minerva foods

INDUSTRY OVERVIEW 1Q24

Barretos, May 6, 2024 – Minerva Foods is the South American leader in beef exports and also operates in the processed foods segment, selling its products to over 100 countries. The Company currently has a daily slaughtering capacity of 30,740 head of cattle through its presence in Brazil, Paraguay, Argentina, Uruguay, and Colombia. Minerva operates 26 cattle slaughter and deboning plants and 3 processing plants, in addition to 4 sheep plants in Australia.

HIGHLIGHTS BY COUNTRY

Brazil

Cattle Supply

In 1Q24, approximately 6.9 million head of cattle were slaughtered in Brazil, up by 5% quarter on quarter and by 26% year on year.

The arroba price (indicator: Finished Cattle ESALQ/BM&F - state of São Paulo) averaged R$ 240.5/@, in line with the previous quarter, and down by 16% year on year. Average cattle prices in dollars reached US$ 3.2/kg in the quarter, down by 12% over 1Q23.

The performance of the industry in the period ratifies the good availability of animals for slaughter and the positive moment of the livestock cycle in Brazil.

Figures 1, 2, 3, and 4 – Cattle Slaughter and Average Cattle Price – R$/@ and US$/kg

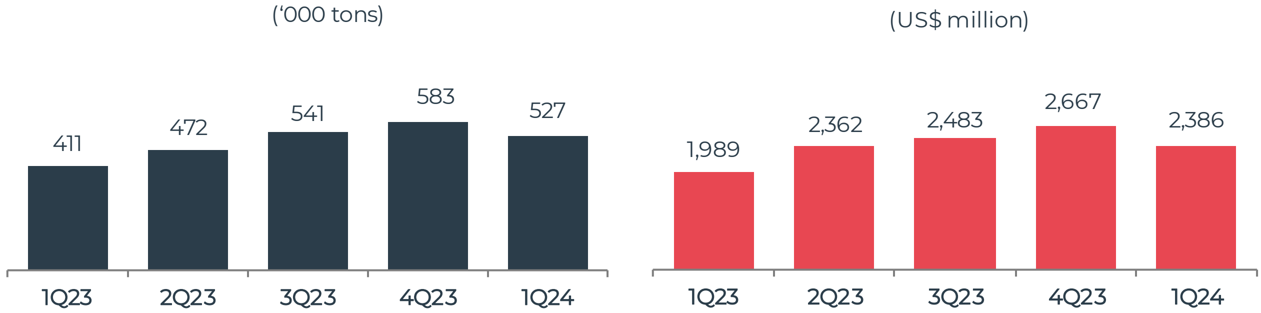
Source: Ministry of Agriculture, Livestock and Supply, CEPEA/ESALQ

Export Market

In 1Q24, Brazilian beef exports reached 527 thousand tons, growing by 28% compared to the same period of last year. It is worth noting that during most of the first quarter of last year, Brazilian beef exports to the Chinese market were restricted.

Export revenue reached US$ 2.4 billion in 1Q24, up by 20% compared to the same period of 2023. Even with the seasonality of the first quarter, export figures remained strong due to the resilience of the global demand.

Figures 5 and 6 – Fresh Beef Exports



Source: Ministry of Development, Industry, and Foreign Trade

In 1Q24, the average beef price in dollars reached US$ 4.5/kg, flat over 4Q23. In reais, the average price was R$ 22.4/kg in the quarter.

