

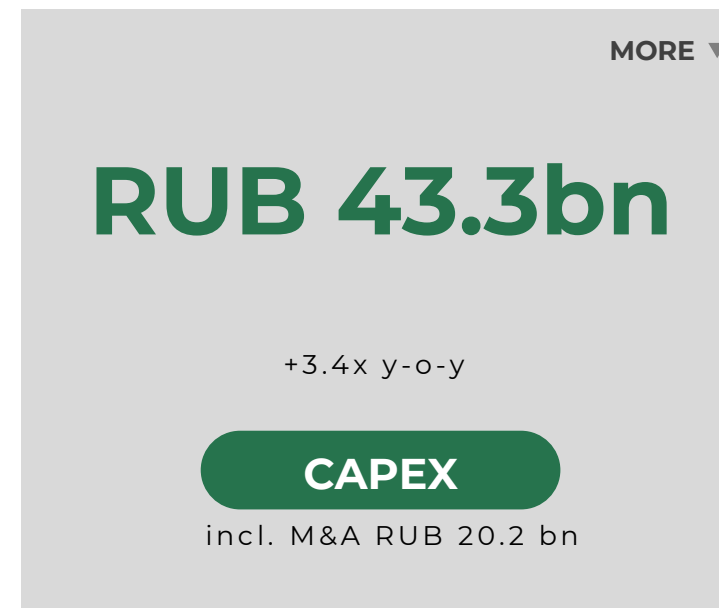
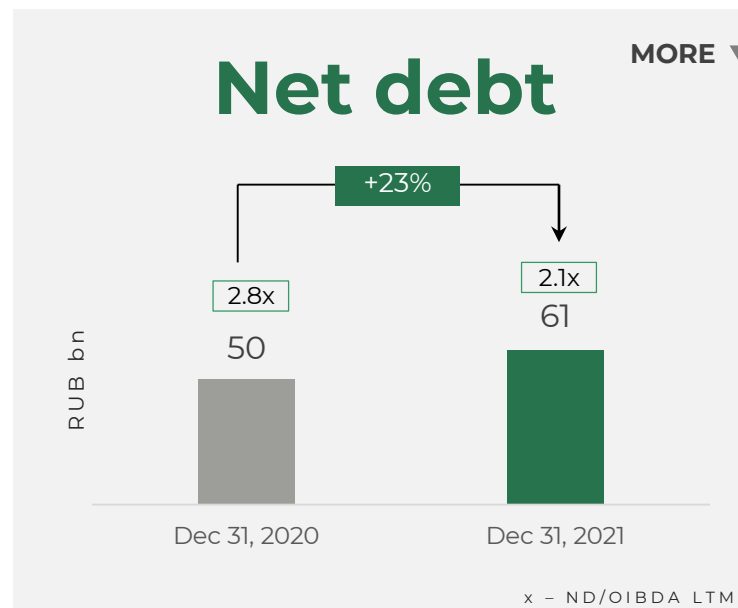
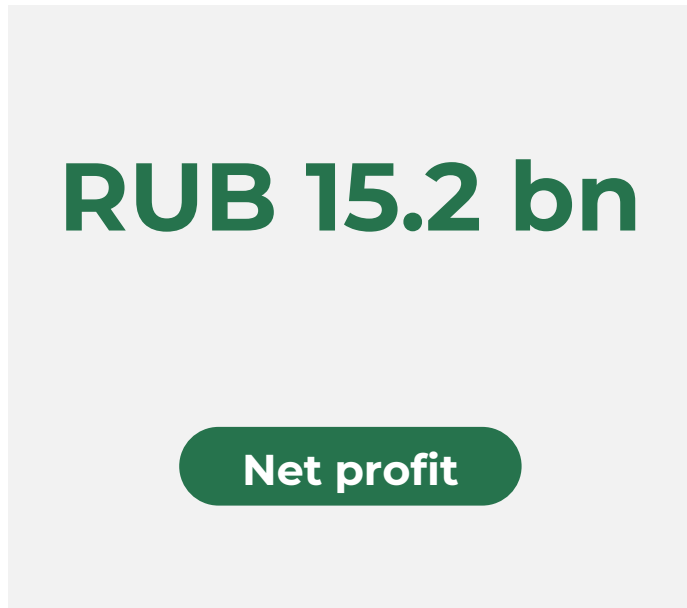
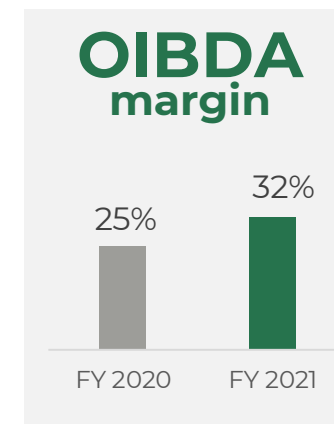
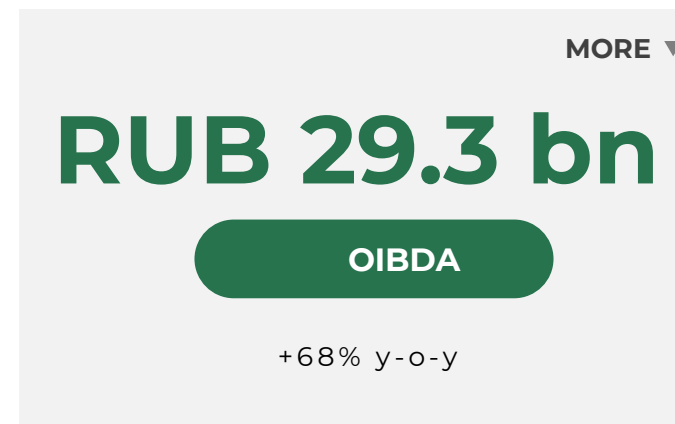
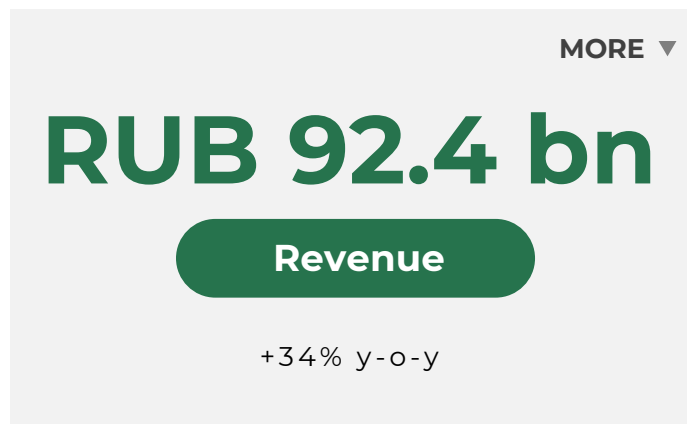


