



Earnings Conference Call
4Q20 & 2020
March 2021

2020 Highlights



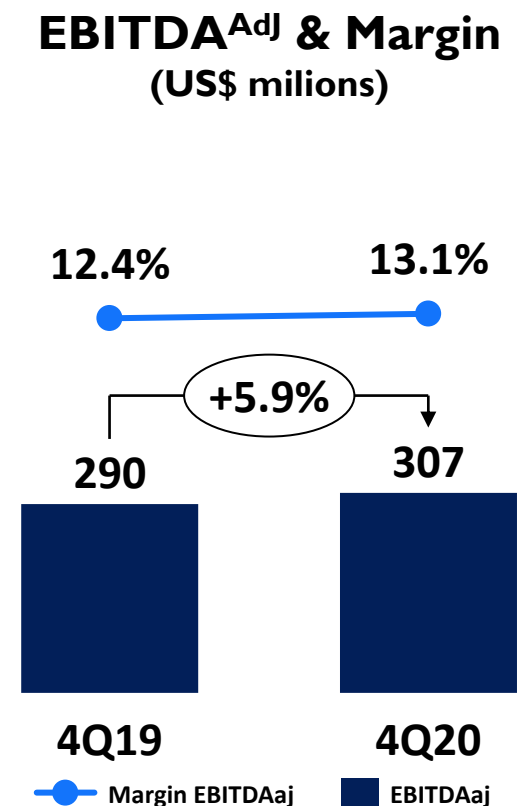
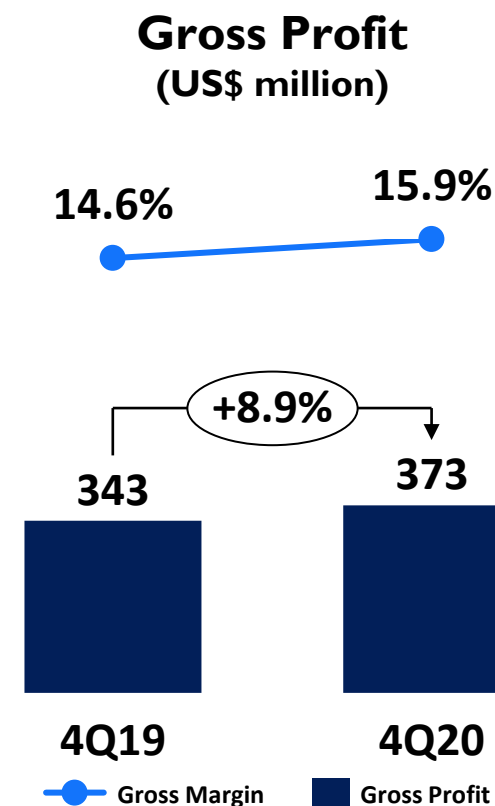
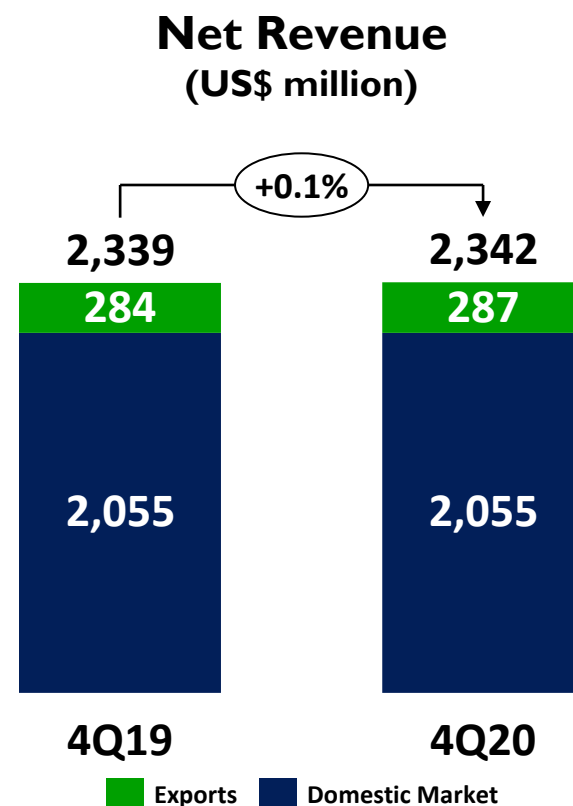
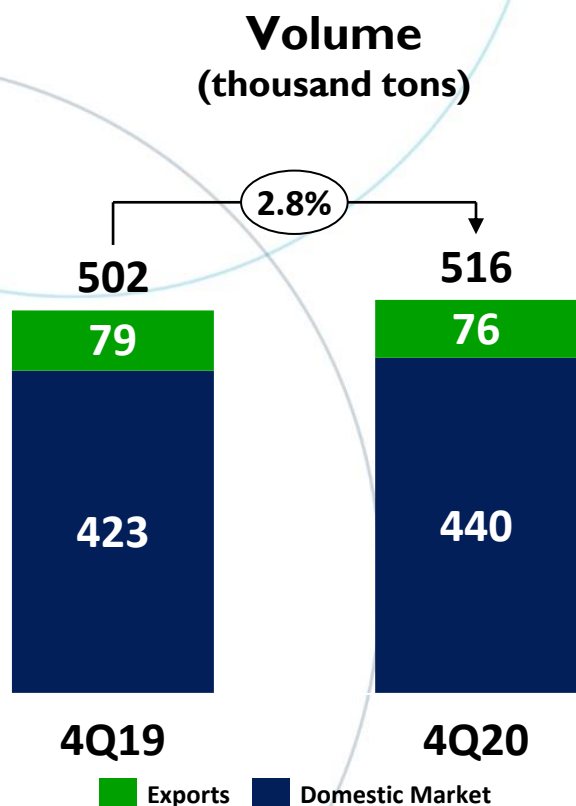
OPERATIONAL	Consolidated Net Revenue R\$ 67.5 billion: +35.3% vs 19	Consolidated Adj EBITDA R\$ 9.6 billion: + 99.4% vs 19 Mg. EBITDA^{Adj} 14.2%: + 457 pbs vs 19	Revenue & EBITDA^{adj} by Unit North America: 73% 80% South America: 27% 20%	Revenue by Currency Dollar: 90% Real: 7%
	North America EBITDA^{Adj} US\$ 1.4 bi : + 46.5% vs 19 Mg. EBITDA^{Adj} 15.2 % : + 416 pbs vs 19	South America EBITDA^{Adj} R\$ 2.1 bi : +106% vs 19 Mg. EBITDA^{Adj} 11.1 % : + 435 pbs vs 19	Efficiency Gains Program Op. South America Capture by + R\$ 390,9 million	Consolidated Net Profit R\$ 3.3 billion: +1,414% vs 19
FINANCIAL / CAPITAL STRUCTURE	Free Cash Flow R\$ 4.9 billion: +614% vs 19 Free Cash Flow Yield 47.2%	Dividend Distribution Proposal Total: R\$ 141 million Equivalent / share: R\$ 0.20	Average Cost of Debt 5.70% p.a Pro Forma Average Cost* 4.75% p.a	Financial Leverage In dollar 1.60 x In real 1.57 x Average Debt Term Pro Forma*: 5.43 years
	Liability Management Issue - Bond 2031 US\$ 1.5 billion / 3.95% a.a. Repurchase - Bonds 2024 & 2025 US\$ 750 million / 7.00 % p.a. US\$ 1 billion / 6.875 % p.a.	Liability Management Savings in financial expenses of US\$ 60m / year over the next 4 years Reduction of US\$ 250 million in Gross Debt	PlantPlus Foods Constitution of the JV and operational phase	Sustainability Marfrig Verde+ (Jul/20) Investment & Green (Jan/21) FAIRR CDP ISE & ICO2 – Indexes

