

DEXCO

deca portinari duratex hydra ceusa durafloor



Bradesco BBI 11th CEO Forum

November 16, 17 and 18, 2021

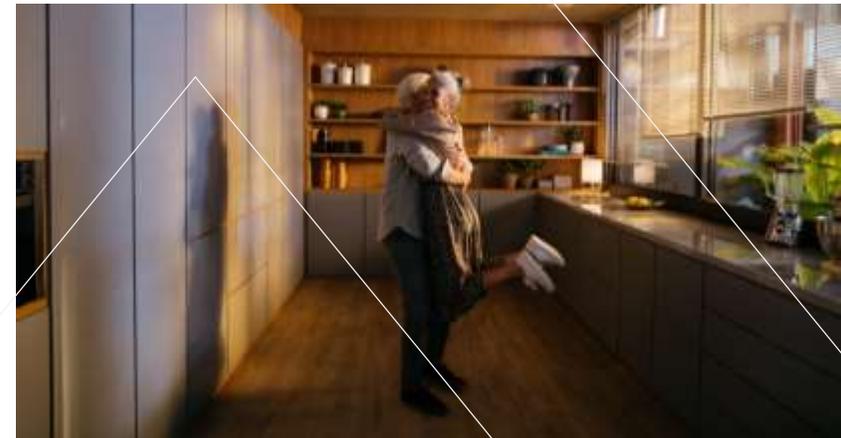
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Who we are

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

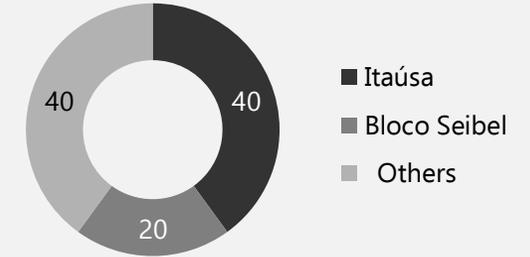


DISSOLVING WOOD PULP

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

IGCB3

IGCTB3

IGC-NMB3

IMAT B3

INDXB3

ISE B3

ITAG B3

MLCX B3

ESG Commitment

We remain focused on enhancing and achieving our goals

3 STRATEGIC COMMITMENTS – 16 KPI's

 <p>WELL-BEING</p> <p>Promote health and well-being in our environments</p>	 <p>IMPACT</p> <p>Sustainable growth with positive carbon impact</p>	 <p>CARE</p> <p>Investment to promote conscientious renovation and change the construction paradigm</p>
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CONFIDENT IN OUR WAY OF CREATING VALUE¹

 <p>R\$ 755 million paid in remuneration of labor and government.</p>	 <p>123% of water reutilized (BR), that is, there is more water in circulation than is being extracted from the environment</p>	 <p>52% of energy generated from fuels from renewable sources</p>	 <p>More than R\$ 100K in donations to combat COVID</p>
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PUBLICATION OF THE 2ND INTEGRATED REPORT



Company stayed in **1st place in Latin America** and **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**



Dexco

1- Information relates to 2Q21

Strategy development

Growth Cycle

Boom in demand

Increase in market share

Geographical and product **diversification**

Cultural Transformation

Strategic review of the **Dexco culture**

Rejuvenated culture ready to face **new challenges**

High performance teams

Active and engaged leadership

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

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**

Economy expanding to 2014

2015

Management Excellence

Dexco Management System (SGD)

Zero Based Budgeting

EVA as performance metric

Economic Crisis

2016

2017

The New Dexco

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

Dexco 2025

Customer as center of strategy

Welcome: **Ceusa** and **Viva Decora**

2018

Economy Recovery

2019

Company in Transformation

Aquisition of Cecrisa

Closure of São Leopoldo/RS (Sanitary Ware) 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

2020

COVID-19 Pandemic



2021

New brand positioning



● Opportunity to leverage our competitive advantage;

● To enable expansion of New Business;

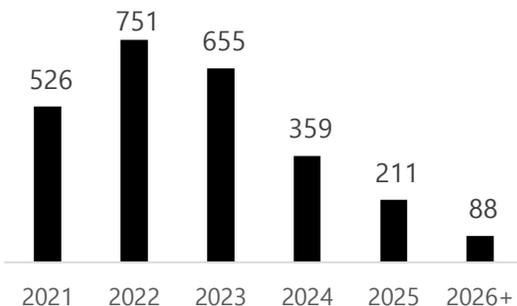
● The opportunity to symbolize a new phase for our company.

