




M. Dias Branco

INSTITUTIONAL PRESENTATION

NOVEMBER 2021

 ri@mdiasbranco.com.br

 ri.mdiasbranco.com.br

 youtube.com/rimdias

CORPORATIVE IDENTITY



MISSION

Offer quality, innovative, healthy, nutritious and tasty food with competitive prices, providing people with well-being and happiness.

VISION

To be a large Brazilian food company with a global presence, diversified operations, sustainable growth, respecting our origins.

“Feeding and inspiring people by making dreams come true”

VALUES

- ✓ Simplicity
- ✓ Attitude
- ✓ Collaboration
- ✓ Respect
- ✓ Excellence

COMPANY OVERVIEW



+ 65 YEARS OF OPERATION



STRONG TRACK RECORD OF ACQUISITIONS



R\$ 8.8 BILLION GROSS REVENUE IN 2020



VERTICALIZED PRODUCTION PROCESS



16.5 THOUSAND EMPLOYEES



R\$ 1.9 BILLION CAPEX INVESTMENT BETWEEN 2015-2020



1 IN BRAZIL IN COOKIES AND PASTA*



AAA RATING, STABLE OUTLOOK, REAFFIRMED BY FITCH (FOR THE FOURTH YEAR)



+20 BRANDS



SUSTAINABILITY AGENDA IN LINE WITH THE BUSINESS STRATEGY



CONSUMERS FROM ALL SOCIAL CLASSES



LISTED IN THE NOVO MERCADO



EXPORTS TO MORE THAN 40 COUNTRIES



MDIA3 +460% SINCE THE IPO (2006)**

*Nielsen – Retail Index. Total Brazil. INA+C&C. Data from Jan/21–Aug/21

**Considering the share price on 11/11/21

STRATEGY

GROWTH WITH PROFITABILITY

CORE BUSINESS

1



DEFENSE

ATTACK


EXPORT

2



OTHER CATEGORIES

3



EFFICIENCY AND PRODUCTIVITY PROGRAM



REVENUE BY CATEGORY

COOKIES

50%

PASTA

22%

WHEAT FLOUR
AND BRAN

19%

MARGARINE
AND
VEGETABLE
SHORTENING

7%

OTHERS

2%

+20 BRANDS

M. Dias Branco

Adorita

ADRIA

margarina
Amorela

BASILAR
DESDE 1964

Bonsabor

isabela

Estrela

finna

ff
FORTALEZA

Medalha
de Ouro

Pelaggio

PILAR
DESDE 1875

piraquê

Predilieto
Vem do Coração

Puro
Sabor

Richester

SALITOS

VITARELLA

Zabet

FIT FOOD

FRONTERA

smart

T&C

RELEVANT AND RECOGNIZED BRANDS



BRANDS WITH ANNUAL SALES OVER R\$ 500 MILLION (2020)



AWARDS*



*Top of Mind: Vitarella, #1 in the Cream Cracker category (Salvador/BA); Adria, #1 in the Pasta category (Brazil).

PRESENT ALL OVER BRAZIL WITH STRONG DISTRIBUTION AND INFRASTRUCTURE



+3,240
CITIES IN BRAZIL



+100K
SALES POINT



34
DISTRIBUTION
CENTERS

14
INDUSTRIAL
UNITS



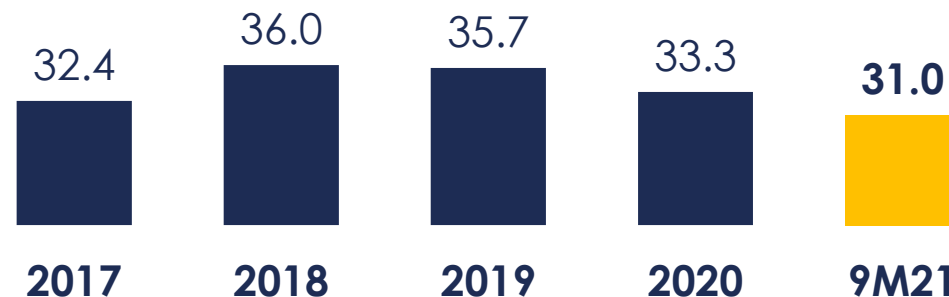
1 IN COOKIES & CRACKERS AND PASTA MARKETS (BRAZIL)

MARKET SHARE VOLUME *

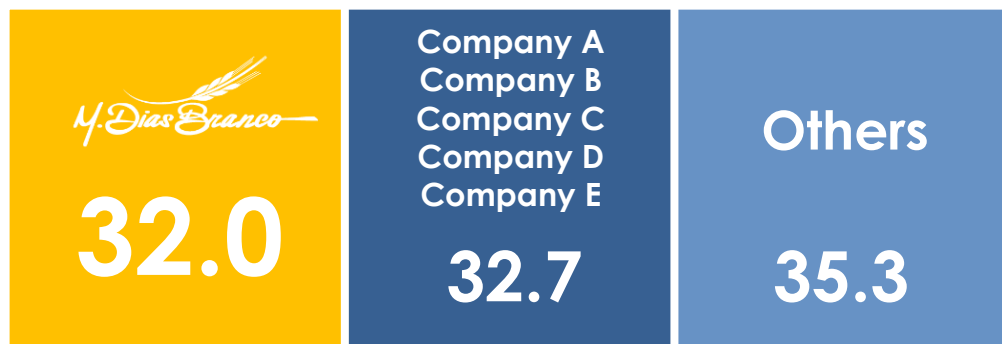
COOKIES & CRACKERS



PASTA



M. DIAS BRANCO x COMPETITORS CONSIDERING JAN-AUG/21



M. DIAS BRANCO x COMPETITORS CONSIDERING JAN-AUG/21



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

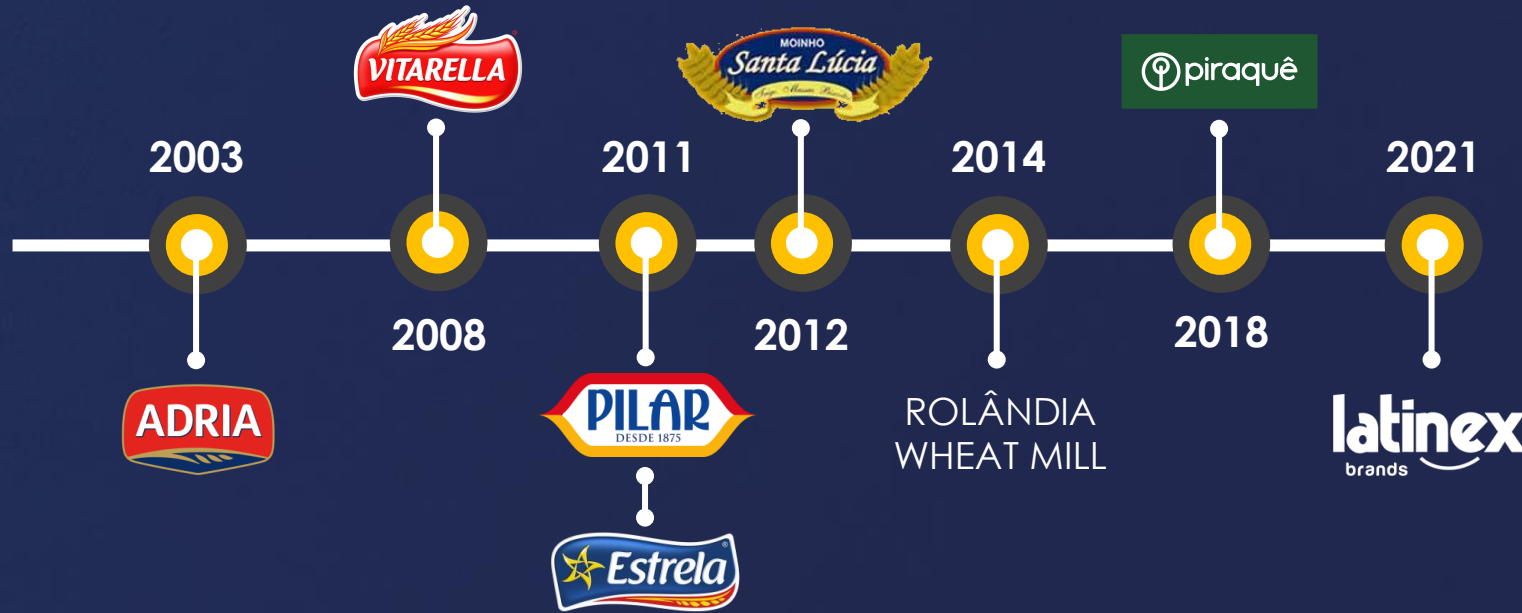
WE OPERATE IN DIFFERENT CHANNELS



REVENUE BY SALES CHANNEL

	2018	2019	2020	9M21
SMALL RETAIL	27%	30%	27%	26%
WHOLESALE	25%	24%	22%	21%
KEY ACCOUNTS / REGIONAL CHAINS	21%	21%	21%	23%
CASH AND CARRY	19%	19%	18%	16%
DISTRIBUTORS	6%	5%	7%	8%
INDUSTRY	1%	1%	1%	2%
OTHER	1%	1%	4%	4%

