



eucatex



Eucatex Group Presentation

4Q15 Earnings

March 10, 2016



Highlights

Net Revenue

4Q15: R\$289.4 million, drop of 3.4%
2015: R\$1,143.3 million, growth of 2.6%

Recurring EBITDA

4Q15: R\$45.9 million, reduction of 24.1%
2015: R\$196.7 million, reduction of 4.4%

Recurring EBITDA Margin

4Q15: 15.9%, contraction of 4.3 pp
2015: 17.2%, contraction of 1.3 pp

Recurring Net Income







4Q15: R\$5.0 million, down 67.7%
2015: R\$22.3 million, down 53.0%

Exports

4Q15: Volume growth of 66.0% and Net Revenue growth of 79.4%
2015: Volume growth of 37.8% and Net Revenue growth of 81.0%



- ✓ Founded in 1951
- ✓ Segments: Furniture, Retail, Construction and Export
- ✓ Subsidiary in Atlanta, USA
- ✓ 79 eucalyptus farms, totaling 46,300 hectares
- ✓ 2,378 employees

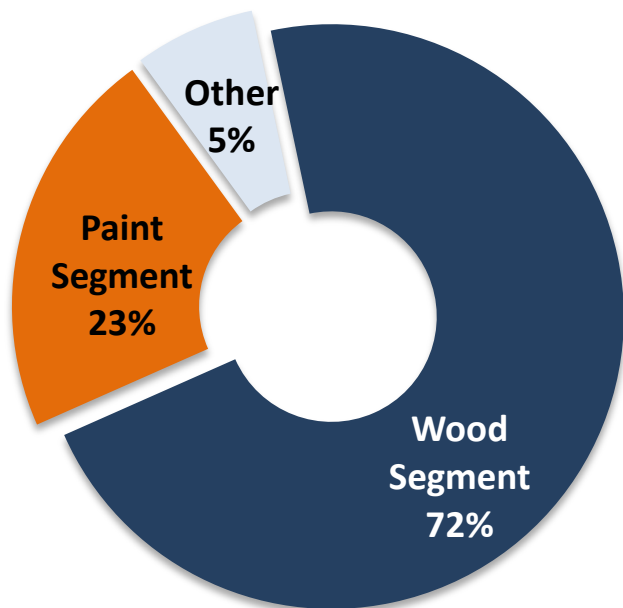
Fiberboard	T-HDF/MDF	MDP and Laminate Flooring	Paints and Varnishes		Seedling Nursery
					
Salto/SP	Salto/SP	Botucatu/SP	Salto/SP	Cabo Sto. Agostinho/PE	Bofete/SP
Hardboard 240,000 m ³ Wall Partitions and Doors 4.8 million	T-HDF/MDF 275,000 m ³	MDP 430,000 m ³ Laminated Flooring 12 million m ²	Paints 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			



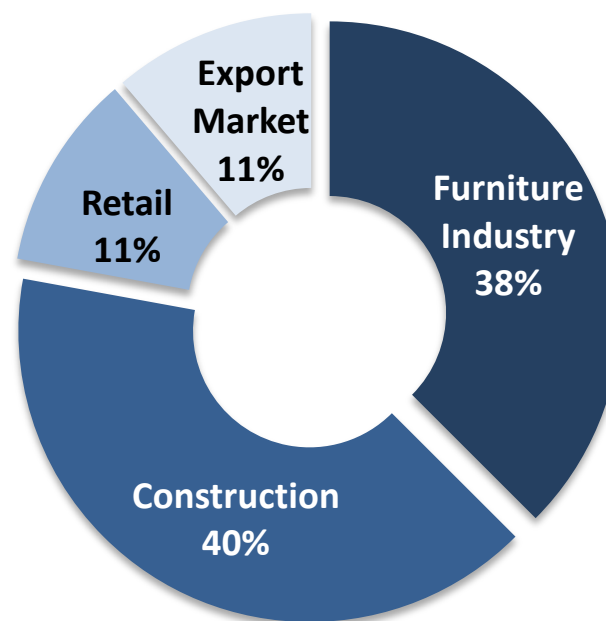
Net Revenue

4Q14	4Q15	Var	2014	2015	Var
R\$299.6 million	R\$289.4 million	-3.4%	R\$1,114.7 million	R\$1,143.3 million	2.6%

