

MASISA

Tu mundo, tu estilo

July 2017





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Focused strategy aimed to increase Stakeholders value

In the context of the plan announced in November 2016, and after analyzing different strategic options, Masisa decided to strengthen its focus on value-added products and services, and on its forestry business, aiming to unlock and capture value for all its stakeholders

- ✓ The Company will focalize its industrial business in the Andean Region, Central America, USA, Canada and other export markets, serving them from its facilities in Chile and Venezuela
- ✓ Masisa will continue owning and operating its forestry assets in Chile, Argentina and Venezuela, which are valued at more than US\$ 560 million and have proven to be a good source of operational and financial stability
- ✓ Masisa has started a process to divest its industrial operations in Argentina, Brazil and Mexico, and expects to raise more than US\$ 500 million, which will be fully used to repay debt
 - ✓ On July 17th, 2017, Masisa signed a stock purchase agreement for the sale of its industrial operations in Argentina for an enterprise value of US\$ 155 million⁽¹⁾
 - ✓ As of today, the Company has received offers for the industrial operations in both Mexico and Brazil, which are currently under review

(1) The transaction is subject to customary closing conditions and it is expected to be completed during the next 90 days

Focused strategy aimed to increase Stakeholders value (cont.)

Strategic rationale

- ✓ **Unlock and capture value**
- ✓ **Strengthen its capital structure and reduce financial risk**
- ✓ **Position the Company to capitalize on growth opportunities and further develop its value-added strategy**

Expected benefits

1 Improved long-term profitability and cash flow generation

- ✓ Cash flow generation will benefit from:
 - Reducing future capital expenditures in large economies
 - Reducing financial expenses in approximately US\$ 35 million per annum
- ✓ Corporate and overhead expenses to be reduced by approximately US\$ 15 million per annum

2 Strengthened financial profile

- ✓ Masisa's leverage and capital structure to be improved by decreasing its net financial debt to EBITDA from 4.2x, as of March '17, to a target of 2.0x – 2.5x

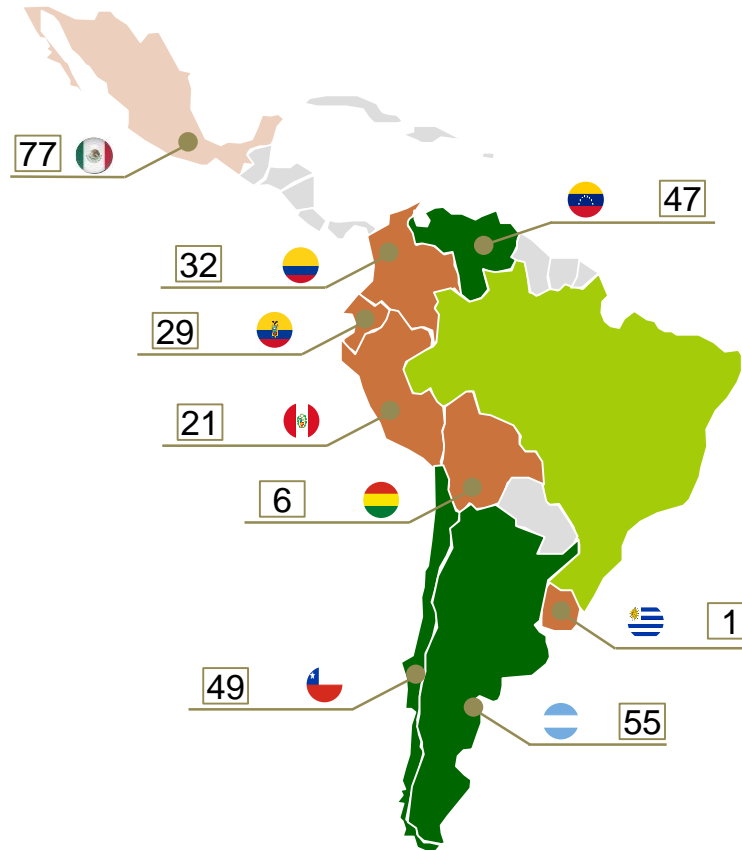
3 Increased earnings before taxes on a recurring pro forma basis

