



Results 1Q21

RECEITA É SER ORIGINAL • DESDE 1950 • PIRAQUÊ, A RECEITA É SER ORIGINAL • DESDE 1950 • PIRAQUÊ, A RECEITA É SER ORIGINAL



ri.mdiasbranco.com.br/en/



www.youtube.com/rimdias

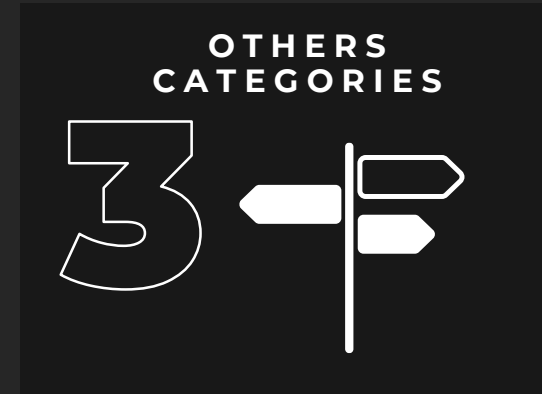
RECEITA É SER ORIGINAL • DESDE 1950 • PIRAQUÊ, A RECEITA É SER ORIGINAL • DESDE 1950 • PIRAQUÊ, A RECEITA É SER ORIGINAL • DESDE 1950

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.



STRATEGIC PLANNING

PROFITABLE GROWTH



EFFICIENCY AND PRODUCTIVITY PROGRAM

M. Dias Branco



OPERATING CATEGORIES 1Q21 vs 1Q20

NET REVENUE
(R\$ MM) **-8.9%**
R\$ 1,491.1


VOLUME SOLD
(Mil Ton.) **-25.2%**
356.4


AVERAGE PRICE
(R\$ / Kg) **+21.9%**
R\$ 4.18

	NET REVENUE	SOLD VOLUME	AVERAGE PRICE
COOKIES	-18.5% R\$ 706.6	-29.7% 97.0	+15.7% R\$ 7.28
PASTA	-15.7% R\$ 315.9	-31.7% 71.6	+23.5% R\$ 4.41
FLOUR AND BRAN	+18.2% R\$ 326.1	-22.2% 163.8	+51.9% R\$ 1.99
MARGARINE AND VEGETABLE SHORTENING	+30.0% R\$ 109.7	+4.1% 20.5	+25.0% R\$ 5.35
OTHERS	-5.7% R\$ 32.8	+0.0% 3.5	-5.7% R\$ 9.37


Exports continue to grow at a fast pace
Retraction in the Attack (South, Southeast and Midwest) and
Defense (North and Northeast) regions

1Q21 vs 1Q20

 **Exports**
Total Net Revenue
R\$ 42 MILLION
Variation
+ 112.6%

 **DEFENSE**
Total Net Revenue
R\$ 960 MILLION
Variation
-6.7%



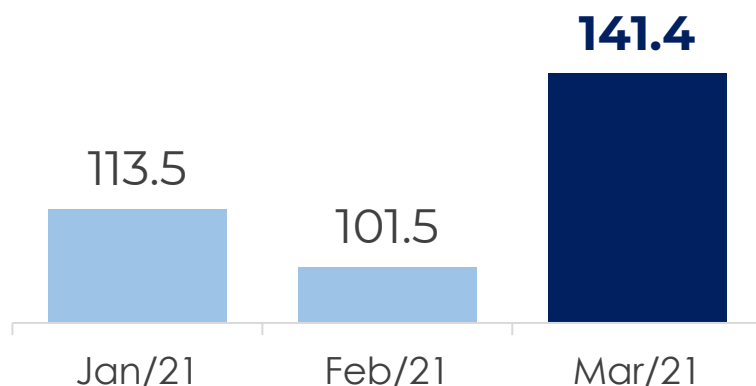
ATTACK
Total Net Revenue
R\$ 489 MILLION
Variation
- 16.8% 



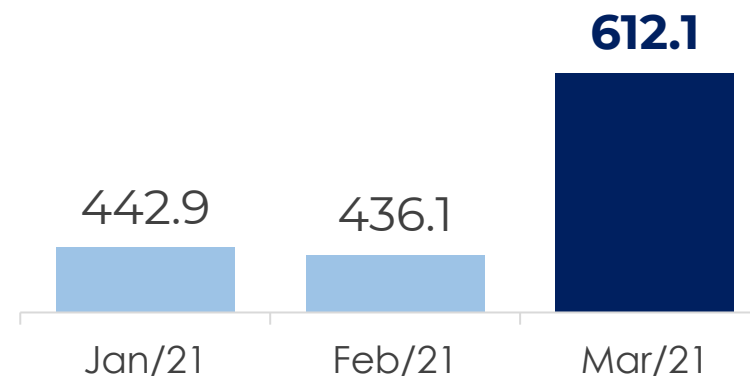
Volume growth and price readjustment throughout 1Q21



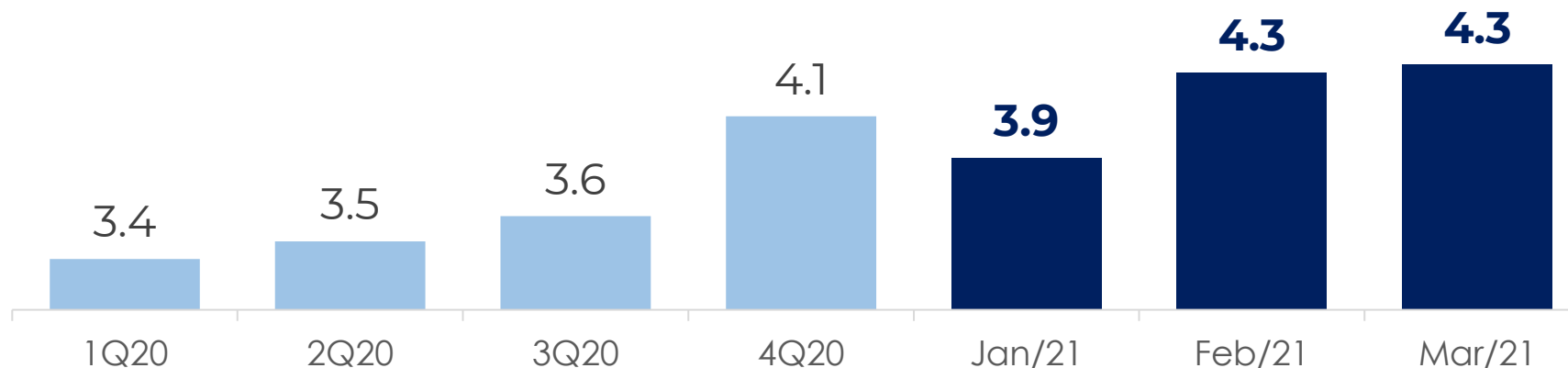
Volume (Thousand Tonnes)



Net Revenue (R\$ Million)



