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# + Main Highlights of 2023



## Pulp market improves in the 4Q23

Softer demand and destocking process during most of 2023. Pulp prices start to recover after the summer. China's strength was able to more than offset a weaker Europe and North America. Demand level continues sound in early 2024, with better demand in Europe and North America.

## Price declines impact EBITDA despite costs

One of the fastest changing cycles in more than a decade led to a significant reduction in pulp prices during 2023. EBITDA of € 137 M represents a 54% decline vs 2022, despite a material decrease in cash costs. EBITDA margin of 17.4% in 2023, which includes an improvement to 21.3% during the 4Q23.

## Sustainability agenda continues to move forward

Caima, one of Altri's industrial units, has become one of the few in Europe to reach a 100% fossil fuel free milestone, at the end of 2023. A revamped wastewater treatment plant at Celbi should improve water consumption and effluent quality. More circularity at our plants from a new investment underway for the recovery and valorisation of furfural and acetic acid from renewable sources in Caima.

## Gama Project and more projects

Altri continues to work in the Gama project expecting to reach a final investment decision when all conditions needed are met. Additionally, more diversification projects in Altri's production units are underway.

## + Market Highlights

Global pulp demand has been recovering since the 2Q23 due to China's strength. Hardwood continues to gain share to Softwood.

| Global Pulp Demand by Type |               | YoY          |
|----------------------------|---------------|--------------|
| Hardwood                   | 40,989        | +8.7%        |
| Softwood                   | 24,673        | +0.8%        |
| Unbleached Sulphate        | 2,471         | -18.5%       |
| Sulphite                   | 107           | -3.5%        |
| <b>Total</b>               | <b>68,239</b> | <b>+4.4%</b> |

| Hardwood Pulp Demand by Region (2023) |               | YoY          |
|---------------------------------------|---------------|--------------|
| North America                         | 3,348         | -0.2%        |
| Western Europe                        | 7,151         | -15.8%       |
| Eastern Europe                        | 1,342         | -7.3%        |
| Latin America                         | 2,933         | +4.2%        |
| China                                 | 18,614        | +28.7%       |
| Japan                                 | 969           | -10.5%       |
| Rest of Asia/Africa                   | 6,450         | +10.4%       |
| Oceania                               | 181           | -22.5%       |
| <b>Total</b>                          | <b>40,989</b> | <b>+8.7%</b> |

Source: PPPC (World Chemical Market Pulp Global 100 Report- December 2023). Values in 000' tons

## + Market Highlights

Global demand for dissolving pulp (DWP) continues to deliver a consistent mid to high single digit growth pattern. Asia accounts for 86% and China for 62%

| Global Dissolving Pulp Demand by Region (Jan-Dec '23) |              | YoY          |
|-------------------------------------------------------|--------------|--------------|
| North America                                         | 463          | -2.2%        |
| Western Europe                                        | 487          | -19.7%       |
| Asia                                                  | 6,151        | +10.3%       |
| China                                                 | 4,445        | +15.4%       |
| Japan                                                 | 185          | +4.7%        |
| Taiwan                                                | 28           | -46.8%       |
| Thailand                                              | 226          | +13.1%       |
| Rest of Asia                                          | 1,267        | -2.4%        |
| Other                                                 | 53           | -6.1%        |
| <b>Total</b>                                          | <b>7,153</b> | <b>+6.5%</b> |

Source: Numera Analytica (Global DP Demand Report – December 2023). Values in 000' tons

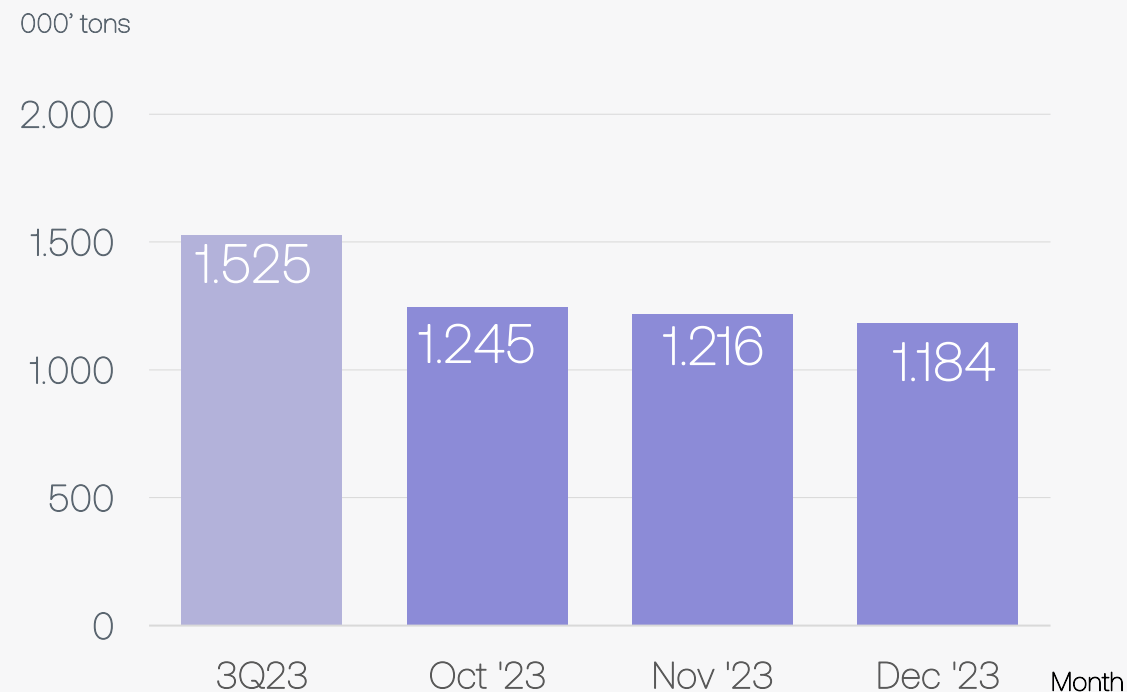
# + Market Highlights

Inventories at European Ports have decreased significantly during the 4Q23. Supply was being redirected to Asia, where demand was stronger. We expect a more balanced situation in the next quarters

## Yearly Pulp Stocks at European Ports\*



## Monthly Pulp Stocks at European Ports\*

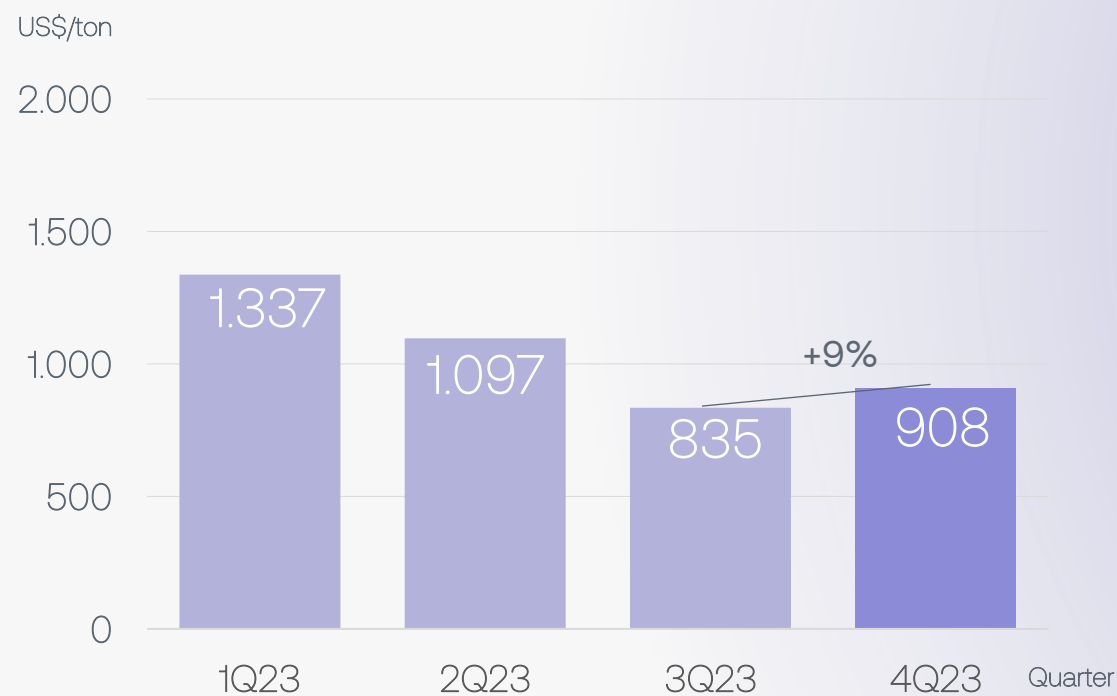
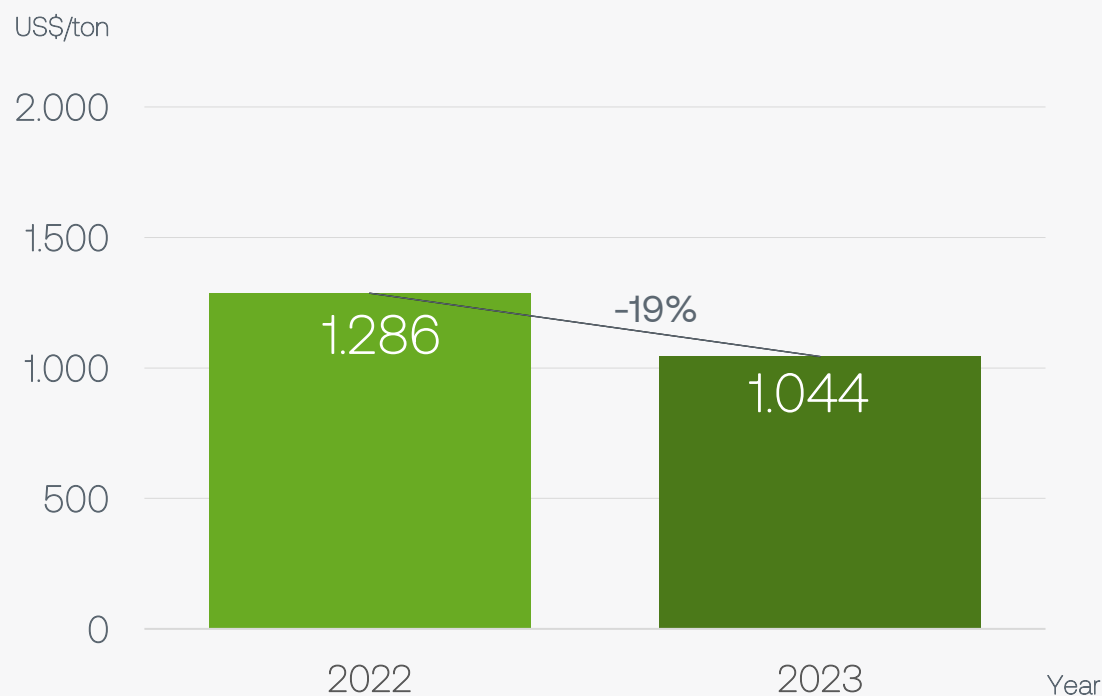


