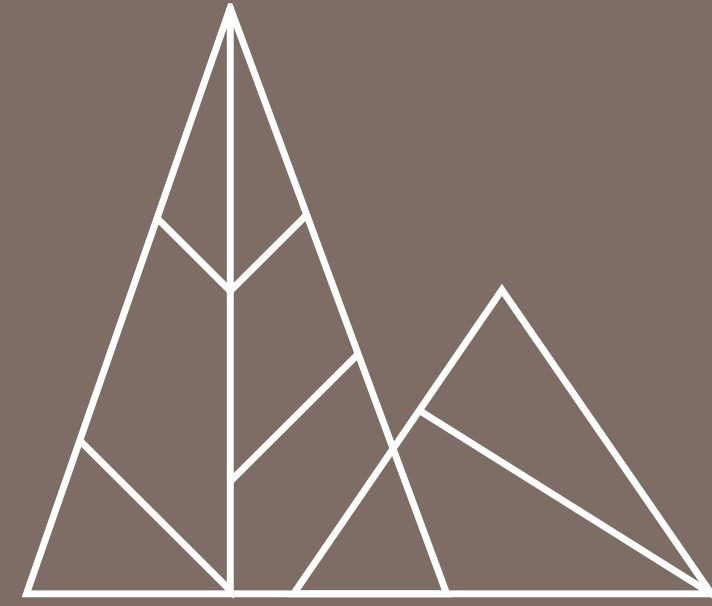


1st QUARTER
2020

Financial Results
Conference Call Presentation
May 20, 2020

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.

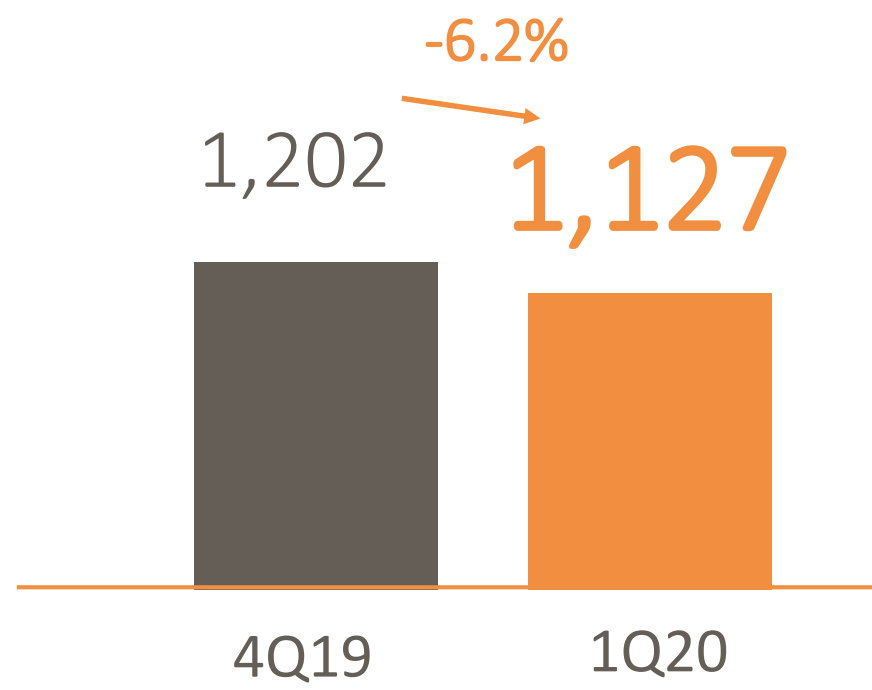
This presentation contains certain performance measures that do not represent IFRS definitions, as “EBITDA” and “Net financial debt”. These measures cannot be compared with the same previously used by Arauco and the same used by other companies.



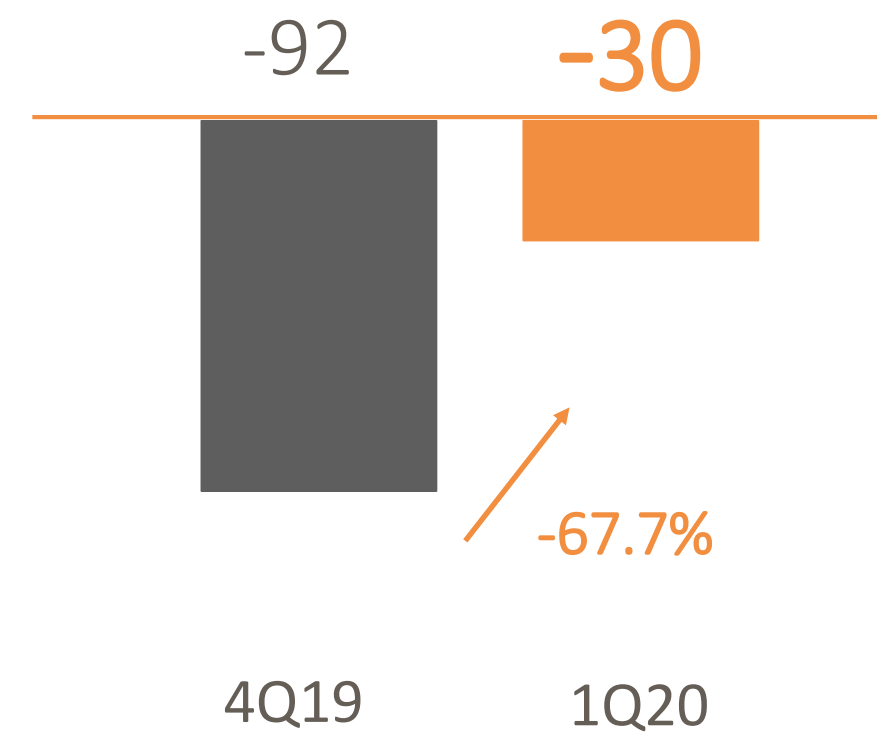
FINANCIAL REVIEW

► In US\$ million

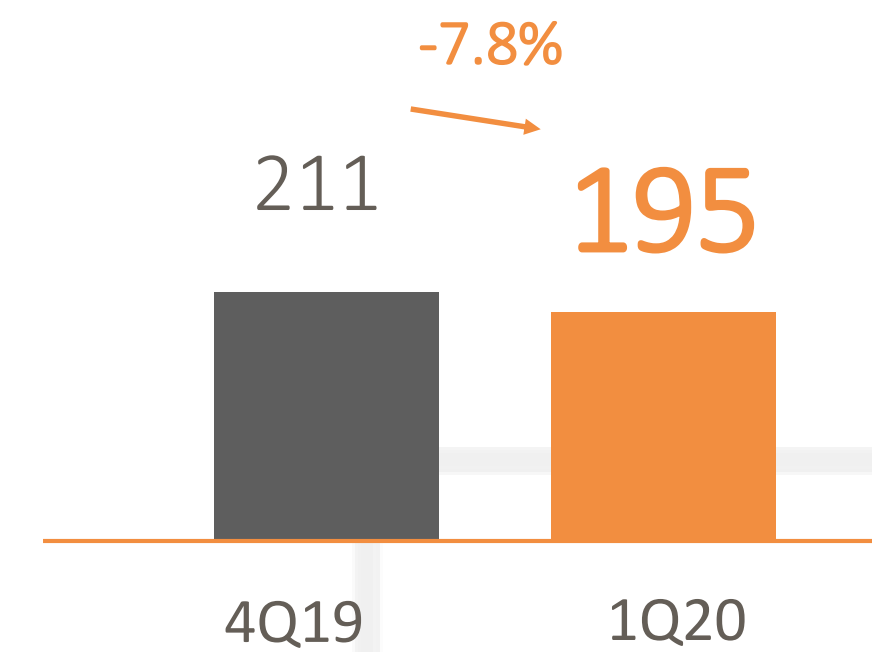
Revenues



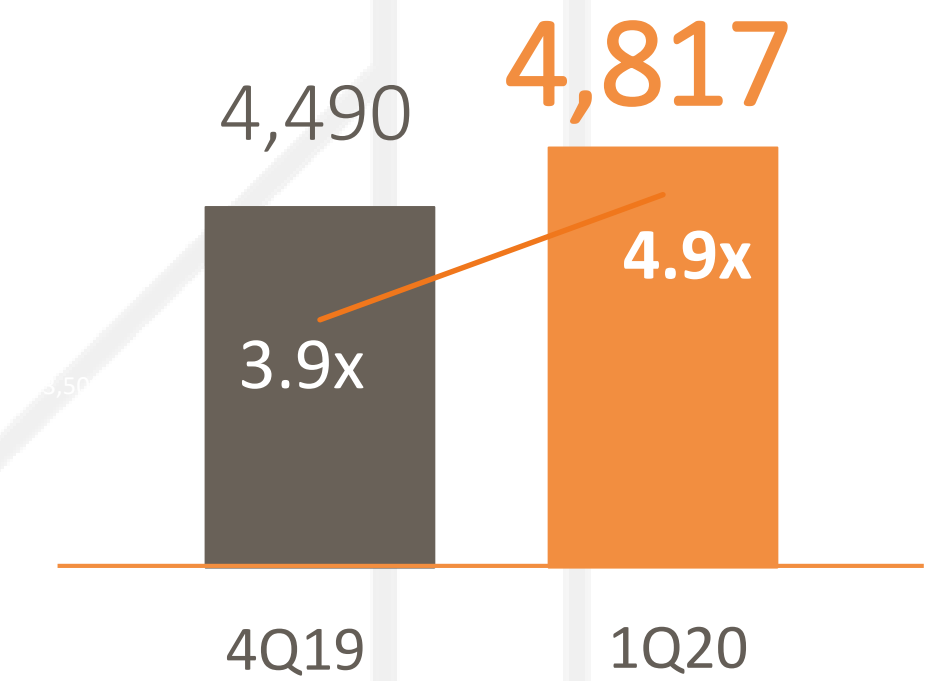
Net Income



Adjusted EBITDA



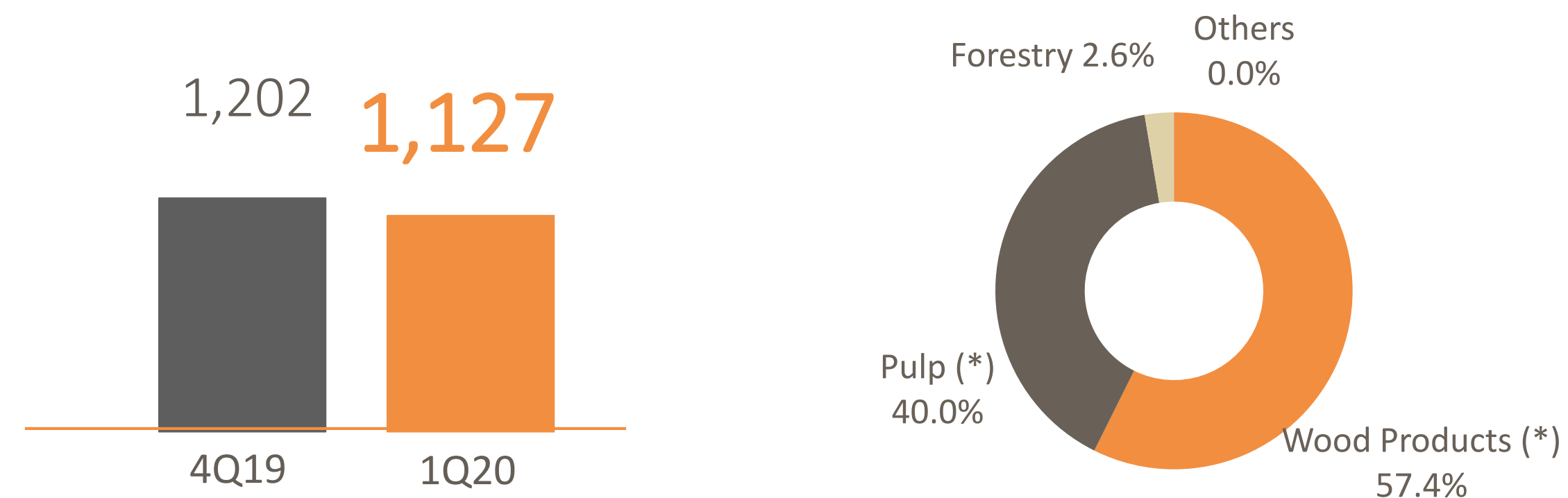
Net Debt & Leverage



► In US\$ million

Revenues decreased by 6.2% compared to the fourth quarter.

