eucatex

2Q18

Eucatex Group Presentation

August 9, 2018

Highlights

eucatex

Net Revenue

- 2Q18: R$ 302.0 million, up 4.0%
- 1H18: R$ 605.8 million, up 5.7%

Recurring EBITDA

- 2Q18: R$ 54.3 million, growth of 3.4%
- 1H18: R$ 105.8 million, growth of 8.3%

Recurring EBITDA Margin

- 2Q18: 18.0%, stable, -0.1 pp
- 1H18: 17.5%, increase of 0.4 pp

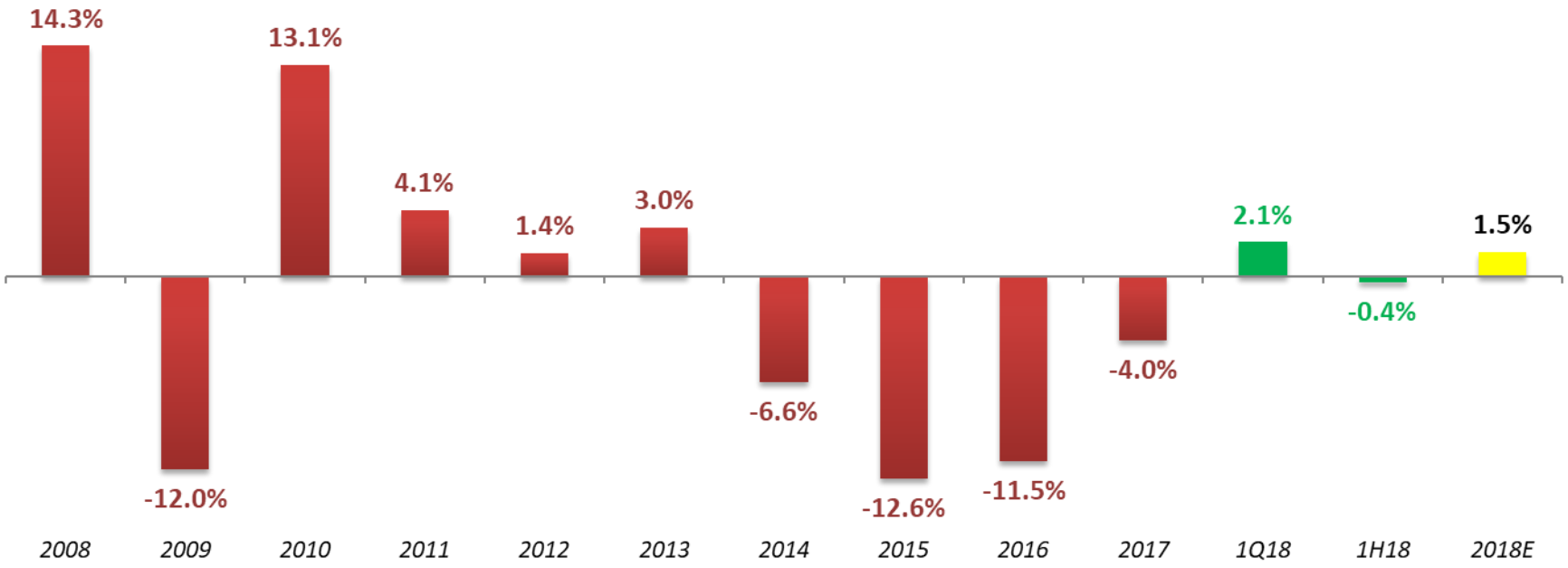
Recurring Net Income (Loss)

