



# Eucatex Group Presentation

3Q16 Earnings

November 10, 2016



## Highlights

### Net Revenue

3Q16: R\$ 304.3 million, down 2.2%  
9M16: R\$ 859.9 million, up 0.7%

### Recurring EBITDA

3Q16: R\$ 47.6 million, down 10.6%  
9M16: R\$ 139.1 million, down 7.8%

### Recurring EBITDA Margin

3Q16: 15.7%, contraction of 1.4 pp  
9M16: 16.2%, contraction of 1.5 pp

### Recurring Net Income

3Q16: R\$ 8.8 million, increasing 268.7%  
9M16: R\$ 39.5 million, increasing 127.8%

### Exports

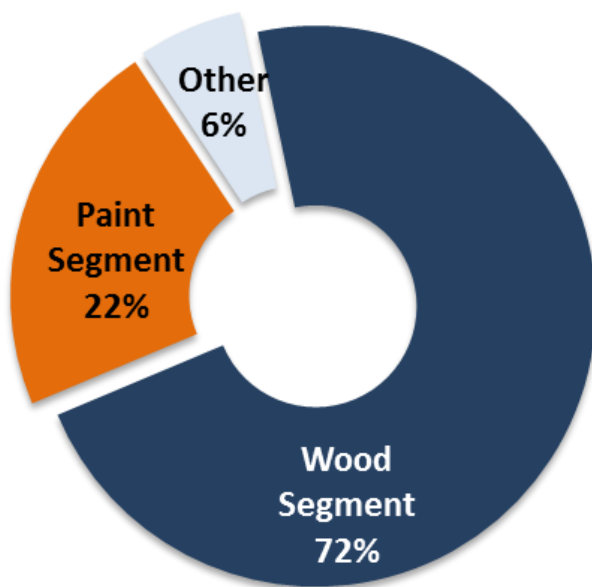
3Q16: Increase of 36.3% in Volume and of 12.6% in Net Revenue  
9M16: Increase of 38.9% in Volume and of 24.6% in Net Revenue



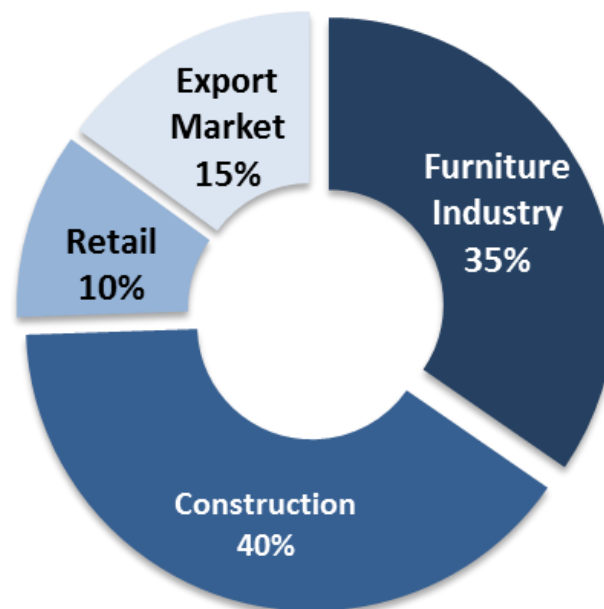
## Net Revenue

3Q15	3Q16	Var	9M15	9M16	Var
R\$ 311.0 million	R\$ 304.3 million	-2.2%	R\$ 853.8 million	R\$ 859.9 million	0.7%

