



Dexco

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Results Presentation

2Q24

August 08, 2024



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Highlights

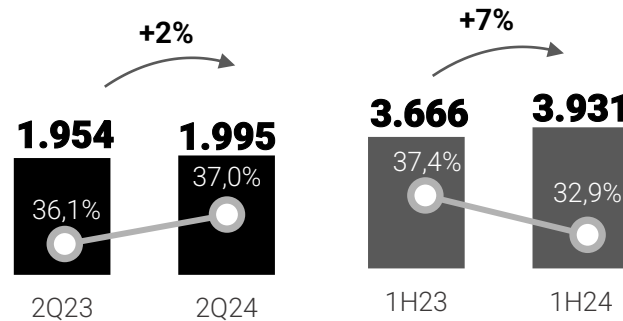
2Q24 | 1H24

Pro-forma Adjusted & Recurring EBITDA of **R\$1,115 million in 1H24**, including the 49% EBITDA from LD Celulose

- ▶ Wood Division continues to deliver a solid performance in panels, with a focus on optimizing profitability
- ▶ Positive results from the Metals and Sanitary Ware Division driven by the restructuring activities carried out in 2023;
- ▶ The Tiles Division still impacted by the competitive market environment;
- ▶ Dexco's Adjusted & Recurring EBITDA came in at R\$376 million in 2Q24, with a margin of 19%, and at R\$818 million for the semester and margin of 21%;
- ▶ LD Celulose had a Recurring EBITDA of R\$376 million in 2Q24, with a margin of 56%, R\$184 million relating to Dexco's share.

Recurring Net Revenue and Gross Margin

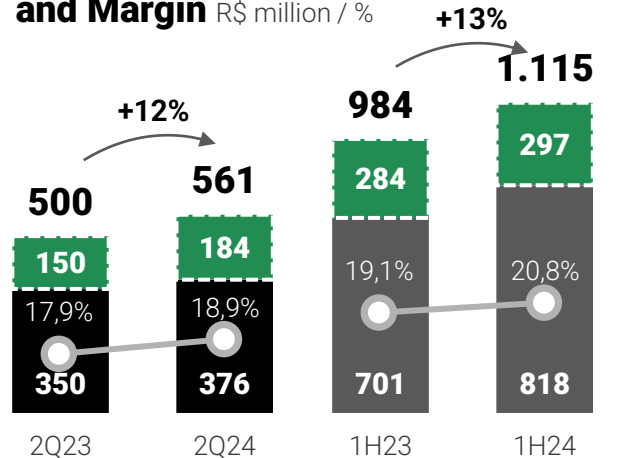
R\$ million / %



■ Net Revenue
○ Pro-forma Gross Margin%

Adjusted and Recurring EBITDA and Margin

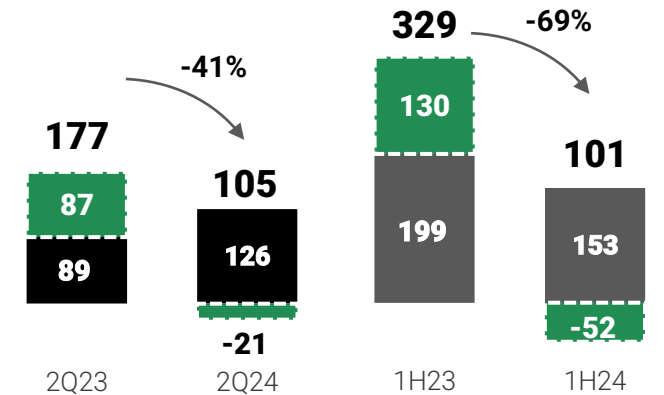
R\$ million / %



■ Adjusted and Recurring EBITDA - LD Celulose
■ Adjusted and Recurring EBITDA
○ EBITDA Margin %

