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Earnings
Release
4Q19

Highlights

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Net Revenue

- 4Q19: R$397.5 million, up 18.5%
- 2019: R$1,525.8 million, up 20.9%

Recurring EBITDA

- 4Q19: R$76.6 million, up 18.9%
- 2019: R$289.6 million, up 24.9%

Recurring EBITDA Margin
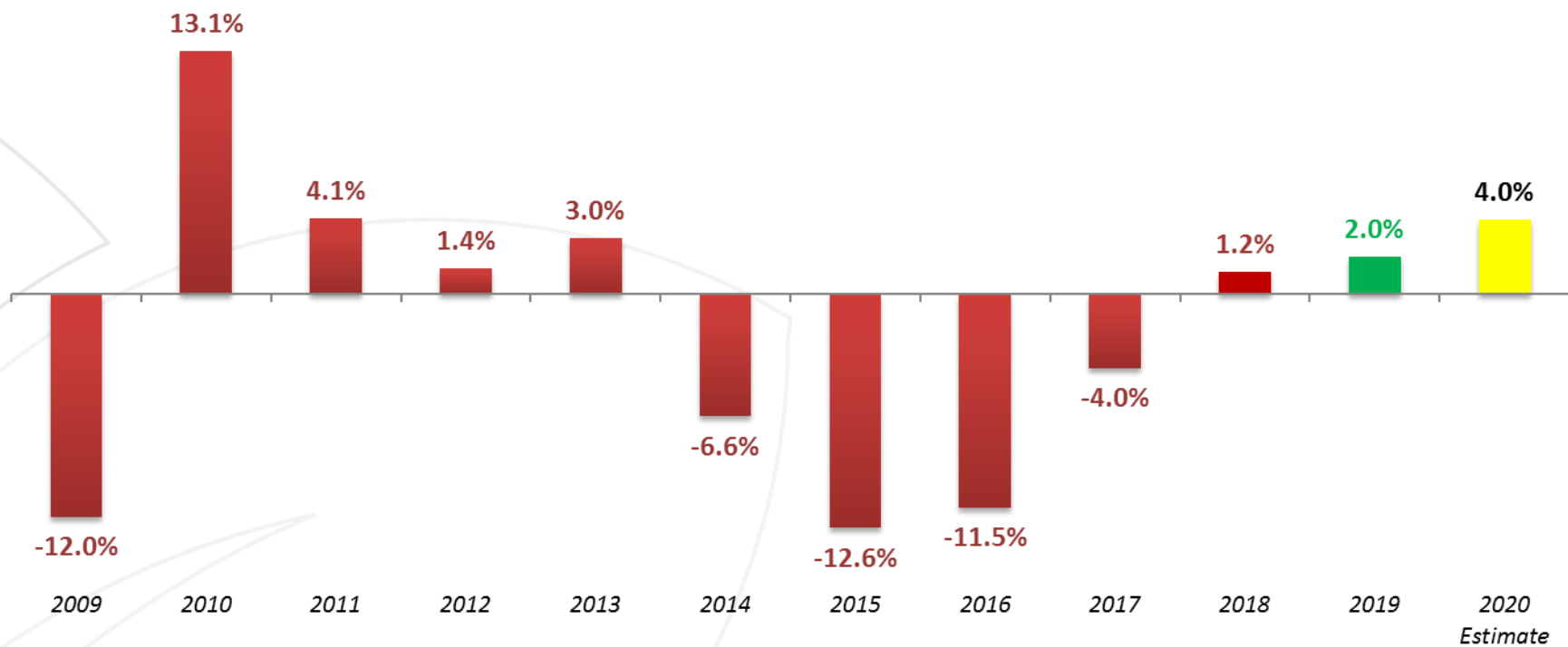
- 4Q19: 19.3%, stable
- 2019: 19.0%, up 0.6 p.p.

