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QUARTERLY REPORT 1Q20

MAY 4, 2020

ADJUSTED EBITDA REACHED R\$ 1.028 BILLION IN 1Q20, A 2% INCREASE IN COMPARISON TO 1Q19

Sales Volume

849 k ton

Efficiency, operational flexibility in product portfolio, as well as markets and regions diversification drove the increase in all business lines, with 8% growth over 1Q19.

Net Revenue

R\$ 2.591 bn

Highlighting the cardboard and packaging lines, net revenue increased 4% compared to the same period in 2019.

Adjusted EBITDA

R\$ 1.028 bn

Increase in sales volumes, cost discipline and exchange rate depreciation raised adjusted EBITDA to R\$ 1.028 billion, up 2% from 1Q19.

Liquidity

At the end of March, Klabin relied on robust liquidity of R\$ 9.8 billion, a fully funded Puma II project, and an average debt maturity of 9.4 years.

IP Packaging Acquisition

Acquisition of IP Brazil packaging and corrugated boxes reinforcing Klabin's commitment to the packaging sector and the generation value for shareholders.

Construction Progress

Puma II

Initiation of the gradual remobilization of the professionals involved in the civil construction and assembly works of Project Puma II.

Klabin

Market Cap'
R\$ 16.9 billion
'based on price of
KLBN11

KLBN11

Closing Price
R\$ 15.99
Average daily traded
volume 1Q20
R\$ 128.5 million

Conference Call

Portuguese (with simultaneous translation)
Tuesday, 05/05/2020 at 11:00 AM
Tel: (011) 3193-1133
Password: Klabin
<http://webcastlite.mziq.com/cover.html?webcastId=6766b061-7952-468a-b501-ee1829da70ed>

RI

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Klabin's Initiatives – COVID-19



EACH ATTITUDE COUNTS

Since the beginning of the pandemic, the Company has actively worked on prevention measures to control the spread of Coronavirus (COVID-19) among its employees and the community. Besides the reinforcement of the hygiene protocol and the propagation of pertinent information in its official communication channels, Klabin remains aligned with the guidelines of the World Health Organization (WHO), adopting several measures, including the cancellation of travels, implementation of medical and monitoring committees in all of its units, flexibilization of the routine and management of remote work, adoption of alternate shift system and individualized food service.

Additionally, and aiming to extend these prevention measures, on March 23 the Company announced the temporary demobilization process of professionals involved in the civil construction and assembly works of Project Puma II which had, by the time, approximately 4,500 professionals on site. In mid-April, the Company began the gradual reintegration of some of these professionals, most of them residents of the state of Paraná. By reinforcing sanitary protocols and implementing several measures to tighten up hygiene conditions, the full reestablishment of the works and their professionals is still subject to evaluation in the coming weeks of COVID-19's epidemiological scenario, especially in the regions near the site.

All these initiatives, which aim to ensure the safety of its employees and prioritize the health and well-being of all, ensure also the maintenance of the operational activities of Klabin, the largest producer and exporter of packaging paper in the country, to ensure the production of containers that fill, protect, store and transport items of prime necessity, important for the population, especially in the segments of industrialized and fresh food (milk, protein, wheat flour, fruit, frozen and other kinds); of personal and medical hygiene (baby and geriatric diapers, sanitary pads for hospital beds, paper towels and toilet paper); and cleansing products (detergents, sanitizers, alcohol, among others). It is worth noting that Klabin has approximately 80% of its total production directed to the food, hygiene and cleansing segments, considered of prime necessity. It is also the only producer of fluff pulp in Brazil, a primary material for the production of disposable diapers.

Aware of the importance to the local communities and of its role in the Brazilian economic scenario, Klabin has already allocated more than R\$ 10 million in donations and initiatives to combat COVID-19. Besides the financial aid, these actions also rely on the mobilization of different resources and experiences of the Company, with a focus on health and social assistance, prioritizing the care of the communities in addition neglected sectors in the midst of the crisis, such as recyclable materials collectors. Among these initiatives, the following stand out:

- Klabin's Research and Development area has developed an unprecedented formulation of gel alcohol made from MFC (microfibrillated cellulose). The raw material replaces carbopol, an important imported material for the production of gel alcohol, which is short in the market.
- In partnership with the Government of the State of Paraná and the City Hall of Telêmaco Borba, Klabin began the civil construction retrofitting for the installation of ICU beds and infirmary beds for the opening of a Campaign Hospital in Paraná, which will exclusively attend Coronavirus infected patients from seven municipalities in the region.
- Participation of the Saving Lives Campaign, together with the Brazilian Development Bank (BNDES), for delivery of supplies and equipment such as masks, gloves and lung ventilators to philanthropic hospitals and Holy Houses (Santas Casas).
- Klabin is part of the Federal Government consortium together with other companies to manufacture 6.5 thousand Magnamed lung ventilators, which will significantly increase the product availability in the country.
- Donation of around 100,000 hospital and hygiene items and more than 400,000 corrugated packages for transporting food and hygiene products to hospitals, entities, institutions and communities throughout Brazil.
- Donation of resources to the organization 'Pimp My Carroça', which will generate minimum income for collectors nationwide.
- Donation of 4 tonnes of paper to produce disposable cups destined to major hospitals.

Through measures to prevent and fight the effects of the COVID-19 pandemic, Klabin reinforces its commitment to the well-being of its teams, their families and society as a whole. Finally, we highlight the commitment of our employees, especially those who are in forestry and manufacturing operations leading the production of essential goods for the supply of the nation's basic need supply chain.

Financial Highlights

R\$ million	1Q20	4Q19	1Q19	Δ	Δ
				1Q20/4Q19	1Q20/1Q19
Sales volume (thousand tonnes)	849	927	783	-8%	8%
% Domestic Market	55%	51%	52%	+ 4 p.p.	+ 3 p.p.
Net Revenue	2.591	2.704	2.490	-4%	4%
% Domestic Market	59%	59%	58%	+ 0 p.p.	+ 1 p.p.
Adjusted EBITDA	1.028	965	1.005	7%	2%
Adjusted EBITDA Margin	40%	36%	40%	+ 4 p.p.	+ 0 p.p.
Net Income	(3.143)	631	(196)	n/a	-1502%
Net Debt	20.381	14.355	12.754	42%	60%
Net Debt / EBITDA (LTM - BRL)	4,7x	3,3x	3,0x		
Net Debt / EBITDA (LTM - USD)	3,7x	3,2x	2,9x		
Capex	820	852	297	-4%	176%

Notes: Due to rounding, some figures in tables and graphs may not result in a precise sum.

Klabin presents its consolidated financial statements according to international accounting standards (International Financial Reporting Standards - IFRS) as determined by CVM 457/07 and CVM 485/10 instructions. Adjusted EBITDA is in accordance with CVM Instruction 527/12. Some of the figures on the charts and tables may not express a precise result due to rounding. LTM - Last Twelve Months

Summary

The increase in the number of new Coronavirus cases around the world, notably in Europe and the United States, has been creating huge uncertainty as to the social and economic impacts for the year. In parallel, the announcement of the first victims of the virus in Brazil in the middle of February has also brought major questions as to the future for economic activity, which had been indicating signs of a recovery and gaining momentum in the final months of 2019.

Indicators in Brazil for packaging and packaging paper markets, in turn, had been showing a first quarter of strong growth following a similar tendency in 4Q19. Brazilian Association of Corrugated Boxes (ABPO) data showed an increase in shipments of corrugated boxes of 7.5% in 1Q20 compared with the same period in 2019, following a year-on-year 4.5% increase in 4Q19. Data for coated paper board up to February 2020, published by the Brazilian Tree

Industry (IBA) also reported a rapid growth of 7.8% in the first two month of 2019. Important here to recall the linkage of Klabin's products to markets for staple goods, more especially food and beverages. In the corrugated box sector for example, more than 60% of sales to the Brazilian market are to the food sector, notably the fruit, vegetables, protein and processed food segments. In Klabin's case both in the domestic and export markets, this exposure is even greater due to the preponderance of virgin fibers in its production mix of papers, and its leading position in the market for liquid packaging board used for UHT milk cartons for example.

Despite the uncertainties for the global economy in the next few quarters brought about by the COVID 19 pandemic, in the pulp markets, it is worth pointing out the exposure of more than 50% of pulp producer sales in the hardwood (short fiber) market go for the production of toilet/tissue

papers. In addition, fluff pulp output is produced mainly for manufacture of infant and geriatric diapers in addition to absorbents and hospital supplies. Exposure to these segments, also deemed a basic necessity principally in the current sanitary crisis, underscores the need for ensuring the operational continuity of companies in this sector in the supply of these vital production chains. Consequently, the price lists for hardwood (short fiber) and softwood (long fiber) pulps in China reported an average for the period of US\$ 461/t and US\$ 569/t respectively, both flat in relation to 4Q19. However in relation to 1Q19, average prices still stand 38% and 31% lower following the sharp declines during 2019. For Klabin, flexibility in fluff pulp production as well as regional and customer diversification result in a sales mix which contributes to the optimization of results in this line of business.

Consequently, through its exposure to the staple goods sector and its operational flexibility of operating in different markets and regions, the Company was able to report a sales volume of 849 thousand tons in the period, an increase of 8% in relation to the first quarter of 2019, with all its lines of business recording sales growth. Deserving special mention was the 15% rise in sales volume of coated board, which is more than 90% exposed to the food, beverages and hygienic industries, as well as the 33% increase in sales of fluff/long fiber pulp.

Increased sales volume together with currency devaluation in the period more than offset still deteriorated commodity prices such as pulp, the Company reporting net revenue in 1Q20 of R\$ 2,591 billion, year-on-year 4% higher than 2019. With the Company's good cost discipline,

favorable plant operational performance and deflation in the prices of some inputs, especially those of chemicals and fuels, Adjusted Ebitda reached R\$ 1.028 billion, an increase of 2% in relation to the first quarter 2019.

