



**Eternit**

**Conference Call – Earning Results  
3Q16 – 11/11/2016**

# Disclaimer

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“Forward looking statements included in this presentation regarding the Company’s business, operating and financial results and Company’s growth are only predictions and were based on management's expectations regarding future performance. These expectations are highly dependent on market conditions, Brazilian economic scenario, industry performance and international markets, and are therefore subject to change.”

# Highlights of 3Q16 (when compared to 3Q15)

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- The sector of construction materials and the Company registered retraction of:
  - ✓ ABRAMAT: 11.8%
  - ✓ Eternit<sup>1</sup>: 12.9%
- Reduction on sales volume in the segments below:
  - ✓ Chrysotile mineral: 23.3%
  - ✓ Fiber-cement: 1.3%
  - ✓ Concrete tiles: 26.1%
- Consolidated Net Revenue reached R\$204.3 million, decline of 16.6%
- Adjusted EBTIDA decreased 67.4%, reaching R\$16.4 million
- Net loss totaled R\$7.4 million
- Reduction of gross debt, reaching R\$127.1 million

<sup>1</sup> Growth of the consolidated gross revenue in 9M16vs9M15 corrected for inflation in accordance with the IGP-M index.



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**Operational Performance**

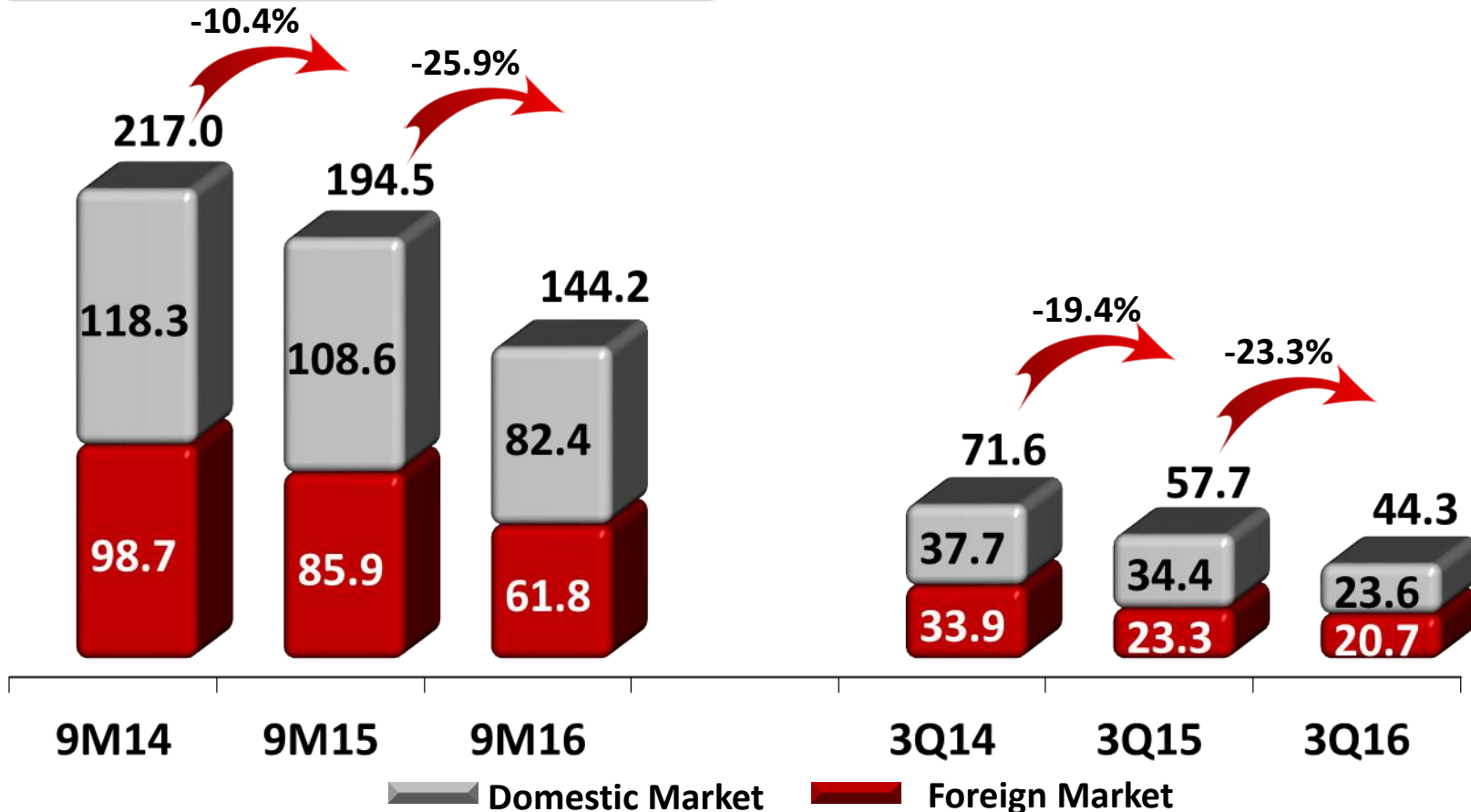
# Sales of Chrysotile Mineral (thousand tons)

