



## 3Q21 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 2021 (3Q21). 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.

### Public Meeting *(Portuguese only)*

November 11, 2021  
3 p.m. (Brasília)

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

*An English transcript will be available after the event*

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## Highlights

### 3Q21

- Net Revenue of R\$654.0 million (+23,1%)
- Recurring EBITDA of R\$149.2 million (+27.4%), with Margin of 22.8%
- Recurring Net Income of R\$ 69.8 million (+50.6%)

### 9M21

- Net Revenue of R\$1,739.8 million (+37.0%)
- Recurring EBITDA of R\$404.9 million (+62.7%), with Margin of 23.3%
- Recurring Net Income of R\$223.2 million (+319.1%)

Amounts in R\$ million	3Q21	3Q20	Var. (%)	9M21	9M20	Var. (%)
Net Revenue	654.0	531.4	23.1%	1,739.8	1,269.7	37.0%
Gross Profit	234.6	183.3	28.0%	623.1	406.0	53.5%
Gross Margin (%)	35.9%	34.5%	1.4 p.p.	35.8%	32.0%	3.8 p.p.
EBITDA adjusted by non-cash events	116.9	113.3	3.3%	487.1	263.2	85.1%
EBITDA Margin (%)	17.9%	21.3%	-3.4 p.p.	28.0%	20.7%	7.3 p.p.
Net Income (Loss)	70.5	43.8	61.2%	299.6	106.1	182.5%
<b>Recurring Net Income (Loss)</b>	<b>69.8</b>	<b>46.3</b>	<b>50.6%</b>	<b>223.2</b>	<b>53.3</b>	<b>319.1%</b>
Net Debt	376.4	440.3	-14.5%	376.4	440.3	-14.5%
Net Debt / EBITDA (LTM)	0.7	1.4	-46.0%	0.7	1.4	-46.0%
<b>Recurring Adjusted EBITDA</b>	<b>149.2</b>	<b>117.2</b>	<b>27.4%</b>	<b>404.9</b>	<b>248.8</b>	<b>62.7%</b>
<b>Recurring Adjusted EBITDA Margin (%)</b>	<b>22.8%</b>	<b>22.0%</b>	<b>0.8 p.p.</b>	<b>23.3%</b>	<b>19.6%</b>	<b>3.7 p.p.</b>

## Management Comments

Performance of the company's operating sectors in 3Q21 can be considered positive, despite signs of a slowdown in the Brazilian economy caused by high inflation, rising interest rates, declining confidence levels and concerns about the country's fiscal situation.

Brazil has been taking great strides in loosening the restrictive measures that have been in place since March 2020, but this is no guarantee at the moment that the Brazilian economy will rebound. Inflation and concerns about the country's fiscal situation have made the headlines, affecting confidence level, which, ultimately is what drives people to consume goods and services.

Overall, the performance of 3Q21, at least in the company's business segments, still reflected the new habits that emerged during the pandemic, such as physical distancing measures, more time spent at home and greater concern for the household, all of which generated additional demand for products that directly or indirectly form part of the Company's portfolio. Moreover, on account of travel restrictions, lower spending on clothing and leisure, among others, people had more funds available to spend on these items. Henceforth, with the situation returning to normal and as supply chains manage to adjust their inventories, we could possibly have less impetus in growth rates.

Global outlook, though, is more positive, with the funds injected into the economies of several important countries and the actions of governments to tackle the crisis still having positive effects on consumption, causing the growth projections for leading economies to indicate that 2022 will be a positive year despite concerns about inflation.

Demand in the domestic and export markets for wood panels remains high, though it declined in relation to 3Q20 at all of the Company's and competitors' factories. Products intended for construction registered a decline in relation to 3Q20, though these indices increased in the year compared to 2020.

The ABRAMAT (Brazilian Construction Materials Industry Association) Index, which measures the performance of construction material industries, ended 9M21 up 15.2%, showing that the growth pace was strong, partly due to the comparison base, since physical distancing measures were implemented in March 2020. This performance led the 2021 growth forecast to be revised to 8%.

