

# Conference Call 3Q21

November 05<sup>th</sup>, 2021



**BEEF**  
B3 LISTED NM

**ISE B3**

**ICO2 B3**



## 3Q21 Highlights

### OPERATING AND FINANCIAL HIGHLIGHTS

- **Net Result: 3Q21:** R\$ 72.4 million | **LTM3Q21:** R\$ 562.7 million
- **Free Cash Flow**
  - **3Q21:** R\$ 83 million | **LTM3Q21:** R\$ 849 million
- **Gross Revenue 3Q21:** R\$ 7.8 billion | **LTM3Q21:** R\$ 26.6 billion
  - Brazilian Division: 38% of gross revenue | Athena Foods: 56% of gross revenue | Trading: 6% of gross revenue
- **Net Revenue**
  - **3Q21:** R\$7.4 billion (+43% yoy) | **LTM3Q21:** R\$25.2 billion (+36% yoy)
- **Exports:**
  - **3Q21:** 69% of gross revenue (+45% yoy) | **LTM3Q21:** 68% of gross revenue (+34% yoy)
- **EBITDA**
  - **3Q21:** R\$ 648.1 million | EBITDA Margin: 8.8%
  - **LTM3Q21:** R\$ 2,294.8 million | EBITDA Margin: 9.1%

### CAPITAL STRUCTURE

- Leverage measured by Net Debt/EBITDA LTM ratio: **2.4x\***
- Cash Position: R\$ 8.0 billion
- Debt Duration: ~5.6 year
- Liability Management
  - 2028 Bond Buyback (cancelation) | Retap Bond 2031 | Local Debenture in October

### OTHER HIGHLIGHTS

- Early dividend: R\$ 200 million (R\$ 0.35/share) | <sup>(1)</sup>Cash dividend yield 2021: 12,4%
- Strong performance of Athena Foods
- The 2 first investment initiatives in the Australian market: expanding geographic diversification
- New Corporate Venture Capital investment: Traive
- VDAQ warrants conversion: R\$ 251.8 million
- ESG evolution:
  - PROSPEC tool: cattle suppliers risk assessment tool | Best performance on the Public Prosecutor's Office audit

\* Adjusted by VDAQ warrants conversion | (1) Considering October 27<sup>th</sup> closing price R\$ 9.07

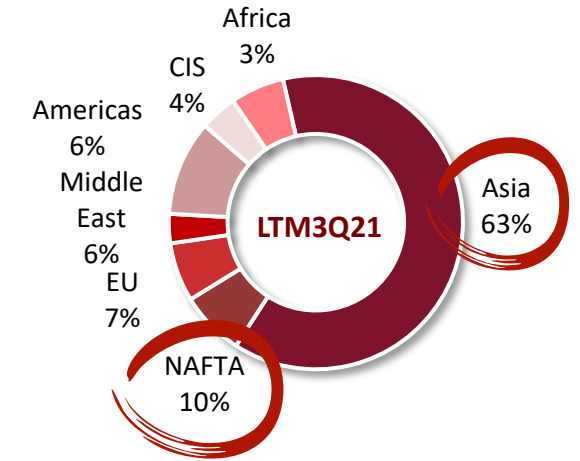
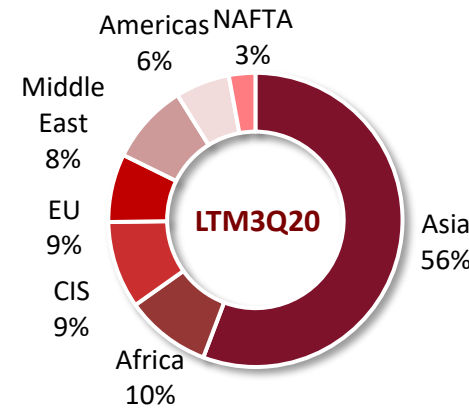
# Share of Exports

## SOUTH AMERICA MARKET SHARE – 3Q21



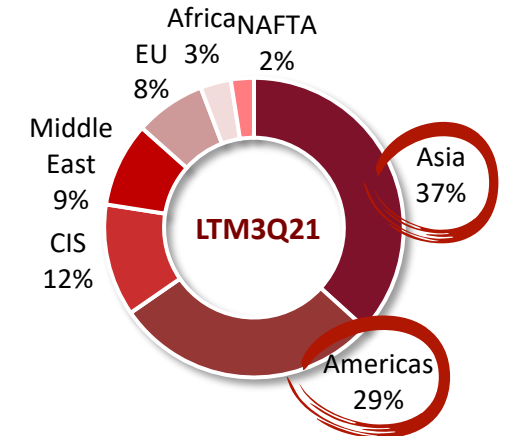
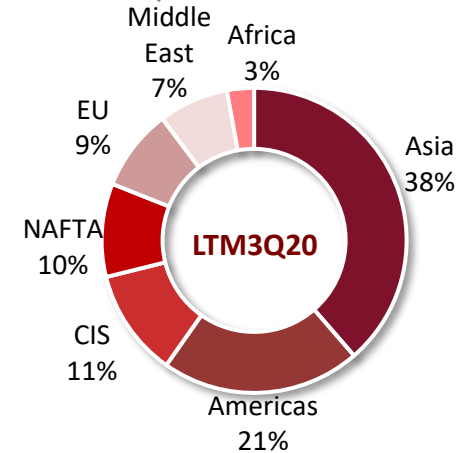
## BRAZILIAN DIVISION EXPORTS

