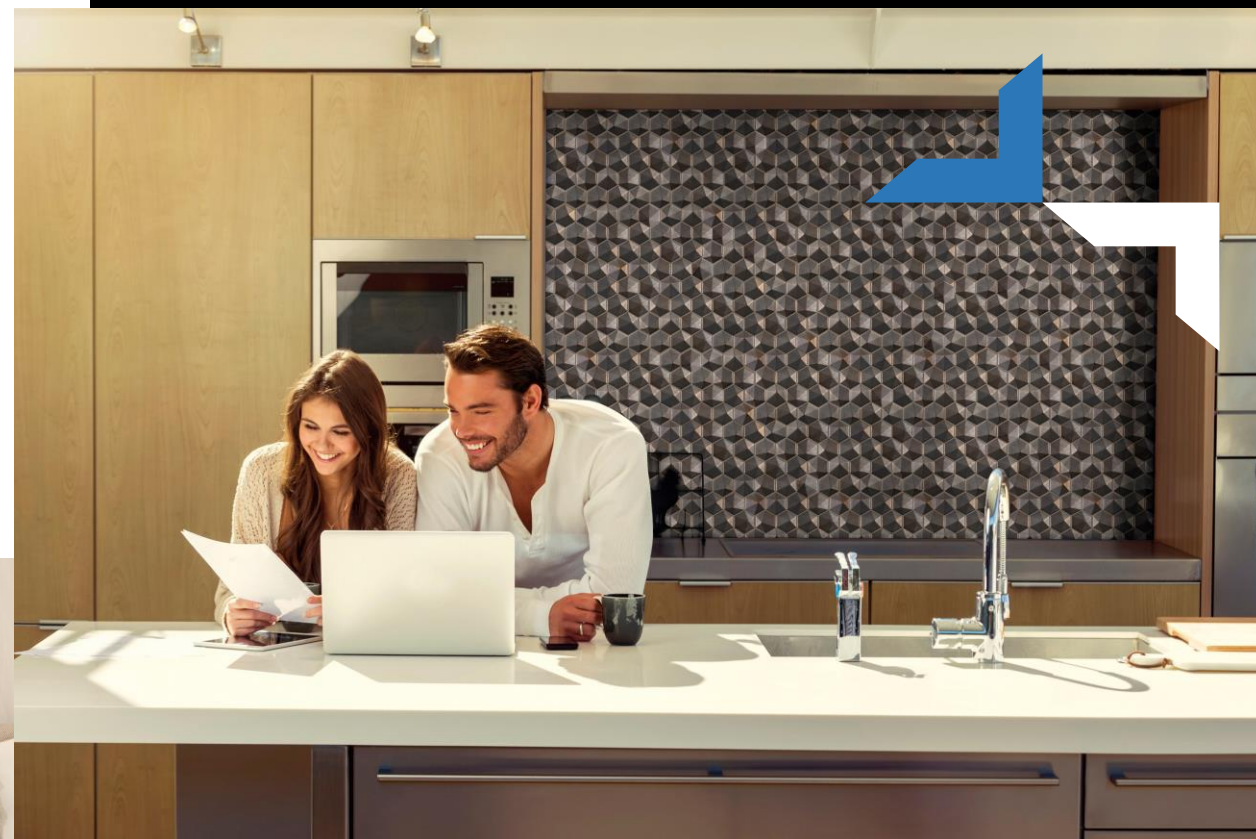


Dexco



Results Presentation 2Q23/1H23

August 3, 2023

Disclaimer

The information herein has been prepared by Dexco S.A. and does not represent any form of prospectus regarding the purchase or subscription to the company's shares or securities.

This material contains general information relating to Dexco and the markets in which the company operates.

No representation or guarantee, expressed or implied, is made herein, and no reliance should be placed on the accuracy, justification or completeness of the information provided.

Dexco does not offer any assurances or guarantees regarding the fulfilment of expectations described.