* After Liability Management

Operational Results



North America – 4Q20

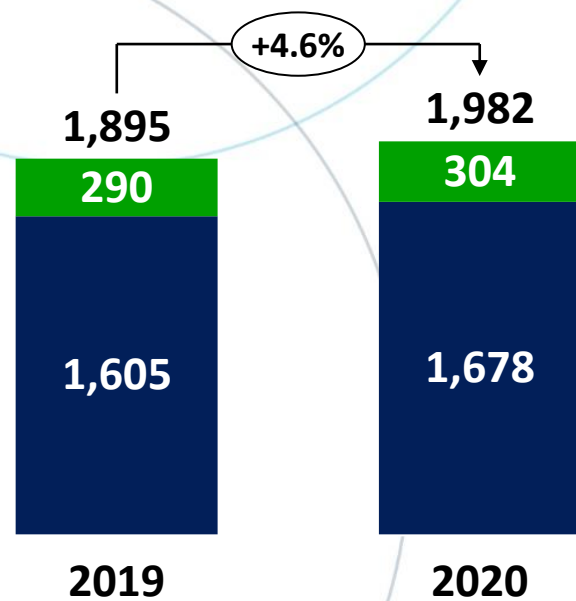


- ❑ The sales volume was 2.8% higher than the volume of the previous year, highlighted on the volume for the domestic market, which grew 4.0% compared to 4Q19.
- ❑ The high availability of cattle (at a lower price) and the slaughter of more fat animals contributed to the gain in the operation's gross margin.
- ❑ EBITDA^{aj} was US\$ 307 million, an increase of 5.9% compared to 4Q19, a significant result if we consider that in 4Q20 there were additional expenses related to Covid and that the same period in 2019 was benefited by the incident at the Tyson plant.

North America – 2020

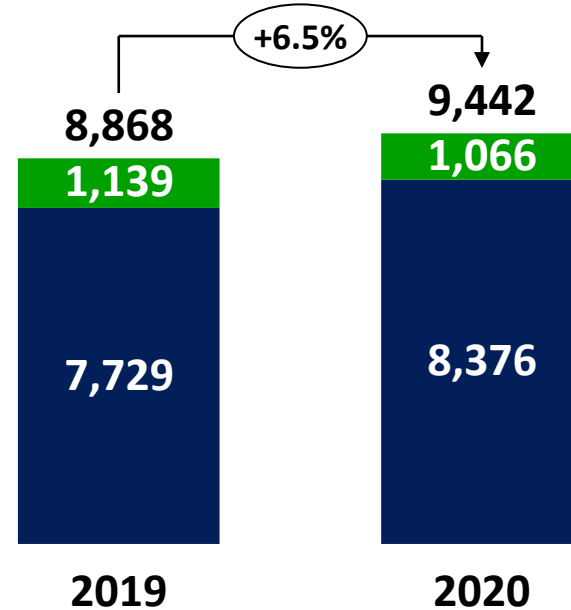


Volume
(thousand tons)



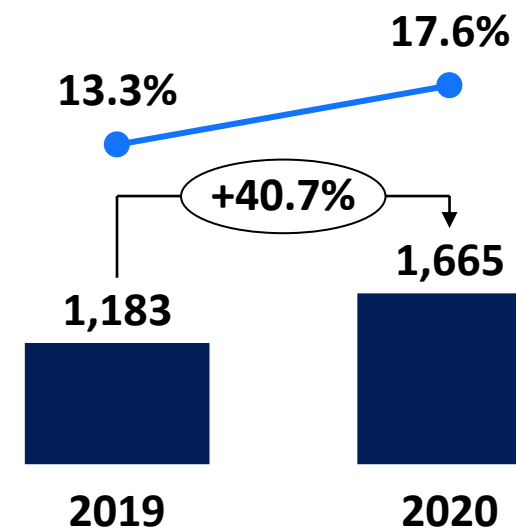
Exports Domestic Market

Net Revenue
(US\$ millions)



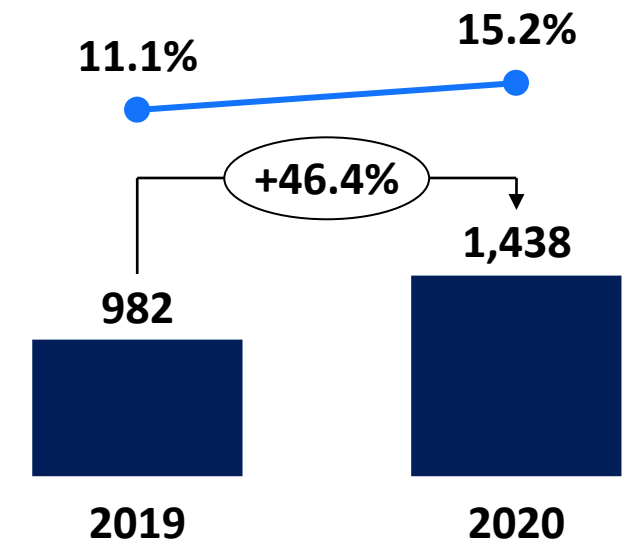
Exports Domestic Market

Gross Profit
(US\$ millions)



