



# Results Presentation 1Q22



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.



# 1Q22 | Increase in sales and results throughout the quarter



- ✓ **R\$ 1.9 billion of Net Revenue in 1Q22, +26.8% vs. 1Q21**, with increase in volumes and average price;
- ✓ **Sequential market share growth** in Cookies & Crackers, Pasta and Domestic Wheat Flour;
- ✓ **New products** in Cookies & Crackers and Domestic Wheat Flour categories;
- ✓ **Maintenance of productivity and efficiency gains** captured in the last two years;
- ✓ **EBITDA and Net Profit increased compared to 1Q21**;
- ✓ **Cash generation 2.5x higher** than in 1Q21;
- ✓ **Increase in leverage versus 1Q21** due to the Extraordinary distribution of Interest on Equity (IoE);
- ✓ **Rating AAA with a Stable Outlook** reaffirmed by Fitch for the fourth consecutive year;
- ✓ **Disclosure of our ESG commitments up to 2030.**



# STRATEGY

## PROFITABLE GROWTH



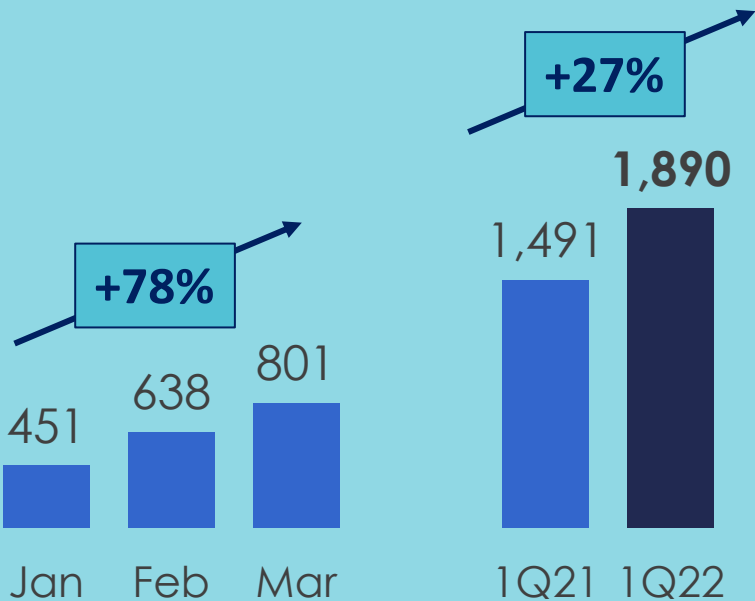
EFFICIENCY AND PRODUCTIVITY PROGRAM



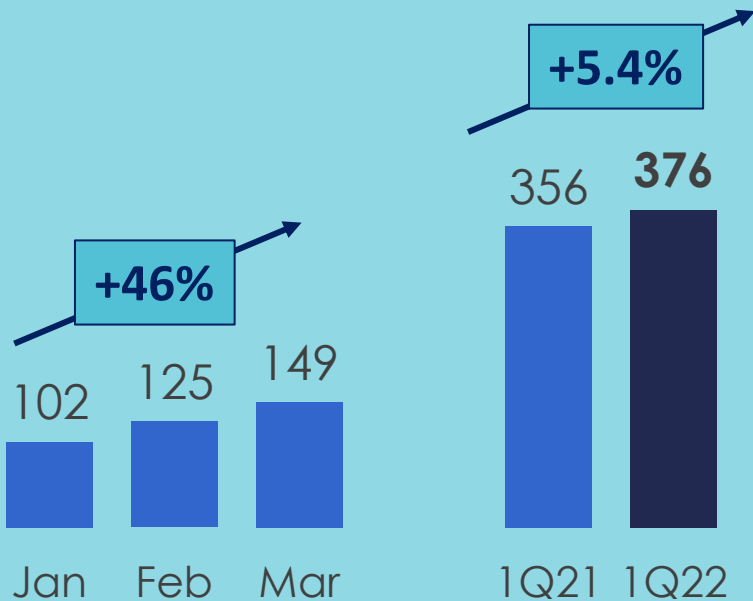
# Net Revenue grew over the quarter, with increase in volumes and average price



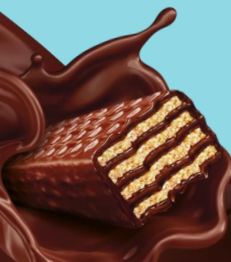
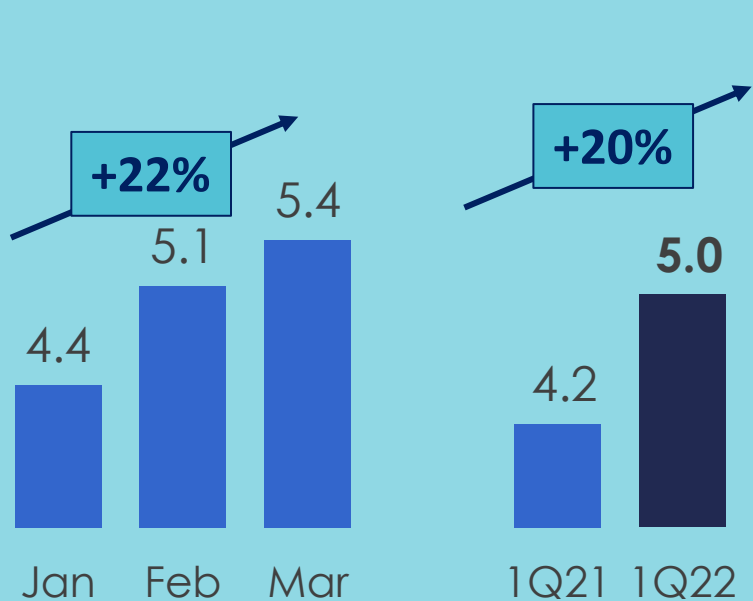
**Net Revenue**  
(R\$ million)



