

Minerva Foods

CONFERENCE CALL 3Q18

November 7th, 2018

Minerva

3Q18 Highlights

OPERATING AND FINANCIAL HIGHLIGHTS

- **Operational Cash Flow 3Q18:** R\$ 406.5 million | **Free Cash Flow 3Q18:** R\$ 93.5 million
- **Gross Revenue 3Q18:** R\$ 4.6 billion | **LTM3Q18:** R\$ 16.6 billion
 - **Division 3Q18:**
 - **Brazilian Industry:** 43% of gross revenue | **Athena Foods:** 40% of gross revenue | **Trading:** 17% of gross revenue
- **Exports:** 61% of gross revenue (+32.3% yoy and +11.7% qoq)
- **Net Revenue 3Q18:** R\$ 4.3 billion | **LTM3Q18:** R\$ 15.6 billion
- **Adjusted EBITDA:**
 - **3Q18:** R\$ 449.2 million | **Adjusted EBITDA Margin:** 10.4%
 - **LTM3Q18:** R\$ 1.5 billion | **Adjusted EBITDA Margin:** 9.3%
- **Net (Loss) Income 3Q18:** R\$ -132,0 million

CAPITAL STRUCTURE

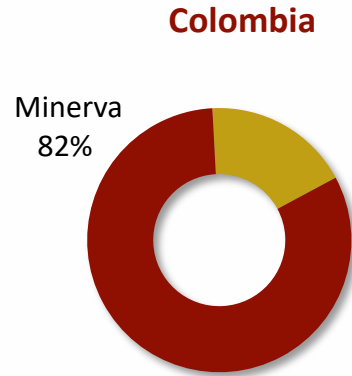
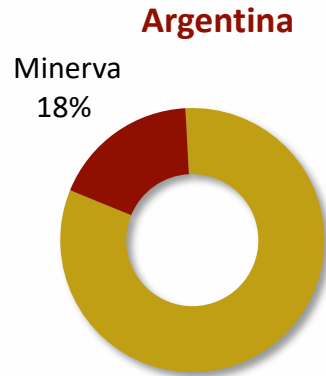
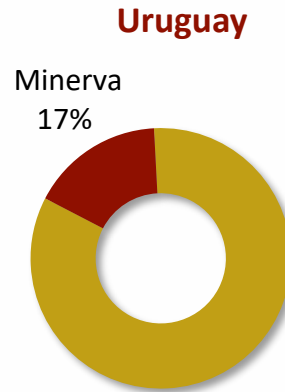
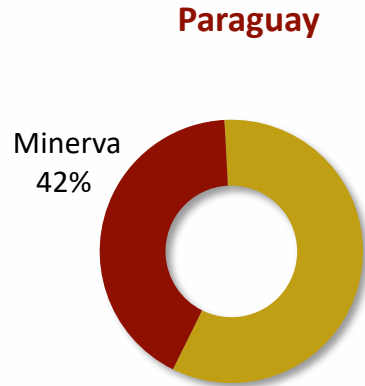
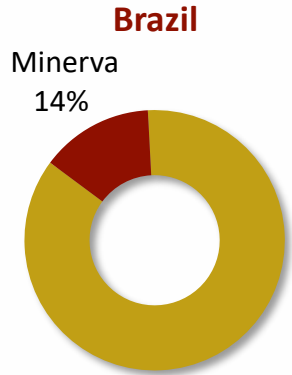
- **Leverage measured by the net debt/LTM EBITDA ratio:** 4.97x
- **Cash Position:** R\$ 4.2 billion
- **Duration:** ~5.4 years
- Offer to purchase of the perpetual bonds (on November 1st) ~US\$300 million

OTHER HIGHLIGHTS

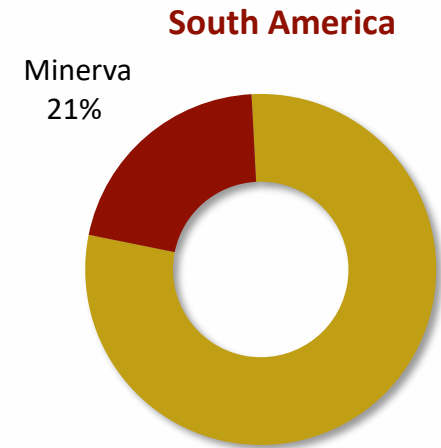
- Minerva reached 21% of market share in South America – largest beef exporter of the continent
 - 7% of global exports
- Net revenue guidance for 2018 to between R\$15.0 billion and R\$16.0 billion is maintained