Recurring Net Income

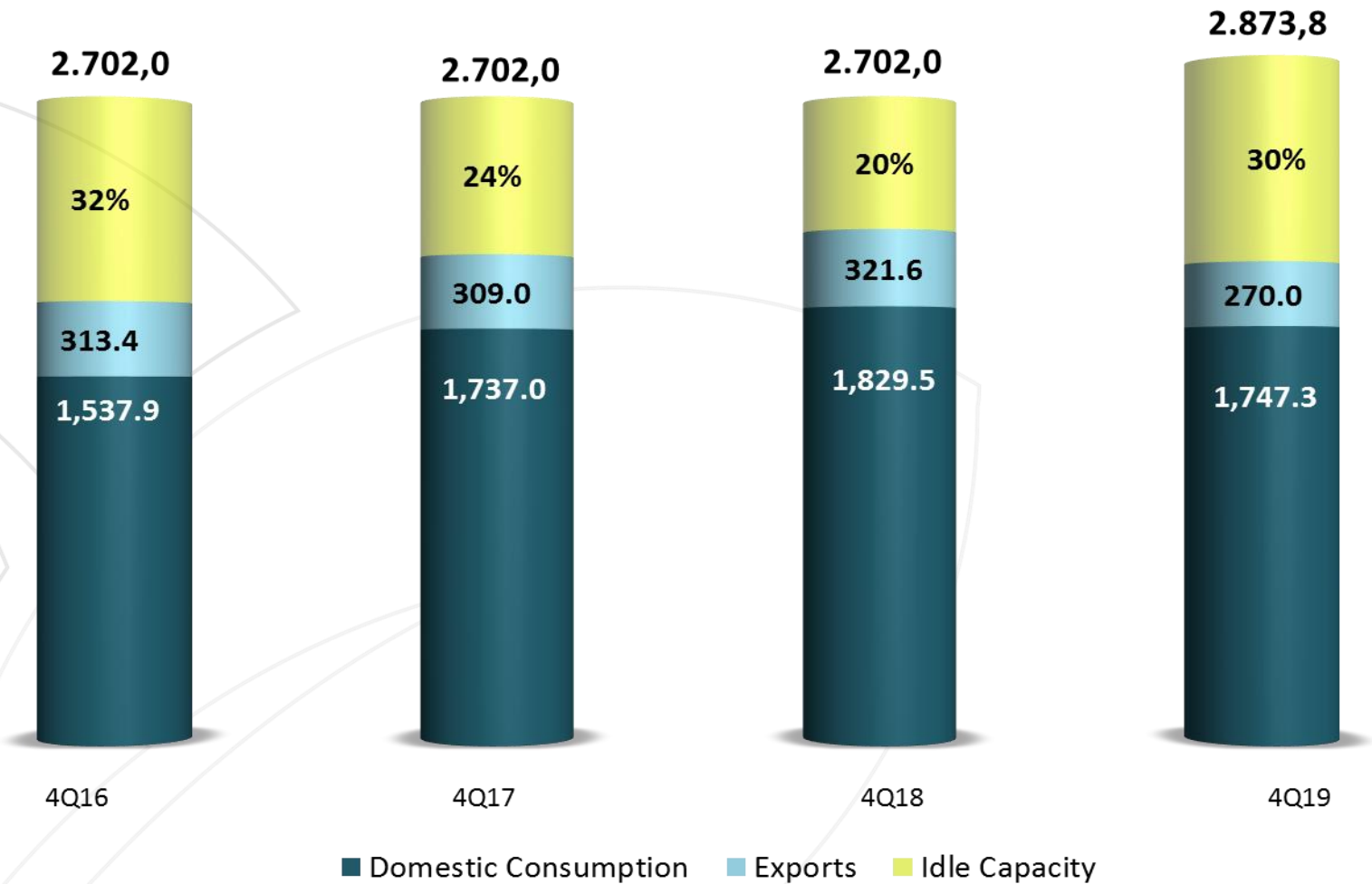- 4Q19: R$24.6 million, down 46.5%
- 2019: R$81.1 million, up 47.2%

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ABRAMAT Index – Domestic Market

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 Estimate

- 2009: -12.0%
- 2010: 13.1%
- 2011: 4.1%
- 2012: 1.4%
- 2013: 3.0%
- 2014: -6.6%
- 2015: -12.6%
- 2016: -11.5%
- 2017: -4.0%
- 2018: 1.2%
- 2019: 2.0%
- 2020 Estimate: 4.0%

Between 2013 and 2019, the index declined 28.4%.

