



M. Dias Branco

# Results Presentation 2Q24 | 1H24

**MDIA3**

August 12<sup>th</sup>, 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\$ Billion)

2Q24

**2.6**

-7.7% vs. 2Q23  
+22.9% vs. 1Q24

1H24

**4.8**

-10.6% vs. 1H23



### Volume (Thousand ton.)

**507**

+11.6% vs. 2Q23  
+27.7% vs. 1Q24

**904**

+5.5% vs. 1H23



### EBITDA (R\$ Million)

**337**

-10.6% vs. 2Q23  
+21.5% vs. 1Q24

**614**

+11.6% vs. 1H23



### Net Income (R\$ Million)

**190**

-12.8% vs. 2Q23  
+22.6% vs. 1Q24

**345**

+19.8% vs. 1H23



### Cash Flow (R\$ Million)

**212**

-58.7% | 2Q23  
+53.3% | 1Q24

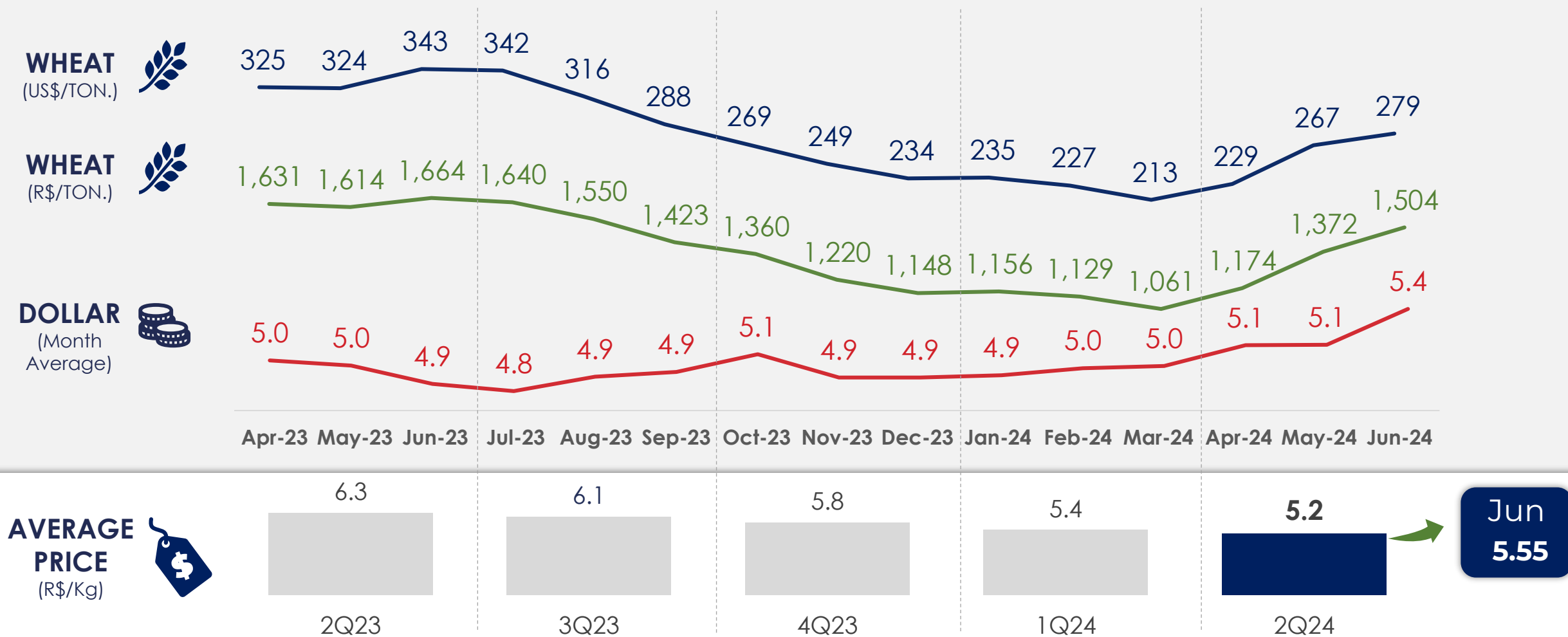
**350**

-38.5% | 1H23



## CONTEXT 2Q24

After a prolonged period of falling wheat prices, which led to a reduction in the prices of our items, especially those with lower added value, we observed a reversal in the trend of wheat prices (in USD) starting in March 2024, simultaneously with the devaluation of the Real. Given this scenario, our price adjustments began to be reflected in the result as of June 2024.



# REVENUE & MARKET SHARE

*M. Dias Branco*



**The Cookies & Crackers and Pasta markets increased in units sold and the Pasta market recorded a strong increase in volume.**  
(sell-out | retail sales to consumers)

### Cookies & Crackers Market



	2Q24 vs. 2Q23	2Q24v s. 1Q24
Value Sold	<b>-1%</b>	<b>+7%</b>
Volume Sold	<b>0%</b>	<b>+7%</b>
Units Sold	<b>+3%</b>	<b>+9%</b>
Average Price (R\$/Kg)	<b>-1%</b>	<b>-1%</b>

### Pasta Market



	2Q24 vs. 2Q23	2Q24v s. 1Q24
Value Sold	<b>+3%</b>	<b>+6%</b>
Volume Sold	<b>+8%</b>	<b>+9%</b>
Units Sold	<b>+11%</b>	<b>+10%</b>
Average Price (R\$/Kg)	<b>-4%</b>	<b>-3%</b>

