



Earnings Conference Call

**1Q19**

# Disclaimer



This presentation contains certain statements that are considered “forward-looking statements,” as defined in Section 27A of the Securities Act of 1933 and in Section 21E of the Securities Exchange Act of 1934, as amended. Some of these forward-looking statements are identified with words such as “believe,” “may,” “could,” “would,” “possible,” “will,” “should,” “expect,” “intend,” “plan,” “anticipate,” “estimate,” “potential,” “outlook” or “continue,” as well as the negative forms of these words, other terms of similar meaning or the use of future dates. The forward-looking statements in this presentation include, but are not limited to, statements relating to the declaration or payment of dividends, implementation of key operating and financial strategies and investment plans, the direction of future operations and factors or trends that affect the financial situation, liquidity or operating results are a few examples of forward-looking statements. These statements reflect the current vision held by Management and are subject to diverse risks and uncertainties. Such statements are qualified in accordance with the inherent risks and uncertainties involving future expectations in general, and actual results could differ materially from those currently expected due to diverse risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on diverse assumptions and factors, which include general macroeconomic and market conditions, industry conditions and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations. Suzano does not undertake any obligation to update any of these forward-looking statements as a result of new information, future events or otherwise, except when expressly required by law. All forward-looking statements in this presentation are qualified in their entirety by this disclaimer.

## **NO OFFER OR BID**

This presentation is merely for information purposes and is neither an offer to sell nor a tender offer for the subscription or purchase of shares, nor is it a substitute for any materials that Suzano will file, if requested, with the U.S. Securities and Exchange Commission (“SEC”). No securities offering will be carried out in the United States other than through a prospectus that meets the requirements of Section 10 of U.S. Securities Act of 1933, as amended, or in accordance with any exemption defined in said law.

## HIGHLIGHTS

# Volatility management strategy and resilient results



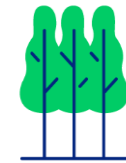
Net average export price - pulp: US\$ 711 / t



Adjusted EBITDA/ton<sup>1</sup> - pulp: R\$ 1,480

Adjusted EBITDA/ton – paper: R\$ 1,145

Operating Cash Generation<sup>2</sup>: R\$ 1.8 billion



Financial leverage (US\$)<sup>3</sup>: 3.3x



**Synergies** being captured as planned

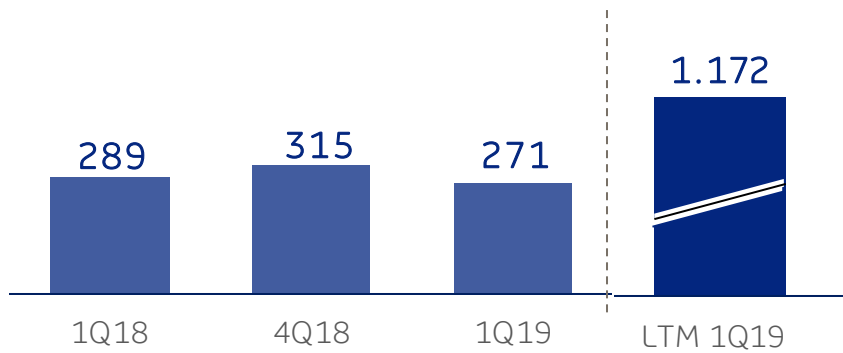
<sup>1</sup>Excluding the volume related to Klabin sales | <sup>2</sup>Operating cash generation = Adjusted EBITDA less maintenance capex. | <sup>3</sup> Net Debt / Adjusted EBITDA in the last 12 months.

# Paper

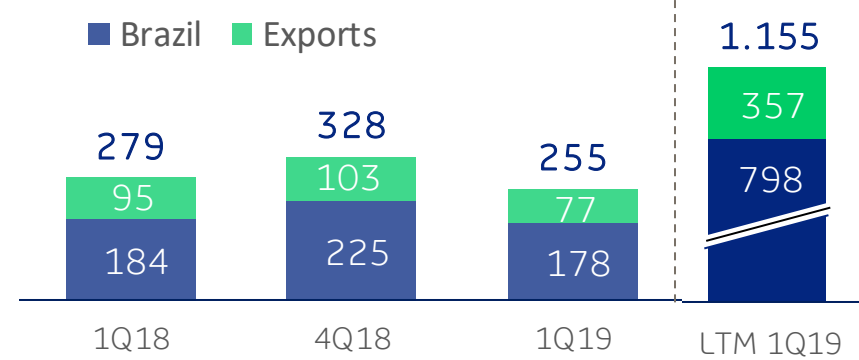
## Favorable margin performance, even with concentrated annual maintenance downtimes