- 2Q18: R$ -5.5 million, down 272.3%
- 1H18: R$ -0.3 million, down 102.4%

Material Fact - Exchange of Assets between Eucatex and Duratex

Submitted to CADE approval – **APPROVED!**

ABRAMAT Index – Domestic Market

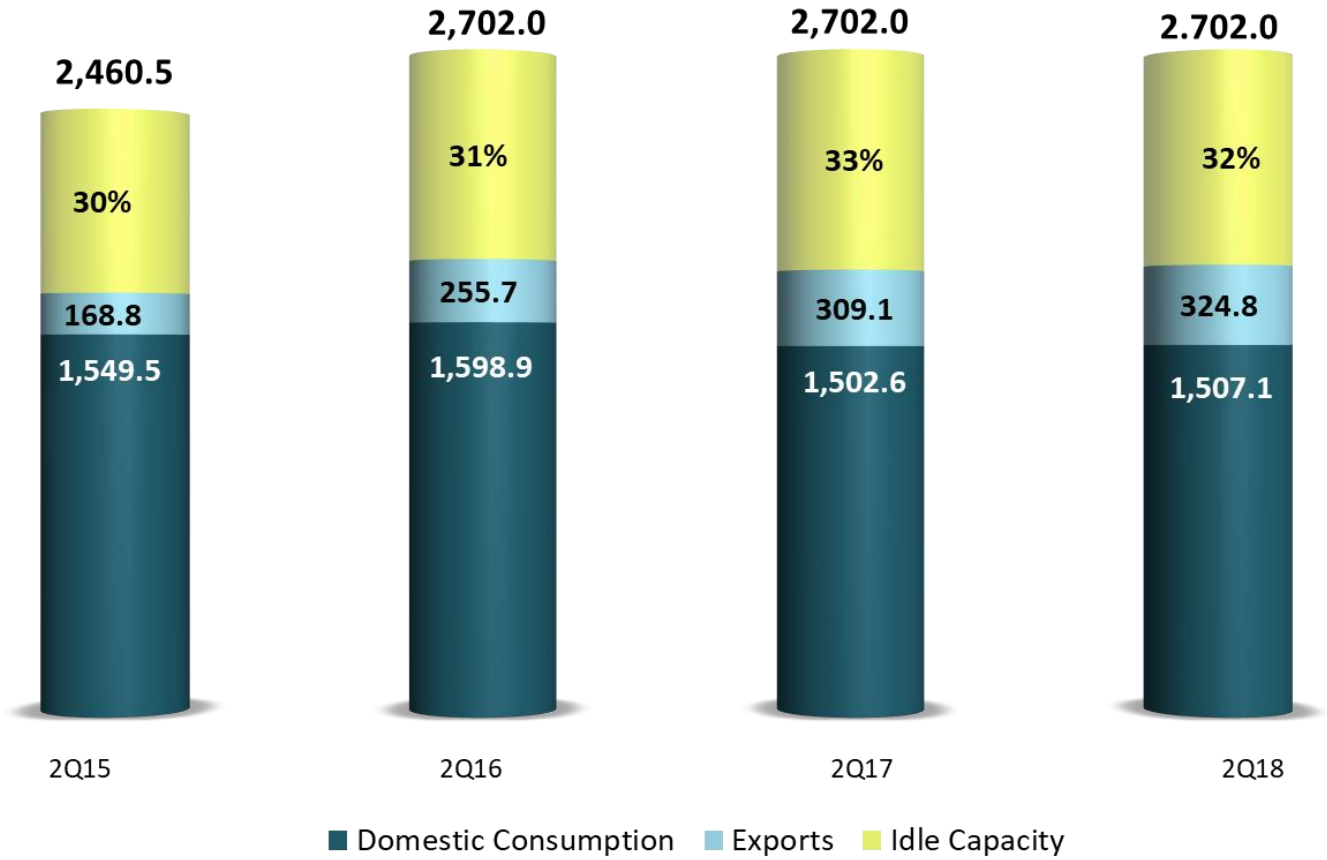


Between 2013 and 2Q18, the indicator is down 30.9%.

Source: ABRAMAT

eucatex

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



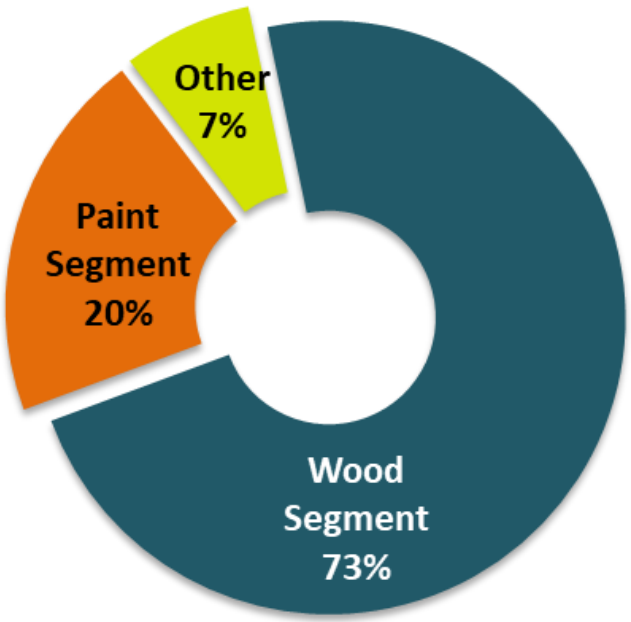
% Var. 2Q18 vs. 2Q17				
	Fiberboard	MDP	MDF	Total
Total	-14.7%	1.0%	2.2%	1.1%
Domestic Market	-26.0%	-1.6%	2.9%	0.3%
Export Market	4.1%	15.8%	-0.7%	5.1%

