

JBS S.A. – A GLOBAL FOOD COMPANY

# EARNINGS PRESENTATION

3Q20





# CONSOLIDATED RESULTS

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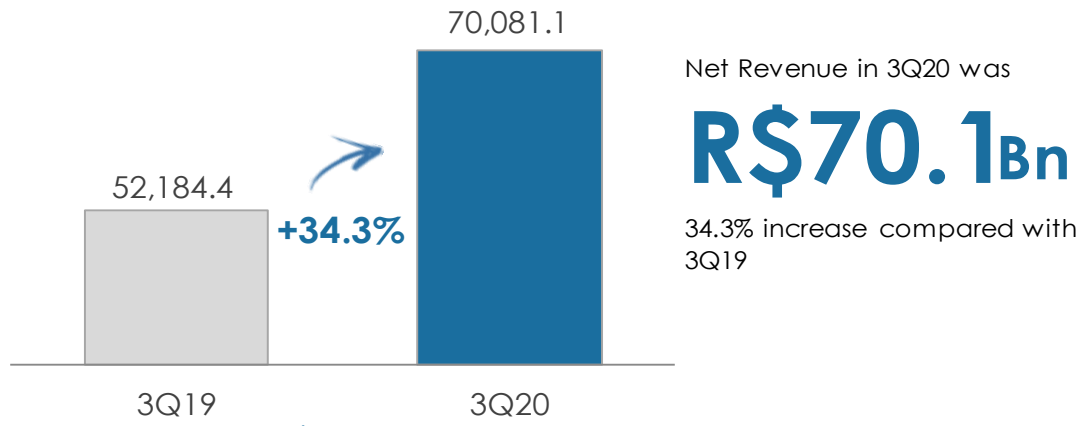


# 3Q20 FINANCIAL HIGHLIGHTS

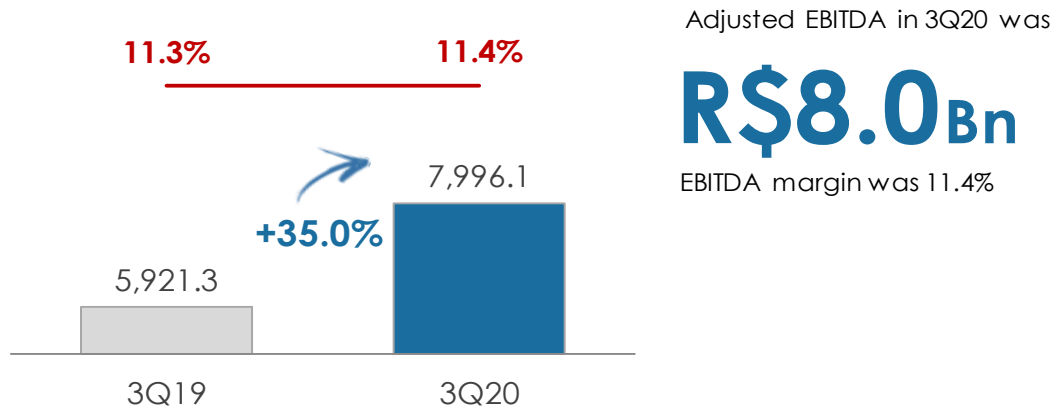
- Net revenue was **US\$13.0Bn** (R\$70.1Bn, 34.3% higher than 3Q19)
- Gross profit totaled **R\$11.8Bn**, an increase of 31.8%, with gross margin of 16.8%
- **EBITDA** was **US\$1.5Bn** (R\$8.0Bn, 35.0% higher than 3Q19), with an **EBITDA margin** of **11.4%**
- **Net income** was **R\$3.1Bn** (778.2% increase over the 3Q19) with an EPS of **R\$1.17**
- **Operating cash flow** of **US\$1.4Bn** (R\$7.7Bn, 27.0% higher than 3Q19), with **free cash flow** of **US\$1.0Bn** (R\$5.2Bn, 36.9% higher than 3Q19)
- **Leverage** of **1.60x in US\$** and 1.83x in Reais
- **Total liquidity** of **R\$31.2Bn**, which includes lines under revolving credit facilities, enough to pay all debt until 2025

# 3Q20 CONSOLIDATED RESULTS

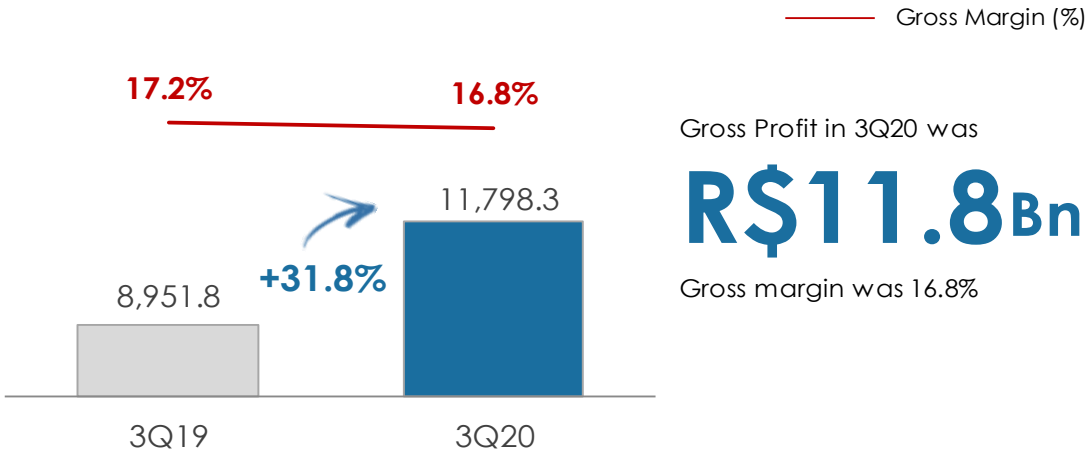
Net Revenue (R\$ million)



