



# EARNINGS RELEASE 3Q22

**Minerva (BEEF3)****Price on November 08, 2022:** R\$ 14.64**Market cap:** R\$ 8.9 billion**Shares:** 607,283,407**Free Float:** 43.4%**Conference Calls**

November 10, 2022

**Portuguese:**

9:00 a.m. (Brasília) 7:00 a.m. (US EST)

[Webcast](#)**English:**

9:00 a.m. (Brasília) 7:00 a.m. (US EST)

[Webcast](#)**IR Contact:**

Edison Ticle

Danilo Cabrera

Luiza Puoli

Gustavo Ityanagui

Marcelo Reis

**Phone:** (11) 3074-2444[ri@minervafoods.com](mailto:ri@minervafoods.com)

Click or scan

## Earnings Release

**Barretos, November 09, 2022** – Minerva S.A. (BM&FBOVESPA: BEEF3 | OTC - Nasdaq International: MRVSY), the South American leader in the export of fresh beef and cattle byproducts, which also operates the processed foods segment, announces today its results for the third quarter of 2022 (3Q22). The following financial and operational information is presented in BRGAAP, in Brazilian Reais (R\$), according to the International Financial Reporting Standards (IFRS).

### 3Q22 Highlights

- In 3Q22, Free cash flow, after financial expenses, Capex, and working capital, totaled R\$ 601 million on a recurring basis and R\$ 536 million after the cash effect of the derivatives. In LTM3Q22, free cash flow totaled R\$ 992 million. Since 2019, the Company has accumulated more than R\$ 4.5 billion in free cash flow.
- Net leverage in 3Q22, measured by the Net Debt/LTM EBITDA ratio, closed the quarter at 2.18x, the lowest level since 2008, confirming Minerva Foods' strong capital structure.
- EBITDA reached an all-time high of R\$ 806.2 million in 3Q22, a significant YoY growth of 24.4%, with an EBITDA margin of 9.6%. EBITDA totaled R\$ 3.0 billion in LTM3Q22, growing by 29.2% YoY, and the highest level ever reported by the Company, with an EBITDA margin of 9.4%.
- In 3Q22, net income reached R\$ 141.5 million, accumulating R\$ 680.7 million in the year, and totaling R\$ 831.0 in the last twelve months ended September 2022.
- The consolidated gross revenue reached R\$ 9.0 billion in 3Q22, up by 14.9% YoY. In the same period, exports accounted for 69.7% of the Company's gross revenue, consolidating our position as the leading beef exporter in South America, with a market share of approximately 20%.
- The Company's net revenue totaled R\$ 8.4 billion in 3Q22, up by 14.5% over the same period of the previous year. In the 12 months ended September 2022, Minerva's net revenue totaled R\$ 31.6 billion, up by 25.8% over LTM3Q21.
- In August, the Company paid intercalary dividends of R\$ 128.1 million, or R\$ 0.22/share. In 9M22, the Company had already distributed approximately R\$ 0.56/share, totaling R\$ 328.1 million in dividends to its shareholders.
- Commitment to Sustainability: we have made strides in the geographic monitoring of direct suppliers in Colombia having reached more than 80% and in Uruguay we have begun to study socio-environmental legislation and to conduct a geographic analysis, in order to analyze the size of rural properties across different regions of the country and the standards applicable for geospatial monitoring.
- Compromisso Público da Pecuária: 100% compliance for the ninth consecutive year, a result certified by BDO RCS Auditores Independentes
- Renove Program: Introduction of the first project for generating carbon credits through good agriculture and cattle ranching practices in Brazil.
- Renove Program: Launch of carbon-neutral beef out of Uruguay with emissions offset by the sale of carbon credits generated through a forest-livestock integration project in Uruguay and marketed by MyCarbon.
- Sustainability Report: awarded two prestigious international recognitions for information quality, clarity, and transparency. "Best Sustainability Report", sponsored by ESG Investing, in the consumer goods category and ranked among the top two in the "Best in the World" award, given by Hallbars Sustainability Research Organization.



## Message from Management

The first nine months of 2022 were marked by the constant evolution of Minerva Foods' operational and financial performance, always with a consistent, focused, and disciplined business strategy, consolidating the Company as one of the key animal protein players worldwide. We closed 3Q22 with net revenue of R\$ 8.4 billion, in addition to registering an all-time high EBITDA of R\$ 806 million. In the last twelve months, Minerva recorded a significant net revenue of R\$ 31.6 billion and EBITDA of R\$ 3.0 billion. We closed the quarter with net income of R\$ 141.5 million and free cash flow of R\$ 536.4 million, as a result of Minerva Foods' efficient operational, commercial and financial management.

In line with our commitment to a healthy capital structure, we ended the quarter with the lowest net leverage ever since 2008: 2.18x Net Debt/EBITDA, even considering the currency depreciation in the period and the disbursement of R\$128.1 million in dividends.

**Net Revenue****R\$ 8.4 billion****EBITDA****R\$ 806.2 million****Net Income****R\$ 141.5 million**

The geographical diversification strategy – one of the pillars of our business model – continues to play a fundamental role in maintaining our profitability and in acting as an important risk-mitigating agent. In step with this strategy, we advanced in the Australian market with the recent acquisition of ALC (Australia Lamb Company), expanding our geographic positioning and increasing our arbitration capacity in the global animal protein market, always respecting our commitment to capital discipline and the maintenance of a solid balance sheet.

The international animal protein market, especially that of beef, continues to have very positive fundamentals and prospects, particularly in South America. The increased availability of animals ready for slaughter in our continent combined with the restricted beef supply in the U.S. over the coming years create unique opportunities for South American exporters. Besides this scenario, we face persistent sanitary and climate difficulties in some of the main regions producing animal protein around the world, such as the U.S., Europe and some Asian countries. It is also worth highlighting the consistently increasing availability of cattle here in Brazil, reflecting the resumption of the bovine cycle, a trend that is expected to consolidate in the coming months. Therefore, South America, with its pasture-based cattle production matrix, has been expanding its competitiveness even further in the global beef market, especially considering the current environment of strong cost pressure. As a result, Minerva Foods' operational footprint offers the Company access to 100% of global demand, making this one of our key competitive advantages, reducing risks and contributing to our global arbitrage strategy in the animal protein export market.

