



M. Dias Branco

Results
Presentation
1Q24

MDIA3

May 13th, 2024

Novo Lámen.

ZERO FRITURA. MUITO SABOR.

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The statements contained in this document related to the management's perspectives on M. Dias Branco's business are merely trends and, as such, are based exclusively on the management's perspectives on the continuity of past and present actions, and on facts that have already occurred. These trends do not constitute projections or estimates and can be substantially altered by changes in market conditions and in the performance of the Brazilian economy, the sector and international markets.





Net Revenue

**R\$ 2.1
Billion**

-13.9%
vs. 1Q23



EBITDA

Record for a first
quarter

**R\$ 277
Million**

+60%
vs. 1Q23



Net Income

**R\$ 155
Million**

+122%
vs. 1Q23



Cash Flow

**R\$ 138
Million**

2.4x higher
vs. 1Q23



Exchange of the EBS management system for SAP S4 Hana with Go Live in Jan/24.

The system change was successful and in less than three months we resumed growth, recovered margins and gained market share. The necessary and scheduled interruption of operations at the beginning of Jan/24, as usual in this type of system exchange, represented a reduction of 31 thousand tons of sales, equivalent to R\$60 million in contribution margin

Estimated impact of Scheduled Interruptions

31
thousand
ton.

Variation in Volumes
Jan/23 vs. Jan/24

5.2
R\$/kg

Average Price of Jan/24

37%

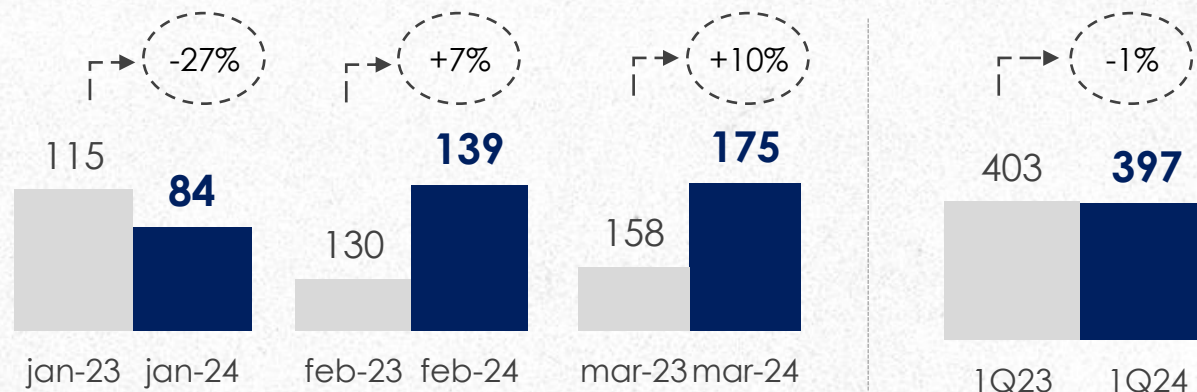
Contribution Mg. of Jan/24

R\$60MM

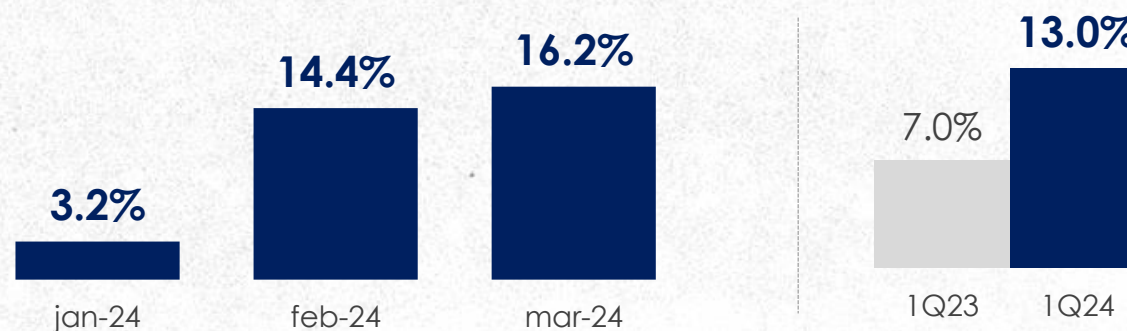
Impact on contribution Mg.



Sales Volume (Thousand Ton.)



EBITDA Margin (%)



HIGHLIGHTS

M. Dias Branco





RELAUNCH OF THE SHARE BUYBACK PROGRAM



OBJETIVO

Maximize the creation of value and comply with the Company's Long-Term Incentive Program



TERM

18
Months

Apr/24 – Oct/25



AMOUNT

3.58
Million
Shares



LAUNCH



NEW ZERO FRYING LAMEN



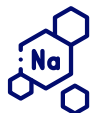
PRODUCT

Innovative product:



Zero frying

Made in a hot air process, like an airfryer



Less Sodium

25% less sodium vs fried



AND SO MUCH

TASTE!



MARKET 2023

SHARE VOLUME (%)



Source: Nielsen.



PROJECT



3 years



Up to R\$ 100 million investment



FINEP financing framed as "Innovation for Competitiveness"

