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# Results Presentation **4Q23 | 2023**

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**MDIA3**

February 26<sup>th</sup>, 2024

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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 Income of R\$889 million in 2023 - annual record –  
result of a hard and obstinate work, as well as the  
consistency and discipline in executing initiatives aligned  
with our plan to grow with profitability, always supported  
by a culture that seeks excellence, innovation, and  
continuous development of our employees.







**Net Revenue**  
(R\$ Billion)

2023

**10.8**

+7.0% vs. 2022

4Q23

**2.8**

+0.2% vs. 4Q22

+1.3% vs. 3Q23



**EBITDA**  
(R\$ Million)

**1,434**

+59% vs. 2022

**442**

+265% vs. 4Q22

+0.4% vs. 3Q23



**Net Income**  
(R\$ Million)

**889**

+85% vs. 2022

**342**

+22x vs. 4Q22

+32% vs. 3Q23



**Cash Flow**  
(R\$ Million)

**2,126**

R\$ 107 | 2022

**584**

R\$ 326 | 4Q22

R\$ 973 | 3Q23





In 2023, in addition to the all-time high results,  
we continue to transform M. Dias Branco.





**MARKETING TO  
SELL MORE  
AND BETTER!!!**



**ITEMS WITH HIGHER ADDED  
VALUE COMBINED WITH  
LAUNCH STRATEGY**



**+31%**

Growth of Other  
Categories in 2023

**R\$ 299  
Million**

Revenue of Launches (Cookies  
& Crackers) in 2023



**SERVICE LEVEL  
EVOLUTION**

**CFR:**

Case fill rate

**92% 2023**

(84% in 2021)

**OTIF:**

On time in full

**76% 2023**

(40% in 2021)

**INDUSTRY**

**4.0**



**MDIA**  
B3 LISTED NM

**WE INCREASED THE % OF  
DISTRIBUTABLE PROFIT TO  
BE PAID TO SHAREHOLDERS**

**80%** payout  
(60% before)

**R\$0.06**/share  
(R\$ 0.05 before)

**COMBINATION BETWEEN  
FACTORIES, GENERATING  
SYNERGY**



**ITEMS WITH HIGHER ADDED  
VALUE COMBINED WITH  
LAUNCH STRATEGY**

**PERFECT STORE MODEL IN  
POINTS OF SALES WHICH  
REPRESENTS 70% OF SALES  
(COOKIES & CRACKERS,  
PASTA AND OTHER  
CATEGORIES)**



**WE ARE GREAT  
PLACE TO  
WORK AND  
WE INTEGRATE  
IGPTWB3**

**Great  
Place  
To  
Work®**  
Certificada  
Mar/2023 - Mar/2024  
BRASIL



**IMPLEMENTED  
ON JAN/24**



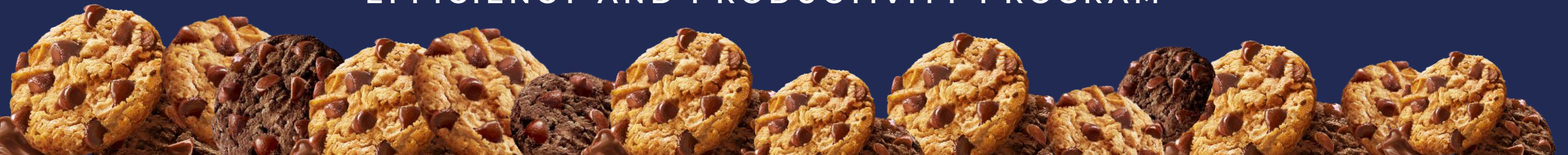
**JBP**  
(joint business plan)



# Profitable Growth Strategy



EFFICIENCY AND PRODUCTIVITY PROGRAM





# REVENUE & MARKET SHARE

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*M. Dias Branco*









# The cookies & crackers and pasta markets grew in the year and in the quarter (sell-out | retail sales to consumers)

## COOKIES & CRACKERS



	4Q23 vs. 4Q22	2023 vs. 2022
 Value Sold	<b>+3%</b>	<b>+11%</b>
 Volume Sold	<b>0%</b>	<b>-2%</b>
 Units Sold	<b>+2%</b>	<b>0%</b>
 Average Price (R\$/Kg)	<b>+3%</b>	<b>+13%</b>

## PASTA



	4Q23 vs. 4Q22	2023 vs. 2022
 Value Sold	<b>+5%</b>	<b>+13%</b>
 Volume Sold	<b>+4%</b>	<b>+2%</b>
 Units Sold	<b>+7%</b>	<b>+4%</b>
 Average Price (R\$/Kg)	<b>+1%</b>	<b>+11%</b>

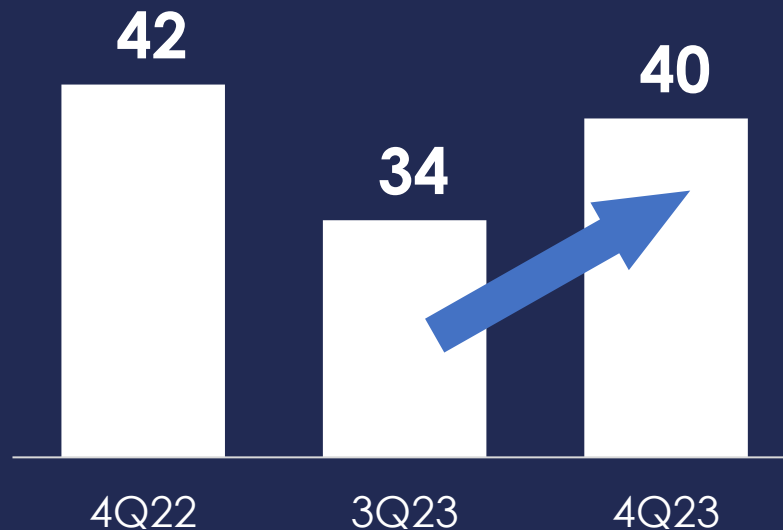
Source: Nielsen – Retail Index. Total Brazil. INA+C&C.