9M16 x 9M15

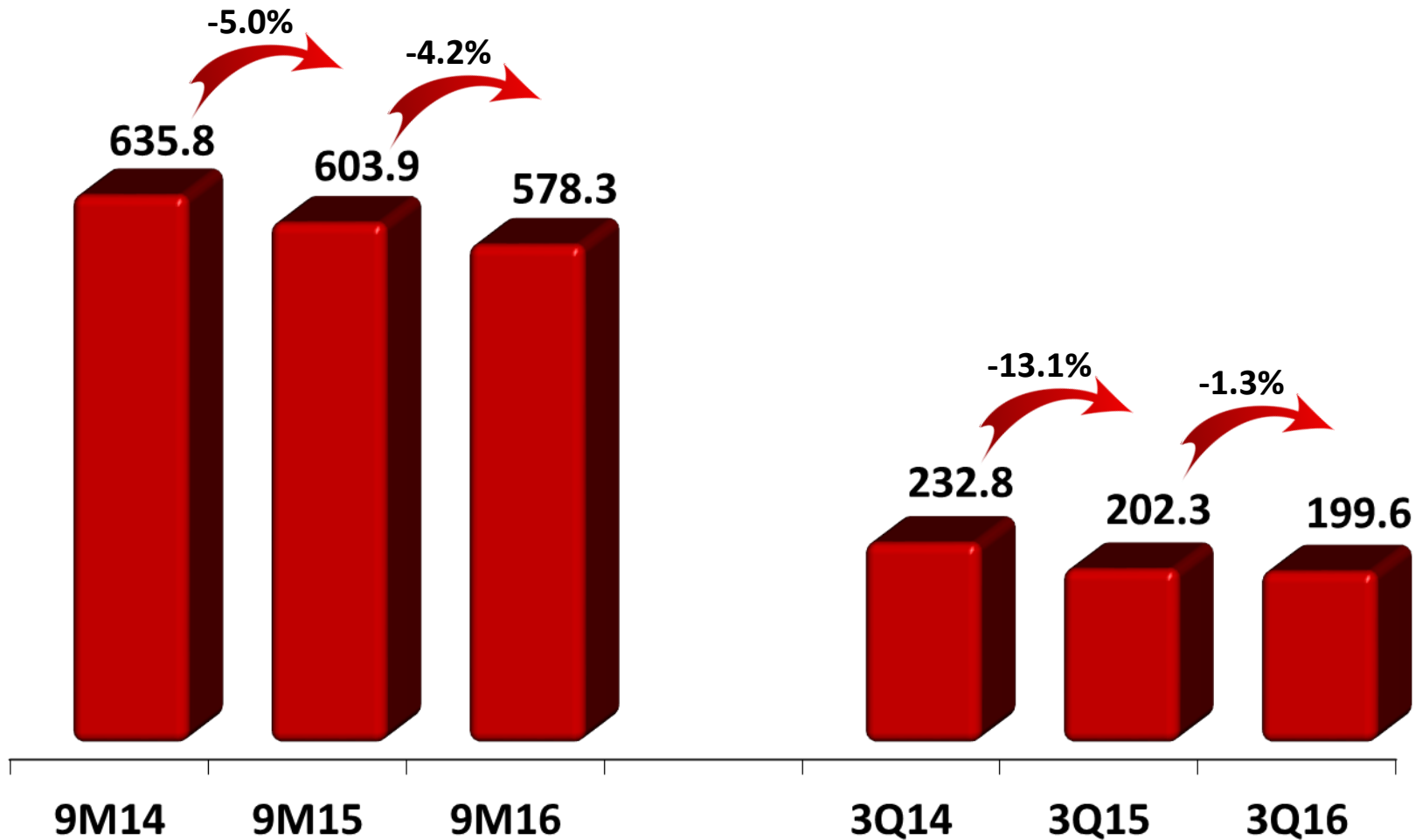
- Domestic Market – reduction of 24.1%
- Foreign Market – retraction of 28.1%