Figure 7 – Average Price of Fresh Beef Exported

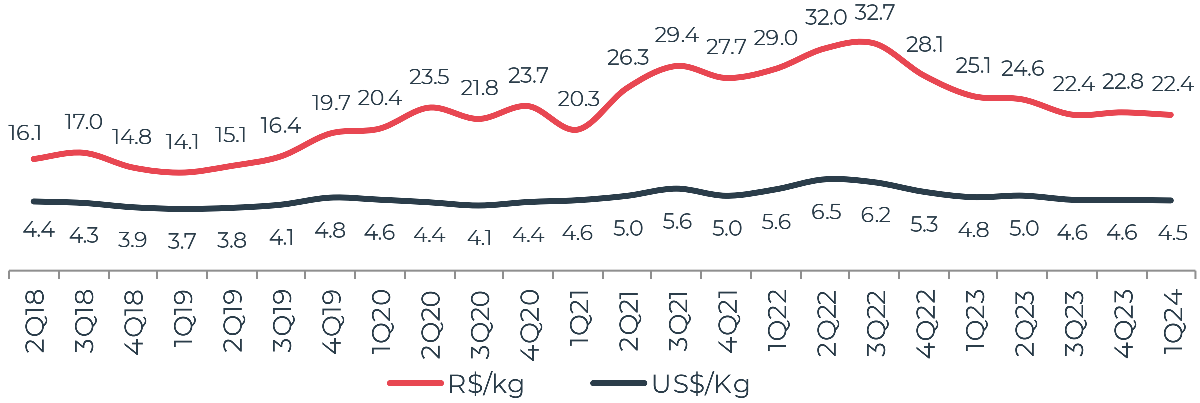
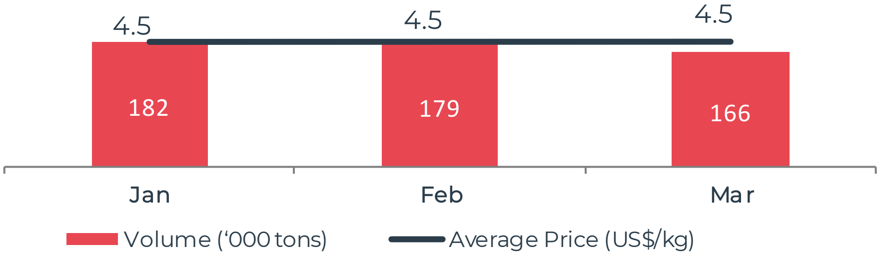


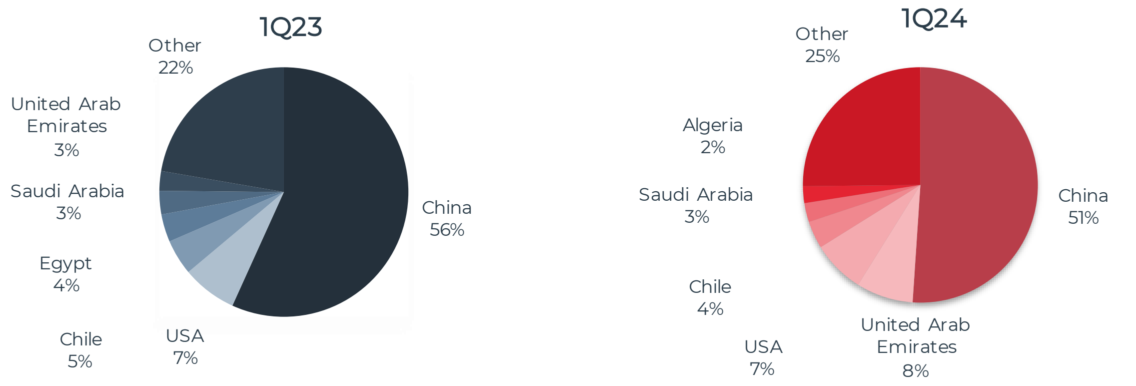
Figure 8 – Brazilian Fresh Beef Exports



Source: Ministry of Development, Industry, and Foreign Trade

China remained as the main export destination for Brazilian beef, with a 51% market share in the quarter. The United Arab Emirates was the second main export destination for Brazilian beef, with 8% of the total, followed by the USA with 7%.

