

Institutional Presentation

AUGUST 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 sales promoter. 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

| Competitive Advantages



A broad and diversified portfolio



% of Sales 1S19

Cookies &
Crackers¹

54%

Pasta

22%

Wheat Flour &
Bran

16%

Margarine &
Vegetable
Shortening

6%

Others²

2%

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



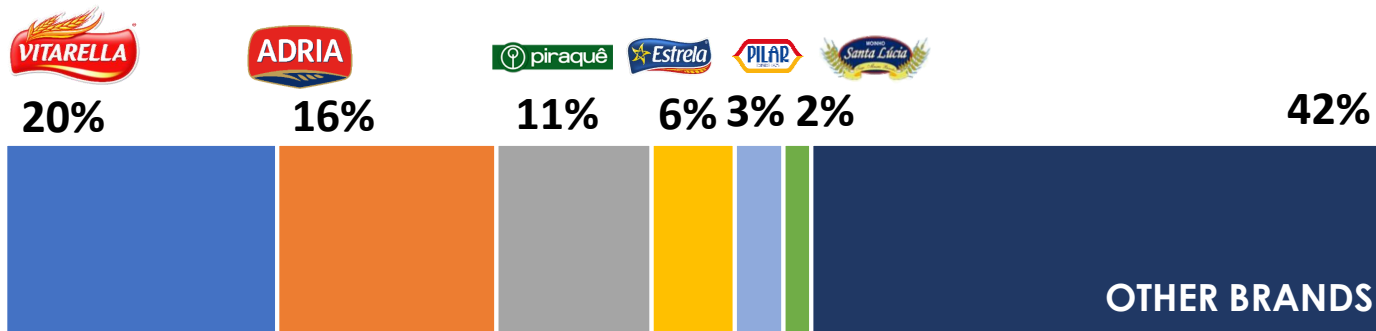
7 brands with anual gross income > R\$ 500 MM



Capacity to make good acquisitions



% Revenue by Brand – 1H19



58% acquired brands

Note: 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

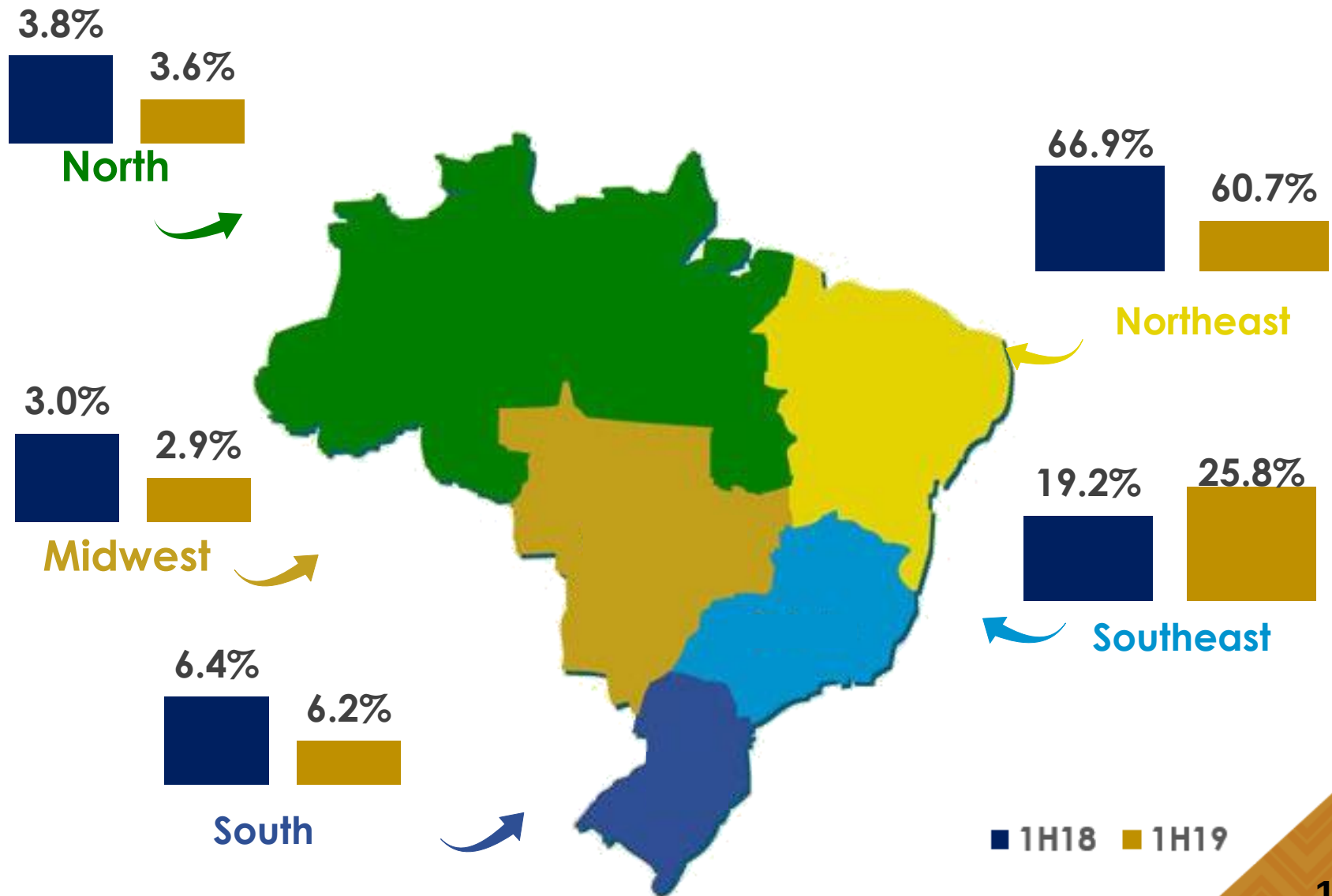


ADRIA was elected in 2016 as one of the "50 most valuable brands in Brazil", according to the ranking published by IstoÉ Dinheiro and prepared by Kantar



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.

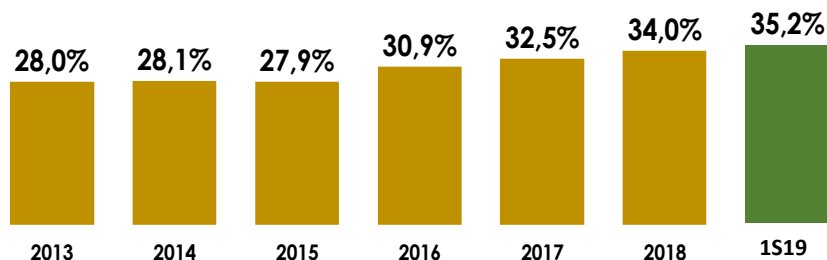
% of total Net Sales by region



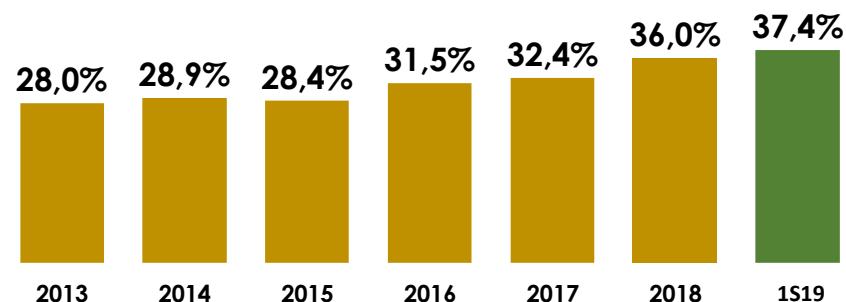
National Market Leadership



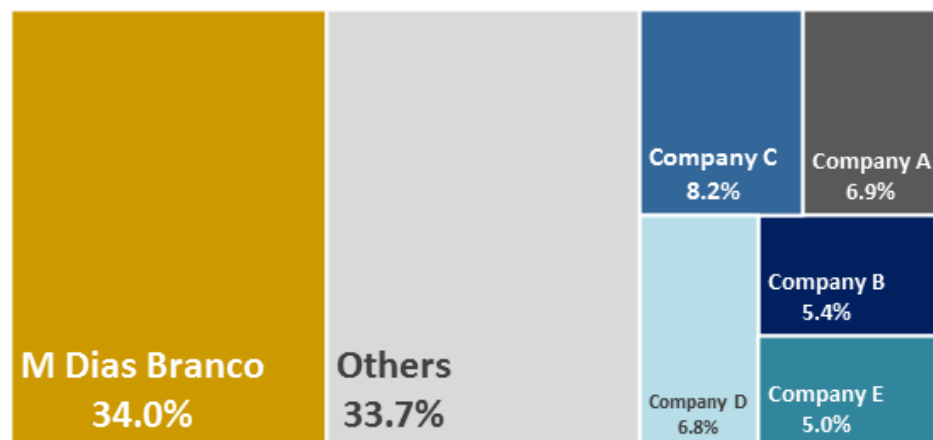
Market Share Volume
Cookies & Crackers



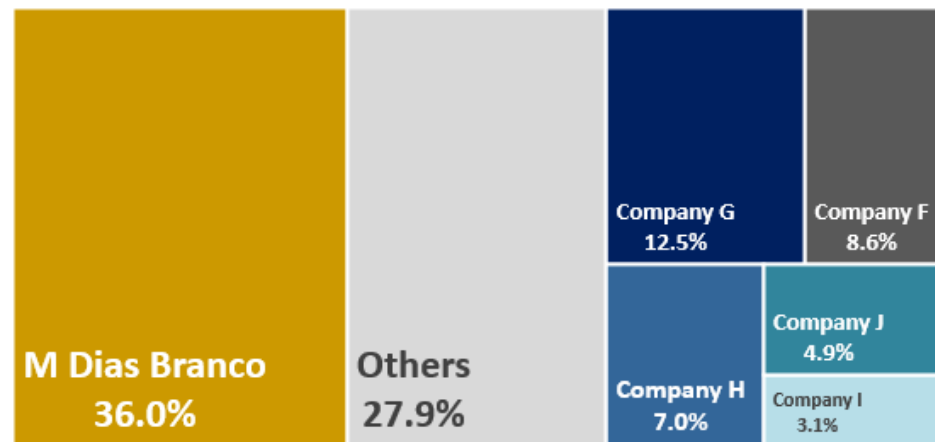
Market Share Volume
Pastas



¹Leadership in Cookies & Crackers in 2018



¹Leadership in Pasta in 2018



Assertive creation of new products, packaging and categories in line with consumer needs, market trends and scenarios



