



SUZANO
PULP AND PAPER

3Q18

Earnings Conference Call

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HIGHLIGHTS

Strong operational performance and transaction with Fibria evolving *on time*

Production: **1,291 k ton** +12% vs. 3Q17 
+14% vs. 2Q18 

Sales: **1,239 k ton** +9% vs. 3Q17 
+14% vs. 2Q18 

Operational Cash Generation¹: **R\$ 1,795 MM** +98% vs. 3Q17 
+40% vs. 2Q18 

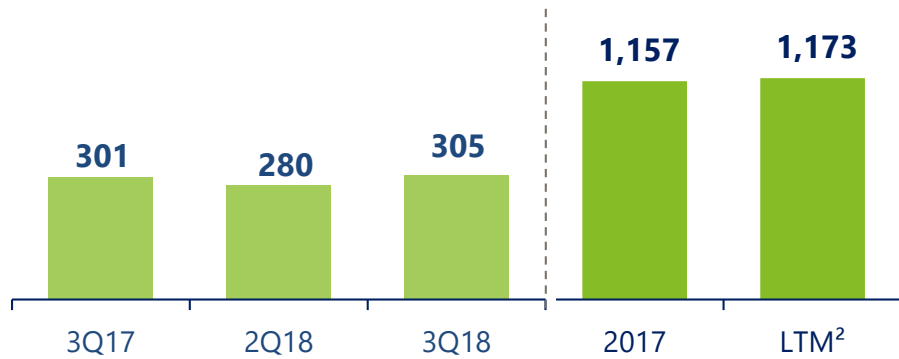
Adjusted EBITDA²: **R\$ 2,118 MM** +79% vs. 3Q17 
+35% vs. 2Q18 

¹ Operating Cash Generation = Adjusted EBITDA less Sustaining CAPEX. | ² Adjusted for non-recurring factors.

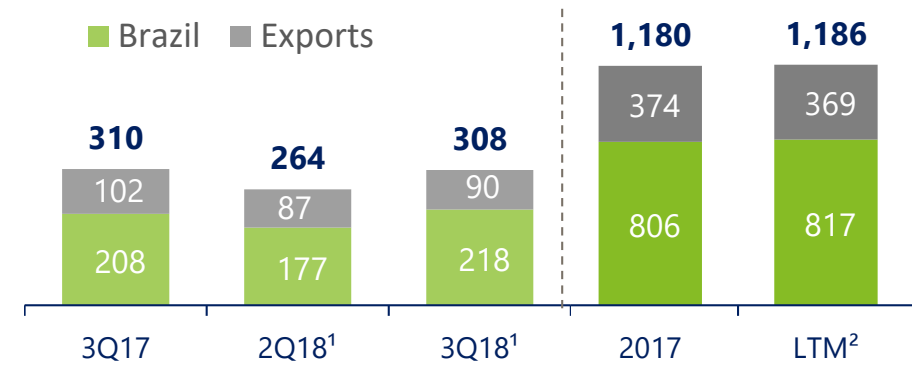
Paper

Operational stability leads to consistent results

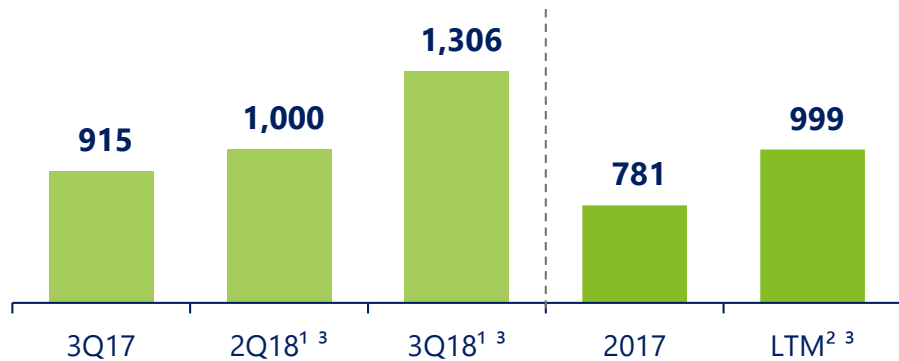
Paper Production ('000 ton)



