


1Q25 Earnings Release

Eucatex (B3: EUCA3 and EUCA4), one of the largest manufacturers of panels in Brazil, with operations also in the paint and varnish, laminated flooring, wall partitions and doors segments, today announces its results for the first quarter of 2025 (1Q25). 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.

1Q25 Conference Call

(Portuguese only)

May 15, 2025
11 a.m. (Brasília)

www.eucatex.com.br/ri
An English transcript will be made available after the conference call

Highlights

1Q25 vs. 1Q24

- **Net Revenue** of **R$744.7 million (+16.2%)**
- **Recurring EBITDA** of **R$181.3 million (+31.9%)**, with **Margin** of **24.3% (+3.4 p.p.)**
- **Recurring Net Income** of **R$100.8 million (+69.1%)**

Amounts in R$ million	1Q25	1Q24	Var. (%)
Net Revenue	744.7	641.0	16.2%
Gross Profit	280.5	214.5	30.8%
Gross Margin (%)	*37.7%*	*33.5%*	*4,2 p.p.*
EBITDA adjusted by non-cash events	174.0	127.9	36.0%
EBITDA Margin (%)	*23.4%*	*20.0%*	*3.4 p.p.*
Net Income for the Period	96.0	53.3	80.0%
Recurring Net Income for the Period	**100.8**	**59.6**	**69.1%**
Net Debt	602.4	593.0	1.6%
Net Debt / EBITDA (LTM)	0.9	1.1	-15.1%
Recurring Adjusted EBITDA	**181.3**	**137.5**	**31.9%**
Recurring Adjusted EBITDA Margin	***24.3%***	***21.4%***	***2.9 p.p.***

Management Comments

The economic landscape in Brazil in early 2025 has proven to be quite challenging; however, there are still growth projections. The domestic economy has shown resilience, a result of rising worker incomes, social programs and credit expansion.

In the construction segment, the main challenges include, in addition to the high tax burden, which has long affected various sectors of the Brazilian economy, the high cost of construction materials, with direct impacts on companies' profit margins. Simultaneously, high interest rates hinder access to credit, while the shortage of skilled labor continues to be a significant obstacle.

Despite these challenges, the expectation is that the real estate market will continue to show positive results, driven by the housing program Minha Casa, Minha Vida (MCMV), even with the difficulties in obtaining housing loans for the middle and upper classes.

The Brazilian Construction Materials Industry Association (ABRAMAT) index, which measures the variation in construction material revenues excluding inflation, grew 5.7% in the year to March 2025 and is also projected to grow by 2.8% in 2025.

The other sectors in which Eucatex operates also had positive performance. The Brazilian Paint Manufacturers Association (ABRAFATI) reports a 6.8% growth in the sales of architectural paints, and the Brazilian Tree Industry (IBÁ), when combining sales of MDF, HDF and MDP, recorded a 4.4% growth in domestic market sales and a 2.0% overall increase when including exports. Finally, with respect to laminated flooring, domestic sales saw an 11.9% increase.

Overall, despite the uncertainties introduced by the international landscape, which could affect costs and commodity prices, as well as the previously mentioned high interest rates, there is still an expectation of continued growth in the sectors where the Company operates for the remainder of the year.

Operating Performance and Results

Net Revenue

Net Revenue Breakdown (R$ million)	1Q25	1Q24	Var. (%)
Furniture Industry and Resale Segment	267.6	240.3	11.3%
Construction Segment	251.8	242.8	3.7%
Export Segment	215.1	135.5	58.8%
Other (*)	10.2	22.4	-54.4%
Net Revenue	***744.7***	***641.0***	***16.2%***

(*) Metal profiles, land and energy sales

Total net revenue in 1Q25 was R$744.7 million, compared to R$641.0 million in 1Q24, up 16.2%.

Furniture Industry and Resale Segment

In the Industry and Resale Segment, which consists of MDP/MDF/THDF panels and Fiberboard, revenue grew by 11.3% in 1Q25. Although there was a reduction in the volume sold, a price increase of approximately 20% facilitated this revenue growth.

