



MAKING OUR WORLD  
+RENEWABLE

2023

→ Investor Presentation

→  
A leading player in sustainable  
cellulosic fibres



\* Altri distributed 43.27% of GreenVolt shares in May 2022, bringing its stake post-distribution below 19.1%. The stake in GreenVolt is now at 16.6% after the dilution of June 2022's capital increase.

# → Altri continues to deliver a sound financial performance in recent years

|                         | 9M2022 | 9M2021 | YoY    |                                  | AVG 2015 – 2022 |
|-------------------------|--------|--------|--------|----------------------------------|-----------------|
| Revenues <sup>[1]</sup> | €806 M | €585 M | 38%    | ROCE <sup>[2]</sup>              | 17.9%           |
| EBITDA <sup>[1]</sup>   | €223 M | €178 M | 25%    | Divid. Yield <sup>[3]</sup>      | 7.1%            |
| EBITDA mg               | 27.7%  | 30.4%  | -2.7pp | Divid. Yield 2022 <sup>[4]</sup> | 5.1%            |

<sup>[1]</sup> All figures exclude the activity of GreenVolt at the Revenue and EBITDA levels, which were classified as 'Discontinued operations' in light of the upcoming separation of the businesses

<sup>[2]</sup> Return On Capital Employed (EBIT/(Shareholders Equity + Net Debt))

<sup>[3]</sup> Based on each years 1H's average stock price

<sup>[4]</sup> Calculated only based on cash dividend (€ 0.24 per Altri share). Excludes dividend in kind (shares of GreenVolt), equivalent to € 1.74 per Altri share)



# THE GLOBAL PULP MARKET

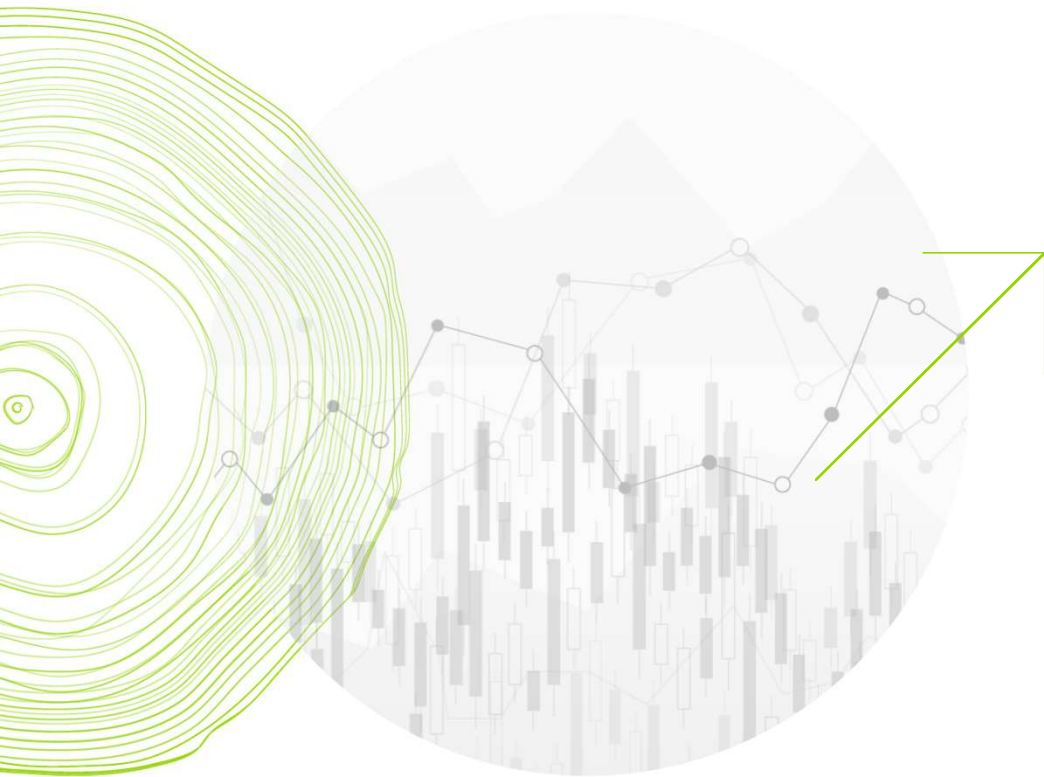
A sound outlook

2022

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# The global BHKP market boasts strong secular drivers



## Market Drivers & Trends

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- 1 Urbanization
- 2 Growing and aging population
- 3 Growth from emerging markets
- 4 Packaging → Paper vs Plastic
- 5 Textile Market → Wood Based Fibers

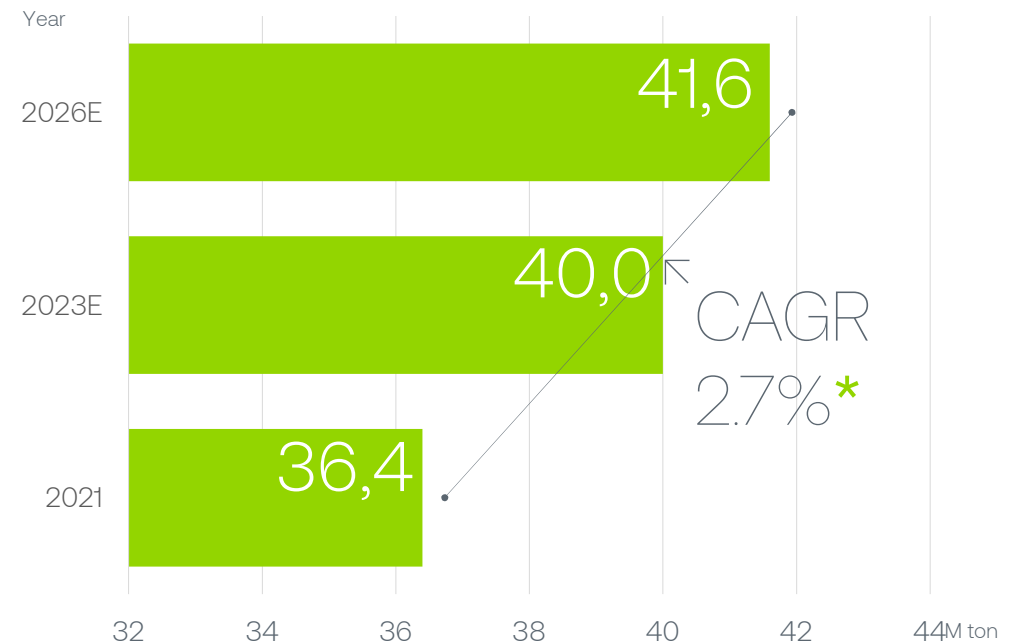


# Global demand for BHKP is expected to increase at 1.0M ton/year until 2026

The increase is driven by Tissue, Packaging and Specialities.