Distribution by Product

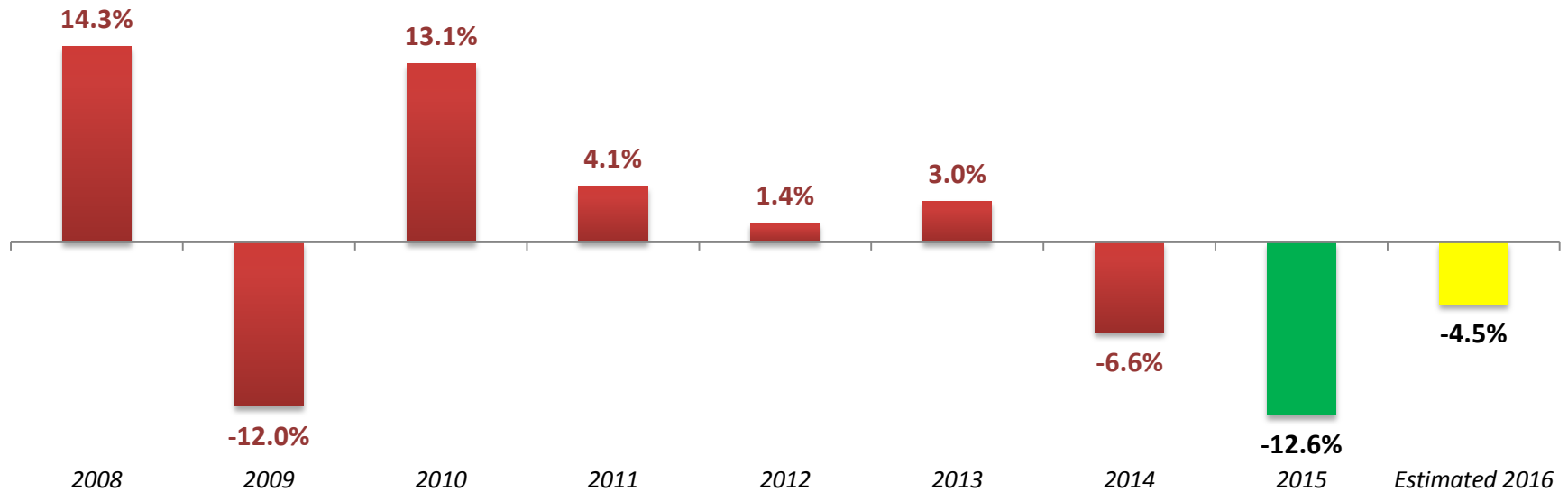


Distribution by Segment





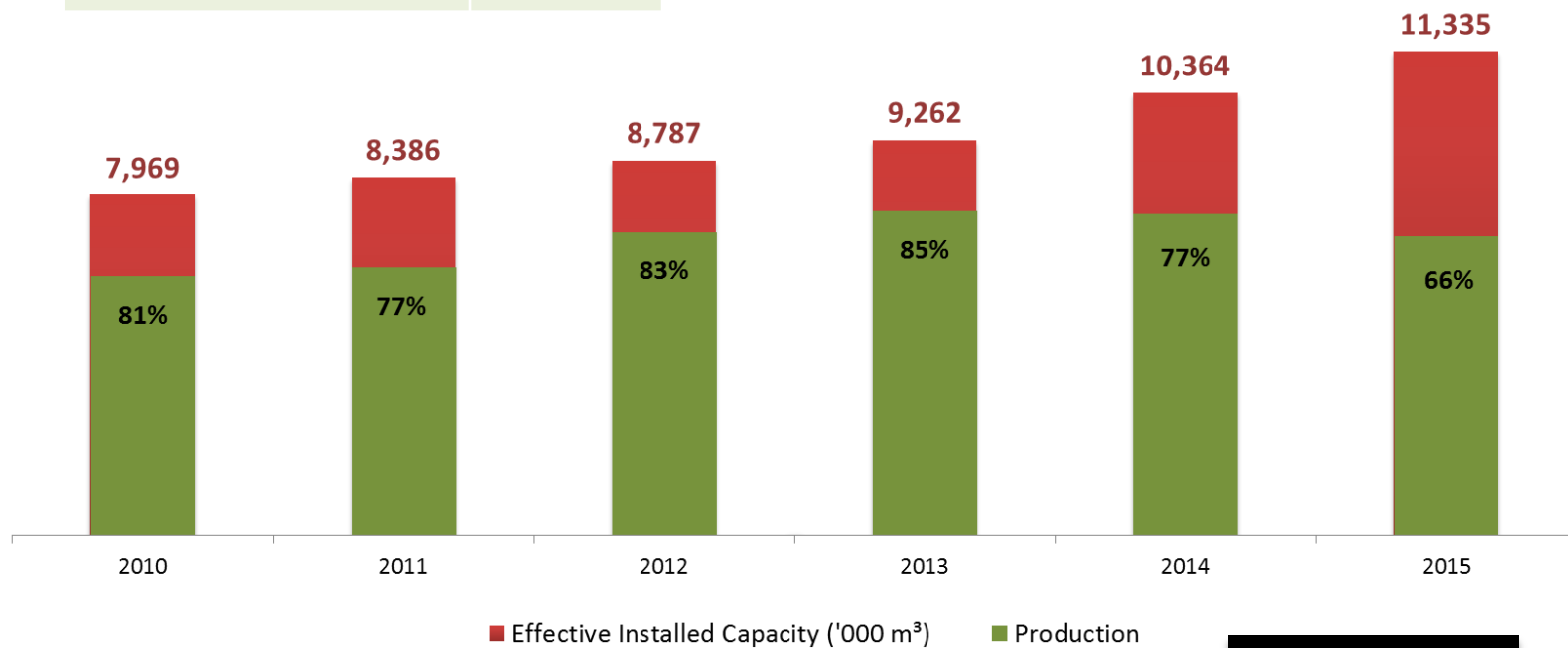
ABRAMAT Index – Domestic Market





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

Indicator	CAGR
GDP	0.4%
Capacity	7.3%
Production	3.0%



*GDP Estimate
(Tendências Consultoria)

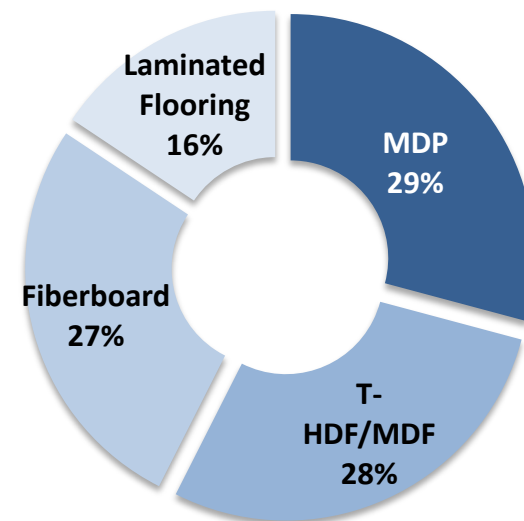
2015 ~ -3.8%

*2016 ~ -4.0%



Net Revenue

4Q14	4Q15	Var
R\$207.5 million	R\$208.5 million	0.5%
2014	2015	Var
R\$821.8 million	R\$850.3 million	3.5%