Share of Exports

MARKET SHARE (% OF REVENUE PER COUNTRY) – 3Q18

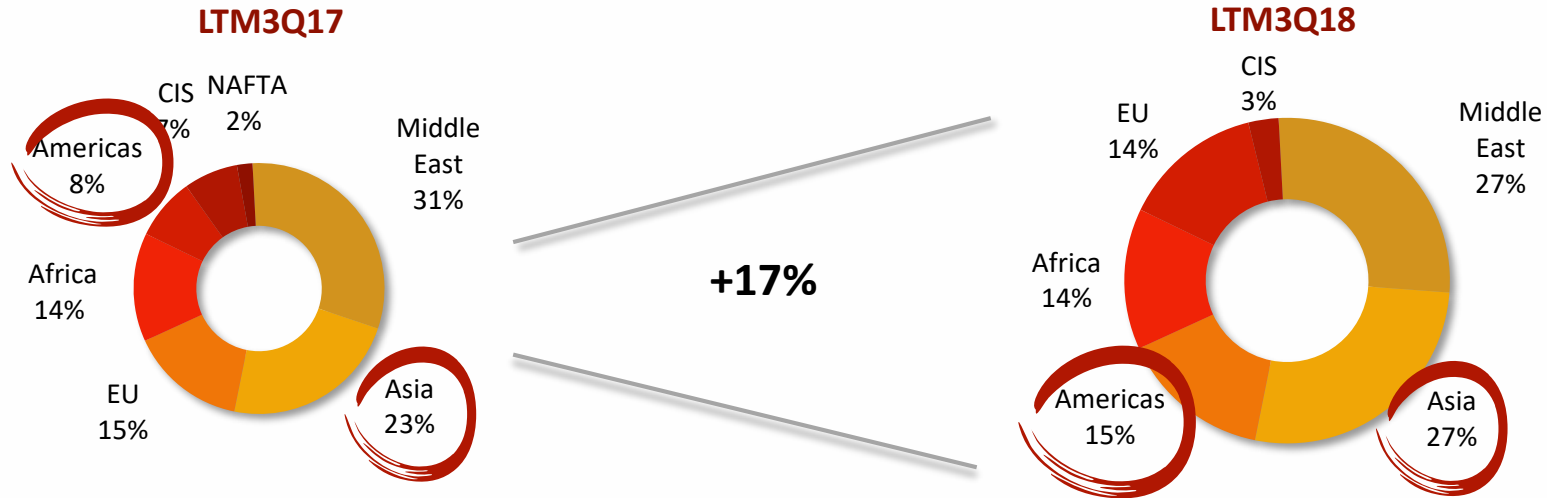


MARKET SHARE LTM (% OF REVENUE) – LTM3Q18

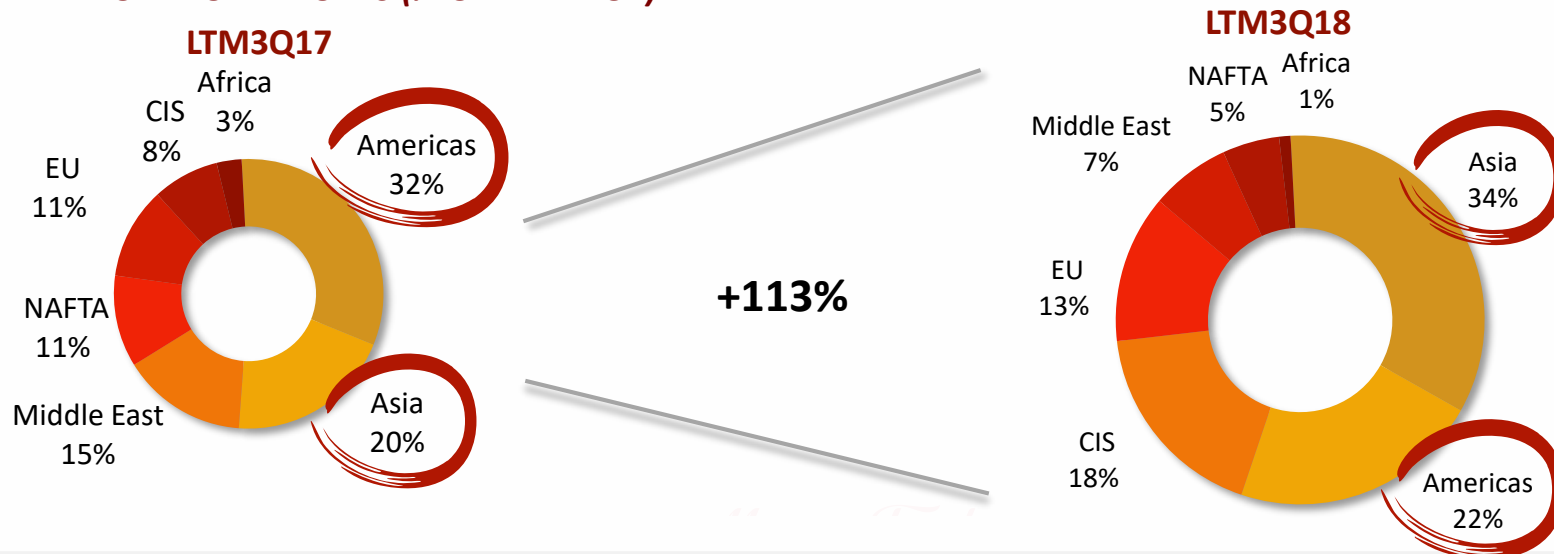


Breakdown Of Exports