Distribution by Product – 9M16



Distribution by Segment – 9M16

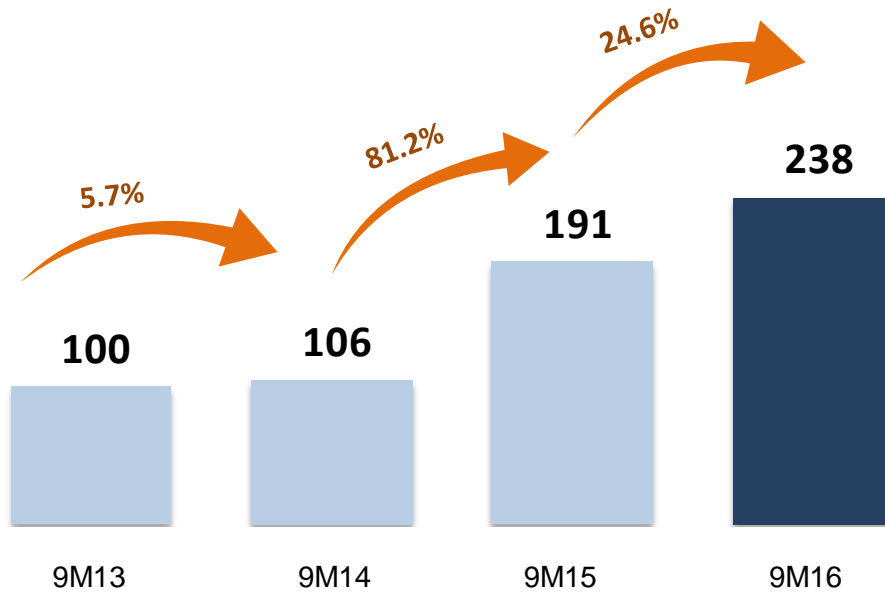




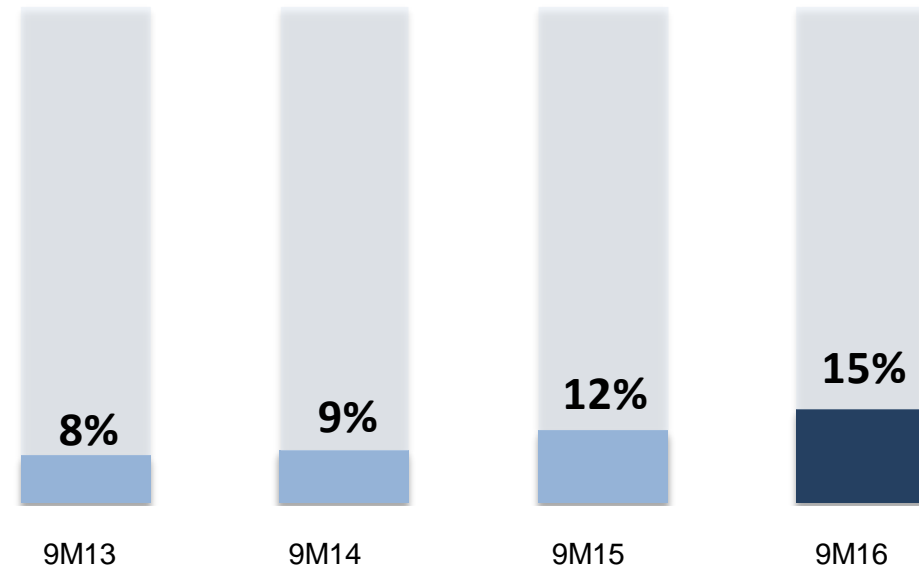
## Export Performance – 9M

### Net Revenue – Base 100 - 2013

CAGR: + 33.6%



