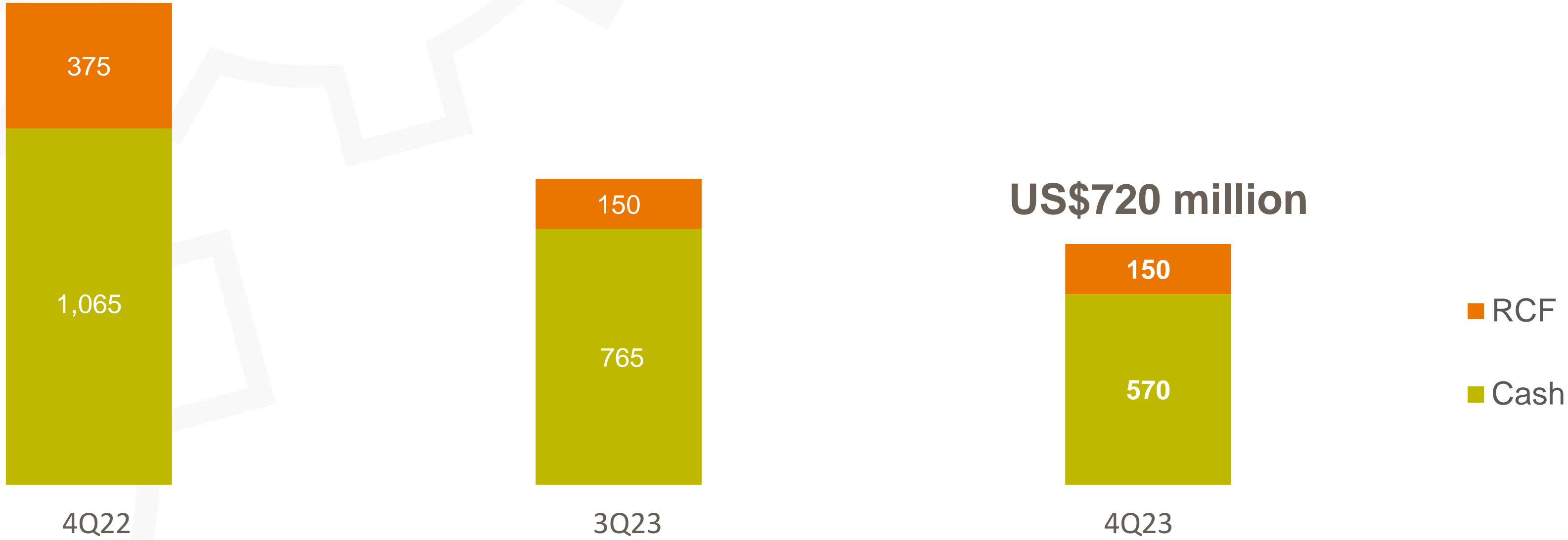
- Slow sales due to winter season and a slow economy, but prices showing stability. We expect the market to improve towards the end of the quarter.



FINANCIAL REVIEW

CASH AND LIQUIDITY

Our cash position was US\$570.0 million at the end of the fourth quarter of 2023. In addition to our cash position, we have a revolving credit facility (RCF) for a total amount of US\$375 million due in February 2025 of which US\$225 million were withdrawn in June, 2023.

