



Earnings Release

1Q24

Conference call:

Wednesday, May 8, 2024
3 p.m. (BRT) | 2 p.m. (EDT)

Webcast:

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São Paulo, May 7, 2024 – Eternit S.A. – Under Court-Supervised Reorganization (B3: ETER3, "Eternit" or "Company") announces today its results for the 1st quarter of 2024 (1Q24). 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 March 31, 2024. We inform that all comparisons in this earnings release are with the first quarter of 2023 (1Q23), except where stated otherwise.

Eternit starts production at the new unit in Ceará and reports recurring EBITDA of R\$17 million

Highlights

MARKET CAP (03/31/2024)

R\$447 million

CLOSING SHARE PRICE (03/31/2024)

R\$7.24

NUMBER OF SHARES (03/31/2024)

61,776,575

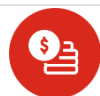
FREE FLOAT

98.80%

1Q24/1Q23 performance



Construction system sales of **5,200 tons** (+27%)



Sales of fiber-cement roofing panels of **146,000 tons** (-11%)



Net Revenue of **R\$267 million** (-10%)



Gross Profit of **R\$55 million** (-34%) and Gross Margin of **20%** (-7 p.p.)



Recurring EBITDA of **R\$17 million** (-60%)



Shareholders elect new Board of Directors for the next two years.

Message from Management

The fiber-cement segment registered 11% growth in gross profit in 1Q24 compared to 4Q23, totaling R\$28.3 million, even though sales of roofing panels dropped 7% to 146,000 tons. On the other hand, the construction systems business registered sales of 5,200 tons, up 5% from 4Q23 - its second best performance in the Company's history.

Chrysotile exports totaled 39,000 tons in 1Q24, down 16% from 4Q23, resulting from the annual scheduled maintenance downtime at the industrial unit in January, which affected product availability.

In this context, Eternit recorded in 1Q24 Net Revenue of R\$267 million, down 5% from 4Q23, and Recurring EBITDA of R\$17 million, down 25% from 4Q23. During the period, the Company recorded Net Income of R\$241 thousand, ending the quarter with net debt of R\$114 million, down R\$11.4 million from the balance on December 31, 2023.

As regards Court-Supervised Reorganization, the Company made significant advances on issues that involve the conclusion of the process. On April 12, 2024, the Judge of the court-supervised reorganization approved the calling of a General Meeting of Class I Creditors to explain and deliberate on the First Amendment to the Court-Supervised Reorganization Plan, which will amend the original plan approved by the court on June 11, 2019 exclusively with regard to Class I creditors. The General Meeting of Creditors will be held on May 7, 2024, on first call, and on May 14, 2024, on second call. Eternit remains optimistic about the approval of the First Amendment to the Plan and the consequent exit from the Court-Supervised Reorganization process over the coming months.

Regarding the greenfield project in Ceará, Eternit officially inaugurated its newest fiber-cement unit in Caucaia in March 2024, completing its largest project in the last 50 years. The new industrial unit, which received investments of R\$187 million (fully disbursed) and with monthly production capacity of 6,500 tons, was designed to be a modern and model plant in sustainability. It houses the Eternit Solar generator with the capacity to supply 25% of the plant's total electricity consumption. In 1Q24, the Caucaia unit produced around 9,000 tons, meeting its production ramp-up schedule.

In 1Q24, Eternit paid Interest on Equity in the amount of R\$16 million, declared in 2023, representing gross earnings of R\$0.26/share.

Key Indicators

Consolidated - R\$ thousand	1Q24	1Q23	Chg. %	4Q23	Chg. %
Gross Sales Revenue	325,408	360,276	(9,7)	343,257	(5,2)
Net revenue	266,666	296,376	(10,0)	282,262	(5,5)
Gross profit	55,449	83,524	(33,6)	62,134	(10,8)
Gross margin	21%	28%	- 7 p.p.	22%	- 1 p.p.
Net income (loss) for the period	241	22,006	(98,9)	82,994	(99,7)
Net margin	0%	7%	- 7 p.p.	29%	- 29 p.p.
Recurring Net Income/Loss	413	23,137	(98,2)	4,317	(90,4)
Recurring Net Margin	0%	8%	- 8 p.p.	2%	- 2 p.p.
EBITDA CVM 527/12	16,695	40,681	(59,0)	21,363	(21,9)
EBITDA Margin CVM 527/12	6%	14%	- 8 p.p.	8%	- 2 p.p.
Recurring EBITDA	16,955	42,394	(60,0)	22,648	(25,1)
Recurring EBITDA Margin	6%	14%	- 8 p.p.	8%	- 2 p.p.



