



# CORPORATE PRESENTATION

**APRIL 2024**

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🌐 [ri.mdiasbranco.com.br](http://ri.mdiasbranco.com.br)

▶ [youtube.com/rimdias](https://youtube.com/rimdias)



**MARKET  
LEADER** 

**MDIA**  
B3 LISTED NM  
**2006**

IPO

**ADRIA**  
**2003**

First  
Acquisition

**1980**

New  
Headquarter

**1951**

Bakery in  
Fortaleza

SIMPLICITY  
ATTITUDE  
COLLABORATION  
RESPECT  
EXCELLENCE

*M. Dias Branco*

BRAZILIAN COMPANY  
 + 16.000 EMPLOYEES

**Great  
Place  
To  
Work.**  
Certificada  
Mar/2023 - Mar/2024  
BRASIL

**93%** HOUSEHOLD  
PENETRATION

**55%** OF THE REVENUE FROM  
THE ACQUIRED BRANDS

 **17**  
INDUSTRIAL  
UNITS

 **27**  
DISTRIBUTION  
CENTERS

 **+300K**  
POINTS OF  
SALES

 **+3.2K**  
CITIES IN  
BRAZIL

**+ 20 BRANDS**

Cookies, Pasta, Wheat  
Flour, Snacks, Margarine

SOME WITH ANNUAL  
SALES OVER  
**R\$ 1 BILLION**

 **piraguê**









**R\$ 10.8**  
NET REVENUE  
(R\$ billion)

2023



**15.7%**  
EBITDA MG.

Historical Average  
from 2006 to 2023



**0.5x**  
LEVERAGE



**AAA**  
RATING

Stable Outlook by  
Fitch Ratings

## PROFITABLE GROWTH STRATEGY



EFFICIENCY AND PRODUCTIVITY PROGRAM

**MDIA**  
B3 LISTED NM

**IBRA B3**  
**IGCT B3**

**IBRX100 B3**  
**INDX B3**

**ICO2 B3**  
**ISE B3**

**ICON B3**  
**ITAG B3**

**IGC-NM B3**  
**SMLL B3**

**IGC B3**

**IDIVERSA B3**  
**IGPTWB3**

**MSCI**  
ESG RATINGS  
CCC B BB BBB A AA AAA



 **CDP**<sup>A</sup>  
DRIVING SUSTAINABLE ECONOMIES



# TRANSFORMATION IN PROGRESS

Management team with internal and external experiences

## LARGEST MARKETING INVESTMENT | 2% NR



## BRAND STRENGTHENING



Total Knowledge

2021 → 2023

Consideration

Last 3 months Purchase

Preference

90

59

42

9

96

73

58

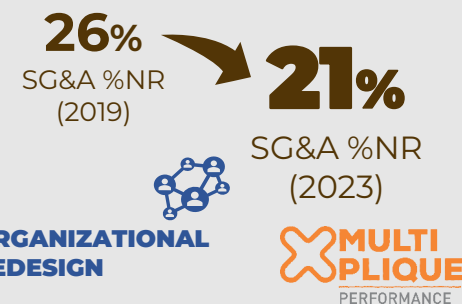
13

## NEW CATEGORIES | INNOVATION

SNACKS

HEALTHY

LAUNCHES



## Local Green Bond

76% LONG-TERM DEBT (2023)



## FINANCIAL CYCLE

112 DAYS (2019)

→ 67 DAYS (2023)



## SERVICE LEVELS

CFR (Case fill rate)

OTIF (On time in full)

84% (2021) → 92% (2023)

40% (2021) → 76% (2023)



## PERFECT STORE

for 70% of the revenue



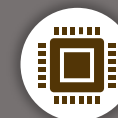
We discontinued 300 SKUs in 2020 and 2021



New channels E-COMMERCE DISTRIBUTORS



Implementation of a Revenue Management team



NEW ERP SAP - JAN/24



INDUSTRY 4.0



STRATEGIC SOURCING



HEDGE POLICY



65% renewable energy (2023) and 90% target by 2030 (In partnership with OMEGA)



Total Shareholder Return as a long-term incentive for the executive team



# M. Dias Branco GOVERNANCE

## BOARD OF DIRECTORS WITH 7 MEMBERS

---

**43%** INDEPENDENT

**43%** WOMEN

**NOVO MERCADO SINCE  
2006, WITH 100%  
COMMON SHARES AND  
TAG ALONG**

---

**MDIA**  
B3 LISTED NM

**MANAGEMENT TEAM  
COMBINING IN-HOUSE  
AND MARKET  
EXPERIENCE**

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## COMMITTEES TO ADVISE THE BOARD OF DIRECTORS

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- Audit Committee
- People and Management Committee
- ESG Committee

## SUPPORT AREAS

---

- Internal Audit
- External Audit
- Risks
- Compliance

## GOVERNANCE FORUMS TO SUPPORT DECISION-MAKING

---

- Executive
- Ethics
- Health and workplace safety
- Sustainability
- Image Management



## RELEVANT POSITION IN THE MARKETS IN WHICH WE OPERATE

### COOKIES

MIX Net Revenue

51%

1<sup>st</sup>

Place in Brazil  
Share Volume

*\*Mix Net Revenue 2023*

### PASTA

MIX Net Revenue

21%

1<sup>st</sup>

Place in Brazil  
Share Volume

### WHEAT FLOUR AND BRAN

MIX Net Revenue

18%

4<sup>th</sup>

Place in Brazil  
Share Volume

### MARGARINE AND VEGETABLE SHORTENING

MIX Net Revenue

6%

3<sup>rd</sup>

Place in Brazil  
Share Volume

### OTHERS

Snacks, Granola,  
Gluten-free bread,  
Toast, Healthy  
products, Sauces,  
Seasonings, Cakes  
and Cake Mix

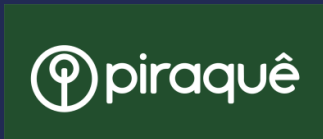
MIX Net Revenue

4%



# MORE THAN 20 BRANDS IN DIFFERENT PRICE RANGES AND CONSUMPTION OCCASIONS

## PREMIUM BRANDS AND NEW TRENDS



## MAINSTREAM



## ENTRY BRANDS

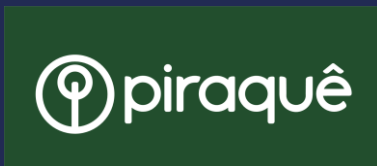




# BRANDS WITH ANNUAL SALES OVER R\$ 1 BILLION AND R\$ 500 MILLION

OVER  
**R\$ 1 BILLION**

OVER  
**R\$ 500 MILLION**

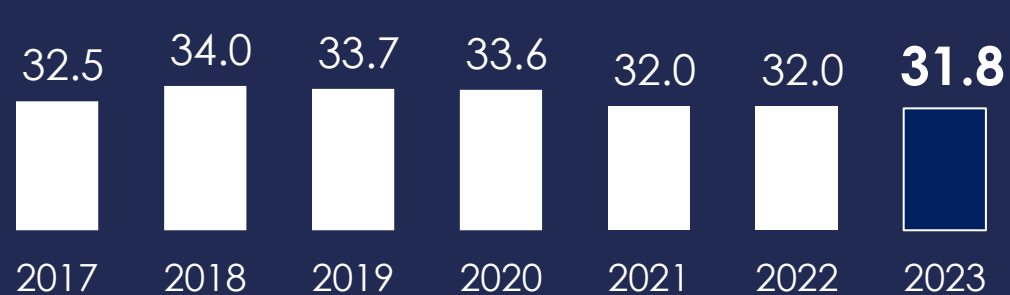




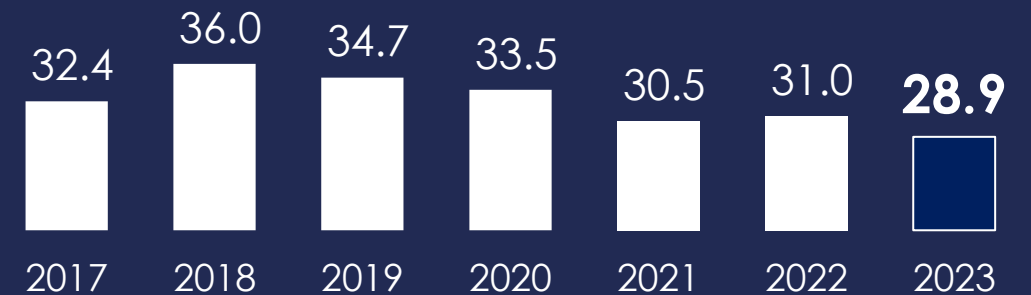


## # 1 IN COOKIES & CRACKERS AND PASTA (MARKET SHARE BRAZIL - NIELSEN)

### COOKIES & CRACKERS



### PASTA



### M. DIAS BRANCO x COMPETITORS



### M. DIAS BRANCO x COMPETITORS



# REVENUE BY REGION 2023



EXPORT

2%



MIX NET REVENUE

**DEFENSE**

North and Northeast

**64%**



Share Volume:

**51%**

**52%**

MIX NET REVENUE

**ATTACK**

South, Southeast and Midwest

**34%**



Share Volume:

**22%**

**18%**





## WE OPERATE ON A DIVERSIFIED BASE OF SALES CHANNELS

REVENUE BY SALES CHANNEL	2022	2023
SMALL RETAIL	19%	18%
WHOLESALE	18%	17%
KEY ACCOUNTS / REGIONAL CHAINS	23%	22%
CASH AND CARRY	23%	24%
DISTRIBUTORS	11%	13%
INDUSTRY	3%	3%
OTHER	3%	3%



# PRESENT ALL OVER BRAZIL WITH STRONG DISTRIBUTION AND INFRASTRUCTURE



**+3,240**  
CITIES IN BRAZIL



**+300K**  
POINTS OF SALES  
100k DIRECT



**27**

DISTRIBUTION  
CENTERS

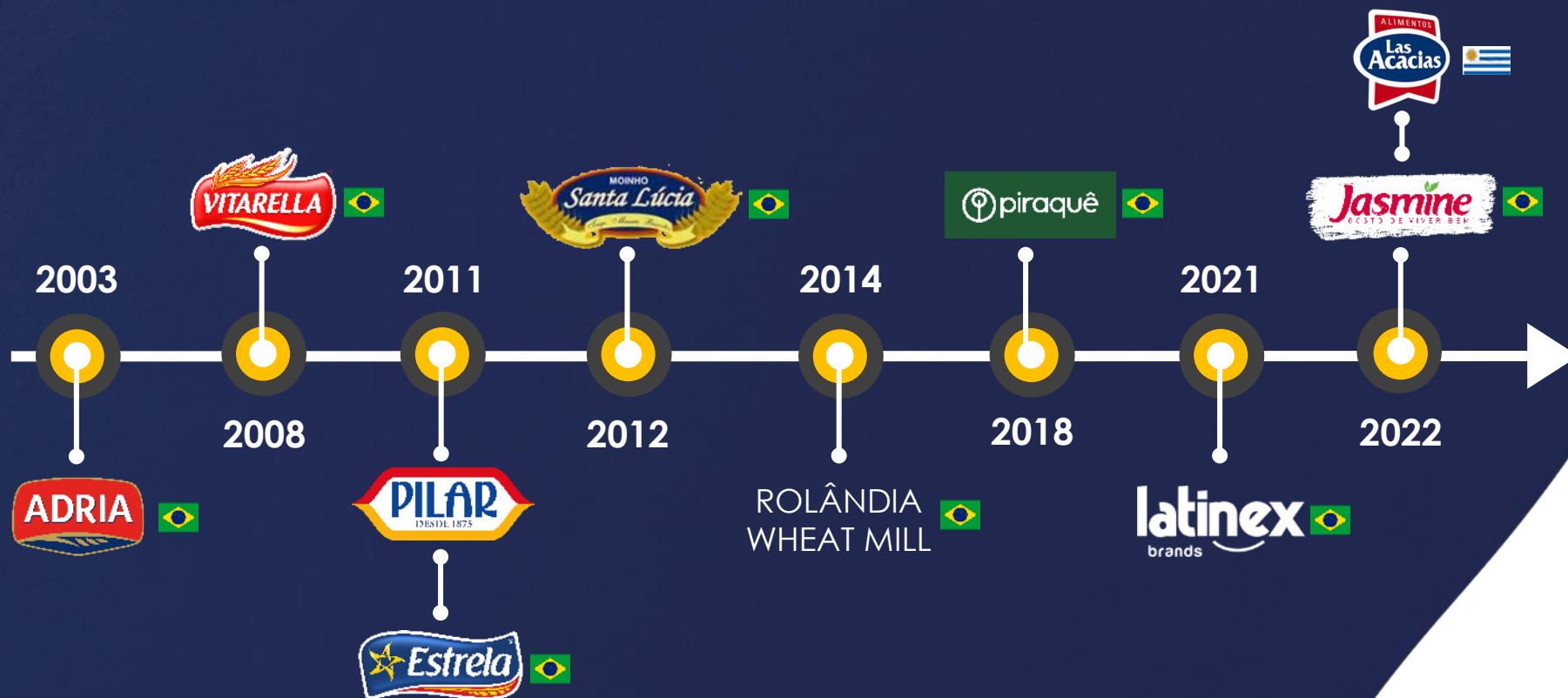
**17**

INDUSTRIAL  
UNITS





# THE ACQUISITIONS HAVE LEVERAGED OUR GROWTH AND ENRICHED OUR PRODUCT PORTFOLIO



**55%**  
**OF THE REVENUE**  
**FROM THE**  
**ACQUIRED BRANDS**



## STRONG GROWTH HISTORY

### Net Revenue CAGR 11%

2015 – 2023





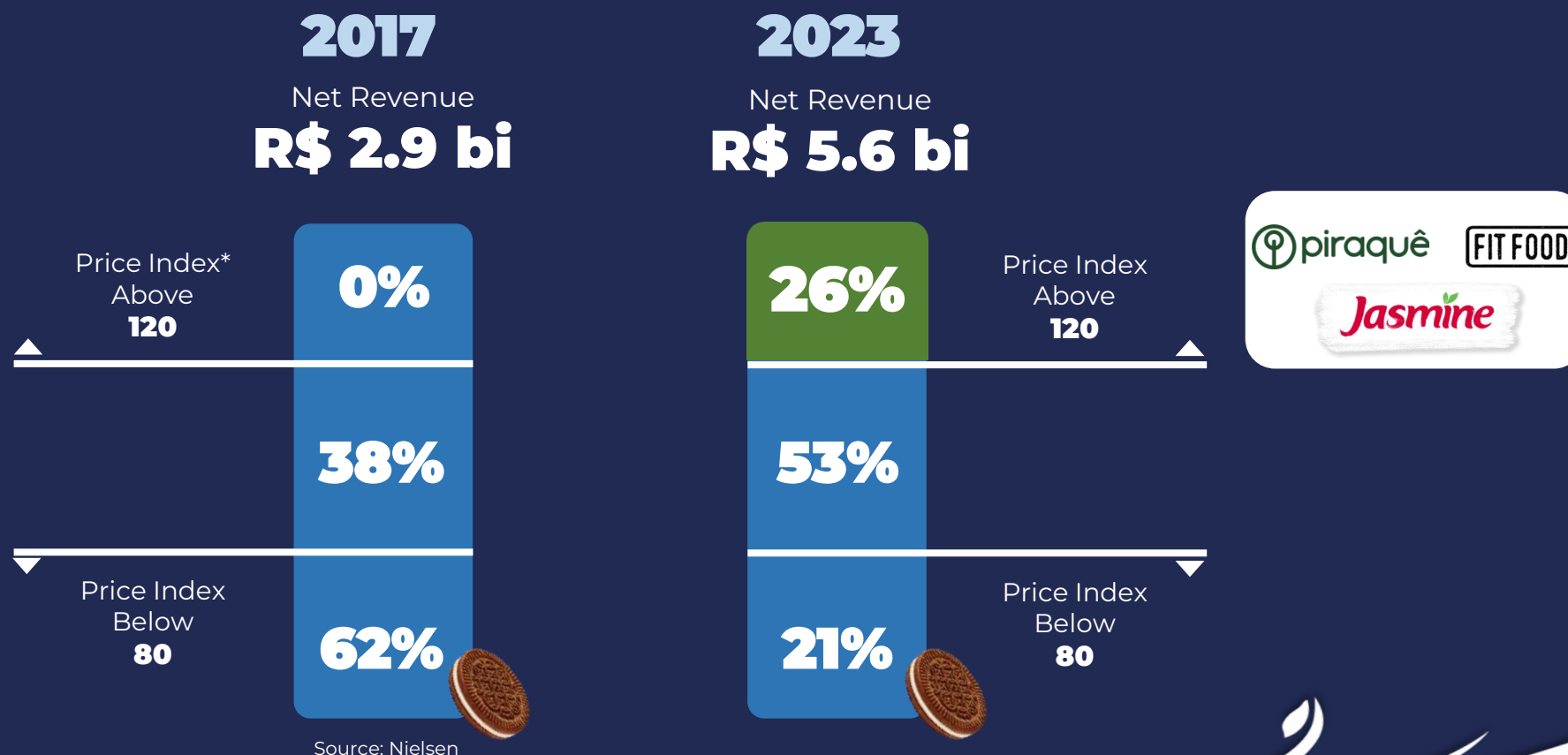
# PROFITABLE GROWTH STRATEGY



EFFICIENCY AND PRODUCTIVITY PROGRAM



## In crackers and cookies, we complemented the portfolio higher added-value items







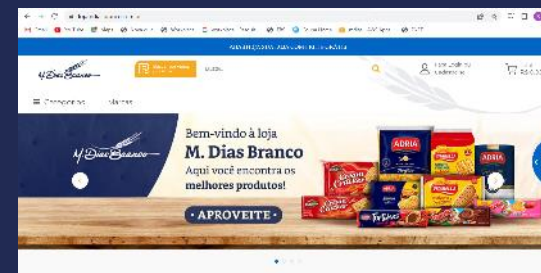
The average price has increased, with the contribution of innovation higher added-value items and smart pricing





## ● Diversify operating channels

- Distributors, 12.5% of revenue in 2023 vs. 11.3% in 2022
- E-commerce, starting in 2020 and operating on the main platforms



## ● Improve execution at the point of sale

- Perfect store: focus on assortment, shelf, merchandising and price



## ● Strengthen the priority brands





CURRENT BUSINESS

1

DEFENSE

ATTACK



OTHER CATEGORIES

2



INTERNATIONAL

3



PRODUCTIVITY AND EFFICIENCY



## HEALTHY PRODUCTS



## SNACKS



## SAUCES AND CONDIMENTS





- R\$ 18MM Net Revenue in 2015 and R\$ 184MM in 2023
- Sales to 44 countries in 2023
- Specific products for export, such as *shelf stable* margarine
- Las Acacias acquisition in Uruguay







- **R\$ 560 MM expense reduction between 2020 and 2021 (Multiplique Project)**

- SG&A at 25.7% in 2019, 21.0% in 2021; 20.1% in 2022 and 20.5% in 2023



- **SAP implementation in Jan/2024**

- **Improved service level (OTIF); 76% in 2023 and target at 80% in 2024**



- **Improved Working Capital, longer average supplier terms**

- 13 days in 2019 to 56 days in 4Q23



- **Debt Lengthening**

- 38% in the long-term in 2019 and 76% in the long-term in 2023
- Hedge Policy

## ESG





# TRIBUTARY CHANGES

## MP 1.185/23 LAW 14.789/23

Taxation of Subsidies

**PIS/COFINS (9.25%)**

**IR/CSLL (34%)**

IMPACT - 9M23

**R\$ 50MM TO R\$ 70MM**

IN NET PROFIT

## JSCP

Maximum amount to be distributed as JSCP

Tax incentive reserves must be excluded for distribution calculation purposes

**No relevant impact**

## ICMS

Increase in the ICMS rate to minimize revenue losses from tax reform

Increase of approximately  
**2%** in the ICMS rate

## TAX REFORM

Extinction of five taxes (IPI, PIS, COFINS, ICMS and ISS) and creation of three new ones: **CBS** (Contribution on Goods and Services), **IBS** (Tax on Goods and Services) and **IS** (Selective Taxes)

**Eventual impacts will be calculated based on the publication of the Complementary Law**







# ATYPICAL SITUATION IN THE DYNAMICS OF COMMODITIES AND THE EXCHANGE RATE IN 2020 AND 2021, WITH PRICE INCREASE IN US\$ AND DEPRECIATION OF BRAZILIAN REAL, LEADING TO A DECLINE IN OUR MARGINS

Good for  
the result



Bad for the  
result

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
 <b>VAR. DÓLAR</b> (PTAX Venda)	-11%	-10%	-6%	9%	-12%	-5%	17%	10%	9%	42%	5%	-8%	14%	8%	31%	5%	-4%	-3%
 <b>VAR. WHEAT</b> (US\$)	26%	58%	25%	-33%	10%	22%	6%	-9%	-14%	-14%	-14%	0%	14%	0%	11%	28%	28%	-28%
 <b>VAR. OIL</b> (US\$)	13%	73%	20%	-25%	33%	25%	-13%	-19%	-3%	-24%	14%	1%	-14%	-6%	28%	61%	9%	-29%
 <b>Mg. EBITDA</b>	19%	18%	17%	20%	19%	17%	18%	16%	17%	15%	17%	18%	15%	13%	13%	9%	9%	13%

Source: Bloomberg (Dollar - Ptax, Wheat - W 1 Comdty and Oil - KO1 Comdty).



