MANAGEMENT COMMENTS 4Q22 AND 2022 - TRANSCRIPT

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CAMIL ALIMENTOS S.A.

Luciano Quartiero - CEO

Hello, welcome to the comments on the results of the forth quarter and year of 2022.

In this first slide, we bring you an update on Camil's data as one of the most complete platforms of products and leading brands in the food market in Latin America. Camil's size translates the achievement of a successful expansion strategy through acquisitions in the domestic and international markets. We have 8,000 employees in 35 plants in Brazil, Uruguay, Chile, Peru and Ecuador, with leading brands in a prominent position in all segments.

On slide 3, we bring you a view of the Company by category. In 2022, in Brazil, we added three new categories to the portfolio: we completed one year in the pasta category, we launched coffee, and at the end of the year we added cookies. This was another important step towards the diversification of the Company, with categories that have relevant growth potential and higher added value. Therefore, for the market, from now on our communication will focus on three business fronts: the high turnover segment, which in Brazil consists of the grain and sugar operations; the high-value segment, with pasta, cookies, coffee, and fish; and the International segment.

Before talking about the results, I would like to comment on the performance of the new categories in Camil's results. In the pasta operation, we leveraged the synergies announced with the agile integration plan of Santa Amalia, in addition to performing with excellent profitability throughout the year, even in the face of a difficult scenario for wheat operations globally. We simplified and repositioned the prices of the pasta portfolio and, as a result, boosted the profitability of the category, doubling Santa Amália's margin in just one year.

Soon after the entry into pasta, we announced the launch of coffee, with investment in Café Bom Dia and the launch of Café União, revitalizing one of the most traditional brands in Brazil that was once the market leader in the category. We worked hard to have our coffees reaching the shelves by April 2022, going from zero to a current market share close to 5% in the greater São Paulo and Rio de Janeiro area. We continue to leverage our growth with the launch of new SKUs to enhance the gain of scale in coffee.

And, of course, we cannot fail to highlight our most recent acquisition: the company's entry into cookies with the Mabel brand and licensing of the Toddy brand for cookies. The entry in cookies reinforces Camil's presence in the Midwest, Northeast and Southeast of Brazil, besides contemplating supply synergies with the pasta, commercial and G&A operations. Mabel entered the company with a negative EBITDA margin, and in less than 4 months we reached the operation's turn around.

Now, the focus is on continuing to enhance Mabel's profitability to gain scale and relevance in a result that is already proving to be positive and of high value.

Internationally, we announced our entry into the Ecuadorian rice market, with the acquisition of Dajahu, a leader in the country's aged rice segment. We also concluded the acquisition of Silcom in Uruguay, entering the Uruguayan domestic market with a relevant position in the healthy products category in the country, responding to a growing demand in consumer habits and representing our first step in the expansion of new categories in the international segment.

All the acquisitions and the excellent results achieved this year, with fast and efficient integrations, reinforce our entrepreneurial spirit, focused on strategic growth through the combination of synergies between categories.

Moving on to the financial highlights of the period, we achieved record gross revenues of R$11.8 billion and net revenues of R$10.2 billion for the year, up 13% year-on-year. In the quarter, we posted gross revenue of R$3 billion and R$2.5 billion in net revenue, also a double-digit growth. This is the milestone of a new revenue level for the company, remembering that part of the acquisitions is not yet included as a full year within our results.

Regarding EBITDA, it stood at R$157 million in the quarter, with a margin of 6.2%. On the operating side, in terms of volumes, Q4 was impacted by the lower seasonality of the period and the result of a challenging economic scenario in Latin America, which put pressure on results in the food retail sector. A temporary reduction in purchases by retailers in the period led to lower volumes, and consequently, lower dilution of fixed costs and expenses which impacted profitability in the quarter.

In the year, we recall that the acquisition of Mabel, from an accounting management point of view, posted an advantageous purchase gain in the third quarter. This effect, together with the operating result for the period, resulted in an EBITDA of R$920 million, up 14% year-on-year, with a margin of 9%. Excluding the non-recurrent items of Q3, EBITDA in the year came to R$778 million, with a margin of 7.6%.

After the integrations and acquisitions of the period, the Company focused on efficiency projects, on a higher added value product mix, and on our ability to boost sales with our cross-selling strategy, leveraging sales across categories.

Turning to operating results by segment, high turnover, which is characterized by the grain and sugar categories in Brazil, was the most impacted by this more challenging scenario of temporary slowdown in purchases by retailers. In the result that shows the high turnover, the greatest impact came from sugar, with a greater drop in volumes and prices, due to a more competitive scenario in competitors' prices. With this sugar scenario and the temporary reduction in customer purchases of grains, we had a 10% volume decrease in the year. It is worth pointing out that we did not notice major variations in consumer behavior, which reinforces the thesis that this is a temporary effect on sales in the period. This volume effect was partially offset by the growth in grain prices, which remained at high levels during the period.

In the high value category in Brazil, which includes fish, pasta, cookies and coffee, volume increased 47% in the quarter and 138% in the year, due to the entry of the new coffee and cookies categories in the period and an excellent result in fish volumes.

To give you a little more detail on each of these segments, fish is a category that recovered from the sardine stockout of 2021 and, in addition to resuming its historical profitability, reported volume above historical levels for the period.

Cookies entered the company on November 1st, and Q4 was the first quarter in which we reported the results of the operation as a whole, which was still in the process of integration and turnaround.