Economy and Market

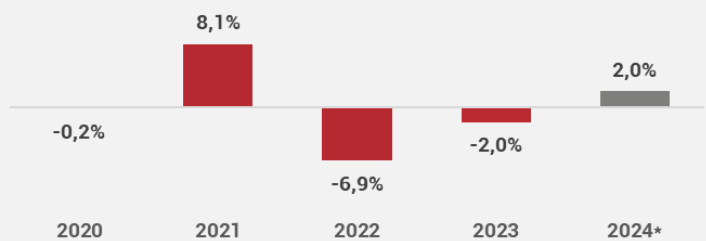
The market's expectations disclosed in the Focus Report¹ published by the Brazilian Central Bank predict GDP growth of 2.02% in 2024, with inflation measured by IPCA of 3.73% and the basic interest rate (SELIC) of 9.5% p.a. by the year-end.

The debt level of households with income of up to three minimum wages increased once again and reached 79.7% in March 2024², while the delinquency status of 67 million Brazilians at the end of the quarter³ affected the consumption capacity of households. Moreover, food and beverage inflation, whose sector IPCA rose 5.0% in the last six months (Oct/23 to Mar/24) also led to the reduction in the availability of household income.

With regard to the construction material industry, ABRAMAT⁴ data indicated that the industry's deflated revenues increased 2.8% in the quarter compared to the same period in 2023. However, March 2024 witnessed a decrease of 1.6% from February 2024, mainly due to the difficulty in the recovery of retail resumption due to macroeconomic aspects, such as the cost of credit and household debt levels.

In 2024, the Association predicts growth of 2.0% due to the resumption of public works, the developments in the Tax Reforms and the New Industry Brazil program regarding infrastructure, sanitation, housing and mobility.

Evolution of ABRAMAT deflated revenue



*Estimativa ABRAMAT

1 FOCUS Report – 4/19/2024

2 National Confederation of Trade in Goods, Services and Tourism (CND) 04/04/2024

3 Credit Protection Service (SPC Brazil) and National Confederation of Store Managers (CNDL) – 04/19/2024

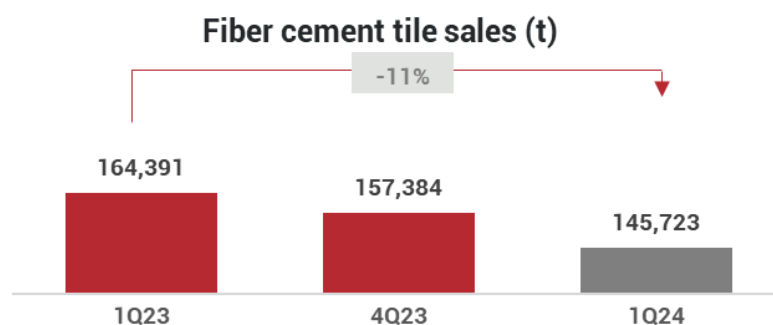
4 Revenue of the Construction Materials Industries – ABRAMAT – March/24 index

Operating Performance

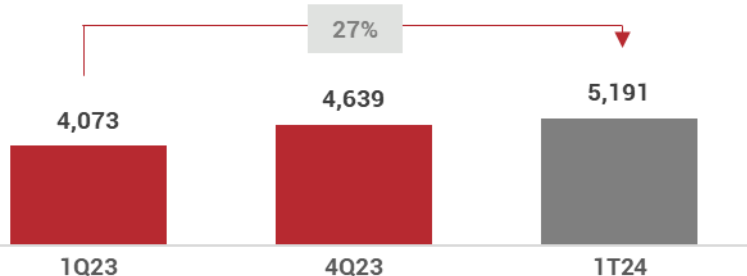
Fiber-cement Segment

Roofing panels

Sales of fiber-cement roofing panels totaled **146,000 tons** in 1Q24, down 11% from 1Q23 and 7% from 4Q23.



Construction Systems Sales (t)



Construction systems

Sales of cement cladding panels and wall cladding panels, which make up the construction systems segment, totaled **5,200 tons** in 1Q24, growing significantly by 27% from 1Q23, as a result of the action to strengthen the technical sales channel.

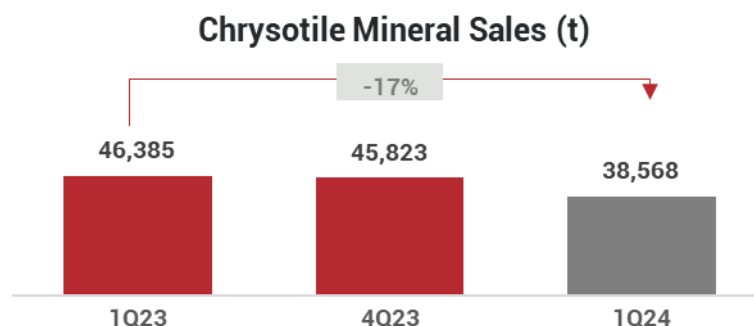
The fiber-cement segment ended 1Q24 with **gross margin** of **15%**, down 9 p.p. from 1Q23, despite contribution margin remaining stable at around 35%, reflecting the increase in the fixed cost of production, which includes the startup of the new plant in Caucaia amid a scenario of declining sales. The increase in the Company's installed capacity with the startup of the new plant (Caucaia-CE) and the slowdown in demand across the sector resulted in capacity occupancy of around 53%.