**Back-up**

*M. Dias Branco*

# Marketing & Commercial





# FUNDAMENTALS TO KEEP GROWING

Being increasingly relevant TO EVERYONE, EVERYWHERE

1

## Protect the Core Scale and Market Share

Weight reductions  
and smart pricing

New packaging  
formats: promopacks

Strengthening the  
priority brands

Portfolio  
Simplification

2

## Growing with Higher Added Value

Growing the  
**strategic items and  
develop new  
categories**

Innovations with  
increased  
differentiation

**Nationwide  
expansion of  
Piraquê, Latinex and  
Jasmine**

3

## Diversifying channels

Strengthening  
strategic channels  
(Distributors, Food  
Service, E-commerce)

**More relevant  
presence in the  
market with a  
*go-to-market* model**

4

## Improving Commercial Execution at the Point of Sale

Consolidating **Perfect  
Store** project and new  
*go-to-market* model

Improving **Smart  
Pricing and  
Promotions**

5

## Internationalization

**Consolidating  
Las Acacias  
integration**

**Keep moving  
forward with  
exports**

Training and Structure

# 1

## PROTECT THE CORE, SCALE AND MARKET SHARE

### Weight reductions



#### COOKIES

Cream Cracker & Mamai

400g

350g



#### PASTA

500g

400g

### New packaging and branding strategies

#### PROMOPACKS

Ideas for protecting Share on Cash&Carry channel



#### BRANDS STRATEGIES

Reintroduction of low-price brands in Cash & Carry

### Priority Brands

Focus on 6 priority brands to generate engagement and investment optimization



### Portfolio Simplification

#### REDUCTION NUMBER OF SKUs



300

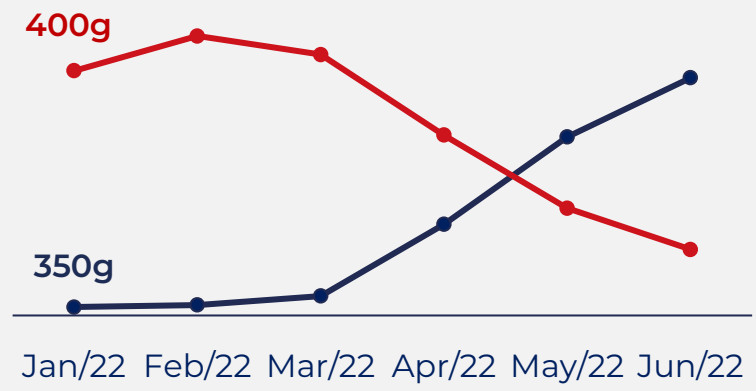
SKUs excluded (2021-2022)

# 1

## PROTECT THE CORE, SCALE AND MARKET SHARE

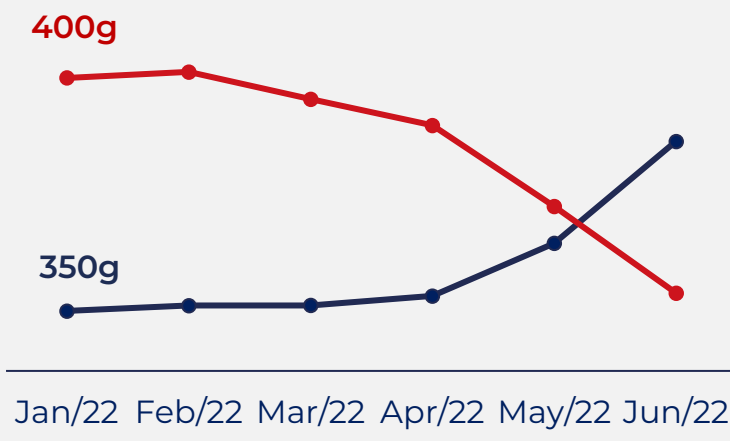
### COOKIES

**Cream Cracker**  
(Units.)



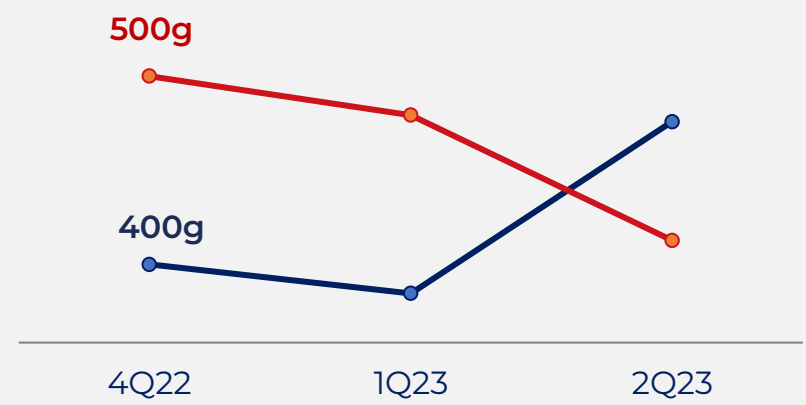
### COOKIES

**Maria & Maizena**  
(Units.)



### PASTA

**Regular Pasta**  
(Volume)





# 2

## INNOVATIONS WITH HIGHER ADDED VALUE, DIFFERENTIATION AND HIGH POTENTIAL

Develop new categories



Cookies covered with chocolate



Innovations with increased differentiation

Gluten-free tapioca snacks



Baked Potato Snacks



Nationwide expansion of Piraquê, Latinex and Jasmine



Jasmine

FIT FOOD



# 3

## DIVERSIFYING OPERATING CHANNELS

More relevant presence in the market with a go-to market model

### DISTRIBUTORS

MIX NET REVENUE

**12.5%**  
(2023)



**4.5%**  
(2019)



### E-COMMERCE

It started in 2020

We operate on several platforms, including our own platform

▶ [Lojamdiasbranco.com.br](https://lojamdiasbranco.com.br)  
R\$ 11.2 million in 2023

49% growth in 2023 vs. 2022

Piraquê is the biggest E-commerce brand with 25% share in the cookies category



# 4

## IMPROVING COMMERCIAL EXECUTION AT POINT OF SALE

Consolidate the perfect store project

Strategy based on 4 key pillars (4 Ps)



Which unfolds into 5 indicators

Pillar	Indicator	Score
Assortment	Priority Presence and Launches	40%
	Strategic Families	
Shelf	Shelf share	25%
Merchandising	# Extra Points	25%
Price	Average Price	10%

And it results in the Store Score

Perfect Store			
0 - 10%	Note 1	51 - 60%	Note 6
11 - 20%	Note 2	61 - 70%	Note 7
21 - 30%	Note 3	71 - 80%	Note 8
31 - 40%	Note 4	81 - 90%	Note 9
41 - 50%	Note 5	91 - 100%	Note 10





## 4

# IMPROVING COMMERCIAL EXECUTION AT POINT OF SALE

Consolidate the perfect store project

By breaking down the Pillars, we were able to draw up action plans and direct investments

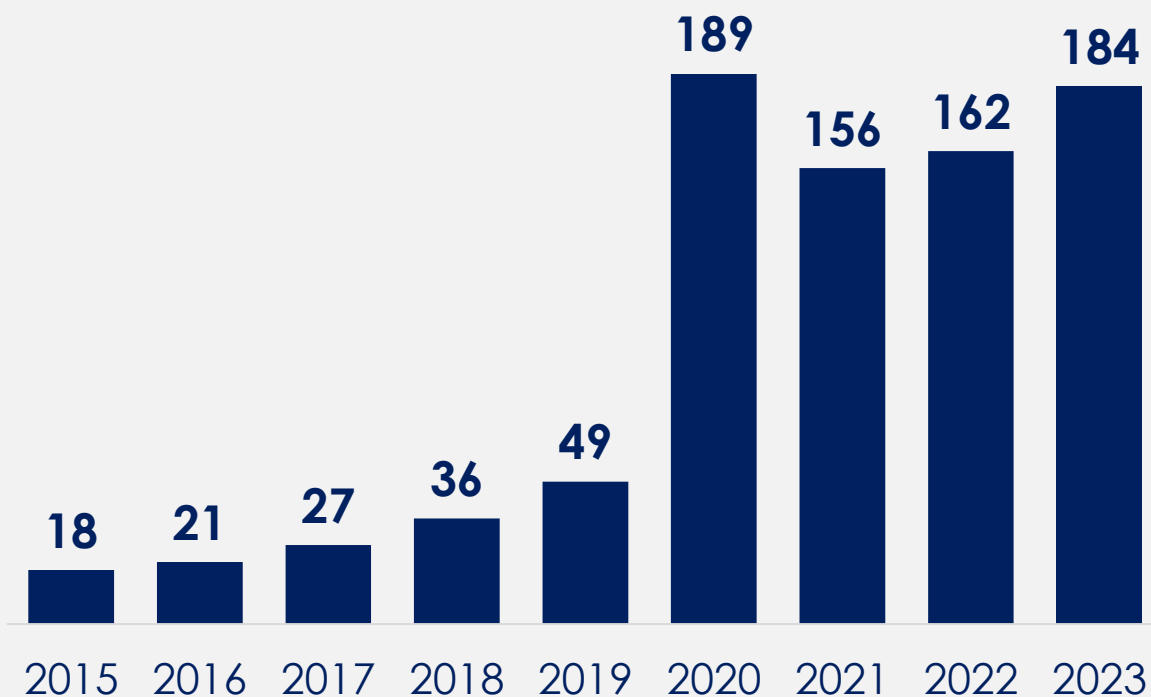
The higher the score, the higher our sell out

	PERFECT STORE	STORE WITH OPPORTUNITY		PERFECT STORE	STORE WITH OPPORTUNITY
STORE	FRANGOLANDIA-Ceará 1	FRANGOLANDIA-Ceará 2	STORE	BISTEK – COSTEIRA DO Santa Catarina 1	Santa Catarina 2
SIZE	Large	Large	SIZE	MEDIUM	MEDIUM
ASSORTMENT (4.0)	3.7	3.7	ASSORTMENT (4.0)	3.1	3.3
SHELF (2.5)	2.5	0.7	SHELF (2.5)	1.9	0.3
MERCHAN 2,5	2.5	1.4	MERCHAN 2,5	0.1	0
PRICE (1.0)	0.1	0.1	PRICE (1.0)	0.3	0.4
NOTE	8.8	5.9	NOTE	5.2	3.6
SELL OUT DEC	R\$ 155,441	R\$ 102,217	SELL OUT DEC	R\$ 56,899	R\$ 33,366

## 5

## INTERNACIONALIZATION

## NET REVENUE – Foreign



- Focus on markets with high growth potential
- Products adapted to the export market
- Private Label Market



USA



PARAGUAY

# Investments in Marketing to speed up sales and strengthen brands in 2023



“Isso tem um Q de Piraquê” and “Família Maltado” with Ludmilla



“Parece igual, mas tem diferença”



“Neologismo” with Claude Troisgros



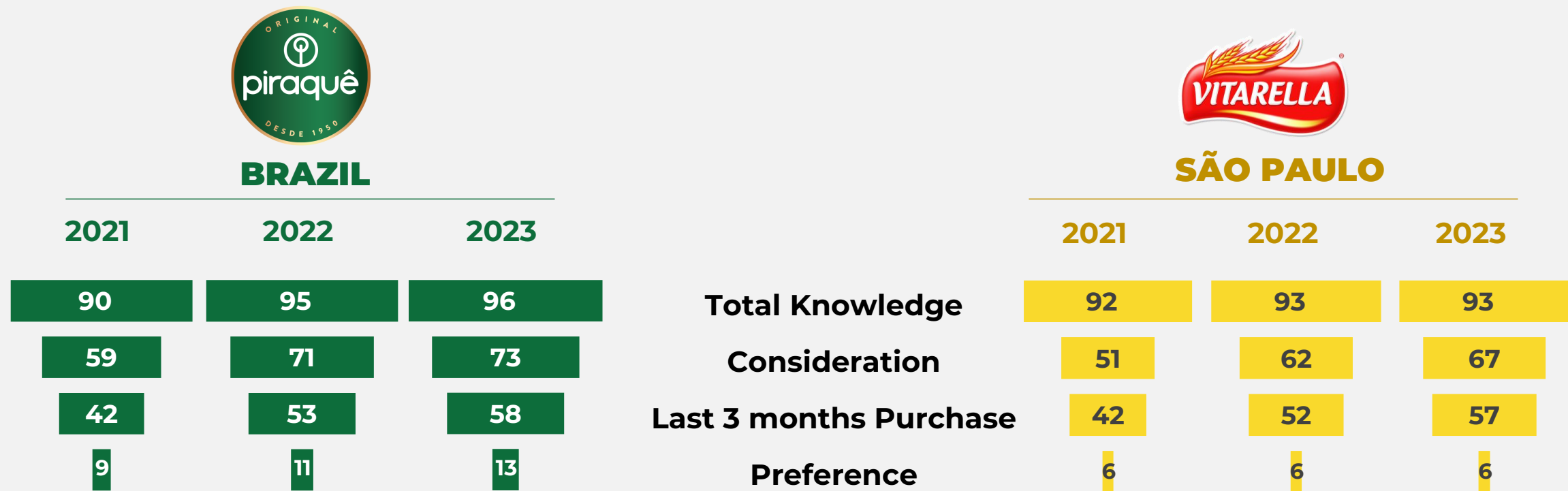
“Espalhe o amor que fortalece”



“Tem Isabela, tem história pra contar”



# Marketing investments contributed to increasing awareness and preference for our two largest brands



Source: IPSOS.



# Operations



# PRODUCTIVITY AND EFFICIENCY GAINS 2020 AND 2021

## 2020



More than 200 initiatives to capture structural savings in costs and expenses, in all areas and processes, with the support of external consultancy

RECURRING SAVINGS RECOGNIZED IN 2020

**R\$ 184 MM**

ANNUALIZED RECURRING SAVINGS

**R\$ 438 MM**

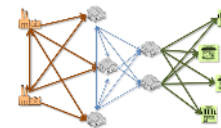
## 2021



**CORPORATE  
RESTRUCTURING**

ANNUALIZED  
RECURRING SAVINGS

**R\$ 80 MM**



**LOGISTIC/PRODUCTION  
NETWORK DESIGN**

ANNUALIZED  
RECURRING SAVINGS

**R\$ 42 MM**



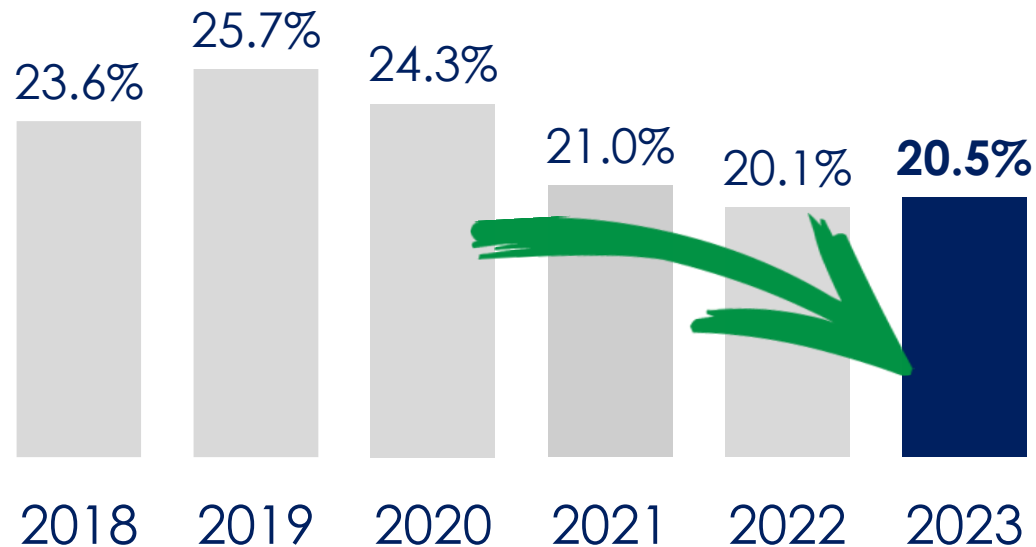
# PRODUCTIVITY AND EFFICIENCY GAINS 2020 AND 2021



**CORPORATE  
RESTRUCTURING**

**NETWORK  
DESIGN**

**SG&A** (% Net Revenue)



## EXAMPLES:

### **COMMERCIAL**

- ✓ Adequacy of the number of promoters
- ✓ Renegotiation of marketing contracts

### **LOGISTICS AND INDUSTRY**

- ✓ Direct shipment from the factory to clients
- ✓ Temporary interruption of production lines (i.e. pasta from Maracanaú plant of Fábrica Fortaleza)
- ✓ Closure of 4 CDs

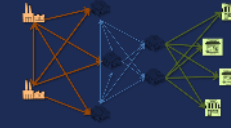
### **ADMINISTRATIVE**

- ✓ Payroll Outsourcing
- ✓ Optimization in the hiring of general services

### **CORPORATE RESTRUCTURING**

- ✓ Fewer Director position. (Ex: Internal Audit and Risks combined with Legal and Governance and extinction of Administrative Director position)
- ✓ Extinction of one of the three management levels of the factories

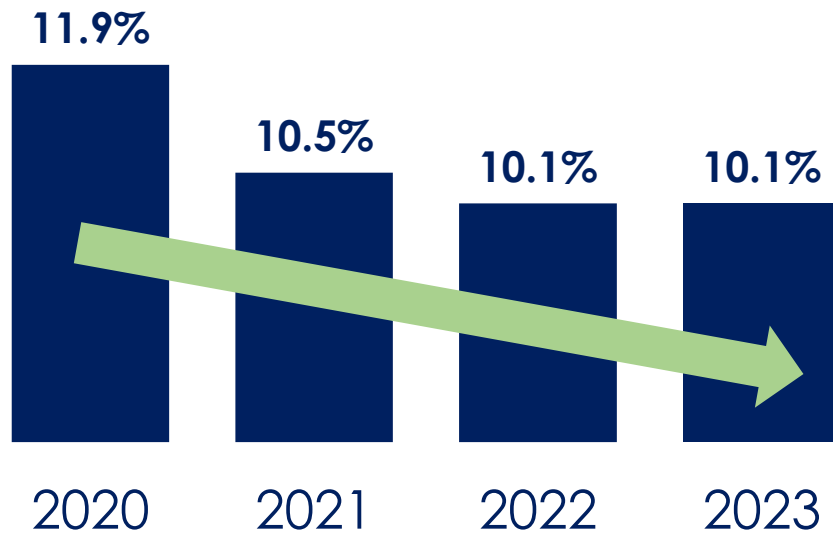
# Logistic Efficiency



CORPORATE  
RESTRUCTURING

NETWORK  
DESIGN

## Logistic Expenses (% Net Revenue)



2020



2Q22

## Productivity and Efficiency Drivers

### Footprint

- ✓ 4 DCs reduction 21/22
- ✓ Maximization of direct distribution from the factories

### Distribution

- ✓ Fleet resizing
- ✓ 294 trucks less

### Storage

- ✓ 12% increase in the internal productivity of the DCs (Ton/HC) with management and use of technology (WMS)

# TRANSFORMATION OF THE SERVICE LEVEL

## Service level KPIs

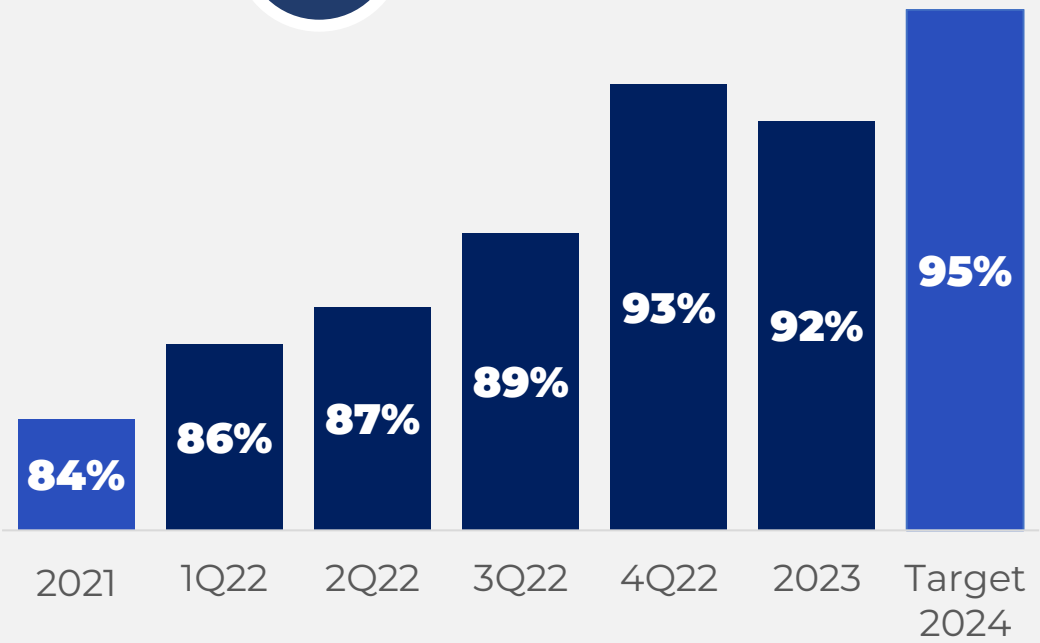
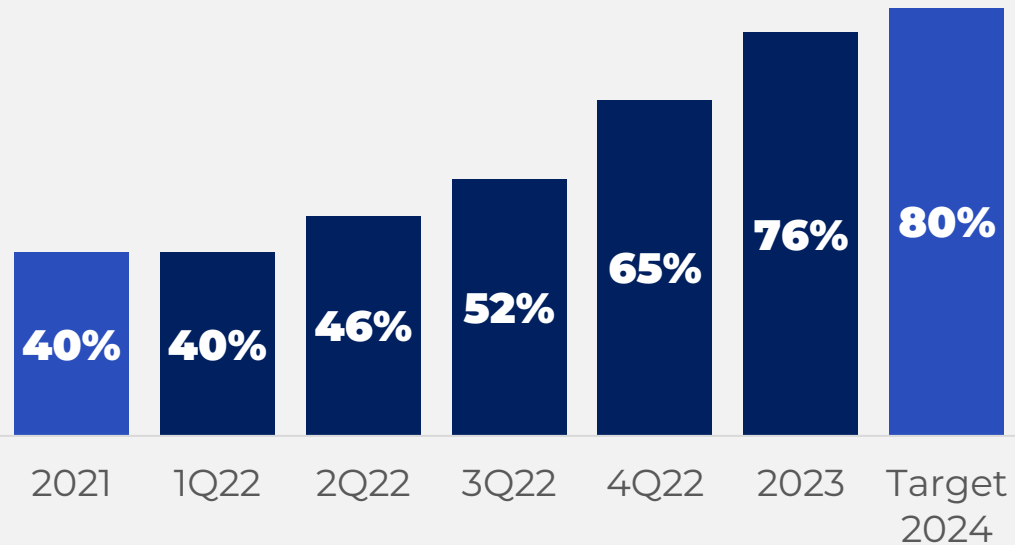
Service level improvement supports: (1) Commercial strategy and (2) E2E efficiency\* of the company



