

M. Dias Branco

Earnings Release

3Q24 | 9M24

MDIA3

November 11th, 2024

 youtube.com/rimdias

 ri.mdiasbranco.com.br

 ri@mdiasbranco.com.br





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.



New Model for Results Disclosure



Net revenue will be disclosed in three groups of categories:

- **Core Products:** Cookies and Crackers, Pasta and Margarine;
- **Wheat Milling and Refined Oils:** Wheat Flour, Bran and Industrial Vegetable Shortening;
- **Adjacencies:** Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.



Volume and Average Price will be disclosed for the total Net Revenue.

Market share and production capacity will be disclosed annually.

The cost of goods sold will follow the breakdown:

- Raw Materials, Packages, Labor, Indirect Cost, Depreciation and Amortization, and Cost of Goods Sold



For commodity prices, we will provide the market prices.



Net Revenue

(R\$ Billion)

3Q24

2.4

-12.1% vs. 3Q23
-8.6% vs. 2Q24

9M24

7.2

-11.1% vs. 9M23



Volume

(Thousand ton.)

419

-6.9% vs. 3Q23
-17.3% vs. 2Q24

1,323

+1.2% vs. 9M23



EBITDA

(R\$ Million)

229

-48.1% vs. 3Q23
-32.0% vs. 2Q24

843

-15.0% vs. 9M23



Net Income

(R\$ Million)

125

-51.9% vs. 3Q23
-34.3% vs. 2Q24

470

-14.1% vs. 9M23



Cash Flow

(R\$ Million)

67

-93.1% vs. 3Q23
-68.2% vs. 2Q24

417

-73.0% vs. 9M23



MARKET & NET REVENUE

M. Dias Branco



The market (sell-out) for cookies and pasta grew in volume and value.

Cookies & Crackers Market



3Q24 vs. 3Q23 3Q24v s. 2Q24

	Value Sold	0%	+6%
	Volume Sold	+1%	+5%
	Units Sold	+5%	+6%
	Average Price (R\$/Kg)	-1%	+1%

Pasta Market



3Q24 vs. 3Q23 3Q24v s. 2Q24

	Value Sold	+1%	0%
	Volume Sold	+5%	0%
	Units Sold	+7%	-1%
	Average Price (R\$/Kg)	-4%	0%

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

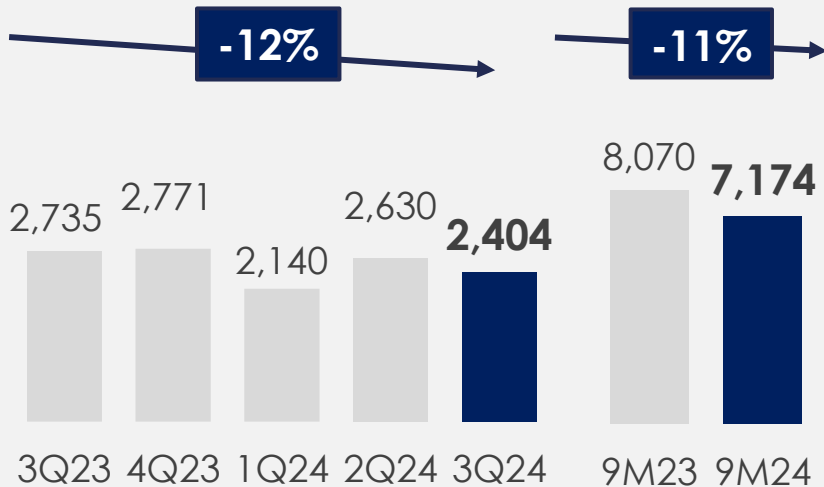




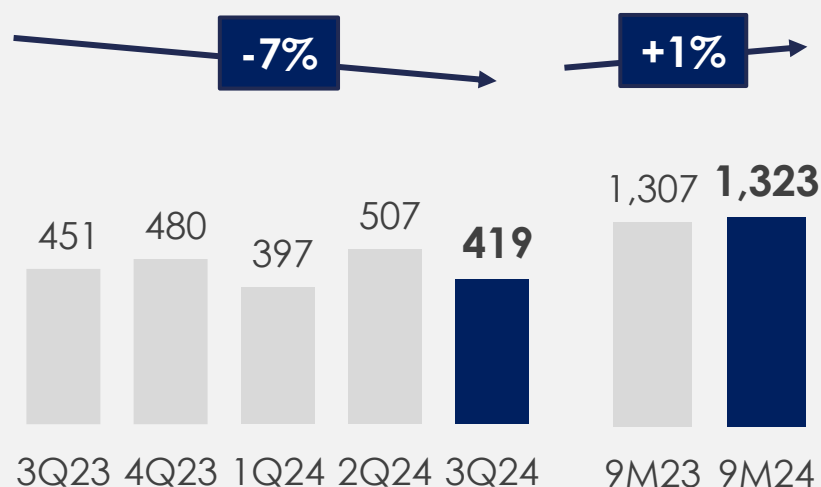
In 3Q24, net revenue declined by 12% compared to the same period of the previous year, with a decrease in volumes and average price