3Q16 x 3Q15

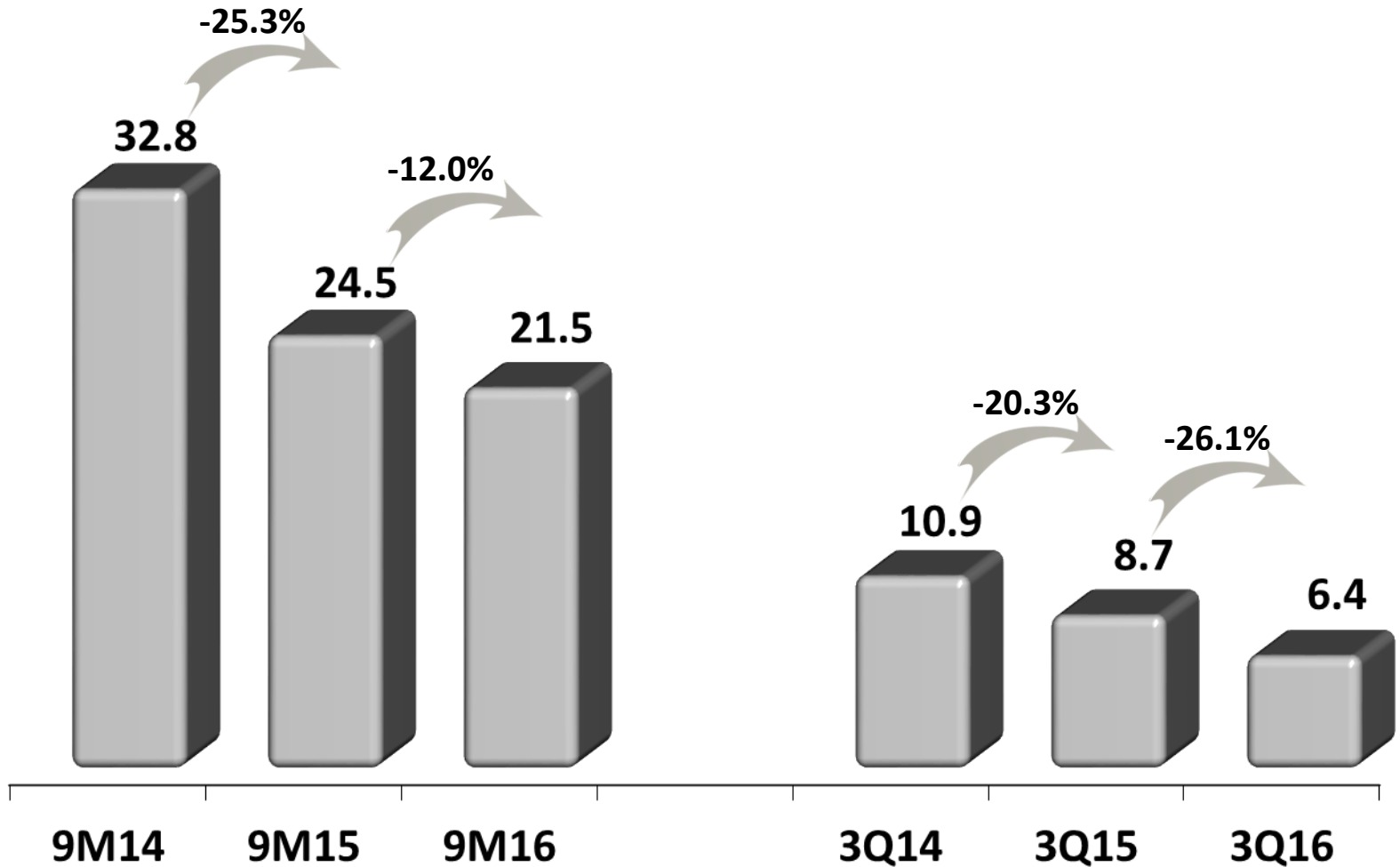
- Domestic Market – reduction of 31.4%
- Foreign Market – retraction of 11.4%



# Sales of Fiber-Cement (thousand tons)



# Sales of Concrete Tiles (million pieces)





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## **Economic and Financial Information**



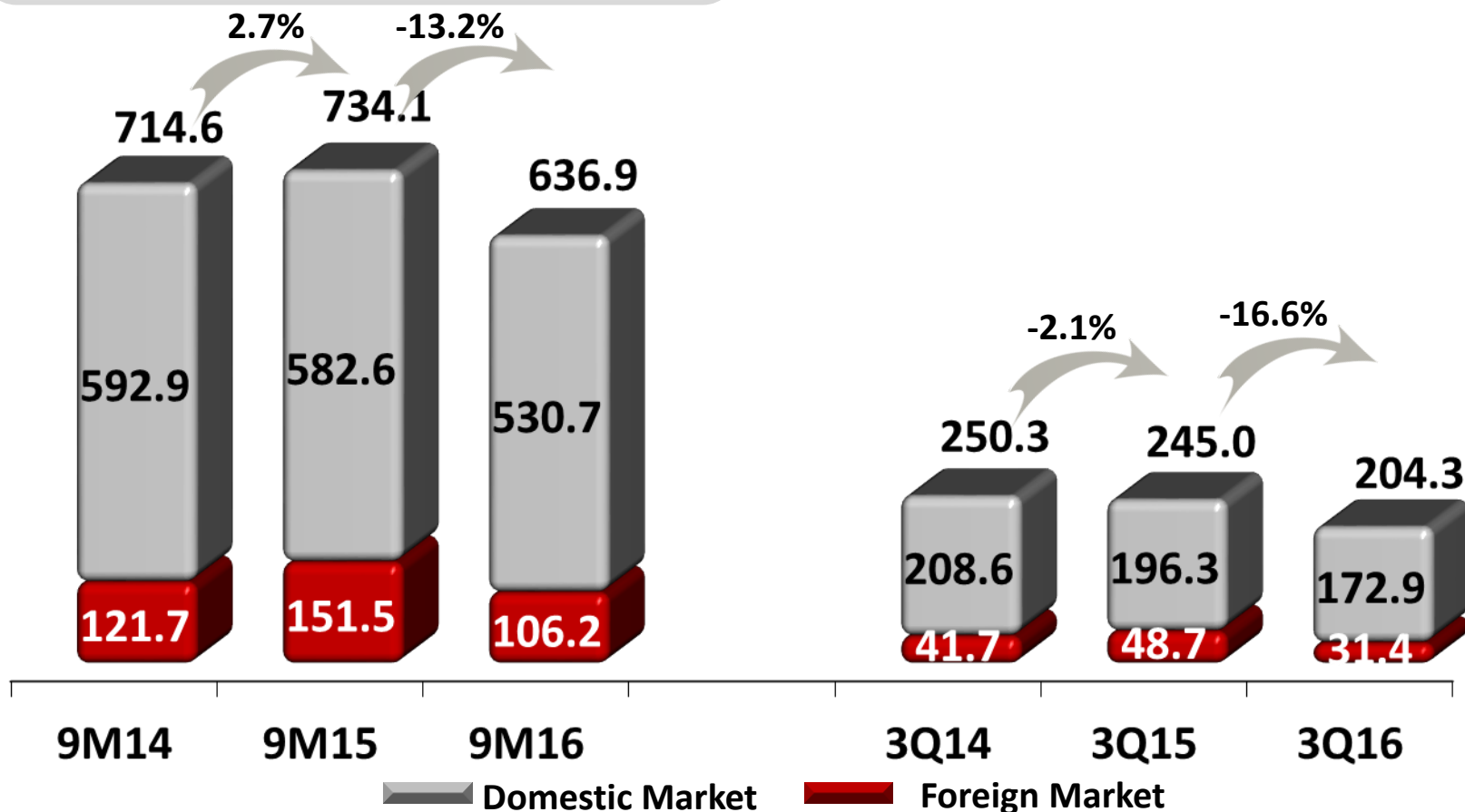
# Consolidated Net Revenue (R\$ million)

