

## Q1 2022 Earnings Call

### Company Participants

- Antonio Joaquim de Oliveira, Chief Executive Officer and Director
- Carlos Henrique Pinto Haddad, Vice President - Administration, Finance and Investor Relations

### Other Participants

- Isabella Batalha Vasconcelos, Analyst
- Kai-Uwe Rainer, Analyst
- Marcio Farid Filho, Analyst

### Presentation

#### Operator

Welcome to Dexco's Conference Call where we will be talking about the earnings for the first quarter of 2022. We'd like to inform you that during this conference call participants will be in listen-only mode while the company's management speaks, and then we'll begin the questions-and-answer session when further instructions will be given. (Operator Instructions) Before we begin, we'd like to clarify that any statements made during this conference call about the company's business perspectives as well as projections, operational and financial goals are simply assumptions and beliefs from the company's management based on currently available information. Remarks about the future are not a guarantee of performance. They involve risks, uncertainties and assumptions. They refer to future events and therefore depend on circumstances that may or may not come to pass. Investors should realize that the economic conditions, industry conditions and other operational factors may affect the company's future results and lead to results that differ materially from those expressed in the forward-looking statements.

Now, I'd like to give the floor to Mr Henrique Haddad who is the VP of Administration, Finance and Investor Relations. Mr Henrique, over to you.

#### **Carlos Henrique Pinto Haddad** {BIO 17599460 <GO>}

Thank you. Good morning everyone, and welcome. Thank you for being here for our earnings call. I'm here with our -- with some members of our Board of Directors and our IR team. We will begin our presentation on Slide 3. We started 2022 amid several challenges, such as higher COVID-19 rates, high inflation and the conflict between Russia and the Ukraine. However, we had a positive feeling that we could offset them partially and once again post record results for our first quarter with an adjusted and recurring EBITDA by BRL104 million.

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This performance was only possible due to this long effort we made over the last years, especially focusing on more resilient markets and exploring the potential of our brands, which as a consequence led to an evolution of the results in the Deca and Tilings divisions. Another relevant point is that even with a higher seasonal pattern, which was not seen last year the wood division sustained its results with a market share gain, once again showing the level of our operations.

The evolution in prices and product mix is just as our increase in exports were important levers in this process. As you can see in the margins we had during this quarter, the cost of our main input is still a challenge, especially when we talk about elements in the Wood Panel division, such as (inaudible) and international shipping. Besides that, we saw a relevant spike in prices of Sanding wood, which for Dexco has a lower impact due to how our panel operations our verticalized. But this is relevant for our industry and can lead to further price increases in the next quarters. I'd like to take this chance to highlight that we have started the dissolving pulp unit operations at LD Cellulose, and this was within schedule. We're very happy and excited about this new operation and the positive effects that it will generate for our results.

Now continuing with Slide 4. Looking at the company's cash generation, we had a significant increase in investments in our Forestry base. This was due to a rapid evolution of operations in the Wood division in the last two years, which led to a higher harvest during this period. This higher expense, the recomposition of our working capital in this quarter and a slight increase in inventories, as well as a small reduction in terms for our suppliers, led to a consumption of BRL54 million in our sustaining cash flow. The working capital index versus our revenue this quarter is still at a level below 14% in line with our cash management strategy. Considering expansion projects, the biggest highlight was Castelatto[ph]. It was an acquisition that cost about BRL100 million in investments. We're very excited about Castelatto joining our Tiling division and the potential gains in image and reputation and brands and also expanding our portfolio. This quarter, we also invested a total of BRL403.8 million in growth and productivity projects, as we announced last year. I'd also like to highlight that according to the planned investment programs, we also BRL94 million for LD Cellulose.

Now looking at the impacts that this result had in our debt, we continue on Slide 5. Even with higher cash consumption due to these investments and finishing the share repurchase program where we reacquired 20 million shares from the market, we did not see any significant impact to our debt profile, which finished the quarter at 1.5 times net debt to EBITDA. Considering our debt, we did the first issuance of commercial notes with the a total value of BRL300 million and a term of six years, which extended our average payment terms. Besides reaffirming, our national long term rating AAA Brazil with a Stable Outlook. Fitch Fitch gave the company's corporate rating on a global scale of BB plus above the sovereign risk in Brazil. According to Fitch, these results reflect the company's strong position in the industry it works and its financial discipline, supported by a long history of operations with low leverage and a strong liquidity position. We're very happy about this result.