Total Market ('000 m³)
DOMESTIC + EXPORT MARKET

1,920.4



4Q14

1,655.6



4Q15

1.3%

-13.8%

7,595.3



2014

7,013.9



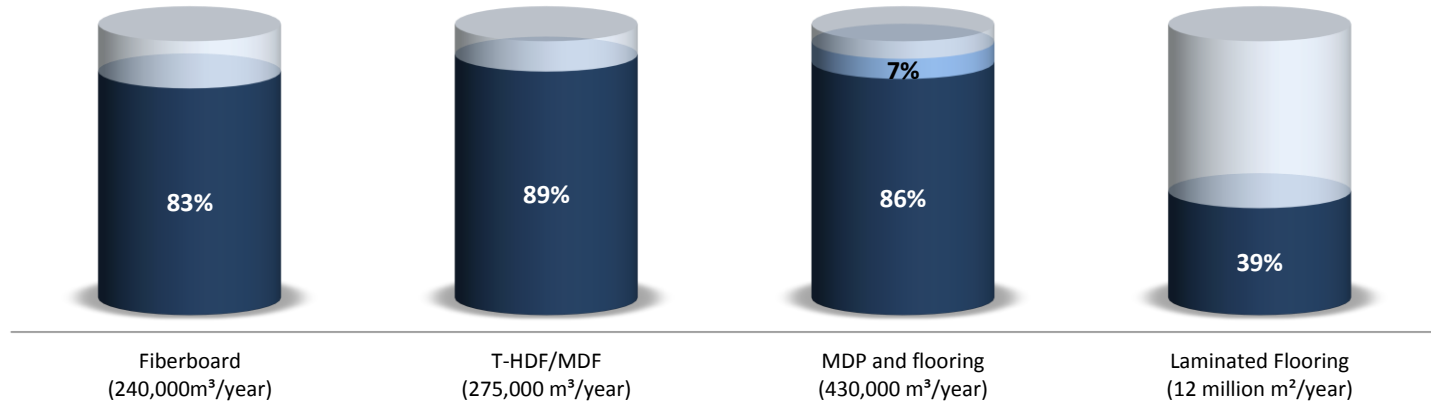
2015

-4.6%

-7.7%

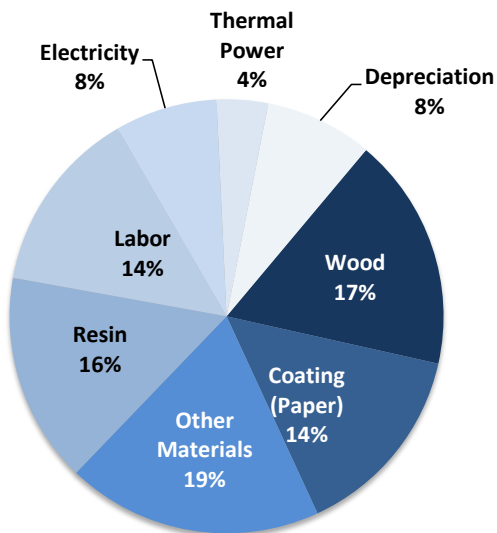


Installed Capacity Utilization – 4Q15

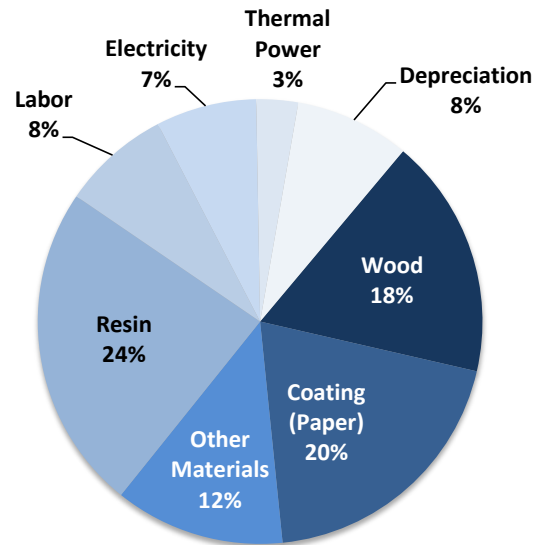


