



Eldorado
Brasil



2Q18 Results

2Q18 Highlights



• **Net Revenue: R\$ 1.14 billion, 39%** higher than 2Q17



• **Production Volume: 444 thousand tons**



• **Sales Volume: 430 thousand tons**, in line with previous quarters. Outstanding result considering trucker's strike that took place in Brazil last May

• **EBITDA: R\$ 789 million**, company's all time record, **66%** higher than 2Q17. **Margin of 69%**, biggest in the last twelve months

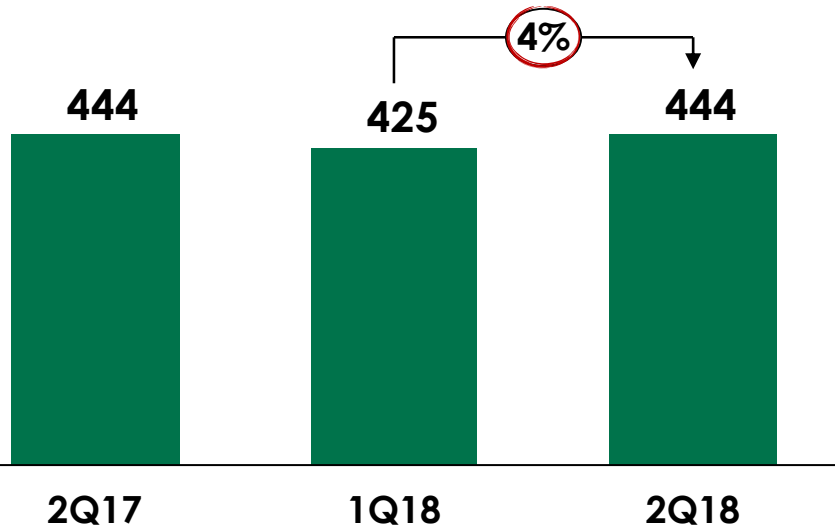


• **Leverage: 2.81x EBITDA** (LTM), strong decrease (**36%**) compared to 2Q17 and first time ever **below 3.0x**

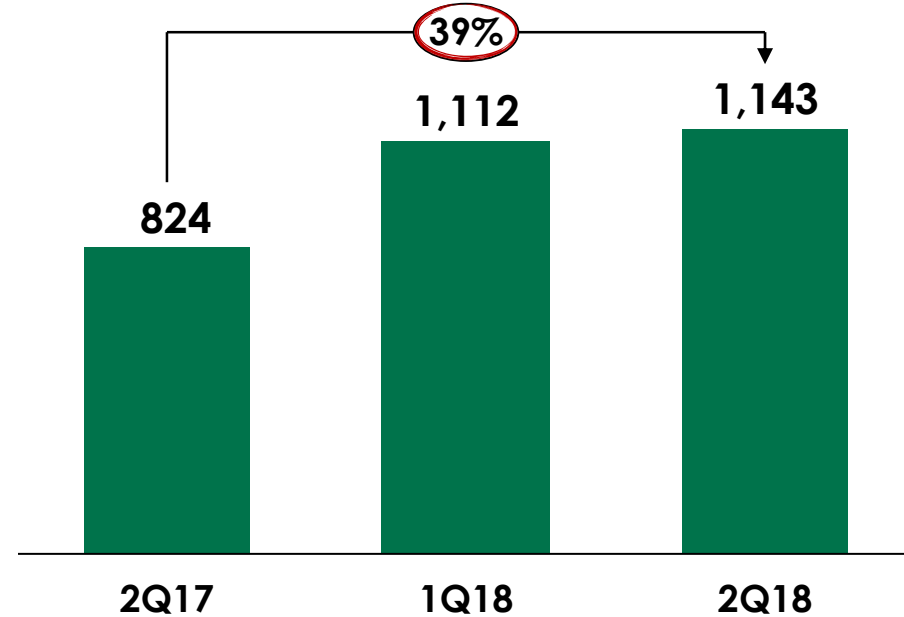
Operational Performance in 2Q18



Production Volume (thousand tons)



