

TEM DIFERENÇA. TEM SABOR.



SABOREIE AS DIFERENÇAS:



A COBERTURA COM CHOCOLATE DE VERDADE



COM RECHEIO OU SEM RECHEIO



M. Dias Branco

Results
3Q21 & 9M21

ri.mdiasbranco.com.br

youtube.com/rimdias

ri@mdiasbranco.com.br

The statements contained in this document related to the management's views on the business of M. Dias Branco are merely trends and, as such, are based exclusively on management's perspective on the continuity of past and present actions, based on facts that have already occurred. These trends do not constitute projections or estimates, and may be substantially altered by changes in market conditions, the performance of the Brazilian economy, the sector and international markets.

Results in line with our profitable growth strategy

- ✓ **R\$ 2.2 billion** in net revenue, **a record for a quarter**;
- ✓ **Quarterly record of the contribution of cookie launches.** Gross Revenue of R\$ 79.7 million in 3Q21;
- ✓ We continue prospecting **new partnerships**, including in e-commerce;
- ✓ With discipline and productivity and efficiency programs, **we structurally reduced the level of selling and administrative expenses**, that represented 16.6% and 3.0% respectively in 3Q21;
- ✓ **EBITDA margin** returns to double digits, **13.1%** in 3Q21;
- ✓ The evolution of EBITDA in 2021 and the management of working capital, contributed to the generation of **R\$ 426 million of operating cash in 3Q21**, 3x higher than in 3Q20;
- ✓ **Net cash position (0.1x EBITDA) in 3Q21** and reaffirmation of the Rating AAA Stable Outlook;
- ✓ In sustainability, **reaffirmation of Rating A on the ESG MSCI.**

M. Dias Branco is recognized regionally and across Brazil for its performance and the strength of its brands



Best Company
in the
"Foods of Brazil"
category"

**2nd YEAR
CONSECUTIVE**



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**

Acquisition of Latinex for R\$ 180 million, reaching up to R\$ 272 million, reinforces M. Dias Branco's presence in healthy foods and snacks, in addition to marking its entry into the seasoning, sauces and condiments segments (Closing in 11/03/21)



Nutritional Options
Healthy Food



Snacks subcategory
"Potato Chips" and
"Tex/Mex"



