Results Presentation 2Q18 and 1H18

M. Dias Branco

Food for the well-being of Society and the people's happiness



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”).

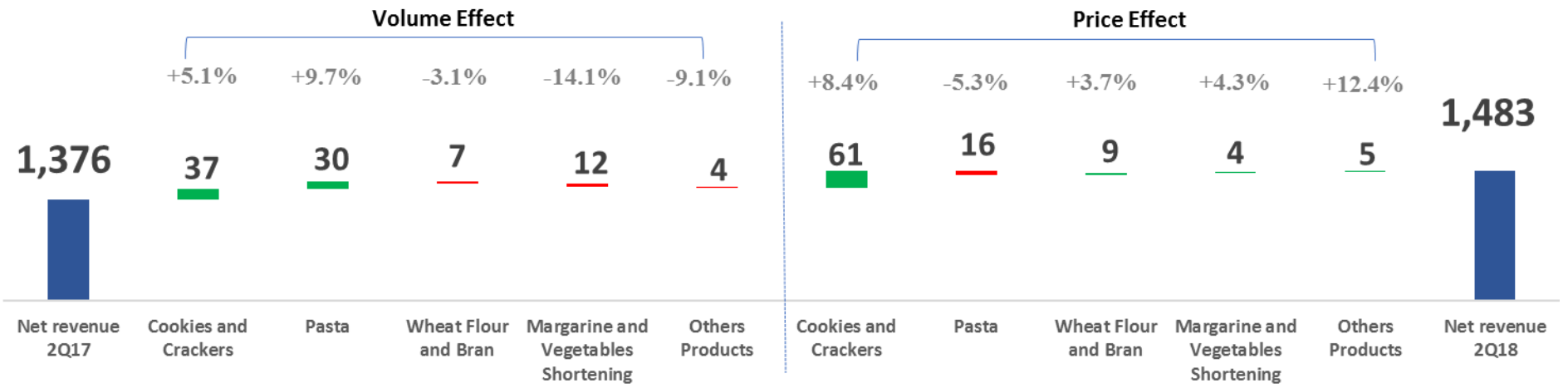
Piraquê’s results for the period between May 17 and June 30, 2018, can be found in the consolidated information of this document.

This presentation includes some information excluding Piraquê’s results (“excluding Piraquê”).

The volume and average price growth caused the growth of 7.8% Net Revenue vs. 2Q17

Net Revenue		*Volume*	*Average Price*
+ 7.8% vs. 2Q17	=	*+ 1.4% vs. 2Q17*	*+6.3% vs. 2Q17*

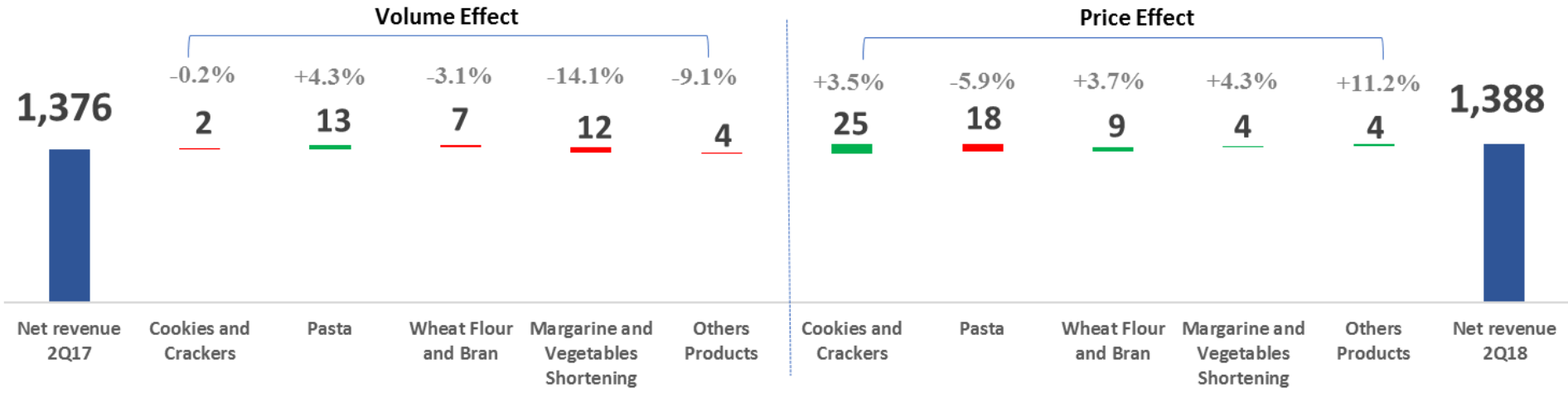
Variation of Net Revenue - 2Q18 vs. 2Q17 (R$ MM)



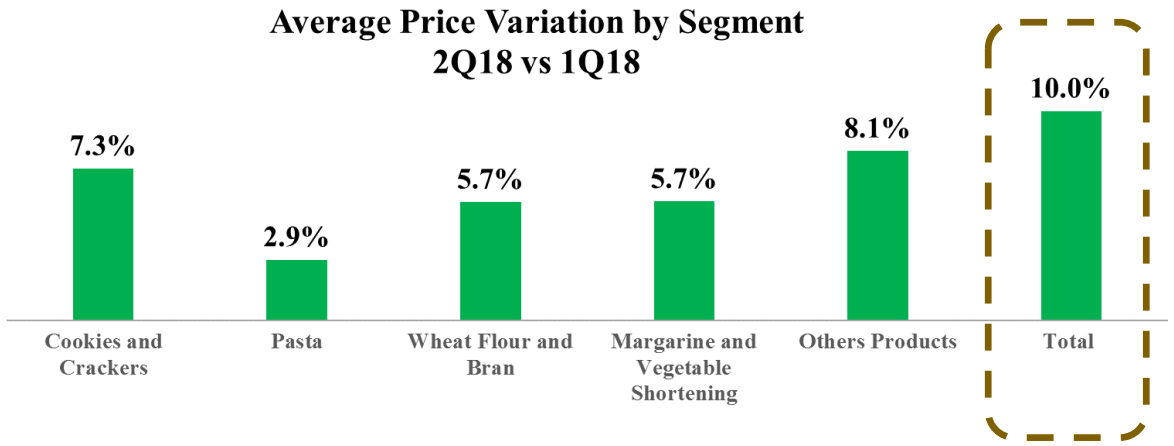
Average Price growth and volume decrease (excluding Piraquê)