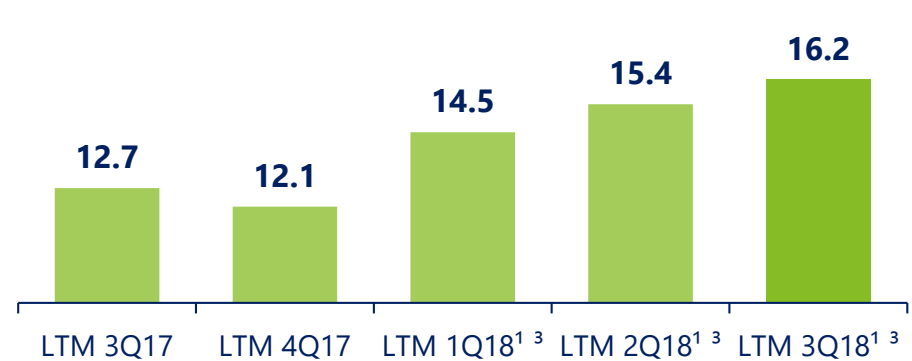
Paper Sales ('000 ton)



Paper Adjusted EBITDA (R\$/ton)



Paper ROIC (%)

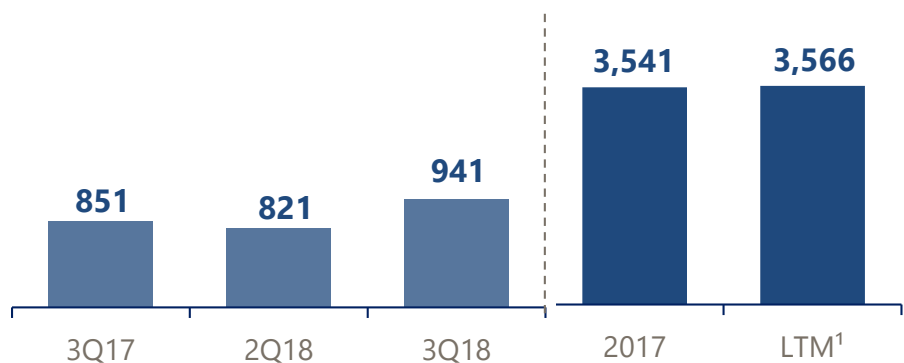


¹ Excludes other businesses from 1Q18 onward, i.e. consumer goods. | ² LTM: last twelve months ending on 09/30/2018. | ³ Impact due to the Management's Long-Term Incentive: (i) 2Q18: -R\$ 120/ton in EBITDA and -0,6 p.p. on ROIC; (ii) 3Q18: -R\$ 67/ton in EBITDA and -0.3 p.p. on ROIC; (iii) LTM 1Q18: -0,1 p.p. on ROIC; (iv) LTM 2Q18: -0,8 p.p. on ROIC e (v) LTM 3Q18: -R\$ 52/ton on EBITDA and -1.0 p.p. on ROIC.