9M16 x 9M15

- Domestic Market – reduction of 8.9%
- Foreign Market – down by 29.9%

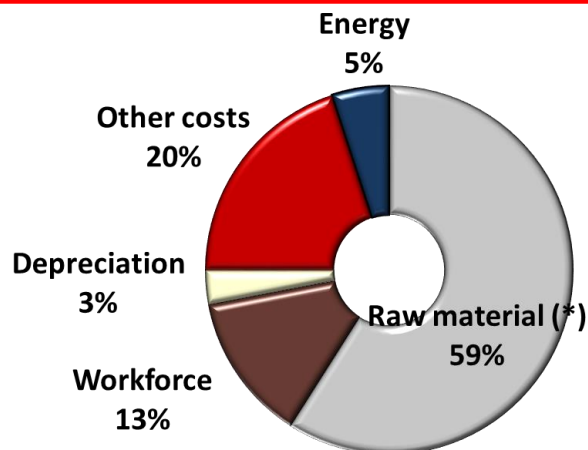
3Q16 x 3Q15

- Domestic Market – reduction of 11.9%
- Foreign Market – down by 35.5%



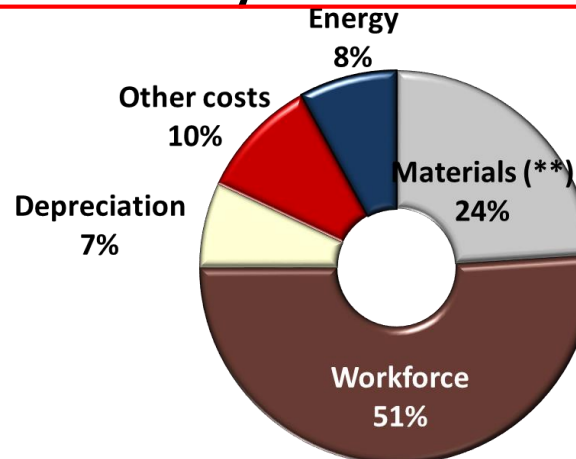
# COGS Breakdown – 3Q16

## Fiber-cement



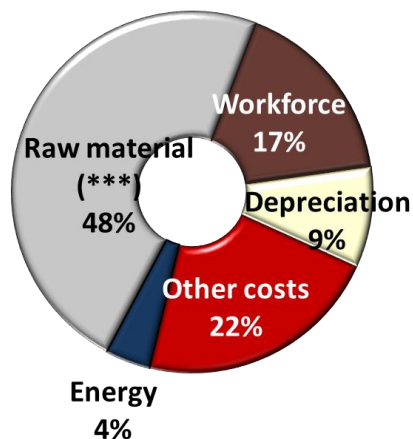
(\*) Cement (36%), Chrysotile Mineral (36%) and the others (28%)

## Chrysotile Mineral



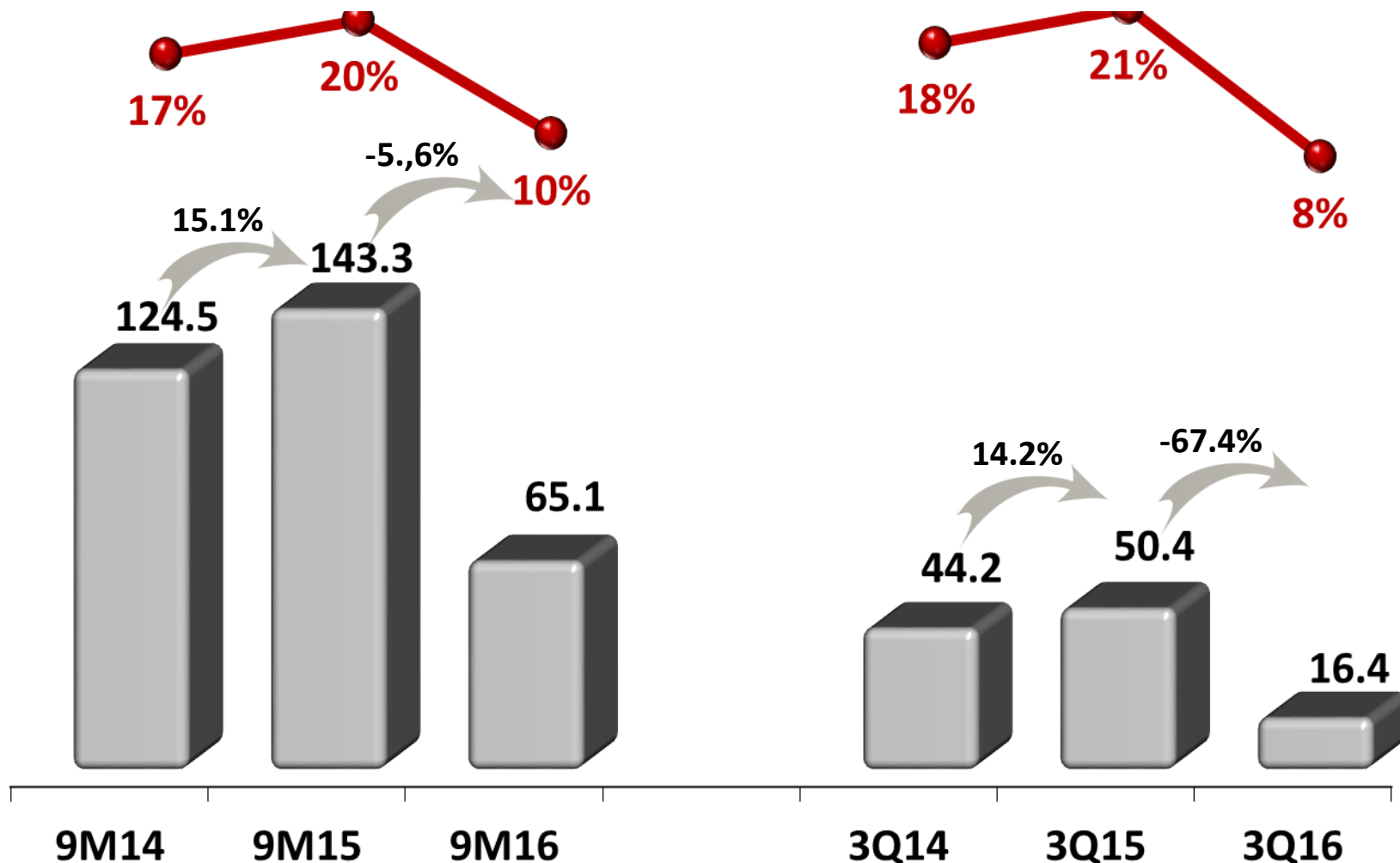
(\*\*) Fuel, explosives, packaging, among the others

