Equity Research

KLABIN

4Q25 Preview: Less leverage, same discount

LatAm Pulp & Paper

(i) Kraftliner: Estimated shipments of **157Kt Est.** (-4.0% q/q; +14.5% y/y); realized price is expected to reach **R$3,789/t Est.** (-0.8% q/q), reflecting a mix shift toward lower-ticket export destinations; **(ii) Paperboard:** Shipments projected at **206Kt Est.** (-2.8% q/q; +1.2% y/y); realized price should reach **R$5,643/t Est.** (+0.3% q/q), supported by contract stability; **(iii) Corrugated Boxes:** Volumes estimated at **242Kt Est.** (-3.2% q/q; +3.5% y/y), reflecting moderation after a seasonally and export-boosted 3Q, while annual growth remains supported by a defensive mix with exposure to protein and fruit exports; projected realized price is **R$6,390/t Genial Est.** (-2.5% q/q); **(iv) Industrial Bags:** Shipments are expected to reach **38Kt Est.** (-7.7% q/q; -4.0% y/y), reflecting a return to more typical seasonality after peak construction demand; **(v) BHKP Pulp:** Volumes projected at **293Kt Est.** (-0.7% q/q; +0.7% y/y), despite scheduled downtimes; realized price is expected at **R$2,955/t Est.** (+2.8% q/q); **(vi) BSKP + Fluff:** Sales estimated at **103Kt Est.** (-2.9% q/q; -5.6% y/y), impacted by seasonality and maintenance effects; realized price should decline to **R$5,157/t Est.** (-5.4% q/q); **(vii) Net Revenue:** Estimated at **R$5.2bn Est.** (-3.9% q/q; -1.0% y/y), reflecting post-peak normalization in Paper & Packaging volumes and still-depressed pulp pricing, partially offset by resilient annual performance in Packaging; **(viii) COGS/t ex-stoppages:** Estimated at **R$1,214/t Est.** (-8.3% q/q; +3.6% y/y), driven by FX relief, softer USD-linked inputs and favorable cost mix; **(ix) EBITDA:** Projected at **R$1.8bn Est.** (-14.4% q/q; -0.6% y/y); **(x)** Improving the leverage profile at year-end, our current calculations should clock in at **~3x Net Debt/EBITDA 25E** (BRL); **(xi)** We reiterate our **BUY rating**, with a **12M Target Price** of **R$23.50**, implying an **upside** of **+22%.**

Table 1. Shipments Summary (4Q25 Genial Est.)

(Thousand Tonnes - kt)	Genial Est.	Reported		Reported	
Summary (Shipments)	**4Q25E**	**3Q25**	**% q/q**	**4Q24**	**% y/y**
Kraftliner	157	163	**-4,0%**	137	**14,5%**
Paperboard	206	212	**-2,8%**	203	**1,2%**
Corrugated boxes	242	250	**-3,2%**	234	**3,5%**
Industrial Bags	38	41	**-7,7%**	40	**-4,0%**
BHKP Pulp	293	295	**-0,7%**	291	**0,7%**
BSKP + Fluff Pulp	103	106	**-2,9%**	109	**-5,6%**

Source: Genial Investimentos, Klabin

Table 2. Income Statement Summary (4Q25 Genial Est.)

(R$ millions)	Genial Est.	Reported		Reported	
Income Statement	**4Q25E**	**3Q25**	**% q/q**	**4Q24**	**% y/y**
Net Revenue	5.216	5.426	**-3,9%**	5.268	**-1,0%**
Adjusted EBITDA	1.813	2.117	**-14,4%**	1.823	**-0,6%**
Net Income	514	478	**7,5%**	543	**-5,3%**

Source: Genial Investimentos, Klabin

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Company

KLBN11 BZ Equity
Buy

Price: R$ 19.28 (22-Jan-2026)
Target Price 12M: R$ 23.50

Klabin will release its **4Q25** results on **Feb. 11**, before the market opens. According to our analysis, the company will report figures with a **sequential softening bias**, driven mainly by a back-to-normal shipments base in Paper & Packaging after an exceptionally strong 3Q25 (also aided by seasonality), while the pulp division should act as a relative cushion q/q on price dynamics, a reversal logic of what we saw last quarter.

