

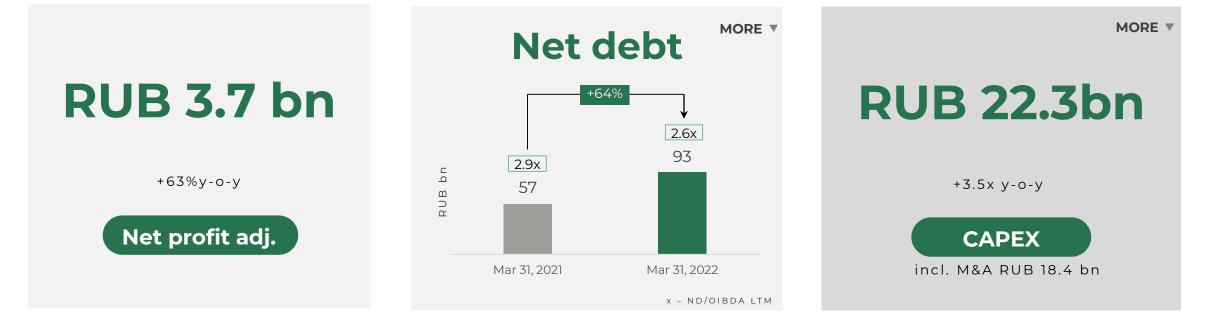
SEGEZHA GROUP Q1 2022 FINANCIAL & OPERATING RESULTS

May 20, 2022

SEGEZHA GROUP Q1 2022 RESULTS OVERVIEW



segezha



PRICE DYNAMICS

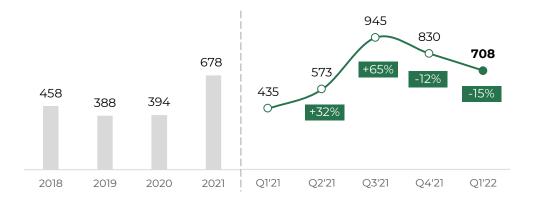




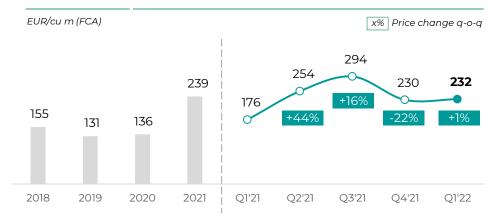
Birch plywood

EUR/cu m (FCA)

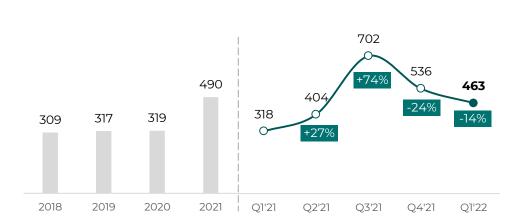
x% Price change q-o-q



Sawn timber



Glulam



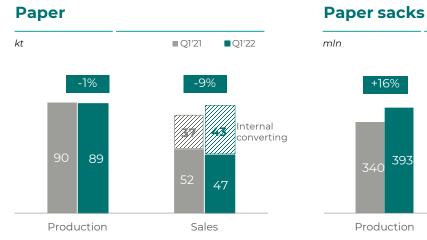
EUR/cu m (FCA)

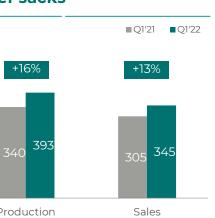
x% Price change q-o-q

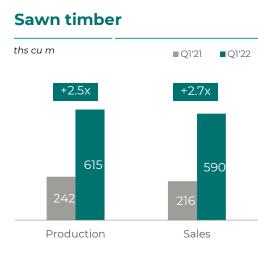
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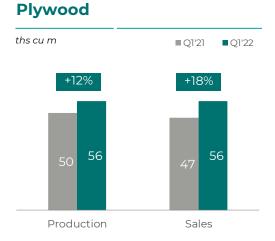
SEGEZHA GROUP OPERATING RESULTS



