

2020



**BRF RESULTS**  
**4Q20 | 2020**



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The verbs "anticipate", "believe", "estimate", "expect", "forecast", "plan", "predict", "target", "aim", "seek" and other similar verbs are intended to identify these forward-looking statements, which involve risks and uncertainties that could cause actual results to differ materially from those projected in this presentation and do not guarantee any future BRF performance. The factors that might affect BRF's performance include, but are not limited to: (i) market acceptance of BRF's products; (ii) volatility related to the Brazilian economy, as well as the economies of the other countries in which BRF also has relevant operations, the financial and securities markets and the highly competitive industries BRF operates in; (iii) changes in domestic and foreign legislation and taxation, as well as in government policies related to the domestic and foreign animal protein and related markets;

(iv) increasing competition from new entrants to the Brazilian and international markets; (v) ability to keep up with rapid changes in the regulatory and technological environments; (vi) ability to maintain an ongoing process for introducing competitive new products and services while maintaining the competitiveness of existing ones; (vii) ability to attract customers in domestic and foreign jurisdictions; and (viii) the impacts arising from the pandemic caused by COVID-19. Other factors that could materially affect BRF's results can be found in BRF's Reference Form and in the annual report on Form 20-F, as filed with the U.S. Securities and Exchange Commission, particularly under the "Risk Factors" session.

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# Performance & Competitive Advantages





# Solid Results, with Financial Discipline

## 4Q20

## 2020

Net  
Revenue  
R\$ million

**11,474**

+23.5% yoy

**39,470**

+18.0% yoy

Adjusted  
EBITDA<sup>1</sup>  
million R\$

**1.587**

+12.3% yoy

**5,187**

-2.5% yoy

Net  
Income<sup>1,2</sup>  
R\$ million

**902**

+30.8% yoy

**1,390**

+14.6% yoy

Leverage<sup>1</sup>

**2.73x**

2.5x (2019)

Debt  
Maturity  
profile

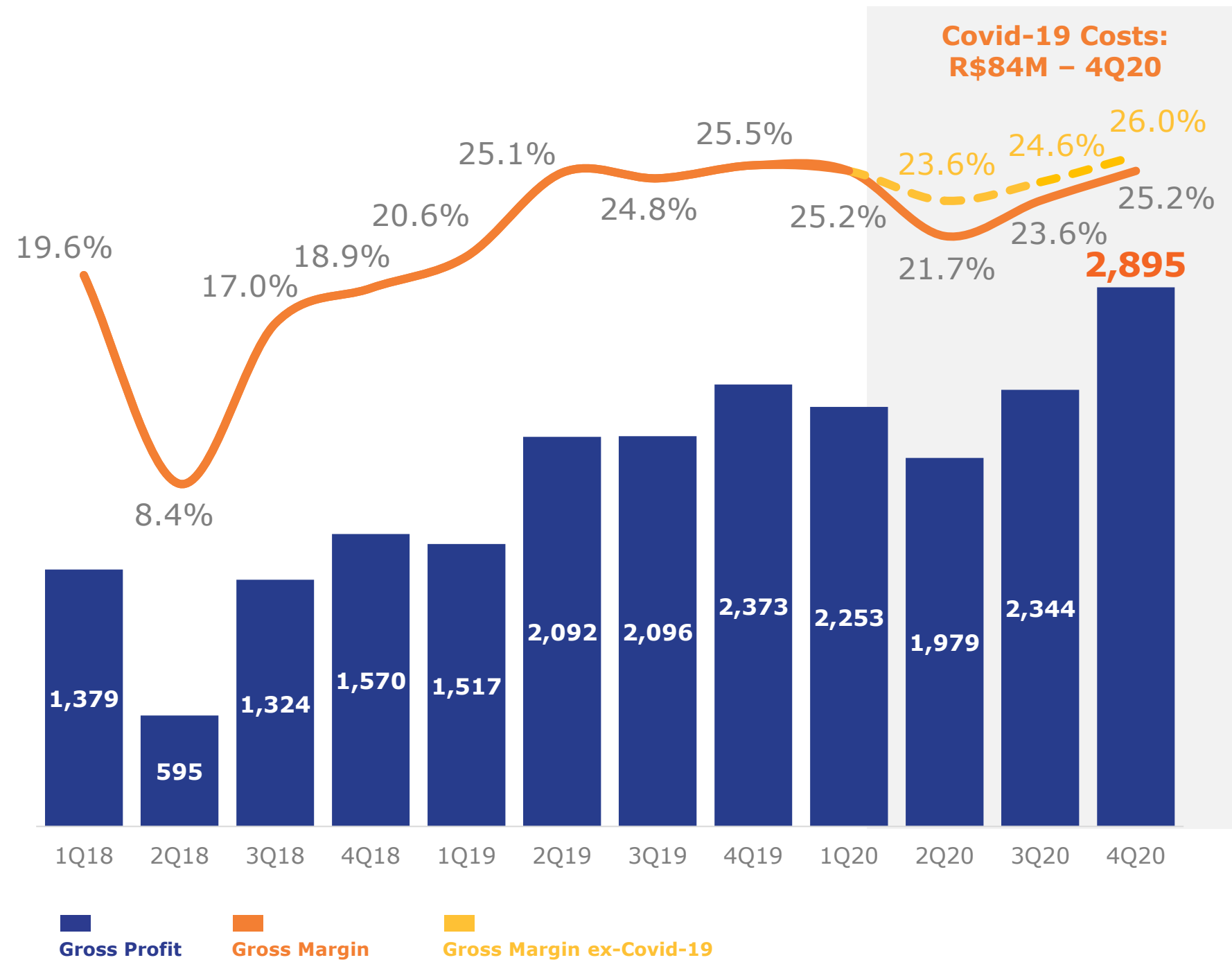
**9.9 years**

4.6 Years (2019)

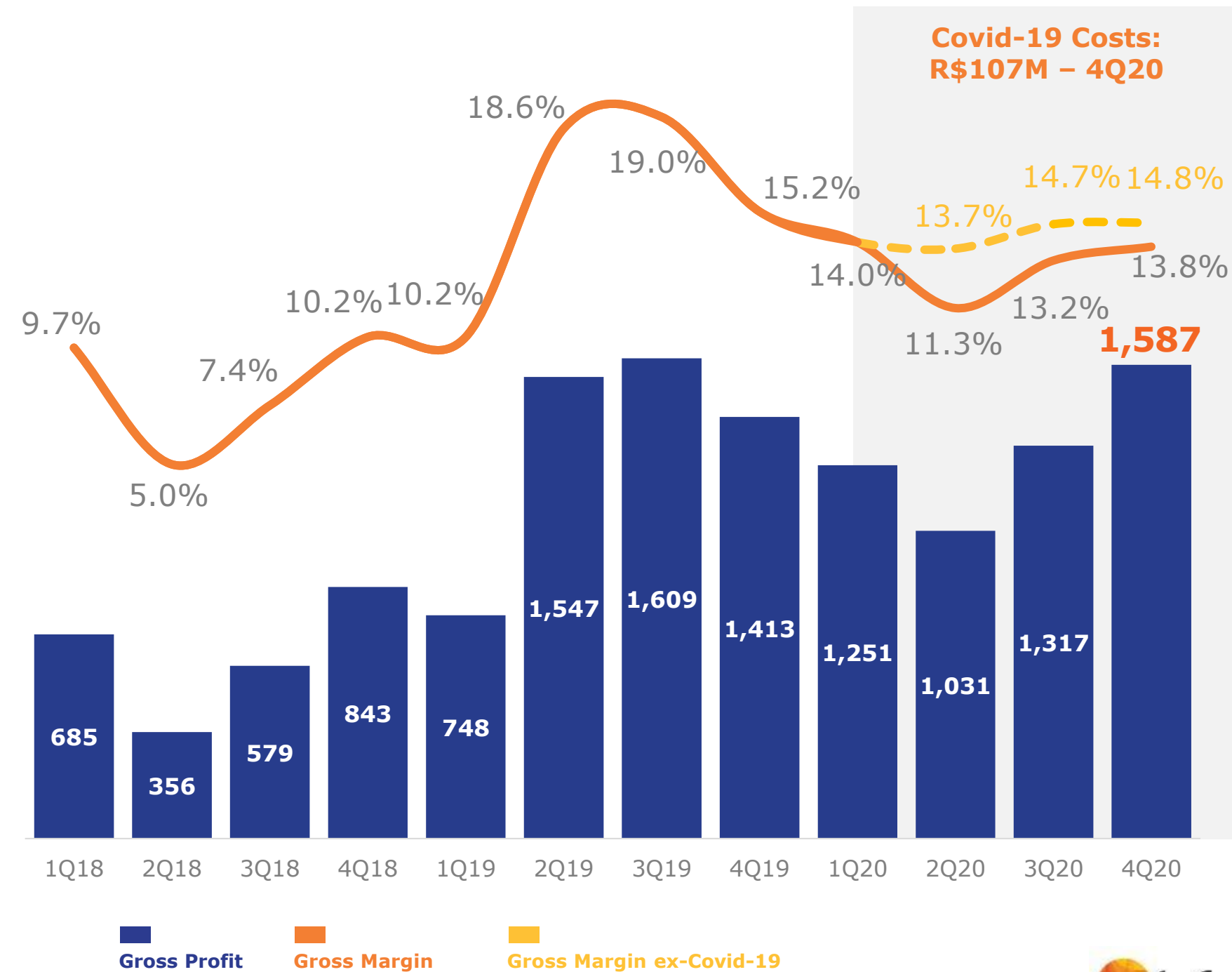
1. Includes Covid-19 expenses; 2 Continuing operations