\*Source: Europulp (Federation of the National Associations of Pulp Sellers in Europe)  
Monthly end-of-period stocks. Monthly average for annual and quarterly values.

# + Market Highlights

Average Hardwood pulp prices in Europe started to recover in the 4Q23 with the PIX price index ending the year at US\$ 1,001/ton.

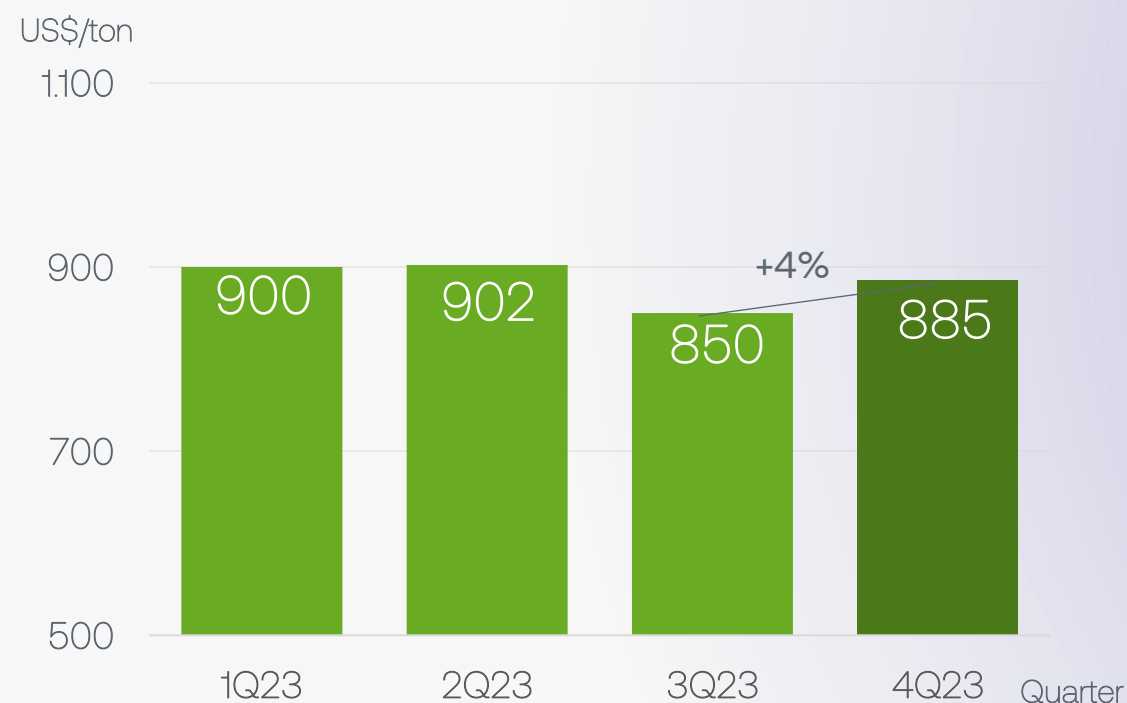
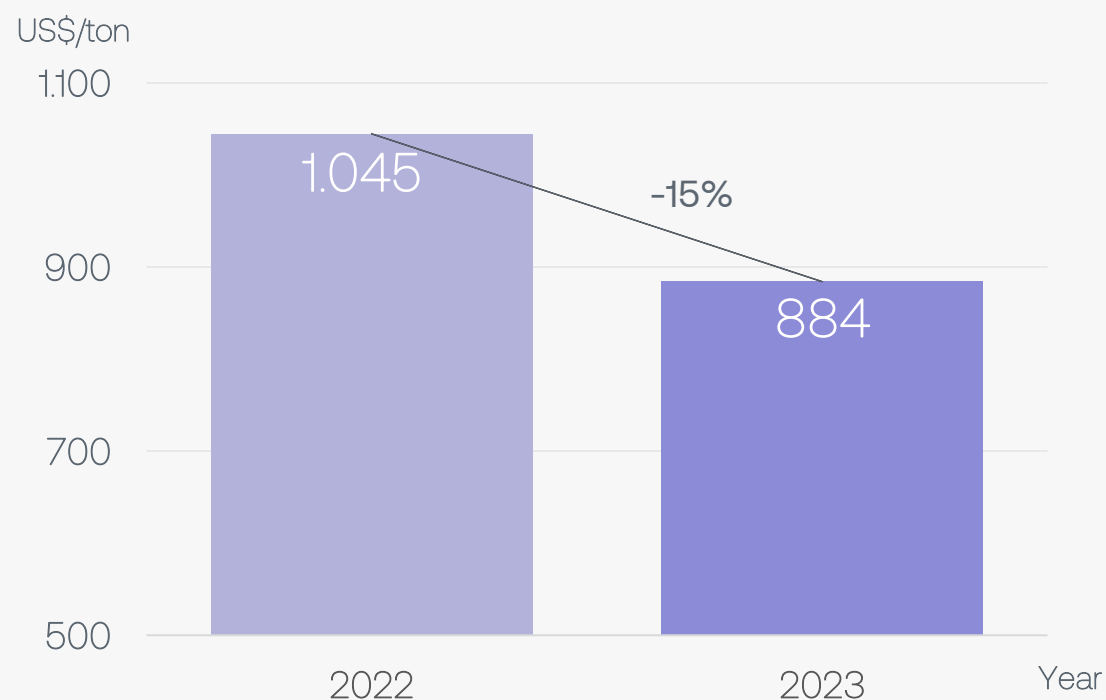
## Avg. PIX Prices (BHKP - Europe)



# + Market Highlights

Dissolving pulp prices (DWP), more correlated with the textile value chain, decreased in 2023, but are stable around US\$900/ton in the past months

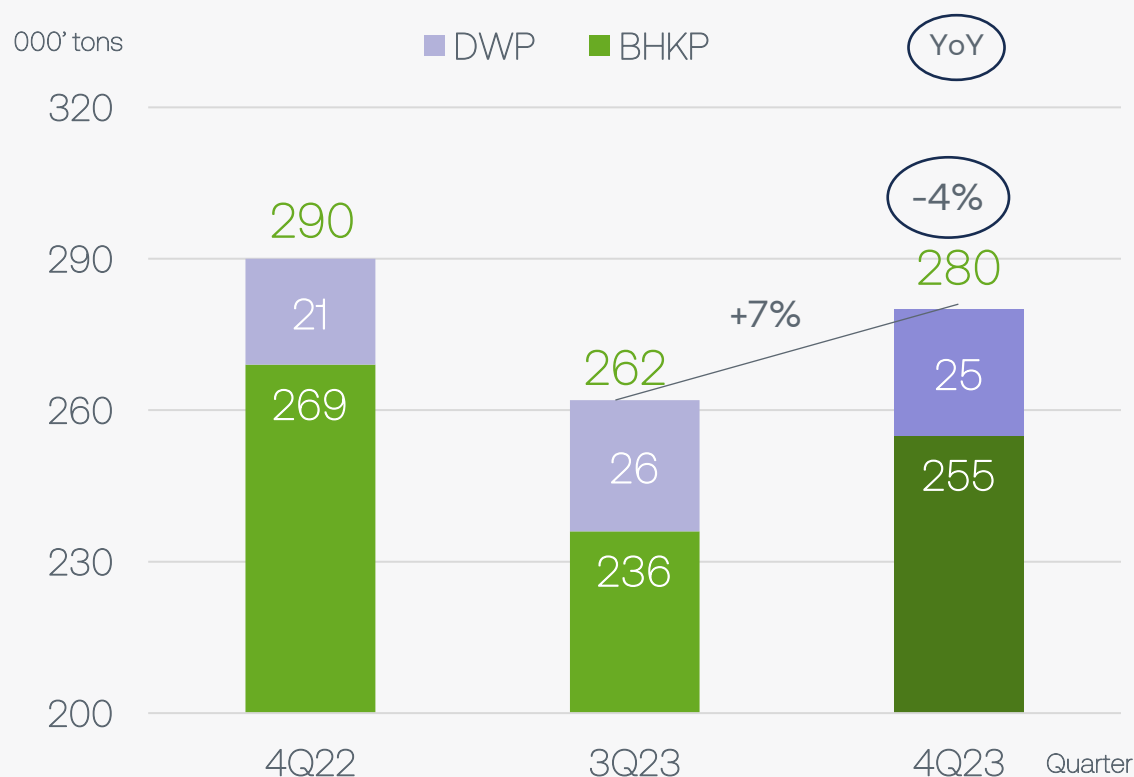
## Avg. Prices (Imported DWP Hardwood China – Net Price)