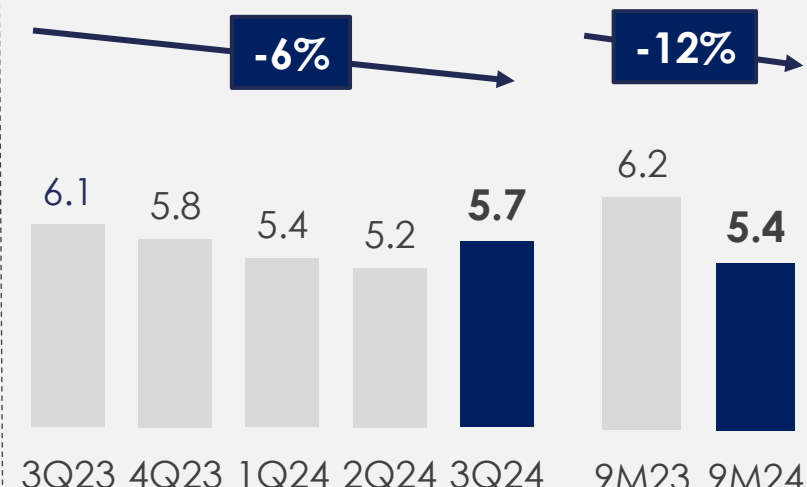
Net Revenue (R\$ million)



Sales Volume (Thousand Ton.)



Average Price (R\$/Kg)



COSTS & EXPENSES

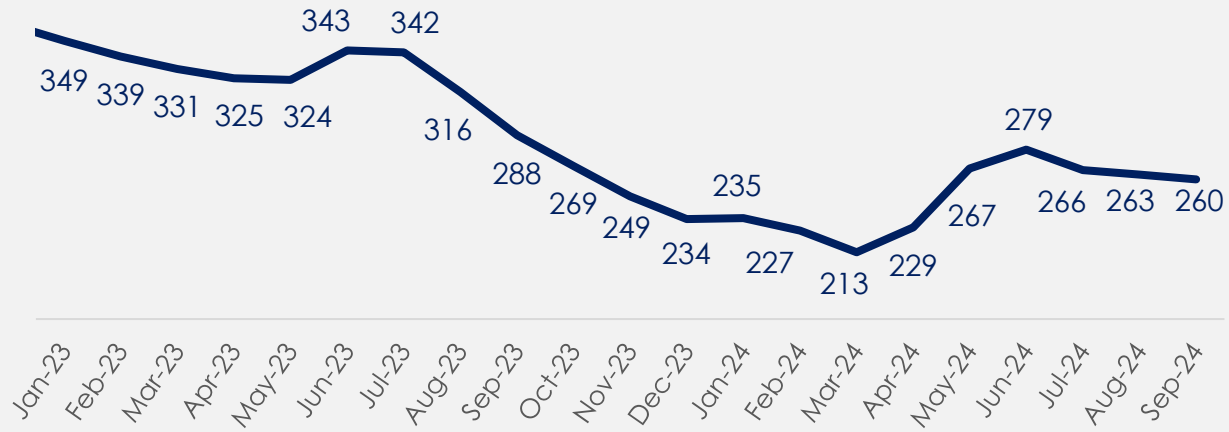
M. Dias Branco



WHEAT MARKET
(US\$/TON.)



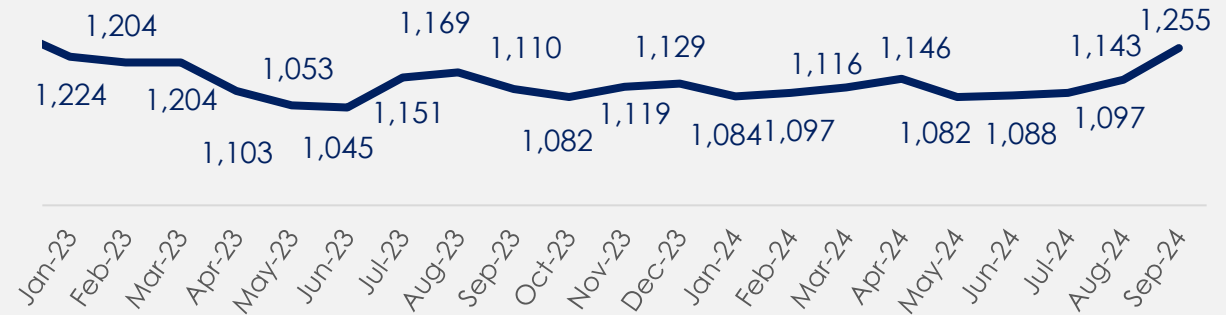
The reduction in the harvest expectations for 2024/2025 contributed to the volatility and increase in market prices over the last 6 months.



