



**Earnings Release
3Q20 and 9M20**



**THE ART OF FEEDING
FOR THE WELL-BEING OF
SOCIETY**

Eusébio (CE), November 6, 2020 – M. Dias Branco S. A. Indústria e Comércio de Alimentos (B3: MDIA3), the leader in Brazil's cookies, crackers and pasta markets, announces today its results for the third quarter (3Q20) and first nine months of 2020 (9M20). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil (BR GAAP).

EARNINGS CONFERENCE CALL

November 9, 2020

Time:

> Portuguese (BR GAAP)

11:00 a.m. (Brasília time)

9:00 a.m. (New York time)

Phone: +55 (11) 3127-4971 or

+55 (11) 3728-5971

Code: M. Dias

Replay: +55 11 3127-4999

Password: 32104776

> English (BR GAAP)

11:00 a.m. (Brasília time)

9:00 a.m. (New York time)

Phone: +1 (929) 378-3440 or

+1 (516) 300-1066

Code: M. Dias

Replay: +55 11 3127-4999

Password: 38054841

Stock price:

Closing on 10/26/2020

MDIA3: R\$36.2 per share

Market cap: R\$12.2 billion

IR CONTACT

Gustavo Lopes Theodozio

Vice-President of Investments and Controllershship

Phone: (85) 4005-5667

Email: gustavo.theodozio@mdiasbranco.com.br

Fabio Cefaly

New Business and Investor Relations Officer

Phone: (11) 3883-9273

Email: fabio.cefaly@mdiasbranco.com.br

Rodrigo Ishiwa

Investor Relations Advisor

Phone: (11) 3883-9225

Email: ri@mdiasbranco.com.br

IR website: www.mdiasbranco.com.br/ri

3Q20 and 9M20 HIGHLIGHTS



M. Dias Branco's net revenue reaches an all-time high of R\$2 billion. Net income rises 97%.

- ✓ Year-on-year sales volume increase of 27% in 3Q20 and 23% in 9M20;
- ✓ R\$104 million in revenue from new cookie & cracker products, a quarterly record;
- ✓ Gross export revenue of R\$56.3 million in 3Q20 and R\$174.7 million 9M20, up 276% and 309% year on year, respectively;
- ✓ Efficiency and productivity gains. Year-to-date, administrative and selling expenses, as% of net revenue, went from 26.1% to 24.1%;
- ✓ Record production volume of 875 thousand tons;
- ✓ EBITDA of R\$328.0 million in 3Q20, 74.4% higher than in 3Q19 and up 62.0% in 9M20. R\$124.8 million in positive non-recurring items in the quarter;
- ✓ Year-on-year net income increase of 97.3% in 3Q20 and 90% in 9M20;
- ✓ Leverage (net debt-to-EBITDA ratio) of 0.2x, lower than in 2Q20 (0.4x) and 3Q19 (0.7x);
- ✓ We released R\$ 138 million of working capital in 9M20;
- ✓ AAA rating with a stable outlook reaffirmed by Fitch;
- ✓ We launched our largest marketing campaign, focusing on the main brands: Adria, Vitarella, Piraquê, Isabela and Fortaleza;
- ✓ Year-on-year reduction in water consumption per ton produced of 17.5% in 3Q20 and 12.8% in 9M20; and
- ✓ Year-on-year decline in solid waste per ton produced of 10.4% in 3Q20 and 10.1% in 9M20.

Awards and Recognitions



M. Dias Branco wins the Transparency Trophy for the fourth consecutive time



M. Dias Branco is the best company in the Food category



Food Category
TOP Pasta
1st Place Adria
4th Place Vitarella

INTRODUCTION

Financial and Operating Results	3Q20	3Q19	Variation	2Q20	Variation	9M20	9M19	Variation
Net Revenue (R\$ million)	2,029.0	1,550.3	30.9%	1,885.2	7.6%	5,550.9	4,409.5	25.9%
Total Sales Volume (thousand tonnes)	558.6	439.9	27.0%	536.1	4.2%	1,571.2	1,279.6	22.8%
Cookies & Crackers Sales Volume (thousand tonnes)	156.9	129.5	21.2%	153.4	2.3%	448.2	374.0	19.8%
Pasta Sales Volume (thousand tonnes)	122.0	88.0	38.6%	129.7	-5.9%	356.6	264.8	34.7%
Market share of Cookies & Crackers (volume)*	33.9%	33.2%	0.7 p.p	34.5%	-0.6 p.p	33.9%	34.7%	-0.8 p.p
Market share of Pasta (volume)*	33.8%	34.3%	-0.5 p.p	34.9%	-1.1 p.p	33.3%	36.9%	-3.6 p.p
Net Income (R\$ million)	265.4	134.5	97.3%	152.4	74.1%	554.8	292.0	90.0%
Ebitda (R\$ million)	328.0	188.1	74.4%	225.6	45.4%	782.1	482.9	62.0%
Ebitda Margin	16.2%	12.1%	4.1 p.p	12.0%	4.2 p.p	14.1%	11.0%	3.1 p.p
Net Cash (Debt) (R\$ million)	-255.5	-470.2	-45.7%	-332.8	-23.2%	-255.5	-470.2	-45.7%
Net Cash (Debt) / EBITDA (last 12 months)	-0.2	-0.7	-71.4%	-0.4	-50.0%	-0.2	-0.7	-71.4%
Capex (R\$ million)	54.4	77.0	-29.4%	44.8	21.4%	155.5	219.6	-29.2%
Net Cash generated from operating activities	141.6	267.4	-47.0%	492.4	-71.2%	711.4	700.0	1.6%

* The values presented on 3Q20 and 3Q19 are from the period of Jul/Aug 2020 and 2019.

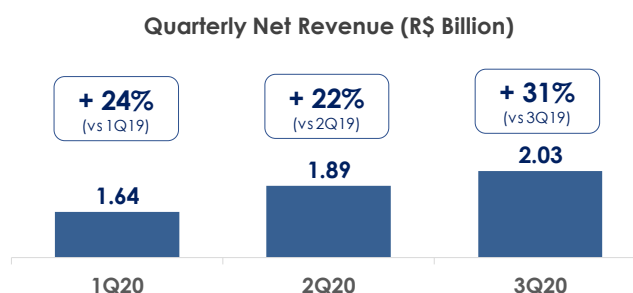
* The values presented on 2Q20 are from the period of May/Jun 2020.

* The values presented on 9M20 and 9M19 are from the period of Jan/Aug 2020 and 2019.

* The values presented in 3Q19 and 9M19 changed due to the reprocessing of bases, carried out by Nielsen.

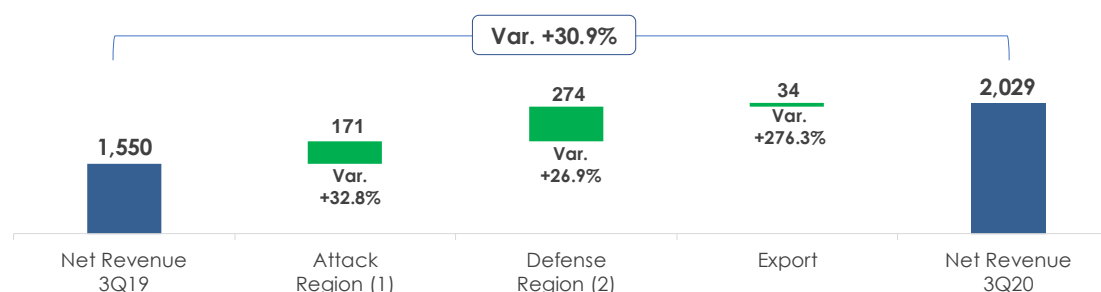
• Revenue

Net revenue reached R\$ 2 billion, a quarterly record. In 9M20, with R\$ 5.5 billion, we recorded double-digit growth in all quarters, as shown in the graph on the right.



In 3Q20, in line with our strategy, we continued to grow at a fast pace in the three growth areas: +32.8% in the Attack area (South, Southeast and Midwest), +26.9% in the Defense area (Northeast and North) and +276.3% in Exports.

Variation in the Volume of the Regions - 3Q20 vs. 3Q19 (R\$ MM)

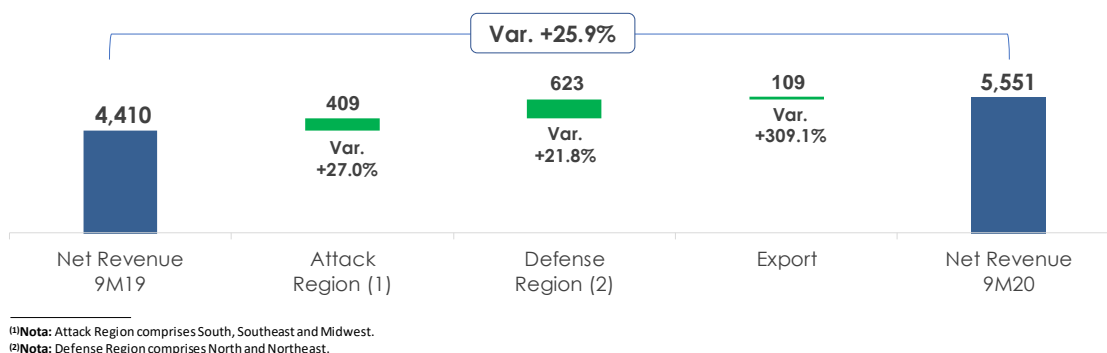


(1) Note: Attack Region comprises South, Southeast and Midwest.

(2) Note: Defense Region comprises North and Northeast.

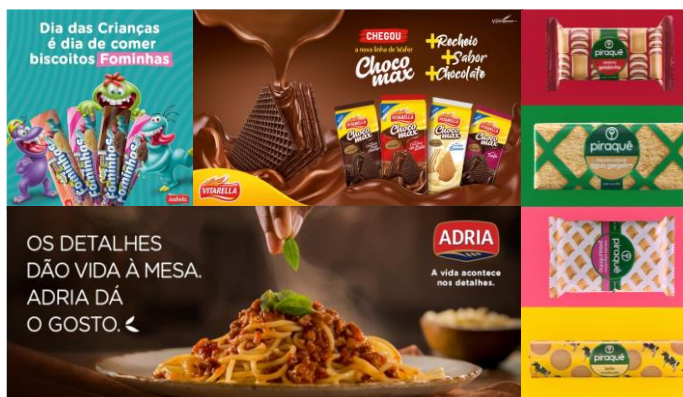
In the accumulated result for the year, with R\$ 5.5 billion in net revenue and growth of 25.9%, we expanded our operations in the regions of Attack (South, Southeast and Midwest), Defense (Northeast and North) and Exports.

Variation in the Volume of the Regions - 9M20 vs. 9M19 (R\$ MM)



The maintenance of the accelerated pace of growth is due to the increase in sales in regions still little explored, including through distributors, to the new products in the category of cookies, to our brand architecture, with items in practically all price ranges, in addition to the commitment and hard work of our teams, which guaranteed the functioning of all our production units and distribution centers in the face of the restrictions imposed by the pandemic.

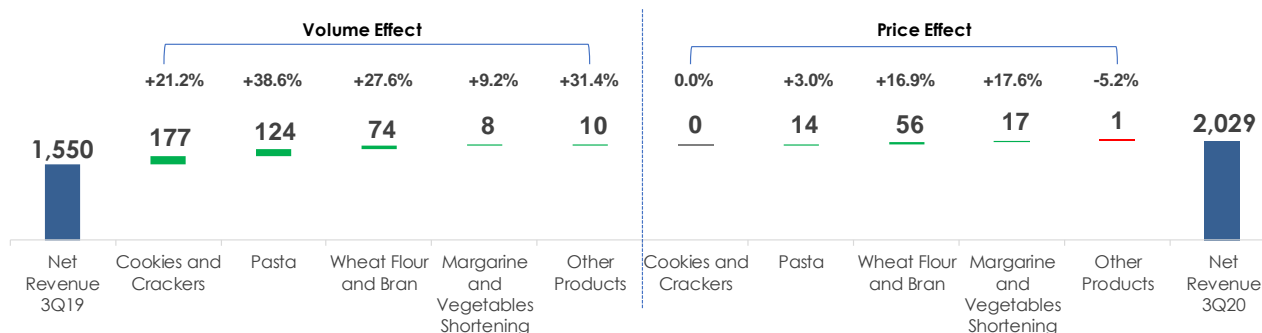
In addition, in this quarter, we launched the largest and most robust marketing campaign in the history of M. Dias Branco. There were six campaigns focused on strengthening our priority brands, as well as initiatives that increase the visibility of our products within stores and accelerate sell-out. These marketing investments are being made at the same time that, through innovation, we have strengthened our portfolio in segments with higher added value, with items in the personal cracker, wafers and cookies families.



