

A group of hands wearing white gloves are holding small potted plants with colorful leaves (red, yellow, green) against a background of many similar plants. The hands are arranged in a circle, holding the plants up.

# Earnings Release 1Q23

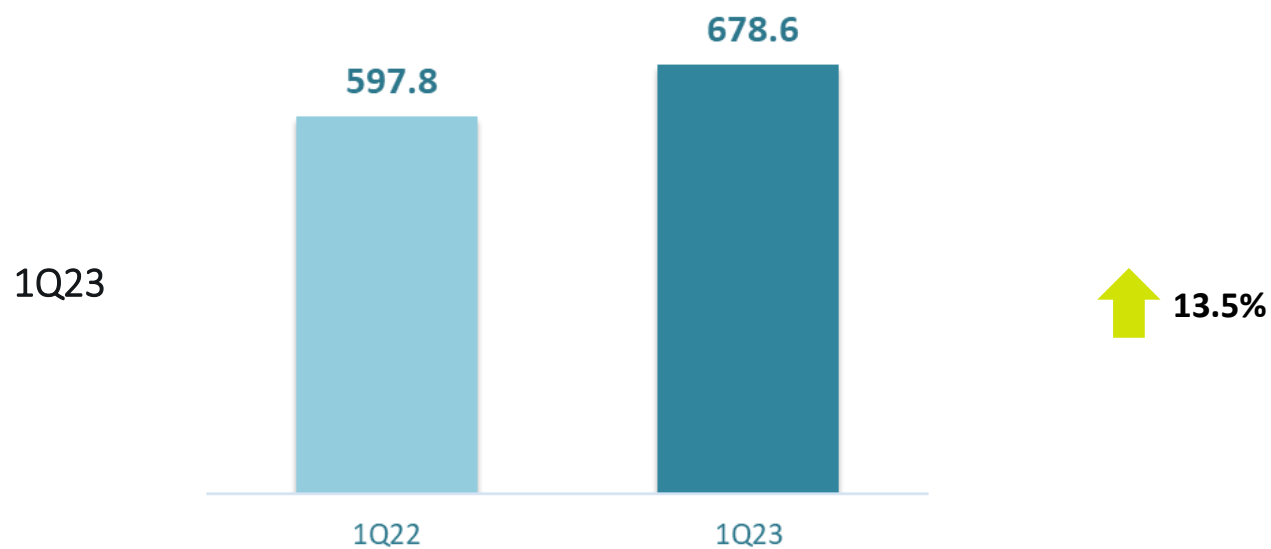
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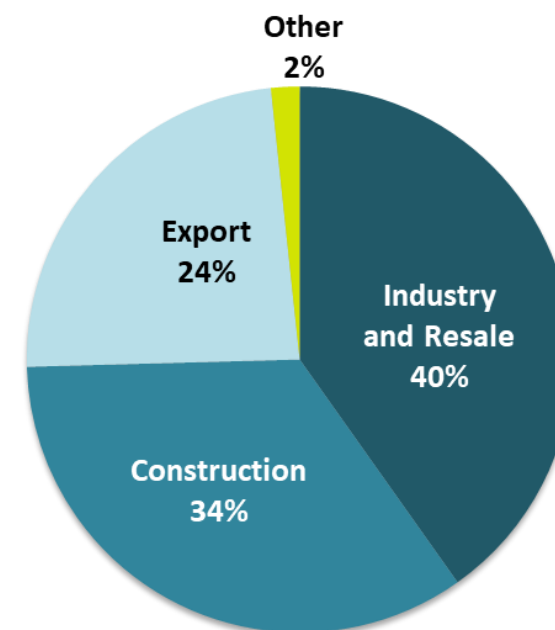
# Operating Performance





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Net Operating Revenue (R\$ million)


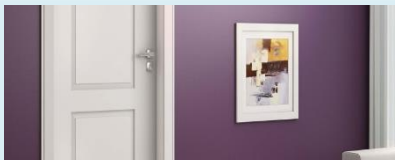




Breakdown of NOR by Segment



	Fiberboard	T-HDF Panel	MDF Panel	MDP Panel
Products				
Product Portfolio	<ul style="list-style-type: none"> <li>✓ Eucadur</li> <li>✓ Eucadur Perfurado</li> <li>✓ Eucaplac</li> <li>✓ Formidur BP</li> <li>✓ Chapatex</li> </ul>	<ul style="list-style-type: none"> <li>✓ Eucafibra Lacca AD</li> <li>✓ Eucafibra Lacca Cetin</li> <li>✓ Eucafibra Lacca Metalic</li> <li>✓ Eucafibra Prime</li> <li>✓ Eucafibra Prime HR</li> <li>✓ Eucafibra BP</li> <li>✓ Eucafibra</li> </ul>	<ul style="list-style-type: none"> <li>✓ Eucafibra Lacca AD</li> <li>✓ Eucafibra Lacca Cetin</li> <li>✓ Eucafibra Lacca Metalic</li> <li>✓ Eucafibra BP</li> <li>✓ Eucafibra</li> </ul>	<ul style="list-style-type: none"> <li>✓ Eucaprint Lacca AD</li> <li>✓ Eucaprint Lacca Cetin</li> <li>✓ Eucaprint Acetinado Wood</li> <li>✓ Eucaprint BP</li> <li>✓ Eucaprint FF</li> <li>✓ Eucasuper</li> </ul>
Use	Furniture backsides, Drawers, Industrial Packaging and Automobile Finishing	Furniture backsides, Drawers, Industrial Packaging and Automobile Finishing	Furniture Structure, Tabletops, Flooring and Bus Finishing	Furniture Structure (Sides, Doors, Shelves and Partitions)
Strategies	<ul style="list-style-type: none"> <li>✓ Added Value through Differentiated Products</li> <li>✓ Market Niches</li> <li>✓ Partnerships in New Furniture Designs</li> <li>✓ Design and Style in Finishing and Pattern</li> <li>✓ Investment in Finishing Technology</li> </ul>			