BRAZILIAN DIVISION BREAKDOWN OF EXPORTS (% OF REVENUE)



ATHENA FOODS BREAKDOWN OF EXPORTS (% OF REVENUE)

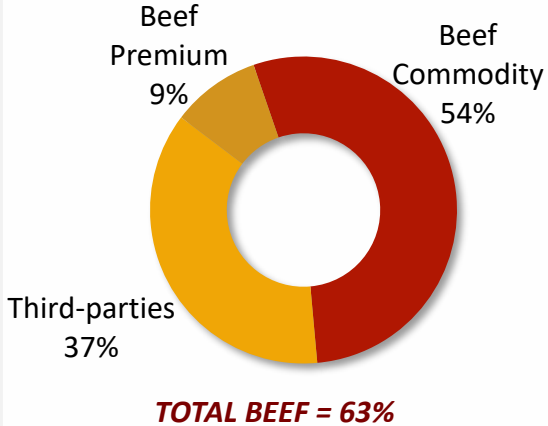


Domestic Market

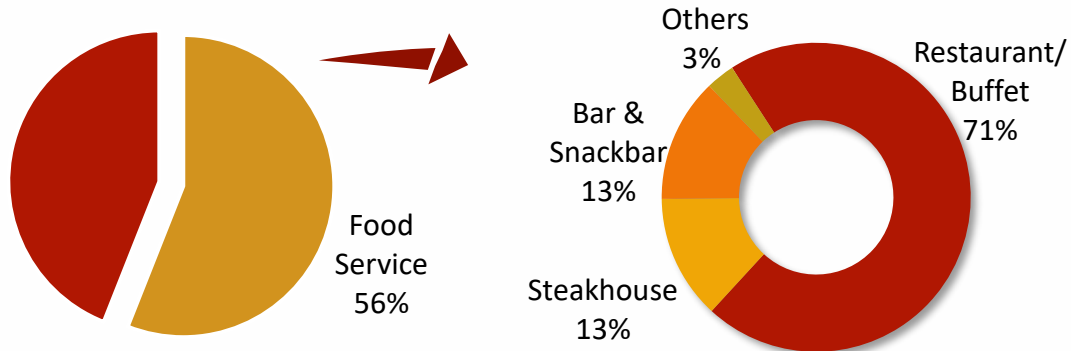
BRAZILIAN DIVISION

HIGHLIGHTS:

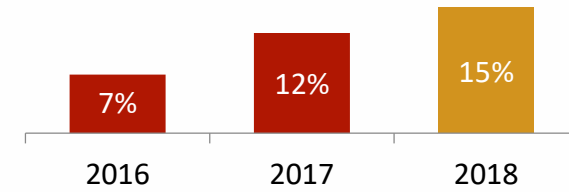
% SHARE 2018*



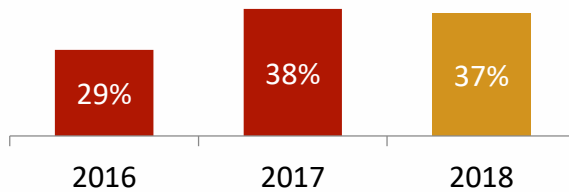
CHANNELS / TYPE



Premium % Share Beef



Third-parties % Share Total

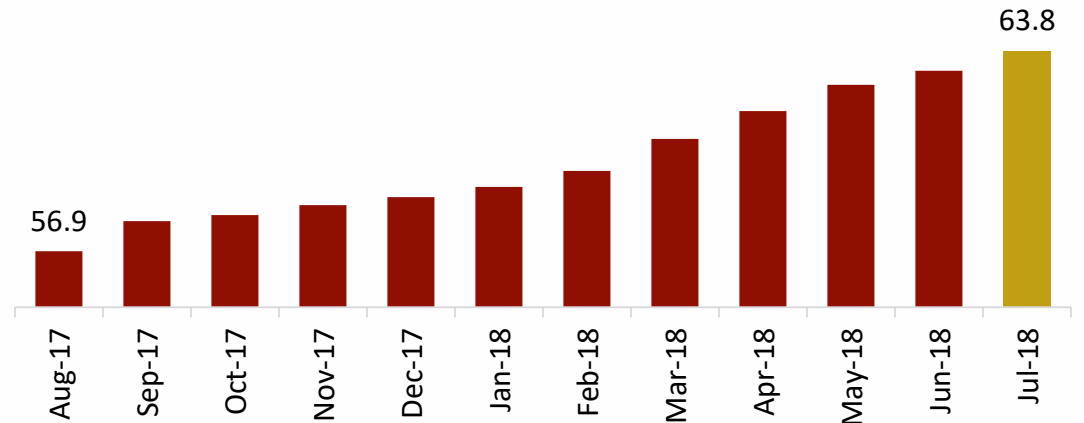


ATHENA FOODS

HIGHLIGHTS:

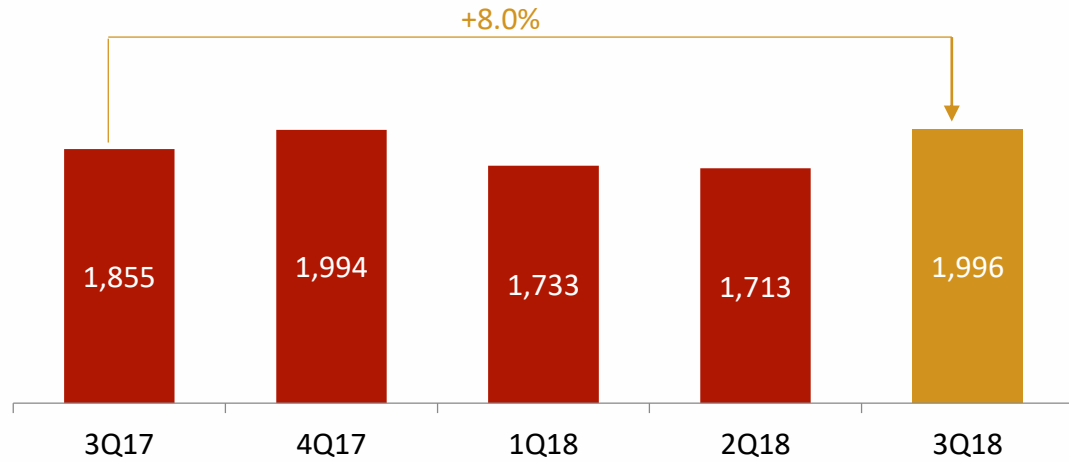
- Focus on industrial food companies, retailers and other clients in the domestic industrial food processing industry
- Through 5 distributions centers, Athena resell and distribute in the domestic market a variety of products produced by third-parties
- Better use of the company structure and distribution platform
- Increase the food service share of wallet
- Gain of market share and profitability
- Growth in premium brands

