



Eucatex Group Presentation

4Q16 Earnings

March 23, 2017



Highlights

Net Revenue

4Q16: R\$ 284.5 million, down 1.7%

2016: R\$ 1,144.5 million, stable (+0.1%)

Recurring EBITDA

4Q16: R\$ 46.7 million, a increase of 1.9%

2016: R\$ 185.8 million, a decrease of 5.5%

Recurring EBITDA Margin

4Q16: 16.4%, up 0.5 pp

2016: 16.2%, down 1.0 pp

Recurring Net Income

4Q16: R\$ 14.0 million, up 182.9%

2016: R\$ 53.5 million, up 140.0%







Exports

4Q16: Growth of 51.3% in Volume and 17.6% in Net Revenue

2016: Growth of 41.9% in Volume and 22.9% in Net Revenue



- ✓ Founded in 1951
- ✓ Segments: Furniture, Retail, Construction and Export
- ✓ Subsidiary in Atlanta, USA
- ✓ 79 eucalyptus farms, totaling 46,300 hectares
- ✓ 2,486 employees

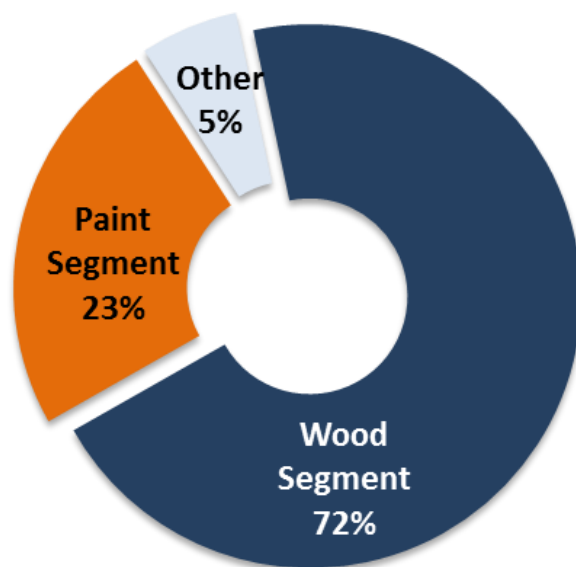
Fiberboard	T-HDF/MDF	MDP and Laminate Flooring	Paints and Varnishes		Seedling Nursery
					
Salto/SP	Salto/SP	Botucatu/SP	Salto/SP	Cabo Sto. Agostinho/PE	Bofete/SP
Hardboard 240,000 m ³ Wall Partitions and Doors 4.8 million	T-HDF/MDF 275,000 m ³	MDP Laminated Flooring 430,000 m ³ 12 million m ²	Paints and Varnishes 36 million gallons	Acrylic and PVA Paste and Acrylic Paint 3.6 million gallons	Seedlings 10 million
Paint 65 million m ² Paper Printing 48 million m ²	Lacquer and BP 16 million m ²	Finish Foil, BP and Lacquer 50 million m ²			



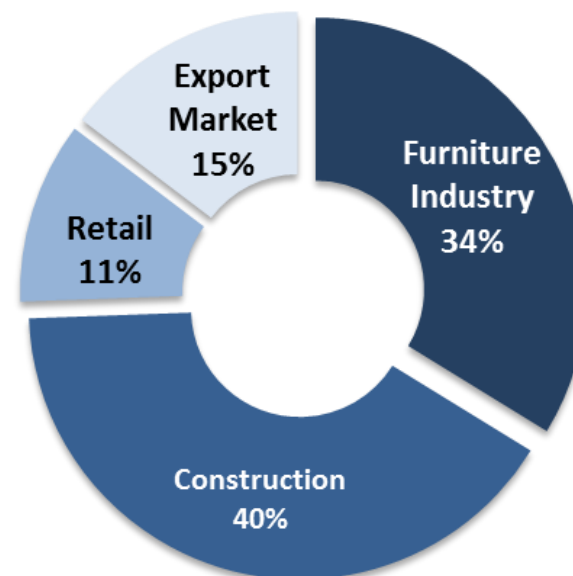
Net Revenue

4Q15	4Q16	Var	2015	2016	Var
R\$ 289.4 million	R\$ 284.5 million	-1.7%	R\$ 1,143.3 million	R\$ 1,144.5 million	0.1%

