



altri

1Q23

→ Conference Call



→ Main highlights of 1Q23

New phase of the Pulp cycle

First months of 2023 register a fast destocking in the Pulp & Paper value chain which affected volumes. Tissue strong and P&W softer.

Cash Costs start to decline

Quarterly EBITDA of €50.2 M. Cash Costs per ton. started to decline vs 4Q22. Further reductions ahead.

Net Debt/EBITDA LTM at 1.1x

Net Debt of € 328 M implies a flexible Net Debt/EBITDA ratio to accommodate future projects

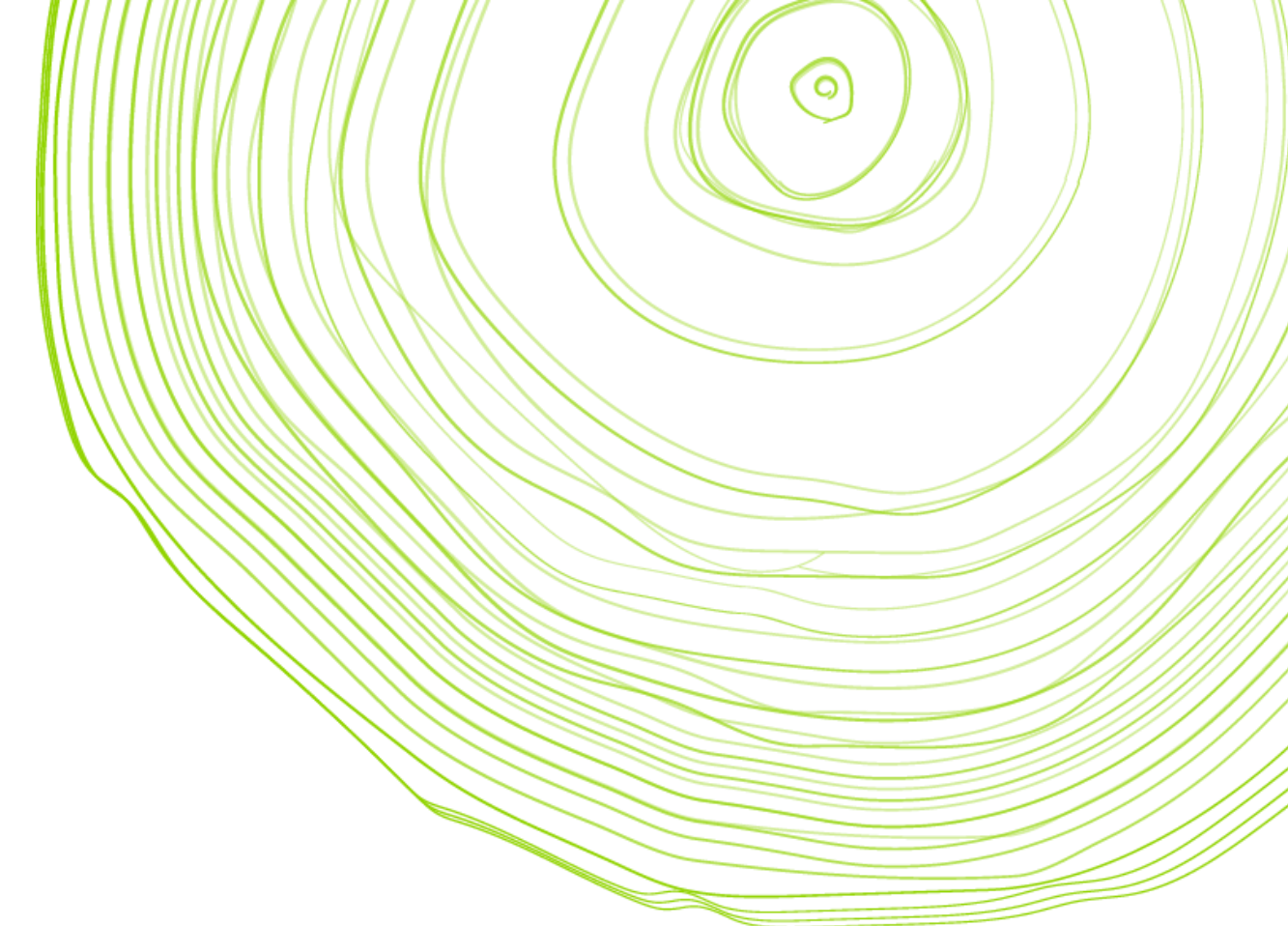
Advancing Gama

Altri continues highly focused to gather all the pieces together to make an appropriate decision regarding the Gama project in 2023.



Market highlights (I)

Inventories at European Ports trending higher during the 1Q23 given the global destocking process



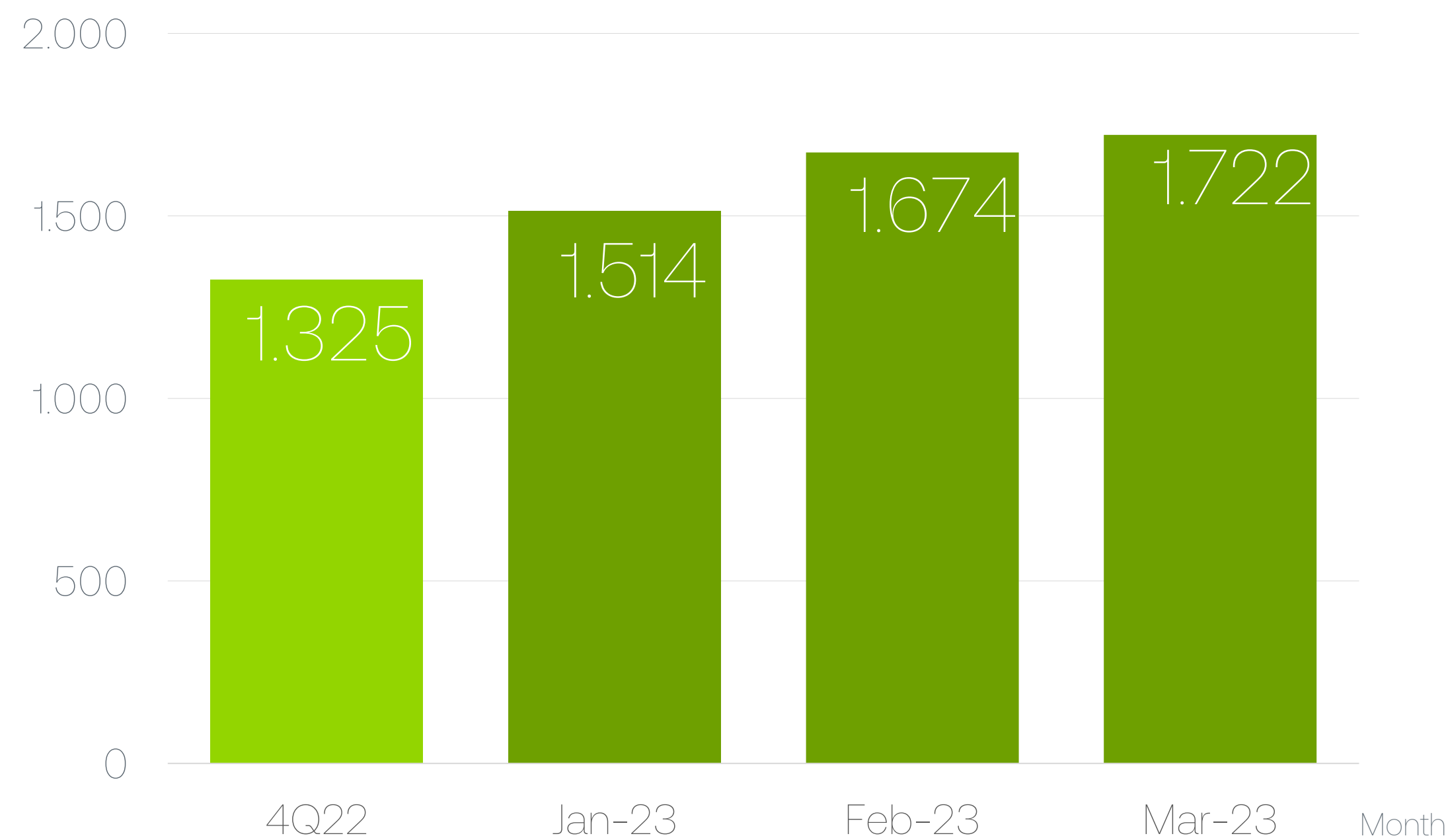
Yearly Pulp Stocks at European Ports *

000' tons



Monthly Pulp Stocks at European Ports *

000' tons



*Monthly end-of-period stocks. Monthly average for annual values.