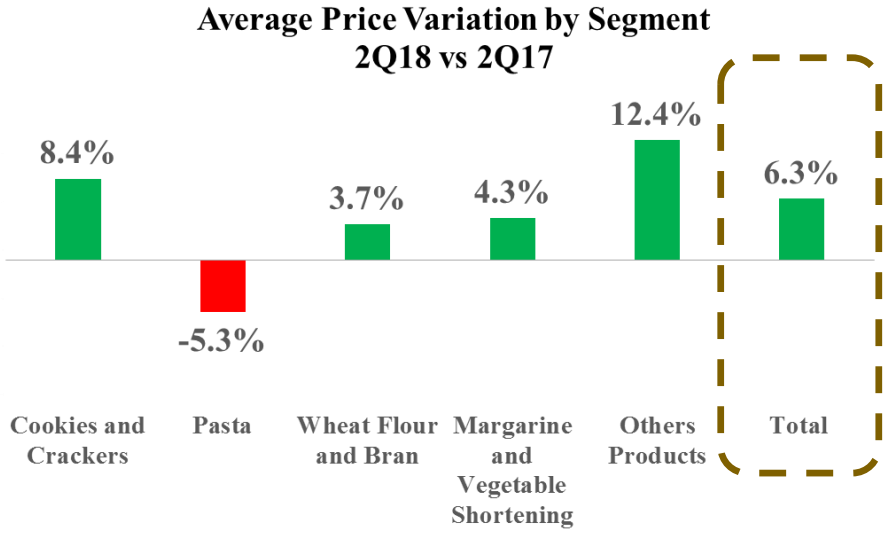
Net Revenue		*Volume*	*Average Price*
+ 0.9% vs. 2Q17	=	*-1.4% vs. 2Q17*	*+2.3% vs. 2Q17*

Variation of Net Revenue - 2Q18 vs. 2Q17 (R$ MM)

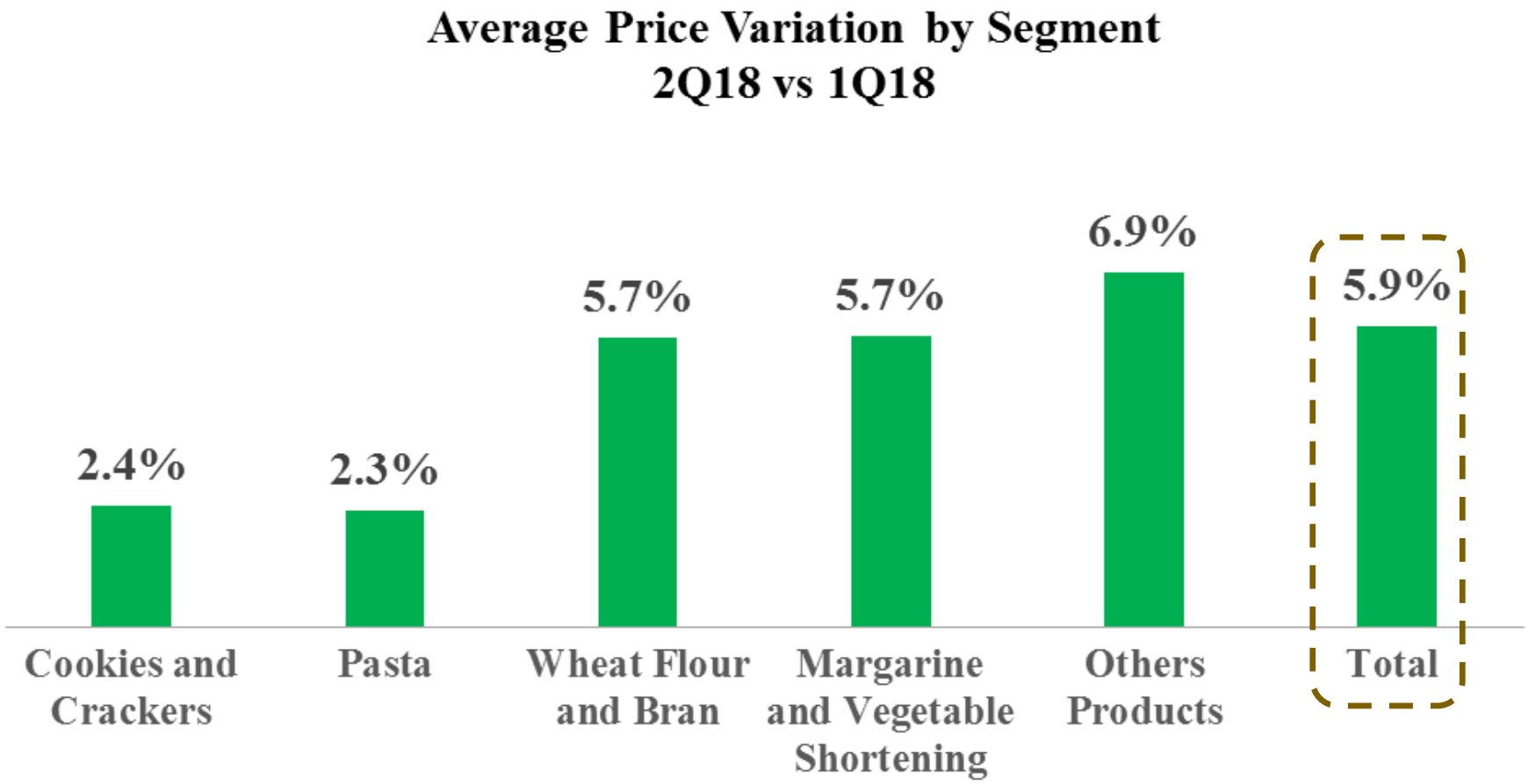


Average Price growth vs 2Q17 and 1Q18





Average Price growth in all the products lines (excluding Piraquê)