Average Price (R\$/Kg)



Adorita

Amorelo

Bonsabor

BASILAR
DESDE 1964

finna

PILAR
DESDE 1875

SALTIOS

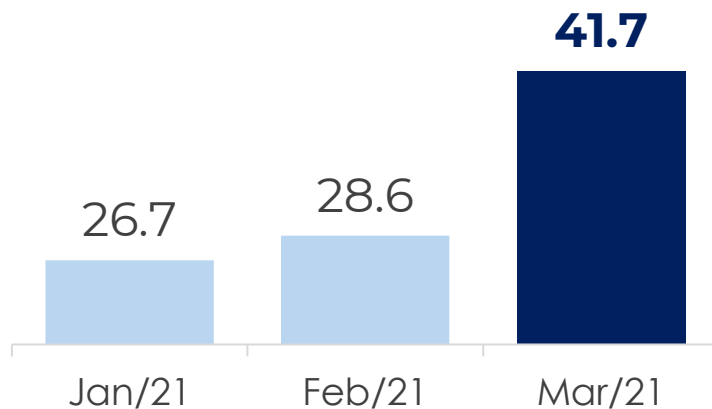
Zabet

COOKIES AND CRACKERS

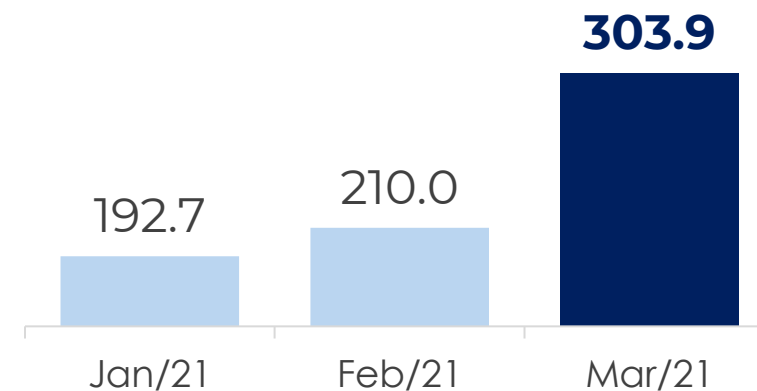
Sequential improvement in volumes, prices and net revenue throughout 1Q21

M. Dias Branco

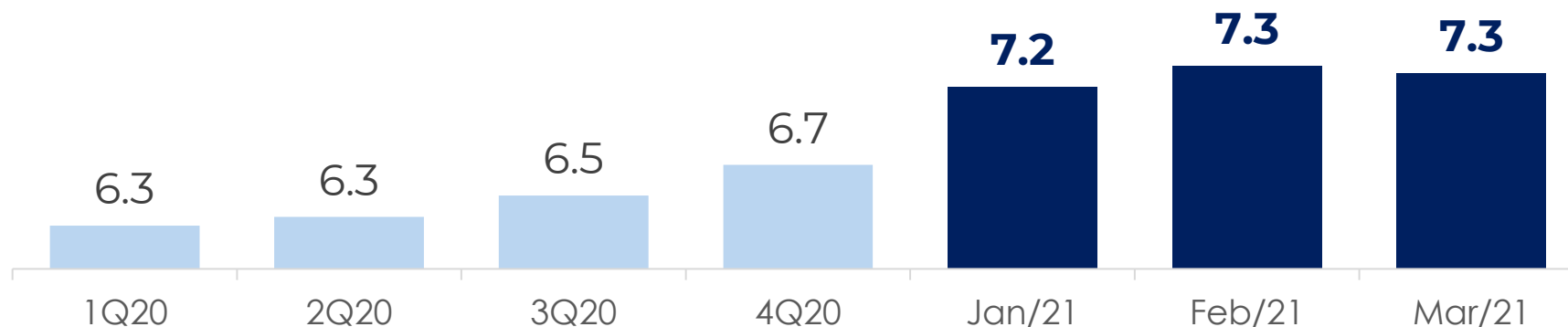
Volume (Thousand Tonnes)



Net Revenue (R\$ Million)



Average Price (R\$/Kg)



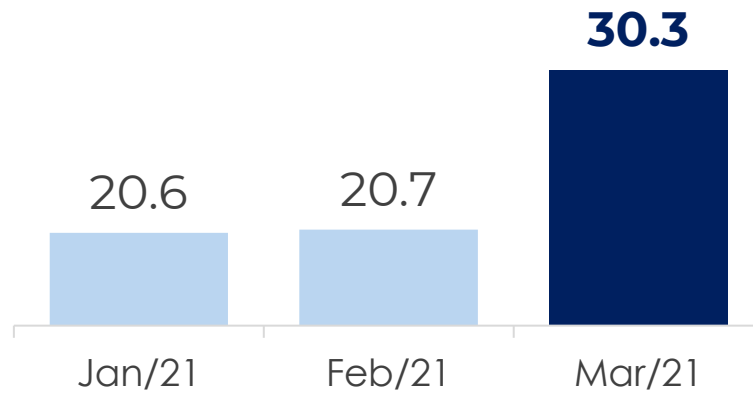


PASTA

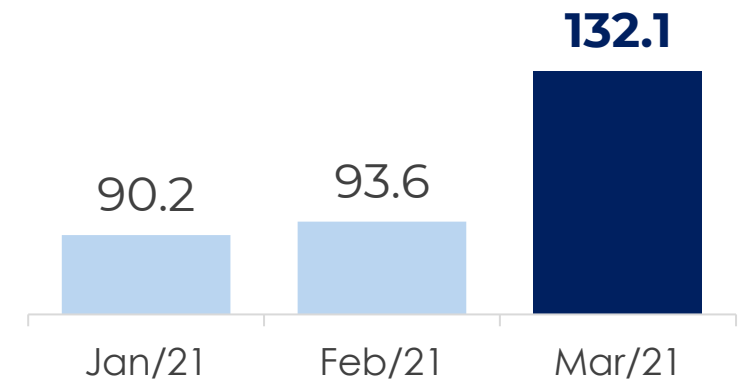
Sequential improvement in volumes, prices and net revenue throughout 1Q21



