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## 4Q21 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 4<sup>th</sup> quarter of 2021 (4Q21). 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.

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**Public Meeting**  
(Portuguese only)

March 31, 2022  
11 a.m. (Brasília)

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

*English transcript will be available after the  
event*

## Highlights

### 4Q21

- Net revenue of R\$709.6 million (+34.4%)
- Recurring EBITDA of R\$147.0 million (+32.9%), with margin of 20.7%
- Recurring net income of R\$156.0 million (+276.0%)

### 2021

- Net revenue of R\$2,449.4 million (+36.3%)
- Recurring EBITDA of R\$558.9 million (+55.5%), with margin of 22.8%
- Recurring net income of R\$379.2 million (+300.2%)

Amounts in R\$ million	4Q21	4Q20	Var. (%)	2021	2020	Var. (%)
Net Revenue	709.6	527.9	34.4%	2,449.4	1,797.6	36.3%
Gross Profit	247.5	161.0	53.7%	870.6	567.8	53.4%
Gross Margin (%)	34.9%	30.5%	4,4 p.p.	35.5%	31.6%	3,9 p.p.
EBITDA adjusted by non-cash events	105.1	42.9	144.9%	599.3	306.1	95.8%
EBITDA Margin (%)	14.8%	8.1%	6,7 p.p.	24.5%	17.0%	7,5 p.p.
Net Income (Loss)	128.4	38.1	236.9%	427.9	144.2	196.9%
<b>Recurring Net Income (Loss)</b>	<b>156.0</b>	<b>41.5</b>	<b>276.0%</b>	<b>379.2</b>	<b>94.8</b>	<b>300.2%</b>
Net Debt	380.8	414.7	-8.2%	380.8	414.7	-8.2%
Net Debt / EBITDA (LTM)	0.7	1.2	-41.5%	0.7	1.2	-41.8%
<b>Recurring Adjusted EBITDA</b>	<b>147.0</b>	<b>110.6</b>	<b>32.9%</b>	<b>558.9</b>	<b>359.4</b>	<b>55.5%</b>
<b>Recurring Adjusted EBITDA Margin (%)</b>	<b>20.7%</b>	<b>20.9%</b>	<b>-0,2 p.p.</b>	<b>22.8%</b>	<b>20.0%</b>	<b>2,8 p.p.</b>

## Management Comments

The opening months of 2021 witnessed strong economic recovery, which benefited the Company's operating segments, which, however, lost momentum as the year progressed. In 4Q21, the harmful effects of high inflation were evident, which eroded the purchasing power of workers, resulting in interest rate hikes and the consequent decline in consumer confidence indices.

The disarray across supply chains caused by the pandemic, among other factors, curtailed supply and drove up the prices of diverse inputs used by the Company. At the same time, as mentioned earlier, several of the company's operating segments lost momentum, making it difficult for the company to pass on these cost increases to prices.

The relaxation of restrictive measures has helped diverse sectors that faced some kind of restriction in the last two years, especially benefiting the services sector. This recuperation of the services sector has in a way competed with the resources earlier allocated during the "home office" period, to investments in home improvement, thus reducing the demand for our products.

Demand for panels in the domestic and foreign markets slowed down and declined in relation to 4Q20 due to the normalization of inventories and the reduction of exports, mainly due to logistical difficulties and the cost of sea freight. Products intended for construction registered a decline in relation to 4Q20, though these indices increased in the year compared to 2020.

The ABRAMAT (Brazilian Construction Materials Industry Association) index, which measures the performance of construction materials industries, ended 2021 climbing 8.0%. Despite this important growth, the slowdown in 4Q21 is clear and the forecast for 2022 is growth of 3%.

Indicators for the panels market, which includes MDF/HDF/MDP/Fiberboard sales, according to IBÁ (Brazilian Tree Industry) and the Company's figures, showed that the domestic and external markets grew 15.1% and 1.4%, respectively, in 2021. However, the quarterly scenario was different, with decline of 2.0% in the domestic market and 9.3% in the export market compared to 4Q20.

## Operating Performance and Results

Sales volume in the Company's Wood segment, considering both domestic and export markets, increased 6.3% in 4Q21 compared to the same period last year. The quarterly performance was impacted by the positive result in domestic sales (+10.9%) despite the decline in exports (-9.4%).

