



Earnings
Release
1Q20



Net Revenue

- 1Q20: R\$369.0 million, 3.5% higher



Recurring EBITDA

- 1Q20: R\$67.2 million, an increase of 0.9%



Recurring EBITDA Margin

- 1Q20: 18.2%, a 0.5 p.p. drop



Recurring Net Loss

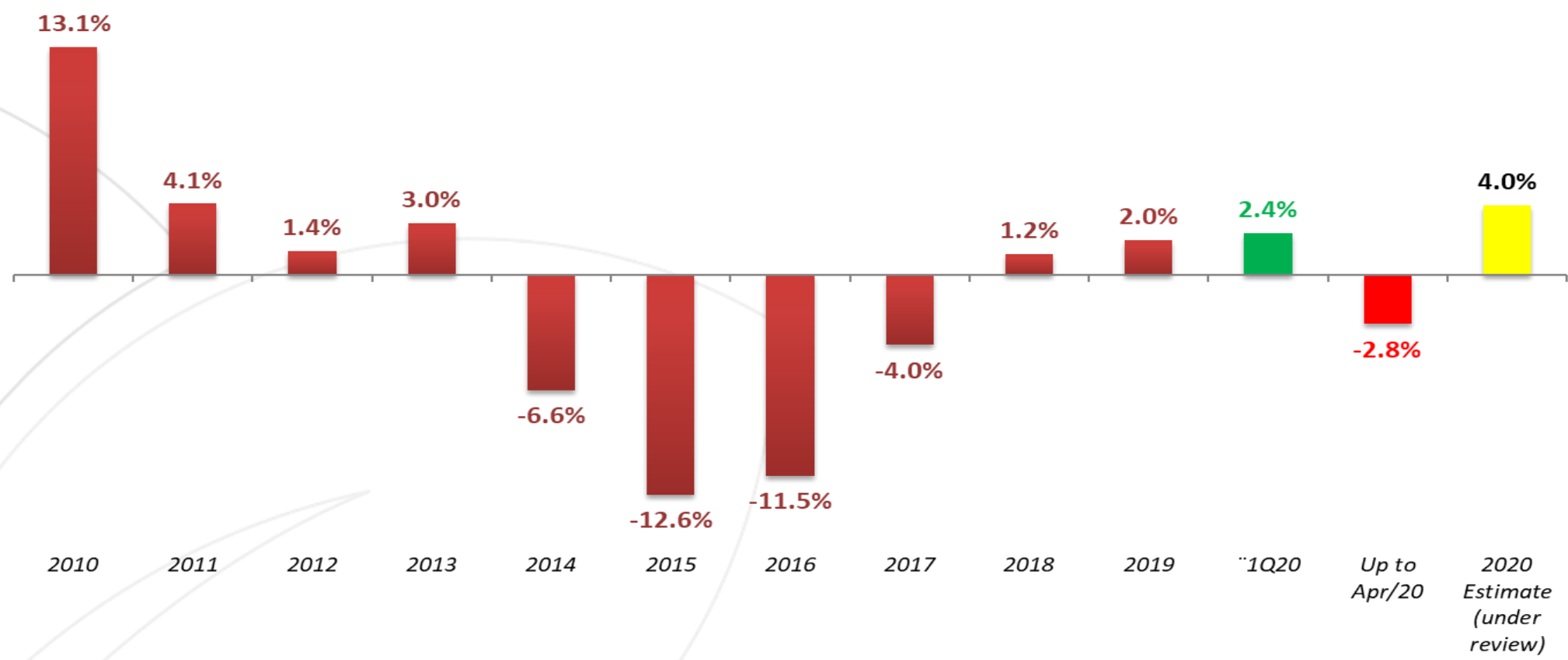
- 1Q20: R\$11.3 million, down 173.2%



Material Fact

- Recognition of final and unappealable decisions in lawsuits that sought to exclude ICMS from the PIS and COFINS calculation base for R\$126 million