Indicators for the panels market, which includes MDF/HDF/MDP/Fiberboard sales, according to IBA (Brazilian Tree Industry) figures and the Company's estimates, increased 22.4% in the domestic market and 5.5% in the export market in 9M21 compared to 9M20. The quarterly results were different from those registered in 9M21, with decreases of 4.5% in the domestic market and 5.7% in the foreign market when compared to 3Q20. In 3Q20, the economy rebounded, marked by significant sales volume in all of the Company's products.

## Operating Performance and Results

Sales volume in the Company's Wood segment, considering both domestic and export markets, decreased 2.4% in 3Q21, compared to the same period last year. Performance in the quarter was impacted by the decline in domestic sales (-4.7%), despite the growth of exports (+5.5%). Demand for panels in the domestic and export markets remains strong and the Company has improved its sales mix, while its main finishing lines have been working close to capacity.

In 3Q21, there was a considerable delay in shipments to export markets, resulting in an increase in the Company's inventories. The delay in shipments is due to the current crisis sweeping across the world. 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 loading goods in the holds of ships, a practice not used for many years, and chartering a ship to cut down the delays in shipments during 3Q21. 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.

The Company's Paint sales in 3Q21 dropped 18.5% when compared to 3Q20, while the Paints Market declined 4.3% in the period. In 3Q20, the Company took the lead to register growth of 48% in relation to 3Q19, compared to market growth of 24%. However, it was unable to maintain the pace. Inflation in the Paint business is different: it is more acute than in the Company's other businesses. Most of the raw materials are somehow affected by the exchange rate and by commodity prices, which increased significantly during the period. Leaders in the Paint market, which always took a disciplined approach while passing on cost increases to prices, especially in 2021, abandoned this practice to increase volumes, which has adversely affected other companies across the sector, which work with thinner margins and are unable to pass on the cost increases. As a result, the leaders gained market share while affecting margins across the whole sector.

In 9M21, the Company's paint sales declined 5.5% in relation to the same period in 2020. According to the Brazilian Paint Manufacturers Association (ABRAFATI), the market grew 15.4% in 9M21 compared to the same period last year.

### Operating Performance basis 100 - 2005

Physical Sales	3Q21	3Q20	Var. (%)	9M21	9M20	Var. (%)
Wood Panels (DM)	169	178	-4.7%	147	140	4.9%
Wood Panels (EM)	344	326	5.5%	266	219	21.2%
Paints	410	503	-18.5%	411	435	-5.5%

DM - Domestic Market / EM - Export Market

## Net Revenue

Net Revenue Breakdown (R\$ million)	3Q21	3Q20	Var. (%)	9M21	9M20	Var. (%)
Wood Segment	516.3	404.4	27.7%	1,394.2	971.0	43.6%
Paint Segment	125.7	126.0	-0.2%	319.3	287.9	10.9%
Other (*)	12.0	1.0	1121.3%	26.3	10.7	146.5%
<b>Net Revenue</b>	<b>654.0</b>	<b>531.4</b>	<b>23.1%</b>	<b>1,739.8</b>	<b>1,269.7</b>	<b>37.0%</b>

(\*) Metal profiles, land and energy sales

Total net revenue in 3Q21 came to R\$654.0 million, compared to R\$531.4 million in 3Q20, up 23.1%. In 9M21, total net revenue was R\$1,739.8 million, as against R\$1,269.7 million in 9M20, growing 37.0%.

In the Wood Segment, revenue grew 27.7% from 3Q20, reflecting the increase in sales prices in both the domestic and export markets. It appears that the transfer of cost increases to prices is still possible. Net Revenue in 9M21 grew 46.0% in relation to the same period in 2020, reflecting both the variation in sales prices and higher volume, since, in 2Q20, the Company reduced production at its factories.

In 3Q21, net revenue from the Paint segment remained stable in relation to 3Q20, due to lower sales volume and higher sales prices, which partially offset the increase in costs. In 9M21, revenue from paints grew 10.9% in relation to 9M20.

