

Eternit

# Earnings Release

**3Q23**

**Videoconference:**

Wednesday, November 8, 2023.  
3 p.m. (BRT) | 2 p.m. (EDT)

**Webcast:**

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São Paulo, November 7, 2023 – Eternit S.A. – under Court-Supervised Reorganization (B3: ETER3, “Eternit” or “Company”) announces today the results for the third quarter of 2023 (3Q23). Except where stated otherwise, the operational and financial information of the Company is presented on a consolidated basis in thousands of Brazilian reais, in accordance with the Brazilian accounting standards, especially Federal Law 6,404/76 and guidelines issued by the Accounting Pronouncements Committee (“CPC”) and approved by the Securities and Exchange Commission of Brazil (“CVM”), which should be read together with the financial statements and notes for the quarter ended September 30, 2023. Note that the 2023 results include the operation of Confibra. As such, all comparisons in this earnings release are with the third quarter of 2022, except where stated otherwise.

## Driven by sales recovery, Eternit records recurring EBITDA of R\$37 million in 3Q23, up 138% from 2Q23.

### Highlights

#### Market Cap (09/30/2023)

R\$ 499 million

#### CLOSING SHARE PRICE (09/30/2023)

R\$ 8.07

#### NUMBER OF SHARES (09/30/2023)

61,776,575

#### FREE FLOAT

98.82%

### 3Q23/3Q22 Performance



Net revenue of R\$291 million (-10%).



Gross profit of R\$78 million (-22%).



Net revenue of R\$21 million (-49%)



Recurring EBITDA of R\$ 37 million (-34%).



Recurring EBITDA margin of 13% (-5 p.p.).



Declaration of interest on equity of R\$4.8 million

## Message from Management

The third quarter of 2023 was marked by the Company's operational recovery even in an extremely challenging environment for the construction materials sector. Operational and financial performance in the quarter exceeded the results of last quarter and returning to 1Q23 levels.

The recovery in sales volume in 3Q23 from 2Q23 was noted in practically all business segments, especially fiber-cement, which registered growth of 12% in sales of fiber-cement roofing panels and 37% in sales of construction systems.

Reflecting the sales recovery during the period, net revenue reached R\$291 million in 3Q23, up 12% from 2Q23. Recurring EBITDA was R\$37 million, an increase of 138% from the previous quarter, while net income was R\$21 million, an increase of R\$20 million from 2Q23 and similar to in 1Q23.

The Company has been focused on reducing its general and administrative expenses. In 3Q23, general and administrative expenses increased 2.6% from 3Q22, but lower than inflation measured by the IPCA (LTM +5.2%). Compared to 2Q23, the decrease in 3Q23 was nearly 17% (over R\$5 million).

Continuing with the installation a new fiber-cement plant in Ceará, physical progress at the end of 3Q23 had reached 95% and the process of commissioning the plant had begun. The fiber-cement plant in Caucaia, Ceará, which will initially have production capacity of 6,500 tons per month, will receive total investments R\$172 million, of which nearly R\$165 million have already been spent. The new unit will employ 100 people, including own employees and contractors, after having generated 420 jobs during the construction and assembly phase. The unit is slated for operational startup in 4Q23.

Regarding the Court-Supervised Reorganization Plan, on October 18, 2023 the Company filed a petition with the 2nd Court of Bankruptcies and Court-Supervised Reorganizations of São Paulo, requesting its ratification of the First Amendment to the Court-Supervised Reorganization Plan, which intends to alter the Court-Supervised Reorganization Plan approved on May 30, 2019 exclusively with regard to Class I bankruptcy creditors. The Company also requested that, with the ratification of the First Amendment to the Court-Supervised Reorganization Plan, the conclusion of the Court-Supervised Reorganization be adjudicated in the same decision.

Finally, the Board of Directors Meeting held on November 7, 2023 approved the payment of interest on equity of around R\$4.8 million related to the 3Q23 results, which represents gross remuneration of R\$0.077 per share, and should be paid on March 29, 2024, in accordance with the Company's Policy on Dividends and Interest on Equity.

## Key Indicators

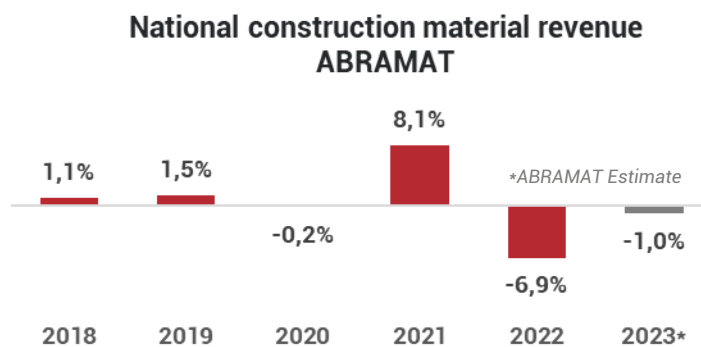
Consolidated - R\$ thousand	3Q23	3Q22	Chg %	2Q23	Chg %	9M23	9M22	Chg %
Gross Sales Revenue	353,183	388,640	(9,1)	316,883	11,5	1,030,342	1,063,964	(3,2)
Net revenue	290,990	323,048	(9,9)	259,585	12,1	846,951	874,827	(3,2)
Gross profit	78,229	99,990	(21,8)	66,914	16,9	228,667	293,386	(22,1)
Gross margin	27%	31%	- 4 p.p.	26%	1 p.p.	27%	34%	- 7 p.p.
Net income (loss) for the period	21,072	41,040	(48,7)	1,149	1,733,9	44,227	123,681	(64,2)
Net margin	7%	13%	-6 p.p.	-	-	5%	14%	- 9 p.p.
Net Recurring/Loss	19,973	43,260	(53,8)	3,864	416,9	46,974	116,566	(59,7)
Recurring Net Margin	7%	13%	- 6 p.p.	1%	6 p.p.	6%	13%	- 7 p.p.
EBITDA CVM 156/22	38,930	53,444	(27,2)	11,574	236,4	91,185	174,494	(47,7)
EBITDA Margin CVM 156/22	13%	17%	- 4 p.p.	4%	9 p.p.	11%	20%	- 9 p.p.
Recurring EBITDA	37,265	56,807	(34,4)	15,688	137,5	95,347	163,714	(41,8)
Recurring EBITDA Margin	13%	18%	- 5 p.p.	6%	7 p.p.	11%	19%	- 8 p.p.

## Economy and Market

The macroeconomic projections of the market contained in the Focus Report<sup>1</sup> published by the Brazilian Central Bank predict GDP growth of 2.90% in 2023, with inflation measured by IPCA of 4.65% and the basic interest rate (SELIC) of 11.75% p.a. by the year-end.

