genial Equity Research

KLABIN

1Q26 Preview: 4Q hangover…

LatAm Pulp & Paper

(i) Kraftliner shipments of **155Kt Est.** (+8.3% q/q; +24.9% y/y), reflecting capacity prioritization during the machine ramp-up cycle; **price** at **R$3,614/t Est.** (-2.6% q/q), as geographic diversification dilutes the average ticket — a structural ramp-up feature, with +US$60/t price increases predominantly a 2Q26E story; **(ii) Paperboard shipments** of **190Kt Est.** (-9.3% q/q; +1.8% y/y), reflecting typical 1Q seasonality and Asian import competition; **price** at **R$5,645/t Est.** (-0.4% q/q), flat on both comparisons reflecting contract stability; **(iii) Corrugated Boxes** of **214Kt Est.** (-7.4% q/q; -0.8% y/y), normalizing with defensive exposure to protein and fruit; **price** at **R$6,353/t Est.** (-2.6% q/q); **(iv) Industrial Bags sales** of **33Kt Est.** (-11.0% q/q; -2.2% y/y), reflecting rainy season suppressing cement; **price** at **R$9,252/t Est.** (+0.3% q/q); **(v) BHKP shipments** of **295Kt Est.** (-0.3% q/q; +24.1% y/y), with y/y expansion reflecting operational normalization at Ortigueira (PR) and Correia Pinto (SC); **price** at **R$3,073/t Est.** (+4.8% q/q), driven by contractual lag (PIX China: +9% q/q; PIX Europe: +11% q/q), partially offset by USD/BRL softening (-3% q/q); **(vi) BSKP + Fluff sales** at **111Kt Est.** (+2.8% q/q; +3.4% y/y); **price** at **R$4,762/t Est.** (-5.7% q/q), still pressured by long fiber market weakness, with recovery a 2Q26E story; **(vii) Net Revenue** of **R$4.9bn Est.** (-4.3% q/q; +1.7% y/y), with Packaging at R$1.7bn (-10.0% q/q) and Pulp at R$1.4bn (+1.6% q/q); **(viii) Cash COGS/t ex** at **R$1,255/t Est.** (-1.5% q/q; -1.0% y/y) on FX relief; including at **R$1,479/t Est.** (-2.1% q/q; +16.6% y/y), driven by Monte Alegre (PR) maintenance; **(ix) Adj. EBITDA** of **R$1.7bn Est.** (-8.2% q/q; -9.6% y/y), margin at **34.0%**; **(x)** Currently trades at **6.1x EV/EBITDA 26E** (vs. historical ~7x), we reiterate our **BUY rating**, with a **12M Target Price** of **R$23.50**, even with implied **upside** of **+31%**.

Table 1. Shipments Summary (1Q26 Genial Est.)

(Thousand Tonnes - kt)	Genial Est.	Reported		Reported	
Summary (Shipments)	**1Q26E**	**4Q25**	**% q/q**	**1Q25**	**% y/y**
Kraftliner	155	143	**8.3%**	124	**24.9%**
Paperboard	190	210	**-9.3%**	187	**1.8%**
Corrugated boxes	214	231	**-7.4%**	216	**-0.8%**
Industrial Bags	33	37	**-11.0%**	34	**-2.2%**
BHKP Pulp	295	296	**-0.3%**	238	**24.1%**
BSKP + Fluff Pulp	111	108	**2.8%**	107	**3.4%**

Source: Genial Investimentos, Klabin

Table 2. Income Statement Summary (1Q26 Genial Est.)

