

Institutional Presentation

May, 2019



*On the table and in the
heart of Brazilians.*



1. Corporate Profile

2. Results

**3. Corporate Governance and Capital
Market**



Corporate Profile



Over 65 years operating in the food sector in Brazil



National Leader in the cookies and pasta markets



Growth strategy and consistent results



Strong acquisition track record

AN ENTREPRENEURIAL HISTORY

Find out more about the evolution of M. Dias Branco over its history spanning more than 60 years:

1951

Small-scale production



1953

Scale production



1960's

Dispersed distribution model

1992

Early vertical integration



1980

Commissioned the Fortaleza Plant in Eusébio (CE)

1978

Launched the Richester brand



2000

Expanded production in the North-East region of Brazil



2002

Continued vertical integration

2003

New plant and expansion into South and Southeast markets through acquisitions

2005

Integrated production model

2006

Listing



2008

Building market leadership



2018

Continuous growth

2016

Restructuring of the sales model



2015

Continued vertical integration

2014

Entering new markets



2011/12

Continued acquisitions

MISSION

We offer high-quality, innovative, healthy, tasty and competitively priced food products for people's nourishment and enjoyment



VISION

We contribute to society's development through successful and sustainable partnerships, a global presence and diversified business, and are recognized for our respect for people and the environment, ethics, creativity, willingness to serve, simplicity and passion for everything we do



Respect

Through respect, we contribute to a more peaceful and harmonious society.
Antônio Edval Filho, Forneiro



Goodwill

Great desire brings down big obstacles when the commitment to winning is greater.
Ronaldo Brasil, Supervisor de Serviços Gerais



Ethics

We should work in an ethical way, following the right principles, and appreciating everyone's qualities and limitations.
Kleilson Galvão, Supervisor de Manutenção Predial



Simplicity

Simplicity always helps us to maintain a pleasant atmosphere, working as a team and looking to get the best results.
Silvia Patricia, Assistente do Controle de Qualidade



Expedition

I always try to be a visionary professional, with flexible attitudes, and getting the job done before the agreed time.
Cícera Pignatari, Líder de Produção



Creativity

This is the most important skill for a salespromoter. Being happy when people praise the work I do.
Rodolfo de Jesus, Promotor de Vendas



Endeavor

It's about true dedication, above all to the reduction of costs. I always apply myself to the work, the same way as the owner of the business does.
Sérgio Alexandre, Auxiliar Administrativo



Achievement

It's about giving your best to the work, applying all your knowledge, and being willing to always move forward.
Odonalino Carneiro, Operador de Processos III



Excellence

"It's about offering safe food, doing a great job every day, and therefore managing to satisfy everyone, which is our goal."
Janileide Vasconcelos, Nutricionista



Security

I have safety as a guide for my routine. I help the employees to think more about their safety.
Débora Silva, Analista de Controle de Qualidade

A team with 20 thousand employees focused on sustainable results



55% Production
34% Sales and logistics
11% Administrative

**33% women on
the Board of Directors**

| Competitive Advantages



A broad and diversified portfolio



% of Sales 1Q19

Cookies &
Crackers¹

53%

Pasta

22%

Wheat Flour &
Bran

17%

Margarine &
Vegetable
Shortening

5%

Others²

3%

¹ Contain Cookies, Crakers and Chocolate covered cookies

² Cakes, snacks, cake mix, and packaged toast

Portfolio with strong national and regional brands

19 brands



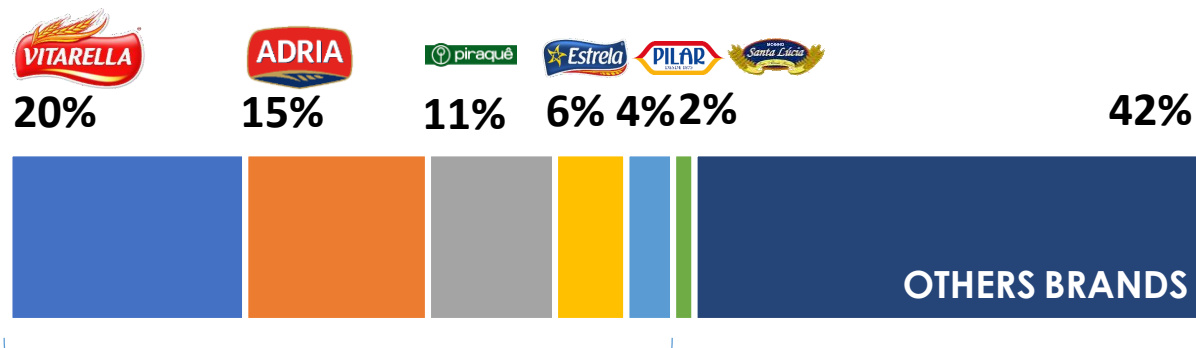
7 brands with anual gross income > R\$ 500 MM



Capacity to make good acquisitions



% Revenue by Brand - 2018



Nota: Gross Revenue excluding discounts

| ...and our brands are awarded and recognized on a regional and national basis



VITARELLA was elected in 2018 as one of the "60 most valuable brands in Brazil", according to the ranking published by IstoÉ Dinheiro and prepared by Kantar

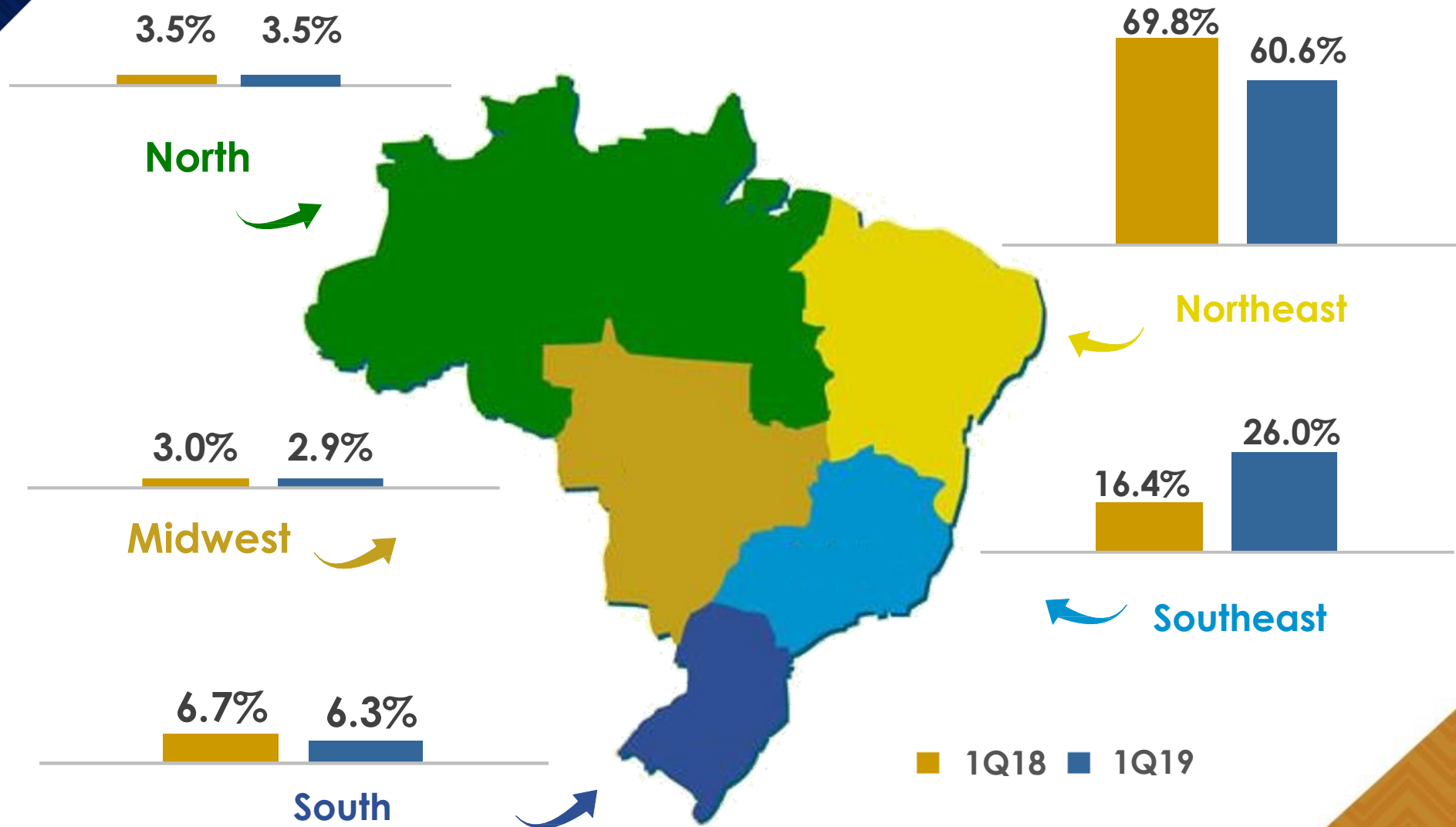


ADRIA was elected in 2016 as one of the "50 most valuable brands in Brazil", according to the ranking published by IstoÉ Dinheiro and prepared by Kantar



ISABELA, a brand of pasta, biscuits and toast, was voted the preferred and most remembered brand in the state of Rio Grande do Sul in 2017.

% of total Net Sales by region

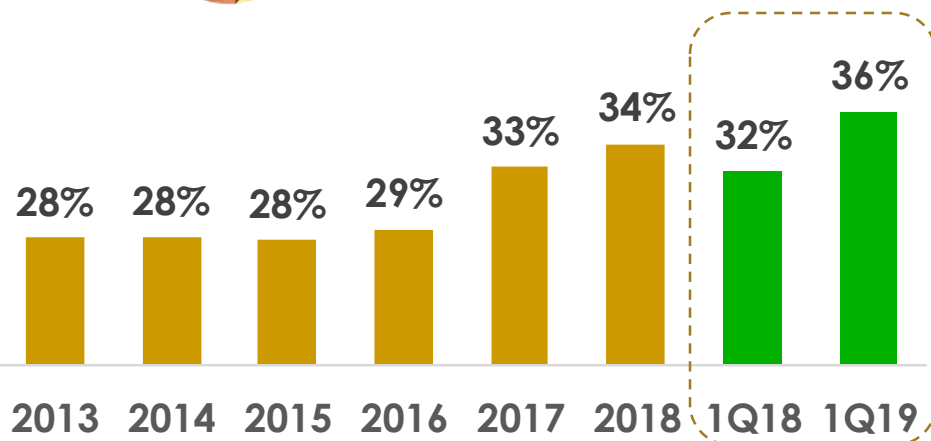


Note: In 1Q18 0.6% (0.7% in 1Q19) of Net Revenue corresponded to exports.