Source → Europulp (Federation of the National Associations of Pulp Sellers in Europe)

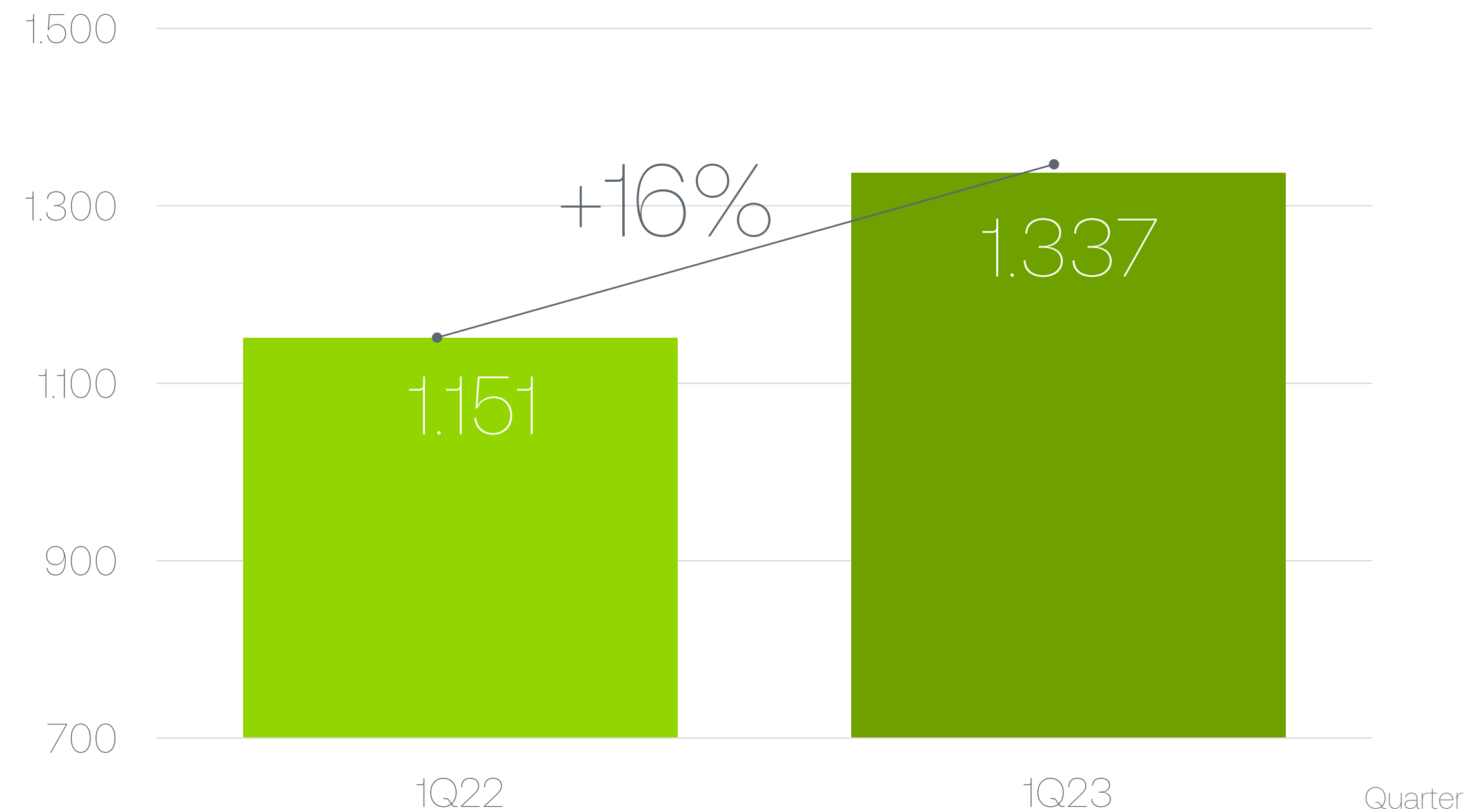


Market highlights (II)

Hardwood pulp prices in Europe started to decline in February ending the quarter at US\$ 1,280/ton. During the 1Q23, average prices decreased by 3% QoQ, which translates in 8% decline in EUR terms

Avg. Pix Prices (BHKP - Europe)

US\$/ton



Source → Foex.

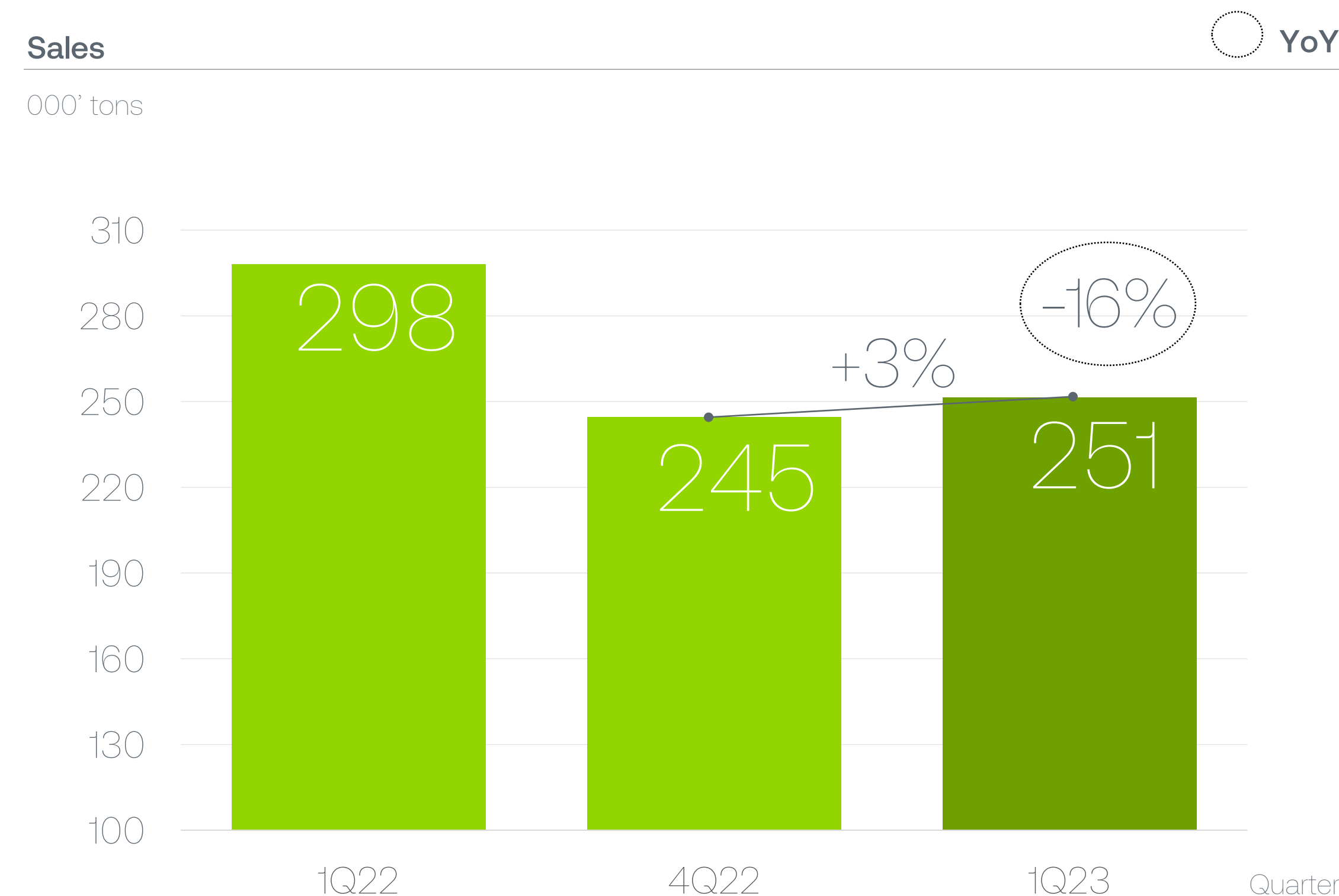
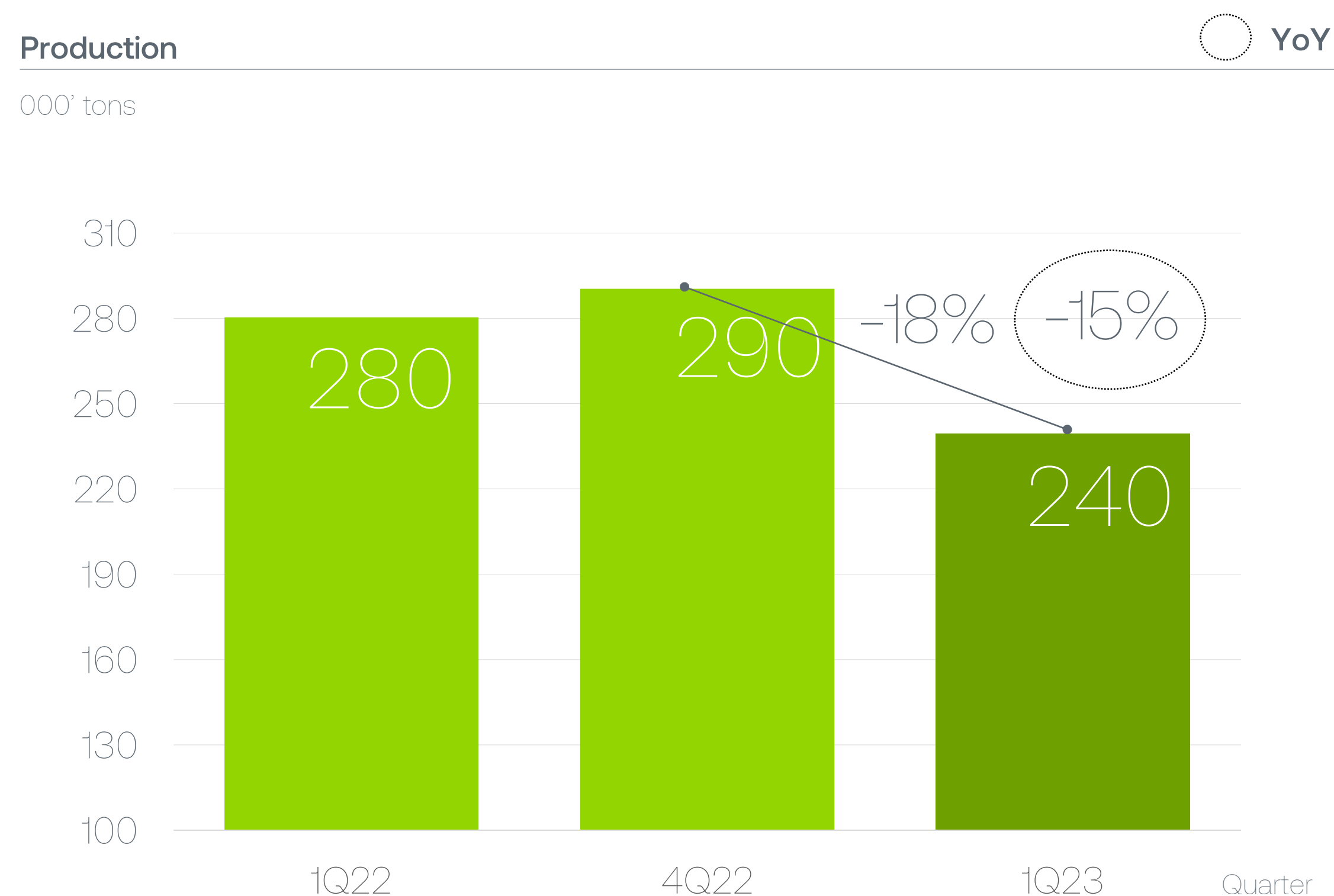
US\$/ton



