

M. DIAS
BRANCO
DAY /// 2019



M. Dias Branco

The statements herein related to the views of the management of M. Dias Branco's business are merely trends and, as such, are based solely on the management's perspectives on the continuity of past and present actions based on facts that have already occurred. These trends are not projections nor estimates and may substantially change due to variations in market conditions, performance of the Brazilian economy, industry and international markets.



Geraldo Luciano

Vice President of Investments
and Controllershship

M. Dias Branco

A strong growth since the IPO (2006)



Operating Markets and Operations

Market Share - Cookies¹
 Market Share - Pasta¹
 Industrial Plants²
 Sales Volume ('000 tons)³

2006

- 13.9%
- 16.4%
- 10 plants
- 891.3

2019 (jul18-jun19)

- 35.2%
- 37.9%
- 15 plants
- 1,779.1



Results

Market Cap (R\$ billion)³
 Net Revenue (R\$ billion)⁴
 EBITDA (R\$ million)⁴
 Operating Cash Flow (R\$ million)⁴
 Net Income (R\$ million)⁴

2006

- 2.9
- 1.3
- 258.4
- 22.6
- 143.4

2019 (jul18-jun19)

- 11.6
- 6.2
- 768.5
- 724.4
- 531.6

Notes:

- (1) Considers the Market Share for 2006 and the average Market Share from July 2018 to June 2019.
- (2) Considers the closing of December 2006 and the closing of September 2019.
- (3) Considers the share price of October 14th, 2019 for the 2019 Market Cap.
- (4) Considers the 2016 results and the LTM results in June 2019.

What brought us here?



Portfolio of Brands

- 19 brands in different price positions
- 13 cookie brands
- 14 pasta brands



Acquisitions

- Capacity to make good acquisitions
- 6 acquisitions since 2003
- Acquisitions represent 60% of Gross Revenue¹



Verticalization

- High level of verticalization
- Unique capacity in the purchase of inputs



Mix of Channels

- Diversified channel mix
- Small retail represents 29.2% of sales¹



Governance

- Board of Directors with 50% Independent Members
- Audit Committee with Independent Members
- Ethics Committee and Ethics Channel
- Succession Plan for Non-Statutory Officers



Financial Strength

- Long-Term AAA (bra) National Rating, with stable outlook, assigned by Fitch Ratings on November 6, 2018

Note:

(1) Considers the YTD results from January to June 2019 (1H19).

Romulo Dantas

Commercial Vice President



M. Dias Branco

Agenda

- Market Results
- External Factors
- Internal Context
- Business Planning

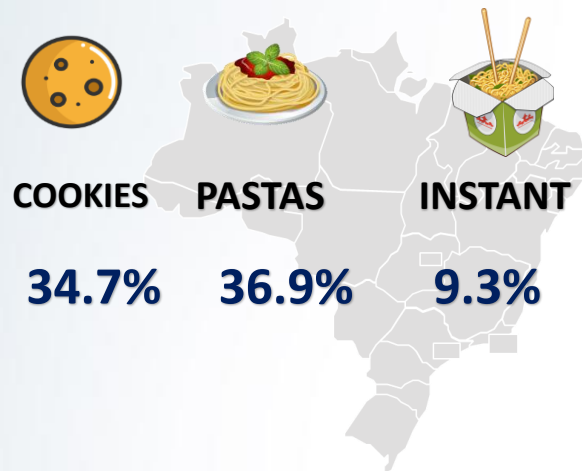
Market Results



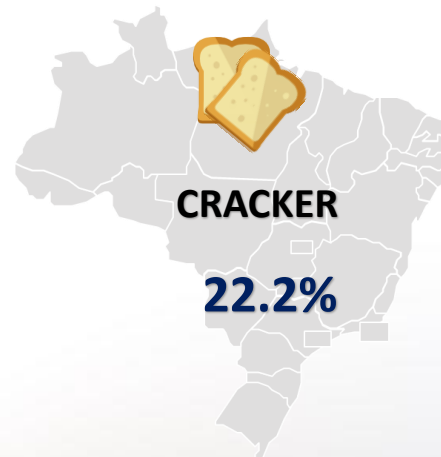
OVERALL RESULTS M. DIAS BRANCO

YTD SHARE VOLUME

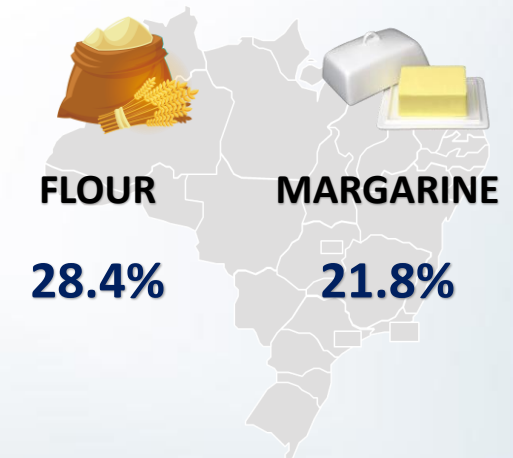
SHARE VOLUME Brazil, Retail Jan-Aug 2019



SHARE VOLUME Brazil, Scantrack Jan-Aug 2019



SHARE VOLUME Northeast, Retail Jan-Aug 2019



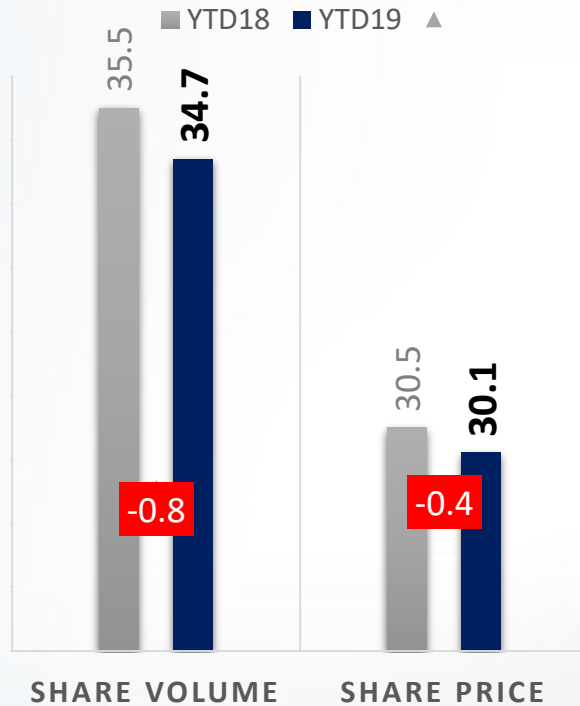
Source: Nielsen Retail Index | - YTD 19 vs 18 until August
M. Dias + Piraquê Consolidated Results

OVERALL RESULTS M. DIAS BRANCO

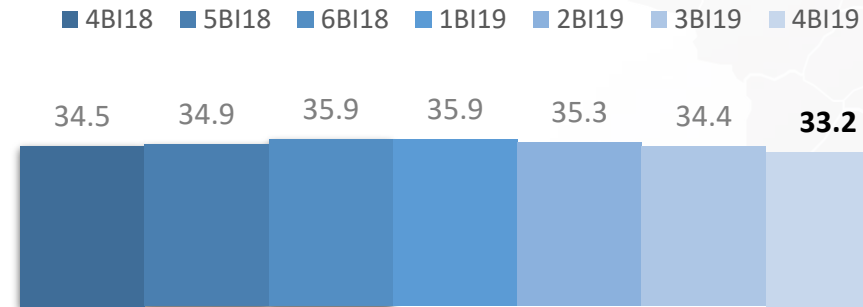
MARKET SHARE COOKIE



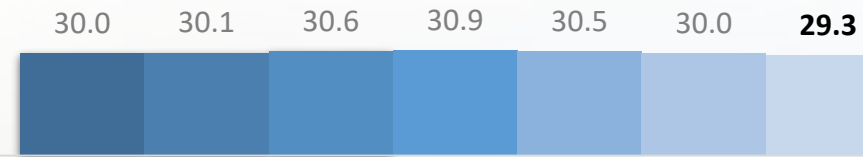
MARKET SHARE



SHARE VOLUME SHORT-TERM



SHARE VALOR



M DIAS

COOKIES
Brazil

Source: Nielsen Retail Index | - YTD 19 vs 18 until August
M. Dias + Piraquê Consolidated Results

MARKET RESULTS BY BRAZILIAN REGION

YTD SHARE VOLUME VARIATION



BRAZIL	Δ% VOLUME	SHARE VOLUME
MARKET	-1.1%	
M DIAS	-3.0%	31.2
PIRAQUÊ	-6.7%	3.5
SOUTHEAST	Δ% VOLUME	SHARE VOLUME
MARKET	1.5%	
M DIAS	-0.3%	15.0
PIRAQUÊ	-6.4%	7.2

MIDWEST	Δ% VOLUME	SHARE VOLUME
MARKET	-6.0%	
M DIAS	-2.0%	19.9
SOUTH	Δ% VOLUME	SHARE VOLUME
MARKET	-2.4%	
M DIAS	-4.2%	19.0
NORTHEAST	Δ% VOLUME	SHARE VOLUME
MARKET	-3.0%	
M DIAS	-3.8%	59.7

Δ% of Total Market and M. Dias Branco Sales Volume

Source: Nielsen Retail Index | - YTD 19 vs 18 until August
M. Dias + Piraquê Consolidated Results

OVERALL RESULTS M. DIAS BRANCO

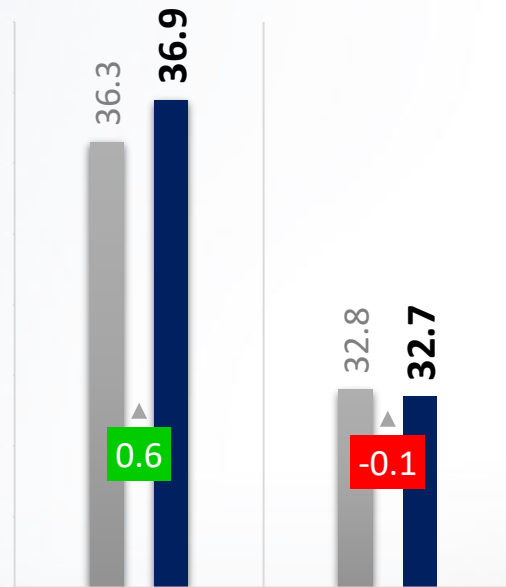
MARKET SHARE PASTA



MARKET SHARE



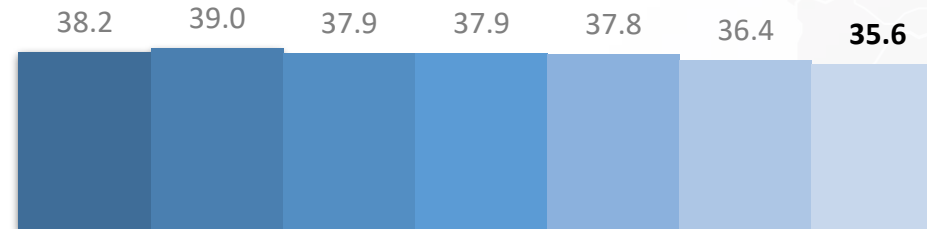
■ YTD18 ■ YTD19 ▲



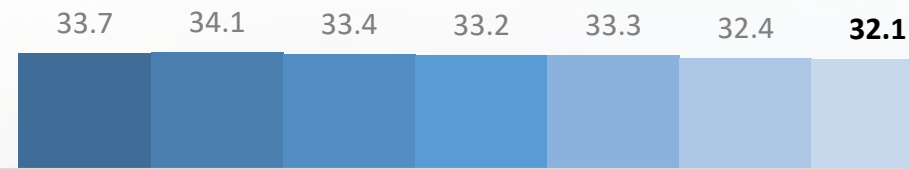
SHARE VOLUME SHARE PRICE

SHARE VOLUME SHORT-TERM

■ 4Bi18 ■ 5Bi18 ■ 6Bi18 ■ 1Bi19 ■ 2Bi19 ■ 3Bi19 ■ 4Bi19



SHARE PRICE



M DIAS

Source: Nielsen Retail Index | - YTD 19 vs 18 until August
M. Dias + Piraquê Consolidated Results

