



SUZANO
PULP AND PAPER

Why to invest in Suzano?

November 2017

Why to invest in Suzano?

- *Strategy to Maximize the Return on Invested Capital*
- Competitive Advantages and Leading Position in the Industry
- Strong Operating Cash Flow
- Governance Upgrade to *Novo Mercado*
- Attractive Valuation



Transformation and results *evolution* are the foundation...

Strategic Pillars



Structural
Competitiveness



Adjacent
Businesses



Reshaping of
the **Industry**

Maximizing returns for shareholders



Cost
Discipline



Supply
Discipline



Capital
Discipline



Financial
Discipline



Product
Portfolio

***...to prepare
Suzano for the
FUTURE***

Why to invest in Suzano?

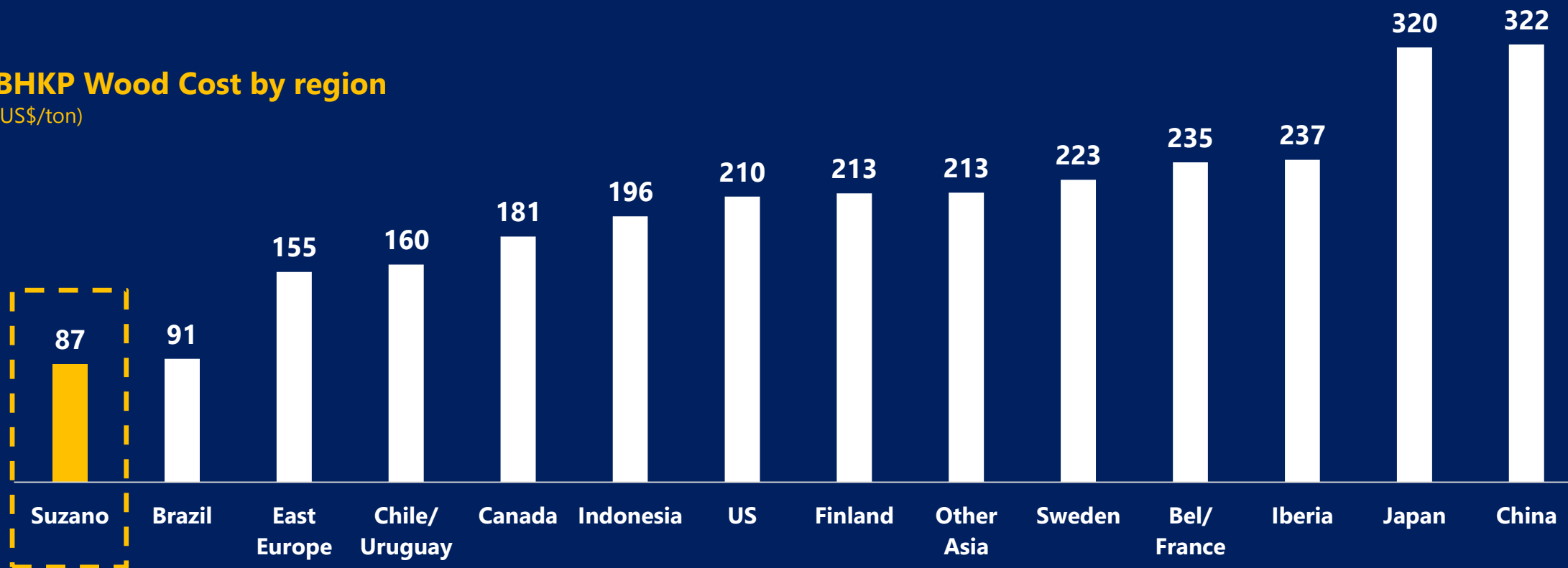
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Wood Competitiveness

Suzano's forest competitiveness with adequate yield allows lower wood cost

BHKP Wood Cost by region
(US\$/ton)



Suzano: average FX of R\$3.20/US\$ (LTM on 09/30/2017)
Source: Hawkins Wright (Aug/17)

