3Q19

Eucatex Group Presentation

November 13, 2019

About Eucatex

- Founded in 1951 with Serraria Americana, in São Paulo, SP
- First Brazilian company to use eucalyptus to produce boards and panels
- 6 manufacturing units operating in the Furniture, Retail, Construction and Export industries
- 82 Eucalyptus Farms, totaling 52,400 hectares of land
- Tradition in the industry, employing around 2,740 employees

Product Portfolio

Wood Segment

Fiberboard

MDP

MDF/THDF

Laminated Flooring

Doors

Wall Partition

Paint Segment

Paints

Varnishes

Competitive Advantages

- Innovation, creativity and uniqueness
- Environmental Responsibility: Green Seal (FSC) for all its products, Environmental and Forest management
- Strategic presence in key consumer markets in Brazil
- Brand strength in all segments of operation and vertical operations

Manufacturing Units

Plants						
Location	Botucatu/SP	Botucatu/SP	Salto/SP	Salto/SP	Salto/SP	Cabo Sto. Agostinho/PE
Considerations	The only plant in Latin America capable of laminating paper during the process of formation of the MDP panel	Swapped with Duratex in Oct. 2018	First and largest manufacturing unit of the Eucatex Group	Inaugurated in Oct. 2010, it is one of Brazil's most modern panel plants	One of the most modern in Latin America, with last-generation equipment and advanced technology lab	Unit supplying the North and Northeast regions
Land and Built Area	Land: 372,000 m² Built: 62,000 m²	Land: 126.000 m² Built: 113,000 m²	Land: 540,000 m² Built: 153,000 m²		Land: 960,000 m² Built: 36,000 m²	N/A
Annual Installed Capacity	MDP: 430 mil m³ Laminated Flooring 12 million m² Finish Foil, BP and Lacca 50 million m²	Fiberboard: 370,000 m³ Wall Partitions and Doors: 4.8 million m² Paint: 101 million m² Paper Printer: 96 million m²		T-HDF/MDF 275 mil m³ Lacca and BP 16 million m²	Paints and Varnishes 36 million gallons	PVA and Acrylic Resin and Acrylic Paint 3.6 million gallons
Operating Segments	MDP and Laminated Flooring	Fiberboard, Wall Partitions and Doors		T-HDF/MDF	Paints and Varnishes	PVA and Acrylic Resin, and Acrylic Paint

Net Revenue

- 3Q19: R$ 398.7 million, up 24.2%
- 9M19: R$ 1.128.3 million, up 21.7%

Recurring EBITDA

- 3Q19: R$ 74.6 million, growth of 21.2%
- 9M19: R$ 213.0 million, growth of 27.2%