Distribution by Product - 2016



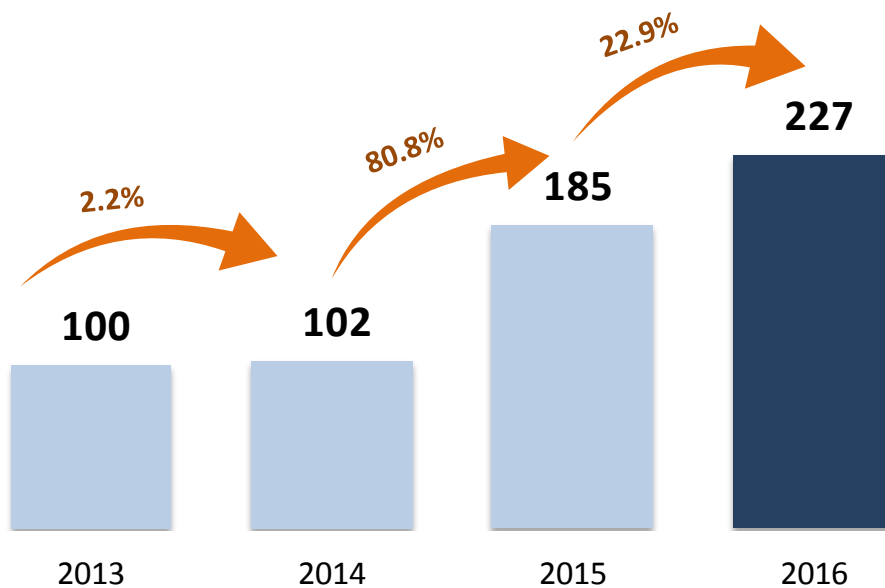
Distribution by Segment - 2016



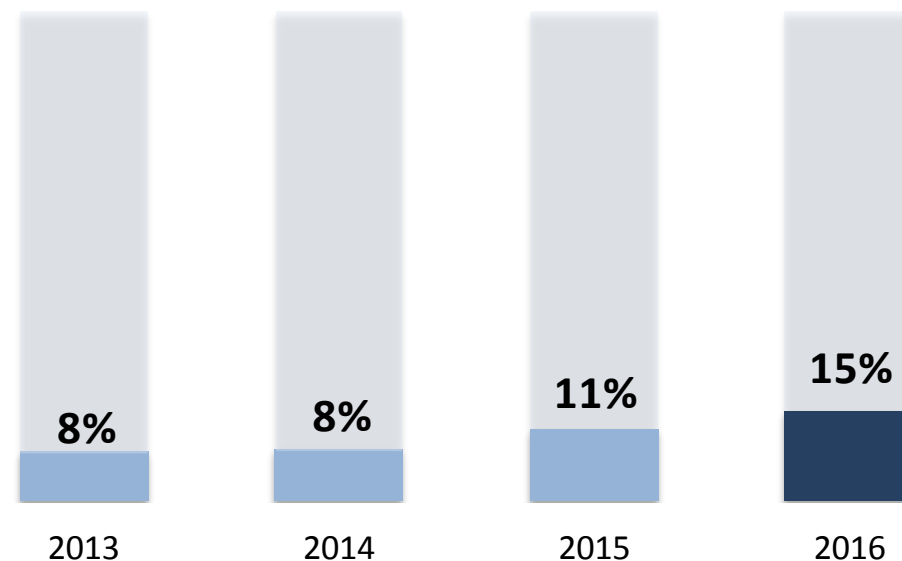
Export performance - YEAR

Net Revenue - Base 100 - 2013

CAGR: + 31.4%

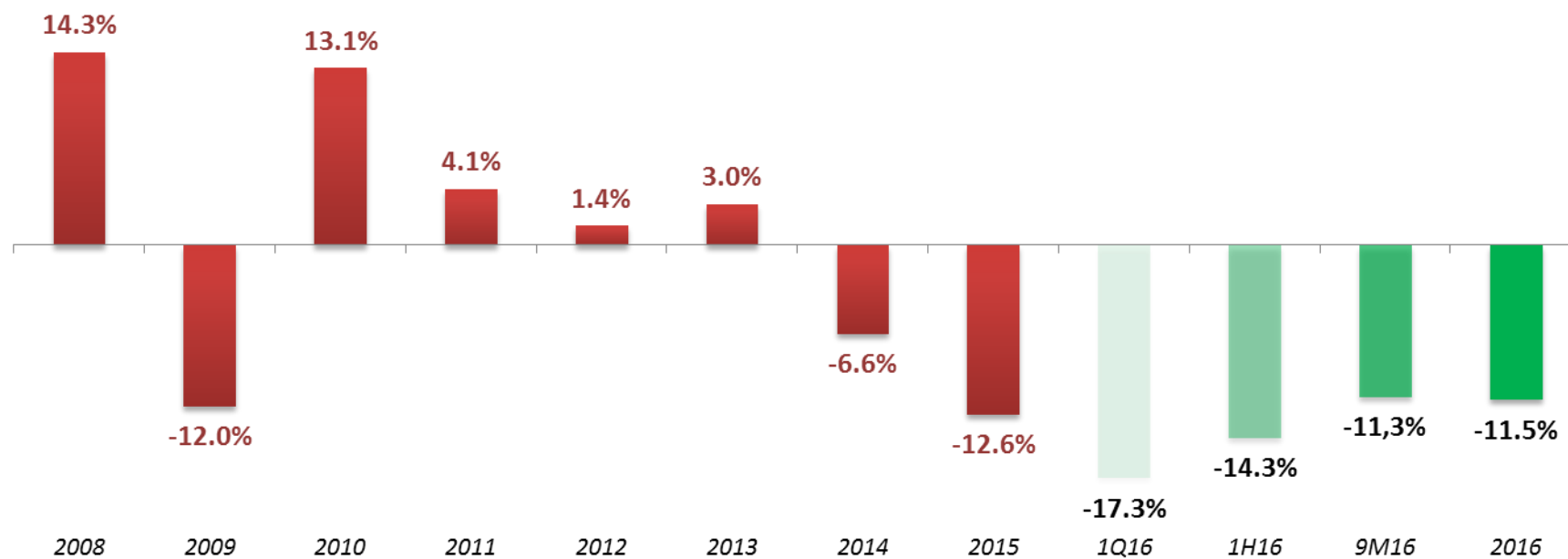