**Free Cash Flow****R\$ 536.4 million****Leverage****2.18x**

The Company's financial management reached again a free cash flow generation in the quarter, of approximately R\$ 536.4 million. In the last 12 months, free cash generation totaled R\$ 992.5 million. Our solid cash balance also stood out in the quarter, closing the period at R\$ 8.0 billion and with the Net Debt/LTM EBITDA ratio at 2.18x, the lowest since 2008. As a result of our operational and financial performance and stable balance sheet, we continue to advance in value creation initiatives, such as the payment of R\$ 128.1 million in early dividends in August. Since early 2022, the Company has already disbursed R\$ 328.1 million, or R\$ 0.56/share, in payout. Minerva Foods remains committed to its strategy for maximizing profitability, financial discipline and shareholder value creation.

As for ESG, in the third quarter of 2022, we continued to allocate resources and put effort into achieving targets related to our Commitment to Sustainability. The pioneering spirit of Minerva Foods to fight illegal deforestation in Latin America resulted in further progress in Colombia and Uruguay. In Colombia, the percentage of geographic monitoring of direct supply farms increased from 40% to more than 80%, and in Uruguay, we initiated a study on the local socio-environmental legislation and a geographical diagnosis to establish parameters applicable to the country's monitoring.



Reiterating our robust monitoring system of direct supply farms, we registered for the ninth consecutive year 100% compliance with the Public Livestock Commitment made in 2009. The assessment of results was approved by BDO RCS Auditores Independentes.

The Renove Program has been showing its leading role in engaging with the supply chain towards a more sustainable future, developing projects to generate carbon credits and projects to sell certified products in relation to their carbon footprint. With the third-party certification, we ensure the transparency of our processes, the use of internationally recognized science to calculate emissions, and the improvement of production in the coming years. We ensure reliability so that our end customers can consume sustainable food products that have a positive impact on the world.

Finally, Minerva Foods' commitment and tradition of transparency were recognized through our 11th Sustainability Report, which stood out in two international awards. The Company won the Best Sustainability Report award, in the consumer goods category, organized by ESG Investing and was ranked among the top two in the Best in the World award, promoted by Hallbars Sustainability Research Organization.

The prospects for the end of the year remain positive, as we are attentive to challenges and opportunities arising out of the global animal protein market. We remain confident in the work of our team, in our operational consistency, in our financial discipline, and in the respect we have for our 5 corporate values: results orientation, commitment, sustainability, innovation and recognition of our employees, as we believe this is the best way to create stakeholder value.

**We are Minerva Foods** - a Company committed to the sustainable future of the planet's food.

**Fernando Galletti de Queiroz**  
Chief Executive Officer



## Results Analysis

### Key Consolidated Indicators

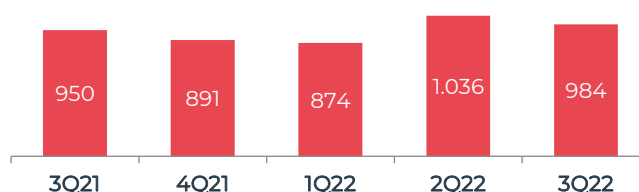
R\$ million	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Total slaughter ('000 head)	983.9	950.3	3.5%	1,035.9	-5.0%	3,785.0	3,539.2	6.9%
Total sales volume ('000 metric tons)	323.1	297.5	8.6%	321.7	0.4%	1208.5	1173.4	3.0%
Gross Revenue	8,979.7	7,814.6	14.9%	8,962.3	0.2%	33,549.4	26,648.6	25.9%
Export Market	6,255.4	5,370.8	16.5%	6,365.8	-1.7%	23,106.0	18,077.5	27.8%
Domestic Market	2,724.3	2,443.7	11.5%	2,596.5	4.9%	10,443.4	8,571.0	21.8%
Net Revenue	8,437.7	7,368.2	14.5%	8,471.8	-0.4%	31,644.5	25,162.4	25.8%
EBITDA	806.2	648.1	24.4%	778.0	3.6%	2,965.5	2,294.8	29.2%
EBITDA Margin	9.6%	8.8%	0.8 p.p.	9.2%	0.4 p.p.	9.4%	9.1%	0.3 p.p.
Net Debt / LTM EBTIDA (x)	2.18	2.4	-0.2	2.3	-0.1	2.2	2.4	-0.2
Net Income (Loss)	141.5	72.4	95.5%	424.7	-66.7%	831.0	562.7	47.7%

## Operational and financial performance

### Slaughter

Consolidated slaughter totaled 984 thousand head of cattle in 3Q22, up by approximately 4% YoY. The growth in slaughter volume is boosted by consistent international demand for beef, and greater availability of animals ready for slaughter, especially in Brazil.

Figure 1 – Consolidated Slaughter



### Gross Revenue

In 3Q22, the Company's consolidated gross revenue reached R\$ 9.0 billion, a strong increase of 14.9% over 3Q21. In 2022, gross revenue totaled R\$ 25.6 billion.

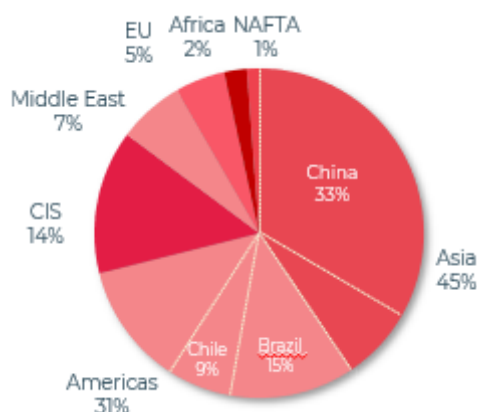
In the 12 months ended September 2022, Minerva Foods' gross revenue totaled R\$ 33.5 billion, a significant YoY growth of 26%.

See the chart below for more details on gross revenue.

Gross Revenue (R\$ million)	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Brazil	4,553.2	2,999.7	51.8%	4,261.9	6.8%	16,046.1	11,792.6	36.1%
Argentina	1,445.8	1,240.2	16.6%	1,327.8	8.9%	4,936.3	3,147.5	56.8%
Colombia	561.2	610.3	-8.0%	269.6	108.1%	1,559.4	1,722.7	-9.5%
Paraguay	1,325.8	1,356.2	-2.2%	1,472.4	-10.0%	4,949.4	5,018.5	-1.4%
Uruguay	623.4	1,143.4	-45.5%	1,162.7	-46.4%	4,021.4	3,344.2	20.3%
Others <sup>(1)</sup>	470.3	464.8	1.2%	467.9	0.5%	2,036.7	1,622.9	25.5%
<b>Total</b>	<b>8,979.7</b>	<b>7,814.6</b>	<b>14.9%</b>	<b>8,962.3</b>	<b>0.2%</b>	<b>33,549.4</b>	<b>26,648.6</b>	<b>25.9%</b>

<sup>(1)</sup> consists of the result from live cattle exports, protein trading, energy trading, resale of third-party products, and Australia's operations.

