



## 3Q23 Earnings Release

*Eucatex (B3: EUCA3 and EUCA4), one of the largest manufacturers of panels in Brazil, with operations also in the paint, varnish, laminated flooring, partitions and doors segments, announces today its results for the 3<sup>rd</sup> quarter of 2023 (3Q23). The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS). Except where stated otherwise, the amounts are in millions of Brazilian real (R\$ million) and comparisons are with the same period the previous year.*

### 3Q23 Conference Call

(Portuguese only)

November 14, 2023  
11 a.m. (Brasília)

[www.eucatex.com.br/ri](http://www.eucatex.com.br/ri)

*An English transcript will be made available  
after the conference call*

eucatex   
**cultivando**  
*o amanhã*

## Highlights

### 3Q23

- Net Revenue of R\$684.7 million (+1.8%)
- Recurring EBITDA of R\$140.1 million (+11.1%), with Margin of 20.5%
- Recurring Net Income of R\$71.7 million (+51.1%)

### 9M23

- Net Revenue of R\$2,014.5 million (+7.6%)
- Recurring EBITDA of R\$418.1 million (+13.6%), with Margin of 20.8%
- Recurring Net Income of R\$219.9 million (+26.4%)

Amounts in R\$ million	3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
Net Revenue	684.7	672.8	1.8%	2,014.5	1,871.6	7.6%
Gross Profit	230.3	200.2	15.1%	665.3	598.4	11.2%
Gross Margin (%)	33.6%	29.8%	3.9 p.p.	33.0%	32.0%	1.1 p.p.
EBITDA adjusted by non-cash events	123.2	122.5	0.6%	335.3	362.8	-7.6%
EBITDA Margin (%)	18.0%	18.2%	-0.2 p.p.	16.6%	19.4%	-2.8 p.p.
Net Income (Loss)	60.6	45.1	34.4%	192.9	175.5	9.9%
<b>Recurring Net Income (Loss)</b>	<b>71.7</b>	<b>47.5</b>	<b>51.1%</b>	<b>219.9</b>	<b>173.9</b>	<b>26.4%</b>
Net Debt	515.6	530.2	-2.8%	515.6	530.2	-2.8%
Net Debt / EBITDA (LTM)	1.0	1.0	0.3%	1.0	1.0	0.3%
<b>Recurring Adjusted EBITDA</b>	<b>140.1</b>	<b>126.2</b>	<b>11.1%</b>	<b>418.1</b>	<b>368.0</b>	<b>13.6%</b>
<b>Recurring Adjusted EBITDA Margin</b>	<b>20.5%</b>	<b>18.8%</b>	<b>1.7 p.p.</b>	<b>20.8%</b>	<b>19.7%</b>	<b>1.1 p.p.</b>

## Management Comments

The Brazilian economy has performed positively throughout 2023, largely driven by sectors such as the agribusiness in 1H23, and GDP is expected to grow around 3.0%, according to the latest Focus bulletin published by the Brazilian Central Bank. Uncertainties caused by doubts about U.S. interest rates influenced economic discussions in recent months and generated tremendous volatility, while the Brazilian government's lack of firmness in controlling government spending and in its commitment to meeting previously established targets are a few negative factors.

Despite the volatility of interest rates, the Brazilian economy remained resilient in 3Q23, despite an international scenario marked by increased economic and geopolitical risks, including the recent armed conflict between Israel and Hamas. The improvement seen in certain indicators, including the rise in the consumer confidence index, GDP growth above expectations disclosed early this year, and the stabilization of unemployment rate, which, combined with the rise in minimum wage and the intensification of social programs, has helped increase the purchasing power of households. Moreover, on September 20, the Central Bank's Monetary Policy Committee (Copom) reduced the basic interest rate to 12.75% p.a., while reiterating despite the ongoing deflation, the scenario still requires moderation in terms of monetary policy. These factors should have a positive effect on demand in the future.