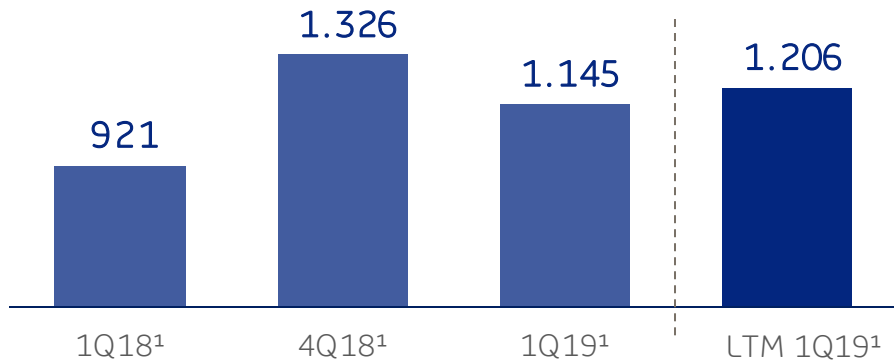
### Paper Production ('000 tons)



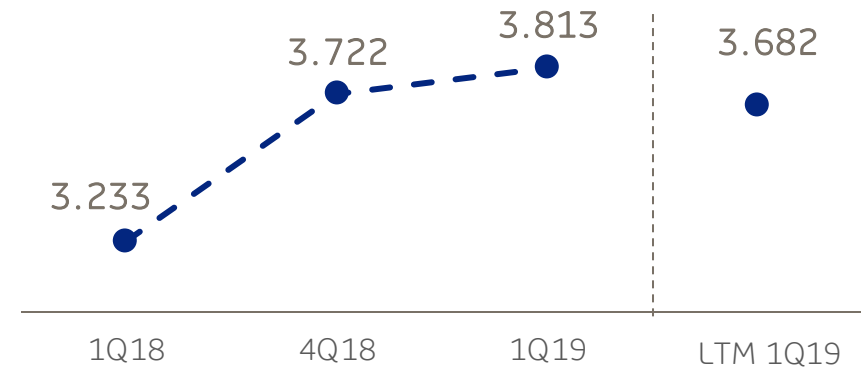
### Paper Sales ('000 tons)



### Adjusted EBITDA from Paper (R\$/ton)



### Net Average Price (R\$/ton)



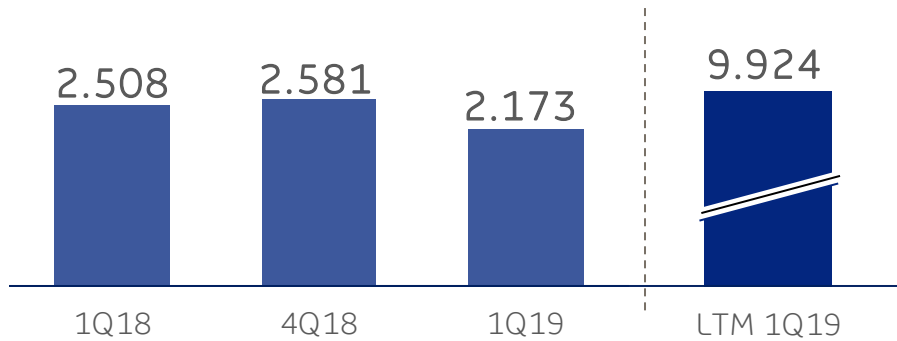
Excluding the consumer goods unit. | <sup>1</sup> Impact of Long Term Incentives of Management: (i) 1Q18: -R\$ 34/ton on EBITDA; (ii) 4Q18: -R\$ 36/ton on EBITDA; (iii) 1Q19 :-R\$ 19/ton on EBITDA (iv) LTM 1Q 2019 :-R\$ 60/ton

# Pulp

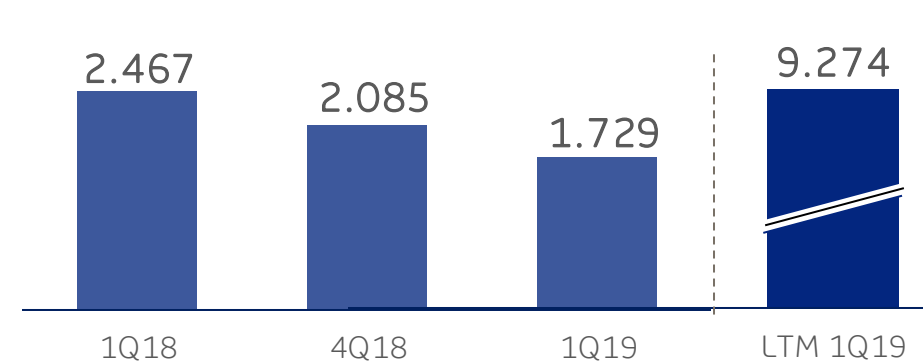
## Challenging market scenario reflected in the quarterly results