Salts and
Spices



Sauces and
Condiments

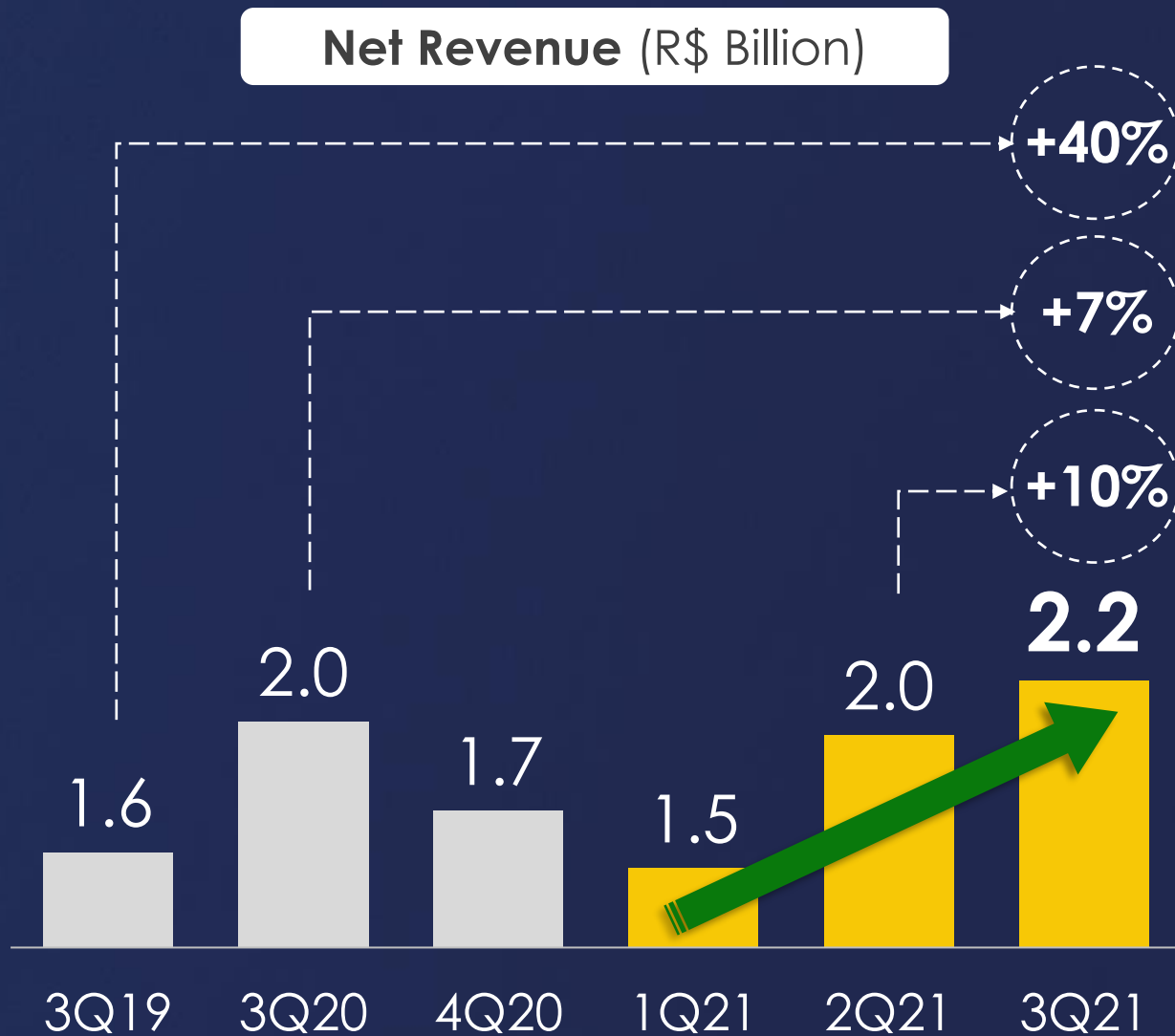


Handicraft Potato Chips
Licence Distribution

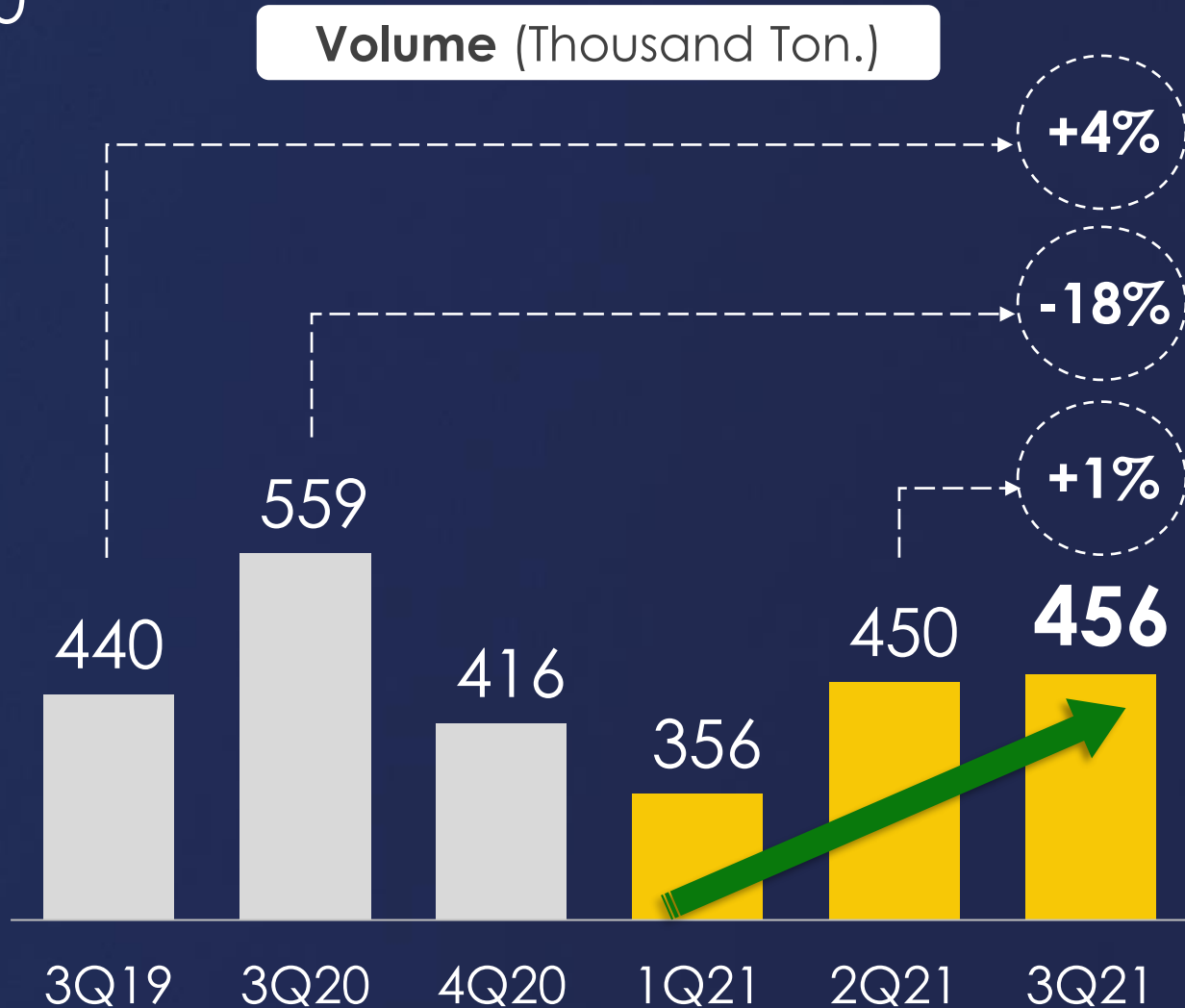


latinex
brands

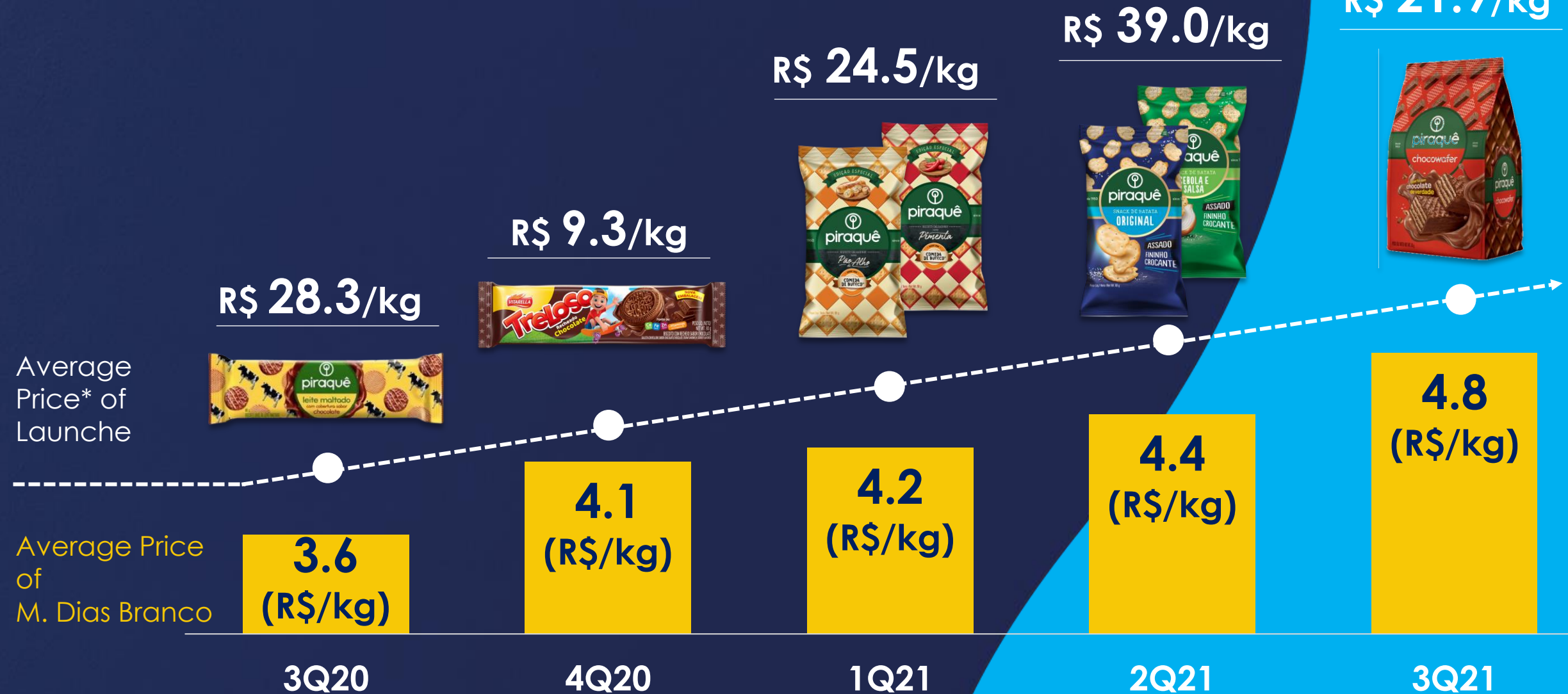
Recovery of Net Revenue throughout 2021 and record for a quarter



Volume growth throughout 2021. The reduction compared to 3Q20 was due to the atypical and temporary increase in demand during 2020



Consistent evolution in average price due to our pricing policy and launches of products with greater added value

