International Conference Call
Klabin S/A (KLBN11)
3Q26 Earnings Results
October 29th, 2026

Operator: Good morning and welcome to Klabin's conference call.

At this time, all participants are in a listen-only mode. Later, we will have a questions and answers session, and instructions will be given at that time. We kindly ask that, for the benefit of time, each analyst asks a maximum of two questions.

As a reminder, this conference is being recorded, and the presentation will be in Portuguese with simultaneous translation into English. All participants will be able to choose which language they wish to hear by clicking on the Interpretation Button and the language of the presentation by clicking on the Presentation Screen tab, located above.

I'd like to make a brief announcement for those watching us in English.

This conference is being conducted originally in Portuguese. To switch, please press the Interpretation Button on the platform and then select the English language. For the English presentation, click on the tab at the top to view the English presentation screen.

Any statements made during this conference call in connection with the Company's business outlooks, projections, operating and financial targets, and potential growth should be understood as merely forecasts based on the Company's management expectations in relation to the future of Klabin. Such expectations are highly dependent on market conditions, on Brazil's overall economic performance, on industry and international market behaviors, and therefore are subject to change.

We have with us today Mr. Cristiano Teixeira, CEO; Gabriela Woge, CFO and IRO; and the other Company's officers. We will start with Mr. Cristiano and Ms. Gabriela, who will comment on the Company's performance during the 3Q26. After that, the officers will be available to answer any questions that you may wish to ask.

Now, I will pass the call over to Mr. Cristiano. Please go ahead, sir.

Cristiano Teixeira:

Thank you. Welcome, ladies and gentlemen, to our earnings call for the 3Q26.

Before I make any comments about this quarter's performance, I decided to remind you of a few concepts and some of the discussions we've had in the previous years to give a background to today's conversation.

I'd like to remind you of some of the commitments we made and some of the challenges that we've surpassed since 2018. The first, and most important point, was in 2018 when we started to design Puma II. It was discussed and approved by the Board, and in that plan, Klabin decided not to increase our hardwood capacity with eucalyptus pulp, and Klabin had a very deep study. We're still perfecting this data, but this is based on the differential factors for softwood and the competitive advantage that we had of having two paper machines, which are competitive anywhere in the world with a high level of paper replacement for underperforming types of paper. So, for example, Machine 27 using 100% eucalyptus paper.

We also decided to have a coated board machine that was based on softwood. So, we've had this consistency from the beginning. We've always believed in the packaging and hygiene markets, and we've always pursued high value-added products with a high percentage of softwood.

We remain steadfast in this belief. We're confident with the decision we made in the past. The main point after this entire discussion in 2018, which was a big challenge for our entire Administration, which includes us and the Board, the biggest challenge we had at the time was to announce a project without having acquired the wood or the trees yet. That was the challenge, but our belief was that if we focused on industrial investments and if we were able to find an assortment of wood in the region – and as a reminder, the state of Paraná is the most productive region in the world, and it's a region that, you know, in Brazil, we know there are very few areas that have multiple uses for wood, but this exists in the states of Paraná and Santa Catarina –, so we're able to operate with some level of safety with sourced wood versus some other states of Brazil where you have to build a good forestry base.

But we always knew that this base would need to be put together. So when we went to the market, after discussing and approving this plan with the Board, we made all the necessary disclosures. We said that we decided to invest in these industrial advances and that the forestry part, the wood and the land for the first cycle would be outsourced, and then, during the first cycle, we would also seek our own land. We usually place these two things in the same basket, but they are two different initiatives, and the land acquired during the first consumption cycle would be planted. And then, from the second cycle on, especially with Pinus, which is the one I'm focusing on here, we would use our own wood, so that would reduce the average distance significantly.

So, why am I making this introduction? For some of you, this may seem obvious, and I know that for others it won't be, but this was a very important decision. It was a risky decision at the time, but obviously, the entire planted area, we knew where it was and we knew that we could take this risk. And so, we took it with the Board.

We're still in this period. The Pinus cycle takes 13 to 14 years We still have a couple of years ahead of us. Probably, in 2027 and 2028, starting the reducing cycle in 2028, but with some pressure when it comes to the distance. So here I'm referring to the

standing wood that was purchased and that will be harvested until then, and starting in the 2H28 and significantly in 2029, we will start harvesting our own wood.

