



120 anos



# EARNINGS RELEASE 4Q19

# Highlights 4Q19

Adjusted EBITDA reached R\$ 965 million on 4Q19 and R\$ 4.322 billion in 2019, a 7% growth when compared to 2018



## Sales Volume

**927 k t**

**+ 8%**

In comparison to 4Q18

## Packaging Revenue

R\$ **788 mi**

**+ 9%**

In comparison to 4Q18

## Total Unit Cash Cost

R\$ **1,877/t**

**- 2%**

In comparison to 4Q18

## Sustainability

**CDP & WWF**

**Recognition**

Leadership Level on CDP and  
90.5% scored on EPCI

## Average Debt Maturity

**96 months**

**Against 48 months**

Registered in 2018

## Construction - Puma II

**20%**

**completed**

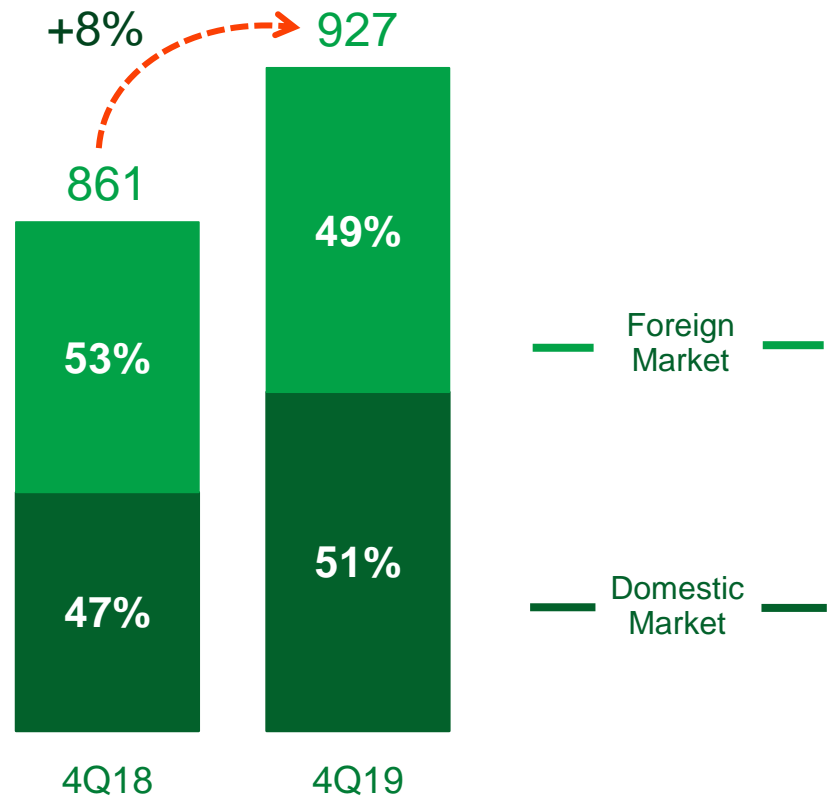
regarding **1<sup>st</sup> Phase** of the project  
As of 01/26/2020