# Normalization of customer inventories throughout 4Q23



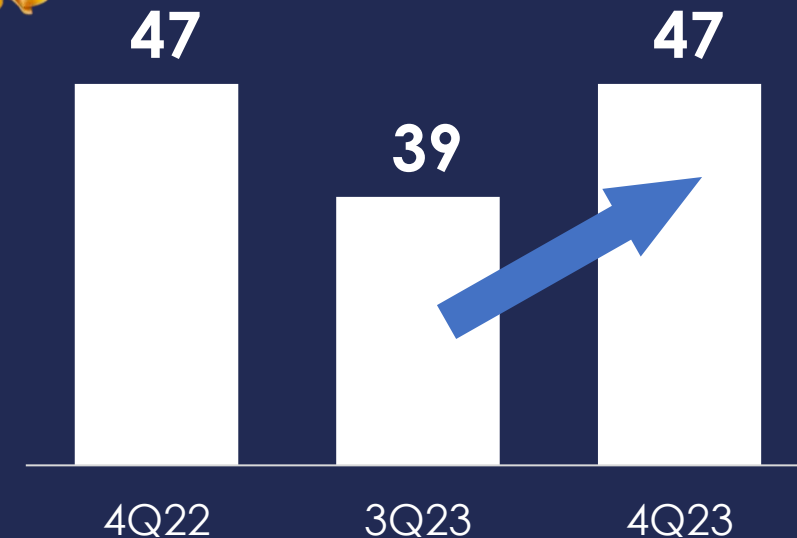
**Days\* of inventory at Retail**  
(Cookies & Crackers - M. Dias Branco)



\*Source: Neogrid Direct/Indirect + Estimate C&C

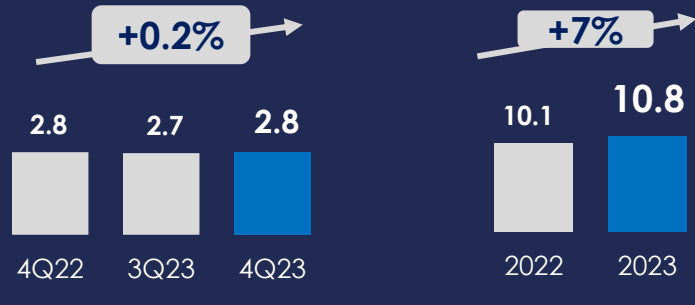


**Days\* of inventory at Retail**  
(Pasta - M. Dias Branco)

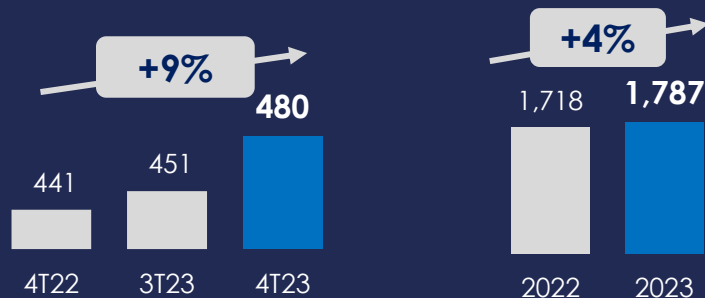




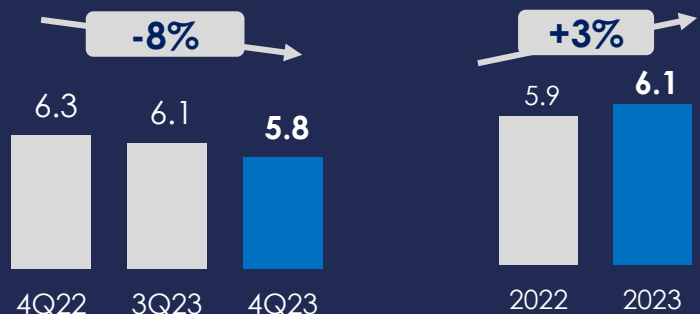
## Net Revenue (R\$ billion)