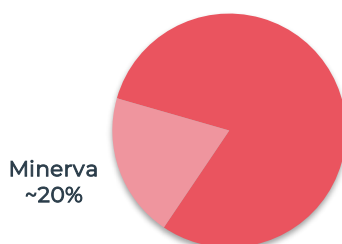
Figure 2 – Breakdown by Gross Revenue – 3Q22



## Exports - Market Share

Minerva Foods remained the leading beef exporter on the continent. The Company accounted for approximately 20% of South American beef exports in the period.

Figure 3 – Market Share - LTM3Q22



Sources: Minerva, Secex, Penta-transaction, OCIT, INDEC/ICA, and Legiscomex

## Export Market – 69.7% of Gross Revenue in 3Q22 | 68.9% in LTM3Q22

Exports generated revenue of R\$ 6.3 billion in 3Q22, up by 16.5% over 3Q21. In the last 12 months ended September, gross revenue from exports came to R\$ 23.1 billion, up by 27.8% YoY.

In 3Q22, the performance of the export market in the Brazil division accounted for 71.6% of gross revenue and 66.2% of the volume. In the ex-Brazil operations (Argentina, Colombia, Paraguay, and Uruguay), exports accounted for 72.5% of gross revenue, and 65.4% of the volume in the same period.

Below is a more detailed description of exports share in gross revenue and volume by origin:

Exports (% of Gross Revenue)*	3Q22	3Q21	2Q22
Brazil	71.6%	63.4%	71.3%
Ex-Brazil	72.5%	76.3%	76.1%
<b>Total</b>	<b>69.7%</b>	<b>68.7%</b>	<b>71.0%</b>

\*Excluding others



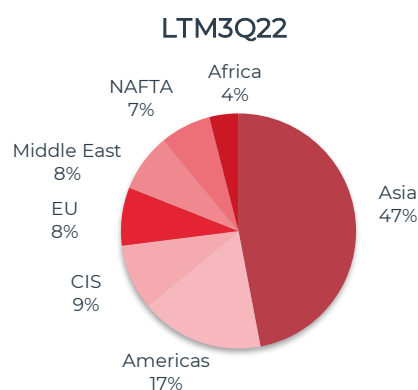
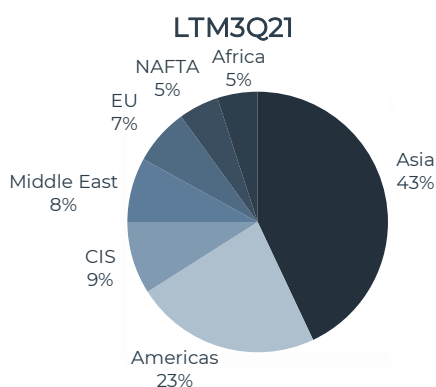
Exports (% of Volume)*	3Q22	3Q21	2Q22
Brazil	66.2%	57.0%	63.0%
Ex-Brazil	65.4%	72.5%	68.2%
Total	65.9%	66.0%	65.7%

\*Excluding others

Exports by region between LTM3Q22 and LTM3Q21 were as follows:

- **Africa:** The region accounted for 4% of exports in the last twelve months ended September 2022, and remained virtually flat over LTM3Q21.
- **Americas:** The Americas accounted for 17% of total exports in LTM3Q22, down by 5 p.p. from the same period in 2021, being the second main destination of Minerva Foods' exports.
- **Asia:** Asia accounted for 47% of total exports in LTM3Q22, growing by 4 p.p. over LTM3Q21 and remaining the main destination for our exports. China accounted for 39% of the Company's exports in the period.
- **CIS (Commonwealth of Independent States):** The Commonwealth of Independent States, represented mainly by Russia, accounted for 9% of our exports in LTM3Q22, flat in the annual comparison.
- **Europe:** Europe accounted for 8% of our exports in LTM3Q22, in line with the previous period.
- **NAFTA:** NAFTA accounted for 7% of exports, up by 2 p.p. over LTM3Q21. It is worth noting that the region continues represented by the United States, whose demand for South American beef has been increasing.
- **Middle East:** In the 12-month period ended September 2022, the Middle East region accounted for 8% of exports, flat over LTM3Q21.

Figures 4 and 5 - Breakdown of Export Revenue by Region Consolidated



Source: Minerva

## Domestic Market – 30.3% of Gross Revenue in 3Q22 | 31.1% in LTM3Q22

In 3Q22, gross revenue from the domestic market reached R\$ 2.7 billion, increasing by 11.5% over 3Q21 and by 4.9% over the previous quarter. In LTM3Q22, gross revenue from the domestic market totaled R\$ 10.4 billion, a strong increase of 21.8% over LTM3Q21. It is worth noting that the sector has positive demand seasonality in the second half of the year, consequently impacting beef consumption.

The breakdown of gross revenue, sales volume, and average price is as follows:

Gross Revenue (R\$ Million)	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Export Market	6,255.4	5,370.8	16.5%	6,365.8	-1.7%	23,106.0	18,077.5	27.8%
Domestic Market	2,724.3	2,443.8	11.5%	2,596.5	4.9%	10,443.4	8,571.1	21.8%
<b>Total</b>	<b>8,979.7</b>	<b>7,814.6</b>	<b>14.9%</b>	<b>8,962.3</b>	<b>0.2%</b>	<b>33,549.4</b>	<b>26,648.6</b>	<b>25.9%</b>

Sales Volume ('000 metric tons)	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Export Market	212.8	195.4	8.9%	211.4	0.6%	788.8	753.8	4.6%
Domestic Market	110.3	102.1	8.1%	110.3	0.0%	419.7	419.6	0.0%
<b>Total</b>	<b>323.1</b>	<b>297.5</b>	<b>8.6%</b>	<b>321.7</b>	<b>0.4%</b>	<b>1,208.5</b>	<b>1,173.4</b>	<b>3.0%</b>

Average Price	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Export Market (US\$/Kg)	5.6	5.3	6.5%	6.1	-8.5%	5.6	4.5	24.5%
Domestic Market (R\$/Kg)	24.7	23.9	3.2%	23.5	4.9%	24.9	20.4	21.8%
Average dollar (source: BACEN)	5.25	5.22	0.4%	4.92	6.7%	5.24	5.34	-1.9%