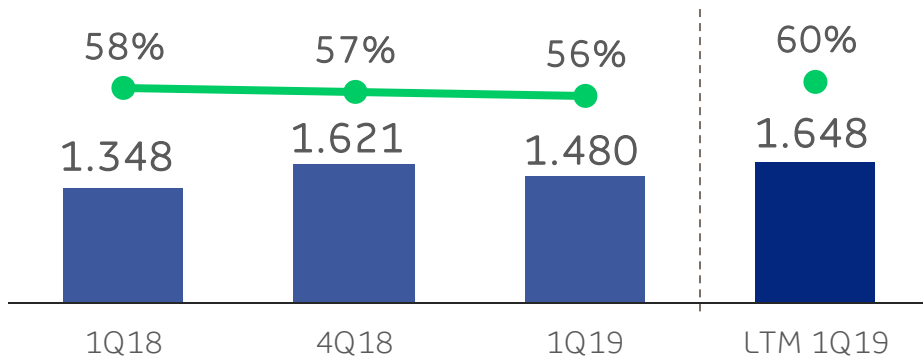
Pulp Production ('000 tons)



Pulp Sales ('000 tons)



Adjusted EBITDA (R\$/ton) and EBITDA Margin<sup>1</sup> (%)



NAP - Net average price<sup>2</sup> (US\$/ton)



FX Average R\$3.24      R\$3.81      R\$3.77      R\$3.79

FX Average R\$3.24      R\$3.81      R\$3.77      R\$3.79

<sup>1</sup> Excluding revenue from Klabin sales

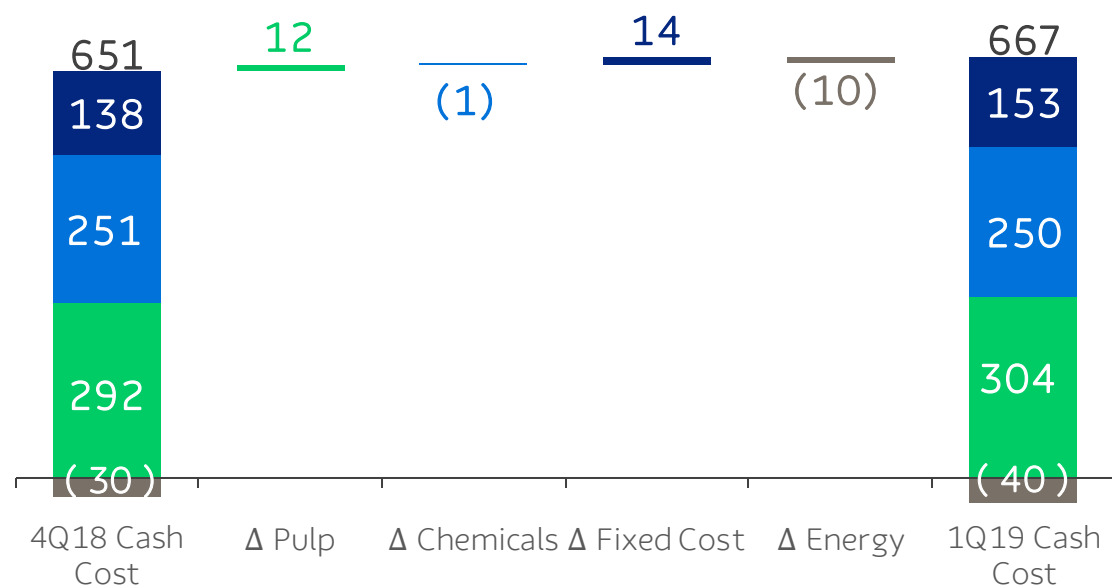
<sup>2</sup> Including pulp from Klabin | Note: for 1Q18, 4Q18 and LTM 1Q19 data is pro forma, considering the sum of the results of the companies, or weighted where applicable

