



# BTG Pactual 20<sup>th</sup> CEO Conference Brazil 2019

February, 2019

# Disclaimer



The statements in this presentation constitute forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that could cause the Company's actual results to differ materially from those set forth in the forward-looking statements. These risks include changes in customer demand for the Company's products, changes in raw material costs, seasonal fluctuations in customer orders, pricing actions by competitors, significant changes in the applicable rates of exchange of the Brazilian real against the US dollar, and general changes in the economic environment in Brazil, emerging markets or internationally. This presentation and its content may contain certain assertions that are considered "forward-looking statements," as defined in Section 27A of the 1933 Securities Act and in Section 21E of the 1934 Securities Exchange Act, 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.



Resulting Company



# Compelling Strategic Combination

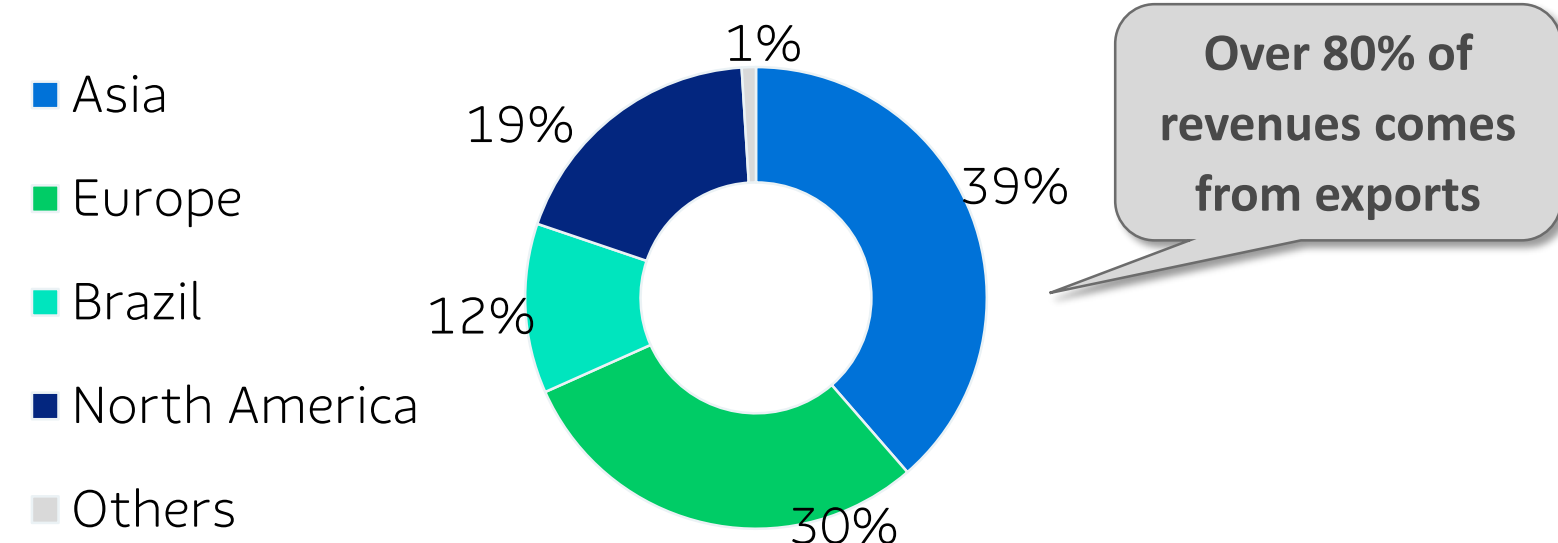


The combination of Suzano and Fibria will create benefits of scale and synergies

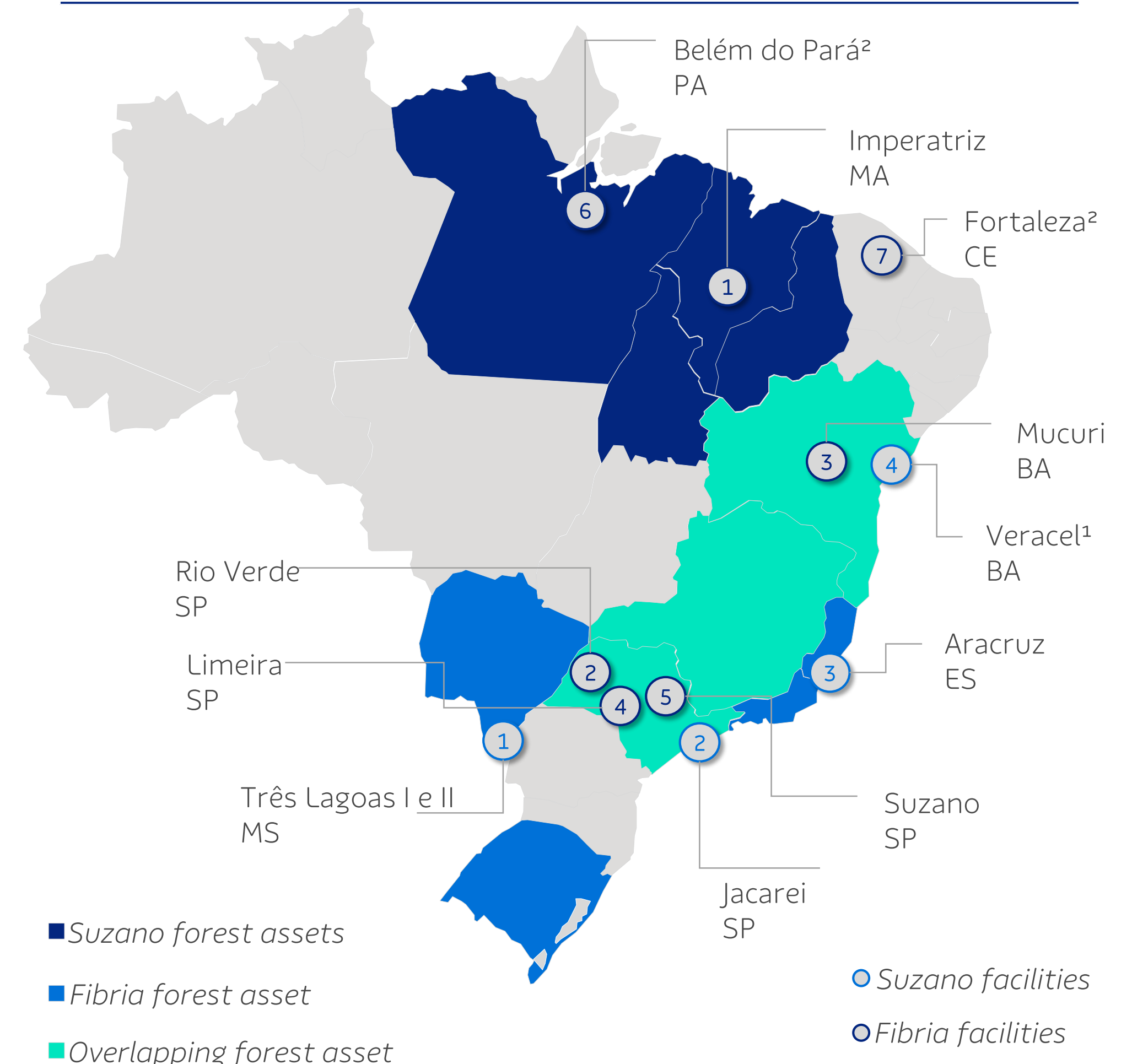
## Key highlights

- ✓ **Strong competitive profile:** 11 million tons of market pulp and 1.4 million tons of paper
- ✓ **Robust asset base** with unmatched long term competitive advantages
- ✓ **Superior platform** to explore diversification into adjacent businesses
- ✓ **Brazilian forestry competitiveness** allows lower cost of wood
- ✓ **Relevant operating and financial synergies**
- ✓ **Geographically diversified revenue**

## Pro forma revenue breakdown by region – 2018



## Consolidated Geographic Footprint



# Pro Forma Performance<sup>1</sup>

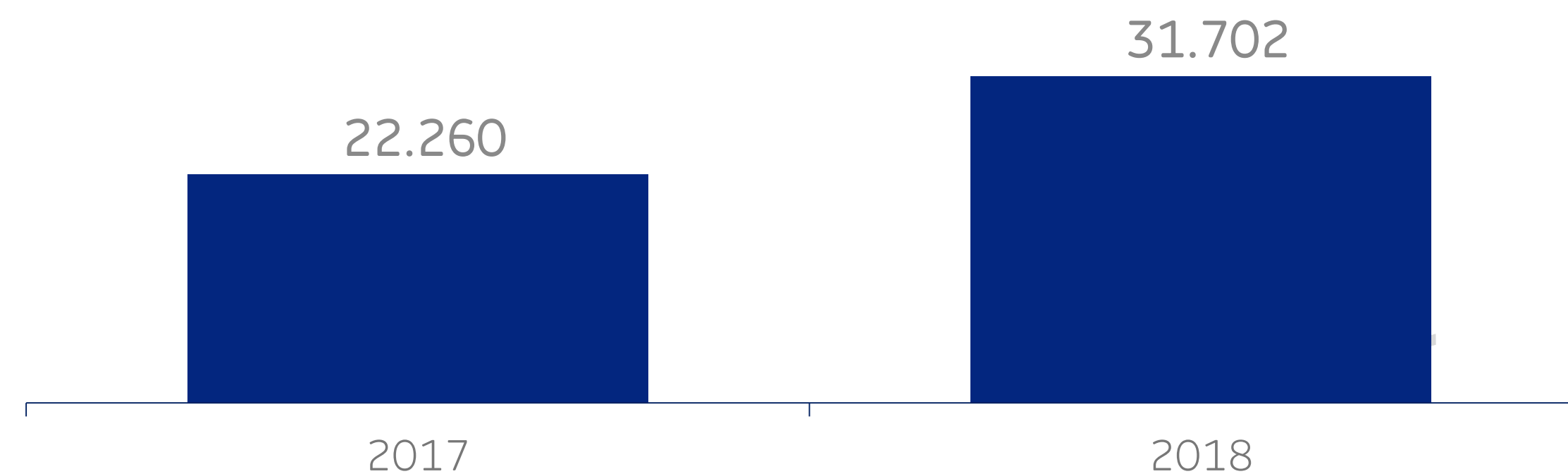
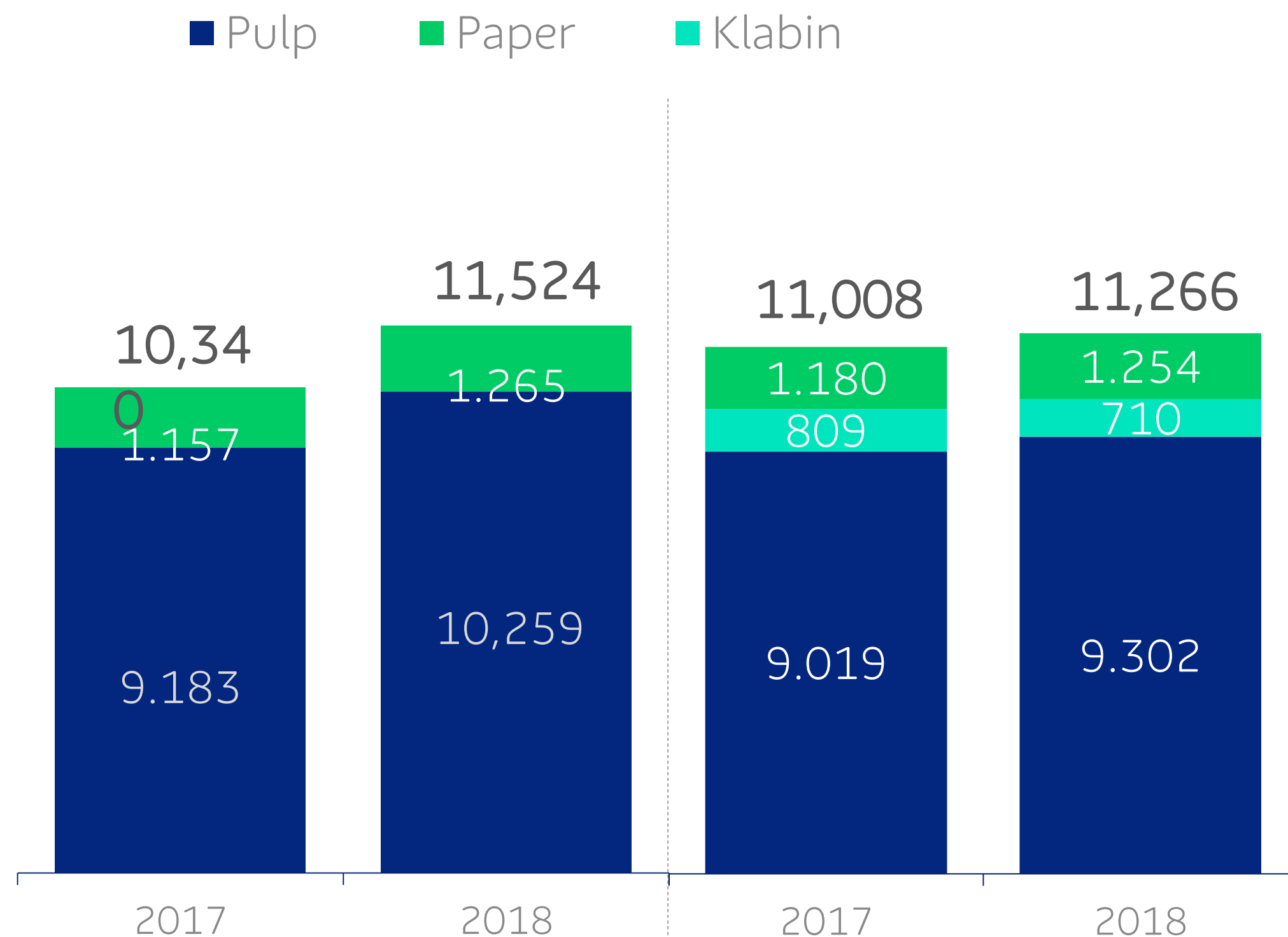


