



altri

2Q23

→ Conference Call



→ Main highlights of 2Q23

Destocking in the P&P sector

Relevant destocking in the Pulp & Paper industry and lower prices which affected revenues. Solid demand in Tissue and P&W declining.

Accelerated reduction in costs

Quarterly EBITDA of €31.0 M. Variable Costs per ton. started to decline but not enough to offset lower sales prices.

Shareholder remuneration

Altri distributes cash dividend of € 0.25 per share and dividend in kind (Greenvolt shares) corresponding to € 0.74 per share.

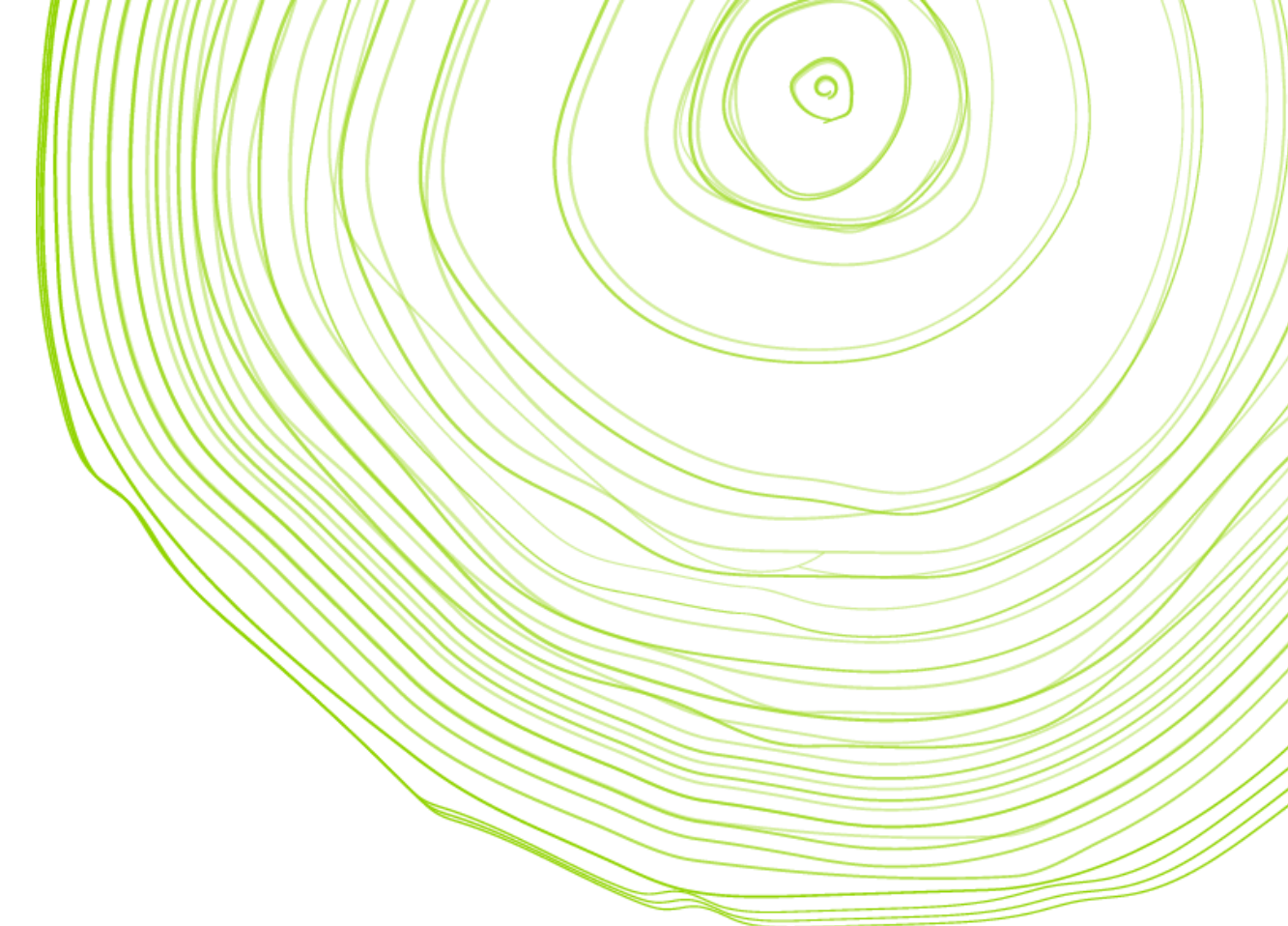
Advancing Gama

Altri continues to develop the Gama project with the intention to make a final investment decision in 2023.

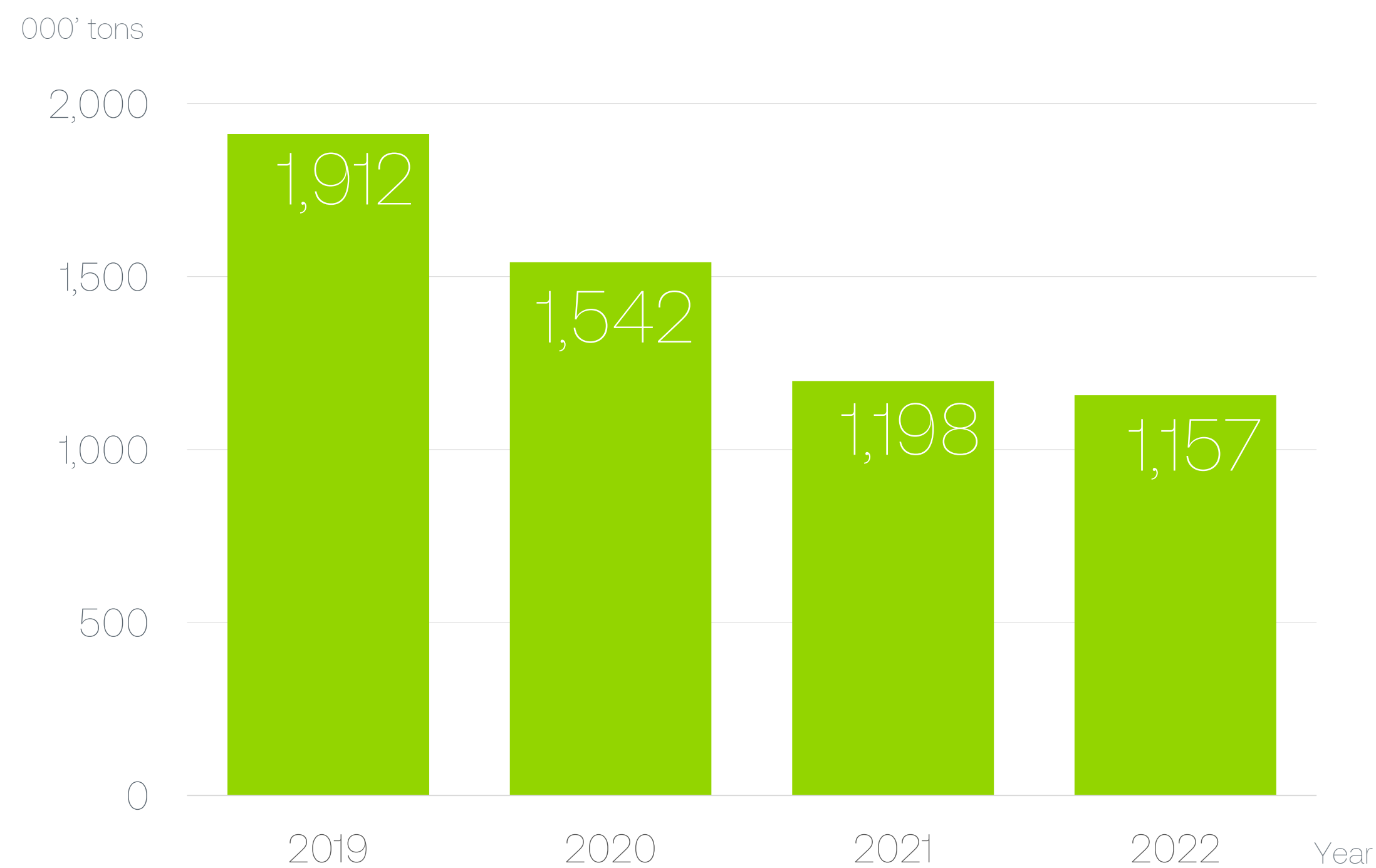


Market highlights (I)

The global destocking process pushed inventories at European Ports above historic levels in the 2Q23