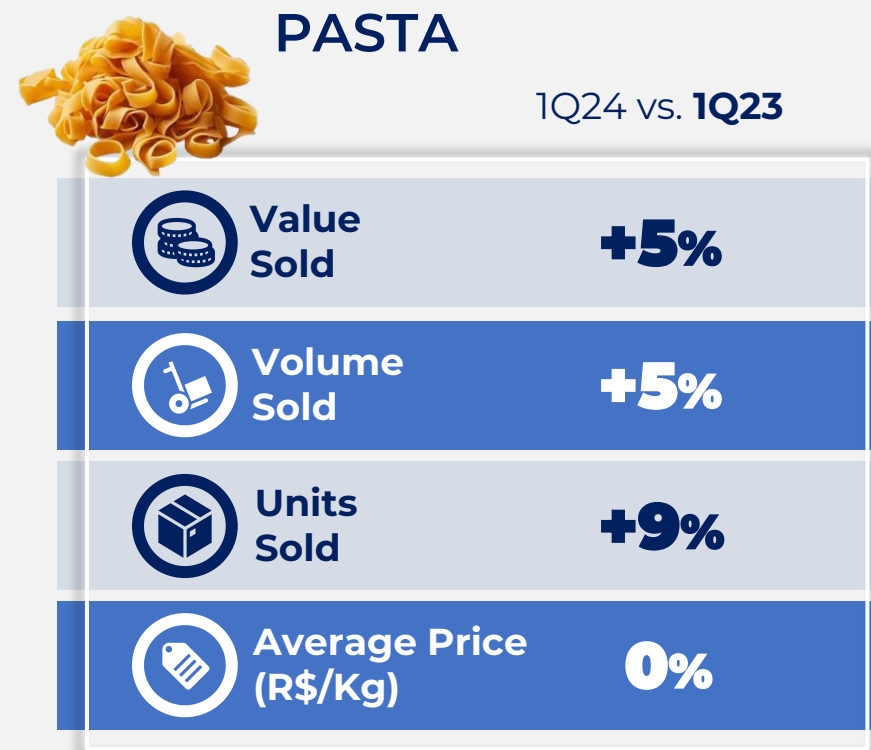
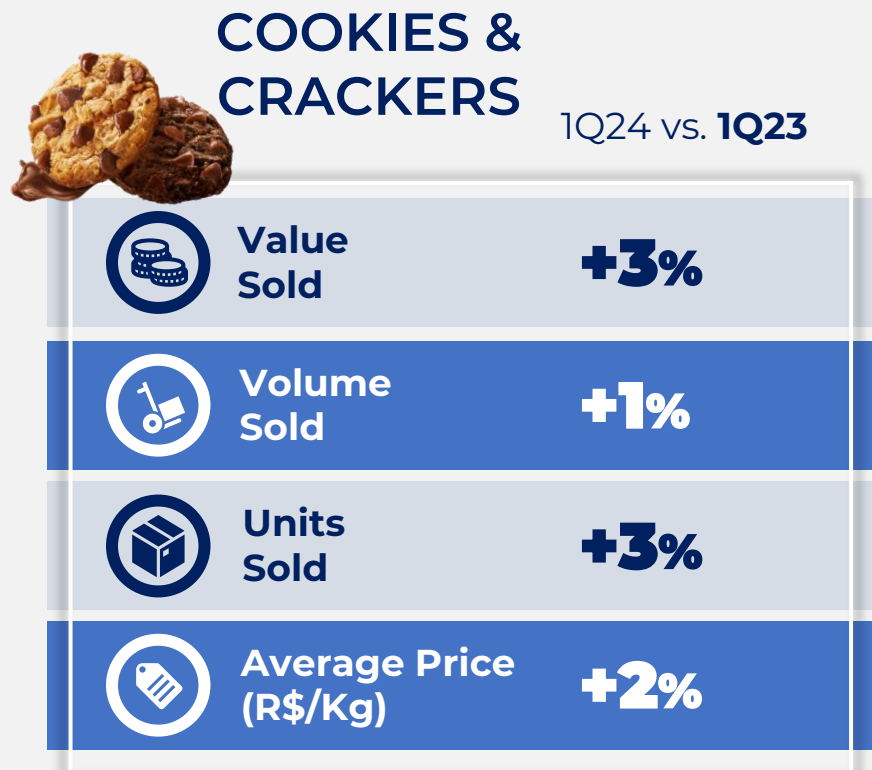


REVENUE & MARKET SHARE

M. Dias Branco



The cookies & crackers and pasta markets grew in the 1Q24 vs. 1Q23 (sell-out | retail sales to consumers)



Source: Nielsen – Retail Index. Total Brazil. INA+C&C.

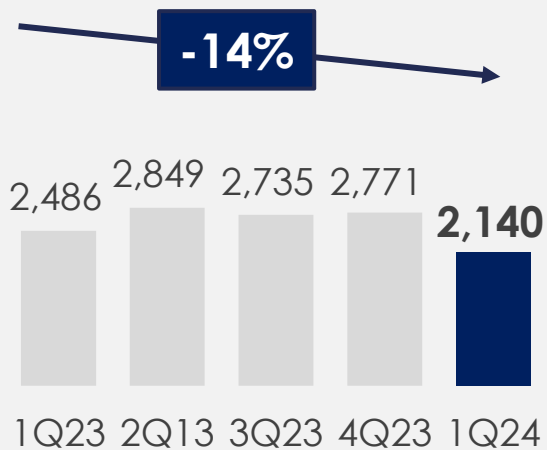




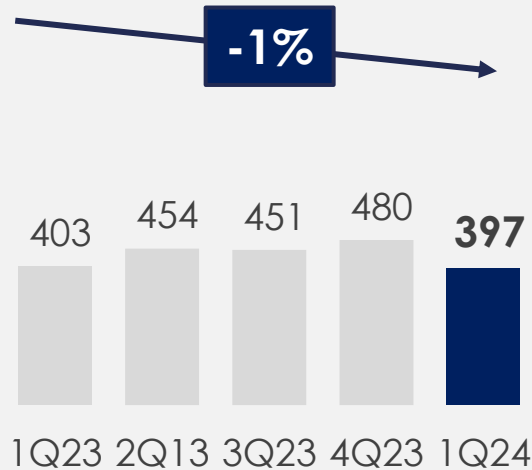
Net revenue of R\$2.1 billion, down by 13.9% from 1Q23, due to reductions in average price and the gradual resumption of revenue in mid-January after the scheduled interruption at the beginning of the month for the implementation of the SAP system



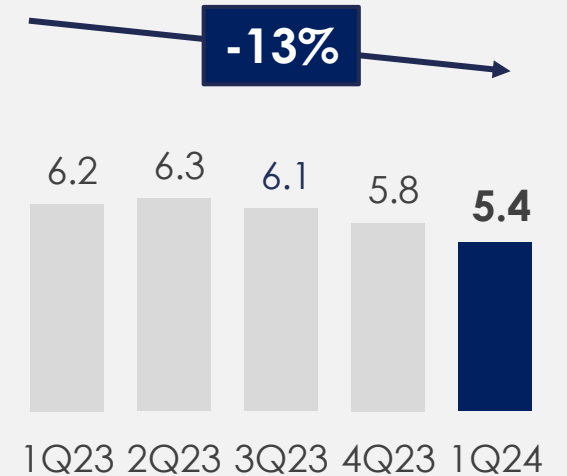
Net Revenue (R\$ million)



Sales Volume (Thousand Ton.)



Average Price (R\$/Kg)



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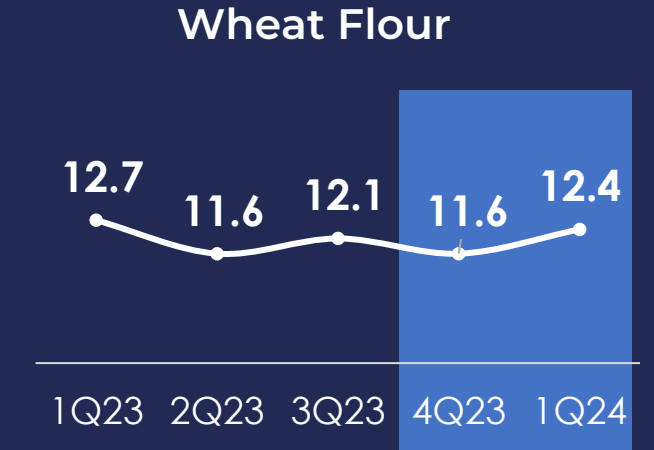
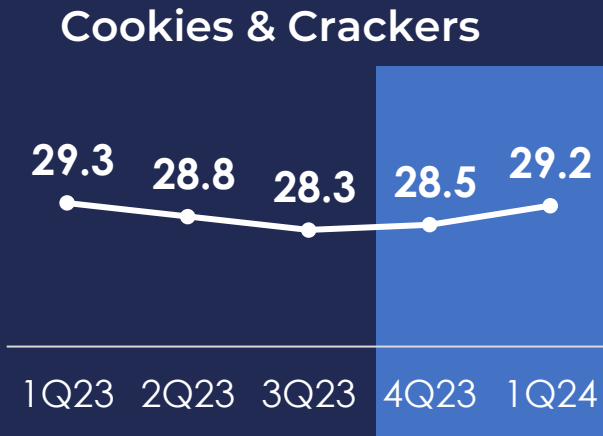
We estimate that in 1Q24 we had an unfavorable impact on volumes of around 31 thousand tons.