Recurring Net Income

R\$ million



■ Recurring Net Income
■ Adjusted and Recurring Net Income - LD Celulose

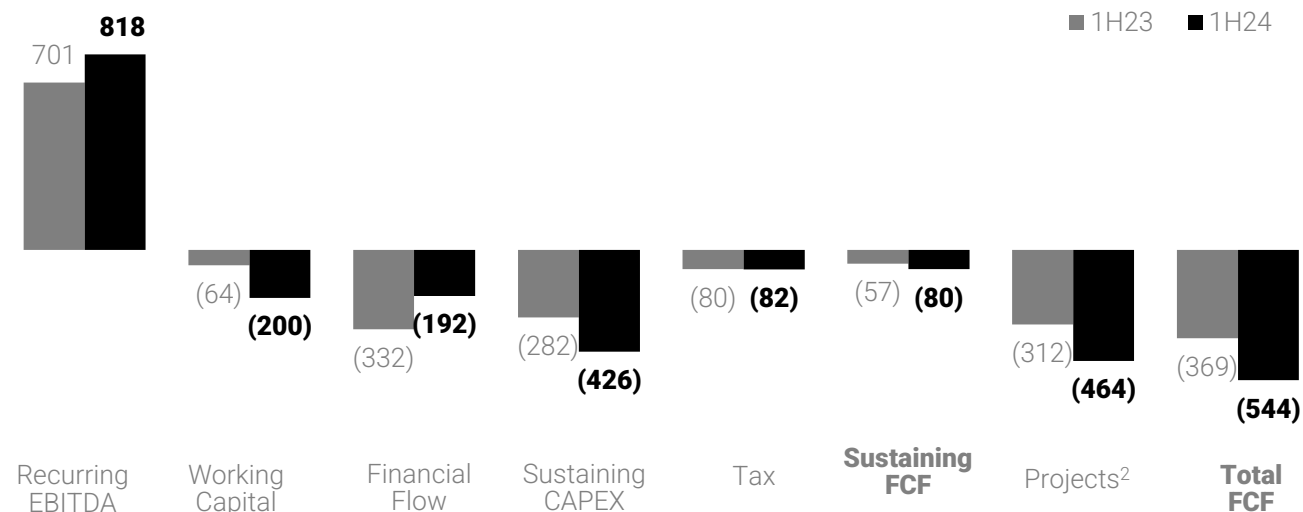
Cash Flow

2Q24 | 1H24

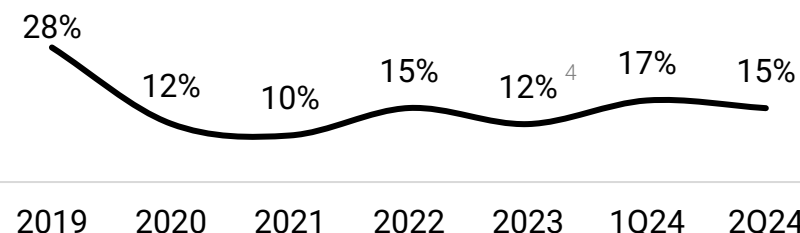
Working Capital/Net Revenue (~15%), at low levels

- ▶ R\$36 million in cash generated from operations in 2Q24, arising from the effective management of Working Capital during the quarter, partially compensating the impacts seen in 1Q24;
- ▶ Reforestation process impacting the sustaining CAPEX for the semester;
- ▶ Investment in projects as part of the 2021-2025 Cycle in 1H24:
 - R\$145 million: new Tiles unit in São Paulo;
 - R\$41 million: productivity projects, improvements to the mix and automation of sanitary ware;
 - R\$17 million: Improvements to the mix and expansion of the forestry base;
 - R\$11 million: DX Ventures and Casa Dexco.

Free Cash Flow YTD R\$ million



Working Capital/Net Revenue



CAPEX R\$ million

| | 2Q23 | 2Q24 | 1H23 | 1H24 |
|-------------------------------------|------------|------------|------------|------------|
| INVESTMENTS | | | | |
| FORESTRY OPEX | 74 | 209 | 154 | 325 |
| MAINTENANCE | 68 | 57 | 128 | 101 |
| SUSTAINING CAPEX¹ | 142 | 266 | 282 | 426 |
| PROJECTS³ | 171 | 139 | 312 | 274 |