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

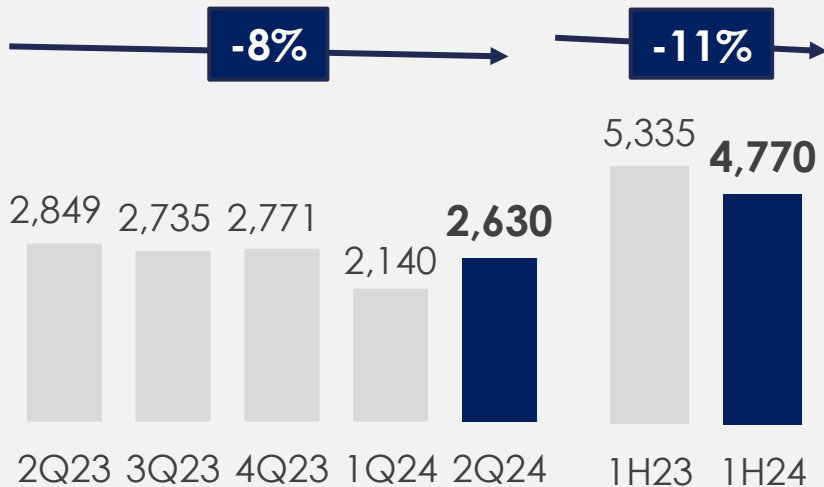




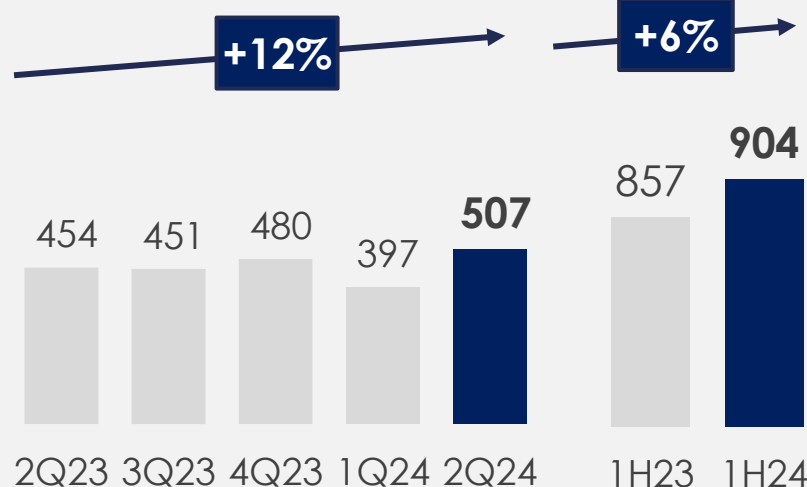
In 2Q24, Net Revenue of M. Dias Branco foi de R\$2.6 billion (-7.7% over 2Q23), with double-digit growth in volumes and a decline in the average price.



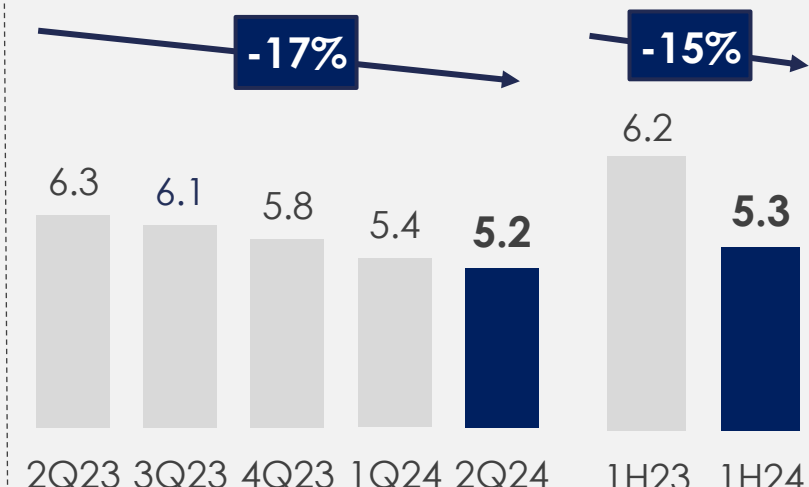
### Net Revenue (R\$ million)



### Sales Volume (Thousand Ton.)

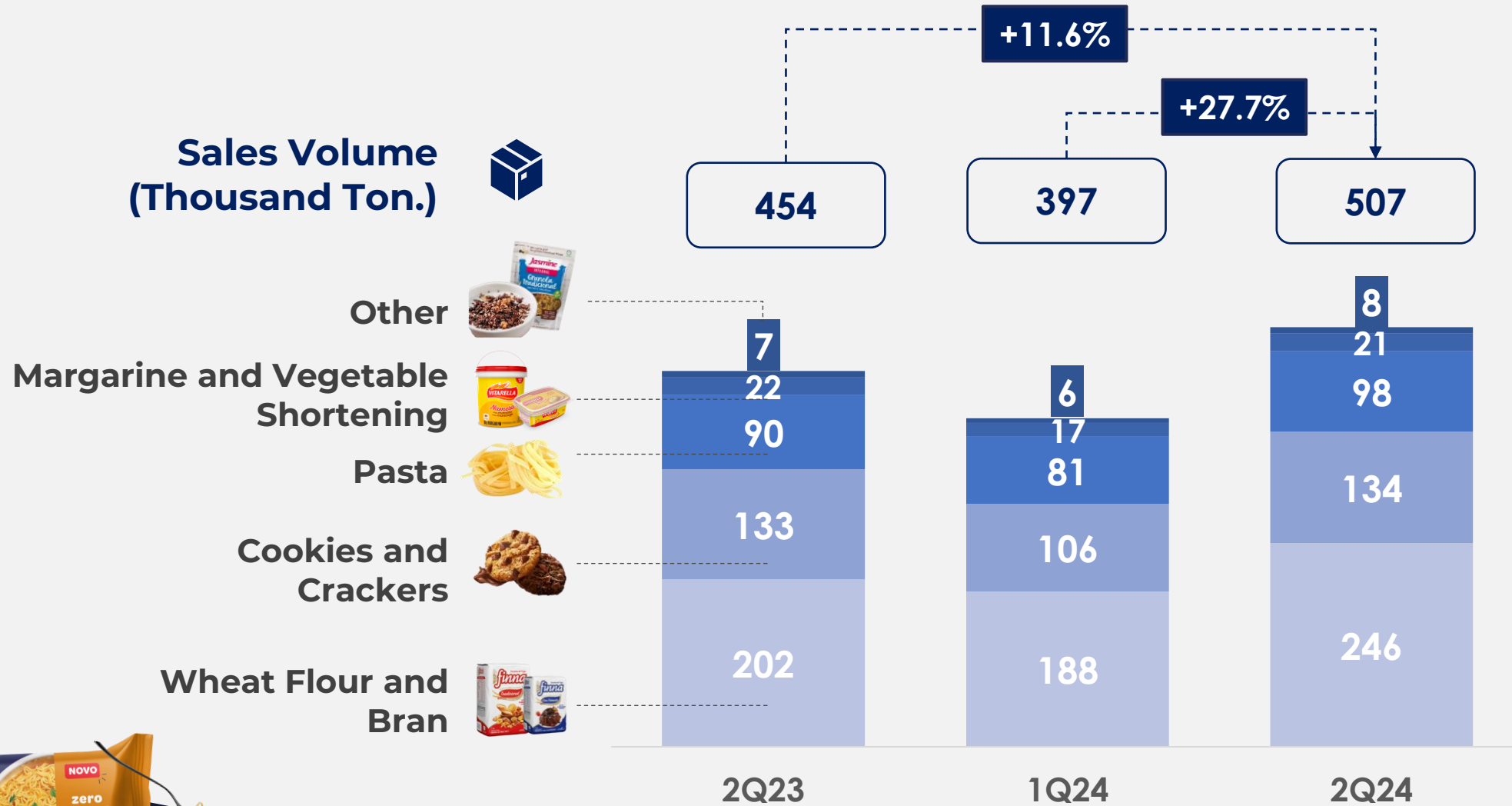


### Average Price (R\$/Kg)





# Growth in sales volumes, with highlight to pasta and flour and bran, mainly in the Attack Region (South, Southeast and Midwest).

