



M. Dias Branco

Results

4Q20 | 2020



ri.mdiasbranco.com.br/en/



www.youtube.com/rimdias

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.





In 2020, M. Dias Branco's net revenue reaches R\$ 7.3 billion, 18.8% higher than in 2019.

Net income grows 37.2%.

- Sales volume +12% in 2020 (-16% in 4Q20)
- Increased market share: +1.5pp Cookies, +0.2pp Pasta and +1.3pp Flour
- Present in 93.0% of Brazilian households (92% in 2019)
- Exports +286% in 2020 (+208% in 4Q20)
- Higher costs due to the depreciation of the real against the U.S. dollar
- Structural efficiency and productivity gains from the *Multiplique* Project: R\$ 184 million in recurring gains in 2020 (equivalent to R\$ 438 million in annualized gains)
- EBITDA: R\$ 974 million in 2020, up 26% (R\$ 192 million in 4Q20, -34%)
- 0.4x Leverage (net debt/LTM EBITDA), down from 0.8x in 4Q19
- Cash generated: R\$ 693 million, up 1.6% in 2020 (consumption of R\$ 18 million in 4Q20)
- AAA rating with a stable outlook reaffirmed by Fitch Ratings
- Advances in Sustainability: we were included in the ISE / ICO2 portfolios
- Since the beginning of the pandemic, we donated over R\$ 28 MM in products (more than 5,000 tons) that have benefited around 150 institutions in 17 states.
- Launch of the new edition of the Germinar (Germinate) program, with R\$ 1 million to be invested

STRATEGIC PLANNING

PROFITABLE GROWTH



EFFICIENCY AND PRODUCTIVITY PROGRAM



In 2020, in line with our strategic planning, we grew double digits in the Attack Region (South, Southeast and Midwest), exports grew at an accelerated rate and we maintained our position in the Defense Region (North and Northeast)

2020 vs 2019

▼ **DEFENSE**

Total Net Revenue
R\$ 4.5 BILLION

Variation
+ 15%

▼ **ATTACK**

Total Net Revenue
R\$ 2.5 BILLION

Variation
+ 20%



🌐 **EXTERIOR**

Total Net Revenue
R\$ 189 MILLION

Variation
+ 286%

4Q20 vs 4Q19

▼ **DEFENSE**

Total Net Revenue
R\$ 1.1 BILLION

Variation
-2%

▼ **ATTACK**

Total Net Revenue
R\$ 582 MILLION

Variation
+ 0.4%

🌐 **EXTERIOR**

Total Net Revenue
R\$ 46 MILLION

Variation
+ 201%

OPERATING CATEGORIES 2020



NET REVENUE*	+18.8% R\$ 7,252.5
VOLUME SOLD**	+12.1% 1,986.9
AVERAGE PRICE***	+6.1% R\$ 3.65

COOKIES

NET REVENUE
+12.6%
R\$ 3,702.2

SOLD VOLUME
+11.7%
574.6

AVERAGE PRICE
+0.8%
R\$ 6.44

PASTA

NET REVENUE
+28.0%
R\$ 1,687.9

SOLD VOLUME
+22.0%
451.1

AVERAGE PRICE
+4.8%
R\$ 3.74

FLOUR AND BRAN

NET REVENUE
+26.5%
R\$ 1,297.0

SOLD VOLUME
+8.4%
855.3

AVERAGE PRICE
+16.9%
R\$ 1.52

MARGARIN E AND FAT

NET REVENUE
+25.7%
R\$ 420.6

SOLD VOLUME
+7.1%
90.1

AVERAGE PRICE
+17.3%
R\$ 4.67

OTHERS

NET REVENUE
+4.8%
R\$ 144.8

SOLD VOLUME
+9.0%
15.8

AVERAGE PRICE
-3.9%
R\$ 9.16

* Net Revenue (R\$ Millions);
** Volume Sold (Mil Ton.);
*** Average Price (R\$/Kg).

Demand retraction in 4Q20



COOKIES & CRACKERS

MARKET (VALUE)

(2020 VS 2019)

OCT. -1.6%

NOV. -6.8%

DEC. -0.2%

VAR. SHARE VOLUME

(M. Dias Branco – 4Q20 vs 4Q19)

+1.5pp

VAR. SHARE VALUE

(M. Dias Branco – 4Q20 vs 4Q19)

-0.2pp

PASTA

MARKET (VALUE)

(2020 VS 2019)

OCT. +5.7%

NOV. -3.4%

DEC. -0.6%

VAR. SHARE VOLUME

(M. Dias Branco – 4Q20 vs 4Q19)

+0.2pp

VAR. SHARE VALUE

(M. Dias Branco – 4Q20 vs 4Q19)

+0.4pp

OPERATING CATEGORIES 4Q20



NET REVENUE*	+0.4% R\$ 1,701.6
VOLUME SOLD**	-15.5% 415.7
AVERAGE PRICE***	+18.9% R\$ 4.09

COOKIES

NET REVENUE

-5.8%

R\$ 845.0

SOLD VOLUME

-10.0%

126.4

AVERAGE PRICE

+4.7%

R\$ 6.69

PASTA

NET REVENUE

+2.3%

R\$ 387.2

SOLD VOLUME

-9.9%

94.5

AVERAGE PRICE

+13.6%

R\$ 4.10

FLOUR AND BRAN

NET REVENUE

+4.8%

R\$ 302.6

SOLD VOLUME

-25.5%

163.9

AVERAGE PRICE

+41.2%

R\$ 1.85

MARGARIN E AND FAT

NET REVENUE

+40.2%

R\$ 132.1

SOLD VOLUME

+14.6%

26.7

AVERAGE PRICE

+22.5%

R\$ 4.95

OTHERS

NET REVENUE

-2.3%

R\$ 34.7

SOLD VOLUME

+20.0%

4.2

AVERAGE PRICE

-18.5%

R\$ 8.26

* Net Revenue (R\$ Millions);

