

12•09•2024



Dexco DAY 2024

Dexco

deca

portinari

Hydra

Duratex

castelatto

ceusa

Durafloor

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Agenda

Guilherme Setubal

IR, Institution & ESG Director

Antonio Joaquim de Oliveira

CEO

- History and new level of results
- Forestry as a fortress

Raul Guaragna

Vice President of Metals, San. Ware and Tiles

- Profitability of Investments and Deleveraging
- Growth Strategies
- Outlook 2025



History and a
New level
of results

The story began like this,...



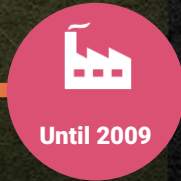
A company divided into 2 distinct businesses

Succession Preparation and Growth Plans

New CEO and new reality

Times of crisis and transformation

Cultural and financial challenges



- Pioneering: Sheets, MDF, MDP, Metals
- Market Leadership
- Reputation: Quality and Solidity
- Merger with SATIPEL

- Acquisition of the Colombia Unit
- New shareholder culture
- Entry into the Electric Shower Business

- Closure of operations in Argentina
- Beginning of the Cultural Transformation
- Growth of panel operations
- Implementation of a Robust Management System (Duratex Management System)

- New purpose: Solutions for Better Living
- Consolidation in the electric shower business
- The universe of startups and the acquisition of Viva Decora
- The 3rd Business: Ceramic Tiles and acquisition of Ceusa
- First publication of commitments related to Sustainability

- Sale of fibreboard and forestry assets
- Focus on deleveraging
- Acquisition of Cecrisa and consolidation in the Ceramic Tiles market
- LD Celulose and the 4th Business: dissolving pulp
- Closure of the Botucatu/SP panel unit and reopening of the Itapetininga/SP unit
- Closure of the Tableware unit in São Leopoldo/RS

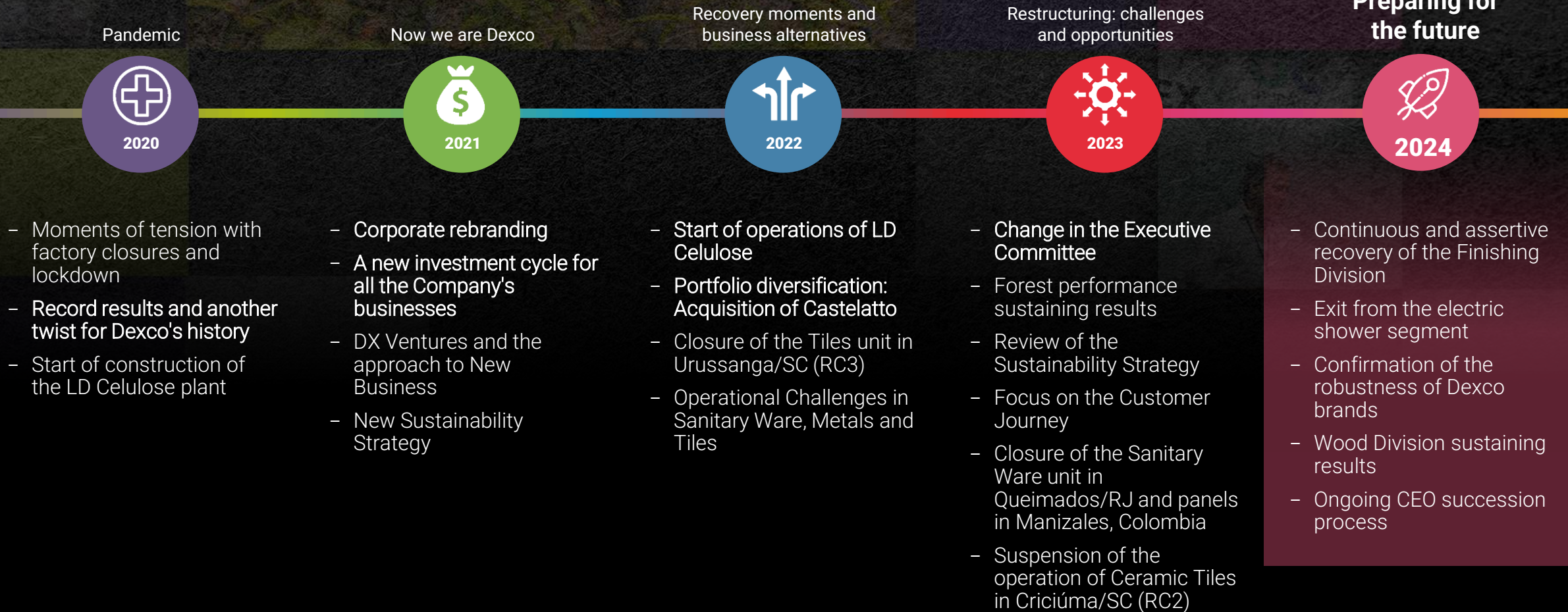


Antonio Joaquim is announced as the new CEO of Dexco on March 21, 2013

and we got here...