Breakdown of Costs – 4Q15

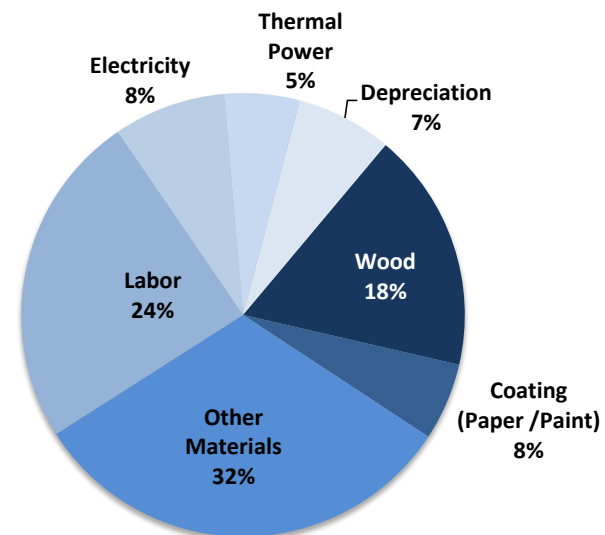
All Panels



Resin Panels



Non-Resin Panels (Fiberboard)

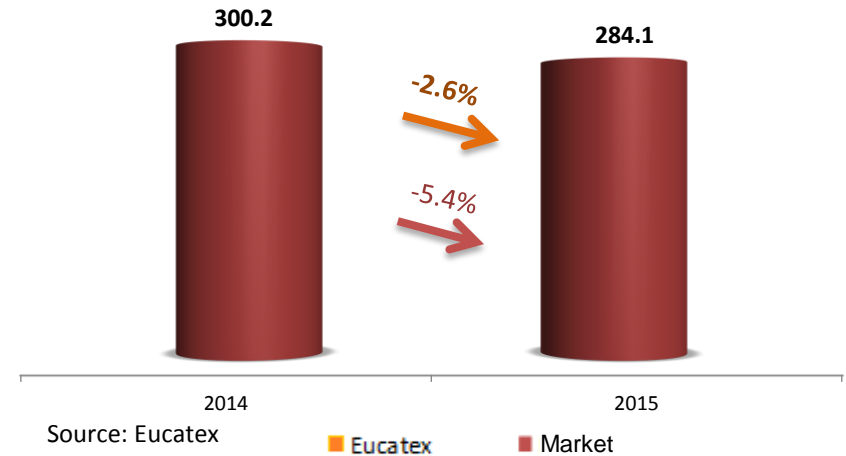




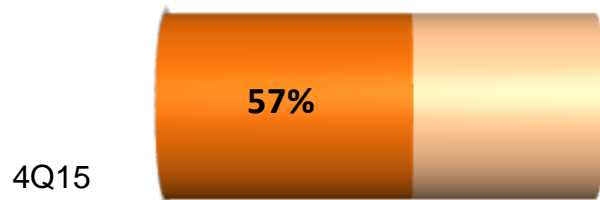
Net Revenue

4Q14	4Q15	Var
R\$71.4 million	R\$65.7 million	-7.9%
2014	2015	Var
R\$251.1 million	R\$253.7 million	1.1%