## Sales Volume (Thousand Tonnes)



## Average Price (R\$/Kg)

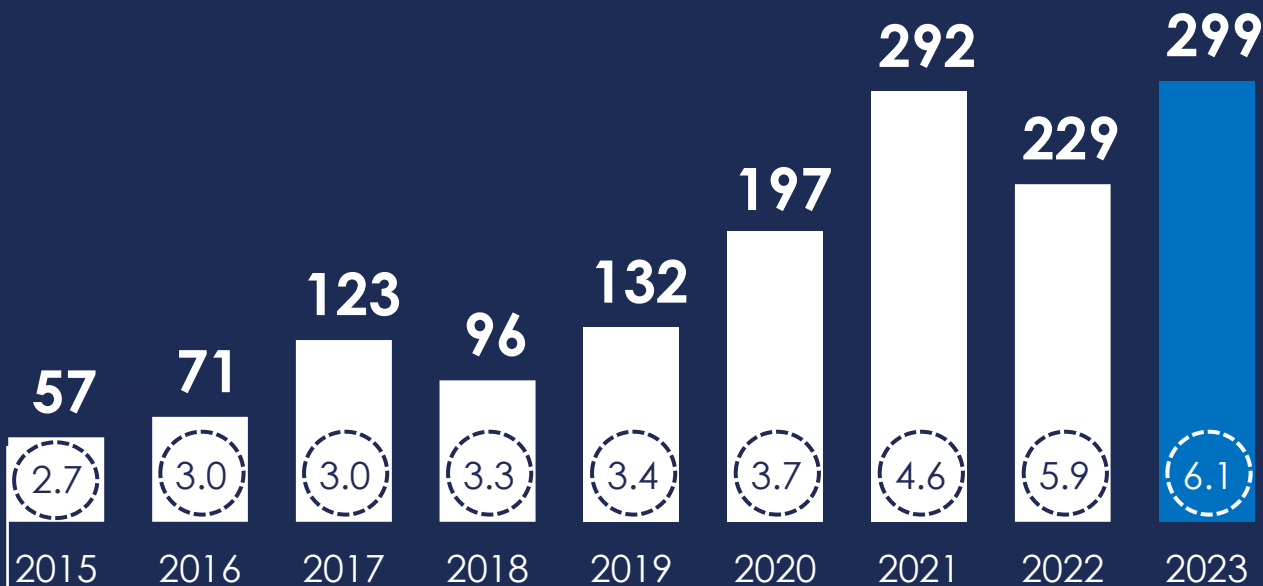


## Determining factors for growth

- Marketing to sell more and better (2.0% of Net Revenue);
- Accelerated growth of higher value-added items (+31% growth in other categories in 2023, R\$443 million);
- Reintroduction of low-price brands in Cash & Carry channel;
- Adjustment of packaging sizes for pasta (2Q23-3Q23) and cookies & crackers (2022);
- Growth of Flour and Bran leveraged by the Bento Gonçalves Mill (volumes +10% in Brazil and +21% in the Attack region) and a dynamic pricing process;
- Price capture in cookies & crackers and pasta, with volume recovery in 4Q23 and record contribution from cookies & crackers launches (R\$299 million in 2023);
- SKUs with low profitability excluded from portfolio (e.g. Picanha Ramen, Vanilla Cookie and Vitaminized Milk Cookie);
- Selective use of Working Capital and promotional actions to boost volumes;
- Evolution of service level: OTIF of 76% in 2023 (40% in 2021) and CFR of 92% in 2023 (84% in 2021).

**R\$ 299.5 million in gross revenue of cookies & crackers launched in the last 24 months**  
**ALL-TIME HIGH REVENUE!!!**

**Gross Revenue from Cookies & Crackers Launches**  
(R\$ million)



→ **Average Price Cookies & Crackers**  
(R\$/Kg)

**28.7**  
R\$/Kg



**24.7**  
R\$/Kg



**16.3**  
R\$/Kg



**16.5**  
R\$/Kg







# We expanded the market share in value and volume vs. 3Q23 in Cookies & Crackers and Pasta

Market  
share %  
Value  
Brazil

## Cookies & Crackers



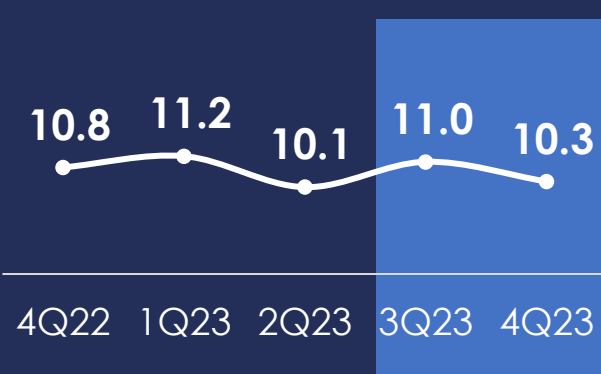
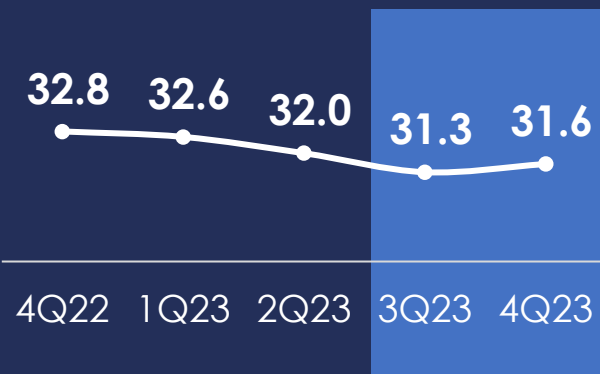
## Pasta



## Wheat Flour



Market  
share %  
Volume  
Brazil



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



In 2023, growth in the Defense and Attack regions. In the quarter, recovery of volumes in both regions

2023 vs. 2022

+ 6%



+2%  
Price



+4%  
Volume

+ 8%



+3%  
Price



+5%  
Volume

4Q23 vs. 4Q22

+ 1%



-7%  
Price



+9%  
Volume

- 1%



-8%  
Price



+8%  
Volume





# COSTS & EXPENSES

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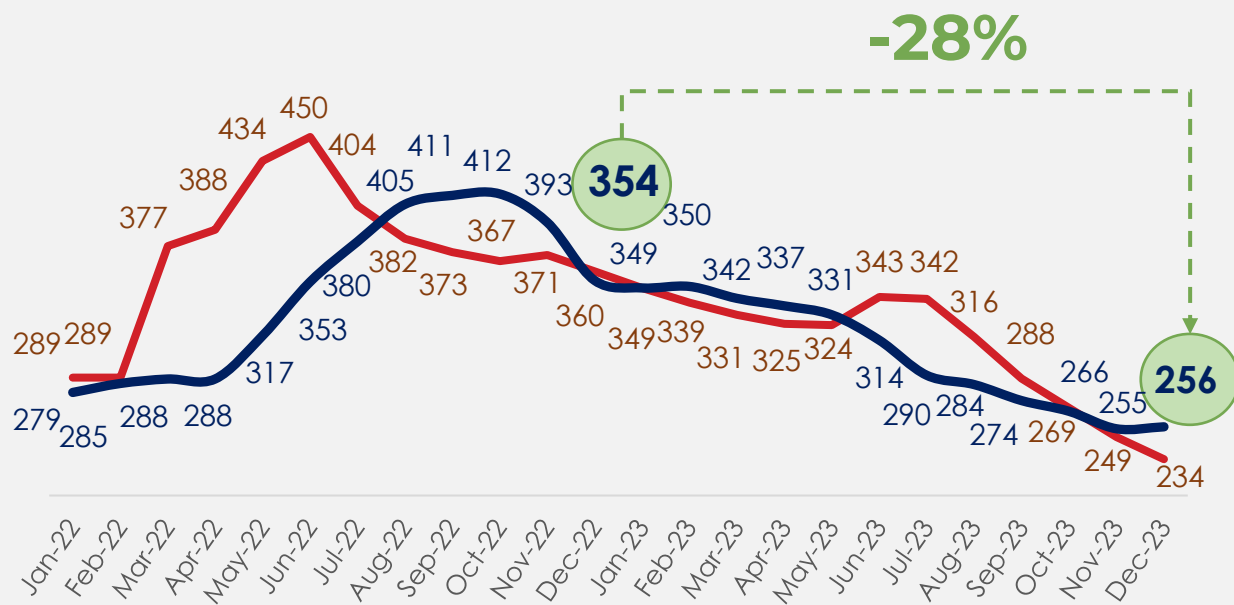
*M. Dias Branco*