**Sales Volume**  
(Thousand Tonnes)



**Average Price**  
(R\$)



# Operating Categories 1Q22 vs. 1Q21



**Net Revenue**  
(R\$ million) **+26.8%**  
R\$ 1,890

**Sold Volume**  
(Thousand tonnes) **+5.4%**  
376

**Average Price**  
(R\$/Kg) **+20.3%**  
R\$ 5.0

## COOKIES & CRACKERS

NET REVENUE

**+32.0%**  
R\$ 933

SOLD VOLUME

**+10.9%**  
108

AVERAGE PRICE

**+19.1%**  
R\$ 8.7



## PASTA

NET REVENUE

**+23.4%**  
R\$ 390

SOLD VOLUME

**+7.0%**  
77

AVERAGE PRICE

**+15.4%**  
R\$ 5.1

## FLOUR AND BRAN

NET REVENUE

**+14.6%**  
R\$ 374

SOLD VOLUME

**+3.8%**  
170

AVERAGE PRICE

**+10.6%**  
R\$ 2.2

## MARGARINE AND VEGETABLE SHORTENING

NET REVENUE

**+32.2%**  
R\$ 145

SOLD VOLUME

**-13.7%**  
18

AVERAGE PRICE

**+53.1%**  
R\$ 8.2

## OTHER

NET REVENUE

**+48.8%**  
R\$ 49

SOLD VOLUME

**0.0%**  
4

AVERAGE PRICE

**+48.8%**  
R\$ 13.9



# Sequential increase in *market share* volume Brazil.

## Cookies & crackers market share also increased vs. 1Q21

### Cookies & Crackers (%)



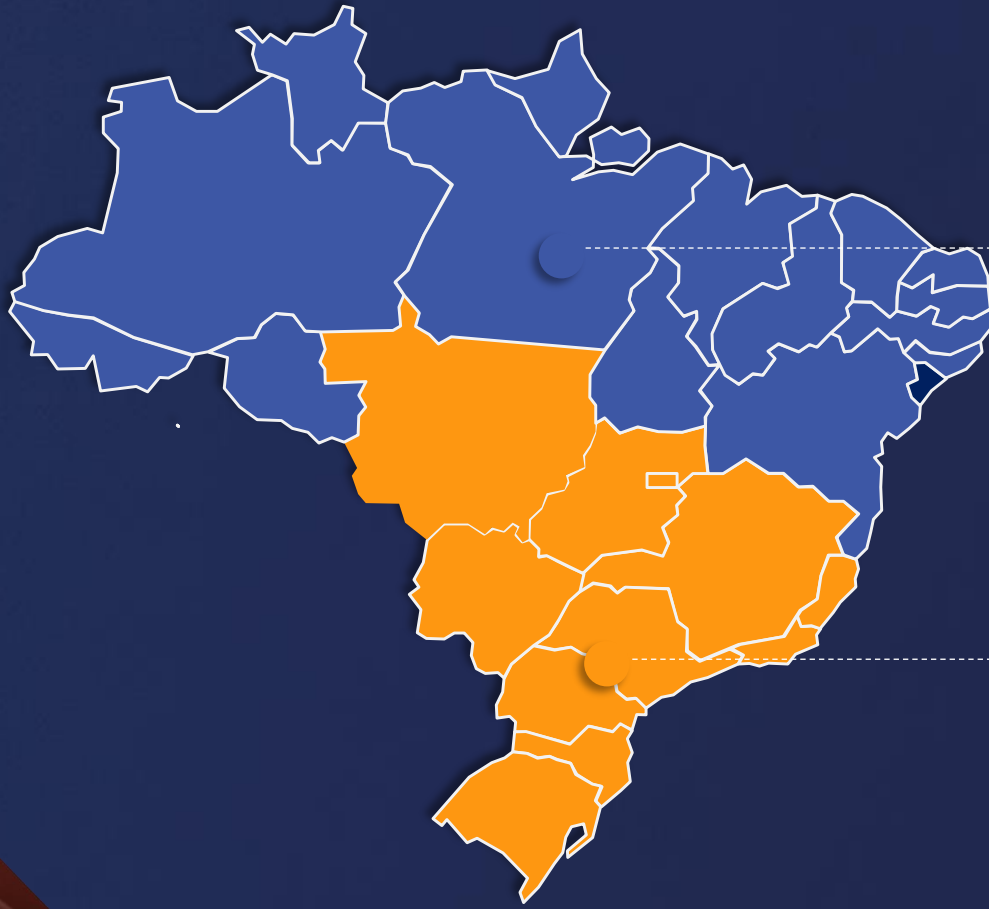
### Pasta (%)