Marketing campaigns to promote sell out







We maintained the national leadership in pasta, cookies and crackers



Cookies and Crackers – 2Q18*

Share Volume ***34.5%%***

*Δ** Share Volume:* ***+1.7 p.p.***

Share Value ***29.9%***

*Δ** Share Value:* ***+5.3 p.p.***



Pasta 2Q18*

Share Volume ***35.0%***

*Δ** Share Volume:* ***+3.8 p.p.***

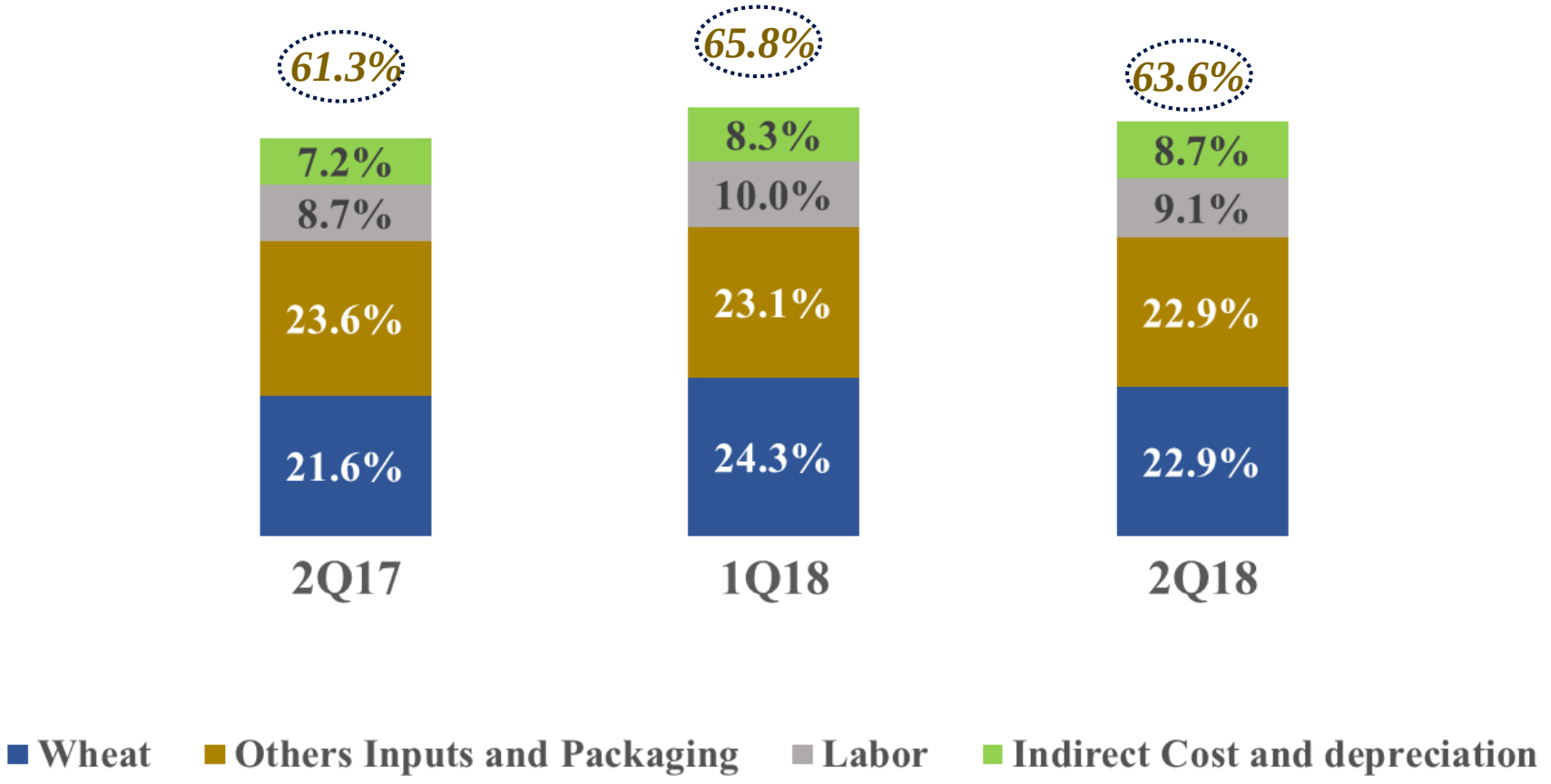
Share Value ***31.9%***

*Δ** Share Value:* ***+3.8 p.p.***

*Market Share according to Ac Nielsen data (may-jun/18).

** The variations presented reffers to the periods mai-jun/17 vs.mai-jun/18

COGS negatively impacted by increase in the price of wheat and BRL devaluation

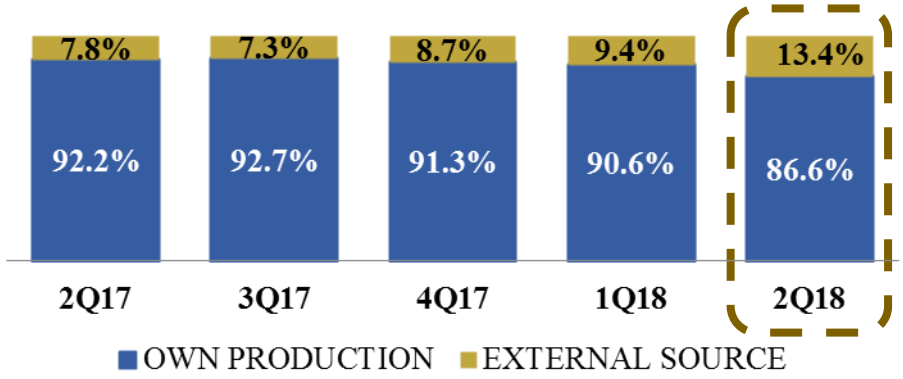


Decrease of Vertical Integration Index of wheat by the growth in the southeast and Piraquê

Vertical Integration Index

1H18 = 88.4%
1H17 = 92.1%

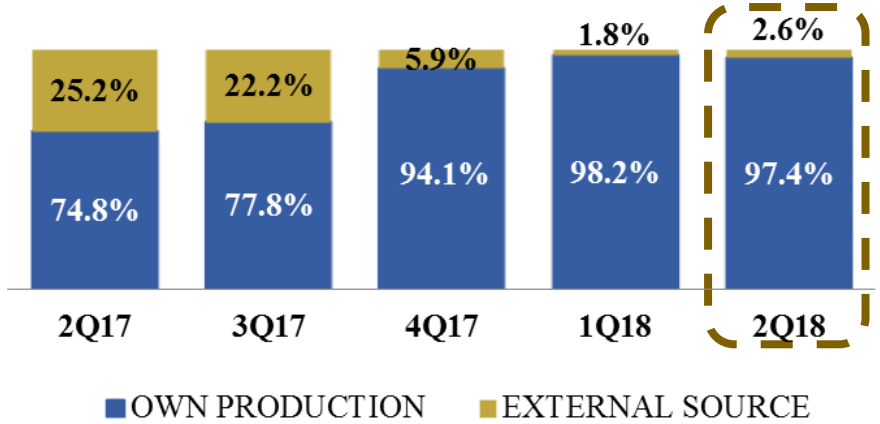
Wheat Flour | Company Consumption (%)