On the other hand, compared to 4Q23, the segment performed better in the quarter, registering 11% growth in gross profit, which totaled R\$28.4 million, resulting from the recovery of unit contribution margin, which increased 18% from 4Q23.

Fiber-cement - R\$ thousand	1Q24	1Q23	Chg.%	4Q23	Chg.%
Net revenue	184,591	199,360	(7,4)	184,355	0,1
Gross profit	28,345	46,857	(39,5)	25,601	10,7
Gross margin	15%	24%	- 9 p.p.	14%	1 p.p.

Chrysotile Mineral Segment

1Q24 was marked by the annual scheduled maintenance downtime for 15 days, which this year was rescheduled to January due to the period of heavy rainfall, impacting the availability of the product in the first quarter. As such, exports totaled **39,000 tons**, down 17% year on year. Note that in 2023 the annual scheduled maintenance downtime occurred in April.



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

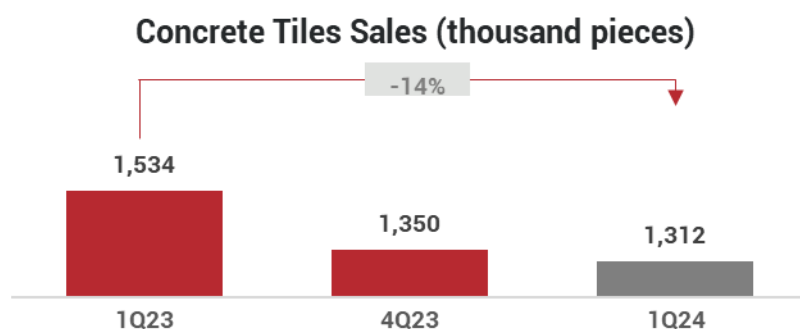
In 1Q24, **gross margin** from exports reached **35%**, down 5 p.p. from 1Q23. Though sales prices remained stable, the scheduled maintenance downtime and consequent reduction in production volume resulted in an increase of approximately 9% in the fixed cost of production in the quarterly comparison, notably in expenses with maintenance and idle capacity.

Chrysotile mineral - R\$ thousand	1Q24	1Q23	Chg.%	4Q23	Chg.%
Net revenue	78,025	91,153	(14,4)	93,855	(16,9)
Gross profit	27,318	36,876	(25,9)	36,869	(25,9)
Gross margin	35%	40%	- 5 p.p.	39%	- 4 p.p.

Concrete Roofing Tiles Segment

In 1Q24, sales of concrete roofing tiles totaled **1.3 million** pieces, down 14% from 1Q23.

Despite the decrease in sales volume, **gross margin** in 1Q24, of **16%**, remained practically stable in relation to 1Q23 and 4 p.p. higher than in 4Q23. This result is mainly due to the maintenance of the average sales price and the reduction in variable costs, especially raw material costs.



Concrete Roofing Tiles - R\$ thousand	1Q24	1Q23	Chg.%	4Q23	Chg.%
Net revenue	3,997	4,789	(16,5)	3,917	2,0
Gross profit	640	865	(26,0)	460	39,1
Gross margin	16%	18%	- 2 p.p.	12%	4 p.p.

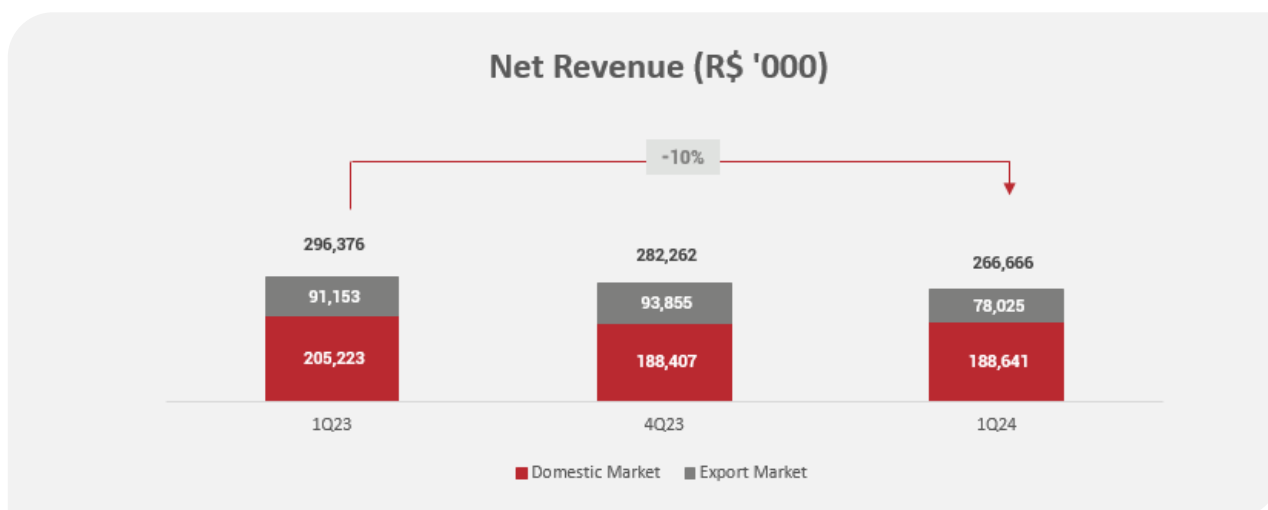
Consolidated Financial Performance

Net Revenue

In 1Q24, Net Revenue came to approximately **R\$267 million**, decreasing 10% from 1Q23, with the fiber-cement segment - the Company's core business - accounting for 71% of the revenue.