**OTIF**  
*(On time in full)*



**CFR**  
*(Case fill rate)*



# SIMPLIFY BEYOND ERP



**75%**  
Customized

**80**  
Legacy  
Systems

**2020**

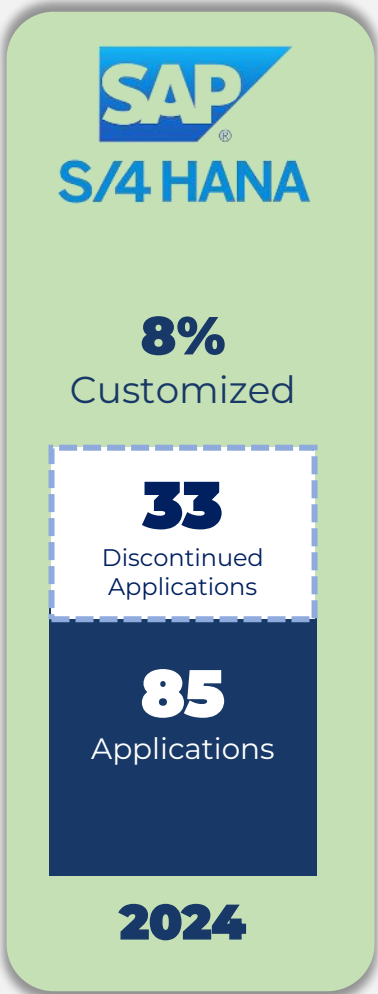


**Dehydrated**

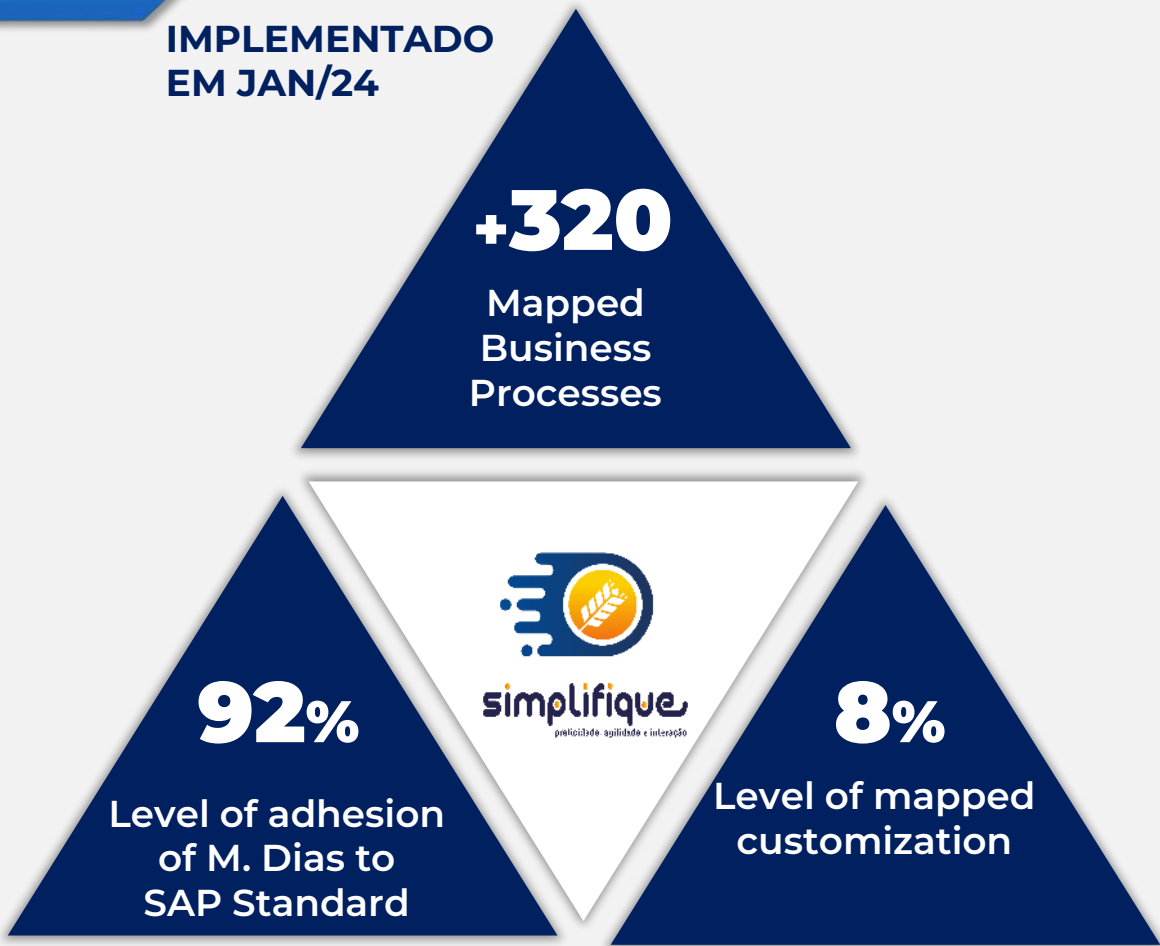
**38**  
New  
Applications

**80**  
Legacy  
Applications

**2022**



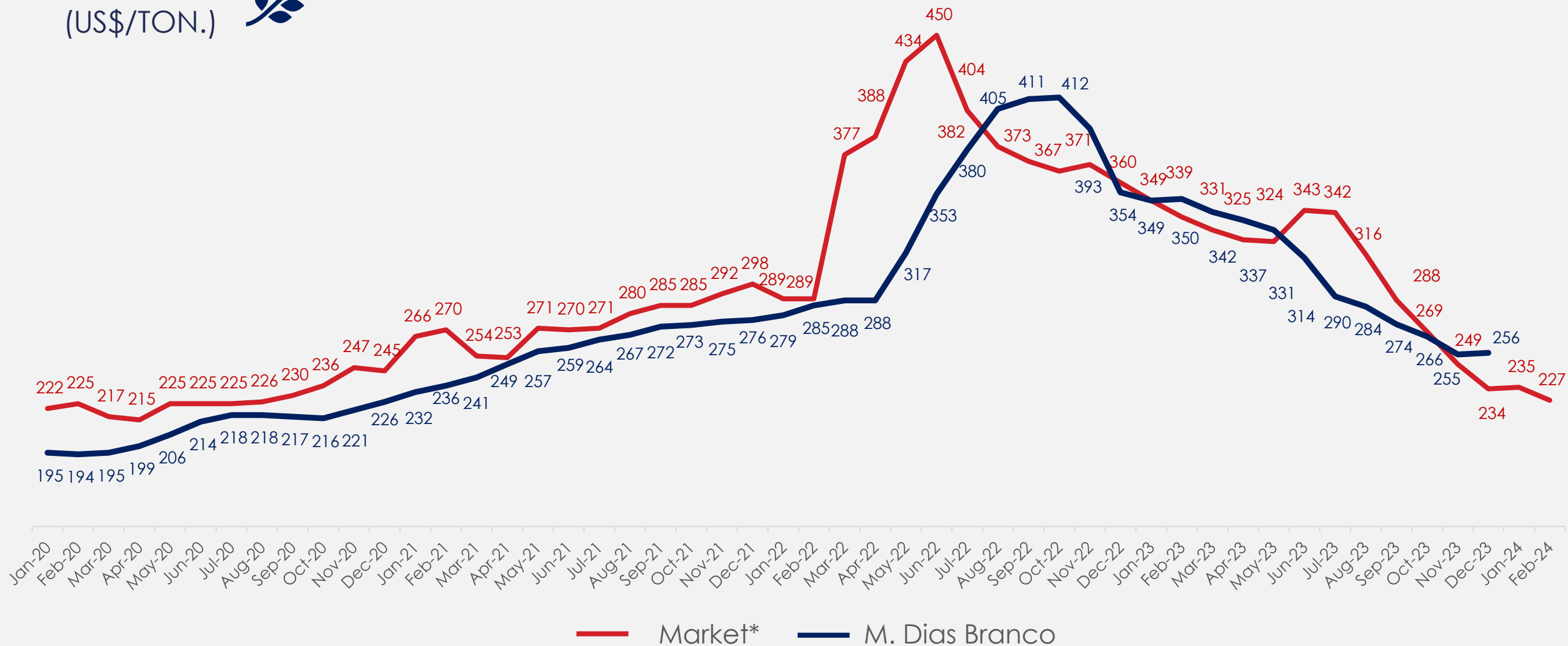
IMPLEMENTADO  
EM JAN/24





# WHEAT

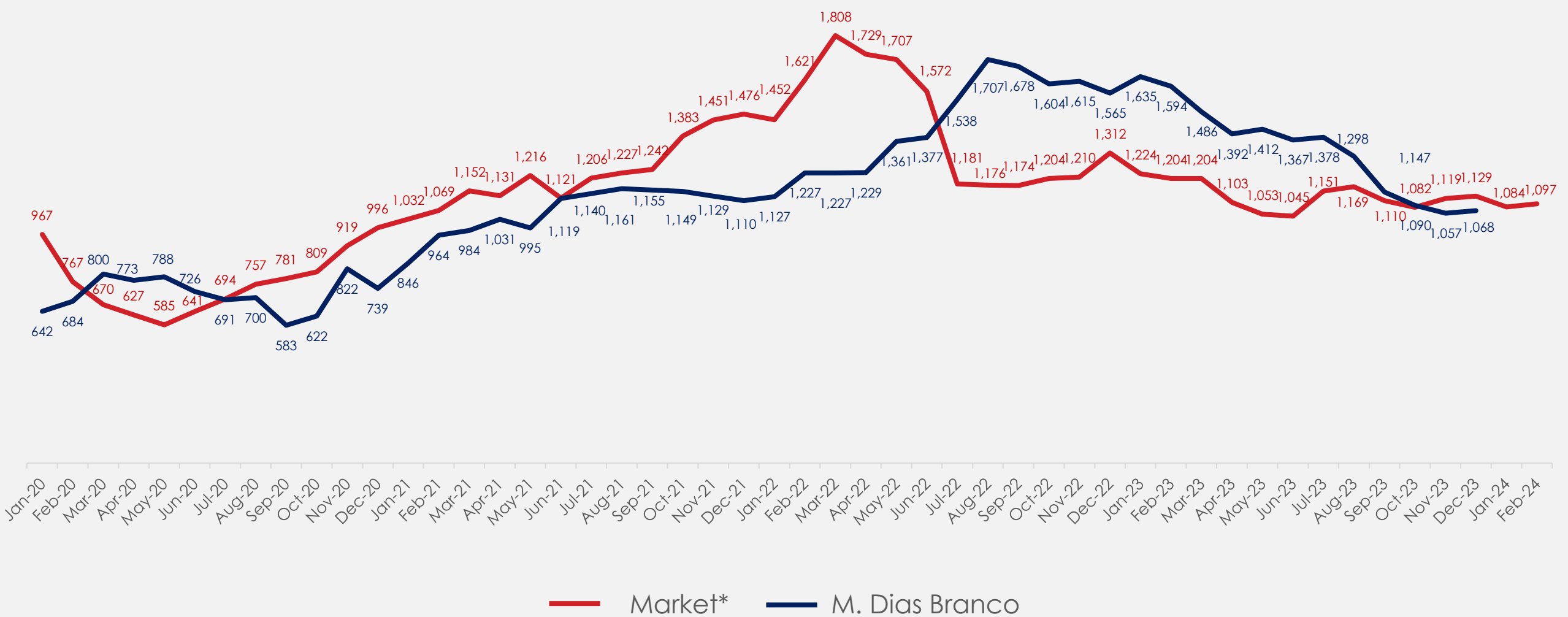
(US\$/TON.)



\*Source: Wheat - SAFRAS & Mercado.

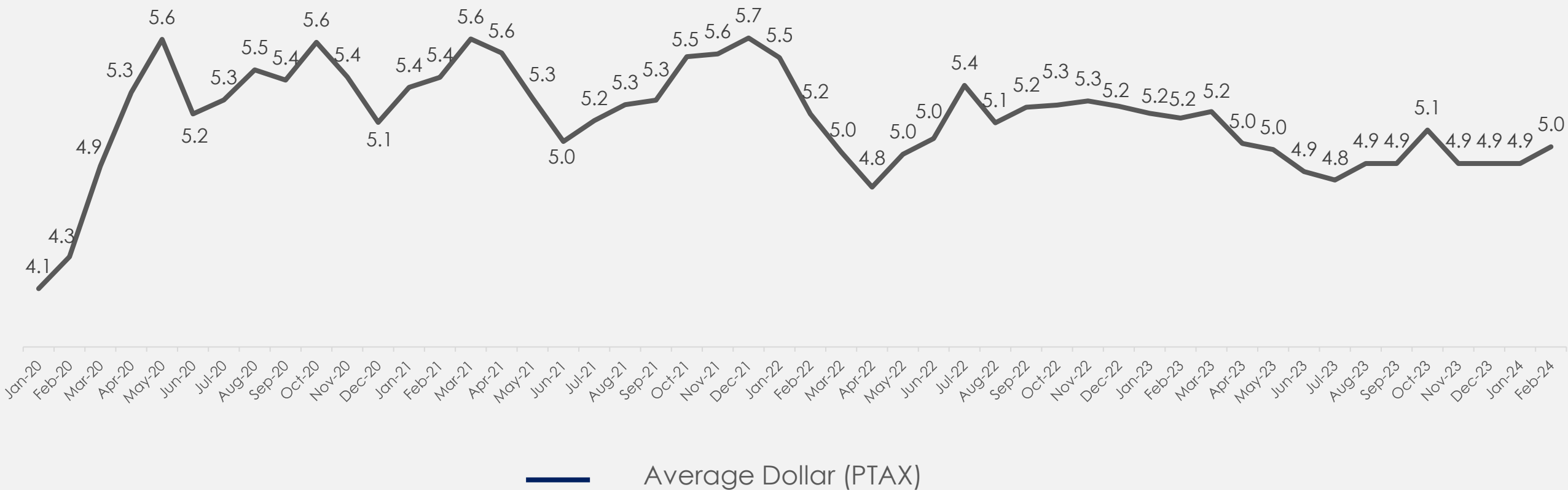
# PALM OIL

(US\$/TON.)



\*Source: Palm oil - Rotterdam.

# DOLLAR



Source: Bloomberg (Dollar – Ptax)

# NEW HEDGE POLICY (JUL/20)

Our policy aims to establish  
general rules and guidelines  
to protect and optimize  
results against fluctuations  
in exchange rates and  
commodity prices

## MODALITIES

### **FOREIGN EXCHANGE HEDGE**

Cash Flow Protection  
(NDF and Options)

### **COMMODITY HEDGE**

Commodity Futures Contract

### **DEBT HEDGE**

Foreign Currency Debt Protection  
(Swap Contracts)



# 1ST ISSUE OF CRAs BY M. DIAS BRANCO

(SETTLEMENT ON MARCH 24, 2021)

**R\$ 811.6**

(million)

**TOTAL CAPTURED**

**R\$ 2.3**

(billion)

**TOTAL DEMAND**

2.9x above the initial value

**Green Bond**

**National Long-Term Rating 'AAA' (bra)**

**Stable Outlook (Fitch Rating)**

## REMUNERATION

### 1st Series

Maturity: 7 years

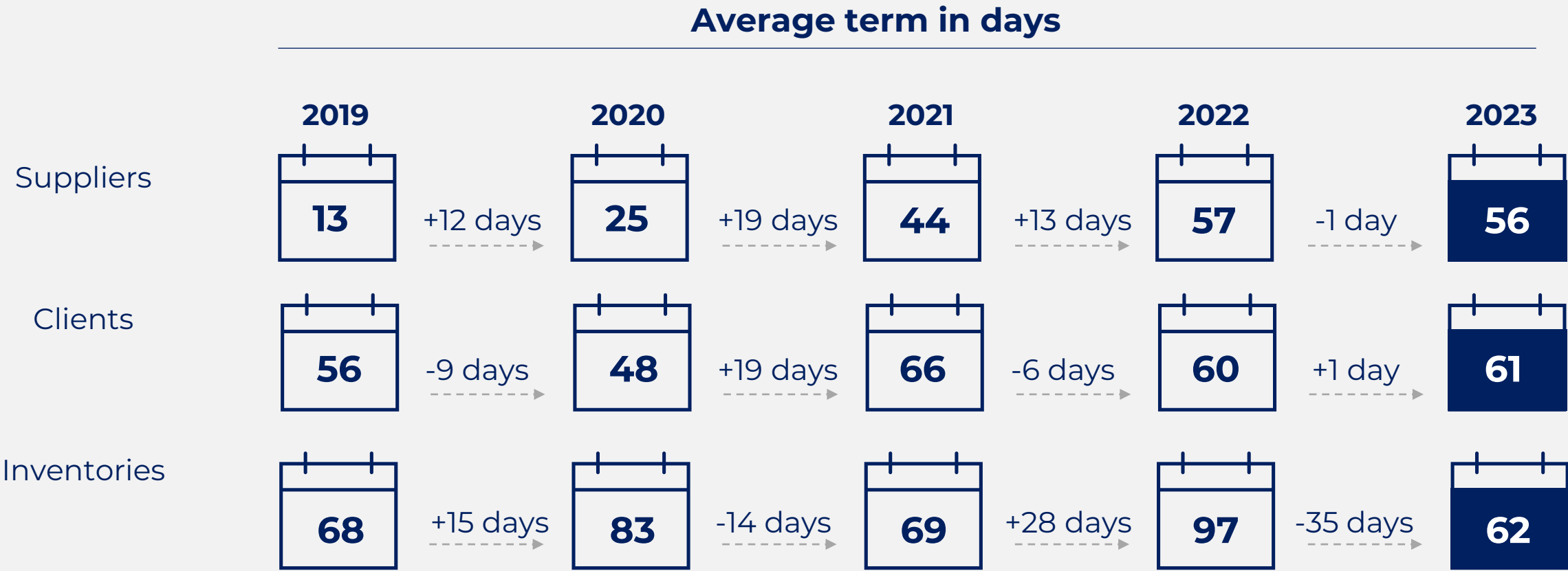
Rate: 3.79% + IPCA

### 2nd Series

Maturity: 10 years

Rate: 4.13% + IPCA

# WORKING CAPITAL RELEASE WITH IMPROVEMENT IN AVERAGE SUPPLIER AND LOWER INVENTORY COSTS IN 2023



## Revision in the Policy of Shareholders Remuneration

# Increased payout ratio



### FREQUENCY

**5** payments  
per year

(4 fixed e 1 variable)



### VALUE

**2023  
NEW** — **R\$0.06**/share

**2021 / 2022** — **R\$0.05**/share

(for each fixed payment)



### PAYOUT\*

**2023  
NEW** — **80%**

**2021 / 2022** — **60%**

**Until 2020** — **40%**

\*percentage of distributable net income



# Acquisitions





# LAS ACACIAS

- Acquired in October/2022 for R\$ 105 million;
- Accelerate our internationalization strategy (1 factory and 1 distribution center in Montevideo);
- It is among the top three pasta brands in Uruguay.

## INITIATIVES:

- ① Replacement of suppliers;
- ② Insertion of Las Acacias products in M. Dias portfolio;
- ③ Evaluate M. Dias products to incorporate Las Acacias portfolio.



# JASMINE

- Acquired in August/2022 for R\$ 344 million;
- Reference brand and leader in the market of granolas and healthy cookies;
- Consolidates M. Dias Branco's positioning in the healthy foods market.





# LATINEX

- Acquired in March/2021;
- Initial price of R\$ 180 million reaching up to R\$ 272 million;
- Reinforces our presence in healthy foods and snacks, seasoning, sauces and condiments segments.



HEALTHY  
FOODS



SNACKS



SALTS AND  
SPICES



SAUCES AND  
CONDIMENTS



HANDCRAFT CRISPS  
(LICENSE DISTRIBUTION)



# PIRAQUÊ

- Acquired in May/2018 for R\$ 1.5 billion;
- The brand, which has high added value, is already the second largest in our portfolio;
- Since the acquisition, Piraquê has grown rapidly throughout Brazil, improving our mix and average price.

