Results Presentation 3Q18 and 9M18

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").

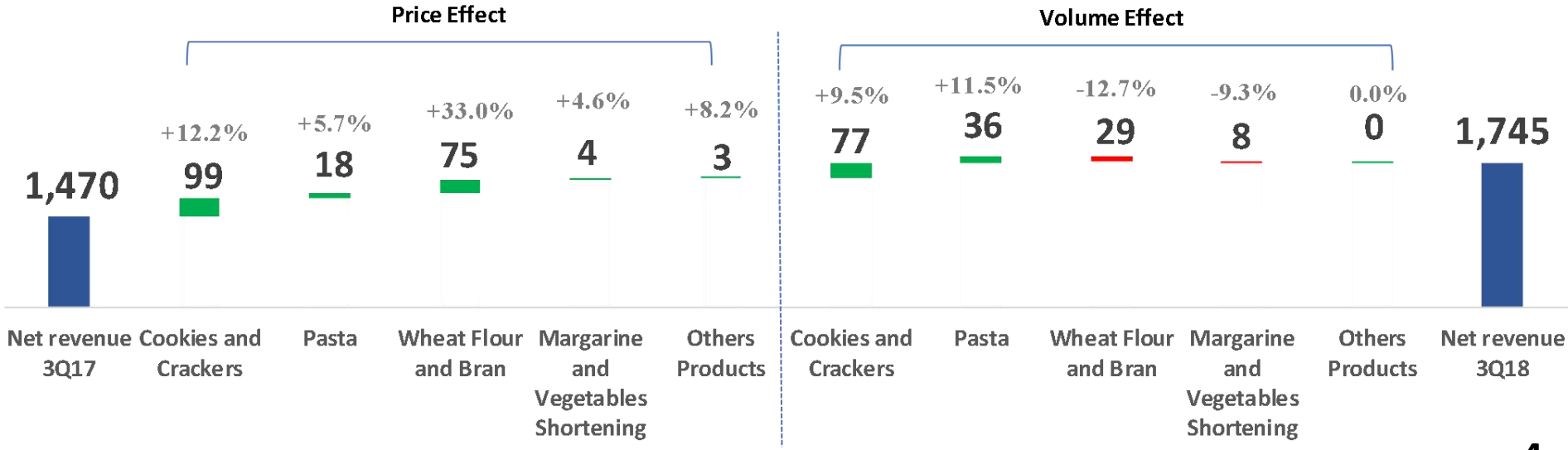
Piraquê's results for the period between May 17 and September 30, 2018, can be found in the consolidated information of this document.

This presentation includes some information excluding Piraquê's results ("excluding Piraquê").

Net Revenue of +18.7% compared to 3Q17, with increase in the average price in all product lines and high volumes in cookies and crackers and pasta

Net Revenue		*Average Price*	*Volume*
+ 18.7% vs. 3Q17	=	*+ 20.1% vs. 3Q17*	*-1.2% vs. 3Q17*