## Recurring Cost of Goods Sold (COGS)

COGS increased 23.5% in 3Q21 compared to 3Q20. The increase in prices of inputs, across all sectors, was chiefly responsible for the variation in costs, since most of them are linked to commodities and are also influenced by the exchange rate. Despite the noticeable slowdown in cost increases, there are still considerable “scars”. In 4Q21, we observed significant variations in the price of two important inputs: urea, a component of the resin used in the production of MDP and MDF, rose 100%, while melamine rose by more than 40%. This portrays a scenario that is still far from stable and is difficult to predict.

## Fair Value of Biological Assets

In 3Q21, the fair value of biological assets was R\$18.0 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.

## Recurring Gross Profit and Gross Margin

Gross profit amounted to R\$234.6 million in 3Q21, as against R\$183.3 million in 3Q20, up 28.0%, mainly due to price hikes and productivity gains on account of the high utilization rates at production lines and the positive variation in the fair value of biological assets. In 9M21, gross profit totaled R\$623.1 million, as against R\$406.0 million in 9M20, increasing 53.5%.

## Recurring Operating Expenses

Breakdown of Expenses (R\$ million)	3Q21	3Q20	Var. (%)	9M21	9M20	Var. (%)
General and Administrative	(18.3)	(17.1)	6.8%	(57.3)	(48.3)	18.8%
Selling	(76.3)	(74.1)	3.1%	(212.2)	(180.4)	17.6%
<b>Total Operating Expenses</b>	<b>(94.6)</b>	<b>(91.2)</b>	<b>3.8%</b>	<b>(269.5)</b>	<b>(228.7)</b>	<b>17.9%</b>
<b>% Net Revenue</b>	<b>14.5%</b>	<b>17.2%</b>	<b>-2.7 p.p.</b>	<b>15.5%</b>	<b>18.0%</b>	<b>-2.5 p.p.</b>
Other Operating Income and Expenses	0.9	0.2	303.0%	5.9	2.0	193.0%

In 3Q21, operating expenses corresponded to 14.5% of Net Revenue, declining 2.7 p.p. In nominal terms, operating expenses increased 3.8% in 3Q21 compared to 3Q20. In 9M21, operating expenses corresponded to 15.5% of Net Revenue, down 2.5 p.p. from 9M20.

## Recurring EBITDA and EBITDA Margin

As a result of the above, recurring EBITDA amounted to R\$149.2 million, growing 27.4% from 3Q20. Recurring EBITDA Margin reached 22.8% in 3Q21, increasing 0.8 p.p. from the same period last year. In 9M21, recurring EBITDA amounted to R\$404.9 million, up 62.7% from 9M20, while Recurring EBITDA Margin rose 3.7 p.p.

EBITDA Reconciliation (R\$ million)	3Q21	3Q20	Var. (%)	9M21	9M20	Var. (%)
Net Income (Loss)	70.5	43.8	61.2%	299.6	106.1	182.5%
Income Tax and Social Contribution	59.4	22.7	161.5%	138.0	69.6	98.4%
Net Financial Income (Loss)	(21.3)	22.0	-196.8%	4.2	18.0	-76.8%
<b>EBIT</b>	<b>108.6</b>	<b>88.5</b>	<b>22.7%</b>	<b>441.7</b>	<b>193.6</b>	<b>128.2%</b>
Depreciation and Amortization	26.3	30.9	-14.7%	92.5	95.7	-3.4%
<b>EBITDA under CVM instr. 527/12</b>	<b>134.9</b>	<b>119.4</b>	<b>13.0%</b>	<b>534.3</b>	<b>289.4</b>	<b>84.6%</b>
<b>EBITDA Margin</b>	<b>20.6%</b>	<b>22.5%</b>	<b>-1.9 p.p.</b>	<b>30.7%</b>	<b>22.8%</b>	<b>7.9 p.p.</b>
<b>Non-cash adjustments</b>						
Fair value variation in biological assets	(18.0)	(6.1)	194.5%	(47.1)	(26.2)	79.9%
<b>EBITDA adjusted by non-cash events</b>	<b>116.9</b>	<b>113.3</b>	<b>3.3%</b>	<b>487.1</b>	<b>263.2</b>	<b>85.1%</b>
<b>Non-recurring operational events</b>	<b>32.3</b>	<b>3.9</b>	<b>726.8%</b>	<b>(82.3)</b>	<b>(14.3)</b>	<b>474.1%</b>
<b>Recurring adjusted EBITDA</b>	<b>149.2</b>	<b>117.2</b>	<b>27.4%</b>	<b>404.9</b>	<b>248.8</b>	<b>62.7%</b>
<b>Adjusted recurring EBITDA Margin</b>	<b>22.8%</b>	<b>22.0%</b>	<b>0.8 p.p.</b>	<b>23.3%</b>	<b>19.6%</b>	<b>3.7 p.p.</b>