# Results 4Q19

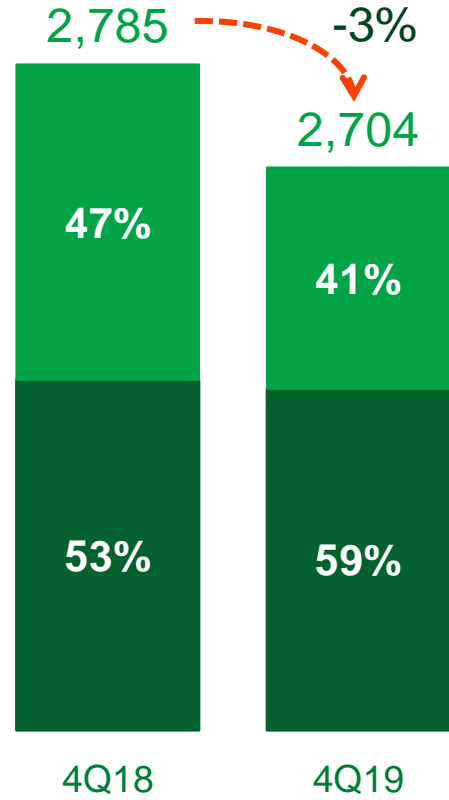
## Sales Volume, Net Revenue and EBITDA



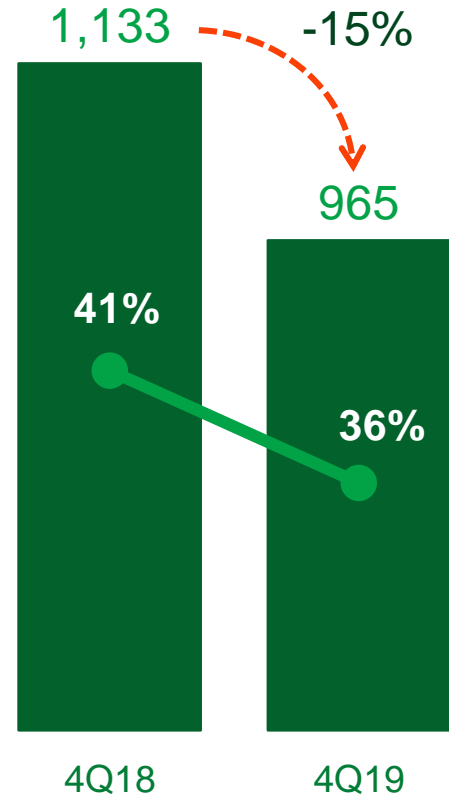
Sales Volume  
Excluding Wood – k tonnes