Headlines

2Q23/1H23

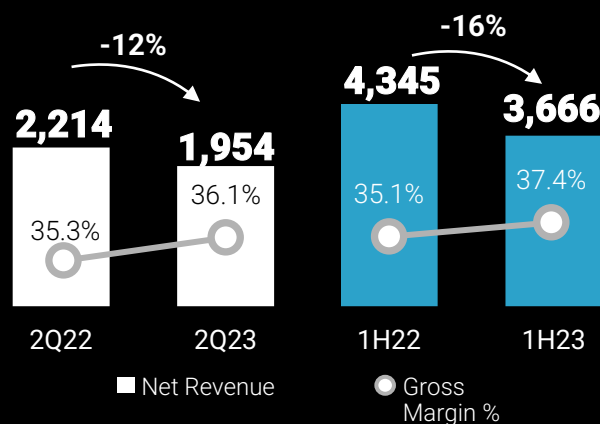
Pro-forma Adjusted & Recurring EBITDA of **R\$984 M in 1H23**, including the 49% of EBITDA from LD Celulose



- 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.

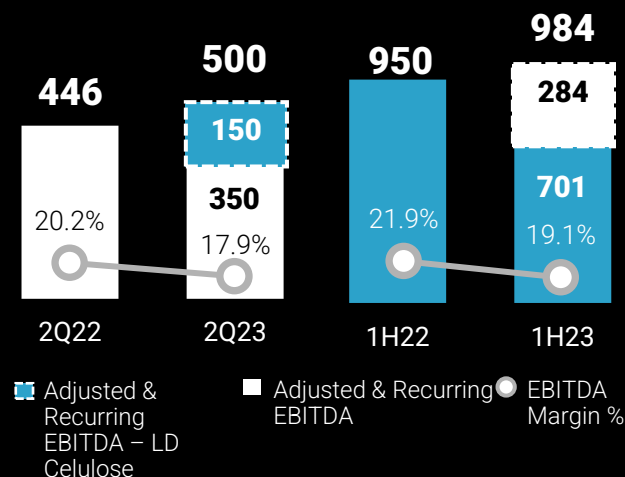
Recurring Net Revenue & Gross Margin

R\$ million / %



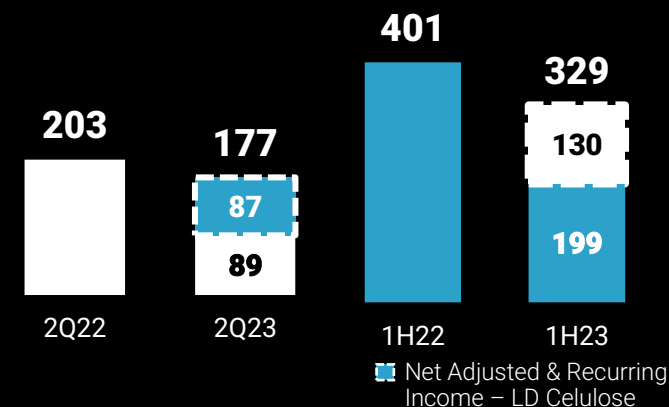
Adjusted & Recurring EBITDA & Margin

R\$ million / %



Recurring Net Income

R\$ million



Cash Flow

2Q23/1H23

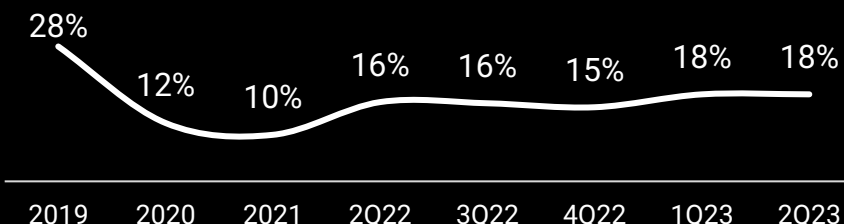
Maintenance of Working Capital/Net Revenue (~18%)

- 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

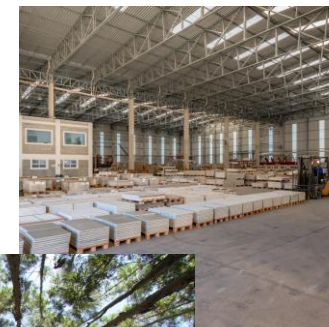
2Q23/1H23

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.