# Solid and consistent results in the last 7 quarters

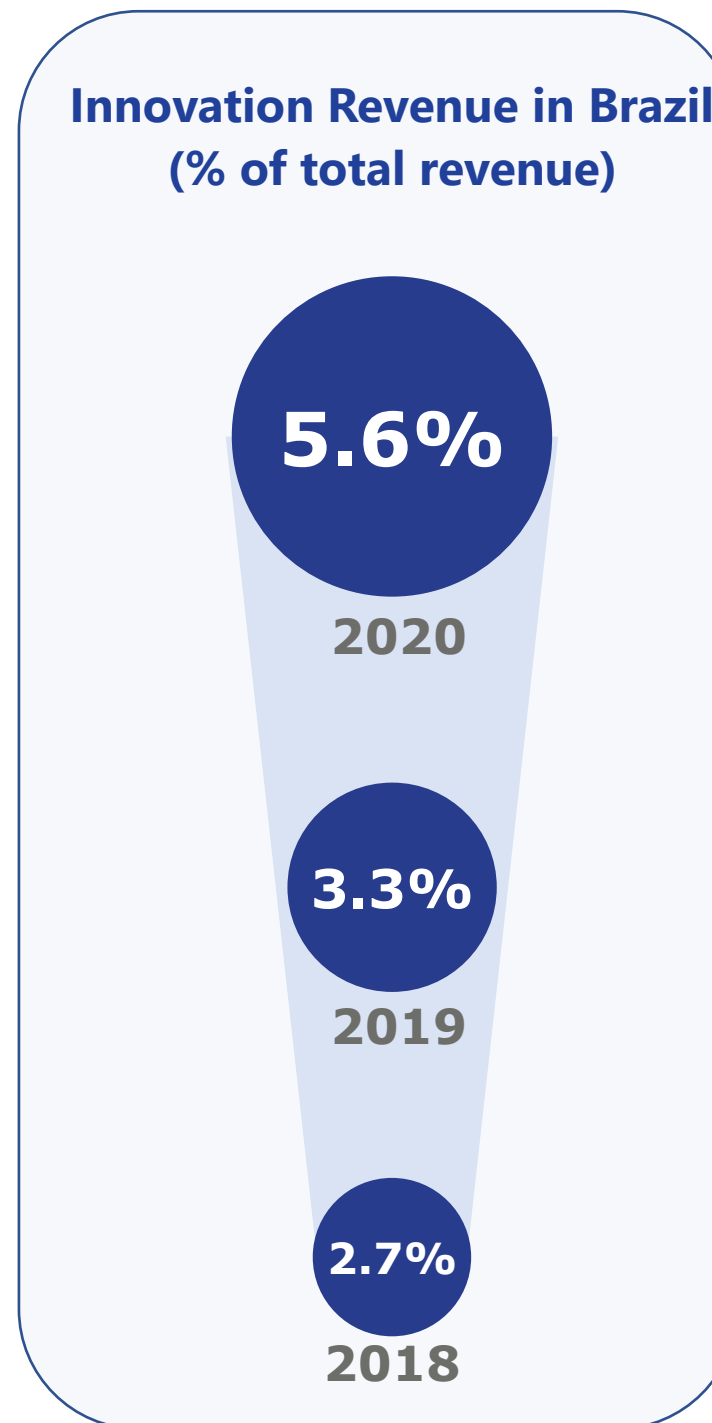
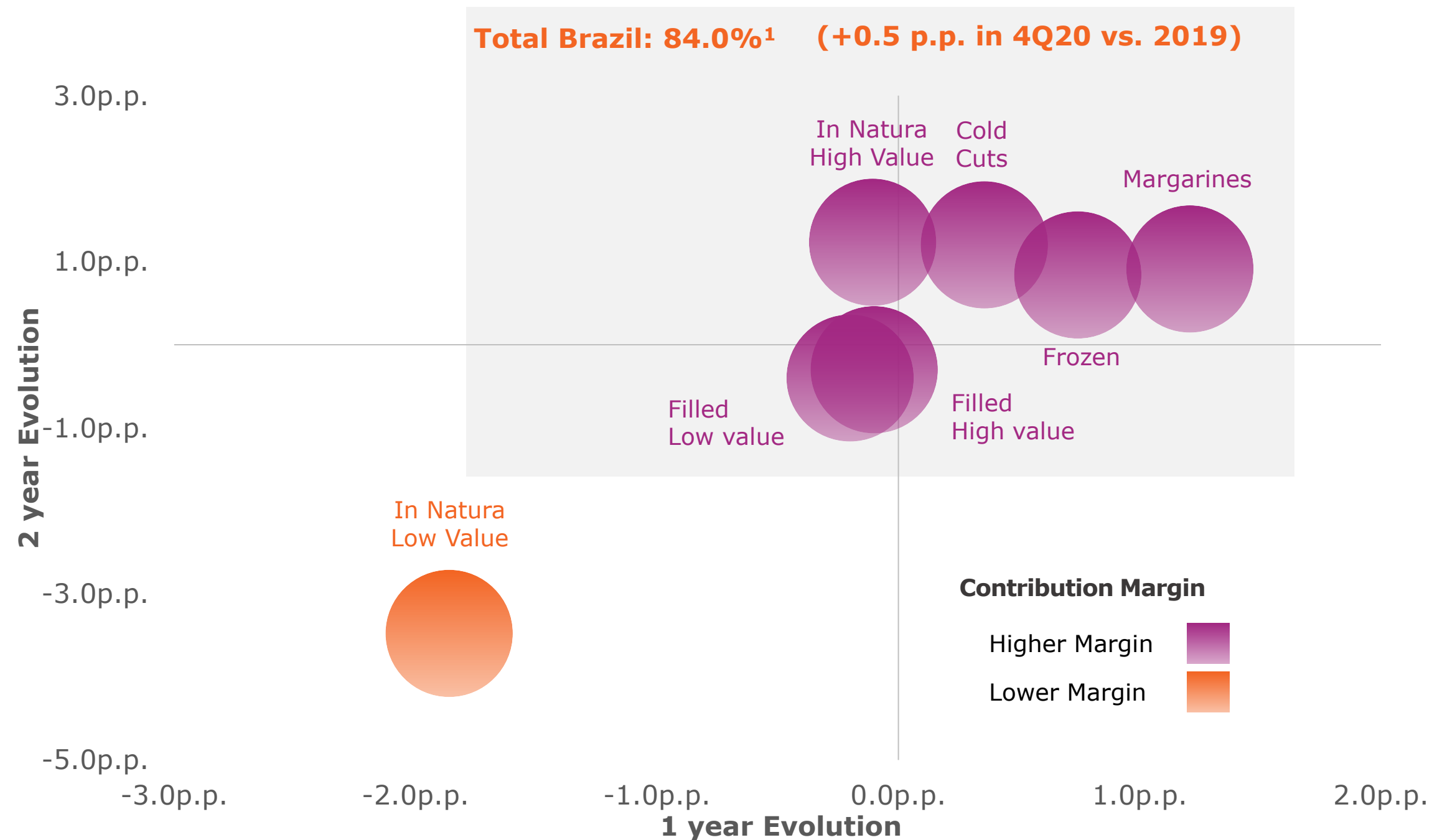
Gross Profit & Margin I (R\$ million and %)



Adjusted EBITDA & Margin I (R\$ million and %)



# Innovation boosting the portfolio with higher added value



(1) Including processed and in natura high value categories (as Na Brasa Perdigão, Assa Fácil lines, among others).





