

MASISA

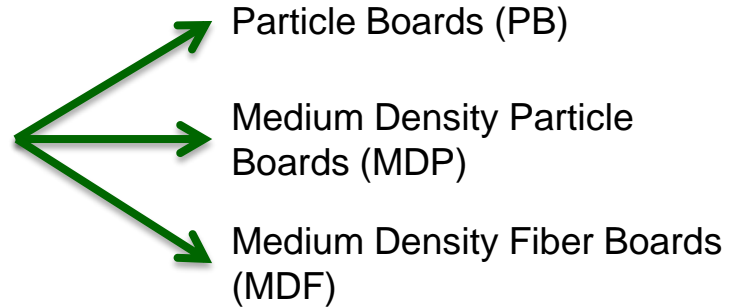


Adolfo Ibáñez University

Business Description

The Core Business:

- ❑ Masisa's core business consists of producing and distributing different types of boards.
- ❑ These boards can be used in the construction business and furniture goods.



The Production Chain:

Starts with its own management of 323.780 forest hectares spread among Argentina, Brazil, Chile and Venezuela. It follows with manufacturing, coating and finishes with wholesale and retail sales through its Placacentros.

Forests



Residuals



Sawmill



Industrial Plant

Boards



Distribution



Company Overlook



	Chile	Brazil	Mexico	Venezuela	Argentina
Industrial Facilities	2	2	4	1	1
Maximum Capacity (Thousand m ³)	1,211	1,416	956	490	1,823
Forestry Hectares	51,894	9,718	0	89,398	46,460
Exports	60%	0%	9%	5.5%	16.5%



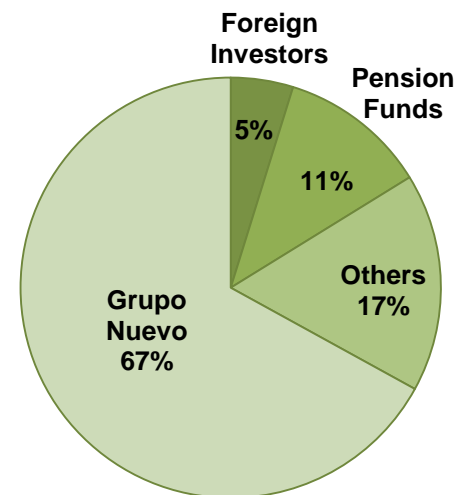
Executive Summary

Market Profile	
Ticker	MASISA SA
Closing Price (11/23/2015)	18.5
52-Week Price Range	17.5 – 24.0
Mkt. Cap (USD)	203,746,214
Free Float	2.16B
Trading Volume (Daily)	7,285,844
EV/EBITDA	3.77
EV/Book Value	0.2241
P/E	5.5
Dividend Yield	13.3%

Main features

- ❑ #1 in installed capacity (wood boards manufacturing) in Latin America excluding Brazil
- ❑ #1 in sales in 4 countries in Latin America.
- ❑ #1 Top of Mind brand in Latin America
- ❑ #1 in retail distribution with 340 stores (Placacentro)

Shareholder Structure



Investment Recommendation

CLP \$21.77
Target Price

18.31%

UPSIDE

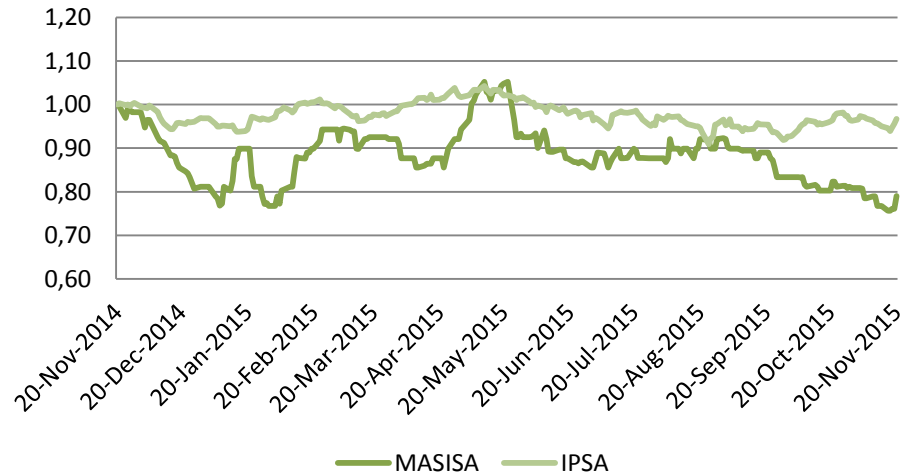
CLP \$18.5
23 November'15 Price

BUY
RECOMMENDATION

Key Value Drivers

- Housing deficits
- Cost reductions
 - Lower commodity prices
 - Efficiency in productive structure
- New MDF plant in Mexico

IPSA vs MASISA



Macroeconomic Outlook

Underdeveloped forestry products industry (Specifically MDF Board). Only in this Country Masisa has new investments projects.

Hyperinflation Economy, **Unable to repatriate dividends**. Many years of Economic and Political Uncertainty.

Largest Regional market. Currently poor Economic condition, and very competitive situation for the Company.

Masisa's Headquarters. The most solid Economy, and where the company has more expertise. Main focus of the Exports.

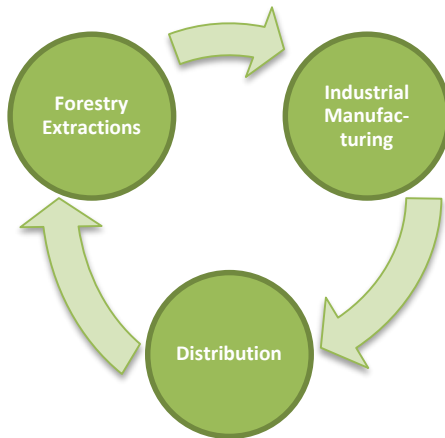
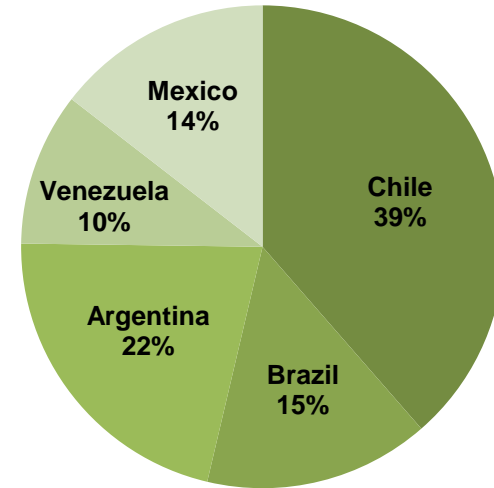
Regulated Market in many topics (Prices, Exchange rates, Etc.) High inflation. Almost all the demand is supplied by two Companies.



Competitive Advantages

- ❑ **Business Strategy:** Adding value to its boards in order to deviate away from commoditization
- ❑ Capacity to transfer an **eventual rise in cost** into prices
- ❑ **Vertical Integration** from forest exploitation to final distribution to its manufactured products
- ❑ **Placacentro Stores:** Innovative distribution channel. It has allowed Masisa to be the leader in the retail distribution and to be customer centered anticipating their needs

Revenues per Country (3Q 2015)

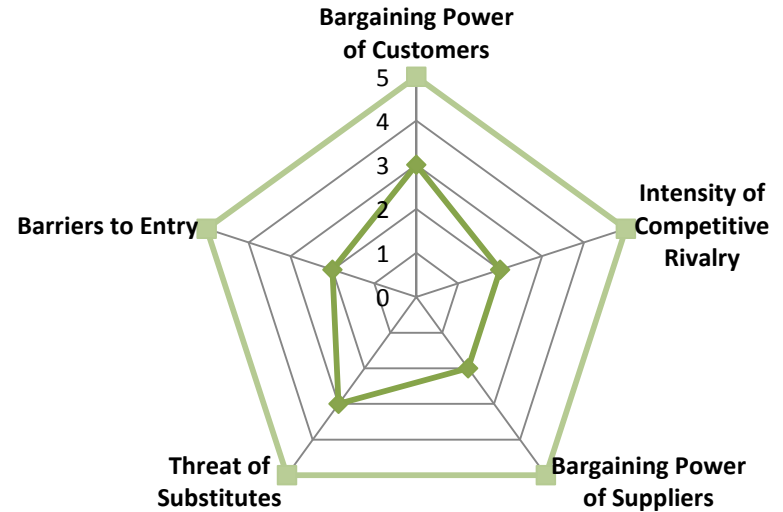


340 Placacentro Stores

Industry Overview

Porter's Five Forces

- ❑ Bargaining Power of Customers - **MODERATE**
- ❑ Intensity of Competitive Rivalry - **LOW**
- ❑ Bargaining Power of Suppliers - **LOW**
- ❑ Threat of Substitutes - **MODERATE**
- ❑ Barriers to Entry - **LOW**

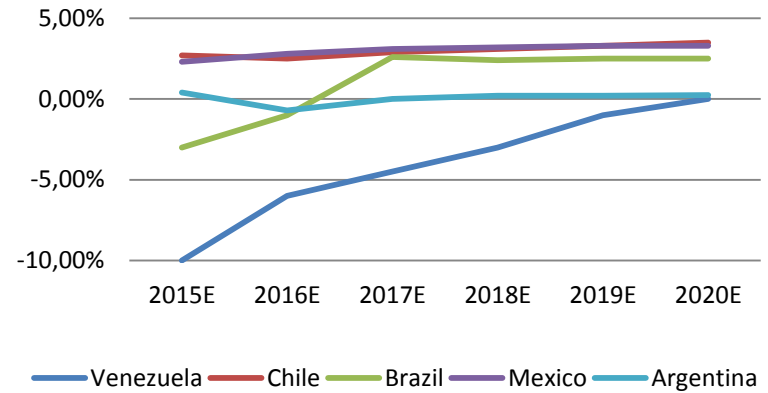


Legend	
0	No threat
1	Insignificant threat
2	Low threat
3	Moderate threat
4	Significant threat
5	High threat

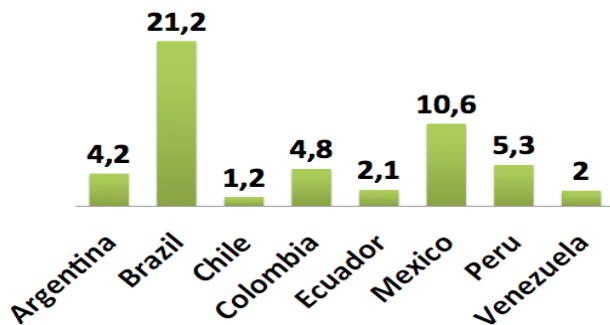
Demand Drivers

- Housing Shortage
- Wood Boards Consumption above GDP Growth
- New MDF Plant in Mexico

GDP Growth Forecast

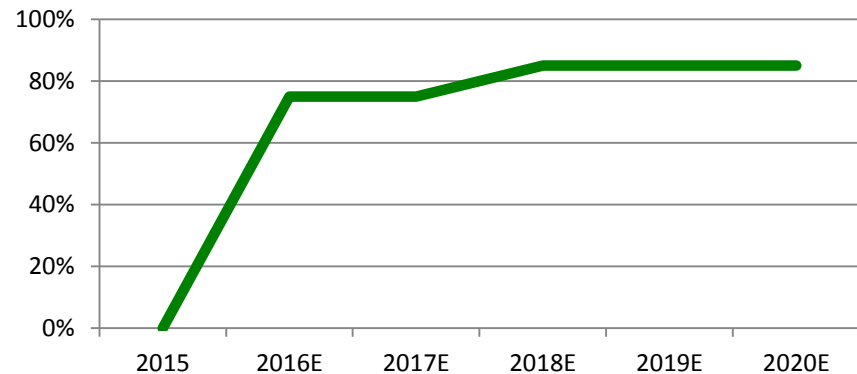


Housing Deficit (Million of Houses)