- Pulp revenues decreased in US\$75.8 million or 14.4%, driven by a decrease of 5.9% in sales volume and 4.7% in average prices.
- Wood products revenues remained stable increasing by US\$3.6 million or 0.6%.



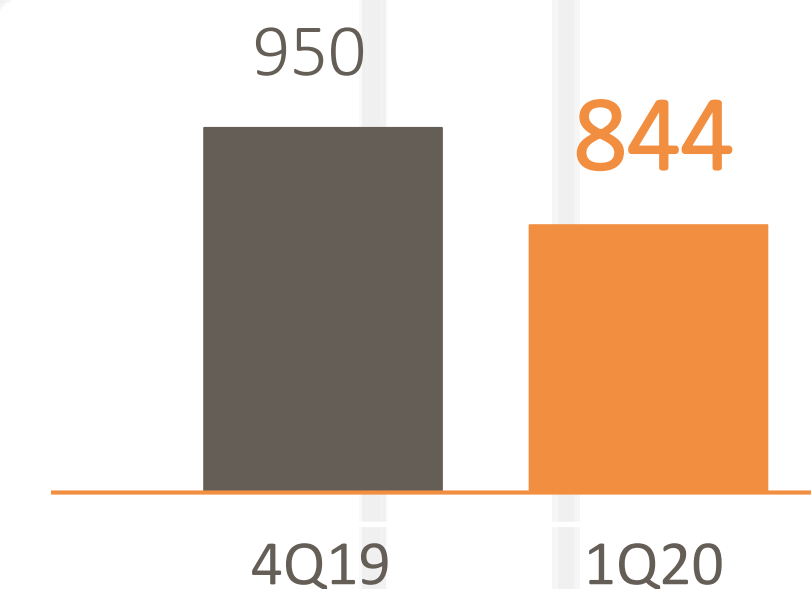
(*) Pulp and Wood division sales include energy.

Cost of sales decreased by 11.2% or US\$106.7 million QoQ

- Timber costs decreased by 19.4% or US\$45.9 million mainly due to lower timber prices (for own and purchased volumes).
- Maintenance costs decreased by 21.4% or US\$16.1 million because of less maintenance stoppages during this quarter.
- Forestry labor costs decreased by 9.3% or US\$11.0 million mainly because of cost reductions in felling, transportation, processing and road construction.

Pulp unitary sale costs QoQ

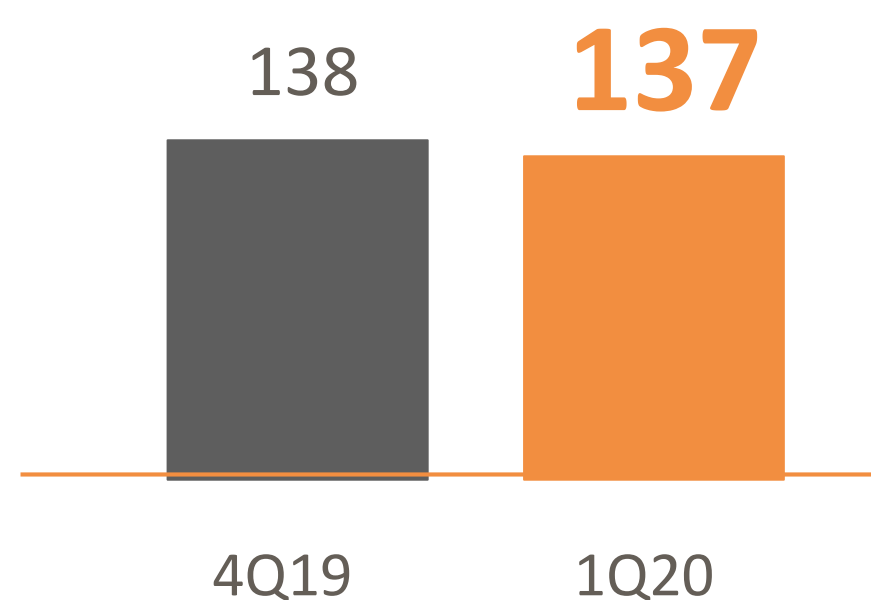
- Softwood bleached pulp ▲ 1.8%
- Hardwood bleached pulp ▼ 9.9%
- Unbleached softwood pulp ▼ 5.8%



► In US\$ million

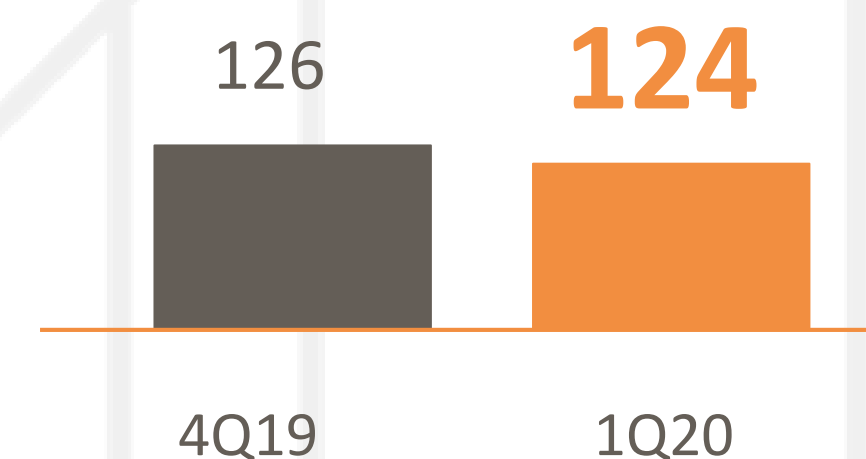
Distribution costs remained stable.

- There were no significant variations during this quarter.

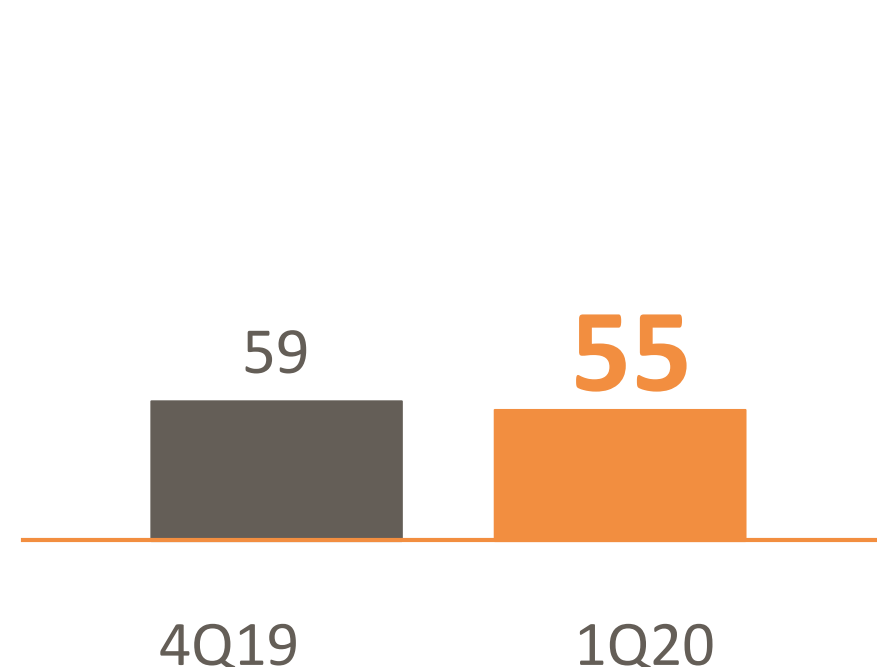


Administrative expenses decreased by US\$2.6 million or 2.1% QoQ.

- Other administration expenses decreased by 15.1% or US\$5.0 million as a result of lower travel expenses.
- Computer services expenses decreased by 40.1% or US\$3.6 million because of software licenses with periodic payments made during the past quarter.
- The decreases described above were partially offset by a 14.4% or US\$6.7 million increase in *wages, salaries and severance indemnities* as a result of adjustments to bonus provisions made during the past quarter, and also due to new provisions made during this quarter.

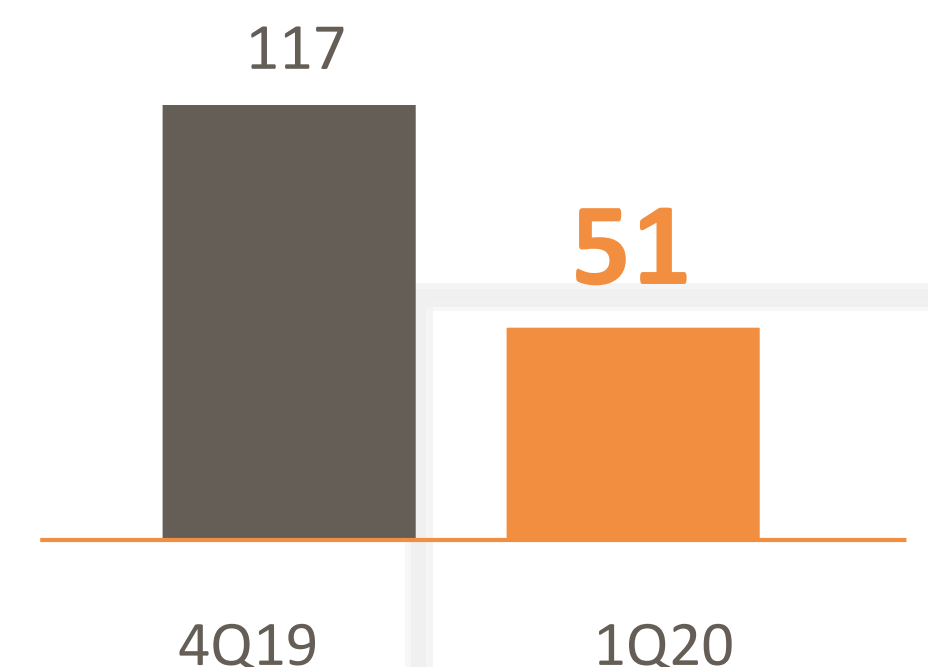


► In US\$ million



Other income decreased by US\$3.6 million or 6.1% QoQ.

