

Dexco



Institutional Presentation

deca portinari hydra duratex castelatto ceusa durafloor

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Dexco

WHO ARE WE

More than **70** years of history, listed since 1951 on the stock Exchange market

+13 Thousand employees

18 industrial units with **3** in Colombia and also **5** forest units

2 joint ventures

Leader in the market where it operates

WOOD



PANELS AND FORESTS

duratex durafloor

- Production and sale of MDP and MDF and laminated and vinyl panels



DISSOLVING WOOD PULP

LD Celulose

- Joint venture set up with Lenzing AG, for the production of Dissolving Wood Pulp

FINISHINGS FOR CONSTRUCTION & HOME IMPROVEMENT



METALS & SANITARY WARE

deca hydra

- Production and sale of metals, sanitary ware and electric showers



TILES

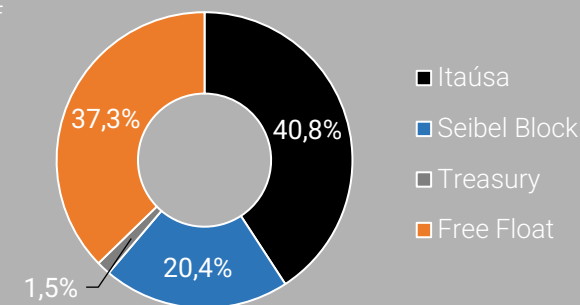
ceusa portinari castelatto

- Production and sale of ceramic and architectural concrete

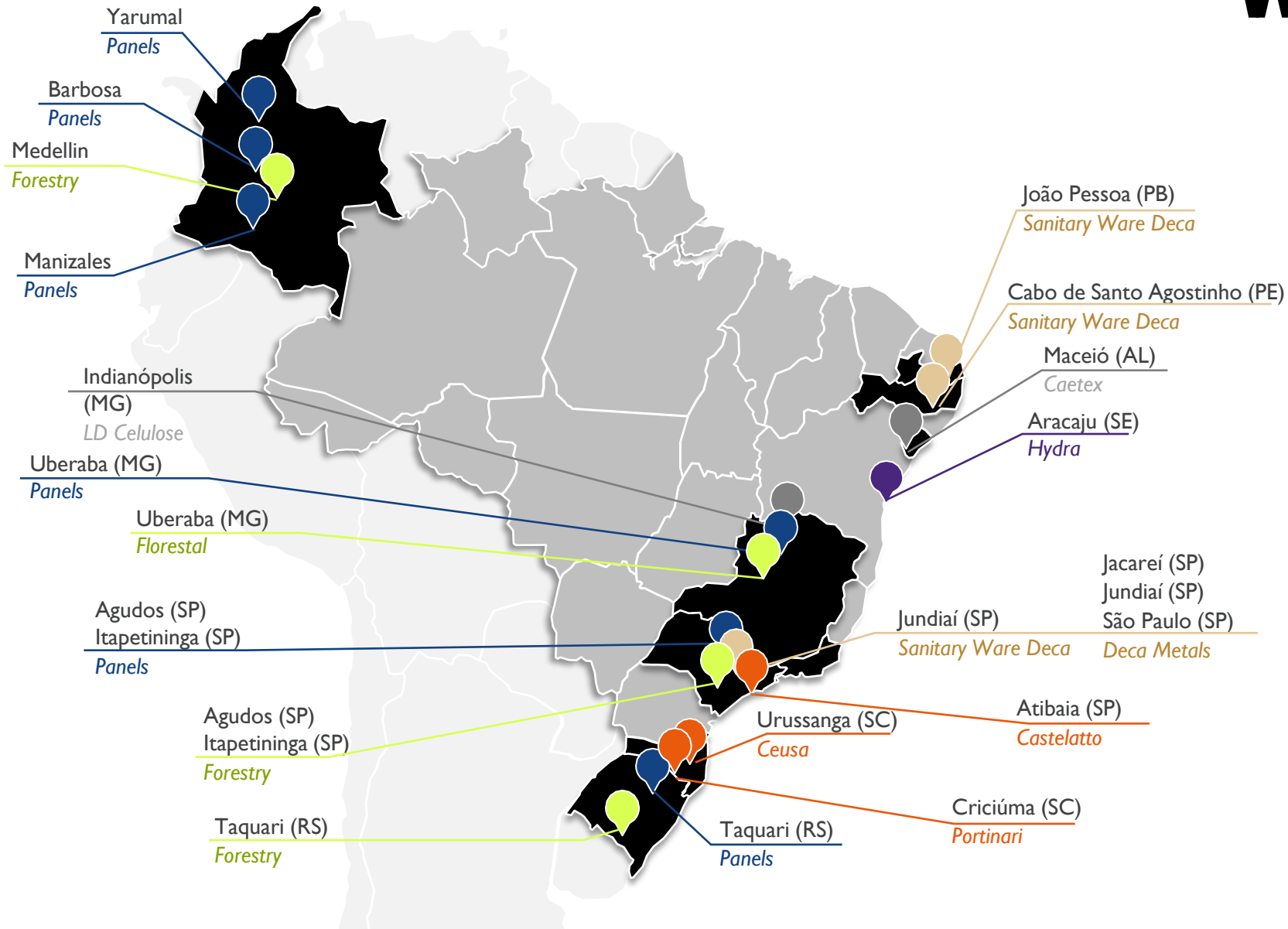
CORPORATE GOVERNANCE

- Dividend policy requiring minimum distribution of 30% of adjusted net earnings;
- 30% of independent members on the Board Directors;
- Senior board members can not hold an executive position within the Company;
- 6 executive committees;
- Risk management, Compliance, Audit and Ombudsman Departments;

Shareholders Structure (%)



Where are we



* The unit RC2 in Criciúma/SC is in a temporary suspension

Strategic Development

Growth Cycle

Boom in demand

Increase in market share

Geographical and product
diversification

Cultural Transformation

Strategic review of the **Dexco culture**

Rejuvenated culture ready to face
new challenges

High performance teams

Active and engaged leadership

Asset Management

Sale of land and forestry assets

Sale of the Hardboard business

Closure of Botucatu unit and
reopening of Itapetininga unit

Unification of shower operations
with the closure of Tubarão/SC
unit

Strategy Translated into Numbers

Partial shutdown of industrial units
in the 1H20

Market share gain with the demand
resumption

Industries operating in **full capacity**
in the end of the year

Record Results

First Integrated Reporting

Launch of **Deca's marketplace**

Economy expanding

2007
to 2014

2015

Management Excellence

Dexco Management System (SGD)

Zero Based Budgeting

EVA as performance
metric

Economic Crisis

2016

2017

The New Dexco

The New Proposal:
Solutions For Better Living

Dexco 2025

Client as center of strategy

Welcome: **Ceusa** and
Viva Decora

2018

Economy
Recovery

2019

Company in Transformation

Aquisition of Cecrisa

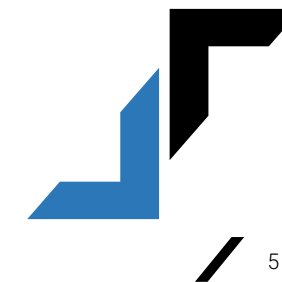
Closure of São Leopoldo/RS
(Louças) and Santa Luzia/MG
(Cecrisa) units

Approval of the **creation of the joint venture LD Celulose** to produce
dissolving wood pulp

Sale of land and forestry assets

2020

COVID-19 Pandemic



Investment Cycle 2021-2025

Delivery of strategic pillars with optimization of ~R\$ 300 million.



PROJECTS DELIVERED

METALS

Capacity & Mix

SAN WARE

Factory automation

+R\$460
million

WOOD PANELS

Factory debottlenecking

MIX

+ coated panel capacity

+R\$210
million

DX VENTURES & CVC

Investment fund for start-ups and scale-ups, supporting the business environment for home improvement and construction

+R\$240
million

+ IMPROVED MIX ACROSS ALL DIVISIONS

+ OPTIMIZATION OF ASSETS WITH **HIGH RETURNS**

+ SECTOR INNOVATION

PROJECTS IN PROGRESS

CERAMIC TILES

New Factory

+35% capacity

New technology, New products, Factory modernization

+R\$680 million

FORESTRY BASE

Expansion in the northeast region of the country

+R\$230 million

~40%



New plant Botucatu

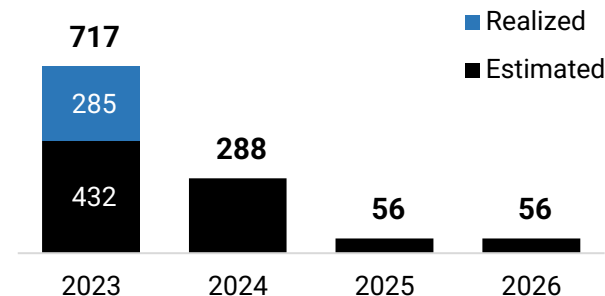
Expansion Caetex Forest



~20%

CAPEX TIMELINE (PROJECTS)

R\$ million









~R\$1.8B
invested

New **sustainability** strategy

2020 | 2021

Development of the Strategic Framework

Roll out

	 CONSUMER ENVIRONMENT	 COMPANY ENVIRONMENT	 SOCIETY ENVIRONMENT
WELLBEING 	Comfort and experience Promote comfortable experiences in environments, through a portfolio of solutions that seek the perfect balance between form and function.	Better living for employees Promote diversity, development and better living for our employees in the work environment.	Promote conscious renovation Facilitate access and improve the renovation experience, promoting better living for the whole society
IMPACT 	Eco-efficient solutions Offer sustainable solutions in the use of water, energy and materials, contributing to conscious consumption along the value chain.	Positive carbon footprint Ensure that the company has a positive carbon footprint by using materials and inputs efficiently in operations and developing the value chain and local communities.	Low impact construction and renovation Develop products and services that contribute in a sustainable way to the new construction methods.
CARE 	Health in environments Spearhead solutions that contribute to safety, maintenance, prevention and promotion of health in the environments where we live.	Conscious management Drive sustainable and innovative practices in forest management, industrial asset management, and health and safety.	Influencer engagement Engage and influence professionals from civil construction, renovation, decoration and furniture industry.

STRATEGIC COMMITMENTS

TO FACILITATE THE BUILDING AND REFURBISHMENT JOURNEY

TO ENSURE SUSTAINABLE GROWTH, MAINTAINING POSITIVE CARBON BALANCE

TO PROMOTE HEALTH AND WELL-BEING IN THE ENVIRONMENTS

2022

Dissemination and Tracking

CRITICAL ANALYSIS

Consolidation and periodic reporting of the status of targets at forums such as the ESG Commission, and the Executive and Sustainability Committees.

MANAGEMENT TOOL

Online platform with dashboard that centralizes the management system.

DISCLOSURE

Disclosure Book for the New Sustainability Strategy and Integrated Annual report.