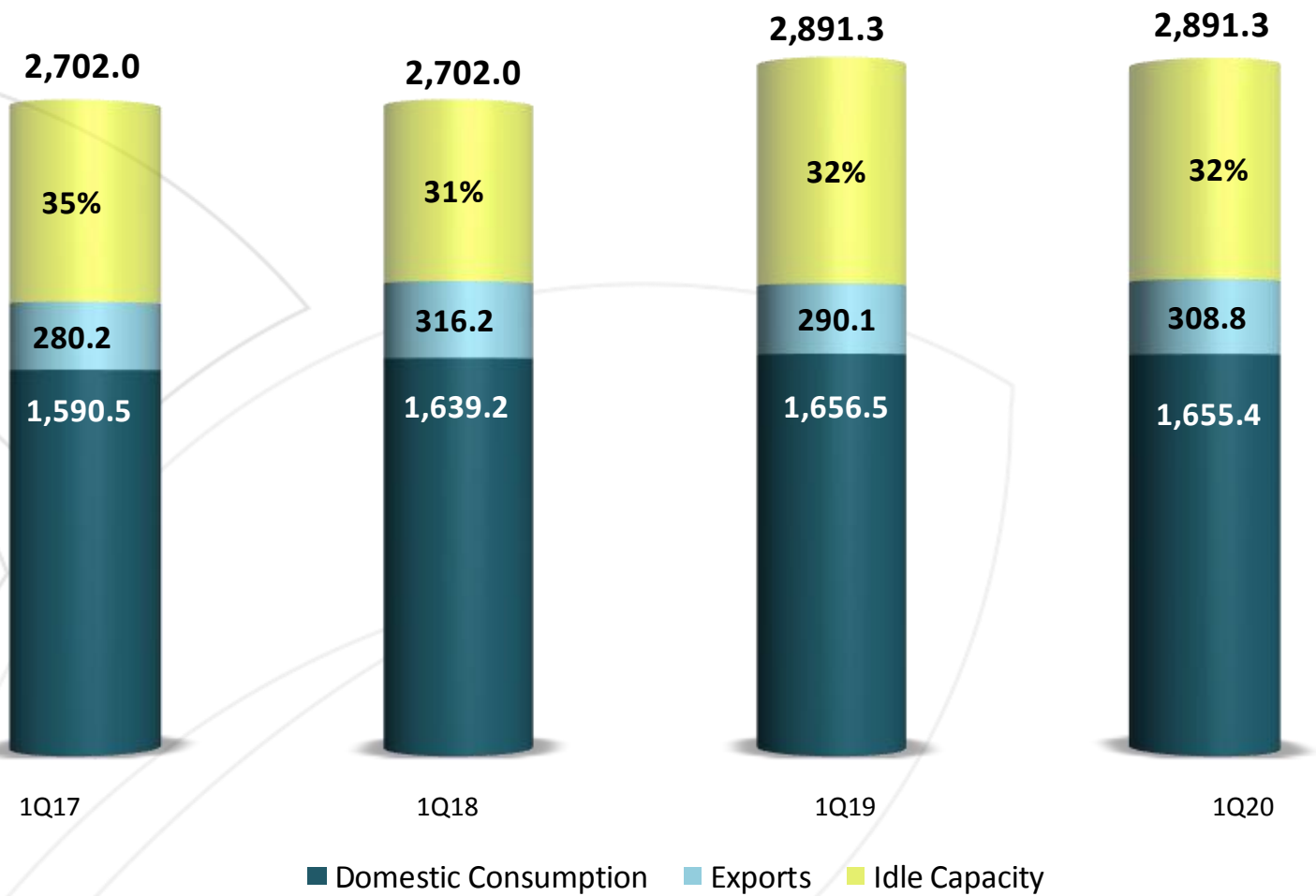
ABRAMAT Index - Domestic Market



From 2013 to 2019, the index dropped 28.4%.

Source: ABRAMAT

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



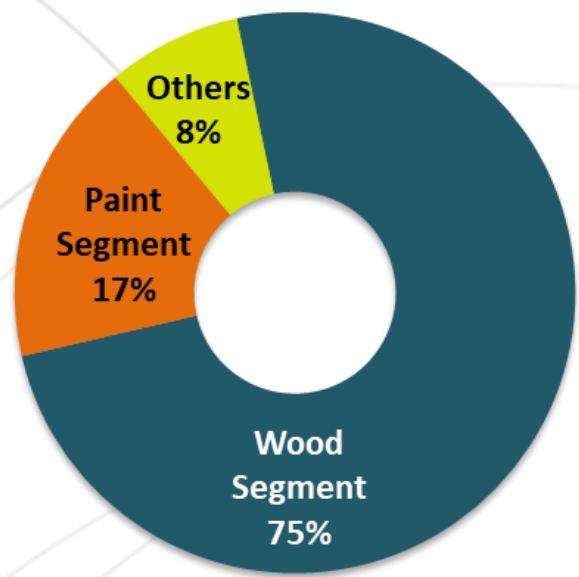
% Var. 1Q20 vs. 1Q19	
Total	
Total	0.9%
Domestic Market	-0.1%
Export Market	6.5%

2020 x 2019 Variation	April	May
Domestic Market	-57.4%	-29.2%
Domestic Market	-21.3%	-13.0%
Total Market	-51.8%	-26.8%