Source: Eucatex Estimate

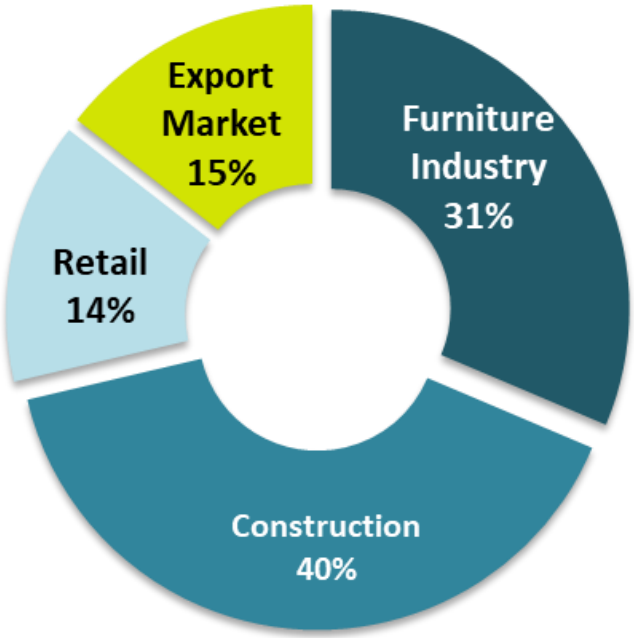
Operating Data

Net Revenue					
2Q17	**2Q18**	*Var*	1H17	**1H18**	*Var*
R$ 290.3 million	**R$ 302.0 million**	*4.0%*	R$ 573.4 million	**R$ 605.8 million**	*5.7%*