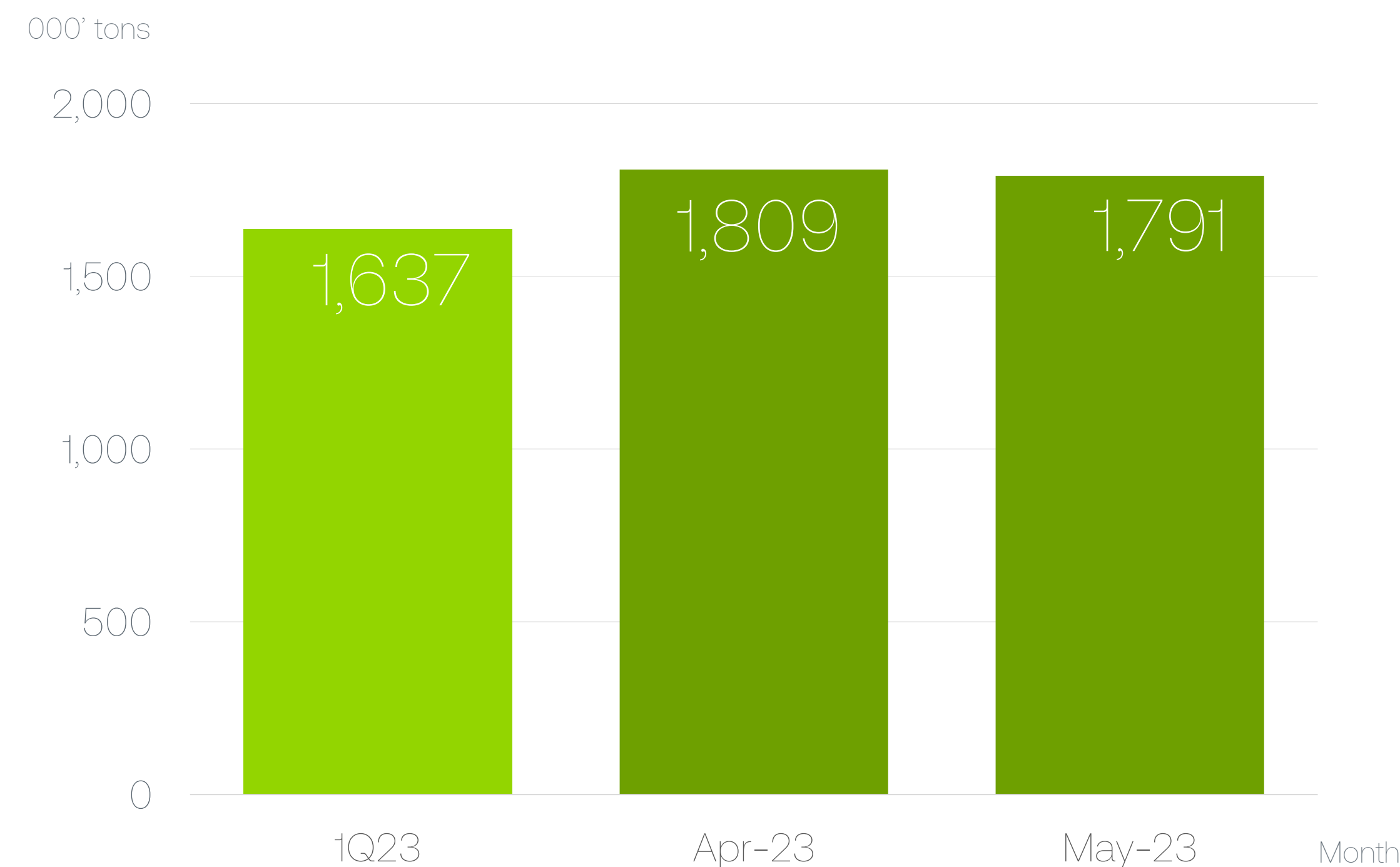


Yearly Pulp Stocks at European Ports *



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

Monthly Pulp Stocks at European Ports *



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

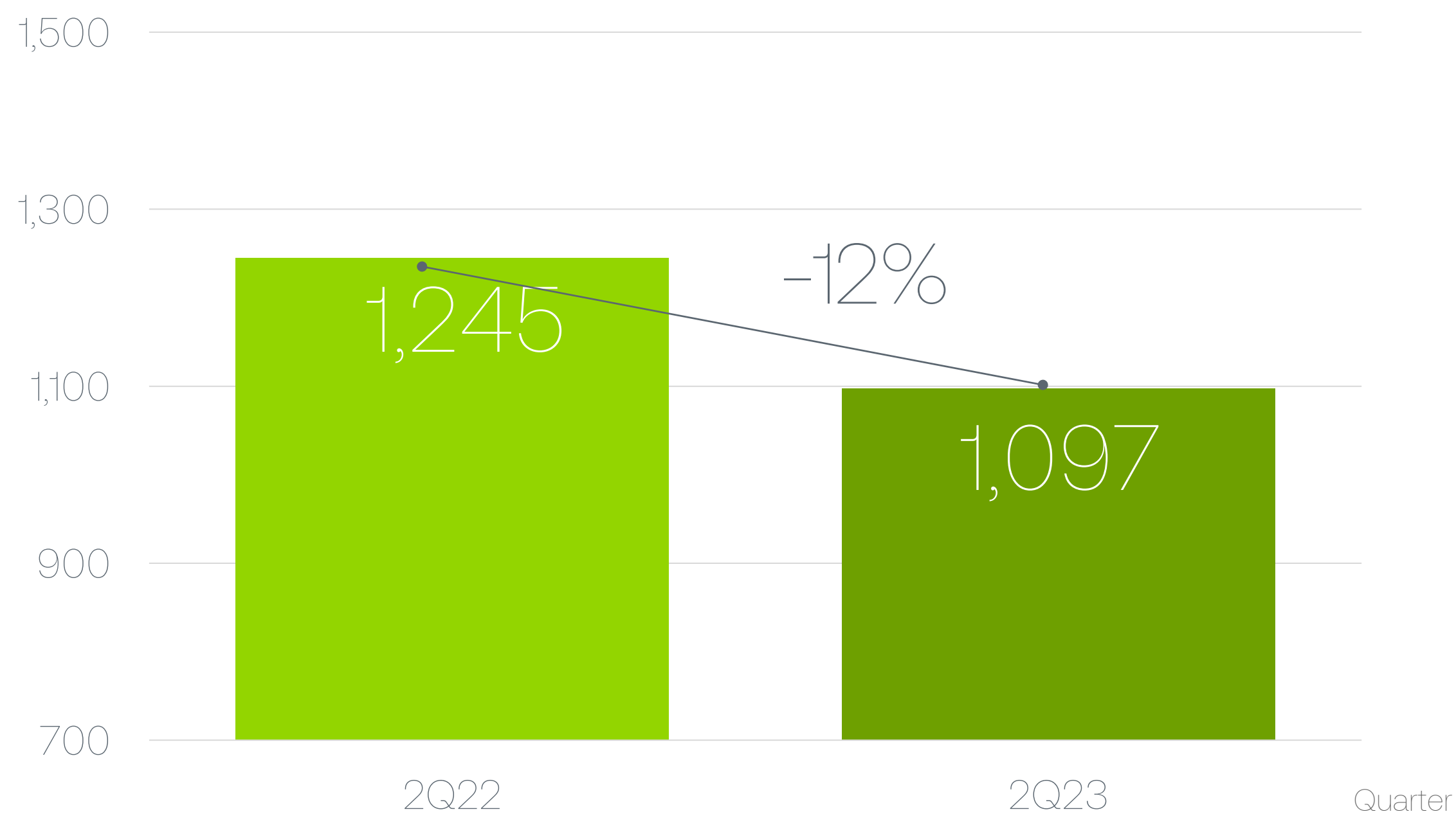


Market highlights (II)

Hardwood pulp prices in Europe continue to fall in 2Q23 ending the quarter at US\$ 958/ton.

Avg. Pix Prices (BHKP - Europe)

US\$/ton



Source → Foex.

US\$/ton



Source → Foex.

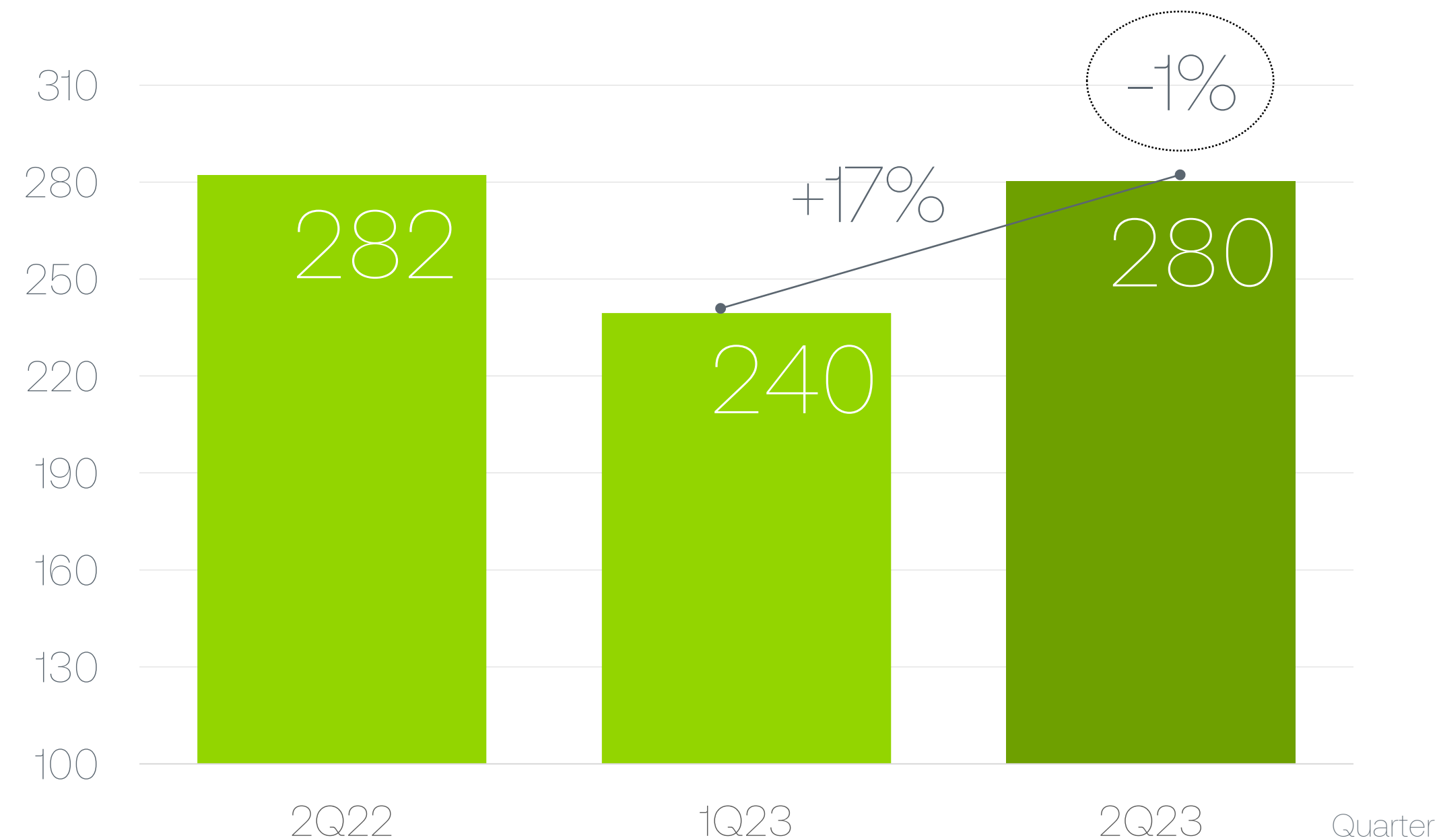
→ Operating highlights (I)

Normalized level of production in 2Q23 after programmed downtime at Celbi in 1Q23. Destocking process in the P&P industry led to lower sales volumes during the 2Q23.