** Volume Sold (Mil Ton.);

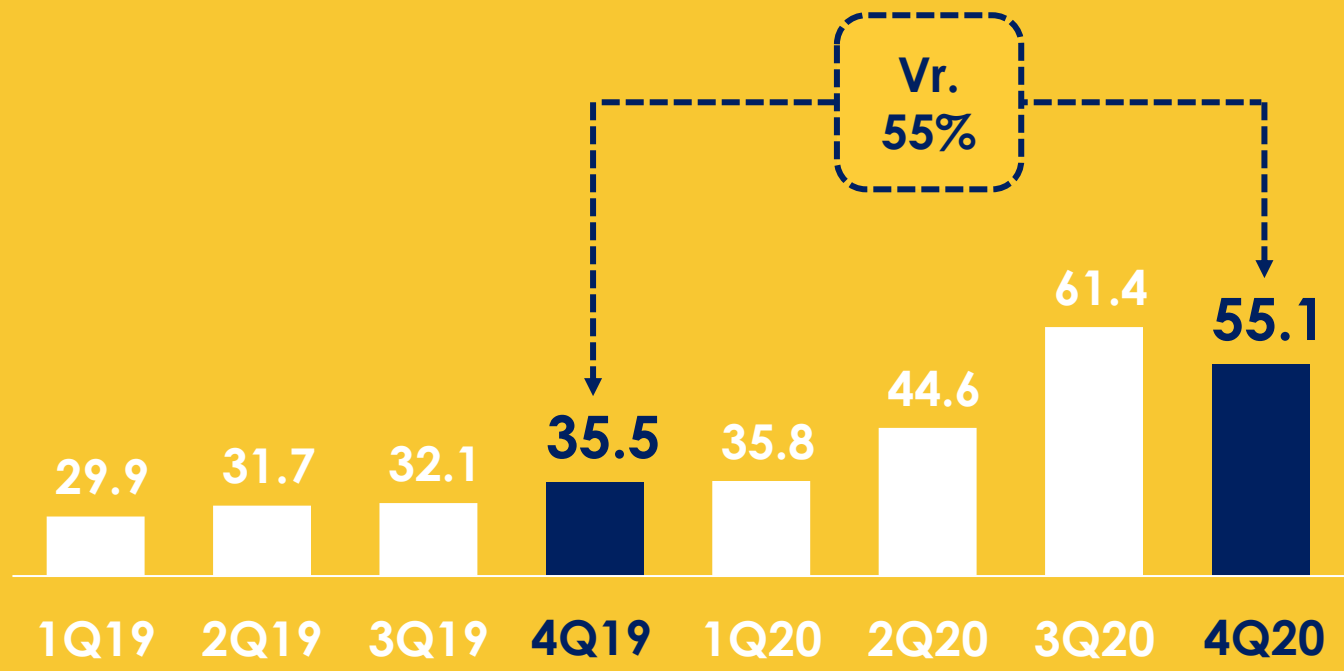
*** Average Price (R\$/Kg).

GROSS REVENUE FROM NEW PRODUCTS

COOKIES (R\$ MM)*







M. Dias Branco

In 2020 and 4Q20, new products contributed positively to revenue growth



* Products / Flavors Launched in the Last 24 Months

In 2020, we carried out the largest Marketing campaign in the history of M. Dias Branco, focusing on priority brands for growth. These brands showed increased penetration in households* in 2020

PIRAQUÊ	VITARELLA	ADRIA	FORTALEZA	RICHESTER	ISABELA
Online and offline media campaign	Cream Cracker Campaign	Cream Cracker Campaign Show, life happens in the details	Every Woman is a Stronghold	Evolved with Richester	Affection Recipe
					
HOME PENETRATION *	HOME PENETRATION **	HOME PENETRATION *	HOME PENETRATION *	HOME PENETRATION *	HOME PENETRATION *
2019 22.8	2019 44.6	2019 34.1	2019 25.7	2019 26.1	2019 13.8
2020 24.8	2020 45.4	2020 37.9	2020 27.1	2020 26.9	2020 14.2
+2.0	+0.8	+3.8	+1.4	+0.8	+0.4

MIX REVENUE*

SALES CHANNELS

M. Dias Branco operates in all retail formats. In 2020, in line with our growth strategy in the Attack region (South, Southeast and Midwest), we doubled the number of distributors, and this channel gained relevance and contributed to our growth

RETAIL	WHOLESALE	KEY ACCOUNTS / REGIONAL CHAINS	CASH & CARRY	DISTRIBUTORS	INDUSTRY	OTHERS
<div>2020</div> <div>27%</div>	<div>2020</div> <div>22%</div>	<div>2020</div> <div>21%</div>	<div>2020</div> <div>18%</div>	<div>2020</div> <div>7%</div>	<div>2020</div> <div>1%</div>	<div>2020</div> <div>4%</div>
<div>2019</div> <div>30%</div>	<div>2019</div> <div>24%</div>	<div>2019</div> <div>21%</div>	<div>2019</div> <div>19%</div>	<div>2019</div> <div>5%</div>	<div>2019</div> <div>1%</div>	<div>2019</div> <div>1%</div>

* Note: Mix of customers, considering gross revenue less discounts.



Distributors

We doubled the number
of distributors!!!

Focus on the

Attack region (South,
Southeast and Midwest)

NUMBER OF DISTRIBUTORS

	2019	2020	NEW
ATTACK REGION	14	42	+28
DEFENSE REGION	19	28	+09
TOTAL	33	70	+37

Acquired in 2018 and with 13% growth in Cookies & Crackers between 2020-2019, Piraquê consolidates itself as our brand with the highest added value in the category

	2019		2020
SHARE VOLUME	3.6	+0.5 →	4.1

(NIELSEN DATA - Cookies)

SHARE VALUE	6.0	+0.3 →	6.3
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(NIELSEN DATA - Cookies)

HOME PENETRATION	20.6	+2.8 →	23.4
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(KANTAR DATA - Cookies)





E-commerce

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

HIGHLIGHTS 2020

- Revenue of R\$ 10.9 million in 2020
- Demand growth as of Apr/20
- Increasing sales throughout 2020
- Cookies and Pasta are the main categories
- Piraquê and Adria are the outstanding brands