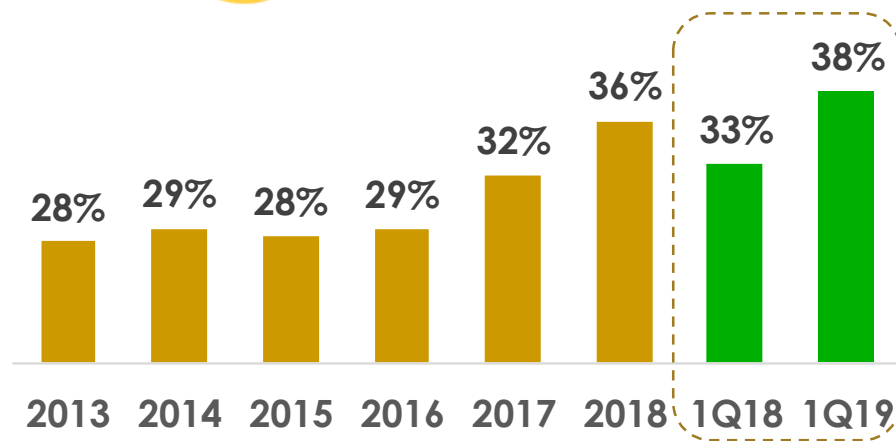
National Market Leadership



Market Share Volume
Cookies & Crackers



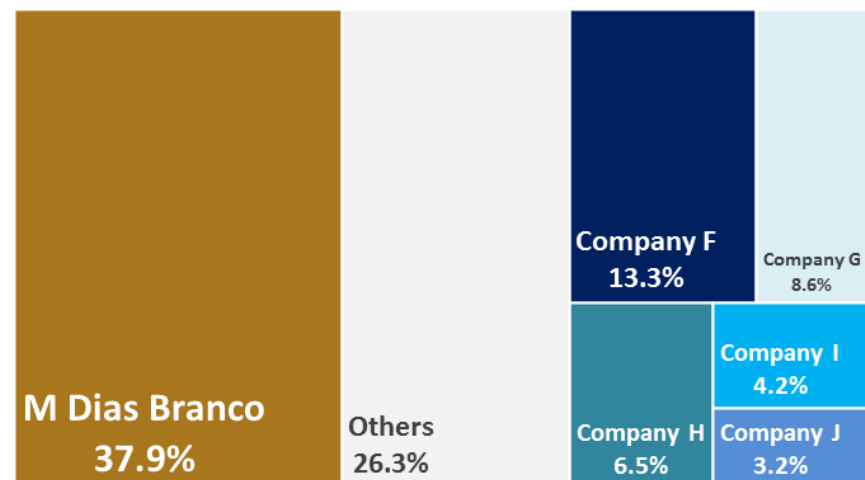
Market Share Volume
Pastas



¹Leadership in Cookies & Crackers in 1Q19



¹Leadership in Pasta in 1Q19



Assertive
packaging
consumer
scenarios

creation of new products,
and categories in line with
needs, market trends and



Healthy with
flavor

Nutrition

Indulgence and
experience

Convenience

Affordable



Marketing investments to drive sales and to create strong brands

Isabela



Vitarella Treloso



Adria



Vitarella



We are also investing on new packages

Previous Packages

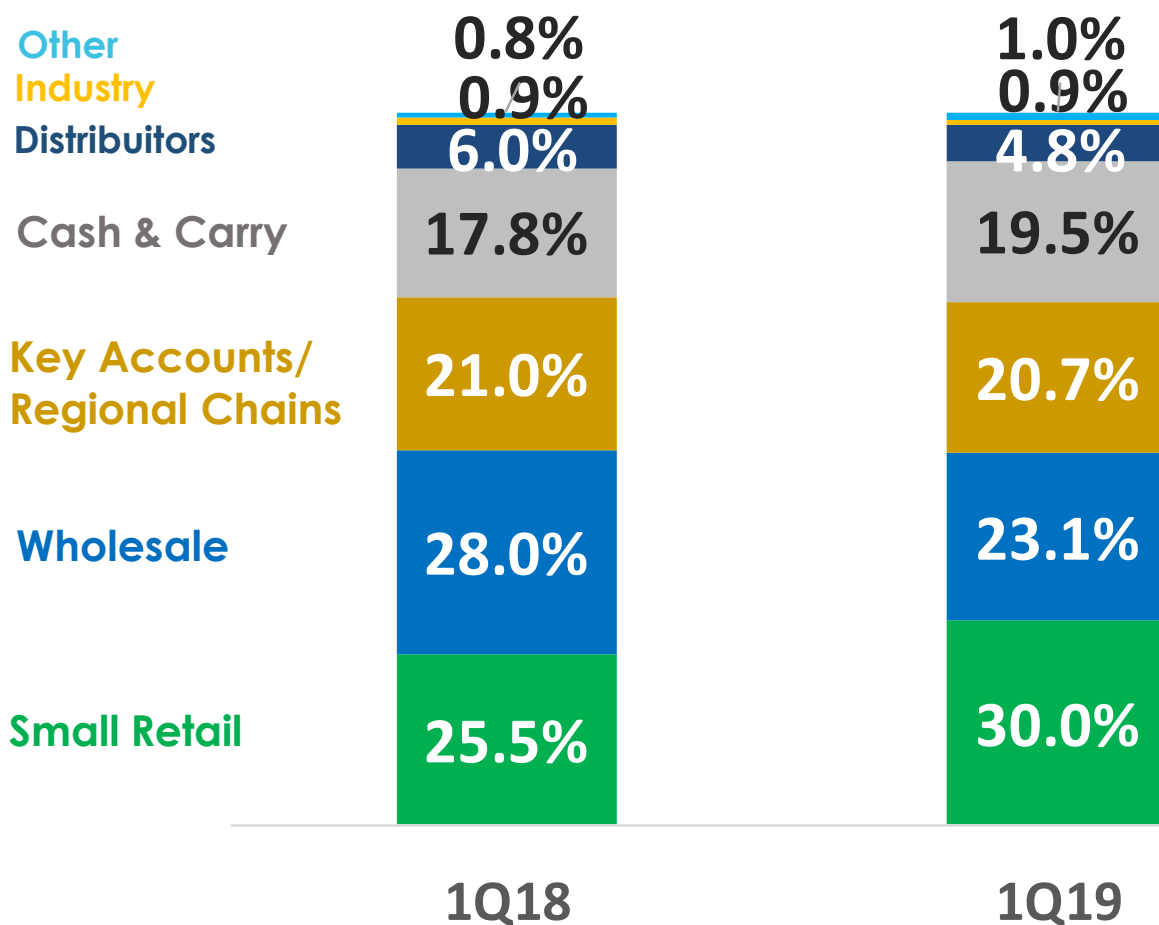


New Packages

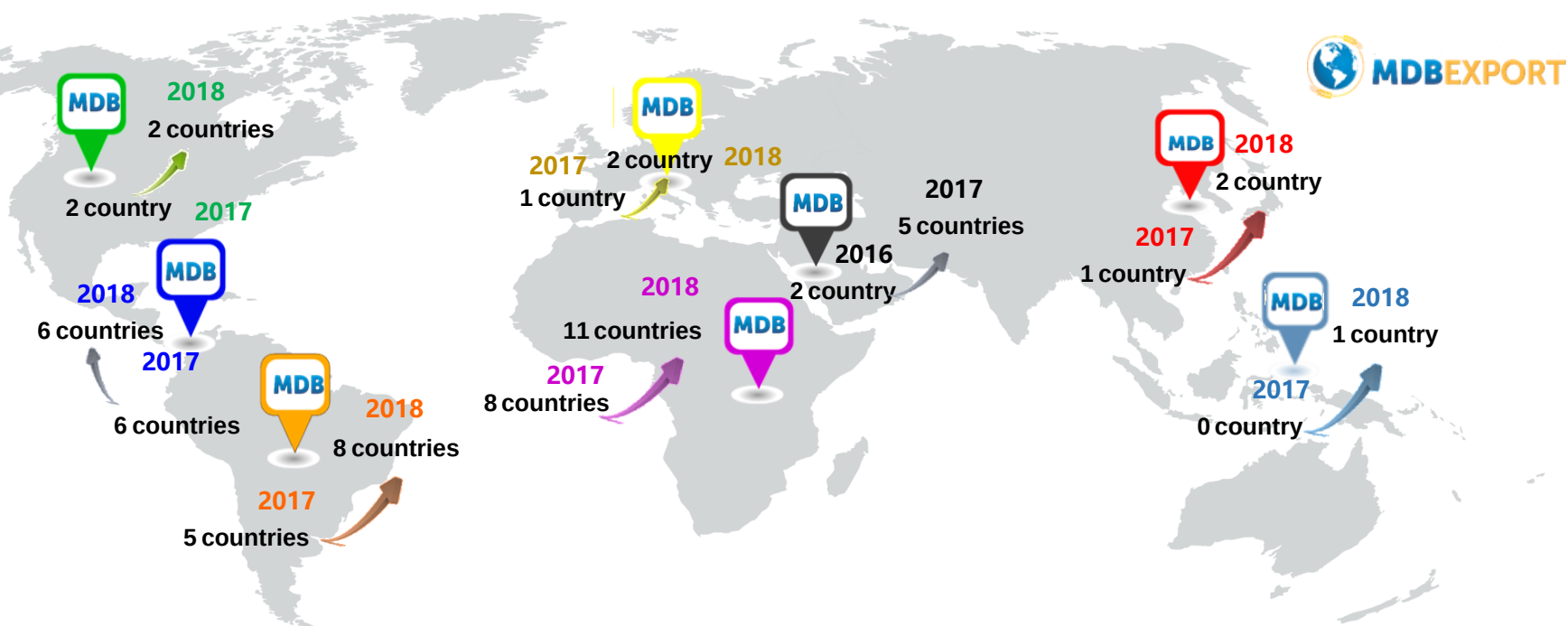


Our products are sold through a diversified cliente mix

% Revenue per Client Mix



Exported to 37 Countries in 2018



MDB 2017*

-  South America
-  Central America
-  North America
-  Ásia
-  África
-  Europe
-  Middle East

MDB 2018*

-  South America
-  Central America
-  North America
-  Asia
-  Africa
-  Europe
-  Middle East
-  Oceania

15 Industrial Plants and 38 Distribution Centers

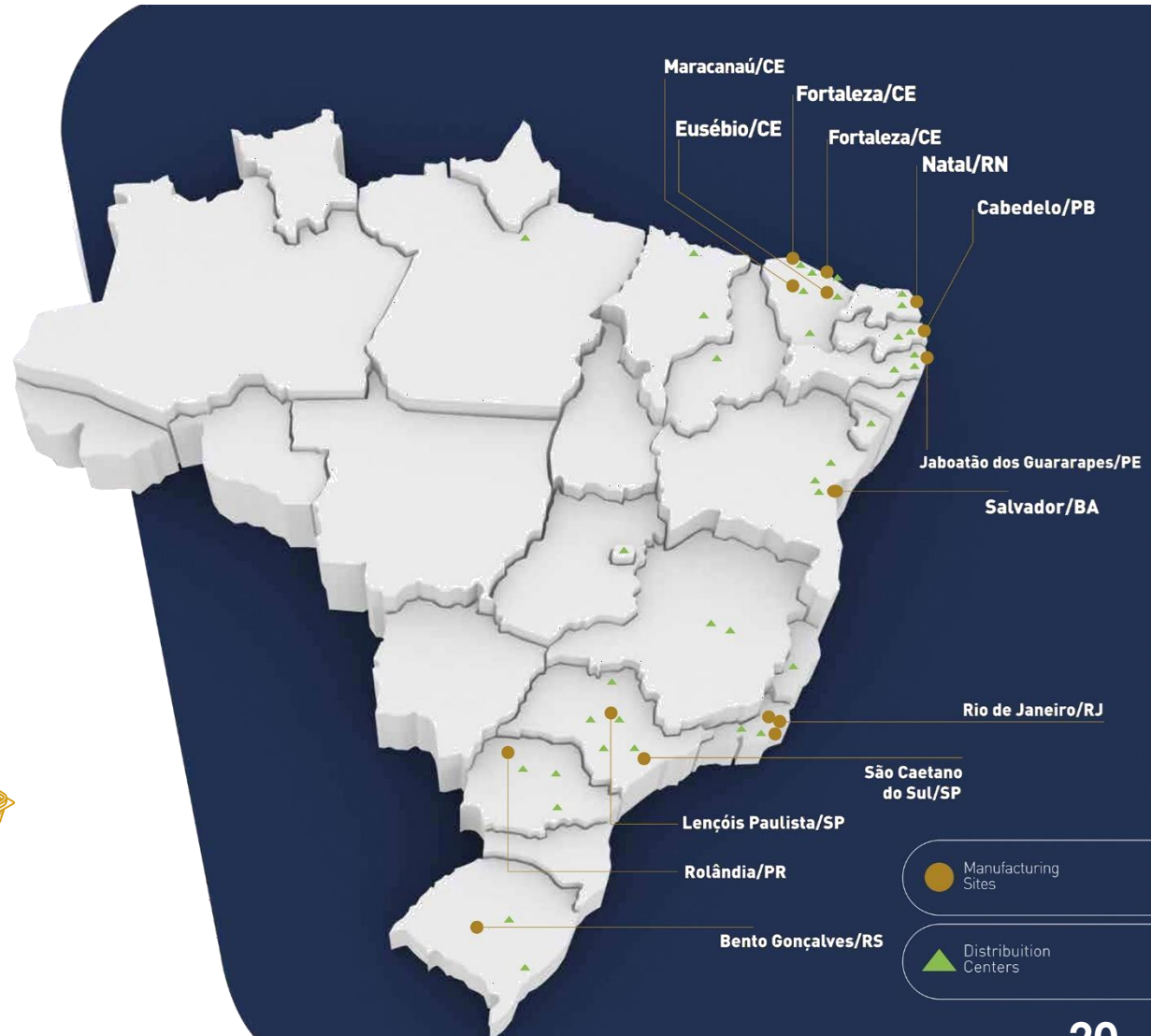
Fábrica
Fortaleza
State of Ceará



Grande Moinho
Aratu
State of Bahia



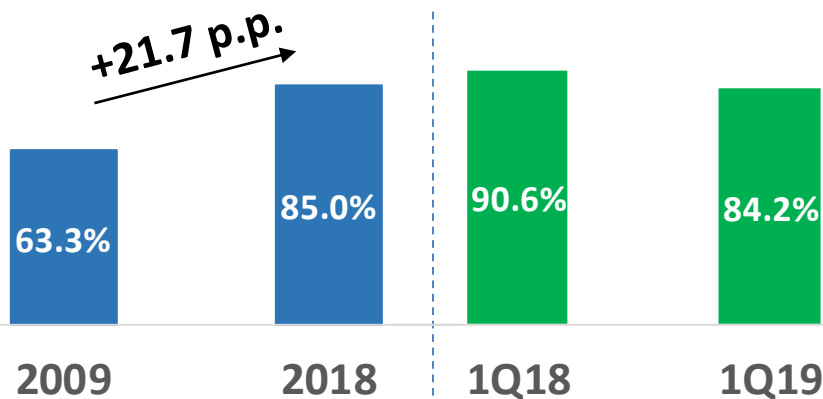
Gorduras e
Margarinas
Especiais
State of Ceará



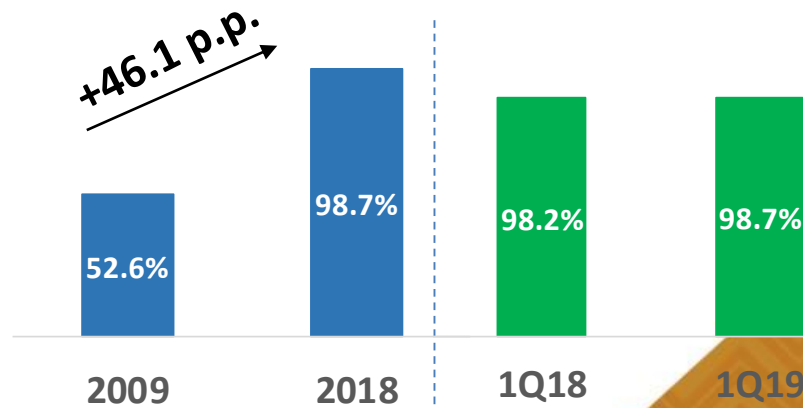
Robust infrastructure and with high level of verticalization



Verticalization Wheat Flour
(% total consumption)



Verticalization Vegetable Fat
(% total consumption)



Growth strategy with attractive profitability and return for shareholders

Growth Drivers

- Geographies and categories little explored in the core business
- Entry into new categories
- International markets expansion

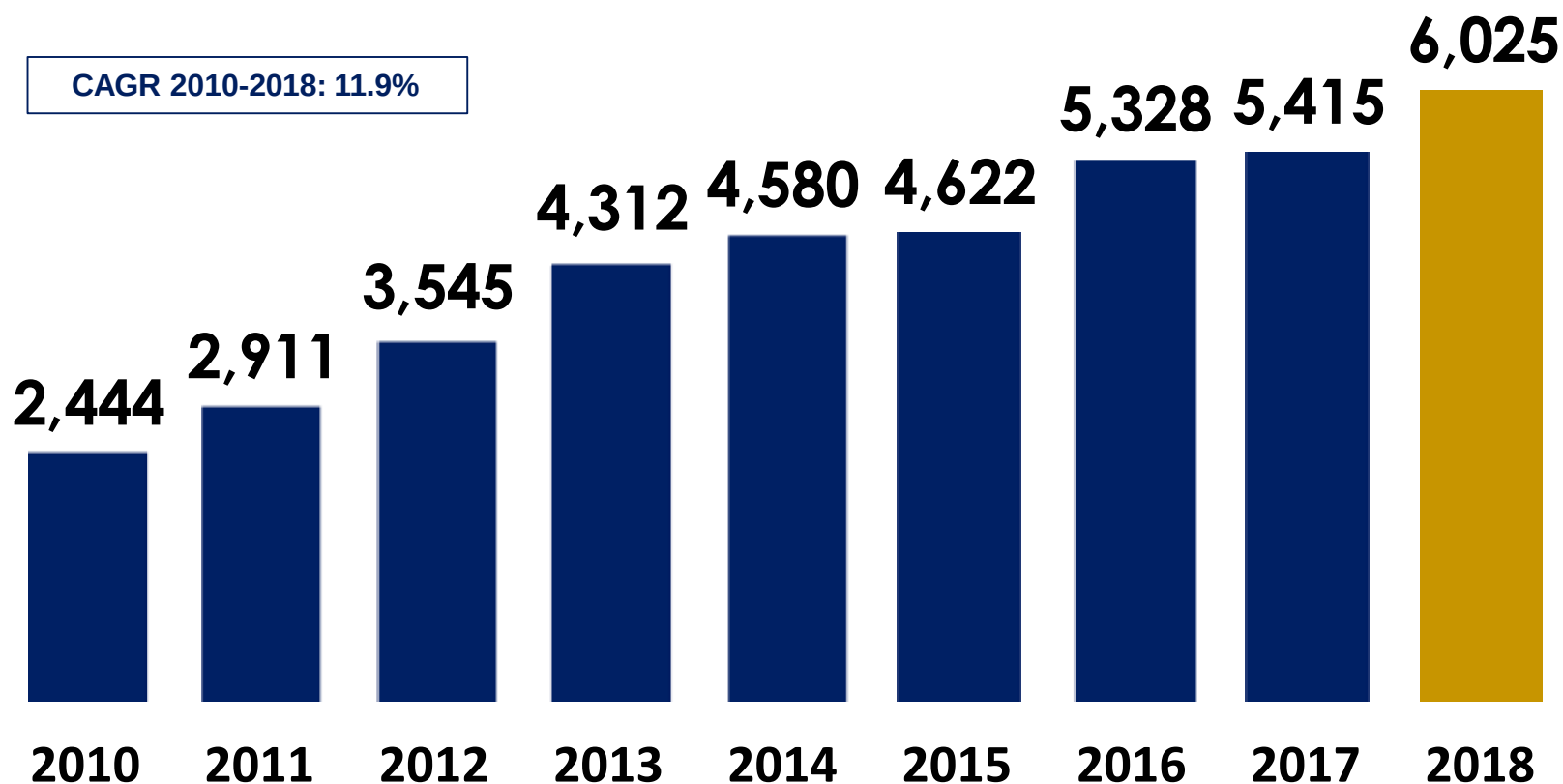
Efficiency Drivers

- Logistic and production footprint optimization
- New business and marketing tools (ex: pricing)
- Technology at the service of the business model
- Innovation as a source of value generation
- Strong team with remuneration aligned to short and long term goals



Results

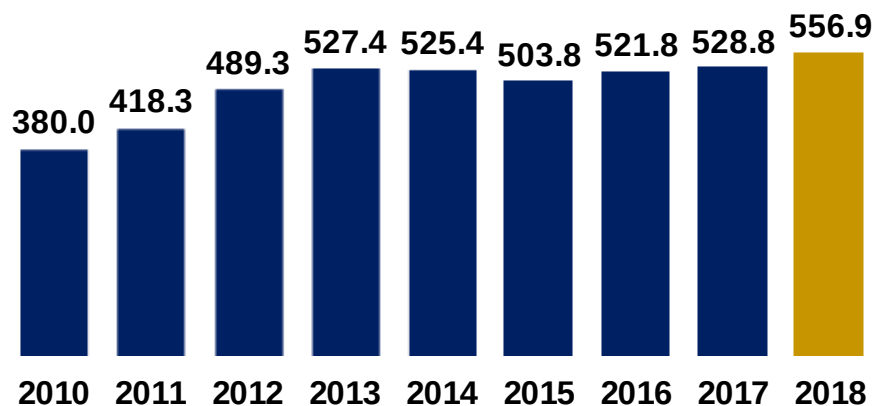
Net Revenue (R\$ million)



Sales Volume by Product Line

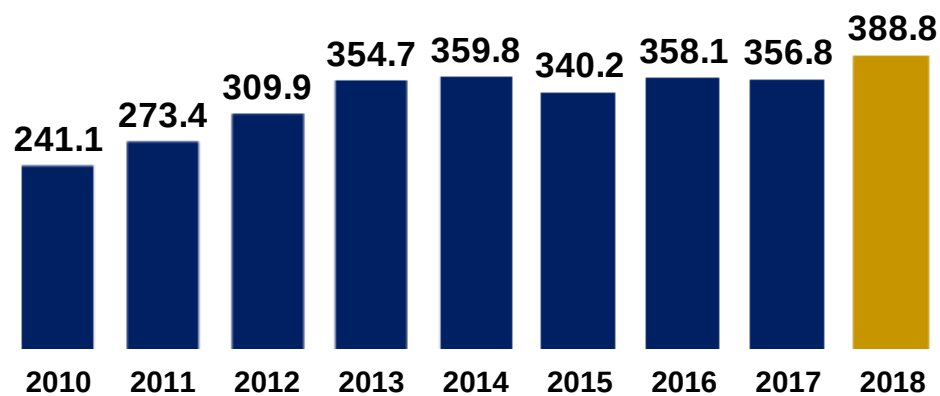
Cookies and Crackers – Sales ('000 tonnes)