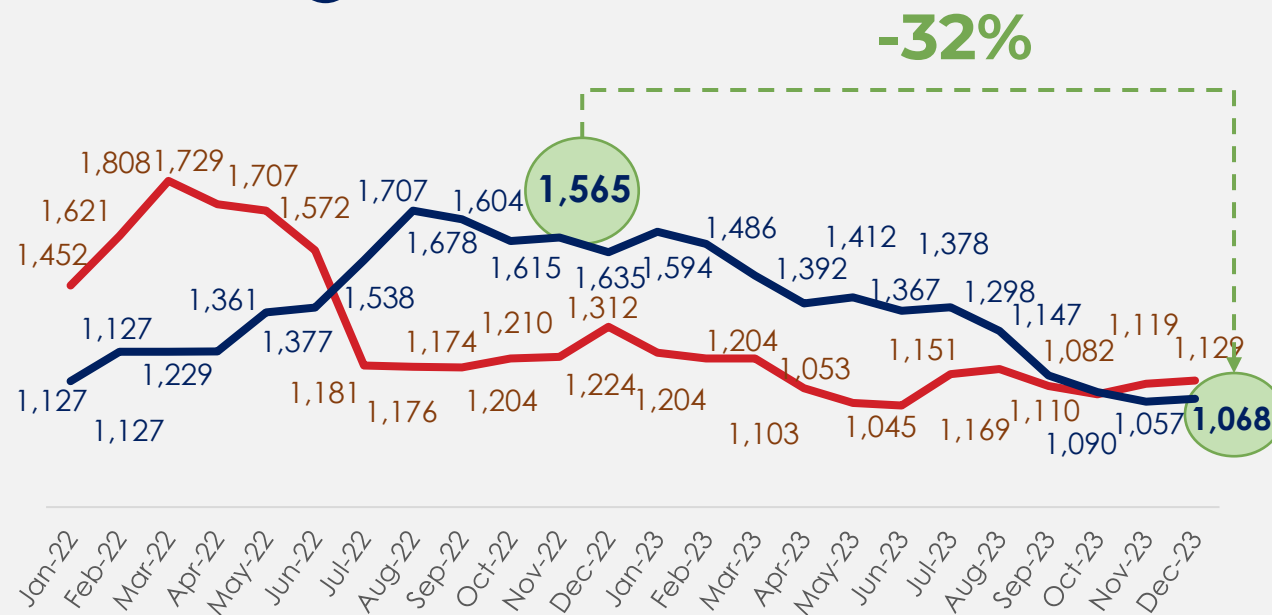


# Lower prices in wheat and palm oil in 2023. We closed the year with substantially lower costs than Dec/22

## WHEAT (US\$/TON.)



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

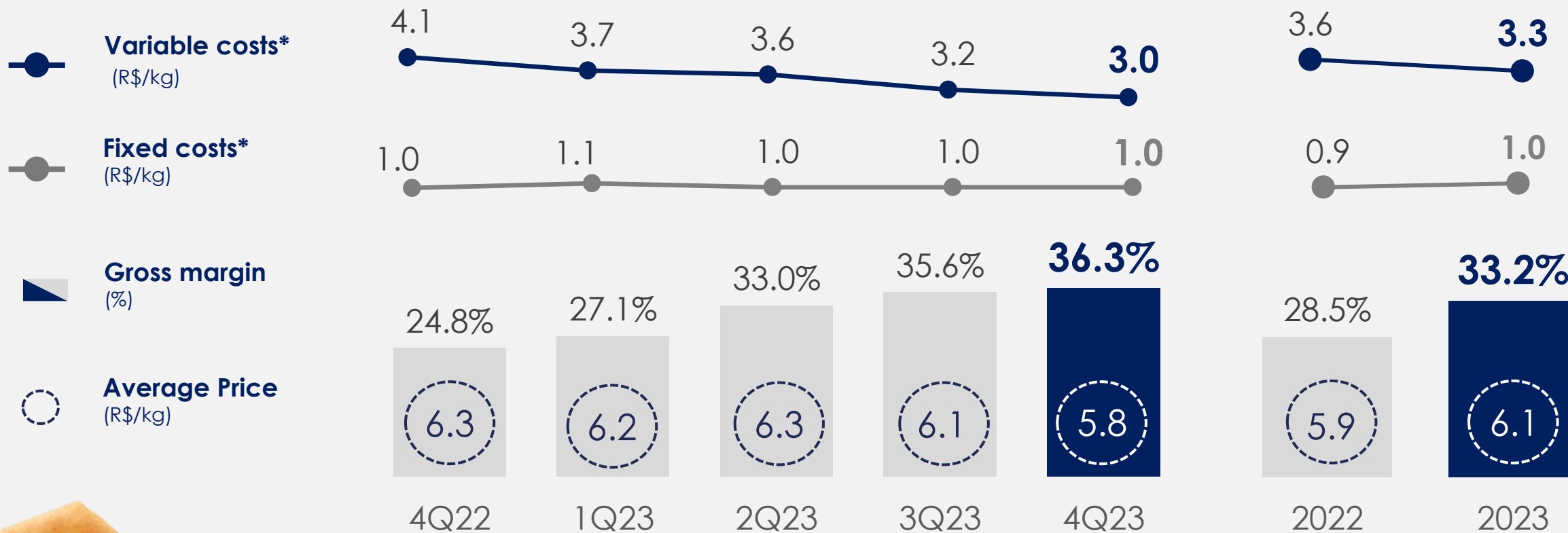


— Market\* — M. Dias Branco

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



## 36.3% Gross Margin in 4Q23. Increase due to the expansion of volumes and reduction of variable costs



\*Without incentives.