Invest **140 million**
in initiatives that
promote conscious
reform by 2025

Sustain
**positive
carbon
balance**, by
2030

Achieve **35%**
**women in
leadership
positions** by
2025

Dexco

A company focused on...

... cash generation, while maximizing shareholder value

Remuneration of executives based on cash generation and EVA

... sustainable growth

Organic and inorganic growth within our Way of Being and Doing

... innovation and digitalization

As a way to simplify our processes and leverage our sales channels

... strategic assets

Optimization of current assets and productive management with strategic partners

... client solutions

One-stop shop, complete experiences and environments

Strategic Pillars



People

People are our strength



Results

Sustainable high performance



Processes

We work well, simply and safely



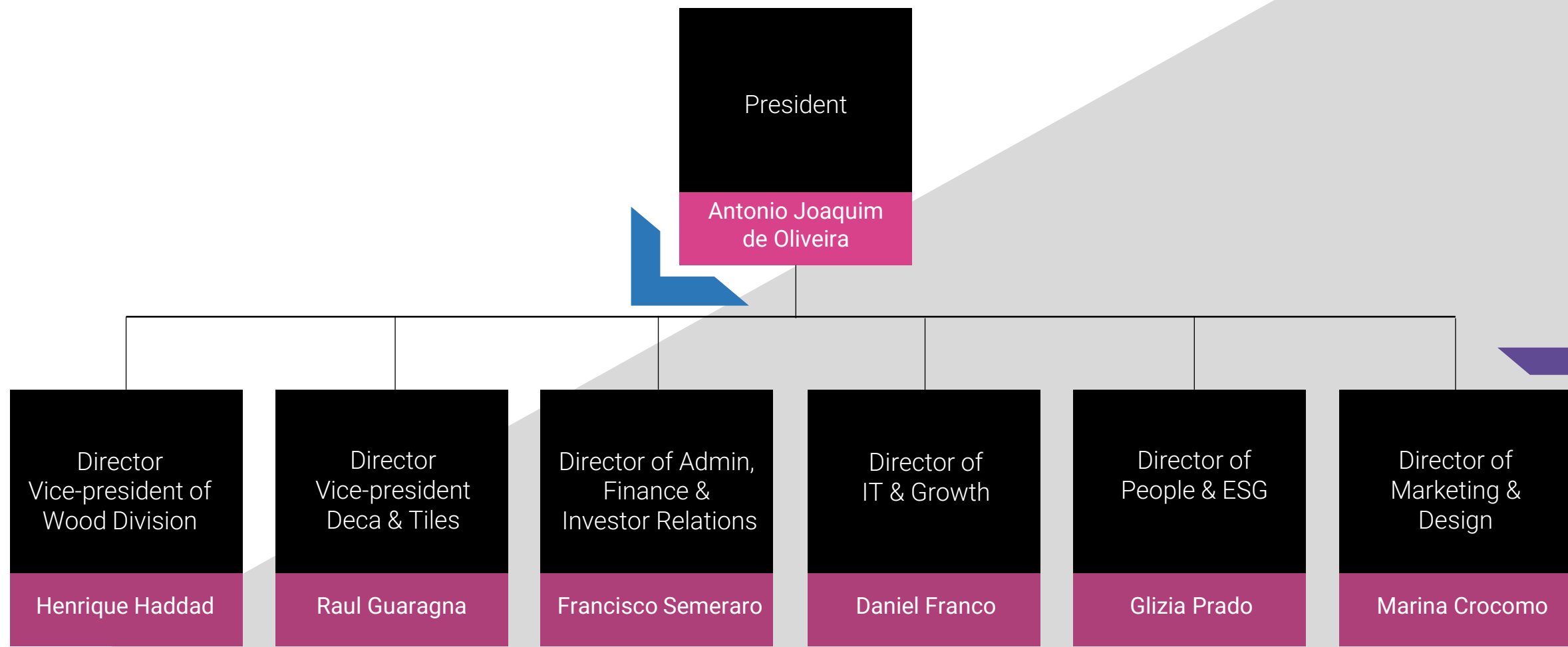
Client

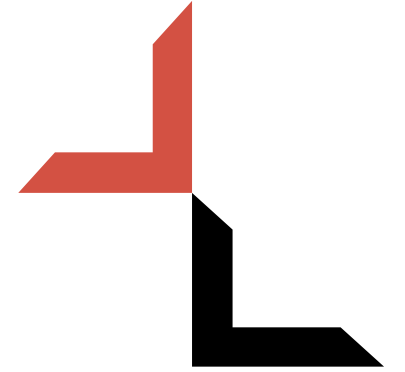
We are the best choice



Organizational Structure

Executive Committee





BUSINESS UNITS

Durafloor
Duratex



WOOD



Portfolio – Wood Panels

durafloor
duratex



MDP

Uncoated MDP, with applications in the furniture and real estate sectors



MDP BP¹

Coated MDP, standard and textured



High Gloss / Cristallo

Exclusiva superfície com acabamento *High Gloss* – alto brilho.



MDF

Uncoated MDF, with applications in the furniture sector



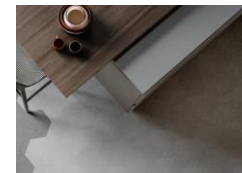
MDF BP¹

Heavy-duty, coated MDF, standard and textured



Super Matte / Acetinatta

Acabamento super mate, com toque macio e que não marca a digital.



Floor Covering - Vynil

vinyl floor coverings made from PVC
100% recyclable



Floor Covering - Laminated

Laminate floors composed of HDF, highly resistant to abrasion (scratches, wear)



Accessories

Baseboards and finishes



55% of the capacity in coated wood panels



Low use of formaldehyde



Market benchmark in design

¹ Baixa pressão: Processo produtivo para revestir painéis de madeira

**How about
knowing more
about Duratex
products?**

Click on the links below and
check out our content



Origin of the
Wood



MDP and MDF
Production



Panels Finishing



Evolution of
Wooden Furniture

Sector Environment

Wood Panels

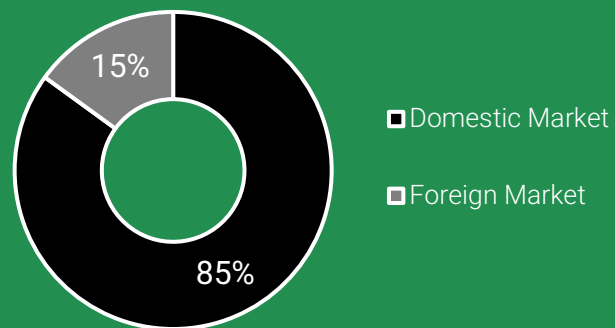
Main Association: IBÁ (Indústria Brasileira de Árvores)

Main indicators:

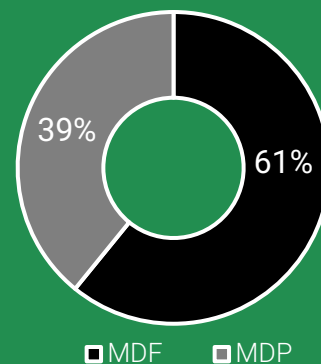
- Brazilian GDP
- GDP – Civil Construction
- Consumer Confidence



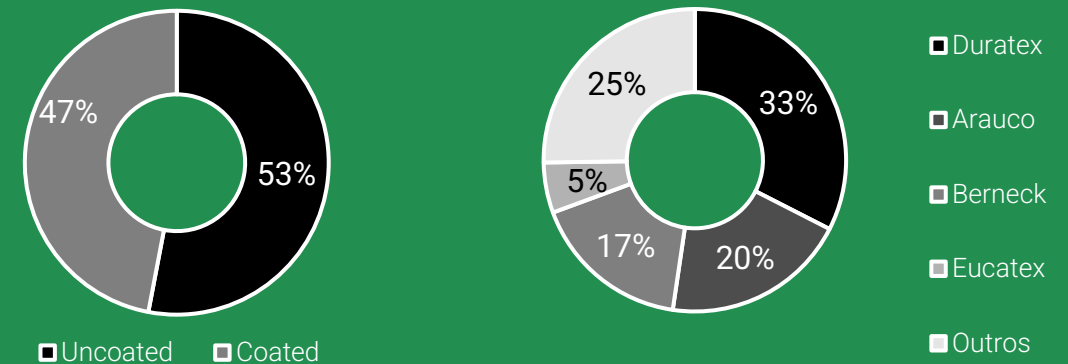
Final Destination¹



Volume by type^{1,2}



Capacity Share Brazil³



1 | Data referring to the year 2022

2 | Domestic Market

3 | Dexco internal estimates

Operational Data

Wood Panels

Verticalized production with more than **140k ha** of forestry base

Annual production capacity (m³)

- MDP Brazil: ~1.7 million
- MDF Brazil: ~1.8 million
- Colombia: ~0.3 million

4 Industrial Units - Brazil

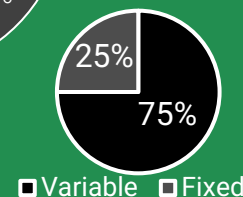
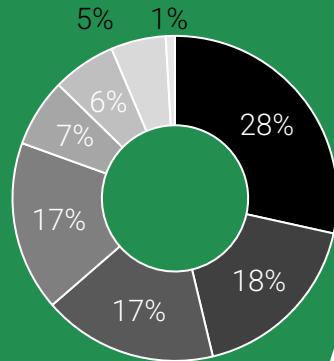
- Agudos (SP): MDF and Durafloor
- Itapetininga(SP): MDF and MDP
- Uberaba (MG): MDF and MDP
- Taquari (RS): MDP

Capacity Share Brazil (2022)

- MDP: 41%
- MDF: 28%

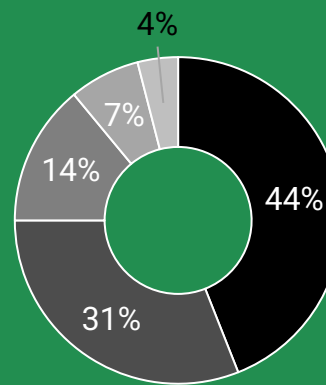
Cost Breakdown (%)

- Resin
- Other materials
- Paper
- Wood
- Labor
- Electricity
- Depreciation and amortization
- Fuel



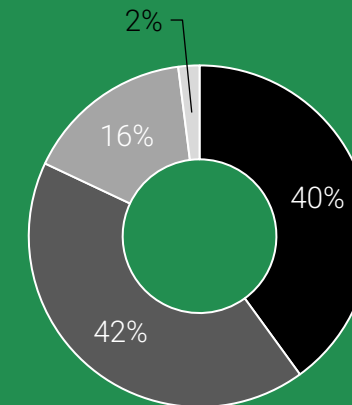
Net Revenue Geographic Breakdown(%)

- Southwest
- South
- Foreign Market
- North East
- Midwest / North



Sales Breakdown by Industry (%)