Preparing for the future

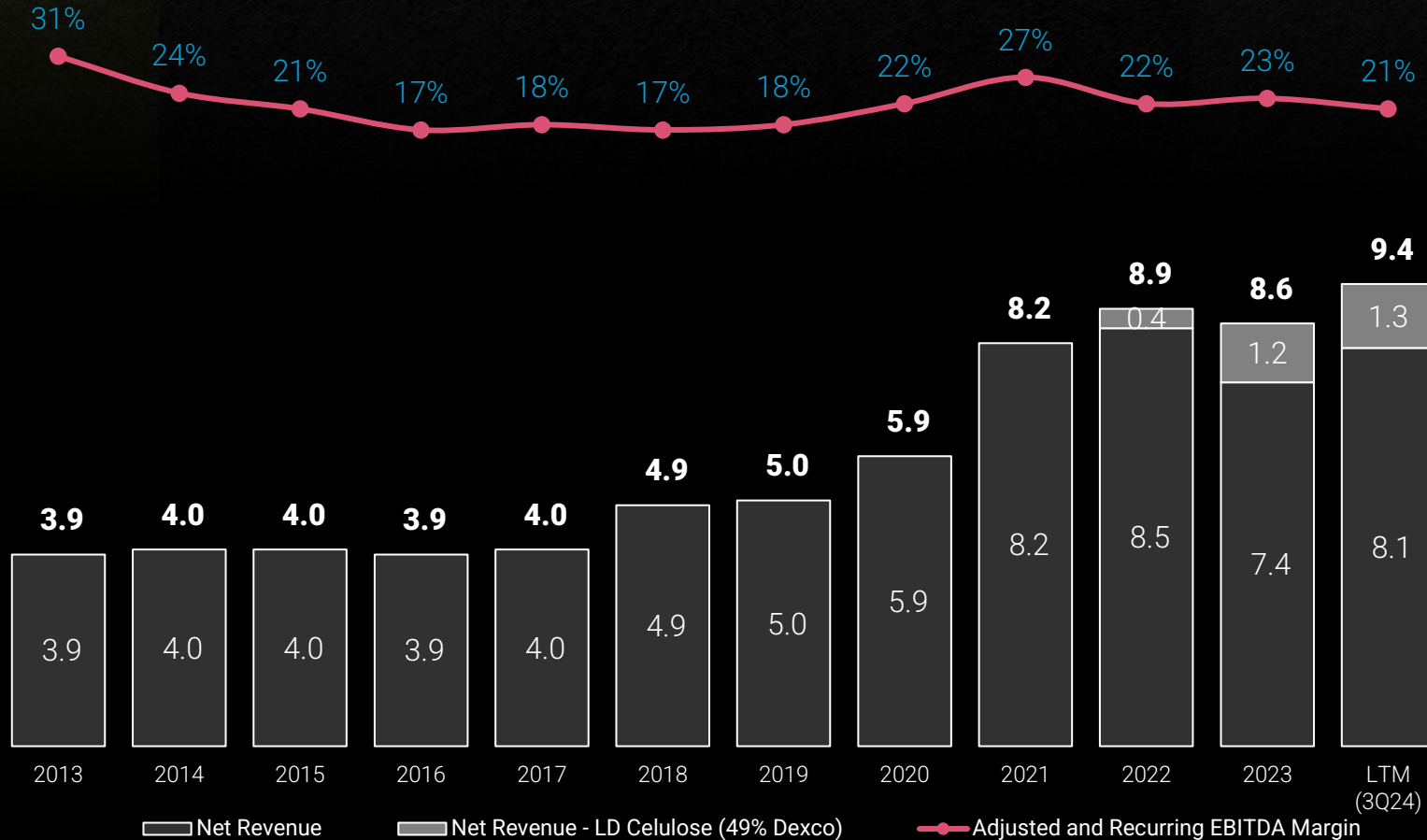


... confirming our growth trajectory.

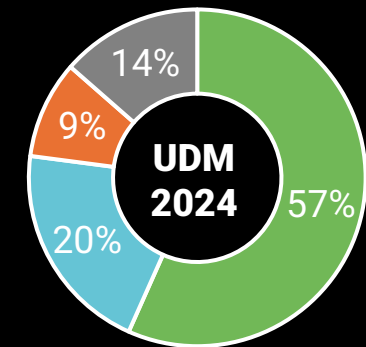
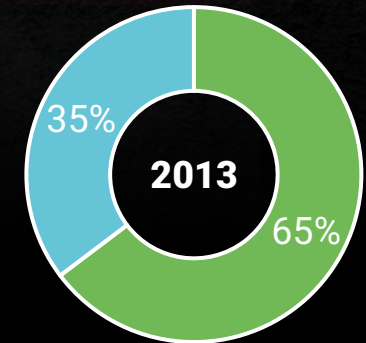


Net Revenue vs. Adjusted and Recurring EBITDA Margin

(In R\$ billion and %)



REVENUE COMPOSITION



- Wood
- Metals and San. Ware
- Tiles
- Dissolving Wood Pulp

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Forestry as a
Fortress

Sizing up forestry needs



THE PULP AND WOOD PANEL MARKET IN BRAZIL

With the growing consumption of wood, the demand for areas for planting and the price of land also increase, impacting on the costs of implementing forests. As a result, we've seen forestry costs grow more than inflation

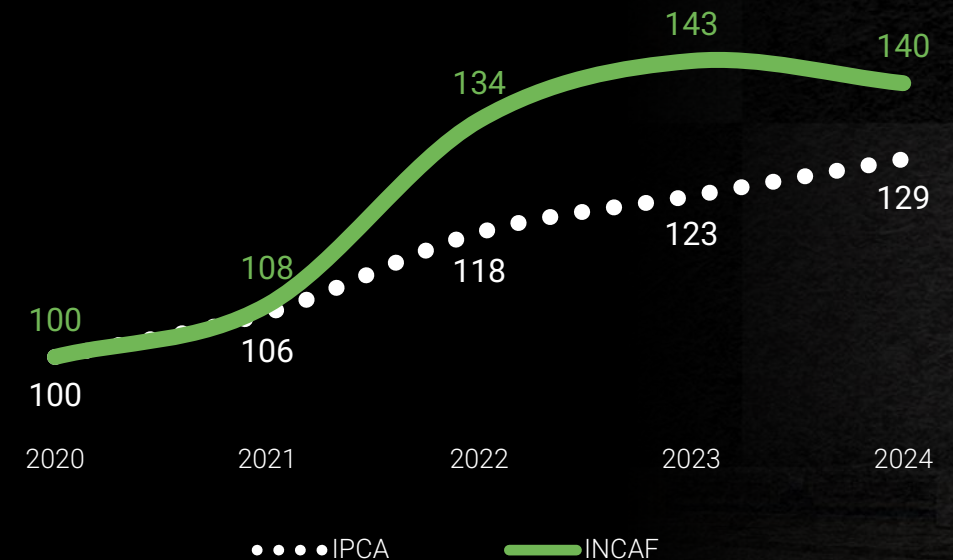
On average, requires

+100 millions
of m³ of wood to meet current demand² of projects

Our market represents **16%** of the annual wood demand of all the pulp factories in Brazil combined

Price increase index¹

(Base 100)



¹ | INCAF (National Forestry Activity Cost Index) values taken from the official AFRY report | IPCA values (official contract adjustment index) taken from the IBGE website.

