



ETERNIT S.A. - under Court-Supervised Reorganization

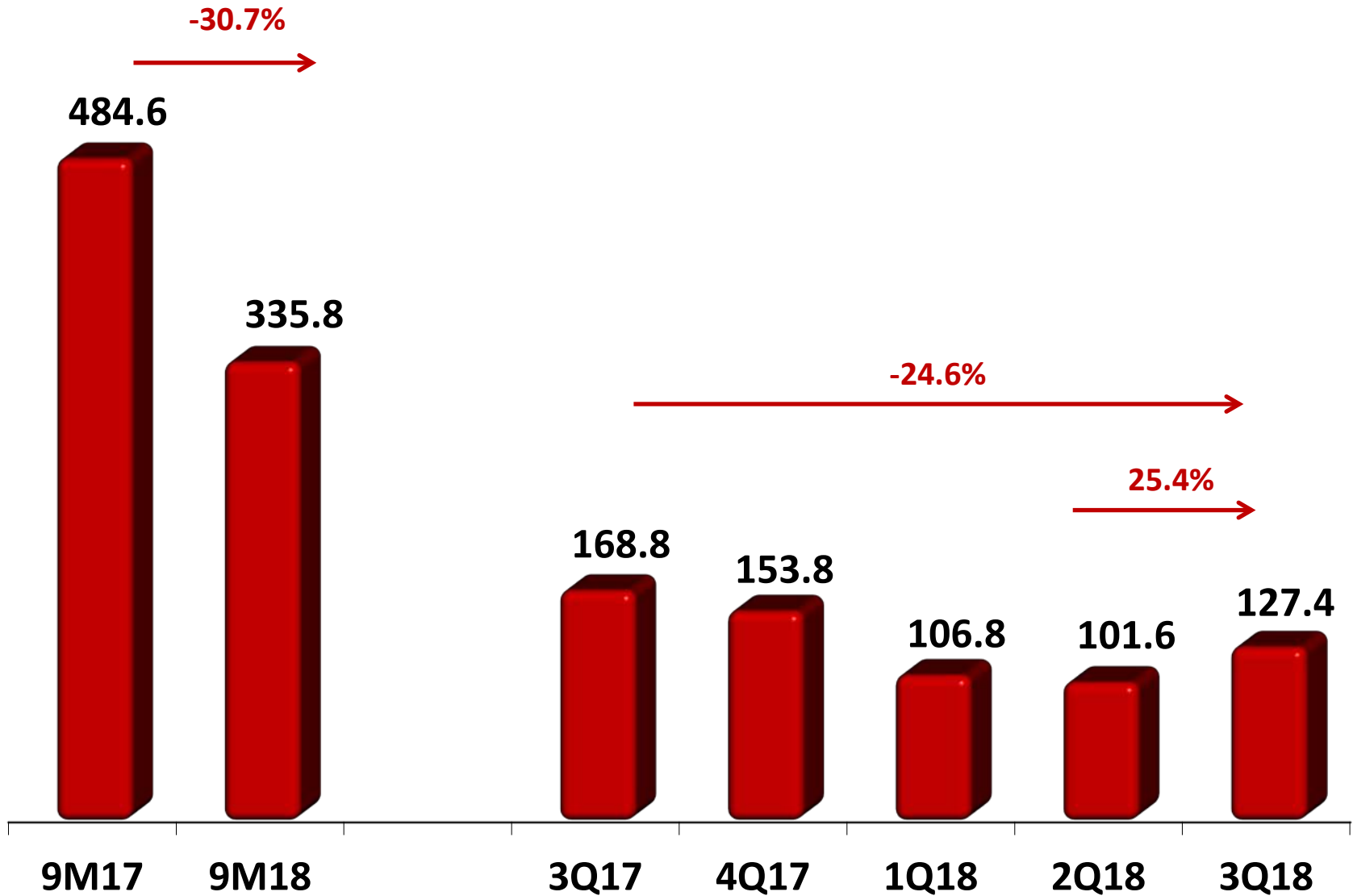
Conference Call - 3Q18 Earning Results

November 22, 2018

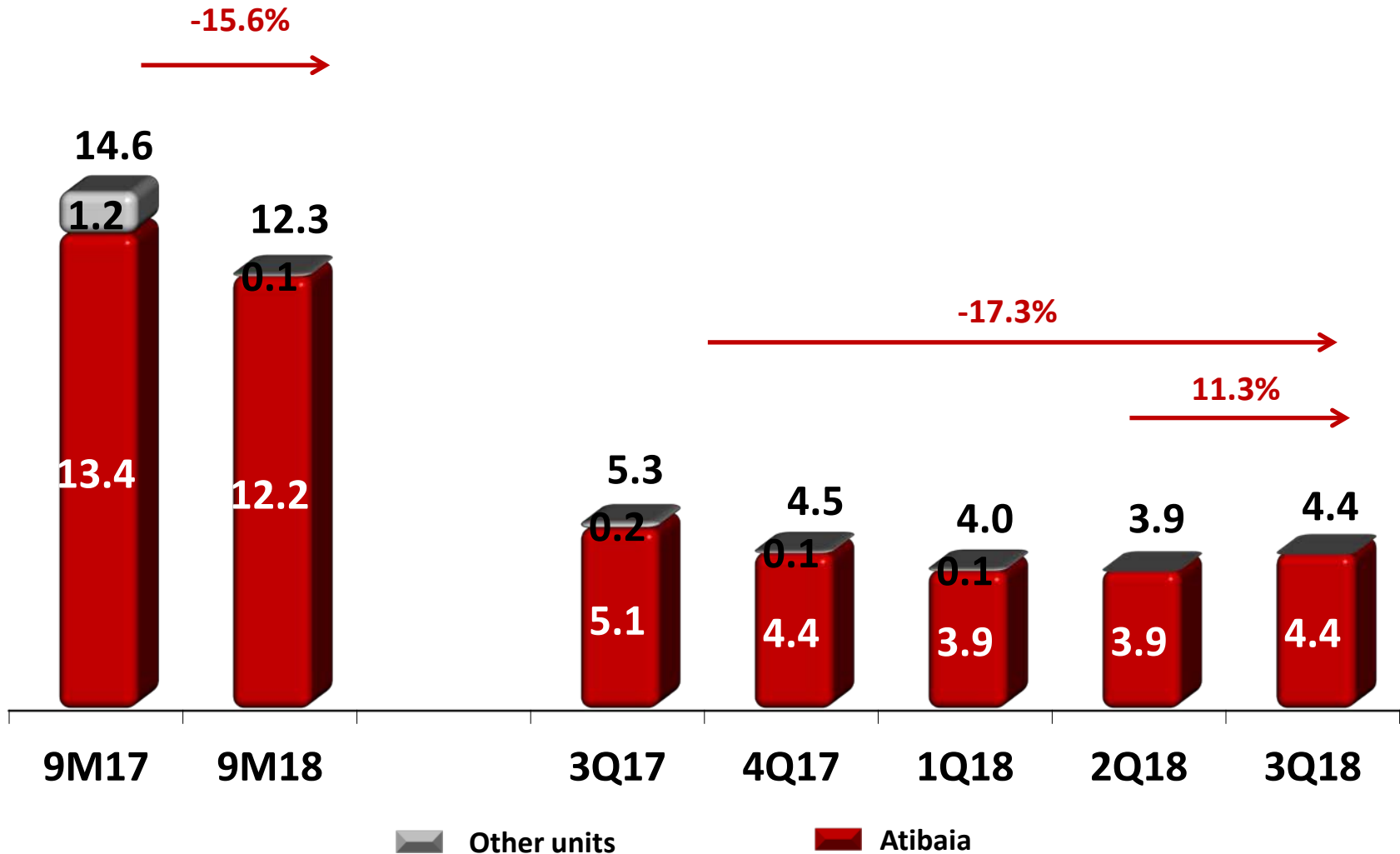
“Forward looking statements included in this presentation regarding the Company’s business, operating and financial results and Company’s growth are only predictions and were based on management's expectations regarding future performance. These expectations are highly dependent on market conditions,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

- ✓ Economy continues to recover, already with reflex in net operating revenue which increased 20.0% in 3Q18 x 2Q18.
- ✓ The Company operated in line with market demand.
- ✓ Drop in fiber-cement and concrete roofing panel sales in 3Q18 x 3Q17. Healthy performance of chrysotile exports, in comparison to the same period.
- ✓ Decline of 16.5% in net operating revenue in comparison to 3Q17.
- ✓ Adjusted EBITDA came to negative R\$15.8 million.
- ✓ Reverse stock split in the ratio of 6 to 1, as from October 29, 2018..
- ✓ General Meeting of Creditors will be held on November 27, 2018, on second call, to approve the plan of court-supervised reorganization.