In 3Q23, the cycle of a reduction in interest rates began as a result of easing inflation, notably the 2.01% drop in the IPCA of food and beverage<sup>2</sup> during the quarter, which contributed to the increase in disposable income and the allocation of resources in other sectors of the economy, such as construction materials.

Consumer Confidence Index (ICC<sup>4</sup>) of FGV/IBRE continued to improve, increasing 0.2 points in September to reach 97.0 points. This improvement in consumer confidence was boosted by expectations of better future prospects, especially a decline in inflation and the recovery of income levels. According to the Continuous National Household Sample Survey<sup>5</sup> (PNAD Contínua/IBGE), unemployment in the quarter ended September 2023 fell to 7.7%, the lowest since February 2015.



According to data disclosed by ABRAMAT<sup>3</sup>, revenue from the construction materials sector not adjusted for inflation grew 1.2% in 3Q23, but decreased 2.2% in 9M23. Despite this growth, ABRAMAT maintained its projections of a 1.0% decrease in revenue in the construction materials sector in 2023.

Finally, the Federal Government program called "Desenrola Brasil", with potential to benefit up to 70 million Brazilians through debt negotiations, the Construa Brasil Project, the launch of the Growth Acceleration Program (PAC) and the revitalization of the My House My Life program are significant catalysts for the domestic economy, especially the construction materials sector.

1 FOCUS Report – 10/23/2023

2 BCB – IPCA Food and Beverages

3 ABRAMAT: [www.abramat.org.br](http://www.abramat.org.br) – ABRAMAT Index – September 2023

4 FVG/IBRE Report – 9/25/2023

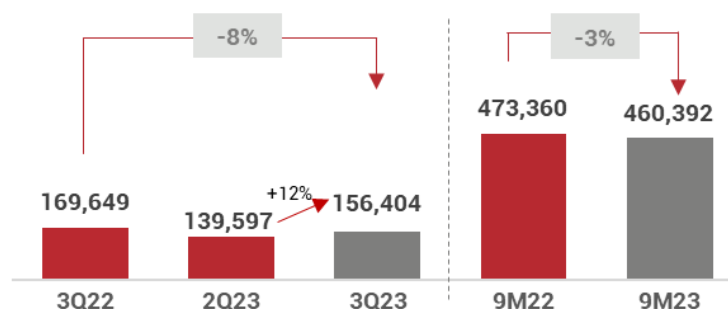
5 Continuous PNAD - O Globo, 10/31/2023

# Operating Performance

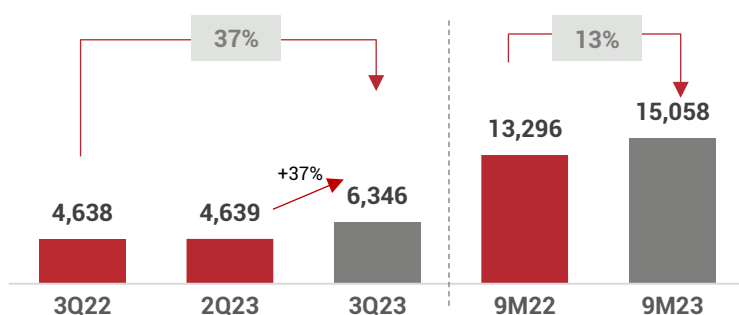
## Fiber-cement Segment

3Q23 was marked by the recovery in sales of fiber-cement roofing panels, which totaled approximately **156,000 tons**, increasing 12% from 2Q23, but 8% lower than in 3Q22. In 9M23, sales volume was approximately **460,000 tons**, down 3% from 9M22.

### Fiber-Cement Roofing Panel Sales ( t )



### Construction System Sales ( t )



The construction systems segment, which includes cement cladding panels and wall cladding panels, sold **6,300 tons** in 3Q23, up 37% from both 3Q22 and 2Q23.

In 9M23, volume sold was **15,000 tons**, up 13% from the same period in 2022.

The fiber-cement roofing panel segment ended 3Q23 with gross margin of 17%, down 5 p.p. from 3Q22, due to the 3 p.p. drop in contribution margin during the period.

Similarly, in 9M23, gross margin was 20%, down 7 p.p. from 2022, with a 4 p.p. drop in contribution margin and a higher share of fixed costs due to lower installed capacity utilization which, during this period, also includes the Confibra unit merged in August 2022.

Fiber-cement - R\$ thousand	3Q23	3Q22	Chg %	2Q23*	Chg %	9M23	9M22	Chg %
Net revenue	188,994	207,762	(9,0)	170,570	10,8	559,107	577,883	(3,2)
Gross profit	32,581	44,971	(27,6)	33,929	(4,0)	113,522	158,307	(28,3)
Gross margin	17%	22%	- 5 p.p.	20%	- 3 p.p.	20%	27%	- 7 p.p.

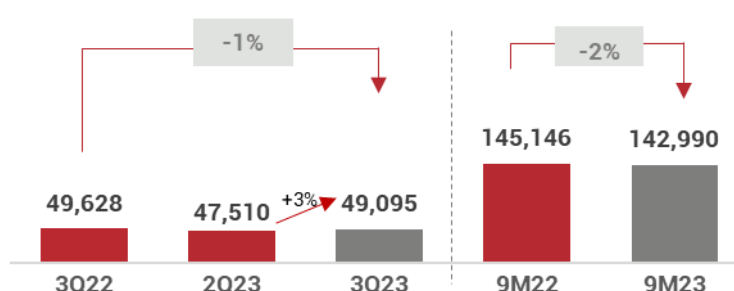
\* Amounts restated

## Chrysotile Mineral Segment

In 3Q23, chrysotile mineral sales totaled **49,000 tons**, remaining at the 3Q22 level. Compared to 2Q23, export volume increased slightly by 3% in 3Q23.

In 9M23, exports totaled **143,000 tons**, down 2% from 9M22, mainly reflecting the scheduled maintenance downtime at the industrial unit for 15 days in April 2023.

### Chrysotile Mineral Sales ( t )



The entire chrysotile fiber output is exported, based on Goiás State Law 20,514 of July 16, 2019.

Gross margin from the segment reached **49%** in 3Q23, down 4 p.p. from 3Q22. Compared to 2Q23, gross margin increased 8 p.p. due to the export mix, which, in U.S. dollars, represented an average price 10% higher than that recorded in the previous quarter. In 9M23, chrysotile fiber gross margin reached **44%**, down 5 p.p. from 9M22, due to the impact of the scheduled maintenance downtime in April on 2Q23 performance.