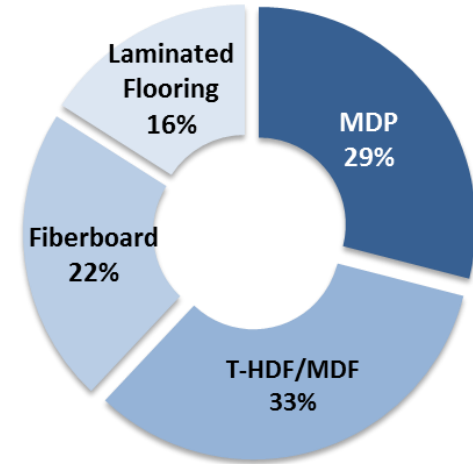
### Share of Total Net Revenue



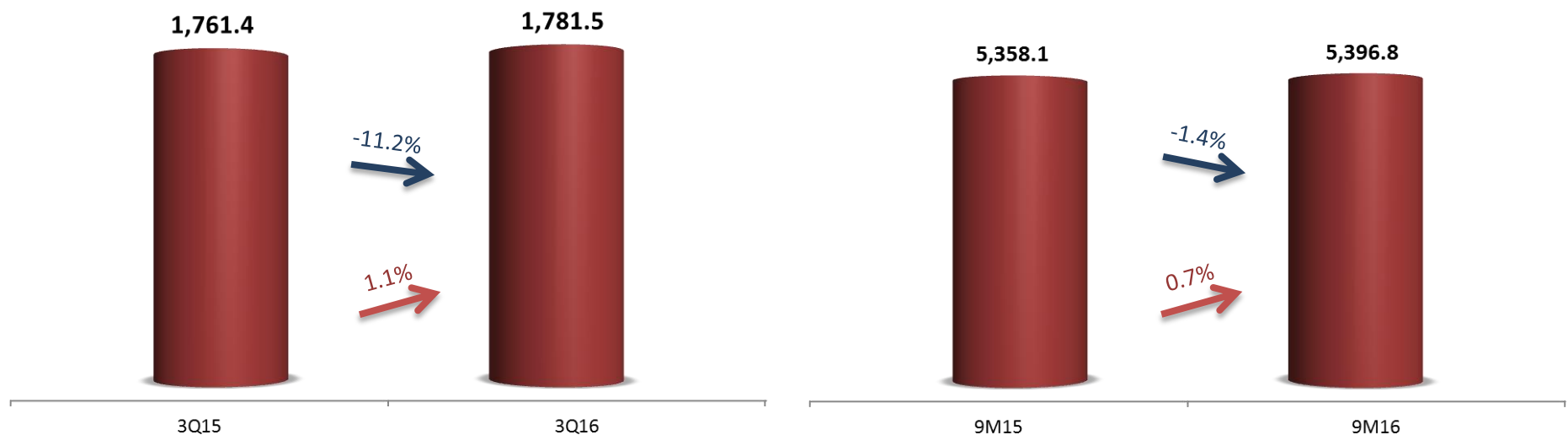


## Net Revenue

3Q15	3Q16	Var
R\$ 227.6 million	R\$ 208.7 million	-8.3%
9M15	9M16	Var
R\$ 641.8 million	R\$ 621.1 million	-3.2%