Share of Total Net Revenue



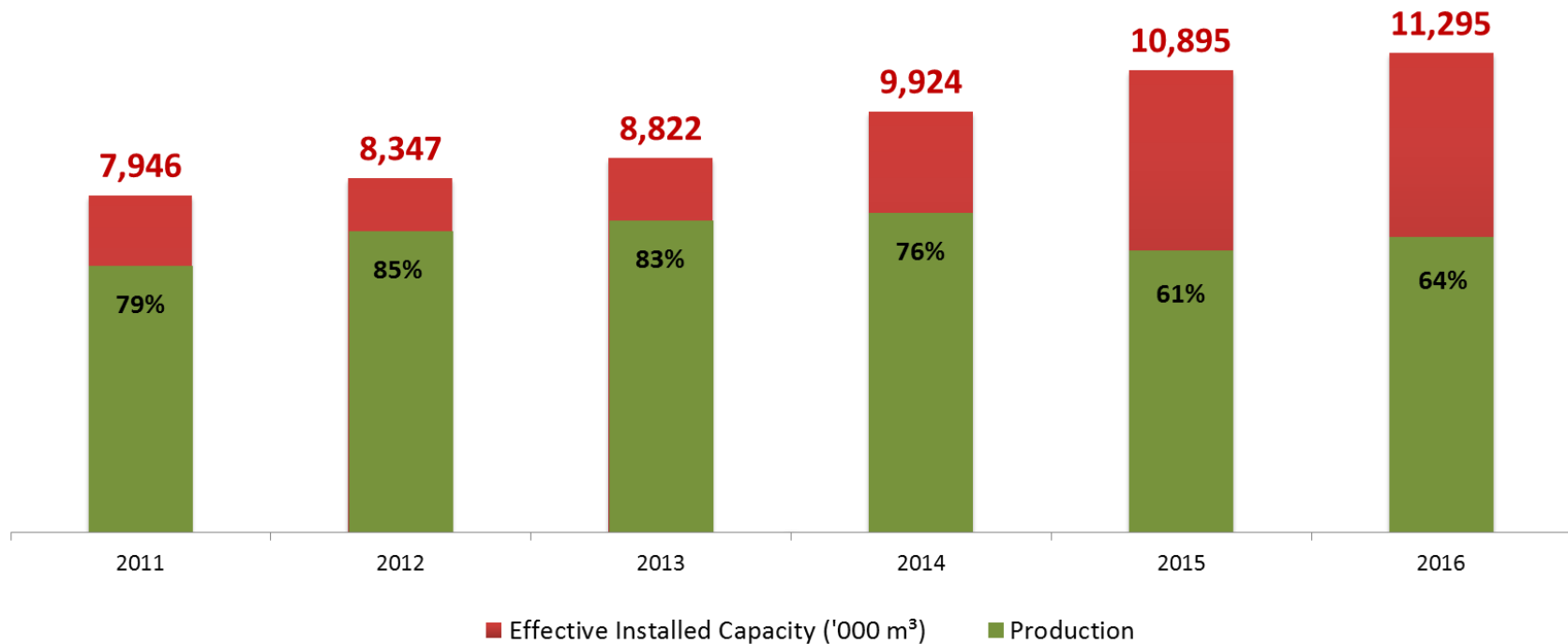


ABRAMAT Index - Domestic Market



Effective Installed Capacity (MDF + MDP) vs. Production

Indicator	CAGR
Capacity	7.3%
Production	2.1%



*GDP Estimate
(Tendências Consultoria)