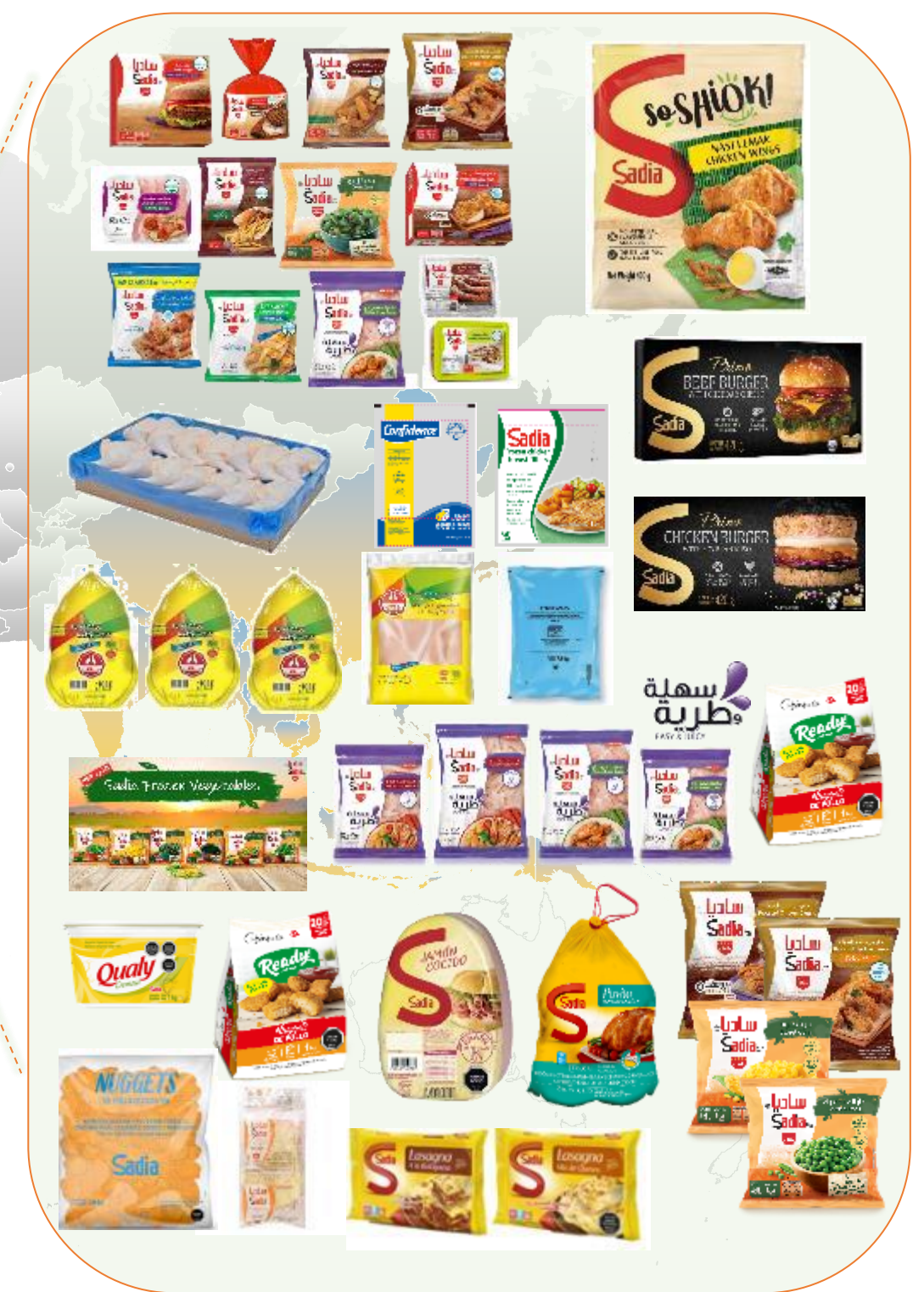
# 2020 Innovation: More than 280 SKUs launched, of which 81% are of higher added value

**Brazil**

**+139 New SKUs**

**International**

**+149 New SKUs**





# Undisputed leadership in all markets, with a multichannel strategy, leveraging our brands

**Sadia**



**Qualy**



**MERCATO**  
EM CASA

**Most valuable brand** in Brazil's food sector<sup>1</sup>  
US\$1.77bi

**Most chosen protein brand and the one with the highest growth in penetration in the last year**<sup>3</sup>

**Undisputed leadership in the category**<sup>3</sup>, +4.6pp vs. 2019 in home penetration.

**Most remembered brand in GCC**  
**38%** preference<sup>4</sup>

**"Mercato em Casa" brand:** presence in 80% of Brazilian e-commerce

**Most remembered brand**<sup>2</sup> in 2020, +7pp vs 2019. Best index of the last 5 years.

**Second most preferred protein brand (13.6%) in Brazil**<sup>3</sup>

**Most remembered brand for the 15<sup>th</sup> year**<sup>2</sup>.

**Number 1 brand in Turkey, 2<sup>nd</sup> largest in Halal market**  
54% preference<sup>4</sup>

**Mercato Sadia:** 1 store opening in São Paulo, planned to reach 12 stores in 2021

**Consumer's protein brand preference**  
26.3% preference<sup>3</sup>

**Consumer brand with the highest growth in new buyers**<sup>3</sup> and with the highest growth since 2016

**Preference 5 times higher than the second player (53.4%) and growing** (+0.8pp vs 2019)<sup>3</sup>.

**37%** market share in **GCC**<sup>4</sup> and **23%** market share in **Turkey**<sup>4</sup>

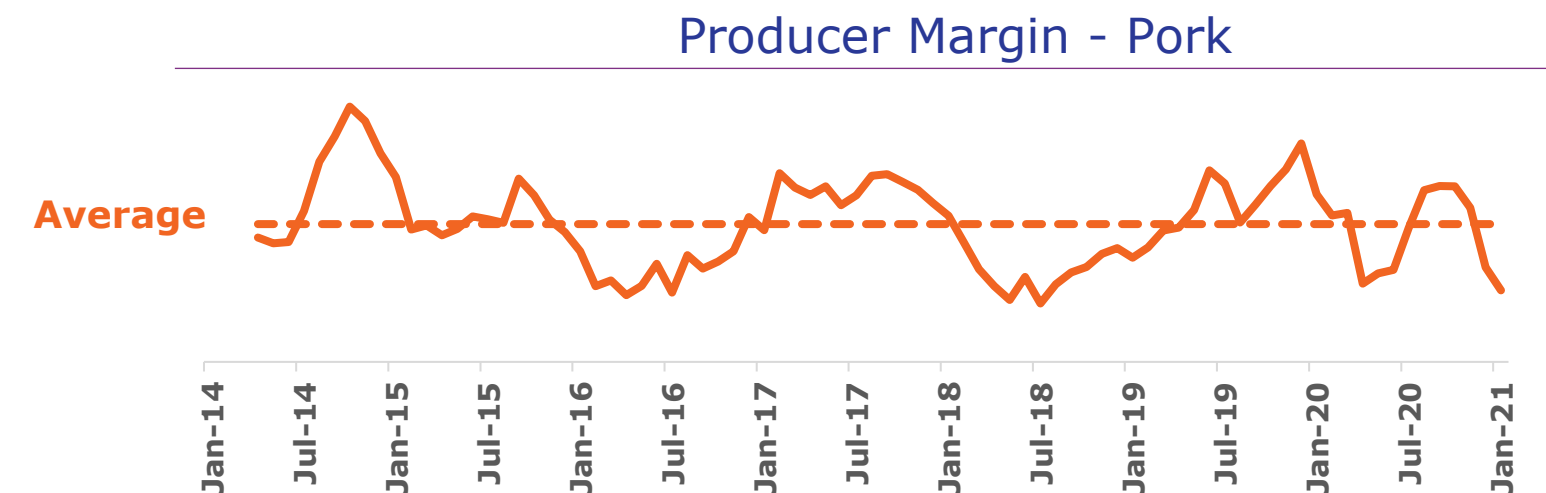
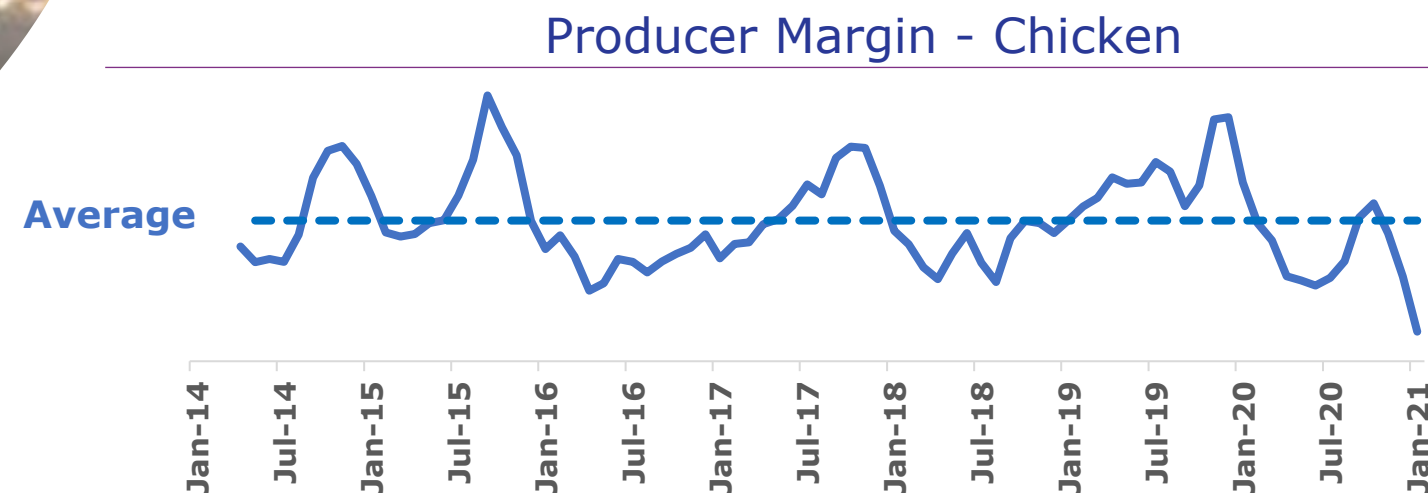
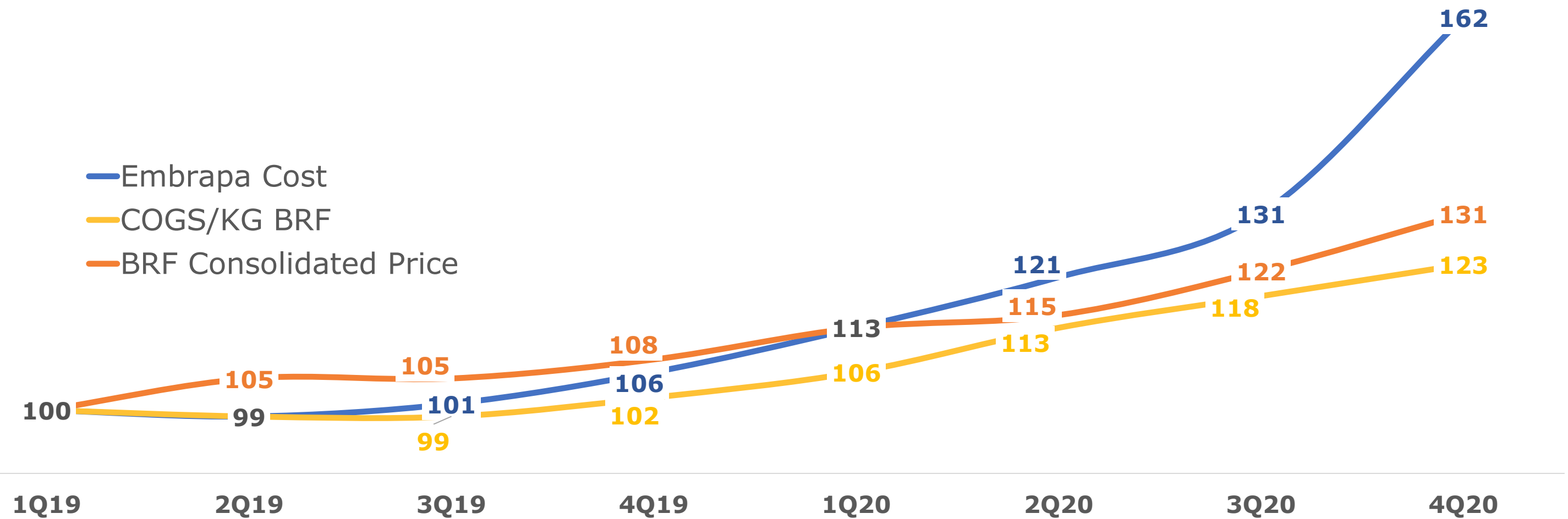
**Store in Store:** strong progress in 2020, presence in 109 stores.