(% OF REVENUE)



## ATHENA FOODS EXPORTS

(% OF REVENUE)



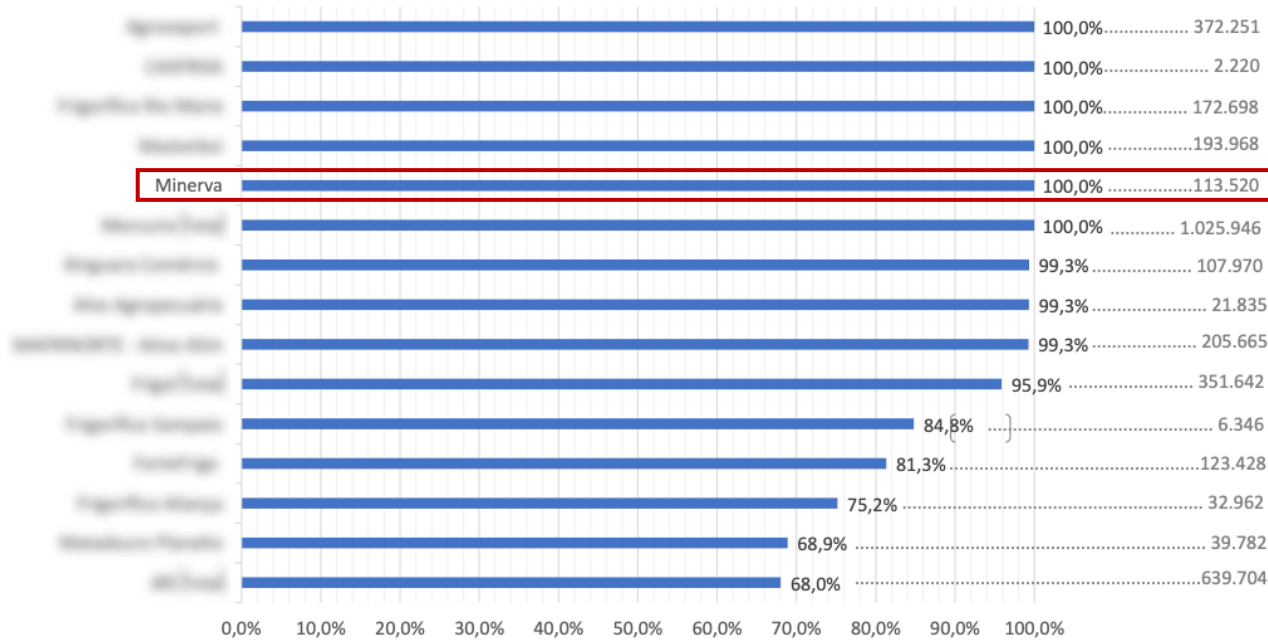
# Combating illegal deforestation results are Minerva Foods' ballast

The only official 3rd party verifiable audit  
 Under supervision of Public Prosecutor's Office  
 Publicly disclosed by Brazilian authority – reliable results  
 Authorities provides all data for 3rd party verification

## The true commitment to combating illegal deforestation in the Amazon



Signatories with higher compliance rates (% and quantity)



EMPRESAS	Auditoria 2018	Auditoria 2019	Auditoria 2020
	Non-compliances (%)	Non-compliances (%)	Non-compliances (%)
...	19,10	8,30	31,99
...	43,09	12,10	31,12
...	69,90	36,23	24,82
...	8,40	15,27	18,67
...	--	30,82	15,21
...	17,39	18,72	4,12
...	0,32	0,00	0,74
...	--	--	0,68
...	0,00	0,06	0,67
...	0,30	0,22	0,01
<b>Minerva</b>	<b>0,00</b>	<b>0,26</b>	<b>0,00</b>
...	0,00	0,00	0,00
...	0,00	0,02	0,00
...	0,00	3,50	0,00
...	31,00	3,72	0,00
...	--	--	14,37
...	72,00	17,62	--
...	38,26	1,80	--
...	26,17	25,25	--
...	11,50	--	--
...	0,50	--	--
...	44,04	78,74	--
...	9,65	--	--
...	0,22	--	--
...	7,21	--	--
...	19,89	1,93	--