Revenue favored by higher volumes and prices

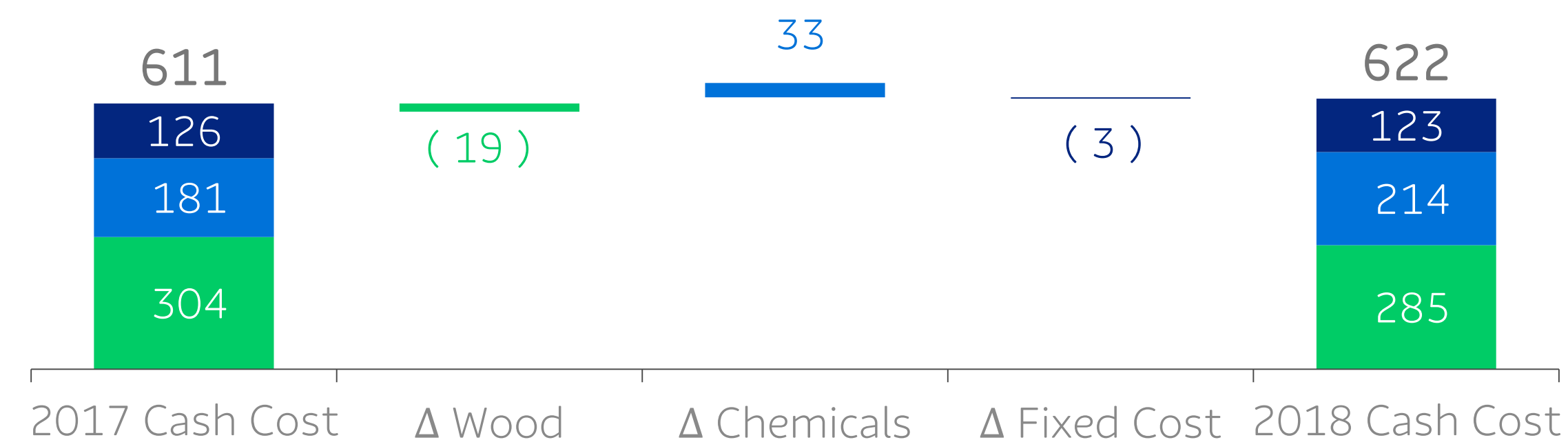
Production ('000 ton)

Sales<sup>2</sup> ('000 ton)

Net Revenue (R\$ million)



Pulp Cash Cost (excluding downtimes - R\$/ton)