## Breakdown by Origin

To increase the disclosure and transparency of the Company's information, a more detailed breakdown of performance by country is provided below:



Brazil	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Gross Revenue	4,553.2	2,999.7	51.8%	4,261.9	6.8%	16,046.1	11,792.6	36.1%
Sales Volume	169.6	118.1	43.6%	152.7	11.1%	588.9	496.0	18.7%



Argentina	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Gross Revenue	1,445.8	1,240.2	16.6%	1,327.8	8.9%	4,936.3	3,147.5	56.8%
Sales Volume	46.6	41.3	12.8%	44.3	5.2%	170.7	163.4	4.5%



Colombia	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Gross Revenue	561.2	610.3	-8.0%	269.6	108.1%	1,559.4	1,722.7	-9.5%
Sales Volume	22.6	30.9	-26.9%	14.2	59.3%	76.7	96.1	-20.2%



Paraguay	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Gross Revenue	1,325.8	1,356.2	-2.2%	1,472.4	-10.0%	4,949.4	5,018.5	-1.4%
Sales Volume	62.0	60.8	2.0%	67.7	-8.4%	225.2	263.0	-14.4%



Uruguay	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Gross Revenue	623.4	1,143.4	-45.5%	1,162.7	-46.4%	4,021.4	3,344.2	20.3%
Sales Volume	22.3	46.5	-51.9%	42.9	-48.0%	147.0	154.8	-5.1%

Others	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Gross Revenue	470.3	464.8	1.2%	467.9	0.5%	2,036.7	1,622.9	25.5%



## Net Revenue

Minerva Foods' net revenue totaled R\$ 8.4 billion in 3Q22, a YoY growth of 14.5%. In 9M22, net revenue totaled R\$ 24.1 billion.

In LTM3Q22, the consolidated net revenue totaled R\$ 31.6 billion, a strong growth of 25.8% over LTM3Q21, once again an all-time high revenue for the period.

R\$ million	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Gross Revenue	8,979.7	7,814.6	14.9%	8,962.3	0.2%	33,549.4	26,648.6	25.9%
Deductions and Discounts	-542.0	-446.3	21.4%	-490.6	10.5%	-1,904.9	-1,486.2	28.2%
<b>Net Revenue</b>	<b>8,437.7</b>	<b>7,368.2</b>	<b>14.5%</b>	<b>8,471.8</b>	<b>-0.4%</b>	<b>31,644.5</b>	<b>25,162.4</b>	<b>25.8%</b>
% of Gross Revenue	94.0%	94.3%	-0.3 p.p.	94.5%	-0.6 p.p.	94.3%	94.4%	-0.1 p.p.

## Cost of Goods Sold (COGS) and Gross Margin

COGS accounted for 80.3% of net revenue in 3Q22, with a gross margin of 19.7%, a strong YoY growth, and the best level since 2020. In LTM3Q22, COGS accounted for 81.7% of net revenue, with a gross margin of 18.3%.

R\$ million	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Net Revenue	8,437.7	7,368.2	14.5%	8,471.8	-0.4%	31,644.5	25,162.4	25.8%
<b>COGS</b>	<b>-6,778.8</b>	<b>-6,112.0</b>	<b>10.9%</b>	<b>-6,954.1</b>	<b>-2.5%</b>	<b>-25,840.4</b>	<b>-20,861.5</b>	<b>23.9%</b>
% of Net Revenue	80.3%	83.0%	-2.6 p.p.	82.1%	-1.7 p.p.	81.7%	82.9%	-1.2 p.p.
<b>Gross Profit</b>	<b>1,658.8</b>	<b>1,256.3</b>	<b>32.0%</b>	<b>1,517.7</b>	<b>9.3%</b>	<b>5,804.1</b>	<b>4,300.9</b>	<b>35.0%</b>
Gross Margin	19.7%	17.0%	2.6 p.p.	17.9%	1.7 p.p.	18.3%	17.1%	1.2 p.p.

## Selling, General and Administrative Expenses

Selling expenses accounted for 8.2% of net revenue in 3Q22, while general and administrative expenses accounted for around 3.0%. In LTM3Q22, selling expenses accounted for 7.3% of net revenue, while general and administrative expenses accounted for 3.1%.

R\$ million	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
<b>Selling Expenses</b>	<b>-691.4</b>	<b>-502.2</b>	<b>37.7%</b>	<b>-609.8</b>	<b>13.4%</b>	<b>-2,298.3</b>	<b>-1,597.9</b>	<b>43.8%</b>
% of Net Revenue	8.2%	6.8%	1.4 p.p.	7.2%	1.0 p.p.	7.3%	6.4%	0.9 p.p.
<b>G&amp;A Expenses</b>	<b>-256.5</b>	<b>-210.7</b>	<b>21.7%</b>	<b>-244.2</b>	<b>5.0%</b>	<b>-979.8</b>	<b>-767.0</b>	<b>27.7%</b>
% of Net Revenue	3.0%	2.9%	0.2 p.p.	2.9%	0.2 p.p.	3.1%	3.0%	0.0 p.p.

## EBITDA

Minerva Foods' consolidated EBITDA reached a significant R\$ 806.2 million in 3Q22, the highest level ever recorded by the Company, with growths of 24.4% YoY and 3.6% QoQ. The EBITDA margin was 9.6% in 3Q22, up by approximately 80 bps over 3Q21. In 9M22, consolidated EBITDA reached R\$ 2.2 billion.

In LTM3Q22, EBITDA totaled approximately R\$ 3.0 billion, a record level for the 12-month period, and a YoY growth of 29.2%, with an EBITDA margin of 9.4%.

R\$ million	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Net Income (Loss)	141.5	72.4	95.5%	424.7	-66.7%	831.0	562.7	47.7%
(+/-) Deferred income tax and social contribution	39.1	12.4	213.9%	-15.7	-348.4%	-286.0	35.4	-908.4%
(+/-) Financial Result	523.0	464.0	12.7%	262.1	99.5%	2,015.3	1,343.1	50.1%
(+/-) Depreciation and Amortization	102.7	90.1	14.0%	107.0	-4.0%	399.5	321.8	24.2%
(+/-) Other Expense Adjustments	-	9.2	-100.0%	-	n.a.	5.6	31.8	-82.4%
<b>EBITDA</b>	<b>806.2</b>	<b>648.1</b>	<b>24.4%</b>	<b>778.0</b>	<b>3.6%</b>	<b>2,965.5</b>	<b>2,294.8</b>	<b>29.2%</b>
<b>EBITDA Margin</b>	<b>9.6%</b>	<b>8.8%</b>	<b>0.8 p.p.</b>	<b>9.2%</b>	<b>0.4 p.p.</b>	<b>9.4%</b>	<b>9.1%</b>	<b>0.3 p.p.</b>

## Financial Result

The net financial result was a negative R\$ 523.0 million in 3Q22, mainly impacted by the other financial expenses line, especially the negative impact of R\$ 84.4 million from hedge.