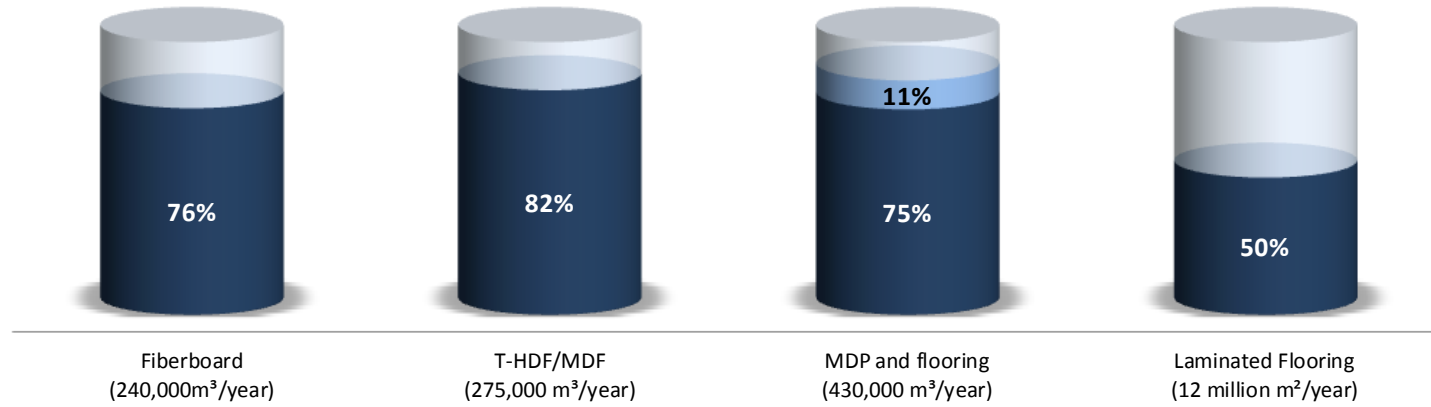


## Total Market ('000 m<sup>3</sup>) DOMESTIC + EXPORT MARKET



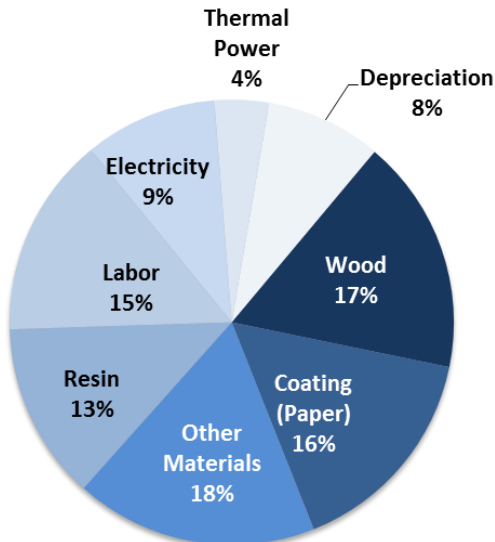


## Installed Capacity Utilization – 3Q16

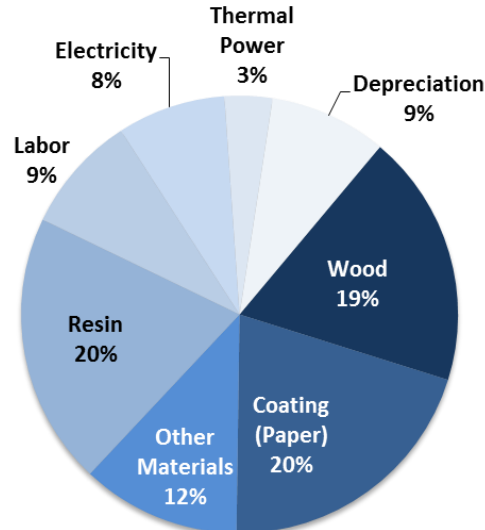


## Breakdown of Costs – 3Q16

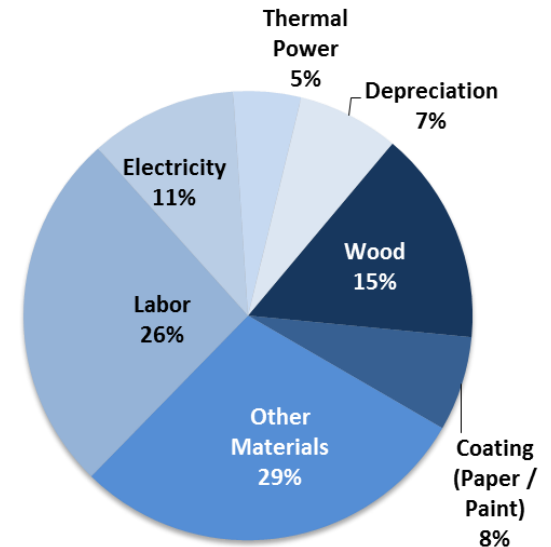