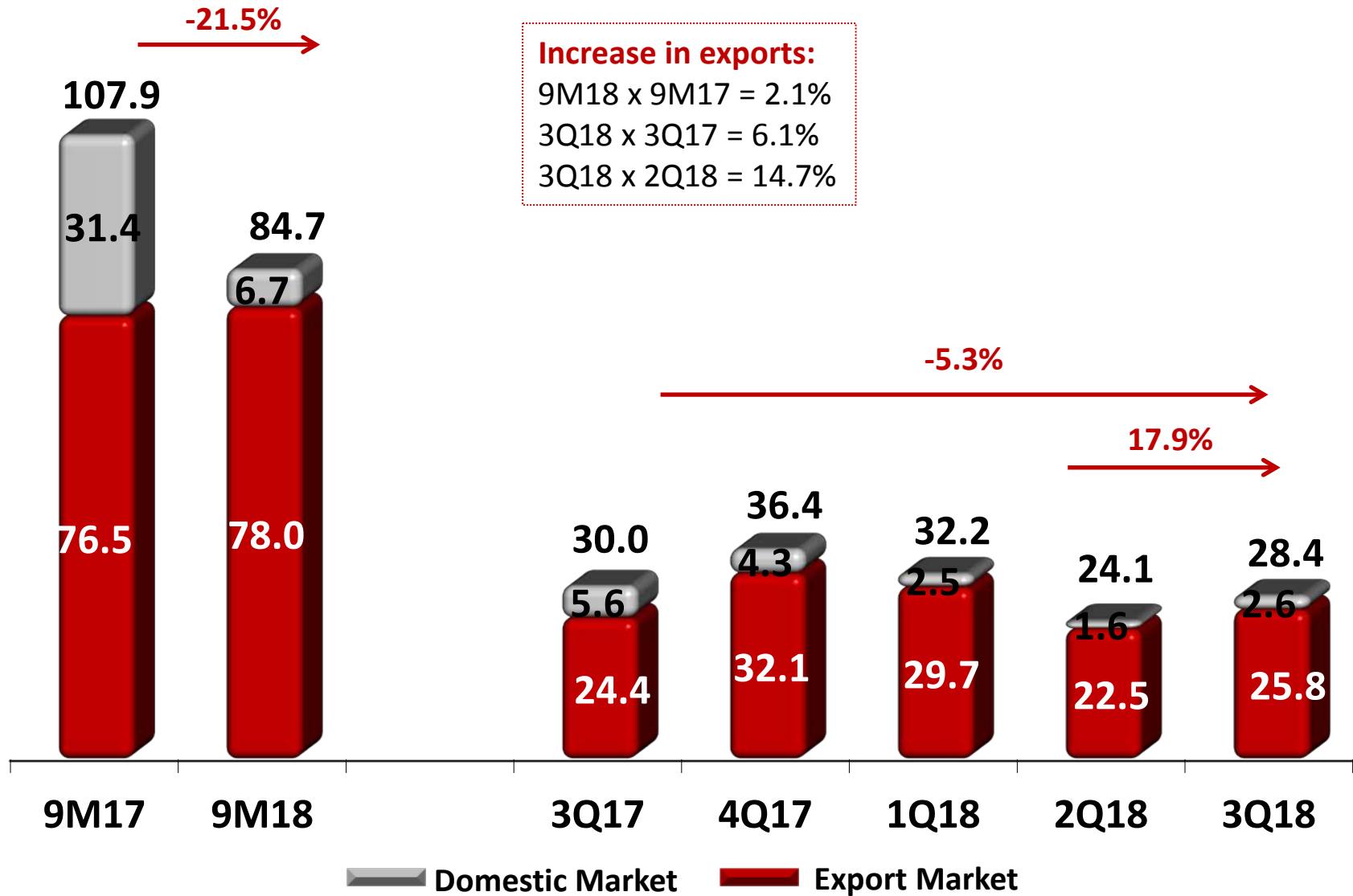
Sales of Fiber-Cement tiles ('000 tons)