- Other operating results decreased by 85.4% or US\$8.0 million mainly due to a provision reversal occurred during the previous quarter.
- Lower gains on sales of assets were lower because of a one time effect during the past quarter.
- The above decreases were partially offset by a 17.7% increase equivalent to US\$7.8 million in *gains from changes in fair value of biological assets*.



Other expenses decreased by US\$65.6 million or 56.3%.

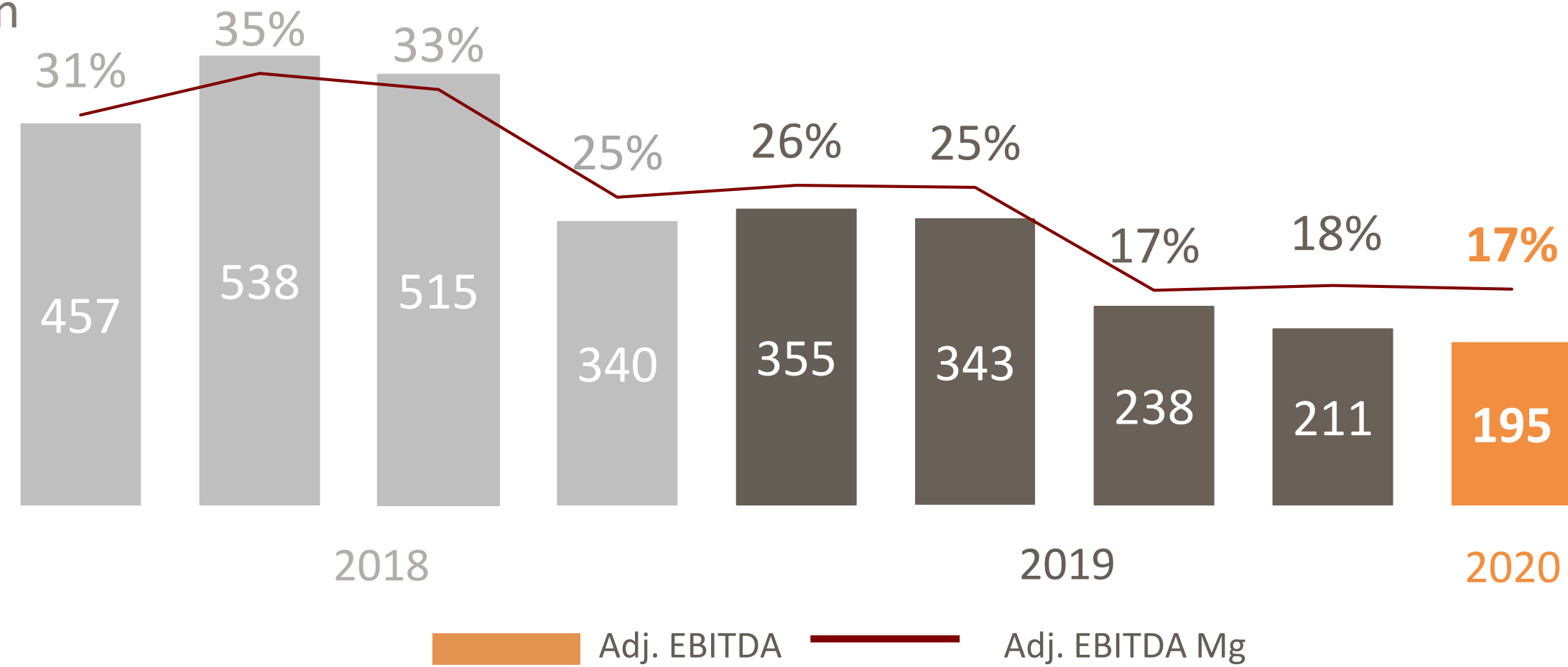
- This is mainly explained by a 79.3% decrease equivalent to US\$69.0 in *impairment provisions of property, plant and equipment and others* due to provisions made during the previous quarter mostly related to some of our North American panel mills.
- Most of the provisions made during this quarter are related to the definitely stoppage of Arauco mill's Line 1, which will occur once the Line 3 starts production (MAPA project).

INCOME STATEMENT

► In US\$ million

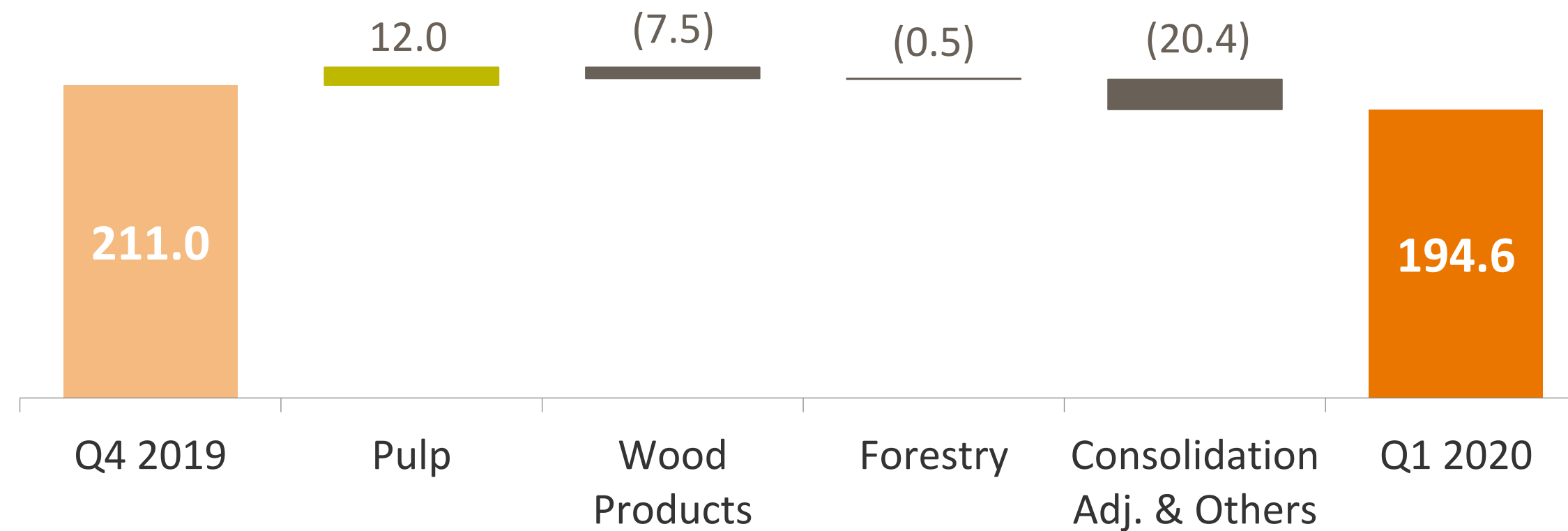
	Q1 2020	Q4 2019	QoQ
Revenue	1,127.2	1,202.3	-6.2%
Cost of sales	(843.6)	(950.2)	-11.2%
Gross profit	283.6	252.1	12.5%
Other income	55.2	58.8	-6.1%
Distribution costs	(137.4)	(138.3)	-0.6%
Administrative expenses	(123.5)	(126.1)	-2.1%
Other expenses	(50.9)	(116.5)	-56.3%
Financial income	7.2	10.3	-29.7%
Financial costs	(71.8)	(80.9)	-11.3%
Participation in (loss) profit in associates and joint ventures accounted through equity method	1.6	3.9	-60.1%
Other income (loss)	0.0	21.7	-100.0%
Exchange rate differences	(3.4)	(13.0)	-73.6%
Income before income tax	(39.5)	(128.1)	-69.2%
Income tax	9.8	36.1	-73.0%
Net income	(29.7)	(92.0)	-67.7%

► In US\$ million

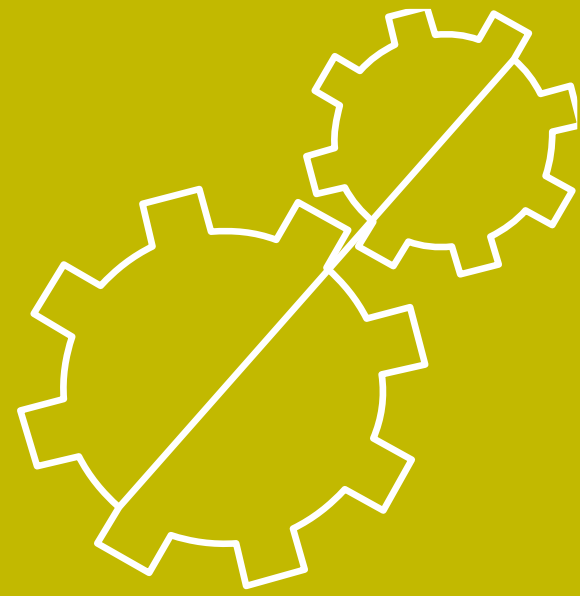


Breakdown by division

Pulp	80
Wood Products	66
Forestry	71
Consolidated Adj. & Others	-22

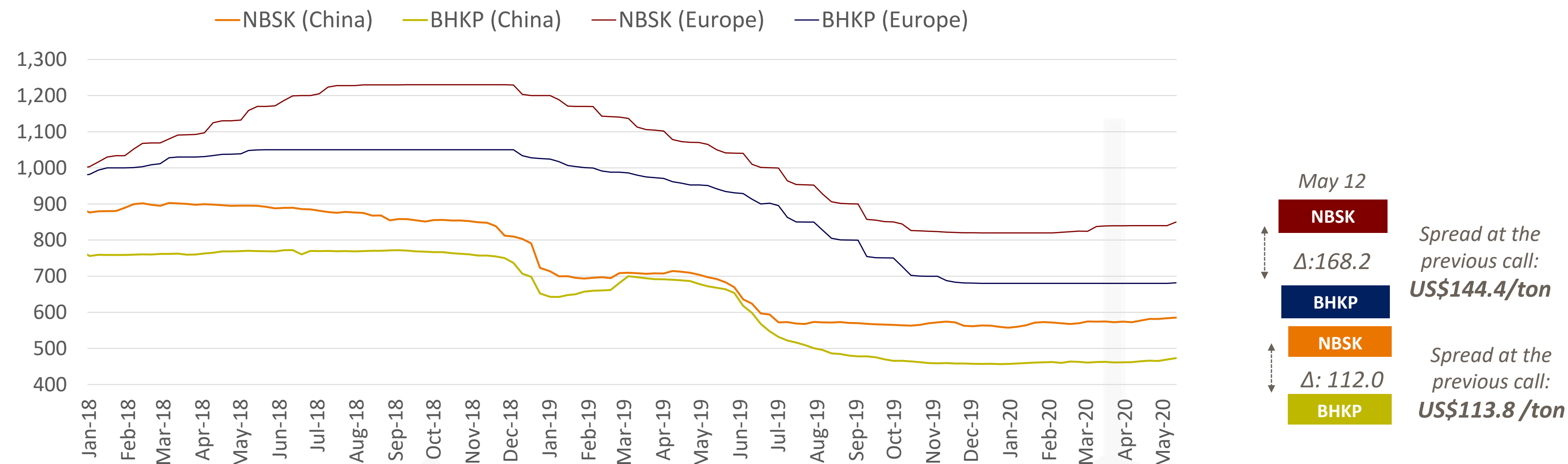


- Adjusted EBITDA during the first quarter reached US\$194.6 million. The most significant variation was in our pulp business, with an increase of 17.7% or US\$12.0 million. This was mainly related to lower maintenance costs when compared to the previous quarter.
- Adjusted EBITDA was lower in our wood products and forestry divisions with decreases of 10.3% and 0.8%, respectively.



