

# KLABIN

## 2Q24 Preview: Turning the page!

LatAm Pulp & Paper

### Main takeaways:

(i) Kraftliner **accelerating shipments**, +5.8% q/q; (ii) Taking advantage of the positive momentum, we expect **further price adjustments for Kraftliner**. In 2Q24, we are projecting a realized price of R\$3,286/t Genial Est. (+2.0% q/q); (iii) **Ramp-up of PM28** taking advantage of **production flexibility**; (iv) Our model indicates for 2Q24 paperboard sales of 212Kt Genial Est. (+7.3% q/q), with the realized price basically flat, at R\$5,419/t Genial Est (+0.8% q/q); (v) On Corrugated boxes, we expect sales of 225Kt Genial Est. (+4.6% q/q) and a realized price clocking in at R\$5,727/t Genial Est. (-0.2% q/q); (vi) **Pulp**: We estimate shipments of BHKP at 264.6Kt Genial Est. (+5.0% q/q) and BSKP + Fluff at 112.0Kt Genial Est. (+2.2% q/q). We forecast the **realized price of BHKP going up** +12.1% q/q and +15.6% y/y. **BSKP + Fluff also on the rise sequentially**, up +12.8% q/q, but down -3.8% y/y; (ix) **Net revenue** should increase significantly; (x) **COGS/t with a slight increase**; (xi) Projected **EBITDA with strong growth**, of +23.4% q/q and +51.7% y/y; (xii) **Net income up ~2x q/q**, but down y/y; (xiii) We believe that **pulp prices should fall in 2H24 to US\$705/t** vs. average of US\$720/t 2Q24; (xiv) We have slightly altered our **projection for deleveraging**. We now expect a slight reduction to **3.1x Net Debt/EBITDA in 4Q24E**, due to the **increase in the estimate for 24E EBITDA**, reaching **R\$7.9bn** (vs. R\$7.4bn in the previous version); (xv) Today we see Klabin trading at **6x EV/EBITDA 25E** (vs. historical average of ~7x). We decided to **upgrade our rating to BUY** (vs. Neutral previously). However, the **12M Target Price remains at R\$27.00**, indicating an **upside of +27.36%**.

Klabin will release its **2Q24 results on July 30**, before the market opens. We are **upgrading our rating to BUY** (vs. Neutral previously), while maintaining the same **12M Target Price of R\$27.00** (unchanged vs. previous model).

### Analysts

#### Igor Guedes

+55 (11) 3206-8286  
igor.guedes@genial.com.br

#### Rafael Chamadoira

+55 (11) 3206-1457  
rafael.chamadoira@genial.com.br

#### Iago Souza

+55 (11) 3206-8244  
iago.souza@genial.com.br

### Company

#### KLBN11 BZ Equity

Buy

Price: R\$ 21.20 (26-Jul-2024)

Target Price 12M: R\$ 27.00

Table 1. Shipments Summary (2Q24 Genial Est.)

(Thousand Tonnes - kt)	Genial Est.				
Summary (Shipments)	2Q24E	1Q24	% q/q	2Q23	% y/y
Kraftliner	114,6	108,4	5,8%	97,8	17,2%
Paperboard	212,0	197,6	7,3%	170,0	24,7%
Corrugated boxes	225,3	215,3	4,6%	216,2	4,2%
Industrial Bags	32,7	32,6	0,4%	36,0	-9,1%
BHKP Pulp	264,6	252,1	5,0%	244,1	8,4%
BSKP + Fluff Pulp	112,0	109,5	2,2%	90,3	24,0%

Source: Genial Investimentos, Klabin

Table 2. Income Statement Summary (2Q24 Genial Est.)

(R\$ millions)	Genial Est.				
Income Statement	2Q24E	1Q24	% q/q	2Q23	% y/y
Net Revenue	4.821	4.430	8,8%	4.293	12,3%
Adjusted EBITDA	2.039	1.652	23,4%	1.344	51,7%
Net Income	866	460	88,2%	971	-10,8%

Source: Genial Investimentos, Klabin

**Valuation and rating.** Among the main reasons for the change in recommendation, we highlight: **(i)** expectations of good results, both for 2Q24 and 2H24; **(ii)** recovery in demand and stabilization of supply for kraftliner, and consequently, price improvement; **(iii)** the company's lower exposure to direct sales of market pulp, which is projected by us with a falling price in 2H24, causing a partial outflow of investors from Suzano to Klabin. In addition to these reasons, we observed a **(iv)** sharp decline in the shares shortly after our rating downgrade, which we did ~3M ago, quickly bringing Klabin back to a market valuation level that we find attractive today and proving that we were assertive in having carried out the downgrade at the time.