## Concrete Tiles



(\*\*\*) Cement (55%), sand (30%) and the others (15%)

# Adjusted EBITDA\* (R\$ million) and Adjusted EBITDA Margin (%)

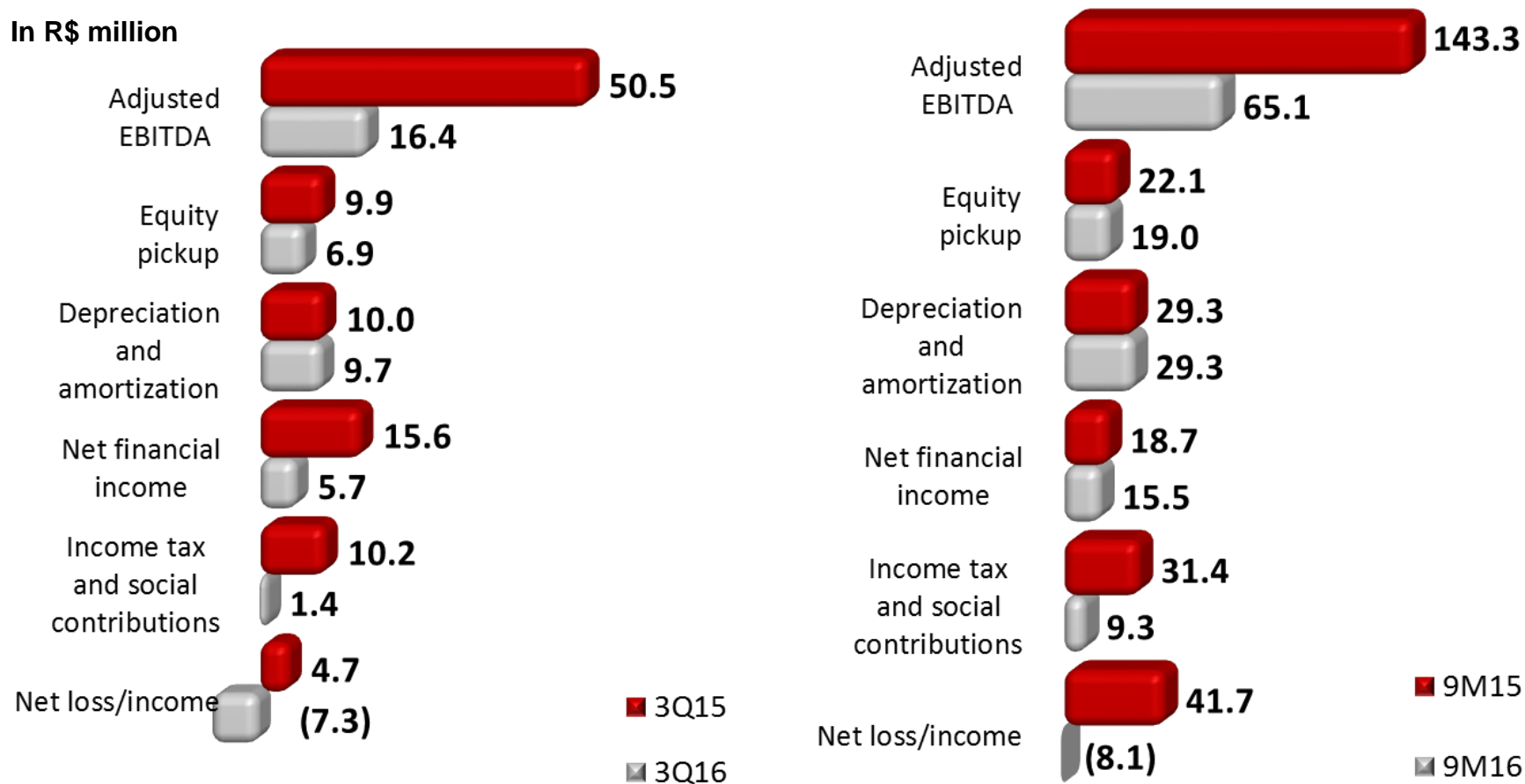


\*Adjusted EBITDA is an indicator used by the Company's Management to analyze the operational and economic performance of its consolidated business, excluding equity pickup due to the fact that CSC is a joint venture and its information is not consolidated.

