

3Q21

Earnings Presentation



This presentation may contain forward-looking projections or statements. Such statements are exposed to known and unknown risks and uncertainties that may cause these expectations not to materialize or to differ materially from those anticipated.

These risks include, among others, changes in the future demand for the Company's products, changes in the aspects that impact the domestic and international prices of products, changes in cost structures, changes in the seasonality of markets, changes in the prices charged by competitors, exchange variations, changes in the political-economic scenario in Brazil, in emerging and international markets.

Klabin cannot give any certainty as to the fulfillment of the expectations presented.

→ 3Q21 Highlights

Growing performance in all lines of business underpins the consistent generation of value



Net Revenue

R\$ **4.358** bn

+40% in relation to 3Q20

Adjusted EBITDA

R\$ **2,028**/ton

+50% in relation to 3Q20

ROIC (Return on Invested Capital)

19.8%

Compared to 13.7% in 3Q20
(last twelve months)

Indebtedness

Deleveraging

3.1x net debt/EBITDA in 3Q21
(versus 3.6x in 2Q21) in US\$

Adjusted Free Cash Flow Yield

15.0%

R\$ **4.4** bn of cash generation
(last twelve months)

Puma II Project

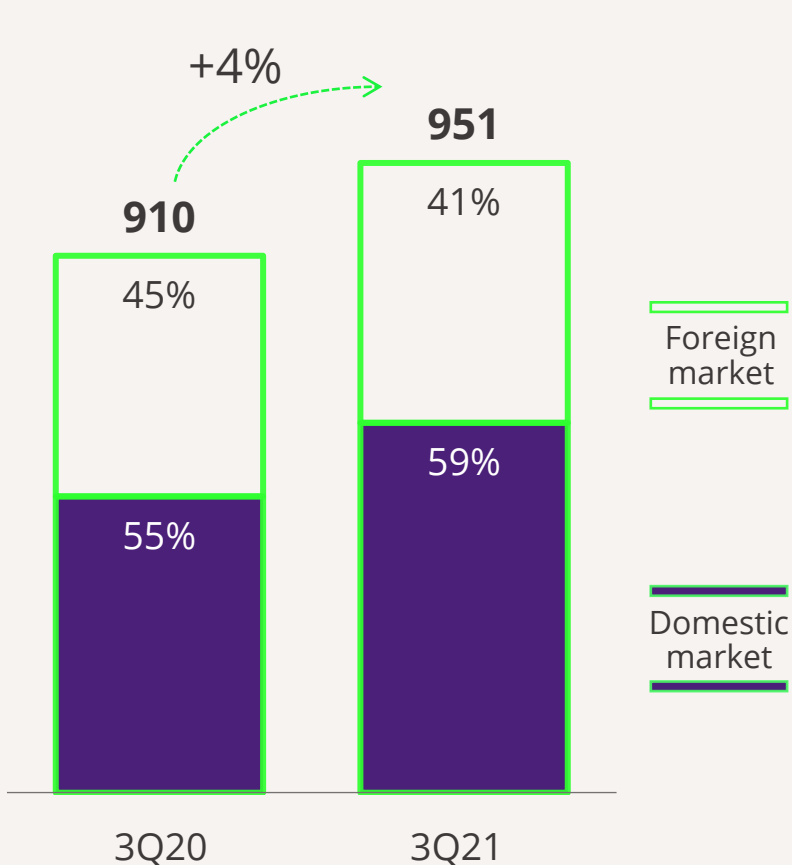
**1st Machine¹
Start-up**

1st kraftliner paper made 100%
from eucalyptus fibers

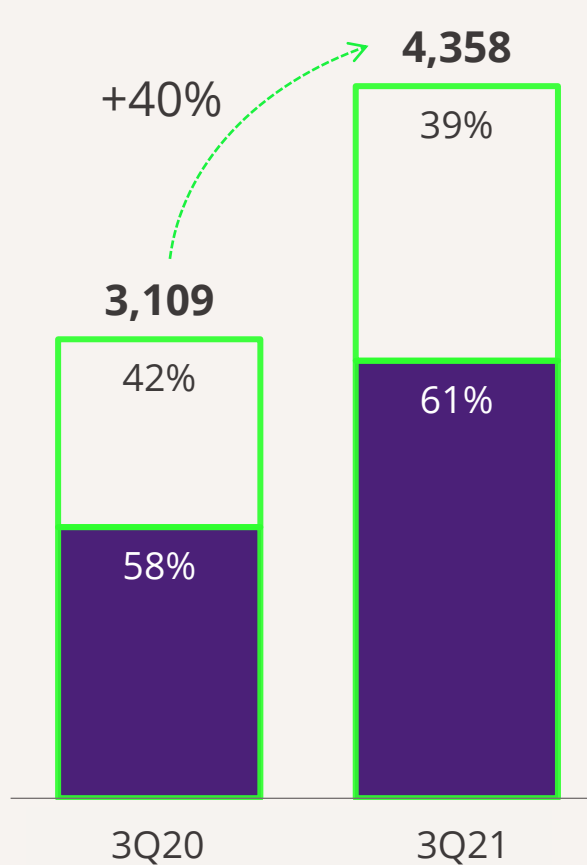
→ 3Q21 Results

Increase in Sales Volume and Net Revenue drives the quarter results

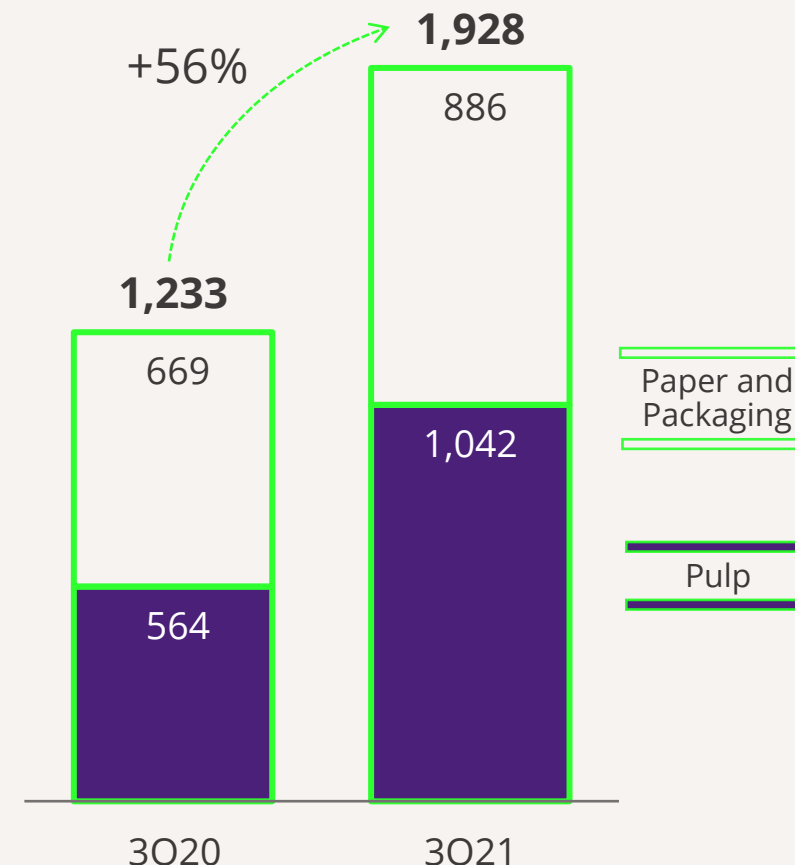
Sales Volume¹
Thousand tons



Net Revenue²
R\$ million



Adjusted EBITDA by segment³
