

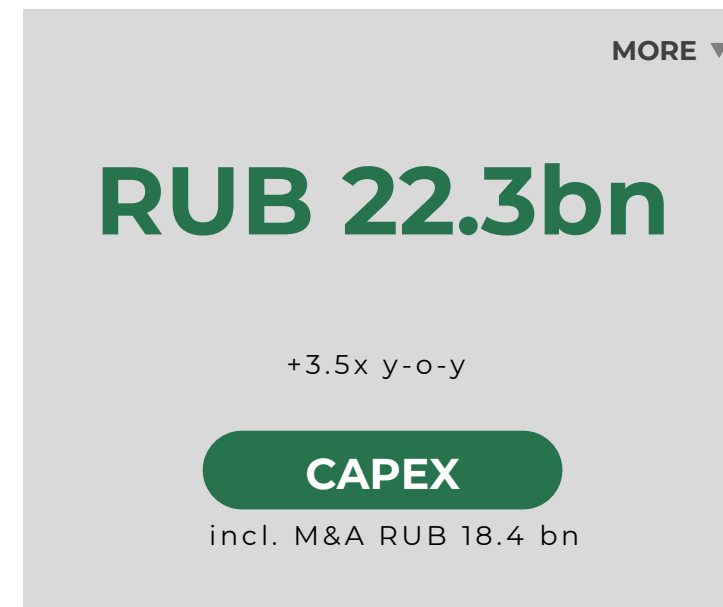
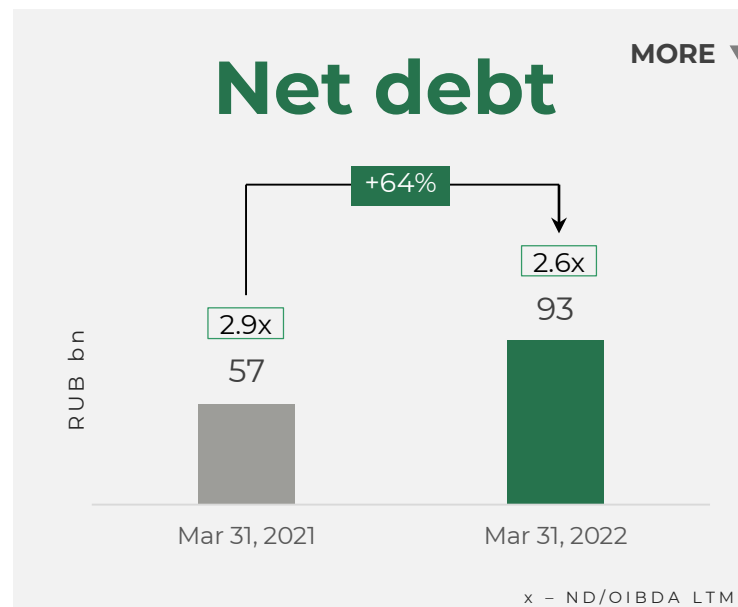
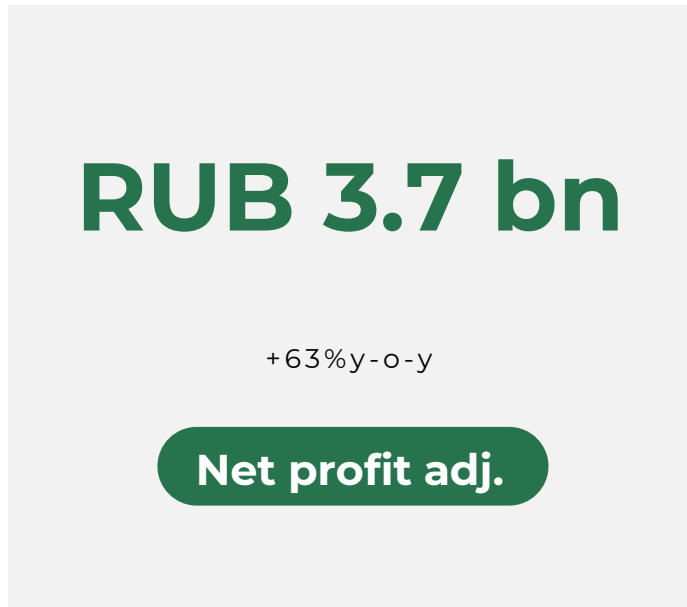
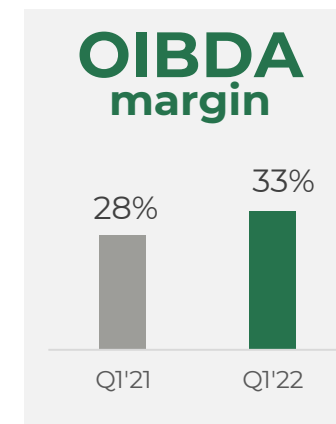
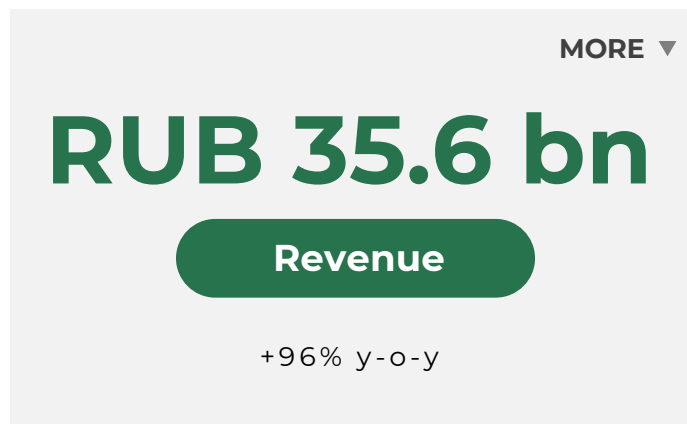