THE ACQUISITIONS HAVE LEVERAGED OUR GROWTH AND ENRICHED OUR PRODUCT PORTFOLIO



58%

OF THE REVENUE IS FROM ACQUIRED BRANDS*

*2020 Data

VITARELLA WAS ACQUIRED IN 2008

Net Revenue multiplied by **5,4x** between 2007–2020

Represents **27%** of our Cookies Net Revenue

Represents **24%** of our Pasta Net Revenue



RECENT LAUNCHES*

15.7
R\$/Kg



5.6
R\$/Kg



*Note: Examples of launches (2020 and 2021), Net Revenue per Kg.

ACQUISITION OF LATINEX FOR R\$ 180 MILLION, REACHING UP TO R\$ 272 MILLION, REINFORCES M. DIAS BRANCO'S PRESENCE IN HEALTHY FOODS, SNACKS, SEASONING, SAUCES AND CONDIMENTS SEGMENTS (DEAL CLOSING IN 11/03/21)

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Healthy Snacks,
Pasta, and Cookies



Potato Chips and
Tex/Mex Snacks



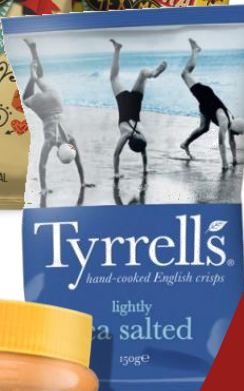
Sauces



Salts and
Spices



Potato
Chips*



latinex
brands

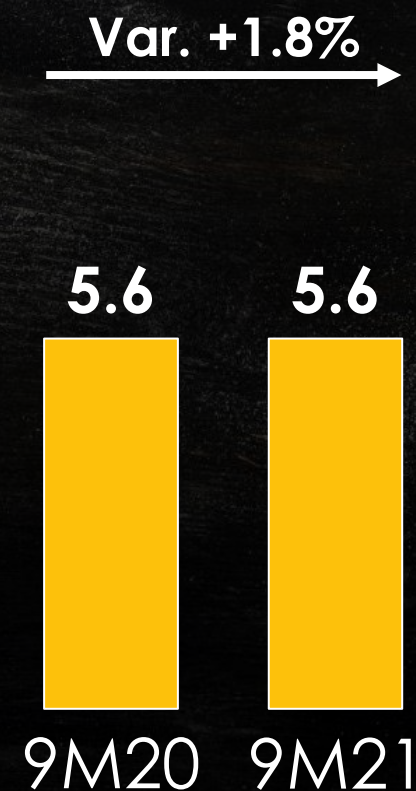
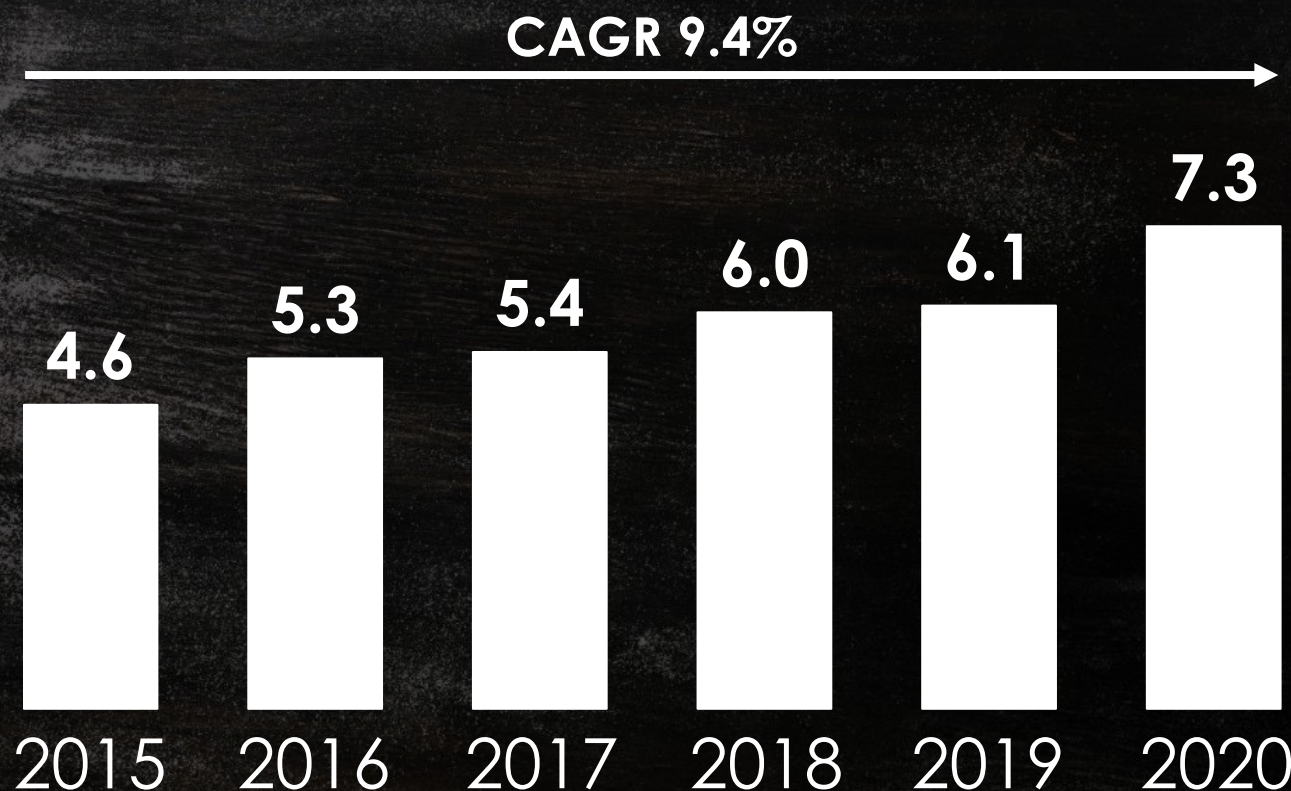
*Note: Holds the Right to Distribute the Brand in Brazil.

