



## Conference Call 4Q21 & 2021

February 24th, 2022

### OPERATING AND FINANCIAL HIGHLIGHTS

- **Net Result:** 4Q21: R\$ 150.3 million | 2021: R\$ 598.9 million
- **Free Cash Flow**
  - 4Q21: R\$ 213 million | 2021: R\$ 1,014 million
- **Gross Revenue 4Q21:** R\$ 8.0 billion | 2021: R\$ 28.6 billion
  - Brazilian Division: 41% of gross revenue | Athena Foods: 52% of gross revenue | Trading: 7% of gross revenue
- **Net Revenue**
  - 4Q21: R\$ 7.5 billion (+32% yoy) | 2021: R\$ 26.9 billion (+39% yoy)
- **Exports:**
  - 4Q21: 64% of gross revenue (+32% yoy) | 2021: 68% of gross revenue (+39% yoy)
- **EBITDA**
  - 4Q21: R\$ 735.3 million | **EBITDA Margin:** 9.8%
  - 2021: R\$ 2,413.2 million | **EBITDA Margin:** 9.0%

### CAPITAL STRUCTURE

- Leverage measured by Net Debt/EBITDA LTM ratio: **2.4x\***
- Cash Position: R\$ 7.3 billion
- Debt Duration: ~5.8 year
- Liability Management
  - Bond buyback: USD 83 million on 4Q21 | USD 172 million (2021)
  - Local Debenture (oct/21): R\$ 400 million

### OTHER HIGHLIGHTS

- Early dividends FY21 (nov/21): R\$ 200 million (R\$ 0.35/share)
- **2021 Cash Dividends: R\$604 million | Dividend yield: 11%**
- **Complementary dividends (may/22): R\$ 200 million (R\$ 0.34/share)**
- Warrants subscription concluded
- Geographical diversification: Australia acquisition
- ESG:
  - Project Carbon on Track
  - **2022 ISE (Sustainability Index) – the only Company in the beef sector**
  - ICO2 (Carbon Efficiency Index)

# Share of Exports

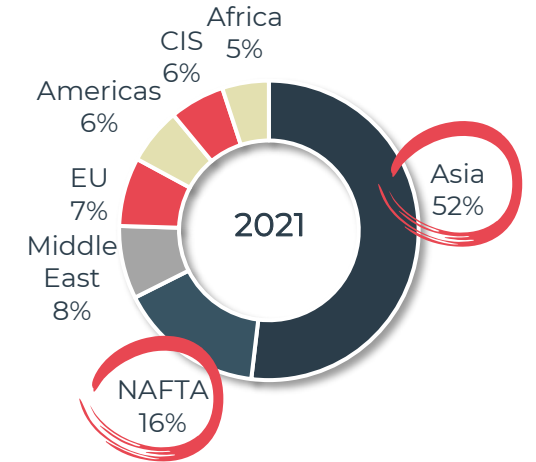
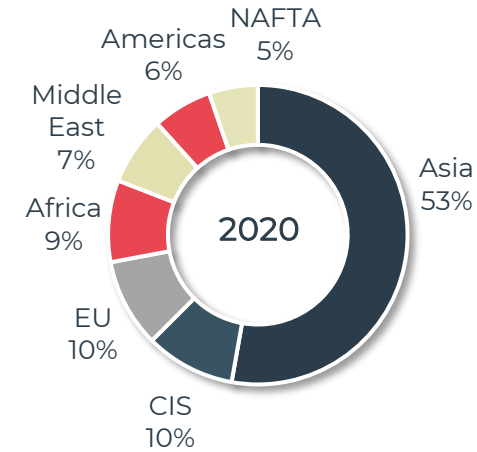
## SOUTH AMERICA MARKET SHARE – 4Q21



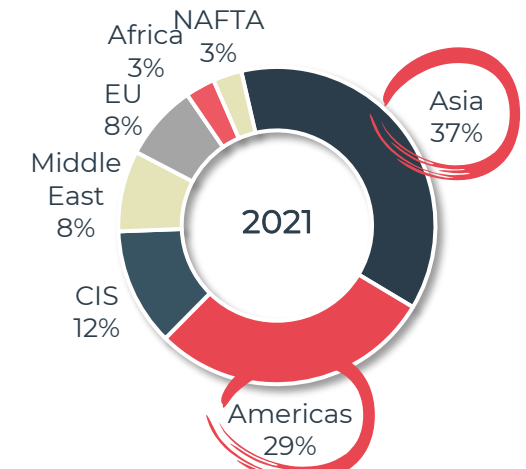
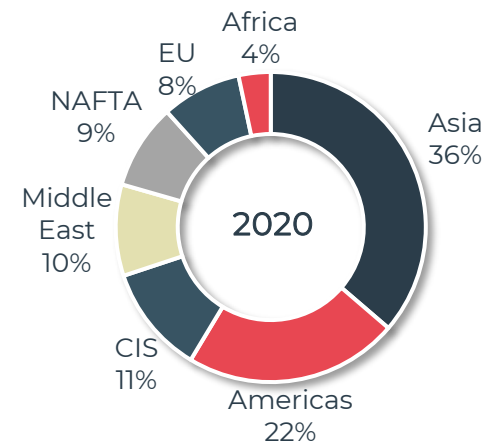
**Largest exporter in South America  
23% Market Share**

Sources: Minerva, MDIC, OCIT, Penta-transaction, Legiscomex and INDEC

## BRAZILIAN DIVISION EXPORTS (% OF REVENUE)



## ATHENA FOODS EXPORTS (% OF REVENUE)



# PURPOSE

Commitment to the sustainable future of the planet's food supply

## OUR VALUES



RESULTS  
ORIENTATION



COMMITMENT



SUSTAINABILITY



INNOVATION



RECOGNITION

# Commitment to Sustainability

We combine profitability and sustainability by recognizing their interdependence. We are committed to combating climate change and illegal deforestation, guided by science and in partnership with leading research institutions in South America.

