

MIRA INFORM REPORT

Report No. :	532679
Report Date :	28.09.2018

IDENTIFICATION DETAILS

Name :	BERNECK S.A. PAINEIS E SERRADOS
Registered Office :	R Doutor Valerio Sobania 500 Thomaz Coelho 83707-125 Araucaria
Country :	Brazil
Financials (as on) :	31.12.2017
Date of Incorporation :	01.03.1990
Com. Reg. No.:	81.905.176/0001-94
Legal Form :	Closed Joint Stock Company
Line of Business :	<ul style="list-style-type: none"> • Manufacture of veneer sheets and wood-based panels • Subject is engaged in the production and wholesale distribution of panels and wood products
No. of Employees :	751

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Brazil	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

BRAZIL - ECONOMIC OVERVIEW

Brazil is the eighth-largest economy in the world, but is recovering from a recession in 2015 and 2016 that ranks as the worst in the country's history. In 2017, Brazil's GDP grew 1%, inflation fell to historic lows of 2.9%, and the Central Bank lowered benchmark interest rates from 13.75% in 2016 to 7%.

The economy has been negatively affected by multiple corruption scandals involving private companies and government officials, including the impeachment and conviction of Former President Dilma ROUSSEFF in August 2016. Sanctions against the firms involved — some of the largest in Brazil — have limited their business opportunities, producing a ripple effect on associated businesses and contractors but creating opportunities for foreign companies to step into what had been a closed market.

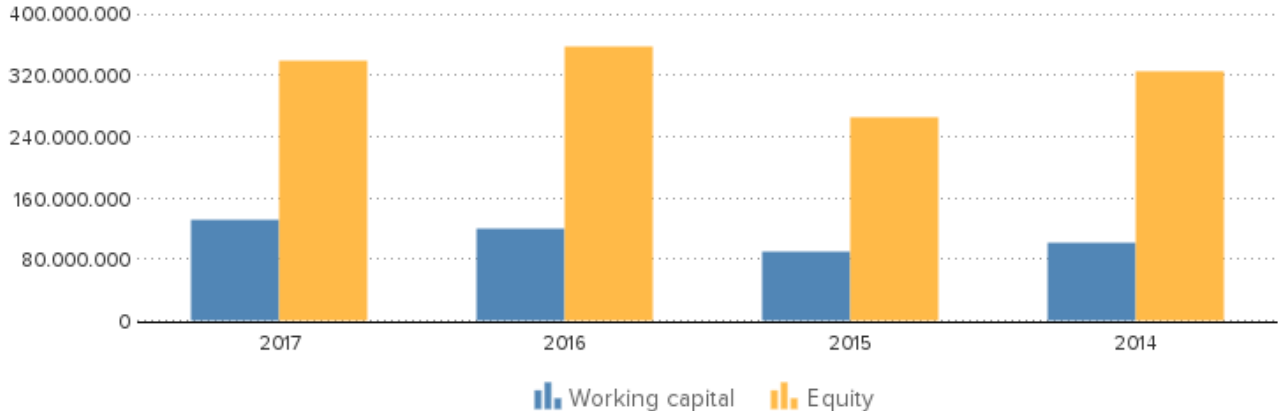
The succeeding TEMER administration has implemented a series of fiscal and structural reforms to restore credibility to government finances. Congress approved legislation in December 2016 to cap public spending. Government spending growth had pushed public debt to 73.7% of GDP at the end of 2017, up from over 50% in 2012. The government also boosted infrastructure projects, such as oil and natural gas auctions, in part to raise revenues. Other economic reforms, proposed in 2016, aim to reduce barriers to foreign investment, and to improve labor conditions. Policies to strengthen Brazil's workforce and industrial sector, such as local content requirements, have boosted employment, but at the expense of investment.