GROWTH OF SALES CHANNELS – '000

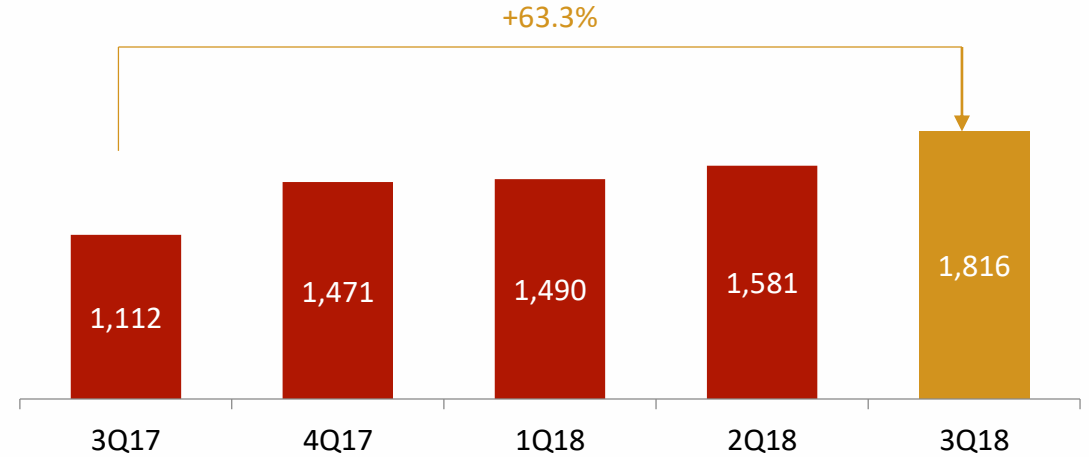


Operating and Financial Results

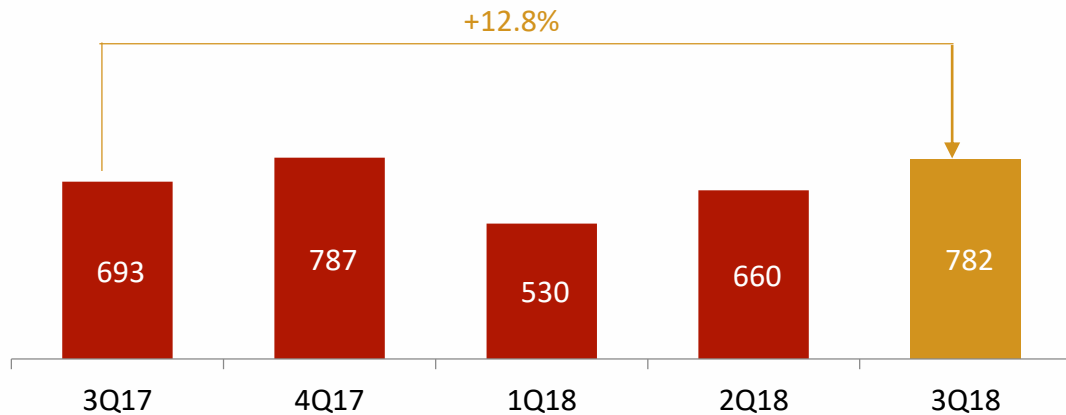
GROSS REVENUE - BRAZILIAN INDUSTRY DIVISION (R\$ MILLION)



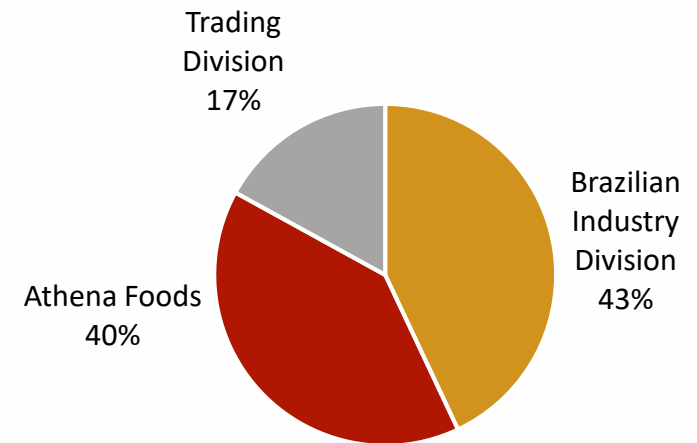
GROSS REVENUE – ATHENA FOODS (R\$ MILLION)



GROSS REVENUE - TRADING DIVISION (R\$ MILLION)