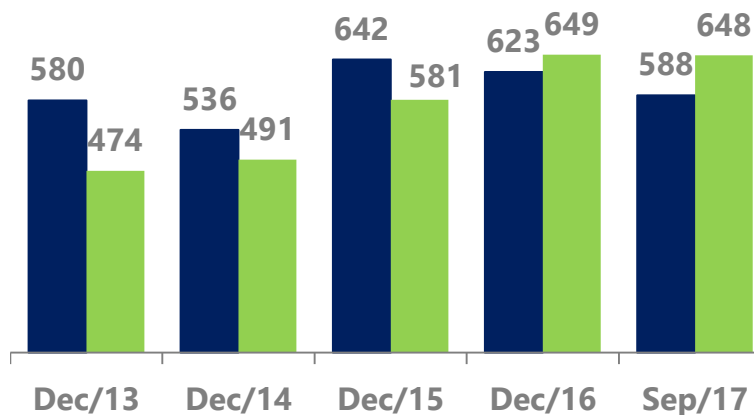
Results
consistency
 with strong
 operational and
 financial
 performance...

*...and
 continuous
 search for the
 best operation
 in the industry*

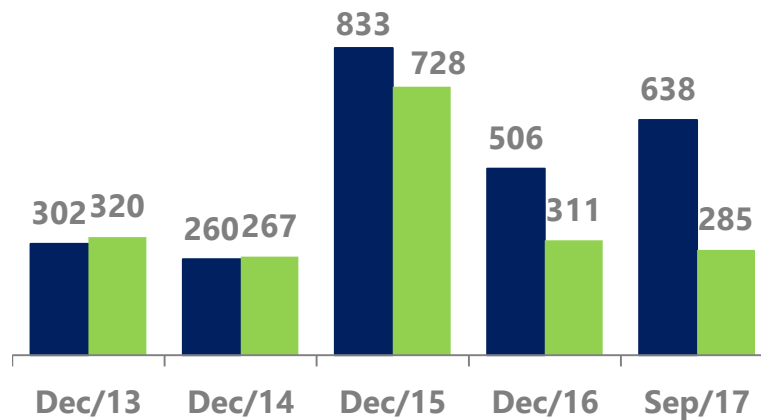
■ Suzano
 ■ Fibria

¹ LTM: Last twelve months ending on 09/30/2017

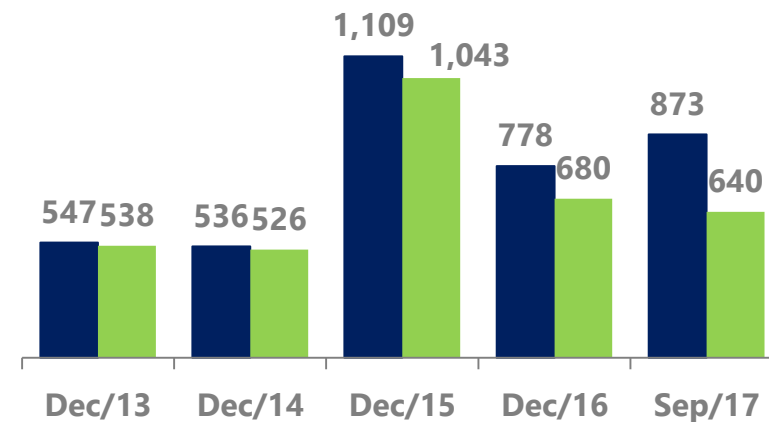
Pulp Cash Cost LTM¹ (R\$/ton)



Operating Cash Flow LTM¹ (R\$/ton)



Pulp Adjusted EBITDA LTM¹ (R\$/ton)