Brazil is a member of the Common Market of the South (Mercosur), a trade bloc that includes Argentina, Paraguay and Uruguay - Venezuela's membership in the organization was suspended In August 2017. After the Asian and Russian financial crises, Mercosur adopted a protectionist stance to guard against exposure to volatile foreign markets and it currently is negotiating Free Trade Agreements with the European Union and Canada.

Source : CIA

COMPANY NAME AND SUMMARY

Company name	Berneck S.A. Paineis E Serrados				
Operative address	R Doutor Valerio Sobania 500 Thomaz Coelho 83707-125 Araucaria Brazil				
Status	Active				
Specification	This company can meet all its obligations.				
Legal form	Closed joint stock company				
Registration number	VAT/Tax number: 81.905.176/0001-94				
VAT-number	81.905.176/0001-94				
Year	2017	Mutation	2016	Mutation	2015
Fixed assets	456.410.969	-12,50	521.591.565	18,39	440.562.081
Total receivables	81.259.765	-10,60	90.898.311	44,05	63.101.900
Total equity	339.239.764	-4,81	356.367.751	34,75	264.456.793
Short term liabilities	91.505.662	-16,68	109.822.649	74,76	62.843.147
Net result	48.436.640	0,42	48.235.648	84,98	26.075.968
Working capital	130.807.946	8,21	120.887.393	33,58	90.497.038
Quick ratio	1,94	19,02	1,63	-10,93	1,83



CONTACT INFORMATION

Company name	Berneck S.A. Paineis E Serrados
Operative address	R Doutor Valerio Sobania 500 Thomaz Coelho 83707-125 Araucaria Brazil
Correspondence address	R Doutor Valerio Sobania 500 Thomaz Coelho 83707-125 Araucaria Brazil
Website	www.berneck.com.br

REGISTRATION

Registration number	VAT/Tax number: 81.905.176/0001-94
VAT-number	81.905.176/0001-94
Status	Active
Establishment date	1990-03-01
Legal form	Closed joint stock company
Subscribed share capital	BRL 575.441.000

ACTIVITIES

NACE	1621: Manufacture of veneer sheets and wood-based panels
Goal	Engaged in the production and wholesale distribution of panels and wood products

RELATIONS

Shareholders	ULTIMATE GLOBAL SHAREHOLDER
	Name: GILSON MUELLER BERNECK
	Country: BR
	Type: One or more named individuals or families
	Share direct: 84.70%
	SHAREHOLDERS
	Name: GILSON MUELLER BERNECK
	Country: BR
	Type: One or more named individuals or families
	Share direct: 84.70%
Structure	Name: MRS IRIS VON MUELLER BERNECK
	Country: BR
	Type: One or more named individuals or families
	Share direct: 15.30%
	Name: MR DANIEL BERNECK
	Country: BR
	Type: One or more named individuals or families
	Name: MRS ROSANGELA DE ARAUJO BERNECK
	Country: BR
	Type: One or more named individuals or families
SUBSIDIARIES	
Name: FLORESTAL SANTA CATARINA LTDA.	

National id number: 09.141.546/0001-37
Address: R DOUTOR VALERIO SOBANIA 500 ANDAR 3
City: ARAUCARIA
Country: BR
Type: Corporate
Phone: +55 41 21093700,+55 49 991571978,+55 41 21093775
Turnover: 2.77662068 mil. BRL
Number of employees: 3

Name: FLORESTAL SEGUNDO PLANALTO LTDA
National id number: 06.233.745/0001-87
Address: R DOUTOR VALERIO SOBANIA 500 ANDAR 3
City: ARAUCARIA
Country: BR
Type: Corporate
Turnover: 2.01784446 mil. BRL
Number of employees: 8

Name: FLORESTAL VALE DO RIBEIRA LTDA
National id number: 06.234.143/0001-44
Address: R DOUTOR VALERIO SOBANIA 500 ANDAR 2
City: ARAUCARIA
Country: BR
Type: Corporate
Turnover: 2.01784446 mil. BRL
Number of employees: 8