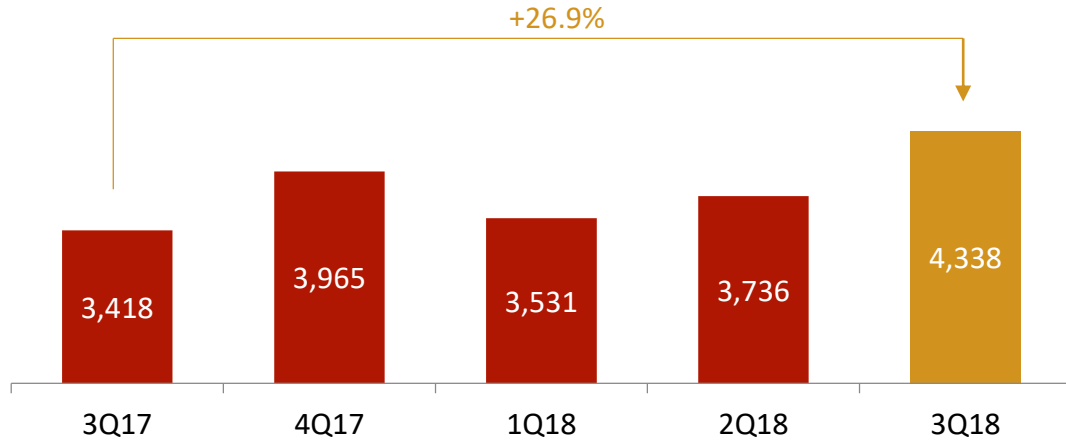


DIVISIONS BREAKDOWN (% OF GROSS REVENUE) – 3Q18

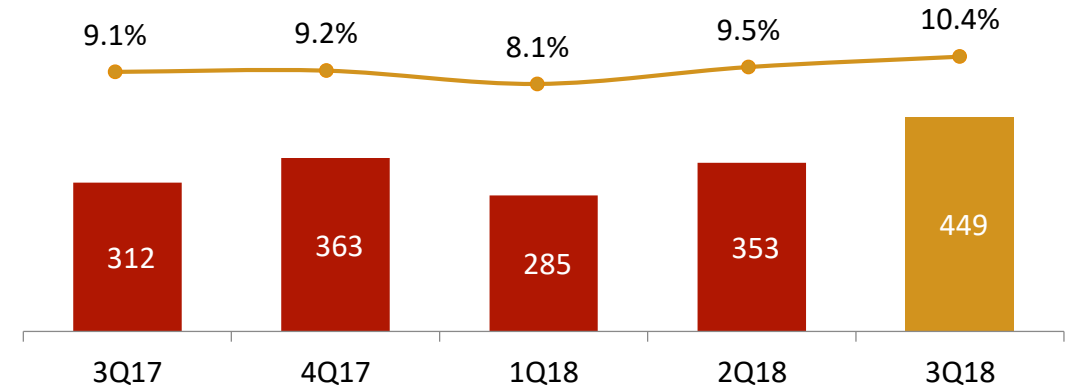


Operating and Financial Results (cont'd)

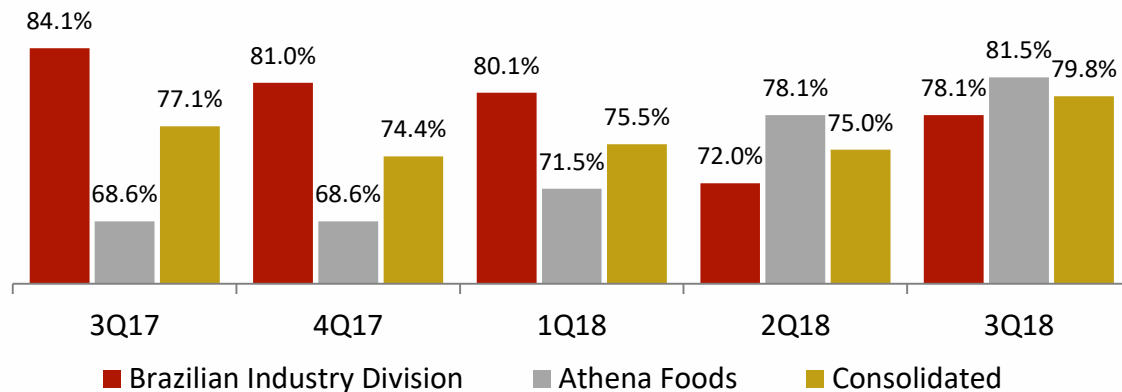
NET REVENUE (R\$ MILLION)



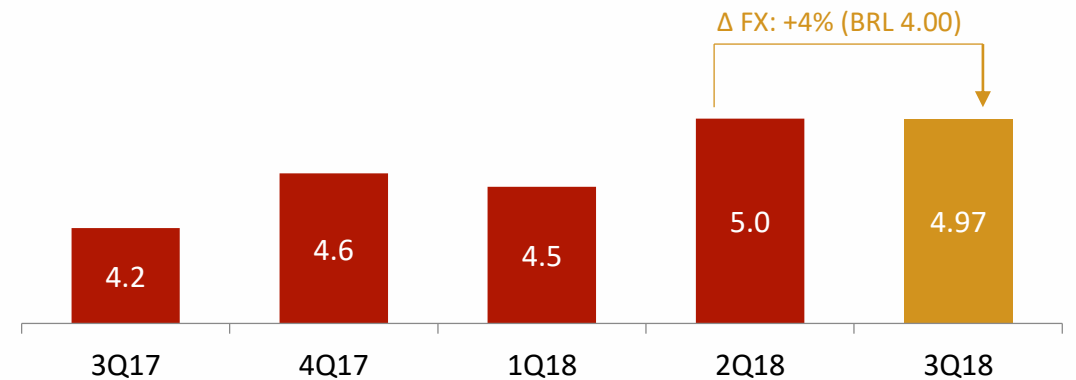
EBITDA (R\$ MILLION) AND EBITDA MARGIN (%)



CAPACITY UTILIZATION



NET DEBT/ EBITDA LTM



Net Result and Adjusted Net Result

R\$ Million	3Q18	LTM3Q18
Net (loss) income before taxes	-129.2	-2,009.4
(+) Income and Social Contribution Taxes	-2.8	523.3
Net (loss) income	-132.0	-1,486.1
% Net margin	-3.0%	-9.5%