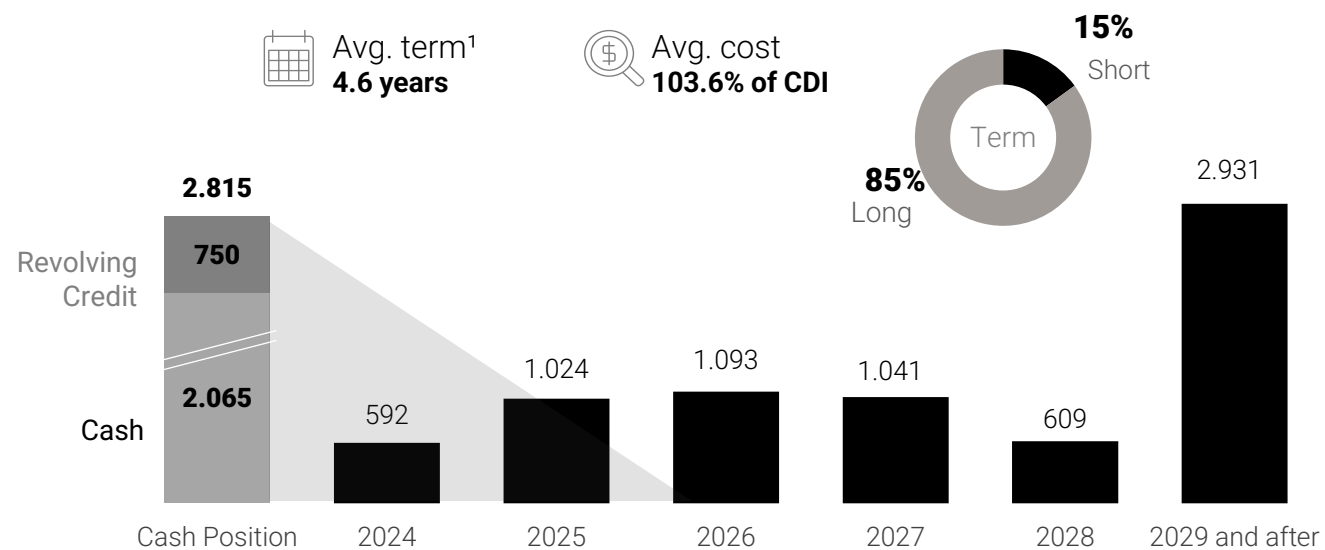
1 - Maintenance, factory modernization and business sustaining | 2 - Projects, DX Ventures and LD Celulose | 3 - Expansion projects (2Q24): R\$111.2 million; Other projects: R\$27.9 million | 4 - Not including one-off events during the fourth quarter of 2023

Corporate Debt 2Q24 | 1H24

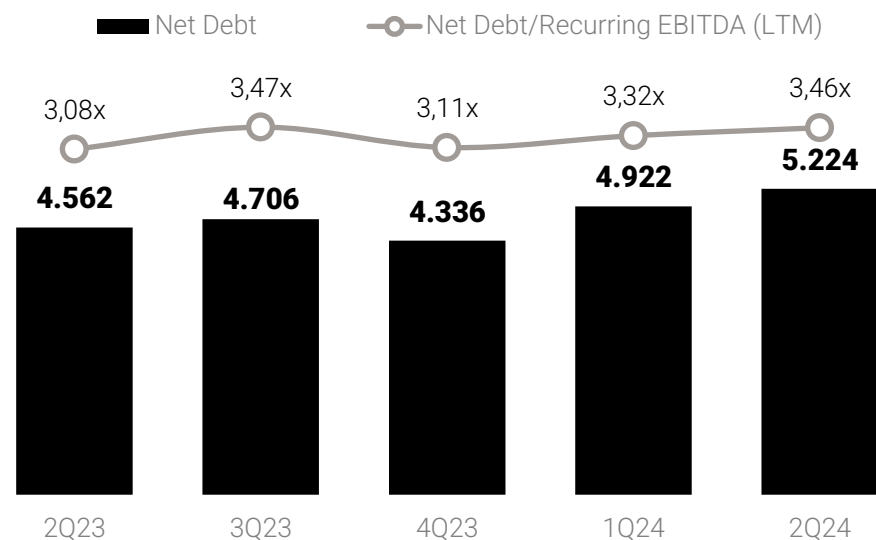
- ▶ Leverage increased to 3.46x due to disbursements of R\$111 million made in the quarter as part of the Investment Cycle.;
- ▶ Liability management: long-term debt at 85% of gross debt.

Leverage at **3.46x**
with Projects
impacts

Amortization timeline R\$ million



Financial leverage R\$ million



1 - Average weighted debt term.

WOOD

duratex durafloor  LD Celulose

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Sector Environment

Wood Panels

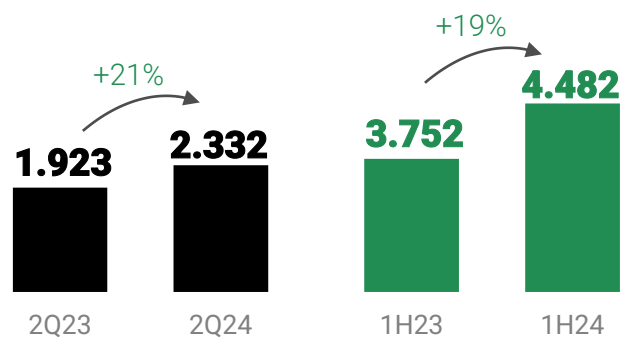
IBÁ data

- ▶ Quarter-on-quarter growth in volumes versus 1Q24, both in the domestic and foreign markets;
- ▶ Increased factory utilization in MDF and MDP, reflecting advances made in the main markets (Retail and Furniture Industry).