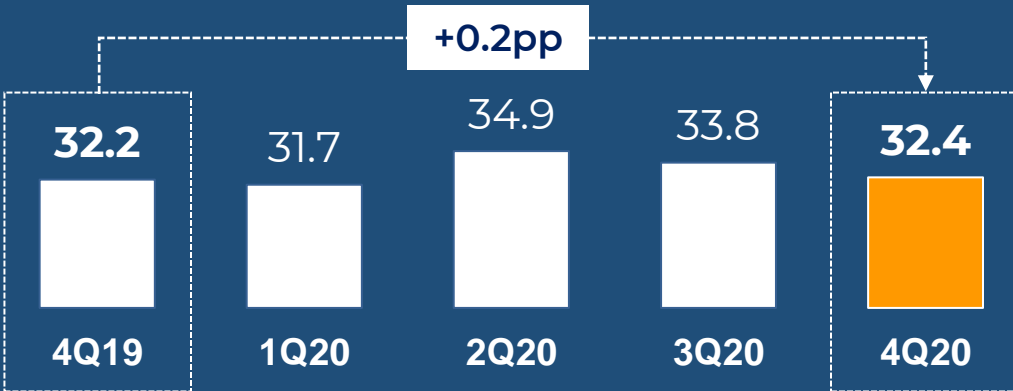
In Cookies and Pasta, we ended 2020 with an expansion of Market Share* Volume



COOKIES - M. DIAS BRANCO



PASTA - M. DIAS BRANCO



COOKIES - MARKET



PASTA - MARKET

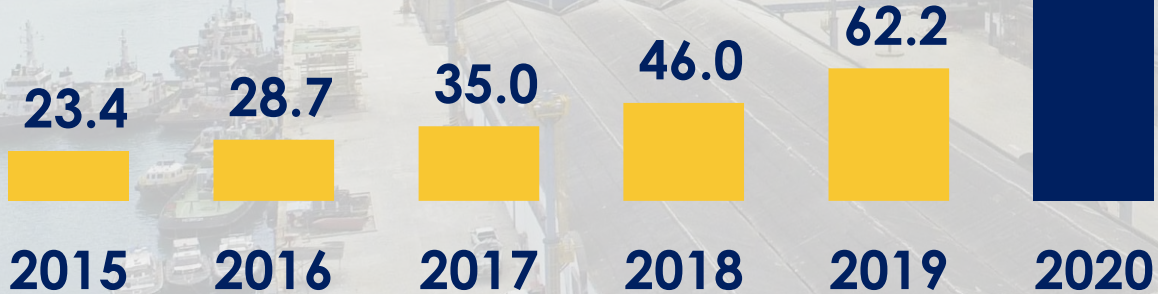


* Source: Nielsen

EXPORTS GROSS REVENUE (R\$ MM)



10 x greater than 2015



- ✓ Capture opportunities in flour, pasta and margarine
- ✓ Strong growth in *private label* sales in the USA
- ✓ Development of exclusive products for exports
- ✓ Reinforcement of the commercial structure, with the first team outside Brazil (Uruguay)

In 2020, we captured R\$ 184 million in efficiency and productivity gains through 188 initiatives of the
MULTIPLIQUE PROJECT



RECURRING GAINS
RECOGNIZED **IN 2020**

R\$ 184 MM

ANNUALIZED RECURRING
GAINS

R\$ 438 MM

Examples of **Multiplique Project** initiatives

Recurring gains in 2020 and annualized

R\$ 10 million in 2020 and R\$ 12 million annualized

Substitution of inputs and approval of new suppliers (ex: scents).

R\$ 9.5 million in 2020 and R\$ 13 million annualized

Transfer of the production of Vegetable Shortening from Piraquê to GME (Fortaleza, Ceará).

R\$ 10 million in 2020 and R\$ 14 million annualized

Logistics Network. Increase in the number of clients with direct service from the factories and reduction of stopping points in distribution centers.

R\$ 16 million in 2020 and R\$ 23 million annualized

Logistics. Fleet Profile adequacy.

R\$ 6 million in 2020 and R\$ 14 million annualized

Optimization, reduction and scale gains in general expenses: health plans, transportation, dining halls, meal/transport tickets, operator of trade marketing and consolidation of contracts (light fleet and cleaning).

R\$ 2 million in 2020 and R\$ 8 million annualized

Optimization of the organizational structure. Ex: unification of the industrial structure (leadership and operational).

In 2020, EBITDA was positively impacted by growth, efficiency and productivity gains and by extemporaneous tax credits, while the depreciation of the real against the U.S. dollar negatively impacted our costs

EBITDA 2019 (R\$ Million)	772
Price Effect, Volume, Recurring Expenses and Costs (without Exchange Effect)	422
Subtotal	1,194
Recurring Gains with Efficiency and Productivity Program Multiplique*	184
Subtotal	1,378
Exchange**	(688)
Positive Impact of the Hedge***	16
Subtotal	706
Non-Recurring Gains with Efficiency and Productivity Program Multiplique****	340
Expenses with COVID-19	(44)
Restructuring Expenses	(20)
Piraquê Integration Expenses	(8)
EBITDA 2020 (R\$ Million)	974

* Recurring gains in costs and expenses. Annualized value estimated at R\$ 438 Million.

** Exclusive impact of the devaluation of the Real against the Dollar. It does not take into account the price variations of commodities in dollars.

*** Total hedge effect of R\$ 25.0 million, with an impact on EBITDA of R\$ 16.2 million in 2020.

**** The main factor was the exclusion of ICMS tax from the PIS and COFINS tax base.

EBITDA 4Q19 (R\$ Million)	289
Price Effect, Volume, Recurring Expenses and Costs (without Exchange Effect)	(136)
Subtotal	153
Recurring Gains with Efficiency and Productivity Program Multiplique*	98
Subtotal	252
Exchange**	(198)
Positive Impact of the Hedge***	6
Subtotal	59
Non-Recurring Gains with Efficiency and Productivity Program Multiplique****	146
Expenses with COVID-19	(9)
Restructuring Expenses	(3)
Piraquê Integration Expenses	(1)
EBITDA 4Q20 (R\$ Million)	192

* Recurring gains in costs and expenses.