It is worth noting that, in line with the risk management policy, the Company has been hedging around 40% of its long-term debt in foreign currency.

R\$ million	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Financial Expenses	-323.7	-262.8	23.2%	-296.6	9.1%	-1,152.8	-1,011.9	13.9%
Financial Revenue	73.4	22.4	228.0%	27.1	170.9%	149.3	62.2	139.8%
Monetary Adjustment	-50.6	-42.5	19.0%	-62.6	-19.2%	-199.4	-152.3	30.9%
FX Variation	-42.6	-119.3	-64.3%	-25.3	68.6%	-335.0	192.7	n.a.
Other Expenses	-179.4	-61.8	190.3%	95.3	n.a.	-477.3	-433.8	10.0%
<b>Financial Result</b>	<b>-523.0</b>	<b>-464.0</b>	<b>12.7%</b>	<b>-262.1</b>	<b>99.5%</b>	<b>-2,015.3</b>	<b>-1,343.1</b>	<b>50.0%</b>
Average dollar (R\$/US\$)	5.25	5.22	0.4%	4.92	6.7%	5.24	5.34	-1.9%
Closing dollar (R\$/US\$)	5.41	5.44	-0.6%	5.24	3.2%	5.41	5.44	-0.6%

R\$ million	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
FX hedge	-84.4	30.3	n.a.	201.3	n.a.	-163.5	-137.8	18.7%
Commodities hedge	-19.1	-44.9	-57.5%	-32.9	-41.9%	-33.0	-83.1	-60.3%
Fees, Commissions, and Others	-75.9	-47.2	60.8%	-73.1	3.8%	-280.8	-212.9	31.9%
<b>Total</b>	<b>-179.4</b>	<b>-61.8</b>	<b>190.3%</b>	<b>95.3</b>	<b>-288.2%</b>	<b>-477.3</b>	<b>-433.8</b>	<b>10.0%</b>

## Net income (loss)

Net income for the quarter totaled R\$ 141.5 million, a YoY increase of 96%. In 9M22, the net income totaled R\$ 680.7 million.

In LTM3Q22, the Company's accumulated net income was R\$ 831.0 million, a YoY growth of 47.7%.

R\$ million	3Q22	3Q21	Var. %	2Q22	Var. %	LTM3Q22	LTM3Q21	Var. %
Net income (loss) before income tax and social contribution	180.5	84.8	112.9%	408.9	-55.9%	545.1	598.1	-8.9%
Income tax and social contribution	-39.1	-12.4	213.9%	15.7	-348.4%	286.0	-35.4	-908.4%
<b>Net Income (Loss)</b>	<b>141.5</b>	<b>72.4</b>	<b>95.5%</b>	<b>424.7</b>	<b>-66.7%</b>	<b>831.0</b>	<b>562.7</b>	<b>47.7%</b>
<b>% Net margin</b>	<b>1.7%</b>	<b>1.0%</b>	<b>0.7 p.p.</b>	<b>5.0%</b>	<b>-3.3 p.p.</b>	<b>2.63%</b>	<b>2.2%</b>	<b>0.4 p.p.</b>



## Cash Flow

### Operating Cash Flow

Cash flow from the Company's operating activities was R\$ 1.1 billion in 3Q22. The variation in working capital requirements was positive by R\$ 338.7 million, mainly due to the accounts receivable line that returned R\$ 318 million to cash, as a result of higher efficiency in the translation of export receivables.

In LTM3Q22, the Company's operating cash flow totaled R\$ 2.7 billion.

R\$ million	3Q22	3Q21	2Q22	LTM3Q22
Net income (loss)	141.5	72.4	424.7	831.0
(+) Net income (loss) adjustments	630.7	543.8	-267.6	1,931.5
(+) Variation in working capital requirements	338.7	-204.1	-51.4	-57.0
<b>Operating cash flow</b>	<b>1,110.9</b>	<b>412.0</b>	<b>105.6</b>	<b>2,705.5</b>

### Free Cash Flow

The Company's free cash flow after Capex, interest payments, and working capital was positive by R\$ 536.4 million in 3Q22 and by R\$ 779.4 million in 9M22.

In the last 12 months, free cash flow totaled R\$ 992.5 million. Since 2019, Minerva Foods has generated approximately R\$ 4.5 billion in free cash flow.

R\$ million	3Q22	2Q22	1Q22	4Q21	LTM3Q22
EBITDA	806.2	778.0	646.0	735.3	2,965.5
CAPEX	-214.5	-179.0	-172.8	-230.7	-797.0
Financial result (on a cash basis)	-394.0	-132.0	-365.0	-228.0	-1,119.0
Variation in working capital requirements	338.7	-51.4	-280.8	-63.5	-57.0
<b>Free cash flow</b>	<b>536.4</b>	<b>415.7</b>	<b>-172.6</b>	<b>213.1</b>	<b>992.5</b>

## Capital Structure

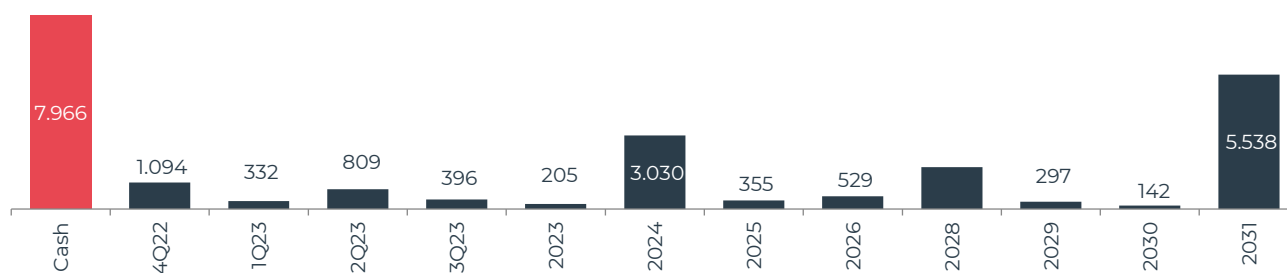
At the end of the third quarter of 2022, Minerva's cash balance was R\$ 8.0 billion, which is sufficient to amortize its debt until 2026 and is in line with the Company's conservative cash management and capital discipline. On September 30, 2022, around 60% of the gross debt was pegged to the U.S. dollar and, according to our hedge policy, the Company hedges at least 40% of the long-term FX exposure, protecting its balance sheet at times of high exchange rate volatility. Debt duration was around 5.0 years at the end of 3Q22.