### Domestic Wheat Flour (%)



# Net revenue growth in both commercial regions in Brazil (Defense and Attack) | 1Q22 vs.1Q21



## Defense

North and Northeast

**+ 29%**

## Attack

Midwest, Southeast and South

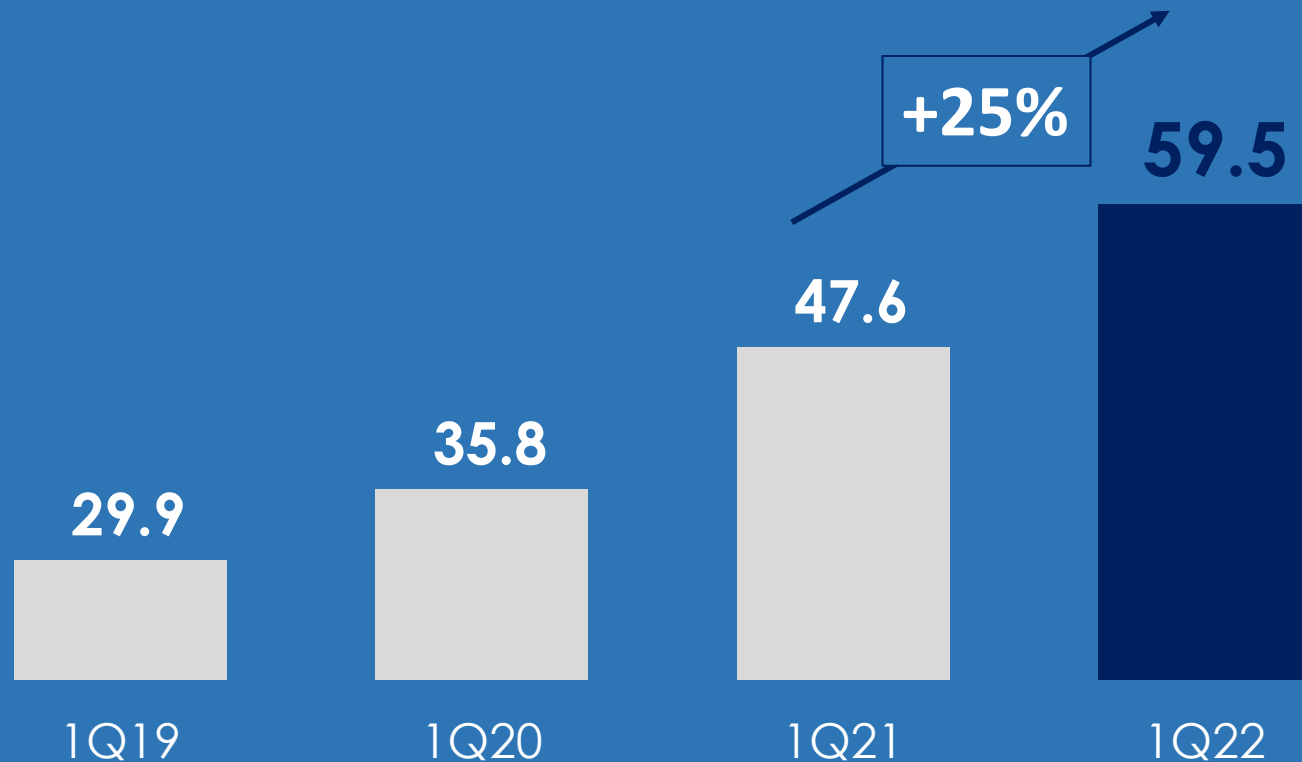
**+ 27%**





# Cookies & crackers innovations continues in high levels, contributing to the increase of revenue and margins

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





CONHEÇA

# ADRIA Wheat Flour

Sales beginning on Mar/22

Entry into the domestic premium flour segment

Strengthening of the expansion strategy over the Attack region

Competitive advantages:

- Purity
- Extra Clear
- Extrafine
- Enriched with vitamins





# Increase in average price, with contribution from the launches of items with higher added value

Average Price  
Launches  
(R\$/Kg)

24.5  
R\$/Kg

39.0  
R\$/Kg

21.9  
R\$/Kg

21.8  
R\$/Kg

24.8  
R\$/Kg

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

4.2  
R\$/Kg

4.4  
R\$/Kg

4.8  
R\$/Kg

4.9  
R\$/Kg

5.0  
R\$/Kg

1Q21

2Q21

3Q21

4Q21

1Q22



# Marketing investments to leverage sales, strengthen brands and support products launches

 “Zeca – Isso tem um Q de Piraquê”



Vitarella TV campaign  
“Abrace as diferenças”





# E-COMMERCE



**Outros...**

Increase  
1Q22 vs. 1Q21  
(Gross Revenue)