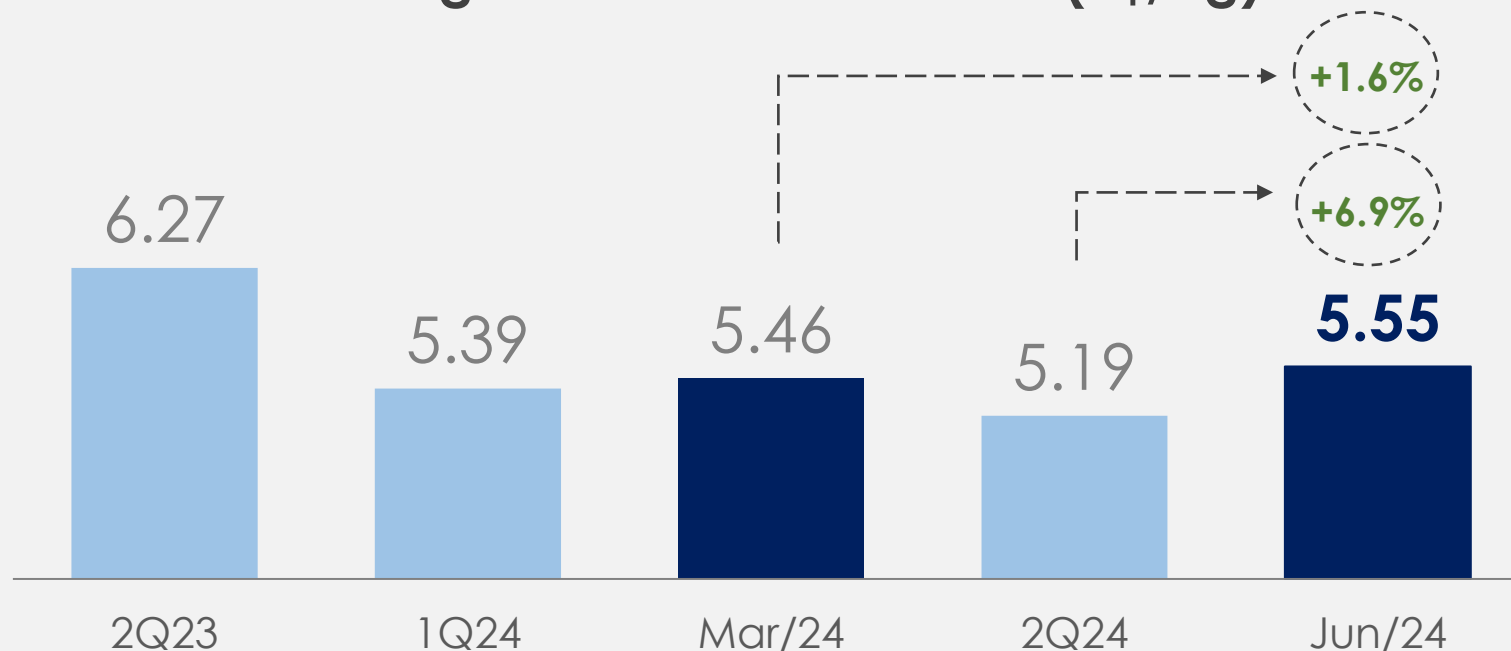






The price adjustments made in 2Q24 due to the increase in costs were reflected in our results as of June/24. For this reason, the average price in 2Q24 was lower than 1Q24. Additionally, approximately ¼ of the reduction in the average price between 2Q24 versus 2Q23 and 2Q24 versus 1Q24 was due to the higher share of wheat flour and bran in total sales.

Average Price M. Dias Branco (R\$/Kg)

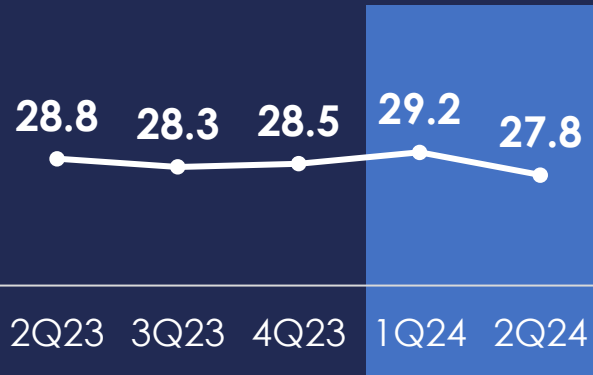




**Gain in market share value and volume in the Pasta and Wheat Flour categories. Slight drop in Cookies & Crackers, due to the timing of the adjustments, but within the 32% level.**

**Market share % Value Brazil**

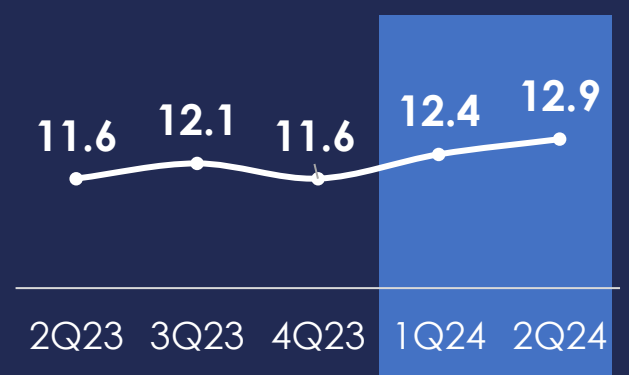
**Cookies & Crackers**



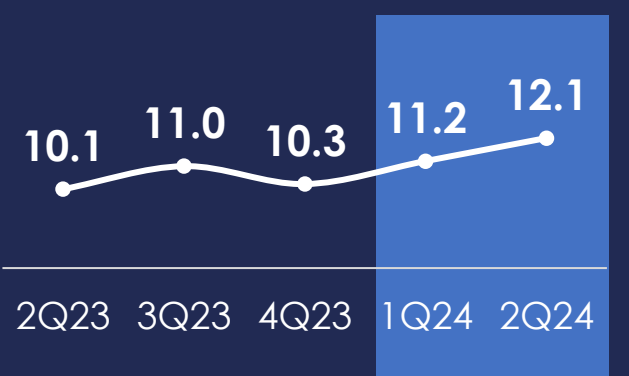
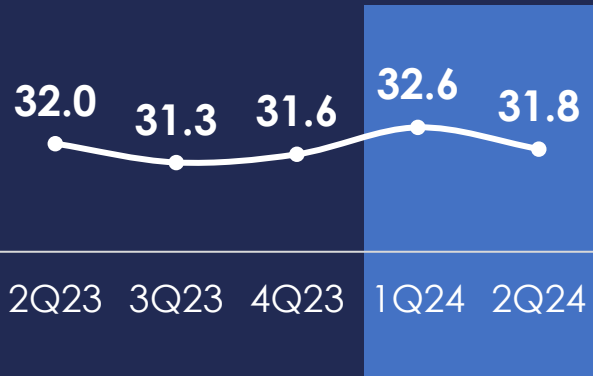
**Pasta**