More than 80% of Klabin's pulp, paper and packaging output is shipped to the segments of food (industrialized and *in natura*), hygiene (toilet paper, tissues, tooth paste, soaps among others) and cleansing (soap powder, sanitizers among others), considered as basic necessities. In addition, the Company accounts for the supply of about 50% of the Brazilian market for fluff pulp, a critical material in the production of disposable diapers (infant and geriatric). It is through its ability to meet this demand that Klabin demonstrates the resilience of its integrated and flexible business model, able to generate consistent results in supplying a production chain providing essential goods to the population.

At the end of the first quarter 2020, Klabin announced the acquisition of International Paper's packaging paper and corrugated board business in Brazil. The transaction is still subject to compliance with certain suspensive conditions, among which approval from the Brazilian anti-trust authority (*Conselho Administrativo de Defesa Econômica*) – CADE. The transaction is in line with the company's strategy to grow in this segment, enhancing its operational flexibility and improving the stability of its results. It also marks Klabin's debut in operations in the Central-West region of Brazil, in so doing strengthening the Company's leadership in the sector.

Exchange Rate

R\$ / US\$	1Q20	4Q19	1Q19	Δ	Δ
				1Q20/4Q19	1Q20/1Q19
Average Rate	4,47	4,12	3,77	8%	18%
End Rate	5,20	4,03	3,90	29%	33%

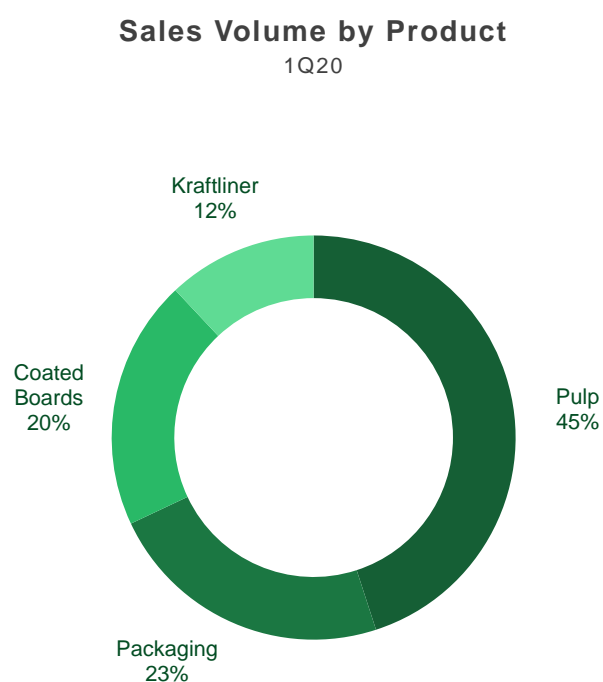
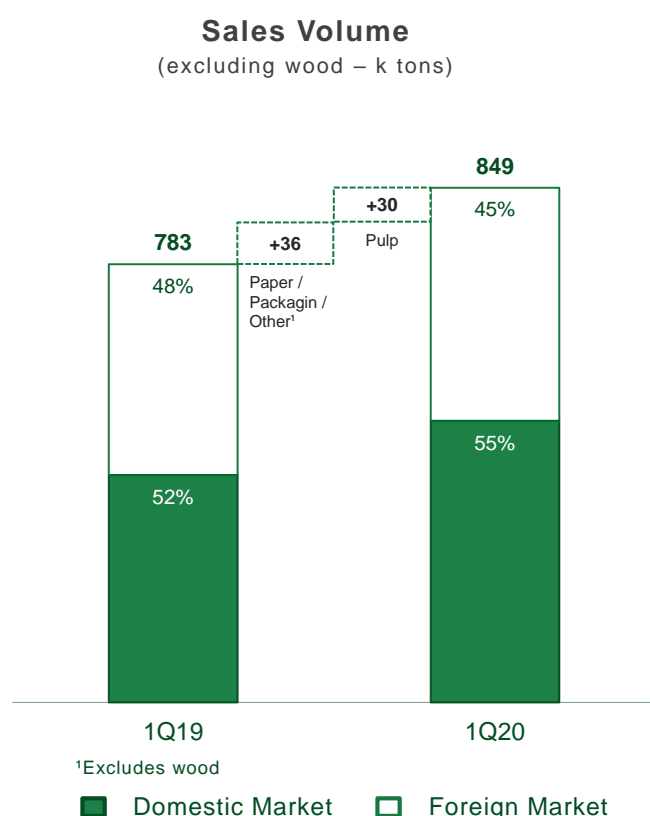
Source: Brazilian Central Bank

The **average exchange rate** during the first quarter 2020 was of R\$ 4.47/US\$, an 8% depreciation of the Real when compared to the previous quarter and 18% in comparison to 1Q19. The devaluation at the end of the quarter was even higher ending with the FX at R\$ 5.20/US\$, a 29% devaluation compared to 4Q19 and 33% in relation to 1Q19.

Operating and Economic Financial Performance

Sales Volume

Klabin's **total sales volume** during the quarter, excluding wood, reached 849 thousand tons, a year-on-year 8% growth.



The good 1Q20 performance was due to the close relationship between the Company's product range and goods deemed as essential, especially in the food and beverages, cleaning products, personal and hospital hygiene segments.

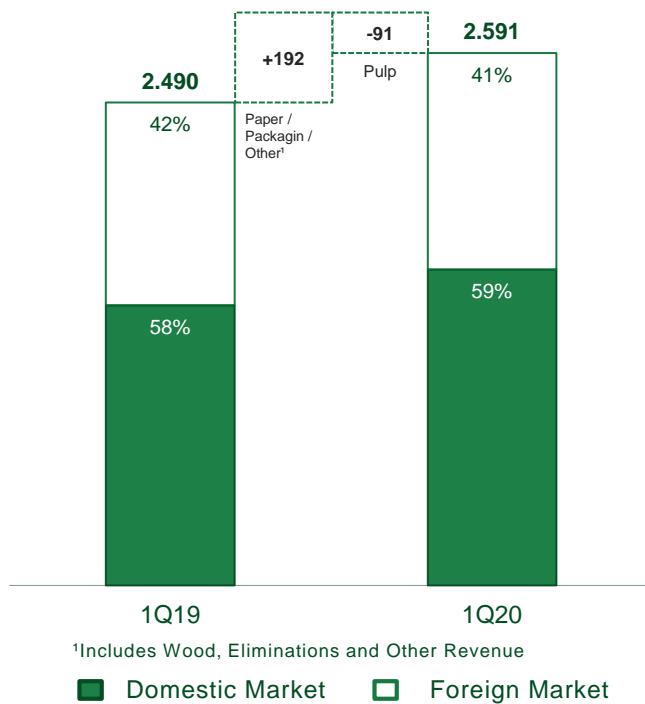
Since the beginning of the year the Company has seen sales growth, with strong demand across all its operating segments, with greater emphasis on sales to the domestic market. As of the month of March,

the Company recorded reduced demand from non-staple goods sectors albeit offset by robust demand from other segments. Business in coated boards was particularly strong with a 15% growth, driven mainly by sales of liquid boards, used in the manufacture of cartons for UHT milk, juices and other beverages.

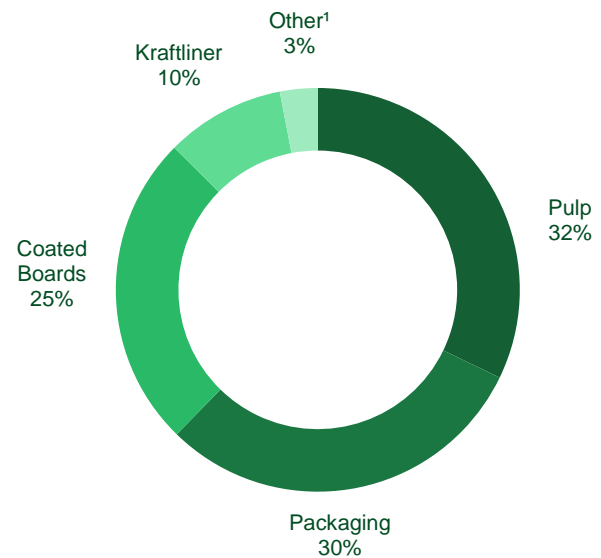
Net Revenues

Net revenue was R \$ 2,591 million for the first quarter of the year, a 4% increase compared to 1Q19. In addition to the increase in the sales volume of all businesses, the strong FX variation in the period positively impacted net revenue on the back of 45% of sales volume destined for foreign markets, equivalent to 41% of the total net revenue. In short, the growth in sales volume and the devaluation of the Real in the period, more than offset the sharp drop in bleached pulp prices throughout 2019.