Distribution by Product - 2Q18

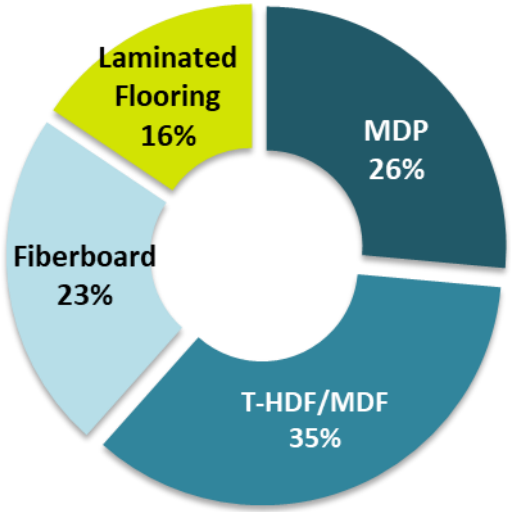


Distribution by Segment - 2Q18



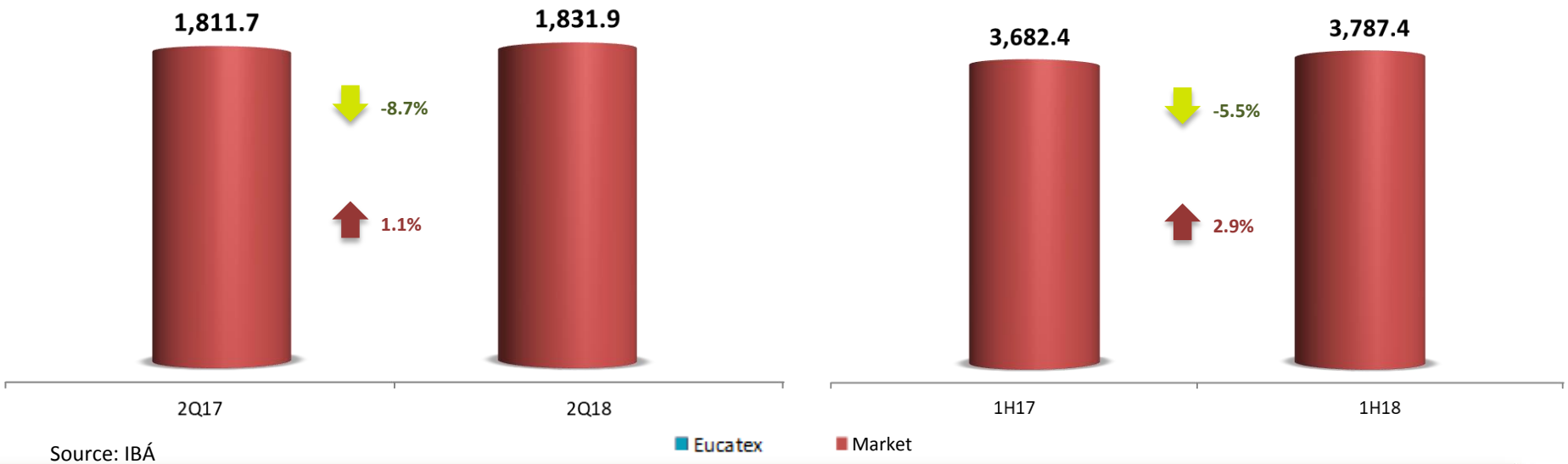
Wood Segment

Net Revenue		
2Q17	**2Q18**	*Var*
R$ 216.3 million	**R$ 219.4 million**	*1.4%*
1H17	**1H18**	*Var*
R$ 420.9 million	**R$ 442.2 million**	*5.1%*



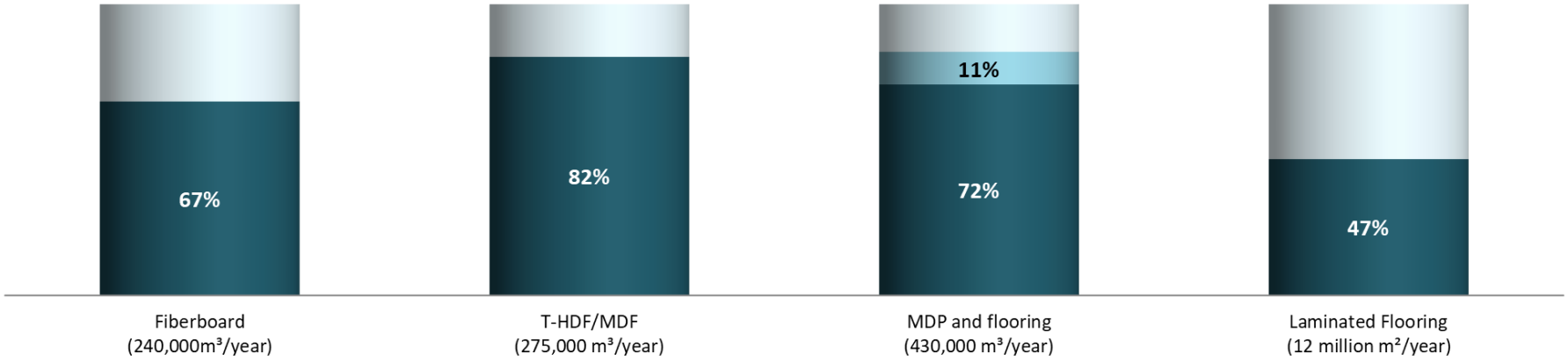
Total Market ('000 m³)