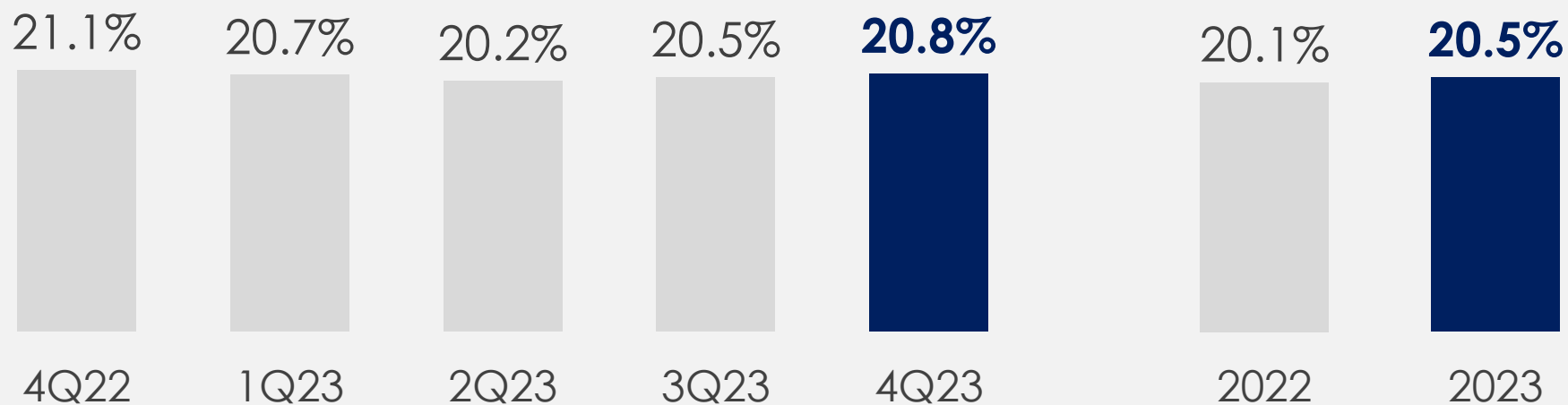




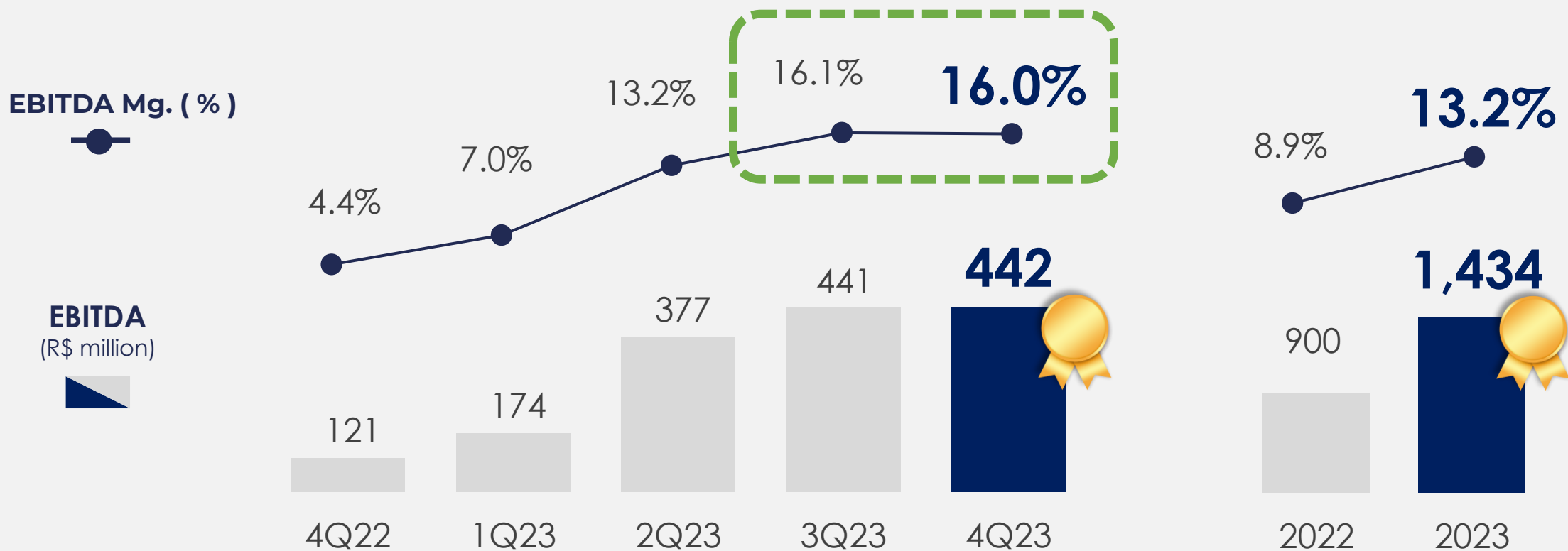


## Sales and Administrative Expenses as a percentage of net revenue (SG&A) stayed at the ~20% level

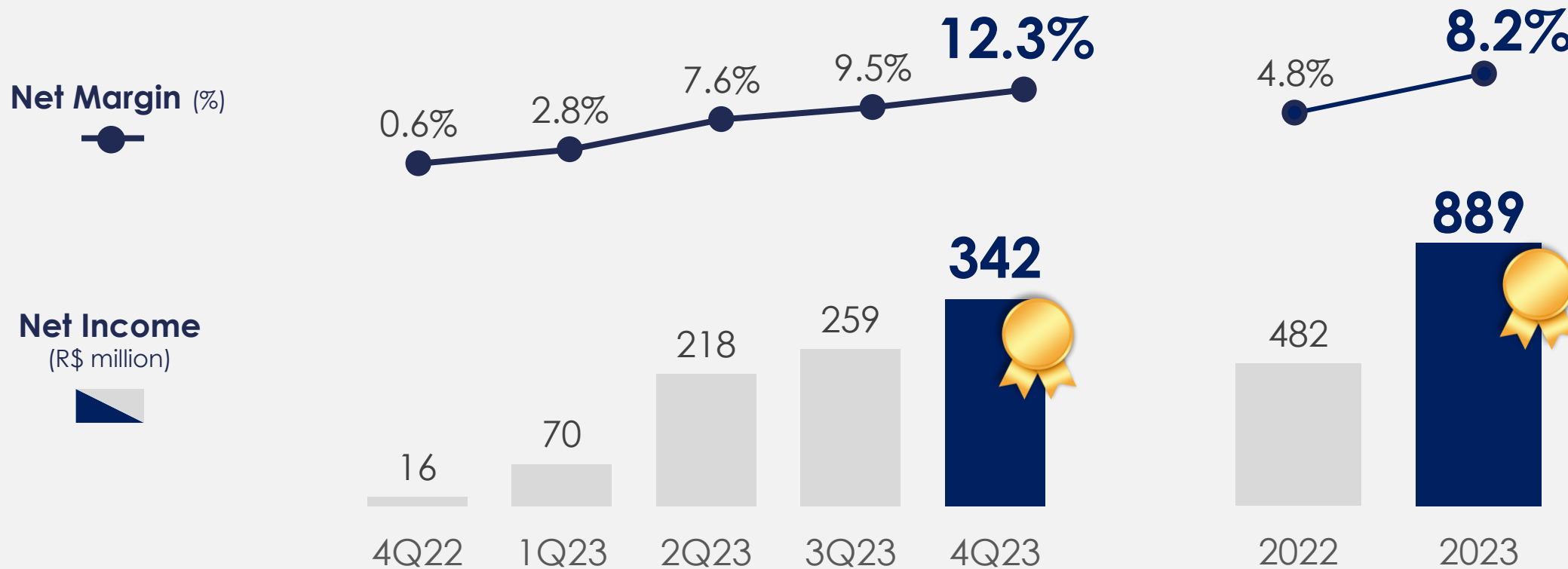
### Selling and Administrative Expenses (SG&A) (% of Net Revenue)



# 16.0% of EBITDA Margin in 4Q23!!!



# Net Income of R\$ 342 million in 4Q23 and R\$ 889 million in 2023, all-time high quarterly and annual result!!!