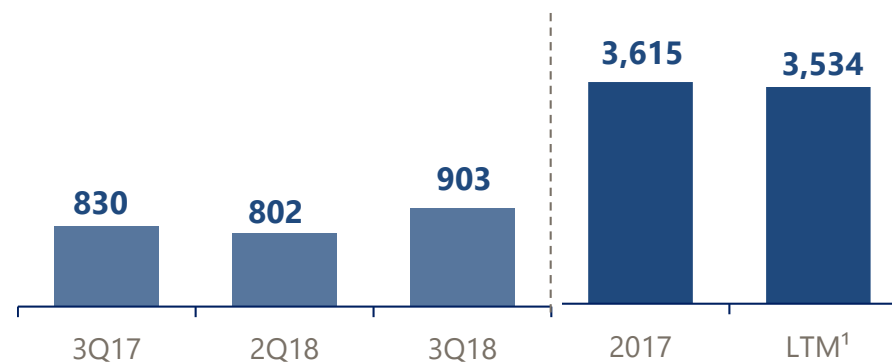
Pulp

Expressive volumes due to a highly demanded market

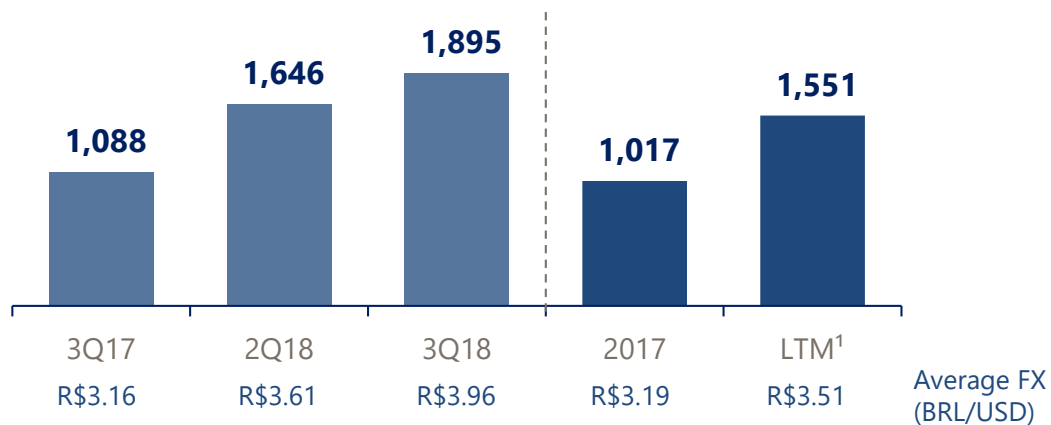
Pulp Production ('000 ton)



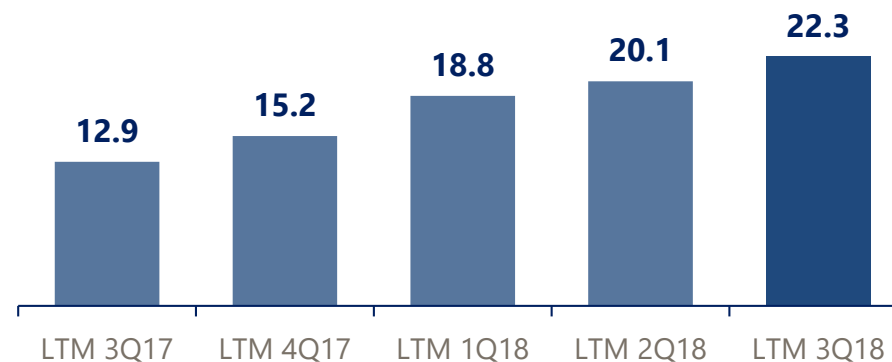
Pulp Sales ('000 ton)



Pulp Adjusted EBITDA (R\$/ton)



Pulp ROIC (%)

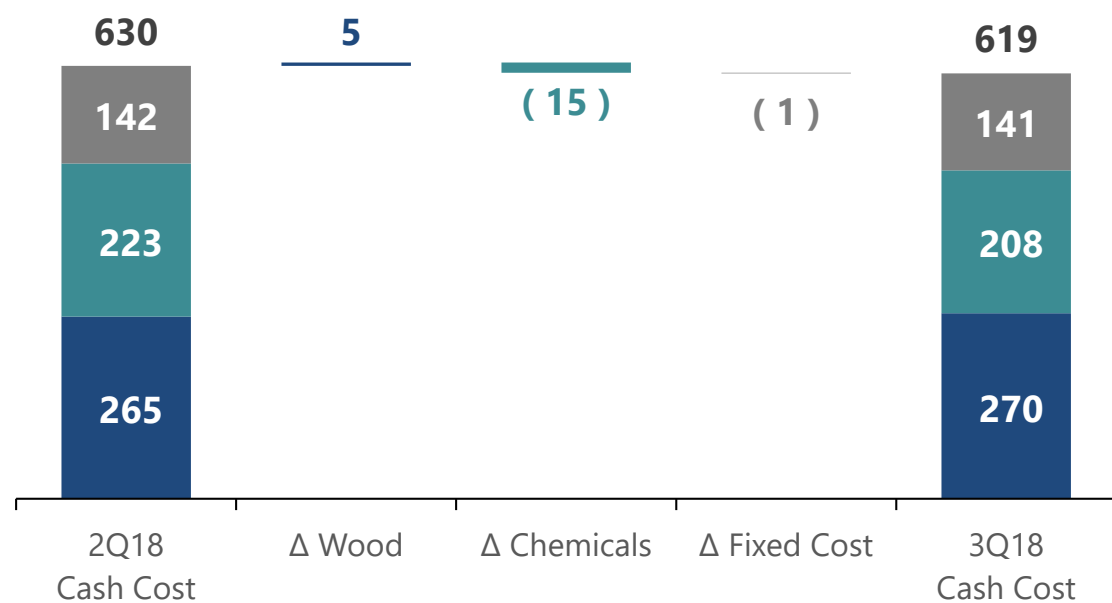


¹ LTM: last twelve months ending on 09/30/2018.