PALM OIL MARKET
(US\$/TON.)



Increase at the end of 3Q24 due to unfavorable weather conditions in South America.

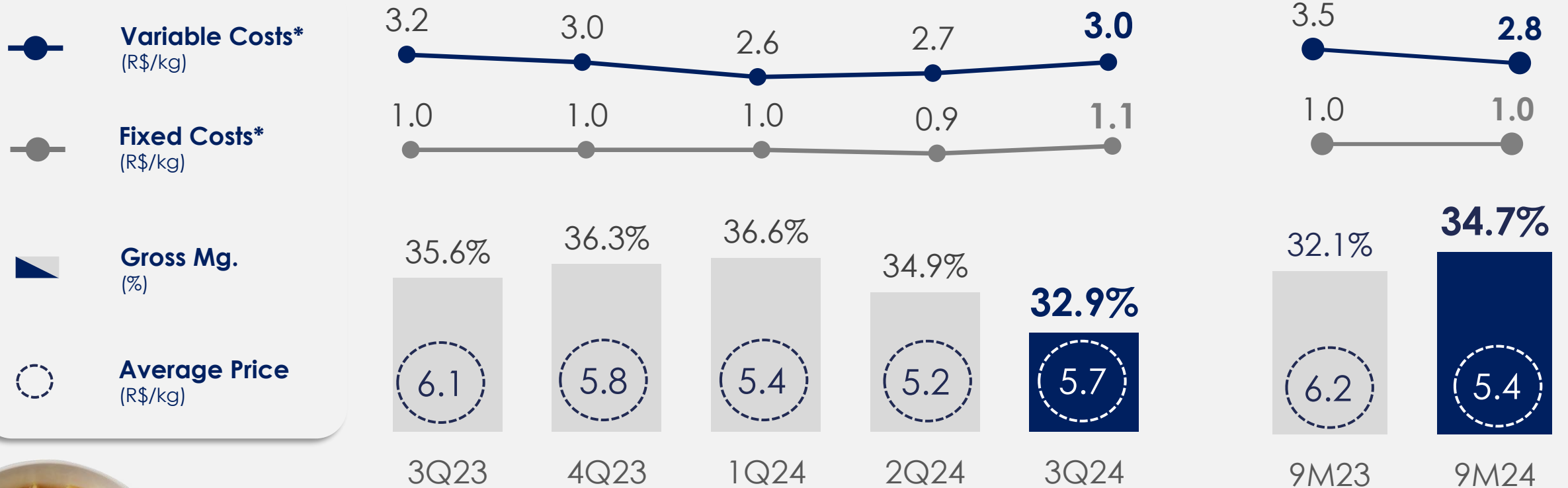


*Source: Wheat - SAFRAS & Mercado; Palm Oil- Rotterdam.





In 3Q24, the increase in commodity costs in US\$, the depreciation of the Real, and the lower fixed cost dilution due to reduced sales volumes contributed to the contraction of the Gross Margin.