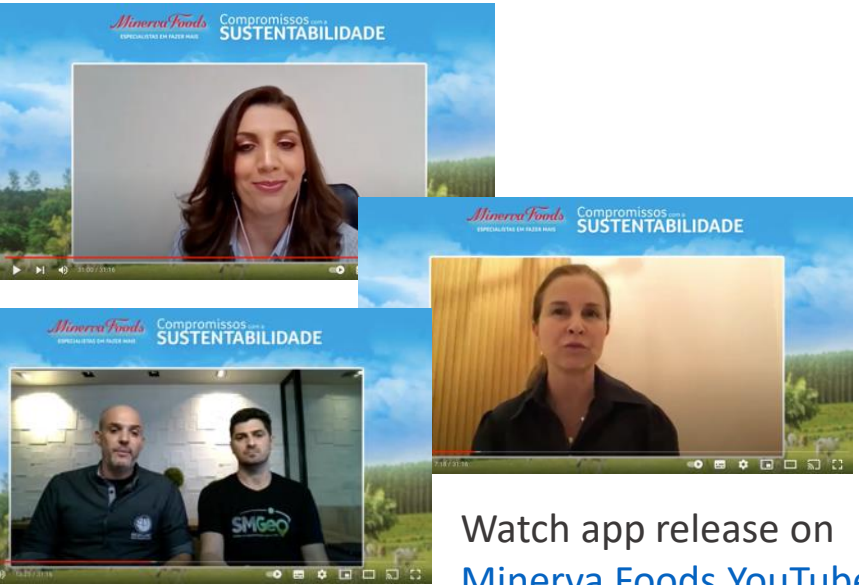
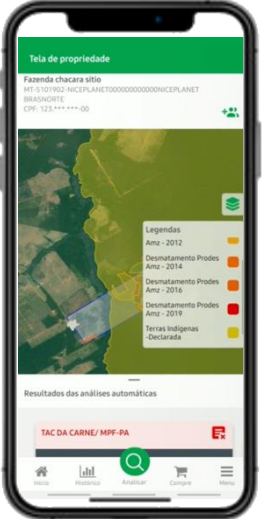
Source: Public Prosecutor's Office  
[http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2021/apresentacao\\_auditorias\\_cadeia\\_pecuaria\\_pa\\_07-10-2021.pdf/](http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2021/apresentacao_auditorias_cadeia_pecuaria_pa_07-10-2021.pdf/)

# SMGeo Prospec

technology transfer to producers

First app to support producers for social & environmental analysis of the production chain in Brazil

Technology in producers' hands, allowing geographical analysis of cattle purchases throughout all Brazilian territory



Watch app release on [Minerva Foods YouTube channel](#)

# renove

supporting low carbon livestock in South America

renove engages and collaborates with farmers in the implementation of low-carbon production practices

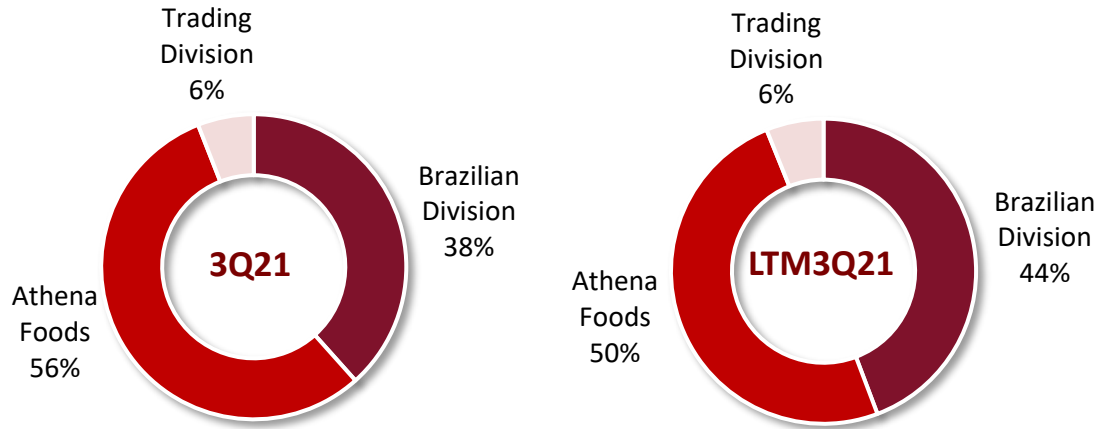
- measure and monitor the carbon balance of supplier farms
- offer technical support in the implementation of more sustainable and efficient practices
- facilitate access to payments for environmental services
- partnership with leading research and development institutions
- internationally recognized scientific methodologies
- credible and reliable results



# Operating and Financial Results

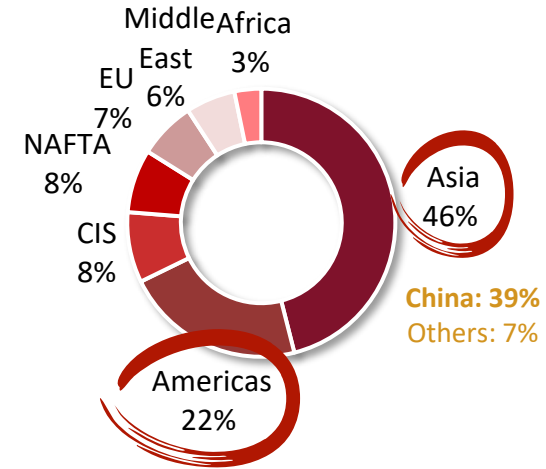
## DIVISIONS BREAKDOWN

(% OF GROSS REVENUE)