Marketing investments to drive sales and to create strong brands

Isabela



Vitarella Treloso



Adria

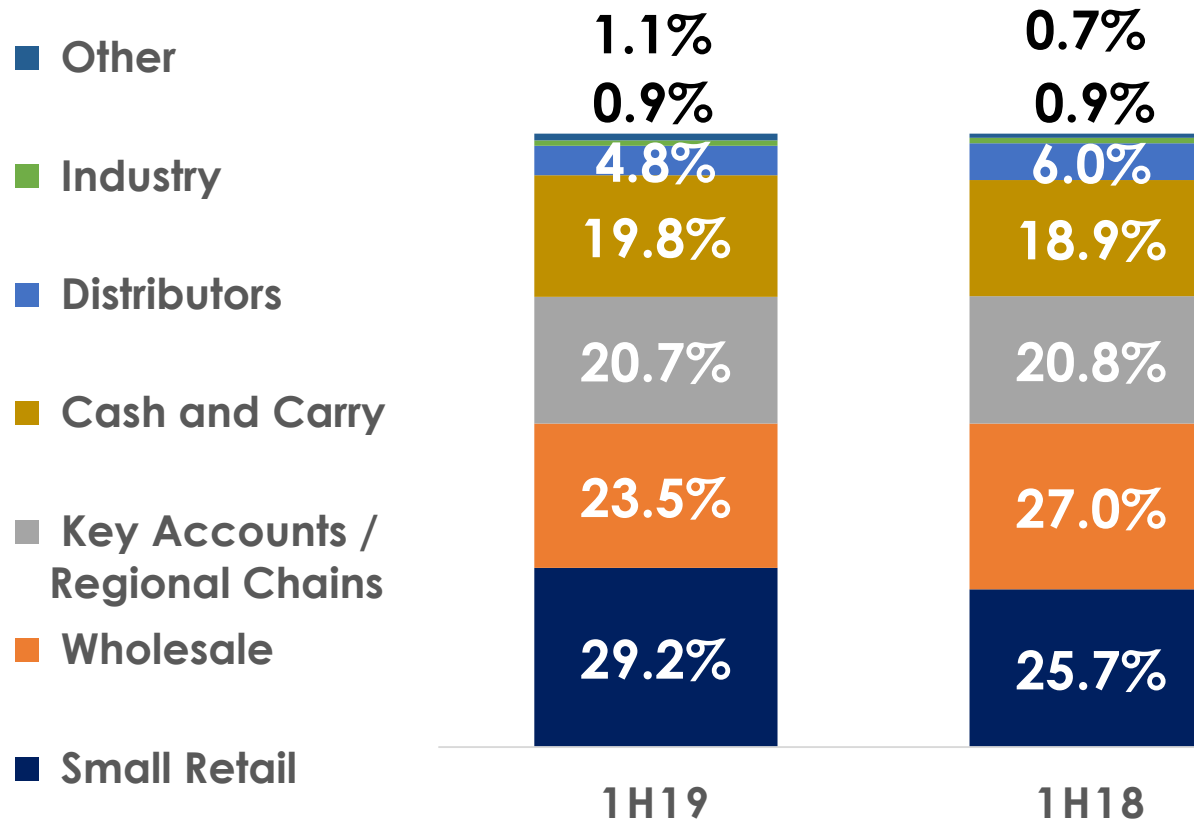


Vitarella

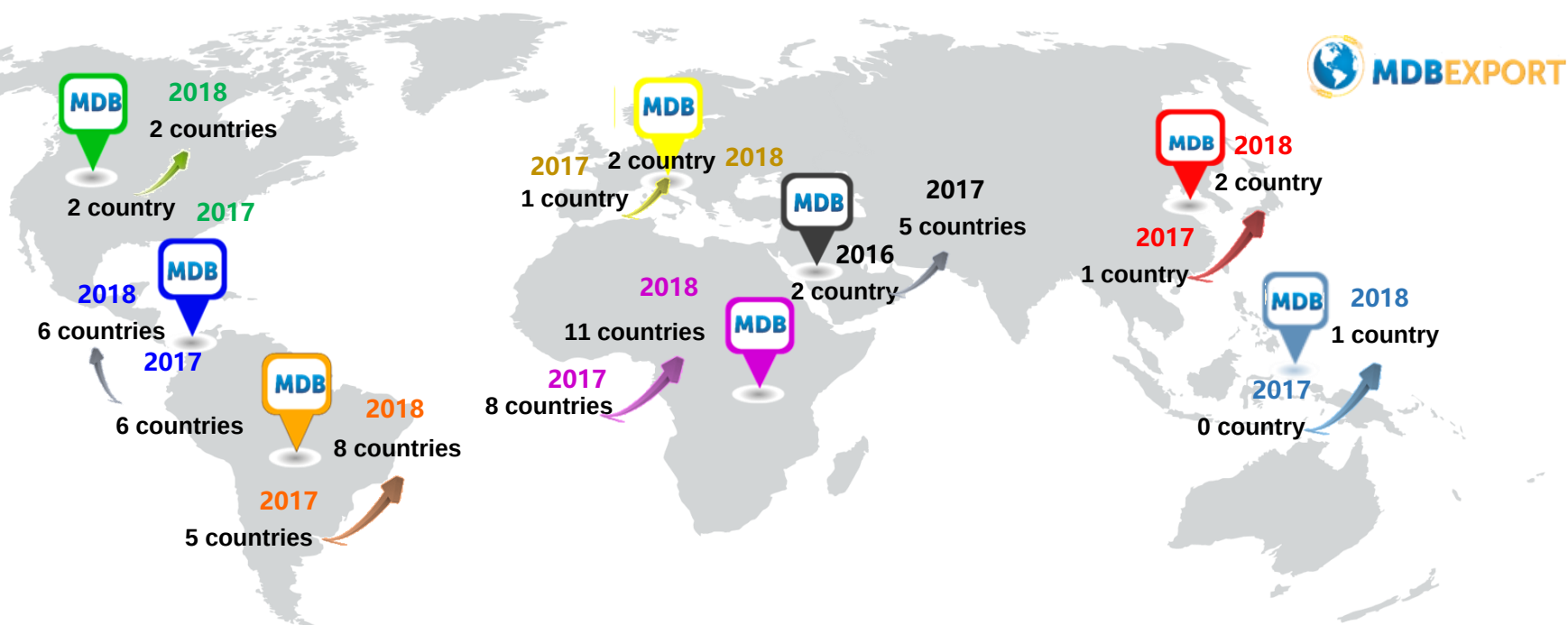


Our products are sold through a diversified cliente mix

% Revenue per Client Mix



Exported to 37 Countries in 2018



MDB 2017*

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

MDB 2018*

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

15 Industrial Plants and 38 Distribution Centers

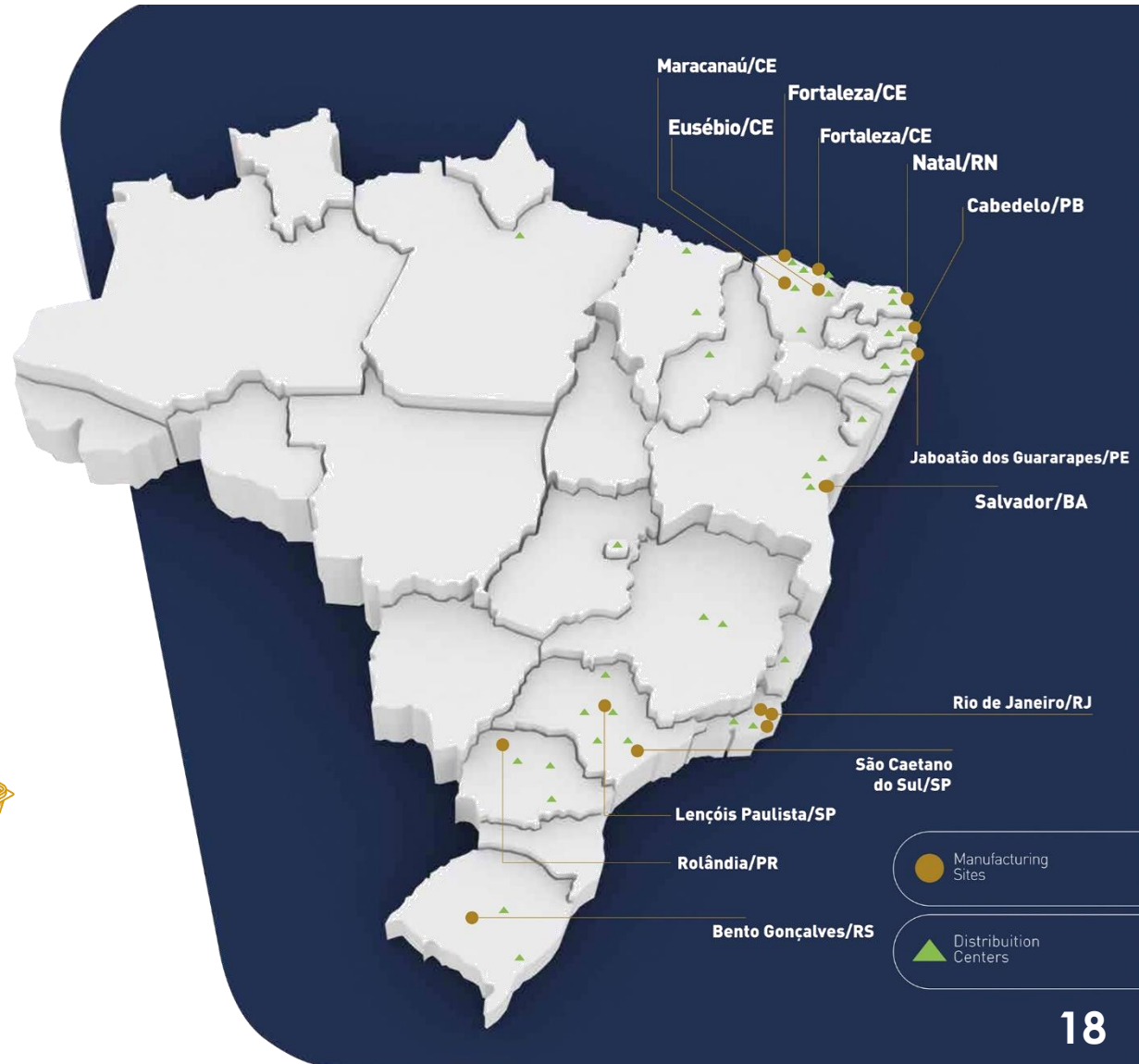
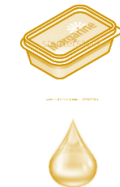
Fábrica Fortaleza
State of Ceará



Grande Moinho Aratu
State of Bahia



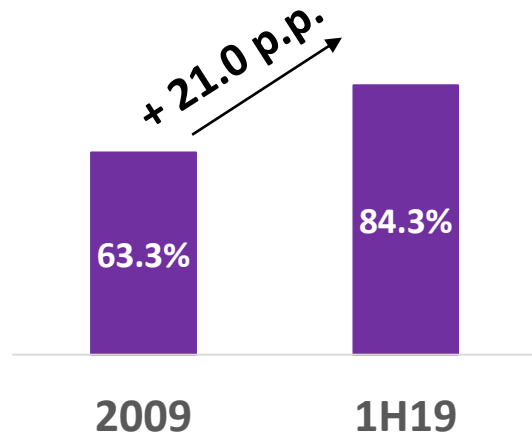
Gorduras e Margarinas Especiais
State of Ceará



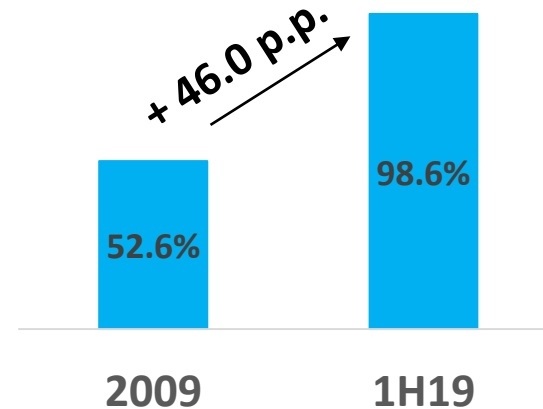
Robust infrastructure and with high level of verticalization



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

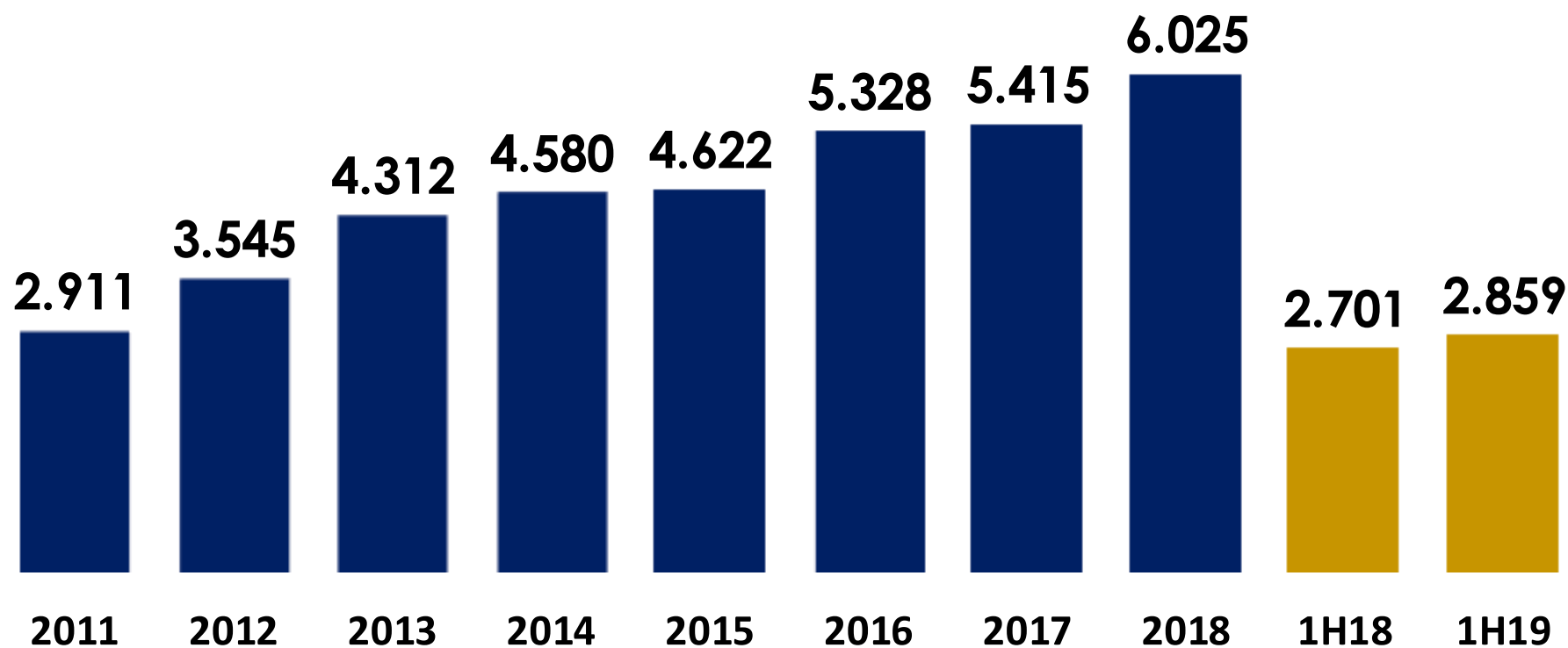
Efficiency Drivers

- 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

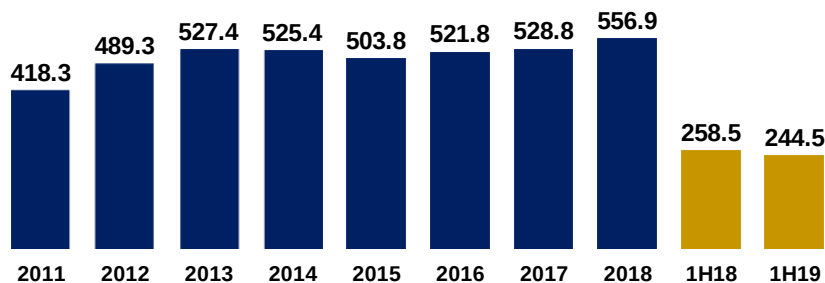
Net Revenue (R\$ million)



Sales Volume by Product Line

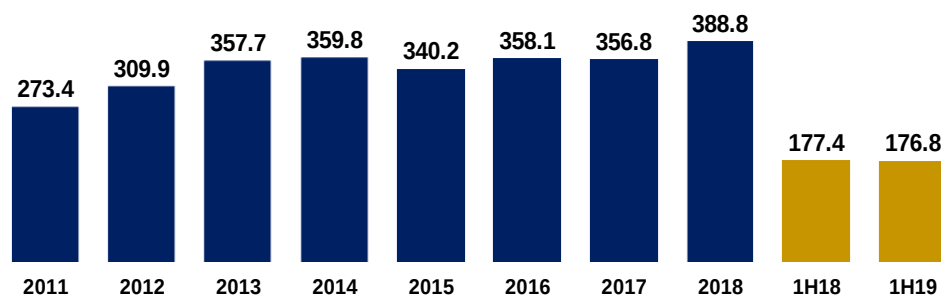
Cookies and Crackers – Sales ('000 tonnes)

CAGR 2011-2018: 4.2%



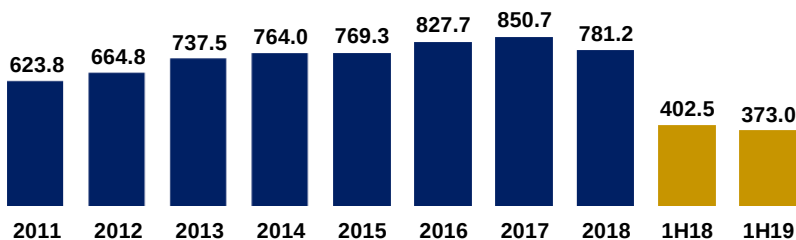
Pasta – Sales ('000 tonnes)

CAGR 2011-2018: 5.2%



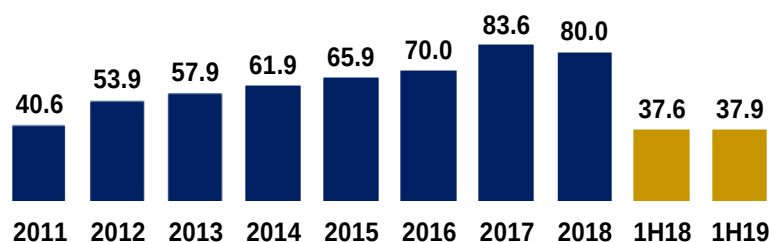
Wheat Flour and Bran – Sales ('000 tonnes)

CAGR 2011-2018: 3.3%



Margarine and Vegetable Shortening – Sales ('000 tonnes)

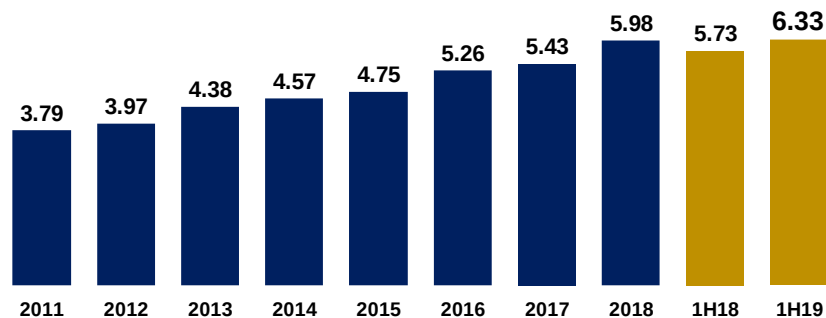
CAGR 2010-2018: 10.2%



Net Average Price by Product Line

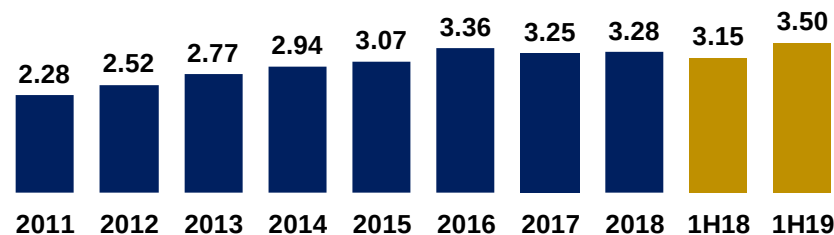
Cookies and Crackers – Sales (R\$/Kg)

CAGR 2010-2018: 6.7%



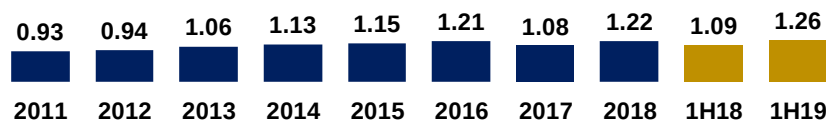
Pasta – Sales (R\$/Kg)

CAGR 2010-2018: 5.3%



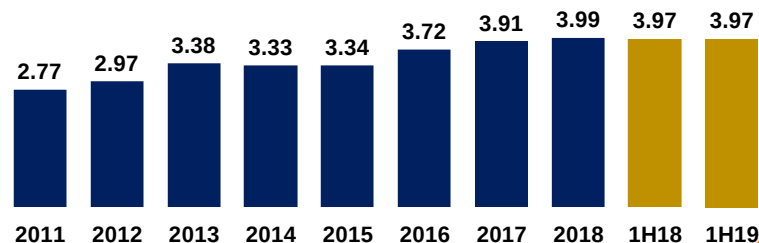
Wheat Flour and Bran – Sales (R\$/Kg)