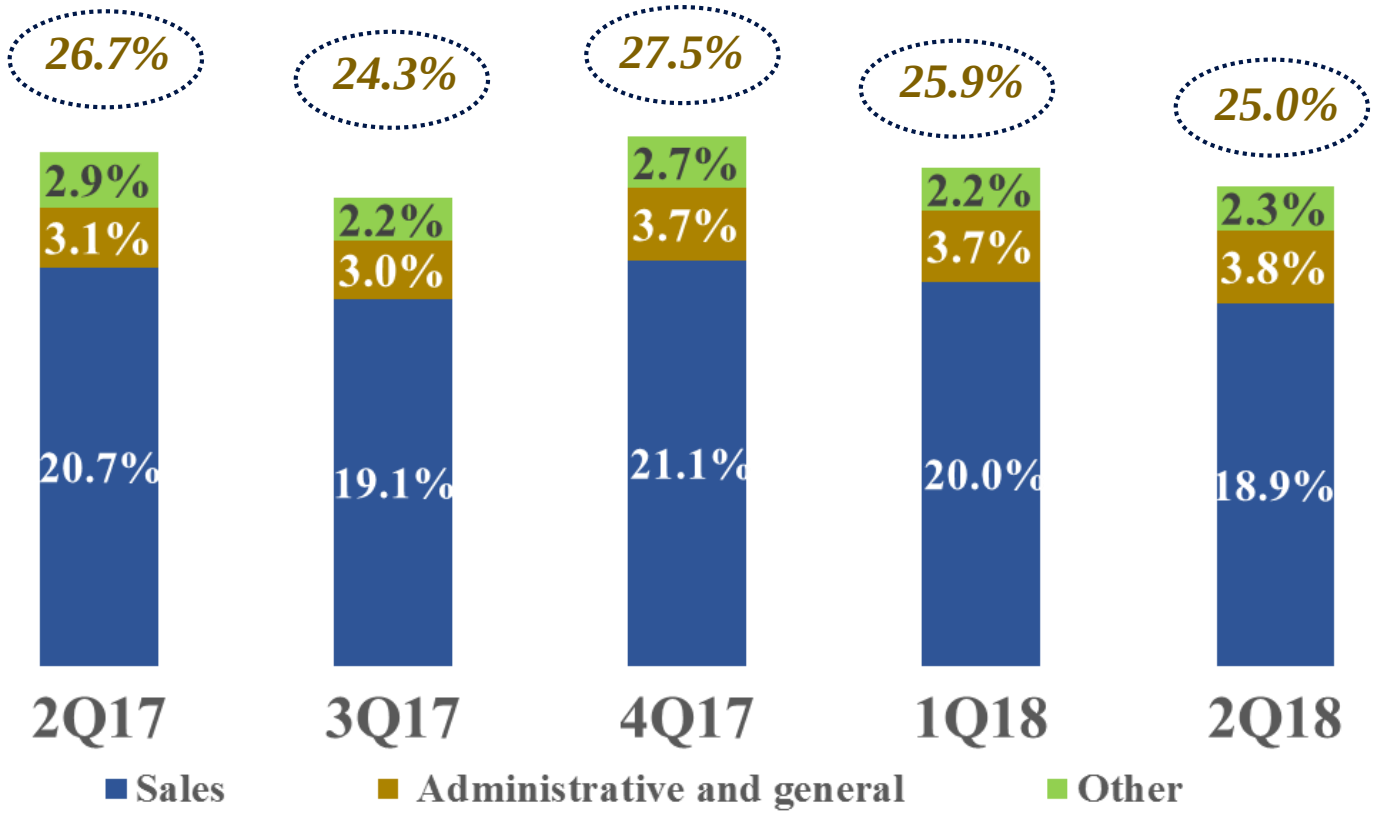
Vertical Integration Index

1H18 = 97.8%
1H17 = 79.5%

Shortening | Company Consumption (%)