Our products are also gaining relevance in the main e-commerce platforms, maintaining a fast growth rate and placing M. Dias Branco in a new distribution channel. In view of the accelerated and promising growth, we restructured our team and started to have employees fully dedicated to this channel.

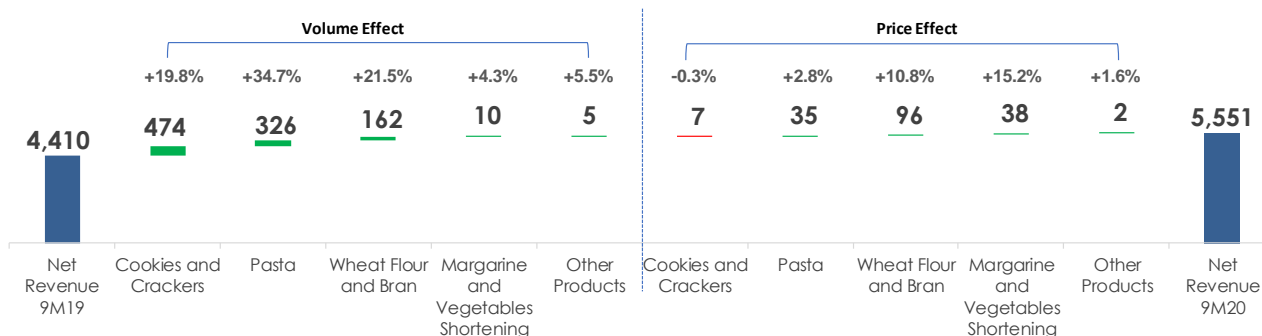
Still on revenue, we can see in the graph below that the growth in net revenue in the quarter was mainly due to the increase in volumes in all categories.

Net Revenue Variation - 3Q20 vs. 3Q19 (R\$ MM)



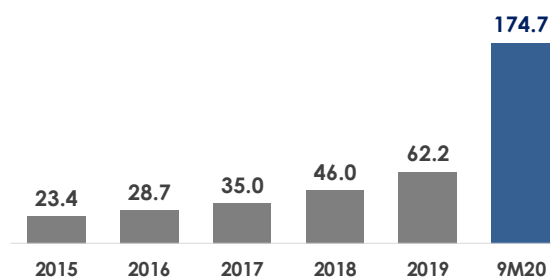
In 9M20, volume recorded double-digit growth in cookies & crackers, pasta and wheat flour and bran, driven by an increase in the average price in all categories, except for cookies & crackers, as a result of more substantial growth in items with a lower average price.

Net Revenue Variation - 9M20 vs. 9M19 (R\$ MM)



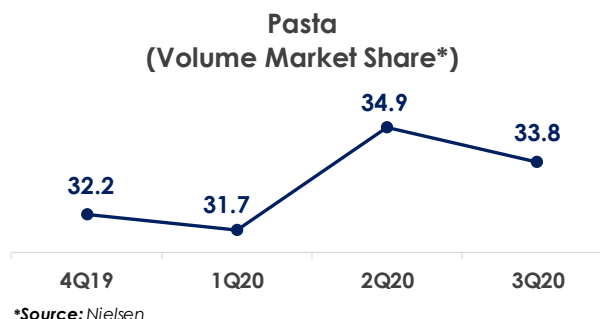
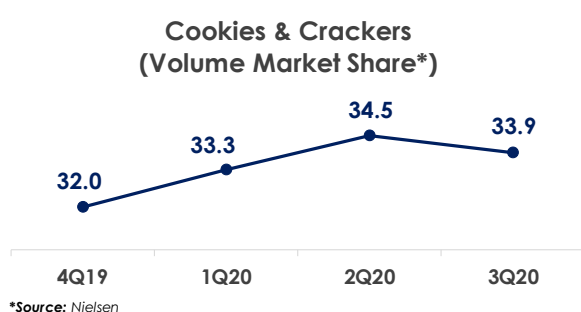
With set priorities, alignment between areas and focus on execution and clients in 37 countries, exports totaled R\$174.7 million in 9M20. Highlights include the sale of cookies & crackers, pasta and margarine in South America and cookies & crackers and pasta in the United States. The growth of exports is following the plan to launch products and packaging more adapted to the international markets and focus on markets with greater growth potential, such as South America, the United States, Africa and Central America.

Export Gross Revenue (R\$ MM)



• **Market Share**

Continued leadership in the national¹ cookies & crackers and pasta markets. In 2020 (3Q20 vs. 4Q19), we expanded our share of the cookies & crackers and pasta markets, led by the Southeast and Midwest regions.



• **Production**

The investments in infrastructure we made over the last few years have been supporting our accelerated growth strategy. **We produced 875.1 thousand tons in 3Q20, exceeding the record of 2Q20.** Vertical integration remained close to 100% in wheat flour and vegetable shortening.

We highlight the year-on-year growth in wheat flour and bran production volume in 3Q20, driven by an increase in production at the Bento Gonçalves mill (RS), inaugurated in the second half of 2019.

• **EBITDA**

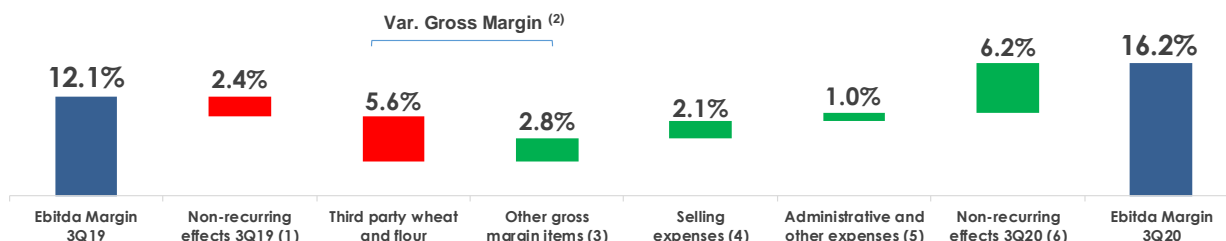
EBITDA came to R\$328.0 million (EBITDA margin of 16.2%), 74.4% higher than in 3Q19 (EBITDA margin of 12.1%).

The graph below shows the following effects on our margin between 3Q19 and 3Q20:

- 5.6% margin decline due to a 22.2% increase in **third-party wheat and wheat flour**, mainly driven by the 35.4% depreciation of the Real.
- Favorable structural impacts of the Efficiency and Productivity Program (*Multiplique*) on our **cost and expense** structure, greater dilution of costs and expenses thanks to higher production and sales volume, as shown in the graph below.
- 6.2% of positive **non-recurring items**, equivalent to R\$124.8 million, as a result of R\$151.1 million in revenue (tax credits from prior periods) and R\$26.3 million in non-recurring expenses (COVID-19, restructuring and Piraquê integration).

¹NIELSEN data for July and August 2020, including Piraquê.

Variation of EBITDA Margin (%NR) 3Q20 vs. 3Q19



(1)Nota: Non-recurring effects 3Q19.

(2)Nota: % Variation in Gross Margin without considering the representativeness of the depreciation of the COGS over net revenue.

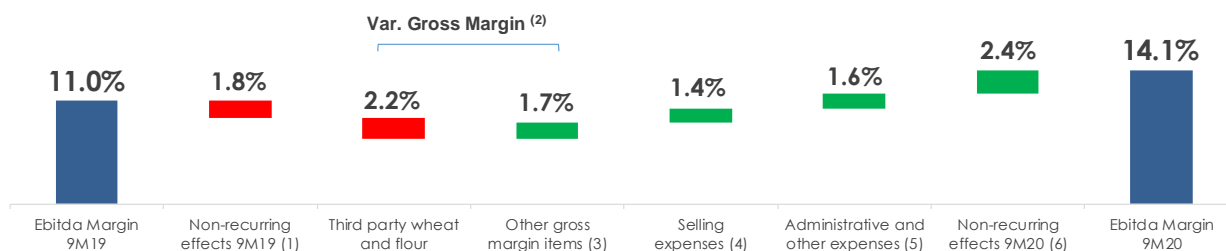
(3)Nota: Excludes non-recurring effects on the costs of COVID-19 (R\$ 10.1 million).

(4)Nota: Excludes non-recurring effects on the costs of COVID-19 (R\$ 3.3 million) and restructuring expenses (R\$ 3.7 million).

(5)Nota: Excludes non-recurring effects on the costs of COVID-19 (R\$ 2.6 million), restructuring expenses (R\$ 6.0 million), Piraquê integration expenses (R\$ 0.8 million) and evenue from extemporaneous tax credit (R\$ 151.1 million).

(6)Nota: Non-recurring effects in 3Q20, expenses and costs with COVID-19 (R\$ 15.9 million), restructuring expenses (R\$ 9.6 million), Piraquê integration expenses (R\$ 0.8 million) and evenue from extemporaneous tax credit (R\$ 151.1 million).

Variation of EBITDA Margin (%NR) 9M20 vs. 9M19



(1)Nota: Non-recurring effects 9M19.

(2)Nota: % Variation in Gross Margin without considering the representativeness of the depreciation of the COGS over net revenue.

(3)Nota: Excludes non-recurring effects on the costs of COVID-19 (R\$ 20.3 million).

(4)Nota: Excludes non-recurring effects on the costs of COVID-19 (R\$ 7.5 million) and restructuring expenses (R\$ 9.6 million).

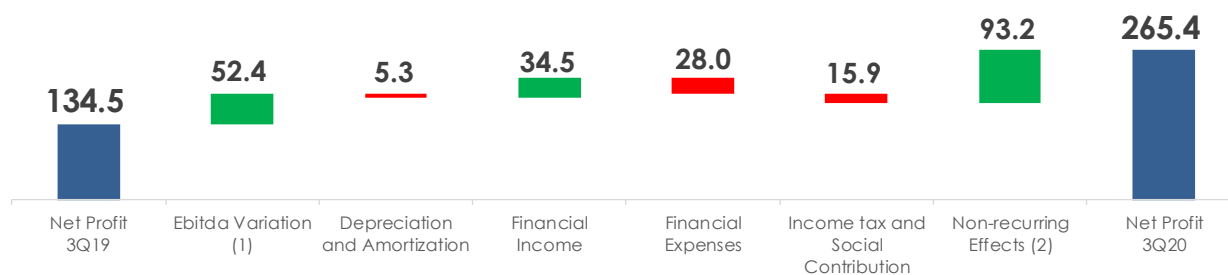
(5)Nota: Excludes non-recurring effects on the costs of COVID-19 (R\$ 7.7 million), restructuring expenses (R\$ 7.2 million), Piraquê integration expenses (R\$ 5.2 million), expense with reimbursement of active supervenience (R\$ 2.2 million) and revenue from extemporaneous tax credit (R\$ 194.5 million).

(6)Nota: Non-recurring effects in 9M20, expenses and cost with COVID-19 (R\$ 35.4 million), restructuring expenses (R\$ 16.8 million), Piraquê integration expenses (R\$ 5.2 million) and revenue from extemporaneous tax credit (R\$ 194.5 million).

• **Net Income**

Net income grew 97.3% year on year to R\$265.4 million in 3Q20. As shown in the graph below, net income grew due to higher EBITDA and non-recurring revenue from tax credits from prior periods and exchange gains.

Net Income Variation 3Q20 vs. 3Q19 (R\$ MM)



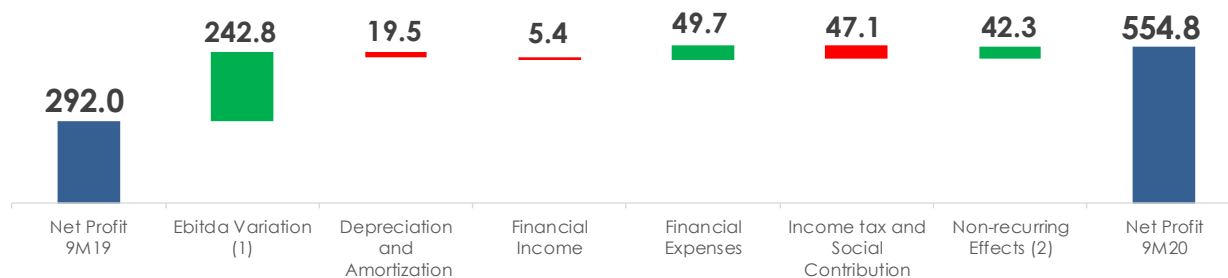
(1)Note: EBITDA variation without non-recurring effects.

(2)Note: Variation in the non-recurring effects of 3Q20 (R\$ 162.5 million) vs 3Q19 (R\$ 69.3 million):

- **3Q20 (R\$ 162.5 million):** Includes Piraquê integration expenses (R\$ 0.8 million), costs and expenses with COVID-19 (R\$ 15.9 million), restructuring expenses (R\$ 9.6 million), revenue from extemporaneous tax credit (R\$ 151.1 million) and financial income from monetary restatement of extemporaneous tax credits (R\$ 37.7 million).