# Pulp

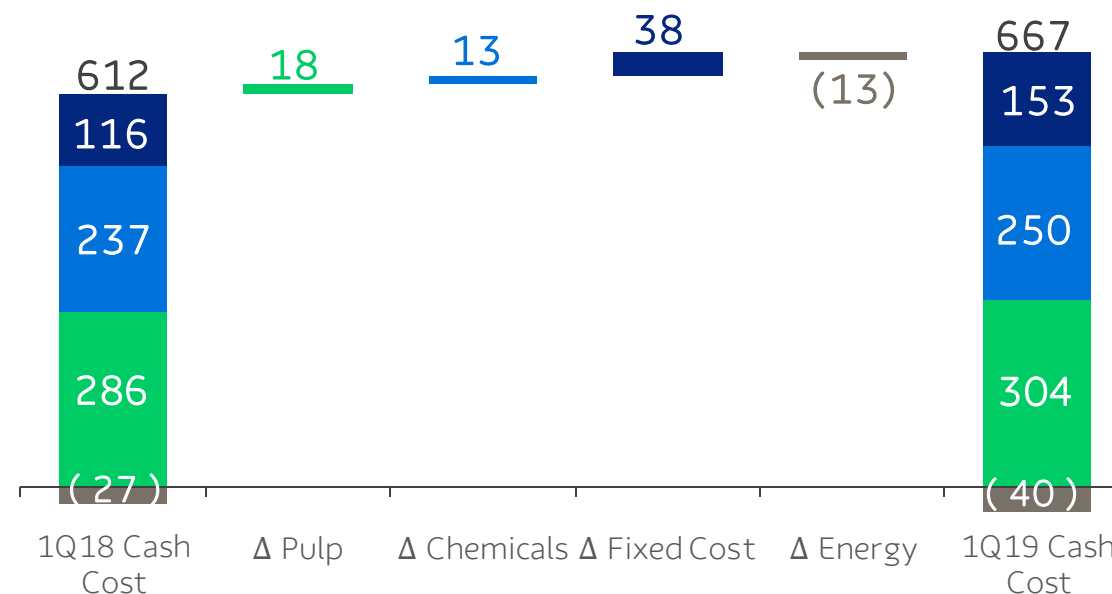
## Cash cost pressured by lower production volume and wood supply mix



Cash cost of pulp<sup>1</sup> - 1Q19 vs. 4Q18 (ex-downtimes - R\$/ton)



Cash cost of pulp<sup>1</sup> - 1Q19 vs. 1Q18 (ex-downtimes - R\$/ton)



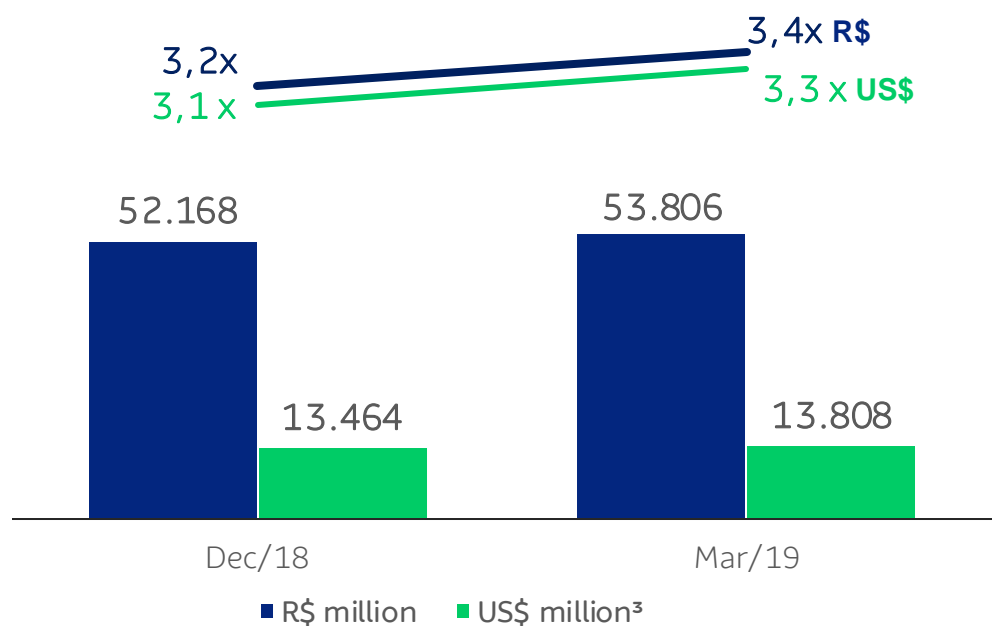
■ Pulp ■ Chemicals ■ Fixed Cost ■ Energy

<sup>1</sup>For 4Q18 and 1Q18 data is pro forma, considering the sum of the results of the companies, or weighted, when applicable.