Source → Foex.

→ Operating highlights (I)

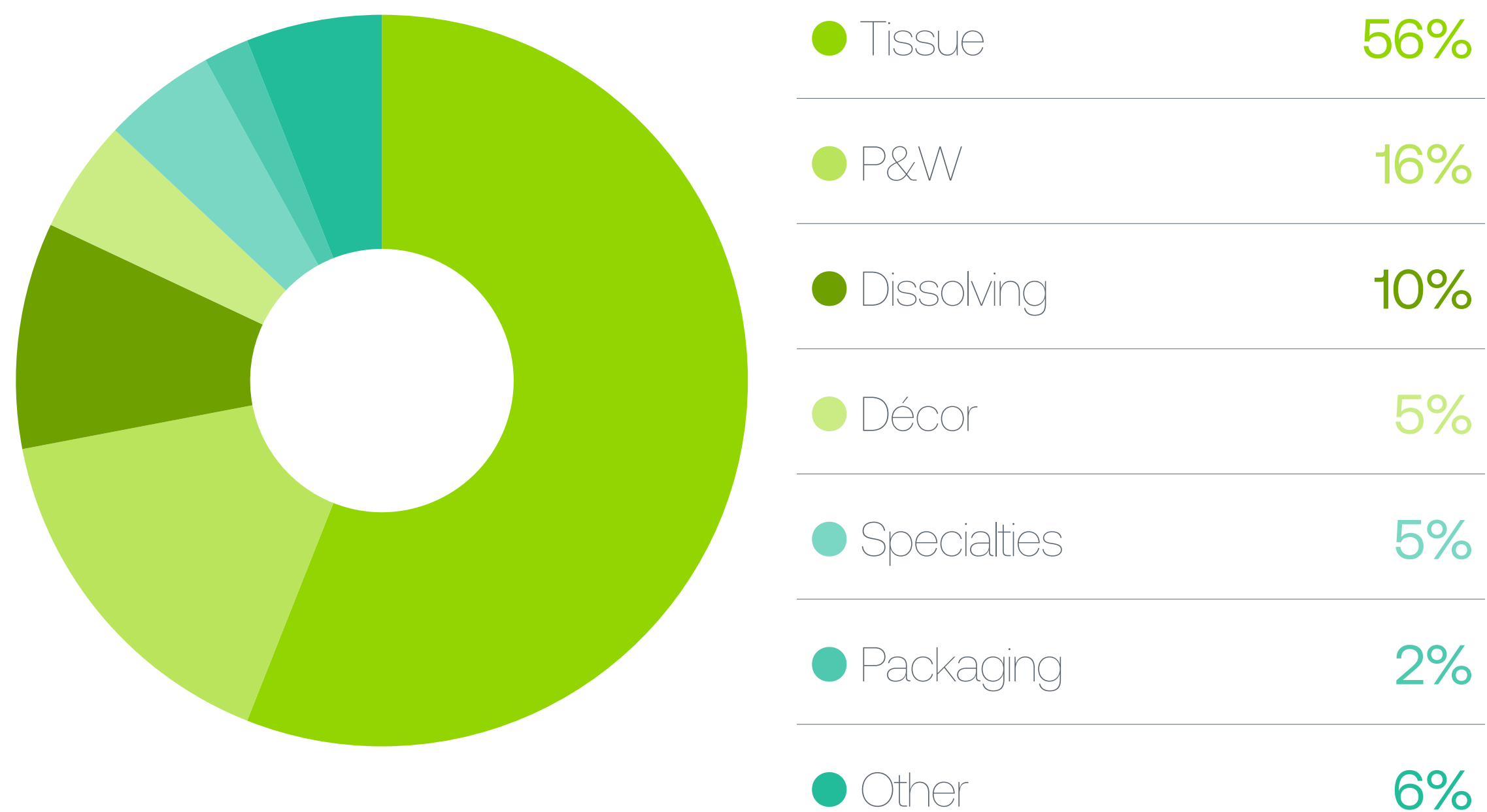
Lower production volumes due to programmed downtime at Celbi.
Sales volumes affected by a softening demand during the 1Q23, as a consequence of the destocking process in the P&P sector value chain



