

# M. Dias Branco

## Results Presentation 2Q21 and 1H21



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ADRIA  
Grano Duro

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.



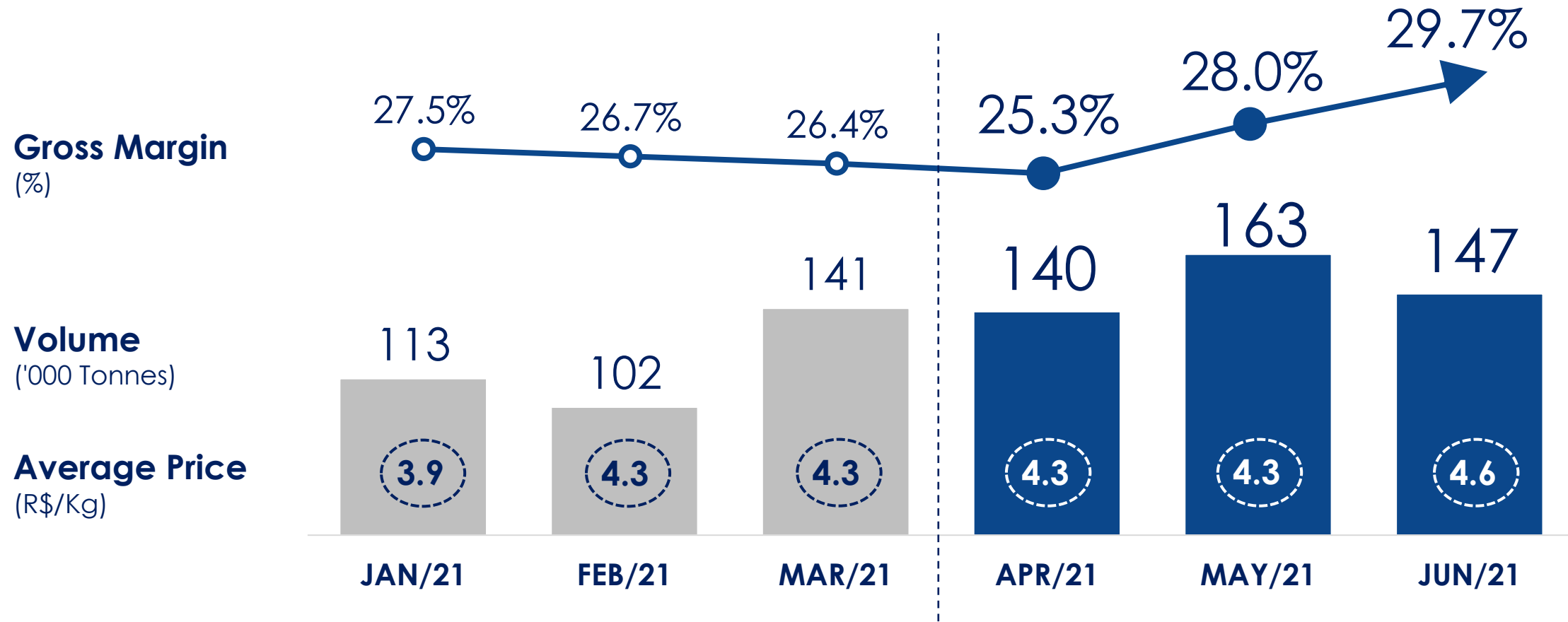


## M. Dias Branco's net revenue reaches R\$1.9 billion and EBITDA is 253% higher than in 1Q21

- Gross revenue from launches (cookies & crackers) +45% vs 1Q21 and +55% vs 2Q20;
- Average Price +5% vs 1Q21 and +25% vs 2Q20;
- Market Share: cookies & crackers + 0.7p.p. (Jun/21 vs. Mar/21); and pasta +0.9p.p. (3B21 vs. 2B21);
- Sales volume +26% vs 1Q21 and -16% vs 2Q20;
- Advances in the "2021 Action Plan";
- Reduction of expenses (% Net Revenue): 23% (2Q21) vs 28% (1Q21) and 24% (2Q20)
- EBITDA +253% vs 1Q21 and -26% vs 2Q20;
- EBITDA margin of 8.5% in 2Q21, +5.3p.p. vs 1Q21 and -3.5p.p. vs 2Q20;
- Net profit +849% vs 1Q21 and -6.6% vs 2Q20;
- Production capacity utilization rate of 63.8%, +12.4p.p. vs 1Q21 and -13.8p.p. vs 2Q20.



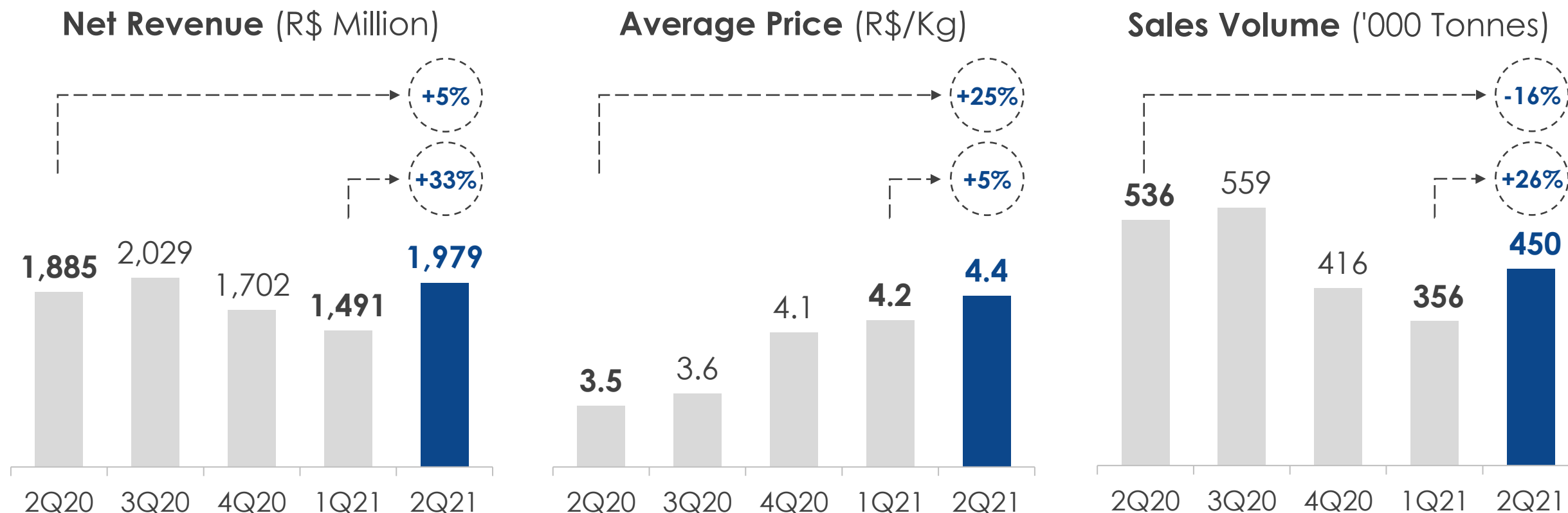
Gross margin grows over 1H21: higher volumes and average price, with greater dilution of fixed costs.