≈ 4.9 M/ton  
until 2026

BHKP Global Demand (2021-2026E)



\* equivalent to c. 1.0M ton/year after 2021.

Source → PPPC's Chemical Market Pulp Forecast 2021-2026 (April 2022).

# → China expected to account for 86% of the world demand for BHKP until 2026



| World BHKP Annual Demand per geography (2020-2026E) | 2020          | 2021          | 2022E         | 2023E         | 2024E         | 2025E         | 2026E         | % p.a. 2021-2026E | 000' tons 2021-2026E |
|-----------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|----------------------|
| North America                                       | 3 281         | 3.296         | 3.362         | 3.223         | 3.321         | 3.364         | 3.387         | 0,6%              | 91                   |
| West Europe                                         | 7 822         | 8.206         | 8.493         | 7.715         | 7.895         | 7.709         | 7.600         | -1,5%             | -647                 |
| East Europe                                         | 1 526         | 1 528         | 1.482         | 1.408         | 1.509         | 1.581         | 1.653         | 1,7%              | 125                  |
| Latin America                                       | 2 617         | 2 662         | 2.861         | 2.694         | 2.779         | 2.833         | 2.884         | 1,7%              | 222                  |
| Japan                                               | 878           | 977           | 1.114         | 1.075         | 1.072         | 1.063         | 1.062         | 1,9%              | 85                   |
| China                                               | 15 891        | 13 974        | 14.975        | 16.214        | 17.023        | 17.730        | 18.440        | 5,4%              | 4.280                |
| South Korea                                         | 1 348         | 1 306         | 1.423         | 1.324         | 1.289         | 1.263         | 1.237         | -0,9%             | -68                  |
| Other Asia                                          | 3 857         | 3 746         | 4.108         | 4.181         | 4.349         | 4.468         | 4.555         | 4,1%              | 814                  |
| Others                                              | 675           | 707           | 727           | 741           | 765           | 784           | 802           | 1,9%              | 71                   |
| <b>TOTAL</b>                                        | <b>37 895</b> | <b>36 402</b> | <b>38.545</b> | <b>38.575</b> | <b>40.002</b> | <b>40.795</b> | <b>41.620</b> | <b>2,7%</b>       | <b>4 973</b>         |
| Growth (000' tons)                                  | 2 155         | -1 493        | 1.898         | 30            | 1.437         | 793           | 825           |                   |                      |
| Growth (YoY %)                                      | 6.0%          | -3.9%         | 5,2%          | 0,1%          | 3,7%          | 2,0%          | 2,0%          |                   |                      |

Structurally tight



Source → PPPC's Chemical Market Pulp Forecast 2021-2026 (April 2022), (000' tons)



The average pulp price (BHKP) since 2017 points to US\$ 950/ton and sector specialists point for new mid terms prices US\$ 1,050-US\$ 1,150

| BHKP Prices - Europe | 2017 | 2018  | 2019 | 2020 | 2021  | 2022  |
|----------------------|------|-------|------|------|-------|-------|
| AVG (US\$/ton)       | 819  | 1 037 | 858  | 680  | 1 011 | 1 286 |

Source → FOEX





→  
**Multiple factors**  
remain in place for a positive outlook  
for the P&P industry despite a more  
cautious 2023

- 1 Some economic slowdown from North America and the EU is affecting demand for more cyclical end use segments such as P&W and Decór. Tissue remains sound.
- 2 China re-opening may bring positive economic/ demand news after the New Year. Sustained lower energy costs may improve economic outlook in Europe.
- 3 Inventories at European Ports recovered from 5 year low levels in July to average levels (and stable) during the 4Q22.
- 4 New capacity from LatAm players should arrive to the market by early 2H23 after a tight 2022. The market should become more balanced adding to the absorption by organic market growth.
- 5 High growth segments as textiles and plastic shift to paper should continue to bolster market growth prospects.



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Operational excellence  
in the pulp business

2022

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# → Altri pulp assets

## 3 Pulp Mills

1 175 000 ton/year

Celbi

800 000

ton/year (BEKP)

Biotek

260 000

ton/year (BEKP)