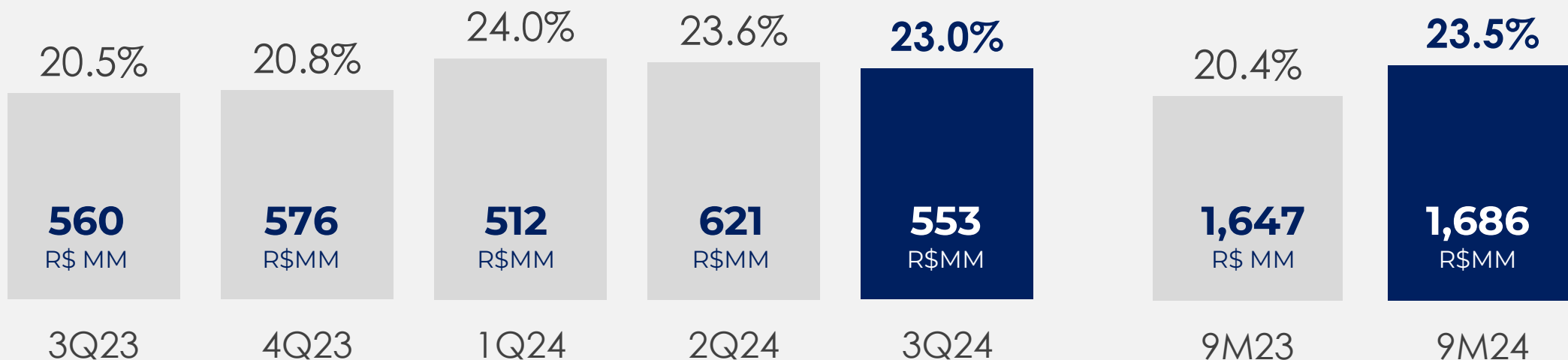
*Without incentives





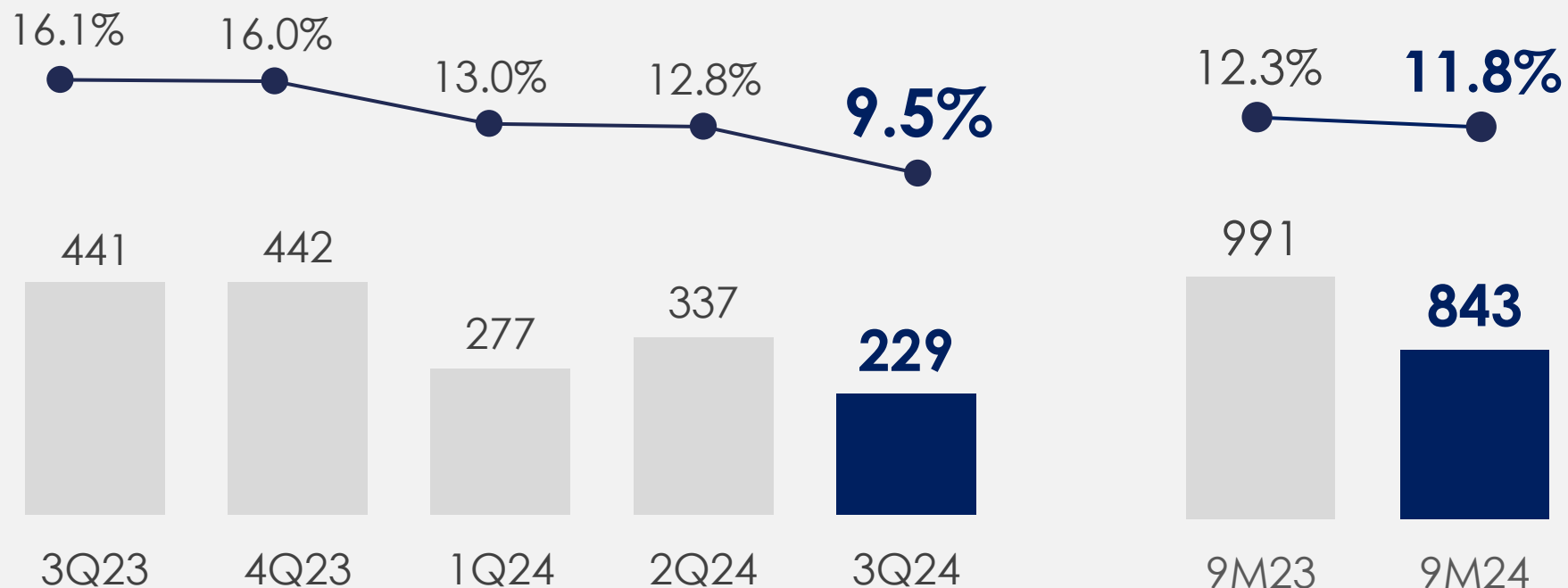
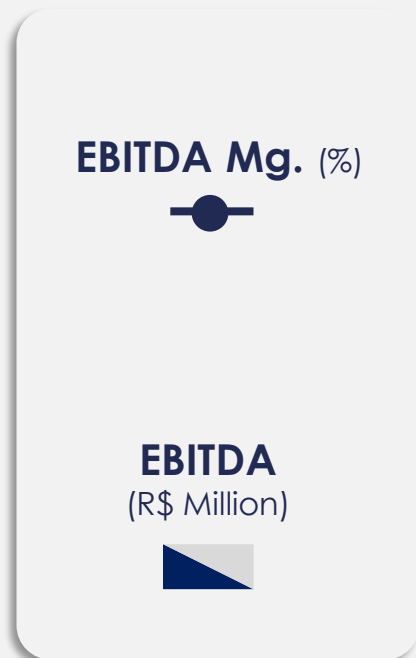
In 3Q24, expenses as a percentage of Net Revenue decreased compared to 2Q24, reflecting efforts to reduce expenses. Compared to 3Q23, the increase is explained by the decline in Net Revenue.