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



Investment of R\$ 102 million
Minority shareholding

INORGANIC



M&A
Evaluation of new opportunities



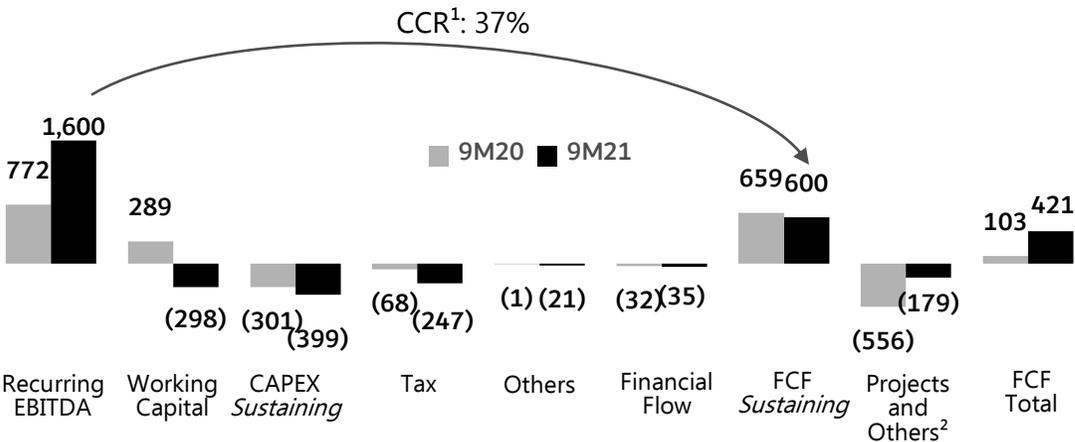
3Q21 Results – highlights

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 expenditure on expansion projects.