As I mentioned in the begging, we first purchased trees where it was possible, and throughout the first cycle we purchased the land as well. I remember the Arauco acquisition, it was important. It was important not to be anxious to go out and buy the Arauco land; it was important to have the necessary patience for that negotiation. We acquired the land during the harvest of the first cycle, and this entire area presented a very good planting efficiency. We will start harvesting this wood in the 2H28, as we expect to see a reduction in the average distance starting in this period.

Now, bringing back to our reality, we've gone through this entire period. We went through this entire period, transforming the Company into a 4.4 million-ton company, with a product portfolio – remember, in the beginning, when we decided not to work with hardwood, we already had a very consistent notion that we would prefer to pursue softwood products, which have higher added value, and now we're absolutely sure that we chose the right path.

Our portfolio, as I mentioned in the past, will soon be one third, to one third, to one third. I said this in 2018, and now you can see that the Company is split among these three business units: packaging, fibers and paper.

The pulp business, one third of its volume is long fiber. This was the model adopted by Klabin to always start with a long fiber fluff. We have some clients that make us very confident about the choice we made. But one third of our volume in pulp is long fiber, and in even more in results. In papers, we are starting to diversify and it's becoming increasingly important.

We're increasing our share of coated board. Right now, you can see an increase in coated board exports, and this is mainly hardwood, folding coated board (FBB). So, some manufacturers in China are starting to produce their own pulp with the wood they purchased, especially from Vietnam, which will reduce hardwood imports in China. And they're starting to export coated board, but this is low-added value coated board – I mentioned that its commercial name is Folding.

And I've mentioned in previous calls that Klabin is gaining market share when it comes to long fiber coated board in China. So while other brazilian manufacturers have been pressured by these imports, Klabin is not under pressure either in Brazil or in its export markets, precisely because it produces long-fiber coated board. So, we're becoming more consistent, supported by two to four-year contracts with the world's leading packaging manufacturers for milk and beer. So it's important to reinforce when we started at and where we are. We're very confident at the administration level about the path we took, and especially about the choices we made.

Now, let me talk about the 3Q's performance – and I apologize for making a long introduction before that, but I think every once in a while it's important to reconfirm the Company's vision that it had in the past and what we are delivering in the present.

So, the performance this quarter was very important, especially for Fluff. Once again, in the 3Q, we were able to increase our volume from 106,000 in the 3Q25 to 115,000 tons with a significant price increase. And who are our partners for long fiber fluff? We have partners in Brazil and also around the world. Kimberly-Clark is our biggest partner for long fiber fluff. We have many discussions with Research & Development, long-term contracts, we're very happy about closing a new deal with Kimberly-Clark (global, not only Brazil), Unicharm, Fitesa and Procter & Gamble. So these are the main clients that Klabin has globally in Europe, Asia and Latin America for long fiber fluff. And we are still having important R&D discussions with them.

Now we're going to talk about our performance in paper, starting with coated board. We also saw a significant performance in coated board versus the 3Q25. We produced 212 thousand tons then, and 231 thousand tons this quarter, with price increases as well and with important long-term contracts with the clients you know well: Tetra Pak, we made a significant agreement with them for the next two years; SIG, and all the other LPB manufacturers. Even Chinese LPB manufacturers, we are selling our coated board. And we're very close to some of the new manufacturers in the region – this in the dairy segment.

In beer packaging, we are very well known for our products for the beer market, and you know that we serve the world's leading brands. I could mention many brands, but I'll mention two: Heineken and ABI. In practice, we are present in dairy, beer, we're supplying most major manufacturers around the world. So again, this links to the long fiber coated board that we decided to bet on.

In Kraftliner, I would like to highlight a significant price increase that took place. I attribute this largely to something that has been discussed for years as a structural trend in the industry: the challenges faced by producers in the Northern Hemisphere, particularly in North America, due to their high cash production costs and lower-quality or higher-basis-weight coated board, however one may choose to describe it. Klabin has been playing an important role in this market. You know about our innovative product, the 100% eucalyptus Kraftliner (the Eukaliner), but also with the start-up of Machine 28, which produces Kraffliner. Today, we are able to produce around 200 thousand tons of high-basis-weight paper on this machine, replacing exports from American producers in several regions around the world.

I'll mention a specific client, which is Arizlu in Mexico. They are an independent box manufacturer and they're one of our important partners. So Mexico is now an important country for Klabin. Other historical partners, like Italy and Philippines, have been with us for over 40 years, but now we're also positioned in Canada, India and mainly China. So, some places that were unlikely in the past are now Kraftliner clients. And we're very confident because this is a high-tech paper in the containerboard segment.