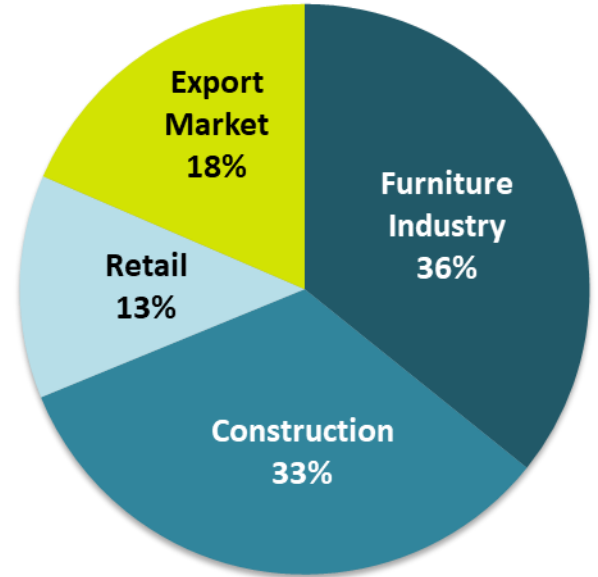
Source: Eucatex estimate

Net Revenue		
1Q19	1Q20	Var
R\$356.6 million	R\$369.0 million	3.5%

Distribution by Product - 1Q20

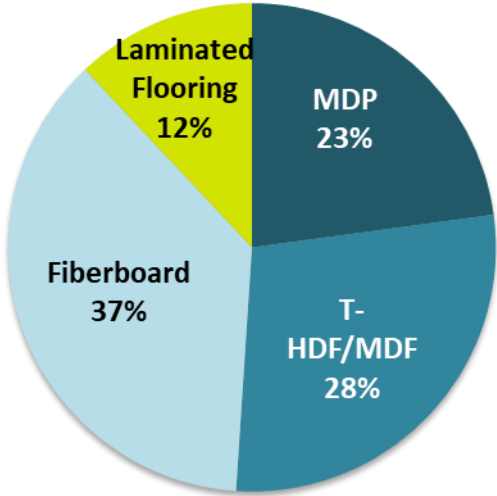


Distribution by Segment - 1Q20

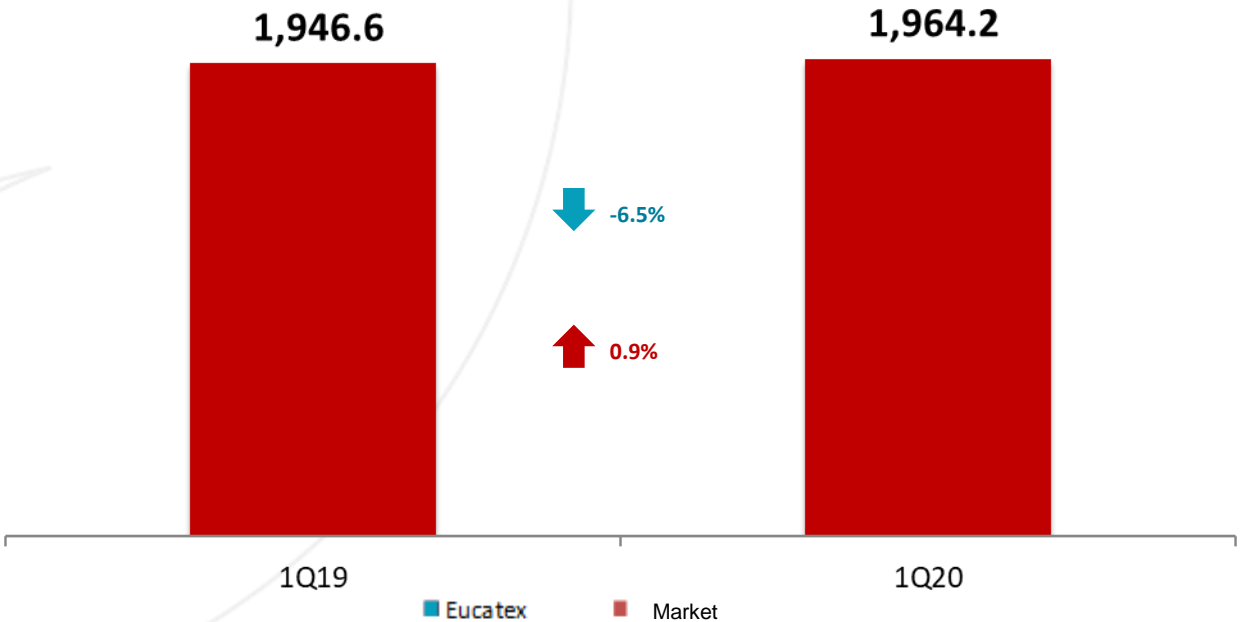


Eucatex has a diversified portfolio of products and operates in several segments, contributing with significant growth along the years.

