



antar**chile**

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Sustainability Yearbook

Member 2022

S&P Global

3Q22 Results Presentation

December 2022



antarchile

EBITDA

US\$ 964MM

- 6.1% QoQ | - 1.1%YoY

Net Income

US\$ 296MM

+ 22.2% QoQ | - 32.9%YoY

Leverage

2.0x

Compared to 1.9x in 2Q22
and 2.2x in 3Q21

arauco

EBITDA

US\$ 619MM

+ 1.6% QoQ | - 8.6%YoY

Sales

Pulp
US\$ 764MM
+ 0.4%YoY

Wood Products
US\$ 1,115MM
+ 18.1%YoY

Production

Pulp
751 Mton

Panels
1,521 Mm³

Sawn Timber
630 Mm³

Plywood
143 Mm³

COPEC

EBITDA

\$266,639MM

+ 9.3% QoQ | + 46.9%YoY

Sales Volume

2,734 Mm³

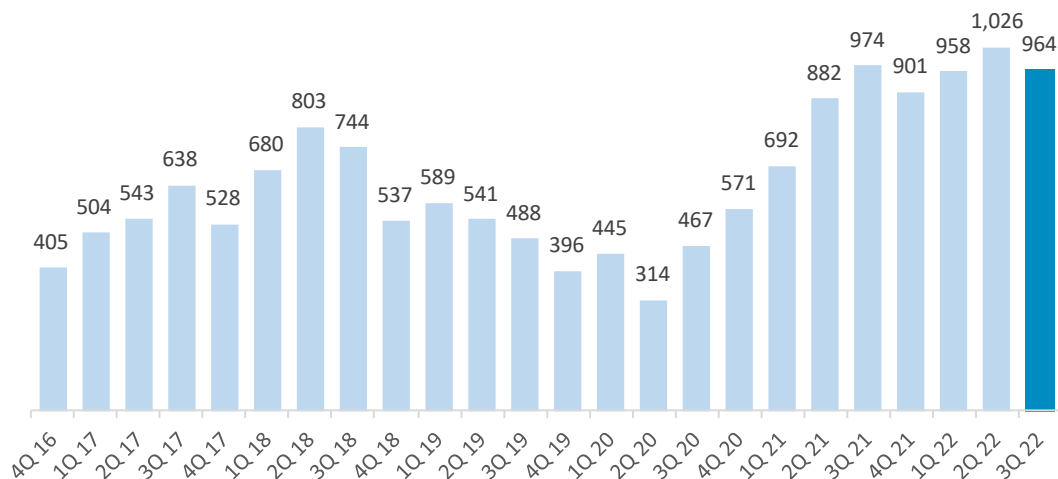


EBITDA

\$44,017MM

+ 23.7% QoQ | + 43.2%YoY

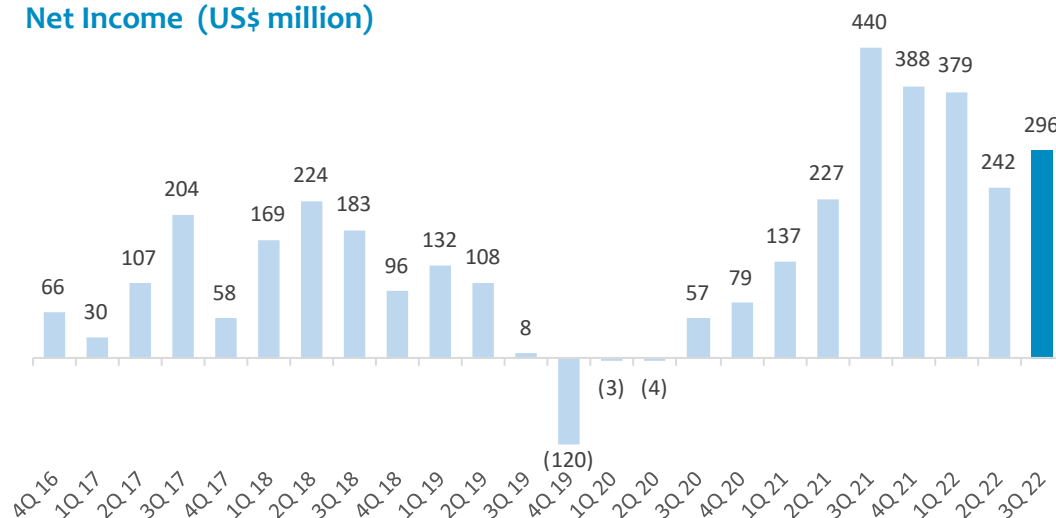
EBITDA (US\$ million)



US\$ 964 million

EBITDA down 1.1 YoY% and 6.1% QoQ.

Net Income (US\$ million)



US\$ 296 million

Lower **Net Income** 32.9 YoY% but up 22.2% QoQ.

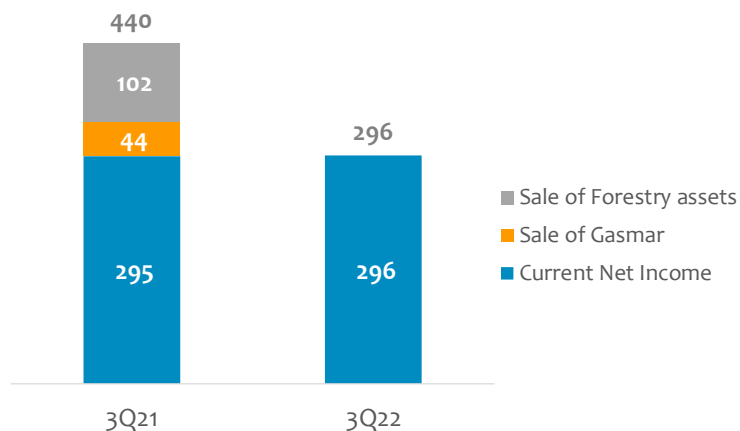
Consolidated Income Statement

Million USD	3Q 2022	3Q 2021	Change
EBITDA	964	974	(11)
Operating Income	638	685	(46)
Non operating Income	(21)	336	(357)
Other income	94	294	(201)
Other expenses	(104)	(71)	(33)
Other profit (loss)	1	100	(99)
Net financial expenses	(62)	(74)	12
Share of profit (loss) of associates and JV's	64	89	(26)
Exchange rate differences	(14)	(3)	(11)
Taxes	(130)	(277)	147
Net Income of controlling interest	296	440	(145)

Sale of forestry assets in Arauco during 3Q21 (US\$ +229MM), partially offset by a higher revaluation of biological assets.

Sale of Gasmar in 3Q21 (US\$ +103MM).

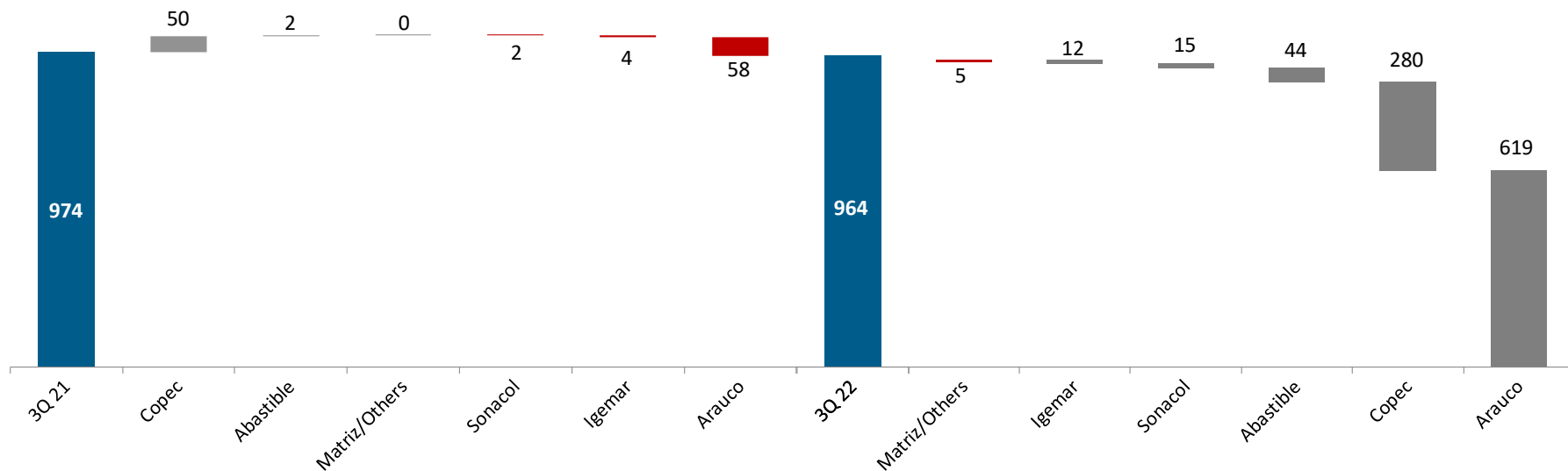
Net Income of controlling interest (US\$ million)



EBITDA (US\$ million)

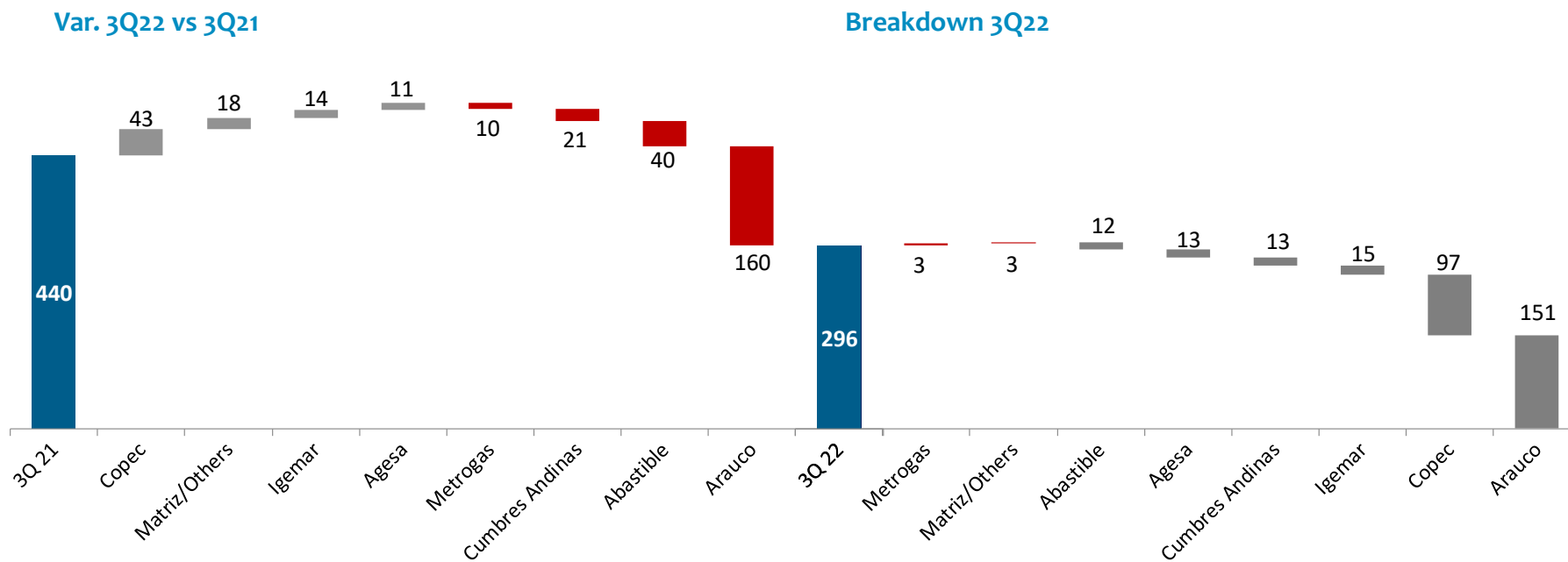
Var. 3Q22 VS 3Q21

Breakdown 3Q22



- EBITDA decreased in **Arauco** due to lower volumes in pulp, panels and sawn timber and higher pulp costs, offset by higher prices.
- In **Copec**, EBITDA was higher, related to better industrial margin and positive effect from inventory revaluation.