In the domestic market, Net Revenue totaled **R\$189 million** in 1Q24, down 8% from 1Q23, mainly reflecting the decline in demand across the construction materials sector and the consequent reduction in production capacity utilization.

In the export market, chrysotile fiber exports in 1Q24 totaled approximately **R\$78 million**, down 14% from 1Q23, mainly due to decrease in the volume of exports resulting from the scheduled downtime of the unit in January.



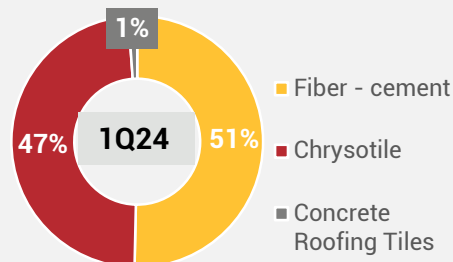
Costs of Goods and Products Sold

Costs of goods and products sold (COGS) totaled **R\$211 million** in 1Q24, practically repeating the amount recorded in 1Q23 and decreasing nearly 4% from 4Q23. As such, the gross margin of 21% remained at the same level as in 4Q23, despite declining 7 p.p. from 1Q23, chiefly due to the following factors: (i) in the fiber-cement segment, decrease in sales volume, with a reduction in the level of occupancy of installed capacity; and (ii) in the chrysotile mineral segment, a reduction in product availability due to the scheduled downtime in January, with an increase in expenses with maintenance and idle capacity.

Consolidated - R\$ thousand	1Q24	1Q23	Chg. %	4Q23	Chg. %
Net revenue	266,666	296,376	(10,0)	282,262	(5,5)
Costs of Goods and Products Sold	(211,217)	(212,852)	(0,8)	(220,128)	(4,0)
Gross profit	55,449	83,524	(33,6)	62,134	(10,8)
Gross margin	21%	28%	- 7 p.p.	22%	- 1 p.p.

Gross Profit

In 1Q24, gross profit was R\$55 million, down 34% from 1Q23, mainly impacted by lower occupancy of installed capacity in the fiber-cement segment and the scheduled maintenance downtime in the Chrysotile mineral segment.



Selling Expenses

In 1Q24, selling expenses totaled **R\$25 million**, 3% lower than in 1Q23. On the other hand, selling expenses decreased R\$5 million (-16%) in relation to 4Q23, chiefly due to the following factors: (i) decrease in commissions to commercial representatives in the domestic market on account of the drop in sales volume in the fiber-cement segment. (ii) decrease in variable expenses in the foreign market resulting from the drop in chrysotile mineral exports due to the annual scheduled maintenance downtime.

Consolidated - R\$ thousand	1Q24	1Q23	Chg.%	4Q23	Chg.%
Net Revenue	266,666	296,376	(10,0)	282,262	(5,5)
Selling expenses	25,033	24,360	2,8	29,874	(16,2)
% of Net Revenue	9%	8%	1 p.p.	11%	- 2 p.p.

General and Administrative Expenses

General and administrative expenses totaled **R\$23 million** in 1Q24, down 3% from 1Q23, favored by the reversal of the provision for variable Management compensation. Additionally, in 1Q24, general and administrative expenses increased R\$6 million (+35%) from 4Q23 as a result of the reclassification in 4Q23 of R\$5.6 million of idle capacity costs to fixed costs in the subsidiary Sama.

Other Operating (Income)/ Expenses

In 1Q24, other operating (income)/expenses were an expense of **R\$2.4 million**, down 40% from 1Q23. This reduction is mainly due to the accounting in the quarter of out-of-period tax credits in the amount of R\$1.9 million.

Consolidated - R\$ thousand	1Q24	1Q23	Chg. %	4Q23	Chg. %
Selling expenses	25,033	24,360	2,8	29,874	(16,2)
General and administrative expenses(1)	23,068	23,730	(2,8)	17,126	34,7
Other operating income (expenses)	2,419	4,017	(39,8)	4,294	(43,7)
Total operating expenses	50,520	52,107	(3,0)	51,294	(1,5)

(1) Includes Management Compensation

EBITDA

In 1Q24, Recurring EBITDA² totaled **R\$17 million**, down 60% from 1Q23. Thus, Recurring EBITDA margin² reached 6%, decreasing 8 p.p. from the same period in 2023. Additionally, EBITDA¹ reached **R\$16.7 million** in 1Q24.