Continuing on our divisions, we'll move to Slide 7. The Wood Panels market started the year with a reduction of 13% in volume sold versus the first quarter of 2021 due to

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collective time off from the industry and higher seasonality during this period, which we did not see in the first quarter of 2021 because of pandemic restrictions.

In the domestic market, sales retracted 18%, while exports volume grew 23% on a comparative basis according to IBA data. On Slide 8, we see Dexco, the Wood division had a lower retraction in its sales than the domestic market and it had some significant market share gains, 26% up in exports versus the first quarter of 2021 as a result of the market diverse -- diversity strategy and it offset some of the seasonality in Brazil and supported maintenance for the high capacity utilization rates even with downtime -- programmed downtime. Besides that, high productivity in the new price level, an increase of 35% versus the first quarter of 2021, made the division closed the quarter with an adjusted and recurring EBITDA of BRL359 million, but with lower margins due to cost pressures for some of our components, specifically, Korea and international shipping as we mentioned before.

We now continue with the Deca division on Slide 10. According to data from ABRAMAT, the revenue for the entire construction materials industry had a retraction of 9.9% versus the first quarter of 2021 despite maintaining the same growth expectancy for 2022. Continuing with Slide 11, we see Deca. Deca had a smaller drop than the rest of the industry and it was a highlight this quarter with a well implemented revenue growth strategy, which led our unit prices to a high 43% versus the first quarter of 2021 with improved prices and mix. These factors offset the high costs and elevated the company's EBITDA to BRL72 million, a 11% above the first quarter of 2021 with a margin of 15%. In comparison to the first quarter of 2021, we have to highlight that this year, there was a reduction in the sales of electric shower heads, which was more significant than what is seasonably seen during this time.

Now, on Ceramic Tilings, we continue on Slide 13. The Ceramic Tiling market finished the first quarter of 2022, with a drop of 11% in volumes sold versus 2021 while installed capacity utilization for the industry was 85%, according to (inaudible) data. We continue with the Ceramic Tiles division on Slide 14. It operated above market few -- figures with 99% utilization capacity this quarter, although sales volumes were at the same level as we had last year. The biggest highlight in this division was sales in big format products which improved our mix and elevated unit prices by 37% versus the risk versus 2021. This was enough to offset costs, especially natural gas and with that, we finished the quarter with an EBITDA of BRL72 million, 31% what we had last year. In March, this division is consolidating with the Castelatto results. But as of now, this has had a low impact.

We now continue with Dissolving Pulp on Slide 16. We're very happy to start our operations with LD Cellulose and the ramp-up process within budget and schedule, although we faced some adversities during the last three years. We expect that by the end of the year, the plant will be operating close to its total capacity.

We now continue on Slide 17. Here we have some news on our ESG front. During the first quarter of 2022, we published our sustainability commitments, which confirm our strategic framework, of which we highlight facilitating, building and reconstruction journeys, an investment of 140[ph] by 2025, ensuring sustainable growth, keeping a positive carbon balance, promoting health and well-being in our environments. Expanding our revenue

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with products that promote health, well-being and efficiency and also diversity, we want to have 35% of women in leadership roles by 2025. If you'd like more detail on our commitments, you can look at our sustainability book by clicking on the presentation or visiting our IR website.

To conclude the presentation, we'll continue on Slide 18. This is a brief summary of what we've mentioned today. We started 2022 pressured by the foreign -- by foreign factors, speculations on the elections, the new COVID variant, inflation and conflicts between Russia and Ukraine. These are pressures beyond the ones we had already been managing since 2021, increased interest rates, inflation which spiked up again and even among these impacts with new real estate projects being launched in the last two years, we're still positive for this year, but we're always keeping a close eye on new unfoldings, especially the conflict between Russia and Ukraine and the recent news on restrictions in China due to the pandemic.

Looking at 2022 for each division, starting with wood. We're still monitoring high cost, but we're confident that we have high productivity projects and we are ready for any future price increases, if necessary. We're also looking at higher exports. In Deca, we're still positive about our pricing and mix strategies, which should offset any pressures coming from the inflation and should support the division's margins. In Tilings, we've consolidated -- we started consolidating Castelatto, we have very positive perspectives for this division. And better mix and high prices should sustain our margins even with increase in natural gas prices. Finally we're excited about the ramp-up process for our new Dissolving Pulp unit. We hope to bring good news on these operations soon.