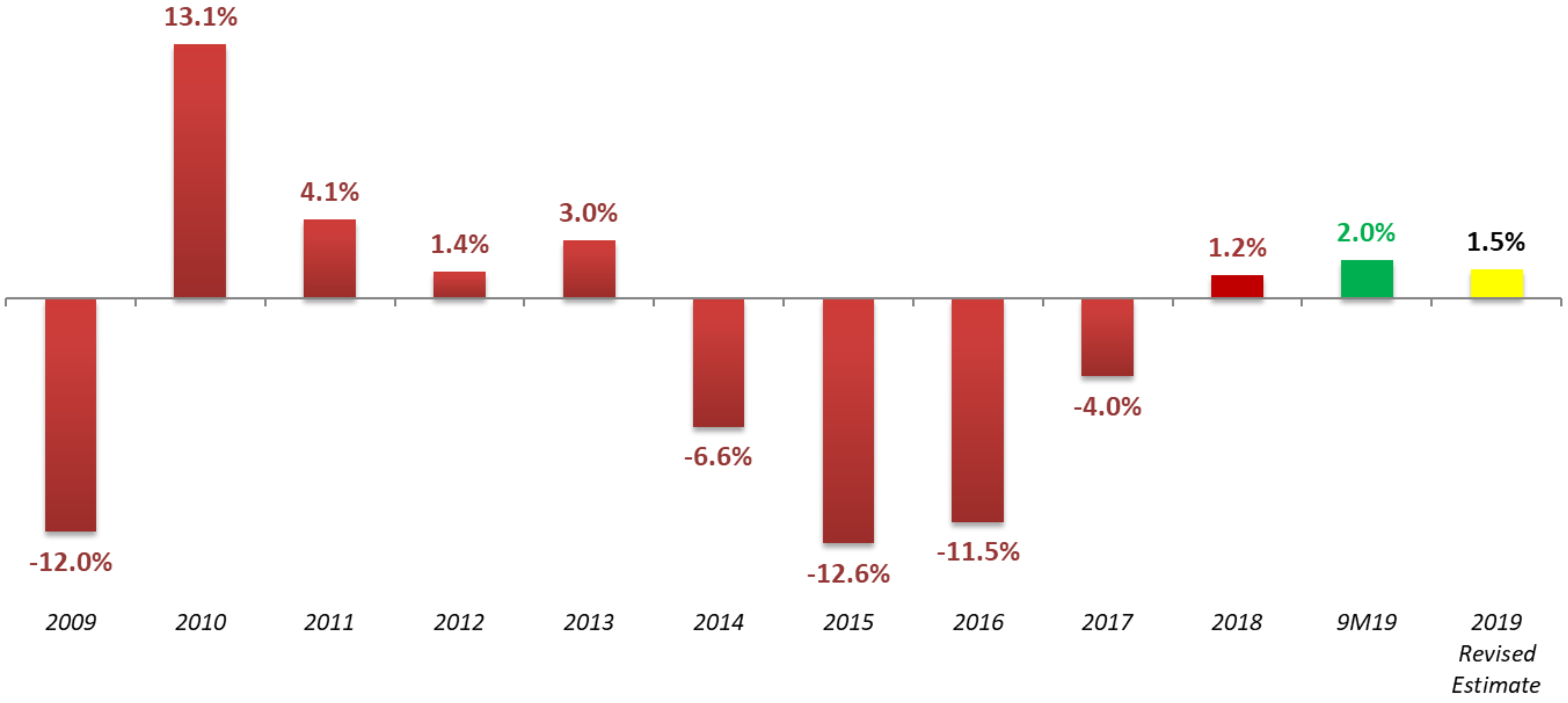
Recurring EBITDA Margin

- 3Q19: 18.7%, contraction of 0.5 pp
- 9M19: 18.9%, expansion of 0.8 pp

Recurring Net Income

- 3Q19: R$ 15.6 million, up 65.8%
- 9M19: R$ 56.5 million, up 522.2%

ABRAMAT Index – Domestic Market

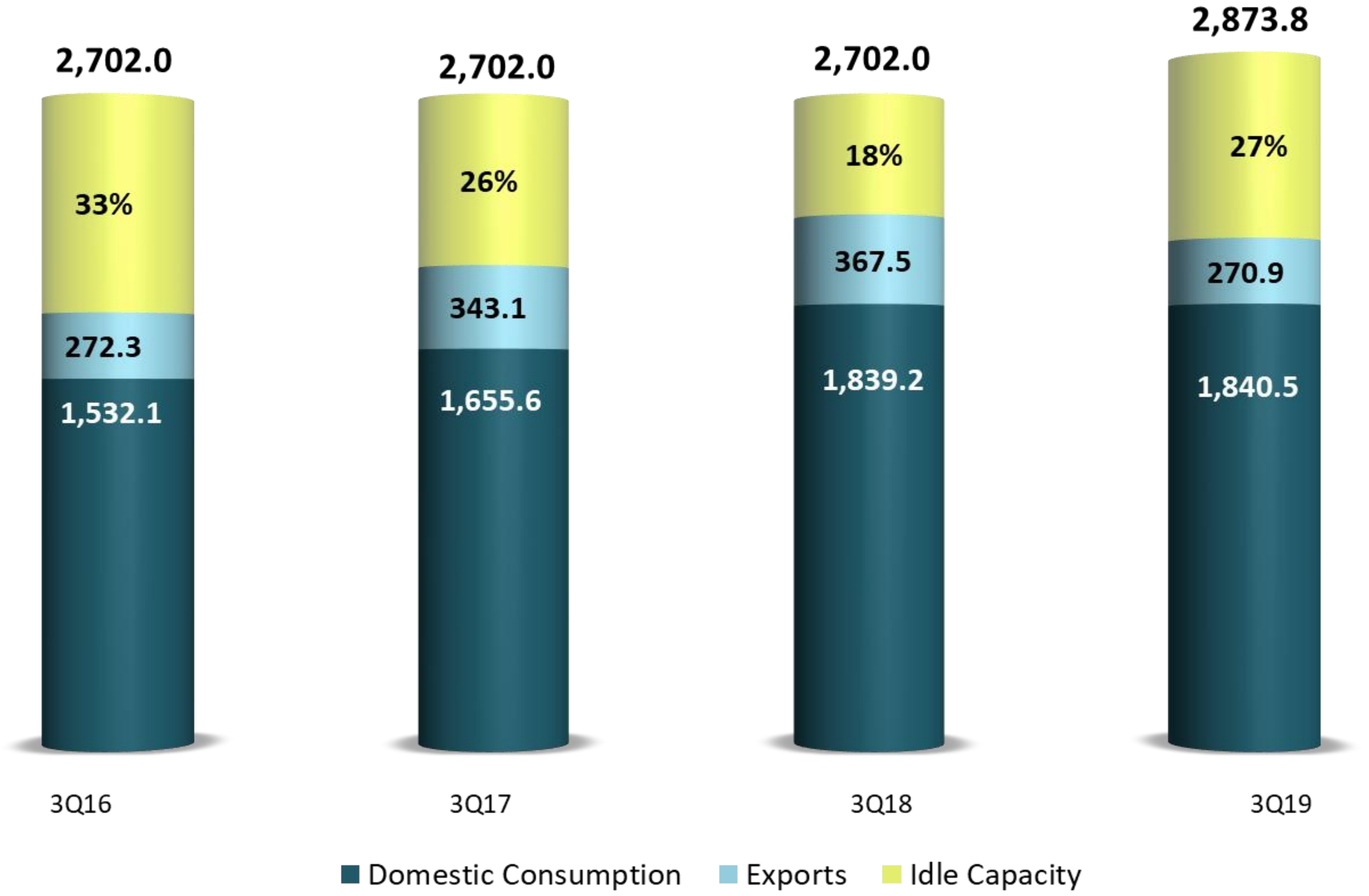


Between 2013 and 9M19, the indicator is down 28.4%.

Source: ABRAMAT

Evolution of Supply and Demand in Brazil's Panel Market – Quarter