Consolidated - R\$ thousand	1Q24	1Q23	Chg. %	4Q23	Chg. %
Net income (loss) for the period	241	22,006	(98,9)	82,994	(99,7)
Income and social contribution taxes	2,854	6,474	(55,9)	(77.650)	-
Net financial income (loss)	1,834	2,937	(37,6)	5,496	(66,6)
Depreciation and amortization	11,766	9,264	27,0	10,523	11,8
EBITDA CVM 156/22¹	16,695	40,681	(59,0)	21,363	(21,9)
Non recurring Events	260	1,713	-	1,285	-
Restructuring	256	-	-	-	-
Expenses related to court-supervised reorganization	407	403	-	387	-
Expenses related to discontinued units	306	15	-	246	-
Revenue from extemporaneous credits	(1,631)	-	-	-	-
Sale of fixed assets	-	596	-	392	-
Other Nonrecurring Events	922	699	-	260	-
Recurring EBITDA²	16,955	42,394	(60,0)	22,648	(25,1)
Net margin recurring	6%	14%	- 8 p.p.	8%	- 2 p.p.

(1) EBITDA does not include non-recurring event adjustments.

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

Financial Result

Financial income totaled **R\$470 thousand** in **1Q24**, down R\$1.7 million from 1Q23 due to the reduction in cash available for investments. Financial expenses totaled **R\$3.3 million**, up R\$2.1 million from 1Q23, resulting from interest related to prepayments of export receivables (ACE) and the long-term bank financing obtained to finance the new fiber-cement project in Caucauia/CE.

Therefore, net financial result after exchange variation and other expenses was an expense of **R\$1.8 million**, including the receipt of R\$1.2 million as inflation adjustment on judicial payment orders, which declined R\$1.1. million from 1Q23.

Consolidated - R\$ thousand	1Q24	1Q23	Chg.%	4Q23	Chg.%
Financial income	470	2,146	(78,1)	322	46,0
Financial Investments	470	2,146	(78,1)	322	46,0
Financial Expenses	(3,683)	(1,189)	209,8	(3,252)	13,3
Interest on Bankruptcy-related Debt	(494)	(550)	(10,2)	(519)	(4,8)
Financing Interest	(3,189)	(639)	399,1	(2,733)	16,7
Other ⁽¹⁾	1,395	(2,893)	-	(2,031)	-
Net of exchange variations	(16)	(1,001)	(98,4)	(535)	(97,0)
Net Financial Income (loss)	(1,834)	(2,937)	(37,5)	(5,496)	(66,6)

Net Income

In a scenario of declining sales, the Company's Net Income totaled **R\$241 thousand** in **1Q24**, down 99% from 1Q23.

Excluding non-recurring events, Recurring net income¹ in **1Q24** came to **R\$413,000**, down 91% from 1Q23.

Consolidated - R\$ thousand	1Q24	1Q23	Chg. %	4Q23	Chg. %
Net income (loss) for the period	241	22,006	(98,9)	82,994	(99,7)
Net margin	0,1%	7%	- 7 p.p.	29%	- 29 p.p.
Non recurring Events	260	1,713	-	1,285	-
Restructuring	256	-	-	-	-
Expenses related to court-supervised reorganization	407	403	-	387	-
Expenses related to discontinuity of units	306	15	-	246	-
Revenue from extemporaneous credits	(1,631)	-	-	-	-
Sale/write-off of fixed assets	0	596	-	392	-
Receivables from sale of court-order debt	-	-	-	-	-
Other Non recurring Events	922	699	-	260	-
Effect of Income Tax/Social Contribution*	(88)	(582)	-	(437)	-
Deferred Income Tax and Social Contribution on Net Income	-	-	-	(79,525)	-
Adjusted Net Income/Loss	412	23,137	(98,2)	4,317	(90,4)
Net margin recurring	0,2%	8%	- 8 p.p.	2%	- 2 p.p.

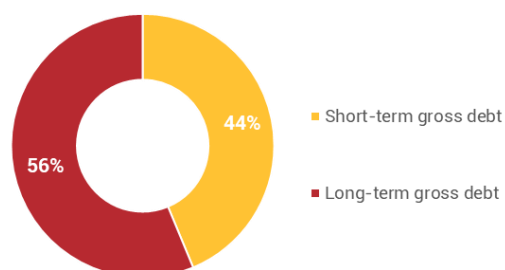
(1) Recurring net income is an indicator used by the Company excluding non-recurring events.

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

Debt

In **1Q24**, Eternit had net debt of **R\$114 million**, R\$11.4 million lower than the amount recorded at the end of 4Q23. Gross debt in **1Q24** totaled approximately **R\$130 million** and consisted of:

- (i) Long-term lines
 - a. Loan from Banco da Amazônia (BASA) to establish the Eternit unit in the Amazon region (R\$28.6 million);
 - b. Materials FINAME loan obtained from Banco Daycoval (R\$32.3 million);
 - c. CCE signed with the banks Sofisa and Fibra (R\$27.9 million), whose funds were used to acquire trucks for mining activities.
- (ii) Short-term line: Advance on Foreign Exchange Delivered (ACE) (R\$40.9 million).