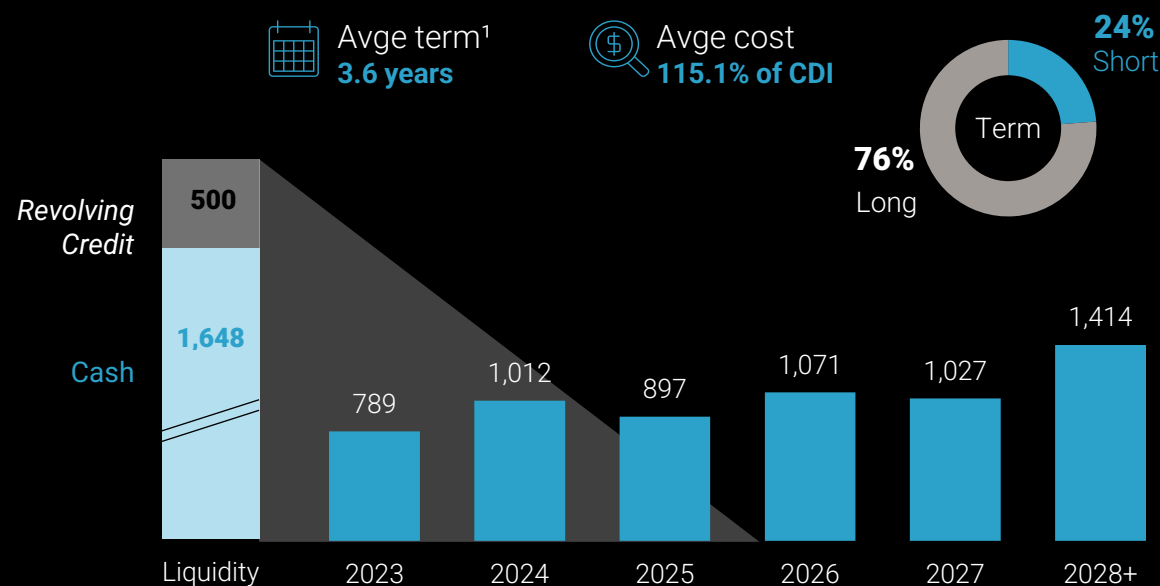
- Liability management: 4 p.p. increase in long term corporate debt 2Q22, even under a scenario of elevated interest rates

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;