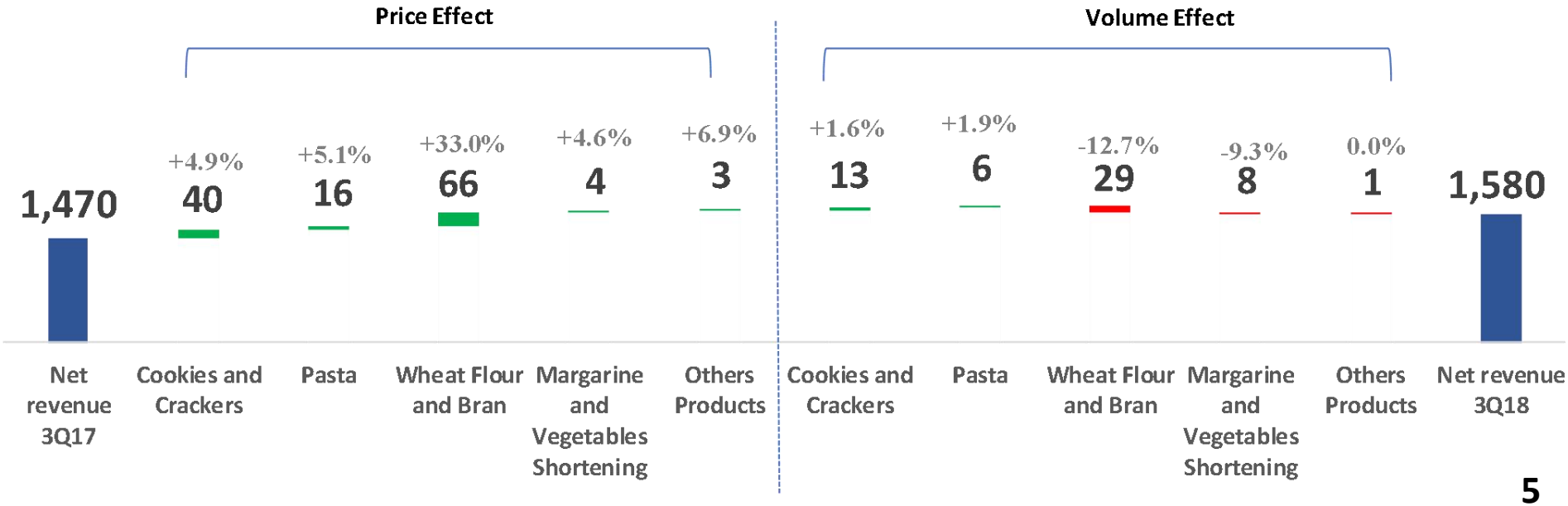
Variation of Net Revenue - 3Q18 vs. 3Q17 (R$ Million)



Without Piraquê, Net Revenue of +7.5% compared to 3Q18, also with increase in the average price in all product lines and growth volumes in cookies and crackers and pasta

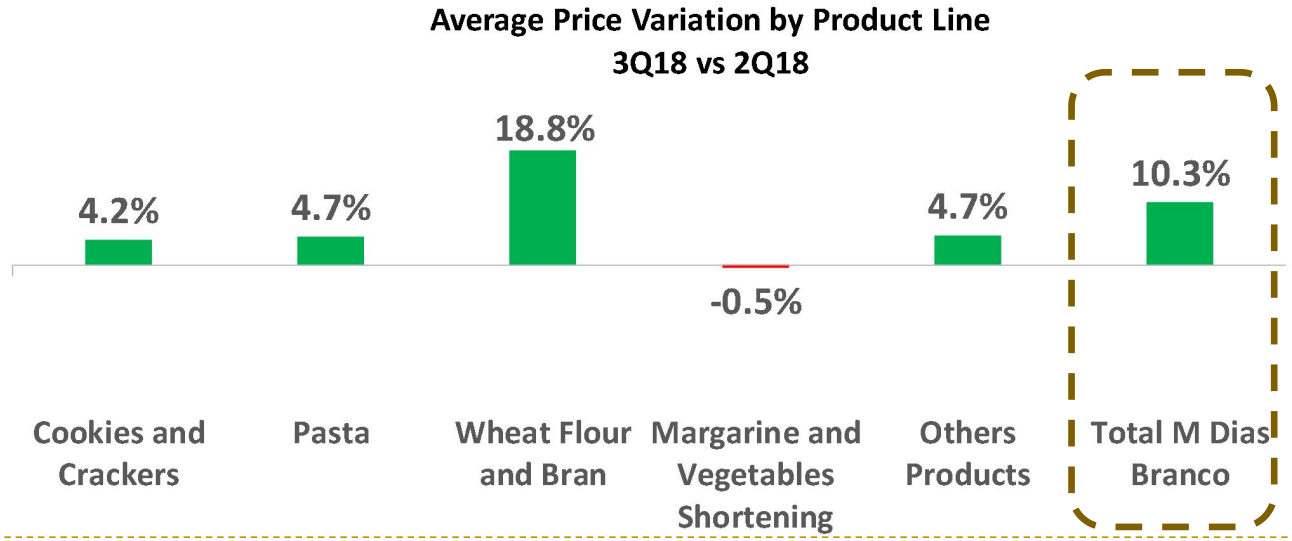
Net Revenue (Without Piraquê)		*Average Price*	*Volume*
+ 7.5% vs. 3Q17	=	*+13.7% vs. 3Q17*	*-5.3% vs. 3Q17*