(R$ millions)	Genial Est.	Reported		Reported	
Income Statement	**1Q26E**	**4Q25**	**% q/q**	**1Q25**	**% y/y**
Net Revenue	4,942	5,165	**-4.3%**	4,859	**1.7%**
Adjusted EBITDA	1,681	1,831	**-8.2%**	1,859	**-9.6%**
Net Income	266	168	**57.8%**	446	**-40.5%**

Source: Genial Investimentos, Klabin

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Company

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Buy

Price: R$ 17.92 (28-Apr-2026)
Target Price 12M: R$ 23.50

Klabin will release its **1Q26** results in **May. 6**, before the market opens. Our analysis points to a **sequential softening bias**, driven by a back-to-normal trend of Paper & Packaging after 4Qs seasonality. The dynamic is a partial reversal of last quarter's logic: this time, **Pulp should act as the relative cushion**, with BHKP price recovery offsetting the volume-driven weakness in packaging.

Within **Paper & Packaging**, the sequential volume picture should be softer (Industrial Bags, Corrugated Boxes and Paperboard) all normalizing after the peak of seasonality in 2H25, with Kraftliner the sole exception, recovering on the back of continued production and mix prioritization toward containerboard. On price, the sequential read should also be mostly negative, with Kraftliner and Corrugated Boxes leading the declines, while Paperboard and Industrial Bags remain flat.

On an annual basis, **Kraftliner** (155Kt Est.; +24.9% y/y) stands out on volumes, confirming the structural capacity step-up from the PM28 ramp-up cycle. We still expect a more moderate growth in **Paperboard** (190Kt Est.; +1.8% y/y), given the market in gradual recovery (beer-packaging grades performed well), while **Corrugated Boxes** (214Kt Est.; -0.8% y/y) and **Industrial Bags** (33Kt Est.; -2.2% y/y) should show some decline. On **pricing,** we have a more challenging story. We believe that Kraftliner (-2.6% q/q Est.) and Corrugated boxes (-2.5% q/q Est.) should bear the most visible pressure, reflecting geographic diversification with lower average tickets in the first case, and a downgraded mix composition after year-end festivities in the latter.

On the **pulp side**, the **BHKP shipments** will remain **essentially flat q/q** and way above last year's mark (295Kt Est.; +24.1% y/y) despite scheduled maintenance at Monte Alegre (PR), as inventory formation over prior quarters supports stable deliveries. The sharp y/y expansion confirms the operational normalization following the constraints that weighed on 1Q25 output. **BSKP + Fluff** should post a **modest recovery** (111Kt Est.; +3.4% y/y), supported by improving fluff demand as announced price increases begin to take hold. **Price dynamics** should diverge between fibers: **BHKP** (+4.8% q/q) should benefit from **late-2025 increases** flowing through with contractual lag, while **BSKP + Fluff** (-5.7% q/q) remains under pressure from residual weakness (coming from Fluff), with the cleaner recovery more of a 2Q26E story.

At the consolidated level, we project **Net Revenue** of **R$4.9bn Est.** (-4.3% q/q; +1.7% y/y), with Packaging (-10.0% q/q Est.) and Paper (-5.0% q/q Est.) driving the sequential decline, and Pulp (+1.6% q/q Est.) the only division posting a sequential gain. On costs, **Cash COGS/t ex-stoppages** should reach **R$1,255/t** (-1.5% q/q; -1.0% y/y), reflecting USD/BRL FX rate appreciation relief on USD-indexed inputs, though the with-stoppages figure at R$1,479/t Est. (+16.6% y/y) should be temporarily inflated by the Monte Alegre (PR) maintenance concentration, reducing fixed-cost dilution in the quarter.

We arrive at **Adj. EBITDA** of **R$1.7bn Est.** (-8.2% q/q; -9.6% y/y), with margin at **34.0%** (-1.4p.p. q/q; -4.2p.p. y/y). The sequential is set to driven by Paper & Packaging at R$1.1bn (-15.3% q/q), partially offset by Pulp at R$572mn (+9.8% q/q) as BHKP price recovery does the heavy lifting. On the bottom line, **Net Income** should reach **R$266mn Est.** (+57.8% q/q; -40.5% y/y), with the sequential recovery driven by a less negative financial result (-22.8% q/q) reflecting a more benign FX mark-to-market environment relative to 4Q25.