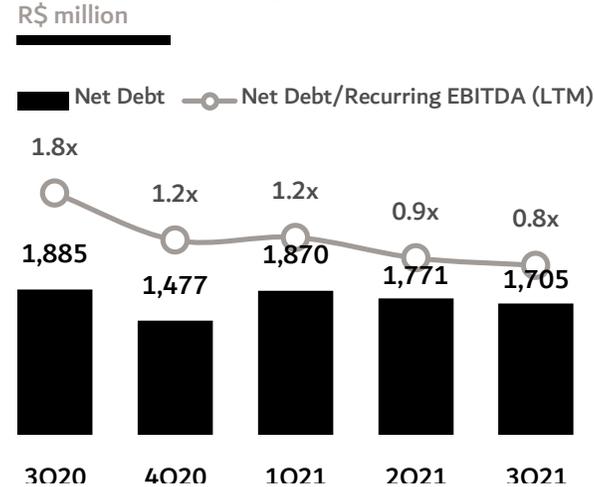
Free Cash Flow YTD

R\$ million



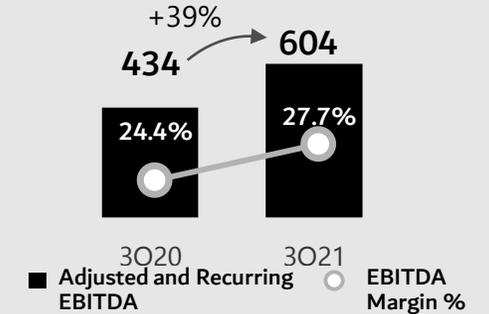
Financial Leverage

R\$ million



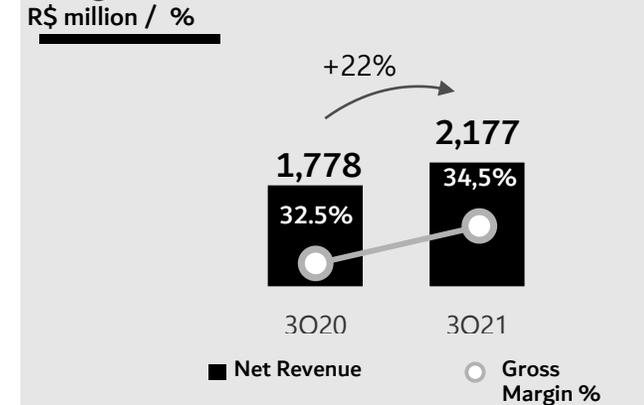
Adjusted and Recurr. EBITDA and Margin

R\$ million / %



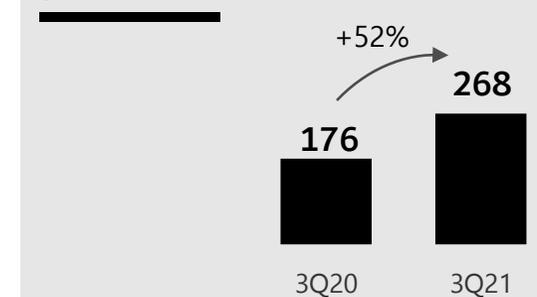
Recurr. Net Revenue and Pro forma Gross Margin

R\$ million / %



Recurring Net Income

R\$ million



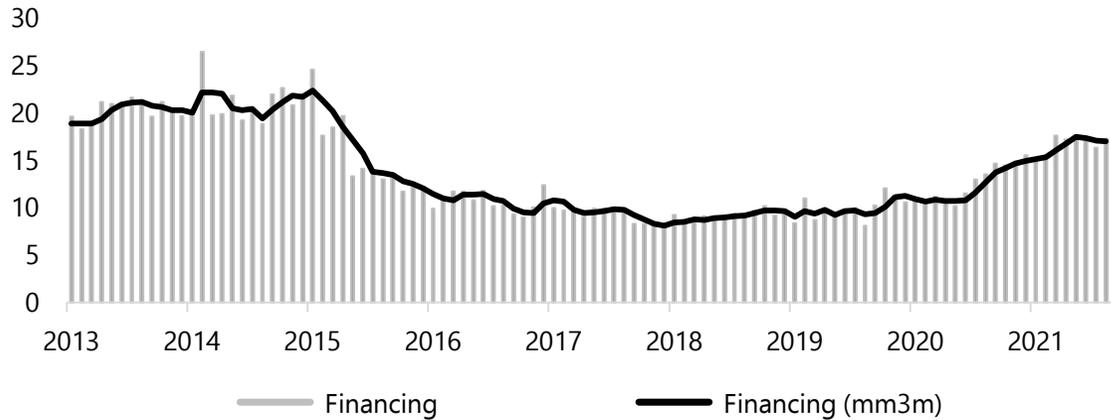
1 – Cash Conversion Ratio: rate of conversion of Adjusted and Recurring EBITDA into Sustaining FCL
 2 – Expansion Projects, DX Ventures, Investment in LD Celuloses, non-recurring payments and receipts
 3 – Expansion Projects, DX Ventures and Investment in LD Celulose.