In 4Q21, there was a considerable delay in shipments to export markets, resulting in an increase in the Company's inventories. There is a shortage of containers and freight has increased considerably, especially to the United States, the Company's largest market. Among the measures taken by the Company to address this problem was once again shipping the goods as "loose cargo", a practice not used for many years, and chartering a ship to cut down the delays in shipments during 4Q21. For 2022, an agreement has already been signed to regularize the situation of container shipments, which is important for the Company's distribution logistics in the United States. According to experts, this scenario will improve only from 4Q22.

The Company's Paint sales in 4Q21 dropped 17.9% when compared to 3Q20, while the Paints Market declined 14.5% in the period.

Costs remained under heavy pressure in 4Q21, which, due to the unprecedented decision by market leaders to not transfer costs to prices, posed a formidable challenge to other players in the sector.

While the market has yet to normalize, the Company has been working on new formulations, developing new alternatives with its suppliers and prospecting new raw materials in order to recover its margins.

In 2021, Paint sales fell 8.9% in relation to 2020. According to the Brazilian Paint Manufacturers Association (ABRAFATI), the market grew 5.8% in 2021 compared to the previous year.

Operating Performance  
basis 100 - 2005

Physical Sales	4Q21	4Q20	Var. (%)	2021	2020	Var. (%)
Wood Panels (DM)	153	138	10.9%	149	139	6.9%
Wood Panels (EM)	338	373	-9.4%	279	248	12.4%
Paints	326	398	-17.9%	386	424	-8.9%
DM - Domestic Market / EM - Export Market						

### Net Revenue

Net Revenue Breakdown (R\$ million)	4Q21	4Q20	Var. (%)	2021	2020	Var. (%)
Wood Segment	527.4	412.9	27.7%	1,939.5	1,367.4	41.8%
Paint Segment	122.2	115.6	5.7%	441.5	403.5	9.4%
Other	60.1	(0.5)	11376.5%	68.5	26.7	156.8%
<b>Net Revenue</b>	<b>709.6</b>	<b>527.9</b>	<b>34.4%</b>	<b>2,449.4</b>	<b>1,797.6</b>	<b>36.3%</b>

(\*) Metal profiles, land and energy sales

Total net revenue in 4Q21 came to R\$709.6 million, compared to R\$527.9 million in 4Q20, up 34.4%. In 2020, total net revenue was R\$2,449.4 million, as against R\$1,797.6 million in 2020, growing 36.3%.

In the Wood Segment, revenue grew 27.7% from 4Q20, mainly reflecting the increase in sales prices in both the domestic and export markets. Net Revenue in 2021 was 41.8% higher than in previous year, reflecting the variation in sales prices and the increase in volume since, in 2Q20, the Company had scaled down production at its plants.

In 4Q21, the Paint segment increased its share of Net Revenue by 5.7% in relation to the same period the previous year, as a result of the increase in sales prices, which offset, albeit partially, the increase in costs. In 2021, revenue from paints grew 9.4% in relation to 2020.

### Recurring Cost of Goods Sold (COGS)

COGS increased 32.0% in 4Q21 compared to 4Q20. In the 12-month comparison between December 2020 and December 2021, the prices of a few commodities used to produce important inputs varied significantly: Urea 100%, Melamine – 96%, Paraffin – 46%, Butyl Acrylate – 241% and Petroleum – 49% among others. These increases, combined with the weaker Brazilian real, significantly affected the cost of goods sold.

We foresee a still highly unstable and unpredictable scenario that should also be affected significantly by the war in Ukraine, especially regarding fertilizers.

### Fair Value of Biological Assets

In 4Q21, the fair value of biological assets was R\$29.3 million, affected by the expansion of planted areas in the quarter and by the changes in the assumptions used, such as costs, prices and fees.

The price studies used by the Company to calculate the fair value of biological assets indicate that wood prices in the state of São Paulo continue to rise.