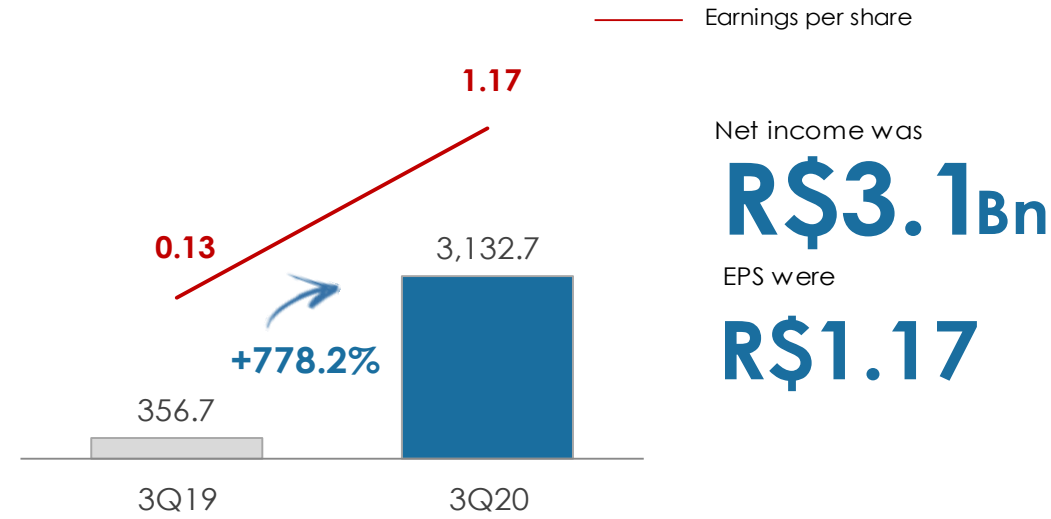
Adjusted EBITDA (R\$ million)



Gross Profit (R\$ million)

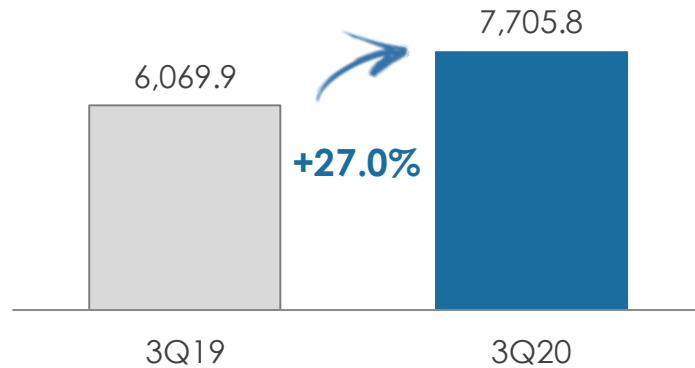


Net Income (R\$ million)



# 3Q20 CONSOLIDATED RESULTS

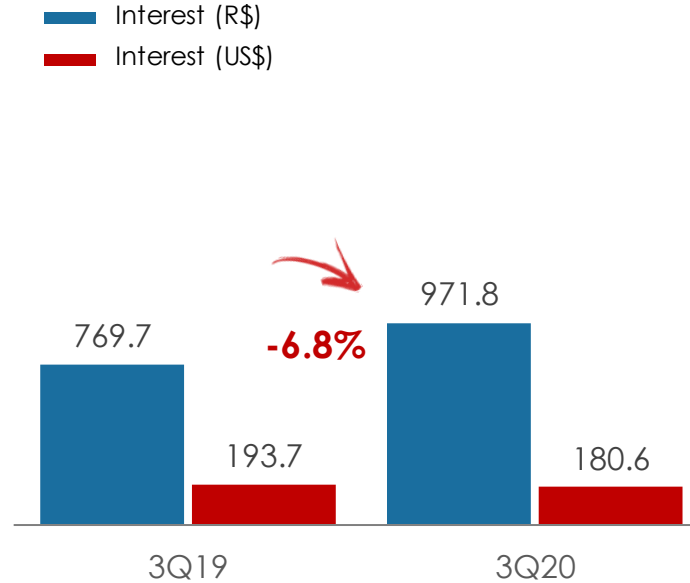
Operating Cash Flow (R\$ million)



Cash flow generated by operating activities increased by 27.0% in 3Q20, reaching

**R\$7.7Bn**

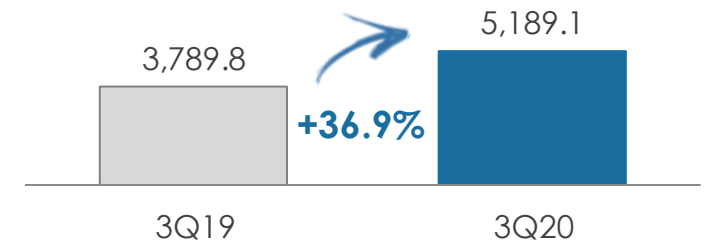
Net Debt Financial Expense (R\$ million)



Interest in US\$ from net debt reduced by

**U\$13.1 Mn**

Free Cash Flow (R\$ million)



Free cash flow in 3Q20 was

**R\$5.2Bn**

# 3Q20 DEBT PROFILE

- 3Q20 ending cash

**R\$22.3 Bn**

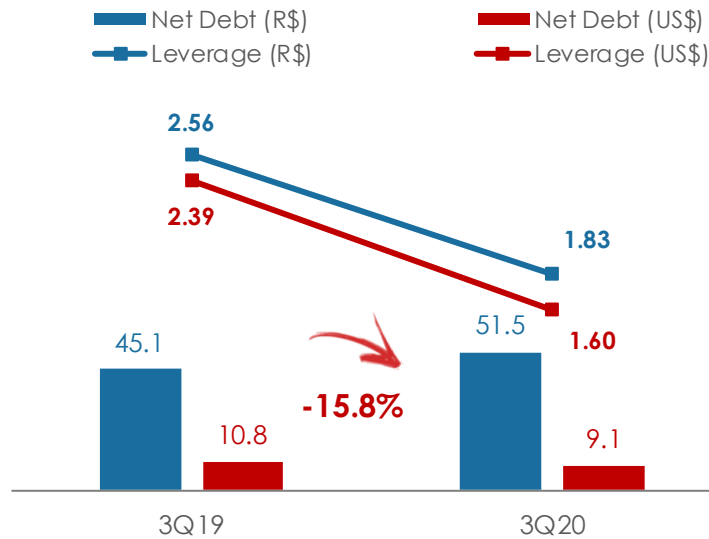
- Additionally, JBS USA has **US\$1,564.9 million (R\$8,826.9 million<sup>1</sup>)** in fully available unencumbered lines under revolving credit facilities