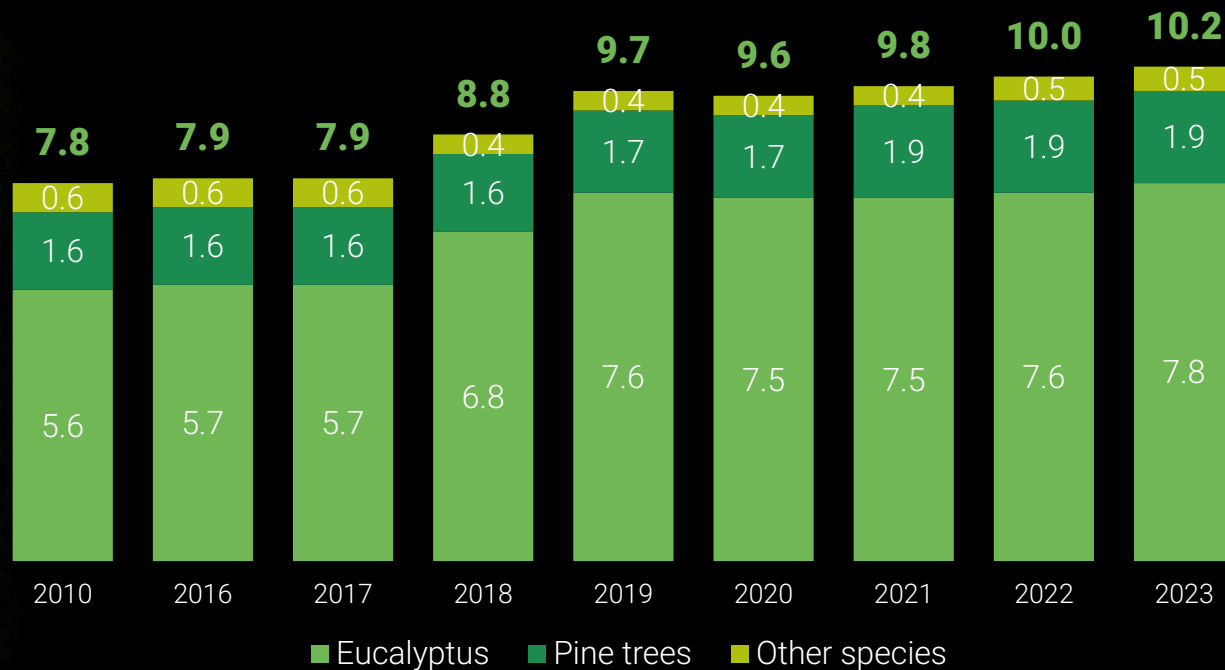
² | Market composed of about 87.5 million m³ for pulp production and 14 million m³ for wood panel production.

Planted Area in Brazil

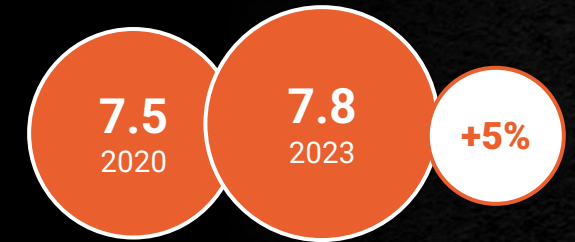
Areas with forest plantations **have not kept up with the growing demand for wood.**

Evolution of the area of forest plantations in Brazil

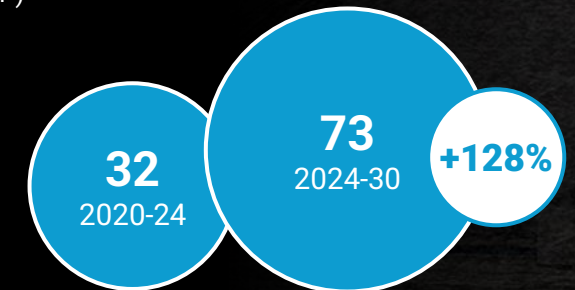
(In millions of hectares)