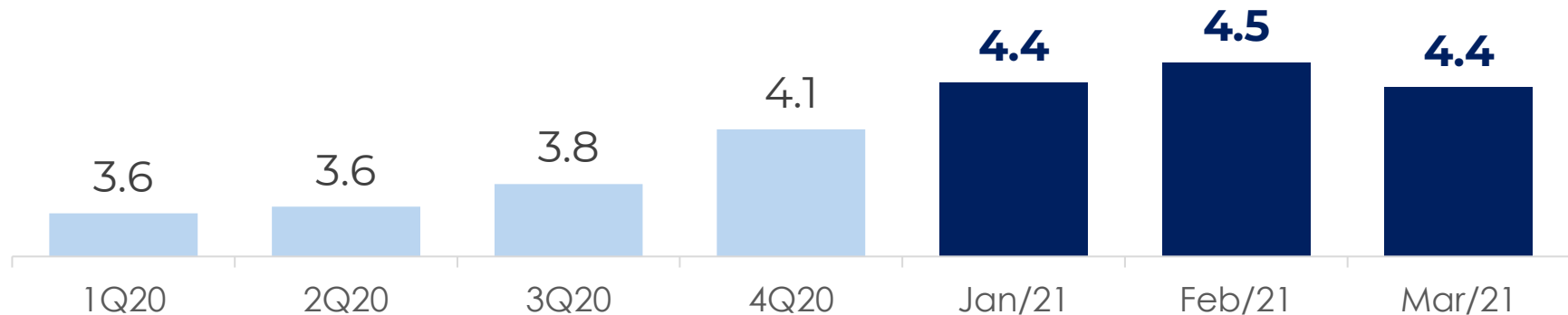
Volume (Thousand Tonnes)



Net Revenue (R\$ Million)

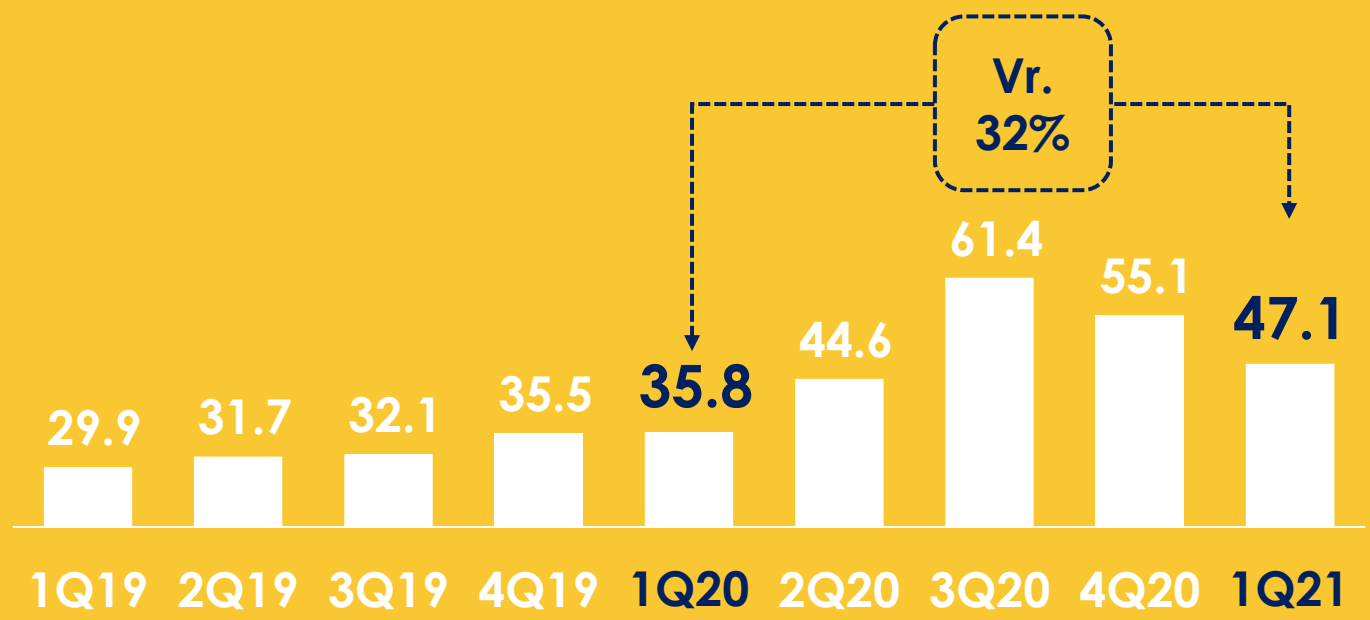


Average Price (R\$/Kg)



GROSS REVENUE FROM NEW PRODUCTS COOKIES AND CRACKERS (R\$MM)

107 new products / flavors launched in the last 24 months (vs **86 in 1Q20**).



*Products/Flavors Launched in the Last 24 Months



RECENT LAUNCHES OF COOKIES AND SNACKS* HIGH ADDED VALUE ITEMS (R\$/Kg)



SNACKS



24.5
R\$/Kg



39.0
R\$/Kg

WAFERS



10.7
R\$/Kg



13.8
R\$/Kg

COOKIES



21.3
R\$/Kg

COVERED COOKIES



10,7
R\$/Kg

* Products/Flavors Launched in the Last 24 Months, values represent net revenue per kg

With high value added items, in Brazil, Piraquê continues to present an expansion of market share in cookies

1Q20 1Q21

SHARE
VOLUME

4.0 $\xrightarrow{+0.3}$ 4.3

(NIELSEN DATA - Cookies)

SHARE
VALUE

6.4 - 6.4

(NIELSEN DATA - Cookies)





FOLHA
TOP of
MIND
2020

Adria, TOP of MIND 2020 in pasta, continues to advance throughout Brazil, with expansion of market share volume and value

1Q20

1Q21

SHARE
VOLUME

5.1

+1.1
↘

6.2

(NIELSEN DATA - Pastas)

SHARE
VALUE

5.4

+0.8
↘

6.2

(NIELSEN DATA - Pastas)





Vitarella, one of the 10 most consumed brands in Brazil (Brand Footprint, by Kantar Worldpanel) and elected 4th in the food category 'top national pasta' by TOP of MIND 2020, gains market share in volume in both cookies and pasta

FOLHA TOP of MIND 2020

COOKIES

PASTA

1Q20

1Q21

1Q20

1Q21

SHARE
VOLUME
(NIELSEN DATA)

8.8

+0.4

9.2

6.5

+0.3

6.8

SHARE
VALUE
(NIELSEN DATA)

6.6

-0.2

6.4

5.6

+0.6

6.2



MIX REVENUE*

SALES CHANNELS

M. Dias Branco operates in all retail formats. In 1Q21, in line with our growth strategy, we expanded the participation of the Distributors channel, mainly in the Attack region (South, Southeast and Midwest), and we increased the share of Exports (Others).