REVIEW BY BUSINESS SEGMENT & OUTLOOK

PIX Pulp Indexes (in US\$)



Source: RISI

Global Bleached Chemical Pulp Demand variation – (2 months 2019 – 2020)

In '000 tonnes

Destination	Jan-Feb 2019	Jan-Feb 2020		%
North America	1,195	1,110	▼	-7.1%
West Europe	1,935	1,960	▲	1.3%
China	2,030	2,245	▲	10.6%
Others	2,035	2,190	▲	7.6%
W-20 Total BCP	7,195	7,505	▲	4.3%

Source: PPPC World-20

Global Producers Inventory Levels

In days of supply, seasonally adjusted

	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Feb
	2018				2019				2020
BSKP	31	30	33	41	37	46	36	35	36
BHKP	45	45	41	57	59	68	53	39	47

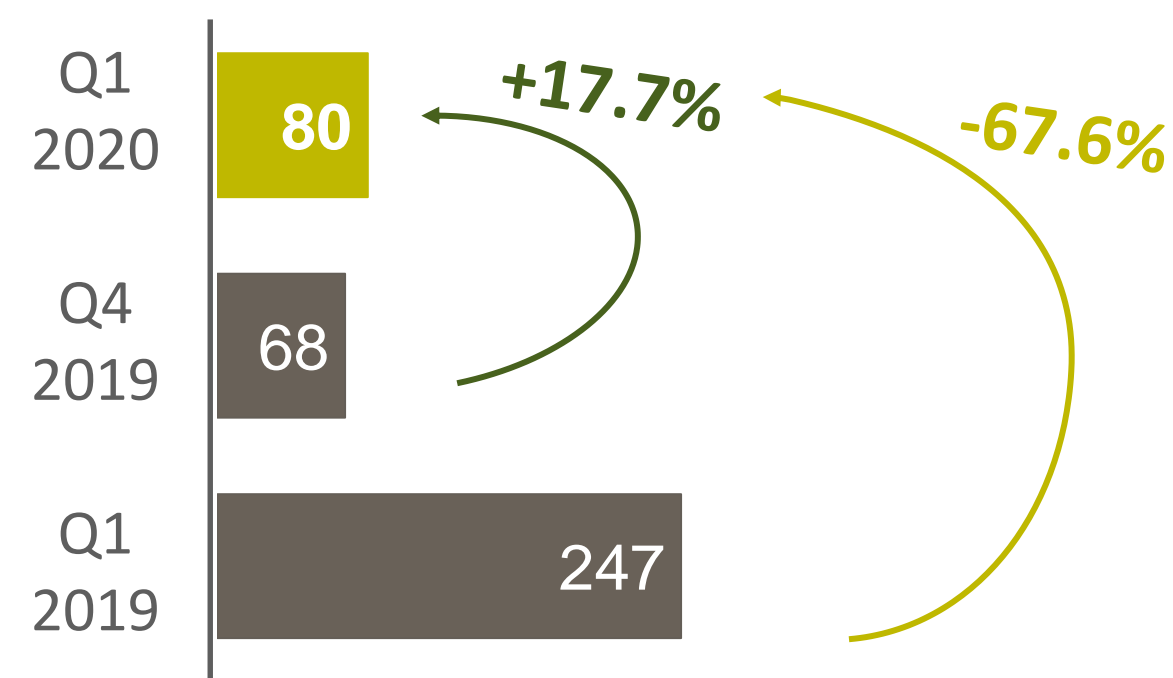
Source: PPPC, February 2020

PULP / ADJUSTED EBITDA

REVIEW BY BUSINESS SEGMENT & OUTLOOK

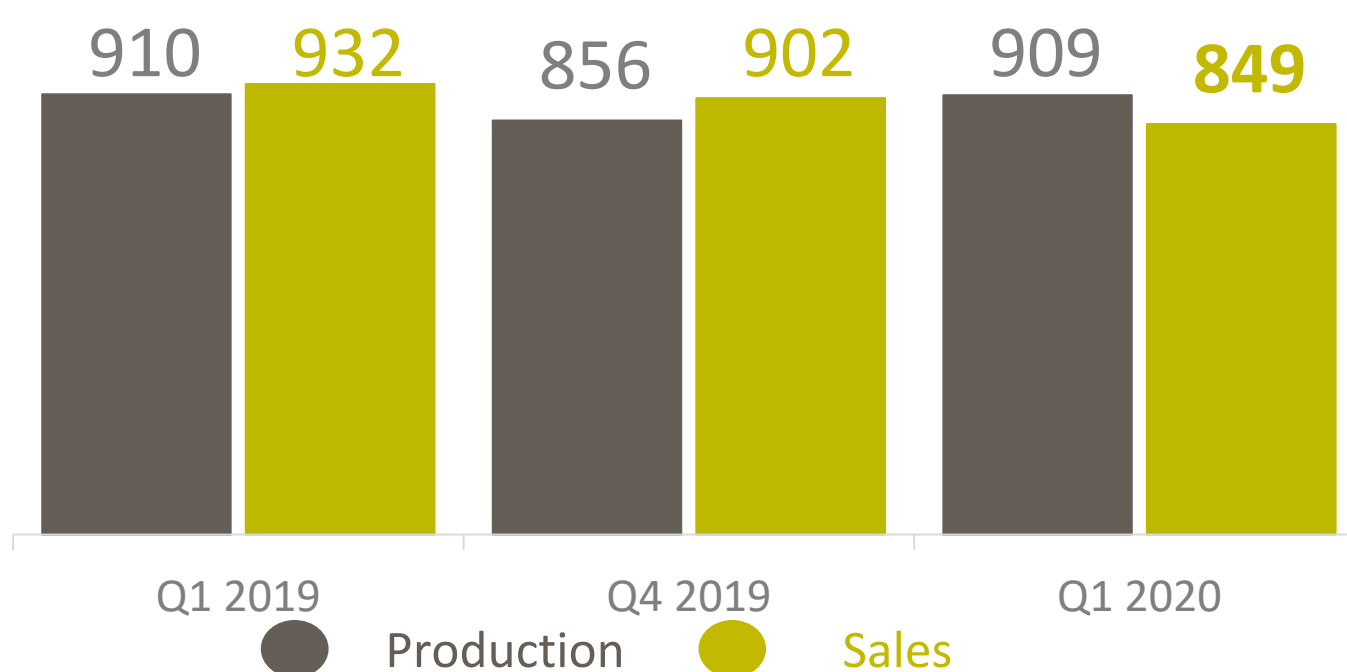
Adjusted EBITDA

► In US\$ million



	Price	Volume	Sales
QoQ	-4.7%	-5.9%	-14.4%
YoY	-26.9%	-8.9%	-30.9%

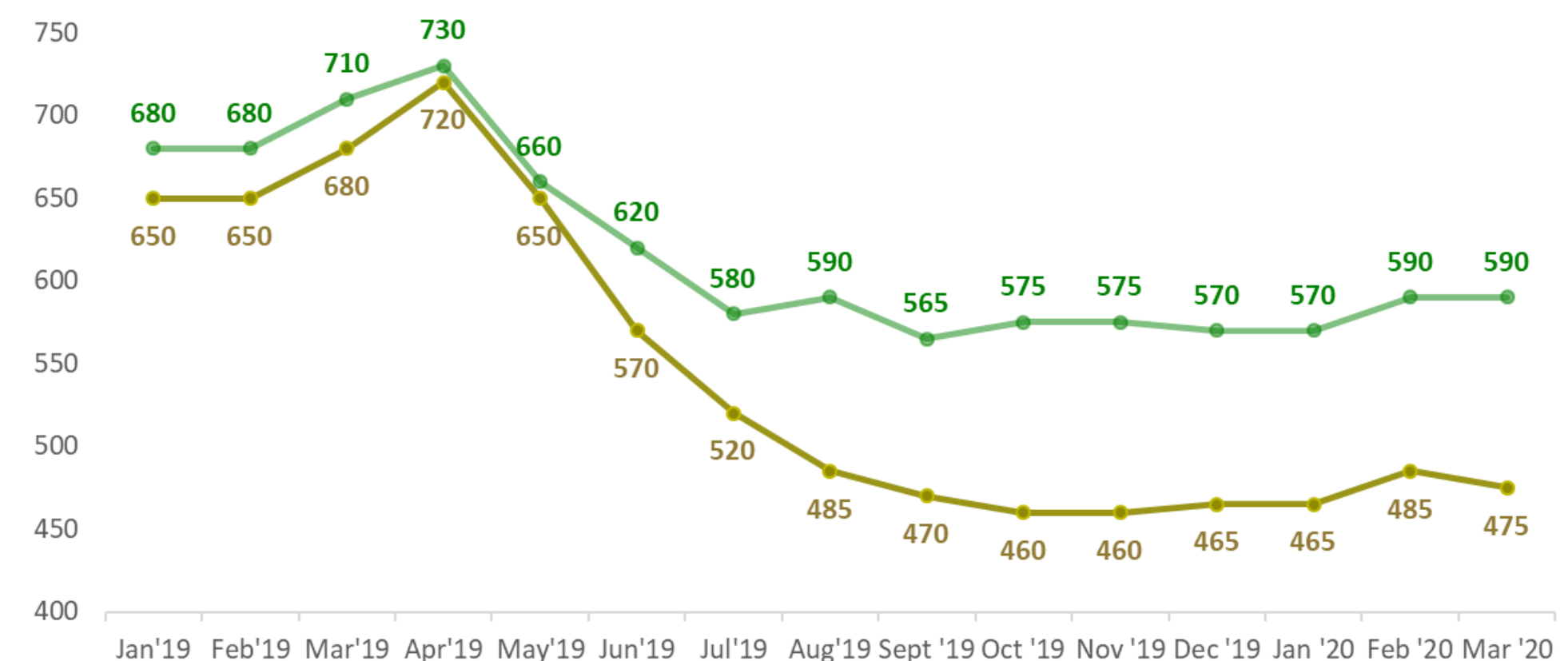
Production and Sales Volume In thousand tonnes



Q1 2020

- Q1 2020 was challenging, particularly due to the impact of COVID-19 in the global markets. The tissue market was positively affected due to a higher demand, but P&W markets suffered a significant adverse impact. Global inventories for long fiber pulp remained stable, yet those of short fiber increased on a quarterly basis. Prices remained stable.
- In China, the disruption of supply chains due to COVID-19 did not have major impacts on our sales. Furthermore, the market showed positive signs up until mid-March, when demand for P&W and specialties started to decline associated with lower economic activity.
- In Europe, the quarter began with a strong demand up until the breakout of COVID-19 during March. Like in other markets, this resulted in a higher demand for tissue and lower for P&W, with clients announcing plant stoppages and production cuts.