## NET REVENUE

<b>TOTAL BRAZIL</b>	<b>R\$ 684</b> Million	<b>+75%</b>	<b>R\$ 1.2</b> Billion
	2017 Pre-acquisition		2023

<b>DEFENSE REGION</b>	<b>R\$ 14</b> Million	<b>+12x</b>	<b>R\$ 162</b> Million
	2017 Pre-acquisition		2023





# ESG

---

  
*M. Dias Branco*





# OUR PUBLIC COMMITMENTS UNTIL 2030



## Caring for the planet (environmental)

Water consumption reduction to 0.40 m<sup>3</sup>/t product

Use of renewable energy of 90%

Reutilization of 30% of the water consumed

Adoption of two carbon neutral seal product brands

Absolute greenhouse gas (GHG) emissions reduction by 20%

Water capture in areas of water stress reduction by 30%

Zero waste sent to landfills

Recovery of 38% of post-consumption packaging

Use of 100% recyclable and/or postable and/or biodegradable finished product plastic packaging

Reduced input losses in the production process to 0.94% (reduction by 25%)

Reduced finished product waste by 50%



## Believing in people (social)

150,000 people impacted by the program to promote entrepreneurship and professional training

80% in employee satisfaction index evaluated in an external survey

40% women in leadership

10 million people impacted by the nutrition education program for the population

Accident frequency rate no higher than 0.5 (own employees)

Severity rate at no more than 8% (own employees)

Market share leadership in four categories with health and nutrition attractions



## Strengthening alliances (governance)

80% of purchases from local suppliers



# OMEGA ALLIANCE



## WIND POWER GENERATION



Investment of R\$ 9 million

3 wind energy parks, installed in Paulino Neves/MA

Installed wind capacity of 97.2 MW

Total redirected to M. Dias Branco: 18 MW (50% of the Company's need)

Target of use of renewable energy of 90% until 2030



PROGRAM

ALLIANCE FOR THE FUTURE



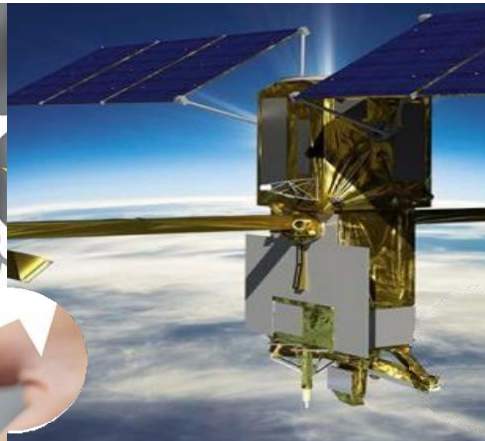
The project seeks the sustainable development of our supply chain through the M. Dias Branco green seal.

Launched in 2023, our goal is to have 100% critical suppliers evaluated and monitored by 2030.

## Program Pillars



**ASSESSMENT AND  
DEVELOPMENT**



**SOCIAL AND  
ENVIRONMENTAL  
MAPPING**



**COALITIONS AND  
EXTERNAL  
CERTIFICATIONS**



**OTHER INITIATIVES  
IN SUPPLY MARKETS**



*M. Dias Branco*

Update 2023





# TRANSFORMATION IN PROGRESS

## LARGEST MARKETING INVESTMENT | 2% NR



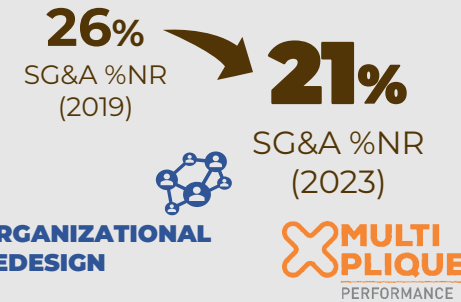
## BRAND STRENGTHENING

	2021	2023
Total Knowledge	90	96
Consideration	59	73
Last 3 months Purchase	42	58
Preference	9	13

## NEW CATEGORIES | INNOVATION



Management team with internal and external experiences



## Local Green Bond

76% LONG-TERM DEBT (2023)



## FINANCIAL CYCLE

112 DAYS (2019) → 67 DAYS (2023)



## SERVICE LEVELS

CFR (Case fill rate) 84% (2021) → 92% (2023)

OTIF (On time in full) 40% (2021) → 76% (2023)



## PERFECT STORE

for 70% of the revenue



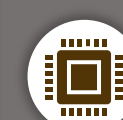
We discontinued 300 SKUs in 2020 and 2021



New channels E-COMMERCE DISTRIBUTORS



Implementation of a Revenue Management team



NEW ERP SAP - JAN/24



INDUSTRY 4.0



STRATEGIC SOURCING



HEDGE POLICY

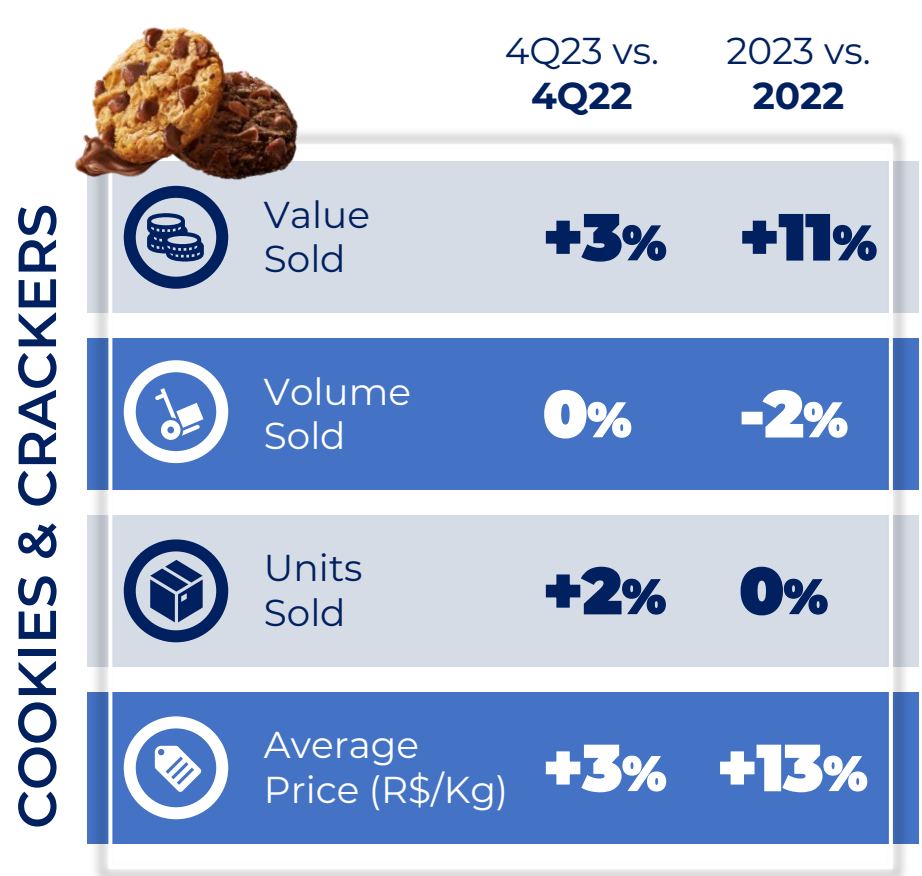


65% renewable energy (2023) and 90% target by 2030 (In partnership with OMEGA)



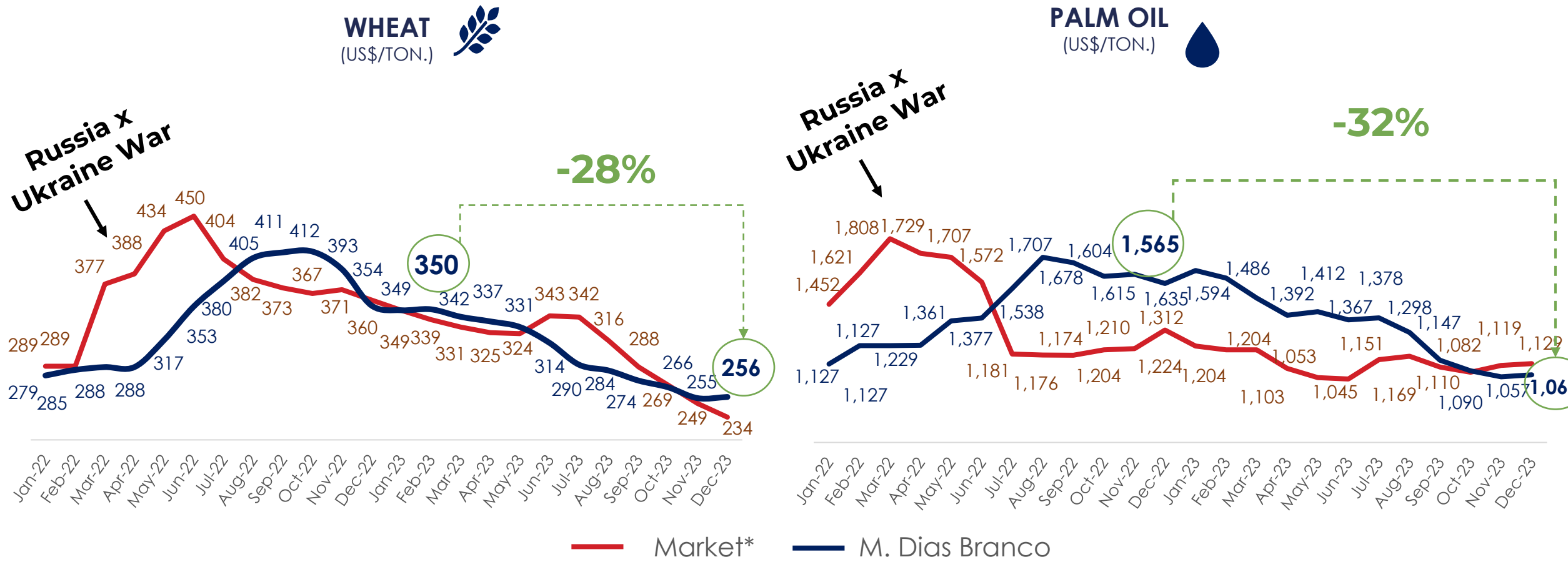
Total Shareholder Return as a long-term incentive for the executive team

# The cookies & crackers and pasta markets grew in 2023 (sell-out)



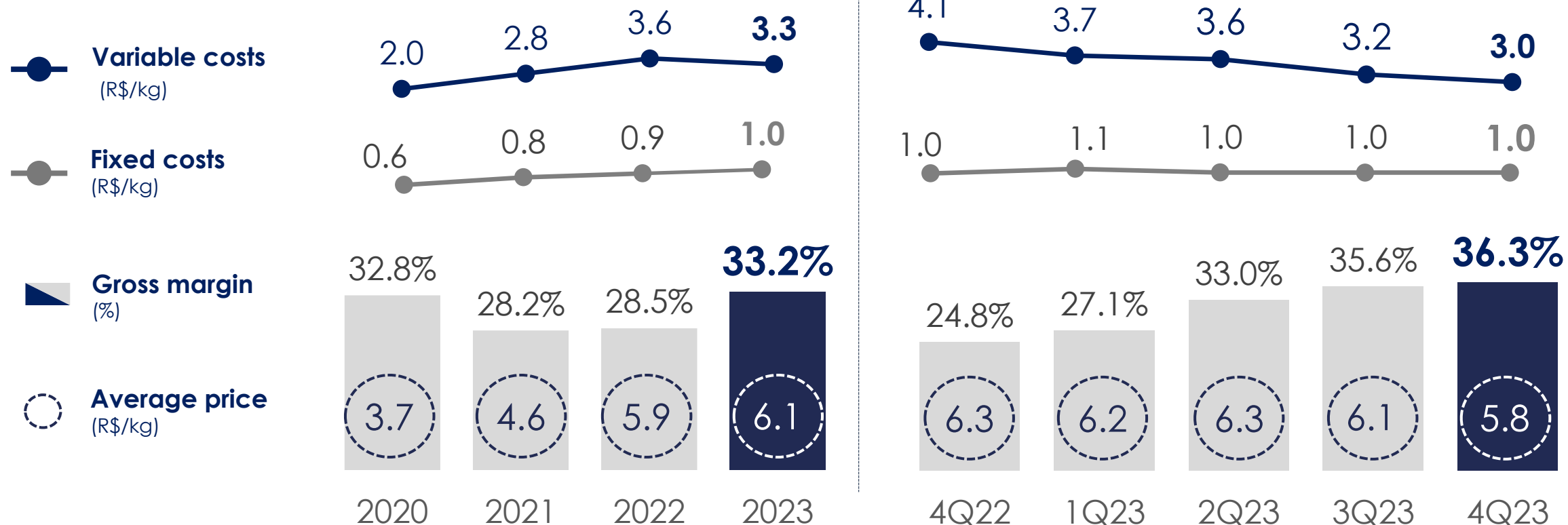
Source: Nielsen – Retail Index. Total Brazil. INA+C&C.

# Lower prices in wheat and palm oil in 2023. We closed the year with substantially lower costs than Dec/22

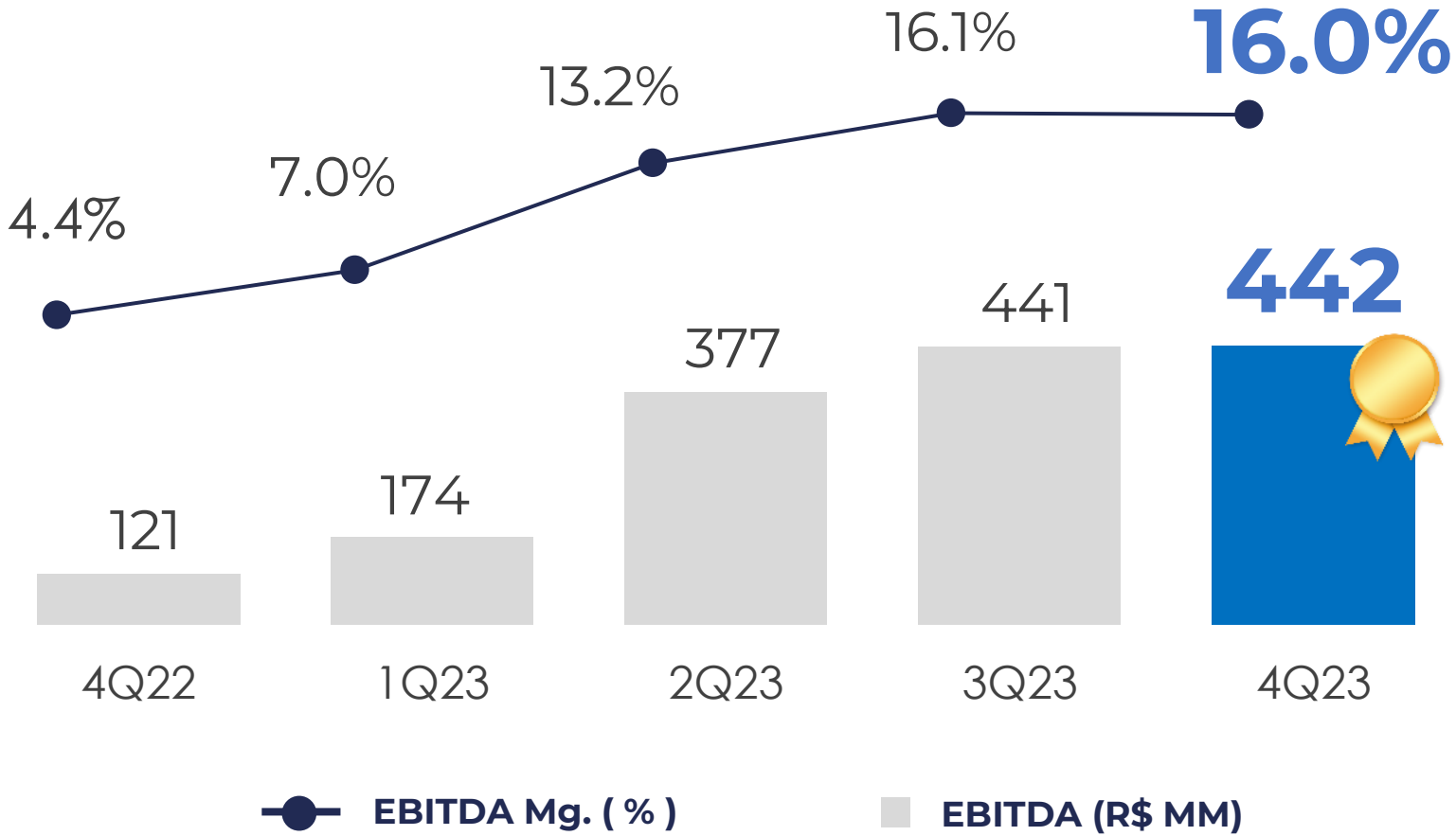




# Increase in gross margin due to the decrease in commodity prices and higher average prices YTD



# Sequential growth of EBITDA, reaching R\$ 442.4 million and 16.0% EBITDA Margin in 4Q23



**16.7%**

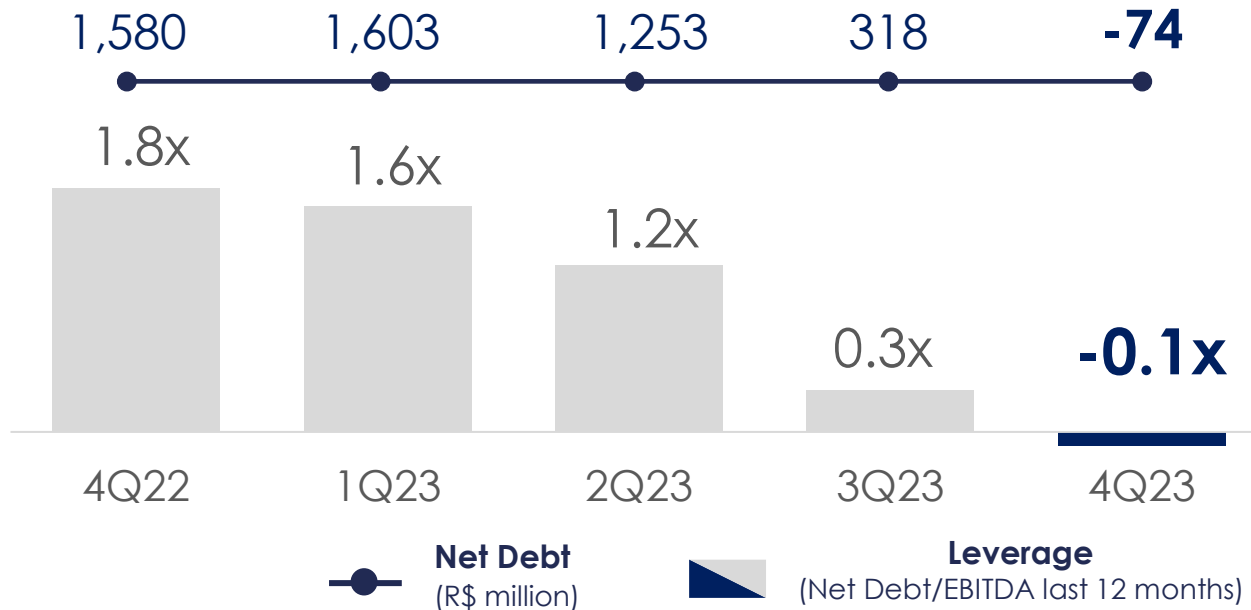
EBITDA Mg.  
Average  
2006 to 2020

# Strong cash generation in 2023, maintaining AAA rating and deleveraging

## Leverage Net (Cash) Debt / EBITDA (last 12 months)



Acquisitions



NATIONAL RATING  
FITCH RATINGS

**AAA**

Stable Outlook  
Rating Reaffirmed

6<sup>th</sup> CONSECUTIVE  
YEAR

R\$ MM	2022	2023
--------	------	------

FCFF*	190	1,844
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EBITDA	900	1,434
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\*Free Cash Flow to Firm

# FINANCIAL RESULTS 2015-2023

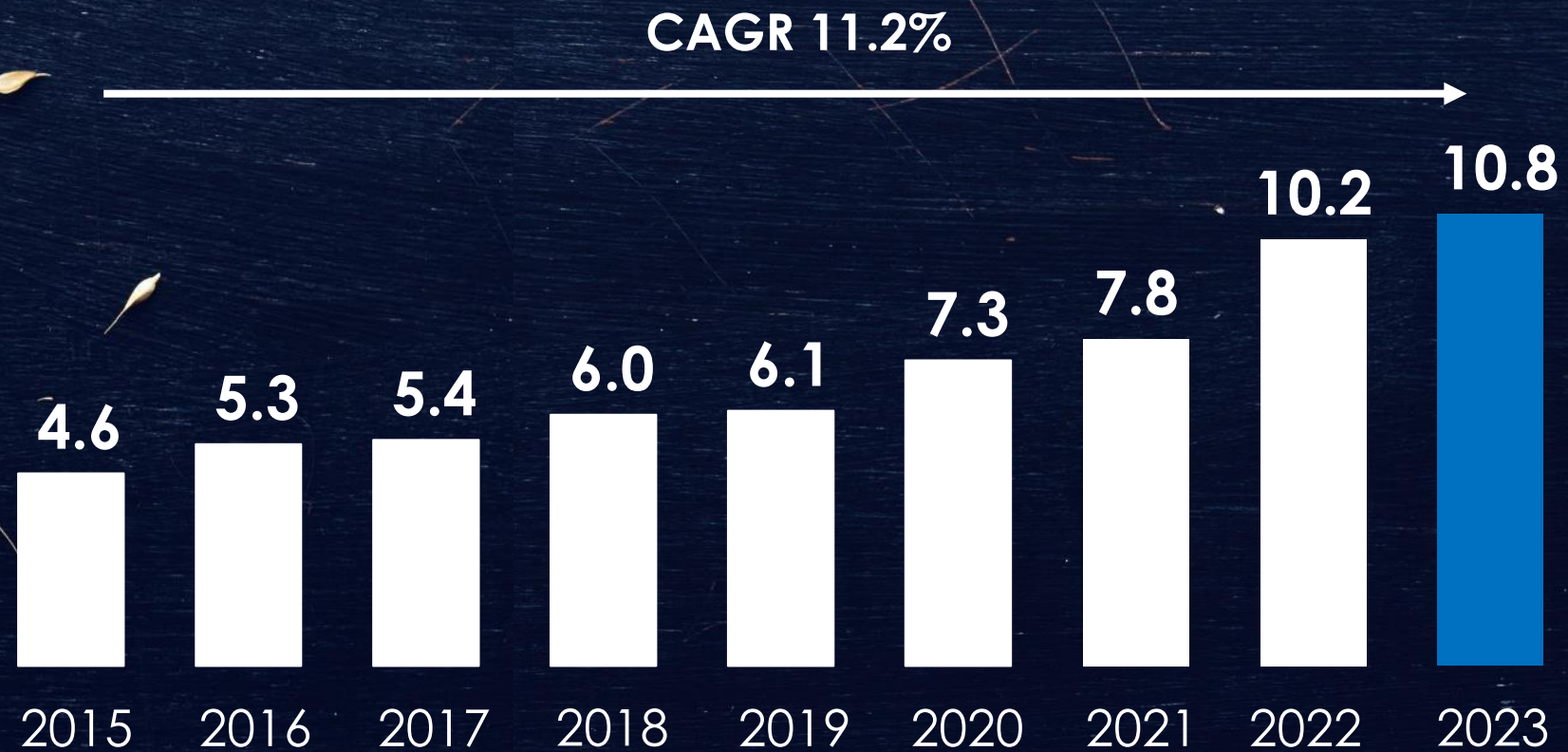
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*M. Dias Branco*