In 3Q22, and under the commitment to maintaining a healthier and less costly capital structure, we repurchased around USD\$55.9 million related to Bonds 2031 and USD\$12.8 million to Bonds 2028. Furthermore, in October, the Company repurchased and canceled approximately USD\$14 million referring to the aforementioned debt instruments. Since the beginning of 2022, approximately US\$68.7 million have been repurchased and canceled, around R\$ 371 million from Bonds 2028 and 2031.

Also in 3Q22, and always in line with our commitment to reduce costs and extend the profile of our financial liability, the Company concluded its 12th debenture issue, totaling R\$ 1.5 billion and maturing in seven years, at a final cost of approximately 113.5% of the CDI.

At the end of the quarter, net debt, measured by the Net Debt/LTM EBITDA ratio, was 2.18x, the lowest level since 2008, even with the impact of R\$ 128.1 million referring to early dividends paid in August, and the depreciation of the Brazilian real in the quarter. Minerva Foods continues firm with its commitment to maintaining a balanced capital structure and lower risk profile.

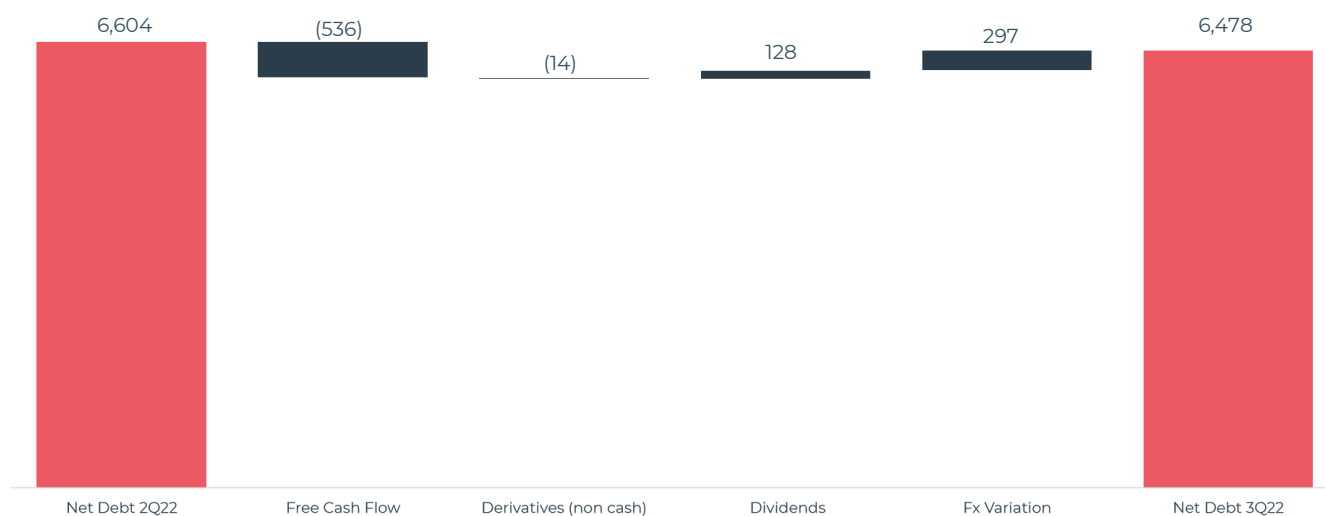
Figure 6 – Debt Amortization Schedule on 09/30/2022 (R\$ million)



R\$ million	3Q22	3Q21	Var. %	2Q22	Var. %
<b>Short-term Debt</b>	<b>2,630.2</b>	<b>1,806.9</b>	<b>45.6%</b>	<b>1,939.6</b>	<b>35.6%</b>
% of Short-term debt	18.2%	13.1%	5.2 p.p.	15.1%	3.1 p.p.
Local currency	704.0	685.1	2.8%	103.0	583.7%
Foreign currency	1,926.3	1,121.8	71.7%	1,836.7	4.9%
<b>Long-term Debt</b>	<b>11,813.9</b>	<b>12,038.8</b>	<b>-1.9%</b>	<b>10,867.3</b>	<b>8.7%</b>
% of Long-term debt	81.8%	86.9%	-5.2 p.p.	84.9%	-3.1 p.p.
Local currency	5,163.8	3,282.9	57.3%	4,051.5	27.5%
Foreign currency	6,650.1	8,755.9	-24.0%	6,815.8	-2.4%
<b>Total Debt</b>	<b>14,444.1</b>	<b>13,845.7</b>	<b>4.3%</b>	<b>12,806.9</b>	<b>12.8%</b>
Local currency	5,867.7	3,968.0	47.9%	4,154.4	41.2%
Foreign currency	8,576.4	9,877.7	-13.2%	8,652.5	-0.9%
<b>Cash and cash equivalents</b>	<b>-7,966.1</b>	<b>-8,030.7</b>	<b>-0.8%</b>	<b>-6,203.3</b>	<b>28.4%</b>
<b>Net Debt</b>	<b>6,478.0</b>	<b>5,815.0</b>	<b>11.4%</b>	<b>6,603.6</b>	<b>-1.9%</b>
<b>Net Debt/EBITDA (x)</b>	<b>2.18</b>	<b>2.4</b>	<b>-0.2 p.p.</b>	<b>2.3</b>	<b>-0.1 p.p.</b>

More details on the net debt variations in 3Q22 are provided below.

Figure 7 – Net Debt Bridge (R\$ million)





## Capex

Investments totaled R\$ 214.5 million in 3Q22. Of this total amount, nearly R\$ 118.0 million went to maintenance and R\$ 96.5 million to expansion projects, particularly outside Brazil.