# Net revenue in 2Q21 was 33% higher than 1Q21 and 5% higher than 2Q20.



M. Dias Branco **Consolidated** | Quarterly Evolution

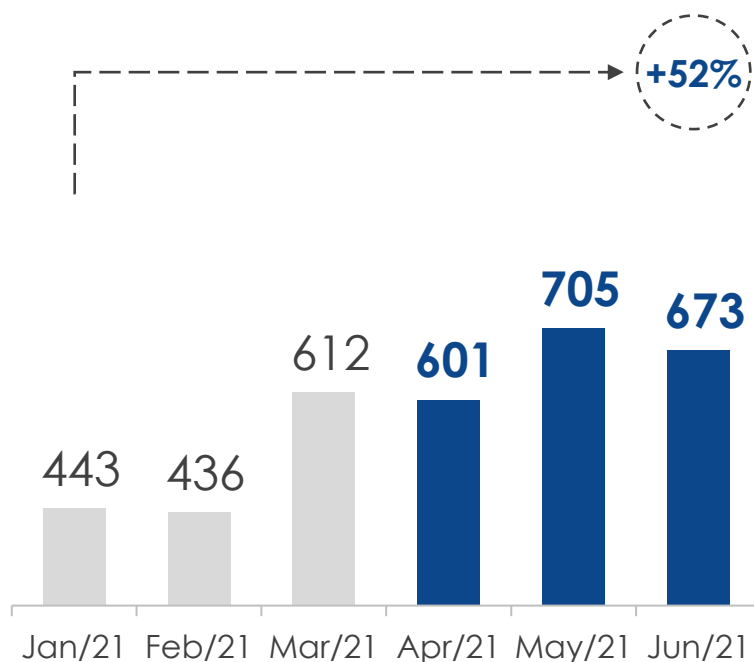


During 1H21, net revenue grew due to the sequential increase in volumes and average price.

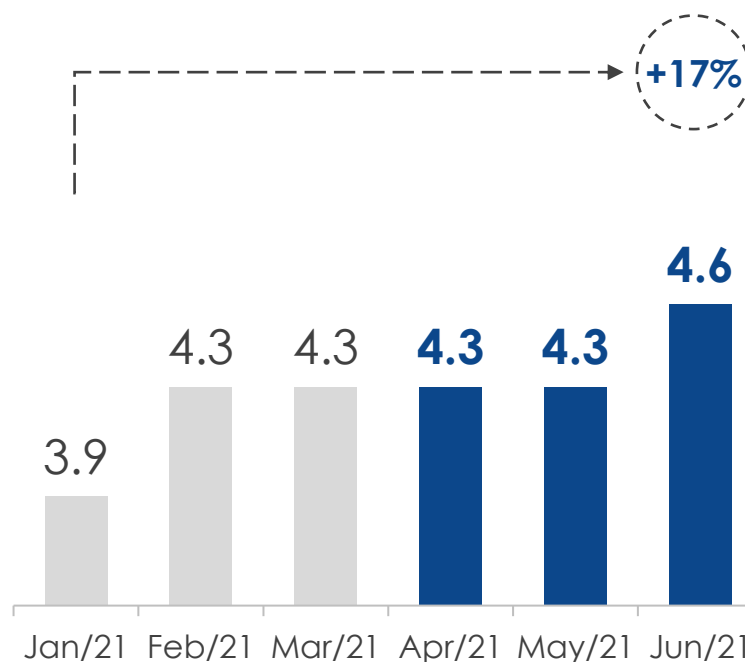


M. Dias Branco **Consolidated** | Monthly Evolution

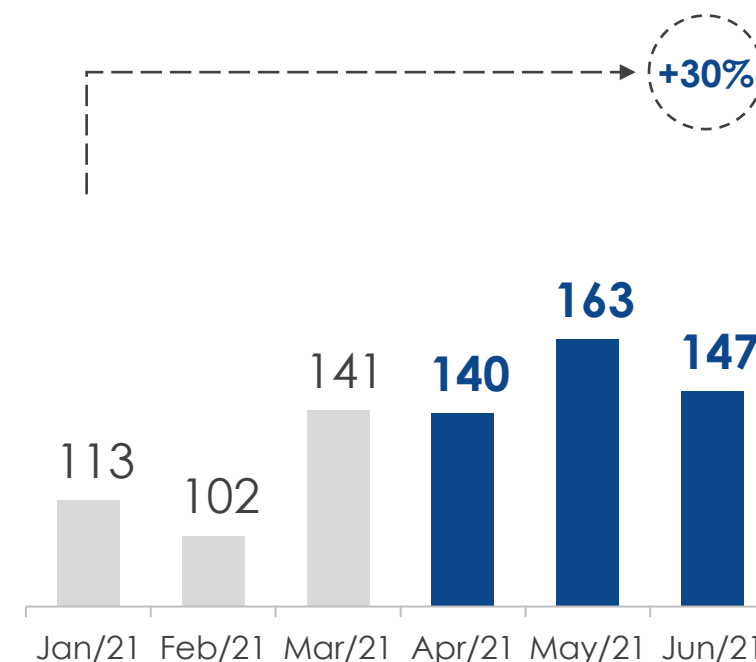
**Net Revenue** (R\$ Million)