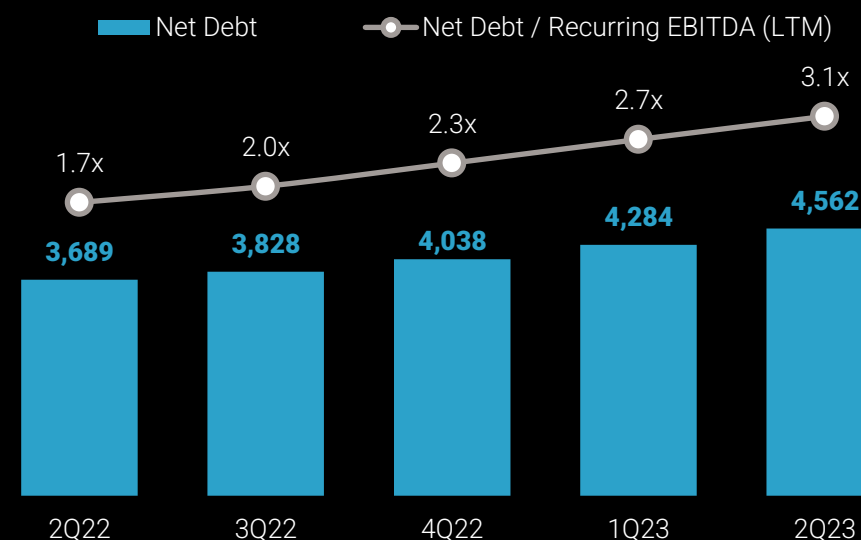
Amortization timeline

R\$ million



Financial Leverage

R\$ million



Durafloor
Duratex



WOOD



Sector Environment

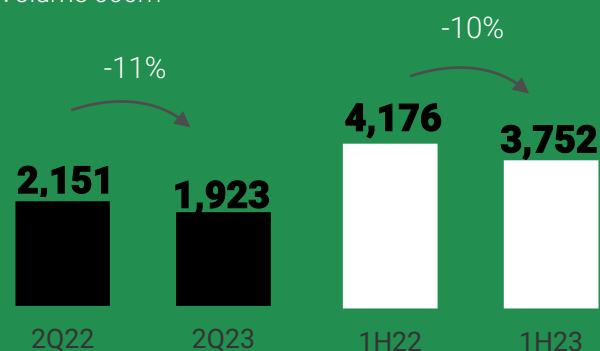
Wood Panels

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%

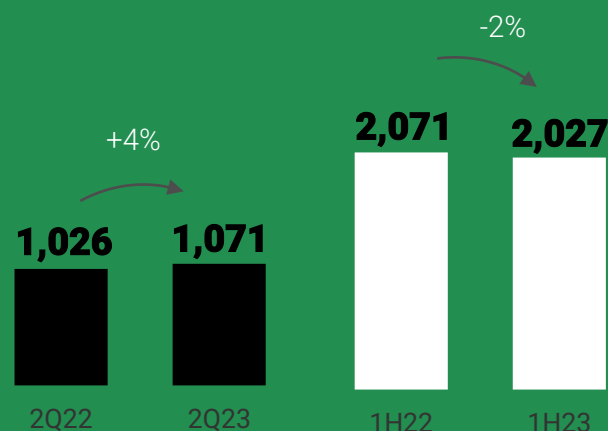
External M.

49%

-45%

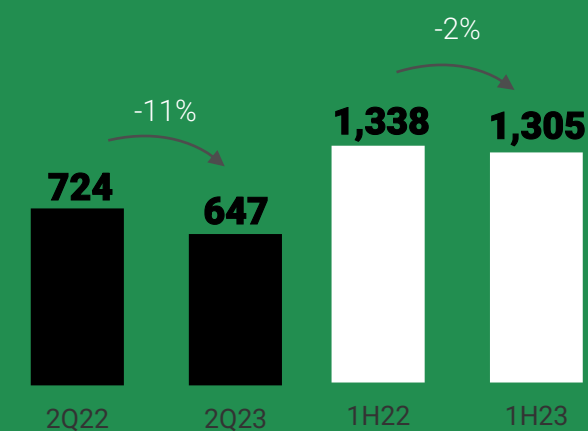
MDF Domestic Market

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

%

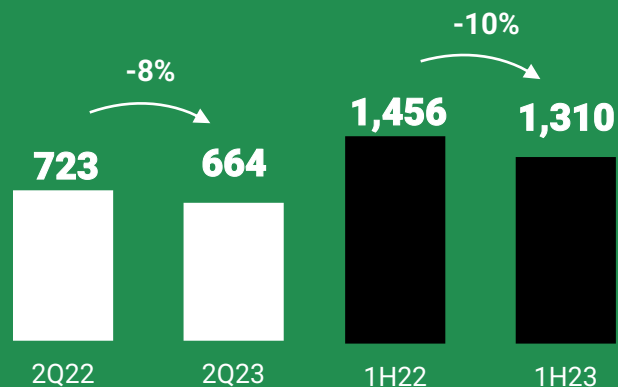
75%

MDF
77%

MDP
73%

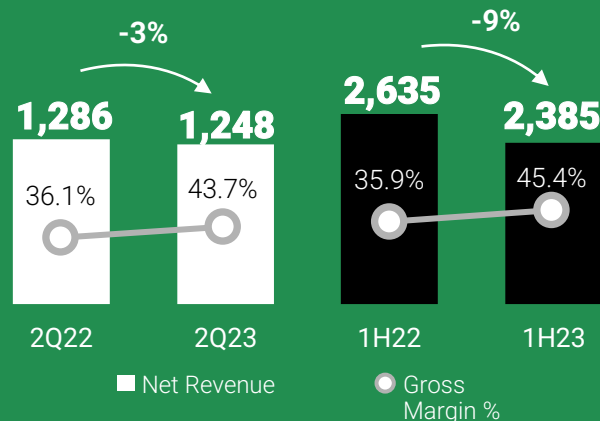
Volume

000m³



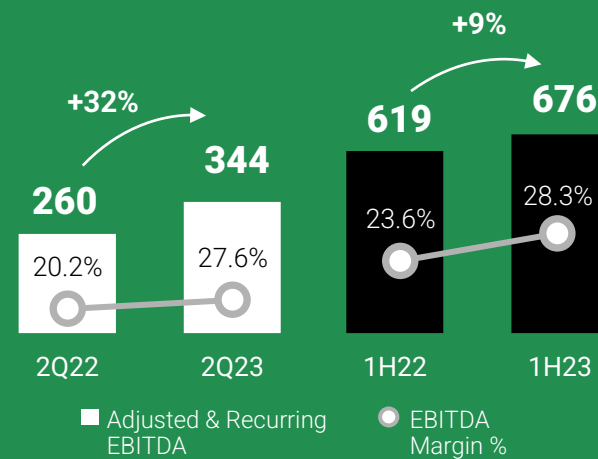
Recurring Net Revenue & Pro Forma Gross Margin