CAGR 2010-2018: 4.9%



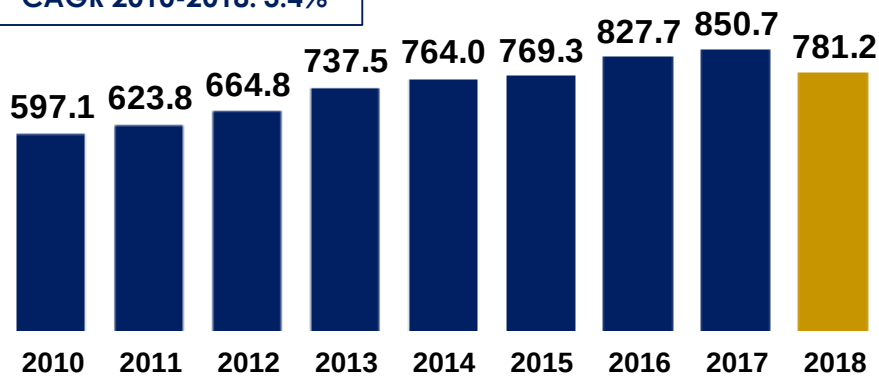
Pasta – Sales ('000 tonnes)

CAGR 2010-2018: 6.2%



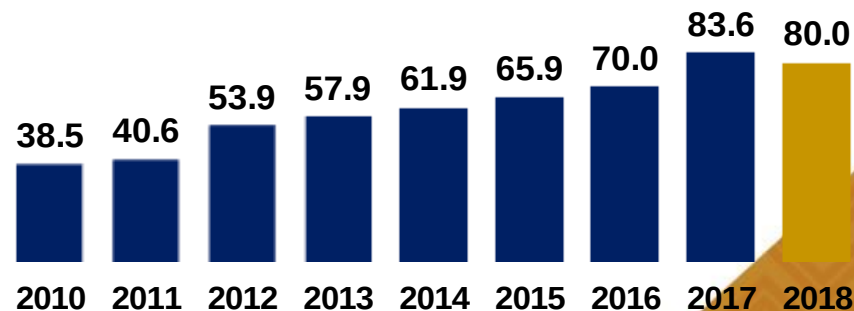
Wheat Flour and Bran – Sales ('000 tonnes)

CAGR 2010-2018: 3.4%



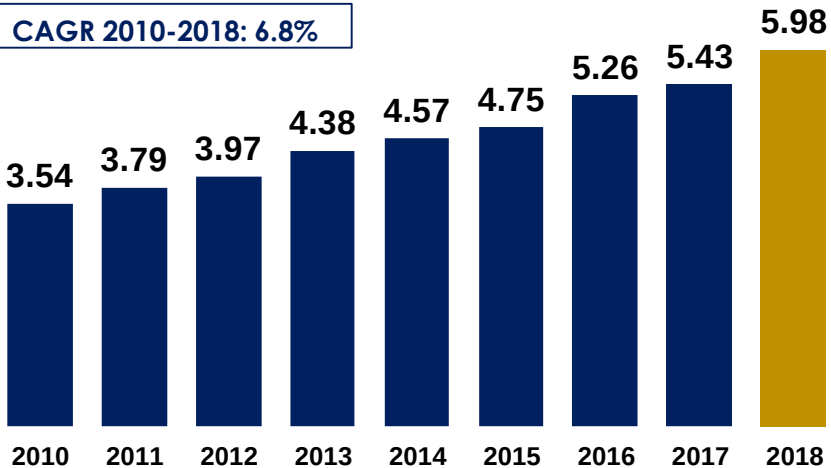
Margarine and Vegetable Shortening – Sales ('000 tonnes)

CAGR 2010-2018: 9.6%

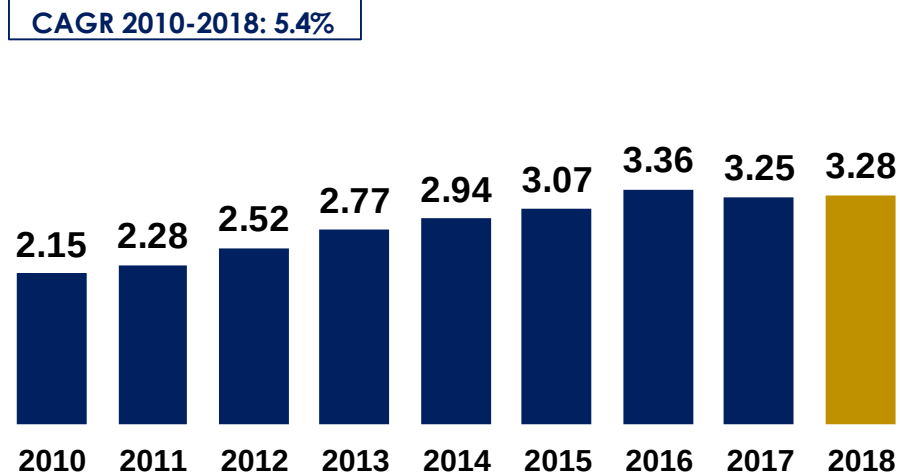


Net Average Price by Product Line

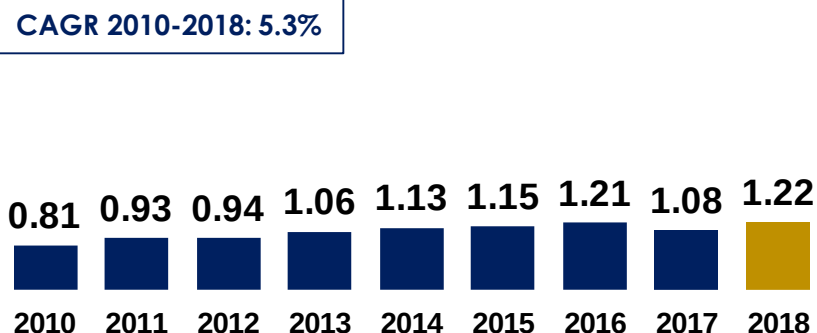
Cookies and Crackers – Sales (R\$/Kg)



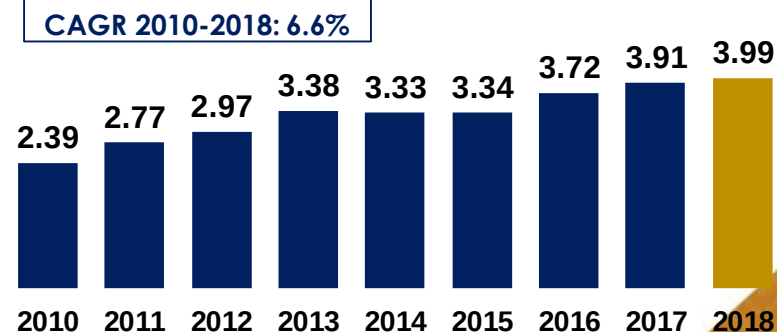
Pasta – Sales (R\$/Kg)



Wheat Flour and Bran – Sales (R\$/Kg)

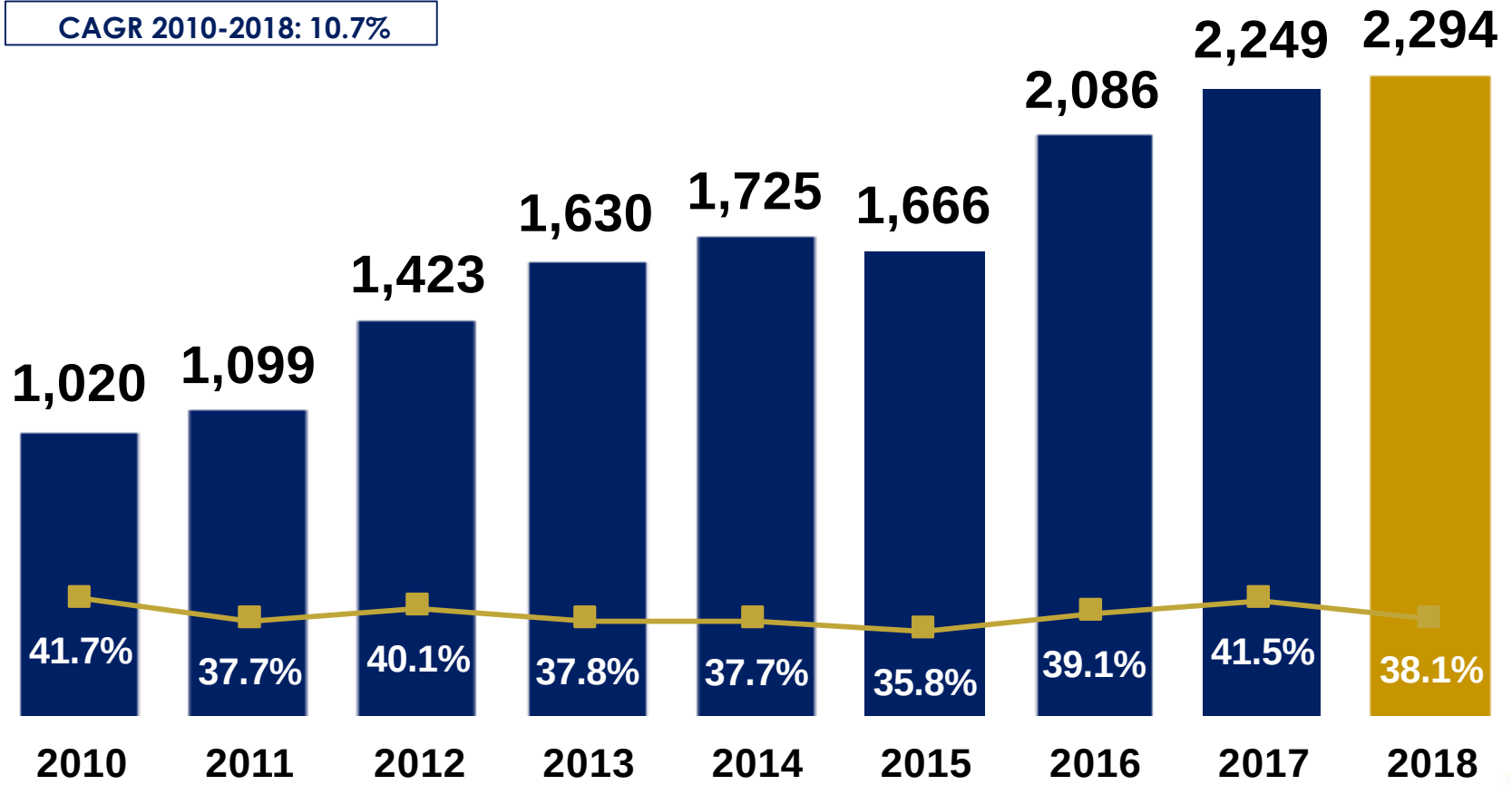


Margarine and Vegetable Shortening – Sales R\$/Kg)



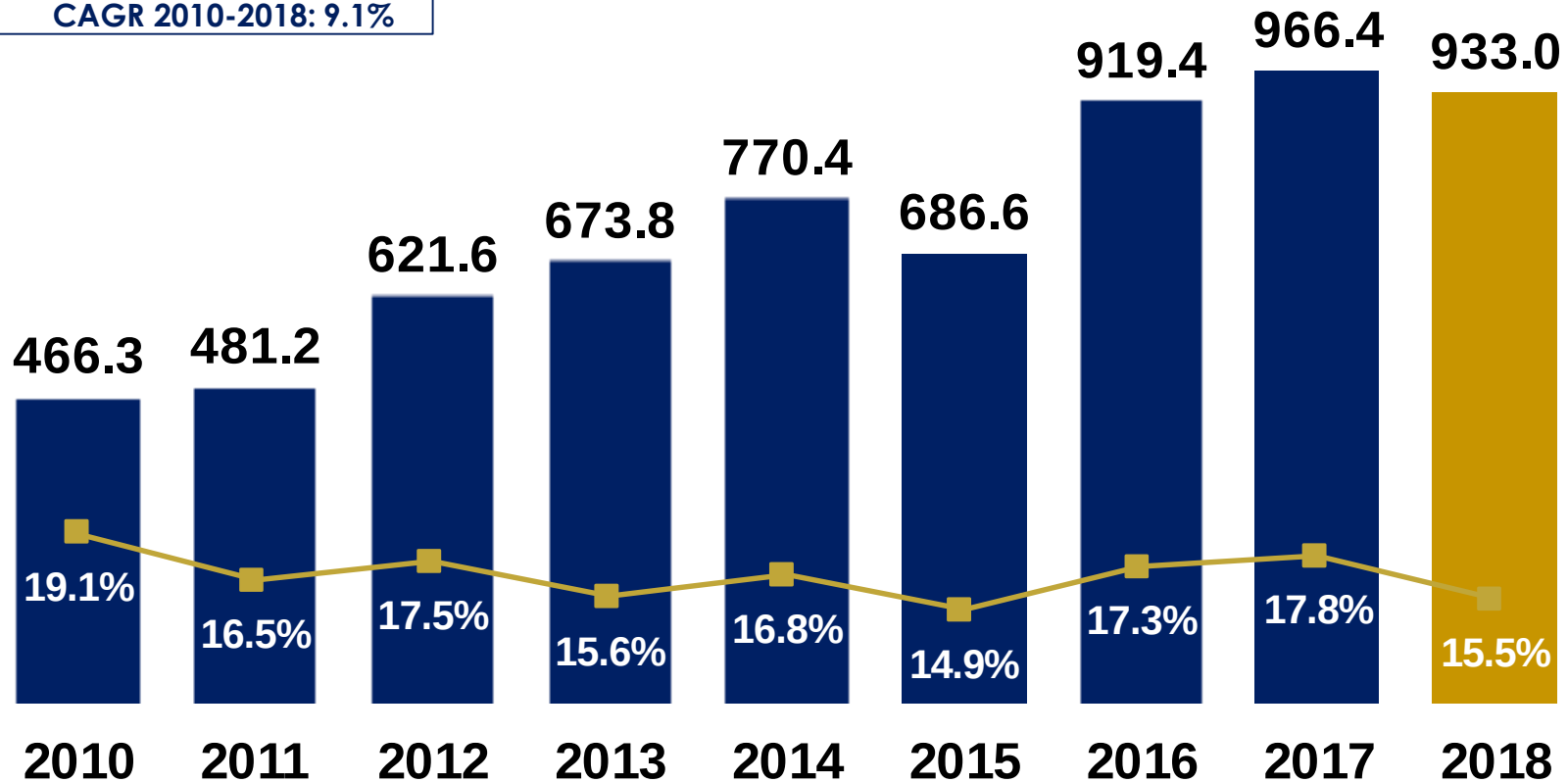
Gross Profit (R\$ million) and Gross Margin (%)

CAGR 2010-2018: 10.7%



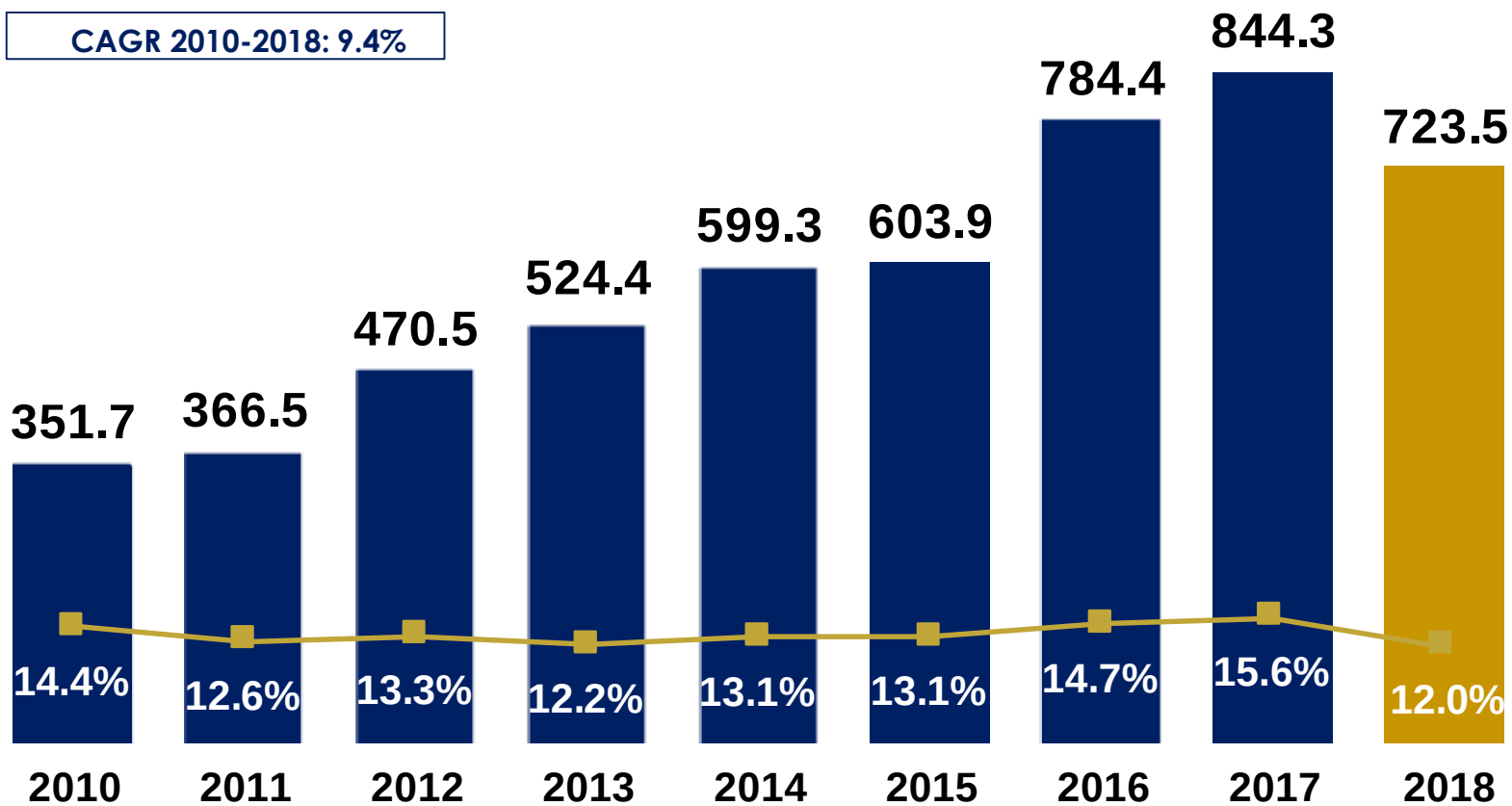
EBITDA (R\$ million) and and EBITDA Margin (%)