The Company's strategy has been to reposition its brand by concentrating on enhancing the quality of its product mix and promoting the sale of special, higher value-added products to the market. This approach involved moving away from the sale of commodities, which typically have lower prices and, consequently, smaller profit margins. As part of this approach, the Company took part in two major industry trade shows, *Revestir* and *Feicon*, held in March and April. This participation has significantly contributed to expanding the Company’s presence among panel distributors.

Construction segment

In 1Q25, Net Revenue from the Construction Segment - composed of Laminated Flooring, Flooring Accessories, Vinyl Flooring, Doors, Wall Partitions and Architectural Paints - increased 3.7% in relation to 1Q24, chiefly driven by the laminated flooring product, which showed significant growth, reflecting the favorable conditions in the Brazilian construction sector. Sales of doors and partition panels experienced a decline, primarily due to price increases that resulted in inventory equalization across the supply chain and a decrease in orders. Sales of Architectural Paints showed a decrease in volume compared to 1Q24, partially offset by price increases.

Export segment

Net Revenue from the Export Segment increased 58.8% in 1Q25 compared to 1Q24, mainly due to the launch of new products and the acquisition of new customers, in addition to the product mix improvement and the exchange rate variation during the period.

Revenues have been increasing as the overseas supply chain is being stabilized, with rising inventory levels and improved service quality.

According to IBÁ, Brazil's MDP and MDF panel exports decreased 11.1% in the year to date when compared to the same period of the previous year.

Recurring Cost of Goods Sold (COGS)

COGS increased by 10.7% in 1Q25 compared to 1Q24, driven by the increased costs of certain inputs that exceeded inflation, as well as by the impact from higher fixed costs, including labor. Some key inputs were affected by exchange rate variation and rising commodity prices. For instance, urea formaldehyde resin experienced a 30% increase, titanium dioxide saw a 42% rise—also influenced by the increase in import tax—and acrylic resin increased by 24%. On average, excluding wood, the consolidated inputs showed a variation of approximately 11.4% over a 12-month period.

Fair Value of Biological Assets

In 1Q25, the adjustment to the fair value of biological assets increased by 33.5% compared to 1Q24, driven by the expansion of the planted area and the rise in wood prices during the period.

Recurring Gross Profit and Gross Margin

Gross Profit reached R$280.5 million in 1Q25, compared to R$214.5 million in 1Q24, up 30.8%. The price increases and the improvement in the Company's Export Market sales volume, along with a sales mix with a higher proportion of value-added products, contributed to the growth in Gross Profit, resulting in a 4.2 p.p. increase in the gross margin.

Recurring Operating Expenses

Breakdown of Expenses (R$ million)	*1Q25*	*1Q24*	*Var. (%)*
General and Administrative	(28.4)	(22.6)	25.7%
Selling	(114.7)	(94.6)	21.3%
Total Operating Expenses	**(143.0)**	**(117.1)**	**22.1%**
% Net Revenue	***19.2%***	***18.3%***	**0.9 p.p.**
Other Operating Income and Expenses	(0.1)	0.2	-159.2%

In the first quarter of 2025, Own General Expenses corresponded to 19.2% of Net Revenue compared to 18.3% in the same period of the previous year, representing a nominal increase of 22.1%. This increase is attributed to the rise in freight and general export expenses, reflecting the growth in sales within this segment, which incurs higher variable sales expenses compared to the Domestic Market. This increase was also driven by higher marketing expenses, attributed to the trade shows the Company attended during the period. Additionally, there was an increase in Administrative Expenses, primarily driven by higher spending on governance, Board of Directors and Fiscal Council activities, as well as increased investments in cybersecurity and digital transformation initiatives currently underway within the Company.

Recurring EBITDA and EBITDA Margin

As a result of the above, recurring EBITDA totaled R$181.3 million, up 31.9% from 1Q24. The growth could have been greater if a significant portion of the volume intended for the export market had not been in transit during 1Q25. This was part of a strategy to adjust inventories in response to the increase in international sales.