SEGEZHA GROUP

FY 2021 IFRS & OPERATING RESULTS

March 31, 2022

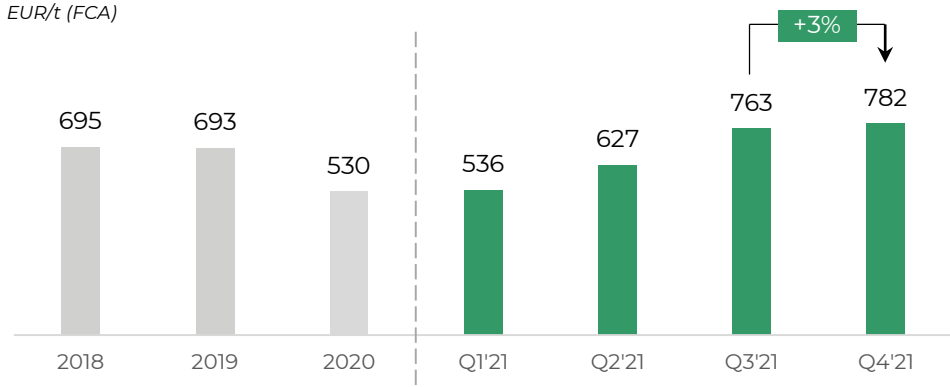
SEGEZHA GROUP FY 2021 RESULTS OVERVIEW



PRICE DYNAMICS

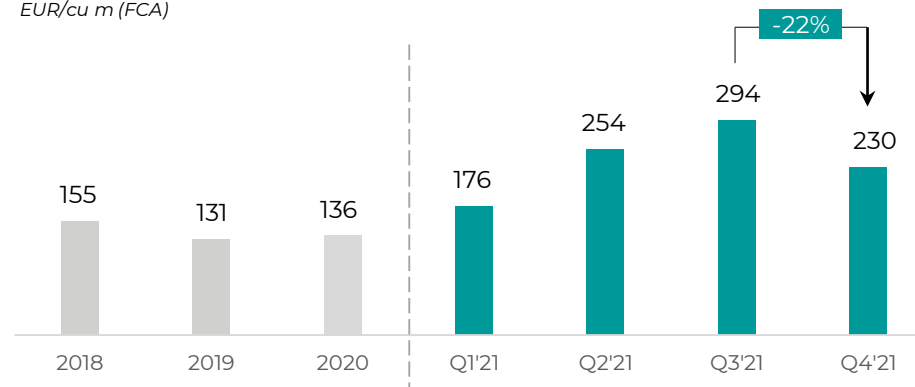
Paper

EUR/t (FCA)



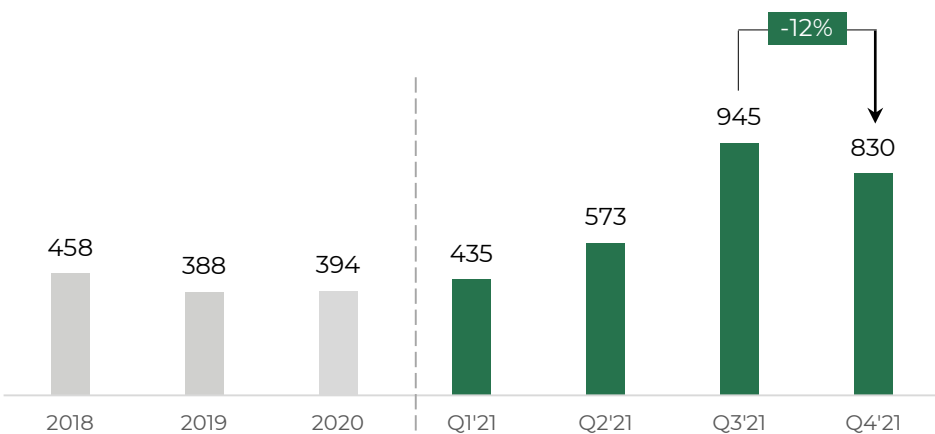
Sawn timber

EUR/cu m (FCA)



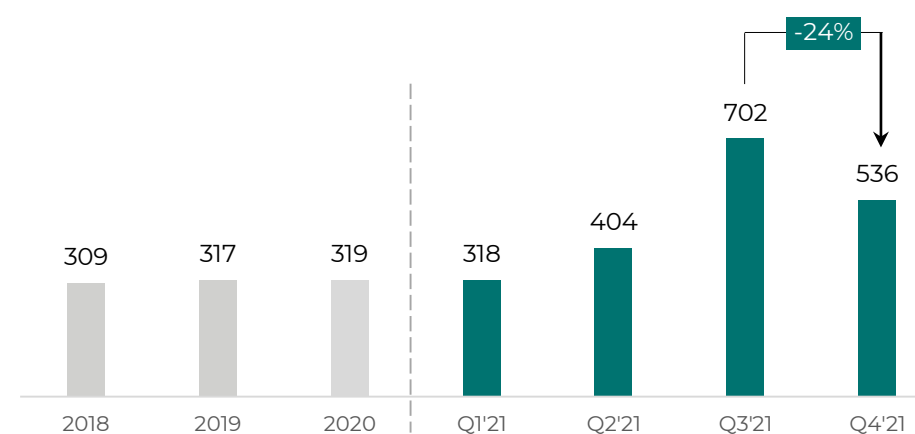
Plywood

EUR/cu m (FCA)



Glulam

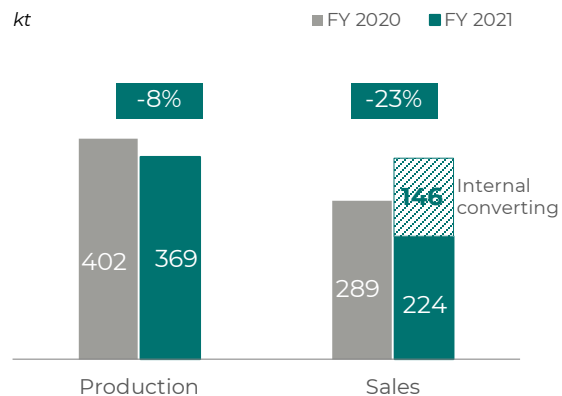
EUR/cu m (FCA)