Name: G.G. ADMINISTRACAO E INCORPORACAO DE IMOVEIS
LTDA
National id number: 02.936.940/0001-12
Address: R DOUTOR VALERIO SOBANIA 500 ANDAR 1
City: ARAUCARIA
Country: BR
Type: Corporate
Phone: +55 41 21093775,+55 41 21093776
Turnover: 2.51813647 mil. BRL
Number of employees: 36

Branches

Name: BERNECK S.A. PAINEIS E SERRADOS
National id number: 81.905.176/0002-75
Address: R PEDRO GUSSO 1259
City: CURITIBA
Country: BR
Website: www.berneck.com.br

Name: BERNECK S.A. PAINEIS E SERRADOS
National id number: 81.905.176/0004-37
Address: R JOSE ALCIDES DE LIMA 1419
City: CURITIBA

Country: BR
Phone: +55 41 30141546,+55 41 34121093,+55 41 33463747

Name: BERNECK S.A. PAINEIS E SERRADOS
National id number: 81.905.176/0005-18
Address: AV GOVERNADOR JULIO JOSE DE CAMPOS 4055
City: VARZEA GRANDE
Country: BR
Phone: +55 65 36842948,+55 65 999721925

Name: BERNECK S.A. PAINEIS E SERRADOS
National id number: 81.905.176/0013-28
Address: EST FAZENDA PARANA GLEBA SAO BENTO
City: BRASNORTE
Country: BR

Name: BERNECK S.A. PAINEIS E SERRADOS
National id number: 81.905.176/0014-09
Address: ROD BR - 470, KM 244
City: CURITIBANOS
Country: BR
Phone: +55 49 32459000,+55 49 32459016,+55 49 32459047,+55
41 21093770,+55 49 32459085,+55 41 21093759

Name: BERNECK S.A. PAINEIS E SERRADOS
National id number: 81.905.176/0015-90
Address: R DOUTOR VALERIO SOBANIA 214
City: ARAUCARIA
Country: BR

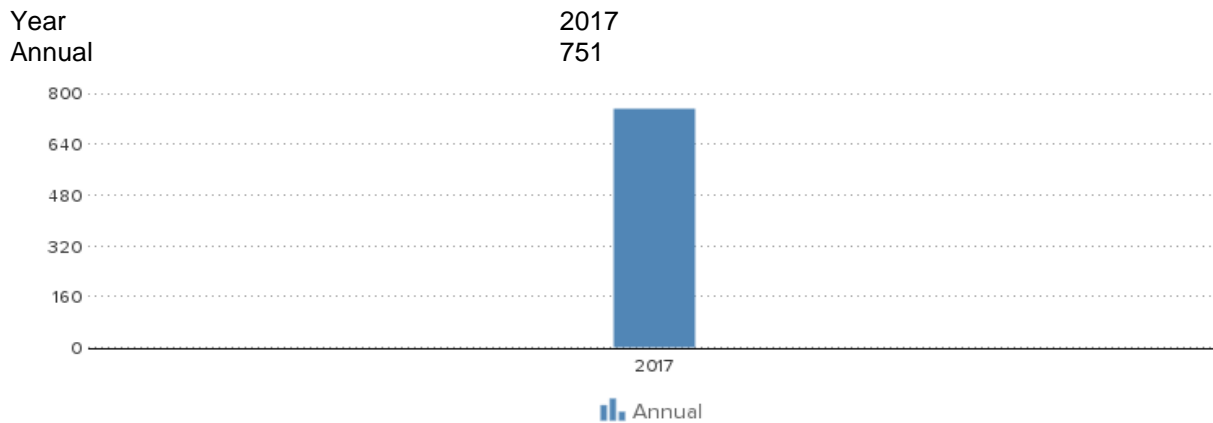
MANAGEMENT

Management

Fullname: Mr Gilson Mueller Berneck
Type: Individual
Gender: Male
Number of involvements: 31
Function: President
Level of responsibility: President / Chairman; Unspecified executive