Net Income (US\$ million)



Net income decreased due to lower operating and non operating income

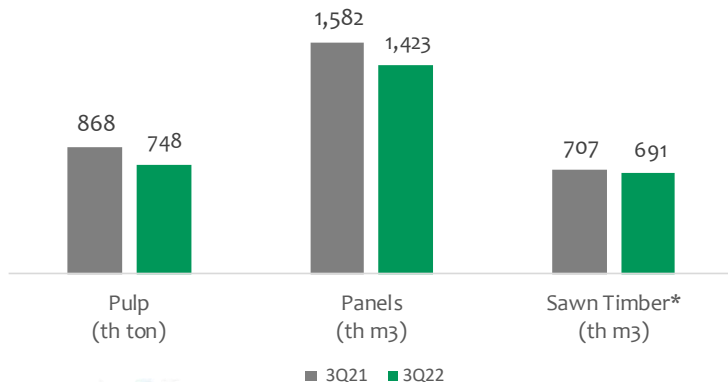
UNFAVORABLE NON-OPERATING INCOME (US\$ -268MM)

- > Other income decreased due to sales forestry assets in Arauco during 3Q21, partially offset by a higher revaluation of biological assets.

LOWER OPERATING INCOME (US\$ -93MM)

- > Drop in pulp (-120 Mton), panels (-159Mm³) and sawn timber volumes.
- > Increased unit selling cost for all the segments.
- > Partly offset by higher prices in pulp, panels and sawn timber.

SALES VOLUME BY BUSINESS

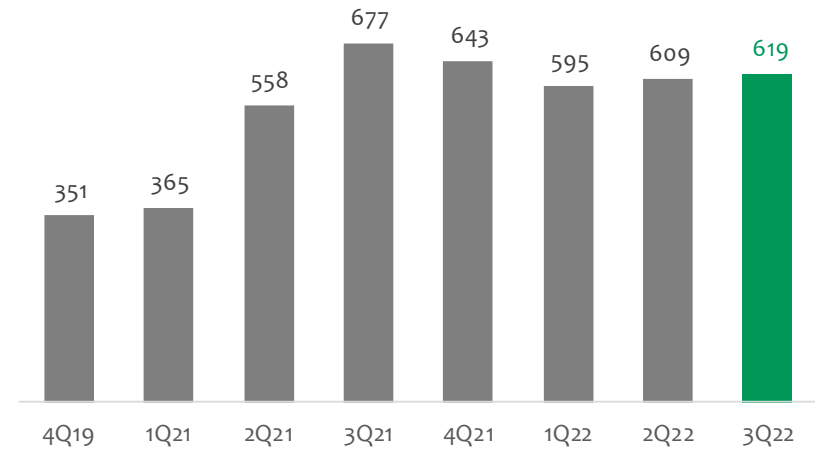


*Includes sawn timber and plywood

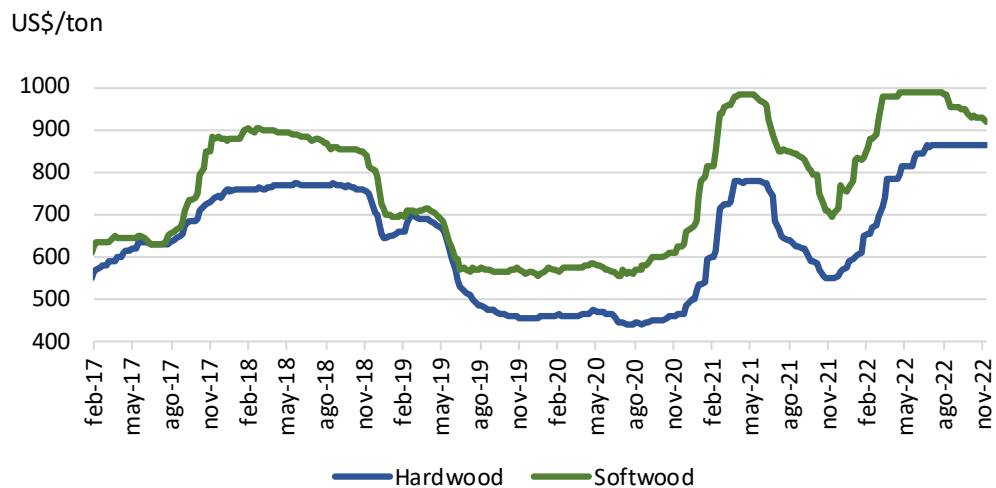
Million USD	3Q 2022	3Q 2021	Change
EBITDA	619	677	(58)
Operating Income	369	461	(93)
Non operating Income	(49)	219	(268)
Taxes	(71)	(169)	98
Net Income	249	511	(262)

EBITDA

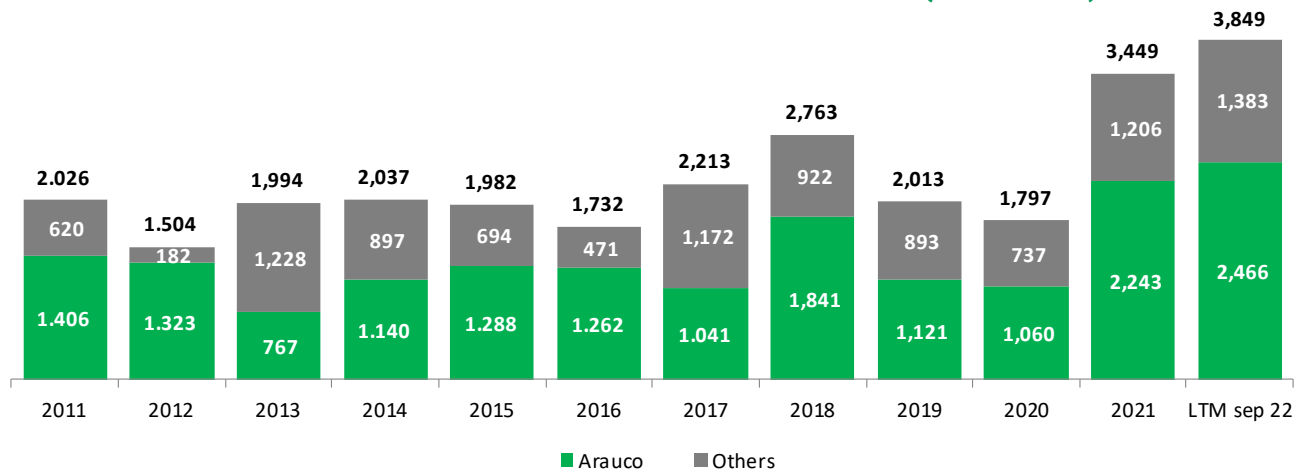
MM US\$



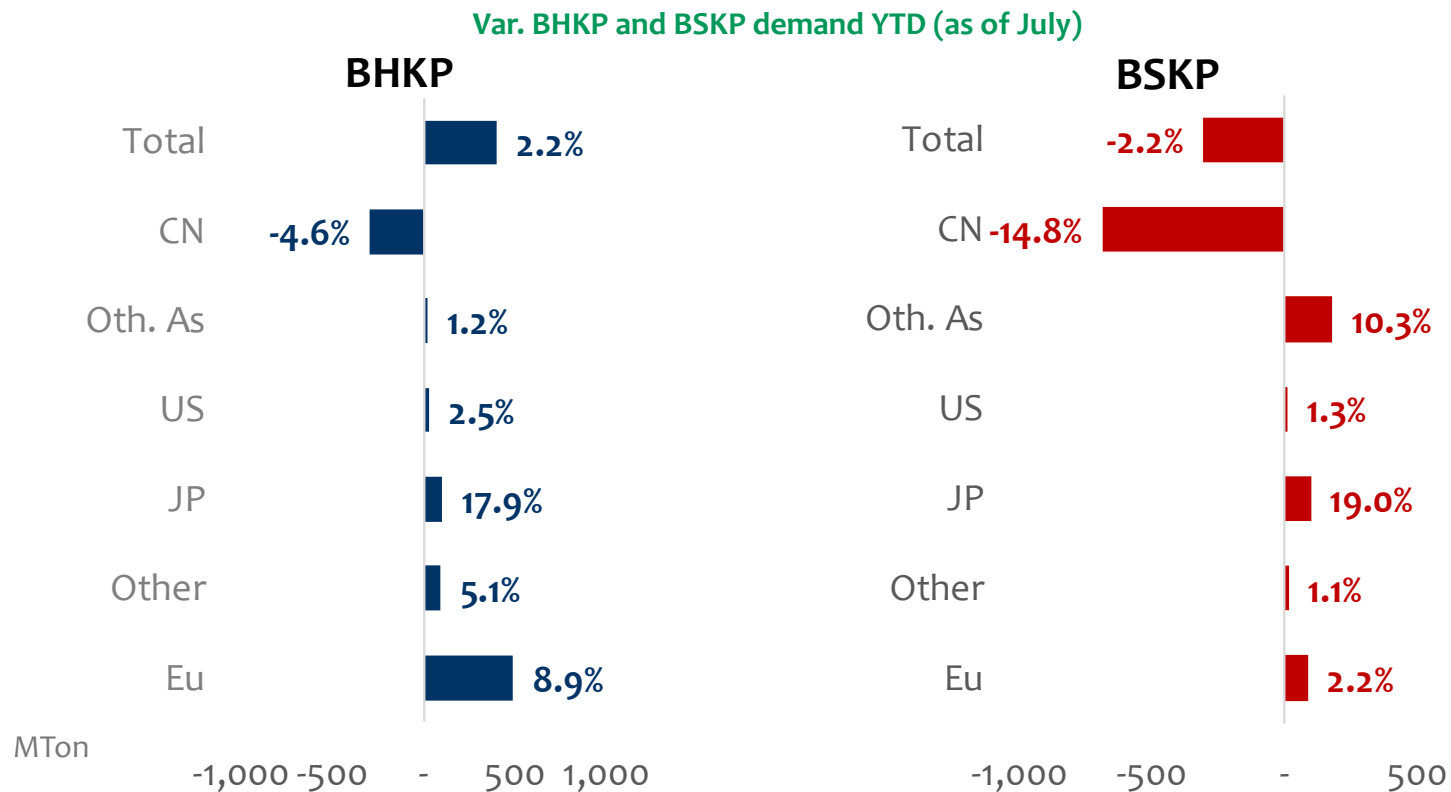
Pulp Prices



Arauco contribution to consolidated EBITDA (US\$ million)



- > Demand has remained practically flat YTD with Europe leading growth and China suffering from lockdowns and the recession.
- > Europe and the US have been able to transfer higher costs to prices, while China has lagged due to lockdowns and lower margins.