Effective Installed Capacity (Fiberboard + MDF + MDP) vs. Production



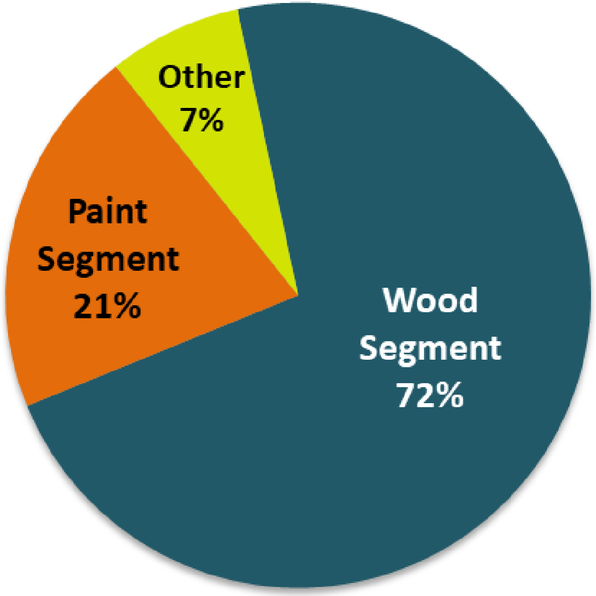
% Var. 3Q18 vs. 3Q19	
	Total
Total	-4.3%
Domestic Market	0.1%
Export Market	-26.3%

% Var. 9M18 vs. 9M19	
	Total
Total	-0.9%
Domestic Market	2.2%
Export Market	-16.1%

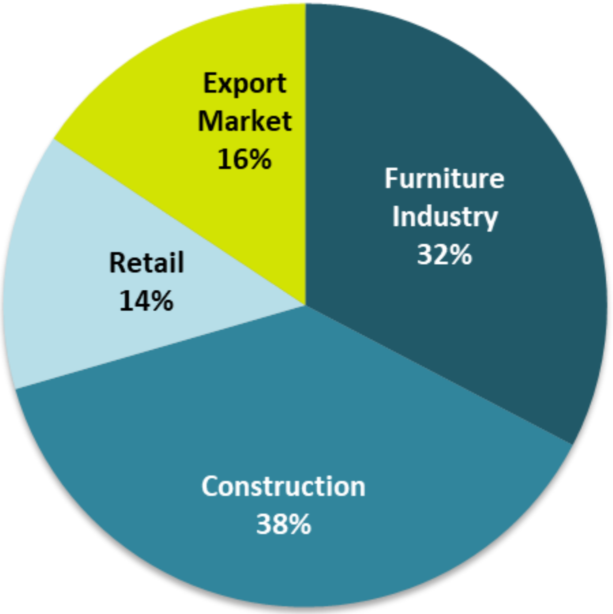
Source: Eucatex Estimate

Net Revenue					
3Q18	**3Q19**	*Var*	9M18	**9M19**	*Var*
R$ 321.2 million	**R$ 398.7 million**	*24.2%*	R$ 927.0 million	**R$ 1.128.3 million**	*21.7%*