- ✓ This plan is expected to be accretive in terms of earnings before taxes on a recurring pro forma basis⁽¹⁾

(1) Excluding all one-off effects and considering full implementation of the divestiture plan and corporate restructuring

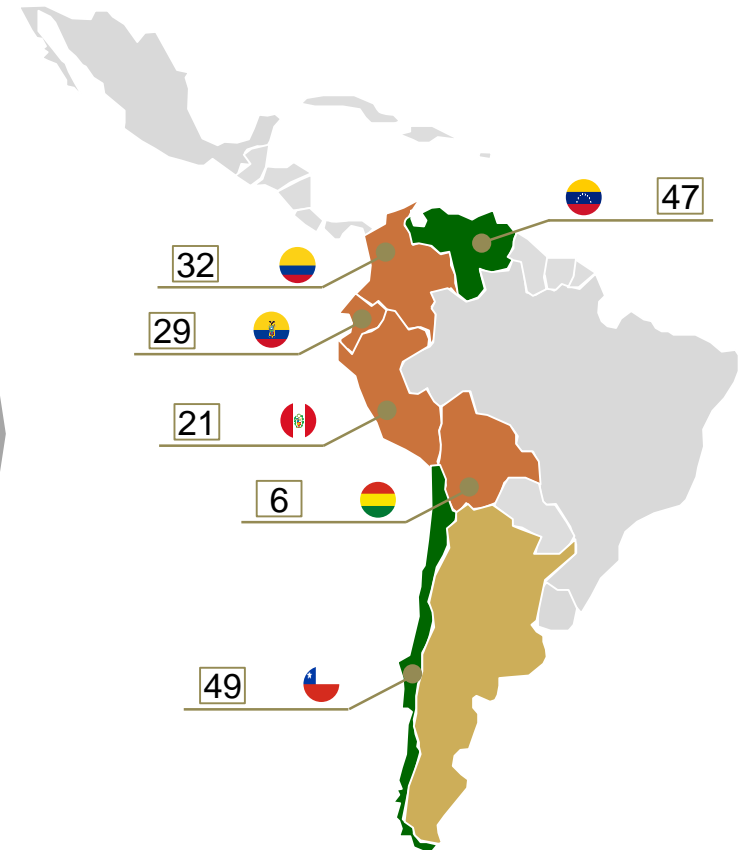
Masisa will continue holding a strong asset base and extensive distribution network in the Andean Region

Masisa's current geographic footprint



of Placentros: 317

Masisa's pro forma geographic footprint



of Placentros: 184

- Forestry + industrial assets + Placentro
- Placentro only
- Industrial assets + Placentro

