

Dexco

deca portinari duratex hydra ceusa durafloor



Credit Suisse - 9th Annual Brazil Basic Materials Conference

November 5th, 2021

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Who we are

70 years of history, listed since
1951 on the stock Exchange market

Leader in the market where it
operates

+13k employees

19 industrial units, 3 in Colombia,
and **7** forest units

Strong brands synonym of
excellence

Portfolio of products as a
design benchmark

Innovation as a directional of
processes

**Solid Management System
(SGD)** with focus in
shareholder value creation



WOOD

Durafloor Duratex



DECA

Hydra Deca



CERAMIC TILES

ceusa Portinari

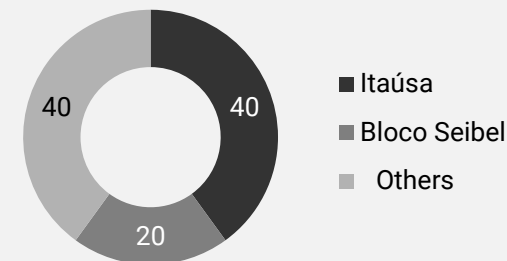


DISSOLVING WOOD PULP

LD Celulose

CORPORATE GOVERNANCE

Shareholders Structure (%)



- Dividend policy requiring minimum distribution of 30% of adjusted net earnings;
- 30% of independent members on the Board Directors;
- Senior board members can not hold an executive position within the Company;
- 6 executive committees;
- Risk management, Compliance, Audit and Ombudsman Departments;
- Analyst coverage: Bradesco BBI, BTG Pactual, Credit Suisse, Empiricus Research, HSBC, JP Morgan, Santander, Morgan Stanley e Nau Securities.

DXCO
B3 LISTED NM

IBOVESPA B3

IBRA B3

IBRX100 B3

ICO2 B3

IGC B3

IGCT B3

IGC-NM B3

IMAT B3

INDX B3

ISE B3

ITAG B3

MLCX B3



ESG Commitment

We remain focused on enhancing and achieving our goals

3 STRATEGIC COMMITMENTS – 16 KPI's



WELL-BEING

Promote health and well-being in our environments



IMPACT

Sustainable growth with positive carbon impact



CARE

Investment to promote conscientious renovation and change the construction paradigm

CONFIDENT IN OUR WAY OF CREATING VALUE¹



R\$ 755 million paid in remuneration of labor and government.



123% of water reutilized (BR), that is, there is more water in circulation than is being extracted from the environment



52% of energy generated from fuels from renewable sources



More than R\$ 100K in donations to combat COVID

PUBLICATION OF THE 2ND INTEGRATED REPORT



Company stayed in **1st** place in Latin America e **3st** place Global in the ranking for evaluating the level of transparency of companies in the pulp and wood sectors.



Climate: A



Water: B



Forest: B



Strategy development

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Growth Cycle

Boom in demand

Increase in market share

Geographical and product
diversification

Economy expanding

2007
to 2014

2015

Management Excellence

**Dexco Management
System (SGD)**

Zero Based Budgeting

EVA as performance
metric

Cultural Transformation

Straategic review of the **Dexco
culture**

Rejuvenated culture ready to face
new challenges

High performance teams

Active and engaged leadership

Economic Crisis

2016

2017

The New Dexco

The New Proposal:
**Solutions For Better
Living**

Dexco 2025

**Client as center of
strategy**

Welcome: **Ceusa** and
Viva Decora

Asset Management

Sale of land and forestry assets

Sale of the Hardboard business

Closure of Botucatu unit and
reopening of Itapetininga unit

Unification of shower operations
with the closure of Tubarão/SC
unit

2018

Economy
Recovery

2019

Company in Transformation

Aquisition of Cecrisa

Closure of São Leopoldo/RS
(Louças) and Santa Luzia/MG
(Cecrisa) units

Approval of the **creation of the joint
venture LD Celulose** to produce
dissolving wood pulp

Sale of land and forestry assets

Strategy Translated into Numbers

Partial shutdown of industrial units
in the 1H20

Market share gain with the demand
resumption

Industries operating in **full capacity**
in the end of the year

Record Results

First Integrated Reporting

Launch of **Deca's marketplace**

2020

COVID-19 Pandemic



2021

New brand positioning

Dexco
VIVER AMBIENTES

● Opportunity to leverage our competitive advantage;

● To enable expansion of New Business;

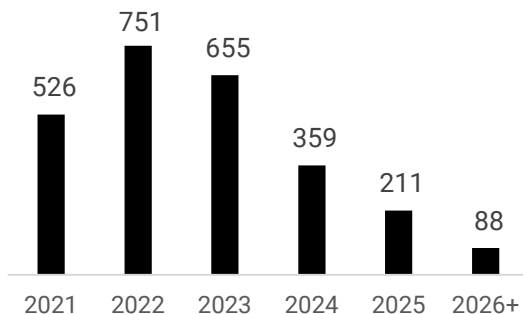
● The opportunity to symbolize a new phase for our company.