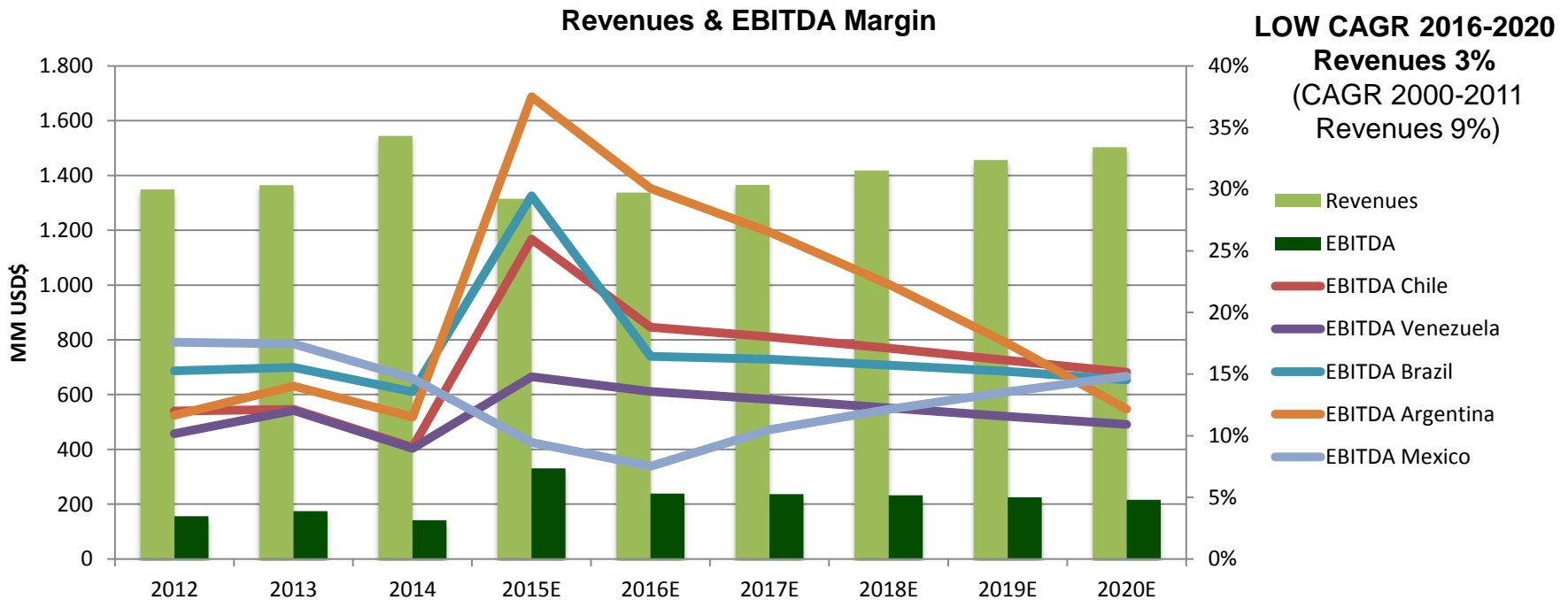
Source: CEPAL & IADB

Potential Production in Mexico's new MDF Plant

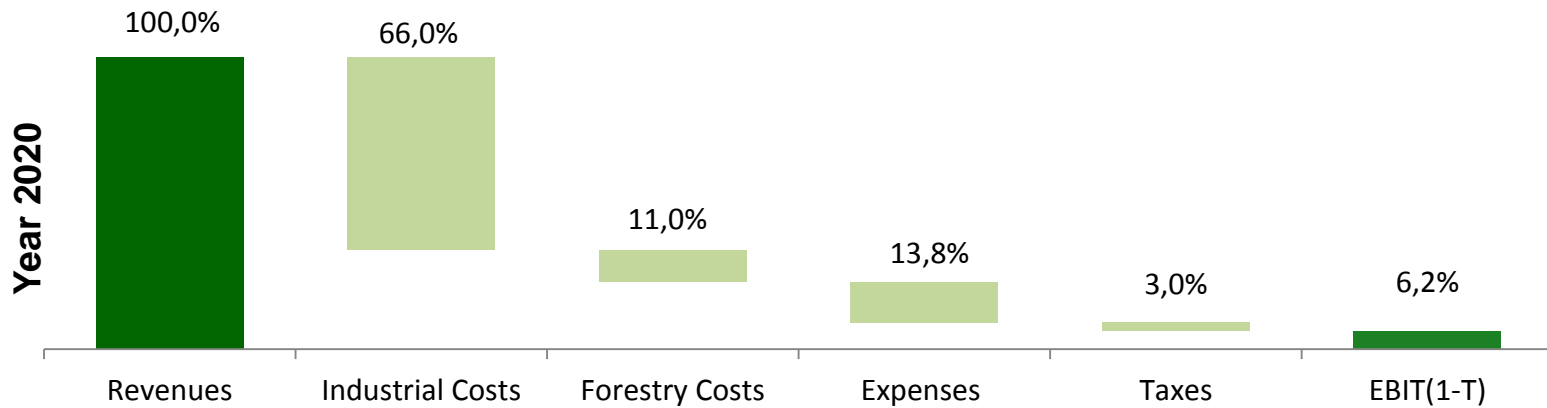
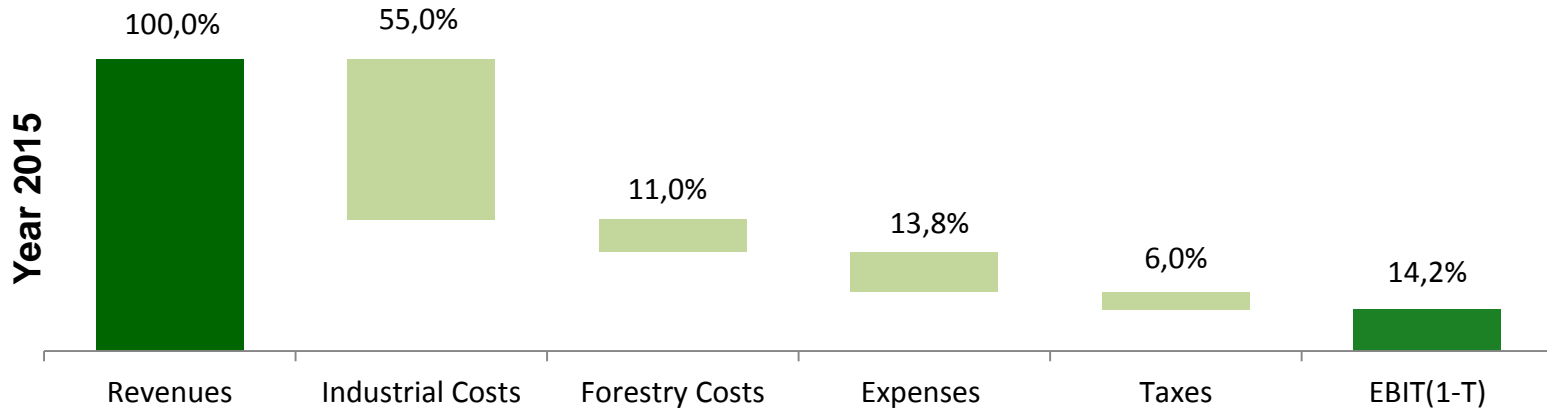


Revenue Analysis

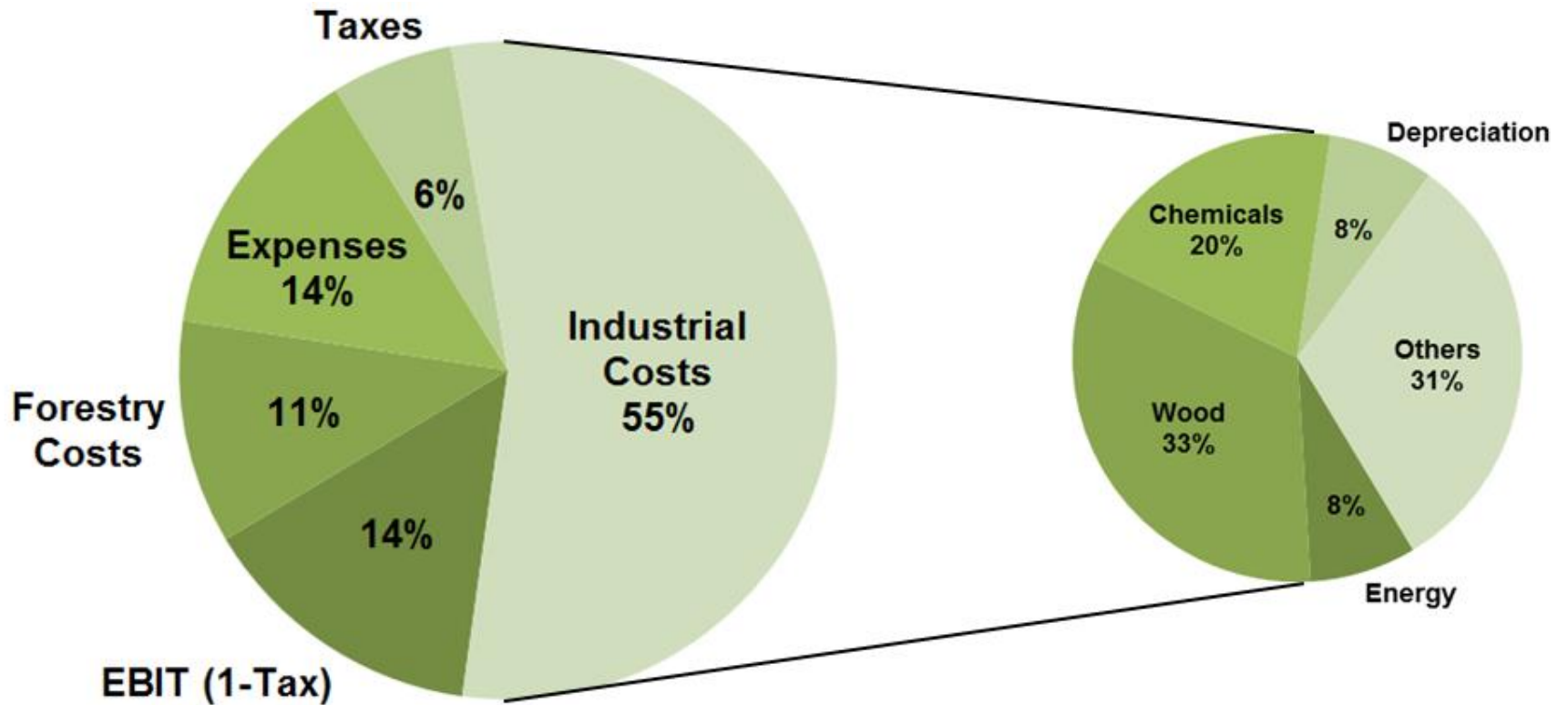
- ❑ Cost efficiency strategy
- ❑ Different margins by country
- ❑ Most affected countries by **economic contractions**; Brazil and Venezuela



Costs Structure



Costs Structure



Company Overview

Industry &
Competitive
Positioning

Financial
Analysis

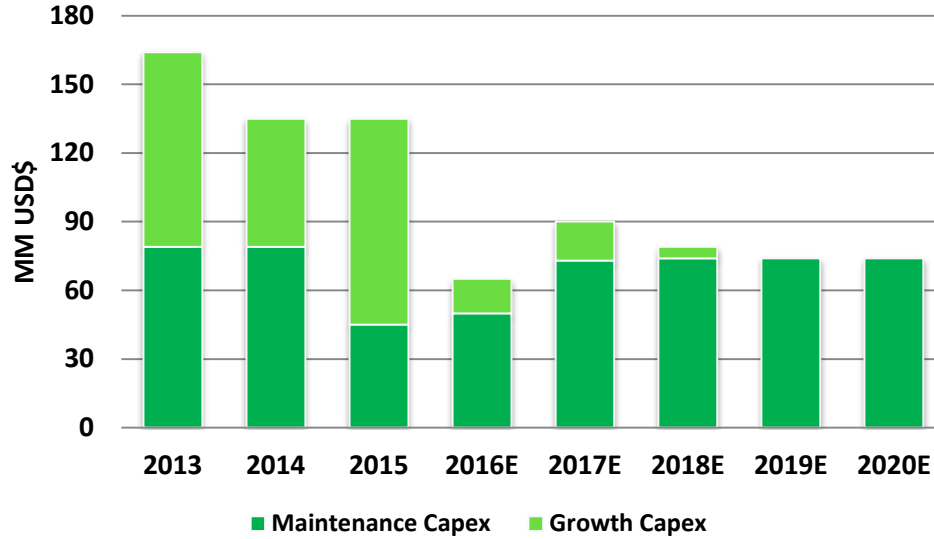
Valuation

Risk Analysis

Conclusion

CAPEX

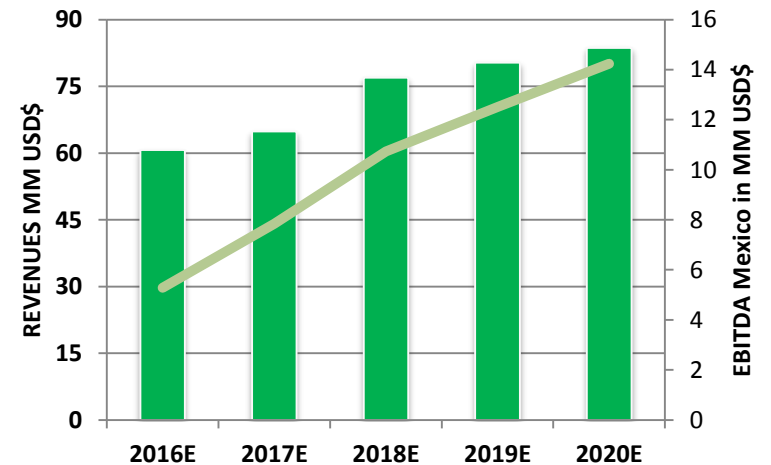
CAPEX



- ☐ Only **Maintenance CAPEX** since 2019
- ☐ **Conservative investment profile** in other countries