We believe that, since the end of last year, the upward cycle in the price of pulp (BHKP and BSKP) has been caused by invigorated demand, above what was forecast at the time for China and Europe, together with a tighter supply due to events in Finland, such as strikes, accidents at production plants and logistical disruptions. These factors created a line-up of favorable conditions for price adjustments by the end of 1H24. However, we believe that prices have reached the top of the cycle and should, at best, stabilize or probably begin a slight downward trajectory in 2H24. We explain more about why we expect pulp prices to fall in the **“Our Take” section**, by the end of the report.

We also see the effect of the rise in the **USD/BRL exchange rate** favoring Klabin, driven by growth in the foreign market. The company has shown the ability to adapt to more favorable exchange rates, redirecting its market between domestic vs. exports as necessary. Given the **prospect of good results** and less exposure to potential falling pulp prices, **we have revised our rating to BUY**. We believe that Klabin will probably benefit from the flow of investors temporarily exiting Suzano's shares in the short term, given the expected fall in pulp prices for 2H24. As we have highlighted since our initial coverage of the sector, which is attached ([Pulp & Paper: Are the theses growth or value?](#)), it is important to understand the right timing to invest in each of the companies.

**Suzano vs. Klabin:** in the short term, at times of a higher pulp cycle Suzano tends to attract more investors, as its results are much more exposed to direct sales of market pulp than Klabin. On the other hand, the reverse is true (at least it should be, from a fundamentalist point of view). And now, **in 2H24, the pulp prices are expected to fall down**. In principle, local investors who want to maintain exposure to the Pulp & Paper sector would tend to migrate to more diversified theses with better exposure to paper, with less volatility in financial figures due to the lower penetration of direct sales of market pulp in results. This is exactly Klabin's definition.

The fall seen right after our downgrade ~3M ago ended up making the shares once again trading at an attractive discount. Today we see Klabin trading at **6x EV/EBTIDA 25E** (vs. historical average of ~7x). Looking at the results, which are **ramping up** this year, with capacity additions linked to **PM28** (Kraftliner and Paperboard) and the **Figueira Project** (corrugated boxes), and with **cost reduction strategies**, especially after the closing of the **Caetê Project** which had the closing recently, we decided to **upgrade our rating to BUY**, with the same **12M Target Price** of **R\$27.00**, indicating an **upside** of **+27.26%**.

## 2Q24 Preview: In detail!

**Kraftliner accelerating shipments.** During 1Q24, we saw a significant increase in shipments, since the company had reactivated paper machines and changed the mix to produce more kraftliner, sensing that the market was improving due to the normalization of supply, which until the end of last year had been in a context of excess. However, we would point out that the company was unable to capture all of the increase in volume over the past quarter due to carryover, triggered by logistical problems at the ports. Therefore, we expect to see part of the accumulated volume being disposed of now in 2Q24. It's worth remembering that this logistical bottleneck won't be resolved instantly, since a backlog of kraftliner has been generated and it will probably take some time for it to be normalized. We therefore expect sales to grow to 114Kt Genial Est (+5.8% q/q; +17.2% y/y).

**We expect further price increases for Kraftliner.** In terms of realized prices, at the end of 1Q24 we saw Klabin announce a price adjustment for Kraftliner of +€50/t for Europe and +US\$60/t for other regions. However, due to the backlog created, we believe that this increase will not yet be fully reflected in 2Q24. Therefore, we are estimating the realized price in 2Q24 at R\$3,286/t Genial Est. (+2.0% q/q; -16.9% y/y). In addition to this first round, the company announced another price pass-through during 2Q24, of the same intensity in the foreign market and +8% for the domestic market (which traded at a discount). Furthermore, even though it's too early to say, we still believe in more opportunities for other rounds throughout 2H24, envisioning a significant acceleration in the company's realized price from 3Q24 onwards.