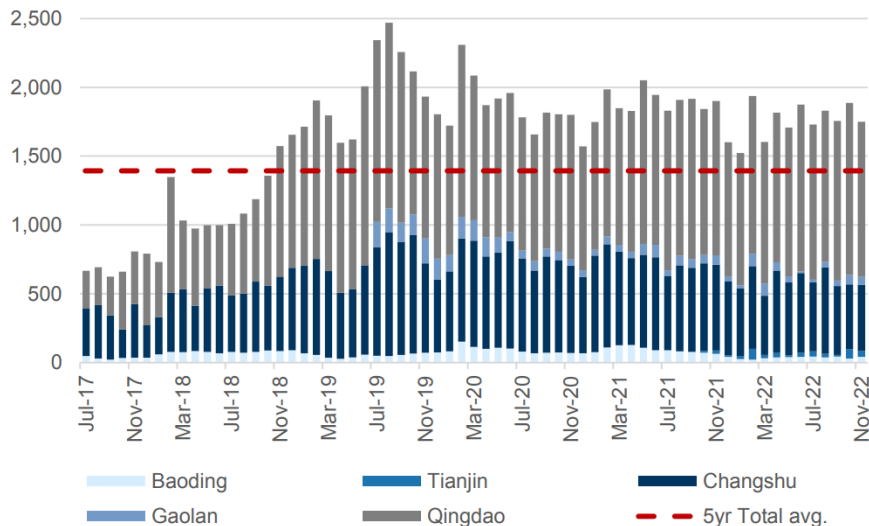
China:

- > High prices have continued due to low supply and inventories.
- > High production costs are putting pressure on the paper industry, causing a decrease in the operation of some producers and inventory cuts by distributors. This has enabled some producers to raise prices.
- > Paper exports to Europe have increased because of the drop in logistical costs.

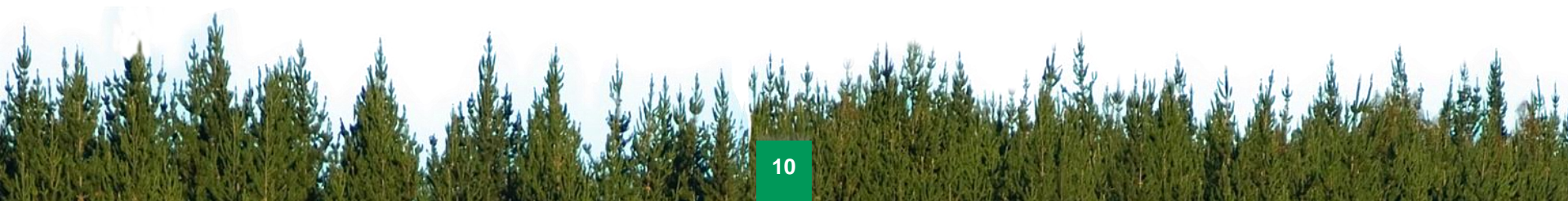
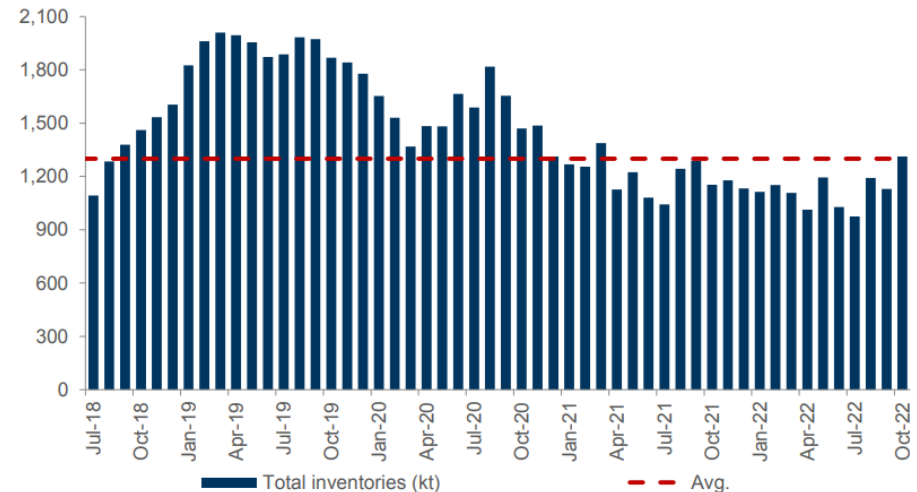
Europe:

- > Demand is still good with high prices.
- > Paper producers are addressing cost increases due to the lower pulp availability and higher prices of energy.
- > There has been an increase in paper imports from Asia, on account of the lower logistical and production costs.

China pulp inventories at the main ports (kt)

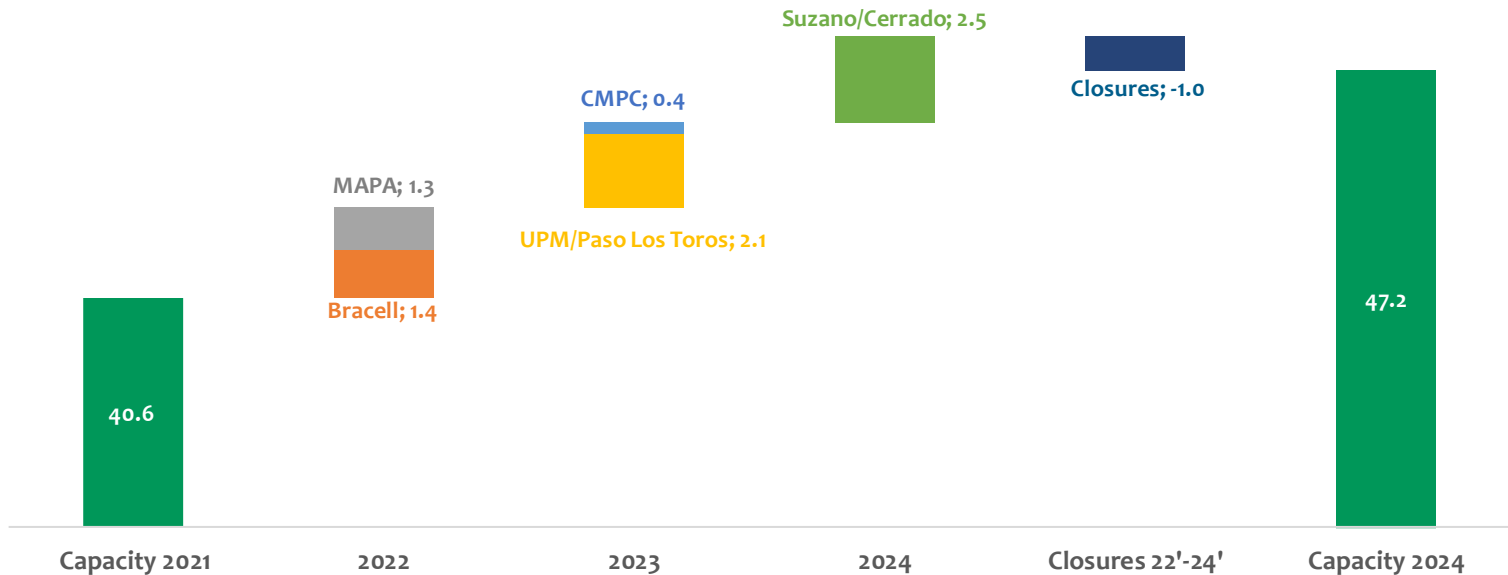


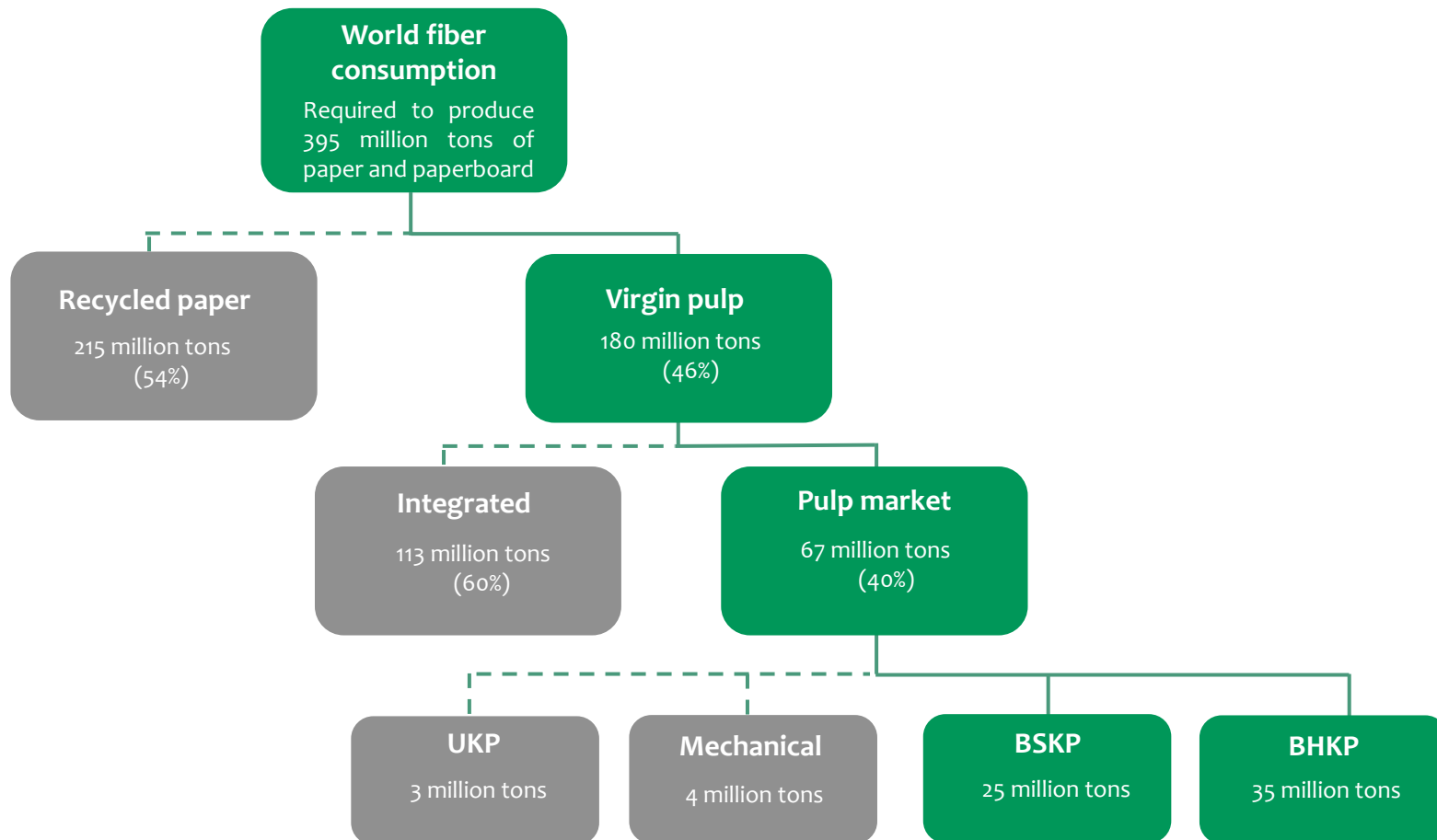
Europe's pulp inventories at the main ports (kt)