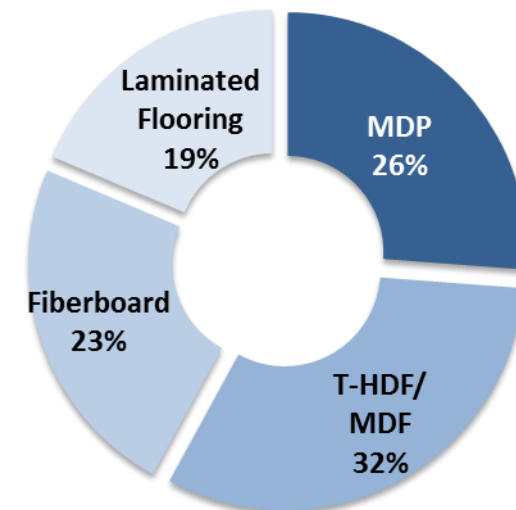
2016 ~ -3.6%

*2017 ~ 0.7%

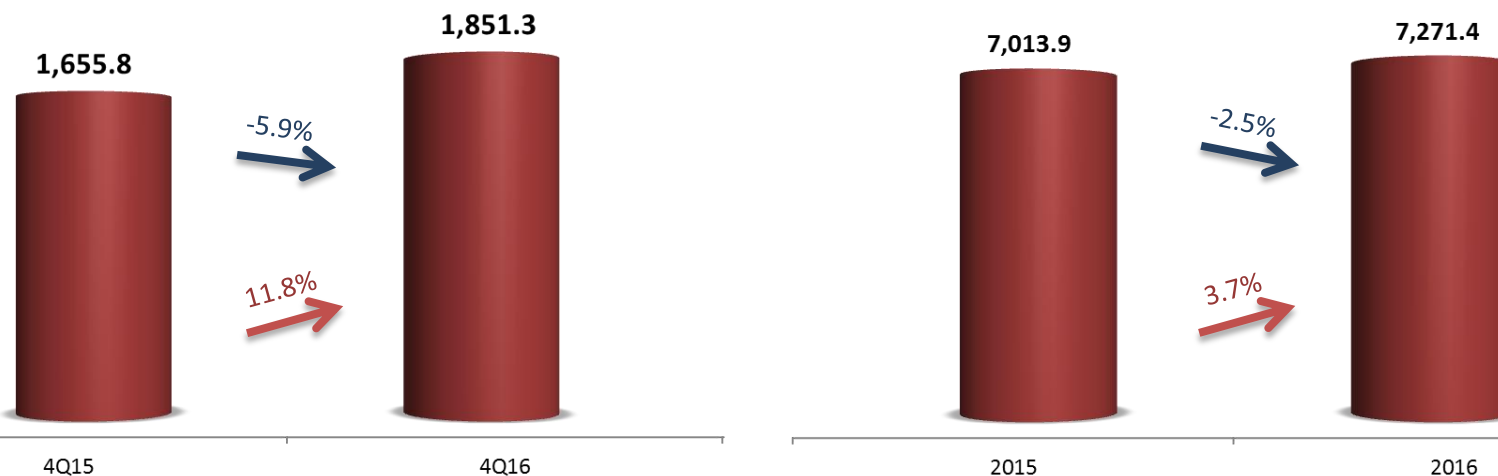


Net Revenue

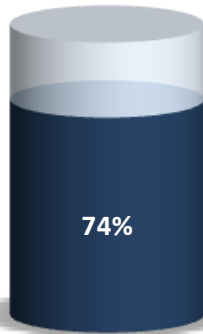
4Q15	4Q16	Var
R\$ 208.5 million	R\$ 199.5 million	-4.3%
2015	2016	Var
R\$ 850.3 million	R\$ 820.6 million	-3.5%



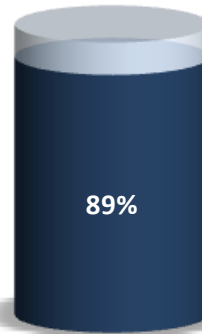
Total Market ('000 m³) Domestic + Export Market