CAGR 2010-2018: 9.1%



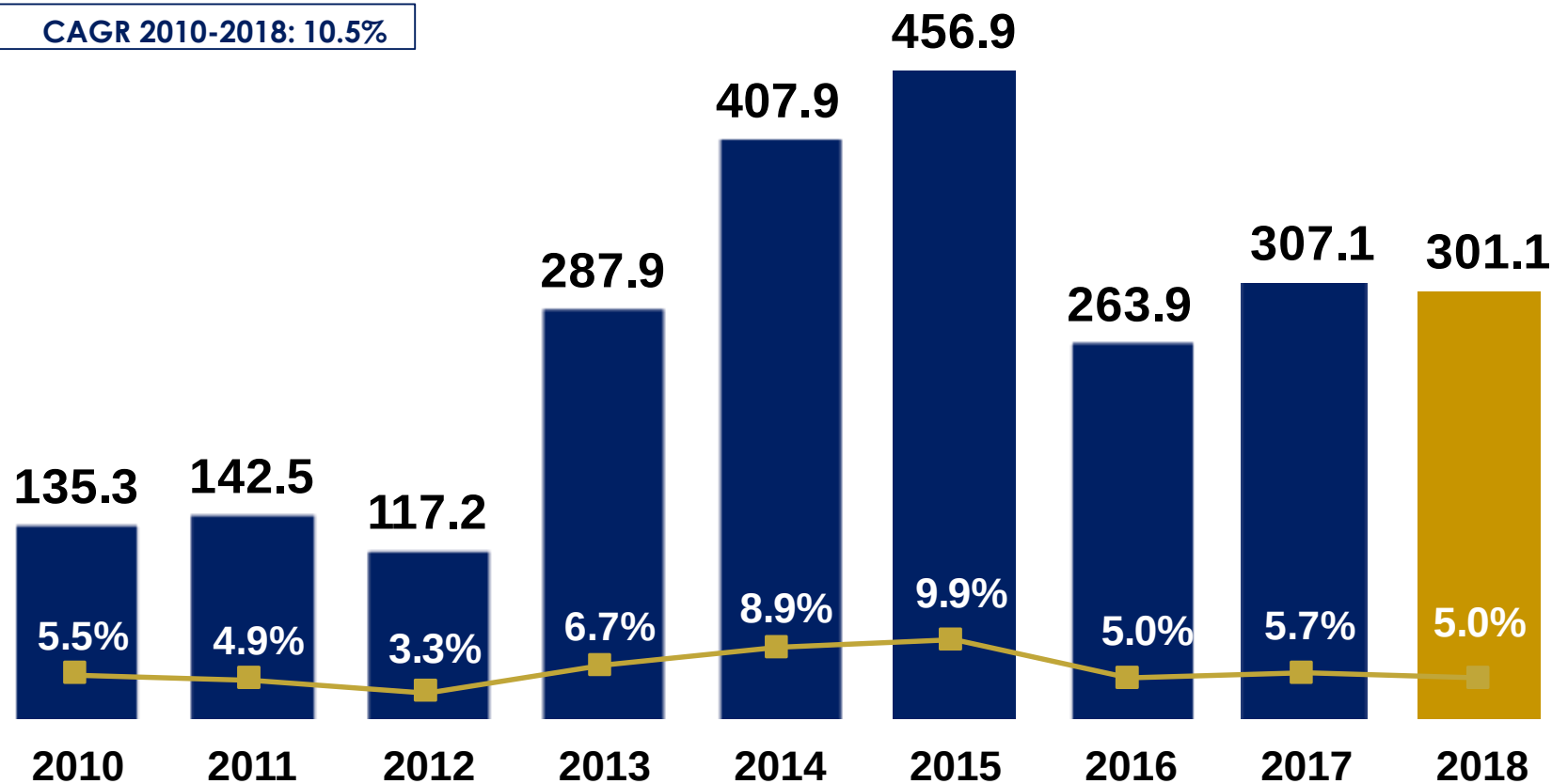
Net Profit (R\$ million) and Net Margin (%)

CAGR 2010-2018: 9.4%



Capex (R\$ million) and Capex/Net Revenue (%)

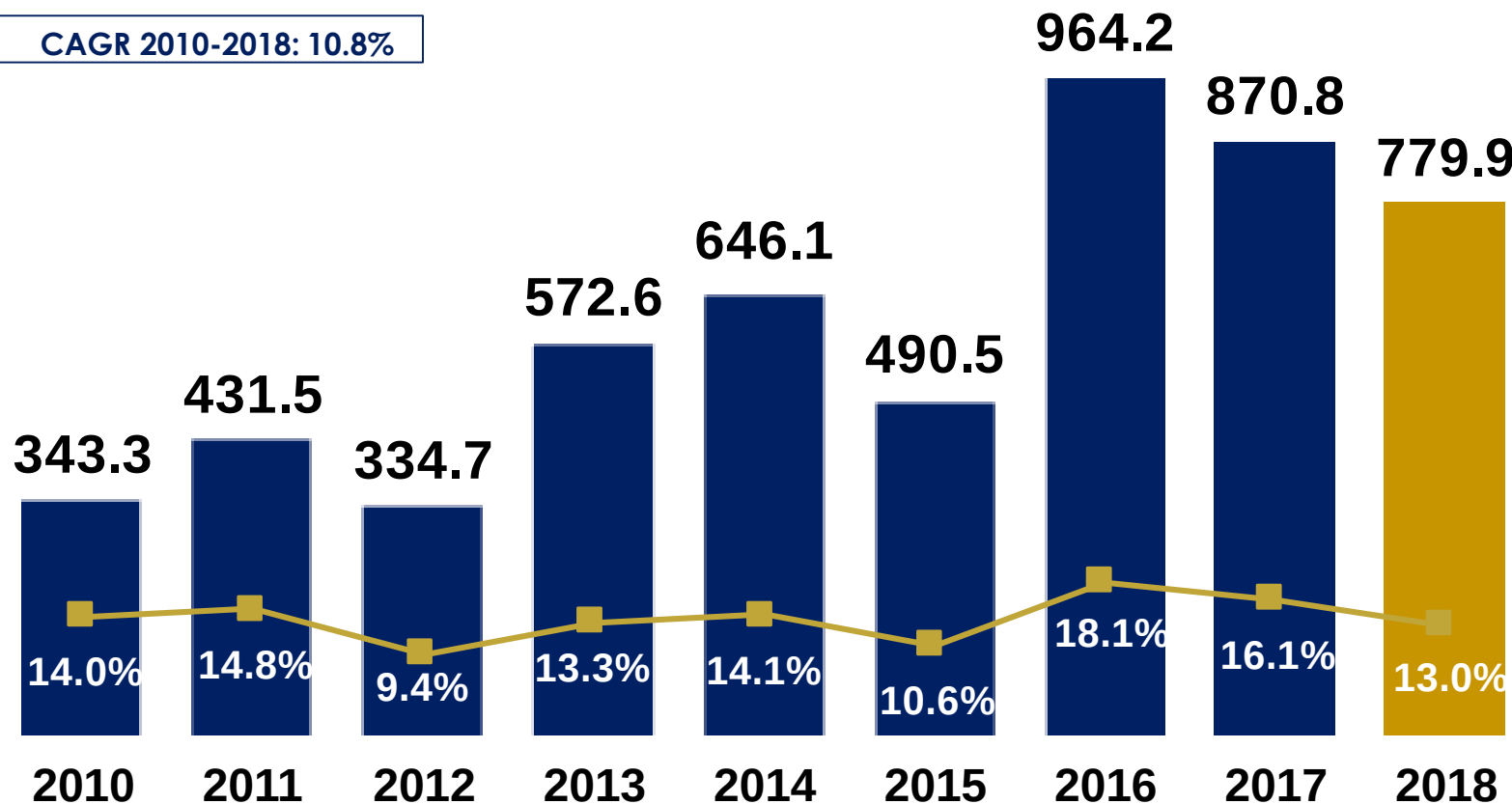
CAGR 2010-2018: 10.5%



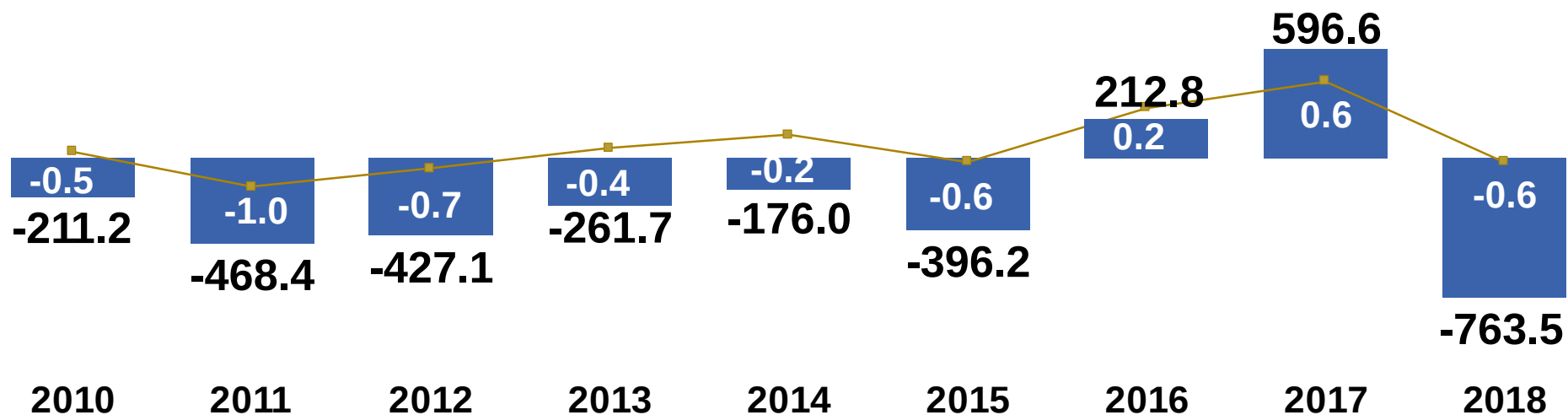
* Excluding acquisitions

Operational Cash Generated (R\$ million) and Operational Cash/Net Revenue (%)

CAGR 2010-2018: 10.8%



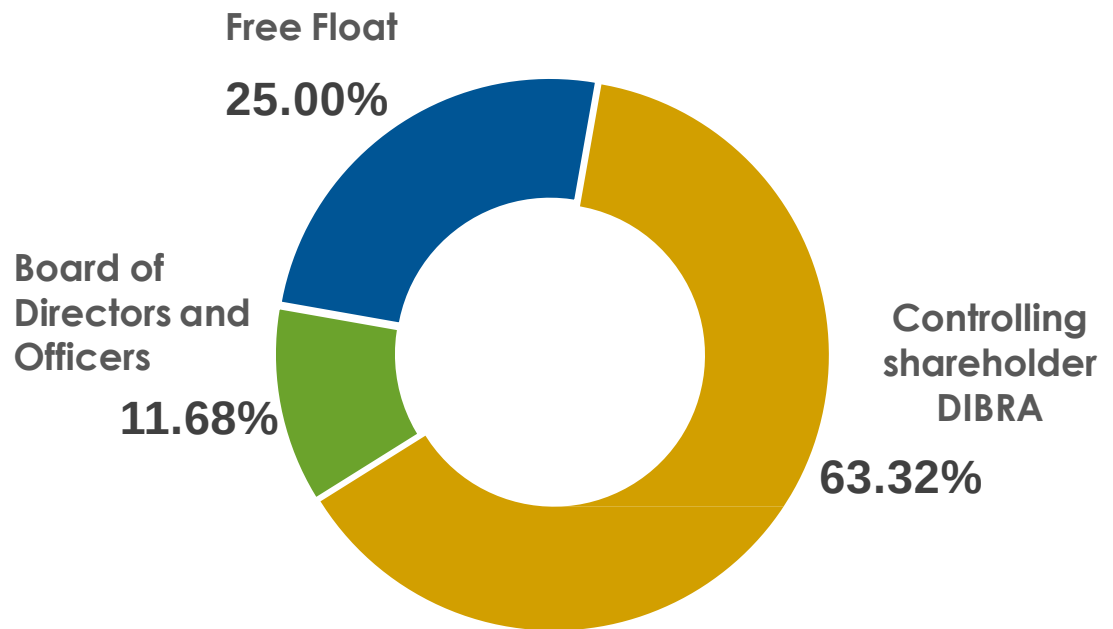
Net Cash (R\$ million) and Net Cash/EBITDA (unit)



Corporate Governance and Capital Market

- ✓ Listed in the “Novo Mercado”
- ✓ Free Float composed by:
25.8% local investors
74.2% foreign investors
- ✓ 03 independent members on the Board of Directors.
- ✓ Audit Committee composed by 3 independent members
- ✓ Ordinary stocks (339 millions)
- ✓ National Long-Term Rating 'AAA (bra)'

Shareholder Position as of 12/28/2018.



MDIA 3 vs IBOVESPA

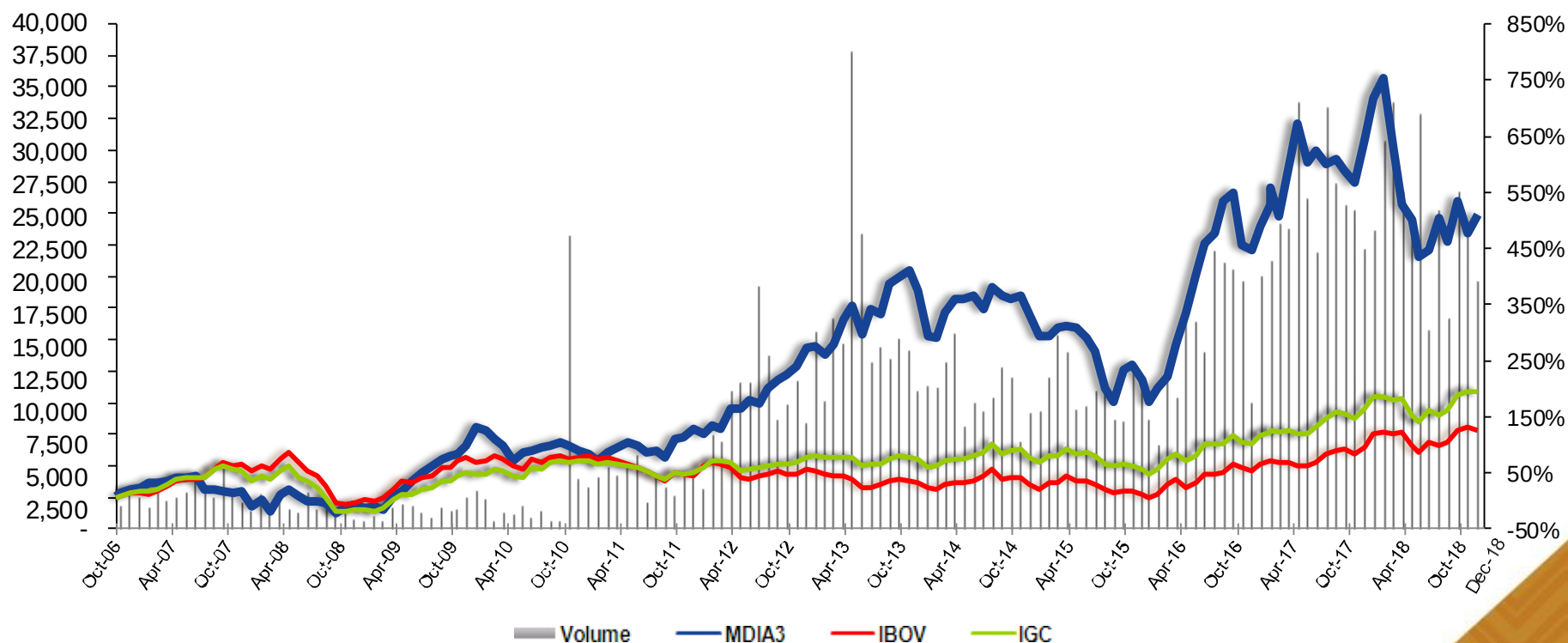
Since the IPO (R\$ billion, year end)