Selling and Administrative Expenses (SG&A) (% of Net Revenue)





In 3Q24, EBITDA reached R\$228.9 million. YoY decrease is due to the decline in sales volumes, lower average price and higher costs.

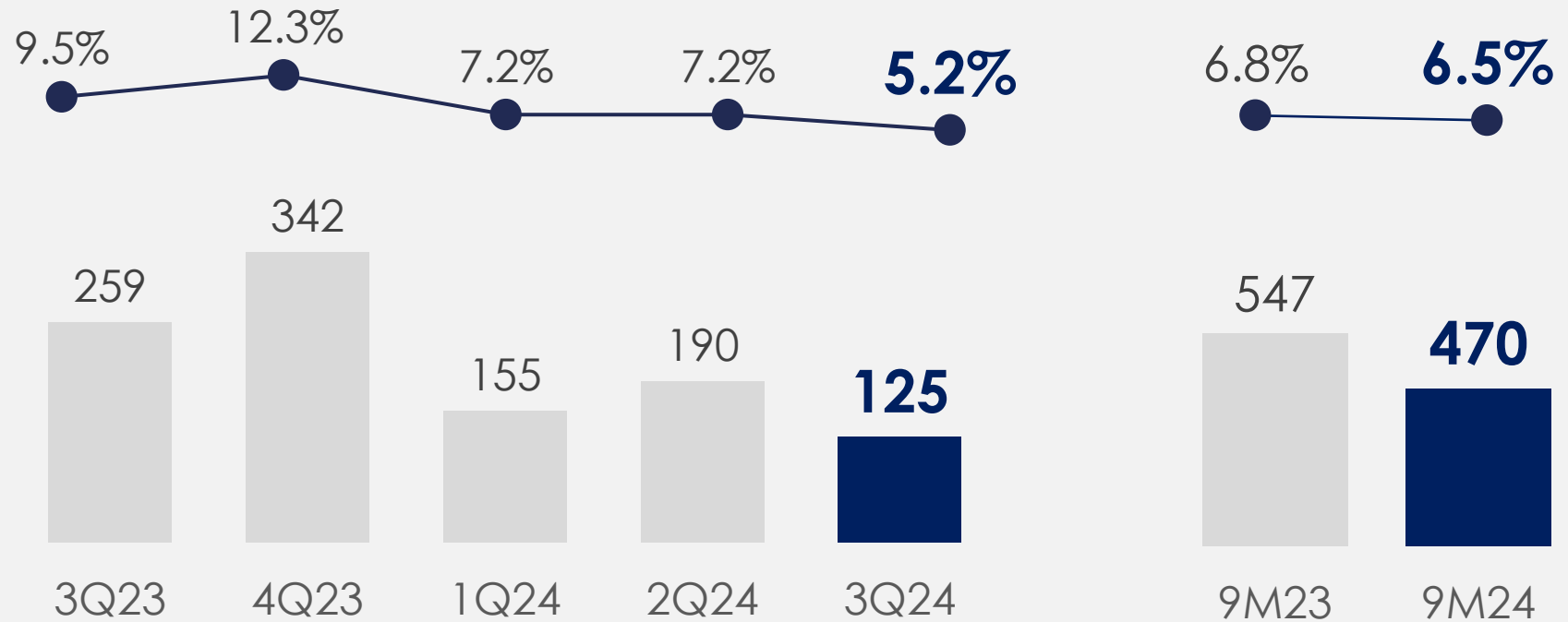




Net Profit of R\$ 125 million in 3Q24 and R\$ 470 million in 9M24.

Net Margin (%)
●

Net Income (R\$ Million)
■



CASH FLOW, DEBT AND INVESTMENTS

M. Dias Branco





R\$ 67 million in operating cash generation in 3Q24, with working capital consumption of R\$ 188 million.