Net Revenue		
1Q19	1Q20	Var
R\$264.8 million	R\$275.6 million	4.1%

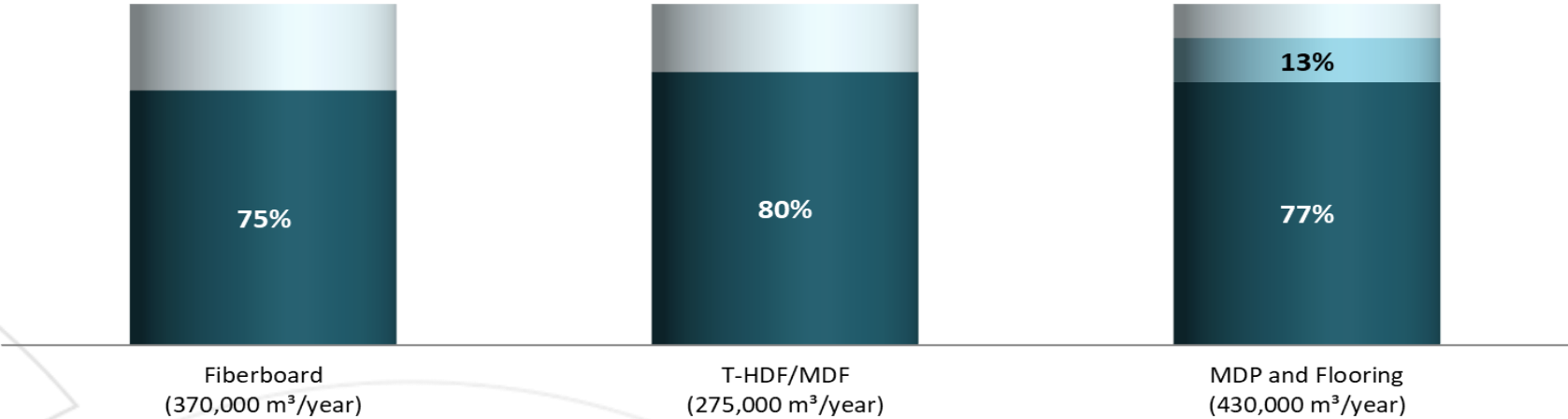


Total Market ('000 m³) – Domestic + Export Markets

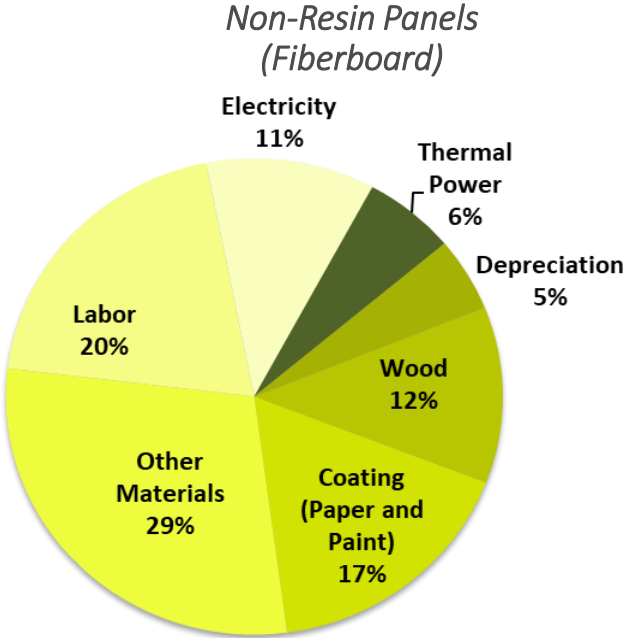
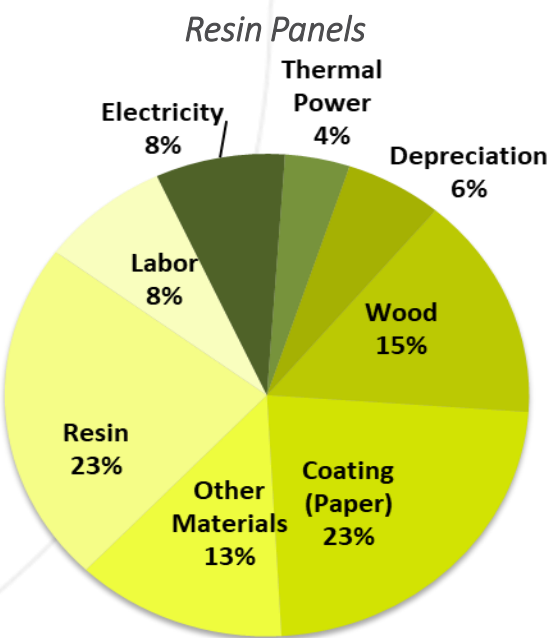
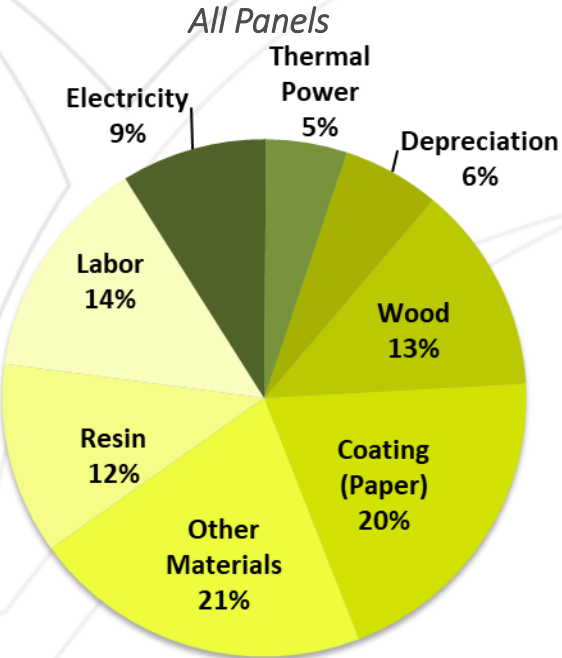


Source: Eucatex estimate

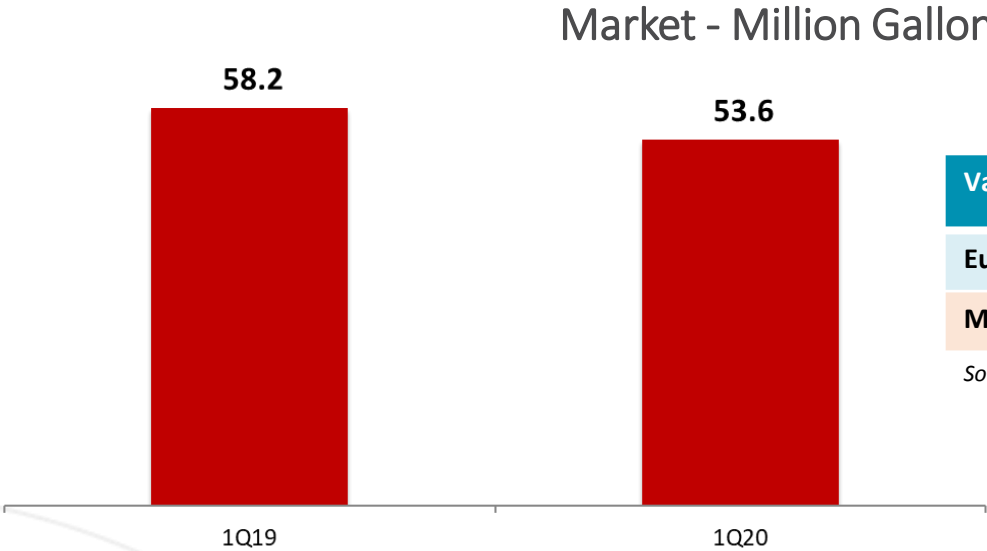
Installed Capacity Utilization - 1Q20



Breakdown of Costs - 1Q20



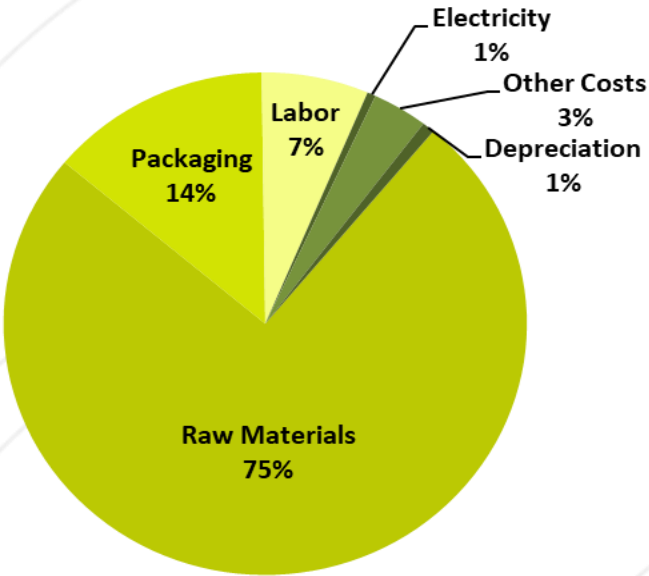
Net Revenue		
1Q19	1Q20	Var
R\$67.2 million	R\$64.9 million	-3.4%