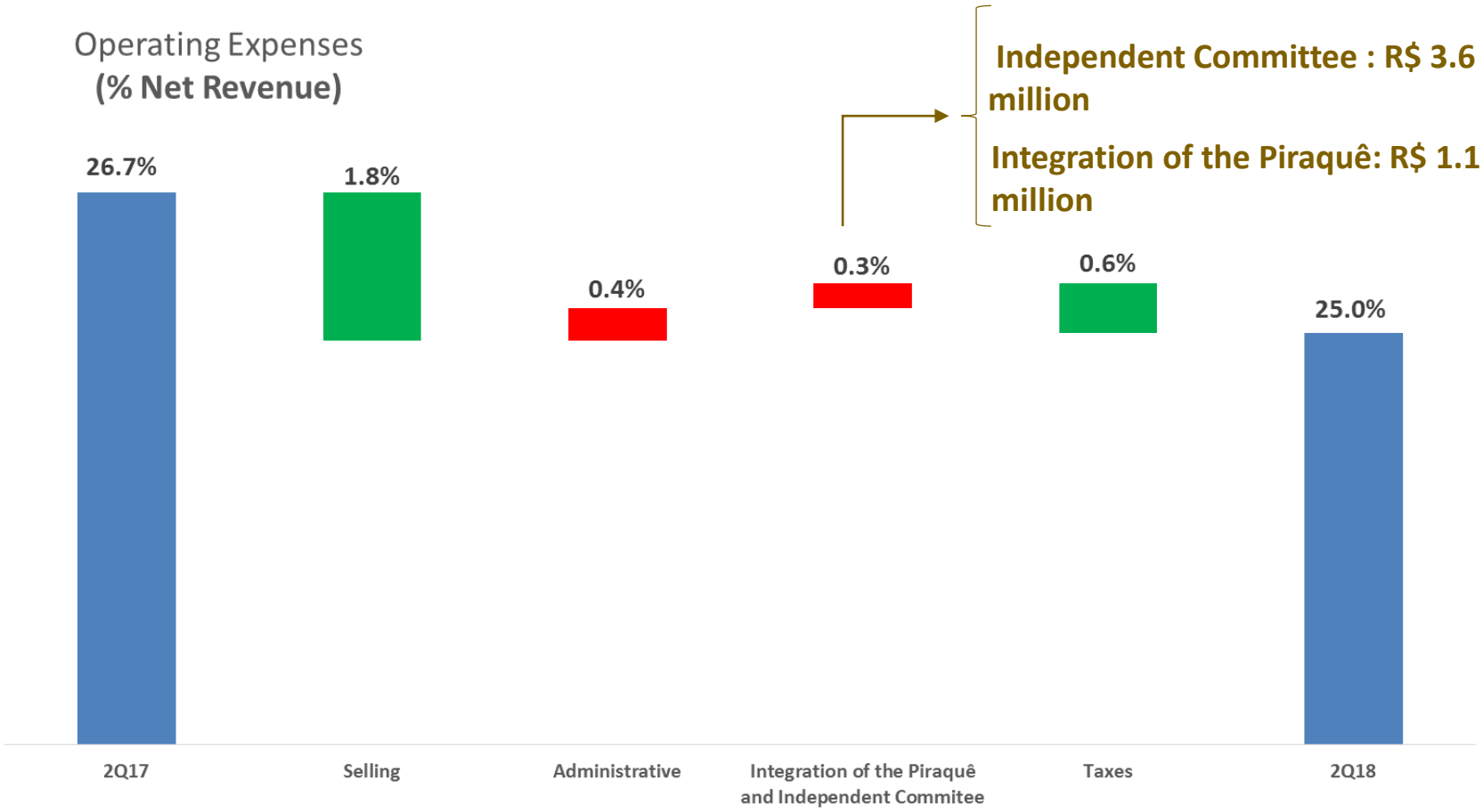


Decrease in Operating Expenses (% Net Revenue) versus 2Q17 and 1Q18



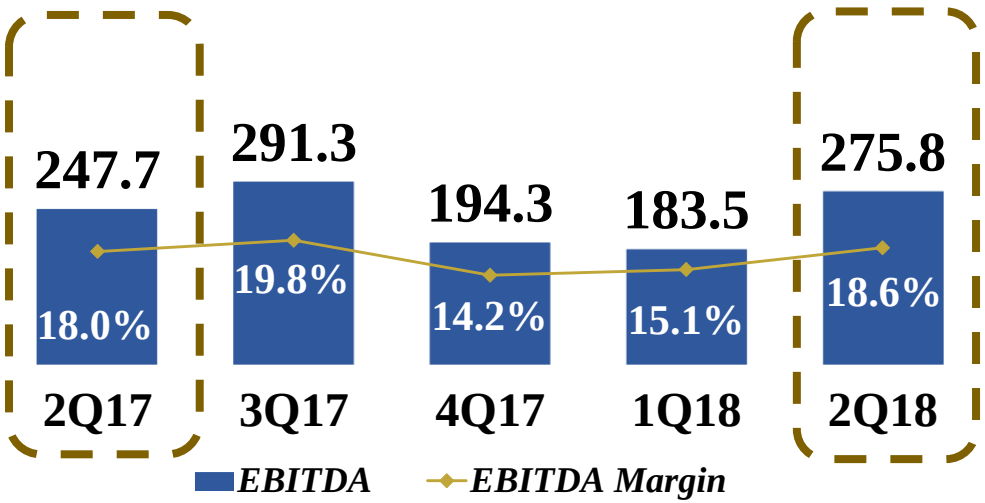
** Selling Expenses contain: Salaries and benefits, freight and other expenses with marketing, sales force and logistics.*

Impact Integration of the Piraquê and Independent Committee in the Operating Expenses