2021-2025

2030

2035

## Next steps

100% of direct supplier farms with geographic maps in **Paraguay until December 2021**, Colombia in 2023, Uruguay in 2025. ✓

**Monitoring program for indirect supplier farms in the Amazon in 2021** ✓

**Carbon balance in farms with preliminary results in 2021** ✓

## Scale

Zero illegal deforestation across South America's supply chain

Low carbon emission program for 50% of beef suppliers

Reduction of emission intensity by 30% (Scopes 1 and 2)

Monitoring program for indirect supplier farms in all countries

Support the restoration of native vegetation in line with the United Nations Decade of Ecosystem Restoration

Investment in technologies to increase the efficiency of wastewater treatment

## Carbon Neutral



Zero net emissions

# Direct Suppliers monitoring

More than 26 million hectares monitored in Brazil and Paraguay



100%

- **Environmental compliance**  
zero deforestation (Amazon), zero illegal deforestation (other biomes), environmental embargoes and overlapping with protected areas
- **Labor compliance**  
slave labor list
- **Land regularity**  
Rural Environmental Registry (CAR) and other land tenure documents



100%

- **Environmental compliance**,  
illegal deforestation and overlapping with protected areas
- **Labor compliance**  
combating slave labor

Minerva Foods became, in 2021, the first company in the sector to monitor 100% of its direct supplier farms in Paraguay, achieving another goal of our commitment.



Minerva Foods has the best results in the Public Prosecutor's Office (PPO) audit among major players in 2018, 2019 and in 2020.

The Public Prosecutor's Office audit is the only official 3<sup>rd</sup> party verifiable audit in Brazil under supervision of legal authorities, all results are reliable and publicly disclosed by PPO.



## Next steps



Until 2023  
In development



Until 2025



Until 2030\*  
In development

# Indirect Suppliers monitoring



The pioneering spirit in combating illegal deforestation in the supply chain was highlighted by the integration of the Visipec tool into the Company's internal systems to analyze the risks of indirect suppliers.

This process was brought forward by four months compared to what was foreseen in our commitment, from December to August 2021.



In partnership with Niceplanet Geotechnology, Minerva Foods launched the SMGeo Prospec application for rural producers all over Brazil, giving them the possibility to consult the compliance of their supply chain through socio-environmental analyses all over the country.

With this initiative, Minerva Foods shares with rural producers the same technology used to monitor their suppliers and map the risk for all the Company's sales.

The launch was brought forward by two months compared to what was foreseen in our commitment, from December to October 2021.



+ de 99% in accordance with the Good Practices defined by the GTFI of direct suppliers verified in the Amazon



Ratio of 1.6 indirect suppliers to 1 direct supplier





Program to engage and collaborate with farmers in the implementation of low carbon emission practices

# renove

Supporting sustainable livestock and access to the carbon market



1

### Project with Embrapa

22 farms  
71,400 hectares  
250,600 head of cattle  
12% of cattle volume in Brazil's operation  
1,285kg of soil samples collected for analysis

Of the 22 farms evaluated, 21 emit less than the national average for cattle production. 10 farms sequester more carbon than the emit (carbon negative).



2

### Project with Imaflores

25 farms  
490,000 hectares  
232,359 head of cattle

Farms emit between 11 and 69% less than the global average for cattle production (44% on average).

3 farms sequester more carbon than the emit (carbon negative).

Results presented at COP-26 in Glasgow.



3

### Carbon credits project with Santos Lab and Biofilica

382 farms evaluated for environmental assets  
60 farms selected for participation in Brazil and Paraguay

Primary data currently being collected from farms to determine carbon balance and potential for carbon credit generation.

Target  
Include 50% of the supply chain the in Renove Program by 2030.



minerva  
foods

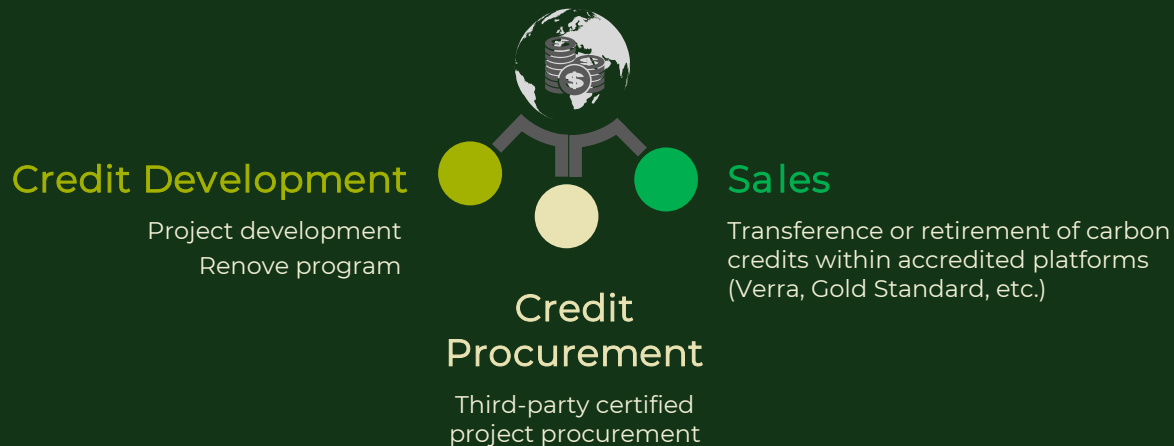
# mycarbon

## Latin American Forest and Agriculture Carbon Credits

Carbon markets are an important instrument to support the decarbonization of the economy.