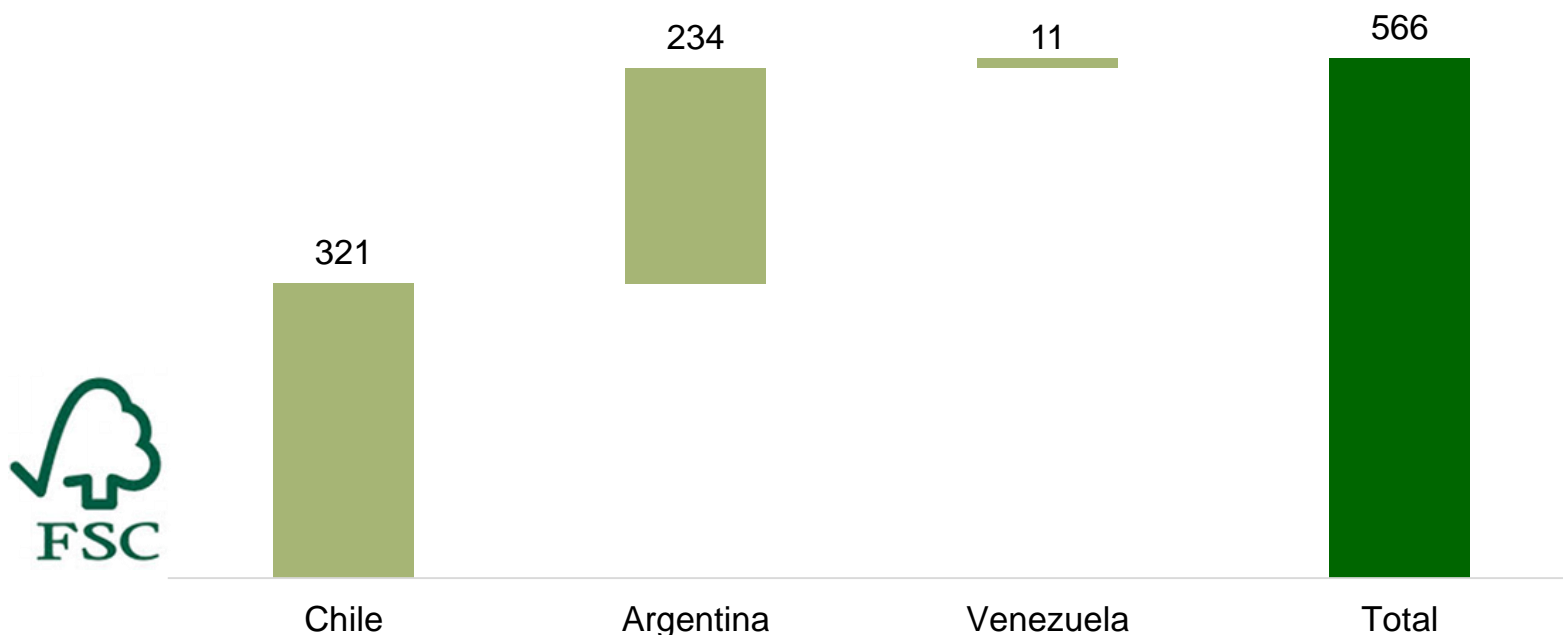
- Industrial assets only
- Forestry assets only
- Number of Placentro⁽¹⁾

(1) Considers owned and franchised distribution network of Placentros

Masisa will continue owning and operating its forestry assets, which are an important reserve of value