Production

○ YoY

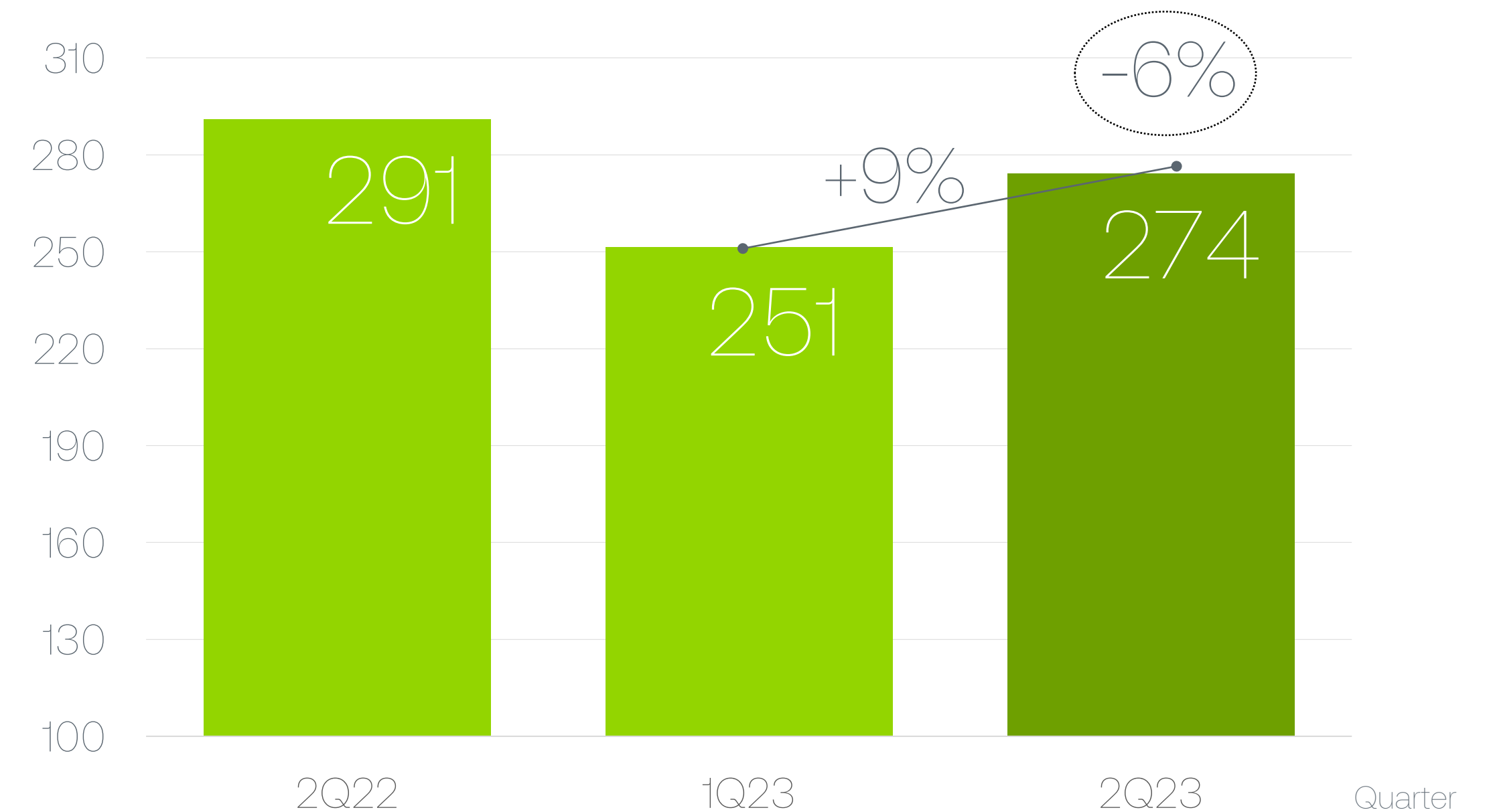
000' tons



Sales

○ YoY

000' tons



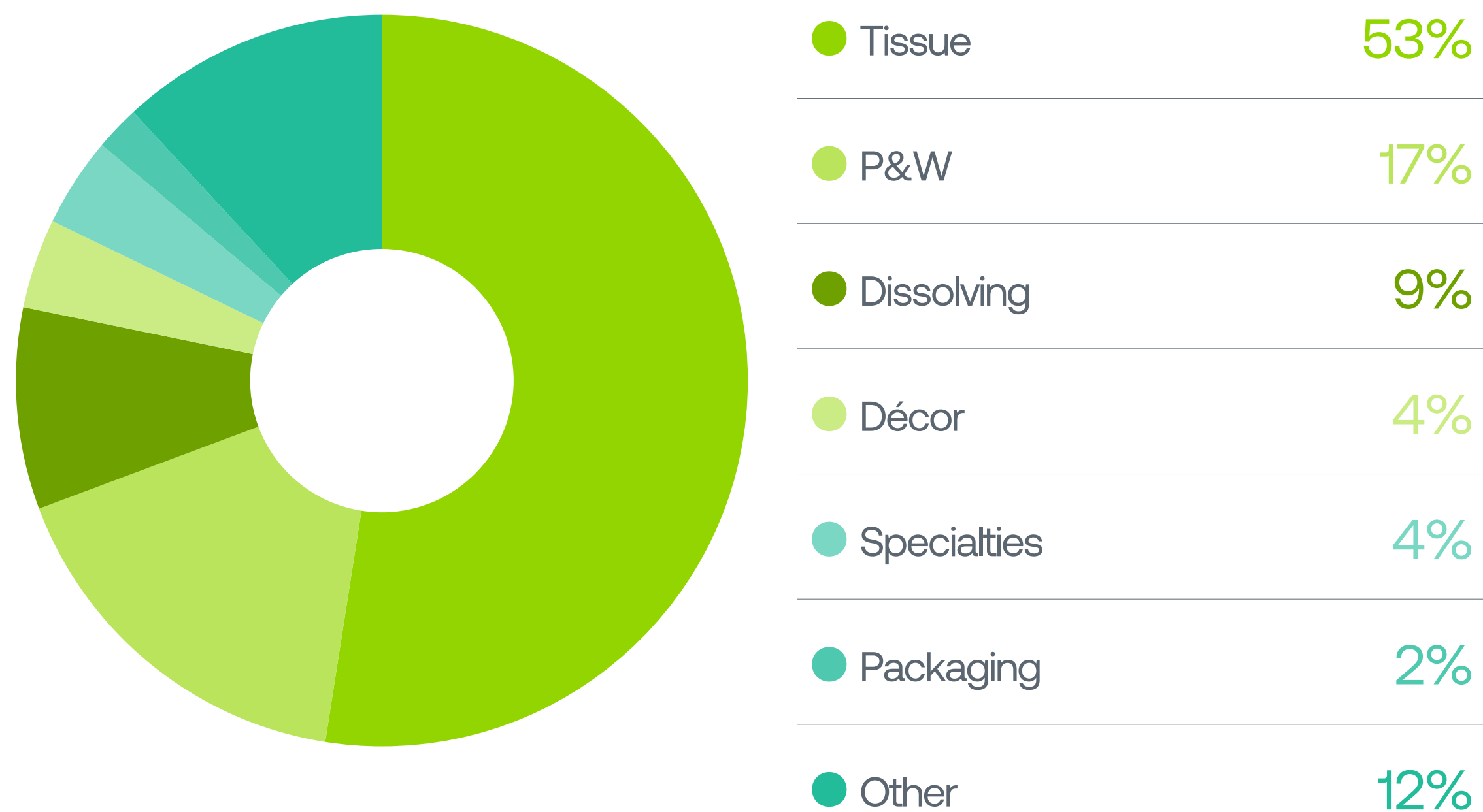


Operating highlights (III)