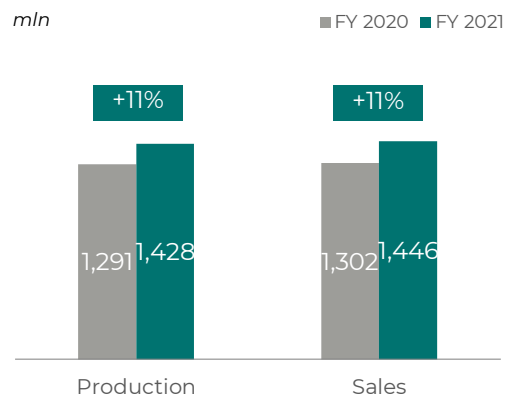
SEGEZHA GROUP OPERATING RESULTS



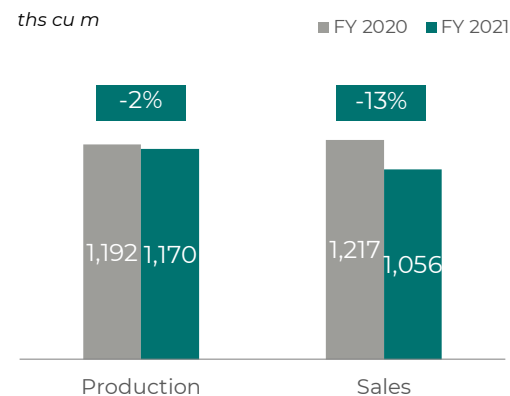
Paper



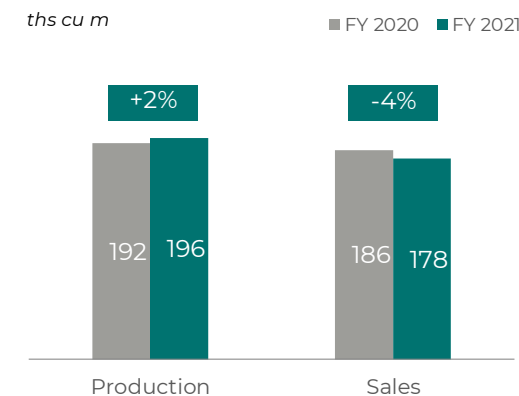
Paper sacks



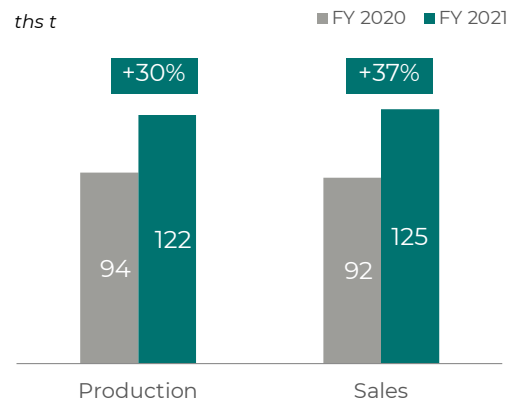
Sawn timber



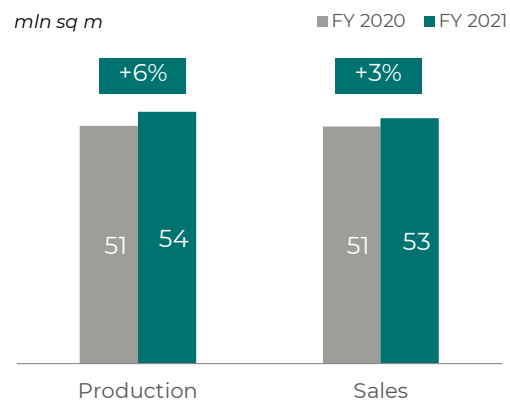
Plywood



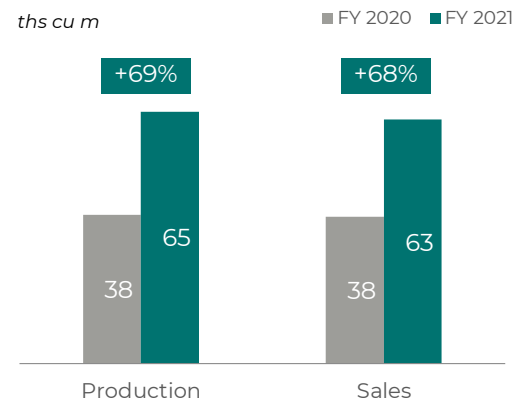
Pellets



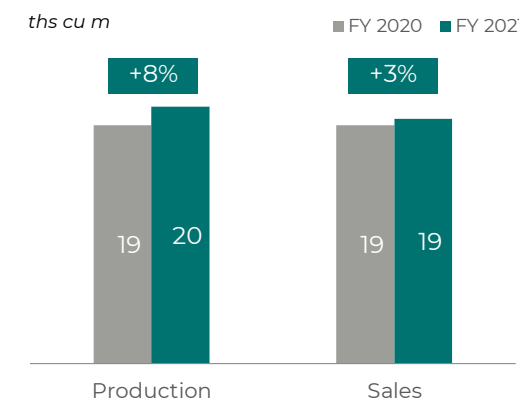
Fibreboards



Glulam



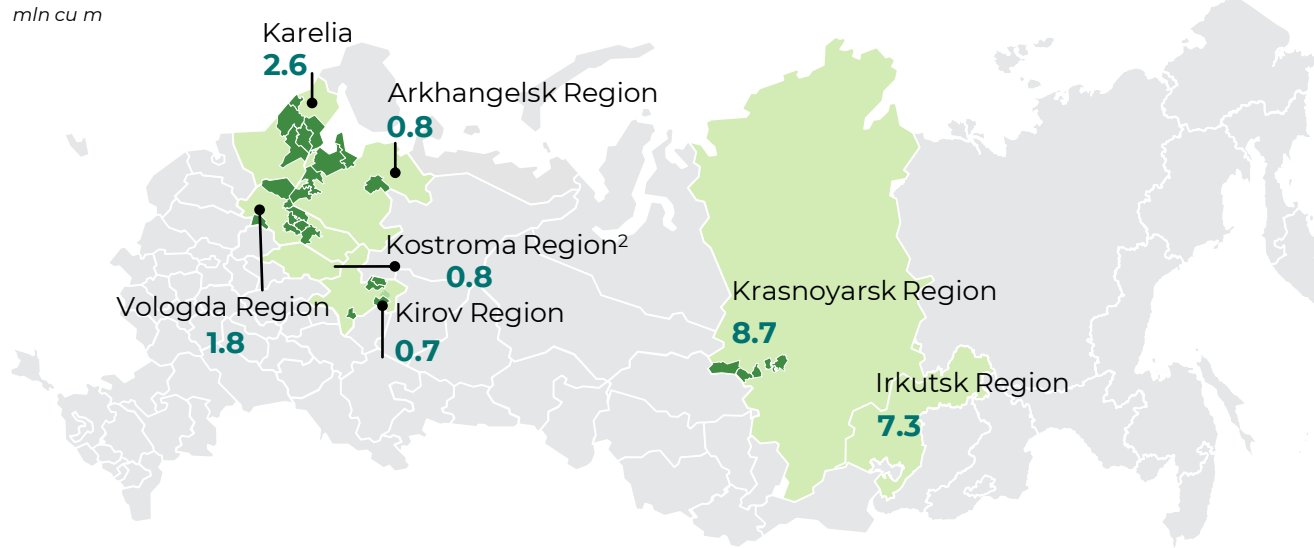
Home kits



Segezha Group forestry map

AAC¹
21.4m cu m + 1.3m cu m granted under current projects

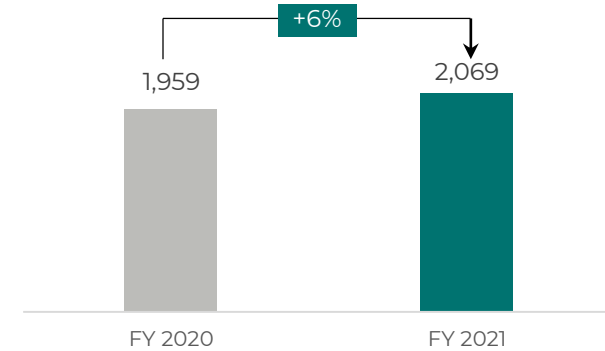
Total area
15.7m ha



84% wood self-sufficiency across the Group

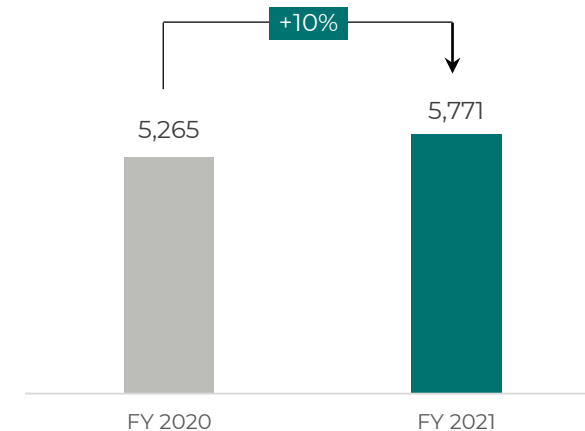
Segezha Group cost of timber harvesting

RUB/cu m



Timber harvesting volumes

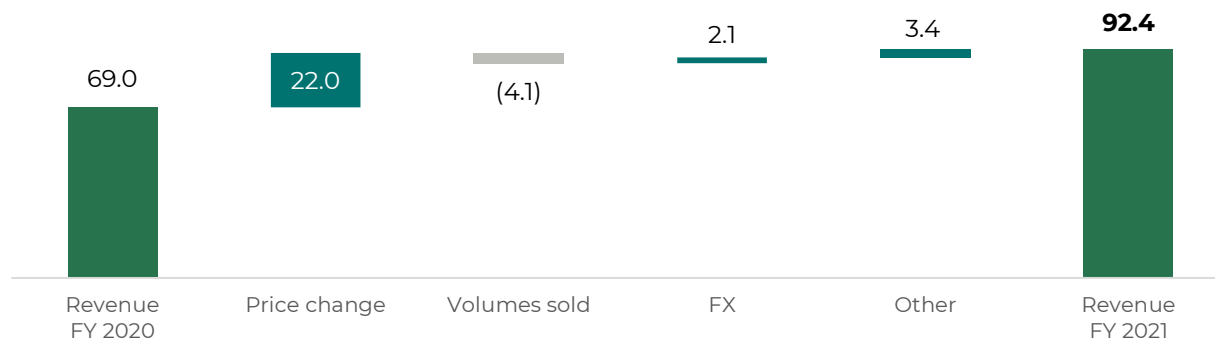
ths cu m



REVENUE DRIVERS YoY

Revenue bridge by factors

RUB bn

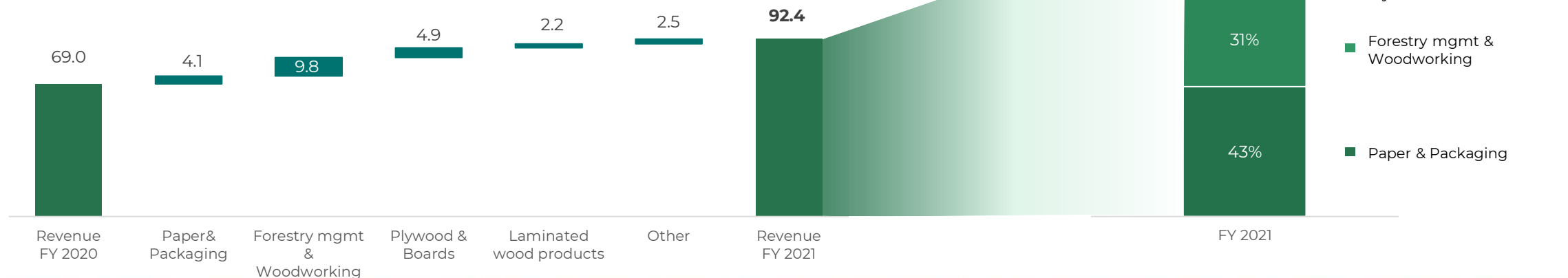