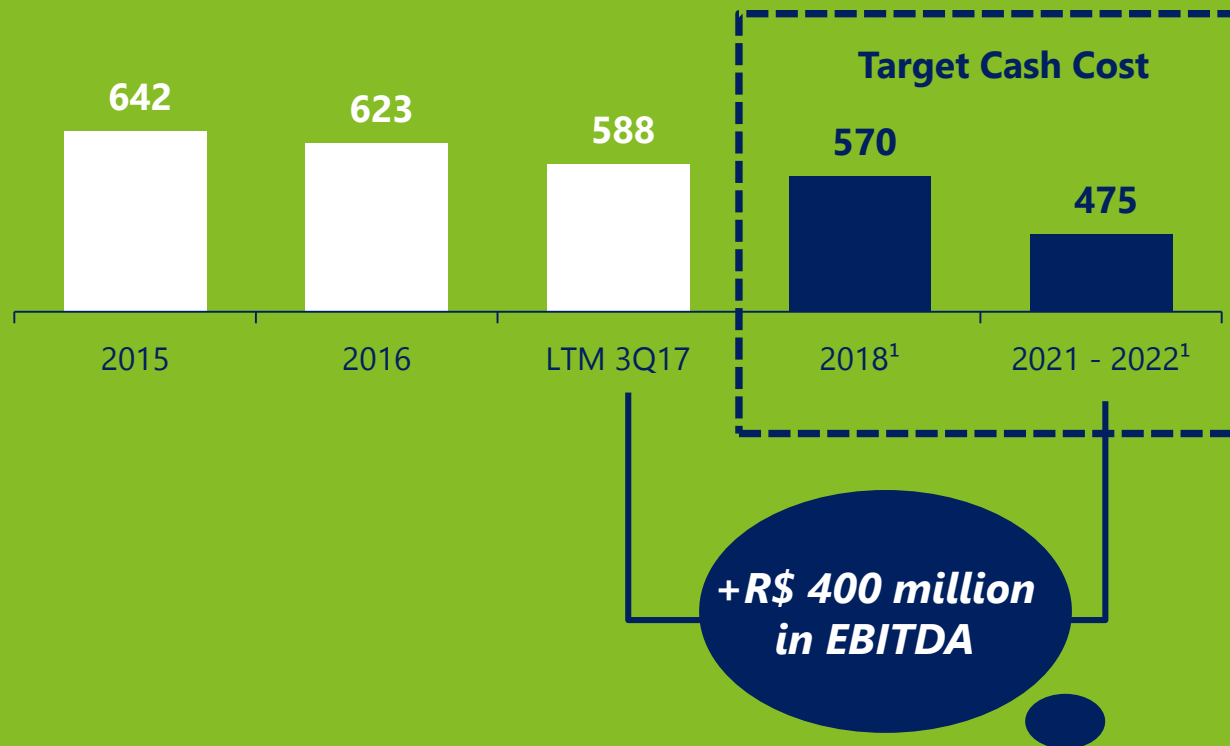


Suzano's Pulp Cash Cost

Downward trend

Cash Cost

(R\$/ton)



¹ Nominal value in 2016
LTM: Last twelve months ending on 09/30/2017

Wood cost reduction

Wood Supply optimization

Forest yield increase

Average distance reduction:

- Bahia State: to 60km
- Maranhão State: to 120km
- São Paulo State: to 200 km

Industrial cost reduction

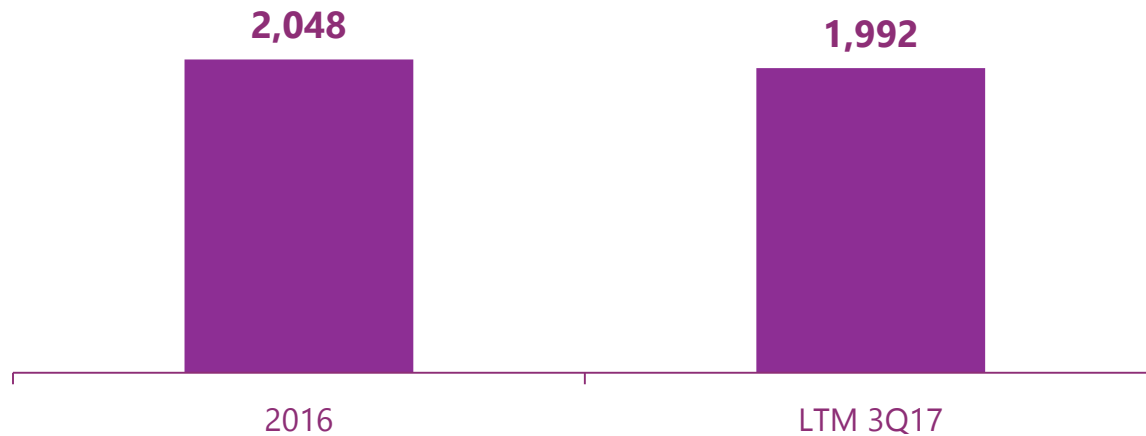
Debottlenecking of Imperatriz Unit

Reduction of raw material consumption

Higher dilution of fixed costs

Paper business to benefit from the *Brazilian economy recovery*

**Brazilian Industry Sales Volume
Paperboard and Printing & Writing ('000 ton)**



LTM: Last twelve months ending on 09/30/2017

Source: Forestry Industry Association (IBÁ)

Paper market is **less volatile**

Resilient cash flow

Brazilian paper market is **consolidated**

Leadership position in the Brazilian market with **significant market share**

Flexibility in volume allocation

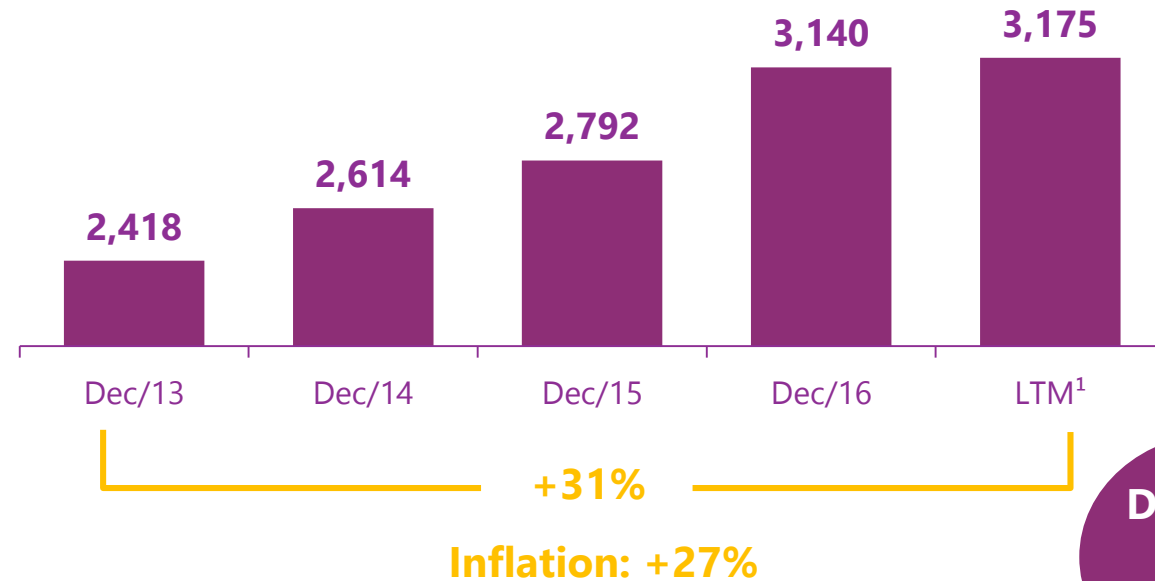
Suzano is an integrated paper producer, which leads to a higher contribution margin per ton

Price adjustment **above inflation**

Strong distribution channel in Brazil

Suzano's Go-To-Market Project in Brazil **improves paper profitability**

Suzano's Domestic Paper Prices (R\$/ton)



Domestic Sales
68%¹

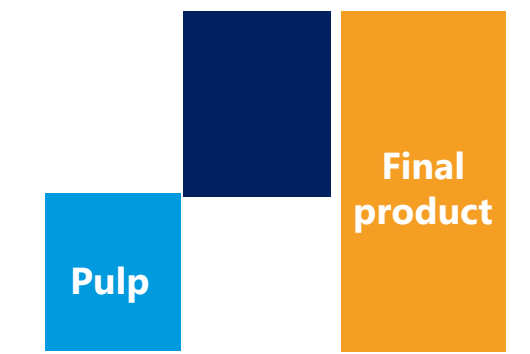
¹LTM: Last twelve months ending on 09/30/2017