MDIA3 x IBOV

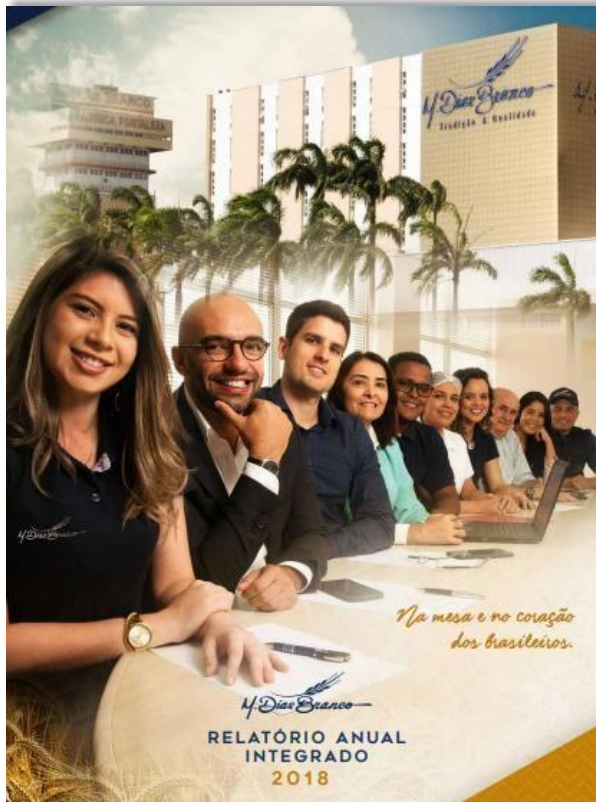
10/17/2006 a 12/28/2018

Profitability%

**Average Daly Volume
: MDIA3 (R\$ 000)**



Sustainability



Topics of Work Groups

Nutrition and Health

Packaging

Waste

Water - Effluents | Energy - Emissions

Social Investments and Communities

Transparency and Dialogue

Inputs

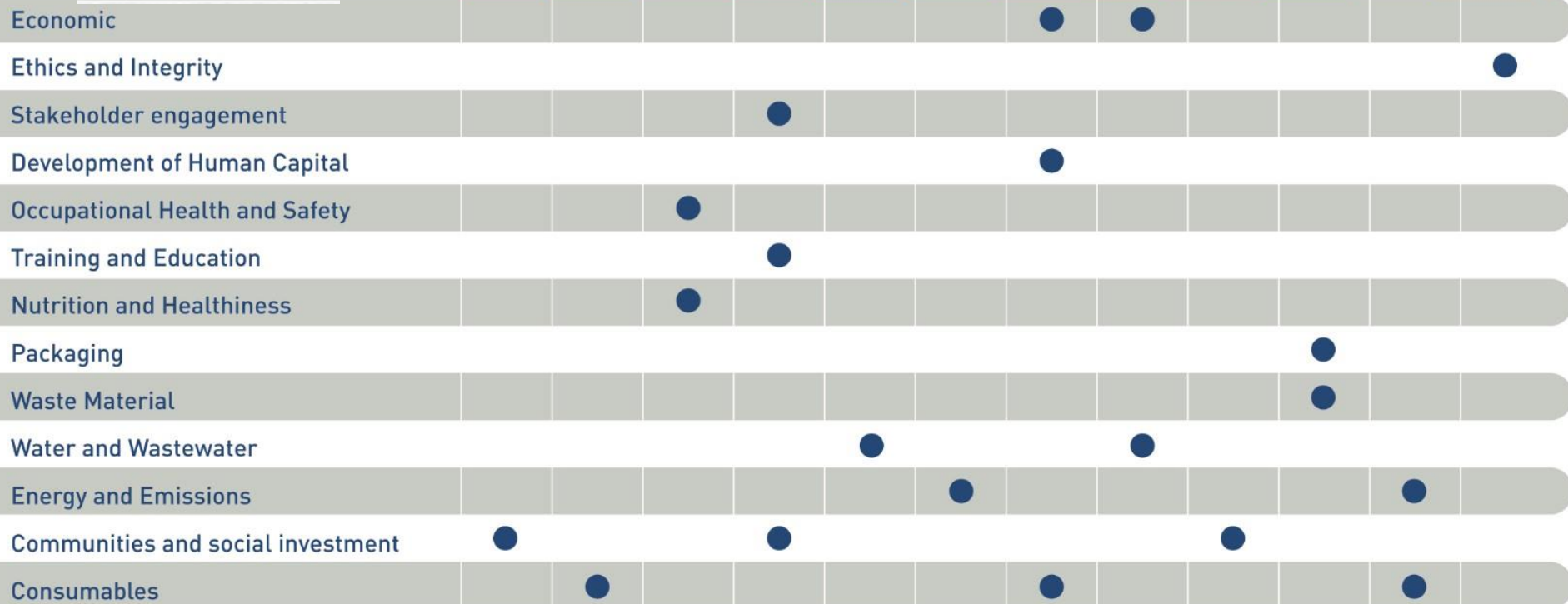
“Expand business and generate value with responsibility to current and future generations”

Constant Evolution on social, environmental and Corporate Governance topics



THE GLOBAL GOALS
For Sustainable Development

MATERIAL ISSUES AND SUSTAINABLE DEVELOPMENT OBJECTIVES PURSUED BY THE COMPANY



● Areas of expertise

| IR Team

Geraldo Luciano Mattos Júnior

Vice-President of Investments and Controllershship

Fabio Cefaly

New Business and Investor Relations Director

Fernanda Carvalho

New Business and Investor Relations Manager

Renata Lessa

New Business and Investor Relations Analyst

Phone: +55 85 4005-5952 or 5874

E-mail: ri@mdiasbranco.com.br

Market Marker



Custodian



Independent
Auditors



B3 Ticker





Thank you

The logo is centered within a white square with a dark brown border. The text 'M. DIAS' is in a light blue sans-serif font, 'BRANCO' is in a bold dark blue sans-serif font, and 'DAY' is in a light blue sans-serif font. Below the text is a stylized logo of a wheat stalk. The year '2018' is at the bottom in a bold orange sans-serif font. The entire logo is set against a blue background with abstract geometric shapes and light blue circular patterns.

M. DIAS **BRANCO** DAY

M. Dias Branco

2018

Key charts from 2018 Investor Day

Access complete version:

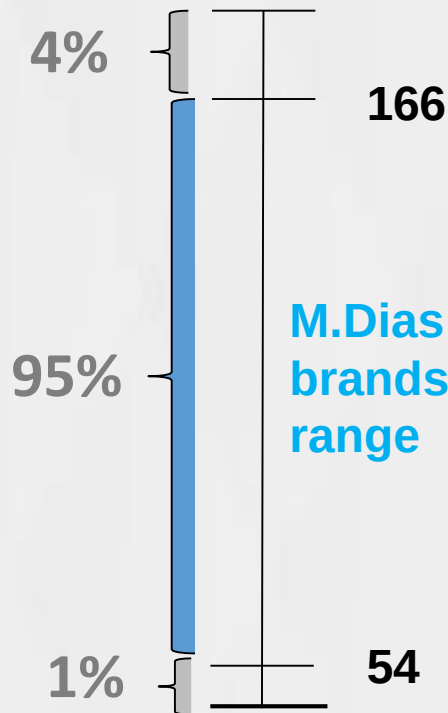
http://ri.mdiasbranco.com.br/wp-content/uploads/sites/15/2018/12/Presentation_MDiasDay2018_ENG.pdf

Brads that occupy various pricing positioning

Cookies and Crackers

Market in
Volume (%)

Nielsen Brasil
Price Index
Jan to aug/18

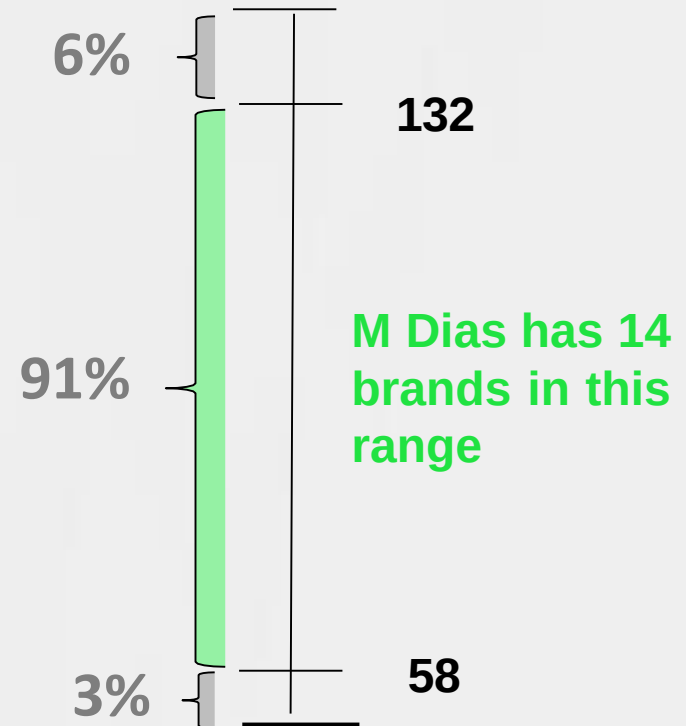


M.Dias has 13
brands in this
range

Pasta

Market in
Volume (%)

Nielsen Brasil
Price Index
Jan to aug/18



M Dias has 14
brands in this
range

Geographical map of areas where we operate (categories x states x priorities)



High/Medium
Relevance



Low Relevance



Do not operate

GEOGRAPHIC STRATEGY FINNA



UNIDADE NEGÓCIO	SSE								CENTRO NORTE										NORDESTE 1				NORDESTE 2					
Categoria	SPC	SP1	RJ	ES	MG	PR	SC	RS	AC	AM	AP	RR	RO	PA	TO	GO	DF	MS	MT	CE	PI	MA	RN	PE	PB	AL	SE	BA

GEOGRAPHIC STRATEGY VITARELLA



UNIDADE NEGÓCIO	SSE								CENTRO NORTE										NORDESTE 1				NORDESTE 2				
Categoria	SPC	SP	RJ	ES	MG	PR	SC	RS	AC	AM	AP	RR	PA	TO	GO	DF	MS	MT	CE	PI	MA	RN	PE	PB	AL	SE	BA

GEOGRAPHIC STRATEGY ADRIA



UNIDADE NEGÓCIO	SSE								CENTRO NORTE										NORDESTE 1					NORDESTE 2				
Categoria	SPC	SP1	RJ	ES	MG	PR	SC	RS	AC	AM	AP	RR	RO	PA	TO	GO	DF	MS	MT	CE	PI	MA	RN	PE	PB	AL	SE	BA
Massas Longas (Sâmola e Ovos)																												
Massas Curtas (Sâmola e Ovos)																												
Massas Ninho																												
Massas Grane Duro																												
Leitinho																												
Biscoitos Recheados (Tortinha/Mousse/Plugados)																												
Biscoitos Recheados Quadrados																												
Biscoitos Croaker																												
Biscoitos Maria/Maisena																												
Biscoitos Cookies																												
Wafer																												
Palitos																												
PLUS LIFE																												
Torradas																												

Illustrative images

Communication and activation plan at our points of sale



**Traditional
Media**

External Media

Social Media

Points of Sale

Social Media



Marketing at POS



Merchandising material aligned with brand positioning



Activation calendar in all categories

Opportunity for Product Line Expansions

360° Platform



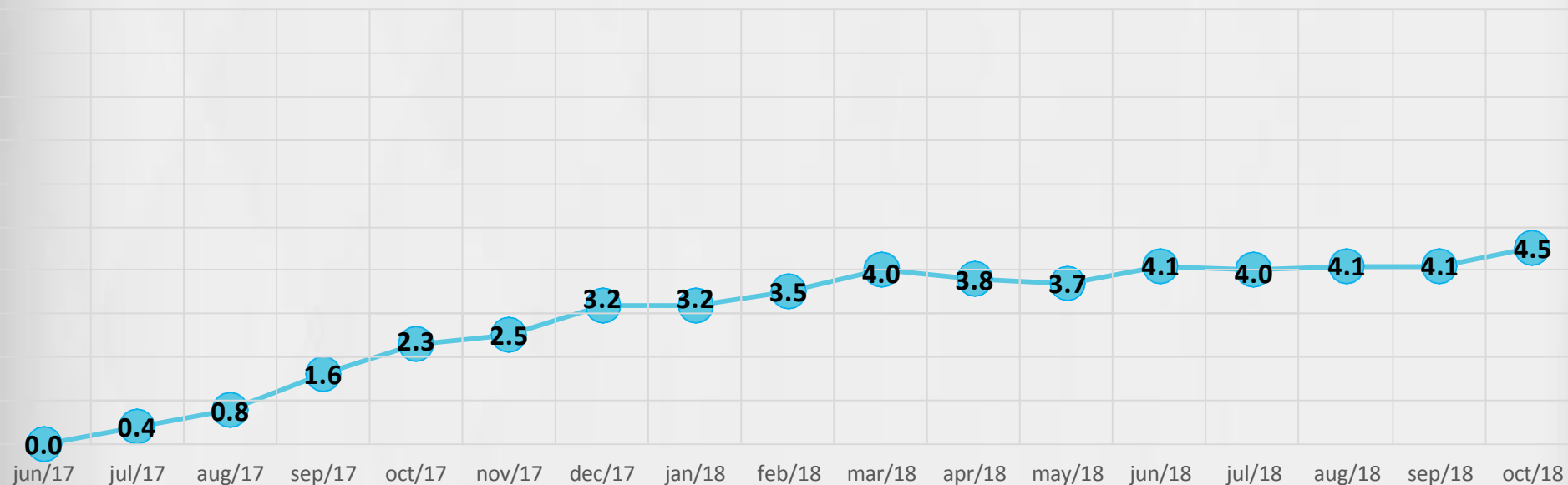
Share Volume

Pluslife



Total Cookies
Brazil (Retail + Cash)