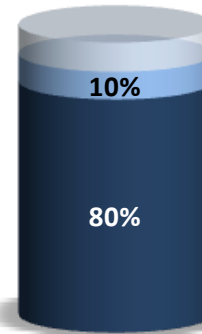
Installed Capacity Utilization - 4Q16



Fiberboard
(240,000m³/year)



T-HDF/MDF
(275,000 m³/year)



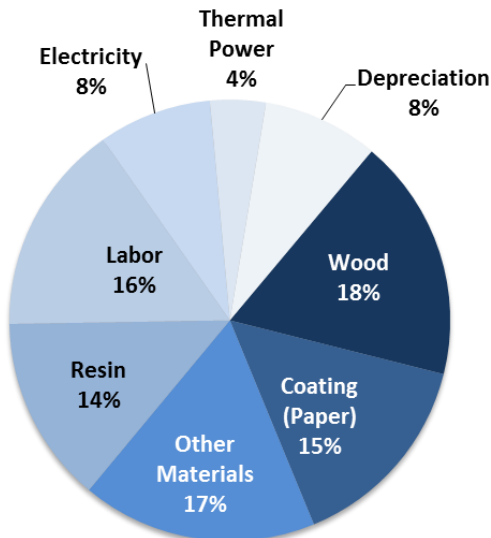
MDP and flooring
(430,000 m³/year)



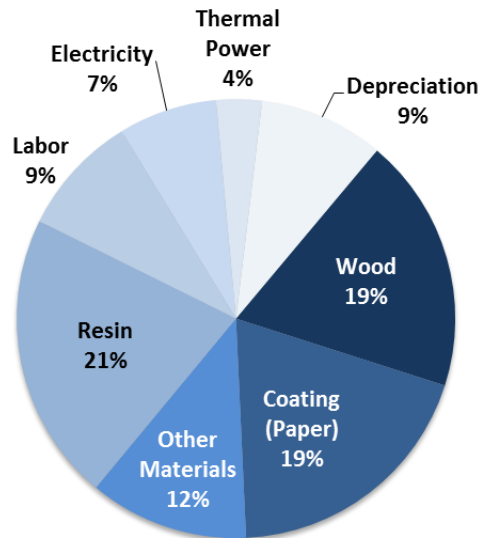
Laminated Flooring
(12 million m²/year)

Breakdown of Costs - 4Q16

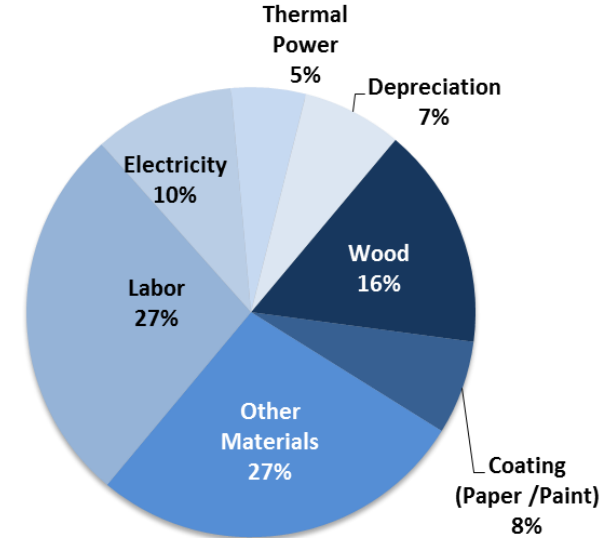
All Panels



Resin Panels



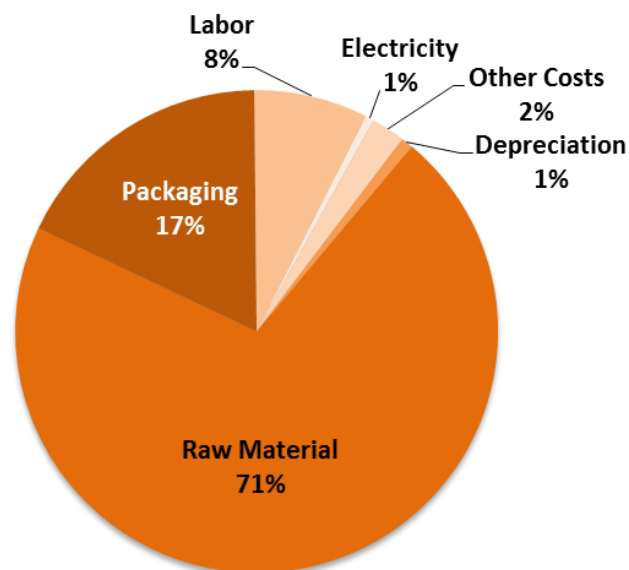
Non-Resin Panels (Fiberboard)