TISSUE

Competitiveness on production and logistics costs adds value to pulp



Cash Flow (R\$/ton¹)



Production capacity: 120k tonnes

Start up: Sep/17 in Mucuri (Bahia State)

Start up: 4Q17 in Imperatriz (Maranhão State)

Production of jumbo rolls and final products

Modern and integrated mills



Tissue Equipment - Mucuri Unit (BA)

Operational

Integrated production and control of more than 90% of cash cost

Logistic

Production close to the North and Northeast markets in Brazil

Tax Strategy

Structural solution for monetization of "ICMS" (VAT) credits

Market Potential

Fastest growing paper segment in Brazil: +5% p.a. in 2015 (RISI)

¹ Current market price and Suzano's cost expectations.

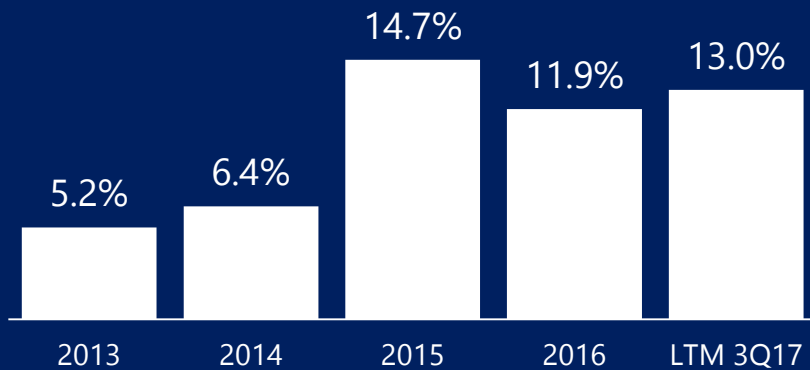
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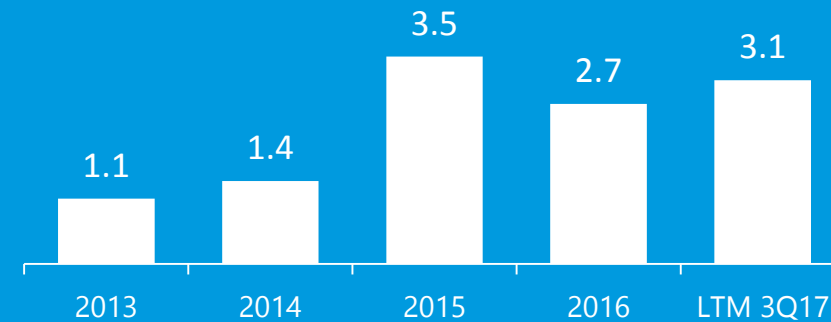


ROIC: indicator used to manage Suzano

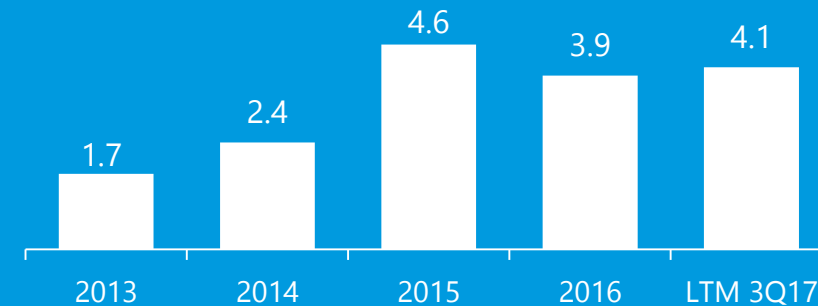
ROIC (%)



Operating Cash Flow¹ (R\$ billion)



Adjusted EBITDA (R\$ billion)



793	745	784	696	748	Avg. Europe FOEX (US\$/ton)
677	609	641	517	590	Avg. China FOEX (US\$/ton)
2.16	2.35	3.33	3.49	3.20	Average FX (R\$/US\$)