	1Q20	1Q21	Var.
Small Retail	27%	28%	+1pp
Wholesale	25%	22%	-3pp
Key Account / Reg. Chains	20%	22%	+2pp
Cash and Carry	20%	15%	-5pp
Distributors	6%	8%	+2pp
Industry	1%	2%	+1pp
Other	1%	5%	+4pp

*Note: Client mix, considering gross revenue excluding discounts and returns

The expansion of the distributors channel plays an important role in increasing our capillarity in the Attack region (Southeast, South and Midwest)

NEW DISTRIBUTORS

24



1Q20

1Q21

46

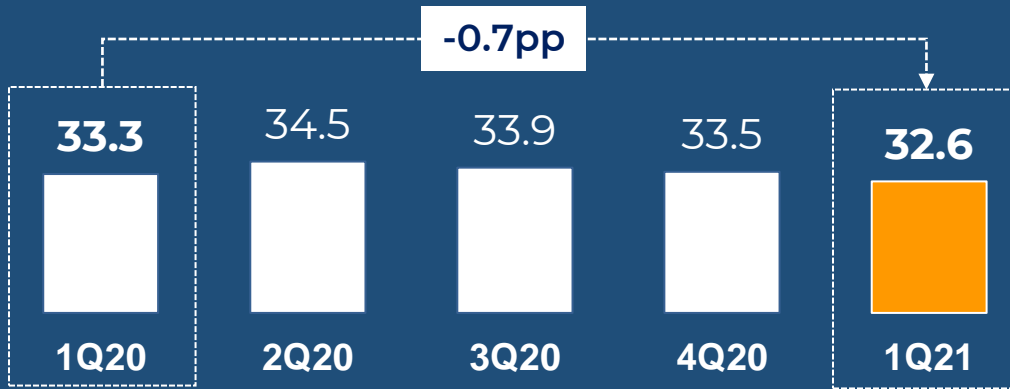
70

Leader in Brazil in Cookies and Pasta

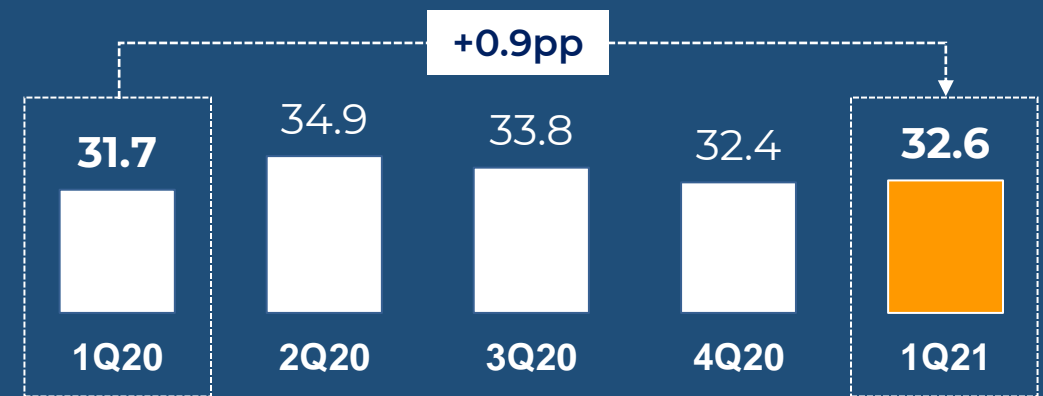
Increased market share in pasta and decreased in cookies



COOKIES AND CRACKERS - M. DIAS BRANCO



PASTA - M. DIAS BRANCO



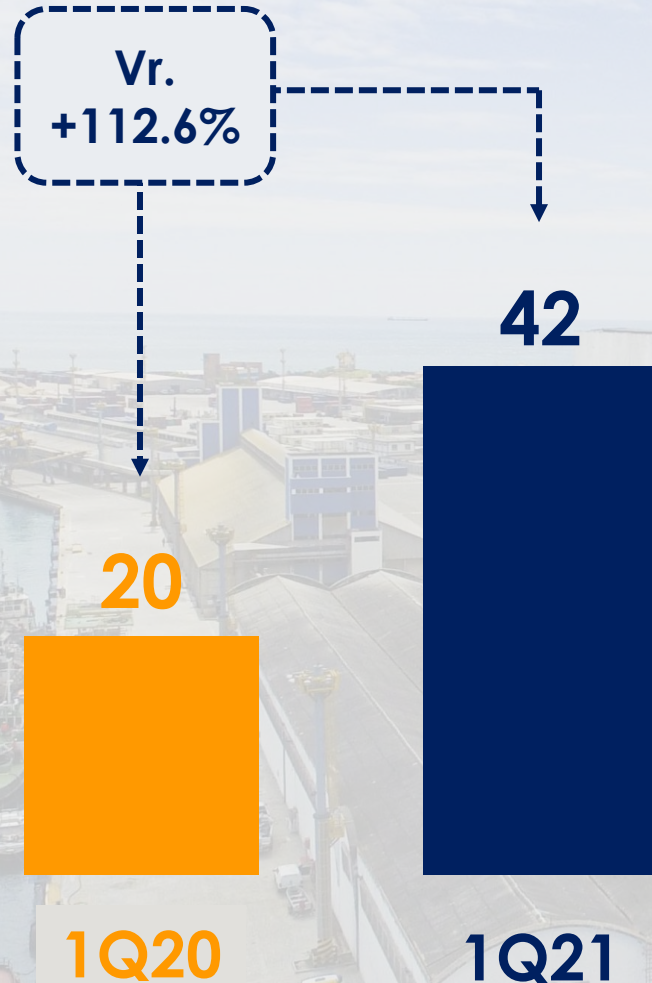
COOKIES AND CRACKERS - MARKET



PASTA - MARKET



EXPORTS NET REVENUE (R\$ MM)



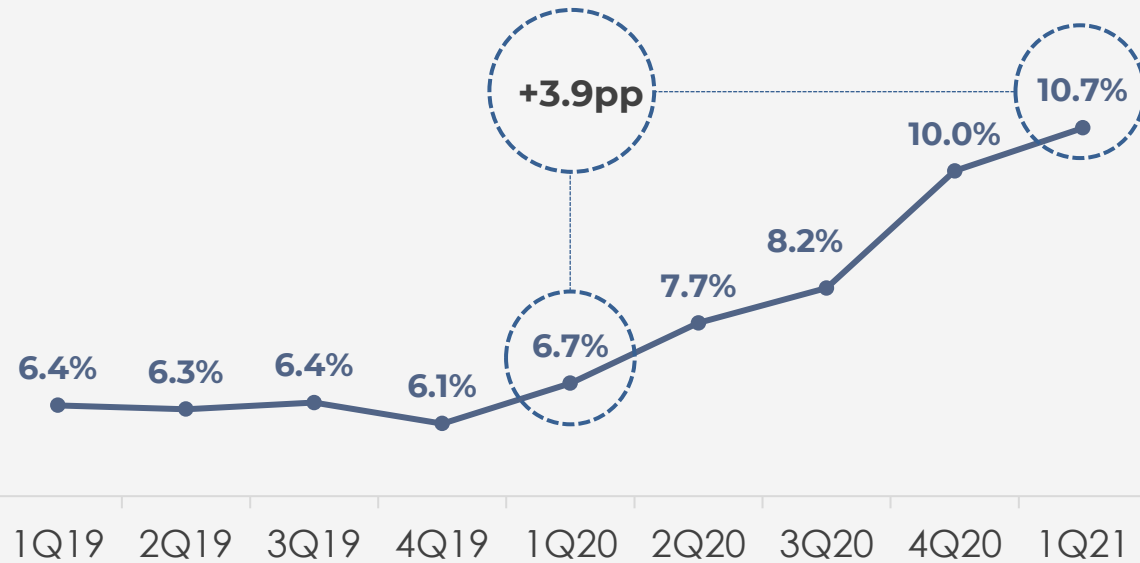
- ✓ Innovation in packaging;
- ✓ Products more adapted to the markets;
- ✓ Development of own brands;
- ✓ Private Label ;
- ✓ Focus on markets with high growth potential.