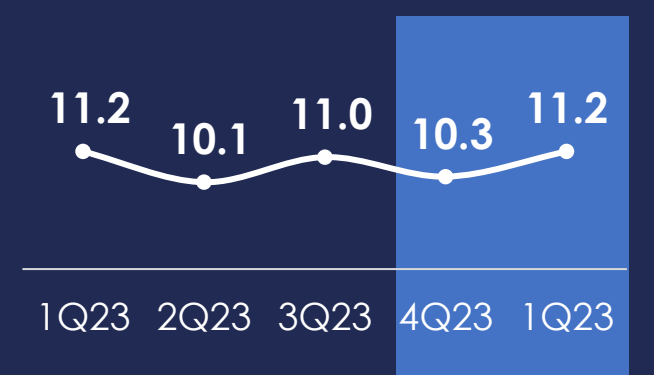
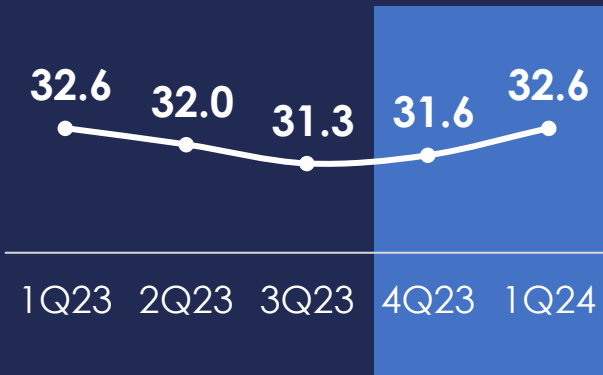


We expanded the market share in volume vs. 4Q23 in Cookies & Crackers, Pasta and Wheat Flour

Market share %
Value
Brazil



Market share %
Volume
Brazil



Source: Nielsen – Retail Index. Total Brazil. INA+C&C.

In 1Q24, revenue decrease in both the Attack and Defense regions was mainly due to lower volumes



COSTS & EXPENSES

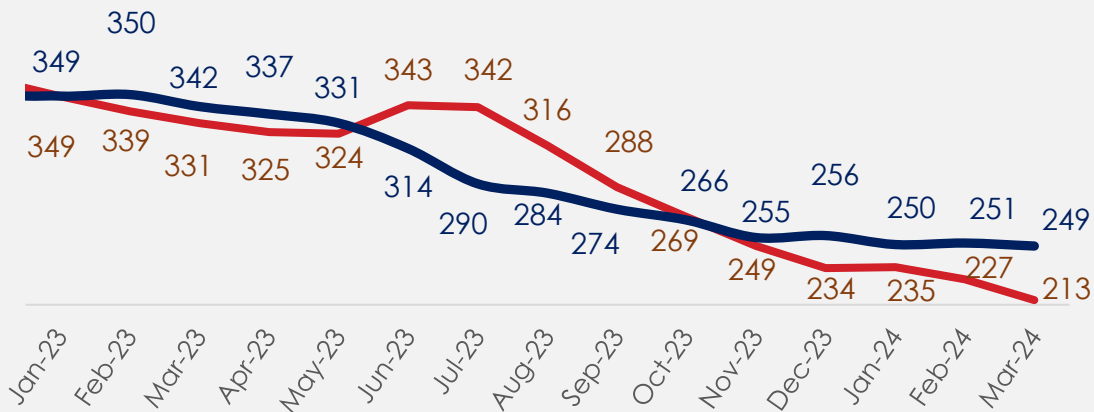
M. Dias Branco



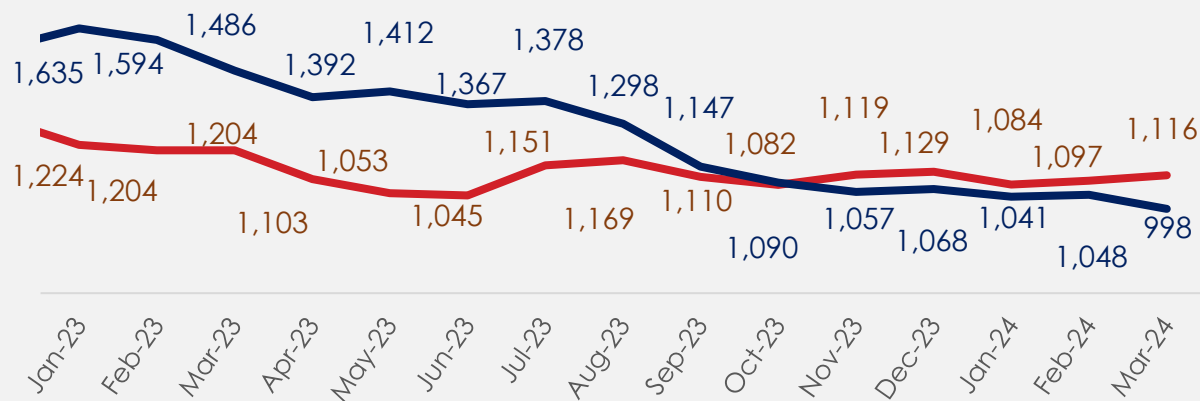


Lower prices in wheat and palm oil vs. dec/23. With the scheduled pauses due to the implementation of SAP, the consumption of wheat in stock increased gradually from February/2024 onwards, momentarily postponing the meeting of our prices with market prices.

WHEAT
(US\$/TON.) 



PALM OIL
(US\$/TON.) 