- > Producers have suffered setbacks of all kinds in 2022 fueling the current price rally. Such as:
 - Arauco: MAPA, over one year behind schedule, plant completion is now expected in October. A fire in the Valdivia plant led to a 3-month stoppage in Dissolving Pulp production.
 - UPM: A 4-month strike in their Finnish operations.
 - Mercer: Suffered a fire in its Stendal plant in Germany.
 - ENCE: Pontevedra facility has been idle since July owing to low basin levels in nearby river.
- > Despite the delay of new projects/expansions, the capacity coming in 2023 plus delayed 2022 projects will be more than enough to bring the market back to an equilibrium.

Hardwood Supply 2021-2024 (Kt)





Sucuriú Project - Pulp

- > Collaboration agreement signed with Mato Grosso do Sul government of Brazil as part of the challenge of seeking new opportunities that will contribute to the development of the subsidiary.
- > Important preparatory step that will allow to continue the evaluation of building a new pulp mill in Brazil.
- > This initiative is subject to several variables that are under study, including market conditions, the environmental impact permit, evaluation of timber supply and the approval by the Board of Directors.
- > If conditions permit, construction of this new mill may begin in 2025. Estimated investment of US\$ 3 billion, and the facility would have a production capacity of 2.5 million tons per year of short fiber.
- > Would be located in the central-western state of Mato Grosso do Sul, 50 km from the town of Inocência, an area that offers a number of logistical benefits.



Source: Empresas Copec

Growth in the Panel Division

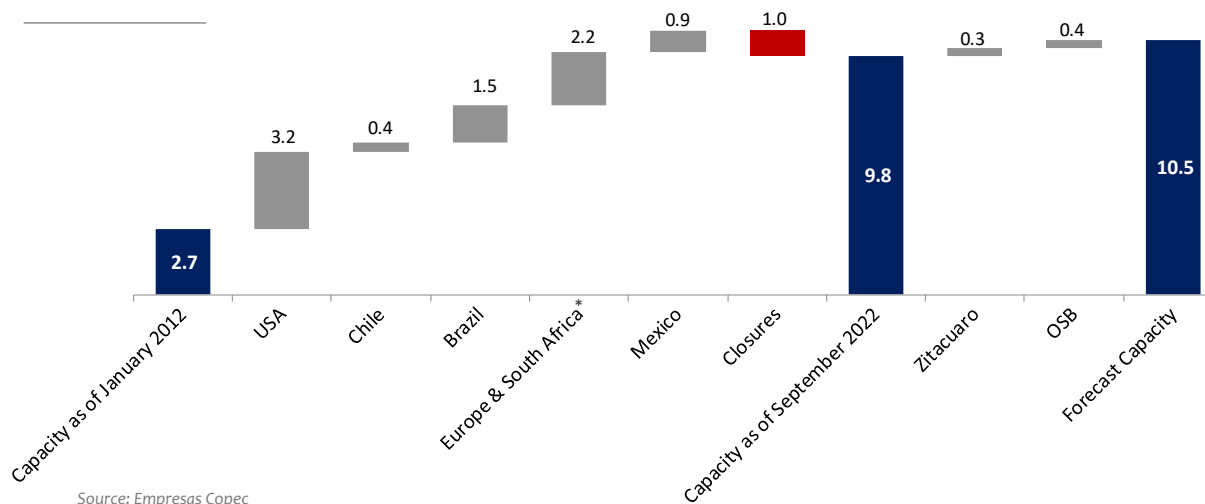
Panel plant in Zitacuaro

- > On September 27, 2022 Arauco's Board of Directors approved the construction of a new production line of MDF board.
- > The project contemplates an estimated investment of US\$235 million and a capacity production of 300 th. m³ per year.

OSB Panel plant in Ñuble

- > On October 18, 2022 Arauco submitted the environmental impact form to develop an OSB Manufacturing Mill in the region of Ñuble Chile.
- > The project estimates a potential investment of US\$280 million and capacity of 360 th. m³ per year.

INSTALLED CAPACITY GROWTH OF PANELS
million m³



Source: Empresas Copec

* Corresponds to 50% of the production capacity of Sonae-Arauco

Better operating income, partly offset by unfavorable non-operating results and higher taxes.

INCREASED OPERATING INCOME (\$+79,424 million)

- > Higher margins in Copec Chile and Mapco, offset, partly, by a drop in Terpel.
- > YoY positive effect on inventory revaluation explained by Copec Chile, partially offset by an unfavorable effect at Terpel.
- > Volumes climbed 13.3% in Terpel, offset by a drop of 3.7% in Chile and 17.0% in Mapco. The later is explained by the sale of gas stations during the first half of 2022.
- > Lubricant segment favored by volume increases resulting from new commercial strategies. Margins affected by higher costs.

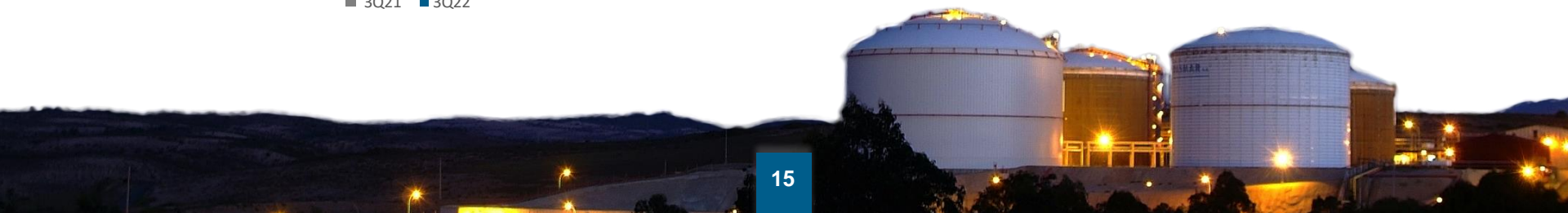
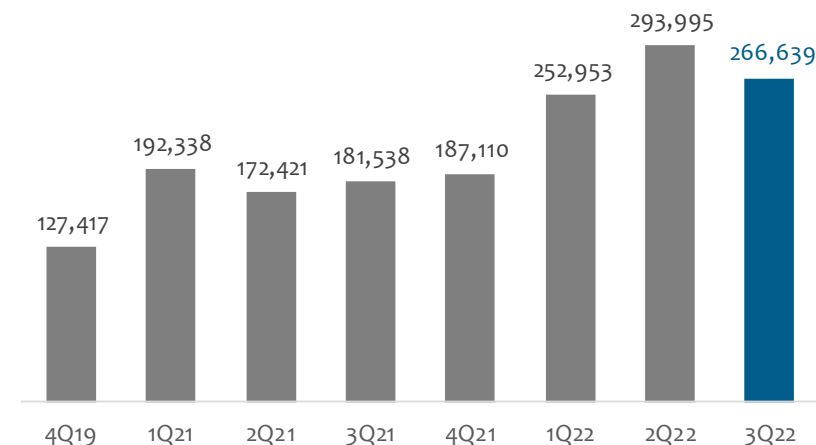
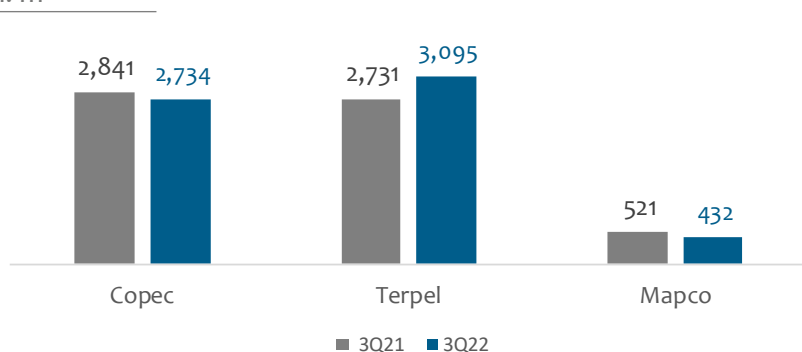
Million of Chilean Pesos	3Q 2022	3Q 2021	Change
EBITDA	266,639	181,538	85,101
Operating Income	209,793	130,369	79,424
Non operating Income	(13,405)	(8,775)	(4,630)
Taxes	(48,803)	(46,476)	(2,327)
Net Income	148,063	68,904	79,159

EBITDA

MM Chilean Pesos

PHYSICAL SALES

Th. m³



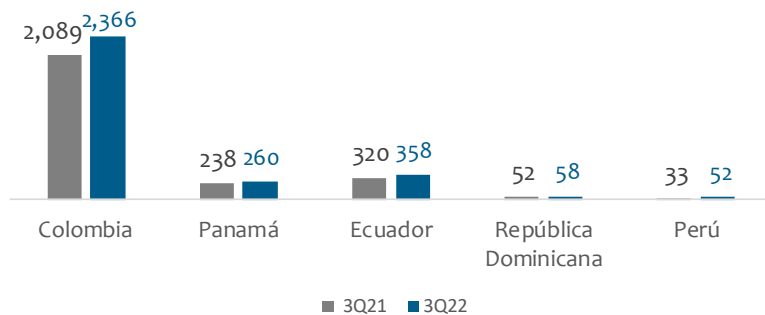
Decreased operating and non-operating income.