Figures 9 and 10 – Export Destinations (% of Revenue)



Source: Ministry of Development, Industry, and Foreign Trade

Domestic Market

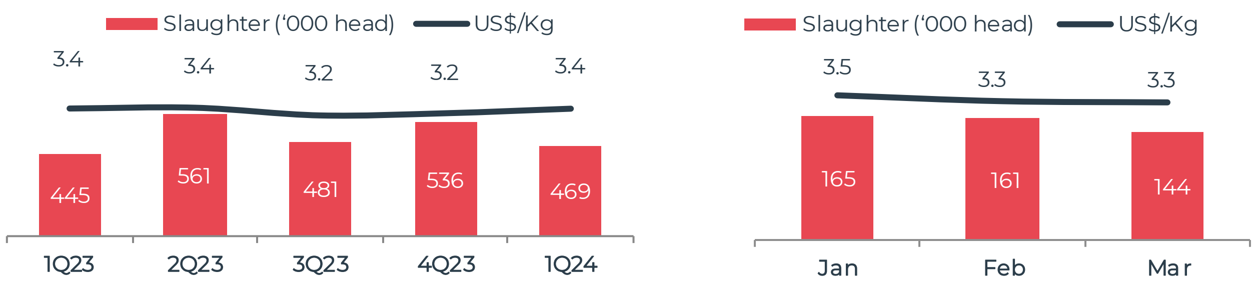
The first quarter was once again marked by the challenges of the seasonality in the period, with a historically weak performance in comparison with the rest of the year. Prices declined mainly due to the high beef availability in the market, resulting from record slaughter in the period.

Paraguay

Cattle Supply

In Paraguay, a total of 469 thousand head of cattle were slaughtered in 1Q24, up by 5% year on year. In the period, average cattle prices in dollars reached US$ 3.4/kg, flat in relation to 1Q23.

Figures 11 and 12 – Cattle Slaughter and Average Cattle Price



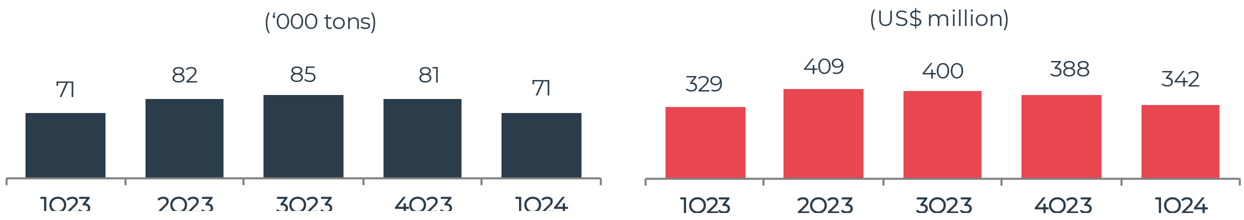
Source: *OCIT – Oficina Consultiva y de Investigación Técnica*

Export Market

Paraguayan beef exports totaled 71 thousand tons in 1Q24, with the country's export revenue reaching US$ 342 million, up by 4% in the annual comparison.

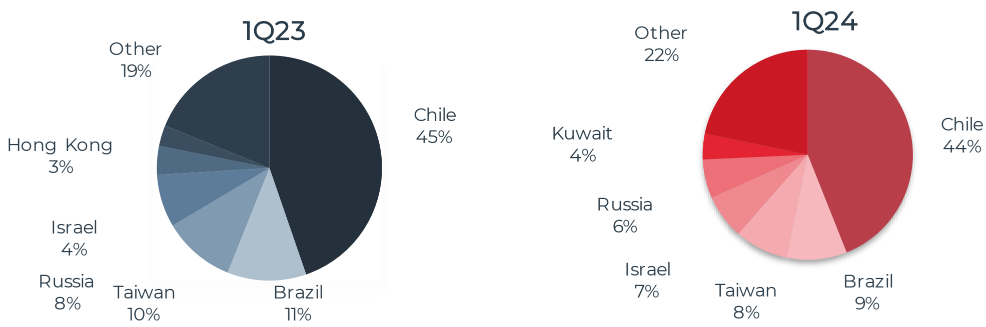
Chile was the main destination for Paraguayan beef exports in the quarter, accounting for 44% of total exports. The second main export destination was Brazil, with a 9% share, followed by Taiwan with 8%, Israel with 7%, Russia with 6%, and Kuwait, with 4% of the export revenue.