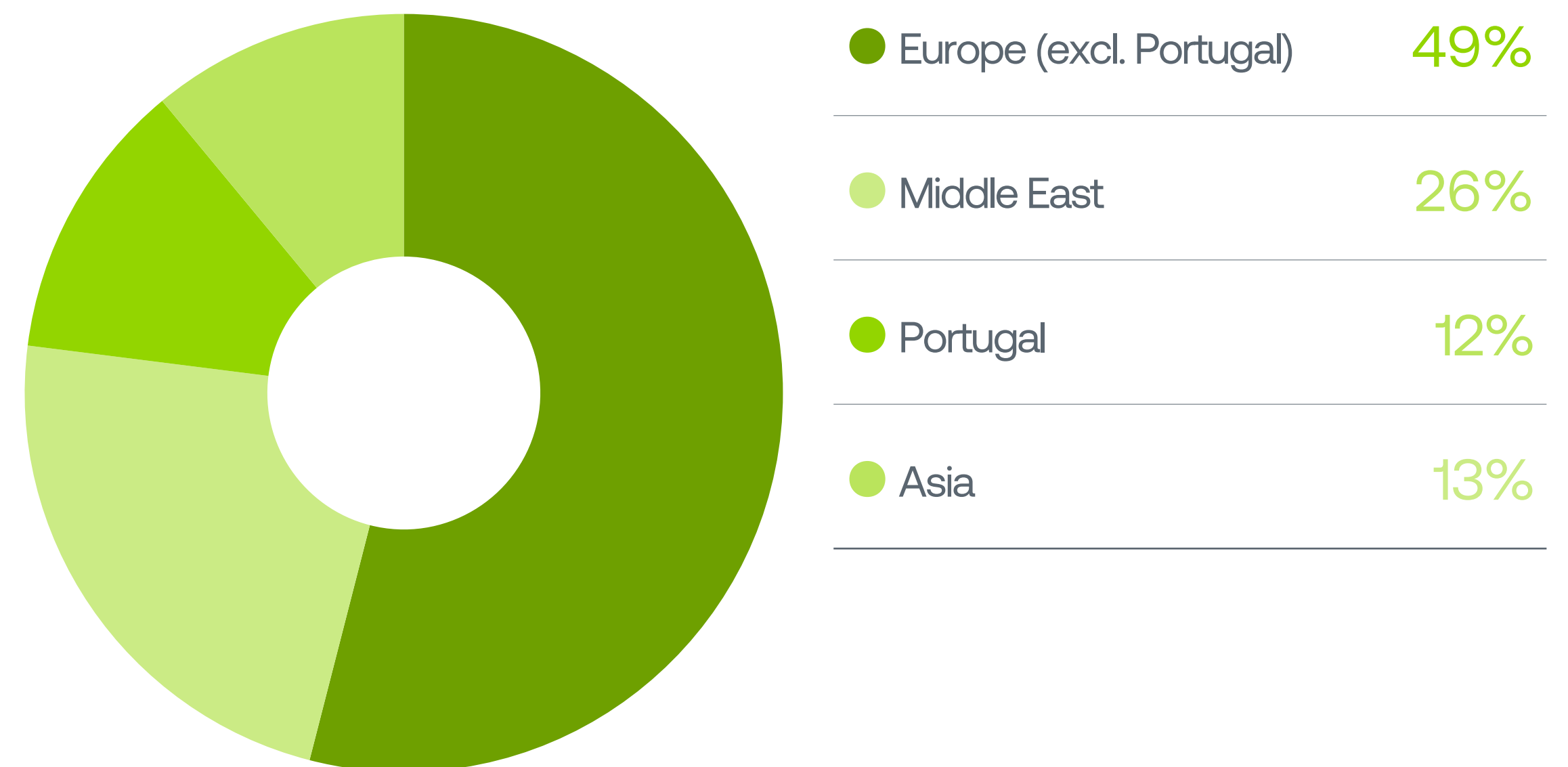
Solid demand levels for Tissue. Relevant destocking effect and decline in demand in the P&W segment.



Sales volume breakdown 1H23 by end use



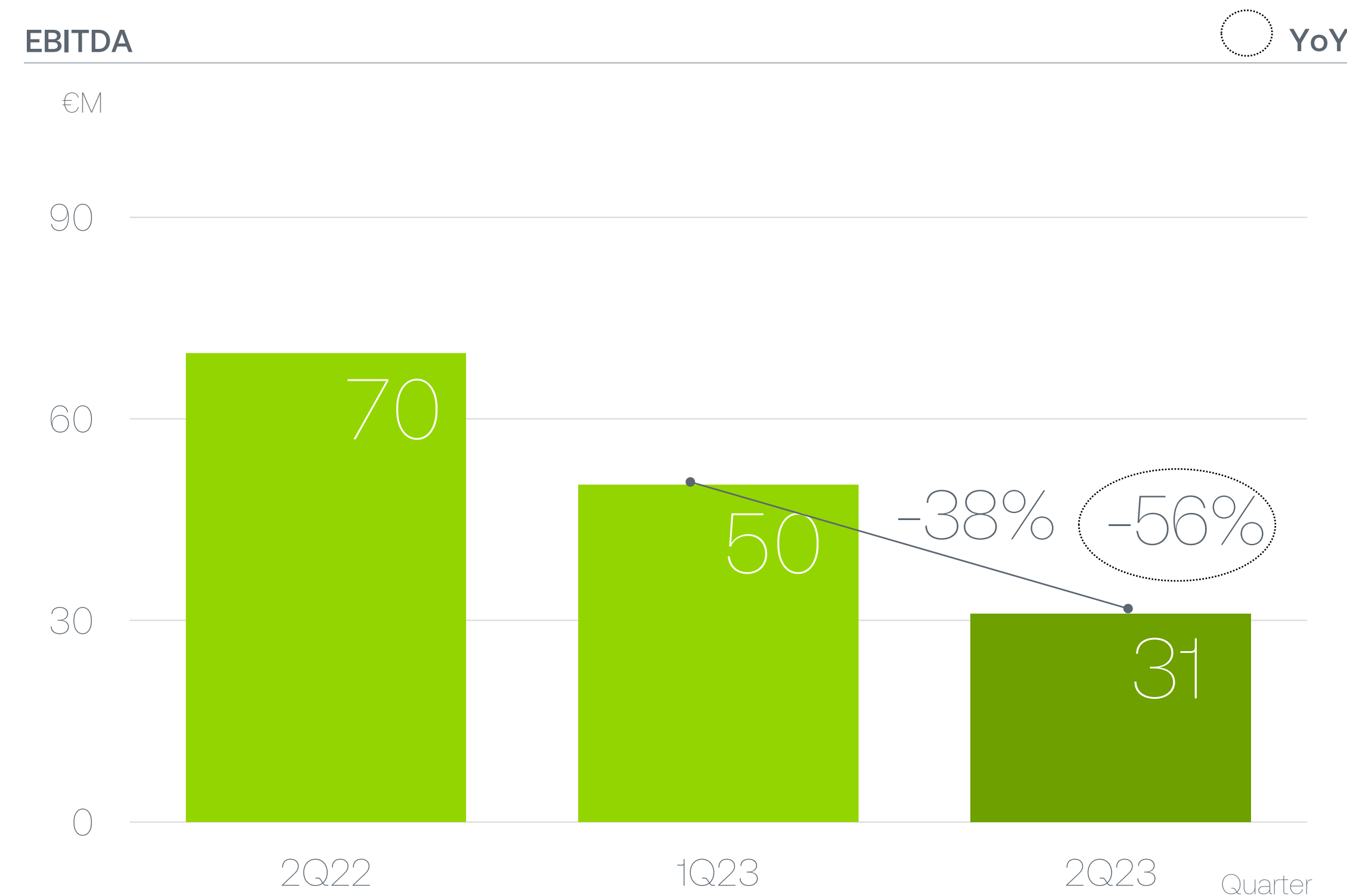
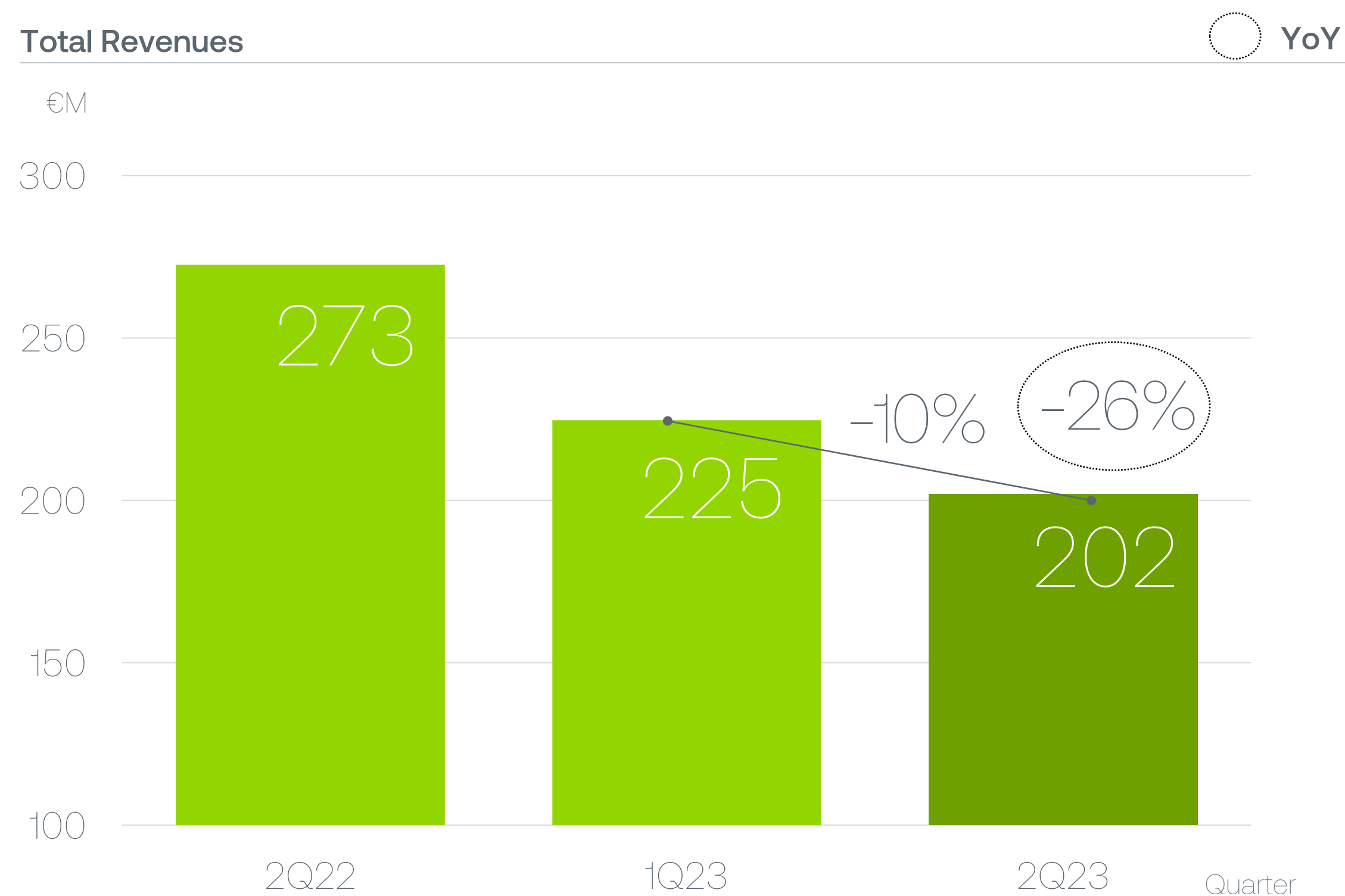
Sales volume breakdown 1H23 by region





Financial highlights (I)

Slowdown in global demand and lower prices lead to decrease in Revenues in the 2Q23.