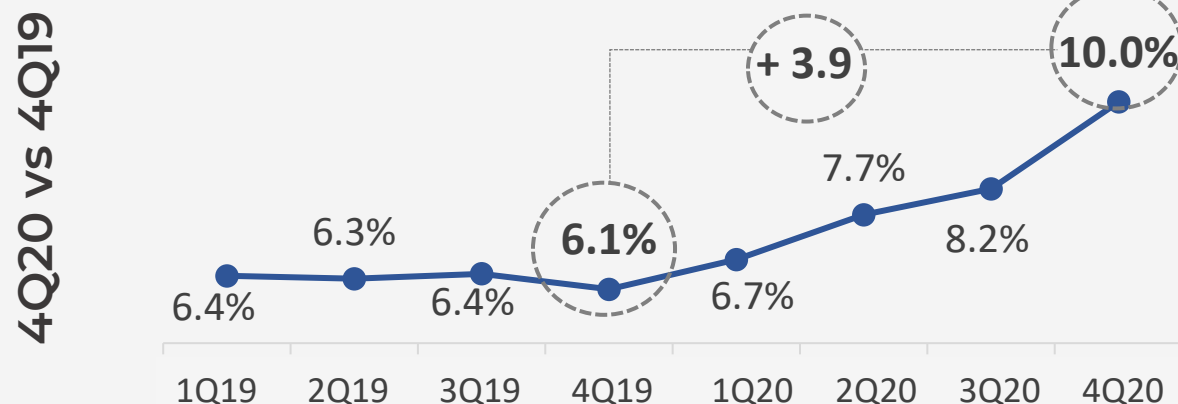
** Exclusive impact of the devaluation of the Real against the Dollar. It does not take into account the price variations of commodities in dollars.

*** Total hedge effect of R\$ 25.0 million, with an impact on EBITDA of R\$ 5.8 million in 4Q20.

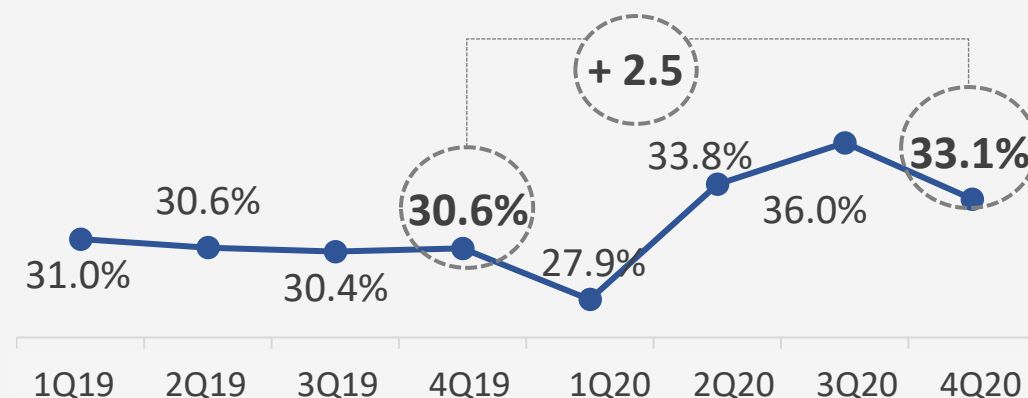
**** The main factor was the exclusion of ICMS tax from the PIS and COFINS tax base.

Strong increase in costs due to the depreciation of the real against the U.S. dollar and the increase in the price of commodities in dollars, represented in the graphs below as % of Net Revenue

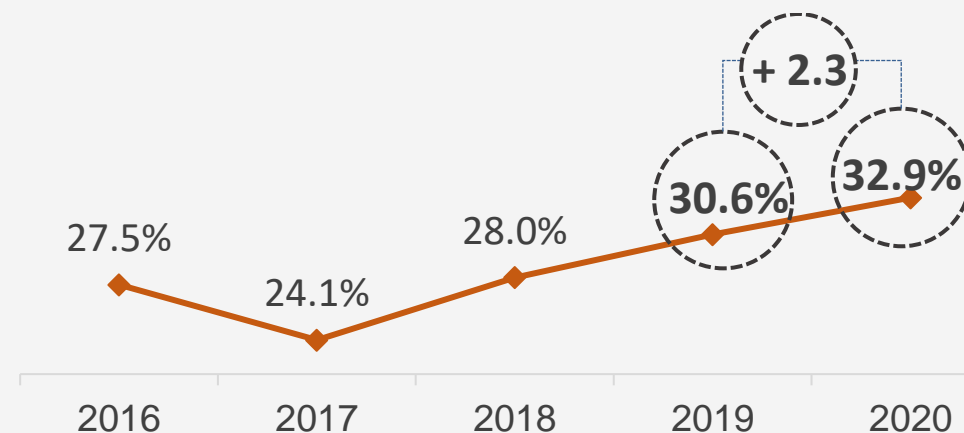
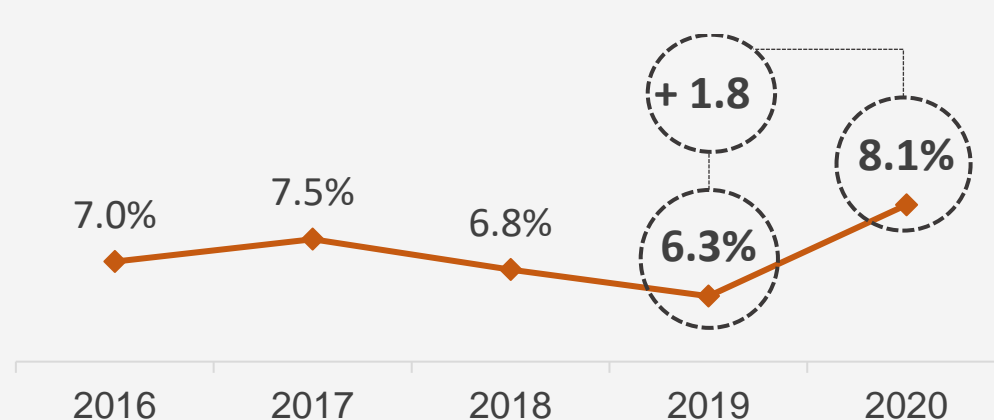
Third Party Vegetable Shortening and Oil Costs (%NR)