PASTAS
Brazil

MARKET RESULTS BY BRAZILIAN REGION

YTD SHARE VOLUME VARIATION



BRAZIL	Δ% VOLUME	SHARE VOLUME
MARKET	0.5%	
M DIAS	1.5%	33.4
PIRAQUÊ	7.0%	3.5
SOUTHEAST	Δ% VOLUME	SHARE VOLUME
MARKET	1.2%	
M DIAS	-3.2%	20.5
PIRAQUÊ	7.1%	7.1

MIDWEST	Δ% VOLUME	SHARE VOLUME
MARKET	1.0%	
M DIAS	21.8%	7.9
SOUTH	Δ% VOLUME	SHARE VOLUME
MARKET	1.7%	
M DIAS	7.3%	19.8
NORTHEAST	Δ% VOLUME	SHARE VOLUME
MARKET	-1.3%	
M DIAS	3.2%	64.3

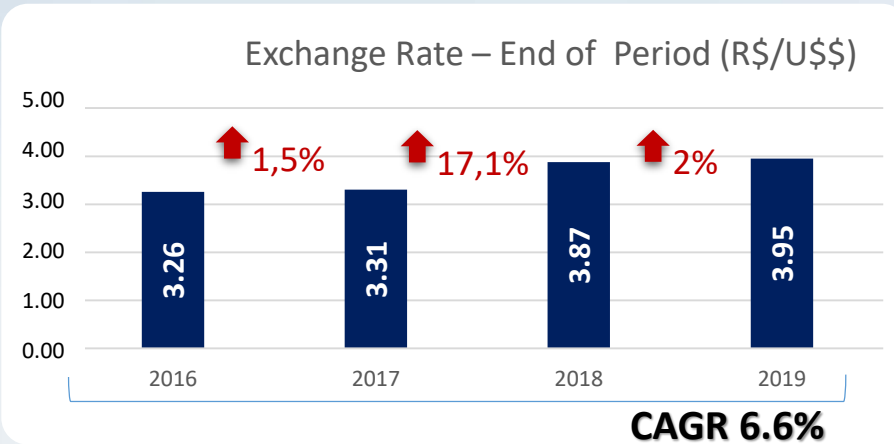
Δ% of Total Market and M. Dias Branco Sales Volume

Source: Nielsen Retail Index | - YTD 19 vs 18 until August
M. Dias + Piraquê Consolidated Results

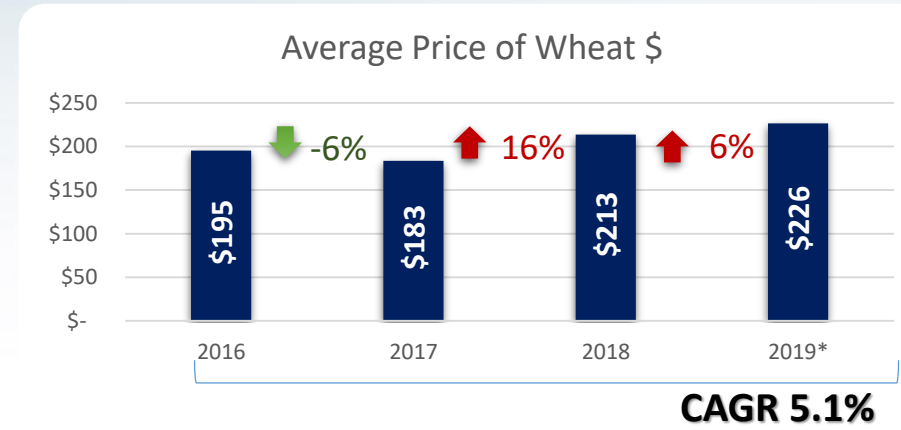
External Factors



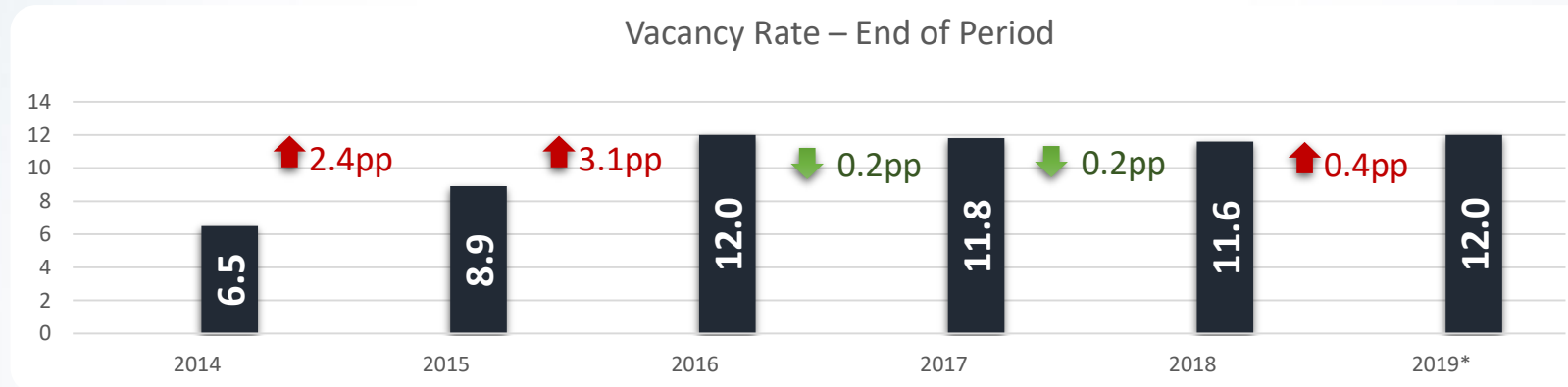
External Factors impacting Internal Results



Source: <https://www.bcb.gov.br/estatisticas/indicadoresconsolidados>
2020 Projection FOCUS report updated on September 23, 2019



Source: Internal information, Controllership area



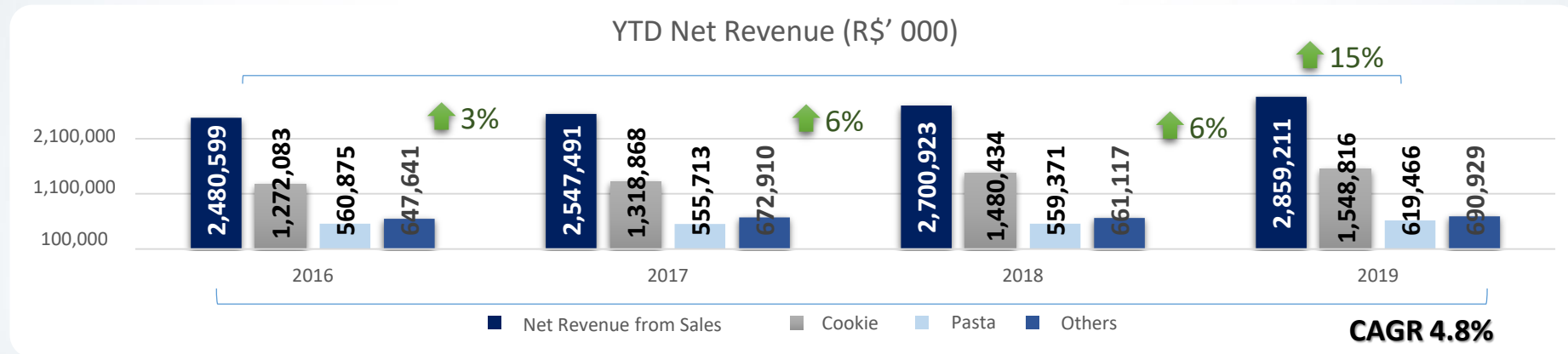
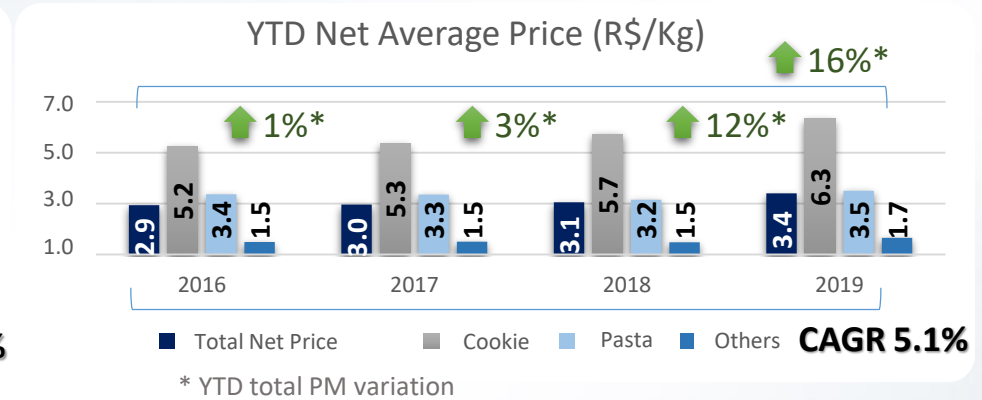
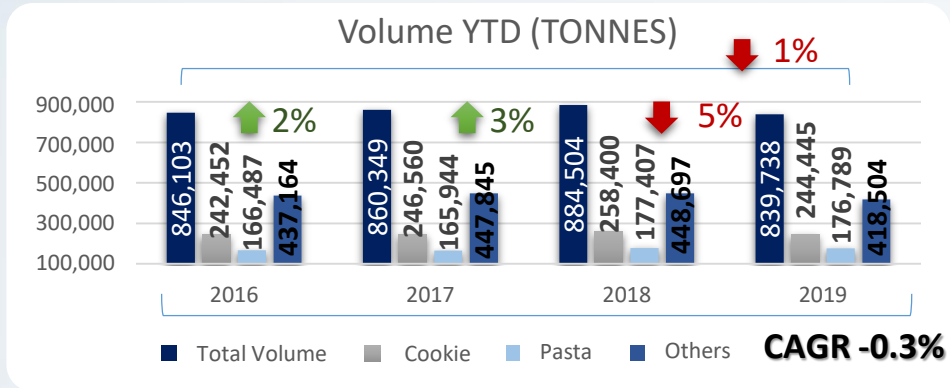
Source : <https://www.bcb.gov.br/estatisticas/indicadoresconsolidados>

Unemployment rate		Average Rate	Large Brazilian Regions				
Period			North	Northeast	Southeast	South	Midwest
2019	2nd Quarter	12.0	11.8	14.6	12.4	8.0	10.3

Internal Context



Average price growth in the last 3 years was of 16%, down 1% in volume.