The indicator of activity in the wood panels sector, measured by the Brazilian Tree Industry association (IBÁ), combined with MDF/HDF/MDP sales, pointed to 2.1% growth in 3Q23 compared to 3Q22 and remained stable in 9M23 compared to 9M22. In 3Q23, exports contracted 8.4% in relation to the same period in 2022, a slowdown in the pace of reduction registered until the end of 1H23 (-48.5%). In 9M23, the reduction was 39.1% in relation to 9M22. The 3Q23 numbers in both the Domestic and Export Markets brought some relief to the sector, mainly because of the recovery of exports, which is important to maintain a balanced supply in the Domestic Market.

In the construction sector, the Brazilian Construction Materials Industry Association (ABRAMAT) index, which measures the variation in construction material revenues excluding inflation, dropped 2.2% in the year until September 2023, and is projected to decline 1% by the end of 2023. According to the president of ABRAMAT, "the contraction in the sector is weakening month after month due to factors that should lead to a more promising 2024." The factors included: "Construa Brasil Project", "Programa de Aceleração do Crescimento - PAC" and the effective resumption of the "Minha Casa Minha Vida" program. The Construction materials sector is currently the main sector served by the Company and accounted for 40% of sales in 3Q23.

Finally, according to the Brazilian Paint Manufacturers Association (ABRAFATI), the paint sector grew 1.3% in the year until September 2023 compared to the same period in 2022.

## Operating Performance and Results

### Net Revenue

Net Revenue Breakdown (R\$ million)	3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
Furniture Industry and Resale Segment	254.6	232.5	9.5%	769.2	662.3	16.1%
Construction Segment	278.3	252.8	10.1%	764.1	713.1	7.1%
Export Segment	141.6	163.7	-13.5%	445.1	465.3	-4.3%
Other (*)	10.2	23.9	-57.1%	36.2	30.9	17.2%
<b>Net Revenue</b>	<b>684.7</b>	<b>672.8</b>	<b>1.8%</b>	<b>2,014.5</b>	<b>1,871.6</b>	<b>7.6%</b>

(\*) Metal profiles, land and energy sales

Total net revenue in 3Q23 came to R\$684.7 million, compared to R\$672.8 million in 3Q22, up 1.8%. In 9M23, total net revenue increased 7.6% year on year to R\$2,014.5 million.

### Furniture Industry and Resale Segment

In the Industry and Resale Segment, which consists of MDP/MDF/THDF panels and Fiberboard, revenue in the quarter grew 9.5%, due to the mix with a higher share of MDF panels and fiberboard and a lower share of MDP panels.

Eucatex has focused on launching new lines and new BP patterns, which were well received by the market. Moreover, the company expects to launch new products in the second half of the year, which, combined with initiatives at the point of sale, should enable it to maintain its sales levels.

The IBÁ indicates stability in 9M23 versus 9M22, but market growth of 2.3% in relation to 3Q22.

### Construction Segment

In 3Q23, Net Revenue from the Construction Segment – composed of Laminated Flooring, Doors, Wall Partitions and Architectural Paints – increased 10.1% in relation to 3Q22, chiefly driven by the paint, doors and panels sectors.

Eucatex has worked on diverse fronts to expand its operations in the architectural paints sector and has been expanding its customer base. In addition to marketing actions, it has also launched products, such as a complete line of waterproofing products, which has helped with brand positioning.

According to IBÁ, the Laminated Flooring market declined 6.0% in 3Q23 in relation to 3Q22.

With regard to the Paint Market, ABRAFATI reported growth of 7.9% in 3Q23 from the same period last year.

### *Export Segment*

In 3Q23, the Export Segment registered a 13.5% reduction in Net Revenue year on year, impacted by the 4.3% drop in sales volume and the 13.6% decline in the average price of products, caused by the 7.2% decrease in average U.S. dollar in 3Q23 compared to 3Q22 and the higher share of sales of uncoated fiberboard. However, the reduction was lower than the decrease in exports reported by IBÁ. Sales in its flagship export market - the United States - fell 16.2%, reflecting the slowdown in sales there. The company has sought to drive sales in other channels and launch new products in the US market to reverse the weaker demand.