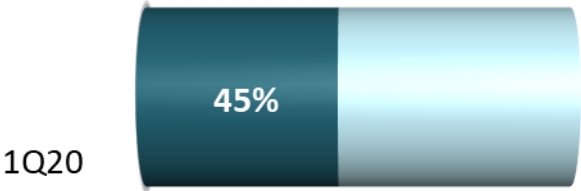
Variation	1Q20 x 1Q19
Eucatex	-7.9%
Market	-8.0%

Source: Eucatex

Breakdown of Costs - 1Q20



Installed Capacity Utilization

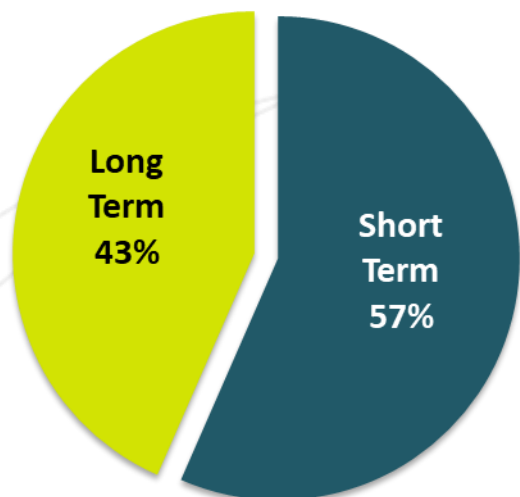


▪ Total Capacity - 36 million gallons / year

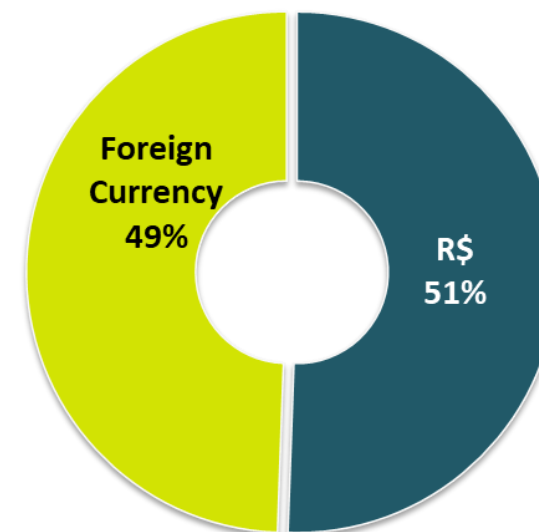
Highlights (R\$ million)	1Q20	V. A. %	1Q19	V. A. %	Var. (%)
Net Revenue	369.0	100.0%	356.6	100.0%	3.5%
Fair value of biological assets	9.8	2.7%	(0.1)	0.0%	14405.8%
Cost of products sold	(269.5)	-73.0%	(258.9)	-72.6%	4.1%
Gross income	109.3		97.6		12.0%
Gross Margin (%)	29.6%		27.4%		2,2 p.p.
Administrative expenses	(16.6)	-4.5%	(15.4)	-4.3%	8.0%
Selling expenses	(51.4)	-13.9%	(49.0)	-13.7%	4.9%
Other operating income and expenses	1.9	0.5%	2.0	0.6%	-4.9%
EBITDA adjusted by non-cash events	86.7	23.5%	60.4	16.9%	43.6%
EBITDA Margin (%)	23.5%		16.9%		6,6 p.p.
Adjusted Recurring EBITDA	67.2		66.6		0.9%
Adjusted Recurring EBITDA Margin (%)	18.2%		18.7%		-0,5 p.p.
Net financial result	(49.4)	-13.4%	(14.2)	-4.0%	-248.5%
Non-recurring results	85.1	23.1%	(6.2)	-1.8%	1462.0%
Income and social contribution taxes	(34.1)	-9.2%	(3.4)	-1.0%	893.3%
Net Income (Loss)	44.8	12.2%	11.3	3.2%	295.1%
Recurring Net Income (Loss)	(11.3)	-3.1%	15.5	4.3%	-173.2%

Debt (R\$ Million)	1Q20	2019	Var. (%)	1Q19	Var. (%)
Short Term Debt	275.9	240.2	14.9%	287.2	-4.0%
Long Term Debt	211.7	193.0	9.7%	160.8	31.6%
Gross Debt	487.5	433.2	12.6%	448.0	8.8%
Cash and Cash Equivalents	22.5	18.5	22.0%	12.3	83.5%
Net Debt	465.0	414.7	12.1%	435.8	6.7%
% Short Term Debt	57%	55%	2 p.p.	64%	-7 p.p.
Net Debt/Recurring EBITDA	1.6	1.5	8.0%	1.8	-9.2%