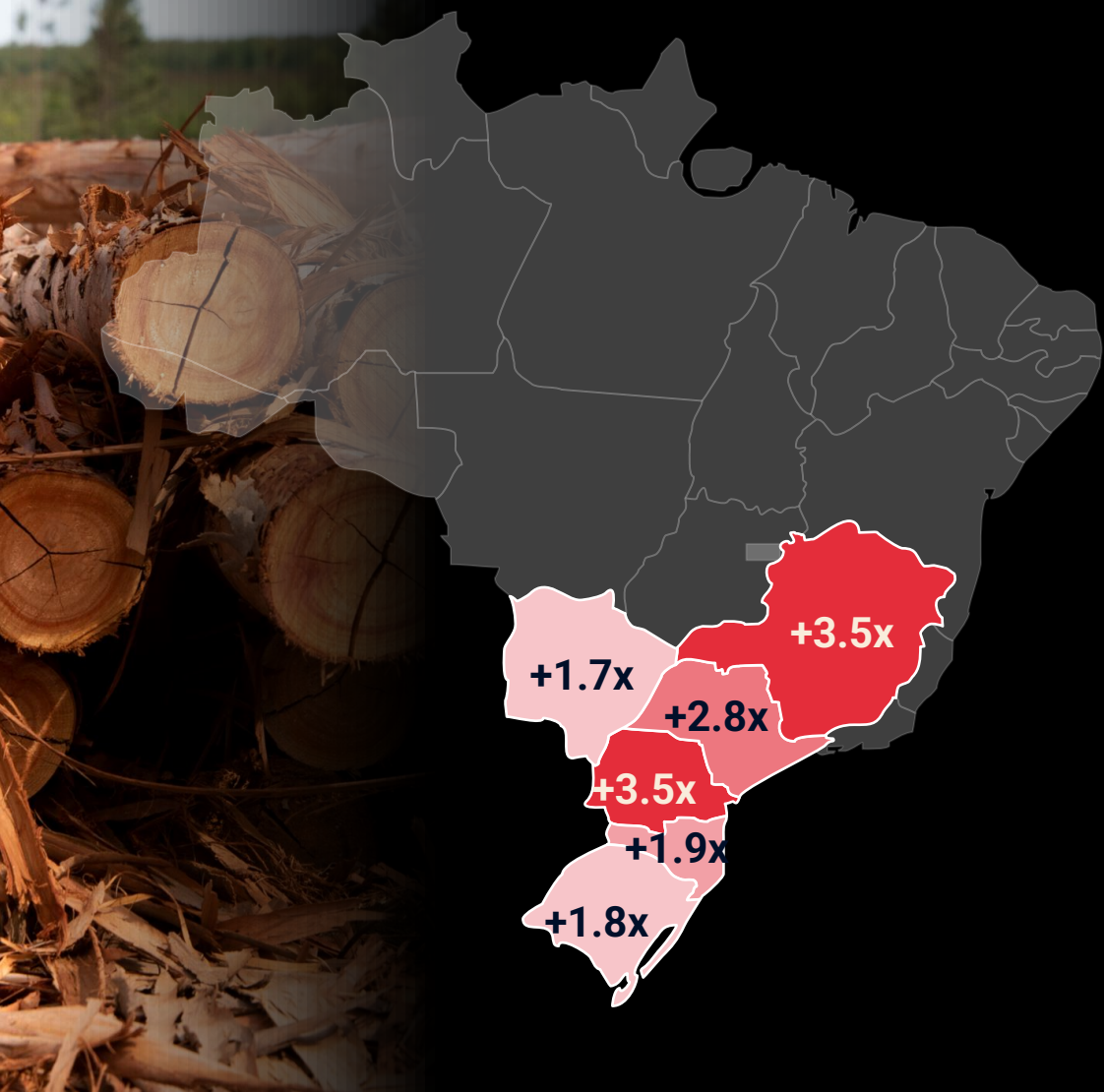
Eucalyptus planted area (millions ha)



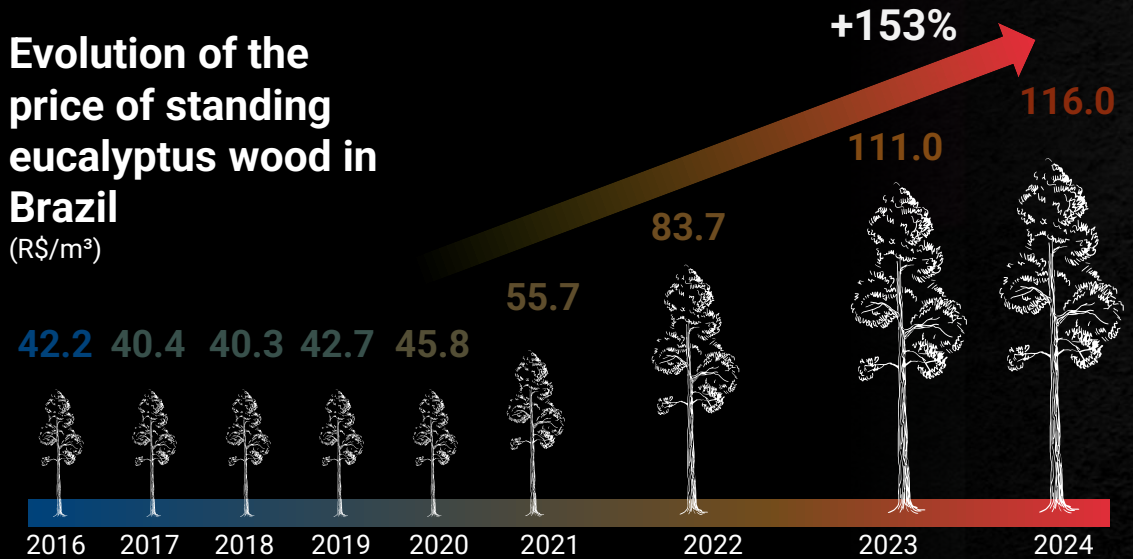
Demand for Eucalyptus Wood (m³)



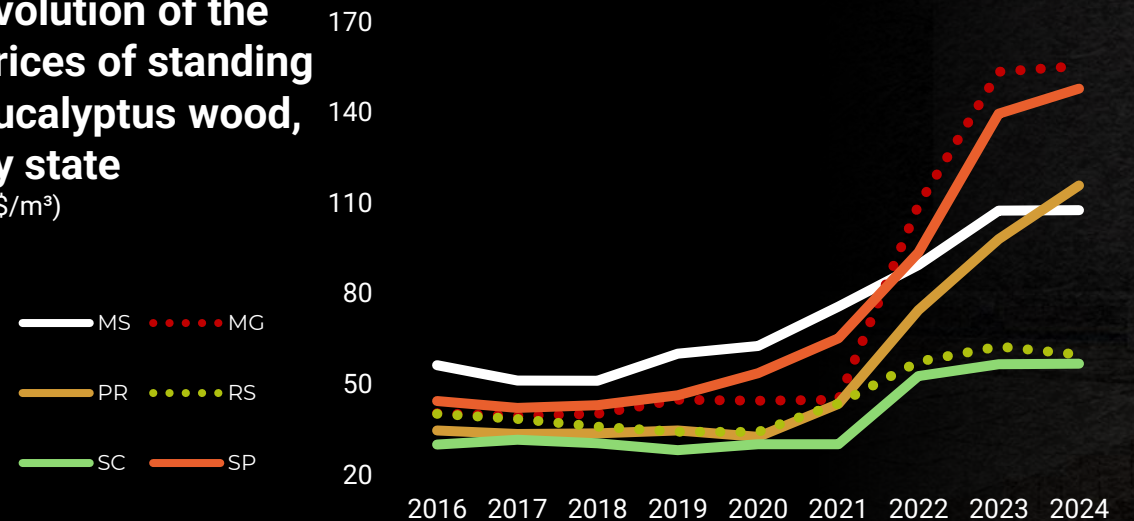
Evolutionary wood price



Evolution of the price of standing eucalyptus wood in Brazil (R\$/m³)