With that, we'll now open up for questions. Thank you for your attention.

## Questions And Answers

### Operator

We will now begin the questions-and-answer session. (Operator Instructions). You can now start to the first question comes from Raphael Marcelos from Santander. Raphael Go ahead. We can't hear Raphael.

(Technical Difficulty)

So we are having technical issues but we will resolve them in the next two minutes (Technical Difficulty) Raphael, if you can repeat your question. (Technical Difficulty) (Operator Instructions) Ladies and gentlemen, we're going to ask a question from the chat from Mr Carlos Ajera[ph]. So reductions in volumes are related to passing on the price, so are clients migrating to other brands? And how are you seeing volumes so far for the second quarter of 2022? And with the increase of net debt, the cash generation this year should be directed especially to reduce debt or will you use a difficult year to do inorganic strategies?

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## A - Carlos Henrique Pinto Haddad {BIO 17599460 <GO>}

Carlos I hope you're hearing us. We've had some issues but I'm going to assume that you are. So these reductions in volume are related to the seasonal patterns much more so than prices. The last price increases across all divisions were made last year in November and December and they helped us even to have good results and offset some of the reduction and volumes, for example, in the fourth quarter. But this is much more related to seasonal patterns that we see in Wood in the first quarter. In Deca, there is the seasonal pattern that we often to see, so, prices have stopped during the first quarter and we did not see any migration towards entry-level brands, not to a perceptible level at least. Considering the second quarter we're working on the same level. We've maintained these volumes. Of course, usually, the seasonal pattern helps us during this time but we will face this year some uncertain scenarios, especially the elections, the war. We see that the economy is receiving some investments, which is very common in an election year, and that might benefit us, but the effects of war might create higher inflation and even some reduced consumption. But we're still positive about the rest of the year and we're working at levels close to what we used last year.

And considering debt, we don't -- are not really focused on any M&A processes and our debt is low. If we look at our net debt to EBITDA ratio, it's below what we had foreseen. And we're not foreseeing anything besides executing the plan that we had created last year, investments, we just acquired Castelatto, so we're really focusing on the investments that we have already made.

So did we reconnect Raphael, who wanted to ask a question?

## Operator

No. He didn't reconnect. So Raphael asked a question via chat. He's asking about the cost pressure for the second quarter. Will we keep the same margins for the second quarter? You mentioned that the Wood division gained some market share in the domestic market. Can you give us further details?

## A - Carlos Henrique Pinto Haddad {BIO 17599460 <GO>}

Well, Raphael, we have been pressured in the second quarter. We still have high level of inflation, especially for example, we have new -- we have forecast that from higher gas prices internationally and of course with the war, it will tend to get worse. So we will receive some new cost pressures. But we're working a lot to at least keep the margins we're operating. So I think that's perfectly possible. And of course we might even have during this time some increases depending on the volumes that will be pressured. It's important to remind you that during the first quarter, adjustments were still slightly below what we had forecasted in the company. So we had an expectation, we had full prices and we managed to overcome them and even offset volume reductions in our EBITDA. So, in the second quarter the cost depending on what continues, are we going to see -- when are we going to see the gas price is going up again, and at what level. So that might help us to recompose the price. But we hope to work with the same margins, we hope that it's not going to change significantly, there might even be some gained opportunities and better industrial gains in the second quarter.

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Considering market share, you're probably talking about Wood. If not, please let me know, but it's quite natural we create -- created loyalty programs along with retail and industry, it was all very successful. So there was some gain in market share, but I would say that market dynamics are very stable. I've been saying in some forms that this year there's been a strong lever for exports, which wasn't very common in the past. So we have some signs that the market is getting better, especially the industry with better sell out and so on. We're starting to see some positive trends, so, I would say that market share changes are not such a concern. I'm more concerned about our sales volumes and our results than market share volumes in this case because it will come as a consequence. So there is a very strong volume of exports. We're exporting about twice as much as we had forecasted. So that removes some pressure from the outside market. Major competitors are doing the same thing, and we would be more successful if we didn't have that unprecedented spike in logistics prices. If we -- and you're quite aware of that, if we didn't have it, we would have even better results. But there is a demand, there are prices, we're facing logistics changes. Of course, we hope it's temporary but we can't be certain of how temporary it is because of the war, because of the situation in China. So that is making a lot of our production go to the outside market, which is very positive. It balances out the domestic market. So, of course we gained some market share but of course that depends on what is being used here or abroad.