We expect a sequential decline in shipments all across the board, with the **most negative impact** on **(i)** industrial bags (38Kt Est.; -7.7% q/q), followed by **(ii)** Kraftliner (157Kt Est.; -4.0% q/q) and **(iii)** corrugated boxes (206Kt Est.; -3.2% q/q). In terms of price, we believe that most of the paper portfolio will remain stable, with significant declines only in corrugated boxes (-2.5% q/q Est.) due to the mix deterioration in the face of a slowdown in the peak seasonality formed last quarter. We also highlight that Kraftliner will likely persist to drop (-0.8% q/q Est.), but reducing the intensity of price losses (-6.4% q/q in 3Q25), as the company continues to diversify export markets with lower average ticket prices.

In contrast, **pulp shipments** should remain **broadly flat** even considering scheduled downtimes (Ortigueira-PR and Correia Pinto-SC), as inventories were formed during the couple of last quarters. Furthermore, price dynamics are set to move in different directions — BHKP improving (+2.8% q/q Est.), considering there were passthroughs added to the curve by year-end, and BSKP + Fluff declining (-5.4% q/q Est.), due to seasonality and spread narrowing between fibers. Overall, we assess that the **price upshift in BHKP** should basically **offset the contraction in BSKP**, supporting a more stable pulp EBITDA profile vs. sequential slowdown in packaging.

Our model points to **Net Revenue** of **R$5.2bn Est.** (-3.9% q/q; -1.0% y/y), reflecting the sequential pullback across Paper & Packaging (especially Corrugated Boxes and Industrial Bags) after an unusually strong quarter, while pulp trends remain more balanced. On costs, **COGS/t ex-stoppages** should decline to **R$1,214/t Est.** (-8.3% q/q; +3.6% y/y), driven by USD-linked input relief (chemicals and gas), FX effects and cost-mix, plus a positive contribution from land sales (~R$70/t cost deduction). However, reported costs should be temporarily inflated by downtimes, with total **COGS/t including stoppages** at **R$1,404/t** (+6.0% q/q; +0.6% y/y), reflecting reduced fixed-cost dilution and higher maintenance concentration at Ortigueira and Correia Pinto. In the full-year view, we believe the company **will touch the upper band of its cost guidance** R$3.100-3.200/t 25E.

That said, we arrived at **EBITDA** of **R$1.8bn Est.** (-14.4% q/q; -0.6% y/y), with the sequential contraction driven by Paper & Packaging, clocking in at R$1.1bn Est. (-22.1% q/q; +6.4% y/y), reflecting shipments back trend and the mechanical impact of downtimes on unit costs. This should be partially offset by pulp EBITDA of R$719mn Est. (+0.9% q/q; -9.6% y/y), supported by flattish volumes and stronger realized prices for BHKP. Finally, **Net Income** is projected to reach **R$514mn Est.** (+7.5% q/q; -5.3% y/y), improving sequentially despite weaker operating results, mainly due to lower financial losses.

4Q25 Preview: In detail!

Kraftliner: Geographic diversification supports shipments amid price pressure. Our figures for Containerboard (Kraftliner + recycled) point to shipments of 157Kt Genial Est. (-4.0% q/q; +14.5% y/y), reflecting the continuity of the commercial strategy focused on expanding markets, with greater penetration in regions such as China, India, and Ecuador. The company continues to take advantage of demand windows in alternative markets, supported by the operational flexibility of PM28, which allows volumes redirection toward external geographies and helps sustain a structurally higher shipment base on an annual comparison. The sequential decline should mainly reflect a stabilization effect after an exceptionally strong 3Q25, which benefited from unusually robust export flows, rather than a change in the underlying demand environment. We believe that, as in previous quarters, part of the Kraftliner volume has been used to offset slower dynamics in Paperboard.

The realized price is expected to reach R$3,789/t Genial Est. (-0.8% q/q; -11.6% y/y), with a slight quarterly drop after three consecutive quarters of price contraction, explained by the change in the geographic mix, as additional shipments remain concentrated in markets with lower average ticket prices. Nevertheless, we emphasize that the decision is strategic and should not imply a deterioration in returns, since the total economics remain positive when considering freight cost offsets and commercial scale gains, particularly in destinations such as China, where logistics conditions have been favorable.

Paperboard: Seasonality punches back, flat prices. Shipments of Paperboard should reach 206Kt Genial Est. (-2.8% q/q; +1.2% y/y), reflecting a moderate sequential pullback after a seasonally strong 3Q, which benefited from favorable demand dynamics and partial order control in the domestic market. We assess that, despite the sequential decline, volumes will remain slightly higher on an annual basis, supported by the segment's defensive profile and by the gradual recovery observed over recent quarters, lower, but suitable with IBÁ's report (+3% y/y Oct-Nov/25). Even so, we believe that the sector environment remains challenging, which justifies only a partial shipments stabilization on a y/y basis. Consumption remains subdued, and competitive pressure from Asian imports (+10% y/y Oct-Nov/25) — notably from China — continues to weigh on domestic dynamics, still accounting for a relevant share of apparent consumption, even if slightly below earlier peaks.