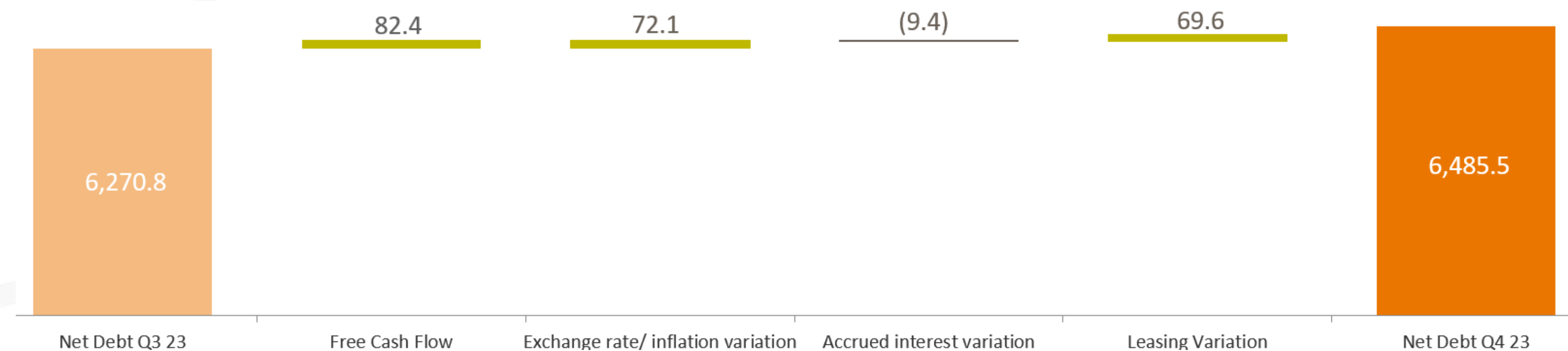


FREE CASH FLOW

► In US\$ million

	Q4 2023	Q3 2023
Adjusted EBITDA	368.8	242.6
Working Capital Variation	45.0	15.9
Interest paid and received	(82.1)	(20.2)
Income tax received (paid)	(1.1)	47.4
Others	(11.1)	(14.1)
Cash from Operating Activities	319.5	271.6
Capex (1)	(273.8)	(315.0)
Others	(26.5)	(1.7)
Proceeds from investment activities	3.8	5.1
Cash from Investment Activities	(296.4)	(311.5)
Cash from Financing Activities (net of debt)	(15.1)	(31.7)
Effect of exchange rate changes on cash	(90.4)	(51.3)
Free Cash Flow	(82.4)	(122.9)

(1) On a cash basis.



Cash flows received from operating activities increased US\$47.9 million mostly due to *Adjusted EBITDA*.

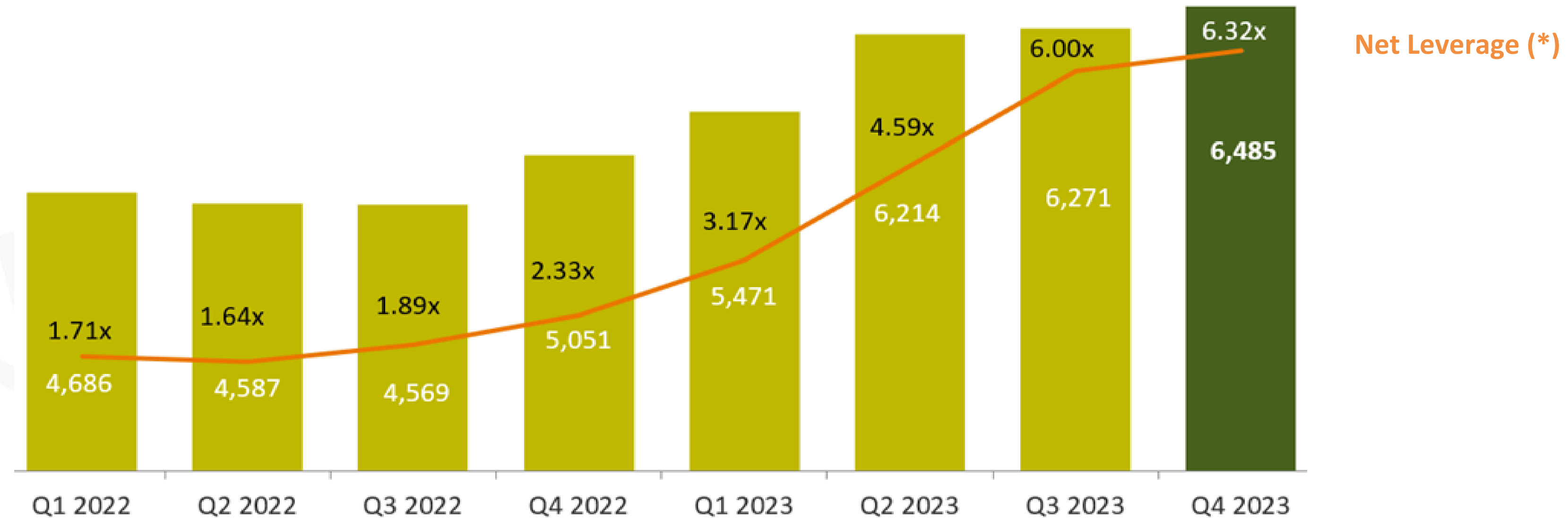
Cash flows used in investment activities decreased US\$15.1 million.