Net Revenue
(R\$ million)



Net Revenue by Product
1Q20



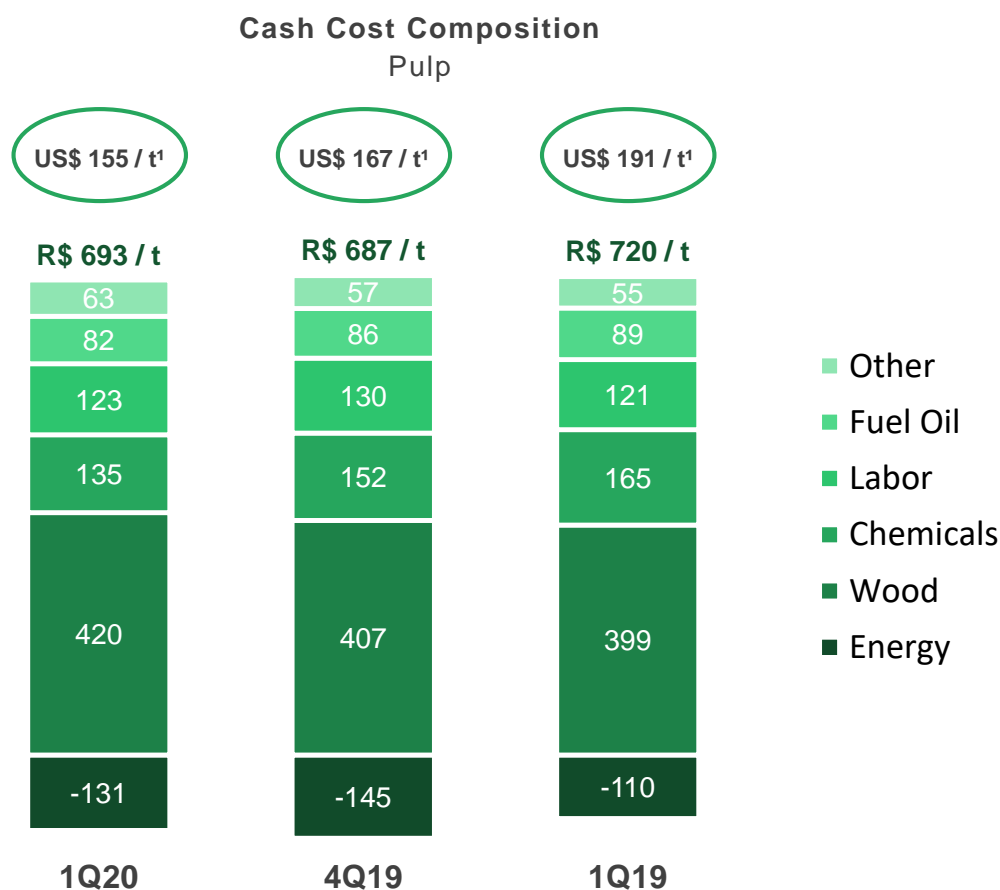
Operating Costs and Expenses

Pulp Cash Cost

For comparative purposes, the **unit cash cost of pulp production** is disclosed, contemplating production costs for hardwood (short fiber), softwood (long fiber) and fluff pulps and tonnage produced during the period. The production cash cost does not include selling and general and administrative expenses, only constituting amounts expended on pulp production.

The pulp unit continued to register a good operating performance in 1Q20. The Company produced 396 thousand tons in the quarter, flat year on year, with an increase in the output of softwood/fluff and a reduction in hardwood volumes.

The production cash cost was R\$ 693/ton in the quarter, representing a 3.7% reduction in relation to the same period of 2019. The main highlights of the quarter were a reduction in the cost of chemicals, the effect of higher productivity and a reduction in the price of caustic soda and sulfuric acid, which more than offset the FX devaluation. Klabin also benefited from greater energy generation in the period, since its sale represents a reducing factor in the cash cost of production. In addition, investments in the tall oil plant started to positively impact production costs with a reduction in specific consumption of fuel. Finally, in line with forest supply strategy disclosed in previous quarters, there was an increase in average hauling distance to factory due to greater third parties wood supply on the total mix, negatively impacting fiber costs. This increase is in line with the Company's plans to preserve its own forests closer to the industrial plants for future harvesting.



¹ Calculated based on the average US\$ for the period.

Total Cash Cost

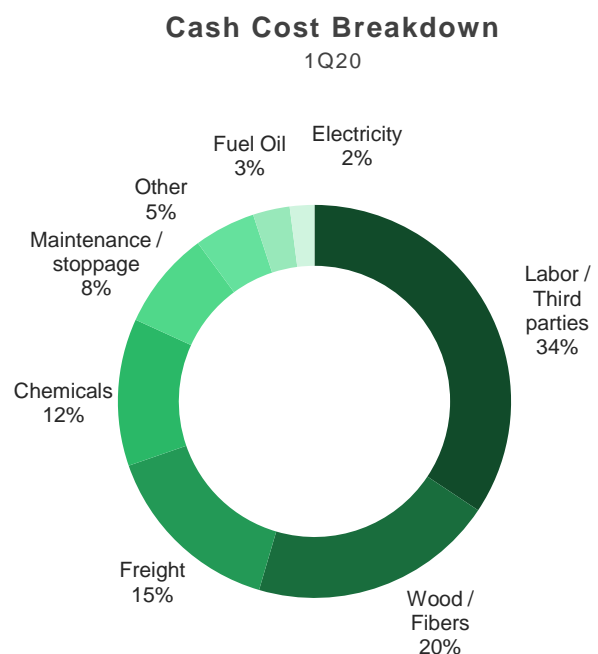
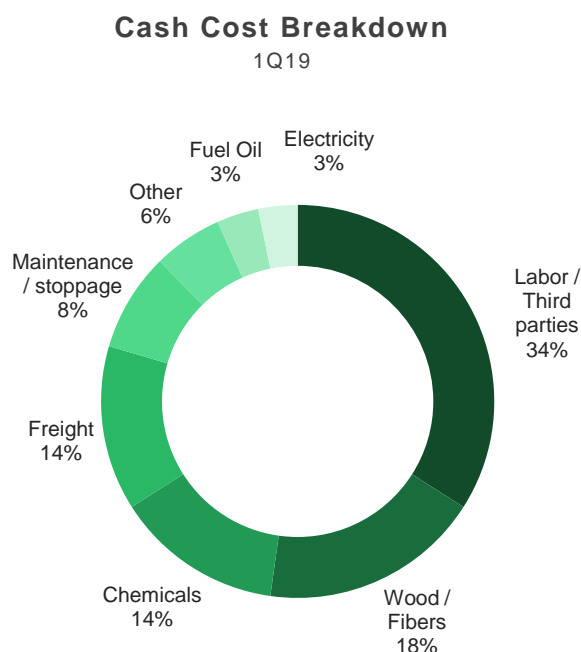
The **total unit cash cost**, which includes the sale of all the Company's products, was R\$ 1.842/ton in the quarter. Discounting the effect of the scheduled shutdown of the Otacílio Costa unit in the period and costing R\$20 million, the total unit cash cost would have been 1,818/ton, a 4% reduction in relation to the same quarter of 2019. This decline reflects Klabin's good operating performance, especially in relation to inputs of chemicals, energy and fuels, in addition to the greater dilution of fixed costs resulting from increased production and sales volume.

Cost of goods sold during the quarter, excluding depreciation, amortization and depletion, was R\$ 1,180 million, representing R\$ 1,389/ton. This is a 6% reduction in relation to 1Q19 and due to the same factors as in the preceding paragraph.

Sales expenses totaled R\$ 247 million in the quarter versus R\$ 190 million in the same period of the previous year. These expenses represented 10% of net revenue in 1Q20 versus 8% in 1Q19. At the end of 2018, Klabin anticipated the termination of the Fibria/Suzano offtake agreement for sales of hardwood pulp outside South America, and that were fully incorporated by Klabin as of August 2019. This agreement was a free-on-board operation - Port of Paranaguá, and with its termination Klabin incorporated maritime freight costs into selling expenses, a value previously discounted from the sales price. Compared to 4Q19, a period in which Klabin was already selling the total volume of pulp directly, selling expenses were R\$34 million lower, maintaining the percentage of 10% in relation to net revenue.

General and administrative expenses totaled R\$ 149 million in 1Q20, representing a 7.7% increase versus 1Q19. The increase in these expenses above inflation for the period is due to consultancy and advisory services contracted in 1Q20 and not the case in the same quarter of the previous year, especially in the forestry unit. These investments aim to improve operational processes in order to prepare Klabin for the upcoming increase in silviculture and harvesting operations.

Other operating revenues/expenses resulted in revenues of R\$ 12 million in the quarter



Maintenance Stoppages Schedule

The Company's schedule of shutdowns for 2020 is designed to increase production efficiency and to guarantee the operational continuity of its plants. The general shutdown of the Otacílio Costa (SC) unit occurred as planned while no changes have been made for the Ortigueira (PR) - Puma I unit's scheduled maintenance stoppage. The exceptions involve the Monte Alegre (PR) and Correia Pinto (SC) units, where the planned dates have been changed due to the restrictions in the flow of materials and people as a result of the COVID-19 outbreak. The schedule below is subject to future changes.

Maintenance Stoppage Schedule												
No. of days	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ortigueira (PR) - Puma I										OR		
Monte Alegre (PR)						MA		MA				
Correia Pinto (SC)					CP			CP				
Otacílio Costa (SC)		OC										

Legend:

To be Held	Executed	Postponed
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Effects of the variation in the fair value of biological assets

During the first quarter 2020, the variation in fair value of biological assets was R\$ 217 million. In turn, the depletion effect of fair value of the biological assets on the cost of goods sold was R\$ 283 million in the same period. Hence, the non-cash effect of the fair value of biological assets on operational results (EBIT) for the quarter was a negative R\$ 66 million.

Following the trend seen in 4Q19, the depletion of biological assets continued at a higher level in comparison to previous quarters. Klabin acquired standing wood in previous years, incorporating them into its biological assets. In the light of its forestry planning, the harvesting of standing wood acquired from third parties has become more relevant to the Company's industrial units supply mix, directly contributing to the increase in the depletion of the biological asset.