## Operator

Thank you, Henrique. Now we'll continue the next questions. The next one will be asked by Marcio Farid from Goldman Sachs. Go ahead, Mr. Marcio.

### Q - Marcio Farid Filho {BIO 21476081 <GO>}

Good morning, everyone. Thank you for taking my question. I have a couple of questions. The first one is about Deca Ceramics. We saw strong operational performance although, there was a lower volume. So I'd just like to understand from Louise or Antonio, how much would you like to do in these divisions to capture the margin? How much has already been done and how far along are we -- how far are we from seeing the operations as you would like them?

Another question about LD. Of course, I don't want to go too far but when we think about the next stage of the project, assuming that you and your lending partner is willing to make these investments, is that an option? Do you have any available wood in the region? Of course, this would be more for the future, but I just like to understand where we are.

And another comment Antonio, about the exports market. You mentioned that there is demand for the price abroad, but you're having problems shipping. So, are you not exporting anything? Or is it more difficult to expand your exports considering the challenges we're having with logistics? Thank you.

### A - Carlos Henrique Pinto Haddad {BIO 17599460 <GO>}

So you can answer that first part about Deca and Ceramics and I'll answer the second part about LD.

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## **A - Antonio Joaquim de Oliveira {BIO 17247875 <GO>}**

Hi Marcio. Good morning. Thank you for your question. If I understood it well, you're asking about how our margins are evolving in Deca and Ceramic Tilings and how far we are along our journey. So, according to our reporting, although we had some opportunities to capture operational efficiencies, we're still operating at a high capacity. So a good part of what we'll have ahead will be operational gains, efficiency and potentially some margin gains versus what we're posting for the first quarter. But Tilings are at a very healthy economic condition. So, if you look at our history, we've gained margins for the last three years. So Deca is a bit slower, it's more complex. There are two platforms that are very relevant, commercial execution through our revenue growth management and also our operational efficiencies, which can all be translated into productivity. These two pillars are important for our margins. So just to translate it to you, I think we have a lower journey in Ceramic Tilings. We believe that we're at a very healthy level and I think Deca still has some way to go to advance according to our expectations.

## **Q - Marcio Farid Filho {BIO 21476081 <GO>}**

Great, thank you.

## **A - Carlos Henrique Pinto Haddad {BIO 17599460 <GO>}**

Marcio, about LD, it's still quite early. Actually LD is just kick-starting, as you know. Starting a pulp plant is very complex, you have to eliminate state -- so you have to go step by step, see if everything is going according to schedule and it will have a longer ramp up for it to reach its highest capacity. But it's normal that some adjustments and de-bottlenecking processes will give you a bit more of production capacity.

Now, about new expansions, we are focused, we're running very well, our operational efficiency is at a decent level. We don't have any expansion projects because these would be longer processes. If we were to have expansion projects, we would have to define where, we would have to have a good forestry basis. So we don't have any initiatives for that. We're working with a five-year horizon. So we're trying to do the best with this operation. So we are exporting more than twice as much volume then we had foreseen in our budget. We exported 25,000, 30,000 meters[ph] and now 50,000 to 60,000 meters. But I'm mentioning the challenges especially about logistics. So I think there are -- as you know there are delays, containers are expensive, so, it's hard to take volumes from here. It's not that export levels are down. They're actually at a high or record levels, but there is a -- there is an export margin effect. Prices are good. The demand is extraordinary. We could even export more but logistics have been getting in the way. So what is the reference price for a wood panel in Europe? Now these prices went up significantly. But on the other hand, you're spending four or five more times. So again, it's a very positive scenario but we have this situation which began early last year, the challenge with containers for other reasons. And it persists because what is happening in Shanghai and so on. So we're going to have to deal with the issue. But we have exported at very strong levels. We wish we were doing it with better margins and with lower costs lost and speculating with shipping operators.

## **Q - Marcio Farid Filho {BIO 21476081 <GO>}**

Great. Thank you.

## Operator

The next question will be asked by Kai-Uwe Rainer[ph] from BTG Pactual. Kai-Uwe, go ahead.