Domestic + Export markets



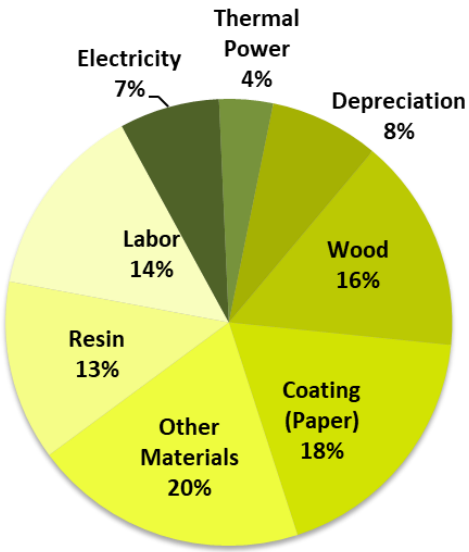
Source: IBÁ

Installed Capacity Utilization - 2Q18

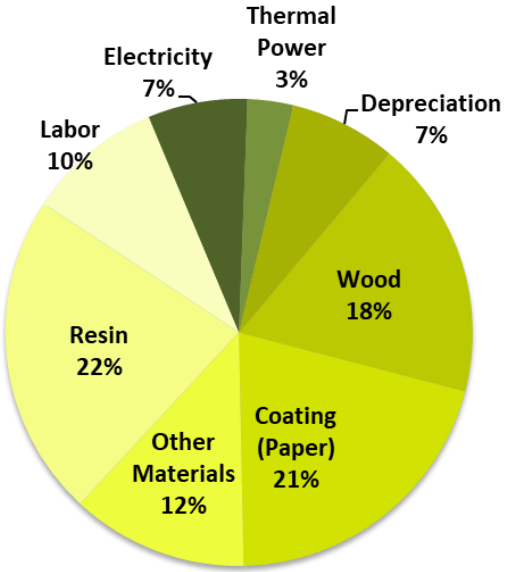


Breakdown of Costs - 2Q18

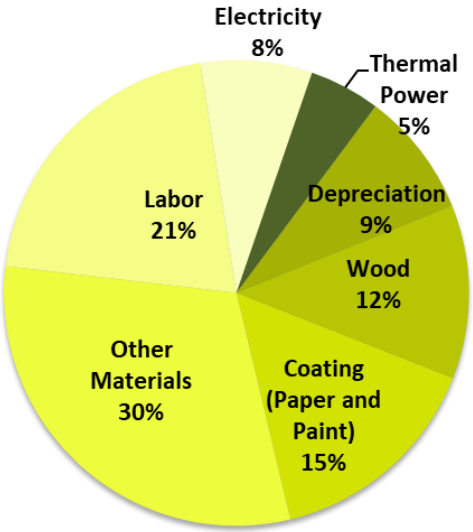
All Panels



Resin Panels



Non-Resin Panels (Fiberboard)

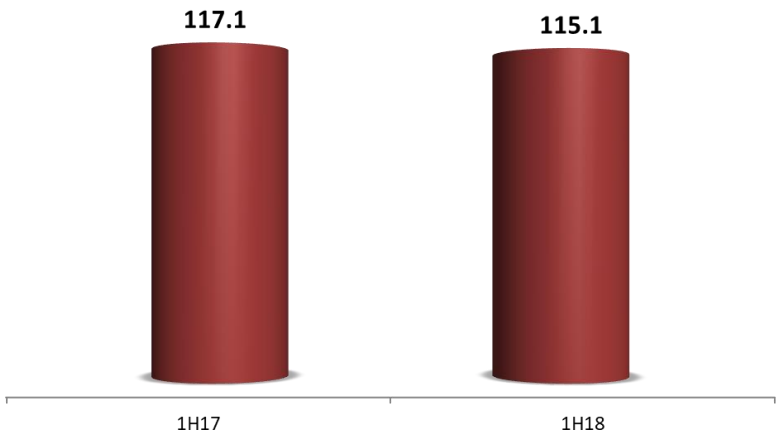


Paint Segment

eucatex

Net Revenue		
2Q17	**2Q18**	*Var*
R$ 57.1 million	**R$ 63.8 million**	*11.6%*
1H17	**1H18**	*Var*
R$ 116.5 million	**R$ 124.7 million**	*7.0%*