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**

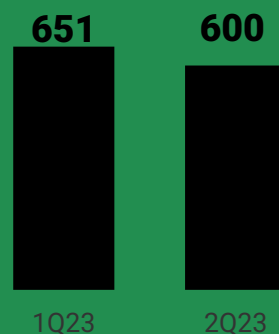
- Operating at full capacity in the quarter;
- Cost improvements arising from stabilization of production following shutdowns in 1Q23;
- Pro-forma recurring EBITDA of R\$150 million in 2Q23, with a margin of 51%.



**RESULTS
RELATING
TO 100% OF
OPERATION**

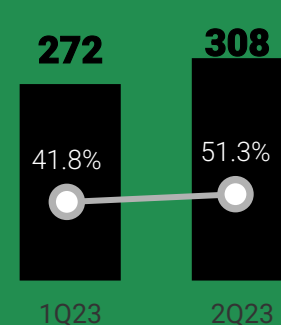
Recurring Net Revenue

R\$ million



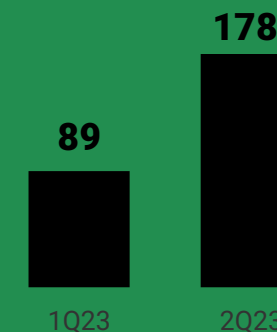
EBITDA

R\$ million



Net Income

R\$ million





deca portinari ceusa
hydra castelatto

FINISHINGS FOR
CONSTRUCTION

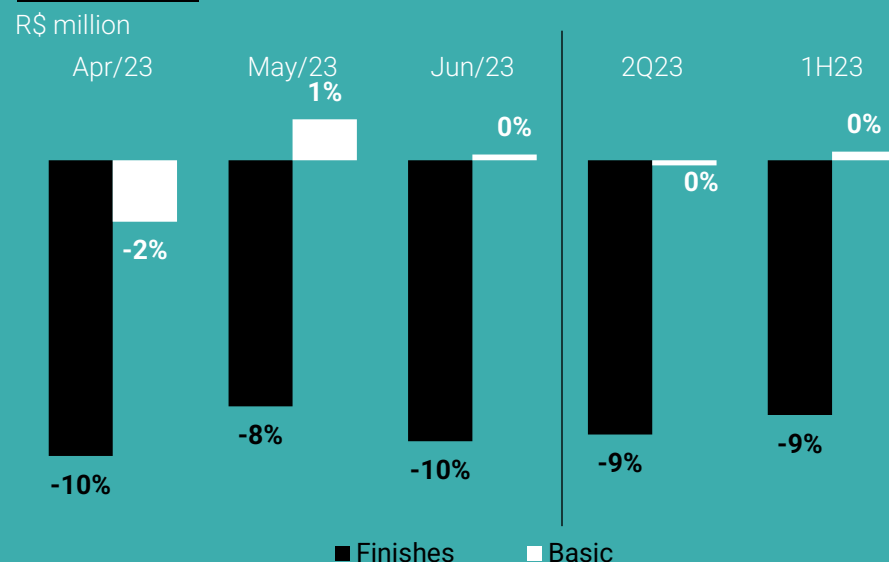
Sector Environment

Metals and Sanitary Ware

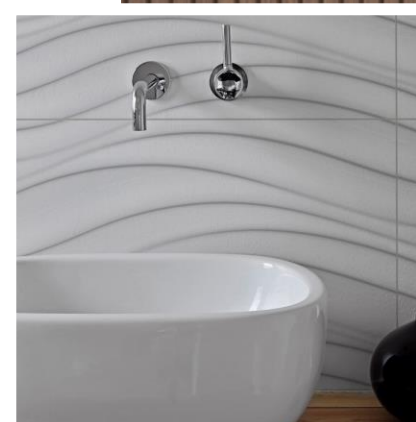
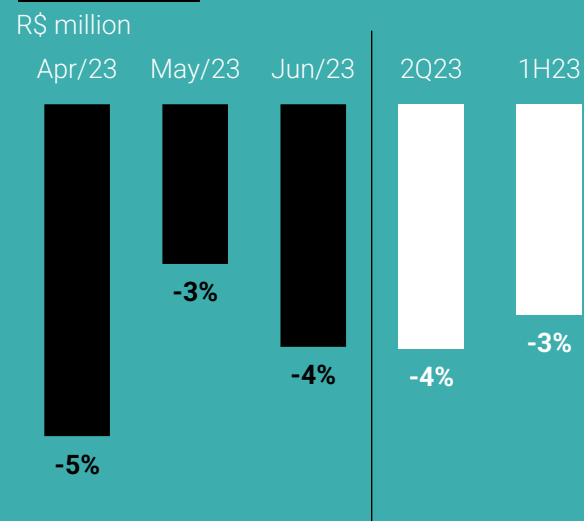
ABRAMAT data