Caima

115 000

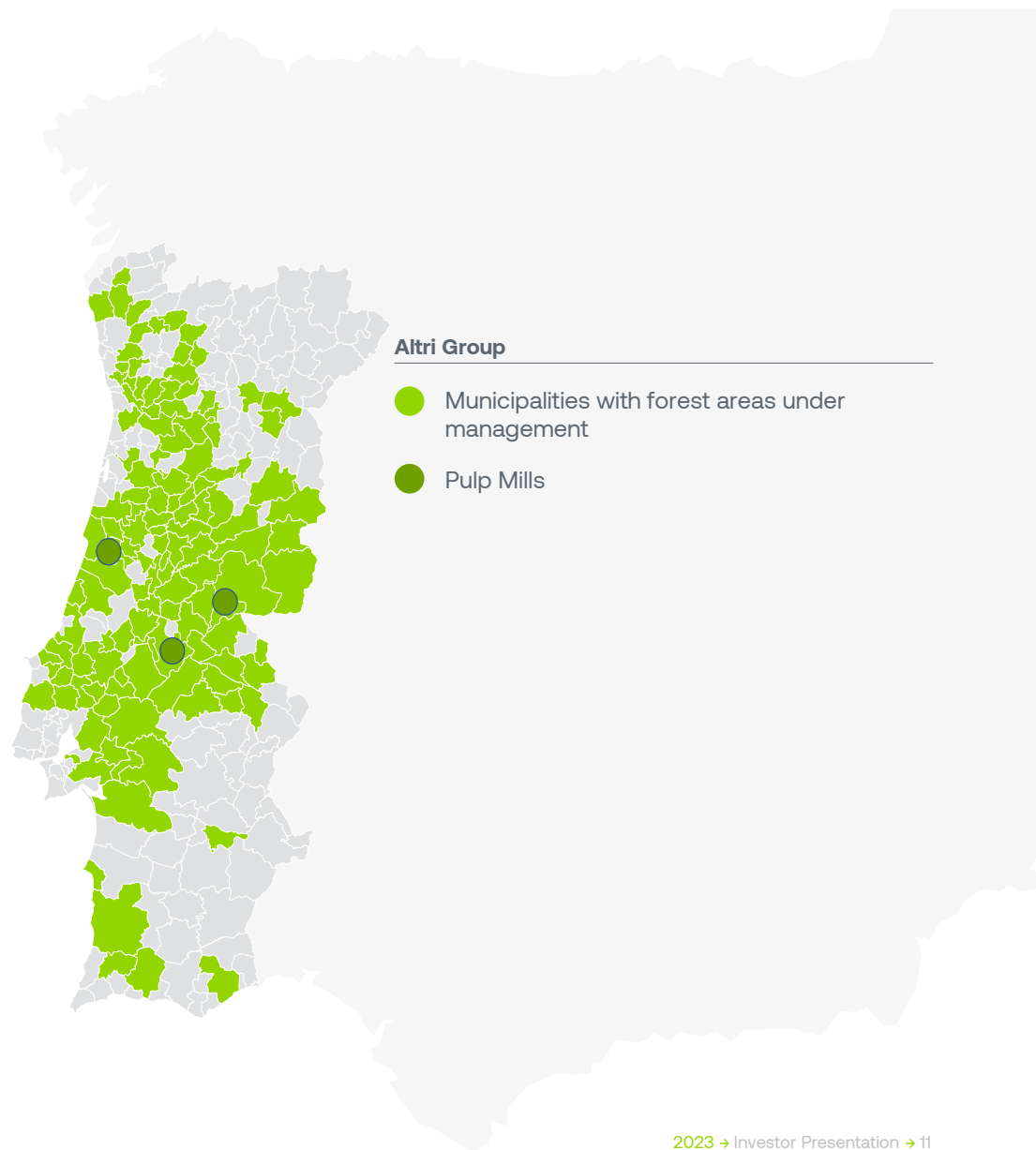
ton/year (DWP)

## Forest

90 000 ha

Of Certified Forest Management  
(FSC® & PEFC™)

- 21% self sufficiency rate
- Mainly focused on eucalyptus globulus
- High yield locations
- 10/12 years growing age





# Focus on proximity markets

which account for c.90% of total sales while tissue remains the top end use segment



## Sales\* Breakdown By Geography

2021

|                             |     |
|-----------------------------|-----|
| Europe (excl. Portugal)     | 61% |
| Portugal                    | 14% |
| Asia                        | 7%  |
| Others (mostly Middle East) | 18% |

\* Sales figures measured in tonnes.

## Sales\* Breakdown By End Use

2021

|             |     |
|-------------|-----|
| Tissue      | 50% |
| P&W         | 19% |
| Decor       | 7%  |
| Specialties | 6%  |
| Packaging   | 2%  |
| Other       | 8%  |
| Dissolving  | 8%  |

\* Sales figures measured in tonnes.



# Entire organisation strongly committed around delivery of the 2030 SDG targets

## 2030

COMMITMENT  
AND  
ALIGNMENT  
WITH THE  
SUSTAINABLE  
DEVELOPMENT  
GOALS

### -60% GhG

Commitment to decrease CO<sub>2e</sub> footprint: targeted reduction of controlled emissions (scope 1 and 2) of 60% by 2030.

### -50% Water

Altri is a Global benchmark in water usage but aims higher: further reduction of 50% by 2030.

### 80% Certified Wood

All Altri's forestry assets are certified (FSC & PEFC) with the goal of having 80% of sourced timber come from certified suppliers by 2030 (vs 69% in 2021).

### Zero Fossil Fuel

Fossil Fuel free by 2030. Launched in January 2022, the 'Caima Go Green' project should guarantee that one out of three Altri plants will have total energy autonomy without the use of any fossil fuels by 2024.

### Gender Diversity

Double the number of women in management roles.

### Biodiversity

Altri has an ambitious target of doubling the natural conservation area under management by 2030 (from 8000 ha in 2018), defending the diversity of our environmental heritage.



# Altri is at the forefront of environmental transparency

with carbon footprint and water usage per ton.  
included in the client's invoices

Environmental information per ton. included in Altri's invoices



## GHG Emissions\*

Scope 1 and 2:

**131** KgCO<sub>2</sub>e

Scope 3:

**256** KgCO<sub>2</sub>e



## Use of Water\*

**19** m<sup>3</sup>



## Renewable Primary Energy Consumption\*

**90** %

\*per 1ton of pulp. Average figures for Altri mills 2021.

Altri Sustainability Report at [www.altri.pt](http://www.altri.pt)



# Altri's sustainability efforts have been recognized by external experts

## Sustainalytics

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Sustainalytics rated Altri as a 'Low risk company' ranking in the top #10 of the Global P&P sector.

## CDP

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CDP, a non-profit organization that rates the environmental impact of companies, regions and nations, has rated Altri 'B for Climate Change'\*.

\* CDP scores band ranges from A to D-, with A representing the highest scores





## Altri is working on several growth opportunities with the new project in Galicia at the forefront



1

Pursue selective opportunities in the pulp space.

2

Organic growth, debottlenecking and process optimisation.

3

Focus on specialities and high growth segments, such as textiles and bioproducts.

3.1.

The MoU signed with Impulsa (includes Galician authorities) for construction of a greenfield site to produce dissolving pulp and sustainable fibres in the North of Spain is a key step in that direction.