**PM28 ramp-up using production flexibility.** Taking advantage of the good momentum of Kraftliner and the flexibility of the paper machines (PMs) that Klabin has, the company decided to change the mix and cover part of its paperboard production with Kraftliner. We have already seen this trend in 1Q24, and it should be repeated in 2Q24. It is well known that paperboard tends to have a higher price realization than Kraftliner. Therefore, our expectation was that PM28 would gradually start with more kraftliner and make the shift to paperboard production over the course of the ramp-up in 2024. However, also considering that the company does not yet have all the grades approved for paperboard production at PM28, within the specifications of the different clients, the price level realized with more generic grades is lower. When we asked Klabin if this approval process was taking longer than expected, the company explained that it is normal for the approval process for more specific paperboard grades to take months, since they deal with food packaging testing is more severe.

**The volume increase in paperboard will be softened by Kraftliner's current profitability.** As we commented in the excerpt above, there is a preference for allocating production to kraftliner over paperboard, in a completely different scenario from what we saw until the end of last year. Even so, as the PM28 ramp-up naturally has a paperboard slice, we also expect an increase in shipments, albeit at a milder intensity than we previously projected. Our model indicates sales of 212Kt Genial Est. for 2Q24 (+7.3% q/q; +24.7% y/y). On the price side, we have identified that the most important increases have already taken place at the beginning of the year. As such, we estimate a basically flat realized price, at R\$5,419/t Genial Est. (+0.8% q/q; -3.1% y/y).

**Corrugated paper boxes continue to be in strong demand.** We expect corrugated box volumes to grow very positively this year, but prices to be sideways, varying little depending on the mix. We therefore expect shipments to reach 225Kt Genial Est. (+4.6% y/y; +4.2% y/y) and a realized price of R\$5,727/t Genial Est. (-0.2% y/y; -3.3% y/y).

**Industrial bags with flat figures, accounting for the still challenging scenario.** The expectation for the year for industrial bags was top line growth, given the weaker base in 2023, especially for the cement segment. However, this improvement doesn't seem to be happening so far. We attribute part of this effect to interest rates remaining at high levels. While low-income real estate projects in Brazil rely on government subsidies under the Minha Casa, Minha Vida (MCMV) program, high-income projects suffer from the interruption in the SELIC rate cut. Although Klabin has already worked to diversify the concentration of its mix, it is still very dependent on the segment of bagged cement. We estimate sales of 33Kt Genial Est. (+0.4% q/q; -9.1% y/y), with realized prices of R\$8,934/t Genial Est. (+0.1% q/q; -1.7% y/y).

**Pulp: with 1Q24 issues partially resolved, volume should grow.** During 1Q24, we saw Klabin face some challenges in shipping market pulp, mainly affecting BHKP sales through the maintenance stoppage of the production line and the carryover effect of a portion of the volume sold due to operational obstacles and overloading at the port of Paranaguá (PR). As for 2Q24, we believe that the disruption tends to settle down, but the volume lost due to the operational hitch at the factory should not be recovered, since they already had tighter inventories due to selling above capacity in the last two quarters. As a result, we calculate shipments of BHKP at 264Kt Genial Est. (+5.0% q/q; +8.4% y/y) and BSKP + Fluff at 112Kt Genial Est. (+2.2% q/q; +24.0% y/y).

**Pulp: consecutive pass-throughs should make realized price for 2Q24 go up.** As we've mentioned since last quarter's preview report, due to global supply restrictions and reheating demand in China and Europe, the stars have aligned for price increases. The big players in the direct sale of market pulp, such as Suzano, have begun rounds of readjustments that will still have an impact on the 2Q24 result. As usual, Klabin, which is not a price maker in market pulp, also followed these price increases made by the majors in the segment. Therefore, we forecast the realized price of BHKP at R\$3,656/t Genial Est. (+12.1% q/q; +15.6% y/y) and BSKP + Fluff at R\$5,300/t Genial Est. (+12.8% q/q; -3.8% y/y).

**Net revenue should increase significantly, driven by Kraftliner and pulp.** Our estimates point to consolidated net revenue of R\$4.8bn Genial Est. (+8.8% q/q; +12.3% y/y), driven by all the company's segments, but mainly by the Paper division (especially Kraftliner) and the Pulp business unit. For Pulp operating unit, we project a strong increase, reaching R\$1.6bn Genial Est. (+16.8% q/q; +22.9% y/y). For the Paper business unit, the increase is also relevant in our calculations, reaching R\$1.5bn Genial Est. (+8.1% q/q; +14% y/y). As we mentioned throughout the report, the influential reasons for this top line growth were (i) price transfers and the release of pulp volumes, (ii) the continued improvement in market conditions for kraftliner, as well as (iii) the ramp-up of PM28.

