



Dexco

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Results Presentation

3Q24

November 07, 2024



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Destaque

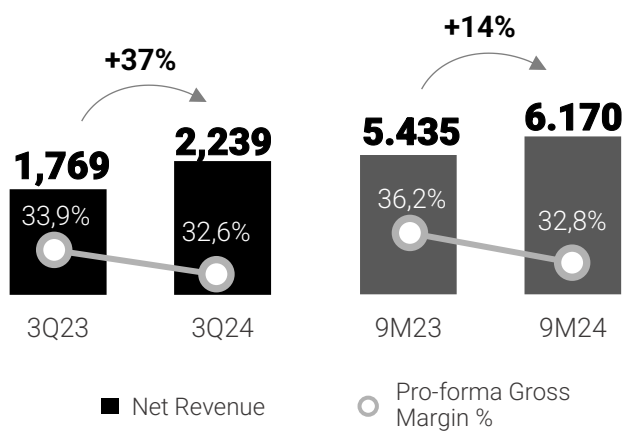
3Q24 | 9M24

Pro-forma Adjusted & Recurring EBITDA of **R\$ 1,792 million in 9M24**, including the 49% EBITDA from LD Celulose

- ▶ Quarterly results driven by a favorable market environment for wood panels, with successful price pass-through;
- ▶ Strong results from the Metals and Sanitary Ware Division compared to the previous year and also versus the previous quarter, considering the gradual exit of the Shower and Electric Faucet unit;
- ▶ The Tiles Division remains pressured by market conditions, especially in the segment in which it operates;
- ▶ Solid operational levels supported results from LD Celulose, closing the quarter with R\$ 443.0 million in Recurring EBITDA.

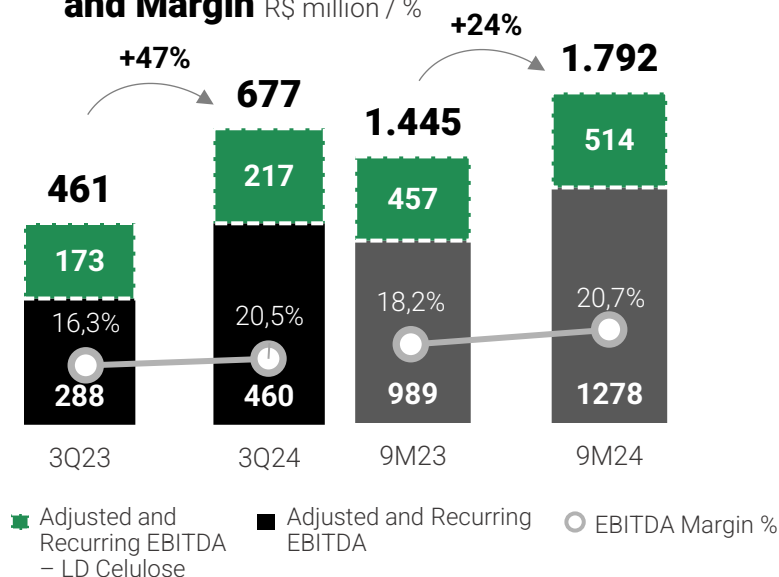
Recurring Net Revenue and Gross Margin

R\$ million / %



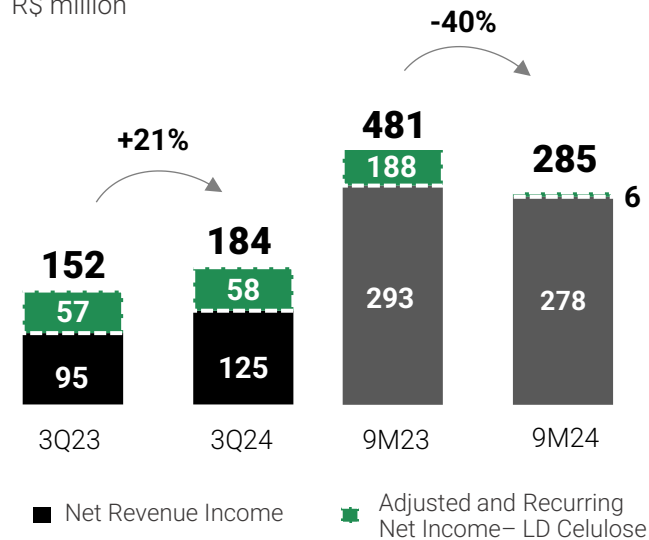
Adjusted and Recurring EBITDA and Margin