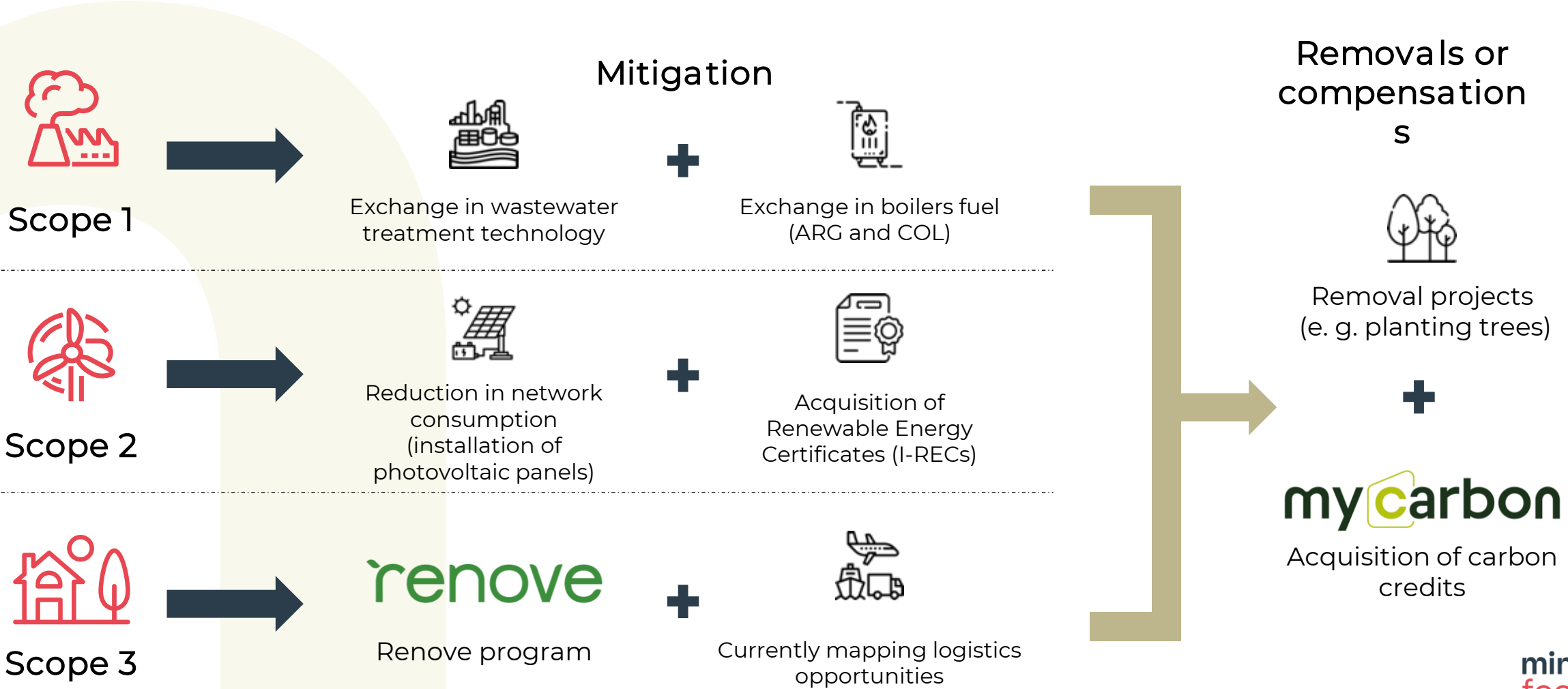
MyCarbon was created to develop, source and trade high quality carbon credits from within Latin American forestry, land use and renewable energy projects.

MyCarbon supports farmers to pursue best agricultural practices, enabling carbon sequestration on farms and connecting them with the carbon market.



# Decarbonization plan

According to the SBTi methodology, the mitigation of emissions must be the main focus of the Company's efforts, compensating only those that cannot be eliminated.



# Sustainability - market recognitions



Minerva Foods is now a signatory member of the UN Global Compact.

## Sustainability Indexes and Ratings

### ISEB3

The fourth sustainability index in the world, the ISE B3 was created by B3 (Brazilian stock exchange) in 2005, with initial funding from the International Finance Corporation (IFC). **Minerva Foods is the only company of the beef sector listed in the Sustainability Index**, reinforcing our commitment to sustainability, one of the pillars of our business model, in addition to reflecting Minerva Foods' commitment to the best social and governance practices.

### ICO2 B3

Created in 2010, the B3 Carbon Efficient Index (ICO2 B3), demonstrates the commitment to the transparency of GHG emissions and envision how the listed Companies are preparing for a low carbon economy. **Minerva Foods is part of the index's portfolio for the second year.**



CDP (Carbon Disclosure Project) runs a global environmental disclosure system. Over 590 investors with over US\$110 trillion in assets requested companies disclose through CDP. **Minerva Foods was evaluated on all the three fronts: climate change, forests and water security. On the climate change front, our performance rose for the third consecutive year.**



Minerva Foods was evaluated by the Forest 500 Ranking as **one of the companies in the protein sector that presents the lowest risks of being linked to deforestation or of potential exposure to supply chains of forest risk commodities.** In 2022, the Company ranks among the 5 best Brazilian companies in sustainability policies.