Comments

- In FY 2021 **revenue amounted to RUB 92 bn, up by 34% y-o-y** driven predominantly by market recovery and associated price growth
- The largest revenue contribution was made by Forestry Management & Woodworking segment as well as the Plywood & Boards segment on the back of price surge and sales

Revenue bridge by segments

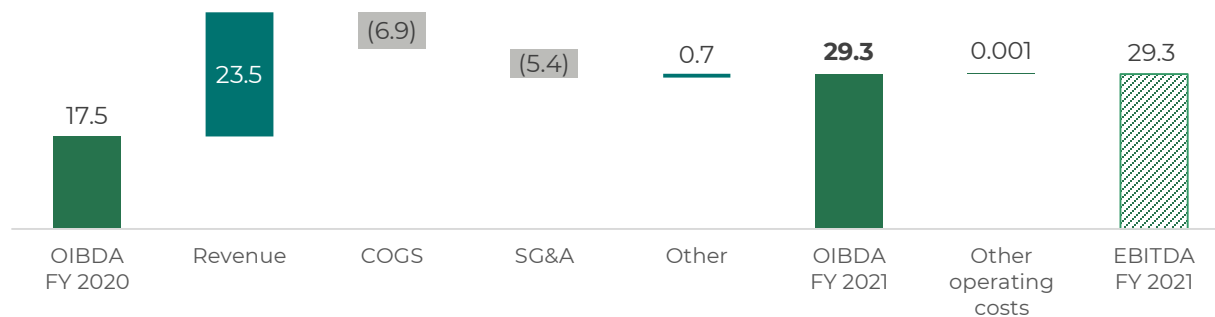
RUB bn



OIBDA DRIVERS YoY

OIBDA bridge by factors

RUB bn

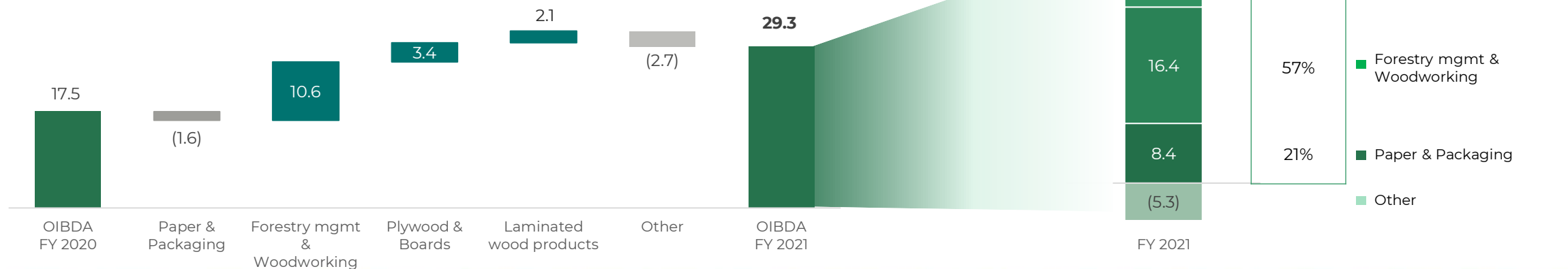


Comments

- In FY2021 OIBDA reached RUB 29.3 bn, up by 68% y-o-y driven by revenue growth and measures taken to improve operational efficiency.
- Cost of sales was growing with a much slower pace vs. revenue. SG&A were negatively affected by costs related to IPO, and M&A deals performed in 2021
- EBITDA for FY 2021 was RUB 29.3 bn, in line with OIBDA (the difference between the two metrics was an immaterial sum for other operating costs)