### Recurring Gross Profit and Gross Margin

Gross profit amounted to R\$247.5 million in 4Q21, as against R\$161.0 million in 4Q20, up 53.7%, due to the increase in the fair value of biological assets, chiefly caused by the increase in wood prices. The variation in the Cost of Goods Sold shows the hike in the prices of raw materials, especially those related to commodities. Gross profit in 2021 was R\$870.6 million, an increase of 53.4% from R\$567.8 million in 2020.

### Recurring Operating Expenses

Breakdown of Expenses (R\$ million)	4Q21	4Q20	Var. (%)	2021	2020	Var. (%)
General and Administrative	(20.9)	(18.6)	12.4%	(78.2)	(66.8)	17.0%
Selling	(80.7)	(74.5)	8.3%	(292.9)	(254.9)	14.9%
<b>Total Operating Expenses</b>	<b>(101.6)</b>	<b>(93.1)</b>	<b>9.1%</b>	<b>(371.1)</b>	<b>(321.7)</b>	<b>15.3%</b>
<b>% Net Revenue</b>	<b>14.3%</b>	<b>17.6%</b>	<b>-3,3 p.p.</b>	<b>15.1%</b>	<b>17.9%</b>	<b>-2,8 p.p.</b>
Other Operating Income and Expenses	3.9	0.4	798.3%	9.8	1.7	476.7%

In 4Q21, operating expenses corresponded to 14.3% of Net Revenue, declining 3.3 p.p. In nominal terms, operating expenses increased 9.1% in 4Q21 compared to 4Q20, due to the lower increase in expenses in relation to Net Revenue, especially considering that the positive performance in 4Q21 is largely influenced by price increase. In 2021, operating expenses corresponded to 15.1% of Net Revenue, down 2.8 p.p. from 2020.



## Recurring EBITDA and EBITDA Margin

As a result of the above, recurring EBITDA amounted to R\$147.0 million, growing 32.9% from 4Q20. Recurring EBITDA Margin in 4Q21 reached 20.7%, decreasing 0.2 p.p. from the same period last year. In 2021, Recurring EBITDA reached R\$558.9 million, increasing 55.5% from the previous year, with Recurring EBITDA Margin of 2.8 p.p.

EBITDA Reconciliation (R\$ million)	4Q21	4Q20	Var. (%)	2021	2020	Var. (%)
Net Income (Loss)	128.4	38.1	236.9%	427.9	144.2	196.9%
Income Tax and Social Contribution	(40.4)	28.5	-241.7%	97.6	98.0	-0.5%
Net Financial Income (Loss)	20.0	(3.3)	-701.8%	24.2	(47.8)	-150.5%
<b>EBIT</b>	<b>108.0</b>	<b>63.3</b>	<b>70.7%</b>	<b>549.7</b>	<b>194.3</b>	<b>182.9%</b>
Depreciation and Amortization	26.4	47.7	-44.7%	126.0	143.4	-12.1%
<b>EBITDA under CVM instr. 527/12</b>	<b>134.3</b>	<b>111.0</b>	<b>21.1%</b>	<b>675.7</b>	<b>337.8</b>	<b>100.1%</b>
<b>EBITDA Margin</b>	<b>18.9%</b>	<b>21.0%</b>	<b>-2.1 p.p.</b>	<b>27.6%</b>	<b>18.8%</b>	<b>8.8 p.p.</b>
<b>Non-cash adjustments</b>						
Fair value variation in biological assets	(29.3)	(5.5)	430.8%	(76.4)	(31.7)	140.9%
<b>EBITDA adjusted by non-cash events</b>	<b>105.1</b>	<b>105.4</b>	<b>-0.4%</b>	<b>599.3</b>	<b>306.1</b>	<b>95.8%</b>
<b>Non-recurring operational events</b>	<b>41.9</b>	<b>5.1</b>	<b>715.7%</b>	<b>(40.4)</b>	<b>53.3</b>	<b>-175.7%</b>
<b>Recurring adjusted EBITDA</b>	<b>147.0</b>	<b>110.6</b>	<b>32.9%</b>	<b>558.9</b>	<b>359.4</b>	<b>55.5%</b>
<b>Adjusted recurring EBITDA Margin</b>	<b>20.7%</b>	<b>20.9%</b>	<b>-0.2 p.p.</b>	<b>22.8%</b>	<b>20.0%</b>	<b>2.8 p.p.</b>

## Recurring Net Income

Recurring Net Income in 4Q21, excluding the effect of non-recurring expenses and net of income tax, totaled R\$156.0 million.