## Achievements



Last year, Minerva Foods won the **Gold Seal** in its Corporate Inventory of Greenhouse Gas Emissions in the **Brazilian GHG Protocol Program**, the ultimate recognition of the tool used to qualify and manage emissions.

The seal is granted to complete inventories of institutions that have their GHG emissions verified by specialized companies (KPMG).

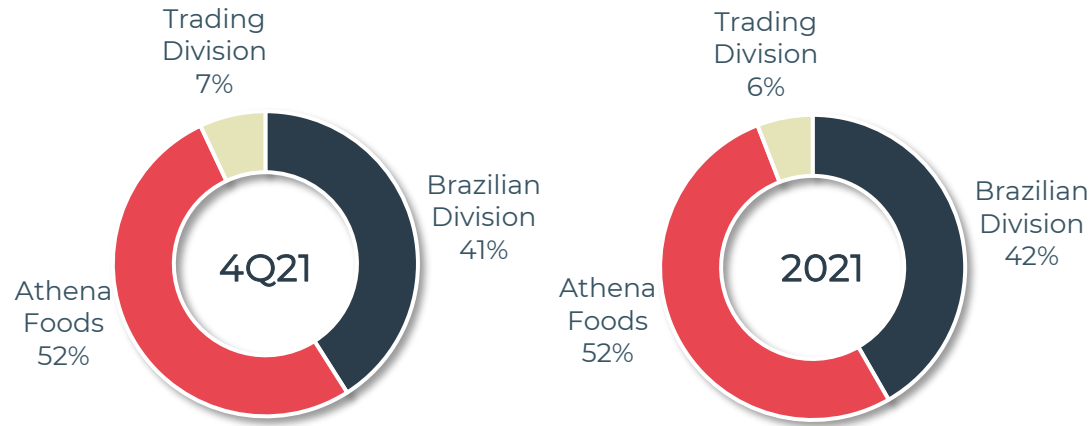


Minerva Foods became the first Brazilian company to receive the **Renewable Energy Seal**, issued by the Totum Institute, in partnership with the Brazilian Wind Energy Association (ABEEólica) and the Brazilian Clean Energy Association (Abragel). **The initiative allowed to neutralize GHG emissions for scope 2 (indirect emissions related to electricity consumption) in line with the commitment to sustainability.**

# Operating and Financial Results

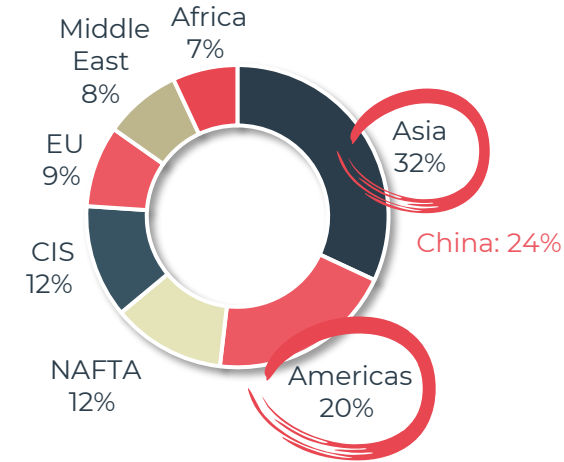
## DIVISIONS BREAKDOWN

(% OF GROSS REVENUE)



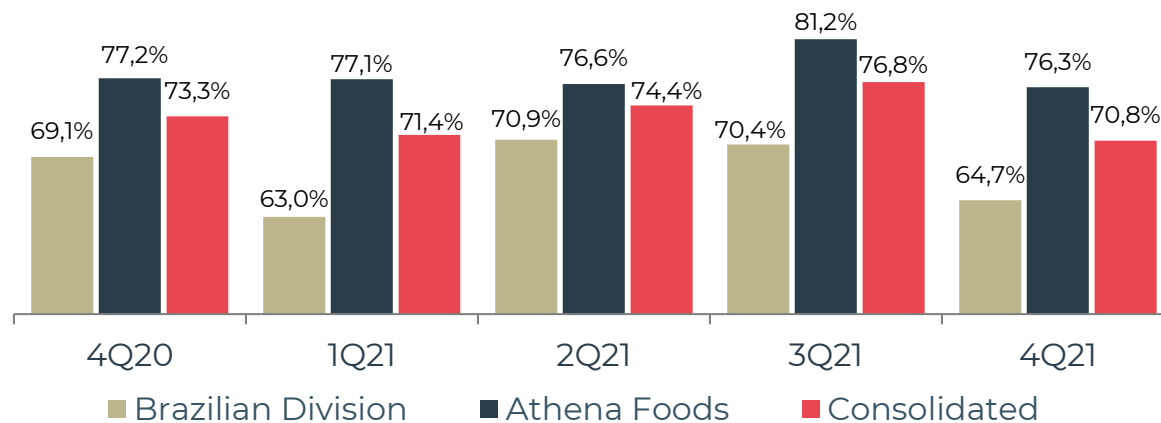
## CONSOLIDATED EXPORTS – 4Q21

(% OF EXPORTS REVENUE)