BHKP and BSKP Net prices - China



Source: ARAUCO

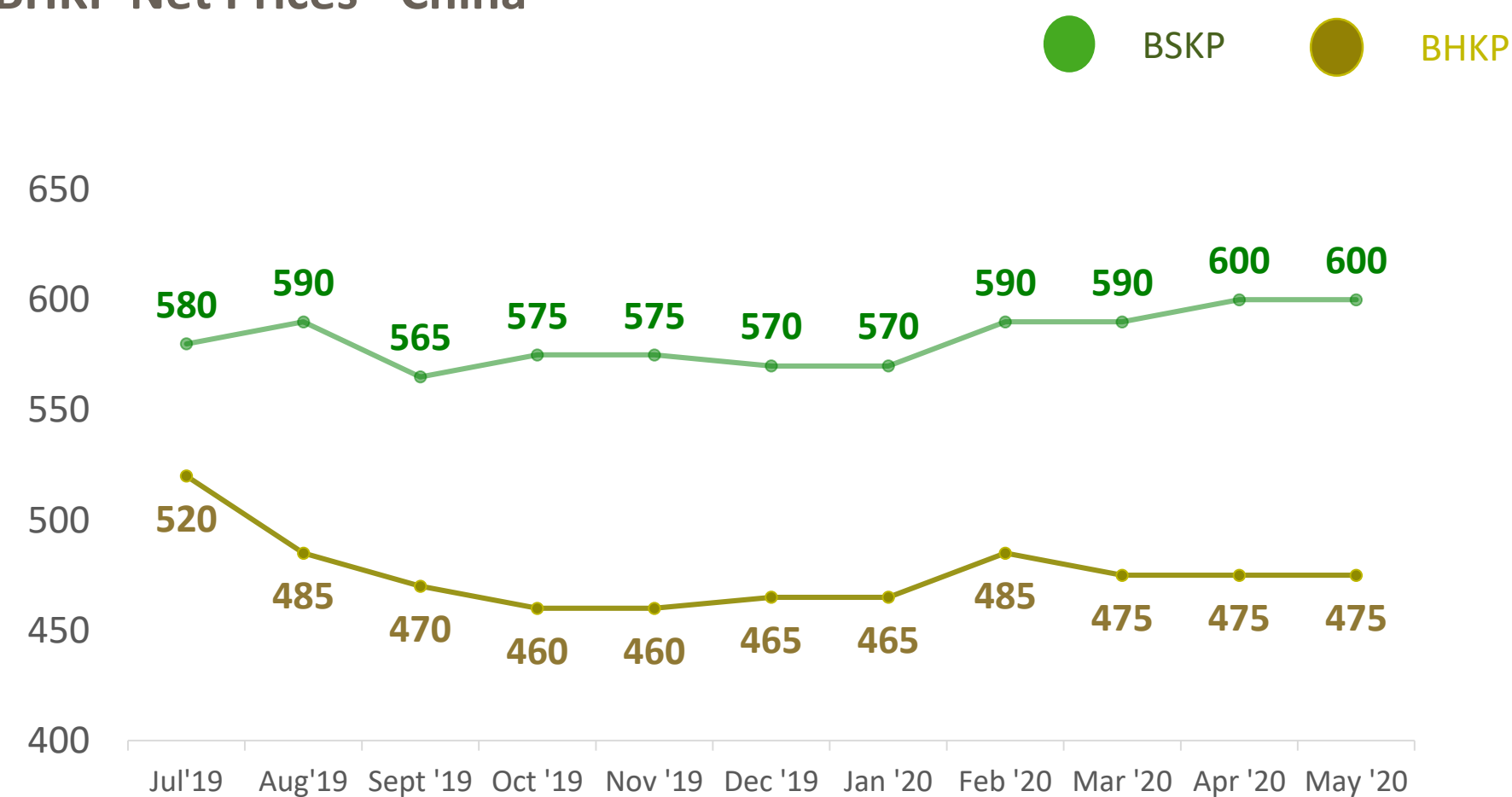
● BSKP ● BHKP



For the second quarter of 2020,

- For Q2, the outlook for the pulp market remains challenging. Some paper mills are closing down temporarily because of lower demand of certain paper products.
- In Asia, P&W and specialties demand started to decline drastically by mid-March. In contrast, consumer tissue demand has increased balancing the decrease in “Away from Home” market.
- In Europe, we expect P&W and specialties demand to continue falling as in other markets.

BSKP and BHKP Net Prices - China



Source: ARAUCO

2019-2020 Pulp Mills Days of Stoppages

Mill	2019		2020			
	3Q	4Q	1Q	2Q	3Q	4Q
Arauco - Line 1			19	6		
Arauco - Line 2			13	5		
Constitución						12
Licancel		67	9	16		
Nueva Aldea				6	12	
Valdivia		60				
Alto Paraná					7	5
Montes del Plata		12				13

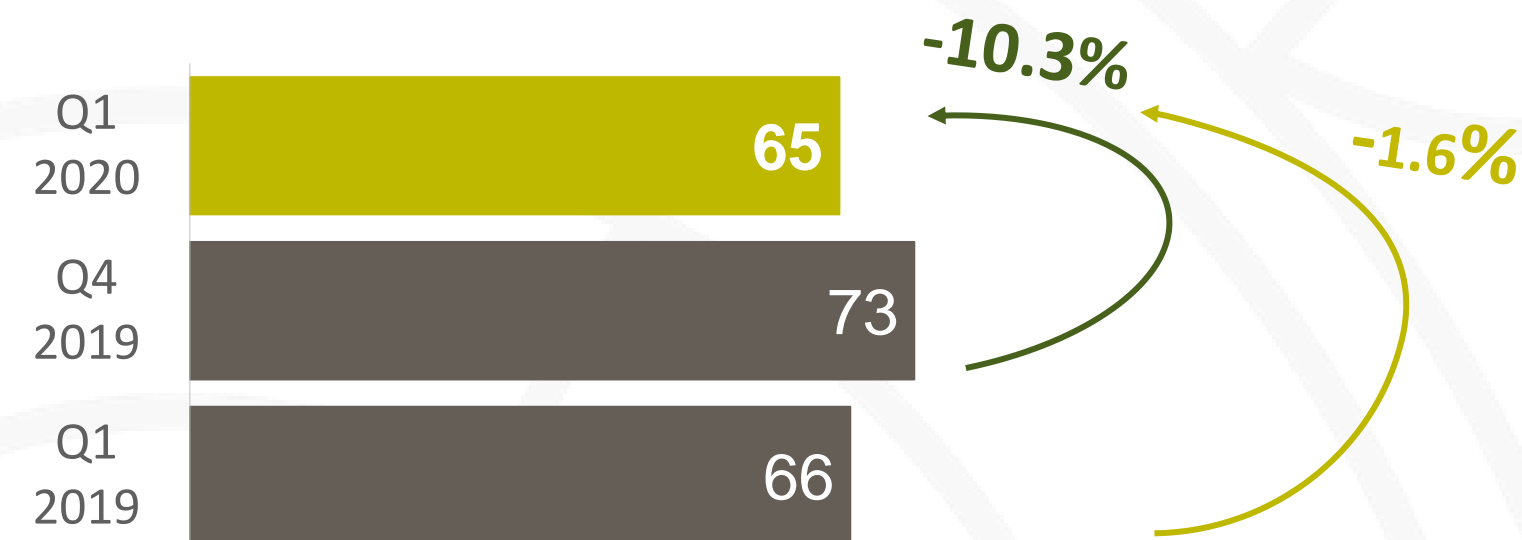
Maintenance Stoppages:



Non-operational Stoppages:



Adjusted EBITDA In US\$ million



Panels*

	Price	Volume
QoQ	-1.5%	-1.6%
YoY	-6.2%	6.1%

Solid Wood**

	Price	Volume
QoQ	1.7%	-3.4%
YoY	-6.1%	-8.9%

*MDF, PBO, HB

**Sawn Timber, Remanufactured Wood products and Plywood

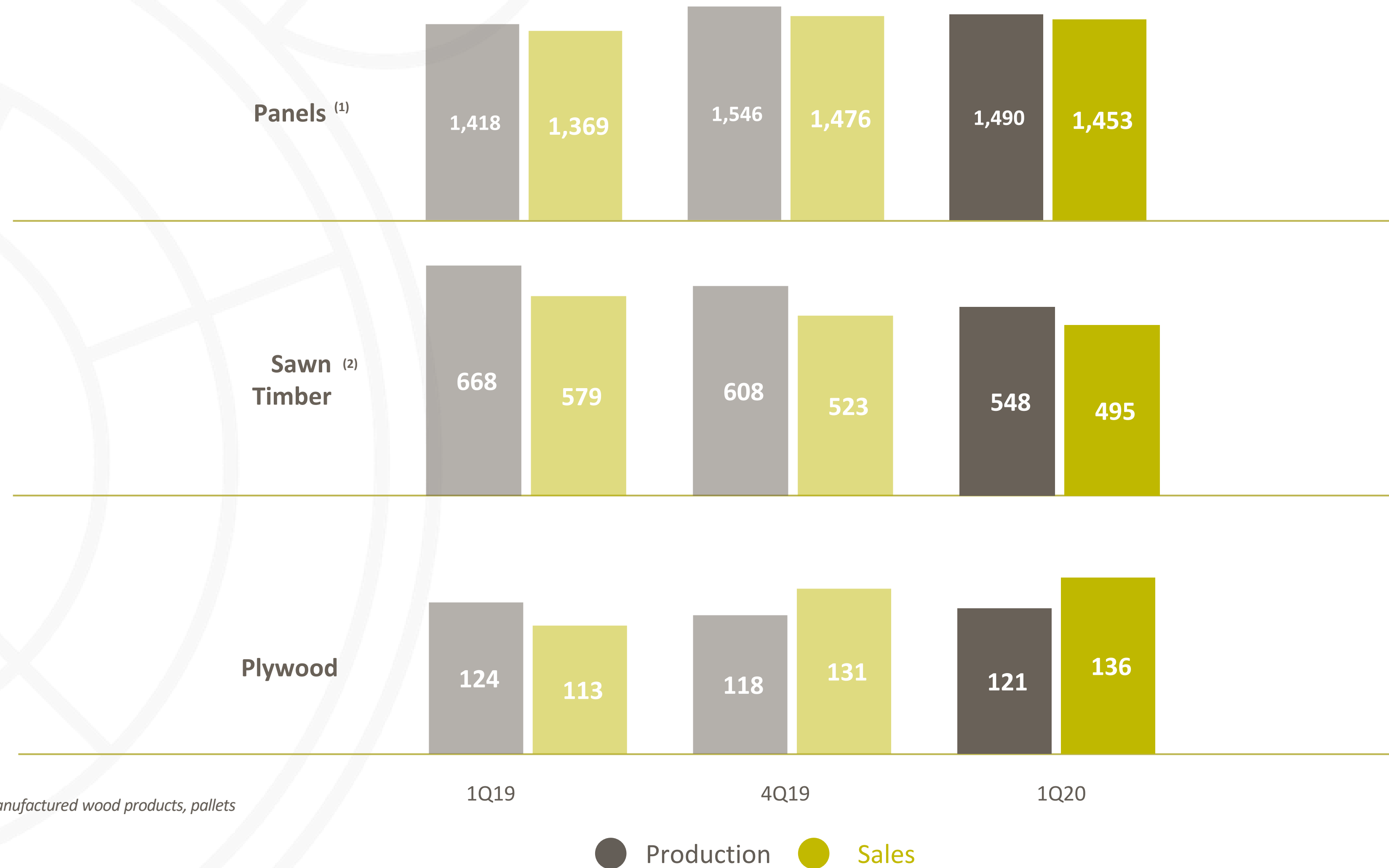
Q1 2020

- Panels sales decreased QoQ due to lower average prices. The Latin American market showed encouraging signs during the first months of the year, but the impact of COVID-19 has been significant in the region. This started to affect our sales at the end of March, and uncertainty remains. In the US and Canada sales volumes and prices remained stable.
- During this quarter our sawn timber sales volume decreased, despite noting signs of recovery from Asian markets. This was partially offset by a slight increase in average prices. Results from remanufactured wood products were stable. We were able to capture market share in part due to competitors facing possible tariffs, and a generalized supply deficit.
- Plywood sales volume increased by 4.1% during the first quarter. The year began with improvements in some markets. In terms of supply, we have noted competitors leaving the market due to low profitability.