Forestry assets as of March '17 (US\$ million)⁽¹⁾

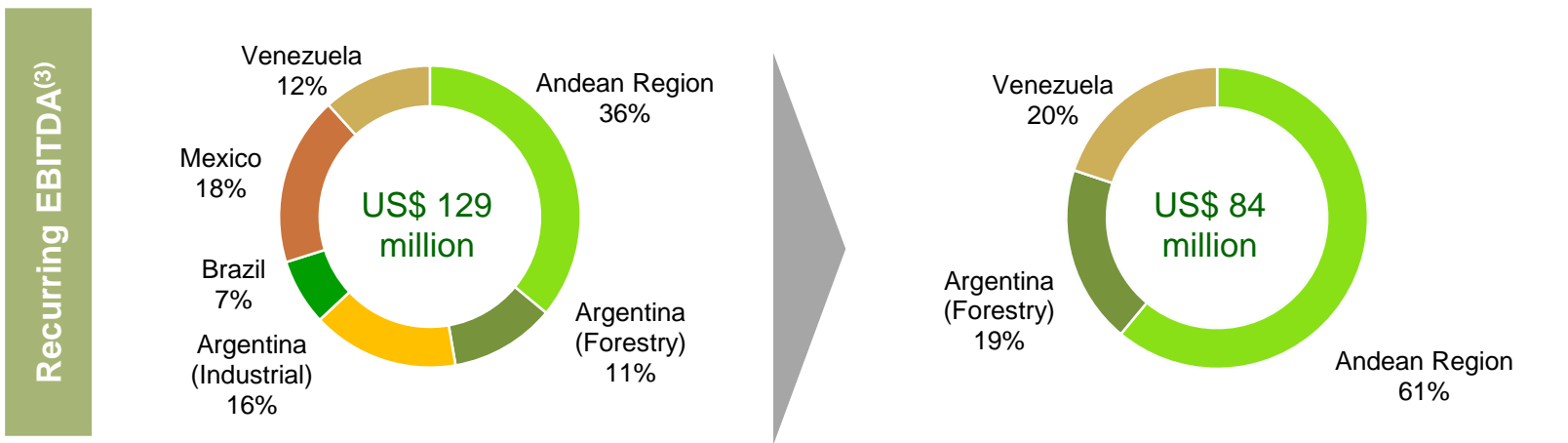
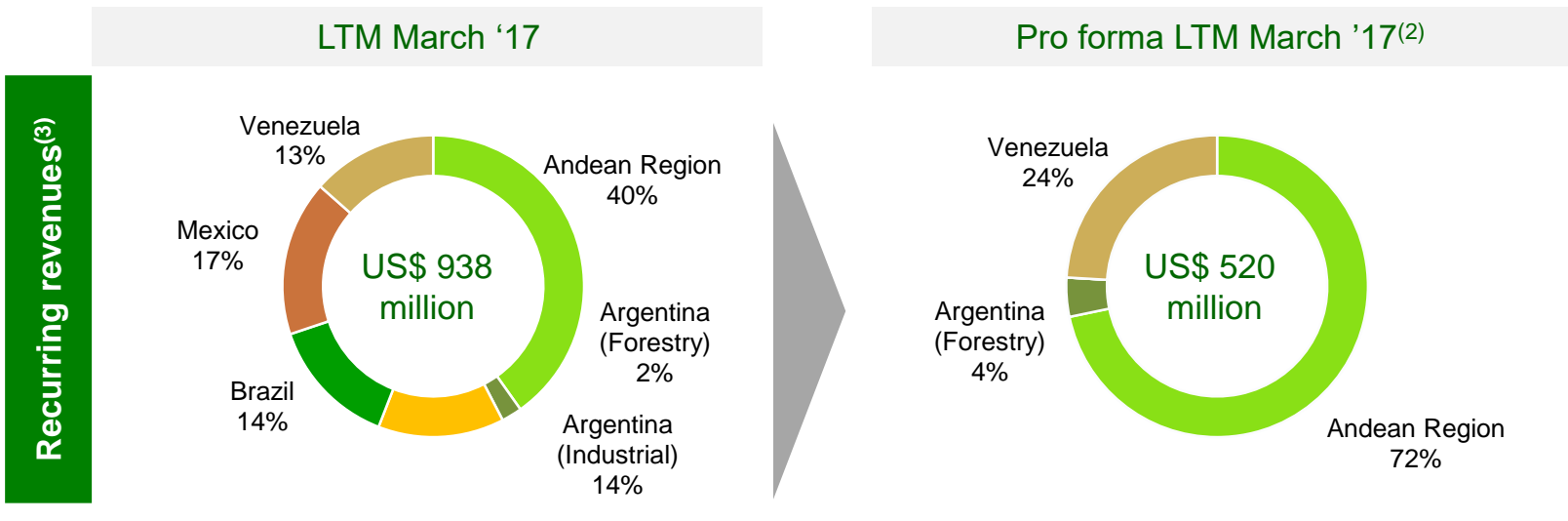
Planted ha (th.)	49	47	93 ⁽²⁾	189
Total ha (th.)	83	72	147 ⁽²⁾	302



(1) Value based on IFRS fair value (mark to market)
 (2) 27% of the total hectares in Venezuela are owned by Masisa

Improved profitability reflected on a higher pro forma EBITDA margin

Sales and EBITDA breakdown by country⁽¹⁾



(1) Financial figures by country of origin; (2) Excluding all one-off effects and considering full implementation of the divestiture plan and corporate restructuring; (3) Excludes non recurring standing timber sales in Chile and Brazil over the last twelve months