Figures 13 and 14 – Fresh Beef Exports



Source: *DNA – Direccion Nacional de Aduanas*

Figures 15 and 16 – Export Destinations (% of Revenue)



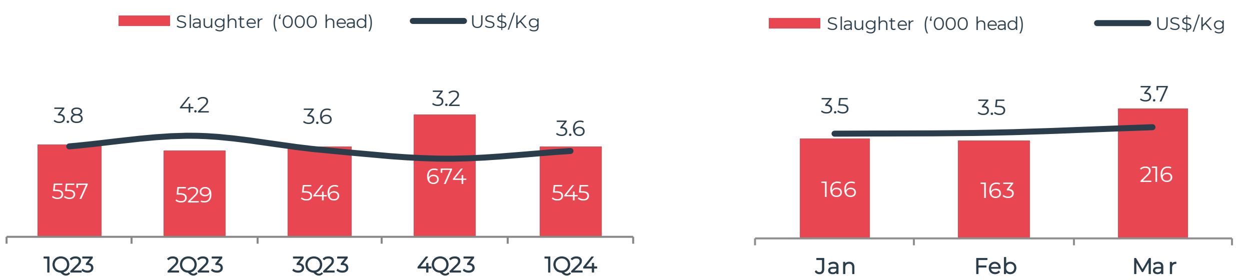
Source: *DNA - Direccion Nacional de Aduanas*

Uruguay

Cattle Supply

In 1Q24, 545 thousand head of cattle were slaughtered in Uruguay, flat in the annual comparison. Cattle prices averaged US$ 3.6/kg, down by 5% over 1Q23.

Figures 17 and 18 – Cattle Slaughter and Average Cattle Price



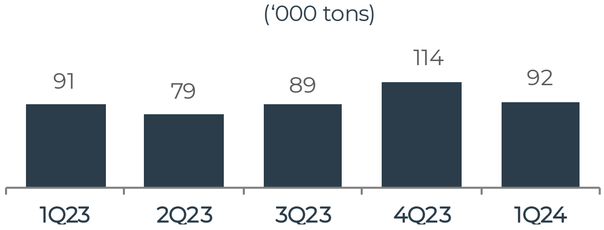
Source: INAC

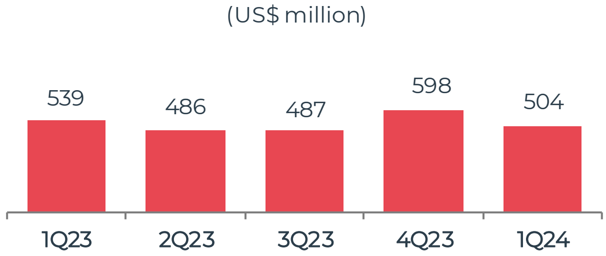
Export Market

Uruguayan beef exports totaled 92 thousand tons in 1Q24, slightly higher than in 1Q23, with revenue reaching US$ 504 million.

China remained as the main export destination for Uruguayan beef, with 36% of exports in the quarter, followed by the USA with 25%, and the Netherlands with 9%, being the third main export destination.