Cash flows used in financing activities increased by US\$16.6 million.

► Net Debt increased by US\$214.6 million or by 3.4%, mainly due to the effect of exchange rate changes on cash and cash equivalents.

NET FINANCIAL DEBT

► In US\$ million



Cash and cash equivalents decreased by 13.2% or US\$86.5 million.

Total Financial Debt increased by 1.8% or US\$128.1 million.

LTM Adjusted EBITDA was US\$1,026.0 million, 1.8% lower QoQ.

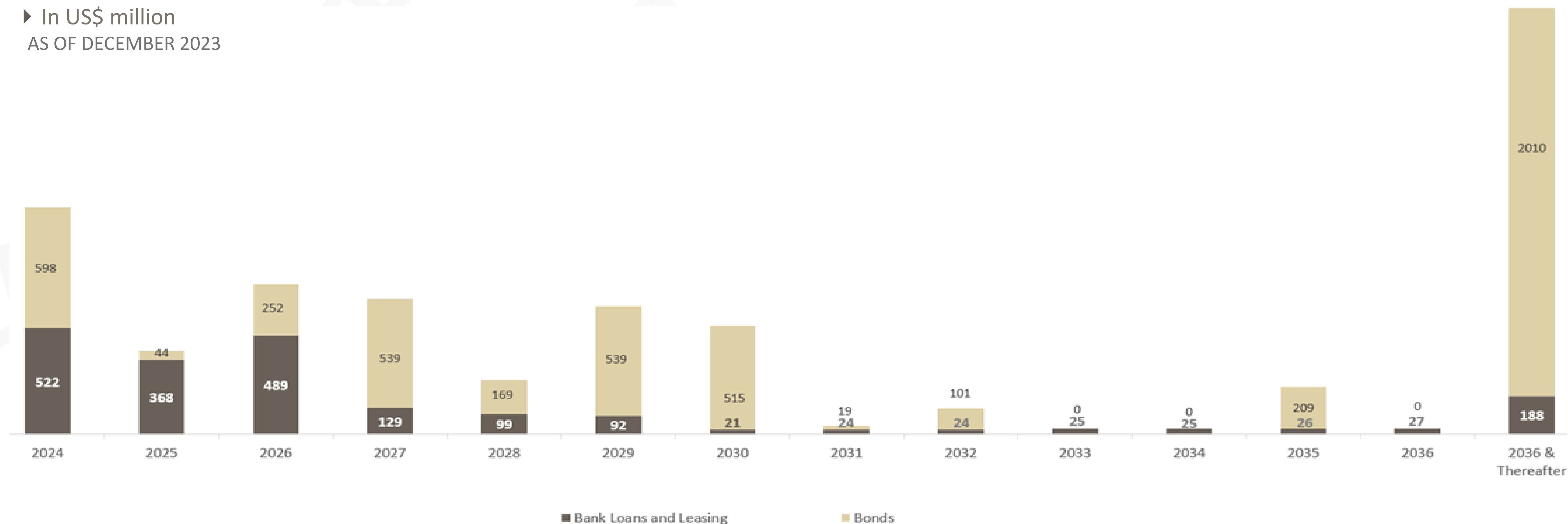
Net Leverage (*) increased from 6.00x to 6.32x.