We're very happy not only with some of the independent clients that we're starting to supply to in Mexico and Canada, replacing some American companies, but also the traditional clients that we have in other parts of the world, like Europe, Asia, and Latin America, obviously, where we are the most important containerboard manufacturers.

I'd also like to mention the packaging area, starting with corrugated boxes. I'd like to start off by thanking our important clients. Over 70% of the packaging areas has been contracted by major names, like JBS, Nestlé, M. Dias, Ypê, Minerva, Unilever, Coamo, Natura, basically all major brands in Brazil, and some of them place 100% of their volume with us. We have very good contracts and we're very solid in the corrugated boxes area.

We made a major change in this industry in the last few years, consolidating International Paper, which allowed us to set a different price. Klabin has been able to change the dollar-listed prices for boxes in Brazil, and this is due to the partnership and service quality that we offer to these clients.

You might know that we changed this entire industry in the last few years. In Industrial bags segment, Votorantim is our main customer, but we supply many companies, and we have a huge market share. So, I mentioned some of the great names that we are very proud to partner with. We have two-to-four-year contracts with them. We have a very strong and consolidated relationship, and this long fiber strategy with high value-added products that we designed in 2018, and we've been steadfast on what we are delivering for the next years, even despite the challenges that we still have for the last challenges that we still have for the last 18 to 24 months, in which we will use outsourced wood. But the entire planted area close to Klabin will start to be harvested in the 2H28 that will reduce the average distance from the plant, which will reduce the Company's costs.

Additionally, just a brief comment about El Niño, I think we can't not discuss this topic. We brought this debate to the Board at the end of 2025, when we were producing a budget for 2026. At the time, we had already identified, based on NOAA and some other institutes, that The Pacific buoys had recorded a higher average temperature, and that that could trigger a very different El Niño season. Not only because of its frequency, as you know, El Niño used to happen every four years, but now it's happening again after two years. And there was an expectation for this to be a super El Niño, similar to what we saw in 1983. That was the last super El Niño that affected Brazil.

The rainfall expectations, especially for Paraná, are different from the ones we have for other regions of Brazil. Again, we have the most productive area in the world because of the rainfall volume This area of ours in Paraná has historically received between 1,400 and 1,500 millimeters of rainfall per year on average. Its key characteristic, in addition to the region's soil conditions, is that this rainfall is very well distributed throughout the year, and we are naturally able to operate efficiently with this level of approximately 150 to 200 millimeters of rainfall per month. But the fact

is that in September, we had 350 millimeters of rainfall. In October, it was nearly 400 millimeters in our Ortigueira site. And in November, we are expecting the same average, between 350 and 400 millimeters.

So operating for three months with 400 millimeters on average, that is 80% of the average volume that we have for the entire year concentrated in three months. That creates operational challenges. But the most important thing is that we had been prepared for this. Even with the budget ready, we went to the Board, we mentioned the forecasts, and immediately the Board guided us to get prepared for this event, and so we did. None of our plants are facing any risks of running out of wood, but the fact is that it was a very challenging, or it has been a challenging time with this amount of rainfall in the region.

We know that this will reduce starting in January, but this will still impact the 1Q27. This El Niño is a fact: we are prepared for it from the operations standpoint. It did impact the Company's costs, but this doesn't change our structure. We've been seeing significant reductions in average distance, we've always made this very clear, this was disclosed in mid-2018, so nothing changed structurally. Quite contrary, the Company is increasingly confident about its portfolio, about its product line.

The challenge that we had was to start this big of a plant without having available land around it. We actually started by buying wood in the first cycle. And now we're very confident about what we've already delivered and what we can deliver.

So, again, I'm sorry for connecting so many different topics, but I think it's important to repeat a few things. Now, I'll hand it over to Gabriela, who will go over our figures, and then we will be here for some projections for the next quarter.

Gabriela Woge:

Thank you, Cristiano. Good morning, everyone, and thank you for joining our conference call.

On page four of our presentation, I present this quarter's results, which reflected price increases across all segments, partially offsetting the appreciation of the real against the dollar and cost pressures.

Quarterly sales volume reached 1,064 million metric tons, in line with the 3Q25. Net revenue for the quarter reached R$ 5.6 billion, up 3% from the 3Q25, reflecting primarily higher pulp prices, notably the continued spread between fluff and short fiber, as well as a higher Kraftliner price in the international market. The sales mix across segments and regions also contributed to the results offsetting the impact of the exchange rate fluctuations during the period. In this context, EBITDA for the quarter was R$ 1.9 billion with a margin of 33%.