SHARE VOLUME



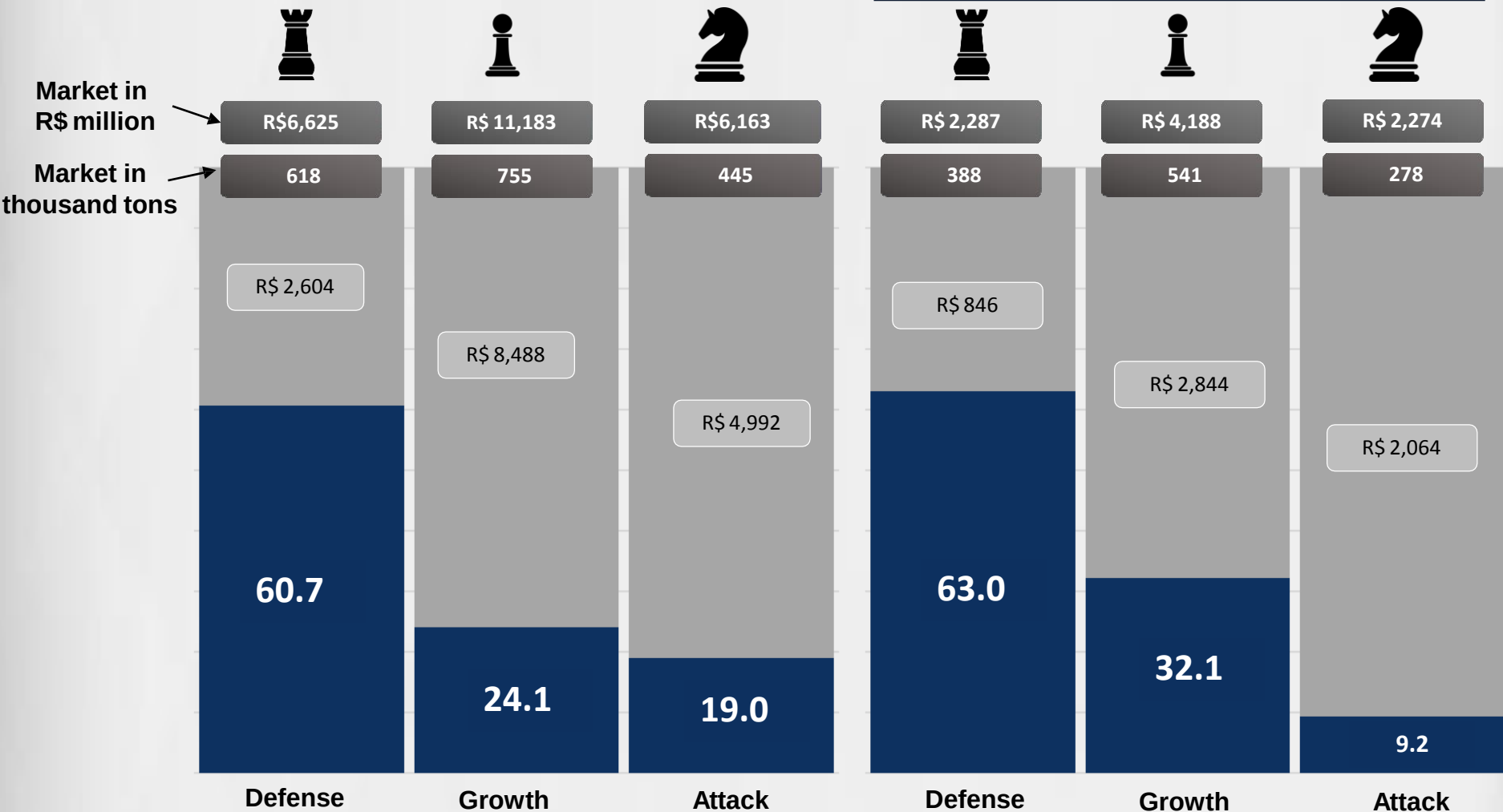
Strategy of action



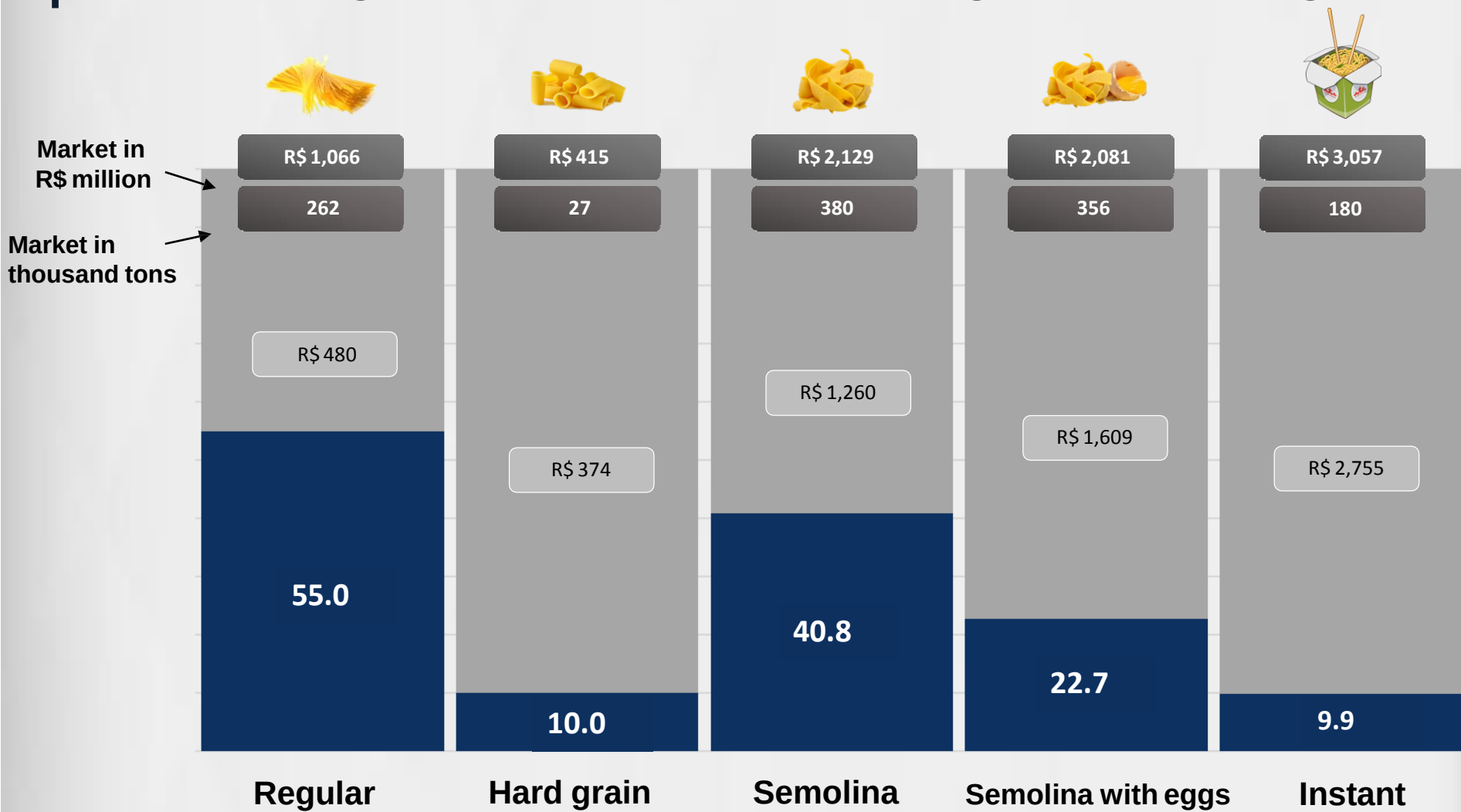
Opportunities for growth throughout Brazil

Cookies and Crackers

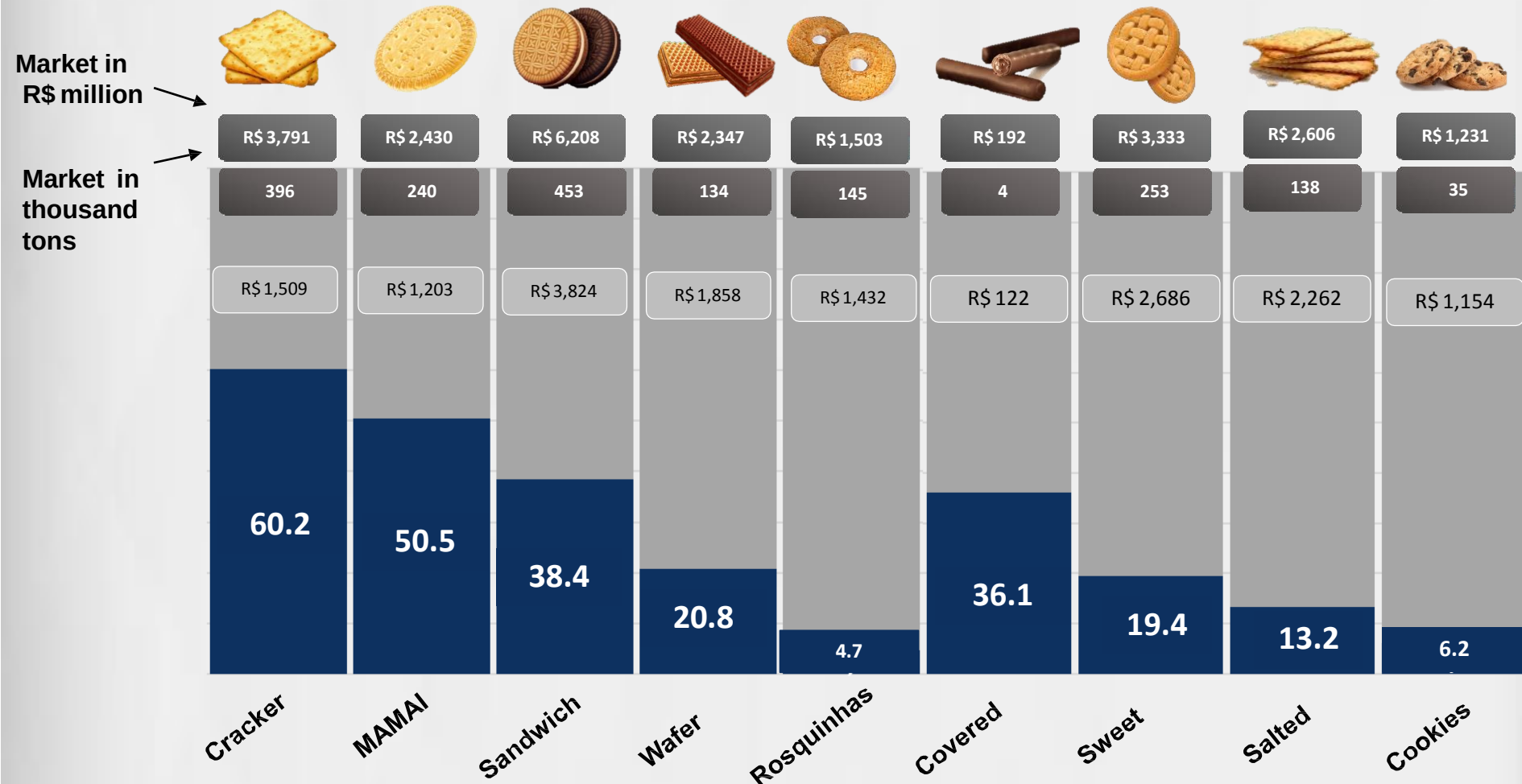
Pasta



... and also growth opportunities in large pasta categories



... in cookies and crackers, growth opportunities in volume and high added value categories



How to plan the best logistics operation in Brazil?

SUPPLIER



- 400 Provider
- +2000 Items
- Free Shipping

PRODUCTION



- 15 Industrial Units
- 1,403 Products
- 145 Lines

STORAGE



- 38 CD's
- 170 thousand Positions

DELIVERY



- +190 thousand shipments
- Own fleet
- OTMI
- ASCP2
- Scripting

CLIENTS



- +60,000 Customers
- 10 KA3
- 6 C & A4
- 2,000 Regional Networks
- 40 Export
- +100,000 Requests



Nota: ¹Oracle Transportation Management

²Advanced Supply Chain Planning

³Key Account

⁴Cash & Carry and Wholesale

Some Recent Highlights



2017: 36 new products
2018: 23 new products



2017



Healthy
and Tasty

Convenience



2018



Indulgence
and Experience

Accessible
to All



2018



Healthy
and Tasty

Accessible
to All



2018

Accessible
to All



2018



Convenience

Indulgence
and Experience



2018



Practicality and
Convenience

Indulgence and
Experience



Portfolio Management



	2017	2018
Class 5	5%	14%
Class 4	4%	6%
Class 3	36%	31%
Class 2	53%	46%
Class 1	3%	3%

Class 5: Everything new (new technology, new position)

Class 4: Existing market technology, but new to MDB (entry into a new market, category, etc).

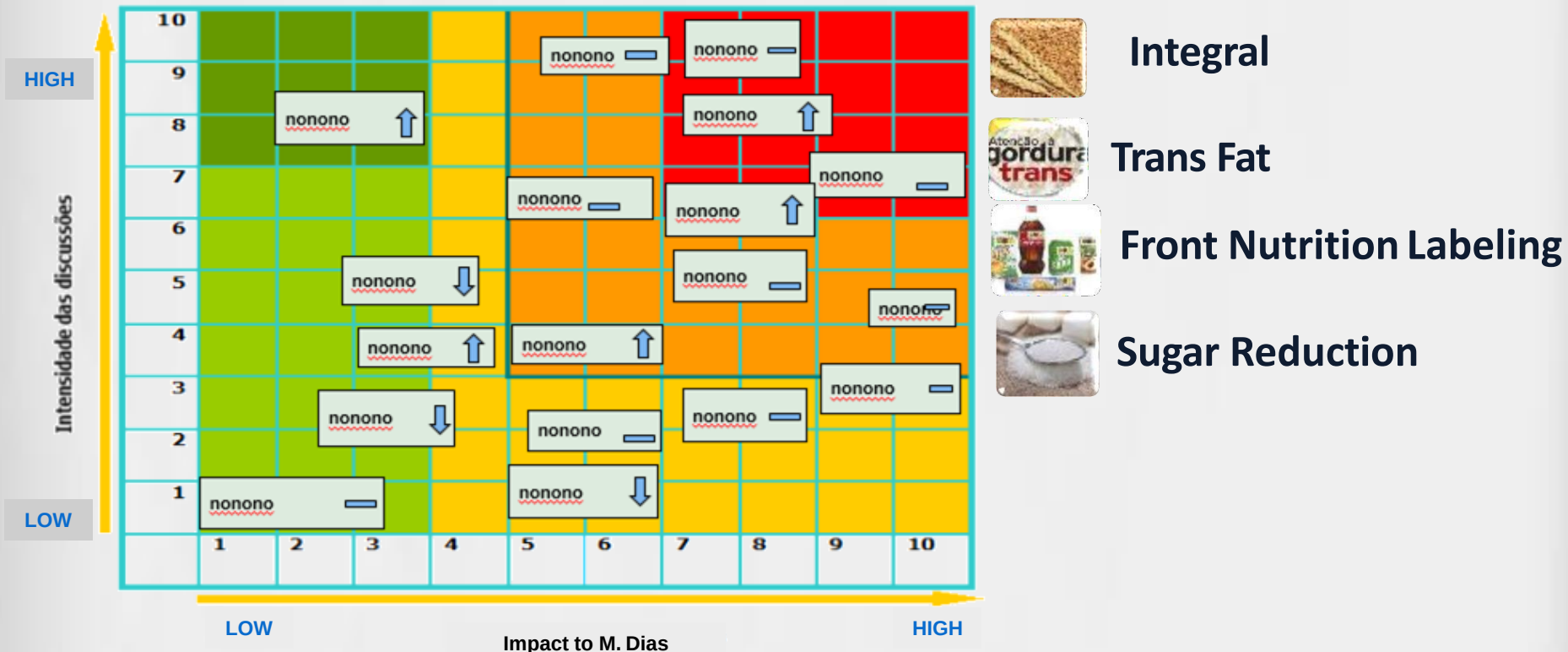
Class 3: Product line extension

Class 2: Improvement /Saving

Class 1: Transfer

Regulatory Radar: Heat Map Regulatório

Regulatory Map (since 2016)



Nutritional Guide (since 2018)

I. NUTRIENTS

TOTAL SUGARS
SATURATED FAT
SODIUM

II. SPECIFIC ATTRIBUTES

PROVIDE PRODUCTS
WITH POSITIVE
FEATURES. I.E.:
SOURCE OF FIBERS,
WHOLE GRAIN
CEREALS, GRAINS,
SEEDS, ETC...

III. CLASSIFICATION

BEST FOR YOU
BETTER FOR YOU
GOOD FOR YOU
JOY FOR YOU

JOY

Products focused on
specific consumption
and indulgence
moments

GOOD

Products that are
consumed daily

BETTER

Products with better
nutritional balance

BEST

Products with more
specific nutritional
claims.



178

STARTUPS APPLIED TO
THE PROGRAM

11

STARTUPS WERE APPROVED FOR THE PILOT
PHASE

Ingredients and Packaging



nanoTropic

New Business



Marketing and Trade Marketing





Thank you!

1Q19 Results Presentation



*On the table and in the heart
of Brazilian people.*

M. Dias Branco

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.

On May 16, 2018, the Company concluded the acquisition of 100% of Indústria de Alimentos Piraquê S.A. (“Piraquê”).

The results of Piraquê, included in the consolidated information presented in this document, include information as of May 17, 2018.

This presentation includes some information excluding Piraquê’s results (“without Piraquê”).