R\$ million / %



Recurring Net Income

R\$ million



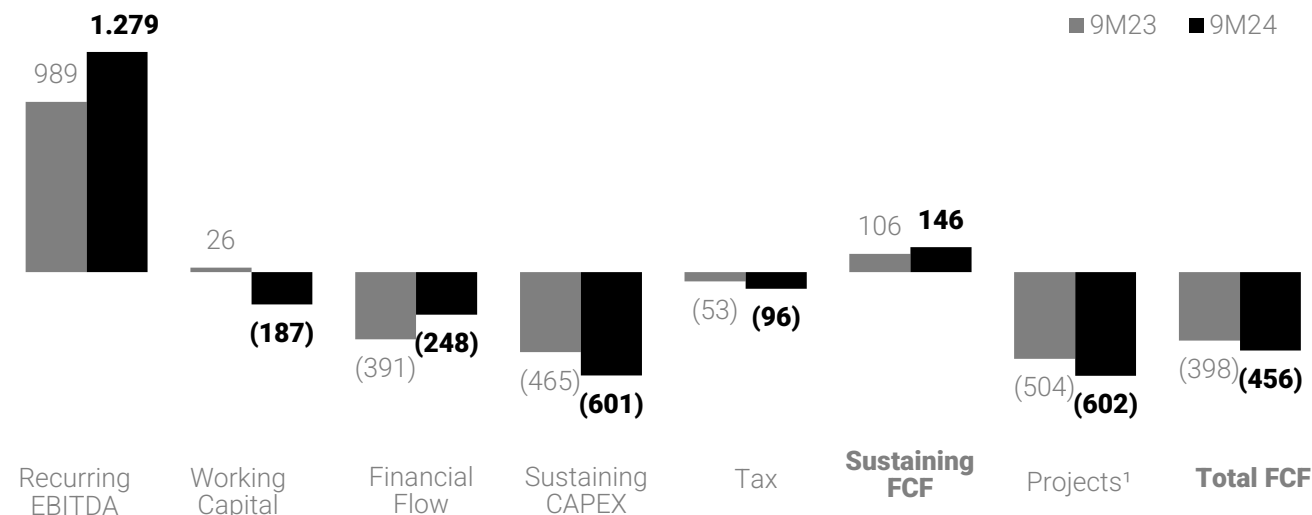
Cash Flow

3Q24 | 9M24

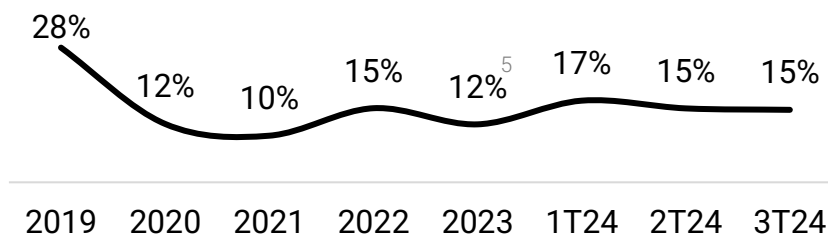
Working Capital/Net Revenue (~15%), at low levels

- ▶ Cash Generation Sustaining of R\$ 146 million in the period, +37% compared to 9M23.
- ▶ Investments in reforestation made in 2Q24 impacting Sustaining CAPEX for the year-to-date.
- ▶ Investment in projects for the 2021-2025 Cycle in 9M24:
 - R\$ 206 million: New Tiles unit in São Paulo.
 - R\$ 68 million: Productivity projects, product mix improvement, and sanitary ware automation.
 - R\$ 30 million: Expansion of the forestry base in the Northeast.

Free Cash Flow YTD R\$ million



Working Capital/ Net Revenue



CAPEX R\$ million

| | 3Q23 | 3Q24 | 9M23 | 9M24 |
|-------------------------------------|------------|------------|------------|------------|
| Investments | | | | |
| Forestry OPEX | 102 | 107 | 256 | 432 |
| Maintenance | 81 | 69 | 209 | 170 |
| Sustaining CAPEX² | 183 | 176 | 465 | 601 |
| Projects^{3,4} | 193 | 139 | 504 | 413 |

1 – Projects and LD Celulose | 2 – Maintenance and sustainability of the business | 3 – Projects 3Q24: R\$ 102.6 million for modernization, efficiency, and production expansion; Other Projects: R\$ 35.9 million | 4 – Projects 9M24: Quarterly accumulated, DX Ventures, and Casa Dexco | 5 – Excludes non-recurring effects from the fourth quarter of 2023.

Corporate Debt 3Q24 | 9M24

Improvement of leverage for **3,10x**

- ▶ Reduction of the Company's leverage levels as a reflection of improved Adjusted and Recurring EBITDA;
- ▶ Liability Management: announcement of a new financing structure for LD Celulose with positive outlook for the controlling shareholders;
- ▶ Lower cash outflows expected as the completion of the 2021-2025 Investment Cycle approaches.

Amortization timeline

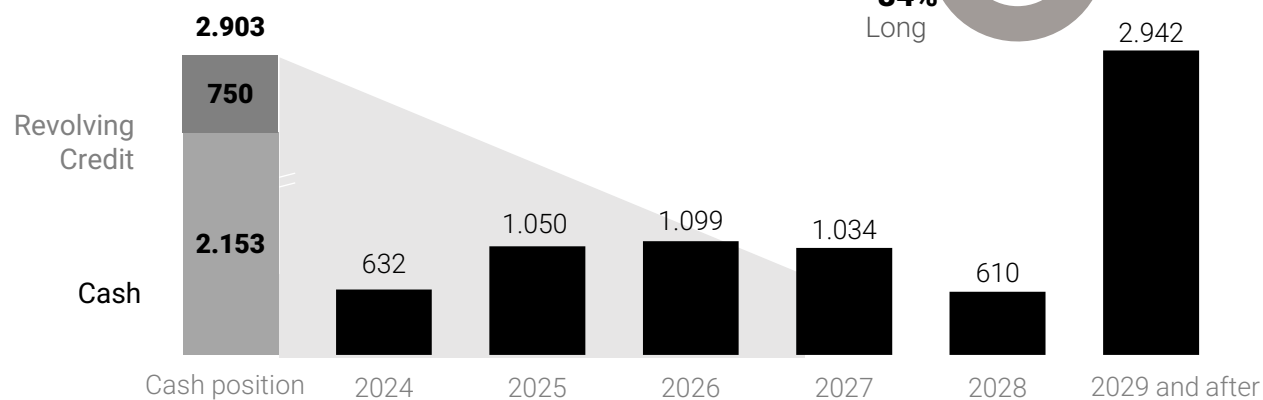
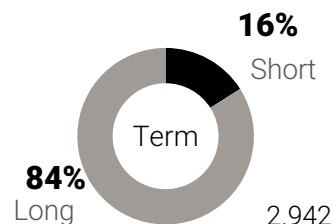
R\$ million