New growth cycle (2021-2025)

+R\$ 2.5B
invested

- High return
- Generation of sustainable cash flow
- Low levels of leverage

TIMELINE – CAPEX (PROJECTS)
R\$ million



ORGANIC



Wood
+R\$ 500 million

FACTORY DEBOTTLENECKING

CAPEX: ~R\$ 90 million in 3 years
+10% of capacity in 2023;

MIX

CAPEX: ~R\$ 180 millions in 3 years
+45% of capacity, +15p.p. per year to 2023;

FORESTRY BASE

R\$ 240 million by 2026.



Deca
+R\$ 1,1 billion

+CAPACITY AND MIX (Metals)

CAPEX: ~R\$ 600 million in 4 years, focusing on 2022
+35% of capacity by 2024;

+CAPACITY AND AUTOMATION (Sanitary Ware)

CAPEX: ~R\$ 550 mm in 5 years (~R\$100 million year)
+30% of capacity in 2022.



Ceramic Tiles
+R\$ 620 million

GREENFIELD

CAPEX: ~R\$ 600 million in 4 years, with focus on 2022 and 2023

+35% of capacity, 1st line in 2023 and 2nd line in 2024;

FACTORY MODERNIZATION

R\$ 20 million in 2021.

CORPORATE VENTURE CAPITAL

DX ventures

Initial injection of R\$ 100 million

abc
da construção

Investment of R\$ 102 million
Minority shareholding

INORGANIC



M&A
Evaluation of new opportunities

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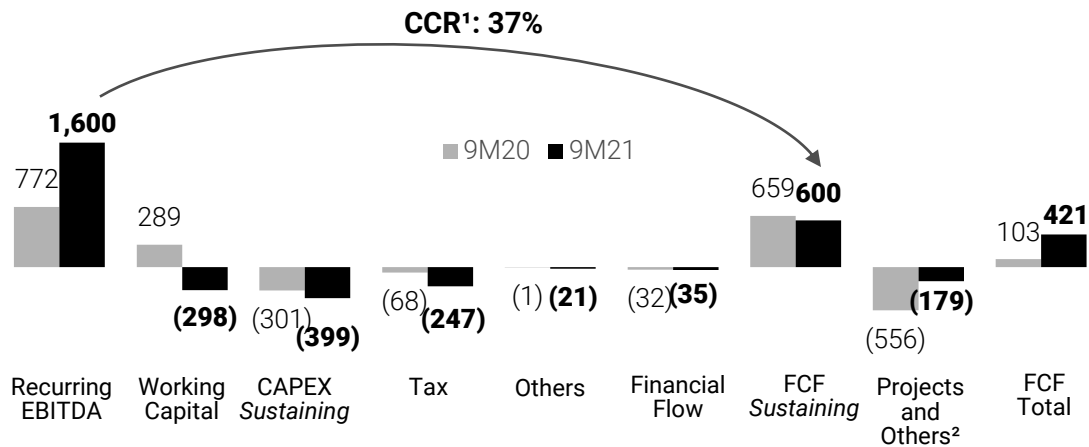
3Q21 Results – highlights

EBITDA of R\$ 1.6 million Year to date, +24% higher than the previous annual record (2020)

- New quarterly EBITDA record validates the Company's greater operational efficiency and successful price adjustments;
- Working Capital/Net Revenue remains at low levels (~13%)
- 0,8x leverage, with a downward trend, even with expediture on expansion projects.

Free Cash Flow YTD

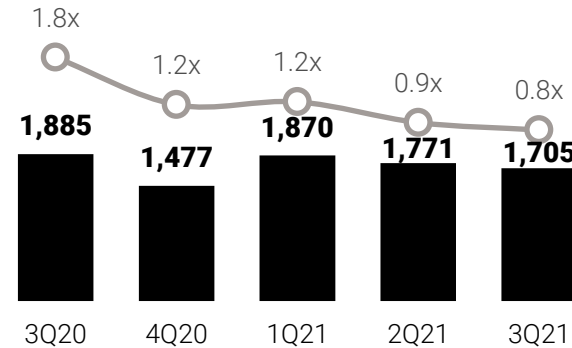
R\$ million



Financial Leverage

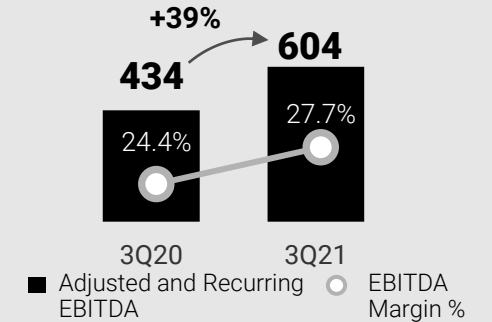
R\$ million

■ Net Debt ○ Net Debt/Recurring EBITDA (LTM)