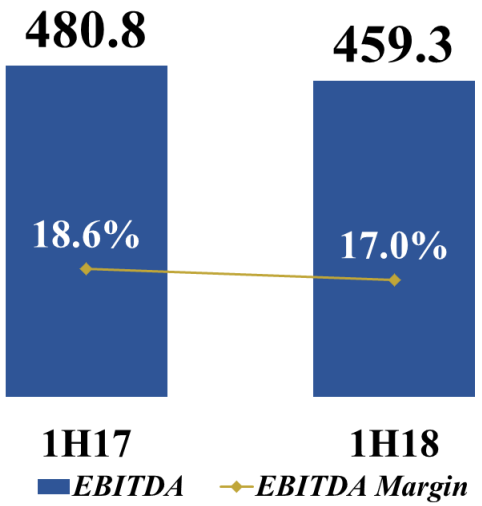


EBITDA (R$ Million) and EBITDA Margin (% Net Revenue) 2Q18 vs. 2Q17

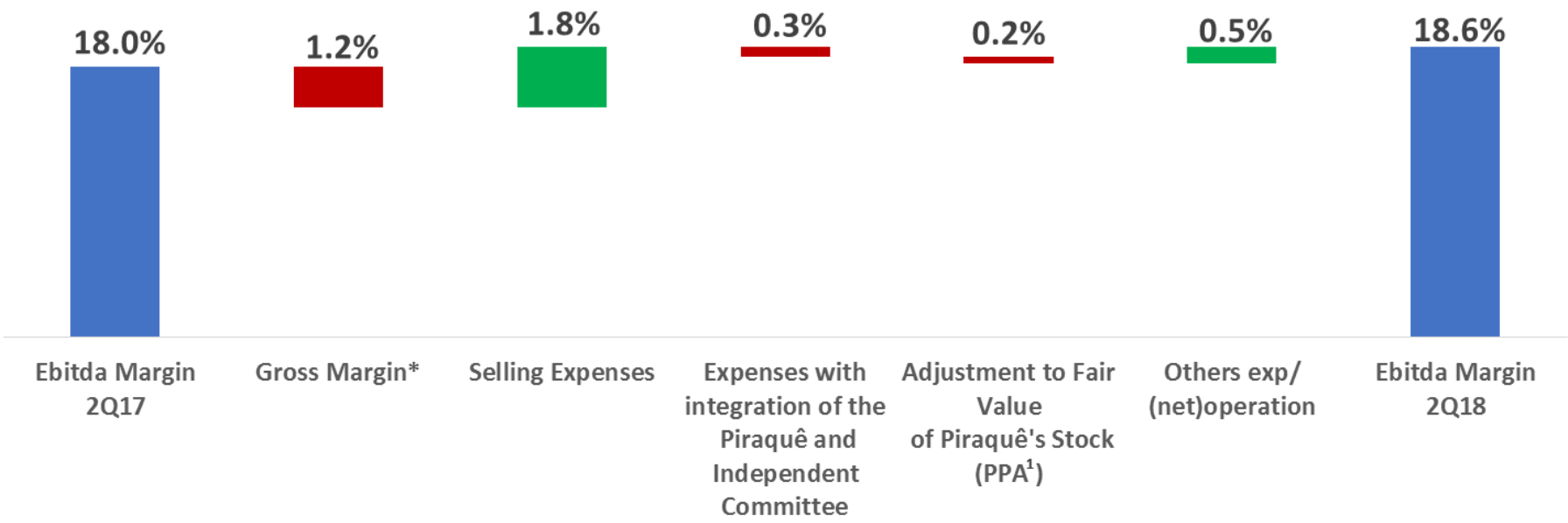
+11.3%
2T18 vs. 2T17



-4.5%
1H18 vs. 1H17

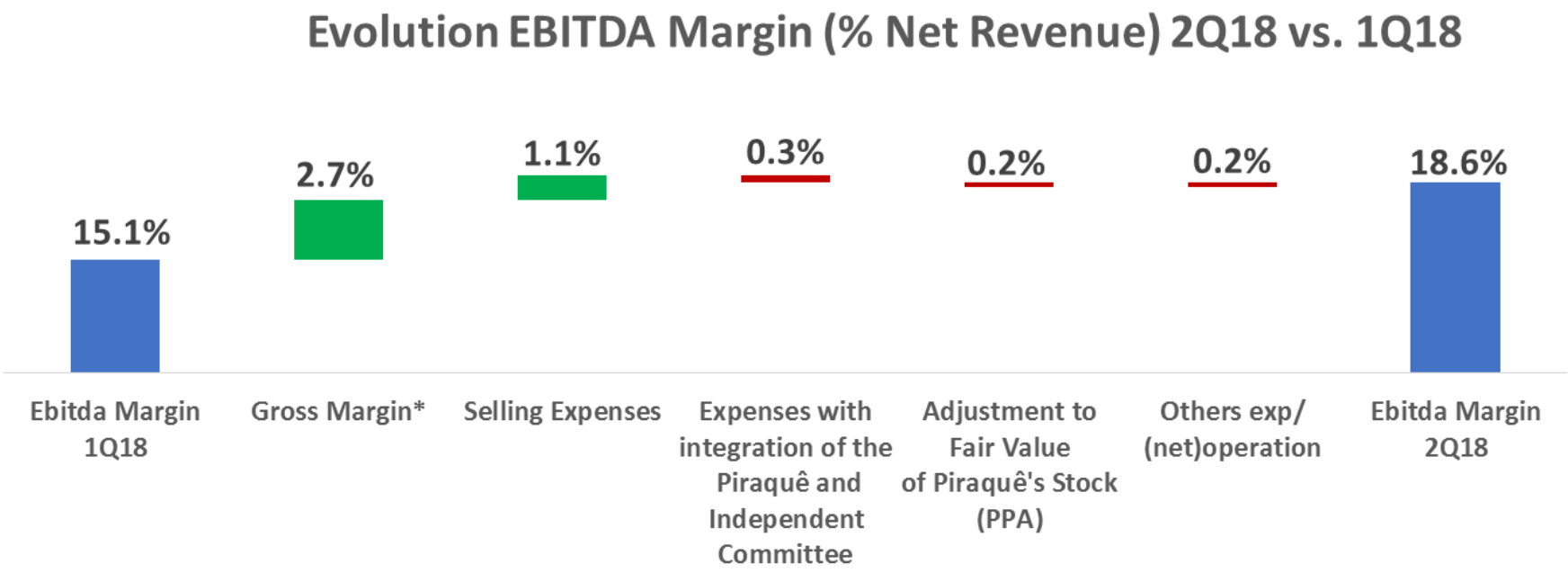


EBITDA Margin impacted by extraordinary expensives and increase in the price of wheat and BRL Devaluation



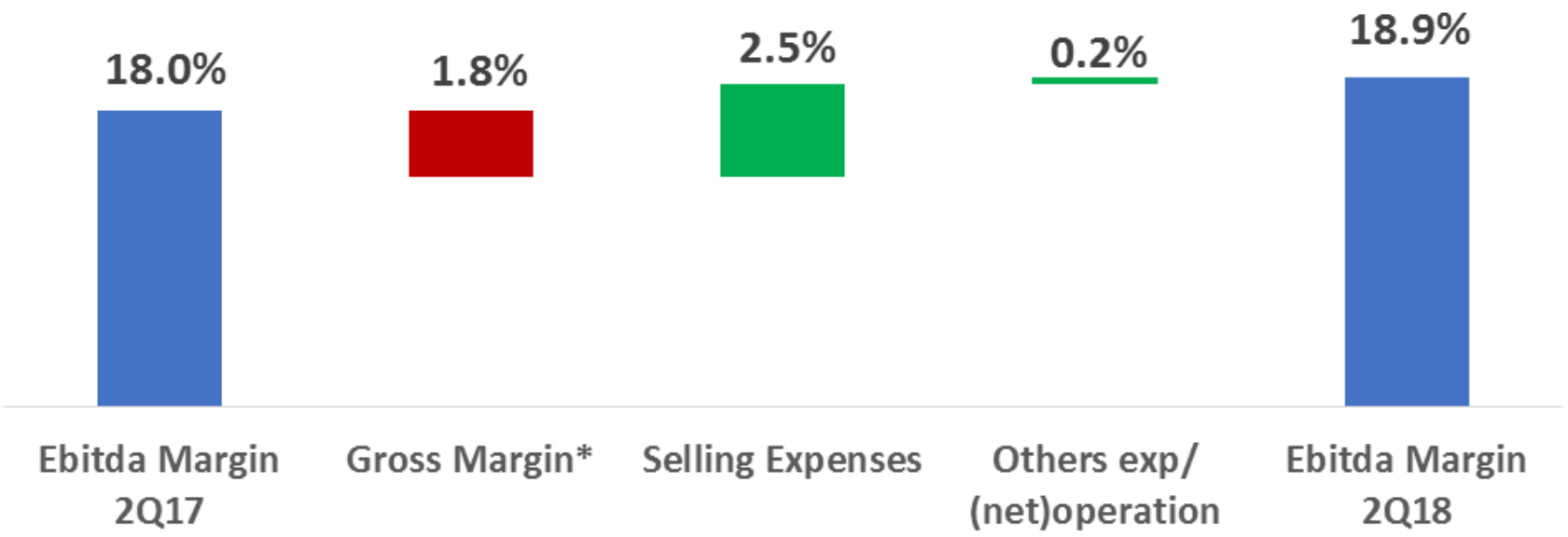
**Note: % Gross Margin without consider the depreciation of Cost of Good Sales in the Net Revenue. **Note: Refer to the administrative expenses, management fees, taxes and othes operation expenses. [1] Purchase Price Allocation (PPA) is the allocation of the company's acquisition cost to its assets acquired and liabilities assumed, stated at fair value. The exceeding amount is considered as goodwill.*

...improved compared to the 1Q18



**Note: % Gross Margin without consider the depreciation of Cost of Good Sales in the Net Revenue. **Note: Refer to the administrative expenses, management fees, taxes and othes operation expenses. [1] Purchase Price Allocation (PPA) is the allocation of the company's acquisition cost to its assets acquired and liabilities assumed, stated at fair value. The exceeding amount is considered as goodwill.*

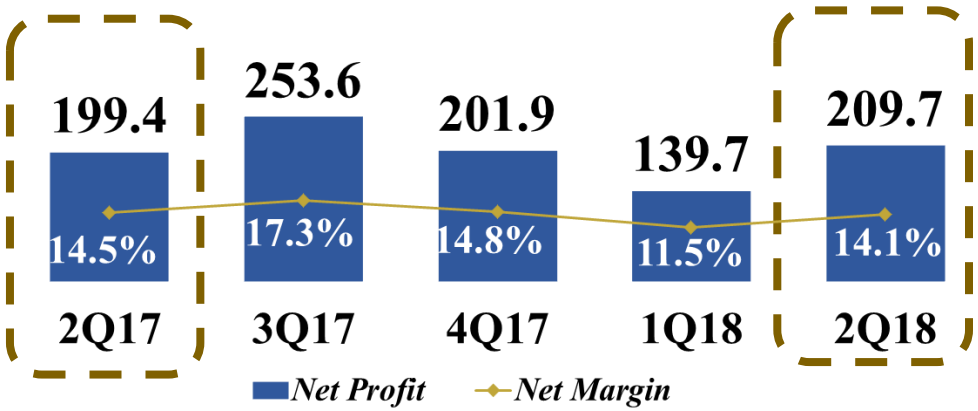
EBITDA Margin impacted by the expenses of integration of Piraquê and Indepent Committee ("excluding Piraquê")