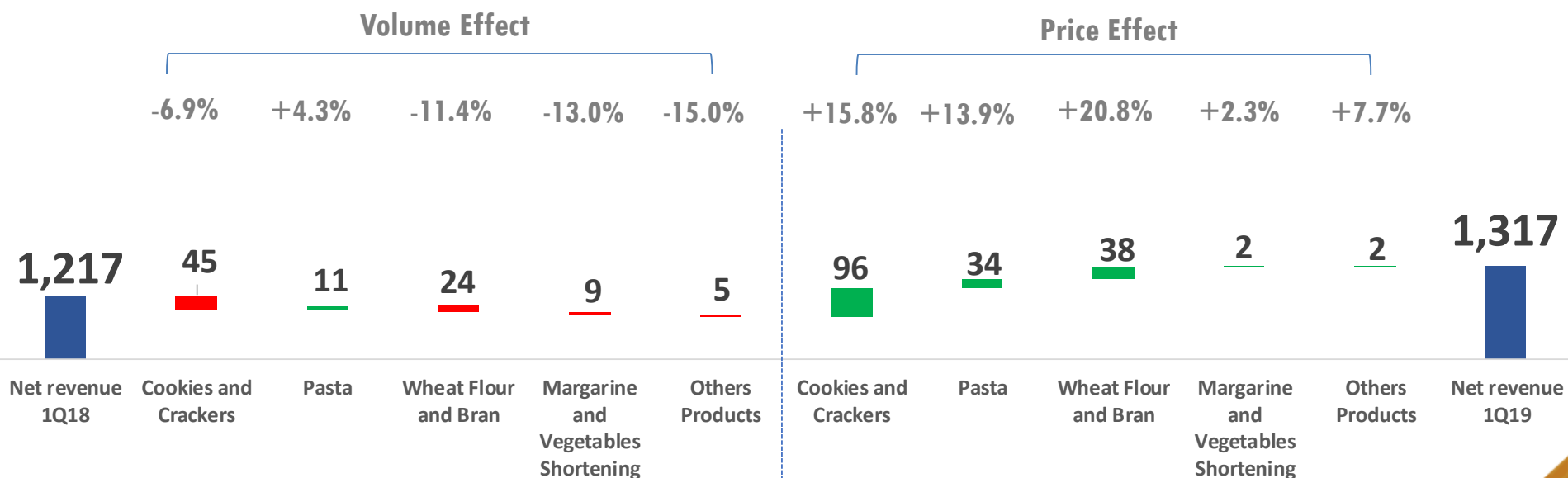
Results and Highlights

1Q19

Net Revenue (with Piraquê)

+8.2% 1Q19 vs. 1Q18

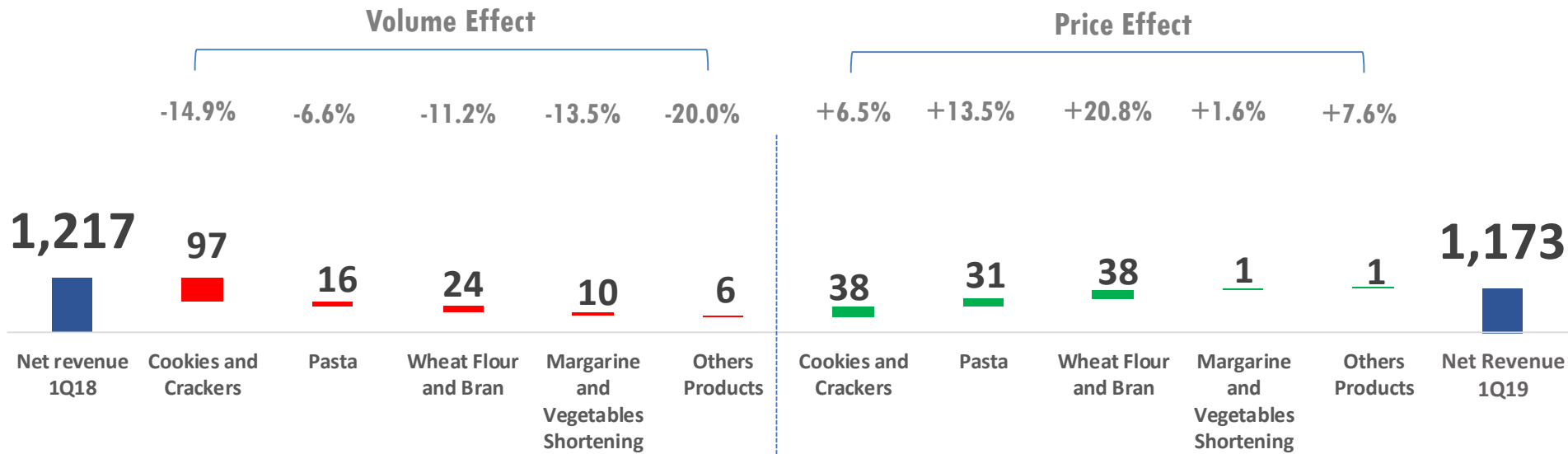
Variation of Net Revenue - 1Q19 vs. 1Q18 (R\$ Million) | M. Dias + Piraquê



Net Revenue (without Piraquê)

-3.7% 1Q19 vs. 1Q18

Variation of Net Revenue - 1Q19 vs. 1Q18 (R\$ Million) | M. Dias



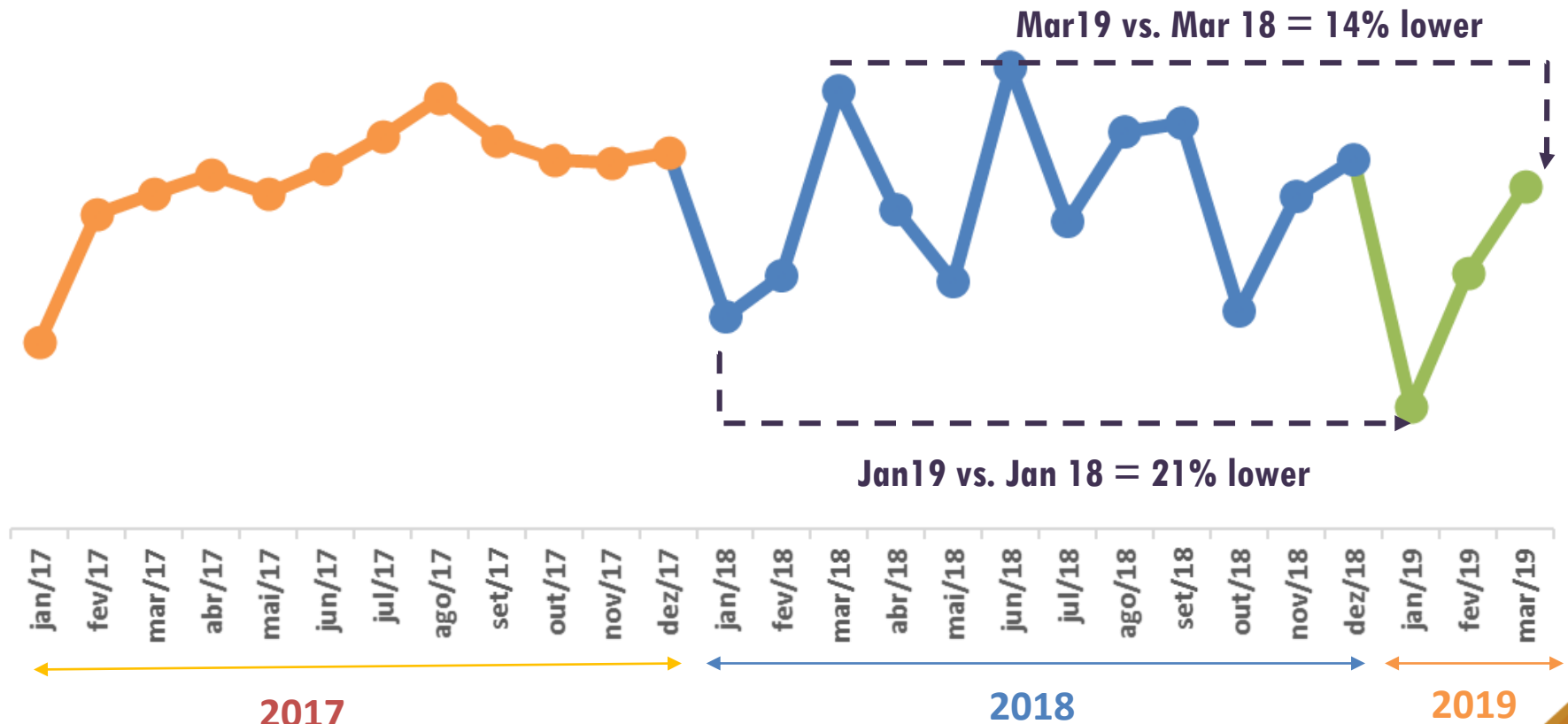
Main reasons of volumes reduction 1Q19 vs. 1Q18

- **Price increase in 2018**
- **Retraction in the cookies & crackers market**
- **Adjustments due to strong month-month volume variations in 2018**

Impact of strong variations of volumes sold month-month in 2018 (Total* without Piraquê)

Volumes Sold Total | tons month thousand |
M. Dias Branco without Piraquê

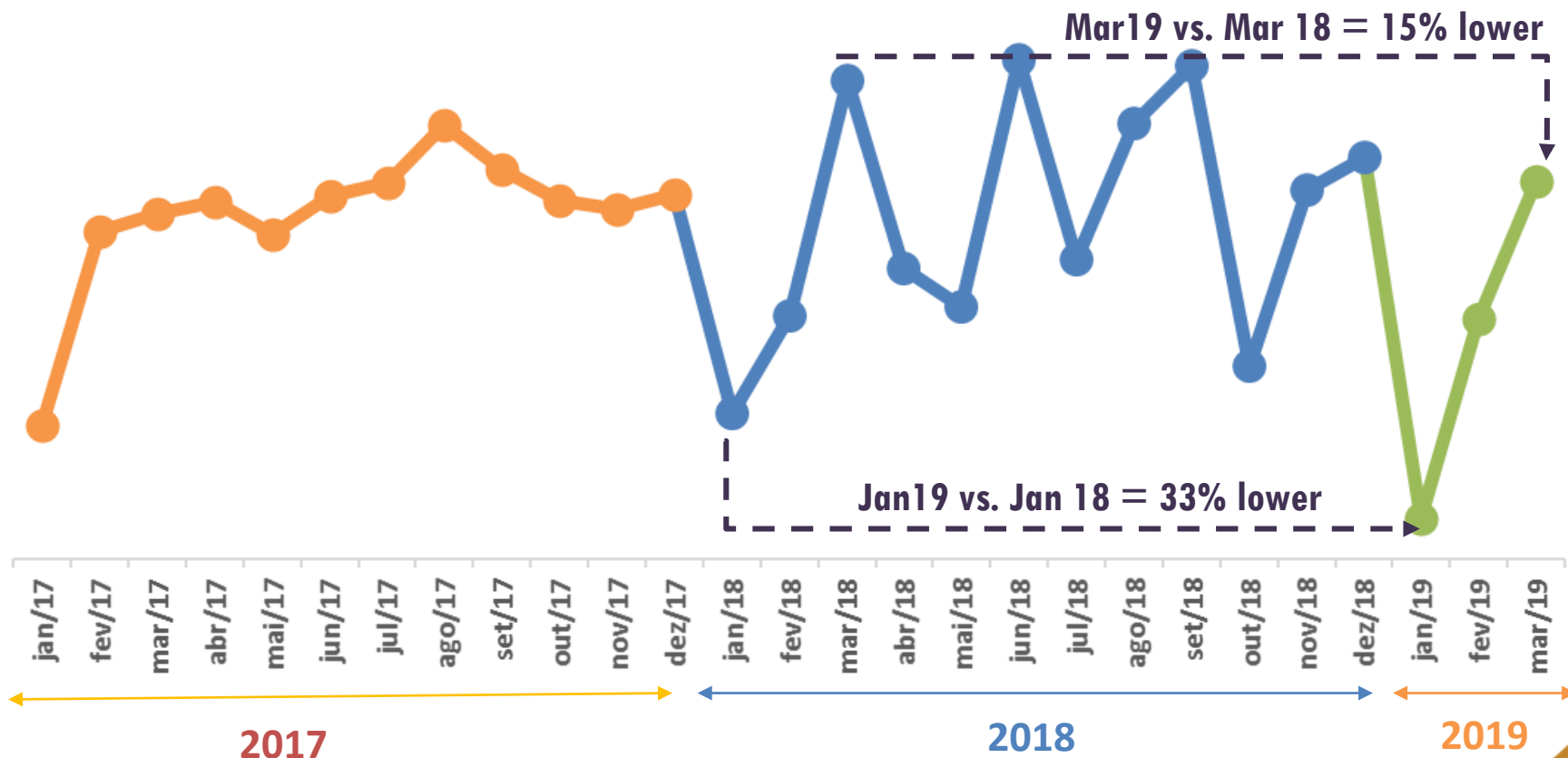
1Q19 vs. 1Q18
11.6% lower



Impact of strong variations of volumes sold month-month in 2018 (Cookies and Crackers without Piraquê)

1Q19 vs. 1Q18
14.9% lower

Volumes Sold Cookies & Crackers | tons month thousand |
M. Dias Branco without Piraquê



Expansion of market share in cookies & crackers and pastas

Product line



1Q19 vs. 1Q18

Share volume:

36.0% (+3.8 p.p vs. 1Q18)

Share Value:

30.9% (+6.7 p.p vs. 1Q18)



Share volume:

37.9% (+4.8 p.p vs. 1Q18)

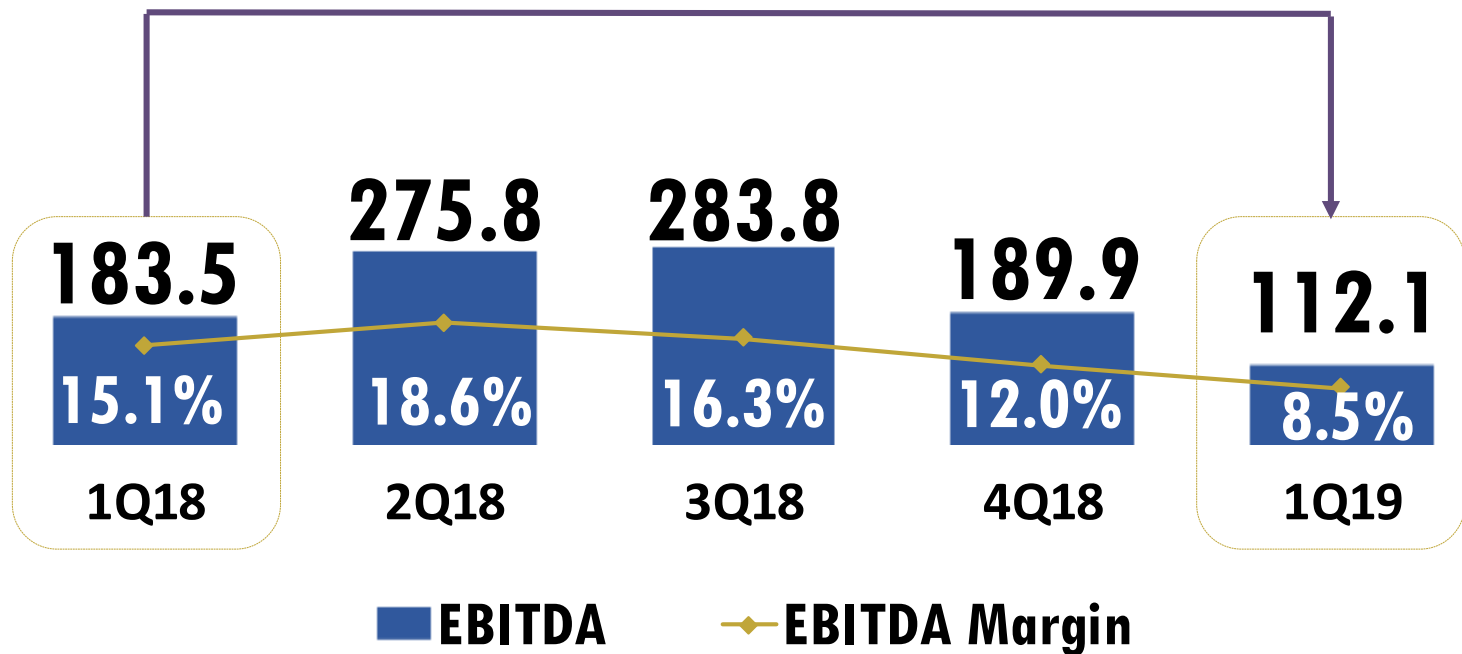
Share Value:

33.1% (+4.5 p.p vs. 1Q18)

EBITDA (R \$ MM) and EBITDA Margin (% Net Revenue)