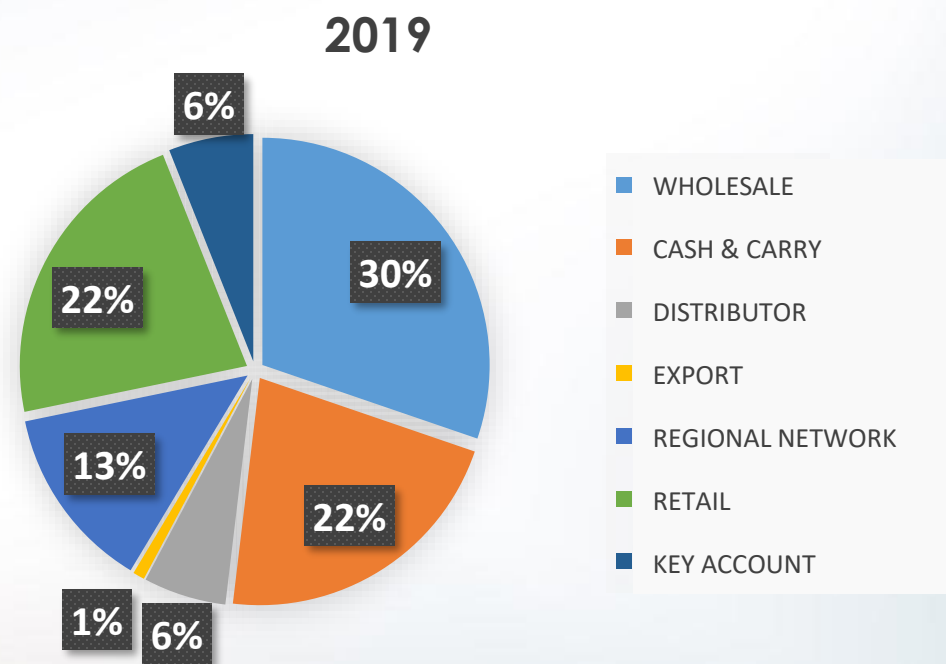
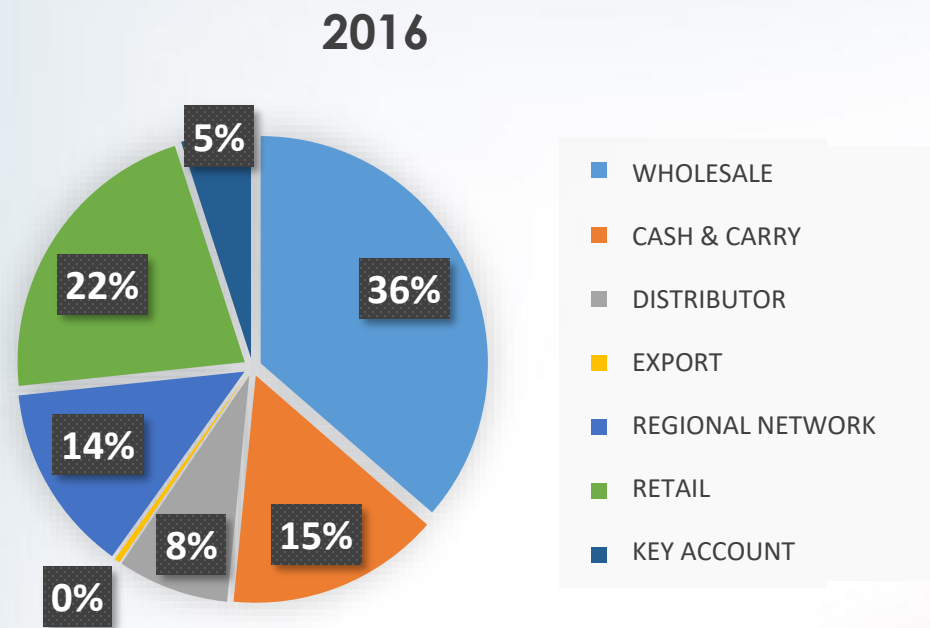


Source: Controllershship

Information - YTD 1H

From January 2018 Consolidated Income Statement M. Dias + Piraquê

Concentration on Channels that do not help develop and distribute brands.



Note: 2019 projection based on Forecast
Source: Controllershship

Business Planning



Turning All Potential into Results



Being the best option for the consumer at the POS, connecting everything to our business pillars

Framework

Being the favorite food company in Brazil

IMPERATIVE

UNDERSTANDING
and satisfying our
customers and
consumers...

EXPANDING
Borders and
Regions

Implementing
with no
mistakes

BEHAVIORS

Agility

Proactivity

Collaboration



Best Option to Buy at
the POS

M. Dias Branco

STRATEGIC PILLARS

Geographic
Expansion

Win the
consumers'
preference

Recovery of
profitability
and price

Excellence in
Implementation

Talented and
Skilled People

Geographic Expansion



Geographic
Expansion



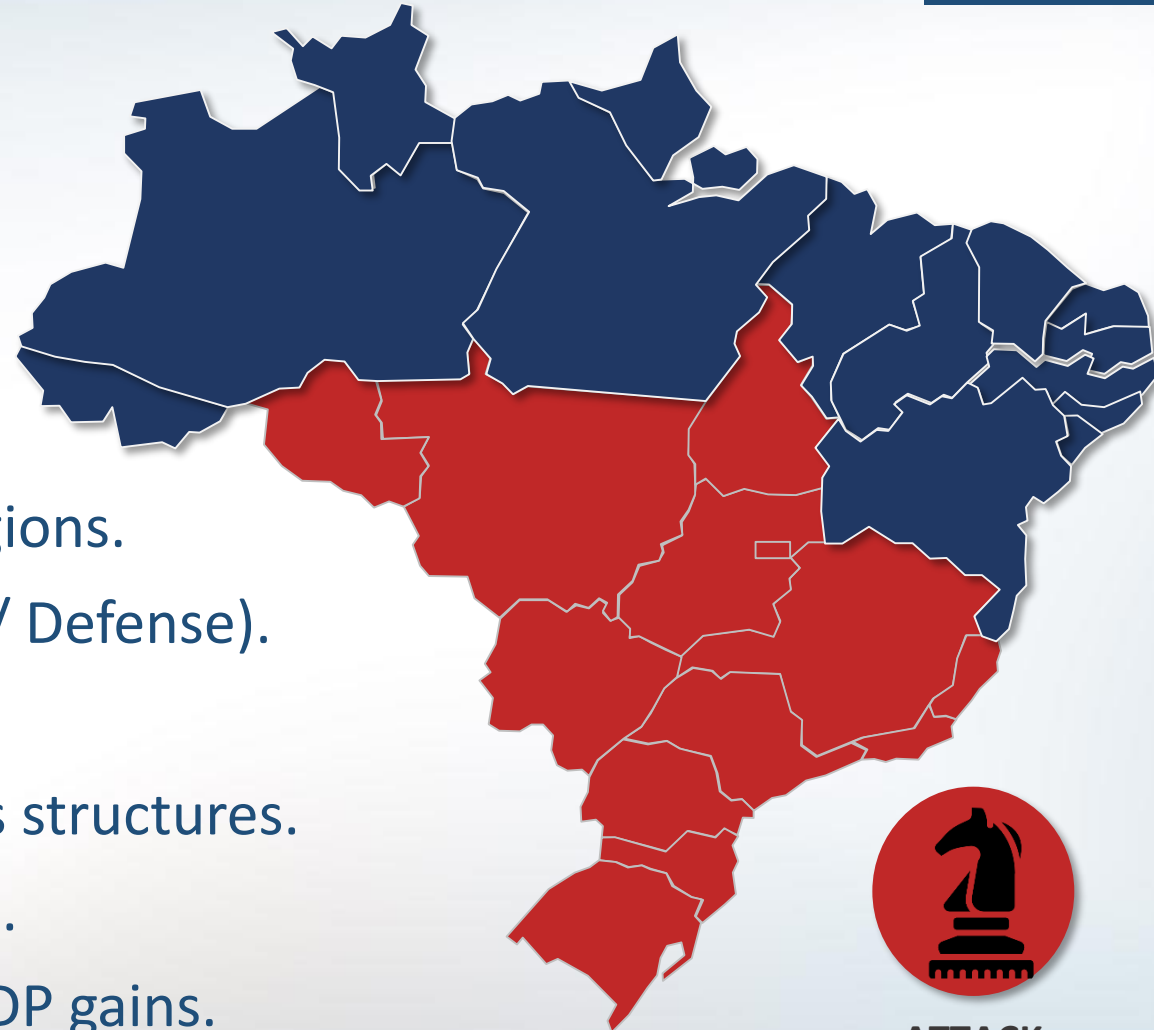
1 Restructuring the Business Area



Geographic
Expansion



DEFENSE



ATTACK

- Division of Brazil in 2 Regions.
- Operating Areas (Attack / Defense).
- Segmentation Channels.
- Redesigning the business structures.
- Increased customer base.
- Increased coverage and DP gains.
- Opening Routes.

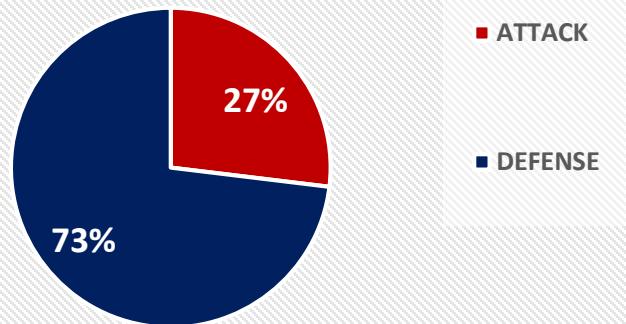
1

Restructuring the Business Area Operation Area

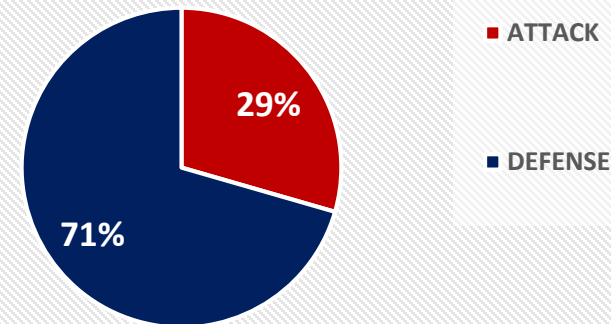


Geographic
Expansion

Volume Concentration (2019)



Volume Concentration (2020)



Note: 2019 projection based on Forecast

2

Plan to Fight Competition



Geographic
Expansion

- Expansion with greater focus in São Paulo (Distributor/ Direct).
- Focus Customers (customers of Weighted).
- Products and strategy of specific prices by channel/customers.
- Support from regionalized media.
- Campaigns to encourage the Trade and MDB team.
- Price-Pack Plan -> L+P- / Bonuspack.
- Investment Merchandising / Point of Sale Material.

3 Piraquê Integration / Expansion



Geographic
Expansion

- Piraquê national brand.
- Customer opening plans.
- Brand, product, channel and region strategy.
- Target Portfolio of expansion/Adequacy of Price-Pack.
- Piraquê price premium originality and advantage.
- Adjustment of Piraquê's selling costs.

4 Distribution Expansion



Geographic
Expansion

- Opening Distributors in the South, Southeast and Midwest.
- Leading project in doughnut cookies in 2020.
- Investment in regionalized media.
- Regional parties and events.
- Definition of focus portfolio and defense.

5 Export



Geographic
Expansion

- Growth plan by country (Focus 80/20).
- Plan to increase the customer base.
- Plan to expand the own brand.
- Marketing campaigns / festive/seasonal date actions.
- Double the size of the business in three years.

Win the consumers' preference



Win the
consumers'
preference



Recovery of profitability and price



Recovery of
profitability
and price

- 1 Portfolio segmentation by brand, channel and region.
- 2 Price index strategy reflected in the business policy.
- 3 Strategy of promotional frequency and depth adjusted to the channel/customer.
- 4 Creating the Revenue Management area.
- 5 Balancing the margin between channels.
- 6 Dedicated product for wholeretail.