We project a realized price of R$5,643/t Genial Est. (+0.3% q/q; +2.0% y/y), practically flat sequentially, reflecting the combination of contract stability and the residual effect of the USD/BRL FX rate softening (-1% q/q) on reported prices. In annual terms, the increase should continue to be explained by the adjustments implemented in 1H25, mainly concentrated in contracts indexed to inflation, which have helped preserve pricing discipline amid a more competitive environment.

Corrugated Boxes: Domestic and external markets support demand. For Corrugated boxes, our model indicates that sales will reach 242Kt Genial Est. (-3.2% q/q; +3.5% y/y), reinforcing the company's resilient performance even in a scenario of weakened domestic consumption for the packaging segment, mainly due to still restrictive credit conditions (high SELIC rate) and subdued demand for durable goods.

On a sequential basis, the moderation in shipments should largely reflect a gradual downshift after a very robust 3Q25, which benefited from an **(i)** exceptional export environment, **(ii)** conversion capacity ramp-up with maturation of the Figueira Project (SP), and **(iii)** stronger seasonality vs. 4Qs, as the industry that consumes corrugated boxes prepares in advance for the end-of-year holidays. In the annual comparison, the performance should be sustained by the defensive portfolio composition, with significant exposure to packaging for protein and fruit exports, segments that remain supported by solid external demand. We expect the realized price to reach R$6,390/t Genial Est. (-2.5% q/q; +7.0% y/y), reflecting a mild sequential adjustment after the better mix composition last quarter, but remaining at a robust level in annual terms.

Industrial Bags: Impacts from tariffs regresses sales. We believe that the Industrial Bags business should show a shipments contraction, estimated at 38Kt Genial Est. (-7.7% q/q; -4.0% y/y), reflecting a back-to-normal trend after two exceptionally strong quarters. The sequential decline should be largely explained by the fading of peak demand from the civil construction sector — the main destination for bagged cement — which tends to concentrate activity between 2Q–3Qs, when drier weather conditions support a more consistent pace at construction sites. According to our analysis, the domestic market remained particularly strong throughout the quarter (+5% y/y, data from SNIC), supported by Minha Casa Minha Vida (MCMV), which helped absorb part of the volumes that the company previously exported, before the tariffs implemented by the Trump administration.

We believe that inventory management has been essential in recent quarters for the company to have outperformed our expectations, considering that allowed it to mitigate the initial impact of tariffs on exports to the US and Mexico, supporting shipments through 3Q25. However, this effect tends to become weaker, which helps explain part of the slowdown we estimate for this quarter. Looking ahead, the company is working to reallocate part of these volumes to alternative destinations, in addition to the option of not converting the bags, selling the paper as sack kraft. Realized prices should reach R$9,264/t Genial Est. (-0.6% q/q; +2.3% y/y), with slightly sequential compression. This movement reflects the ongoing rebalancing of the product mix.

Pulp: Flat shipments; prices in different directions. We project that BHKP shipments will reach 293Kt Genial Est. (-0.7% q/q; +0.7% y/y), while BSKP + Fluff sales should total 103Kt Genial Est. (-2.9% q/q; -5.6% y/y). It is important to note operational stoppages at Ortigueira (PR) and Correia Pinto (SC) plants. So, we expect production to go down, but the company probably will keep shipments level flat, even with some seasonality affecting BSKP toward year-end. Although 2025 began with significant operational constraints that initially limited volumes, the strong recovery in plant performance throughout the year allowed recombine inventories and regulate deliveries.

We estimate the realized price for BHKP at R$2,955/t Genial Est. (+2.8% q/q; -16.9% y/y), reflecting the implementation of price increases for short fiber and the midpoint between the increase of the BHKP China spot curve (+4% q/q), partially offsetting the weaker demand environment and the decrease of the BHKP Europe spot curve (-3% q/q). In contrast, BSKP + Fluff realized prices are expected to decline to R$5,157/t Genial Est. (-5.4% q/q; -7.8% y/y), pressured by seasonal softness, in line with both declines of the spot curves (BSKP China -3% q/q and BSKP Europe -2% q/q).