Substantial increase in costs due to the depreciation of the real against the dollar and an upturn in the price of commodities in U.S. dollars

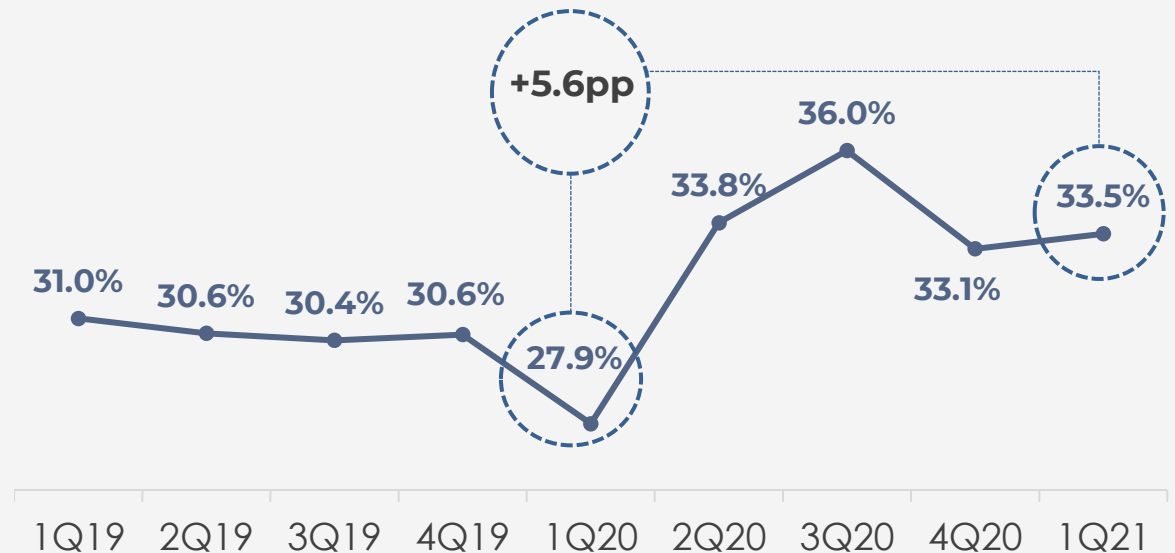


1Q21 vs 1Q20

Evolution of Third Party Vegetable Shortening and Oil Costs (%NR)



Evolution of Third Party Wheat and Flour Costs (%NR)



EVOLUTION OF WHEAT PRICES AND U.S. DOLLAR

QUARTERLY VARIATION

+22.8%

1Q21 vs 1Q20

Dollar (Monthly Average) - Closing PTAX



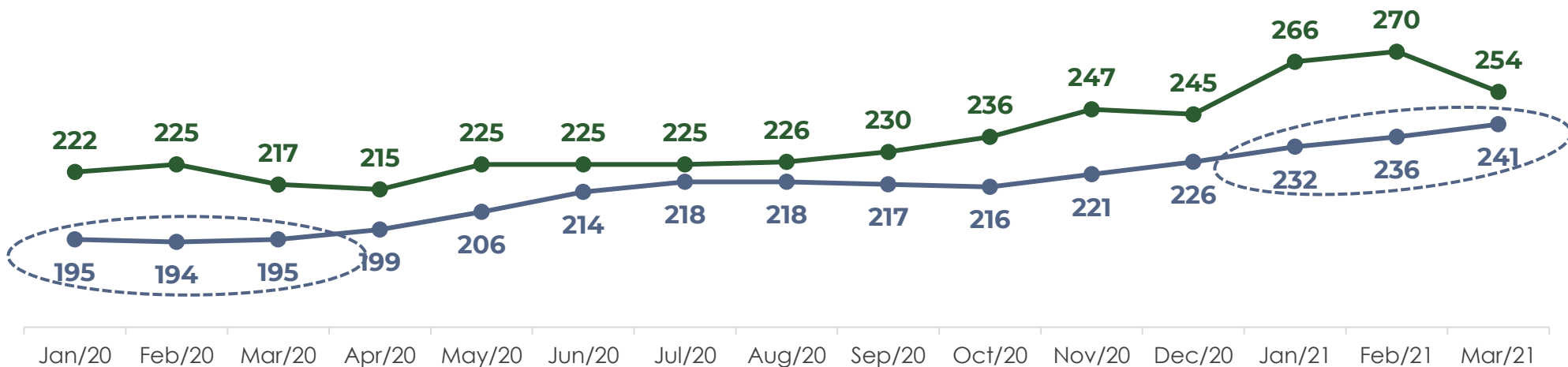
Source: BACEN

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

AVERAGE QUARTERLY VARIATION M. DIAS BRANCO

+21.4%

1Q21 vs 1Q20



Source: www.safras.com.br

— Market* — M. Dias

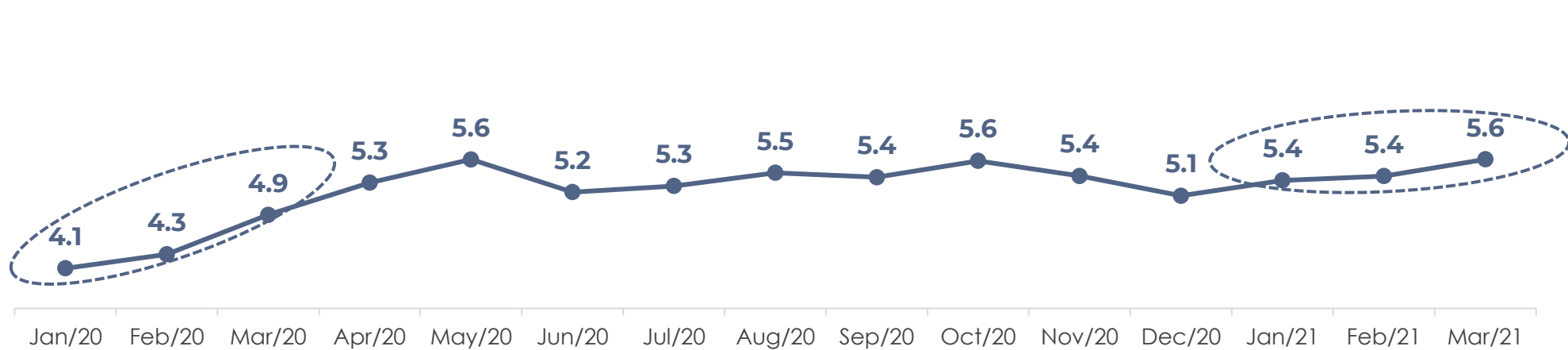
EVOLUTION OF PALM OIL PRICES AND U.S. DOLLAR