Net Revenue  
R\$ million



Adjusted EBITDA and Margin  
R\$ million

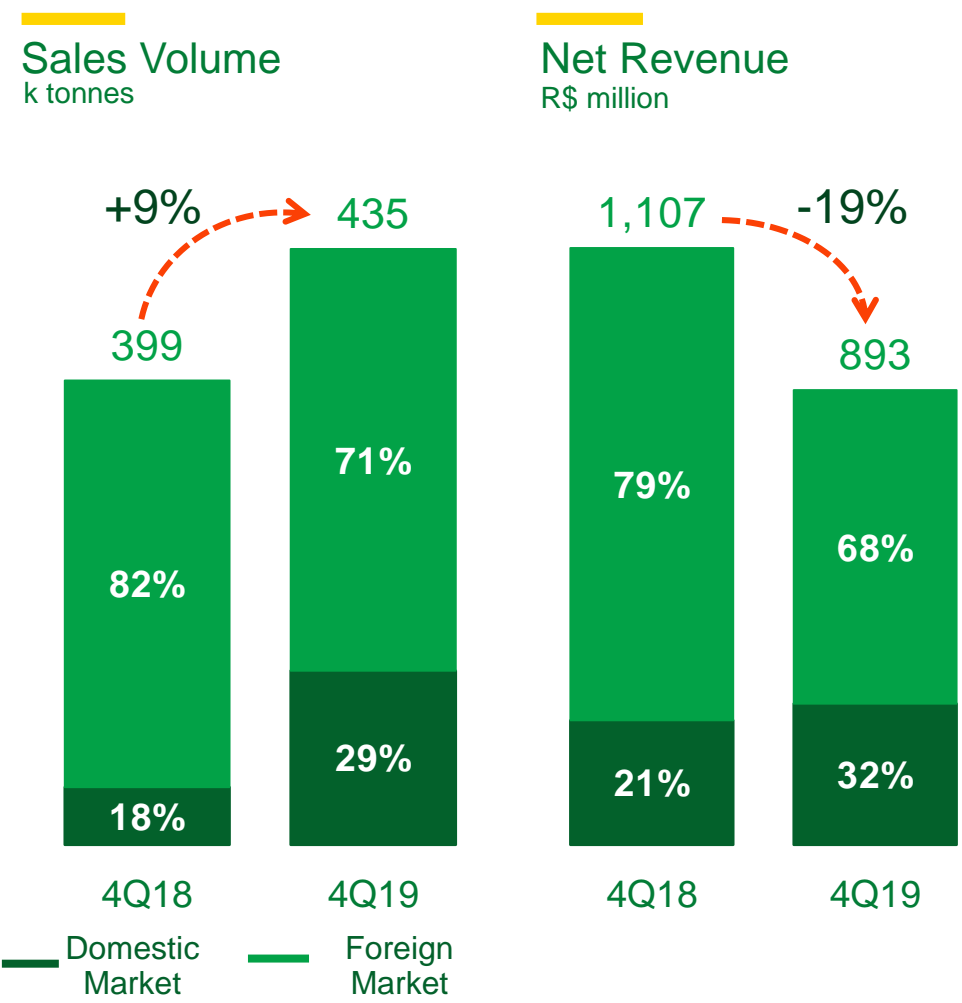


# Operational Results

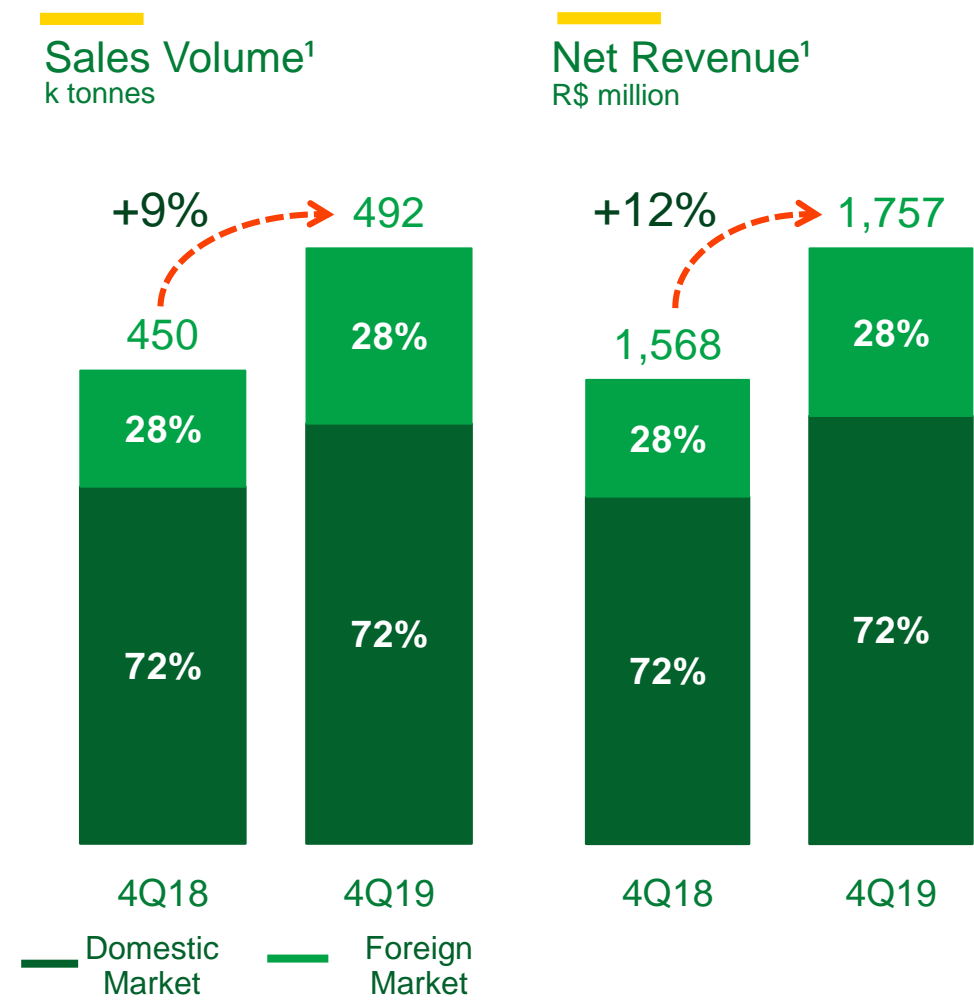
## Business Units



### PULP



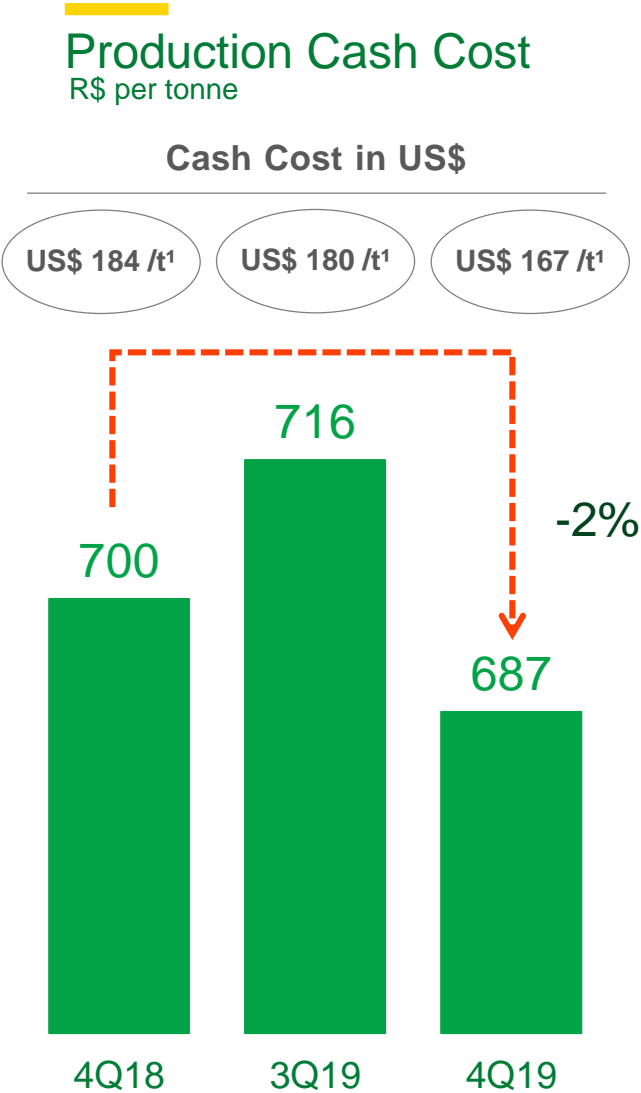
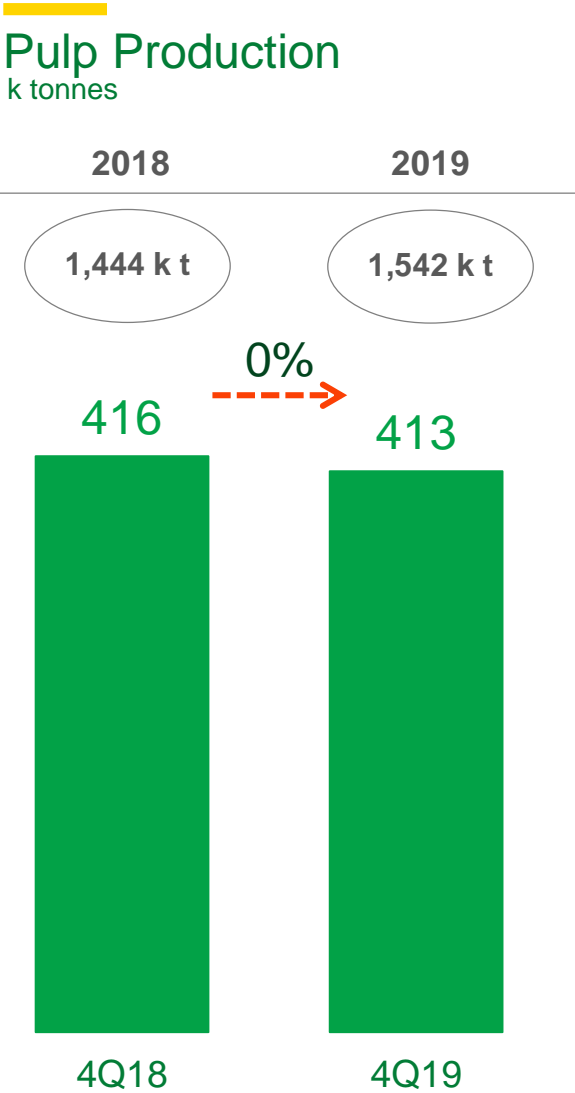