	Flooring	Doors	Partition Systems	Paints and Varnishes
Products				
Product Portfolio	<ul style="list-style-type: none"> <li>✓ Eucafloor Gran Elegance</li> <li>✓ Eucafloor New</li> <li>✓ EleganceEucafloor Evidence</li> <li>✓ Eucafloor Prime</li> <li>✓ Eucafloor Life</li> <li>✓ Eucafloor Home</li> <li>✓ Eucafloor Decore</li> </ul>	<ul style="list-style-type: none"> <li>✓ Portas Eucadur</li> <li>✓ Door Jambs and Frames</li> <li>✓ Drywall Door Kit</li> </ul>	<ul style="list-style-type: none"> <li>✓ Novitá Wall Partitions</li> <li>✓ Divilux Wall Partitions</li> </ul>	<ul style="list-style-type: none"> <li>✓ Acrylic</li> <li>✓ Spray</li> <li>✓ Enamel</li> <li>✓ Waterproofing</li> <li>✓ Varnishes and Sealants</li> <li>✓ Complements - Wall</li> <li>✓ Complements – Wood and Metals</li> <li>✓ Construction</li> <li>✓ Eucalar</li> <li>✓ Peg &amp; Pinte</li> </ul>
Strategies	<ul style="list-style-type: none"> <li>✓ Serving wholesale, home centers, building material stores, construction companies and specialized retail channels</li> <li>✓ Commercial and technical coverage throughout Brazil</li> <li>✓ Focus on POS with campaigns, initiatives and ambiance</li> </ul>			

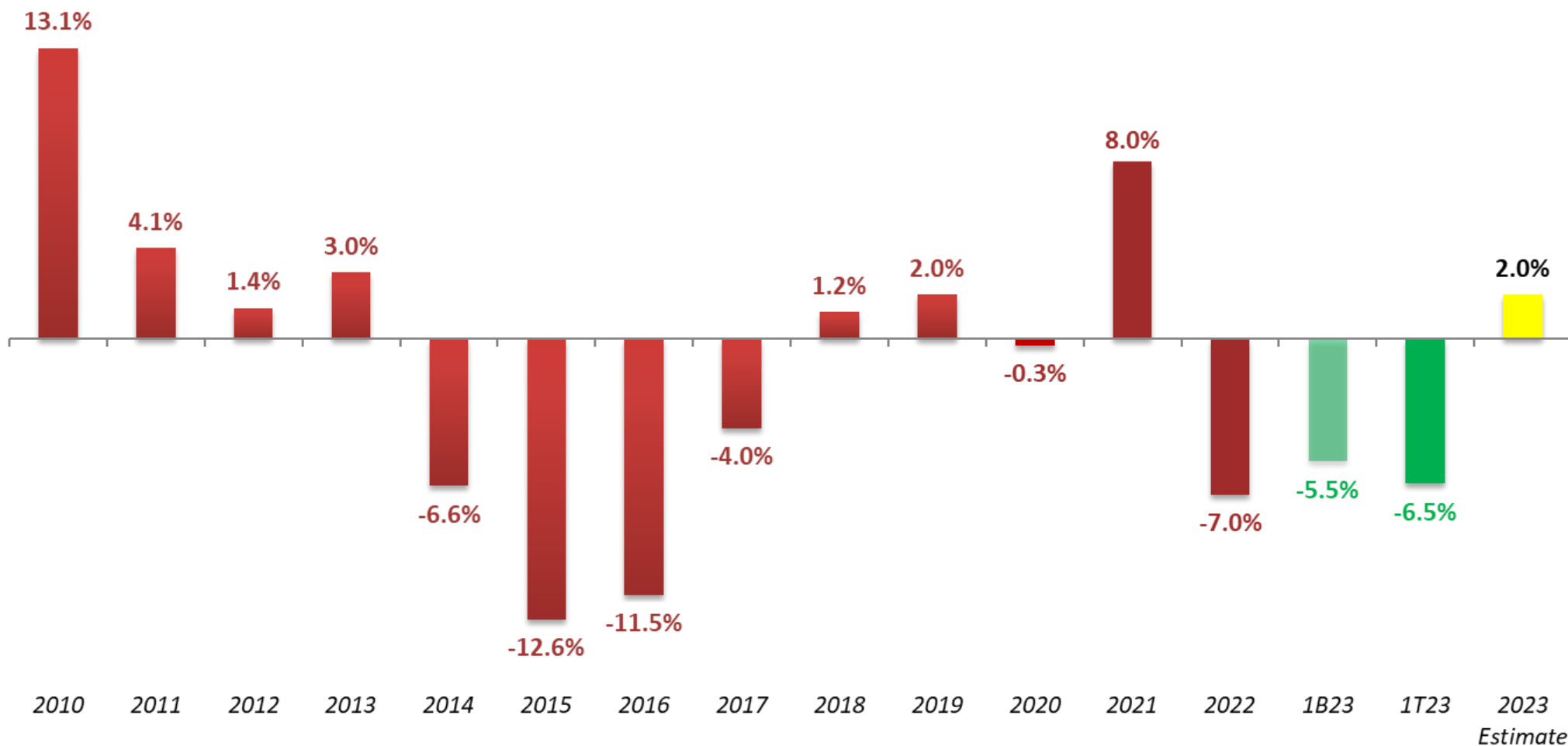
\*Partition system: comprised of wall partitions and metal profiles.