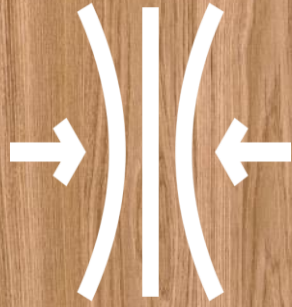
- Furniture Industry
- Resale
- Foreign Market
- Civil construction/Other



Dexco

Strategic Pillars

To be among the companies with the best forest products in the world, promoting sustainable growth and unquestionably leading the panel markets, Brazil and Colombia



BUILDING
RESILIENCE

To lead the game

Lower Costs
Integration of the Chain
Judicious capital allocation



ANTICIPATING
TRENDS

To change the rules of the game

Preferred brand and differentiated products
Leverage competitive essentials and diversify

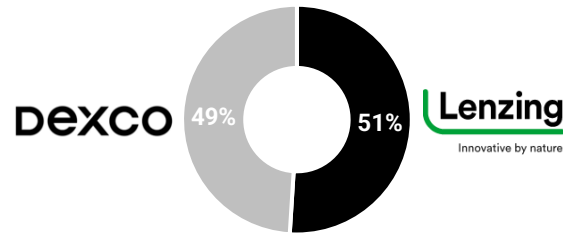


PROTAGONISM
IN THE CLIENT
AND CONSUMER
JOURNEY

Dissolving Wood Pulp Unit

Creation of a JV to supply Lenzing's demand for DWP

SHAREHOLDERS STRUCTURE

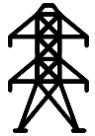


INVESTMENT OF AROUND

USD **1.4** BILLION



PRODUCTION VOLUME OF 500 Thousand ton/year, with a debottlenecking capacity of +10%



Generation of **CLEAN ENERGY**, with 95 mw for sale



START OF OPERATION IN APRIL/2022, following maintenance shutdown, will operate at full capacity in 2023



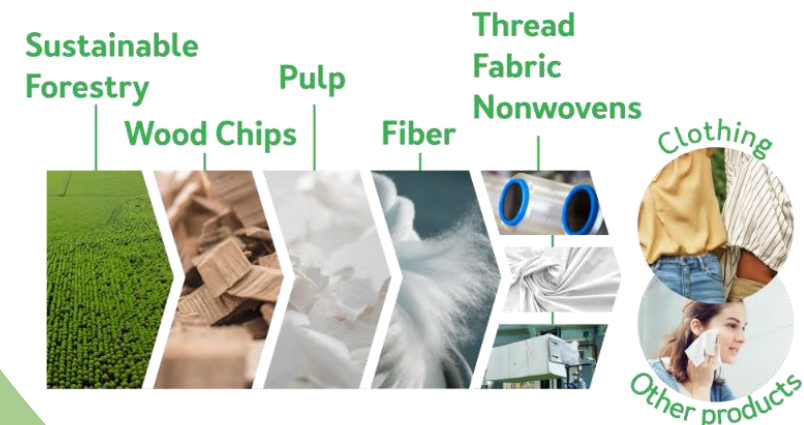
Long-term average price
DWP USD ~900/ton



Production cash cost¹
USD ~300/ton (freight China)



PRODUCTION CHAIN



Sector Environment

Dissolving Wood Pulp

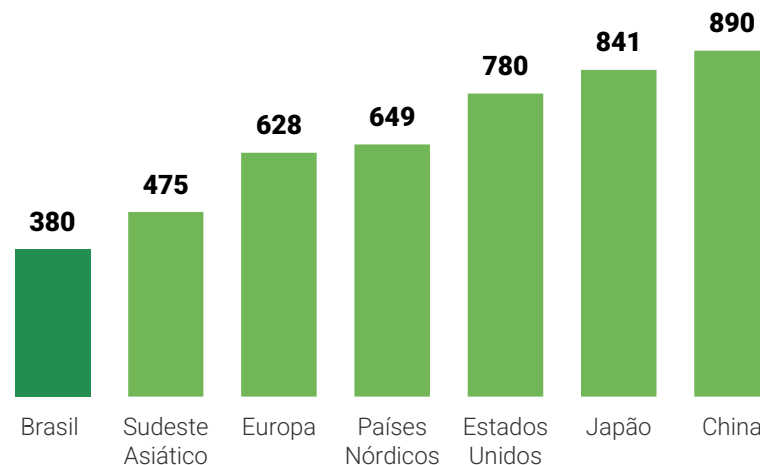
Global Insights

Prospects for the sector remain **positive**



Cash cost per Region

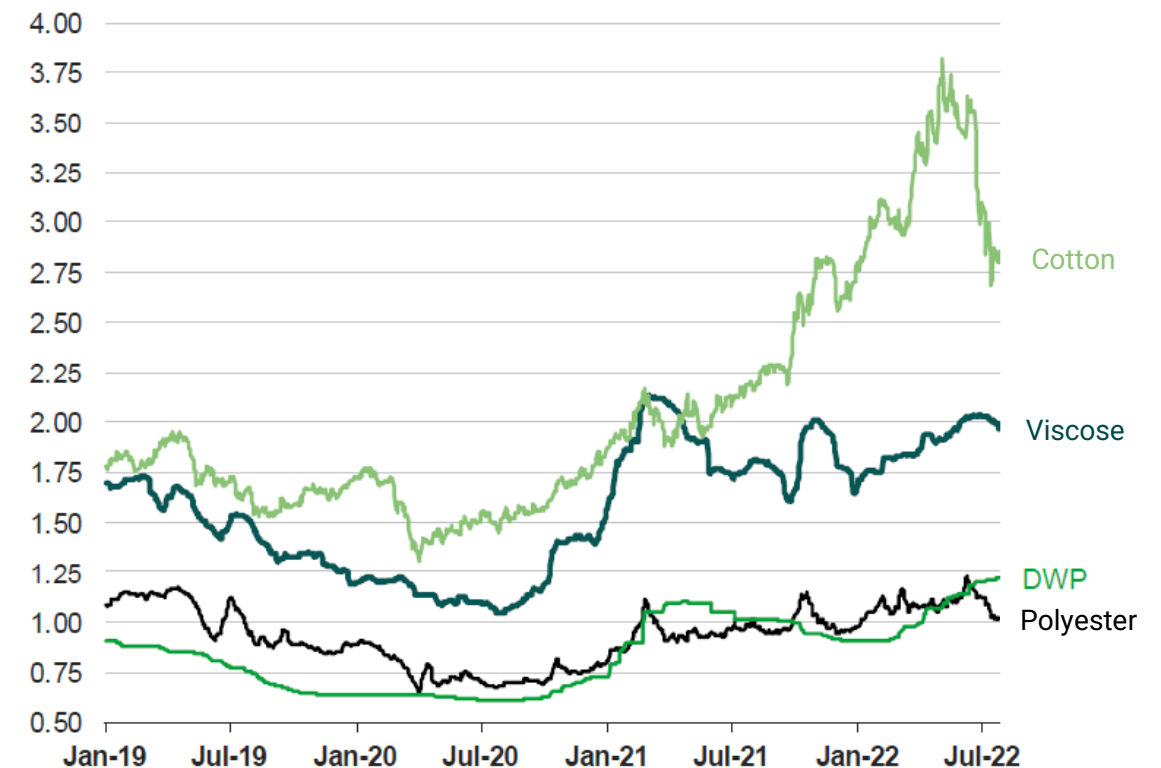
US\$/ton



- Cash cost of production a differential for the project, being one of the most competitive in Brazil;
- Prices of DWP China at high levels, with good prospects in the medium term.

Price of fibers/China

US\$/kg, excl. VAT





deca portinari ceusa
hydra castelatto

**FINISHINGS FOR
CONSTRUCTION**

Portfolio – Metals and Sanitary Ware

Deca
Hydra



Sinks

Applications in commercial and residential kitchens and bathrooms (Inox sink, "Brutalistas")



Sanitary Ware ("SW")

Applications in commercial and residential bathrooms



Electric Products

Electric taps and showers for bathrooms and kitchens



Valves

Used to activate the water systems of the sanitary basin



Metals

Wide range of tap and shower heads for bathrooms and kitchens



Accessories

Towel racks, soap dishes, among others



**~40% of Metals
Market Share¹**



**~40% of Sanitary
Wares Market Share¹**



**~20% of Showers Market
Share¹**

**How about knowing more
about Metals and San.
Ware products?**

Click on the links below and check out our
content



Casacor 2021

Institutional Plant

Kitchen Sinks



Sector Environment

Metals and Sanitary Ware

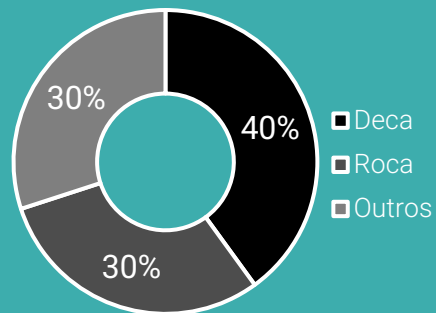
Main Association: ABRAMAT (Associação Brasileira de Materiais de Construção)

Main Indicators:

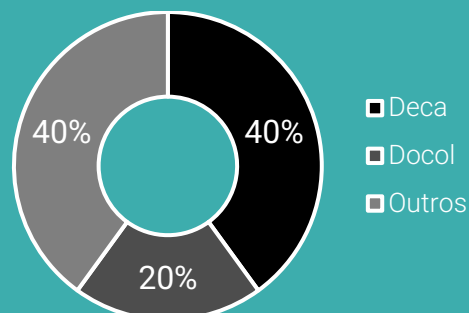
- Brazilian GDP
- GDP – Civil Construction
- Consumer Confidence
- New Constructions
- Resale – Civil Construction



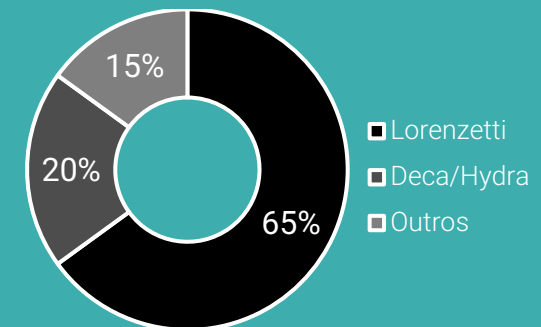
Market Share Metals (% Revenue)¹



Market Share San. Ware (% Revenue)¹



Market Share Showers (% Revenue)¹



Operational Data

Metals and San. Ware

Metals

3 Industrial Units

- São Paulo (SP)
- Jacareí (SP)
- Jundiaí (SP)

Annual production Capacity (units)