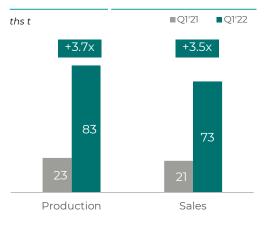


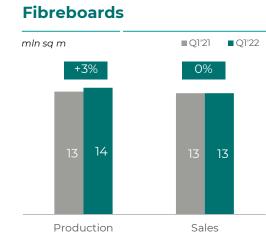


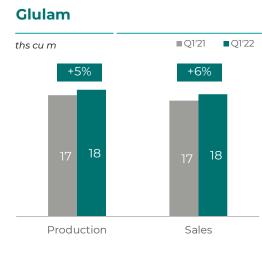




Pellets







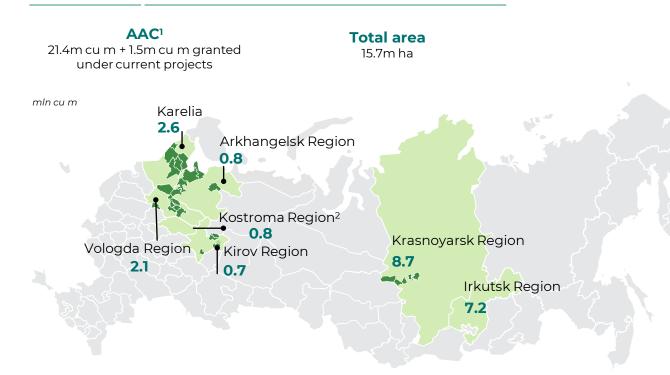
Home kits



HARVESTING

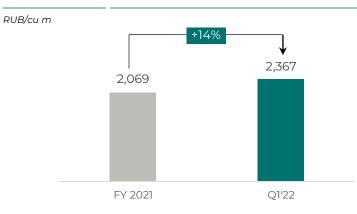


Segezha Group forestry map

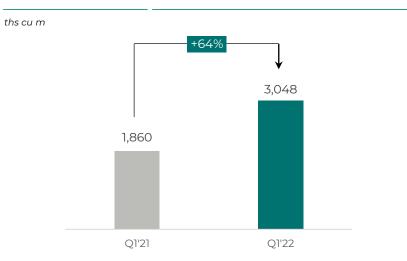




Segezha Group cost of timber harvesting



Timber harvesting volumes



REVENUE DRIVERS YoY



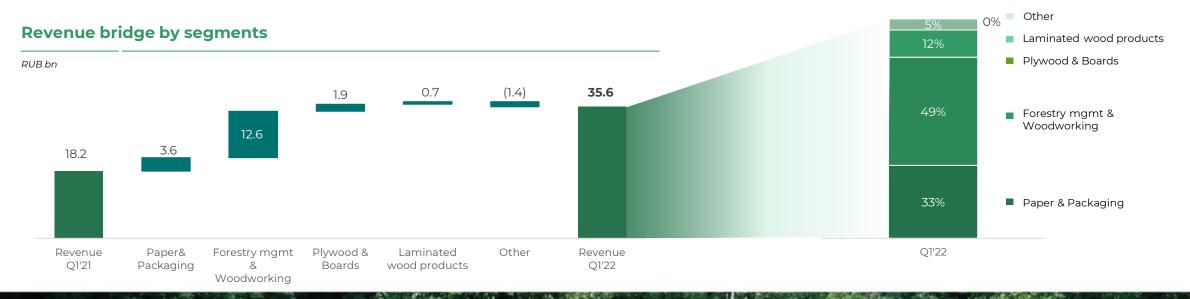
Revenue bridge by factors

Comments

- In Ql'22 revenue boosted by 96% y-o-y to RUB 36 bn with key drivers being price improvement, LFL growth of sales volumes, and consolidation effect of NLHK and IFR assets
- The largest revenue contribution was made by Forestry Management & Woodworking segment as most of newly consolidated business is allocated to this segment with exception for plywood asset

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Revenue structure by segments