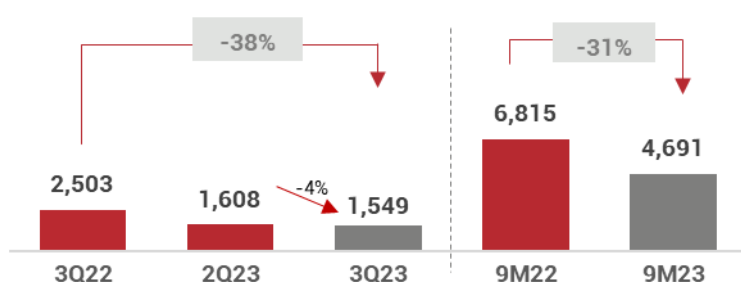
Chrysotile mineral- R\$ thousand	3Q23	3Q22	Chg %	2Q23	Chg %	9M23	9M22	Chg %
Net revenue	96,985	104,882	(7,5)	82,253	17,9	270,391	274,429	(1,5)
Gross profit	47,717	55,851	(14,6)	33,756	41,4	118,349	135,046	(12,4)
Gross margin	49%	53%	- 4 p.p.	41%	8 p.p.	44%	49%	- 5 p.p.

## Concrete Roofing Tiles Segment

In 3Q23, concrete roofing tiles sales totaled **1.5 million pieces**, down 38% from 3Q22. In 9M23, sales totaled **4.7 million pieces**, down 31% from the volume in 9M22.

Despite the decrease in sales volume, gross margin in 3Q23 was 9%, the same as in 3Q22. Compared to 2Q23, the decrease of 17 p.p. is due to lower installed capacity utilization resulting from the realization of

### Concrete Roofing Tile Sales (tiles)



inventories in the quarter.

Concrete Roofing Tiles - R\$ thousand	3Q23	3Q22	Chg %	2Q23*	Chg %	9M23	9M22	Chg %
Net revenue	4,960	6,286	(21,1)	5,251	(5,5)	14,851	16,204	(8,3)
Gross profit	457	594	(23,1)	1,360	(66,4)	3,062	1,606	90,7
Gross margin	9%	9%	-	26%	- 17 p.p.	21%	10%	11 p.p.

\* Amounts restated

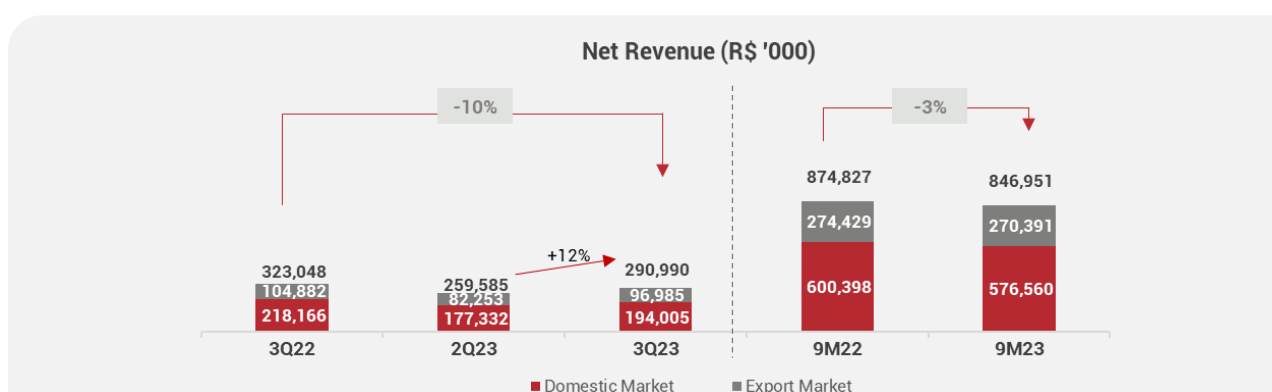


## Consolidated Financial Performance

### Net Revenue

In 3Q23, net revenue was **R\$291 million**, an increase of 12% from 2Q23, reflecting the recovery of sales in the fiber-cement and chrysotile segments. However, despite the recovery of sales in the quarter, net revenue in 3Q23 was 10% lower than in 3Q22.

In 9M23, net revenue totaled **R\$847 million**, 3% lower than in 9M22, mainly due to lower sales of fiber-cement roofing panels in 2Q23, resulting from weaker demand in the construction material sector and the decrease in chrysotile fiber exports due to the scheduled maintenance shutdown at the unit in April 2023.



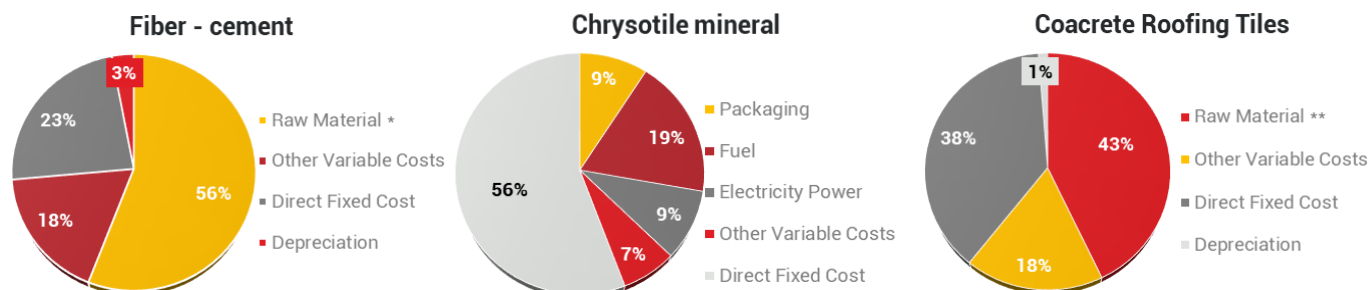
### Costs of Goods and Products Sold

Costs of goods and products sold (COGS) totaled **R\$213 million** in 3Q23, resulting in gross margin of 27% 1 p.p. higher than in 2Q23 but 4 p.p. lower than in 3Q22.

In 9M23, COGS totaled **R\$618 million**, resulting in gross margin of 27%, down 7 p.p. from 9M22, mainly due to the operational deleveraging on account of low installed capacity utilization in the fiber-cement segment, whose capacity increased with the merger of Confibra in August 2022, and the scheduled maintenance shutdown at the chrysotile fiber unit in April 2023.