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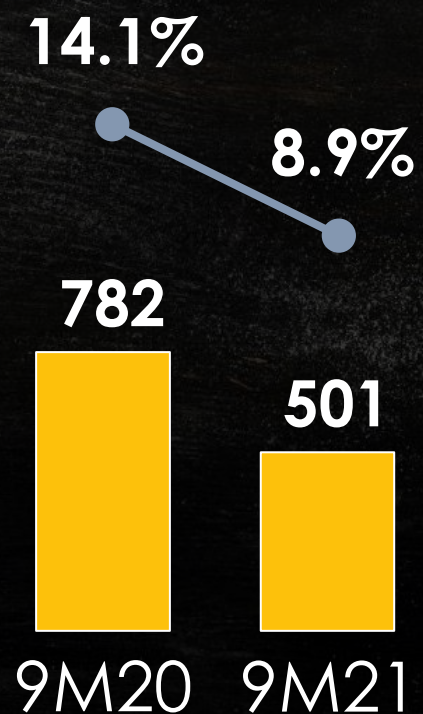
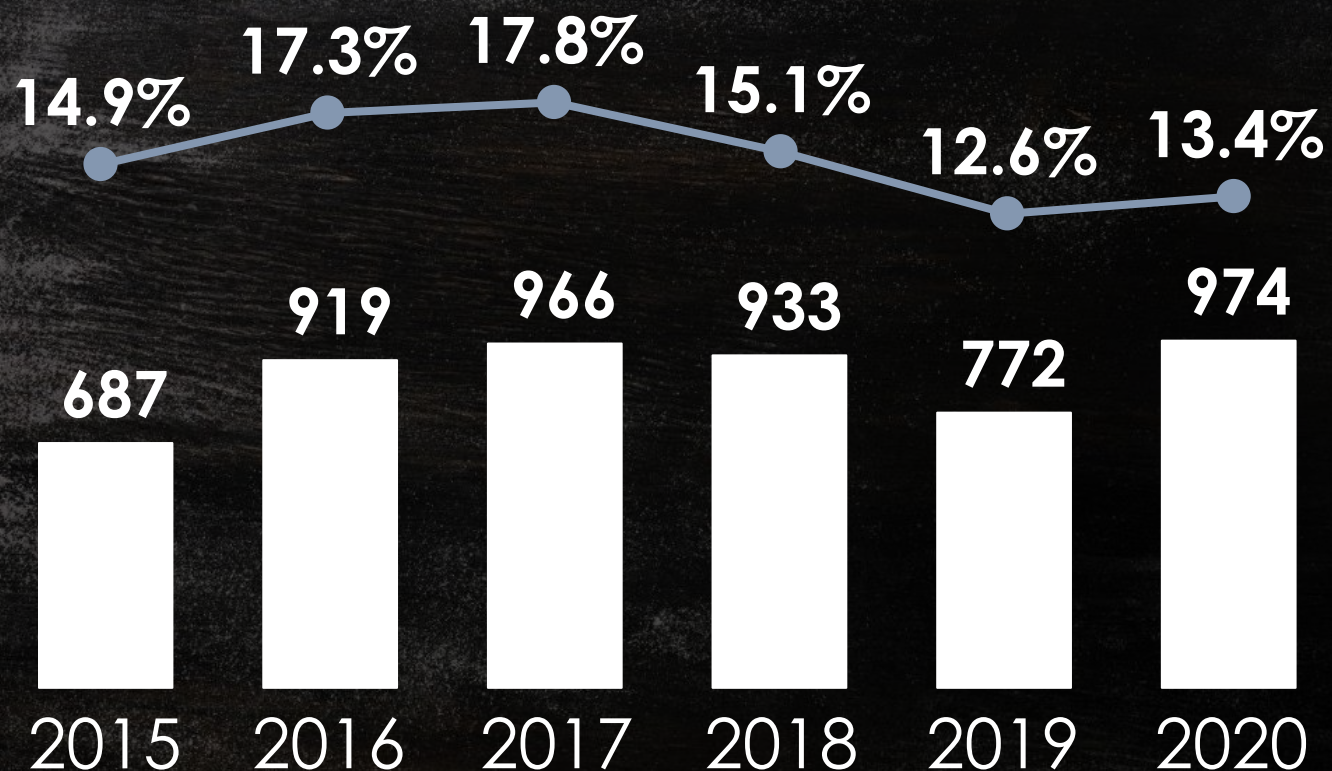
FINANCIAL RESULTS



NET REVENUE (R\$ BILLION)

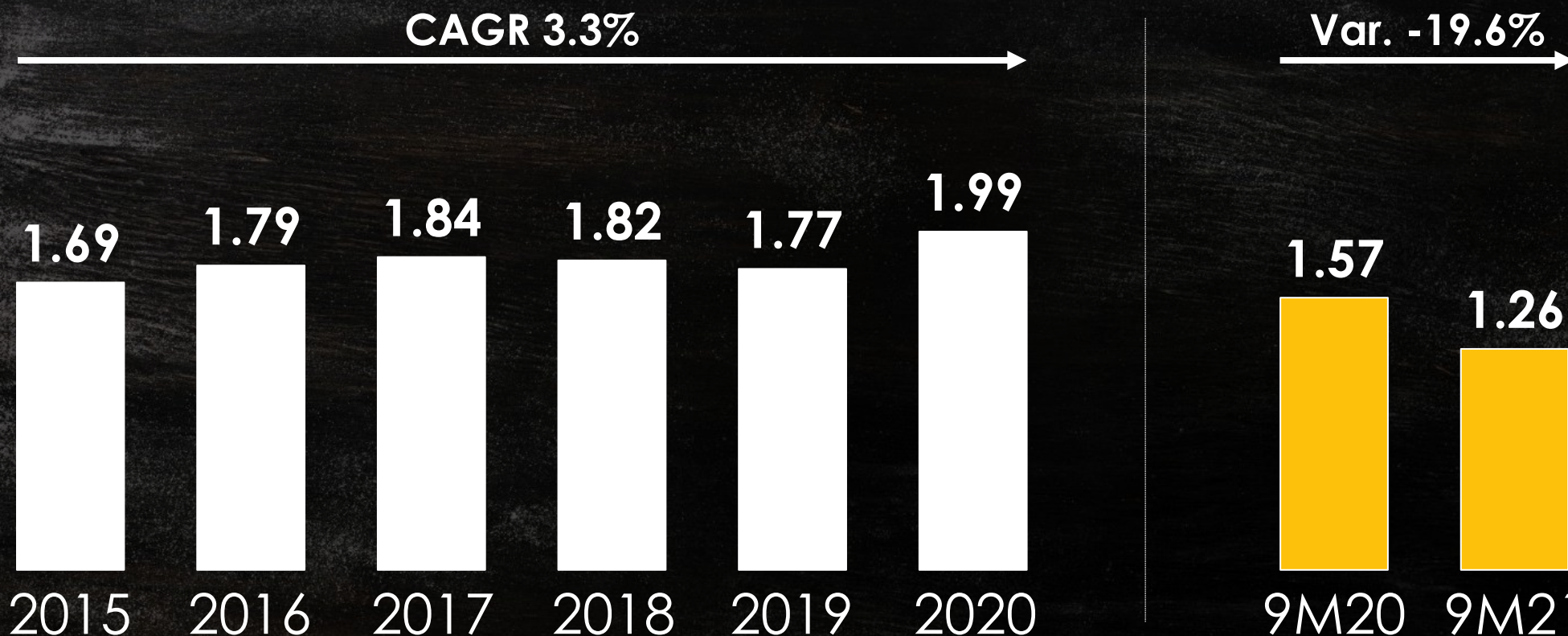


EBITDA (R\$ MILLION)