CAGR 2010-2018: 4.0%



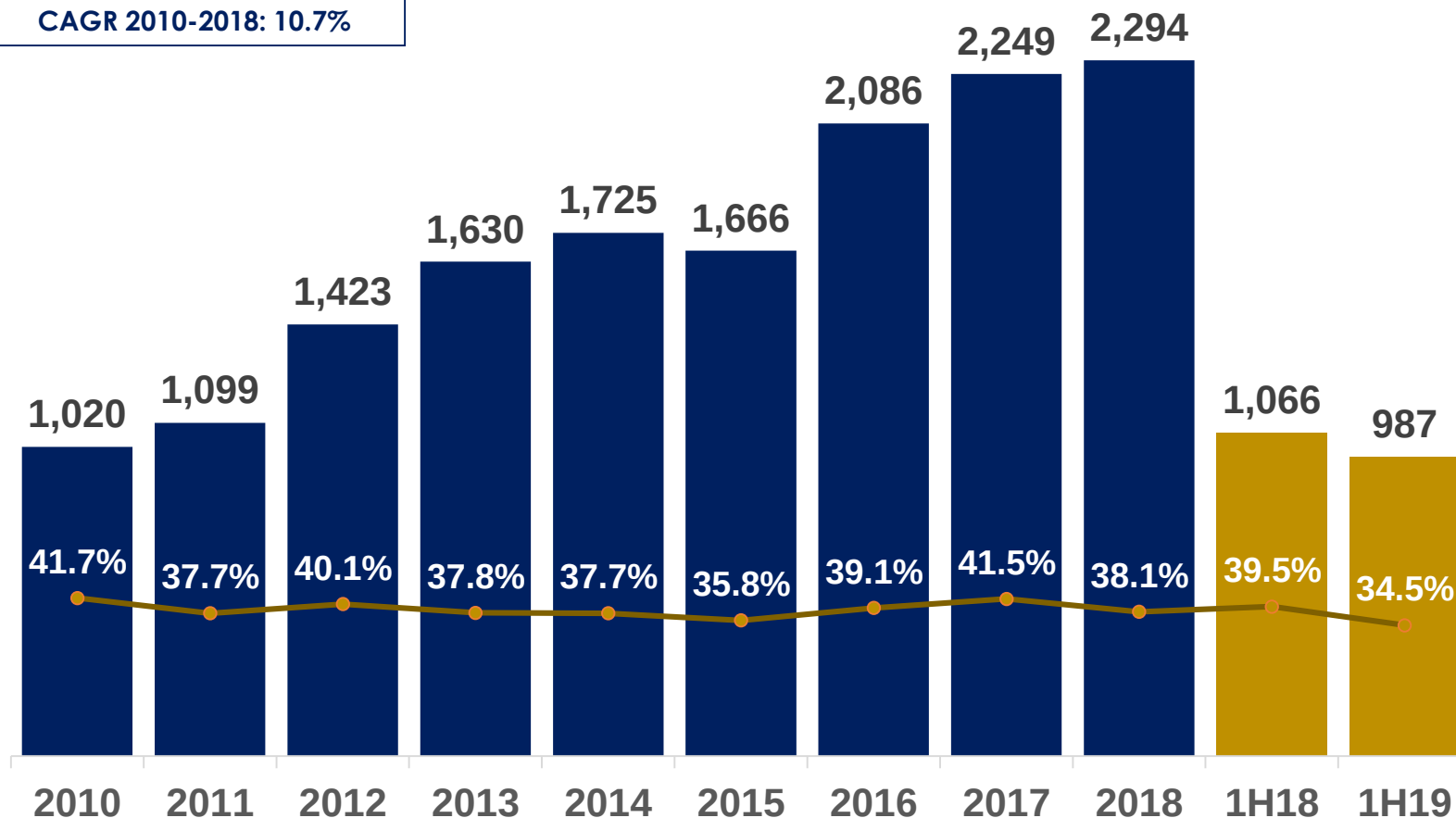
Margarine and Vegetable Shortening – Sales R\$/Kg)

CAGR 2010-2018: 5.4%



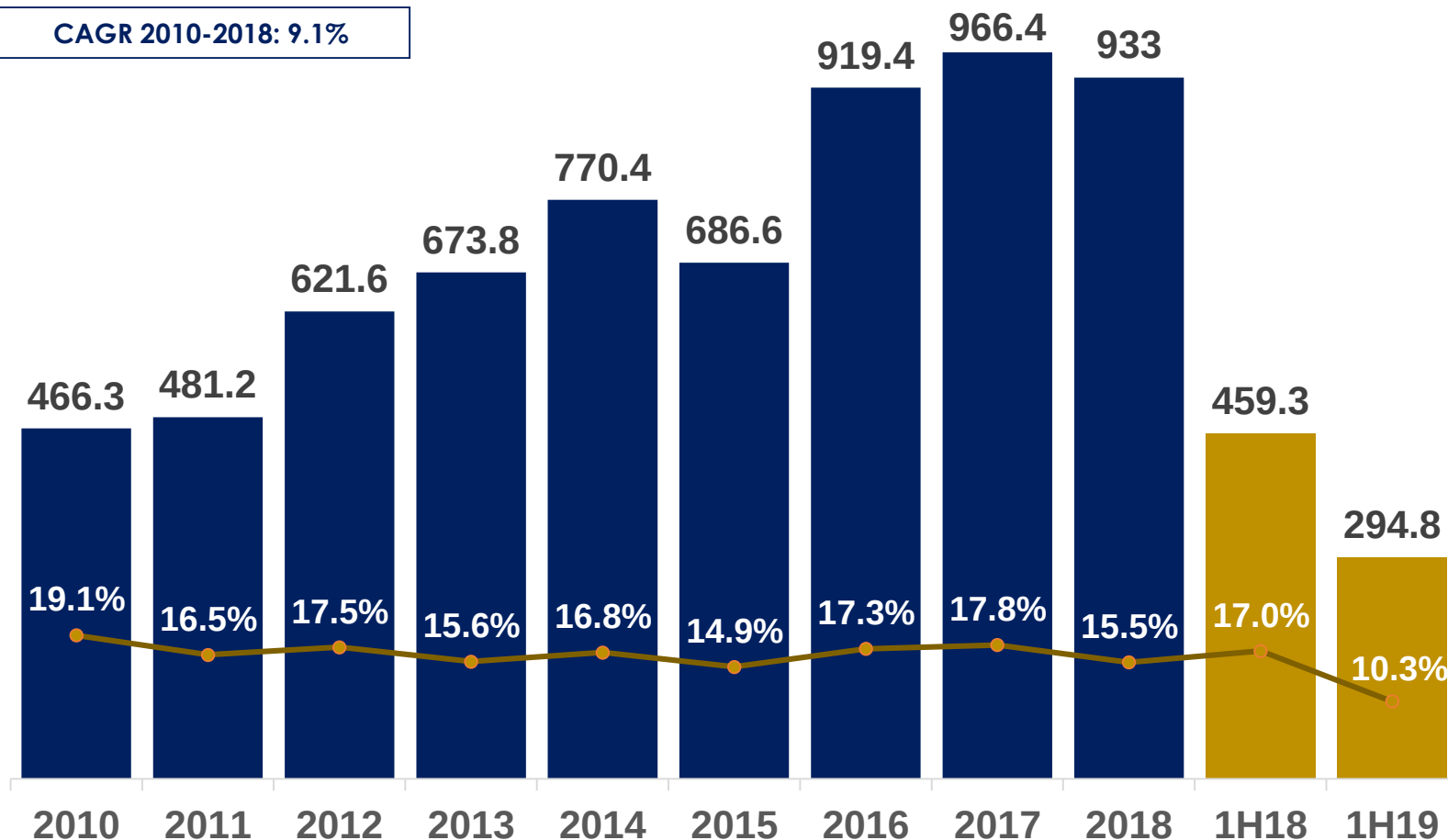
Gross Profit (R\$ million) and Gross Margin (%)

CAGR 2010-2018: 10.7%



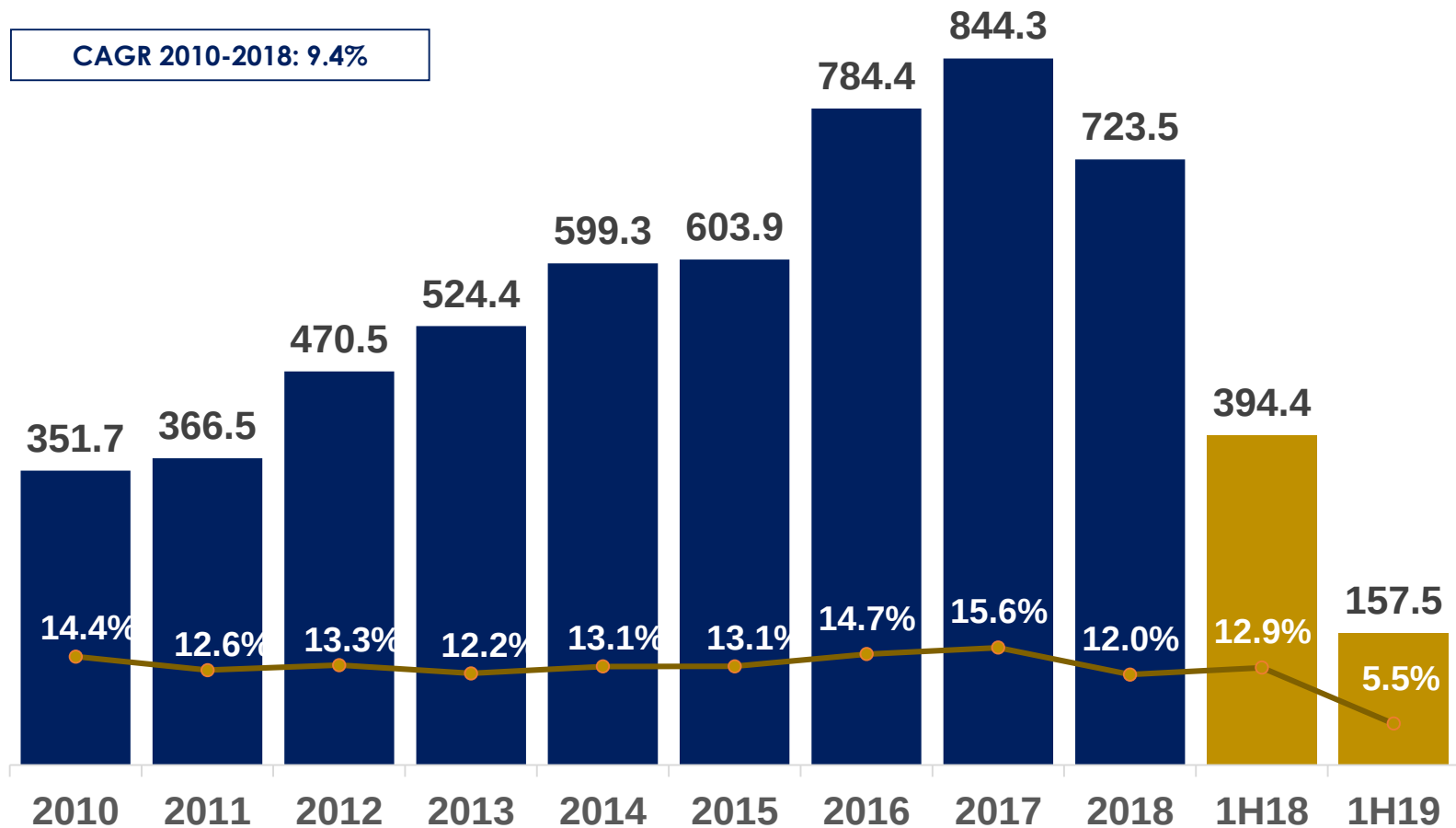
EBITDA (R\$ million) and and EBITDA Margin (%)

CAGR 2010-2018: 9.1%



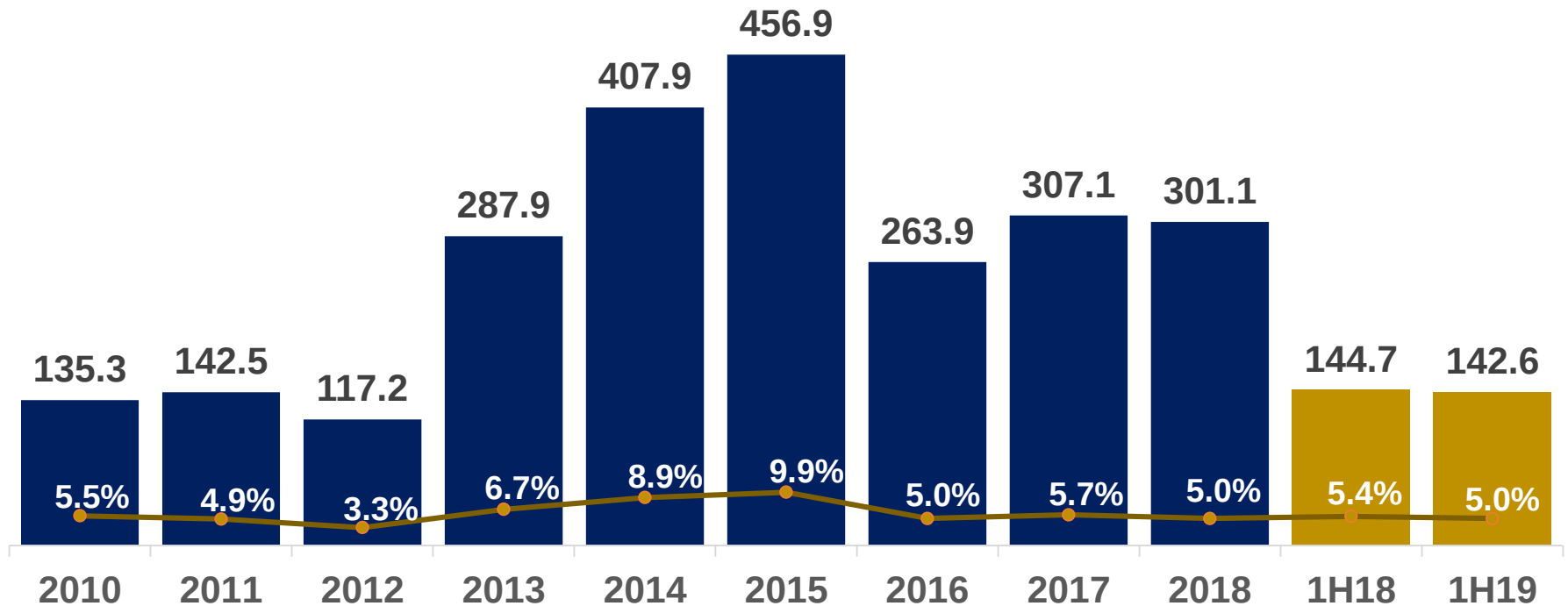
Net Profit (R\$ million) and Net Margin (%)