Variation of Net Revenue - 3Q18 vs. 3Q17 (R$ Million)

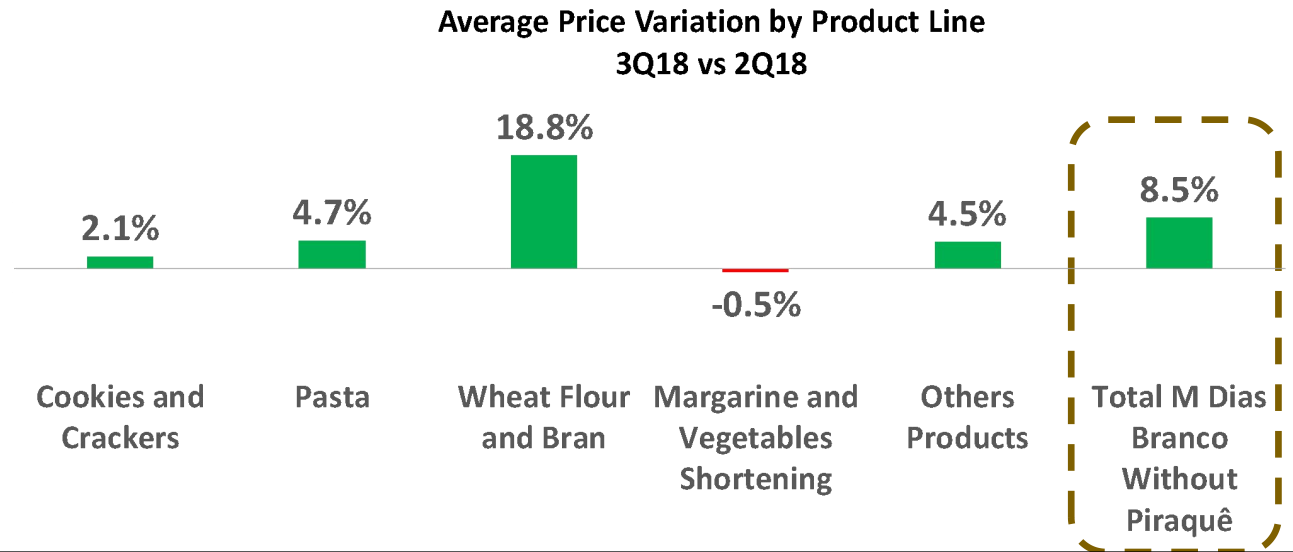


The Average Price also increased in 3Q18 compared to 2Q18

With Piraquê

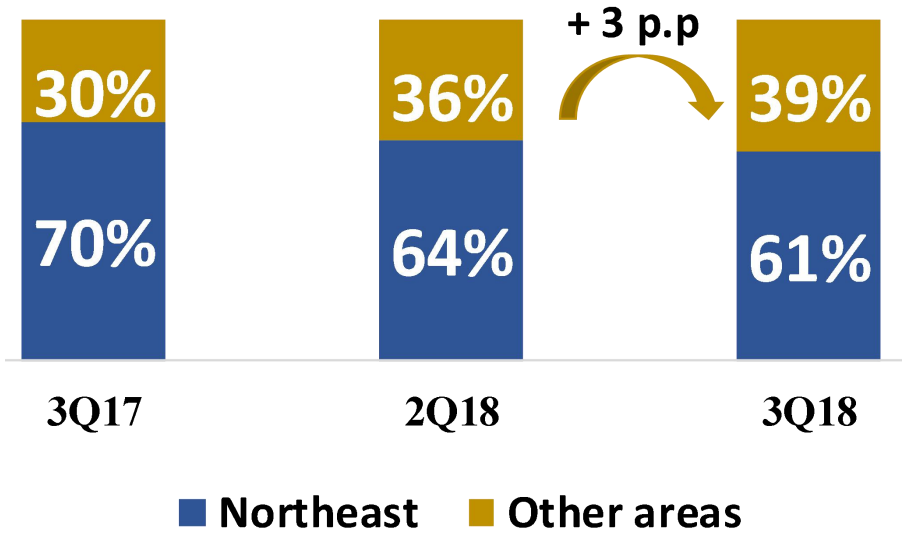


Without Piraquê

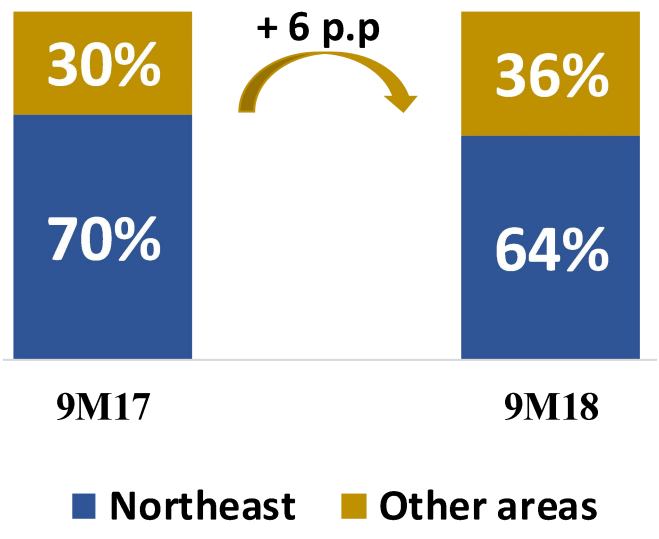


Regions outside Northeast becoming more relevant in total sales

Sales By Region (% of Gross Revenue excluding discounts and returns)



Sales By Region (% of Gross Revenue excluding discounts and returns)



National leadership in pasta, cookies and crackers with Market Share expansion

Cookies and Crackers – 3Q18*



Share Volume ***34.6%***
*Δ** Share Volume:* ***+2.3 p.p.***

Share Value ***30.0%***
*Δ** Share Value:* ***+5.6 p.p.***

Pasta 3Q18*



Share Volume ***38.2%***
*Δ** Share Volume:* ***+6.0 p.p.***

Share Value ***33.7%***
*Δ** Share Value:* ***+5.1 p.p.***

*Market Share according to Nielsen data (jul-aug/18).
** The variations presented reffers to the periods jul-aug/17 vs.jul-aug/18