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# PROJECT GAMA(Galicia)

Bridging forest to  
sustainable fibres

2022

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## → PROJECT GAMA

Altri's goal is to build the most sustainable cellulosic based fiber plant in the world with the support of partners and local authorities

# Ownership

### Altri

Majority shareholder (over 51%)

### Partners

Focus to onboard one or more partners that could add value and de-risk the project.

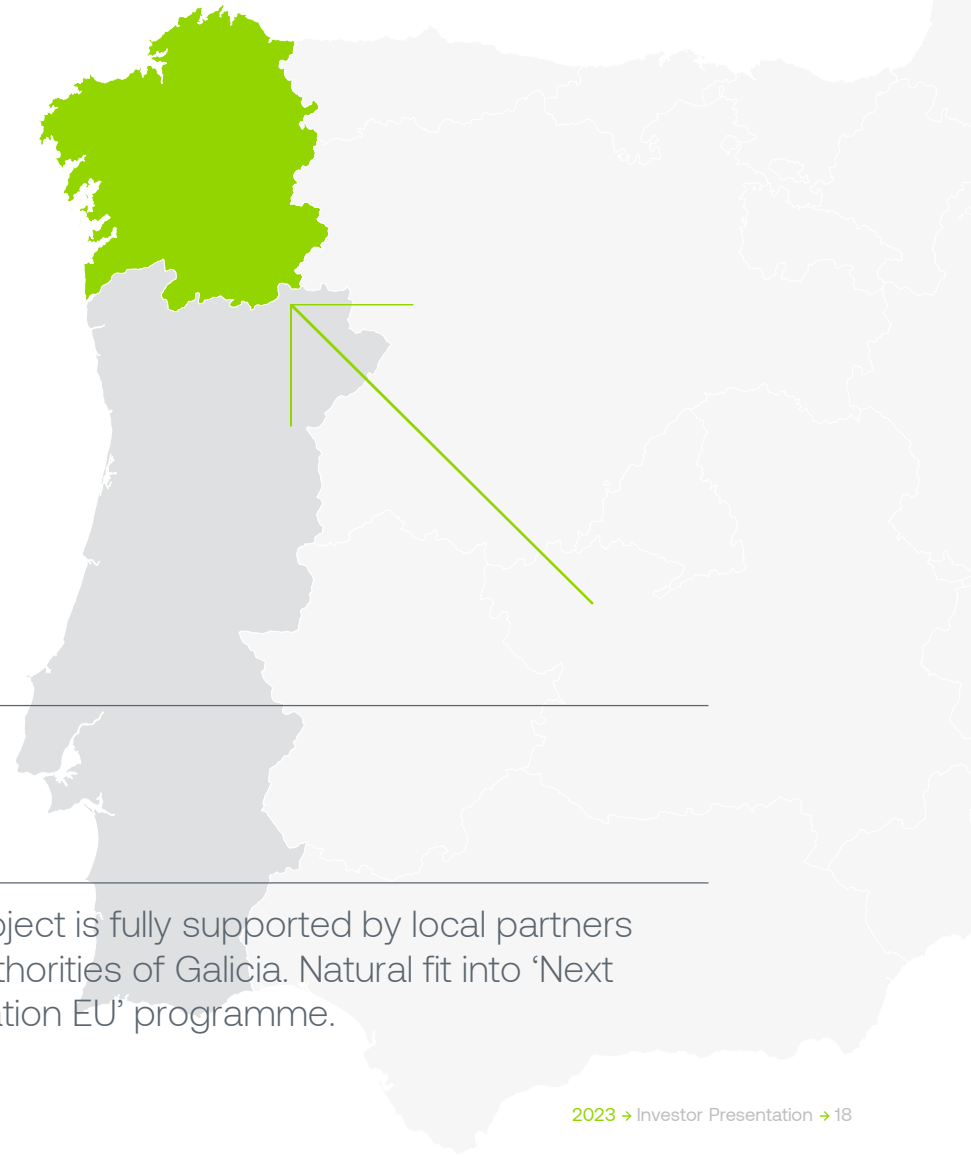
### Investment

+€750M

### Support

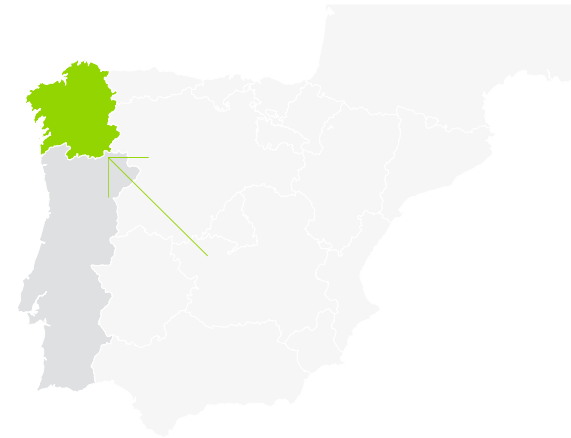


Our project is fully supported by local partners and authorities of Galicia. Natural fit into 'Next Generation EU' programme.



→ PROJECT GAMA

**Altri believes this project**  
can add significant value to the European textile  
industry as well as its stakeholders



Project  
Gama



Sustainably sourced  
Eucalyptus



Dissolving Pulp (DWP) Mill  
200k ton/y



Integrated Lyocell Plant  
Initially 60 ton/y + (120k ton/y)

Textile  
Value Chain



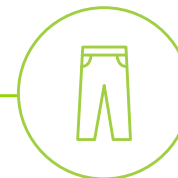
Lyocell Fibre



Yarn



Fabric



Garment  
Manufacturing

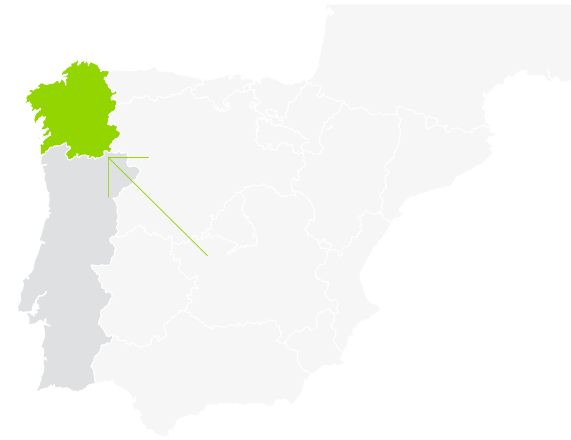


Brand  
Owners

→ PROJECT GAMA

# Altri intends to build a benchmark project

## For efficiency and sustainability KPIs



1

Become the most sustainable cellulosic based fiber industrial unit in the world (production, energy, consumption, etc).