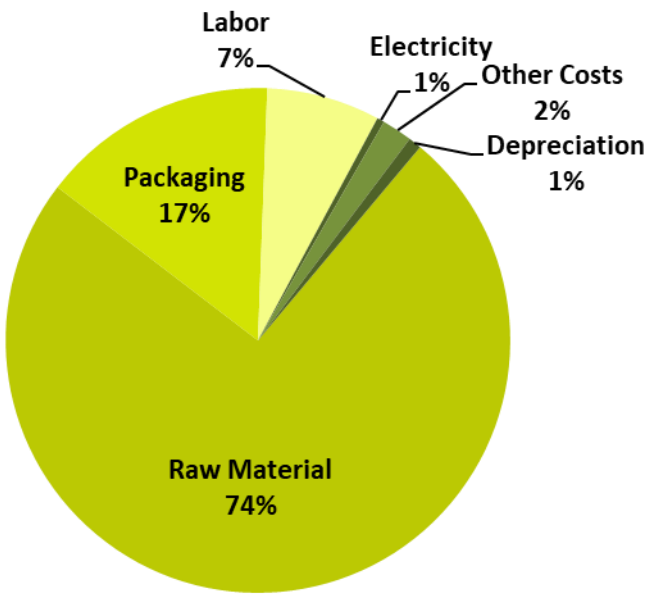
Market - Million Gallons



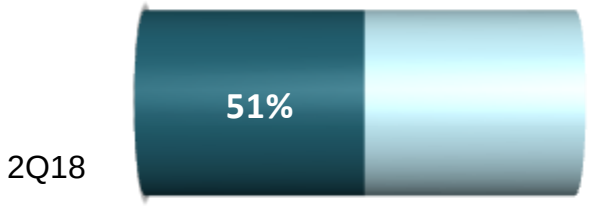
Variation	2Q18 vs. 2Q17	1H18 vs. 1H17
Eucatex	**7.7%**	**5.0%**
Market	**-0.8%**	**-1.6%**

Source: Eucatex

Breakdown of Costs - 2Q18



Installed Capacity Utilization



- Total Capacity - 36 million gallons/year

Financial Data

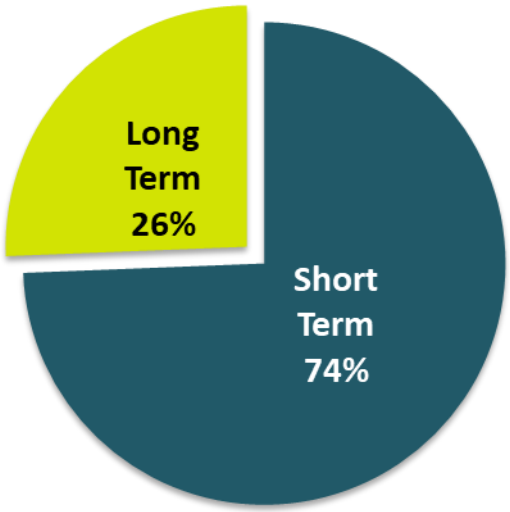
eucatex

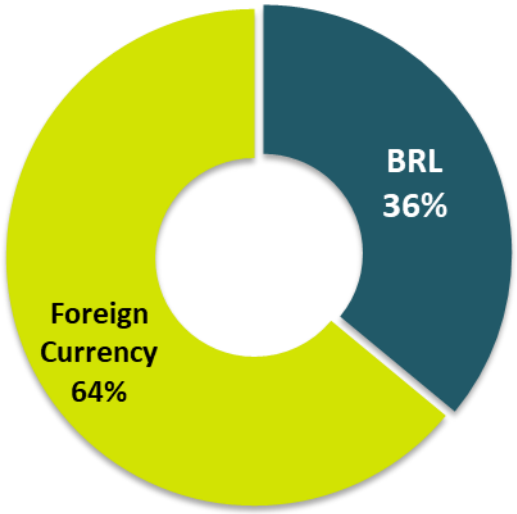
Highlights (R$ million)	2Q18	V.A. %	2Q17	V.A. %	Var. (%)	1H18	V.A. %	1H17	V.A. %	Var. (%)
Net Revenue	**302.0**	***100.0%***	**290.3**	***100.0%***	***4.0%***	**605.8**	***100.0%***	**573.4**	***100.0%***	***5.7%***
Fair value of biological assets	0.7	*0.2%*	5.8	*2.0%*	*-87.7%*	0.1	*0.0%*	10.3	*1.8%*	*-99.2%*
Cost of products sold	(224.9)	*-74.5%*	(212.5)	*-73.2%*	*5.8%*	(452.4)	*-74.7%*	(427.9)	*-74.6%*	*5.7%*
Gross income	**77.8**		**83.7**		***-7.0%***	**153.5**		**155.9**		***-1.5%***
Gross Margin (%)	***25.8%***		***28.8%***		***-3 p.p.***	***25.3%***		***27.2%***		***-1.9 p.p.***
Administrative expenses	(13.9)	*-4.6%*	(14.7)	*-5.1%*	*-5.4%*	(28.4)	*-4.7%*	(28.7)	*-5.0%*	*-1.0%*
Selling expenses	(39.8)	*-13.2%*	(44.1)	*-15.2%*	*-9.8%*	(81.2)	*-13.4%*	(82.6)	*-14.4%*	*-1.7%*
Other operating income and expenses	(0.6)	*-0.2%*	(0.4)	*-0.2%*	*-26.9%*	(1.2)	*-0.2%*	(0.9)	*-0.2%*	*31.3%*
EBITDA adjusted by non-cash events	**48.1**	***15.9%***	**52.3**	***18.0%***	***-7.9%***	**96.2**	***15.9%***	**94.2**	***16.4%***	***2.1%***
EBITDA Margin (%)	***15.9%***		***18.0%***		***-2.1 p.p.***	***15.9%***		***16.4%***		***-0.5 p.p.***
Adjusted Recurring EBITDA	**54.3**		**52.5**		***3.4%***	**105.8**		**97.7**		***8.3%***
Adjusted Recurring EBITDA Margin (%)	***18.0%***		***18.1%***		***-0.1 p.p.***	***17.5%***		***17.0%***		***0.5 p.p.***
Net financial result	(35.4)	*-11.7%*	(22.0)	*-7.6%*	*-61.0%*	(46.7)	*-7.7%*	(30.3)	*-5.3%*	*-54.4%*
Non-recurring results	(6.1)	*-2.0%*	(0.2)	*-0.1%*	*-2436.4%*	(9.6)	*-1.6%*	(3.5)	*-0.6%*	*-178.1%*
Income and social contribution taxes	6.4	*2.1%*	0.8	*0.3%*	*708.7%*	3.8	*0.6%*	(0.5)	*-0.1%*	*-901.1%*
Net Income (Loss)	**(11.6)**	***-3.9%***	**3.0**	***1.0%***	***-494.1%***	**(9.9)**	***-1.6%***	**9.4**	***1.6%***	***-205.4%***
Recurring Net Income (Loss)	**(5.5)**	***-1.8%***	**3.2**	***1.1%***	***-272.3%***	**(0.3)**	***0.0%***	**12.9**	***2.2%***	***-102.4%***