# Reconciliation of Adjusted EBITDA\* X Net Loss/Income

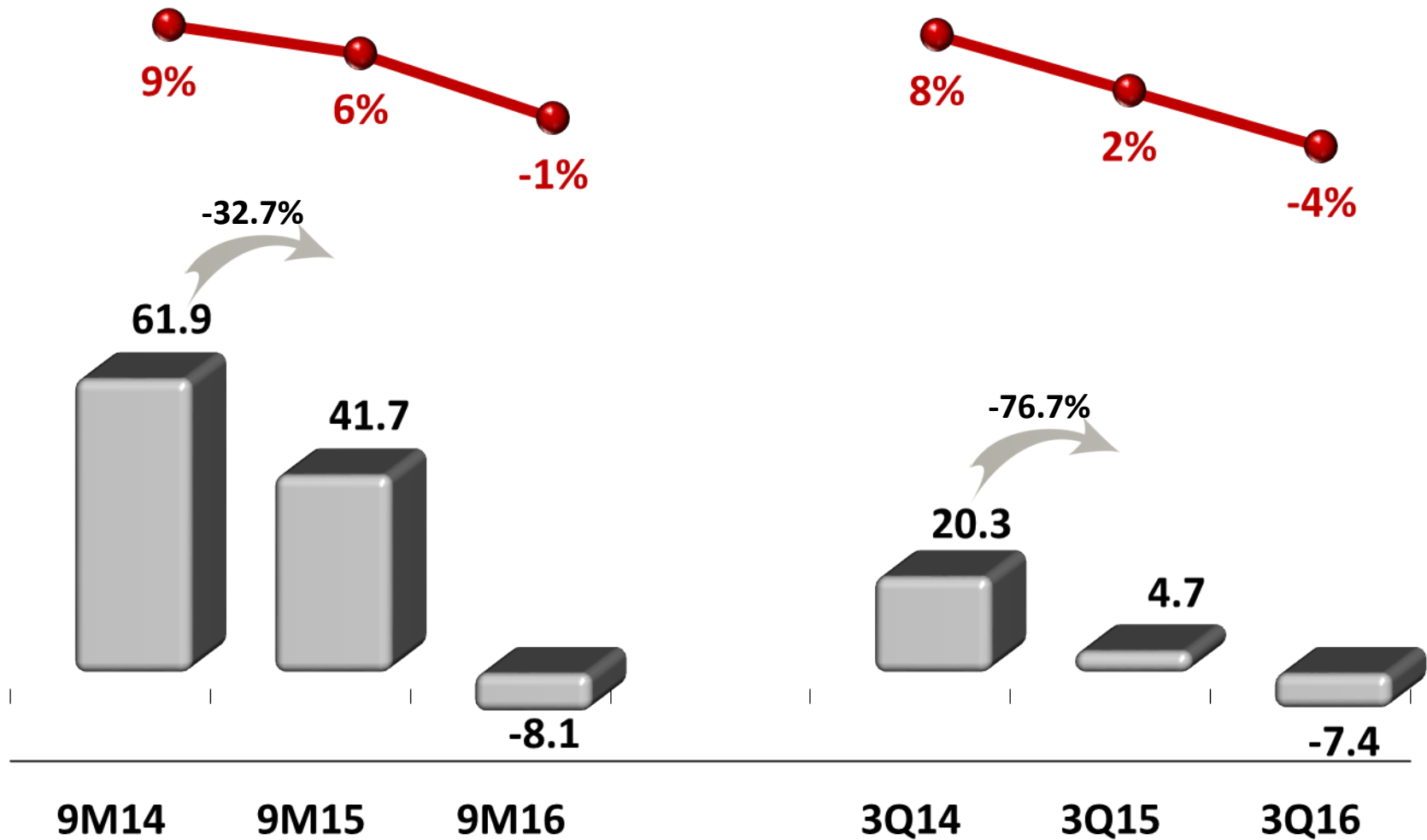
(R\$ million)

In R\$ million



\*Adjusted EBITDA is an indicator used by the Company's Management to analyze the operational and economic performance of its consolidated business, excluding equity pickup due to the fact that CSC is a joint venture and its information is not consolidated.

# Net Loss/Income (R\$ million) and Net Margin (%)



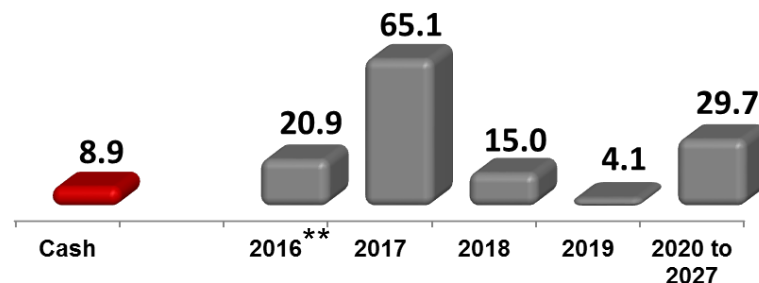
# Debt (R\$ million)