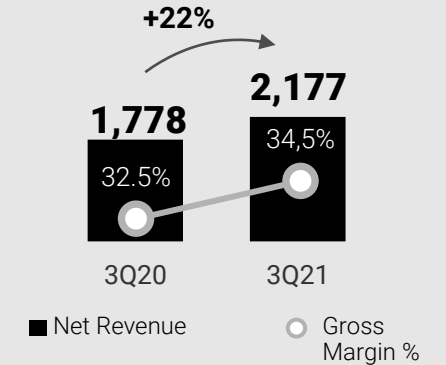
Adjusted and Recurr. EBITDA and Margin

R\$ million / %



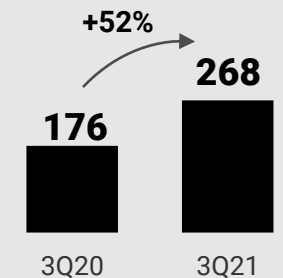
Recurr. Net Revenue and Pro forma Gross Margin

R\$ million / %



Recurring Net Income

R\$ million



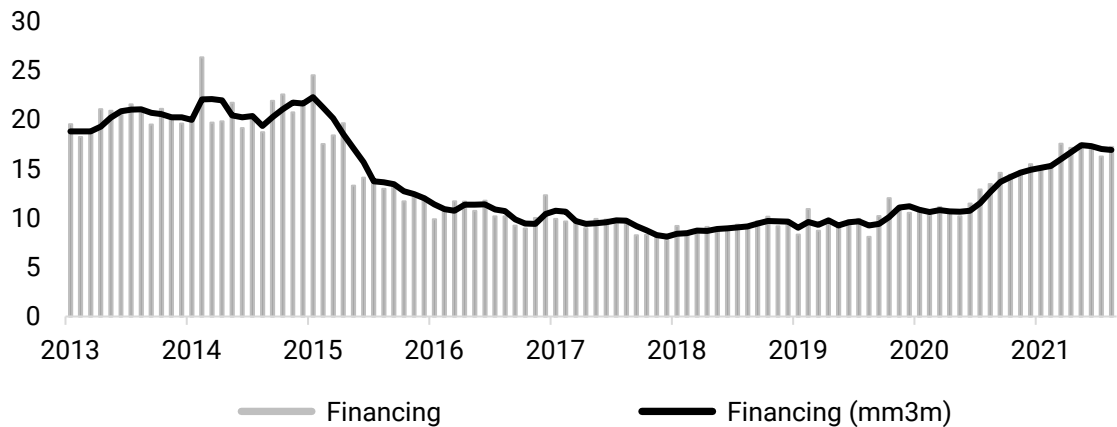
1 – Cash Conversion Ratio: rate of conversion of Adjusted and Recurring EBITDA into Sustaining FCL
2 – Expansion Projects, DX Ventures, Investment in LD Celuloses, non-recurring payments and receipts
3 – Expansion Projects, DX Ventures and Investment in LD Celulose.

Macroeconomic data

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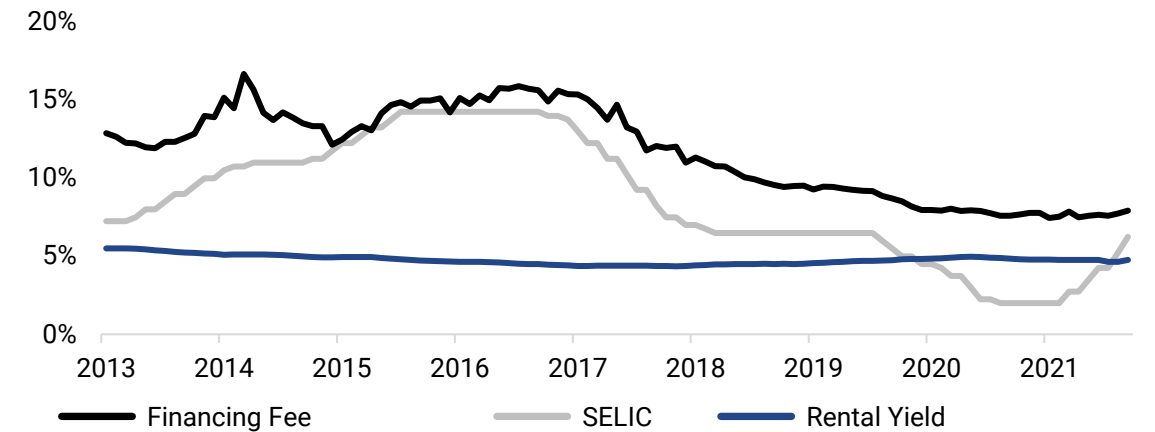
- A trend towards an increase in the basic interest rate not yet impacting access to real estate credit;
- Maintenance of real estate launches at record levels;
- Positive prospects for the production of civil construction inputs, considering that the historic peak has not yet been reached.