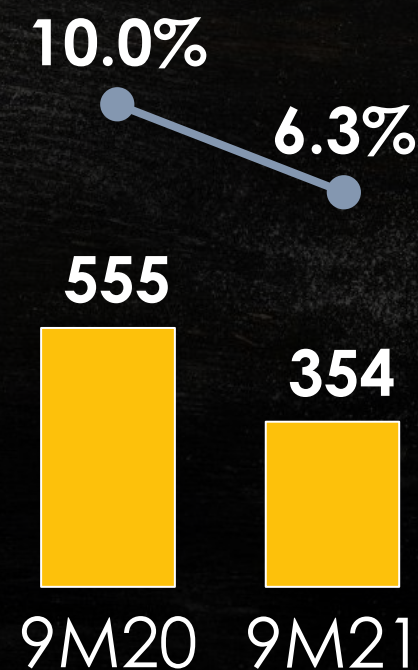
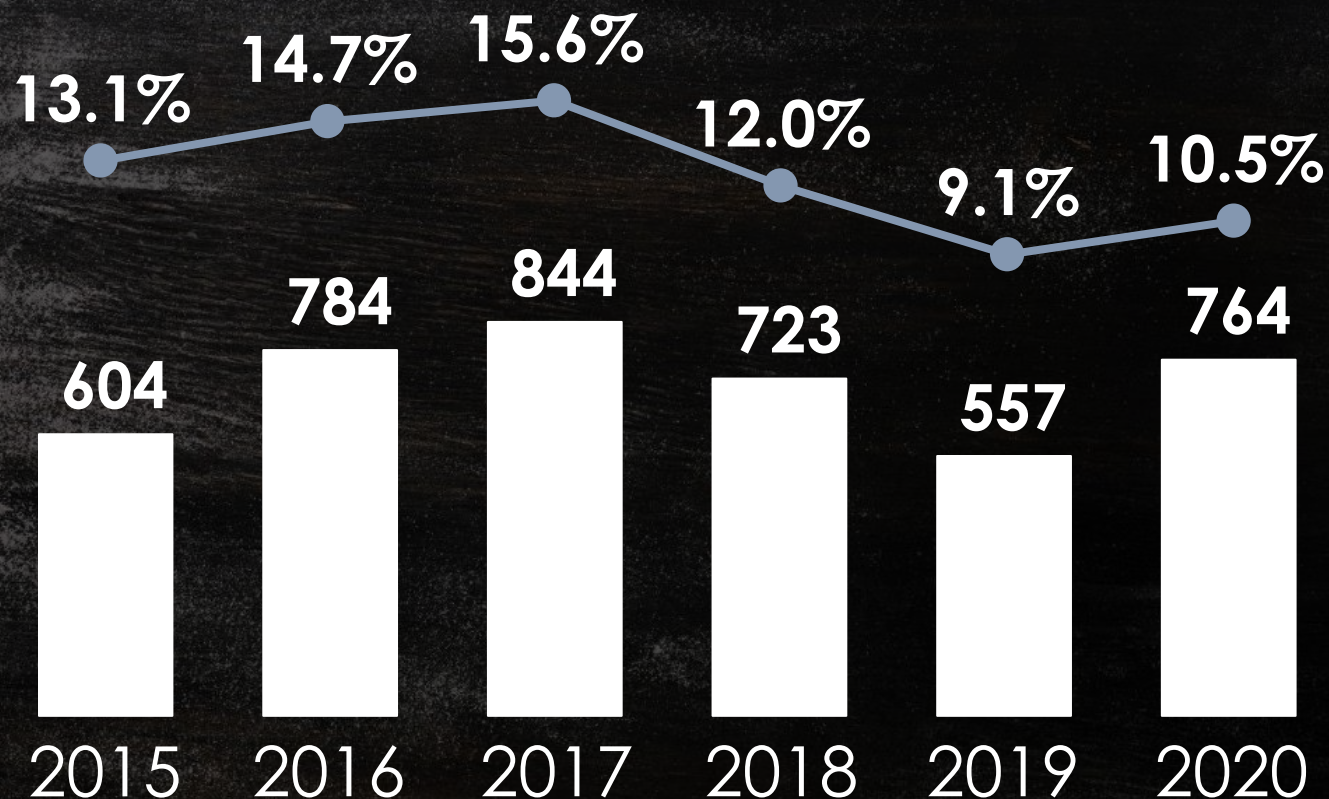


—●— EBITDA Mg. (%)

VOLUME (MILLION TONNES)

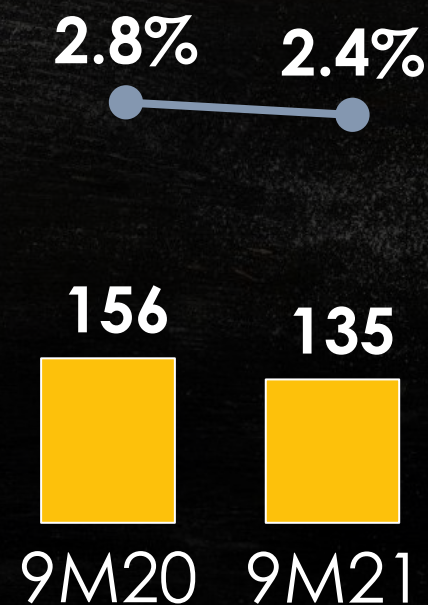
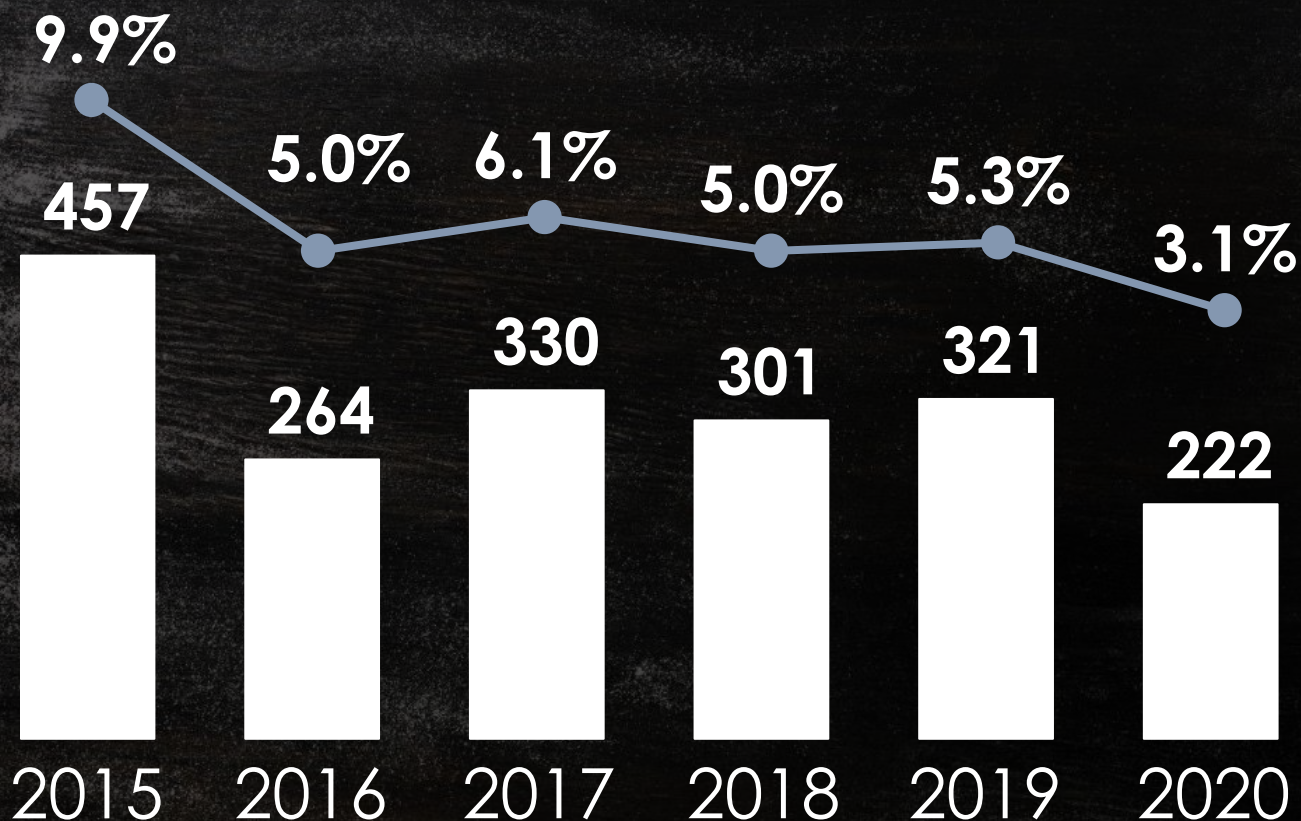


NET INCOME (R\$ MILLION)



—●— Net Income Mg. (%)