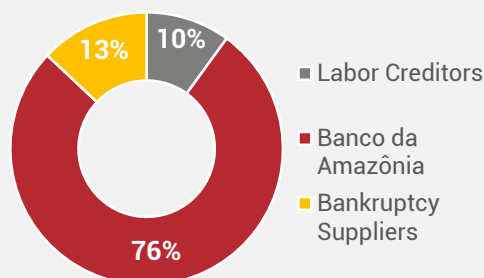
Net (Cash) Debt -	R\$ thousand	03/31/2024	03/31/2023	Chg. %	12/31/2023	Chg. %
Short-term gross debt		56,687	8,046	604,5	82,746	(31,5)
Long-term gross debt		72,959	56,061	30,1	59,551	22,5
Total gross debt		129,646	64,107	102,2	142,297	(8,9)
(-) Cash and cash equivalents		15,326	30,764	(50,2)	16,539	(7,3)
Net (Cash) Debt		114,320	33,343	242,9	125,758	(9,1)

Bankruptcy-Related Debt

In 1Q24, the Company paid R\$2 million to bankruptcy creditors.

Therefore, bankruptcy-related debt on **March 31, 2024** totaled around **R\$37.5 million**, including the installment of US\$125,000 converted at the rate of R\$4.99 to US\$1, of which:

- Class I Creditors: R\$ 3.9 million related to new authorized labor claims;
- Class II: R\$28.6 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 million, of which nearly R\$4.2 million relates to creditors 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	-	-	8,216	-	(10,799)	3,883
Class II - Creditors with Secured Claims - R\$ thousand	36,225	-	-	-	11,964	(19,651)	28,538
Class III - Unsecured Creditors	-	-	-	-	-	-	-
Option A - R\$ thousand	107,672	(17,314)	(40,400)	(1,157)	3,547	(48,888)	3,460
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	(3,735)	948
Total - R\$ thousand	239,072	(55,153)	(40,400)	7,059	18,824	(132,573)	36,829
Total - US\$ thousand	2,649	(763)	-	(520)	6	(1,247)	125

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.

Nevertheless, on November 21, 2023, for the benefit of labor creditors, the companies under Court-Supervised Reorganization Plan requested the calling of a General Meeting of Creditors (Labor) pursuant to article 36 of the Fiscal Responsibility Law to explain and deliberate on the First Amendment, which was granted by the Court. The call notice for the General Meeting of Creditors (Labor) was published in the Federal Register (Diário Oficial) on April 12, 2024. The meeting will be held on May 7, 2024 on first call, and on May 14, 2024 on second call.

Strategic Management and Investments

Over the last three years, the Company's investments totaled nearly R\$500 million, which were directed to strategic expansion projects of the Eternit Group: (i) modernization of fiber-cement units; (ii) development of solar roofing panels technology; (iii) acquisition of Confibra; (iv) expansion of Manaus unit; and (v) establishment of the fiber-cement unit in Caucaia/Ceará.

In 1Q24, a sum of R\$9 million was invested in operational continuity.



Greenfield project - Caucaia/Ceará

In the quarter, Eternit officially inaugurated its newest fiber-cement unit in the city of Caucaia, Ceará, completing its largest project in 50 years. In the first three months of 2024, the new unit produced approximately 9,000 tons, meeting its production ramp-up plan.

With investments of R\$187 million (totally spent), the new plant has initial capacity of 6,500 ton/month, with infrastructure available to double the capacity. The project was designed to be a modern and model plant in sustainability, and houses an Eternit Solar generator with the capacity to supply 25% of the plant's total electricity consumption.

Additionally, in partnership with the Federal Institute of Ceará, the Company invested in training programs for operations and maintenance of industrial processes to train professionals to work in the plant. The new unit generated approximately 83 direct jobs in operations and more than 400 indirect jobs during the construction phase.

Solar roofing panels

In partnership with the NGO Revolusolar, Eternit installed a pilot project with Eternit Solar roofing panels in a residence in the Morro da Babilônia community in Rio de Janeiro. The solar roofing panel installed in the residence has a capacity of 1.72kWp, resulting in monthly generation of 200 kWh, which will represent monthly savings of nearly R\$200 in the electricity bill.



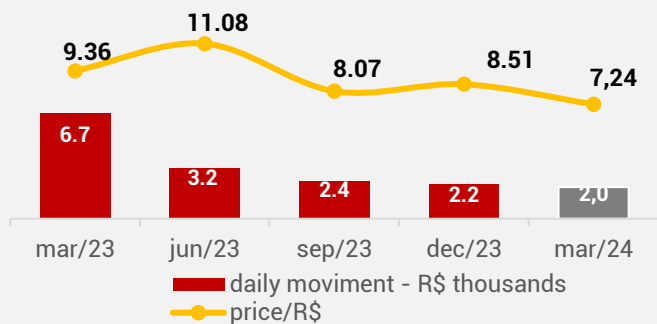
Expansion of Manaus Unit

With investments R\$24 million, after expansion, the unit will have installed capacity of 18,000 t/year of PP fiber. The Company is only awaiting the arrival of the final pieces of equipment in the clearance phase in Brazil to complete the project.