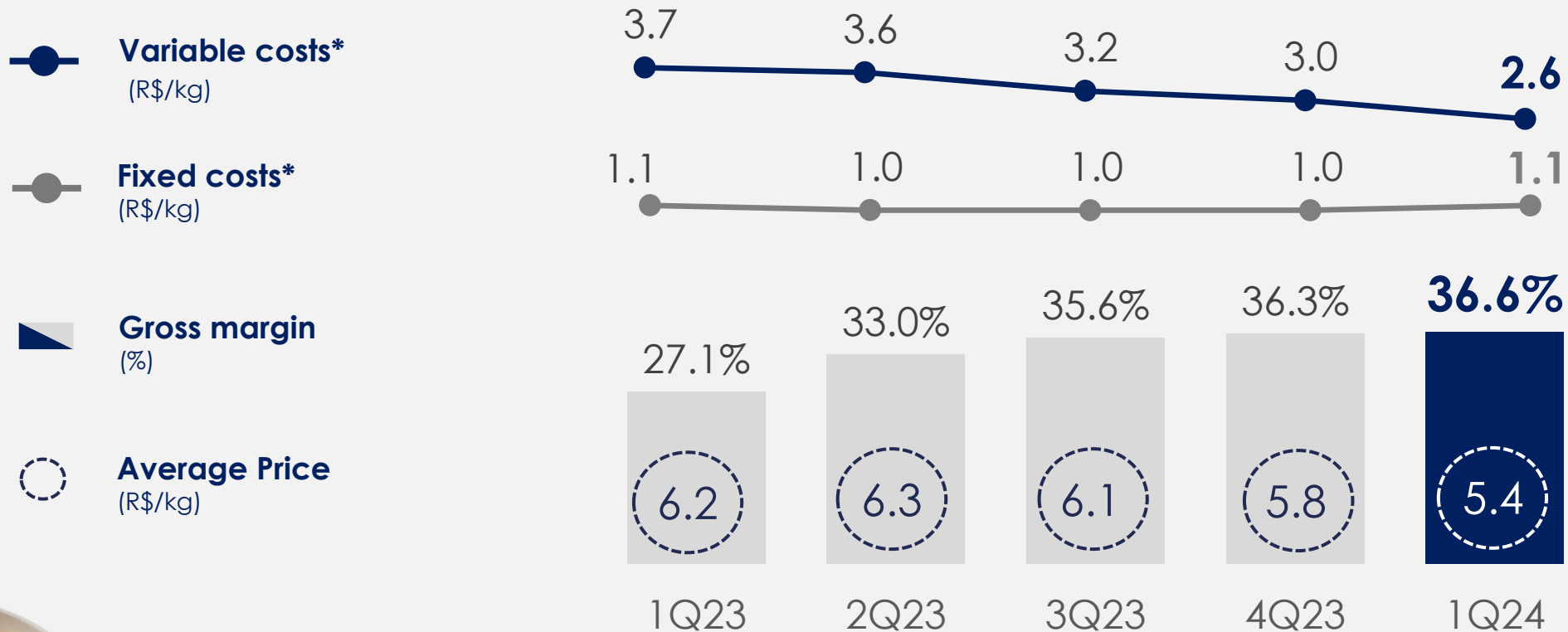
*Source: Wheat - SAFRAS & Mercado; Palm Oil - Rotterdam.

— Market* — M. Dias Branco





Gross margin growth vs. 1Q23 and 4Q23. The reduction in variable costs was more than enough to offset the reduction in average price.



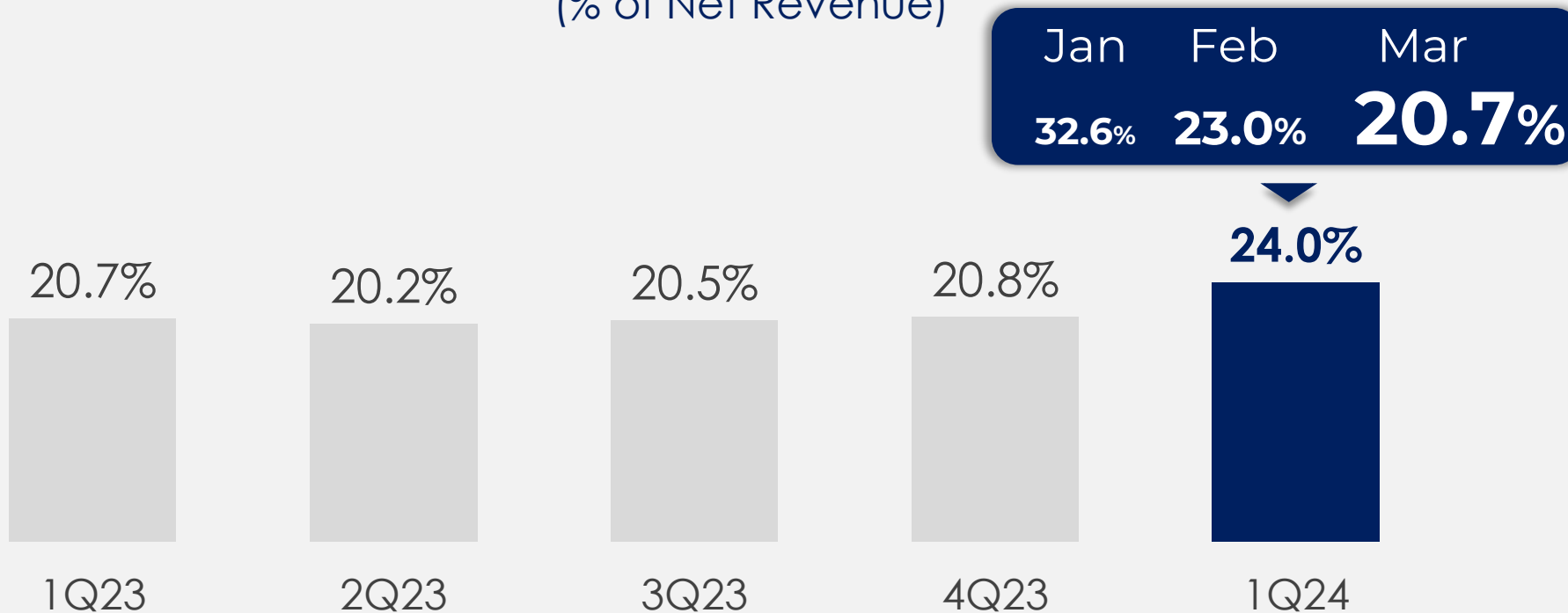
*Without incentives.





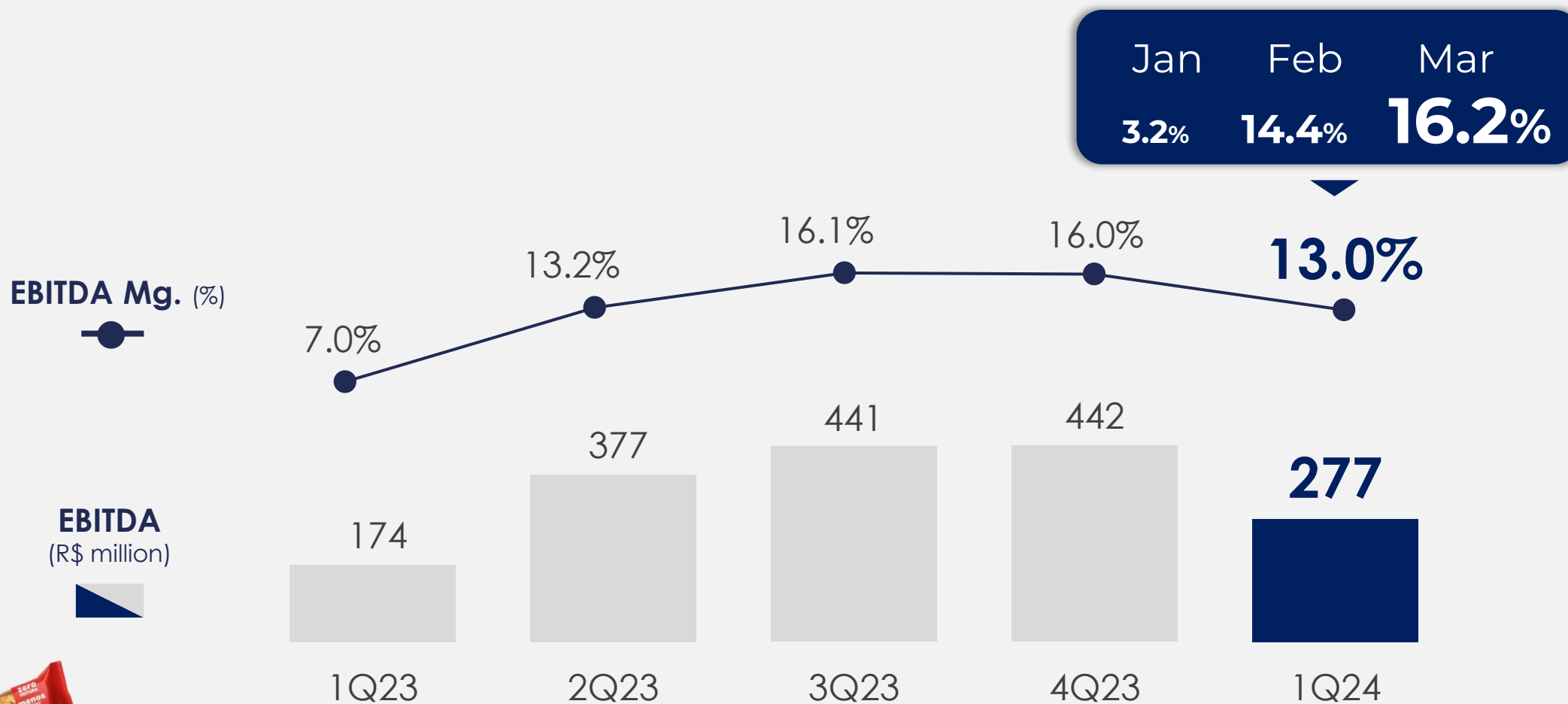
Sales and administrative expenses (SG&A) at 24.0% of Net Revenue, impacted by the drop in volumes, mainly in January, and the lower average price.