Consolidated - R\$ thousand	3Q23	3Q22	Chg %	2Q23	Chg %	9M23	9M22	Chg %
Net revenue	290,990	323,048	(9,9)	259,585	12,1	846,951	874,827	(3,2)
Costs of Goods and Products Sold	(212,761)	(223,058)	(4,6)	(192,671)	10,4	(618,284)	(581,441)	6,3
Gross profit	78,229	99,990	(21,8)	66,914	16,9	228,667	293,386	(22,1)
Gross margin	27%	31%	- 4 p.p.	26%	1 p.p.	27%	34%	- 7 p.p.

## Breakdown of Cost of Goods Sold - 3Q23



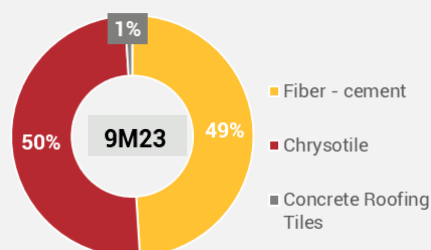
\*Raw material – Fiber-cement: 46% cement; 33% PP resin; 15% pulp and 6% lime;

\*\* Raw material – Concrete Roofing Tiles: 31% cement; 20% sand and 49% other;

## Gross Profit

Gross profit in 3Q23 was **R\$78 million**, up 17% from 2Q23 and down 22% from 3Q22.

In 9M23, gross profit totaled about **R\$229 million**, down 22% from 9M22, essentially impacted by the decrease in sales volume in the fiber-cement segment and the scheduled maintenance shutdown at Sama in 2Q23.



## Selling Expenses

Selling expenses totaled **R\$26 million** in the quarter, decreasing 5% compared to 3Q22, reflecting the decrease of commissions for commercial representatives in the domestic market on account of the drop in sales volume in the fiber-cement segment. Additionally, this quarter selling expenses decreased R\$9 million (-26%) from the previous quarter due to an atypical provision for allowance for doubtful accounts recorded in 2Q23, related to the chrysotile export receivables portfolio. Consequently, selling expenses returned to 9% of net revenue.

In 9M23, selling expenses totaled **R\$86 million**, up R\$8 million from 9M22 (+10%), also impacted by the atypical provision for allowance for doubtful accounts on the export receivables portfolio, which totaled R\$7.8 million in the period.

Consolidated – R\$ thousand	3Q23	3Q22	Chg %	2Q23	Chg %	9M23	9M22	Chg %
Net Revenue	290,990	323,048	(9,9)	259,585	12,1	846,951	874,827	(3,2)
Selling expenses	26,117	27,515	(5,1)	35,072	(25,5)	85,549	77,414	10,5
% of Net Revenue	9%	9%	-	14%	- 5 p.p.	10%	9%	1 p.p.

## General and Administrative Expenses

In the quarter, general and administrative expenses totaled **R\$25 million**, up 3% from 3Q22, mainly resulting from the increase in labor expenses resulting from collective bargaining agreements (IPCA LTM: +5.2%).

In 9M23, general and administrative expenses totaled nearly **R\$80 million**, up R\$5.5 million (+7%) from 9M22. The increase is due to the increase in labor expenses resulting from collective bargaining agreements and severance payments during the period (R\$3 million). Furthermore, the inclusion of Confibra in the Eternit Group's results since August 2022 resulted in additional expenses of nearly R\$2 million in 9M23.

## Other Operating (Income)/ Expenses

Other operating (income)/expenses were an income of **R\$3.2 million** in the quarter, resulting from the sale of compulsory credits of Eletrobrás of R\$8.6 million, which refers to the principal net of success fee.

Other operating (income)/expenses in 9M23 were an income of **R\$575 thousand** in 9M23, as against an income of R\$18.4 million in 9M22. The result in 2022 was benefited by the sale of non-operating property, plant and equipment for a non-recurring revenue of R\$14.5 million.

Consolidated – R\$ thousand	3Q23	3Q22	Chg %	2Q23	Chg %	9M23	9M22	Chg %
Selling expenses	26,117	27,515	(5,1)	35,072	(25,5)	85,549	77,414	10,5
General and administrative expenses <sup>(1)</sup>	25,392	24,737	2,6	30,515	(16,8)	79,637	74,136	7,4
Other operating (income) expenses	(3,200)	(461)	594,1	(1,392)	129,9	(575)	(18,340)	(96,9)
Total operating expenses	48,309	51,791	(6,7)	64,195	(24,7)	164,611	133,210	23,6

(1) Includes management compensation

## EBITDA

The Company's operating result, measured by recurring EBITDA<sup>2</sup>, totaled **R\$37 million** in 3Q23, down 34% from 3Q22 but a significant 138% higher than in 2Q23, resulting in recurring EBITDA margin of **13%**, up 7 p.p. from 2Q23.

In 9M23, recurring EBITDA <sup>2</sup> totaled **R\$95 million**, down 42% from 9M22.

EBITDA<sup>1</sup> totaled **R\$39 million** in 3Q23, up 237% from 2Q23 and down 27% from 3Q22. In 9M23, EBITDA was **R\$ 91 million**, decreasing 48%.

Consolidated - R\$ thousand	3Q23	3Q22	Chg %	2Q23	Chg %	9M23	9M22	Chg %
Net income (loss) for the period	21,072	41,040	(48,7)	1,149	1.733,9	44,227	123,681	(64,2)
Income and social contribution taxes	7,444	7,281	2,2	(527)	-	13,391	32,109	(58,3)
Net financial income (loss)	1,404	(122)	-	2,097	(33,0)	6,438	4,386	46,8
Depreciation and amortization	9,010	5,245	71,8	8,855	1,8	27,129	14,318	89,5
EBITDA CVM 156/22 <sup>1</sup>	38,930	53,444	(27,2)	11,574	236,4	91,185	174,494	(47,7)
Non recurring Events	(1,665)	3,363	-	4,114	-	4,162	(10,780)	-
Restructuring	210	-	-	171	-	381	-	-
Expenses related to court-supervised reorganization	441	419	-	426	-	1,270	2,180	-
Expenses related to discontinued units	97	104	-	112	-	224	377	-
Revenue from extemporaneous credits	-	-	-	(1,427)	-	(1,427)	(2,726)	-
Sale of fixed assets	261	2,252	-	54	-	911	(12,593)	-
Receivables from sale of court-order debt	(8,562)	-	-	-	-	(8,562)	-	-
Other Non recurring Events	5,888	588	-	4,778	-	11,365	1,982	-
Recurring EBITDA <sup>2</sup>	37,265	56,807	(34,4)	15,688	137,5	95,347	163,714	(41,8)
Net margin recurring	13%	18%	- 5 p.p.	6%	7 p.p.	11%	19%	- 8 p.p.

(1) EBITDA: measure of operational performance according to CVM Instruction 156/22

(2) Recurring EBITDA is an indicator used by the Company's Management to analyze the operational and financial performance of the Company's wholly-owned businesses, excluding non-recurring events.