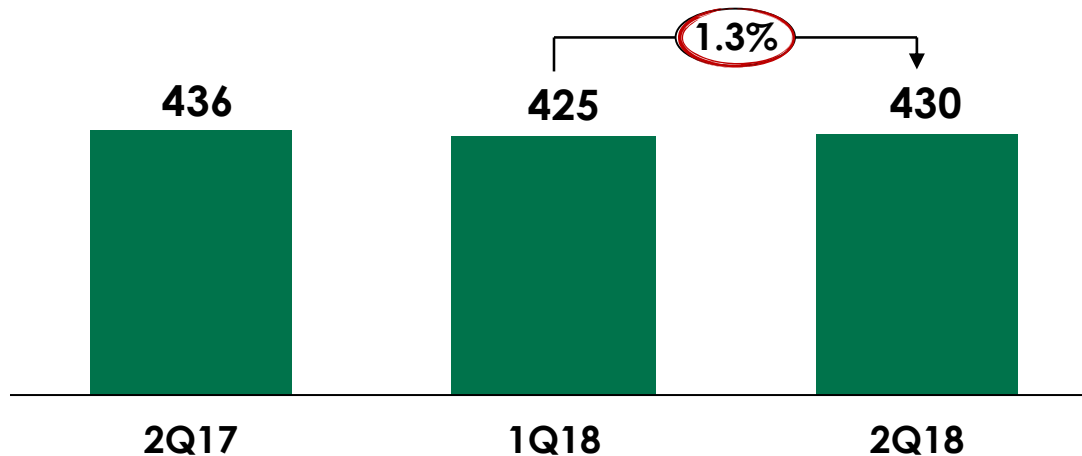
Net Revenue (R\$ million)



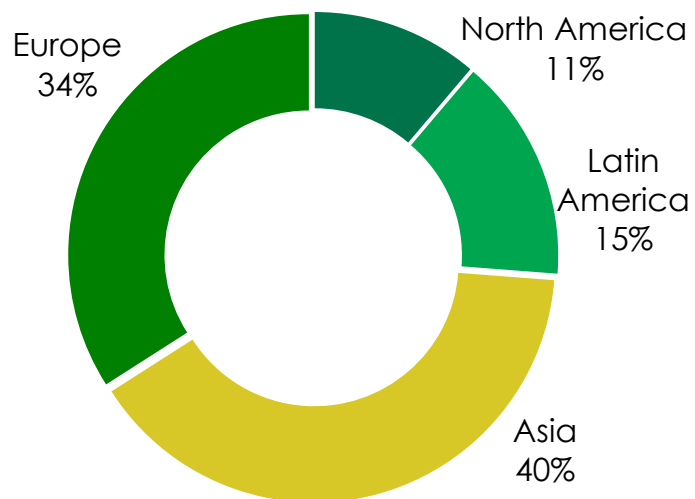
- e Operational stability, maintaining a pace of production above *1.7 million tons* for 2018
- e Company kept its quarter production continuously in the face of trucker's strike
- e Net Revenue: **39%** increase compared to 2Q17, equivalent to **R\$ 319 million**

Commercial Performance in 2Q18

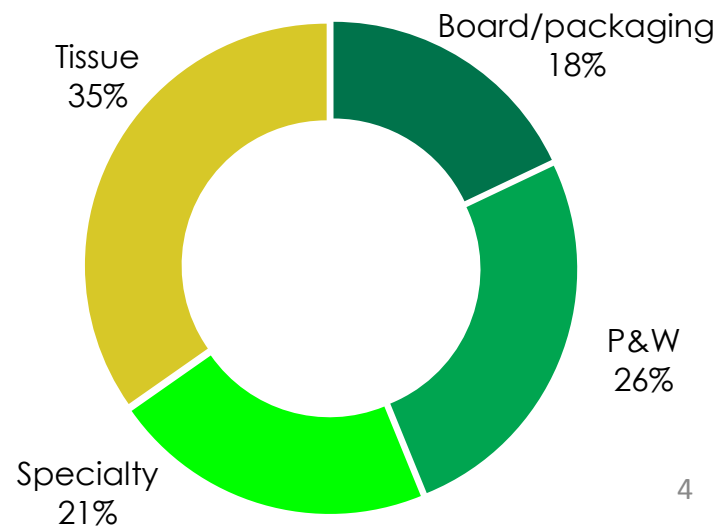
Sales Volume (thousand tons)