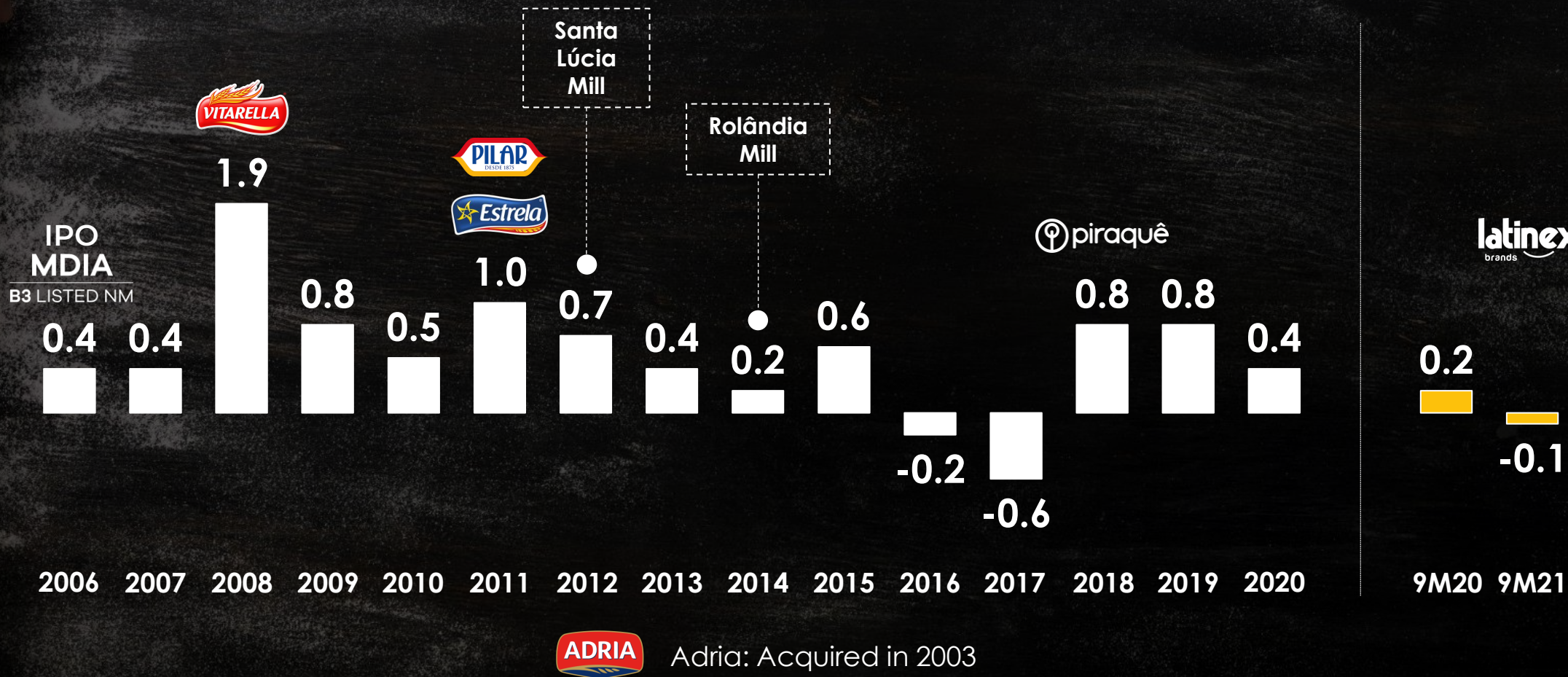
CAPEX (R\$ MILLION)



—●— Capex / Net Revenue (%)

LEVERAGE

(NET DEBT/EBITDA IN THE LAST 12 MONTHS)





HIGHLIGHTS 2020 & 9M21



External Situation

- ✓ Challenging economic scenario;
- ✓ Demand volatility;
- ✓ High costs due to:
 - Devaluation of Real vs. Dollar; and
 - Higher commodities prices.



M. Dias Branco

- ✓ Productivity and efficiency gains;
- ✓ Improved management and controls;
- ✓ More marketing investments;
- ✓ Cash protection with AAA Rating;
- ✓ Entry into new categories.

NEW HEDGE POLICY

(FROM JUL/20)



Our policy aims to establish
general rules and guidelines
to protect and optimize
results against fluctuations in
exchange rates and
commodity prices



MODALITIES

FOREIGN EXCHANGE HEDGE

Cash Flow Protection
(NDF and Options)

COMMODITY HEDGE

Commodity Futures Contract
Protection

DEBT HEDGE

Foreign Currency Debt Protection
(Swap Contracts Shift of Exchange for CDI)

NEW DIVIDEND POLICY

(DUE TO 2021)



MAIN CHANGES

- ✓ **5 payments per year**
(4 fixed and 1 variable)
- ✓ **R\$ 0.05 per share**
(for each fixed payments)
- ✓ **60% minimum payout***

DISTRIBUTION

(2020 vs 2019)

	2019	2020	Var.
<i>Dividend/Gross Amount of IoE Total (R\$ MM)</i>	85.0	154.5	81.8%
<i>Dividend/IoE Per Share (R\$)</i>	0.25	0.46	82.4%
<i>Dividend Yield (%)**</i>	0.67%	1.35%	0.68p.p.

*Payout: % of Net Profit Distributable to Shareholders in IoE / Dividends.

**Dividend Yield = Dividend Declared Per Share / Share Price (based on the shareholding position of 12/23/20 - for 2020 - and 12/30/19 - for 2019).

IN 2020 WE CARRIED OUT THE BIGGEST MARKETING CAMPAIGN IN HISTORY. INVESTMENTS IN PRIORITY BRANDS CONTINUE IN 2021

MARKETING HIGHLIGHTS

2020-2021



“Merchandising at BBB21”
“Original Creations”

“Merchandising
at BBB21”

“Show, Life Happens
in the Details”

“Every Woman is a
Stronghold”

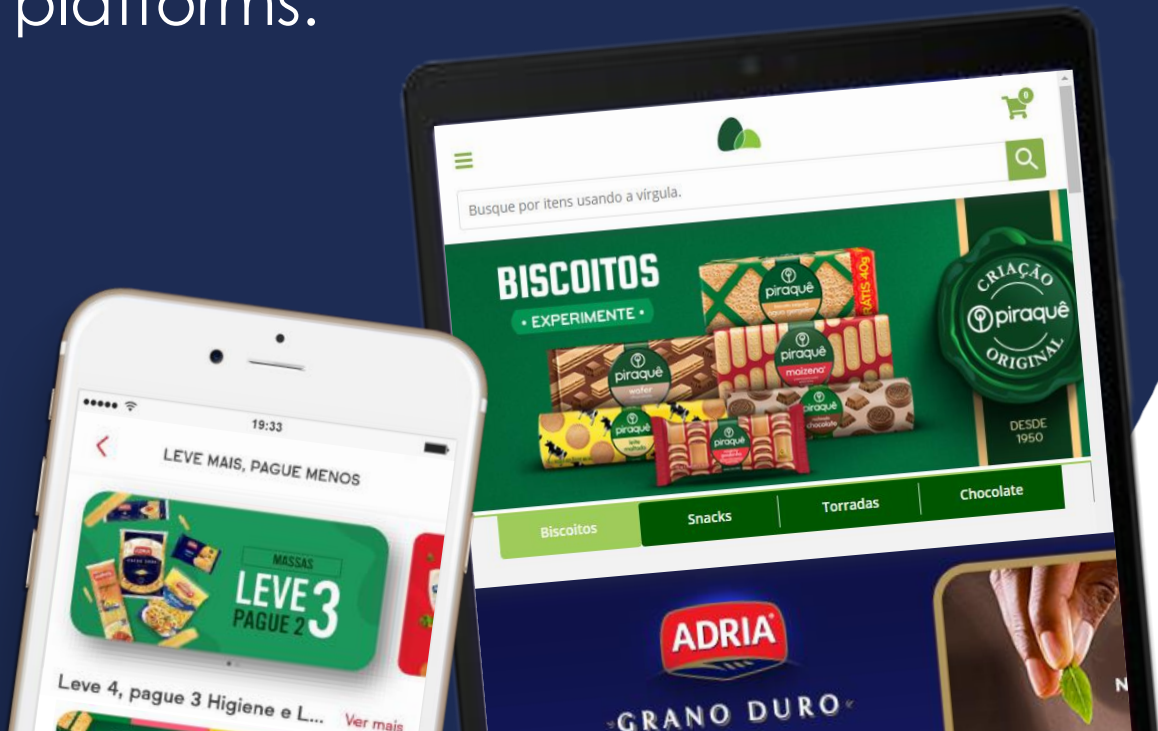
“Affection
Recipe”

“Evolved with
Richester”