Debt

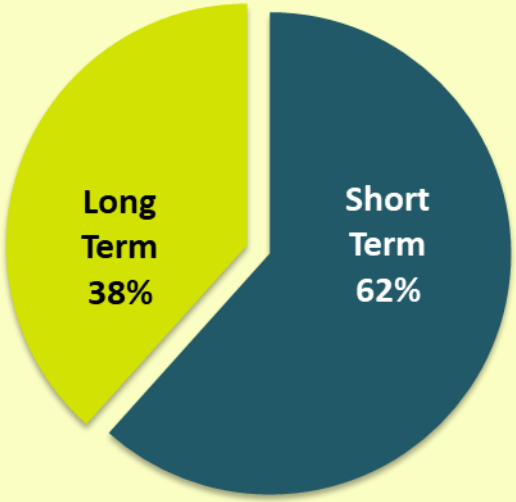
Debt (R$ Million)	*1H18*	*2017*	Var. (%)	*1H17*	Var. (%)
Short Term Debt	291.8	245.2	*19.0%*	231.5	*26.1%*
Long Term Debt	100.5	106.1	*-5.3%*	115.0	*-12.6%*
Gross Debt	**392.4**	**351.3**	***11.7%***	**346.5**	***13.2%***
Cash and Cash Equivalents	20.5	20.3	*1.2%*	17.0	*21.1%*
Net Debt	**371.8**	**331.0**	***12.3%***	**329.5**	***12.8%***
% Short Term Debt	*74%*	*70%*	*4 p.p.*	*67%*	*7 p.p.*
Net Debt/EBITDA	**1.7**	**1.6**	***8.2%***	**1.7**	***-0.2%***