Gross Margin Gross Profit

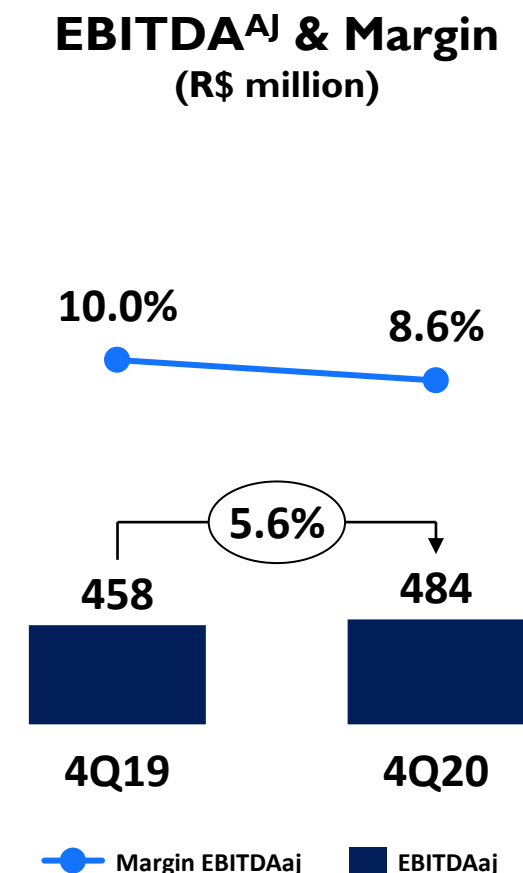
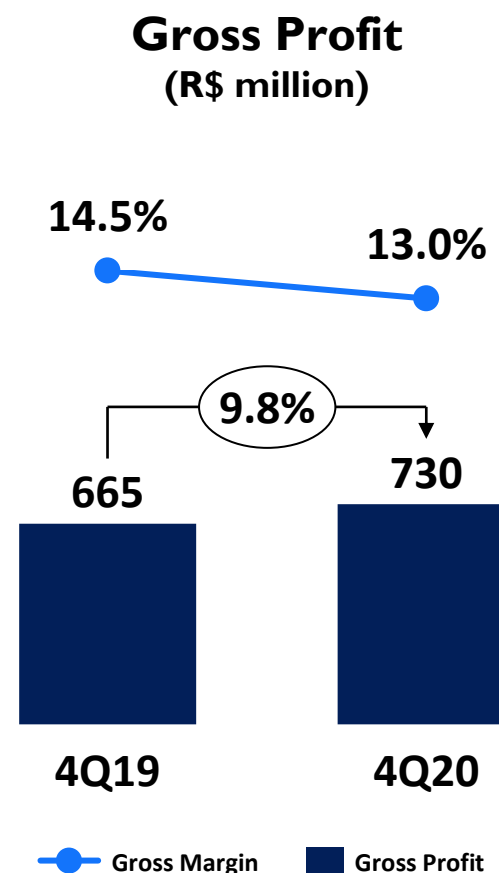
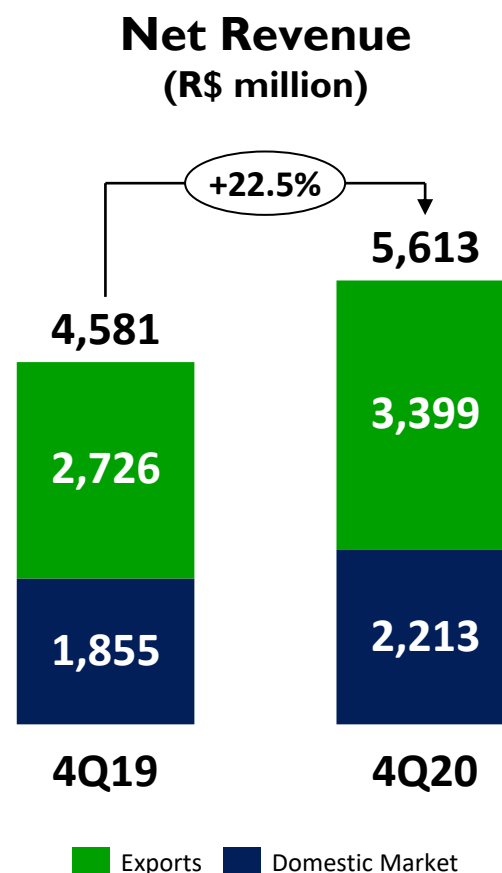
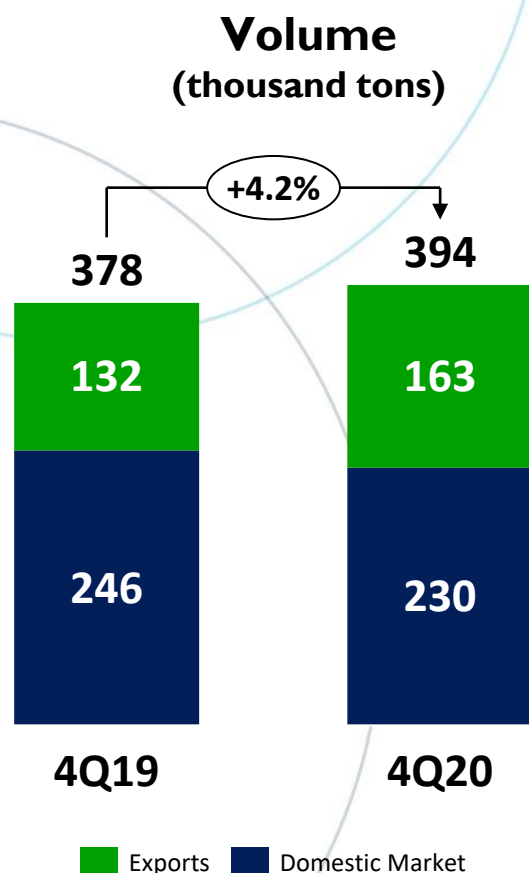
EBITDA^{Adj} & Margin
(US\$ million)



Margem EBITDAaj EBITDAaj

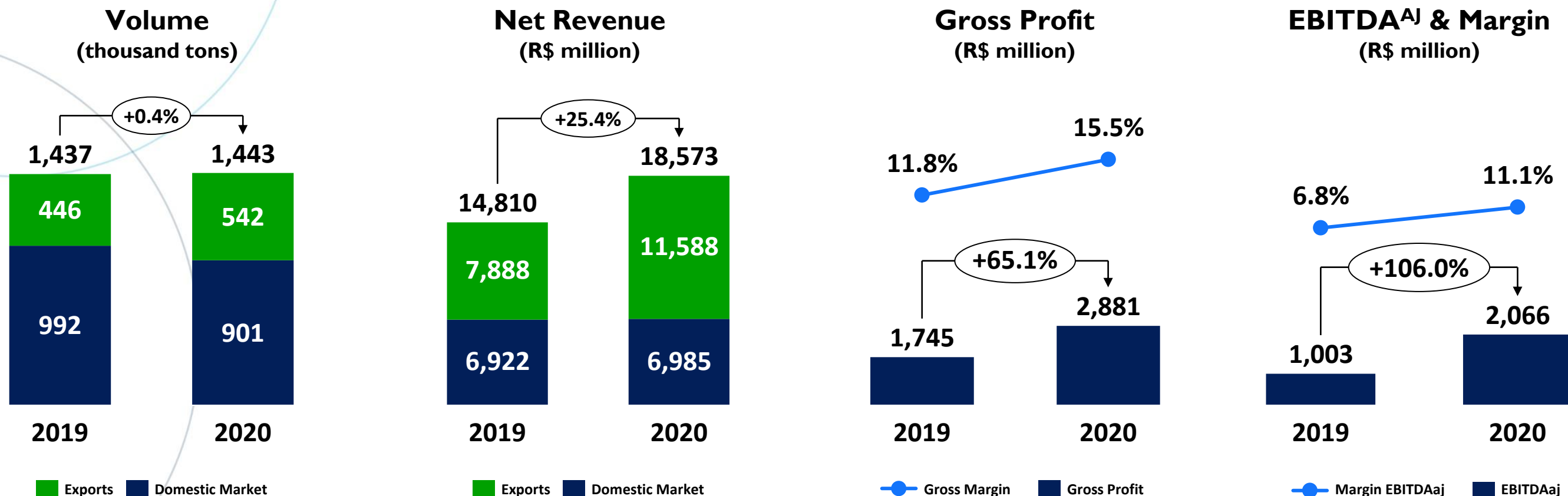
- Scenario of ample livestock availability and a consequent reduction in the cost of cattle and an increase in the sale price, a positive impact was observed in the industry margins, which presented an increase in the Cutout Ratio of 13.3% in comparison with the previous year.
- In 2020 EBITDA^{aj} was US\$ 1.4 billion, a record value and 46% higher than reported in 2019. The EBITDA Margin was also a record, reaching 15.2%.

South America – 4Q20



- Net revenue was R\$ 5.6 billion in 4Q20, 22.5% higher when compared to 4Q19, explained by the increase in the volume of exports and the 30.8% devaluation of the real against the dollar (4Q20 R\$ 5,38 vs R \$ 3.97 in 4Q19).
- The gross margin was 13.0%, compared to 14.5%. The drop can be explained by the increase in the cost of cattle in Brazil (+42%) and Argentina (+18%), and partly offset by the drop in the price of Uruguayan cattle (-25%) and the impact of the improvement programs & operational efficiencies started in 2019.
- In 4Q20, EBITDA^{adj} was R\$ 484 million, an increase of 5.6% compared to the same period in 2019