2

Use sustainably sourced certified wood.

3

Make mills completely fossil fuel free.

4

Bleached pulp using totally chlorine-free technology.

5

Sell excess green energy to the grid.

6

Be a benchmark in cash cost KPIs.

7

Strengthen the European textile industry through regional production and circularity.

8

Project double-digit IRR.

# → Project Gama

Undergoing several studies to make a FDI by June 2023

## Potencial location announced

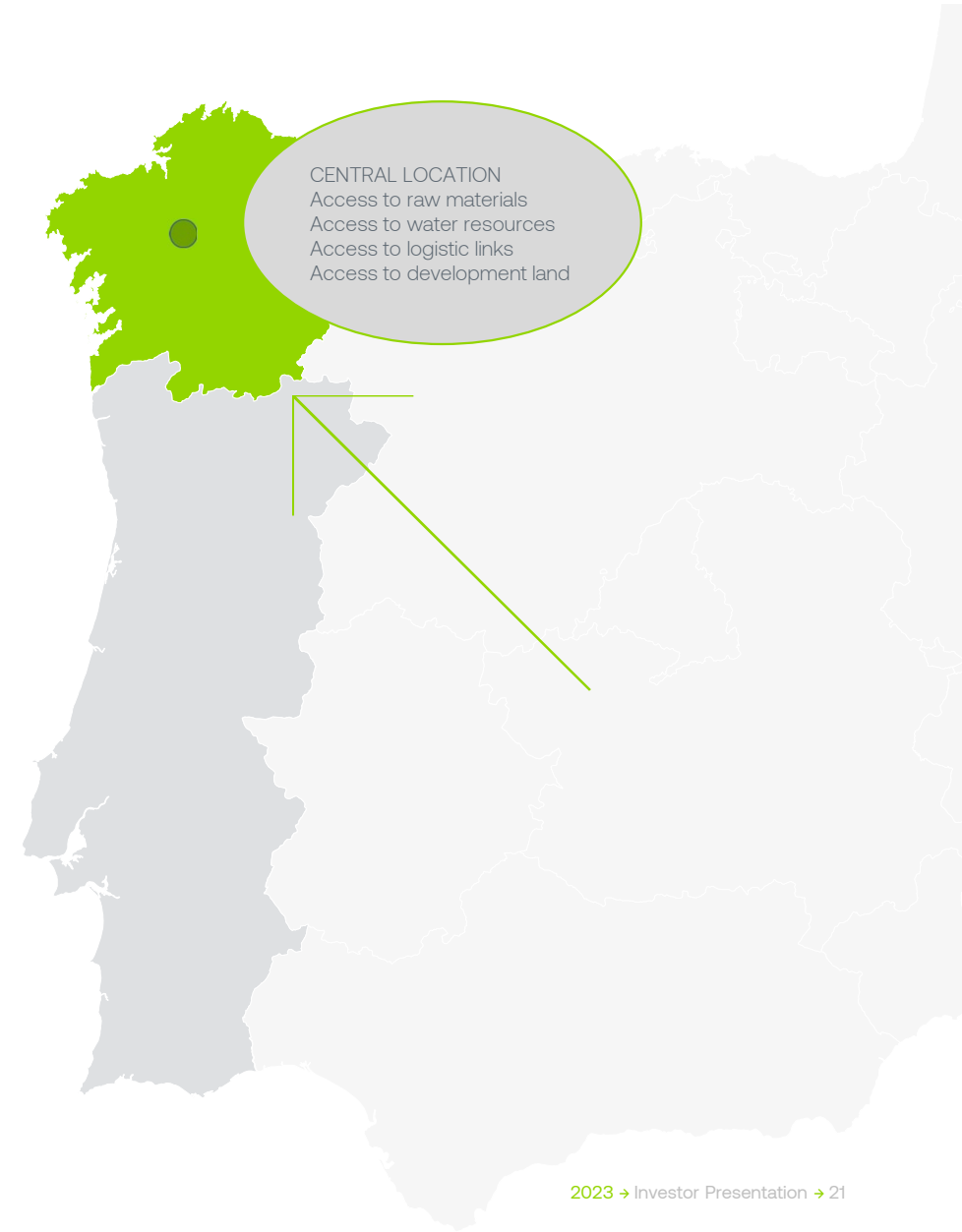
200ha in the area of Palas de Rei within the region of Lugo in Galiza (Spain) was announced in April 2022 as the potential location

## ‘Strategic interest project’

On December 2022, the regional authorities approved Gama as *Strategic Industrial Project*, allowing a faster track for licenses, etc.

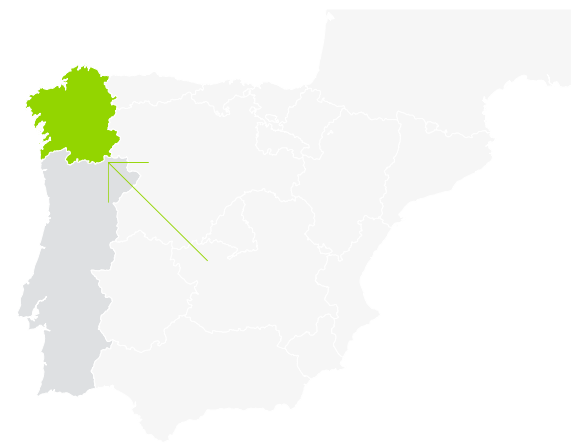
## Next steps undergoing

The environmental impact study, the detailed engineering plan, the economic viability plan, the access to EU subsidies and request of the proper licenses to the Authorities.