Distribution by Product - 3Q19

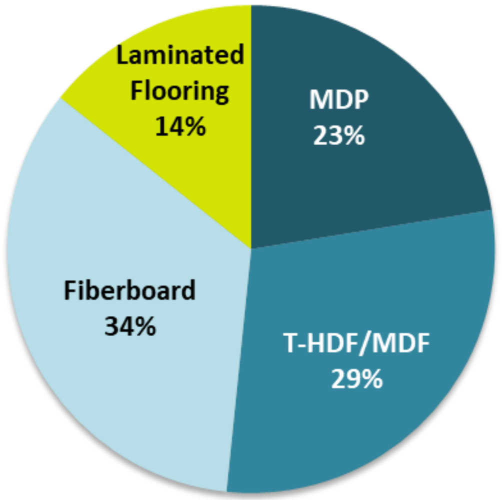


Distribution by Segment - 3Q19

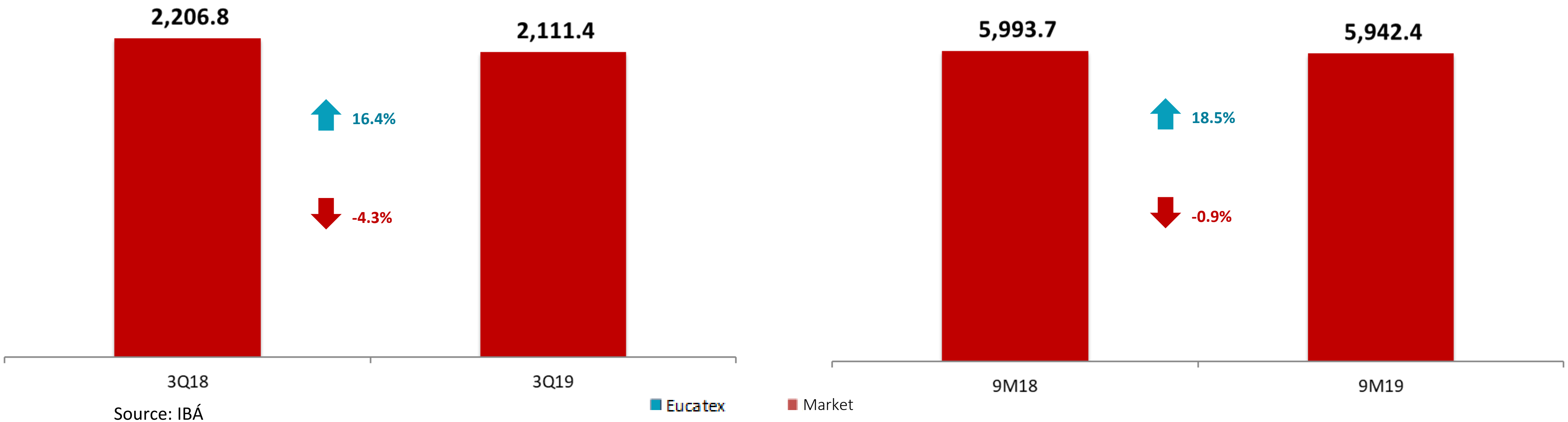


Eucatex has a diversified portfolio of products and operated in various segments, contributing with significant growth over the years.

Net Revenue		
3Q18	**3Q19**	*Var*
R$ 244.7 million	**R$ 287.8 million**	*17.6%*
9M18	**9M19**	*Var*
R$ 687.8 million	**R$ 837.9 million**	*21.8%*