Evolution of the prices of standing eucalyptus wood, by state (R\$/m³)



Our investments

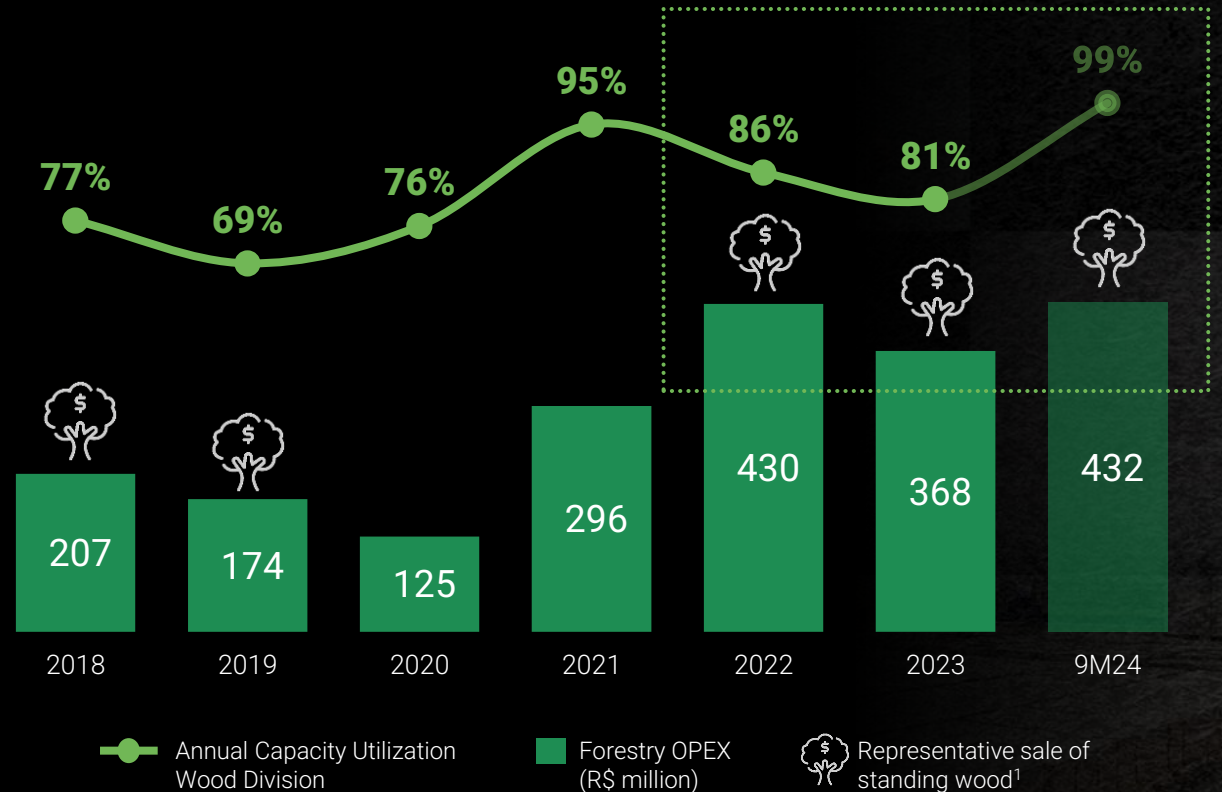
Dexco 140,000 ha cultivable
 BRAZIL AND COLOMBIA 218,000 ha total
 * Includes Caetex and expansion

New horizons ensure the perpetuity of the business: since 2013 we've been working on **expanding the forestry base** in the Northeast with the aim of reaching 40,000 hectares.



Since 2018, Dexco has been investing in forests in order to be in a **different and safer position compared to other players**, making it possible to optimize the profitability of its forestry assets.

In addition to guaranteeing the supply of its panel factories, which have been over **80% occupied since 2021**



1 | In 2018 and 2019, land and forest sales were made to players in the pulp market, recorded as non-recurring results

Forest sustainability



WHERE WE HAVE EVOLVED

With the increase in forestry activity, there is less availability of manpower for these operations and, as a result, technology has been an important tool when it involves maintaining profit levels



Monitoring

Fire Detection, Fatigue Monitoring, Vehicle Tracking.



Forest Systems

Implementation of the Sapiens Project, integration in telemetry for operational control.



Forestry

Operational Efficiency

An increase of more than 10% during 2024 in relation to the efficiency of forest management operations

Total areas affected by forest fires in 2024



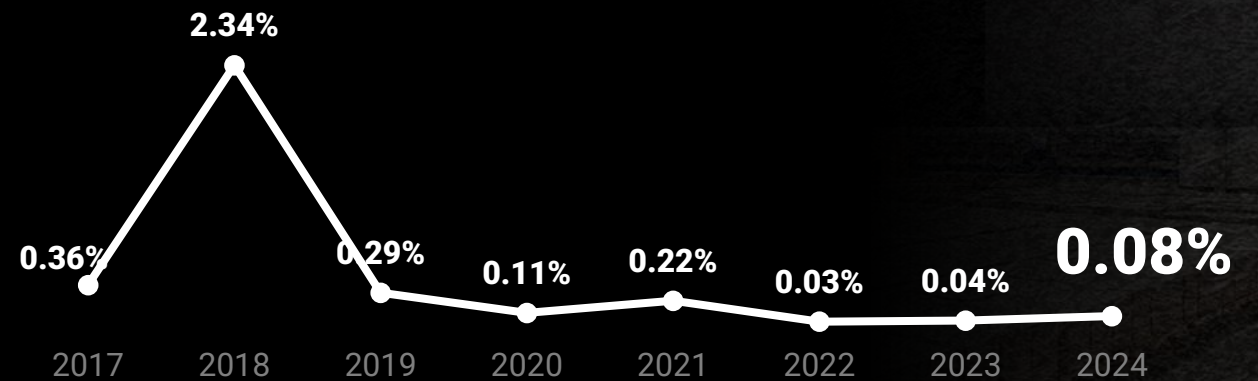
10,000 ha



8,000 ha

Approximately 3,000 hectares in Mato Grosso do Sul and 5,000 hectares in São Paulo belong to players in the forestry market