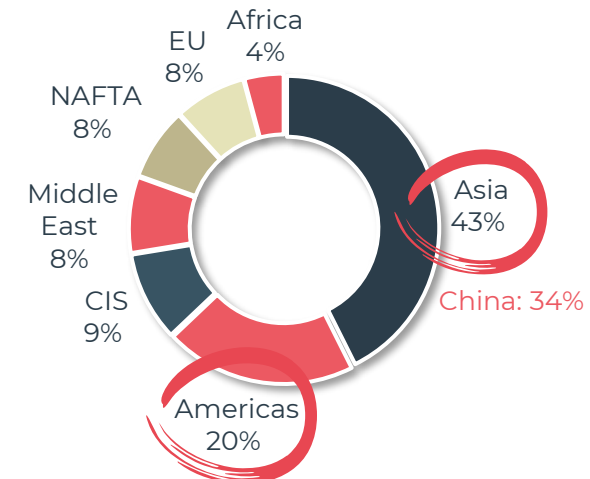
Brazilian Division	Athena Foods
NAFTA – 28%	Asia - 41%
Asia – 16%	Americas – 27%
CIS – 12%	CIS – 12%

## CAPACITY UTILIZATION



## CONSOLIDATED EXPORTS – 2021

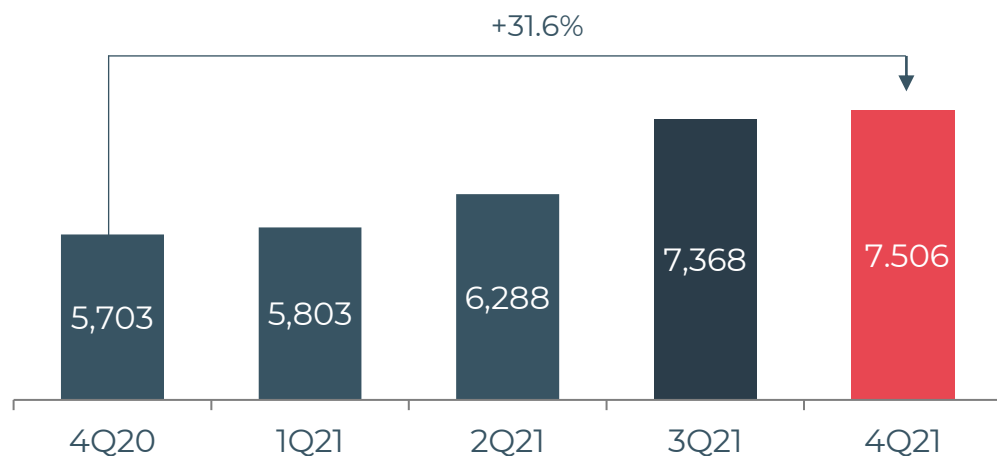
(% OF EXPORTS REVENUE)



# Operating and Financial Results

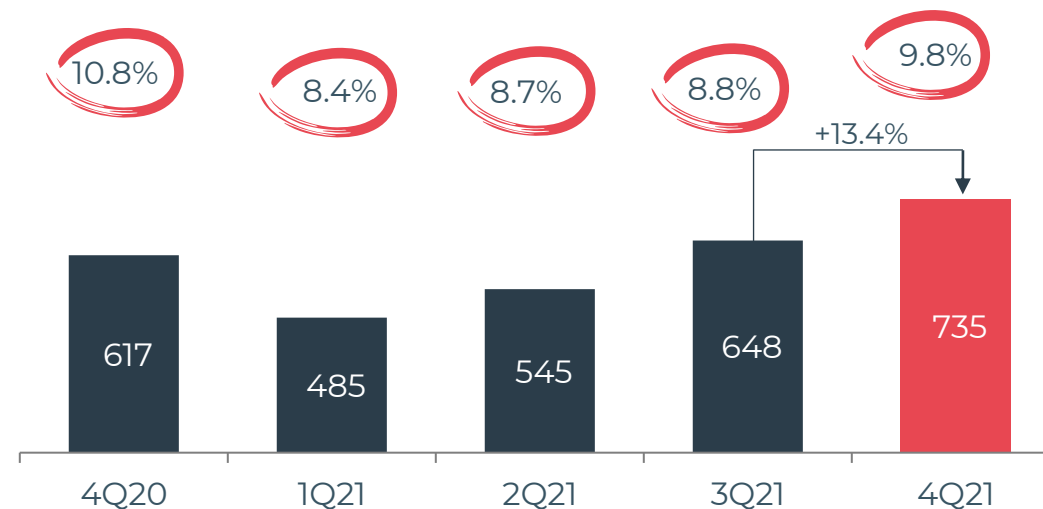
## NET REVENUE – QUARTERLY

(R\$ MILLION)



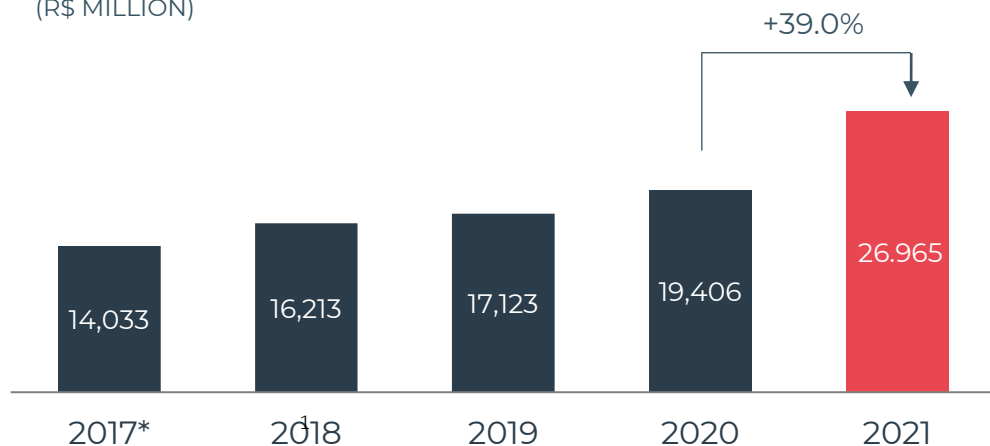
## EBITDA & EBITDA MARGIN – QUARTERLY

(R\$ MILLION | %)