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



**Sales Volume** ('000 Tonnes)



# OPERATING CATEGORIES 2Q21 vs 1Q21

**NET  
REVENUE**  
(R\$ Million)

**+32.7%**

R\$ 1,978.6

**SALES  
VOLUME**  
('000 Tonnes)

**+26.3%**

450.2

**AVERAGE  
PRICE**  
(R\$ / Kg )

**+5.0%**

R\$ 4.39



## COOKIES AND CRACKERS

NET REVENUE

**+43.0%**

R\$ 1,010.3

SALES VOLUME

**+42.8%**

138.5

AVERAGE PRICE

**+0.1%**

R\$ 7.29

## PASTA

NET REVENUE

**+45.2%**

R\$ 458.8

SALES VOLUME

**+44.4%**

103.4

AVERAGE PRICE

**+0.7%**

R\$ 4.44

## FLOUR AND BRAN

NET REVENUE

**+9.5%**

R\$ 357.2

SALES VOLUME

**+13.2%**

185.5

AVERAGE PRICE

**-3.0%**

R\$ 1.93

## MARGARINE AND VEGETABLE SHORTENING

NET REVENUE

**+1.5%**

R\$ 111.4

SALES VOLUME

**-8.8%**

18.7

AVERAGE PRICE

**+11.4%**

R\$ 5.96

## OTHERS

NET REVENUE

**+24.7%**

R\$ 40.9

SALES VOLUME

**+17.1 %**

4.1

AVERAGE PRICE

**+6.5%**

R\$ 9.98



# OPERATING CATEGORIES 2Q21 vs 2Q20

**NET  
REVENUE**  
(R\$ Million) **+5.0%**  
R\$ 1,978.6

**SALES  
VOLUME**  
('000 Tonnes) **-16.0%**  
450.2

**AVERAGE  
PRICE**  
(R\$ / Kg) **+24.7%**  
R\$ 4.39

## COOKIES AND CRACKERS

NET REVENUE

**+3.9%**  
R\$ 1,010.3

SALES VOLUME

**-9.7%**  
138.5

AVERAGE PRICE

**+15.0%**  
R\$ 7.29

## PASTA

NET REVENUE

**-2.0%**  
R\$ 458.8

SALES VOLUME

**-20.3%**  
103.4

AVERAGE PRICE

**+23.0%**  
R\$ 4.44

## FLOUR AND BRAN

NET REVENUE

**+11.0%**  
R\$ 357.2

SALES VOLUME

**-19.6%**  
185.5

AVERAGE PRICE

**+38.8%**  
R\$ 1.93

## MARGARINE AND VEGETABLE SHORTENING

NET REVENUE

**+25.9%**  
R\$ 111.4

SALES VOLUME

**0.0%**  
18.7

AVERAGE PRICE

**+26.0%**  
R\$ 5.96

## OTHERS

NET REVENUE

**+21.0%**  
R\$ 40.9

SALES VOLUME

**+17.1 %**  
4.1

AVERAGE PRICE

**+3.3%**  
R\$ 9.98

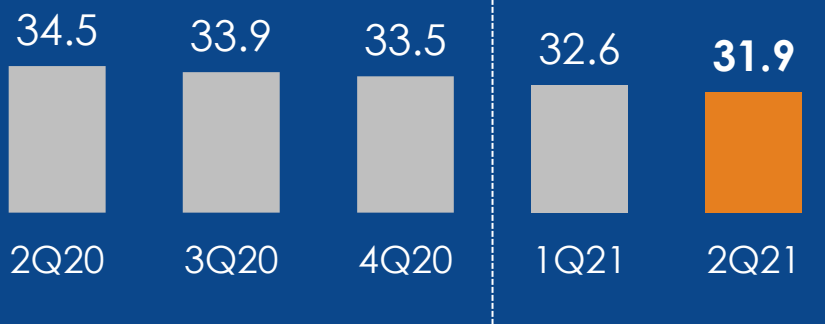


# Market Share retraction in the medium term and signs of recovery in the short term.



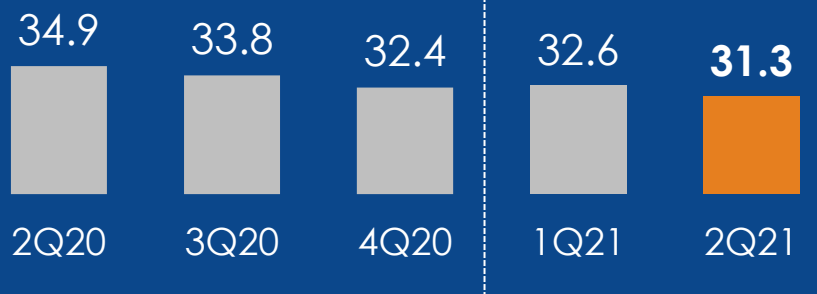
COOKIES &  
CRACKERS  
M. DIAS  
BRANCO

**-2.6p.p.**  
(2Q21 vs 2Q20)



PASTA  
M. DIAS  
BRANCO

**-3.6p.p.**  
(2Q21 vs 2Q20)



Net revenue of R\$ 1.3 billion in the Defense region <sup>(1)</sup> and R\$ 683 million in the Attack region <sup>(2)</sup>, M. Dias Branco grows throughout Brazil.



vs 2Q20

## DEFENSE

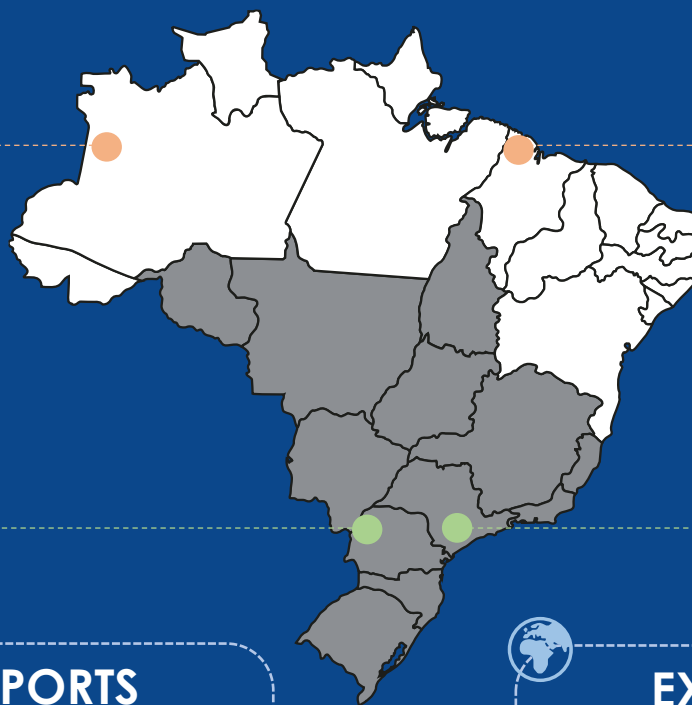
Net Revenue  
Variation

+ 9%

## ATTACK

Net Revenue  
Variation

+ 5%



## EXPORTS

Net Revenue  
Variation

- 46%



## EXPORTS

Net Revenue  
Variation

- 0.5%

vs 1Q21

## DEFENSE

Net Revenue  
Variation

+ 31%

## ATTACK

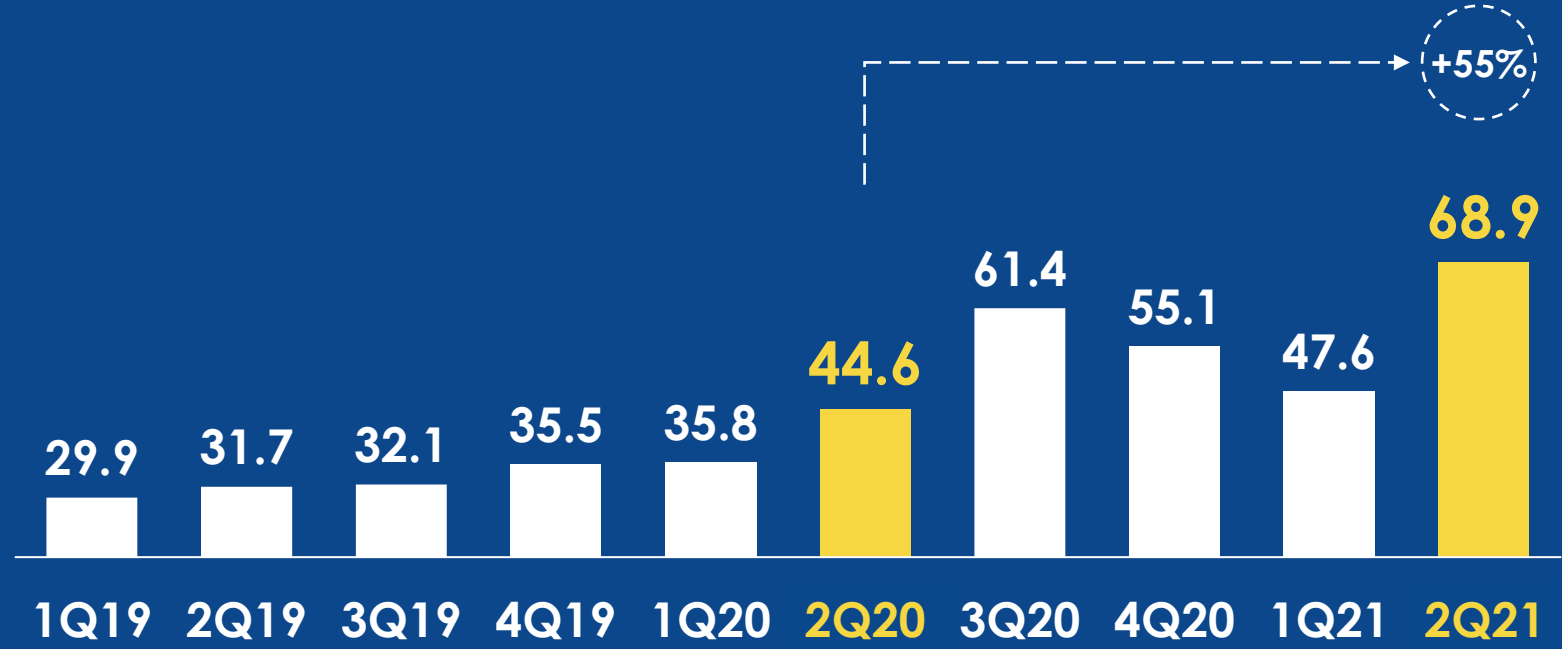
Net Revenue  
Variation

+ 40%

(1) North and Northeast  
(2) Midwest, Southeast and South

# Record contribution of Gross Revenue (R\$ Million) from Cookies Launches\*

116 products / flavors launched in the last 24 months  
(91 in 2Q20)



\* Products / Flavors Launched in the Last 24 Months





# LAUNCHES\* 2Q21 | Highlight for higher value-added products



## Wafers

RICHESTER AMORI  
CHOCOWAFFER  
CHOCOLATE COATED  
WAFER



**27.9** R\$/Kg

## Toasts

FORTALEZA  
TOASTS  
TRADITIONAL AND  
WHOLE GRAIN



**12.5** R\$/Kg

## Cracknel

FORTALEZA  
SEQUILHO  
MILK AND COCONUT



**10.5** R\$/Kg

## Donuts

ISABELA  
ROSQUINHA MILK,  
COCONUT AND  
CHOCOLATE



**9.1** R\$/Kg

\* Products/Flavors launched in the last 24 months, values represent net revenue per kg

In line with our growth strategy, we continue to invest in our main brands.