EBITDA Reconciliation (R$ million)	1Q25	1Q24	Var. (%)
Net Income for the Period	96.0	53.3	80.0%
Income Tax and Social Contribution	48.3	15.7	206.6%
Net Financial Income (Loss)	(14.2)	19.0	-174.9%
EBIT	***130.0***	***88.1***	***47.7%***
Depreciation and Amortization	70.2	59.5	17.9%
EBITDA under CVM Res. 156/22	***200.2***	***147.6***	***35.7%***
EBITDA Margin	**26.9%**	**23.0%**	**4 p.p.**
Non-cash adjustments			
Fair value variation in biological assets	(26.2)	(19.6)	33.5%
EBITDA adjusted by non-cash events	***174.0***	***127.9***	***36.0%***
Non-recurring operational events	7.3	9.5	-23.2%
Recurring adjusted EBITDA	***181.3***	***137.5***	***31.9%***
Adjusted recurring EBITDA Margin	**24.3%**	**21.4%**	**2.9 p.p.**
Net income for the period	***96.0***	***53.3***	**80.0%**
Non-recurring profit or loss	*7.3*	*9.5*	*-23.2%*
Income Tax and Social Contribution on non-recurring	*(2.5)*	*(3.2)*	*23.2%*
Recurring net income for the period*	***100.8***	***59.6***	***69.1%***
Net Margin	**13.5%**	**9.3%**	**4.2 p.p.**

Recurring net income

Recurring Net Income in 1Q25, excluding the effect of non-recurring expenses and net of income tax, totaled R$100.8 million, up 69.1% from 1Q24. In addition to the operational improvements noted in the comments, there was a reversal in the financial results due to the appreciation of the Brazilian real. However, by the end, this was almost entirely offset by the increase in income tax and social contribution.

In 1Q25, Non-Recurring Events resulted in an expense of R$7.3 million, broken down as follows: a) R$4.6 million related to labor lawsuits and indemnities; b) R$4.7 million in expenses for tax contingencies and attorneys' fees; and c) R$2.0 million in revenue, related to the sale of the payroll.

Debt

The Company's net debt at the end of 1Q25 totaled R$602.4 million, a 1.6% increase compared to 4Q24, representing 0.9 times its annualized recurring EBITDA.

Noteworthy is the Public Offering of Agribusiness Receivables (CRA) conducted by the Company in February, which reached R$320 million, with demand nearly three times exceeding the supply, enabling the closure of the initially proposed rates. The average duration of the operation was 3.9 years, with a cost of CDI + 0.5% for the 1st series, 105.15% of the CDI for the 2nd series, and US$ + 6.5% for the 3rd series. The funds raised enabled the extension of the debt profile and the establishment of a strong cash reserve during this period of uncertainty. The Company has enough cash on hand to cover its debt maturities for the next two years.

Debt (R$ Million)	***1Q25***	***2024***	**Var. (%)**
Short-Term Debt	326.1	329.6	*-1.0%*
Long-Term Debt	725.4	476.1	*52.4%*
Derivative Financial Instruments	17.6	33.6	*-47.6%*
Gross Debt	**1,069.2**	**839.3**	***27.4%***
Cash and Cash Equivalents	466.7	246.2	*89.5%*
Net Debt	**602.4**	**593.0**	***1.6%***
% Short-Term Debt	*31%*	*39%*	*-9 p.p.*
Net Debt/Recurring EBITDA	**0.9**	**1.1**	***-14.4%***

Investments

Investments in 1Q25 totaled R$86.1 million and were allocated to maintaining the Company's industrial and, chiefly, forest operations. For 2025, investments of around R$347.8 million are planned, an increase of 29.8% from 2024, due to the significant increase in the planting of new forests, the acquisition of new equipment to improve productivity at the Paint plant, and the implementation of security systems in the technology and information area.

Sustainability

Eucatex's forest sustainability is assured by 48,300 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 m3 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 signed a long-term electricity purchase agreement (PPA) with the Comerc Energia Group, in the Castilho solar power plant, one of the biggest in the state of São Paulo, with generation capacity of 269 MWP in the self-production model. This clean and renewable energy meets 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 1Q25 quoted at R$15.05 and R$12.10, respectively. The Company's market capitalization at the end of the period was R$1,212.9 million, around 46% of its book value.