Market – Million Gallons

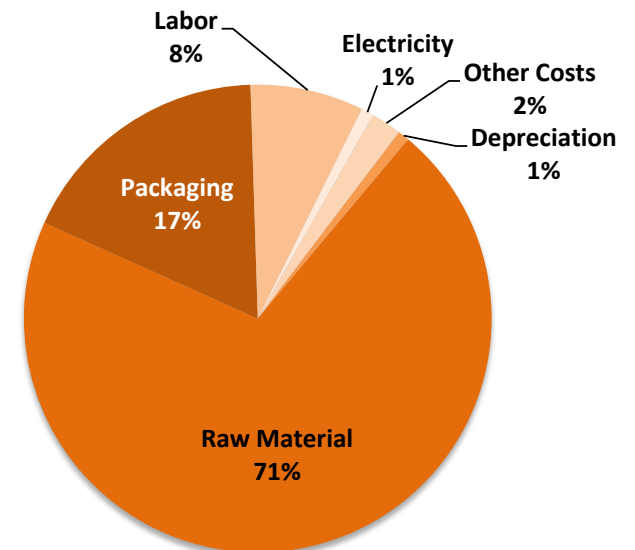


Installed Capacity Utilization



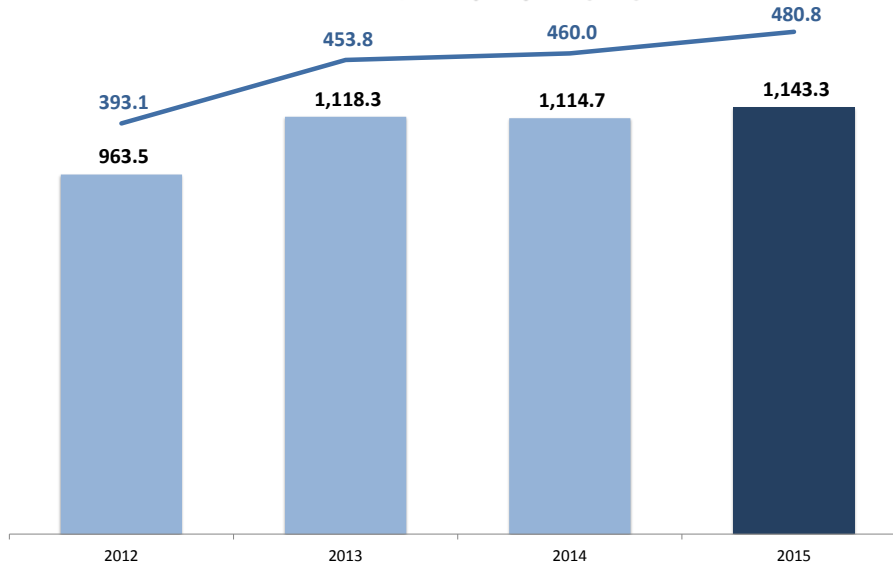
- Total Capacity - 36 million gallons / year