- **3Q19 (R\$ 69.3 million):** Includes Piraquê integration expenses (R\$ 2.3 million), restructuring expenses (R\$ 23.9 million), revenue from extemporaneous tax credit (R\$ 63.5 million) and financial income from monetary restatement of extemporaneous tax credits (R\$ 32.0 million).

Net Income Variation 9M20 vs. 9M19 (R\$ MM)



(1)Note: EBITDA variation without non-recurring effects.

(2)Note: Variation in the non-recurring effects of 9M20 (R\$ 174.7 million) vs 9M19 (R\$ 132.4 million):

- **9M20 (R\$ 174.7 million):** Includes Piraquê integration expenses (R\$ 5.2 million), costs and expenses with COVID-19 (R\$ 35.4 million), restructuring expenses (R\$ 16.8 million), expense with reimbursement of active supervenience (R\$ 2.2 million), revenue from extemporaneous tax credit (R\$ 194.5 million) and financial income from monetary restatement of extemporaneous tax credits (R\$ 39.8 million).

- **9M19 (R\$ 132.4 million):** Includes Piraquê integration expenses (R\$ 36.2 million), restructuring expenses (R\$ 23.9 million), revenue from extemporaneous tax credit (R\$ 138.6 million) and financial income from monetary restatement of extemporaneous tax credits (R\$ 53.9 million).

• Investments

Investments totaled R\$54.4 million in 3Q20 (-29.4% vs. 3Q19) and R\$155.5 million in 9M20 (-29.2% vs. 9M19), led by (i) the acquisition of equipment and expansion of the new milling unit in Bento Gonçalves (RS); (ii) the construction of a truck yard for wheat trucks in Bento Gonçalves (RS); (iii) the renovation of the distribution center in the Rio de Janeiro unit; (iv) the long pasta line for the Piraquê unit; (v) an effluent treatment plant for the Maracanaú unit; (vi) the restructuring of the São Caetano do Sul unit (SP); and (vii) the retrofit of sieves for Fábrica Fortaleza (CE).

- **Debt, Capitalization and Cash**

Net cash generated from operating activities totaled R\$711.4 million (1.6% higher than in 9M19), as a result of higher EBITDA and working capital management, especially a reduction of three days in days of sales outstanding, an increase of nine days in days payable outstanding and a decline in recoverable taxes, release more than R\$ 138 million in working capital.

We closed 3Q20 with a cash position of R\$1.3 billion (R\$645.0 million in 3Q19) and a reduction in net debt (R\$255.5 million in 3Q20 vs. R\$470.2 million in 3Q19). Leverage (net debt by EBITDA) was 0.2x in 3Q20, less than 3Q19 (0.7x) and 2Q20 (0.4x).

- **Social and Environmental Highlights**

We continue to affirm our social and environmental commitment and adopt sustainable practices in the different dimensions of the business. In 3Q20, the solid waste generation rate was 10.4% lower than 3Q19, reflecting the start of activities at the co-product plant installed at the Fortaleza plant. Water consumption was 17.5% below that recorded in 3Q19, due to the increase in volumes produced and the continuity of initiatives for the reuse and conscious consumption of the resource.

We remain confident in the sustainable growth potential of M. Dias Branco, as we strongly believe we are making the necessary investments and working hard to create value for the Company and make our brands increasingly recognized and desired by our clients and consumers.

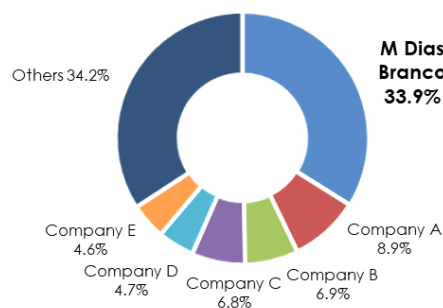


MARKET HIGHLIGHTS

MARKET SHARE

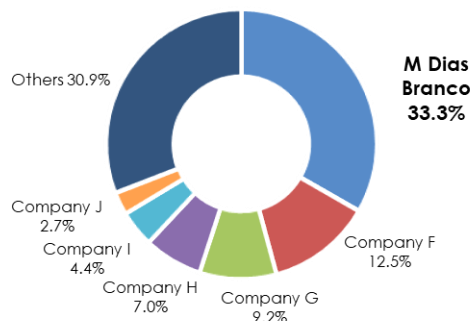
The graph below shows the Brazilian market share (in % of sales volume) of M. Dias Branco, the national leader in the cookies & crackers and pasta markets, and its main competitors between January and August 2020.

Market Share Cookies and Crackers* - Brazil
(in % of volume sold)



* NIELSEN data from Jan/Aug of 2020.

Market Share Pasta* - Brazil
(in % of volume sold)



* NIELSEN data from Jan/Aug of 2020.

SALES CHANNELS

In line with our growth strategy, the Distribution and Export channels recorded the biggest growth in the period, accounting for a larger share of the client mix.

Client Mix	3Q20	3Q19	Variation	9M20	9M19	Variation
Small Retail	26.4%	30.7%	-4.3 p.p	27.0%	29.8%	-2.8 p.p
Wholesale	21.6%	24.4%	-2.8 p.p	23.1%	23.8%	-0.7 p.p
Key Accounts / Regional Chains	20.1%	20.2%	-0.1 p.p	20.0%	20.5%	-0.5 p.p
Cash and Carry	19.8%	18.5%	1.3 p.p	18.8%	19.3%	-0.5 p.p
Distributors	7.7%	4.3%	3.4 p.p	6.9%	4.6%	2.3 p.p
Industry	1.0%	0.8%	0.2 p.p	0.9%	0.9%	0 p.p
Other	3.4%	1.1%	2.3 p.p	3.3%	1.1%	2.2 p.p
TOTAL	100.0%	100.0%		100.0%	100.0%	

Note: Client mix, considering gross revenue excluding discounts.

Major Clients		Sales 3Q20 (R\$ million) *	Participation in Revenue excluding Discount Sales (%)		Sales 9M20 (R\$ million) *	Participation in Revenue excluding Discount Sales	
Sequence	Accumulated		Individual	Accumulated		Individual	Accumulated
Major Client	1	283.3	11.7%	11.7%	732.4	11.0%	11.0%
49 Subsequent	50	670.7	27.7%	39.4%	1,824.3	27.5%	38.5%
50 Subsequent	100	181.0	7.5%	46.9%	506.8	7.6%	46.1%
900 Subsequent	1,000	681.5	28.2%	75.1%	1,882.5	28.4%	74.5%
Other Clients	All clients	603.1	24.9%	100.0%	1,688.4	25.5%	100.0%
TOTAL		2,419.6			6,634.4		

* Gross Revenue excluding Discount

OPERATIONAL HIGHLIGHTS

PRODUCTION CAPACITY UTILIZATION RATE

Effective Production / Production Capacity *	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products **		Total	
	3Q20	3Q19	3Q20	3Q19	3Q20	3Q19	3Q20	3Q19	3Q20	3Q19	3Q20	3Q19
Total Production	176.0	121.0	128.5	83.3	511.5	347.7	54.0	43.9	5.1	3.3	875.1	599.2
Total Production Capacity	233.1	223.4	151.5	142.2	579.9	478.0	93.7	100.3	9.9	10.0	1,068.1	953.9
Capacity Utilization	75.5%	54.2%	84.8%	58.6%	88.2%	72.7%	57.6%	43.8%	51.5%	33.0%	81.9%	62.8%

Effective Production / Production Capacity *	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products **		Total	
	3Q20	2Q20	3Q20	2Q20	3Q20	2Q20	3Q20	2Q20	3Q20	2Q20	3Q20	2Q20
Total Production	176.0	154.8	128.5	132.4	511.5	480.8	54.0	44.7	5.1	4.4	875.1	817.1
Total Production Capacity	233.1	217.2	151.5	145.2	579.9	579.9	93.7	101.0	9.9	9.6	1,068.1	1,052.9
Capacity Utilization	75.5%	71.3%	84.8%	91.2%	88.2%	82.9%	57.6%	44.3%	51.5%	45.8%	81.9%	77.6%

Effective Production / Production Capacity *	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products **		Total	
	9M20	9M19	9M20	9M19	9M20	9M19	9M20	9M19	9M20	9M19	9M20	9M19
Total Production	480.2	395.3	369.4	283.9	1,426.6	1,075.7	144.6	135.2	13.3	11.5	2,434.1	1,901.6
Total Production Capacity	666.0	647.6	434.8	415.3	1,739.7	1,434.0	295.7	300.6	29.0	29.6	3,165.2	2,827.1
Capacity Utilization	72.1%	61.0%	85.0%	68.4%	82.0%	75.0%	48.9%	45.0%	45.9%	38.9%	76.9%	67.3%

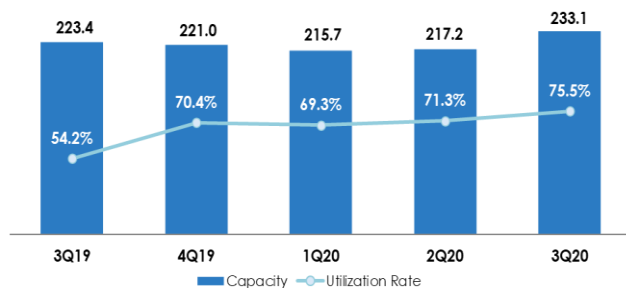
* Thousand tonnes

** Cakes, snacks, cake mix and packaged toast

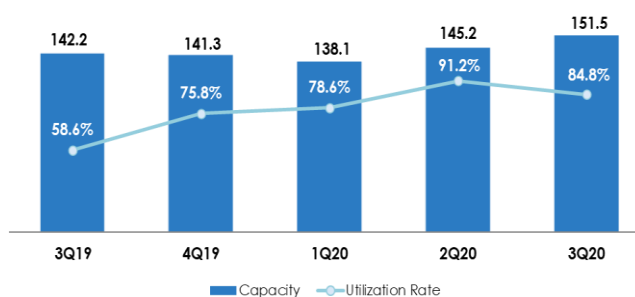
Note: Total production capacity refers to the maximum yield that can be extracted from the equipment considering the losses caused by maintenance stoppages, setup time, line clean-up, restrictions on the maximum number of shifts in each plant, etc.

The investments made over the last few years, such as the new wheat mill in Bento Gonçalves (RS), the increase in margarine and vegetable shortening production capacity at the production unit in Fortaleza (CE) and the inclusion of new production shifts and Piraquê units supported our growth strategy.

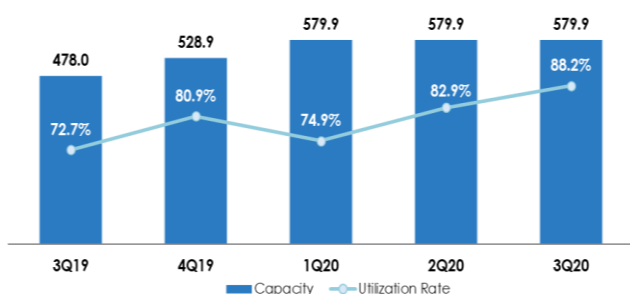
Production Capacity ('000 tonnes) and Utilization Rate - Cookies and Crackers (%)



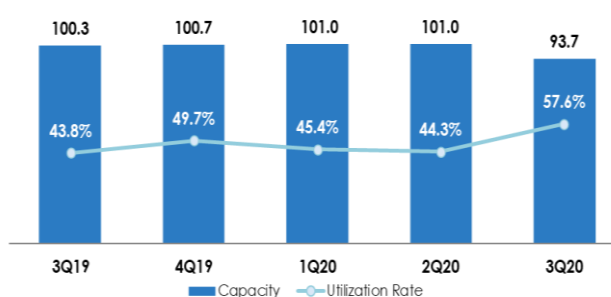
Production Capacity ('000 tonnes) and Utilization Rate - Pasta (%)



Production Capacity ('000 tonnes) and Utilization Rate - Wheat Flour and Bran (%)



Production Capacity ('000 tonnes) and Utilization Rate - Margarine and Vegetable (%)

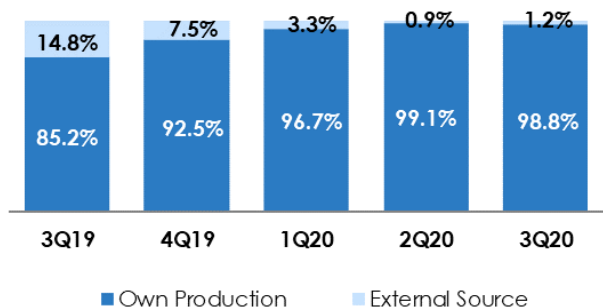


VERTICAL INTEGRATION

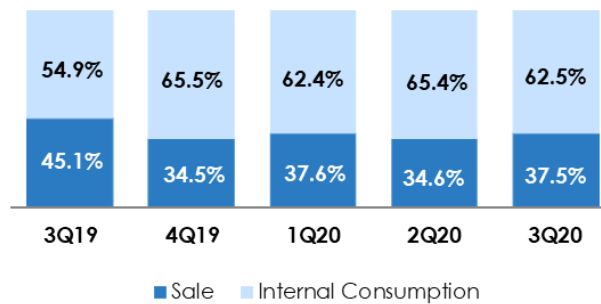
WHEAT FLOUR

In 3Q20, the wheat flour vertical integration level remained in line with 2Q20, reaching 98.8% (85.2% in 3Q19), as the wheat mill in Bento Gonçalves (RS) started operating in 2H19 and began supplying our units in the South and Southeast regions.