## Financial Result

Financial income totaled **R\$1 million** in 3Q23, down 54% from 3Q22 due to the reduction in financial investments. This quarter, financial expenses totaled **R\$3.6 million**, resulting from interest related to the prepayment of export receivables (ACE) and long-term bank financing, both of which were contracted to finance the new fiber-cement project in Caucaia. As such, net financial result in 3Q23 was an expense of **R\$1.4 million**, as against an income of R\$122,000 in 3Q22.

In 9M23, net financial result was an expense of **R\$6.4 million**, an increase of 47% from 9M22, due to the the increase in the Company's debt as described above.

Consolidated - R\$ thousand	3Q23	3Q22	Chg %	2Q23	Chg %	9M23	9M22	Chg %
<b>Financial income</b>	997	2,158	(53,8)	992	0,5	4,135	12,604	(67,2)
Financial Investments	997	2,158	(53,8)	992	0,5	4,135	12,604	(67,2)
<b>Financial Expenses</b>	(3,591)	(874)	310,9	(2,424)	48,1	(7,204)	(2,077)	246,8
Interest on Bankruptcy-related Debt	(534)	(597)	(10,6)	(549)	(2,7)	(1,633)	(1,800)	(9,3)
Financing Interest	(3,057)	(277)	-	(1,875)	63,0	(5,571)	(277)	-
<b>Other <sup>(1)</sup></b>	(135)	(809)	(83,3)	(663)	(79,6)	(3,691)	(3,667)	0,7
<b>Net of exchange variations</b>	1,325	(353)	-	(2)	-	322	(11,246)	-
<b>Net Financial Income (loss)</b>	(1,404)	122	-	(2,097)	(33,0)	(6,438)	(4,386)	46,8

(1) Includes bank charges and interest on tax payments in installments.

## Net Income

In 3Q23, Net Income totaled **R\$21 million**, returning to the 1Q23 level, reflecting the operational turnaround that culminated in an increase of R\$20 million from 2Q23. In 9M23, net income was **R\$44 million**, decreasing 64% from 9M22, due to the drop in sales volume across the construction materials segment, especially in 2Q23.

Recurring net income <sup>1</sup>, which excludes non-recurring effects in the period, totaled **R\$20 million** in 3Q23, decreasing 54% from 3Q22. In 9M23, recurring net income <sup>1</sup> reached **R\$47 million**, down 60% from 9M22.

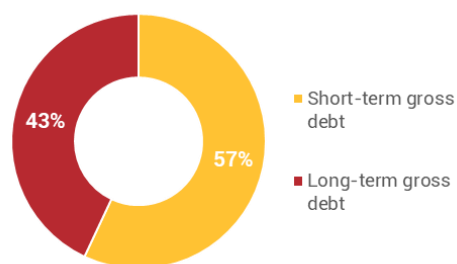
Consolidated - R\$ thousand	3Q23	3Q22	Chg %	2Q23	Chg %	9M23	9M22	Chg %
<b>Net income (loss) for the period</b>	21,072	41,040	(48,7)	1,149	1.733,9	44,227	123,681	(64,2)
<b>Net margin</b>	7%	13%	- 6 p.p.	-	-	5%	14%	- 9 p.p.
<b>Non recurring Events</b>	(1,665)	3,363	-	4,114	-	4,162	(10,780)	-
Restructuring	210	-	-	171	-	381	-	-
Expenses related to court-supervised reorganization	441	419	-	426	-	1,270	2,180	-
Expenses related to discontinuity of units	97	104	-	112	-	224	377	-
Revenue from extemporaneous credits	-	-	-	(1,427)	-	(1,427)	(2,726)	-
Sale/write-off of fixed assets	261	2,252	-	54	-	911	(12,593)	-
Receivables from sale of court-order debt	(8,562)	-	-	-	-	(8,562)	-	-
Other Nonrecurring Events	5,888	588	-	4,778	-	11,365	1,982	-
Effect of Income Tax/Social Contribution*	566	(1,143)	-	(1,399)	-	(1,415)	3,665	-
<b>Recurring Net Income/Loss<sup>1</sup></b>	19,973	43,260	(53,8)	3,864	416,9	46,974	116,566	(59,7)
<b>Net margin recurring</b>	7%	13%	- 6 p.p.	1%	6 p.p.	6%	13%	- 7 p.p.

(1) Recurring net income is an indicator used by the Company excluding non-recurring events.

(\*) Effect of income tax and social contribution (34%) on non-recurring events.

## Net cash and debt

On September 30, 2023, the Company had net debt of **R\$106 million**, an increase of R\$95 million from the same period last year. The increase is due to the funding operations carried out by the Company for the Caucaia project. At the end of the quarter, gross debt totaled R\$146 million, and consisted of:



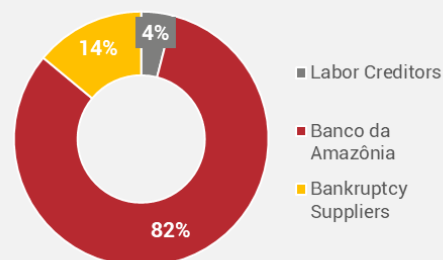
- (i) Long-term lines
  - a. Loan from Banco da Amazônia (BASA) to fund the Eternit unit in the Amazon region (R\$30.5 million);
  - b. FINAME loan obtained from Banco Daycoval (R\$34 million);
  - c. CCE signed with Banco Sofisa (R\$11.5 million).
- (ii) Advance on Foreign Exchange Delivered (ACE) - (R\$70 million).

Net (Cash) Debt - R\$ thousand	09/30/2023	09/30/2022	Chg %	12/31/2022	Chg %
Short-term gross debt	83,717	53,339	57,0	26,296	218,4
Long-term gross debt	62,293	30,525	104,1	58,295	6,9
<b>Total gross debt</b>	<b>146,010</b>	<b>83,864</b>	<b>74,1</b>	<b>84,591</b>	<b>72,6</b>
(-) Cash and cash equivalents	39,890	72,460	(44,9)	112,469	(64,5)
<b>Net (Cash) Debt</b>	<b>106,120</b>	<b>11,404</b>	<b>-</b>	<b>(27,878)</b>	<b>-</b>

## Bankruptcy-related debt

In 3Q23, the Company paid **R\$1 million** to Classes II and III bankruptcy creditors.