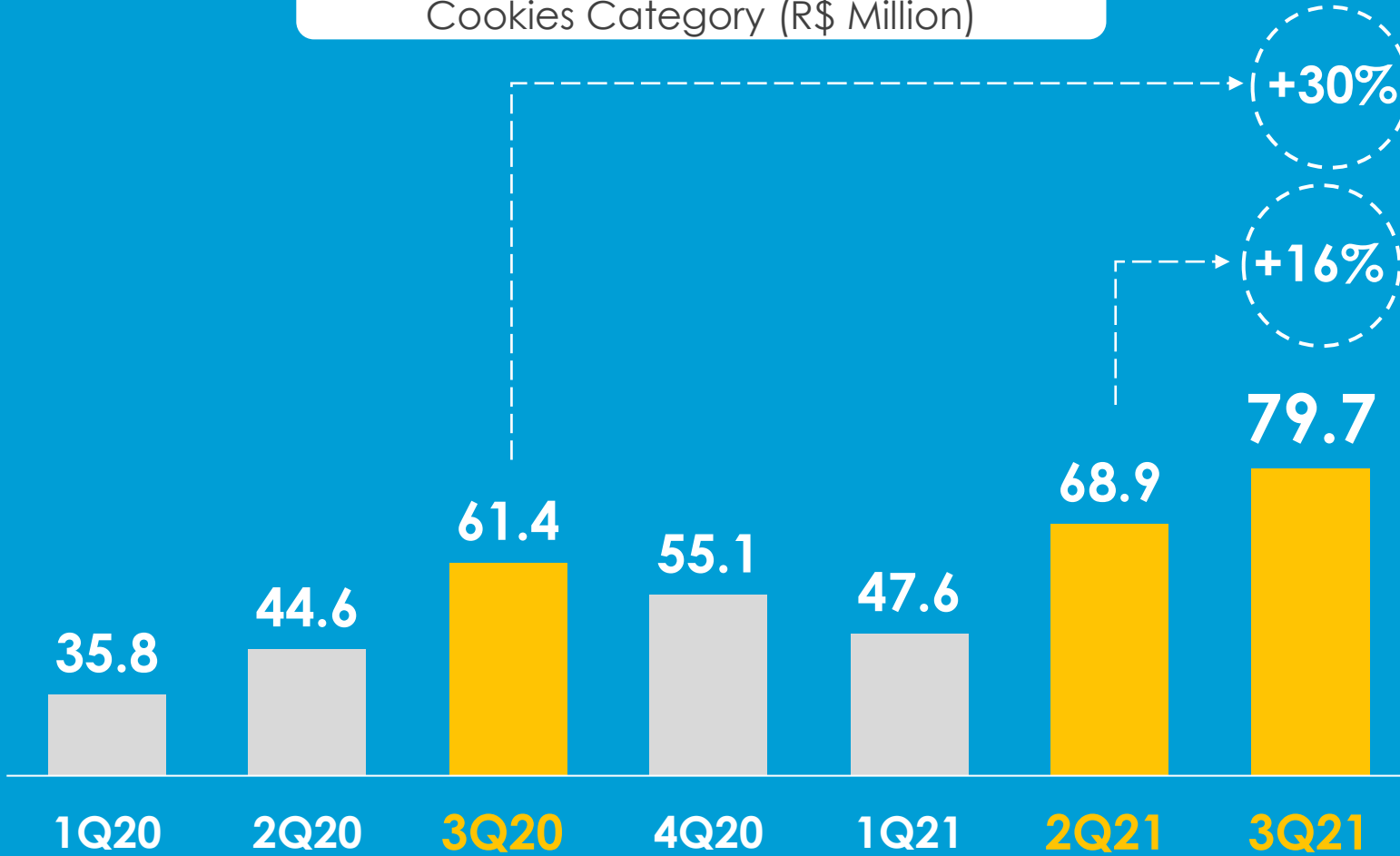


*Values represent net revenue per kg

Increased share of cookies launches* in quarterly revenue



Gross Revenue Launches
Cookies Category (R\$ Million)



* Products / Flavors Launched in the Last 24 Months

Operating Categories 3Q21 vs. 2Q21



NET REVENUE
(R\$ Million) **+10%**
R\$ 2,180

SALES VOLUME
(‘000 Tonnes) **+1%**
456

AVERAGE PRICE
(R\$ / Kg) **+9%**
R\$ 4.8

COOKIES & CRACKERS

NET REVENUE

+12%
R\$ 1,129

SALES VOLUME

+4%
144

AVERAGE PRICE

+8%
R\$ 7.9

PASTA

NET REVENUE

+0,1%
R\$ 459

SALES VOLUME

-7%
96

AVERAGE PRICE

+7%
R\$ 4.8

WHEAT FLOUR AND BRAN

NET REVENUE

+8%
R\$ 387

SALES VOLUME

+2%
188

AVERAGE PRICE

+6%
R\$ 2.1

MARGARINE AND VEGETABLE SHORTENING

NET REVENUE

+45%
R\$ 162

SALES VOLUME

+29%
24

AVERAGE PRICE

+12%
R\$ 6.7

OTHERS

NET REVENUE

+6%
R\$ 43

SALES VOLUME

-2%
4

AVERAGE PRICE

+9%
R\$ 10.9 10

Operating Categories

3Q21 vs. 3Q20



NET REVENUE
(R\$ Million) **+7%**
R\$ 2,180

SALES VOLUME
(‘000 Tonnes) **-18%**
456

AVERAGE PRICE
(R\$ / Kg) **+32%**
R\$ 4.8

COOKIES & CRACKERS

NET REVENUE
+11%
R\$ 1,129

SALES VOLUME
-9%
144

AVERAGE PRICE
+21%
R\$ 7.9

PASTA

NET REVENUE
+0,3%
R\$ 459

SALES VOLUME
-21%
96

AVERAGE PRICE
+27%
R\$ 4.8

WHEAT FLOUR AND BRAN

NET REVENUE
-3%
R\$ 387

SALES VOLUME
-25%
188

AVERAGE PRICE
+29%
R\$ 2.1

MARGARINE AND VEGETABLE SHORTENING

NET REVENUE
+40%
R\$ 162

SALES VOLUME
-3%
24

AVERAGE PRICE
+45%
R\$ 6.7

OTHERS

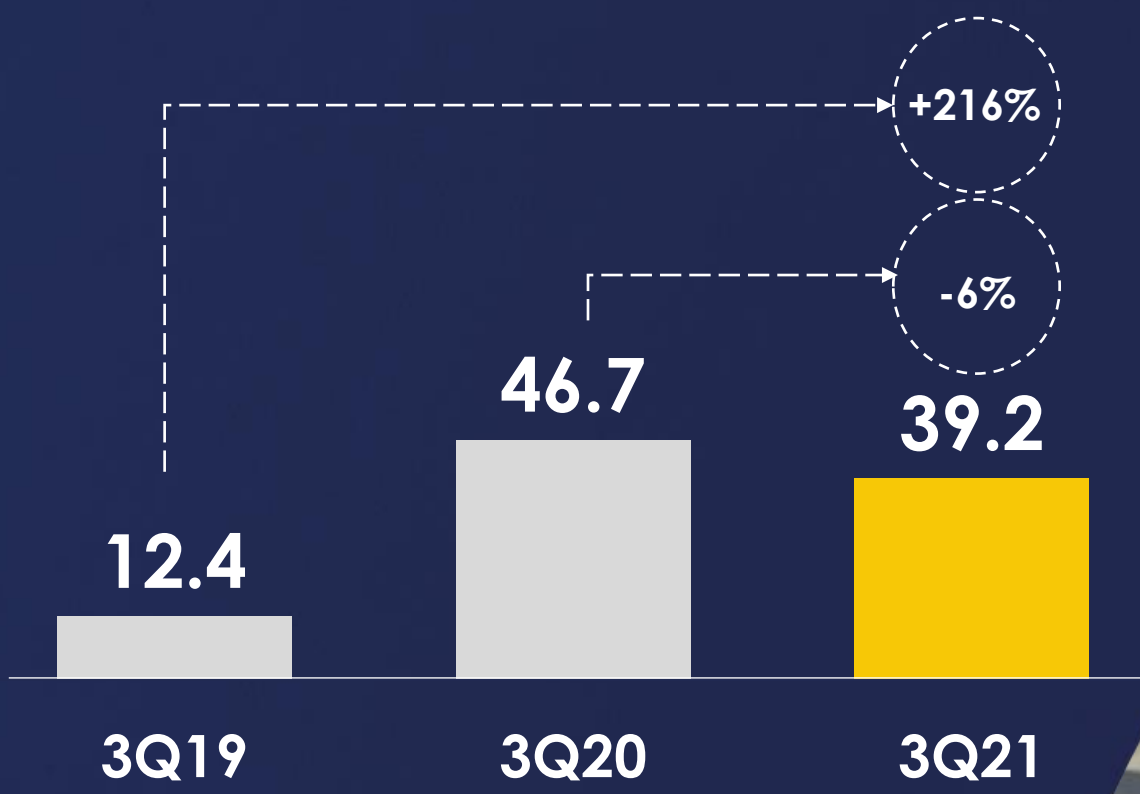
NET REVENUE
+5%
R\$ 43

SALES VOLUME
-13%
4

AVERAGE PRICE
+20%
R\$ 10.9

Continuity of the growth strategy in the foreign market. Decrease in exports vs. 3Q20 is mainly a reflection of the shortage of containers and higher freight costs