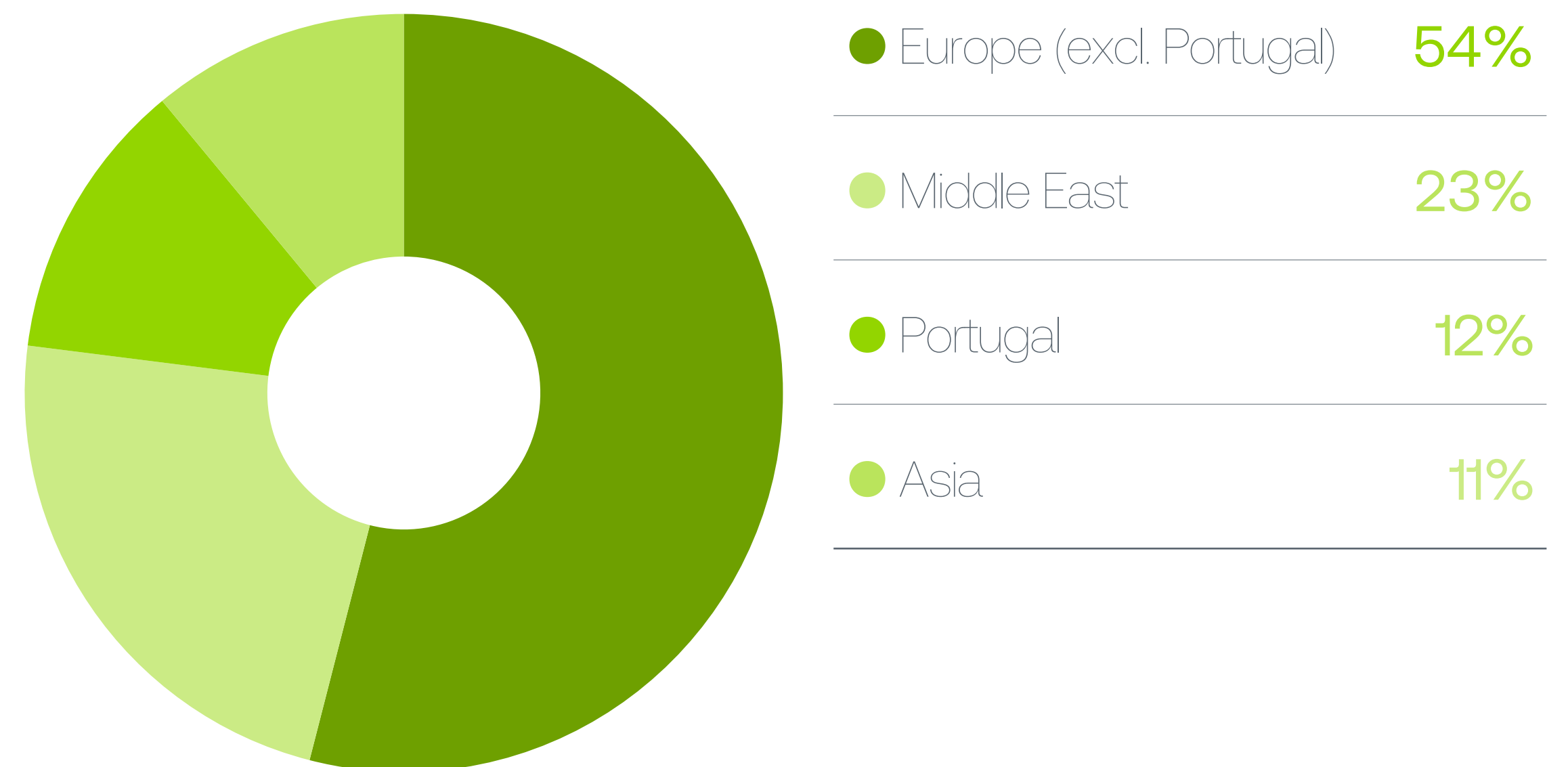
→ Operating highlights (III)

Demand for Tissue remains solid. The destocking process was more noticeable in the more cyclical segments such as P&W, Décor and Packaging

Sales volume breakdown 1Q23 by end use



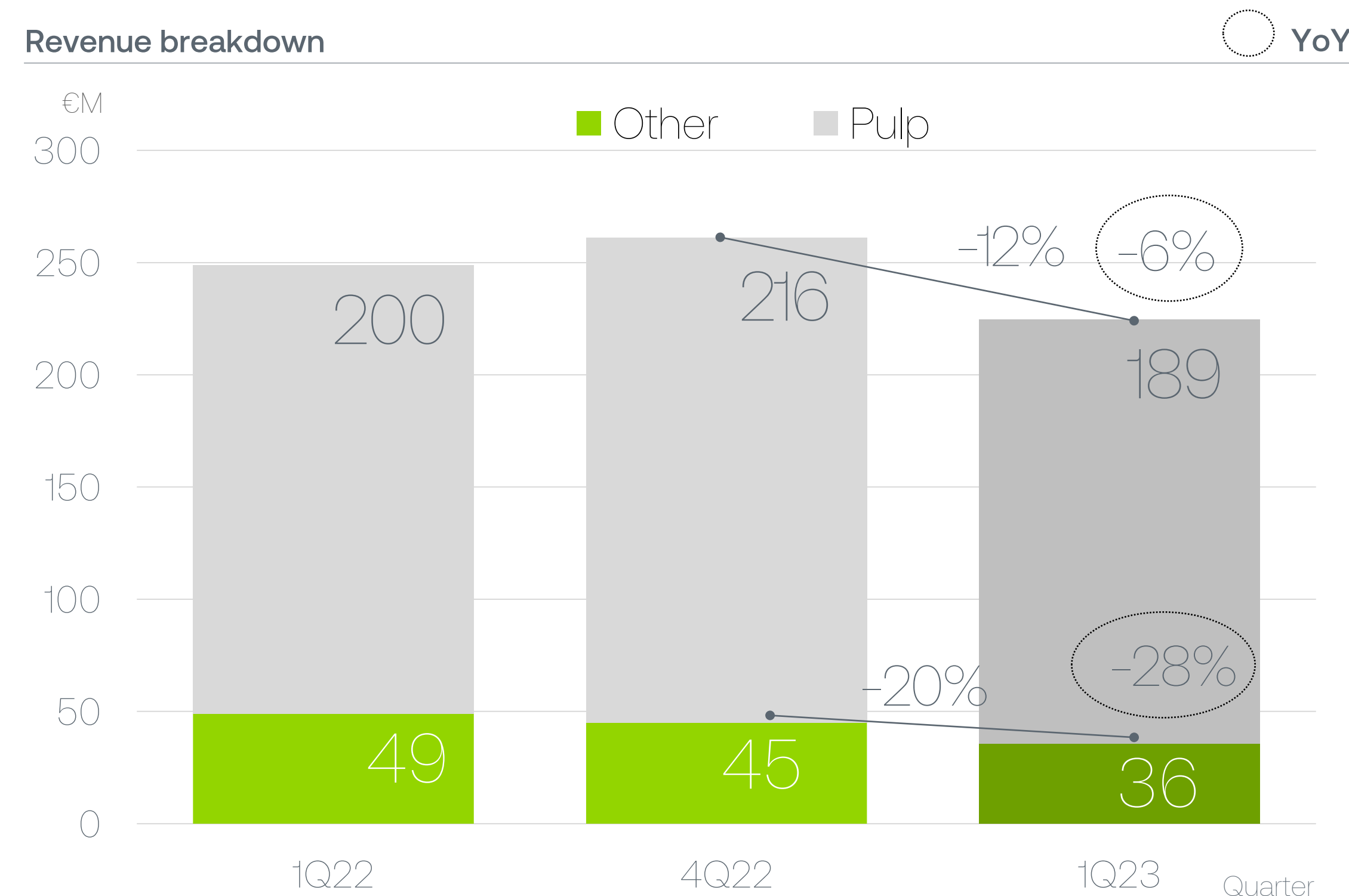
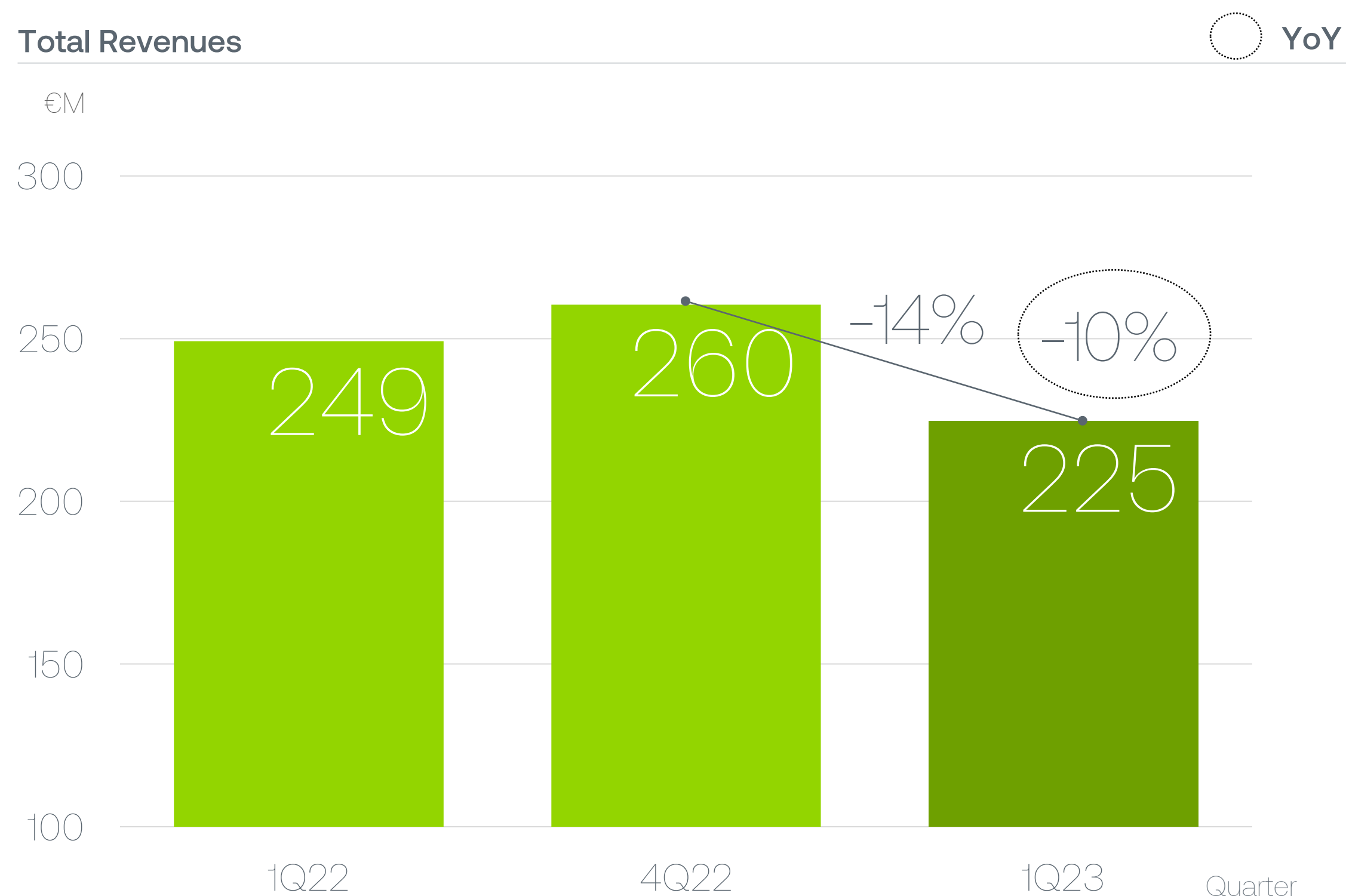
Sales volume breakdown 1Q23 by region