**Table 3. Net Revenue Klabin (2Q24 Genial Est.)**

(R\$ Millions)	2Q24E	1Q24	% q/q	2Q23	% y/y
	Genial Est.	Reported		Reported	
<b>Net Revenue</b>	<b>4.821</b>	<b>4.430</b>	<b>8,8%</b>	<b>4.293</b>	<b>12,3%</b>
Paper	1.526	1.411	8,1%	1.338	14,0%
Packaging	1.583	1.526	3,7%	1.608	-1,6%
Pulp	1.561	1.337	16,8%	1.270	22,9%
Wood	87	82	5,9%	38	131,3%
Others	65	74	-12,4%	39	65,7%

Source: Genial Investimentos, Klabin

**COGS/t with slight increase in ex. stoppages comparison base.** During 1Q24, the company stopped production for maintenance at the Otacílio Costa (SC) plant. Disregarding the effects of maintenance at the plants, we believe that COGS/t ex. stoppages rose marginally in 2Q14. We would point out that the company has been cutting back on SG&A and focusing on less dependence on third-party wood (Caeté project). As there was no maintenance in 2Q24, COGS/t ex. stoppages will be equal to total COGS/t. We therefore project COGS/t at R\$1,271/t Genial Est. In the comparison excluding stoppages, our estimate points to a slight sequential growth of +0.7% q/q, but a reduction of -6.7% y/y. Conversely, COGS/t on the basis of comparison including stoppages would decrease by -10.0% q/q and -33.2% y/y, precisely because in 1Q24 there was a maintenance stoppage.

**EBITDA with strong growth q/q and y/y.** In the Paper & Packaging segment, we expect EBITDA of R\$1.2bn Genial Est. (+19.0% q/q; +23.2% y/y), highlighting the kraftliner operation, which came from challenging scenarios last year and is now adding with significant increases on a quarterly and annual basis. There was also a margin gain, calculated at 36.1% (+4.12p.p. q/q). Looking at the Pulp business unit, we expect EBITDA to advance significantly, both sequentially and y/y, since our projection indicates a result 2x higher than the EBITDA of 2Q23, reaching R\$861mn Genial Est. (+30.1% q/q; +121.5% y/y), primarily due to the momentum of the pulp bullish cycle that took place in 1H24. On the other hand, we believe that this cycle of high pulp prices has come to an end and the results of this business line should slow down in 2H24. Consolidated adjusted EBITDA in our model was R\$2bn Genial Est. (+23.4% q/q; +51.7% y/y).

**Table 4. EBITDA Klabin (2Q24 Genial Est.)**

(R\$ Millions)	2Q24E	1Q24	% q/q	2Q23	% y/y
	Genial Est.	Reported		Reported	
<b>Adjusted EBITDA</b>	<b>2.039</b>	<b>1.652</b>	<b>23,4%</b>	<b>1.344</b>	<b>51,7%</b>
Paper & Packaging	1.178	990	19,0%	956	23,2%
Pulp	861	662	30,1%	389	121,5%

Source: Genial Investimentos, Klabin

**Net income almost 2x higher q/q, but down y/y.** On the bottom line, our model indicates net income clocking in at R\$866mn Genial Est., registering expressive growth of +88.2% q/q, but with a decline of -10.8% y/y. **(i)** The financial result should be negatively impacted by higher leverage y/y, in addition to the **(ii)** exchange rate on the variation in USD debts, given the strong appreciation of the USD/BRL in the sequential movement.

**Table 5. Income Statement (2Q24 Genial Est.)**

(R\$ Millions)	2Q24E	1Q24		2Q23	
	Genial Est.	Reported	% q/q	Reported	% y/y
<b>Net Revenue</b>	<b>4.821</b>	<b>4.430</b>	<b>8,8%</b>	<b>4.293</b>	<b>12,3%</b>
COGS	(2.818)	(2.995)	-5,9%	(3.124)	-9,8%
<b>Adjusted EBITDA</b>	<b>2.039</b>	<b>1.652</b>	<b>23,4%</b>	<b>1.344</b>	<b>51,7%</b>
EBITDA Margin (%)	42,3%	37,3%	5p.p	31,3%	10,98p.p
<b>EBIT</b>	<b>1.759</b>	<b>1.000</b>	<b>75,9%</b>	<b>1.125</b>	<b>56,3%</b>
EBIT Margin (%)	36,5%	22,6%	13,91p.p	26,2%	10,27p.p
D&A	(823)	(857)	-3,9%	(794)	3,7%
Financial Result	(631)	(378)	66,7%	156	-504,3%
<b>Net Income</b>	<b>866</b>	<b>460</b>	<b>88,2%</b>	<b>971</b>	<b>-10,8%</b>
Net Margin (%)	18,0%	10,4%	7,57p.p	22,6%	-4,66p.p