Avg. Term¹
4.4 years



Avg. cost
104.3% of CDI

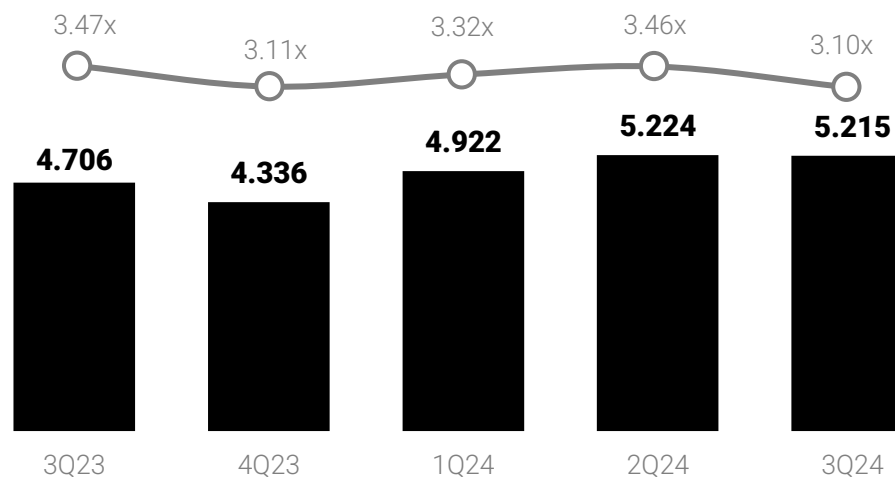


Financial leverage

R\$ million

Net Debt

Net Debt/Recurring EBITDA (LTM)



1 - Average weighted debt term



WOOD

duratex durafloor  LD Celulose



dexco
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Sector Environment

Wood Panels

IBÁ Data

- ▶ Maintenance of high-volume levels in both the domestic and international markets.
- ▶ Factory utilization levels boosted by increased demand for MDP and MDF from the furniture industry.