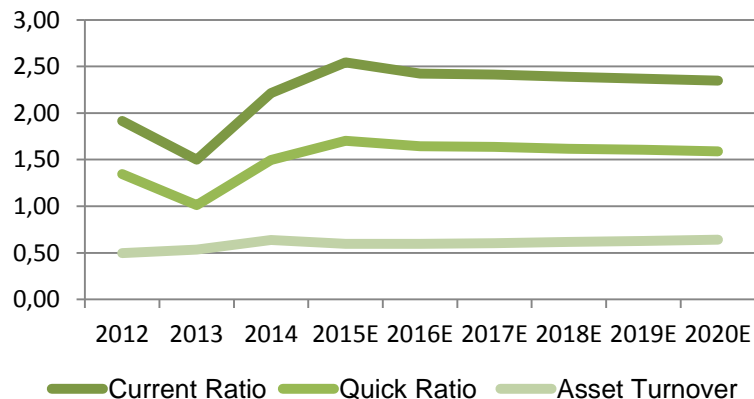
New MDF Plant Projected Revenues



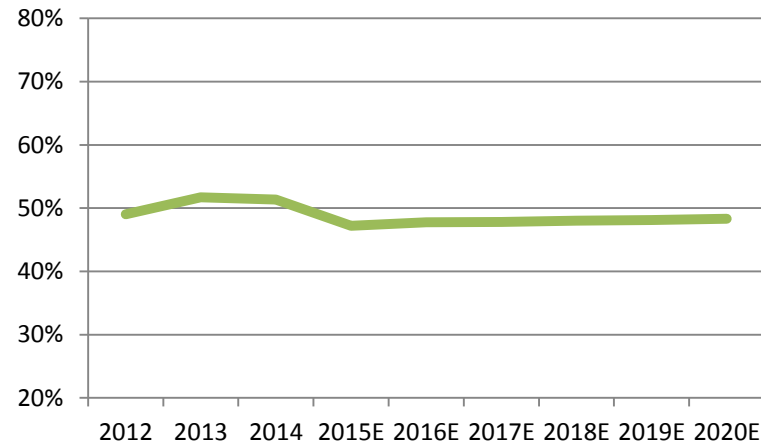
Debt Analysis

- ❑ **Intention to reduce long-term debt in US\$ 100 MM in year 2016** → Reduction through the sale of its non strategic assets.
- ❑ **Change in Asset Turnover** → Recovery of m³ sold with a CAGR of 5% between years 2015-2020 and a reduction of the financial debt.
- ❑ **Liquidity ratios** → Improves by a permanently reduction in costs.

Current Ratio, Quick Ratio & Asset Turnover

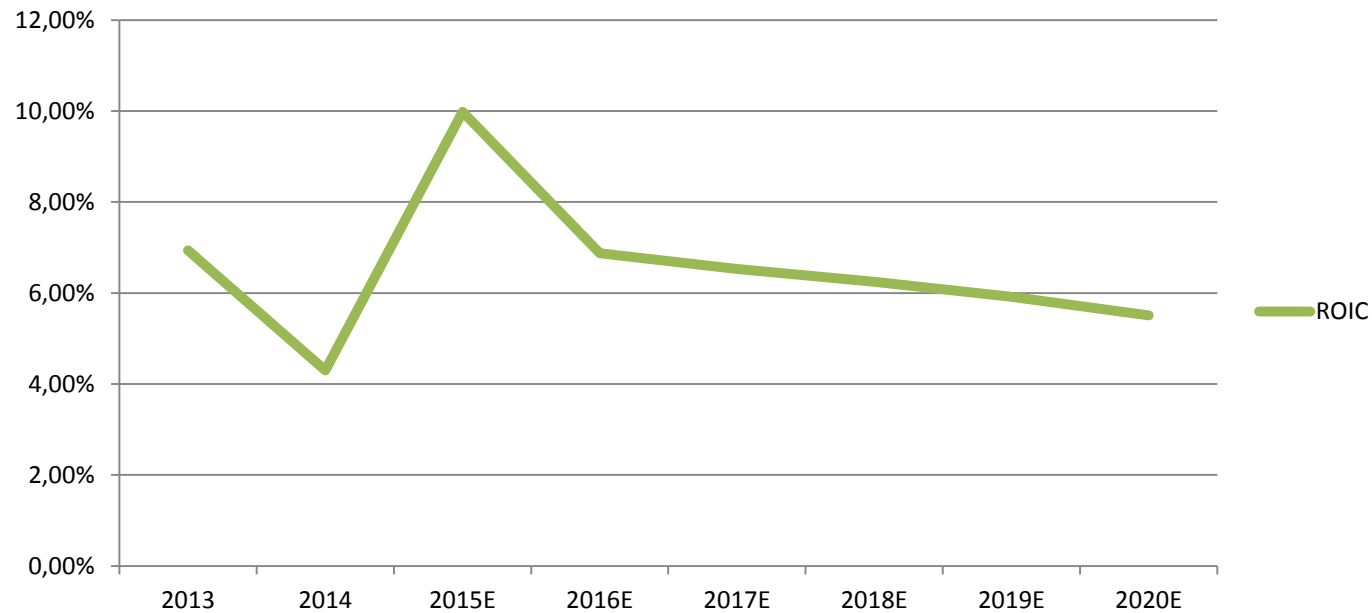


Total debt to Assets



ROIC

- ❑ Calculated using Capex and WC
- ❑ ROIC rises in 2015 as a result of cost reduction of wood boards.
- ❑ During years 2016-2017 ROIC decreases as a consequence of the increase in CAPEX needed to built Mexico's MDF plant → Triggers an increase in sales coupled with costs increases as result of higher crude oil prices. Then continues slowing down because of projected sales.



Company Overview

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DCF Assumption: “Sum of the Parts”

Quantities

- $\ln(\text{Sales}(m^3)) = B_0 + B_1 \ln(\text{GDP}) + B_2 T^* + u$

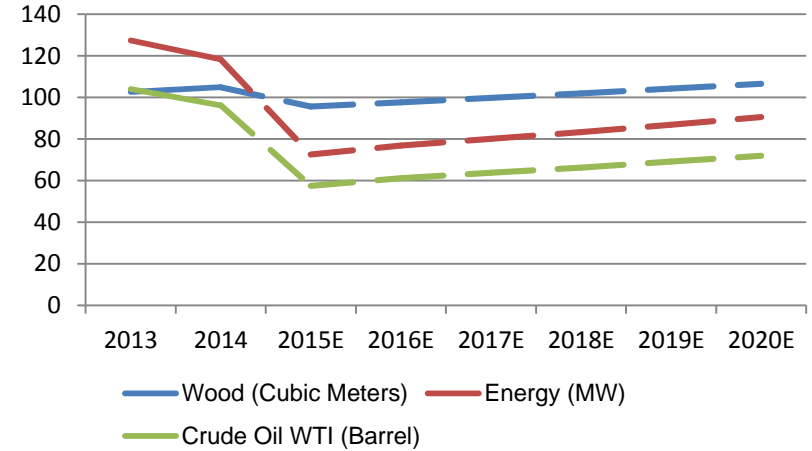
Price

- Product Mix price = PB price + Premium⁽¹⁾

Direct Costs

- Commodity’s Price Forecast
- Projected Inflation

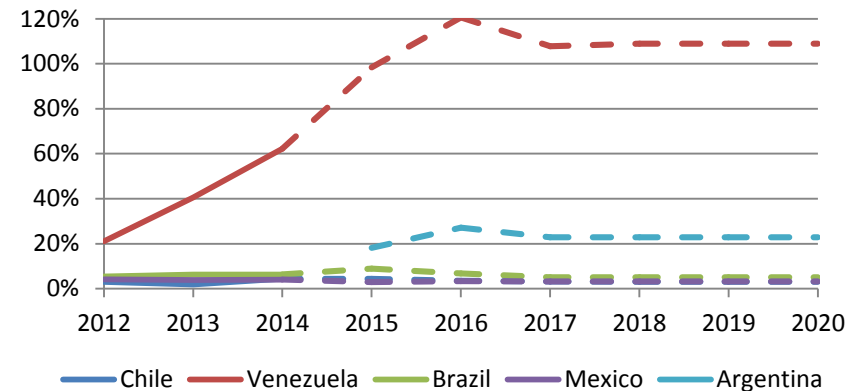
Commodity Price Evolution (USD)



Regression Results

Country	Coefficient	P-Value	R ²
Venezuela	4.4	0%	95%
Chile	2.4	0%	94%
Brazil	2.6	0%	72%
Mexico	0.74	2%	61%
Argentina	2.6	0%	94%

Inflation Forecast



(1): Value added by other types of boards and capacity to transfer rise in cost to final price



WACC per Country

Cost of Equity	Argentina	Brazil	Chile	Mexico	Venezuela
Risk Free Rate	3.009%	3.009%	3.009%	3.009%	3.009%
Unlevered Beta ⁽¹⁾	0.72	0.72	0.72	0.72	0.72
Adjusted Beta	0.93240215	0.93566987	0.97324871	0.94874077	0.93566987
Market Risk Premium	6%	6%	6%	6%	6%
Country Risk Premium ⁽²⁾	13.70%	3.66%	0.80%	1.38%	27.20%
Size Premium	3.74%	3.74%	3.74%	3.74%	3.74%
Cost of Equity	26.04%	16.02%	13.39%	13.82%	39.56%

(1) Median of Unlevered Equity Beta of Industry

(2) Sovereign Spread: Dollar Bonds per country less U.S risk free

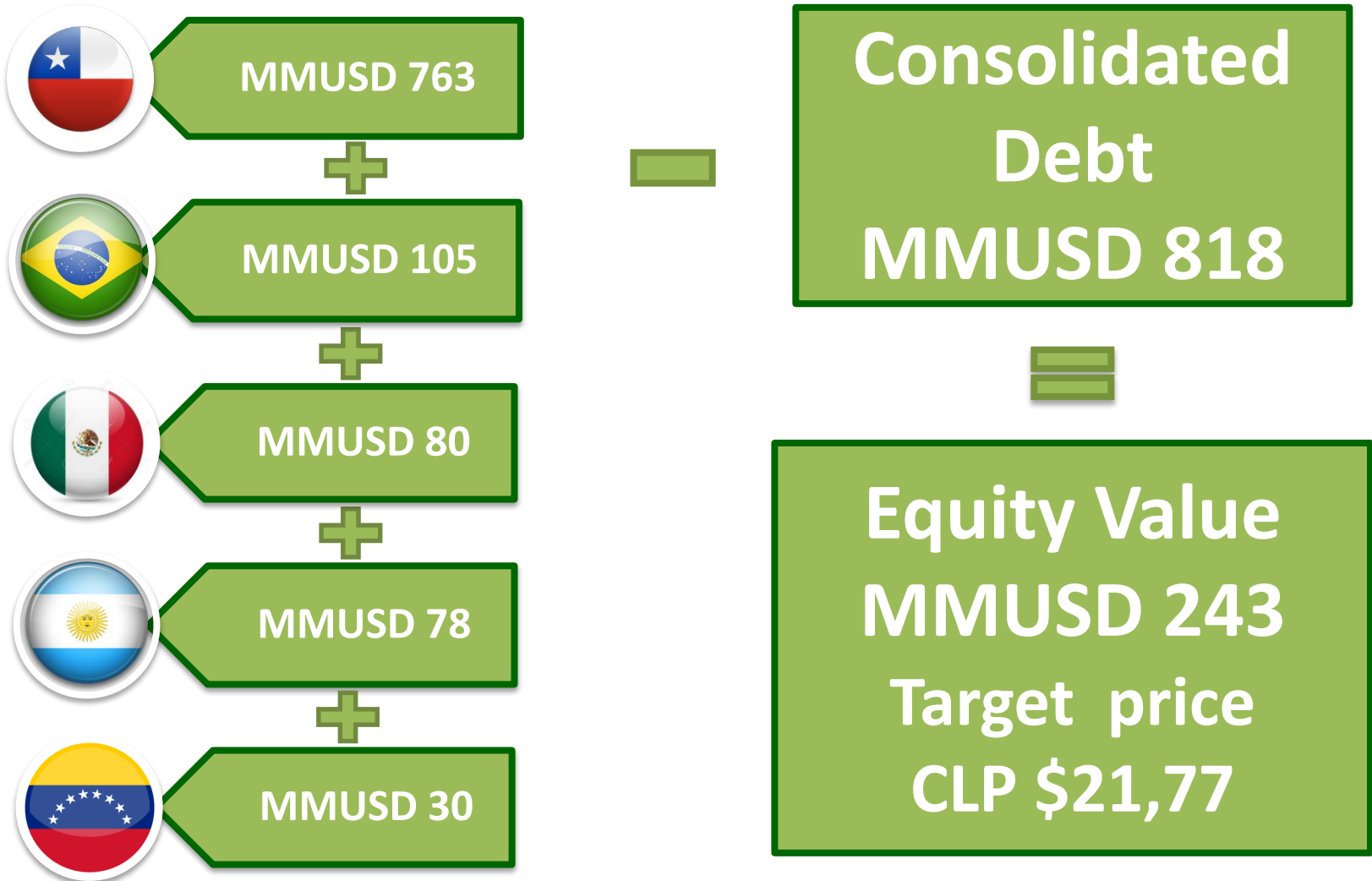
Cost of Debt	Argentina	Brazil	Chile	Mexico	Venezuela
Bond Issue	9.5%	9.5%	9.5%	9.5%	9.5%
Sovereign Spread	13.70%	3.66%	0.80%	1.38%	27.20%
Cost of Debt	23.30%	13.16%	9.50%	10.88%	36.70%