Sales by Region – 2Q18



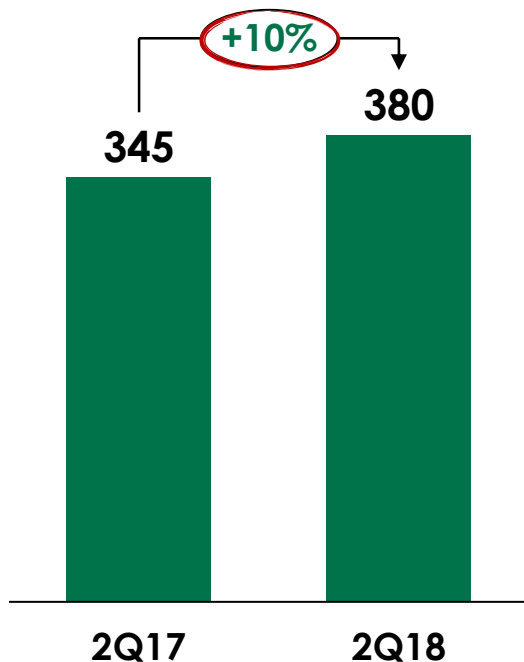
Sales by End User – 2Q18



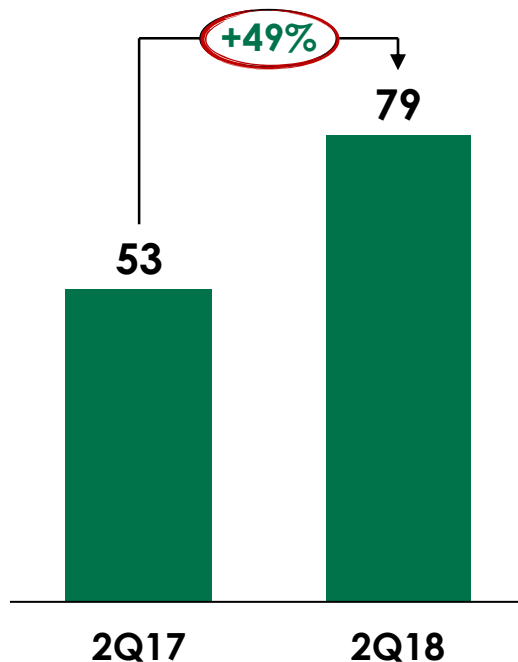
Energy Business in 2Q18



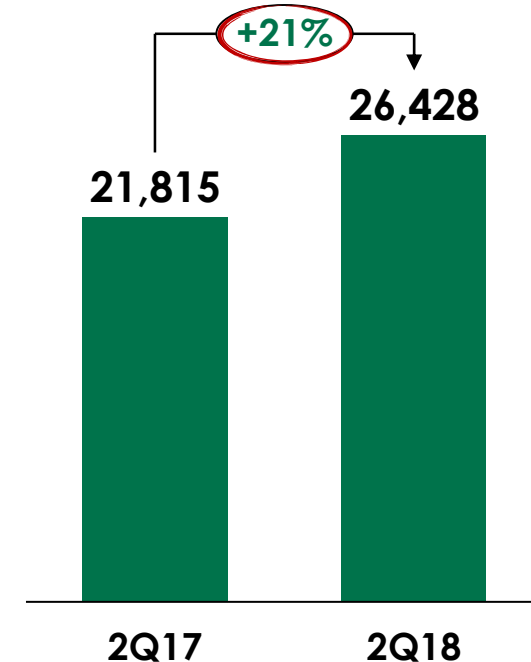
Energy Generation
(‘000 MWh)