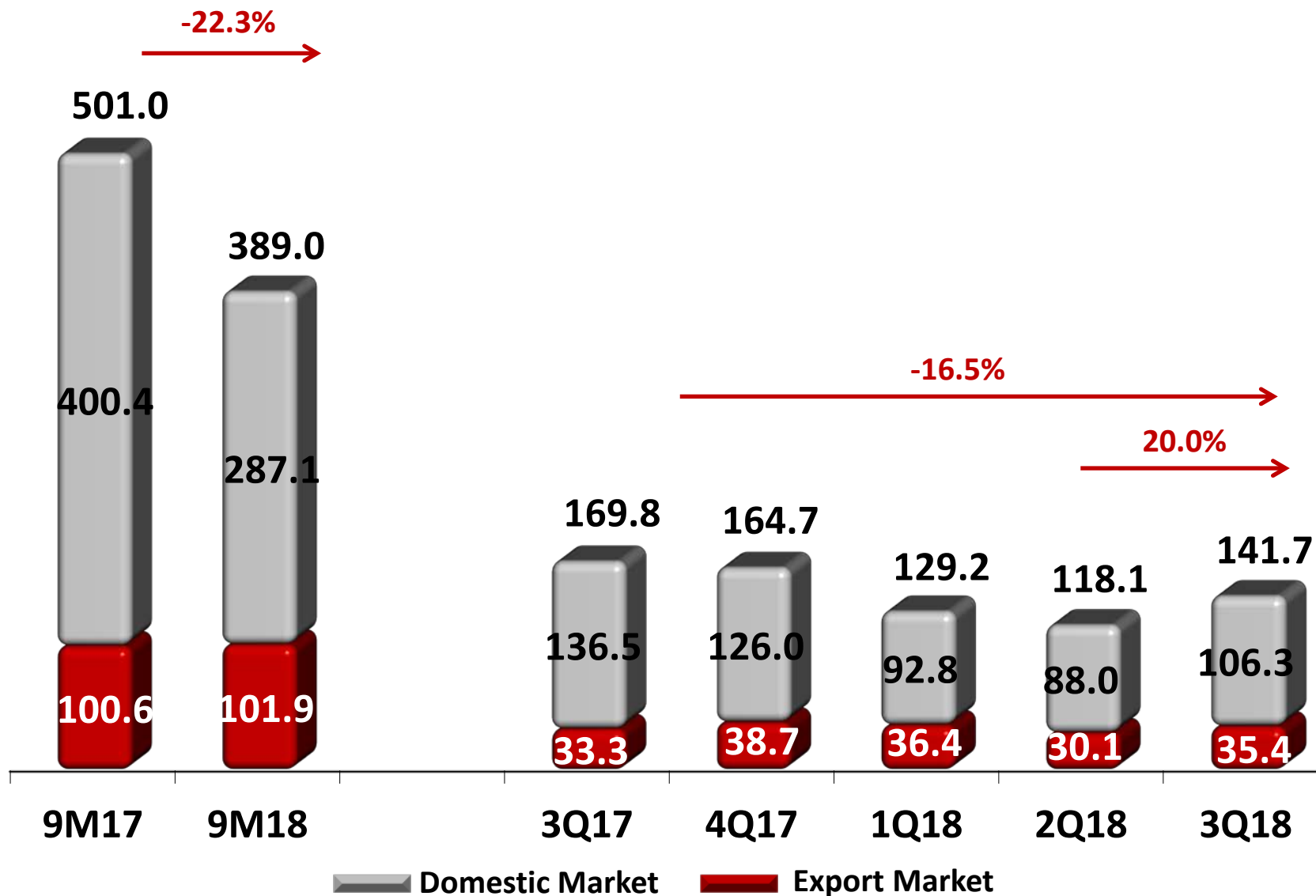
Sales of Concrete tiles (million pieces)



Sales of Chrysotile Mineral ('000 tons)