Dexco areas affected by forest fires (% of total ha)



Our differentials



Forestry asset



We will continue to invest in forests

Genetic enhancement



program with more than 5 decades

Forest productivity



52% up average brazilian

Strategic location



We have the best average radius in the world

Mechanization and technologies



Continuous investment in mechanization and 24-hour operation of the control tower

Operating Costs



strong and tireless cost management

We remain committed to our purpose and **will continue to invest strategically**



Profitability of Investments

Succession Plan

Looking ahead to the next cycle, when Antonio Joaquim, the company's current CEO, reaches the maximum age for a Dexco director, **Raul Guaragna** has been announced as his successor.



Priorities of the New Agenda

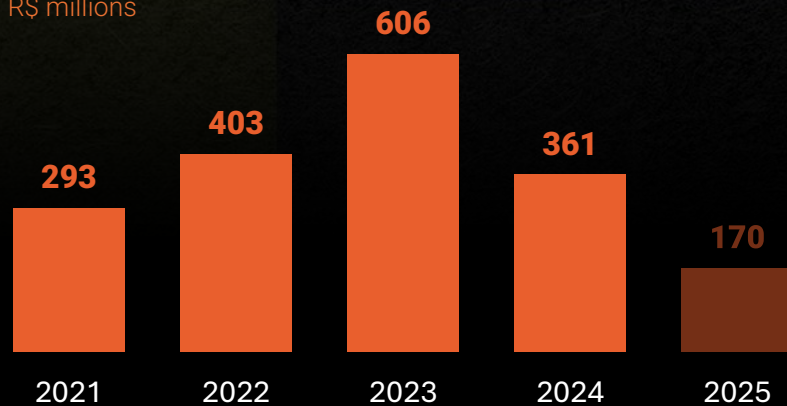
- Reap the results of the 2021-2025 Investment Cycle
- Completion of the turnaround of the Finishings for Construction Division
- Exploring growth opportunities for the Wood, Metals and Sanitary Ware businesses
- To grow the relevance of the Tiles business; and
- Catalyzing cultural transformation in the Company.

Investment Cycle 2021-2025



CAPEX TIMELINE (PROJECTS)

R\$ millions



Investments

forecasted total

R\$ 1.8 bi

after a reduction of R\$ 700 million in the initial plan, considering gains from negotiation and adaptation of projects to the market scenario

Investments by strategic lever

Wood

2 lines of panel coatings and factory debottlenecking already implemented, and a forest base expansion project in the Northeast, still in progress