South America – 2020



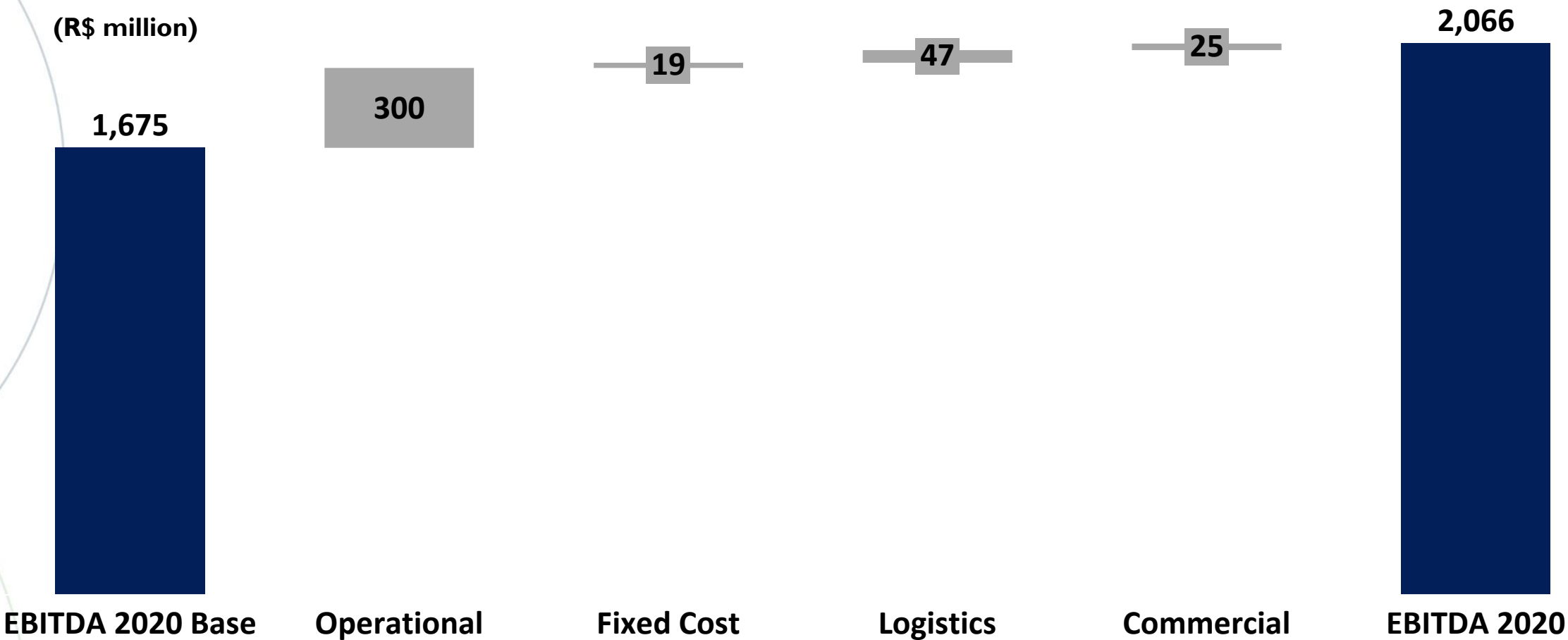
- ❑ The operation presented a record of result in 2020, net revenue was 25.4% higher than the revenue of 2019.
- ❑ In 2020, gross profit was R\$ 2.9 billion, a growth of 65% compared to 2019, this increase is explained by the higher volume of exports, better average prices in all geographies and the exchange rate appreciation of more than 30% between the years; It is worth noting that the average cost of @ in Brazil grew by 38.7% in 2020.
- ❑ EBITDA^{aj} was R\$ 2 billion, 106% higher than reported in 2019 and the margin was 11.1%.

Operational Efficiency Program



Management has been working on implementing operational efficiency improvements, the objective of which is to buy well, process well and sell well.

The result was the capture of R\$ 390.9 million in 2020, which had a direct impact on the operational performance of Operation South America, as shown below.