### Q - Kai-Uwe Rainer

Thank you. I apologize if I ask a question that has already been answered. I was only able to connect now. I have two questions, first on the demand side. You mentioned a Deca demand that had normalized in March last year. So, what is your perspective to invest in Wood? Is that a positive trend for the second quarter? What's your order backlog for the second quarter? And do you think we should expect for Deca, figures that are similar to what we had last year? If you could give us an update on that. Do you still have that same mindset that you will operate at the same levels as in the last quarter?

Also, I have another similar question on you data, especially revenue management. Deca results have been sustained, you had 43% growth. And in the beginning of 2020, you had mentioned a new strategy. So, I'd just like to hear a bit more about your commercial strategy. I'd actually like to understand what strategy do believe has already been executed, or how much margins have been captured due to this strategy. And I'd also like to understand what do you have ahead of you if your revenue management strategy has already been well implemented captured? What are the next steps basically to have a better mix in growth? What are you going to try to do to continue this trend? So basically, I'm asking about how much you've delivered on the strategy you announced before and how much there is still to do. Thank you.

### A - Carlos Henrique Pinto Haddad {BIO 17599460 <GO>}

Izo[ph] you can begin and then I will talk a bit about that. So you can talk about Deca and Wood and we'll let the second part for...

### A - Antonio Joaquim de Oliveira {BIO 17247875 <GO>}

Kai-Uwe, you got cut off, and I don't know if I understood your question but, I think you're asking about our revenue growth management strategy and what we started in 2020. Well during our last conversation I even made a joke about it, but revenue growth management in essence is a long-term journey that never really adds. So 2020 had a small beginning, 2021 had some good implementation. So we made another important step in 2022 which was looking at more competitive analysis through a broader portfolio as you execute pricing. We did that Deca, so Deca is a step ahead. There is still a lot of opportunities to be captured in Deca and there is a universe of opportunities to be captured in Ceramic Tiling.

This policy revenue growth management brings great benefits because it minimizes impacts. When you look at this expansion of 40% in unit prices, basically 50% of it is due to price changes, but all of it -- or most of it came from the mix. So, it also has to do with how we execute our commercial strategy. So this is a benefit that still needs to be



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captured by the Deca portfolio and Ceramic Tilings, so we can improve on this front for both businesses. Less for Deca more for Ceramic Tilings because the process is starting a bit behind, considering the changes that happened the last year.

We also had an increase in sell out during March, especially in comparison to January and February. April was not a bad month, especially this year because of the holidays. The perception we have obviously through the inputs we have from our clients is that a scenario for the future will continue the trends from March. And most clients -- or half of the clients say that they're not going to keep at the same levels. So, we expect demand to accelerate throughout this half of the year. And we expected to recover over the next quarter, especially the second quarter. And it should speed up in the second quarter -- or during the second of the year.

### **A - Carlos Henrique Pinto Haddad {BIO 17599460 <GO>}**

So Kai-Uwe, briefly about the Wood division. I'd just like to underscore what Antonio said. The exports market is very dynamic. I was in Europe this month and there really is a high demand for products in Europe. And some clients are demanding much more than I expected. But we have increased our logistics capabilities. Of course that takes time, but we have had excellent results and exports and different kinds of shipping. And again, this shortage of what is structural, it's global. And shipping is a problem, but we'll find our way especially as prices go up with exports this year. So, I think that's good news. I think we'll be able to export more and give good results. And we like this market. We hope that we will continue there. The Brazilian market.

Also, there were many trade shows. We had a trade show in (inaudible) as well. It's very dynamic. It's a very constructive business environment. Marcello as said that March was a very positive month. We had great sell-out levels, close to some of what we saw last year in some segments. In April, because of the number of holidays, did get shorted. I mean, it didn't stop our improvement but it's slower than we saw in March. So we expect that there will be a demand on all three channels. And referring back to market share, we're also connected to clients. We're gaining in this business. They're doing well. So there's not a lot we can do on market share, but we can go to market very well. Collections has been very well received. The new collection has made record sales. So we thought we didn't have enough products, but this one sold twice as much as last time. So, due to market capabilities and logistics are all improving and that's going to help us our tread these waters very well. That's our expectation at least.

### **Q - Kai-Uwe Rainer**

Great, thank you.

### **Operator**

The next question will be asked by Isabella Vasconcelos from Bradesco BBI. Over to you.