Source: ABRAMAT

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

2.702,0 (4Q16)
- 32% Idle Capacity
- 313.4 Exports
- 1,537.9 Domestic Consumption

2.702,0 (4Q17)
- 24% Idle Capacity
- 309.0 Exports
- 1,737.0 Domestic Consumption

2.702,0 (4Q18)
- 20% Idle Capacity
- 321.6 Exports
- 1,829.5 Domestic Consumption

2.873,8 (4Q19)
- 30% Idle Capacity
- 270.0 Exports
- 1,747.3 Domestic Consumption

Legend: ■ Domestic Consumption ■ Exports ■ Idle Capacity

% Var. 4Q18 vs. 4Q19	Total
Total	-6.2%
Domestic Market	-4.5%
Export Market	-16.1%

% Var. 2018 vs. 2019	Total
Total	-2.3%
Domestic Market	0.4%
Export Market	-16.1%

Source: Eucatex Estimate

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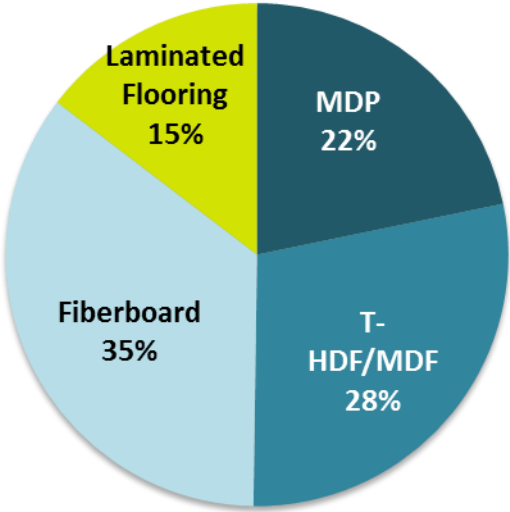| Net Revenue					
4Q18	4Q19	*Var*	2018	2019	*Var*
R$335.3 million	R$397.5 million	*18.5%*	R$1,262.3 million	R$1,525.8 million	*20.9%*

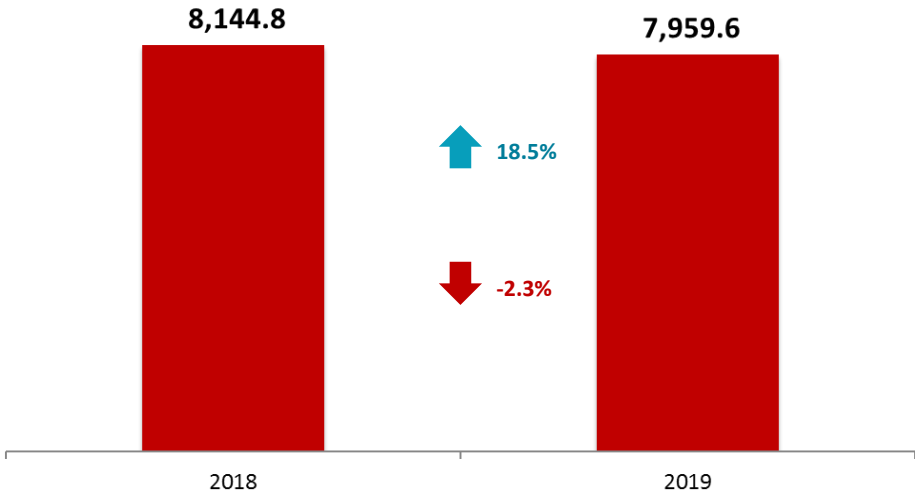## Distribution by Product – 4Q19

Other 6%
Paint Segment 22%
Wood Segment 72%
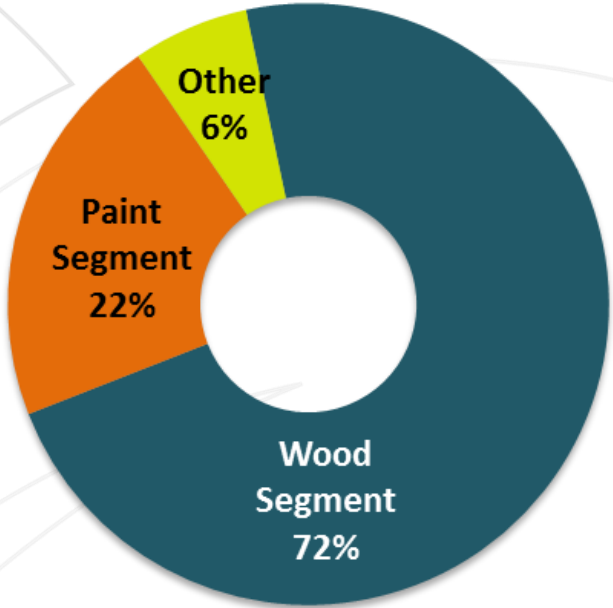
Distribution by Segment – 4Q19