Net Revenue: Sequential and y/y decline. We project consolidated Net Revenue of R$5.2bn Genial Est. (-3.9% q/q; -1.0% y/y). In sequential terms, figures should primarily reflect a gradual downturn across Paper & Packaging, following an exceptionally strong 3Q25. Within Packaging, the sequential contraction (-6.1% q/q Est.) is explained by lower volumes in Corrugated Boxes after a peak export quarter and by the moderation observed in Industrial Bags. In the Paper division (-3.3% q/q Est.), the sequential decline should be largely volume-driven, reflecting a pullback after a seasonally stronger 3Q. In Pulp (-2.0% q/q Est.), revenue performance should reflect stable sales volumes, even in a quarter with scheduled maintenance stoppages affecting production, combined with divergent price dynamics, as higher realized prices for BHKP partially offset the continued pressure on BSKP + Fluff. On an annual basis, the slight decline in Net Revenue should be mainly driven by the pulp division (-15.1% y/y Est.), reflecting the still depressed price environment for both fibers, despite the sequential recovery observed in short fiber. This effect should be partially mitigated by the resilient performance of Paper (+2.5% y/y Est.) and Packaging (+8.1% y/y Est.).

Table 3. Net Revenue Klabin (3Q25 Genial Est.)

(R$ Millions)	4Q25E Genial Est.	3Q25 Reported	% q/q	4Q24 Reported	% y/y
Net Revenue	**5.216**	**5.426**	**-3,9%**	**5.268**	**-1,0%**
Paper	1.755	1.815	-3,3%	1.712	2,5%
Packaging	1.898	2.021	-6,1%	1.755	8,1%
Pulp	1.396	1.425	-2,0%	1.644	-15,1%
Wood	170	157	8,2%	145	17,2%
Others	(3)	8	-	13	-

Source: Genial Investimentos, Klabin

COGS/t: Cost at the top of the guidance. COGS/t ex-stoppages are estimated at R$1,214/t Genial Est. (-8.3% q/q; +3.6% y/y), reflecting a meaningful sequential relief driven by a combination of **(i)** operational discipline, **(ii)** FX effects, and **(iii)** cost-mix dynamics. On a quarterly basis, the contraction should be mainly explained by the softening of inputs indexed to USD, particularly chemicals and natural gas, combined with the positive contribution from land sales (R$70/t on cost deductions), which should be embedded to help keep total cash costs within the guidance upper bound (R$3.100-3.200/t 25E). On an annual comparison, the increase in COGS/t ex-stoppages should reflect some pressure, partially offset by efficiency gains and cost absorption initiatives implemented throughout the year. Even so, full-year figures should consolidate the fourth consecutive cost stability mark in real terms, absorbing a significant portion of accumulated inflation. Total COGS/t including stoppages is projected at R$1,404/t Genial Est. (+6.0% q/q; +0.6% y/y). We assess that sequential upshift will take place due to concentration of scheduled downtimes at the Ortigueira (PR) and Correia Pinto (SC) mills, with total maintenance costs estimated in levels of what we observed in 3Q-4Q24. We believe these downtimes should reduce fixed-cost dilution and mechanically inflate reported unit expenses, despite the underlying improvement observed on an ex-stoppages basis.

EBITDA: Contraction q/q, with Paper & Packaging cushioning y/y. For consolidated EBITDA, we project R$1.8bn Genial Est. (-14.4% q/q; -0.6% y/y). We estimate that there will be sequential compression caused by the seasonal slowdown in the Paper & Packaging business, which in turn is calculated in our model at R$1.1bn Genial Est. (-22.1% q/q; +6.4% y/y), also impacted by scheduled downtimes, which reduced fixed-cost dilution despite underlying improvements in COGS/t on an ex-stoppages basis.

We believe that this performance should be partially offset by the pulp division, which should clock in at R$719mn Genial Est. (+0.9% q/q; -9.6% y/y), supported by flattish volumes and higher realized prices for BHKP, although we assess that there will be a downtrend in BSKP + Fluff prices. On an annual basis, EBITDA stability should reflect the resilience of Paper & Packaging, which continues to cushion the weaker pulp environment, reinforcing the balanced nature of the company's portfolio.

Table 3. EBITDA Klabin (4Q25 Genial Est.)