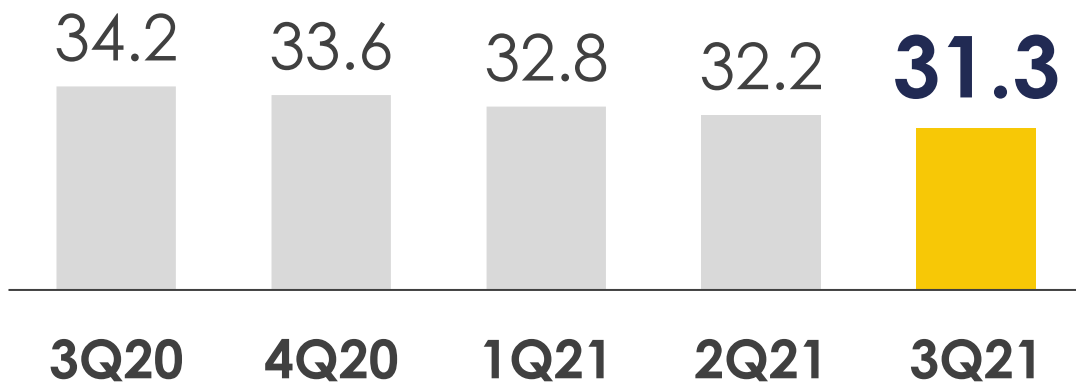
Exports Net Revenue (R\$ Million)



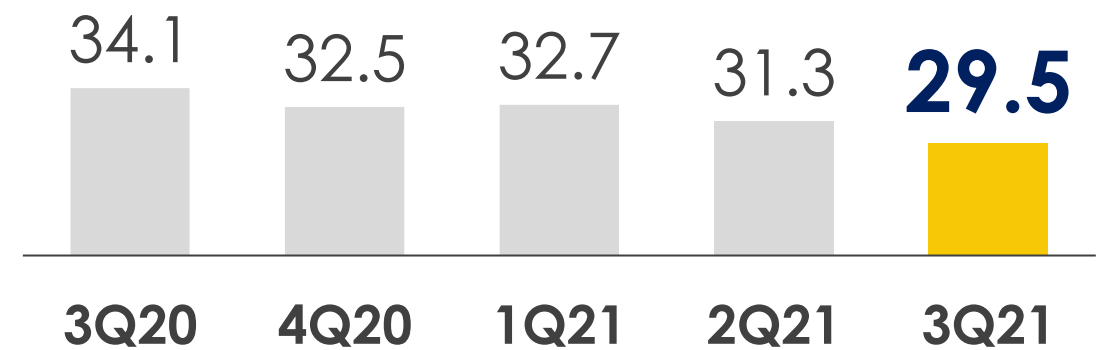
Market Share retraction due to price readjustments



COOKIES & CRACKERS M. DIAS BRANCO



PASTA M. DIAS BRANCO



Growth in Net Revenue in the two commercial areas in Brazil (Defense and Attack)