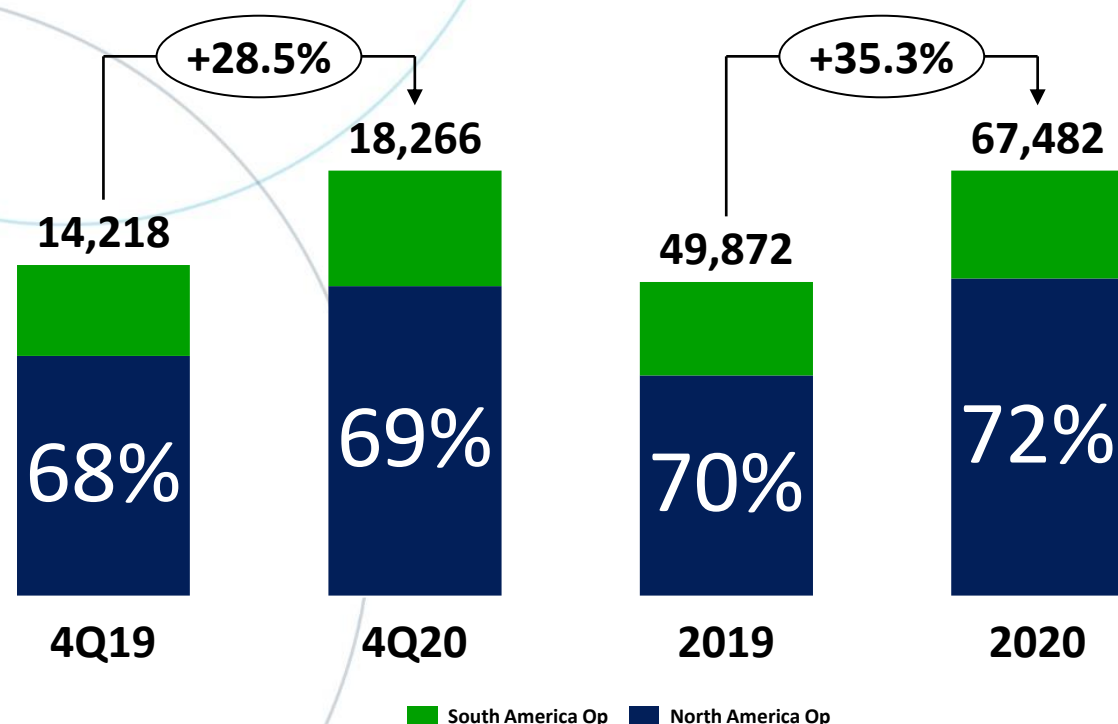
Consolidated Results



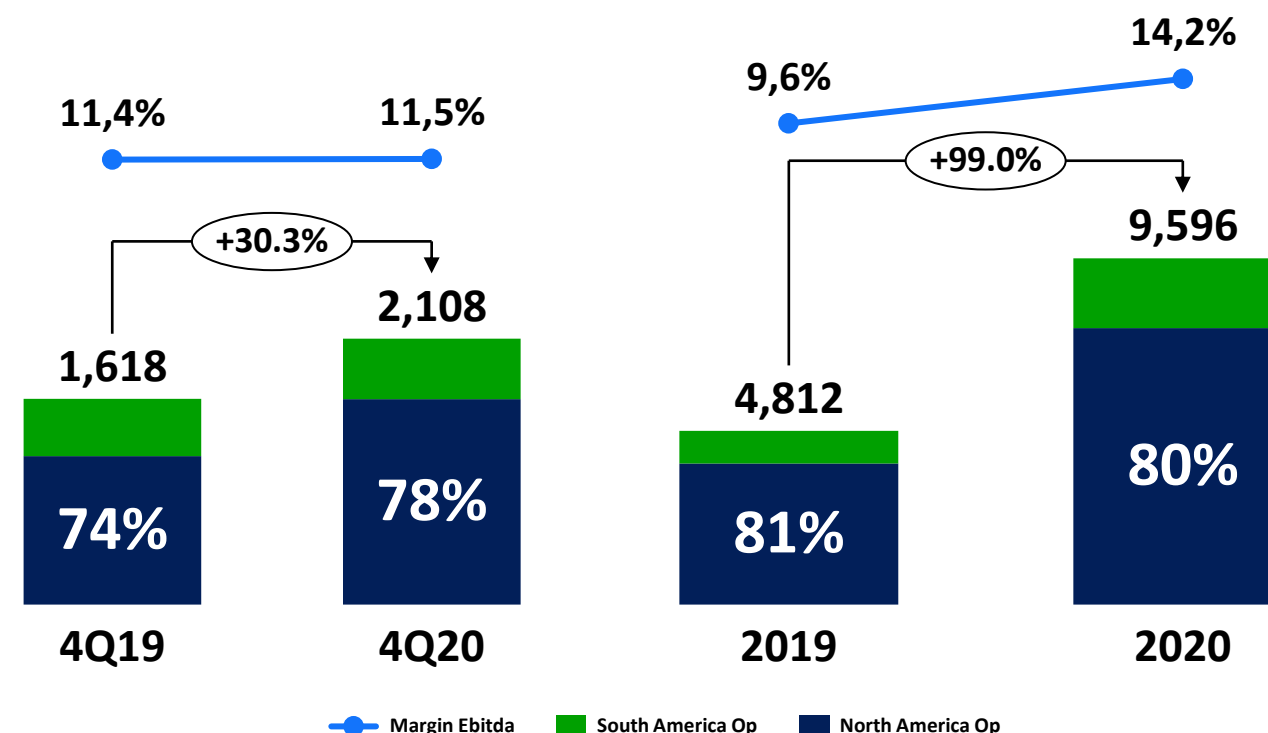
Net Revenue & EBITDA^{aj}



Net Revenue (R\$ million)



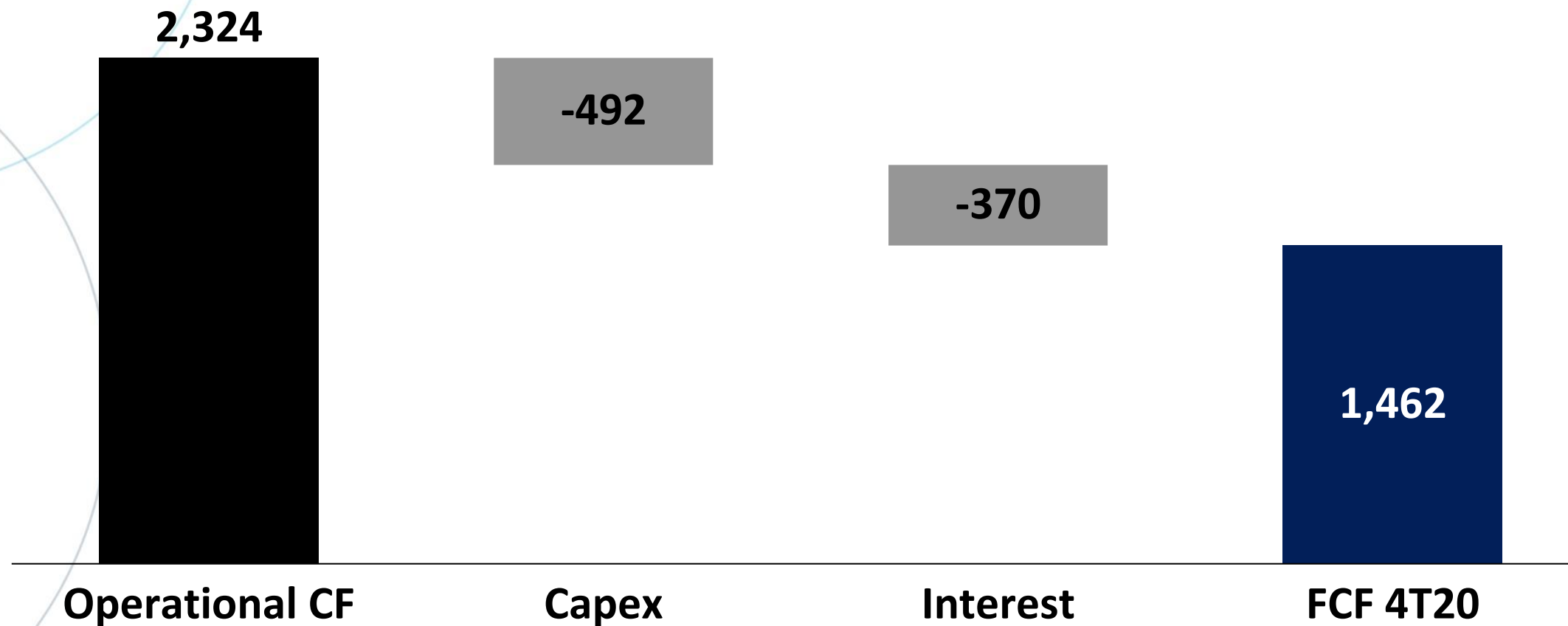
EBITDA^{aj} & Margin (US\$ million)



- In 4Q20, Marfrig's consolidated net revenue was R\$ 18,266 million, 28.5% higher than 4Q19 results. This increase is justified by the 22.5% growth in revenue from South America Operation and the 31.3% increase in revenue from North America Operation and by the devaluation of the real in the period.
- EBITDA^{ADJ} was R\$ 2,108 million, improvement of 30.3% compared to 4Q19.
- In 2020 EBITDA^{ADJ} was R\$ 9.6 billion, an amount 99% higher than 2019 and a historical record for the Company. The EBITDA^{ADJ} Margin was also a record and reached 14.2%

Cash Flow – 4Q20

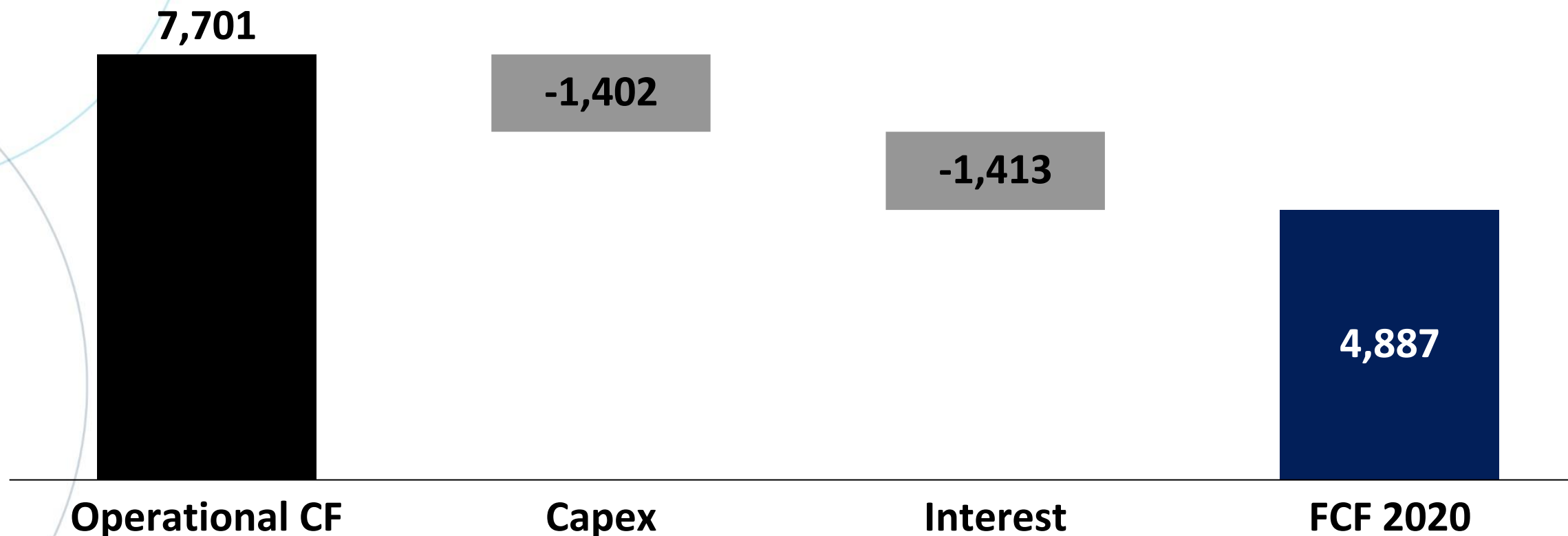
(R\$ milhões)



- ❑ In 4Q20, another quarter with Strong results, providing operating cash flow of R\$ 2,3 billions. Interest expenses amounted to R\$ 370 million and recurring capex was R\$ 492 millions.
- ❑ As a result, free cash flow was R\$ 1,5 billion, na increase of 165% on the year-ago period.