CAGR 2010-2018: 9.4%



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

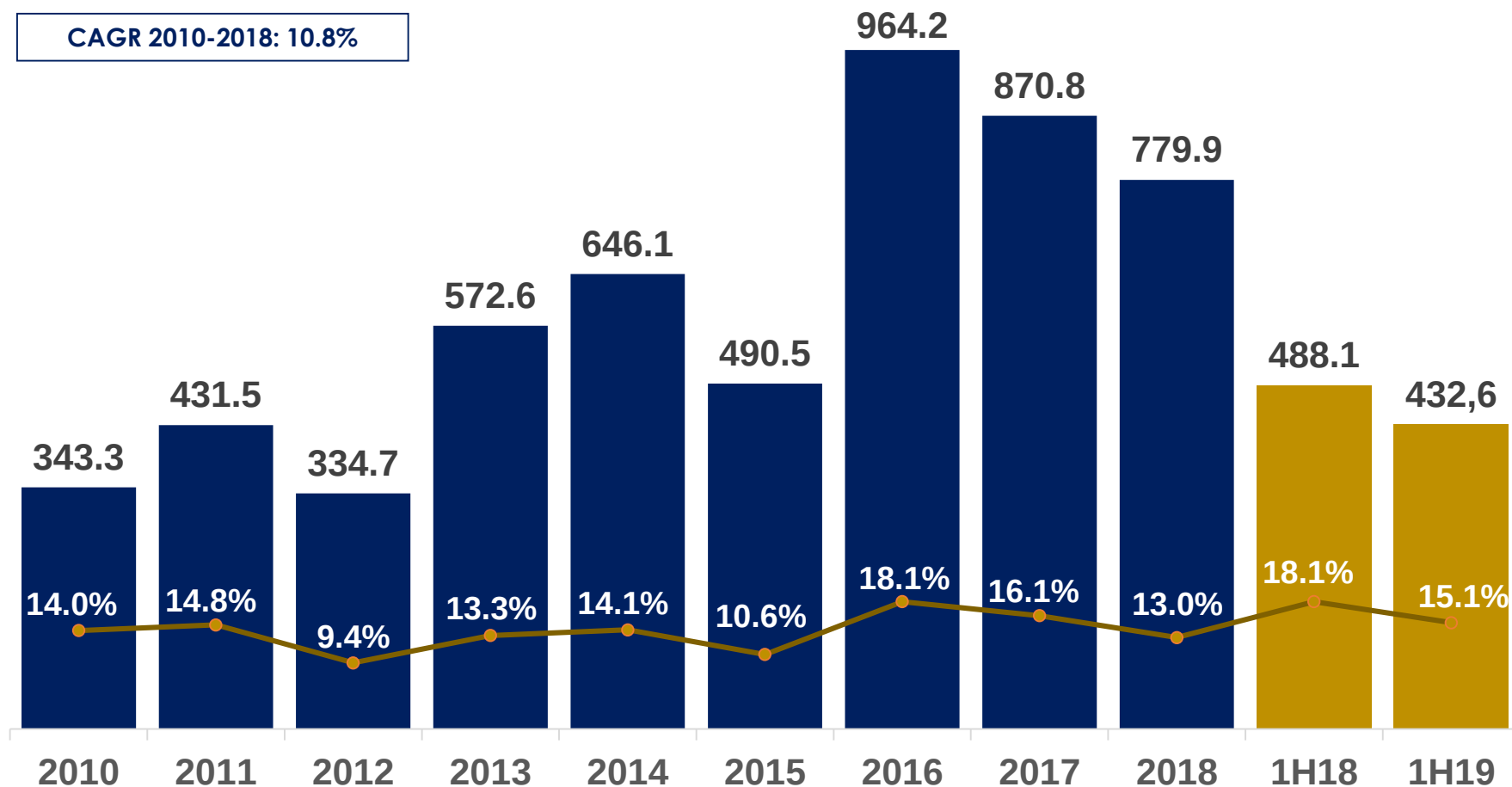
CAGR 2010-2018: 10.5%



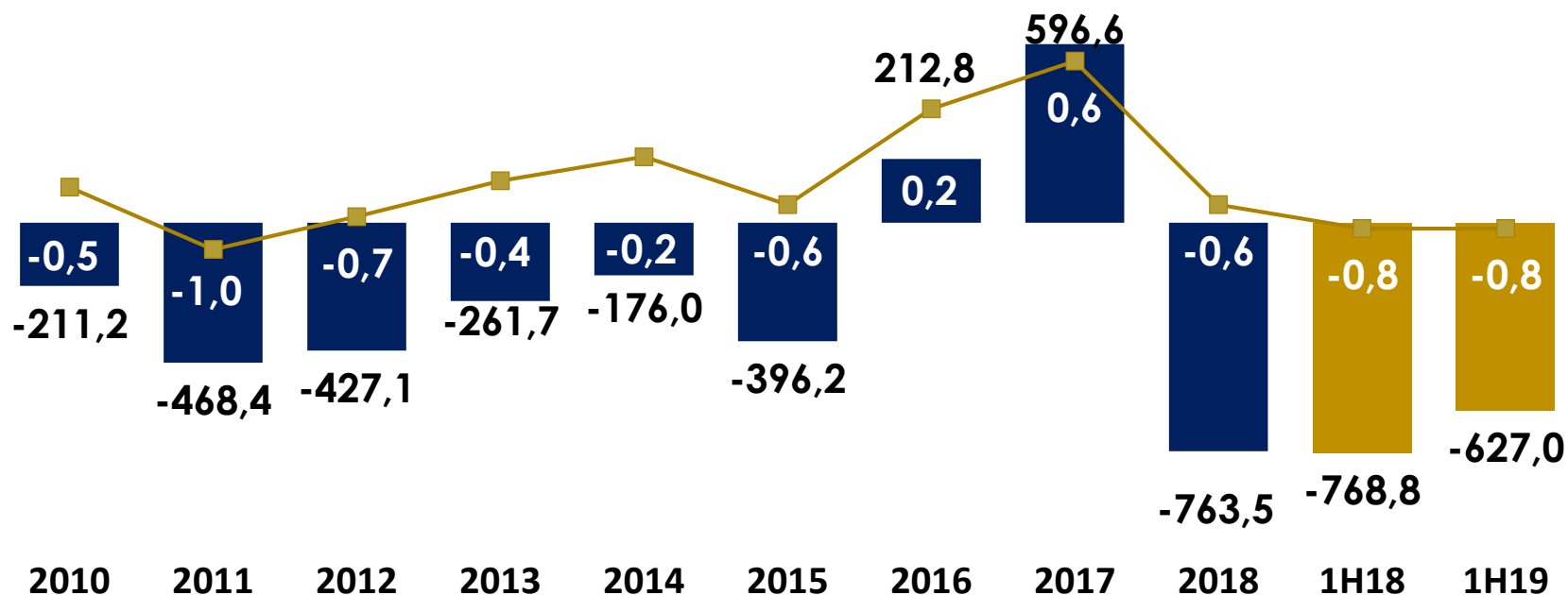
* Excluding acquisitions

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

CAGR 2010-2018: 10.8%



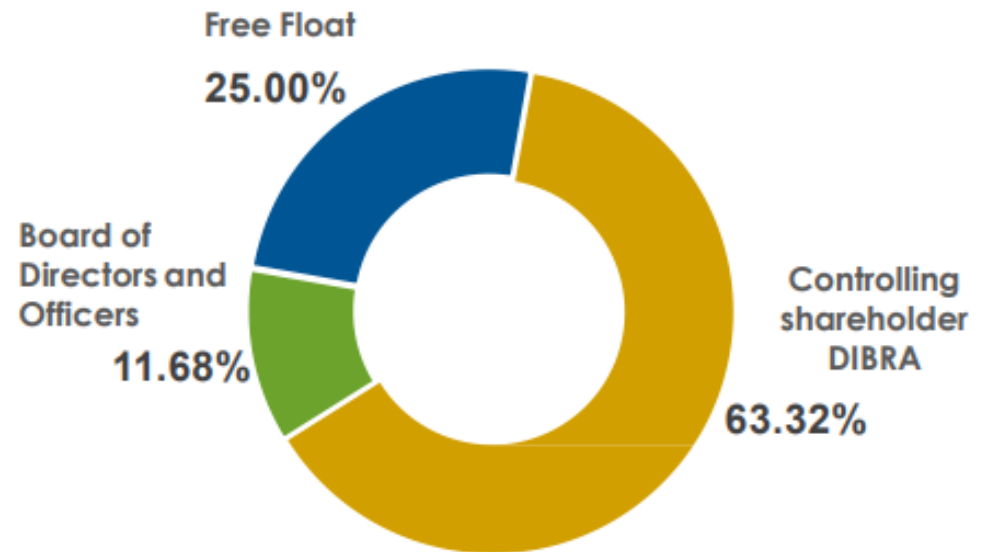
Net Cash (R\$ million) and Net Cash/EBITDA (unit)



Corporate Governance and Capital Market

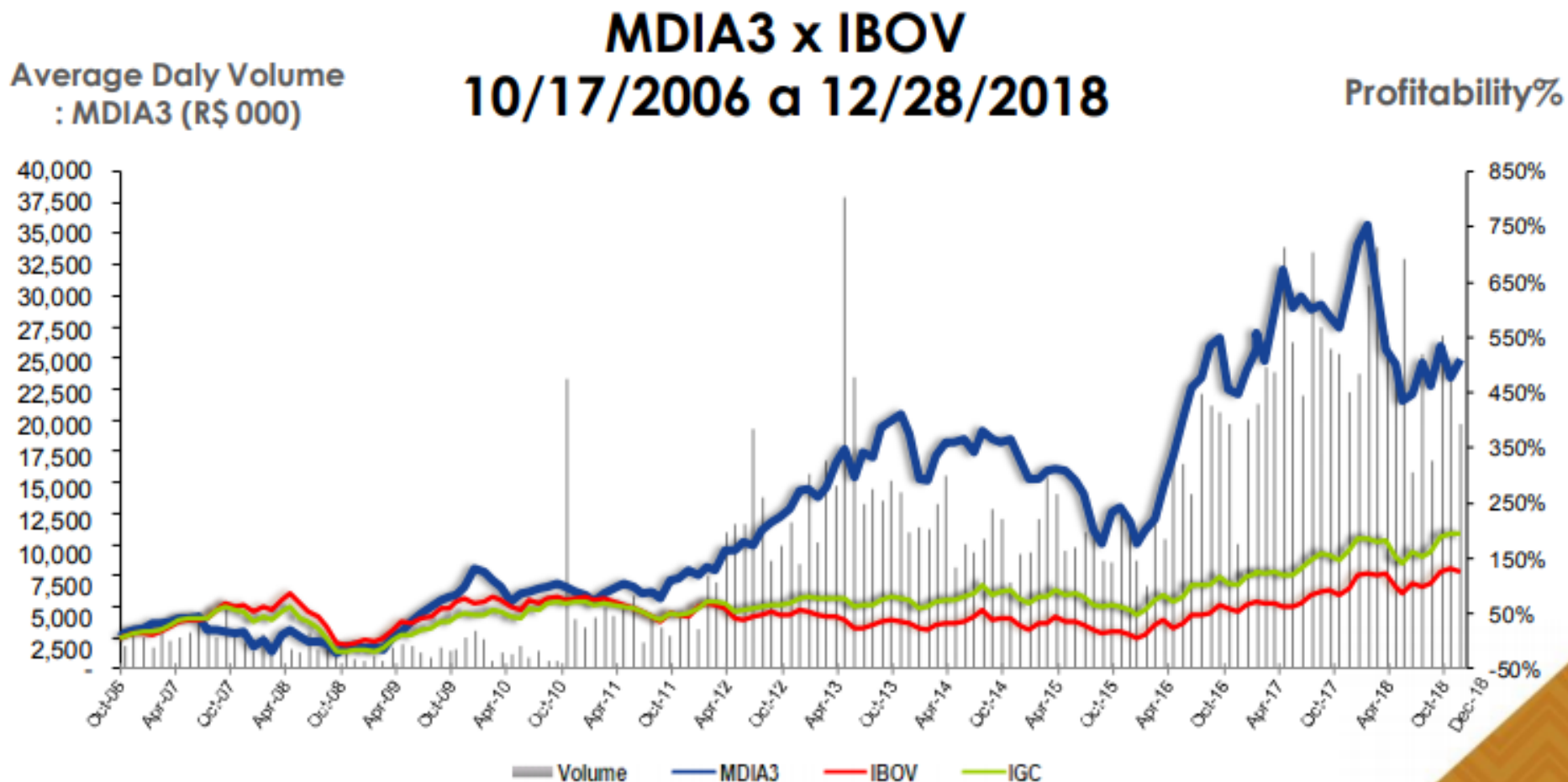
- ✓ Listed in the “Novo Mercado”
- ✓ Free Float composed by:
28.8% local investors
71.2% foreign investors
- ✓ 03 independent members on the Board of Directors.
- ✓ Audit Committee composed by 4 independent members
- ✓ Ordinary stocks (339 millions)
- ✓ National Long-Term Rating 'AAA (bra)'

Shareholder Position as of 07/31/2019.

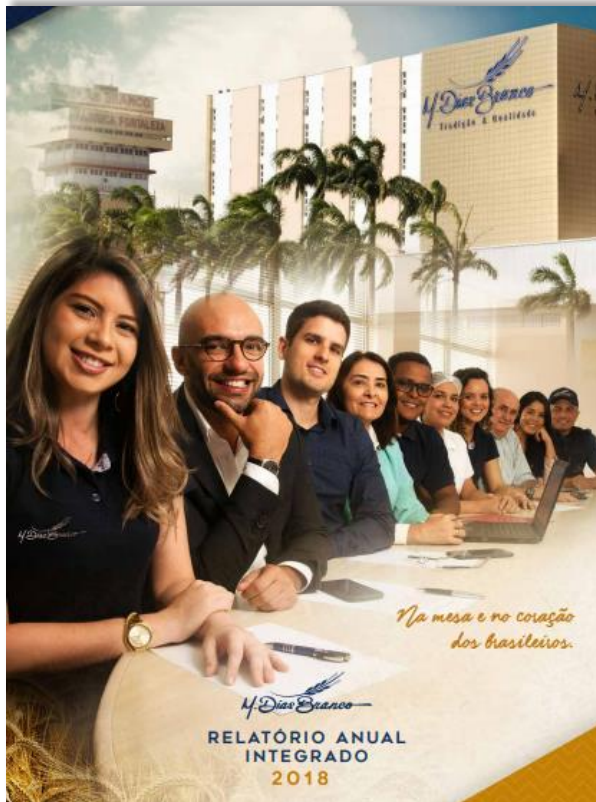


MDIA 3 vs IBOVESPA

Since the IPO (R\$, year end)



Sustainability



Topics of Work Groups

Nutrition and Health

Packaging

Waste

Water - Effluents | Energy - Emissions

Social Investments and Communities

Transparency and Dialogue

Inputs

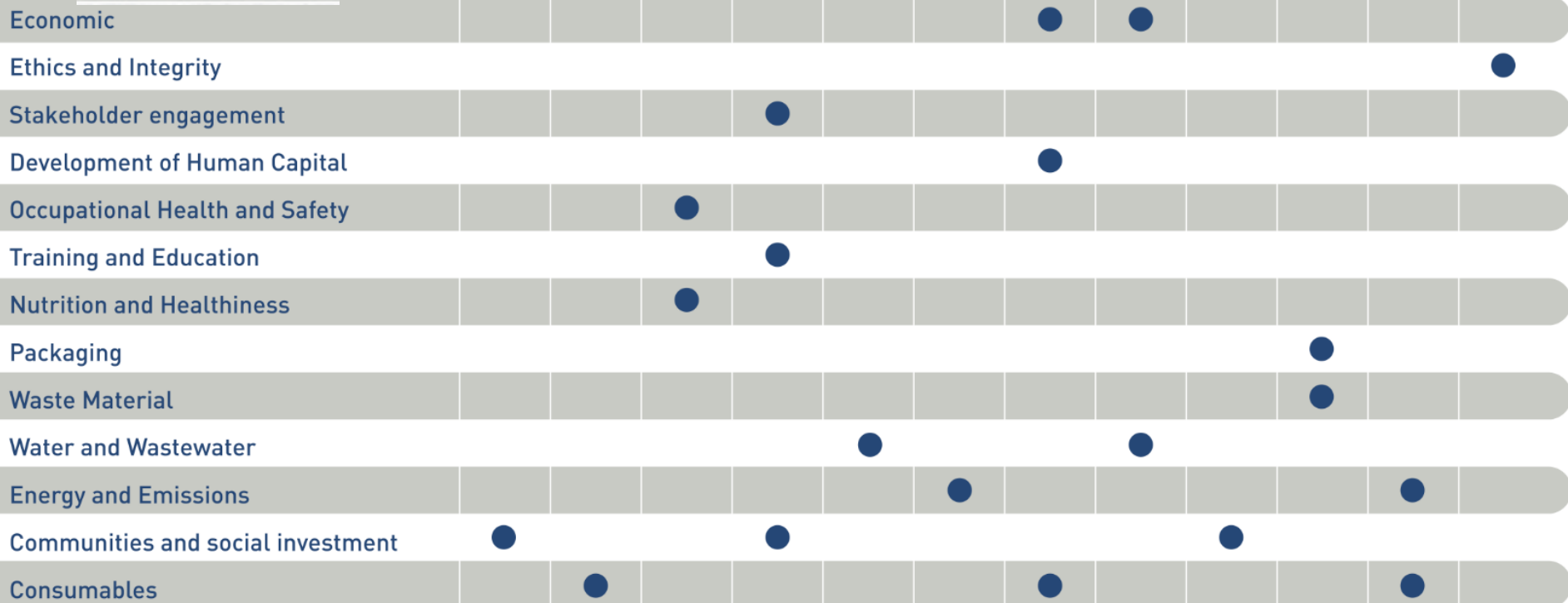
“Expand business and generate value with responsibility to current and future generations”

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

Larissa Almeida

New Business and Investor Relations Specialist

Phone: +55 11 3883-9273 or 85 4005-5952

E-mail: ri@mdiasbranco.com.br

Market Marker



Custodian



**Independent
Auditors**



B3 Ticker





Thank you

2Q19 & 1H19 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”).

Piraquê’s results are included in the consolidated information for 2019 and 2018 (as of May 17, 2018).