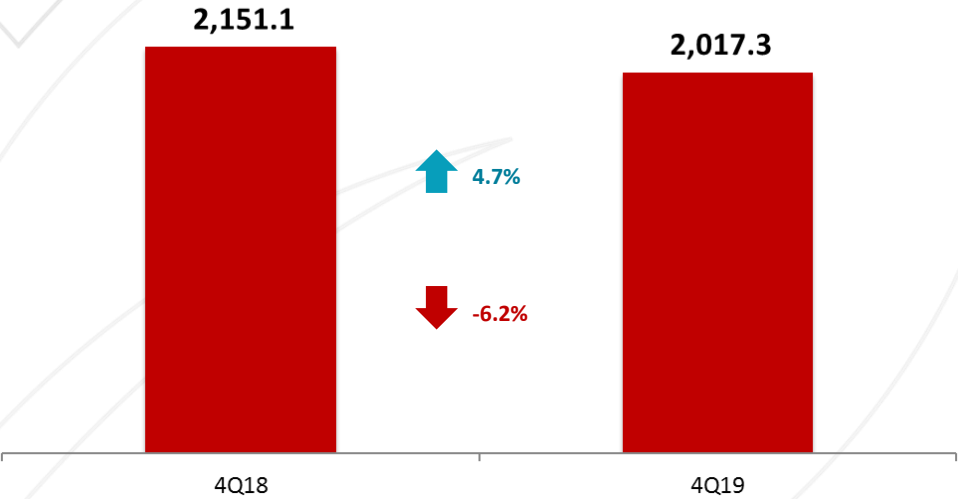Export Market 15%
Furniture Industry 32%
Retail 14%
Construction 39%
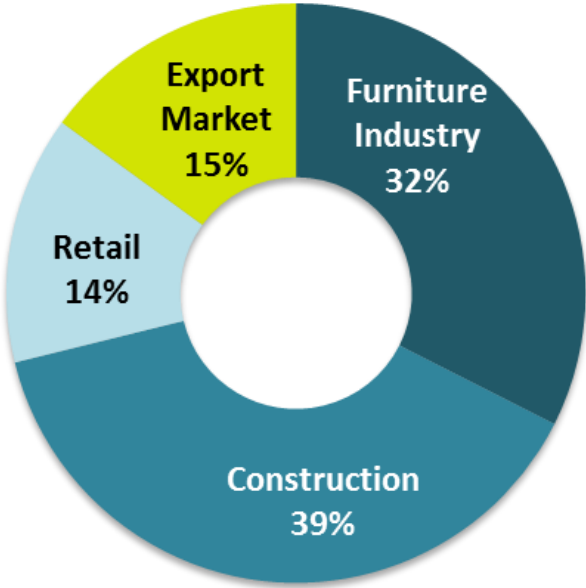
Eucatex has a diversified portfolio of products and operates in diverse segments, contributing with significant growth over the years.

Wood Segment

Net Revenue

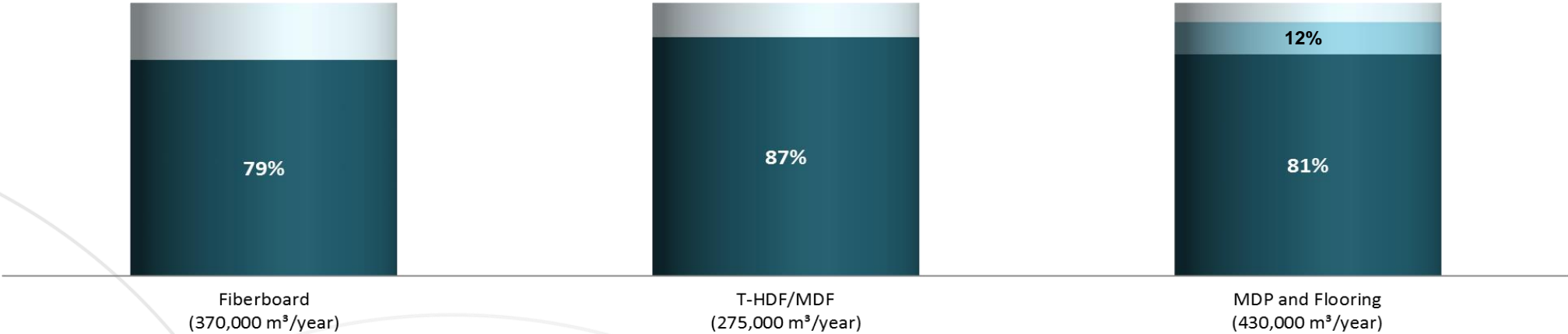| 4Q18	4Q19	Var
R$255.8 million	R$287.7 million	12.5%
2018	2019	Var
R$943.6 million	R$1,125.5 million	19.3%