See below a breakdown of investments (cash effect) by quarter and in the last twelve months:

R\$ million	3Q22	2Q22	1Q22	4Q21	LTM3Q22
Maintenance	118.0	103.8	101.0	97.2	420.0
Expansion	96.5	75.2	71.8	133.5	377.1
<b>Total</b>	<b>214.5</b>	<b>179.0</b>	<b>172.8</b>	<b>230.7</b>	<b>797.0</b>

## ESG

There is no doubt that for Minerva Foods, the third quarter of 2022 will be marked by the important advances achieved in its ESG agenda, consistent with its commitment to sustainability announced in 2021. The efforts undertaken by the Company to combat illegal deforestation in the Latin American supply chain were notably significant during this period, as the percentage of direct suppliers that are being geographically monitored in Colombia increased from 40% to more than 80%. In Uruguay, we have begun to study the local socio-environmental legislation and conduct a geographical assessment, with the purpose of analyzing the size of rural properties across different regions of the Uruguayan territory and the necessary guidelines applicable for geospatial monitoring. This work is being conducted in collaboration with the local cattle purchasing team of Minerva Foods and the company Niceplanet Geotecnologia.

For the ninth consecutive year we have achieved 100% compliance with the *Compromisso Público da Pecuária* (Public Commitment on Cattle Ranching), signed in 2009. The results were audited by BDO RCS Auditores Independentes, confirming the reliability of our monitoring system and the continuous efforts we have undertaken to achieve an ever more sustainable livestock production.

In addition, following the release of the SMGeo Prospec application, developed in partnership with Niceplanet Geotechnology, back in 2021, we have been concentrating our efforts on engaging our direct suppliers and providing training in the use of the software tool during our field visits. This application gives the rural producers the same technology used by the industry to analyze socioenvironmental compliance. Over 700 vouchers were distributed free of charge so to help encourage our cattle ranching partners to perform their own socioenvironmental compliance analyses of their suppliers.

Additional advancements have been made in the development of the first project under the Renove program, developed to generate agricultural carbon credits. By working together with our ranching partners, this project has been designed to generate credits derived from the good agricultural practices implemented on rural properties. In 2022, 50 ranchers were invited to participate in this first of its kind pilot program in Brazil, which connects cattle farmers to the voluntary market through MyCarbon, a subsidiary of Minerva, devoted to the development and commercialization of carbon credits.

Furthermore, through this program, we released into the market the first export of a certified carbon neutral beef based out of our operations in Uruguay. With the addition of the 'CO<sub>2</sub> Neutral' seal, issued by an independent organization with certification systems in over 100 countries, Minerva Foods can ensure the offset of greenhouse gas emissions throughout the entire beef production process, in other words, offsetting emissions from the ranch, industry and all logistic operations. Moreover, it is widely recognized that just offsetting emissions is simply not enough. That is why Minerva Foods has invested in not just offsetting but to reducing emissions throughout the entire chain.

At the corporate level, the Minerva Foods 2021 Sustainability Report received two prestigious international awards for its high-quality information, clarity and transparency. The Company received the "Best Sustainability Report" award, sponsored by ESG Investing, in the consumer goods category, and was among the first two places in the "Best in the World" award, sponsored by Hallbars Sustainability Research Organization. Both recognitions reaffirm Minerva Foods' commitment to one of the pillars of its business model, Sustainability. The 11th edition of the Sustainability Report was developed in accordance with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) guidelines and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

The 11<sup>o</sup> 2021 Sustainability Report can be accessed on our website at <https://www.minervafoods.com/sustentabilidade#relatorios>. We continue to channel our resources and efforts towards achieving the objectives and targets established in our Commitment to Sustainability at Minerva Foods, with an emphasis on transparency and disclosure of our advancements, challenges and identified opportunities.





## Subsequent Events

### Acquisition of ALC - Australian Lamb Company

In October, the Company announced the acquisition of Australian Lamb Company Pty Ltd, one of the main lamb processing companies in the Australian market. The acquisition will be carried out through the Joint Venture created between Minerva Foods Australia (65%) and SALIC (35%). To acquire Australian Lamb Company, the Company and SALIC are expected to contribute, proportionally to their respective indirect interests in JV Australia, approximately AUD\$400,000,000.00 (US\$260,000,000.00). The amount paid includes AUD\$53,100,000.00 (US\$34,515,000.00) of positive working capital and an estimated amount of AUD\$7,000,000.00 (US\$4,550,000.00) of net cash balance. The contract governing the terms of the acquisition has been executed, and its approval by applicable regulatory authorities is subject to suspensive conditions. Under the Acquisition Contract, the investment will be aimed at the (i) acquisition of new assets; and (ii) investments to improve the production structures.

### Investment – Liv Up

In October, the Company announced another corporate venture capital initiative, with a minority investment in Liv Up Limited. Liv Up is a Brazilian foodtech company specialized in healthy, ready-to-eat meals for a new and modern generation of consumers. Minerva concluded the US\$5 million investment through Liv Up's Series D-2 funding round.

### Carbon Credit Auction – MyCarbon

In October, the Company announced that its subsidiary MyCarbon sold 20% of all carbon credits negotiated at the opening auction of the voluntary market held by the Public Investment Fund of Saudi Arabia. This was the first initiative of the voluntary carbon market in the region, with a total sale of over one million tons of audited and certified carbon credits.

### Repurchase & Cancellation of Bonds 2028 and 2031

In October, the Company concluded the repurchase and cancellation of another portion of Bonds 2028 and 2031, as shown below:

	Coupon	Total
Bonds 2028	5.875%	\$8,936,000
Bonds 2031	4.375%	\$5,000,000

## About Minerva S.A.

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. Present in Brazil, Paraguay, Argentina, Uruguay, Colombia, and Australia, Minerva operates 27 slaughter and deboning plants and three processing plants. In the 12 months ended September 30, 2022, the Company recorded gross sales revenue of **R\$9.0 billion, 14.9% more** than in the same period a year ago.

### Relationship with Auditors

Under CVM Instruction 381/03, we announce that our auditors were not engaged in services other than those related to the external audit in 2021, and in the quarter ended September 30, 2022.

### Statement from Management

Under CVM Instructions, Management declares that it has discussed, reviewed, and agreed with the parent company and consolidated accounting information related to the fiscal year ended September 30, 2022, and the opinions expressed in the independent auditors' review report, hereby authorizing its disclosure.