Energy Export to Grid
(‘000 MWh)



Energy Revenue
(R\$ '000)

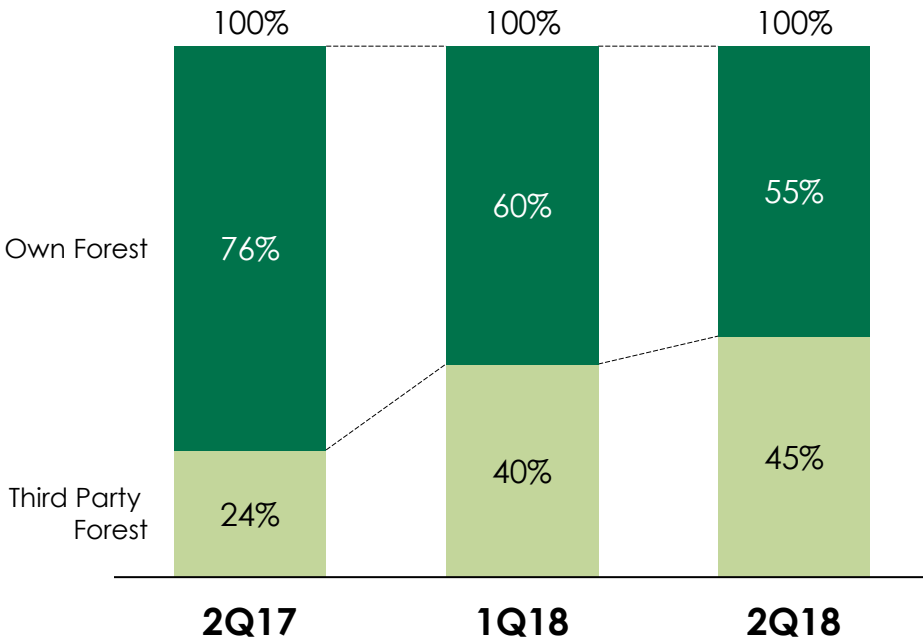


e The authorization granted by ANEEL, by which Eldorado export limit to grid expanded from 30 to **40 MWm** since nov/17, allowed a **21%** revenue increase compared to 2Q17

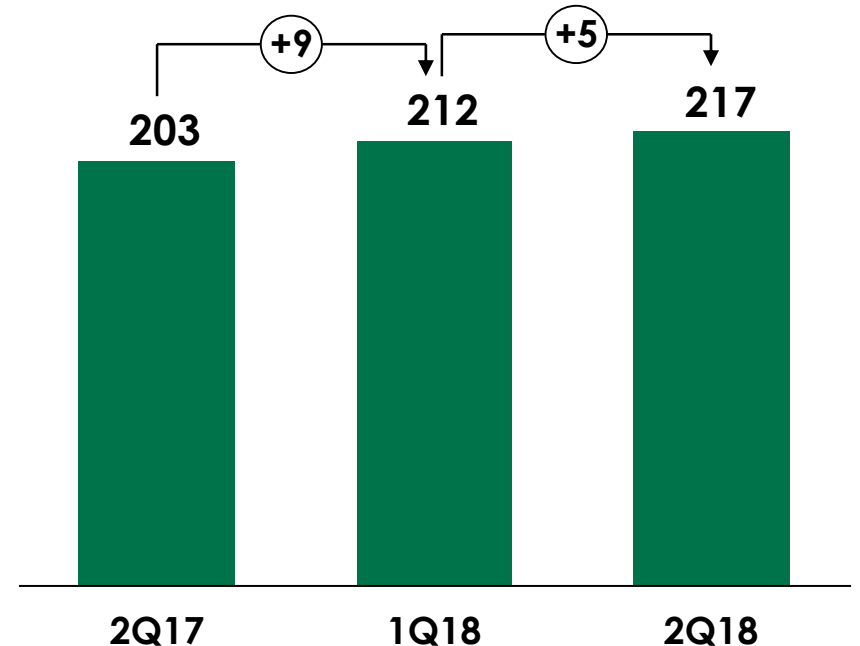
Forest Operational Performance 2Q18



Wood Supply Balance 2Q (%)