**80.1%**

**New Partnership  
in 1Q22**



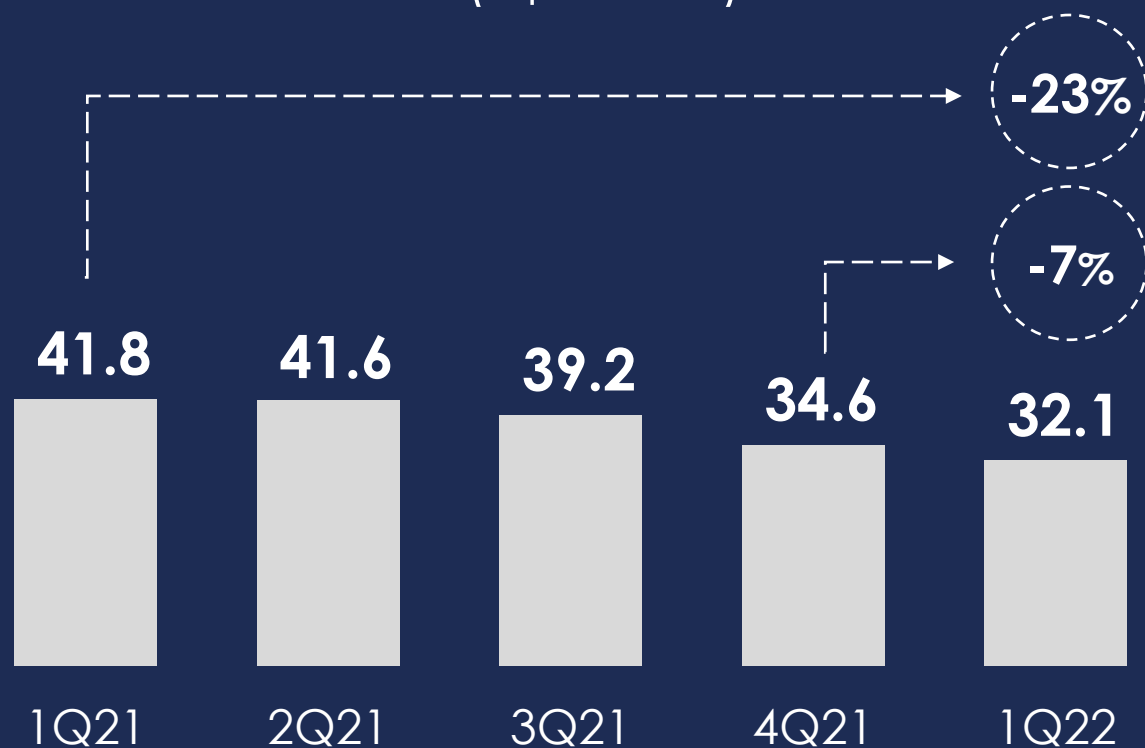
(B2B\_focus in food service)

## 2022 Plan

1. Increase in the customer base through new partnerships
2. Leverage sales through investments with visibility, offers and commissioning
3. Use of the channel for brand innovations

Exports continue at high levels. The decrease is due to increased international freight costs, non-recurring sales in 2021 and the devaluation of the Real against the US Dollar