# CASH FLOW, DEBT AND INVESTMENTS

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*M. Dias Branco*





**R\$584 million in operating cash generation in 4Q23, with growth in EBITDA and release of working capital**  
**In the year, generation of R\$ 2.1 billion, ANNUAL RECORD!!!**

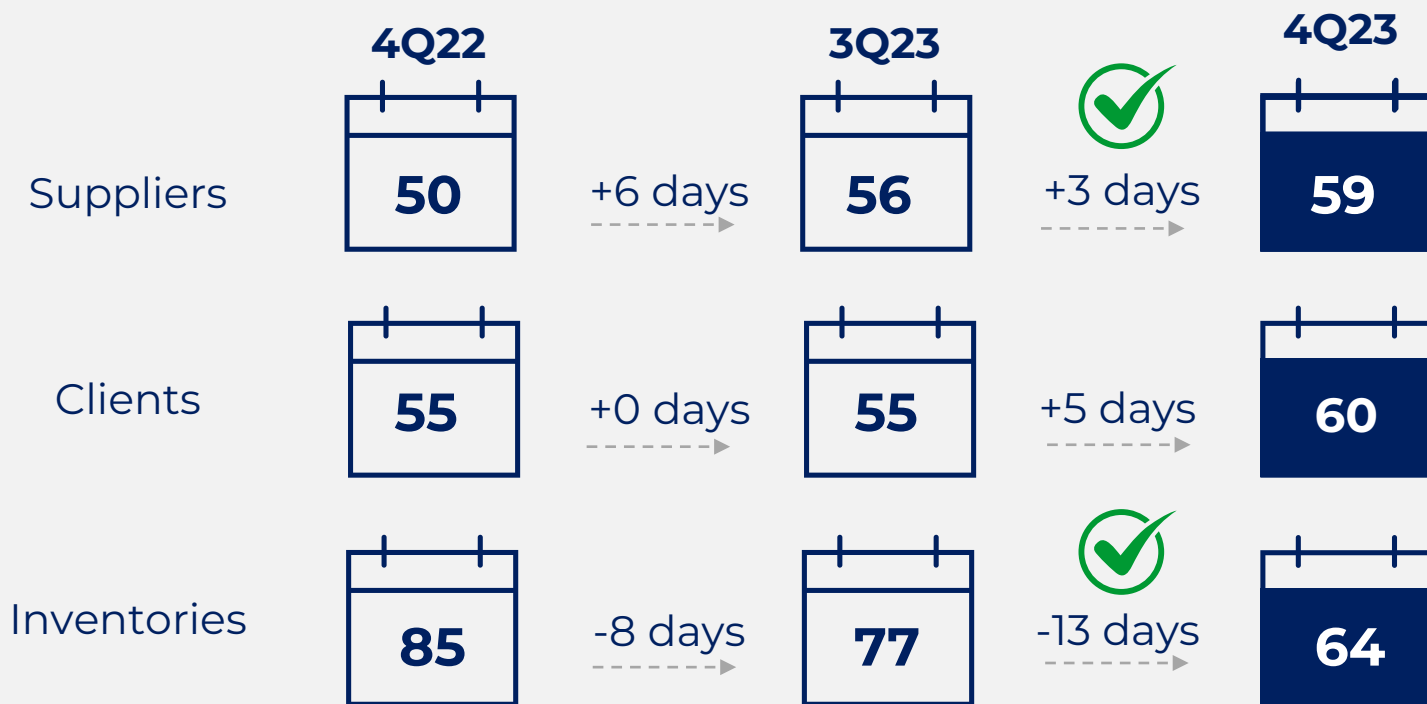
4Q22 vs. 4Q23			2022 vs. 2023	
326	584	Cash Flow from Operating Activities*	107	2,126 
121	442	EBITDA	900	1,434
309	121	Assets and Liabilities Variation	(560)	825
(104)	21	Others	(233)	(133)