- San. Ware: ~11 millions
- Metals: ~ 22 millions
- Showers: ~ 12 millions

Sanitary Ware

3 Industrial Units

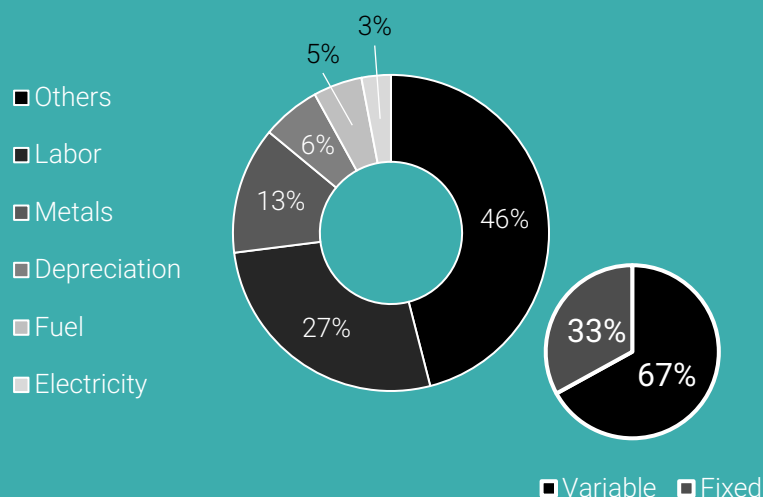
- Jundiaí (SP)
- João Pessoa (PB)
- Cabo de Santo Agostinho (PB)

Showers

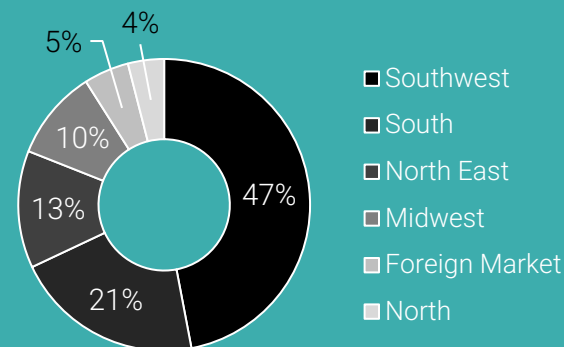
1 Industrial Unit

- Aracaju (SE)

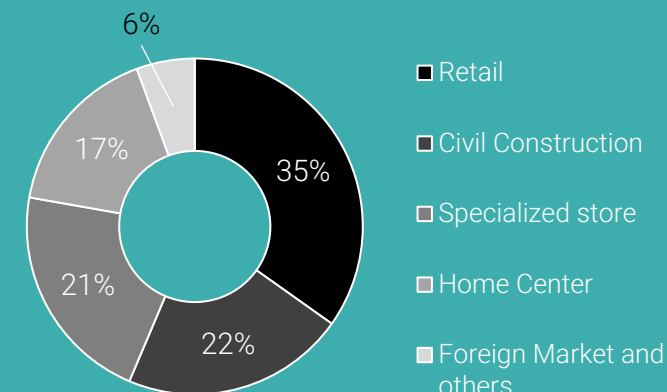
Cost Breakdown (%)



Net Revenue Geographic Breakdown (%)



Sales Breakdown By Industry



Portfolio – Tiles

portinari ceusa
castelatto

Product Differentials



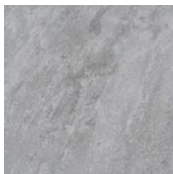
Monotone



Mono-caliber

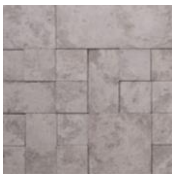


Dry Joint Fitting



Polished Porcelain Tiles

Applications in drier environments such as living rooms, corridors and bedrooms



Architectural Concrete

Diverse applications for all environments



Tiles

Wide range of applications for wet or dry environments



Special Finishings

Wide range of applications with exclusive designs using 3D technology



**~7% of Ceramic Tiles
market share⁽¹⁾**

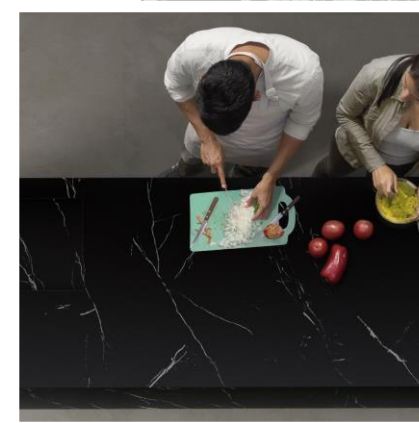
¹ Data from internal studies

Sector Environment Tiles

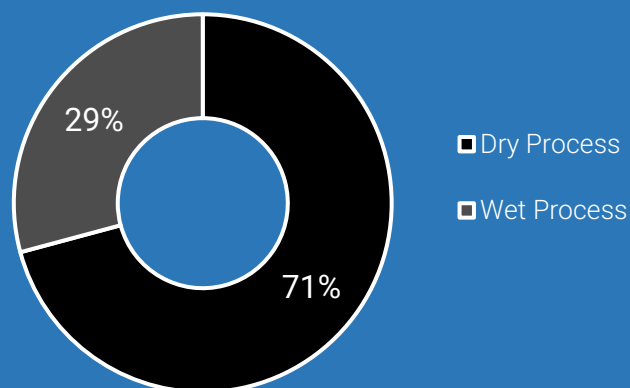
Main Association: ANFACER
(Associação Nacional dos Fabricantes
de Revestimentos Cerâmicos)

Main Indicators:

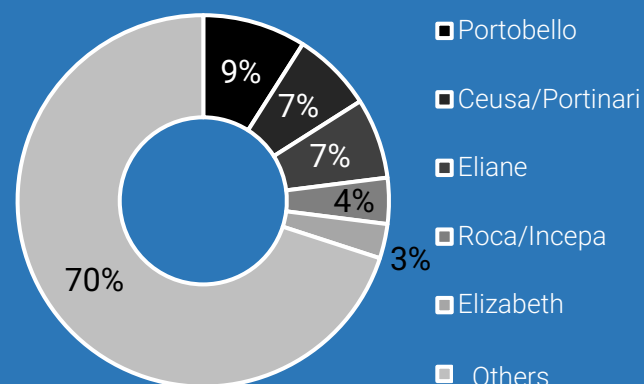
- Brazilian GDP
- GDP – Civil Construction
- Consumer Confidence
- New Constructions
- Resale – Civil Construction



Production By Type (%)



Market Share (% Revenue)¹



Operational Data Tiles

4 Industrial Units

- Atibaia (SP): Architectural Concrete
- Criciúma(SC)¹: Ceramic Tiles
- Urussanga (SC): Ceramic Tiles

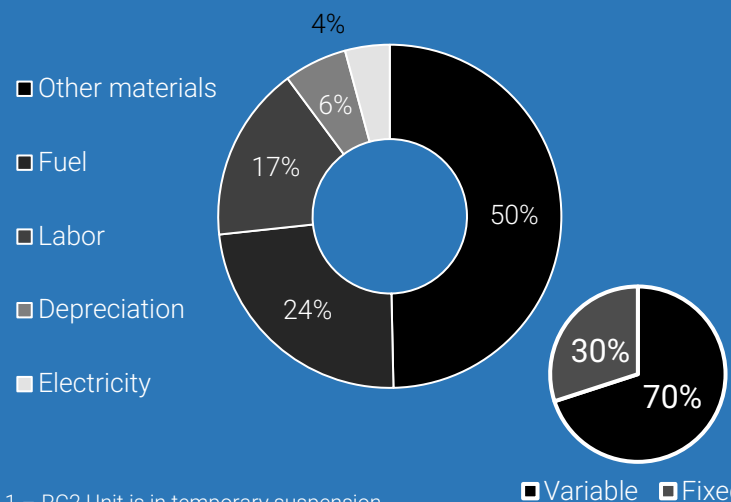
Capacity Share

- 3%

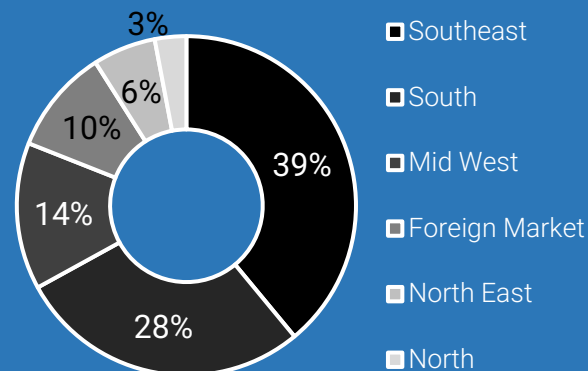
Annual Production Capacity

- 31 million of m²/year

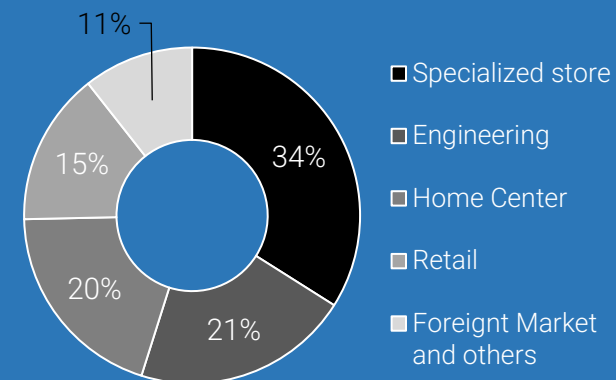
Cost Breakdown (%)



Net Revenue Geographic Breakdown (%)