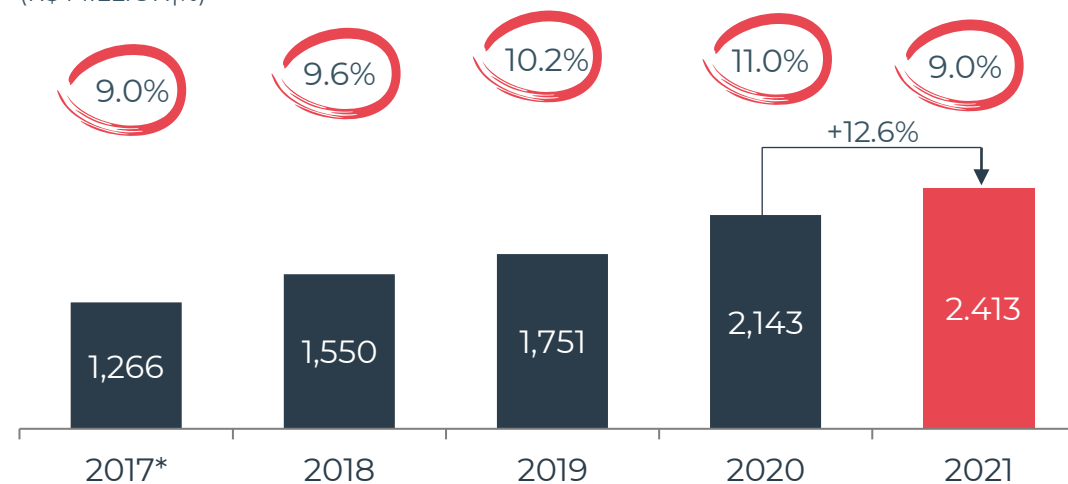
## NET REVENUE – YEARLY

(R\$ MILLION)



## EBITDA & EBITDA MARGIN - YEARLY

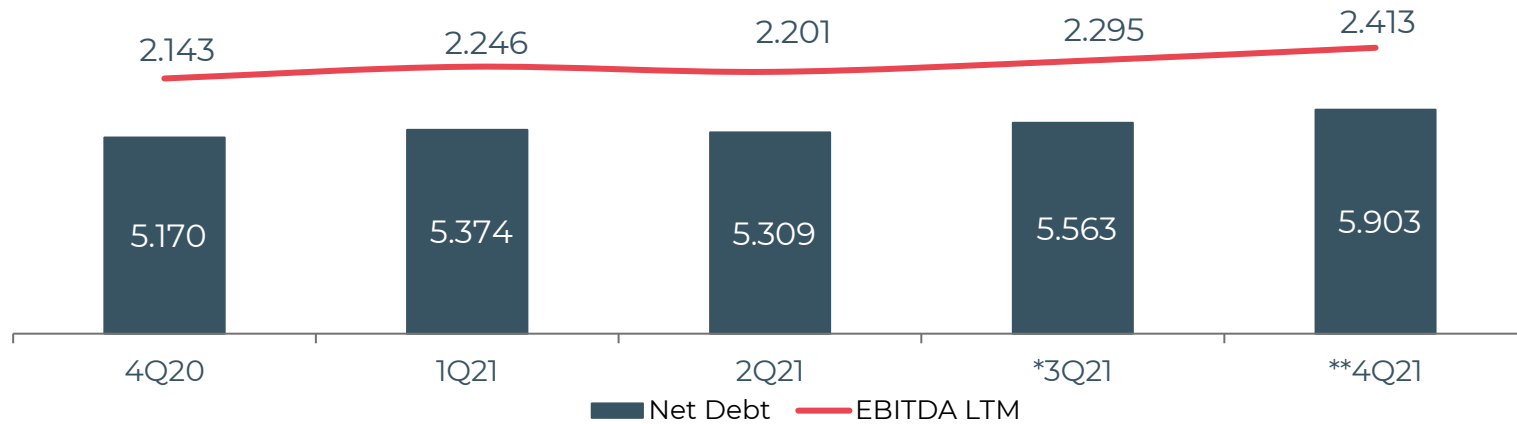
(R\$ MILLION|%)



# Financial Leverage

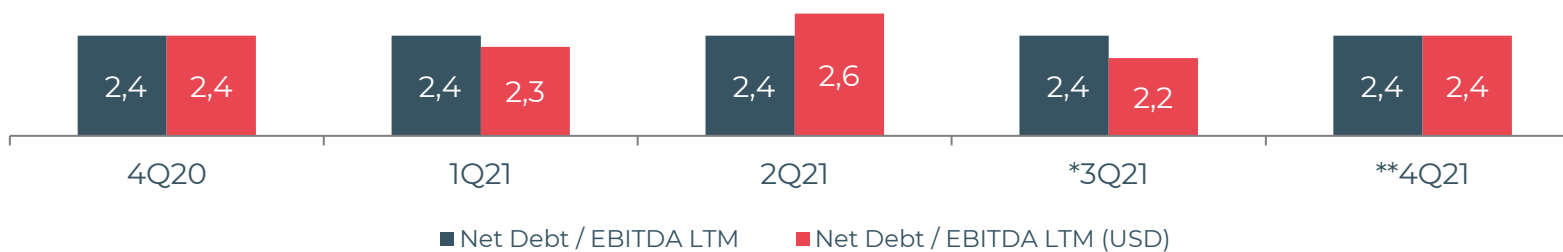
## NET DEBT AND EBITDA LTM

(R\$ MILLION)