- Total liquidity in 3Q20 was

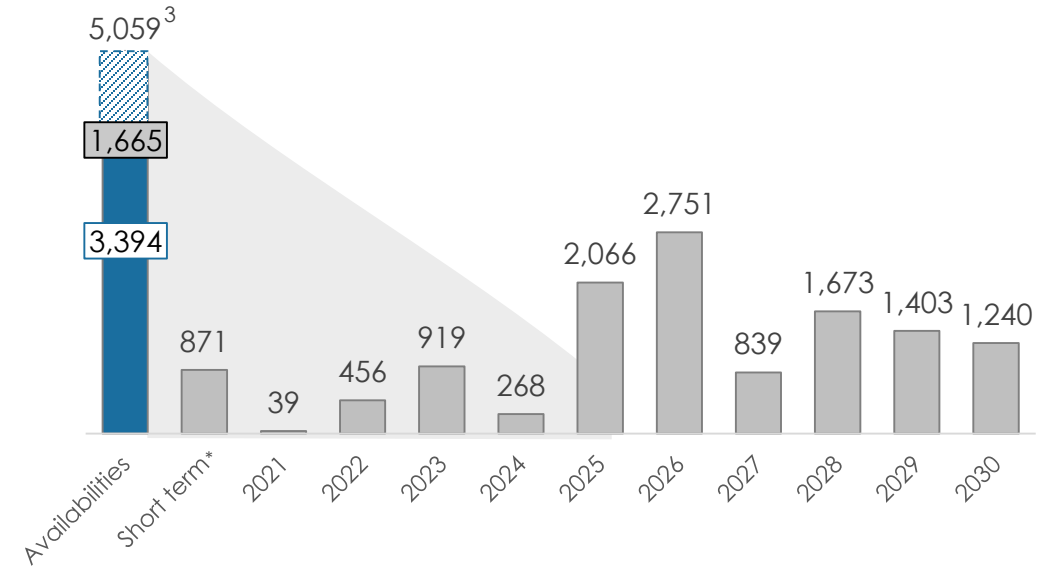
**R\$31.2Bn**

~6.3x higher than short-term debt

Net Debt (\$ Bn) / Leverage

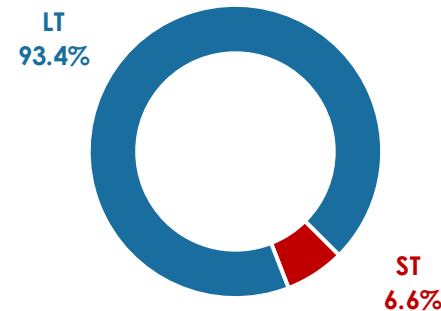


Debt Amortization Schedule (in US\$ million)<sup>2</sup>

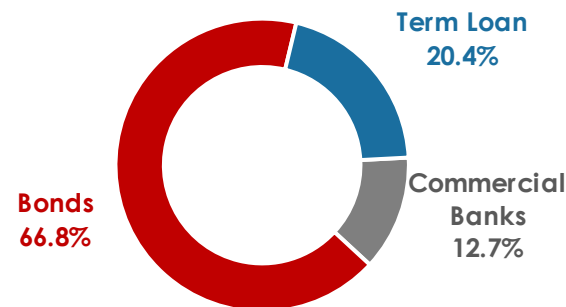


\* Loans and financing booked in short-term liabilities maturing in the 12 months following the end of 3Q20.

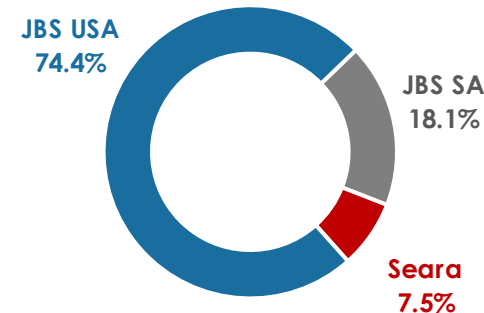
Short Term and Long Term Debt Profile



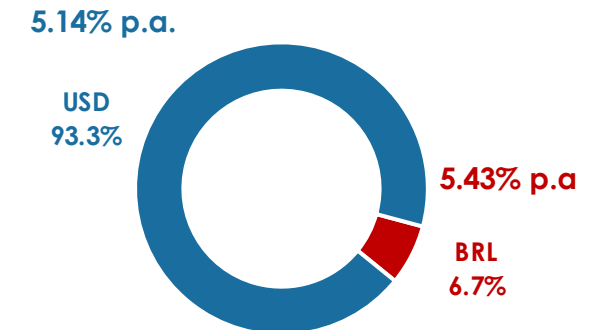
Source Breakdown



Entity Breakdown



Currency and Cost Breakdown



<sup>1</sup> Converted using the prevailing FX rate at the end of 3Q20 (R\$5.6407).

<sup>2</sup> Considers the redemption of the remaining balance of US\$450 millions of 2024 Notes, which was carried out on October, 14th 2020, and US\$100 million related to the partial prepayment of the PPC's ABL due in 2023.

<sup>3</sup> Includes cash on hand and JBS USA fully available unencumbered line under revolving credit facilities.

# BUSINESS UNITS



#1

BEEF & POULTRY  
PRODUCER IN NORTH  
AMERICA

#1

VALUE-ADDED & PREPARED  
POULTRY PRODUCER IN THE  
UK

#2

PORK PRODUCER IN  
USA

#1

BEEF PRODUCER IN  
BRAZIL

VALUE-ADDED &  
PREPARED FOODS  
PRODUCER IN BRAZIL

#2

BEEF PRODUCER IN  
AUSTRALIA

#1

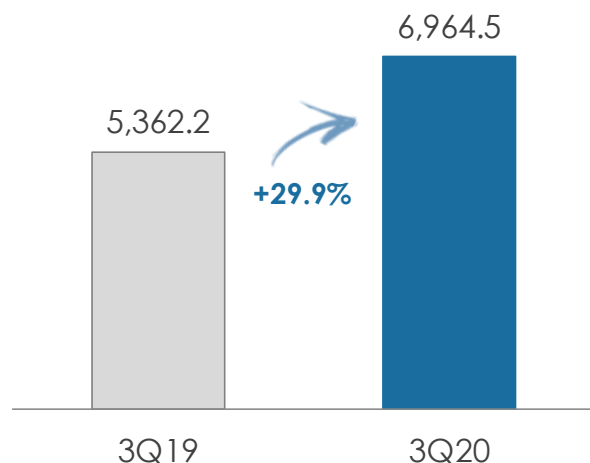
#1

PREPARED FOODS  
PRODUCER IN  
AUSTRALIA & NZ

# SEARA

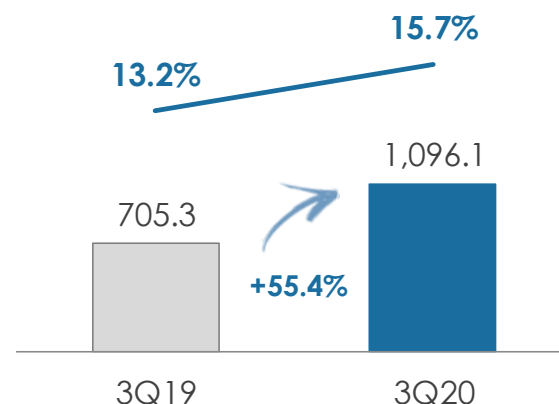
## Net Revenue

(R\$ million)