Excellence in Implementation



Excellence in
Implementation



People and Compliance Management



Talented and
Skilled People



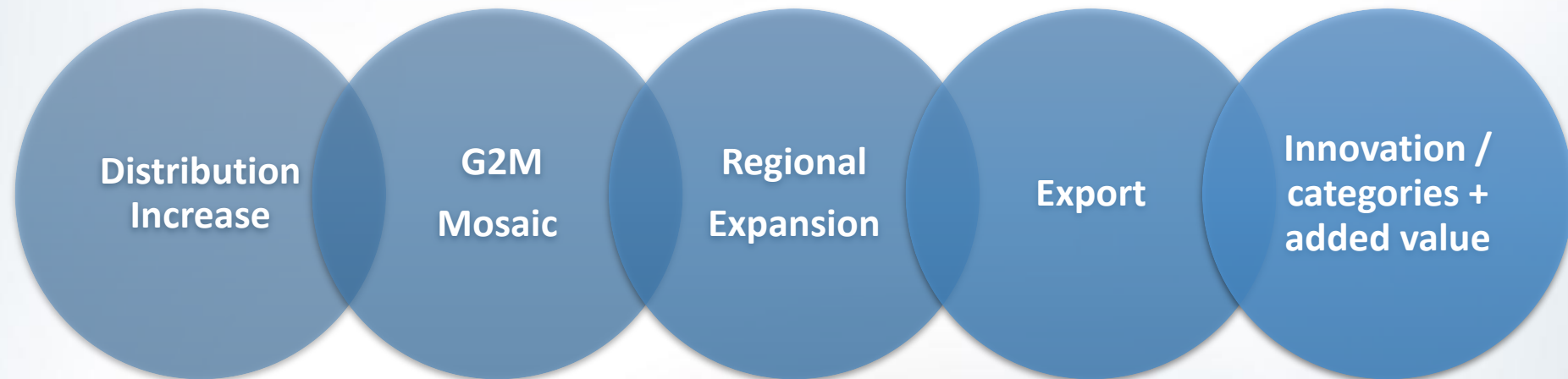
BEHAVIORS

Agility

Proactivity

Collaboration

Source of Growth



Newton Abe

Logistics Officer

A portrait of Newton Abe, a man with glasses and a white lab coat, smiling. He is wearing a white hairnet and has orange earplugs in his ears. The background is a blurred industrial setting with yellow pipes on the left.

M. Dias Branco

How to plan the best logistics in Brazil?

PROVIDER



- 400 Suppliers
- +2,000 SKUs¹
- R\$74 MM Inventory (Raw Material)

PRODUCTION



- 15 Factories
- 7 Mills²
- + 1,300 SKUs¹
- 146 Lines

WAREHOUSE



- 38 Distribution Centers
- 217 mil Pallet Positions
- 7,500 DFUs³
- R\$ 300 MM Inventory (Finished Product)

DELIVERY



- 17,000 Shipments (Monthly Average)
- Own Fleet
- Systems:
 - ✓ OTM⁴
 - ✓ ASCP⁵
 - ✓ Scripting

CUSTOMERS



- +55,000 Active Customers
- 6 Key Accounts Customers
- 50 Cash and Carry Customers
- 2,000 Regional Networks Customers
- 75 Export Customers
- +100,000 Orders (Monthly Average)

(1) SKU: Stock Keeping Units

(2) Considers the Bento Gonçalves Mill

(3) DFU: Demand Forecast Unit

(4) OTM: Transportation Management System - Oracle

(5) ASCP: Advanced Supply Chain Planning - Oracle

Three strategic projects are under development

LOGISTICS REDESIGN



- Specializing operations
- Expanding the logistics capacity
- Reducing costs and increasing scale gains

LOGISTIC NETWORK



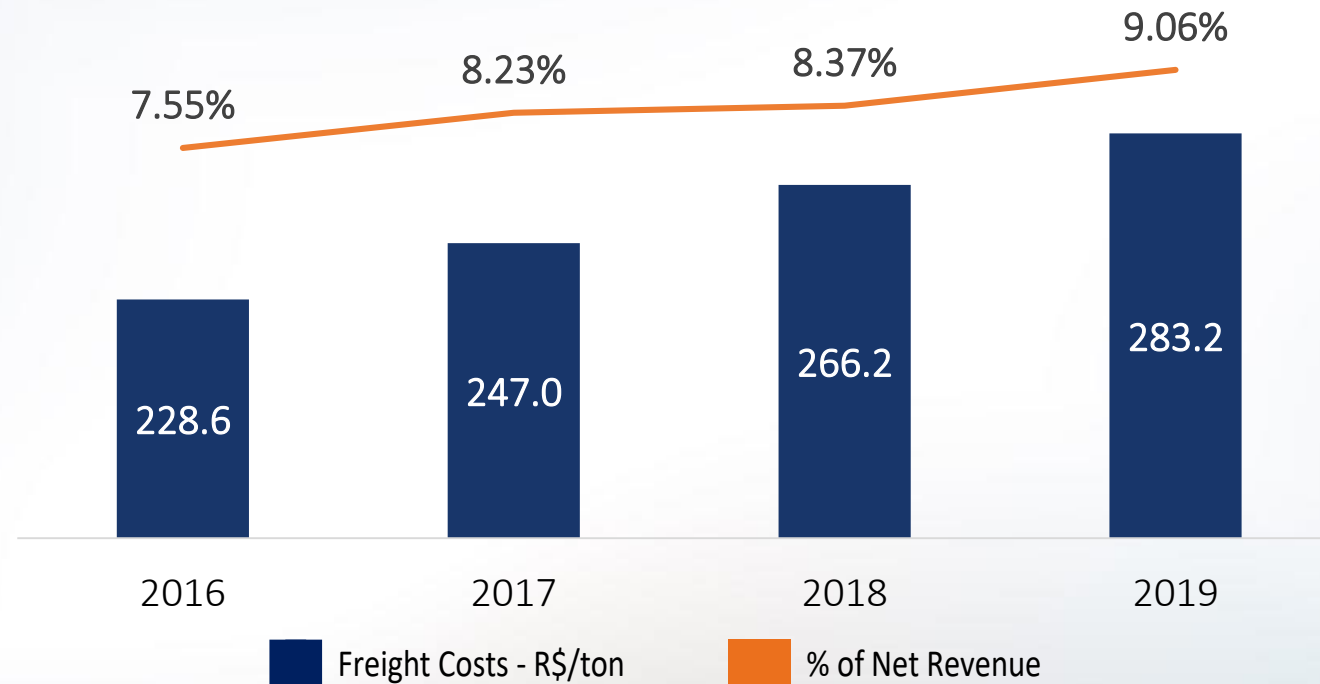
- Maximizing the contribution margin
- Bringing the region of product production closer to the region of product demand

ORDER CYCLE



- Improving the customer service
- Delivering in 24 hours
- Media technology and tool

Logistic costs has been rising steadily since 2016



In addition to the challenging national scenario, the new ANTT¹ table and the fuel increases put pressure on logistics costs

Freight Table: nearly 3 months of legal uncertainty <i>Minimum price established by provisional measure Rule turned into law but it's still under questioning</i>	<i>Economics</i> Government reviews methodology to calculate the minimum freight table <i>Published on January 30, 2019 - 12:47 p.m. By Luciano Nascimento and Alex Rodrigues - Reporters from Agência Brasil Brasília</i>
<i>Justice</i> Freight table will be decided in plenary, says Fux after hearing	Biodiesel price soars and may lead to an increase in the diesel in gas stations High occurs soon after the increase in the minimum percentage of oil mix in diesel

INFRASTRUCTURE AND LOGISTICS / July 11, 2018

Minimum freight will cost R\$3.3 billion to São Paulo industry

Logistic Redesign - Warehousing



^ SPECIALIZATION



Logistics
Operators



Centralized
Management



Personnel
Optimization



Technology

▼ CONTROLLED COST



Outsourcing
Operation



Decreasing
Cost



\$ Efficient
Freight



Dedicated
Fleet

Guidelines to implement the new logistics model



1st Step: Expansion of logistics capacity by 30.6%, representing an additional of 51,000 sq.m¹



(1) Net increase of warehousing
DC = Distribution Center

Order Cycle - 24-Hour Delivery



Logistics Network - Building a service model with a 5-year timeframe (2020 to 2024)

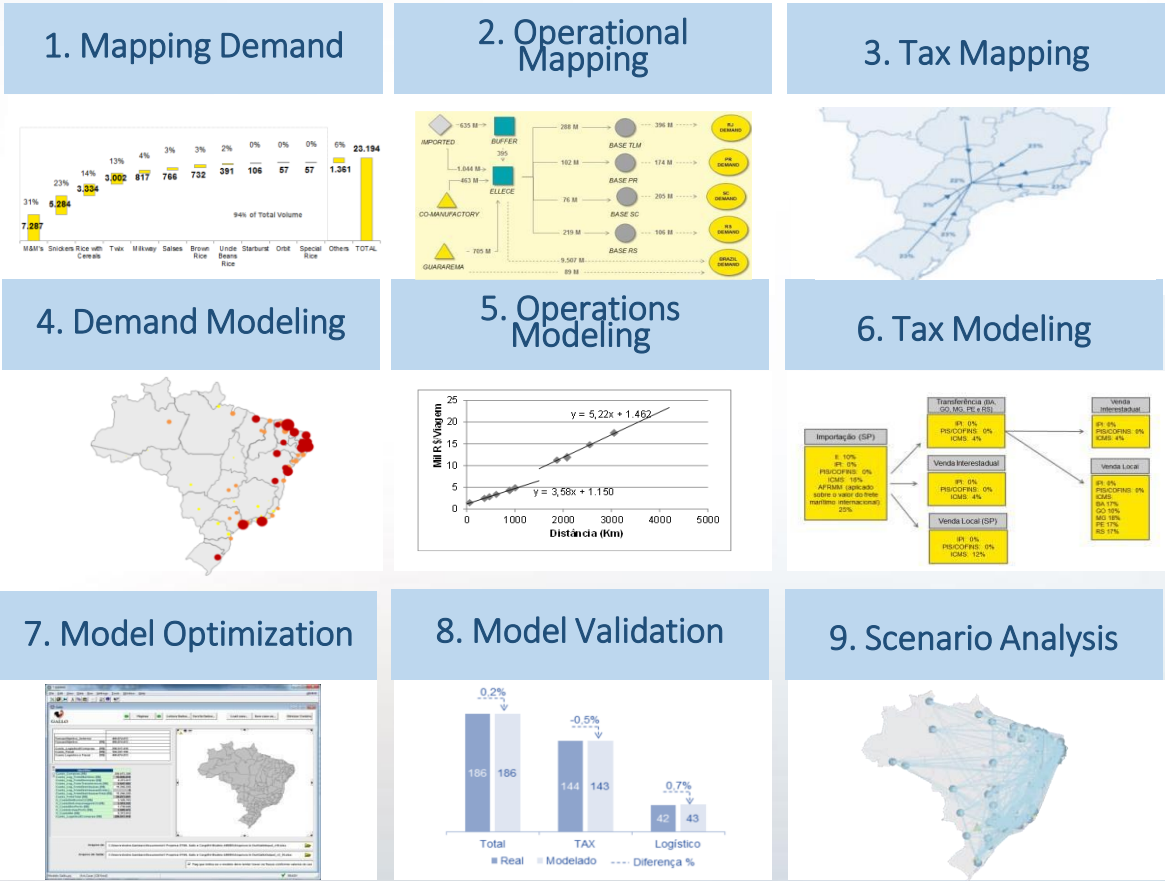


Purpose

Maximizing the contribution margin and bringing the production closer to demand

Scope

Suppliers, Factories, Distribution Centers, Customers and Volume 2020 to 2024



Sidney Leite

Technical and Operations Officer

The logo for M. Dias Branco, featuring the company name in a blue script font with a stylized wheat stalk graphic above the 'Branco' part.