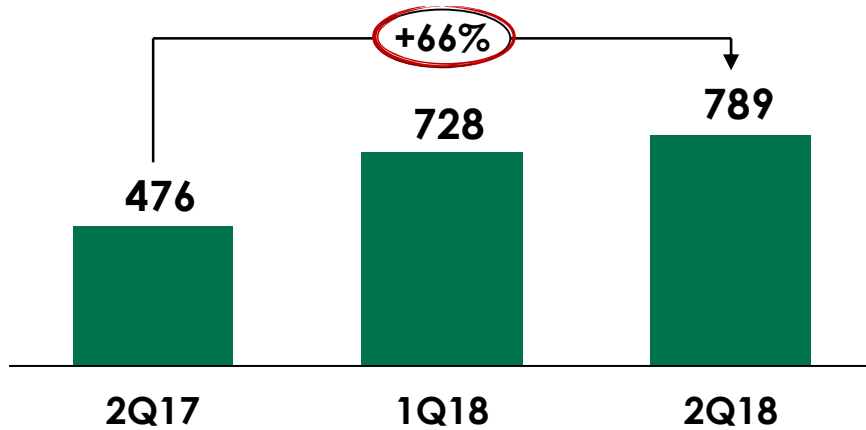
Average Transportation Distance 2Q (km)



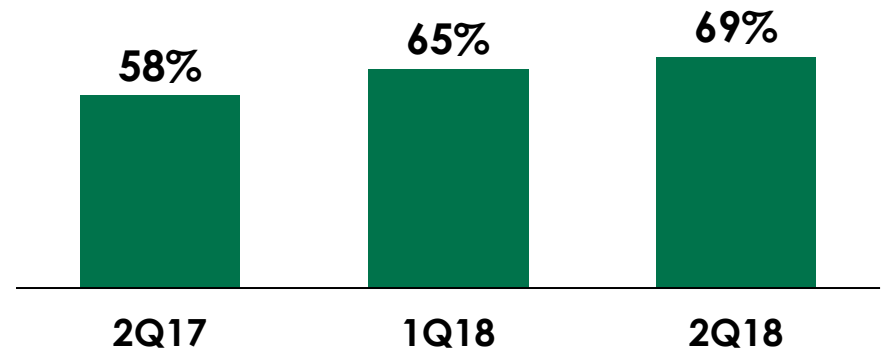
Eldorado keeps enhancing its forest management strategic plan. 100% of the wood supply come from own forests or from previously signed and sealed agreements

Company currently owns *230 thousand hectares of productive area*

EBITDA (R\$ million)