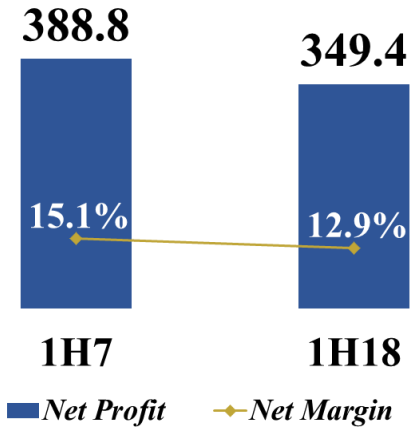
**Note: % Gross Margin without consider the depreciation of Cost of Good Sales in the Net Revenue.*
***Note: Refer to the administrative expenses, management fees, taxes and other operating expenses.*

Growth of Net Profit (R$ Million) and Net Margin (%Net Revenue)

+5.2%
2Q18 vs. 2Q17



-10.1%
1H18 vs. 1H17



We invested R$ 70.1 millions in infrastructure

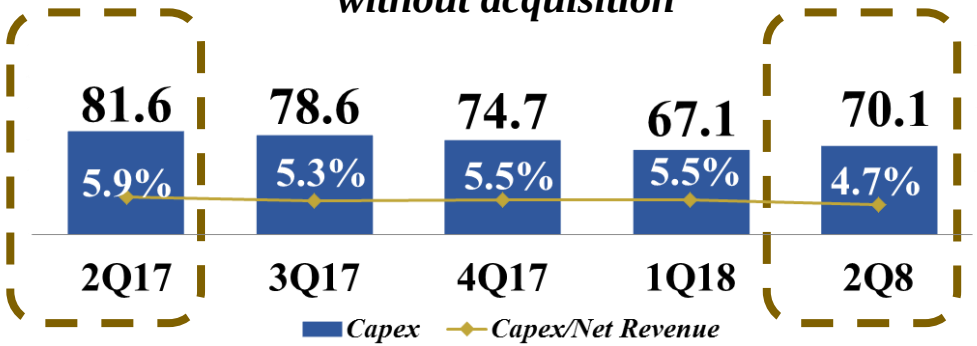
- **Construction in progress of the Wheat Mill in Bento Gonçalves (RS);**
- **Expansion of storage capacity of the distribution center in the Maracanaú unit (CE);**



- **Project of treatment of effluents, at the margarine & vegetable shortening unit in Fortaleza (CE);**