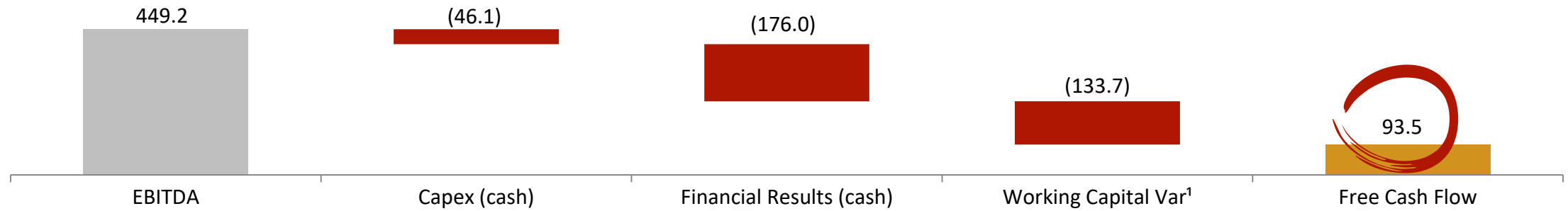
R\$ Million	3Q18	LTM3Q18
Net (loss) income	-132.0	-1,486.1
FX Variation	354.6	1,680.9
FX Hedge	-147.0	-228.4
Income and social contribution taxes	2.8	-523.3
Net (loss) income	78.3	-556.9

Operating Cash Flow

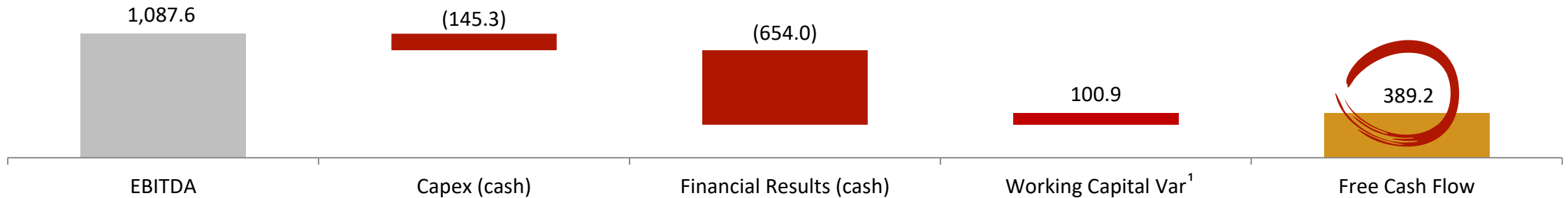
R\$ Million	3Q18	LTM3Q18
Net (loss) income	-132.0	-1,486.1
(+) Net income adjustments	672.2	2,264.0
(+) Changes in working capital requirements	-133.7	66.0
Operating cash flow	406.5	843.9

Free Cash Flow

3Q18 (R\$ MILHÕES)



9M18 (R\$ MILHÕES)



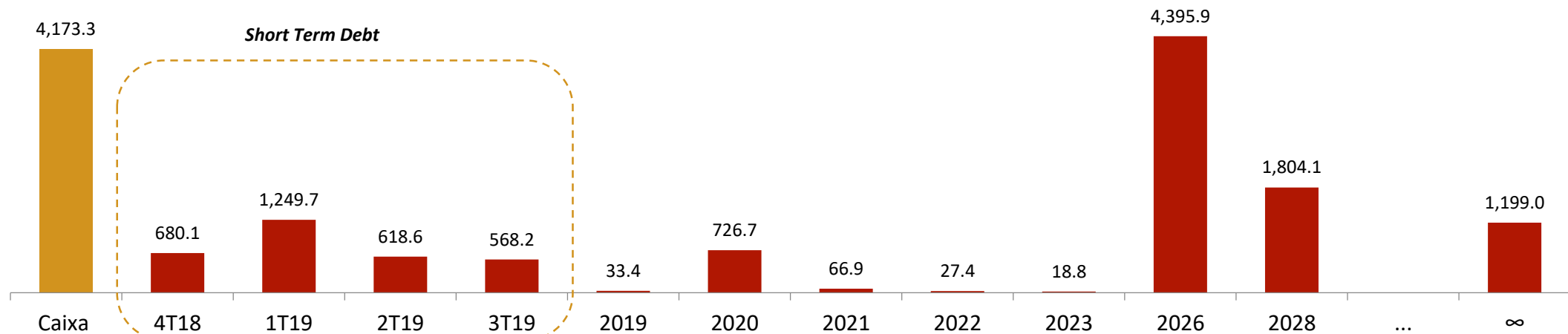
¹ Working capital excludes equity valuation adjustments and accumulated conversion amounts in 3Q18.

Capital Structure

HIGHLIGHTS

- Net Debt/LTM EBITDA ratio: 4.97x
- Cash Position: R\$ 4.2 billion
- At the end of September, approximately 86% of total debt was exposed to the dollar variation
- Debt Duration: 5.4 years
- Tender Offering of the Perpetual Bonds (currently the most expensive debt – 8.75% p.a.)