Breakdown of Costs – 4Q15

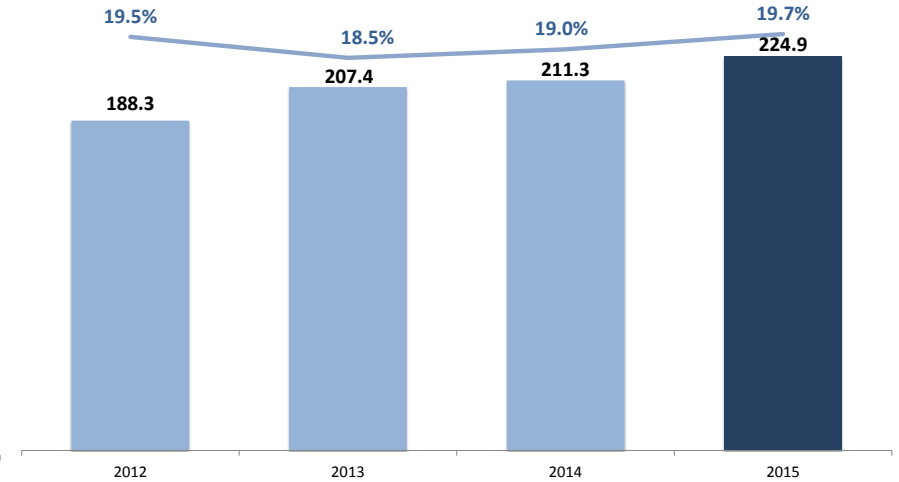




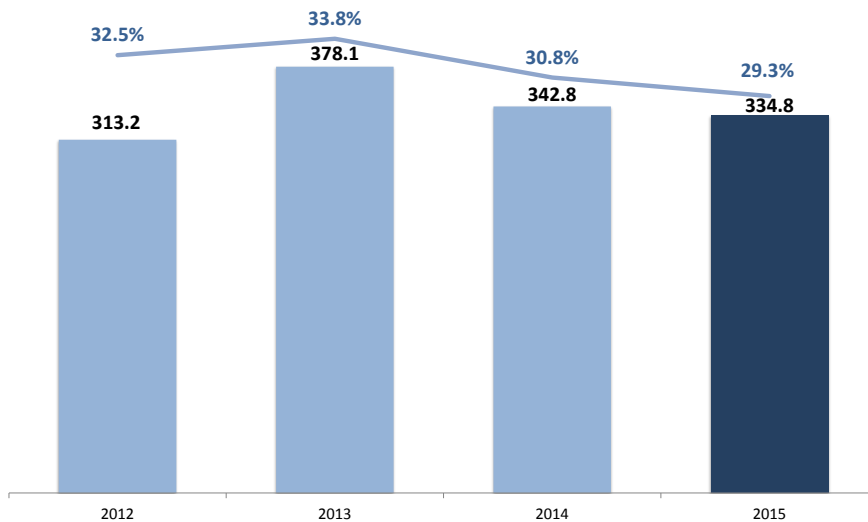
Net Revenue / Employee (R\$)



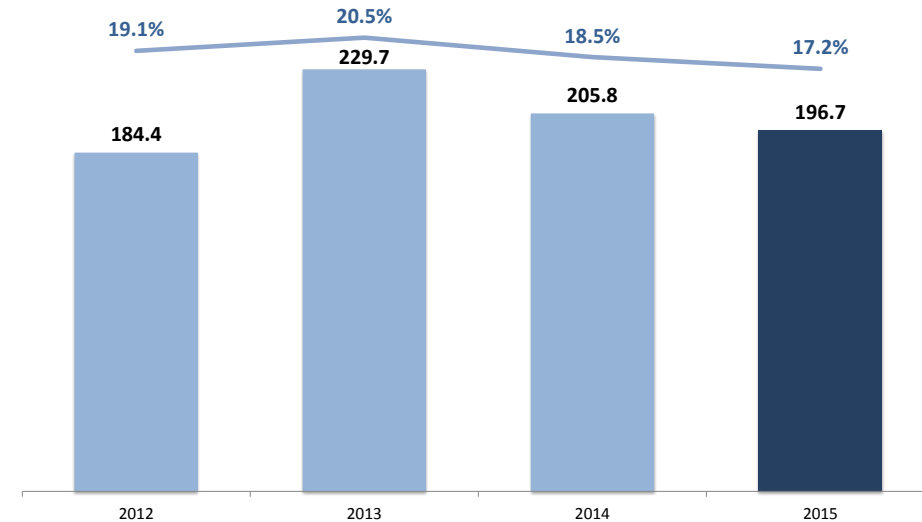
SG&A (R\$ million) and SG&A / Net Revenue (%)



Gross Income (R\$ million) and Gross Margin (%)



EBITDA (R\$ million) and EBITDA Margin (%)



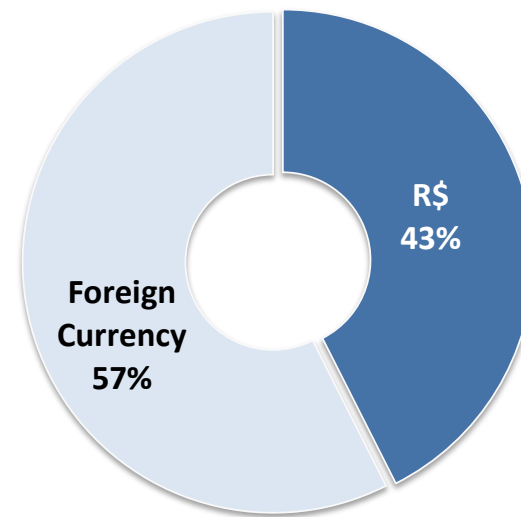
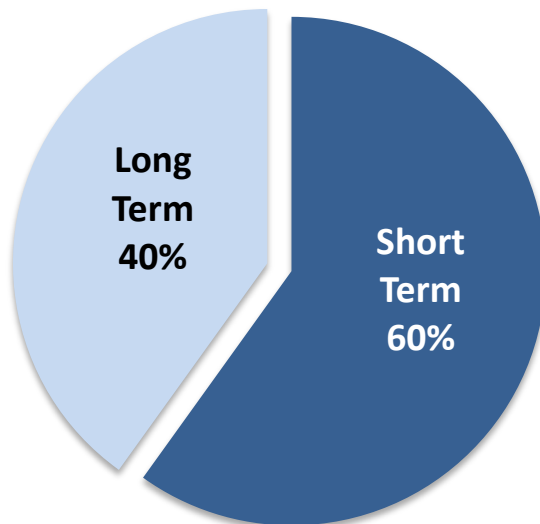