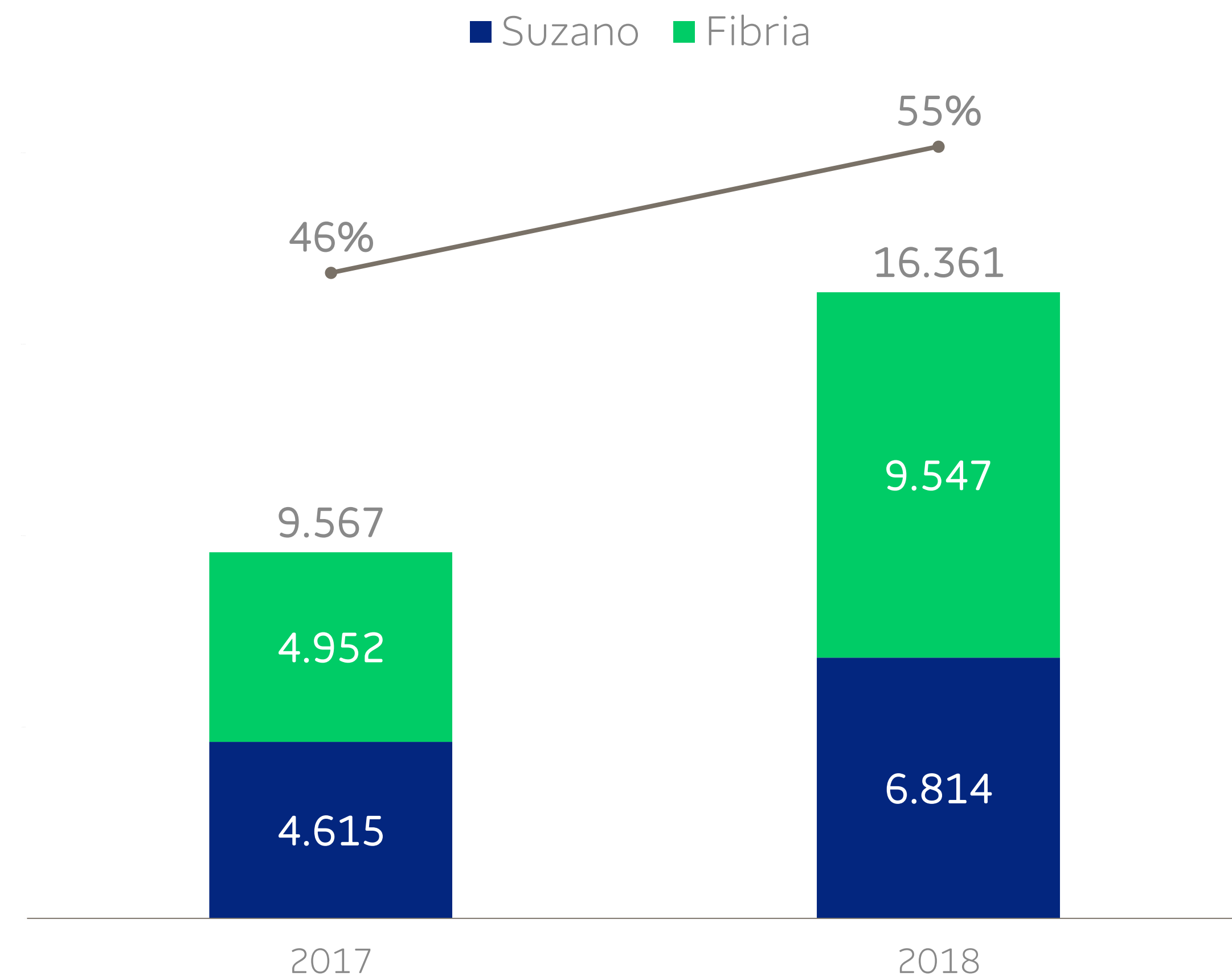
<sup>1</sup> Not audited. The data represents simple or weighted sum out of the main indicators of Suzano + Fibria. <sup>2</sup> Includes sales from the commercial agreement with Klabin.

# Pro Forma Performance<sup>1</sup>

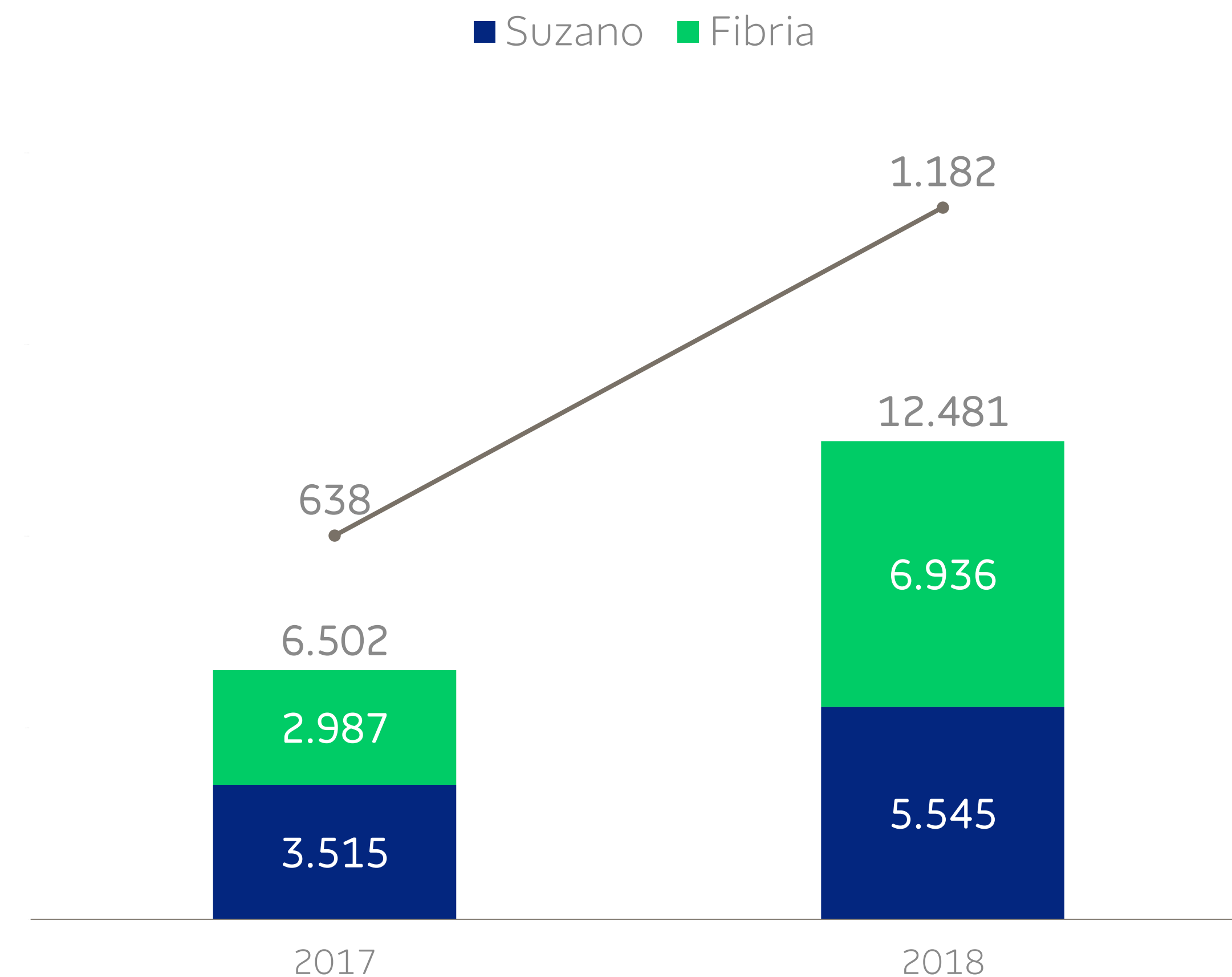


Record Adjusted EBITDA and Operational Cash Generation for both companies

Adjusted EBITDA<sup>2</sup> (R\$ million) and Margin<sup>2</sup> (%)