Weighted Average Cost Of Capital	Argentina	Brazil	Chile	Mexico	Venezuela
	19.86%	11.88%	9.99%	10.32%	30.91%



Business Value

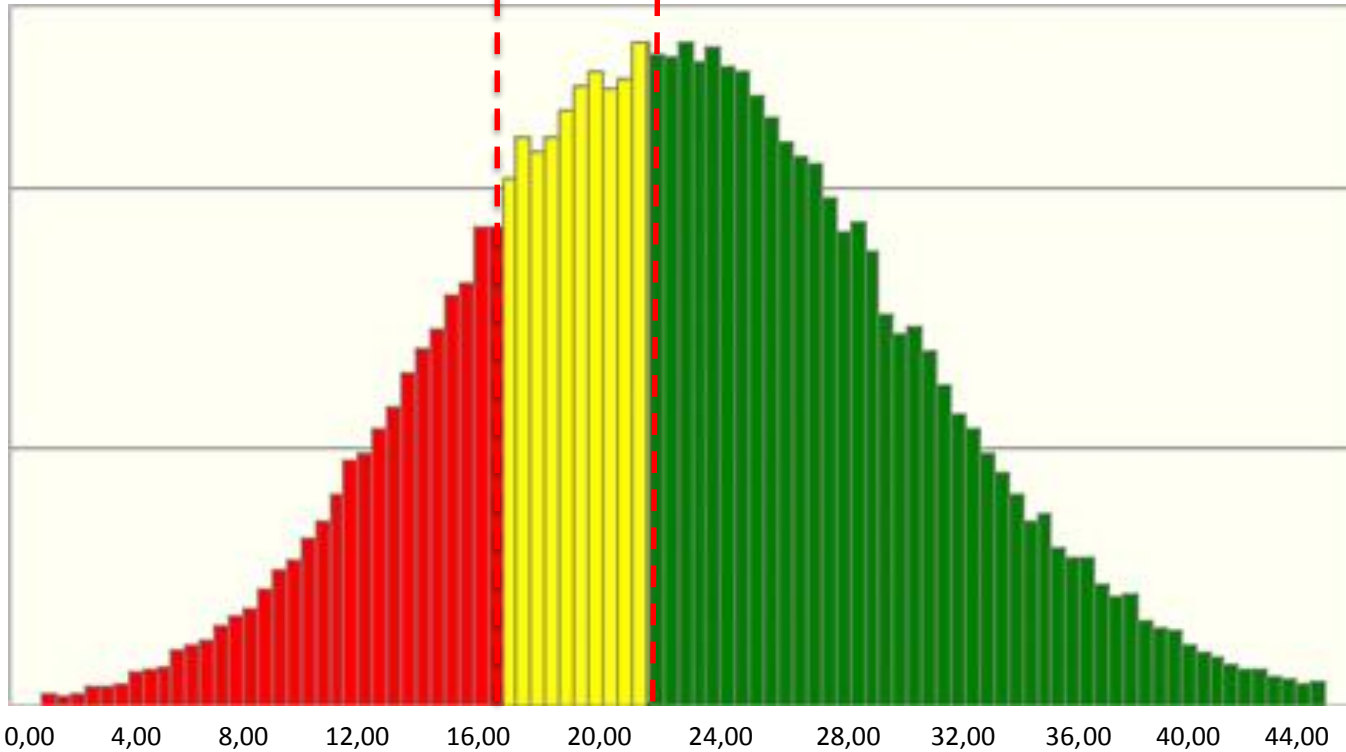


DCF Output – Monte Carlo Simulation

22%
SELL

23%
HOLD

55%
BUY



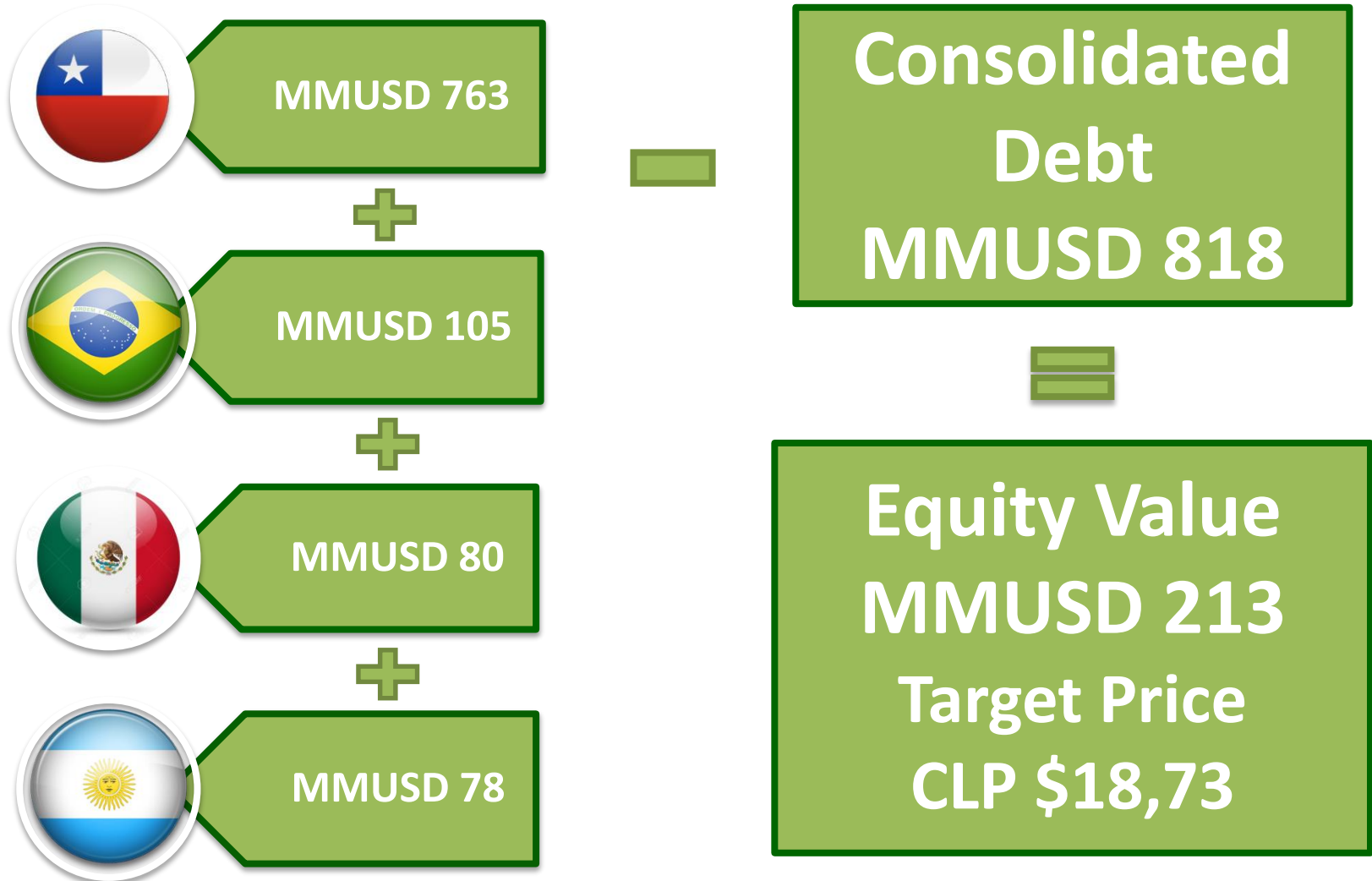
Simulation Data	
Mean	22,01
SD	7,69
5th Percentil	9,75
Median	21,82
95th Percentil	35,06

Inputs to Simulation

- WACC
- Perpetuity Rate
- Board prices



Ex Venezuela



Relative Valuation

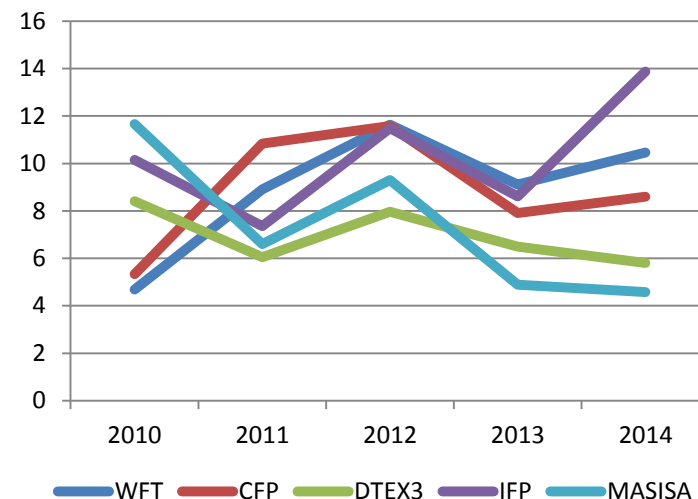
Company	Mkt. Cap	EV/Sales	EV/EBITDA	P/E	P/B	B ^u
WFT	\$2,878.7	0.96	6.08	10.99	1.58	0.75
CFP	\$1,903.7	-	5.01	10.93	1.55	0.63
DTEX3	\$1,202.1	1.44	6.18	17.30	0.92	0.87
IFP	\$666.7	0.67	6.45	14.06	1.04	1.17
Mean		1.02	5.93	13.32	1.27	0.86
Median		0.96	6.18	12.52	1.30	0.82



Valuation Metrics

Current Price	EV/ EBITDA	EV/Sales	P/E	BookValue per Share
\$18.5	\$28.27	\$49.2	\$85.8	\$133.34

Historical EV/EBITDA



Company Overview

Industry & Competitive Positioning

Financial Analysis

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Main Risks

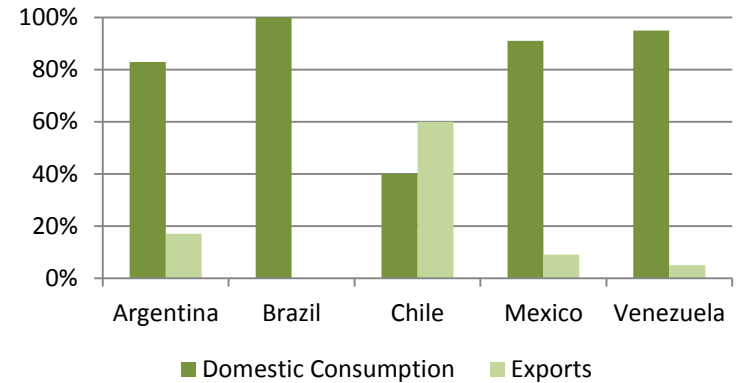
- ❑ **Operational:**
 - Lack of raw materials
 - Expropriation in Venezuela

- ❑ **Financial & Exchange Rate:**
 - Volatility in part of Company's assets and liabilities.
 - Fixed in Argentina and Venezuela (Possibility of a sudden devaluation)
 - Problems to repatriate dividends to Chile

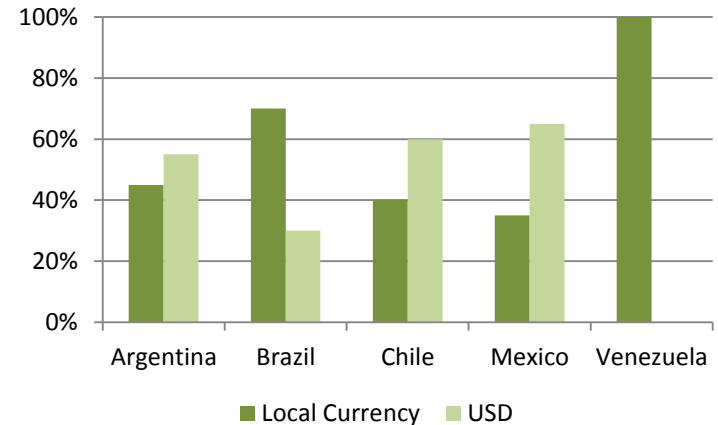
- ❑ **Interest Rate:**
 - Floating rate on banking loans without hedge