SEGEZHA GROUP

Q1 2022 FINANCIAL & OPERATING RESULTS

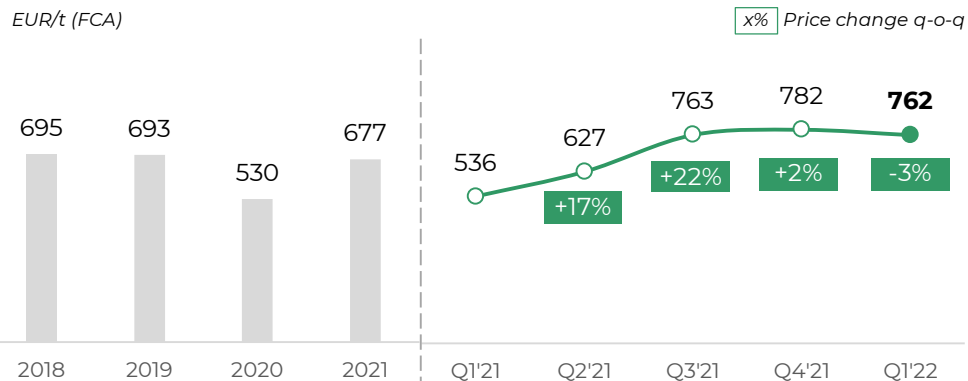
May 20, 2022

SEGEZHA GROUP Q1 2022 RESULTS OVERVIEW

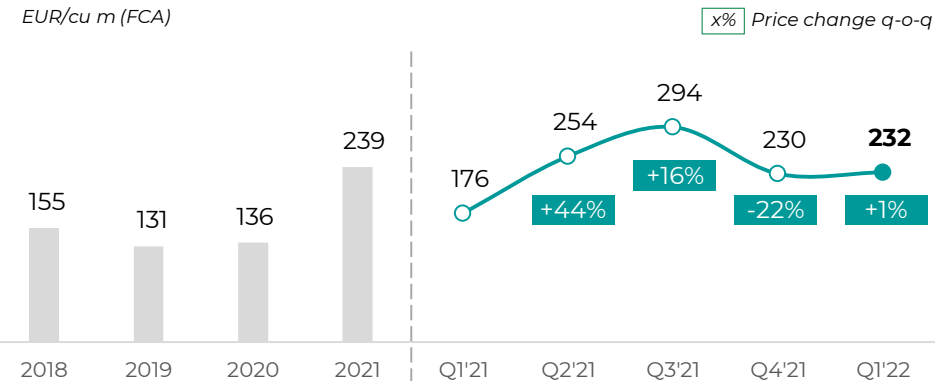


PRICE DYNAMICS

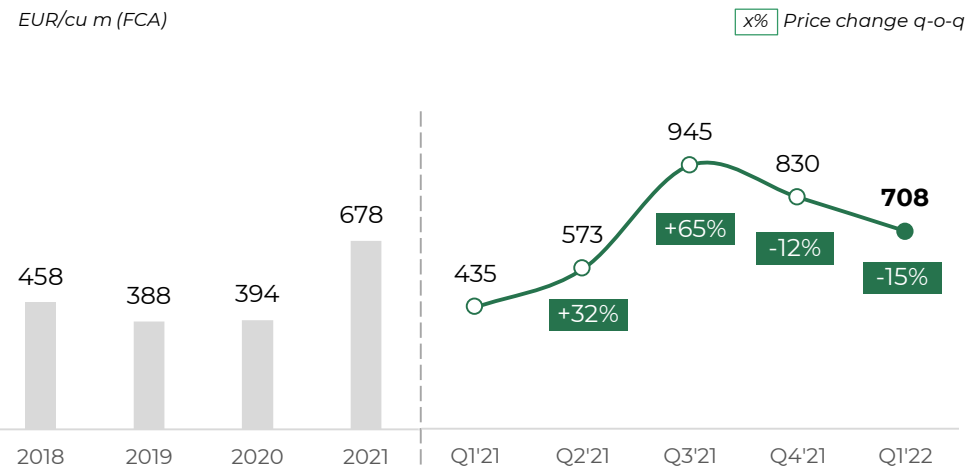
Paper



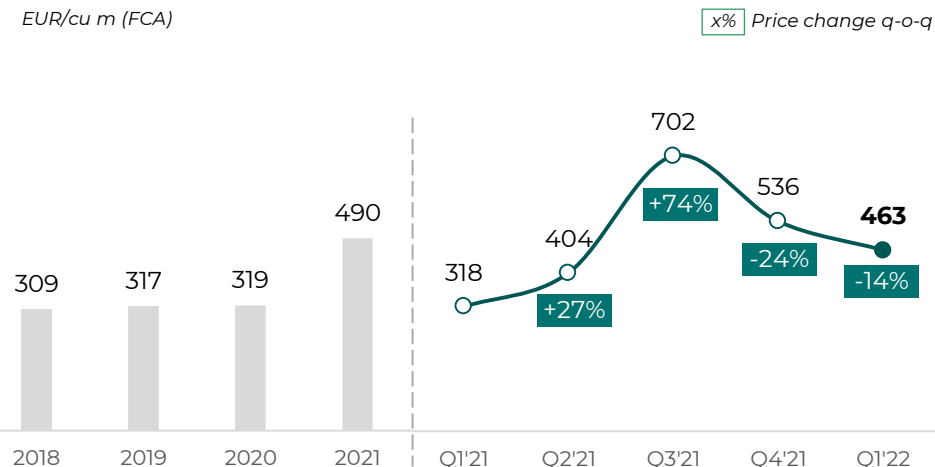
Sawn timber



Birch plywood



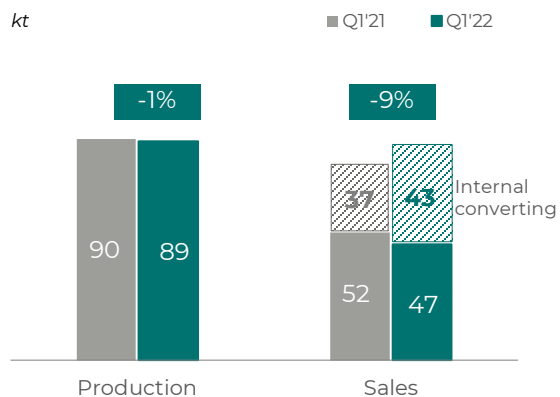
Glulam



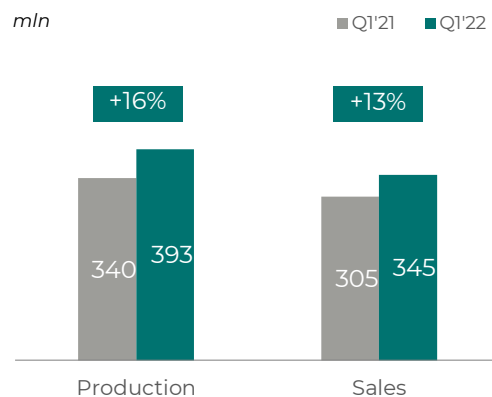
SEGEZHA GROUP OPERATING RESULTS