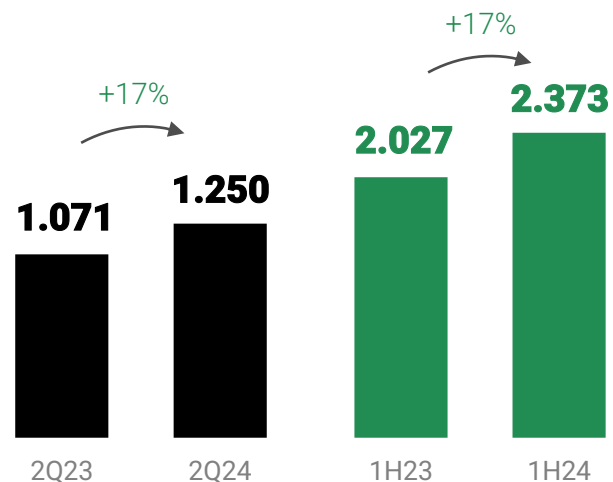
Total panels Volume 000m³

| vs 2023 | 2Q24 | 1H24 |
|------------------------|------|------|
| Domestic Market | +15% | +14% |
| Foreign Market | +71% | +63% |



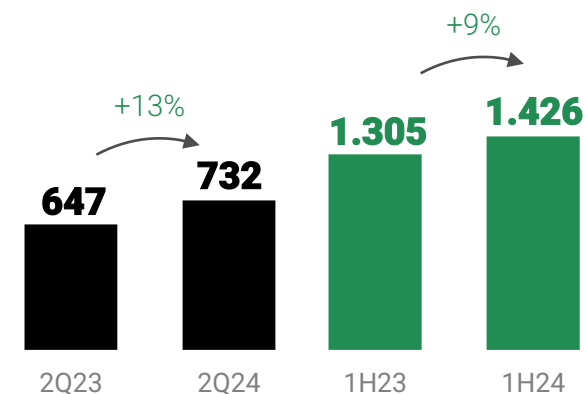
MDF Domestic Market

Volume 000m³



MDP Domestic Market

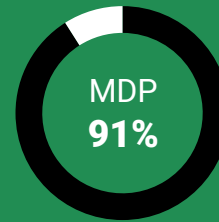
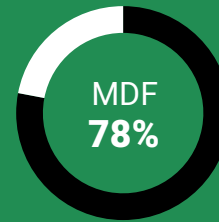
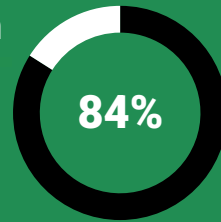
Volume 000m³



Wood Results

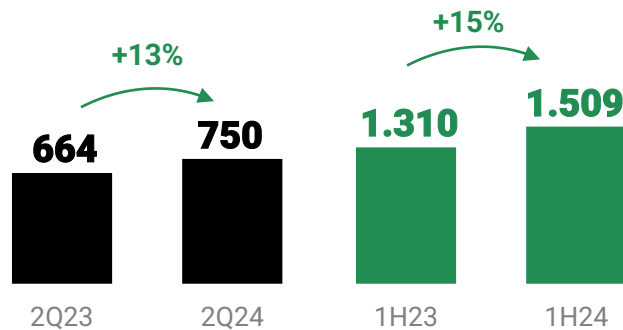
- ▶ Panel volumes increased due to prioritizing demand to optimize profitability;
- ▶ Concentration of scheduled maintenance shutdowns in the quarter impacted volumes, MDF factory utilization and margins;
- ▶ Solid panels results led to an Adjusted & Recurring EBITDA for the quarter of R\$319 million, with a margin of 26% in 2Q24, and of R\$758 million, with a margin of 30% for the semester.