Total panels

Volume 000m³

vs 2023

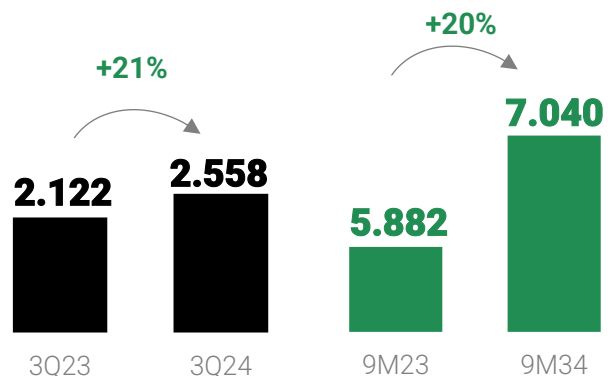
3Q24 9M24

Domestic Market

+15% +16%

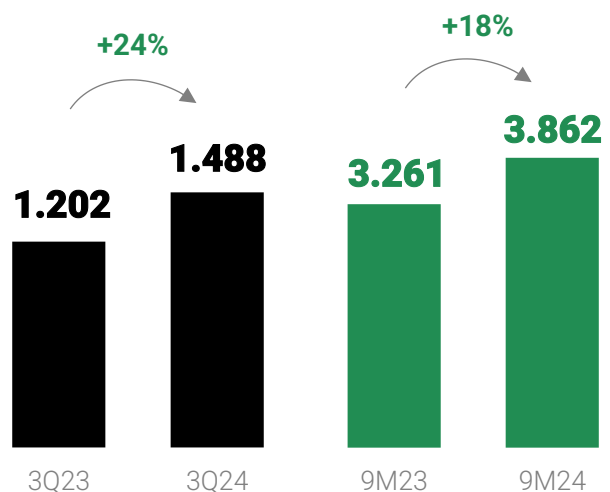
Foreign Market

+71% +51%



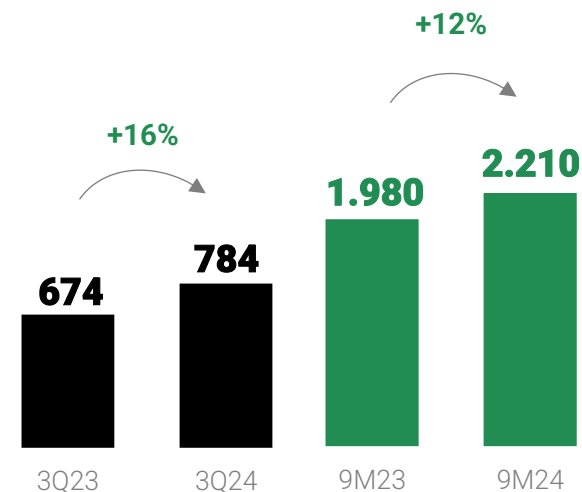
MDF Domestic Market

Volume 000m³



MDP Domestic Market

Volume 000m³



WOOD Results

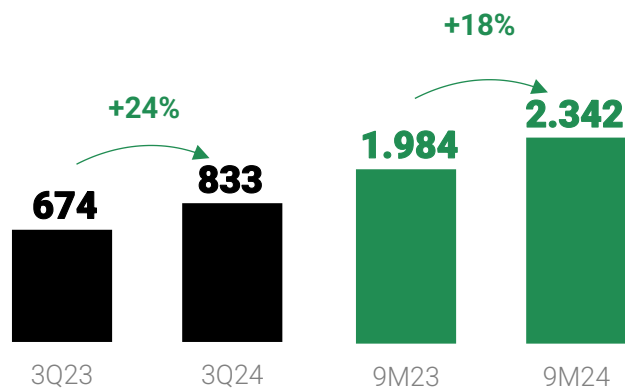
- ▶ Best volume level since 4Q20, driven by high demand for panels in retail channels and the furniture industry.
- ▶ Successful price pass-through and improvement in product mix, combined with efficient cost management, driving sequential and annual improvement in Recurring Net Revenue.
- ▶ Completion of forestry transactions at the end of the quarter.
- ▶ Adjusted and Recurring EBITDA of R\$ 407 million in 3Q24 and R\$ 1,165 billion for the year, with margin improvement during the period.

Capacity Utilization 3Q24 %



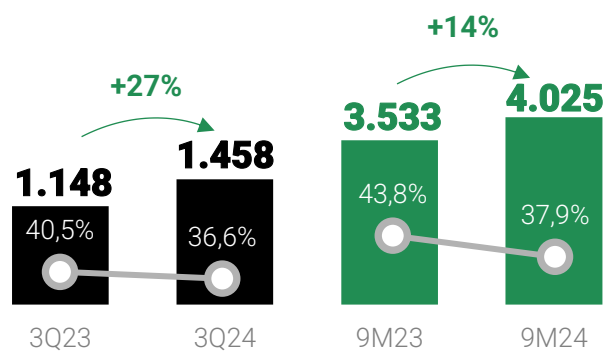
Volume

000m³



Recurring Net Revenue and Pro-forma Gross Margin

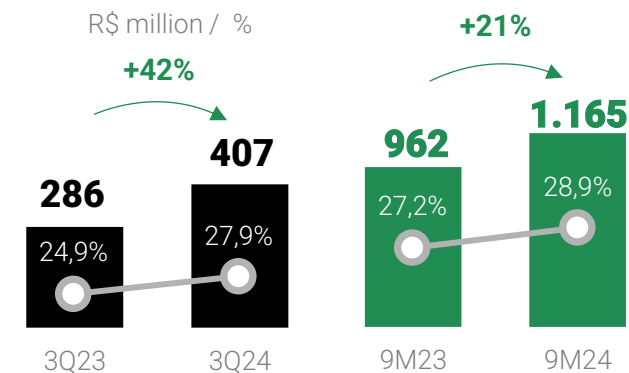
R\$ million / %



■ Net Revenue ○ Pro-forma Gross Margin %

Adjusted and Recurring EBITDA¹ and Margin

R\$ million / %



■ Adjusted and Recurring EBITDA ○ EBITDA Margin %

1 – Adjusted and Recurring EBITDA is net of the effects of the variation in biological assets.

Dissolving Wood Pulp

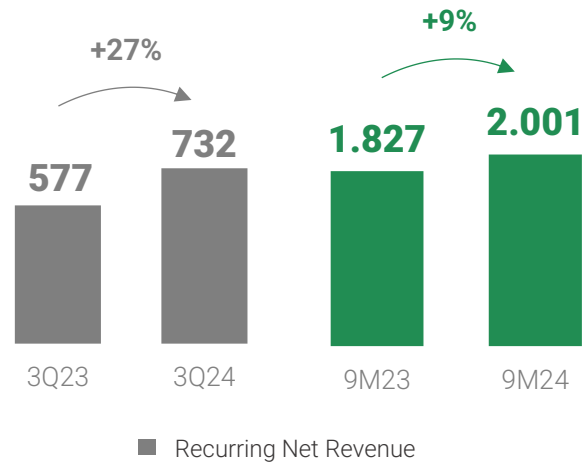
- ▶ Improvement in operating performance with record of production and EBITDA levels in 3Q24;
- ▶ Greater efficiency in the use of chemicals and wood, optimizing costs;
- ▶ Stability in the price of dissolving pulp, with a positive outlook for 2024 compared to other sectors.