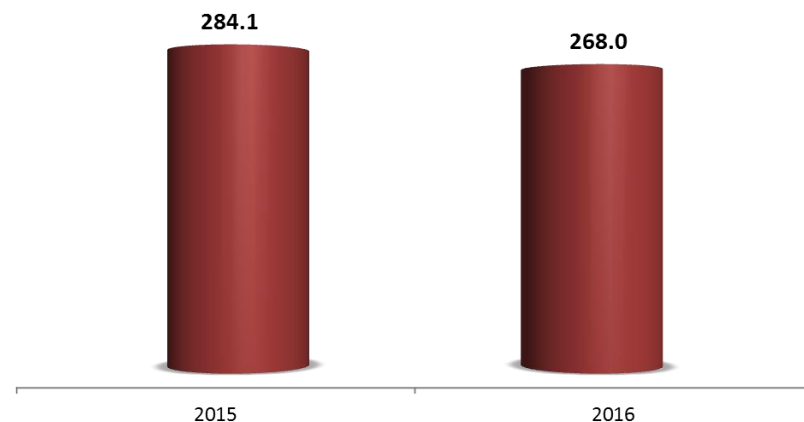
Net Revenue

4Q15	4Q16	Var
R\$ 65.7 million	R\$ 68.4 million	4.1%
2015	2016	Var
R\$ 253.7 million	R\$ 260.0 million	2.5%

Breakdown of Costs - 4Q16



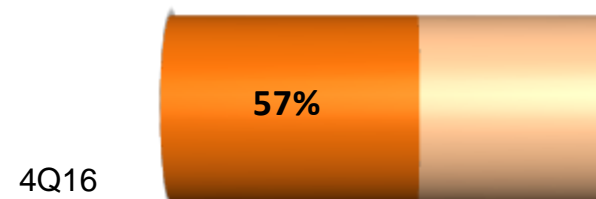
Market - Million Gallons



Change	4Q16 vs. 4Q15	2016 vs. 2015
Eucatex	0.3%	-3.7%
Market	-0.1%	-5.7%

Source: Eucatex

Installed Capacity Utilization



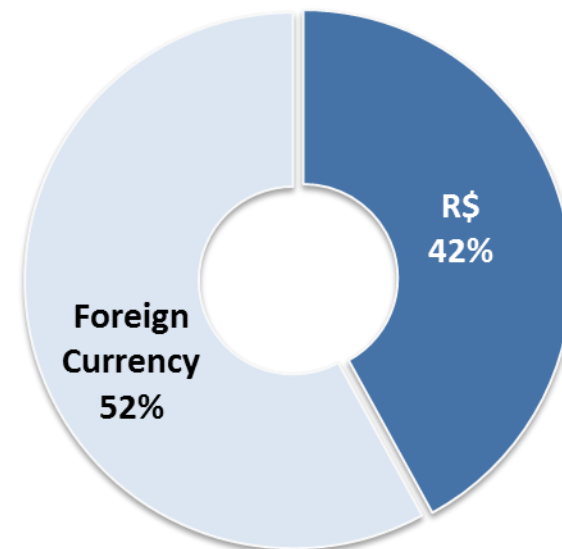
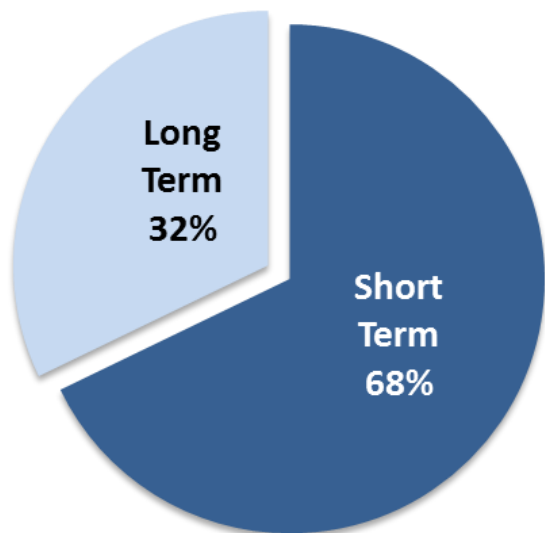
- Total Capacity - 36 million gallons / year