Cash Flow – 2020

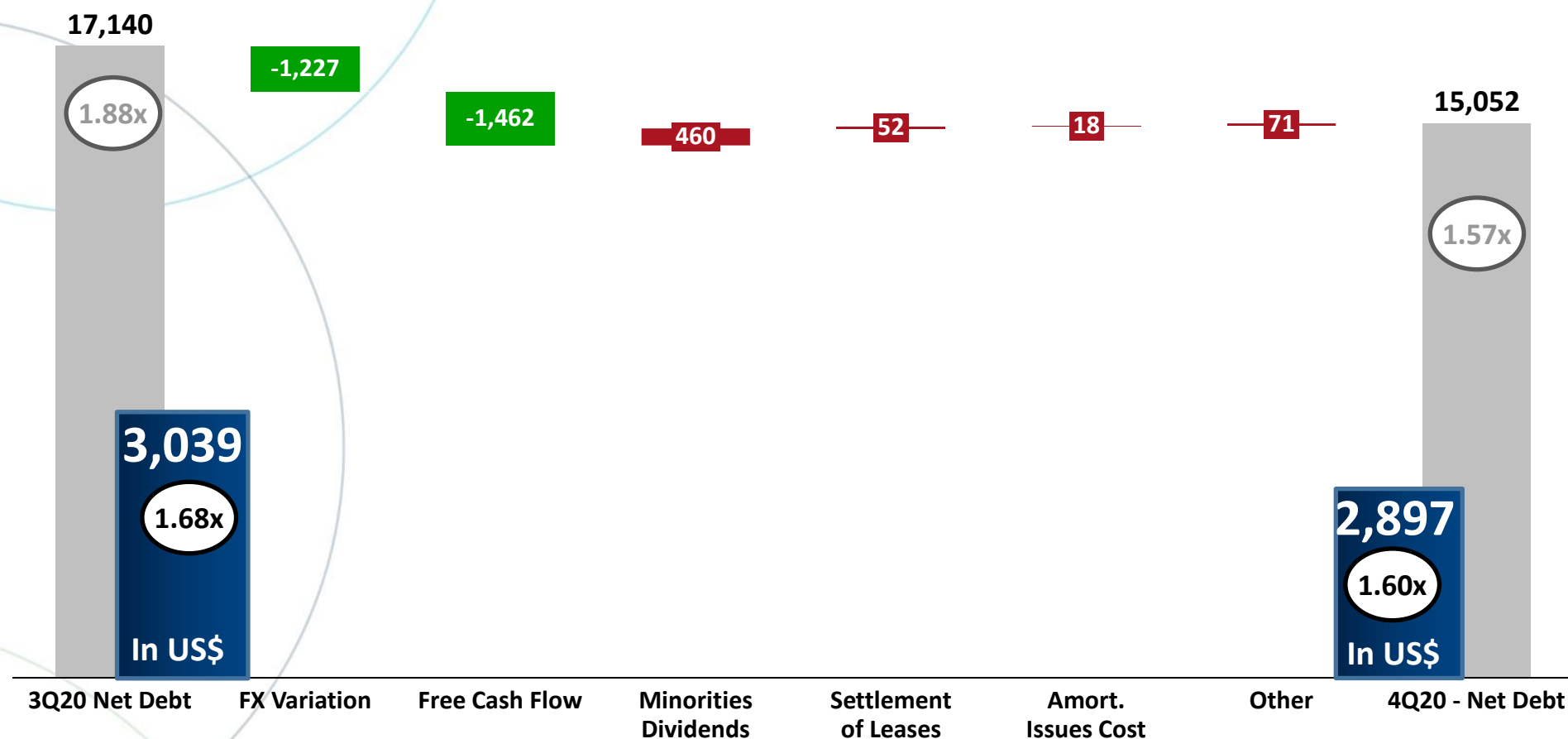
(R\$ milhões)



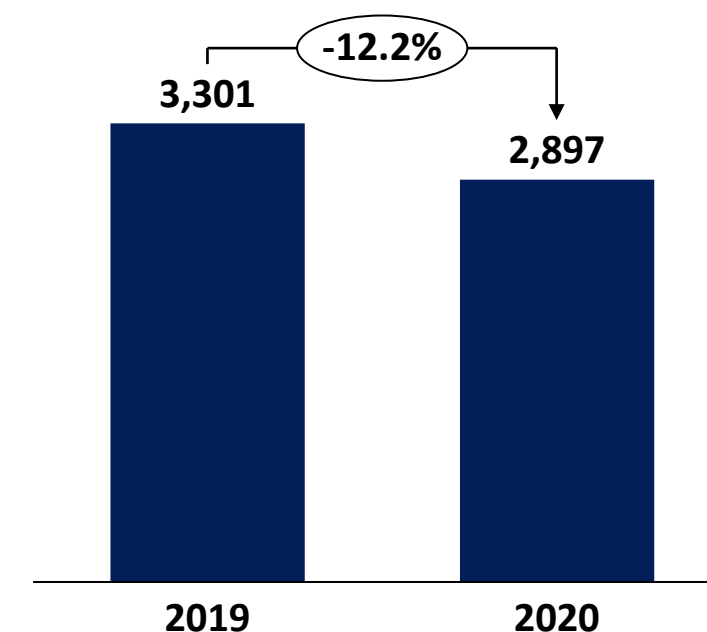
- ❑ In 2020, the operating cash flow of the company was R\$ 7,7 billions, an increase of 196% on the year-ago period. The result is explained by the excellent operational performance in both operations.
- ❑ The better management of working capital, the reduction of financial expenses and the reduction in the Company's gross debt helped the Company to present a record of free cash flow in 2020, of R \$ 4.9 billion.

Evolution of Net Debt & Leverage

(R\$ million)