Selling and Administrative Expenses (SG&A) (% of Net Revenue)



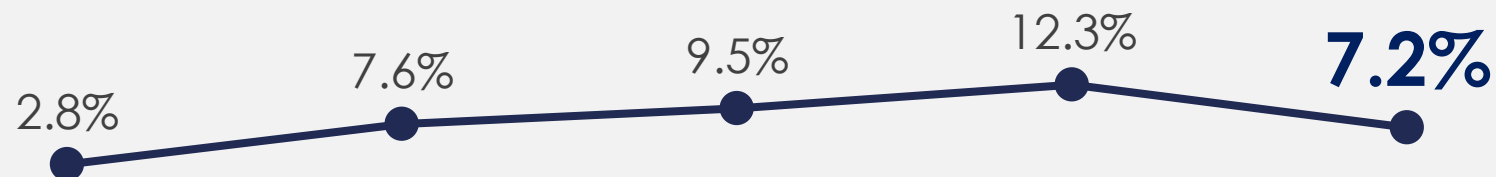


EBITDA up by 59.6% over last year, and EBITDA margin of 13.0%

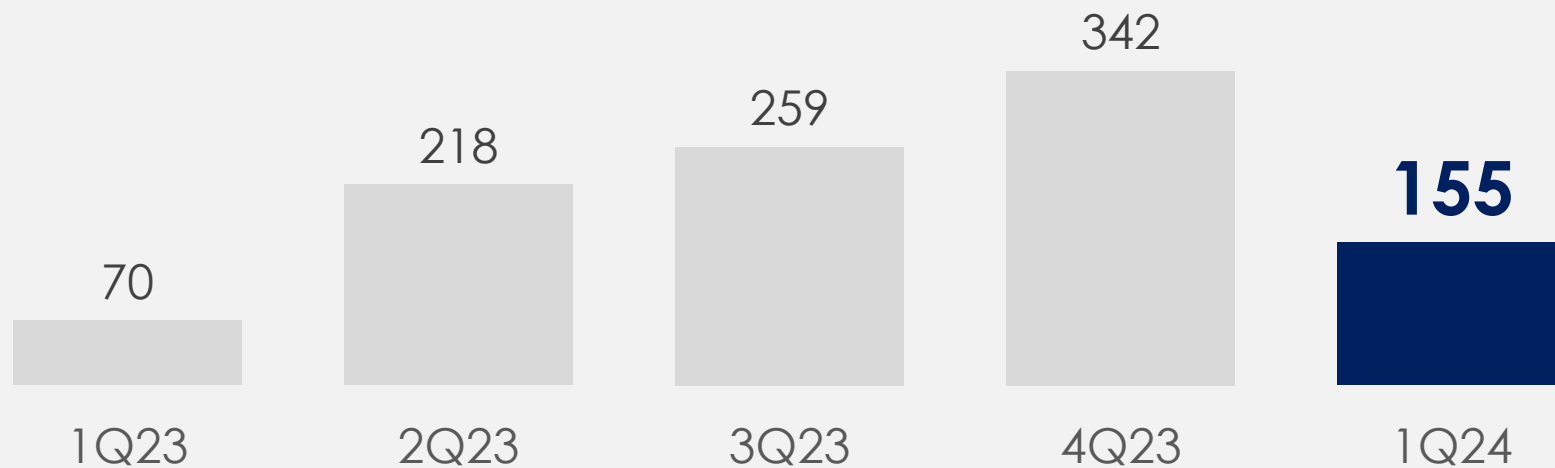


Net Income 121.6% higher than last year

Net Margin (%)



Net Income
(R\$ million)



CASH FLOW, DEBT AND INVESTMENTS

M. Dias Branco





R\$138 million in operating cash generation in 1Q24, with growth in EBITDA

1Q24 vs. 1Q23		
138	57	Cash Flow from Operating Activities*
277	174	EBITDA
(143)	(46)	Assets and Liabilities Variation
4	(71)	Others