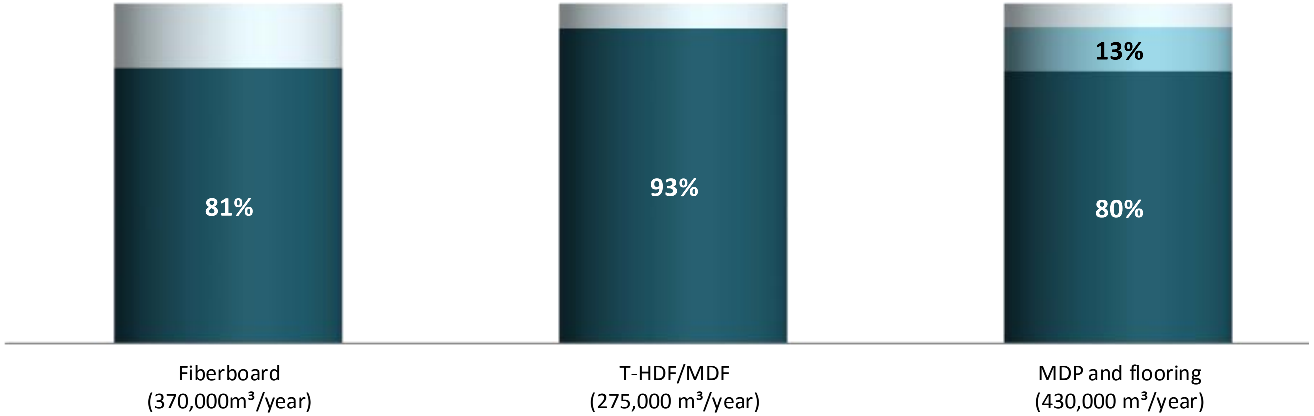


Total Market ('000 m³) - Domestic + Export Markets



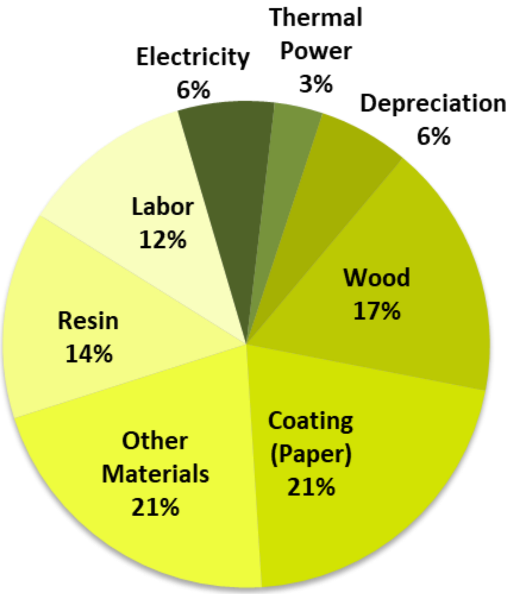
Source: IBÁ

Installed Capacity Utilization - 3Q19

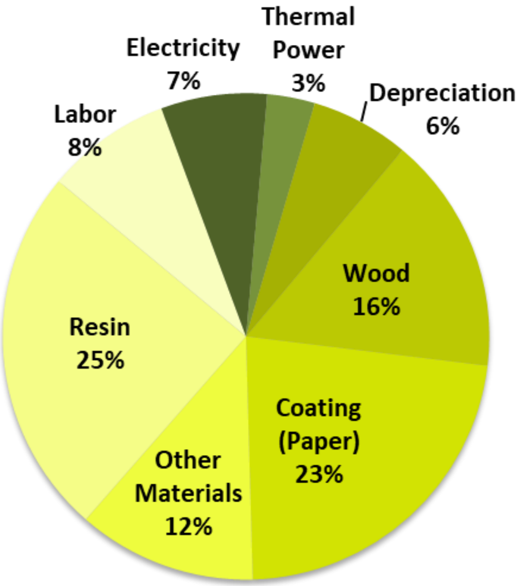


Breakdown of Costs - 3Q19

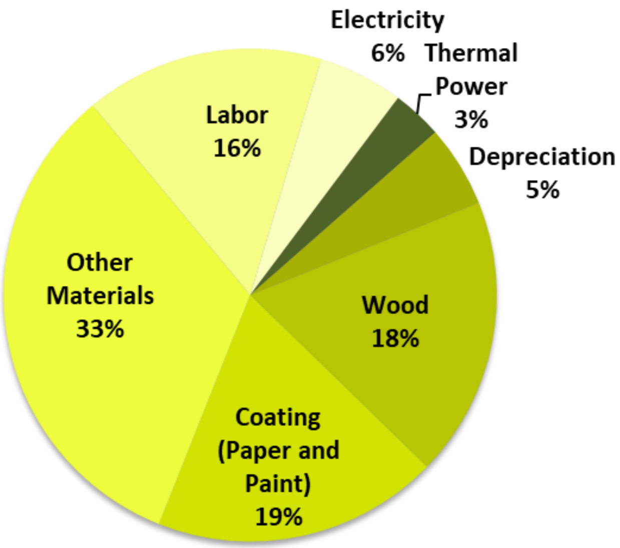
All Panels



Resin Panels

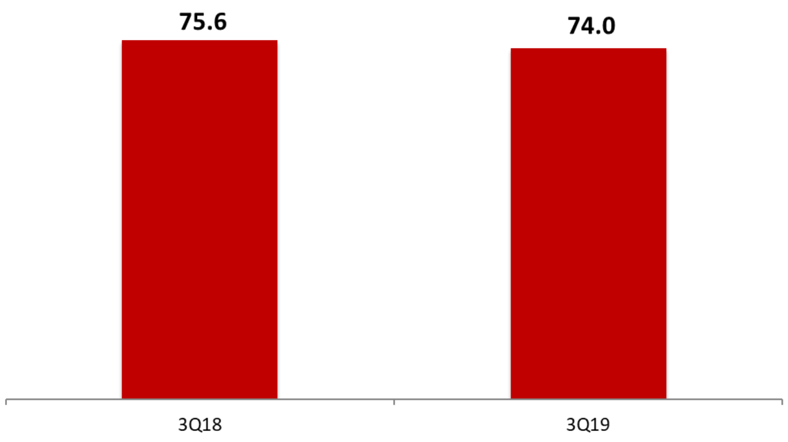


Non-Resin Panels (Fiberboard)