M. Dias Branco

Technical and Operations Board

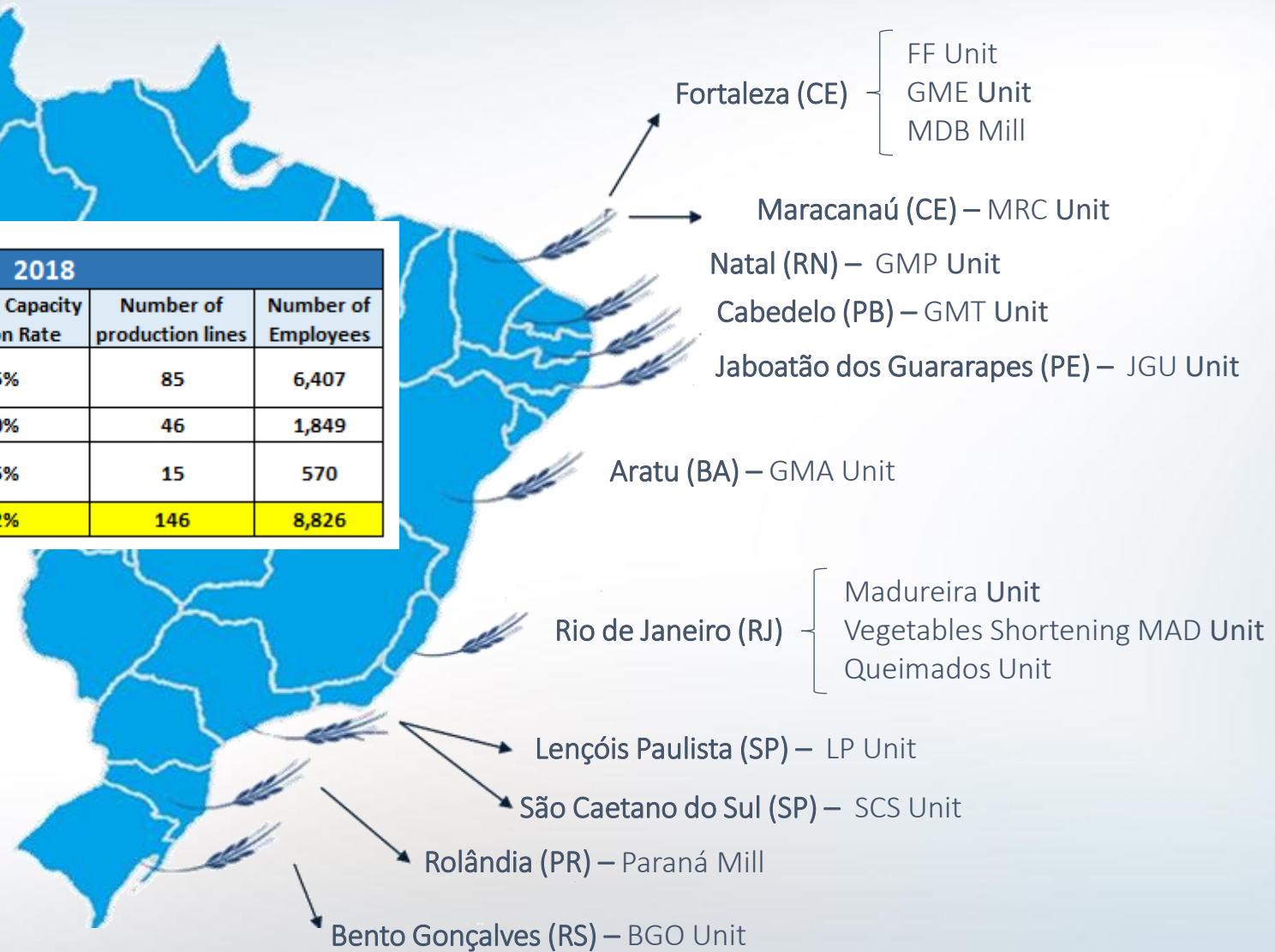
INDUSTRIAL MANAGEMENT



INDUSTRIAL UNITS

Industries M. Dias Branco

	2018			
	Volume (thousand tonnes)	Production Capacity Utilization Rate	Number of production lines	Number of Employees
Cookies & Crackers	568.8	69.5%	85	6,407
Pasta	398.4	78.0%	46	1,849
Others Products	191.9	45.5%	15	570
Total	1,159.1	66.2%	146	8,826



MANAGEMENT INDUSTRIAL



Industrial Management

World Class Management - WCM

“Globally recognized management model focused on processes and continuous improvement, with the purpose of ensuring the sustainable growth of the business and competitiveness **through people.**”



Certifications



❖ CERTIFIED UNITS

- ✓ ISO 9001: 05 Units.
- ✓ ISO 14001: 02 units.
- ✓ FSSC 22000: 04 Units.
- ✓ HALAL: 01 unit.
- ✓ UNIVERSAL: 02 units.
- ✓ DISNEY: 01 unit.
- ✓ OHSAS: 01 unit.

❖ 2019 - 2024 EXPANSION

- ✓ ISO 45001 – ISO 9001 – ISO 14001
- ✓ FSSC 22000

Total Manufacturing Performance



❖ TPM UNITS

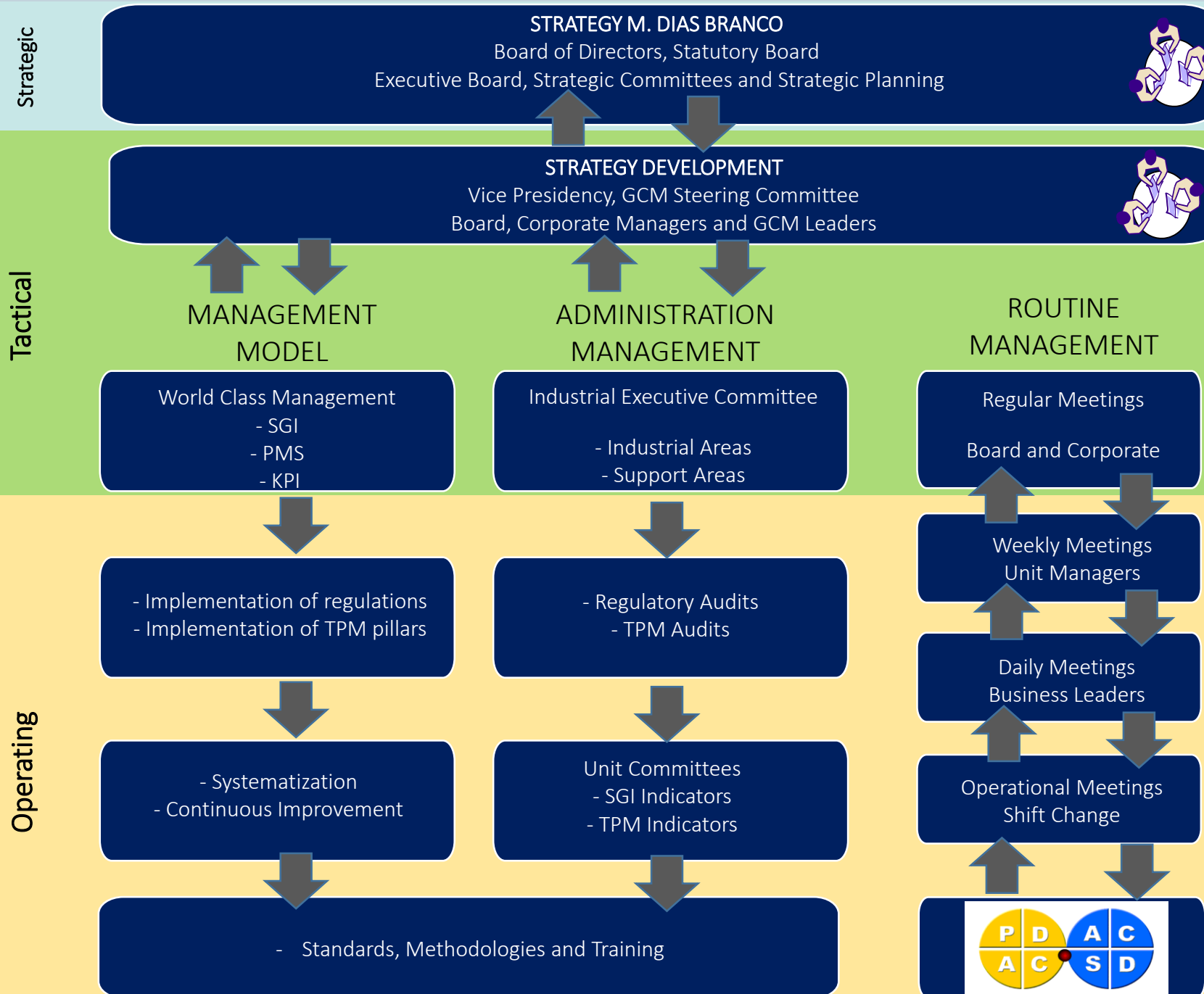
- ✓ Industries: 10 Units.
- ✓ Mills: 04 Mills.

3,500
PEOPLE
INVOLVED

89
PRODUCTION
LINES

❖ 2019 - 2024 EXPANSION

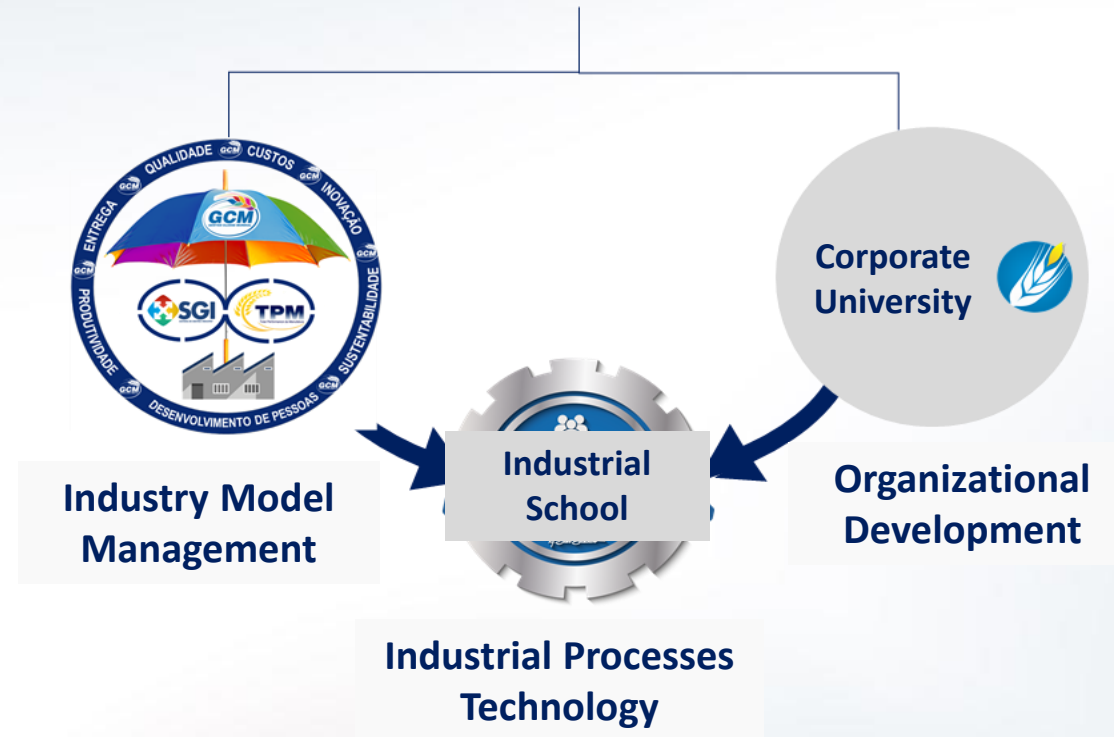
- ✓ Industries: 03 Units.
- ✓ Mills: 03 Mills.