Capacity Utilization 2024 %



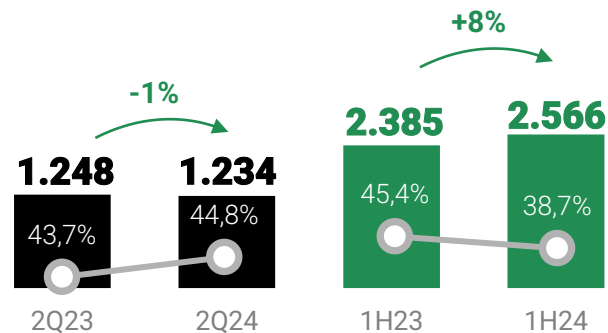
Volume

000m³



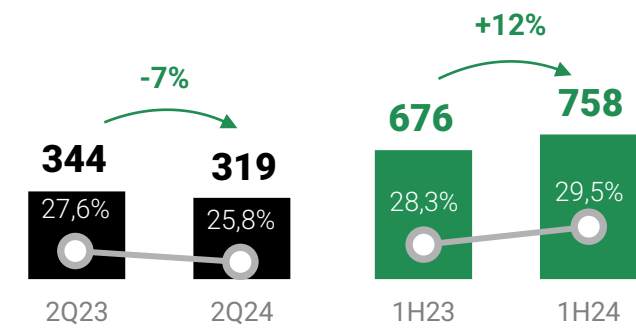
Recurring Net Revenue and Pro-forma Gross Margin

R\$ million / %



Adjusted and Recurring EBITDA¹ and Margin

R\$ million / %



■ Net Revenue ○ Pro-forma Gross Margin %

■ Adjusted and Recurring EBITDA ○ EBITDA Margin %

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

Dissolving Wood Pulp

Best quarterly operational result since its start up

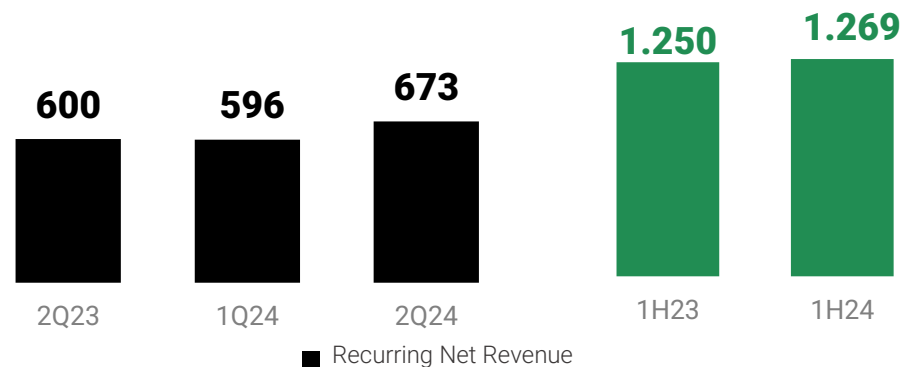
- ▶ Operating at full capacity with continual advances up the productivity curve;
- ▶ Recurring Pro-forma EBITDA pertaining to Dexco of R\$184 million in 2Q24, with a margin of 56%.