1Q26 Preview: In detail!

Kraftliner: Geographic diversification supports sales; Price down bit. Our estimates point to shipments at 155Kt Genial Est. (+8.3% q/q; +24.9% y/y), reflecting a sequential recovery after a softer 4Q25 and the continued prioritization of Kraftliner in company's production mix over Coated Board. We emphasize that the company has been deliberately redirecting capacity toward containerboard throughout the machine ramp-up cycle, and that strategy carried into 1Q26E as a primary volume driver. On a y/y basis, the strong expansion confirms the structural step-up in output capacity rather than a cyclical demand effect.

We expect the realized price to reach R$3,614/t Genial Est. (-2.6% q/q; -13.6% y/y), with the sequential compression reflecting the natural consequence of geographic diversification: as the company scales volumes, it is expanding into new markets (China, India, and other emerging destinations) that carry lower average ticket prices than its historically more concentrated client's base.

Broader pricing dynamics remain constructive on a forward-looking basis, with increases of US$60/t already announced by some players, though the conditions to capture them were not yet in place during the quarter. We believe the pricing tailwind is predominantly a 2Q26E story, supported by capacity tightening among US producers (~92% machine utilization rate) and cost pressure on European producers from the ongoing conflict.

Paperboard: Seasonality weighs, but annual trajectory holds. Shipments should reach 190Kt Genial Est. (-9.3% q/q; +1.8% y/y), reflecting a pronounced sequential pullback consistent with typical 1Q seasonality following a strong 4Q25. The warmer-than-usual weather at the start of 2026 provided a mild tailwind for beer-packaging grades specifically, offering some demand support at the margin, though the team was careful not to overread this as a structural shift. The y/y growth, while modest, confirms the underlying positive trajectory in the segment.

Competitive dynamics remain challenging, with Asian imports (notably from China) continuing to weigh on the domestic market, and the long homologation cycles characteristic of Coated Board limiting the pace of new account penetration. The LPB homologation process with Tetra Pak has now been resolved, though it did not cost the company material sales volume during the delay, as current demand from Tetra Pak can be met with already-approved machines. For last, we project a realized price of R$5,645/t Genial Est. (-0.4% q/q; +0.4% y/y), essentially flat on both dimensions, reflecting contract stability across the portfolio.

Corrugated Boxes: Seasonal deceleration after a strong 4Q. Our model indicates sales of 214Kt Genial Est. (-7.4% q/q; -0.8% y/y), reflecting a sequential normalization after a robust 4Q25 that benefited from end-of-year stocking dynamics. The slight y/y dip should not be a demand deterioration signal, with significant exposure to packaging for protein and fruit exports, segments underpinned by solid external demand. We believe the segment's exposure to food-adjacent end markets provides a degree of insulation from domestic consumption headwinds, including still-restrictive credit conditions and subdued demand for durable goods.

Lastly, we expect the realized price to reach R$6,353/t Genial Est. (-2.6% q/q; +1.1% y/y), with the sequential compression reflecting a modest mix normalization after the favorable composition in 4Q25, while the annual comparison remains positive, consistent with the pricing discipline maintained across the segment's contract structure.

Industrial Bags: Seasonal and geographic headwinds compress sales. We believe the Industrial Bags business should show a shipments contraction to 33Kt Genial Est. (-11.0% q/q; -2.2% y/y), reflecting a confluence of seasonal and structural factors. The primary seasonal driver should be the rainy season, which suppresses cement consumption (the main destination for industrial bags) and the company noted that rainfall was heavier in 1Q26 vs. 1Q25, amplifying the sequential effect. The more significant ongoing dynamic should be the geographic reallocation of export volumes. The company had historically concentrated bag exports in the US and Mexico, but with conditions in those markets becoming more challenging, the team has been actively redirecting volume toward the Brazilian domestic market, where demand has been supported by the Minha Casa Minha Vida (MCMV) program driving cement consumption.