Operating Cash Generation (EBITDA)

R\$ million	1Q20	4Q19	1Q19	Δ	
				1Q20/4Q19	1Q20/1Q19
Net Income (loss)	(3.143)	631	(196)	n/a	-1502%
(+) Income taxes and social contribution	(1.713)	102	280	n/a	n/a
(+) Net Financial Revenues	5.488	(375)	450	n/a	1119%
(+) Depreciation, amortization, depletion	635	683	435	-7%	46%
Adjustments according to IN CVM 527/12 art. 4º					
(-) Biological assets adjustment	(217)	(76)	38	188%	n/a
(-) Equity Pickup	(22)	(1)	(2)	2013%	1177%
Adjusted EBITDA	1.028	965	1.005	7%	2%
Adjusted EBITDA Margin	40%	36%	40%	+ 4 p.p.	+ 0 p.p.

n/a - Not applicable

The higher sales volume and the devaluation of the Real were predominant factors in the 4% growth in net revenue for the quarter compared to the same period of the previous year. Both were sufficient to offset still deteriorated commodity prices, such as pulp. This increase, combined with the Company's cost discipline, resulted in an **adjusted EBITDA** of R\$ 1,028 million, a 2% increase in relation to the first quarter of 2019, and equivalent to 40% EBITDA margin.

Debt and financial investments

Debt (R\$ million)	Mar-20		Dec-19	
Short term				
Local currency	873	3%	819	3%
Foreign currency	472	2%	361	1%
Total short term	1.345	5%	1.180	5%
Long term				
Local currency	5.021	18%	4.951	21%
Foreign currency	21.230	77%	17.954	75%
Total long term	26.251	95%	22.905	95%
Total local currency	5.893	21%	5.770	24%
Total foreign currency ¹	21.703	79%	18.315	76%
Gross debt	27.596		24.085	
(-) Cash	7.215		9.731	
Net debt	20.381		14.355	
Net debt / EBITDA (LTM)	4,7 x		3,3 x	

¹Includes BRL to USD swaps, as well as the instrument's mark-to-market gains or losses

Gross debt as at March 31 was R\$ 27,596 million, a R\$ 3,511 million increase in relation to the end of 4Q19, mainly due to the FX translation effect on foreign currency loans. Early repayment of less attractive loans in terms of maturity and/or at costs higher than new funding arranged during the period partially offset the increase. Among the operations in the quarter, it is worth highlighting the retapping of the Green

Bond due in 2049, with additional tranche of US\$ 200 million and a 6.10% yield per annum. Conversely, the Company repaid pre-export lines (PPE) amounting to US\$ 666 million. Of the Company's total debt, R\$ 21,703 million, or 79% (US\$ 4,174 million) is US dollar denominated, considering company financing with Real x US Dollar swaps

During the period, there was an increase in **average loan maturities** from 96 months at the end of 4Q19 to an average 113 months at the end of 1Q20, 59 months for domestic loans and 126 for currency loans. A mix of liability management and macroeconomic conditions were instrumental in reducing **average loan costs** from 6.1% p.y. in 4Q19 to 5.3% p.y. in the current quarter for local currency debt, and for currency denominated loans, practically the same level was retained, raising from 5.0% p.y. plus exchange rate fluctuation to 5.1% p.y. plus exchange rate fluctuation on the same comparative basis.

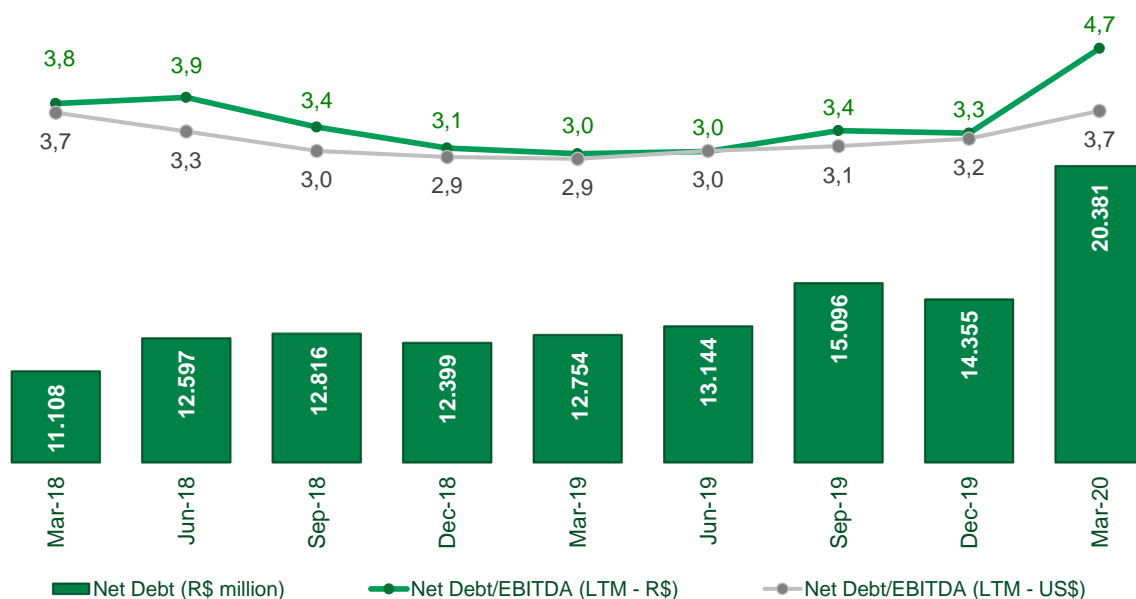
Average Maturity / Cost of Debt	1Q20	4Q19	1Q19
Local Currency	5,3% p.y.	6,1% p.y.	7,7% p.y.
Foreign Currency	5,1% p.y.	5,0% p.y.	5,2% p.y.
Gross Debt	113 months	96 months	52 months

The company's position in **cash and cash equivalents** at the end of the quarter amounted to R\$ 7.215 million, R\$ 2,516 million less than at the end of the 4Q19, mainly reflecting the early repayment of the PPE loans amounting to US\$ 666 million. This cash position would be enough for debt repayments over a 51 month period. Additionally, Klabin has a Revolving Credit Facility of US\$ 500 million (equivalent to R\$2,599 million), with maturity in December 2023 and a financial cost of 0.4% p.y.. Should drawings be made against this facility, the cost of financing would be Libor + 1.35% p.y.

Klabin also contracted, but has not yet drawn, financing linked to the execution of the Puma II Project as follows: (i) IBD Invest, IFC and JICA, totaling US\$ 800 million; (ii) Finnvera, totaling US\$ 245 million; (iii) BNDES totaling R\$ 3 billion, of which the Company has drawn R\$ 500 million. Financing is to be drawn down according to the construction schedule of the Puma II Project and/or company cash requirements.

Consolidated net debt as at March 31, 2020 amounted to R\$ 20,381 million, R\$ 6,027 million more compared with December 31, 2019, largely reflecting the effect of the negative variation in FX rates on currency loans. This non-cash impact saw the Company's financial leverage, measured by the Net Debt/adjusted EBITDA, increase from 3.3x to 4.7x. The Net Debt/EBITDA ratio in US dollars - which better reflects Klabin's financial leverage – increased 0.5x ending the quarter to 3.7 times. This variation reflects the time lag between the effect of EBITDA over the next few months and the immediate effect of marking-to-market of the Company's dollar debt, as well as the Puma II Project disbursements.

NET DEBT AND LEVERAGE



Financial Result

R\$ million	1Q20	4Q19	1Q19	Δ	Δ
				1Q20/4Q19	1Q20/1Q19
Financial Expenses	(452)	(425)	(412)	6%	10%
Financial Revenues	107	142	140	-24%	-23%
Derivative Instruments (SWAP)	(1.717)	255	(160)	n/a	971%
Financial result	(2.062)	(29)	(431)	6982%	378%
Net Foreign Exchange Losses	(3.426)	404	(19)	n/a	18247%
Net Financial Revenues	(5.488)	375	(450)	n/a	1119%

n/a - Not applicable

In the first quarter, **financial expenses** were R\$ 452 million, a R\$ 27 million increase compared to 4Q19. **Financial income** reached R\$ 107 million in the quarter, a R\$ 35 million reduction compared to the previous quarter.

The R\$/US\$ exchange rate ended the quarter at R\$ 5.20/US\$, a 29% increase relative to the end of 4Q19 with a significant negative impact of R\$ 1,717 million on the mark-to-market value of the interest rate swap. Swaps are linked to financing agreements in Reais and through which these financial instruments have an effect similar to a liability contracted in US dollars. The sharp devaluation of the Real also negatively impacted the foreign exchange variation line in R\$ 3,426 million during the period, due to the impact on Klabin's US dollar debt. Important to underscore that these variations, which represent a total of R\$ 5,143 million, have no cash effect.

Free Cash Flow

R\$ million	1Q20	4Q19	1Q19	LTM ¹
Adjusted EBITDA	1.028	965	1.005	4.345
(-) Capex ⁴	(820)	(852)	(297)	(3.097)
(-) Interest paid/received	(243)	(381)	(358)	(1.095)
(-) Income tax	(1)	(2)	(159)	(47)
(+/-) Working Capital	(308)	383	(249)	(478)
(-) Dividends & JCP	(223)	(294)	(270)	(910)
(+/-) Others	(32)	4	(3)	(32)
Free Cash Flow	(600)	(178)	(331)	(1.314)
Dividends	223	294	270	910
Puma II Project	527	554	-	1.798
Special projects and growth	23	9	50	210
Adjusted Free Cash Flow²	173	679	(11)	1.604
Adjusted FCF Yield³				7,6%

¹ LTM - last twelve months.

² excluding dividends and expansion projects

³ Yield - Adjusted FCF per share (excluding treasury stock) divided by the average price of the Units in the LTM.

⁴ Capex under cash accrual method does not consider investments into SPEs (Special Purpose Entities).