M. Dias Branco



"BRAND NATIONALIZATION"  
"MERCHANDISING AT BBB21"  
"ORIGINAL CREATIONS".



"CREAM CRACKER"  
"DELICITÁ CRISTAL"



"LIFE HAPPENS IN THE  
DETAILS"



# Relaunch of ADRIA's Grano Duro, with a new visual identity and different shapes.



- **VISUAL IDENTITY**

(Renewal of the Visual Identity of the *Grano Duro* Line)



- **NEW SHAPES**

(Portfolio expansion with new shapes: *Spaguettoni* and *Spaguetтини*)



- **POS EXCLUSIVE MATERIALS**

(Installation of exclusive POS with information about the product's differentials)





# Our brands grow fast and gain relevance in e-commerce platforms.



## Share Value (2021, June)



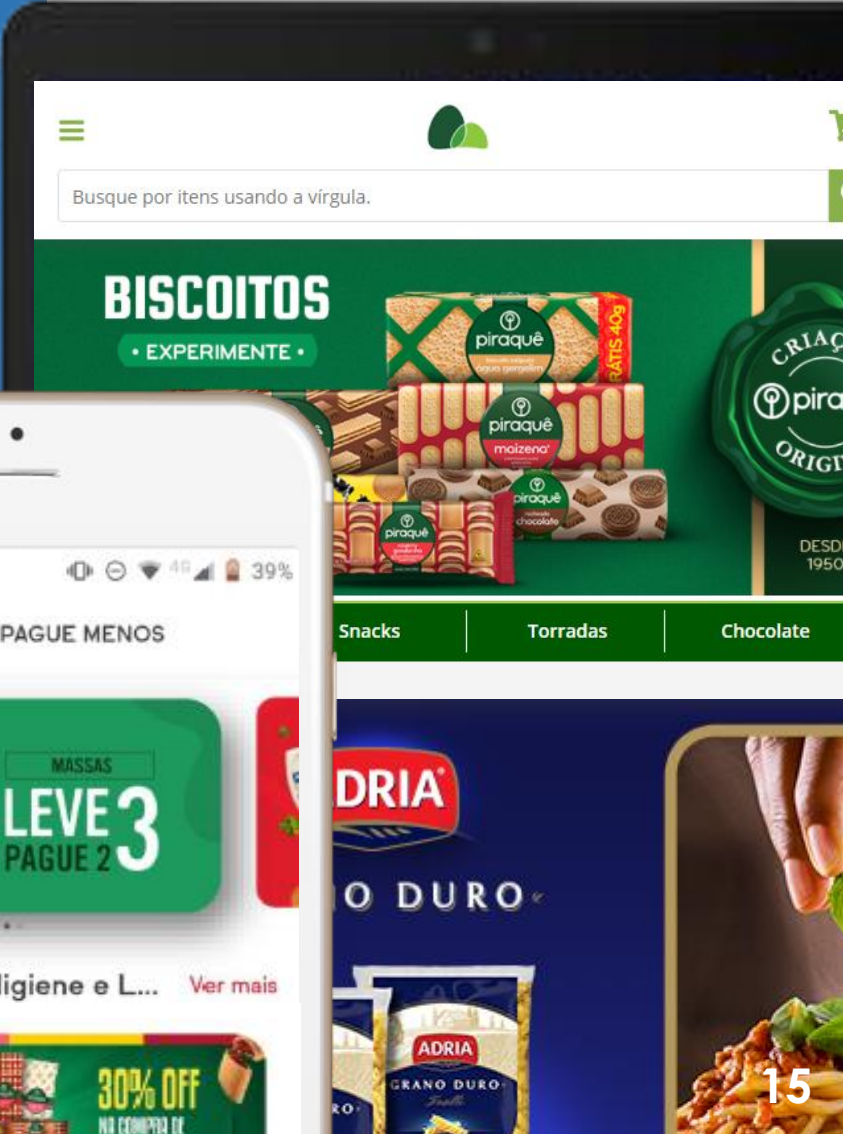
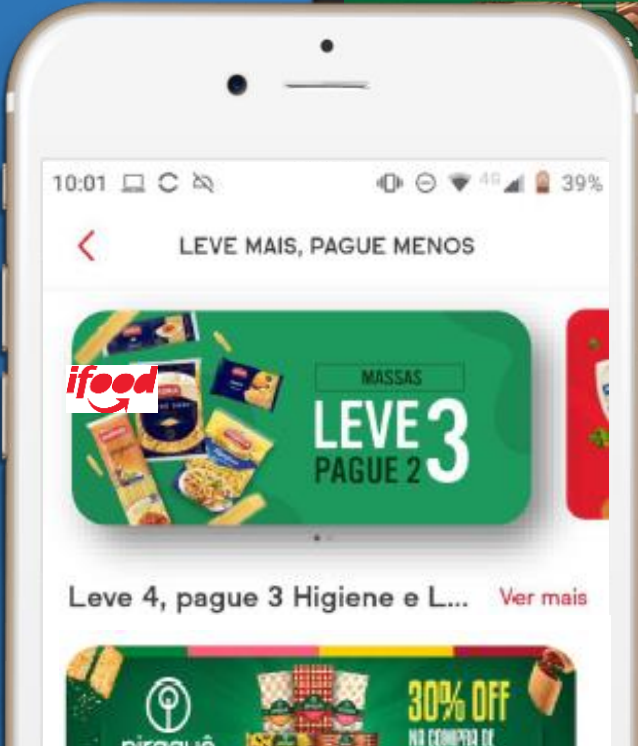
- Cookies **18 %**
- Dry Pasta and Noodles **6 %**



- Salted Cookies **26 %**
- Sweet Cookies **14 %**
- Dry Pasta **16 %**



- Salted Cookies **25 %**
- Sweet Cookies **18 %**
- Dry Pasta **28 %**



# EXPORTS

NET REVENUE (R\$ Million)



Structurally, exports gain relevance in our revenue.

The downturn vs 2Q20 is explained by non-recurring sales of pasta and wheat flour to Latin American countries, through humanitarian aid programs related to the pandemic.