## Proven Competitive Advantage

➤ Procurement capacity, logistics, operational efficiency and applied technology ensure lower costs vs. industry



Embrapa Cost – Average of chicken and pork indexes, which considers production costs; COGS/Kg BRF – Consolidated cost of product sold per kilo; BRF Price – Consolidated Price – External and Internal Market, mix, FX impact.

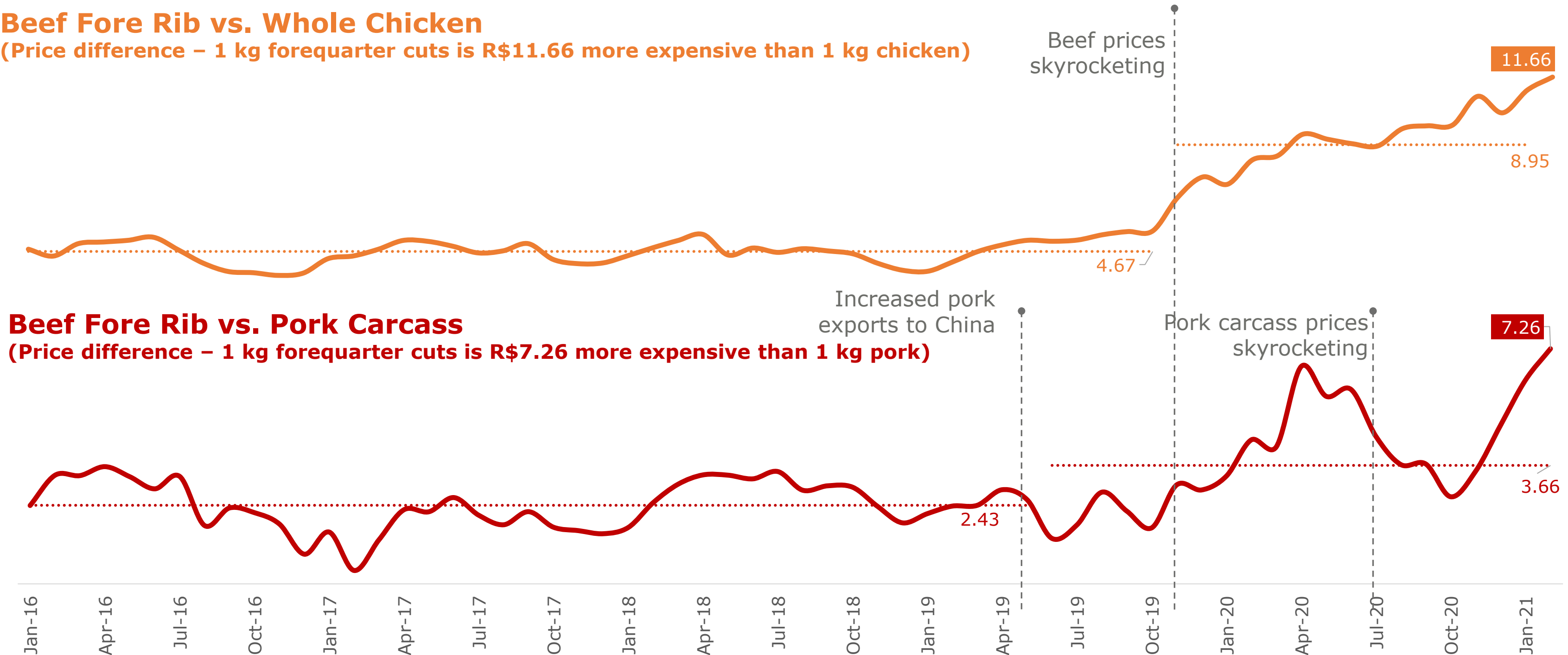
## Resilient portfolio in case of a downtrade scenario

> Highest historical spread vs. beef forequarter cuts

### Beef Fore Rib vs. Whole Chicken

(Price difference – 1 kg forequarter cuts is R\$11.66 more expensive than 1 kg chicken)

Beef prices skyrocketing



### Beef Fore Rib vs. Pork Carcass

(Price difference – 1 kg forequarter cuts is R\$7.26 more expensive than 1 kg pork)