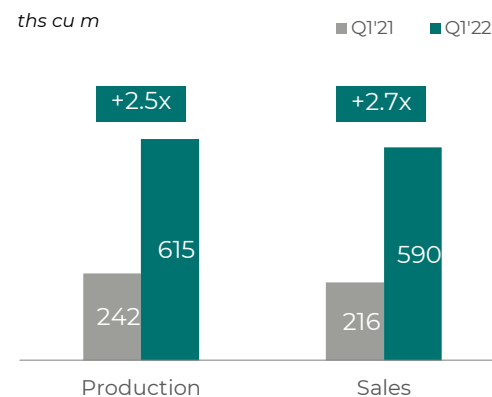
Paper



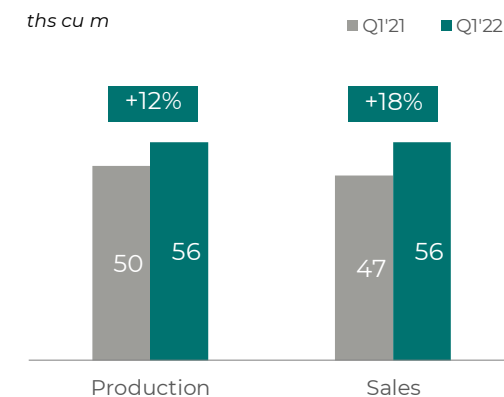
Paper sacks



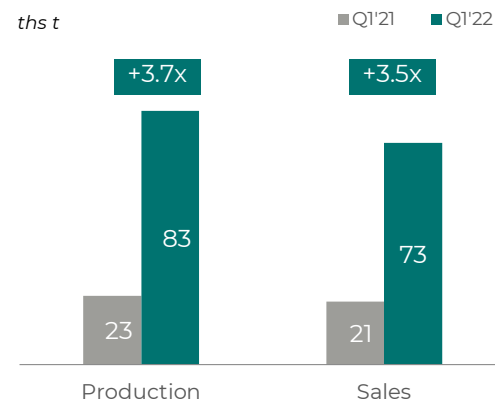
Sawn timber



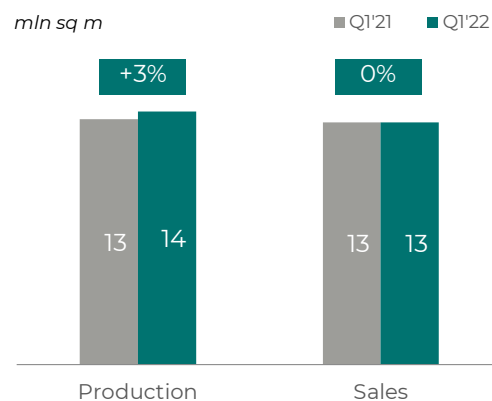
Plywood



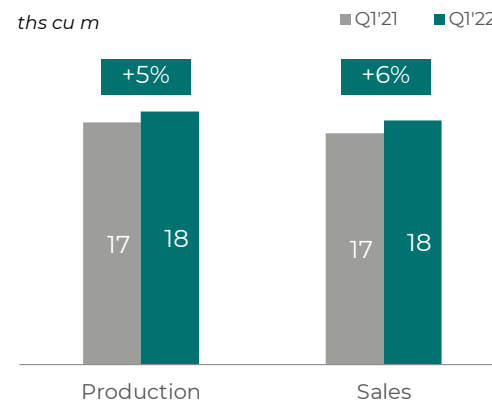
Pellets



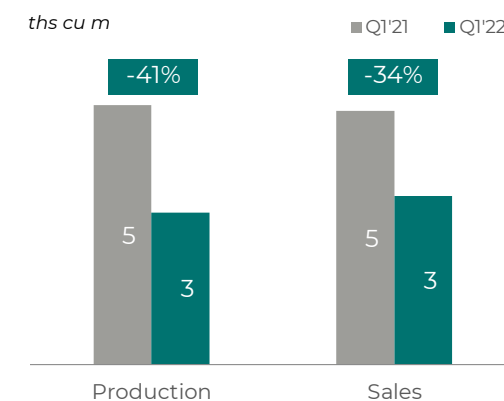
Fibreboards



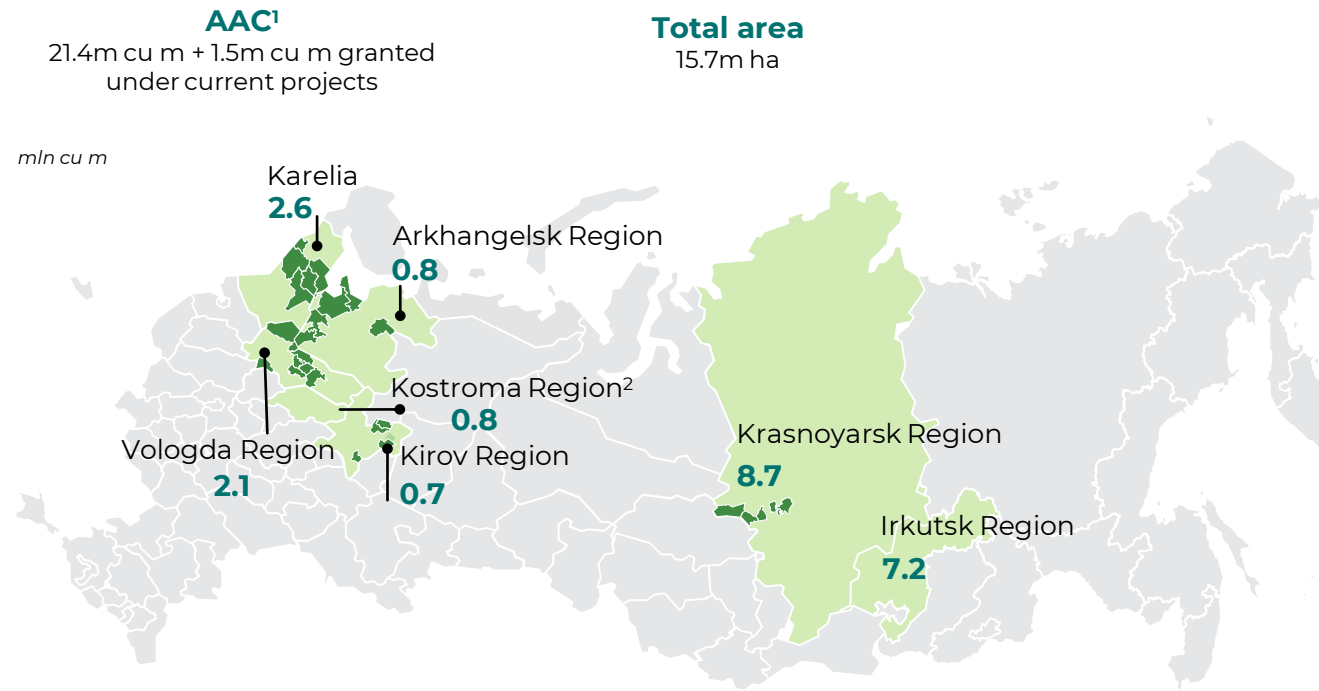
Glulam



Home kits

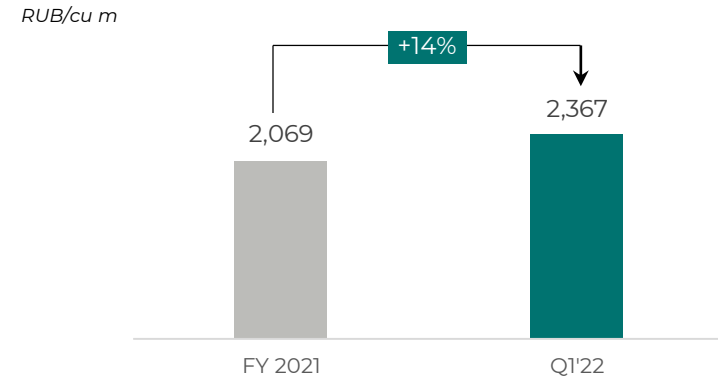


Segezha Group forestry map