- > Lower EBITDA due unfavorable inventory revaluation effect.
- > Liquid fuels volumes increased 13.3% YoY, explained by climbs in Colombia, Panamá, Ecuador, Dominican Republic and Peru.
- > Volumes related to aviation at pre-pandemic levels.
- > Higher taxes

Million COP	3Q 2022	3Q 2021	Change
EBITDA	250,779	321,180	(70,401)
Operating Income	160,412	221,143	(60,731)
Non operating Income	(135,561)	(48,138)	(87,423)
Net Income	8,184	84,041	(75,857)

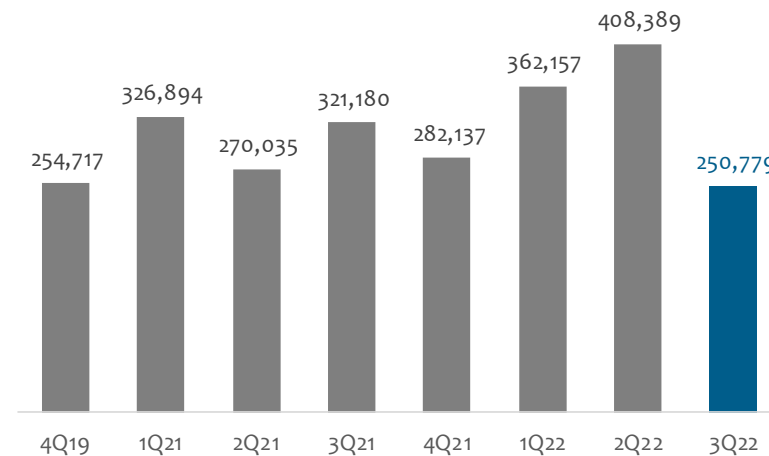
PHYSICAL SALES

Th. m³



EBITDA

MM COP



Unfavorable non-operating income, partially offset by higher operating income and lower taxes.

UNFAVORABLE NON-OPERATING RESULT (\$-77,136 million)

- > Lower other gains due to the profits generated in the sale of Gasmar during 3Q21.

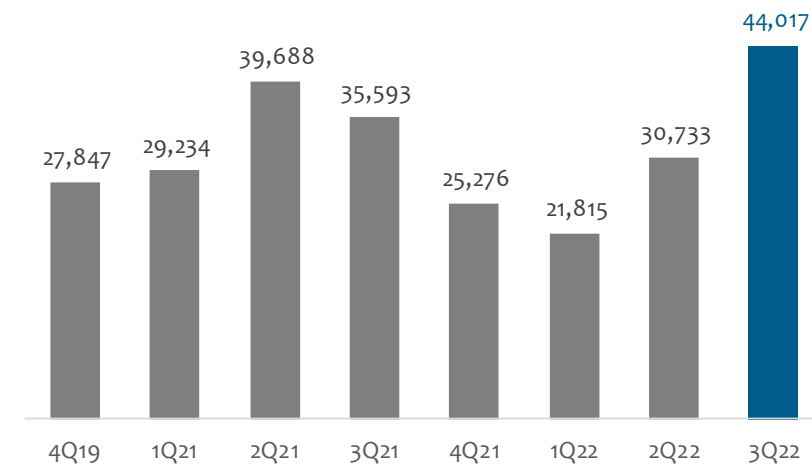
INCREASED OPERATING INCOME (\$+4,067 million)

- > Higher margins mainly in Peru and Chile.
- > Better volumes in Peru and Ecuador, increasing 9.6% and 7.6%, respectively, partly offset by decreased volumes in Colombia and Chile, decreasing 4.3% and 4.2%.

Million of Chilean Pesos	3Q 2022	3Q 2021	Change
EBITDA	44,017	35,593	8,424
Operating Income	29,592	25,525	4,067
Non operating Income	(2,516)	74,620	(77,136)
Taxes	(8,371)	(35,524)	27,153
Net Income	15,661	65,949	(50,288)

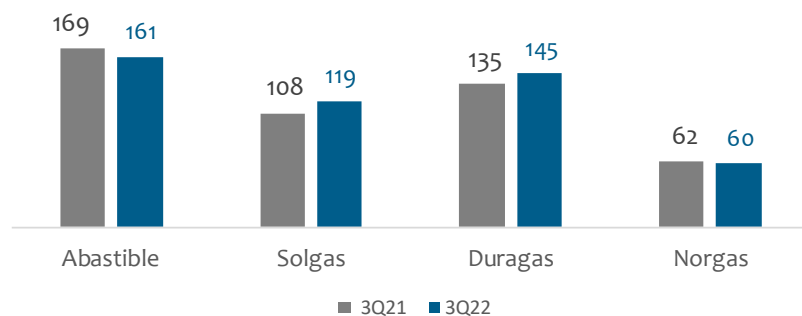
EBITDA

MM CLP



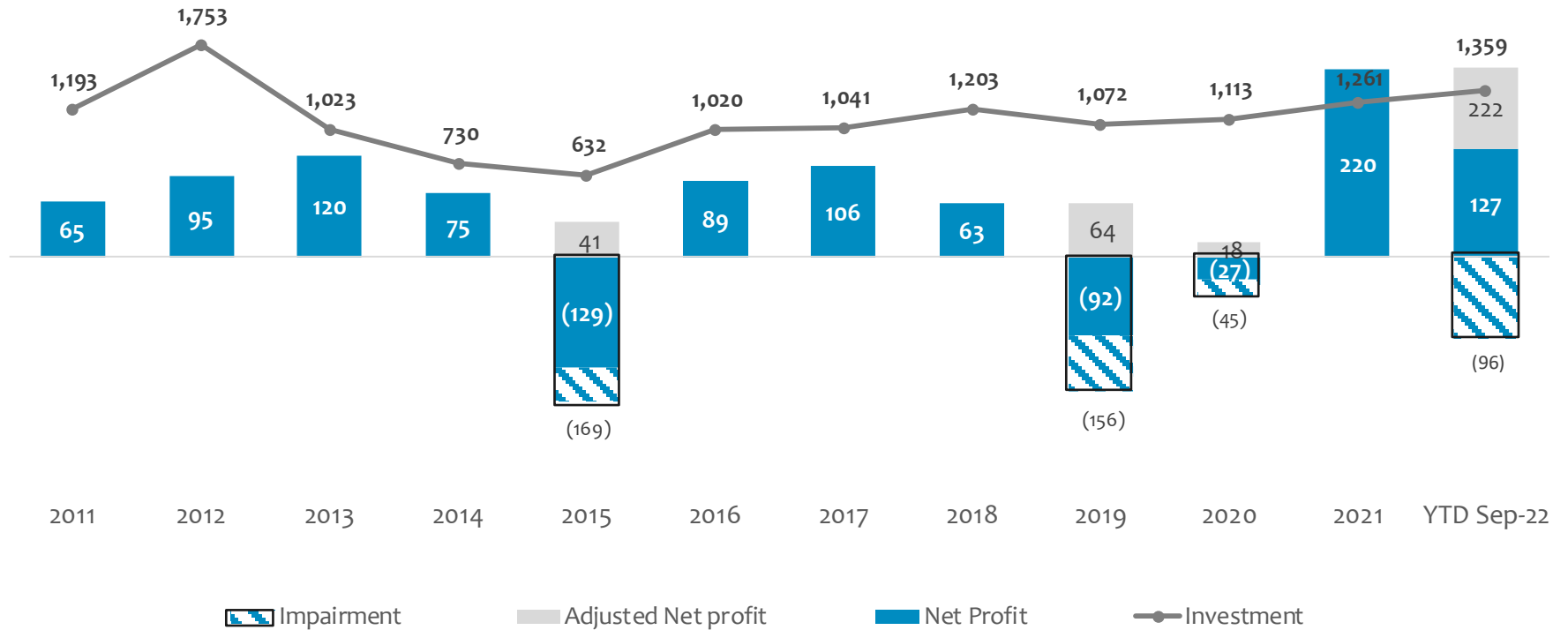
PHYSICAL SALES

Th. tons



Share of profit (loss) of associates and joint ventures

MMU\$



Impairments:

- Impairment Mina Invierno: 2015, 2019 and 2020.
- Impairment Metrogas: 2022.

Cumbres Andinas S.A.: Mina Justa is a new investment. Started operations in 2021.



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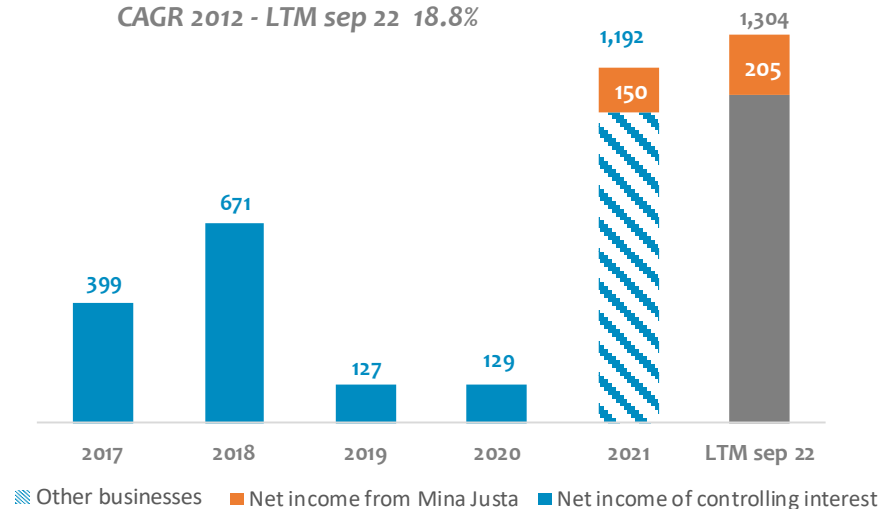
S&P Global

Investment Considerations

NET INCOME

US\$ million

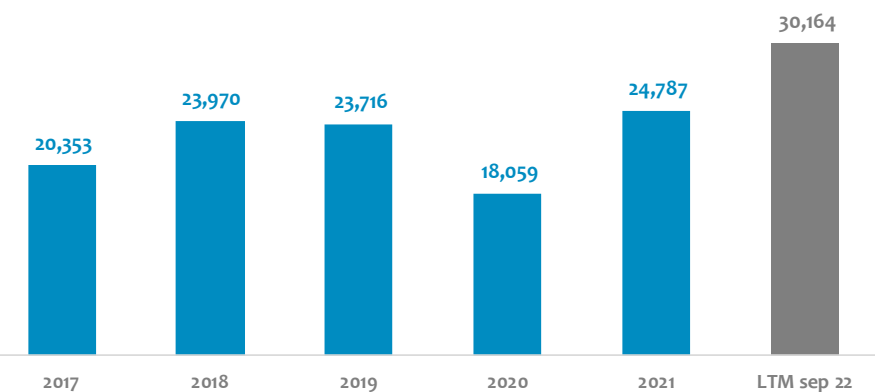
CAGR 2012 - LTM sep 22 18.8%



SALES

US\$ million

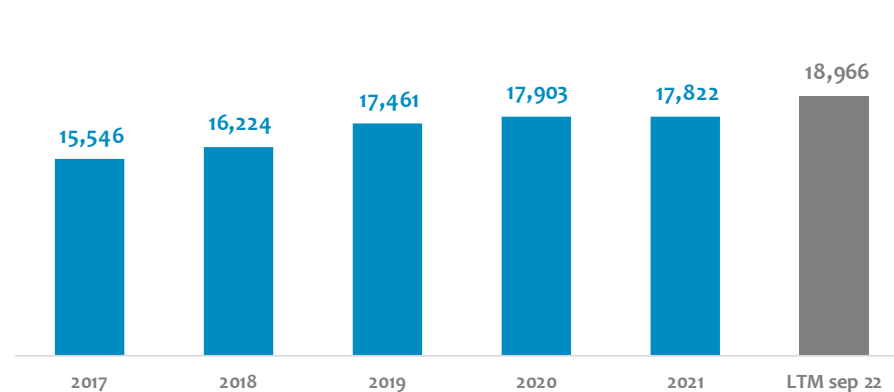
CAGR 2012 - LTM sep 22 2.9%



INVESTED CAPITAL (*)