About Eucatex

Eucatex S.A. Indústria e Comércio, which completed 74 years, 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 over 3,500 people. Its products are exported to more than 37 countries. For further information, visit 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. During this fiscal year, the Eucatex Group did not engage Ernst & Young Auditores Independentes S/S. 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)	1Q25	1Q24	Var. (%)
Gross Revenue	**744.7**	**641.0**	**16.2%**
Fair Value Variation in Biological Assets	26.2	19.6	33.5%
Cost of Goods Sold	(490.4)	(446.2)	9.9%
Gross Profit	**280.5**	**214.5**	**30.8%**
% Gross Margin	**37.7%**	**33.5%**	**4,2 p.p.**
Selling Expenses	(114.7)	(94.6)	21.3%
General and Administrative Expenses	(24.5)	(19.9)	23.2%
Management Compensation	(3.9)	(2.7)	44.3%
Other Operating Income / (Expenses)	(0.1)	0.2	-159.2%
Operating Income (Expenses)	**(143.2)**	**(116.9)**	**22.5%**
Net Income before Financial Result	**137.3**	**97.6**	**40.8%**
Net Financial Income (Expense)	14.2	(19.0)	174.9%
Non-recurring Income (Expense)	(7.3)	(9.5)	23.2%
Net Income (Loss) after Financial Result	**144.2**	**69.1**	**108.9%**
Provision for Income Tax and Soc. Contr.	(48.3)	(15.7)	206.6%
Net Income (Loss) before Non-Controlling Intere	**96.0**	**53.3**	**80.0%**
Net Income (Loss) from the Period	**96.0**	**53.3**	**80.0%**
Net Margin	**12.9%**	**8.3%**	***4.6 p.p.***

* *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)	1Q25	2024	Var. (%)
ASSETS			
Current Assets			
Cash and Cash Equivalents	466.7	246.2	89.5%
Trade Accounts Receivable	687.9	670.1	2.7%
Inventories	677.2	628.0	7.8%
Taxes Recoverable	78.8	98.7	-20.2%
Prepaid Expenses	0.8	1.8	-53.4%
Derivative Financial Instruments from Debt	1.5	2.7	-44.3%
Other Receivables	3.3	6.8	-50.9%
Total Current Assets	**1,916.2**	**1,654.3**	**15.8%**
Non-Current Assets			
Trade Accounts Receivable	15.3	16.1	-5.0%
Taxes Recoverable	69.6	70.0	-0.5%
Deferred Income Tax and Social Contribution	187.3	203.8	-8.1%
Held-for-Sale Assets	0.5	0.5	-0.4%
Investment Properties	23.5	23.4	0.1%
Judicial Deposits	94.1	91.5	2.9%
Derivative Financial Instruments from Debt	0.5	3.0	-84.0%
Other Receivables	8.9	8.9	0.0%
Total Long-Term Assets	**399.8**	**417.2**	**-4.2%**
Investments	4.6	4.6	0.0%
Biological Assets	1,055.8	1,007.4	4.8%
Fixed Assets	1,457.7	1,464.6	-0.5%
Intangible Assets	20.5	21.0	-2.3%
Total Permanent Assets	**2,538.6**	**2,497.7**	**2.0%**
Total Non-Current Assets	**2,938.4**	**2,914.9**	**0.8%**
Total Assets	**4,854.6**	**4,569.2**	**6.2%**
LIABILITIES			
Current liabilities			
Trade Accounts Payable	282.9	264.5	7.0%
Loans and Financing	326.1	329.6	-1.0%
Labor Liabilities	46.4	51.9	-10.7%
Tax Liabilities	53.4	51.0	4.8%
Tax Installments	1.4	1.6	-13.3%
Advances from Clients	32.1	31.9	0.8%
Dividends and Interest on Equity Payable	97.6	117.4	-16.9%
Accounts Payable	44.1	53.9	-18.2%
Derivative Financial Instruments from Debt	9.0	25.4	-64.5%
Lease Liabilities	37.0	37.5	-1.4%
Total Current Liabilities	**930.1**	**964.7**	**-3.6%**
Non-Current Liabilities			
Loans and Financing	725.4	476.1	52.4%
Trade Accounts Payable	-	-	0.0%
Tax Installments	1.9	2.0	-6.9%
Deferred Income tax and Soc. Contr.	98.1	99.7	-1.6%
Provision for Contingencies	83.2	83.2	0.0%
Derivative Financial Instruments from Debt	10.5	13.8	-23.8%
Lease Liabilities	352.6	358.9	-1.8%
Total Non-Current Liabilities	**1,271.8**	**1,033.8**	**23.0%**
Shareholders' Equity			
Capital	1,412.8	1,412.8	0.0%
Revaluation Reserves	156.2	156.2	0.0%
Profit Reserve	887.3	887.3	0.0%
Asset Valuation Adjustment	81.9	81.9	0.0%
Other Comprehensive Income	21.6	35.5	-39.0%
Treasury Stock	(2.9)	(2.9)	0.0%
Retained Earnings	96.0	-	0.0%
Total Shareholders' Equity	**2,652.9**	**2,570.8**	**3.2%**
Non-controlling Interest	(0.1)	(0.1)	2.2%
Total Shareholders' Equity & Non-controlling Interest	**2,652.8**	**2,570.7**	**3.2%**
Total Liabilities and Shareholders' Equity	**4,854.6**	**4,569.2**	**6.2%**