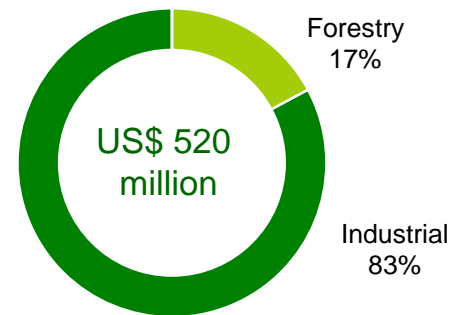
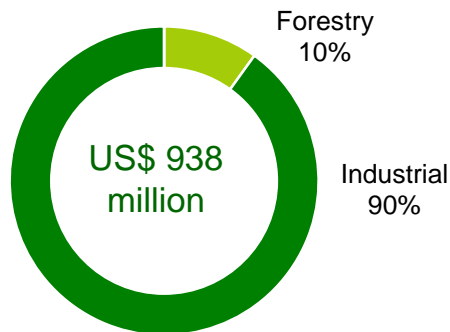
Higher contribution from the forestry business improves long-term profitability and stability

Sales and EBITDA breakdown by line of business

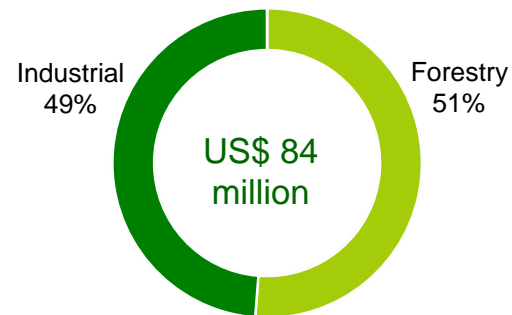
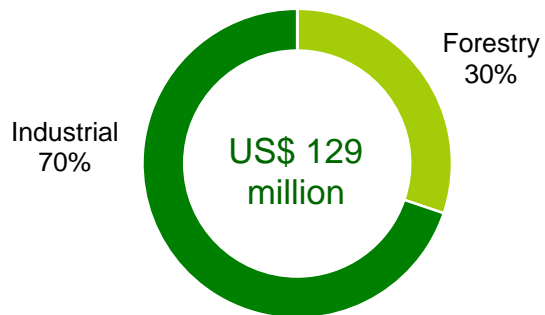
LTM March '17