### PAPER AND PACKAGING



<sup>1</sup> Disconsiders wood

# Highlights - Pulp

Production reached 1,542 k tonnes in 2019, a 7% growth when compared to previous year



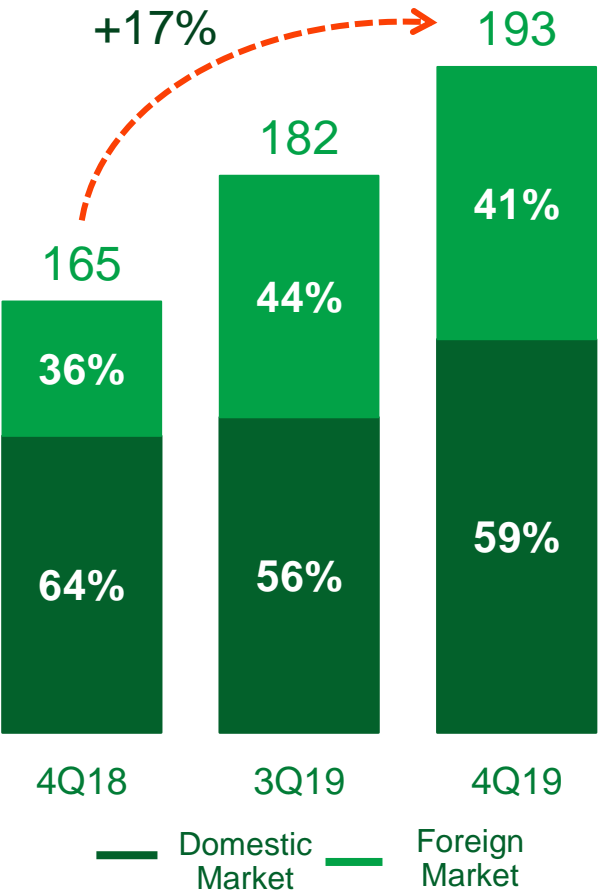
<sup>1</sup> Based on the average exchange rate for the period