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

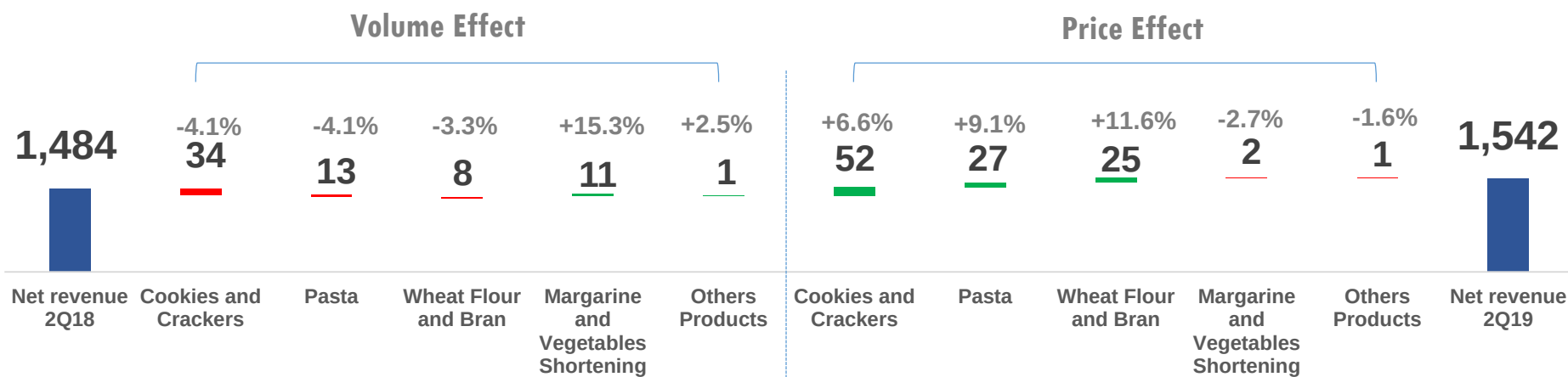
Results and Highlights

2Q19 and 1H19

Net Revenue (with Piraquê)

+4.0% 2Q19 vs. 2Q18

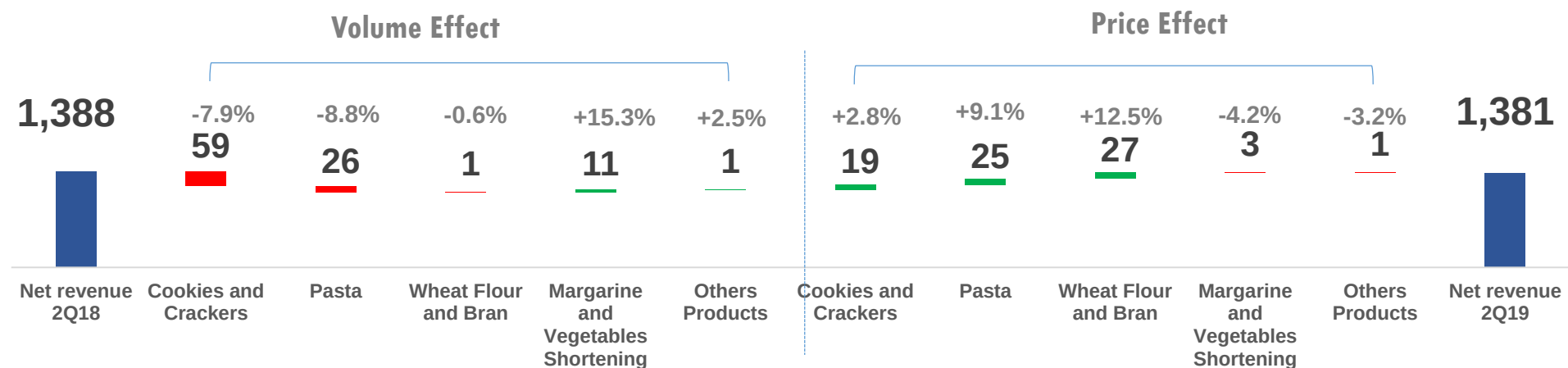
Variation of Net Revenue – 2Q19 vs. 2Q18 (R\$ Million) | M.Dias + Piraquê



Net Revenue (without Piraquê)

-0.5% 2Q19 vs. 2Q18

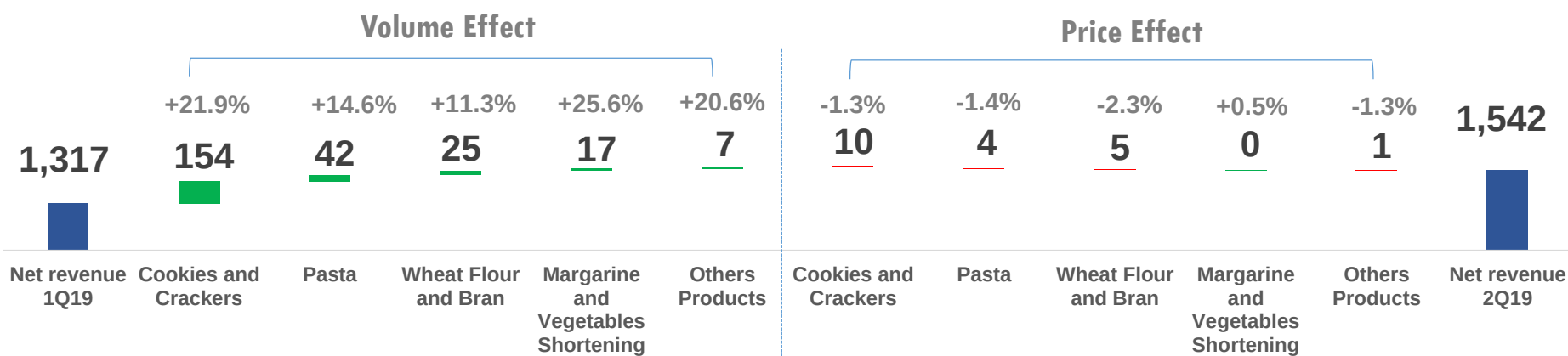
Variation of Net Revenue – 2Q19 vs. 2Q18 (R\$ Million) | M. Dias



Net Revenue (with Piraquê)

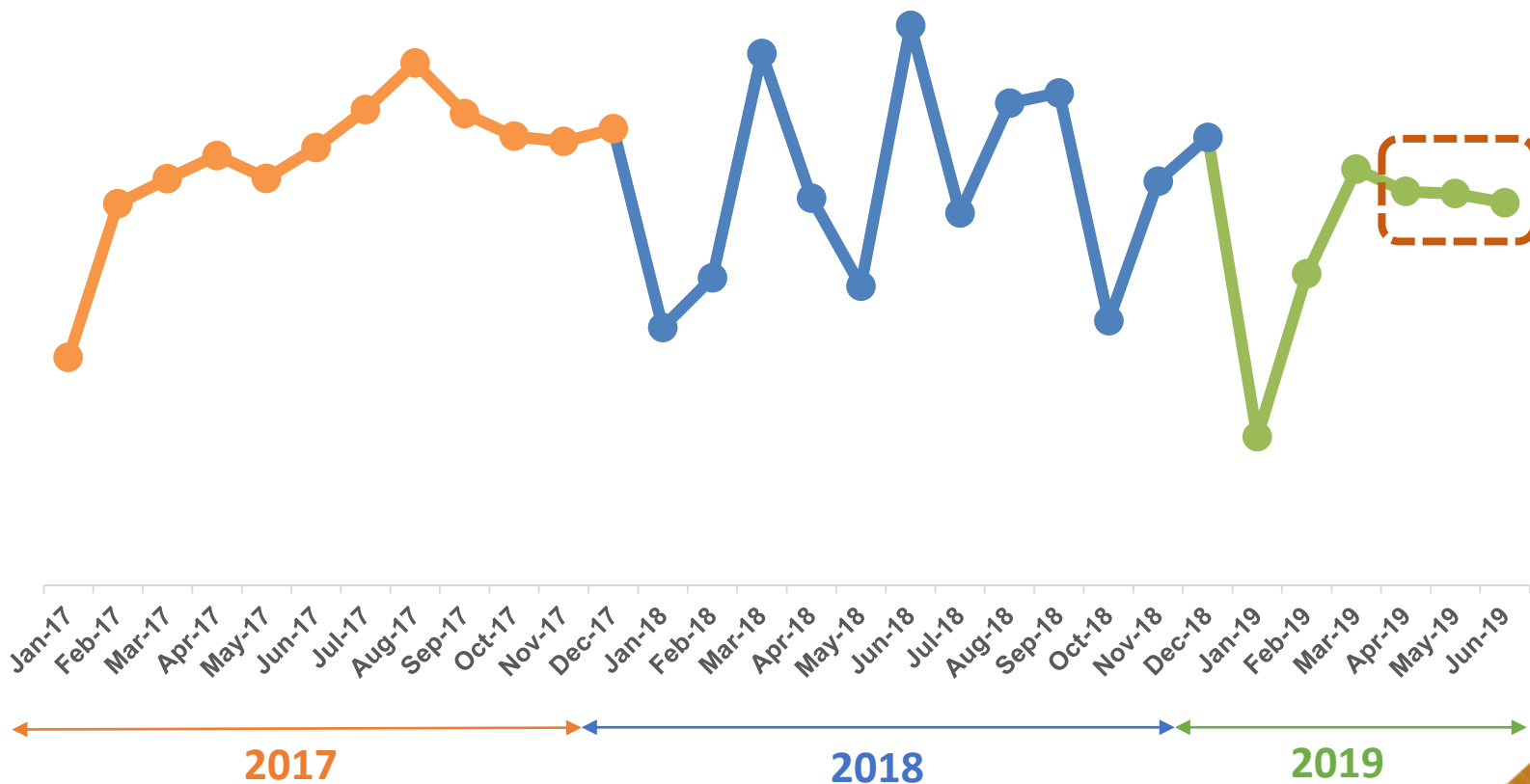
+17.1% 2Q19 vs. 1Q19

Variation of Net Revenue – 2Q19 vs. 1Q19 (R\$ Million) | M.Dias + Piraquê



Reduction in the volatility of monthly sales volumes in 2Q19 (Total* without Piraquê).

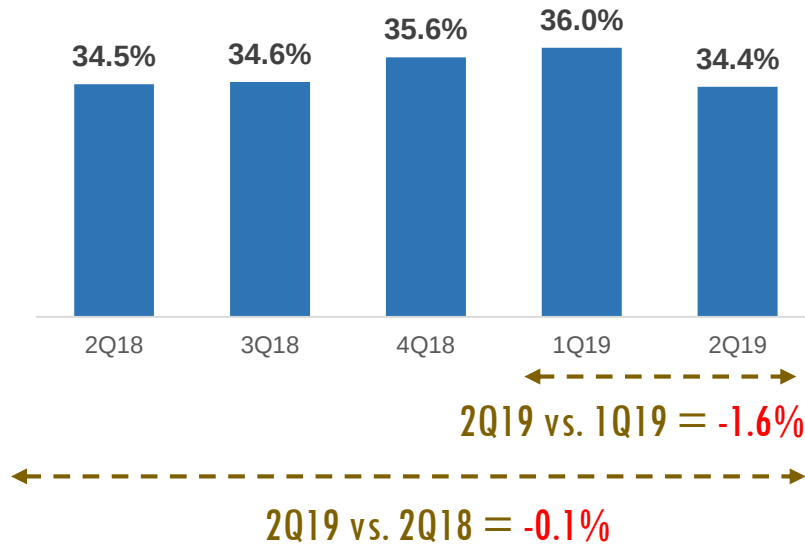
Volumes Sold Total | Tons Month | M. Dias Branco without Piraquê



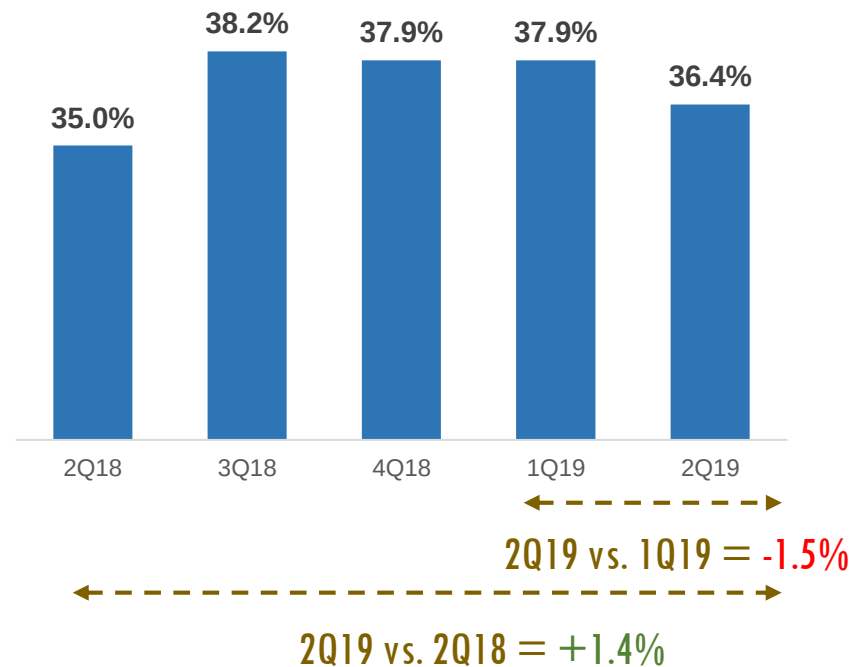
* Cookies & Crackers, Pasta, Wheat Flour and Bran, Margarine and Vegetable Shortening and Other Products

Share volume in cookies & crackers and pasta

Share volume | Cookies & Crackers | M. Dias + Piraquê



Share volume | Pasta | M. Dias + Piraquê



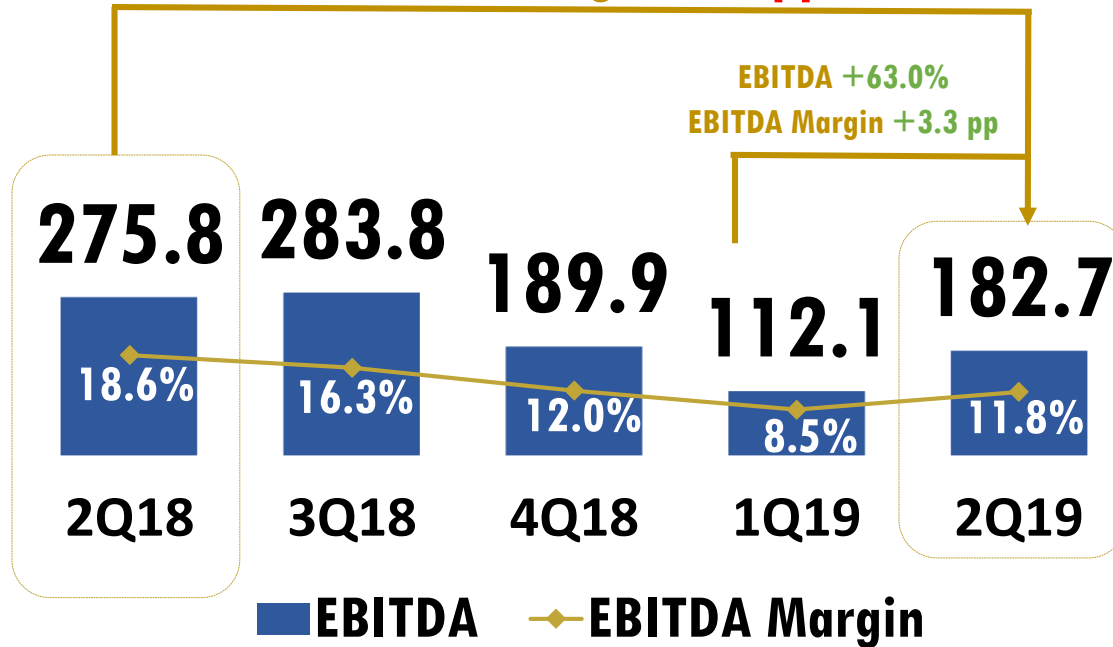
¹Note: AC Nielsen data for each period, including Piraquê. The data from May-Jun/18 refers to 2Q18, Jul-Aug/18 refers to 3Q18, Nov-Dec/18 refers to 4Q18, Jan-Feb/19 refers to 1Q19 and May-Jun/19 refers to 2Q19.