Fullname: Mr Remi Kaiber JUNIOR
Type: Individual
Gender: Male
Number of involvements: 8
Function: Director
Level of responsibility: Member; Unspecified executive

EMPLOYEES



FINANCIAL ANALYSIS

Trend	Fluctuating
Profitability	More than sufficient
Solvability	Positive
Liquidity	Sufficient
Show amount in	Euro

KEY FIGURES

Year	2017	2016	2015	2014
Quick ratio	1,94	1,63	1,83	1,97
Current ratio	2,43	2,10	2,44	2,55
Working capital/ balance total	0,19	0,16	0,15	0,16
Equity / balance total	0,50	0,47	0,45	0,50
Equity / Fixed assets	0,74	0,68	0,60	0,68
Working capital	130.807.946	120.887.393	90.497.038	101.732.029
Equity	339.239.764	356.367.751	264.456.793	324.315.166
Mutation equity	-4,81	34,75	-18,46	
Mutation short term liabilities	-16,68	74,76	-4,44	
Return on total assets (ROA)	7,90	8,23	5,43	8,18
Return on equity (ROE)	15,80	17,37	12,18	16,31
Gross profit margin	17,94	16,37	21,26	21,56
Net profit margin	13,11	12,36	9,96	13,53
Average collection ratio	4,04	3,55	4,17	4,83

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Average payment ratio	4,55	4,29	4,15	4,86
Equity turnover ratio	1,09	1,09	0,99	0,98
Total assets turnover ratio	0,54	0,52	0,44	0,49
Fixed assets turnover ratio	0,81	0,75	0,59	0,66
Inventory conversion ratio	8,34	7,53	6,86	8,37
Turnover	369.547.109	390.166.389	261.796.105	317.893.560
Gross margin	124.934.600	113.477.319	83.709.943	106.340.863
Operating result	66.282.568	63.865.747	55.647.691	68.530.317
Net result after taxes	48.436.640	48.235.648	26.075.968	42.995.833
Cashflow	53.076.929		27.019.947	44.344.095
EBITDA	70.922.857		56.591.670	69.878.578
Summary				

The 2017 financial result structure is a positive working capital of 130.807.946 euro, which is in agreement with 19 % of the total assets of the company.

The working capital has increased with 8.21 % compared to previous year. The ratio, with respect to the total assets of the company has however, increased.

The improvement between 2016 and 2017 has mainly been caused by a change of the current assets.

The current ratio of the company in 2017 was 2.43. A company with a current ratio between 1.5 and 3.0 generally indicates good short-term financial strength.

The quick ratio in 2017 of the company was 1.94. A company with a Quick Ratio of more than 1 can currently pay back its current liabilities.