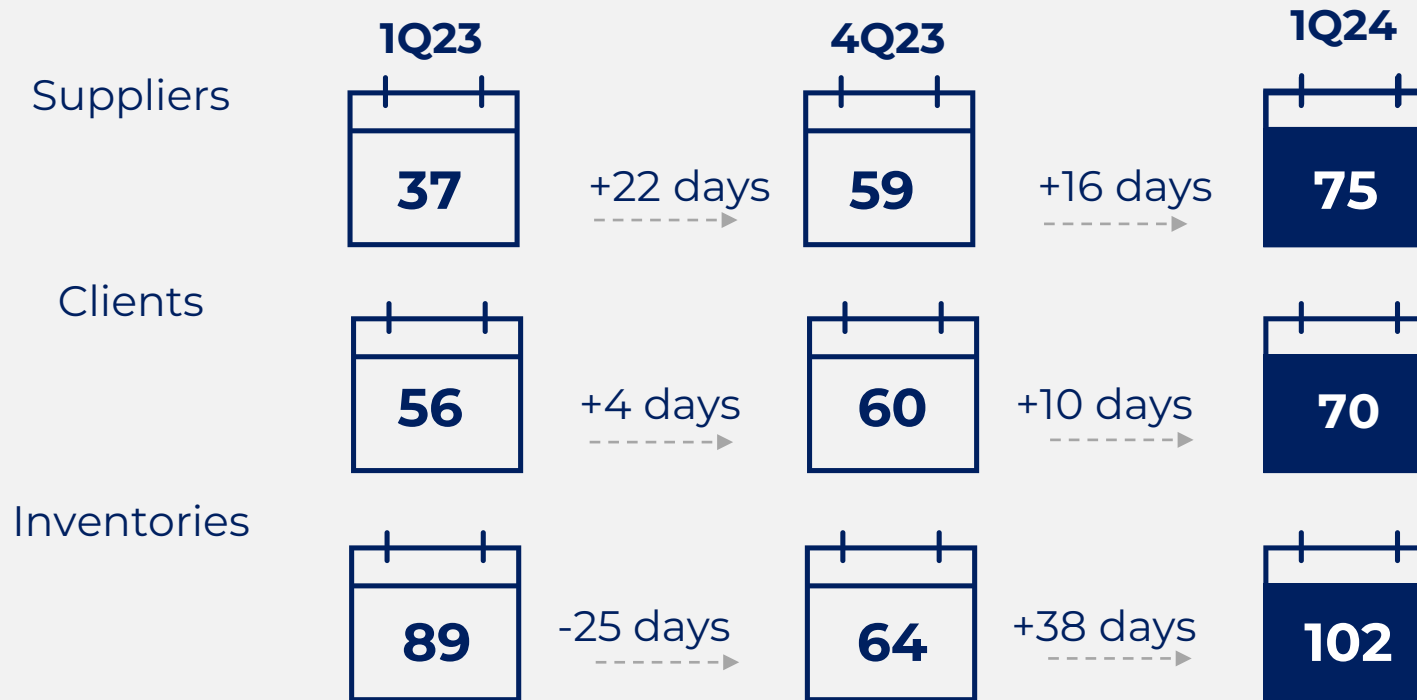
* Net Cash provided by (used in) operating activities





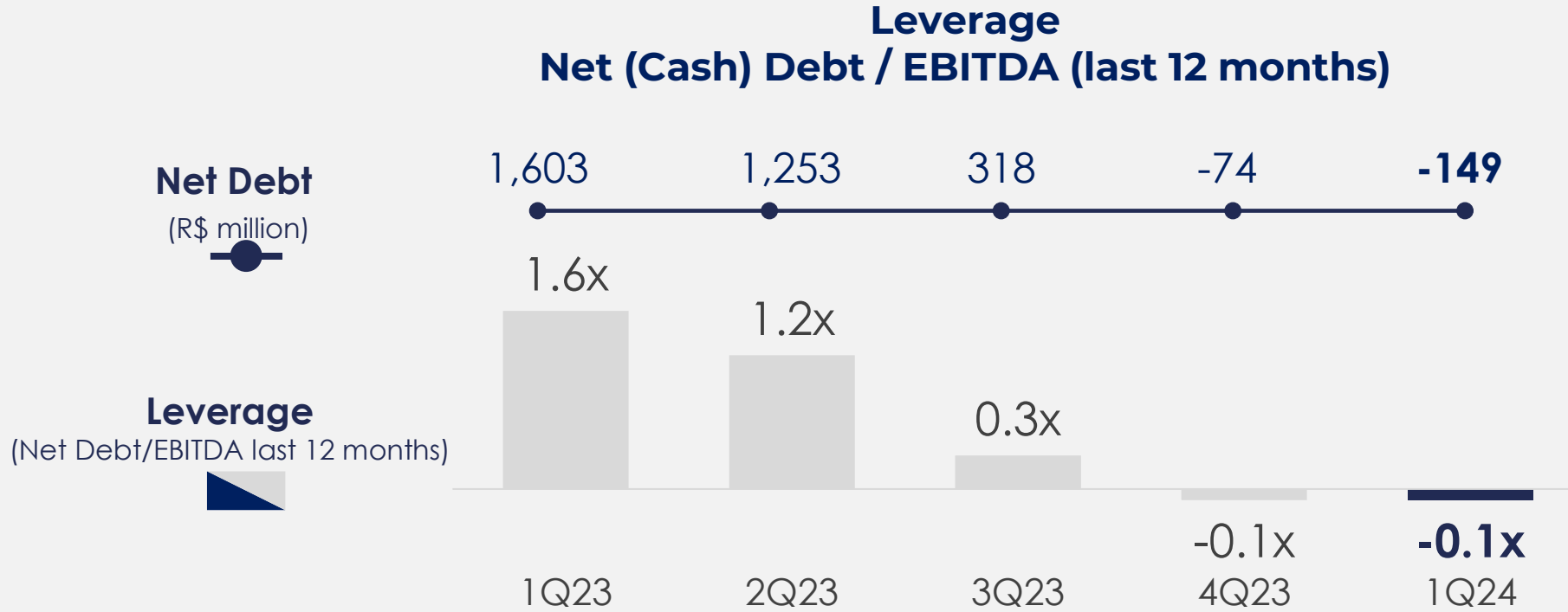
Working capital consumption impacted by the increase in finished product inventory volumes and increase in receivables due to commercial initiatives to replenish inventories at customers

Average term in days





Net Cash position in the quarter. We ended the quarter with R\$2.2 billion in cash!!!



NATIONAL RATING
FITCH RATINGS

AAA

Stable Outlook
Rating Reaffirmed

6th CONSECUTIVE
YEAR





81.7% of the debt is in the long-term!!!