**RESULT
REFLECTING
100% OF
OPERATION**

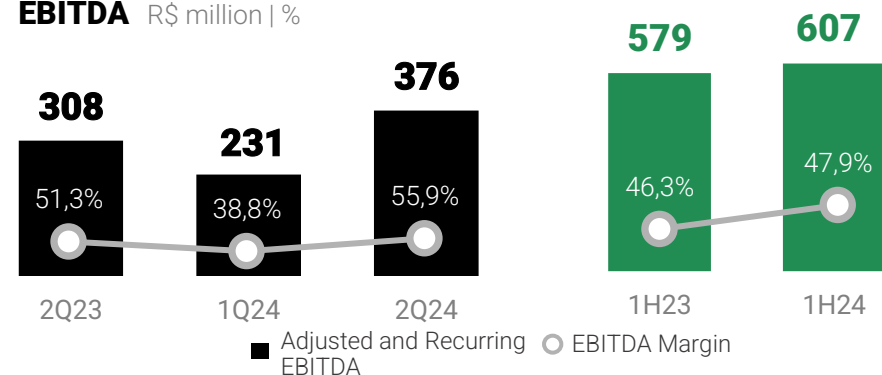
Recurring Net Revenue

R\$ million



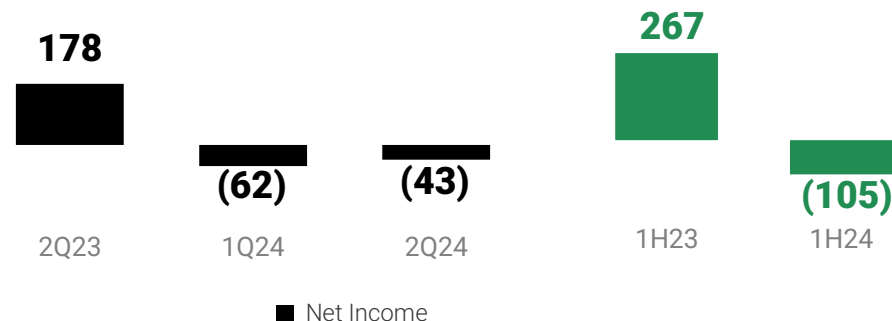
EBITDA and Margin

EBITDA R\$ million | %



Net Income

R\$ million





FINISHINGS FOR CONSTRUCTION

deca portinari hydra castelatto ceusa

Sector Environment

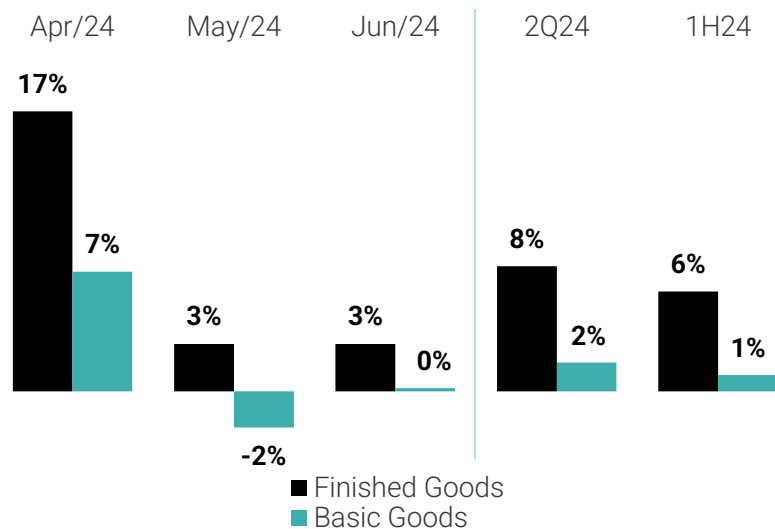
Metals and San. Ware

ABRAMAT data

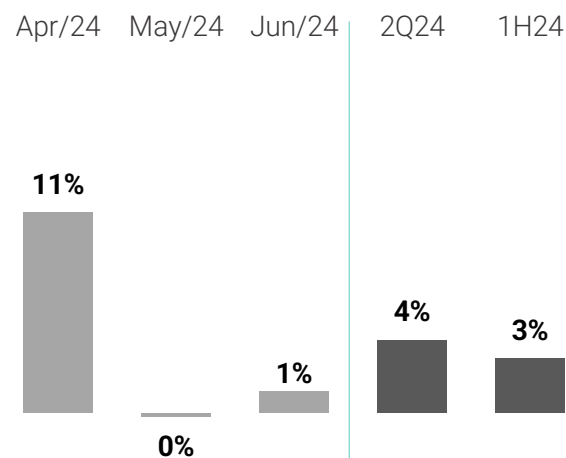
- ▶ The finished goods sector saw an average growth of 8% in the quarter;
- ▶ Prospects for market growth in 2024 revised from 2% to 3%, according to ABRAMAT.