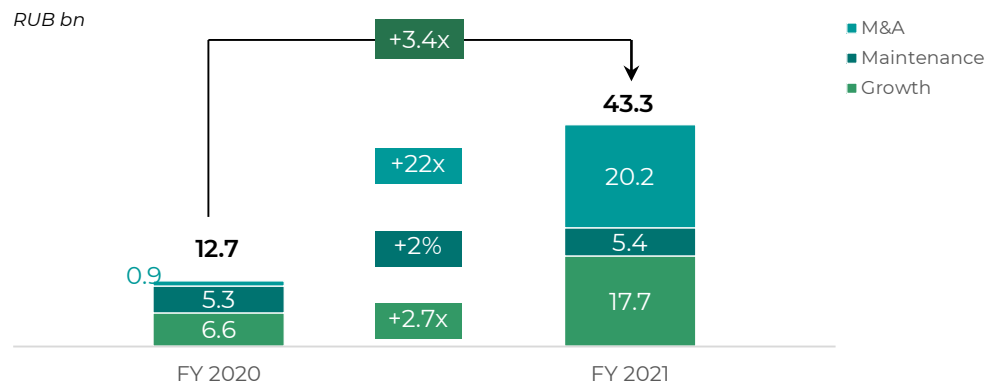
OIBDA bridge by segments

RUB bn

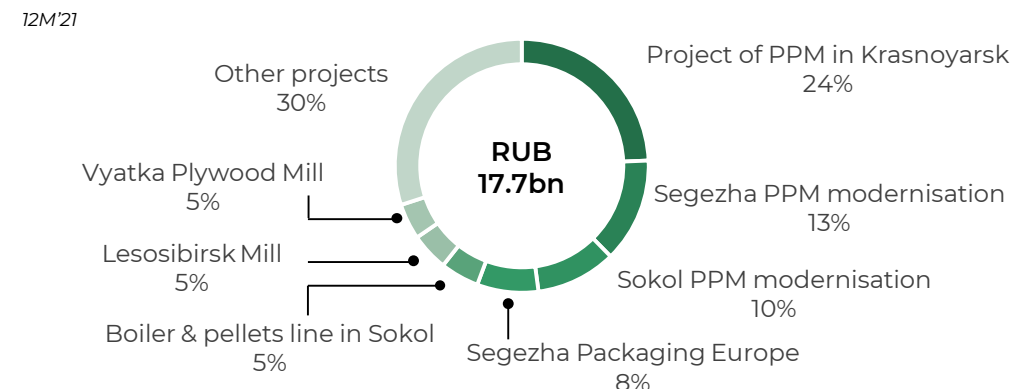


CAPEX & WORKING CAPITAL

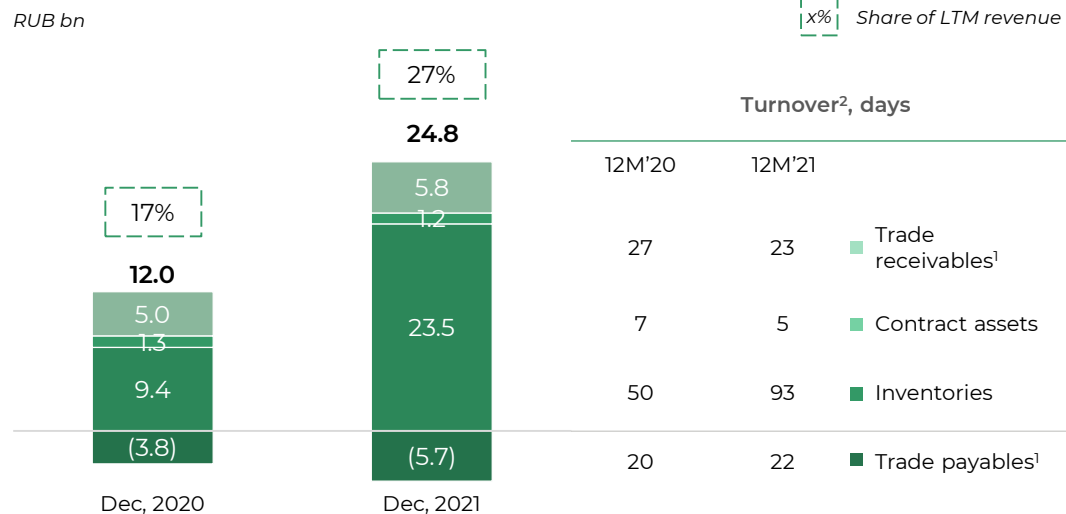
CAPEX dynamics



Growth CAPEX breakdown



Operating working capital¹

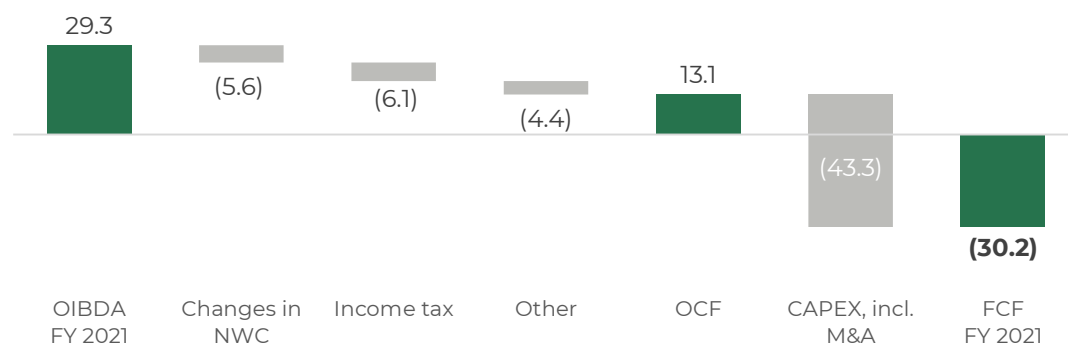


Comments

- In 12M'21 CAPEX reached RUB 43.3 bn, up by 3.4x on the back of continued investments into the Group's development projects (RUB 18 bn) and M&A activity (RUB 20 bn)
- Key M&A deals of 2021 were:
 - Inter Forest Rus for \$528 mln (estimation)
 - NLHK for RUB 3.7 bn
- Working capital growth¹ was mostly due to:
 - Inter Forest Rus consolidation as of Dec 28, 2021 with net effect of RUB 8.1 bn
 - NLHK consolidation starting from Sept 15, 2021 with net effect of RUB 1.7 bn

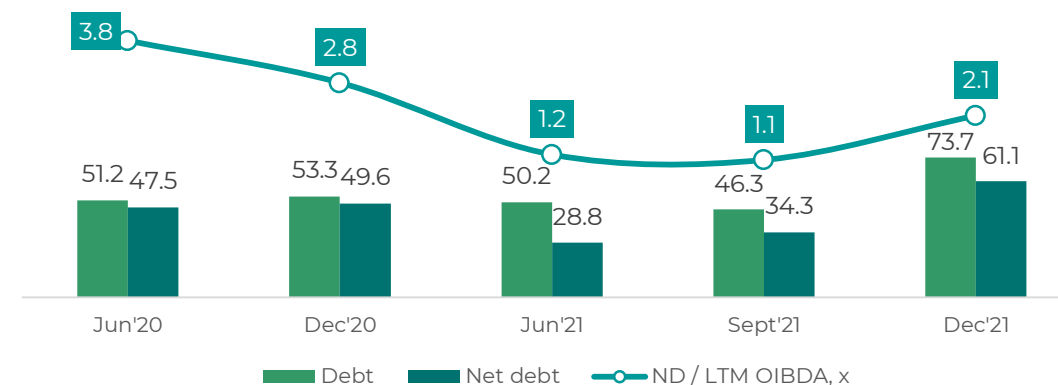
FCF

RUB bn



Robust liquidity & deleveraging

RUB bn



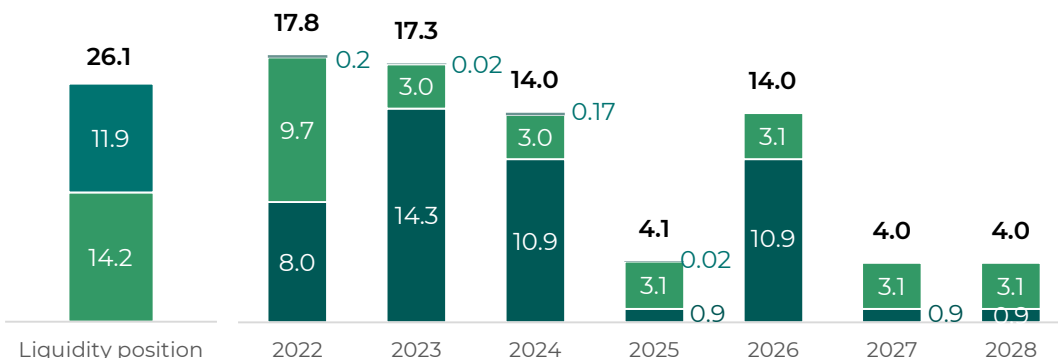
Debt repayment schedule & liquidity position