Moving on to page five, the total cash cost per metric ton in 3Q26 was R$ 3,5 and R$ 3,3 for the first 9M26. Year-to-date, we incurred R$ 101 per metric ton in impact

not included in the guidance related to exogenous factors, such as the El Niño and other pressures on input and fuel prices resulting from the geopolitical landscape. Added to this was the fact that no land sales were completed in the 3Q26.

Part of these effects was mitigated by initiatives to reduce variable costs, including renegotiations with suppliers and input agreements, which had a positive impact of R$ 19 per metric ton. Fixed costs rose 2.8% compared to the first 9M25, below the period's inflation rate of 4.6%.

So, even in the face of these pressures, the accumulated cash costs remained in line with the upper-end of the guidance range. If current conditions persist, assuming that the next quarter we'll continue without production stoppages and including land sales, we are on track to end the year within this range. We have to emphasize that these variables have proven increasingly volatile.

El Niño has been intensifying and persisting, potentially extending into the 1Q27. Meanwhile, geopolitical conflicts continue to push pressure on fuel prices and other inputs. In addition to passing on price increases across all segments, we've been actively managing both fixed and variable costs in a disciplined manner.

As for the sale of land, which is included in the guidance, this is a decision that is within our control. We continue to monitor the market very closely but strategically, and we will only carry out transactions under conditions that are appropriate for the Company.

We continue to work to meet our guidance, although there are challenges due to the increased volatility in the aforementioned variables.

Moving on to slide six, Klabin ended the 3Q26 with a net debt of R$ 24 billion and leverage measured by the net debt to adjusted EBITDA ratio in dollars of 3.3x, virtually in line with the 2Q of the year. The Company remains focused on disciplined financial management.

Continuing with the next slide, Klabin's liquidity remains robust, ending the quarter at R$ 12.1 billion. This liquidity consists of R$ 9.5 billion in cash, which is sufficient to cover 30 months of debt maturities. The remainder consists of an undrawn revolving credit line. The average maturity of debt at the end of the quarter was 82 months, and the average cost in dollars was 5.2% per year, reflecting the debt management initiatives undertaken in recent months.

Moving on to page eight, we present the Company's free cash flow, which over the past 12 months totaled R$ 40 million. Reflecting higher capex particularly due to the investments in the modernization of the Monte Alegre boiler. In addition, cash flow was impacted by higher wood inventory and the purchase of standing timber in light of preparations for El Niño.

Moving on to slide nine, distributions to shareholders (or payouts) over the past 12 months totaled R$ 1.152 billion. This amount represents a dividend yield of 5.2%. I would also like to highlight the payment of the next dividend installment on November 12 to the amount of R$ 278 million. Regarding the share repurchase program, since its announcement in June, we have executed approximately 23% of the approved volume.

Finally, I'd like to reiterate that the Company continues to benefit from a unique portfolio structure which provides operational flexibility and helps to mitigate its volatility over the next business cycles.

I will now turn the floor back to Cristiano, who will present the business trends for our business.

Cristiano Teixeira:

Thank you, Gabi. I'd like to start with a positive piece of news. This will be more significant in the 4Q, but on October 15, we completed the start-up of our recovery boiler at Monte Alegre. This is another major achievement for a historic mill with production capacity of around 1 million tons; it has important machinery that can produce LPB and Kraftliner. This has always been a site that had a great level of performance. Until the inauguration of Puma, it was Klabin's largest mill. And now, after the modernization of the site and starting up this boiler, which was produced by Valmet, we are very pleased with the start-up and with the performance we already seeing from this equipment.

So, you are all invited. If you are ever interested, you can get in touch with our investor relations department and visit our operations.

So this is the market thermometer for the 4Q. I'll be very brief here since I took some time in the beginning. Short fiber, fluff and coated board are all stable, both in volume and in prices. Kraftliner, we've been paying attention to the great moment that Kraftliner is in right now. The gap relative to short-fiber pulp has widened considerably. Previously, there was a strong correlation between the two, and they tracked each other quite closely. In fact, I would challenge the statisticians out there to explain why, since these are different markets, yet their pricing curves showed a high degree of alignment. Now, however, that gap has truly opened up, creating what we call a "crocodile mouth" effect. This is a challenge for statisticians to understand why these things are happening. And we're confident to say that this was a strategy that we built.

And I've always mentioned it to you, when there were closures in American manufacturers, we would see the consequences in Kraftliner prices. So this has happened. As you know, closures averaging around 4 million tons have been taking place. It started last year. And it should continue happening this year. So, all of these closures, especially long fiber containerboards, have created a pressure as American

exports reduce. This also connects to the new markets that we mentioned, Mexico, Canada, India, China, and so on, where we've gained market share.