Highlights (R\$ million)	4Q15	V.A. %	4Q14	V.A. %	Var. (%)	2015	V.A. %	2014	V.A. %	Var. (%)
Net Revenue	289.4	100.0%	299.6	100.0%	-3.4%	1,143.3	100.0%	1,114.7	100.0%	2.6%
Fair value of biological assets	8.9	3.1%	10.1	3.4%	-12.3%	44.3	3.9%	43.3	3.9%	2.5%
Cost of products sold	(220.6)	-76.2%	(214.1)	-71.5%	3.0%	(852.8)	-74.6%	(815.1)	-73.1%	4.6%
Gross income	77.7		95.6		-18.7%	334.8		342.8		-2.3%
Gross Margin (%)	26.8%		31.9%		-5.1 p.p.	29.3%		30.8%		-1.5 p.p.
Administrative expenses	(14.6)	-5.1%	(14.3)	-4.8%	2.3%	(56.3)	-4.9%	(54.1)	-4.9%	4.1%
Selling expenses	(43.9)	-15.2%	(41.8)	-13.9%	5.1%	(168.6)	-14.7%	(157.1)	-14.1%	7.3%
Other operating income and expenses	1.2	0.4%	(1.7)	-0.6%	169.2%	1.9	0.2%	(7.8)	-0.7%	-124.9%
EBITDA adjusted by non-cash events	41.6	14.4%	49.8	16.6%	-16.5%	184.9	16.2%	185.7	16.7%	-0.4%
EBITDA Margin (%)	14.4%		16.6%		-2.3 p.p.	16.2%		16.7%		-0.5 p.p.
Adjusted Recurring EBITDA	45.9		60.5		-24.1%	196.7		205.8		-4.4%
Adjusted Recurring EBITDA Margin (%)	15.9%		20.2%		-4.3 p.p.	17.2%		18.5%		-1.3 p.p.
Net financial result	(14.7)	-5.1%	(20.1)	-6.7%	26.8%	(112.5)	-9.8%	(61.4)	-5.5%	-83.1%
Non-recurring results	(4.3)	-1.5%	(10.6)	-3.6%	59.9%	(11.8)	-1.0%	(20.1)	-1.8%	41.2%
Income and social contribution taxes	(0.7)	-0.2%	(2.4)	-0.8%	-71.7%	22.9	2.0%	(14.9)	-1.3%	-254.2%
Net Income	0.7	0.2%	4.7	1.6%	-85.3%	10.5	0.9%	27.4	2.5%	-61.6%
Recurring Net Income	5.0	1.7%	15.3	5.1%	-67.7%	22.3	1.9%	47.4	4.3%	-53.0%



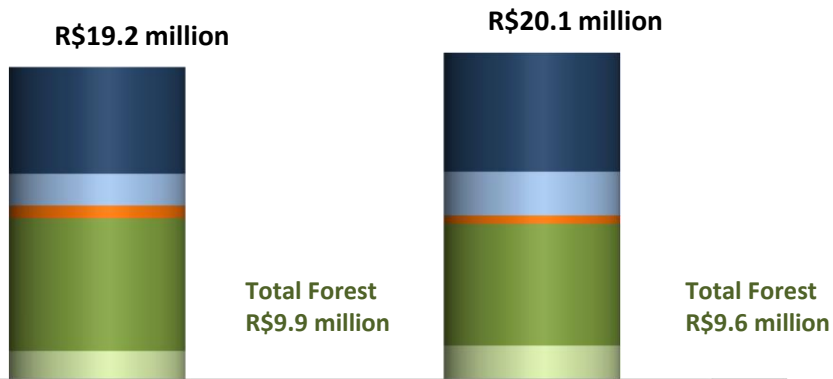
Debt (R\$ Million)	2015	9M15	Var. (%)	2014	Var. (%)
Short Term Debt	210.6	211.1	-0.2%	141.2	49.2%
Long Term Debt	140.9	175.7	-19.8%	172.9	-18.5%
Gross Debt	351.5	386.8	-9.1%	314.1	11.9%
Cash and Cash Equivalents	17.6	18.9	-6.9%	21.1	-16.5%
Net Debt	333.9	367.9	-9.2%	293.0	14.0%
% Short Term Debt	60%	55%	5.4 p.p.	45%	33.3%
Net Debt/EBITDA	1.7	1.7	-1.6%	1.4	19.2%