(R$ Millions)	4Q25E Genial Est.	3Q25 Reported	% q/q	4Q24 Reported	% y/y
Adjusted EBITDA	**1.813**	**2.117**	**-14,4%**	**1.823**	**-0,6%**
Paper & Packaging	1.093	1.404	-22,1%	1.027	6,4%
Pulp	719	713	0,9%	796	-9,6%

Source: Genial Investimentos, Klabin

Net Income: Sequential increase despite weaker operating results. On the bottom line, we expect net income of R$514mn Genial Est. (+7.5% q/q; -5.3% y/y), with margin reaching 9.9% (+1.1p.p. q/q; -0.5p.p. y/y), reinforcing the improvement in operating conversion despite our expectation of weaker operating results. We believe that the reduction in financial losses, projected at -R$498mn Genial Est. (-25.7% q/q; -43.7% y/y), will reflect in a partial relief in financial expenses

Table 5. Income Statement (4Q25 Genial Est.)

(R$ Millions)	4Q25E Genial Est.	3Q25 Reported	% q/q	4Q24 Reported	% y/y
Net Revenue	**5.216**	**5.426**	**-3,9%**	**5.268**	**-1,0%**
COGS	(3.822)	(3.931)	-2,8%	(3.688)	3,6%
Adjusted EBITDA	**1.813**	**2.117**	**-14,4%**	**1.823**	**-0,6%**
EBITDA Margin (%)	34,7%	39,0%	-4,3p.p	34,6%	0,1p.p
EBIT	**1.091**	**1.358**	**-19,7%**	**1.260**	**-13,4%**
EBIT Margin (%)	20,9%	25,0%	-4,1p.p	23,9%	-3p.p
D&A	1.204	1.321	-8,8%	1.104	9,1%
Financial Result	(498)	(670)	-25,7%	(884)	-43,7%
Net Income	**514**	**478**	**7,5%**	**543**	**-5,3%**
Net Margin (%)	9,9%	8,8%	1p.p	10,3%	-0,5p.p

Source: Genial Investimentos, Klabin

Our Take on Klabin

FCF: Almost null, CAPEX rises sharply q/q. The company is expected to report **FCF** of ~**R$70mn Genial Est.** (-91% q/q), reversing from the strong FCF generated in 3Q25 and broadly in line with the reported in 4Q24. On a sequential basis, the weaker FCF should be mainly explained by the **(i)** lower EBITDA (-14% q/q Est.), reducing operating cash inflows; and **(ii)** higher **CAPEX**, projected at **R$1.1bn Genial Est.** (+97% q/q), following an unusually low investment base in the 9M25 in conformity with the guidance of **R$3.3bn 25E**. These effects should be only partially offset by **(iii)** a positive working capital (**WC**) contribution, reversing it from the negative impact of 3Q25. On **a y/y basis**, FCF is expected to remain **broadly stable**, as the negative impact of higher CAPEX (+38% y/y) and higher net interest payments should be offset by a positive, but lower WC contribution.

PM28 in 26E: 50% Paperboard and 50% kraftliner. Given depressed paperboard dynamics, with -3% contraction in 11M25 and overwhelming Chinese oversupply entering apparent consumption in Brazil — the company strategically shifted PM28's mix toward kraftliner, where margins are superior for the time being. It is important to emphasize the machine flexibility, which can produce kraftliner, white paperboard, liquid-grade board (LPB), and other specialty grades.

One point that we have been more critical of in the past was the delay in approving more specific grades with less commoditized prices. This standardization depended on movements alongside clients and there was no specific deadline. At our last meeting with management, Mr. Teixeira made it clear that, at this point, the **certifications have already been obtained**, and will serve premium niches such as cosmetics, pharmaceuticals, and milk packaging. The company expects a more **balanced split** in **2026**: It will be **50% paperboard and 50% kraftliner**, with mix adjustments driven by margin maximization rather than volume targets. As exports to China have already increased tenfold in recent months, PM28's flexibility is proving to be a core competitive advantage, particularly as global supply tightens and U.S. domestic demand normalizes.

Forest SPVs: +R$300mn expected to be received in 4Q25E. The company signed two Memorandum of Understanding (MoU) with institutional investors for the establishment of SPVs focused on the leasing and real estate exploitation of 30k ha and 15k ha of productive land located in the states of Paraná (PR) and Santa Catarina (SC). Under the agreed structure, Klabin remains the controlling shareholder, contributing the land assets, while investors contribute cash in exchange for a minority stake. The first memorandum, concluded in 3Q25, resulted in a contribution of +R$600mn, already fully received by the company, in line with the strategy of monetizing land assets and discipline in capital allocation.