# Strong Liquidity Position and Adequate Debt Profile

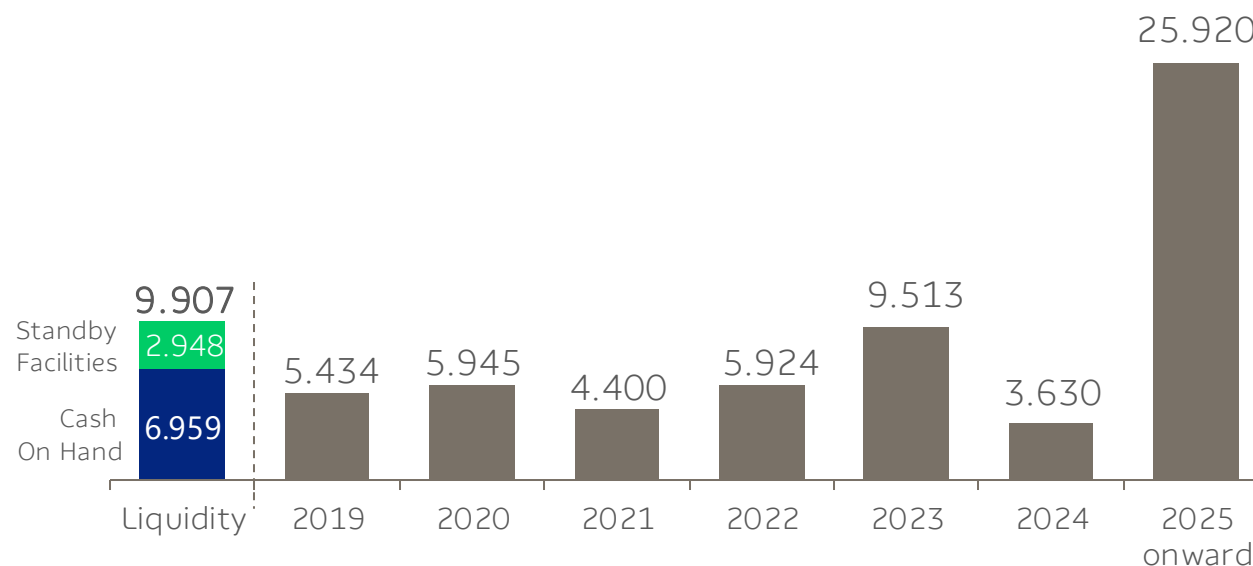


## Net Debt (million) and Leverage (in times)



## Amortization Schedule (R\$ million)

Average Cost (US\$)<sup>2</sup>: 4.7% p.a.    Average Term: 75 months



<sup>1</sup>Pro forma net and gross debt consider on 12/31/2018: (i) the accounting position of Suzano and Fibria; (ii) less payment of the Cash Portion of the transaction (R\$ 27.8 billion); (iii) plus cash and debt relating to the re-tap of the 2029 Bond (PTAX of 3.6741 R\$/US\$ on 02/05/2019); (iv) plus cash and debt relating to the 7th issue of debentures (R\$ 4.0 billion); (v) less early payment of CRA of Fibria (R\$ 879 million). <sup>2</sup>Total average cost in US\$ considering the debt in BRL adjusted by the market swap curve. <sup>3</sup>Closing rate (BRL/USD): Dec/18: R\$ 3.87; Mar/19: R\$3.90

# Investments

## Execution as planned



Capex (R\$ billion)	2018 <sup>1</sup>	1Q19	2019e
Sustaining	3.9	1.0	4.0
Modernization and Expansion	2.0	0.1	0.6
Port Terminals	0.2	0.1	0.4
Forest and Land	1.3	0.3	1.4
Total	7.4	1.4	6.4

<sup>1</sup>Data pro forma, considers the sum of results of the companies, or weighted where applicable.



# Adjustment of production to meet demand and manage inventory levels

## Maximization of NPV in the long term



Preservation of more productive forest base



Wood supply mix management



Gradual implementation during the year

## Estimated Market Pulp Production in 2019<sup>1</sup>

**9.0 – 9.4**  
million tons

<sup>1</sup>Production capacity depending on conditions of global pulp market.



*Thank you!*

Investor Relations

[www.suzano.com.br/ir](http://www.suzano.com.br/ir)

[ri@suzano.com.br](mailto:ri@suzano.com.br)