## Recurring Net Income

Recurring Net Income in 3Q21, excluding the effect of non-recurring expenses and net of income tax, totaled R\$69.8 million.

Non-recurring events in 3Q21 included: (-) expenses of R\$3.4 million related to labor lawsuits and terminations; and (+) revenue of R\$4.5 million related to a complement to the final and unappealable decision on excluding ICMS from the PIS/COFINS tax calculation base, among others. In 3Q20, this line mainly consisted of labor lawsuits and terminations.

## Debt

The Company's net debt at the end of 9M21 was R\$376.4 million and was equivalent to 0.7 times its annualized recurring EBITDA.

Debt (R\$ Million)	9M21	2020	Var. (%)	9M20	Var. (%)
Short-Term Debt	211.6	274.5	-22.9%	320.6	-34.0%
Long-Term Debt	275.9	231.7	19.1%	199.1	38.5%
<b>Gross Debt</b>	<b>487.5</b>	<b>506.2</b>	<b>-3.7%</b>	<b>519.7</b>	<b>-6.2%</b>
Cash and Cash Equivalents	111.1	85.2	30.3%	79.4	39.9%
<b>Net Debt</b>	<b>376.4</b>	<b>420.9</b>	<b>-10.6%</b>	<b>440.3</b>	<b>-14.5%</b>
% Short-Term Debt	43%	54%	-11 p.p.	62%	-18 p.p.
<b>Net Debt/Recurring EBITDA</b>	<b>0.7</b>	<b>1.2</b>	<b>-36.2%</b>	<b>1.4</b>	<b>-45.2%</b>

## Investments

Investments in 3Q21 totaled R\$58.8 million and were allocated to maintaining the Company's industrial and forest operations. For 2021, investments of around R\$175.9 million are planned, an increase of 14.7% from 2020, due to the significant increase in the plantation of new forests and the increase in prices of imported parts and services due to the weaker BRL.

## Sustainability

Eucatex's forest sustainability is assured by 60,200 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 3Q21 quoted at R\$14.35 and R\$8.90, respectively. The Company's market capitalization at the end of the period was R\$824.3 million, around 46% of its book value.