Net Debt in US\$

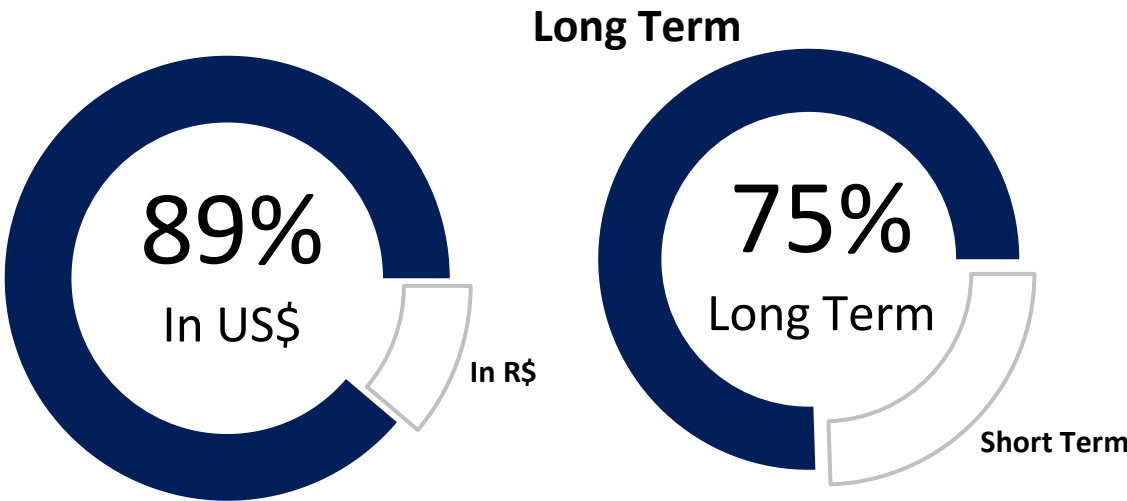
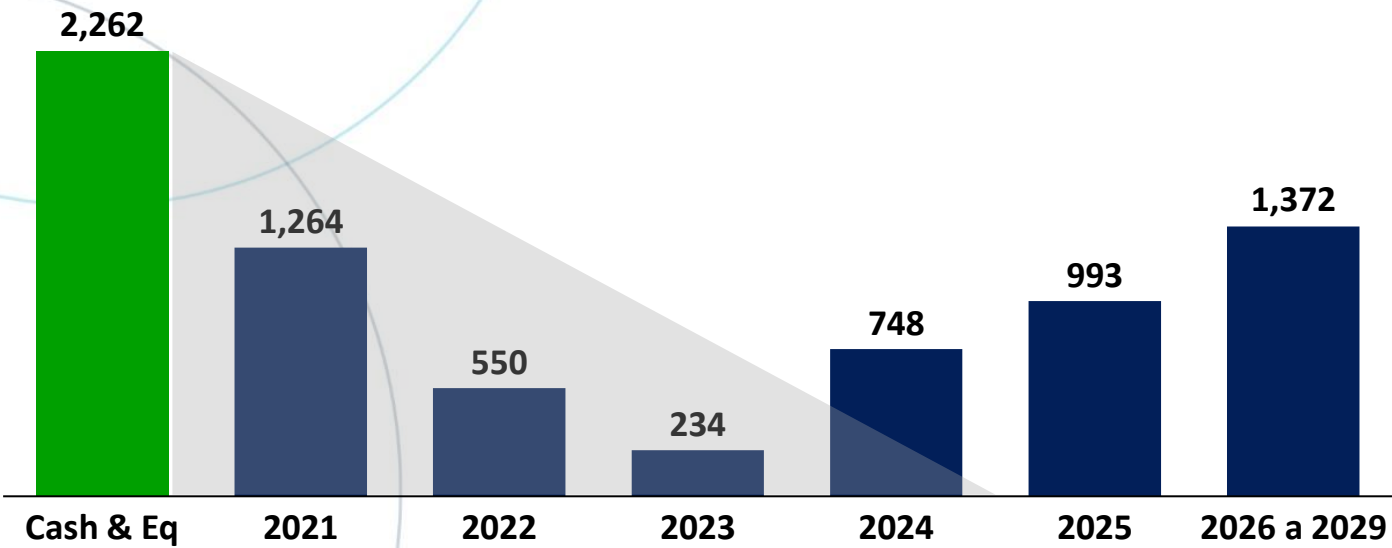


- Net Debt in 4Q20 of US\$2.897 millions was reduced by US\$ 142 million since 3Q20, beside that, the reduction in reais was over R\$ 2,0 billion, this can be explained due to the Strong geretaion of operating cash in the period.
- At the end of the quarter the company achieve the lowest historical leverage index in R\$ and USD.
- In 4Q20, the amount of third-party dividend payments was US\$ 87 million (R\$ 460 million).

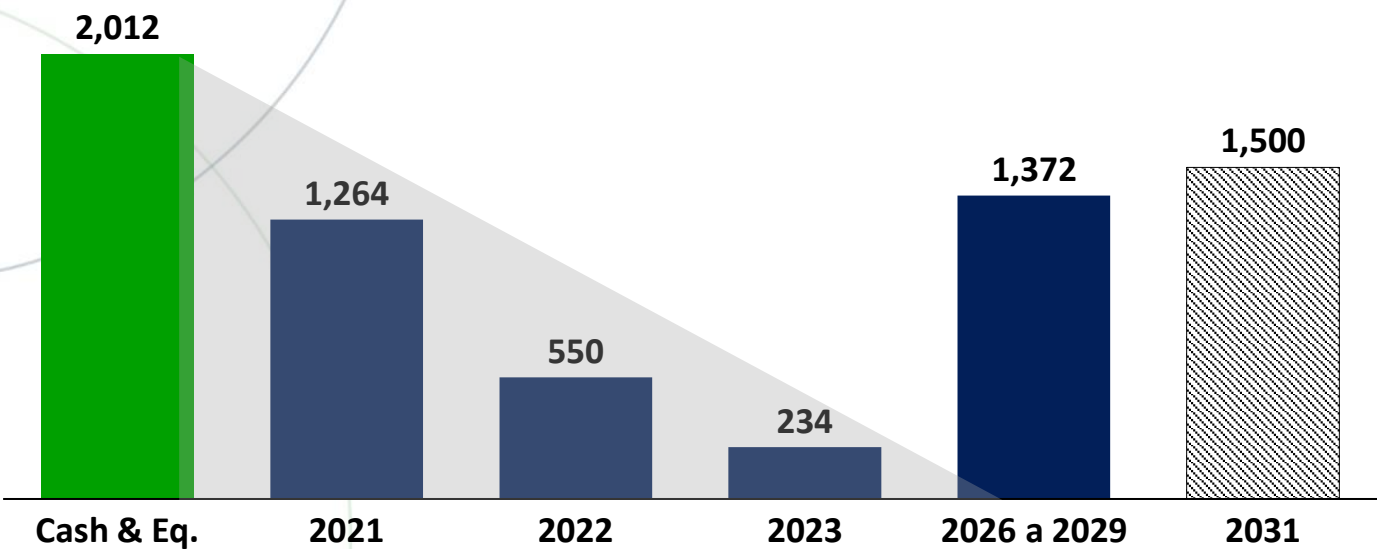
Debt Profile



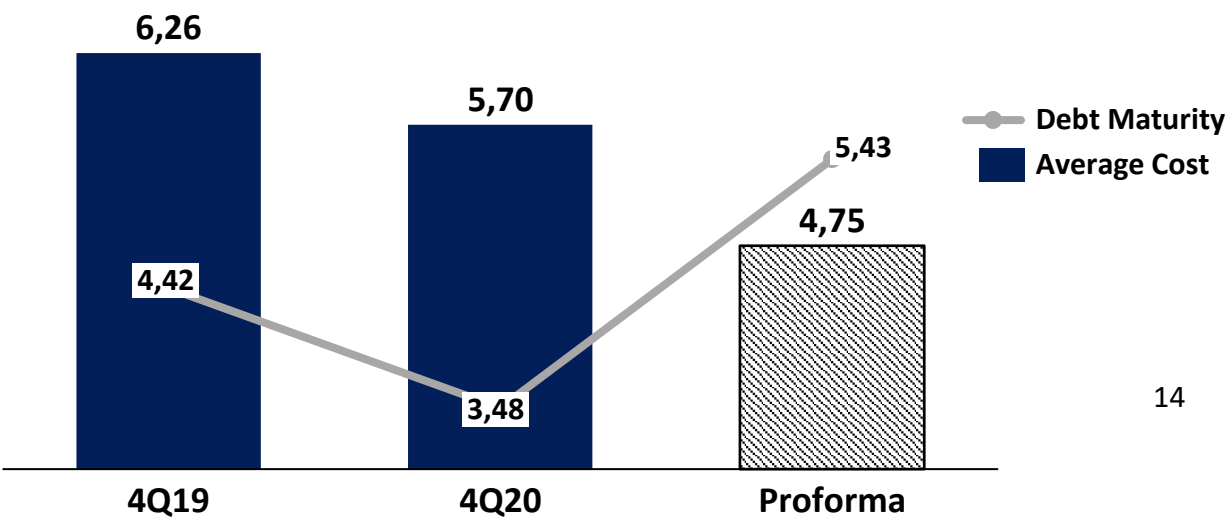
Cash Position and Debt Schedule in 31/12
(in US\$)