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

2Q19 vs. 2Q18

EBITDA **-33.8%**

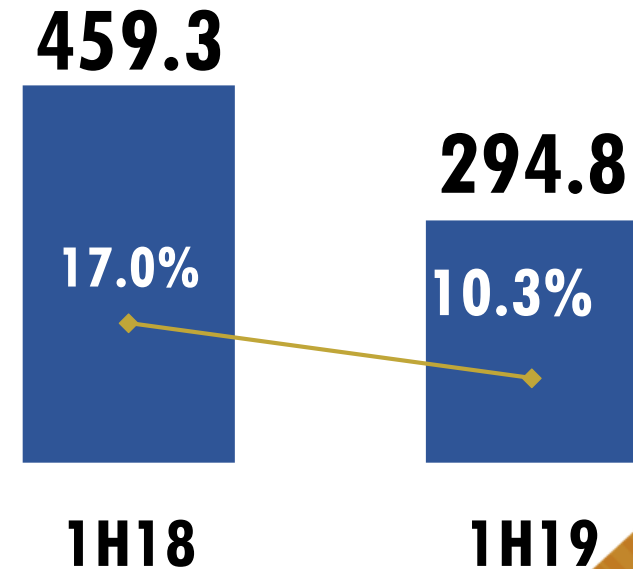
EBITDA Margin **-6.8 pp**



1H19 vs. 1H18

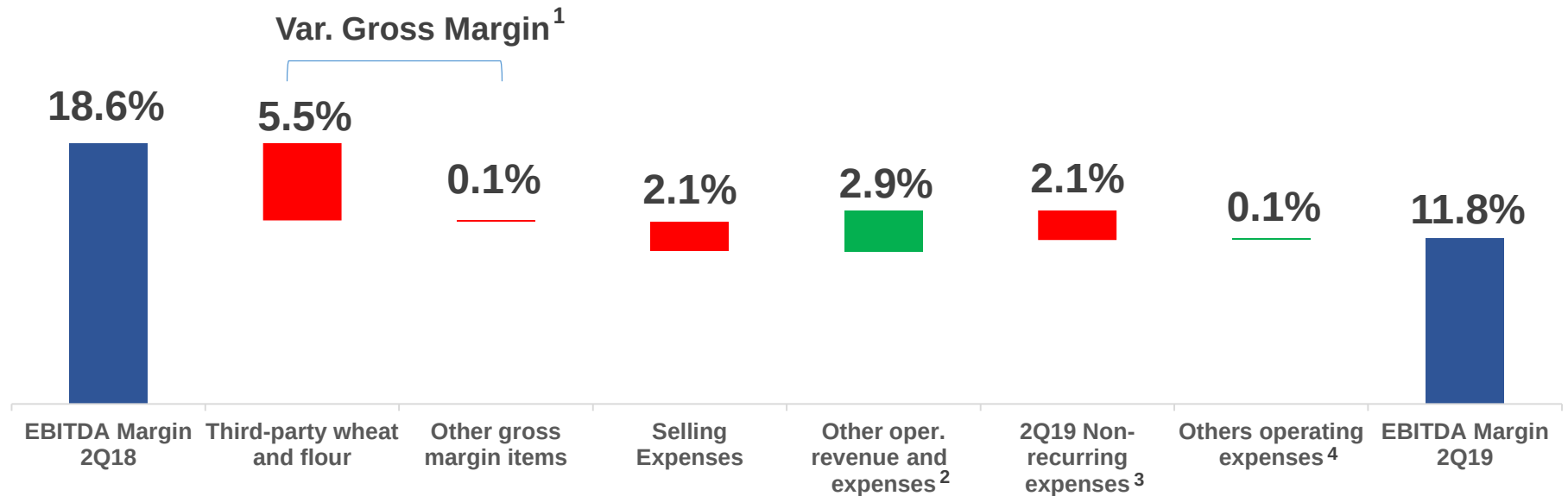
EBITDA **-35.8%**

EBITDA margin **-6.7 pp**



Decrease in EBITDA Margin 2Q19 vs. 2Q18

M. Dias Branco + Piraquê



- Increase in average cost of wheat BRL + 24.4% 2Q19 vs. 2Q18;
- Lower dilution of expenses with sales, because of decrease in volumes;
- R\$ 32.1 millions in non-recurring expenses;
- Positive effect of extemporaneous tax credits.

¹Note: % Variation in gross margin without considering the representativeness of CPV depreciation on net revenue.

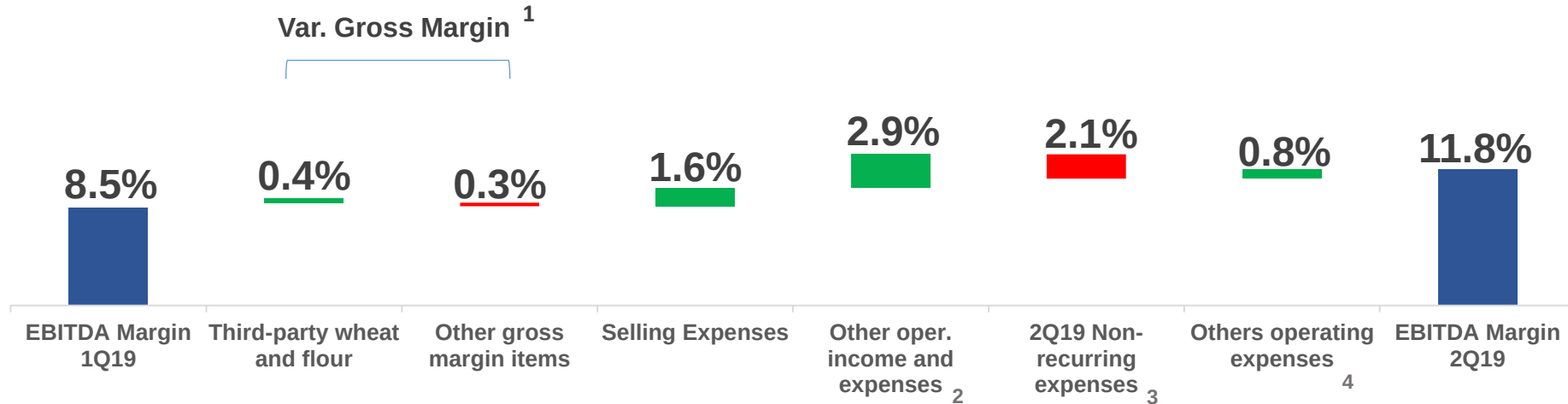
²Note: Highlight for the extemporaneous tax credits revenue net of successful legal fees (R\$ 49.9 million) in 2Q19.

³Note: Non-recurring expenses occurred in 2Q19 regarding integration of Piraquê (R\$ 3.2 million), staff restructuring review and implementation of the new logistics model (R\$28.9 million).

⁴Note: Refers to tax expenses, equity in net income of subsidiaries and administrative expenses, without non-recurring expenses occurred in the 2Q19.

Increase of 3.3pp in EBITDA margin 2Q19 vs. 1Q19

M. Dias Branco + Piraquê



- Higher dilution of fixed expenses due to the increase of volumes, highlighting the Cookies & Crackers volumes (+21.9% 2Q19 vs. 1Q19)
- Recognition of revenue with tax credit.

¹Note: % of Variation in gross margin without considering the representativeness of CPV depreciation on net revenue.

²Note: Highlight for the extemporaneous tax credits revenue net of successful legal fees (R\$ 49.9 million) in 2Q19.

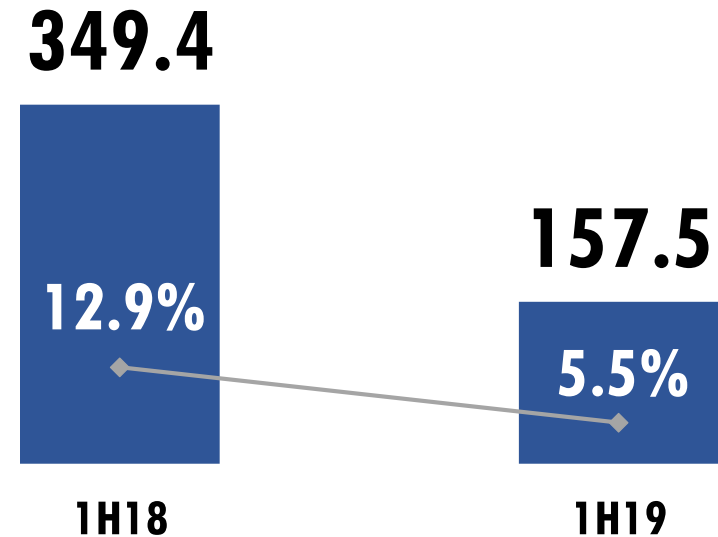
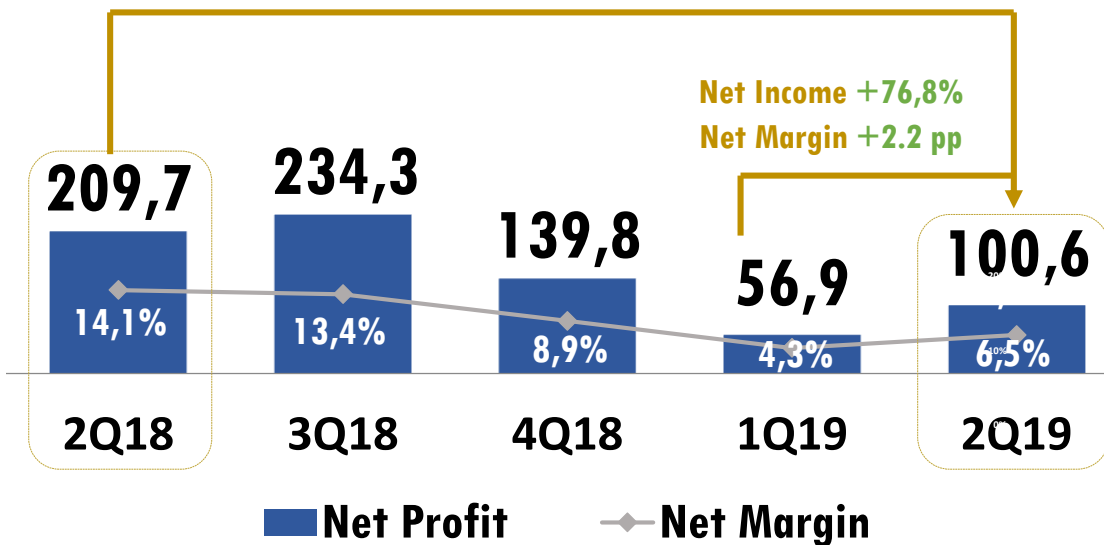
³Note: Non-recurring expenses occurred in 2Q19 regarding integration of Piraquê (R\$ 3.2 million), staff restructuring review and implementation of the new logistics model (R\$28.9 million).

⁴Note: Refers to tax expenses, equity in net income of subsidiaries and administrative expenses, without non-recurring expenses occurred in the 2Q19.

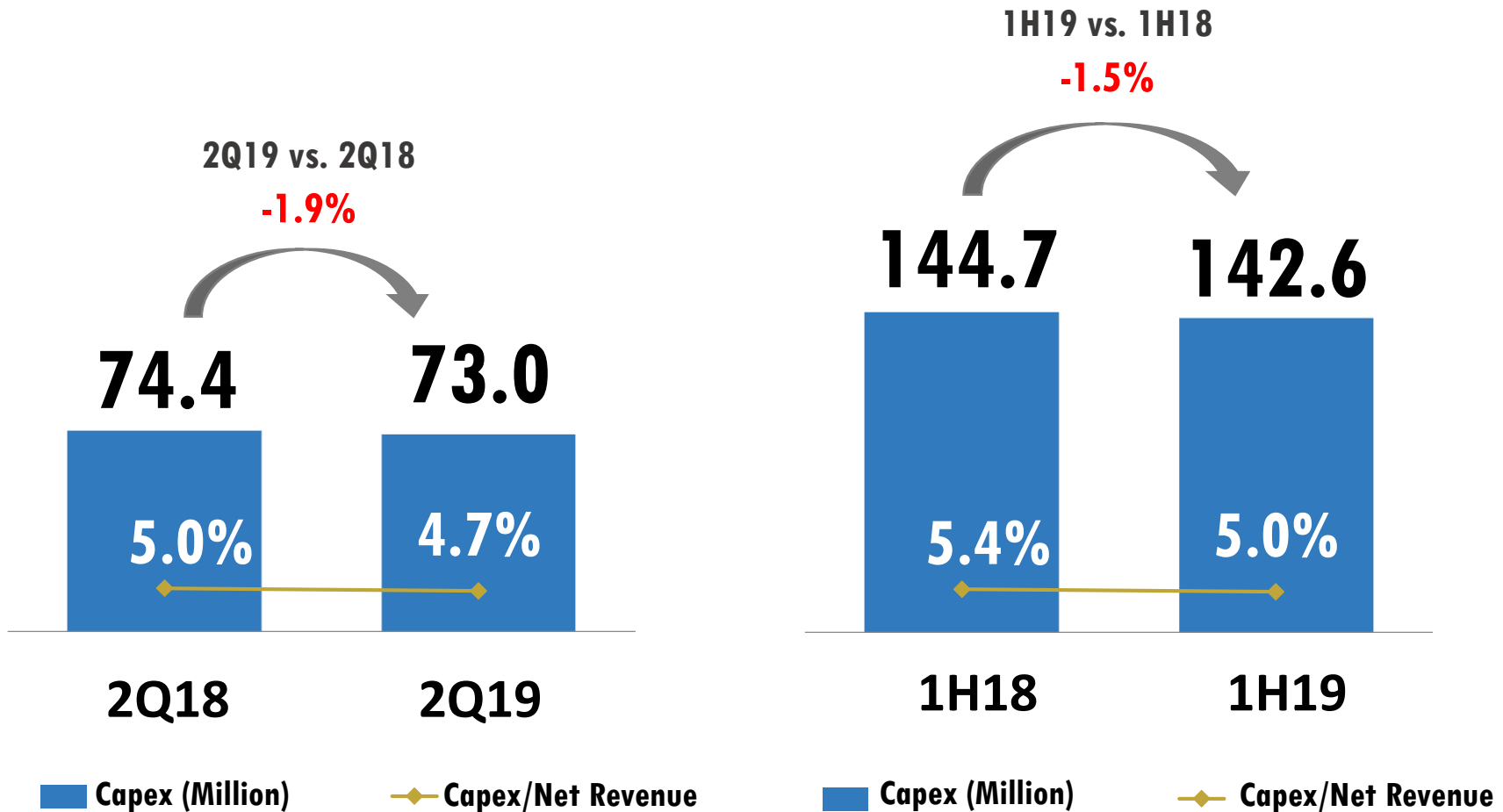
Net Income (R\$ Million) and Net Margin (% Net Revenue) M. Dias Branco + Piraquê | 2Q19 vs. 2Q18

Net Income -52.0%
Net Margin -7.6pp

Net Income -54.9%
Net Margin -7.4pp



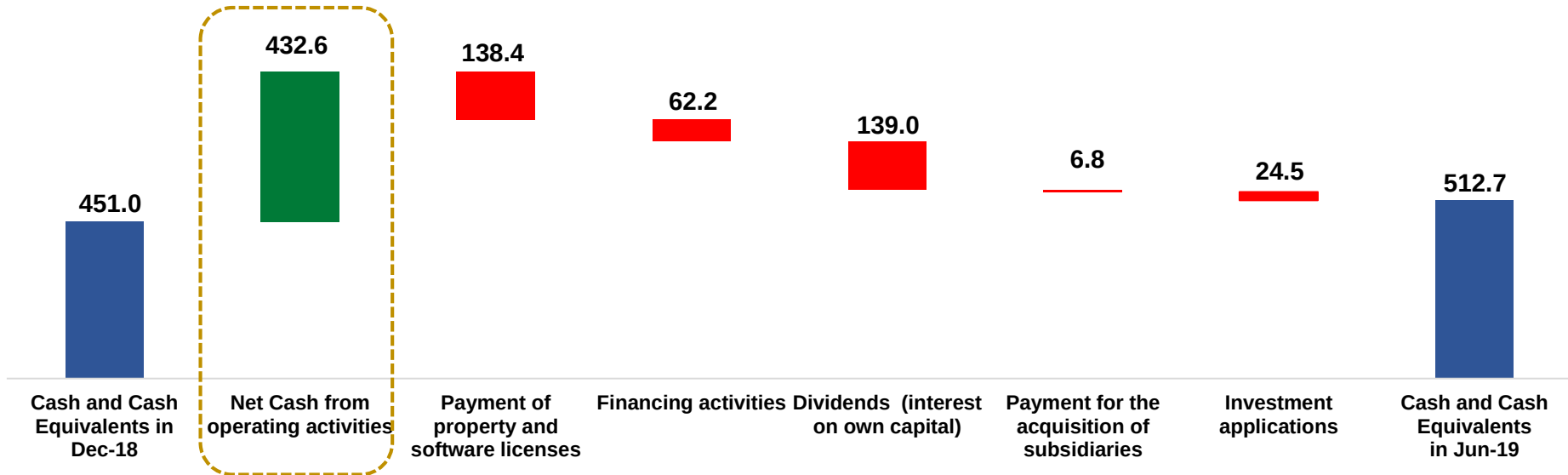
Investments of R\$ 73.0 million in 2Q19 and of R\$ 142.6 million in 1H19



Cash Flow – Cash and Cash Equivalent

+ 13,7% Jun/19 vs. Dec/18

15.1% of Net Revenue in 2Q19



Sustainability



- Increase in the waste recycling index by 1.9 p.p. vs 2Q18.
- Disclosure of the public commitment with the animal well being “cage free”.
- Approval of the Sustainability Policy of the Company.

- Increase of 4.9% in energy intensity 2Q19 vs. 2Q18.



- 13.8% reduction in the Occupational Accident Frequency Rate in 2Q19 vs. 2T18.

- Reduction in water consumption (m³/tons produced) in 12.2% no 2Q19 vs. 2Q18.



- Realization of the Environment week, with the climate changes theme.

- Product donations.