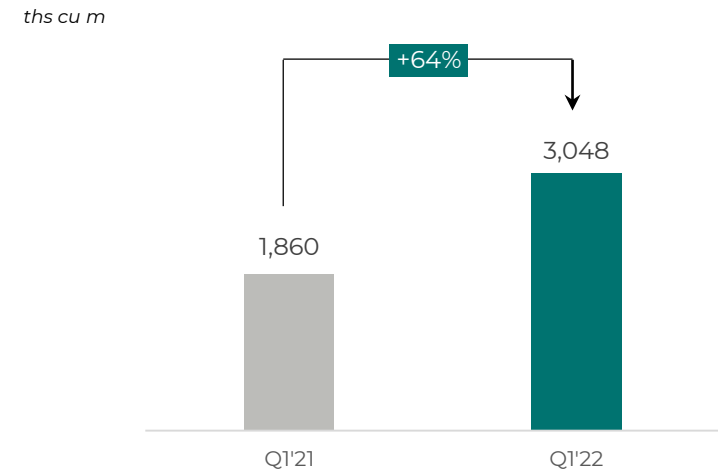


91% wood self-sufficiency across the Group

Segezha Group cost of timber harvesting



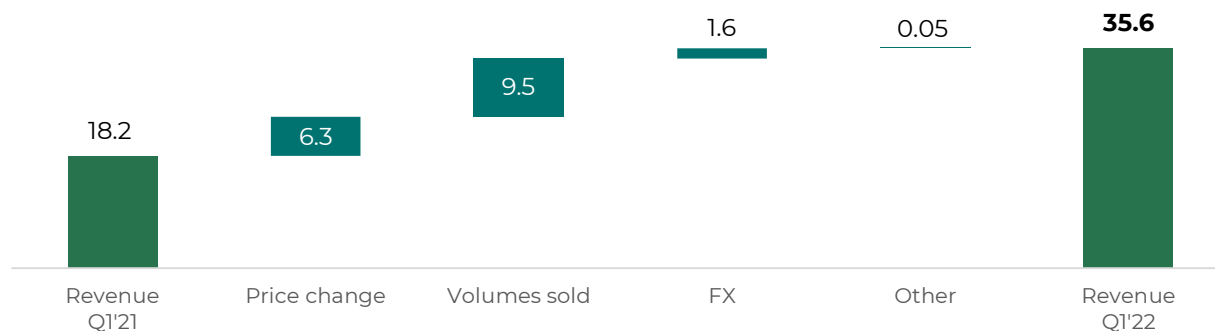
Timber harvesting volumes



REVENUE DRIVERS YoY

Revenue bridge by factors

RUB bn

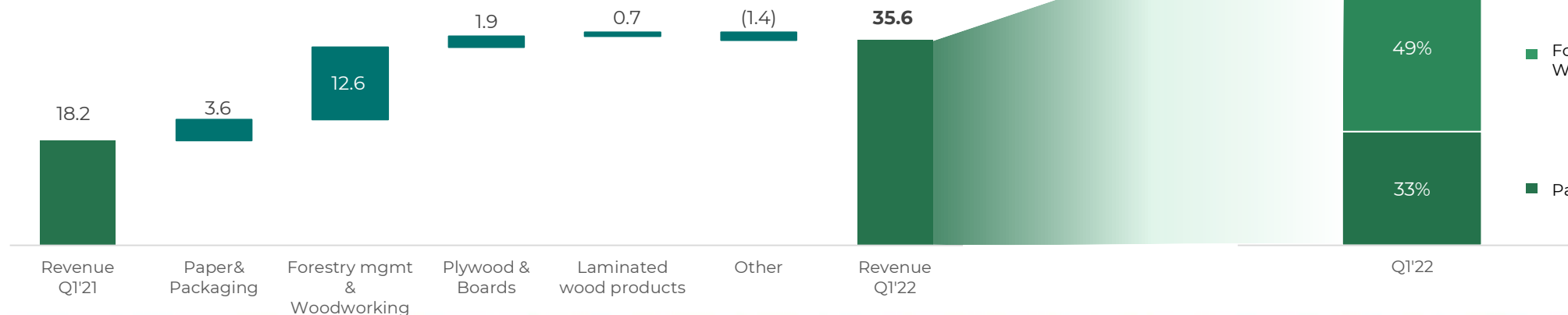


Comments

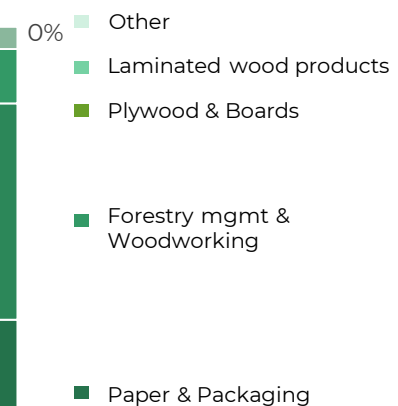
- In Q1'22 revenue boosted by 96% y-o-y to RUB 36 bn with key drivers being price improvement, LFL growth of sales volumes, and consolidation effect of NLHK and IFR assets