Operational Cash Generation<sup>3</sup> (R\$ million and R\$/ton)



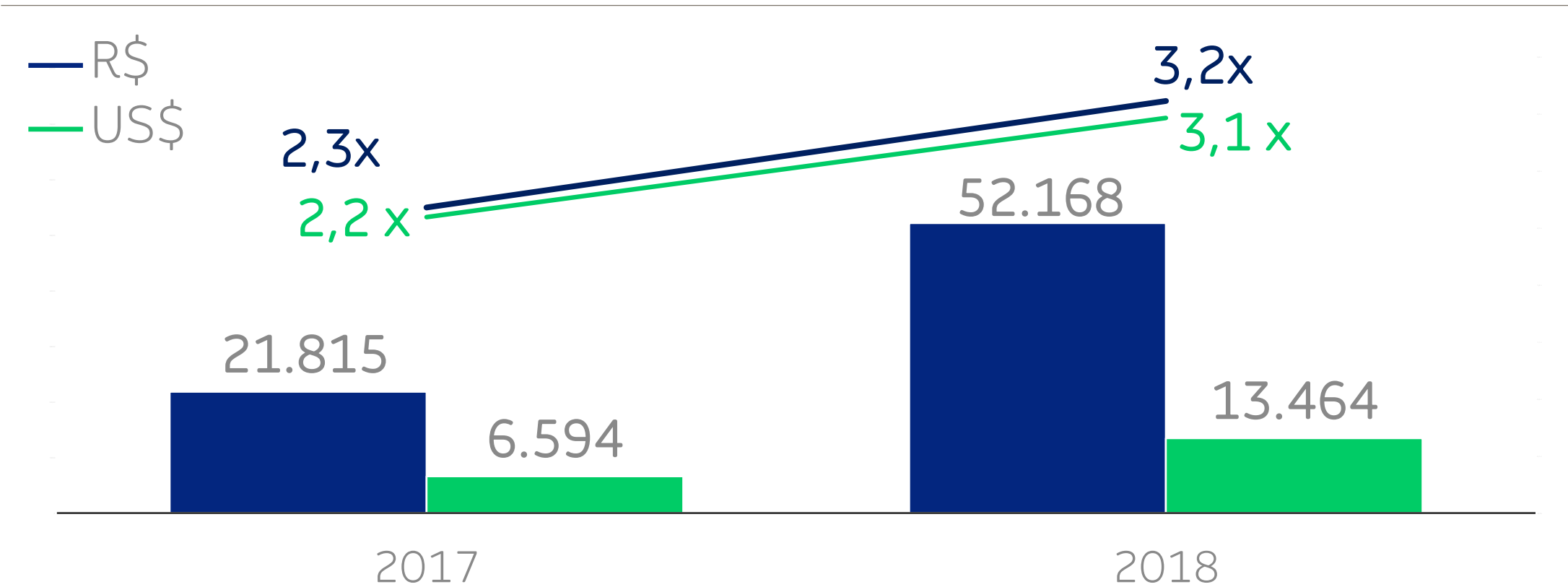
<sup>1</sup> Not audited. The data represents simple or weighted sum out of the main indicators of Suzano + Fibria. <sup>2</sup> Excludes sales from the commercial agreement with Klabin. <sup>3</sup> Operational Cash Generation = Adjusted EBITDA less Sustaining CAPEX.