Increased pork exports to China

Pork carcass prices skyrocketing

2.43

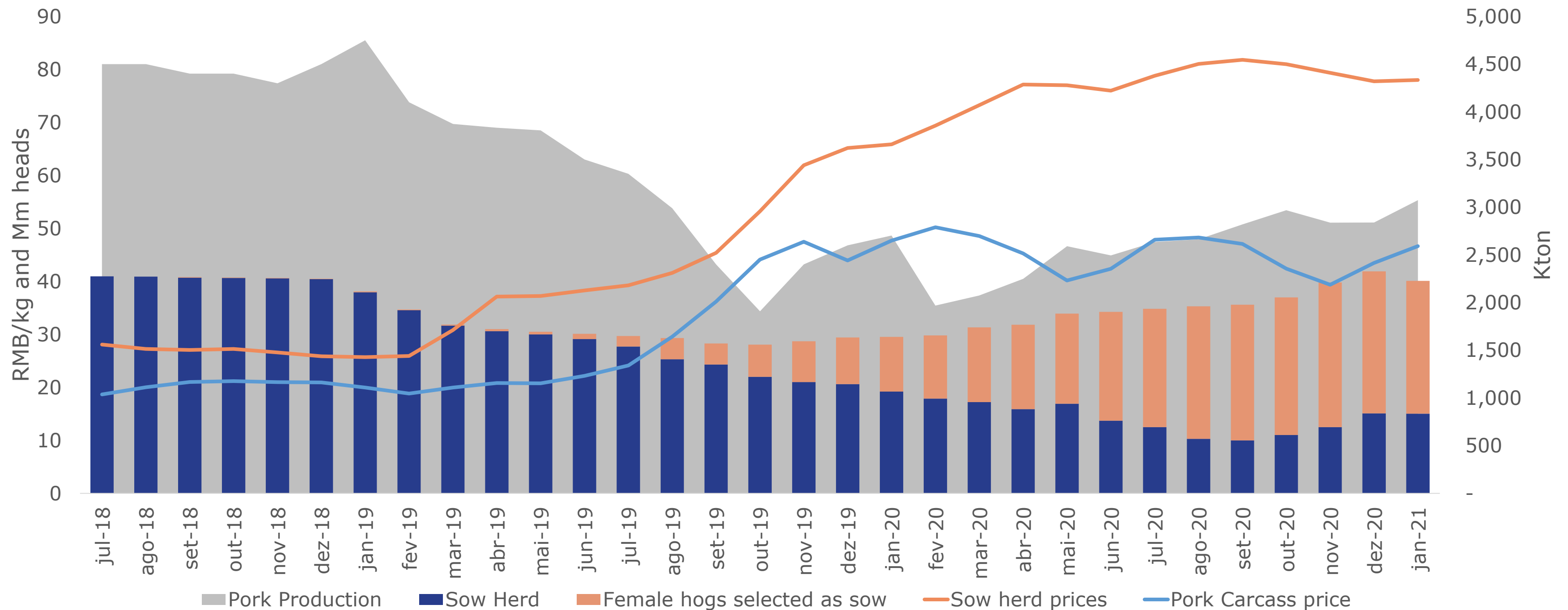
3.66

7.26





# Chinese Market: Remaining Imbalance Between Supply and Demand



<sup>1</sup> Source: Ministry of Agriculture and Rural Affairs e Bloomberg

# Capital Structure & ESG



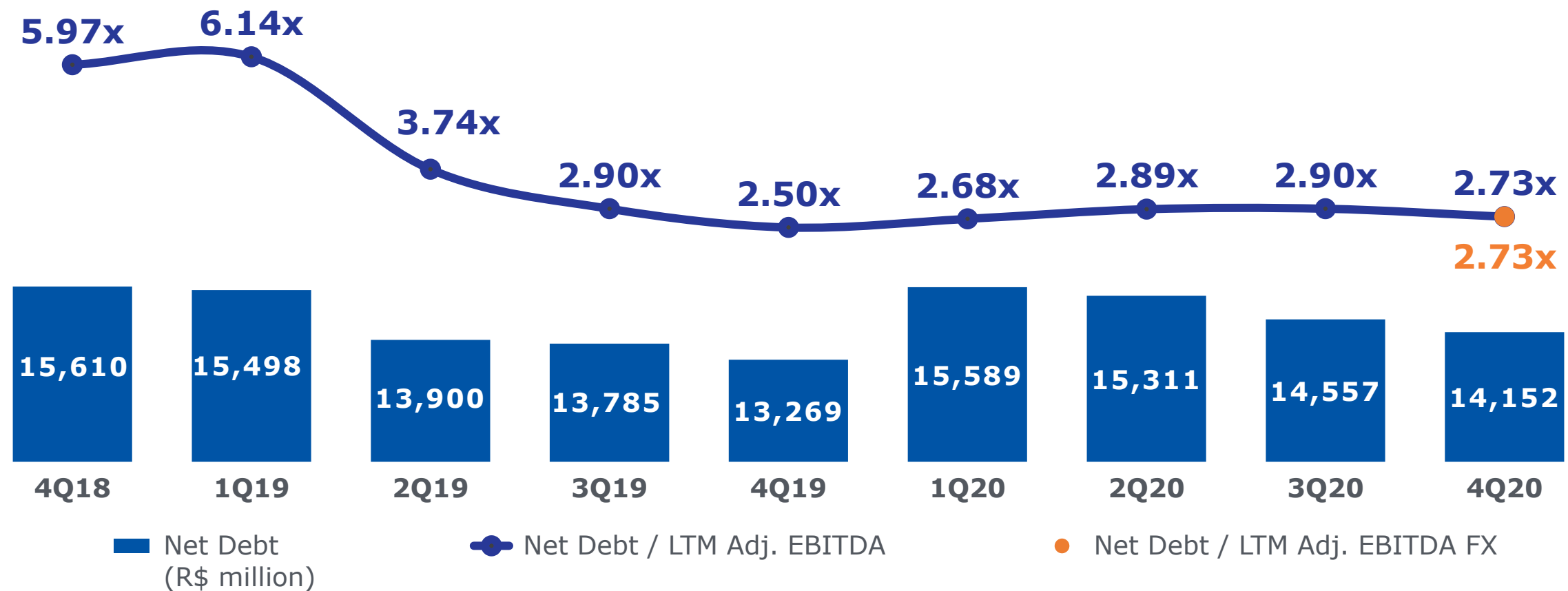
**Balance**  
PREMIUM ESPECIAL



# Capital Structure

## > Net Leverage Guidance Achieved

### Financial Leverage



USD/BRL (PTAX) --- [3.80] --- [3.90] --- [3.83] --- [4.16] --- [4.03] --- [5.20] --- [5.48] --- [5.64] --- [5.20]

4Q20  
vs.  
3Q20

V.C., interests,  
derivatives and others:  
**-R\$667**

Cash Flow from Investments:  
**+R\$659**

Operating Cash Flow:  
**-R\$397**

**Net Debt Change:**  
**-R\$405**

2020  
vs.  
2019

V.C., interests,  
derivatives and others:  
**+R\$3,590**

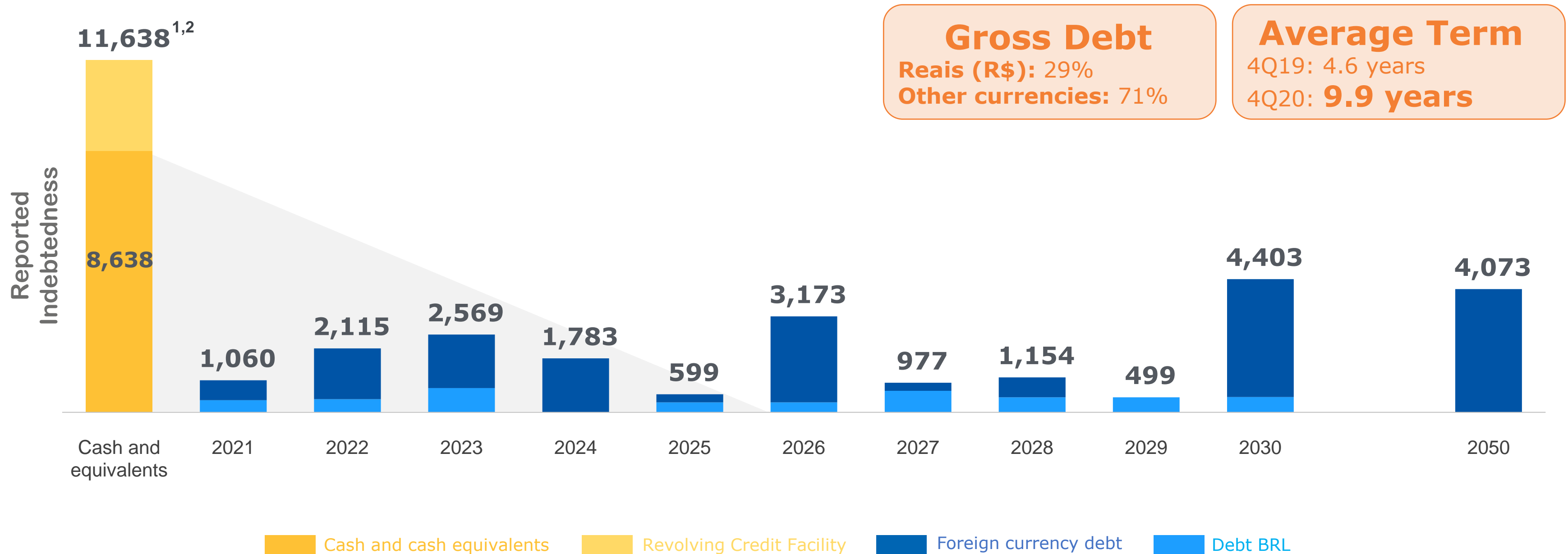
Cash Flow from Investments:  
**+R\$2,397**

Operating Cash Flow:  
**-R\$5,104**

**Net Debt Change:**  
**R\$883**

# Debt Structure 4Q20

Strengthened capital structure, with differentiated average debt profile and prudent liquidity management



Note: The debt profile and schedule only consider cross currency swaps.