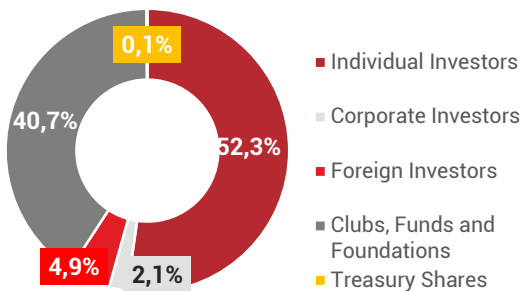
Capital Markets

At the end of 1Q24, the Company's shares (ETER3) were quoted at R\$7.24, thus totaling **R\$447 million** in market cap, with an average daily trading volume of R\$2.0 million.

Stock Performance ETER3 - R\$



Ownership Structure



With a highly fragmented ownership and no shareholders' agreement or controlling group, the Company had **23,671** shareholders, with individuals holding **52%** of the ownership.

In 1Q24, 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) for more information.

Events Subsequent to the Reporting Period

General Meeting of Creditors – Labor

On April 12, 2024, the Company announced to the market that the call notice for the General Meeting of Creditors (Labor) was published in the Federal Register (Diário Oficial da União), to be held on May 7, 2024 on first call, and, in the absence of quorum, on May 14, 2024 on second call. The purpose of the Annual Meeting of Creditors is to present the First Amendment to the Court-Supervised Reorganization Plan of the Eternit Group.

Sale of Land in Goiânia

On April 16, 2024, the Company announced to the market that the judicial auction of the land in Goiânia/Go was concluded, as established in the Court-Supervised Reorganization Plant of the Eternit Group. The winning bid was R\$20.5 million.

Annexes

Eternit S.A. – Under Court-Supervised Reorganization

Balance Sheet

ASSETS -R\$ THOUSAND	Parent Company		Consolidated	
	3/31/2024	12/31/2023	3/31/2024	12/31/2023
Total current assets	346,444	447,555	569,309	568,035
Cash and cash equivalents	662	3,948	15,325	16,539
Accounts receivable	62,115	58,705	178,244	179,857
Inventories	91,742	83,301	178,448	168,259
Taxes recoverable	15,032	24,985	129,035	140,904
Deferred income tax and social contribution	1,850	1,850	1,850	1,850
Related parties	154,803	256,195	-	-
Prepaid expenses	2,036	2,433	31,301	27,187
Other current assets	18,204	16,138	35,106	33,439
Assets held for sale	-	-	-	-
Total non-current assets	738,939	645,777	713,586	732,331
Judicial deposits	8,544	8,294	13,028	12,778
Taxes recoverable	2,012	2,227	2,044	22,597
Deferred income tax and social contribution	78,057	77,675	65,948	64,712
Related parties	3,752	4,044	-	-
Other non-current assets	139	139	1,844	1,844
Investments	480,302	385,609	-	-
Right-of-use assets	-	-	17,296	16,069
Fixed assets	166,044	167,666	536,180	535,283
Intangible assets	89	123	77,246	79,048
Total assets	1.085,383	1.093,332	1.282,895	1.300,366

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Income Statement (Parent Company)

R\$ thousand	1Q24	1Q23	Chg. %	4Q23	Chg. %
Net revenue	142,913	170,848	-16,4%	152,183	-6,1%
Costs of goods and services sold	(119,589)	(134,273)	-10,9%	(130,197)	-8,1%
Gross profit	23,324	36,575	-36,2%	21,986	6,1%
Gross margin	16%	21%	- 5 p.p.	14%	2 p.p.
Operating revenues (expenses)	(25,580)	(27,022)	-5,3%	(25,616)	-0,1%
Selling expenses	(11,993)	(12,807)	-6,4%	(12,074)	-0,7%
General and administrative	(10,612)	(12,195)	-13,0%	(10,638)	-0,2%
Other operating revenues (expenses), net	(2,975)	(2,020)	47,3%	(2,904)	2,4%
Income (Loss) before equity pick-up (EBIT)	(2,256)	9.553	-	(3,630)	-37,9%
EBIT margin	-	6%	-	-2%	-
Equity pick-up	2,820	15,093	-81,3%	7,801	-63,9%
Operating income (loss) before financial result	564	24,646	-97,7%	4,171	-86,5%
Net financial income (loss)	(708)	(2,560)	-72,3%	(1,614)	-56,1%
Income (Loss) before income tax and social contribution	(144)	22,086	-100,7%	2,557	-105,6%
Current income tax and social contribution	-	(96)	-100,0%	910	-100,0%
Deferred income tax and social contribution	383	-	-	-	-99,5%
Net income (loss) for the period	239	21,990	-98,9%	82,991	-99,7%
Net margin	0%	13%	- 13 p.p.	55%	- 55 p.p.