- ❑ **Market Exposure:**
 - Competition and substitutes

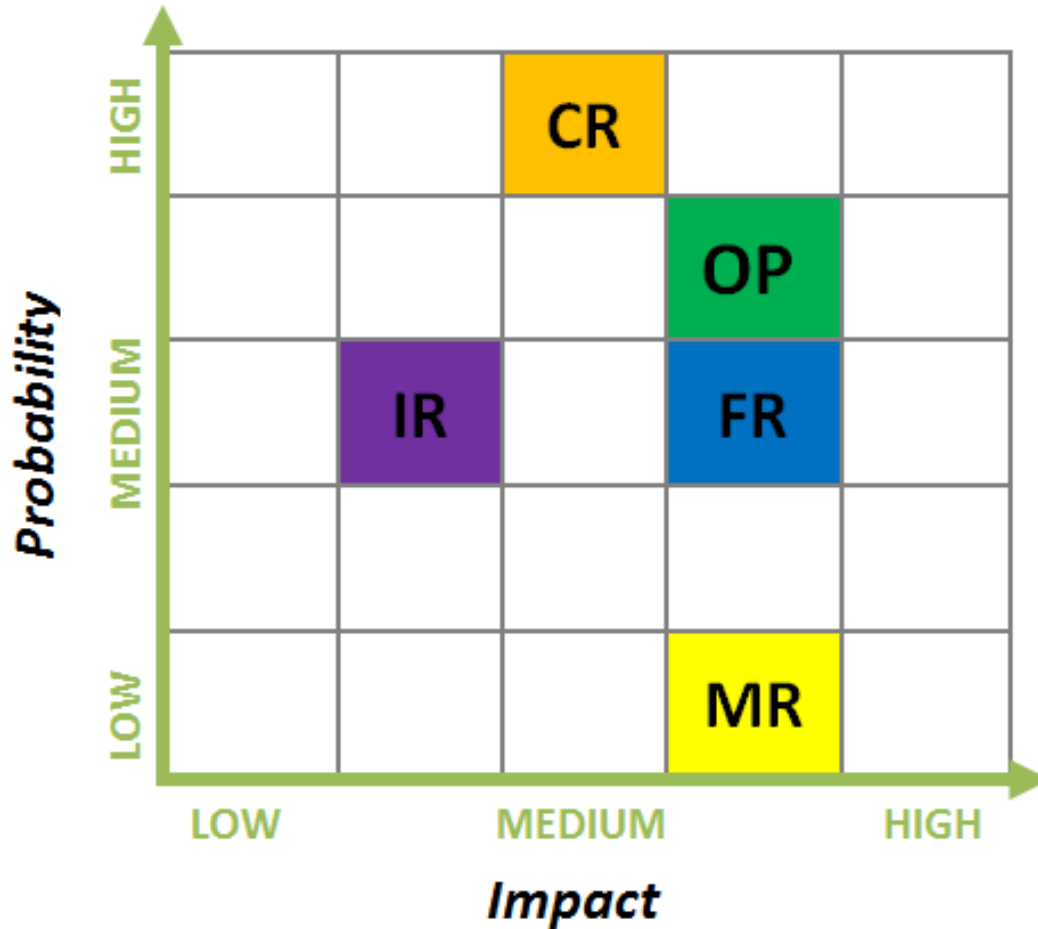
Domestic Consumption vs Exports



Costs Currency



Main Risks



- OP - Operational Risk
- FR - Financial & Exchange Rate Risk
- IR - Interest Rate Risk
- MR - Market Exposure Risk
- CR - Currency Risk in Venezuela and Argentina



Conclusion

CLP \$21.77
TARGET PRICE



CLP \$18,5
23 NOVEMBER 15' PRICE

BUY

RECOMMENDATION



Housing shortage in Latin America → Growth opportunity



Too much penalized due to operations in Argentina and Venezuela



Attractive investments plans such as Mexico's MDF mill

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MASISA



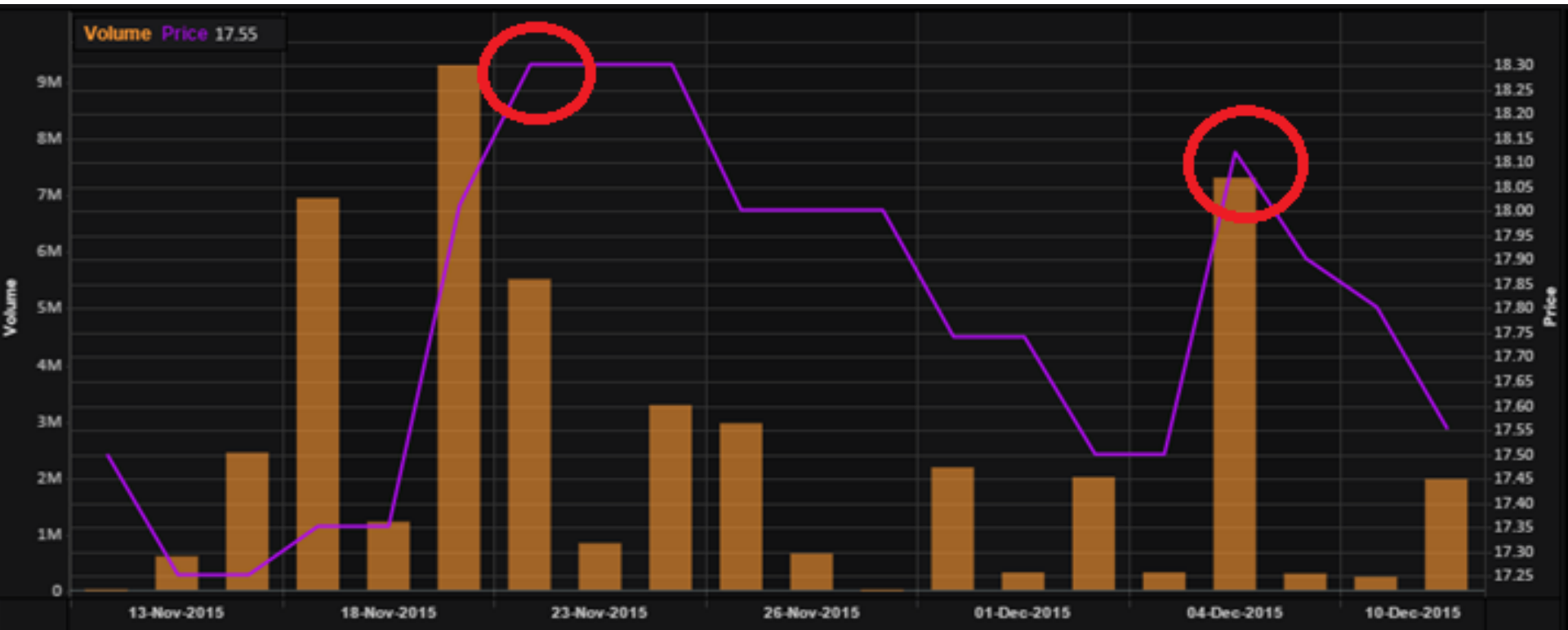
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Modify CAPM of Damodaran

$$K_e = R_f + \beta * \text{Market Premium Risk} + \text{Country Risk Premium} + \text{Size Premium}$$

$$K_d = \text{Bond issue} + \text{Country Premium}$$

Price variation by political situation in Argentina and Venezuela



Ex Argentina



MMUSD 763



MMUSD 105



MMUSD 80



MMUSD 30



**Consolidated
Debt
MMUSD 818**



**Equity Value
MMUSD 164
Target price
CLP \$14.74**

GDP's Growth

Country/Year	2015	2016	2017	2018	2019	2020
Venezuela	-10.00%	-6.00%	-4.50%	-3.00%	-1.00%	0.00%
Chile	2.20%	2.40%	2.90%	3.10%	3.30%	3.50%
Brazil	-3.00%	-1.00%	2.60%	2.40%	2.50%	2.50%
Mexico	2.30%	2.80%	3.10%	3.20%	3.30%	3.30%
Argentina	0.40%	-0.70%	0.00%	0.20%	0.20%	0.25%

Chile Cash Flow

Chile MUS\$	2015E	2016E	2017E	2018E	2019E	2020E
Revenues	\$697.04	\$743.77	\$749.60	\$754.34	\$759.38	\$764.72
Industrial	\$654.28	\$698.15	\$703.62	\$708.07	\$712.80	\$717.82
Forestal	\$85.10	\$90.80	\$91.52	\$92.10	\$92.71	\$93.36
Others	-\$42.35	-\$45.19	-\$45.54	-\$45.83	-\$46.13	-\$46.46
Cost of Revenues	-\$452.12	-\$539.33	-\$549.01	-\$559.25	-\$570.16	-\$581.43
Industrial	-\$400.54	-\$487.77	-\$497.38	-\$507.71	-\$518.72	-\$530.07
Forestal	-\$79.24	-\$84.55	-\$85.21	-\$85.75	-\$86.32	-\$86.93
Others	\$27.66	\$32.99	\$33.59	\$34.21	\$34.88	\$35.57
Gross Profit	\$244.92	\$204.44	\$200.59	\$195.09	\$189.22	\$183.29
GAV	-\$96.36	-\$102.82	-\$103.63	-\$104.29	-\$104.98	-\$105.72
Depreciation and Amortization	\$32.29	\$38.13	\$38.15	\$38.16	\$38.17	\$38.18
Forestal	\$1.75	\$1.86	\$1.88	\$1.89	\$1.90	\$1.92
Industrial	\$30.54	\$36.27	\$36.27	\$36.27	\$36.27	\$36.27
EBIT	\$148.55	\$101.61	\$96.95	\$90.81	\$84.23	\$77.57
Tax	\$33.42	\$24.39	\$25.21	\$24.52	\$22.74	\$20.94
%	23%	24%	26%	27%	27%	27%
EBIT (1-TAX)	\$115.13	\$77.23	\$71.75	\$66.29	\$61.49	\$56.62
Depreciation & Amort.	\$32.29	\$38.13	\$38.15	\$38.16	\$38.17	\$38.18
Gross Cash Flow	\$231.30	\$245.76	\$246.84	\$246.34	\$246.79	\$246.64
Changes in Working Capital	-\$45.07	-\$14.45	-\$1.09	\$0.50	-\$0.45	\$0.15
Capex	-\$23.55	-\$27.62	-\$40.15	-\$39.68	-\$39.24	-\$38.67
FCCF	\$78.80	\$73.28	\$68.66	\$65.27	\$59.97	\$56.28

Argentina Cash Flow

Argentina MUS\$	2015E	2016E	2017E	2018E	2019E	2020E
Revenues	\$159.97	\$149.80	\$156.57	\$164.39	\$173.50	\$184.46
Industrial	\$150.16	\$140.61	\$146.97	\$154.31	\$162.86	\$173.15
Forestal	\$19.53	\$18.29	\$19.12	\$20.07	\$21.18	\$22.52
Others	-\$9.72	-\$9.10	-\$9.51	-\$9.99	-\$10.54	-\$11.21
Cost of Revenues	-\$83.47	-\$89.62	-\$99.01	-\$110.76	-\$125.02	-\$142.53
Industrial	-\$70.39	-\$78.07	-\$87.27	-\$98.85	-\$112.95	-\$130.28
Forestal	-\$18.19	-\$17.03	-\$17.80	-\$18.69	-\$19.72	-\$20.97
Others	\$5.11	\$5.48	\$6.06	\$6.78	\$7.65	\$8.72
Gross Profit	\$76.50	\$60.18	\$57.56	\$53.63	\$48.48	\$41.94
GAV	-\$22.12	-\$20.71	-\$21.65	-\$22.73	-\$23.99	-\$25.50
Depreciation and Amortization	\$5.59	\$5.54	\$5.62	\$5.73	\$5.85	\$5.98
Forestal	\$0.40	\$0.38	\$0.39	\$0.41	\$0.43	\$0.46
Industrial	\$5.19	\$5.16	\$5.23	\$5.32	\$5.41	\$5.52
EBIT	\$54.39	\$39.47	\$35.91	\$30.91	\$24.49	\$16.43
Tax	\$19.04	\$13.81	\$12.57	\$10.82	\$8.57	\$5.75
%	35%	35%	35%	35%	35%	35%
EBIT (1-TAX)	\$35.35	\$25.66	\$23.34	\$20.09	\$15.92	\$10.68
Depreciation & Amort.	\$5.59	\$5.54	\$5.62	\$5.73	\$5.85	\$5.98
Gross Cash Flow	\$53.09	\$49.50	\$51.56	\$53.69	\$56.39	\$59.49
Changes in Working Capital	-\$2.76	\$3.59	-\$2.06	-\$2.13	-\$2.70	-\$3.11
Capex	-\$4.08	-\$4.01	-\$5.91	-\$5.96	-\$6.01	-\$6.06
FCCF	\$34.11	\$30.77	\$20.99	\$17.73	\$13.06	\$7.50