Source: Genial Investimentos, Klabin

## Our Take on Klabin

**Market conditions helped pulp prices in 1H24.** As we had already anticipated since the last quarter in Klabin's report, attached ([1Q24: When the money tree sheds...](#)), the improvement in pulp prices was due to a recovery in the market environment, which is mainly linked to **(i)** stronger demand than initially forecast for the beginning of 2024, both in China and in Europe. In addition, on the supply side we witnessed **(ii)** a tighter situation, due to a series of events in Finland, such as the architecture of strikes at UPM plants, as well as a gas explosion that paralyzed a Metsä plant for ~12 weeks (~360Kt impact), and suspensions of ports and railroads, causing significant supply disruptions.

**But what now?** All the events mentioned above have lined up favorable winds for pulp prices readjustments by during 1H24. However, we believe that the price has reached the top of the cycle and should remain stable or start to fall slightly later on. It's still too early to tell, but events such as **(i)** smaller players in China's non-integrated paper segment experiencing tight margins, especially for tissue and **(ii)** the entry of Suzano's Cerrado project in 2H24 indicate signs that further increases may be unfeasible from now on.

**New supply additions in 2H24 should push the pulp price equilibrium point downwards.** According to our estimates, 2H24 could see a total supply of ~28Mt of market pulp, if we check the additions of new capacities to the supply system for the coming months. Once launched, we believe that competition in the market will intensify. The main projects include: **(i)** Suzano's Cerrado in Mato Grosso do Sul (MS), which started up in July and has +2.55Mtpa of BHKP after full ramp up, adding +22% capacity in the largest global hardwood pulp player, as well as **(ii)** +1.8Mtpa in a project in China, in Fujian, which will start up soon. Our analysis suggests that global production could increase by +12% in 2H24 vs. 1H24, with pulp imports to China reaching half of this increase (+6% vs. 1H24).

On the demand side, we expect economic improvements for retail activities in China to gently boost pulp consumption, especially after the recent cut in the short-term interest rate (-0.10p.p cut in the 1-Y LPR, to 3.35%). In general, however, we maintain our view, which has been widespread since the beginning of the year, that the pulp market will increase oversupply in 2H24. We project supply to increase by +7.8% y/y to ~28Mt, while demand may only rise by +4.5% to ~22Mt. The imbalance between supply and demand should push the equilibrium price down to US\$705/t in 4Q24 vs. the average of ~US\$720/t in 2Q24 for BHKP China.

**Mild improvement in leverage, but stronger drop only in 2025.** We advise investors to control their expectations and not to expect a significant reduction in the leverage ratio during 2024. Leverage ended 2023 at 3.3x Net Debt/EBITDA and rose to 3.5x in 1Q24. We project that it will cool down a little given the improvement in LTM EBITDA, but even so, it will only improve marginally at the end of the year, currently standing at **3.1x** in our model **in 4Q24E**. For **2025** we estimate a more significant **cooling to 2.9x**. It's important to note that, with the **recent update of Kraftliner's figures**, our model already points to a **slight reduction in leverage in 2024**, whereas last quarter we believed it would remain basically flat by year end. This means that our **24E EBITDA** projection **has risen by +6.8% to R\$7.9bn** (vs. R\$7.4bn in the previous version of the model).

**Dividends within policy low, FCFE pressured.** Our expectation for dividends continues to be within the lower band of the distribution policy (15% of adjusted EBITDA), given the significant outflow of cash for the Caetê project payment, owed to Arauco (totaled -R\$5.8bn). **Last quarter**, the company burned operating cash flow (FCFF), amounting to -R\$454mn, which was safeguarded in FCE by **raising +R\$1.3bn in debt**. This situation resulted in the **increase in leverage** that we observed **in 1Q24**. Thus, although we believe that in 2Q24 there should be: **(i)** a decompression of working capital, **(ii)** a reduction in CAPEX, as well as **(iii)** an improvement in EBITDA, all factors that favor FCFF, the generation of cash flow through FCFE will still be timid, due to **(iv)** the payment of a larger flow of financial interest, **(v)** more intense exchange rate variations. We expect a **24E FCFE cash burn of -R\$4.6bn**, which would invariably cause the company to pay the bottom of the dividend distribution policy. Therefore, for 2Q24 we project **R\$0.25/share** in the **units**.