## About Eucatex

Eucatex S.A. Indústria e Comércio, which completes 70 years in 2021, is one of Brazil's largest manufacturers of laminated 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 2,857 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 3Q21, 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)	3Q21	3Q20	Var. (%)	9M21	9M20	Var. (%)
<b>Gross Revenue</b>	<b>775.2</b>	<b>626.9</b>	<b>23.7%</b>	<b>2,057.7</b>	<b>1,494.3</b>	<b>37.7%</b>
Sales taxes and Deductions	(121.2)	(95.5)	26.9%	(317.9)	(224.6)	41.6%
<b>Net Revenue</b>	<b>654.0</b>	<b>531.4</b>	<b>23.1%</b>	<b>1,739.8</b>	<b>1,269.7</b>	<b>37.0%</b>
Fair value variation in biological assets	18.0	6.1	194.5%	47.1	26.2	79.9%
Cost of Goods Sold	(437.4)	(353.4)	23.8%	(1,163.8)	(889.9)	30.8%
<b>Gross Profit</b>	<b>234.6</b>	<b>183.3</b>	<b>28.0%</b>	<b>623.1</b>	<b>406.0</b>	<b>53.5%</b>
<b>% Gross Margin</b>	<b>35.9%</b>	<b>34.5%</b>	<b>1.4 p.p.</b>	<b>35.8%</b>	<b>32.0%</b>	<b>3.8 p.p.</b>
Selling Expenses	(76.3)	(74.1)	3.1%	(212.2)	(180.4)	17.6%
General and Administrative Expenses	(16.1)	(15.5)	3.5%	(51.0)	(43.7)	16.5%
Management Compensation	(2.2)	(1.6)	38.5%	(6.4)	(4.5)	41.0%
Other Operating Income / (Expenses)	0.9	0.2	303.0%	5.9	2.0	-193.0%
<b>Operating Income (Expenses)</b>	<b>(93.7)</b>	<b>(91.0)</b>	<b>3.0%</b>	<b>(263.6)</b>	<b>(226.7)</b>	<b>16.3%</b>
<b>Net Income before Financial Result</b>	<b>140.9</b>	<b>92.4</b>	<b>52.5%</b>	<b>359.5</b>	<b>179.3</b>	<b>100.5%</b>
Financial Income (Expense)	(12.1)	(22.0)	44.9%	(37.6)	(83.7)	55.0%
Non-recurring Income (Expense)	1.1	(3.9)	129.3%	115.7	80.0	44.7%
<b>Net Income after Financial Result</b>	<b>129.9</b>	<b>66.5</b>	<b>95.4%</b>	<b>437.6</b>	<b>175.6</b>	<b>149.2%</b>
Provision for Income Tax and Soc. Contr.	(59.4)	(22.7)	161.5%	(138.0)	(69.6)	98.4%
<b>Net Income (Loss) before Non-Controlling Interest</b>	<b>70.5</b>	<b>43.8</b>	<b>61.1%</b>	<b>299.6</b>	<b>106.1</b>	<b>182.5%</b>
Non-controlling interest	(0.0)	(0.0)	-49.0%	(0.0)	(0.0)	-49.6%
<b>Net Income (Loss) from the Period</b>	<b>70.5</b>	<b>43.8</b>	<b>61.2%</b>	<b>299.6</b>	<b>106.1</b>	<b>182.5%</b>
<b>Net Margin</b>	<b>10.8%</b>	<b>8.2%</b>	<b>2.6 p.p.</b>	<b>17.2%</b>	<b>8.4%</b>	<b>8.8 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)	9M21	2020	Var. (%)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	32.1	7.1	354.0%
Marketable Securities	78.9	78.2	1.0%
Trade Accounts Receivable	534.6	428.7	24.7%
Inventories	393.0	277.6	41.6%
Taxes Recoverable	166.1	126.4	31.4%
Prepaid Expenses	17.0	13.3	28.0%
Other receivables	4.3	3.0	45.9%
<b>Total Current Assets</b>	<b>1,226.2</b>	<b>934.2</b>	<b>31.3%</b>
<b>Non-Current Assets</b>			
<b>Long-Term Assets</b>			
Trade Accounts Receivable	21.8	25.4	-14.1%
Taxes Recoverable	109.5	87.5	25.2%
Deferred income tax and social contribution	41.9	63.9	-34.3%
Assets held for sale	0.2	0.2	-8.8%
Investment properties	25.5	25.6	-0.3%
Judicial Deposits	6.0	5.4	10.7%
Other receivables	50.9	50.9	0.0%
<b>Total Long-Term Assets</b>	<b>255.8</b>	<b>258.8</b>	<b>-1.1%</b>
Investments	-	-	0.0%
Biological Assets	591.1	487.0	21.4%
Fixed Assets	1,058.2	1,038.3	1.9%
Intangible Assets	15.8	16.0	-1.4%
<b>Total Permanent Assets</b>	<b>1,665.1</b>	<b>1,541.3</b>	<b>21.9%</b>
<b>Total Non-Current Assets</b>	<b>1,920.9</b>	<b>1,800.1</b>	<b>6.7%</b>
<b>Total Assets</b>	<b>3,147.1</b>	<b>2,734.2</b>	<b>15.1%</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade Accounts Payable	235.2	171.5	37.2%
Loans and Financing	211.6	274.5	-22.9%
Labor Liabilities	40.8	37.2	9.7%
Tax Liabilities	83.1	70.9	17.2%
Related Parties	4.4	4.2	4.0%
Tax Installments	30.6	32.0	-4.5%
Advances from Clients	20.1	27.0	-25.5%
Dividends and interest on equity payable	68.1	68.1	0.0%
Accounts Payable	80.0	58.7	36.2%
Lease liabilities	22.6	23.7	-4.9%
<b>Total Current Liabilities</b>	<b>796.5</b>	<b>767.9</b>	<b>3.7%</b>
<b>Non-Current Liabilities</b>			
Loans and Financing	275.9	231.7	19.1%
Tax Installments	61.0	76.6	-20.4%
Deferred Income tax and Soc. Contr.	122.1	122.4	-0.3%
Provision for Contingencies	49.2	18.0	174.2%
Related parties	3.0	6.0	-50.0%
Lease liabilities	56.4	30.5	85.0%
<b>Total Long-Term Liabilities</b>	<b>567.6</b>	<b>485.2</b>	<b>17.0%</b>
<b>Shareholders' Equity</b>			
Capital	851.9	851.9	0.0%
Revaluation Reserves	182.7	182.7	0.0%
Profit Reserve	352.5	352.5	0.0%
Asset Valuation Adjustment	89.8	89.8	0.0%
Other Comprehensive Income	9.6	7.4	29.4%
Treasury Stock	(2.9)	(2.9)	0.0%
Accrued earnings	299.6	-	0.0%
<b>Total Shareholders' Equity</b>	<b>1,783.1</b>	<b>1,481.3</b>	<b>20.4%</b>
Non-controlling interest	(0.1)	(0.1)	8.8%
<b>Total Shareholders' Equity &amp; Non-controlling Interest</b>	<b>1,783.0</b>	<b>1,481.2</b>	<b>20.4%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,147.1</b>	<b>2,734.2</b>	<b>15.1%</b>