## Exports Net Revenue (R\$ million)





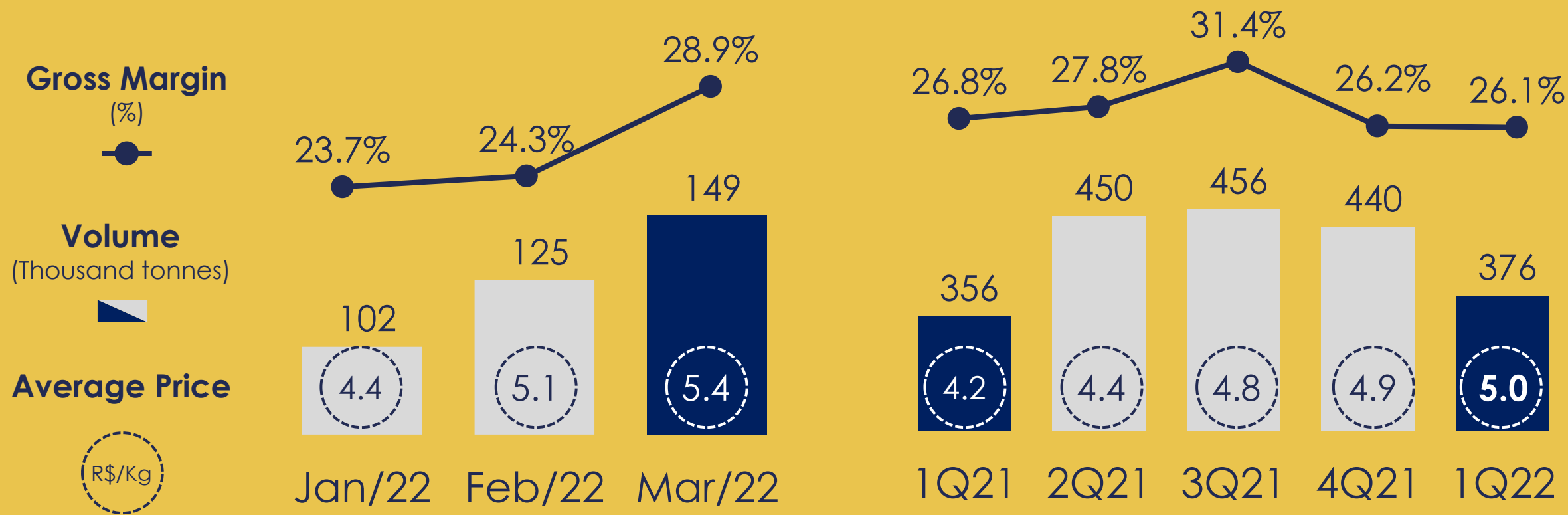
# COSTS & EXPENSES

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*M. Dias Branco*

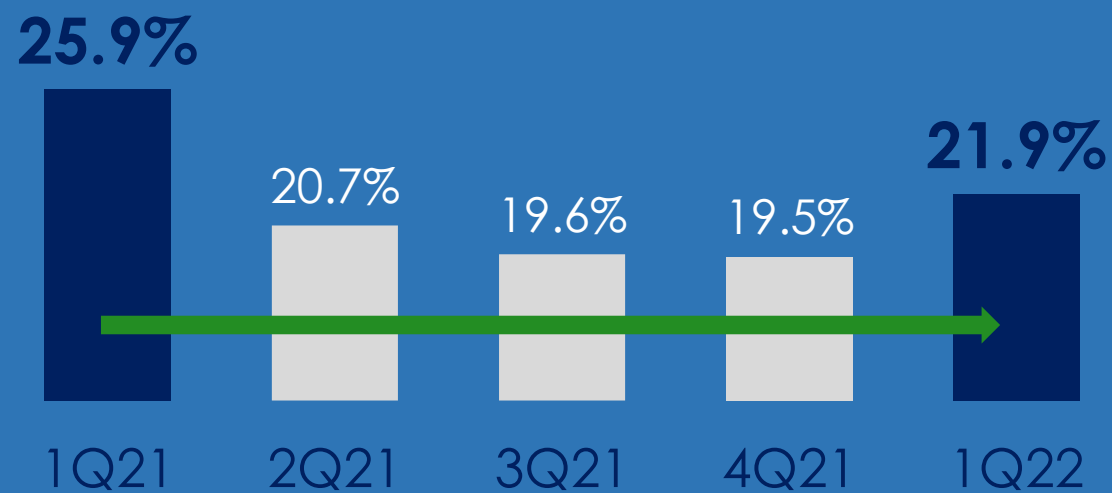
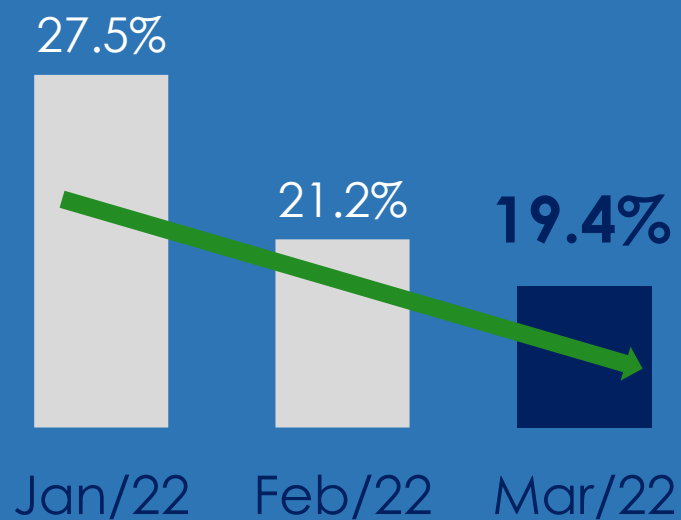