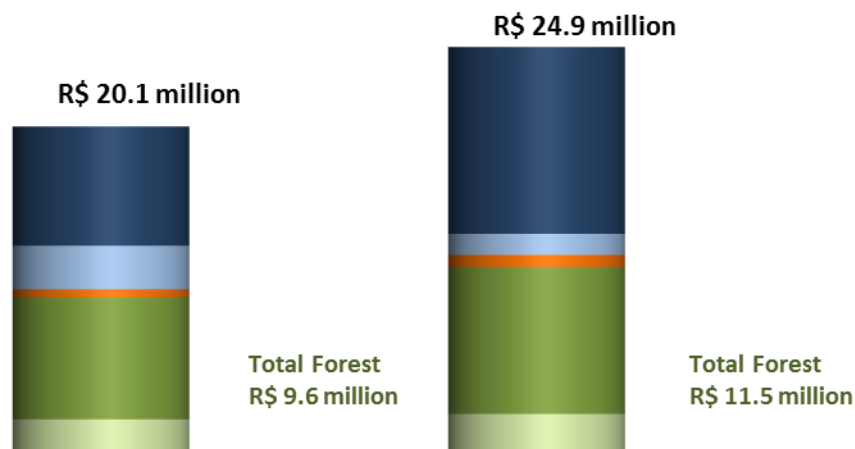
Highlights (R\$ million)	4Q16	V.A. %	4Q15	V.A. %	Var. (%)	2016	V.A. %	2015	V.A. %	Var. (%)
Net Revenue	284.5	100.0%	289.4	100.0%	-1.7%	1,144.4	100.0%	1,143.3	100.0%	0.1%
Fair value of biological assets	8.3	2.9%	8.9	3.1%	-6.3%	29.8	2.6%	44.3	3.9%	-32.7%
Cost of products sold	(207.1)	-72.8%	(220.6)	-76.2%	-6.1%	(850.9)	-74.4%	(852.8)	-74.6%	-0.2%
Gross income	85.7		77.7		10.3%	323.4		334.8		-3.4%
Gross Margin (%)	30.1%		26.8%		3.3 p.p.	28.3%		29.3%		-1 p.p.
Administrative expenses	(13.7)	-4.8%	(14.6)	-5.1%	-6.2%	(57.1)	-5.0%	(56.3)	-4.9%	1.3%
Selling expenses	(42.9)	-15.1%	(43.9)	-15.2%	-2.2%	(168.8)	-14.8%	(168.6)	-14.7%	0.1%
Other operating income and expenses	(0.4)	-0.1%	1.2	0.4%	-132.3%	(0.8)	-0.1%	1.9	0.2%	-142.4%
EBITDA adjusted by non-cash events	43.8	15.4%	41.6	14.4%	5.2%	165.8	14.5%	184.9	16.2%	-10.3%
EBITDA Margin (%)	15.4%		14.4%		1 p.p.	14.5%		16.2%		-1.7 p.p.
Adjusted Recurring EBITDA	46.7		45.9		1.9%	185.8		196.7		-5.5%
Adjusted Recurring EBITDA Margin (%)	16.4%		15.9%		0.5 p.p.	16.2%		17.2%		-1 p.p.
Net financial result	(15.2)	-5.3%	(14.7)	-5.1%	-3.0%	(40.1)	-3.5%	(112.5)	-9.8%	64.3%
Non-recurring results	(3.0)	-1.0%	(4.3)	-1.5%	30.3%	(20.0)	-1.7%	(11.8)	-1.0%	-69.7%
Income and social contribution taxes	0.5	0.2%	(0.7)	-0.2%	-180.3%	(2.9)	-0.3%	22.9	2.0%	112.8%
Net Income	11.0	3.9%	0.7	0.2%	1499.1%	33.5	2.9%	10.5	0.9%	218.9%
Recurring Net Income	14.0	4.9%	5.0	1.7%	182.9%	53.5	4.7%	22.3	1.9%	140.0%

Debt (R\$ Million)	2016	9M16	Var. (%)	2015	Var. (%)
Short Term Debt	241.3	227.8	5.9%	210.6	14.6%
Long Term Debt	114.4	135.0	-15.3%	140.9	-18.8%
Gross Debt	355.7	362.8	-2.0%	351.5	1.2%
Cash and Cash Equivalents	23.6	24.3	-2.9%	17.6	33.9%
Net Debt	332.1	338.6	-1.9%	333.9	-0.5%
% Short Term Debt	68%	63%	5 p.p.	60%	8 p.p.
Net Debt/EBITDA	1.8	1.8	-2.1%	1.7	5.3%