Brazil Cash Flow

Brazil MUS\$	2015E	2016E	2017E	2018E	2019E	2020E
Revenues	\$189.85	\$146.98	\$157.32	\$167.55	\$178.90	\$191.01
Industrial	\$178.21	\$137.97	\$147.67	\$157.28	\$167.92	\$179.29
Forestal	\$23.18	\$17.94	\$19.21	\$20.46	\$21.84	\$23.32
Others	-\$11.53	-\$8.93	-\$9.56	-\$10.18	-\$10.87	-\$11.60
Cost of Revenues	-\$116.45	-\$110.98	-\$119.11	-\$127.66	-\$137.18	-\$147.76
Industrial	-\$101.99	-\$101.06	-\$108.51	-\$116.42	-\$125.23	-\$135.09
Forestal	-\$21.58	-\$16.71	-\$17.88	-\$19.05	-\$20.34	-\$21.71
Others	\$7.12	\$6.79	\$7.29	\$7.81	\$8.39	\$9.04
Gross Profit	\$73.40	\$36.00	\$38.21	\$39.90	\$41.72	\$43.25
GAV	-\$26.25	-\$20.32	-\$21.75	-\$23.16	-\$24.73	-\$26.41
Depreciation and Amortization	\$8.79	\$8.46	\$9.04	\$9.61	\$10.24	\$10.91
Forestal	\$0.48	\$0.37	\$0.39	\$0.42	\$0.45	\$0.48
Industrial	\$8.31	\$8.09	\$8.65	\$9.19	\$9.79	\$10.43
EBIT	\$47.15	\$15.68	\$16.46	\$16.73	\$16.99	\$16.84
Tax	\$16.03	\$5.33	\$5.60	\$5.69	\$5.78	\$5.73
%	34%	34%	34%	34%	34%	34%
EBIT (1-TAX)	\$31.12	\$10.35	\$10.87	\$11.04	\$11.21	\$11.11
Depreciation & Amort.	\$8.79	\$8.46	\$9.04	\$9.61	\$10.24	\$10.91
Gross Cash Flow	\$63.00	\$48.57	\$51.80	\$54.72	\$58.14	\$61.60
Changes in Working Capital	\$0.45	\$14.43	-\$3.24	-\$2.91	-\$3.42	-\$3.47
Capex	-\$6.41	-\$6.13	-\$9.51	-\$9.99	-\$10.53	-\$11.05
FCCF	\$33.95	\$27.11	\$7.15	\$7.75	\$7.50	\$7.51

Mexico Cash Flow

Mexico MUS\$	2015E	2016E	2017E	2018E	2019E	2020E
Revenues	\$97.49	\$166.43	\$194.15	\$235.66	\$250.22	\$265.23
Industrial	\$91.51	\$156.22	\$182.24	\$221.21	\$234.87	\$248.96
Forestal	\$11.90	\$20.32	\$23.70	\$28.77	\$30.55	\$32.38
Others	-\$5.92	-\$10.11	-\$11.79	-\$14.32	-\$15.20	-\$16.11
Cost of Revenues	-\$80.80	-\$141.15	-\$158.14	-\$187.51	-\$194.99	-\$202.78
Industrial	-\$74.66	-\$130.87	-\$145.75	-\$172.20	-\$178.48	-\$185.03
Forestal	-\$11.08	-\$18.92	-\$22.07	-\$26.79	-\$28.44	-\$30.15
Others	\$4.94	\$8.63	\$9.67	\$11.47	\$11.93	\$12.40
Gross Profit	\$16.70	\$25.28	\$36.00	\$48.14	\$55.22	\$62.45
GAV	-\$13.48	-\$23.01	-\$26.84	-\$32.58	-\$34.59	-\$36.67
Depreciation and Amortization	\$6.01	\$10.24	\$11.21	\$13.02	\$13.28	\$13.54
Forestal	\$0.24	\$0.42	\$0.49	\$0.59	\$0.63	\$0.66
Industrial	\$5.76	\$9.82	\$10.72	\$12.43	\$12.65	\$12.87
EBIT	\$3.22	\$2.27	\$9.16	\$15.57	\$20.63	\$25.78
Tax	\$0.97	\$0.68	\$2.75	\$4.67	\$6.19	\$7.73
%	30%	30%	30%	30%	30%	30%
EBIT (1-TAX)	\$2.25	\$1.59	\$6.41	\$10.90	\$14.44	\$18.05
Depreciation & Amort.	\$6.01	\$10.24	\$11.21	\$13.02	\$13.28	\$13.54
Gross Cash Flow	\$32.35	\$54.99	\$63.93	\$76.96	\$81.32	\$85.54
Changes in Working Capital	\$7.11	-\$22.64	-\$8.94	-\$13.03	-\$4.36	-\$4.23
Capex	-\$94.38	-\$22.42	-\$28.80	-\$18.54	-\$13.65	-\$13.71
FCCF	-\$79.01	-\$33.23	-\$20.11	-\$7.65	\$9.71	\$13.65

Venezuela Cash Flow

Venezuela MUS\$	2015E	2016E	2017E	2018E	2019E	2020E
Revenues	\$169.95	\$131.00	\$107.87	\$96.33	\$94.81	\$97.61
Industrial	\$159.53	\$122.97	\$101.25	\$90.42	\$88.99	\$91.63
Forestal	\$20.75	\$15.99	\$13.17	\$11.76	\$11.58	\$11.92
Others	-\$10.33	-\$7.96	-\$6.55	-\$5.85	-\$5.76	-\$5.93
Cost of Revenues	-\$130.36	-\$101.76	-\$84.35	-\$75.85	-\$75.18	-\$77.92
Industrial	-\$119.02	-\$93.09	-\$77.25	-\$69.54	-\$69.00	-\$71.59
Forestal	-\$19.32	-\$14.89	-\$12.26	-\$10.95	-\$10.78	-\$11.10
Others	\$7.97	\$6.23	\$5.16	\$4.64	\$4.60	\$4.77
Gross Profit	\$39.59	\$29.24	\$23.52	\$20.48	\$19.63	\$19.69
GAV	-\$23.50	-\$18.11	-\$14.91	-\$13.32	-\$13.11	-\$13.49
Depreciation and Amortization	\$9.02	\$6.65	\$5.34	\$4.64	\$4.45	\$4.45
Forestal	\$0.43	\$0.33	\$0.27	\$0.24	\$0.24	\$0.24
Industrial	\$8.59	\$6.33	\$5.07	\$4.40	\$4.21	\$4.21
EBIT	\$16.09	\$11.13	\$8.61	\$7.16	\$6.53	\$6.20
Tax	\$5.47	\$3.78	\$2.93	\$2.43	\$2.22	\$2.11
%	34%	34%	34%	34%	34%	34%
EBIT (1-TAX)	\$10.62	\$7.35	\$5.68	\$4.72	\$4.31	\$4.09
Depreciation & Amort.	\$9.02	\$6.65	\$5.34	\$4.64	\$4.45	\$4.45
Gross Cash Flow	\$56.40	\$43.29	\$35.52	\$31.46	\$30.81	\$31.48
Changes in Working Capital	\$53.53	\$13.11	\$7.76	\$4.06	\$0.65	-\$0.67
Capex	-\$6.58	-\$4.82	-\$5.62	-\$4.83	-\$4.57	-\$4.51
FCCF	\$66.60	\$22.29	\$13.16	\$8.60	\$4.83	\$3.36

Income Statement

MMUS\$	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	\$1,349.32	\$1,364.71	\$1,544.62	\$1,314.31	\$1,337.98	\$1,365.50	\$1,418.27	\$1,456.81	\$1,503.03
Cost of Sales	-\$1,055.87	-\$1,038.09	-\$1,243.75	-\$863.20	-\$982.84	-\$1,009.62	-\$1,061.03	-\$1,102.54	-\$1,152.42
Gross Profit	\$293.45	\$326.62	\$300.88	\$451.11	\$355.14	\$355.88	\$357.24	\$354.27	\$350.61
General & Admin. Expenses	-\$190.02	-\$204.12	-\$213.54	-\$181.70	-\$184.97	-\$188.78	-\$196.07	-\$201.40	-\$207.79
EBIT	\$103.43	\$122.50	\$87.34	\$269.41	\$170.16	\$167.10	\$161.17	\$152.87	\$142.82
Net change in biological assets	\$36.39	\$62.22	\$43.89	\$37.35	\$38.02	\$38.80	\$40.30	\$41.39	\$42.71
Other income (expense)	-\$37.14	\$1.06	-\$3.07	-\$2.61	-\$2.66	-\$2.71	-\$2.82	-\$2.90	-\$2.99
Financial costs	-\$44.98	-\$43.41	-\$55.61	-\$47.32	-\$48.17	-\$49.16	-\$51.06	-\$52.45	-\$54.12
Exchange differences / adjustment	-\$1.76	-\$52.24	-\$66.05	-\$56.20	-\$57.22	-\$58.39	-\$60.65	-\$62.30	-\$64.27
Gain/Loss Before Tax	\$55.95	\$90.13	\$6.49	\$200.62	\$100.13	\$95.63	\$86.94	\$76.62	\$64.15
Tax	-\$5.24	-\$35.22	-\$6.67	-\$55.86	-\$28.35	-\$28.21	-\$26.06	-\$22.79	-\$18.78
Net income	\$50.71	\$54.91	-\$0.18	\$144.76	\$71.78	\$67.42	\$60.88	\$53.83	\$45.38

WACC Sensitivity

Argentina		WACC			
Perpetuity growth rate		18.23%	19.10%	19.86%	20.19%
	1%	21.18	20.97	20.79	20.72
	2%	21.30	21.07	20.88	20.81
	3%	21.44	21.19	21.77	20.90
	4%	21.59	21.32	22.05	21.02
	5%	21.76	21.47	22.40	21.14

Venezuela		WACC			
Perpetuity growth rate		29.28%	30.15%	30.91%	31.24%
	0%	21.08	21.03	20.99	20.98
	1%	21.10	21.05	21.00	20.99
	2%	21.11	21.06	21.77	21.00
	3%	21.12	21.07	21.90	21.01
	4%	21.14	21.09	22.06	21.02

Brazil		WACC			
Perpetuity growth rate		10.25%	11.13%	11.88%	12.22%
	2.5%	21.13	20.35	19.79	19.57
	3.5%	21.97	20.99	20.32	20.05
	4.5%	23.09	21.83	21.77	20.66
	5.5%	24.69	22.96	21.85	21.44
	6.5%	27.14	24.58	23.05	22.50

Mexico		WACC			
Perpetuity growth rate		8.69%	9.57%	10.32%	10.66%
	1%	21.03	19.64	18.66	18.28
	2%	22.67	20.89	19.68	19.22
	3%	24.89	22.53	21.77	20.40
	4%	28.05	24.76	22.70	21.94
	5%	32.92	27.97	25.06	24.02

Chile		WACC			
Perpetuity growth rate		8.36%	9.23%	9.99%	10.32%
	1%	22.03	15.25	10.41	8.54
	2%	29.56	21.00	15.03	12.78
	3%	39.92	28.58	21.77	18.17
	4%	55.01	39.07	28.93	25.27
	5%	79.10	54.52	40.05	35.04

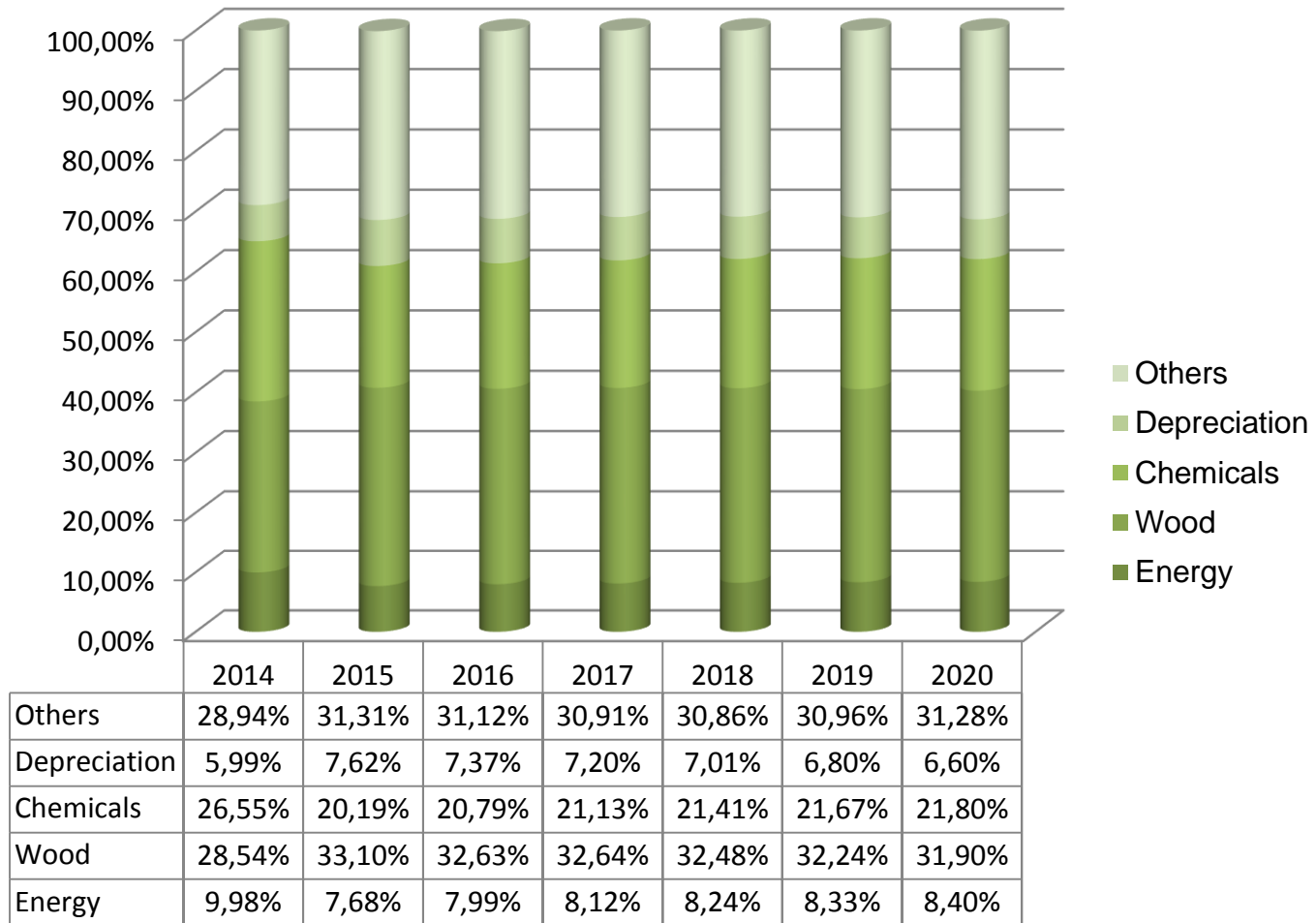
Comparable Companies

Company	Mkt. Cap	EV	EV/ Sales	EV/ EBITDA	P/E	P/B	Profit Margin	EBITDA Margin	Dividend Yield	B ^u
WFT	\$2,878.7	\$3,191.3	0.96	6.08	10.99	1.58	7.63	15.82	0.6	0.759
CFP	\$1,903.7	\$2,340.3	---	5.01	10.93	1.55	5.04	14.29	0	0.636
DTEX3	\$1,202.1	\$1,827.3	1.44	6.18	17.30	0.92	6.33	23.71	2.97	0.873
IFP	\$666.7	\$1,011.8	0.67	6.45	14.06	1.04	3.0	10.16	0	1.179
Mean			1.02	5.93	13.32	1.27	5.5	15.99	0.89	0.86
Median			0.96	6.18	12.52	1.30	5.69	15.05	0.3	0.82