# Highlights – Coated Boards

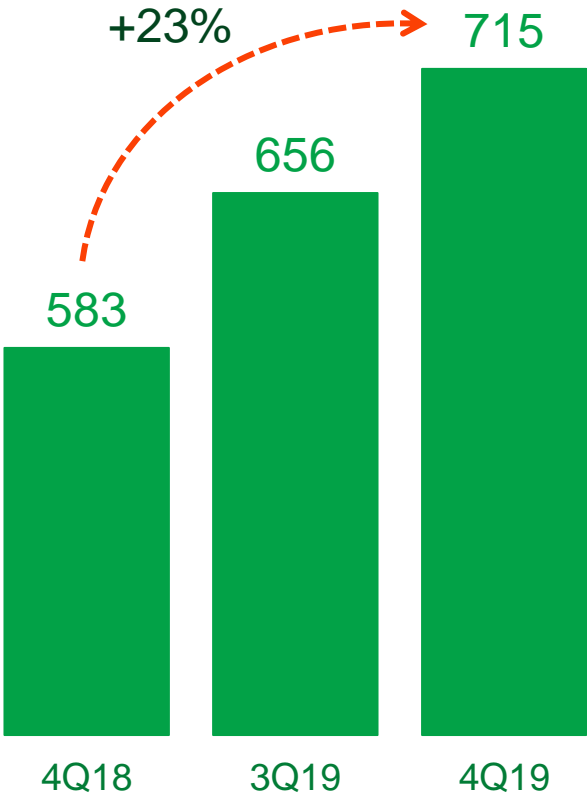
Growth of 12% in sales volume in 2019 when compared to 2018