**Wheat Flour**



**Market share % Volume Brazil**



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

In 2Q24, revenue decreased over 2Q23 in the Attack and Defense regions, mainly due to the drop in the average price.



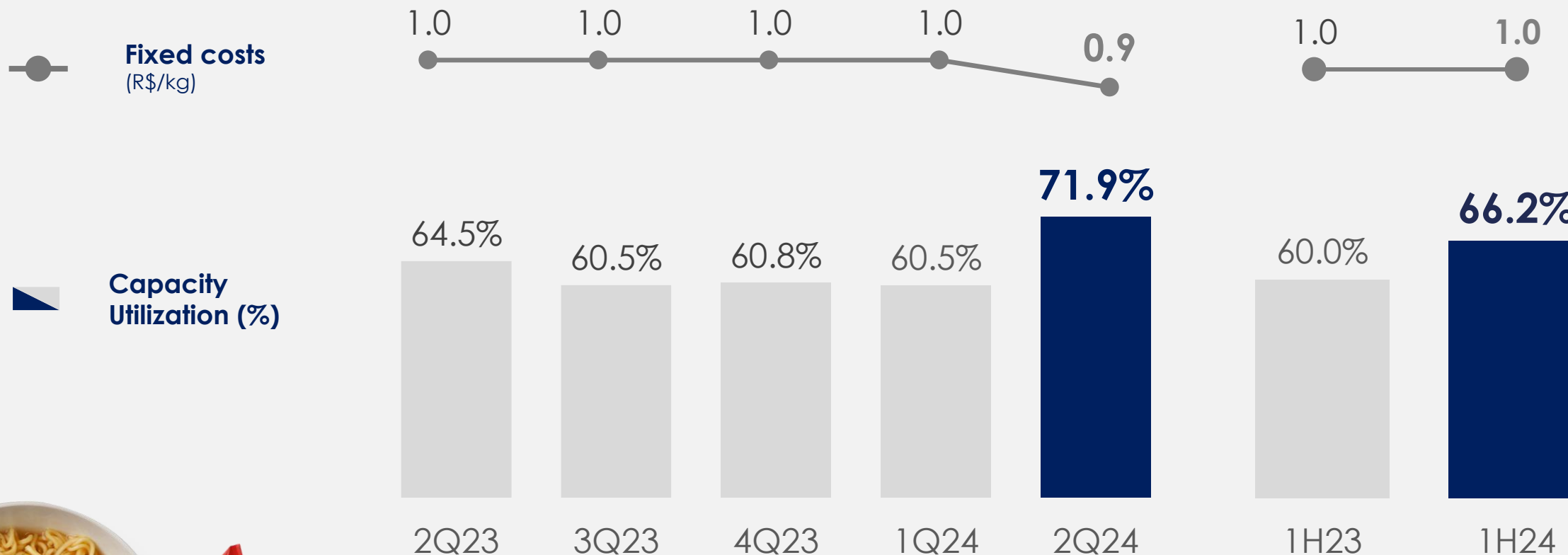
# COSTS & EXPENSES

*M. Dias Branco*





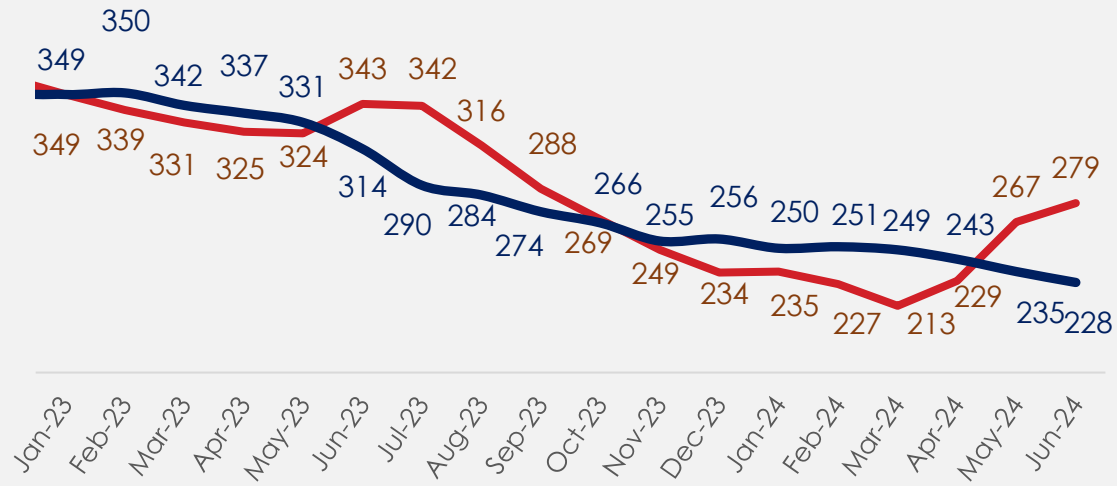
# Increase in the production capacity utilization rate, reaching 71.9% in 2Q24, +7.4 p.p. over 2Q23 and +11.4 p.p. over 1Q24.