Other markets, mainly Latin America, have shown some demand for the Company's products, but increasingly tighter margins have been hampering business.

According to IBÁ, Brazil's MDP and MDF panel exports decreased 8.4% in 3Q23 in relation to 3Q22 and 39.1% year on year in 9M23.

### **Recurring Cost of Goods Sold (COGS)**

COGS decreased 1.8% in 3Q23 compared to 3Q22. Raw material prices declined 18.9% on average in 3Q23, resulting from the drop in commodity prices, the regularization of supply chains and the slowdown of the Chinese economy. The negative impacts were wood price, which has already increased approximately 50% in relation to 2022, and the impact of inflation on energy contracts and labor costs. Also, as mentioned in previous quarters, costs and expenses with port services and sea freight to the US in 9M23 were higher than in the same period in 2022. However, these costs have decreased significantly, which should help stabilize costs.

## Fair Value of Biological Assets

In 3Q23, wood price still shows a positive variation, which has affected the fair value of biological assets. Despite the increase, prices have remained stable, which shows that the pressure from wood costs should ease and reduce the impact on the fair value of biological assets.

## Recurring Gross Profit and Gross Margin

Gross profit was R\$230.3 million in 3Q23, compared to R\$200.2 million in 3Q22, for growth of 15.1%. The reduction in costs of certain inputs and the fair value of biological assets drove gross margin growth, from 29.8% in 3Q22 to 33.6% in 3Q23.

## Recurring Operating Expenses

Breakdown of Expenses (R\$ million)	3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
General and Administrative	(19.8)	(17.0)	16.9%	(61.5)	(58.1)	5.9%
Selling	(102.5)	(85.5)	19.9%	(279.5)	(239.4)	16.7%
<b>Total Operating Expenses</b>	<b>(122.4)</b>	<b>(102.5)</b>	<b>19.4%</b>	<b>(340.9)</b>	<b>(297.5)</b>	<b>14.6%</b>
<b>% Net Revenue</b>	<b>17.9%</b>	<b>15.2%</b>	<b>2.6 p.p.</b>	<b>16.9%</b>	<b>15.9%</b>	<b>0.9 p.p.</b>
Other Operating Income and Expenses	(2.0)	(1.0)	109.7%	(0.3)	0.1	-364.6%

In 3Q23, operating expenses corresponded to 17.9% of Net Revenue, increasing 2.6 p.p. from 3Q22. In nominal terms, Operating Expenses increased 19.4% in 3Q23 compared to 3Q22, impacted by the increase in domestic and export logistics costs, as well as in marketing and travel expenses and labor costs.

## Recurring EBITDA and EBITDA Margin

As a result of the above, Recurring EBITDA totaled R\$140.1 million, up 11.1% from 3Q22. Recurring EBITDA Margin in 3Q23 was 20.5%, increasing 1.7 p.p. from 3Q22.

EBITDA Reconciliation (R\$ million)	3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
Net Income (Loss)	60.6	45.1	34.4%	192.9	175.5	9.9%
Income Tax and Social Contribution	(0.1)	33.8	-100.3%	(3.4)	79.6	-104.3%
Net Financial Income (Loss)	28.5	14.2	100.9%	51.8	40.7	27.4%
<b>EBIT</b>	<b>89.0</b>	<b>93.0</b>	<b>-4.3%</b>	<b>241.3</b>	<b>295.8</b>	<b>-18.4%</b>
Depreciation and Amortization	54.3	39.9	36.1%	173.7	120.0	44.8%
<b>EBITDA under CVM instr. 527/12</b>	<b>143.3</b>	<b>133.0</b>	<b>7.8%</b>	<b>414.9</b>	<b>415.8</b>	<b>-0.2%</b>
<b>EBITDA Margin</b>	<b>20.9%</b>	<b>19.8%</b>	<b>1.3 p.p.</b>	<b>20.6%</b>	<b>22.2%</b>	<b>-1.6 p.p.</b>
<b>Non-cash adjustments</b>						
Fair value variation in biological assets	(20.2)	(10.5)	91.8%	(79.7)	(52.9)	50.5%
<b>EBITDA adjusted by non-cash events</b>	<b>123.2</b>	<b>122.5</b>	<b>0.6%</b>	<b>335.3</b>	<b>362.8</b>	<b>-7.6%</b>
<b>Non-recurring operational events</b>	<b>16.9</b>	<b>3.7</b>	<b>357.6%</b>	<b>82.8</b>	<b>5.2</b>	<b>1489.0%</b>
<b>Recurring adjusted EBITDA</b>	<b>140.1</b>	<b>126.2</b>	<b>11.1%</b>	<b>418.1</b>	<b>368.0</b>	<b>13.6%</b>
<b>Adjusted recurring EBITDA Margin</b>	<b>20.5%</b>	<b>18.8%</b>	<b>1.7 p.p.</b>	<b>20.8%</b>	<b>19.7%</b>	<b>1.1 p.p.</b>