Income Statements (Consolidated)

R\$ thousand	1Q24	1Q23	Chg. %	4Q23	Chg. %
Net revenue	266,666	296,376	-10,0%	282,262	-5,5%
Costs of goods and services sold	(211,217)	(212,852)	-0,8%	(220,128)	-4,0%
Gross profit	55,449	83,524	-33,6%	62,134	-10,8%
Gross margin	21%	28%	- 7 p.p.	22%	- 1 p.p.
Operating revenues (expenses)	(50,520)	(52,107)	-3,0%	(51,294)	-1,5%
Selling expenses	(25,033)	(24,360)	2,8%	(29,874)	-16,2%
General and administrative	(23,068)	(23,730)	-2,8%	(17,126)	34,7%
Other operating revenues (expenses), net	(2,419)	(4,017)	-39,8%	(4,294)	-43,7%
Income (Loss) before equity pick-up (EBIT)	4,929	31,417	-84,3%	10,840	-54,5%
EBIT margin	2%	11%	- 9 p.p.	4%	- 2 p.p.
Net financial income (loss)	(1,834)	(2,937)	-37,6%	(5,496)	-66,6%
Income (Loss) before income and social contribution taxes	3,095	28,48	-89,1%	5,344	-42,1%
Current income tax and social contribution	(4,090)	(11,228)	-63,6%	(2,691)	52,0%
Deferred income tax and social contribution	1,236	4,754	-	80,341	-
Net income (loss) for the period	241	22,006	-	82,994	-
Net margin	0%	7%	- 7 p.p.	29%	- 29 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	(144)	22,086	3,095	28,480
Reconciliation of earnings before income tax and social contribution to net cash provided by operations:				
Equity pick-up	(2,820)	(15,093)	-	-
Depreciation and amortization	4,684	3,999	11,766	9,264
Gain (Loss) on write-off of fixed and intangible assets	(2)	260	360	583
Allowance for doubtful accounts	246	672	1,112	2,806
Allowance for inventory write down to net realizable value	363	(471)	500	(753)
Estimated impairment losses	-	-	(1,707)	(1,065)
Provisions for tax, civil and labor risks	1,607	(501)	1,494	(32)
Provision for post-employment benefits	(54)	(8)	(44)	(119)
Provision for decommissioning of mine	-	-	(732)	-
Financial charges and monetary and exchange variations	1,331	1,026	4,064	3,509
	5,211	11,970	19,908	42,673
Increase (decrease) in operating liabilities:				
Accounts receivable	(3,656)	(5,353)	3,045	15,815
Related parties	(5,176)	29,637	-	-
Inventories	(8,804)	(2,901)	(10,689)	(9,509)
Taxes recoverable	10,168	(433)	34,494	(1,118)
Judicial deposits	(250)	(45)	(250)	(47)
Other assets	(1,667)	(1,418)	(5,783)	(7,860)
Increase (decrease) in operating liabilities:				
Suppliers	1,643	3,503	(8,171)	(4,725)
Payments of dividends and interest on equity	(14,597)	-	(14,597)	-
Related parties	1,982	15,392	-	-
Taxes, charges and contributions payable	(3,299)	382	(4,799)	(1,732)
Personnel expenses	2,269	(3,640)	4,722	565
Other liabilities	18,063	(27,710)	7,740	(36,390)
	1,887	19,384	25,620	(2,328)
Cash provided by (used in) operating activities	1,887	19,384	25,620	(2,328)
Interest paid	-	(368)	-	-
Income tax and social contribution paid	-	(39)	(310)	(6,611)
	1,887	18,977	25,310	(8,939)
Net cash provided by (used in) operating activities	1,887	18,977	25,310	(8,939)
Cash flows from investing activities				
Additions to fixed and intangible assets	(3,025)	(2,809)	(9,085)	(30,991)
	(3,025)	(2,809)	(9,085)	(30,991)
Net cash used in investing activities	(3,025)	(2,809)	(9,085)	(30,991)
Cash flow from financing activities				
Loans and financing raised	-	-	76,111	-
Amortization of loans and financings	(2,148)	-	(92,646)	(21,924)
Payments of dividends and interest on equity	-	(18,317)	-	(18,317)
Lease obligations	-	-	(904)	(864)
Treasury shares	-	(670)	-	(670)
	(2,148)	(18,987)	(17,439)	(41,775)
Net cash generated by financing activities	(2,148)	(18,987)	(17,439)	(41,775)
Increase (Reduction) in cash and cash equivalents	(3,286)	(2,819)	(1,214)	(81,705)
At the beginning of the period	3,948	3,485	16,539	112,469
At the end of the period	662	666	15,325	30,764
Increase (Reduction) in cash and cash equivalents	(3,286)	(2,819)	(1,214)	(81,705)