Third Party Wheat and Flour Costs (%NR)



2020 vs 2019



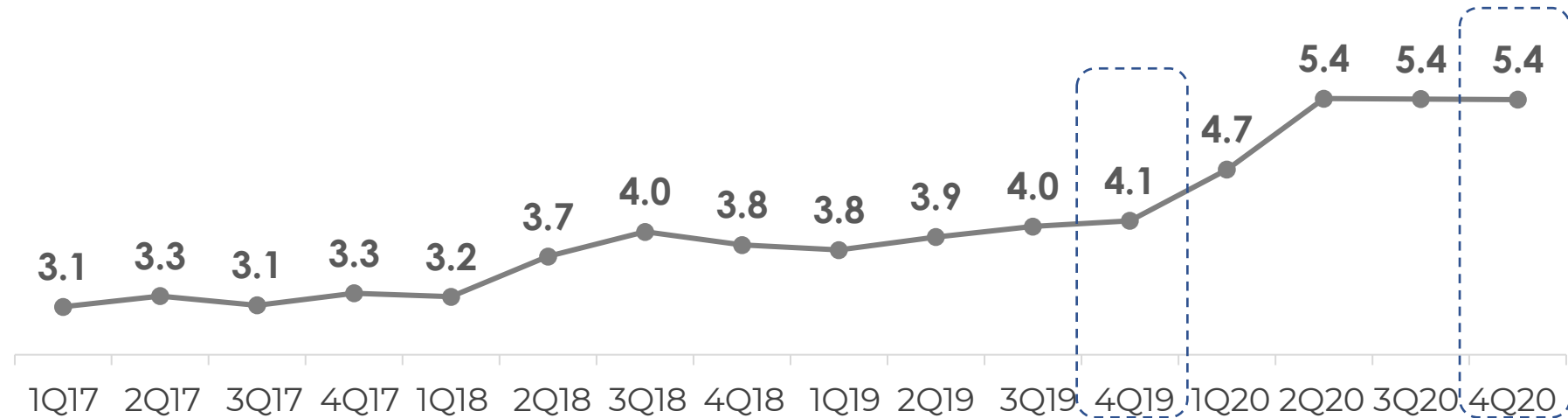
EVOLUTION OF WHEAT PRICES AND U.S. DOLLAR

MARKET VARIATION

+33.0%
4Q20 vs 4Q19

+32.9%
2020 vs 2019

AVERAGE QUARTERLY DOLLAR | CLOSING PTAX (R\$)

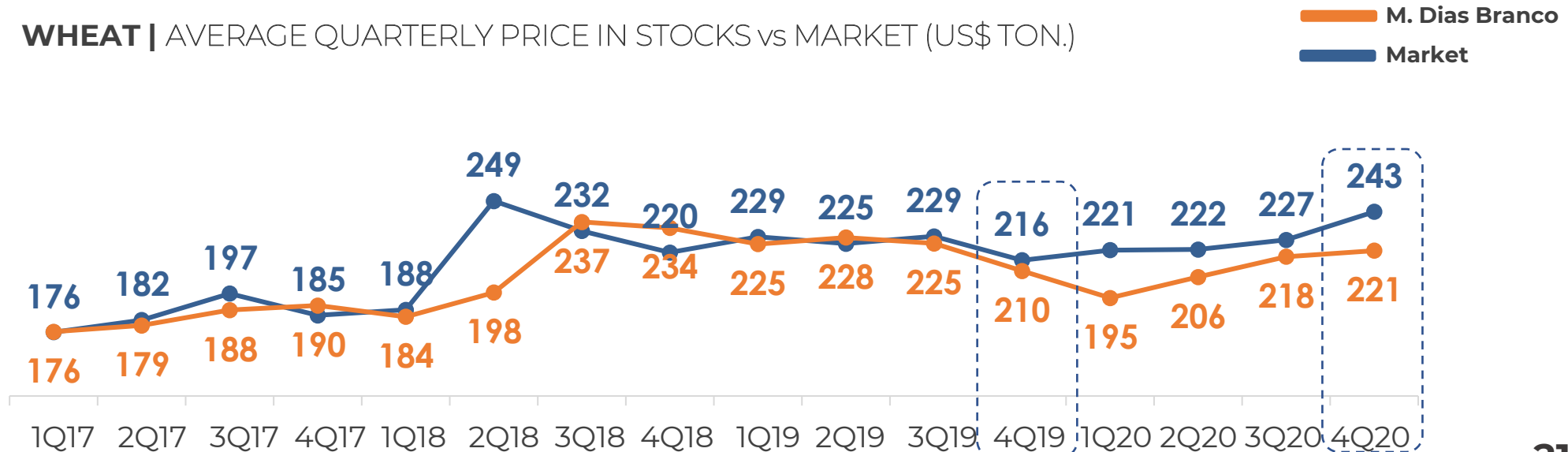


MARKET VARIATION

+12.5%
4Q20 vs 4Q19

+1.6%
2020 vs 2019

WHEAT | AVERAGE QUARTERLY PRICE IN STOCKS vs MARKET (US\$ TON.)