QUARTERLY VARIATION

+22.8%

1Q21 vs 1Q20

Dollar (Monthly Average) - Closing PTAX



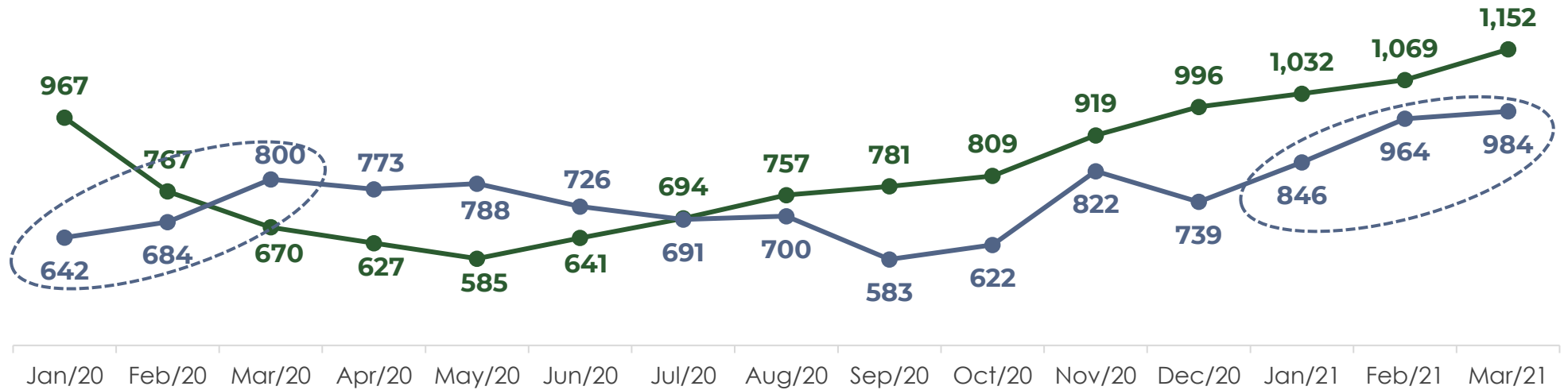
Source: BACEN

AVERAGE QUARTERLY VARIATION M. DIAS BRANCO

+31.4%

1Q21 vs 1Q20

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



Source: Rotterdam

—●— Market* —●— M. Dias

1Q21 EBITDA negatively impacted by higher costs and lower volumes



EBITDA 1Q20 (R\$ Million)	229
Price Effect, Volume, Recurring Expenses and Costs (without Exchange Effect)	(135)
Subtotal	94
Recurring Gains with Efficiency and Productivity Program <i>Multiplique</i>	85
Subtotal	179
Exchange*	(136)
Subtotal	43
Non-Recurring Gains**	27
Expenses with COVID-19	(8)
Restructuring Expenses	(14)
Piraquê Integration Expenses	(1)
EBITDA 1Q21 (R\$ Million)	47

-25.2%
(Volume)

-26.5%
(Production)

+21.4%
(Wheat US\$)

+31.4%
(Oil US\$)

+22.8%
(Exchange)

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

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

DETAILS OF THE MAIN INITIATIVES CARRIED OUT IN 2020

<i>R\$ MM</i>	2020	2020 Annualized
NET Revenue \ Discountss	52	203
COGS	38	61
Variable cost	20	24
Raw material	13	12
Packing	4	7
Driving Force	3	4
Fixed cost	18	37
Labor	5	19
General Expenses	14	19
Deprec. and Amort.	0	0
State Tax Incentive	1	1
Gross Margin	91	266
Operating Expenses	93	172
Commercial, MKT/Trade	14	30
Logistics	51	114
Administrative	3	5
Other Ver. \ Exp. Op.	25	24
EBITDA	184	438

MAIN INITIATIVES
Price; Payment Condition Discounts; and profitability of customers and skus
Mills: Optimization of the MIX of Flours, Silos and Flour Transport
Optimization of primary and secondary packaging
Reduction of energy consumption with the shutdown of the vegetable oil production unit in RJ
Industrial structure; and reduction of work points
Reduction of vetebal oil; Flavor optimization; Maintenance parts and services and negotiations
Tax efficiency with the transfer of production from the vegetable oil production unit from RJ to CE (GME)
Reduction of teams of promoters and sales; Marketing and fleet optimization
Logistic network review; Improvement of occupation and reduction of costs with freight, distribution and transfers; Evaluation of productivity and warehouses; Direct sales to Key Account and Cash & Carry; and Renegotiation of tariffs
Payroll outsourcing; Cleaning and gardening contract optimization; health plans and SG&A structure
Additional generation of PIS / COFINS credits with an extension of understanding on inputs that can be used to obtain credit according to the STJ's positioning

SAVINGS

1Q21



R\$ MM	1Q21 - Projection (w/ Vol. 1Q20)	1Q21 - Projection (w/ Vol. 1Q21)	1Q21 - Real Gain
NET Revenue \ Discountss	46	34	34
COGS	16	4	18
Variable cost	6	4	18
Raw material	3	2	(15)
Packing	2	1	32
Driving Force	1	1	1
Fixed cost	10	-	-
Labor	5	-	-
General Expenses	5	-	-
Deprec. and Amort.	-	-	-
State Tax Incentive	0	0	0
Gross Margin	62	39	53
Operating Expenses	42	33	32
Commercial, MKT/Trade	7	5	8
Logistics	27	20	17
Administrative	1	1	6
Other Ver. \ Exp. Op.	6	6	1
EBITDA	103	72	85

- Decrease of % discount and reduction of discounts for advance payment.
- Review of price lists, seeking alignment of price indices.

- Renegotiation with suppliers.
- Development of new suppliers.
- Changing the technology used for printing on films.

- Review of the production strategy, shifting production from the vegetable oil production unit in RJ to the Fortaleza unit (GME).

- Review of the number of promoters, salespeople and supervisors based on efficiency.
- Optimization of marketing expenses with renegotiation and new partners with better conditions.

- Changing the delivery model of large customers - Key Account and Cash & Carry segments.
- Review of flows proposed in the logíst. network project.
- Increased warehouse productivity through standardization of measurements.
- Decrease in the total number of trips made by improving vehicle occupancy.
- Setting occupancy goals and ideal vehicle profile by route.
- Mapping of routes with greater price dispersion practiced, supplier development for highlighted routes and tariff negotiation.

- Reduction in the number of suppliers and health plans, with cost reduction and maintenance of the service level.
- Digital platforms for negotiating labor agreements.
- Adequacy of storage rental expenses.
- Negotiation of better commercial conditions and payment terms with current carriers.