R\$ 2,064

R\$ MM

**Total
Debt**

R\$ 377

R\$ MM

18%
Due date
Short term

R\$ 508

R\$ MM

25%

Due date
2025

R\$ 20

R\$ MM

1%

Due date
2026

R\$ 1,159

R\$ MM

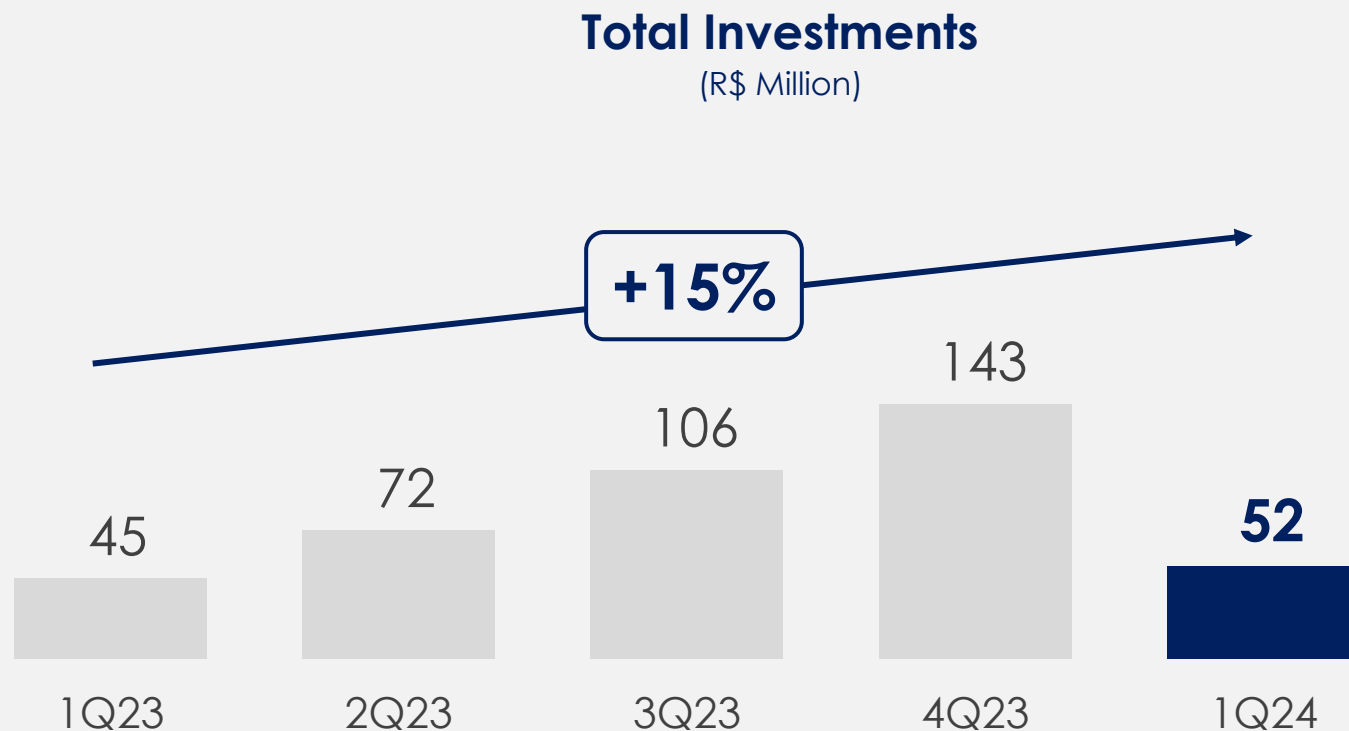
56%

Due date
**2027
onwards**





R\$ 52 million in investments in 1Q24, with highlight on Digital Transformation



HIGHLIGHT



Implementation of the SAP system



Profitable Growth Strategy

CURRENT BUSINESS

DEFENSE

1



ATTACK

OTHER CATEGORIES

2



INTERNATIONAL

3



EFFICIENCY AND PRODUCTIVITY PROGRAM



Drivers and enablers for 2024 growth

DRIVERS

Cross-selling



Innovation



Exclusive brands in Cash & Carry

ENABLERS

Marketing



Commercial Excellence



JBP (Joint Business Plan)



Revenue Management



Service Level

OTIF

CFR

Digital Transformation



ESG

M. Dias Branco



RIO GRANDE DO SUL



Solidarity raising for victims



47 tons of food destined for donation



Advance of the first installment of the 13th salary to employees at the Bento Gonçalves unit



Financial support, product baskets and psychological assistance to employees

Main Indicators– 1Q24 vs. 1Q23



CARING FOR THE PLANET

1Q24 vs. 1Q23

Water consumption (m ³ /Ton.)	-3.1%
Reclaim of water (%)	+0.6p.p.
Waste send to landfills (%)	-3.5p.p.
Input losses in the production process(%)	0.0p.p
Finished product waste (%)	Not available



BELIEVING IN PEOPLE

1Q24 vs. 1Q23

Women in leadership (%)	+0.7p.p.
Frequency of occupational accidents (rate)	-21.3%
Occupational accident severity (rate)	-43.9%



STRENGTHENING ALLIANCES

1Q24 vs. 1Q23

Purchases from local suppliers (%)	-0.2p.p.
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DIGITAL TRANSFORMATION

M. Dias Branco

 **simplifique**
praticidade, agilidade e interação

In 2020, M. Dias Branco's IT department decided to develop skills to upgrade the technology team, in order to enable the Digital Transformation and turn M. Dias Branco into a reference of innovation with the use of technology.

ENABLERS



Internalization of Digital Product teams



Focus on value creation and not just on SLA



Open Innovation Program



Attraction and retention of digital talents



Evolution of agile work tools and methodologies



Democratization of Technology at M. Dias Branco

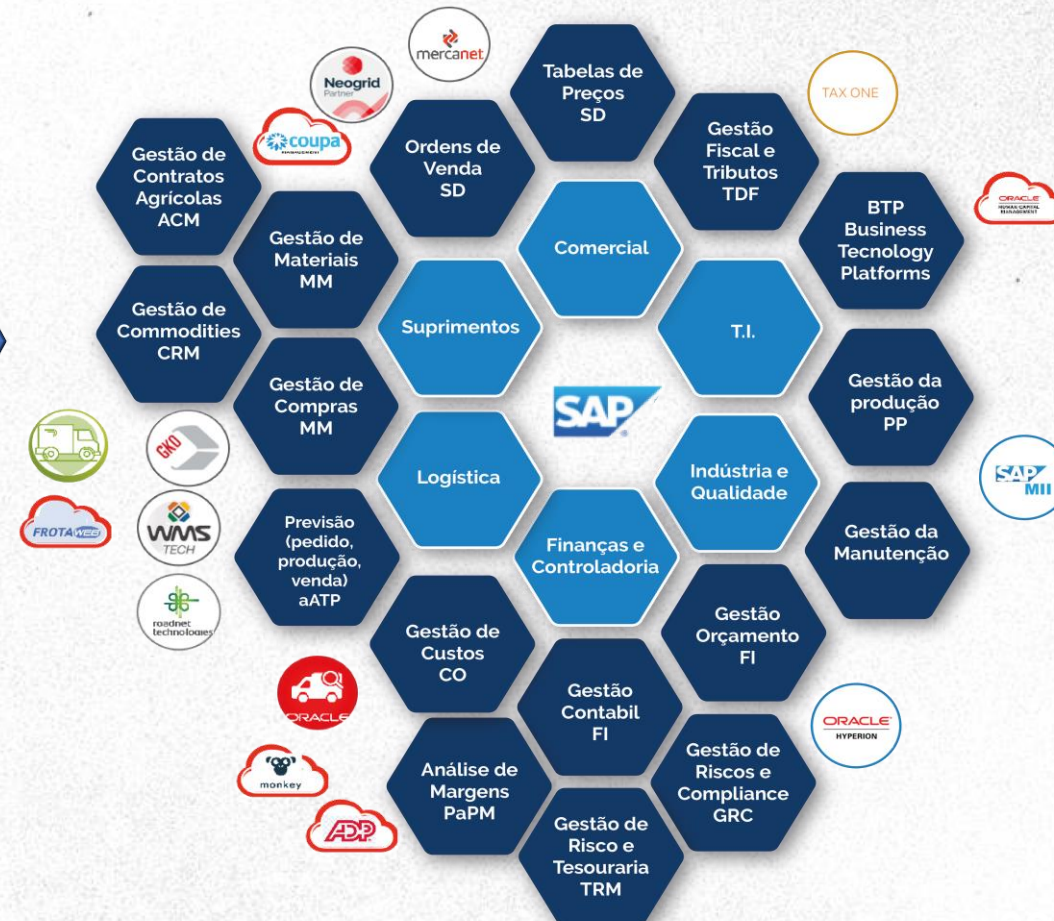
WHAT IS THE SIMPLIFY PROJECT?