- 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

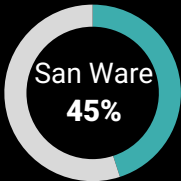
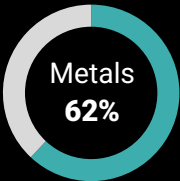
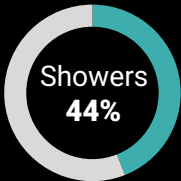
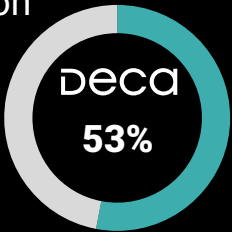
Metals and San Ware

- 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.



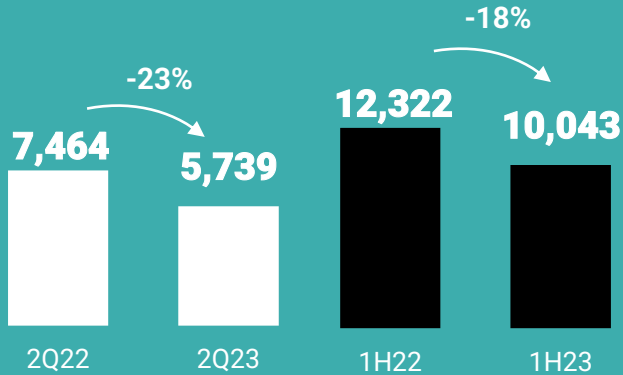
Capacity Utilization
2Q23

%



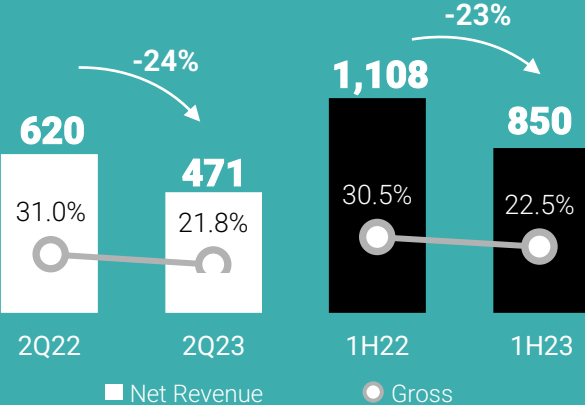
Volume

Pieces



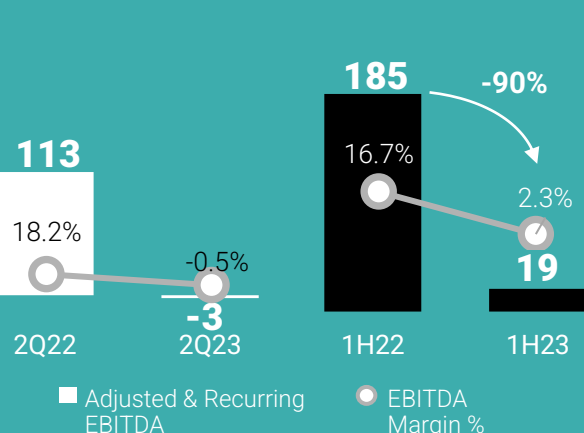
Recurring Net Revenue
& Pro Forma Gross Margin