Macroeconomic data

- 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

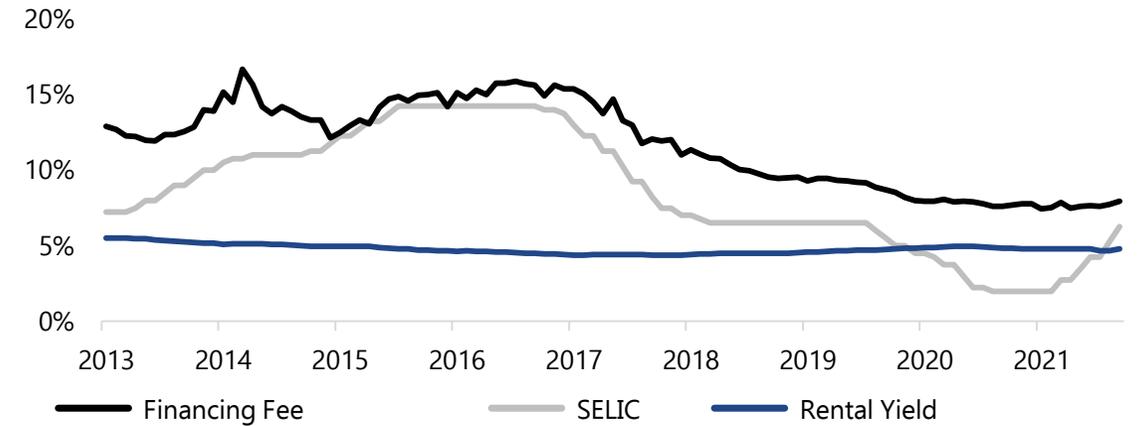
(deflated and seasonally adjusted in R\$ billion)



Source: Banco Central, FIPE-Zap

Financing Fee x Selic x Rental Yield

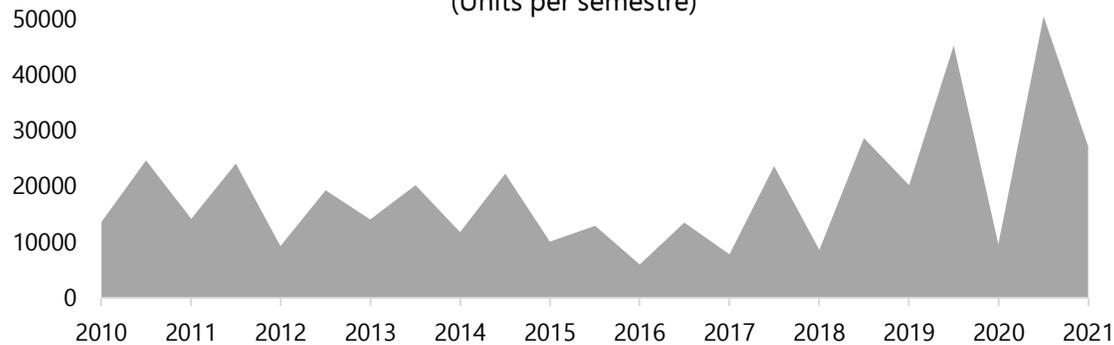
(% a.a.)



Source: Banco Central, FIPE-Zap

Residential Units Launched in São Paulo – SP

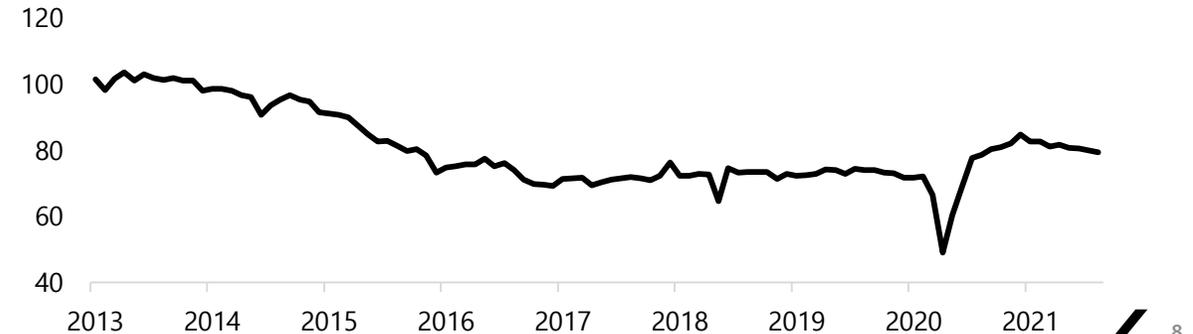
(Units per semestre)



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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