Adjusted free cash flow excluding discretionary factors and expansion projects was R\$ 173 million during the quarter. Cash flow benefited from lower Income Tax and Social Contribution payments, due to the offsetting of recoverable taxes and reduction in interest paid. On the other hand, compared to the previous quarter (4Q19), the negative variation in the working capital line is due to the reduction in the volume of discounted receivables in view of higher costs following the new Coronavirus outbreak, and as a consequence of the increase in revenues. In the last twelve months, **Adjusted Free Cash Flow** was R\$ 1.6 billion, equivalent to a 7.6% free cash flow yield.

Return on Invested Capital (ROIC)

The consolidated return of Klabin, measured by the Return on Invested Capital metric, was 11.5% in the last 12 month accumulated period.

ROIC ¹ (R\$ million)	1Q20	4Q19	1Q19
Total Asset	35.029	34.133	29.522
(-) Total Liability (ex-debt)	3.561	3.782	3.454
(-) Construction in progress	1.769	1.170	427
Invested Capital	29.699	29.181	25.641
(-) CPC 29 Adjustment ²	1.809	1.868	1.958
Adjusted Invested Capital	27.890	27.313	23.683
Adjusted EBITDA	4.345	4.322	4.269
(-) Sustaining Capex	1.089	1.065	821
(-) Income Tax and Soc. Contr. (cash)	47	205	319
Adjusted OCF³	3.209	3.052	3.130
ROIC	11,5%	11,2%	13,2%

¹ ROIC: Adjusted Operating Cash-Flow / Adjusted Invested Capital

² Fair Value of Biological Assets – Deferred Taxes of Biological Assets

³ Adjusted Operational Cash Flow

Business Performance

Consolidated information per unit in 1Q20:

R\$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	49	313	480	700	(4)	1.538
Exports	-	522	450	81	-	1.053
Third part revenue	49	835	930	781	(4)	2.591
Segments revenue	407	19	406	8	(840)	-
Total net revenue	456	854	1.336	789	(844)	2.591
Change in fair value - biological assets	217	-	-	-	-	217
Cost of goods sold ¹	(735)	(458)	(847)	(661)	887	(1.814)
Gross income	(62)	396	489	128	43	994
Operating expenses	(23)	(131)	(137)	(98)	27	(362)
Operating results before financial results	(85)	265	352	30	70	632

Note: In this table, total net revenue includes sales of other products.

¹ Forestry COGS includes the exhaustion on the fair value of biological assets in the period.

Note: Comparison base in Appendix 5

Forestry Business Unit

Volume (k tons)	1Q20	4Q19	1Q19	Δ	Δ
				1Q20/4Q19	1Q20/1Q19
Wood	391	344	447	14%	-13%
Revenue (R\$ million)					
Wood	49	51	67	-3%	-26%

Klabin shipped 391 thousand tons of timber in 1Q20, a 13% reduction on an annual comparison. Net revenues from timber sales amounted to R\$ 49 million in the quarter.

Klabin is gradually reducing commercialization of wood to third parties in the light of its increased paper and pulp production capacity

Pulp Business Unit

Production

Volume (k tons)	1Q20	4Q19	1Q19	Δ	Δ
				1Q20/4Q19	1Q20/1Q19
Short Fiber	283	300	293	-6%	-3%
Long Fiber / Fluff	114	113	103	1%	10%
Total Pulp Production Volume	396	413	396	-4%	0%

Sales Volume

Volume (k tons)	1Q20	4Q19	1Q19	Δ	Δ
				1Q20/4Q19	1Q20/1Q19
Short Fiber DM	96	81	59	19%	64%
Short Fiber EM	181	231	214	-22%	-16%
Total Short Fiber Volume	277	311	273	-11%	2%
Long Fiber / Fluff DM	48	46	40	5%	22%
Long Fiber / Fluff EM	58	78	40	-26%	45%
Total Long Fiber / Fluff Volume	106	124	79	-14%	33%
Total Pulp Volume	383	435	352	-12%	9%
Revenue (R\$ million)					
Short Fiber	546	583	670	-6%	-19%
Long Fiber	283	310	250	-9%	13%
Total Pulp Revenues	829	893	921	-7%	-10%

The Pulp Unit posted output of 396 thousand tons in the quarter, flat on an annual comparison. Operational performance was satisfactory, with volume in line with plan for the period and productivity at adequate levels.

Pulp volumes sold in the quarter increased by 31 thousand tons in comparison to 1Q19, with total shipments of 383 thousand tons in the period. As the only Brazilian company to produce hardwood, softwood and fluff pulp, the pulp unit's diversification and operational flexibility in addition to the adoption of a commercial strategy with no regional concentration have all driven growth in a quarter marked by volatility in international markets following the COVID-19 outbreak. A particular highlight was the increase in domestic sales following the early termination of the supply agreement with Suzano, and the increase in the sale of softwood pulp / fluff. This more favorable trading environment allowed Klabin to announce a US\$ 20/ton price increase to Asian markets, effective February and largely implemented over the course of the quarter.

The pulp industry's supply and demand equation showed signs of improvement during the quarter, in contrast to 2019. On the supply side, there were some unplanned and temporary reductions in output, mainly in softwood. On the demand side, the beginning of the year brought good growth expectations, albeit followed by a period of instability in which the Chinese and other world markets experienced production stoppages at different times with the advance of the new Coronavirus pandemic. However, greater sales traction has been detected for pulp used in the production of sanitary and hygienic products, hospital supplies and packaging, more than offsetting the decline in printing and writing paper markets for the time being. Consequently, FOEX price lists for softwood and hardwood pulp sold in China saw US\$9/ton and US\$4/ton increases, respectively at the end of the quarter compared to year-end 2019.

Finally, net revenue from the pulp business reached R\$ 829 million in the quarter. The devaluation of FX rate in the quarter partially offset lower prices in comparison to 1Q19, reducing pressure on unit sales.

Paper Business Unit

Volume (k tons)	1Q20	4Q19	1Q19	Δ	Δ
				1Q20/4Q19	1Q20/1Q19
Kraftliner DM	47	47	46	0%	3%
Kraftliner EM	58	54	54	8%	7%
Total Kraftliner	105	101	100	5%	5%
Coated boards DM	94	114	91	-18%	3%
Coated boards EM	75	79	56	-4%	35%
Total Coated boards	169	193	147	-12%	15%
Total Paper	275	294	247	-7%	11%
Revenue (R\$ million)					
Kraftliner	264	244	267	8%	-1%
Coated boards	655	715	529	-8%	24%
Total Paper	919	959	796	-4%	15%

Kraftliner

FOEX Kraftliner market prices dropped in the quarter with the average price index for sales in Europe at US\$ 642/ton, down 5% compared to the previous quarter.

Klabin reported sales of 105 thousand tons in the quarter, 5% more when compared to 1Q19. Despite the greater kraftliner integration in the Klabin packaging chain, driven by the strong domestic demand for corrugated boxes in the period, the Company expanded its sackraft (paper for sacks) sales abroad to mitigate effects of the reduction in demand for industrial bags.

The kraftliner business net revenue was of R\$ 264 million, down 1% year-on-year. The currency devaluation in the period, the mix of geographies in which Klabin operates and the increases passed on to the domestic market attenuated the drop in kraftliner prices in international markets.

Coated Boards

Following the trend seen in the previous quarters, Klabin's sales showed strong traction with volumes of 169 thousand tons in 1Q20, a 15% increase in relation to the same period of the previous year. The main growth driver was sales to the foreign market, registering a 35% increase on an annual comparison basis.

Net revenue for the coated board business was R\$ 655 million, 24% higher than in the same period of the previous year. Volume growth and the devaluation of the Real in 1Q20 boosted net revenue in the period.

Klabin's exposure to more resilient markets, such as food and beverages and non-durables, contributed to the Company's positive result. The highlight of growth in the quarter was the sale of liquid boards and lines dedicated to the food market.

Packaging Business Unit

Volume (k tons)	1Q20	4Q19	1Q19	Δ	Δ
				1Q20/4Q19	1Q20/1Q19
Total packaging	191	198	183	-3%	5%
Revenue (R\$ million)	1Q20	4Q19	1Q19	Δ	Δ
Total packaging	781	788	704	-1%	11%

Following the same trend in the 4Q19, domestic demand for corrugated box packaging grew at an accelerated pace in 1Q20. According to the Brazilian Association of Corrugated Boxes (ABPO), demand increased by 7.5% during the period in comparison to 1Q19. On the other hand, the cement market, Klabin's main exposure in the industrial bags segment, decreased by 5.8% year-on-year according to National Cement Industry Union (SNIC) data, an initial reaction to the first new Coronavirus outbreaks in Brazil.

The Company's packaging sales totaled 191 thousand tons in the quarter, a 5% increase in relation to the first quarter of 2019. This growth the result of increased demand for corrugated packaging paper in the protein, processed foods, hygiene and cleaning and e-commerce segments. Industrial bag sales in the quarter reported a sudden and sharp decline due to falling demand for cement and stability in other markets and segments. Klabin used its operational flexibility to export rolls of sackraft, minimizing the effects of this reduced demand on results.

Net sales grew by 11% compared to 1Q19, benefiting from the higher volumes sold and price increases implemented over the last 12 months, repeating the previous quarter's gains in profitability.