R\$ million



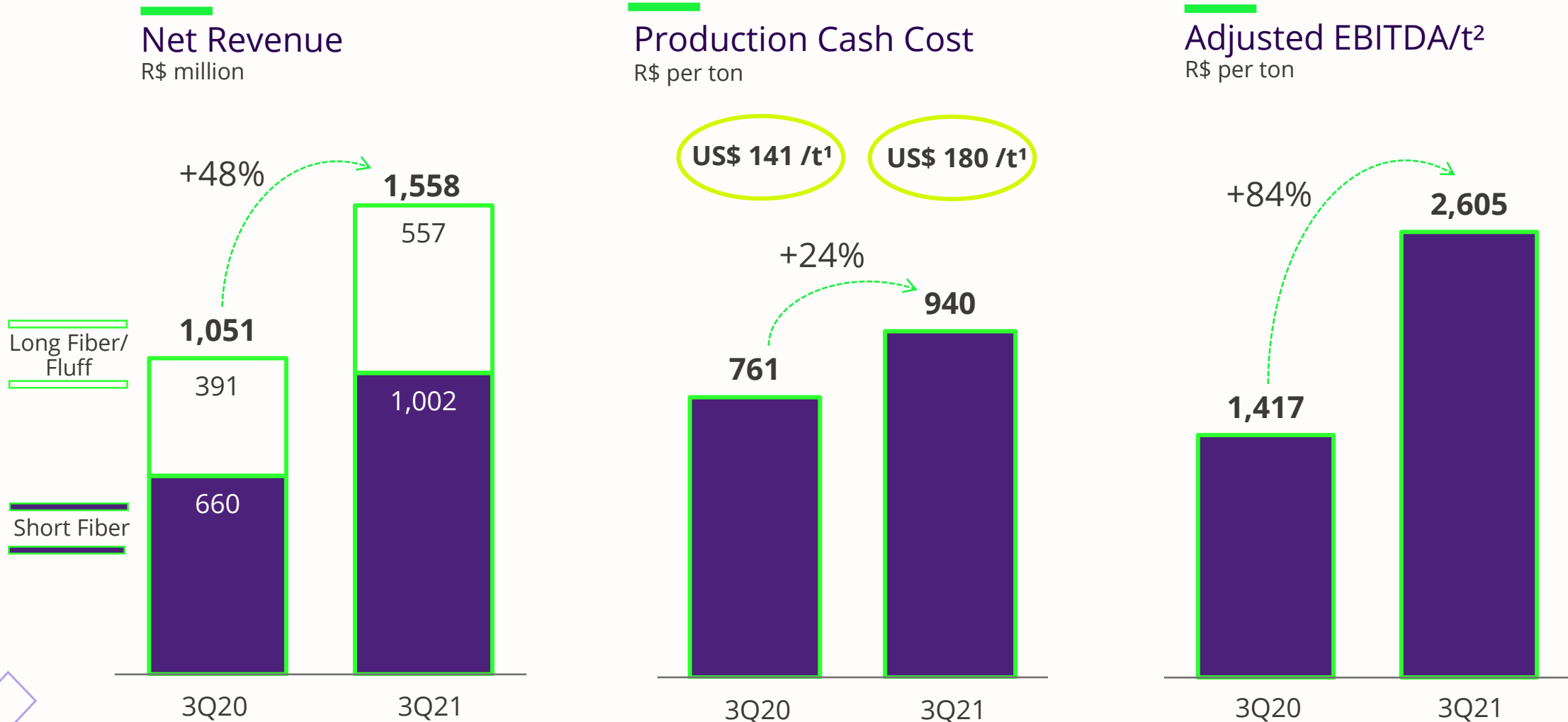
1 - Does not consider wood sales

2 - Includes wood and other revenues

3 - 'Others' results were allocated in the respective businesses

→ Pulp

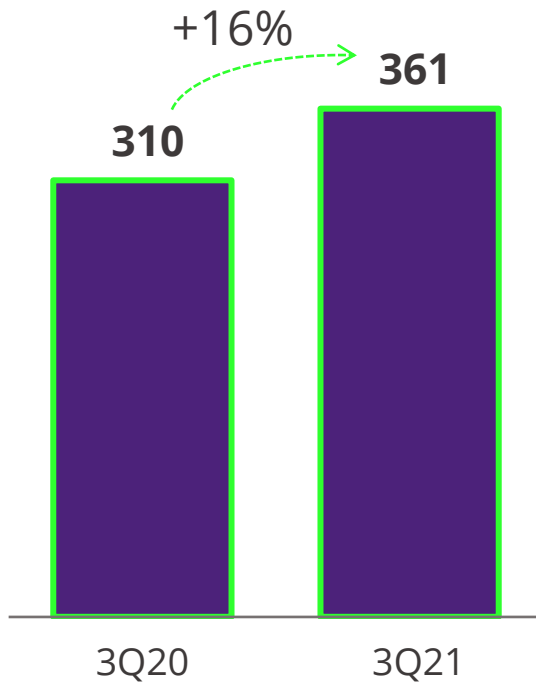
Price increases, in addition to the flexible sales mix between geographies and diversified product portfolio, benefit the business result



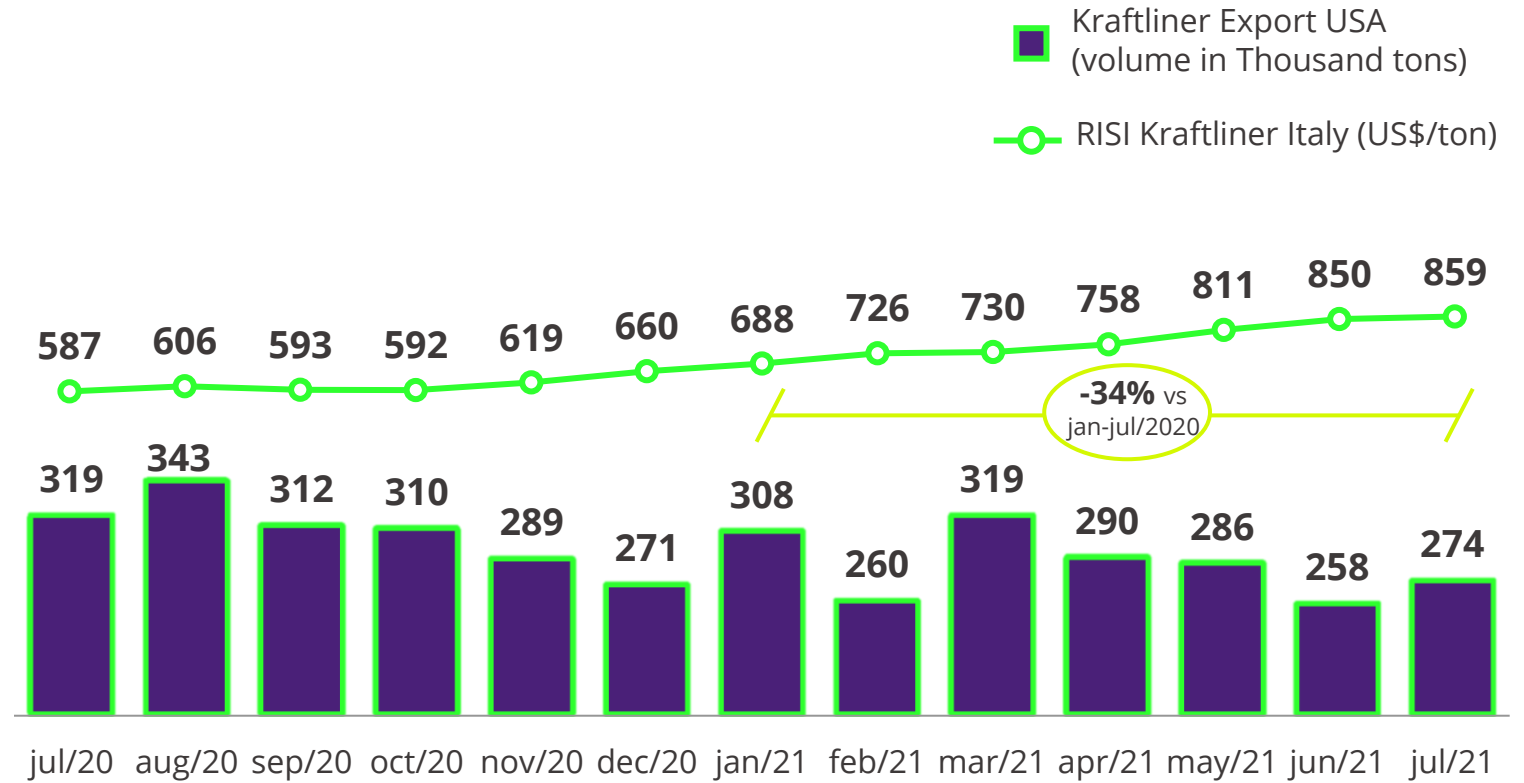
1 - Calculated based on the average dollar of the period; 2 - 'Others' results were allocated in the respective businesses