So, it continues to be pressured. We believe that this product has a price advantage versus the other containerboards. And I have to remind you that since 2018, as I've always said, there would be a premium for long fibers versus short fiber products. In the beginning, many people were skeptical about that, and I always said that it would be a difference of about US$ 300. And that's where it is right now. And we really believe in the premium that long fibers have. And that applies for long fiber and for Kraftliner, some of which is also based on long fiber, and some of which are based on high tech products like Eukaliner.

So it's an important moment for Kraftliner. We increased our market share significantly and we're very happy with this product, while always preserving our corrugated boxes business in Brazil, maintaining integration and consistently applying the opportunity-cost approach that you know well.

Briefly on corrugated packaging, I spent considerable time earlier discussing customers in this segment. We hold a very strong and consistent position, with Klabin closely connected to Brazil's leading branded companies. We are particularly pleased with the egg segment, which has been an important growth product in recent years, as well as red protein. Klabin is participating across the entire product portfolio with great enthusiasm. We remain very optimistic about our customers and partners, including Nestlé and others I mentioned. We are very confident in the market share we have secured so far and in what we still intend to achieve through our strategy over the coming years.

Industrial bags are also very strong. Construction is doing well in Brazil, but we're also forecasting stable prices for the 4Q.

So I'll stop at that and I apologize for taking some more time in this presentation. I'd very briefly like to invite you to Klabin Day. I hope you can participate; it will be an honor to have you with us by listening and by asking us questions.

So we'll continue with the Q&A. Thank you.

Questions and Answers Session

Operator: Ladies and gentlemen, we will now begin the questions and answers session. To ask a question, please click the "Raise Hand" button. Due to the number of participants in the queue, we kindly ask that you limit yourself to one question at a time. To remove yourself from the queue, please click the "Lower Hand" button.

Our first question comes from Lucas Laghi of XP Investimentos. Please go ahead, Lucas.

Lucas Laghi, XP Investimentos: Hello, everyone. Thank you for taking my question. I would like to ask about costs. In our conversations with investors, this was a concern that we had about your results. But as you mentioned it yourselves, about half of it is due to the El Niño's initiatives, Otacílio Costa stoppage maintenance, which should not repeat on Q4. So, I'd just like to understand if we add these R$ 140-150 per ton in cost pressures, will we see this go down in the 4Q?

Also, considering the future implications of that, what should we consider for the several moving parts that impact your costs? I know that the foreign exchange might be positive for you, offsetting the effect on the revenue but will this create any pressures for you? And what other factors do you believe will be relevant when it comes to costs? I'd just like to understand how I should consider your guidance for this year. So, what would be a good reference as we move on to 2027? Thank you.

Cristiano Teixeira: Thank you, Lucas.

Gabriela Woge: Good morning, Lucas. Thank you for your question. We mentioned this during our call. We had some significant pressure on costs, and this is related to some outside factors, but it did impact our last few quarters. I'm referring mainly to El Niño and the geopolitical context that has impacted the logistics behind our operations.

So in that context, as Cristiano mentioned at the beginning, El Niño has been intensifying. Since it is also an event that extends throughout the year, we are currently experiencing very intense periods of rainfall and, based on our outlook, we believe this could have some impact on us in the current quarter and also in the next quarter, 1Q27, potentially resulting in even higher costs due to the operational challenges associated with these rainfall levels.

The second factor is the geopolitical context. So, it will depend on these challenges being resolved and how that happens. But for the short term, we believe that we will have a very similar 4Q, pressured by these two events. So it will be very similar to the 3Q, but as you mentioned, with no downtimes. So it will be impacted by these two events and to be more pragmatic and to come to a conclusion, the El Niño event should finish by the 1Q27, but the geopolitical challenges might persist throughout the next year. Great, thank you.

Lucas Laghi: Alright, great. Thanks, Gabi. Good morning, everyone.

Márcio Farid, Goldman Sachs: Thank you. Good morning. So I noticed your comments about replacing outsourcing for 2028. In the Caetê Project, nearly 95% of this reduction had been captured in 2026, and that goes for pinus and eucalyptus. So, I'd just like to understand if there were any changes in scope and why there was a two-year delay versus the plan. I don't know if it was a delay, maybe you had some adjustments that changed this due to El Niño or some operational factors. But I'd just like to understand what caused this delay to your expectations and what will be the marginal gains for 2028 from these reductions in outsourcing. Thank you.