Sales Breakdown By Industry



¹ – RC2 Unit is in temporary suspension
Data referring to the year 2022



STRATEGIC PILLARS

FINISHES FOR CIVIL CONSTRUCTION

 **METALS**

 **TILES**

 **SANITARY
WARES**

 **CASTELATTO**

 **HYDRA**

LEVEL OF SERVICE



**EXCELLENCE IN
SUPPLY CHAIN**



**OPERATIONAL
EFFICIENCY AND
RENEWAL
INDUSTRIAL**



**SALES
EXECUTION WITH
EXCELLENCE**



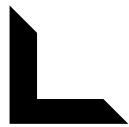
**CONSUMER
CENTRIC**



PEOPLE



**GROWTH
M&A | OEM**

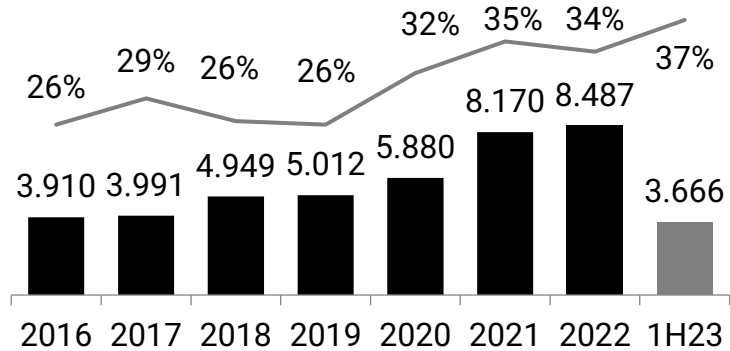


FINANCIAL INFORMATION

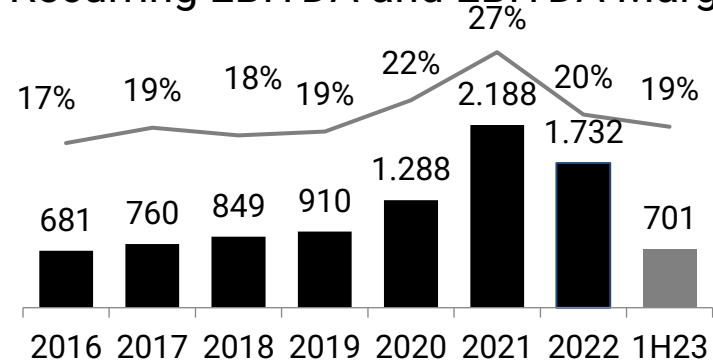


Consolidated Results

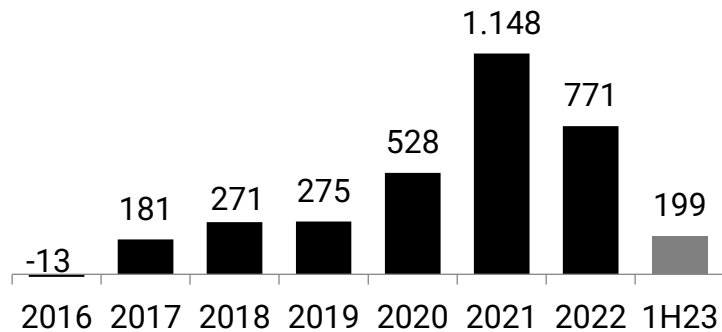
Net Revenue and Gross Margin



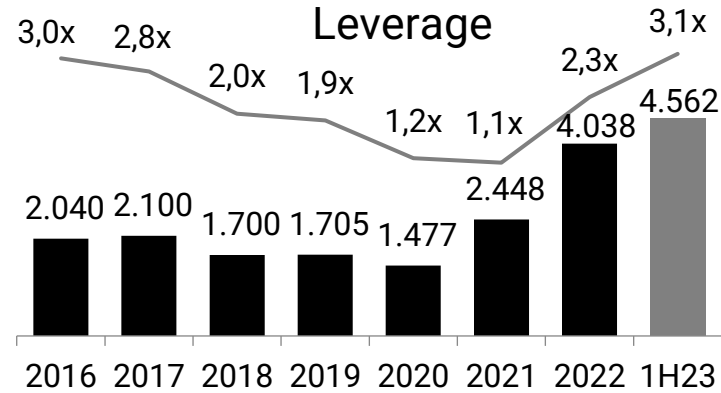
Recurring EBITDA and EBITDA Margin



Recurring Net Income



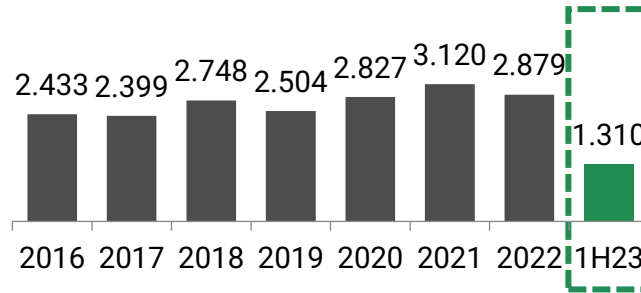
Net Debt and Financial Leverage



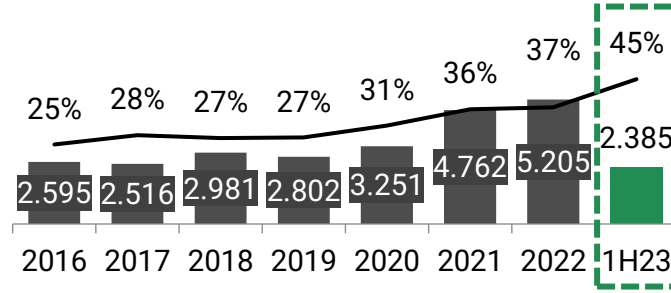
Business Units Results

Wood Panels

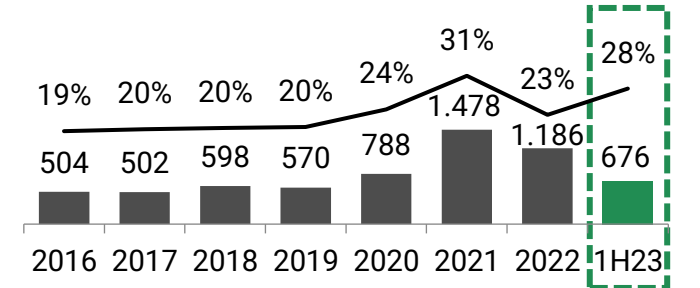
Volume ('000 m³)



Recurring Net Revenue and Gross Margin

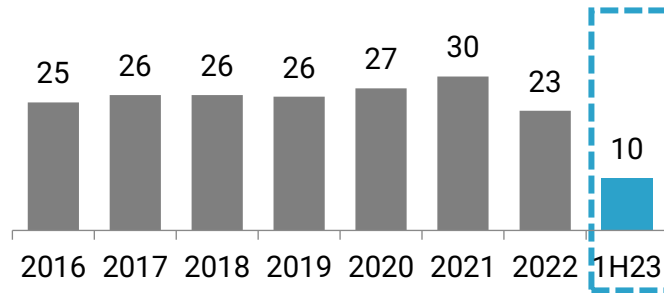


Recurring EBITDA and EBITDA Margin

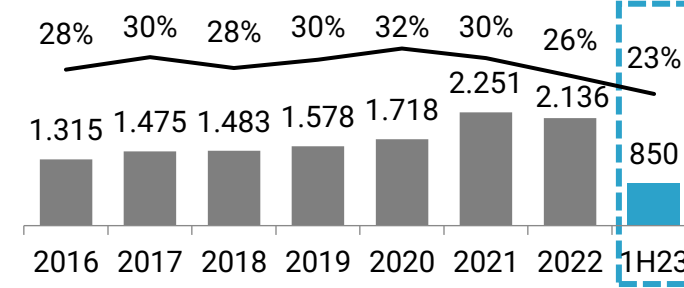


Metal and Sanitary Ware

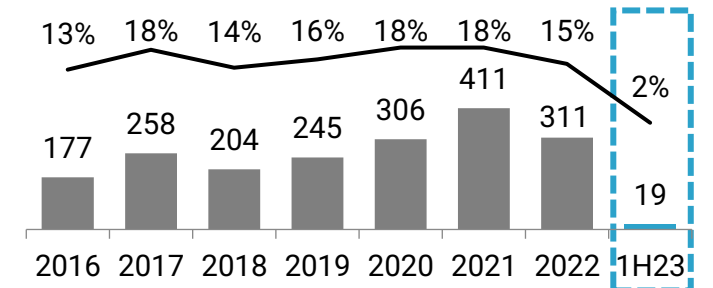
Volume (millions of itens)



Recurring Net Revenue and Gross Margin

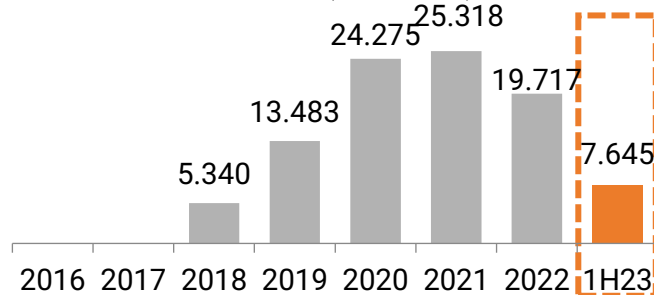


Recurring EBITDA and EBITDA Margin

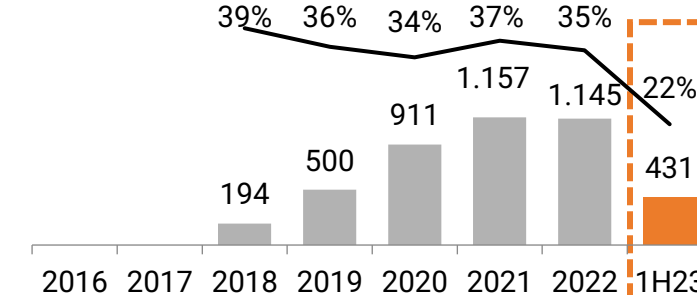


Tile

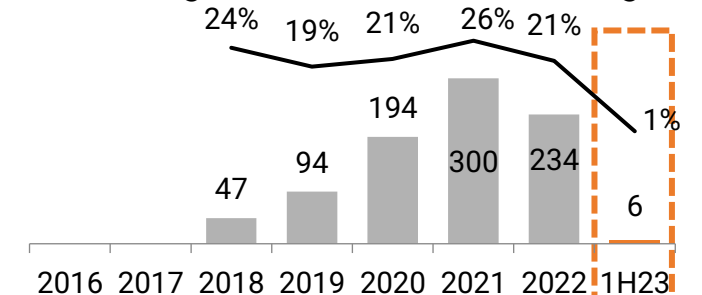
Volume ('000 m²)



Recurring Net Revenue and Gross Margin

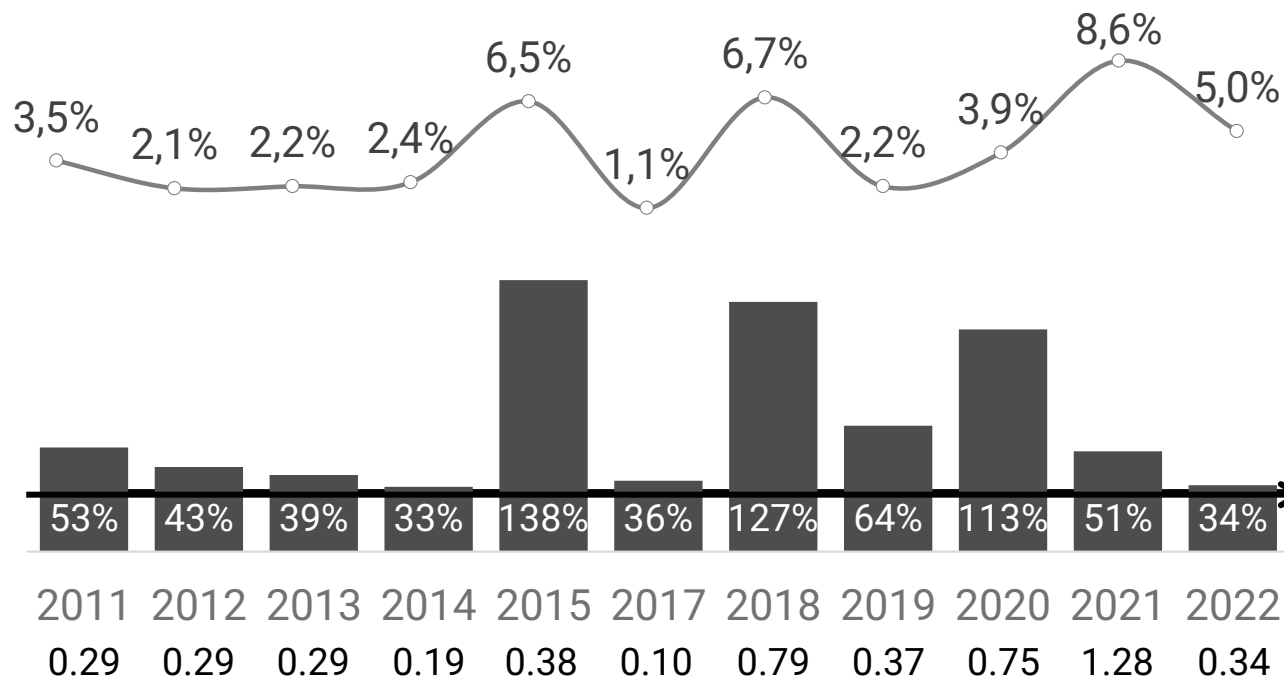


Recurring EBITDA and EBITDA Margin



Dividends Policy¹

— Payments at least once per fiscal year.