# REVENUE MIX\*

## SALES CHANNELS

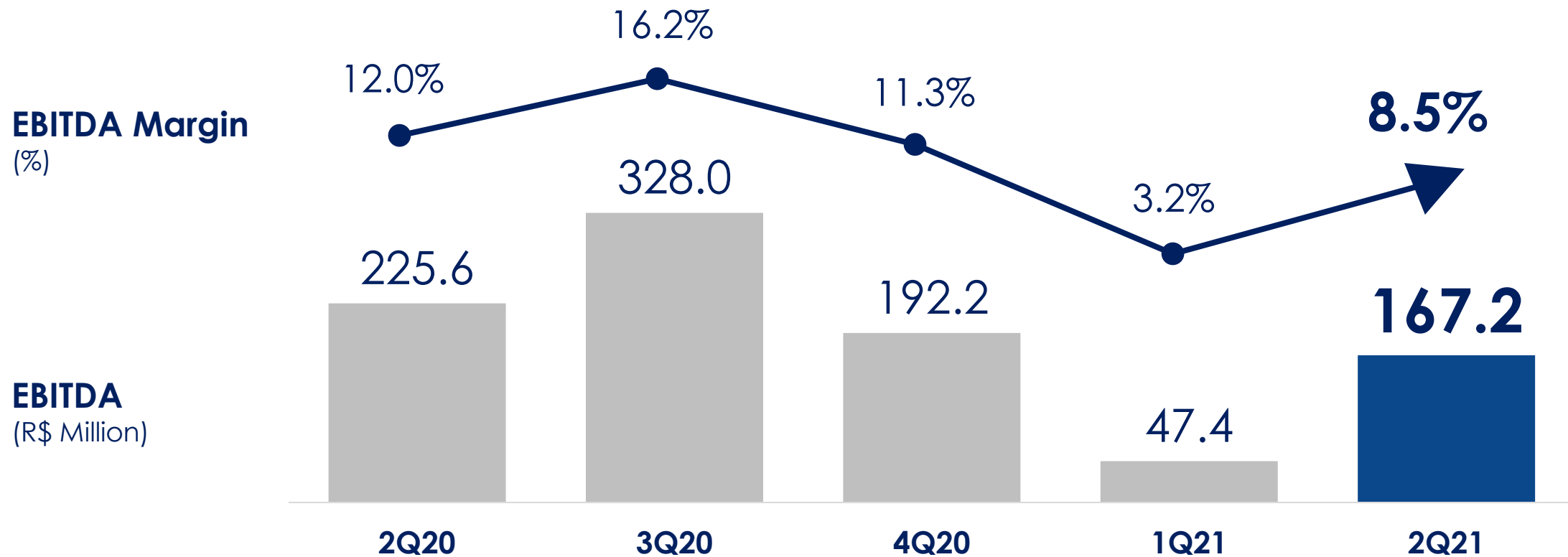


	2Q20	1Q21	2Q21
Small Retail	27%	28%	26%
Wholesale	23%	22%	21%
Key Account / Reg. Chains	20%	22%	23%
Cash and Carry	17%	15%	17%
Distributors	7%	8%	9%
Industry	1%	2%	2%
Other	5%	5%	4%

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



EBITDA and EBITDA Margin grow vs 1Q21 with higher volumes, price management, greater dilution of fixed costs and continuity of efficiency and productivity programs.



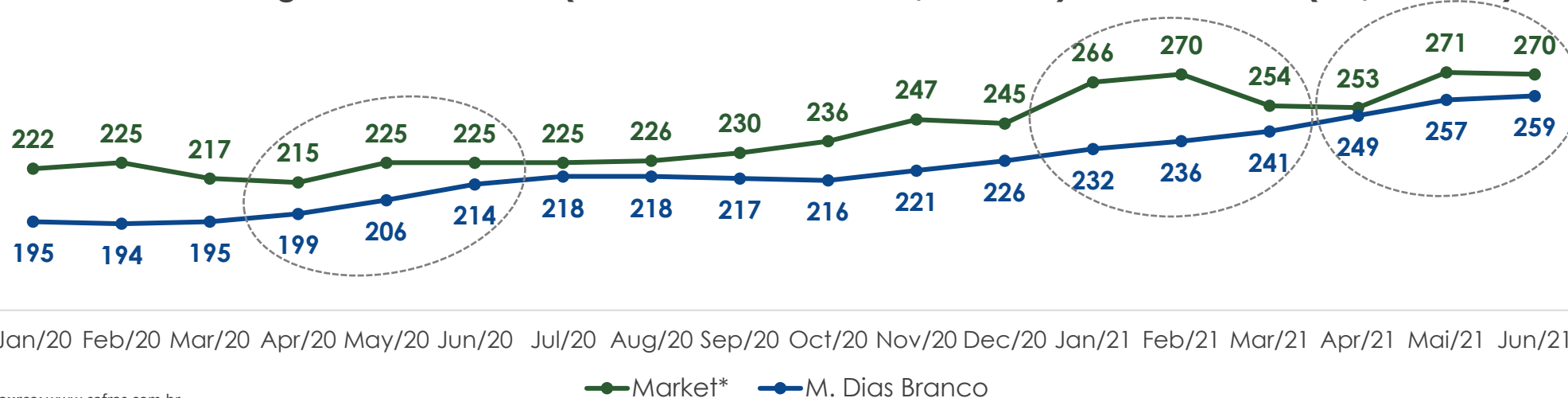
# WHEAT AND PALM OIL: PRICE EVOLUTION (US\$ TONNES)

## QUARTERLY CHANGE AVERAGE PRICE M. DIAS BRANCO

**+23.6%**  
vs 2Q20

**+7.9%**  
vs 1Q21

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

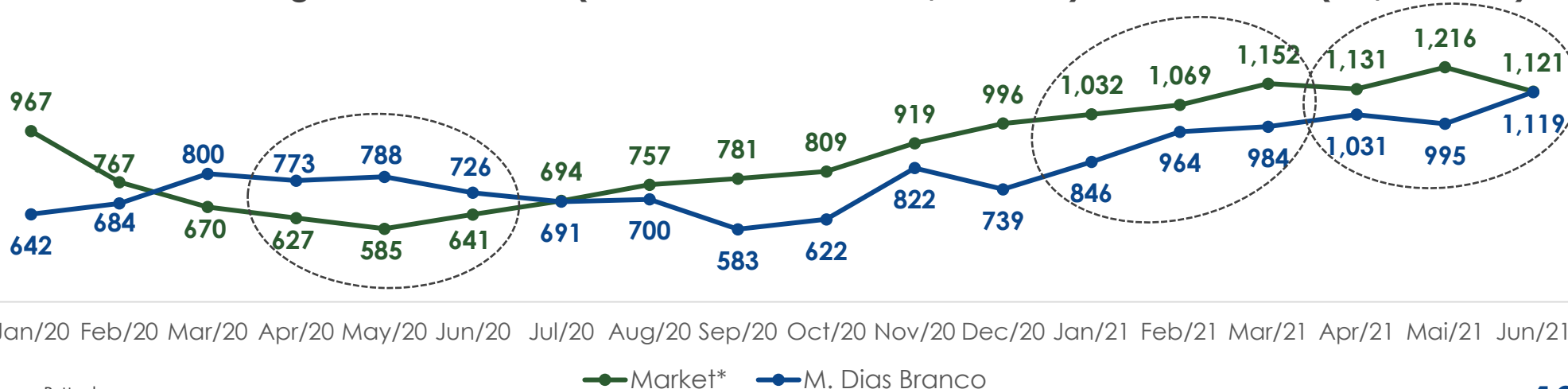


## QUARTERLY CHANGE AVERAGE PRICE M. DIAS BRANCO

**+37.5%**  
vs 2Q20

**+12.6%**  
vs 1Q21

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



# Compared to 2Q20, exchange was the main offender of EBITDA.



<b>EBITDA 2Q20 (R\$ Million)</b>	<b>225.6</b>
Operational Effects <sup>(1)</sup>	(26.5)
<b>Subtotal</b>	<b>199.1</b>
Exchange <sup>(2)</sup>	(46.1)
<b>Subtotal</b>	<b>153.0</b>
Non-Recurring Gains <sup>(3)</sup>	29.6
Expenses with COVID-19	(6.7)
Restructuring Expenses	(8.7)
<b>EBITDA 2Q21 (R\$ Million)</b>	<b>167.2</b>