Klabin informed the market on March 29, that it had signed the necessary documents for the acquisition of International Paper's packaging paper and corrugated box business in Brazil. The unit has a capacity to produce 305 thousand tons annually of corrugated boards and 310 thousand tons per year of packaging paper. The investment is worth R\$ 330 million, equivalent to an estimated EV/Ebitda multiple of 4x after the full capture of synergies. This acquisition reinforces Klabin's strategy of integration and greater stability of results, expanding a regional footprint and operational and market flexibility, the Company now being present in the 5 regions of the country. In addition to plants in São Paulo and Manus (AM), the acquisition brings with it a plant in Rio Verde in the state of Goiás in the central-west region of Brazil, a region with growth potential thanks to the strong presence of the protein processing sector. The acquisition is subject to approval from the Brazilian anti-trust authority (CADE),

Investments

R\$ million	1Q20	4Q19	1Q19
Forestry	72	79	84
Maintenance	198	210	163
Special projects and growth	23	9	50
Puma II Project	527	554	-
Total	820	852	297

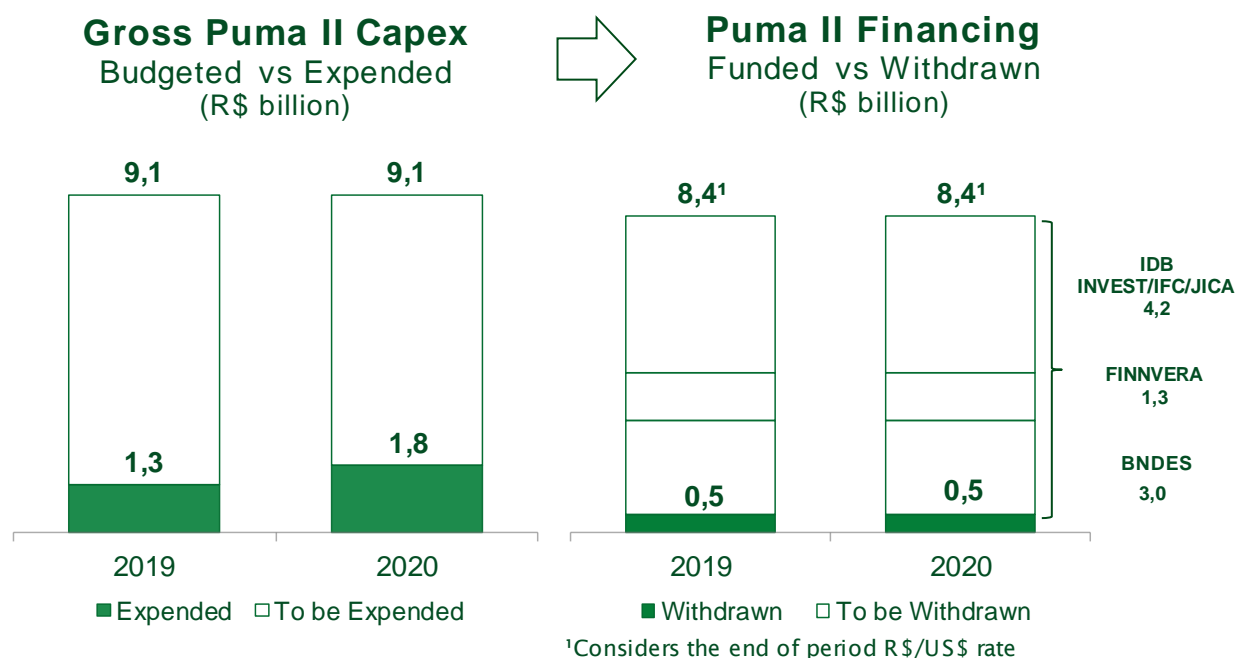
Klabin invested R\$ 820 million throughout the first quarter 2020 in its operations and new projects. Of the total invested, R\$ 72 million was allocated to forestry operations and R\$ 198 million to investments in the operational continuity of the plants that together represent investment in the Company's operational

maintenance. In addition, R\$ 23 million was invested in special projects representing projects with a short-term horizon and quick returns. These investments represent cash and are not considered as investments

involving the forestry activities of subsidiaries through Special Purpose Entities (SPEs) with the contribution of forest assets booked on Klabin's balance sheet.

Regarding the Puma II project, so far R\$ 1.798 billion have been disbursed, of which R\$ 527 million refer to the first quarter of 2020. According to Material Fact released on March 23, 2020, the Company started, by the time, the process of temporary demobilization of the professionals involved in the civil construction and assembly works of the project, in order to broaden the measures of containment of the spread of the Coronavirus, and to safeguard the approximately 4,500 employees so far allocated on the site. Recently, the Company initiated the reintegration of approximately 500 professionals per week, the majority of whom reside in the state of Paraná. Reinforcing sanitary protocols and implementing several measures to tighten up hygiene conditions on site, the full reestablishment of the works and their professionals is still subject to evaluation in the coming weeks of the COVID-19 epidemiological scenario, especially in those regions near the site. Although there is still no precise information about the impacts on the project's original schedule, whose first paper machine was scheduled to start operations in May 2021, considering the reopening scenario of the economy in the coming weeks Klabin does not expect impacts on the overall cost of the project.

The new expansion cycle approved on April 16 envisages a gross investment of R\$ 9.1 billion, comprising the installation of two paper packaging machines with a nominal capacity of 920 thousand tons of paper and situated at Klabin's Puma Unit where the Company already produces bleached hardwood, softwood and fluff pulp. Klabin has negotiated financing for the project from ECA's, BNDES, IDB Invest, IFC and JICA.



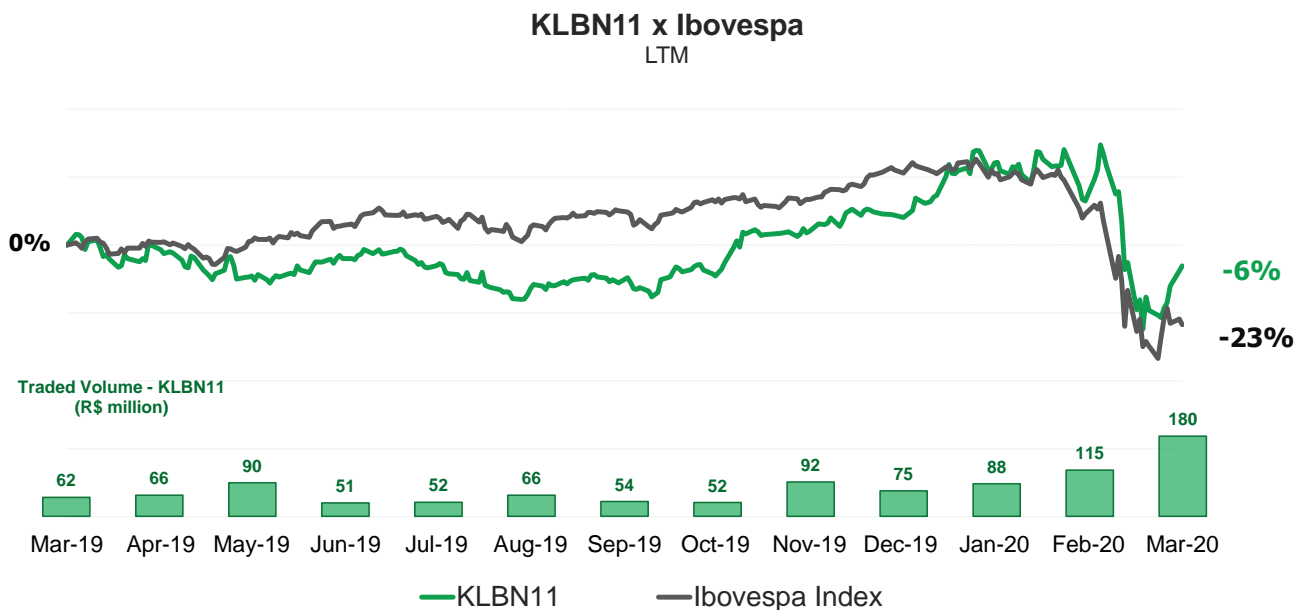
Capital Markets

Equity Markets

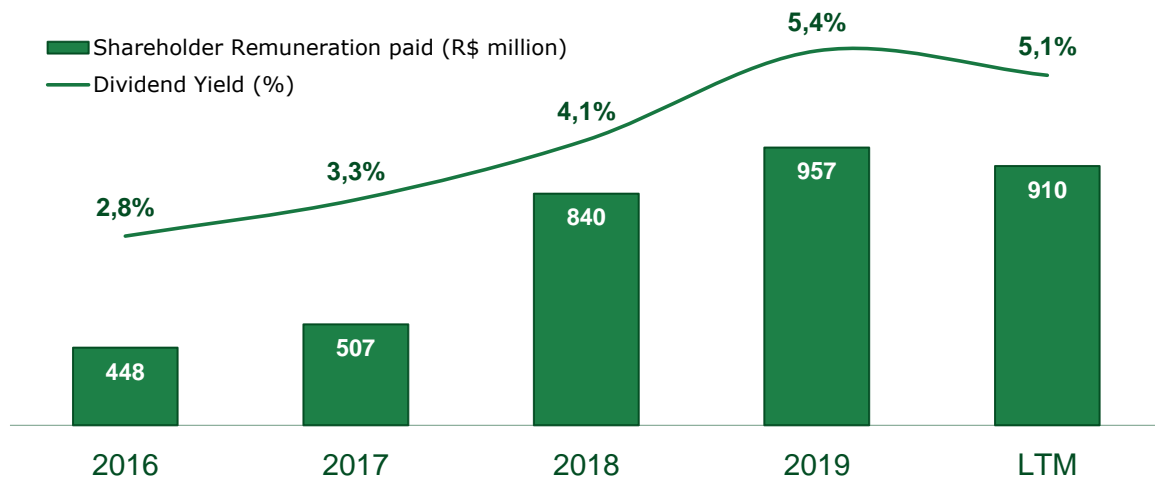
In the first quarter of 2020, Klabin's units (KLBN11) reported a 13% depreciation versus the 37% in Ibovespa stock index. Trading on every business day B3 – Brasil, Bolsa, Balcão, the Units registered a volume of 439 million securities in the quarter, corresponding to an average daily financial turnover of R\$ 129 million. Units reached a maximum price of R\$ 22.66 on March 5, 2020 and a minimum of R\$ 11.74 on March 19, 2020.