# Adjusted Pro Forma Indebtedness<sup>1</sup>

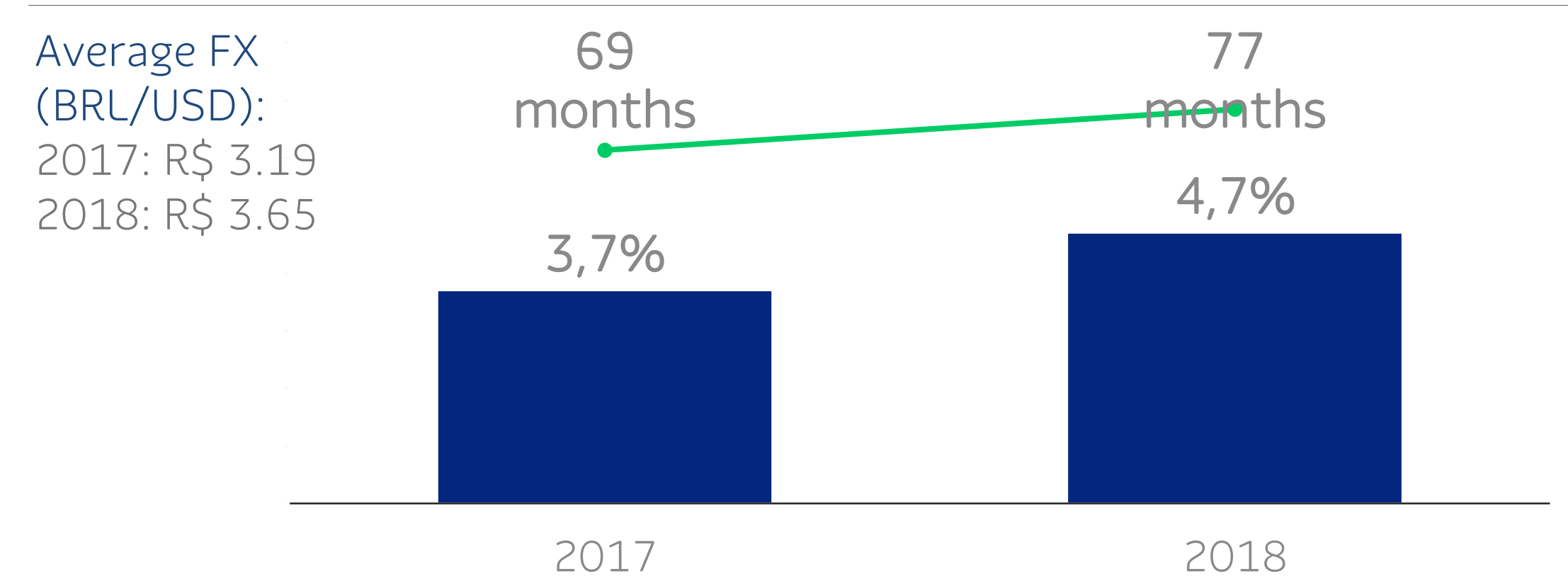


Long-term debt with competitive cost

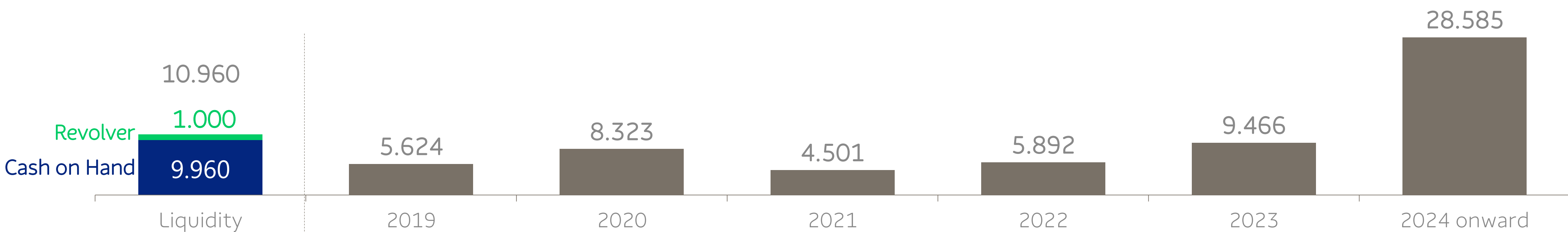
Net Debt<sup>2</sup> (million) and Leverage (in times)



Average Cost<sup>3</sup> (US\$) and Debt Maturity (months)



Amortization Schedule<sup>2</sup> (R\$ million)



<sup>1</sup> Not audited. <sup>2</sup> The gross and net debt considers: (i) the accounting position of Suzano and Fibria on 12/31/2018; (ii) less the transaction's Cash Installment payment (R\$ 27.8 billion); (iii) plus the cash raising and debt of re-tap of the 2029 Bond (PTAX of 3.6741 R\$/US\$ on 02/05/2019); (iv) plus the cash raising and debt of the 7<sup>th</sup> debenture issuance (R\$ 4.0 billion); (v) less the advance payment of Fibria's CRA (R\$ 879 million). <sup>3</sup> Average cost in US\$ based on market swap curve.