\* Net Cash provided by (used in) operating activities



# Working capital release with improvement in average supplier and lower inventory costs vs. 3Q23. Increase in customers to generate more revenue

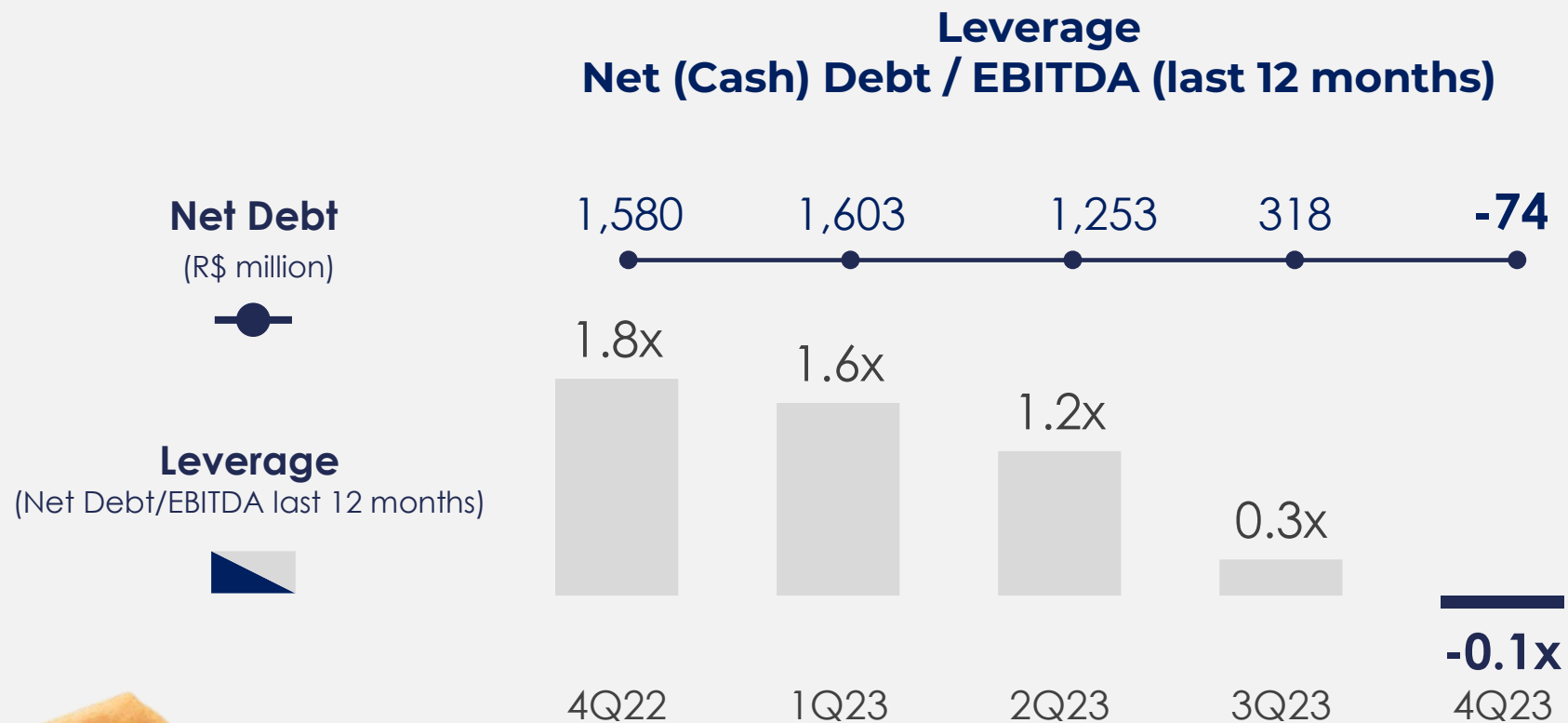
Average term in days







# We ended the year with R\$2.3 billion in cash and net cash position!!!



NATIONAL RATING  
FITCH RATINGS

**AAA**

Stable Outlook  
Rating Reaffirmed

6<sup>th</sup> CONSECUTIVE  
YEAR



# 76% of the debt is in the long-term!!!

R\$ 2,171

R\$ MM

**Total  
Debt**

R\$ 523

R\$ MM

**24%**

Due date  
**2024**

**R\$ 496**

R\$ MM

**23%**

Due date  
**2025**

**R\$ 21**

R\$ MM

**1%**

Due date  
**2026**

**R\$ 1,131**

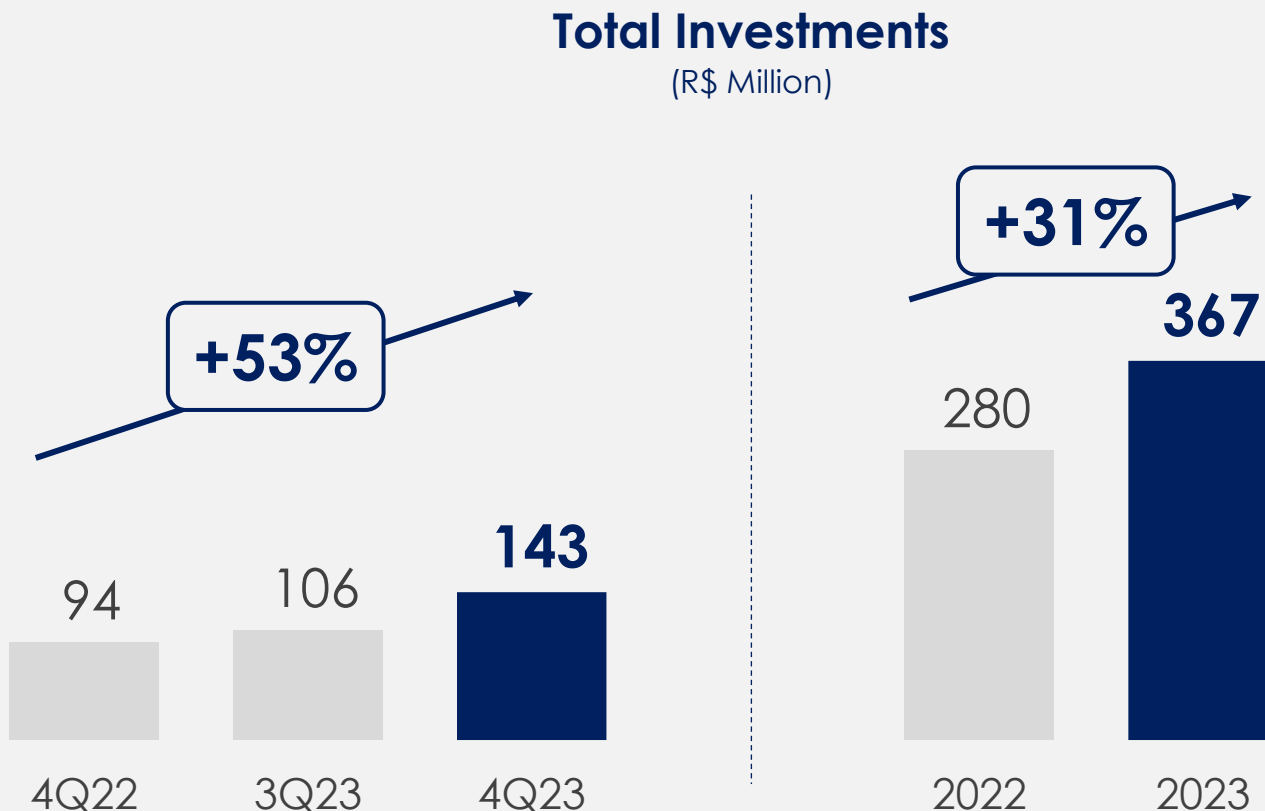
R\$ MM

**52%**

Due date  
**2027  
onwards**



# R\$143 million in investments in 4Q23, with highlight on Digital Transformation



## HIGHLIGHT



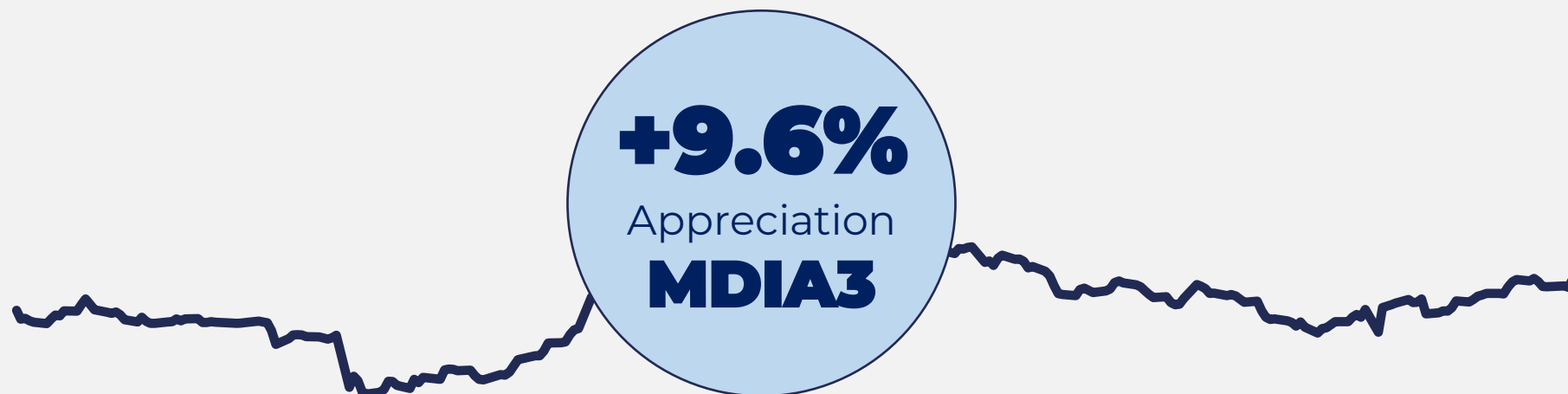
Implementation of  
the SAP system







# MDIA3 +9.6% appreciation in 2023!!!



Jan-23 Feb-23 Mar-23 Apr-23 May-23 Jun-23 Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23

Performance MDIA3: 01/02/2023 – 12/28/2023



**6<sup>th</sup>  
YEAR**



M. Dias Branco have been awarded the ANEFAC 2023 Transparency trophy for excellence, clarity and quality of its Financial Information