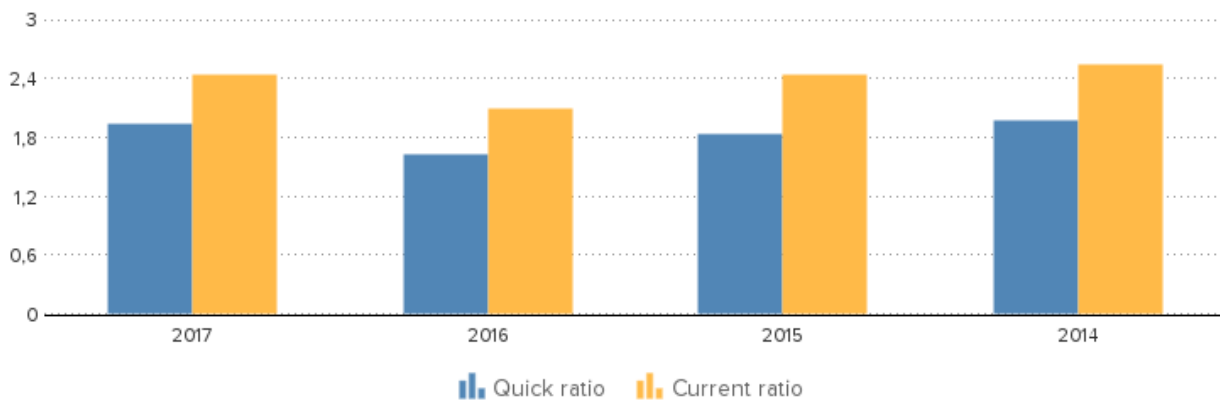
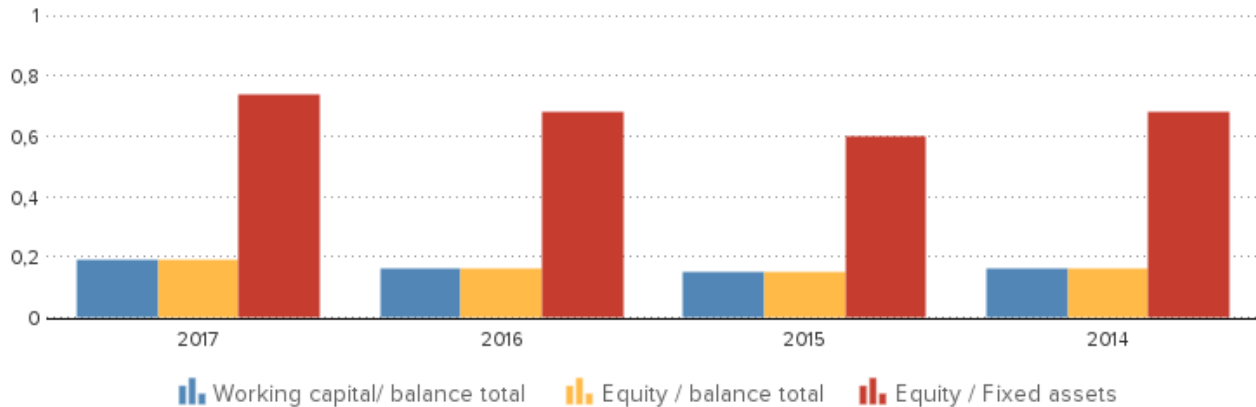
The 2016 financial result structure is a positive working capital of 120.887.393 euro, which is in agreement with 16 % of the total assets of the company.

The working capital has increased with 33.58 % compared to previous year. The ratio, with respect to the total assets of the company has however, increased.

The improvement between 2015 and 2016 has mainly been caused by a change of the current liabilities.

The current ratio of the company in 2016 was 2.1. A company with a current ratio between 1.5 and 3.0 generally indicates good short-term financial strength.

The quick ratio in 2016 of the company was 1.63. A company with a Quick Ratio of more than 1 can currently pay back its current liabilities.



FINANCIAL STATEMENT

Last annual account	2017
Remark annual account	The company is obliged to file its financial statements.
Type of annual account	Consolidated
Annual account	Berneck S.A. Paineis E Serrados R Doutor Valerio Sobania 500 Thomaz Coelho 83707-125 Araucaria Brazil

BALANCE

Year	2017	2016	2015	2014
End date	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Type of annual account	Consol.	Consol.	Consol.	Consol.
Intangible fixed assets	118.490	162.456	140.432	193.185

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Tangible fixed assets	338.536.133	391.721.946	327.587.155	334.502.168
Other fixed assets	117.756.346	129.707.164	112.834.494	144.781.818
Fixed assets	456.410.969	521.591.565	440.562.081	479.477.171
Total stock	44.336.618	51.802.686	38.151.508	37.990.087
Total receivables	81.259.765	90.898.311	63.101.900	65.377.345
Liquid funds	74.680.265	62.102.317	39.385.290	47.997.548
Other current assets	22.036.961	25.906.729	12.701.487	16.127.042
Current assets	222.313.608	230.710.042	153.340.185	167.492.022
Total assets	678.724.577	752.301.607	593.902.266	646.969.193
Total equity	339.239.764	356.367.751	264.456.793	324.315.166
Provisions	55.586.911	55.479.482	36.604.870	40.900.260
Long term liabilities	192.392.240	230.631.725	229.997.457	215.993.773
Accounts payable	26.726.411	20.379.743	20.467.376	21.997.933
Liabilities towards credit institutes	34.798.386	63.657.291	29.060.803	29.303.910
Other short term liabilities	29.980.865	25.785.615	13.314.968	14.458.150
Short term liabilities	91.505.662	109.822.649	62.843.147	65.759.993
Total liabilities	678.724.577	752.301.607	593.902.266	646.969.193
Summary	The total assets of the company decreased with -9.78 % between 2016 and 2017.			