Cristiano Teixeira: Thank you, Farid. So you mentioned the Caetê Project. We saw a positive impact from that in 2026 and 2025. We captured these benefits in the beginning of this project, and that's due to the aging of timber and when you take it down. There are two ways of looking at this – and I'm sorry for the explanation, I just wanted to give you a breakdown: we have timber of all ages, and some of it was already available for cutting, and this actually surpassed some of the expectations we had in our business case.

Another factor is planting and the timing of harvesting and, naturally, this timber, based on pinus, and these pinus-based areas, have a longer harvesting cycle.

I believe this is the Caetê Project, and I think expectations were met there in 2026. We have always regarded it as perhaps the most important area acquired by after Monte Alegre, and its structural benefits are now clearly in place.

So the point I raised was about 2018. At the time, we mentioned that we would continue the first cycle with outsourced timber and Caetê was outsourced at the time. And starting in the second cycle, we would see our own wood being harvested. So that would start in the 2H28, and that's when we would see a reduction in the average distance.

I prefer to mention that because I don't think we can make these long projections on costs. But the cost will be the same for everyone because all producers use the same inputs to harvest this timber, remembering that at least 50% of timber costs are directly related to logistics. So, by reducing the average distance from 2028, we expect to reduce the average distance by about 25 kilometers. And that will play a significant role in our costs. This will start in the 2H28 and will continue in the following years, probably stabilizing in 2029. And that will be the average distance for this production base and for this production mix.

You mentioned it yourself. You know this industry, everything depends on whether I am producing more long-fiber coated board on Machine 28, in which case I will use more pinus, or whether I will use more eucalyptus.

But I think the key point for the moment is this: the benefits from Caetê have materialized and exceeded what we had originally anticipated in the business case. This reduction in average hauling distance and lower reliance on third-party timber purchases were already fundamental elements of the original announcement in 2018, and they are expected to translate into a more balanced operating profile and shorter average distances for us starting in 2H28.

Márcio Farid: Thank you. I think that 25-kilometer range helps us with our calculations. Thank you.

Rodolfo Angele, JP Morgan: Hello, good morning. Thank you for the information you've given us so far. I'd like to ask about your leverage. I know that you would also like to deleverage faster. So, I'd just like to hear from you what your expectations are,

if you have any additional levers that you can use to accelerate this deleveraging process. Thank you.

Cristiano Teixeira: Thank you, Rodolfo. I'll start by talking about the opportunities that we have, but I'd also like to share this answer with our specialist, Gabriela, who will give us further details.

But first, speaking about land sales or timber sales, it's important to say that Klabin, when it comes to both types of wood, Klabin is either the biggest or one of the biggest specialists in negotiating lands and forests in Brazil. That expertise stems not only from Klabin's long history as a major timber operator in Paraná, including timber sales, which were much more significant in the past but remain relevant today, but also from the fact that Klabin has continuously renewed its management team while preserving and leveraging that accumulated experience. As a result, we have become a major operator in this market, perhaps one of the largest land operators in Brazil, despite not being a company whose primary purpose is land investment or trading.

But having said that, I think we have been creating a great deal of value. You've seen the prices that we have paid and sold our areas for. When the time comes, we'll break this down for you, but we've had some very good opportunities to create value to the Company without ever damaging our forestry base.

We've made studies and trials in other areas, still within our range, but a bit further away, and that can provide some opportunities. As a reminder, Brazil has a lot of investments in corn ethanol. Everyone knows about Brazilian agriculture, its capacity, and since in the last years we've operated in areas that are close to us, but not enough, we are still seeing opportunities to add value.

And of course, when we have more details on that, we will pass it over to you. I'll let Gabi compliment my answer.

Gabriela Woge: Hi, Rodolfo. Just adding to Cristiano's answer from the operational perspective, considering the harvesting cycle, at the end of the year, we will conclude this machine ramp up. That's an important point to reach our full capacity and to run the Company at full steam. So we're coming to that point.

You've mentioned leverage. We do wish that we had a faster pace, but we are stable at the current level, around the 3.2x to 3.3x range that we reported this quarter. Given current market conditions, this reflects the context we also highlighted in our earnings release: an operation that continues to perform solidly. We've had good operational performance, commercial performance has also improved in comparison to previous quarters. Even so, we faced the impact of cost pressures, which ultimately kept us more or less at this stable leverage level.

Rodolfo Angele: Thank you.