RESUME PROFITABLE GROWTH

ACTION PLAN 2021

SALES GROWTH

PRODUCTIVITY AND EFFICIENCY



1

2

3

4

5

6

*Onda Verde
"Green Wave"*

Partnerships

Exports

SKU
Optimization

Industrial
and Logistics
Footprint

Organizational
Structure
Adjustment

1

Onda Verde Piraquê

(Piraquê's Green Wave)

Accelerated growth across Brazil



Launch of snacks, covered cookies and American-style cookies. Items with higher added value, with an average price above R\$ 39,0/kg



Strengthening of the brand, with increased media presence, including "Festa Original Piraquê" (Piraquê's Original Party) on BBB21



Greater presence on e-commerce platforms, with higher investments in activation



Appropriate packaging for each channel profile



Higher presence in premium POS, with the new items

2

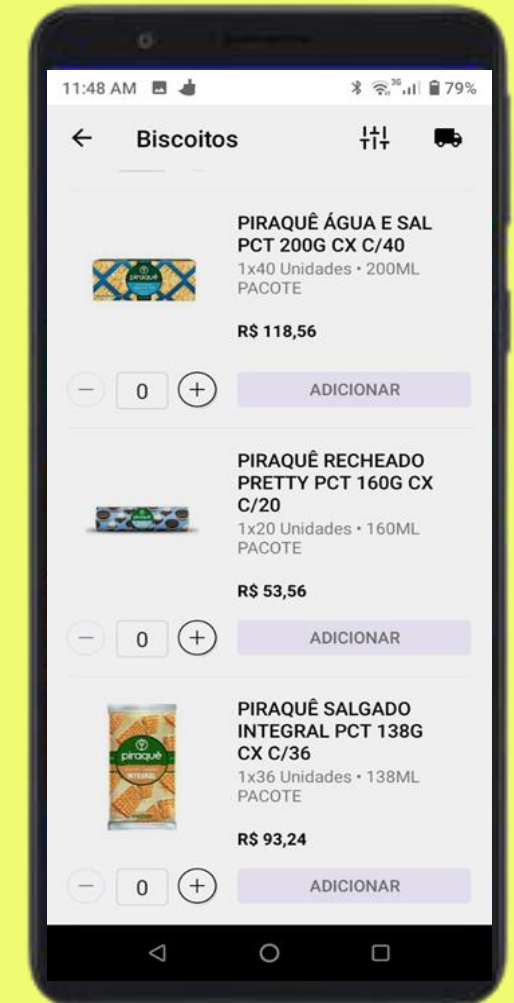
New Partnerships

Increase our distribution capillarity

ACTIONS



- Sales through the AMBEV Marketplace;
- Platform with constant and personalized contact for customers;
- Portfolio with higher added value items;
- Focus on small retail;
- Greater geographical reach and entry into new sales points;



3

Leverage opportunities in the foreign market due to the greater competitiveness of our products

ACTIONS



- Latin America: Pasta and Wheat Flour
- USA: Private Label and resumption of toast sales
- Number of Customers, 65 in 1Q21 vs 56 in 1Q20
- Number of countries, 30 in 1Q21 vs 23 in 1Q20

1.



2.



3.



1. Activation of Bel campo in the main chains in Panama
2. Exhibition in Uruguay
3. Renewed layout for trucks in Uruguay

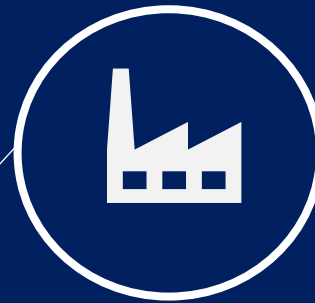
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Cookies and Pasta SKU Optimization

-137 SKUs*

REPRESENT

- 17% of total SKUs*
- 3% of revenue*



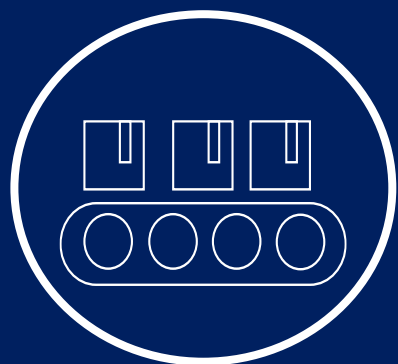
**Reducing
the complexity of
operations**



**Improving execution
throughout the chain**

5

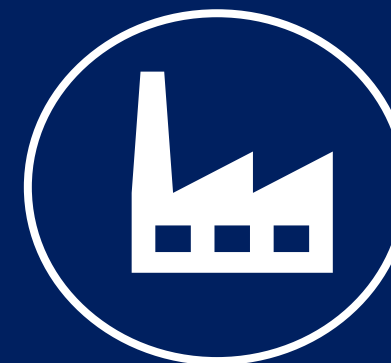
Adjustment of the industrial and logistics footprint



Readjustment of production capacity, from **113** to **106** active lines in cookies & crackers and pastas



Renegotiation of rates with logistics operators



Closing of 2 of the 32 distribution centers, without compromising the service level

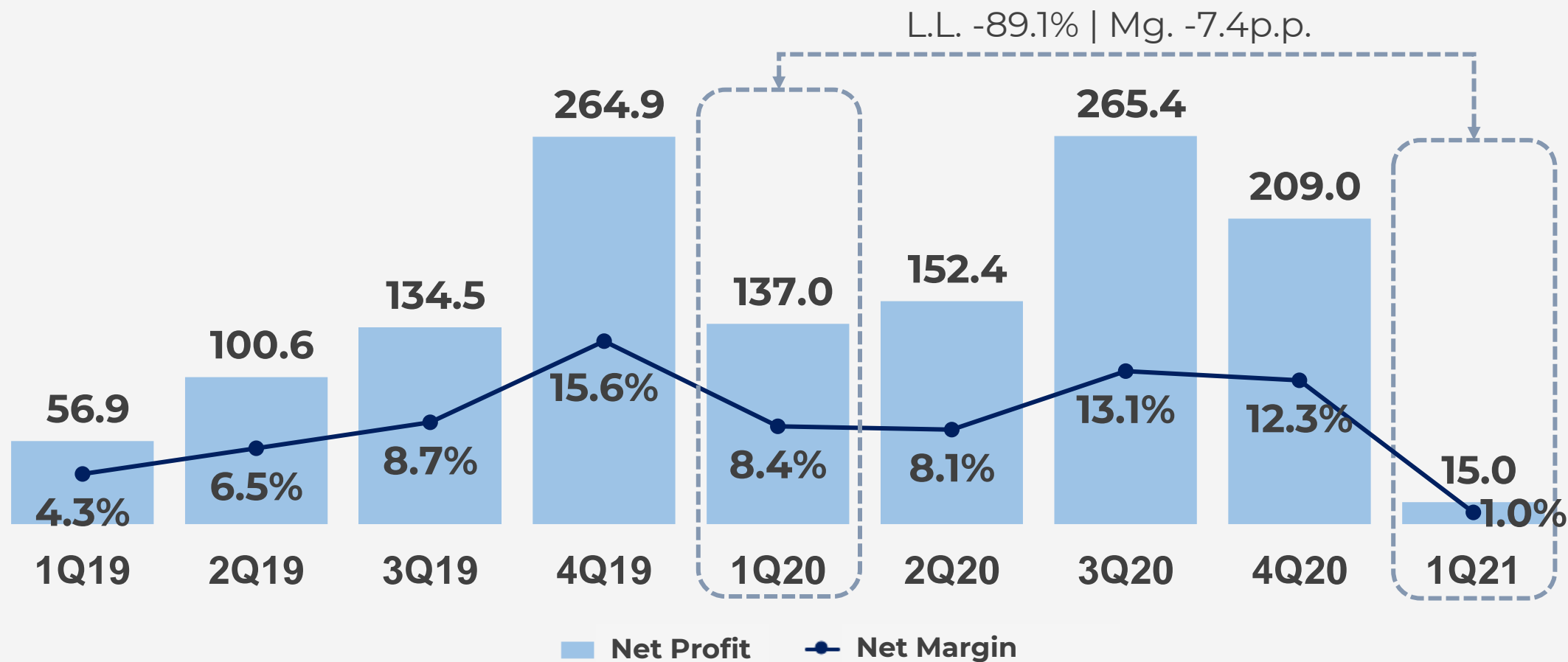
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Adjustment of the organizational structure