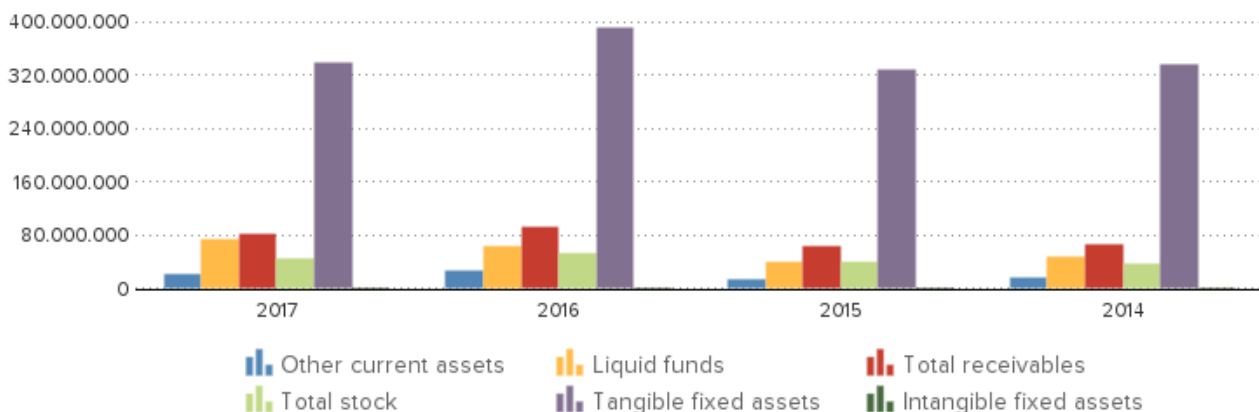
This downturn is mainly retrievable in the fixed asset decrease of -12.5 %.

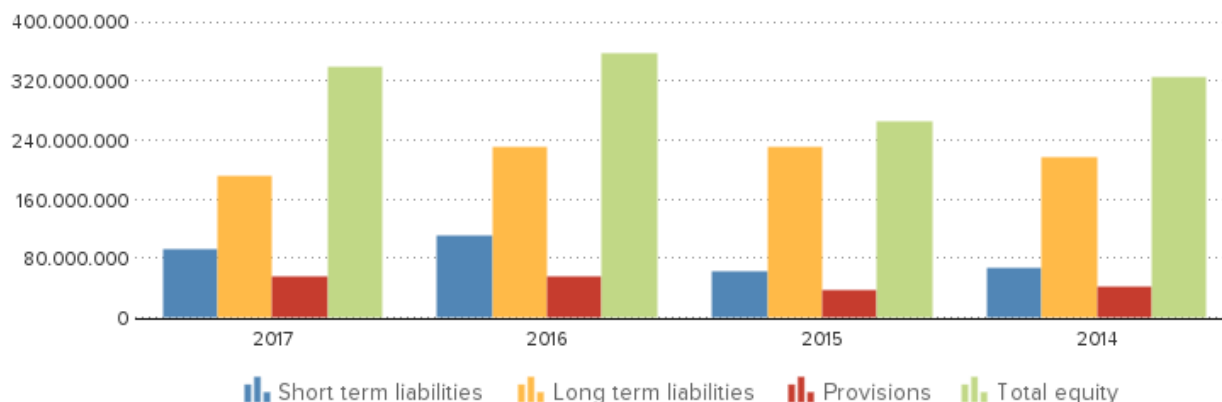
In 2017 the assets of the company were 67.25 % composed of fixed assets and 32.75 % by current assets. The assets are being financed by an equity of 49.98 %, and total debt of 50.02 %.