**RESULT FOR
100% OF THE
OPERATION**



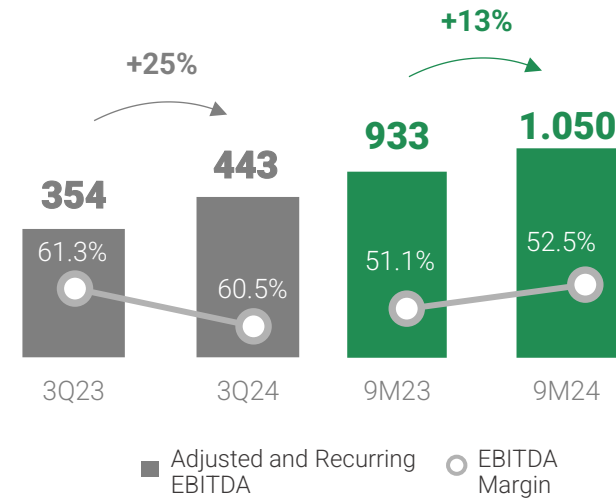
Recurring Net Revenue

R\$ million



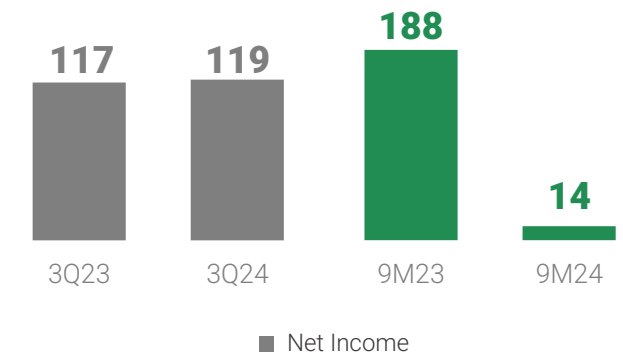
EBITDA and Margin EBITDA

R\$ million | %



Net Income

R\$ million



New Financing Structure for LD Celulose



Successful operation, with investor demand for the bond exceeding 4.5x the issuance, and loan syndication with 9 financial institutions.



Extended amortization schedule with an appropriate capital structure, enabling accelerated deleveraging.



Extension of the average debt maturity from 3 to 5.5 years.



Forecast for the early **release of dividend payments** to shareholders.

- ▶ Total amount of US\$ 1 billion, composed as follows:
 - US\$ 650 million: bond maturing in 2032 with an interest rate of 7.95% per year.
 - US\$ 350 million: bank loan maturing in 5 years with initial interest of SOFR + 3.95% per year.
- ▶ *Covenants restricted to the operations of LD Celulose, aligned with operations and financial obligations, eliminating the guarantees of the shareholders.*



FINISHINGS FOR CONSTRUCTION

deca portinari hydra castelatto ceusa

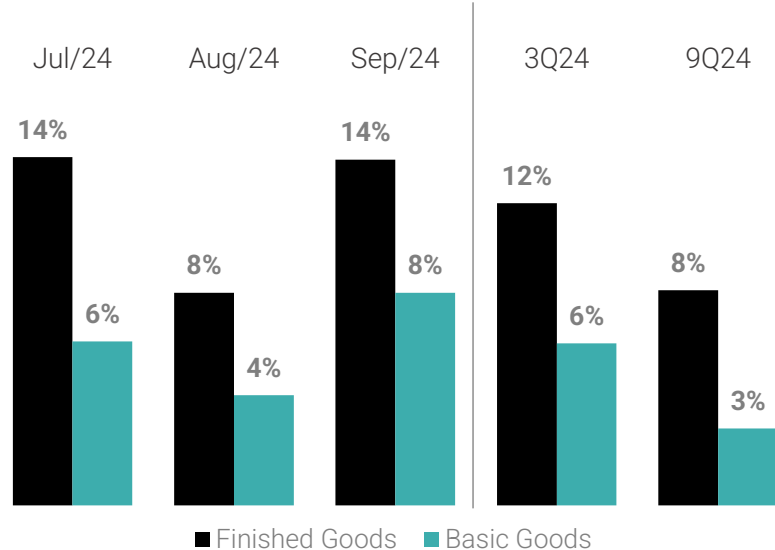
Sector Environment Metals and San. Ware

ABRAMAT Data

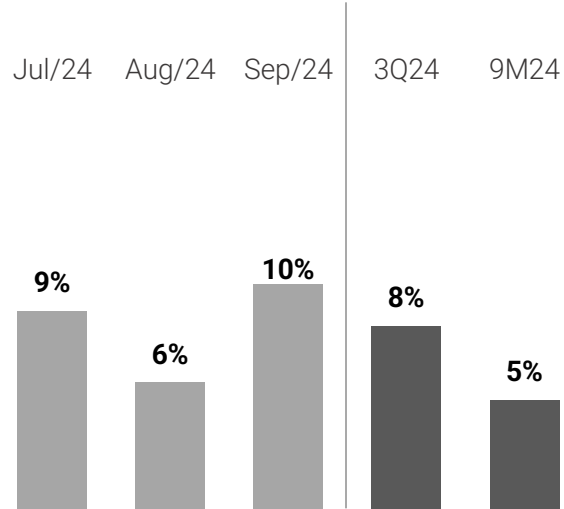
- ▶ The Finished Goods sector showed an 8% growth compared to 2023, supported by positive results in the quarter;
- ▶ Recovery of the construction materials industry during the period, with a market growth outlook of 5% for 2024.