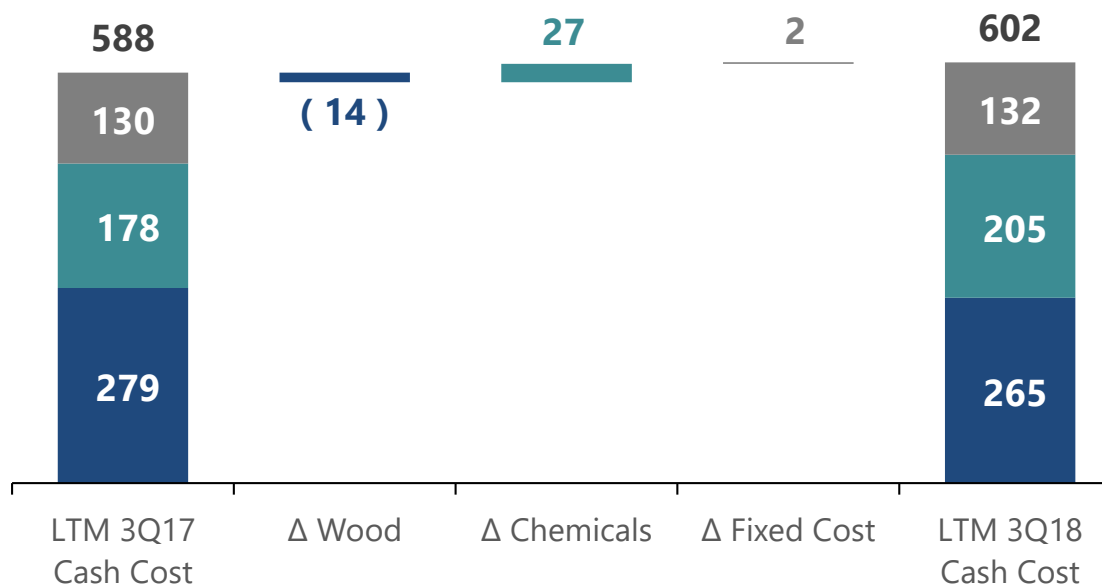
Pulp

Competitive cash cost even with high exchange rates and inflation

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



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



■ Wood ■ Chemicals ■ Fixed Cost

Note: In line with market practice and for comparison purposes, the methodology for calculating the cash cost has been changed from 1Q18 onward and currently does not consider the depletion of wood from third-party suppliers.

Investments

Capex (R\$ billion)	2017	9M18	2018e
Maintenance	1.1	0.9	1.2
Structural Competitiveness & Adjacent Business	0.7	0.5	0.6
Acquisition of Facepa	-	0.3	0.3
Acquisition of land and forests¹	-	0.5	0.7
Total	1.8	2.1	2.8

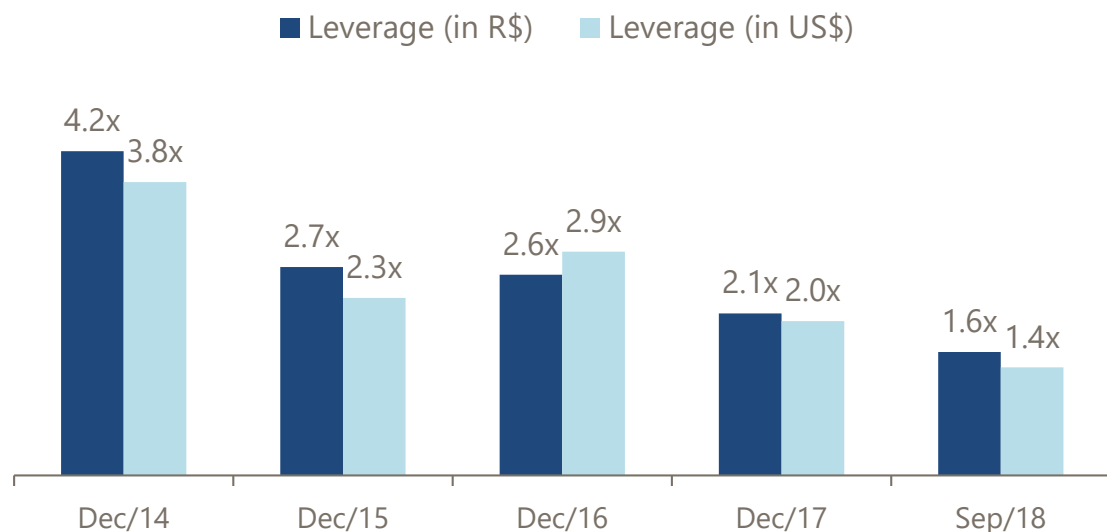
¹ The 2nd tranche of the acquisition price will be paid in 2018 (50%) and 2019 (50%).