WOOD PRODUCTS PRODUCTION AND SALES VOLUME

REVIEW BY BUSINESS SEGMENT & OUTLOOK

► In '000 m³



(1) Includes PB, MDF, HB and OSB

(2) Includes sawn timber, kilned sawn timber, remanufactured wood products, pallets

Note: Sales include trading

● Production ● Sales

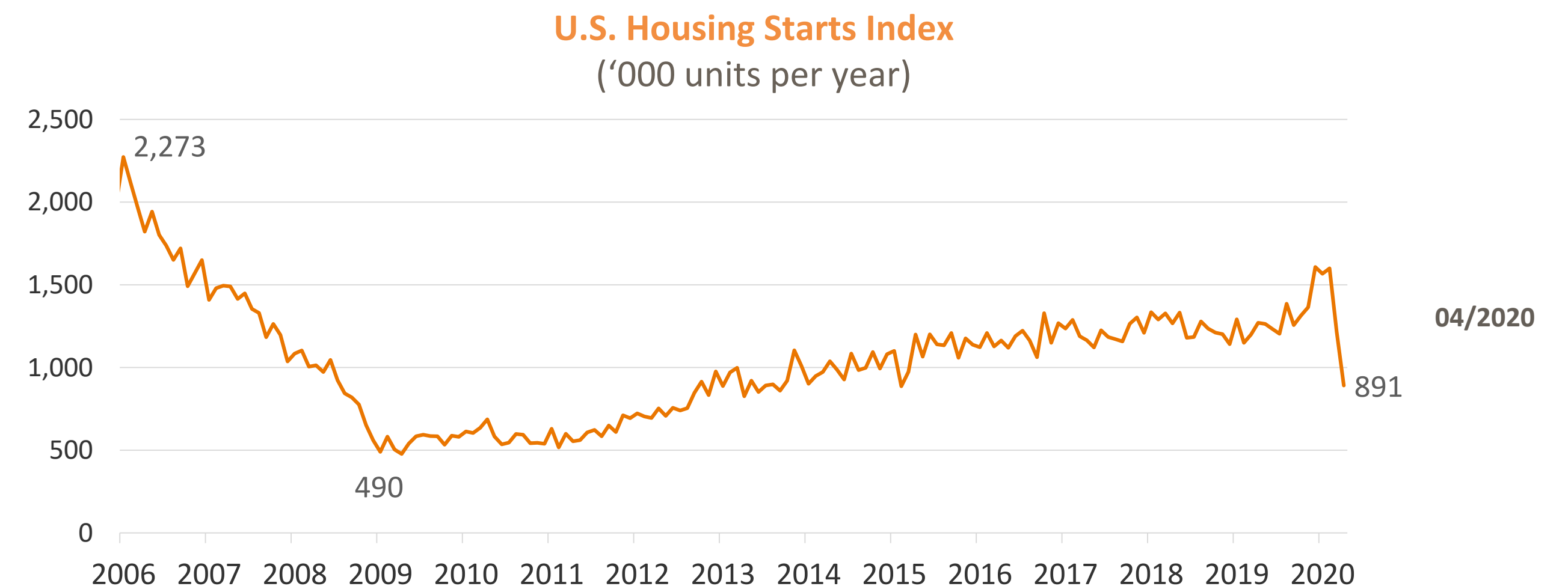
60%
North
America

PB/MDF: after a reasonably good first quarter, the effects of COVID-19 started to have a significant impact during April. We expect sales to recover slightly during May, and to normalize by June/July. The recent restructurings in some of our panel mills in North America will allow us to improve results once demand picks up again.

Particularly in Mexico, the impact of COVID-19 was later than in other regions. We expect sales to continue declining for a couple of months and to normalize during 2H 2020.

REMANUFACTURED PRODUCTS: outlook continues to be positive. Tariffs on certain Chinese and Brazilian competitors may increase our sales.

PLYWOOD: the market has remained stable during these months and we expect better results for the coming quarters.



Source: Bloomberg

29%
Central and
South America

9%
Asia and Oceania

2%
Europe and
Middle East

BRAZIL:

- Market scenario remains complex
- Oversupply in MDF and PB
- Significant impact of COVID-19 during April
- We expect sales to improve during May, but market situation remains challenging

CHILE:

- Sales better than expected during first quarter
- Significant impact during April. May started very positively but the effect of increased quarantines adds uncertainty
- For the rest of the year, results depend on the evolution of COVID-19

ASIA:

- Signs of recovery in some markets, despite exports sector relatively weaker
- We expect balanced 2Q and 3Q with increased demand and prices
- Higher supply from other sources could affect these markets

EUROPE:

- Positive price movements in plywood as well as sales, especially in Northern Europe
- We see stable coming quarters for Plywood

ARGENTINA:

- COVID-19 and subsequent lockdowns had a very significant impact on this market
- We expect a slight recovery in May, and normalization during 2H 2020
- Prices expected to follow depreciation of the local currency against the US dollar

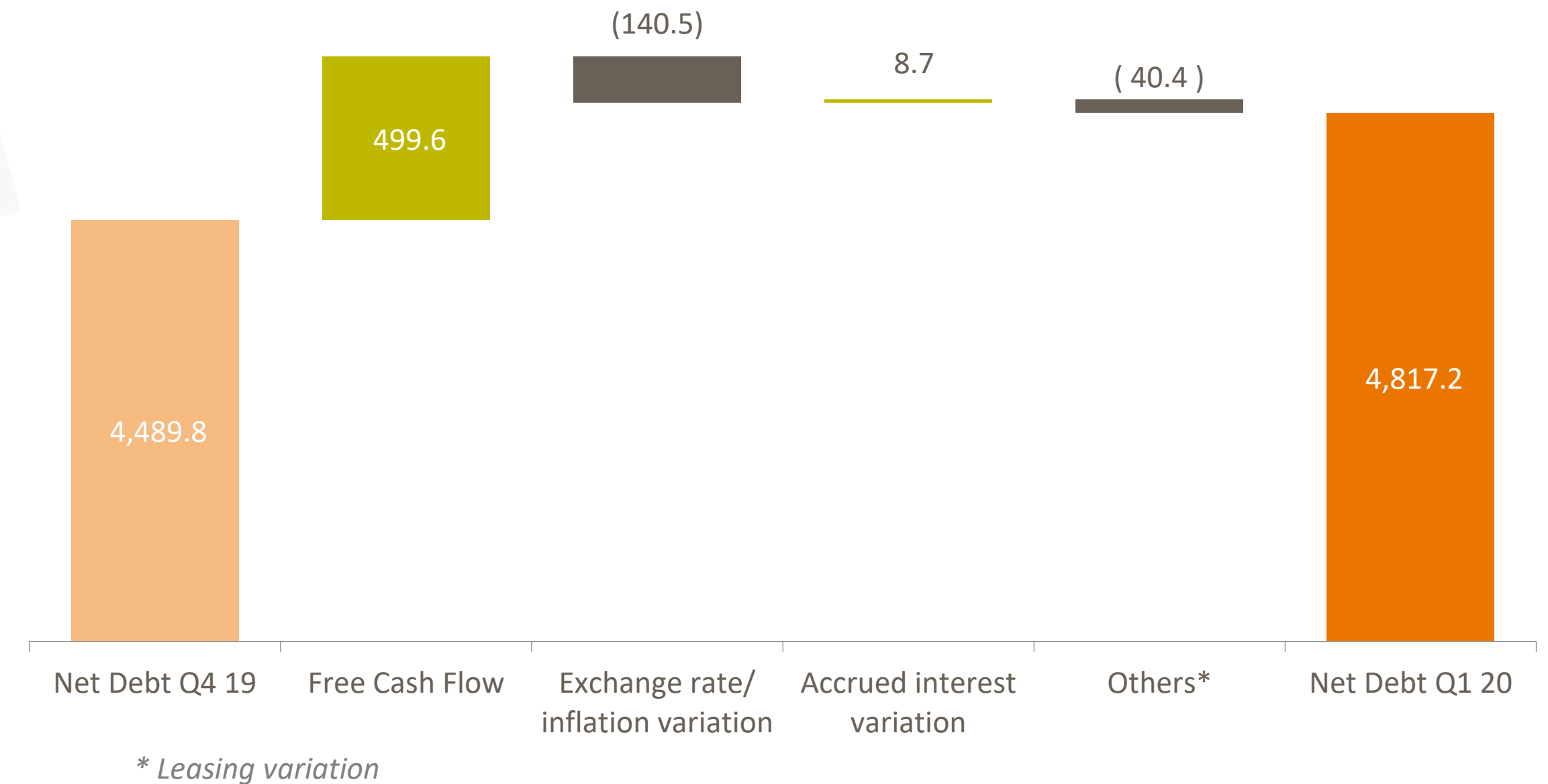
MIDDLE EAST:

- Demand and prices expected to remain stable

FREE CASH FLOW

► In US\$ million

	Q1 2020	Q4 2019
Adjusted EBITDA	194.6	211.0
Working Capital Variation	(87.7)	121.4
Interest paid and received	(35.3)	(97.4)
Income tax paid	(55.5)	(56.4)
Others	(31.8)	(11.7)
Cash from Operations	(15.7)	167.0
Capex	(445.5)	(434.3)
Others	8.6	7.7
Cash from Investment Activities	(436.9)	(426.5)
Cash from Financing activities (net of debt)	(21.2)	(23.2)
Effect of exchange rate changes	(25.9)	(4.9)
Free Cash Flow	(499.6)	(287.7)



Cash flow from operating activities decreased, mainly due to Working Capital Variation and a decrease in Adjusted EBITDA.