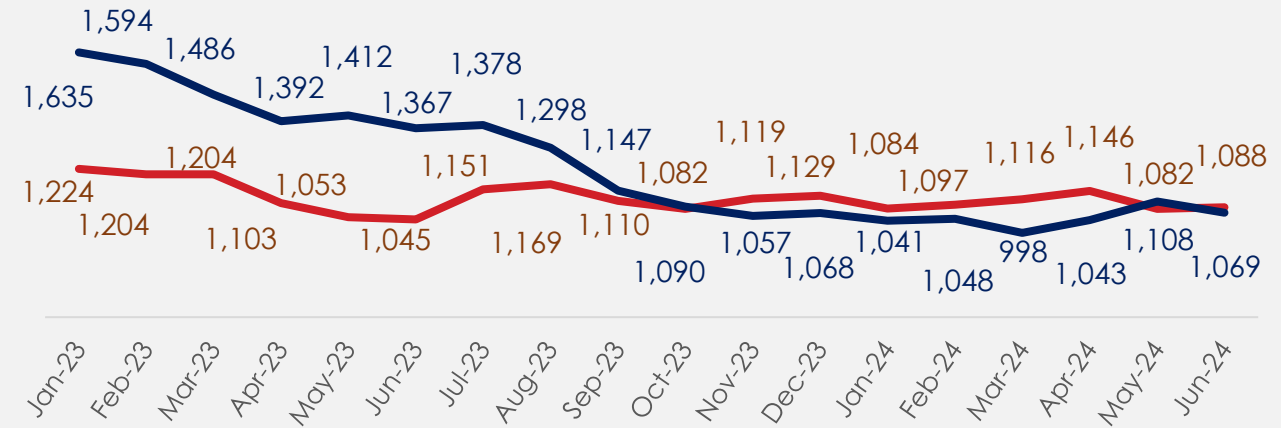


**Wheat:** In 2Q24, M. Dias Branco prices falling due to our hedge, while market prices increased throughout the quarter, mainly due to the drought in Russia. **Palm oil:** prices flat throughout the year.

**WHEAT**  
(US\$/TON.)



**PALM OIL**  
(US\$/TON.)



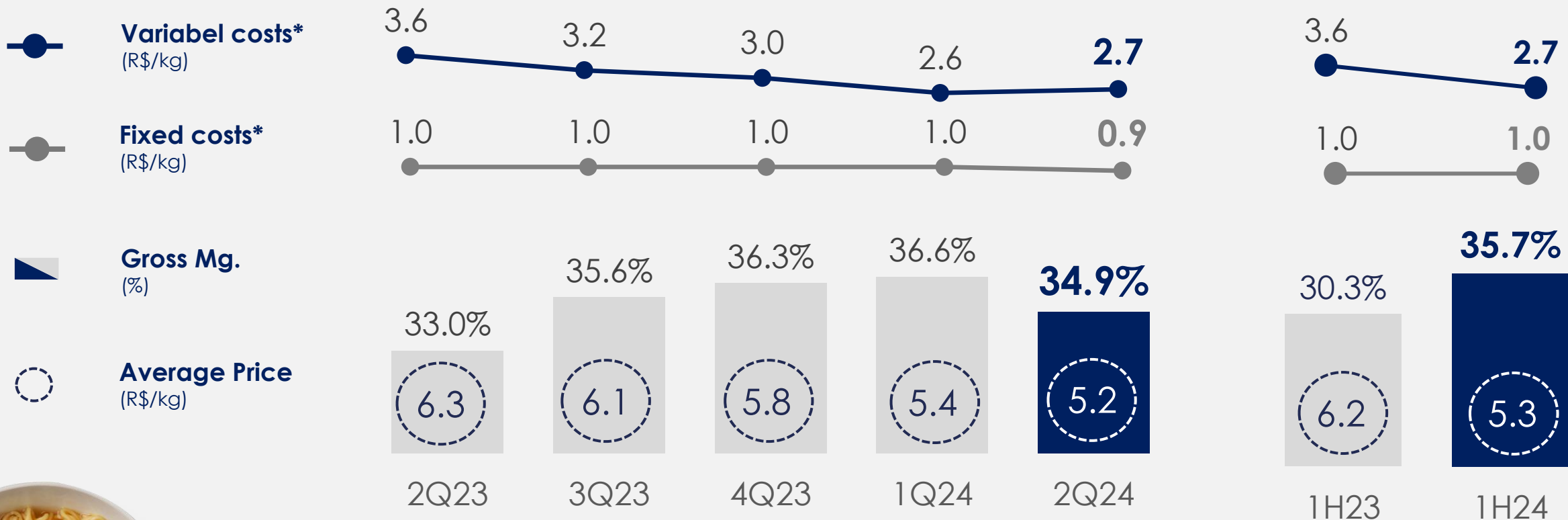
\*Source: Wheat - SAFRAS & Mercado; Palm Oil - Rotterdam.

— Market\* — M. Dias Branco





In 1H24, gross margin 5.4p.p. higher versus 1H23; lower variable costs and inflation effects in fixed costs offset the lower average price. In 2Q24 vs. 2Q23, higher gross margin due to lower variable and fixed costs. Compared to 1Q24, lower gross margin due to higher variable costs (currency devaluation) and favorable impact of the price adjustments on results as of June/24.



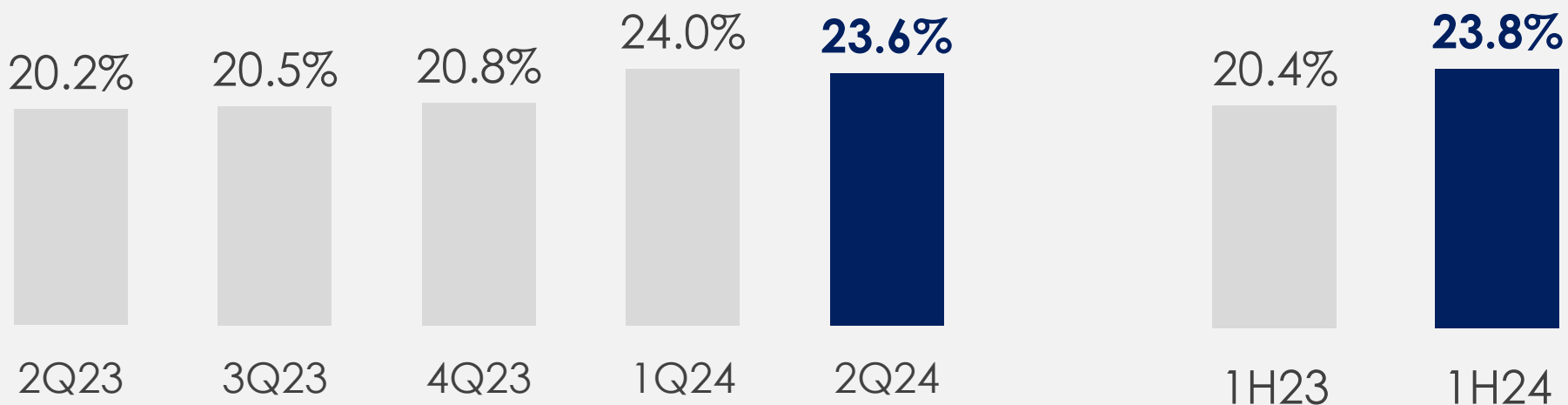
\*\*Without incentives.