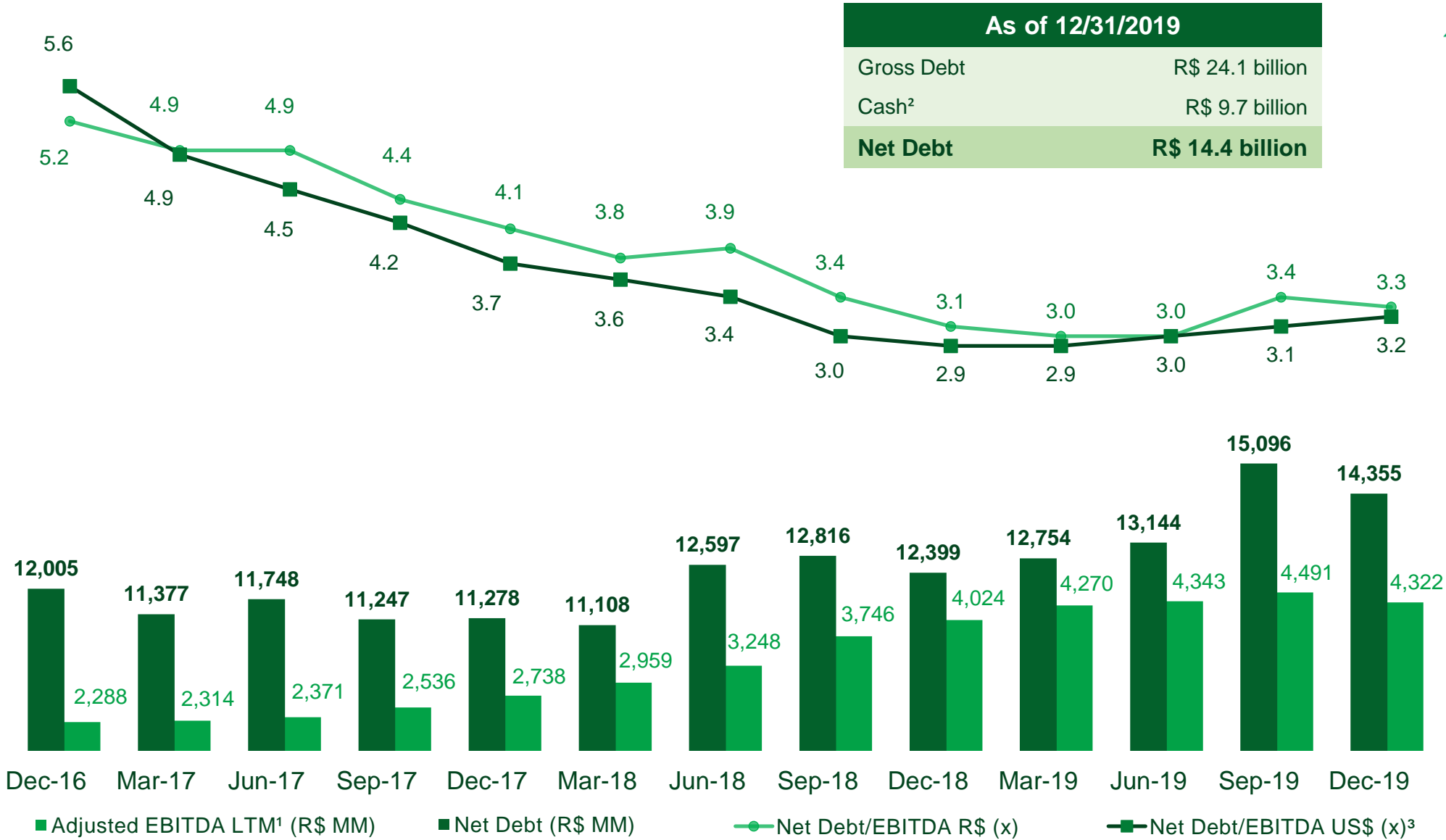
Sales Volume  
k tonnes



Net Revenue  
R\$ million



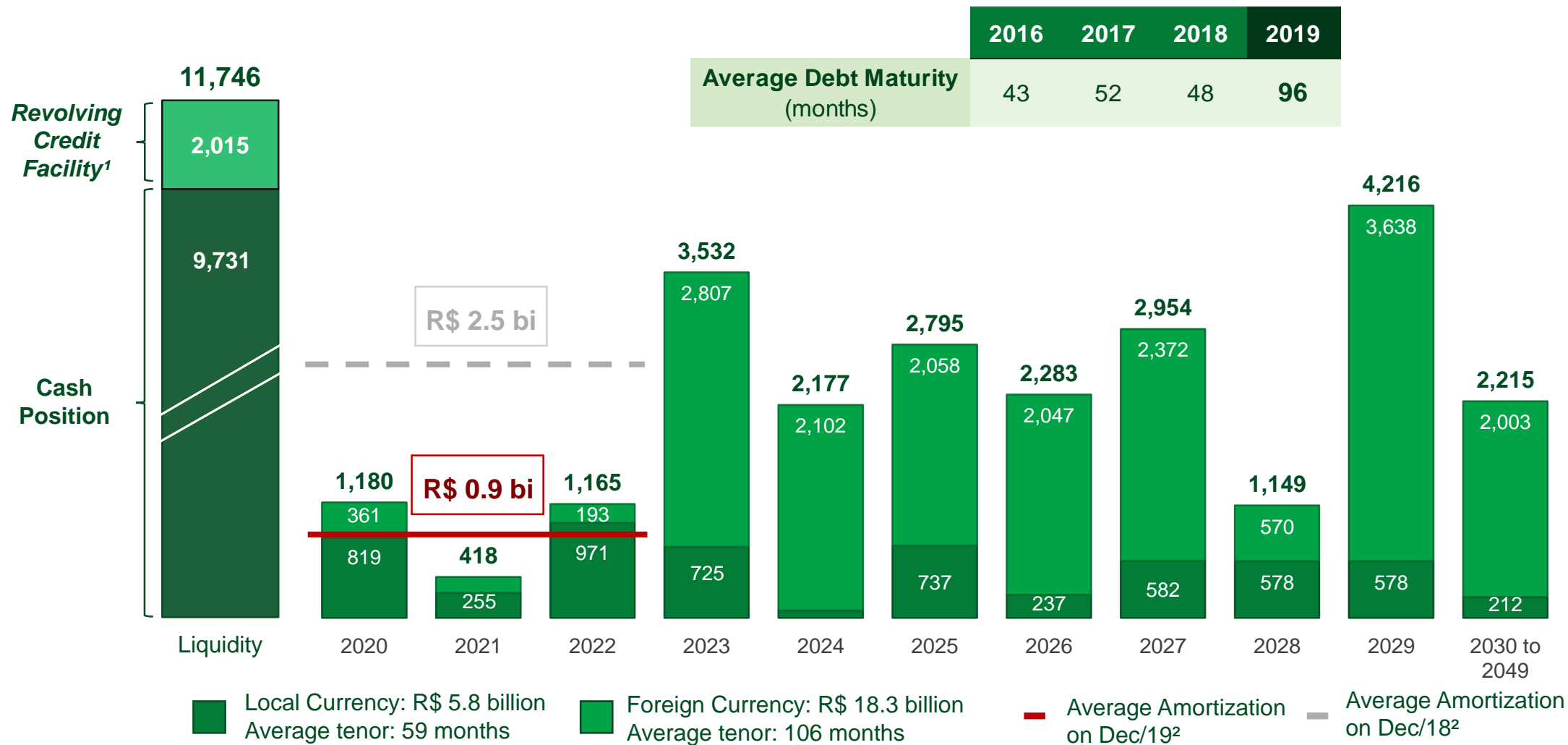
# Net Debt and Leverage



<sup>1</sup> LTM: Last Twelve Months  
<sup>2</sup> Disconsiders the Revolving Credit Facility of US\$ 500 million due on Dec/23  
<sup>3</sup> Net Debt/EBITDA (US\$): considers the closing dollar each period for Net Debt and the average dollar for the EBITDA measure