% EBITDA Margin

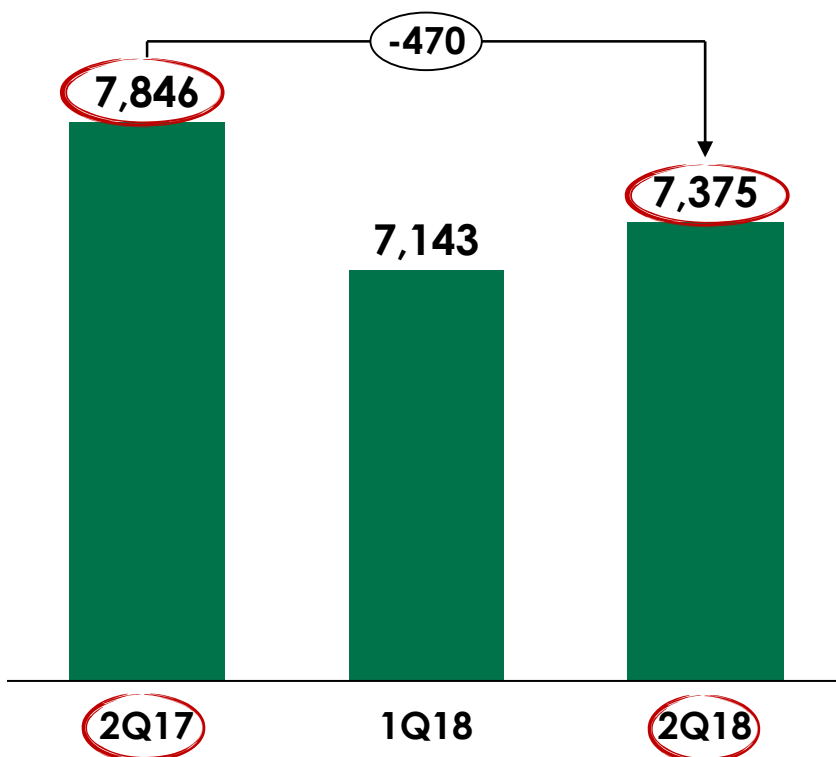


e *R\$312 million increase* in EBITDA compared to 2Q17

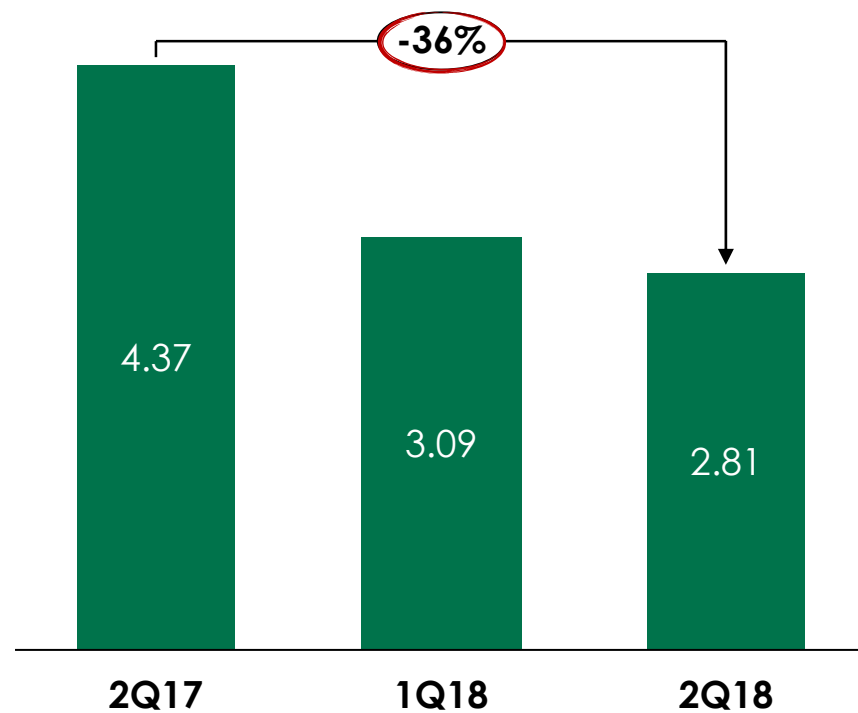
e *R\$563/t Cost Cash* in 2Q18, R\$ 9/t smaller than 1Q18

Financial Result 2Q18

Net Debt (R\$ million)



Leverage (Net Debt / EBITDA)



- e *R\$ 470 million decrease in Net Debt* compared to the same period of 2017, even considering a *negative impact of R\$ 676 million Exchange rate variation effect*.
- e Compromised to its financial strenght, the Company has downsized, for the first time ever, *leverage below 3x level*, showing the hard work towards liability management and the improvement of its image among the market