Gradus consultancy was hired to support the transformation of the organization in line with its strategy, placing the company on the same level as the best references in the market

NET PROFIT NET MARGIN



WORKING CAPITAL AVERAGE TIME



MAIN EFFECTS

Days Payable Outstanding

- ✓ Renegotiation with main suppliers;
- ✓ Lengthening of terms according to the withdrawal risk;

Average Storage Term

- ✓ Rising prices of raw materials, mainly wheat and palm oil;
- ✓ Increase product costs due to rising commodities;

Days Payable Outstanding



Days of Sales Outstanding



Average Storage Time

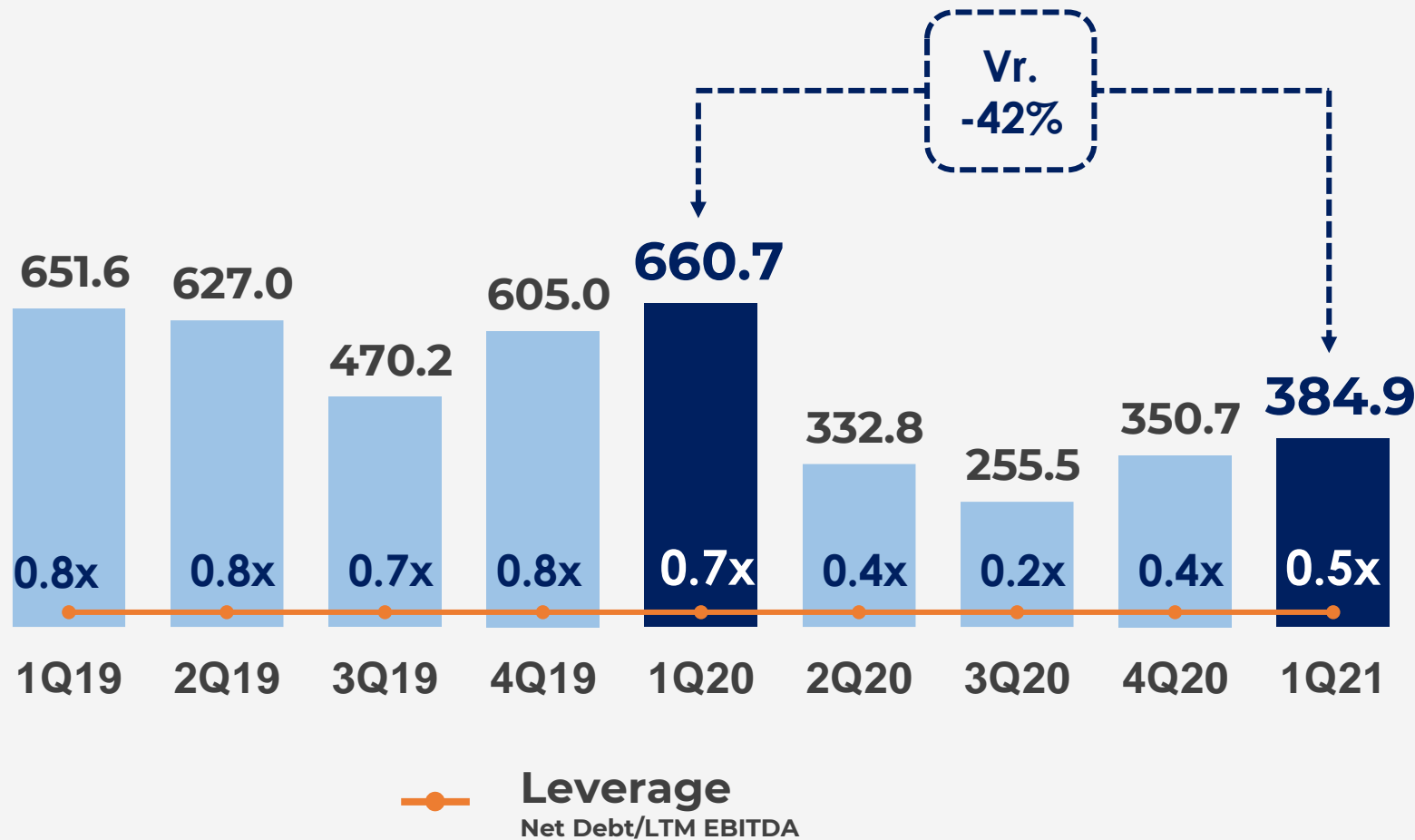




HIGHLIGHTS INVESTMENTS

	1Q20	1Q21
Total (R\$ MM)	R\$ 56.3	R\$ 40.7
Variation		-27.7% (1Q21 vs 1Q20)

In 1Q21, leverage (net debt/LTM EBITDA) of 0.5x.
Lower than in 1Q20 (0.7x).



REAFFIRMED
3rd CONSECUTIVE
YEAR



SUSTAINABILITY STRATEGY



Network Brazil
WE SUPPORT

ISE B3



KPI's



+12.4% (Kwh/Ton)
Energy Intensity



+31.6% (M³/Ton.)
Water Consumption



+5.1p.p. (Índice %)
Waste Recycling



+24.7% (Kg/Ton)
Solid Waste Generation



0.0p.p. (Frequency)
Accident Rate

HIGHLIGHTS

- **Publication of the 2020 Integrated Annual Report** (based on IIRC and GRI)
- **Strategic Sustainability Agenda** (Beginning of the Review Project)
- **Food donation** (By March 2021 we had already donated over 1,800 tons of food)
- **Programa de Estágio Future One** (Information Technology and Industrial Performance)



M. Dias Branco

THANKS

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