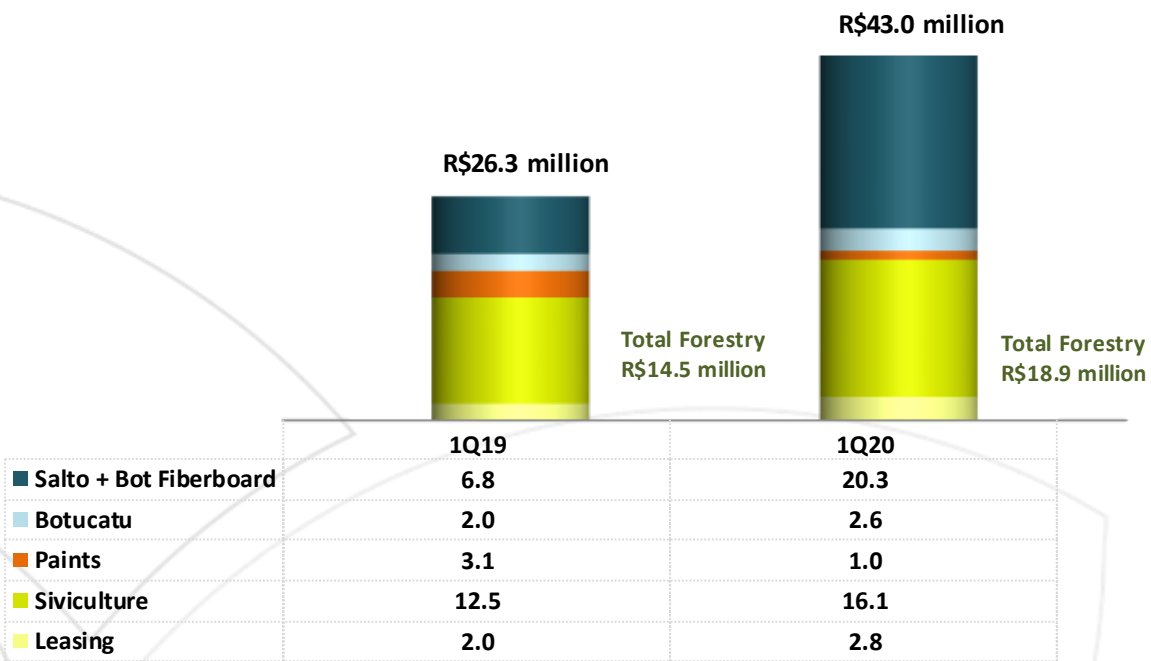
Debt Profile by Maturity in 1Q20



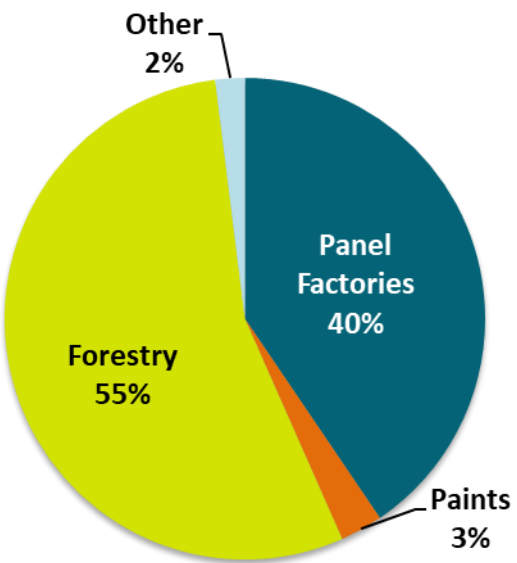
Debt Profile by Currency in 1Q20



Investments Made



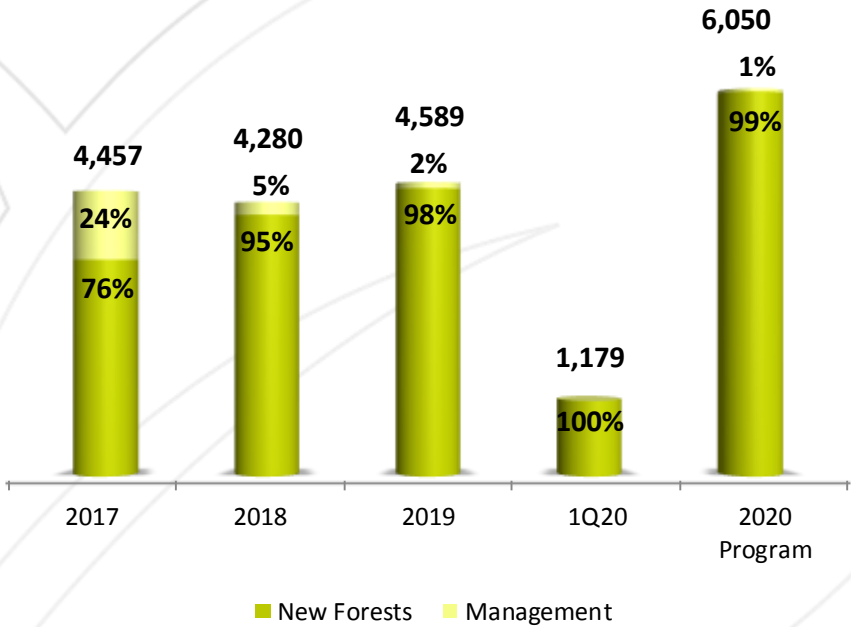
Planned for 2020
R\$136.5 million



81 farms
with eucalyptus plantations,
totaling
51,600 hectares

Average Radius		
Salto	Botucatu MDP	Botucatu Fiberboard
76 km	19 Km	54 Km

Newly Planted Forests and Seedling Management (ha)





eucatex



EUCATEX vs. COVID-19

EucateX Taking Care of You!

In-house Measures - Preventive Actions



Information and Raising Awareness

Sanitization of Facilities

Personal Hygiene

Physical Distancing

Risk Monitoring

Control of Cases

Notice to the Market on Apr/24/2020



EUCATEX S/A – INDÚSTRIA E COMÉRCIO

PUBLICLY-HELD COMPANY

Corporate Taxpayer ID (CNPJ/MF): 56.643.018/0001-66 – Company Registry (NIRE): 35300028015

NOTICE TO THE MARKET

EUCATEX S/A INDÚSTRIA COMÉRCIO ("Company"), hereby informs its shareholders and the market of the measures taken regarding its employees, clients, suppliers and society, concerning COVID-19, a contagious disease classified by the World Health Organization (WHO) as a pandemic ("Coronavirus"), as well as its impacts in this first month on its business.

The Company has not spared efforts to contain the spread of COVID-19 among its employees, having established the Coronavirus Committee to intensify several preventive measures and closely monitoring its operations in order to safeguard the health of its employees and third parties, as well as the maintenance of its operations.