- 🌱 **Products:** Fiberboard, panels, MDP, MDF, T-HDF, Doors, Laminated Flooring and Architectural Paints
- 🌱 **Main Countries:** United States and Latin America
- 🌱 **Competitive Advantages:** Subsidiary in Atlanta, USA (ease of servicing Homecenters)

Partnerships with Major Foreign Companies

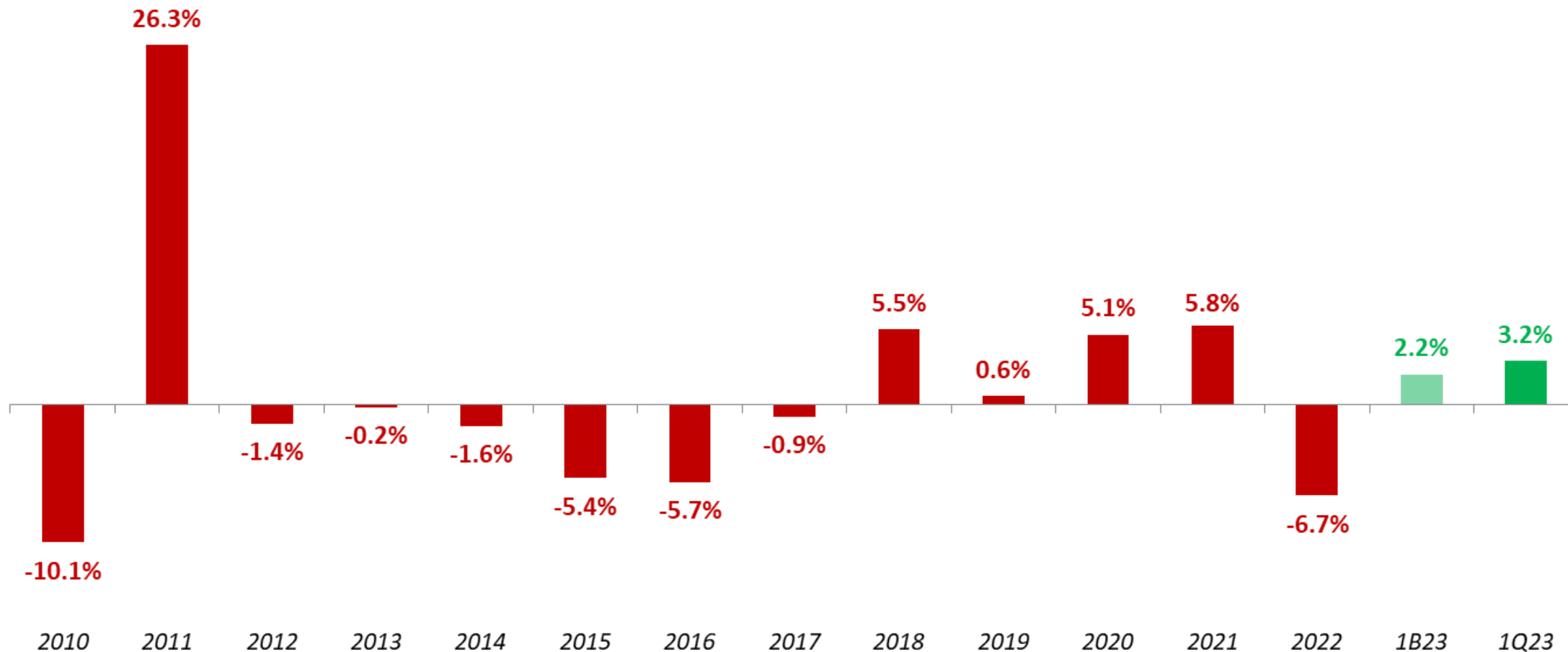