### All Panels



### Resin Panels



### Non-Resin Panels (Fiberboard)

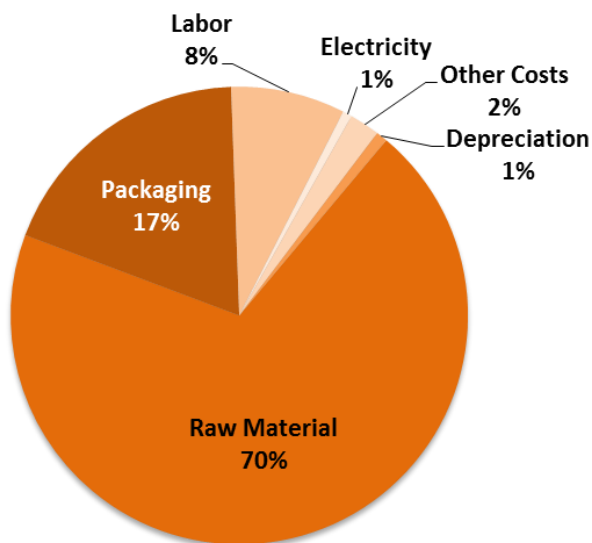




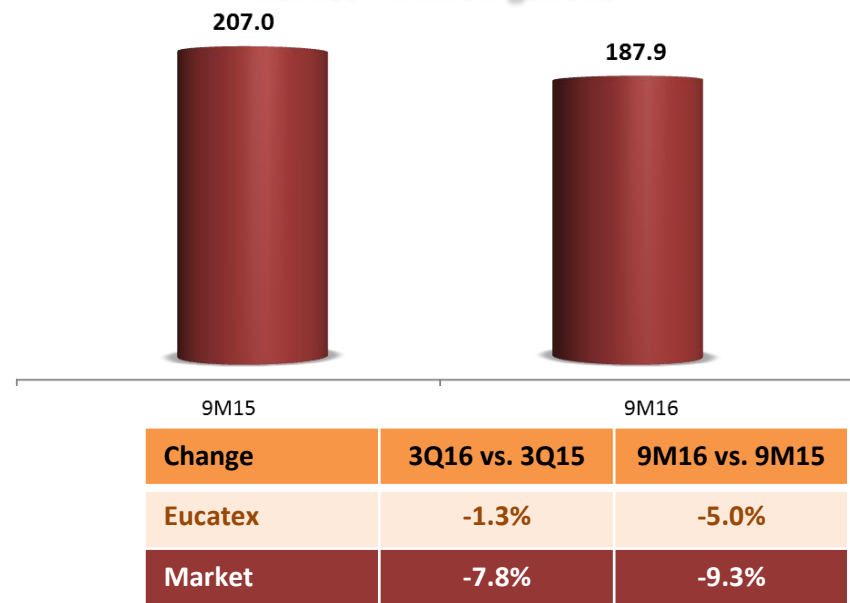
## Net Revenue

3Q15	3Q16	Var
R\$ 70.0 million	R\$ 73.7 million	5.3%
9M15	9M16	Var
R\$ 188.0 million	R\$ 191.6 million	1.9%