3Q24 vs. 3Q23			9M24 vs. 9M23	
67	973	Cash Flow from Operating Activities*	417	2
229	441	EBITDA	843	991
(188)	594	Assets and Liabilities Variation	(458)	704
26	(62)	Others	32	(153)

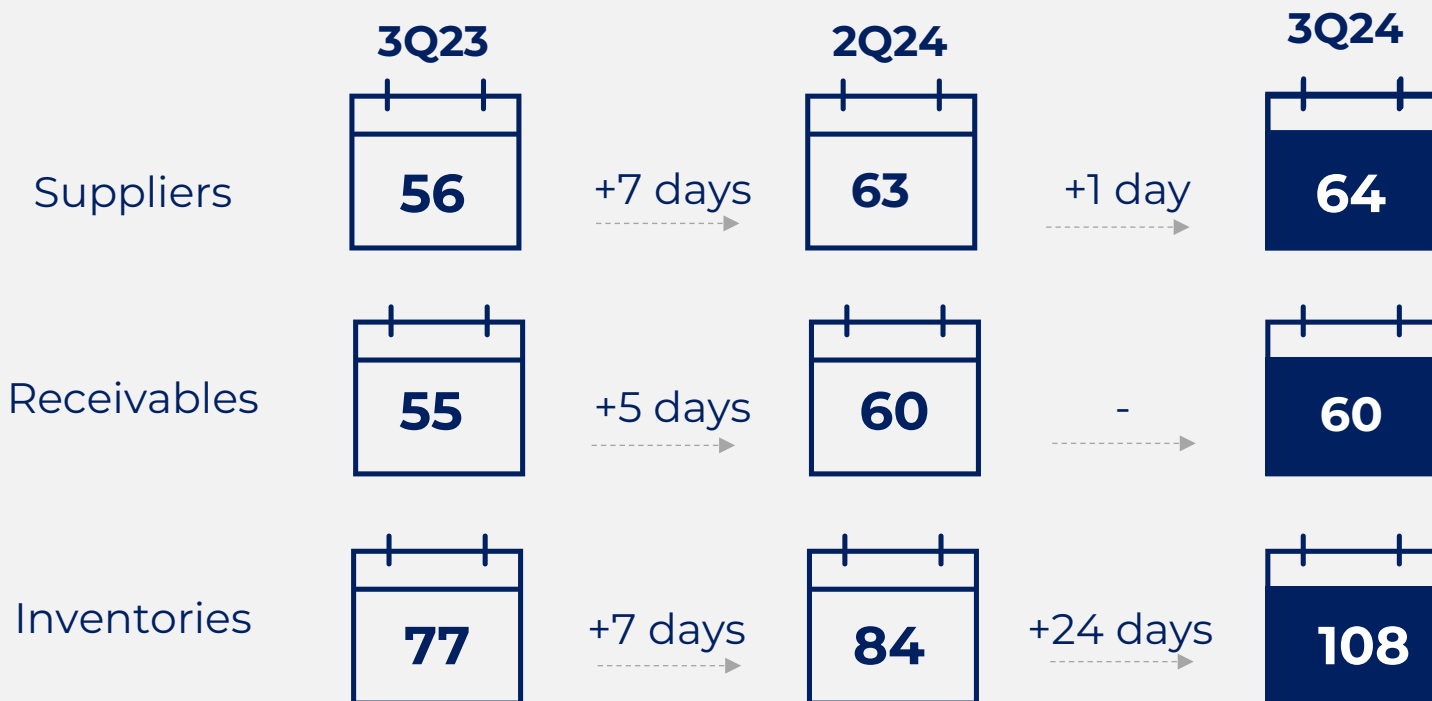
* Net Cash provided by operating activities





Stability in suppliers and receivables. Increase in inventories due to higher commodity prices and a decline in sales volumes.