R\$ 0.3
billion

Tiles

New plant in Botucatu, with new technologies, products and factory modernization

R\$ 0.7
billion

Metals and San. Ware

Improved product mix with investments in automation and manufacturing innovation

R\$ 0.5
billion

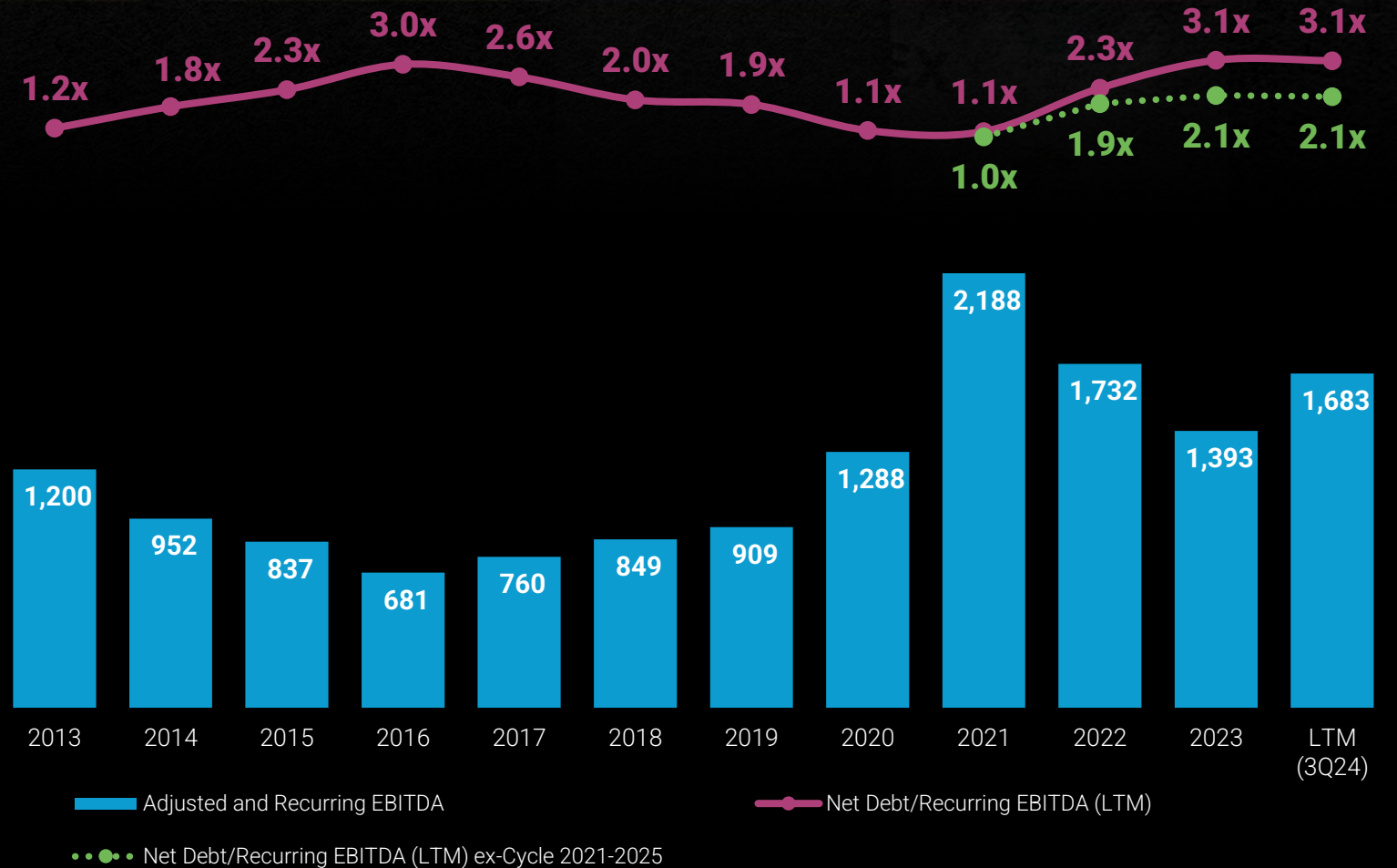
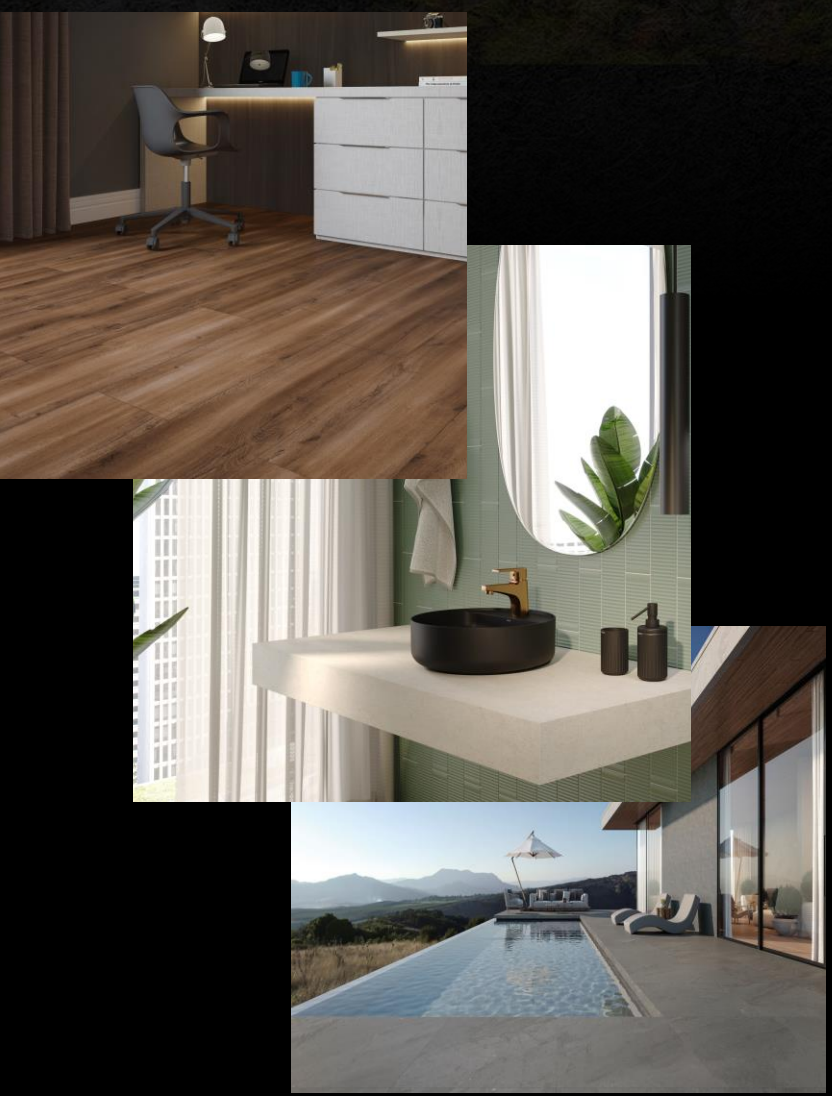
Innovation and Retail

Investments in DX Ventures, CVC and projects to get closer to the end consumer, such as Casa Dexco

R\$ 0.3
billion



Leverage levels as a result of the Investment Cycle



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Growth **Strategies**

Retail:

a new step in the **Consumer Journey**



Maximize the delivery of **our brands' value proposition**, elevating the **consumer experience** through differentiation and innovation

Getting closer to the **consumer**, increasing understanding of the journey, capturing **data** and generating **insights**

Accelerate the **growth of the Specialized Stores channel**, designing a **franchise network** as the scalable fraction inspired by the new reference created by **Casa Dexco**

Reposition Dexco as a company with a greater **scope of action**

Structuring and expanding digital businesses with a focus on direct sales to consumers, specialized logistical support and the development of our own platform.

Flagship Store announced in 2021

Casa Dexco

Phygital Retail



Services

Expansion and integration of the ecosystem of services and technical support, covering training, sales of parts and services in multiple channels.

Logistics and Distribution

Development and structuring of the franchise model, including pilot operation, exclusive portfolio and dedicated team for management and expansion.



Flagship Store **Casa Dexco**



Deca
Portinari
Duratex
castelatto
ceusa
Durafloor

casa
Dexco

WHAT WE SEEK

Delivering an **unparalleled experience** in the renovation and decoration consumer journey.

WHAT WE'RE DOING

- **Start of product sales** in the two **existing showrooms**.
- **Hiring and training of staff** to continue this commercial operation to **lead Casa Dexco**.