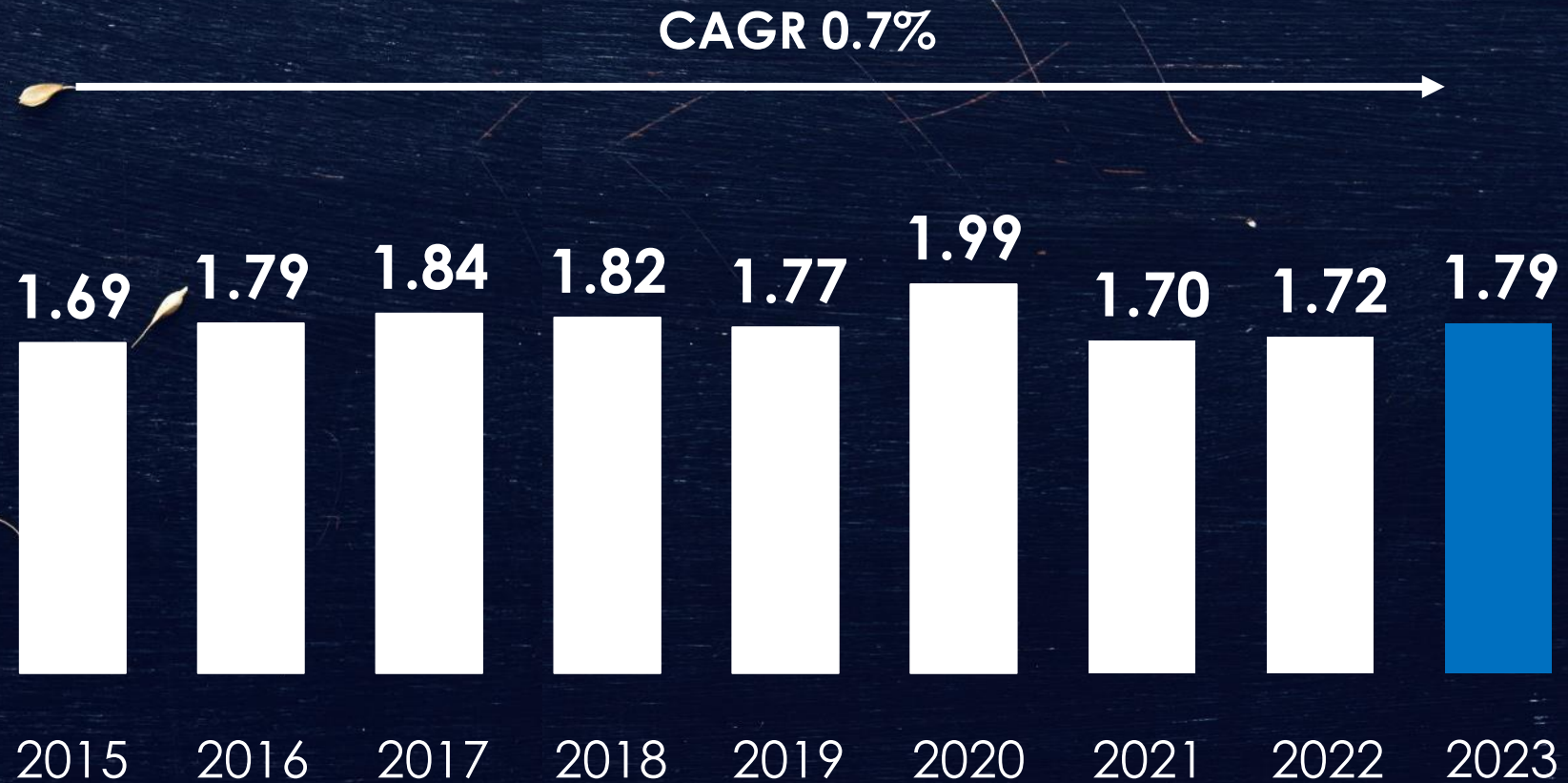


# NET REVENUE (R\$ BILLION)





# VOLUME (MILLION TON.)





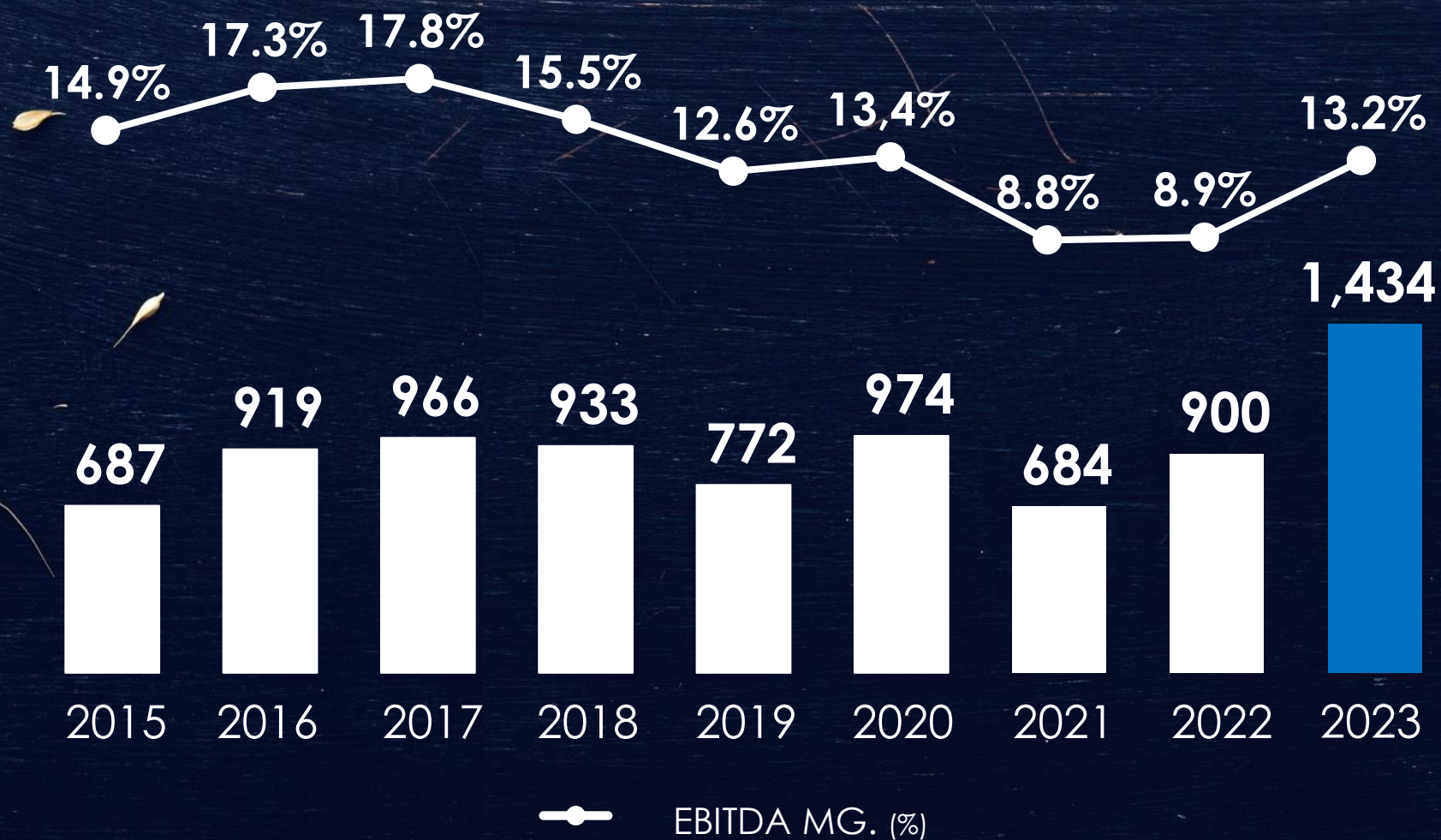
# EVOLUTION OF WHEAT PRICE IN US\$



Source: Bloomberg - W1 Comdty.

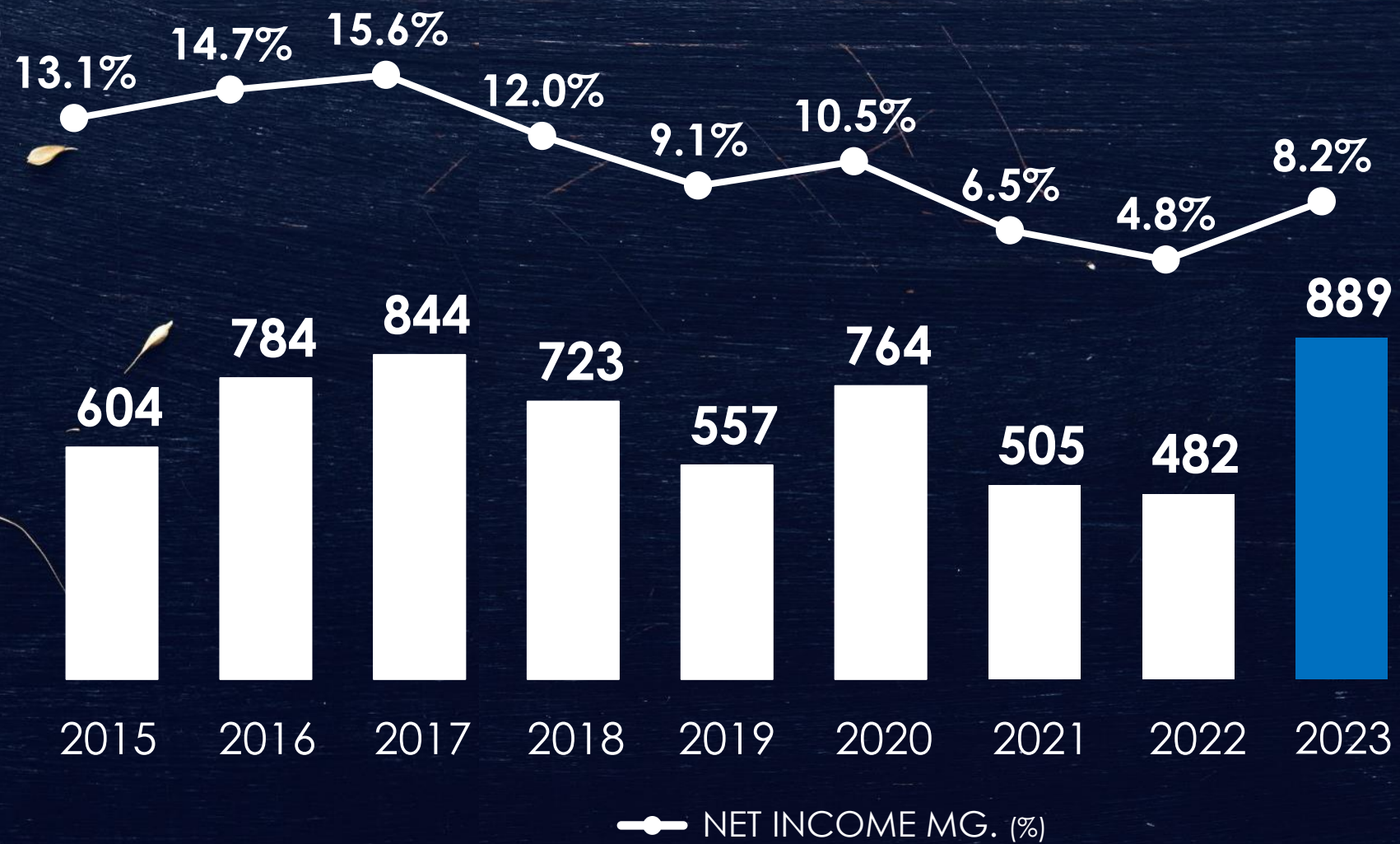


# EBITDA (R\$ MILLION)



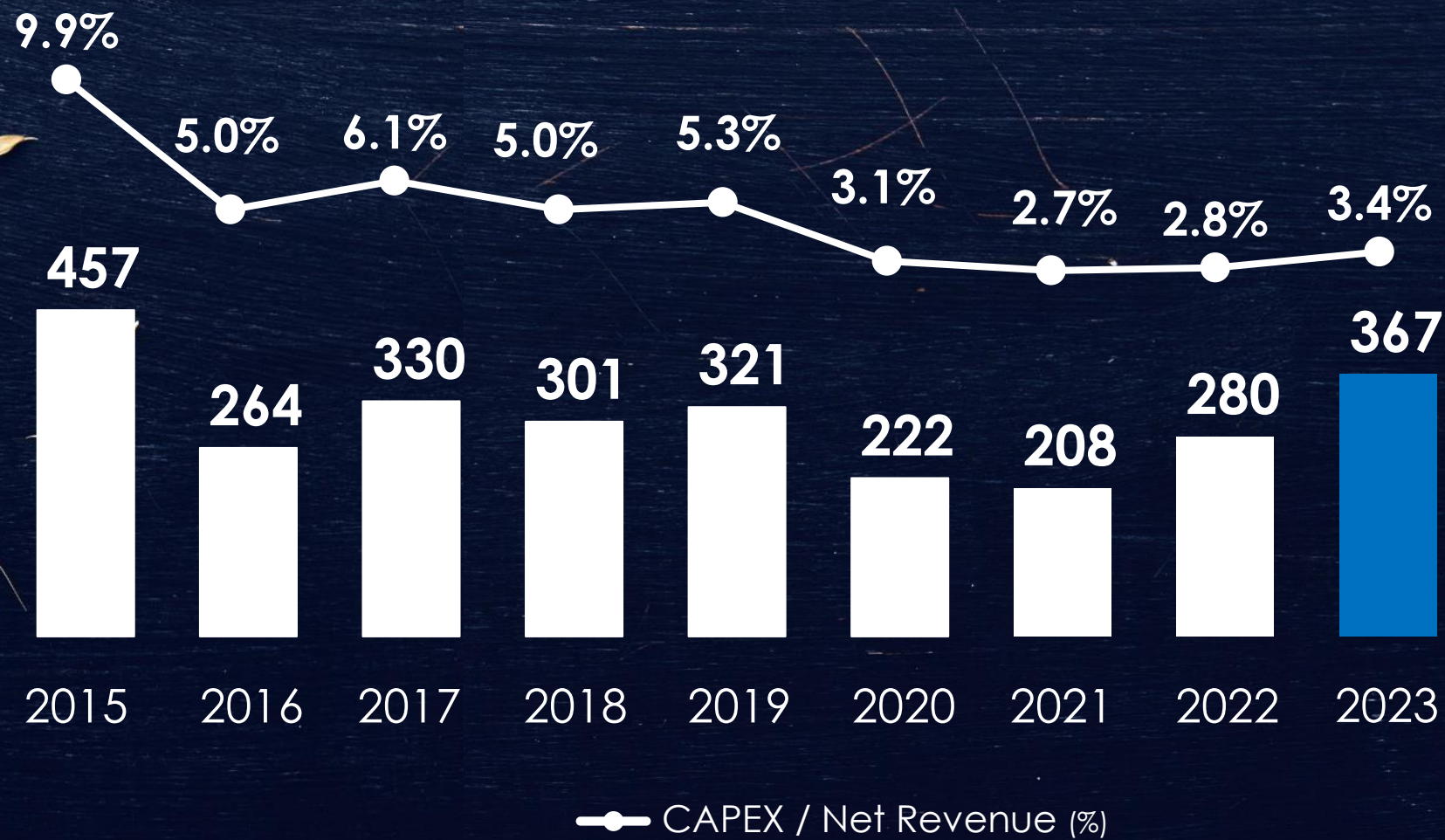


# NET INCOME (R\$ MILLION)





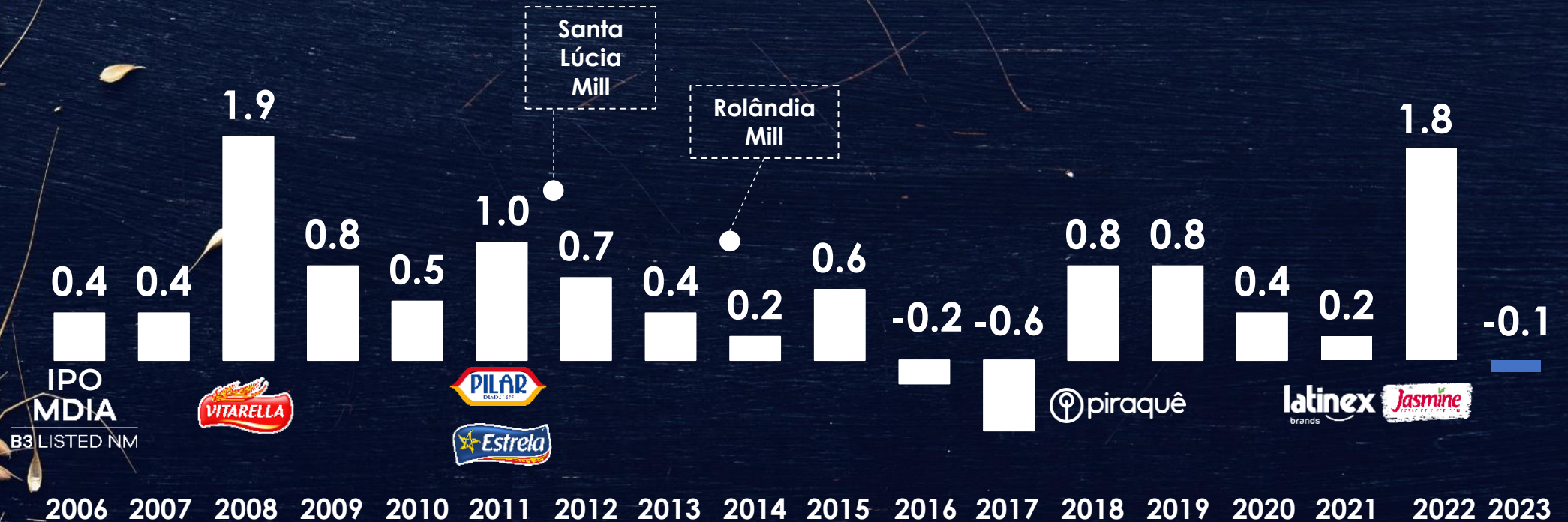
# CAPEX (R\$ MILLION)





# LEVERAGE

NET DEBT (CASH) / EBITDA LAST 12 MONTHS



Adria: Acquired in 2003

# FINANCIAL RESULTS Last 12 Months

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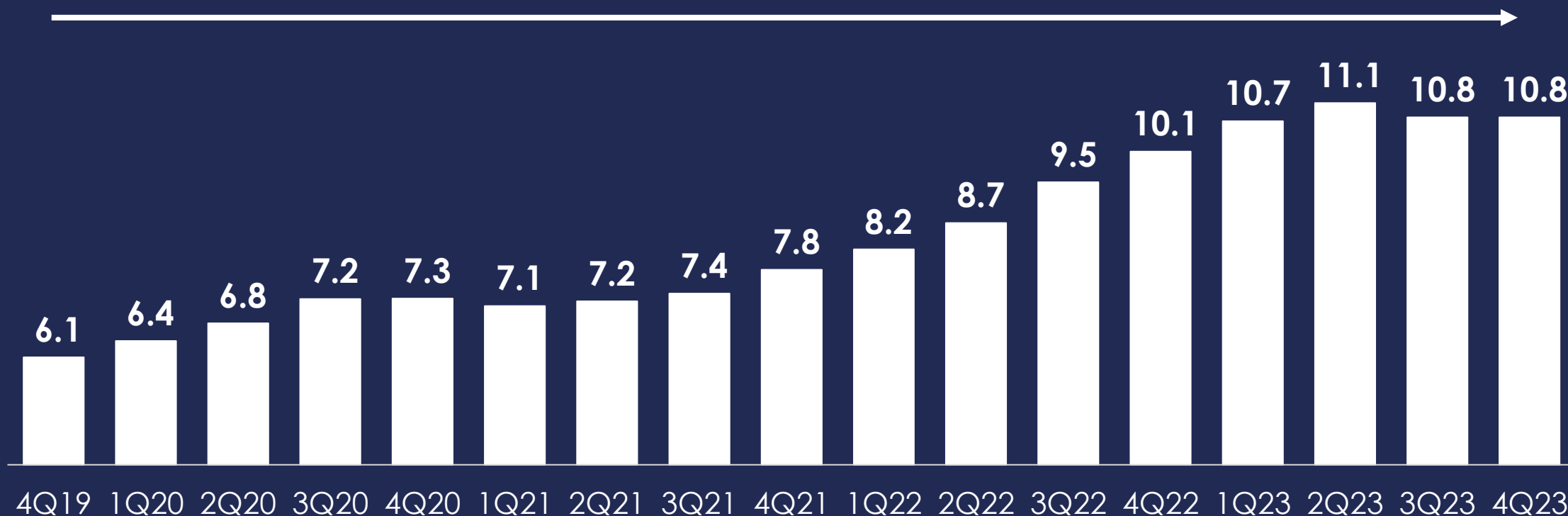
  