Average term in days

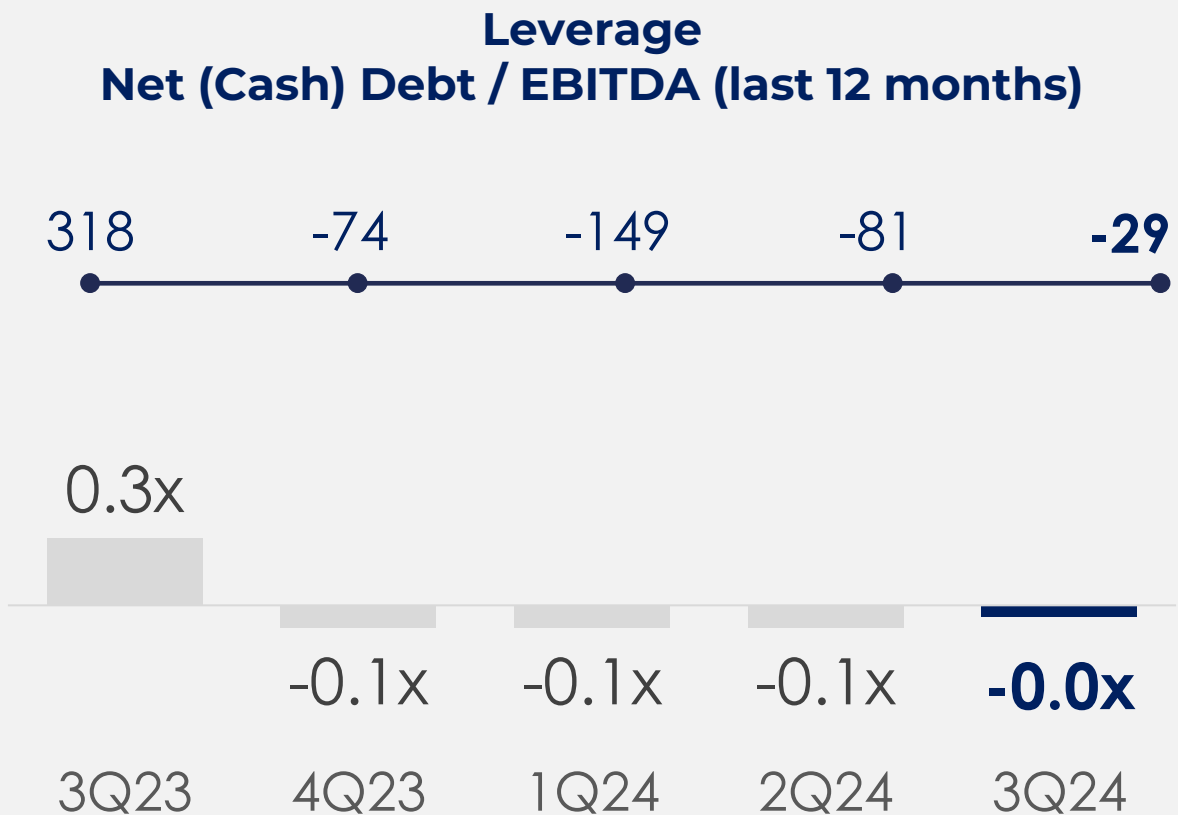




We ended 3Q24 with R\$2.1 billion in cash and a net cash position of R\$29 million (cash exceeds debt).

Net Debt
(R\$ Million)

Leverage
(Net Debt/EBITDA
last 12 months)



NATIONAL RATING
FITCH RATINGS

AAA

Stable Outlook
Rating Reaffirmed

7th CONSECUTIVE
YEAR





82.7% of the debt is in the long-term!!!