Relevant information is being promptly shared through the Company's communication channels. Lectures are also being held at diverse areas of the company, without gathering crowds and with the presence of doctors and health professionals, reinforcing the hygiene protocols, always in compliance with the new guidelines determined by WHO and/or government agencies. This ensured that there have so far been no suspected cases at the industrial units. The measures taken include:

- Dissemination of the physical distancing concept and instructions for employees to adopt it at work and at home;
- Home office, as well as early vacations, reduced work shifts and wages;
- Suspension of travel, as well as onsite training and meetings;
- Preference given to contacting clients and suppliers through phone calls or videoconferencing;
- Leave for administrative and operational employees over 60 years old, with the emphasis on their staying home;
- Buses and vehicles used to transport employees and contractors must have their windows open during the whole trip;
- Cleaning of vehicles with alcohol or bleach solution, especially handrails, seats and other surfaces with possible contact, every day before and after transport;
- Extended meal and stoppage times so that the minimum distance of one and a half meters is kept or, if necessary, division of teams into smaller groups;
- Frequent cleaning of doorknobs, handrails and common areas;
- Employees having their temperatures measured while arriving at plants;



- Acquiring and supply of protection equipment, such as masks suitable for COVID-19 prevention;
- Production of hand sanitizer at the Paint and Varnish unit to supply all of the Company's plants, offices, farms and other environments, and distributed to employees to take home for use;
- Reduction of 25% in executive officers' compensation, with the Chief Executive Officer giving up his entire compensation;
- Implementation of emergency cost cutting policy in all areas;
- Presentation of management proposal for capital increase and suspension of dividend payments to be submitted for approval by the Annual and Extraordinary Shareholders Meeting (AESM);

The Company still cannot forecast the final impact on its activities, due to the political uncertainties, the spread of the coronavirus pandemic and the sequence of quarantine extensions by the São Paulo State Government. However, it has been taking measures to safeguard its financial position by adopting superior management practices, which have enabled it to face this extraordinary moment, besides continuing its operations to ensure the production of items that are necessary at this moment.

Eucatex will keep its shareholders and the market informed in case of changes in its operations and/or results due to the impacts of COVID-19, pursuant to the laws in force.

São Paulo, April 24, 2020.

José Antonio Goulart de Carvalho

Executive Vice President and Investor Relations Officer

Preventive Actions - Information and Raising Awareness

Weekly Discussions on Safety

Discussions in all areas on Covid-19 prevention



Medical Lecture on Covid-19

Lectures on preventive actions taken at the corporate office



Disseminating Information

Information disseminated through posters and banners located in busy areas



Preventive Actions - Information and Raising Awareness

Disseminating Information

Spreading information through internal communication channels on boards and e-mails

DISQUE DÚVIDAS CORONAVÍRUS UNIMED SALTO/ITU

Tire suas dúvidas sobre sintomas, prevenção, transmissão e tratamentos para o Coronavírus. Com o **Disque Dúvidas** da Unimed Salto/Itu você se informa de maneira rápida e fácil.

Os atendentes estão disponíveis de segunda a sexta-feira, das 8h às 18h pelo telefone (11) 4602-8842

#FiqueEmCasa e fique informado com a Unimed Salto/Itu.



Dúvidas estamos à disposição.

Medicina do Trabalho.

CORONAVÍRUS SUS
VOCÊ SABIA?

O Ministério da Saúde disponibilizou um aplicativo com diversas informações sobre o COVID-19, o NOVO CORONAVÍRUS.

O APLICATIVO CONTÉM:

- Orientações sobre os sintomas, incluindo quando é necessário ir ao hospital;
- Formas de prevenção;
- O que fazer em caso de suspeita e infecção;
- Mapa indicando unidades de saúde próximas;
- Formulário de autoavaliação;
- A plataforma também traz o que é mais recente sobre o vírus, além de dar orientações para viajantes.

DISPONÍVEL GRATUITAMENTE:

Corporate TV

Informational videos in restaurants at the units and in the cafeteria at the corporate office



Telehealth app

Dr. Alper app provided to employees with Bradesco health plan

Dr. alper
Saúde 24h, na palma da mão!

Não está passando bem?
Consulte o Dr. Alper!
Baixe agora mesmo!

Indicado em casos de:

- Febre;
- Alergia;
- Mal-estar;
- Crise respiratória;
- Ou similares.

alper
consultoria em seguros

Preventive Actions - Sanitization of Facilities

Intensified Cleaning

More frequent cleaning of bathrooms, locker rooms, doorknobs, handrails and surfaces with constant contact



Disinfection of Traffic Areas

Daily disinfection of areas with higher circulation of people with sodium hypochlorite