*M. Dias Branco*





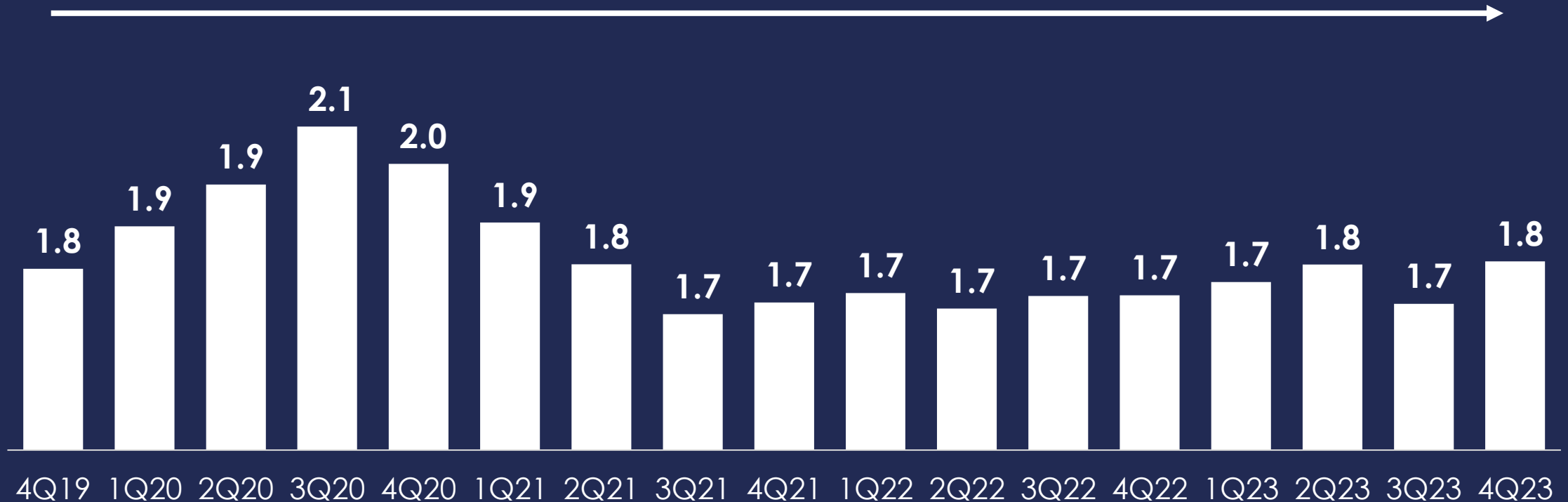
# NET REVENUE (Last 12 months R\$ Billion)

**+77.6% | 4Q23 vs. 4Q19**



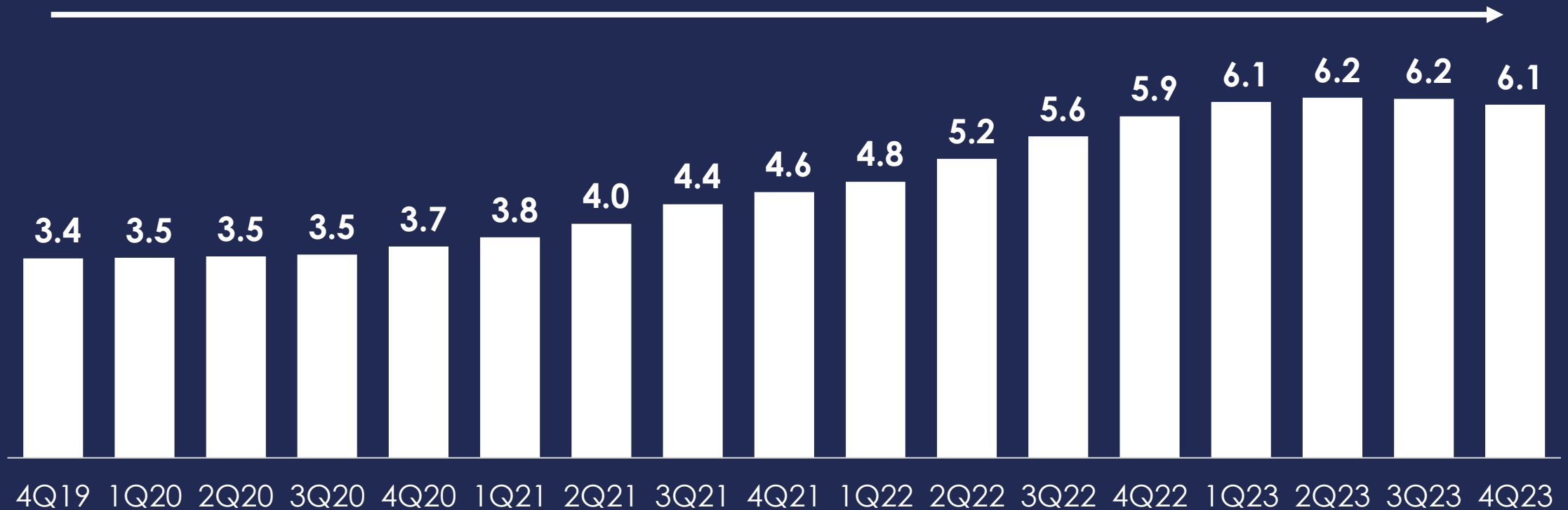
# VOLUME (Last 12 months Million Ton.)

**+0.9% | 4Q23 vs. 4Q19**



# AVERAGE PRICE R\$/Kg (Last 12 months)

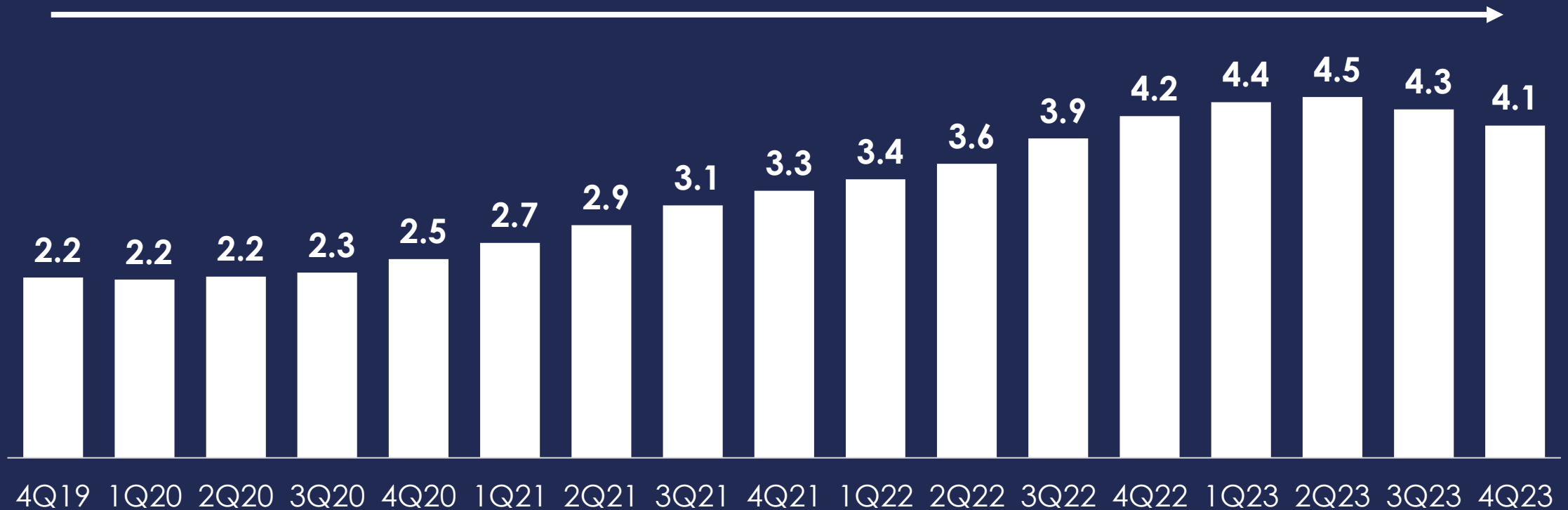
**+76.1% | 4Q23 vs. 4Q19**





# COGS R\$/Kg (Last 12 months)

**+82.2% | 4Q23 vs. 4Q19**



# EBITDA (Last 12 months R\$ Billion)

**+85.7% | 4Q23 vs. 4Q19**



# NET INCOME (Last 12 months R\$ Billion)

**+59.6% | 4Q23 vs. 4Q19**







# COOKIES & PASTA MARKETS



# Growth opportunities



## Cookies & Crackers

### Market

(R\$ billion – Sell-out)

32,5

22,4

10,1

### Market

(thousand tonnes)

1.528

992

536

### Opportunity

(R\$ billion – Sell-out)

23,2

17,9

5,3

### Share volume

(%)

31,8%

21,5%

50,9%

Total

Attack

Defense



## Pasta

9,3

6,4

3,0

1.093

729

364

6,7

5,3

1,4

28,9%

17,5%

51,7%

Total

Attack

Defense



## Noodles

5,8

218

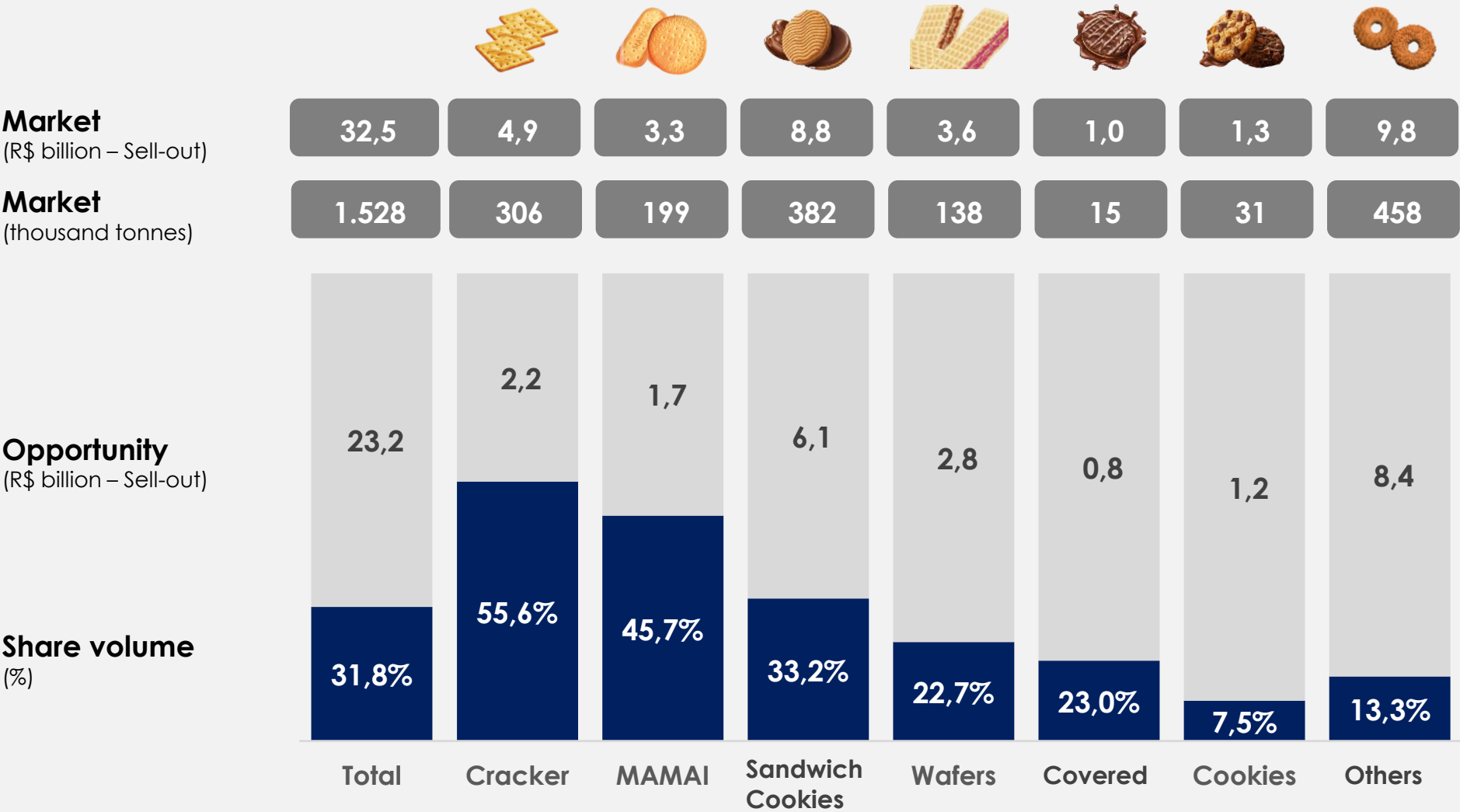
5,5

10,0%

Total

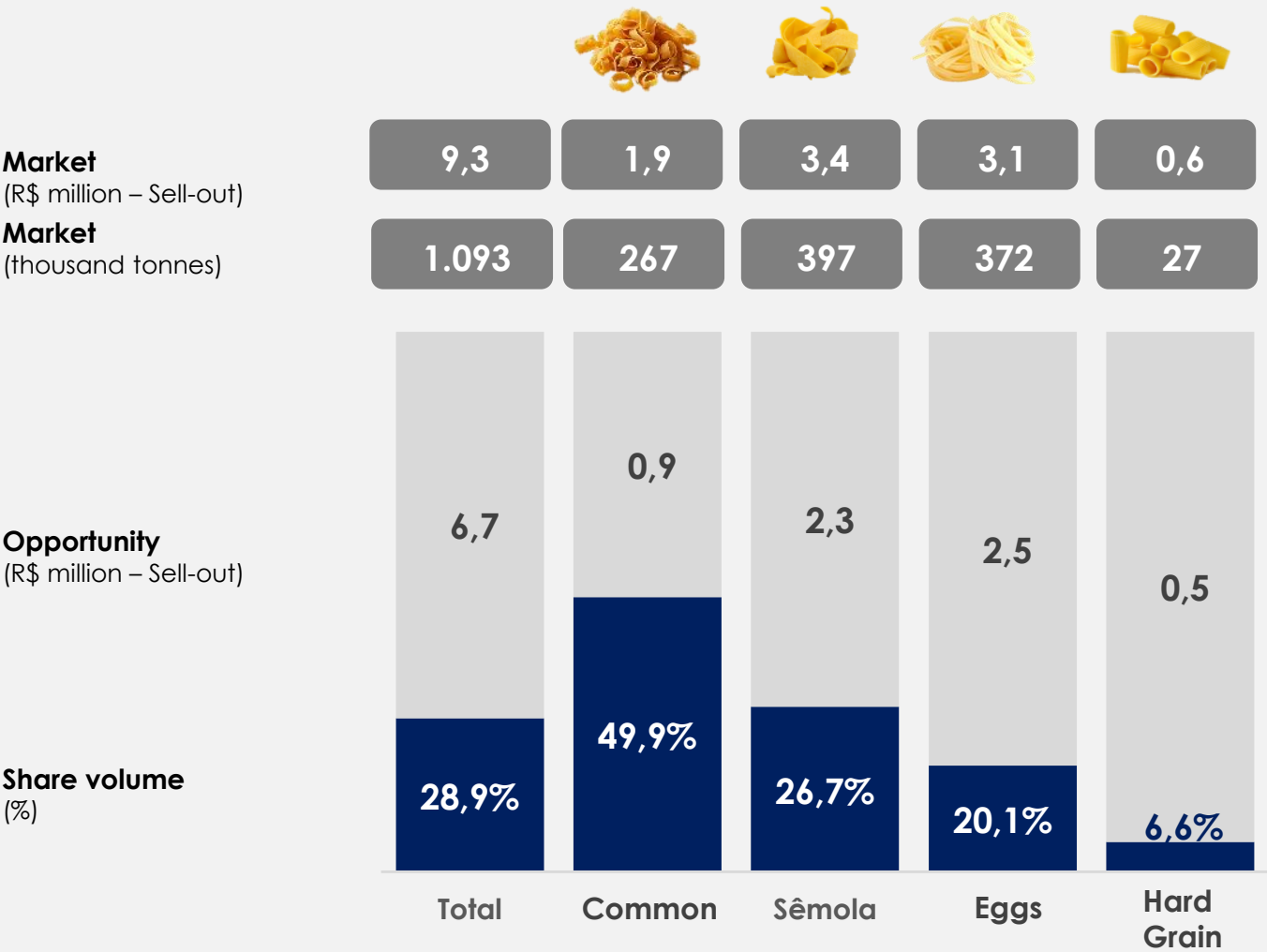
Source: ABIMAPI + Nielsen + M. Dias Branco estimates.

# Growth opportunities – Cookies & Crackers



Source: ABIMAPI + Nielsen + M. Dias Branco estimates.

# Growth opportunities – Pasta



Source: ABIMAPI + Nielsen + M. Dias Branco estimates.





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Results  
Presentation  
**4Q23 | 2023**

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**MDIA3**

February 26<sup>th</sup>, 2024

[youtube.com/rimdias](https://youtube.com/rimdias)

[ri.mdiasbranco.com.br](https://ri.mdiasbranco.com.br)

[ri@mdiasbranco.com.br](mailto: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.



Net Income of R\$889 million in 2023 - annual record –  
result of a hard and obstinate work, as well as the  
consistency and discipline in executing initiatives aligned  
with our plan to grow with profitability, always supported  
by a culture that seeks excellence, innovation, and  
continuous development of our employees.







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

2023

**10.8**

+7.0% vs. 2022

4Q23

**2.8**

+0.2% vs. 4Q22

+1.3% vs. 3Q23



**EBITDA**  
(R\$ Million)

**1,434**

+59% vs. 2022

**442**

+265% vs. 4Q22

+0.4% vs. 3Q23



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

**889**

+85% vs. 2022

**342**

+22x vs. 4Q22

+32% vs. 3Q23



**Cash Flow**  
(R\$ Million)

**2,126**

107 MM | 2022

**584**

326 MM | 4Q22

973 MM | 3Q23







In 2023, in addition to the all-time high results,  
we continue to transform M. Dias Branco.



## MARKETING TO SELL MORE AND BETTER!!!



## ITEMS WITH HIGHER ADDED VALUE COMBINED WITH LAUNCH STRATEGY



**+31%**

Growth of Other  
Categories in 2023

**R\$ 299  
Million**

Revenue of Launches (Cookies  
& Crackers) in 2023



## SERVICE LEVEL EVOLUTION

**CFR:**

Case fill rate

**92% 2023**

(84% in 2021)

**OTIF:**

On time in full

**76% 2023**

(40% in 2021)

## INDUSTRY

**4.0**



**MDIA**  
B3 LISTED NM

WE INCREASED THE % OF  
DISTRIBUTABLE PROFIT TO  
BE PAID TO SHAREHOLDERS

**80%** payout  
(60% before)

**R\$0.06**/share  
(R\$ 0.05 before)

**Great  
Place  
To  
Work®**  
Certificada  
Mar/2023 - Mar/2024  
BRASIL

WE ARE GREAT  
PLACE TO  
WORK AND  
WE INTEGRATE  
IGPTWB3



**IMPLEMENTED  
ON JAN/24**

## COMBINATION BETWEEN FACTORIES, GENERATING SYNERGY



## ITEMS WITH HIGHER ADDED VALUE COMBINED WITH LAUNCH STRATEGY



**+31%**

Growth of Other  
Categories in 2023

**R\$ 299  
Million**

Revenue of Launches (Cookies  
& Crackers) in 2023



PERFECT STORE MODEL IN  
POINTS OF SALES WHICH  
REPRESENTS 70% OF SALES  
(COOKIES & CRACKERS,  
PASTA AND OTHER  
CATEGORIES)



WE ARE GREAT  
PLACE TO  
WORK AND  
WE INTEGRATE  
IGPTWB3

**Great  
Place  
To  
Work®**  
Certificada  
Mar/2023 - Mar/2024  
BRASIL



**IMPLEMENTED  
ON JAN/24**



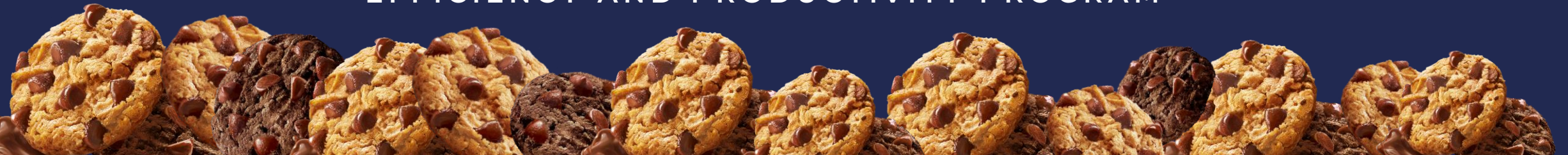
**JBP**  
(joint business plan)



# Profitable Growth Strategy



EFFICIENCY AND PRODUCTIVITY PROGRAM





# REVENUE & MARKET SHARE


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*M. Dias Branco*



# The cookies & crackers and pasta markets grew in the year and in the quarter (sell-out | retail sales to consumers)

## COOKIES & CRACKERS



	4Q23 vs. 4Q22	2023 vs. 2022
 Value Sold	<b>+3%</b>	<b>+11%</b>
 Volume Sold	<b>0%</b>	<b>-2%</b>
 Units Sold	<b>+2%</b>	<b>0%</b>
 Average Price (R\$/Kg)	<b>+3%</b>	<b>+13%</b>

## PASTA



	4Q23 vs. 4Q22	2023 vs. 2022
 Value Sold	<b>+5%</b>	<b>+13%</b>
 Volume Sold	<b>+4%</b>	<b>+2%</b>
 Units Sold	<b>+7%</b>	<b>+4%</b>
 Average Price (R\$/Kg)	<b>+1%</b>	<b>+11%</b>

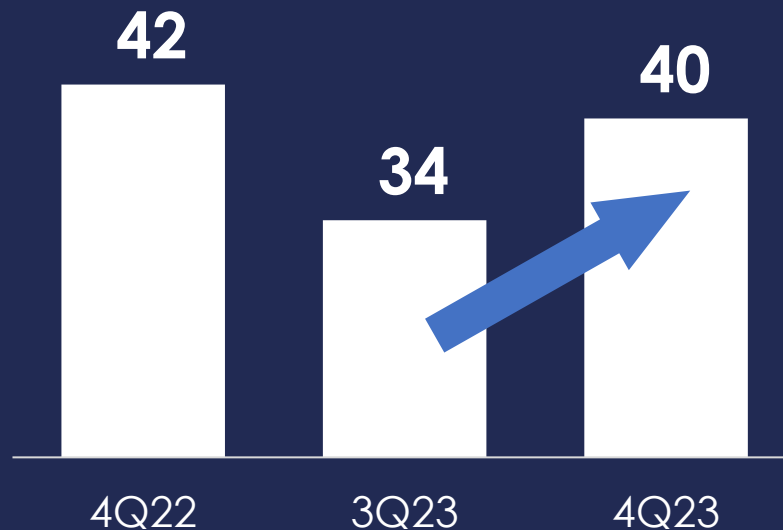
Source: Nielsen – Retail Index. Total Brazil. INA+C&C.