**Turning the page!** We are changing our rating to BUY (vs. Neutral previously). Due to the **(i)** prospect of good results and **(ii)** Klabin's lower exposure to potential fall in market pulp prices, with a large part of EBITDA coming from the Paper & Packaging segment, we believe that the company should benefit from the temporary outflow of investors from Suzano shares, who will seek to protect themselves from the possible fall in BHKP prices. Looking at the results, which are **ramping up** this year, with capacity additions linked to **PM28** (Kraftliner and Paperboard) and the **Figueira Project** (corrugated boxes), and with **cost reduction strategies**, especially after the closing of the **Caetê Project** which had the closing recently, we decided to **upgrade our rating to BUY**, with the same **12M Target Price of R\$27.00**, indicating an **upside of +27.26%**.



## Appendix: Klabin

Figure 1. Klabin – Income Statement in R\$ Millions (Genial Est. 2024-2029)

Income Statement	2024E	2025E	2026E	2027E	2028E	2029E
<b>Net Revenue</b>	<b>18.954</b>	<b>19.900</b>	<b>20.791</b>	<b>21.620</b>	<b>22.233</b>	<b>22.644</b>
(-) COGS	(11.271)	(11.037)	(11.270)	(10.956)	(10.818)	(10.650)
<b>Gross Profit</b>	<b>8.632</b>	<b>9.685</b>	<b>9.817</b>	<b>11.034</b>	<b>11.621</b>	<b>12.089</b>
(-) Expenses	(2.843)	(2.887)	(3.029)	(3.156)	(3.241)	(3.303)
<b>Adjusted EBITDA</b>	<b>7.949</b>	<b>8.455</b>	<b>8.977</b>	<b>9.977</b>	<b>10.628</b>	<b>11.107</b>
(-) D&A	(3.109)	(2.480)	(2.486)	(2.468)	(2.455)	(2.417)
<b>EBIT</b>	<b>5.785</b>	<b>6.798</b>	<b>6.788</b>	<b>7.878</b>	<b>8.380</b>	<b>8.785</b>
(+/-) Financial Result	(1.694)	(2.156)	(1.858)	(1.761)	(1.588)	(1.560)
(-) Taxes	(979)	(1.091)	(1.158)	(1.437)	(1.595)	(1.696)
<b>Net income</b>	<b>3.125</b>	<b>3.565</b>	<b>3.785</b>	<b>4.694</b>	<b>5.211</b>	<b>5.543</b>
<b>Profitability</b>						
Net margin (%)	16,49%	17,91%	18,20%	21,71%	23,44%	24,48%

Figure 2. Klabin– Cash Flow in R\$ Millions (Genial Est. 2024-2029)

Cash Flow (FCFF)	2024E	2025E	2026E	2027E	2028E	2029E
<b>Net Revenue</b>	<b>18.954</b>	<b>19.900</b>	<b>20.791</b>	<b>21.620</b>	<b>22.233</b>	<b>22.644</b>
(-) COGS	(11.271)	(11.037)	(11.270)	(10.956)	(10.818)	(10.650)
<b>Adjusted EBITDA</b>	<b>7.949</b>	<b>8.455</b>	<b>8.977</b>	<b>9.977</b>	<b>10.628</b>	<b>11.107</b>
<b>EBIT</b>	<b>5.785</b>	<b>6.798</b>	<b>6.788</b>	<b>7.878</b>	<b>8.380</b>	<b>8.785</b>
(-) Taxes	(979)	(1.091)	(1.158)	(1.437)	(1.595)	(1.696)
(+) D&A	3.109	2.480	2.486	2.468	2.455	2.417
(+/-) Δ WK	(273)	(113)	(116)	(66)	(67)	(46)
(-) Capex	(3.179)	(2.984)	(2.563)	(2.658)	(2.420)	(2.324)
<b>FCFF</b>	<b>4.463</b>	<b>5.090</b>	<b>5.436</b>	<b>6.186</b>	<b>6.753</b>	<b>7.137</b>

## Disclosure Section

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#### Genial Rating

	Definition	Coverage
Buy	Expected return above +10% in relation to the Company's sector average	49%
Neutral	Expected return between +10% and -10% relative to the Company's industry average	41%
Sell	Expected return below -10% in relation to the Company's sector average	5%
under Review	Under review	5%

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