Klabin's capital stock was unchanged, represented by 5,410 million shares, of which 1,985 million are common, and 3,425 million, preferred. The Company's shares also trade in the United States market and are listed under a Level I ADR program on the Over-the-Counter market under the KLBAY ticker symbol.

Klabin was reelected as a component of B3's Corporate Sustainability Index (ISE) for the 8th consecutive year. The index represents shares of companies that are outstanding in their commitment to the sustainability of the business and the country as a whole. The Stock Index's component companies are selected annually, based on criteria set by Getúlio Vargas Foundation's Center for Sustainability Studies (GVces).



Shareholder Remuneration

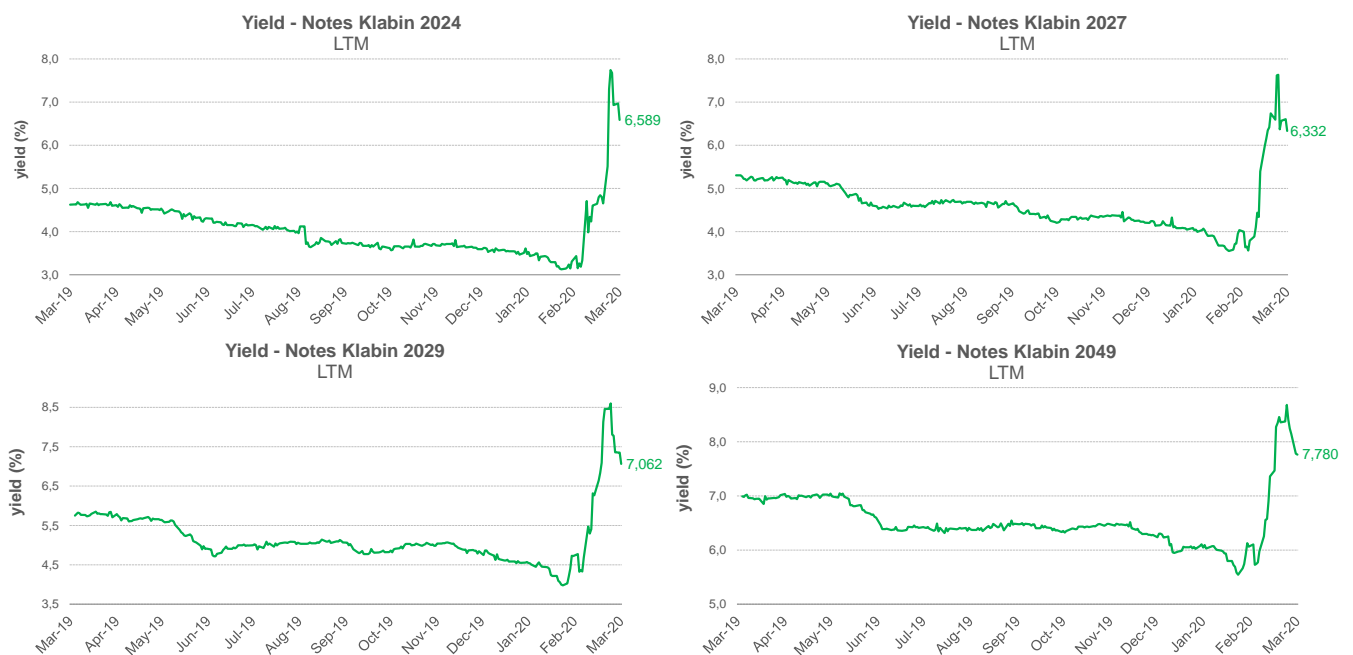


In the first quarter of 2020, the Company paid out R\$ 223 million in dividends and IoC (Interest on Capital). On February 20, 2020, the company credited R\$ 200 million in Interest on Capital and R\$ 23 million in dividends. Over the Last Twelve Months (LTM), the Company's pay out to its shareholders totaled R\$ 910 million, which represents a dividend yield of 5.1% in relation to the average value of the Unit in the period.

Fixed Income

Klabin has four active notes or bonds issued. These securities mature in the years 2024, 2027, 2029 and 2049 - with coupons of 5.250% p.y., 4.875% p.y., 5.750% p.y. and 7.000% p.y., respectively, with semi-annual interest payments. Important to point out is that the bonds issued for 2027 and 2049 are green bonds with proceeds going to eligible green projects.

Klabin has a BB+ credit risk classification and a stable outlook from Fitch Ratings and Standard & Poors.



Conference Call

Português

Terça-feira, 5 de maio de 2020 – 11h00 (Brasília).

Senha: Klabin

Telefone: (11) 3193-1133 ou (11) 2820-4133

Replay: (11) 3193-1012 ou (11) 2820-4012

Senha: 4301451#

O áudio da Teleconferência também será transmitido pela internet.

Acesso:

<http://webcastlite.mziq.com/cover.html?webcastId=d89e1fe4-ef19-4052-9fce-8be55b4514b5>

English (simultaneous translation)

Tuesday, May 5th, 2020 – 10:00 a.m. (NY)

Password: Klabin

Phone: U.S. participants: 1 646 291 8936 or
1 646 828 8246

International participants: 1 800 492 3904 or
1 800 469 5743

Replay: (55 11) 3193-1012 or (55 11) 2820-4012

Password: 2866827#

The conference call will also be broadcasted on the internet.

Access:

<http://webcastlite.mziq.com/cover.html?webcastId=6766b061-7952-468a-b501-ee1829da70ed>

Statements in this release relative to the Company's business perspectives, estimates for operational and financial and the Company's potential growth are merely forecasts and based on Management's expectations in relation to the future of the Company. These expectations are highly dependent on market changes, on Brazilian general economic performance, on the industry and on international markets, therefore being subject to change.

Appendix 1 – Consolidated Income Statement (R\$ thousands)

(R\$ thousands)	1Q20	4Q19	1Q19	Δ	Δ
				1Q20/4Q19	1Q20/1Q19
Gross Revenue	2.983.317	3.119.619	2.879.265	-4%	4%
Net Revenue	2.591.387	2.704.246	2.490.024	-4%	4%
Variation in the fair value of biological assets	217.258	75.514	(38.250)	188%	n/a
Cost of Products Sold	(1.814.427)	(1.947.579)	(1.593.942)	-7%	14%
Gross Profit	994.218	832.181	857.832	19%	16%
Selling Expenses	(246.989)	(281.100)	(189.725)	-12%	30%
General & Administrative Expenses	(149.121)	(158.032)	(138.469)	-6%	8%
Other Revenues (Expenses)	11.913	(36.020)	2.154	n/a	453%
Total Operating Expenses	(384.197)	(475.152)	(326.040)	-19%	18%
Operating Income (before Fin. Results)	610.021	357.029	531.792	71%	15%
Equity pickup	22.287	1.055	1.745	2013%	1177%
Financial Expenses	(2.169.582)	(170.771)	(571.840)	1170%	279%
Financial Revenues	107.491	141.655	140.353	-24%	-23%
Net Foreign Exchange Losses	(3.426.242)	404.063	(18.675)	n/a	18247%
Net Financial Revenues	(5.488.333)	374.947	(450.162)	n/a	1119%
Net Income before Taxes	(4.856.025)	733.031	83.375	n/a	n/a
Income Tax and Soc. Contrib.	1.713.482	(101.926)	(279.539)	n/a	n/a
Net Income (loss)	(3.142.543)	631.105	(196.164)	n/a	1502%
Net income (loss) attributable to noncontrolling interests	27.968	39.843	4.630	-30%	504%
Net income attributable to Klabin's stockholders	(3.170.511)	591.262	(200.794)	n/a	1479%
Depreciation and amortization	634.759	683.104	434.567	-7%	46%
Change in fair value of biological assets	(217.258)	(75.514)	38.250	188%	n/a
Adjusted EBITDA	1.027.522	964.619	1.004.609	7%	2%

Appendix 2 – Consolidated Balance Sheet (R\$ thousands)

Assets	Mar-20	Dec-19	Mar-19
Current Assets	12.108.924	13.673.944	11.532.422
Cash and banks	37.787	64.190	65.596
Short-term investments	5.758.862	8.276.196	6.067.920
Securities	1.418.332	1.390.529	1.326.308
Receivables	2.215.161	1.859.505	1.984.699
Inventories	1.462.449	1.332.244	1.352.004
Recoverable taxes and contributions	977.247	505.411	440.866
Other receivables	239.086	245.869	295.029
Noncurrent Assets	21.730.225	21.029.138	18.722.447
Long term			
Deferred Income Tax and Social Contribution	787.227	-	-
Taxes to compensate	1.157.273	1.944.656	1.169.330
Judicial Deposits	123.244	117.179	86.315
Other receivables	259.187	270.817	305.413
Other investments	261.728	170.657	177.825
Property, plant & equipment, net	14.006.093	13.241.181	12.090.347
Biological assets	4.582.935	4.712.381	4.458.107
Asset use benefit	478.692	494.399	350.339
Intangible assets	73.846	77.868	84.771
Total	33.839.149	34.703.082	30.254.869