## ABRAMAT Index Domestic Market



*From 2013 to 1Q23, the index dropped 33.0%.*

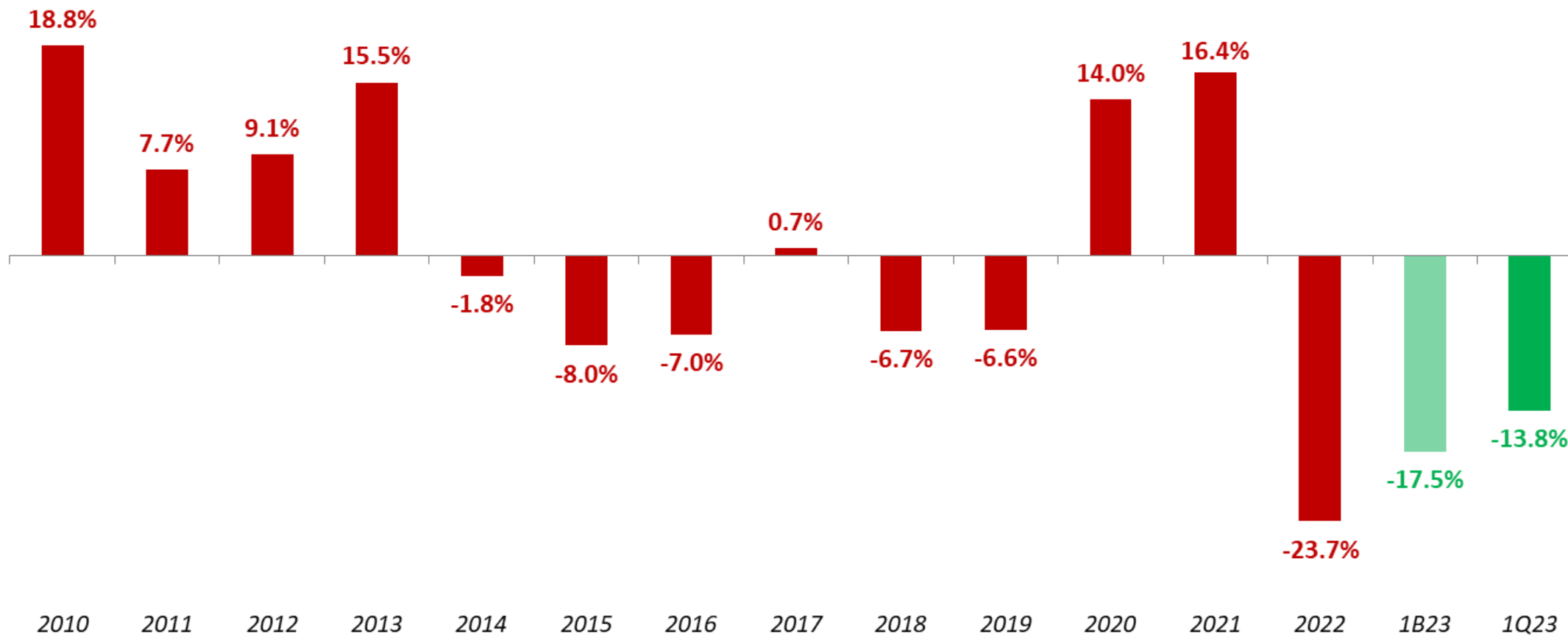
## ABRAFATI Index Domestic Market



*From 2013 to 1Q23, the index dropped 1.2%.*

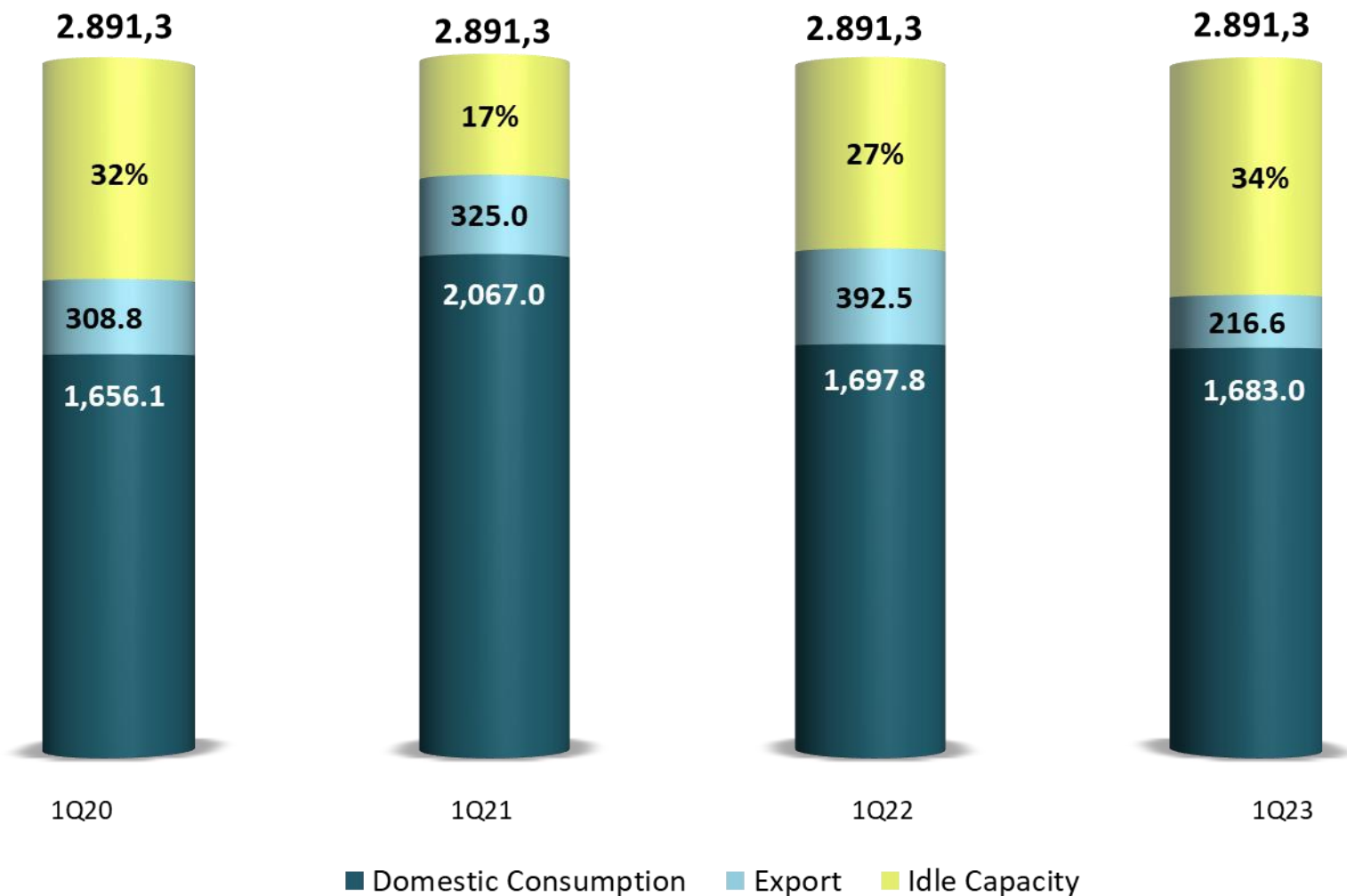


## Flooring Market (IBÁ)



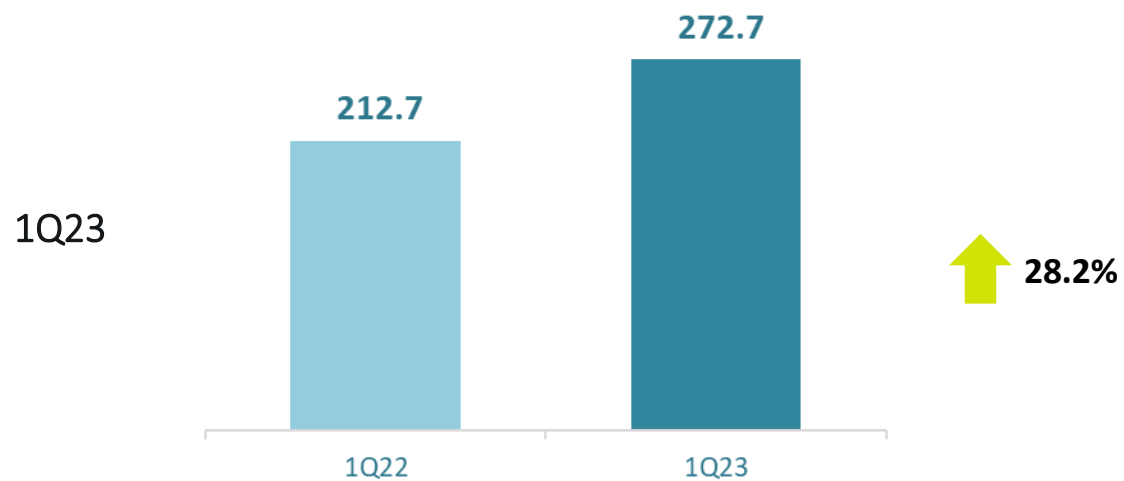
*From 2013 to 1Q23, the index dropped 35.7%.*