PEOPLE



Industrial School



- ✓ Developing professionals in the theory and practice of the manufacturing technology of **cookies, cakes, toasts**, pasta, snacks and margarine;
- ✓ Strengthening the business knowledge to seek excellence.

Industrial School

Industrial
School

Modules	Program Content
1	Organic chemistry, inorganic chemistry, biochemistry, microbiology and statistics (leveling)
2	Ingredients used to make cookies, cakes and toast
3	Food safety: management, controls and quality parameters
4	Regulatory Affairs
5	Introduction to Cookies Technology
6	Steps and equipment used in the production process
7	Maintenance Management
8	Industrial Toast Production Process
9	Industrial cake production process
10	Industrial cookies production process
11	Packaging
12	Technologies and Innovations



Technical Space

Space focused on developing the technical skills of employees, integrating man-machine & man-method aspects to gain performance.



SPECIAL FEATURES

- ✓ Operators trained to inspect machines;
- ✓ Internal Know-How;
- ✓ Ease to multiply;
- ✓ Fast training for shifts;
- ✓ Leveling knowledge.

RESULTS

- ✓ People Trained in 2018: 140
- ✓ Decrease of component breakdown:
 - ➡ Canvases: 92%
 - ➡ Pneumatic Aligner: 98%
 - ➡ Scraper: 93%
- ✓ **INVESTMENT:** R\$85,000



Technical Space



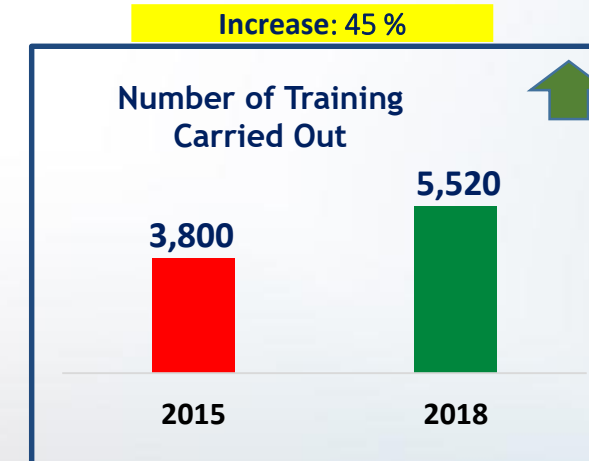
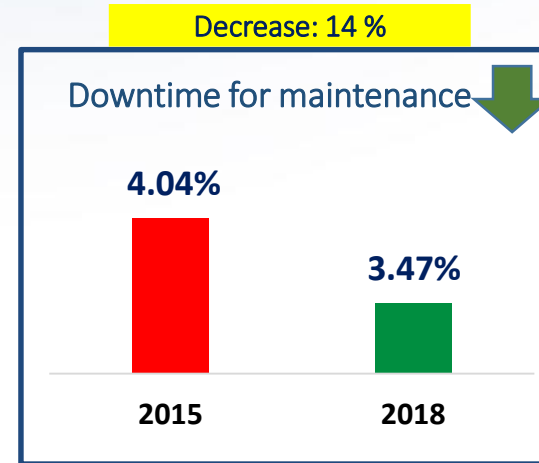
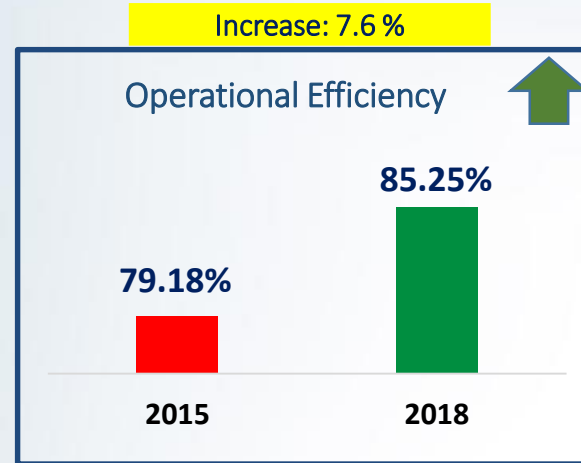
Modules	Program Content
1	Re-tightening
2	Lubrication
3	Hydraulic
4	Pneumatic
5	Transmission
6	General Electric and Electronics
7	General mechanics
8	Safety
9	Quality
10	Environment (water and energy)
11	Robotics / Scanning



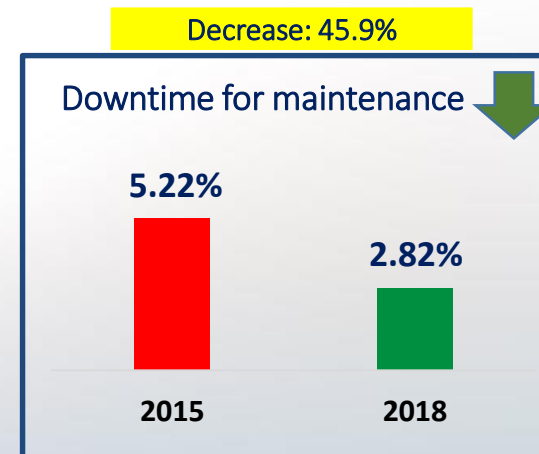
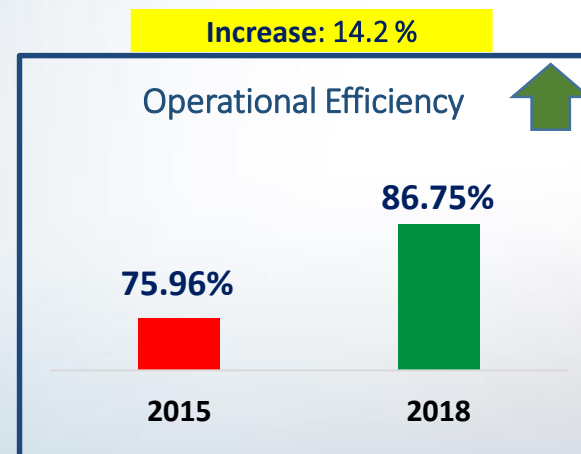
Training



“People trained in technology and management, always seeking to enhance and continuously improve with the purpose to increase **Operational Efficiency**.”



Production lines in TMP (Total Manufacturing Performance)



ENERGY EFFICIENCY



Energy Efficiency



2015 – 2018

MAIN ACTIONS

2019 - 2024

STUDIES UNDER DEVELOPMENT

❖ Replacement:

Lamps, low efficiency engine, energy & gas meters, boiler burners and electrical resistors.

❖ Automation:

Cooling towers, utilities, conveyors.

❖ Controls:

Compressed air, natural gas, ice water, compressors.

❖ Studies:

✓ Hybrid Plant (Wind + Solar).

✓ Solar Plant in Distribution Centers.

✓ Follow-up of Actions.

Energy Savings of the Working Group:

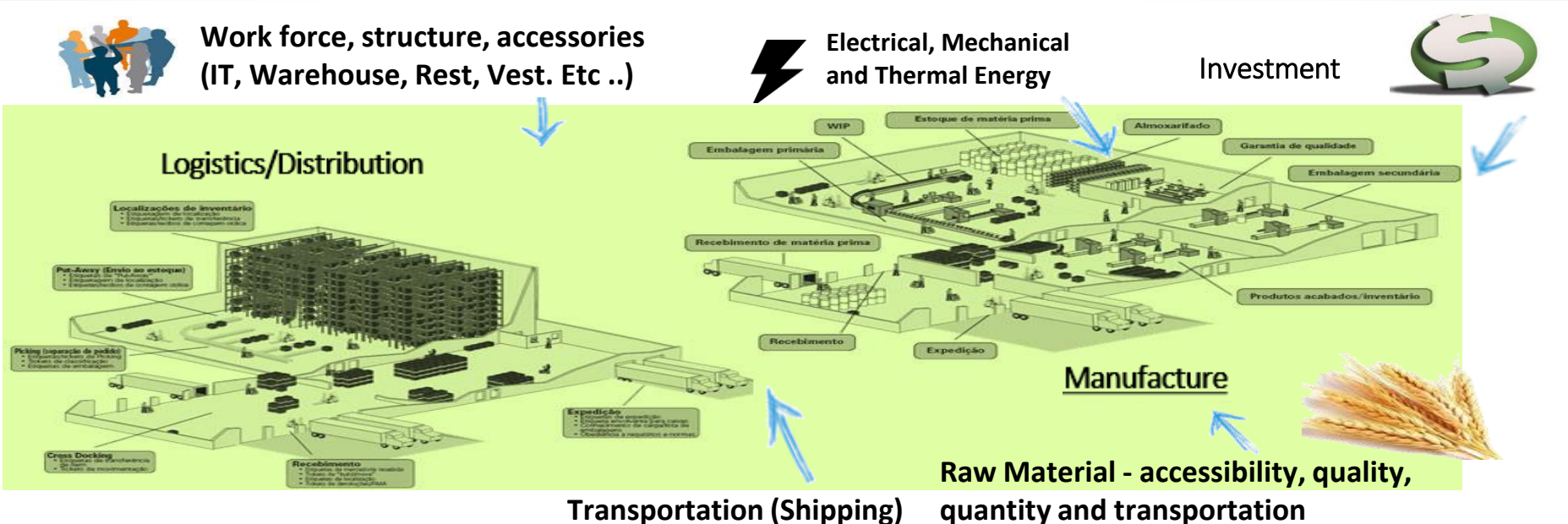
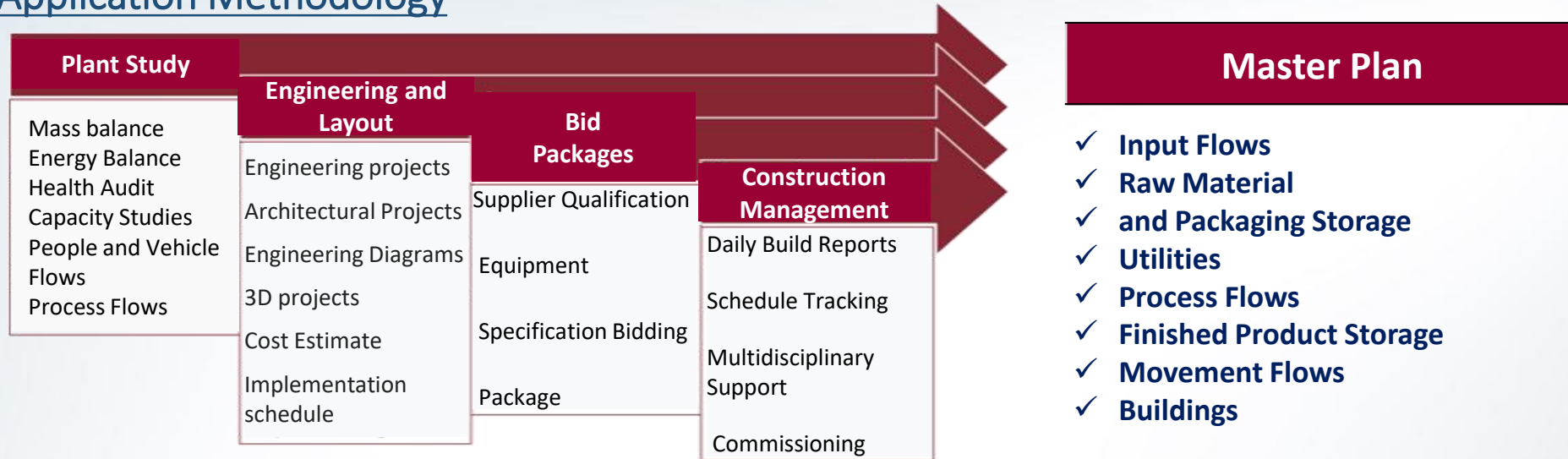
➤ 2015 – 2018: R\$ 6 million

INFRASTRUCTURE



IMP – Infrastructure Master Plan

Application Methodology



IMP – Infrastructure Master Plan

Detailed technical analysis of the Units, with the purpose of meeting the future plan for the coming years.