As such, bankruptcy-related debt on September 30, 2023 was around **R\$37.3 million**, including the installment of US\$125,000 converted at the rate of R\$5.01: US\$1, of which:



- Class I Creditors: R\$1.5 million related to new authorized labor claims;
- Class II: R\$30.5 million borrowed from Banco da Amazônia to finance the unit in Manaus, (monthly payments and fixed interest of 7% p.a.);
- Class III and IV creditors: R\$5.3 million, of which R\$4.4 million is related to suppliers that did not file any claim for payment, with interest no longer being levied on the outstanding balance.

Class	Balance Approved in CSR Plan	Haircut	Payment Guarantee	New Authorized (Unauthorized) Credits	Interest / Charges	Payments made	Balance at end of period
Class I - Labor Creditors - R\$ thousand	6,466	-	-	5,422	-	(10,365)	1,523
Class II - Creditors with Secured Claims - R\$ thousand	36,225	-	-	-	10,998	16,723	30,500
Class III - Unsecured Creditors	-	-	-	-	-	-	-
Option A - R\$ thousand	107,672	(17,314)	(40,400)	(1,160)	3,500	(48,642)	3,656
Option A - US\$ thousand	953	-	-	(520)	1	(309)	125
Option B - R\$ thousand	84,097	(37,839)	-	-	3,242	(49,500)	-
Option B - US\$ thousand	1,696	(763)	-	-	5	(938)	-
Class IV - Micro and Small Company Creditors - R\$ thousand	4,612	-	-	-	71	(3,677)	1,006
<b>Total - R\$ thousand</b>	<b>239,072</b>	<b>(55,153)</b>	<b>(40,400)</b>	<b>4,262</b>	<b>17,811</b>	<b>(128,907)</b>	<b>36,685</b>
<b>Total - US\$ thousand</b>	<b>2,649</b>	<b>(763)</b>	<b>-</b>	<b>(520)</b>	<b>6</b>	<b>(1,247)</b>	<b>125</b>

## Court-supervised reorganization

On October 18, 2023, the Company filed a petition with the 2nd Court of Bankruptcies and Court-Supervised Reorganizations of São Paulo, requesting its ratification of the First Amendment to the Court-Supervised Reorganization Plan, which intends to alter the Court-Supervised Reorganization Plan approved on May 30, 2019 exclusively with regard to Class I bankruptcy creditors.

The Company also requested in the petition that, with the ratification of the First Amendment to the Court-Supervised Reorganization Plan, the conclusion of the Court-Supervised Reorganization be adjudicated in the same decision.

Hence, to conclude the Court-Supervised Reorganization, the Company is awaiting the judge's opinion on the petition filed on October 18, 2023.

## Strategic Projects

During 3Q23, the Company's investments totaled **R\$76 million**, of which 72% were used in the Ceará greenfield project.

In 9M23, investment by the Eternit Group totaled **R\$172 million**, of which R\$153 million went to the new fiber-cement plant project in Ceará.



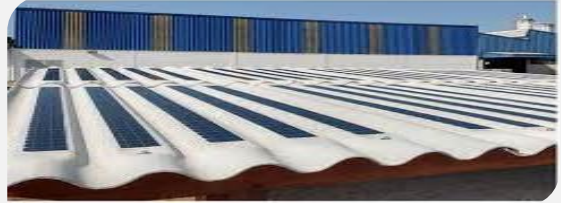
### Ceará greenfield project

In 3Q23, the project for the new fiber-cement unit in Caucaia concluded the installation of machinery and equipment, starting the commissioning phase at the unit.

Physical progress of the project stood at 95%, with only the construction of installations outside the production shed remaining.

In partnership with the Federal Institute of Ceará, the Company invested in training maintenance operators, mechanics and electricians to prepare professionals to work at the new unit, giving preference to local labor. As a result of this measure, the Company hired 77 employees to work in the plant.

The Caucaia unit, the first supplier of fiber-cement roofing panels in Ceará, will initially have production capacity of 6,500 tons per month. Total investments in it are estimated at R\$172 million, of which nearly R\$165 million have already been spent. The plant is expected to go operational in 4Q23.



### Solar roofing panels

The Company is implementing a pilot project to install Eternit Solar (photovoltaic) tiles at a residence in the district of Chapéu-Mangueira in Rio de Janeiro. The project is implemented in partnership with the NGO Revolusolar and should be concluded in 4Q23.

To boost the sales of photovoltaic tiles, the Company started the process of registering the Eternit Solar and Tégula Solar products with the BNDES, which will enable clients to borrow loans from the bank.



### Expansion of Manaus Unit

Physical progress of capacity expansion, at an investment of R\$24 million, of the Manaus unit, which produces polypropylene (PP) fiber, is on schedule.

The final pieces of equipment are expected to arrive in January 2024 and the infrastructure to receive them has already been completed.

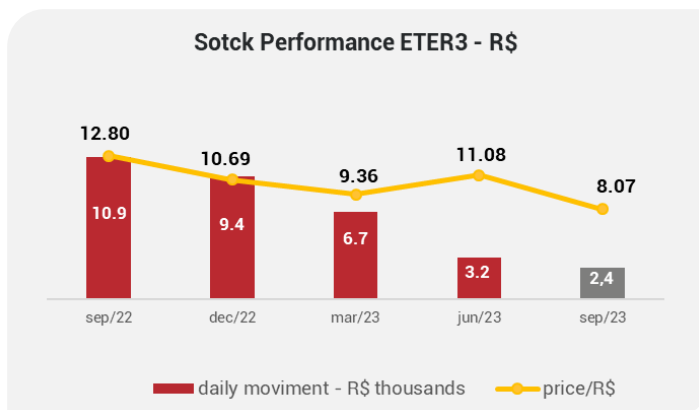
After expansion, the unit will have installed capacity of 18,000 t/year of PP fiber, representing an increase of 50% in production capacity. The project is expected to be concluded in 1Q24.



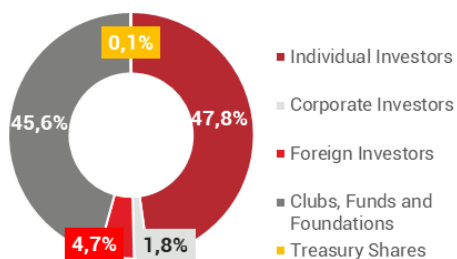
## Capital Markets

At the end of the quarter, the Company's shares traded under the ticker "ETER3" were quoted at **R\$8.07/share**, thus totaling **R\$499 million** in market cap, with an average daily trading volume (ADTV) of **R\$2.4 million**.

With highly disperse ownership and no shareholders' agreement or controlling group, the Company had 24,707 shareholders, with individuals holding 48% of the ownership.



### Ownership Structure



On September 30, 2023, only three shareholders held more than 5% interest in the capital stock, with an aggregate interest of 40% of the total capital stock.