Net Revenue
Variation

vs. 3Q20

vs. 2Q21

DEFENSE

North and Northeast

+ 10%

+ 13%

ATTACK

Midwest, Southeast and South

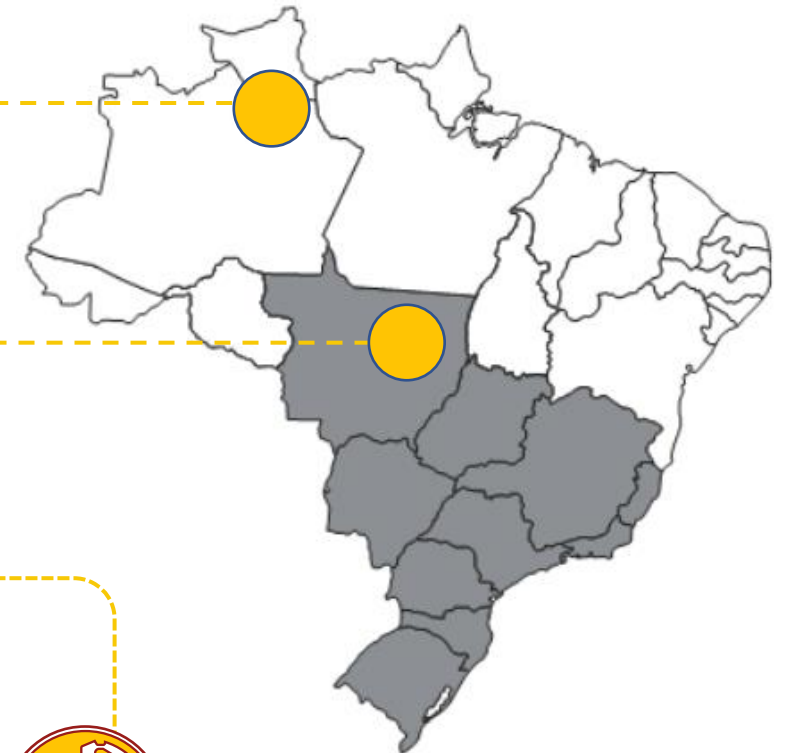
+ 5%

+ 6%

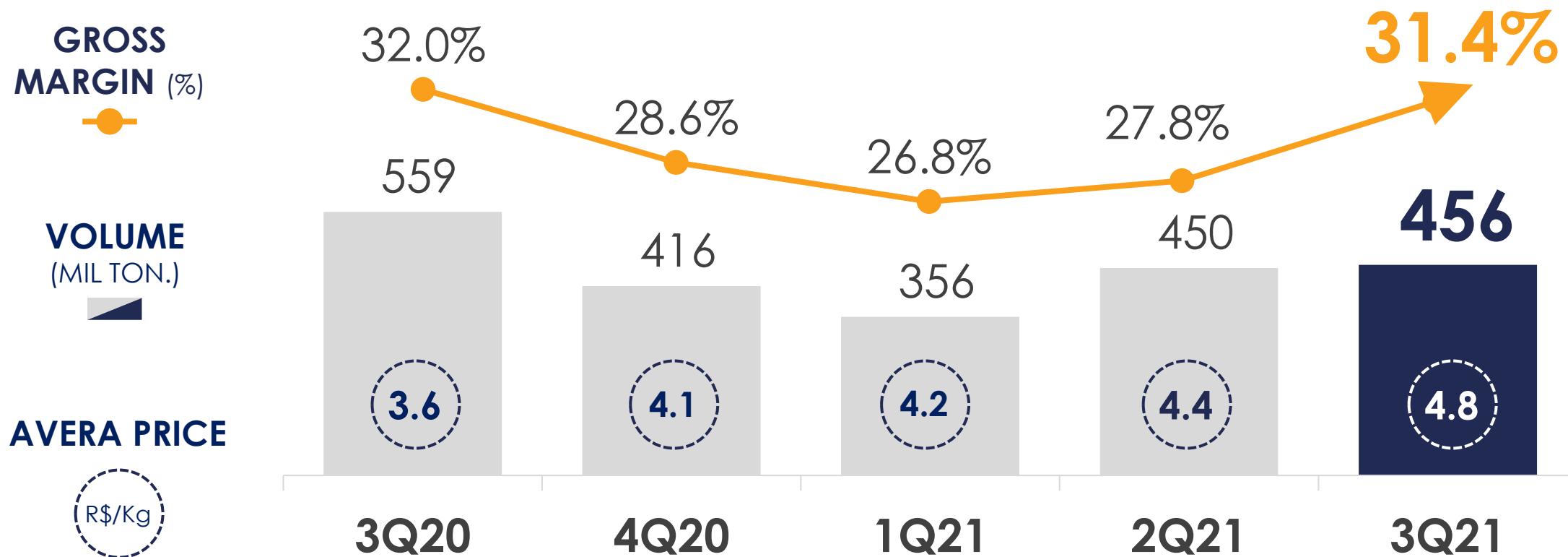
EXPORTS

- 16%

- 6%

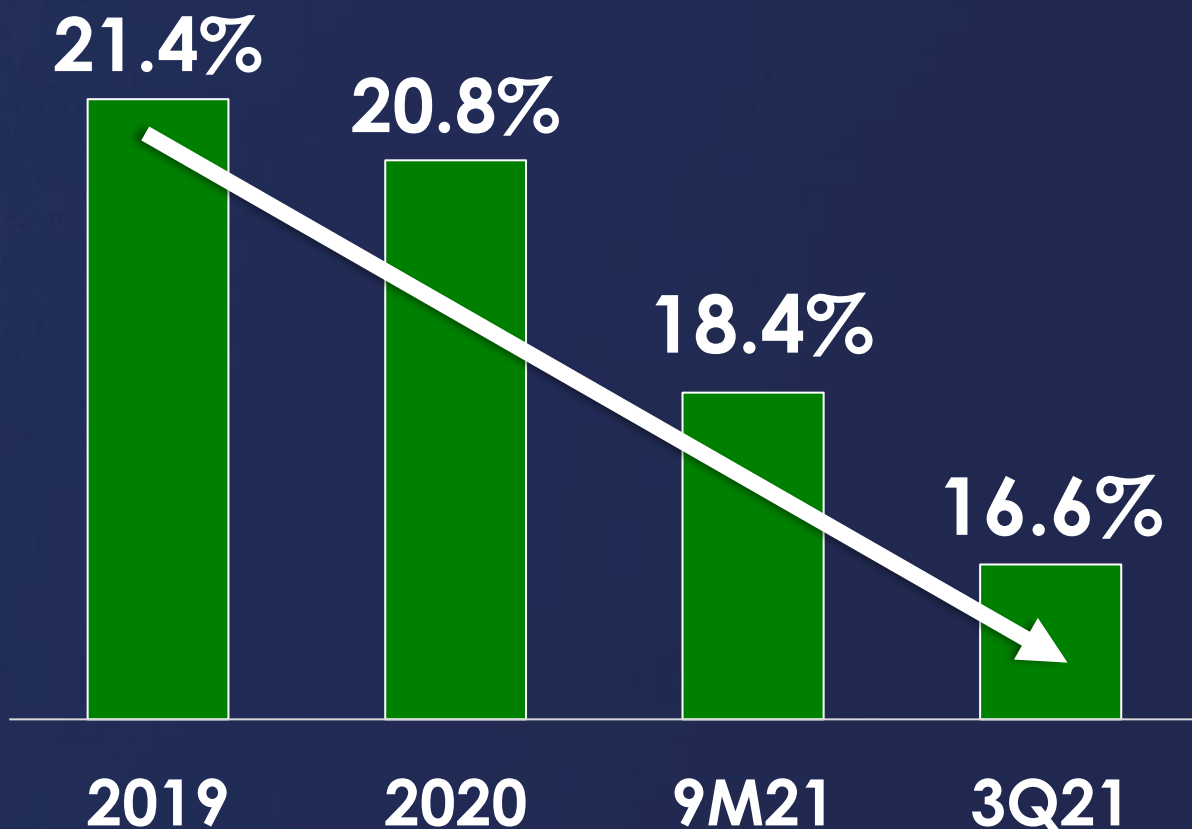


Gross Margin Increase due the result of volume recovery, increase in average price and gains in productivity and efficiency



Structural reduction in selling expenses !!!

Selling Expenses (% NR)



Commercial

- ✓ Adequacy of the number of promoters
- ✓ Renegotiation of marketing contracts

Logistics

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

Structural reduction of administrative expenses !!!

Administrative Expenses (% NR)



Administrative

- ✓ New organizational structure
- ✓ Payroll Outsourcing
- ✓ Optimization in the hiring of general services

WHEAT AND PALM OIL: PRICE EVOLUTION (US\$ TONNES)

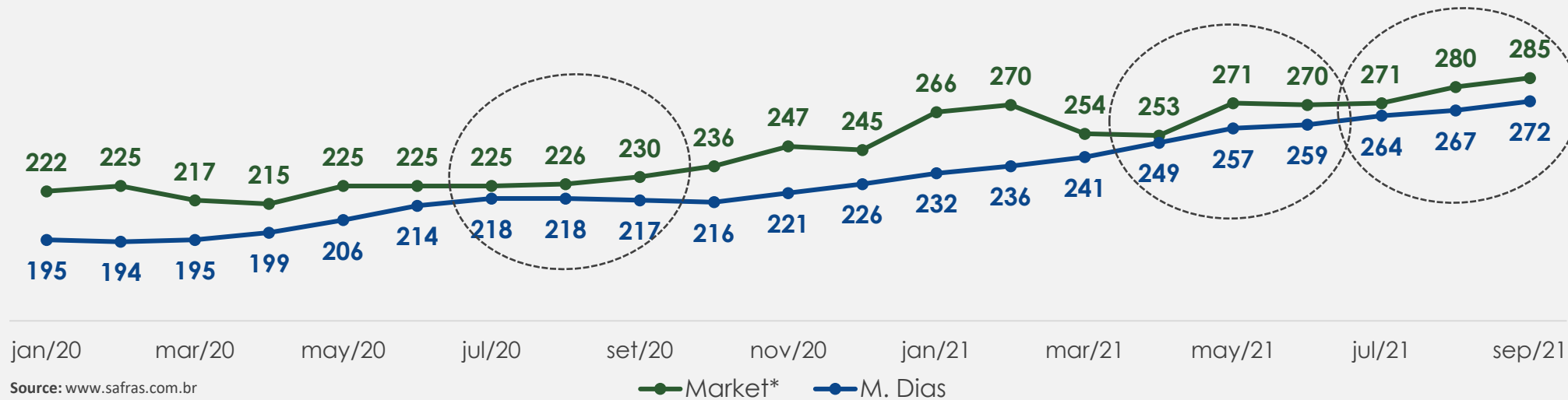


**QUARTERLY
CHANGE
AVERAGE PRICE
M. DIAS BRANCO**

+23.0%
vs 3Q20

+5.0%
vs 2Q21

Wheat - Average Purchase Price (M. Dias Inventories US\$ TONNES) x Market Price (US\$ TONNES)