The company indicated this reallocation is progressing well, though volumes remain modest as the transition continues. The sequential volume reduction should be characterized by management as modest and non-structural. At least, realized prices should reach R$9,252/t Genial Est. (+0.3% q/q; -6.0% y/y), basically flat sequentially, while the y/y decline reflects base effects from a stronger pricing environment in 1Q25.

Pulp: BHKP stable; BSKP+Fluff sales recover while prices lag. We project BHKP shipments of 295Kt Genial Est. (-0.3% q/q; +24.1% y/y), essentially flat sequentially after a strong 4Q25, as the sales should be solid and stable, with no meaningful deterioration expected. The sharp y/y expansion should reflect the continued normalization of plant performance following the significant operational constraints that affected the 1Q25, which had initially limited throughput at Ortigueira (PR). BSKP + Fluff sales should reach 111Kt Genial Est. (+2.8% q/q; +3.4% y/y), with a modest sequential improvement consistent with the indications that fluff volumes in 1Q26E should be modestly above 4Q25 levels, supported by the three rounds of price increases announced by major players begin to take hold in the market.

On price, the two segments should move in opposite directions. We estimate the BHKP realized price at R$3,073/t Genial Est. (+4.8% q/q; -6.5% y/y), reflecting increases that were implemented toward the 4Q25 and are now flowing through into 1Q26E realizations with the typical contractual lag (PIX China: +9% q/q; PIX Europe: +11% q/q). The sequential gain in USD terms should be partially offset by USD/BRL downtrend to R$5.26 (-3% q/q), with the net BRL effect landing in the positive but not transformational. In contrast, BSKP + Fluff realized prices are expected to reach R$4,762/t Genial Est. (-5.7% q/q; -14.4% y/y), still pressured by residual weakness in long fiber markets, to which fluff pricing remains perceptually linked despite the fundamentally different demand profile, a skew that causes realized prices to consistently diverge from headline list-price reads (PIX China: +2% q/q; PIX Europe: +3% q/q).

Net Revenue: Packaging normalizes, pulp recovers. We project consolidated Net Revenue of R$4.9bn Genial Est. (-4.3% q/q; +1.7% y/y), with the headline sequential decline masking a more nuanced divisional picture. The pressure should come almost entirely from Packaging, clocking in at R$1.7bn (-10.0% q/q), which gives ground back after seasonality spike last quarter. Paper is set at R$1.6bn (-5.0% q/q) and should follow the same logic: the sequential decline should be volume-driven and seasonal.

Pulp division is modeled at R$1.4bn (+1.6% q/q), moving against the consolidated trend. The BHKP price recovery should more than offset the flat volume read and the residual pressure on BSKP + Fluff pricing, preventing a steeper headline decline. On an annual basis, Paper (+4.1% y/y Est.) and Pulp (+4.2% y/y Est.) should carry the consolidated result to +1.7% y/y. Company's y/y recovery probably will reflect the operational normalization at Ortigueira and Correia Pinto following the constraints that depressed 1Q25 output.

Table 3. Net Revenue Klabin (1Q26 Genial Est.)

(R$ Millions)	1Q26E Genial Est.	4Q25 Reported	% q/q	1Q25 Reported	% y/y
Net Revenue	**4,942**	**5,165**	**-4.3%**	**4,859**	**1.7%**
Paper	1,634	1,720	-5.0%	1,570	4.1%
Packaging	1,669	1,854	-10.0%	1,693	-1.4%
Pulp	1,435	1,413	1.6%	1,378	4.2%
Wood	214	222	-3.6%	226	-5.4%
Others	(10)	(44)	-76.8%	(8)	25.1%

Source: Genial Investimentos, Klabin

Pulp COGS/t: Stoppage will drive y/y up. Pulp COGS/t ex-stoppages is set to reach R$1,255/t Genial Est. (-1.5% q/q; -1.0% y/y), as we have a constructive read that reflects some relief from USD/BRL FX rate softening (-3% q/q) on USD-indexed inputs (chemicals, fuel oil and energy) on the other hand, partially offset by lower total volumes, which reduce fixed cost dilution and limit the full pass-through of FX gains into unit cost improvements. On a y/y basis, the mild decline should confirm that underlying cost discipline is holding, absorbing a meaningful portion of accumulated inflation without a real-terms deterioration.