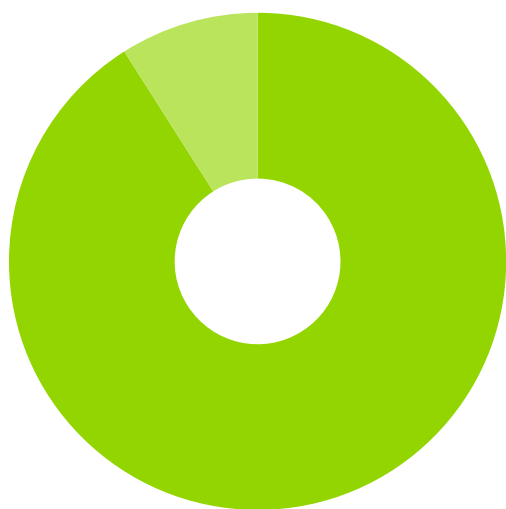


→ PROJECT GAMA

Altri's revenue profile will become more diversified and less volatile



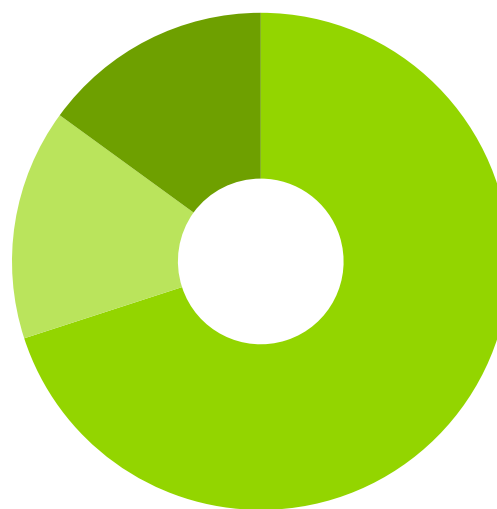
Revenues 2021



|        |     |
|--------|-----|
| ● BHKP | 91% |
| ● DWP  | 9%  |



Revenues beyond 2025\*



|           |           |
|-----------|-----------|
| ● BHKP    | 60% — 70% |
| ● DWP     | 15% — 20% |
| ● Lyocell | 15% — 20% |

\* Assuming the 200K dissolving pulp and a 60k lyocell line. If we assume a full integration with a 200k lyocell line, the weight of lyocell would be > 30%.



# FINANCIAL HIGHLIGHTS

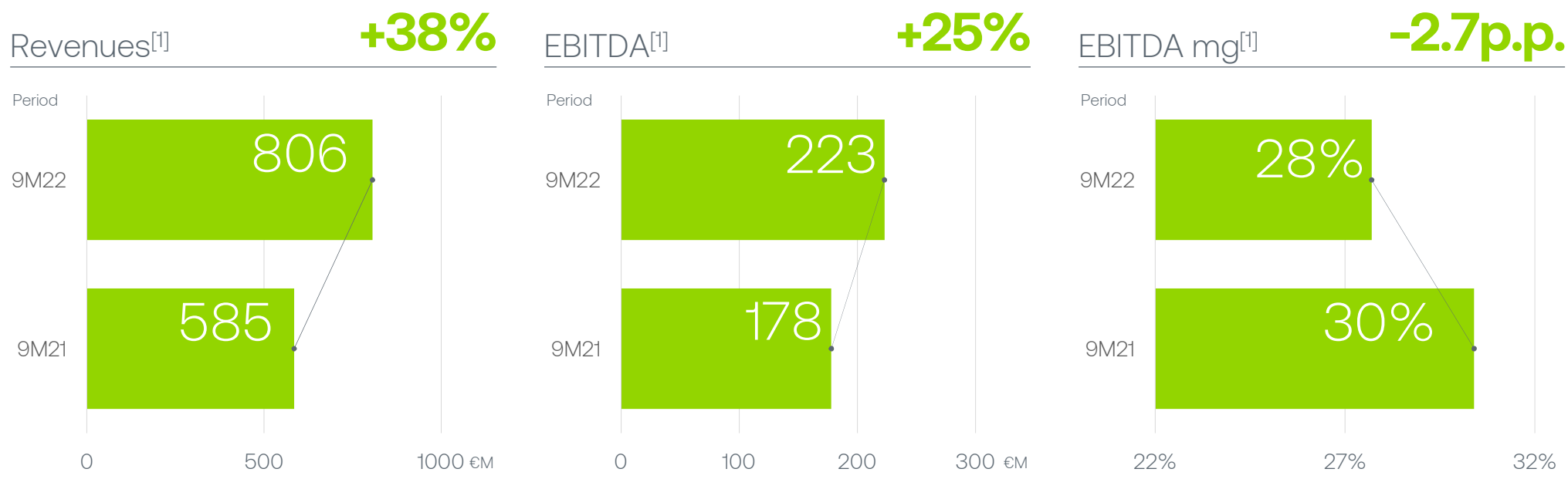
2022

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# Strong financial performance

driven by the positive trends in pulp prices and production levels, and despite cost inflation challenges



<sup>[1]</sup> exclude the activity of GreenVolt at the Revenue and EBITDA levels, which were classified as 'Discontinued operations' in light of the separation of the businesses



## Cash costs should...

stabilize (and decline) in 2023 due to energy and other related items as inflation concerns recede

## Electricity & Natural Gas

Electricity regime of self consumption since August guarantees a positive contribution as a 40% excess energy producer. Natural gas is now at significantly lower levels than in mid 2022 and partially hedged.

## Wood

More inflation linked but lower import needs expected for 2023.

## Chemicals & Logistics

Chemical costs should tend to decrease in 2023 given its strong correlation with energy prices. Logistics with limited impact as the strong decreases in prices were in the long distance freights.