Layout da planta de processo

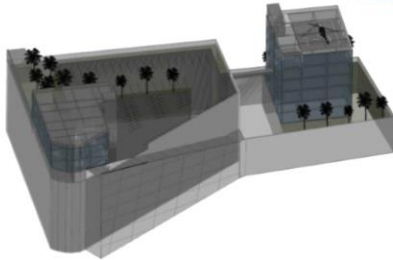
Custo preliminar

1.0	Retrofit do Sistema de Vapor
2.0	Retrofit do Sistema de N2
3.0	Retrofit do Sistema de Amônia
4.0	Retrofit do Sistema de Ar Comprimido
5.0	Retrofit do Sistema de HVAC
6.0	Realocação de Central de Distribuição de GN
7.0	Construção de Central de H2
8.0	Retrofit da ETA
9.0	Retrofit da ETE
10.0	Retrofit de Pontos de Riscos Ambientais
11.0	Retrofit da Área de Processamento de Margarina
12.0	Construção do Vestibulo e Refetório
13.0	Construção do Novo Prédio Adm.
14.0	Retrofit Almoxarifado
15.0	Construção da Subestação 6

M. Dias Branco
Tradição & Qualidade

Engenharia Preliminar

Projeto Plano Diretor GME
Janeiro, 2019



IMPLEMENTATION SCHEDULE

- **2019:** GME (concluded) and Madureira (under implementation)
- **2020:** Factory Fortaleza, Bento Gonçalves and Maracanaú
- **2021 - 2024:** Other units

AUTOMATION



PDA – Automation Master Plan

Automation process to gain productivity and reduce activities with no-added-value (NVA) .



Strategic Plan PDA 2019 -2024

Continuity of the Actions

FF - JGU - MRC - GME - GMT - GMP - GMA

LP - SCS - MAD - QMD - VEGETAL

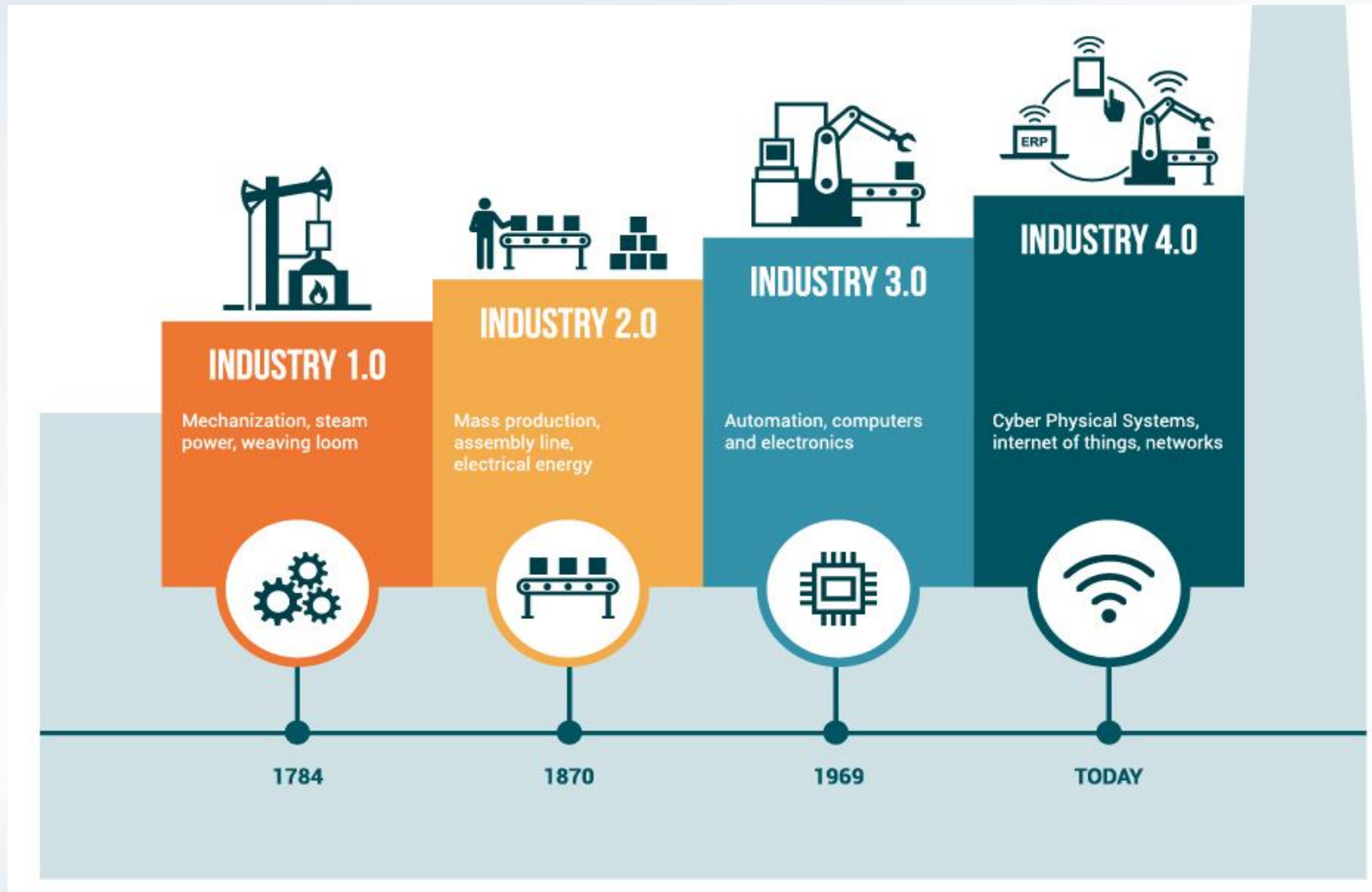
Criteria to Prioritize Projects:

1. Operating Margin;
2. Line Occupancy Rate;
3. No-Added-Value Activities;
4. Work-Station Productivity;
5. Line Performance.