## Effective Installed Capacity (Fiberboard + MDF + MDP) vs. Production

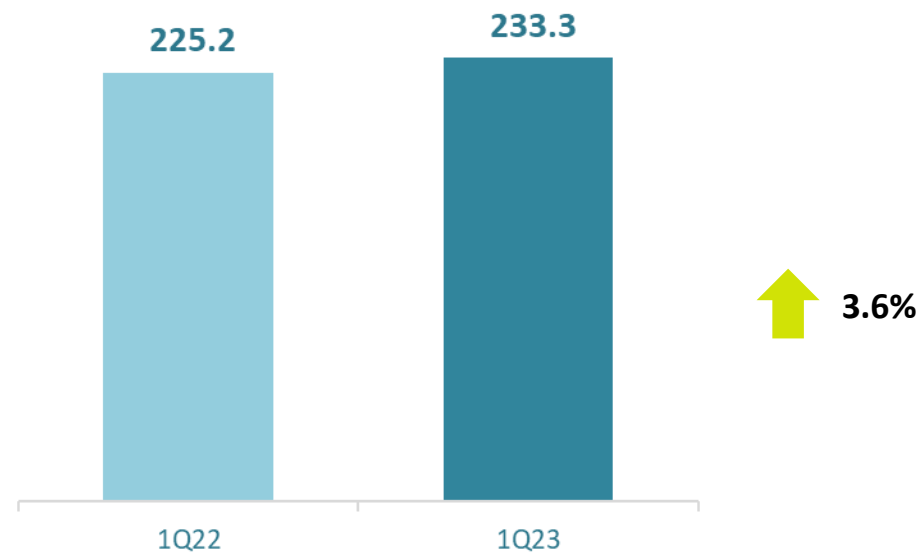


% Variation 1Q23 vs. 1Q22	
Total	
Total	-9.1%
Domestic Market	-0.9%
Export Market	-44.8%

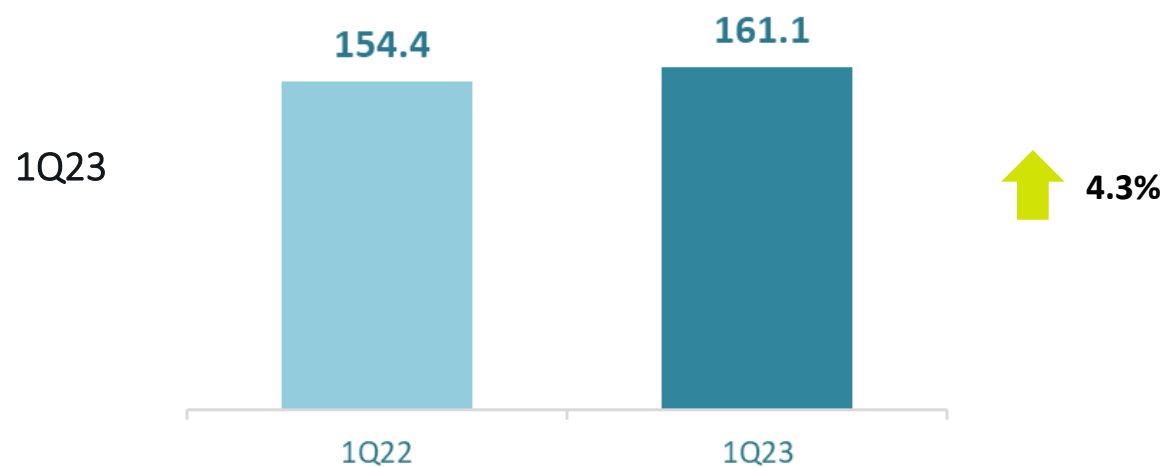
Furniture Industry and Resale Segment



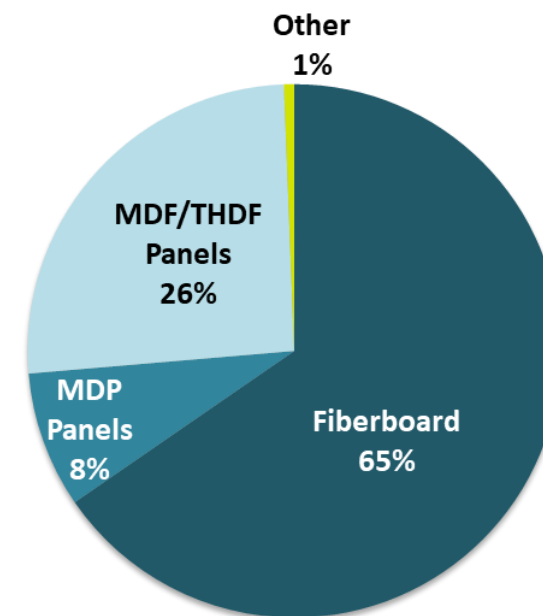
Construction Segment



Net Operating Revenue (R\$ million)



Breakdown of NOR by Segment





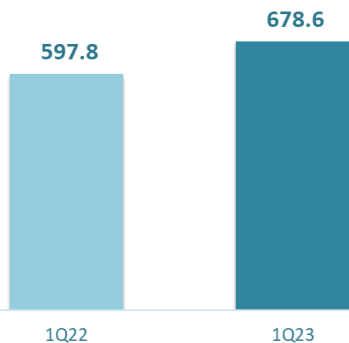
# Financial Performance

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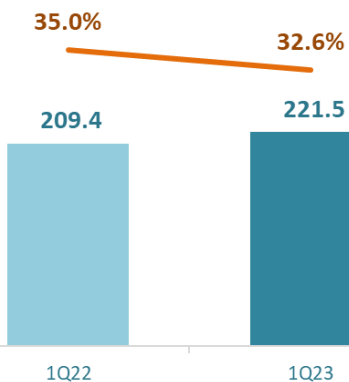
## Net Revenue (R\$ million)