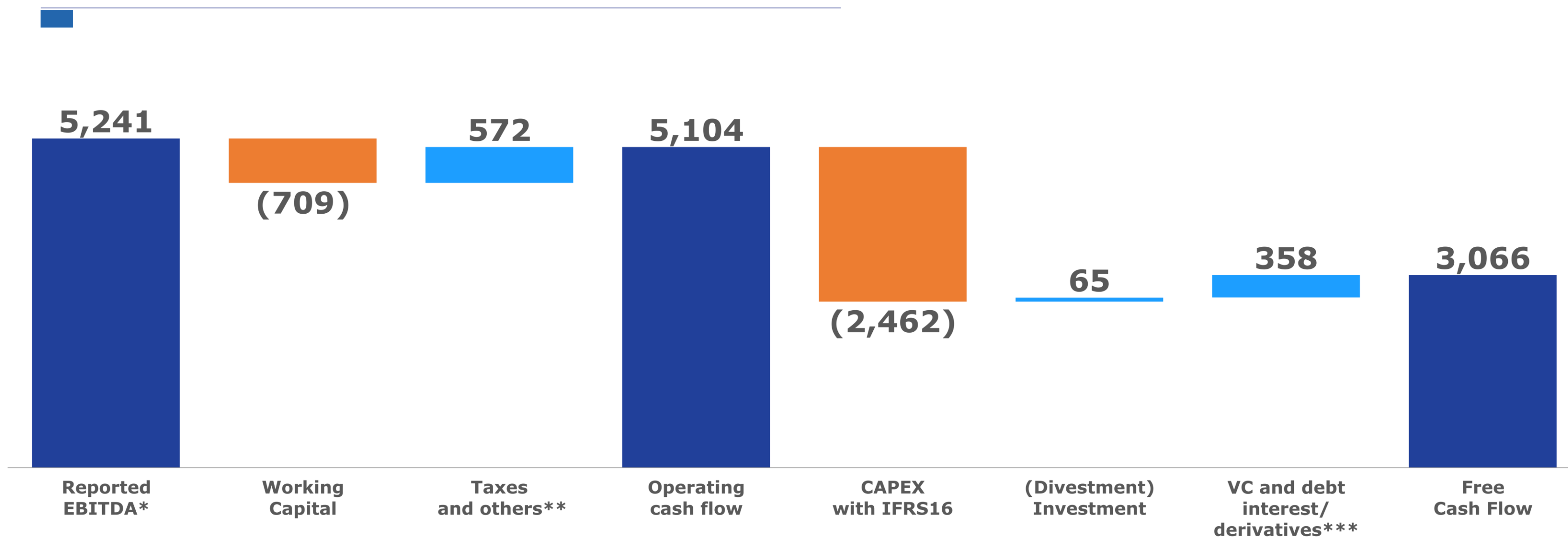
1. Cash and equivalents: 50% of cash is denominated in strong currency and 50% in other currencies.

2. Includes R\$3.0 billion in revolving credit facilities.



# Cash Flow

Strong cash generation, resuming investments and financial discipline amid a challenging year



\* Reported EBITDA which difference to Adjusted EBITDA is presented in page 21 of the Management Report.

\* On Taxes – see Note 9 to the Financial Statements. \*\*Includes Banvit put option and derivatives.

# BRF ESG > We remain focused on sustainable actions #NossaPartePeloTodo

## Recognitions & Achievements

- **B3's Corporate Sustainability Index** - 14th year.
- Inclusion in **B3's Carbon Efficient Index (ICO2)**.
- **Zero Waste** International Certification, in Turkey, for the Bandirma plant and 2 other plants in Izmir.
- **ISO Certification – 37001** – Anti-Bribery Management System.
- **Honorable mention** in **Abrasca's 2020 Award**, in **Economic-Financial Analysis**.
- **Wall Street Journal Ranking** of **Sustainably Managed** Companies: **BRF was the best ranked Brazilian company**.



## 4Q20 Highlights

- The **Vice-Presidency of Institutional Relations, Reputation and Sustainability** is created.
- The **Sustainability Policy** is drawn up and disclosed.
- BRF joined forces with other 11 companies to undertake **ethnical equity** commitments and actions.
- Donation of **250,000** units of **Chester** to the **Sesc Nacional Mesa Brasil Program**.



## Covid-19

- **Prevention and control:** PPEs, additional bus fleet for employees' transportation, healthcare, dining hall adequacy, testing, control of temperature, among others.
- **Donations:** food, PPE, tests, containment and prevention actions, support to research and development, incentive to vaccine production, among others.
- **Personnel:** attendance rewards, temporary workers, and overtime.
- **Other:** specialized advisory services, testing, institutional campaigns, among others.





# ESG Commitments

➤ Sustainability as one of the strategic pillars in value generation

## 22 public commitments:

- Animal welfare
- Traceability
- Natural resources
- Innovation
- Diversity, among other

Follow the evolution in our website:

<https://www.brf-global.com/sustentabilidade>



## Commitments up to 2025

<b>Commodities</b>	<ul style="list-style-type: none"> <li>• Ensure 100% traceability of grains acquired from the Amazon and the Brazilian Cerrado until 2025</li> </ul>
<b>Natural Resources</b>	<ul style="list-style-type: none"> <li>• Reduce by 13% the water consumption index at BRF until 2025</li> </ul>
<b>Food Waste</b>	<ul style="list-style-type: none"> <li>• Promote education to reduce food waste in 50 municipalities at 10 Brazilian states until 2025</li> </ul>
<b>Diversity</b>	<ul style="list-style-type: none"> <li>• Reach 30% of women in leadership positions until 2025</li> </ul>
<b>Packaging</b>	<ul style="list-style-type: none"> <li>• Have 100% recyclable, reusable or biodegradable packages until 2025</li> </ul>

**ESG targets linked to management variable compensation**



# 4Q20 & 2020

## Closing Remarks

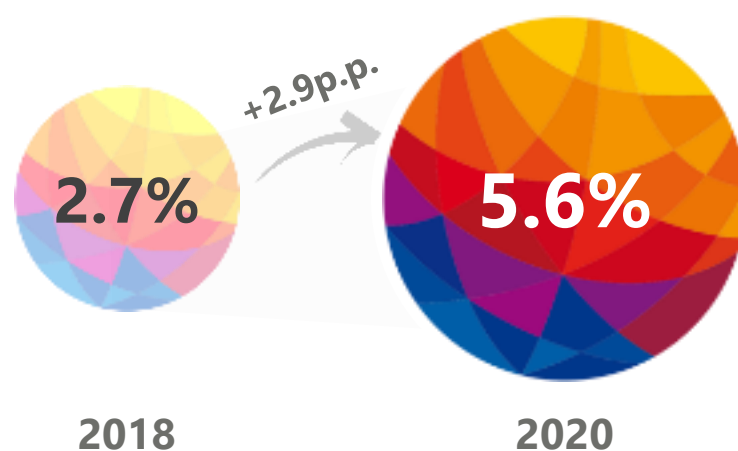




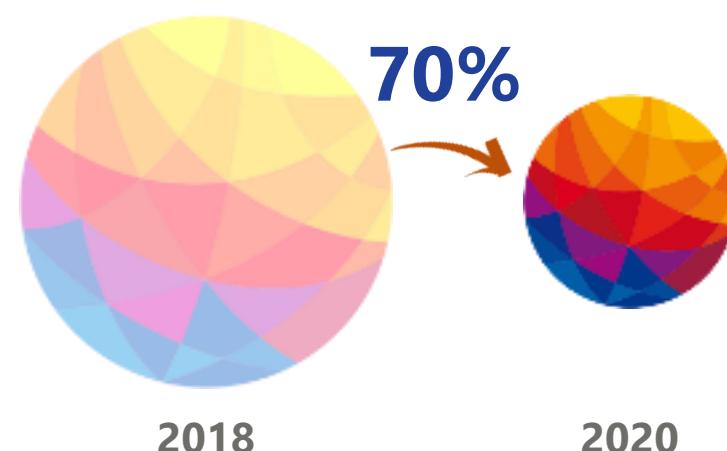
# Restructuring concluded with **superior KPIs on both operational and profitability**