RUB bn

■ Unused credit lines
■ Cash & CE

Payment schedule as per credit agreements

■ RUB ■ EUR ■ other



Comments

- Shareholders of Segezha approved payment of preliminary dividends for 9M'21 in amount of RUB 6.6 bn or RUB 0.42 per share at EGM in Dec'21. Payment was conducted in Jan'22
- In November, 2021 Segezha placed 2 new ruble bonds issuances on MOEX for RUB 10 bn each with a duration in 2024 and 2026 correspondingly. Coupon was set at 9.85% and 9.7%
- 64% of the debt is represented by foreign currencies (mostly EUR), and 36% is RUB nominated
- Weighted average rate on borrowed funds was 5.5%, weighted average financing period – 5 years
- Cash & cash equivalents is nominated in RUB by 89%, and foreign currency - 11%

SEGEZHA'S UPDATE ON INVESTMENT PROJECTS STATUS



Project	Region	Segment	2019	2020	2021	2022	2023	2024	2025	Remaining CAPEX ¹	Status	Capacity ³ increase
SAP implementation	-	Other		RUB 1.9 bn						-	Completed	-
Industrial sacks production line E11	Segezha, Karelia	Paper & Packaging		RUB 0.9 bn						-	Completed	+90 m industrial paper sacks
M&A: NLHK	Lesosibirsk, Krasnoyarsk region	Forestry Mgmt & Woodworking			RUB 3.7bn					-	Completed	+2.2 m cu m AAC +350 ths cu m of sawn timber +60 kt of pellets
Boiler & pellets line	Sokol, Vologda region	Forestry Mgmt & Woodworking		RUB 1.1 bn						-	Completed	+65 kt of pellets
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 4.0 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	+144 m consumer paper sacks
Segezha Packaging Europe	Europe	Paper & Packaging		RUB 0.7 bn						RUB 0.1 bn	To be completed in Q1'22	+70 m industrial 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	Most of the foundation works are now complete	+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)	+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	Most contracts for the delivery of equipment have been concluded	+48 k cu m sawn timber +30 kt pellets
Glulam facility	Segezha, Karelia	Laminated wood products				To be REPACKAGED RUB 2.2 ⁴ bn				RUB 2.2 bn		+240 k cu m of glulam +100 kt of pellets
New plywood mill	Karelia	Plywood & Boards	Developing stage, no decision made									+125 k cu m of plywood
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.