The picture changes when stoppages are included. Cash COGS/t with stoppages should reach R$1,479/t Genial Est. (-2.1% q/q; +16.6% y/y), with the sharp annual increase driven by the downtime at Monte Alegre (PR), with direct costs projected at R$10–20mn (there was no maintenance shutdown last year). The sequential improvement on the with-stoppages metric, despite that maintenance load, should reflect the absence of the heavier downtime activity that characterized 4Q25 at Ortigueira (PR) and Correia Pinto (SC). As is typically the case, stoppages inflate expenses by reducing fixed-cost dilution.

EBITDA: Pulp recovers sequentially; seasonal weight on Papers. Our model points to an Adj. EBITDA of R$1.7bn Genial Est. (-8.2% q/q; -9.6% y/y), with margin of 34.0% (-1.4p.p. q/q; -4.2p.p. y/y). The sequential contraction should be driven by Paper & Packaging, clocking in at R$1.1bn (-15.3% q/q), where the volume normalization across Corrugated Boxes and Industrial Bags flows directly through to EBITDA, compounded by the Monte Alegre (PR) downtime reducing fixed-cost dilution.

Pulp will probably move in the opposite direction, modeled at R$572mn (+9.8% q/q). The BHKP price recovery should more than offset the residual BSKP + Fluff pressure, delivering a near-double-digit sequential EBITDA gain despite the active maintenance activity at Monte Alegre (PR). On an annual basis, both divisions should register declines, Paper & Packaging (-4.8% y/y) and Pulp (-17.5% y/y).

Table 4. EBITDA Klabin (1Q26 Genial Est.)

(R$ Millions)	1Q26E Genial Est.	4Q25 Reported	% q/q	1Q25 Reported	% y/y
Adjusted EBITDA	**1,681**	**1,831**	**-8.2%**	**1,859**	**-9.6%**
Paper & Packaging	1,109	1,310	-15.3%	1,166	-4.8%
Pulp	572	521	9.8%	693	-17.5%

Source: Genial Investimentos, Klabin

Net Income: Up q/q, driven by financial result relief. Net income should reach R$266mn Genial Est. (+57.8% q/q; -40.5% y/y), with net margin at 5.4% (+2.1p.p. q/q; -3.8p.p. y/y). We believe that bottom-line gain will come from a less negative financial result, reflecting a more benign USD/BRL EoP FX rate at R$5.18 (-6% q/q; -10% y/y), mark-to-market on company's USD-denominated debt. The y/y picture should tell the opposite story. Despite EBIT being broadly stable, bottom line should drop as the financial result deteriorates sharply. We emphasize that the line will remain heavily influenced by non-cash effects.

Table 5. Income Statement (1Q26 Genial Est.)

(R$ Millions)	1Q26E Genial Est.	4Q25 Reported	% q/q	1Q25 Reported	% y/y
Net Revenue	**4,942**	**5,165**	**-4.3%**	**4,859**	**1.7%**
COGS	(3,907)	(4,027)	-3.0%	(3,612)	8.2%
Adjusted EBITDA	**1,681**	**1,831**	**-8.2%**	**1,859**	**-9.6%**
EBITDA Margin (%)	34.0%	35.4%	-1.4p.p	38.3%	-4.2p.p
EBIT	**886**	**911**	**-2.7%**	**926**	**-4.3%**
EBIT Margin (%)	17.9%	17.6%	0.3p.p	19.1%	-1.1p.p
D&A	(1,218)	(1,244)	-2.1%	(1,299)	-6.2%
Financial Result	(546)	(707)	-22.8%	(158)	244.4%
Net Income	**266**	**168**	**57.8%**	**446**	**-40.5%**
Net Margin (%)	5.4%	3.3%	2.1p.p	9.2%	-3.8p.p