- The largest revenue contribution was made by Forestry Management & Woodworking segment as most of newly consolidated business is allocated to this segment with exception for plywood asset

Revenue bridge by segments

RUB bn

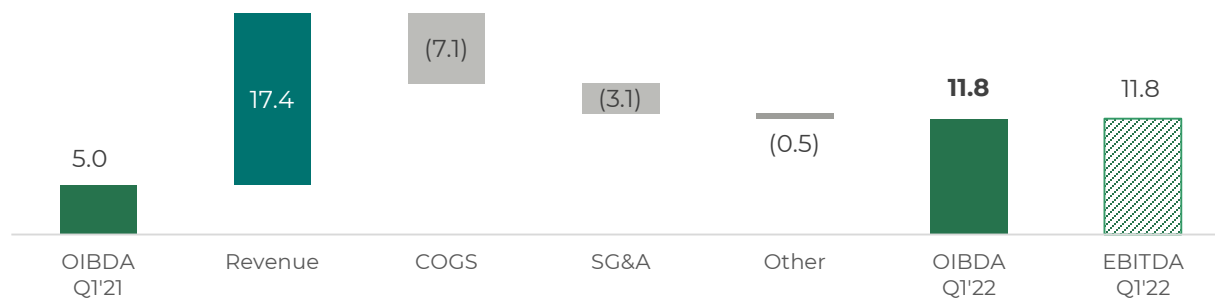


Revenue structure by segments



OIBDA bridge by factors

RUB bn



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)