→  
**Healthy financial position**  
with funding provided mostly by domestic  
banks

|                 | 2021   | 9M22   |
|-----------------|--------|--------|
| Group level     | €490 M |        |
| Pulp business   | €344 M | €360 M |
| Energy business | €146 M |        |

1.3x

NET DEBT / EBITDA

3.0

Years of Average Maturity

<2%

Average Interest Rate

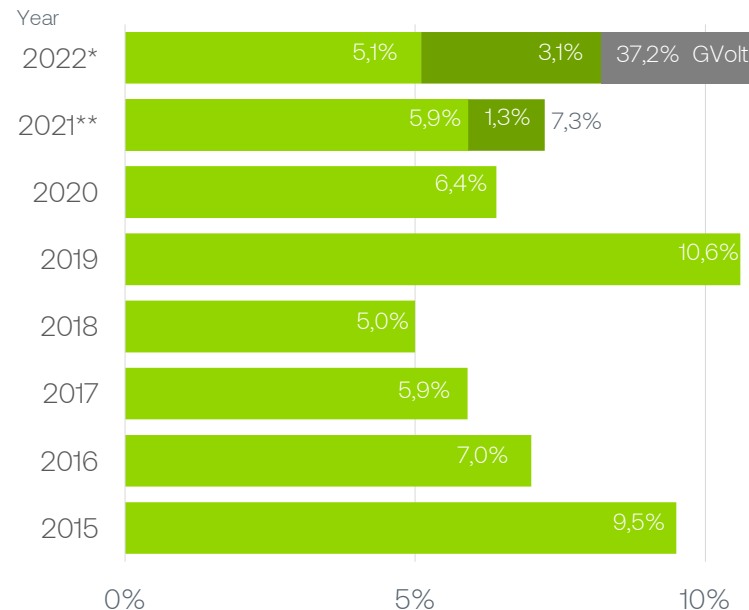
Covenant-  
Free

# → Altri is a sector reference in shareholder value creation and dividend distribution

## Accum. Dividends 2015-2022

€936M  
representing  
81% of the  
market cap<sup>[1]</sup>, of  
which €563M  
cash dividends

## Dividend Yield\*\*\*

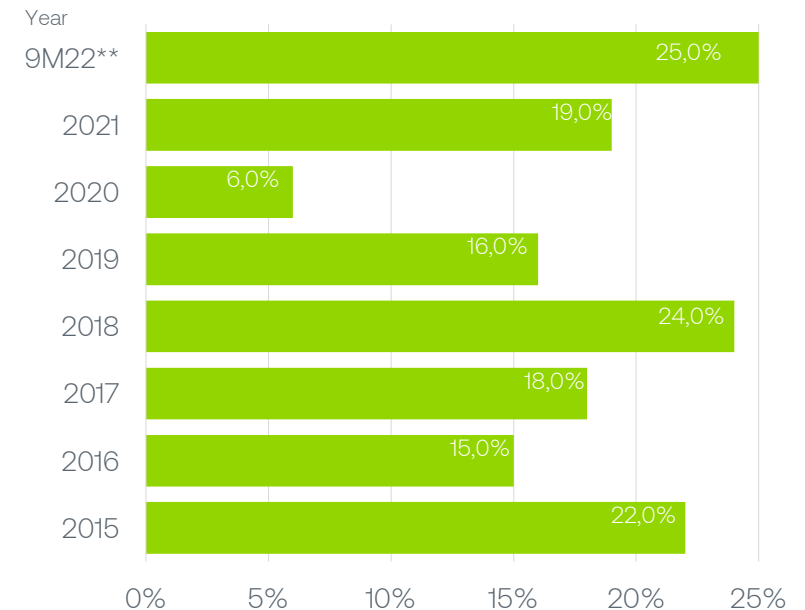


\* 45,4%: 18% is Cash and 82% in shares of GreenVolt at 6.78 ref. price

\*\* 81% is Cash and 19% in shares of GreenVolt at IPO Price

\*\*\* Based on each year 1H's average share price

## ROCE\*



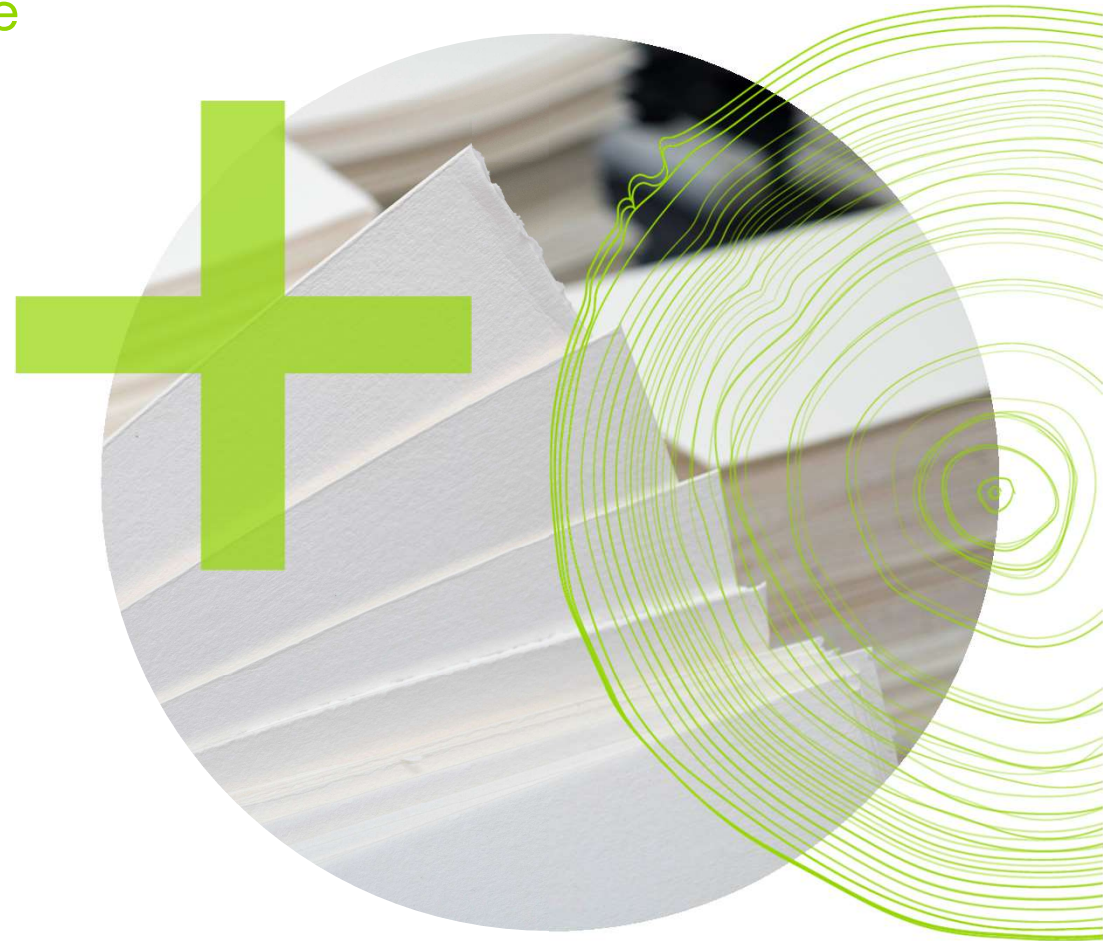
\* Return On Capital Employed (EBIT / (Shareholders Equity + Net Debt))