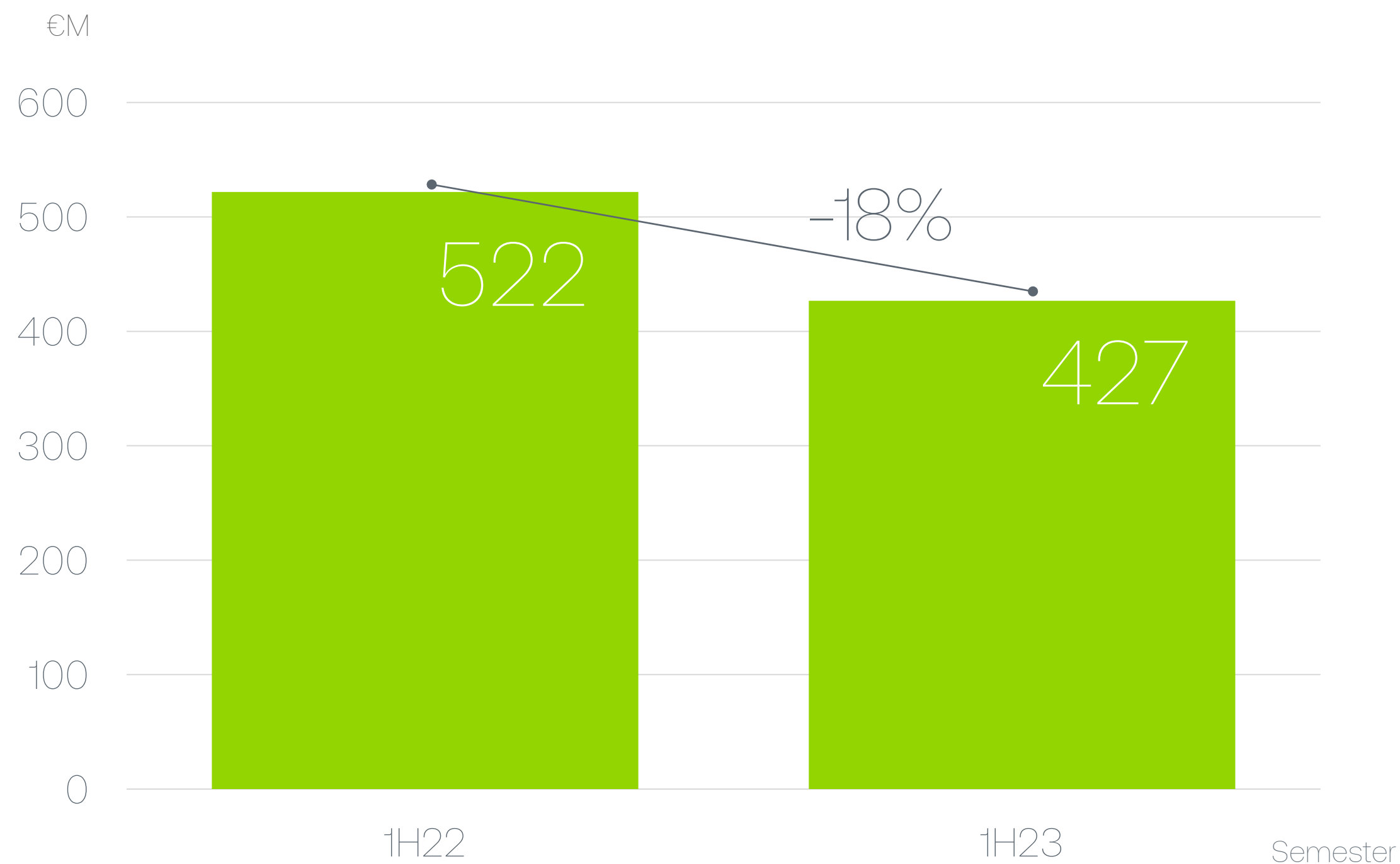




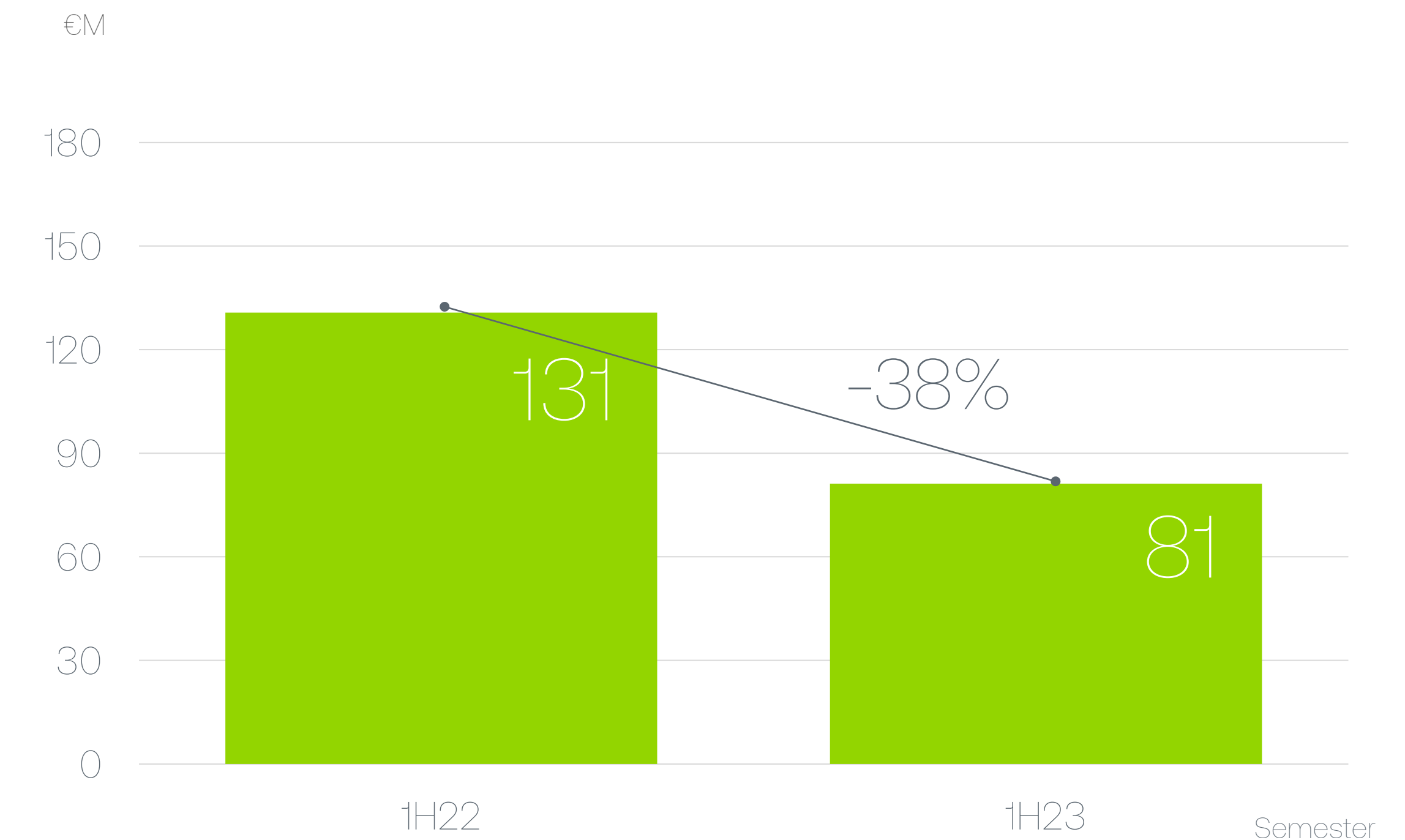
Financial highlights (I)

Decrease in Revenues due to lower demand and lower volumes sold in 1H23. Cost reductions were not sufficient to prevent decline in the Group's profitability.