Laminated Flooring 15%

MDP 22%

Fiberboard 35%

T-HDF/MDF 28%

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

2,151.1

2,017.3

↑ 4.7%

↓ -6.2%

4Q18

4Q19

8,144.8

7,959.6

↑ 18.5%

↓ -2.3%

2018

2019

■ Eucatex ■ Market

Source: IBÁ

Wood Segment

Installed Capacity Utilization – 4Q19

Fiberboard
(370,000 m³/year) — 79%

T-HDF/MDF
(275,000 m³/year) — 87%

MDP and Flooring
(430,000 m³/year) — 81% (12%)

Breakdown of Costs – 4Q19

All Panels

- Electricity 7%
- Thermal Power 3%
- Depreciation 5%
- Wood 16%
- Coating (Paper) 21%
- Other Materials 22%
- Resin 14%
- Labor 12%

Resin Panels

- Electricity 7%
- Thermal Power 3%
- Depreciation 5%
- Wood 16%
- Coating (Paper) 21%
- Other Materials 22%
- Resin 14%
- Labor 12%

*Non-Resin **Panels** (Fiberboard)*

- Electricity 6%
- Thermal Power 3%
- Depreciation 5%
- Wood 17%
- Coating (Paper and Paint) 17%
- Other Materials 35%
- Labor 17%

Paint Segment

Net Revenue

4Q18	4Q19	Var
R$74.2 million	R$85.0 million	14.6%

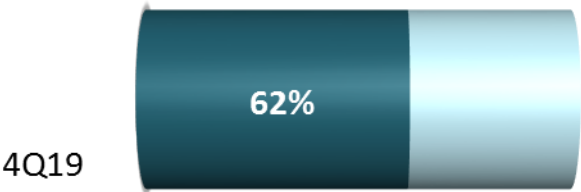| 2018	2019	Var
R$272.6 million	R$303.4 million	11.3%

Market – Million Gallons

80.1 — 4Q18

83.9 — 4Q19
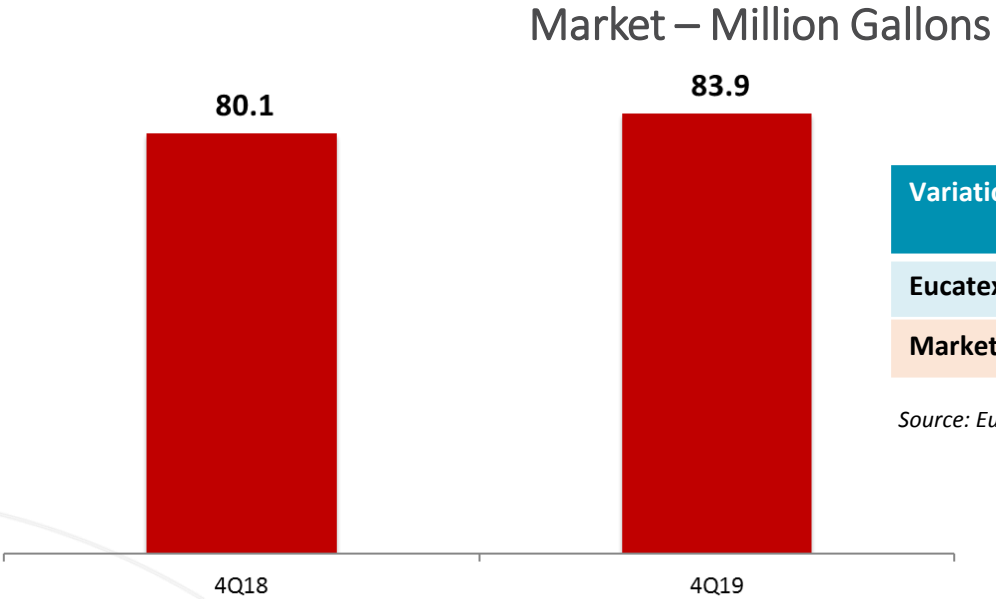
Variation	4Q19 vs. 4Q18	2019 vs. 2018
Eucatex	16.2%	7.0%
Market	4.7%	-0.6%

Source: Eucatex

Breakdown of Costs – 4Q19

- Electricity 1%
- Other Costs 2%
- Depreciation 1%
- Labor 7%
- Packaging 15%
- Raw Material 75%