## Cash Flow

Operating Cash Flow (RS '000)	9M21	9M20
<b>Net Income (Loss) before Income Tax and Social Contribution</b>	<b>299.6</b>	<b>106.1</b>
<b>Adjustments to reconcile the result to cash and cash equivalents generated by operating activities</b>		
Depreciation and Amortizations	71.3	54.1
Exhaustion of biological assets	38.4	41.6
Write-off of investments	0.1	0.0
Fair value variation in biological assets	(47.1)	(26.2)
Interest, Monetary and Exchange Variations, net	11.5	67.9
Income tax and social contribution	117.6	68.8
Provision for tax gains	(138.6)	(126.4)
Income and social contribution taxes - deferred	20.4	0.8
Other provisions	39.6	20.7
<b>Changes in operating assets and liabilities</b>		
Marketable Securities	(0.8)	(41.1)
Trade accounts receivable	(103.7)	(123.0)
Inventories	(115.4)	12.6
Recoverable taxes	76.9	24.9
Deferred expenses	(3.7)	(2.8)
Judicial deposits	(0.6)	(1.3)
Other receivables	(1.4)	(1.2)
Trade accounts payable	63.8	34.0
Labor and Tax Liabilities	(106.5)	(13.4)
Tax Installments	(17.0)	(4.5)
Advances from Clients	(6.9)	2.2
Accounts payable	46.0	63.6
<b>Net Cash Flow from Operating Activities</b>	<b>244.5</b>	<b>158.6</b>
<b>Cash Flow from Investing Activities</b>		
Capital decrease in subsidiaries	-	-
Addition to fixed assets	(91.1)	(89.6)
Addition to biological assets	(95.4)	(55.3)
<b>Net cash used in investment activities</b>	<b>(186.4)</b>	<b>(144.9)</b>
<b>Cash Flow from Financing Activities</b>		
Amortization of loans and financing	(248.7)	(222.8)
Amortization of leases	-	(20.7)
New loans and financing	218.5	241.4
Loans with related parties	(2.8)	-
Empréstimos com partes relacionadas	-	11.2
<b>Net cash used in financing activities</b>	<b>(33.0)</b>	<b>6.1</b>
<b>Increase (Reduction) in Net Cash and Cash Equivalents</b>	<b>25.1</b>	<b>19.8</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	32.1	27.9
<b>Increase (Reduction) in Net Cash and Cash Equivalents</b>	<b>25.1</b>	<b>19.8</b>