Financial Statements



Consolidated Financial Statement (R\$ '000)	2018			2017	
	2nd quarter	1st quarter	Accum.	2nd quarter	Accum.
Net revenue	1.142.604	1.112.218	2.254.822	823.661	1.519.520
Cost of goods sold	(405.463)	(446.526)	(851.989)	(390.000)	(763.407)
Gross profit	737.141	665.692	1.402.833	433.661	756.113
Operating revenues/(expenses)					
Administrative and general	(26.867)	(26.247)	(53.114)	(29.606)	(64.313)
Selling and logistics	(103.970)	(107.091)	(211.061)	(89.284)	(170.979)
Fair value of biological assets	40.186	33.031	73.217	13.263	323.522
Equity in earnings (losses) of controlled companies	-	-	-	-	-
Other revenues, net	38.347	54.260	92.607	29.706	60.665
Income before financial revenues (expenses) and taxes	684.837	619.645	1.304.482	357.740	905.008
Net financial income (loss)					
Financial (expenses)	(215.857)	(197.179)	(413.036)	(210.628)	(435.369)
Financial revenues	68.843	5.146	73.989	40.055	63.055
Exchange rate gains (losses), net	(680.647)	(22.248)	(702.895)	(205.226)	(58.978)
Income before provision for income and social contribution taxes	(142.824)	405.364	262.540	(18.059)	473.716
Income and social contribution taxes					
Current	130.248	(53.610)	76.638	5.614	(10.898)
Deferred	(34.575)	(16.222)	(50.797)	10.168	(100.635)
Net income for the period	(47.151)	335.532	288.381	(2.277)	362.183
Earnings per thousand shares	(0,03)	0,22	0,19	(0,00)	0,24

Financial Statements – 2Q18

Assets



Assets (R\$ '000)	06/30/2018	12/31/2017
Current		
Cash and cash equivalents	616.660	377.507
Trade accounts receivable	743.585	647.709
Inventories	535.537	493.109
Recoverable taxes	317.364	432.717
Advances to suppliers	12.836	33.063
Derivatives receivable	61.694	-
Intercompany receivables	9	-
Assets available for sale	-	2.113
Other current assets	31.575	39.469
Total current	2.319.260	2.025.687
Noncurrent		
Trade accounts receivable	-	683
Financial investments	212.779	219.336
Recoverable taxes	1.034.610	629.939
Advances to suppliers	92.248	83.873
Deferred income and social contribution taxes	340.289	391.044
Deposit, guarantees and others	6.291	7.164
Other noncurrent assets	14.964	14.996
	1.701.181	1.347.035
Biological assets	2.555.903	2.499.996
Investments	-	-
Fixed assets	4.416.096	4.644.597
Intangible assets	30.923	33.242
Total noncurrent	8.704.103	8.524.870
Total assets	11.023.363	10.550.557

Financial Statements – 2Q18

Liabilities and Equity



Liabilities (R\$ '000)	06/30/2018	12/31/2017
Current		
Loans and financing	2.620.213	2.392.372
Trade accounts payable	212.014	223.380
Intercompany payables	29.577	31.257
Tax liabilities, payroll and social charges	130.936	190.719
Other current liabilities	8.885	10.514
Total current	3.001.625	2.848.242
Noncurrent		
Loans and financing	5.646.098	5.659.698
Trade accounts payable	5.583	6.629
Intercompany payables	-	-
Provision for procedural risks	12.614	12.608
Provision for losses on controlled companies	-	-
Total noncurrent	5.664.295	5.678.935
Equity		
Capital stock	1.788.792	1.788.792
Tax incentive reserve	992.092	849.487
Cumulative translation adjustments	58.016	12.334
Accumulated losses	(481.457)	(627.233)
Total equity	2.357.443	2.023.380
Total liabilities and equity	11.023.363	10.550.557

Our Values



Competitiveness
Innovation



Sustainability



Respect to
people





Thank you!

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