Total Revenues



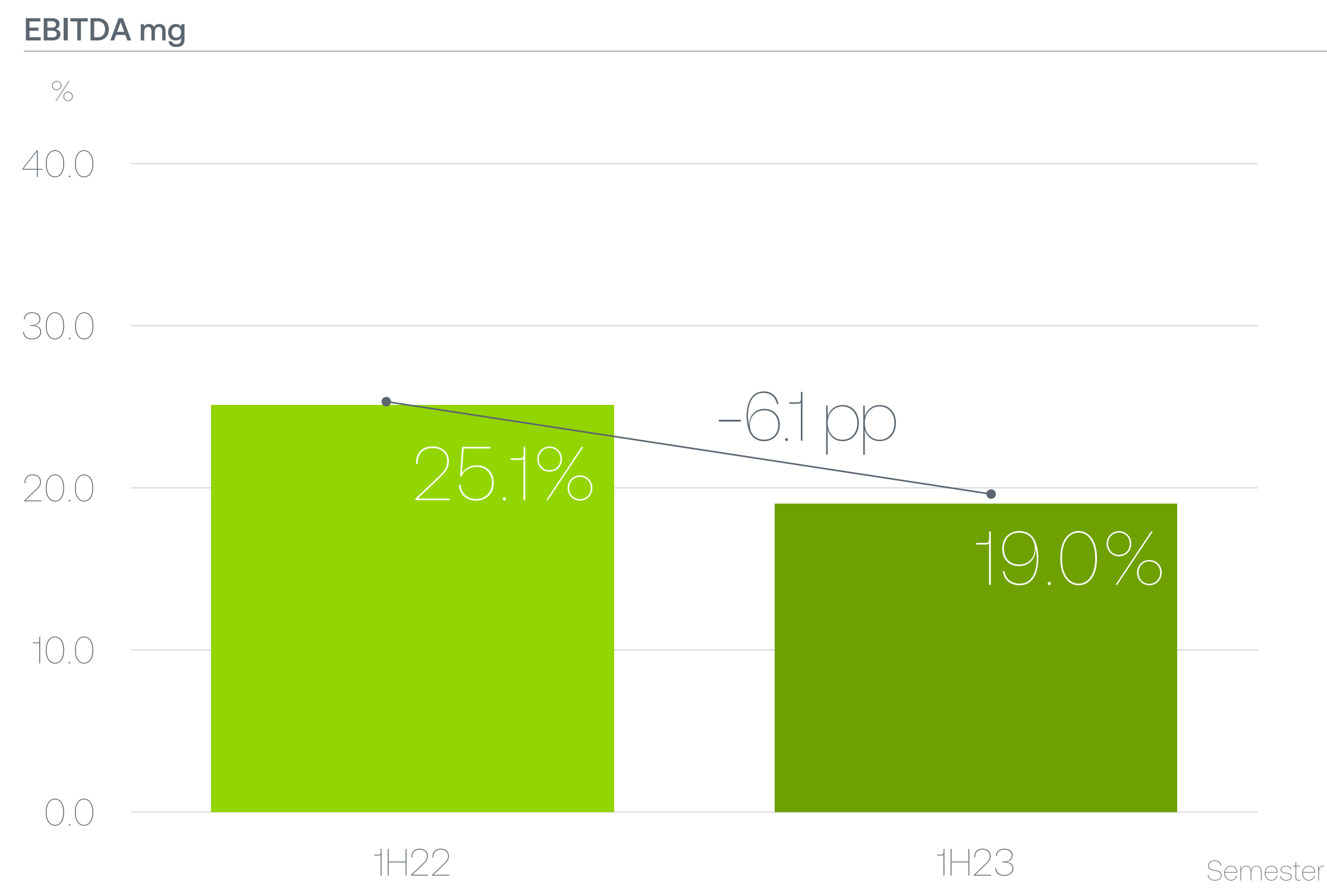
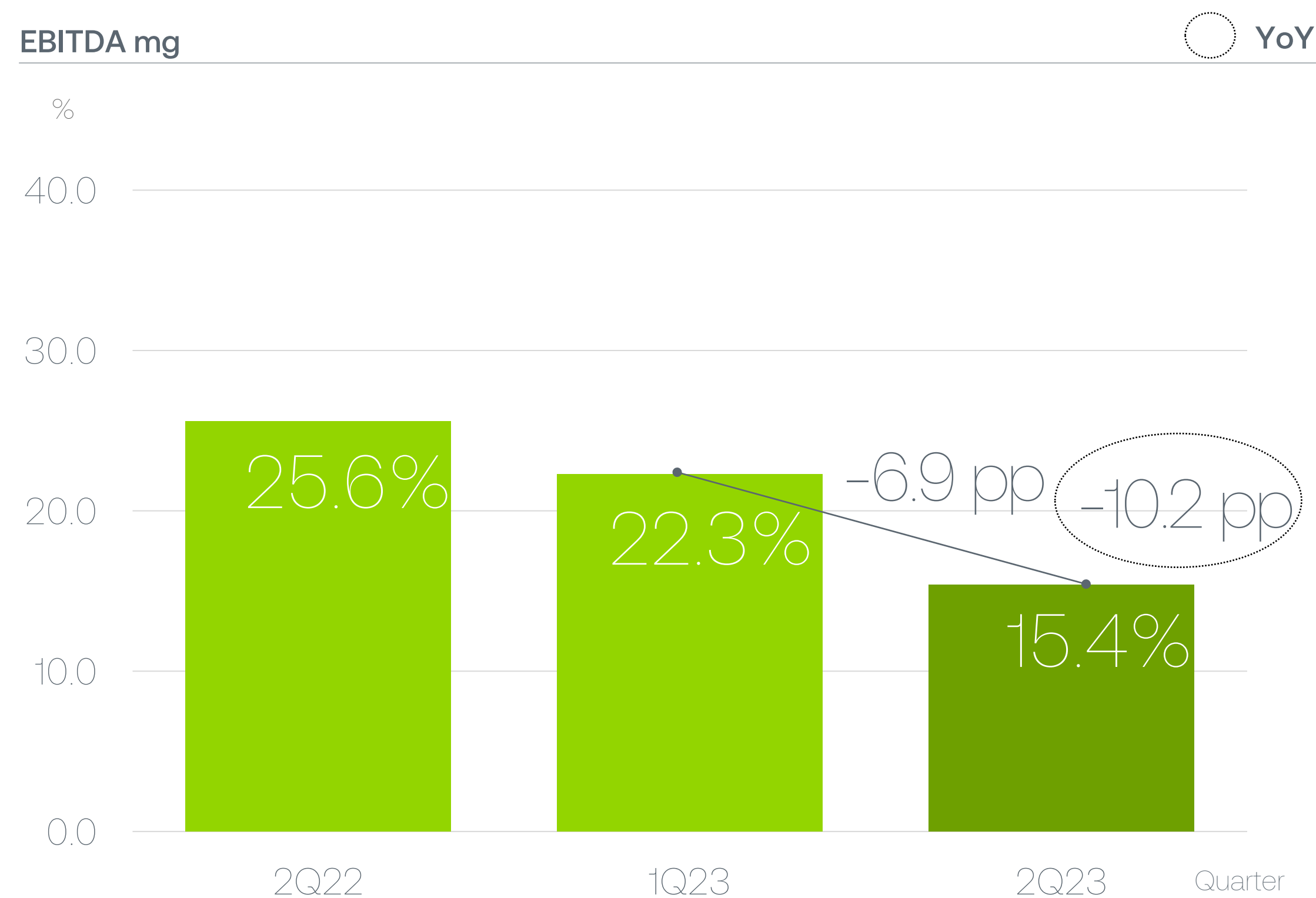
EBITDA





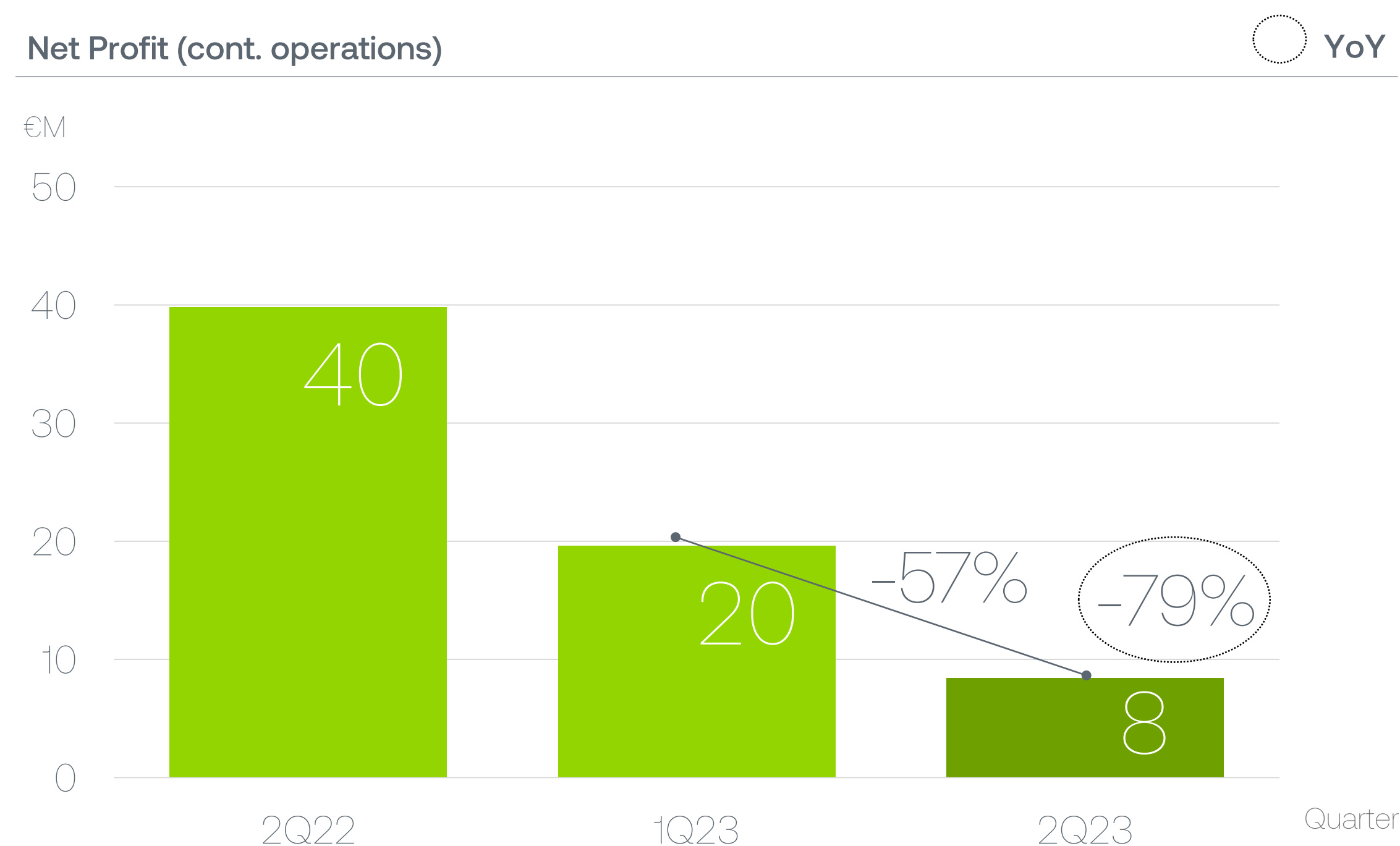
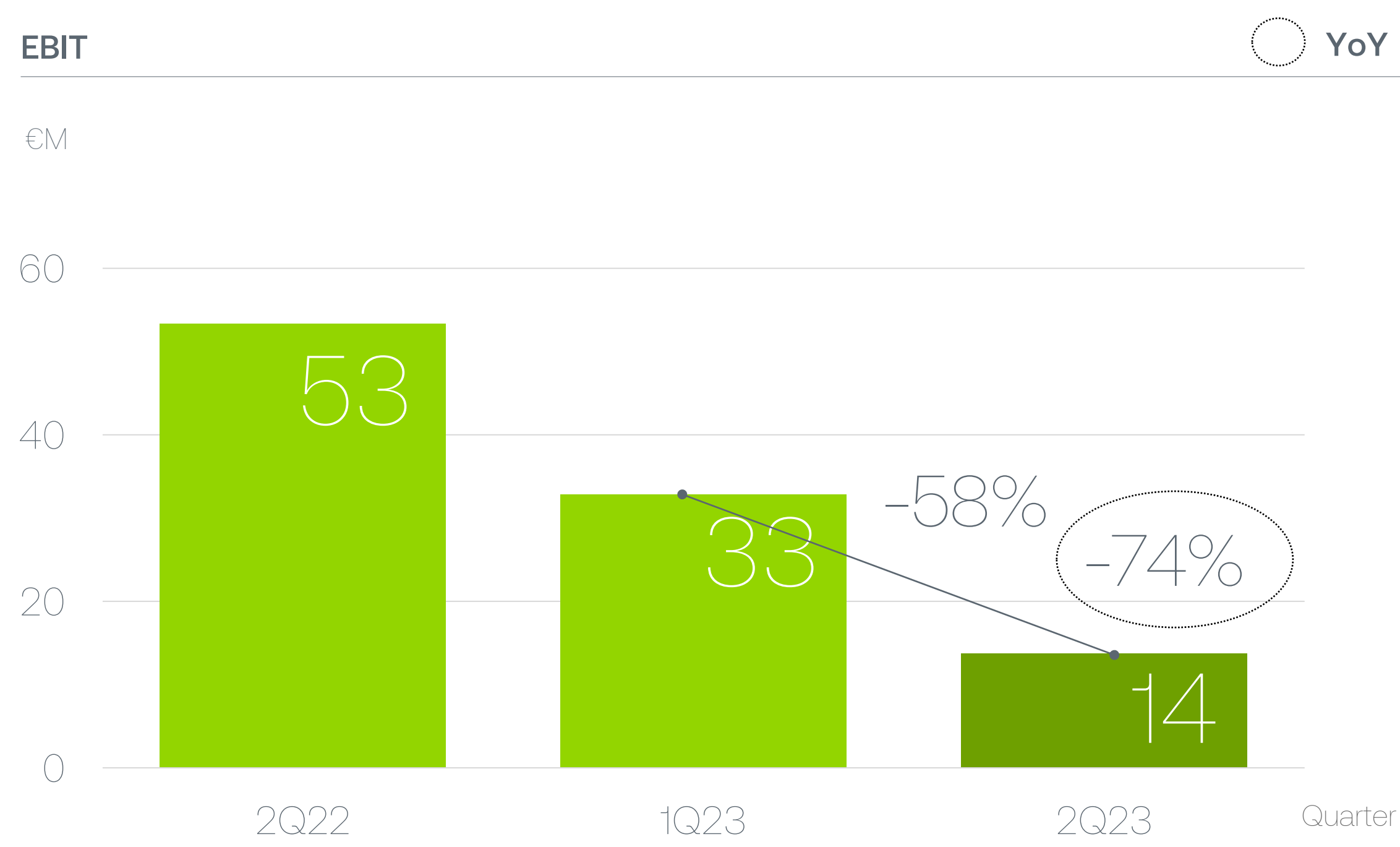
Financial highlights (II)