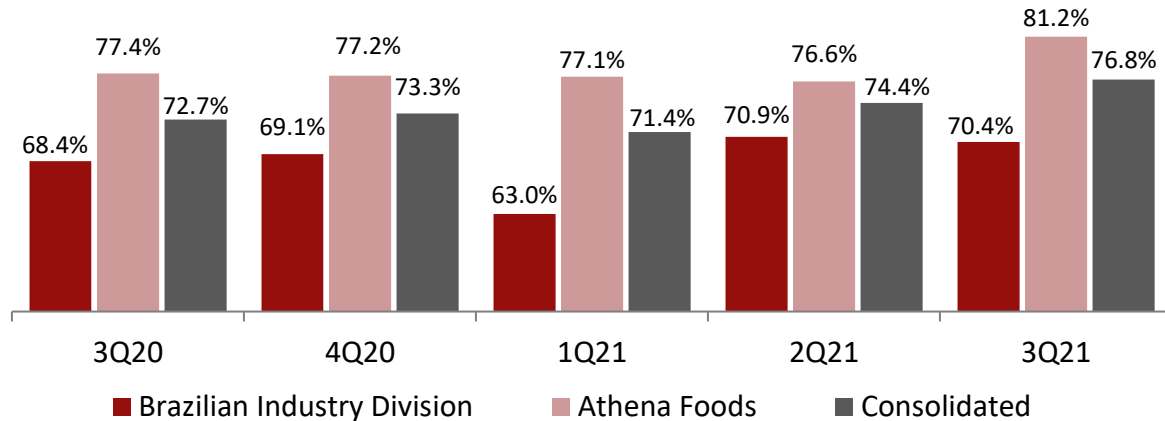


## CONSOLIDATED EXPORTS – 3Q21

(% OF REVENUE)

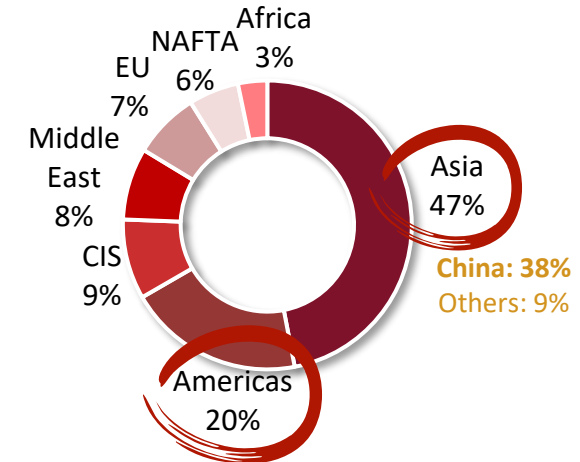


## CAPACITY UTILIZATION



## CONSOLIDATED EXPORTS – LTM3Q21

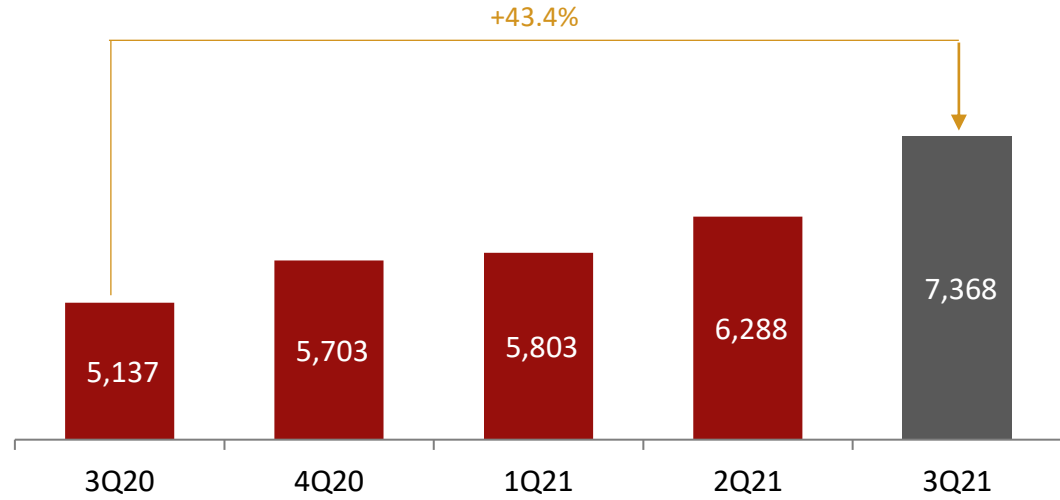
(% OF REVENUE)