Caio Ribeiro, Bank of America: Hello, good morning, everyone. My question is about the pulp market. In the last few months, we've seen two price increase rounds. So, can you tell us a bit about the factors and trends that you've been seeing? To understand that this market would take on further price increases. And are there any trends changing that justify the last two price increases? Thank you. That's all.

Cristiano Teixeira: Thank you, Caio. Nico?

Alexandre Nicolini: Hi, Caio. Good morning. Thank you for that question. Our expectation for the 4Q is to have stable market conditions. conditions in comparison to the 3Q. This US$ 20-increase in Asia announced for October has been fully implemented. The demand is at very good levels. There was a further price increase announced for Europe. Europe is at a good moment. The 3Q is a low season, so we're starting to see a gradual improvement in demand in some areas of Europe, like tissue and specialties in general. So, we saw a US$ 50 price increase announcement, going from 1,360 to 1,410.

So, we expect to see a gradual recovery of prices in the 4Q and some stability in demands. Inventories remain balanced globally. We're seeing a precise control in the supply. And of course, the supply chain has been negatively affected by the war in the Middle East. Transit time has increased by about 10 days on average due to the reduced vessel speed in certain regions. And that has made for a more balanced market.

Julia Rizzo, Morgan Stanley: Hello, thank you for taking my question. I'm going to insist on the issue of costs. I don't think that was very clear to me. The extraordinary, unexpected costs related to El Niño that you mentioned were R$ 111 per ton. Did this already anticipate what you expect for 4Q and 1Q, as Cristiano mentioned at the beginning, or are you saying that this R$111 per ton level should remain in the coming quarters?

Put differently, should we expect these additional costs to normalize, and if so, over what timeframe should they phase out? Or, more broadly, what can you share with us at this point?

The other question I'd like to ask is if your cost per ton includes land sales, and if there were no land sales in the 3Q, if there are any adjustments required for our expectations here, considering what you said. That's it. Thank you.

Cristiano Teixeira: Julia, I'll start to answer, and Gabi will tell us about the second part, just so I don't get any of the technical aspects wrong. So, to talk about costs, I'll try to be clear – maybe my explanation wasn't clear enough. This additional cost should happen, especially in the 2Q27, but we will see some impacts in the 1Q already.

And let me explain myself. I mentioned rain. Rainfall affects our costs directly; it forces us to place more wood close to the plant because we have increased working capital

and we have to remove wood in precarious conditions because of the drenched soil and so on. So that's why I'm saying that in three months (September, October and November) we had about 80% of the average rainfall for the entire year, and that affected us significantly.

Specialists expect this rain to reduce in mid-January, but it will continue until March, most likely. So the costs due to El Niño – and it's important to name things, right? – we will probably offload it completely by the 2Q27.

Gabi will add to my answer.

Gabriela Woge: Hi Julia. Just adding to the points that Cristiano mentioned, what do we foresee? Even if we have the same pressures that we had from El Niño and the war in the 4Q, given the initiatives that the Company has adopted throughout the year, and the fact that we have remained at the lower end of our guidance range, we believe we could operate close to the upper end of that guidance range, taking into account land sales.

As we had previously indicated, we were expecting approximately R$250 million in land-sale proceeds for the year. I'm referring here to millions of reais, not reais per ton. We have executed roughly half of that amount so far.

Therefore, if this scenario materializes, we should end up operating around the upper end of the guidance range. The point we were raising was especially El Niño. From our understanding, the war will continue, but El Niño has been more intensive, and so we're seeing that it's persisting for some time. That creates a challenge, but there are scenarios in which we would be very close to the top of the guidance.

Julia Rizzo: Understood. Thank you.

Daniel Sasson, Itaú BBA: Hi, everyone. Thank you for taking my question. Thank you for this opportunity. Moving away from costs, if you can tell us a bit about packaging and paper. We saw better prices across several categories, but this was not translated into D-0 performance or a better EBITDA. There were some cost effects that you've mentioned already, but are there any changes in mix, demand, and the competitive environment that's limiting your conversion of price into margins? If you can tell us a little bit more, that would be great. Thank you.

Cristiano Teixeira: Thank you, Sasson. Marcos, Soares and Douglas are here with us. Marcos and Suarez are in Uruguay, but they can join us at any point. But I'll try to make a general comment, and if that's not enough, let us know what you need.

Okay, so we have to think about this industry, which globally is going through a structural change. I'll try not to go too deep into that, but this reduction in American exports and some of the GDP behavior in the U.S. Over the past decades, we learned to view box shipments as a proxy for GDP, particularly because they were closely linked to supermarket consumption. If you listen to earnings calls from CEOs of major

U.S. companies, they often note that 70% to 75% of box shipments are connected to supermarket demand, albeit with some regional differences across the U.S. market.