Deflated gross revenue by type of product vs 2Q23 and 1H23¹



Revenue for the construction materials sector vs 2Q23 and 1H23¹

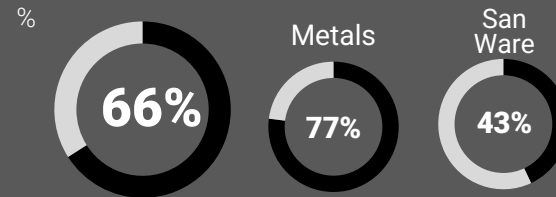


1 – Average for the period

Results Metals and Sanitary Ware

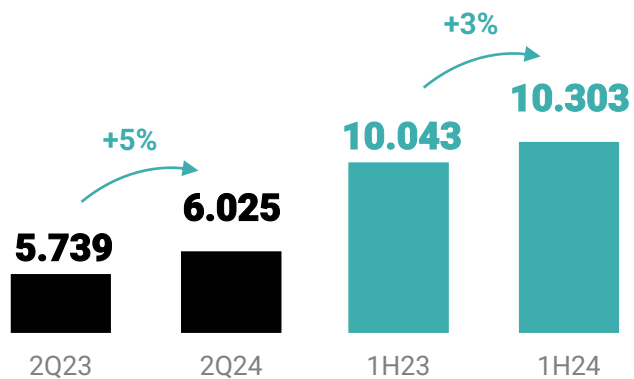
- ▶ Net Revenue leveraged by the improvement to the mix, with the performance of the Metals sector a highlight;
- ▶ Quarterly improvement in costs reflects the restructuring actions carried out in 2023;
- ▶ Adjusted & Recurring EBITDA returned to positive numbers at R\$52 million, with a margin of 10% in 2Q24, with a total of R\$50 million for 1H24.

Capacity Utilization¹ 2Q24



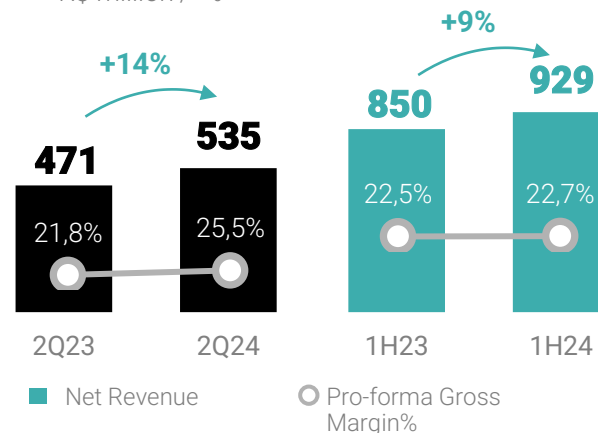
Volume

'000 Pieces



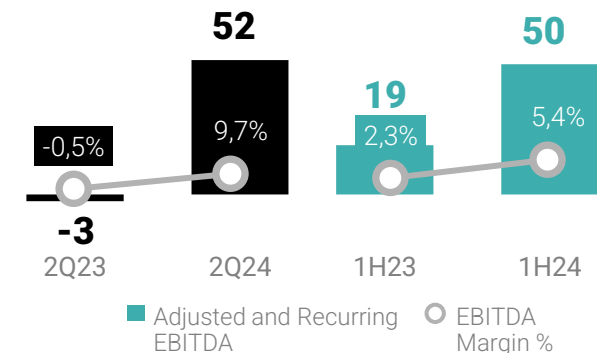
Recurring Net Revenue and Pro-forma Gross Margin

R\$ million / %



Adjusted and Recurring EBITDA¹ and Margin

R\$ million / %



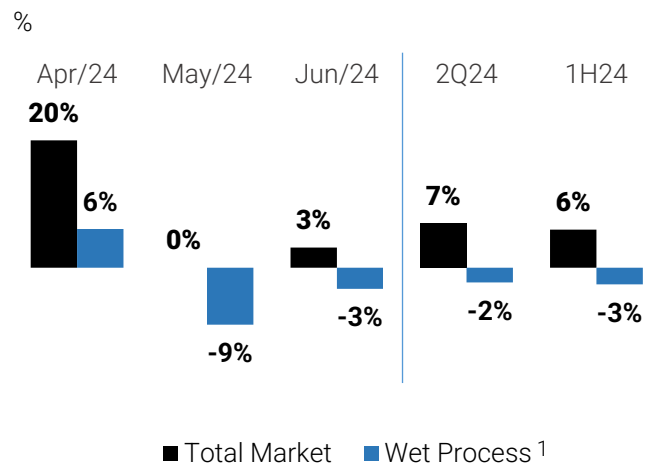
1 – Not including effects of shower capacity.

Sector Environment Tiles

ANFACER data

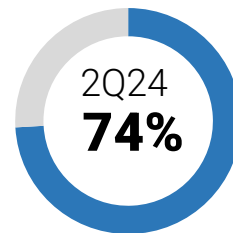
- ▶ Sector performance variable, with the production of wet process still shrinking versus 1H23, according to internal estimates;
- ▶ Slight reduction in inventory levels in the market, with these levels set to continue in the coming quarters