Favorable evolution in costs not enough to cover pulp price reduction and destocking effect, causing lower EBITDA margins.



→ Financial highlights (III)

EBIT and Net Profit also decrease QoQ and YoY, as a result of the aforementioned effects.





Financial highlights (IV)

Significant cost deflation during the 2Q23.
Continuous work on cost reduction.

Electricity & Natural Gas

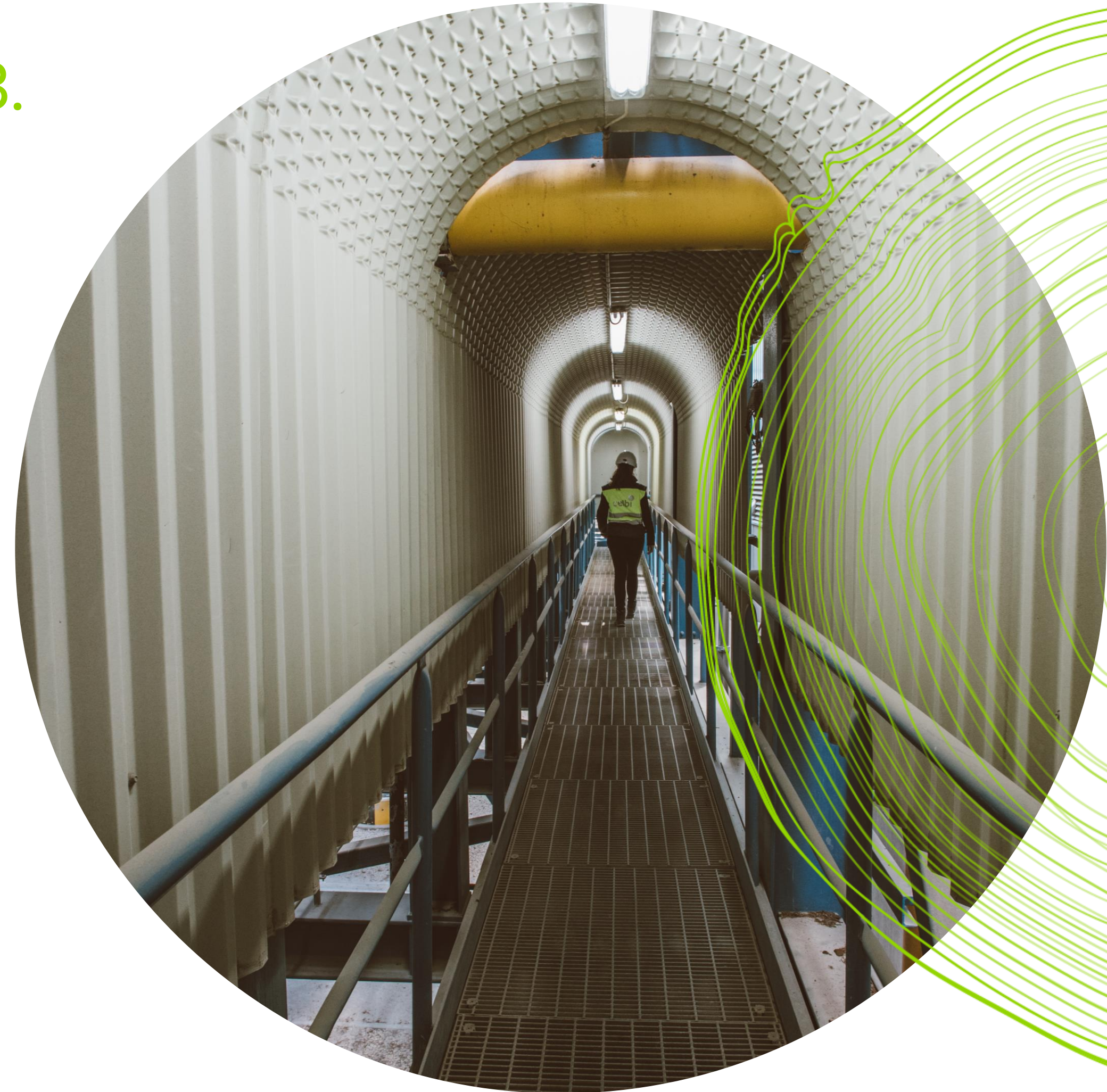
Natural gas costs continue to decline in the 2Q23. Additional power-generating capacity expected in 2H23, through photovoltaic units. The surplus electricity of Caima's new biomass boiler will be sold to the public grid.

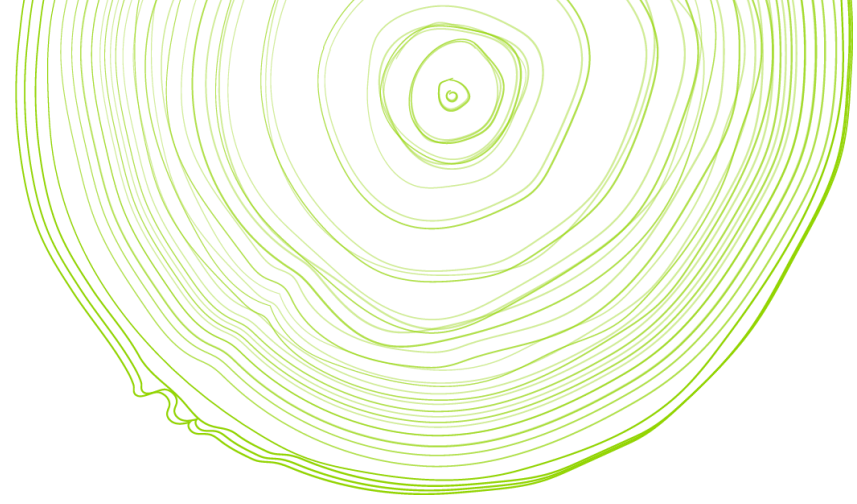
Wood

Lower import needs and declining price trends during the 2Q23 allow reduction of costs.

Chemicals

Prices of chemicals follow favourable trend in 2Q23. Variable costs maintain downward movement.