Debt	09/30/15	12/31/15	09/30/16
Short-term gross debt	107.4	90.3	69.2
Long-term gross debt	78.4	76.9	58.0
Availabilities *	(25.6)	(22.3)	(8.9)
<b>Net debt</b>	<b>160.2</b>	<b>144.9</b>	<b>118.3</b>
Adjusted EBITDA (last 12 months)	198.0	159.2	81.0
<b>Net debt / Adjusted EBITDA x</b>	<b>0.81</b>	<b>0.91</b>	<b>1.46</b>
<b>Net debt / Equity</b>	<b>30.7%</b>	<b>29.0%</b>	<b>23.7%</b>

## Origin of debt



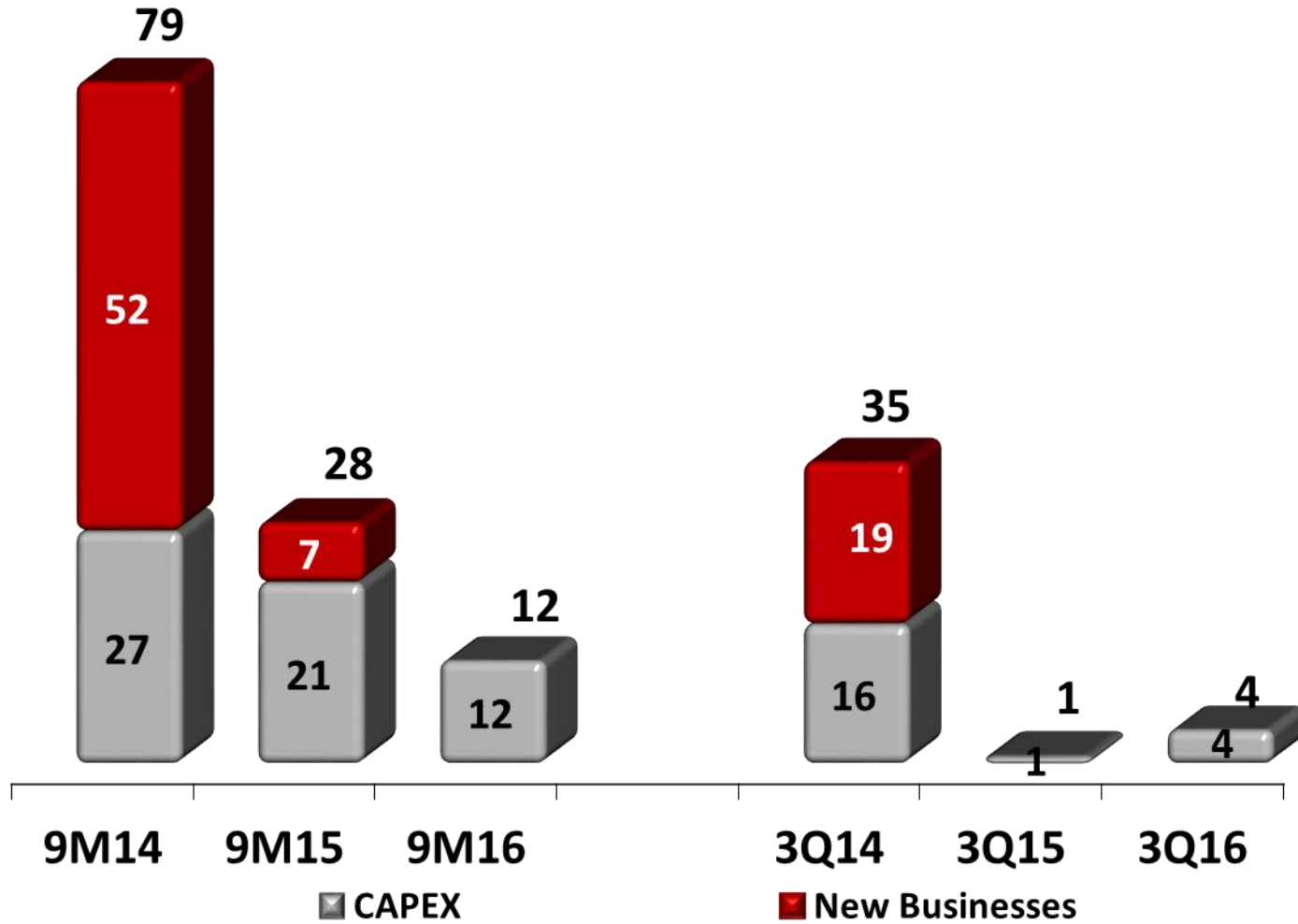
## Repayment Schedule



\* Availabilities = Cash and cash equivalents + short-term investments

\*\* 89,4% of the amortization schedule set for the year 2016 are linked to accounts receivable from export.

# Capital Expenditures (R\$ million)



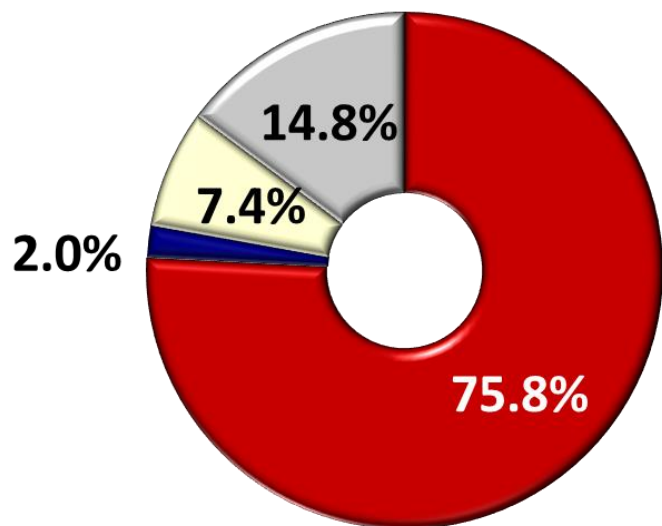


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**Capital Markets**



# Shareholding Structure – Oct/16



- Individual Investors
- Corporations
- Investors Abroad
- Clubs, Funds and Foundations