Non-recurring events in 4Q21 included: (-) R\$23.8 million in expenses with tax-related lawsuits; (-) R\$ 12.3 million in expenses with labor indemnities and lawsuits; (-) additional provision of R\$ 1.8 million for fees related to the issue of excluding ICMS from PIS/COFINS bases; and (-) others R\$ 4 million. In 2021, the company booked the following: (-) expenses of R\$13.1 million related to labor lawsuits and terminations; (+) revenue of R\$ 76.7 million from the final and unappealable sentence on the exclusion of ICMS from the PIS and COFINS calculation bases, net of tax contingencies; and (+) revenue of R\$ 10.3 million from an expropriation proceeding and others.

## Debt

The Company's net debt at the end of 2021 was R\$380.8 million and was equivalent to 0.7 times its annualized recurring EBITDA.

Debt (R\$ Million)	2021	2020	Var. (%)	2019	Var. (%)
Short-Term Debt	230.5	274.5	-16.0%	240.2	-4.0%
Long-Term Debt	291.4	231.7	25.8%	193.0	51.0%
<b>Gross Debt</b>	<b>521.9</b>	<b>506.2</b>	<b>3.1%</b>	<b>433.2</b>	<b>20.5%</b>
Cash and Cash Equivalents	141.1	85.2	65.5%	18.5	664.0%
<b>Net Debt</b>	<b>380.8</b>	<b>420.9</b>	<b>-9.5%</b>	<b>414.7</b>	<b>-8.2%</b>
% Short-Term Debt	44%	54%	-10 p.p.	55%	-11 p.p.
<b>Net Debt/Recurring EBITDA</b>	<b>0.7</b>	<b>1.2</b>	<b>-41.8%</b>	<b>1.5</b>	<b>-54.1%</b>

## Investments

Investments in 4Q21 totaled R\$67.9 million and were allocated to maintaining the Company's industrial and forest operations. For 2022, investments of around R\$248.0 million are planned, an increase of 19.5% from 2021, due to the significant increase in the plantation of new forests and the increase in prices of imported parts and services.

## Sustainability

Eucatex's forest sustainability is assured by 43,700 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 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.

## Capital Markets

Eucatex's common and preferred shares, listed on the B3 under the tickers EUCA3 and EUCA4, closed 2021 quoted at R\$11.89 and R\$8.81, respectively. The Company's market capitalization at the end of the period was R\$816.0 million, around 43% of its book value.

## About Eucatex

Eucatex S.A. Indústria e Comércio completed 70 years in 2021 and 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 2,876 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 4Q21, 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.*