## Breakdown of Costs – 3Q16

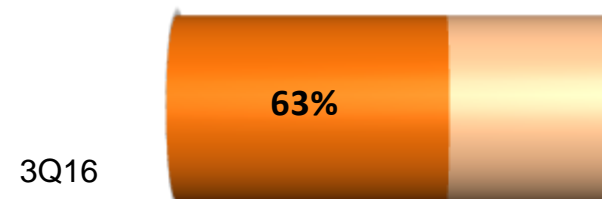


## Market – million gallons



Source: Eucatex

## Installed Capacity Utilization



- Total Capacity - 36 million gallons / year





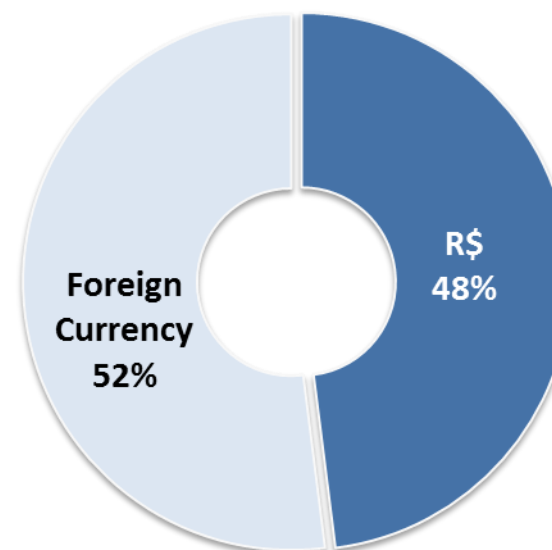
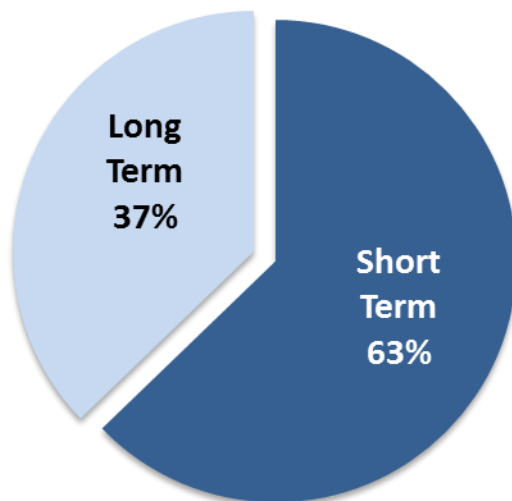
Highlights (R\$ million)	3Q16	V.A. %	3Q15	V.A. %	Var. (%)	9M16	V.A. %	9M15	V.A. %	Var. (%)
<b>Net Revenue</b>	<b>304.3</b>	<b>100.0%</b>	<b>311.0</b>	<b>100.0%</b>	<b>-2.2%</b>	<b>859.9</b>	<b>100.0%</b>	<b>853.8</b>	<b>100.0%</b>	<b>0.7%</b>
Fair value of biological assets	7.2	2.4%	15.9	5.1%	-54.9%	21.5	2.5%	35.5	4.2%	-39.3%
Cost of products sold	(228.1)	-75.0%	(232.6)	-74.8%	-1.9%	(643.8)	-74.9%	(632.2)	-74.0%	1.8%
<b>Gross income</b>	<b>83.4</b>		<b>94.3</b>		<b>-11.6%</b>	<b>237.6</b>		<b>257.2</b>		<b>-7.6%</b>
<b>Gross Margin (%)</b>	<b>27.4%</b>		<b>30.3%</b>		<b>-2.9 p.p.</b>	<b>27.6%</b>		<b>30.1%</b>		<b>-2.5 p.p.</b>
Administrative expenses	(14.7)	-4.8%	(13.5)	-4.3%	9.5%	(43.4)	-5.0%	(41.7)	-4.9%	4.0%
Selling expenses	(40.9)	-13.4%	(44.1)	-14.2%	-7.3%	(125.9)	-14.6%	(124.7)	-14.6%	1.0%
Other operating income and expenses	0.3	0.1%	0.0	0.0%	4172.8%	(0.4)	-0.1%	0.8	0.1%	-157.7%
<b>EBITDA adjusted by non-cash events</b>	<b>43.1</b>	<b>14.2%</b>	<b>51.1</b>	<b>16.4%</b>	<b>-15.7%</b>	<b>122.1</b>	<b>14.2%</b>	<b>143.3</b>	<b>16.8%</b>	<b>-14.8%</b>
<b>EBITDA Margin (%)</b>	<b>14.2%</b>		<b>16.4%</b>		<b>-2.2 p.p.</b>	<b>14.2%</b>		<b>16.8%</b>		<b>-2.6 p.p.</b>
<b>Adjusted Recurring EBITDA</b>	<b>47.6</b>		<b>53.3</b>		<b>-10.6%</b>	<b>139.1</b>		<b>150.8</b>		<b>-7.8%</b>
<b>Adjusted Recurring EBITDA Margin (%)</b>	<b>15.7%</b>		<b>17.1%</b>		<b>-1.4 p.p.</b>	<b>16.2%</b>		<b>17.7%</b>		<b>-1.5 p.p.</b>
Net financial result	(18.8)	-6.2%	(53.1)	-17.1%	64.5%	(25.0)	-2.9%	(97.8)	-11.5%	74.5%
Non-recurring results	(4.6)	-1.5%	(2.2)	-0.7%	-106.6%	(17.0)	-2.0%	(7.5)	-0.9%	-126.4%
Income and social contribution taxes	(0.4)	-0.1%	18.7	6.0%	102.1%	(3.5)	-0.4%	23.6	2.8%	114.7%
<b>Net Income</b>	<b>4.2</b>	<b>1.4%</b>	<b>0.2</b>	<b>0.1%</b>	<b>2485.7%</b>	<b>22.5</b>	<b>2.6%</b>	<b>9.8</b>	<b>1.1%</b>	<b>128.8%</b>
<b>Recurring Net Income</b>	<b>8.8</b>	<b>2.9%</b>	<b>2.4</b>	<b>0.8%</b>	<b>268.7%</b>	<b>39.5</b>	<b>4.6%</b>	<b>17.3</b>	<b>2.0%</b>	<b>127.8%</b>