This is important because we have seen a decoupling between GDP growth and box shipments. I know that you've discussed this already, and the US GDP was displaced because of investments in services, especially technology. When you look at economic performance through the lens of corrugated box shipments, supermarket consumption, credit-card spending, and other more segmented indicators, you realize that the U.S. has not been performing particularly well in terms of corrugated box shipments. At the same time, particularly throughout 2025, producers faced pressure from higher energy, labor, and logistics costs. You saw what happened to logistics costs in the US, and that made them reduce their production.

So I'm trying to explain in a different way what I always said would happen in the US, and it actually ended up happening. This changes the global landscape because U.S. exports of packaging paper have been reduced very significantly, practically by half.

Along these lines, we also saw some regulations being effected in the last few years on OCC. There were bans from sending OCCs from one country to the other. And countries like China, which were not major OCC collectors, started doing that and started producing recycled paper. As you know, all these factors are interconnected: substitution between virgin and recycled fiber, export flows, and so on.

I will stop there because otherwise the discussion becomes too theoretical. But the bottom line is that the global dynamics of fiber allocation, virgin-fiber exports, and production locations have changed substantially.

For us in Brazil, and specifically for Klabin, I see that we are repositioning ourselves. With Machines 27 and 28, we expanded our presence in low- and high-basis-weight Kraftliner, which has made us into an important player in this industry. We can replace some specific types of paper in some parts of the world, and that creates a lot of value in dollars.

I won't go into appreciation or depreciation of the Brazilian real, but in US dollar terms, we are talking about roughly a US$100 increase in value over the last 12 months alone. So, bringing this to corrugated boxes in Brazil, as you know, we make use of these opportunities from the global market. We are currently exporting, on average, 40,000 to 45,000 tons of Kraftliner per month. We always evaluate that opportunity while maintaining a long-term view and comparing it with the competitiveness of our corrugated boxes operations in Brazil, including the decision of whether to use more or less third-party paper, which is always an option for Klabin.

When it comes to prices, the increase in Kraftliner prices have happened, I think the American market, considering my initial explanation – I hope I can connect these dots for you, and I hope that that wasn't too complicated –, but If the US market returns to stronger performance, not necessarily in terms of overall GDP but in terms of lower-income per-capita consumption, particularly consumption from supermarkets,

that will have an effect on the demand for boxes. If U.S. box shipments were to grow at 1.5% to 2% annually for a year or two, and even 1% would already be meaningful, the U.S. market could face a paper shortage.

So, we'll have to see if these conditions arise. We have to see, of course, how the world will be in the next few years. We have to hope that it will be more stable than it is right now. But if lower-income consumer spending in the U.S. genuinely improves over the coming years, given all the geopolitical context we have discussed, then, in my opinion, I think there will be a shortage of paper in the U.S., especially virgin fibers grades. In that scenario, Kraftliner prices, including Klabin's products, could have further upside potential. That is one reason why we continue to maintain exports at around 40,000 tons per month.

When it comes to coated board – and I'll try to keep it brief again –, coated board has been negatively affected by the eucalyptus folding paper from China. With this substitution, Chinese producers moved away from purchasing baled pulp and started sourcing wood chips directly, mainly from Vietnam, effectively integrating their production chain. Well, we don't expect that this will improve. Until this volume gets consumed in the world, it will continue to impact manufacturers significantly.

So folding manufacturers in the world will suffer. The exception may happen due to tariffs that might be imposed, but looking at the long-term from a structural perspective, I think Chinese folding paper represents a new chapter in the packaging-paper industry.

But I'd like to remind you that Klabin doesn't do folding coated board. We do sell it in combos for some clients, but we're focused on long fiber coated boards. And in this case, we are not threatened. And when the appropriate time comes, we can discuss long fiber in China specifically, because we do not see it as a threat.

So our Company is based on long fiber coated board, we've gained market share and this will gain value over time. When I talk about our premium, I never really specify if it's long fiber fluff, if it's Kraftliner or coated board, because any product using long fibers will have a premium. It already does in some cases and will have more premiums in the future.

I'm sorry if that was a long answer but I hope that answers it.

Daniel Sasson: Thank you.

Operator: Ladies and gentlemen, we will now conclude the questions and answers session and Klabin's conference call. Thank you for listening and have a good day. Thank you.