The total assets of the company increased with 26.67 % between 2015 and 2016.

The fixed asset growth of 18.39 % is lower than the total asset growth.

In 2016 the assets of the company were 69.33 % composed of fixed assets and 30.67 % by current assets. The assets are being financed by an equity of 47.37 %, and total debt of 52.63 %.





PROFIT AND LOSS

Year	2017	2016	2015	2014
Revenues	369.547.109	384.155.530	257.667.345	308.594.959
Net turnover	369.547.109	390.166.389	261.796.105	317.893.560
Cost of sales	244.612.509	276.689.070	178.086.162	211.552.697
Gross margin	124.934.600	113.477.319	83.709.943	106.340.863
Amorization and depreciation	4.640.289		943.979	1.348.261
Operating expenses	58.652.033	49.611.572	28.062.251	37.810.546
Operating result	66.282.568	63.865.747	55.647.691	68.530.317
Financial income	17.965.930	30.757.981	28.401.453	21.754.204
Financial expenses	30.651.471	32.727.247	51.827.789	37.386.656
Financial result	-12.685.541	-1.969.265	-23.426.336	-15.632.452
Result on ordinary operations before taxes	53.597.027	61.896.481	32.221.356	52.897.864
Taxation on the result of ordinary activities	11.845.267	13.629.681	6.393.085	11.682.555
Result of ordinary activities after taxes	41.751.760	48.266.800	25.828.271	41.215.310
Extraordinary income	6.684.880		247.697	1.780.524
Extraordinary expense		31.152		
Extraordinary result before taxation	6.684.880	-31.152	247.697	1.780.524
Net result	48.436.640	48.235.648	26.075.968	42.995.833
Summary	The turnover of the company decreased by -5.28 % between 2016 and 2017.			
	The gross profit of the company grew with 10.1 % between 2016 and 2017.			
	The operating result of the company grew with 3.78 % between 2016 and 2017. This evolution implies an increase of the company's economic profitability.			
	The result of these changes is a reduction of the company's Economic Profitability of -4.01 % of the analysed period, being equal to 7.9 in the year 2017.			

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Despite the decline the assets turnover increased by 3.85 % reaching 0.54.

The Net Result of the company has not changed between 2016 and 2017.

The company's Financial Profitability has been negatively affected by the financial activities in comparison to the EBITs behaviour. The result of these variations is a profitability reduction of -9.04 % of the analysed period, being 15.8 in the year 2017.

The company's financial profitability has been positively affected by its financial structure.

The turnover of the company grew with 49.03 % between 2015 and 2016.

The gross profit of the company grew with 35.56 % between 2015 and 2016.

The operating result of the company grew with 14.77 % between 2015 and 2016. This evolution implies an increase of the company's economic profitability.