Gross revenue deflated by product type vs 3Q23¹ and 9M23



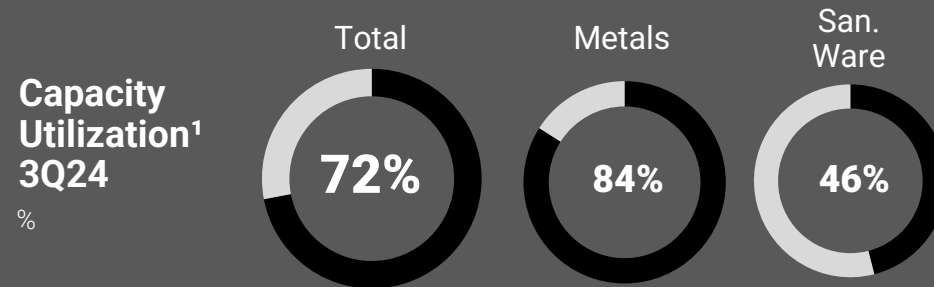
Revenue from the construction materials industry vs 3Q23¹ and 9M23



1 – Average for the period

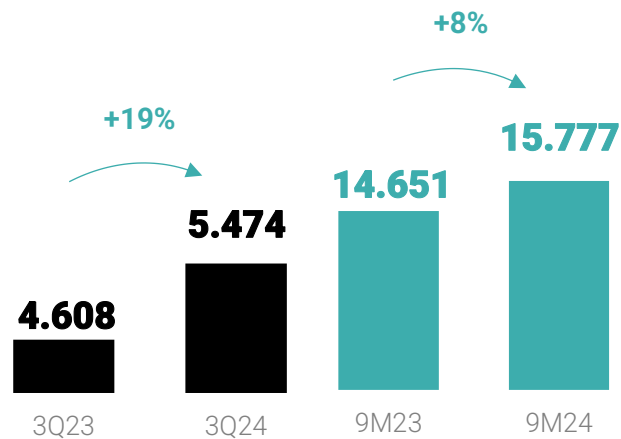
Results Metals and Sanitary Ware

- ▶ Strong performance in the Metals segment, with high factory occupancy levels in the quarter, driving Recurring Net Revenue;
- ▶ Improvement in sales volume, even excluding operations of Showers and Electric Faucets;
- ▶ Stabilization of results in the quarter, with Adjusted and Recurring EBITDA of R\$ 52 million, and significant progress in 9M24, totaling R\$ 103 million.



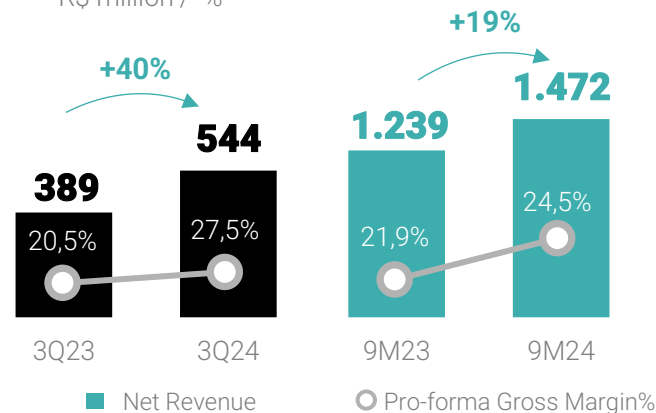
Volume

'000 Peças



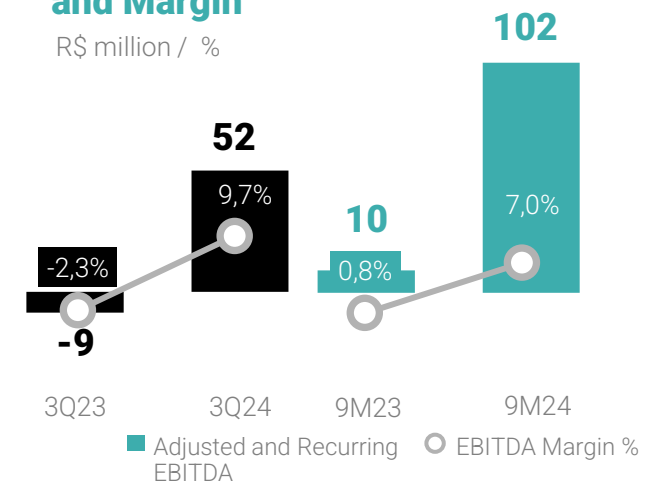
Recurring Net Revenue and Pro-forma Gross Margin

R\$ million / %



Adjusted and Recurring EBITDA¹ and Margin

R\$ million / %



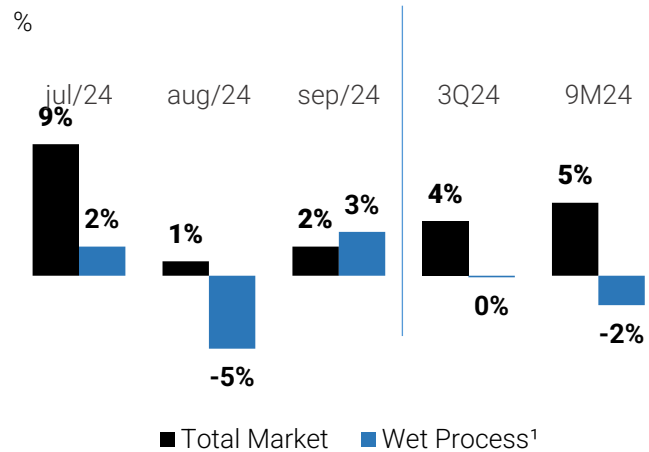
1 - Excluding the effects of Shower capacity.