In coffee, the category was launched at the end of March 2022, and we continue to experience monthly growth and gains in market share. We are launching new SKUs to drive the volumes and scale of the category in the new year, such as roasted and ground coffee in vacuum packaging and 250g pouches for certain markets.

Pasta had a reduction in volumes, due to the price repositioning carried out in the category's low pricing brand, as well as our efforts to reduce SKUs that were less profitable in the portfolio. With this, even with lower volume in the category, we were able to double the pasta EBITDA margin since the acquisition, showing excellent profitability in the year and in the quarter.

In the international area, we posted volume growth, mostly attributed to the increase in exports from Uruguay. In the quarter, we had an expected drop, due to the temporary mismatch of exports in the country. This movement is typical of the Uruguay business model, that this year concentrated its exports mainly in Q2. In Peru and Chile, the volume of packaged rice sales and profitability continue to be pressured by the political and economic scenario in these countries. In Ecuador, sales volume dropped in the quarter, but the country's profitability has been showing good results, with a focus on efficiency actions and commercial structure.

The gain of scale we have presented to you and the agile integration of the acquisitions were part of the major achievements of the period. Facing a challenging macro context and the challenges imposed by the acquisitions in the last fiscal year, I would like to give special thanks this year to our team of Camil employees for their dedication, as well as the trust of our shareholders, board members, customers, and other partners. With a robust platform of strong brands, leadership positioning, and market know-how, we begin a new cycle, increasingly confident that the Company is on the path to anticipate trends and strengthen its position as a consolidator in the food sector in South America.

Now, to provide more details about our financial performance, I will turn the floor to Flavio. Please, go ahead, Flavio.

Flavio Vargas - CFO

Thank you Luciano, good morning everybody.

Starting the analysis of the financial performance for the quarter, we achieved R$2.5 billion in net revenue for the quarter, up 11% year-over-year. COGS also increased due to prices and the entry of new categories. As a result, our gross profit reached R$481 million, 13% higher than last year, with a margin of 19% for the quarter.

SG&A was 16.5% of net revenue for the period, remembering that, as mentioned by Luciano, we had the acquisitions in the period, while the revenue and sales volume of part of these acquisitions are still being incorporated in the Company's results. Besides the acquisitions, we had an increase in freight and personnel costs in the period. In other operating revenues there was the impact of accounting adjustments related to the acquisition of Mabel and the effect of the debt forgiveness of Café Bom Dia.

Due to the reduction in volumes in the period, EBITDA for the quarter came to R$157 million, with a margin of 6.2%, and net income was R$16 million, impacted mainly by the financial result, with an increase in financial expenses due to the increase in interest rates between the periods.

For the year, net revenue for the quarter totaled R$10.2 billion, a 13% growth compared to the previous year. COGS also grew due to prices and entry into the new categories. As a result, our Gross Profit was R$2.1 billion, 19% higher than the previous year, with a margin of 21% for the year.

SG&A was 16.1% of the net revenue for the period. We had non-recurring effects in the year of R$142 million, including provisions that impacted the 3Q G&A, the revenue related to the advantageous purchase of the Mabel acquisition, and the provision for the transfer of the cookies industrial asset from Pepsico's plant in Sorocaba to the cookies plant.

EBITDA for the year came to R$920 million, up 14%, with a margin of 9.0%. Excluding the non-recurring effects mentioned above, EBITDA totaled R$778 million, up 8%, with a margin of 7.6%.

The net financial result showed an expense of R$80 million in the quarter and expenses of R$290 million in 2022, due to the higher financial expenses resulting from the interest rate growth between the periods. Taking these factors into consideration, Net Income was R$16 million with a margin of 1% in the quarter and R$354 million with a margin of 3.5% in 2022.

The Company's net debt reached R$2.7 billion, with net debt over EBITDA for the last twelve months of 3x in the period. We would like to remind you that the acquisitions entered the balance sheet all at once, impacting both debt and working capital, while the result for the year does not yet include the twelve months of most of the acquisitions.

Capex was R$99 million in the quarter and R$400 million in the year, with Mabel's payment of R$177 million in Q3, maintenance investments, and some expansion projects. It is worth mentioning the postponement of part of the Company's scheduled expansion projects, in view of the new interest rate level.

Working capital amounted to R$2.5 billion, an increase over the previous year with the new acquisitions, and a sequential reduction due to the seasonality of grains in the period.

Finally, in ESG, we have actions in the sustainability report available to you at CVM and on the IR website that are consistent with Camil's business planning for the coming years, and in line with our focus on taking actions that are effective in our surroundings.

In the year, we highlight the work on ESG culture work in the Company, with discussions involving working groups and ESG targets for the third year linked to the variable compensation of all the Company's officers. We are focused on the continuity of zero-accident projects in work safety, social training projects, such as Doce Futuro União, increased use and generation of renewable energy, and progress on climate change initiatives, reporting on our emissions inventory and CDP.

To wrap up, as already highlighted by Luciano, we are in a new growth cycle, guided by actions focused on leveraging our efficiency and synergies from acquisitions. It was a difficult year due to macro events in the world and Latin America that impacted the food retail scenario as a whole. Our business model was defensive, minimizing these effects on our results. Today we have initiatives aimed at increasing our profitability and exposure to high-value categories, as well as resuming sales and profitability of the high turnover category. Both take the Company increasingly to a new level of scale and profitability.

We remain at your disposal for the Q&A if you have any questions. Thank you all!