Net Revenue		
3Q18	**3Q19**	*Var*
R$ 73.7 million	**R$ 81.6 million**	*10.7%*
9M18	**9M19**	*Var*
R$ 198.4 million	**R$ 218.4 million**	*10.1%*

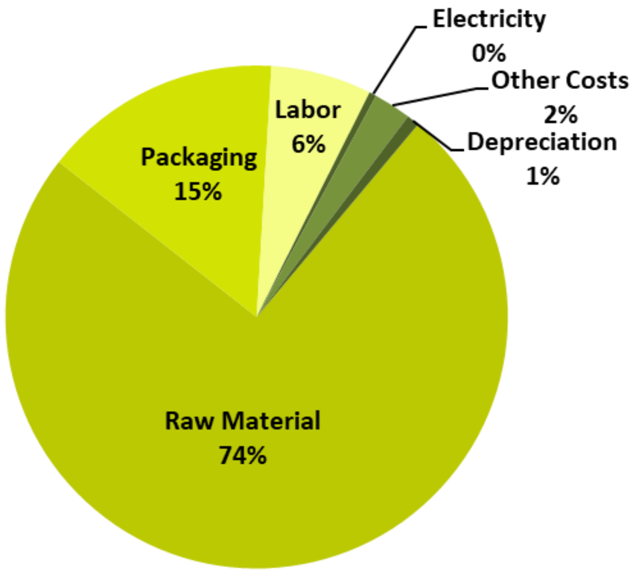
Market - Million Gallons



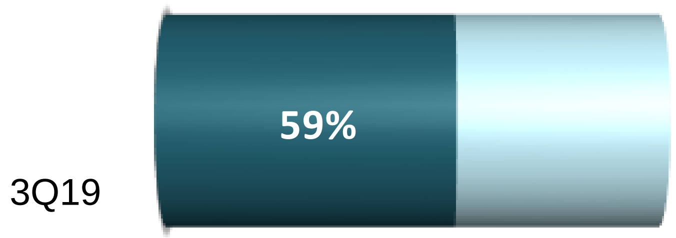
Variation	3Q19 vs. 3Q18	9M19 vs. 9M18
Eucatex	**9.3%**	**3.8%**
Market	**-2.2%**	**-1.0%**