COMPANY'S CONSUMPTION



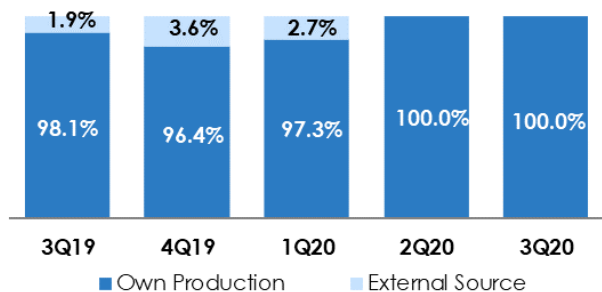
PRODUCTION ALLOCATION



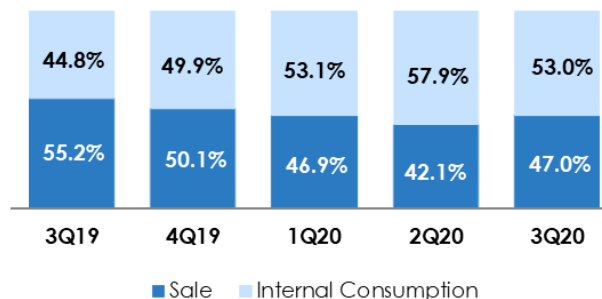
VEGETABLE SHORTENING

Full vertical integration for the second consecutive quarter.

COMPANY'S CONSUMPTION



PRODUCTION ALLOCATION



Note: In the Company's consumption charts, we show the origin of the wheat flour and vegetable shortening consumed in the period, with a breakdown of own production and purchases from third parties. In the production destination graphs, we show the percentage of wheat flour and vegetable shortening that was allocated to sales and to the production of cookies & crackers and pasta, etc. (internal consumption).

ECONOMIC AND FINANCIAL HIGHLIGHTS

NET REVENUE

Net revenue grew 30.9% in 3Q20 compared to 3Q19, due to an increase of 3.1% in the average price and 27.0% in sales volume.

We present below some of our launches and sales and marketing initiatives carried out in 3Q20:

Segment	3Q20			3Q19			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,017.6	156.9	6.49	841.0	129.5	6.49	21.0%	21.2%	0.0%
Pasta	457.8	122.0	3.75	320.3	88.0	3.64	42.9%	38.6%	3.0%
Wheat Flour and Bran	396.5	250.1	1.59	265.8	196.0	1.36	49.2%	27.6%	16.9%
Margarine and Vegetable Shortening	115.6	25.0	4.62	89.9	22.9	3.93	28.6%	9.2%	17.6%
Other products **	41.5	4.6	9.02	33.3	3.5	9.51	24.6%	31.4%	-5.2%
TOTAL	2,029.0	558.6	3.63	1,550.3	439.9	3.52	30.9%	27.0%	3.1%

* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

** Cakes, snacks, cake mix, juice powder and packaged toast



Launches: 20 new products that expanded Piraguê's portfolio with salty and wholemeal cookies, sandwich cookies under the Isabela brand and Chocomax wafer under the Vitarella brand.



Investments in marketing and sales: TV and digital media campaigns, highlighting the attributes of our main brands, in addition to promotional campaigns for the Fortaleza brand (*Toda Mulher é uma Fortaleza* - Every Woman is a Fortress), the Isabela brand (*Receita de Carinho Isabela* - Isabela Love Recipe), the Richester brand (*Evoluiu com Richester* - Evolved with Richester) and the Piraguê brand (*Por um Mundo Mais Original* - For a More Original World).



Compared to 2Q20, net revenue rose 7.6%, due to an increase of 4.2% in sales volume and 3.1% in the average price.

Segment	3Q20			2Q20			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,017.6	156.9	6.49	972.7	153.4	6.34	4.6%	2.3%	2.4%
Pasta	457.8	122.0	3.75	468.3	129.7	3.61	-2.2%	-5.9%	3.9%
Wheat Flour and Bran	396.5	250.1	1.59	321.9	230.8	1.39	23.2%	8.4%	14.4%
Margarine and Vegetable Shortening	115.6	25.0	4.62	88.5	18.7	4.73	30.6%	33.7%	-2.3%
Other products **	41.5	4.6	9.02	33.8	3.5	9.66	22.8%	31.4%	-6.6%
TOTAL	2,029.0	558.6	3.63	1,885.2	536.1	3.52	7.6%	4.2%	3.1%

* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

** Cakes, snacks, cake mix, juice powder and packaged toast

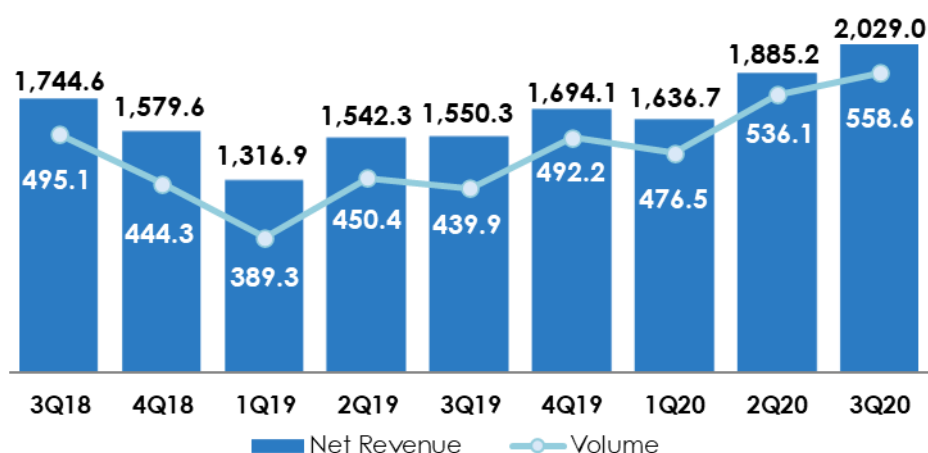
Between 9M19 and 9M20, net revenue grew 25.9%, due to an upturn of 22.8% in sales volume and 2.3% in the average price.

Segment	9M20			9M19			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	2,857.2	448.2	6.37	2,389.8	374.0	6.39	19.6%	19.8%	-0.3%
Pasta	1,300.7	356.6	3.65	939.8	264.8	3.55	38.4%	34.7%	2.8%
Wheat Flour and Bran	994.4	691.4	1.44	736.9	569.0	1.30	34.9%	21.5%	10.8%
Margarine and Vegetable Shortening	288.5	63.4	4.55	240.3	60.8	3.95	20.1%	4.3%	15.2%
Other products **	110.1	11.6	9.49	102.7	11.0	9.34	7.2%	5.5%	1.6%
TOTAL	5,550.9	1,571.2	3.53	4,409.5	1,279.6	3.45	25.9%	22.8%	2.3%

* Net Revenue in R\$ million, Weight excluding sales returns in thousand tonnes and Net Average Price in R\$/Kg.

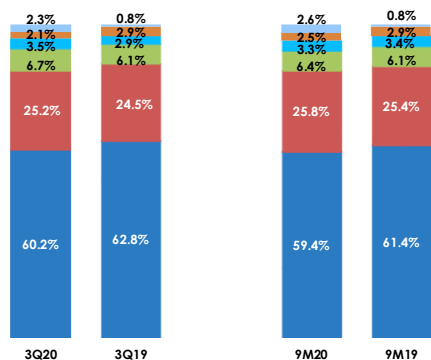
** Cakes, snacks, cake mix, juice powder and packaged toast

Net Revenue (R\$ million) and Net Volume ('000 tonnes)

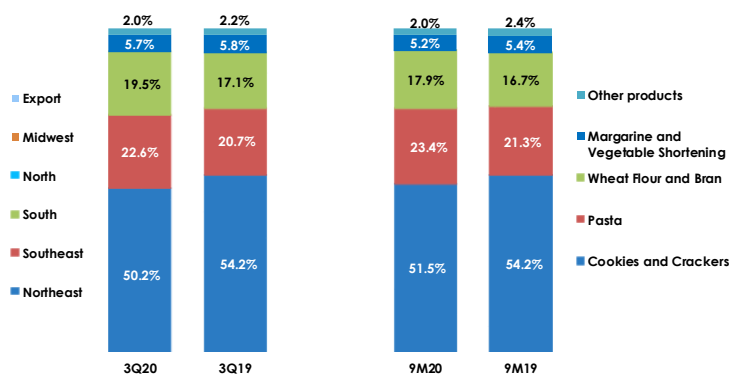


As in previous quarters and in line with our strategy, we continued to grow in all regions, especially in the attack area (Southeast, South and Midwest).

Sales by Region (% Gross Revenue excluding Discounts and Returns)

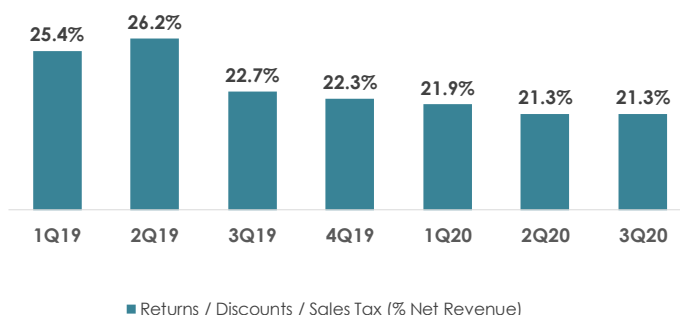


Net Revenue Breakdown



With a more effective pricing model, **we maintained discounts at appropriate and competitive levels for the fifth consecutive quarter.**

Returns / Discounts / Taxes / Sales (% Net Revenue)

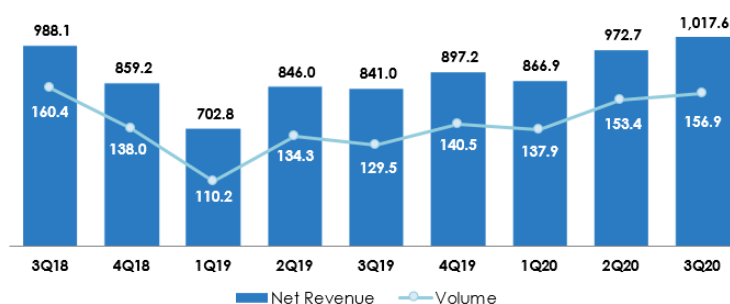


HIGHLIGHTS – COOKIES & CRACKERS

Net revenue from cookies & crackers rose 21.0% year on year in 3Q20, as sales volume grew 21.2%.

It is worth noting that Água e Sal/Cream Cracker, Maria/Maizena and sandwich cookies recorded double-digit growth in sales volume. Sales volume grew by double digit in all regions, especially the Southeast and the North.

Cookies and Crackers - Net Revenue (R\$ million) and Net Volume ('000 tonnes)



Gross revenue from launches totaled R\$104.4 million in 3Q20, with 125 new products/flavors launched in the last 24 months (75 new products/flavors and gross revenue of R\$33.8 million in 3Q19).

Compared to 2Q20, revenue increased 4.6%, as sales volume moved up 2.3% and the average price rose 2.4%.

In 9M20, net revenue from cookies & crackers climbed 19.6% over 9M19, as sales volume grew 19.8% and the average price edged down 0.3%.

HIGHLIGHTS – PASTA

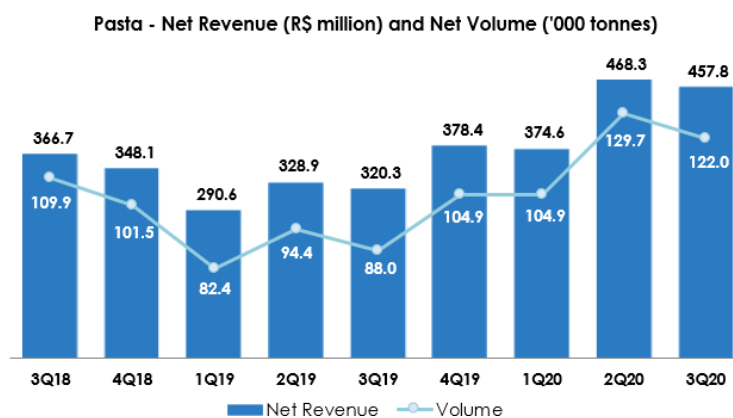
Net revenue from pasta rose 42.9% year on year in 3Q20, as sales volume grew 38.6% and the average price increased 3.0%.