US\$ million

CAGR 2012 - LTM sep 22 2.4%



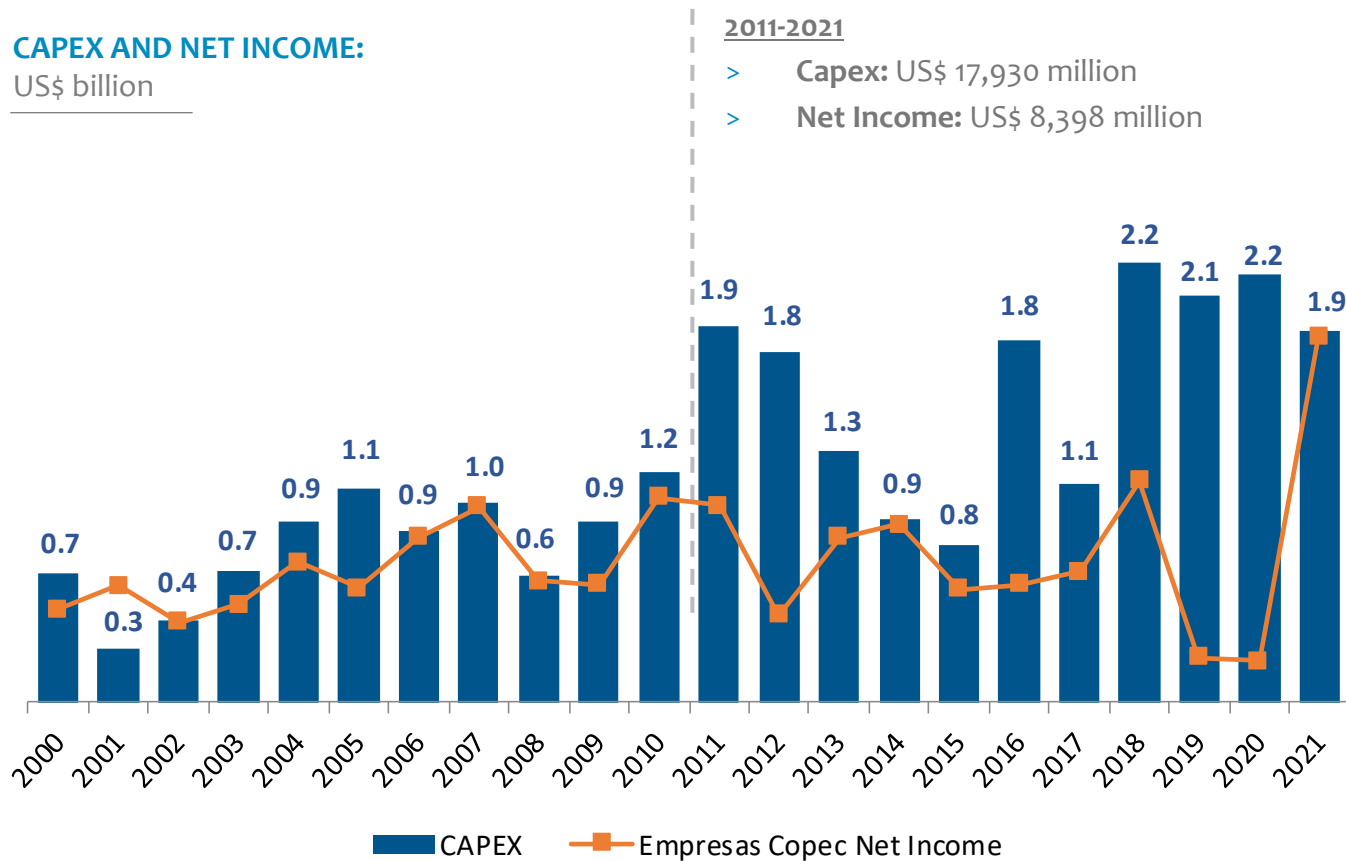
(*) Invested Capital: Debt + Equity – Equity Method Investments – Excess Cash

INVESTMENT IN 2022:

>According to Empresas Copec, the Capex for 2022 should be around US\$ 1.87 billion.

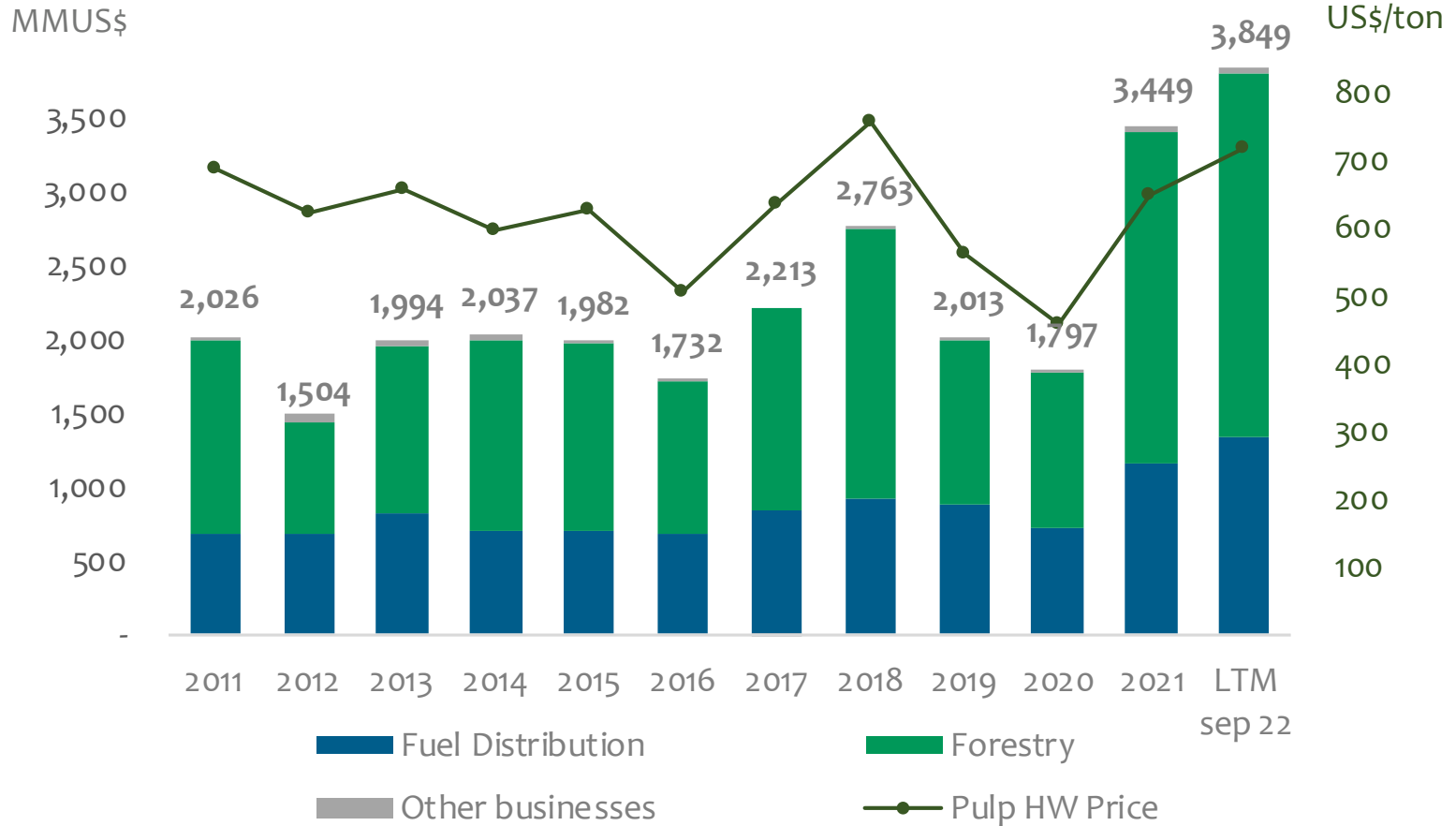
CAPEX AND NET INCOME:

US\$ billion

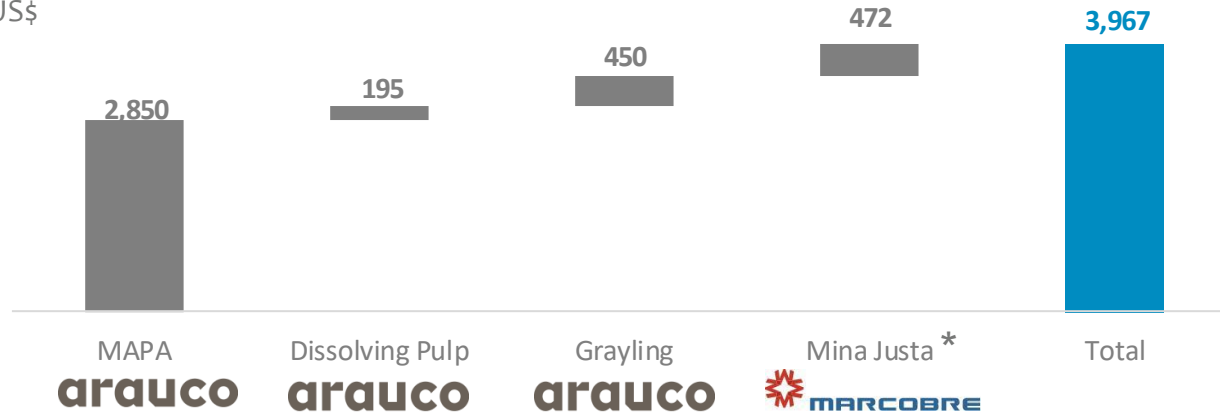


Source: Empresas Copec

EBITDA vs Pulp prices



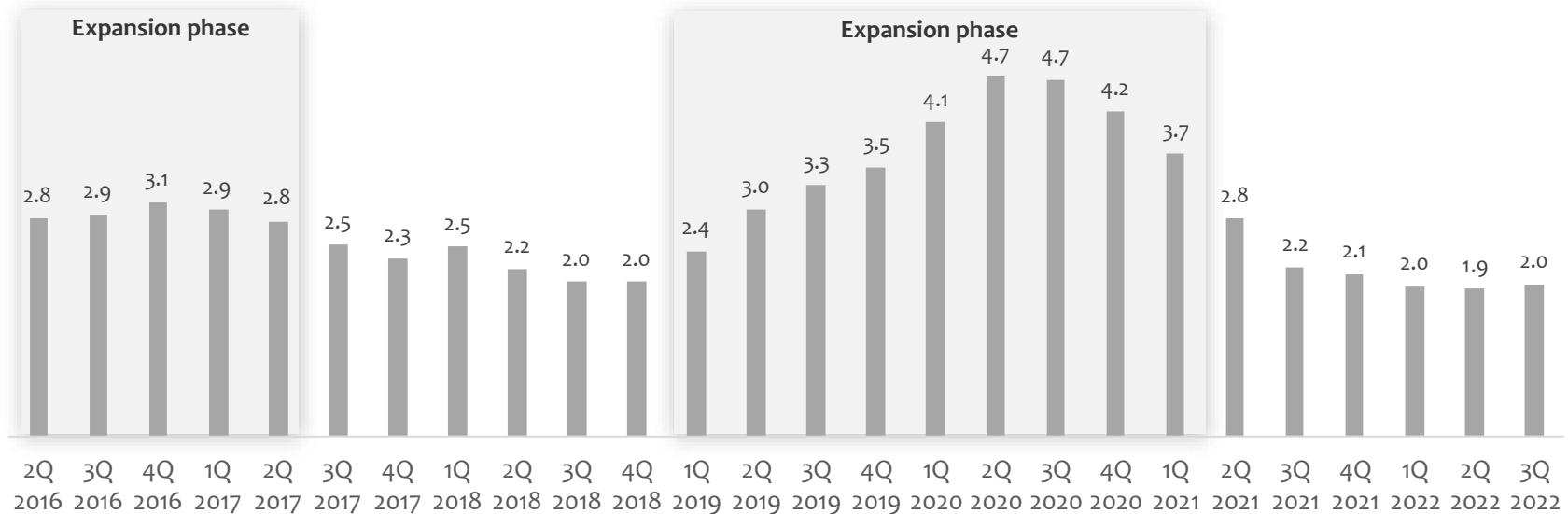
Main investments 2019-2021 MMUS\$



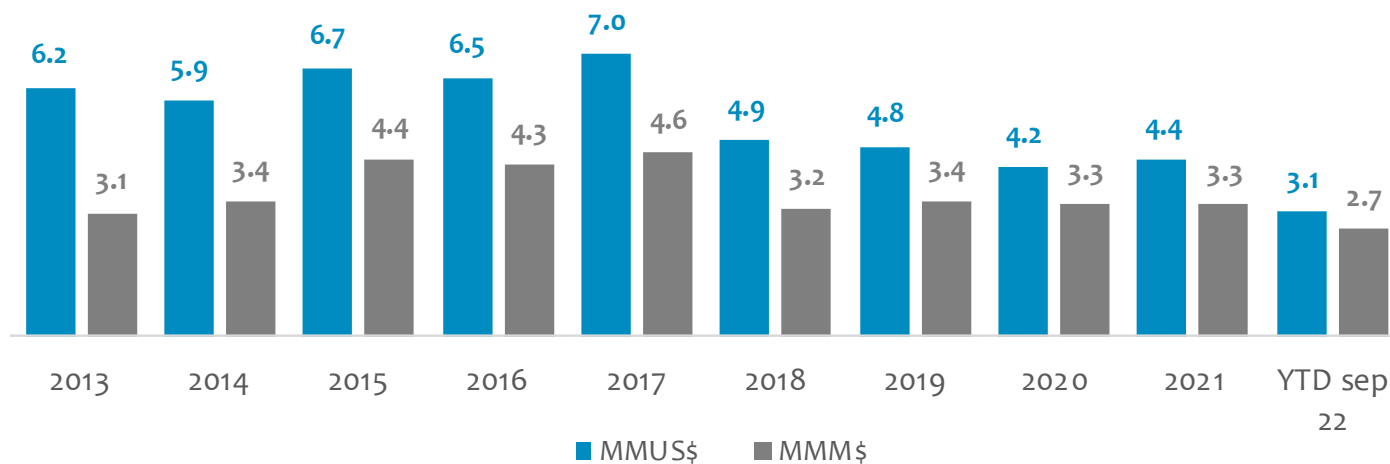
* Equity investment

Leverage reflecting expansion phases and pulp cycle

Net debt/EBITDA

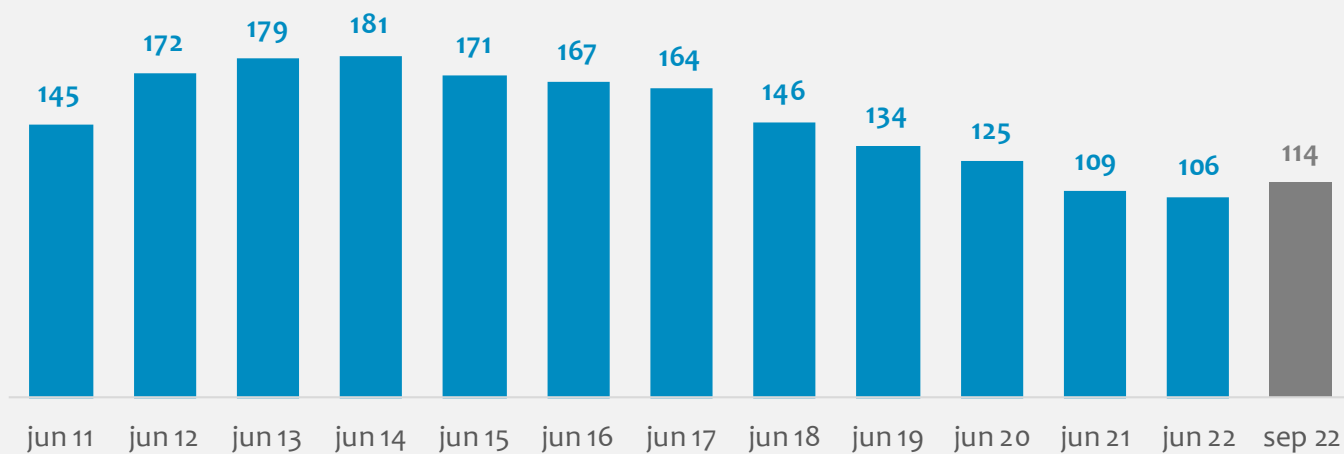


SG&A EXPENSES – ANTARCHILE (CORPORATE)



CORPORATE NET DEBT

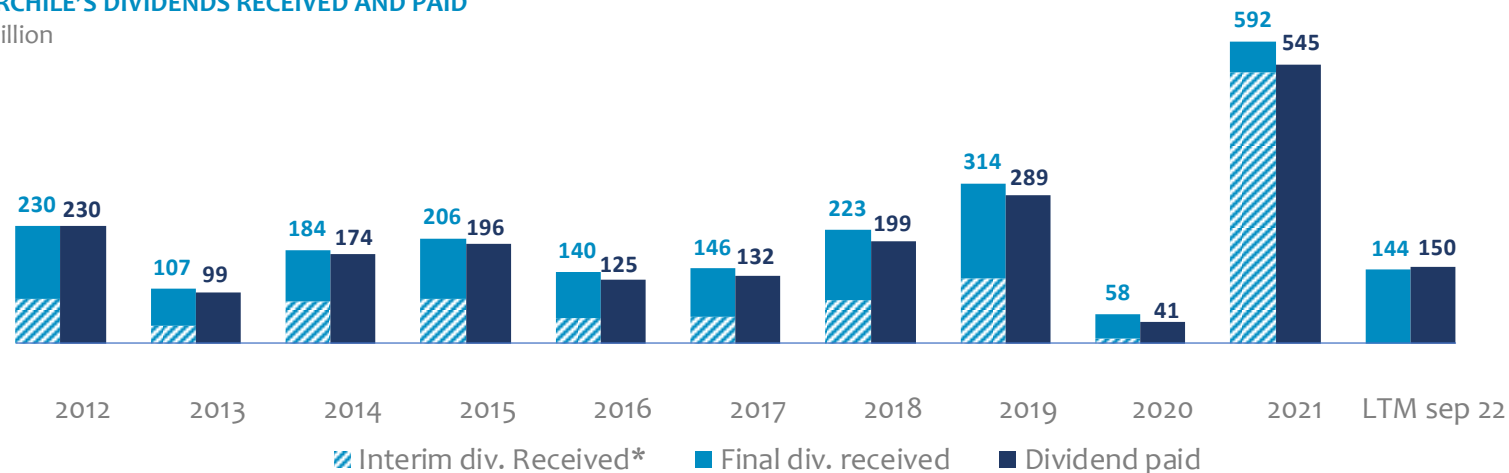
US\$ million



- > Cash in AntarChile comes mainly from dividends paid out by its subsidiaries.
- > AntarChile's dividend policy mirrors that of Empresas Copec, thus avoiding accumulation of cash at holding company level.
- > In October 2021, it was agreed to increase the dividend policy from 30% back to 40%.
- > In December 2021, AntarChile paid an interim dividend of US\$0.5303 per share (US\$ 242MM), equivalent to 100% of the extraordinary profits from the sale of forest lands and Gasmar S.A., and a majority fraction of the dividends received from Colbún S.A. In November 2021, it also paid another interim dividend of US\$0.5717 per share (US\$ 261MM), attributable to 40% of the distributable net profits of 2021.

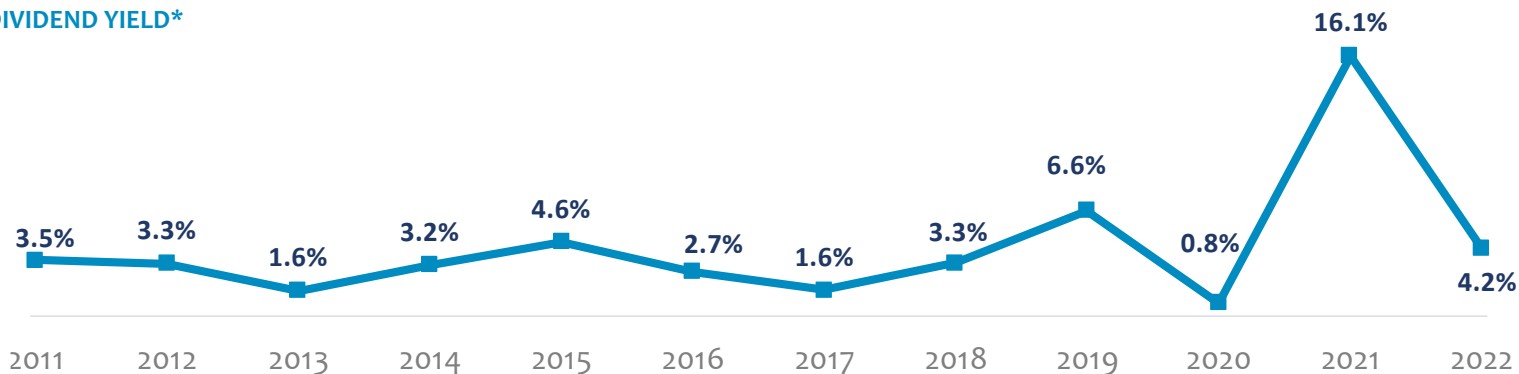
ANTARCHILE'S DIVIDENDS RECEIVED AND PAID

US\$ million



* Interim dividend are shown in the year that AntarChile distributes this dividend.