% of Costs in Local Currency

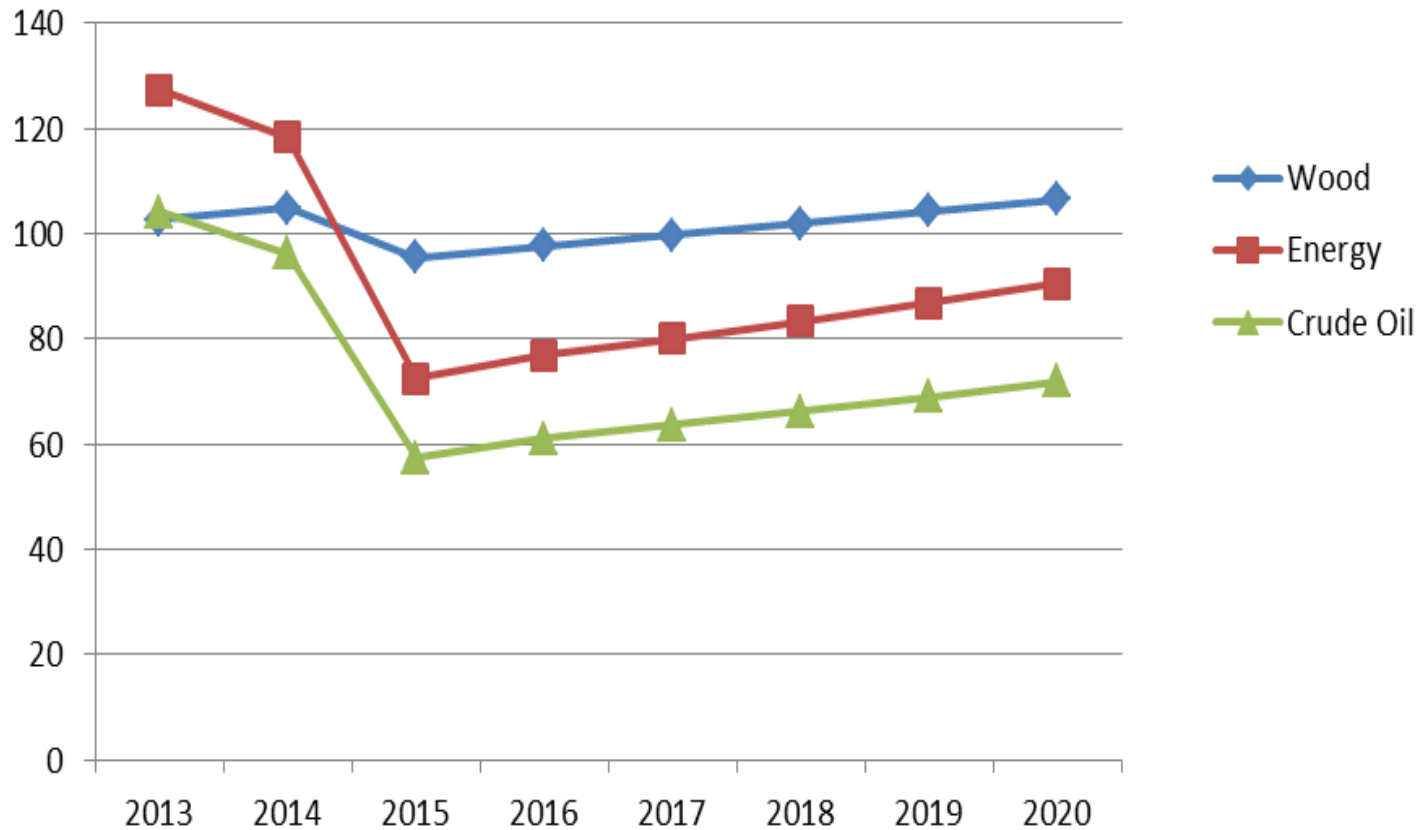
Countries	% in Local Currency
Chile	40%
Venezuela	100%
Brazil	70%
Mexico	35%
Argentina	45%

Fluctuations of Costs



Commodity Price Forecast

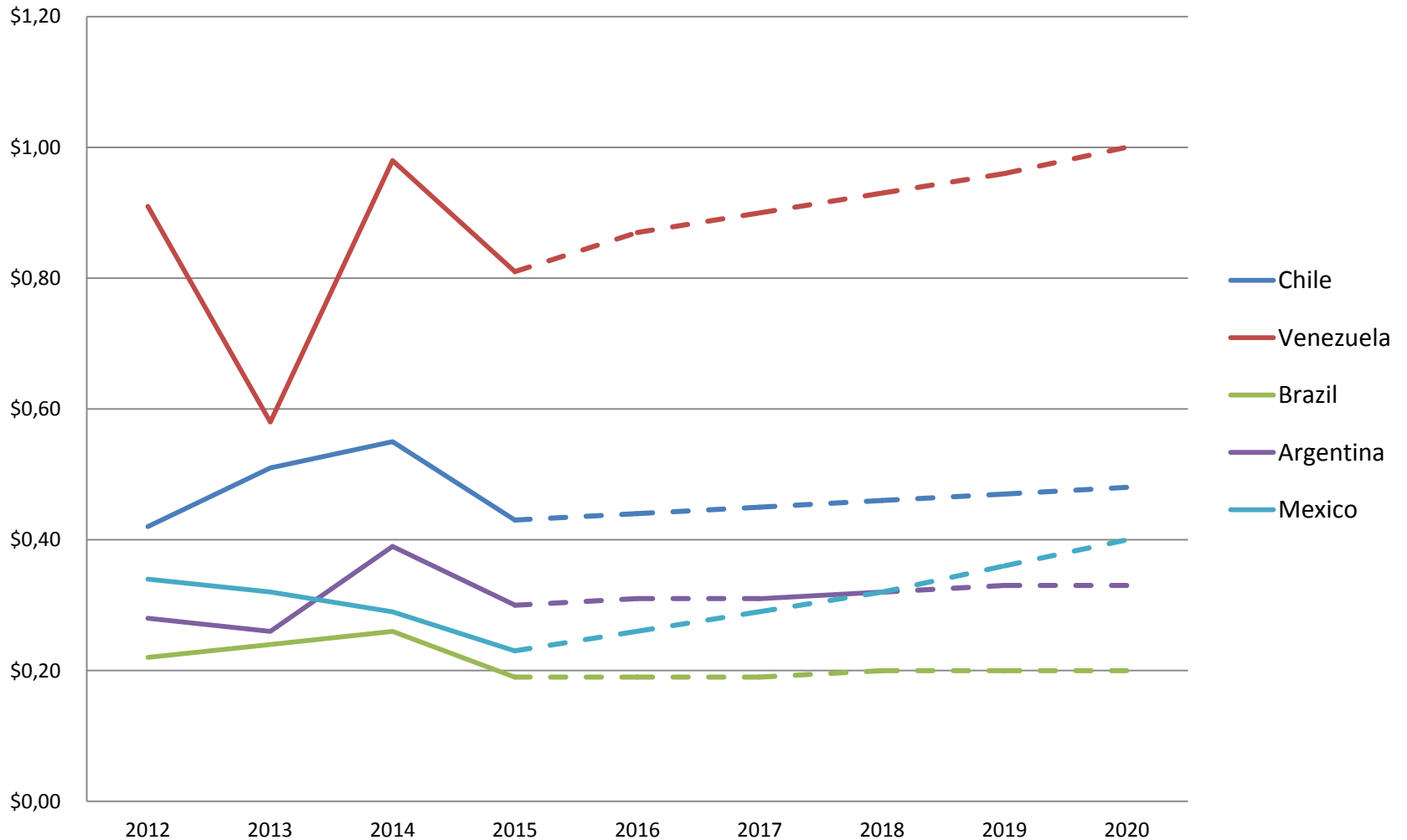
Commodities price forecast



Source: World Bank forecast (US\$).

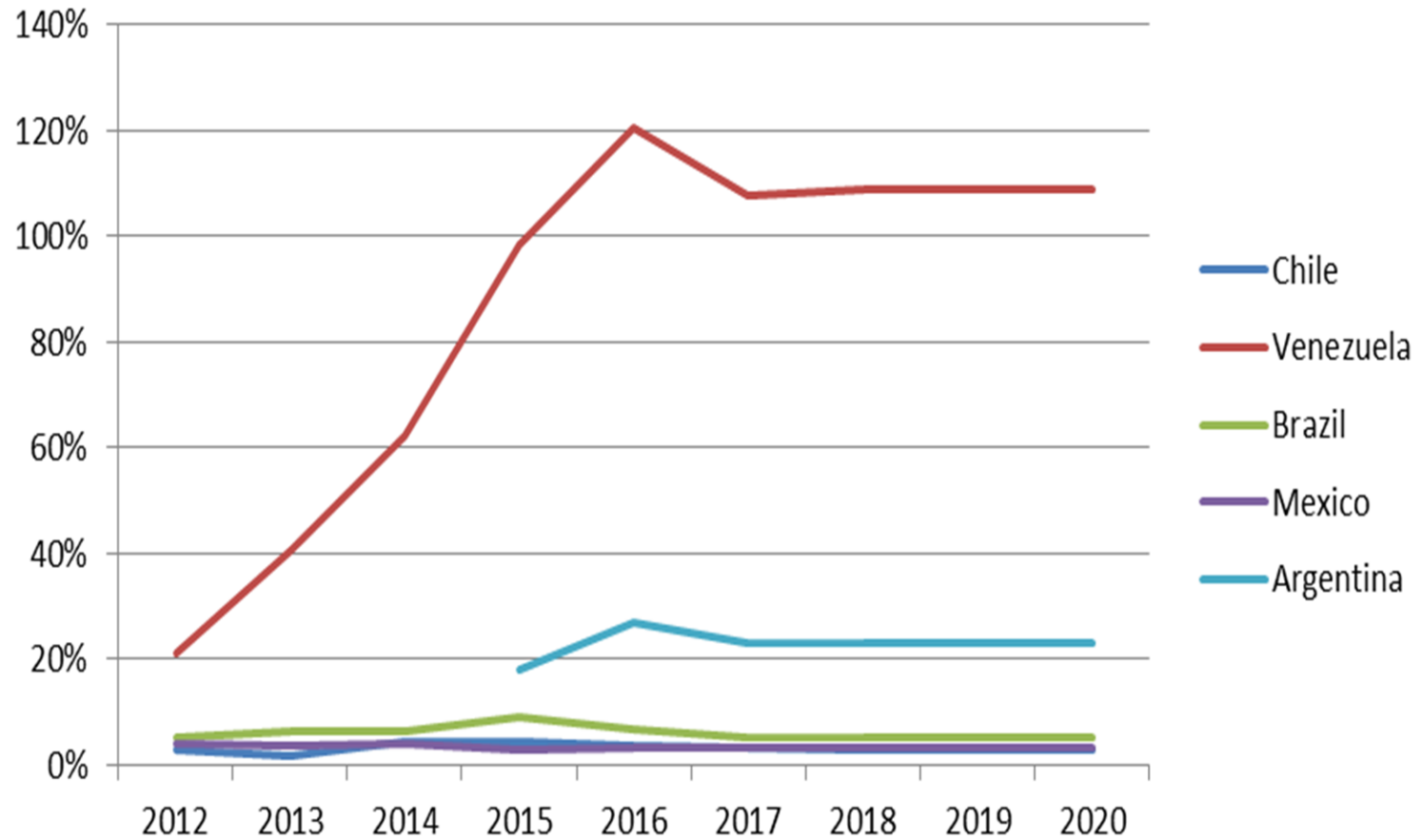
Projected Costs per Country

Projected costs per country (Thousands m³)



Projected Inflation

Inflation




Source: Bloomberg.