## Adjusted EBITDA

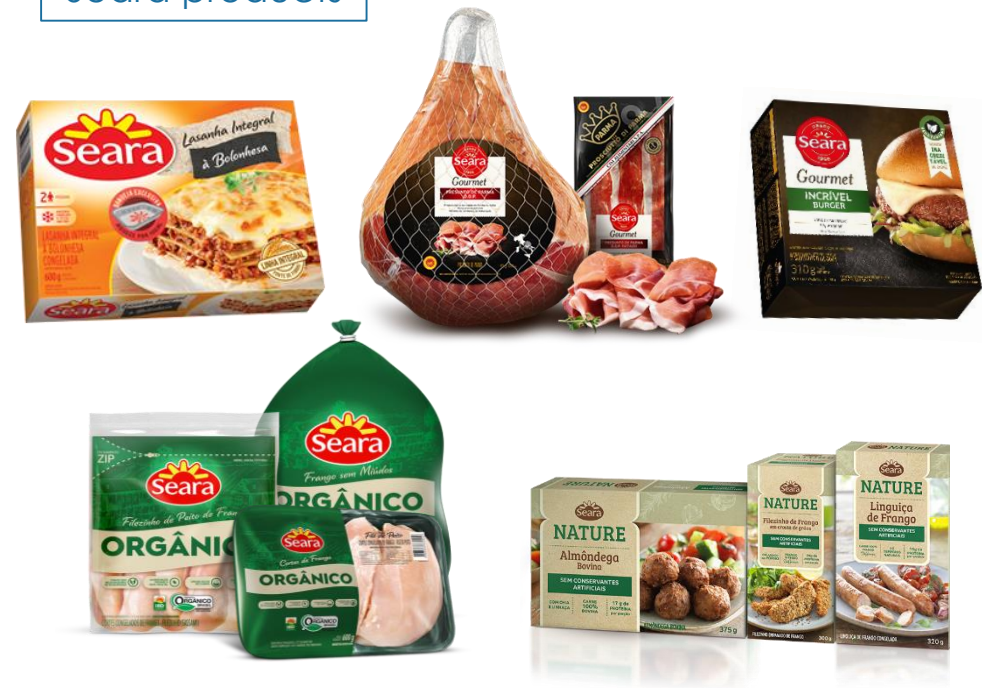
(R\$ million and %)



## 3Q20 HIGHLIGHTS

- Net revenue totaled R\$7.0 billion, an increase of 29.9% over 3Q19, boosted by a 22.0% increase in the average sales price and 6.4% in volume sold.
- EBITDA totaled R\$1.1 billion in 3Q20, which represents a growth of 55.4% when compared to the R\$705.3 million in 3Q19. EBITDA margin expanded from 13.2% in 3Q19 to 15.7% in 3Q20. This performance is due to the significant increase in sales volume, a better mix of markets, channels and products, as well as the continued growth in sales coming from innovations introduced since 2019.
- In the domestic market, net revenue totaled R\$3.4 billion, 24.9% higher than 3Q19, driven by an increase of 4.4% in volumes sold and 19.7% in the average sales price. The highlight, once again, was the prepared products category, which registered growth in volume and average prices, of 11.3% and 18.3%, respectively.
- In the exports market, net revenue was R\$3.5 billion, an increase of 35.0% in the annual comparison, as a result of an increase of 24.4% in the average price and 8.6% in volume sold.
- The Seara brand, for the first time in its history, entered the Top 20 ranking among the most chosen by Brazilians according to Kantar's Brand Footprint Brasil Panel, the result of a solid effort in quality, innovation and branding. Seara has consistently innovated and recently strengthened its festive product portfolio by introducing unique products in the market such as **Fiesta Orgânico**, the first organic Christmas chicken in Brazil and the **Incrível** shredded Cod, the first plant-based festive product of the market.

## Seara products

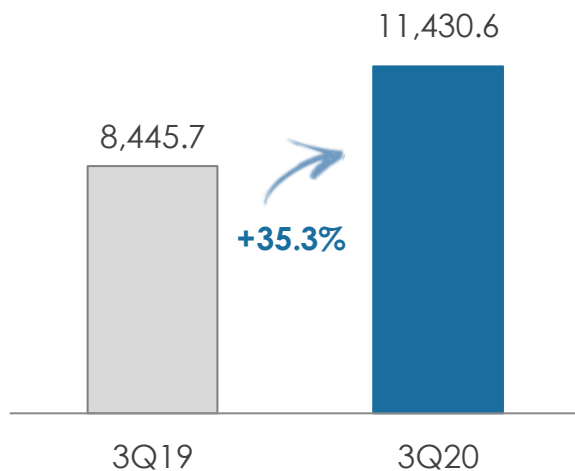




# JBS BRAZIL

## Net Revenue

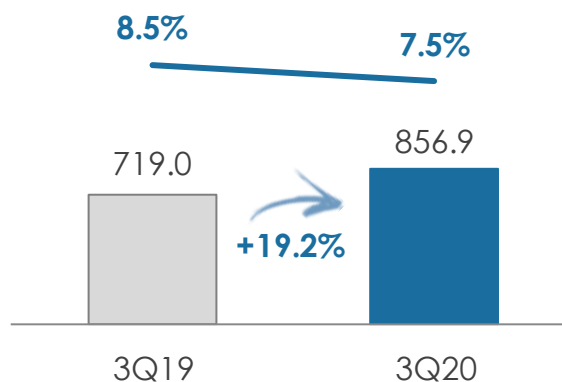
(R\$ million)



## 3Q20 HIGHLIGHTS

## Adjusted EBITDA

(R\$ million and %)



## JBS Brazil products

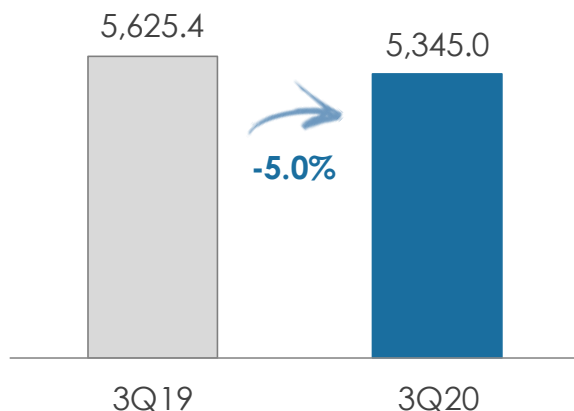


- Net revenue totaled R\$11.4 billion, which corresponds to a 35.3% increase over 3Q19, as a result of 49.8% increase in the average sales price that more than offset the 9.6% reduction in volume sold.
- Adjusted EBITDA, excludes donations from "Fazer o Bem Faz Bem" program, was R\$856.9 million, with an EBITDA margin of 7.5%.
- Given the low availability of cattle, the level of beef production was affected during the quarter, which impacted the cost of raw material, with the average arroba price increasing over 49.7% according to ESALQ-SP in relation to 3Q19. This impact was partially compensated by the increase of beef prices in the domestic and export markets.
- In the domestic market, net revenue totaled R\$6.5 billion, which corresponds to a significant increase of 50.0% in the annual comparison, mainly due to the 59.0% increase in the average sales price, despite the 5.7% reduction in volumes sold.
- In the export market, which represented 43.5% of the business unit's sales in the quarter, net revenue reached R\$5.0 billion, an increase of 20.1% compared to 3Q19, due to the 48.3% increase in average sales price which more than compensated the 19% reduction in volumes sold.
- Friboi®** continues to consolidate its position as the main beef brand in the Brazilian market through the expansion of its partnerships with key customers through initiatives such as the **Açougue Nota 10®** program, as well as through the growth of its **Maturatta®**, Friboi brands **Reserva®** and **1953 Friboi®** in the country.