Dividend
Yield (%)

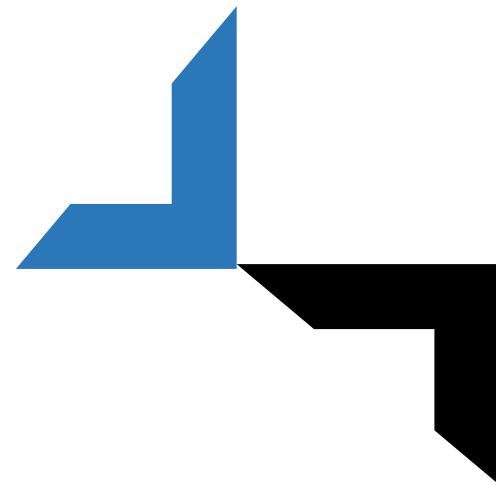
Payout

Minimum dividend
(30% of adjusted net
income)

Payment
R\$ / Share



¹ In 2016 and in 2022, no disbursements was made regarding dividends and interest on capital



QUARTERLY **RESULTS**

2Q23 | 1H23



Headlines

2Q23/1H23

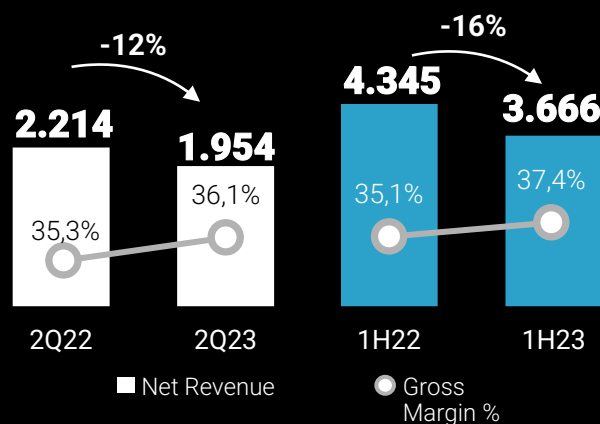
Pro-forma Adjusted & Recurring EBITDA of **R\$984 M in 1H23**, including the 49% of EBITDA from LD Celulose



- Confirmation of the sustainable, resilient performance of the Wood Division;
- Structure-led actions focused on delivering medium and long term returns in the Finishings For Construction Division made an impact during the period;
- Adjusted & Recurring EBITDA of R\$350 million in 2Q23, in line with 1Q23, with R\$701 million for the semester;
- LD Celulose reported a Recurring EBITDA of R\$308 million in 2Q23, with a margin of 51%, R\$150 million pertaining to Dexco.

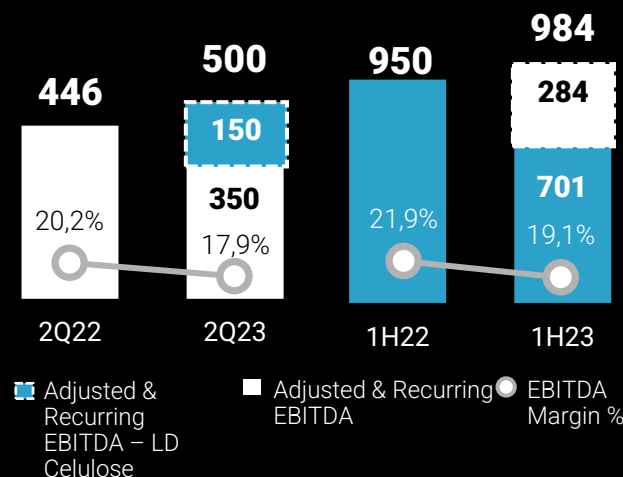
Recurring Net Revenue & Gross Margin

R\$ million / %



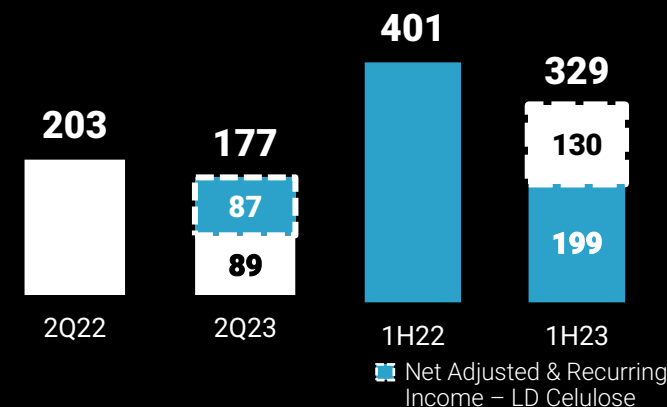
Adjusted & Recurring EBITDA & Margin

R\$ million / %



Recurring Net Income

R\$ million



Cash Flow

2Q23/1H23

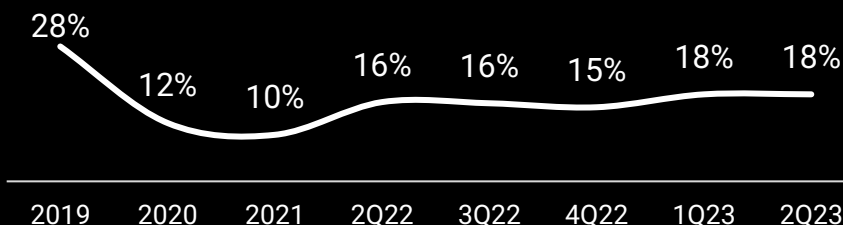
Maintenance of Working Capital/Net Revenue (~18%)

- Maintenance of Working Capital/ROL, illustrating the Company's focus on cash flow management;
- Initiatives linked to Working Capital and control of investment partially compensating for the impacts arising from financing costs;
- Positive sustaining Cash Flow of R\$60.4 million for the quarter;
- Ongoing project investment as part of the 2021-2025 Cycle in 1H23:
 - R\$99 million: new ceramic tiles unit in SP;
 - R\$ 72 million: Deca productivity projects, improvements to the mix and automation;
 - R\$ 23 million: Improvements to the panels mix, factory debottlenecking and expansion of the forestry base;
 - R\$ 90 million: DX Ventures.

Free Cash Flow YTD



Working Capital/Net Revenue



CAPEX

R\$ million

Investment	2Q22	2Q23	1H22	1H23
OPEX FORESTRY	93	74	224	154
MAINTENANCE	118	68	185	128
Sustaining CAPEX ¹	211	142	409	282
PROJECTS ^{2,3}	123	171	537	312

Corporate Debt

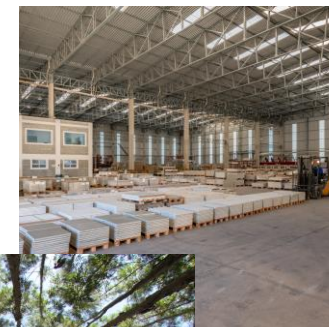
2Q23/1H23

Leverage at 3.1x, still at **appropriate levels** for the operation

Financially sound: received a AAA.br rating from Moody's, while Fitch kept its global and national ratings at "BB+" and "AAA (bra)", respectively.

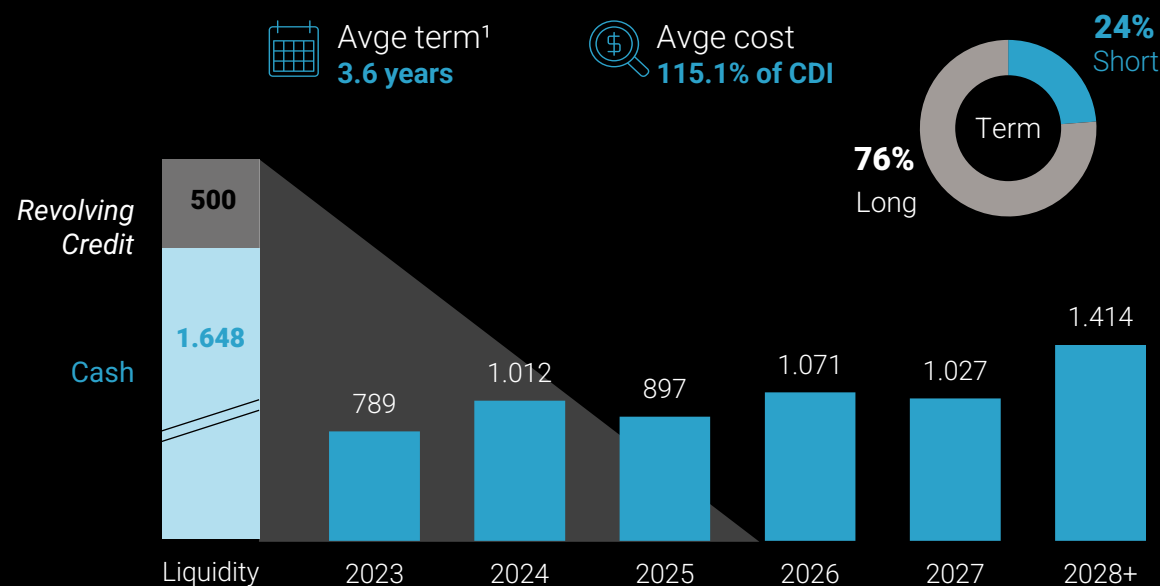
- Liability management: 4 p.p. increase in long term corporate debt 2Q22, even under a scenario of elevated interest rates

R\$249.0 million in Interest on Net Equity payments related to 2022, and investment in strategic projects, taking the Net Debt/EBITDA ratio to 3.1x;