Pro forma LTM March '17⁽¹⁾

Recurring revenues⁽²⁾



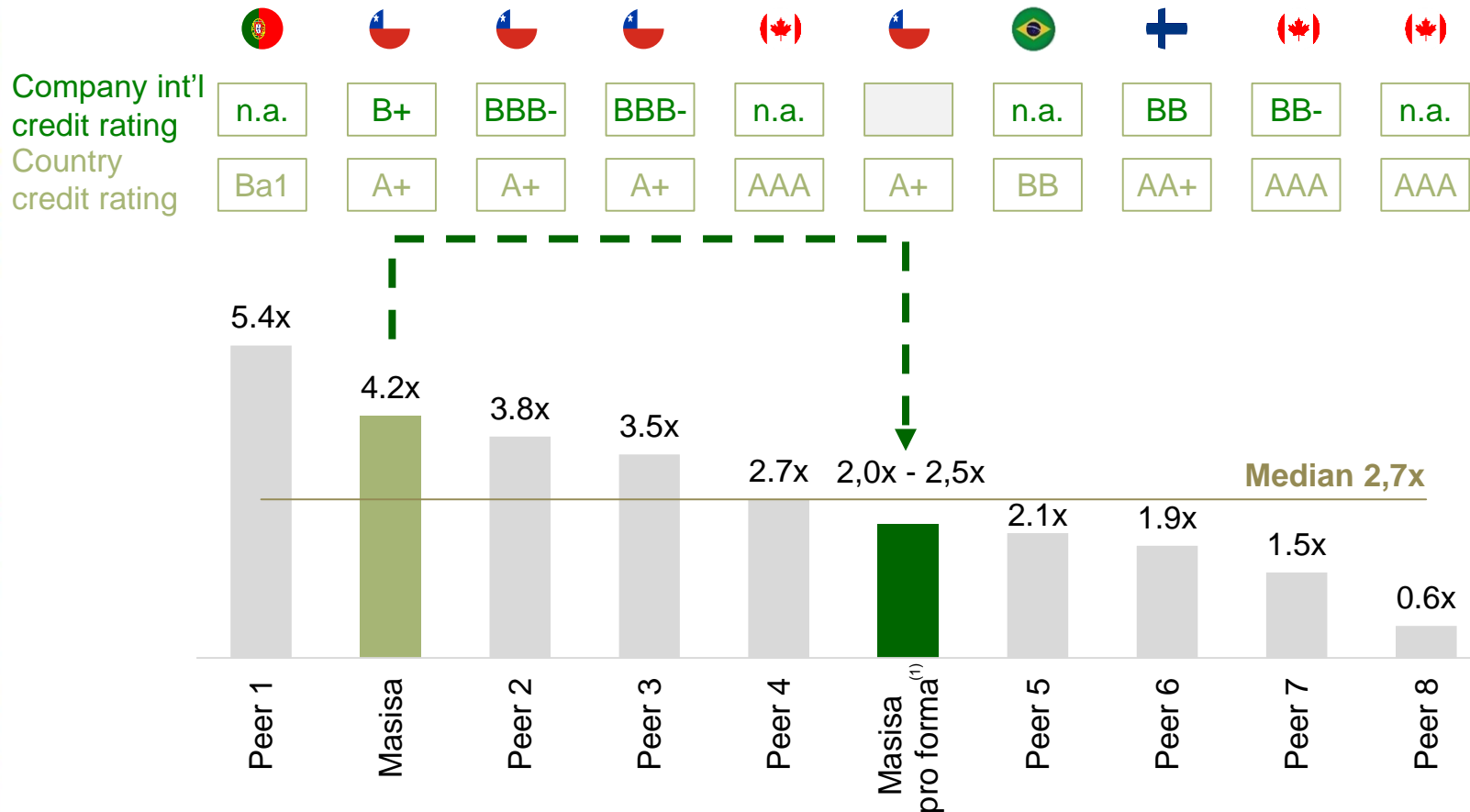
Recurring EBITDA⁽²⁾



(1) Excluding all one-off effects and considering full implementation of the divestiture plan and corporate restructuring; (2) Excludes non recurring standing timber sales in Chile and Brazil over the last twelve months

Masisa will enhance its financial flexibility and improve its capital structure

Net financial debt / total EBITDA benchmark (LTM March '17)