Decreased USA exports affect the supply and demand balance, increasing prices in USD/t and benefiting Kraftliner Revenue

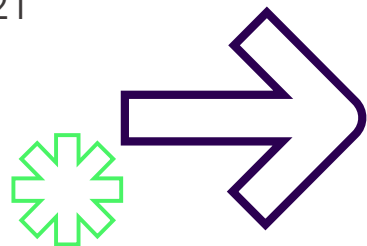
Net Revenue
R\$ million



Reduced Kraftliner exports from the USA



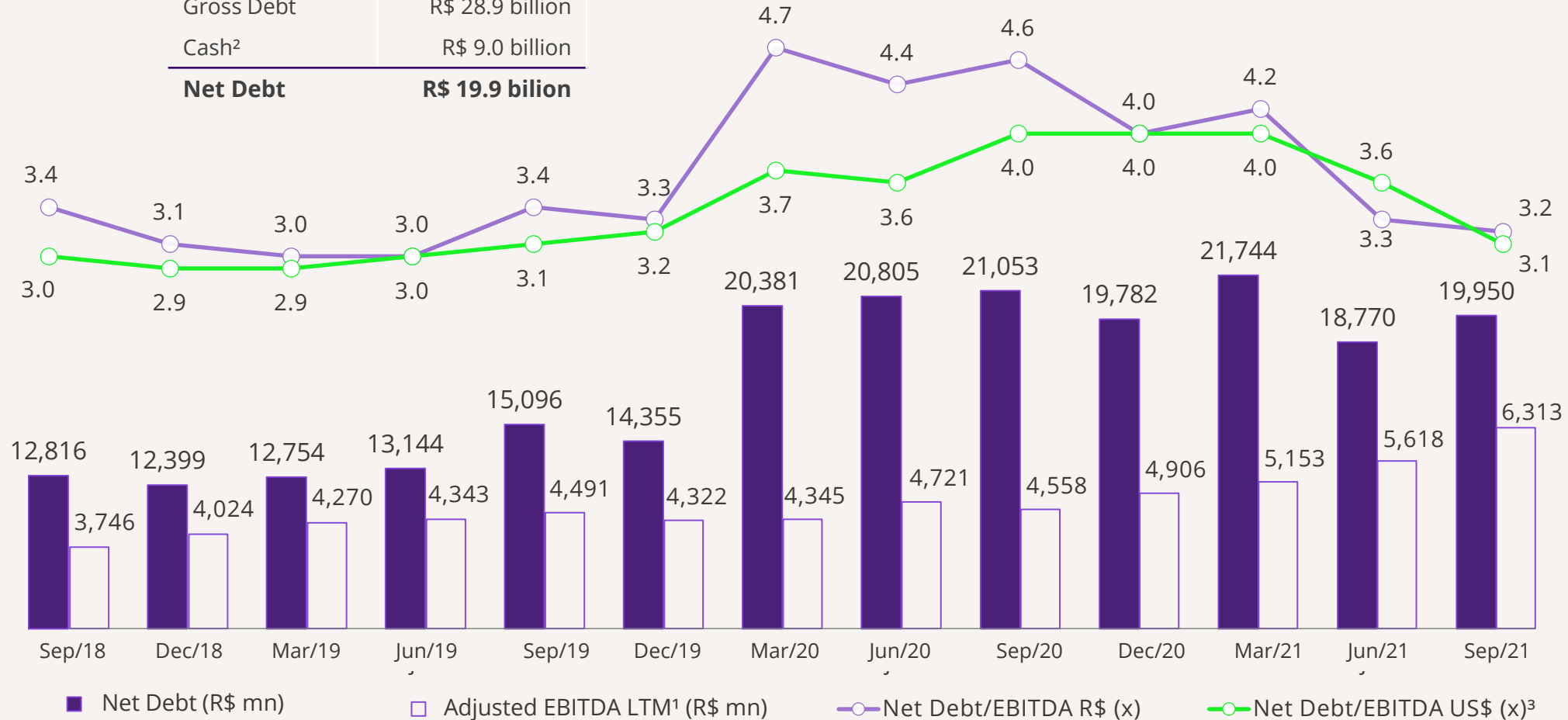
Source: Fastmarkets RISI



→ Net Debt and Leverage

Solid EBITDA and cash generation contribute to deleveraging even during the Puma II investment cycle

As of 09/30/2021	
Gross Debt	R\$ 28.9 billion
Cash ²	R\$ 9.0 billion
Net Debt	R\$ 19.9 billion