# Debt Maturity

Reduction on average debt amortization within Puma II's most intensive capital disbursement period



<sup>1</sup> Revolving Credit Facility of US\$ 500 million due on Dec/23  
<sup>2</sup> Average amortization between 2020 and 2022

# Free Cash Flow



Klabin

R\$ MM	4Q19	3Q19	4Q18	2019	2018
<b>Adjusted EBITDA</b>	<b>965</b>	<b>1,396</b>	<b>1,133</b>	<b>4,322</b>	<b>4,024</b>
(-) Capex	(852)	(845)	(280)	(2,574)	(956)
(-) Interest paid/received	(381)	(191)	(247)	(1,210)	(1,002)
(-) Income tax	(2)	(42)	(82)	(205)	(160)
(+/-) Working Capital	383	(482)	(38)	(418)	(191)
(-) Earning Proceeds	(294)	(192)	(340)	(957)	(840)
(+/-) Other	4	(3)	(2)	(3)	(9)
<b>Free Cash Flow</b>	<b>(178)</b>	<b>(358)</b>	<b>145</b>	<b>(1,045)</b>	<b>866</b>
Earning Proceeds	294	192	340	957	840
Puma II Project	554	430	0	1,271	0
Special projects and growth	9	121	40	237	226
<b>Adjusted Free Cash Flow<sup>1</sup></b>	<b>679</b>	<b>385</b>	<b>524</b>	<b>1,421</b>	<b>1,932</b>
<b>Adjusted FCF Yield<sup>2</sup></b>				<b>8.1%</b>	<b>9.6%</b>

<sup>1</sup> Disconsiders Dividends / JCP as well as Projects

<sup>2</sup> Adjusted FCF Yield (per Unit excluding treasury Units) divided by the average Unit price for the Last Twelve Months