Debt Profile





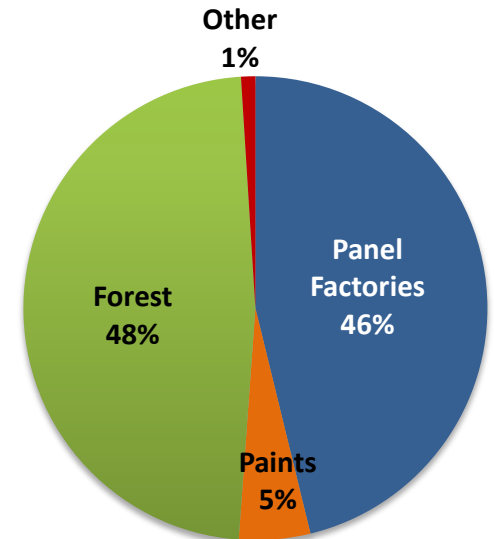
Investments Made



	4Q14	4Q15
Salto	6.5	7.3
Botucatu	1.9	2.7
Paints	0.8	0.5
Silviculture	8.1	7.5
Leasing	1.8	2.1

Planned for 2016

R\$80 million





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

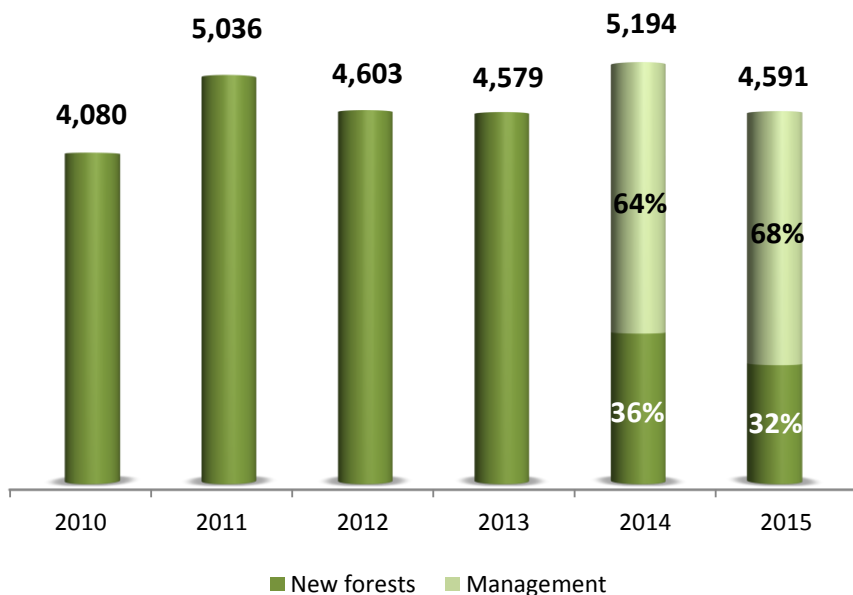
Average Radius

Salto	Botucatu
173 km	32 Km

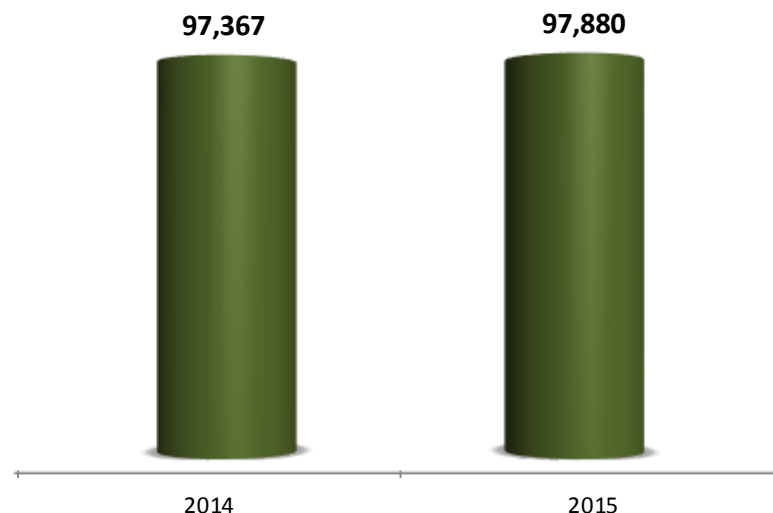
Total Processing Capacity - Recycling

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

Newly Planted Forests and Seedling Management (hectares)



Volume Processed (ton) - Recycling



Gains in Wood Purchases – Recycling – 2015

Wood Market *	Recycled	Variation	Consump. Dry Ton	Gain
R\$210.60 ton/dry	R\$127.70 ton/dry	R\$82.90 ton/dry	83,198	R\$6,897 thousand

* Wood chips - CIF





2016 Guidelines

Exports

Adjust production lines to drive exports.

Portfolio

Reduce Domestic Market portfolio for increased efficiency and productivity.

Forest Management

Review forest management to reduce related investments.

Investments

Reduce manufacturing investments, focusing only on the maintenance of operations.

Costs

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



José Antonio G. de Carvalho
Executive VP and IRO

Waneska Bandeira
Investor Relations

(55 11) 3049-2473

ri@eucatex.com.br

www.eucatex.com.br/ri