# ESG

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*M. Dias Branco*





# We also evolved in ESG!!!



# Main Indicators – 4Q23 vs. 4Q22 | 2023 vs. 2022



## CARING FOR THE PLANET

	4Q23 vs. 4Q22	2023 vs. 2022
Water consumption (m³/Ton.)	<b>-7.1%</b>	<b>+2.3%</b>
Reclaim of water (%)	<b>+3.1p.p.</b>	<b>-1.2p.p.</b>
Waste send to landfills (%)	<b>-2.9p.p.</b>	<b>-0.8p.p.</b>
Input losses in the production process(%)	<b>-0.2p.p.</b>	<b>-0.3p.p.</b>
Finished product waste (%)	<b>0.0p.p.</b>	<b>0.0p.p.</b>



## BELIEVING IN PEOPLE

	4Q23 vs. 4Q22	2023 vs. 2022
Women in leadership (%)	<b>+1.3p.p.</b>	<b>+1.3p.p.</b>
Frequency of occupational accidents (rate)	<b>-46.2%</b>	<b>-2.6%</b>
Occupational accident severity (rate)	<b>-20.1%</b>	<b>-77.6%</b>



## STRENGTHENING ALLIANCES

	4Q23 vs. 4Q22	2023 vs. 2022
Purchases from local suppliers (%)	<b>+1.1p.p.</b>	<b>+2.9p.p.</b>

# Drivers and enablers for 2024 growth already in place

## DRIVERS

Cross-selling



Innovation



Low price brands in Cash & Carry

## ENABLERS

Marketing



Commercial Excellence



JBP (Joint Business Plan)



Revenue Management



Service Level

OTIF

CFR





# Thanks!



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M. Dias Branco

# Q&A



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