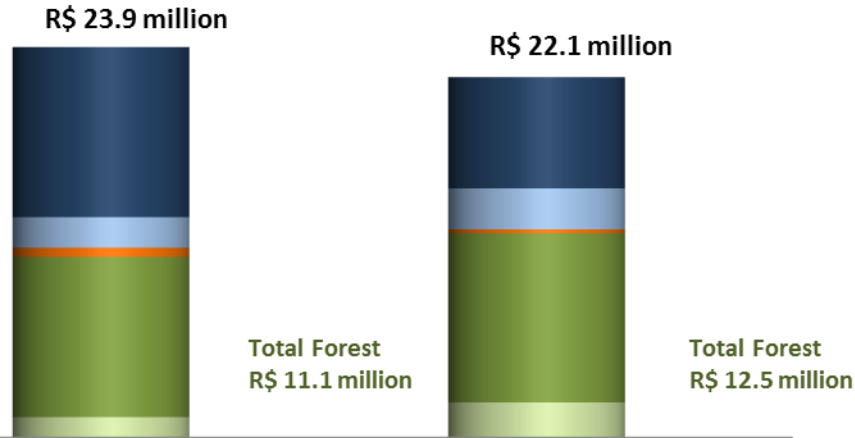
Debt (R\$ million)	9M16	1H16	Var. (%)	9M15	Var. (%)
Short Term Debt	227.8	195.1	16.8%	211.1	7.9%
Long Term Debt	135.0	137.3	-1.6%	175.7	-23.2%
<b>Gross Debt</b>	<b>362.8</b>	<b>332.4</b>	<b>9.2%</b>	<b>386.8</b>	<b>-6.2%</b>
Cash and Cash Equivalents	24.3	25.6	-5.3%	18.9	28.4%
<b>Net Debt</b>	<b>338.6</b>	<b>306.8</b>	<b>10.4%</b>	<b>367.9</b>	<b>-8.0%</b>
% Short Term Debt	63%	59%	4 p.p.	55%	8 p.p.
<b>Net Debt/EBITDA</b>	<b>1.8</b>	<b>1.7</b>	<b>8.8%</b>	<b>1.7</b>	<b>5.8%</b>

## Debt Profile





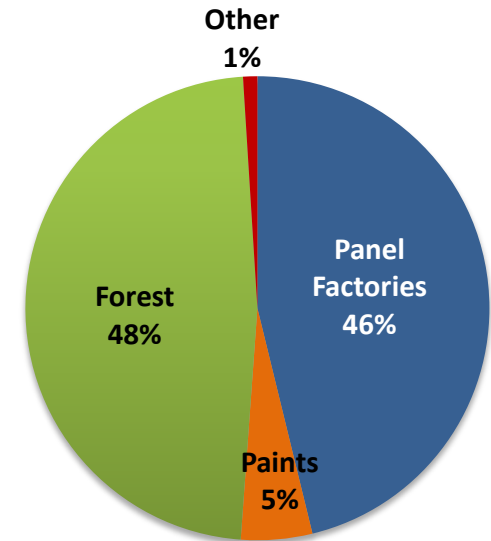
## Investments Made



	3Q15	3Q16
Salto	10.4	6.8
Botucatu	1.9	2.5
Paints	0.6	0.2
Silviculture	9.8	10.4
Leasing	1.3	2.2