## APPENDIX 1 - INCOME STATEMENT (CONSOLIDATED)

(R\$ thousand)	3Q22	3Q21	2Q22
<b>Net operating revenue</b>	<b>8,437,666</b>	<b>7,368,241</b>	<b>8,471,762</b>
Cost of goods sold	-6,778,821	-6,111,980	-6,954,067
<b>Gross profit</b>	<b>1,658,845</b>	<b>1,256,261</b>	<b>1,517,695</b>
Selling expenses	-691,370	-502,198	-609,806
General and administrative expenses	-256,465	-210,685	-244,170
Other operating revenues (expenses)	-7,453	5,428	7,324
<b>Result before financial expenses</b>	<b>703,557</b>	<b>548,806</b>	<b>671,043</b>
Financial expenses	-323,745	-262,785	-296,634
Financial revenue	73,380	22,371	27,089
Monetary correction	-50,571	-42,491	-62,622
FX variation	-42,617	-119,275	-25,278
Other expenses	-179,458	-61,807	95,347
<b>Financial Result</b>	<b>-523,011</b>	<b>-463,987</b>	<b>-262,098</b>
<b>Income (loss) before taxes</b>	<b>180,546</b>	<b>84,819</b>	<b>408,945</b>
Income and social contribution taxes - current	-17,951	-25,049	-8,079
Income and social contribution taxes - deferred	-21,111	12,604	23,806
<b>Income (loss) before non-controlling interest</b>	<b>141,484</b>	<b>72,374</b>	<b>424,672</b>



## APPENDIX 2 - BALANCE SHEET (CONSOLIDATED)

(R\$ thousand)	3Q22	4Q21
<b>ASSETS</b>		
Cash and cash equivalents	7,966,149	7,302,009
Trade receivables	2,615,660	2,598,563
Inventories	1,817,224	2,115,294
Biological assets	493,111	467,960
Taxes recoverable	883,983	805,076
Other receivables	698,337	478,198
<b>Total current assets</b>	<b>14,474,464</b>	<b>13,767,100</b>
Taxes recoverable	115,003	106,942
Deferred tax assets	736,282	415,665
Other receivables	144,168	148,165
Judicial deposits	21,557	22,202
Investments	199,841	199,841
Fixed assets	4,802,511	4,581,352
Intangible assets	838,978	828,195
<b>Total non-current assets</b>	<b>6,858,340</b>	<b>6,302,362</b>
<b>Total assets</b>	<b>21,332,804</b>	<b>20,069,462</b>
<b>LIABILITIES</b>		
Loans and financings	2,630,242	1,488,416
Commercial leasing	12,946	10,435
Trade payables	3,754,650	3,724,242
Labor and tax liabilities	408,201	400,727
Other payables	1,699,939	1,614,550
<b>Total current liabilities</b>	<b>8,505,978</b>	<b>7,238,370</b>
Loans and financings	11,813,907	11,916,289
Commercial leasing	27,617	29,272
Labor and tax liabilities	41,416	53,179
Provision for contingencies	34,055	43,377
Accounts payable	13,202	18,524
Deferred tax liabilities	219,275	116,320
<b>Total non-current liabilities</b>	<b>12,149,472</b>	<b>12,176,961</b>
<b>Shareholders' Equity</b>		
Share capital	1,619,074	1,616,138
Capital reserves	118,271	118,271
Revaluation reserves	46,357	47,518
Profit reserves	353,865	353,865
Additional dividend proposed	0	200,000
Retained earnings (accumulated losses)	553,831	0
Treasury shares	-242,768	-242,768
Equity valuation adjustments	-1,826,633	-1,438,893
<b>Total shareholders' equity attributed to controlling shareholders</b>	<b>621,997</b>	<b>654,131</b>
Non-controlling interest	55,357	0
<b>Total shareholders' equity</b>	<b>677,354</b>	<b>654,131</b>
<b>Total liabilities and shareholders' equity</b>	<b>21,332,804</b>	<b>20,069,462</b>

## APPENDIX 3 – CASH FLOW (CONSOLIDATED)

(R\$ thousand)	3Q22	3Q21	2Q22
<b>Cash flow from operating activities</b>			
Net income (loss)	141,484	72,374	424,672
<b>Adjustments to reconcile net income provided by operating activities:</b>			
Depreciation and amortization	102,676	90,106	106,998
Estimated loss on doubtful accounts	382	2,662	411
Proceeds from the sale of fixed assets	45,901	289	11,824
Fair value of biological assets	7,179	33,039	32,134
Realization of deferred taxes – temporary differences	21,111	-12,604	-23,806
Financial charges	323,745	262,785	296,634
FX variation – not realized	79,798	123,322	-794,891
Monetary correction	50,571	42,491	104,582
Provision for contingencies	-623	1,678	-1,522
Trade receivables and other receivables	318,098	-506,122	-755,748
Inventories	11,513	-467,801	52,244
Biological assets	-47,902	-16,329	-27,733
Taxes recoverable	-37,756	291,170	-68,565
Judicial deposits	841	-3,020	13
Trade payables	-747	725,351	615,422
Labor and tax liabilities	14,356	100,014	21,148
Other payables	80,280	-327,378	111,805
<b>Cash flow from operating activities</b>	<b>1,110,907</b>	<b>412,027</b>	<b>105,622</b>
<b>Cash flow from investing activities</b>			
Investment acquisition	0	-15,636	0
Acquisition of intangible assets	-7,689	-17,690	-24,753
Acquisition of fixed assets	-206,860	-161,562	-154,205
<b>Cash flow from investing activities</b>	<b>-214,549</b>	<b>-194,888</b>	<b>-178,958</b>
<b>Cash flow from financing activities</b>			
Loans and financing raised	2,265,820	2,584,366	1,199,853
Loans and financing settled	-1,501,790	-1,681,116	-416,816
Commercial leasing	-2,062	-2,768	-2,448
Capital payment in cash	0	73	0
Payment of dividends	-128,078	0	-200,000
Non-controlling interest	14,296	0	1,586
<b>Cash flow from financing activities</b>	<b>648,186</b>	<b>900,555</b>	<b>582,175</b>
FX variation on cash and cash equivalents	218,290	571,062	405,101
<b>Net increase/decrease in cash and cash equivalents</b>	<b>1,762,834</b>	<b>1,688,756</b>	<b>913,940</b>
Cash and cash equivalents			
Beginning of the period	6,203,315	6,341,953	5,289,375
End of the period	7,966,149	8,030,709	6,203,315
<b>Net increase/decrease in cash and cash equivalents</b>	<b>1,762,834</b>	<b>1,688,756</b>	<b>913,940</b>



## APPENDIX 4 – FOREIGN EXCHANGE

	3Q22	2Q22	3Q21
(US\$ - Closing)			
Brazil (R\$/US\$)	5.41	5.26	5.44
Paraguay (PYG/US\$)	7,074.70	6,849.10	6,907.00
Uruguay (UYU/US\$)	41.71	39.77	42.94
Argentina (ARS/US\$)	147.32	125.22	98.74
Colombia (COP/US\$)	4,608.75	4,155.11	3,807.80