DIVIDEND YIELD*



* The dividend yield was calculated with the share price of the last day of each period.



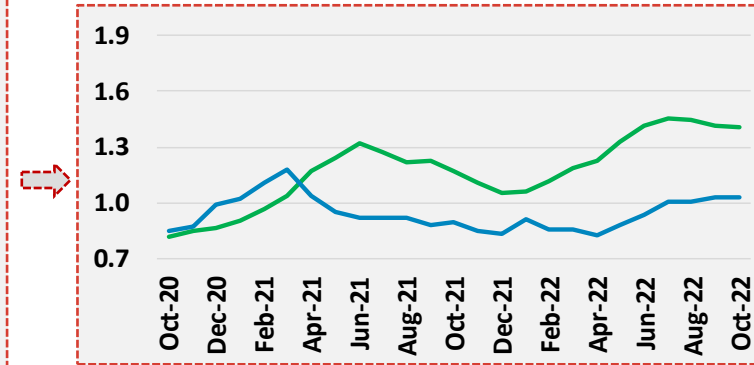
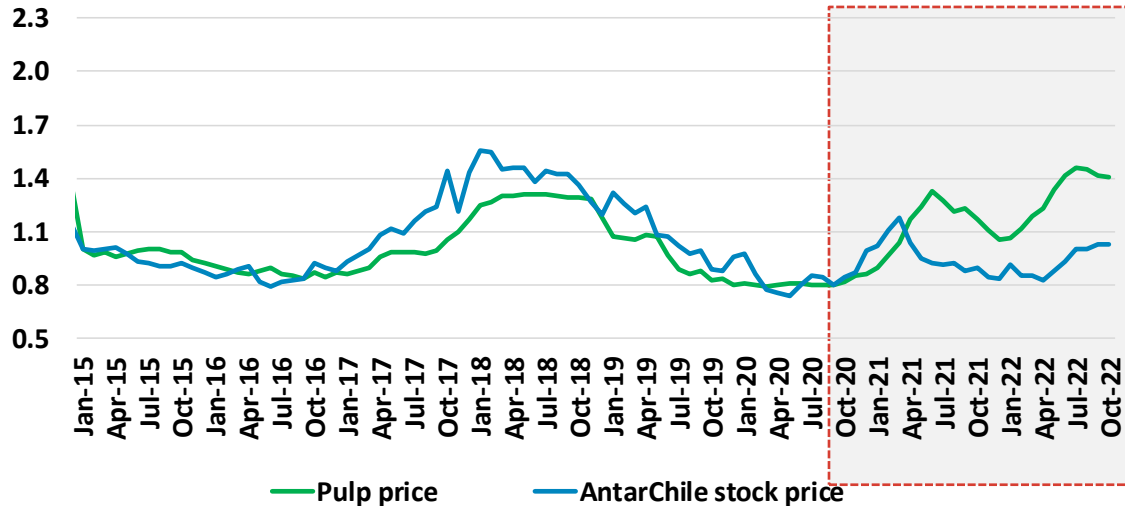
- > Between 2015-2020 AntarChile stock price in CLP was highly correlated with the pulp price (R2 = 0.86).
- > In recent months the correlation is no longer present.

Correlation between Pulp Price vs AntarChile Stock Price in CLP





Period	R2
2015-2020	0.86
LTM	0.17

Evolution Pulp Price vs AntarChile Stock Price in CLP

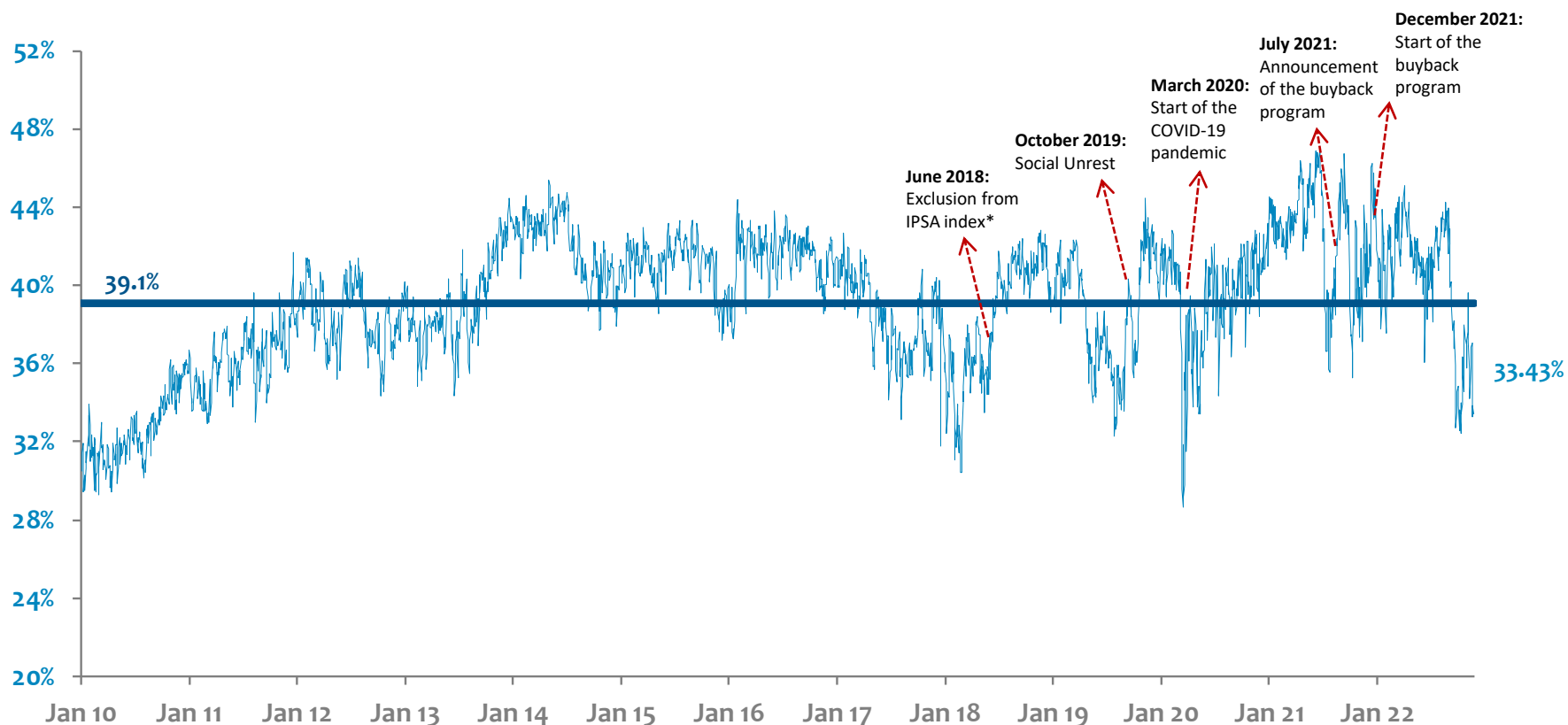
Base 2015



AntarChile's Net Asset Value (US\$ million)
as of November 28th 2022

	Participation	Market Value of AntarChile's Portfolio	Net Asset Value	AntarChile's market value
 EMPRESAS COPEC	60.82%	5,278	5,328	33.4% (discount)
 Colbun	9.58%	149		
 INVERSIONES NUTRAVALOR	18.70%	8		
 IGmar	17.51%	7		
Net debt		(114)		3,547

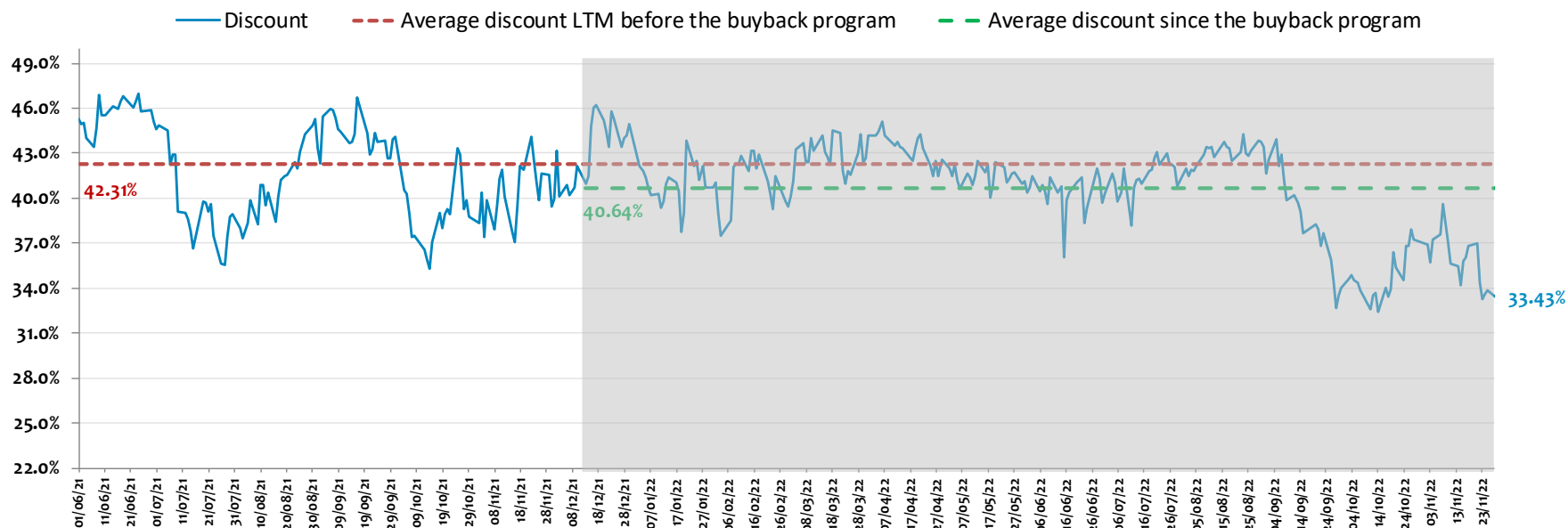
ANTARCHILE HOLDING DISCOUNT as of November 28th 2022



*The IPSA Index seeks to measure the performance of the largest and most liquid stocks listed on the Santiago Exchange. The index is rebalanced semi-annually after the close on the third Friday of March and September. As part of the rebalancing process, the index composition, and constituent stock weights are updated.

ANTARCHILE HOLDING DISCOUNT

as of November 28th 2022



ANTARCHILE STOCK LIQUIDITY

Average daily traded volume

Year	MM\$
2018	840
2019	332
2020	274
2021	436
YTD 2022	647



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