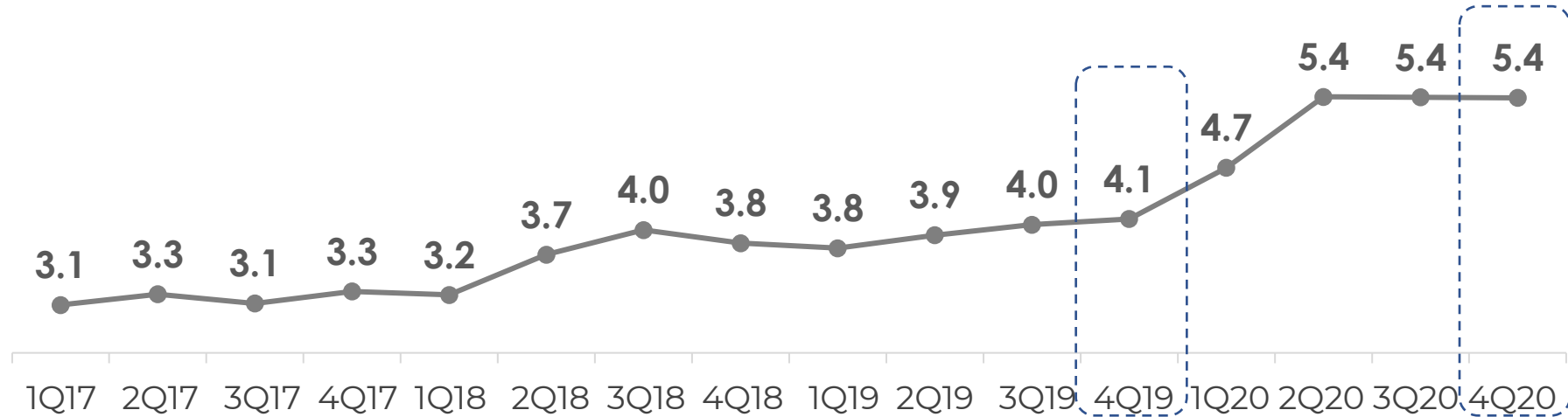
EVOLUTION OF PALM OIL PRICES AND U.S. DOLLAR

MARKET VARIATION

+33.0%
4Q20 vs 4Q19

+32.9%
2020 vs 2019

AVERAGE QUARTERLY DOLLAR | CLOSING PTAX (R\$)

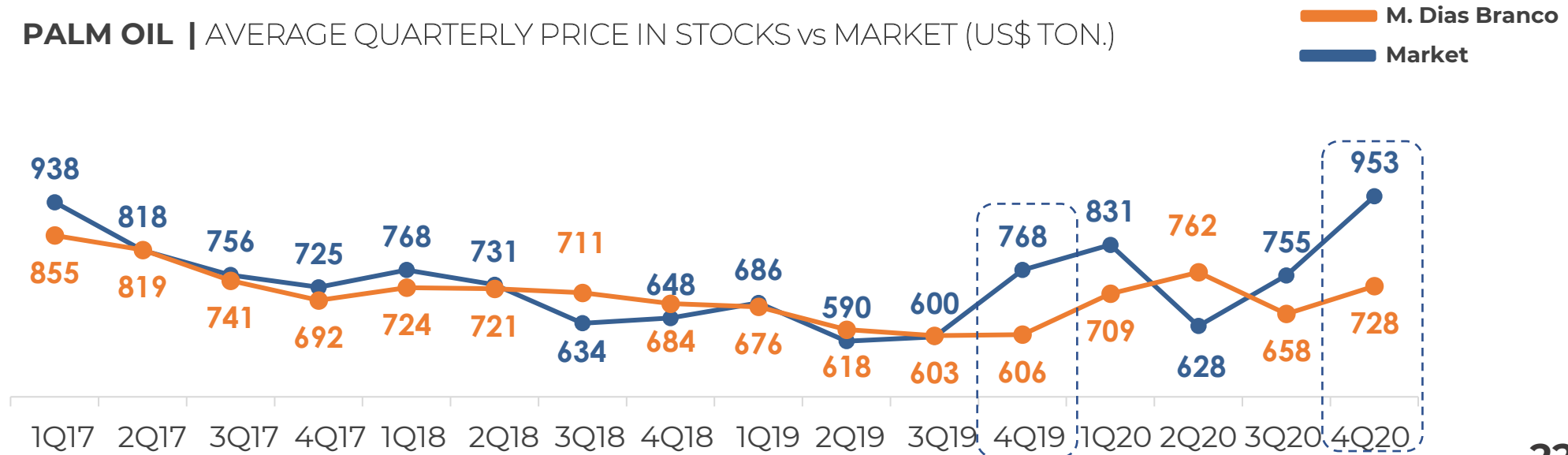


MARKET VARIATION

+24.0%
4Q20 vs 4Q19

+19.8%
2020 vs 2019

PALM OIL | AVERAGE QUARTERLY PRICE IN STOCKS vs MARKET (US\$ TON.)



HEDGE POLICY

JUL/20

START OF OPERATIONS

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)

DEC/20 Position

Foreign Exchange Hedge

US\$ 169 MM

PROTECTED POSITION (HEDGE)