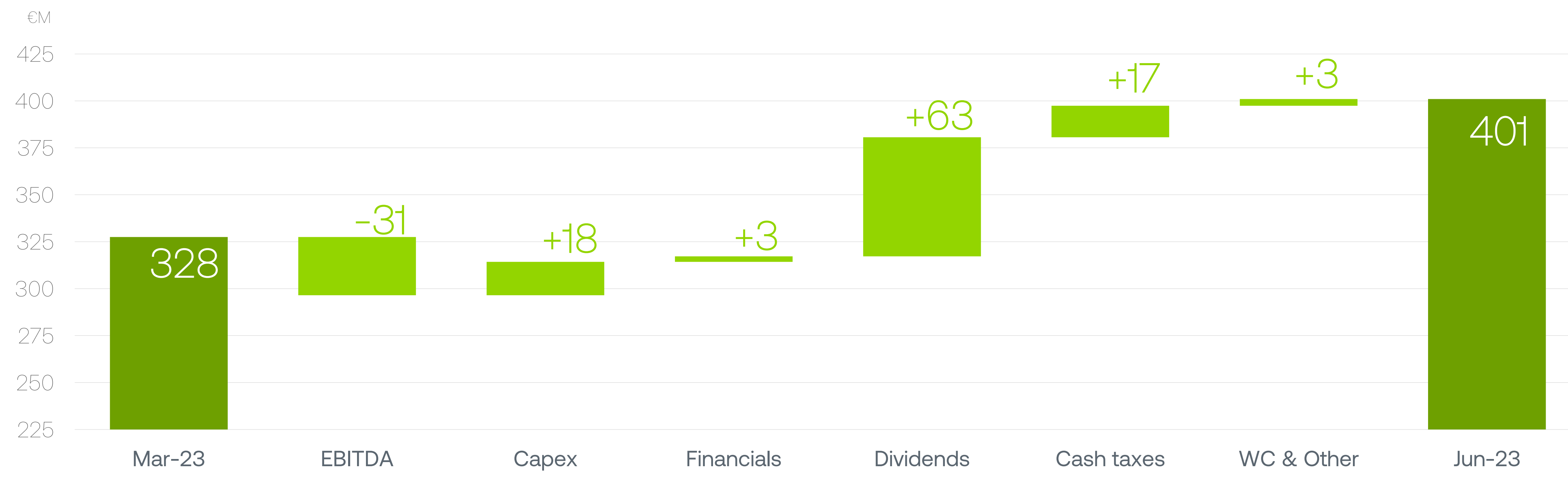




→ Financial highlights (V)

Net Debt/EBITDA LTM increased to 1.6x in the quarter due mainly to cash outflow related to dividend distribution.

Net Debt



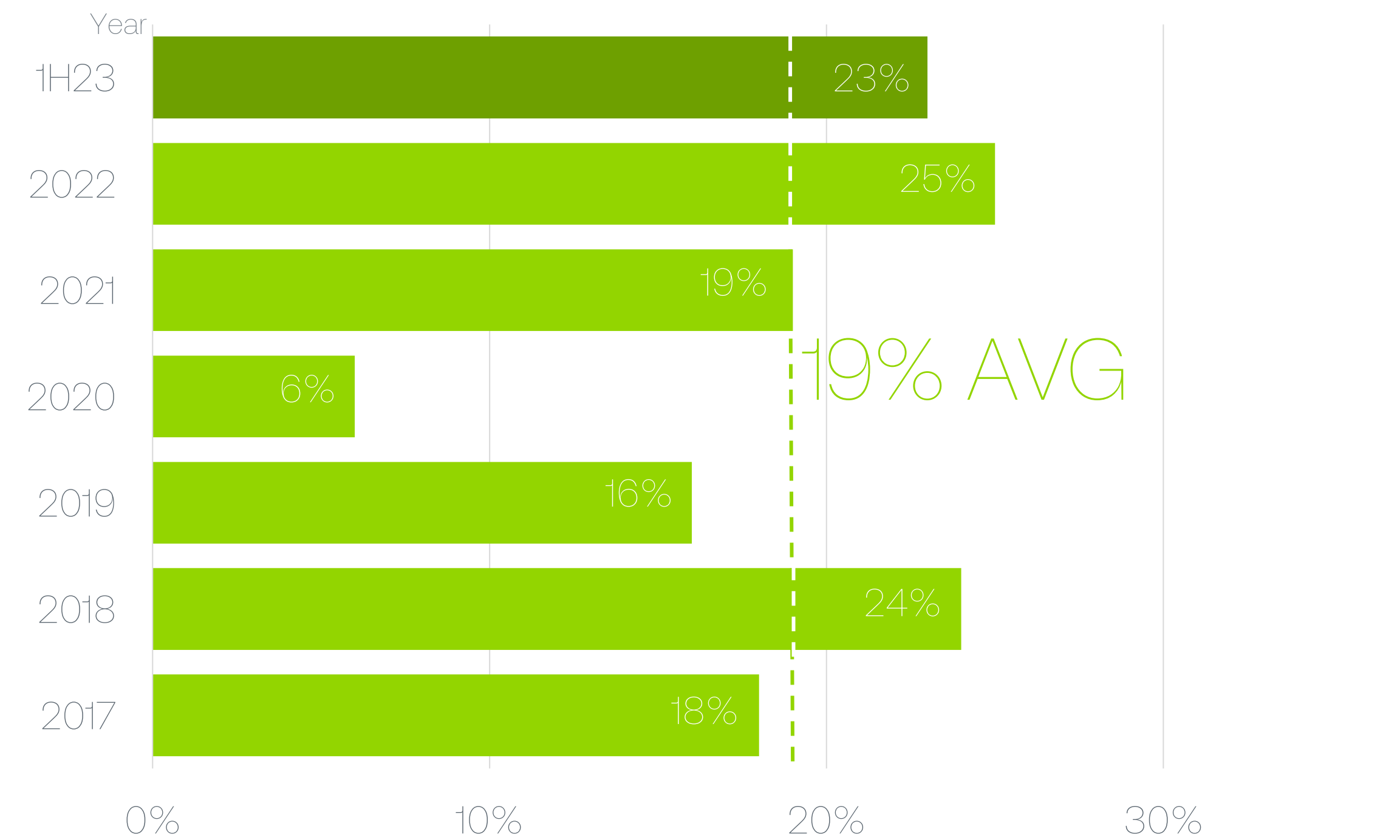


Financial highlights (VI)

Altri continues to deliver strong ROCE levels

23%
1H23 ROCE

ROCE*



- Return On Capital Employed (EBIT / (Shareholders Equity + Net Debt)).
- Note: 1H23 ROCE based on 1H23 EBIT LTM.

→ Sustainability (I)

Steady improvement in ESG ratings and continued focus on the 2030 Commitment.

Zero incidents April and May

Altri Group achieved 2 consecutive months with zero incidents involving internal employees, contributing to the 2030 Commitment.

Top 5 worldwide Sustainalytics

Major improvement in ESG rating from Sustainalytics, reaching the top 5 worldwide in the P&P sector.

1st place Kaizen Awards Portugal

Altri Group recognized with the 1st place of the 12th edition of the Kaizen Awards Portugal, in the category of “Sustainability”.

ESG Rating	Altri Score	Previous Score	Evolution	Last Assessment	Peers
 ^{*1}	14.7	19.3	↑	Q2'2023	Industry Group - Paper & Forestry 5 th out of 80
 ^{*2}	BBB	BB	↑	Q1'2023	Below industry average
 ^{*3}	Climate: A- Forest: B Water: B	Climate: A- Forest: B Water: B	↔	Q4'2022	Above industry average
 ^{*4}	Platinum	N.A.	—	Q2'2023	Top 1% Worldwide

^{*1} Scale of 0 to 100; ^{*2} Scale of CCC to AAA; ^{*3} Scale of A to D-; ^{*4} Scale of Bronze to Platinum

→ Perspectives



1

Demand for hardwood pulp in the Chinese market has been increasing. We believe this could continue during 2H23. The destocking effect in the European market should be ending. P&W, Décor and some Specialties show low levels of demand, while Tissue remains solid. The Group is seeking the best commercial solutions according to the demand trends across segments.

2

Pulp prices in Europe are following global trend of falling prices and are close to those in China. This trend may be reaching an end, and it is expected a stabilization in price evolution. The Group will remain cautiously aware of the outlook for the coming quarters.

3

Accelerated cost reduction in 2Q23. Altri will continue to work towards more cost reductions in 2H23.

4

Gama project – the intention is to take the final investment decision by the end of 2023. Work progressing at all fronts (environmental, engineering, economic, financing and EU funds).



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→ Highlights of 2Q23 results

€ M	2Q23	2Q22	2Q23/2Q22	1Q23	2Q23/1Q23
Cellulosic fibres	162.1	223.7	-27.5%	189.1	-14.2%
Others ¹	39.8	48.8	-18.5%	35.6	11.6%
Total Revenues	201.9	272.5	-25.9%	224.7	-10.1%
EBITDA	31.0	69.8	-55.5%	50.2	-38.2%
EBITDA mg	15.4%	25.6%	-10.2 pp	22.3%	-6.9 pp
EBIT	13.7	53.4	-74.4%	32.8	-58.3%
EBIT mg	6.8%	19.6%	-12.8 pp	14.6%	-7.8 pp
Financial results	-10.3	-0.2	s.s.	-5.8	77.4%
Income tax	4.8	-13.3	s.s.	-7.6	s.s.
Net profit of cont. operations²	8.4	39.8	-79.0%	19.6	-57.4%

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 1H23 results

€ M	1H23	1H22	1H23/1H22
Cellulosic fibres	351.2	423.6	-17.1%
Others ¹	75.4	98.1	-23.2%
Total Revenues	426.6	521.7	-18.2%
EBITDA	81.2	130.7	-37.9%
EBITDA mg	19.0%	25.1%	-6.1 pp
EBIT	46.5	97.8	-52.4%
EBIT mg	10.9%	18.7%	-7.8 pp
Financial results	-16.1	-3.7	330.1%
Income tax	-2.8	-24.4	-88.6%
Net profit of cont. operations²	28.0	69.6	-59.8%

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 1H23 Balance Sheet

€ M	1H23	2022	1H23/2022
Fixed & Biological assets	460.2	445.8	3.3%
Others	354.5	358.0	-1.0%
Non-current assets	814.7	803.7	1.4%
Inventories	139.6	112.9	23.7%
Trade receivables	116.4	134.6	-13.5%
Cash and cash equivalents	184.4	233.6	-21.1%
Others	36.0	32.9	9.4%
Current assets	476.4	514.0	-7.3%
Assets classified for distribution to shareholders	0.0	180.6	-100.0%
Total assets	1,291.1	1,498.4	-13.8%
Equity and Non-controlling interests	405.8	609.9	-33.5%
Bank loans & Other loans	372.2	458.8	-18.9%
Lease liabilities & Other	121.2	114.4	6.0%
Non-current liabilities	493.4	573.2	-13.9%
Bank loans & Other loans	217.3	101.6	113.9%
Trade payables	98.0	108.7	-9.9%
Lease liabilities & Other	76.5	104.9	-27.1%
Current liabilities	391.9	315.3	24.3%
Liabilities and Equity	1,291.1	1,498.4	-13.8%

→
Structure of Group Altri
as of June 2023