Marketing campaigns to promote sell out

South and Southeast







North and Northeast





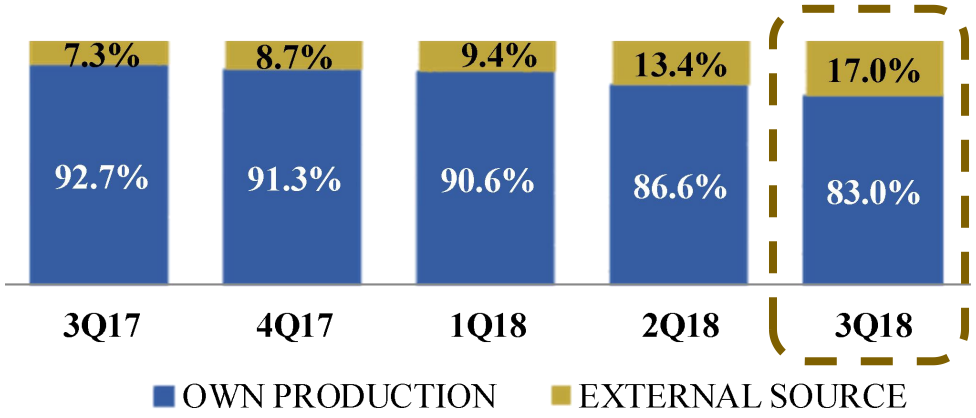


In the 3Q18, Vertical integration index of shortening was 99.7%

Vertical Integration Index

9M18 = 86.3%
9M17 = 92.3%

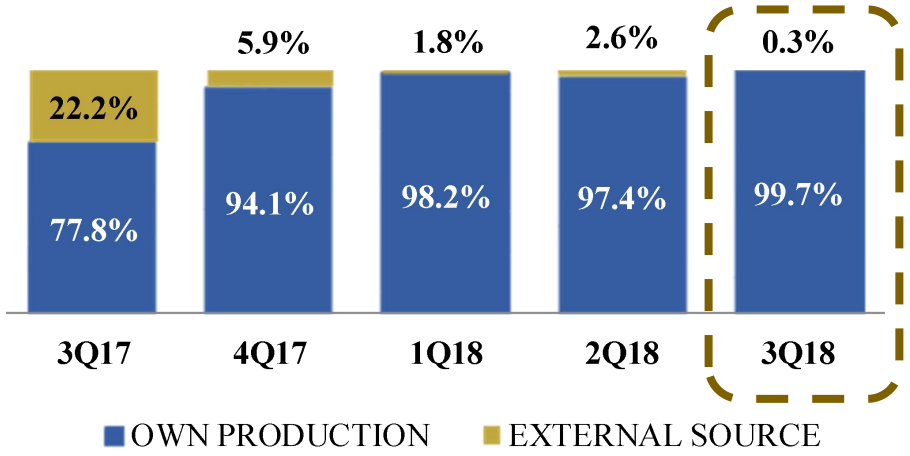
Wheat Flour | Company Consumption (%)