Consolidated Net Revenue (R\$ million)

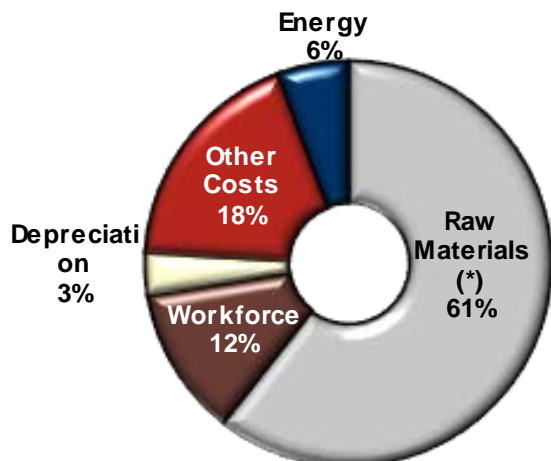


Gross Margin

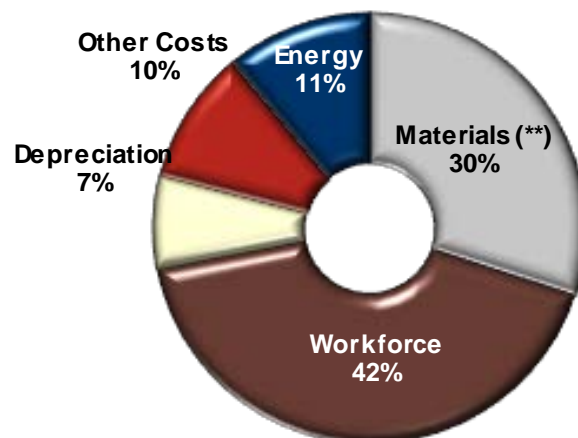
R\$ million	9M17	9M18	3Q17	4Q17	1Q18	2Q18	3Q18	% Chg. 3Q18 x 3Q17
Net operating revenue	501.0	389.0	169.6	164.8	129.2	118.1	141.7	20.0
Cost of goods sold	(366.1)	(314.0)	(129.6)	(135.8)	(92.5)	(99.3)	(122.2)	23.0
Gross Margin	134.9	75.0	40.0	28.9	36.7	18.8	19.5	3.8
Gross Margin%	27%	19%	24%	18%	28%	16%	14%	- 2 p.p.
Adjusted Cost of goods sold	(350.5)	(312.5)	(120.8)	(128.1)	(91.2)	(99.1)	(122.2)	23.3
Adjusted gross margin	150.5	76.5	48.9	36.7	38.0	19.0	19.5	2.3
Adjusted Gross Margin %	30%	20%	29%	22%	29%	16%	14%	- 2 p.p.

Breakdown of Cost (3Q18)