Bonds

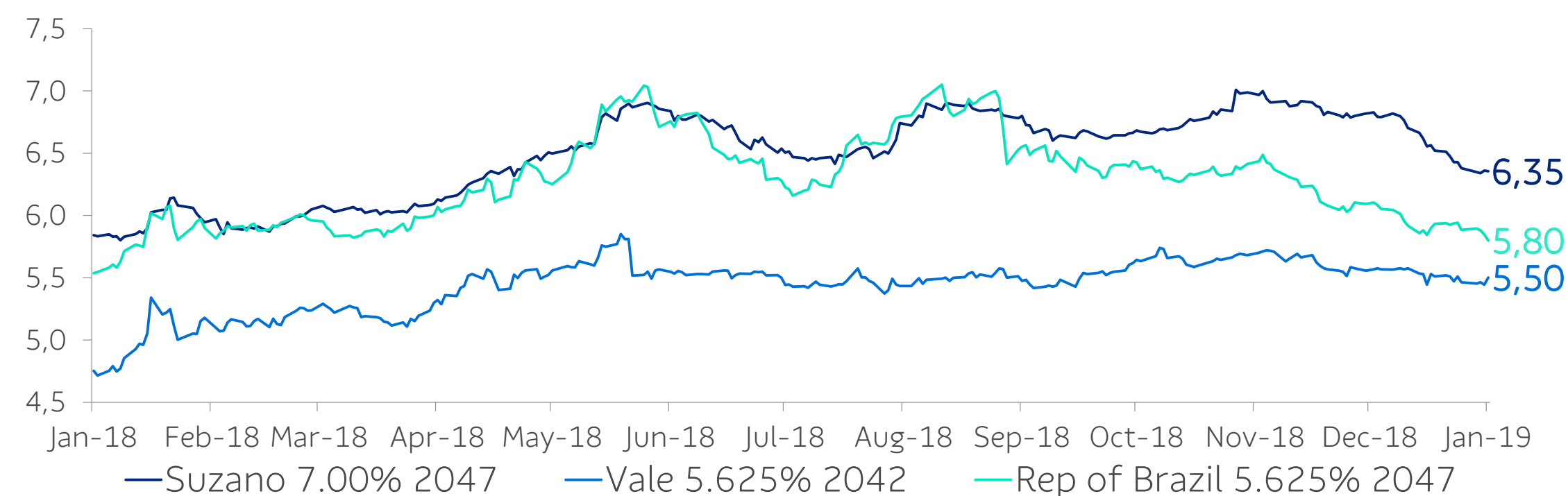




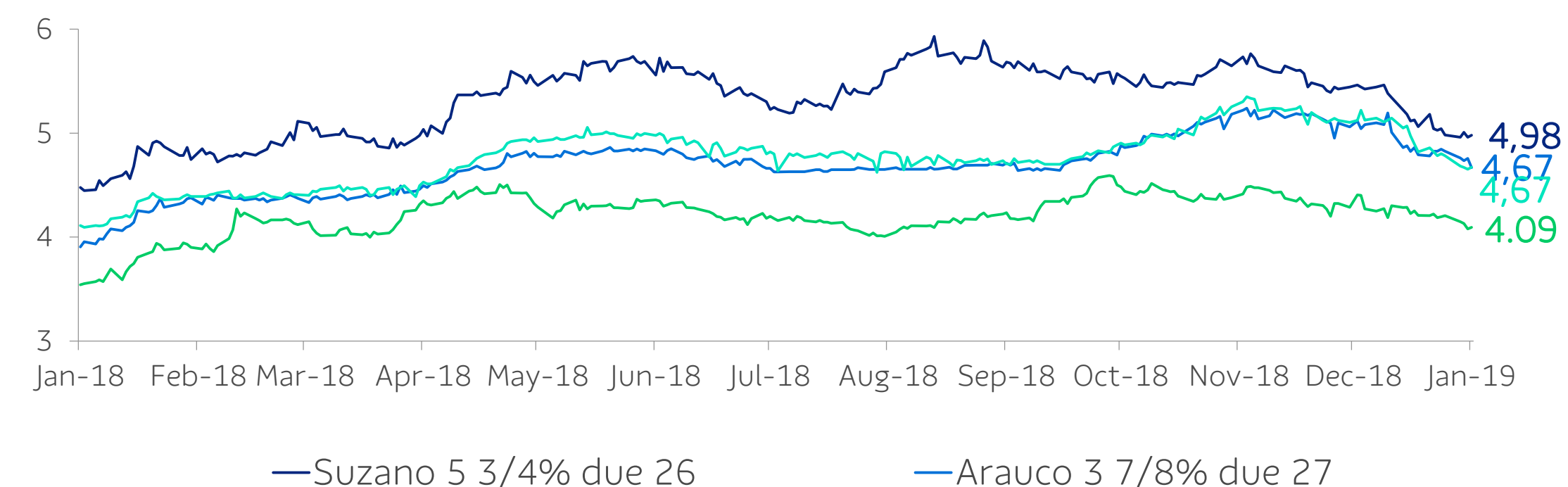
# Suzano's secondary market performance



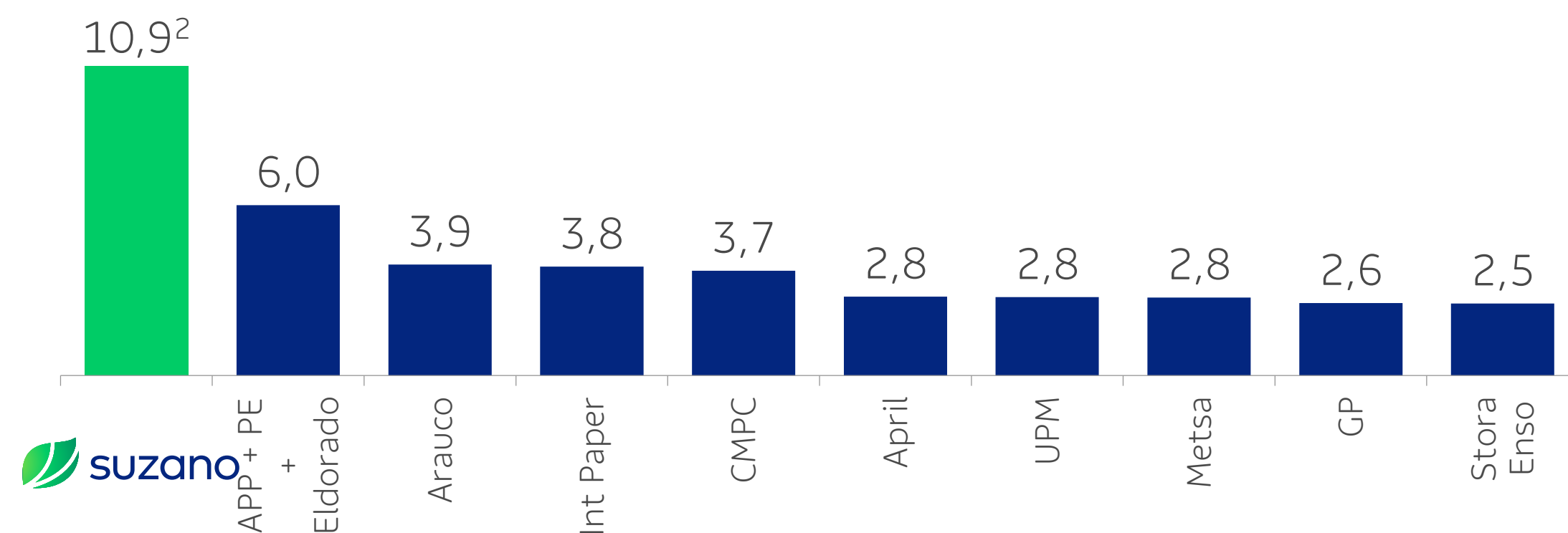
## Yield evolution (Bid YTM, %)