72%

OF THE EXPOSURE OF THE 1ST
SEMESTER

Debt Hedge

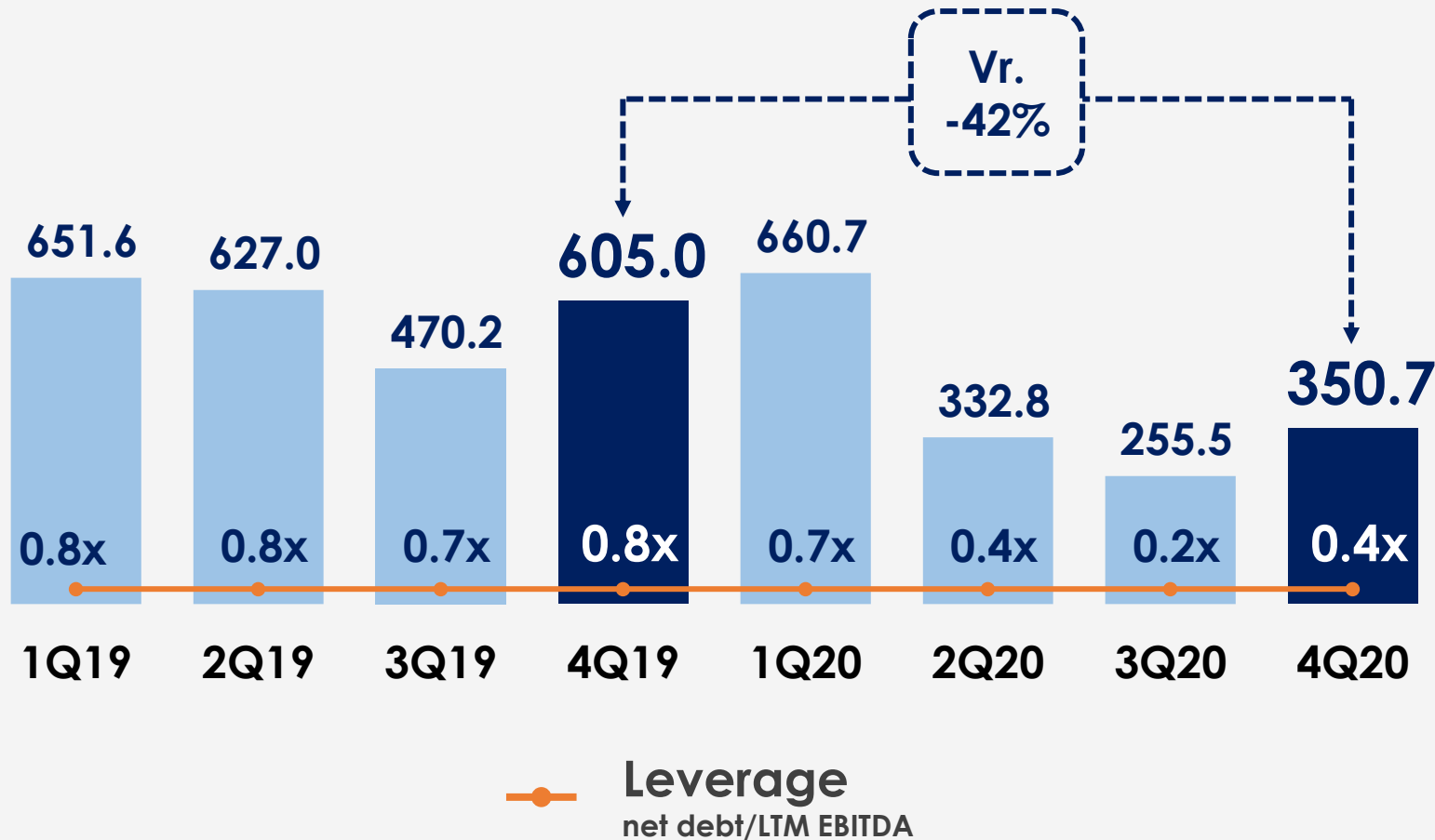
R\$ 856 MM

PROTECTED POSITION (HEDGE)

100%

OF EXPOSURE (Swap for CDI)

We ended 2020 with financial soundness, AAA rating with a stable outlook, net debt and leverage lower than 2019