Sector Environment Tiles

ANFACER Data

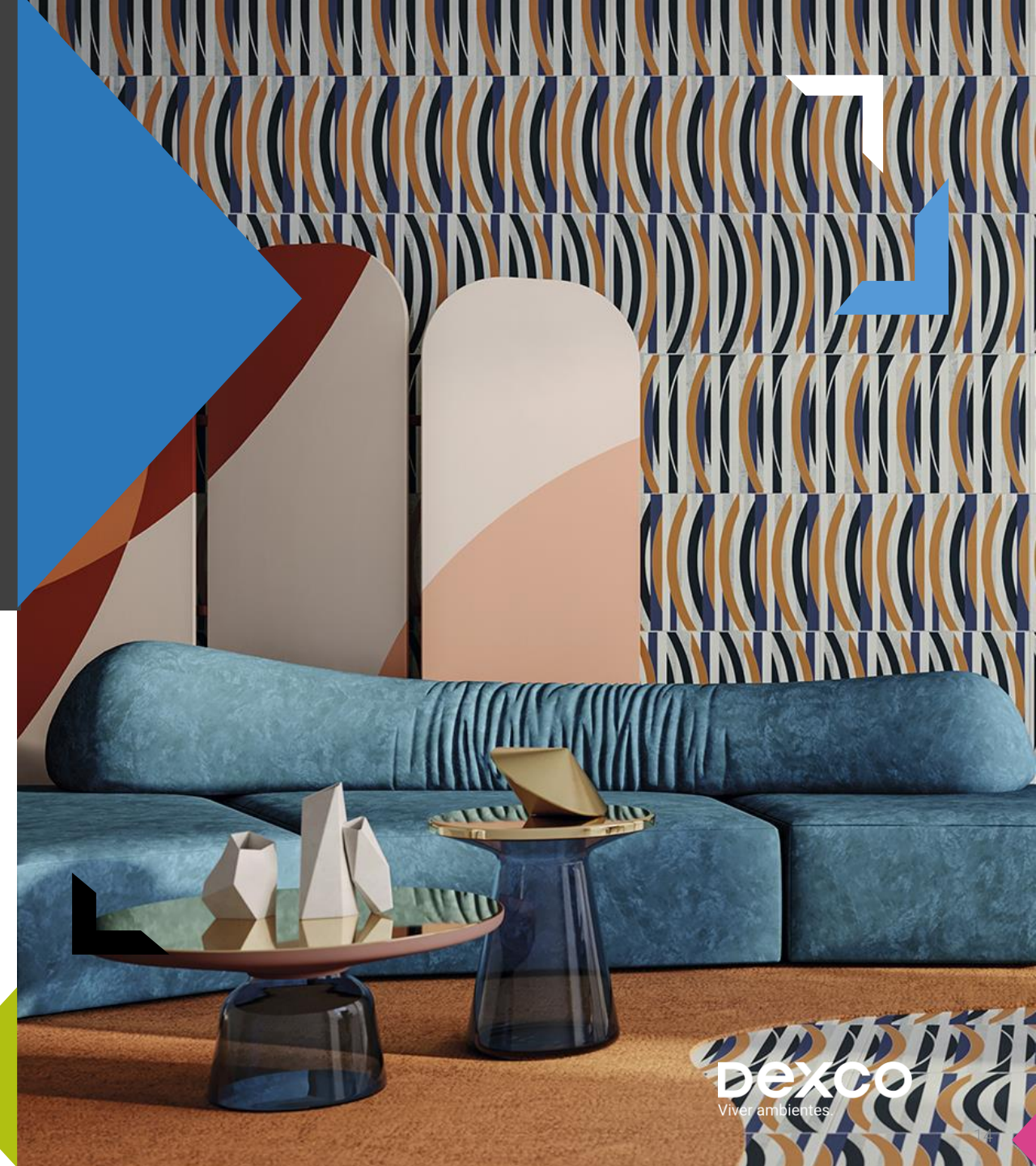
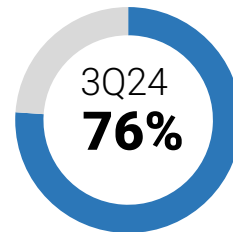
- ▶ Stabilization of the ceramic tiles sector, maintaining production levels through wet processes.
- ▶ Increased inventory levels in the sector suggest caution regarding the industry's recovery.