## Operational KPIs

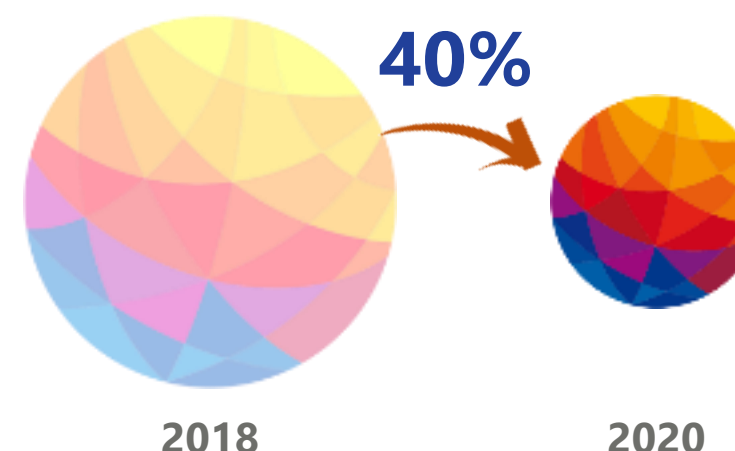
**Innovation Revenue in Brazil**  
(% of total revenue)



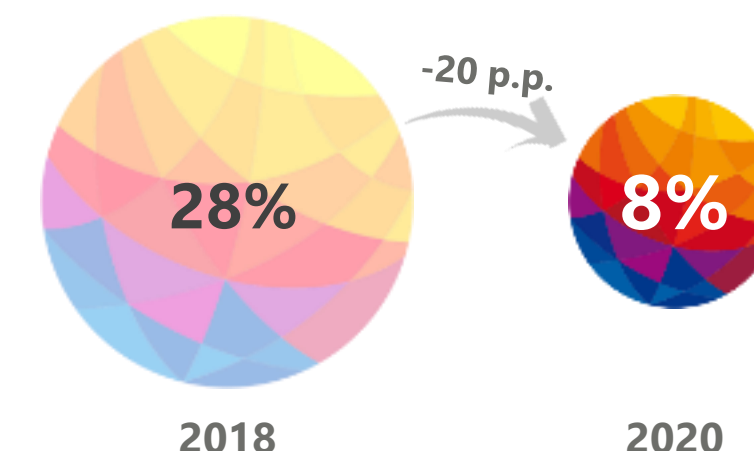
**Reduction in Losses (%)**



**Idleness Reduction (%)**

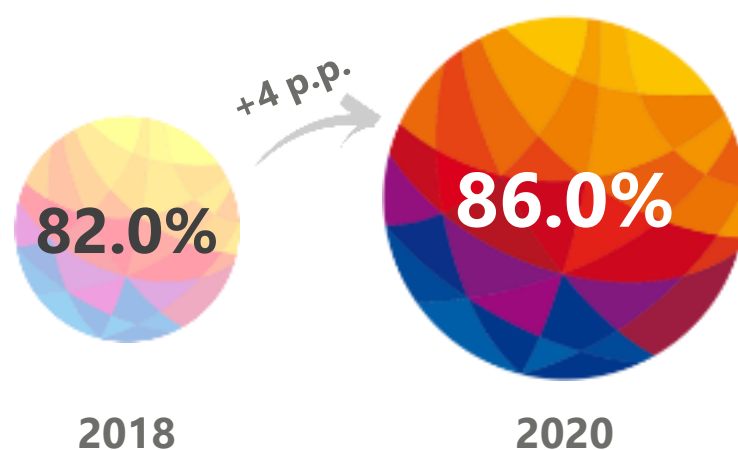


**Leadership Turnover (%)**



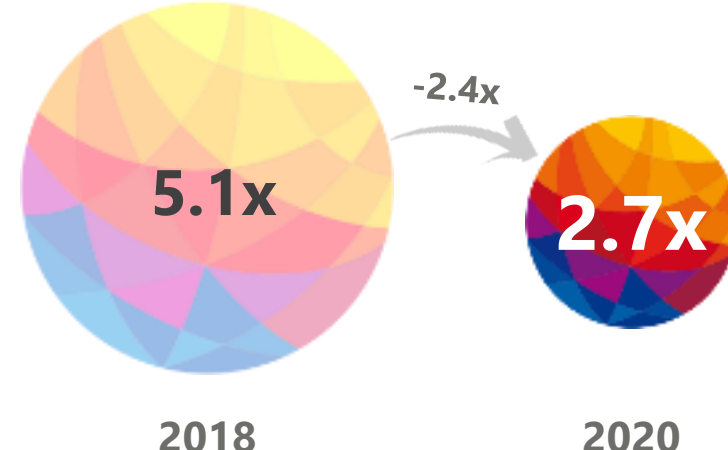
## Culture<sup>3</sup>

Engagement level<sup>3</sup>



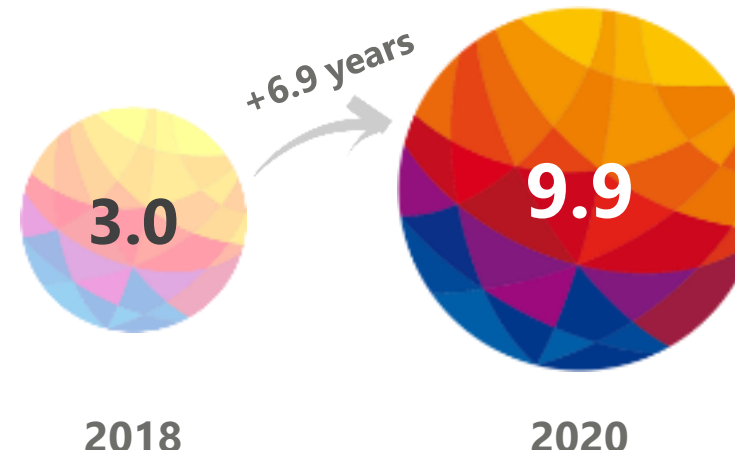
## Leverage

Net Leverage<sup>1</sup> (x)



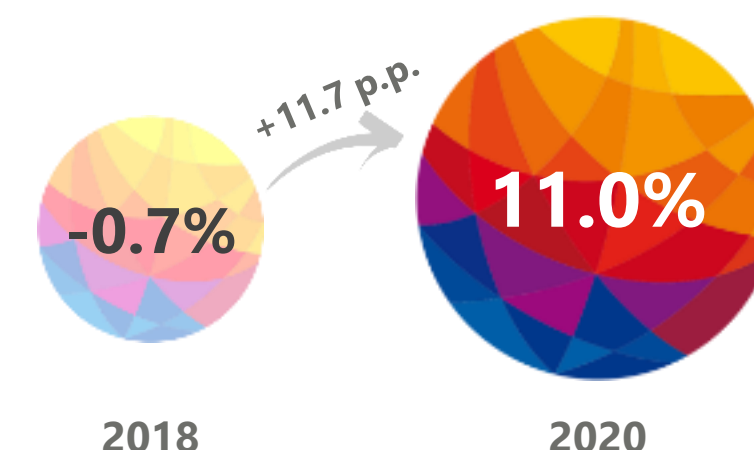
## Average Term

Debt (Years)



## Returns

Return on Invested Capital<sup>2</sup> (ROIC - %)

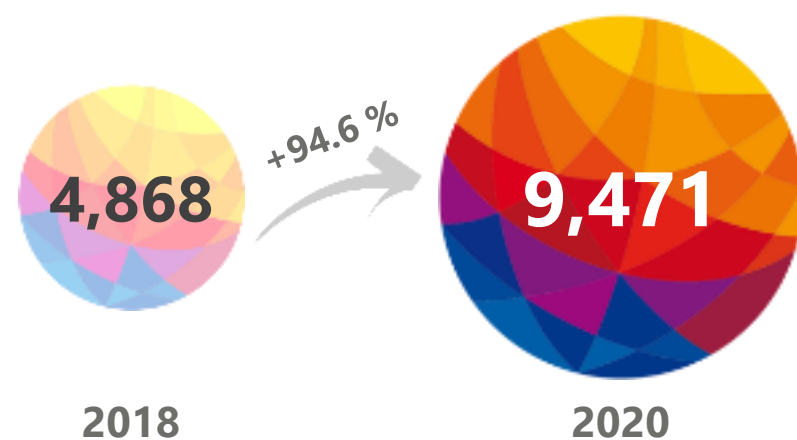


<sup>1</sup>1 Net Debt / EBITDA. <sup>2</sup>2 ROIC = EV / NOPAT, considers NOPAT = EBIT \* (1-t), <sup>3</sup>3 according to Willis Towers Watson methodology

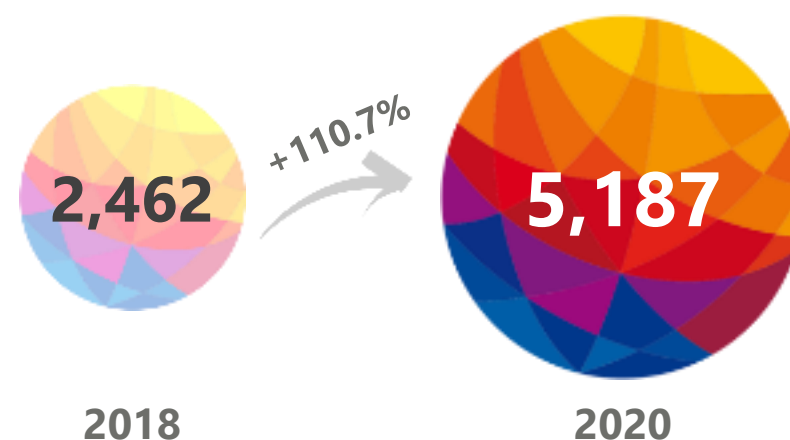
# Restructuring concluded with **higher profitability**