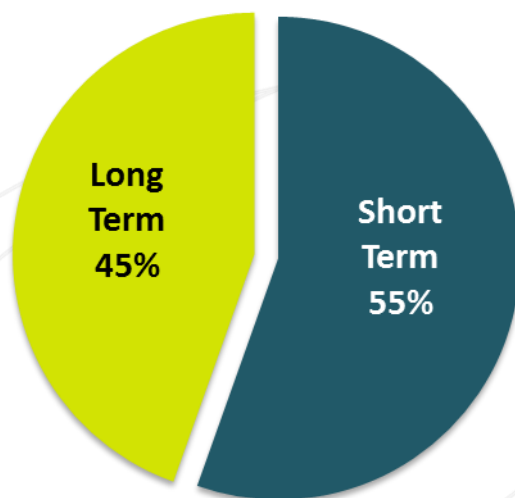## Installed Capacity Utilization

4Q19 — 62%
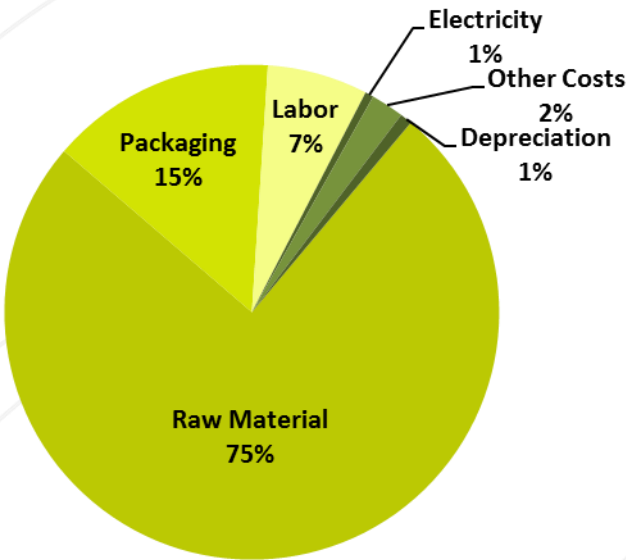
- Total Capacity - 36 million gallons / year
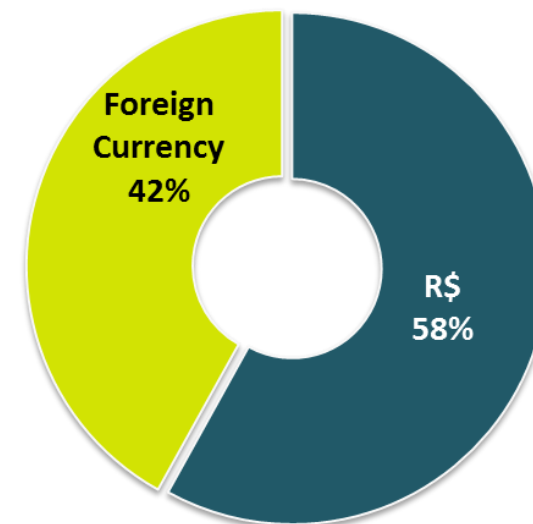
Financial Data