↑ 13.5%



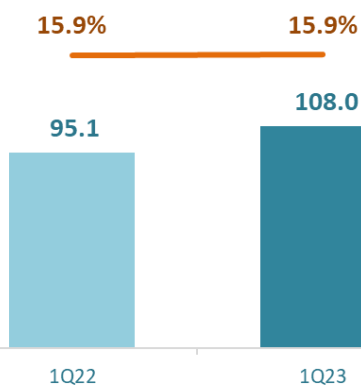
## Gross Profit and Gross Margin

↑ 5.8%



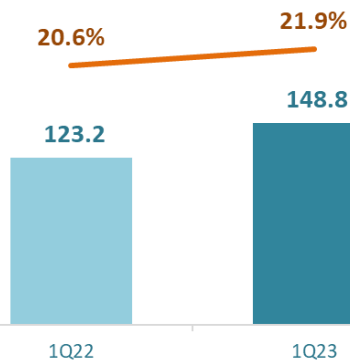
## SG&A and SG&A / Net Revenue

↑ 13.5 %



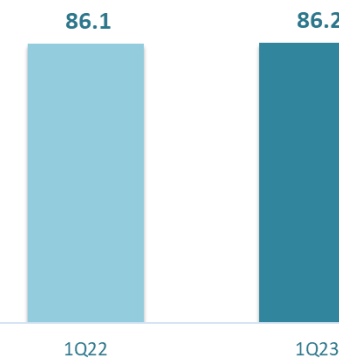
## Recurring EBITDA and Recurring EBITDA Margin

↑ 20.7%



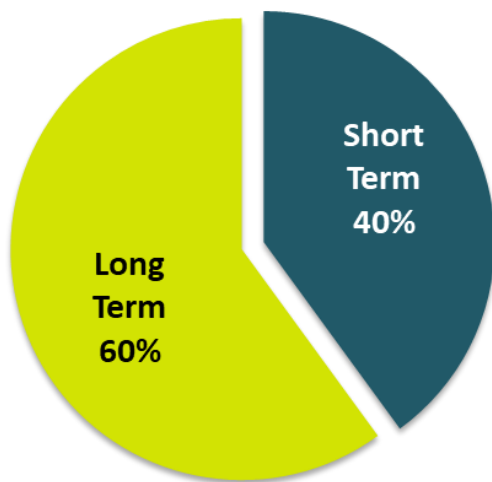
## Recurring Net Income

↑ 0.2%

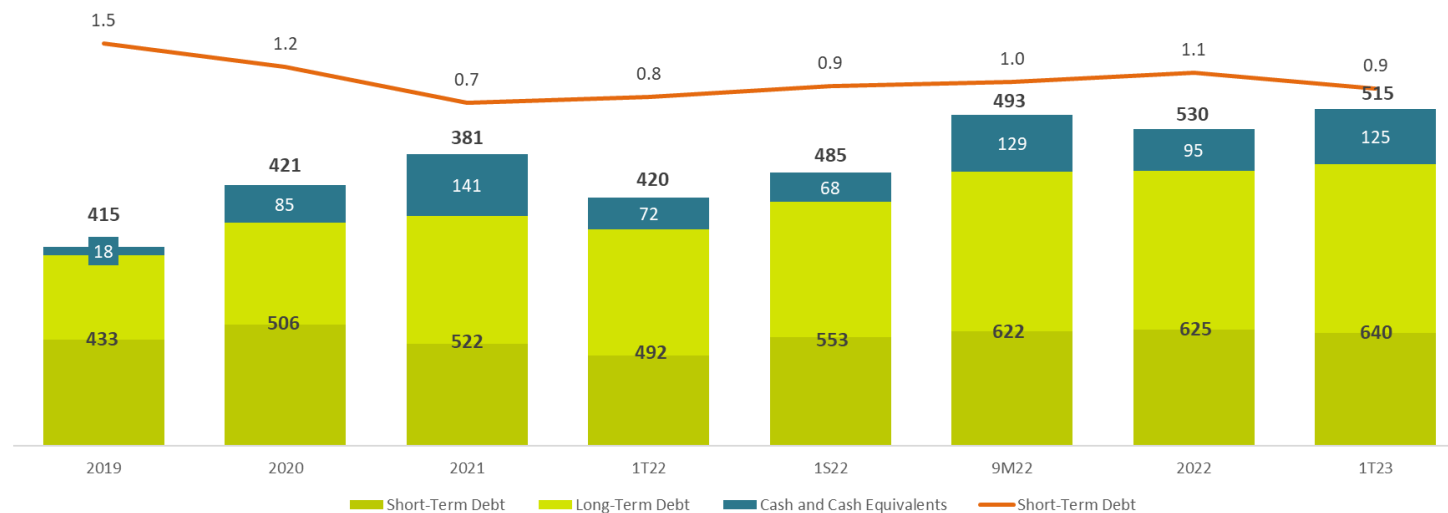


Debt (R\$ Million)	1Q23	2022	Var. (%)	1Q22	Var. (%)
Short-Term Debt	255.9	263.5	-2.9%	204.9	24.9%
Long-Term Debt	384.2	361.6	6.2%	287.3	33.7%
<b>Gross Debt</b>	<b>640.1</b>	<b>625.1</b>	<b>2.4%</b>	<b>492.2</b>	<b>30.0%</b>
Cash and Cash Equivalents	125.2	94.9	31.9%	71.9	74.0%
<b>Net Debt</b>	<b>514.9</b>	<b>530.2</b>	<b>-2.9%</b>	<b>420.3</b>	<b>22.5%</b>
% Short-Term Debt	40%	42%	-2 p.p.	42%	-1 p.p.
<b>Net Debt/Recurring EBITDA</b>	<b>0.9</b>	<b>1.1</b>	<b>-20.7%</b>	<b>0.8</b>	<b>13.7%</b>