Sales volume of the ceramic tiles industry vs 2023



Capacity Utilization

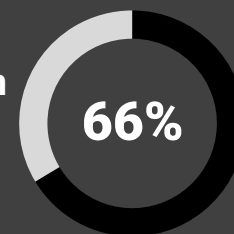
%



Results Tiles

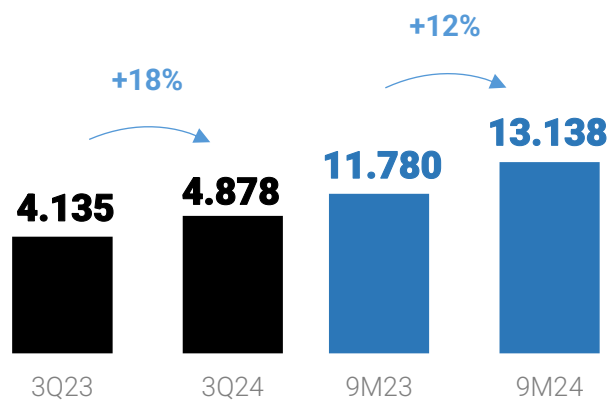
- ▶ Commercial and pricing actions in the Tiles Division resulted in a recovery of market share, with increased volumes during the period;
- ▶ Improvement in factory occupancy levels contributing to cost dilution;
- ▶ Slightly positive Adjusted and Recurring EBITDA of R\$ 0.4 million, with the tiles sector pressured by market instability.

Capacity Utilization
3Q24 %



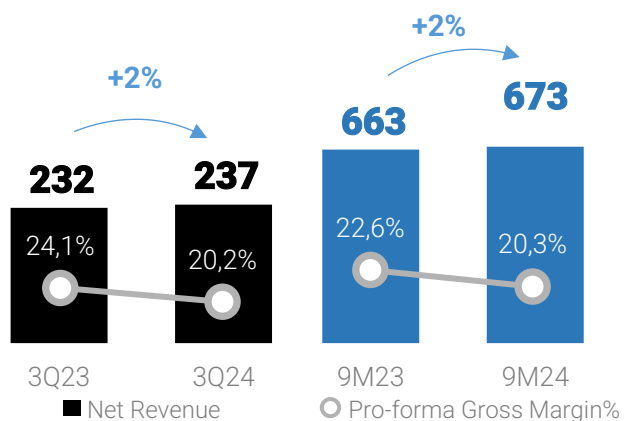
Volume

000m²



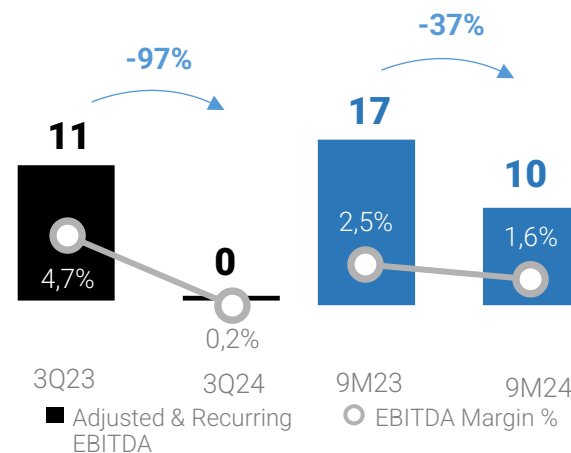
Recurring Net Revenue and Pro-forma Gross Margin

R\$ million / %



Adjusted & Recurring EBITDA and Margin

R\$ million / %





OUTLOOK

Outlook 2024/2025



- ▶ Heating up of the wood panel market and healthy competition levels ensuring better profitability;
- ▶ High levels of factory occupancy, restricting the availability of forestry businesses;
- ▶ Scheduled shutdowns expected at the end of the year, according to the annual calendar;
- ▶ Attention to the effect of rising interest rates in the construction sector, which may impact the Finishing Division;
- ▶ End of the testing phase for the Coatings factory in Botucatu (SP), with ramp-up of operations throughout 1H25;
- ▶ Focus for the 2024/2025 cycle on manufacturing optimization and investment cycle projects, leading to the Company's deleveraging.



CEO Succession

After a structured process over the past 12 months, the Board of Directors announced the next CEO of the Company, as Antonio Joaquim will reach the age limit for a statutory director to remain in the position, in accordance with Dexco's Bylaws.

Antonio and Raul will work together until April 2025 in a transition process, co-leading key areas to ensure ongoing projects are maintained and expected results are achieved.



Antonio Joaquim de Oliveira

64 years

With 38 years at Dexco, he successfully led major projects, such as the corporate brand change, spearheading cultural and digital transformation, as well as significant M&A projects, including entry into the Ceramic Coatings segment and the establishment of the joint venture with Lenzing to create LD Celulose.



Raul Guimarães Guaragna

53 years

Having been with the Company for 3 years, he has led the Wood Business, achieving significant results, and is currently serving as Vice President of Sanitary Ware, Metals, and Coatings. With over 28 years of solid professional experience, he possesses the skills that Dexco needs for the upcoming strategic cycle aimed at maximizing business profitability..



SAVE THE DATE

Dexco Day 2024

Date: 12/09/2024



In-person event with limited availability
and online streaming

We invite shareholders, investors, and the general public to join us for Dexco Day 2024. The event will primarily focus on discussing the legacy of the current CEO of Dexco, Antonio Joaquim de Oliveira, after 12 years at the helm of the Company, as well as the perspectives and vision of Raul Guaragna, the new CEO, who will take office following the Ordinary General Meeting in 2025.



DEXCO

INVESTORS RELATIONS

DEXCO

deca portinari hydra duratex castelatto ceusa durafloor

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