# JBS USA BEEF

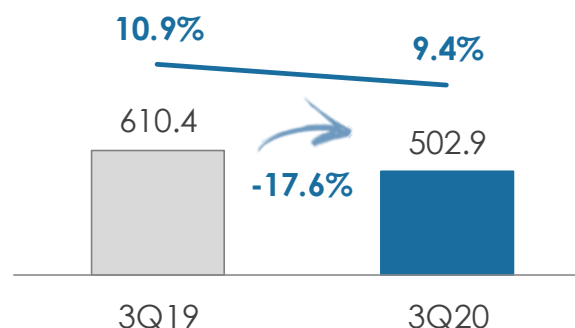
## Net Revenue

(USGAAP - US\$ million)



## Adjusted EBITDA

(USGAAP - US\$ million and %)



## 3Q20 HIGHLIGHTS

- Net revenue totaled US\$5.3 billion in the quarter, a 5.0% reduction compared to 3Q19.
- EBITDA was US\$502.9 million, with an EBITDA margin of 9.4% for the period.
- In the US and in Canada, production increased in relation to 2Q20 and volumes returned to pre-covid levels. The continuity of a favorable demand contributed to an increase in beef prices over 3Q19. Cattle supply remained ample, however, an increase in the number of animals processed drove finished cattle prices to a higher level when compared to same period of last year. Additionally, North America exports grew over 2Q20, not only in volume, but also in quality and product diversity, increasing their contribution to this business' results.
- In Australia, the lack of cattle availability continues to impact beef production. The lack of finished cattle in the main producing regions caused a temporary halt and reduction of shifts in processing facilities during the quarter, affecting the business unit performance.
- On the other hand, Primo Foods', a processing food and branded products operation in Australia, continues posting strong results, growing in volume, quality and innovation. Recently, Primo successfully launched several products in the segments of gourmet sausage, "duos" (animal protein and cheese), microwavable bacon and a snacks product line focused on children.

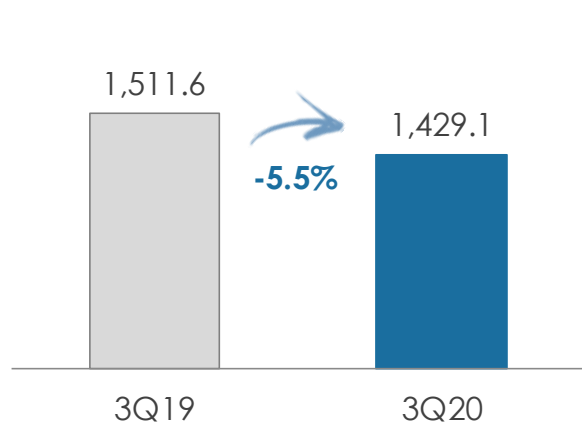
## JBS USA Beef products



# JBS USA PORK

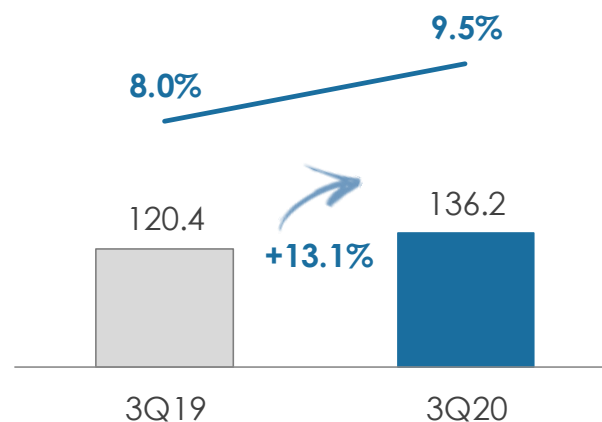
## Net Revenue

(USGAAP - US\$ million)



## Adjusted EBITDA

(USGAAP - US\$ million and %)



## 3Q20 HIGHLIGHTS

- Net revenue totaled US\$1.4 billion, a decrease of 5.5% over 3Q19.
- EBITDA totaled US\$136.2 million in 3Q20, which corresponds to a 13.1% increase over 3Q19. EBITDA margin was 9.5%.
- Pork production returned to pre-covid levels, offsetting the lower volume produced in 2Q20 which was impacted by a temporary suspension of one pork facility and the lower production pace due to the pandemic.
- The increase in pork supply in the period was absorbed by the domestic and export market demand, maintaining low pork inventory levels. Cutout increased in each month of the quarter, surpassing, at the end of the quarter, prices practiced during the 3Q19. Additionally, the price of live hogs, which in June were at the lowest level of the year, recovered since then at sequential increases, however still below the levels of the same period last year.
- Exports in the period continued to grow above the levels of last year, with China as the main destination, followed by Mexico and Canada.
- Plumrose continues focused on the organic growth of its operation, investing in the increase of its production lines and in greenfield projects. The construction of the new precooked and cooked bacon facility in Missouri that started in April, are advancing as expected. This new facility should start in 2021 and will have the capacity to produce 24 million pounds per year. Additionally, Plumrose is also working on the announced plan to build a new, state-of-the-art Italian meats and charcuterie ready-to-eat facility, with investments estimated at US\$200 million.