Source: Genial Investimentos, Klabin

Our Take on Klabin

BSKP softens further while BHKP holds firm. 1Q26 saw a persistent **supply-demand imbalance in the BSKP market in China**. Overseas mills operated normally throughout the quarter, with continuous cargo arrivals gradually lifting port inventory pressure. We note that downstream demand offered no offset, as paper industry profitability remained depressed, driving mills to substitute away from imported BSKP to control raw material costs, and the Spring Festival shutdown in Jan slowed consumption further. With no relief on either side, BSKP spot prices trended steadily lower, closing at **US$734/t** as of **01/Apr** (-3% vs. early Mar/26).

BHKP told a different story: major global exporters announced **(i)** output cuts; **(ii)** scheduled maintenance; **(iii)** controlled shipment volumes, tightening supply; **(iv)** rising energy and freight costs added to **overseas production pressure**. In addition, Post-Spring Festival recovery in downstream operating rates supported essential buying. BHKP closed at **US$662/t** as of **01/Apr** (+0.3% vs. early Mar/26), with the BSKP/BHKP spread narrowing to just **US$71/t** (the tightest in recent years).

Pulp: We expect prices to decline at 2H26E. Our thought is that the **2Q26E** outlook should sustain the **weak BSKP/firm BHKP structure**. 2Q26E is a traditional **off-season** for pulp and paper, and our forecasts indicates a **decline in downstream operating rates** by end-2Q26E in China all-across the board, with **(i)** tissue (-6% Est. m/m), **(ii)** coated paper (-1.5% Est. m/m), **(iii)** ivory board (-3% Est. m/m) and **(iv)** uncoated woodfree (-0.5% Est. m/m), a broad-based demand drag that limits any meaningful pulp market recovery. Mills are widely adopting dip-buying and hand-to-mouth procurement, and sustained contraction in total pulp demand **reinforces strong upward resistance for both grades**.

The supply-demand divergence between BSKP (oversupplied and facing substitution pressure) and BHKP (supply-controlled in the short term with downward demand) is expected to **persist through 2Q26E**, with the **price spread** likely ranging between **US$55–75/t Est.** (vs. US$71/t current), and **both fibers** with a **price decline** expectation **through 2H26E**. Key variables to monitor include overseas shipment pace, mill maintenance and shutdown announcements, domestic port inventory changes and downstream restocking conditions.

Supply tailwinds meet domestic pivot; two variables to watch. On **paper, kraftliner** should benefit from a **supportive supply environment** — US utilization rate at 92% post-capacity cuts and European producers structurally pressured by energy costs — with the company guiding a **+US$60/t** price increase for **May** and further upside into 2Q26E as PM27/PM28 volumes scale into a broadening geographic footprint. **Coated board** may face more **persistent structural headwinds**, with improvement expected through **mix** and **gradual white-label homologation** conversions rather than headline price hikes. The Tetra Pak LPB qualification resolution removes a prior flexibility constraint. For **packaging**, **industrial bags** should be **pivoting domestically** as tariff disruptions weigh on US/Mexico export flows, with MCMV-driven construction demand providing a durable offset, as of a gradual rebalancing rather than structural impairment.

Beyond near-term results, the company flagged **freight** and **fuel costs** as the primary macro **risk to the cost structure**, quantifying sensitivity at **+R$30m** per **+US$10/t** move in **freight rates**, an exposure set to become more visible from 2Q26E onward as **geopolitical disruptions** work through global supply chains. USD/BRL appreciation (-3% q/q; -10% y/y) should represent a headwind for USD-denominated export revenues, mainly across pulp and kraftliner, but partially offset by lower USD-indexed input costs.