R\$ million / %



Adjusted & Recurring EBITDA
& Margin

R\$ million / %

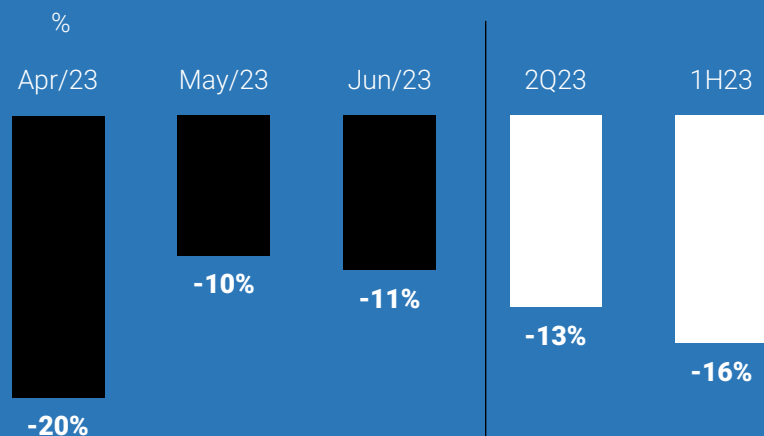


Sector Environment Tiles

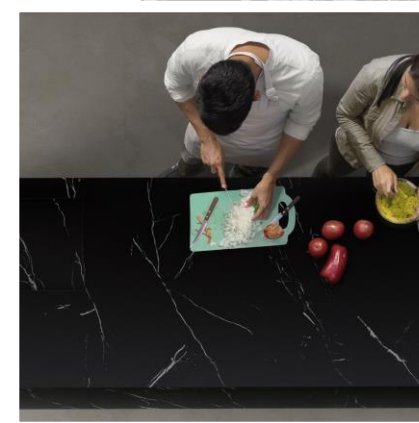
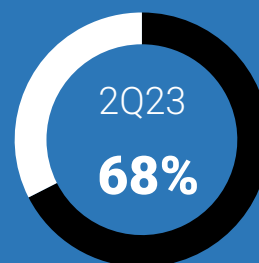
ANFACER data

- 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

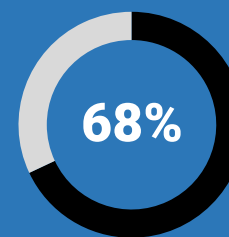


Results Tiles

- 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.

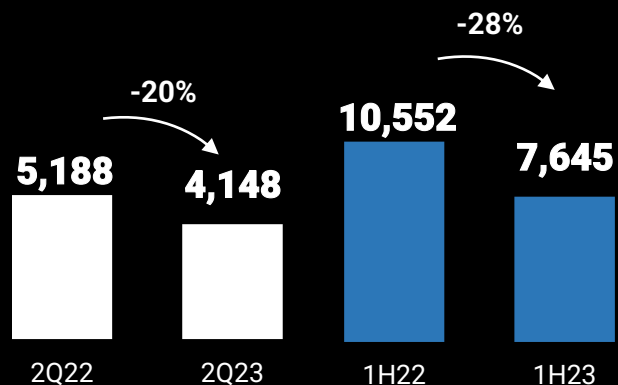
Capacity Utilization 2Q23

%



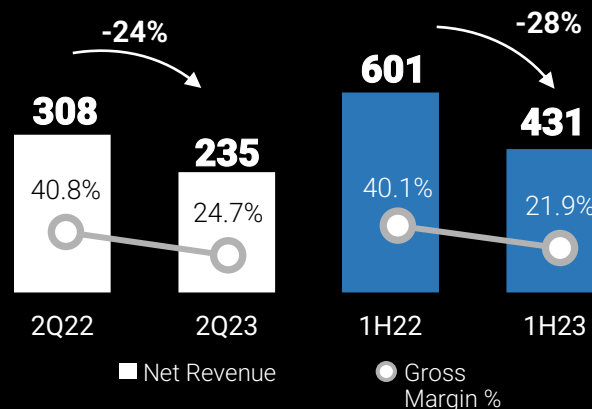
Volume

000m²



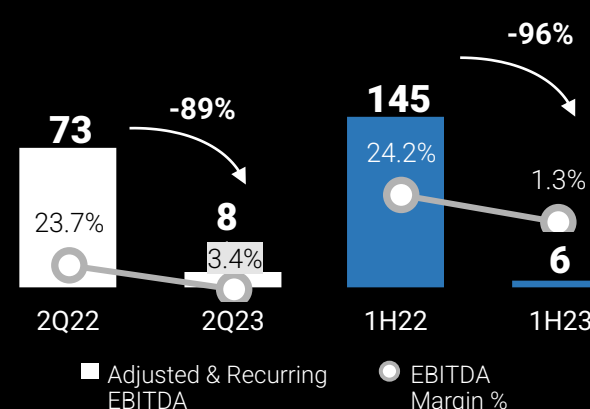
Recurring Net Revenue & Pro Forma Gross Margin