### **Q - Isabella Batalha Vasconcelos {BIO 20566061 <GO>}**

Thank you. Good morning. Can you hear me?

**A - Carlos Henrique Pinto Haddad** {BIO 17599460 <GO>}

Yes, we can hear you.

**Q - Isabella Batalha Vasconcelos** {BIO 20566061 <GO>}

Great. So I have a couple of questions from my side. The first is a follow-up about the demand. There was clearly an improvement in March but I'd like to understand how it matches your expectations. You said that it's a volatile scenario but has the demand overcome your expectations or is it in line with what you had imagined would happen this year?

My second question is about CapEx for 2022. How do you believe it will evolve in the next orders? And also, if you could -- I don't know if you have this in the -- this disclosure level, but if you can tell us about your margin differentials for exports to the domestic market. That's -- those are my questions. Thank you.

**A - Carlos Henrique Pinto Haddad** {BIO 17599460 <GO>}

Good morning, Isabella. Thank you. I'll answer your first question on CapEx and I didn't get your second question. So if I miss anything, please let me know. The demand has been evolving but this is within what we expect for the team. Traditionally, we expected a more seasonal (inaudible) fortunately the year started in January this year, which is not common in Brazil. Things are very complicated in Brazil unfortunately. So, there are lot of contract cancellations, but this is in line with what we had imagined. As I mentioned, in Wood, we saw that industrial demands are higher in April. We're finishing the month of April right now, so, I'd say that it's not unexpected. It's relatively in line with what we had foreseen. So no news on that front. Yes. So, we're foreseeing BRL1.7 billion to BRL1.8 million a year. CapEx as I said, has been due to an acceleration in Forestry. The last two years, have had a lot of consumption. So in the first quarter, everything was in line with what we had expected. It confirms our investments in growth and productivity. So, we will continue along that same pace. Of course there are some factors, new equipment that needs to be purchased and that might lead to some deviation. But that's a part of the game. That's not what we believe will happen significantly as the market stabilizes.

**Q - Isabella Batalha Vasconcelos** {BIO 20566061 <GO>}

Did you say 1.7 for the year?

**A - Carlos Henrique Pinto Haddad** {BIO 17599460 <GO>}

BRL1.7 billion, BRL1.8 billion. Yes. The whole package, including investments. This will be published soon.

**Q - Isabella Batalha Vasconcelos** {BIO 20566061 <GO>}

Great. Thank you.

**Operator**

This concludes our questions-and-answer session. We will now pass it on to Mr. Henrique, who will make his closing remarks.

### **A - Carlos Henrique Pinto Haddad {BIO 17599460 <GO>}**

Well, thank you everyone. We're very happy about the results. The highlights as I mentioned, when we started our new Dissolving Pulp line, I have very high expectations. And without a doubt our global rating from Fitch I think will (inaudible) to a great moment. I'll pass it on to Antonio for his closing remarks.

### **A - Antonio Joaquim de Oliveira {BIO 17247875 <GO>}**

I have no closing remarks. I'd just like to thank everyone for listening. Thank you for hearing about our performance, our operation and we are firm in our belief that will deliver consistent results for the next quarters. We're at a very different level from where we were in 2020. An EBITDA of 1.3, 1.4 and last year we got closer to 2.2, so we really are at a different level, and we really believe that we can maintain it. We expect that new projects being implemented will help us with that. And we are expanding our capacity in Deca, we're investing a lot in automation, and that's going to give us more quality, more productivity. And we'll make our plants less variable. So we're also de-bottlenecking, we are investing in the wood processing. You can see the three investment lines that we've acquired, one of which was been implemented. So these are very important points that are often forgotten because we often look at the global capacity.

So, in Wood we're not significantly improving our total capacity but this is very important for generating value. Also, Ceramic Tilings continue at the our levels we expect in the Botucatu plant, which should be the most modern one in the industry. We also are going to have a higher capacity around 30% of the division, and that's going to give us great capacity in high-end products. So we really have to see how Dexco's behaving over time, that's very important. We have many important things in ceramics, automation, expansion. So, I think we have great capacities also with Caselatto, the recent acquisition. So these are good news. I think we can sustain great results for the next quarters. Thank you for listening and we'll see you next time.

### **Operator**

That concludes Dexco's conference call. Thank you for listening and have a great day.

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