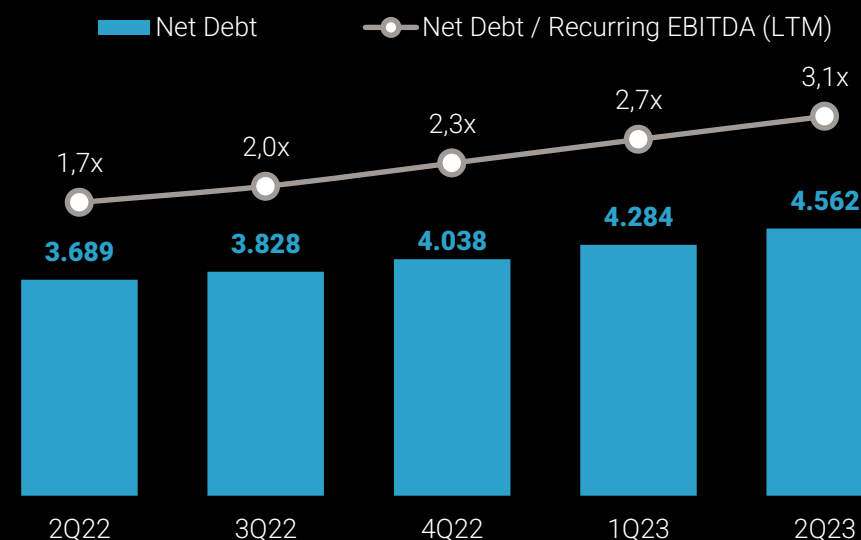
Amortization timeline

R\$ million



Financial Leverage

R\$ million



Durafloor
Duratex



WOOD



Sector Environment

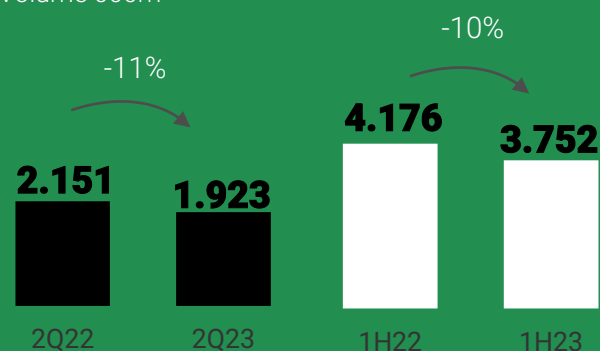
Wood Panels

IBÁ data

- Slight drop off in the Domestic Market versus 2Q22, albeit with an improvement versus 1Q23;
- External market still significantly impacted, with a fall of -49% in relation to 2Q22.

Panels Total

Volume 000m³



Domestic M.

-2%

-2%

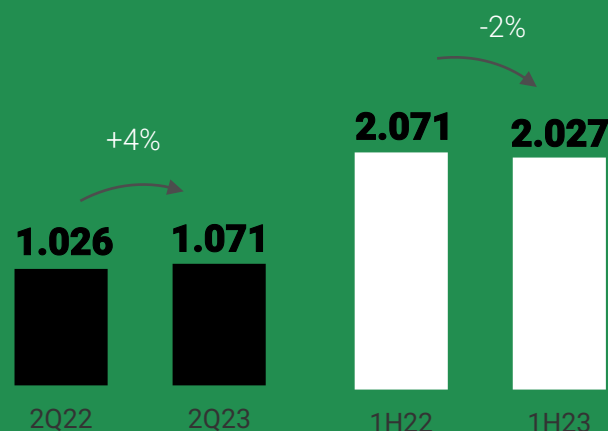
External M.

49%

-45%

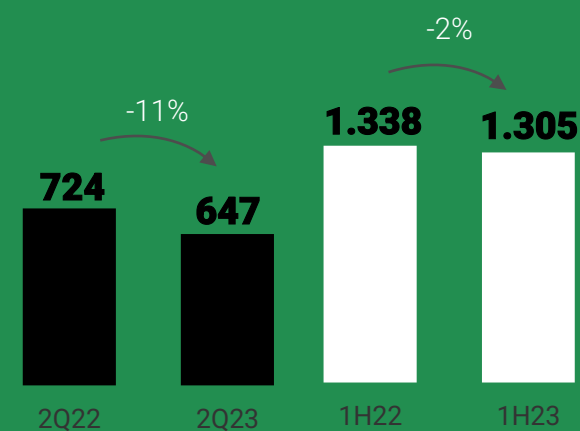
MDF Domestic Market

Volume 000m³



MDP Domestic Market

Volume 000m³



Results

Wood

- Maintenance of market share, with growth in 2Q23, even against a backdrop of a more competitive market scenario;
- One-off standing wood sales, with focus on optimizing the Company's assets;
- Adjusted & Recurring EBITDA¹ of R\$344 million in the quarter, with a margin of 28%, and of R\$676 million for the semester, with a margin of 28%.

Capacity Utilization 2Q23

%

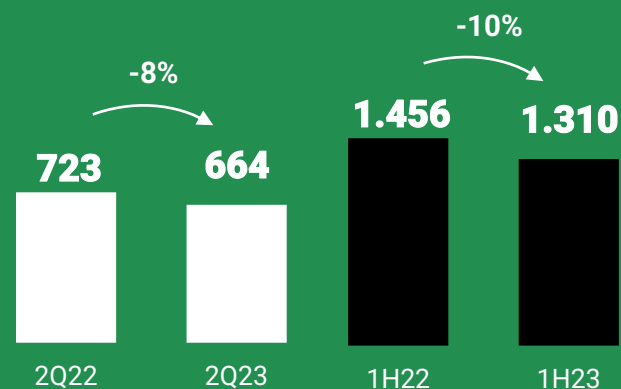
75%

MDF
77%

MDP
73%

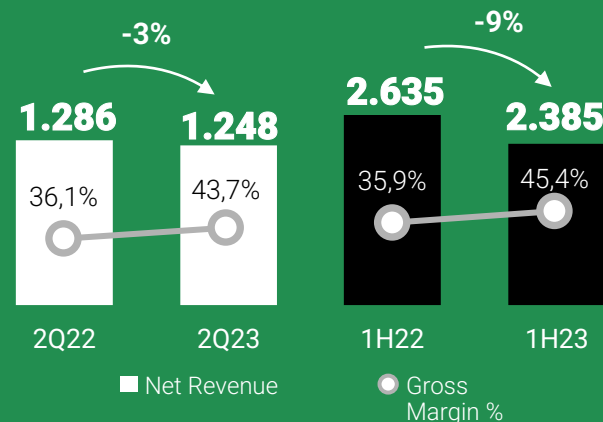
Volume

000m³



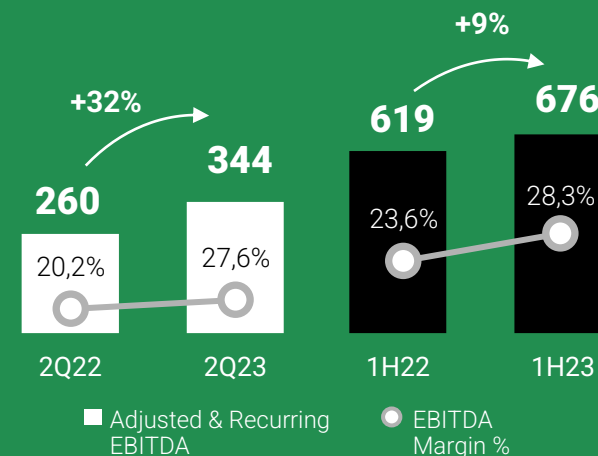
Recurring Net Revenue & Pro Forma Gross Margin

R\$ million / %



Adjusted & Recurring EBITDA¹ & Margin

R\$ million / %



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

Results

Dissolving Wood Pulp

2023 at **full capacity** and **meeting quality levels**

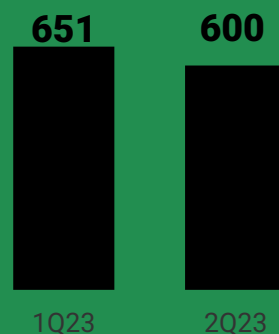
- Operating at full capacity in the quarter;
- Cost improvements arising from stabilization of production following shutdowns in 1Q23;
- Pro-forma recurring EBITDA of R\$150 million in 2Q23, with a margin of 51%.



**RESULTS
RELATING
TO 100% OF
OPERATION**

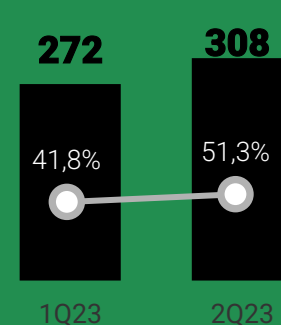
Recurring Net Revenue

R\$ million



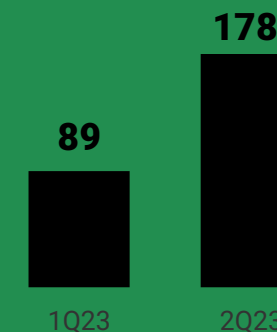
EBITDA

R\$ million



Net Income

R\$ million





Deca portinari ceusa
Hydra castelatto

FINISHINGS FOR
CONSTRUCTION

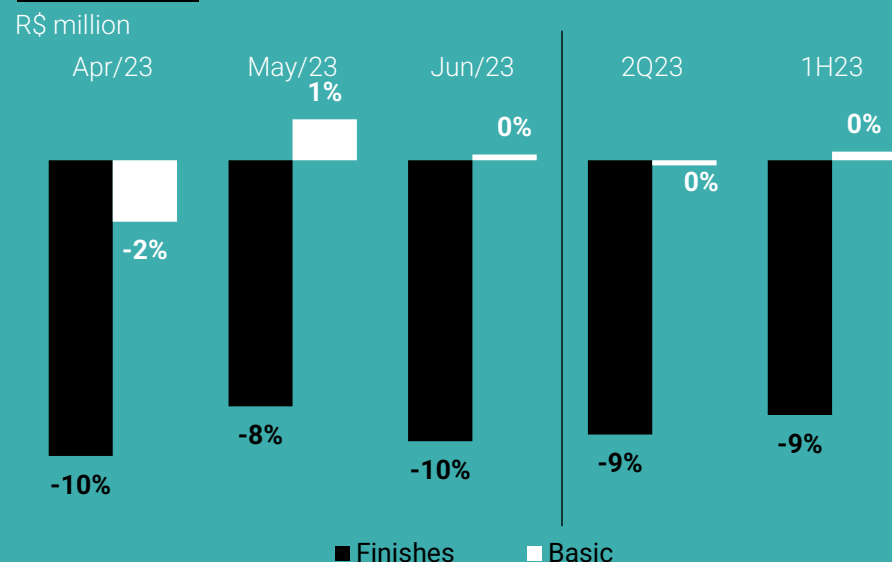
Sector Environment

Metals and Sanitary Ware

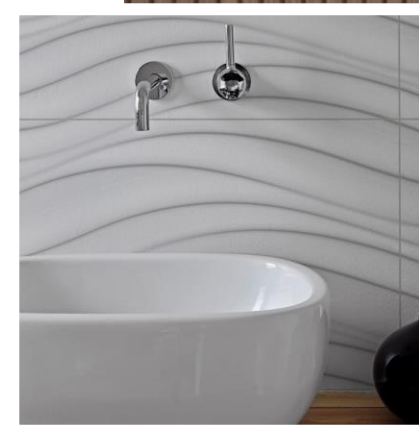
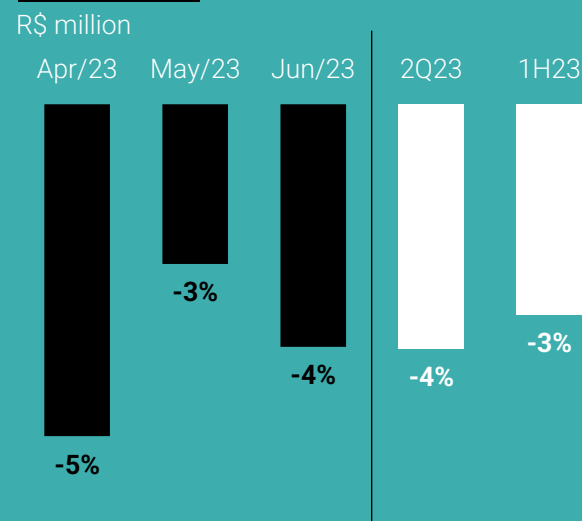
ABRAMAT data