## Planned for 2016

**R\$80 million**





79 farms with  
planted  
eucalyptus  
forests, totaling  
46,300  
hectares

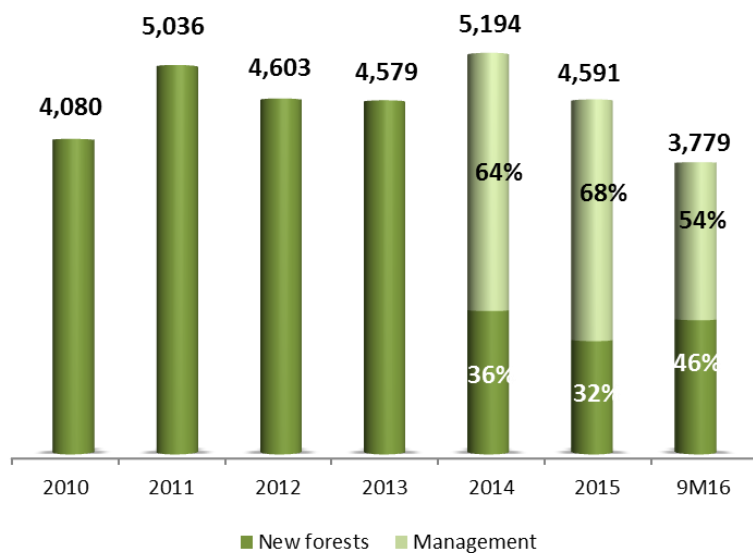
## Average Radius

Salto	Botucatu
173 km	38 Km

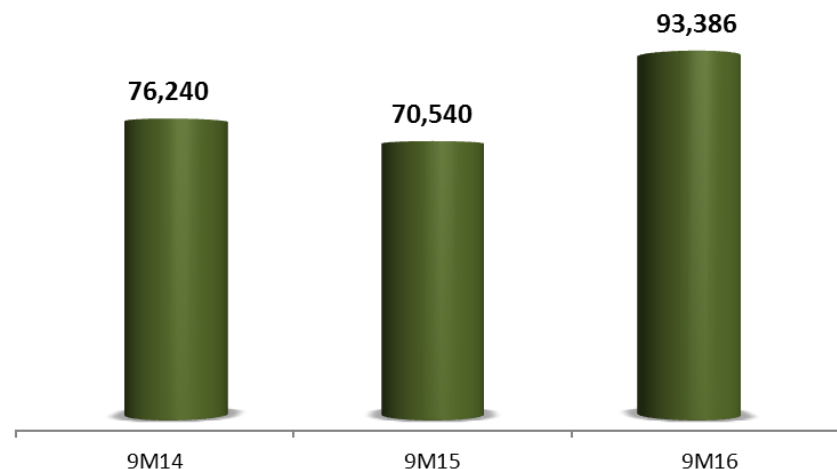
## Total Processing Capacity - Recycling

Ton/Year	Equivalent to	
	Trees	Forests
240,000 ton	2 million / year	1,500 ha

## Newly Planted Forests and Seedling Management (hectares)



## Processed Volume (ton) - Recycling



## Gains in Wood Purchases – Recycling – 9M16

Wood Market *	Recycled	Variation	Consump. Dry Ton	Gain
R\$210.60 ton/dry	R\$130.44 ton/dry	R\$ 80.16 ton/dry	79,378	R\$ 6,363 thousand

\* Wood chips - CIF



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