2Q19 New Products



**Plugados Cake, Adria brand and
Toons Cake, Isabela brand**

**Whole grain hard dough pasta, Adria
Brand**



Verticalization Index

Wheat flour

<u>2Q18</u>	<u>1Q19</u>	<u>2Q19</u>
86.6%	84.2%	84.3%

Vegetable Shortening

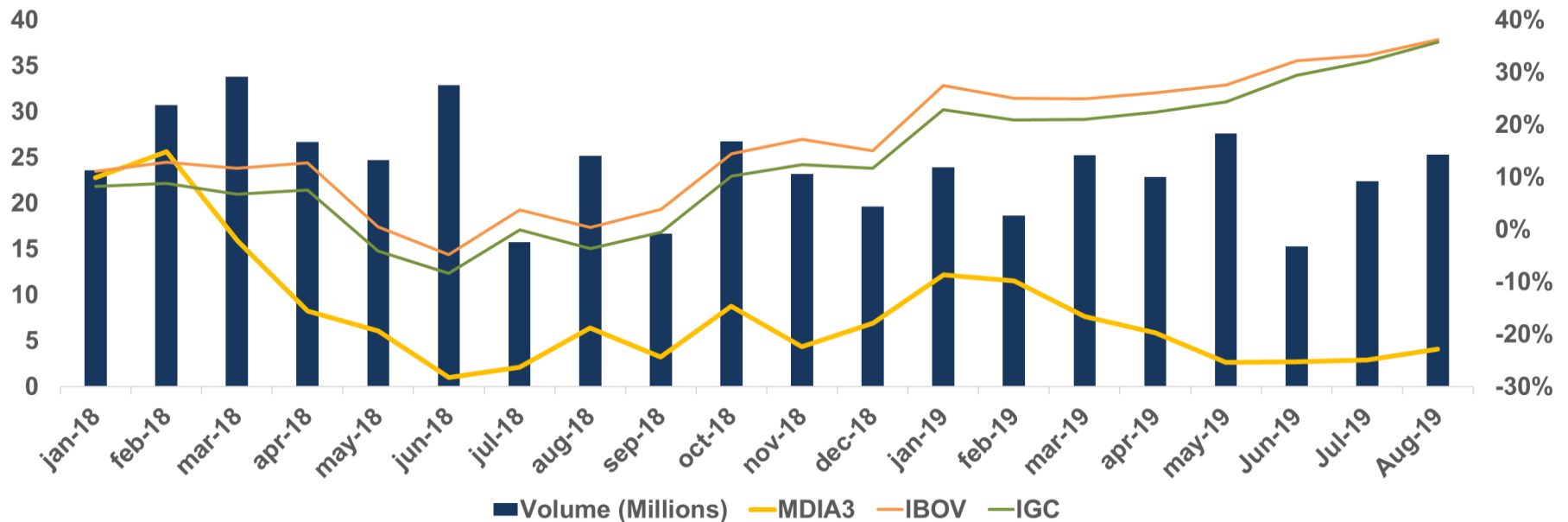
<u>2Q18</u>	<u>1Q19</u>	<u>2Q19</u>
97.4%	98.7%	98.4%

MDIA3 x IBOV x IGC

01/02/2018 to 08/08/2019

Average Daily Volume :
MDIA3 (R\$ Million)

Profitability %



Ongoing initiatives to regain growth and profitability

- **Implementation of a pricing model segmented by channel, market and brands;**
- **Reorganization of the commercial structure;**
- **Implementation of a broader go-to-market model;**
- **Increase in the Piraquê volumes, with better margins;**
- **Transition to a regional operators logistics model;**
- **Staff restructuring.**



Geraldo Luciano Mattos Júnior

Vice President of Investments and Controllershship

Phone.: +55 (85) 4005-5874

E-mail: geraldo@mdiasbranco.com.br

Fabio Cefaly

New Business and Investor Relations Director

Phone.: +55 (85) 4005-5730

E-mail: fabio.cefaly@mdiasbranco.com.br

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 gold serif font. The entire logo is set against a blue background with abstract geometric shapes and light blue curved lines.

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

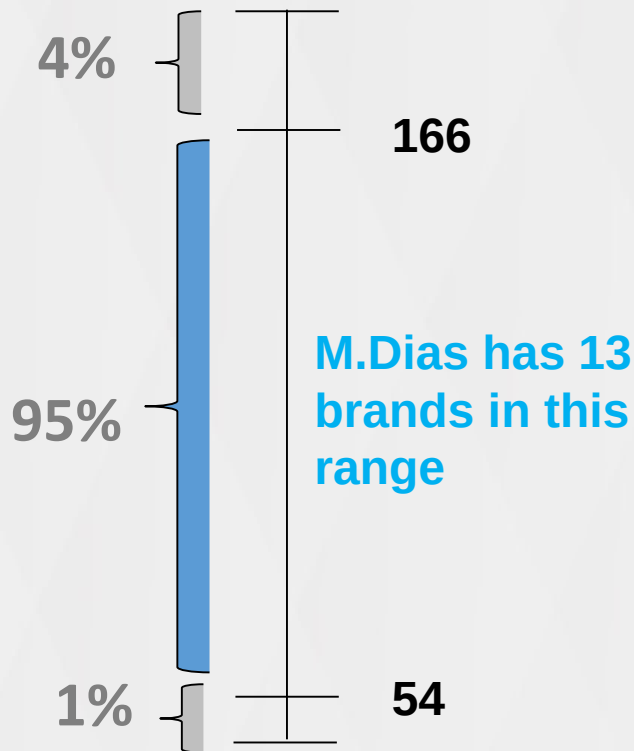
Brads that occupy various pricing positioning

Cookies and Crackers



Market in
volume (%)

Nielsen Brasil
Price Index
Jan to aug/18

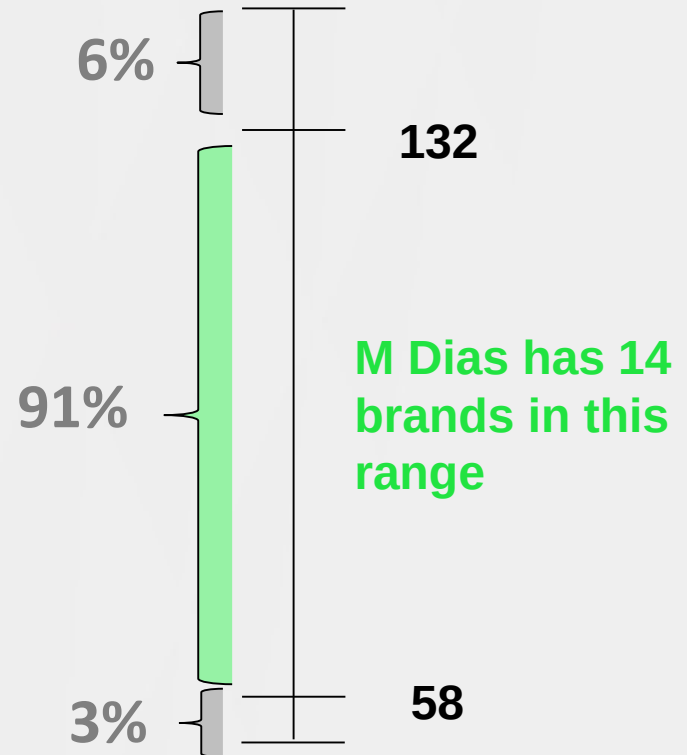


Pasta



Market in
volume (%)

Nielsen Brasil
Price Index
Jan to aug/18



Geographical map of areas where we operate

(categories x states x priorities)



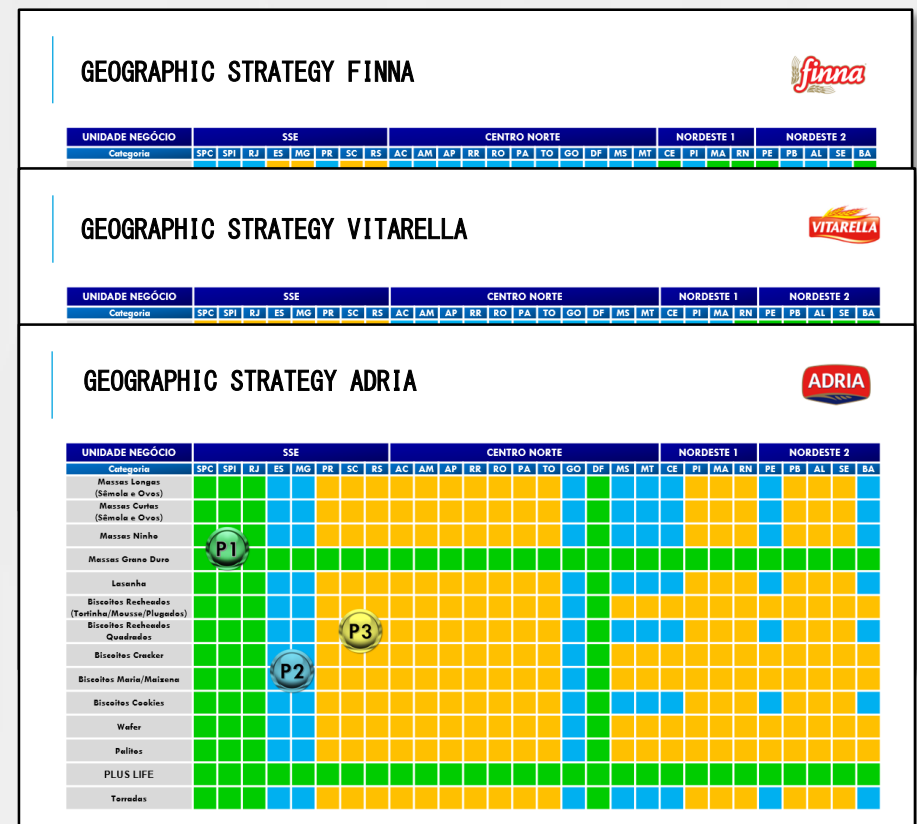
High/Medium Relevance



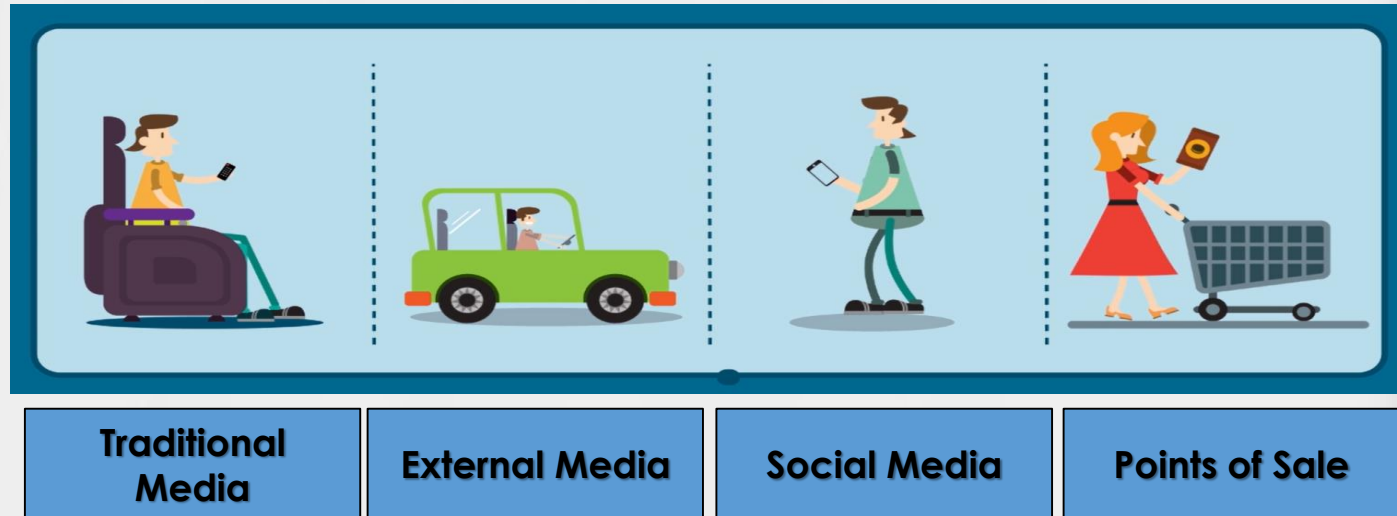
Low Relevance



Do not operate



Communication and activation plan at our points of sale



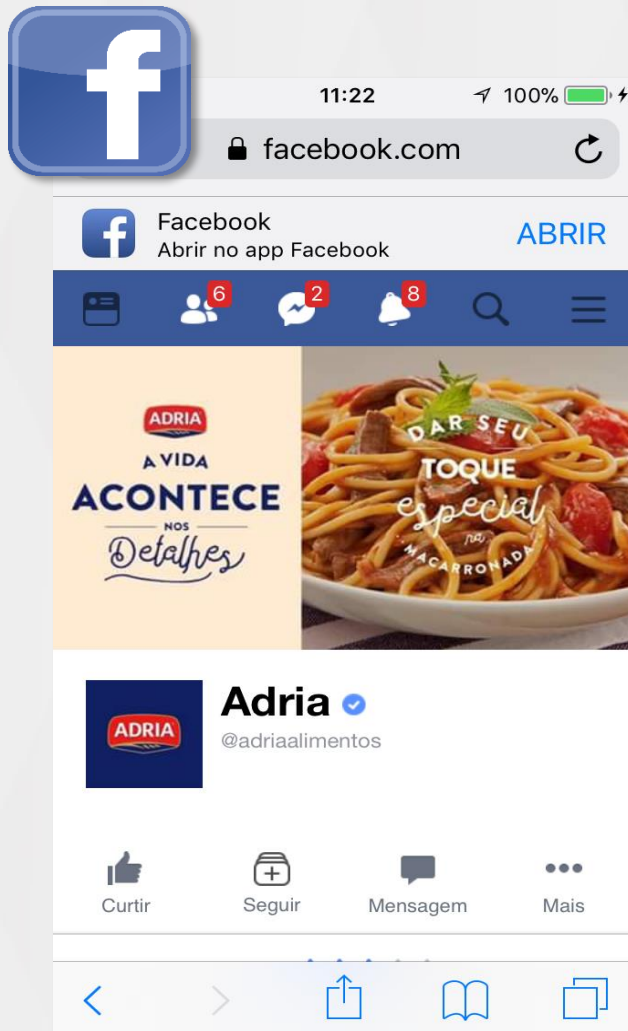
Traditional
Media

External Media

Social Media

Points of Sale

Social Media



Marketing at POS



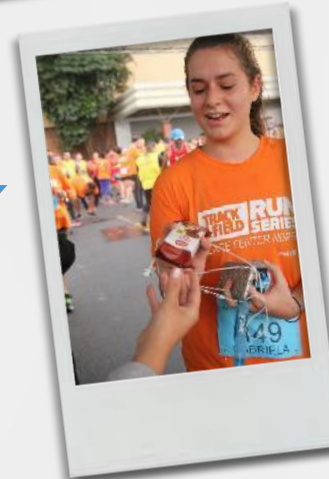
Merchandising material aligned with brand positioning



Activation calendar in all categories

Opportunity for Product Line Expansions

360° Platform



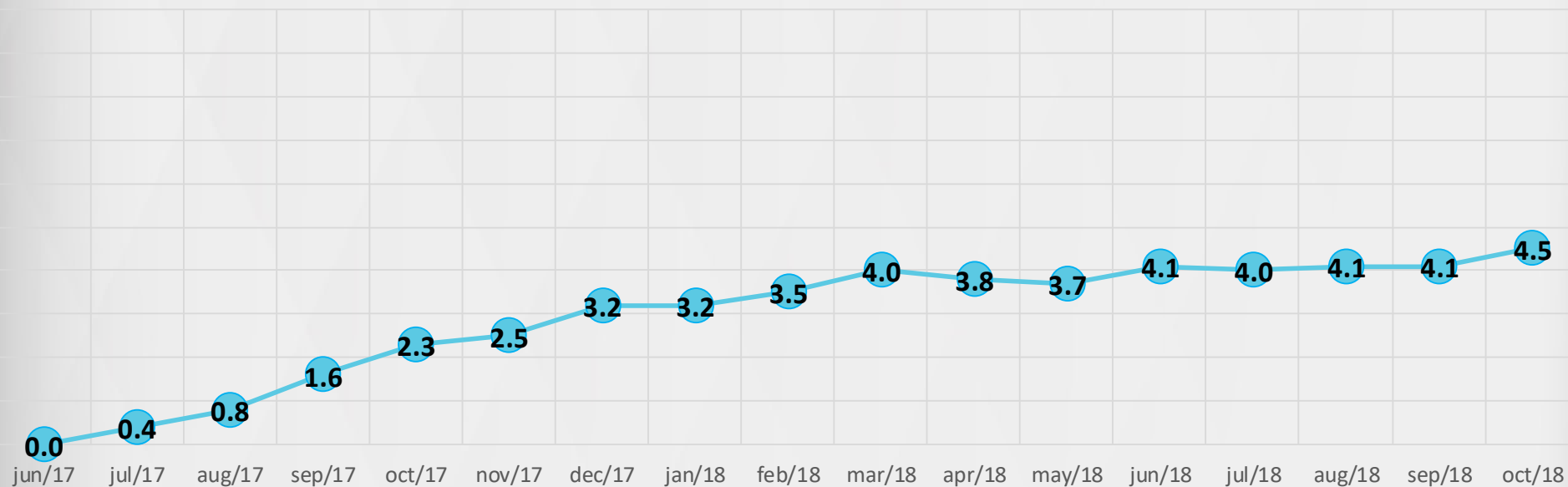
Share Volume

Pluslife



Total Cookies
Brazil (Retail + Cash)