Debt clock starts… As highlighted in our latest report, the company ended 2025 with **leverage above our initial expectation**. Instead of converging toward our 3.0x Net Debt/EBITDA estimate for year-end, leverage remained flat q/q at **3.3x in BRL** (+0.3x vs. Genial Est.), mainly driven by **(i)** higher gross debt, reaching R$37bn (+6% vs. Est.; +3% q/q), and **(ii)** a FCF burn during the quarter (vs. almost flattish q/q Est.). Net Debt/EBITDA in USD also ended at 3.3x but contracted -0.3x q/q, explained purely by the USD/BRL FX move to R$5.50 EoP (+3% q/q), rather than by operational deleveraging. In other words, the company **started 2026** from a **higher leverage base vs. initially assumed**, which ended up frustrating us a bit.

This concern was reflected in the discussion with Ms. Woge, since we have seen an increase in questions from investors about how credible the deleveraging process really is. Management reiterated that **leverage reduction** toward **~2.5x Net Debt/EBITDA** within **18–24M** remains the objective but emphasized that the main driver should be **EBITDA expansion**, particularly through the **ramp-up of PM27/PM28**, together with additional LPB and green paperboard product homologations. Complementary contributions may still come from forestry operations, but we rule out significant rounds of cash-ins from further forestry operations in the short term.

From our perspective, this places execution at the center of the investment debate. Starting from a 3.3x leverage base, our **current EBITDA projections** at R$8.5bn 27E (+7.6% in 2Y) – with 1Q26E dropping -9.6% y/y Est. – would only bring **leverage close** to **~3.0x** over the next 24M if net debt remains flattish. Therefore, reaching ~2.5x would likely require **(i)** stronger EBITDA growth than our base case or/and **(ii)** improvement in FCF generation (given that we are assuming stability). Still, given the company's operational track record and the upcoming ramp-up, we believe **execution could surprise the upside** and support a faster deleveraging trajectory. Accordingly, added to the fact that the company currently trades at **6.1x EV/EBITDA 26E** (vs. historical ~7x), we reiterate our **BUY rating**, with a **12M Target Price** of **R$23.50**, even with implied **upside** of **+31%**.

Appendix: Klabin

Figure 1. Klabin – Income Statement in R$ Millions (Genial Est. 2026-2029)

Income Statement	2026E	2027E	2028E	2029E
Net Revenue	**23,469**	**23,660**	**23,572**	**23,520**
(-) COGS	(16,046)	(15,293)	(15,266)	(15,075)
Gross Profit	**7,423**	**8,367**	**8,307**	**8,445**
(-) Expenses	(2,542)	(2,576)	(2,559)	(2,557)
Adjusted EBITDA	**7,917**	**8,559**	**8,250**	**8,118**
(-) D&A	(4,729)	(4,485)	(4,236)	(3,987)
EBIT	**4,881**	**5,791**	**5,748**	**5,888**
(+/-) Financial Result	(2,493)	(2,332)	(2,151)	(1,970)
(-) Taxes	(563)	(826)	(855)	(931)
Net income	**1,825**	**2,634**	**2,741**	**2,987**
Profitability				
Net margin (%)	7.8%	11.1%	11.6%	12.7%

Figure 2. Klabin– Cash Flow in R$ Millions (Genial Est. 2026-2029)

Cash Flow (FCFF)	2026E	2027E	2028E	2029E
Net Revenue	**23,469**	**23,660**	**23,572**	**23,520**
(-) COGS	(16,046)	(15,293)	(15,266)	(15,075)
Adjusted EBITDA	**7,917**	**8,559**	**8,250**	**8,118**
EBIT	**4,881**	**5,791**	**5,748**	**5,888**
(-) Taxes	(563)	(826)	(855)	(931)
(+) D&A	4,729	4,485	4,236	3,987
(+/-) Δ WK	176	201	295	412
(-) Capex	(3,300)	(2,800)	(2,500)	(2,500)
FCFF	**4,230**	**5,135**	**5,189**	**5,098**

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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