# Operating and Financial Results

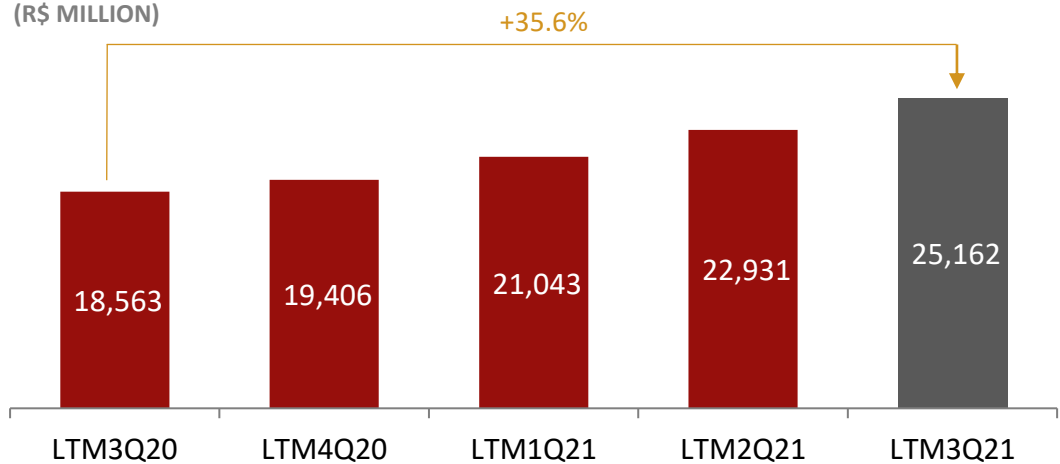
## NET REVENUE – QUARTERLY

(R\$ MILLION)



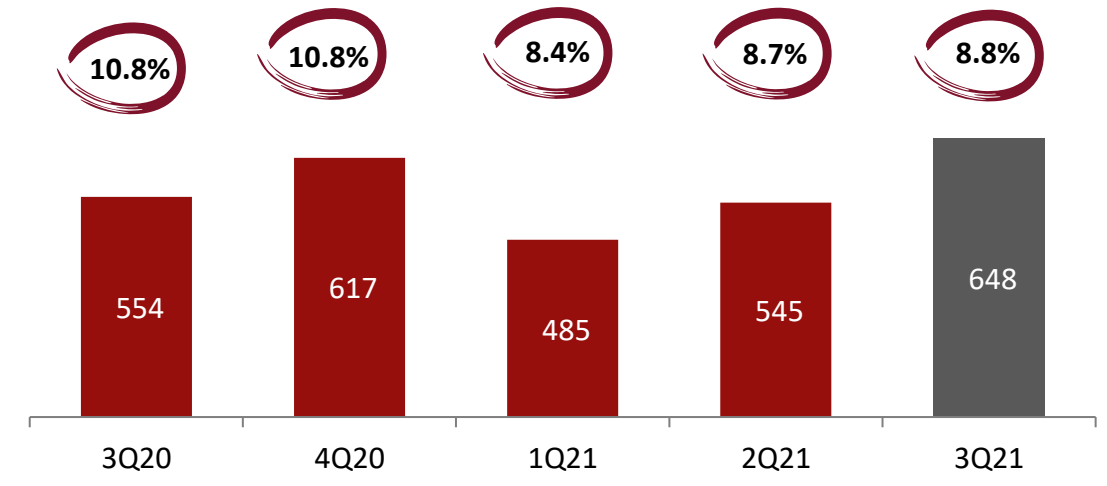
## NET REVENUE – YEARLY

(R\$ MILLION)



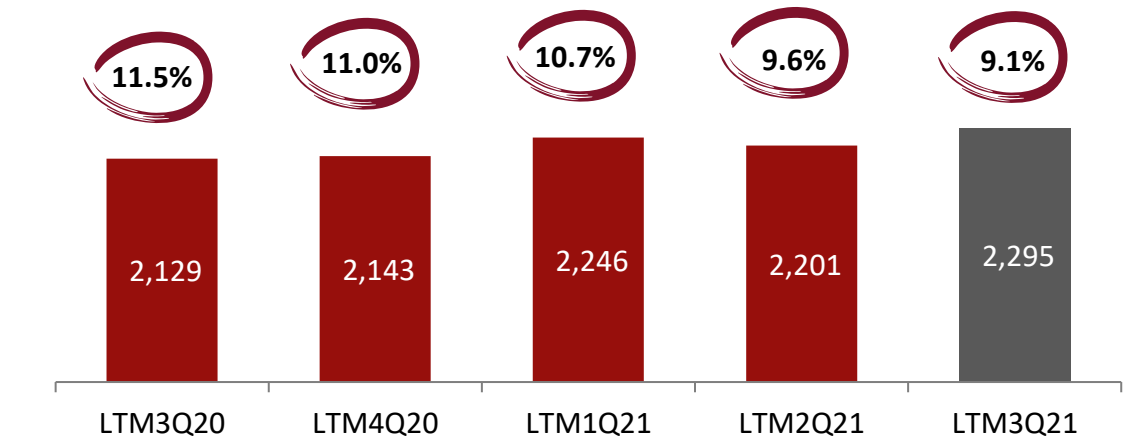
## EBITDA & EBITDA MARGIN – QUARTERLY

(R\$ MILION|%)