SHARE VOLUME



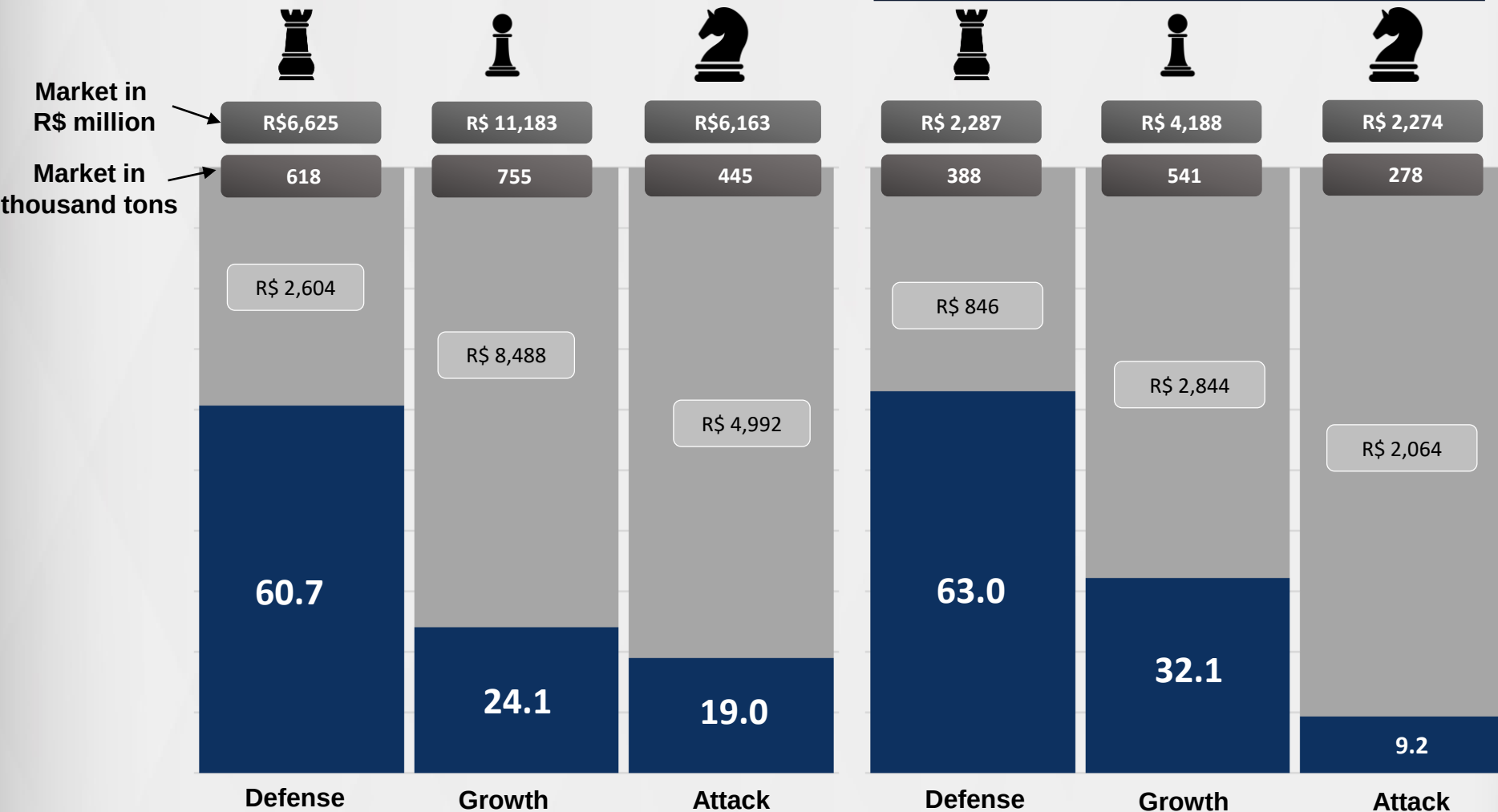
Strategy of action



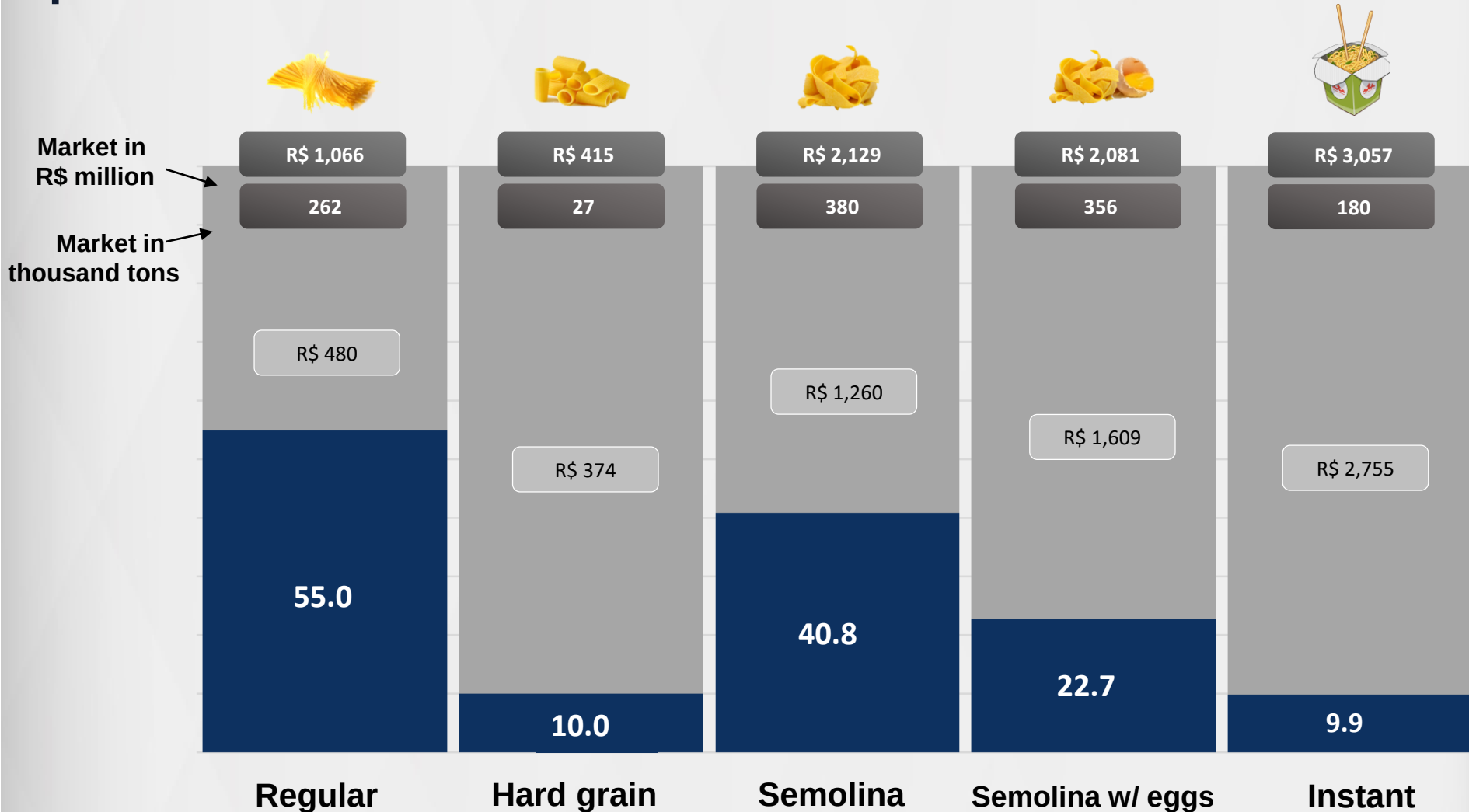
Opportunities for growth throughout Brazil

Cookies and Crackers

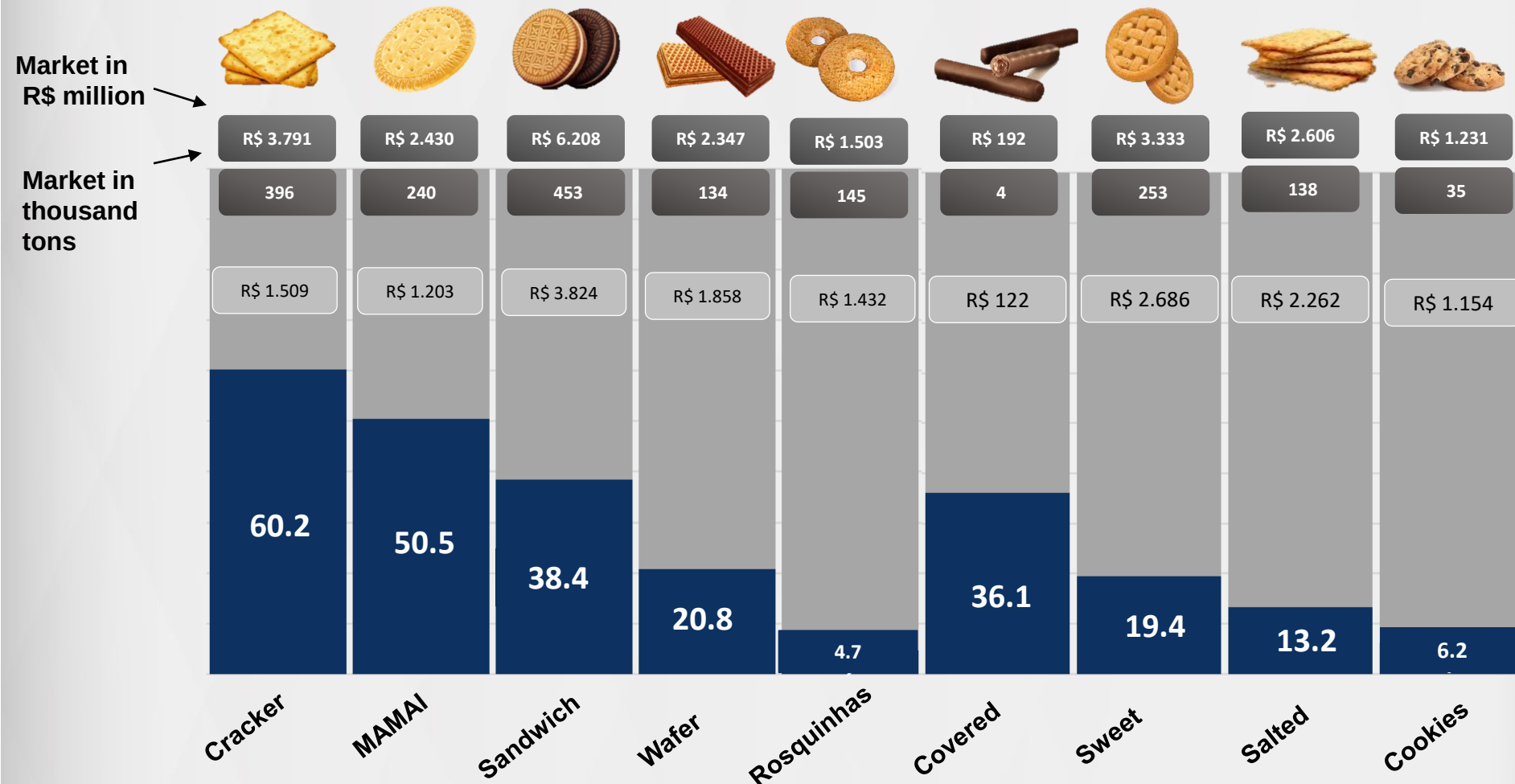
Pasta



| ... 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 e Atacado

Some Recent Highlights



2017: 36 new products
2018: 23 new products



2017



Healthy
and Tasty

Convenience

plus
life



2018



Indulgence
and Experience

Accessible
to All



2018



Healthy
and Tasty

Accessible
to All



2018

Accessible
to All



2018



Convenience

Indulgence
and Experience



2018

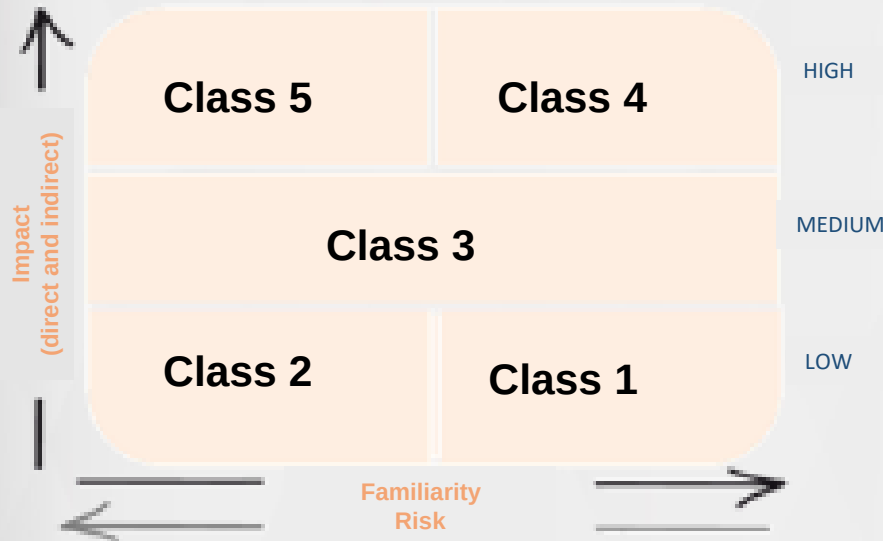


Practicality and
Convenience

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).

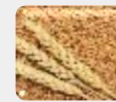
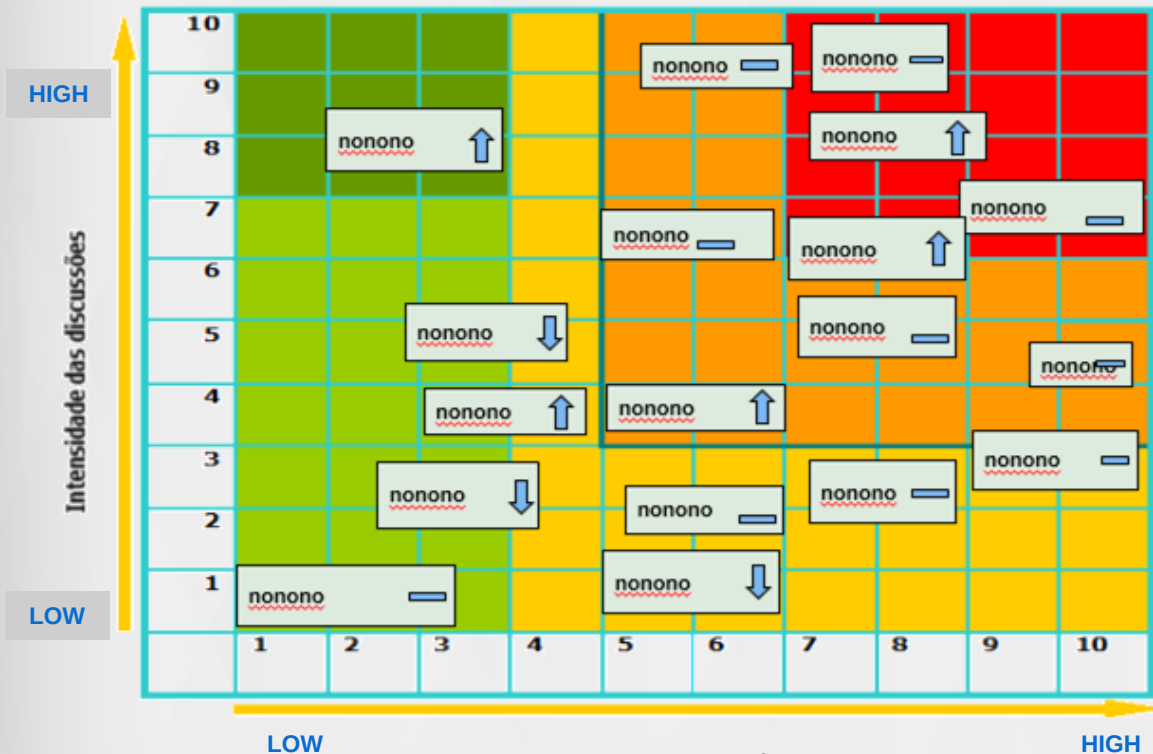
Class 3: Product line extension

Class 2: Improvement /Saving

Class 1: Transfer

Regulatory Radar: Heat Map Regulatório

Regulatory Map (since 2016)



Integral



Trans Fat



Front Nutrition Labeling



Sugar Reduction

Impacto to M. Dias
Illustrative images

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



New Business



Marketing and Trade Marketing





Thank you!