DEBT AMORTIZATION SCHEDULE (R\$ MILLION) – SEP/18



Athena Foods Income Statement

INCOME STATEMENT

BRL '000	1Q18	2Q18	3Q18	9M18
Domestic Market	488,639	461,603	514,841	1,465,083
Export Market	1,022,768	1,163,350	1,350,657	3,536,775
Deductions	(38,881)	(31,999)	(42,117)	(112,997)
Net Revenues	1,472,526	1,592,954	1,823,381	4,888,861
COGS	(1,294,515)	(1,419,461)	(1,598,692)	(4,312,668)
Gross Profit	178,011	173,493	224,689	576,193
SG&A	(103,206)	(93,716)	(127,126)	(324,048)
Financial Expenses	(11,482)	(12,687)	1,124	(23,045)
Income Taxes	9,240	(17,815)	19,726	11,151
Net Income	72,563	49,275	118,413	240,251
Net Mg	4.93%	3.09%	6.49%	4.91%
EBITDA	99,570	105,181	121,918	326,669
EBITDA Mg	6.76%	6.60%	6.69%	6.68%

Guidance & Análise de Sensibilidade

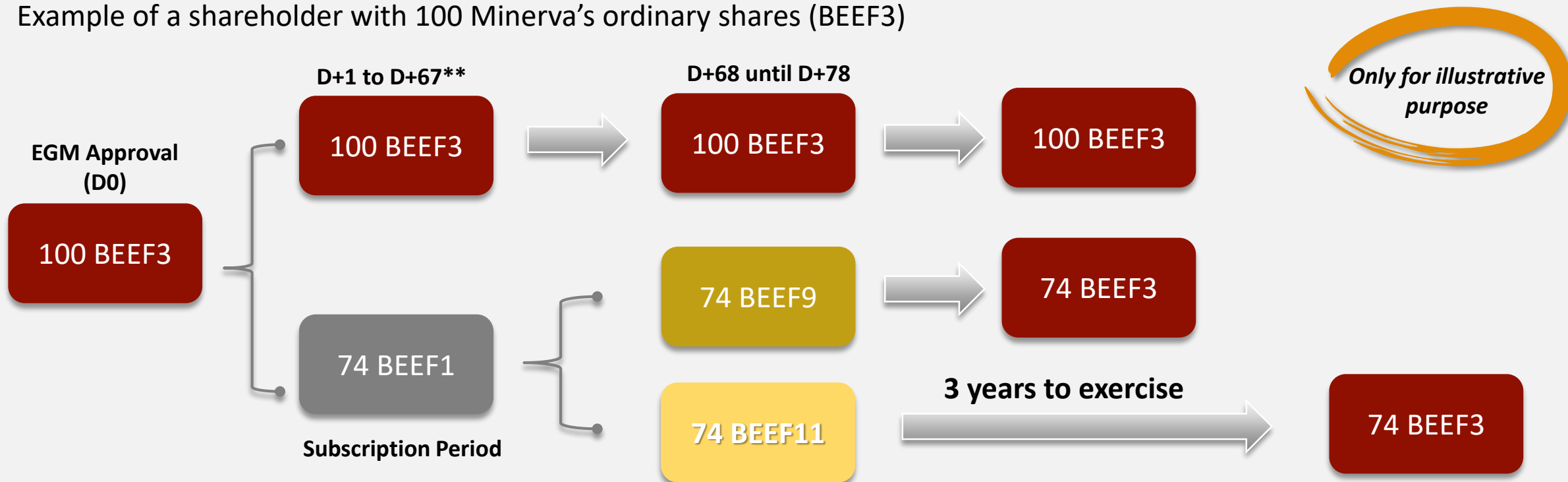
FROM JANUARY 2018 TO DECEMBER 2018 - REITERATED

R\$ Million	Minimum	Maximum
Net Revenue	15,000	16,000

Considering average dollar in the period of R\$3.70 and ARS\$ 27.

Illustrative Example*

Example of a shareholder with 100 Minerva's ordinary shares (BEEF3)



Only for illustrative purpose

- BEEF3: Minerva's Ordinary Shares
- BEEF1: Subscription Right
- BEEF9: Subscription Receipts
- BEEF11: Subscription Warrants

The price to exercise the right to subscribe was set @ R\$ 6.42 (average of the last thirty trading days until September 11th, 2018)

*This deadline is estimated, non official and can be changed in the course of the capital increase process. The final dates will be disclosed by the Company through Notices to Shareholders.

** In this deadline are included: the Ex-subscription right, subscription of left-overs shares and the subscription of additional left-overs shares and its's considering only one round of subscription of left-overs.

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