E-COMMERCE HIGHLIGHTS

M. Dias Branco

In 2020 we took the first steps in e-commerce. Our products are already purchased on the main platforms.



americanas.com

ifood

magalu

shopper.com.br

Submarino

shoptime

CornerShop

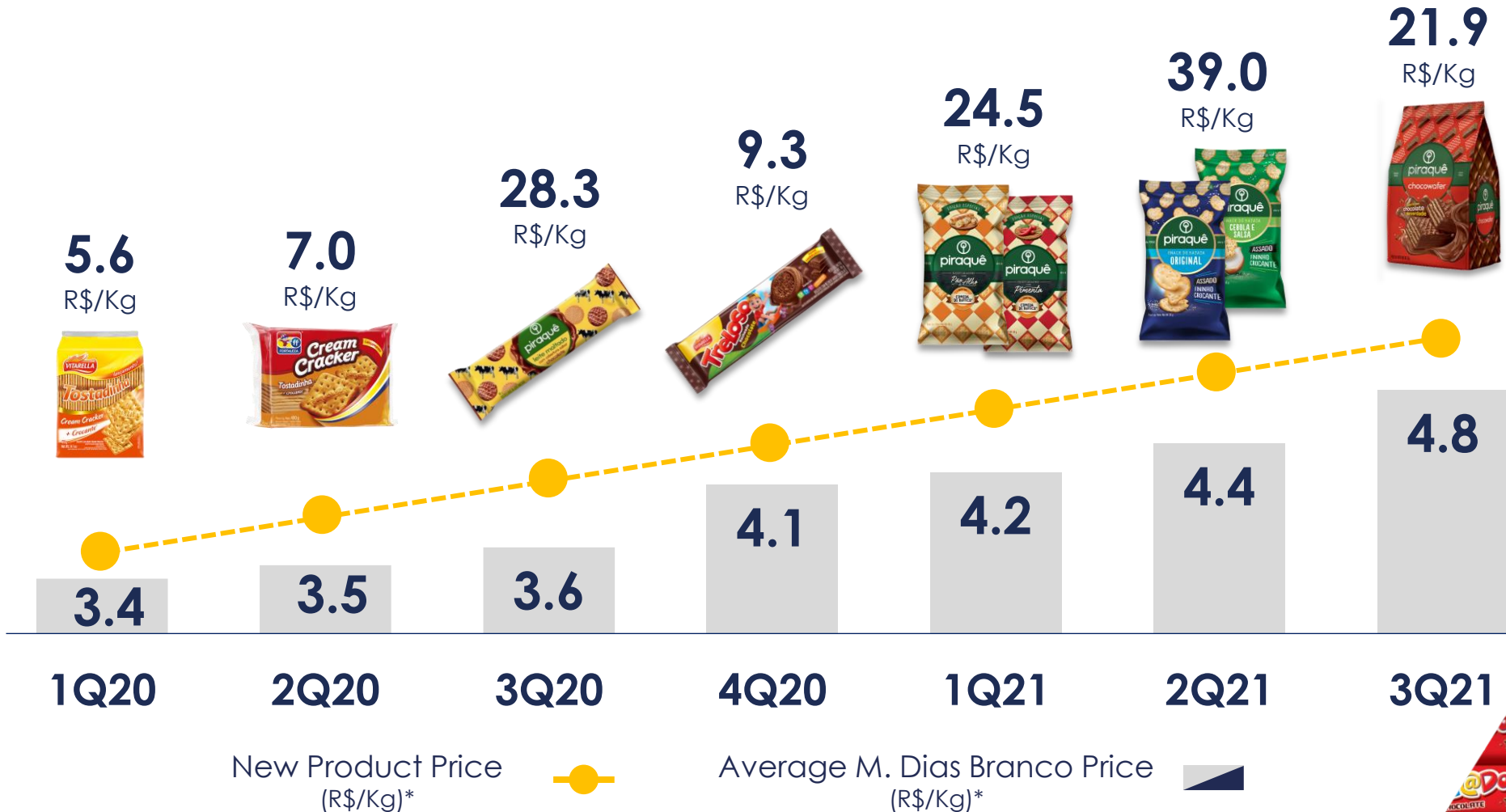
PARCEIRO BEE

Rappi

Zé

amazon

CONSISTENT EVOLUTION IN **AVERAGE PRICE** DUE TO OUR PRICING POLICY AND **LAUNCHES** OF PRODUCTS WITH GREATER ADDED VALUE

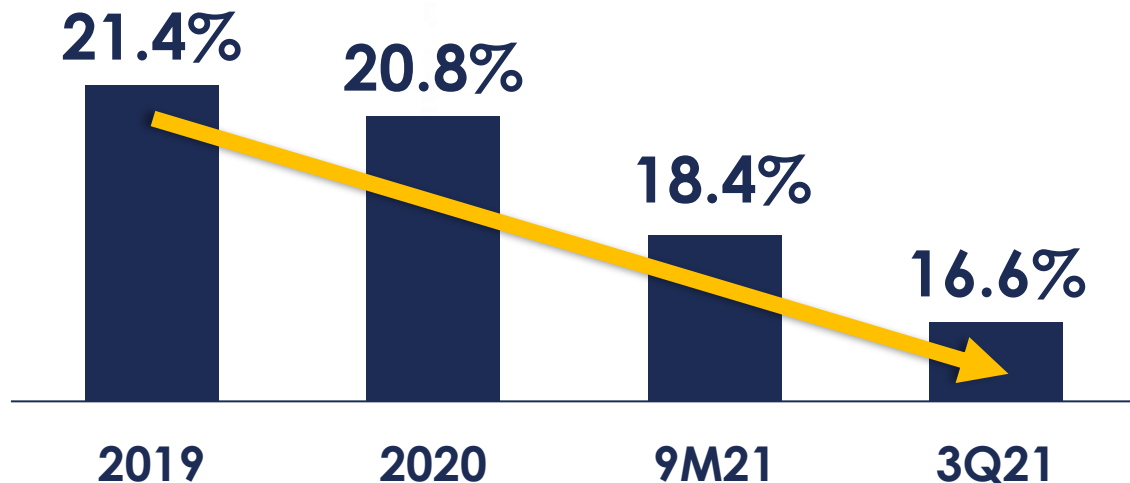


*Values represent Net Revenue per Kg.

IN 2020 WE EXECUTUED AN EFFICIENCY AND PRODUCTIVE PROJECT (MULTIPLIQUE) WITH R\$ 438 MILLION IN ANNUAL SAVINGS



SELLING EXPENSES (% OF NET REVENUE)



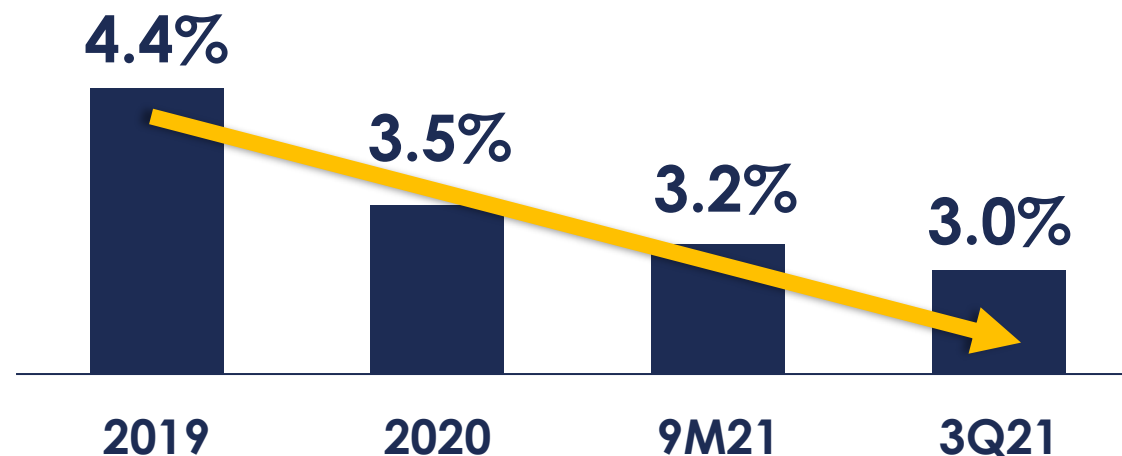
COMMERCIAL

- ✓ Adequacy of the number of sales promoters;
- ✓ Renegotiation of marketing contracts.