# Recovery of gross margin throughout the quarter by the increase in volumes and average price

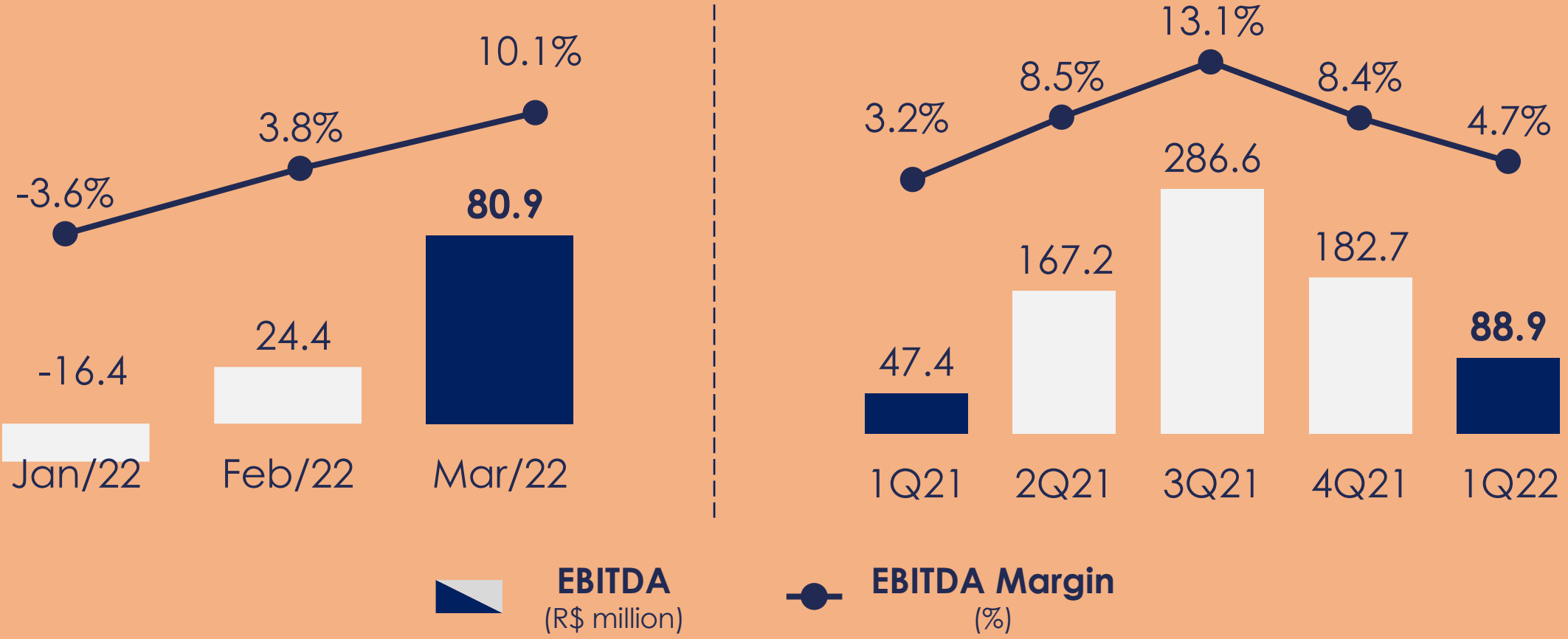




Administrative and selling expenses (SG&A % of Net Revenue) were lower than in 1Q21, with a favorable evolution throughout 1Q22, as a result of the productivity and efficiency programs implemented since 2020



EBITDA grew 88% compared to 1Q21, with an increase in EBITDA margin over the quarter