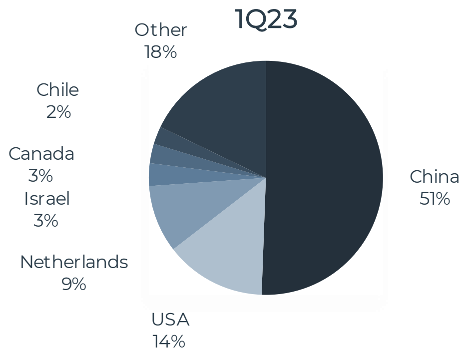
Figures 19 and 20 – Fresh Beef Exports

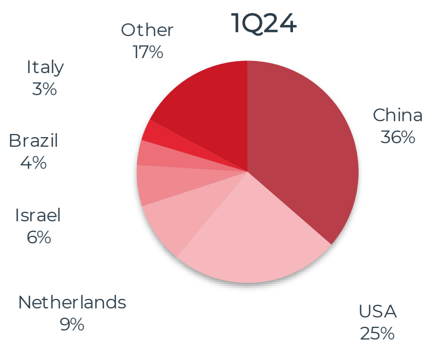




Source: Penta-transaction

Figures 21 and 22 – Export Destinations (% of Revenue)





Source: Penta-transaction

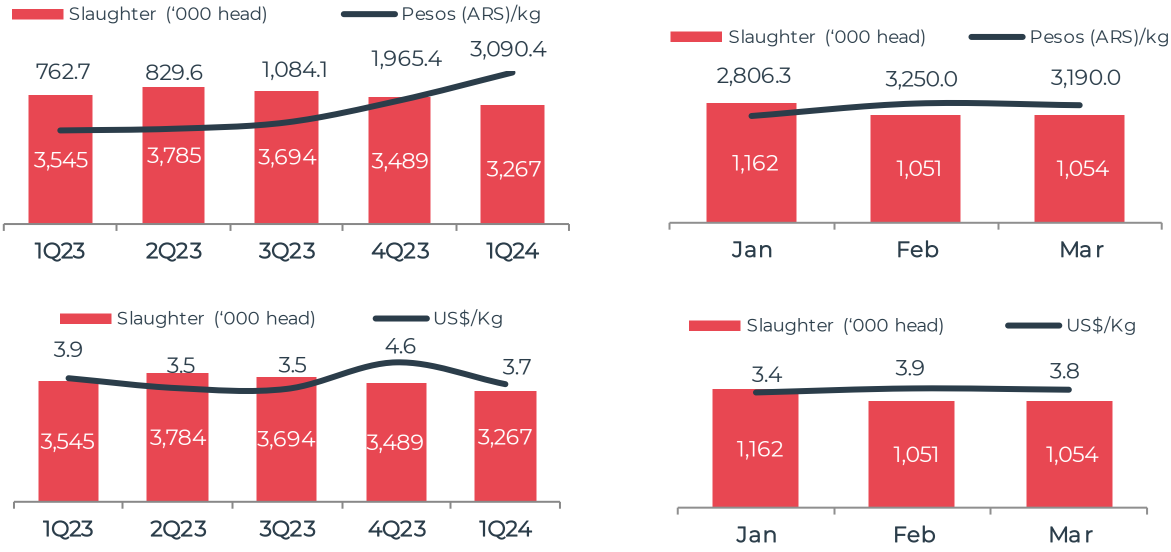
Argentina

Cattle Supply

In 1Q24, cattle slaughter in Argentina totaled 3.3 million head. The average price of cattle in the period reached ARS$ 3,090.4/kg. It is worth remembering that the country has suffered with a hyperinflationary economy and currency devaluation.

Average cattle prices in dollars reached US$ 3.7/kg in 1Q24.

Figures 23, 24, 25, and 26 – Cattle Slaughter and Average Cattle Price – ARS$/kg and US$/kg

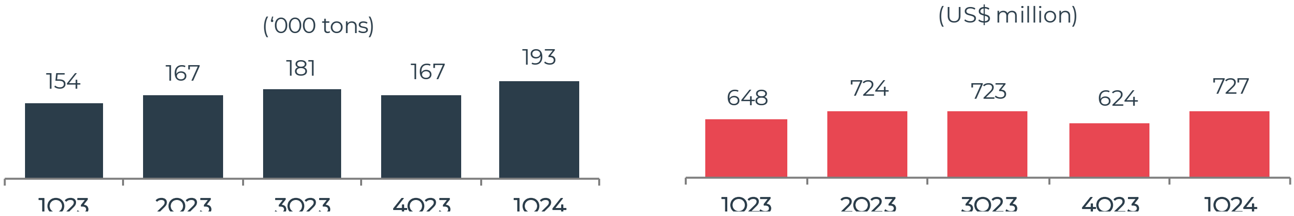


Source: *ABC-consórcio*

Export Market

Argentinian beef exports totaled 193 thousand tons in 1Q24, up by 25% year on year and by 15% quarter on quarter. The country's export revenue reached US$ 727 million in 1Q24, up by 16% quarter on quarter and by 12% over 1Q23.