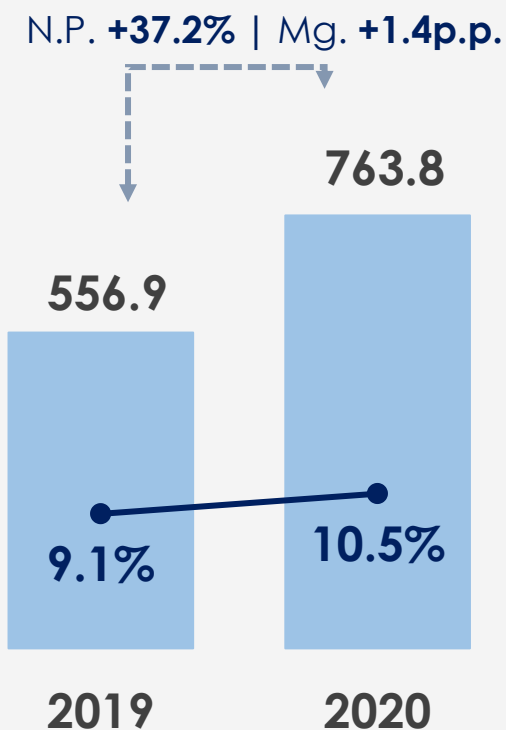
REAFFIRMED
**3rd CONSECUTIVE
YEAR**



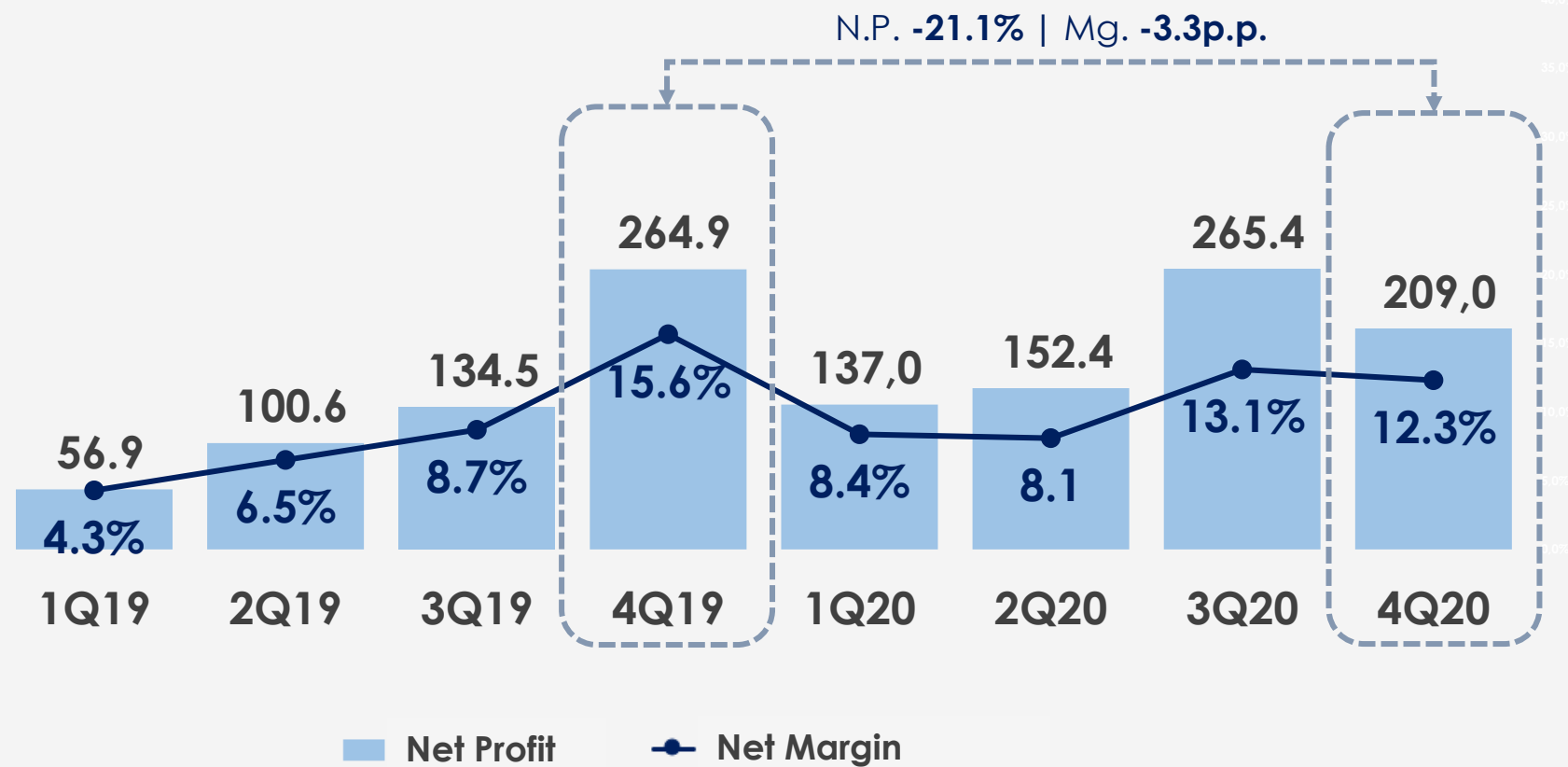
NET PROFIT NET MARGIN



YEAR



QUARTER



INVESTOR RELATIONS

CLOSING
SHARE
VALUE

R\$ 34.1

30/12/2020

FINANCIAL
VOLUME
DAILY AVERAGE

R\$ 45,7MM

2020

Growth of
+57.6%

INVESTORS INDIVIDUAL (THOUSAND)



RECOVERY PROGRAM

- Effective: January 2020 - July 2021.

NEW DIVIDEND POLICY

- 5 payments per year;
- *Minimum payout: 60%.*

YOUTUBE CHANNEL LAUNCH

- Dedicated to the Company's IR themes.



REMUNERATION TO SHAREHOLDERS

DISTRIBUTION 2020 | NEW DIVIDEND POLICY

MAIN CHANGES

5 payments per year

(4 fixed and 1 variable)

R\$ 0.05 per share

(fixed payments)

60% minimum payout*

PAYMENT SCHEDULE 2021

Period	Based on the Shareholding Position	Data de Pagamento
1Q21	apr/07	apr/22
2020	dec/23	may/03
2Q21	jun/16	jun/30
3Q21	sep/16	sep/30
4Q21	dec/16	dec/30

DISTRIBUTION

2020 vs 2019

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

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

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



HIGHLIGHTS INVESTMENTS



	4Q20	2020
Total (R\$ MM)	R\$ 66.3	R\$ 221.8
Variation (%)	-34.8 (vs 4Q19)	-31.0 (vs 2019)
Destination CAPEX	50.7% Maintenance 49.3% Capacity Expansion	43.6% Maintenance 56.4% Capacity Expansion

In 2020, R\$ 90 million of working capital.
Reduction of 5 days in the financial cycle

+12 Days

Days Payable Outstanding

-9 Days

Days of Sales Outstanding

+15 Days

Average Storage Time

- 01.** Renegotiation with main suppliers and main customers
- 02.** Constant and closer monitoring of cash flow and working capital
- 03.** Withdrawal Risk

M. Dias Branco



1st issue of CRAs by M. Dias Branco (settlement on March 24, 2021)



R\$ 811.6 TOTAL CAPTURED
(million)

R\$ 2.3 TOTAL DEMAND
(billion) **2.9x above the initial value**

Green Bond

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

REMUNERATION

1st Series

Maturity: 7 years

Rate: 3.79% + IPCA

2nd Series

Maturity: 10 years

Rate: 4.13% + IPCA



germinar

Partnership
Senai

Industrial Challenge

Total Investiment of
R\$ 1 million



germinar ventures

**Foodtechs e
Healthiness**



mandala
comidas especiais






Second Investment

www.mandalacomidas.com.br

SUSTAINABILITY STRATEGY



KPI's

✓		-9.9% (Kwh/Ton.) Energy Intensity
✓		-5.1% (M³/Ton.) Water Consumption
⊖		-4.1p.p. (Index %) Waste Recycling
✓		-1.9% (Kg/Ton.) Solid Waste Generation
=		-0.0p.p. (Frequency) Accident Rate

HIGHLIGHTS

- **22nd ABRASCA Award**
(2nd Place | Annual Report)
- **ESG Selection**
(Prepared by BB Investments)
- **10 Global Agreement Principles**
(Official Membership)
- **Participation in Sustainability Indexes:**
ISE (16th Portfolio)
ICO2 (Portfolio Jan/21-Apr/ 21)



Network Brazil
WE SUPPORT

ISE B3

ICO2 B3



AWARDS & RECOGNITIONS

ISTO É DINHEIRO



M. Dias Branco was the best company in the food category;

FOLHA AWARD



Top Food
Category National
Pasta;
1st Place Adria
4th Place Vitarella

TRANSPARENCY TROPHY



We won the
Transparency
Trophy for the 4th
consecutive year

ABRASCA AWARD



2nd place in the
award
Annual report

100 OPEN STARTUPS



M. Dias Branco is included in the ranking of companies that stood out the most in open innovation in the country



THANKS

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and Controllershship

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