Financial highlights (I)

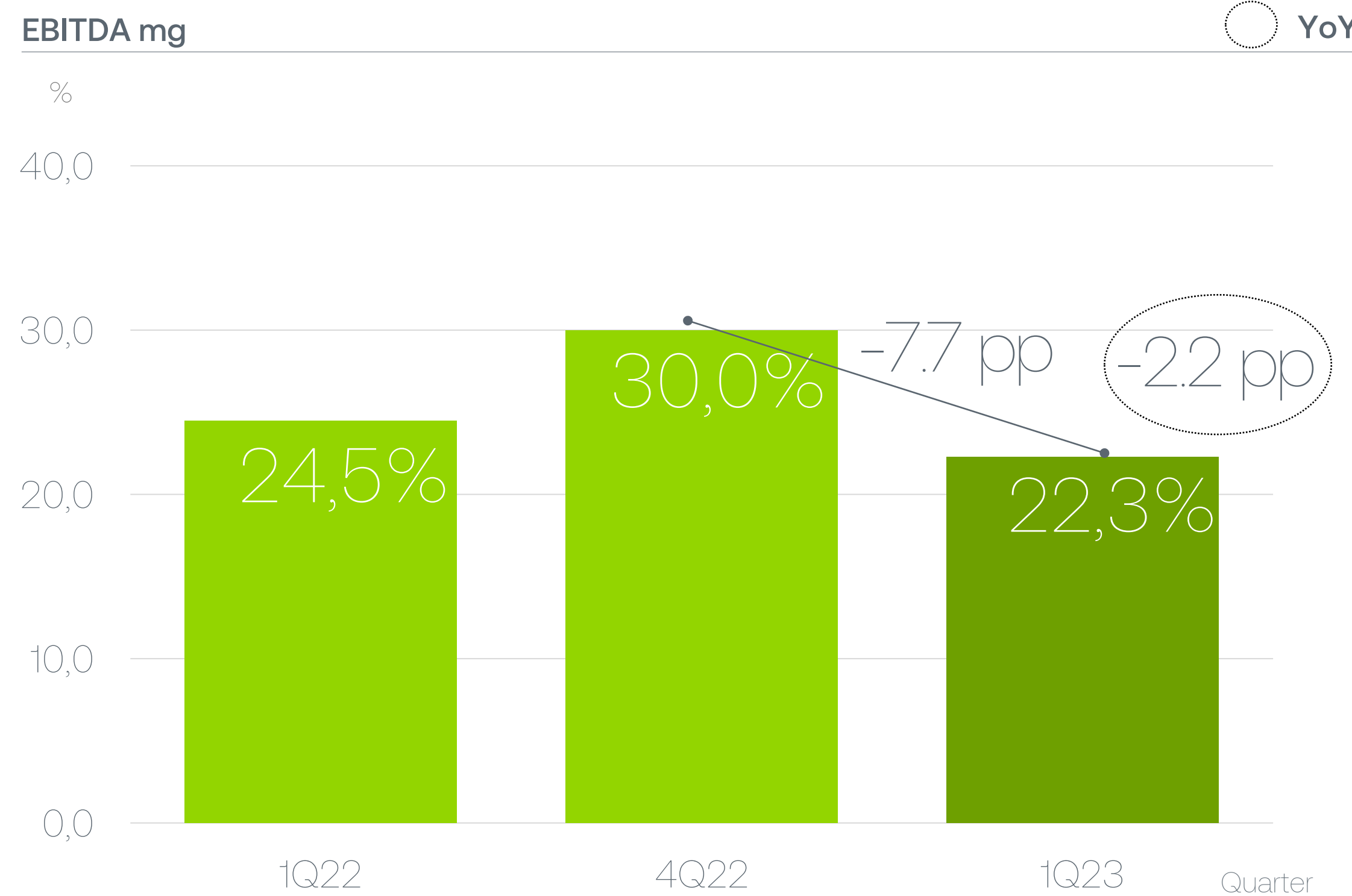
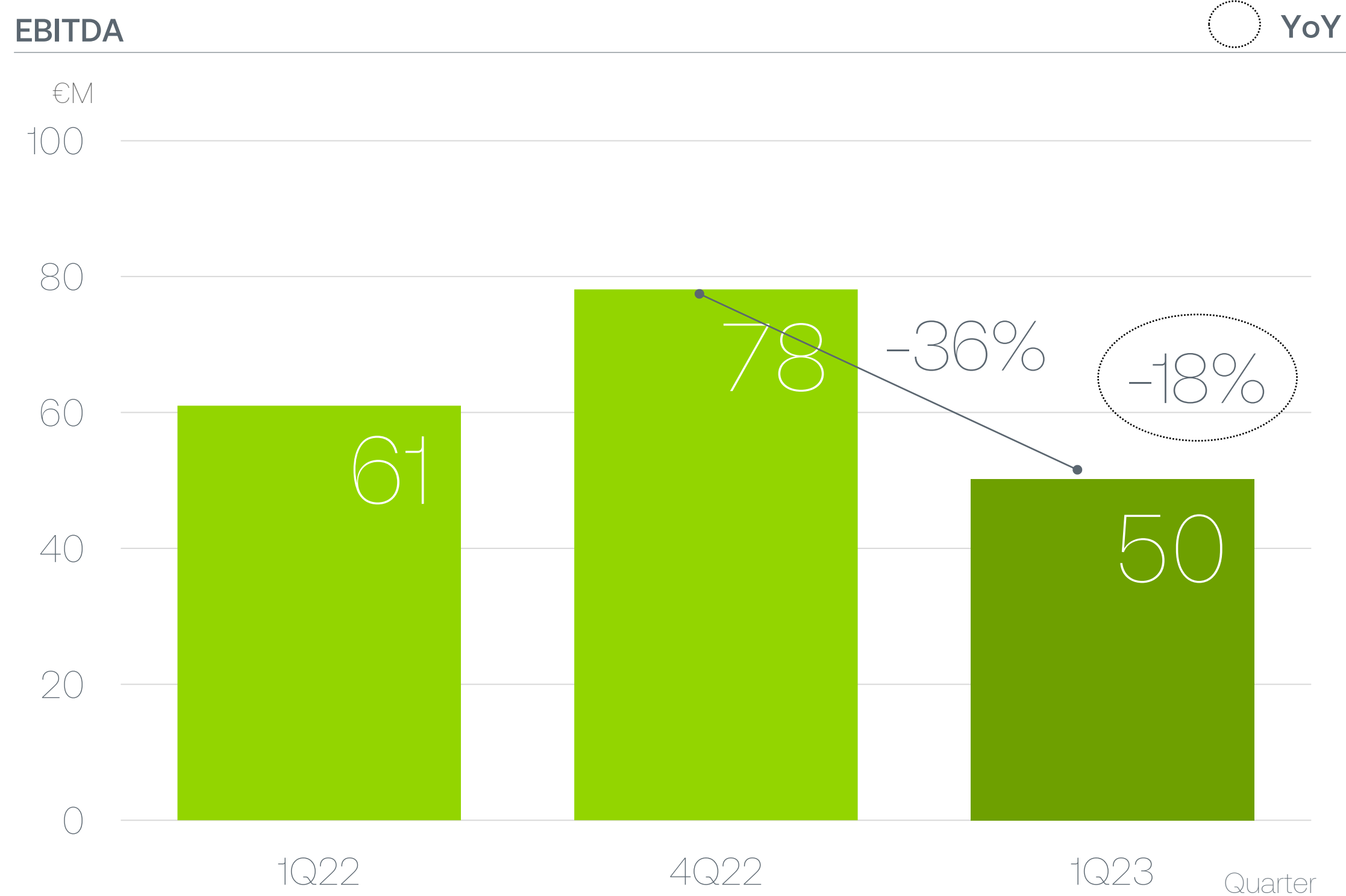
Revenues slowed in the 1Q23 due to lower volumes sold YoY. On a quarterly basis, revenues decrease as consequence of lower pulp prices and stronger US\$. Less revenues from energy vs 2022 due to change to self consumption