All pasta subcategories grew by double-digit, led by common and instant pasta.

Sales volume recorded an excellent performance, with double-digit growth in all regions.

Compared to 2Q20, net revenue fell 2.2%, as sales volume declined 5.9% and the average price rose 3.9%. The decrease was mainly due to lower export volume.

In 9M20, net revenue from pasta climbed 38.4% over 9M19, as sales volume grew 34.7% and the average price rose 2.8%.

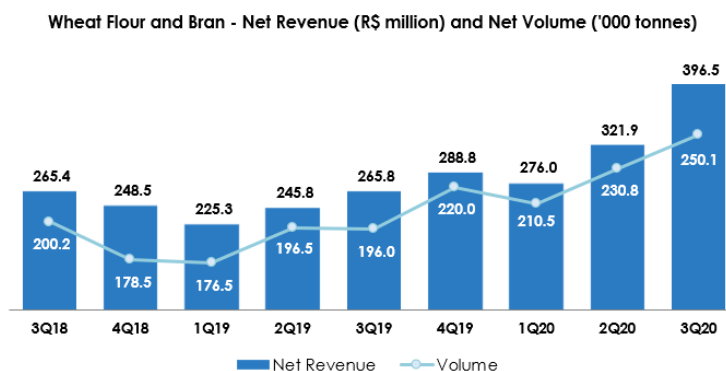


HIGHLIGHTS – WHEAT FLOUR AND BRAN

Net revenue from wheat flour and bran rose 49.2% year on year in 3Q20, as sales volume grew 27.6% and the average price increased 16.9%.

We highlight the increase in domestic and industrial flour sales volume in the South and Southeast regions, with double-digit growth, supported by the new flour mill in Bento Gonçalves (RS).

Compared to 2Q20, net revenue increased 23.2% in 3Q20, as sales volume moved up 8.4% and the average price rose 14.4%. In 9M20, net revenue climbed 34.9%, due to an increase of 21.5% in sales volume and 10.8% in the average price.



HIGHLIGHTS – MARGARINE AND VEGETABLE SHORTENING

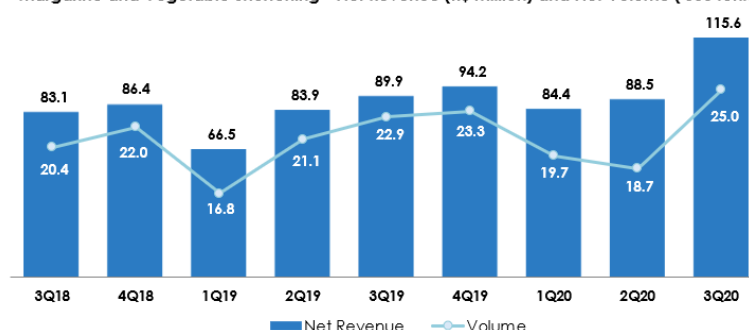
Net revenue from margarine and vegetable shortening grew 28.6% in 3Q20 over 3Q19, as sales volume grew 9.2% and the average price rose 17.6%.

Sales volume grew due to an increase in margarine and vegetable shortening exports.

Compared to 2Q20, revenue increased 30.6%, as sales volume moved up 33.7% and the average price fell 2.3%. In

9M20, net revenue climbed 20.1%, as sales volumes grew 4.3% and the average price rose 15.2%.

Margarine and Vegetable Shortening - Net Revenue (R\$ million) and Net Volume ('000 tonnes)



COSTS

COGS (R\$ million)	3Q20	% Net Rev.	3Q19	% Net Rev.	Variation	2Q20	% Net Rev.	Variation	9M20	% Net Rev.	9M19	% Net Rev.	Variation
Raw material	1,050.6	51.8%	680.5	43.9%	54.4%	921.0	48.9%	14.1%	2,659.9	47.9%	1,949.2	44.2%	36.5%
Wheat	726.6	35.8%	432.6	27.9%	68.0%	635.3	33.7%	14.4%	1,810.7	32.6%	1,236.0	28.0%	46.5%
Vegetable Oil	166.2	8.2%	98.9	6.4%	68.0%	144.0	7.6%	15.4%	418.0	7.5%	279.4	6.3%	49.6%
Sugar	49.4	2.4%	38.1	2.5%	29.7%	46.9	2.5%	5.3%	138.0	2.5%	109.1	2.5%	26.5%
Third Party Flour	2.9	0.1%	38.5	2.5%	-92.5%	2.6	0.1%	11.5%	14.0	0.3%	115.5	2.6%	-87.9%
Third Party Vegetable Shortening	0.1	0.0%	0.9	0.1%	-88.9%	0.4	0.0%	-75.0%	2.9	0.1%	2.3	0.1%	26.1%
Other	105.4	5.2%	71.5	4.6%	47.4%	91.8	4.9%	14.8%	276.3	5.0%	206.9	4.7%	33.5%
Packages	132.5	6.5%	104.1	6.7%	27.3%	122.1	6.5%	8.5%	362.7	6.5%	301.4	6.8%	20.3%
Labor	155.6	7.7%	150.7	9.7%	3.3%	163.9	8.7%	-5.1%	467.2	8.4%	419.1	9.5%	11.5%
Indirect costs	116.6	5.7%	107.2	6.9%	8.8%	116.0	6.2%	0.5%	334.5	6.0%	303.3	6.9%	10.3%
Depreciation and amortization	43.3	2.1%	44.4	2.9%	-2.5%	44.6	2.4%	-2.9%	130.7	2.4%	123.3	2.8%	6.0%
Other	0.0	0.0%	0.2	0.0%	-100.0%	0.0	0.0%	n/a	0.0	0.0%	0.8	0.0%	-100.0%
Total	1,498.6	73.9%	1,087.1	70.1%	37.9%	1,367.6	72.5%	9.6%	3,955.0	71.2%	3,097.1	70.2%	27.7%

In 3Q20, the cost of goods sold increased 37.9% in absolute terms and grew 3.8 p.p. as a percentage of net revenue compared to 3Q19.

We list below the main favorable and unfavorable impacts on the cost of goods sold in these periods.

POSITIVE IMPACTS

- Greater dilution of fixed costs, due to a 46% increase in production volume;
- Gains from shift optimization and renegotiation with suppliers as a result of our Efficiency and Productivity Program (*Multiplique*); and
- Higher flour vertical integration.

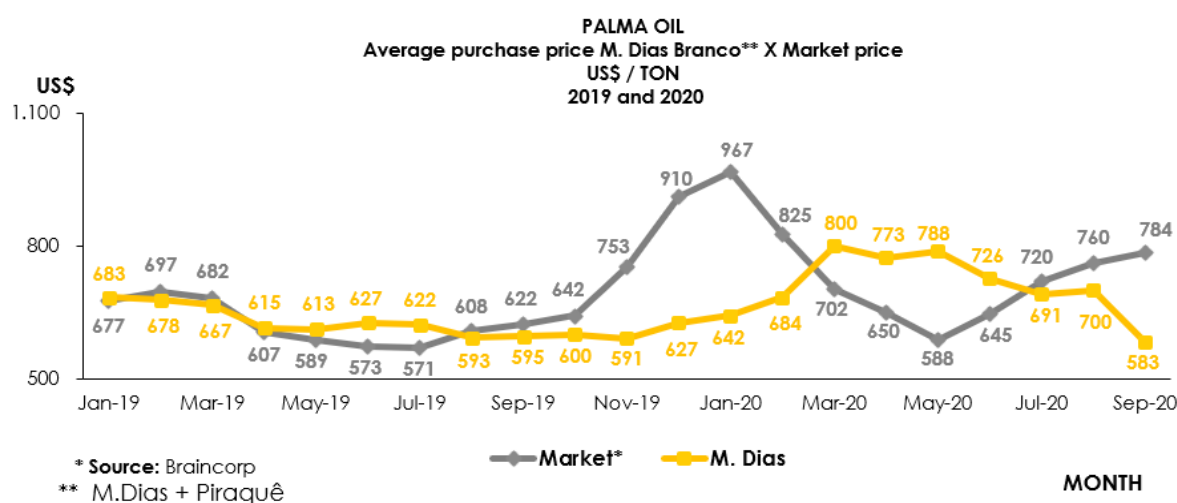
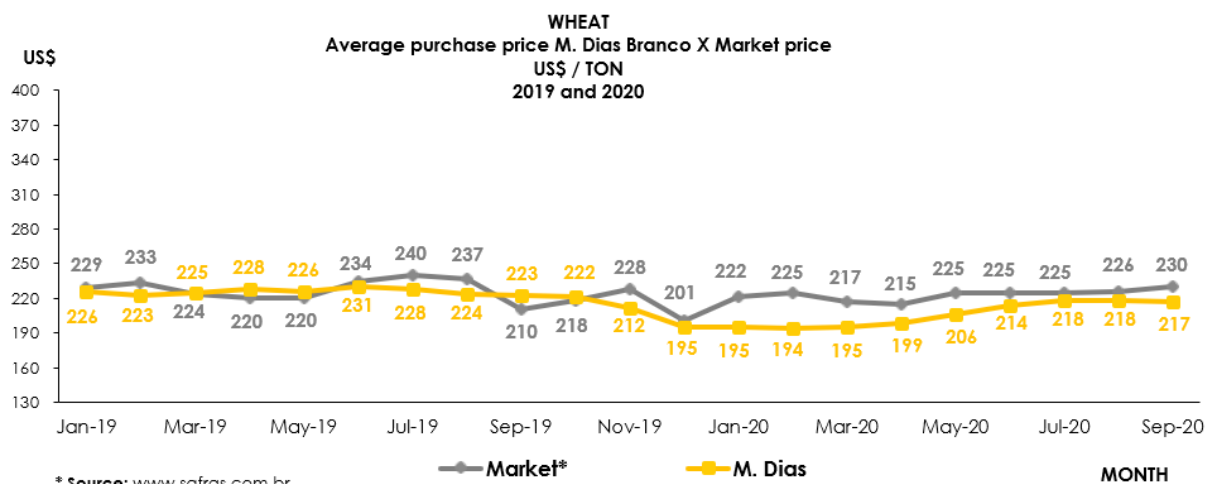
NEGATIVE IMPACTS

- An increase of 22.2% in the average cost of consumed wheat (BRL), due to the depreciation of the BRL against the USD between 3Q19 and 3Q20;
- Growth of 47.7% in the average cost of consumed vegetable oil (BRL), due to the depreciation of the BRL against the USD between 3Q19 and 3Q20;

- An increase of 13.5% in the average cost of consumed sugar (BRL), due to lower supply in the market;
- Higher labor costs resulting from pay rises in line with inflation following collective bargaining agreements; and
- Increased general expenditures, driven by initiatives to minimize the impacts of the pandemic, such as a more thorough cleaning routine, transport materials and accident prevention.

Compared to 2Q20, the cost of goods sold grew 9.6% in absolute terms and 1.4 p.p. as a percentage of net revenue, from 72.5% in 2Q20 to 73.9% in 3Q20, mainly driven by an increase in the average cost of the main commodities used in the production process, especially due to the depreciation of BRL against the USD.

In 9M20, costs grew 27.7% over 9M19, an increase of 1 p.p. as a percentage of net revenue, driven by an upturn in the average cost of the main commodities due to the depreciation of BRL against the USD, which was partially offset by growth of 22.8% in sales volume, resulting in greater dilution of fixed costs and increased wheat flour vertical integration.



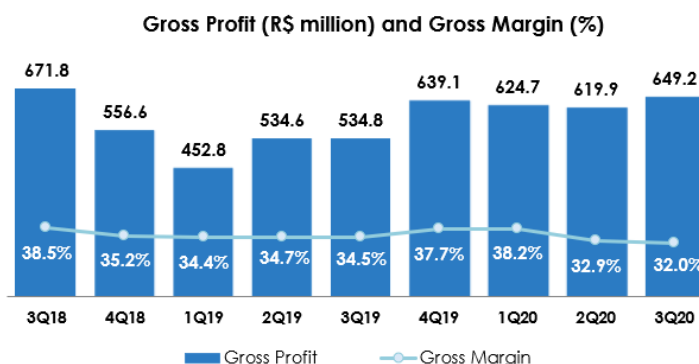
Note: M. Dias Branco is no longer disclosing the graph showing the average purchase price of soybean oil in its inventory in the Earnings Release, but it will continue to disclose this information on its Investor Relations website: <https://ri.mdiasbranco.com.br/>.