## EBITDA & EBITDA MARGIN - YEARLY

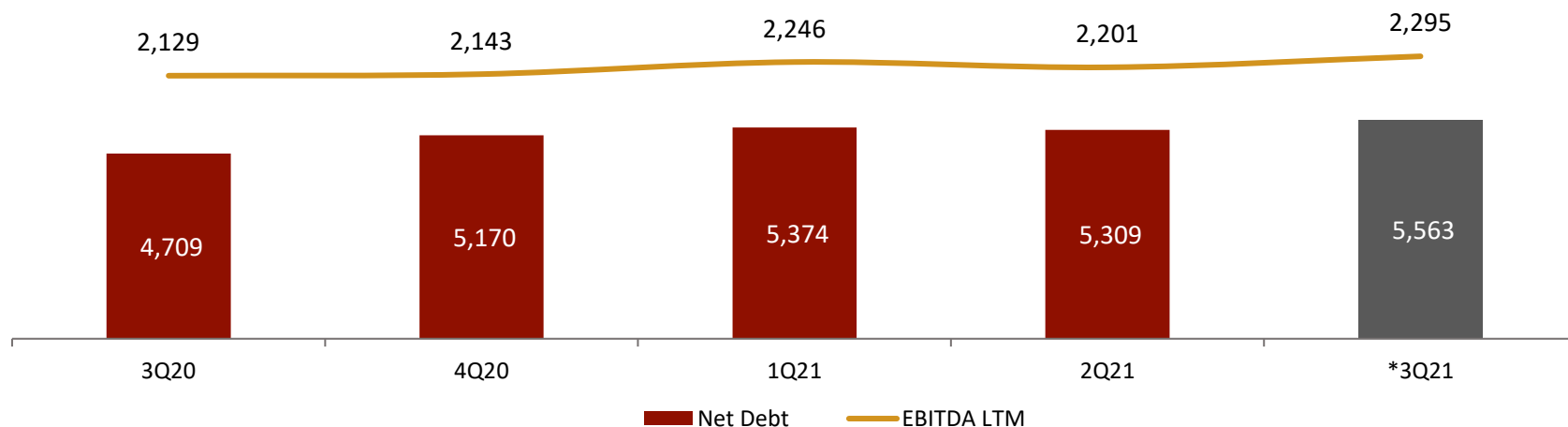
(R\$ MILION|%)



# Financial Leverage

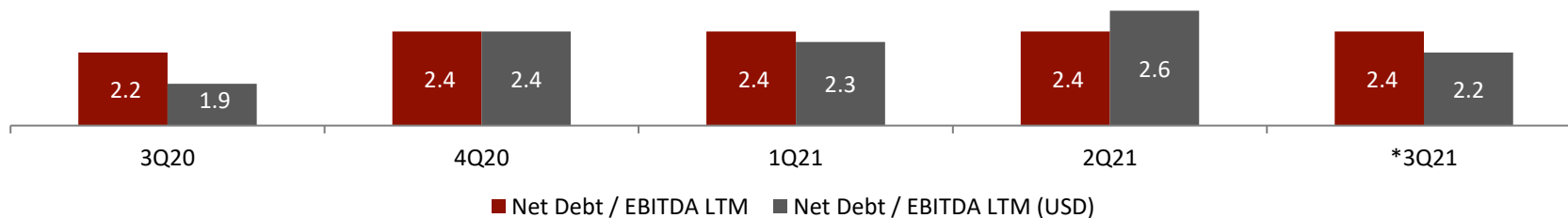
## NET DEBT AND EBITDA LTM

(R\$ MILLION)



## LEVERAGE (X)

(NET DEBT/EBITDA LTM)



R\$ Million

Sep/21

**Gross Debt** **13,846**

*2028 Bond Buyback (cancellation)* -384.1

**Gross Debt** **13,462**

**Cash and Cash Equivalents** **8,031**

*Warrants Subscription (1)* +251.8

*2028 Bond Buyback (cancellation)* -384.1

**Cash and Cash Equivalents** **7,898**

**Net Debt Adjusted\*** **5,563**

**EBITDA LTM** **2,295**

**Net Debt / EBITDA LTM** **2.4x**

*Leverage after Early Dividends* 2.5x

\*Adjusted by VDQ warrants conversion

(1) Outstanding warrants R\$ 61.6 million

# Net Result and Operating Cash Flow

## NET PROFIT

R\$ million	3Q21	LTM3Q21
Net Result Before Taxes	85	598
Taxes	(12)	(35)
<b>Net Result</b>	<b>72</b>	<b>563</b>

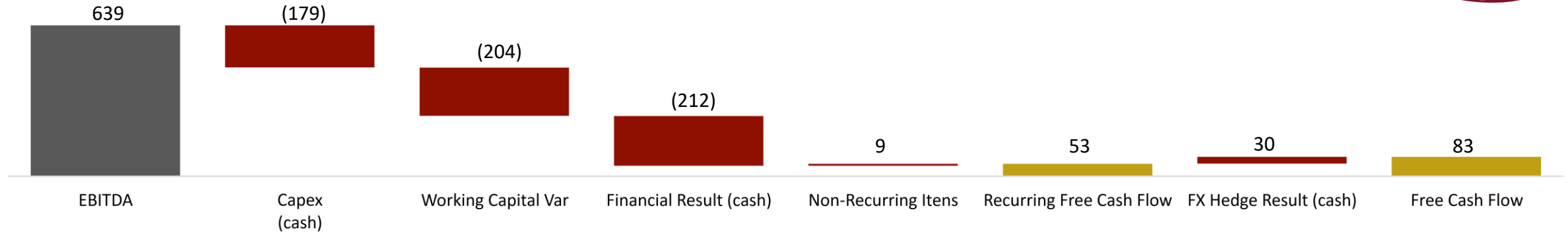
## OPERATING CASH FLOW

R\$ million	3Q21	LTM3Q21
Net Result	72	563
(+) Net Result Adjustments	544	1,372
(+) Changes in Working Capital Requirements	-204	-148
<b>Operating Cash Flow</b>	<b>412</b>	<b>1,786</b>