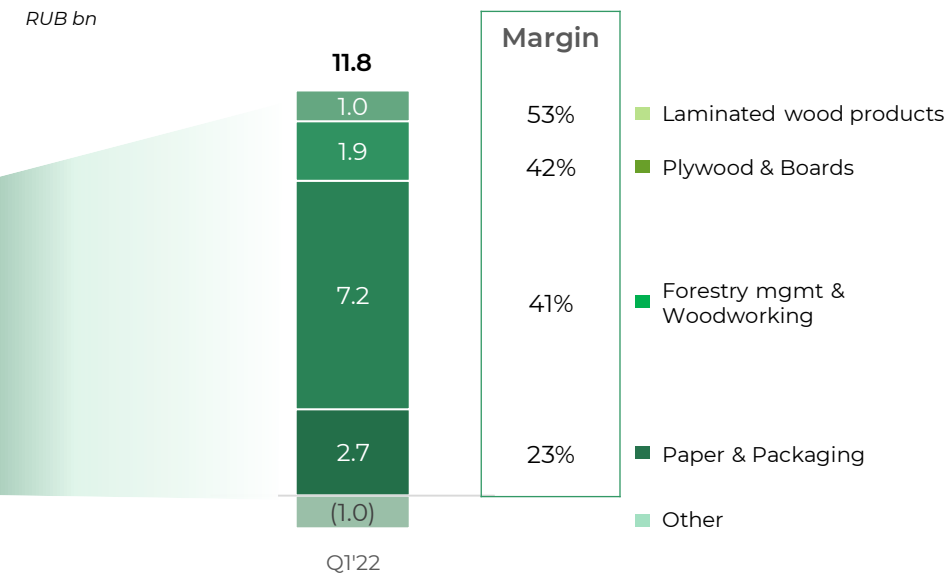
OIBDA bridge by segments

RUB bn



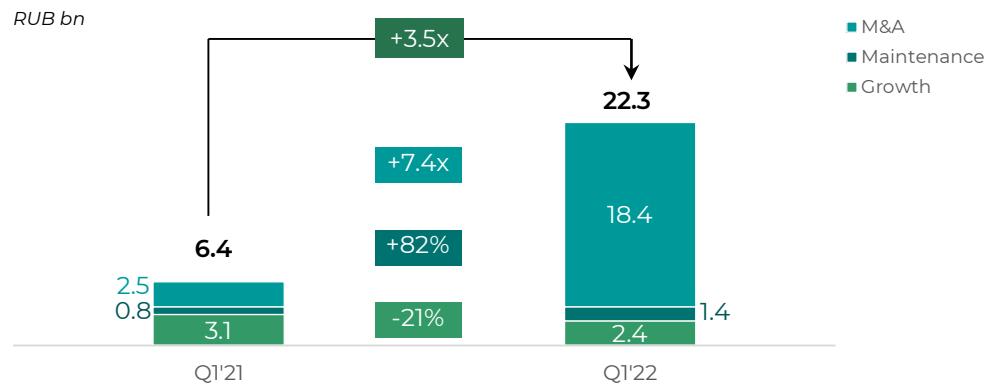
OIBDA structure by segments

RUB bn

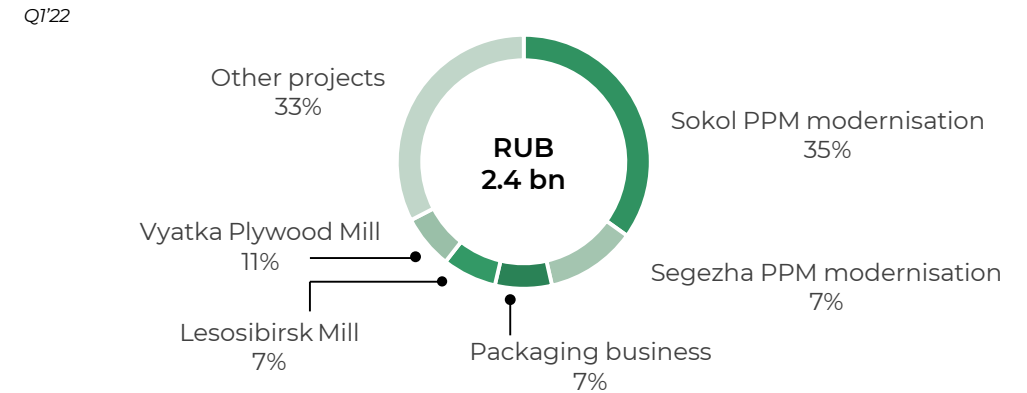


CAPEX & WORKING CAPITAL

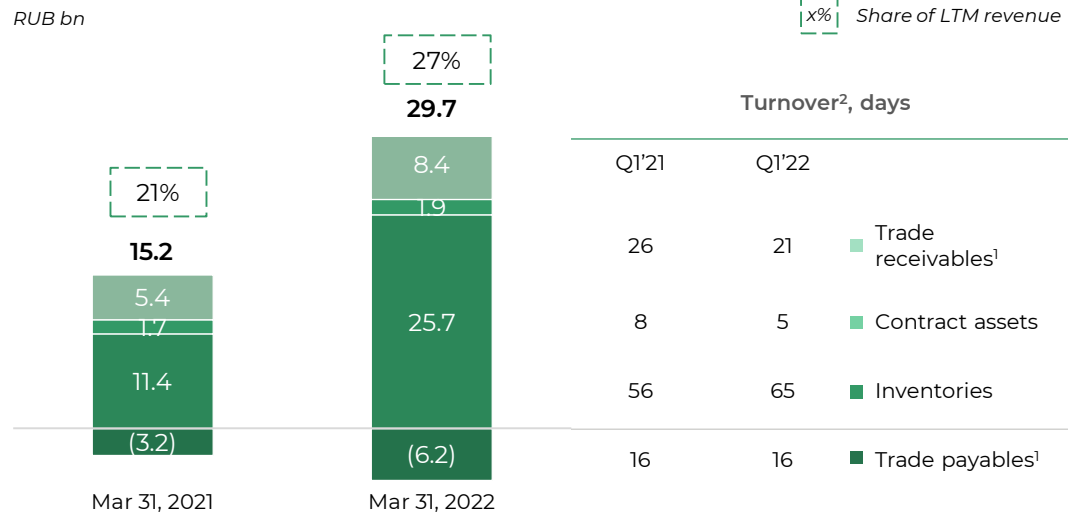
CAPEX dynamics



Growth CAPEX breakdown



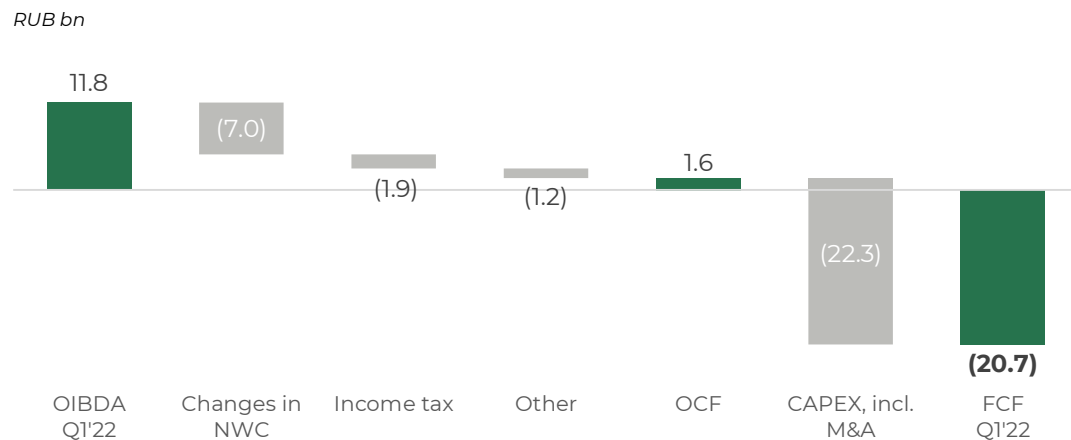
Operating working capital¹



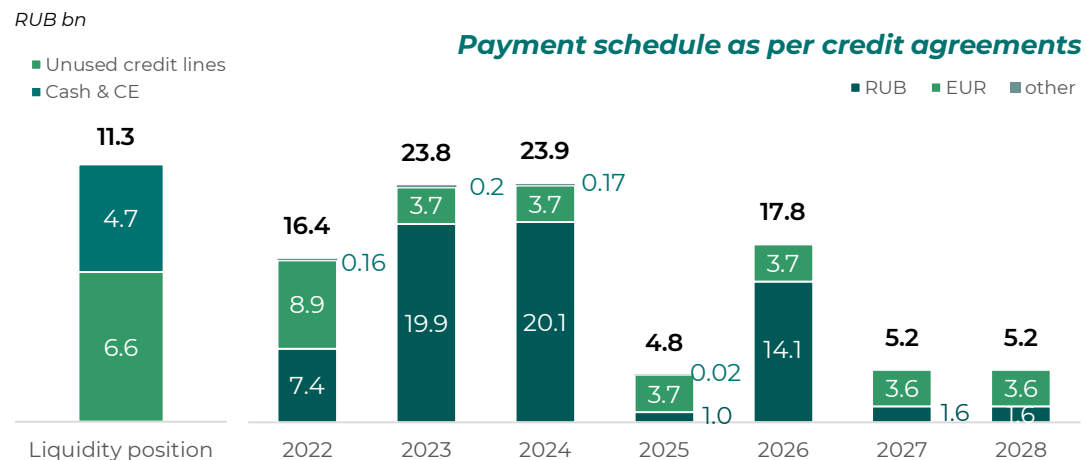
Comments

- In Q1'22 CAPEX for maintenance and growth projects reached RUB 3.9 bn, flat y-o-y. Key projects were:
 - Modernization of 2 PPMs in Segezha and Sokol
 - Expansion of Vyatka plywood mill