The second memorandum, signed in Oct. 2025, provides for an additional contribution of **+R$300mn**, to be received in **4Q25E**, through the sale of 25% of a new SPV that owns 15k ha in Paraná (PR), with subsequent leasing of the properties to Klabin itself and a call option at the end of 5Y. In practice, the transactions follow a similar dynamic to the Plateau Project, but with **collateral in agricultural land instead of timber**, reinforcing the company's commitment to reducing leverage through active management of its land portfolio.

Plateau Project: Full receipt also to be completed in 4Q25E. As previously stated, the company had already received +R$1.5bn in contributions related to the Plateau Project, with +R$800mn referring to the first installment (Feb) and +R$651mn to the second, credited in 2Q25, totaling nearly 80% of the originally committed amount. The company has now completed the receipt of the remaining installments, including the +**R$300mn** balance and the **+R$900mn earn-out**, adding up **+R$1.2bn** in **4Q25E**, thereby concluding the project full cash inflow cycle in 2025.

With this final receipt, Klabin completes the **total inflow of +R$2.7bn**, as originally announced in **Oct/24**, materially reducing execution risk and reinforcing the company's focus on efficient capital allocation and deleveraging. We highlight that the earn-out, previously incorporated into our model given the advanced stage of negotiations and low contractual risk, has now been fully realized. As a result, the combined funds should reduce the Net Debt/EBITDA ratio by **-0.2x** (already considering our EBITDA estimate for 4Q25E), improving the leverage profile at year-end, which according to our current calculations should clock in at **~3x Net Debt/EBITDA 25E** (BRL). If we add the effect derived from the inflow of **+R$300mn** from the sale of 25% of the new SPV, the total amount **will sum +R$1.5bn.**

Less leverage, same discount. We know that many investors are used to criticizing the company's vertical model. It was understandable, given the quite pushy cost structure and high leverage that was needed to build the business model, often hindering the conversion of EBITDA to FCF. However, **costs are being kept under control** (+3.2% guidance at midpoint vs. 4.5% IPCA 26E), and as we have been stating for some time now, the company is entering a phase with a **smoother CAPEX cycle**, primarily prioritizing deleveraging, with **Net Debt/EBITDA at 3.3x in 3Q25** and converging toward our **3.0x 25E** by year-end. As a result, the company's **FCF yield** (already leveraged and considering dividend payments) is rising to **7% 26E** (+6p.p. vs. 2024). It seems to us that the market continues to view the case more as a bet on the USD/BRL FX rate and the pulp cycle — like what we see with Suzano —, rather than on the fundamentals of the equity story, which in turn are improving on the micro perspective.

Therefore, we continue to assert that the company's shares have deviated from fundamentals, showing a contraction of -12% YTD that seems unjustifiable. Therefore, we reiterate our **BUY rating**, with a **12M Target Price** of **R$23.50**, implying an **upside** of **+22%.**

Appendix: Klabin

Figure 1. Klabin – Income Statement in R$ Millions (Genial Est. 2025-2028)

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	**20.748**	**21.578**	**22.657**	**23.110**
(-) COGS	(13.029)	(12.839)	(13.413)	(13.635)
Gross Profit	**7.720**	**8.739**	**9.244**	**9.475**
(-) Expenses	(3.058)	(4.143)	(4.350)	(4.391)
Adjusted EBITDA	**7.829**	**8.308**	**8.723**	**8.898**
(-) D&A	(4.950)	(4.531)	(4.758)	(4.853)
EBIT	**4.661**	**4.596**	**4.894**	**5.084**
(+/-) Financial Result	(1.892)	(1.942)	(2.039)	(2.080)
(-) Taxes	(747)	(849)	(914)	(961)
Net income	**2.024**	**1.805**	**1.941**	**2.043**
Profitability				
Net margin (%)	9,8%	8,4%	8,6%	8,8%

Figure 2. Klabin– Cash Flow in R$ Millions (Genial Est. 2025-2028)

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	**20.748**	**21.578**	**22.657**	**23.110**
(-) COGS	(13.029)	(12.839)	(13.413)	(13.635)
Adjusted EBITDA	**7.829**	**8.308**	**8.723**	**8.898**
EBIT	**4.661**	**4.596**	**4.894**	**5.084**
(-) Taxes	(747)	(849)	(914)	(961)
(+) D&A	4.950	4.531	4.758	4.853
(+/-) Δ WK	(77)	216	227	231
(-) Capex	(2.900)	(3.300)	(2.800)	(2.500)
FCFF	**5.888**	**5.194**	**6.165**	**6.707**

Disclosure Section

1. GENERAL DISCLAIMER

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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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