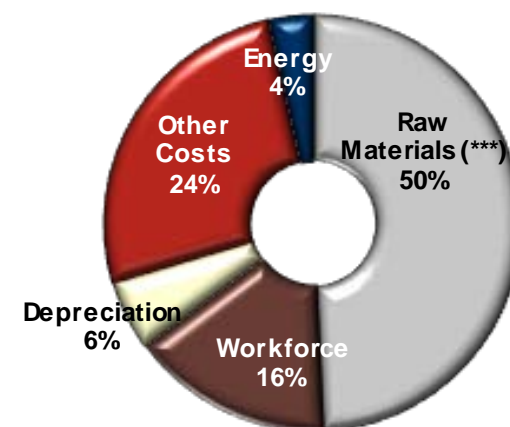
Fiber-cement



Chrysotile Mineral



Concrete Roofing Tiles



EBITDA and Net Loss



R\$ million	9M17	9M18	3Q17	4Q17	1Q18	2Q18	3Q18	% Chg. 3Q18 x 2Q18
Adjusted EBITDA	44.0	(30.7)	13.1	(3.0)	4.4	(19.3)	(15.8)	(17.8)
Non-recurring events								
Restructuring	(18.6)	(1.4)	(7.4)	(2.0)	(0.6)	-	(0.9)	-
Expenses related to the judicial recovery process	-	(7.1)	-	-	-	(2.6)	(4.5)	76.5
Breaking of products in the production process	(6.5)	(0.5)	(5.1)	(2.7)	(0.3)	(0.3)	-	(100.0)
Expenses with unexpected halts*	(6.5)	-	(2.5)	(2.4)	-	-	-	-
Provisions for contingencies	-	-	-	(4.2)	-	-	-	-
Provision for waste disposal	-	-	-	(9.0)	-	-	-	-
Provision for loss of property, plant and equipment	-	-	-	(7.4)	-	-	-	-
Estimated impairment of net realizable value of inventory	-	-	-	(2.2)	-	-	-	-
Estimated loss due to goodwill of assets	-	-	-	(16.6)	-	-	-	-
Estimated loss due to impairment of assets	-	-	-	(127.2)	-	-	-	-
Manufacturing inefficiencies	-	(1.0)	-	-	(1.0)	-	-	-
Equity pickup	(20.7)	(12.8)	(5.9)	(7.9)	(4.3)	(4.5)	(4.1)	(8.4)
EBITDA	(8.4)	(53.6)	(7.9)	(184.5)	(1.7)	(26.6)	(25.4)	(4.6)
Income tax and social contributions	1.8	(8.4)	(0.2)	(33.3)	(1.7)	(2.4)	-4.3	77.5
Net financial income	(12.9)	(17.7)	(3.9)	(3.5)	(4.6)	(3.7)	(9.5)	157.0
Depreciation and amortization	(27.2)	(9.3)	(8.6)	(8.4)	(3.2)	(2.1)	(4.0)	89.4
Net Loss	(46.6)	(89.0)	(20.6)	(229.7)	(11.1)	(34.8)	(43.1)	24.0
Non-recurring events	34.2	10.1	15.0	174.1	1.8	2.8	5.4	91.6
Effect of Income and social contributions taxes	(11.6)	(3.4)	(5.1)	(10.3)	(0.6)	(1.0)	(1.8)	91.6
Adjusted Net Loss	(24.1)	(82.4)	(10.7)	(66.0)	(10.0)	(32.9)	(39.5)	20.1

* Not including the depreciation value of non-scheduled maintenance shutdown.

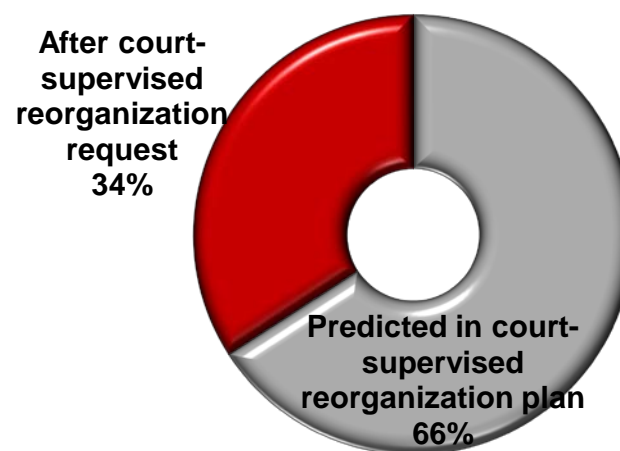
Debt (R\$ million)

DEBT - R\$ '000	09/30/18	12/31/17	% Chg.	06/30/18	% Chg.
Short-term gross debt	88,557	58,888	50.4%	69,336	27.7%
Long-term gross debt	32,101	38,570	-16.8%	32,100	-
Total gross debt	120,658	97,458	23.8%	101,436	18.9%
Cash and cash equivalents	(23,551)	(6,957)	238.5%	(8,699)	170.7%
Short-term investments (same cash equivalents)	-	(21,805)	-100.0%	-	-
Cash and short-term investments	(23,551)	(28,762)	-18.1%	(8,699)	170.7%
Net debt	97,107	68,696	41.4%	92,737	4.7%
Net debt / Equity	14.3%	40.3%	-	77.9%	-

Composition of gross debt



Gross debt payment conditions



In 3Q18, 100% of the foreign currency debt was naturally hedged by accounts receivable on chrysotile exports.