## Income Statement

Income Statement (R\$ million)	4T21	4T20	Var. (%)	2021	2020	Var. (%)
<b>Gross Revenue</b>	<b>838.2</b>	<b>624.2</b>	<b>34.3%</b>	<b>2,895.9</b>	<b>2,118.5</b>	<b>36.7%</b>
Sales taxes and Deductions	(128.5)	(96.3)	33.5%	(446.5)	(320.9)	39.1%
<b>Net Revenue</b>	<b>709.6</b>	<b>527.9</b>	<b>34.4%</b>	<b>2,449.4</b>	<b>1,797.6</b>	<b>36.3%</b>
Fair value variation in biological assets	29.3	5.5	430.8%	76.4	31.7	141.0%
Cost of Goods Sold	(491.4)	(372.4)	32.0%	(1,655.2)	(1,261.6)	31.2%
<b>Gross Profit</b>	<b>247.5</b>	<b>161.0</b>	<b>53.7%</b>	<b>870.6</b>	<b>567.8</b>	<b>53.4%</b>
<b>% Gross Margin</b>	<b>34.9%</b>	<b>30.5%</b>	<b>4,4 p.p.</b>	<b>35.5%</b>	<b>31.6%</b>	<b>3,9 p.p.</b>
Selling Expenses	(80.7)	(74.5)	8.3%	(292.9)	(254.9)	14.9%
General and Administrative Expenses	(18.2)	(16.3)	11.6%	(69.2)	(60.1)	15.2%
Management Compensation	(2.6)	(2.2)	18.6%	(9.0)	(6.7)	33.6%
Other Operating Income / (Expenses)	3.9	0.4	798.3%	9.8	1.7	-476.7%
<b>Operating Income (Expenses)</b>	<b>(97.7)</b>	<b>(92.6)</b>	<b>5.4%</b>	<b>(361.3)</b>	<b>(320.1)</b>	<b>12.9%</b>
<b>Net Income before Financial Result</b>	<b>149.9</b>	<b>68.4</b>	<b>119.1%</b>	<b>509.4</b>	<b>247.7</b>	<b>105.6%</b>
Financial Income (Expense)	(20.0)	3.3	-701.8%	(57.6)	(80.3)	28.3%
Non-recurring Income (Expense)	(41.9)	(5.1)	-715.7%	73.8	74.8	-1.4%
<b>Net Income after Financial Result</b>	<b>88.0</b>	<b>66.6</b>	<b>32.2%</b>	<b>525.6</b>	<b>242.2</b>	<b>117.0%</b>
Provision for Income Tax and Soc. Contr.	40.4	(28.5)	-241.7%	(97.6)	(98.0)	-0.5%
<b>Net Income (Loss) before Non-Controlling Interest</b>	<b>128.4</b>	<b>38.1</b>	<b>236.9%</b>	<b>428.0</b>	<b>144.2</b>	<b>196.9%</b>
Non-controlling interest	(0.0)	0.0	313.8%	(0.0)	(0.0)	17.7%
<b>Net Income (Loss) from the Period</b>	<b>128.4</b>	<b>38.1</b>	<b>236.9%</b>	<b>427.9</b>	<b>144.2</b>	<b>196.9%</b>
<b>Net Margin</b>	<b>18.1%</b>	<b>7.2%</b>	<b>10.9 p.p.</b>	<b>17.5%</b>	<b>8.0%</b>	<b>9.5 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

Balance Sheet (R\$ '000)	2021	2020	Var. (%)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	44.8	7.1	533.1%
Marketable Securities	96.3	78.2	23.1%
Trade Accounts Receivable	545.7	428.7	27.3%
Inventories	434.0	277.6	56.3%
Taxes Recoverable	121.3	126.4	-4.0%
Prepaid Expenses	15.6	13.3	17.3%
Other receivables	3.2	3.0	8.6%
<b>Total Current Assets</b>	<b>1,260.9</b>	<b>934.2</b>	<b>35.0%</b>
<b>Non-Current Assets</b>			
<b>Long-Term Assets</b>			
Trade Accounts Receivable	22.1	25.4	-13.0%
Taxes Recoverable	140.9	87.5	61.1%
Deferred income tax and social contribution	64.8	63.9	1.5%
Assets held for sale	0.2	0.2	-8.9%
Investment properties	24.0	25.6	-6.2%
Judicial Deposits	46.4	5.4	761.3%
Other receivables	11.1	50.9	-78.1%
<b>Total Long-Term Assets</b>	<b>309.5</b>	<b>258.8</b>	<b>19.6%</b>
Investments	-	-	0.0%
Biological Assets	644.1	487.0	32.3%
Fixed Assets	1,243.9	1,038.3	19.8%
Intangible Assets	16.5	16.0	3.4%
<b>Total Permanent Assets</b>	<b>1,904.6</b>	<b>1,541.3</b>	<b>55.5%</b>
<b>Total Non-Current Assets</b>	<b>2,214.0</b>	<b>1,800.1</b>	<b>23.0%</b>
<b>Total Assets</b>	<b>3,474.9</b>	<b>2,734.2</b>	<b>27.1%</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade Accounts Payable	283.0	171.5	65.1%
Loans and Financing	230.5	274.5	-16.0%
Labor Liabilities	37.5	37.2	1.0%
Tax Liabilities	45.4	70.9	-36.0%
Related Parties	-	4.2	-100.0%
Tax Installments	30.8	32.0	-3.6%
Advances from Clients	28.1	27.0	4.0%
Dividends and interest on equity payable	60.5	68.1	-11.2%
Accounts Payable	72.7	58.7	23.7%
Lease liabilities	34.7	23.7	46.0%
<b>Total Current Liabilities</b>	<b>823.1</b>	<b>767.9</b>	<b>7.2%</b>
<b>Non-Current Liabilities</b>			
Loans and Financing	291.4	231.7	25.8%
Trade Accounts Payable	8.0	-	0.0%
Tax Installments	54.1	76.6	-29.4%
Deferred Income tax and Soc. Contr.	121.9	122.4	-0.5%
Provision for Contingencies	78.2	18.0	335.6%
Related parties	-	6.0	-100.0%
Lease liabilities	210.2	30.5	589.6%
<b>Total Long-Term Liabilities</b>	<b>763.7</b>	<b>485.2</b>	<b>57.4%</b>
<b>Shareholders' Equity</b>			
Capital	851.9	851.9	0.0%
Revaluation Reserves	182.7	182.7	0.0%
Profit Reserve	755.2	352.5	114.2%
Asset Valuation Adjustment	89.8	89.8	0.0%
Other Comprehensive Income	11.5	7.4	55.8%
Treasury Stock	(2.9)	(2.9)	0.0%
Accrued earnings	-	-	0.0%
<b>Total Shareholders' Equity</b>	<b>1,888.1</b>	<b>1,481.3</b>	<b>27.5%</b>
Non-controlling interest	(0.1)	(0.1)	14.9%
<b>Total Shareholders' Equity &amp; Non-controlling Interest</b>	<b>1,888.0</b>	<b>1,481.2</b>	<b>27.5%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,474.9</b>	<b>2,734.2</b>	<b>27.1%</b>