## Recurring Net Income

Recurring Net Income in 3Q23, excluding the effect of non-recurring expenses and net of income tax, totaled R\$71.7 million, down 51.1% from 3Q22.

In 3Q23, Non-Recurring Events resulted in expenses of R\$16.9 million, broken down as follows: 1) lawyers' fees totaling R\$14.0 million related to the mediation agreement signed by the Prosecution Office of the State of São Paulo, the São Paulo Municipal Government and Eucatex; and 2) labor indemnification expenses of R\$2.9 million.

## Debt

The Company's net debt at the end of 9M23 was R\$515.6 million and was equivalent to 1.0 time its annualized recurring EBITDA. The decrease of R\$14.6 million in relation to 2022 attests to the Company's better working capital management.

Debt (R\$ Million)	9M23	1H23	Var. (%)	2022	Var. (%)
Short-Term Debt	297.8	267.3	11.4%	263.5	13.0%
Long-Term Debt	441.7	416.3	6.1%	361.6	22.2%
<b>Gross Debt</b>	<b>739.6</b>	<b>683.6</b>	<b>8.2%</b>	<b>625.1</b>	<b>18.3%</b>
Cash and Cash Equivalents	224.0	133.3	68.1%	94.9	135.9%
<b>Net Debt</b>	<b>515.6</b>	<b>550.3</b>	<b>-6.3%</b>	<b>530.2</b>	<b>-2.8%</b>
% Short-Term Debt	40%	39%	1 p.p.	42%	-1 p.p.
<b>Net Debt/Recurring EBITDA</b>	<b>1.0</b>	<b>1.1</b>	<b>-9.7%</b>	<b>1.1</b>	<b>-11.8%</b>

## Investments

Investments in 3Q23 and 9M23 totaled R\$62.2 million and R\$183.8 million, respectively, and were allocated to maintaining the Company's industrial and, chiefly, forest operations. For 2023, investments of around R\$251.0 million are planned, an increase of 4.0% from 2022, due to the significant increase in the plantation of new forests and the increase in prices of parts and services.

## Sustainability

Eucatex's forest sustainability is assured by 43,000 hectares of forests, all located in the state of São Paulo.

The Company is recognized for its sustainable development practices and was the first in the industry to obtain the ISO 9001 certification, in 2000. It also holds the ISO 14001 certification and the Green Seal awarded by the Forest Stewardship Council (FSC), which certifies that its forests are managed in accordance with rigorous environmental, social and economic standards.

In another pioneering initiative, Eucatex became the first in the industry in South America to build a woodchip recycling line on an industrial scale. Its state-of-the-art equipment enables materials obtained within a radius of approximately 120 kilometers from the Salto (São Paulo) unit to be used as raw material for producing panels and as biomass for firing its boilers. Its total nominal processing capacity is 240,000 metric tons/year, which is equivalent to approximately 2 million trees, 470,000 m<sup>3</sup> of standing timber or 1,500 hectares of planted forests. Investments in land and planting to maintain this volume of wood, considering a seven-year cycle, would be around R\$200 million. Not only does it generate cost benefits, but recycling woodchips also prevents this material from being deposited in local landfills.