Highlights (R$ million)	4Q19	V. A. %	4Q18	V. A. %	Var. (%)	2019	V. A. %	2018	V. A. %	Var. (%)
Net Revenue	**397.5**	*100.0%*	**335.3**	*100.0%*	*18.5%*	**1,525.8**	*100.0%*	**1,262.3**	*100.0%*	*20.9%*
Fair value of biological assets	1.2	0.3%	27.1	8.1%	-95.6%	10.4	0.7%	28.2	2.2%	-63.2%
Cost of products sold	(282.0)	-70.9%	(244.4)	-72.9%	15.4%	(1,101.3)	-72.2%	(927.5)	-73.5%	18.7%
Gross income	**116.7**		**118.0**		*-1.1%*	**434.9**		**363.0**		*19.8%*
Gross Margin (%)	*29.4%*		*35.2%*		*-5.8 p.p.*	*28.5%*		*28.8%*		*-0.3 p.p.*
Administrative expenses	(19.0)	-4.8%	(14.5)	-4.3%	30.8%	(66.9)	-4.4%	(57.1)	-4.5%	17.1%
Selling expenses	(55.6)	-14.0%	(47.9)	-14.3%	16.1%	(207.5)	-13.6%	(178.4)	-14.1%	16.3%
Other operating income and expenses	1.8	0.4%	5.6	1.7%	-68.3%	5.6	0.4%	7.8	0.6%	-28.8%
EBITDA adjusted by non-cash events	**72.3**	*18.2%*	**54.5**	*16.3%*	*32.5%*	**256.2**	*16.8%*	**205.8**	*16.3%*	*24.5%*
EBITDA Margin (%)	*18.2%*		*16.3%*		*1.9 p.p.*	*16.8%*		*16.3%*		*0.5 p.p.*
Adjusted Recurring EBITDA	**76.6**		**64.4**		*18.9%*	**289.6**		**231.9**		*24.9%*
Adjusted Recurring EBITDA Margin (%)	*19.3%*		*19.2%*		*0.1 p.p.*	*19.0%*		*18.4%*		*0.6 p.p.*
Net financial result	(8.1)	-2.0%	(5.5)	-1.6%	-48.1%	(55.2)	-3.6%	(71.1)	-5.6%	22.3%
Non-recurring results	(4.4)	-1.1%	(9.9)	-3.0%	55.8%	(15.5)	-1.0%	(26.1)	-2.1%	40.7%
Income and social contribution taxes	(11.2)	-2.8%	(9.8)	-2.9%	14.2%	(29.7)	-1.9%	(9.1)	-0.7%	225.3%
Net Income (Loss)	**20.2**	*5.1%*	**36.1**	*10.8%*	*-44.0%*	**65.6**	*4.3%*	**29.0**	*2.3%*	*126.5%*
Recurring Net Income (Loss)	**24.6**	*6.2%*	**46.0**	*13.7%*	*-46.5%*	**81.1**	*5.3%*	**55.1**	*4.4%*	*47.2%*

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Debt (R$ Million)	2019	9M19	Var. (%)	2018	Var. (%)
Short-Term Debt	240.2	268.7	-10.6%	287.0	-16.3%
Long-Term Debt	193.0	176.3	9.4%	156.5	23.3%
Gross Debt	**433.2**	**445.1**	**-2.7%**	**443.5**	**-2.3%**
Cash and Cash Equivalents	18.5	18.9	-2.1%	27.5	-32.8%
Net Debt	**414.7**	**426.2**	**-2.7%**	**416.1**	**-0.3%**
% Short-Term Debt	*55%*	*60%*	*-5 p.p.*	*65%*	*-10 p.p.*
Net Debt/Recurring EBITDA	**1.5**	**1.5**	**-3.4%**	**1.8**	**-18.1%**

Debt Profile by Maturity in 2019

Long Term 45%

Short Term 55%

Debt Profile by Currency in 2019

Foreign Currency 42%

R$ 58%

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Investments Made

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R$28.1 million

R$34.4 million

Total Forestry
R$16.3 million

Total Forestry
R$18.8 million

R$110.6 million

R$122.6 million

Total Forestry
R$57.3 million

Total Forestry
R$66.1 million

	4Q18	4Q19
Salto	7.2	8.9
Botucatu	3.7	3.5
Paints	1.0	3.2
Silviculture	14.3	16.1
Leasing	2.0	2.7

	2018	2019
Salto	35.9	33.6
Botucatu	14.1	12.0
Paints	3.4	10.8
Silviculture	48.7	56.7
Leasing	8.5	9.4
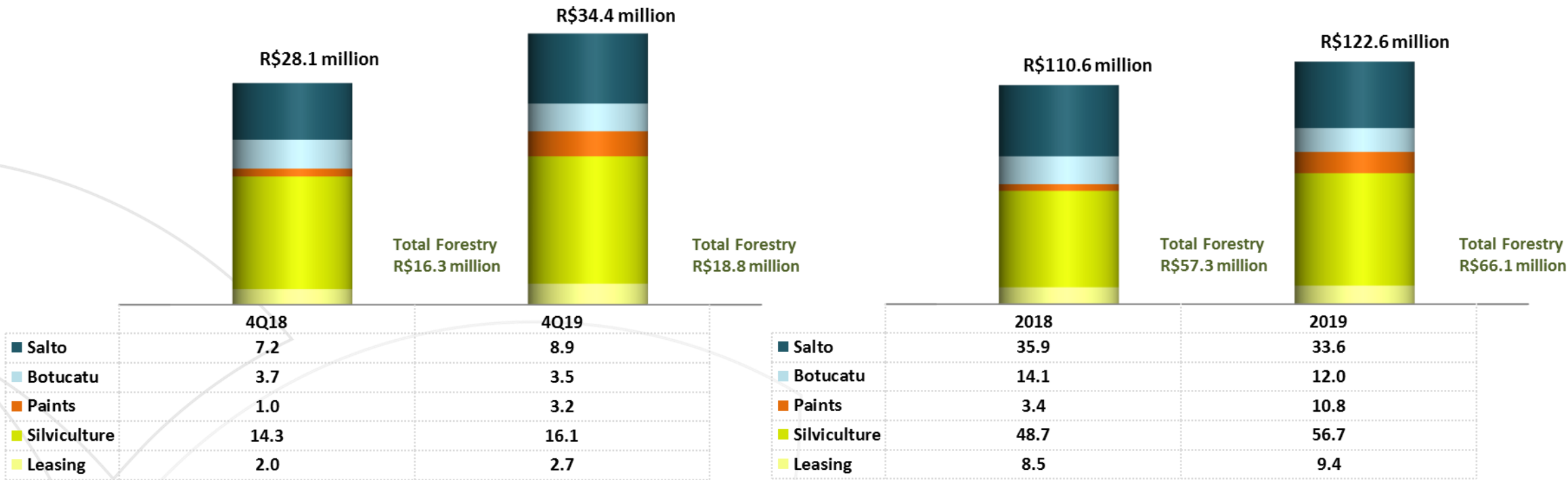
Projected for 2020
R$136.4 million