**FREE-FLOAT**

**85.8%**

\* Shareholders with a stake higher than 5%

\*\* 100% of the Board of Director are considered independent in accordance with BM&FBOVESPA Novo Mercado Regulations

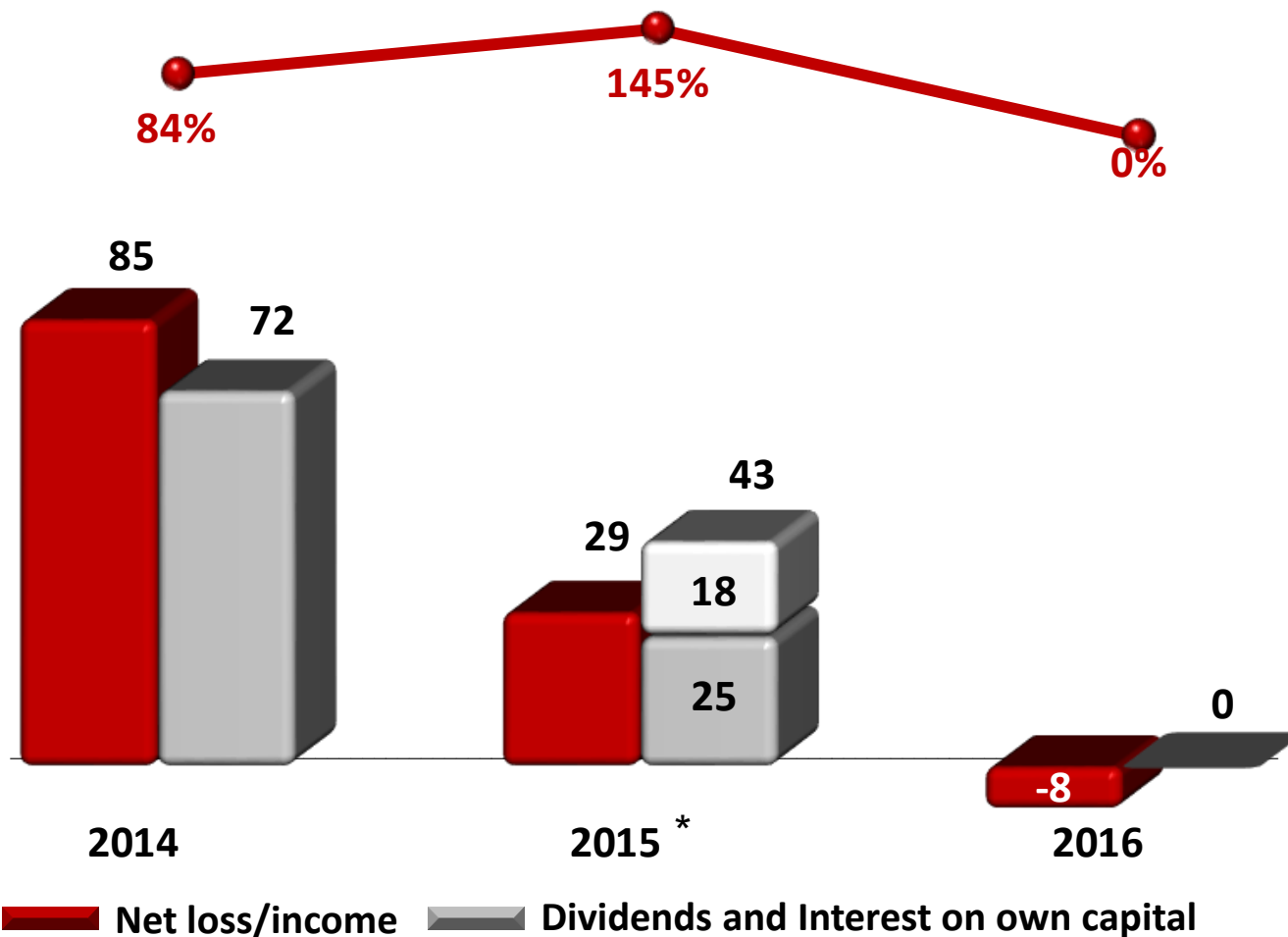
Main shareholders *	Share
Luiz Barsi Filho	12.86%
Victor Adler and controlled companies	10.63%
Geração L. Par. F. I. A.	8,76%
Executive Board	0.96%
Stock in treasury	0.03%

Board of Directors **	Member since
Luiz Barsi Filho - President	2015
Marcelo Munhoz Auricchio	2011
Marcelo Gasparino da Silva	2014
Raphael Manhães Martins	2015
Manoel Arlindo Zaroni Torres	2016
Marcelo Amaral Moraes	2016

Board of Auditors	Member since
André Eduardo Dantas	2013
Pedro Paulo de Souza	2015
Daniel Vinícius Alberini Schrickte	2016

# Policy of Remuneration (R\$ million)

## Pay Out



\*The amount of distributed earnings includes distribution based on retained earnings from previous years



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**Recognitions**

# Recognitions

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## Commercial

- Eternit
  - 2016 ANAMACO Award

## Human Resources

- Eternit and SAMA
  - Best Companies to Work For



# Further Information

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