## Cash Flow

Operating Cash Flow (RS '000)	2021	2020
<b>Net Income (Loss) before Income Tax and Social Contribution</b>	<b>428.0</b>	<b>144.2</b>
<b>Adjustments to reconcile the result to cash and cash equivalents generated by operating activities</b>		
Depreciation and Amortizations	97.2	81.4
Exhaustion of biological assets	44.3	62.0
Write-off of investments	1.6	0.0
Fair value variation in biological assets	(76.4)	(31.7)
Interest, Monetary and Exchange Variations, net	26.5	47.3
Income tax and social contribution	99.1	86.0
Provision for tax gains	(138.6)	(175.0)
Income and social contribution taxes - deferred	(1.5)	12.1
Other provisions	72.5	129.0
<b>Changes in operating assets and liabilities</b>		
Marketable Securities	(18.1)	(67.7)
Trade accounts receivable	(112.7)	(87.4)
Inventories	(156.4)	(15.9)
Recoverable taxes	90.2	32.5
Deferred expenses	(2.3)	0.3
Judicial deposits	(41.0)	2.3
Other receivables	39.5	(40.2)
Trade accounts payable	119.5	5.9
Labor and Tax Liabilities	(133.4)	(40.0)
Tax Installments	(25.7)	(32.4)
Advances from Clients	1.1	9.0
Accounts payable	204.6	52.0
<b>Net Cash Flow from Operating Activities</b>	<b>518.0</b>	<b>175.3</b>
<b>Cash Flow from Investing Activities</b>		
Capital decrease in subsidiaries	-	-
Addition to fixed assets	(303.4)	(95.8)
Addition to biological assets	(124.9)	(83.5)
<b>Net cash used in investment activities</b>	<b>(428.3)</b>	<b>(179.3)</b>
<b>Cash Flow from Financing Activities</b>		
Amortization of loans and financing	(299.5)	(315.8)
Amortization of leases	-	(30.0)
New loans and financing	290.7	341.6
Loans with related parties	(10.2)	10.2
Empréstimos com partes relacionadas	-	-
<b>Net cash used in financing activities</b>	<b>(52.0)</b>	<b>3.0</b>
<b>Increase (Reduction) in Net Cash and Cash Equivalents</b>	<b>37.7</b>	<b>(1.0)</b>
<b>Cash and Cash Equivalents</b>		
Opening balance of cash and cash equivalents	7.1	8.0
Closing balance of cash and cash equivalents	44.8	7.1
<b>Increase (Reduction) in Net Cash and Cash Equivalents</b>	<b>37.7</b>	<b>(1.0)</b>