Disinfection of Internal Pathways

Daily disinfection of internal pathways with sodium hypochlorite



Preventive Actions - Sanitization of Facilities

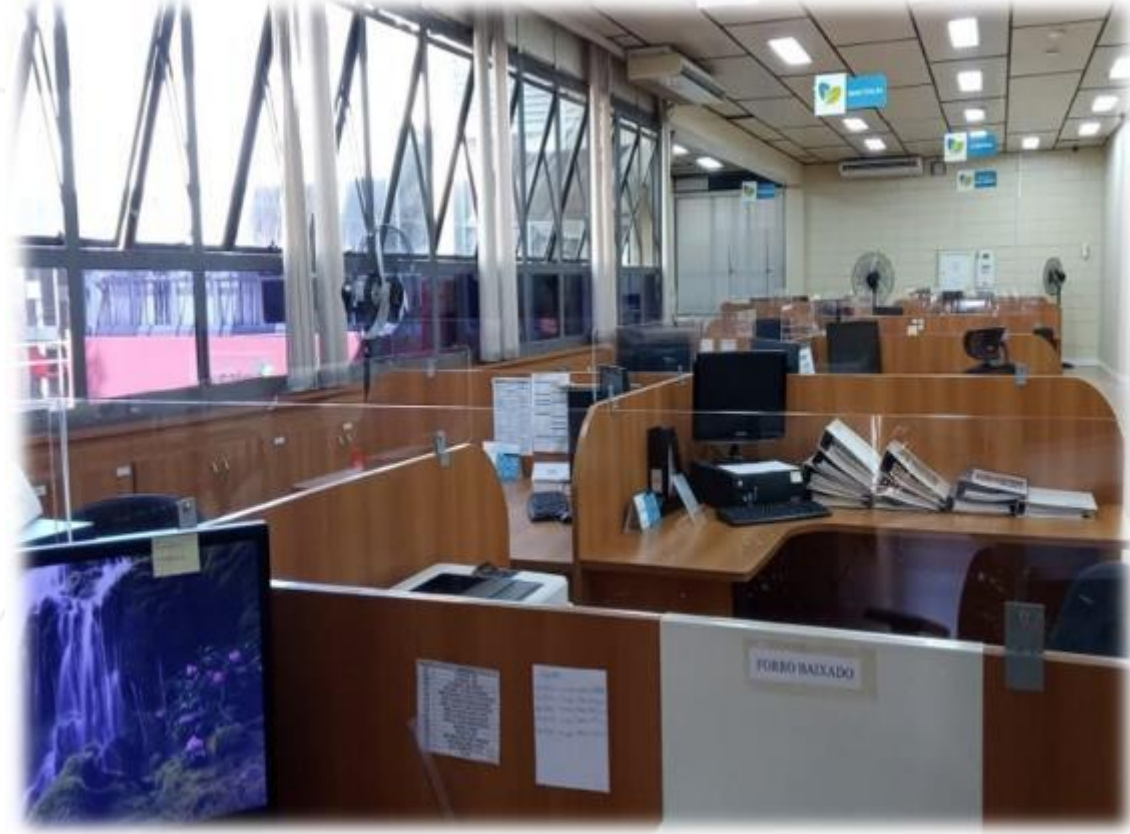
Disinfection of Chartered Buses

Intensified cleaning of chartered buses



Open Doors and Windows

Open windows and doors for air circulation and shutdown of A/C system



Preventive Actions - Personal Hygiene



Disinfection Tunnel

Disinfection tunnels were installed at the entrances of industrial plants



Disinfection of Footwear

Sanitizing mats with sodium hypochlorite were placed at the entrances of buildings with higher circulation of people



Preventive Actions - Personal Hygiene

Installation of Hand Sanitizer Totems

Installation in reception areas and points with heavy circulation



Hand Sanitizer for All Employees

Delivery of hand sanitizer with 70% alcohol to employees



Supply of Protection Masks

Supply of masks to employees, whose use is mandatory while at Company's facilities and buses



Preventive Actions - Physical Distancing

Adoption of Rotating Shifts and Home Office

Allowing employees to work from home during the pandemic

Flexible Working Hours

Flexibility in working hours for employees so that they do not need to use public transportation during peak hours



Acrylic Wall Partitions on Office Desks

Installation of acrylic wall partitions on desks at all units



Preventive Actions - Physical Distancing

Online Meetings

Priority to online meetings



Suspension of Activities in Common Areas

Closure of the Company's leisure areas and training centers



Physical Distance Signs at Entrance

Daily disinfection of internal pathways with sodium hypochlorite



Preventive Actions - Physical Distancing

Suspension of Activities involving Crowds

Suspension of on-site training programs, events and factory tours



Acrylic Wall Partitions on Restaurant Tables

Installation of acrylic wall partitions on restaurant tables at all units



Physical Distancing Signs in Restaurants

Safe distance outlined on the floor of restaurants at the units on the self-service walkway



Preventive Actions - Risk Monitoring

Monitoring of Risk Group

Leave for employees over 60 years old and analysis of employees with at-risk illnesses



Monitoring of Body Temperature

Daily temperature readings of employees, service providers, drivers and visitors



Monitoring Oxygen Saturation

Acquisition of fingertip pulse oximeter for all units to measure oxygen saturation



Preventive Actions – Control of Cases

Contingency Plan

Application of healthcare protocol for suspected and confirmed Covid-19 cases, including setting up of isolation areas and providing training for teams of Specialized Services in Safety Engineering and Occupational Medicine (SESMT).



Coronavirus Committee

Creation of a committee to enhance preventive measures and to intensify monitoring of its operations



Case Worksheet

Daily update of worksheet with control of cases per plant, aimed at reinforcing measures, if necessary

Until June 21, 3 months after the pandemic broke out, with the information and documented follow-up of the Company's medical care, there were **236** suspicious cases, which submitted sick notes and were granted leaves from work for a given period, representing only **9%** of **2,776** employees.

Only **11** cases were confirmed, **0.4%** of total staff!

It's gonna be okay!

Main Measures to Balance the Results and Reduce the Impacts of the Quarentine

Measures	Impact R\$ Million/Month
<p>Reduction in working hours and wages:</p> <p>Administrative areas – 25% April to June Paint Plant – 25% in May MDP Panels and Laminated Flooring Plant – 25% May and June, returning in July Fiberboard Plant– LDII – 50% June and July Fiberboard and T-HDF/MDF Plant – 25% May to July</p> <p>Early vacation granted at the MDP Panels, Laminated Flooring and Paint plants in April</p>	R\$2.5
Reduction in Overtime	R\$0.4
Reduction in Fixed Expenses (services, travel, maintenance, marketing, etc.)	R\$4.0
Reduction in Plant and Forestry Investments	R\$5.1
TOTAL SAVINGS	R\$12.0



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

Sergio Henrique Ribeiro
Controller

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