Debt Profile by Maturity in 1Q23

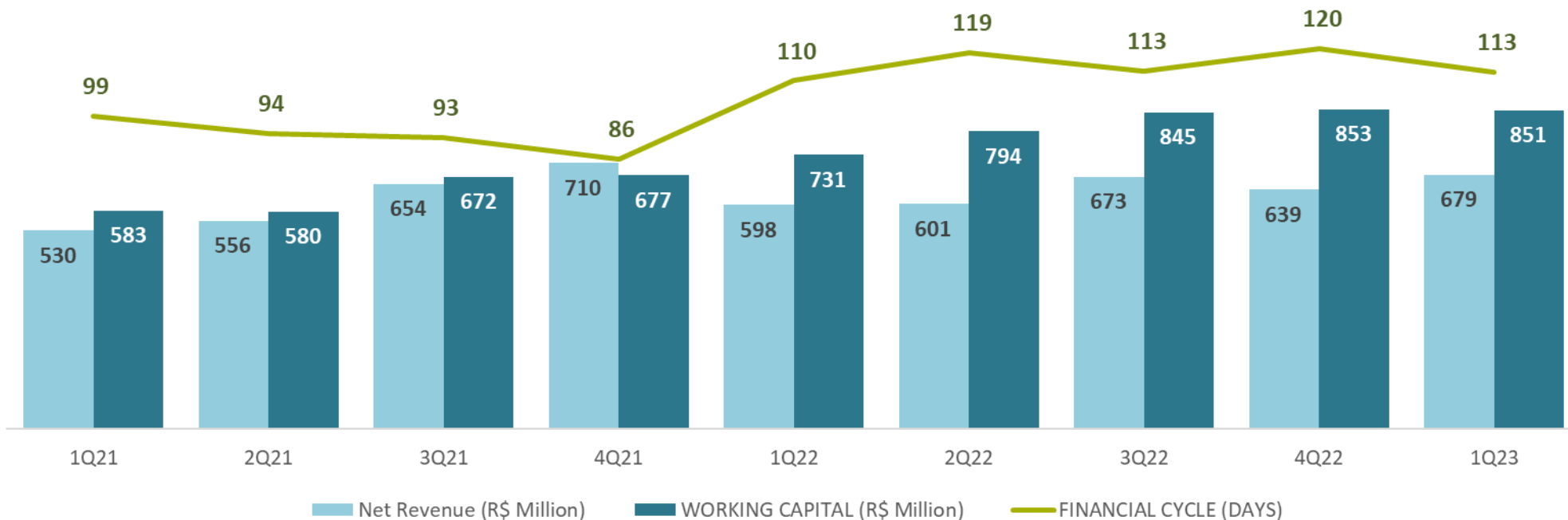


Debt Profile by Currency

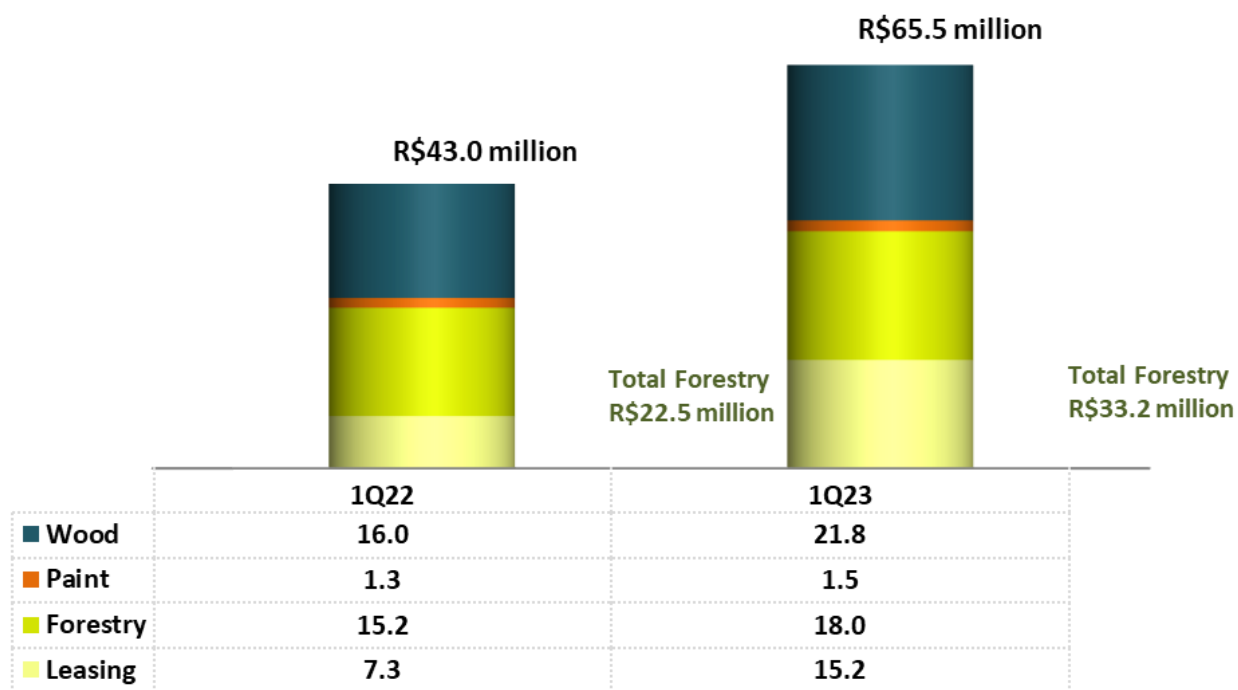


# Investments in Working Capital and Financial Cycle

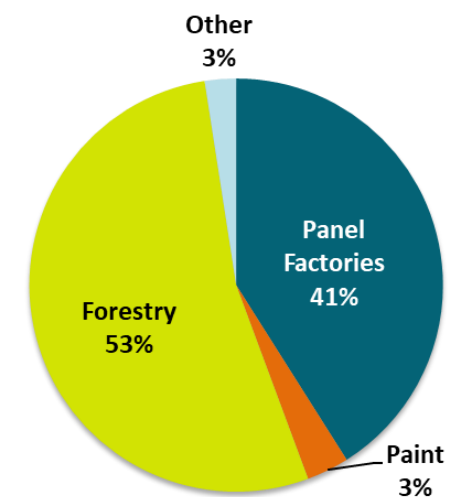
Financial Cycle	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
<b>Net Revenue (R\$ Million)</b>	<b>529.5</b>	<b>556.3</b>	<b>654.0</b>	<b>709.6</b>	<b>597.8</b>	<b>600.9</b>	<b>672.8</b>	<b>639.1</b>	<b>678.6</b>
Trade Accounts Receivable	459.5	427.4	514.5	525.6	501.6	503.3	525.5	505.3	576.8
Inventories	282.2	344.2	393.0	434.0	471.9	537.7	566.6	578.6	492.7
Trade Accounts Payable	158.8	191.9	235.2	283.0	242.3	247.0	246.9	230.9	219.0
<b>WORKING CAPITAL (R\$ Million)</b>	<b>582.9</b>	<b>579.7</b>	<b>672.3</b>	<b>676.6</b>	<b>731.2</b>	<b>794.1</b>	<b>845.2</b>	<b>853.1</b>	<b>850.5</b>
<b>FINANCIAL CYCLE (DAYS)</b>	<b>99</b>	<b>94</b>	<b>93</b>	<b>86</b>	<b>110</b>	<b>119</b>	<b>113</b>	<b>120</b>	<b>113</b>



## Investments Made



**Planned for 2023**  
**R\$251.0 million**





# Sustainability

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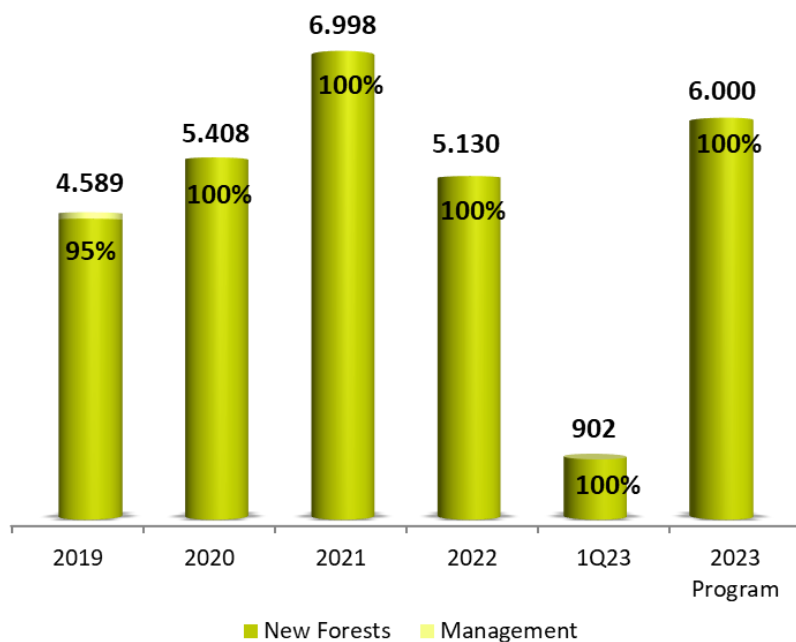


125 farms  
with eucalyptus plantations,  
totaling  
**35,400 hectares**  
actually planted

## Average Radius

Salto	Botucatu MDP	Botucatu Fiberboard
93 km	122 Km	118 Km

## New Planted Forests and Sprouting Management (ha)



## Castilho Solar Power Plant - Solar Power Purchase Agreement (PPA)

- 🌱 **Investments:** R\$1 billion
- 🌱 **Installed Capacity:** 270 MWP
- 🌱 **Footprint:** 690 hectares (the size of 600 soccer fields)
- 🌱 **Reduction in Energy Cost:** R\$12 million/year
- 🌱 **Environmental Impact:** The plant will avoid the emission of 16,000 tons of CO<sub>2</sub> into the atmosphere per year, equivalent to the amount absorbed by 110,000 trees during 30 years







# Mediation Agreement

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## Mediation Agreement between the Municipal Government of São Paulo + São Paulo State Prosecution Office and BTG Pactual

- 🌱 **Mediation Agreement**– Signed on January 24, 2023, without any assumption of guilt by the Company, releasing it as a defendant in lawsuits filed by the Municipal Government of São Paulo at the 4th Tax Court of the State of São Paulo, unlocking the Company's assets.