In another important step forward in its Environmental, Social and Governance (ESG) practices, the Company recently signed a long-term electricity purchase agreement (PPA) with the Comerc Energia Group, as part of an investment of approximately R\$ 1 billion in the Castilho solar power plant, the biggest in the state of São Paulo, with generation capacity of 269 MWP in the self-production model. This clean and renewable energy will meet 50% of the consumption needs of the Company's production units.

## Capital Markets

Eucatex's common and preferred shares, listed on the B3 under the tickers EUCA3 and EUCA4, closed 3Q23 quoted at R\$13.70 and R\$12.50, respectively. The Company's market capitalization at the end of the period was R\$1,195.2 million, around 54% of its book value.

## About Eucatex

Eucatex S.A. Indústria e Comércio, which completed 72 years in 2023, is one of Brazil's largest manufacturers of flooring, wall partitions, doors, MDP/MDF/T-HDF panels, fiberboard, and paints and varnishes. It operates six plants in Botucatu and Salto (both in São Paulo) and Cabo de Santo Agostinho (Pernambuco), employing 2,932 people. Its products are exported to more than 37 countries. For more information, visit [www.eucatex.com.br/ri](http://www.eucatex.com.br/ri).

*This document contains forward-looking statements related to the business prospects, estimates of operating and financial results, and those related to the growth prospects of Eucatex. These are merely projections and as such are based exclusively on the expectations of Eucatex management concerning the future of the business. These forward-looking statements substantially depend on market conditions, the performance of the Brazilian economy, the sector and the international markets and therefore are subject to change without prior notice.*

### Audit

*The policy of the Eucatex Group regarding services provided by its independent auditors that are not related to the external audit of its financial statements is based on the principles of maintaining professional independence. These principles are based on the premise that the auditor must not examine their own work, perform managerial functions or practice law on behalf of clients. In 3Q23, the Eucatex Group did not engage Mazars Auditores Independentes SS for services other than audit. Our independent auditors did not audit the operational and financial indicators.*

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## Income Statement

Income Statement (R\$ million)	3Q23	3Q22	Var. (%)	9M23	9M22	Var. (%)
<b>Gross Revenue</b>	<b>810.6</b>	<b>784.2</b>	<b>3.4%</b>	<b>2,371.0</b>	<b>2,194.4</b>	<b>8.1%</b>
Sales Taxes	(125.9)	(111.4)	13.0%	(356.4)	(322.8)	10.4%
<b>Net Revenue</b>	<b>684.7</b>	<b>672.8</b>	<b>1.8%</b>	<b>2,014.5</b>	<b>1,871.6</b>	<b>7.6%</b>
Fair Value Variation in Biological Assets	20.2	10.5	91.8%	79.7	52.9	50.5%
Cost of Goods Sold	(474.5)	(483.1)	-1.8%	(1,428.9)	(1,326.1)	7.8%
<b>Gross Profit</b>	<b>230.3</b>	<b>200.2</b>	<b>15.1%</b>	<b>665.3</b>	<b>598.4</b>	<b>11.2%</b>
<b>% Gross Margin</b>	<b>33.6%</b>	<b>29.8%</b>	<b>3.9 p.p.</b>	<b>33.0%</b>	<b>32.0%</b>	<b>1.1 p.p.</b>
Selling Expenses	(102.5)	(85.5)	19.9%	(279.5)	(239.4)	16.7%
General and Administrative Expenses	(17.1)	(14.2)	19.9%	(52.8)	(50.3)	5.1%
Management Compensation	(2.7)	(2.7)	1.1%	(8.7)	(7.8)	11.1%
Other Operating Income / (Expenses)	(2.0)	(1.0)	-109.7%	(0.3)	0.1	364.6%
<b>Operating Income (Expenses)</b>	<b>(124.4)</b>	<b>(103.5)</b>	<b>20.2%</b>	<b>(341.2)</b>	<b>(297.4)</b>	<b>14.8%</b>
<b>Net Income before Financial Result</b>	<b>106.0</b>	<b>96.7</b>	<b>9.5%</b>	<b>324.1</b>	<b>301.0</b>	<b>7.6%</b>
Net Financial Income (Expense)	(28.5)	(14.2)	-100.9%	(93.7)	(48.3)	-94.2%
Non-recurring Income (Expense)	(16.9)	(3.7)	-357.6%	(40.9)	2.4	-1833.5%
<b>Net Income (Loss) after Financial Result</b>	<b>60.5</b>	<b>78.8</b>	<b>-23.3%</b>	<b>189.4</b>	<b>255.1</b>	<b>-25.8%</b>
Provision for Income Tax and Soc. Contr.	0.1	(33.8)	-100.3%	3.4	(79.6)	-104.3%
<b>Net Income (Loss) before Non-Controlling Interest</b>	<b>60.5</b>	<b>45.1</b>	<b>34.4%</b>	<b>192.9</b>	<b>175.5</b>	<b>9.9%</b>
Non-controlling Interest	0.0	0.0	-302.9%	0.0	(0.0)	-141.1%
<b>Net Income (Loss) from the Period</b>	<b>60.6</b>	<b>45.1</b>	<b>34.4%</b>	<b>192.9</b>	<b>175.5</b>	<b>9.9%</b>
<b>Net Margin</b>	<b>8.8%</b>	<b>6.7%</b>	<b>2.1 p.p.</b>	<b>9.6%</b>	<b>9.4%</b>	<b>0.2 p.p.</b>