OIBDA DRIVERS YoY



Laminated wood products

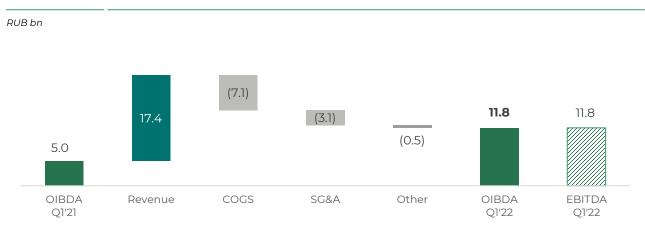
Plywood & Boards

Forestry mgmt & Woodworking

Paper & Packaging

Other

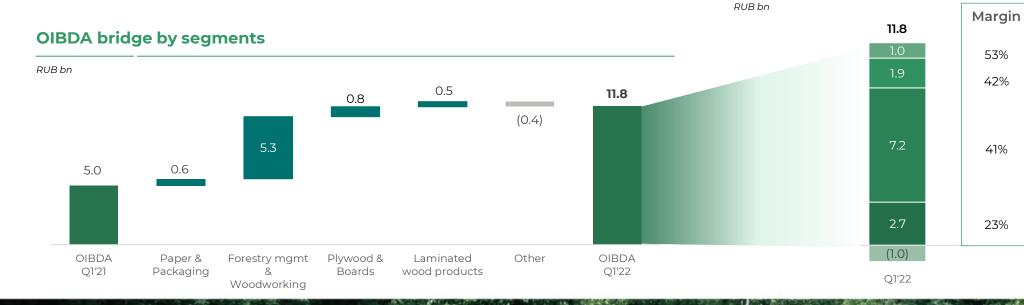
OIBDA bridge by factors



Comments

- In Q1'22 **OIBDA surged to RUB 11.8 bn, up by 2,3x** driven by revenue growth and measures taken by Group's management to strictly control costs
- Cost of sales and SG&A growing rates were below the revenue pace
- EBITDA was RUB 11.8 bn, in line with OIBDA (the difference between the two metrics was an immaterial sum for other operating costs)

OIBDA structure by segments

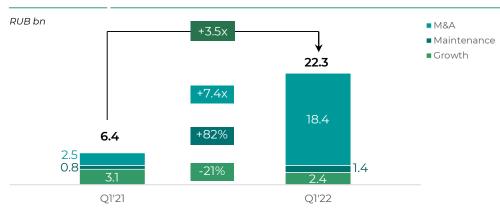


CAPEX & WORKING CAPITAL

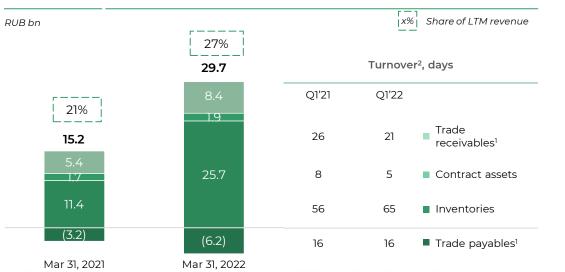


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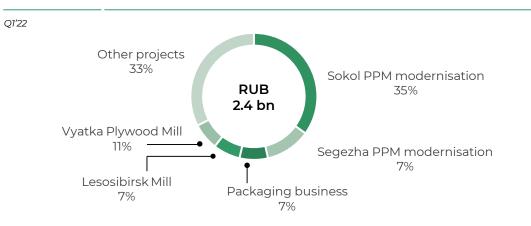




Operating working capital¹



Growth CAPEX breakdown



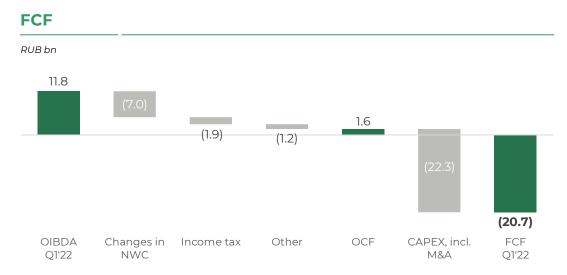
Comments

- In Ql'22 CAPEX for maintenance and growth projects reached RUB 3.9 bn, flat y-oy. Key projects were:
 - o Modernization of 2 PPMs in Segezha and Sokol
 - Expansion of Vyatka plywood mill
 - o Development of Segezha's own converting facilities
 - o Modernisation of Lesosbirsk mill
- O RUB 18.4 bn were spent on payments for IFR M&A proceeded in Jan'22
- O Working capital growth¹ was mostly due to Inter Forest Rus & NLHK consolidation