- 🌱 **Foreign Shareholders Involved** – Kildare Realisations Limited and Macdoel Realisations Limited, which were under court-supervised liquidation
- 🌱 **Allocation of Proceeds from the Transaction** – Amounts paid by the Company and BTG Pactual, which bought the assets (shares and an export prepayment facility - PPE) as part of the liquidation process, will be returned to the Municipal Government of São Paulo and used to pay court expenses.
- 🌱 **BTG Pactual and Controlling Shareholders** – BTG Pactual now holds around 33% of the Company through preferred shares and the Controlling Shareholders consolidate their ownership of common shares.
- 🌱 **PPE of Kildare Realisations Limited** – Right to this credit was acquired by BTG Pactual in the liquidation process. The parties agreed to reprofile the debt at a discount and for a longer term.
- 🌱 **Management of the Company** – BTG Pactual will have the right to nominate a member to the Board of Directors and will submit a study to improve the Company's management.
- 🌱 **Shareholders' Agreement** – Members of the Controlling Group and BTG Pactual signed on **April 18, 2023** a shareholders' agreement, after the disclosure of legal approvals.

## Mediation Agreement between the Municipal Government of São Paulo + São Paulo State Prosecution Office and BTG Pactual

### Measures to unlocking value in the Company's shares

- i. Implementation of agenda of corporate governance best practices.
- ii. Commitment to migrating the Company to Corporate Governance Level II. Deadline: 12 months after consummation of the transaction.
- iii. Study by shareholders about the possibility of migrating the Company to Novo Mercado.
- iv. Expectations for the Company to be seen once again as an option for investors of all sizes.
- v. Efforts at ownership dilution among diverse market players.
- vi. Better communication with capital market players.
- vii. Suggested changes and recommendations for current controlling shareholders, which may involve changing the composition of the Board of Directors.
- viii. Engagement of BTG Pactual as market maker to increase the liquidity of the Company's shares.





**José Antonio G. de Carvalho**  
*Executive Vice President and  
IRO*

**Sergio Henrique Ribeiro**  
*Controller*

**Waneska Bandeira**  
*Investor Relations*

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