GROSS PROFIT

Gross profit grew 21.4% and the gross margin declined 2.5 p.p. in 3Q20. The gross margin decline reflected an increase in the average cost of the main commodities used in the industrial process, influenced by the depreciation of the real against the dollar.

Compared to 2Q20, gross profit grew 4.7%, while the gross margin decreased 0.9 p.p., from 32.9% in 2Q20 to 32.0% in 3Q20, also due to rise in the price of the main commodities used in the industrial process.

It is important to highlight that gross profit includes subsidies for state investments totaling R\$118.8 million in 3Q20 (R\$71.6 million in 3Q19) through profit or loss in compliance with CPC 07 - Government Grants.



OPERATING EXPENSES

To provide a better understanding of the changes in operating expenses, we report depreciation and amortization expenses and tax expenses separately. Please see below:

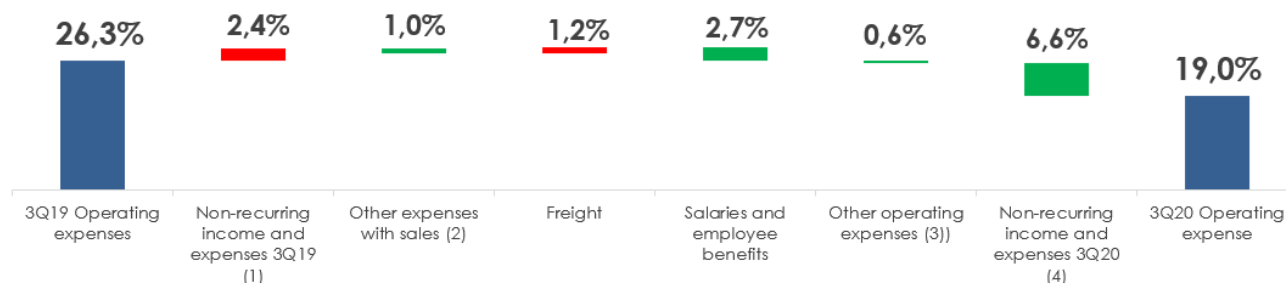
Operating Expenses (R\$ million)	3Q20	% Net Rev.	3Q19	% Net Rev.	Variation	2Q20	% Net Rev.	Variation	9M20	% Net Rev.	9M19	% Net Rev.	Variation
Selling*	399.6	19.7%	334.1	21.6%	19.6%	379.2	20.1%	5.4%	1,137.2	20.5%	969.6	22.0%	17.3%
Administrative	71.5	3.5%	58.7	3.8%	21.8%	65.7	3.5%	8.8%	198.0	3.6%	180.7	4.1%	9.6%
Management fees	3.5	0.2%	3.7	0.2%	-5.4%	4.5	0.2%	-22.2%	11.1	0.2%	9.9	0.2%	12.1%
Taxes	8.1	0.4%	7.7	0.5%	5.2%	5.4	0.3%	50.0%	19.4	0.3%	24.4	0.6%	-20.5%
Depreciation and amortization	23.4	1.2%	17.0	1.1%	37.6%	18.6	1.0%	25.8%	61.0	1.1%	48.9	1.1%	24.7%
Other operating expenses/(revenue)	-119.9	-5.9%	-13.2	-0.9%	n/a	-17.3	-0.9%	n/a	-127.2	-2.3%	-22.5	-0.5%	n/a
TOTAL	386.2	19.0%	408.0	26.3%	-5.3%	456.1	24.2%	-15.3%	1,299.5	23.4%	1,211.0	27.5%	7.3%

*Salaries and benefits, freight and other expenses with marketing, sales force and logistics.

Operating expenses fell 7.3 p.p. as a percentage of net revenue between 3Q19 and 3Q20. In addition to the results already obtained from our Efficiency and Productivity Program (*Multiplique*), we highlight the following reasons for a decline in expenses: (i) greater dilution of fixed expenses thanks to higher volume, (ii) lower payroll and related expenses in selling and administrative expenses and (iii) higher other operating revenues, mainly due to tax credits from prior periods as a result of ICMS tax from the PIS and COFINS tax base.

Non-recurring items had a positive effect of R\$124.8 million, as a result of (i) expenses related to the integration of Piraquê (R\$0.8 million); (ii) expenses related to COVID-19 (R\$5.9 million); (iii) restructuring expenses (R\$9.6 million); and (iv) tax credits from prior periods (R\$151.1 million), as shown below.

Evolution Operating expenses (%NR) | 3Q20 vs 3Q19



(1) **Note:** Non-recurring effects of 3Q19.

(2) **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R \$ 3.3 million) and restructuring expenses (R \$ 3.7 million).

(3) **Note:** Disregards the non-recurring effects of expenses with COVID-19 (R \$ 2.6 million), expenses with Piraquê integration (R \$ 0.8 million), restructuring expenses (R \$ 6.0 million) and revenue from extemporaneous tax credit (R \$ 151.1 million).

(4) **Note:** Non-recurring effects of 3Q20 with COVID-19 (R \$ 5.9 million), restructuring expenses (R \$ 9.6 million), expenses with Piraquê integration (R \$ 0.8 million) and revenue from extemporaneous tax credit (R \$ 151.1 million).

Compared to 2Q20, operating expenses fell 5.2 p.p. as a percentage of net revenue in 3Q20, due to an increase in other revenues as a result of higher tax credits from prior periods, especially PIS/COFINS credits.

FINANCIAL RESULT

To provide a better understanding of the variations in the financial result, we report and analyze exchange variations and swap transactions in the period separately from financial income and expenses, as shown below:

Financial Income (R\$ million)	3Q20	3Q19	Variation	2Q20	Variation	9M20	9M19	Variation
Financial Revenue	48.0	46.1	4.1%	12.9	n/a	71.8	94.9	-24.3%
Financial Expenses	-31.1	-21.1	47.4%	-17.7	75.7%	-68.8	-89.7	-23.3%
Exchange Variation	-19.3	-36.9	-47.7%	-62.0	-68.9%	-222.1	-40.1	n/a
Losses/Gains on derivatives	32.9	30.2	8.9%	64.1	-48.7%	243.0	28.5	n/a
TOTAL	30.5	18.3	66.7%	-2.7	n/a	23.9	-6.4	n/a

The Company recorded a positive financial result of R\$30.5 million in 3Q20, against a positive financial result of R\$18.3 million in 3Q19.

The year-on-year improvement in the financial result in 3Q20 was mainly due to higher financial income from monetary restatements of credits from prior periods and exchange gains.

It is worth mentioning that M. Dias Branco is reiterating its commitment to a conservative policy by maintaining swap contracts, through which the foreign exchange risk plus a fixed rate is swapped for a percentage of the CDI rate to hedge financing of working capital and input imports. Swap contracts are recognized at fair value under the financial result.

TAXES ON INCOME

The Company recorded a provision for income tax and social contribution of R\$26.4 million in 3Q20, against a provision of R\$10.5 million in 3Q19. This upturn was mainly due to an increase of 101.2% in income before tax and social contribution, from R\$145.0 million in 3Q19 to R\$291.8 million in 3Q20.

Income and Social Contribution Taxes (R\$ million)	3Q20	3Q19	Variation	9M20	9M19	Variation
Income and Social Contribution Taxes	56.1	25.9	n/a	95.1	32.5	n/a
Income Tax Incentive	-29.7	-15.4	92.9%	-35.6	-20.2	76.2%
TOTAL	26.4	10.5	n/a	59.5	12.3	n/a

GOODWILL

In 2020, due to the merger of Piraquê, approved on December 27, 2019, the Company began the tax amortization of goodwill arising from the acquisition. It is estimated that all goodwill will be tax deductible, totaling R\$361.6 million. However, the current benefit takes into account the portion of goodwill actually paid, which will be amortized over a minimum period of five years. The Company recognized a tax benefit resulting from amortization in the amount of R\$2.8 million in 3Q20 and R\$8.0 million in 9M20.

EBITDA AND NET INCOME

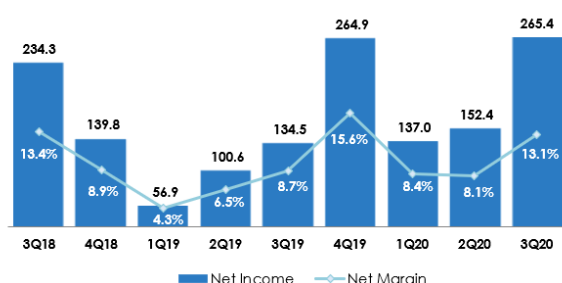
EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ million)	3Q20	3Q19	Variation	2Q20	Variation	9M20	9M19	Variation
Net Profit	265.4	134.5	97.3%	152.4	74.1%	554.8	292.0	90.0%
Income Tax and Social Contribution	56.1	25.9	n/a	13.2	n/a	95.1	32.5	n/a
Income Tax Incentive	-29.7	-15.4	92.9%	-5.9	n/a	-35.6	-20.2	76.2%
Financial Revenue	-100.2	-60.0	67.0%	-18.9	n/a	-137.6	-157.0	-12.4%
Financial Expenses	69.7	41.7	67.1%	21.6	n/a	113.7	163.4	-30.4%
Depreciation and Amortization of cost of goods	43.3	44.4	-2.5%	44.6	-2.9%	130.7	123.3	6.0%
Depreciation and Amortization Adm/Com Expenses	23.4	17.0	37.6%	18.6	25.8%	61.0	48.9	24.7%
EBITDA	328.0	188.1	74.4%	225.6	45.4%	782.1	482.9	62.0%
EBITDA Margin	16.2%	12.1%	4.1 p.p	12.0%	4.2 p.p	14.1%	11.0%	3.1 p.p

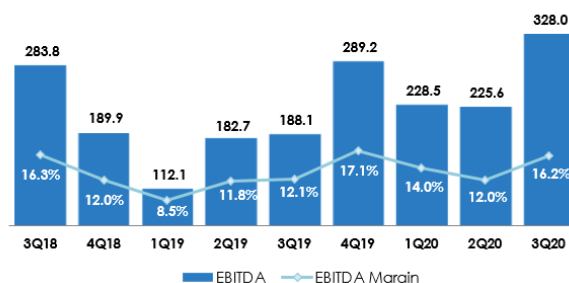
EBITDA – NET REVENUE

EBITDA CONCILIATION (R\$ million)	3Q20	3Q19	Variation	2Q20	Variation	9M20	9M19	Variation
Net Revenue	2,029.0	1,550.3	30.9%	1,885.2	7.6%	5,550.9	4,409.5	25.9%
Cost of goods sold	-1,498.6	-1,087.1	37.9%	-1,367.6	9.6%	-3,955.0	-3,097.1	27.7%
Depreciation and Amortization of cost of goods	43.3	44.4	-2.5%	44.6	-2.9%	130.7	123.3	6.0%
Tax Incentive (ICMS)	118.8	71.6	65.9%	102.3	16.1%	297.9	209.8	42.0%
Operating Expenses	-386.2	-408.0	-5.3%	-456.1	-15.3%	-1,299.5	-1,211.0	7.3%
Equity in net income of subsidiaries	-1.7	-0.1	n/a	-1.4	21.4%	-3.9	-0.5	n/a
Depreciation and Amortization Adm/Com Expenses	23.4	17.0	37.6%	18.6	25.8%	61.0	48.9	24.7%
EBITDA	328.0	188.1	74.4%	225.6	45.4%	782.1	482.9	62.0%
EBITDA Margin	16.2%	12.1%	4.1 p.p	12.0%	4.2 p.p	14.1%	11.0%	3.1 p.p

Net Profit (R\$ million) and Net Margin (%)



EBITDA (R\$ million) and EBITDA Margin (%)



DEBT, CAPITALIZATION AND CASH

Capitalization (R\$ million)	9/30/2020	9/30/2019	Variation
Cash	1,306.4	645.0	n/a
Financial Investments Short Term	16.4	16.3	0.6%
Financial Investments Long Term	3.3	9.2	-64.1%
Total Indebtedness	-1,650.3	-1,160.8	42.2%
(-) Short Term	-1,330.6	-656.3	n/a
(-) Long Term	-319.7	-504.5	-36.6%
(-) Derivatives Financial Instruments	68.7	20.1	n/a
(=) Net Cash (Net Debt)	-255.5	-470.2	-45.7%
Shareholder's Equity	6,502.6	5,805.1	12.0%
Capitalization	8,152.9	6,965.9	17.0%

Financial Indicator	9/30/2020	9/30/2019	Variation
Cash (Debt) Net / EBITDA (last 12 months)	-0.2	-0.7	-71.4%
Cash (Debt) Net / Shareholder's Equity	-3.9%	-8.1%	4.2 p.p
Indebtedness / Total Assets	17.1%	14.5%	2.6 p.p

We closed 3Q20 with a cash position of R\$1.3 billion, up 102.5% from R\$645 million in 3Q19. Leverage (net debt-to-EBITDA ratio) stood at 0.2x in 3Q20, lower than in 3Q19 (0.7x) and 2Q20 (0.4x).