Debt Profile

Gross Debt: R\$ 23.8 billion (US\$ 5.9 billion)

Net Debt: R\$ 10.8 billion (US\$ 2.7 billion)

Leverage¹ (in times)

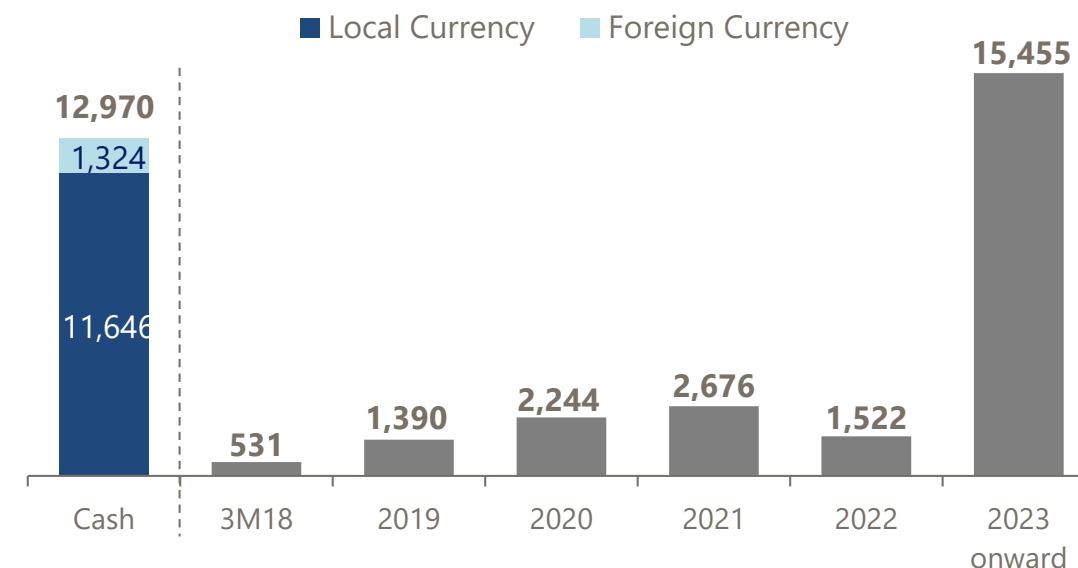


Average Cost of Debt (in US\$):

5.2% p.a. based on market swap curve

Average Debt Maturity: 93 months

Amortization Schedule (R\$ million)



¹ Leverage: net debt over Adjusted EBITDA of the last twelve months.

Fibra Business Combination

Business combination with Fibria evolving on expected schedule

Regulatory Approval



Approval of all antitrust → Closing: D+45

Corporate

- ✓ Approval of the Protocol of Justification and Incorporation (i.e., the Merger Agreement) by the Boards of Directors of Suzano and Fibria
- ✓ Approval at the Shareholders' Meeting held on Sep 13, 2018
- ✓ Integration planning

Securities Filings

- ✓ SEC Registration of Suzano Shares and declaration of effectiveness
- ❑ NYSE ADR listing
- ❑ SOX Compliance starting on January 1, 2019

Available sources of financing

- ✓ Local issuances of Debentures, Export Credit Notes and Rural Producer Certificate (R\$ 6.2 billion)
- ✓ Issuance of Bonds (US\$ 1.0 billion)

Antitrust

- ✓ Unrestricted authorization issued by the Federal Trade Commission (US antitrust), SAMR (China), Turkey and CADE (Brazil)
- ❑ Filing at the European Commission (expected conclusion on November)

Hedge Operations

Instruments of protection reduce exchange exposure

(in millions)