LOGISTICS

- ✓ Change in the delivery model (Key Account and Cash & Carry);
- ✓ Decrease in the number of trips (improvement in vehicle occupancy);
- ✓ Productivity assessment in warehouses.

ADMINISTRATIVE EXPENSES (% OF NET REVENUE)

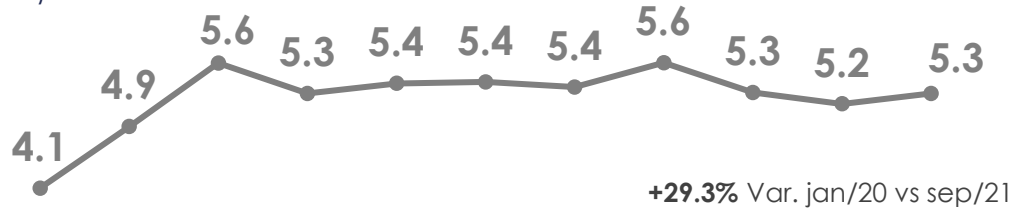


ADMINISTRATIVE

- ✓ New organizational structure;
- ✓ Payroll outsourcing;
- ✓ Optimization in the hiring of general services.

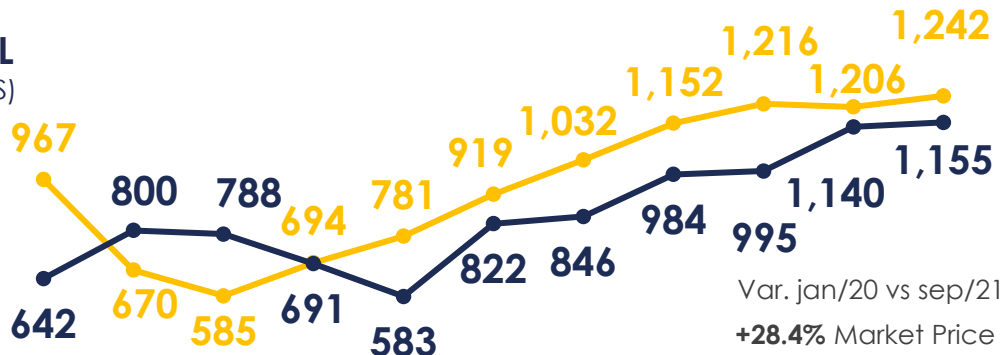
DOLLAR

(CLOSING PTAX)



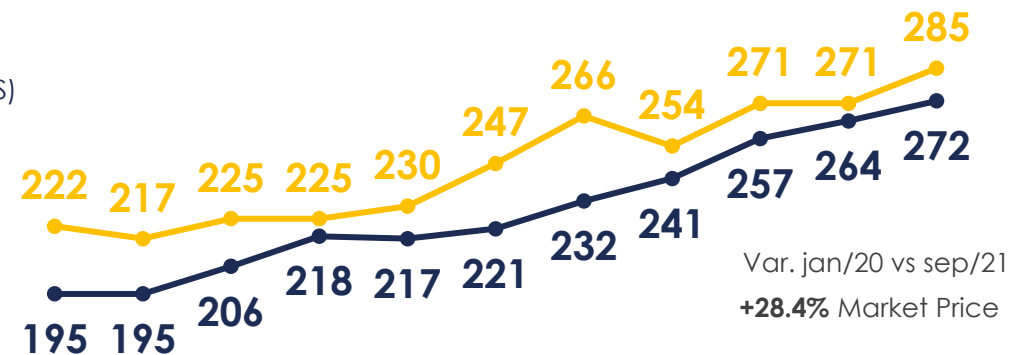
PALM OIL

(US\$ TONNES)



WHEAT

(US\$ TONNES)



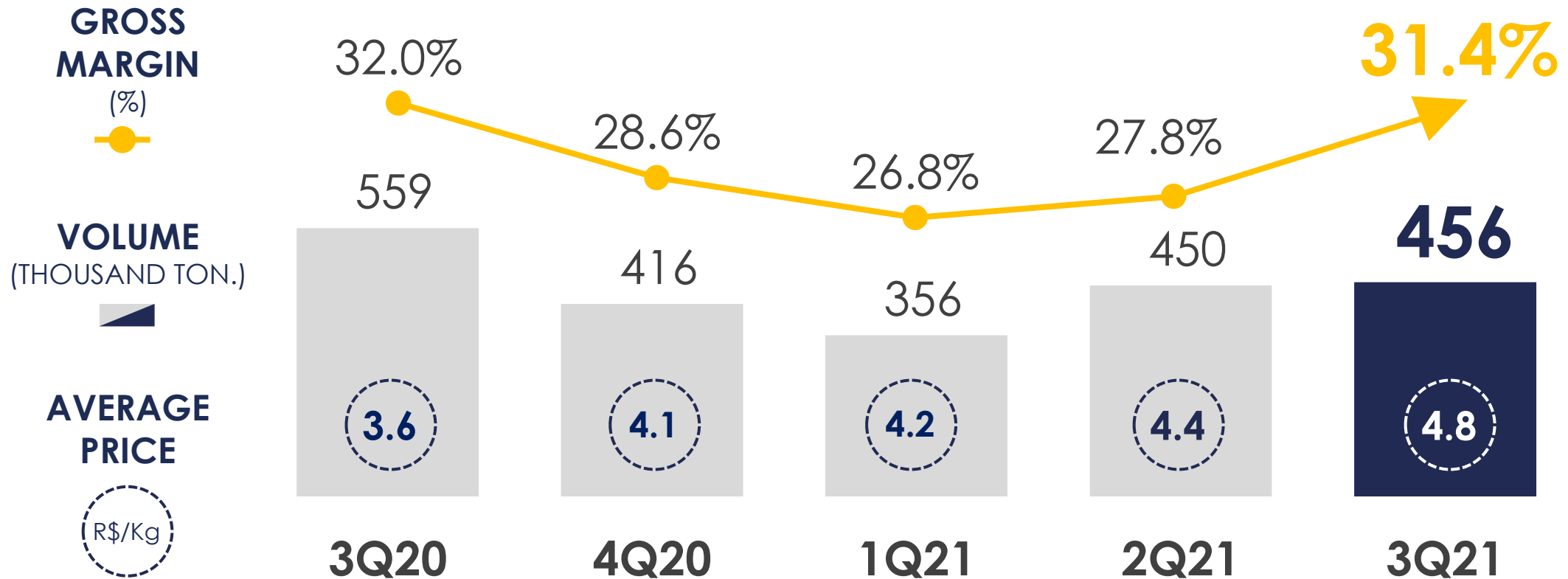
jan/20 may/20 sep/20 jan/21 may/21 sep/21

- Market Price
- Monthly Average Dollar (Closing Ptax)
- M. Dias Branco Inventories (Average Purchase Price)