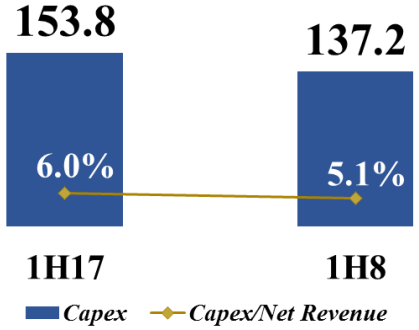
-14.1%
2Q18 vs. 2Q17

Capex (R$ Million e % Net Revenue) – without acquisition

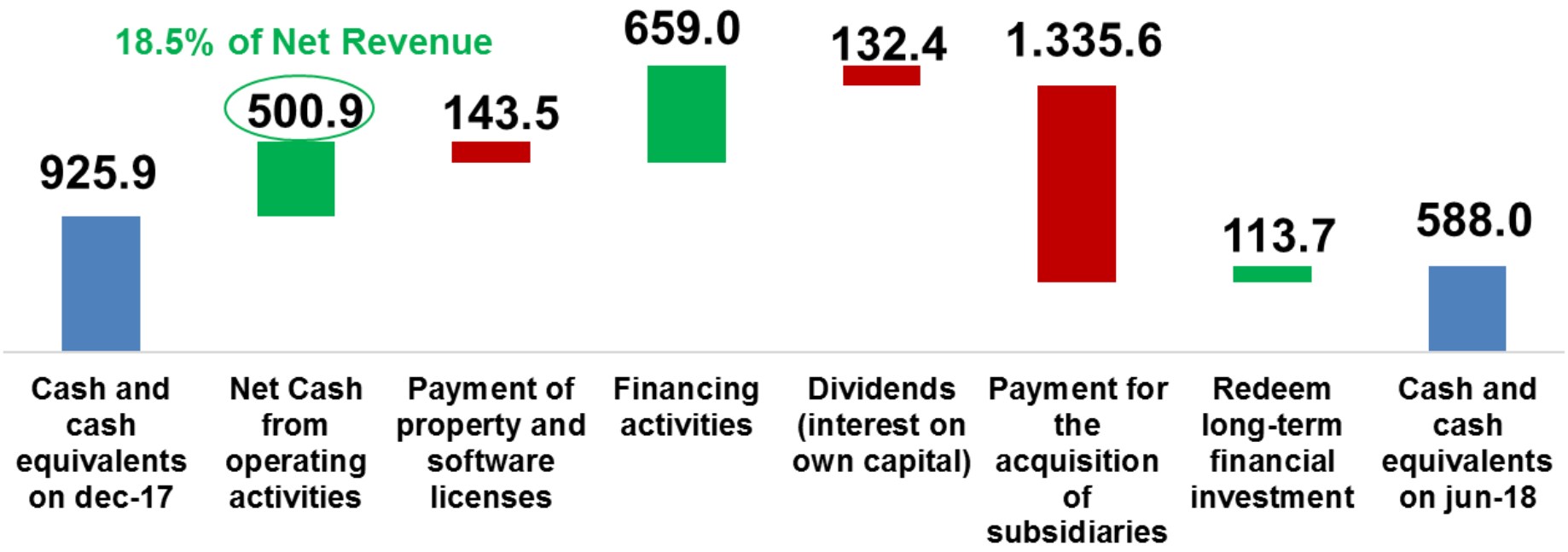


-10.8%
1H18 vs. 1H17

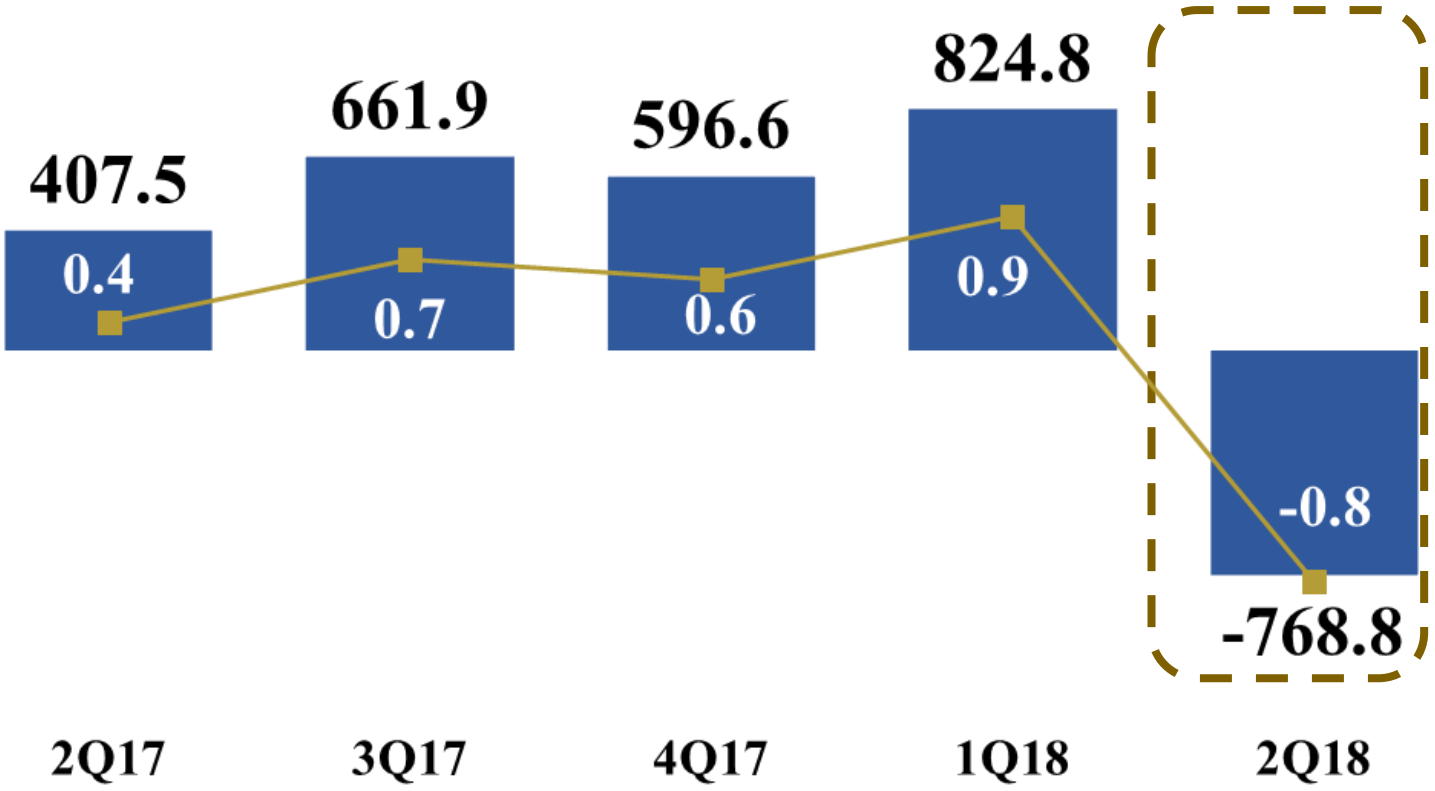
Capex (R$ Million e % Net Revenue) – without acquisition



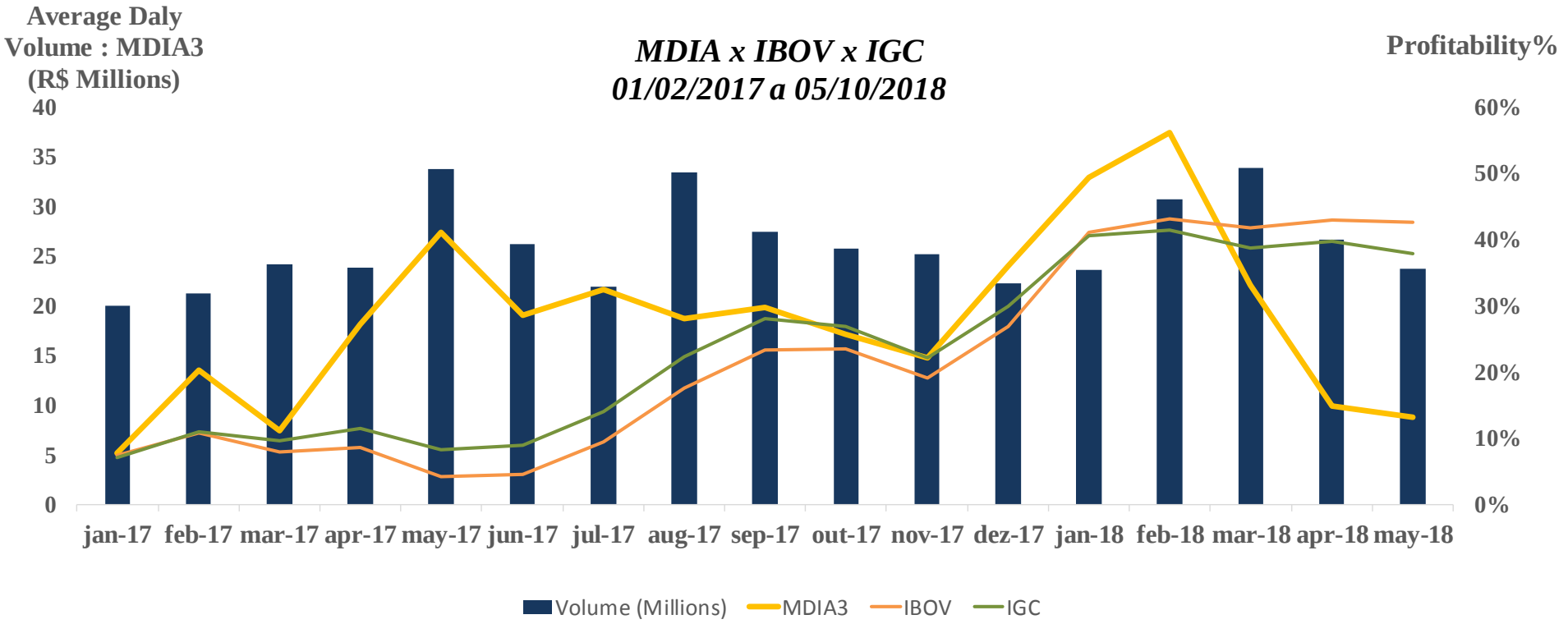
Cash and Cash Equivalent



We ended 2Q18 with net debt position (debt greater than cash) of R$ 768.8 million



Capital Market



In june/18 we lauched the first program of connection with startups of M. Dias Branco

M. Dias Branco germinar

- ✓ **New Business**
- ✓ **Food, Ingredients e Technology**
- ✓ **Marketing and Point of Sale**

Evolution social-environmental pratices



- **Implementation of the water reuse system;**
- **Labor's accident rate decreased by 9.6% compared to 1H17 (ODS 3 e 8);**
- **The relative water consumption decreased by 2.2% compared to 1H18 vs 1H17 (ODS 6);**
- **1.4% increase in energy intensity in 1H18, respectively, compared with the same period in 2017 (ODS 7);**

Vitarella and Adria awards

10th position in the brazilian growth ranking according to the Brand Foodprint



One of the best pasta brands according to Datafolha

ADRIA

Geraldo Luciano Mattos Júnior
Vice-President of Investments and Controllership
Phone: (85) 4005-5874
E-mail: geraldo@mdiasbranco.com.br

Fabio Cefaly
New Business and Investor Relations Director
Phone: (85) 4005-5730
E-mail: fabio.cefaly@mdiasbranco.com.br