- Drop off in gross deflated revenue of 3% year to date;
- Sector performance boosted by uptick in sales of basic products;

Gross deflated revenue by product type vs 2022 and 1H22¹



Construction materials industry revenue vs 2022 and 1H22¹



Results

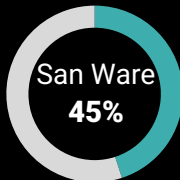
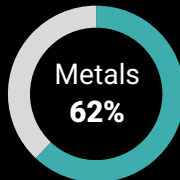
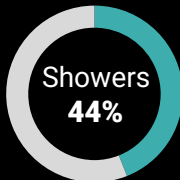
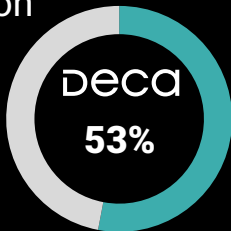
Metals and San Ware

- Increase in volume vs prior quarter, boosted by the seasonality typical for the electric showers business, coupled with an increase in market share;
- Results impacted by initiatives focused on delivering returns in the medium and long term;
- Adjusted & Recurring EBITDA of R\$-3 million in 2Q23 and R\$19 million for the semester.



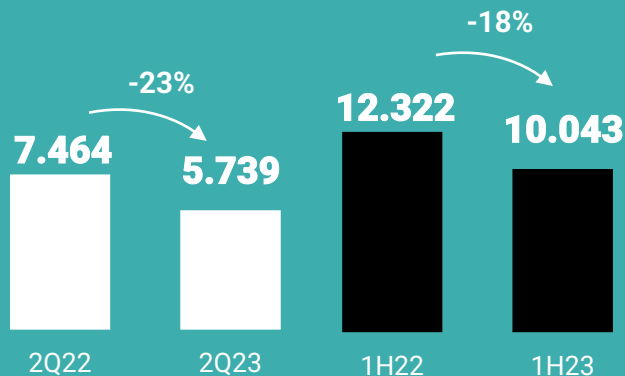
Capacity Utilization
2Q23

%



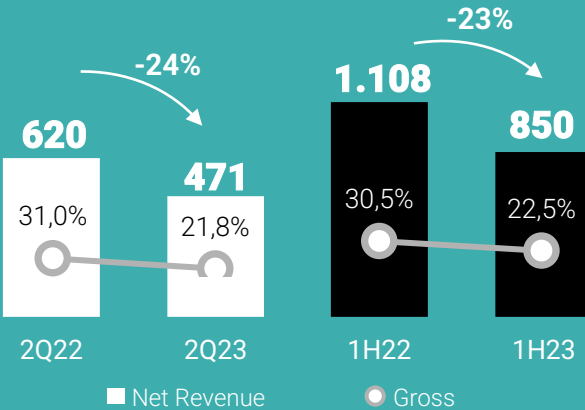
Volume

Pieces



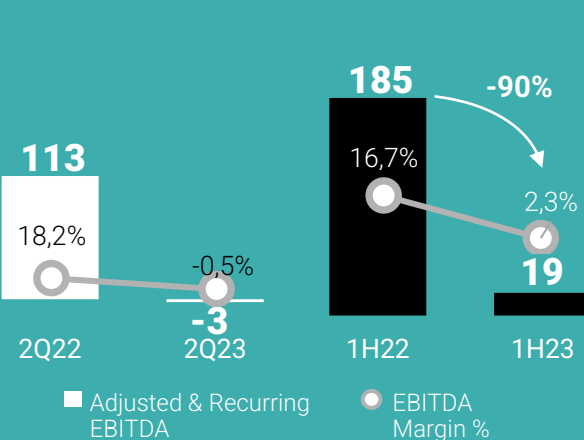
Recurring Net Revenue
& Pro Forma Gross Margin

R\$ million / %



Adjusted & Recurring EBITDA
& Margin

R\$ million / %

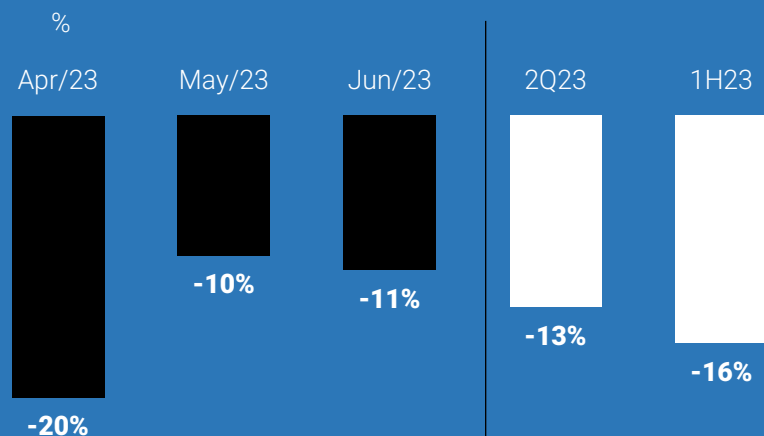


Sector Environment Tiles

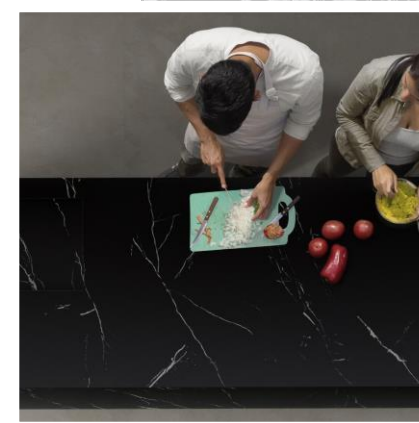
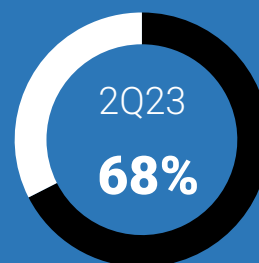
ANFACER data

- Fall in sales volumes for the quarter, but less significant in May and June;
- Partial recovery in capacity utilization for the industry, albeit it remains at historically low levels;
- Increase in average storage term for the industry of 32% versus 2Q22.

Sales volumes in the ceramic tiles industry vs 2022



Capacity utilization

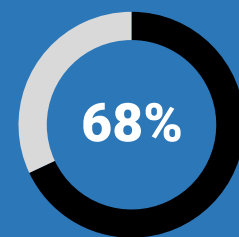


Results Tiles

- Structuring actions led to an increase in market share and improvement in volumes versus prior quarter;
- Recovery in utilization versus 1Q23, leading to a greater dilution of fixed costs;
- Adjusted & Recurring EBITDA of R\$8 million in 2Q23 and R\$6 million for the semester.

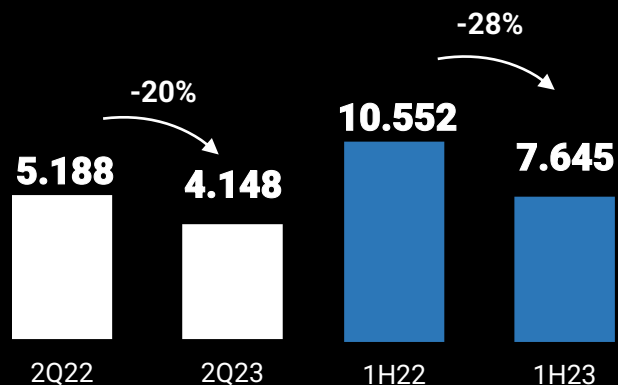
Capacity Utilization 2Q23

%



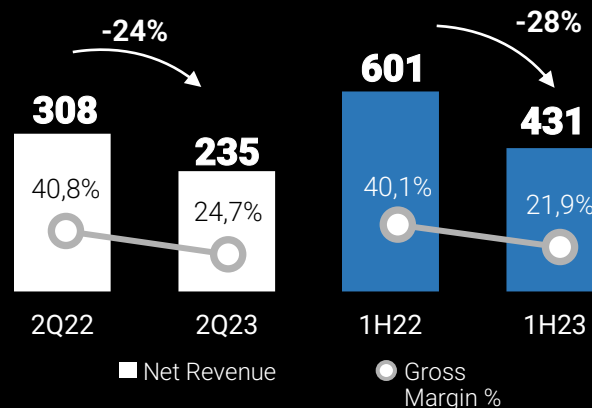
Volume

000m²



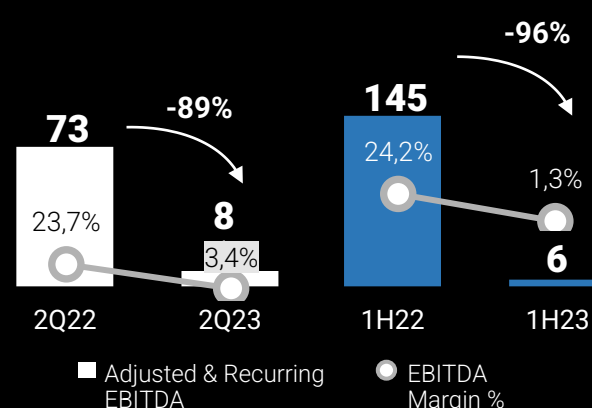
Recurring Net Revenue & Pro Forma Gross Margin

R\$ million / %



Adjusted & Recurring EBITDA & Margin

R\$ million / %





INVESTOR

RELATIONS

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