## LEVERAGE (X)

(NET DEBT/EBITDA LTM)



R\$ Million	Dec/21
Gross Debt	13,404.7
Cash and Cash Equivalents	7,302.0
Early Dividends Payment	200.0
Adjusted Net Debt**	5,902.7
EBITDA LTM	2,413.2
Net Debt / EBITDA LTM	2.4x

\*Adjusted by VDQ warrants conversion

\*\* Adjusted by early dividends (R\$200 million - nov/21)

# Net Result and Operating Cash Flow

## NET PROFIT

R\$ million	4Q21	2021
Net Result Before Taxes	92	586
Taxes	58	13
Net Result	150	599

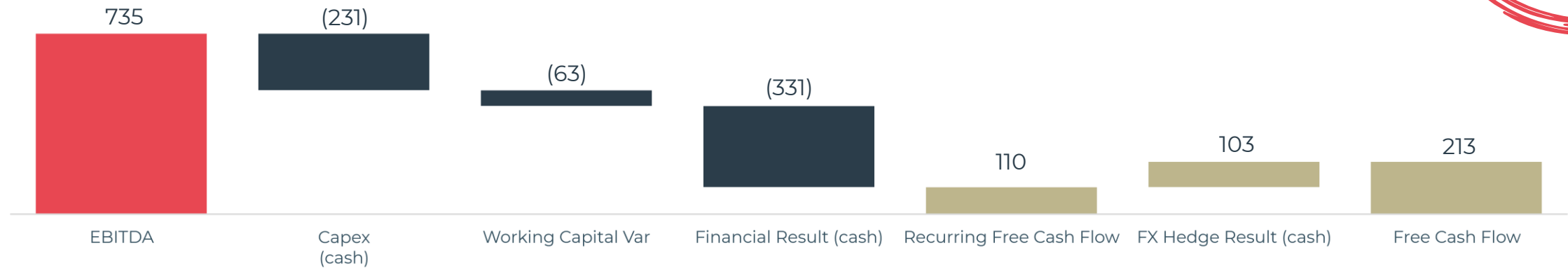
## OPERATING CASH FLOW

R\$ million	4Q21	2021
Net Result	150	599
(+) Net Result Adjustments	562	1,981
(+) Changes in Working Capital Requirements	-63	15
Operating Cash Flow	649	2,595

# Free Cash Flow

## FREE CASH FLOW 4Q21

(R\$ MILLION)



minerva  
foods

16th consecutive  
quarter with  
positive FCF

## FREE CASH FLOW 2021

(R\$ MILLION)