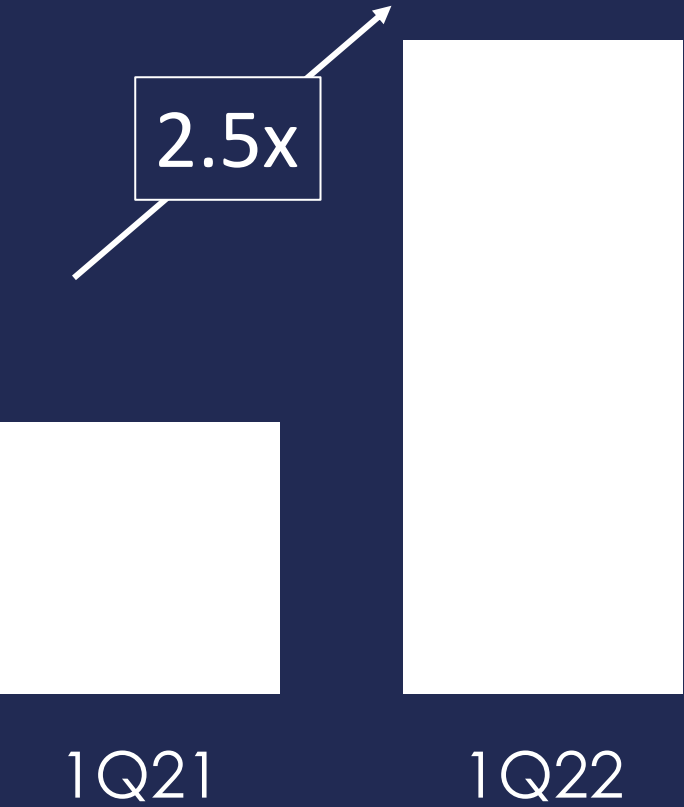


# CASH FLOW, DEBT AND INVESTMENTS

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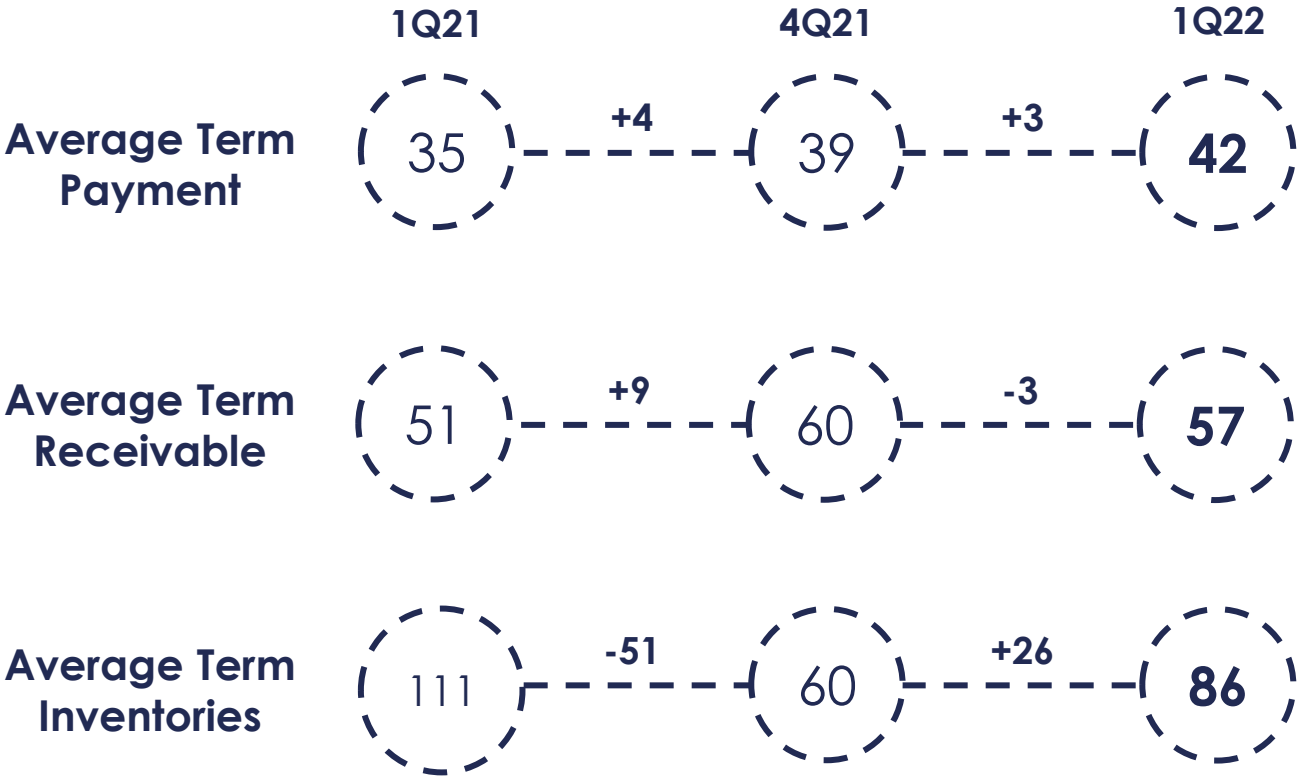
  
*M. Dias Branco*

# Operating Cash Generation (R\$ million)



## Working Capital Average Term (Days)

*We continue making progress with the lengthening of the average term payment*





# Highlights Investments

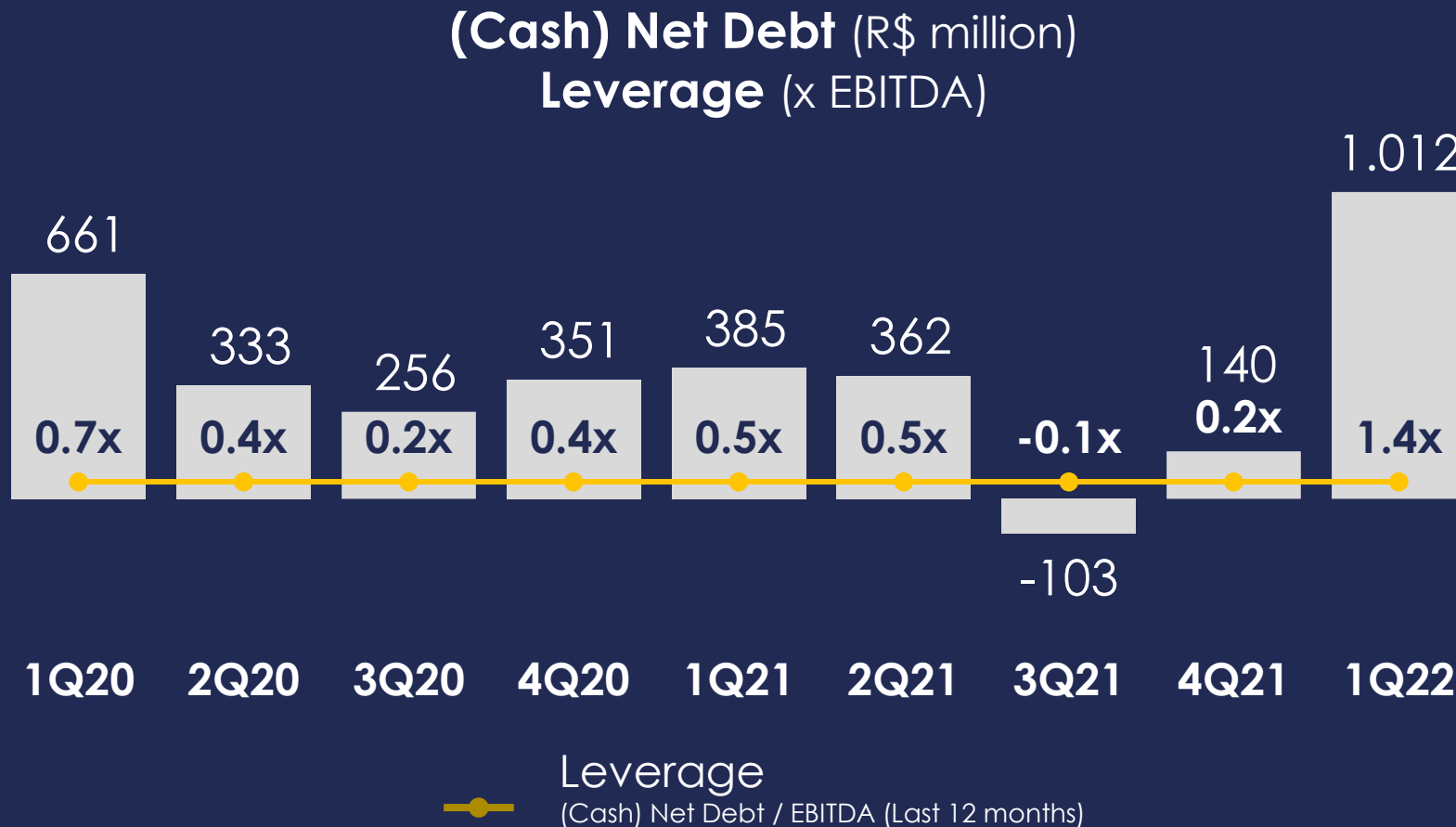
	1Q22	4Q21	1Q21
<b>Total</b> (R\$ MM)	R\$ 50.2 (3% RL)	R\$ 72.7 (3% RL)	R\$ 40.7 (3% RL)
	-----	-----	-----
<b>Variation</b> (%)	<b>-30.9%</b> (1Q22 vs. 4Q21)	<b>+23.3%</b> (1Q22 vs. 1Q21)	