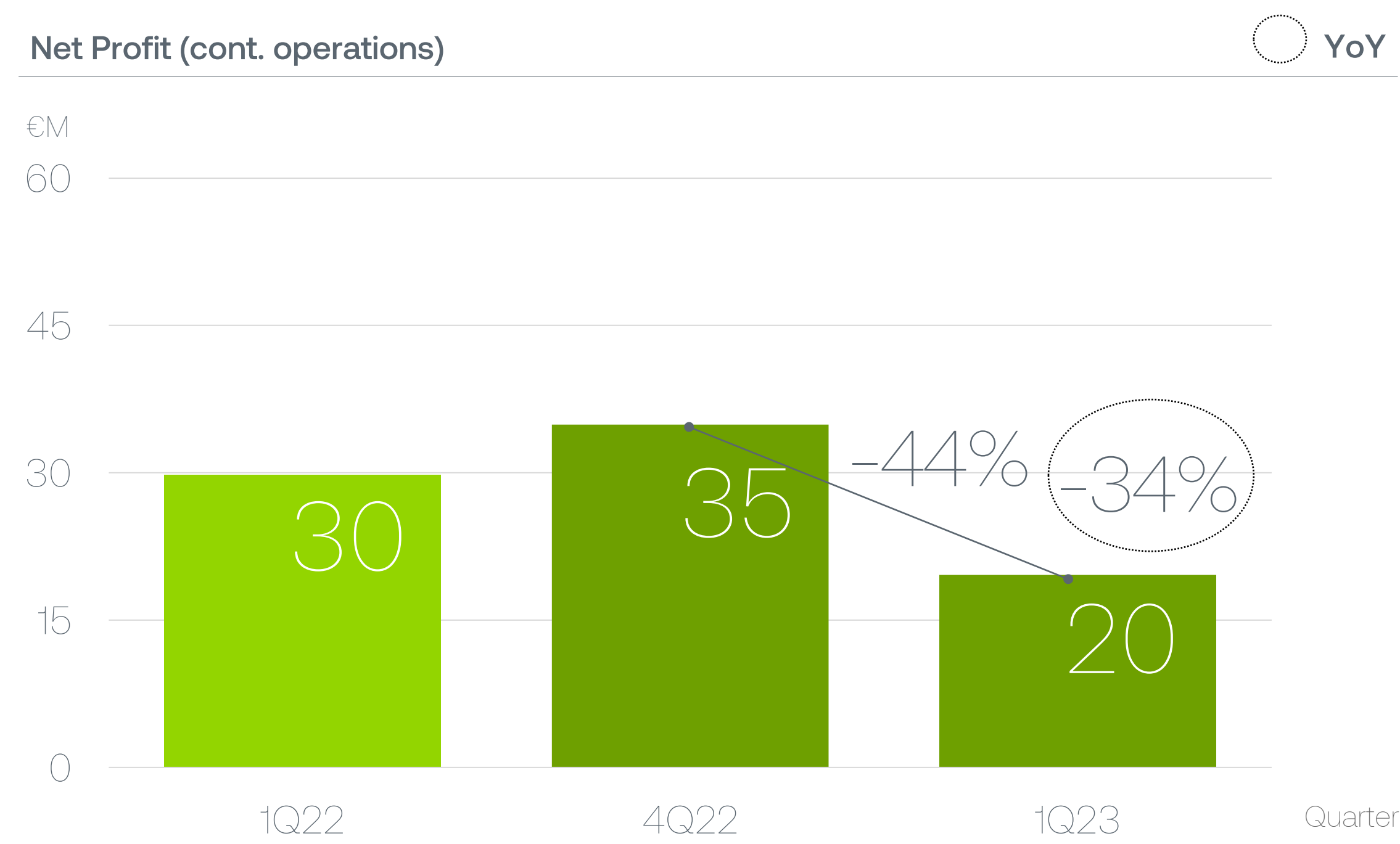
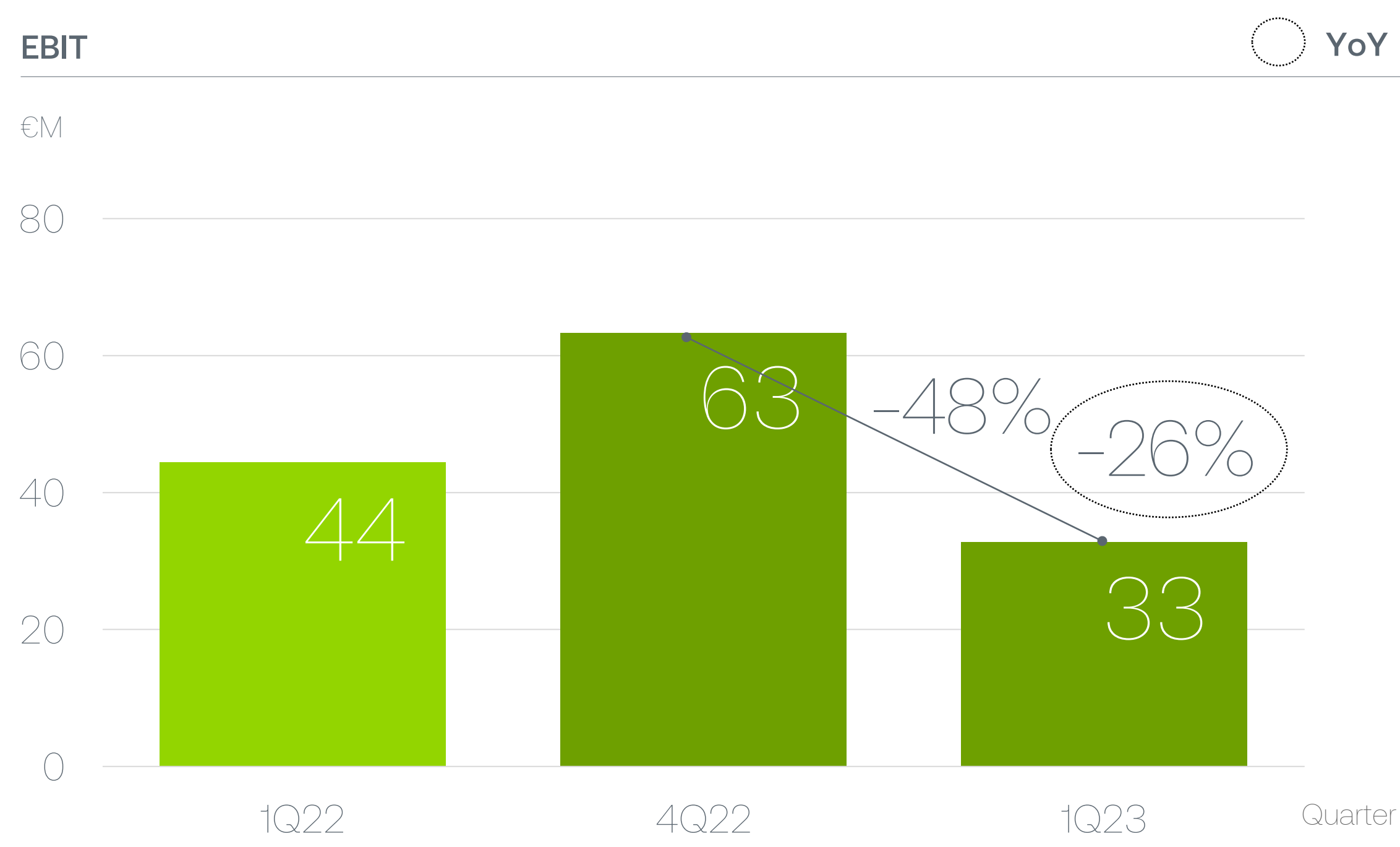
Financial highlights (II)