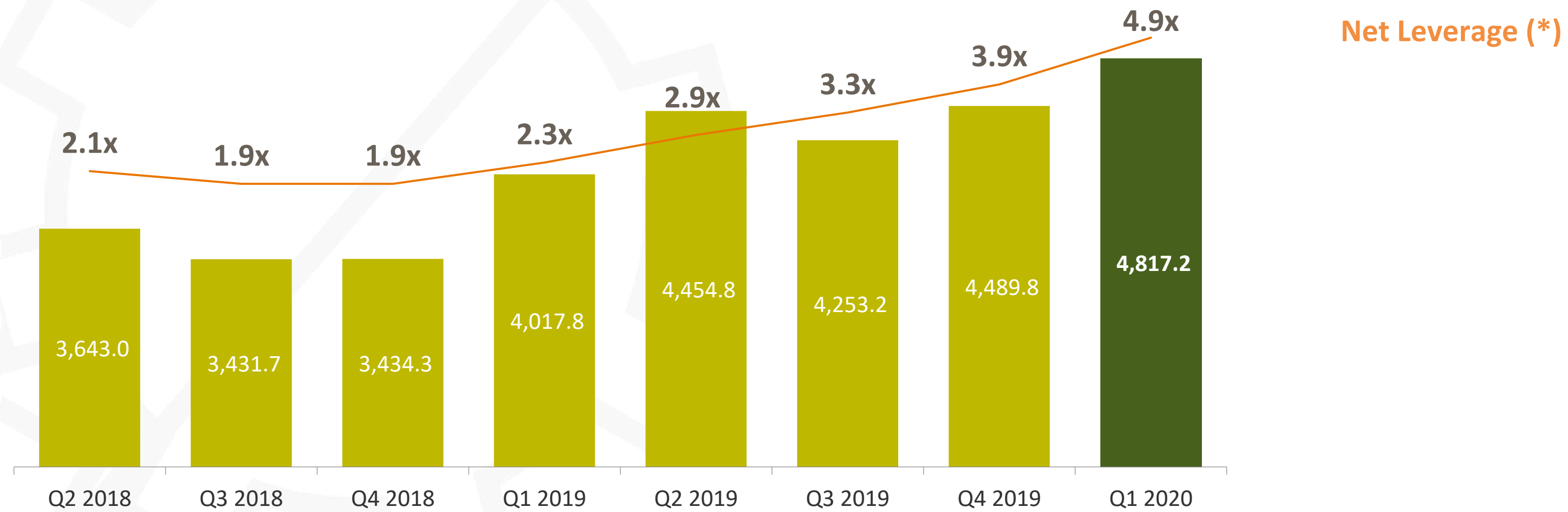
Cash flow used in investment activities remained stable. MAPA-related CAPEX continues to be a large portion of these net cash outflows.

Cash flow used in financing activities decreased slightly by 8.9%, or US\$2.1 million.

► Net Debt increased by US\$327.4 million or by 7.3% QoQ, mainly due to the negative free cash flow.

NET FINANCIAL DEBT

► In US\$ million



Cash and cash equivalents decreased by 25.9% or US\$404.6 million QoQ.

Total Financial Debt decreased by 1.3% or US\$77.1 million QoQ.

LTM Adjusted EBITDA reached US\$987.1 million, 7.3% lower QoQ.

Net Leverage (*) increased from 3.9x to 4.9x QoQ, mainly due to the decrease of LTM Adjusted EBITDA.

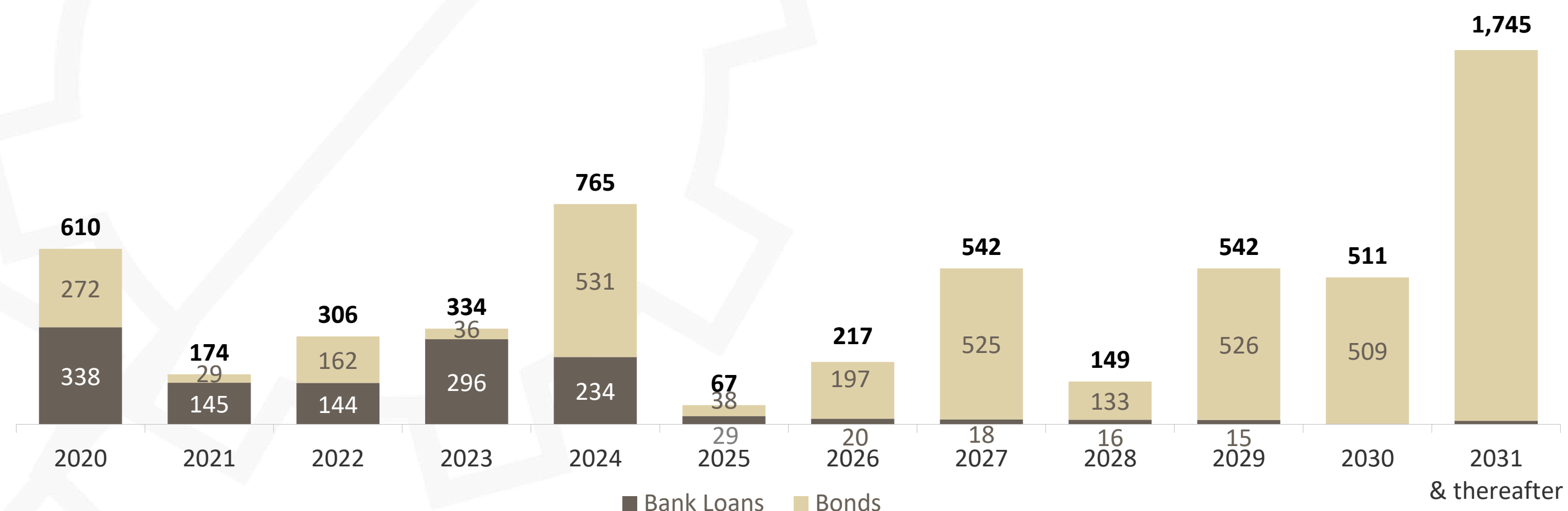
	Mar 2020	Dec 2019
Short Term Debt	640	529
Long Term Debt	5,333	5,521
Total Debt	5,973	6,050
Cash	1,155	1,560
Net Debt	4,817	4,490

(*) Net Debt / LTM Adjusted EBITDA

DEBT

► In US\$ million

AS OF MARCH 2020

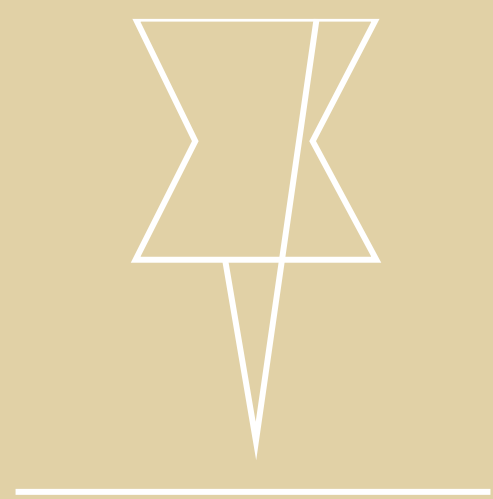


BANK OBLIGATIONS FOR 2020 INCLUDE:

- US\$ 141 million of pre-export financing
- US\$ 138 million from our subsidiaries
- US\$ 60 million in leasing

BOND OBLIGATIONS FOR 2020 INCLUDE:

- US\$ 66 million in interest payments
- US\$ 206 million in amortization of local bonds, including US\$167.8 million of the BARAU-J with final amortization in September 2020.



MATERIAL FACTS AND NEWS

During March 2020, our industrial activities were declared as essential businesses by the authorities in most of the countries where we operate.



We have implemented enhanced health and safety protocols in all our facilities. These include:

- Social distancing
- Home office policies
- Body temperature measurement
- Limiting number of people in meetings
- Preventive testing
- Increasing workplace sanitation frequency
- Restricting domestic and international travels
- Requesting similar actions from our contractors



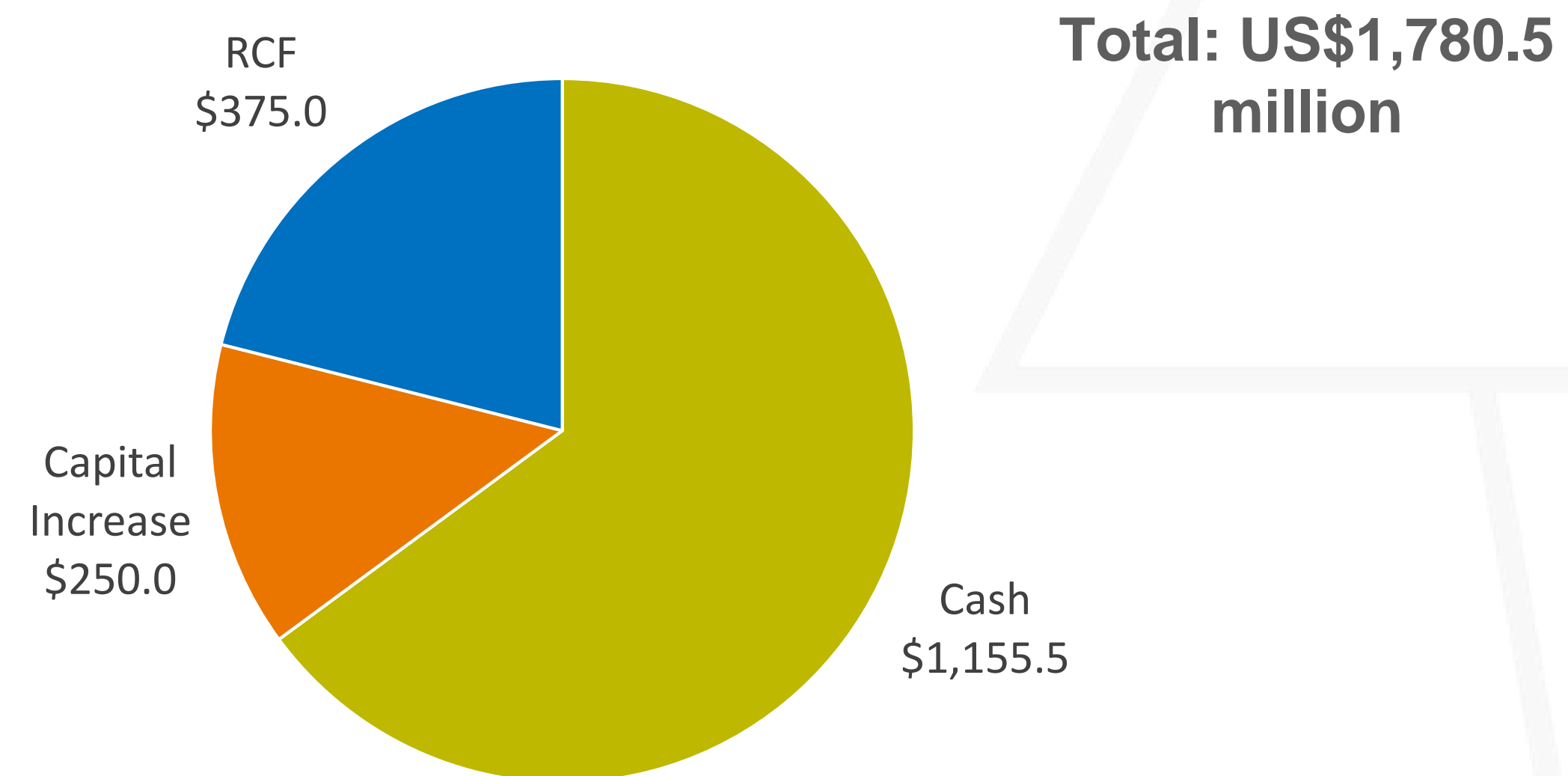
We have also extended our efforts to support local communities and hospitals. This contribution includes:

- **Massive sanitation and fumigation programs**, already deployed in 177 communities that belong to 49 municipalities
- Our subsidiary Bioforest is **collaborating in diagnosing COVID-19 cases**, and we have delivered sufficient reactive to perform almost 20 thousand tests. We also placed at the health authorities disposal **robotic RNA-extraction equipment for early detection of the virus**
- We have donated **hospital beds, cardiac monitors and mechanical ventilators** in the Biobio region
- We have made available **18 sites** to be used in establishing temporary hospitals or as diagnosing areas, if the health authorities so require