# Shareholder Remuneration

**2019**  
Dividends  
+  
IOC<sup>1</sup>

R\$ **957 million**

Total Dividends & IOC<sup>1</sup> paid in 2019

**Nov-19**  
Dividends  
+  
IOC<sup>1</sup>

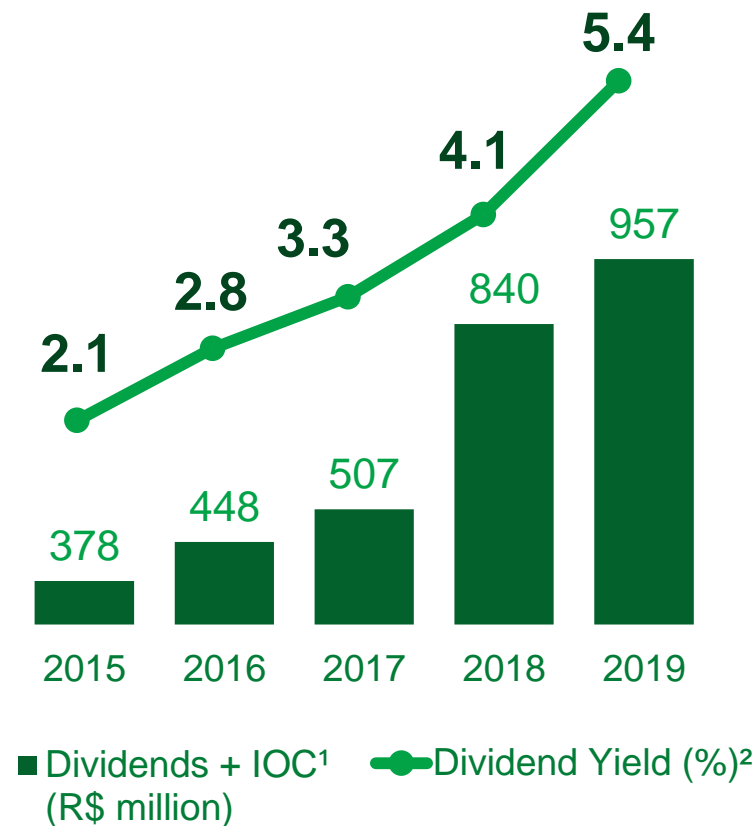
R\$ **294 million**

- 194 million paid in Dividends
- 100 million paid in IOC<sup>1</sup>

**Dividend  
Yield<sup>2</sup>**

D-Y **5.4 %**

Dividend Yield<sup>2</sup>  
In 2019

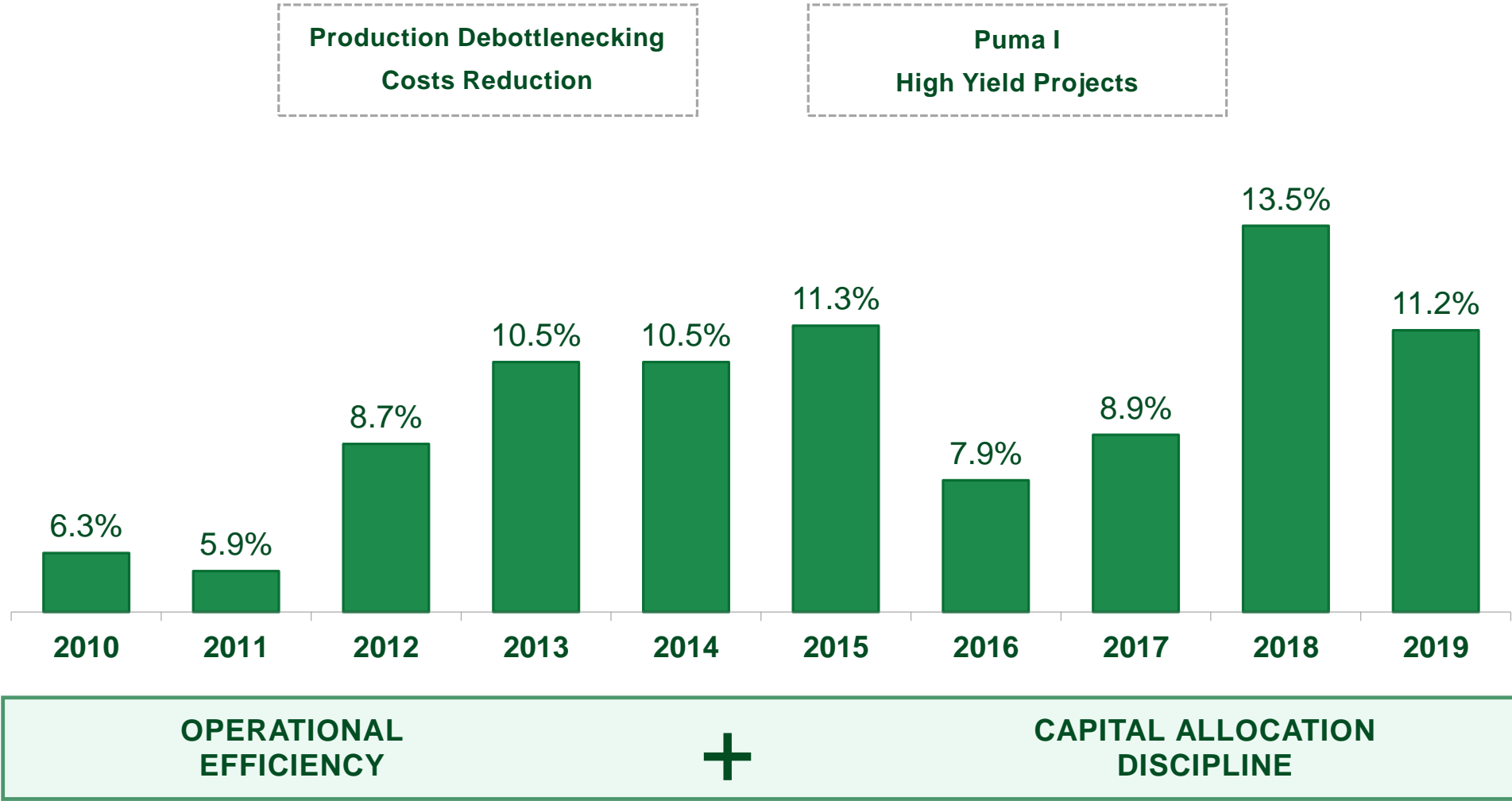


<sup>1</sup> Interest On Capital

<sup>2</sup> Dividend yield (excluding treasury Units) is the sum of the cumulative compensation of Units over the year, divided by the average Unit price for the period

# ROIC<sup>1</sup>

Continuous return improvement



<sup>1</sup> ROIC: [EBITDA – Sustaining CAPEX – Cash Tax ] / [Total Asset – PP&E Under Const. – Total Liability (exc. Debt)<sup>2</sup> – Bio. Assets Adjustment<sup>3</sup>]

<sup>2</sup> Total Liability – Total Debt

<sup>3</sup> Fair Value of Biological Assets – Deferred Tax ref. Biological Assets

# Puma II Project

Construction ahead of schedule, with 20% completion rate of the 1<sup>st</sup> Phase.

## Key Highlights 4Q19

- Progress in line with construction schedule
- Intensified hiring, with total of 4 thousand workers mobilized
- 14% of total budgeted investment already disbursed

Realized Capex (R\$ million)				
2T19	3T19	4T19	2019	2020E
288	430	554	1,271	3,831



Aerial view of Paper Machine 27's construction site – the first Machine to be run-up on the Puma II Project

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