Source: Eucatex

Breakdown of Costs - 3Q19



Installed Capacity Utilization

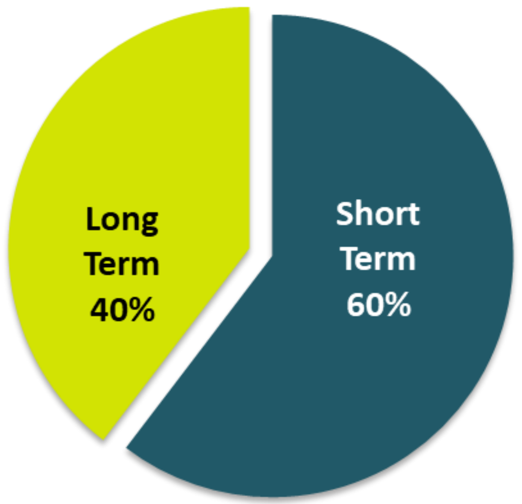


- Total Capacity - 36 million gallons/year

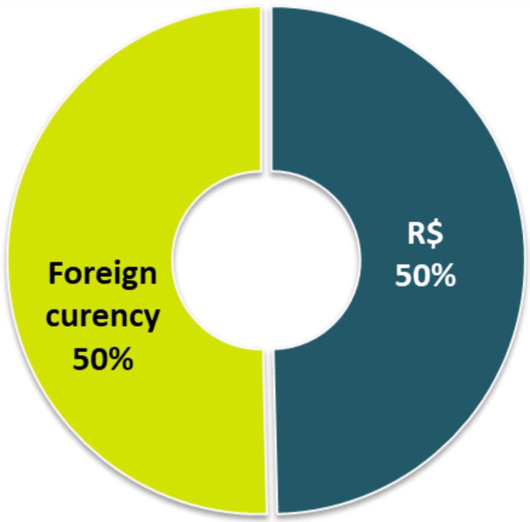
Highlights (R$ million)	3Q19	V.A. %	3Q18	V.A. %	Var. (%)	9M19	V.A. %	9M18	V.A. %	Var. (%)
Net Revenue	**398,7**	***100,0%***	**321,2**	***100,0%***	***24,2%***	**1.128,3**	***100,0%***	**927,0**	***100,0%***	***21,7%***
Fair value of biological assets	9,0	*2,3%*	1,0	*0,3%*	*797,0%*	9,2	*0,8%*	1,1	*0,1%*	*752,9%*
Cost of products sold	(290,0)	*-72,7%*	(230,7)	*-71,8%*	*25,7%*	(819,3)	*-72,6%*	(683,1)	*-73,7%*	*19,9%*
Gross income	**117,7**		**91,5**		***28,7%***	**318,2**		**245,0**		***29,9%***
Gross Margin (%)	***29,5%***		***28,5%***		***1 p.p.***	***28,2%***		***26,4%***		***1.8 p.p.***
Administrative expenses	(16,0)	*-4,0%*	(14,3)	*-4,4%*	*12,2%*	(47,9)	*-4,2%*	(42,6)	*-4,6%*	*12,4%*
Selling expenses	(52,9)	*-13,3%*	(49,3)	*-15,4%*	*7,3%*	(151,9)	*-13,5%*	(130,6)	*-14,1%*	*16,4%*
Other operating income and expenses	1,2	*0,3%*	3,4	*1,1%*	*-63,8%*	3,8	*0,3%*	2,2	*0,2%*	*73,2%*
EBITDA adjusted by non-cash events	**78,9**	***19,8%***	**55,0**	***17,1%***	***43,6%***	**201,8**	***17,9%***	**151,3**	***16,3%***	***33,4%***
EBITDA Margin (%)	***19,8%***		***17,1%***		***2.7 p.p.***	***17,9%***		***16,3%***		***1.6 p.p.***
Adjusted Recurring EBITDA	**74,6**		**61,6**		***21,2%***	**213,0**		**167,5**		***27,2%***
Adjusted Recurring EBITDA Margin (%)	***18,7%***		***19,2%***		***-0.5 p.p.***	***18,9%***		***18,1%***		***0.8 p.p.***
Net financial result	(21,2)	*-5,3%*	(18,9)	*-5,9%*	*-12,2%*	(47,1)	*-4,2%*	(65,6)	*-7,1%*	*28,1%*
Non-recurring results	4,3	*1,1%*	(6,6)	*-2,1%*	*164,7%*	(11,1)	*-1,0%*	(16,2)	*-1,8%*	*31,4%*
Income and social contribution taxes	(13,3)	*-3,3%*	(3,0)	*-0,9%*	*336,2%*	(18,5)	*-1,6%*	0,7	*0,1%*	*2716,1%*
Net Income (Loss)	**19,9**	***5,0%***	**2,8**	***0,9%***	***612,5%***	**45,4**	***4,0%***	**(7,1)**	***-0,8%***	***735,7%***
Recurring Net Income (Loss)	**15,6**	***3,9%***	**9,4**	***2,9%***	***65,8%***	**56,5**	***5,0%***	**9,1**	***1,0%***	***522,2%***

Debt (R$ Million)	*9M19*	*1H19*	Var. (%)
Short Term Debt	268.7	274.0	*-1.9%*
Long Term Debt	176.3	160.5	*9.9%*
Gross Debt	**445.1**	**434.5**	***2.4%***
Cash and Cash Equivalents	18.9	13.1	*44.2%*
Net Debt	**426.2**	**421.4**	***1.1%***
% Short Term Debt	*60%*	*63%*	*-3 p.p.*
Net Debt/EBITDA (Rec. LTM)	**1.5**	**1.6**	***-3.6%***
Net Debt/EBITDA (Rec. Annualized)	**1.5**	**1.6**	***-5.9%***