	December 2023	September 2023
Short Term Debt	1.121	1.353
Long Term Debt	5.935	5.574
Total Debt	7.055	6.927
Cash	570	657
Net Debt	6.485	6.271

(*) Net Debt / LTM Adjusted EBITDA

DEBT PROFILE

► In US\$ million
AS OF DECEMBER 2023



BANK OBLIGATIONS FOR 2024 INCLUDE:

- US\$ 475 million in bank loans.
- US\$ 47 million in leasing.

BOND OBLIGATIONS FOR 2024 INCLUDE:

- US\$ 55 million in local bond obligations.
- US\$ 543 million in USD-denominated bond obligations.



MATERIAL FACTS AND NEWS

MATERIAL FACTS AND NEWS

Forest Sales, Brazil

On December 20, 2023, the Company agreed to sell all shares and social rights held in the Brazilian Forestry Companies (1).

The acquisition entity, established specifically for this transaction and designated by Brazilian company Klabin S.A., will acquire these assets. Some details of the sale are as described bellow:

- The transaction involves approximately 85,000 hectares of eucalyptus and pine forest plantations (mainly in the state of Paraná, Brazil)
- The total purchase price amounts to US\$1,160,000,000, payable upon the closing date, with customary adjustments. Closing is contingent upon fulfilling standard conditions precedent, including approval from Brazilian competition authorities (Administrative Council for Economic Defense or "CADE").
- The sale of shares and social rights does not extend to our panel mills in Brazil, nor to other forestry assets located mainly in the state of Mato Grosso do Sul, Brazil, associated to our project to build a pulp mill in Brazil ("Sucuriú Project").