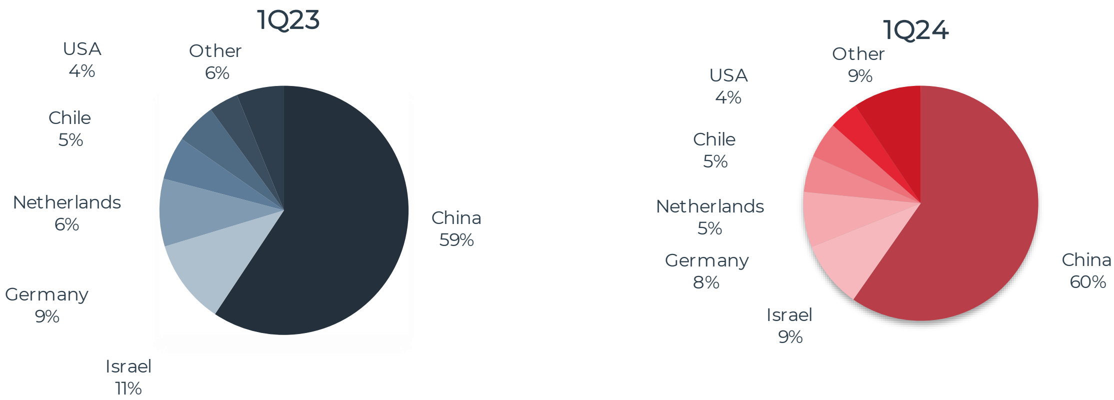
Figures 27 and 28 – Fresh Beef Exports



Source: *INDEC | 1Q24 Preliminary Data*

China represented 60% of Argentina's total exports in 1Q24, remaining as the country's main beef export destination, followed by Israel and Germany, with a share of 9% and 8%, respectively.

Figures 29 and 30 – Export Destinations (% of Revenue)



Source: *INDEC - Instituto Nacional de Estadística y Censos | 1Q24 Preliminary Data*

Domestic Market

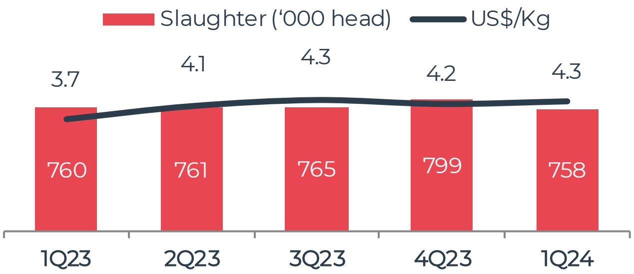
The Argentinian market was impacted by the appreciation of the dollar, affecting beef prices in the domestic market, jeopardizing demand for the product, which, coupled with fewer export restrictions, reduced the competitiveness of domestic prices.

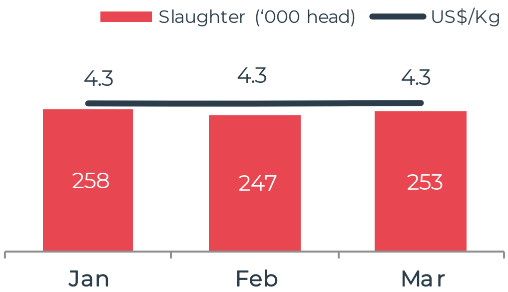
Colombia

Cattle Supply

In 1Q24, a total of 758 thousand head of cattle were slaughtered in Colombia, in line with 1Q23. In the quarter, average cattle prices in dollars reached US$ 4.3/kg, flat in relation to 4Q23.