Increase in expenses as a percentage of net revenue, mainly due to the lower average price.

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





Given the current price context, we have organized some initiatives to readjust our expense structure, to be executed and captured throughout 2H24, such as:



### Structure

- Halting recruitment;
- Reduction of overtime.



### Discretionary Expenses

- Reduction of current services;
- Project replanning.



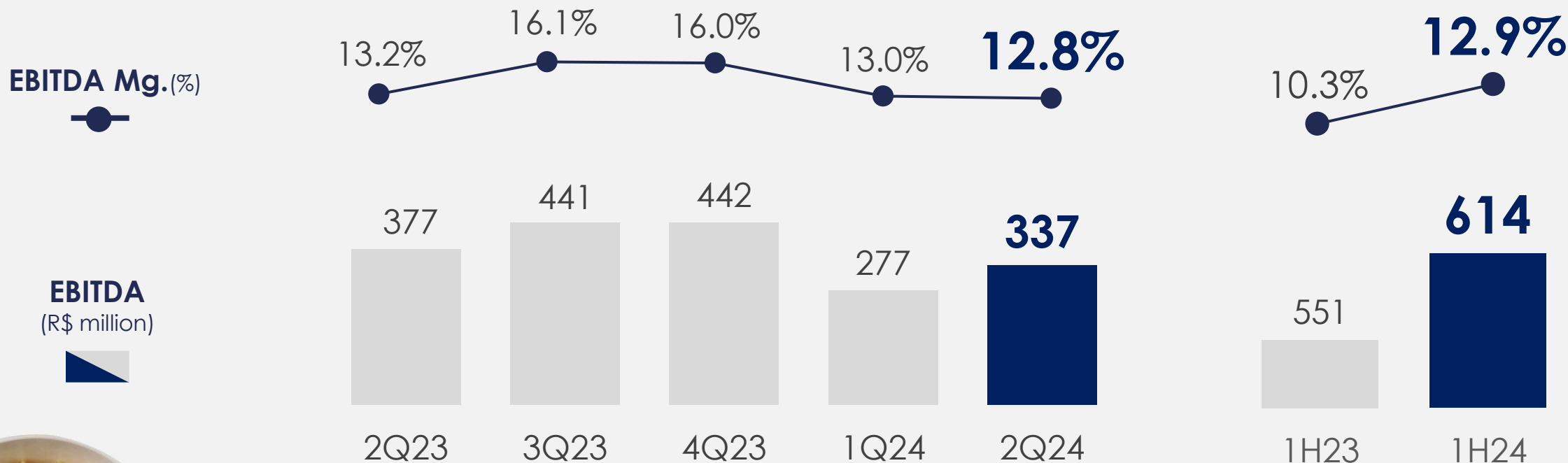
### Operational Efficiency

- High Performance Engines;
- System license profile suitability;
- Renegotiation and availability of data processing and storage services.



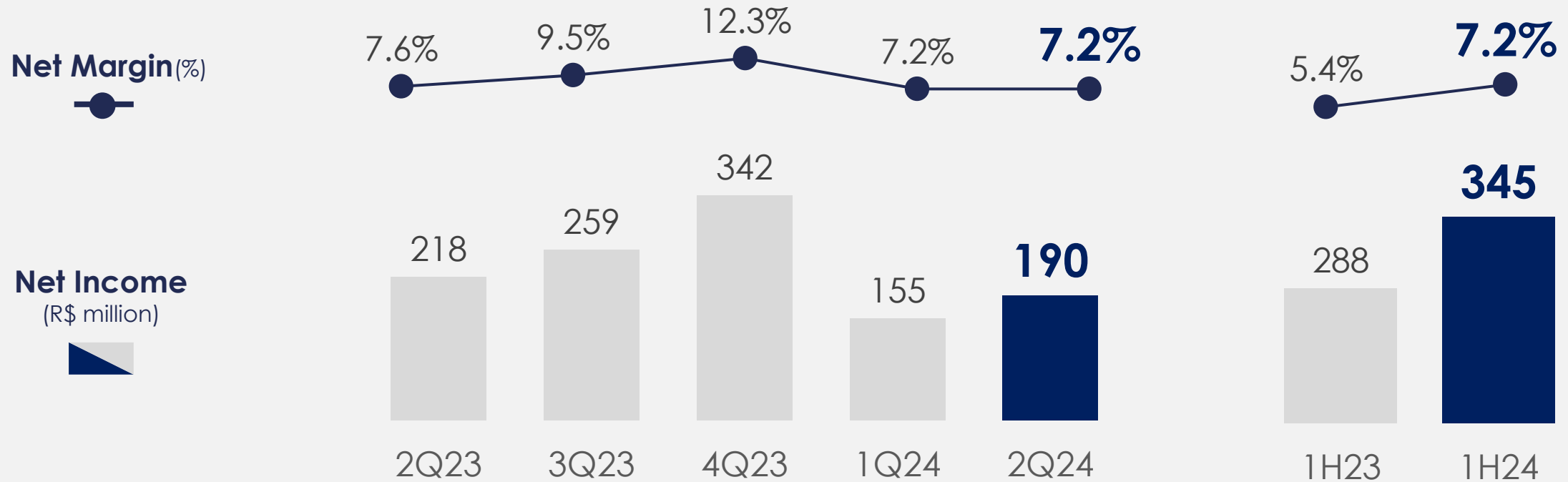


**EBITDA of R\$614 million in 1H24 (+11% versus 1H23), with margin expansion. In 2Q24, EBITDA of R\$337 million, lower than 2Q23, mainly due to the drop in the average price.**





**Net Income of R\$345 million in 1H24 (+19.8% versus 1H23), with net margin expansion. In 2Q24, Net Income of R\$190 million, lower than 2Q23, mainly due to the drop in the average price.**



# CASH FLOW, DEBT AND INVESTMENTS

*M. Dias Branco*





## R\$212 million in operating cash generation in 2Q24, with working capital consumption of R\$128 million.

2Q24 vs. 2Q23			1H24 vs. 1H23	
<b>212</b>	<b>512</b>	Cash Flow from Operating Activities*	<b>350</b>	<b>569</b>
<b>337</b>	<b>377</b>	EBITDA	<b>551</b>	<b>614</b>
<b>(128)</b>	<b>156</b>	Assets and Liabilities Variation	<b>(269)</b>	<b>110</b>
<b>3</b>	<b>(21)</b>	Others	<b>68</b>	<b>(155)</b>