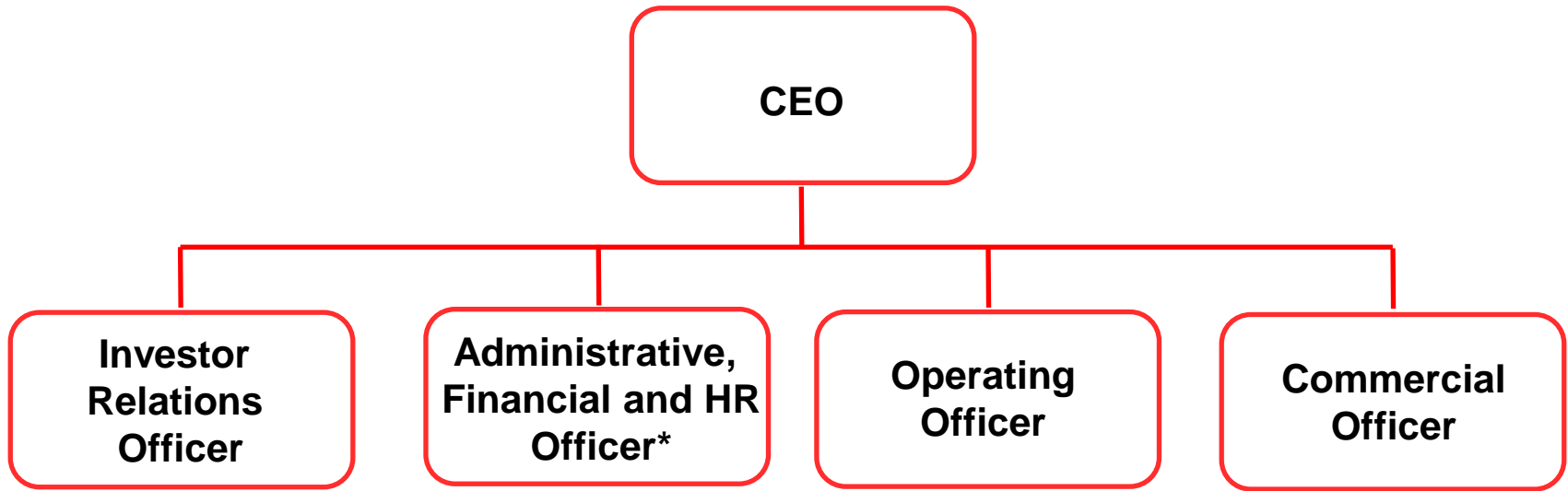
Reverse Stock Split

- ✓ In compliance with B3 requirements, it was approved in the Extraordinary Shareholders Meeting held on 09/27/18 **the reverse stock split of all the 179,000,000 book-entry common shares at the ratio of 6 common shares to 1 common share, without any change to the capital stock.**

	Before Reverse Stock Split	After Reverse Stock Split
Reverse stock split base	10/26/2018	From 10/29/2018
Shares issued	179,000,000	29,833,333

- ✓ In case of share fractions, the same will be grouped into whole lots and auctioned at B3. **Through the broker Planner Corretora, the Company will hold an auction at B3 to sell such share fractions, which will be informed in due course.**
- ✓ **The proceeds of the sale will be apportioned among the holders of share fractions, and Banco Itaú Unibanco S.A. (stock transfer agent) will do one of the following: I. credited – for known shareholders; or II. make the amount available – for unknown shareholders.**

Executive Board Structure



Election of Mr. Vitor Mallmann, according to the Meeting of the Board of Directors held on 10/22/2018.
More information on the IR website (www.eternit.com.br/ir)

General Meeting of Creditors

- ✓ **General Meeting of Creditors (“GMC”)**, on second call, will be held on **November 27, 2018**. The purpose of the GMC is to present the Eternit Group's Court-Supervised Reorganization Plan to the creditors for their approval, rejection or modification.

Classe	Quórum instalação AGC em 1ª. convocação
I - Labor Creditors	Art. 37 of Law 11101/2005:
II – Credits with Security Interest	
III - Unsecured debt	
IV – Micro and Small Company Creditors	<i>“... The meeting shall be instated in the first call, with the <u>presence of creditors holding more than half of the credits of each class, computed by the amount,</u> and, at the second call, with any number.”</i>

IR TEAM

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