Cash Position and Debt Schedule in Proforma
(In US\$)



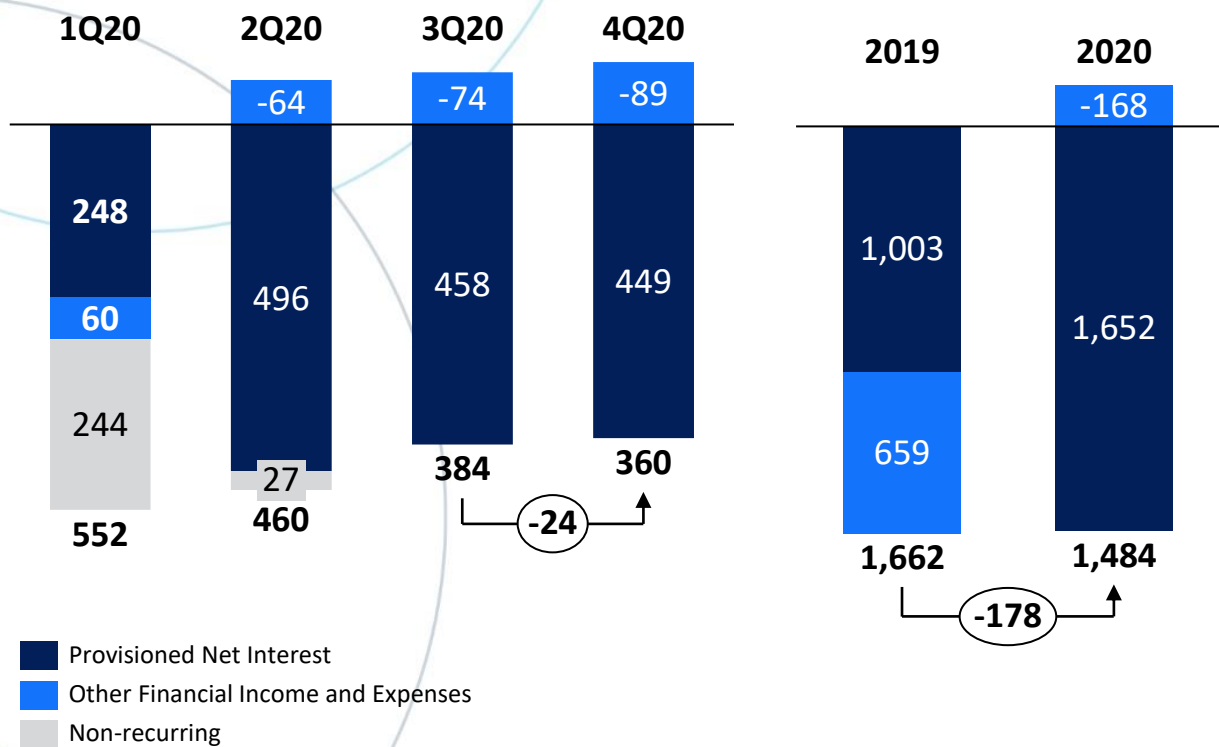
Average Cost & Debt Schedule
(% a.a.)



Financial Result



(R\$ million)

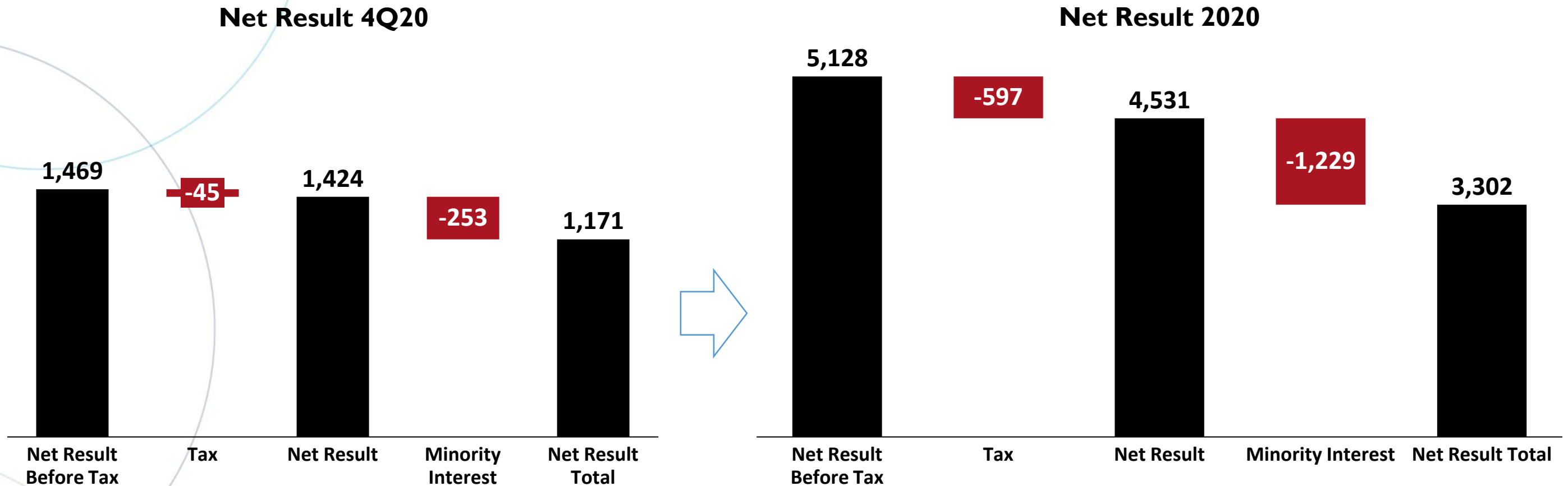


	1Q20	2Q20	3Q20	4Q20	Δ 3Q20
Provisioned Net Interest	(248)	(496)	(458)	(449)	9
Other Revenues & Expenses	(60)	64	74	89	14
Recurring Financial Result	(308)	(433)	(384)	(360)	24
Non-recurring expenses	(244)	(27)	-	-	-
FX Variation	(632)	(314)	(229)	204	433
Net Financial Result	(1.183)	(774)	(613)	(156)	457

- ❑ As the result of *liability management* actions, in 4Q20 the financial expenses of R\$ 360 millions was R\$ 24 millions lower than the previous quarter and it was R\$ 83 million on the year-ago period. When we measure debt in USD, US\$ 67 million, was the lowest historical value.
- ❑ Although the real devaluation of 31% against dollar, the financial result in 2020 was R\$ 178 milhões or 11% lower than the result in 2019.

Net Result – 4Q20 & 2020

(R\$ million)



- The excellent operational performance align with robust program of financial reduction expenses led the company to record a net profit of R\$1.2 billion in the 4Q20. The second best result and 43 times higher than 4Q19.
- In the year, the accumulated net result was positive by R\$ 3,302 million, which generated an accounting basis for distribution of earnings in the amount of R\$ 141 million. This amount represents 50% of the net profit distributable to shareholders and is equivalent to R\$ 0.20 / share.
- The rest will be used to set up reserve for repurchase programs in the future.

Sustainability: Initiatives & Achievements



Annual Sustainability Report



Marfrig Verde+ Program Launch



Carbon Neutral Product Line (Viva)



World Leading protein company on FAIRR ranking

Leading protein company by CDP



2020

2021



Amazon Commitment Audit Report



First Green CPR: Credit line focused on green and sustainable projects



1st protein company in Brazil to commit to Science Based Target

SCIENCE BASED TARGETS



Marfrig was elected brazilian sustainable index (ISE B3)

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