# Free Cash Flow

## FREE CASH FLOW 3Q21

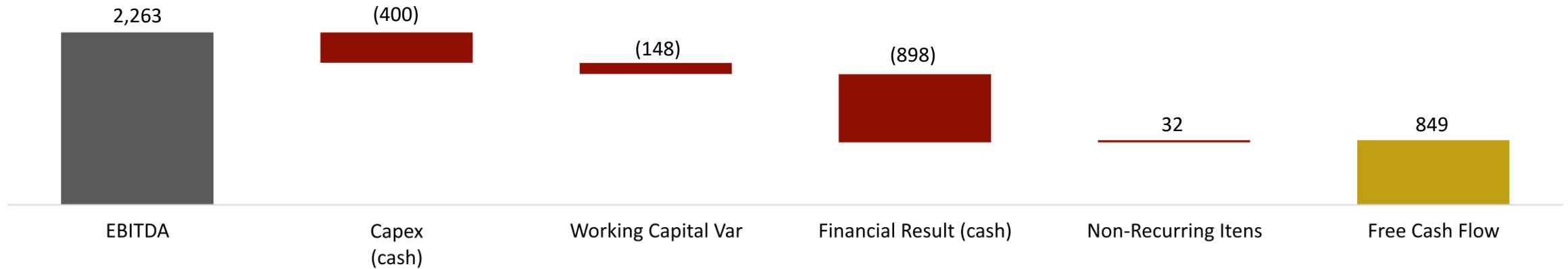
(R\$ MILLION)



15<sup>th</sup> consecutive quarter with positive FCF

## FREE CASH FLOW LTM3Q21

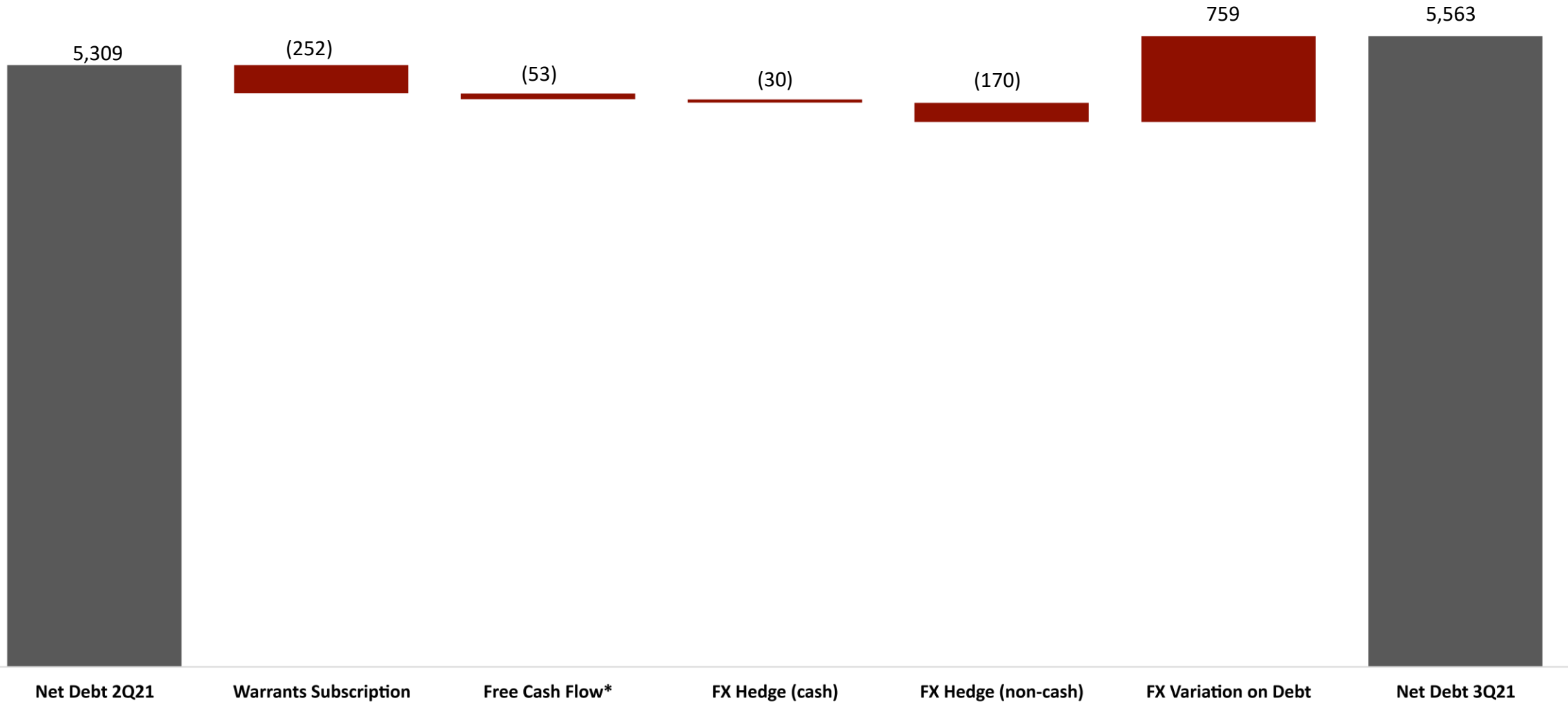
(R\$ MILLION)