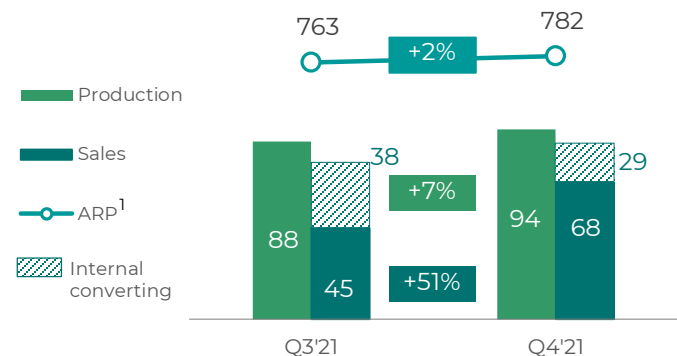
Appendix

SEGEZHA GROUP OPERATING RESULTS



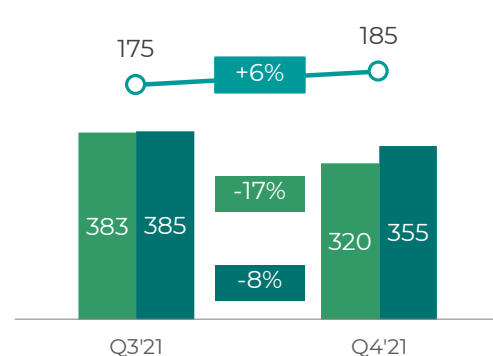
Paper

kt, ARP in euro/t



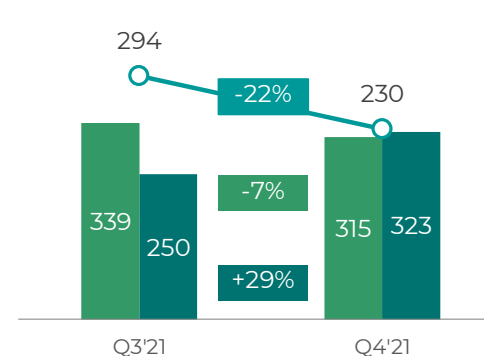
Paper sacks

mln, ARP in euro/th items



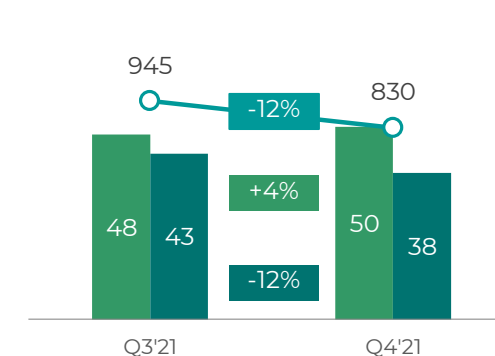
Sawn timber

ths cu m, ARP in euro/cu m



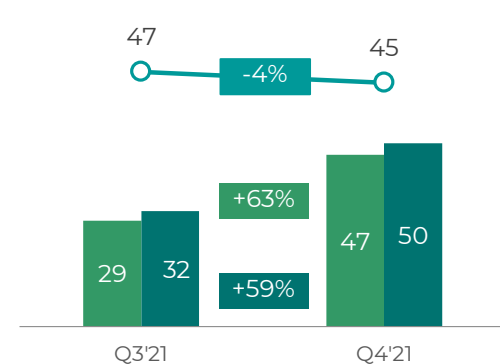
Plywood

ths cu m, ARP in euro/cu m



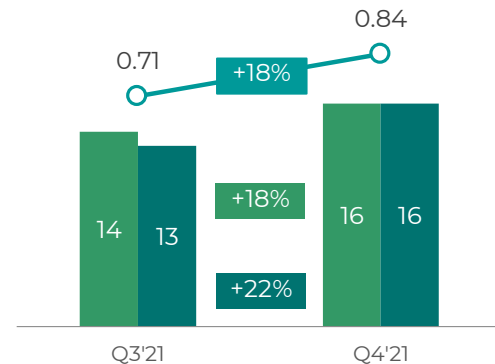
Pellets

ths t, ARP in euro/t



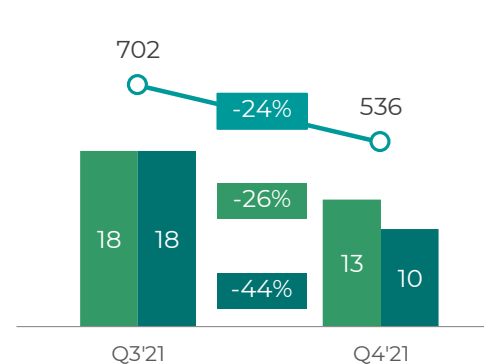
Fibreboards

mln sq m, ARP in euro/th sq m



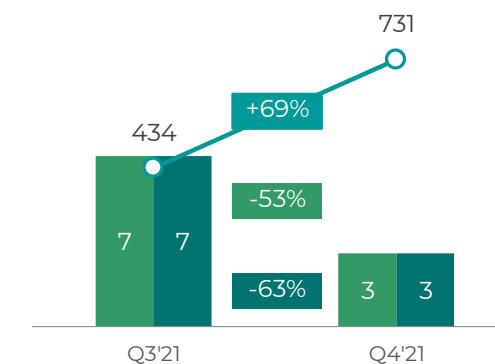
Glulam

ths cu m, ARP in euro/cu m



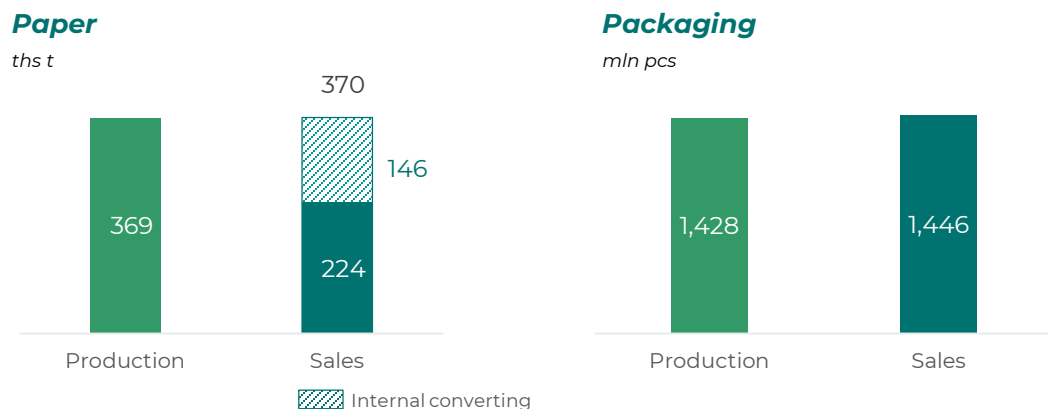
Home kits

ths cu m, ARP in euro/cu m



PAPER & PACKAGING SEGMENT

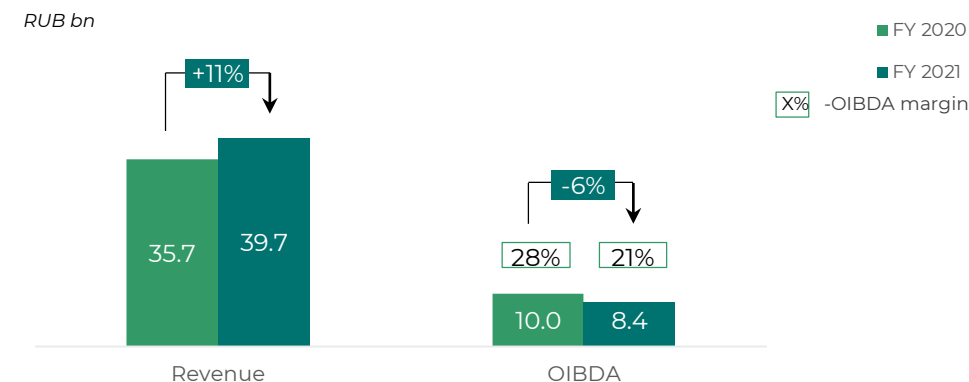
Operating results FY 2021



Key highlights

- **Segezha Group has opened an R&D Centre.** This is the first corporate R&D Centre in Russia's pulp and paper industry that will specialise in creating more effective and high-tech products in paper packaging. Employees of the centre will be involved in optimising structure and design, developing new products, and testing packaging solutions. Key efforts will focus on projects in thermoformed, food, e-commerce, and small-format packaging. Special attention will be paid to developing advanced packaging solutions for fresh products with biocovering from recycled materials, and with embossing. See [here](#) for details.
- **Segezha Group increased its share in the Segezha West project to 100%.** See the [link](#) for details.
- **Segezha Packaging Romania received the Best Companies 2021 Award from the Chamber of Commerce and Industry** of Romania in the Manufacture of Fluted Paper, Paper and Cardboard Packaging Category. See [here](#) for details.

Key financials for Pulp & Paper segment



Key projects

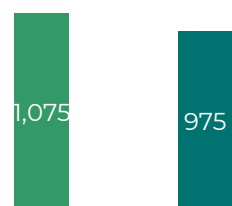
- **The modernisation of the Sokol PPM** continues. Most of the foundation works are now complete. Production of various types of paper will increase by 65 ths t per year to 100 ths t per year thanks to construction of a new paper-making machine. Investment is about RUB 11 bn
- The principal phase of **equipment upgrades at the Segezha PPM** has been completed, and preparation for capital repairs is now underway. The modernisation of the manufacturing plant will allow sack paper production capacity to be increased by 25 ths t in 2022. Investment in the project will amount to RUB 4.5 bn
- **New conversion facilities in Lobnya.** The design capacity of the new plant is 138 mln units of consumer packaging. The plant has a total of four lines. All of them have now been installed, three have been launched, and the fourth is undergoing start-up and pre-commissioning. Investment in the project is approximately RUB 1 bn. For more information, follow [this link](#).

FORESTRY MGMT & WOODWORKING SEGMENT

Operating results FY 2021

Sawn timber¹

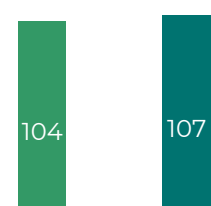
ths cu m



Production Sales

Pellets

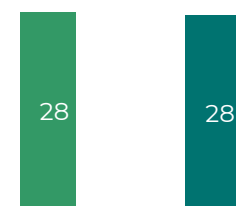
ths t



Production Sales

Fibreboards

mln sq m



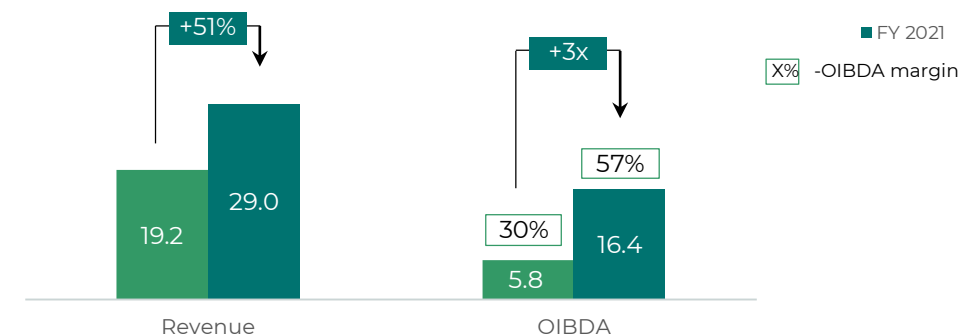
Production Sales

Key highlights

- Segezha Group has one of the highest rates of **raw wood self-sufficiency, at 90%** in FY 2021
- In FY 2021 the Group increased **volumes of timber harvesting by 10% y-o-y**
- Despite the raw wood harvesting cost inflation around the world, Segezha Group **managed to retrain its cost to 6% y-o-y**

Key financials for Forestry Mgmt & Woodworking segment

RUB bn



Key projects

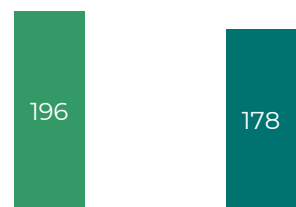
- **The modernisation of the Omega LDK** will increase total annual sawn timber output by 20% to 280 ths cu m and reduce production costs by 30% due to improved operational efficiency through the automation and development of added-value wood conversion. To date, most contracts for the delivery of equipment have been concluded. Work is underway to design a sawmill and pellet factory. For more information, follow [the link](#).
- **The modernisation of the Lesosibirsk LDK** will increase production of sawn timber by 50 ths cu m, pellets by 100 ths t, and will also make it possible to achieve zero-waste manufacturing by constructing a new bark waste boiler with a capacity of 40 MW. Preparatory works for the assembly and launch of the second drying kiln complex were completed, awaiting delivery of necessary equipment. More information is available [here](#), [here](#) and [here](#).