Real Estate Financing
(deflated and seasonally adjusted in R\$ billion)



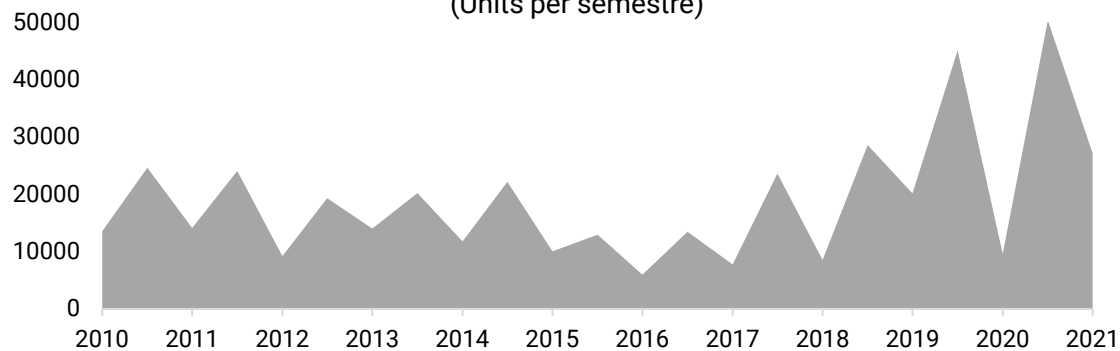
Source: Banco Central, FIPE-Zap

Financing Fee x Selic x Rental Yield
(% a.a.)



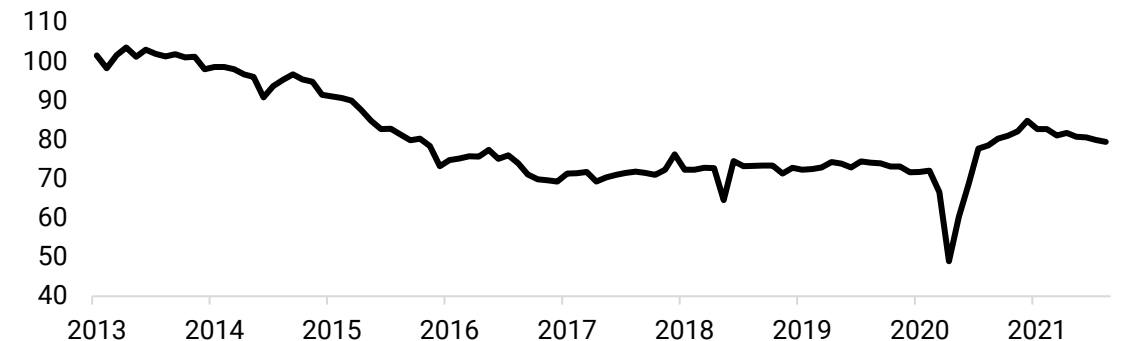
Source: Banco Central, FIPE-Zap

Residential Units Launched in São Paulo – SP
(Units per semestre)



Source: SECOVI

Production of Civil Construction Inputs (ICC)
(2012 index = 100)



Source: IBGE

Prospects 2022



Overall Scenario

- Risk of new rises in interest rates, but still at levels favorable to the sector;
- Maintenance of high levels of demand for construction materials, stemming from new property development projects.



Wood

- New wood panel coating capacity comes on stream, announced in the new investment cycle, with a focus on the increment of the mix;
- High rate of production utilization;



Deca

- Improvement in the mix for Metals with the start of gains captured from the new project announced;
- Continuum process of evolution of margin in line with Division's growth strategy



Ceramic Tiles

- Start of construction of the factory at Botucatu (SP);
- Conclusion of the retrofit of the production lines in Santa Catarina;



Dissolving Wood Pulp

- Launch of the new factory;
- High prices for the commodity, together with high exchange rates, forecast to continue.



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