R\$ million / %



Adjusted & Recurring EBITDA & Margin

R\$ million / %



ESG Summary

DEXCO

In the 4th Integrated Report, we describe continuous improvements to the data reporting process

Culture

New season of culture guiding the creation of value in the Company

Materiality

Review of the materiality matrix

Social Responsibility

Launch of the Social Responsibility Directives

Sustainability

Evolution of the commitments assumed in the 2025 Sustainability Strategy



**+150
indicators***

Aligned to global information best practices



**Delivering the results of the
Sustainability strategy**

30%

of leadership positions held by women

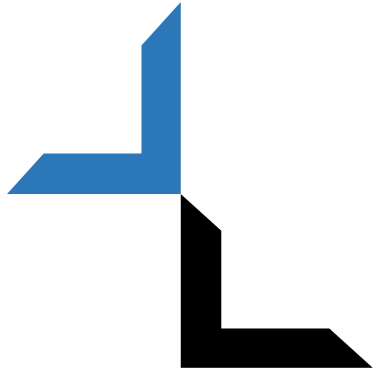
R\$134M

invested in innovation projects

1.6M of tCO₂e

of positive carbon balance between 2020 and 2022

In the document published in May 2023, the Company sought to align its business model with cultural behaviors, reinforcing how these values generate value for society, with each of the main pillars described in a separate chapter of the document.



PROSPECTS

2023

Conclusion

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

PROJECTS IN PROGRESS

CERAMIC TILES

New Factory

+35% capacity

New technology, New products, Factory modernization

+R\$680 million

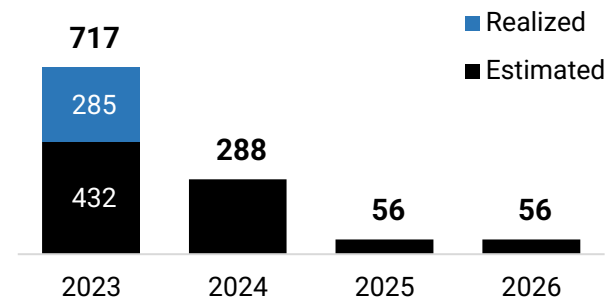
FORESTRY BASE

Expansion in the northeast region of the country

+R\$230 million

CAPEX TIMELINE (PROJECTS)

R\$ million



~R\$1.8B
invested

+ IMPROVED MIX ACROSS ALL DIVISIONS

+ OPTIMIZATION OF ASSETS WITH **HIGH RETURNS**

+ SECTOR INNOVATION

~40%



New plant Botucatu

Expansion Caetex Forest



~20%

Prospects

MACRO SCENARIO

- ✓ Instability in the macroeconomic scenario impacting confidence levels and demand;
- ✓ Beginning of 2023 significantly worse than expected due to market uncertainty;
- Gradual recovery expected in the second semester, due to the improvement of the economic scenario;
- ✓ Challenging scenario to continue, given the availability and prices of wood in the market – Dexco opportunity;
- ✓ Expected readjustment to costs and availability in international logistics – export;
- Possible moderate drop in interest rates in the 2nd semester;
- Reduction in the level of political and economic uncertainty.

Dexco

- 2nd semester boosted by typical seasonality of the business;
- Challenging market scenario in panels compensated by internal initiatives, improvements to costs and a drop in the price of raw materials;
- Enhancements to sanitary ware and ceramic tile operations with a view to optimizing costs and mix;
- Sales initiatives in the Finishing Materials division with a focus on the medium and long term;
- Ongoing process of cost, expenses and investment control, with focus on productivity and factory efficiency;
- Constant review and balancing of the Company's sustaining CAPEX, aligned to the sustainability of the business;
- Ongoing process of stabilizing production of dissolving wood pulp with cost reduction at LD Celulose;
- Progress in digitalizing the Company and merging the Divisions through the very successful implementation of SAP S/4Hana.



INVESTOR

RELATIONS

Dexco

deca portinari hydra duratex castelatto ceusa durafloor

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Guilherme Setubal – ESG & IR Manager

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