\* Values of items: Cost of Goods Sold, Selling Expenses, General and Administrative Expenses, and Other Operating Expenses / Income are net of non-recurring expenses.

## Balance Sheet

Consolidated Balance Sheet (R\$ '000)	9M23	2022	Var. (%)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	27.0	22.8	18.7%
Marketable Securities	197.0	72.2	172.9%
Trade Accounts Receivable	605.8	563.6	7.5%
Inventories	546.5	578.6	-5.6%
Taxes Recoverable	107.3	99.0	8.4%
Prepaid Expenses	17.8	17.5	1.4%
Other receivables	4.9	4.4	11.1%
<b>Total Current Assets</b>	<b>1,506.1</b>	<b>1,358.1</b>	<b>10.9%</b>
<b>Non-Current Assets</b>			
<b>Long-Term Assets</b>			
Trade Accounts Receivable	15.9	20.6	-22.7%
Taxes Recoverable	95.9	95.5	0.4%
Deferred income tax and social contribution	83.0	72.5	14.5%
Assets held for sale	0.6	0.6	-1.6%
Investment properties	23.7	23.7	-0.1%
Judicial Deposits	46.2	46.6	-1.0%
Other receivables	11.1	11.1	0.0%
<b>Total Long-Term Assets</b>	<b>276.5</b>	<b>270.8</b>	<b>2.1%</b>
Investments	4.6	-	0.0%
Biological Assets	841.0	788.3	6.7%
Fixed Assets	1,330.3	1,248.2	6.6%
Intangible Assets	19.0	17.9	6.2%
<b>Total Permanent Assets</b>	<b>2,194.9</b>	<b>2,054.4</b>	<b>19.5%</b>
<b>Total Non-Current Assets</b>	<b>2,471.4</b>	<b>2,325.2</b>	<b>6.3%</b>
<b>Total Assets</b>	<b>3,977.5</b>	<b>3,683.3</b>	<b>8.0%</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade Accounts Payable	223.3	230.9	-3.3%
Loans and Financing	297.8	263.5	13.0%
Labor Liabilities	55.3	42.8	29.3%
Tax Liabilities	21.0	36.5	-42.5%
Tax Installments	33.0	31.6	4.5%
Advances from Clients	24.6	58.3	-57.9%
Dividends and Interest on Equity Payable	154.5	165.1	-6.5%
Accounts Payable	48.7	39.6	23.2%
Lease Liabilities	21.7	27.2	-20.2%
<b>Total Current Liabilities</b>	<b>879.9</b>	<b>895.5</b>	<b>-1.7%</b>
<b>Non-Current Liabilities</b>			
Loans and Financing	441.7	361.6	22.2%
Tax Installments	4.3	27.2	-84.1%
Deferred Income tax and Soc. Contr.	109.3	113.6	-3.8%
Provision for Contingencies	78.2	78.2	0.0%
Lease Liabilities	258.6	194.4	33.0%
<b>Total Non-Current Liabilities</b>	<b>892.1</b>	<b>775.0</b>	<b>15.1%</b>
<b>Shareholders' Equity</b>			
Capital	851.9	851.9	0.0%
Revaluation Reserves	156.2	156.2	0.0%
Profit Reserve	1,111.2	918.3	21.0%
Asset Valuation Adjustment	81.9	81.9	0.0%
Other Comprehensive Income	7.3	7.4	-1.4%
Treasury Stock	(2.9)	(2.9)	0.0%
<b>Total Shareholders' Equity</b>	<b>2,205.7</b>	<b>2,012.9</b>	<b>9.6%</b>
Non-controlling Interest	(0.1)	(0.1)	-4.7%
<b>Total Shareholders' Equity &amp; Non-controlling Interest</b>	<b>2,205.6</b>	<b>2,012.8</b>	<b>9.6%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,977.5</b>	<b>3,683.3</b>	<b>8.0%</b>