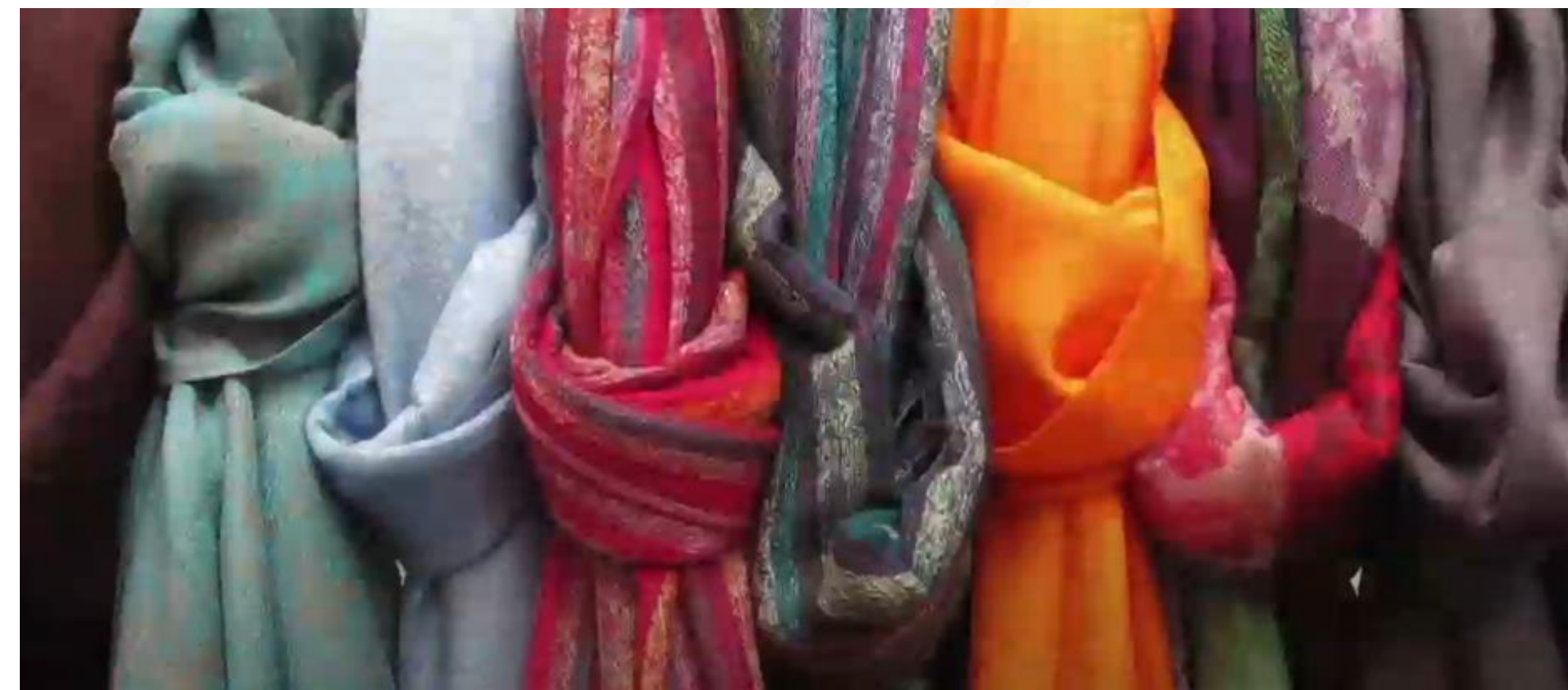
- On May 19th, 2020, at a General Extraordinary Shareholders' Meeting, it was agreed by the unanimity of the issued shares, to increase the share capital by US\$ 699.962.071, through the issuance, in one or several stages and on the date or dates determined by the Board of Directors of the Company, of paid shares, that the Board of Directors will issue to be paid by the shareholders with preemptive rights to them or their assignees, in cash. The capital increase must be fully paid within the term that expires on December 31st, 2021.
- Of the total capital increase agreed upon, it is estimated that US\$250 million will be required to be paid during the year 2020. The balance will be paid during the year 2021, depending on the resources required in that year.
- The capital increase would aim to strengthen ARAUCO's financial position which has been affected by ongoing and past projects, trade tensions between China and the US, and the decrease in the demand of products that is observed worldwide as a result of the COVID-19 pandemic.

Our cash position was US\$1,155.5 million at the end of the first quarter. In terms of liquidity, the Company has a revolving credit facility (RCF) for a total amount of US\$375 million due in February 2025, which as of the date of this report hasn't been withdrawn. Additionally, the Company will receive US\$250 million during 2020 as a capital increase.



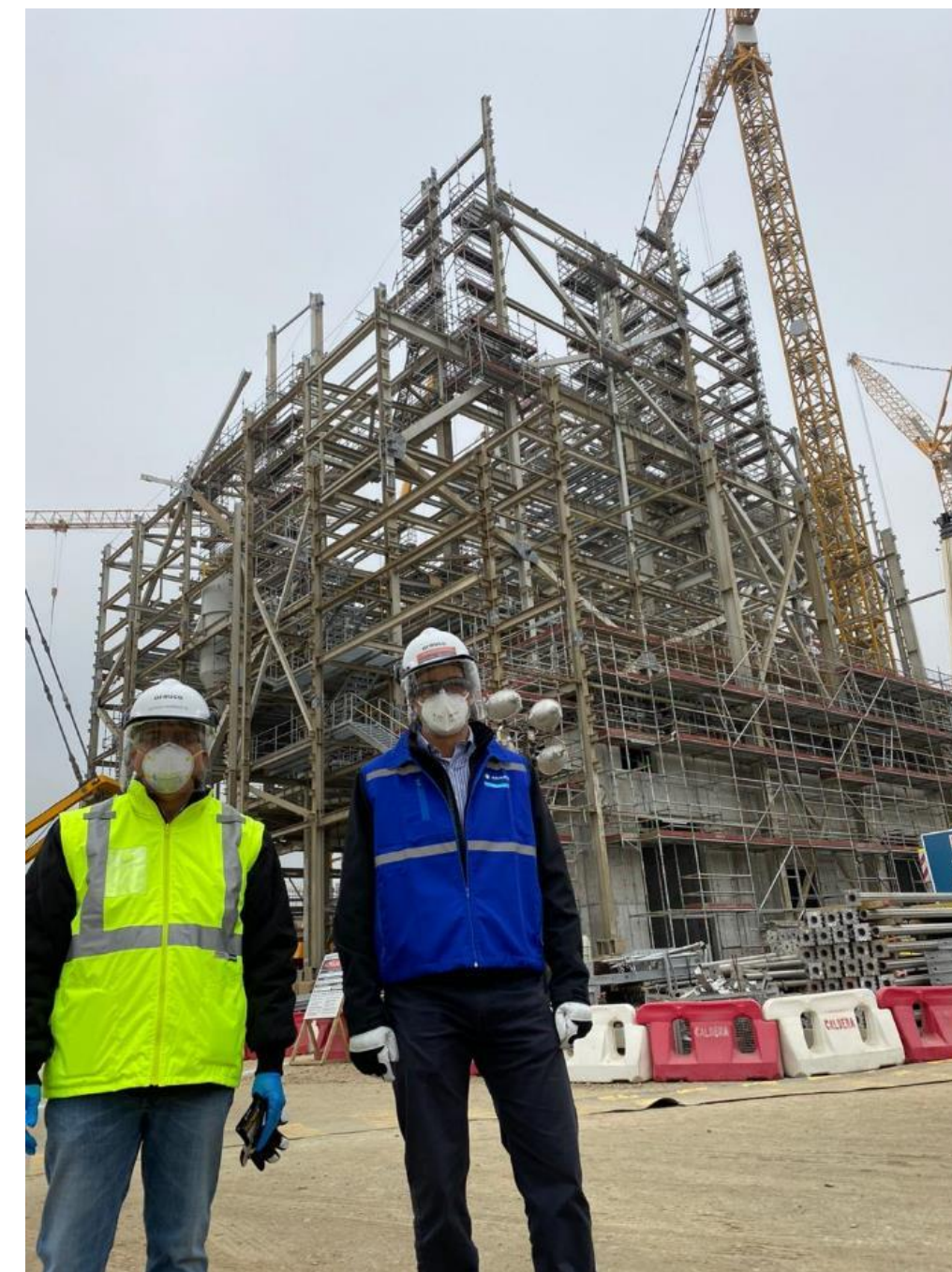


- The Dissolving Pulp project was completed as of February 2020.
- The start-up is expected by June 2020. Originally it was programmed for January 2020 but was delayed as a precautionary measure to start production closer to the autumn/winter when water flow of the Cruces River usually increases.
- The mill will keep the flexibility to switch from paper grade to dissolving pulp
- Total investment for this brownfield project was approximately US\$200 million.



MAPA PROJECT UPDATE

MATERIAL FACTS AND NEWS



- MAPA Project progresses as expected with a 48.6% accumulated advance, as of April 2020.
- The start-up of the new Line 3 is expected to take place during the second quarter of 2021. At that point the existing Line 1 will be permanently shut down.

- During this quarter, we started a 14-day adjustment process in construction activities in order to enhance the health and safety protocols.
- On April 6th this adjustment process was finished, and these enhanced protocols are in place. Approximately 6,000 people are currently working at the site.

arauco

BENNETTSVILLE MDF

- On April 22, 2020, we announced that we will be ending operations of our Bennettsville MDF mill effective May 18, 2020. This mill was built in 1991 and had a production capacity of 251,000 m³ of MDF (5,4% of our total MDF production capacity) ¹.
- The reasons are related to our permanent efforts to maintain and enhance the operational efficiency of our mills. In that sense, as of the date of this report, ARAUCO has recently announced the following changes in our production capacity in the US and Canada:

SUMMARY

	Mill	Location	MDF	PB	Date of Closure	Update
Reported during Q4 2019 Conference Call	St. Stephen	New Brunswick, Canada	-	216,000	4Q 2019	PB line was shut down. MDF operations continue.
	Moncure	North Carolina, USA	-	262,000	May 1, 2020	PB line was shut down. MDF operations continue. ARAUCO will invest in a new MDF moulding line.
	Eugene	Oregon, USA	154,000	-	May 1, 2020	This mill was permanently shut down.
New Announcements	Bennettsville	South Carolina, USA	251,000		May 18, 2020	This mill was permanently shut down.
Total			405,000	478,000		

Production capacities expressed as cubic meters (m³)

- These changes represent, respectively, 8.5% and 9.4% of our total aggregate MDF and PB production capacity.

(1) This is calculated without considering the production capacity of the Eugene MDF mill, which is already shut down.

FORESTRY FIRES

- During the 2019-2020 forestry fire season, the affected area reached 2,700 hectares, which had a fair value of approximately US\$5 million. This compares to 1,347 hectares affected during the 2018-2019 forestry fire season.
- Considering the drought currently affecting Chile, the damage caused by forestry fires during this season was relatively low.





Q&A

INVESTOR RELATIONS

A replay of this conference call will be available at our web site
and through the following numbers until May 27, 2020

Replay for USA	+1-877-344-7529
Replay for other countries	+1-412-317-0088
Replay Access Code	10144201

FOR FURTHER INFORMATION

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