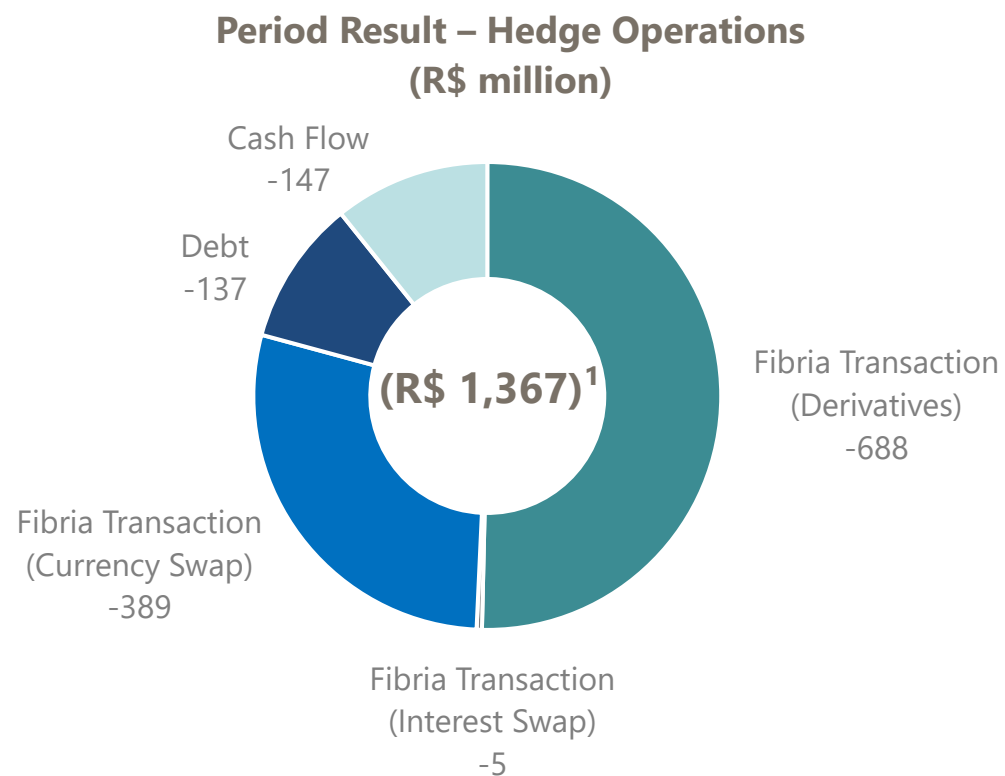
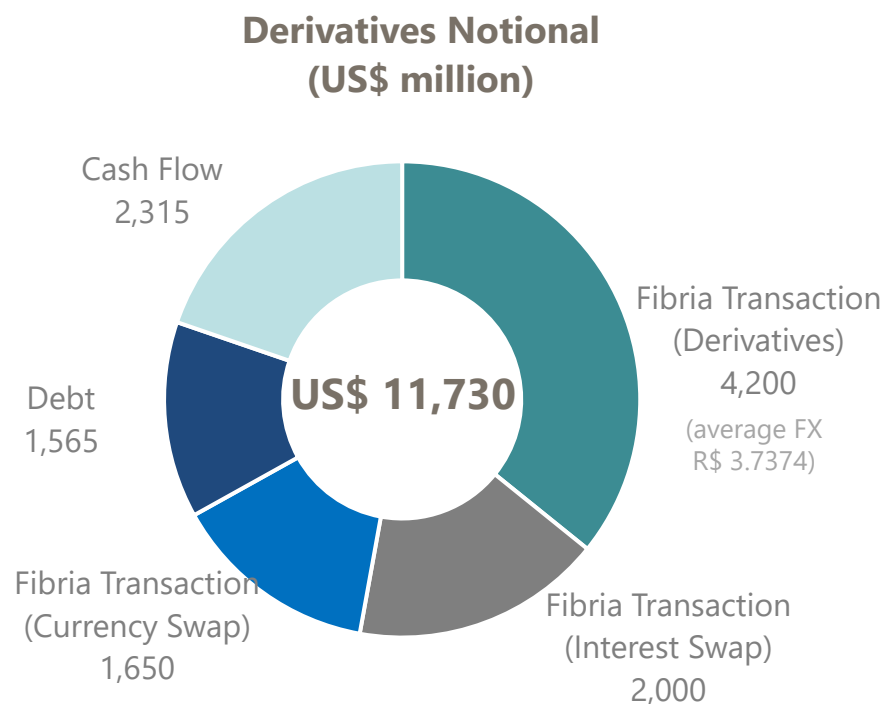
	03/15/2018	06/30/2018	09/30/2018
• Cash Payment (R\$)	29,027	29,571	30,033
• Hedged Amount (R\$)	-	21,818	25,377
• Funds Raised (R\$) ¹	-	4,681	9,680
• Derivatives Operations (US\$)	-	4,800	4,200
• Hedge Exchange (R\$/US\$)	-	3.5702	3.7374
• Derivatives Operations (R\$)	-	17,137	15,697
• % Hedged	-	74%	84%
• Exchange rate (R\$/US\$)	3.29	3.86	4.00