# Normalization of customer inventories throughout 4Q23



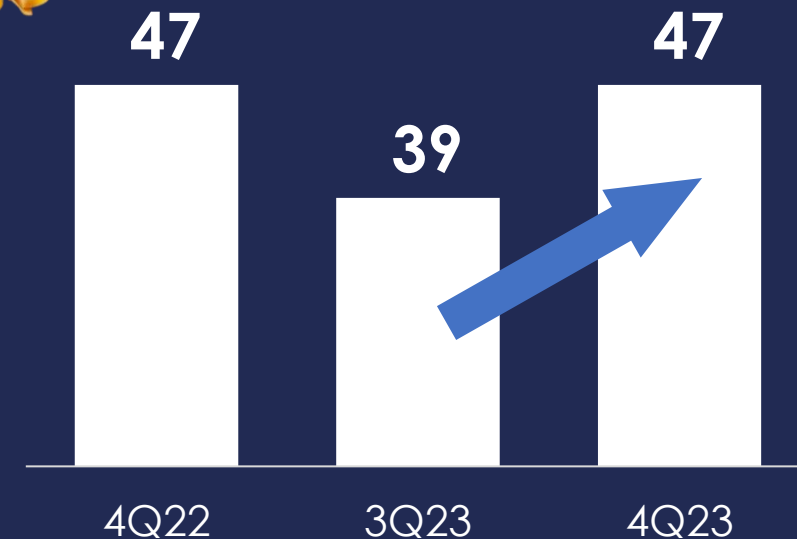
**Days\* of inventory at Retail**  
(Cookies & Crackers - M. Dias Branco)



\*Source: Neogrid Direct/Indirect + Estimate C&C

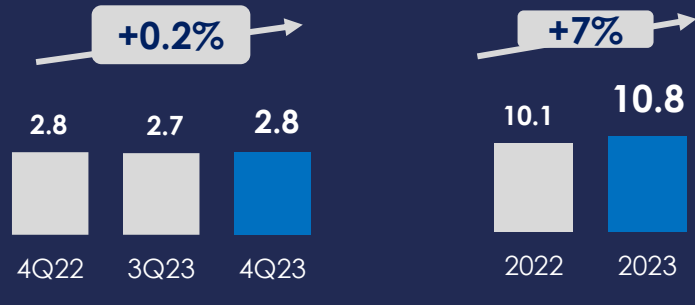


**Days\* of inventory at Retail**  
(Pasta - M. Dias Branco)

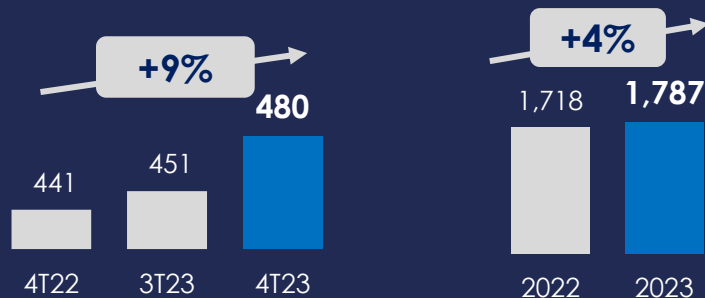




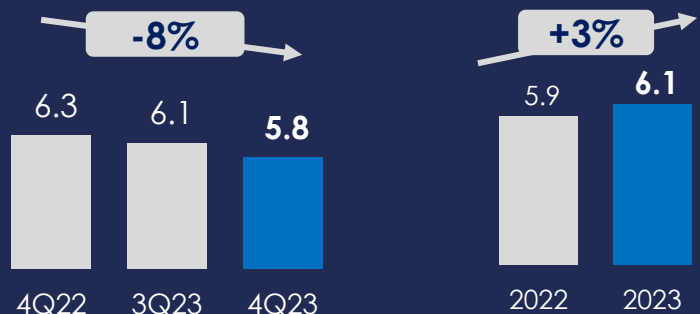
## Net Revenue (R\$ billion)



## Sales Volume (Thousand Tonnes)



## Average Price (R\$/Kg)

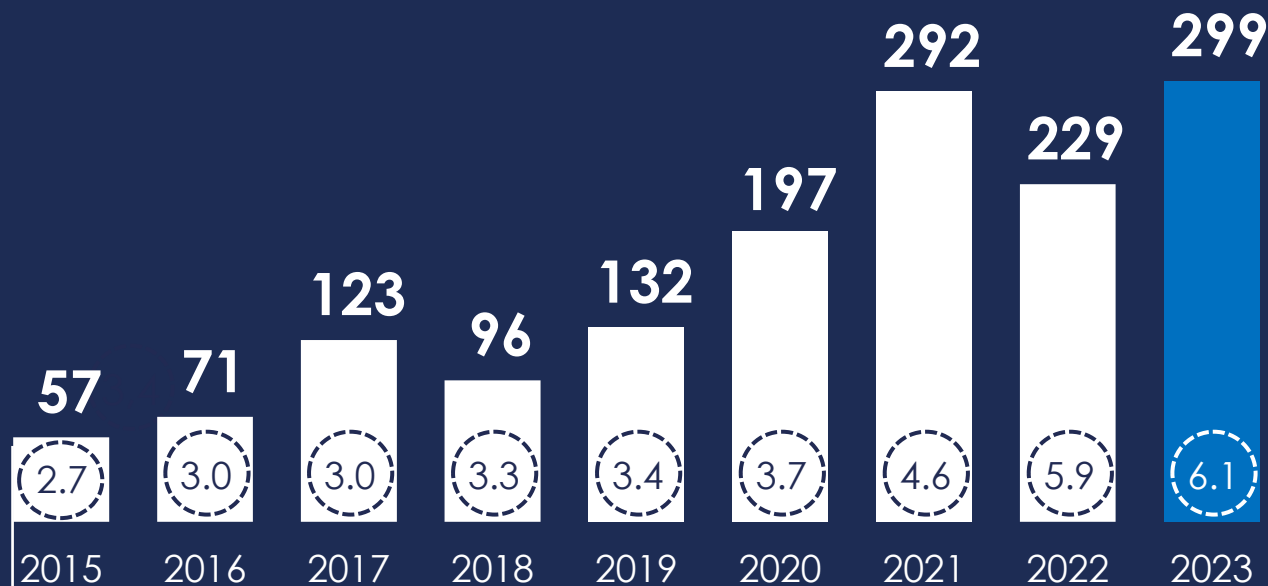


## Determining factors for growth

- Marketing to sell more and better (2.0% of Net Revenue);
- Accelerated growth of higher value-added items (+31% growth in other categories in 2023, R\$443 million);
- Reintroduction of low-price brands in Cash & Carry;
- Adjustment of packaging sizes for pasta (2Q23-3Q23) and cookies & crackers (2022);
- Growth of Flour and Bran leveraged by the Bento Gonçalves Mill (volumes +10% in Brazil and +21% in the Attack region) and a dynamic pricing process;
- Price capture in cookies & crackers and pasta, with volume recovery in 4Q23 and record contribution from cookies & crackers launches (R\$299 million in 2023);
- SKUs with low profitability excluded from portfolio (e.g. Picanha Ramen, Vanilla Cookie and Vitaminized Milk Cookie);
- Selective use of Working Capital and promotional actions to boost volumes;
- Evolution of service level: OTIF of 76% in 2023 (40% in 2021) and CFR of 92% in 2023 (84% in 2021).

**R\$ 299.5 million in gross revenue of cookies & crackers launched in the last 24 months**  
**ALL-TIME HIGH REVENUE!!!**

Gross Revenue from Cookies & Crackers Launches (R\$ million)



→ **Average Price Cookies & Crackers**  
(R\$/Kg)

**28.7**  
R\$/Kg



**24.7**  
R\$/Kg



**16.3**  
R\$/Kg



**16.5**  
R\$/Kg

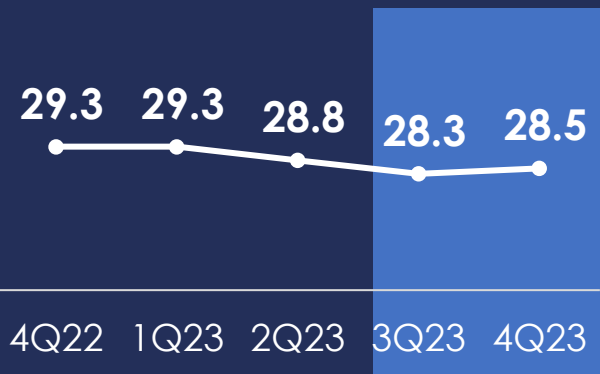




# We expanded the market share in value and volume vs. 3Q23 in Cookies & Crackers and Pasta

Market share %  
Value  
Brazil

## Cookies & Crackers



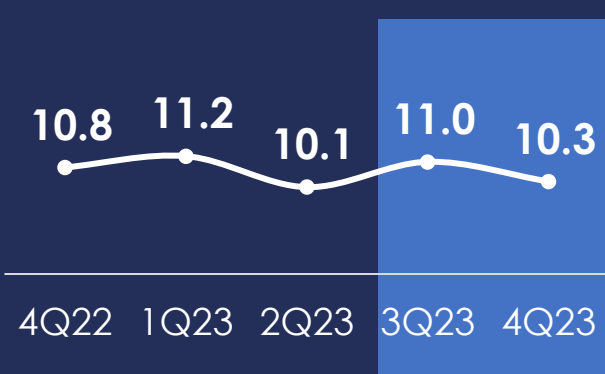
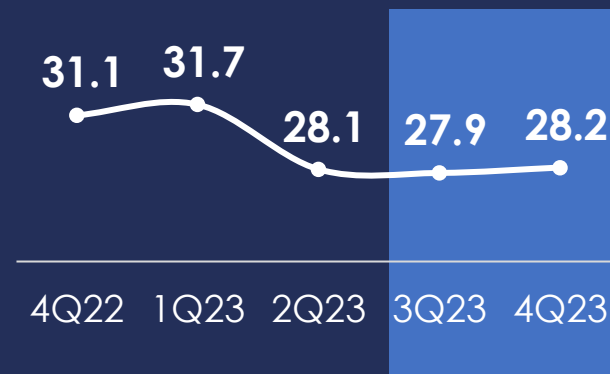
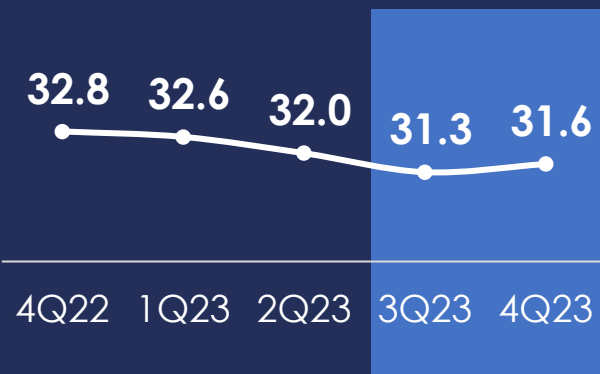
## Pasta



## Wheat Flour



Market share %  
Volume  
Brazil



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





In 2023, growth in the Defense and Attack regions. In the quarter, recovery of volumes in both regions

2023 vs. 2022

**+6%**



**+2%**  
Price



**+4%**  
Volume

**+8%**



**+3%**  
Price



**+5%**  
Volume

4Q23 vs. 4Q22

**+1%**



**-7%**  
Price



**+9%**  
Volume

**-1%**



**-8%**  
Price



**+8%**  
Volume



# Drivers and enablers for 2024 growth already in place

## DRIVERS

Cross-selling



Innovation



Low price brands in Cash & Carry

## ENABLERS

Marketing



Commercial Excellence



JBP (Joint Business Plan)



Revenue Management



Service Level

OTIF

CFR

# COSTS & EXPENSES

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*M. Dias Branco*

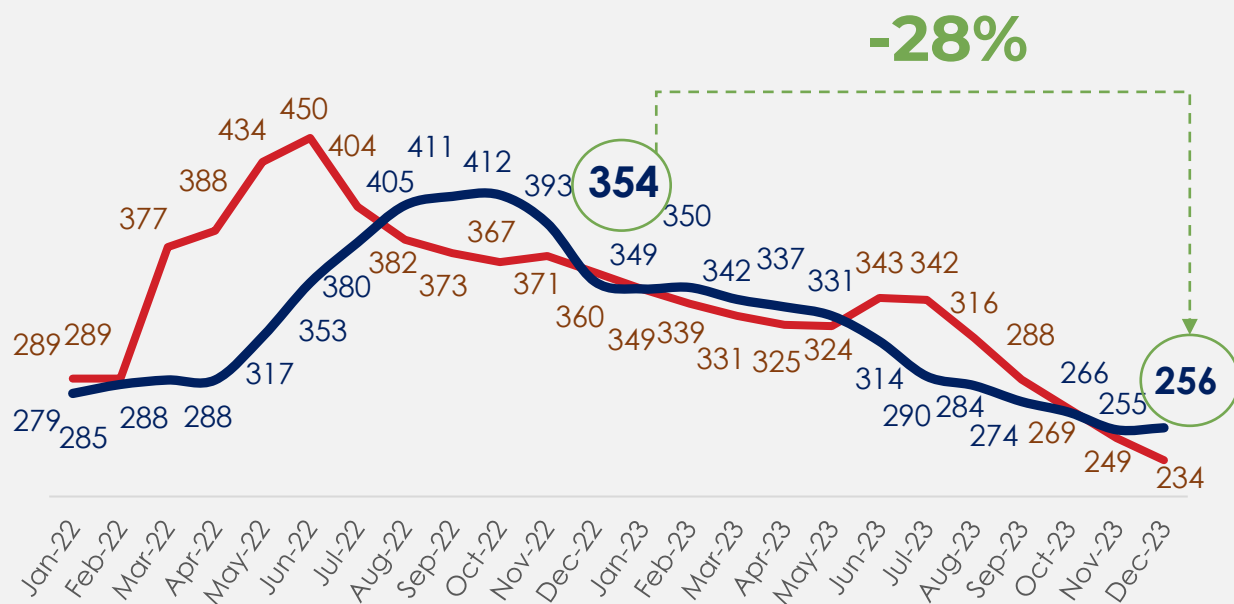




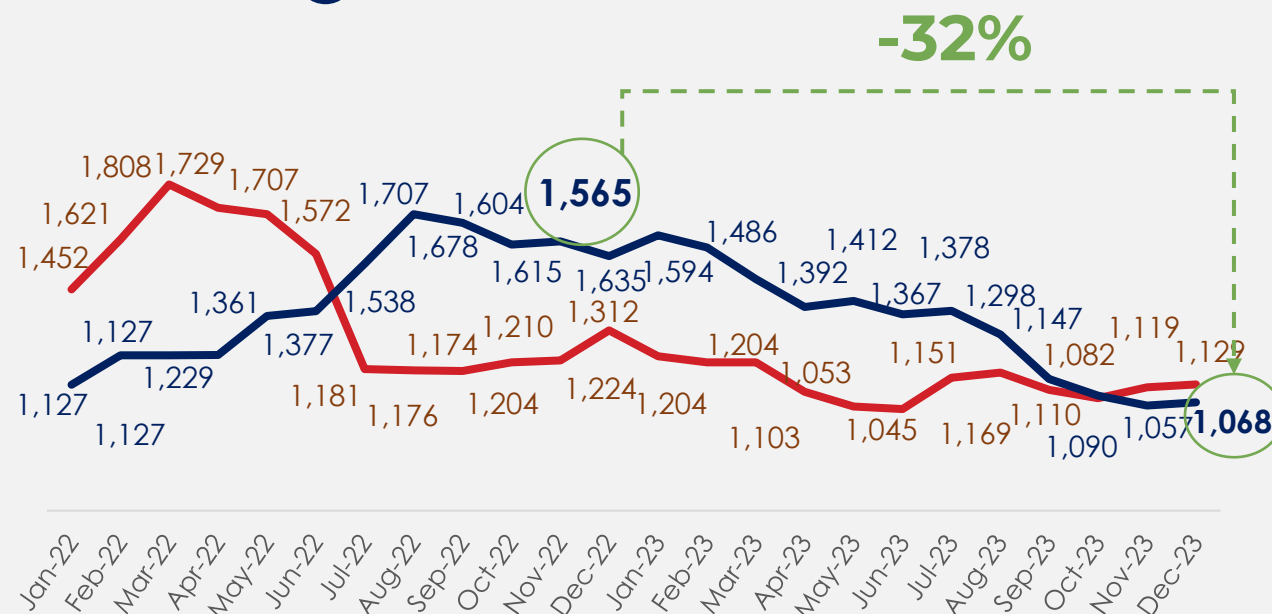


# Lower prices in wheat and palm oil in 2023. We closed the year with substantially lower costs than Dec/22

WHEAT  
(US\$/TON.)



PALM OIL  
(US\$/TON.)

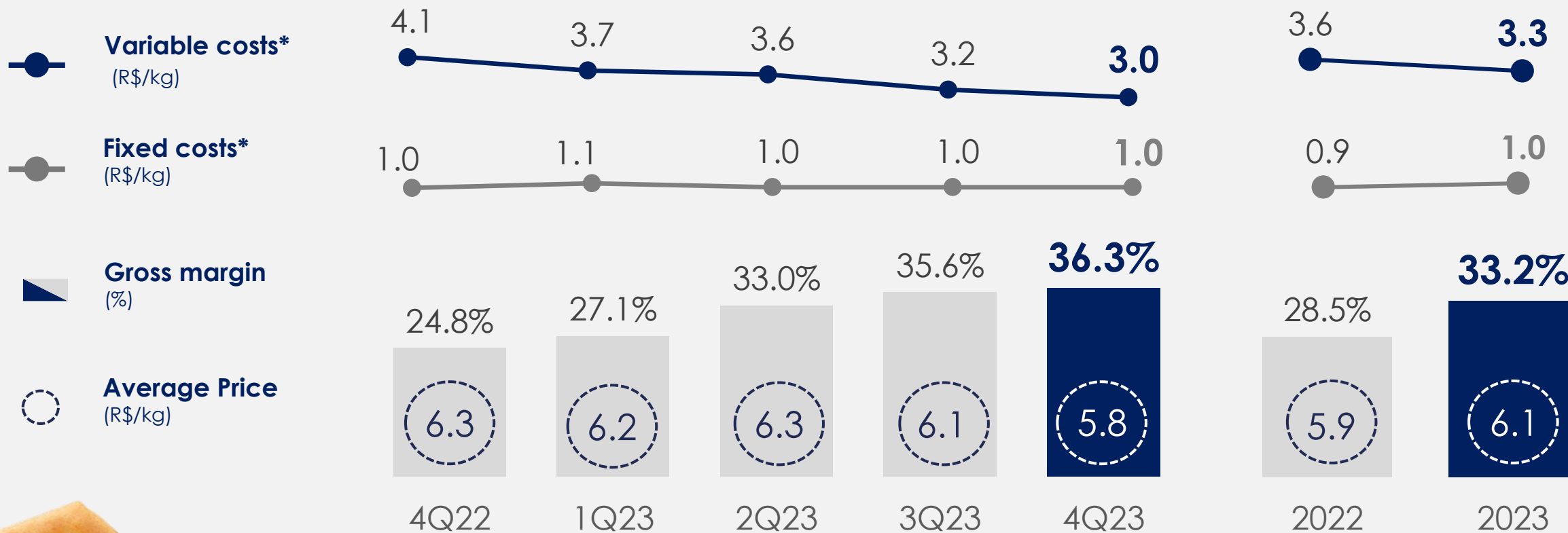


— Market\* — M. Dias Branco

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



## 36.3% Gross Margin in 4Q23. Increase due to the expansion of volumes and reduction of variable costs



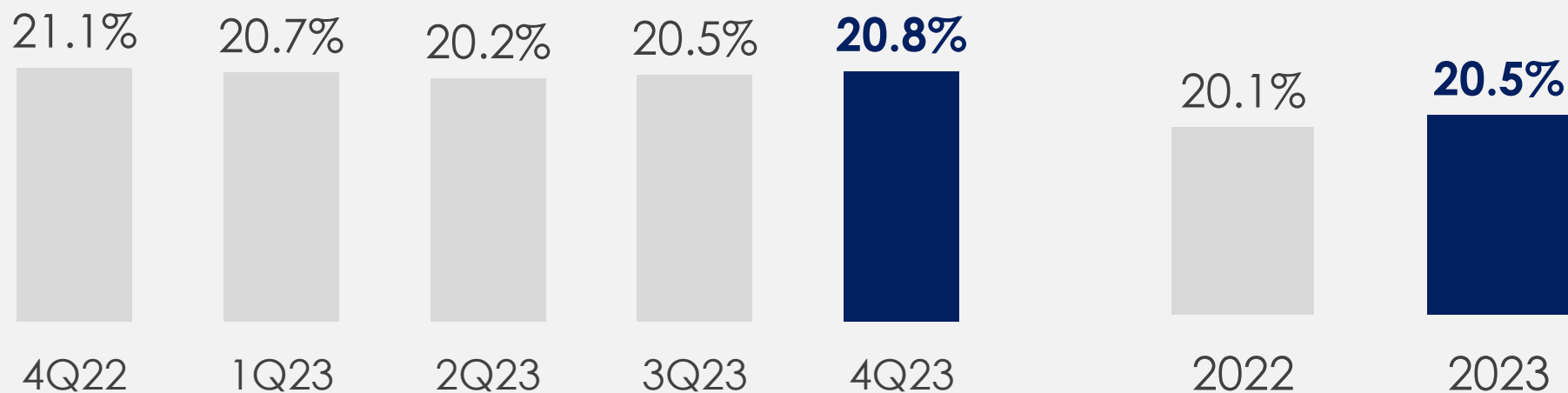
\*Without incentives.