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

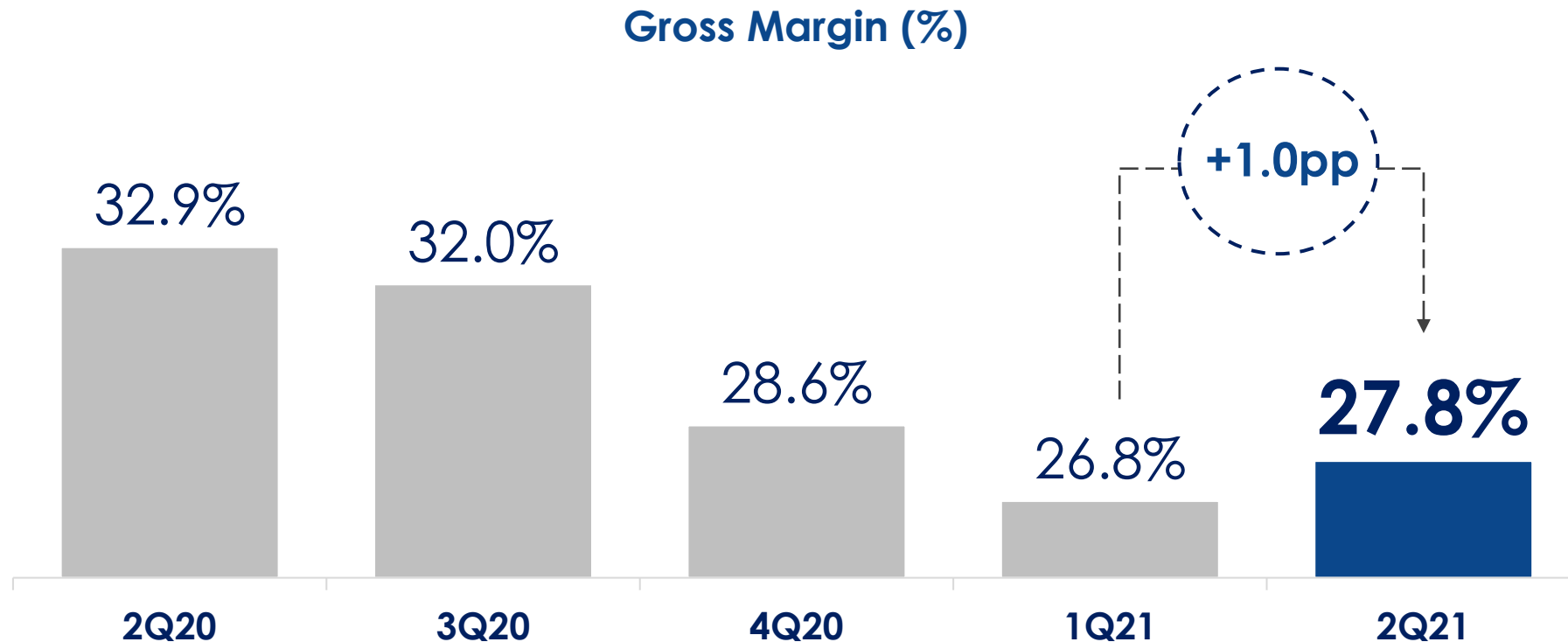
(2) Impact of the devaluation of the Real against the Dollar. It does not take into account the price variations of commodities in Dollars.

(3) The main factor was the exclusion of ICMS tax from the PIS/COFINS tax base.

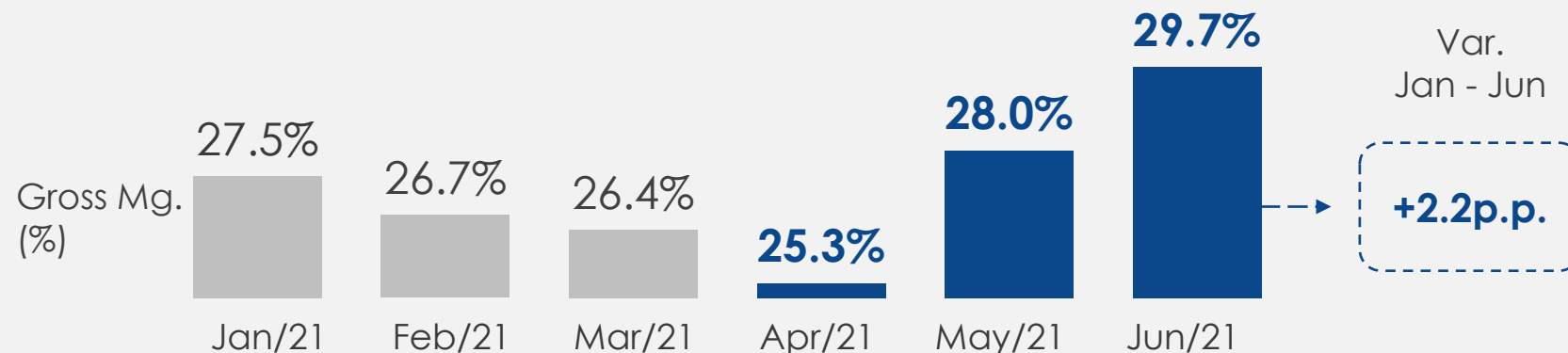
(4) Average Purchase Price (M. Dias Branco's Inventories US\$ TONNES).



Gross Margin grows between 2Q21 and 1Q21,  
as a result of the resumption of volumes and  
better price management



Gross Margin increases sequentially in 2Q21, leveraged by volume normalization and average price growth.



	Jan/21	Feb/21	Mar/21	Apr/21	May/21	Jun/21	Var. Jan - Jun
Costs (R\$/Kg)	2.83	3.15	3.19	3.21	3.11	3.21	+14%
Average Price (R\$/Kg)	3.90	4.29	4.33	4.29	4.32	4.57	+17%
Margin (R\$/Kg)	1.07	1.15	1.14	1.09	1.21	1.36	+26%