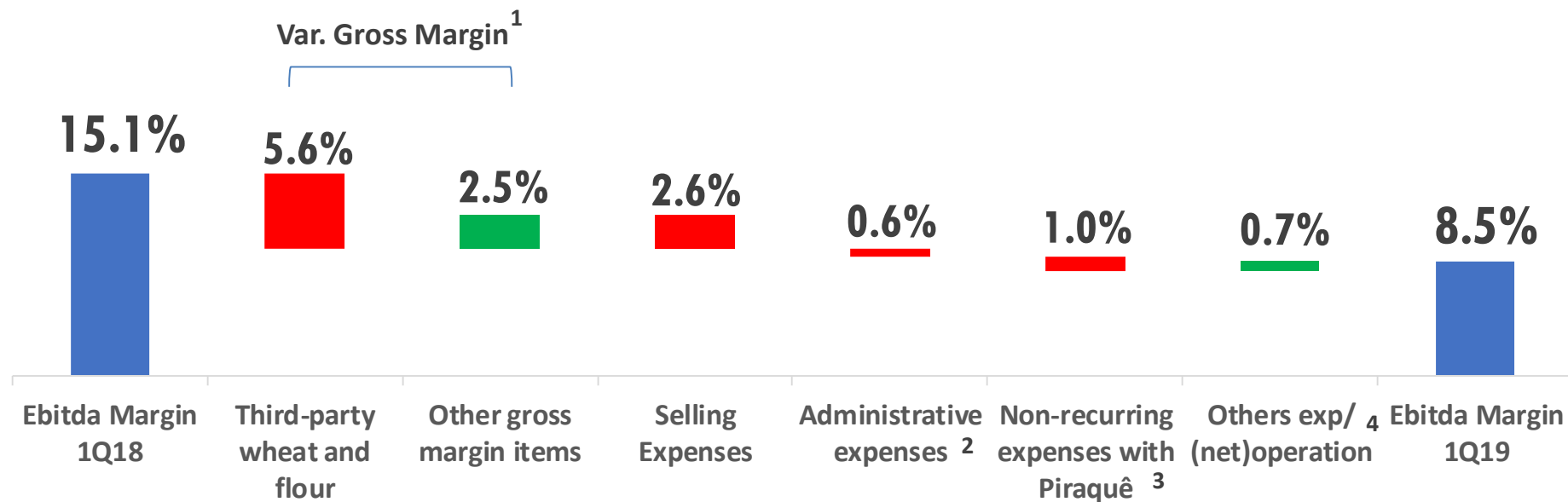
M. Dias Branco + Piraquê

EBITDA -38.9% e EBITDA Margin -6.6pp



Retraction of 6.6pp in 1Q19 EBITDA Margin vs. 1Q18

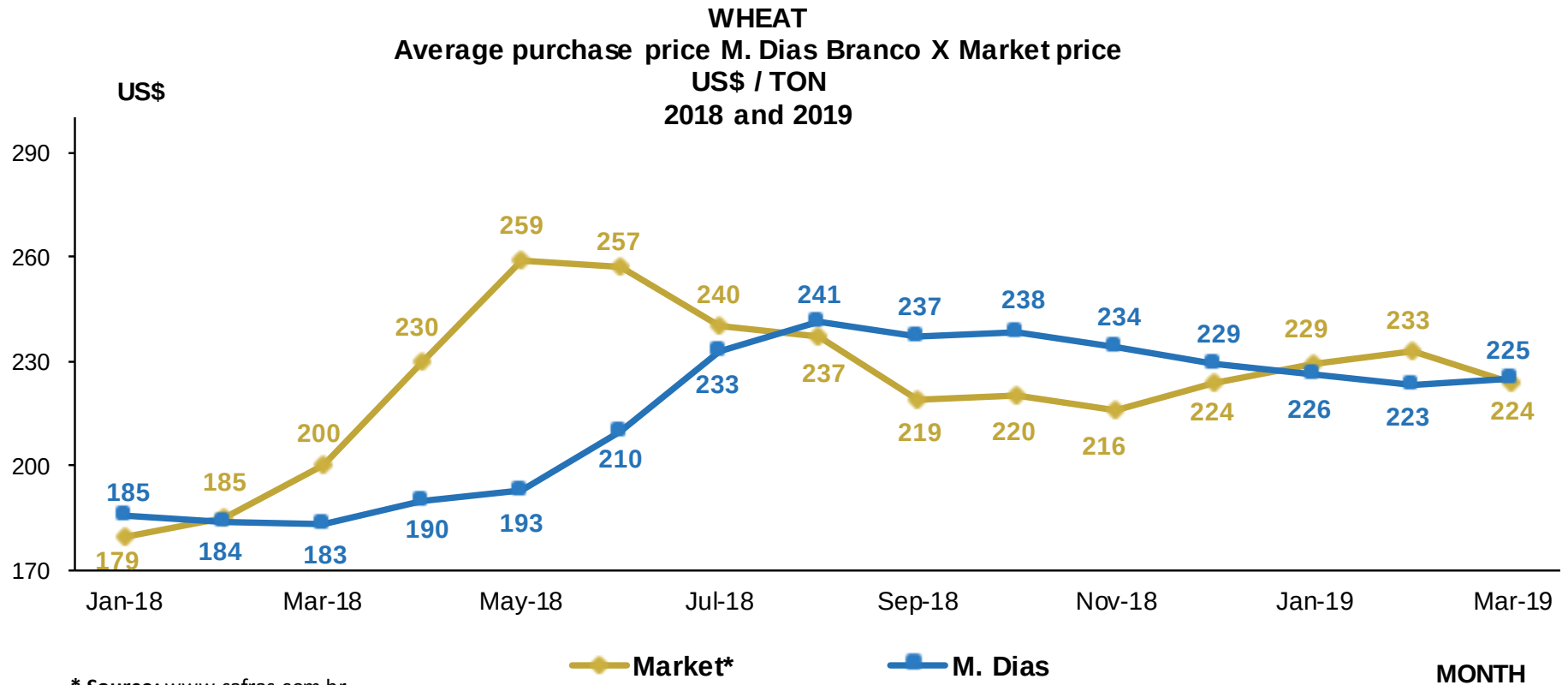
M. Dias Branco + Piraquê



- Average cost of wheat in BRL + 36.9% 1Q19 vs. 1Q18;
- Price readjustment in 2018 offset higher cost of other inputs, packaging and labor;
- Lower dilution of fixed expenses (sales and administrative expenses), due to the retraction of volumes;
- R\$ 13.4 million of non-recurring expenses with Piraquê;
- PIS / COFINS ex-temporary credit registry in the amount of R\$ 18.5 million;

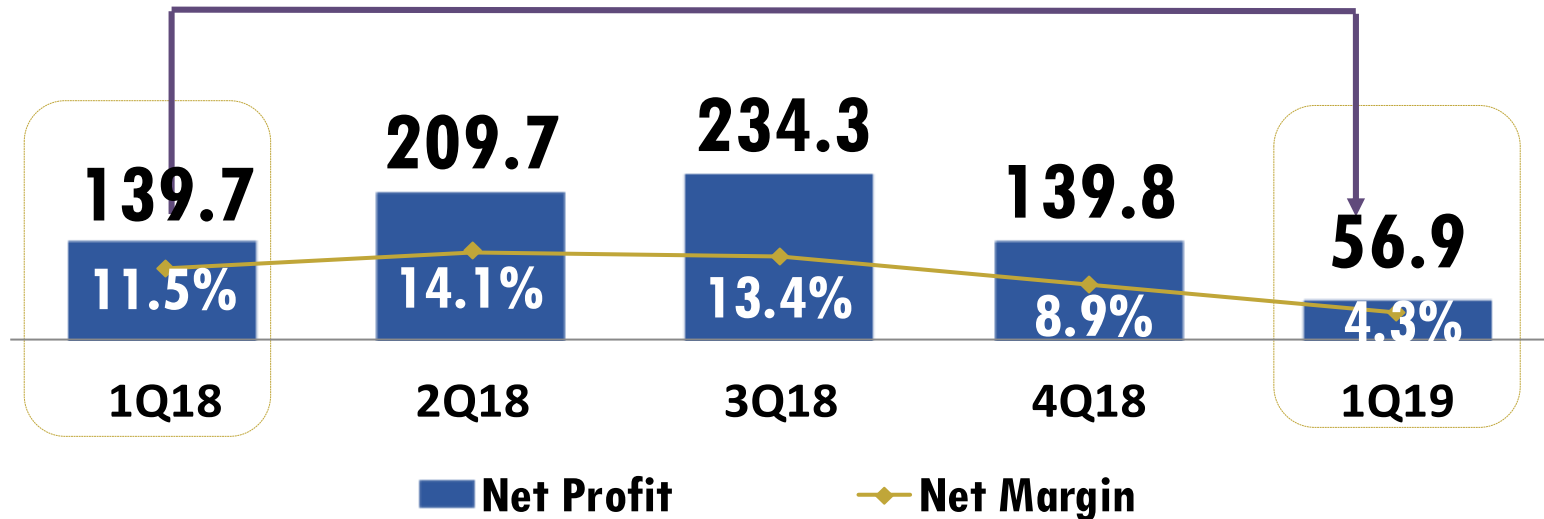
¹Note: % Variation in gross margin without considering the representativeness of CPV depreciation on net revenue. ²Note: Administrative expenses without non-recurring expenses with Piraquê. ³Note: M.Dias non-recurring expenses with the integration of Piraquê (R\$ 1.8 million) and expenses incurred by Piraquê with consultancy and restructuring (R\$ 11.6 million). ⁴Note: Regarding tax expenses and other operating revenue / expenses without nonrecurring expenses with Piraquê, in particular the 1Q19 recorded of PIS / Cofins credit for the exclusion of bonus from the calculation base (R\$ 18.5 million).

Average cost of wheat in BRL + 36.9% 1Q19 vs. 1Q18



Net Income (R\$ Million) and Net Margin (% Net Revenue) M. Dias Branco + Piraquê

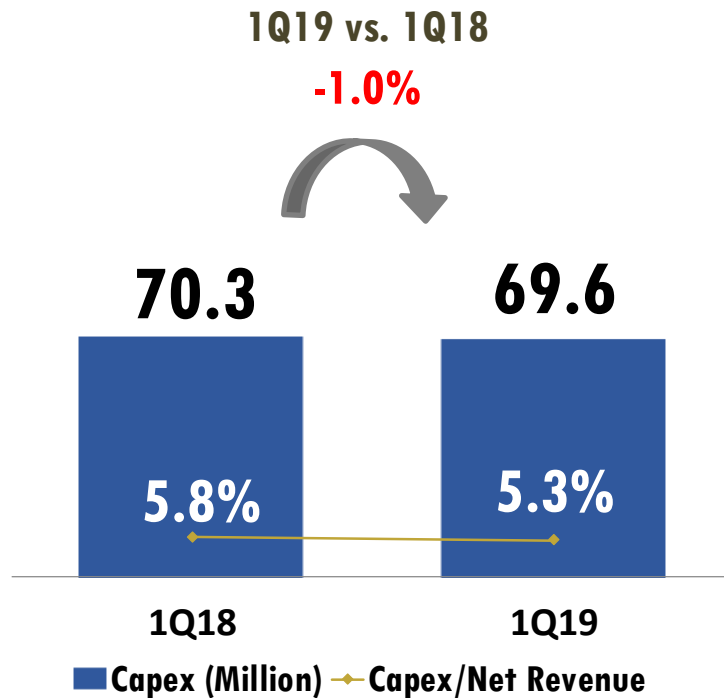
Net Income -59.3% and Net Margin - 7.2pp



In addition to the factors that impacted EBITDA, we had:

- Depreciation of new production lines throughout 2018 and 1Q19
- Depreciation and amortization expenses of Piraquê
- Reduced financial result, due to the redemption of financial investments for payment of the acquisition of Piraquê

Investments of R\$ 69.6 million in 1Q19



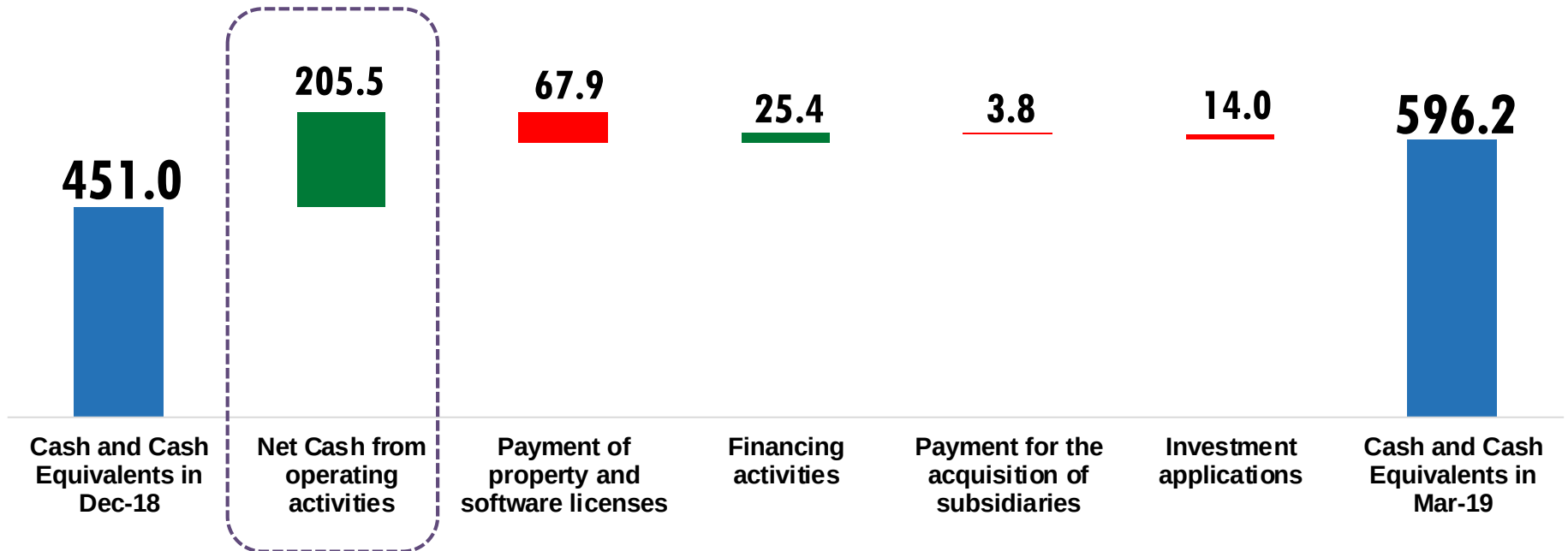
Ongoing construction of the new milling unit in Bento Gonçalves (RS);

Expanding the capacity of the mill silos in Paraná;

Increased packing capacity in the line of cookies & crackers and in the storage of wheat flour at the Jaboatão dos Guararapes (PE)

Cash Flow

**15.6% of Net Revenue
in 1Q19**



Sustainability (1Q19 vs 1Q18)

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



- Increase in the waste recycling index by 3.0pp vs. 1Q18.
- Reduction of solid waste generated per ton produced in 19.9% vs. 1T18.

Increase of 1.6% in energy intensity in 1Q19.

7 AFFORDABLE AND
CLEAN ENERGY



Increase of 0.32 in the Occupational Accident Frequency Rate in 1Q19.

3 GOOD HEALTH
AND WELL-BEING



6 CLEAN WATER
AND SANITATION



Reduction in water consumption
(m³/ton produced) in 8.9% in 1Q19.



1Q19 New Products



Wafer biscuit covered with chocolate, *Pirachoko* Piraquê brand.

Finna wheat flour, in the package of 5 kg, for cake, pizza and Type 1

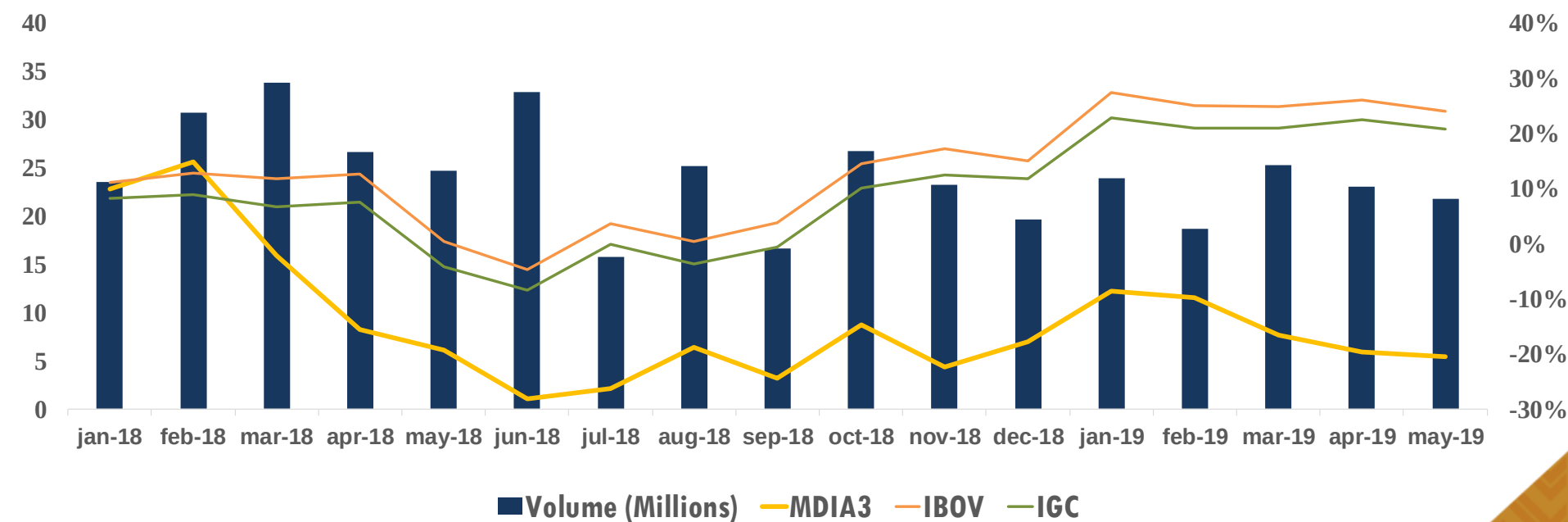


MDIA3 x IBOV x IGC

01/02/2018 to 05/09/2019

Average Daily Volume :
MDIA3 (R\$ Million)

Profitability%



Verticalization Index

Wheat flour

<u>1Q18</u>	<u>4Q18</u>	<u>1Q19</u>
90.6%	81.2%	84.2%

Vegetable Shortening

<u>1Q18</u>	<u>4Q18</u>	<u>1Q19</u>
98.2%	99.3%	98.7%

Ongoing initiatives to regain growth and profitability

- Reduction in the number of employees (dismissals and voluntary dismissal program);
- Contract review and outsourcing;
- Investments in the distribution chain (new distribution centers and expansion of shipping areas);
- Linearization of volumes sold over the months;
- Volumes negotiates with clients for more than one month;
- Commercial initiatives and marketing campaigns focused on growth in regions and subcategories with high growth potential;
- Continuous improvement of our pricing modeling;
- Launch of products with higher added value.



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