Debt Profile – 1H18



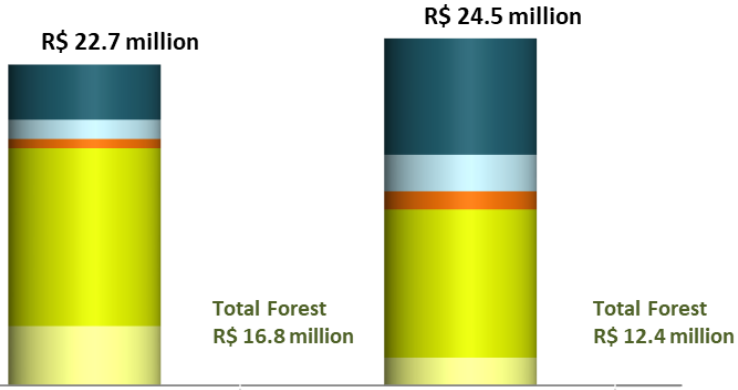


Current Debt Profile

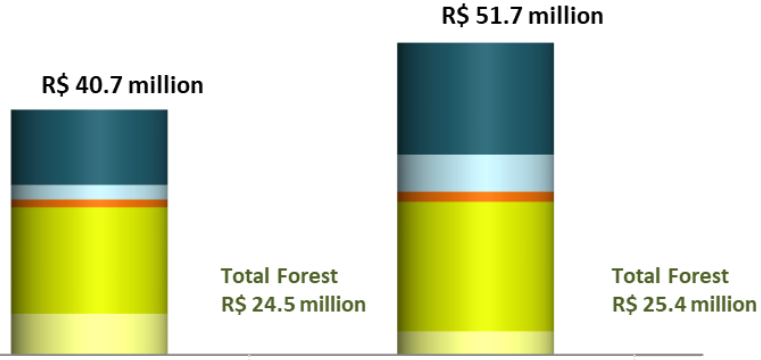


eucatex

Investments Made



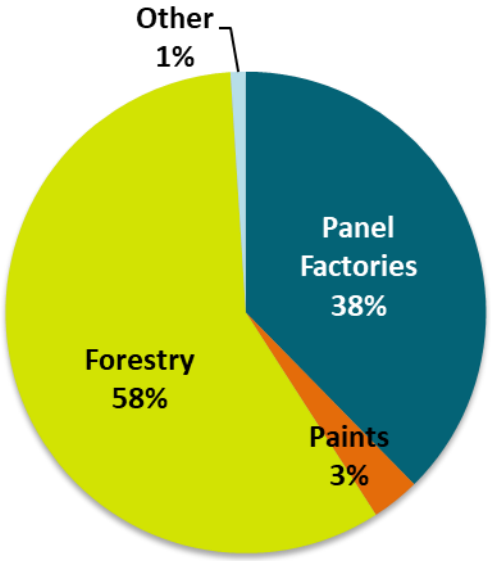
	2Q17	2Q18
Salto	3.9	8.2
Botucatu	1.4	2.6
Paints	0.7	1.3
Silviculture	12.6	10.5
Leasing	4.2	2.0



	1H17	1H18
Salto	12.5	18.5
Botucatu	2.4	6.1
Paints	1.3	1.7
Silviculture	17.6	21.4
Leasing	6.8	3.9

Planned for 2018

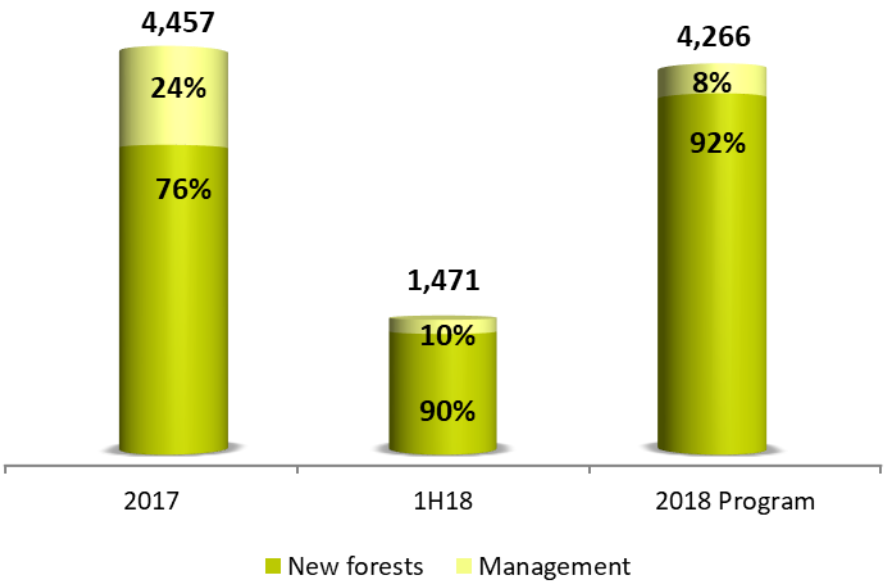
R$96 million



75 farms
for eucalyptus plantation,
totaling
45,800 hectares

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

Newly Planted Forests and Seedling Management (ha)



eucatex

José Antonio G. de Carvalho
Executive Vice-President and IRO

Sergio Henrique Ribeiro
Controller

Waneska Bandeira
Investor Relations

+55 (11) 3049-2473 / ri@eucatex.com.br