### Positive Effects\*

**+30%**

Sales Volume

**+22%**

Production Volume

### Negative Effects\*

**+12%**

Wheat Price US\$\*\*

**+32%**

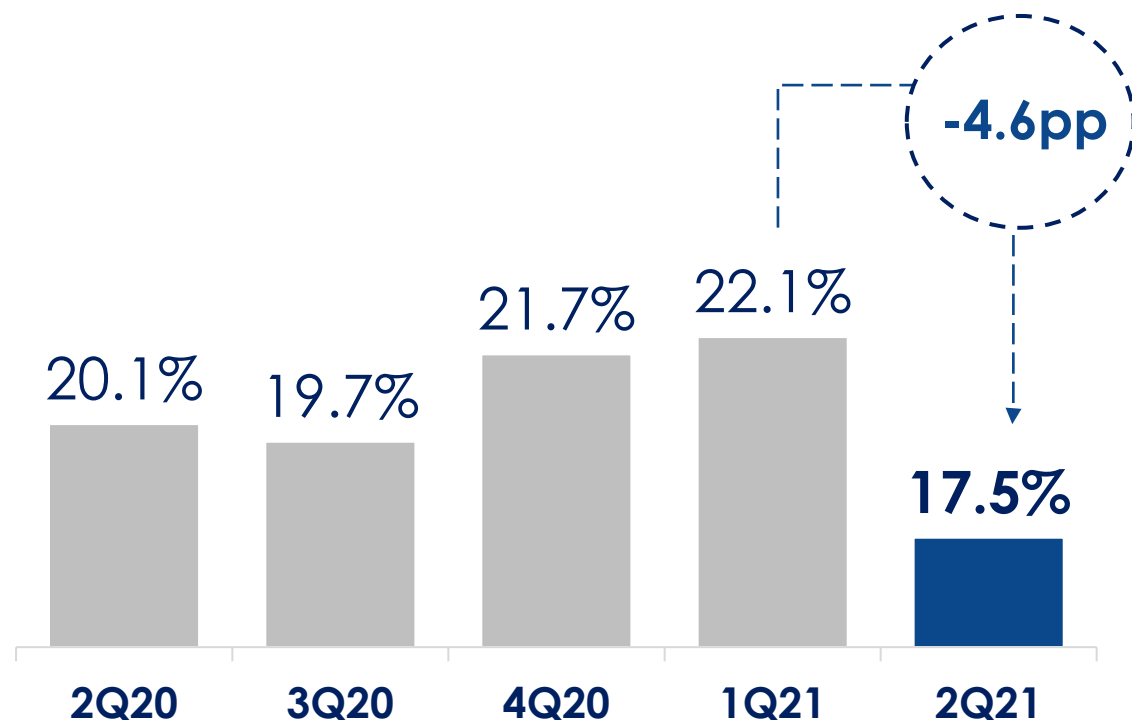
Palm Oil Price US\$\*\*

\* Variation from Jan/21 - Jun/21

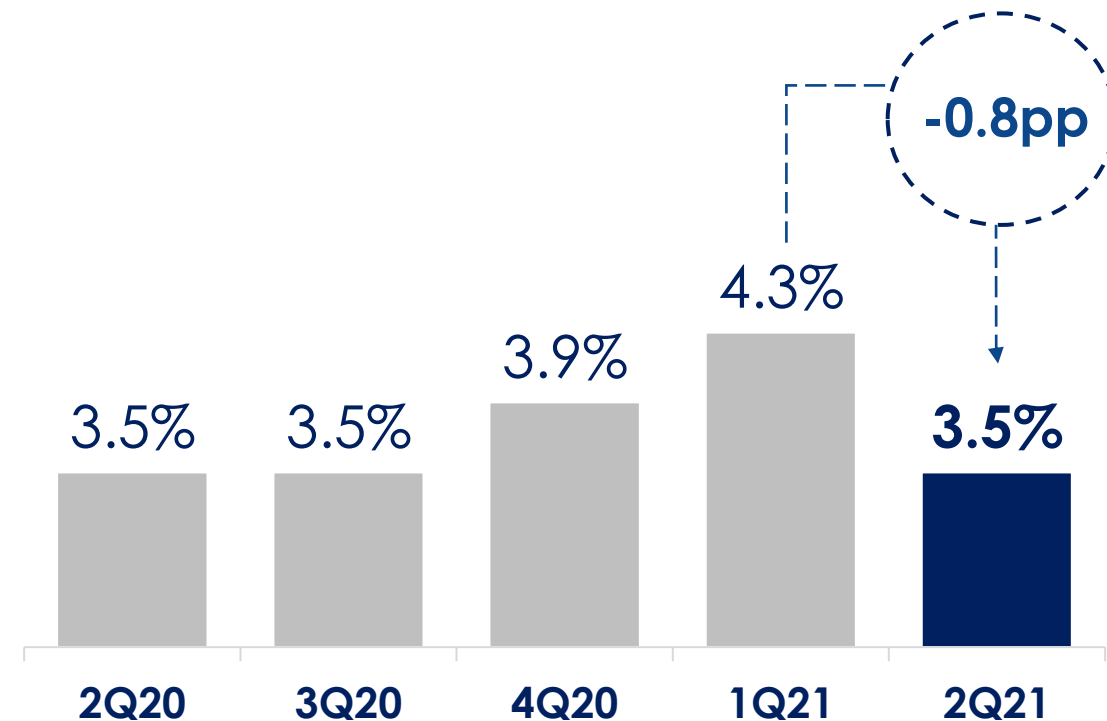
\*\*Average purchase price of commodities (M. Dias Inventories US\$ TONNES)

# Efficiency and productivity gains captured in administrative and selling expenses.

## Selling Expenses (%NR)



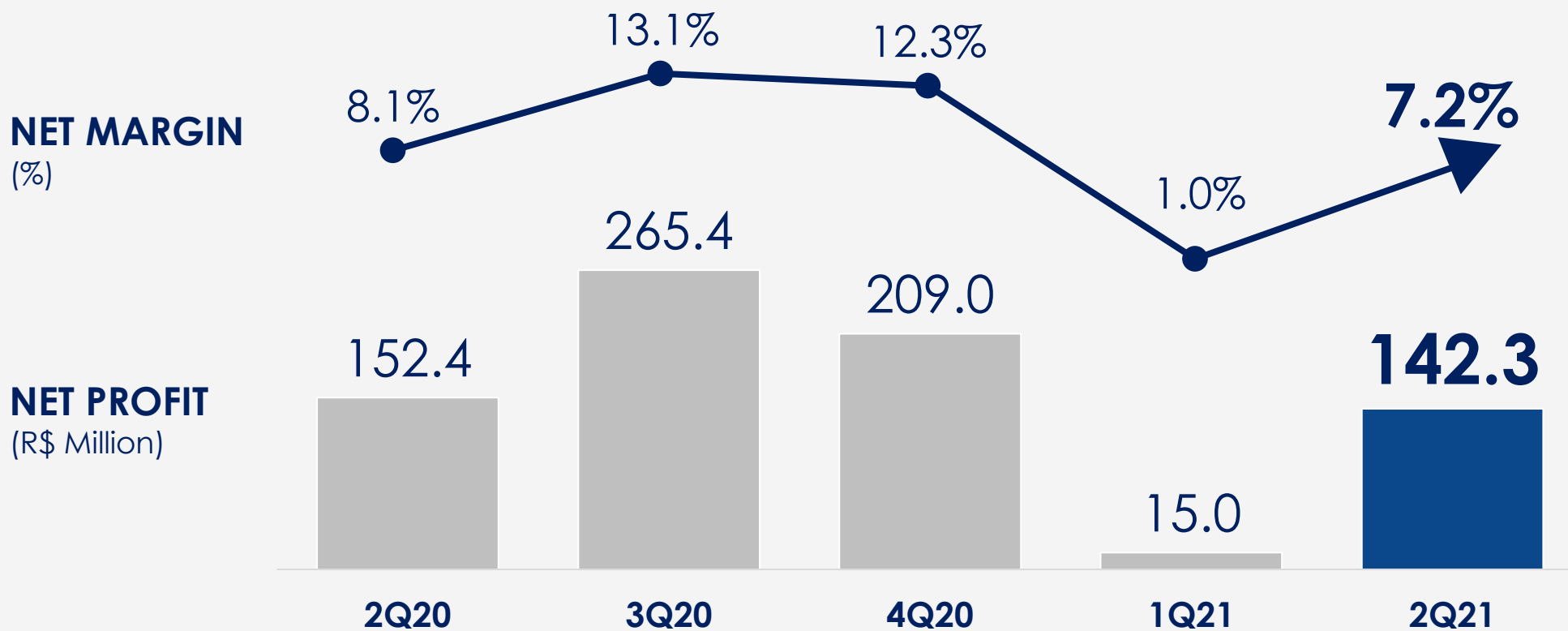
## Administrative Expenses (%NR)





# NET PROFIT

## NET MARGIN



### 2Q21 vs 2Q20

N.P. -6.6%  
Mg. -0.9p.p.

### 2Q21 vs 1Q21

N.P. +848.7%  
Mg. +6.2p.p.



## 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



Accelerated growth and national expansion of Piraquê with a focus on INNOVATION, VISIBILITY and DISTRIBUTION.

## LAUNCH

Items with high added value



R\$ 23.0\*

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

## COMMUNICATION

Actions in the main digital media to leverage our launches



## E-COMMERCE

We entered RAPPI Turbo

+

Launch of Campaign Buteco Food (Comida di Buteco) in Pão de Açúcar and Extra Club (online retail)

+

Campaigns on multiple platforms with promotional combos



## New Partnerships

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



- ✓ Start May/21
- ✓ Piraquê brand
- ✓ Cookies and Pasta
- ✓ Start region RJ



Partnership confirmed, start of sales scheduled for Sep/21



We continue to explore opportunities in the foreign market.