¹ Considers funding raised in the local (Debenture, NCE and CPR) and international markets (Bond 2029).

Derivatives Results

Result of the period impacted by the closing exchange rate

(on 09/30/2018)

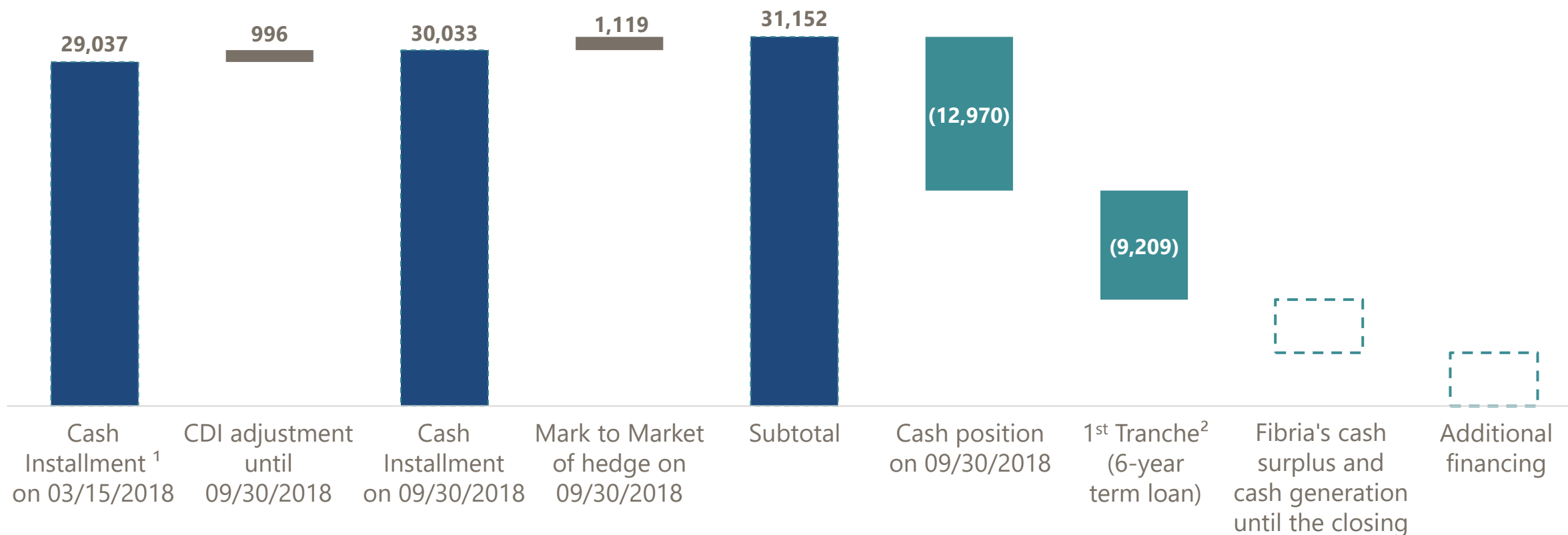


¹ In the 3Q18 the result of derivatives totaled -R\$ 1,367 million, of which -R\$ 1,001 million was the cash effect of the Fibria Transaction.

Fibria Business Combination Transaction

Financing structurally concluded

(R\$ million)



¹ Cash Installment: payment of R\$ 52.50 to Fibria's shareholders for each common share issued by Fibria, which will be subject to adjustment in accordance to the variation of the CDI rate from 03/15/2018 to the date of consummation of the Transaction. | ² Commitment: US\$ 2.3 billion with exchange of 09/30/2018 (R\$4.0039/US\$).

Thank you!

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