\*\* Calculation based on annualized 9M22 EBIT

# → Altri's value proposition

## Performance and sustainability excellence

- 1 Supportive long-term industry fundamentals.
- 2 Strong operational performance.
- 3 Most efficient hardwood pulp producer in the EU.
- 4 Focus on sustainability targets.
- 5 Sound shareholder remuneration.
- 6 Positioning for the next stage of growth. Project Gama a key value driver for Altri's long-term plans.





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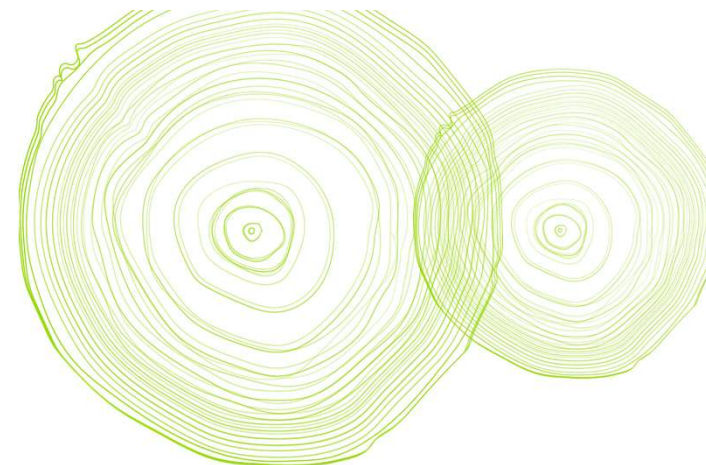
ANNEXES

2022

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# → Sustainability

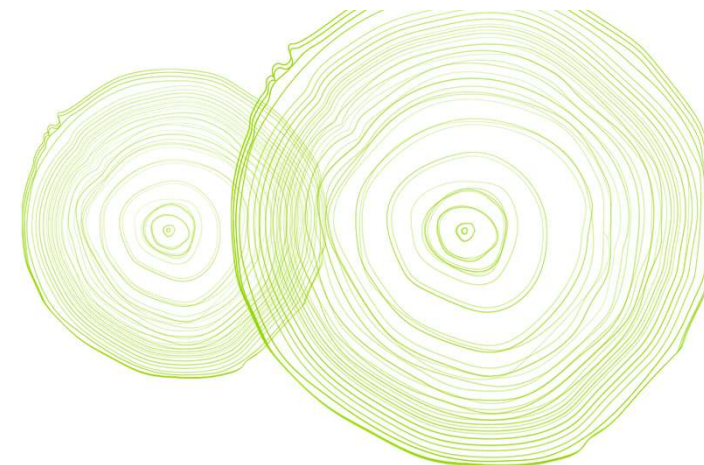
## Commitment 2030 (I)



|                                           | Commitment                                                                                                         | 2018 | 2030 Goal |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------|-----------|
| 6 CLEAN WATER AND SANITATION              | Reduce unit water use (m <sup>3</sup> / ADTP) in Altri's industrial facilities by 50%                              | 20   | 10        |
| 6 CLEAN WATER AND SANITATION              | Reduce the organic load (COD, kg O <sub>2</sub> / ADTP) in Altri's industrial effluents by 60%                     | 11   | 4         |
| 7 AFFORDABLE AND CLEAN ENERGY             | Increase the amount of renewable electric energy injected into the national electricity grid (GWh) by at least 60% | 625  | 1 000     |
| 7 AFFORDABLE AND CLEAN ENERGY             | 100% of the primary energy consumed at Altri's industrial facilities from renewable sources                        | 83%  | 100%      |
| 5 GENDER EQUALITY                         | Double the number of women in leadership roles                                                                     | 19   | 38        |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 100% of process waste recovered or reused                                                                          | 77%  | 100%      |

# → Sustainability

## Commitment 2030 (II)



|                                                                                                                          | Commitment                                                                           | 2018                                                 | 2030 Goal |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------|-----------|
| 13 CLIMATE ACTION<br>                   | Reduce unit GHG scope 1 and 2 emissions by 60% (kgCO <sub>2</sub> /ADTP)             | 192                                                  | 66        |
| 13 CLIMATE ACTION<br>                   | Reduce scope 3 emissions by 30% (kgCO <sub>2</sub> /ADTP)                            | 292                                                  | 202       |
| 15 LIFE ON LAND<br>                     | Increase the percentage of consumed wood with forest management certification by 40% | 57%                                                  | 80%       |
| 15 LIFE ON LAND<br>                   | Duplicate the area under natural conservation management (ha)                        | 7 980                                                | 16 000    |
| 15 LIFE ON LAND<br>                   | Develop 13 biodiversity stations and biospots                                        | 2                                                    | 15        |
| 8 DECENT WORK AND ECONOMIC GROWTH<br> | Aim to have zero lost-time injuries*                                                 | Continuous improvement in order to achieve this goal |           |

\* More than 3 days lost



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