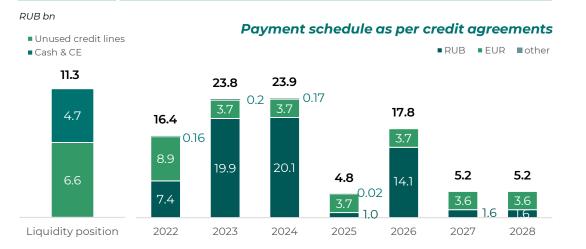
FCF & LIQUIDITY



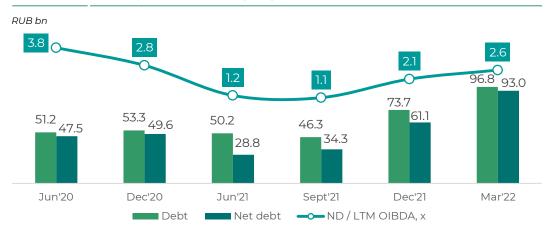
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Debt repayment schedule & liquidity position



Robust liquidity & deleveraging



Comments

- Board of directors of Segezha Group recommended allocating dividends for FY 2021 in the amount of RUB 10.0 bn, or RUB 0.64 per share.
- In January, 2022 Segezha placed new ruble bond issuances on MOEX for RUB 9 bn each with a duration in 2024 correspondingly. Coupon was set at 10.9%
- 60% of the debt is represented by foreign currencies (mostly EUR), and 40% is RUB nominated
- Weighted average rate on borrowed funds was 5.9%, weighted average financing period 3 years
- Cash & cash equivalents is nominated in RUB by 68%, and foreign currency 32%

SEGEZHA'S PLAN FOR INVESTMENT PROJECTS



	and the second											
Project	Region	Segment	2019	2020	2021	2022	2023	2024	2025	Remaining CAPEX ¹	Status	Capacity ³ increase
Segezha Packaging Europe	Europe	Paper & Packaging		RUB 0.7 bn						RUB 0.1 bn	Completed	+70 m industrial paper sacks
Plywood Mill	Galich, Kostroma region	Plywood & Boards	CAPEX ¹ = RUB 3.2 ² bn							RUB 0.8 ² bn	Pre-commissioning	+125 k cu m of birch plywood
Segezha Pulp & Paper Mill (modernisation)	Segezha, Karelia	Paper & Packaging		RUB 4.5 bn						RUB 1.0 bn	Equipment installed	+25 kt of sack paper
Consumer Packaging	Moscow region	Paper & Packaging		RUB 0.9 bn						RUB 0.1 bn	All 4 lines are installed. Commissioning works	+144 m consumer paper sacks
Plywood Mill (expansion)	Vyatka, Kirov region	Plywood & Boards			RUB 5.8 bn					RUB 5.0 bn	building's load-bearing is now being finalised	+64 k cu m of plywood
Sokol Pulp & Paper Mill (modernisation)	Sokol, Vologda region	Paper & Packaging			RUB 15.0 b					RUB 13.2 bn	Installation of metal structures of the main building of the paper mill and the waste paper preparation workshop is underway.	+3.2 kt sack paper +43 kt greaseproof paper +18 kt subpergament paper
Wood resources	Russia	Forestry Mgmt & Woodworking			> RUB 12.0 bn					-		1. Renewal of forest equipment 2. AAC expansion
Lesosibirsk Mill (modernisation)	Lesosibirsk, Krasnoyarsk region	Forestry Mgmt & Woodworking			l	RUB 7.2 bi	ר			RUB 6.3 bn	Preparation for equipment installation (2st stage). Detailed engineering of new sorting lines for sawn timber has been completed.	+50 k cu m sawn timber +100 kt pellets
Onega mill (modernisation)	Onega, Karelia	Forestry Mgmt & Woodworking				RUB	6.8 bn			RUB 6.3 bn	On hold	+48 k cu m sawn timber +30 kt pellets
Segezha West	Segezha, Karelia	Paper & Packaging	Developing stage, no decision made									+1.5 mt of pulp

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THANK YOU!

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