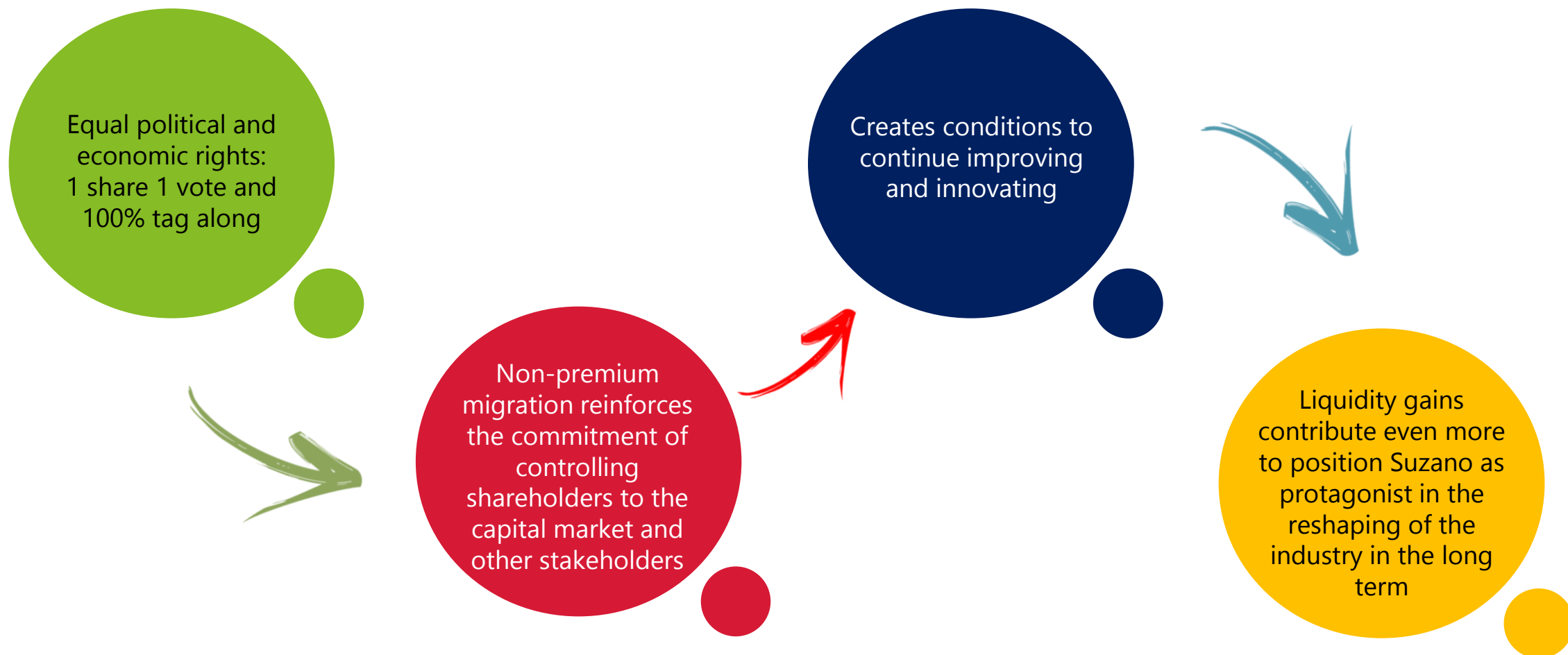
¹ Operating Cash Flow = Adjusted EBITDA – Sustaining Capex
LTM: Last twelve months ending on 09/30/2017

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Migration to *Novo Mercado* materializes the *commitment* to cultivate the *highest standards of governance*



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Suzano's multiple does not reflect the highlight operational and financial performance in the industry

	SUZANO	FIBRIA	KLABIN
Adjusted EBITDA¹ (R\$ billion)	4.6	6.1	3.3
EV² (R\$ billion)	22.5	29.0	19.6
Operational Cash Flow³ (R\$ billion)	3.4	3.1	2.5
EV² / Operational Cash Flow³	8.8x	12.0x	11.6x

Potential re-rating to come with governance upgrade

¹ Adjusted EBITDA: sell side analysts estimates for 2018.

² Enterprise Value: sell side analysts estimates for 2018.

³ Operating Cash Flow = Adjusted EBITDA¹ – Sustaining Capex estimated for 2018.

Thank you!

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