Debt Profile



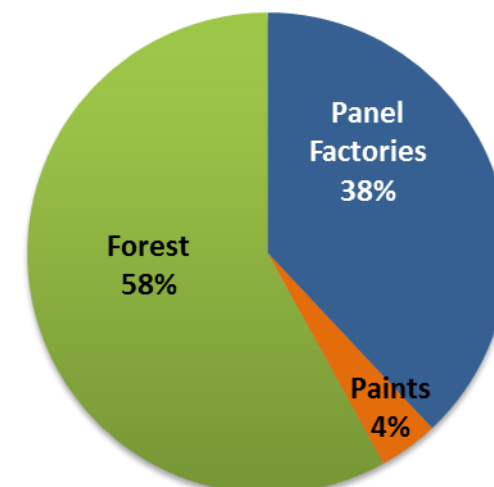
Investments Made



	4Q15	4Q16
Salto	7.3	11.4
Botucatu	2.7	1.3
Paints	0.5	0.7
Silviculture	7.5	9.0
Leasing	2.1	2.4

Planned for 2017

R\$ 78 million





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

Average Radius

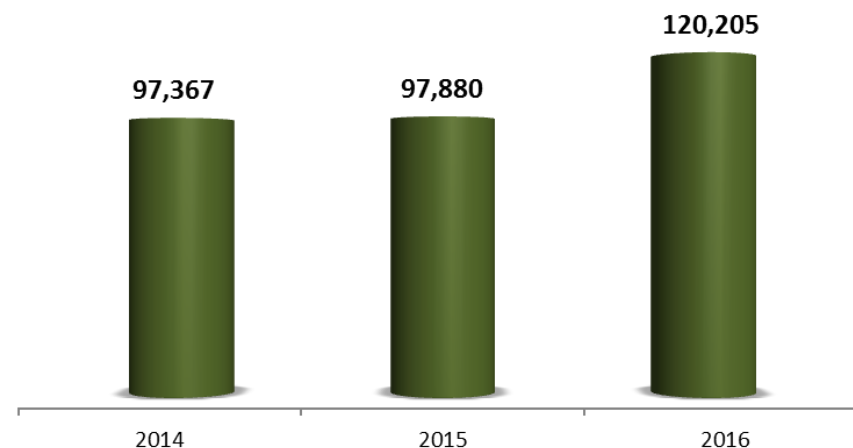
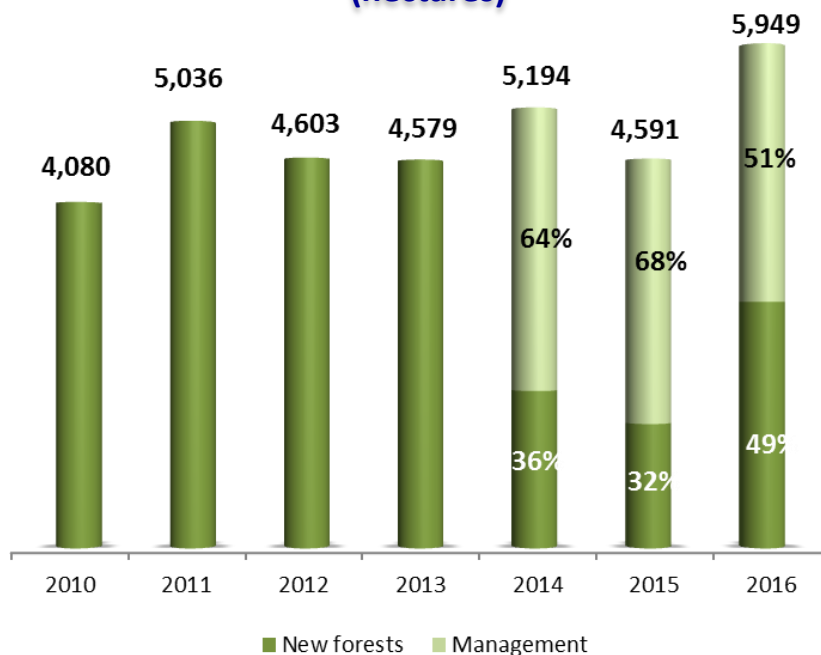
Salto	Botucatu
173 km	38 Km

Total Processing Capacity - Recycling

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

Volume Processed (ton) - Recycling

Newly Planted Forests and Seedling Management (hectares)



Gains in Wood Purchases – Recycling – 2016

Wood Market *	Recycled	Variation	Consump. Dry Ton	Gain
R\$210.60 ton/dry	R\$131.92 ton/dry	R\$78.68 ton/dry	102,174	R\$8,039 thousand

* Wood chips - CIF





Diretrizes

Exports

Adjust production lines to drive exports.

Portfolio

Reduce Domestic Market portfolio for increased efficiency and productivity.

Forest Management

New review of forest management to reduce related investments.

Investments

Reduce manufacturing investments, focusing exclusively on sustaining the operations.

Costs

Review structures and services contracted by the Company, aiming to reduce costs and gain efficiency.



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