# Debt Bridge

## NET DEBT BRIDGE

(R\$ MILLION)



\* Before FX Hedge Result

# Capital Structure

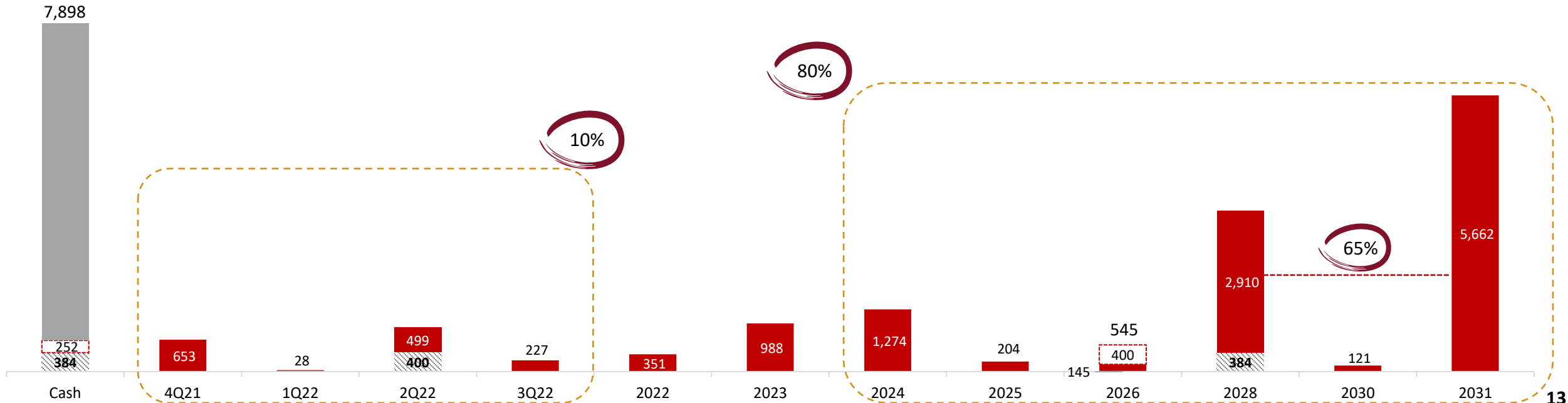
## HIGHLIGHTS

- Leverage measured by Net Debt / EBITDA LTM ratio : **2.4x\***
  - Warrants subscription of R\$ 251.8 million
- Cash Position: R\$ 8.0 bn
- At the end of September, approximately 71% of total debt was FX indexed
  - According to the Company's hedging policy, at least 50% of long-term FX exposure is hedged
- Debt Duration: improved to ~5.6 years

\*Adjusted by VDO warrants conversion

- Liability Management:
  - Bond 28 Buyback (cancellation)
    - USD 70.6 million (R\$ 384.1 million)
  - Retap Bond 2031 (July/21)
    - US\$ 400 million (4.375% coupon)
  - Local debenture (October/21)
    - R\$ 400 million
    - Maturing in 5 years (CDI + 1.60%)

## DEBT AMORTIZATION SCHEDULE – PROFORMA – OCT 2021



# Capital Structure Discipline



## HIGHLIGHTS

- Value creation:
  - Interest on equity (Jan/21): **R\$19.3 million<sup>(1)</sup>**
  - Complementary dividend (April/21): **R\$384.3 million**
  - Early dividends (Nov/21): **R\$200.0 million**
  - Cash Dividend yield 2021: **12.4%**
- Capital Discipline → **2.5x** Net Debt/EBITDA LTM after dividends



## CASH DIVIDENDS DISTRIBUTION 2021

2021	R\$ million	R\$/ share	R\$ million	9M21	R\$ million	LTM3Q21
Interest on Equity <sup>(1)</sup>	19.3	0.04	Accumulated Net Income	448.6	EBITDA	2,294.8
Complementary dividends	384.3	0.73	<i>Total cash dividend per share</i>	<i>1.12</i>	Net debt	5,563.2
Early dividends	200.0	0.35	BEEF3 <small>(10/27/2021)</small>	9.07	<b>Net debt/EBITDA (x)</b>	<b>2.4<sup>(2)</sup></b>
<b>Total Cash Dividends</b>	<b>603.6</b>	<b>1.12</b>	<b>Cash Dividend Yield 2021</b>	<b>12.4%</b>	Early dividends	200.0
					<b>Net debt/EBITDA(x) After Dividends</b>	<b>2.5</b>

(1) Interest on equity net proceeds | (2) Adjusted by VDQ warrants conversion

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