Visit the IR website ([ri.eternit.com.br](http://ri.eternit.com.br)) for more information.

## Events Subsequent to the Reporting Period

### First amendment to court-supervised reorganization plan

On October 18, 2023, the requested the ratification of the First Amendment to the Court-Supervised Reorganization Plan, which intends to alter the Court-Supervised Reorganization Plan approved on May 30, 2019 exclusively with regard to bankruptcy labor creditors (Class I).

It also requested that, with the ratification of the First Amendment to the Court-Supervised Reorganization Plan, the end of the Court-Supervised Reorganization be adjudicated in the same decision.

### Reimbursements of the federal taxes PIS and COFINS

On November 6, 2023, the Company received a notice from the Brazilian Federal Revenue Service about the approval of its requests for reimbursements of the federal taxes PIS and COFINS of its subsidiary Sama in the amount of R\$18.5 million. The reimbursements will not affect the results of the Company, impacting only its cash flow.

### Declaration of Interest on Equity

In accordance with the Dividends and Interest on Equity Policy approved on June 30, 2022, the Board of Directors approved on November 7, 2023, the announcement of interest on equity related to 3Q23 results, in the amount of R\$4.8 million, corresponding to a gross amount of R\$0.077 per common share, which should be paid on March 29, 2024.

## Annexes

### Eternit S.A. – Under Court-Supervised Reorganization

#### Balance Sheet

ASSETS -R\$ THOUSAND	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
<b>Total current assets</b>	<b>407,214</b>	<b>479,921</b>	<b>606,002</b>	<b>715,330</b>
Cash and cash equivalents	641	3,485	39,890	112,469
Accounts receivable	69,363	68,499	177,557	227,705
Inventories	100,075	114,237	200,204	209,822
Taxes recoverable	23,761	26,003	129,706	107,735
Related parties	194,349	261,101	-	-
Prepaid expenses	1,613	1,901	22,538	39,427
Other current assets	17,412	4,695	35,084	17,149
Assets held for sale	-	-	1,023	1,023
<b>Total non-current assets</b>	<b>610,107</b>	<b>566,798</b>	<b>642,868</b>	<b>506,937</b>
Judicial deposits	8,294	8,480	12,771	12,879
Taxes recoverable	2,347	2,695	26,196	37,268
Related parties	3,955	2,626	-	-
Other non-current assets	139	140	1,541	1,595
Investments	429,939	387,951	-	-
Right-of-use assets	-	-	16,436	15,920
Fixed assets	165,269	164,625	505,264	355,959
Intangible assets	164	281	80,660	83,316
<b>Total assets</b>	<b>1,017,321</b>	<b>1,046,719</b>	<b>1,248,870</b>	<b>1,222,267</b>

LIABILITIES AND EQUITY - R\$ THOUSAND	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
<b>Total current liabilities</b>	<b>138,243</b>	<b>197,031</b>	<b>293,245</b>	<b>284,164</b>
Suppliers	28,559	27,769	77,090	65,116
Loans and financing	9,068	2,247	83,717	26,296
Related parties	32,922	48,016	-	-
Personnel expenses	22,927	20,631	36,808	29,480
Dividends of interest on equity	4,170	17,737	4,197	17,763
Taxes, charges and contributions payable	13,985	16,455	27,805	30,722
Provision for post-employment benefits	3,191	3,191	6,947	6,947
Lease obligations	-	-	3,607	3,607
Other current liabilities	23,421	60,985	53,074	104,233
<b>Total non-current liabilities</b>	<b>168,657</b>	<b>173,500</b>	<b>245,121</b>	<b>261,805</b>
Loans and financing	24,997	28,746	62,293	58,295
Related parties	22,441	26,722	-	-
Taxes, charges and contributions payable	2,403	6,666	14,608	22,377
Personnel expenses	5,393	6,385	5,643	6,779
Provisions for tax, civil and labor risks	48,720	50,656	68,687	69,914
Provision for post-employment benefits	29,377	29,399	60,883	61,241
Provision for decommissioning of mine	-	-	6,205	9,982
Provision for investment losses	35,326	24,926	-	-
Lease obligations	-	-	12,959	12,340
Deferred income tax and social contribution	-	-	13,843	20,877
<b>Equity attributable to controlling shareholders</b>	<b>710,421</b>	<b>676,188</b>	<b>710,421</b>	<b>676,188</b>
Share capital	438,082	438,082	438,082	438,082
Capital reserves	85,151	81,093	85,151	81,093
Treasury shares	(590)	(174)	(590)	(174)
Revenue reserves	195,265	164,674	195,265	164,674
Other comprehensive income (loss)	(7,487)	(7,487)	(7,487)	(7,487)
<b>Total equity</b>	<b>710,421</b>	<b>676,188</b>	<b>710,504</b>	<b>676,298</b>
Non-controlling interests	-	-	83	110
<b>Total liabilities and equity</b>	<b>1,017,321</b>	<b>1,046,719</b>	<b>1,248,870</b>	<b>1,222,267</b>

### Income Statement (Parent Company)

R\$ thousand	3Q23	3Q22	Chg. %	2Q23	Chg. %	9M23	9M22	Chg. %
Net revenue	164,797	186,868	-11,8%	149,850	10,0%	485,495	549,683	-11,7%
Costs of goods and services sold	(134,989)	(150,637)	-10,4%	(121,055)	11,5%	(390,317)	(418,022)	-6,6%
Gross profit	29,808	36,231	-17,7%	28,795	3,5%	95,178	131,661	-27,7%
Gross margin	18%	19%	- 1 p.p.	19%	- 1 p.p.	20%	24%	- 4 p.p.
Operating revenues (expenses)	(23,823)	(29,929)	-20,4%	(25,814)	-7,7%	(76,659)	(93,748)	-18,2%
Selling expenses	(13,418)	(13,616)	-1,5%	(12,779)	5,0%	(39,004)	(40,313)	-3,2%
General and administrative	(12,862)	(14,057)	-8,5%	(13,122)	-2,0%	(38,179)	(43,454)	-12,1%
Other operating revenues (expenses), net	2,457	(2,256)	-	87	-	524	(9,981)	-
Income (Loss) before equity pick-up (EBIT)	5,985	6,302	-5,0%	2,981	-	18,519	37,913	-51,2%
EBIT margin	4%	3%	1 p.p.	2%	2 p.p.	4%	7%	- 3 p.p.
Equity pick-up	16,219	30,693	-47,2%	276	-	31,588	88,060	-64,1%
Operating income (loss) before financial result	22,204	36,995	-40,0%	3,257	-	50,107	125,973	-60,2%
Net financial income (loss)	(227)	(1,274)	-82,2%	(4,026)	-94,4%	(6,813)	(5,433)	25,4%
Income (Loss) before income tax and social contribution	21,977	35,721	-38,5%	(769)	-	43,294	120,540	-64,1%
Current income tax and social contribution	(910)	3,704	-	96	-	(910)	(8,137)	-
Deferred income tax and social contribution	-	1,599	-	-	-	1,806	11,184	-83,9%
Net income (loss) for the period	21,067	41,024	-48,6%	1,133	-	44,190	123,587	-64,2%
Net margin	13%	22%	- 9 p.p.	1%	12 p.p.	9%	22%	- 13 p.p.