Figures 31 and 32 – Cattle Slaughter and Average Cattle Price





Source: *DANE – Departamento Administrativo Nacional de Estadísticas e Feira de Medellin | 1Q24 Preliminary Data*

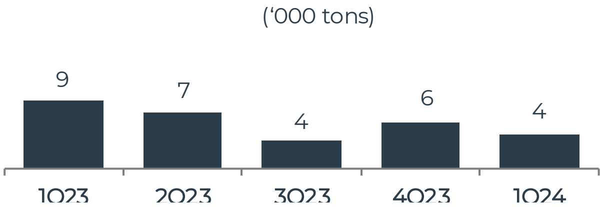
Export Market

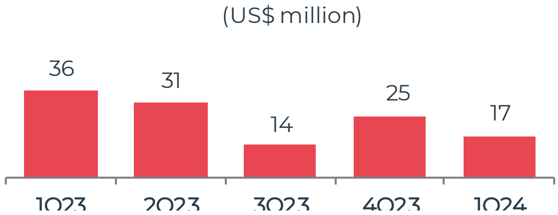
Colombian beef exports totaled approximately 4 thousand tons in 1Q24, with revenue of US$ 17 million.

Russia remained as the main destination for Colombian beef exports in 1Q24, accounting for 84% of total exports, followed by Chile, with a 10% market share, and by Hong Kong, with 3% of Colombian beef exports.

It is worth noting that, in late 2023, the country took an important step with the approval of the sanitary protocol for opening the Chinese market to the export of Colombian beef, and recently, in mid-March, authorizations were effectively granted to approved plants, so they can initiate exports.

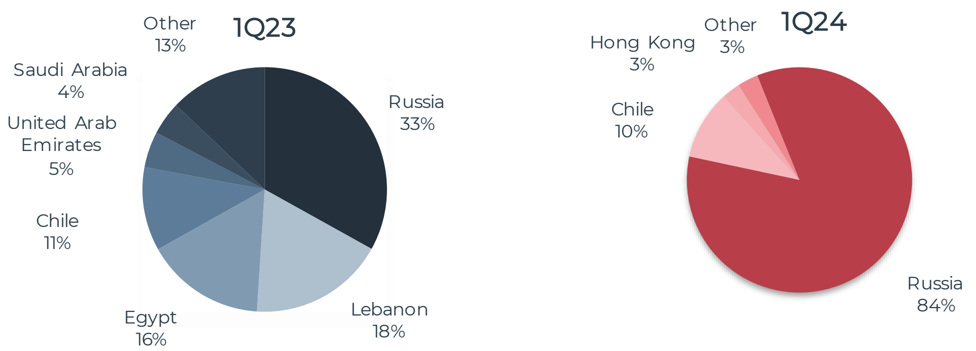
Figures 33 and 34 – Fresh Beef Exports





Source: *Legiscomex | 1Q24 Preliminary Data*

Figures 35 and 36 – Export Destinations (% of Revenue)



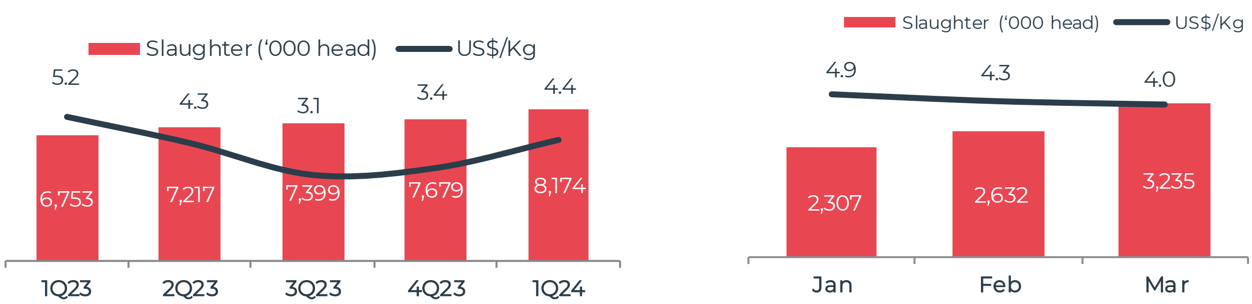
Source: *Legiscomex | 1Q24 Preliminary Data*