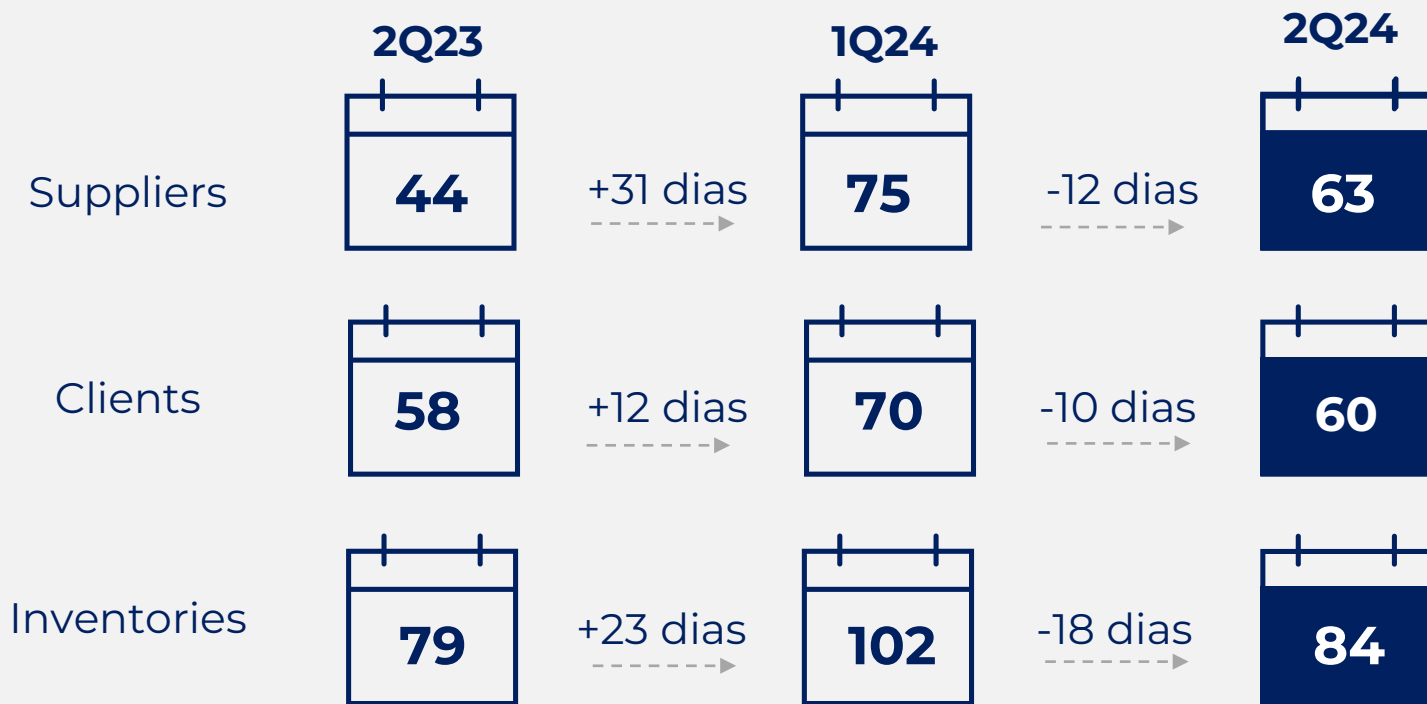
\* Net Cash provided by operating activities





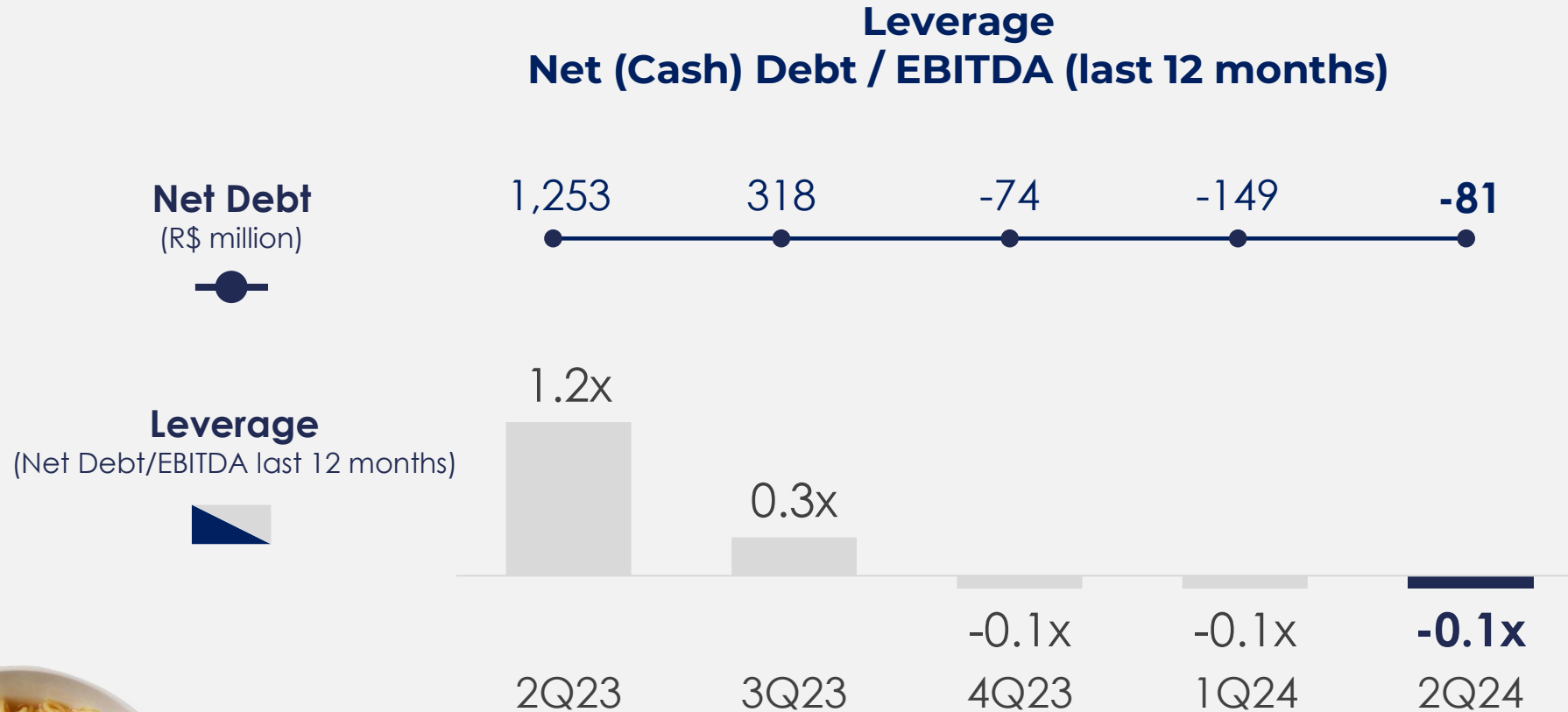
Compared to 1Q24, improvement in clients and inventories terms given the SAP stabilization process (implemented in 1Q24). Compared to 2Q23, increase in supplier terms, in line with our strategic plan, and stability in other lines.