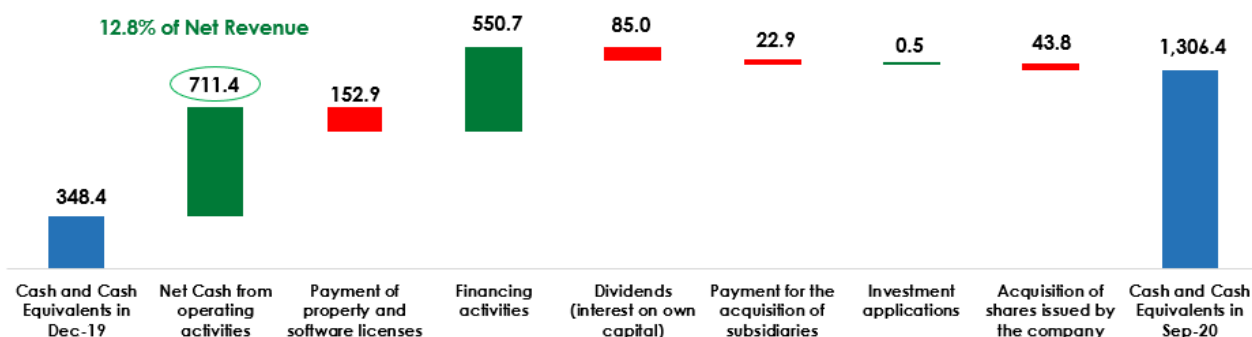
Consolidated Debt (R\$ million)	Index	Interest (year)	9/30/2020	% Debt	9/30/2019	% Debt	Variation
Domestic Currency:			865.3	52.4%	622.3	53.6%	39.0%
BNDES - FINAME	TJLP	2.17%	15.2	0.9%	19.3	1.7%	-21.2%
BNDES - PSI	R\$	2.98% (4.45% in 09/30/19)	81.2	4.9%	192.6	16.6%	-57.8%
BNDES - FINEM	IPCA	8.62%	37.4	2.3%	48.1	4.1%	-22.2%
BNDES - PROGEREN	IPCA	6.28%	61.4	3.7%	84.7	7.3%	-27.5%
BNDES - PSI	TJLP	6.15% in 09/30/19	0.0	0.0%	0.1	0.0%	-100.0%
FINIMP	100% CDI	3.80%	136.1	8.2%	0.0	0.0%	n/a
(PROADI) Financing of state taxes	TR	3.00% in 09/30/19	0.0	0.0%	0.1	0.0%	-100.0%
(PROVIN) Financing of state taxes	100% TJLP	-	10.1	0.6%	9.9	0.9%	2.0%
(DESENVOLVE) Financing of state taxes	100% TJLP	-	0.0	0.0%	0.5	0.0%	-100.0%
BNB-FNE - Financing	Flat rate	8.24% in 09/30/19	0.0	0.0%	26.7	2.3%	-100.0%
Working Capital - Law 4,131	100% CDI	2.50%	101.9	6.2%	0.0	0.0%	n/a
Investment of assignment of Pilar's shares	100% CDI	-	2.1	0.1%	2.2	0.2%	-4.5%
Investment of assignment of Estrela's shares	100% CDI	-	5.2	0.3%	5.9	0.5%	-11.9%
Investment of assignment of Moinho Santa Lúcia's shares	100% CDI	-	0.0	0.0%	0.1	0.0%	-100.0%
Investment of assignment of Piraquê's shares	100% CDI	-	209.9	12.7%	232.1	20.0%	-9.6%
Commercial notes	100% CDI	3.13%	204.8	12.4%	0.0	0.0%	n/a
Foreign Currency:			785.0	47.6%	538.5	46.4%	45.8%
(FINIMP) Imports Financing and Working Capital - Law 4,131	USD	1.99% (3.18% in 09/30/19)	785.0	47.6%	404.3	34.8%	94.2%
Working Capital - Law 4,131	EUR	0.18% in 09/30/19	0.0	0.0%	134.2	11.6%	-100.0%
TOTAL			1,650.3	100.0%	1,160.8	100.0%	42.2%

The Company uses swap contracts to hedge foreign exchange risk. These contracts are recorded at fair value through profit or loss and consist of swapping the exchange rate risk plus a fixed rate for a percentage of the CDI rate.

M. Dias Branco closed 3Q20 with R\$1.7 billion in debt, of which R\$785.0 million (47.6%) refers to liabilities in foreign currency arising from input imports, which are hedged by swap transactions. In this sense, on September 30, 2020, the Company had 17 swap contracts to hedge working capital and wheat

import financing (FINIMP) with different maturities, the last of which on April 16, 2021, in which the long leg receives, on average, the dollar plus 2.3482% and the short leg pays, on average, 204.20% of the CDI rate. The (notional) reference values totaled R\$689,738 and the gross fair value payable of these derivative instruments was R\$84,576 on September 30, 2020.

R\$ million



INVESTMENTS

Investments (R\$ Million)	3Q20	3Q19	Variation	9M20	9M19	Variation
Buildings	5.8	12.2	-52.5%	16.9	34.7	-51.3%
Machinery and equipment	32.0	41.3	-22.5%	88.4	104.9	-15.7%
Construction in progress	10.8	16.9	-36.1%	31.0	53.7	-42.3%
Vehicles	-	0.2	-100.0%	0.3	0.4	-25.0%
IT Equipment	0.9	0.7	28.6%	2.5	1.4	81.2%
Furniture and Fixtures	1.9	1.8	5.6%	5.6	8.0	-30.0%
Land	1.1	-	n/a	3.8	1.5	n/a
Software Use License	1.6	3.1	-48.4%	5.4	13.7	-60.6%
Others	0.3	0.8	-62.5%	1.6	1.3	23.1%
Total	54.4	77.0	-29.4%	155.5	219.6	-29.2%

Investments 3Q20 - R\$ 54.4 million

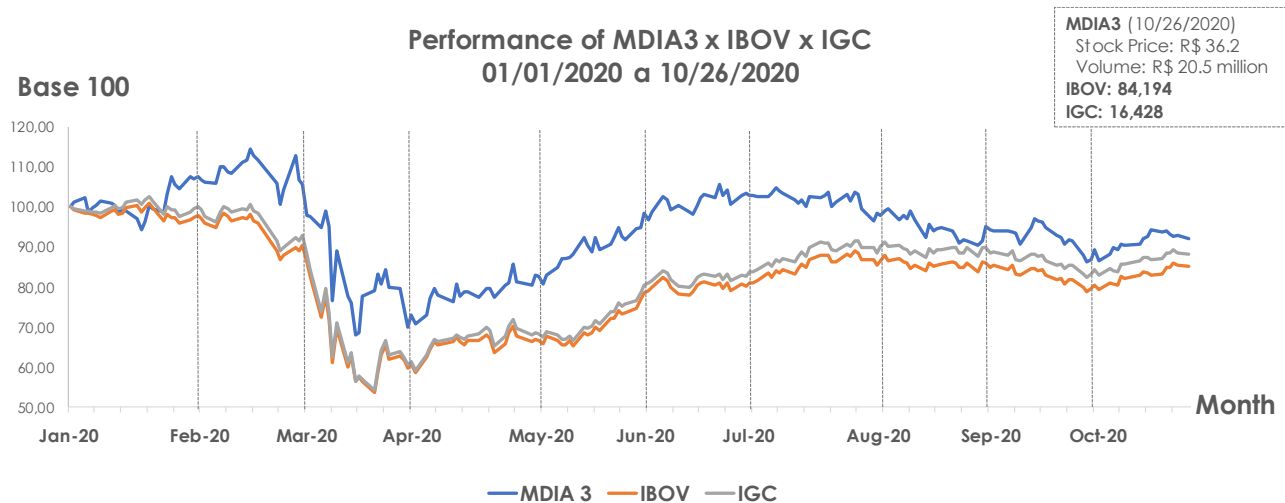


Investments totaled R\$54.4 million in 3Q20 (R\$77.0 million 3Q19), led by (i) the acquisition of equipment and expansion of the new milling unit in Bento Gonçalves (RS); (ii) the construction of a truck yard for wheat trucks in Bento Gonçalves (RS); (iii) the renovation of the distribution center in the Rio de Janeiro unit; (iv) the long pasta line for the Piraquê unit; (v) an effluent treatment plant for the Maracanaú unit; (vi) the restructuring of the São Caetano do Sul unit (SP); and (vii) the retrofit of sieves for Fábrica Fortaleza (CE).

CAPITAL MARKET



The Company's shares are traded on B3 (Brasil, Bolsa e Balcão) under the ticker MDIA3 and are listed in the Novo Mercado segment. On **September 30, 2020**, there were 83,701,778 outstanding shares, representing 24.69% of the Company's capital stock, priced at **R\$34.1** each, totaling **R\$2,858.5 million**. The average daily trading volume was 5,944 in 3Q20 (3,508 in 3Q19), and the average daily trading financial volume was R\$39.5 million in 3Q20 (R\$23.9 million in 3Q19).



MAIN ADMINISTRATIVE FACTS



Approval of shareholder payout guidelines

On October 9, 2020, the Company announced to the market the new shareholder payout guidelines, with interim distributions of five centavos (R\$0.05) per share, on a quarterly basis, as a partial advance on the total payment due in the fiscal year in question.

Fitch Ratings reaffirmed our 'AAA(bra)' National Long-term Rating

On September 28, the Company announced to the market that Fitch Ratings reaffirmed our 'AAA(bra)' National Long-term Rating.

Approval of the Quarterly Information

At the meeting of the Board of Directors held on November 6, 2020, the following was approved: (i) the Quarterly Information (ITR) for the quarter ended September 30, 2020; and (ii) other provisions.

SOCIAL AND ENVIRONMENTAL HIGHLIGHTS



M. Dias Branco has continued to reinforce its commitment to sustainability through working groups focused on strengthening sustainable practices in several areas of the business.

Analysis of Indicators

Indicators	3Q20	3Q19	Variation	9M20	9M19	Variation
Average Energy Intensity (Kwh/ton)*	125.3	158.8	-21.1%	128.1	145.6	-12.0%
Water consumption (m ³ /ton)*	0.33	0.40	-17.5%	0.3	0.39	-12.8%
Waste Recycling Index (%)*	83.8	89.2	-5.4pp	85.2	89.7	-4.6pp
Solid waste generation (Kg/Ton)*	8.3	9.3	10.4%	8.4	9.3	-10.1%
Frequency rate of occupational accidents**	0.63	0.64	-0,01pp	0.67	0.91	-0,2pp

* Without Piraquê

** With Piraquê

Energy intensity [SDGs 7 and 12](#)

Energy intensity fell 21.1% (Kwh/ton), due to higher production volume and fewer line interruptions.

Water consumption [SDGs 6, 9 and 12](#)

Relative water consumption fell 17.5% in 3Q20 compared to the same period in 2019, due to higher production volume and the continuation of reuse and conscious water consumption initiatives.

Waste recycling rate [SDGs 9 and 12](#)

The Company's waste recycling rate fell 5.4 p.p. between 3Q19 and 3Q20. The decline was due to the issue of MAPA Normative Instruction 81/2018, which limited the reuse of organic waste, such as waste resulting from returned products, sweeping, expired products and infested products, in the production of animal feed. The Company continued to implement action plans to reduce environmental impacts and increase the recycling rate in the units with the support of the improvement team.

Solid waste generation [SDGs 9 and 12](#)

Solid waste generation fell 10.4% between 3Q19 and 3Q20, thanks to the start of activities at the co-product plant installed at the Fortaleza plant and the evolution of several initiatives implemented by the teams dedicated to World-Class Management improvements, including lower process losses and lower return waste.

Rate of occupational accidents [SDGs 3 and 8](#)

The rate of occupational accidents fell in 3Q20, thanks to campaigns to reinforce employees' risk perception, NR12 adjustments², traffic safety campaigns and incentives to register security warnings, among other initiatives.