## Profitability KPIs

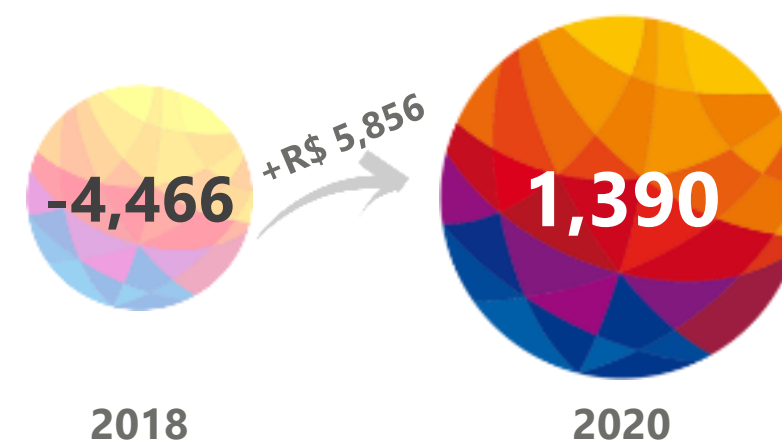
**Gross Profit**  
In R\$ million



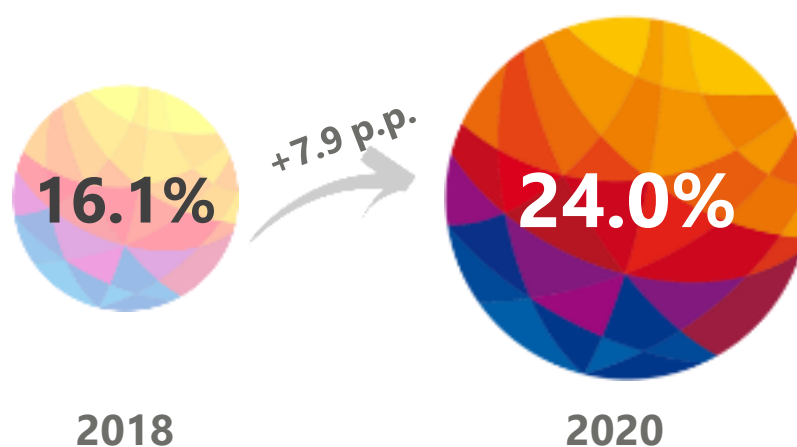
**Adjusted EBITDA**  
In R\$ million



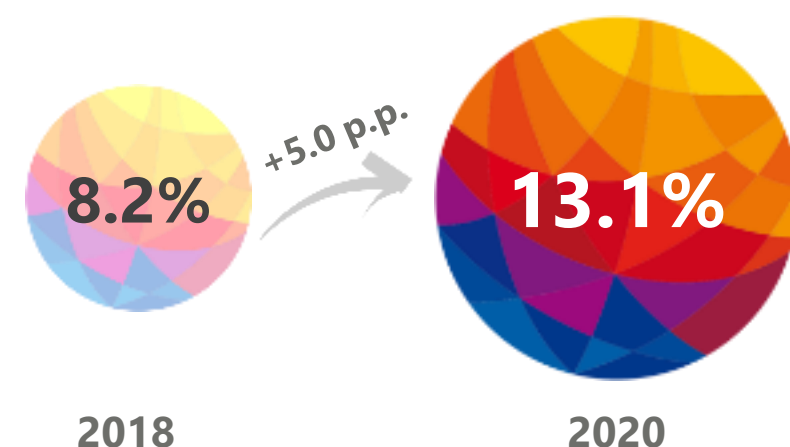
**Net Results Consolidated**  
In R\$ million



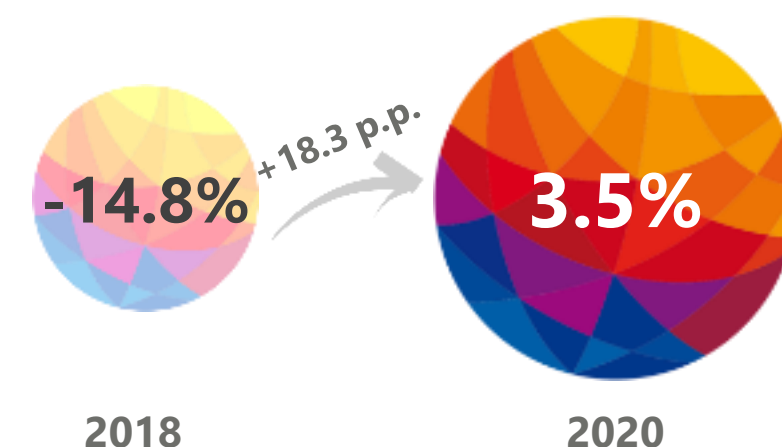
**Gross Profit**  
Margin (%)



**Adjusted EBITDA**  
Margin (%)

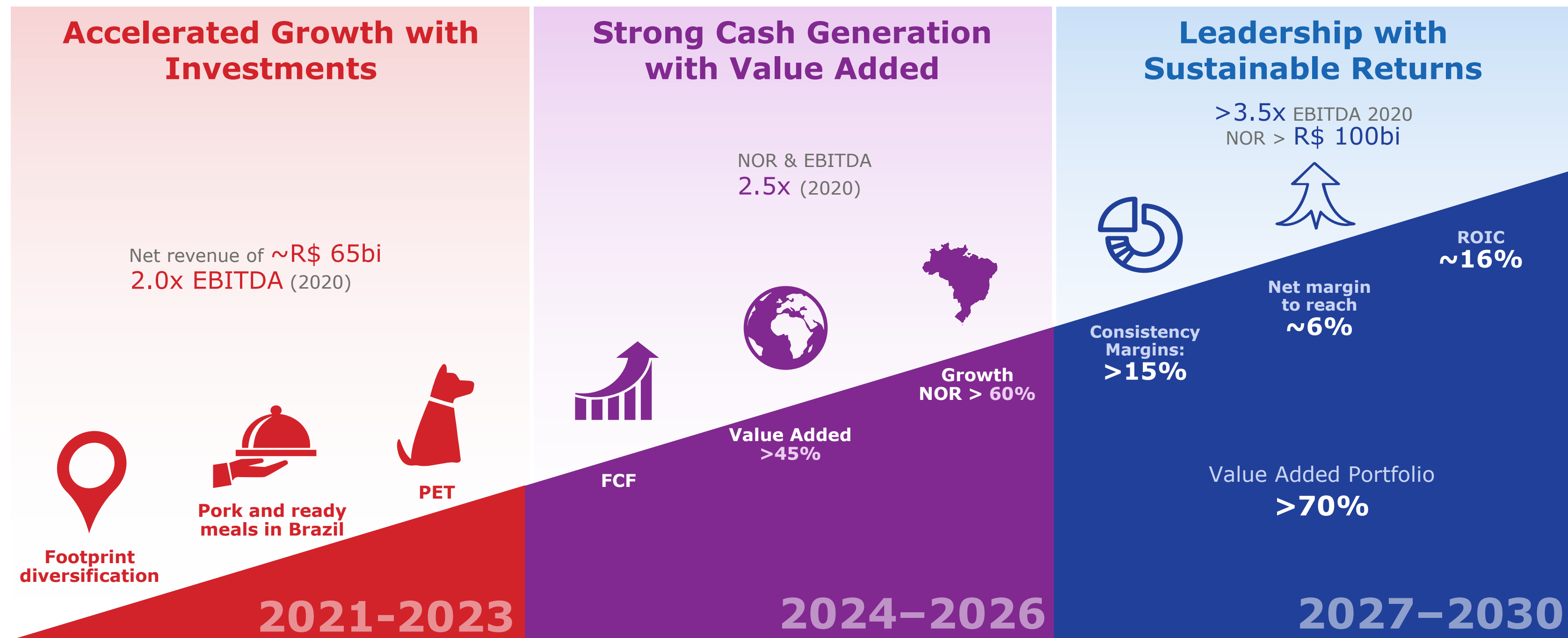


**Net Results Consolidated**  
Margin (%)





**2030 Vision:** Estimated investments of **R\$ 55 bn**, while keeping financial discipline with net leverage below **3.0x**



# Q&A



## **OUR PROPOSE: A BETTER LIFE**

*Supplying increasingly high-quality, tasty and practical food products to people around the world. We achieve this by sustainably managing a dynamic, extensive and complex value chain that helps to make life better for everyone, from farm to table.*









For more information about BRF visit:  
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