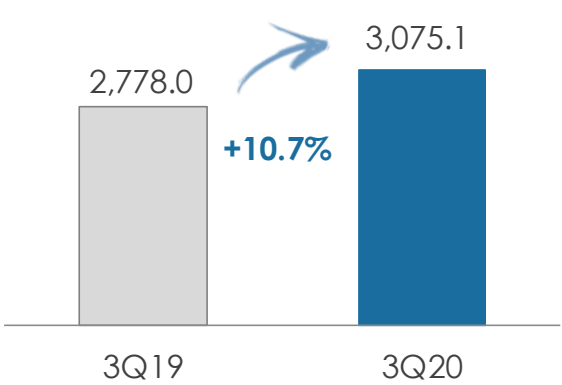
## JBS USA Pork products



# PILGRIM'S PRIDE

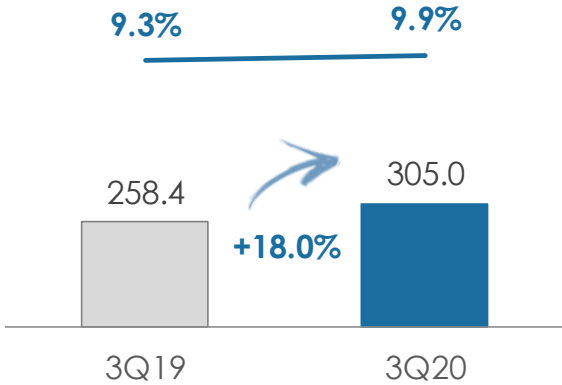
## Net Revenue

(USGAAP - US\$ million)



## Adjusted EBITDA

(USGAAP - US\$ million and %)



## PPC products



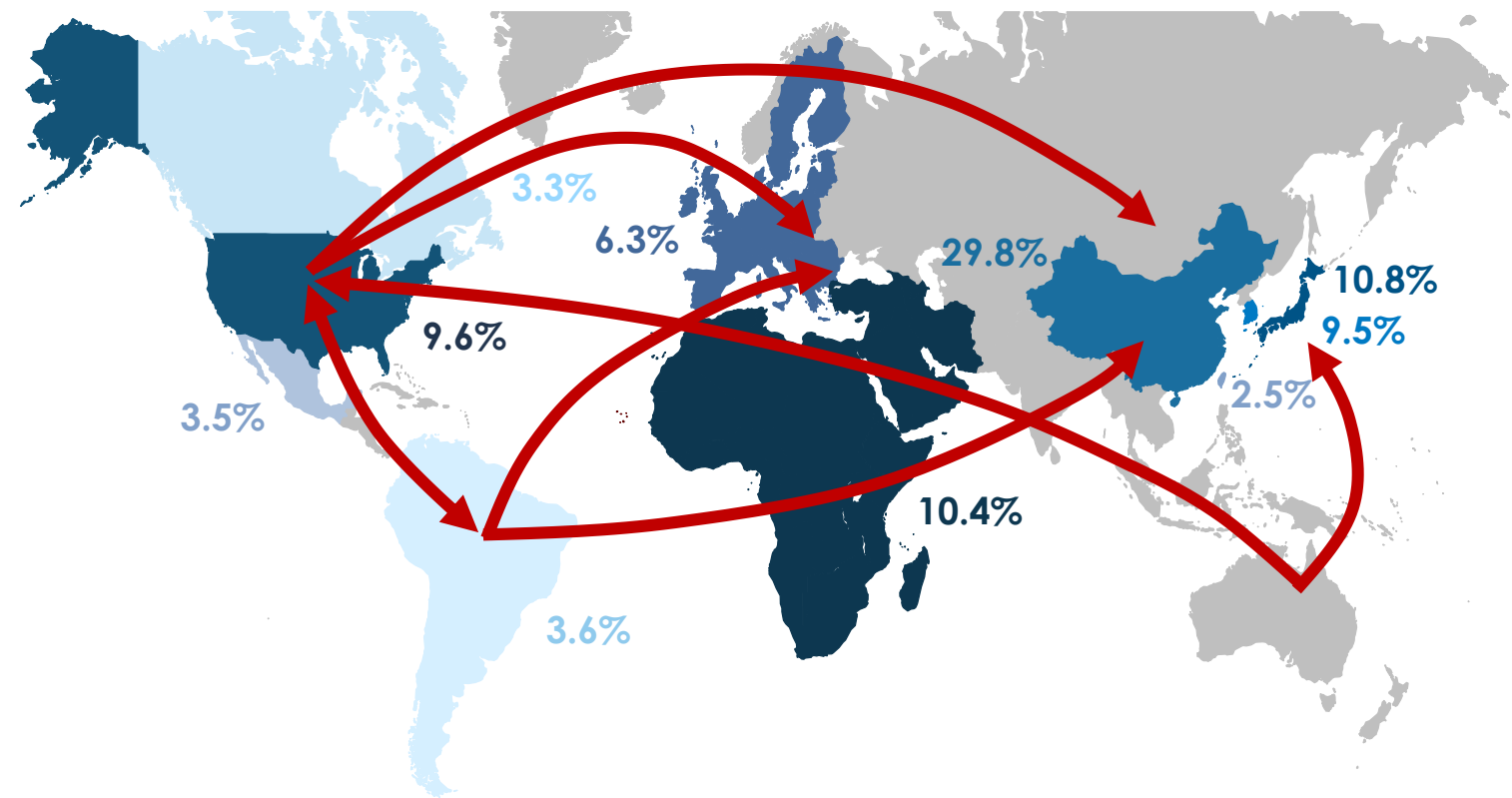
## 3Q20 HIGHLIGHTS

- Net revenue totaled US\$3.1 billion, 10.7% higher than 3Q19.
- EBITDA was US\$305.0 million, an increase of 18% over 3Q19. EBITDA margin was 9.9%.
- In the U.S., demand continues to recover, mainly in Retail and QSR business with volumes stronger than a year ago, though volatility and challenging conditions in commodity segments still remaining.
- After a very difficult first half in 2020, Mexico operations delivered great results in Q3, and generated one of the strongest Q3 in the company's history in Mexico despite the unfavorable mix impact and added operating costs relative to the same period last year. PPC continues to invest in premium brands, as well as seeking more market share in the modern channel, which will bring more stable margins to its operations.
- In Europe, chicken operations are continuing to improve, driven by exposure to retail as well as a recovery in QSR segment, despite the significant impact of Covid-19 on the operations. In addition, PPC' strong internal operating performance and commitment to innovation have helped in mitigating the difficult environment. The improvement in results from the newly acquired European pork assets has been maintained, with positive EBITDA and margins continuing to increase. The performance was driven by strong demand at retail partially offset by a reduction in foodservice, continuing strength in pork exports especially to China, as well as the implementations of operational improvements and synergy capture.