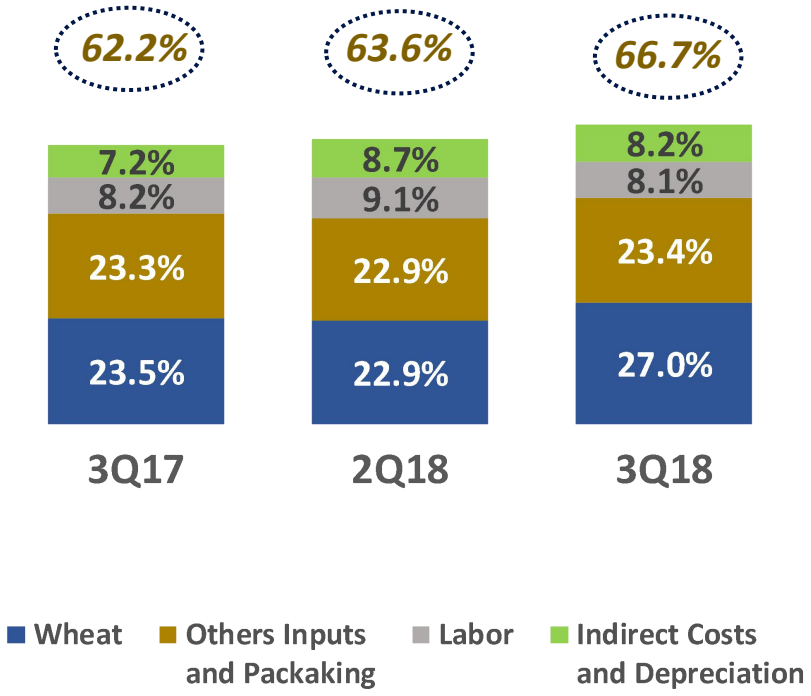
Vertical Integration Index

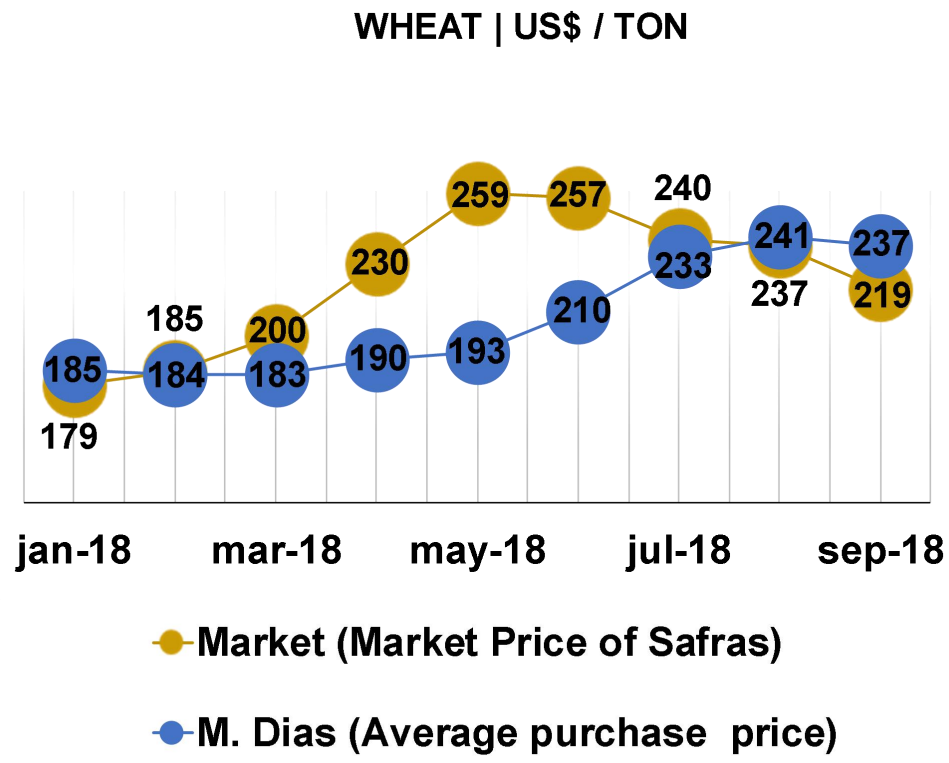
9M18 = 98.5%
9M17 = 78.8%