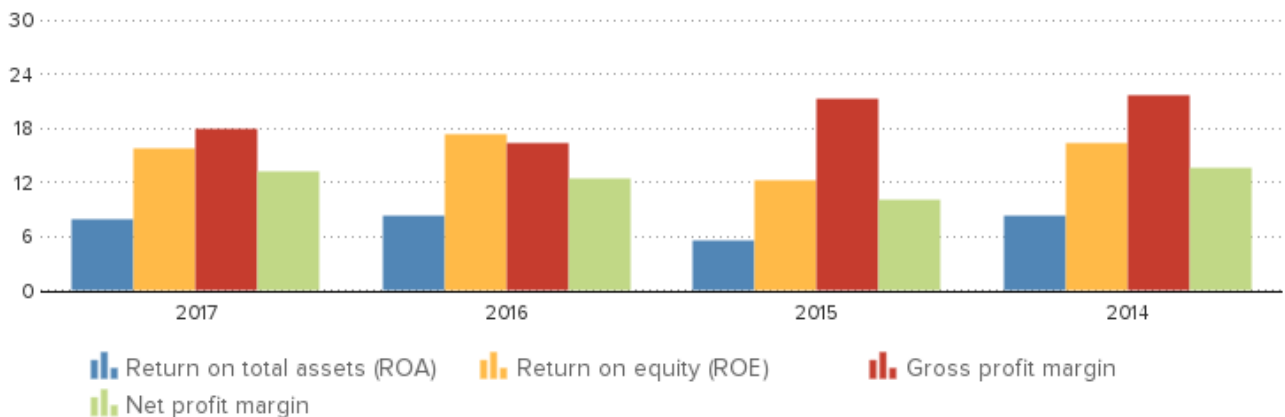
The result of these changes is an increase of the company's Economic Profitability of 51.57 % of the analysed period, being equal to 8.23 in the year 2016.

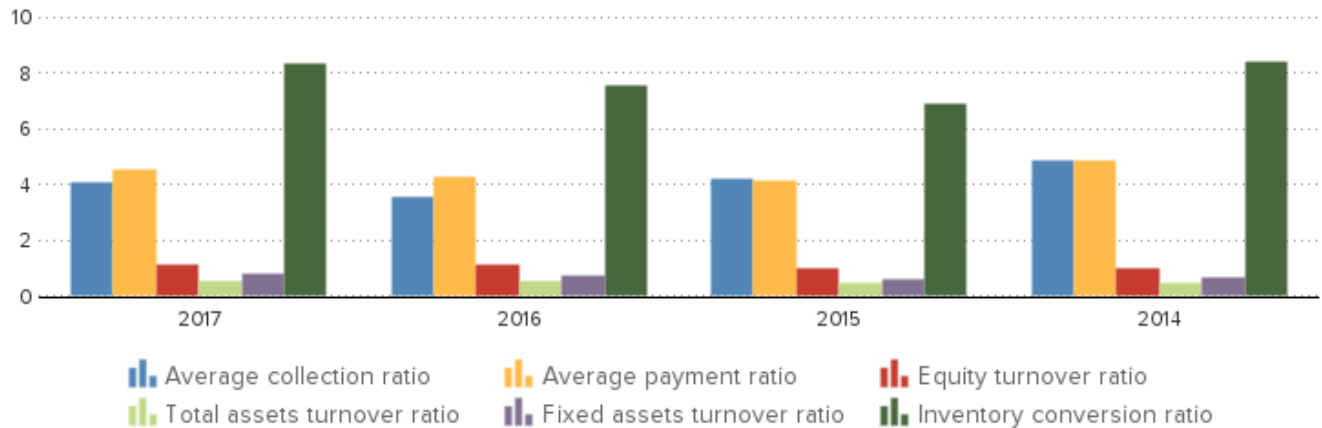
This growth has contributed to the increase in assets turnover, increasing by 18.18 % reaching 0.52.

The Net Result of the company increased by 84.98 % between 2015 and 2016.

The company's Financial Profitability has been positively affected by the financial activities in comparison to the EBITs behaviour. The result of these variations is a profitability increase of 42.61 % of the analysed period, being 17.37 in the year 2016.

The company's financial structure has slowed down its financial profitability.





COUNTRY INFORMATION

Population	206.1 million
GDP per capita	8.727 USD
Country risk	Average
Company risk	Below average

PUBLICATIONS

Remarks	Status: Active
	Category: Very large company
	Last year: 2017
	Turnover last year: 369.547.109 EUR
	Result last year: 48.436.640 EUR
	TOTAL assets last year: 678.724.577 EUR
	Number of employees: 751
	Number of shareholders: 4
	Number of subsidiaries: 4
	Number of branches: 6

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.65
UK Pound	1	INR 95.43
Euro	1	INR 85.04
BRL	1	INR 18.10

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	DNS

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)