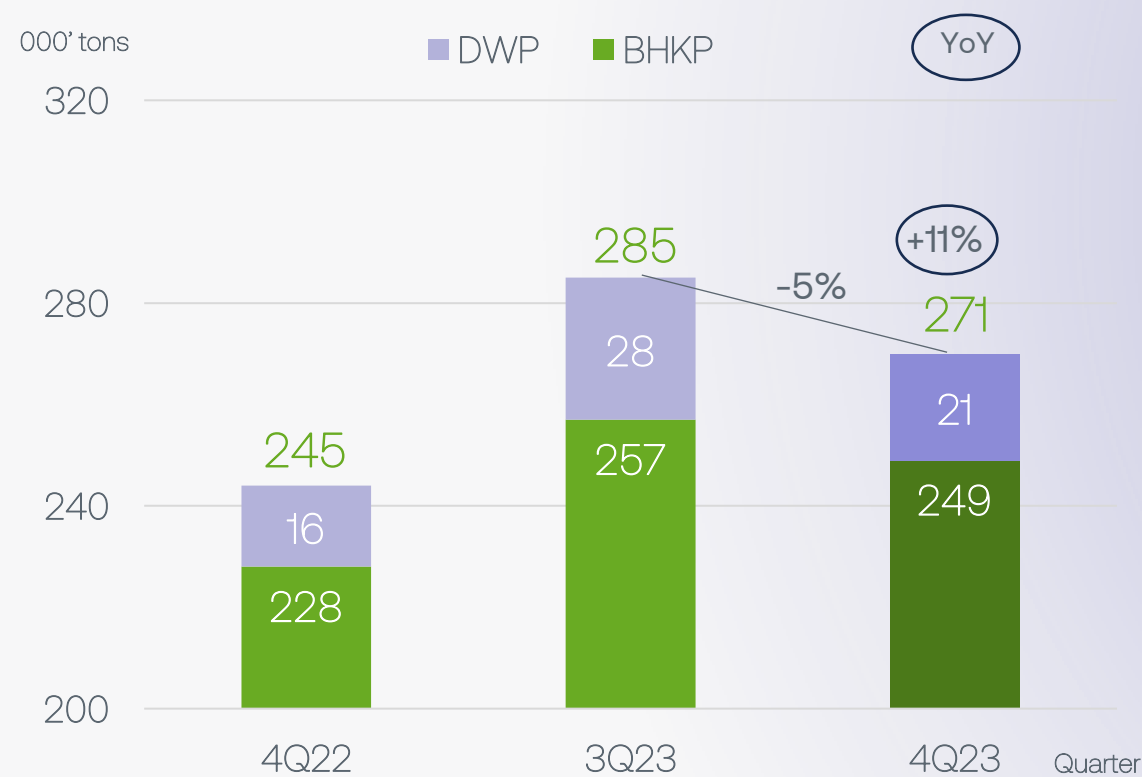
# + Operational Highlights

After a slower demand and destocking process in the P&P industry during most of 2023, the Group focused its efforts to optimize inventories in the 2H23

## Production



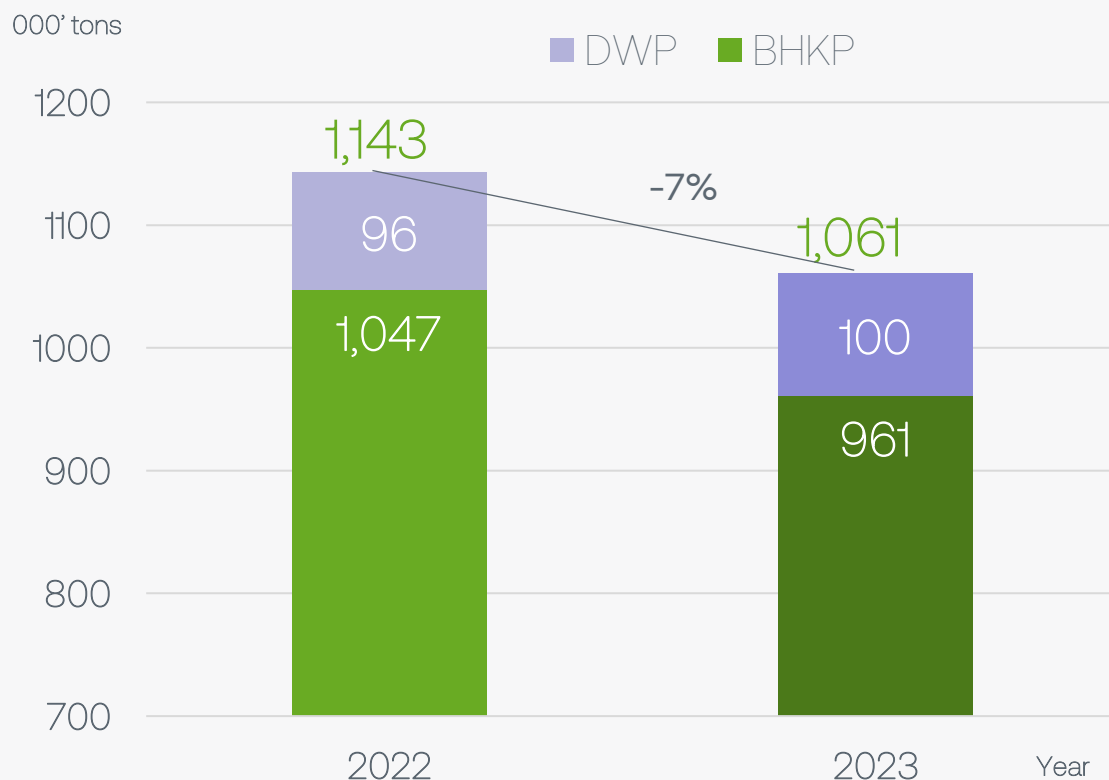
## Sales



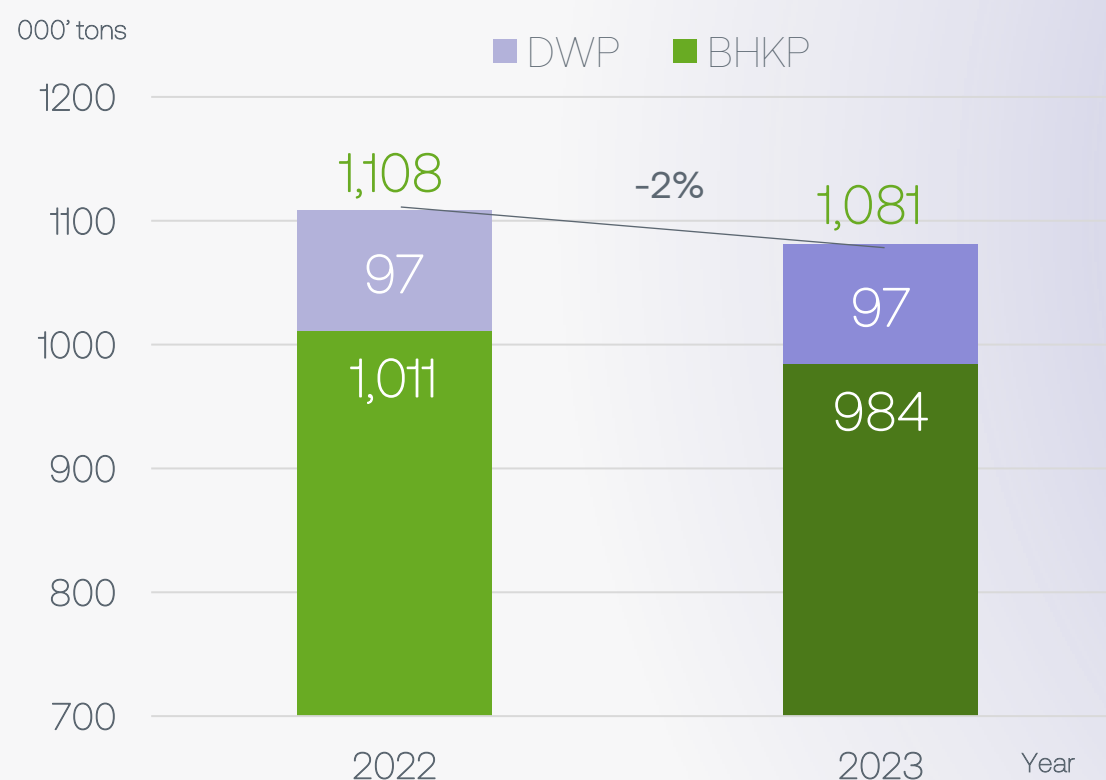
# + Operational Highlights

Lower production levels adapting to the market environment and inventory optimization. Sales have decrease given a slower demand and destocking in the P&P industry in Europe during 2023