Australia

Sheep Supply

In 1Q24, a total of 8.2 million head of sheep were slaughtered in Australia, up by 6% quarter on quarter and by 21% year on year. Average sheep prices were US$ 4.4/kg in 1Q24, down by 16% year on year, reflecting the strong availability of sheep ready for slaughter in the region.

Figures 37 and 38 – Sheep Slaughter and Average Price

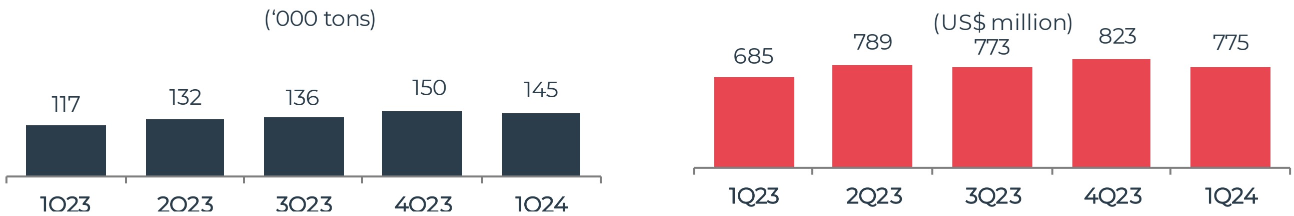


Source: *MLA – Meat & Livestock Australia | 1Q24 Preliminary Data*

Export Market

Australian sheep meat exports reached 145 thousand tons in the first quarter of 2024, up by 25% over the same period of the previous year. In 1Q24, revenue totaled R$ 775 million, up by 13% in the annual comparison.

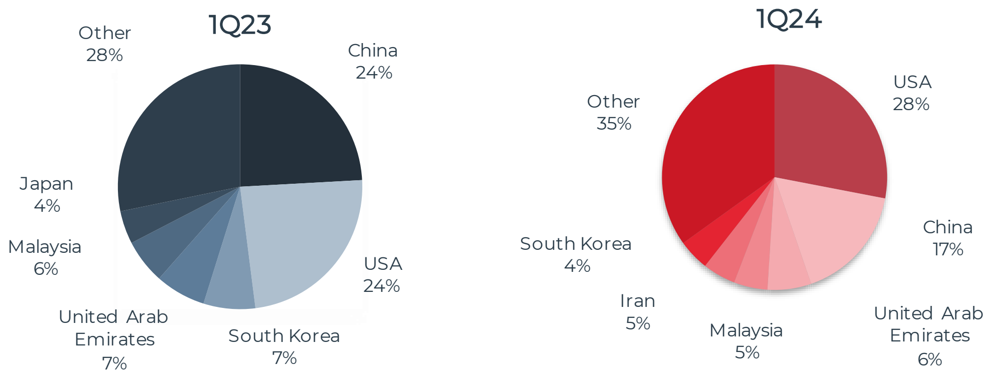
Figures 39 and 40 – Fresh Sheep Meat Exports



Source: *TDM – Trade Data Monitor and DAFF – Department of Agriculture, Fisheries and Forestry | 1Q24 Preliminary Data*

The USA accounted for 28% of Australian exports in 1Q24, surpassing China, which had a share of 17%. The United Arab Emirates was the third main export destination, with a share of 6% in the quarter.

Figures 41 and 42 – Export Destinations (% of Revenue)



Source: *TDM – Trade Data Monitor| 1Q24 Preliminary Data*