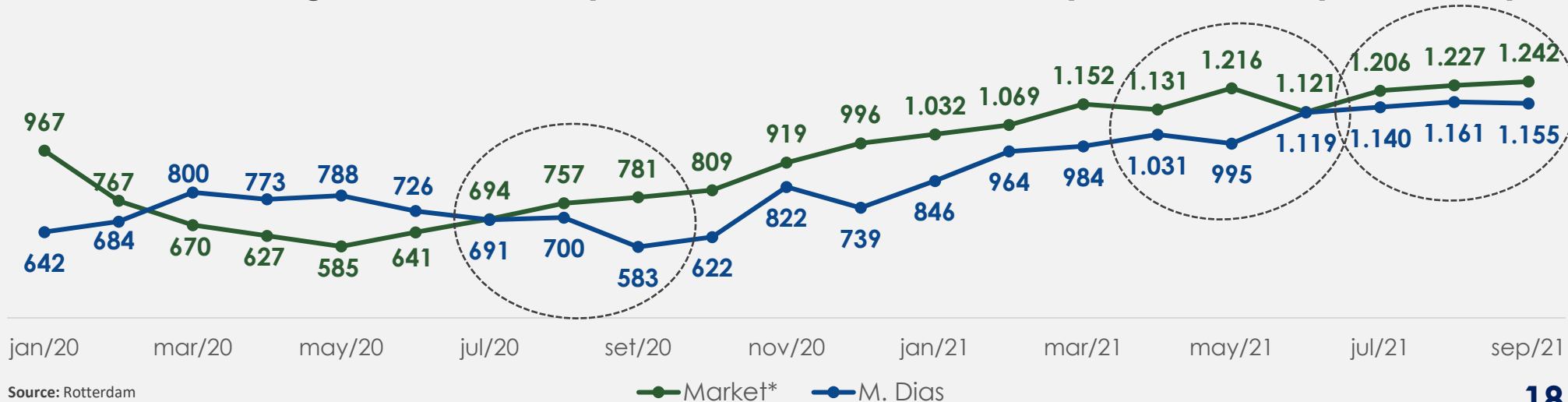


**QUARTERLY
CHANGE
AVERAGE PRICE
M. DIAS BRANCO**

+64.7%
vs 3Q20

+6.0%
vs 2Q21

Palm Oil - Average Purchase Price (M. Dias Inventories US\$ TONNES) x Market Price (US\$ TONNES)



Even with pressure from commodities and exchange rate, 3Q21 EBITDA grows vs. the 2Q21

3Q21 vs. 2Q21

+1.4%

Sales Volume

+5.4%

Production Volume

+5.0%

Wheat*

+6.0%

Palm Oil*

EBITDA 2Q21 (R\$ MM)	167.2
Operational Effects ⁽¹⁾	114.4
Subtotal	281.6
Exchange ⁽²⁾	6.9
Subtotal	288.5
Non-Recurring Gains ⁽³⁾	17.3
Expenses with COVID-19	-5.8
Restructuring Expenses	-13.4
EBITDA 3Q21 (R\$ MM)	286.6

EBITDA 3Q20 (R\$ MM)	328.0
Operational Effects ⁽¹⁾	-29.1
Subtotal	298.9
Exchange ⁽²⁾	-10.4
Subtotal	288.5
Non-Recurring Gains ⁽³⁾	17.3
Expenses with COVID-19	-5.8
Restructuring Expenses	-13.4
EBITDA 3Q21 (R\$ MM)	286.6

3Q21 vs. 3Q20

-18.3%

Sales Volume

-17.4%

Production Volume

+23.0%

Wheat*

+64.7%

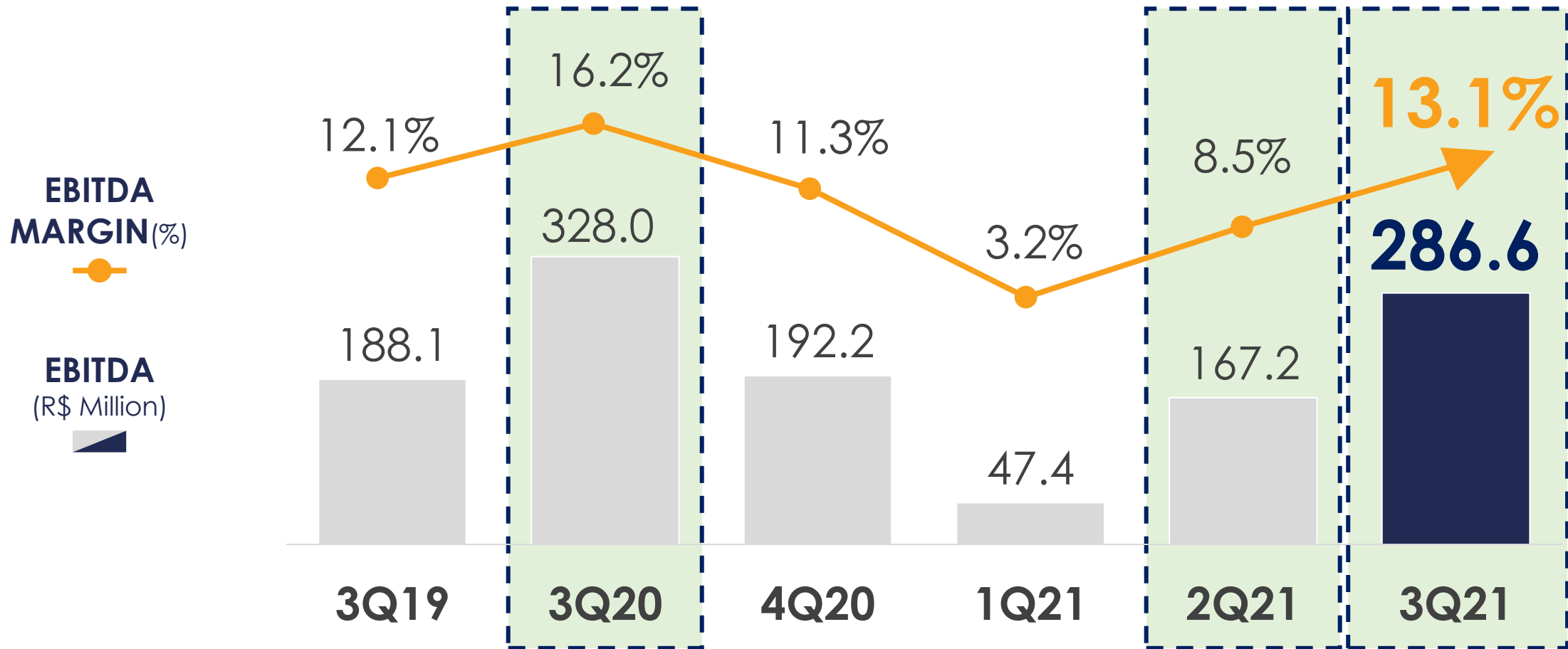
Palm Oil*

(1) Price Effect, Sales Volume, Recurring Expenses, Costs (without Exchange Effect) and Recurring Gains with Efficiency and Productivity Program.