## Production



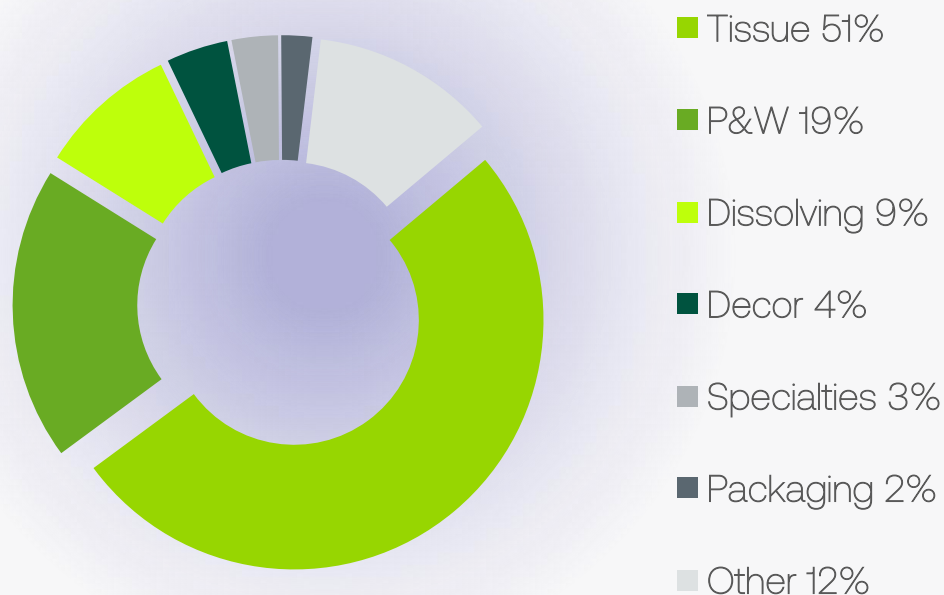
## Sales



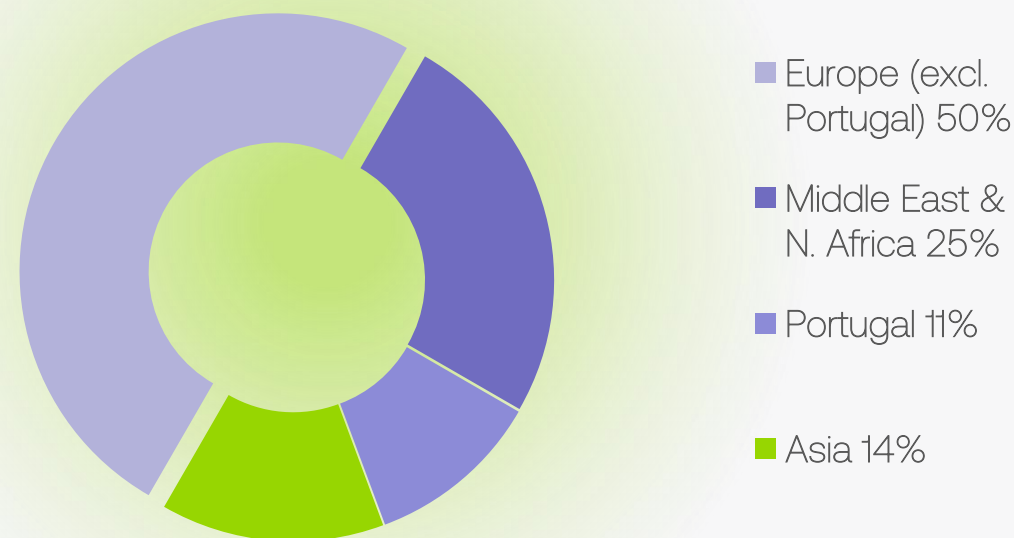
# + Operational Highlights

Tissue remains above 50% but P&W decreases below 20% from 24% in 2022. Higher weight from non-European regions as an effort was made to diversify where demand was stronger during 2023

## Sales Volume Breakdown 2023 by End Use



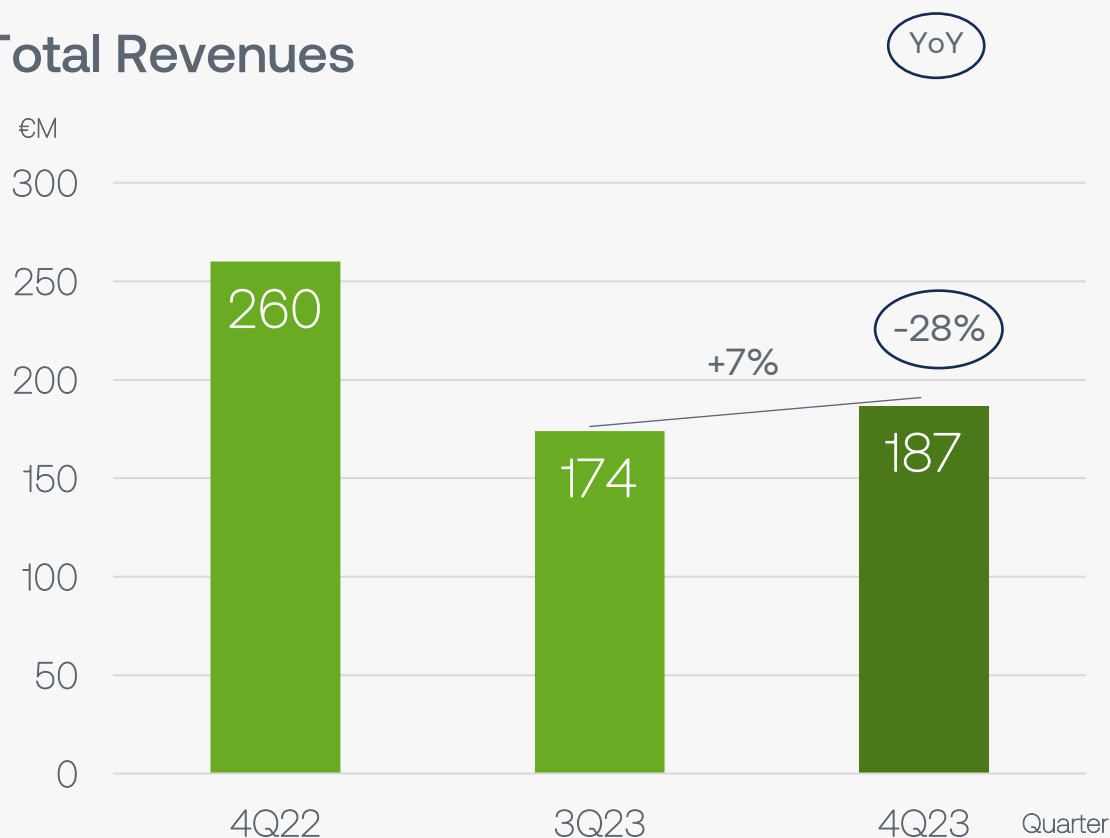
## Sales Volume Breakdown 2023 by Region



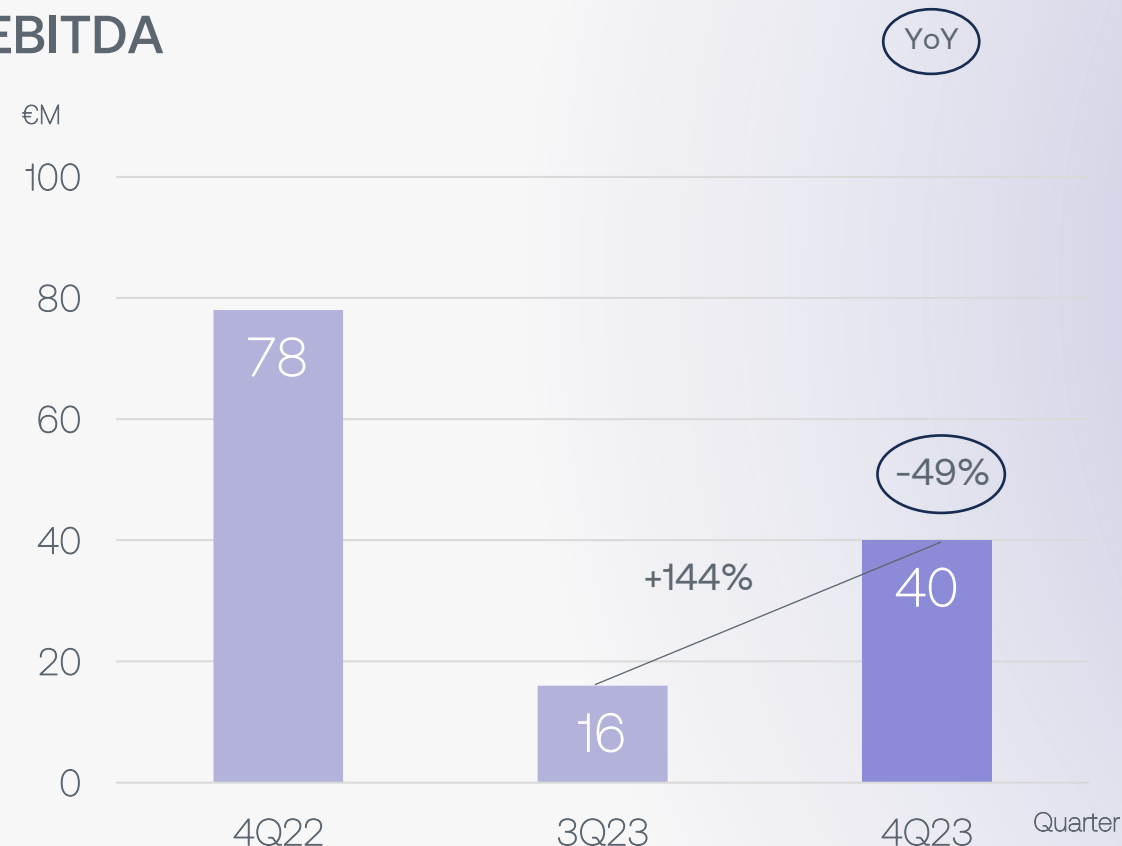
# + Financial Highlights

After hitting a year low during the 3Q23, pulp prices in Europe have recovered in the last quarter, which impacted positively revenue and EBITDA levels