# CONSOLIDATED EXPORTS

Exports destinations of JBS in 3Q20



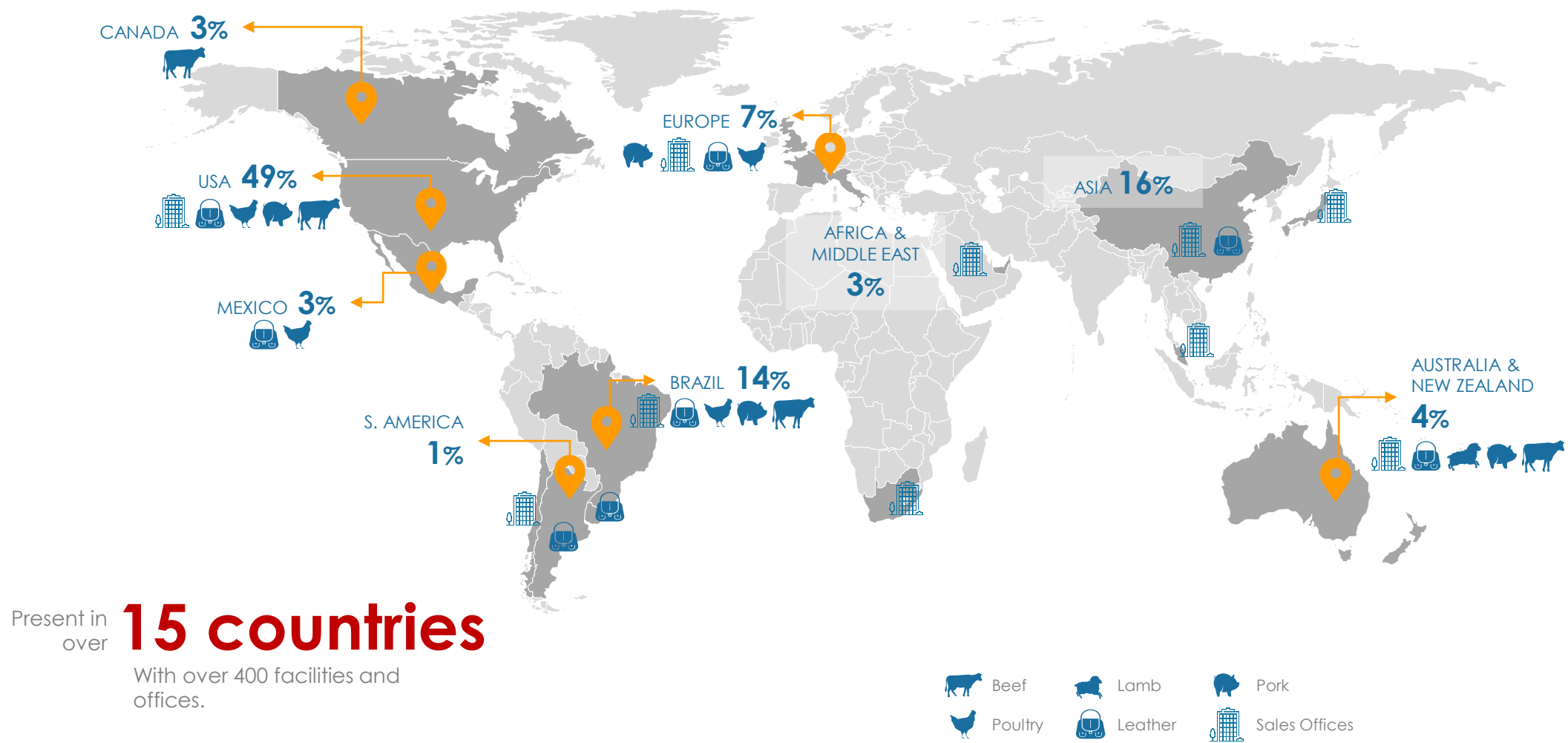
▲ Greater China <sup>1</sup>	29.8%
▲ Japan	10.8%
▲ Africa & Middle East	10.4%
▲ USA	9.6%
▲ South Korea	9.5%
▲ E.U.	6.3%
▲ South America	3.6%
▲ Mexico	3.5%
▲ Canada	3.3%
▲ Taiwan	2.5%
Others	10.7%

Total exports in 3Q20: **US\$3.3Bn**

Asia corresponded to  
**52.6%**  
of total exports

Nota 1: Consider China and Hong Kong

# A UNIQUE GLOBAL PLATFORM



Note: % of Consolidated Net Revenue – domestic sales and imports.