## Cash Flow

Operating Cash Flow (RS '000)	9M23	9M22
<b>Net Income (Loss) before Income Tax and Social Contribution</b>	<b>192.9</b>	<b>175.5</b>
<b>Adjustments to reconcile the result to cash and cash equivalents generated by operating activities</b>		
Depreciation and Amortizations	92.8	64.8
Depletion of Biological Assets	99.4	55.2
Write-off of Investments	0.0	0.2
Fair Value Variation in Biological Assets	(79.7)	(52.9)
Interest, Monetary and Exchange Variations, net	49.8	39.1
Income Tax and Social Contribution	11.4	77.6
Provision for Tax Gains	(10.0)	-
Deferred Income and Social Contribution Taxes	(14.8)	2.0
Other Provisions	9.1	7.3
<b>Changes in operating assets and liabilities</b>		
Marketable Securities	(124.8)	0.4
Trade Accounts Receivable	(40.2)	(2.2)
Inventories	64.5	(132.7)
Recoverable Taxes	45.4	43.5
Deferred Expenses	(0.3)	3.7
Judicial Deposits	0.5	0.1
Other Receivables	(0.5)	0.3
Trade Accounts Payable	(7.6)	(44.0)
Labor and Tax Liabilities	(20.8)	(88.3)
Tax Installments	(23.7)	(23.0)
Advances from Clients	(33.8)	10.9
Accounts Payable	23.8	(6.3)
<b>Net cash from operating activities</b>	<b>233.6</b>	<b>131.4</b>
<b>Cash flow from investing activities</b>		
Capital Decrease in Subsidiaries	(4.6)	-
Addition to Fixed Assets	(176.0)	(107.2)
Addition to Biological Assets	(104.8)	(100.4)
<b>Net cash used in investing activities</b>	<b>(285.4)</b>	<b>(207.6)</b>
<b>Cash flow from financing activities</b>		
Amortization of Loans and Financing	(344.7)	(186.0)
Amortization of Leases	-	-
New Loans and Financing	411.5	250.9
Distribution of Dividends/Interest on Equity	(10.7)	-
<b>Net cash used in financing activities</b>	<b>56.1</b>	<b>64.9</b>
<b>Increase (reduction) in net cash and cash equivalents</b>	<b>4.3</b>	<b>(11.3)</b>
<b>Cash and cash equivalents</b>		
Opening Balance of Cash and Cash Equivalents	22.8	44.8
Closing Balance of Cash and Cash Equivalents	27.0	33.5
<b>Net increase (reduction) in net cash and cash equivalents</b>	<b>4.3</b>	<b>(11.3)</b>