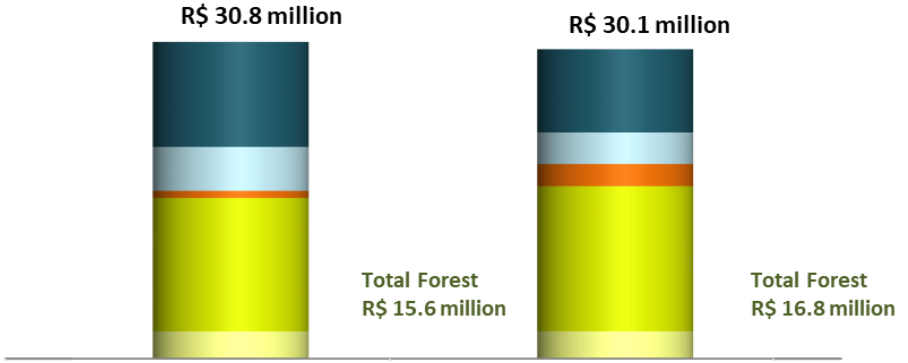
Debt Profile by Maturity 9M19



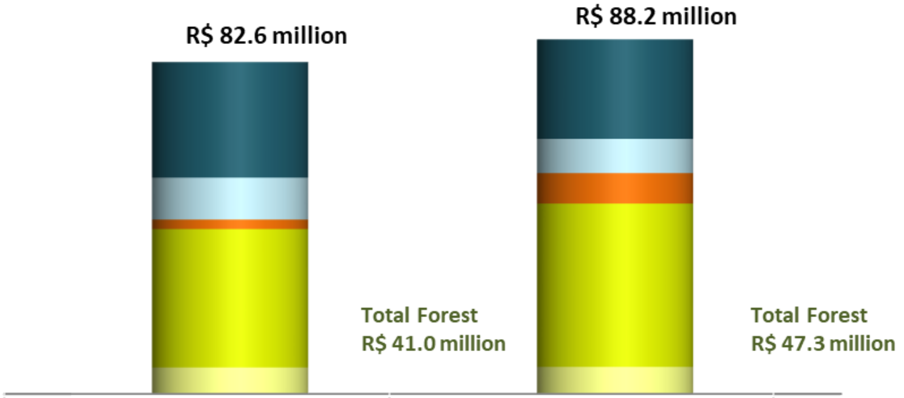
Debt Profile by Currency 9M19



Investments Made



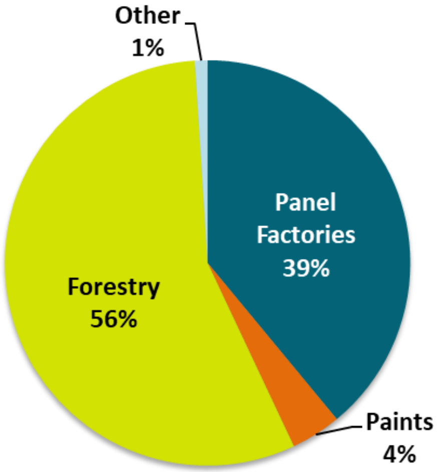
	3Q18	3Q19
Salto	10.2	8.1
Botucatu	4.3	3.1
Paints	0.7	2.2
Silviculture	13.0	14.1
Leasing	2.6	2.7



	9M18	9M19
Salto	28.8	24.8
Botucatu	10.4	8.5
Paints	2.4	7.6
Silviculture	34.4	40.6
Leasing	6.6	6.7

Planned for 2019

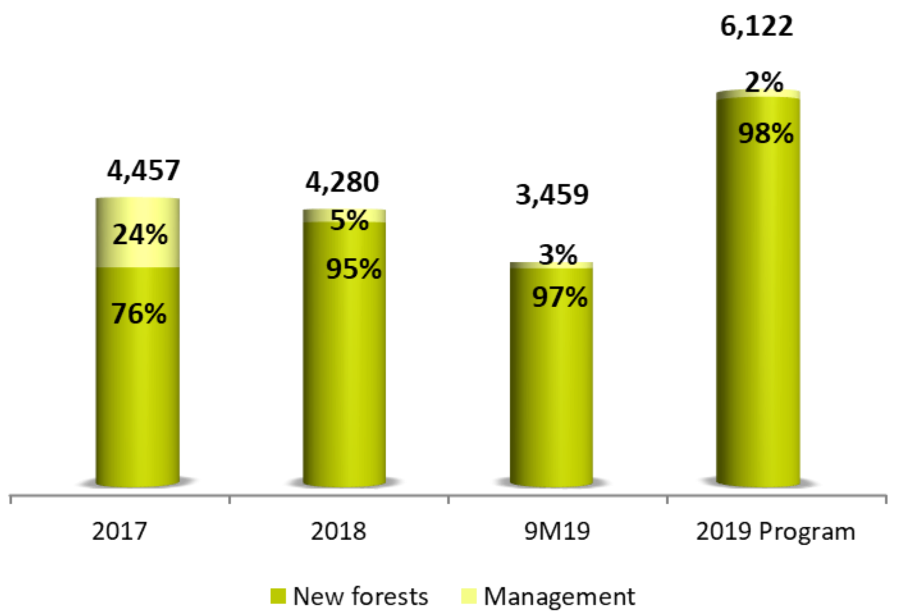
R$ 119 million



82 farms
for eucalyptus plantation, totaling
52,400 hectares

Average Radius	
Salto	**Botucatu**
157 km	63 Km

Newly Planted Forests and Seedling Management (ha)



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