

Minerva Foods

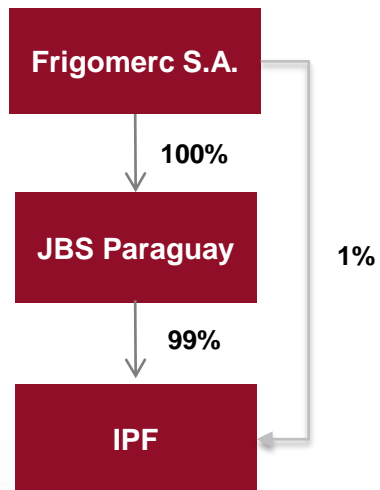
**Conference Call
JBS Mercosur Acquisition**

1. THE TRANSACTION

HIGHLIGHTS

- The Board of Directors approved the celebration of a Share Purchase Agreement between JBS. S.A and PUL Argentina S.A., Frigomerc S.A and PULSA S.A., with the Company acting as guarantor
- The Company's subsidiaries assumed the obligation to pay the total amount of US\$300 million, plus the adjustments on the working capital at the transaction closing date

PARAGUAY



URUGUAY



ARGENTINA



1. THE TRANSACTION

RATIONALE

- Strategic acquisition: in line with Company's business plan - opportunity to be the most diversified beef production platform in South America
- Geographic Diversification: Minerva will have slaughtering units in 5 countries in South America, a slaughtering capacity increase of 9 thousand heads per day (+52% over current capacity)
- Consolidated Minerva's Capacity: from 17.3 thousand heads to 26.4 Thousand heads/day
- Units acquired with export certifications to premium markets including USA, Japan and China
- Opportunity over the weaknesses of Indian, Australian and American exports of beef

PARAGUAY

- **Adding 3 Slaughtering units**
- **Capacity:** + 3,100 heads/day

URUGUAY

- **Adding 1 Slaughtering unit**
- **Capacity:** +900 heads/day

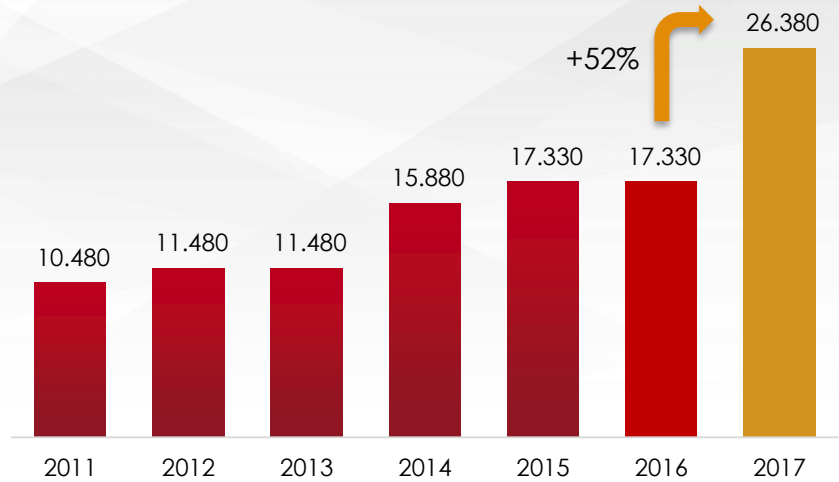
ARGENTINA

- **Adding 5 Slaughtering units**
- **Capacity:** +5,050 heads/day
- **1 Processing unit**
- **Processing:** +4,774 ton/month
- **1 Distribution Center**

2. MINERVA FOODS



SLAUGHTERING CAPACITY GROWTH



Capacity by country	# of Slaughtering plants	Heads/day	% of total
Brazil	11	11,880	45.0%
Paraguay	6	5,400	20.5%
Argentina	5	5,050	19.1%
Uruguay	3	3,200	12.1%
Colombia	1	850	3.3%
Total	26	26,380	100.0%

3. ABOUT THE TRANSACTION

HIGHLIGHTS

- Acquisition of 9 slaughtering units (5 AR, 3 PY and 1 UY), a processing unit and a distribution center in Argentina
- Acquisition value – US\$300 million:
- Estimated EV/EBITDA multiple: 5x to 6x
- Expected synergies:
 - Commercial (50-100 bps)
 - Cattle purchase (50-100 bps)
 - G&A (50 bps)
- After synergies EV/EBITDA multiple: 3.5x to 4.0x

PARAGUAY

- Minerva consolidates as the biggest player
- Relevant synergies gains in G&A, logistics, commercial and cattle purchase

URUGUAY

- Relevant synergies gains in G&A, logistics, commercial and cattle purchase
- Minerva consolidates its position in niche markets

ARGENTINA

- In line with the geographic diversification strategy
- Access to premium markets
- Operating and commercial synergies

4. TRANSACTION DATA

After Acquisition

REVENUE GUIDANCE FOR THE NEXT 12 MONTHS (From Jul.'17 to Jun.'18)

R\$ million	Minerva	JBS Mercosur	Minimum (-5%)	Medium	Maximum (+5%)
Net Revenue	10,500	3,200	13,000	13,700	14,400

(1) Considering average dollar in the period of R\$3.20

(2) Considering recognition from JBS Mercosur operations starting from Jul 1st, 2017

SENSIBILITY ANALISYS

Scenarios	Consolidated EBITDA			Net Debt*/ EBITDA		
	Minimum	Medium	Maximum	Minimum	Medium	Maximum
Mg. EBITDA – 8.0%	1,041.2	1,096.0	1,150.8	4.09 x	3.89 x	3.70 x
Mg. EBITDA – 9.5%	1,236.4	1,301.5	1,366.6	3.45 x	3.27 x	3.12 x
Mg. EBITDA – 11.0%	1,431.7	1,507.0	1,582.4	2.98 x	2.83 x	2.69 x

* Net Debt is based on the 1Q17 results