## Total Revenues



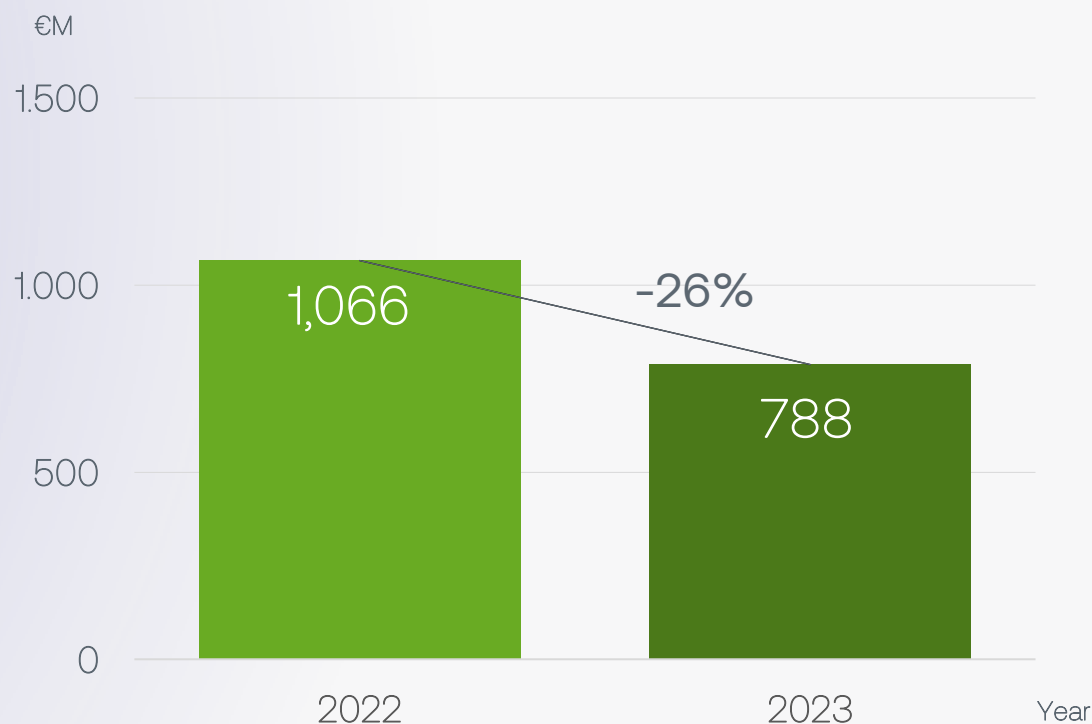
## EBITDA



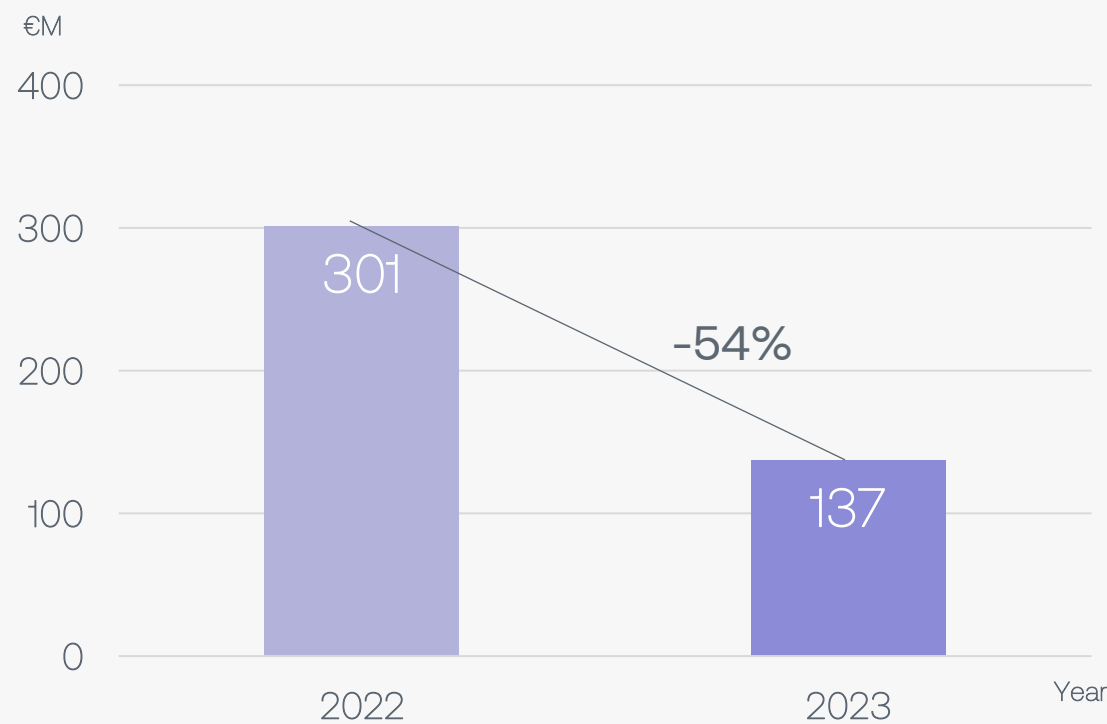
# + Financial Highlights

Revenues decreased during 2023 given a lower demand level affecting prices and volumes. Significant cost reductions have not been enough to prevent a decline in the profitability of the Group

## Total Revenues

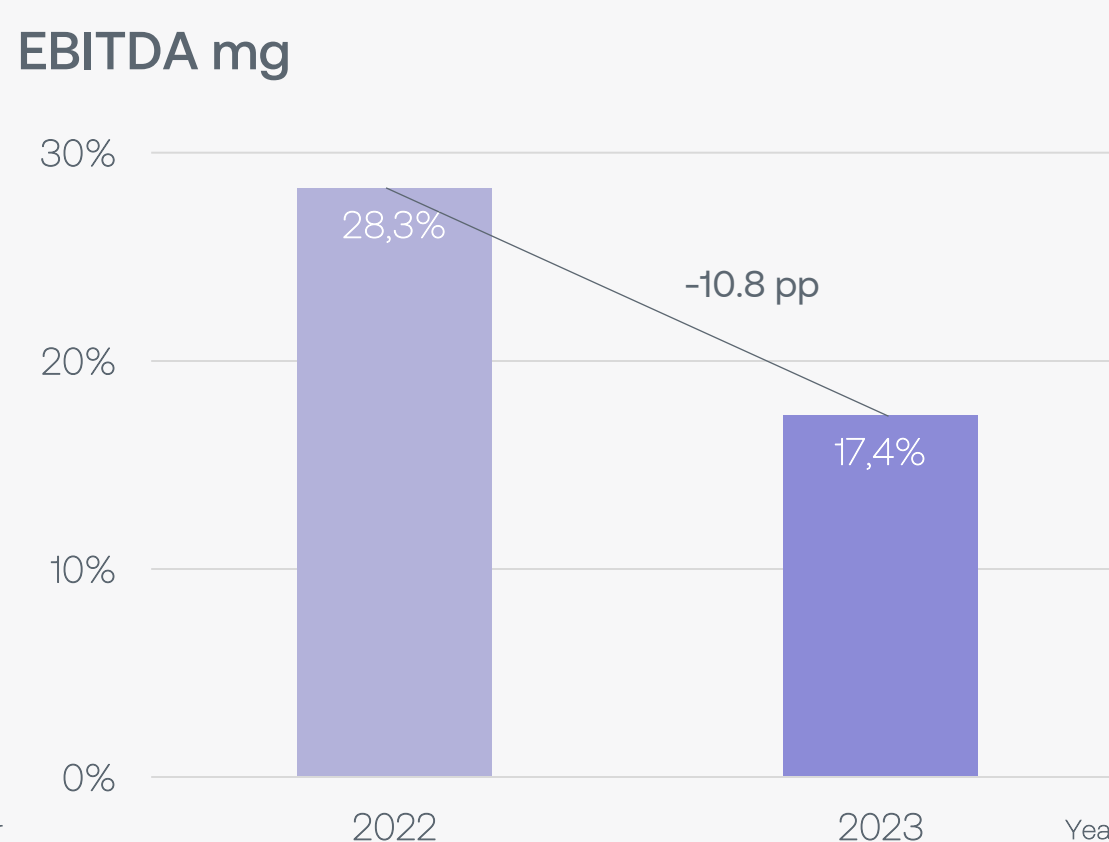
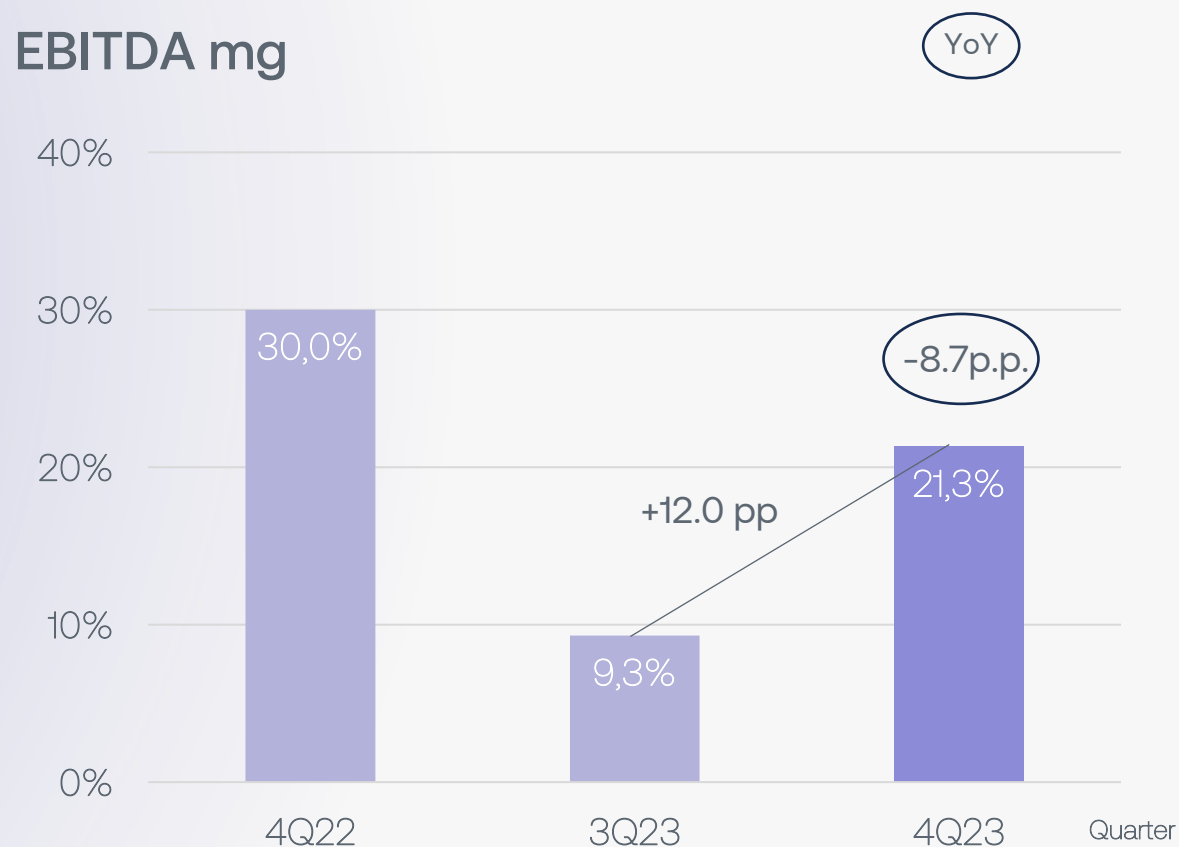