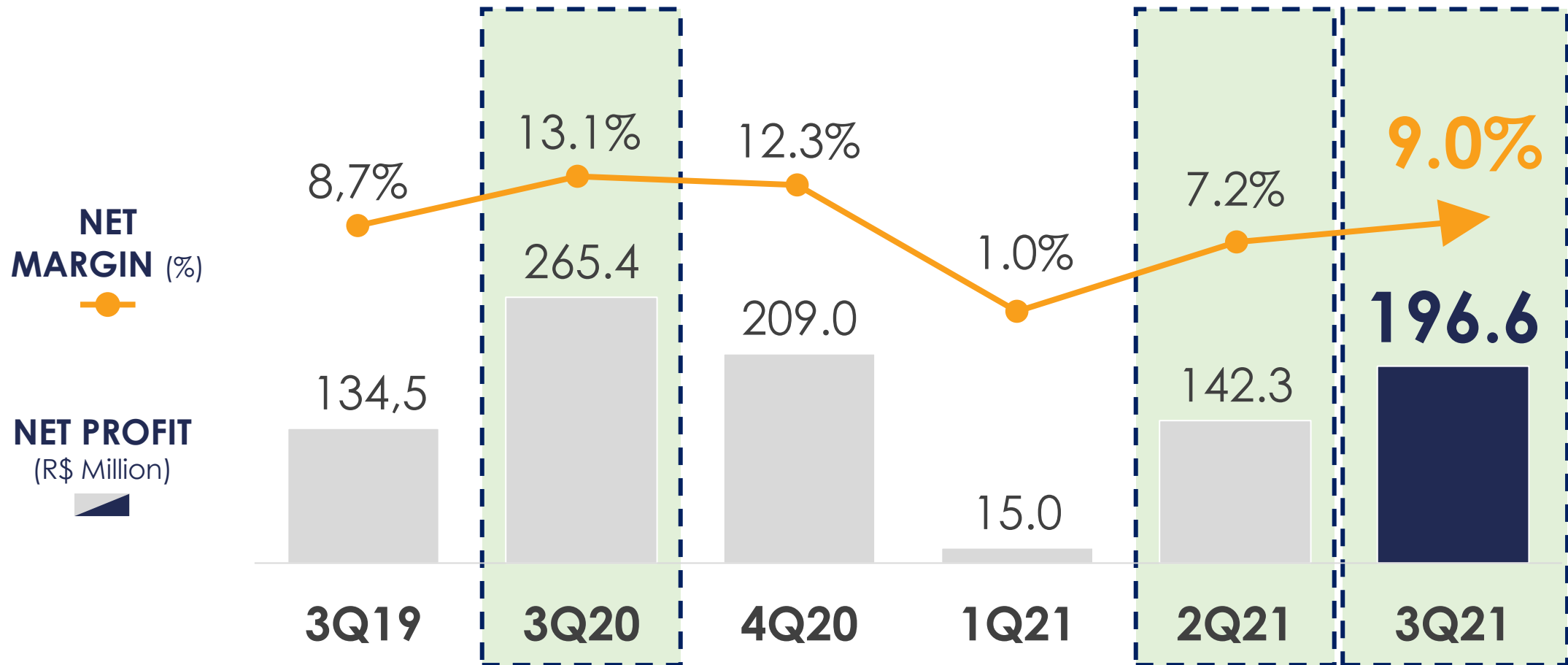
(2) Impact of the Real against the Dollar. It does not take into account the price variations of commodities in Dollars.

(3) Non-Recurring Gains: (i) adjustment of Piraquê acquisition value, (ii) PIS/COFINS credit and (iii) others.

EBITDA margin returns to double digits, with increased volumes, price management, greater dilution of fixed costs and gains in productivity and efficiency



Net income and net margin grow sequentially,
due the result of the increase in EBITDA



Working Capital Average Term

We continue to capture gains in our working capital structure, especially in the average payment term with:

- ✓ Renegotiation with main suppliers;
- ✓ Lengthening of terms depending on the drawn risk;

Average term payment



Average term receivable

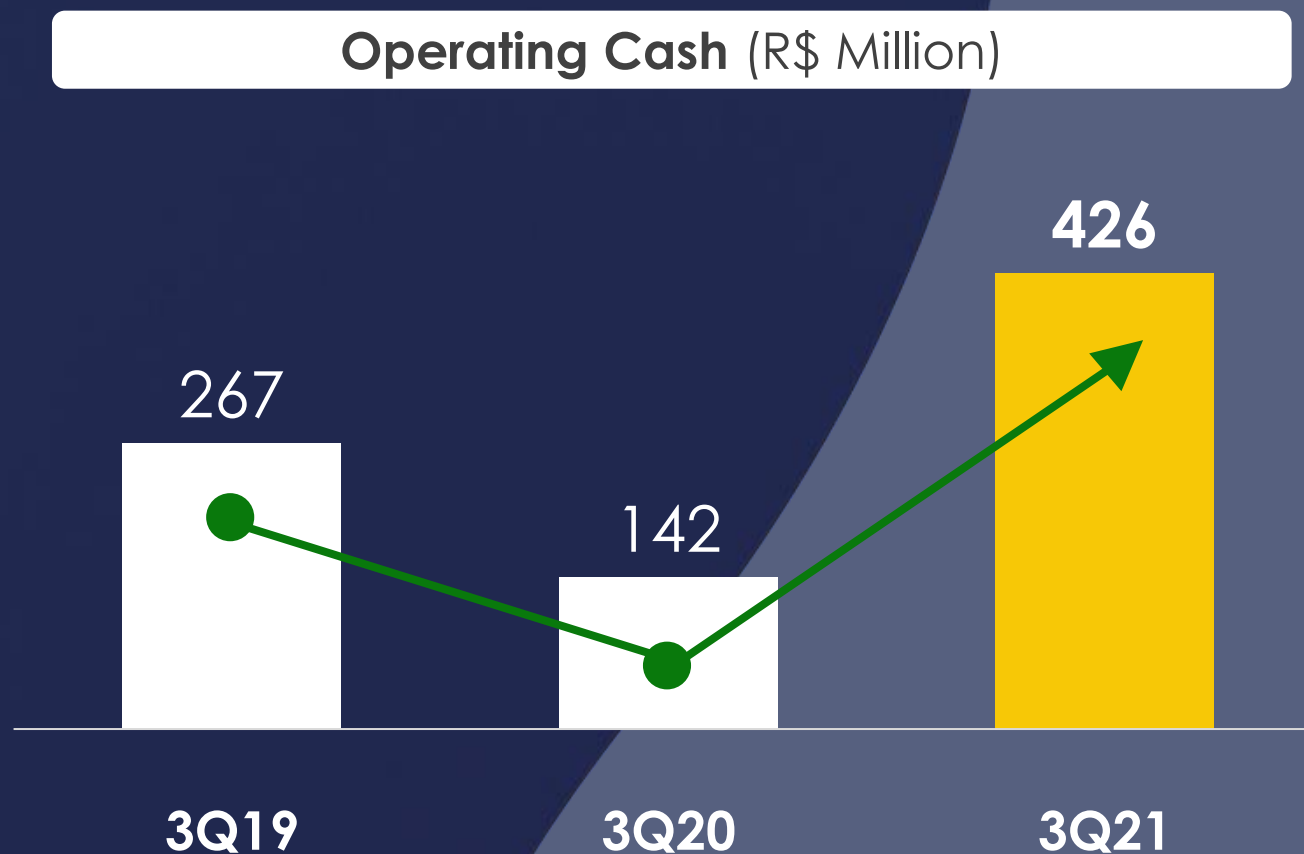


Average term inventory



Net Cash Generated by Operating Activities 3x greater than last year

The availability of working capital and the improvement in results increase operating cash flow, which reached R\$426 million in 3Q21.