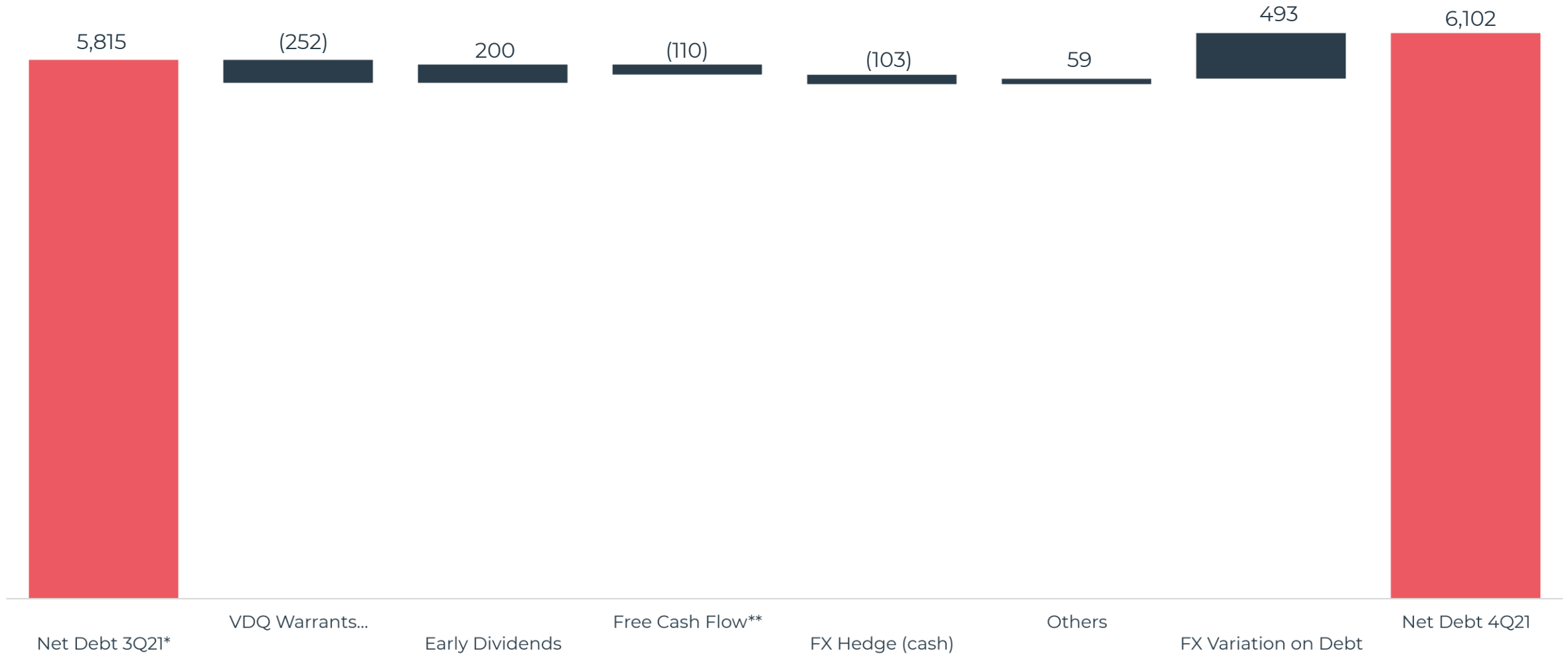


Since 2018 around  
R\$ 4.5 billion on  
FCF generation

# Debt Bridge

## NET DEBT BRIDGE

(R\$ MILLION)



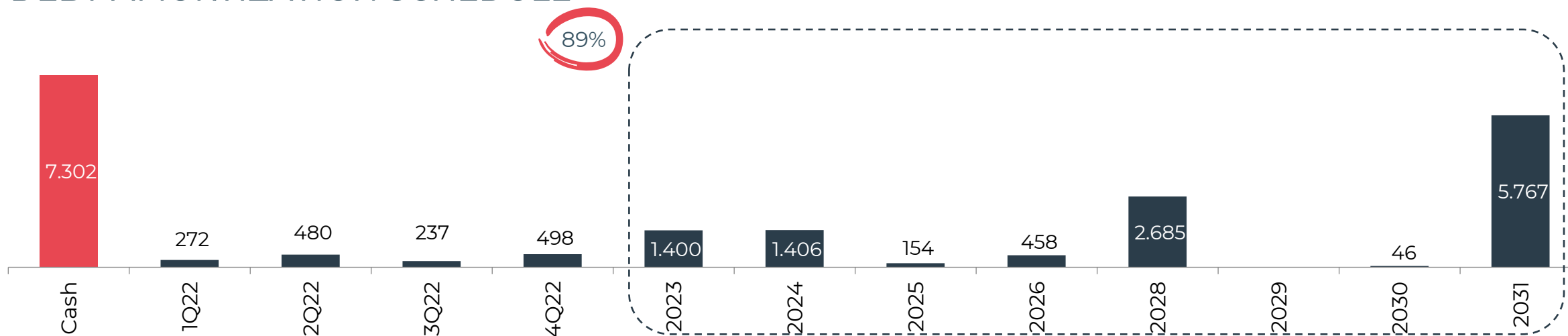
\*Not including VDQ Warrants Subscription  
\*\* Before FX Hedge Result

# Capital Structure

## HIGHLIGHTS

- Leverage measured by Net Debt / EBITDA LTM ratio : 2.4x\*
- Cash Position: R\$ 7.3 bn
- At the end of December, approximately 73% of total debt was FX indexed
  - According to the Company's hedging policy, at least 40% of long-term FX exposure is hedged
- Debt Duration: improved to ~5.8 years
- Liability Management:
  - Local debenture (oct/21)
    - R\$ 400 million
    - Maturing in 5 years (CDI + 1.60%)
    - Proceeds to liquidate the 6<sup>th</sup> debenture
  - Bond buyback
    - USD 83 million (4Q21) | USD 172 million (2021)

## DEBT AMORTIZATION SCHEDULE



# Capital Structure Discipline



## HIGHLIGHTS

- Value creation:
  - New dividend policy
  - Equity and bonds buyback 20/21: R\$ 1.8 billion
  - Complementary Dividend Proposal FY21 (may/22): R\$ 200.00 million
    - Comfortable leverage after payment: ~2.6x net debt/EBITDA
  - 20/21 earnings distribution: R\$942.1 million
    - 2020: R\$542 million (R\$1.03 / share) / 10.1% yield and 78% payout
    - 2021: R\$400 million (R\$0.69 / share) / 6.5% yield and 67% payout

Leverage Analysis	R\$ million
EBITDA 2021	2,413.2
Net Debt 2021	6,102.7
Complementary dividends FY21	200.0
<b>Net Debt/EBITDA(x) After Dividends</b>	<b>2.6x</b>



## DIVIDENDS DISTRIBUTION 2020 & 2021

FY 2020	R\$ million	R\$/share
Interest on Equity*	19.3	0.04
Early Dividends	138.5	0.26
Complementary Dividends	384.3	0.73
<b>Total Dividends</b>	<b>542.1</b>	<b>1.03</b>
<b>**Div. Yield</b>	<b>10.1%</b>	

Cash Dividends Paid (2021)	R\$ million	R\$/Share
Interest on Equity*	19.3	0.04
Complementary Dividends FY20	384.3	0.73
Early Dividends FY21	200.0	0.35
<b>Cash Dividends</b>	<b>603.6</b>	<b>1.12</b>
<b>**Div. Yield</b>	<b>10.6%</b>	

FY 2021	R\$ million	R\$/share
Early Dividends	200.0	0.35
Complementary Dividends	200.0	0.34
<b>Total Dividends</b>	<b>400.0</b>	<b>0.69</b>
<b>**Div. Yield</b>	<b>6.5%</b>	

Total Dividends 2020/2021	R\$ million	R\$/share
FY 2020	542.1	1.03
FY 2021	400.0	0.69
<b>Total Dividends</b>	<b>942.1</b>	<b>1.72</b>

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