Cash Flow

Operating Cash Flow (R$ '000)	1Q25	1Q24
Net Income (Loss) before Taxes on Profit	**144.2**	**69.1**
Adjustments to reconcile the result to cash and cash equivalents generated by operating activities		
Depreciation and Amortization	31.6	33.1
Depletion of Biological Assets	38.8	26.5
Write-off of Investments	(0.0)	(0.0)
Fair Value Variation in Biological Assets	(26.2)	(19.6)
Interest, Monetary and Exchange Variations, net	(22.5)	22.7
Provision for Tax Gains	-	-
Other Provisions	(10.8)	2.1
Changes in operating assets and liabilities		
Trade Accounts Receivable	(19.4)	(4.7)
Inventories	(48.9)	(7.9)
Recoverable Taxes	2.7	10.5
Prepaid Expenses	0.9	(2.6)
Judicial Deposits	(2.6)	0.3
Other Receivables	3.5	0.1
Trade Accounts Payable	18.9	(16.5)
Labor and Tax Liabilities	(8.9)	3.3
Income and Social Contribution Taxes Paid	-	(3.8)
Tax Installments	(0.4)	(8.0)
Advances from Clients	0.3	(8.0)
Accounts Payable and Leases	(8.2)	15.8
Interest Paid on Loans and Financing	(17.2)	(20.0)
Net cash from operating activities	**75.6**	**92.1**
Cash flow from investing activities		
Marketable Securities	-	(15.8)
Addition to Fixed and Intangible Assets	(29.6)	(45.0)
Capital Increase and Decrease in Subsidiary	-	-
Addition to Biological Assets	(44.4)	(38.3)
Net cash used in investing activities	**(74.1)**	**(99.1)**
Cash flow from financing activities		
Amortization of Loans and Financing	(52.3)	(56.6)
Amortization of Leases	(20.4)	(15.2)
New Loans and Financing	313.5	71.7
Distribution of Dividends/Interest on Equity	(19.9)	-
Net cash used in financing activities	**221.0**	**(0.1)**
Net increase (reduction) in cash and cash equivalents	**222.5**	**(7.1)**
Cash and cash equivalents		
Net exchange rate variation difference	(2.0)	0.7
Opening Balance of Cash and Cash Equivalents	246.2	33.2
Closing Balance of Cash and Cash Equivalents	466.7	26.8
Net increase (reduction) in cash and cash equivalents	**222.5**	**(7.1)**