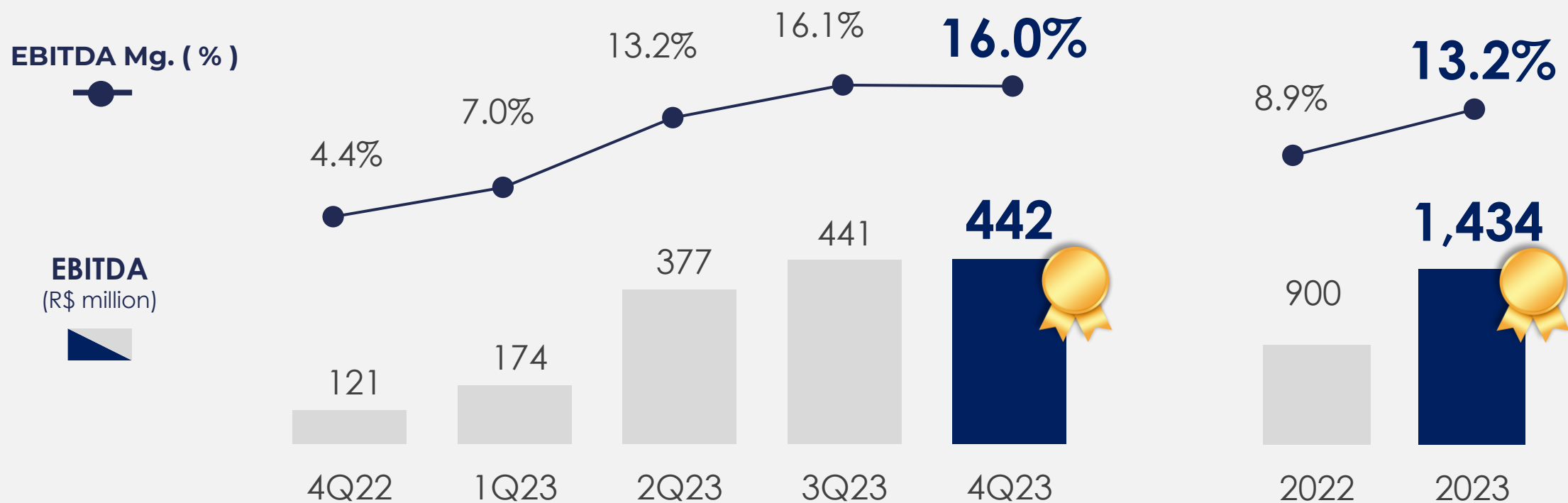
## Sales and Administrative Expenses as a percentage of net revenue (SG&A) stayed at the ~20% level

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

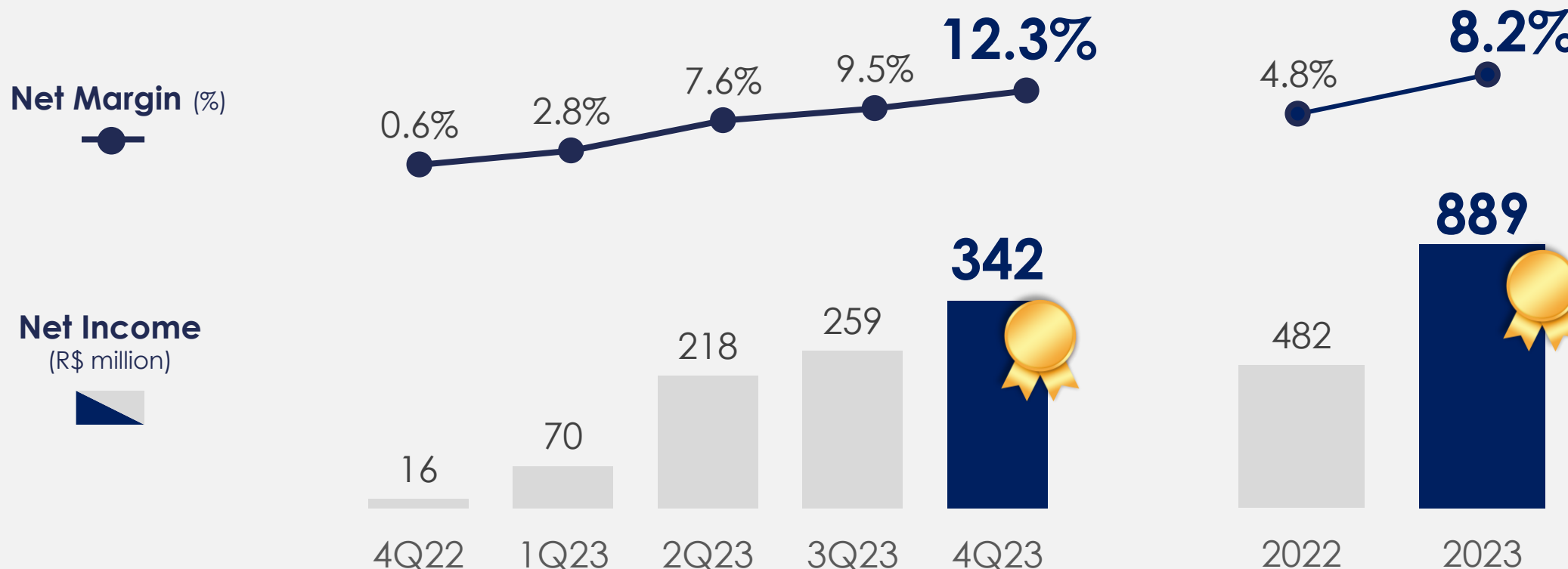




# 16.0% of EBITDA Margin in 4Q23!!!



# Net Income of R\$ 342 million in 4Q23 and R\$ 889 million in 2023, all-time high quarterly and annual result!!!



# CASH FLOW, DEBT AND INVESTMENTS

---

  
*M. Dias Branco*







**R\$584 million in operating cash generation in 4Q23, with growth in EBITDA and release of working capital  
In the year, generation of R\$ 2.1 billion, ANNUAL RECORD!!!**

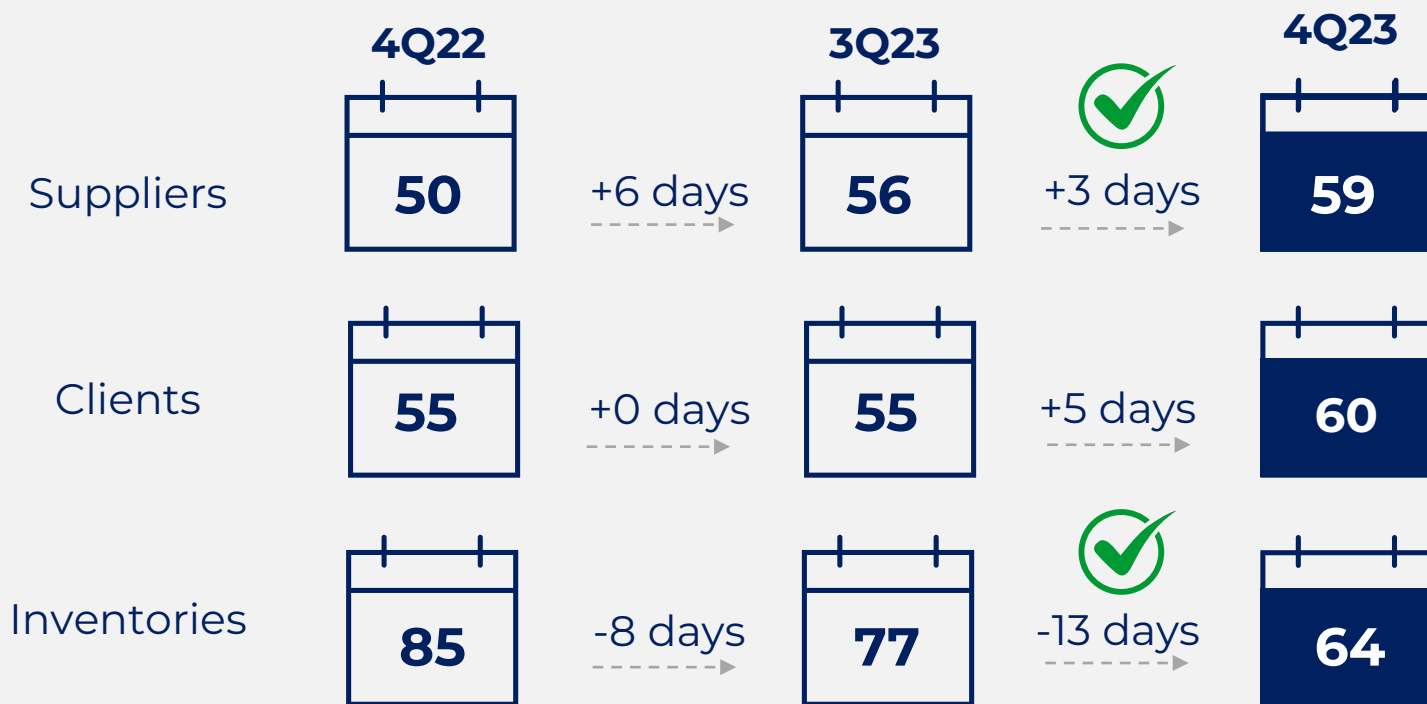
4Q22 vs. 4Q23			2022 vs. 2023	
326	584	Cash Flow from Operating Activities*	107	2,126 
121	442	EBITDA	900	1,434
309	121	Assets and Liabilities Variation	(560)	825
(104)	21	Others	(233)	(133)

\* Net Cash provided by (used in) operating activities



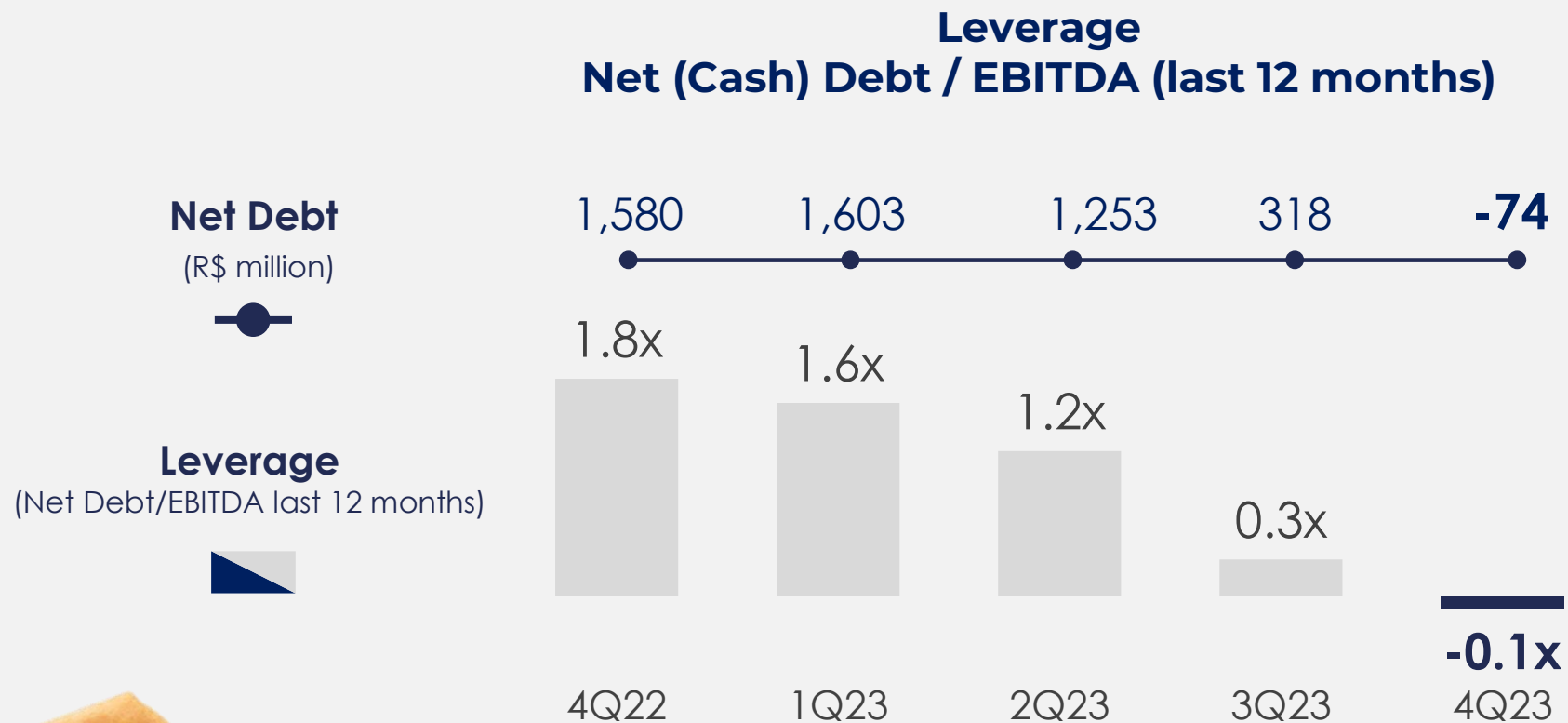
# Working capital release with improvement in average supplier and lower inventory costs vs. 3Q23. Increase in customers to generate more revenue

Average term in days





# We ended the year with R\$2.3 billion in cash and net cash position!!!



NATIONAL RATING  
FITCH RATINGS

**AAA**

Stable Outlook  
Rating Reaffirmed

6<sup>th</sup> CONSECUTIVE  
YEAR





# 76% of the debt is in the long-term!!!

R\$ 2,171

R\$ MM

**Total  
Debt**

R\$ 523

R\$ MM

**24%**

Due date  
**2024**

**R\$ 496**

R\$ MM

**23%**

Due date  
**2025**

**R\$ 21**

R\$ MM

**1%**

Due date  
**2026**

**R\$ 1,131**

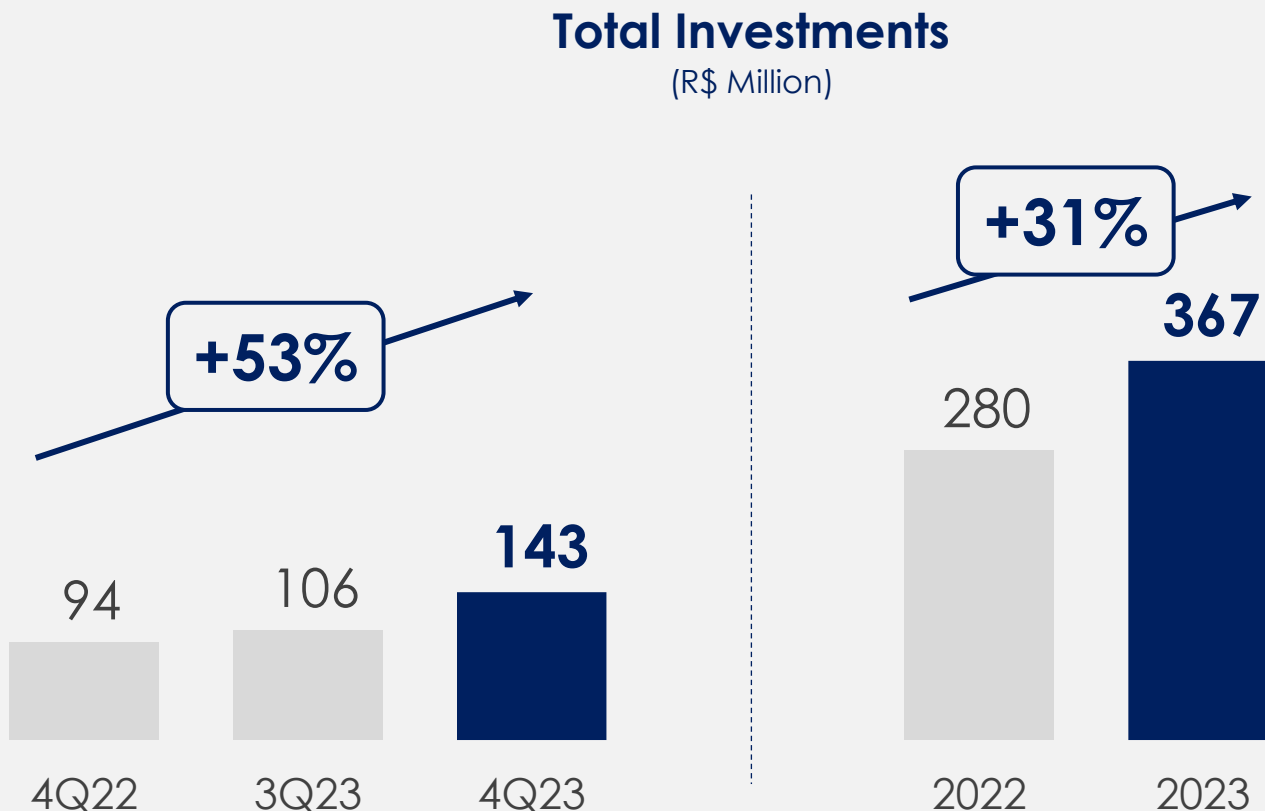
R\$ MM

**52%**

Due date  
**2027  
onwards**



# R\$143 million in investments in 4Q23, with highlight on Digital Transformation



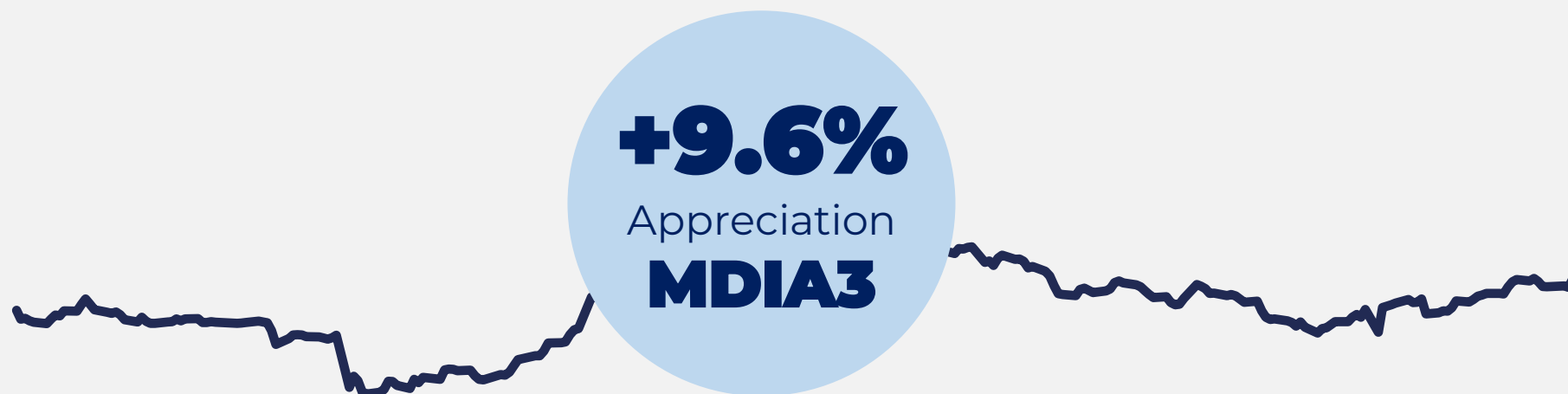
## HIGHLIGHT



Implementation of  
the SAP system



# MDIA3 +9.6% appreciation in 2023!!!



Jan-23 Feb-23 Mar-23 Apr-23 May-23 Jun-23 Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23

Performance MDIA3: 01/02/2023 – 12/28/2023



**6<sup>th</sup>  
YEAR**



M. Dias Branco have been awarded the ANEFAC 2023 Transparency trophy for excellence, clarity and quality of its Financial Information



# ESG

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*M. Dias Branco*





# Main Indicators – 4Q23 vs. 4Q22 | 2023 vs. 2022



## CARING FOR THE PLANET

	4Q23 vs. 4Q22	2023 vs. 2022
Water consumption (m³/Ton.)	<b>-7.1%</b>	<b>+2.3%</b>
Reclaim of water (%)	<b>+3.1p.p.</b>	<b>-1.2p.p.</b>
Waste send to landfills (%)	<b>-2.9p.p.</b>	<b>-0.8p.p.</b>
Input losses in the production process(%)	<b>-0.2p.p.</b>	<b>-0.3p.p.</b>
Finished product waste (%)	<b>0.0p.p.</b>	<b>0.0p.p.</b>



## BELIEVING IN PEOPLE

	4Q23 vs. 4Q22	2023 vs. 2022
Women in leadership (%)	<b>+1.3p.p.</b>	<b>+1.3p.p.</b>
Frequency of occupational accidents (rate)	<b>-46.2%</b>	<b>-2.6%</b>
Occupational accident severity (rate)	<b>-20.1%</b>	<b>-77.6%</b>



## STRENGTHENING ALLIANCES

	4Q23 vs. 4Q22	2023 vs. 2022
Purchases from local suppliers (%)	<b>+1.1p.p.</b>	<b>+2.9p.p.</b>



# Thanks!



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# Q&A



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