 - Development of Segezha's own converting facilities
 - Modernisation of Lesosibirsk mill
- RUB 18.4 bn were spent on payments for IFR M&A proceeded in Jan'22
- Working capital growth¹ was mostly due to Inter Forest Rus & NLHK consolidation

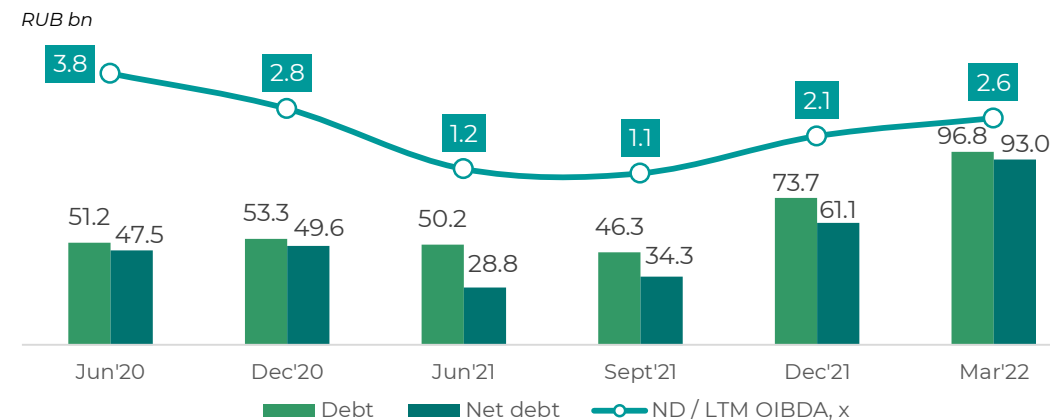
FCF



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



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 bn					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			RUB 7.2 bn					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
Omega 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

Source: Company data

Notes: **1.** CAPEX presented net of VAT and recalculated based on RUB/USD rate of 110. **2.** Project is deconsolidated from the Group. Group's share, total project capex is RUB 11.5bn net of VAT; project financing structure with Segezha equity contribution of 25% with optionality to consolidate the asset highly preliminary as early as 2023, when the project Debt/OIBDA will be below 3x, excluding capex on AAC expansion (roads construction, investments into equipment) **3.** Subject to adjustments **4.** Group's share, total project capex is RUB 11.2bn net of VAT; project financing structure.

THANK YOU!

Elena Romanova

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