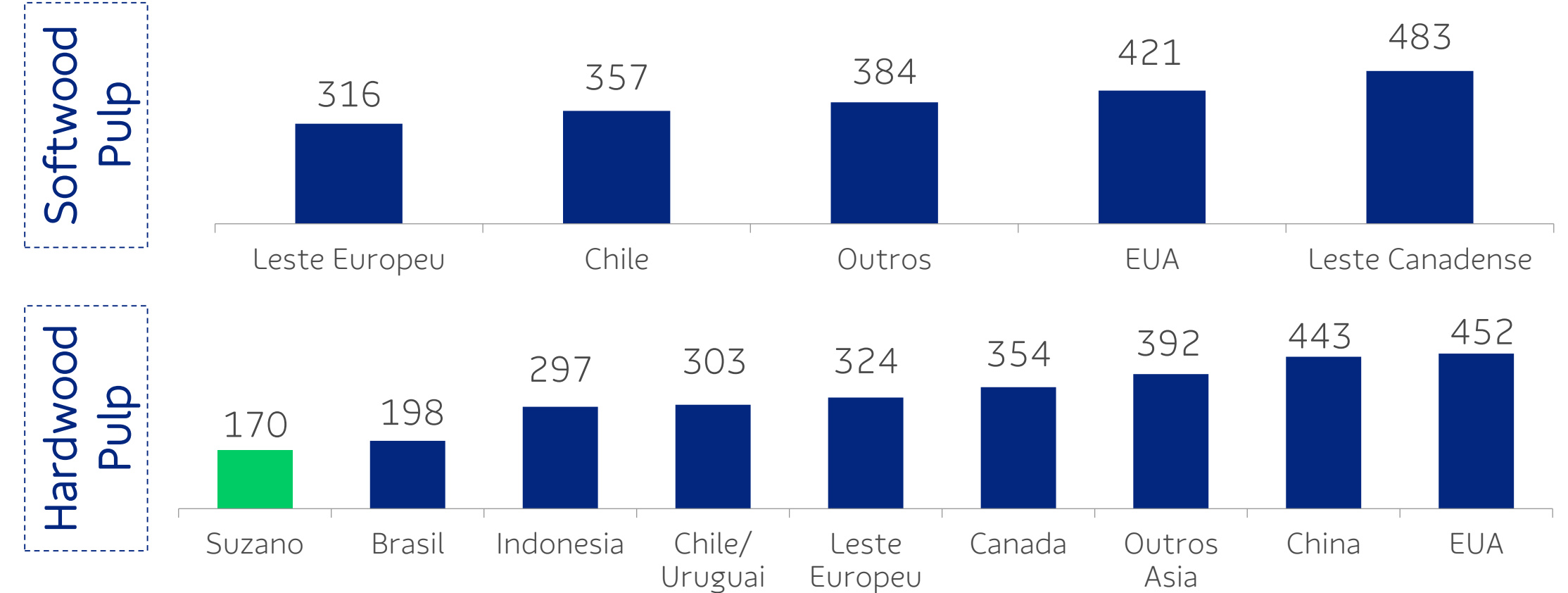
## Yield evolution (Bid YTM, %)



## Pulp Production Capacity (million tons)<sup>1</sup>



## Cash Cost 2017 (USD/ton)



Source: Bloomberg as of January, 2019 | Hawkins Wright, Outlook for market pulp as of December 2017 ex-freight and sales costs (Brazil and Suzano: exchange rate of R\$3.2790/US\$) | (1) Hawkins Wright, Outlook for market pulp demand – considers the total installed capacity as reported in the companies' public filings and investor relations, including of operations to be initiated | (2) Suzano's market pulp (3,640kt) and Fibria (7,250kt), based on companies websites.



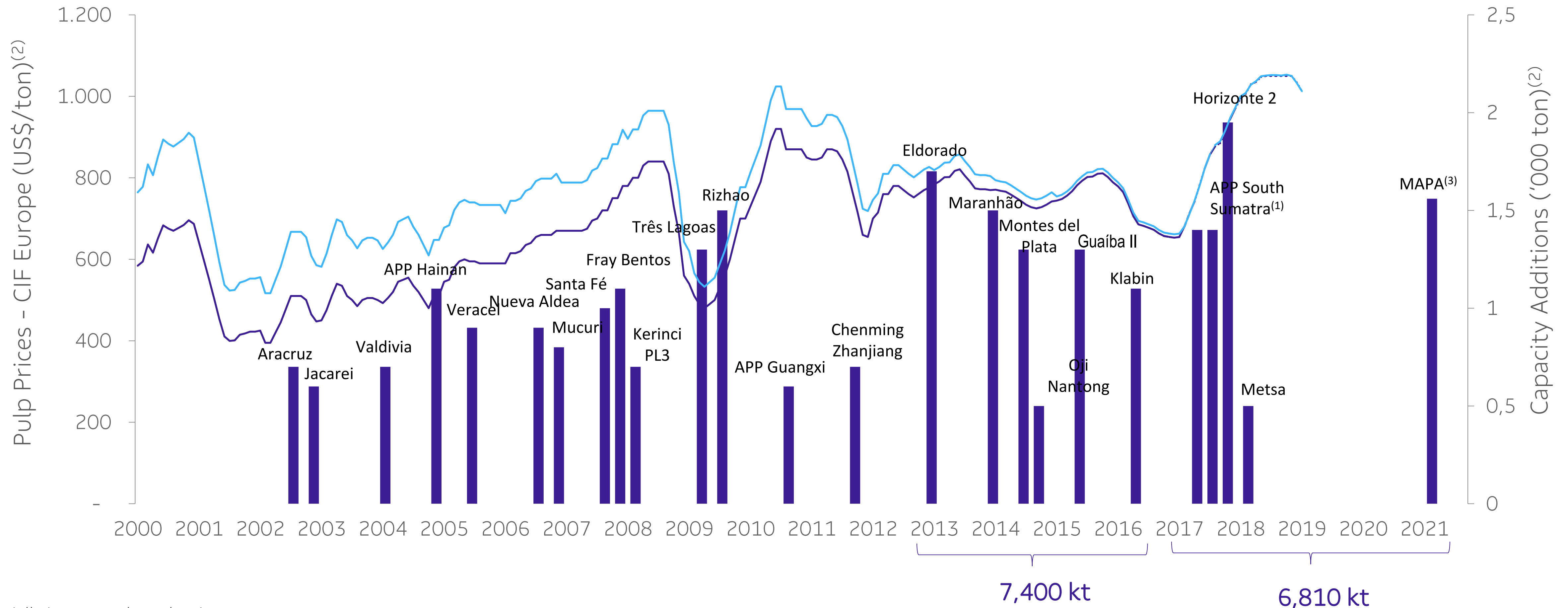
# Pulp Market



# Capacity Investment Pipeline



No major new capacity announced after OKI and H2 projects



(1) Partially integrated production

(2) Sources: Hawkins Wright, Poyry and Suzano

(3) Gross capacity, does not consider the closure of Line 1 in Horcones plant (Source: RISI)

—BHKP

—BHKP adjusted by CPI



*Thank you!*

Investor Relations

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