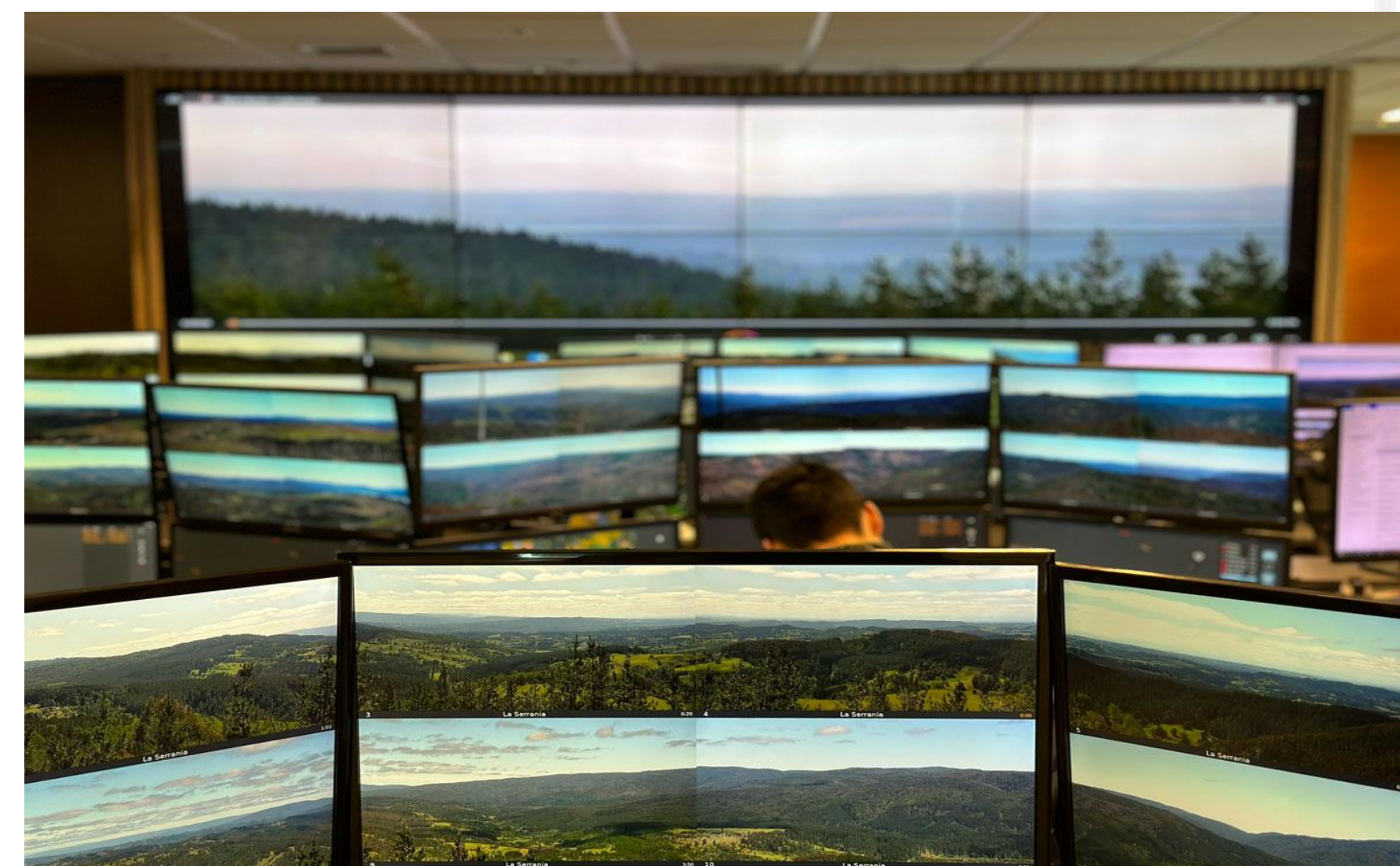


(1) *Directly in: Arauco Forestal Arapoti S.A and Arauco Forest Brasil S.A
Indirectly in: Empreendimentos Florestais Santa Cruz Ltda. and Florestal Vale do Corisco S.A.
Excluding a 49% indirect ownership stake in Florestal Vale do Corisco S.A*

Forest Fires, Chile

Artificial Intelligence: A New ally in Firefighting, Concepción

- Artificial intelligence has played a key role in this 2024 fire season in Chile.
- This technology, along with the implementation of 122 robot cameras, have helped alerting dispatchers in case of unusual activity throughout the different monitored areas.
- Another of the innovations incorporated is the creation of a Wood Tracking app, where forestry brigades can obtain more suitable routes to combat the emergency in the shortest time possible.



Modern Vehicles for Firefighting

Arauco's modern vehicles play a crucial role when moving to areas close to fires, acting as a Command Post in medium and large fires. Satellite internet, a weather station, high resolution cameras and real time interactive monitors linked with the Arauco Fire Station are just some of the advanced tools that this innovative vehicle has. In addition, it stands out for its energy autonomy thanks to solar panels. It also has independent radio and planning rooms that facilitate coordination and responses, allowing the command post team to make strategic and tactical decisions.

Zero Waste Award 2023, Chile

Arauco was awarded first place in the Cultural Change category during Eco-Lógica's fifth edition. This award distinguishes those initiatives that promote and encourage a circular and sustainable economy, particularly through innovative waste management practices.

This recognition aligns with our strategy aimed at achieving zero waste by 2030. It involves initiatives to raise awareness among employees and local communities about the significance of the circular economy, as well as efforts to cultivate strategic partnerships and infrastructure to minimize waste generation and enhance its value.

On this same occasion, Arauco also received second place in the productive process redesign category.



TAKEAWAYS

- 2023 was a very challenging year, mainly affected by a heavy forest fire season, operational disruptions in some of our mills, Arauco's Line 3 ramp-up, a steep fall in pulp market prices and restricted liquidity.
- We are beginning the year with Arauco's Line 3 reaching its full production capacity, and all our mills operating as expected.
- 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.

**1Q 2024
RESULTS &
CONF CALL**

**MID-MAY
2024**



arauco



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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