PLYWOOD & BOARDS SEGMENT

Operating results FY 2021

Plywood

ths cu m



Production Sales

Fibreboard

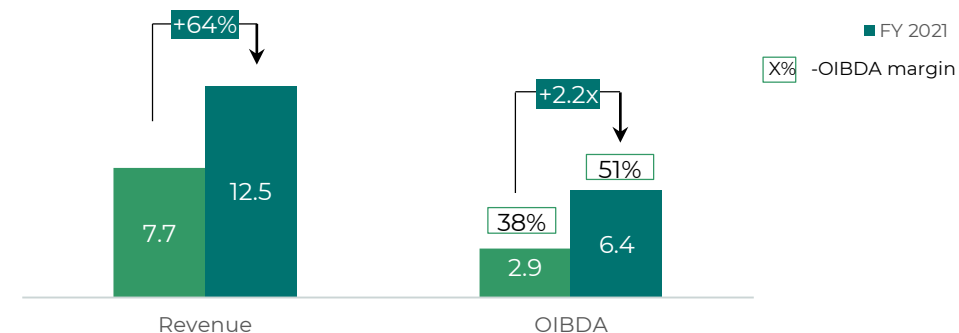
m sq m



Production Sales

Key financials for Plywood & Boards segment

RUB bn



Galich plywood mill newly installed equipment

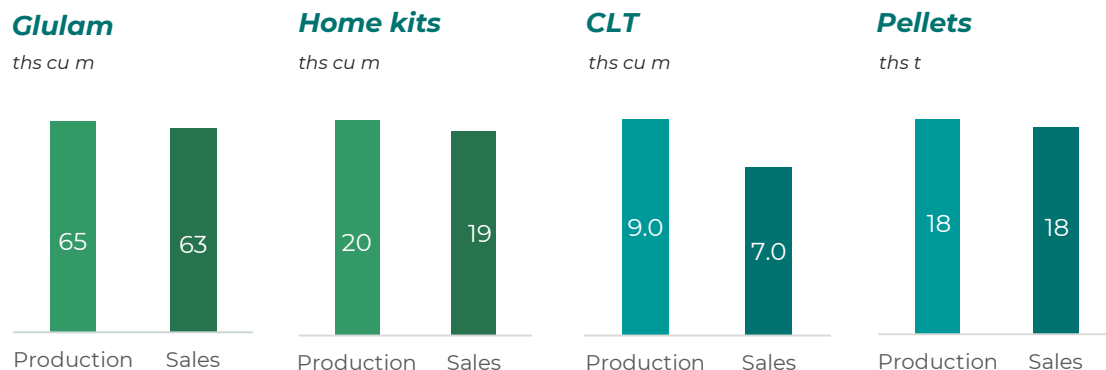


Key projects

- **The expansion of capacity at the Vyatka plywood mill** by 33%, or 64 ths cu m. Investment in the project will amount to RUB 6.5 bn. The assembly of the building's load-bearing structures of a new section for additional plywood processing is now being finalised. The assembly of wall panels has commenced. Works are underway to upgrade individual process lines. The launch of new capacities is scheduled for 2022. For more information, follow [the link](#).
- **Galich plywood mill** is now on pre-commissioning, entailing pilot product manufacturing on several lines, has commenced. The project will provide 125 ths cu m per year. GPM will produce high-margin types of plywood, including Maxi-format plywood, 7x13 ft, which is unique to Russia. Investment in the project is structured as project finance, with the Group investing RUB 2.3 bn. For more information, follow [the link](#).

LAMINATED WOOD PRODUCTS SEGMENT

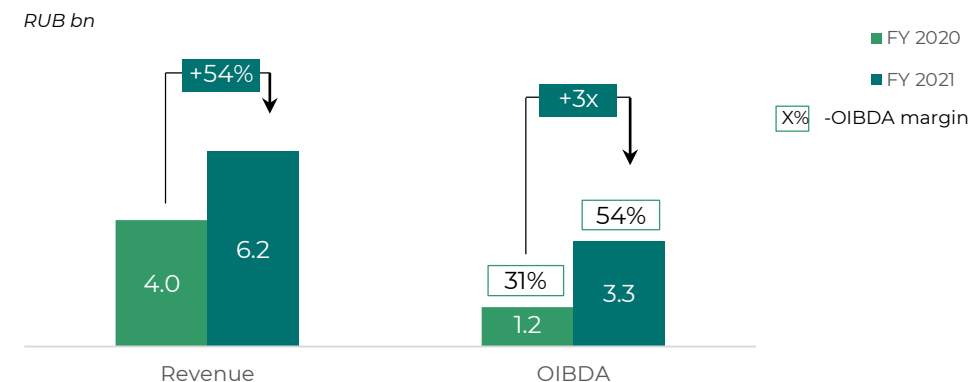
Operating results



Key highlights

- **Segezha Group commenced operations in the Japanese market** for glued laminated timber and structural laminated beams. At the request of a Japanese customer, Segezha Group manufactures laminated items with special cross-sections. For more information, follow this [link](#).

Key financials for Laminated Wood Products segment



Key projects

- **The pellet plant at the Sokol DOK was put into the commission.** The capacity of the new unit is 65 ths t of pellets per year. Boiler plant operating on bark and wood waste is still in progress. Investments in the project were approx. RUB 1.1 bn. For more information, follow [the link](#).

DISCLAIMER



The information contained herein has been prepared using information available to PJSC Segezha Group at the time of preparation of the presentation. External or other factors may have impacted on the business of Segezha Group and the content of this presentation, since its preparation. In addition all relevant information about Segezha Group may not be included in this presentation. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or reliability of the information.

Any forward looking information herein has been prepared on the basis of a number of assumptions which may prove to be incorrect. Forward looking statements, by the nature, involve risk and uncertainty and Segezha Group cautions that actual results may differ materially from those expressed or implied in such statements. There may be other factors, both known and unknown to Segezha Group , which may have an impact on its performance. This presentation should not be relied upon as a recommendation or forecast by Segezha Group . Segezha Group does not undertake an obligation to release any revision to the statements contained in this presentation.

The information contained in this presentation shall not be deemed to be any form of commitment on the part of Segezha Group in relation to any matters contained, or referred to, in this presentation. Segezha Group expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the contents of this presentation.

Certain market share information and other statements in this presentation regarding the industry in which Segezha Group operates and the position of Segezha Group relative to its competitors are based upon information made publicly available by other companies or obtained from trade and business organizations and associations. Such information and statements have not been verified by any independent sources, and measures of the financial or operating performance of Segezha Group 's competitors used in evaluating comparative positions may have been calculated in a different manner to the corresponding measures employed by Segezha Group.

The strategy of Segezha Group and its implementation may be modified, changed or supplemented by decisions of the shareholders and directors of Segezha Group and its subsidiaries. There can be no assurance that any transaction described in this document may occur in the form described in this document or at all.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any shares in Segezha Group , nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Notes:

THANK YOU!

Elena Romanova

Investor relations

E: ir@segezha-group.com

P: +7 499 962 82 00

Segezha Group

10, Presnenskaya emb., block C

Moscow, 123112

Russia