Other initiatives and achievements

- ✓ M. Dias Branco, in partnership with Senai Ceará, launched the third edition of the Germinar program. The purpose of the program is to connect with startups to solve five challenges

²Standard that deals with occupational safety in machinery and equipment.

related to the Company's innovation strategy. The total incentive reached R\$1 million; **SDGs 8 and 4**

- ✓ M. Dias Branco won the '100 Open Startups award. The recognition shows that the Company is on the right track by connecting with the startups ecosystem, bringing increasingly technological solutions and innovations for the Company, in addition to helping entrepreneurs grow; **SDG 8**
- ✓ M. Dias Branco conducted the Yellow September Campaign, commemorating the International Suicide Prevention Day with the purpose of raising awareness about suicide prevention. **SDG 3**

We believe these actions will allow us to develop a culture of sustainability, with the gradual integration of social and environmental aspects into the decision-making process and in the Company's value creation.



FINANCIAL STATEMENTS



Pursuant to CPC 26 – Presentation of Financial Statements, we classify expenses by function in the Income Statement. Depreciation and amortization expenses were included in selling and administrative expenses, and tax expenses were added to other expenses (income), net. For further information, please see note 28 of the Company's Financial Statements.

INCOME STATEMENT (R\$ million)	3Q20	3Q19	Variation	2Q20	Variation	9M20	9M19	Variation
NET REVENUES	2,029.0	1,550.3	30.9%	1,885.2	7.6%	5,550.9	4,409.5	25.9%
COST OF GOODS SOLD	-1,498.6	-1,087.1	37.9%	-1,367.6	9.6%	-3,955.0	-3,097.1	27.7%
TAX INCENTIVES (ICMS)	118.8	71.6	65.9%	102.3	16.1%	297.9	209.8	42.0%
GROSS PROFIT	649.2	534.8	21.4%	619.9	4.7%	1,893.8	1,522.2	24.4%
OPERATING REVENUES (EXPENSES)	-386.2	-408.0	-5.3%	-456.1	-15.3%	-1,299.5	-1,211.0	7.3%
Sales expenses	-399.6	-334.1	19.6%	-379.2	5.4%	-1,137.2	-969.6	17.3%
Administrative and general expenses	-71.5	-58.7	21.8%	-65.7	8.8%	-198.0	-180.7	9.6%
Management fees	-3.5	-3.7	-5.4%	-4.5	-22.2%	-11.1	-9.9	12.1%
Tax expenses	-8.1	-7.7	5.2%	-5.4	50.0%	-19.4	-24.4	-20.5%
Depreciation and amortization charges	-23.4	-17.0	37.6%	-18.6	25.8%	-61.0	-48.9	24.7%
Other income (expenses)	119.9	13.2	n/a	17.3	n/a	127.2	22.5	465.3%
OPERATING INCOME - before financial results	263.0	126.8	107.4%	163.8	60.6%	594.3	311.2	91.0%
Financial income	100.2	60.0	67.0%	18.9	430.2%	137.6	157.0	-12.4%
Financial expenses	-69.7	-41.7	67.1%	-21.6	222.7%	-113.7	-163.4	-30.4%
OPERATING INCOME - after financial results	293.5	145.1	102.3%	161.1	82.2%	618.2	304.8	102.8%
Equity in net income of subsidiaries	-1.7	-0.1	n/a	-1.4	21.4%	-3.9	-0.5	n/a
INCOME - before income tax and social contribution	291.8	145.0	101.2%	159.7	82.7%	614.3	304.3	101.9%
Income tax and social contribution	-26.4	-10.5	n/a	-7.3	n/a	-59.5	-12.3	n/a
NET INCOME	265.4	134.5	97.3%	152.4	74.1%	554.8	292.0	90.0%

BALANCE SHEET (R\$ million)	M. DIAS (CONSOLIDATED)				
	9/30/2020	9/30/2019	Variation	12/31/2019	Variation
ASSETS					
CURRENT	3,987.2	2,371.1	68.2%	2,321.7	71.7%
Cash and cash equivalents	1,306.4	645.0	n/a	348.4	n/a
Trade accounts receivable	939.1	768.5	22.2%	957.5	-1.9%
Inventories	1,240.8	752.4	64.9%	799.1	55.3%
Taxes recoverable	379.4	133.4	n/a	162.4	n/a
Financial investments	16.4	16.3	0.6%	16.4	0.0%
Derivatives financial instruments	68.7	20.1	n/a	8.0	n/a
Other receivables	22.6	23.6	-4.2%	22.1	2.3%
Prepaid expenses	13.8	11.8	16.9%	7.8	76.9%
NON CURRENT	5,690.1	5,637.5	0.9%	5,779.3	-1.5%
Long-term	465.3	521.8	-10.8%	597.2	-22.1%
Financial investments	3.3	9.2	-64.1%	3.8	-13.2%
Judicial deposits	262.8	251.3	4.6%	257.4	2.1%
Taxes recoverable	138.4	199.1	-30.5%	273.9	-49.5%
Long-term receivables	0.0	0.5	-100.0%	0.3	-100.0%
Tax incentives/other receivables	6.1	3.9	56.4%	4.0	52.5%
Indemnity assets	54.7	57.8	-5.4%	57.8	-5.4%
Investments	49.0	48.2	1.7%	52.9	-7.4%
Investments properties	54.7	21.5	n/a	55.2	-0.9%
Property, plant and equipment	3,402.8	3,319.8	2.5%	3,351.6	1.5%
Intangible	1,718.3	1,726.2	-0.5%	1,722.4	-0.2%
TOTAL ASSETS	9,677.3	8,008.6	20.8%	8,101.0	19.5%
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT	2,210.9	1,188.4	86.0%	1,153.6	91.7%
Suppliers	261.4	165.7	57.8%	149.0	75.4%
Financing and borrowings from financial institutions	1,092.8	646.2	69.1%	568.7	92.2%
Tax financing	3.6	4.4	-18.2%	5.3	-32.1%
Direct financing	29.4	5.7	n/a	34.2	-14.0%
Commercial notes	204.8	0.0	n/a	0.0	n/a
Lease	36.1	17.0	n/a	15.1	n/a
Social security and labor liabilities	238.4	190.0	25.5%	167.4	42.4%
Tax liabilities	166.0	82.7	n/a	83.8	98.1%
Advances from customers	18.3	12.9	41.9%	10.2	79.4%
Derivatives financial instruments	0.0	0.0	n/a	1.9	-100.0%
Other accounts payable	142.8	57.2	n/a	76.3	87.2%
Proposed dividends	0.0	0.0	n/a	36.9	n/a
Government grant	17.3	6.6	n/a	4.8	n/a
NON CURRENT LIABILITIES	963.8	1,015.1	-5.1%	912.5	5.6%
Financing and borrowings from financial institutions	125.4	263.8	-52.5%	161.5	-22.4%
Tax financing	6.5	6.1	6.6%	5.3	22.6%
Direct financing	187.8	234.6	-19.9%	204.7	-8.3%
Lease	143.4	59.8	n/a	86.9	65.0%
Tax liabilities	0.0	1.0	-100.0%	1.0	-100.0%
Deferred taxes	250.8	207.7	20.8%	205.2	22.2%
Others accounts payable	34.4	23.9	43.9%	34.4	0.0%
Provisions for civil, labor and tax risks	215.5	218.2	-1.2%	213.5	0.9%
SHAREHOLDERS EQUITY	6,502.6	5,805.1	12.0%	6,034.9	7.7%
Capital	2,567.9	2,508.4	2.4%	2,508.4	2.4%
Capital reserves	25.7	24.5	4.9%	26.3	-2.3%
Accumulated conversion adjustments	0.2	0.1	100.0%	0.1	100.0%
Equity valuation adjustment	1.5	0.0	n/a	0.0	n/a
Revenue reserves	3,392.1	2,980.1	13.8%	3,452.0	-1.7%
(-) Treasury shares	-39.6	0.0	n/a	0.0	n/a
Additional dividend	0.0	0.0	n/a	48.1	-100.0%
Accrued profit	554.8	292.0	90.0%	0.0	n/a
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	9,677.3	8,008.6	20.8%	8,101.0	19.5%

CASH FLOW (R\$ million)	3Q20	3Q19	Variation	9M20	9M19	Variation
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Income before Income Tax and Social Contribution	291.8	145.0	n/a	614.3	304.3	n/a
Adjustments to Reconcile net income with cash from operating activities:						
Depreciation and amortization	66.7	61.4	8.6%	191.7	172.2	11.3%
Cost on sale of permanent assets	0.0	0.1	-100.0%	1.6	1.7	-5.9%
Equity in net income of subsidiaries	1.7	0.1	n/a	3.9	0.5	n/a
Loans, investments and exchange variations interests	36.0	48.1	-25.2%	265.9	79.5	n/a
Tax credits and updates	-228.9	-93.7	n/a	-279.3	-192.3	45.2%
Updated judicial deposits	-0.8	-2.2	-63.6%	-3.7	-6.5	-43.1%
Updated provision for civil, labor and tax risks	4.4	3.6	22.2%	7.0	25.4	-72.4%
Lease update	6.8	1.8	n/a	12.5	5.3	n/a
Provision for civil, labor and tax risks	12.8	15.6	-17.9%	24.5	35.6	-31.2%
Recognized shares granted	2.0	0.5	n/a	4.7	3.0	56.7%
Provision / impairment loss of clients	3.0	3.7	-18.9%	18.4	17.6	4.5%
Estimated losses due to the reduction in the recoverable amount of taxes	0.0	0.0	n/a	0.8	0.0	n/a
Provision for income tax of loans	0.8	0.8	0.0%	2.7	2.5	8.0%
Provision (reversion) for losses in inventories	-2.0	2.8	n/a	2.8	5.4	-48.1%
Provision of Swap derivative contracts	-32.9	-30.2	8.9%	-243.0	-28.4	n/a
Reversal of provision for impairment of assets	0.0	0.0	n/a	-7.7	0.0	n/a
Changes in assets and liabilities						
(Increase) decrease in trade accounts receivable	-78.0	36.4	n/a	0.3	259.1	-99.9%
(Increase) decrease in inventories	-137.0	73.9	n/a	-442.6	14.1	n/a
(Increase) decrease in financial investments	0.0	0.1	-100.0%	0.0	-16.3	-100.0%
Decrease in taxes recoverable	209.0	31.1	n/a	277.9	85.0	n/a
(Increase) in other credits	-2.4	-0.9	n/a	-6.9	-4.4	56.8%
Increase (decrease) in suppliers	-38.5	-45.3	-15.0%	112.4	13.4	n/a
Increase (decrease) in taxes and contributions	25.4	52.3	-51.4%	70.5	-19.1	n/a
Increase (decrease) in government grants	6.7	0.5	n/a	12.5	-7.0	n/a
Increase (decrease) in accounts payable and provisions	2.3	-12.6	n/a	114.6	20.7	n/a
Interests paid	-6.6	-5.2	26.9%	-28.8	-32.3	-10.8%
Exchange variations paid	-19.9	0.9	n/a	-121.2	-34.4	n/a
Income tax and social contributions paid	-9.1	-19.8	-54.0%	-38.8	-28.7	35.2%
Receipts (payment) of funds for settlement of derivative transactions	28.3	-1.4	n/a	144.4	24.1	n/a
Net Cash generated from operating activities	141.6	267.4	-47.0%	711.4	700.0	1.6%
CASH FLOWS FROM INVESTMENT ACTIVITIES						
Purchase of property, plant, equipment and intangible	-54.4	-76.4	-28.8%	-152.9	-214.8	-28.8%
Payment of debt from purchase of company	0.0	0.0	n/a	-22.9	-6.8	n/a
Long-term financial investments	0.0	-3.2	-100.0%	0.0	-6.2	-100.0%
Redeem long-term financial investment	0.0	9.1	-100.0%	0.5	9.6	-94.8%
Investment applications	0.0	-11.0	-100.0%	0.0	-33.0	-100.0%
Net Cash (used) in Investment Activities	-54.4	-81.5	-33.3%	-175.3	-251.2	-30.2%
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividends paid	0.0	0.0	n/a	-85.0	-139.0	-38.8%
Financing obtained	2.7	2.0	35.0%	1,110.8	399.3	n/a
Payment of financing	-164.4	-50.8	n/a	-536.0	-500.1	7.2%
Acquisition of treasury shares	0.0	0.0	n/a	-43.8	0.0	0.0%
Lease payments	-10.3	-4.8	n/a	-24.1	-15.0	60.7%
Net Cash used in Financing Activities	-172.0	-53.6	n/a	421.9	-254.8	n/a
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-84.8	132.3	n/a	958.0	194.0	n/a
At the start of the period	1,391.2	512.7	n/a	348.4	451.0	-22.7%
At the end of the period	1,306.4	645.0	n/a	1,306.4	645.0	n/a
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-84.8	132.3	n/a	958.0	194.0	n/a

The statements contained in this document related to the business prospects, projected operating and financial results and growth outlook of M Dias Branco are merely forecasts and, as such, are based exclusively on the expectations of Management as to the future of the business. These expectations substantially depend on changes in market conditions, the performance of the Brazilian economy, as well as the sector and the international markets, and are thus subject to changes without prior notice.