## EBITDA



# + Financial Highlights

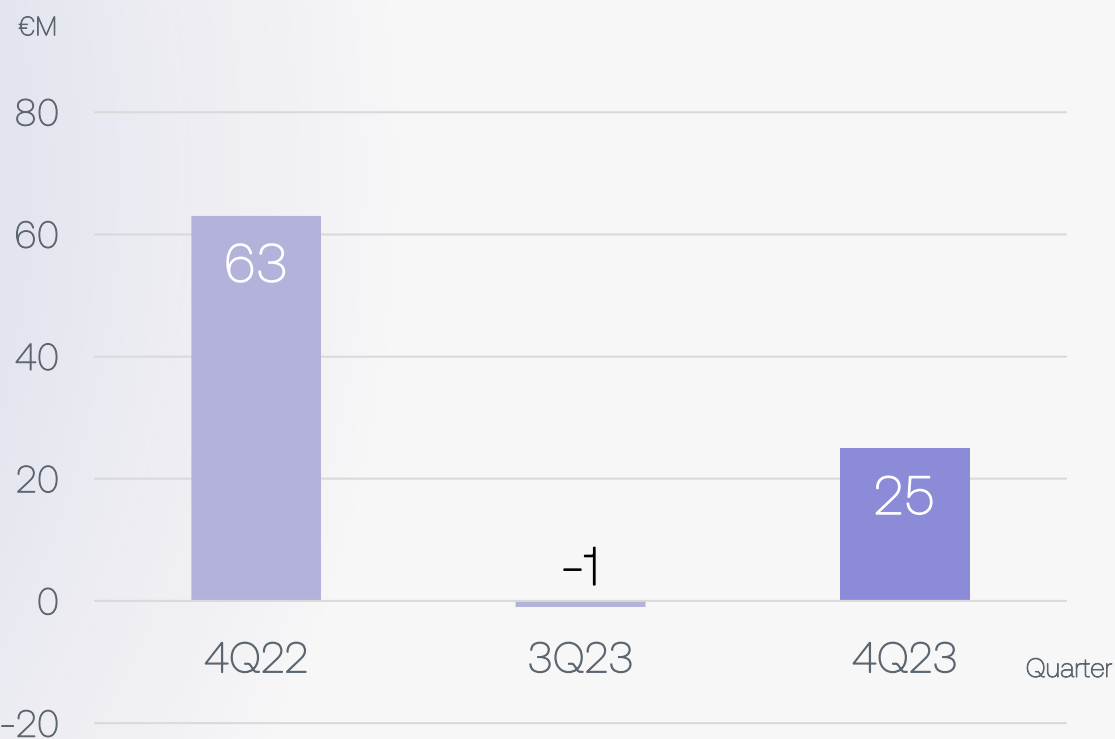
EBITDA margin in 2023 decreased more than 10 p.p. given a record decrease in pulp prices despite an effective cost reduction. As conditions start to improve in the 4Q23, we see a rapid recovery in margins



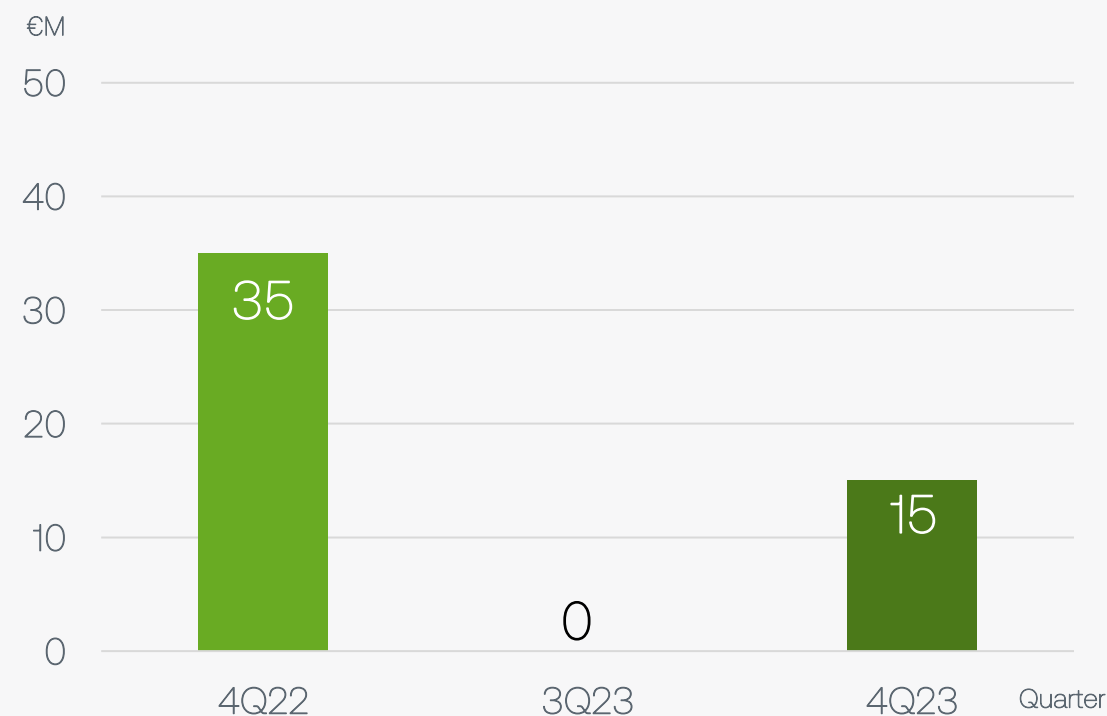
# + Financial Highlights

As a result of the mentioned effects, we saw an annual low in EBIT and net profit during the 3Q23 and a recovery in 4Q23