## COUNTRIES

**2**

New

## CUSTOMERS

**10**

New

## LAUNCH

**2**

Launches  
Private Label  
Segment

## ACTIVATION

**CHILE**

Start of Sales  
with Richester

**URUGUAY**

Installation of  
Displays



**Productivity  
and  
Efficiency**

# Optimization of the number of SKUs.

## DISCONTINUED SKUS UNTIL 2Q21

**75**

SKUs

## UNIFICATION OF BRANDS

Simplification and  
optimization of the  
portfolio.

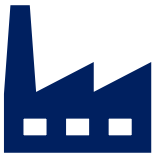
Enable greater  
profitability,  
efficiency and  
execution.





Productivity  
and Efficiency

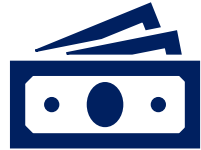
# Adjustment of the Industrial and Logistics Footprint.



## CONCLUDED

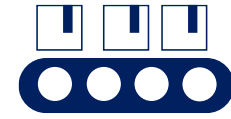
Closing of **2** of the **32** distribution centers

Products are now delivered directly from the factory to customers



## 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.

The organizational redesign work is underway with support from the Gradus consultancy. We remain confident that this transformation will be an important source of inspiration for the best management and productivity practices.

# WORKING CAPITAL AVERAGE TIME



## MAIN EFFECTS

### Days Payable Outstanding

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

### Average Storage Term

- ✓ Recomposition of storage time due to normalization of sales volume.

### Days Payable Outstanding



### Days of Sales Outstanding



### Average Storage Time







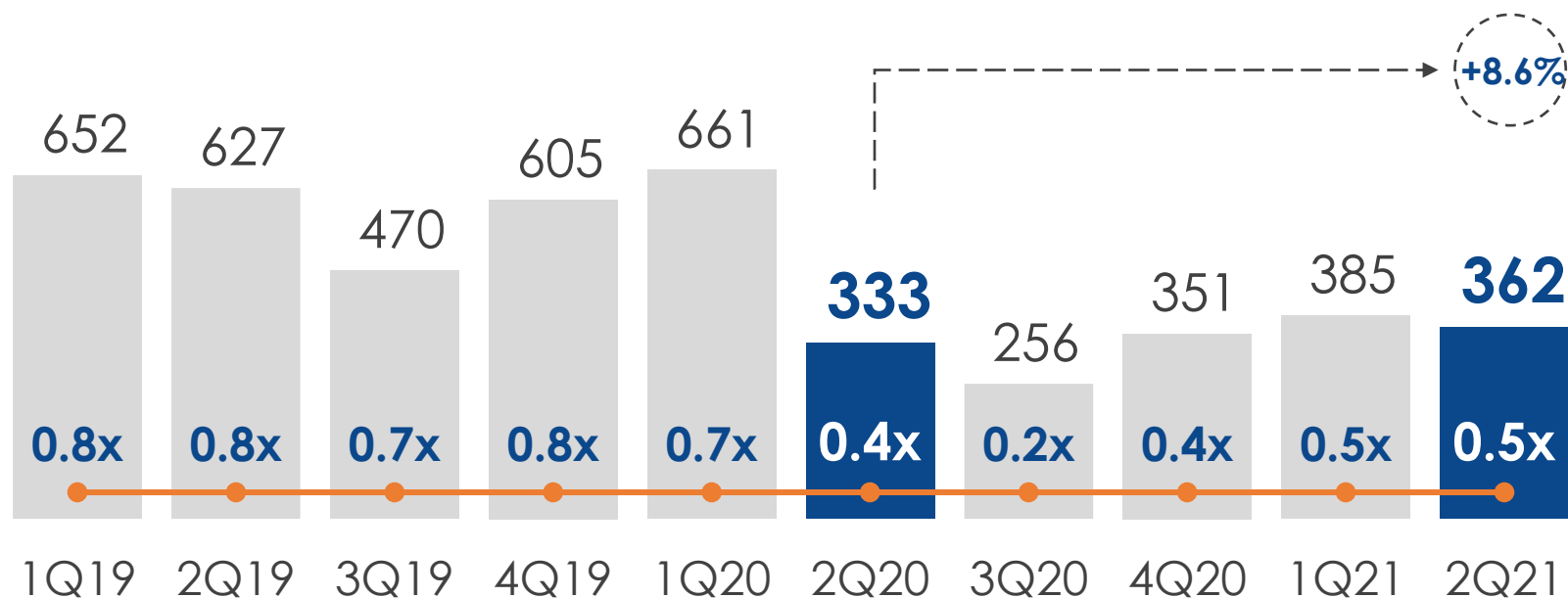
# INVESTMENTS HIGHLIGHTS

	2Q20	2Q21	1H20	1H21
<b>Total</b> (R\$ Million)	R\$ 45 (2% RL)	R\$ 52 (3% RL)	R\$ 92 (3% RL)	R\$ 101 (3% RL)
<b>Variation</b> (%)		<b>+15.2%</b> (2Q21 vs 2Q20)	<b>-8.7%</b> (1H21 vs 1H20)	

# Leverage (net debt/EBITDA in the last 12 months) stable (0.5x)



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



 **Leverage**  
Net Debt/LTM EBITDA

**REAFFIRMED**  
**3rd CONSECUTIVE**  
**YEAR**

**Fitch Ratings**  
**AAA**  
Rating Nacional de  
Longo Prazo,  
Perspectiva Estável

# SUSTAINABILITY STRATEGY



## KPI's (1H21 vs 1H20)



**+14.5%** (Kwh/Tonnes)  
Energy Intensity



**+18.9%** (M³/Ton.)  
Water Consumption



**+4.5p.p.** (Index %)  
Waste Recycling



**+14.5%** (Kg/Tonnes)  
Solid Waste Generation



**+0.01p.p.** (Frequency)  
Accident Rate

## HIGHLIGHTS

- **“Planet” Working Group**  
(comprised of a team that is engaged in the Climate Change theme)
- **“Aterro Sanitário” Project**  
(which adds greater value to waste generated in industrial operations)
- **“Dê a Mão para o Futuro” Program**  
(whose objective is to collect and recycle post-consumer packagings)



**ISE B3**



# SUSTAINABILITY STRATEGY

## HIGHLIGHTS

- ✓ The Board of Directors decided to expand the scope of the **Governance Committee to ESG**, demonstrating its commitment to environmental, social and governance issues.
- ✓ We advanced in the process of **reviewing the Strategic Sustainability Agenda for the 2022-2030** cycle, to be discussed with the ESG Committee and approved by the Board of Directors by November.
- ✓ From January to June, we donated **R\$ 19.6 million in food, equivalent to 3,358 tons, benefiting 128 institutions in 18 states in the country**. Monthly donations to populations with greater social need has been a commitment of M. Dias Branco since the beginning of the pandemic.
- ✓ To strengthen the sustainable culture, **we held the Sustainability Meeting with the Company's employees**, encouraging everyone to engage and play a leading role in the ESG theme.
- ✓ We generated **more than 10,000 hours of internal training on the Code of Ethics and Harassment**, in a virtual format.

WE ARE SIGNATORIES:



Network Brazil  
WE SUPPORT

WE INTEGRATE THE SUSTAINABILITY  
REFERENCE PORTFOLIO AT B3:

# ISEB3

CONCLUSION OF THE 2nd GREENHOUSE  
GAS EMISSION REPORT:







# Thanks!



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[www.youtube.com/rimdias](http://www.youtube.com/rimdias)



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*Grão  
Duro*