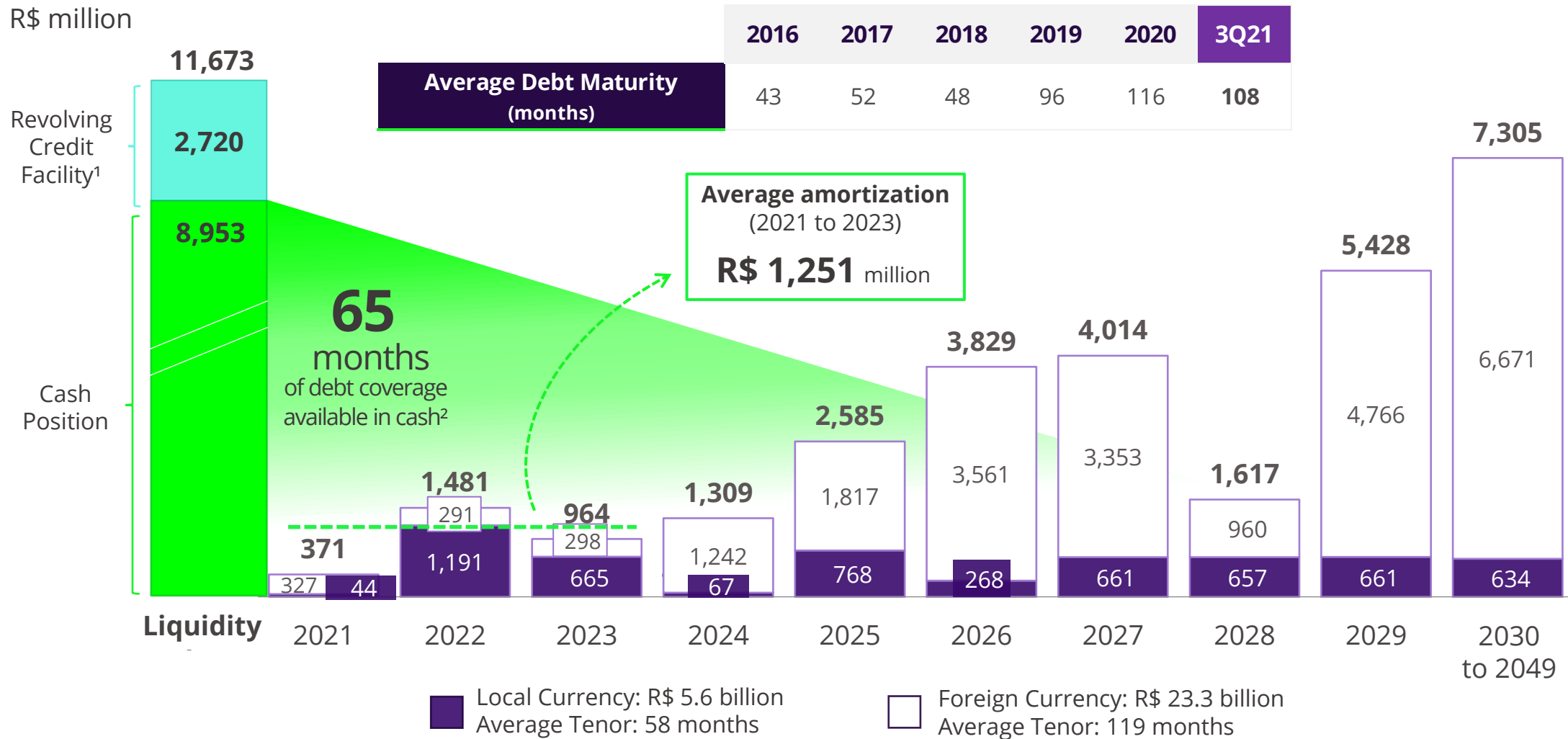
1 - LTM: Last Twelve Months

2 - Disconsiders the Revolving Credit Facility of US\$ 500 million due on Oct/26

3 - Net Debt/EBITDA (US\$): considers the final FX rate for Net Debt and the average FX rate for EBITDA

→ Debt Maturity

Average debt maturity of 9 years and average amortization of R\$ 1,251 million between 2021 and 2023, the remaining construction period for the Puma II Project



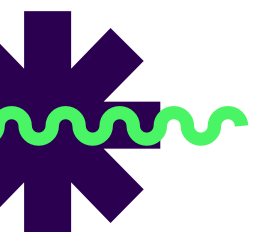
1 - Revolving Credit Facility (RCF) of US\$ 500 million due on Oct/26

2 - Excludes RCF's US\$ 500 million availability

→ Free Cash Flow (FCF)

Adjusted Free Cash Flow reached R\$4.4 billion in the last twelve months, representing Adjusted FCL Yield of 15.0%

R\$ million	3Q21	2Q21	3Q20	LTM 3Q21	LTM 3Q20
Adjusted EBITDA	1,928	1,798	1,233	6,313	4,558
(-) Capex ¹	(1,000)	(904)	(1,348)	(4,727)	(4,017)
(-) Interest Paid/Received	(134)	(391)	(179)	(1,383)	(1,256)
(-) Income Tax	(203)	(71)	(2)	(316)	(9)
(+/-) Working Capital	206	328	915	928	1,568
(-) Dividends & IOC	-	-	-	-	(517)
(+/-) Others	(86)	3	(19)	(249)	(48)
Free Cash Flow	712	763	600	566	279
Dividends & IOC	-	-	-	-	517
Puma II Project	623	700	1,141	3,288	3,130
Special Projects and Growth	130	18	15	512	52
Adjusted Free Cash Flow²	1,465	1,481	1,757	4,366	3,978
Adjusted FCF Yield³				15.0%	18.7%



1 – Capex under cash accrual method does not consider investments into SPVs (Special Purpose Vehicles)