### Income Statements (Consolidated)

R\$ thousand	3Q23	3Q22	Chg. %	2Q23	Chg. %	9M23	9M22	Chg. %
Net revenue	290,990	323,048	-9,9%	259,585	12,1%	846,951	874,827	-3,2%
Costs of goods and services sold	(212,761)	(223,058)	-4,6%	(192,671)	10,4%	(618,284)	(581,441)	6,3%
Gross profit	78,229	99,990	-21,8%	66,914	16,9%	228,667	293,386	-22,1%
Gross margin	27%	31%	- 4 p.p.	26%	1 p.p.	27%	34%	- 7 p.p.
Operating revenues (expenses)	(48,309)	(51,791)	-6,7%	(64,195)	-24,7%	(164,611)	(133,210)	23,6%
Selling expenses	(26,117)	(27,515)	-5,1%	(35,072)	-25,5%	(85,549)	(77,414)	10,5%
General and administrative	(25,392)	(24,737)	2,6%	(30,515)	-16,8%	(79,637)	(74,136)	7,4%
Other operating revenues (expenses), net	3,200	461	-	1,392	-	575	18,340	96,9%
Income (Loss) before equity pick-up (EBIT)	29,920	48,199	-37,9%	2,719	-	64,056	160,176	-60,0%
EBIT margin	10%	15%	- 5 p.p.	1%	9 p.p.	8%	18%	- 10 p.p.
Net financial income (loss)	(1,404)	122	-	(2,097)	-33,0%	(6,438)	(4,386)	46,8%
Income (Loss) before income and social contribution taxes	28,516	48,321	-41,0%	622	-	57,618	155,790	-63,0%
Current income tax and social contribution	(12,413)	(8,707)	42,6%	(2,108)	-	(25,749)	(43,340)	-40,6%
Deferred income tax and social contribution	4,969	1,426	248,5%	2,635	88,6%	12,358	11,231	10,0%
Net income (loss) for the period	21,072	41,040	-48,7%	1,149	-	44,227	123,681	-64,2%
Net margin	7%	13%	-14 p.p.	-	-	5%	14%	- 9 p.p.

STATEMENT OF CASH FLOWS

R\$ thousand - Accrued	Parent Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Cash flows from operating activities				
Income (Loss) before income and social contribution taxes	43,294	120,540	57,618	155,790
<b>Reconciliation of earnings before income tax and social contribution to net cash provided by operations:</b>				
Equity pick-up	(31,588)	(88,060)	-	-
Depreciation and amortization	11,924	9,943	27,129	14,318
Gain (Loss) on write-off of fixed and intangible assets	313	2,249	1,094	2,254
Allowance for doubtful accounts	2,497	1,510	11,099	1,274
Allowance for inventory write down to net realizable value	308	(400)	2,437	(990)
Estimated impairment losses	-	-	(3,010)	-
Provisions for tax, civil and labor risks	(1,936)	(2,713)	(788)	(2,357)
Provision for post-employment benefits	(22)	195	(358)	129
Provision for decommissioning of mine	-	-	(3,777)	-
Financial charges and monetary and exchange variations	4,319	2,461	5,231	(5,262)
	<b>29,109</b>	<b>45,725</b>	<b>96,675</b>	<b>165,156</b>
<b>Increase (decrease) in operating liabilities:</b>				
Accounts receivable	(3,361)	(3,099)	41,671	(58,359)
Related parties	65,423	144,984	-	-
Inventories	13,854	(10,423)	7,181	(19,449)
Taxes recoverable	2,598	48,524	(10,584)	11,533
Judicial deposits	186	(166)	108	(170)
Other assets	(12,427)	(3,578)	(1,033)	(6,221)
Assets held for sale	-	-	-	3,822
<b>Increase (decrease) in operating liabilities:</b>				
Suppliers	720	(6,947)	10,064	1,997
Payments of dividends and interest on equity	(1,107)	-	(1,107)	-
Related parties	(19,375)	(3,041)	-	-
Taxes, charges and contributions payable	(5,731)	(10,442)	(9,824)	(11,062)
Personnel expenses	1,304	1,450	6,192	5,412
Payment of contingencies	-	-	(439)	-
Other liabilities	(37,564)	7,817	(51,159)	1,375
<b>Cash provided by (used in) operating activities</b>	<b>33,629</b>	<b>210,804</b>	<b>87,745</b>	<b>94,034</b>
Income tax and social contribution paid	(115)	(16,763)	(21,639)	(46,417)
<b>Net cash provided by (used in) operating activities</b>	<b>33,514</b>	<b>194,041</b>	<b>66,106</b>	<b>47,617</b>
<b>Cash flows from investing activities</b>				
Additions to fixed and intangible assets	(12,764)	(34,065)	(170,745)	(72,369)
Acquisition of subsidiary net of cash in the business combination	-	-	-	(118,686)
Additions to investments	-	(119,068)	-	-
<b>Net cash used in investing activities</b>	<b>(12,764)</b>	<b>(153,133)</b>	<b>(170,745)</b>	<b>(191,055)</b>
<b>Cash flow from financing activities</b>				
Loans and financing raised	2,572	-	293,158	61,660
Amortization of loans and financings	(3,749)	-	(236,088)	(19,537)
Payments of dividends and interest on equity	(22,001)	(42,638)	(22,001)	(42,638)
Lease obligations	-	-	(2,593)	(2,451)
Treasury shares	(416)	-	(416)	-
<b>Net cash generated by financing activities</b>	<b>(23,594)</b>	<b>(42,638)</b>	<b>32,060</b>	<b>(2,966)</b>
<b>Increase (Reduction) in cash and cash equivalents</b>	<b>(2,844)</b>	<b>(1,730)</b>	<b>(72,579)</b>	<b>(146,404)</b>
At the beginning of the period	3,485	3,370	112,469	218,864
At the end of the period	641	1,640	39,890	72,460
<b>Increase (Reduction) in cash and cash equivalents</b>	<b>(2,844)</b>	<b>(1,730)</b>	<b>(72,579)</b>	<b>(146,404)</b>