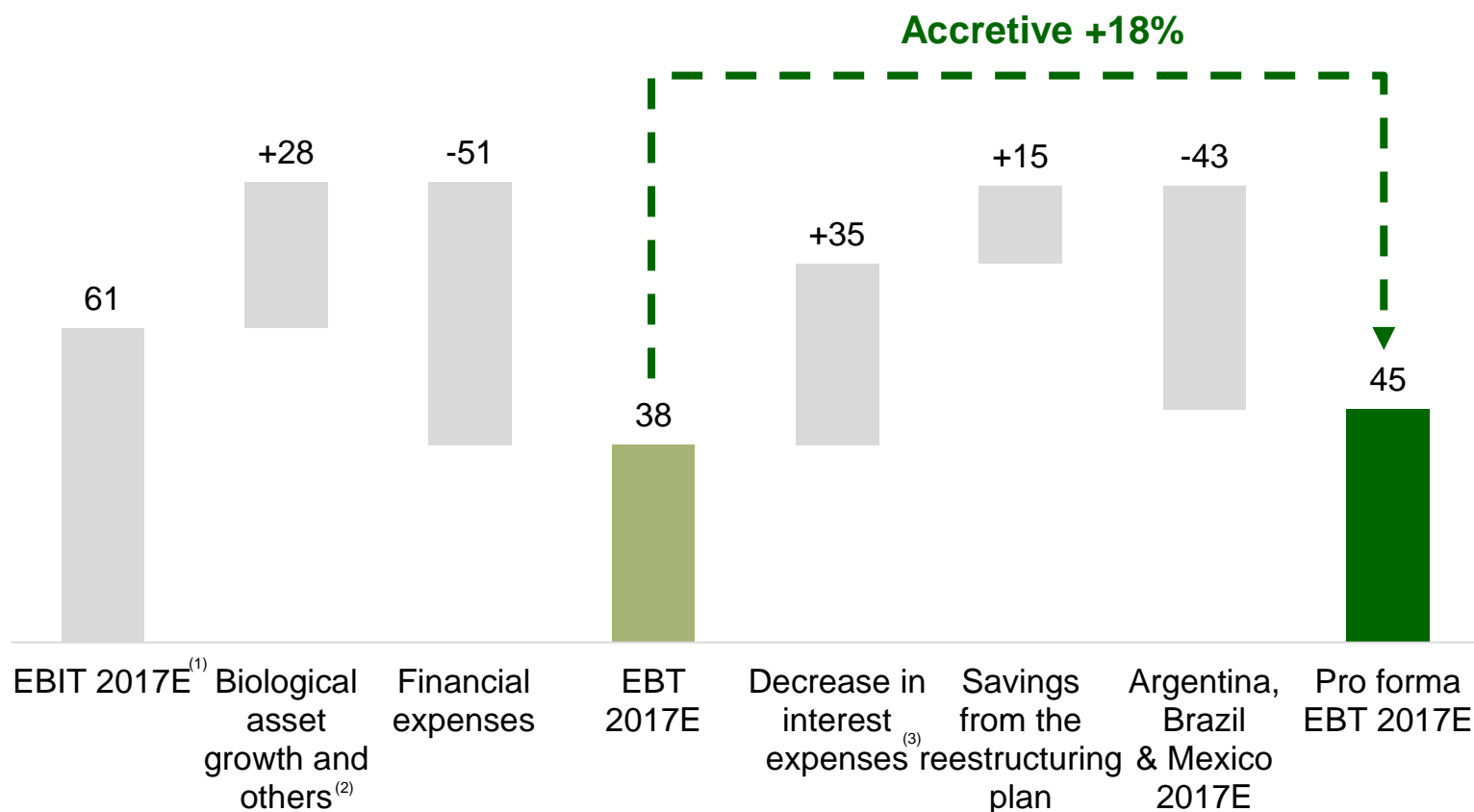


Source: Masisa, Bloomberg and Capital IQ as of March 2017

(1) Excluding all one-off effects and considering full implementation of the divestiture plan and corporate restructuring

The plan is expected to be accretive on a recurring pro forma basis

Pre-tax accretion analysis 2017E pro forma (US\$ million)



EBIT: Earnings before interest expenses and taxes
EBT: Earnings before taxes

Source: Masisa's estimates for 2017 as of July 2017. Note: Excluding all one-off effects and considering full implementation of the divestiture plan and corporate restructuring; (1) Excludes EBITDA from standing timber sales in Chile in 1Q2017; (2) Others: considers foreign exchange gains and losses and other non-operational incomes/expenses; (3) Expected decreases in interest expenses after debt repayment

Key takeaways

- ✓ Masisa is strengthening its focus on value-added products and services, and on the forestry business
- ✓ The Company will focalize its industrial business in the Andean Region, Central America, USA, Canada and other export markets, serving them from its facilities in Chile and Venezuela
- ✓ The Company will continue owning and operating its forestry assets in Chile, Argentina and Venezuela, which are valued at more than US\$ 560 million and have proven to be a good source of operational and financial stability
- ✓ The Company expects to divest its industrial operations in Argentina, Mexico and Brazil for more than US\$ 500 million and use the proceeds to reduce net financial debt to recurring EBITDA to a target in the range of 2.0x to 2.5x
- ✓ This debt reduction together with the corporate restructuring plan is expected to generate savings for approximately US\$ 35 million per annum in financial expenses and US\$ 15 million per annum in corporate and overhead expenses, respectively
- ✓ As a result, this plan is expected to be accretive for Masisa shareholders on a recurrent pro forma basis⁽¹⁾, strengthen the Company's financial position and consolidate its leading competitive position in the region

(1) Excluding all one-off effects and considering full implementation of the divestiture plan and corporate restructuring

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