## EBIT



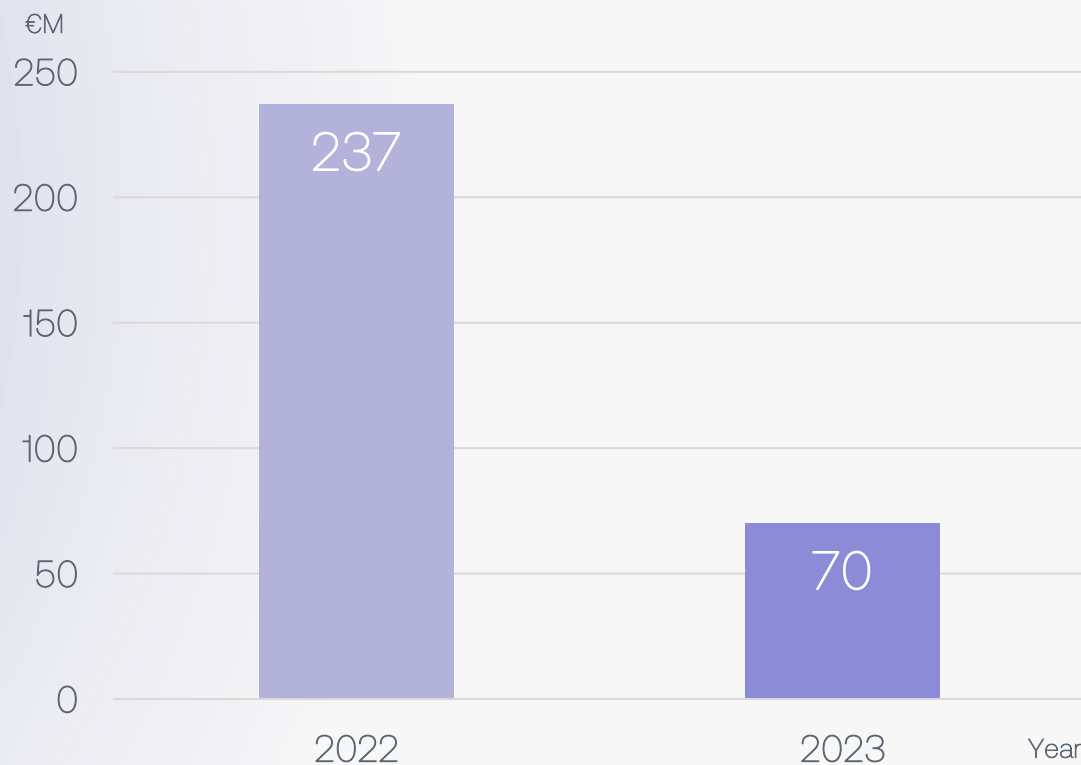
## Net Profit



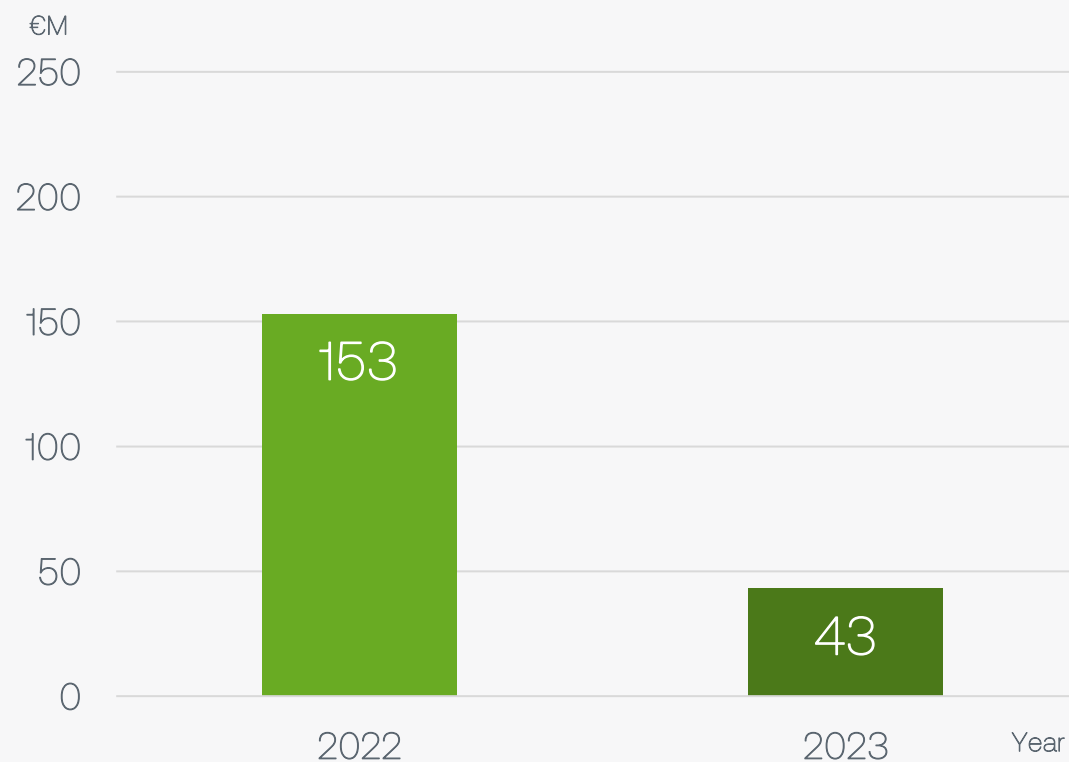
# + Financial Highlights

On an accumulated basis, and despite a relevant annual decrease, EBIT and net profit maintain a reasonable profitable level for a down cycle year

## EBIT



## Net Profit



# + Financial Highlights

We are seeing a stabilization in costs after delivering a significant reduction in three consecutive quarters

## Electricity & Natural Gas

Energy contribution is now stable with natural gas costs being more than offset by the sale to the grid of the generated electricity surplus. That electricity surplus should increase when Caima's new biomass boiler starts to operate which should partially offset lower electricity prices.

## Wood

Pricing trends are stabilising during the fourth quarter.

## Chemicals

The price of chemicals has also stabilised during the last quarter after a relevant decrease in the previous nine months.



# + Financial Highlights

FCF ahead of expectations with significant Net Debt reduction in the quarter due to WC optimization and improved profitability. Net Debt/EBITDA at 2.6x

## Net Debt



# + Financial Highlights

Net Debt increased during 2023 but less than the dividends distributed in a year of lower profitability and higher Capex

## Net Debt



# + Financial Highlights

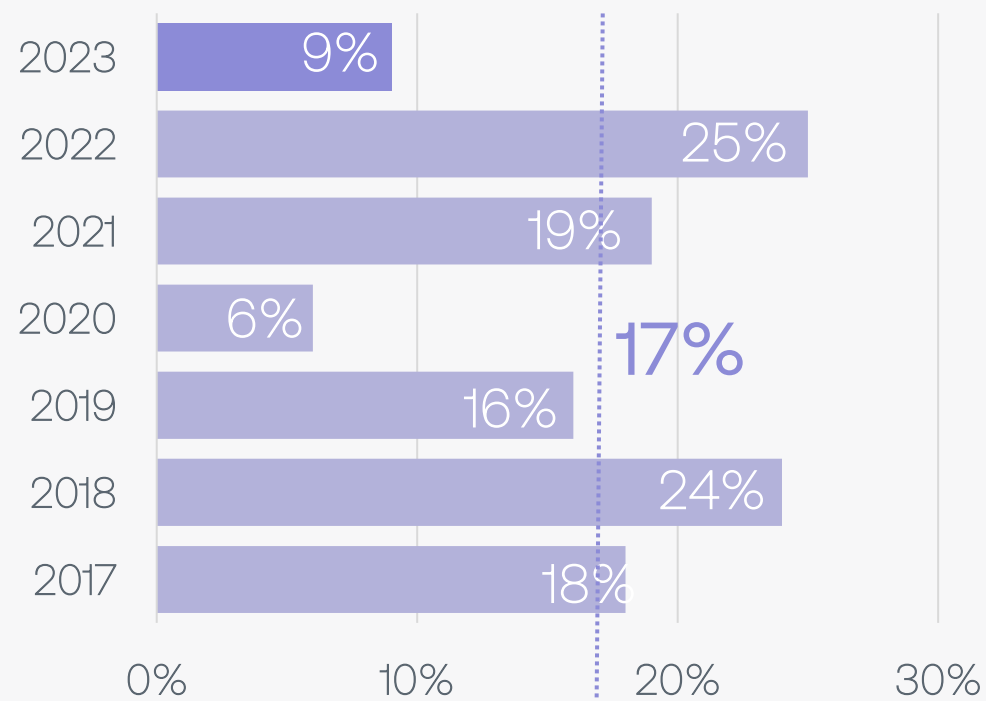
Lower ROCE levels given the down cycle year

9%



2023  
ROCE

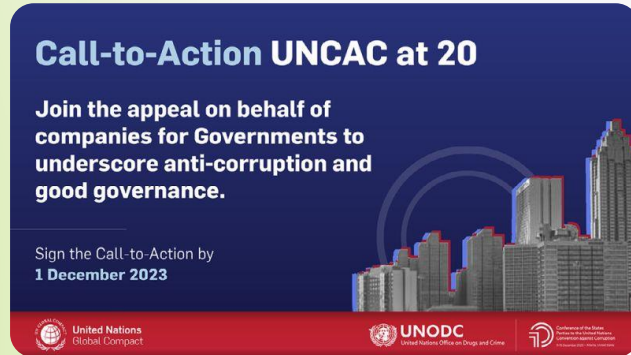
## ROCE\*



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

# + Sustainability

## Green financing and UN's anti-corruption initiative



### Suports UN's anti-corruption initiative

Altri Group has joined the United Nations in the appeal for governments to fight corruption and encourage best governance.



### € 50 M Green Bonds issue

The Altri Group has issued € 50 M in green bonds to finance its new biomass boiler that started operating at one of its industrial units, Caima, during the 4Q23. As already mentioned, the new boiler allowed Caima to become the first cellulose fiber industrial unit in Iberia, and one of the first in Europe, to operate 100% fossil fuel free.

# + Perspectives



1

**Demand** in Europe and North America started the year with a positive tone, mainly in the P&W segment. Red Sea restrictions might also be helping European paper makers. China seems to be holding up well after a very strong year.

2

As demand improves, **pulp prices** in Europe have had a strong beginning of the year and are now at a premium to the prices in China. In 2024 we have seen three price increases of US\$ 80/ ton. each, placing the list pulp price of BHKP in Europe at US\$ 1,300/ton., already implemented.

3

After delivering a fourth consecutive quarter of **cost** deflation, we believe we should see a stabilisation or even some upward pressures going forward. Altri will continue to work to maintain the cash cost level under a tight scrutiny.

4

**Expansion projects.** Gama – Altri intends to take a final investment decision when all the necessary conditions are met. Altri mills – several projects underway, of which we highlight the recovery and valorisation of acetic acid and furfural from renewable sources at Caima, scheduled to be completed in 2025.

The image features several green eucalyptus-like branches with small, rounded leaves, arranged diagonally across the slide. One branch is in the upper right, another in the middle, and a third in the lower left. The background is a light blue-to-white gradient.