As the technological modernization project of our main information system (ERP), the **Oracle EBS**.

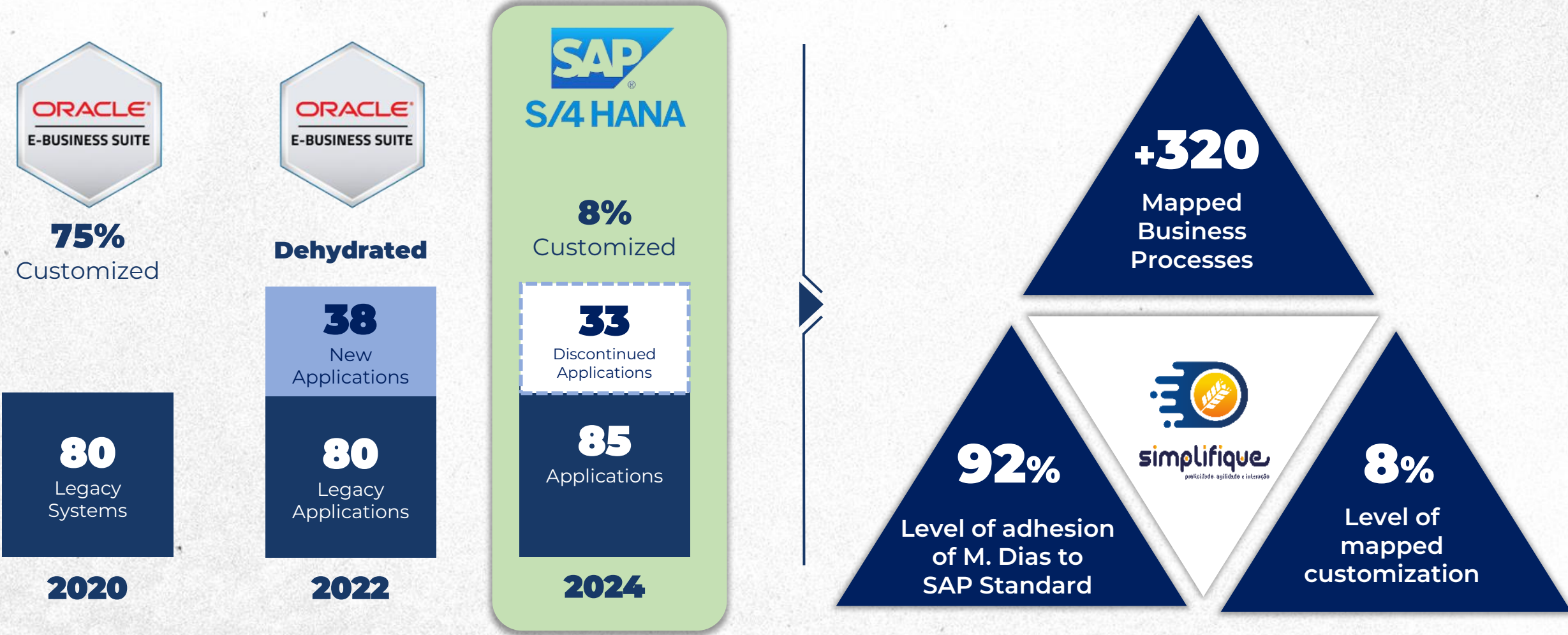
In this project we will implement **SAP S/4 HANA**.

Simplify aims at a new implementation, starting **from scratch**, with the adoption of **best market practices** in terms of processes, analytics and tools.

ERP Anterior



SIMPLIFY BEYOND ERP



ERP MODERNIZATION BY NUMBERS

17

Industrial
Units

27

Distribution
Centers

+700

People on the
Project Team

+320

Mapped Business
Processes

7%

SAP
Customization

+16

thousand
Participations in
Training

47

Systems
Integrated

+20

Suppliers of
Technology

ERP MODERNIZATION BY NUMBERS

1st WAVE: TECHNOLOGICAL DEBT

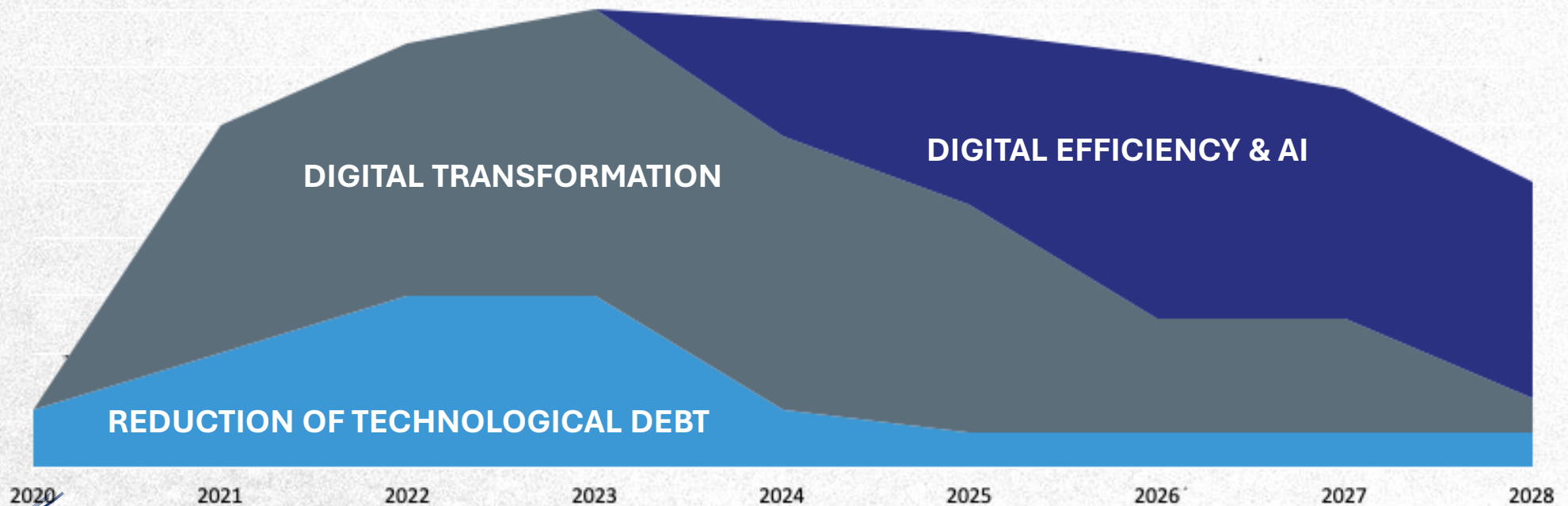
Recovery of M Dias Branco technological debt, creating a hybrid cloud environment, connectivity and architecture for the development of new programs and transformation initiatives with the business.

2nd WAVE: DIGITAL TRANSFORMATION

Transform, Simplify and Improve processes by placing the customer at the center, using a lot of technology through agile methodology, supported by data for better decision making.

3rd WAVE: DIGITAL EFFICIENCY & AI

Efficiency in core processes, strengthening technology in the ESG agenda and increasing productivity with AI.





Thanks!



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Q&A

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