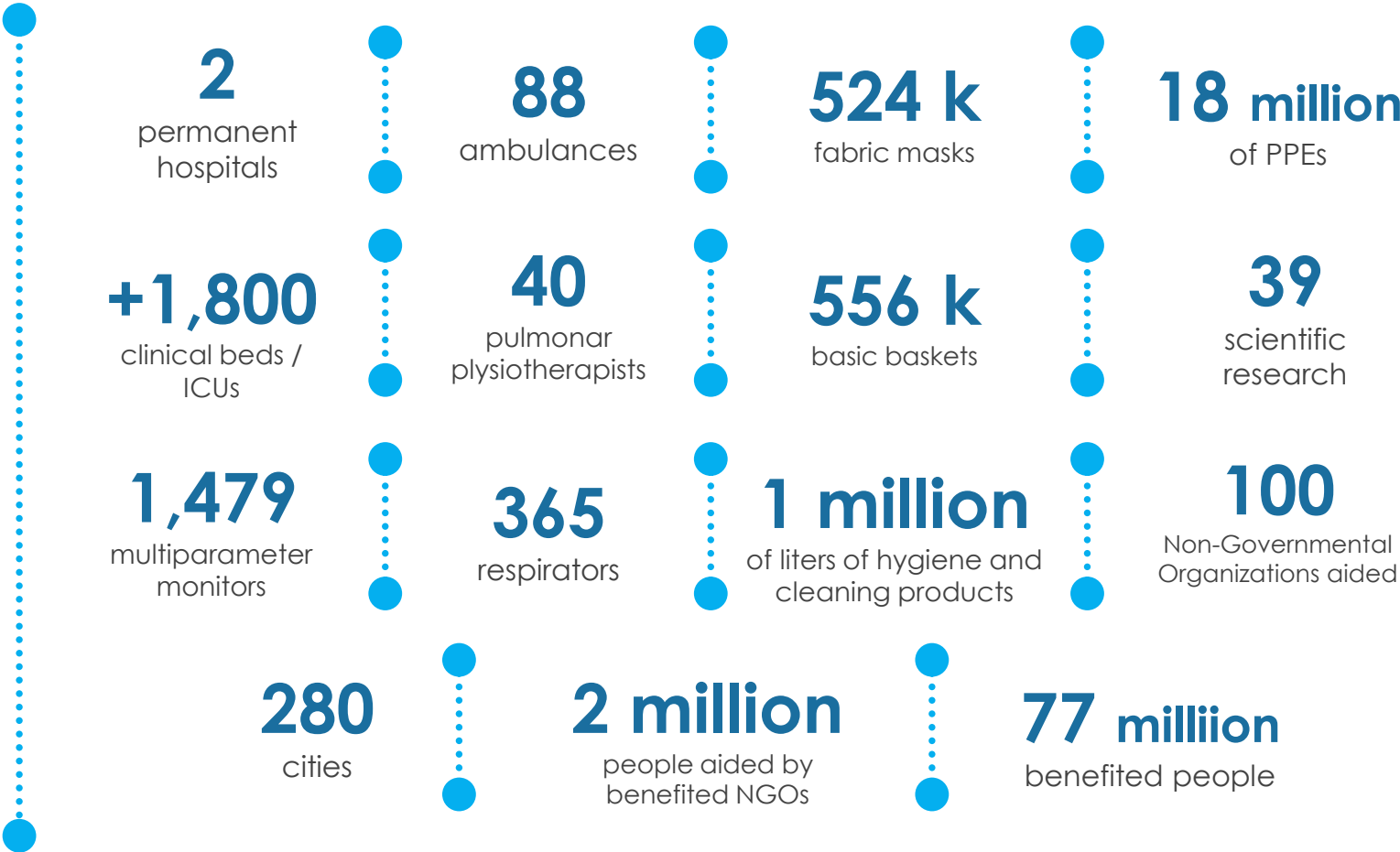
# ESG HIGHLIGHTS





# SOCIAL RESPONSIBILITY

Some of the actions taken by JBS donations to fight COVID-19 in Brazil and which have already benefited around **77 million people in the country**





# OUR GLOBAL PRIORITIES FOR SUSTAINABILITY

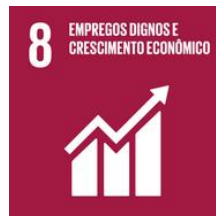
➤ **Integrity** of  
the Product

➤ Animal  
**Welfare**

➤ **Employee Health**  
and **Safety**

➤ **Water**

➤ Climate **Change**



# SUSTAINABILITY



## ENVIRONMENTAL STEWARDSHIP

~**R\$700 million** invested in topics related to environmental stewardship

CDP results position JBS as one of the best companies in its sector in all aspects measured: Climate Change, Water Security, Forests, Livestock, Soy and Timber Products

**4% reduction** in water consumption in operations per ton of product produced

**Over 1 million tons of waste were reused**, with 121,000 metric tons to generate energy

Plastic recycling

Biodiesel factory

Fertilizer factory

Monitoring of greenhouse gas emissions (GEE)



**Gold Seal  
GHG Protocol**



## ANIMAL WELFARE AND ORIGIN GUARANTEE

~**R\$475 million** invested in animal welfare

**19.5 thousand people received training** on animal welfare topic throughout the supply chain

JBS maintained its position among the best in the sector for Animal Welfare practices, **with its placement in the Tier 3 BBFAW report**

**450 thousand km²** is the **area monitored by JBS in the Amazon** region to guarantee the origin of the cattle

**+9,000 cattle supply farms blocked** due to non-compliance with JBS' Responsible Procurement Policy criteria



JBS received the **World Finance Sustainability Awards 2020**. The Company was the winner in the “food processing industry” category and is the only Brazilian company to be included in the British publication ranking.

# JBS's commitment to the sustainability of the Amazon

## 2030 Vision

To promote the sustainable development of the Amazon biome, fostering conservation and sustainable use of the forest, improving the quality of life of the population living there and the development of a portfolio of quality sustainable products for the world.

## STRATEGIC PILLARS



SUSTAINABILITY  
OF THE VALUE  
CHAIN



FOREST  
CONSERVATION  
AND RESTORATION



SOCIOECONOMIC  
DEVELOPMENT OF THE  
COMMUNITIES



SCIENTIFIC AND  
TECHNOLOGICAL  
DEVELOPMENT

Engagement of stakeholders

Initiatives that combine forest conservation/restoration, the welfare of the communities and the generation of wealth, while respecting the environment.

# SUSTAINABILITY OF THE VALUE CHAIN

## INITIATIVES

1

JBS GREEN PLATFORM

2

SHARING THE INTELLIGENCE  
OF THE MONITORING SYSTEM

3

SUPPORT AND INCLUSION OF  
PRODUCERS

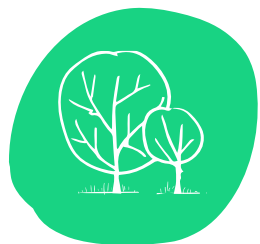




## Vision 2030

**Purpose:** to contribute to the **sustainable development** and **environmental conservation of the Amazon** and to improve the **quality of life** of the communities living there, **going beyond the value chain of JBS**

**Focus:** to develop the pillars that extend beyond the value chain of JBS



FOREST CONSERVATION  
AND RESTORATION



SOCIOECONOMIC  
DEVELOPMENT  
OF THE COMMUNITIES



SCIENTIFIC AND  
TECHNOLOGICAL  
DEVELOPMENT



# COMPLIANCE



Independence and **direct report to the Board of Directors**

**Global Code of Conduct and Ethics**  
**Global Business Associate Code of Conduct**  
**Global Anti-Corruption Policy**  
**Global Conflict of Interests Policy**

**Ethics Line Channel outsourced**, 24 hours a day and 7 days a week, in different languages

**Annual training cycle on the Code of Conduct** for the entire Company (including the participation of directors, presidents, members of the Board)

**Third party training** about the Business Associate Code of Conduct

**Risk Assessment updated annually** resulting in implementation of controls or recommendation of action plans

**Due diligence software** (fully customized for JBS' needs)

**8 Ethics Committees** (7 in Brazil, 1 in the USA)

**Communication campaigns** about Compliance topics and the use of the Ethics Line

**Monthly compliance newsletter**



**[jbs.com.br/compliance](https://jbs.com.br/compliance)**

# OUR MISSION

To be the best in all that we do, completely focused on our business, ensuring the best products and services to our customers, a relationship of trust with our suppliers, **profitability for our shareholders and the opportunity of a better future for all of our team members.**

# OUR VALUES

- Determination
- Simplicity
- Availability
- Humility
- Sincerity
- Discipline
- Ownership



# OUR BELIEFS

- Quality products
- Focus on the details
- A hands-on approach
- Success is only achieved through hard work
- The right person in the right place
- Passion for what we do
- Actions & behavior are more important than knowledge
- A leader must win over their team members
- Lead by example
- Focus on results
- Working with people who are better than us
- Believing makes the difference

# WE OPPOSE

- |                |                                      |
|----------------|--------------------------------------|
| • Arrogance    | • Silver bullets                     |
| • Superheroes  | • Disloyalty                         |
| • Selfishness  | • Vanity                             |
| • Know-it-alls | • Gossip                             |
| • Complexity   | • People who does not respect others |
| • Bureaucracy  |                                      |