Capacity of Transferring Costs to final Price

Countries	Transferring Percentages
Venezuela	100%
Chile	40%
Brazil	0%
Argentina	55%
Mexico	Getting closer to Chile because of the MDF plant and Mix.

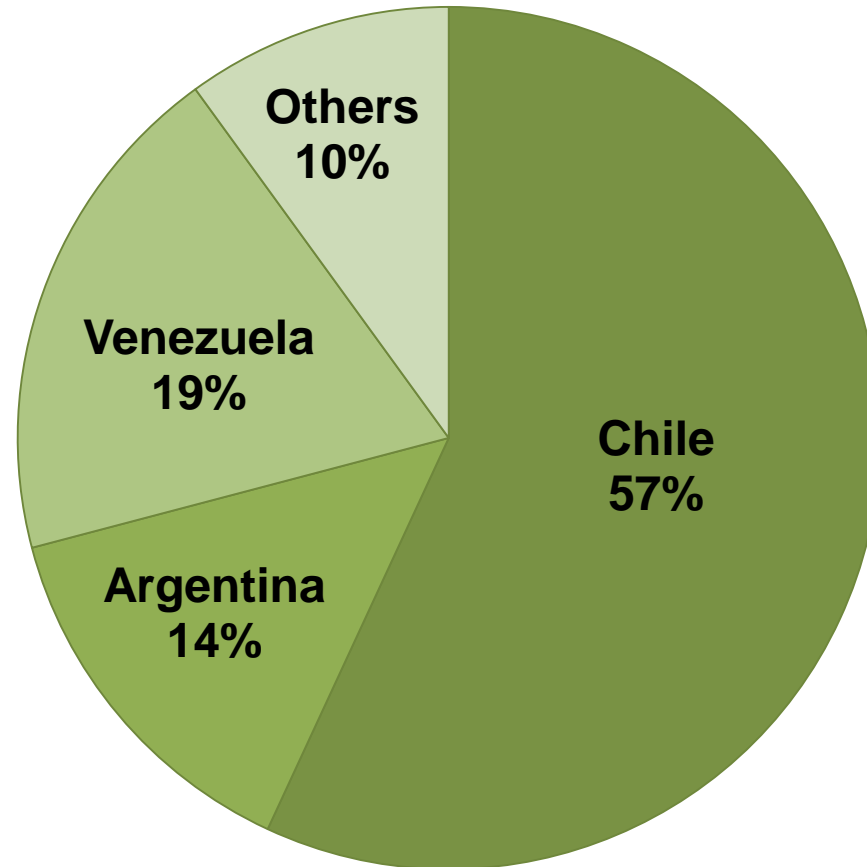
New MDF Plant

- ❑ Saving in Freight Costs  4% in 2014

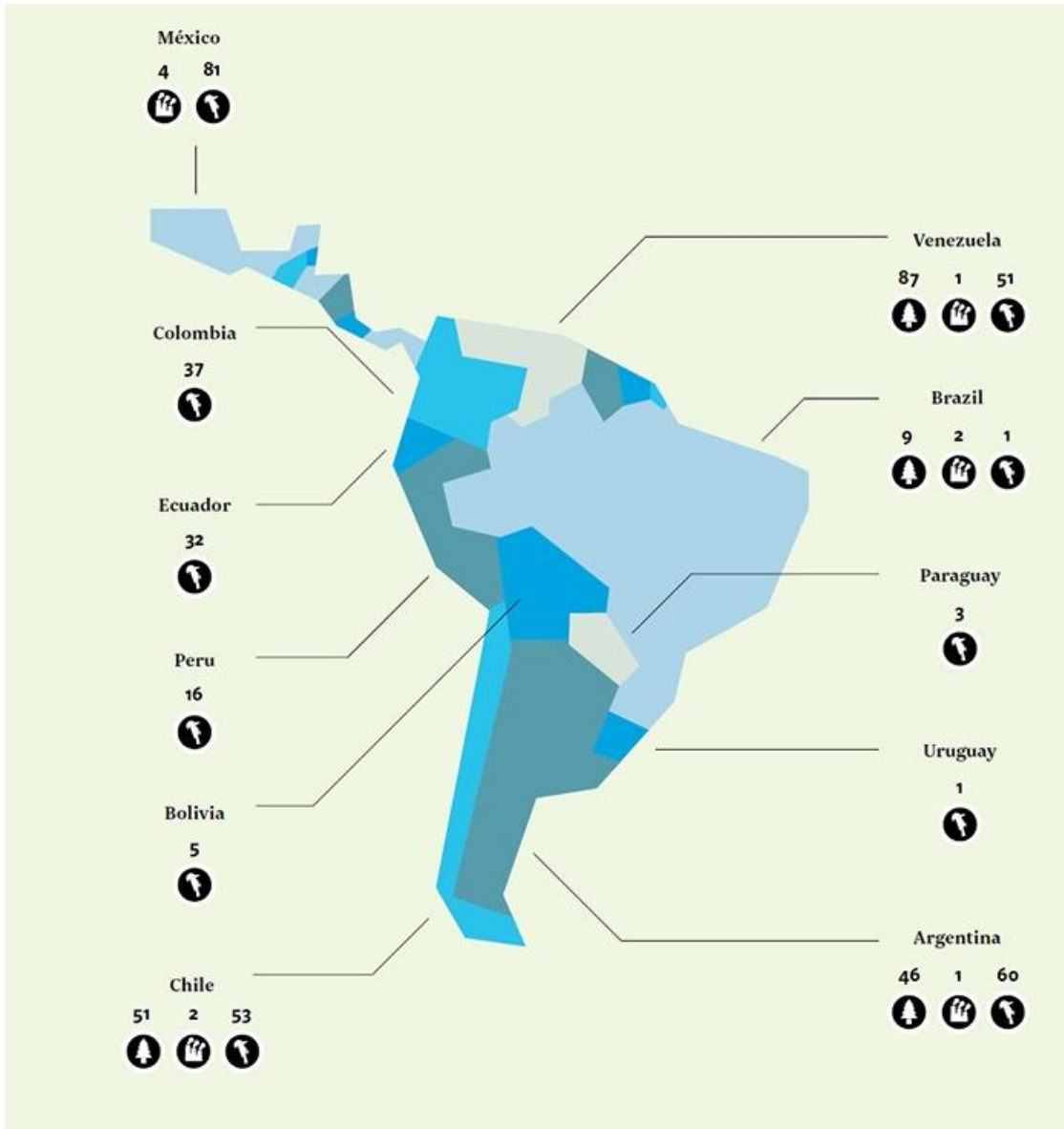
- ❑ Generates:
 - 5 MM USD additional EBITDA for 2016
 - 25-27 MM USD additional EBITDA for 2017
 - 30-35 MM USD additional EBITDA for 2018

- ❑ All competitors import the products from other countries so this generates a advantage in terms of margins.

EBITDA 2014



Presence of Masisa



Source: Company

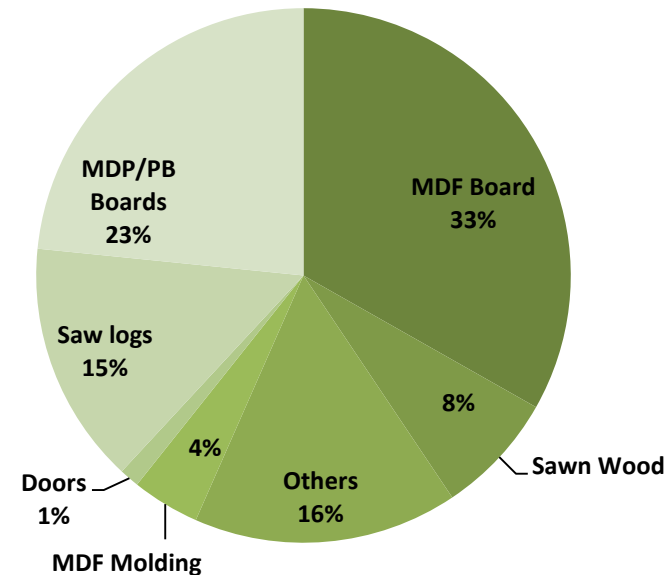
Structure Property



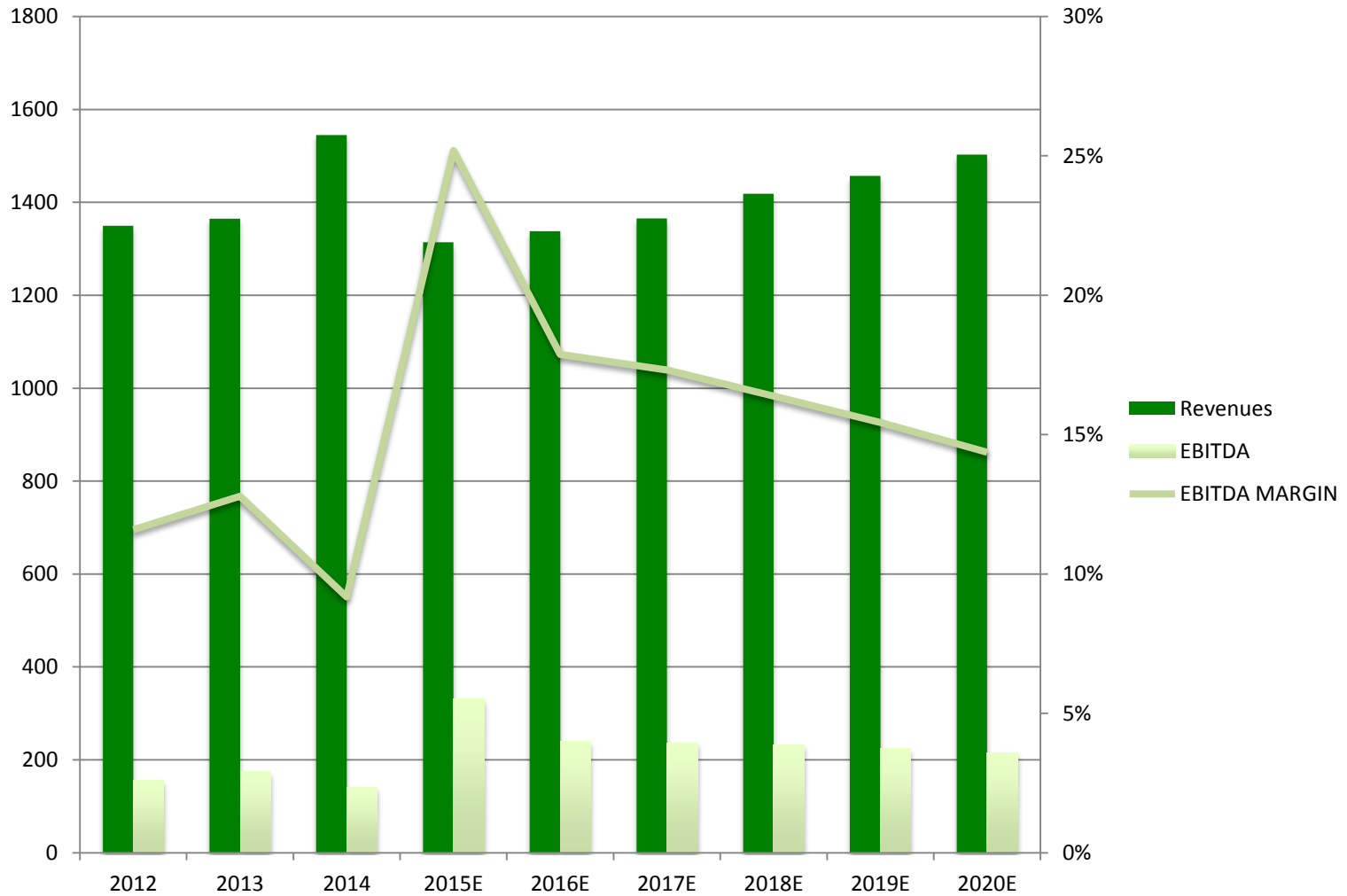
Product Mix

- **MDF**
These are wood fiber boards. Their main features are the excellent finishes that are achieved; lower wear and tear of tools and large savings on paint compared to the other types of wood boards. Masisa manufactures MDF of different characteristics, formats and thicknesses, which are marketed as raw or melamine boards.
- **MDP**
These are wood boards that are ideal for the production of quality furniture, straight lines or organic shapes. Their advantages are their homogeneousness, resistance, dimensional stability and density, and they are ideal for new uses in printing, painting and coating processes.
- **PB**
These are boards manufactured with chips, wood shavings, and they are resistant and light. They are used in furniture making, mainly in those applications where a flat finish is required. Masisa produces particleboards of different characteristics, formats and thicknesses, which are marketed as raw or melamine coated boards.

Sales by Product



EBITDA Margin Consolidated



EBITDA Margin Consolidated