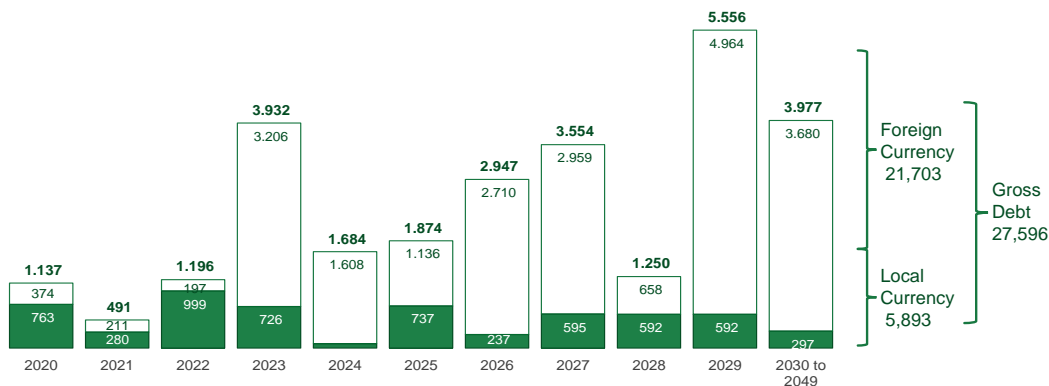
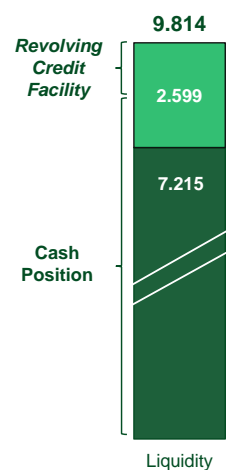
Liabilities and Stockholders' Equity	Mar-20	Dec-19	Mar-19
Current Liabilities	3.083.978	3.104.523	2.680.392
Loans and financing	773.157	701.783	1.231.640
Debentures	571.881	572.759	75.310
Suppliers	1.213.764	1.024.256	742.742
Taxes payable	57.060	67.079	66.206
Salaries and payroll charges	213.474	301.288	200.886
Dividends to pay	-	200.000	-
Liability use benefit	99.172	100.509	90.921
Other accounts payable	155.470	136.849	198.225
Noncurrent Liabilities	27.334.372	25.097.286	21.239.789
Loans and financing	24.525.033	21.539.392	18.305.409
Debentures	1.726.030	1.271.338	601.518
Deferred income tax and social contribution	-	1.145.069	1.159.406
Other accounts payable - Investors SCPs	315.305	333.183	304.653
Lease liability	386.019	396.720	261.487
Other accounts payable	381.985	411.584	353.677
Stockholders' Equity	2.885.760	6.046.882	6.089.063
Capital	4.076.035	4.076.035	4.076.035
Capital reserve	(337.244)	(350.622)	(350.624)
Revaluation reserve	48.705	48.705	48.705
Profit reserve	1.517.044	1.517.044	1.748.219
Valuation adjustments to shareholders' equity	952.618	942.994	974.739
Retained earnings	(3.193.511)	-	(220.794)
Treasury stock	(177.887)	(187.274)	(187.217)
Equity attributable to noncontrolling interests	535.039	454.391	245.625
Total	33.839.149	34.703.082	30.254.869

Appendix 3 – Loan Maturity Schedule – 03/31/2020

Debt in R\$ linked to swaps into dollar considered as foreign currency debt for the purpose of this appendix

R\$ million	2Q20	3Q20	4Q20	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030 to 2049	Total
BNDES	13	10	0	24	1	22	38	38	37	37	37	37	37	297	607
Others	135	53	10	197	218	946	688	38	700	200	558	554	554	-	4.652
Debentures	511	-	31	542	62	31	-	-	-	-	-	-	-	-	634
Local Currency	659	63	41	763	280	999	726	76	737	237	595	592	592	297	5.893
Trade Finance	46	-	-	46	-	-	3.009	-	939	2.611	65	325	130	-	7.125
BNDES	4	4	1	9	-	-	-	-	-	-	-	-	-	-	9
Bonds	239	-	-	239	-	-	-	1.411	-	-	2.560	-	3.839	3.680	11.729
ECA's	10	10	58	79	211	197	197	197	197	99	-	-	-	-	1.176
Debentures	-	1	-	1	-	-	-	-	-	-	333	333	996	-	1.664
Foreign Currency*	299	16	59	374	211	197	3.206	1.608	1.136	2.710	2.959	658	4.964	3.680	21.703
Gross Debt	958	78	100	1.137	491	1.196	3.932	1.684	1.874	2.947	3.554	1.250	5.556	3.977	27.596

*Includes BRL to USD swaps, as well as the instrument's mark-to-market gains or losses



Local Currency: R\$ 5.9 billion
Average Tenor: 59 months

Foreign Currency: R\$ 21.7 billion
Average Tenor: 126 months

	Average Cost	Average Tenor
Local Currency	5,30% p.y.	59 months
Foreign Currency	5,05% p.y.	126 months
Gross Debt		113 months

Appendix 4 – Consolidated Cash Flow (R\$ thousands)

R\$ thousand	1Q20	4Q19	1Q19
Cash flow from operating activities	623.891	1.051.258	432.241
Operating activities	982.128	618.237	725.843
Net income	(3.142.543)	631.105	(196.164)
Depreciation and amortization	277.415	331.129	260.627
Depletion in biological assets	357.344	351.975	173.940
Change in fair value - biological assets	(217.258)	(75.514)	38.250
Equity Conveyance	(8.681)	11.883	447
Equity Pickup Results	(22.287)	(1.055)	(1.745)
Deferred income taxes and social contribution	(1.934.444)	21.702	198.983
Interest and exchange variation on loans and financing	5.514.219	(375.567)	565.425
Interest, exchange variation and profit sharing of debentures	480.272	(6.343)	14.153
Payment of interest on loans	(324.894)	(296.601)	(359.709)
Lease Interests	2.462	41.710	(4.320)
REFIS Reserve Provision	-	-	7.217
Others	523	(16.187)	28.739
Variations in Assets and Liabilities	(358.237)	433.021	(293.602)
Receivables	(355.656)	222.675	56.232
Inventories	(130.205)	82.301	(145.651)
Recoverable taxes	317.500	277.598	99.730
Marketable Securities	(27.803)	(22.435)	(12.958)
Other receivables	70.116	(47.645)	(1.729)
Suppliers	(170.373)	(27.390)	(66.926)
Taxes and payable	(10.019)	(11.371)	15.374
Salaries, vacation and payroll charges	(87.814)	(21.991)	(99.493)
Income taxes and social contribution	(1.954)	(2.367)	(159.387)
Other payables	37.971	(16.354)	21.206
Net Cash Investing Activities	(702.035)	(655.963)	(295.778)
Purchase of property, plant and equipment (ex taxes)	(688.761)	(718.608)	(209.796)
Purchase, invest. and incorp. in subsidiaries (cash)	50.000	185.000	-
Cost biological assets planting (ex taxes)	(130.355)	(133.051)	(87.066)
Dividends received from subsidiaries	3.381	10.200	-
Proceeds from disposal of assets	63.700	496	1.084
Net Cash Financing Activities	(2.465.593)	(2.839.866)	263.199
New Borrowings	987.330	403.569	2.840.345
Debentures Capitalization	-	5.000	-
Debentures interest amortization	(26.458)	(83.649)	-
Payment Lease Liability	(31.415)	(31.373)	(24.805)
Loan amortization	(3.148.838)	(2.838.273)	(2.292.008)
Minority Shareholders exit	(2.000)	(1.140)	(2.638)
Dividends Payment	(257.800)	(294.000)	(270.000)
Disposal of Treasury Stocks	13.588	-	12.305
Increase (Decrease) in cash and cash equivalents	(2.543.737)	(2.444.571)	399.662
Cash and cash equivalents at beginning of period	8.340.386	10.784.957	5.733.854
Cash and cash equivalents at end of period	5.796.649	8.340.386	6.133.516

Appendix 5 – Business Units Evolution

1Q20

R\$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	49	313	480	700	(4)	1.538
Exports	-	522	450	81	-	1.053
Third part revenue	49	835	930	781	(4)	2.591
Segments revenue	407	19	406	8	(840)	-
Total net revenue	456	854	1.336	789	(844)	2.591
Change in fair value - biological assets	217	-	-	-	-	217
Cost of goods sold ¹	(735)	(458)	(847)	(661)	887	(1.814)
Gross income	(62)	396	489	128	43	994
Operating expenses	(23)	(131)	(137)	(98)	27	(362)
Operating results before financial results	(85)	265	352	30	70	632

Note: In this table, total net revenue includes sales of other products.

¹ Forestry COGS includes the exhaustion on the fair value of biological assets in the period.

4Q19

R\$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	51	292	548	714	(3)	1.603
Exports	-	607	422	74	-	1.102
Third part revenue	51	899	970	788	(3)	2.705
Segments revenue	386	12	419	6	(822)	-
Total net revenue	436	911	1.389	795	(825)	2.705
Change in fair value - biological assets	75	-	-	-	-	75
Cost of goods sold ¹	(750)	(499)	(874)	(673)	848	(1.948)
Gross income	(238)	412	515	122	23	833
Operating expenses	(36)	(142)	(152)	(98)	(47)	(133)
Operating results before financial results	(274)	270	363	24	(25)	700

Note: In this table, total net revenue includes sales of other products.

¹ Forestry COGS includes the exhaustion on the fair value of biological assets in the period.

1Q19

R\$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	67	286	450	634	(4)	1.433
Exports	-	637	349	71	-	1.057
Third part revenue	67	923	799	704	(4)	2.490
Segments revenue	388	23	371	6	(788)	-
Total net revenue	454	946	1.170	710	(792)	2.490
Change in fair value - biological assets	(38)	-	-	-	-	(38)
Cost of goods sold ¹	(544)	(414)	(816)	(613)	793	(1.594)
Gross income	(128)	532	354	98	2	858
Operating expenses	(28)	(75)	(117)	(90)	(14)	(324)
Operating results before financial results	(156)	457	237	8	(12)	534

Note: In this table, total net revenue includes sales of other products.

¹ Forestry COGS includes the exhaustion on the fair value of biological assets in the period.