EBITDA decline is a consequence of the rapid destocking process and lower sales volume



→ Financial highlights (III)

As consequence of the mentioned effects, EBIT and Net Profit also decrease when compared with last year's 1Q and on a quarterly basis





Financial highlights (IV)

Slight cost deflation QoQ during the 1Q23. This trend should accelerate throughout the year

Electricity & Natural Gas

Positive contribution from the sale of electric energy is now stabilised under the self-consumption regime. Natural gas costs continue to decline in the 1Q23 after a peak reached during the 3Q22.

Wood

Prices have stabilised during the 1Q23 in the Iberian market. We see some indications of declining price trends for the quarters ahead. Also, the Group's lower importing needs should be a positive factor for 2023.

Chemicals

Prices started to decline during the 1Q23 despite some delay in the correlation with the evolution of energy prices. We see signs of further reduction during the next quarters.



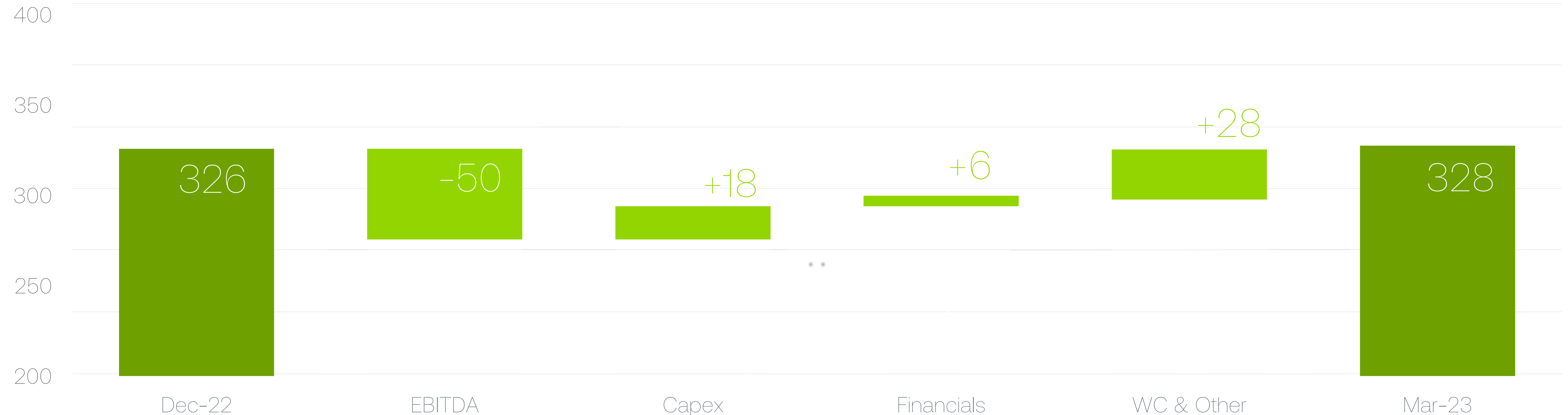


Financial Highlights (V)

Operating cash flow absorbed by higher Capex and Working capital, namely higher wood inventories. Despite the downtime at Celbi, the usual pace in the acquisition of wood was maintained

Net Debt

€M





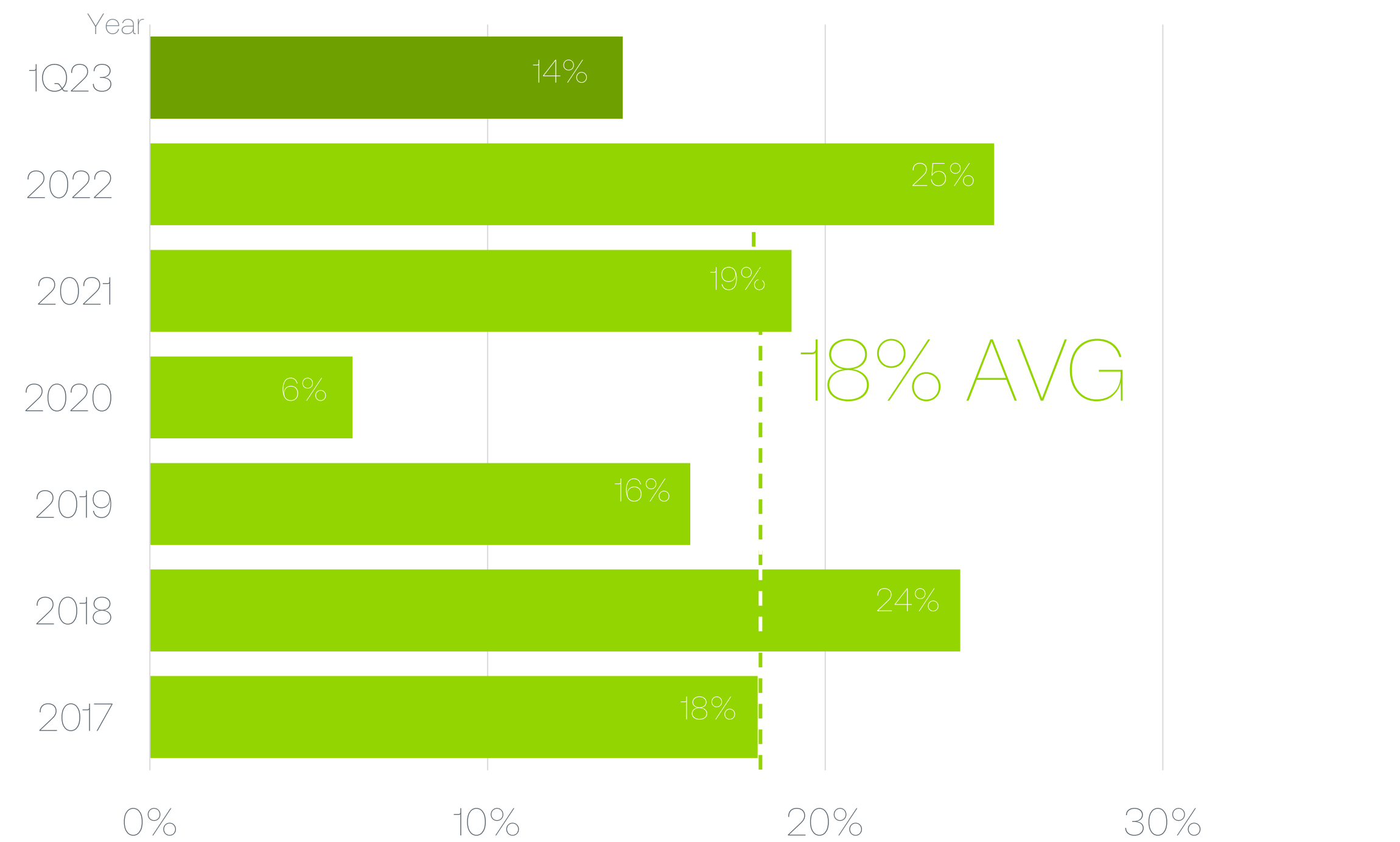
Financial Highlights (VI)

Altri maintains a healthy ROCE level in the mid-teens despite a different phase of the Pulp cycle

14%

1Q23
ROCE

ROCE*



- Return On Capital Employed (EBIT / (Shareholders Equity + Net Debt)).
- Note: 1Q23 ROCE based on annualized 1Q23 EBIT.