Investments Highlights



3Q20

3Q21

9M20

9M21

Total

(R\$ Million)

R\$ 54

(3% NR)

R\$ 43

(2% NR)

R\$ 156

(3% NR)

R\$ 135

(2% NR)

Variation

(%)

-21%

(3Q21 vs 3Q20)

-13%

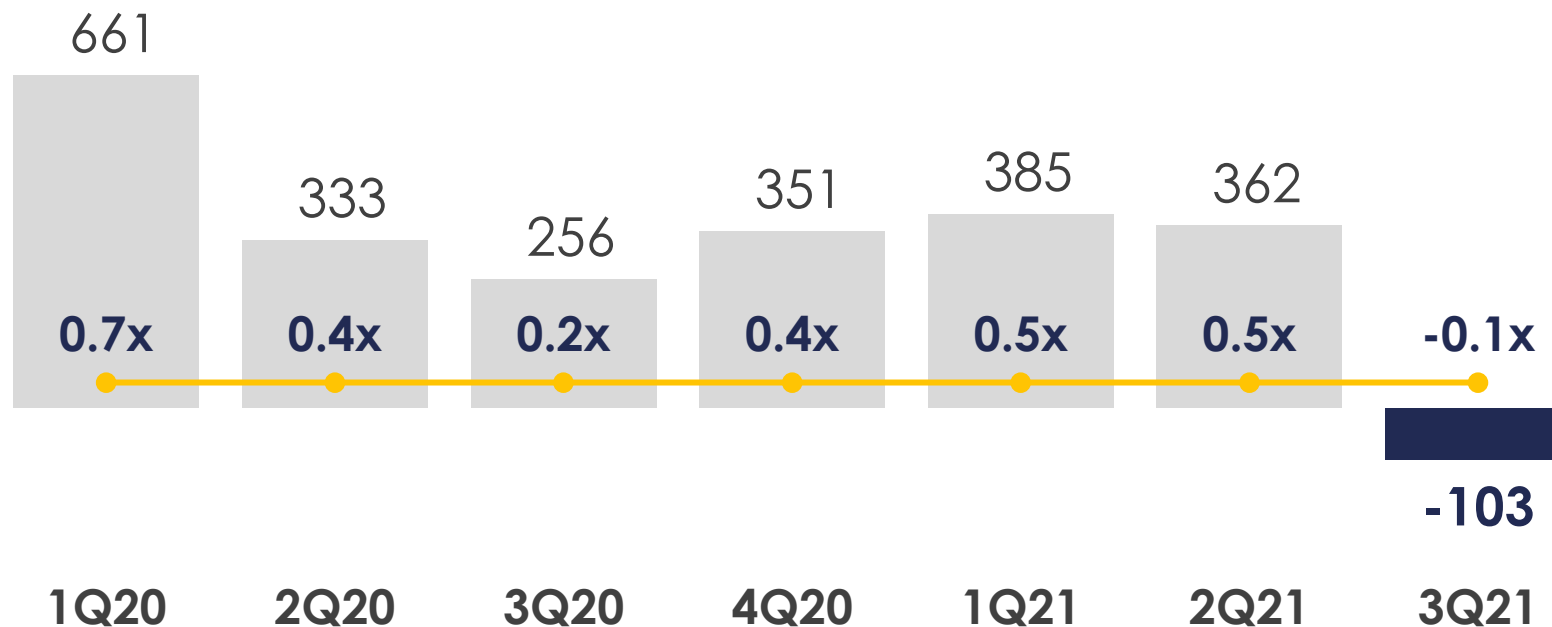
(9M21 vs 9M20)



Net cash position in 3Q21 and Rating AAA Stable Outlook reaffirmed by Fitch Ratings



(CASH) NET DEBT (R\$ Million)
LEVERAGE (X EBITDA)



Leverage
(Cash) Net Debt / EBITDA (Last 12 month)

AAA

Long-Term National Rating Stable Outlook Reaffirmed by Fitch Ratings

4TH YEAR CONSECUTIVE



2021 ACTION PLAN

Resumption of profitable growth

SALES GROWTH



1

Onda Verde
"Green Wave"



2

Partnerships



3

Exports



4

SKU
Optimization



5

*Industrial
and Logistics
Footprint*



6

Organizational
Structure
Adjustment

PRODUCTIVITY AND EFFICIENCY



Accelerated growth and expansion of Piraguê with a focus on INNOVATION, VISIBILITY and DISTRIBUTION

LAUNCH

Items with high added value



R\$ 21.9*

* Net Revenue (R\$) / Volume (Kg)

COMMUNICATION

We expand brand visibility with influencers and content creators

- **Media campaign with “Comida di Buteco”**
- **Corporate Incentive Campaign for the sales team**

SALES

Start of exports to:

- **Chile**
- **Paraguay**

**NEW
PARTNERSHIPS**

We continue to advance with **NEW PARTNERSHIPS**, increasing the capillarity of our distribution



BEEES



Evolution of sales with an expected roll-out to be carried out across Brazil;



Sales started in Sep/21 with the Piraquê and Adria brands

amazon



Expected to start on Nov/21



We continue to explore opportunities in the foreign market

In **3Q21**, we launched **13 products** exclusively for the foreign market, **9** of which were in **Cookies & Crackers category**





PRODUCTIVITY
AND
EFFICIENCY

Optimization of the number of
SKUs.



M. Dias Branco

122 SKUs DISCONTINUED UNTIL 3Q21

(In Progress)

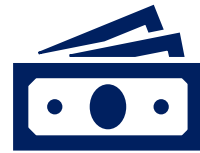
PRODUCTIVITY
AND
EFFICIENCY

Adjustment of the Industrial and Logistics Footprint



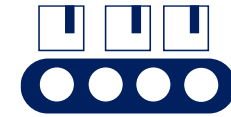
CONCLUDED

Closing of **2**
of the **32** CDs



IN PROGRESS

Renegotiation of
commercial
conditions with
logistics operators



SUSPENDED*

Readjustment of
production capacity,
going from **113** to
106 active
production lines for
cookies and pasta

* Due to the return of volumes



**PRODUCTIVITY
AND
EFFICIENCY**

Corporate Restructuring



M. Dias Branco






In April of this year, M. Dias Branco decided to hire a consultancy specialized in productivity (Gradus) to redesign its organizational structure in order to adapt it to the strategy and market challenges.

The project involved the participation of leaders from all areas of the company and, so far, has resulted in a recurring and structural reduction of more than R\$50 MM in personnel expenses per year, including in-house and outsourced employees.

This reduction will be fully materialized in 2022 as the highest volume of dismissals occurred in the 3Q21. Until September, the amount with terminations of dismissals was offset by the respective reductions in personnel expenses per year.

Since 2020 M. Dias Branco is a signatory of the Global Compact of the United Nations (UN), aligning its strategies and operations to ten universal principles, as well as strengthening its commitment to the Sustainability theme and to the principles of human rights, labor, combating corruption and environmental protection.

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

OUR ACTIONS
CONTRIBUTE TO THE
UN SDGs:



SUSTAINABILITY | HIGHLIGHTS

- Reaffirmation of the rating A in the MSCI ESG rating
- Inventory of Greenhouse Gas Emissions for the entire chain
- Expansion of the “Aterro Zero (Zero Landfill)” Project for all industries ●
- Launch of the Supplier Code of Conduct
- In 9M21, 3,778 tons of food were donated to the population in the pandemic
- 3rd Sustainability and Development Forum, open to the public, to address how to evolve the ESG agenda
- Educational action with employees collected 2.8 tons of garbage in the Environmental Preservation Area in Salvador/BA ●



Network Brazil
WE SUPPORT

ISE B3



abrasca

MSCI
ESG RATINGS



CCC B BB BBB **A** AA AAA



Thanks!



www.ri.mdiasbranco.com.br



www.youtube.com/rimdias



ri@mdiasbranco.com.br

Gustavo Lopes Theodozio

Vice-President of Investments and Controllershship

Phone: (85) 4005-5667

E-mail: gustavo.theodozio@mdiasbranco.com.br

Fabio Cefaly

New Business and Investor Relations Officer

Phone: (11) 3883-9273

E-mail: fabio.cefaly@mdiasbranco.com.br

Rodrigo Ishiwa

Investor Relations Manager

Phone: (11) 3883-9225

E-mail: ri@mdiasbranco.com.br

Victor O. Torres

Investor Relations Analyst

Phone: (11) 3883-9225

E-mail: ri@mdiasbranco.com.br

M. Dias Branco

Q&A

JUNTAMOS
A FOME COM
A VONTADE DE IR AO
BUTECO
- EDIÇÃO ESPECIAL -
PIRAQUÊ + COMIDA DI BUTECO



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