Other
2%

Panel
Factories
40%

Forestry
55%

Paints
3%

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Sustainability - Forestry
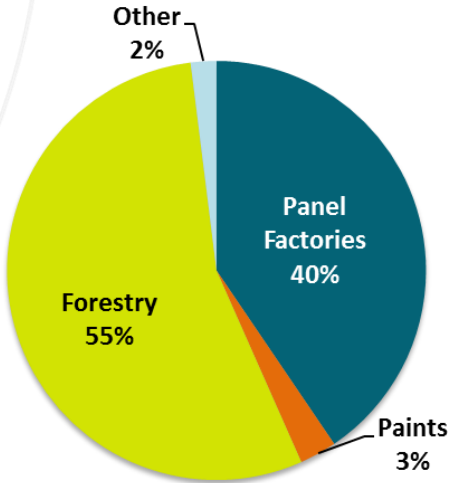
80 farms
for eucalyptus plantation,
totaling
51,500 hectares

Average Radius	
Salto	Botucatu
163 km	58 Km

Newly Planted Forests and Seedling Management (ha)

- 2017: 4.457 — 24% / 76%
- 2018: 4.280 — 5% / 95%
- 2019: 4.589 — 2% / 98%
- 2020 Program: 6.050 — 1% / 99%

■ New Forests ■ Management

ISO 9001   FSC   ISO 14001   PRÓ-CARNÍVOROS
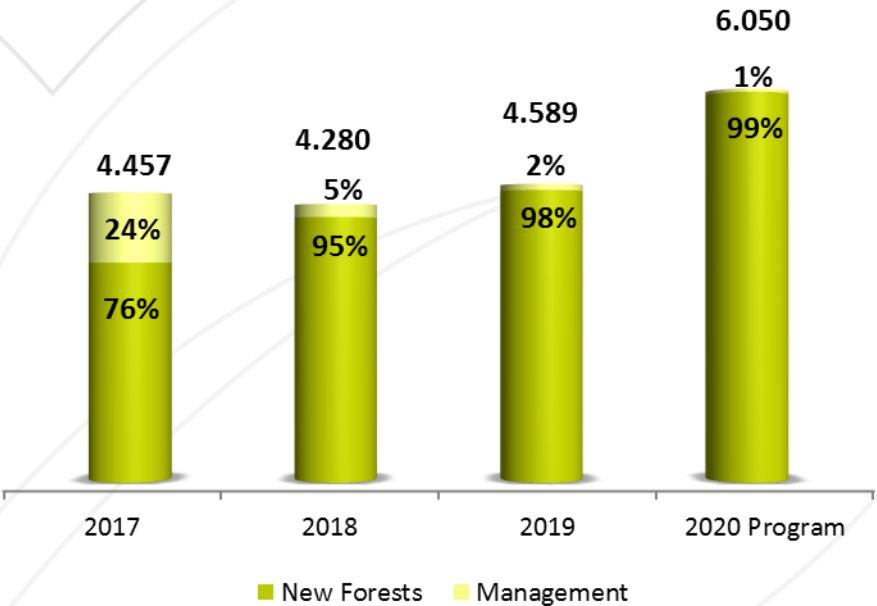
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