✓ (i) investments in systems

✓ (ii) equipment for the Bento Gonçalves grinding unit

✓ (iii) investments for reducing net weight of some items

Leverage of 1,4x in 1Q22. The increase is due to the Extraordinary Interest on Equity Capital of R\$588 million paid on Feb/22. The company follows classified as AAA with stable outlook by Fitch Ratings



4<sup>TH</sup> YEAR  
CONSECUTIVE

**AAA**

Long-Term National  
Rating Stable  
Outlook  
Reaffirmed by  
Fitch Ratings\*



# ESG

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From 2022 on, we will begin a new cycle of our Sustainability Agenda, prioritizing 15 themes distributed over three pillars, with public targets up to 2030.



## CARING FOR THE PLANET

Manage environmental impacts and promote efficient use of natural resources.

-  Water
-  Energy
-  Climate changes
-  Waste
-  Sustainable plastic packaging and materials
-  Combating food loss and waste



## BELIEVING IN PEOPLE




Promote social development and people's well-being.

-  Relationship with communities
-  Human capital
-  Diversity and inclusion
-  Health and security
-  Healthy and nutritious food
-  Food security



## STRENGTHENING ALLIANCES

Improve governance for sustainable development across our value chain.

-  Risks and opportunities in sustainability
-  Governance, ethics and integrity
-  Sustainable value chain



# Main Indicators – Performance 1Q22 vs. 1Q21



## CARING FOR THE PLANET

**-10%** Reduction of water consumption (m<sup>3</sup>/Ton.)

**+4.7pp** Waste disposed of in landfills in all operations (%)

**-10%** Reduced finished products waste (R\$) **NOVO**

**-0.03pp** Reduction of input losses in the production process (%) **NOVO**



## BELIEVING IN PEOPLE

**-1.0pp** Women in leadership (%) **NOVO**

**-10.5%** Frequency of occupational accidents (rate)

**-96%** Occupational Accident Severity (rate) **NOVO**



## STRENGTHENING ALLIANCES

**+1.0%** Purchases from local suppliers (%) **NOVO**



## Highlights

- ✓ We have joined the Brazilian Business Council for Sustainable Development (CEBEDS);
- ✓ Donation of 602 tons of foods to surrounding communities, to benefit more than 90 institutions in Brazil;
- ✓ We are working in partnership with Senai, offering **professionalization courses for the unemployed**. In March, we started two classes: Pastry Chef and Administrative Assistant;
- ✓ We were awarded **the Sister Company Seal** for the donations made to the Obras Sociais Irmã Dulce (OSID) in Bahia;
- ✓ We concluded the implementation of **Occupational health and safety program (POSITIVO Program)**, in the industrial units of Pastas, Cookies, Cakes & Snacks and Vegetable Shortening & Margarines.

Since 2020, we have been signatories of Global Compact of United Nations (ONU).

OUR ACTIONS  
CONTRIBUTE TO THE  
UN SDGs:





# Thanks!



[ri.mdiasbranco.com.br](http://ri.mdiasbranco.com.br)



[youtube.com/rimdias](https://youtube.com/rimdias)



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# Q&A



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