Phygital Retail

Offer the consumer a truly omnichannel experience.

In the short/medium term, we expect to finalize the store concept and format the new team, in addition to operationalizing the pilot project, ensuring operational efficiency, moving forward with contracts for 2026.



Logistics and Distribution

Maximize the delivery of our **brands' value proposition** and get closer to the **consumer**.

Using a platform of excellence in services and logistics.



Services

To be the **reference** in **after-sales service**, in the **training of professionals** and in **installation services**.

We seek to improve and integrate customer service, technical assistance and professional training, with a focus on efficiency, geographical presence, simplifying processes and expanding sales through digital platforms..



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Outlook

Outlook

2025 is expected to be a **stable year**, but with **slower growth** compared to 2024, and **income levels should be the main driver** of consumption in 2025, although **limited by credit indicators**



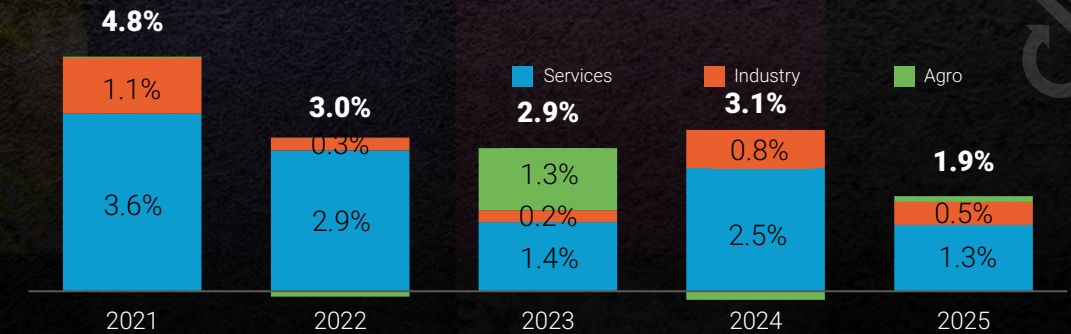
After four years of high growth, the Brazilian economy (and the industrial sector) is expected to experience growth close to its potential in 2025, with the SELIC rate in double digits being the "new normal" for the Brazilian economy;

The post-Covid recovery phase in the construction materials sector is over. New growth is expected in 2025, although lower compared to 2024 due to the worsening of macroeconomic variables;

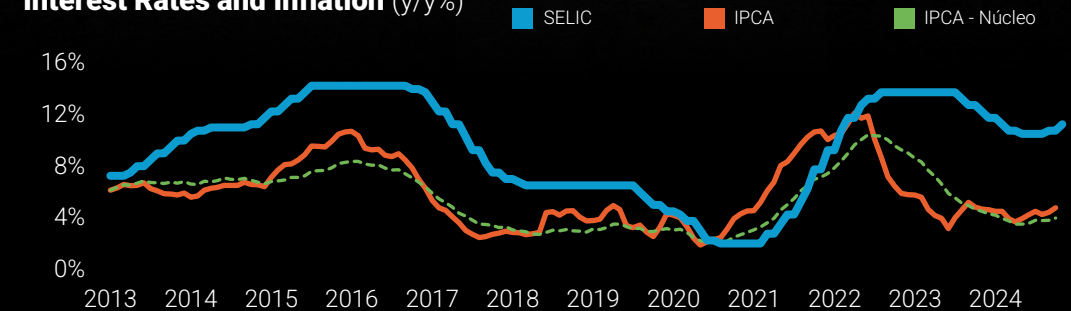
For Finishings, 2025 is expected to be a weaker year in the mid-to-high-end segment, considering the recent decline in new launches;

The popular segment (MCMV) is one of the key initiatives of the current federal government, and new launches are expected to remain strong for at least the next two years.

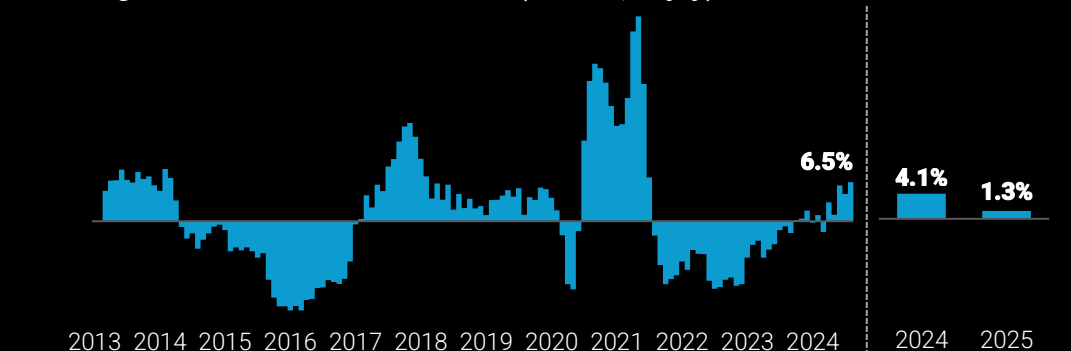
GDP by Component



Interest Rates and Inflation (y/y%)



Building Materials Retail Sales Index (mm3m, % y/y)



Outlook



Without new M&As, focusing on asset monetization and the optimization of the industrial park and operations



Explore new opportunities for margin gains in the business, such as the integration of new production chains

Constant pursuit of better cost levels in order to optimize the Company's results



Recovery of the Finishings for Construction Division as a major driver for differentiated results, following the confirmation of the performance levels of the Wood Division

Focus on deleveraging, ensuring that the gains and synergies from the investment projects carried out so far are captured



End of the 2025 cycle of the Sustainability Strategy and the definition of new ambitions that drive the Company's results towards sustainable growth, with respect for people and the environment

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Q&A

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Attendance Seal
APIMEC

DEXCO S.A.



38 Anos

Selo Assiduidade

APIMEC Brasil

Esmeralda



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Thank you



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