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

→ Shareholders Remuneration

~21% of 3Q21 Adjusted EBITDA in Dividend + IOC¹ Payment

DIVIDENDS + IOC

R\$ 402 million

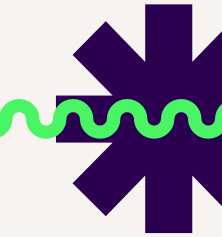
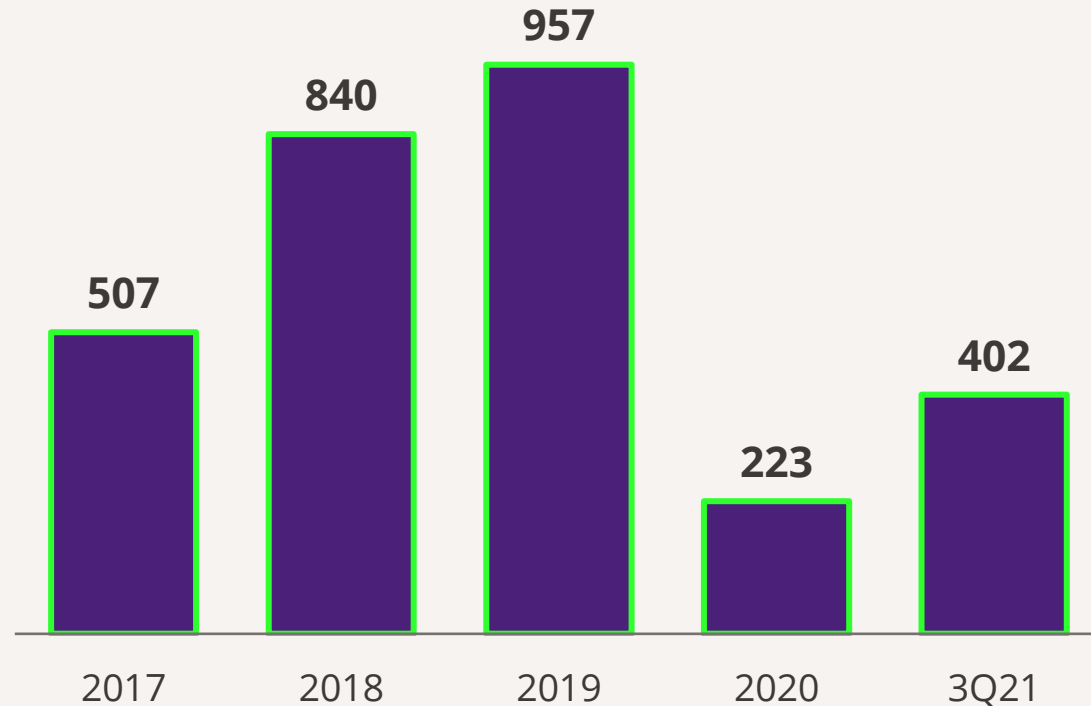
Dividends & IOC Policy²:

Target: between 15% and 25% of Adjusted EBITDA

PAYMENT DATE:

November 11th, 2021

Dividends + IOC
R\$ million on an accrual basis



1 - IOC: Interest on Capital. As approved by the Board of Directors Meeting on 10/26/2021. To access the Notice to Shareholders, [click here](#)
 2 - To access the full Dividend and Interest on Capital Policy, [click here](#)

→ Puma II Project

Klabin's continuous path of sustainable growth and value creation

1st Machine Start-up

August 30th 2021¹

2nd Machine

In construction. Start-up planned for the second quarter of 2023².

Capex Incurred (R\$ million)				
1Q19	2Q19	3Q19	4Q19	2019
-	288	430	554	1,271
1Q20	2Q20	3Q20	4Q20	2020
527	908	1,141	1,468	4,045
1Q21	2Q21	3Q21	9M21	
497	700	623	1,820	
Total incurred: R\$ 7,136				

Total until 2023: R\$ 12.9 billion³



Image of the 1st Paper Machine (PM27) of the Puma II Project in Ortigueira-PR

1 – As disclosed in the Material Fact released on August 30, 2021; 2 - As disclosed on May 5, 2021; 3 - Base 2021 gross capex at an exchange rate of R\$4.90/US\$, including recoverable taxes of approximately R\$1.2 billion

→ ESG Highlights

Advances in line with Klabin's growth plan and Agenda 2030



COP 26

Klabin is the only Brazilian company to join the COP26 Business Leaders



CFO TASKFORCE FOR THE SDGS

Klabin committed with the principles for integration between finance and investment in SDGs



FÓRUM DE EMPRESAS E DIREITOS LGBTI+

Klabin assumes 10 commitments to ensure respect for and promotion of human rights



Revolving Credit Facility

US\$ 500 million sustainability-linked, with cost conditioned to the environmental indicator



Green Bonds

Release of the 2021 Report with the accountability of the resources



SASB Reporter

Using the SASB framework in the disclosure of Klabin's relevant ESG information

Check the evolution of the 2030 Agenda in the [ESG Panel](#)



podcast



videos

**klabin
invest**



Investor Relations

<http://ri.klabin.com.br>

invest@klabin.com.br

+55 11 3046-8401



Klabin