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# + Highlights of 4Q23 Results

| € M                                               | 4Q23         | 4Q22         | 4Q23/4Q22      | 3Q23         | 4Q23/3Q23       |
|---------------------------------------------------|--------------|--------------|----------------|--------------|-----------------|
| Cellulosic Fibers                                 | 149.0        | 215.9        | -31.0%         | 144.9        | 2.8%            |
| Other <sup>1</sup>                                | 38.2         | 44.5         | -14.0%         | 29.5         | 29.8%           |
| <b>Total Revenues</b>                             | <b>187.3</b> | <b>260.4</b> | <b>-28.1%</b>  | <b>174.4</b> | <b>7.4%</b>     |
| <b>EBITDA</b>                                     | <b>39.8</b>  | <b>78.1</b>  | <b>-49.0%</b>  | <b>16.3</b>  | <b>144.1%</b>   |
| <b>EBITDA mg</b>                                  | <b>21.3%</b> | <b>30.0%</b> | <b>-8.7 pp</b> | <b>9.3%</b>  | <b>+12.0 pp</b> |
| EBIT                                              | 25.0         | 63.3         | -60.6%         | -1.1         | s.s.            |
| EBIT mg                                           | 13.3%        | 24.3%        | -11.0 pp       | -0.6%        | +13.9 pp        |
| Net Financials                                    | -6.5         | -18.0        | 64.0%          | -0.9         | s.s.            |
| Income Tax                                        | -4.2         | -10.6        | 60.8%          | 2.0          | s.s.            |
| <b>Net Profit of Cont. Operations<sup>2</sup></b> | <b>14.6</b>  | <b>34.9</b>  | <b>-58.3%</b>  | <b>0.2</b>   | <b>s.s</b>      |

<sup>1</sup> 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 (cogenerations) related to the cellulosic fiber production process.

<sup>2</sup> Attributable to the equity holders of the parent

Note: Variation of unrounded figures.

# + Highlights of 2023 Results

| € M                                               | 2023         | 2022           | Var (%)         |
|---------------------------------------------------|--------------|----------------|-----------------|
| Cellulosic Fibers                                 | 645.2        | 883.8          | -27.0%          |
| Other <sup>1</sup>                                | 143.1        | 182.4          | -21.6%          |
| <b>Total Revenues</b>                             | <b>788.2</b> | <b>1,066.2</b> | <b>-26.1%</b>   |
| <b>EBITDA</b>                                     | <b>137.3</b> | <b>301.4</b>   | <b>-54.4%</b>   |
| <b>EBITDA mg</b>                                  | <b>17.4%</b> | <b>28.3%</b>   | <b>-10.8 pp</b> |
| EBIT                                              | 70.4         | 237.3          | -70.3%          |
| EBIT mg                                           | 8.9%         | 22.3%          | -13.3 pp        |
| Net Financials                                    | -23.4        | -30.3          | 22.7%           |
| Income Tax                                        | -5.0         | -54.9          | s.s.            |
| <b>Net Profit of Cont. Operations<sup>2</sup></b> | <b>42.8</b>  | <b>152.5</b>   | <b>-71.9%</b>   |

<sup>1</sup> Others: includes essentially i) sale of biomass and Rendering of operations and maintenance services to GreemVolt's biomass plants in Portugal and ii) sale of electric energy (cogenerations) related to the cellulosic fiber production process.

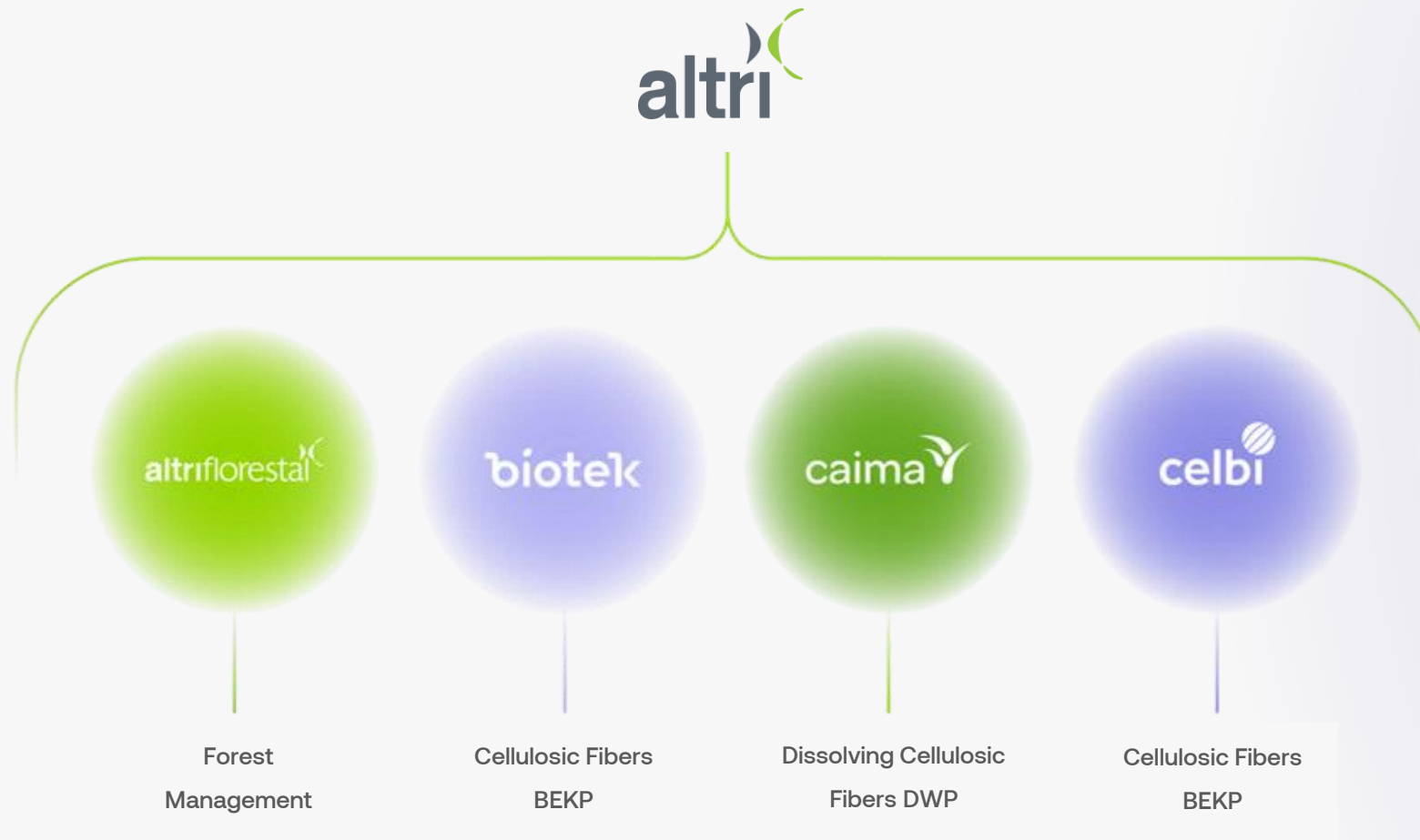
<sup>2</sup> Attributable to the equity holders of the parent

Note: Variation of unrounded figures.

# + Highlights of 2023 Balance Sheet

| € M                                                | 2023           | 2022           | Var (%)       |
|----------------------------------------------------|----------------|----------------|---------------|
| Fixed & Biological Assets                          | 457.8          | 445.8          | 2.7%          |
| Other <sup>1</sup>                                 | 352.3          | 358.0          | -1.6%         |
| <b>Non-current Assets</b>                          | <b>810.1</b>   | <b>803.7</b>   | <b>0.8%</b>   |
| Inventories                                        | 97.7           | 112.9          | -13.5%        |
| Trade Receivables                                  | 100.2          | 134.6          | -25.6%        |
| Cash & Cash Equivalents                            | 253.7          | 233.6          | 8.6%          |
| Others                                             | 53.3           | 32.9           | 61.9%         |
| <b>Current Assets</b>                              | <b>504.9</b>   | <b>514.0</b>   | <b>-1.8%</b>  |
| Assets Classified for Distribution to Shareholders | 0.0            | 180.6          | -100.0%       |
| <b>Total Assets</b>                                | <b>1,315.0</b> | <b>1,498.4</b> | <b>-12.2%</b> |
| <b>Equity and Non-controlling Interests</b>        | <b>412.4</b>   | <b>609.9</b>   | <b>-32.4%</b> |
| Bank Loans & Other Loans                           | 492.3          | 458.8          | 7.3%          |
| Lease Liabilities & Other                          | 133.8          | 114.4          | 17.0%         |
| <b>Non-current Liabilities</b>                     | <b>626.1</b>   | <b>573.2</b>   | <b>9.2%</b>   |
| Bank Loans & Other Loans                           | 123.7          | 101.6          | 21.7%         |
| Trade Payables                                     | 84.4           | 108.7          | -22.4%        |
| Lease Liabilities & Other                          | 68.4           | 104.9          | -34.8%        |
| <b>Current Liabilities</b>                         | <b>276.5</b>   | <b>315.3</b>   | <b>-12.3%</b> |
| <b>Liabilities &amp; Equity</b>                    | <b>1,315.0</b> | <b>1,498.4</b> | <b>-12.2%</b> |

# + Who we are



# + Ratings ESG

## as of March '24

| ESG Rating                                                                                                                              | Altri Score                           | Previous Score                       | Evolution | Last Assessment | Peers                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------|-----------|-----------------|-------------------------------------------------------------------|
|  <b>SUSTAINALYTICS</b><br>Scale from 100 to 0          | 14.7                                  | 19.3                                 | ↑         | 2Q'23           | Industry Group –<br>Paper & Forestry<br>7 <sup>th</sup> out of 80 |
|  <b>MSCI</b><br>Scale from CCC to AAA                  | BBB                                   | BBB                                  | ↔         | 1Q'24           | In line with the<br>industry average                              |
|  <b>CDP</b><br>Scale from D- to A                      | Climate: A-<br>Forest: A-<br>Water: B | Climate: A-<br>Forest: B<br>Water: B | ↑         | 1Q'24           | Above the industry<br>average                                     |
|  <b>ecovadis</b><br>Scale from Bronze to<br>Platinum | Platinum                              | N.A.                                 | —         | 2Q'23           | Top 1% Worldwide                                                  |



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