Sustainability (I)

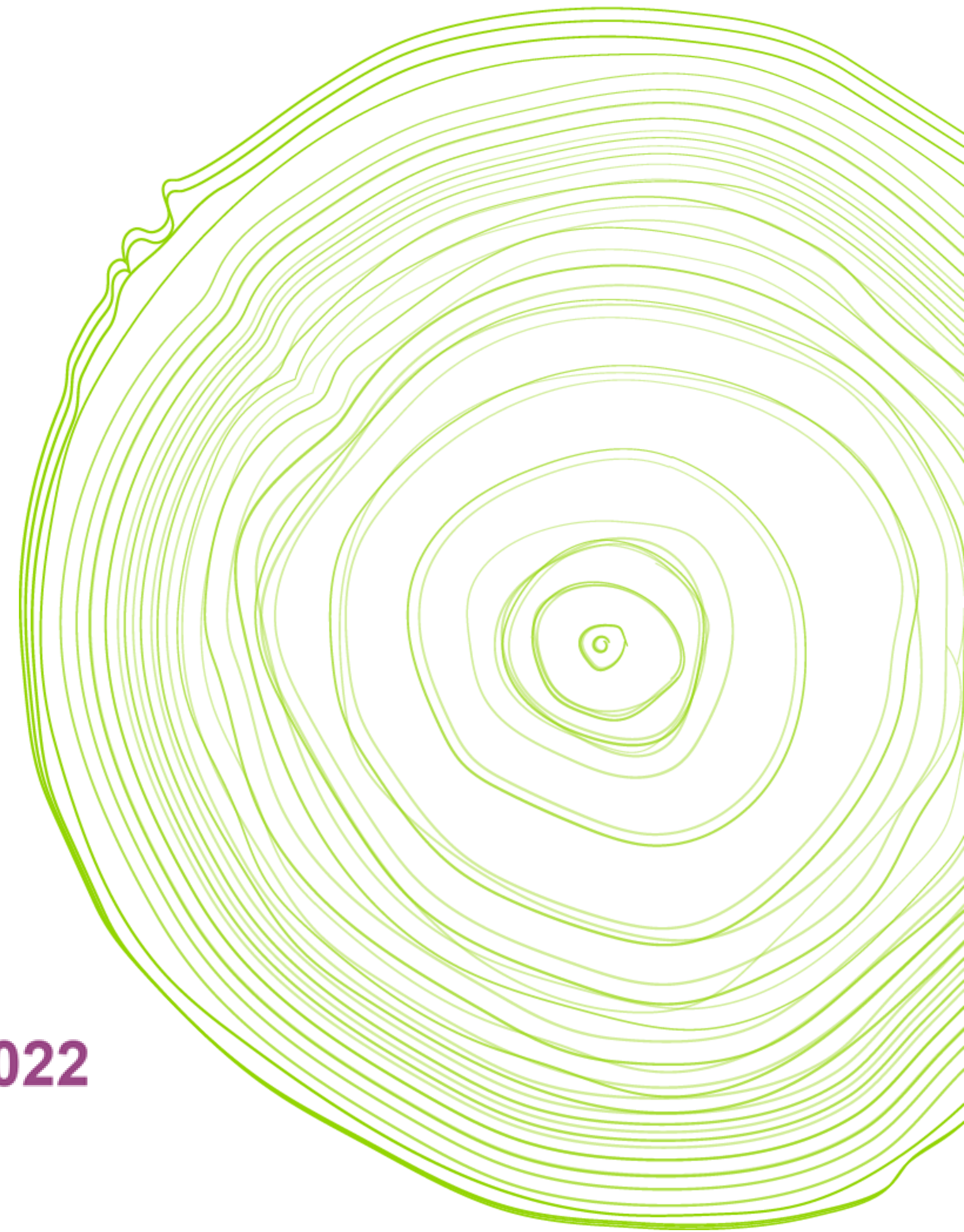
Altri places its forest under CDP scrutiny

After being attributed 'A-' rating by the rating agency CDP on the climate change category, Altri has also move forward with CDP to make an extensive evaluation of its forest. This includes looking at its policies, commitments, risk management, certification, strategy, among others. Altri has received a 'B' rating in this category, which compares with a European average of 'B-' and in line with 'Wood and Paper' sector, as defined by CDP.



**CDP SCORE REPORT
FORESTS 2022 - Timber**

CDP SCORE REPORT - CLIMATE CHANGE 2022



→ Perspectives



- 1 Pulp market in Europe (and globally) has been under a destocking process since the end of 4Q22, especially in the P&W and Décor end use segments. We are starting to see some stabilising demand trends for the 2H23.
- 2 During 2023, pulp prices in China have moved quite rapidly on the downside despite the re-opening of the local economy. At current levels, we see demand being re-activated, as suggested by recent announcement from a large LatAm pulp player to increase June prices by US\$ 30/ton. DWP prices stabilised at the end of 1Q23 in line with historic premium to BHKP..
- 3 We started to see some cost deflation QoQ during the 1Q23. We believe this trend should accelerate in the next quarters..
- 4 Gama update - work progressing at all fronts (environmental, engineering, economic, financing and EU funds). Decision to be taken during 2023.



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1Q23

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→ Highlights of 1Q23 results

€ M	1Q23	1Q22	1Q23/1Q22	4Q22	1Q23/4Q22
Cellulosic fibers	189.1	200.0	-5.5%	215.9	-12.4%
Others ¹	35.6	49.2	-27.6%	44.5	-19.9%
Total Revenues	224.7	249.2	-9.9%	260.4	-13.7%
EBITDA	50.2	61.0	-17.6%	78.1	-35.7%
EBITDA mg	22.3%	24.5%	-2.2 pp	30.0%	-7.7 pp
EBIT	32.8	44.4	-26.1%	63.3	-48.2%
EBIT mg	14.6%	17.8%	-3.2 pp	24.3%	-9.7 pp
Net profit of cont. operations²	19.6	29.8	-34.3%	34.9	-43.9%

¹ Others : includes essentially i) sale of biomass and rendering of operations and maintenance services to Greenvolt's biomass plants in Portugal and ii) sale of electric energy (cogeneration) related to the cellulosic fiber production process.

² Attributable to the shareholders of the mother company



Highlights of 1Q23 Balance Sheet

€ M	1Q23	2022	1Q23/2022
PPE & Biological assets	452,5	445,8	1,5%
Others	354,7	358,0	-0,9%
Non-current assets	807,2	803,7	0,4%
Inventories	138,2	112,9	22,4%
Trade receivables	124,9	134,6	-7,2%
Cash and cash equivalents	212,9	233,6	-8,9%
Others	36,8	32,9	11,8%
Current assets	512,8	514,0	-0,2%
Group of assets classified as held for distribution to shareholders	153,5	180,6	-15,0%
Total assets	1.473,5	1.498,4	-1,7%
Equity and Non-controlling interests	608,0	609,9	-0,3%
Bank loans & Other loans	382,0	458,8	-16,7%
Lease liabilities & Others	117,8	114,4	3,0%
Non-current liabilities	499,8	573,2	-12,8%
Bank loans & Other loans	161,5	101,6	59,0%
Trade payables	111,9	108,7	2,9%
Lease liabilities & Others	92,2	104,9	-12,2%
Current liabilities	365,6	315,3	16,0%
Liabilities and Equity	1.473,5	1.498,4	-1,7%

→
Structure of Group Altri
as of March 2023