Sales volume of the ceramic tiles sector vs 2023



Capacity Utilization

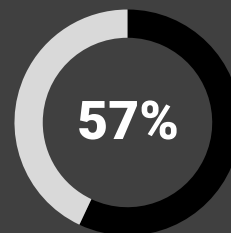
%



Results Tiles

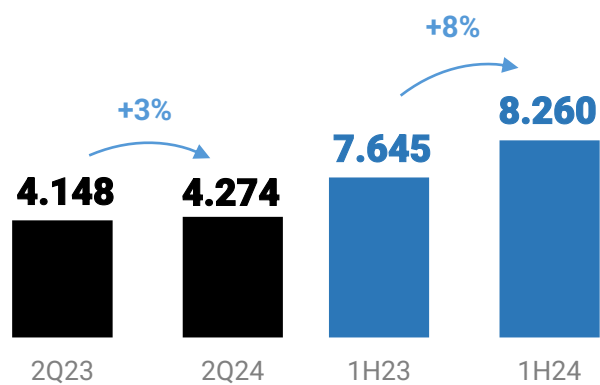
- ▶ Volumes and prices still under pressure from market instability and the levels of spare capacity;
- ▶ Continuous improvement initiatives aimed at boosting productivity and effective management of expenditure have had a positive impact on results;
- ▶ Adjusted & Recurring EBITDA positive at R\$6 million, with a margin of 3% in 2Q24, while totaling R\$10 million for the semester.

Capacity Utilization
2024
%



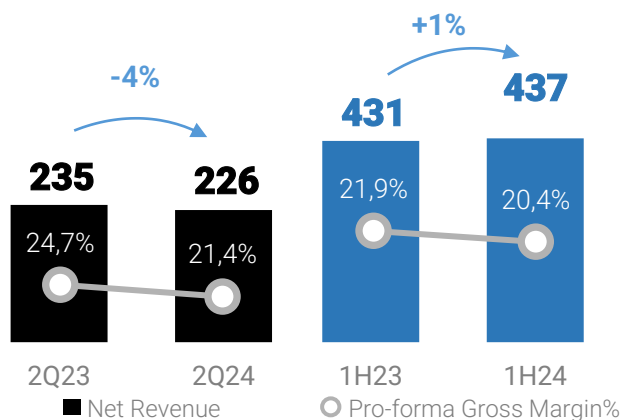
Volume

000m²



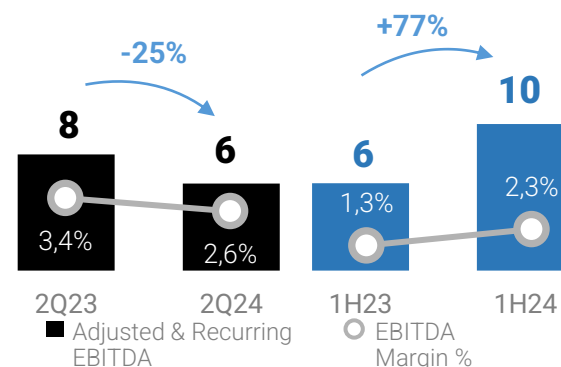
Recurring Net Revenue and Pro-forma Gross Margin

R\$ million / %



Adjusted & Recurring EBITDA and Margin

R\$ million / %





ESG

Progress of the **ESG** **Agenda**



Progress of the **2025 Sustainability Strategy** goals

- ▶ **Zero landfill** across the whole of the **Metals** business unit;
- ▶ **100% of panel production** classified as **E1** with respect to formaldehyde emissions;
- ▶ **70% of plastic packaging** to be substituted for recyclable cardboard;
- ▶ **Phasing out coal** from Ceramic Tile operations.



Integrated Report 2023

The publication reports on the main initiatives regarding environmental performance, social responsibility and corporate governance with respect to 2023.

Dexco is ranked **first in the construction materials sector in the Merco ranking – ESG Responsibility 2023**, published in June 2024, which has been ranking the reputation of companies for 24 years

Merco carries out a detailed analysis of companies and the public's perception when it comes to business ethics and responsibility.





OUTLOOK

Outlook ^{2H24}

Market Scenario

- **High wood prices set to continue** in the face of a challenging supply-side scenario –**a competitive differential for Dexco;**
- **The cycle of cuts to the Selic interest rate set to end** given the uncertainties linked to the Brazilian fiscal framework and deterioration in the global scenario;
- Reduction in unemployment reflected in the improvement in **income available to families.**

DEXCO

Solid demand and improvement in the profitability of Panels;



Gradual improvement in the results of the Metals and San. Ware Division, but Tiles remains challenging;



LD Celulose to continue to deliver consistent operating results and price increases;



Ongoing process of cost, expenses and working capital control;



Focus on capturing the returns from projects in the 2021-2025 Cycle.



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