Average term in days





# Net Cash position for the third consecutive quarter. We ended the quarter with R\$2.5 billion in cash!!!



NATIONAL RATING  
FITCH RATINGS

**AAA**

Stable Outlook  
Rating Reaffirmed

6<sup>th</sup> CONSECUTIVE  
YEAR





# 70.7% of the debt is in the long-term!!!

R\$ 2,557

R\$ MM

**Total  
Debt**

R\$ 752

R\$ MM

**29%**  
Due date  
**Short term**

**R\$ 561**

R\$ MM

**22%**

Due date  
**2025**

**R\$ 20**

R\$ MM

**1%**

Due date  
**2026**

**R\$ 1,224**

R\$ MM

**48%**

Due date  
**2027  
onwards**

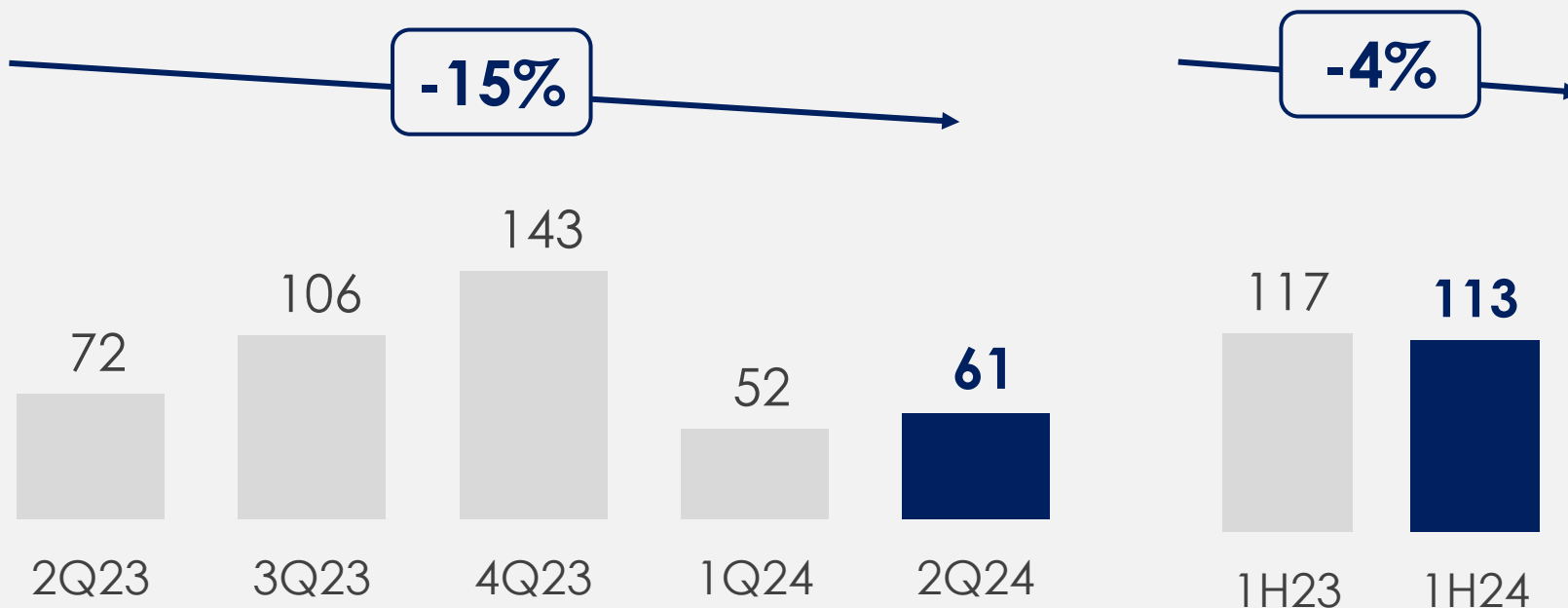






# R\$ 61 million in investments in 2Q24

Total Investments  
(R\$ Million)



## HIGHLIGHT



Machinery and equipment  
Non-fried ramen



# 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



# Main Indicators – 2Q24 vs. 2Q23 | 1H24 vs. 1H23



## CARING FOR THE PLANET

	2Q24 vs. 2Q23	1H24 vs. 1H23
Water consumption (m <sup>3</sup> /Ton.)	<b>-11.0%</b>	<b>-7.1%</b>
Reclaim of water (%)	<b>+2.2p.p.</b>	<b>+1.4p.p.</b>
Waste send to landfills (%)	<b>-3.1p.p.</b>	<b>-3.3p.p.</b>
Input losses in the production process(%)	<b>Not available</b>	
Finished product waste (%)	<b>+0.06p.p.</b>	<b>+0.04p.p.</b>



## BELIEVING IN PEOPLE

	2Q24 vs. 2Q23	1H24 vs. 1H23
Women in leadership* (%)	<b>+1.1p.p.</b>	<b>+1.1p.p.</b>
Frequency of occupational accidents (rate)	<b>-23.3%</b>	<b>-22.4%</b>
Occupational accident severity (rate)	<b>-5.7%</b>	<b>-20.8%</b>



**\* 24.1% in 2Q24 | 1H24**  
**(23.0% in 2Q23 | 1H23)**



## STRENGTHENING ALLIANCES

	2Q24 vs. 2Q23	1H24 vs. 1H23
Purchases from local suppliers (%)	<b>-3.5p.p.</b>	<b>-1.9p.p.</b>

*M. Dias Branco*



**M. Dias Branco ranks as one of the 50 Most Honored Companies in the Institutional Investor 2024 survey.** We would like to thank each market analyst and investor who challenges us to increasingly improve our corporate governance, transparency and communication with the market.

## MIDCAP

Latin America Executive Team: Food & Beverages



**Best CEO**

Ivens Dias Branco Jr.



**Best CFO**

Gustavo Theodozio



**Best IR Professional**

Fabio Cefaly



**Best IR Team**



**Best Company Board**



**Best IR Program**



**Best Analyst Days**



**Best ESG Program**

## OVERALL

Latin America Executive Team: Food & Beverages



**Best CEO**

Ivens Dias Branco Jr.



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**Best ESG Program**



# Thanks!



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M. Dias Branco

# Q&A

**Novo Lámen.**

**ZERO FRITURA. MUITO SABOR.**