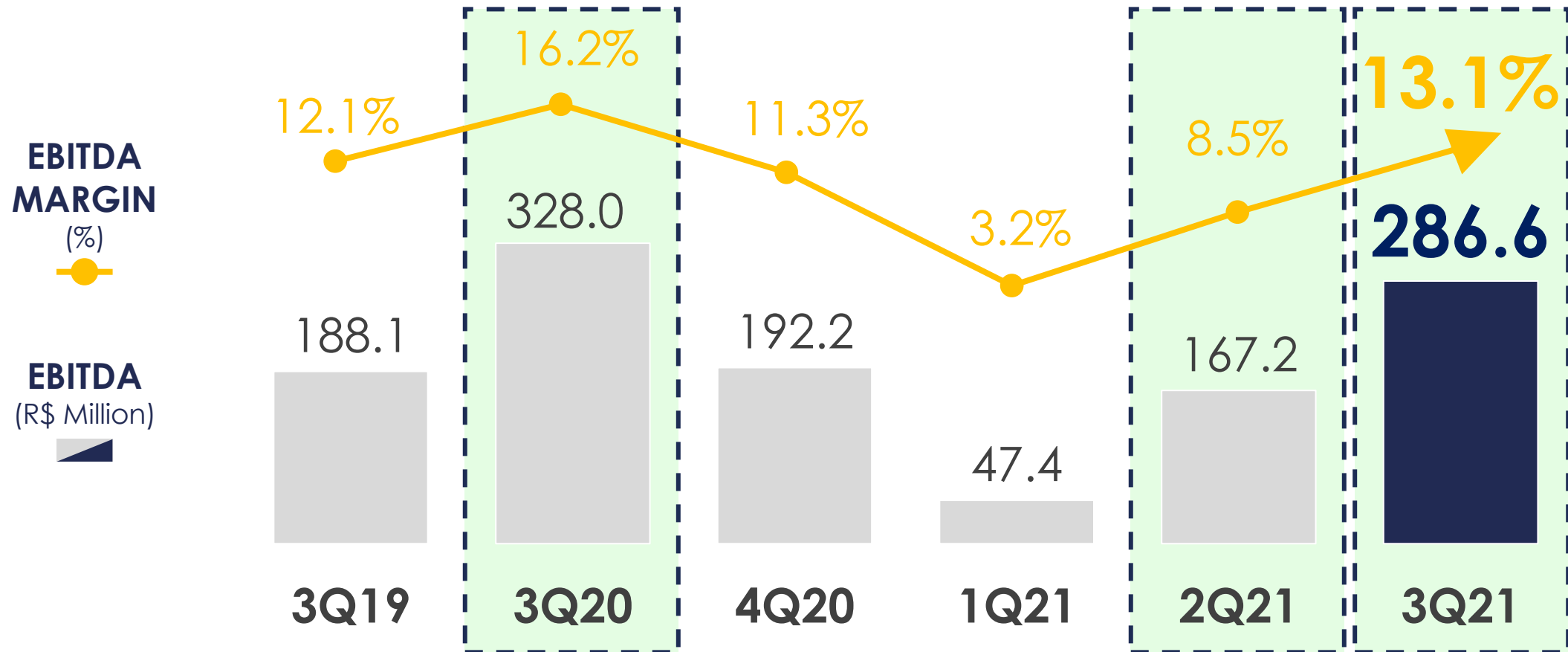
THE RISE OF COMMODITIES PRICE IN USD AND THE DEPRECIATION OF THE REAL HAD A NEGATIVE IMPACT IN EBITDA

EBITDA 2019 (R\$ Million)	772
Price Effect, Volume, Recurring Expenses and Cost (without Exchange Effect)	422
Subtotal	1,194
Recurring Gains with Efficiency and Productivity Program	184
Subtotal	1,378
Exchange	(671)
Subtotal	706
Non-Recurring Gains	340
Expenses with Covid-19	(44)
Restructuring Expenses	(20)
Piraquê Integration Expenses	(8)
EBITDA 2020 (R\$ Million)	974

GROSS MARGIN RECOVERY IN 2021 DUE TO VOLUME RECOVERY, BETTER AVERAGE PRICE AND GAINS IN PRODUCTIVITY AND EFFICIENCY



EBITDA MARGIN RETURNS TO DOUBLE DIGIT,
WITH INCREASED VOLUMES, PRICE MANAGEMENT,
HIGHER DILUTION OF FIXED COSTS AND GAINS
IN PRODUCTIVITY AND EFFICIENCY



1ST ISSUE OF CRAS BY M. DIAS BRANCO

(MARCH 24, 2021)



R\$ 811.6
(Million)

TOTAL CAPTURED

R\$ 2.3
(Billion)

TOTAL DEMAND
2.9x above the initial value

Green Bond

National Long Term **Rating 'AAA'** (bra)
Stable Outlook (Fitch Ratings)

REMUNERATION

1st Series

Maturity: 7 years

Rate: 3.79% + IPCA

2nd Series

Maturity: 10 years

Rate: 4.13% + IPCA

RESUMPTION OF PROFITABLE GROWTH

SALLES GROWTH

1 Onda Verde Piraquê "Green Wave"

- ✓ Launches
- ✓ Media investments
- ✓ E-commerce
- ✓ Premium POS

2 Partnerships

- ✓ Bees
- ✓ Zé Delivery
- ✓ Amazon

3 Exports

- ✓ Exclusive releases
- ✓ Private Label in USA
- ✓ Entry into new countries

PRODUCTIVITY AND
EFFICIENCY

4 SKU Optimization

- ✓ Reduction of 137 SKUs by Dec/21

5 Industrial and Logistics Footprint

- ✓ Closing of 2 of the 32 CDs
- ✓ Renegotiation of commercial conditions with logistics operators

6 Organizational Structure Adjustment

- ✓ More than R\$50 MM in structural reduction in 2021

SUSTAINABILITY HIGHLIGHTS

KPI's (3Q21 vs. 3Q20)



+9% (Kwh/Ton.)
Energy Intensity



+5.6% (M³/Ton.)
Water Consumption



+0.4p.p. (%)
Waste Recycling



-6% (Kg/Ton.)
Solid Waste Generation



+0.1p.p. (Frequency)
Accident Rate

ISE B3



MSCI
ESG RATINGS*



CCC	B	BB	BBB	A	AA	AAA
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*As of 2021, M. Dias Branco received an MSCI ESG Rating of A (on a scale of AAA-CCC). More information available at: <https://ri.mdiasbranco.com.br/en/noticia/msci-esg-rating-of-a/>

M. DIAS BRANCO IS RECOGNIZED REGIONALLY AND ACROSS BRAZIL FOR ITS PERFORMANCE AND STRENGTH OF ITS BRANDS

M. Dias Branco



Best Company
in the
"Brazil Food"
category

**2nd YEAR
CONSECUTIVE**

FOLHA
**TOP of
MIND**
2021



Cream
Cracker
Category
(Salvador/BA)



Pasta
Category
(Brazil)



1ST PLACE



Largest Company

"Food and
Beverage Sector"
Northeast Region



1ST PLACE



**Ranking of 100
Leading
Companies**
in Innovation

**2nd YEAR
CONSECUTIVE**



**Among the Most
Transparent in
Brazil**

In the DFs Quality

**5th YEAR
CONSECUTIVE**

INVESTOR RELATIONS



Closing Share
Value

R\$ 32.0

11/11/2021

Financial Volume
Daily Average
(R\$ Million)

R\$ 48.4

11/11/2021

Dividend Yield
(Total Net Dividends paid
in 2021 / Share Price)

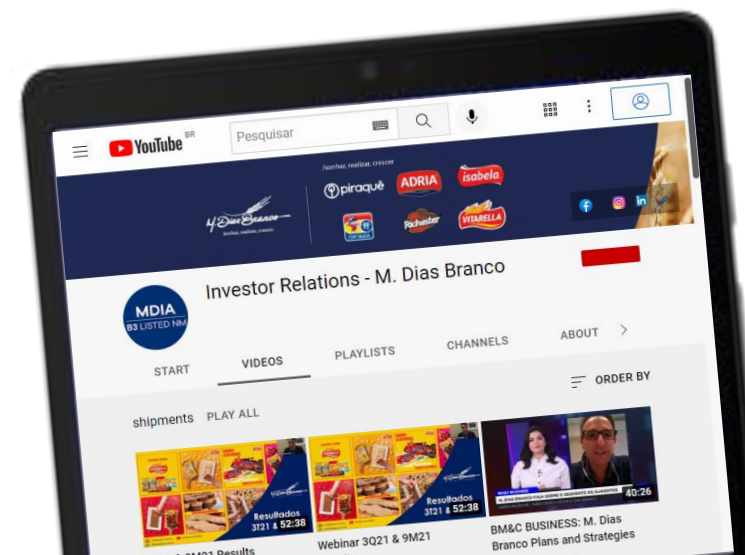
R\$ 1.8

11/11/2021

✓ BuyBack Program
Effective: Aug/21–Feb/23.

✓ New Dividend Policy
Disclosed in Dec/20.

✓ Official YouTube Channel Launch
Dedicated to the Company's IR themes.





Thanks!



www.ri.mdiasbranco.com.br



www.youtube.com/rimdias



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