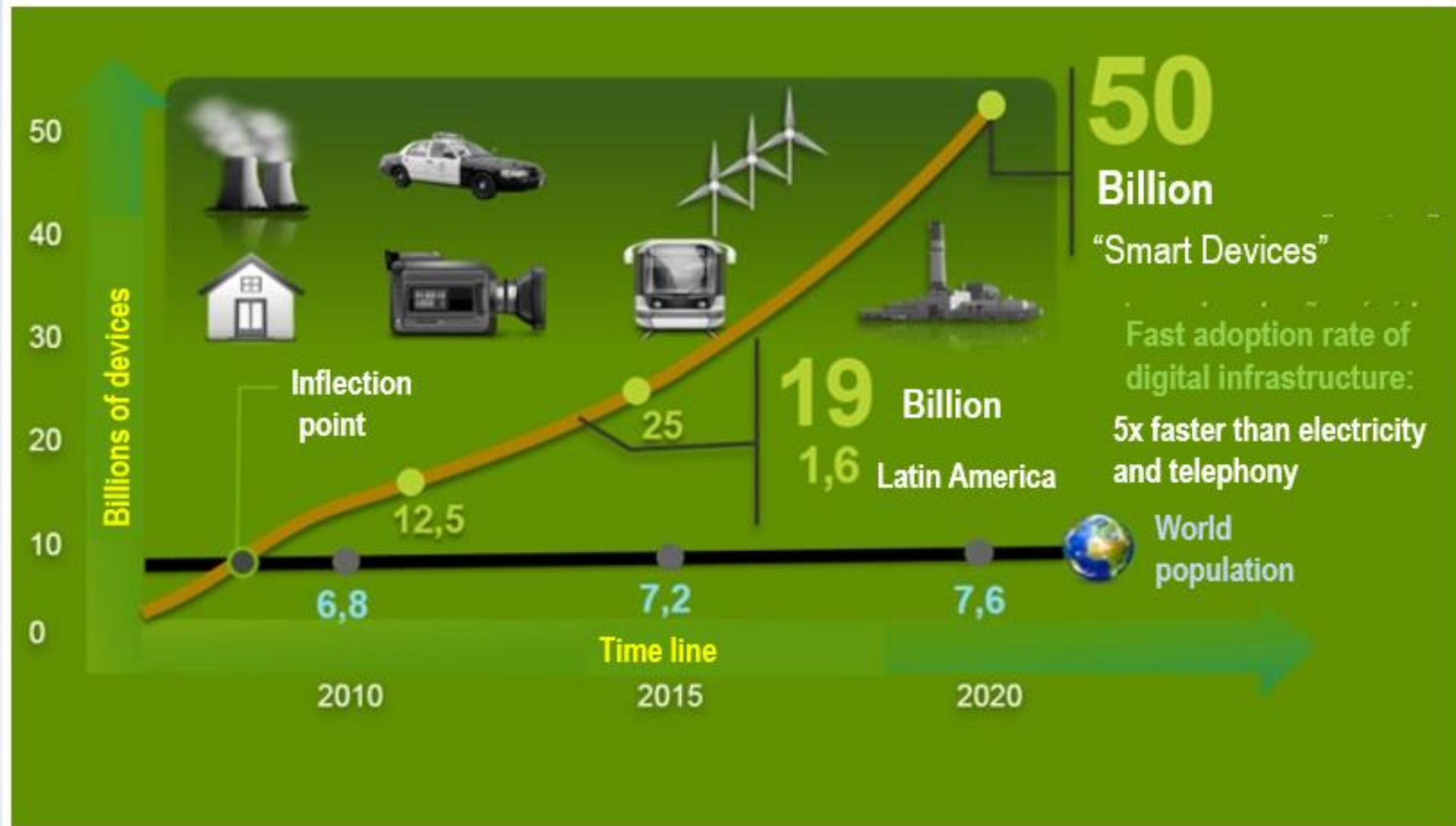
DIGITALIZATION



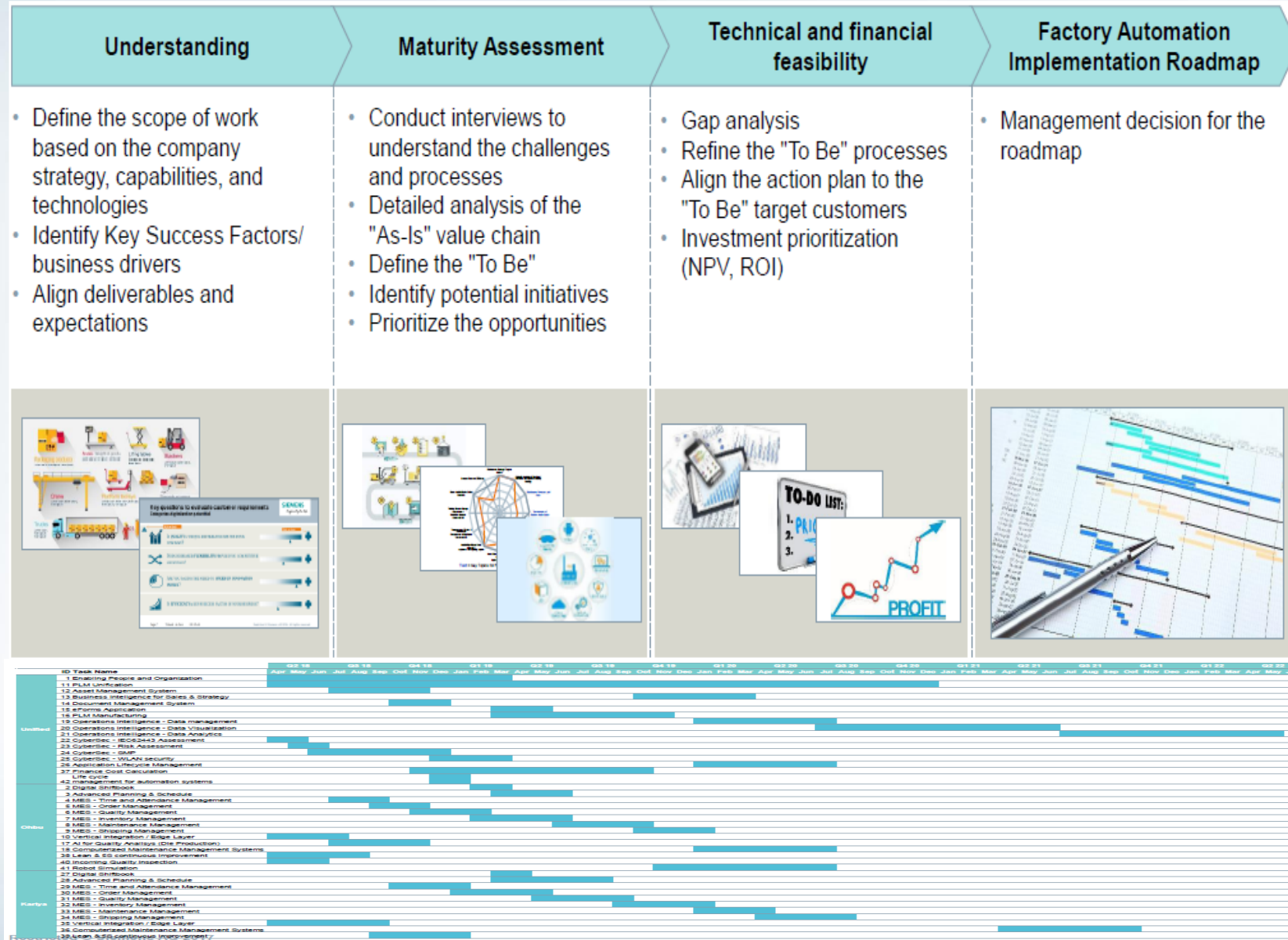
Industrial Evolution



Evolution of Smart Devices



PDD – Digitalization Master Plan



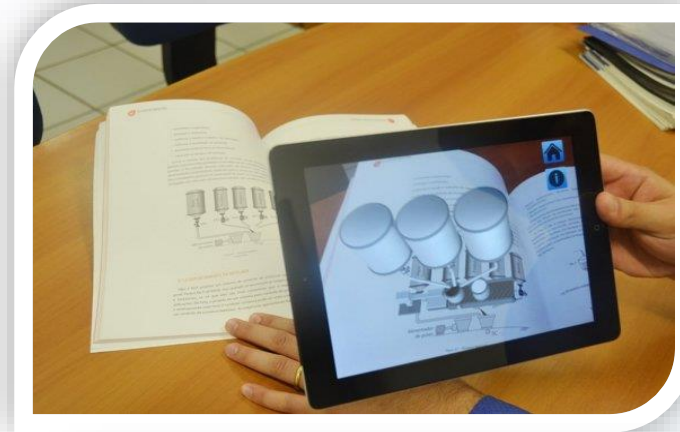
Digitalization

An educational reality impacting productivity

Virtual Reality



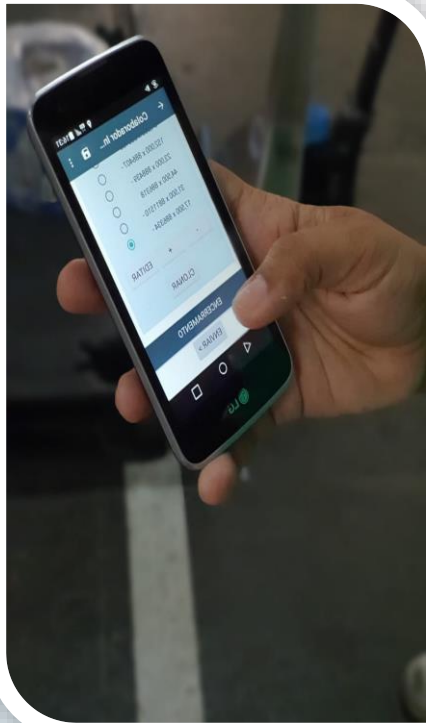
Augmented Reality



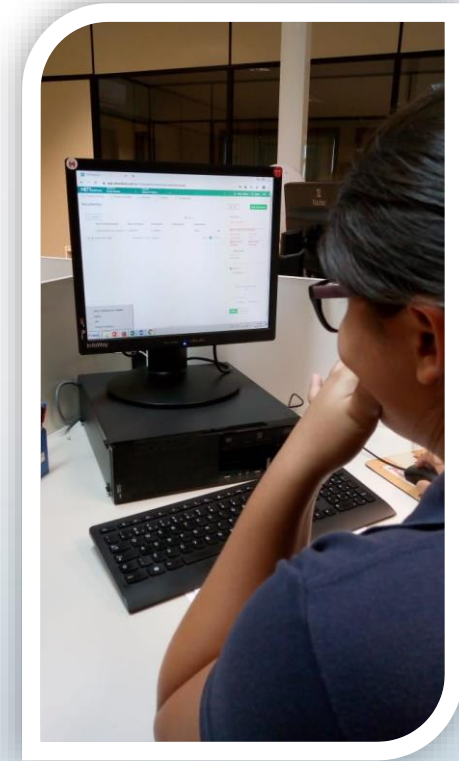
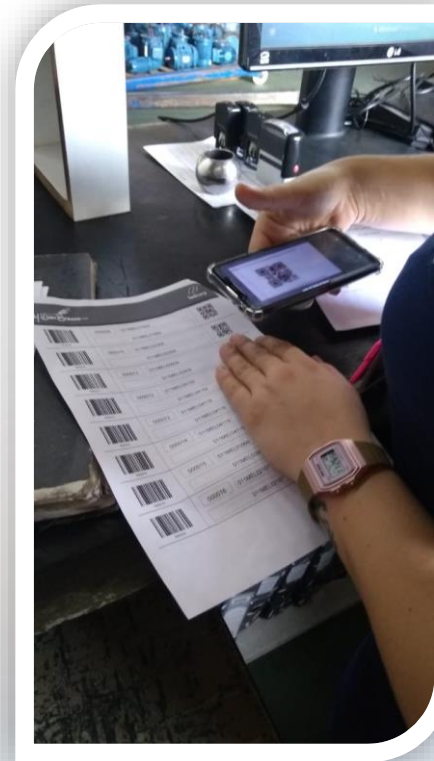
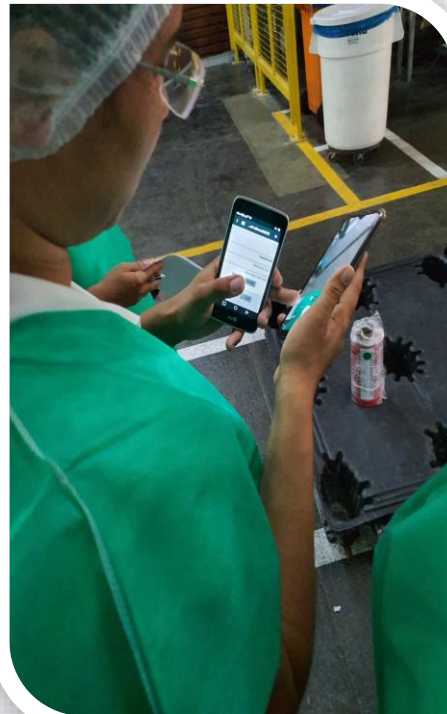
Digitalization Initiatives

Startups - Pilot Projects under Development

- ❖ PDCA 4.0 - Inventory - Management of CARs¹;
- ❖ Asset Management - Warehouse;
- ❖ Waste Management;
- ❖ Safety Inspections;
- ❖ Point to Point Lesson.



(1) Corrective Actions Report



OUR PURPOSE

“We try to keep up with market trends

translating them to our reality,
seeking Operational Excellence
focused on the following
dimensions:

Productivity, **Q**uality, **D**elivery,
Costs, Innovation, **S**ustainability
and **P**eople **D**evelopment.”

A photograph of two women in a grocery store. The woman on the left is wearing a blue polo shirt with a small logo and a black strap over her shoulder. She is smiling and looking at the woman on the right. The woman on the right is wearing a white long-sleeved top and is eating a sandwich. The background shows shelves stocked with various products.

Fabio Cefaly

New Business and IR Officer

The logo for M. Dias Branco, featuring a stylized wheat stalk above the company name in a cursive font.

M. Dias Branco

Startup connection program
started in 2018 that seeks
solutions for the current
business as well as potential new
businesses aligned with the
health and nutrition trends.





16 challenges in Innovation,
New Business, Marketing,
Production, Logistics, HR,
Information Technology and
Environment



312 startups evaluated



We have already made investments, partnerships, outsourcing and services contracting.



The pillars - finance, people, society and the environment - are key to a sustainable development.

- Donation of products to institutions around our units and distribution centers (SDG 1, 2, 10)
- Holding the Internal Week of Work Accident Prevention - SIPAT (SDG 3 and 8)
- Holding the Arts Week around the factory in Salvador (BA) (SDG 4 and 10)
- Disclosure of public commitment to animal welfare “cage free” (SDG 12)
- Sustainability Policy and Sustainability Meeting. (SDG 12)
- Environment Week addressing climate change. (SDG 13)



*SDG considered a priority for the Company

Strategy

Growth Avenues

- Untapped geographies and categories in core business
- Entry in other categories
- Expansion in the international market

Enablers

- Channel diversification vis-à-vis consumer trends
- Strengthening the pricing to maximize profitability
- Strengthening the business model to occupy new spaces
- Leveraging the competitive advantages of the portfolio of brands
- Innovation for category and channel growth
- Products and brands with health trends
- Strengthening the management of the E2E supply chain
- New skills to support growth
- Management model to streamline decision-making process and engagement to implement the strategy
- Strengthening the work in sustainability, risk and compliance
- Obtaining gains by improving the expenses efficiency
- Obtaining cost improvements with operational excellence
- Achieving synergy gains with Piraquê
- Developing the digital agenda

We are a company that believes in Brazil.

We operate in every region of this huge country,
with so many natural wealth and cultural diversity.

Our national leadership in the cookie and pasta segments has been built over decades of hard work and dedication to the country. For each region, a favorite brand, bringing happiness and well-being to the tables and hearts of Brazilians.

And we want to bring joy to more taste buds around the world!



M. DIAS
BRANCO
DAY /// 2019

Thank you!

M. Dias Branco