R\$ 2,142

R\$ MM

**Total
Debt**

R\$ 371

R\$ MM

17%
Due date
Short term

R\$ 547

R\$ MM

26%

Due date
2025

R\$ 21

R\$ MM

1%

Due date
2026

R\$ 1,203

R\$ MM

56%

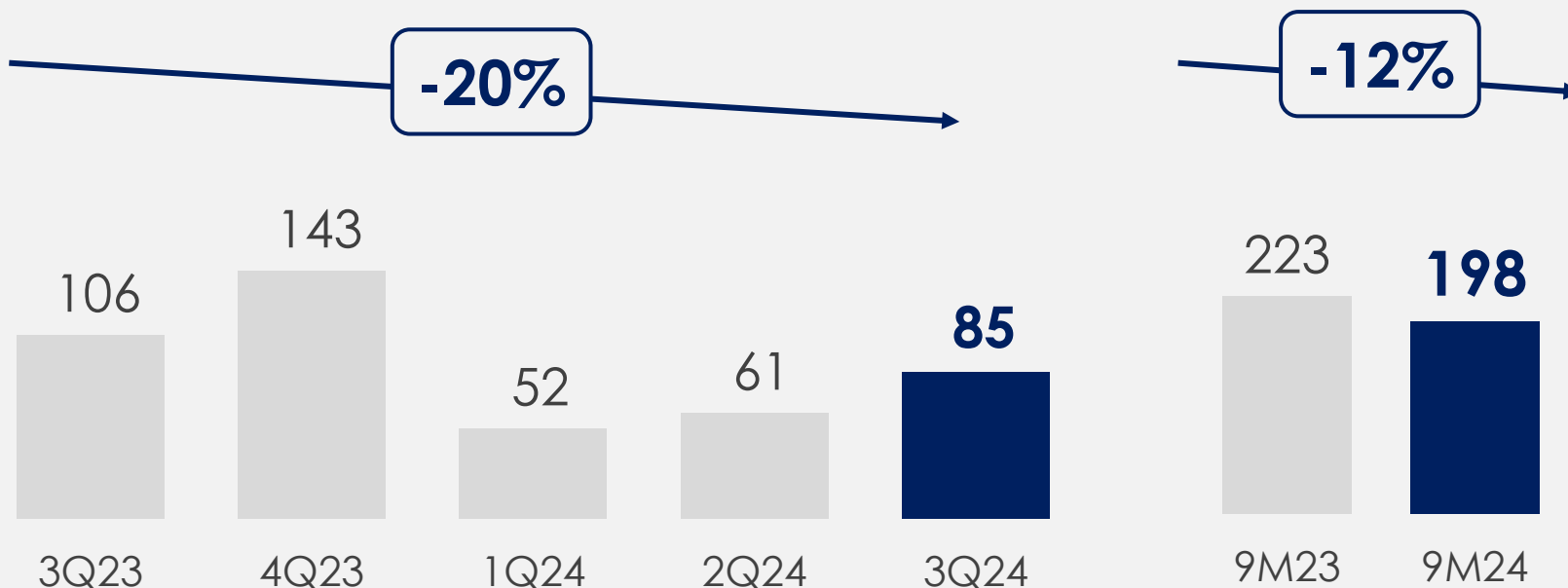
Due date
2027
on wards





R\$ 85 million in investments in 3Q24.

Total Investments
(R\$ Million)



HIGHLIGHT



Machinery and equipment Non-fried ramen





Profitable Growth Strategy

CURRENT BUSINESS

1

A white outline map of Brazil is centered within a dark blue rounded square. To the left of the map is a large white number '1'. The entire square has a white double-line border.

OTHER CATEGORIES

2

A white number '2' is positioned to the left of three white arrows. One arrow points left, one points right, and one points down. The entire square has a white double-line border.

INTERNATIONAL

3

A white number '3' is positioned to the left of a white icon of a globe with a hand holding it from the bottom. The entire square has a white double-line border.

EFFICIENCY AND PRODUCTIVITY PROGRAM



Drivers and enablers for growth

DRIVERS

Cross-selling



Innovation



Exclusive brands in Cash & Carry

ENABLERS

Marketing



Commercial Excellence



JBP (Joint Business Plan)



Revenue Management



Service Level

OTIF

CFR

Digital Transformation





In 3Q24 and in 9M24, we presented results beneath the potential of M. Dias Branco.

We faced an intense competitive environment, retailers reducing inventory levels, commodity volatility, and depreciation of the Real.

Additionally, in recent months, we did not achieve an adequate balance of price, volume, and margins.



Actions to recover results and adjust our structure and execution to the current market reality



Consolidation of the commercial team in a single national leadership, discontinuing the approach of Attack and Defense



Optimization of the organizational structure



Creation of a team focused entirely on Food Service



Adjustments of the logistics, production and distribution network



Allocation of the Revenue Management team to the Vice-Presidency of Investments and Controllershship and review of the pricing policy



Strengthening of exports



Consolidation of a team dedicated entirely to commercial excellence, including the Go To Market



Coordinated effort to reduce SG&A



ESG

M. Dias Branco



Main Indicators – 3Q24 vs. 3Q23 | 9M24 vs. 9M23



CARING FOR THE PLANET

	3Q24 vs. 3Q23	9M24 vs. 9M23
Water consumption (m ³ /Ton.)	+5.5%	-3.4%
Reclaim of water (%)	-1.1p.p.	+0.5p.p.
Waste send to landfills (%)	-1.6p.p.	-2.7p.p.
Input losses in the production process(%)	+0.5p.p.	+0.3p.p.
Finished product waste (%)	0.0p.p.	0.0p.p.



BELIEVING IN PEOPLE

	3Q24 vs. 3Q23	9M24 vs. 9M23
Women in leadership* (%)	+1.4p.p.	+1.4p.p.
Frequency of occupational accidents (rate)	-17.8%	-20.8%
Occupational accident severity (rate)	+15.3%	-4.1%



*** 25.2% in 3Q24 | 9M24
(23.8% in 3Q23 | 9M23)**



STRENGTHENING ALLIANCES

	3Q24 vs. 3Q23	9M24 vs. 9M23
Purchases from local suppliers (%)	-0.5p.p.	-1.4p.p.

M. Dias Branco



Thanks!



ri.mdiasbranco.com.br



youtube.com/rimdias



ri@mdiasbranco.com.br

Gustavo Lopes Theodozio

Vice-President of Investments and Controllershship
E-mail: gustavo.theodozio@mdiasbranco.com.br

Fabio Cefaly

New Business and Investor Relations Officer
E-mail: fabio.cefaly@mdiasbranco.com.br

Rodrigo Ishiwa

Investor Relations Manager
E-mail: ri@mdiasbranco.com.br

Everlene Pessoa

Investor Relations Specialist
E-mail: ri@mdiasbranco.com.br

Lucas Laport

Investor Relations Intern
E-mail: ri@mdiasbranco.com.br



M. Dias Branco

Q&A

Novo Lámen.

ZERO FRITURA. MUITO SABOR.