Shortening | Company Consumption (%)



COGS (% Of Net Revenue) impacted by increase in the price of wheat and BRL devaluation

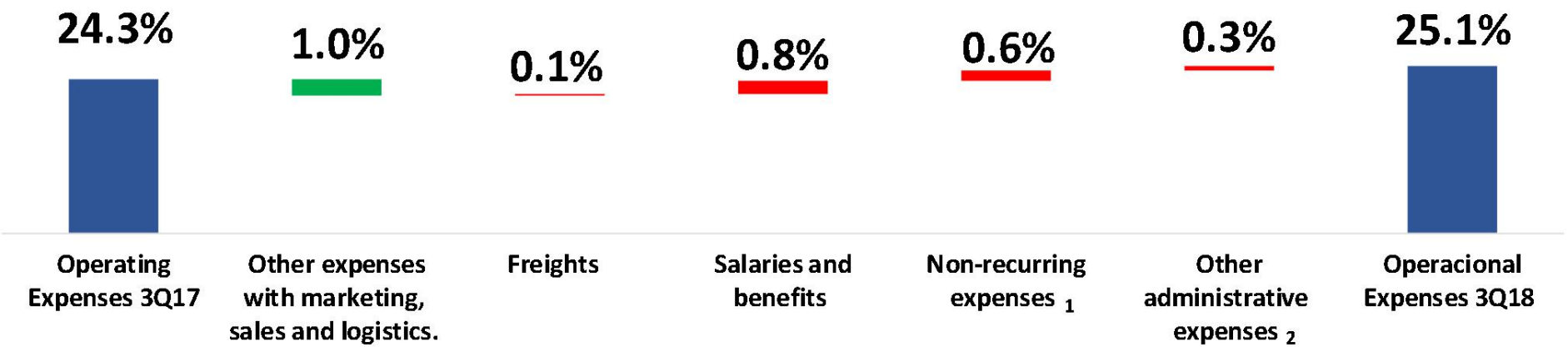




* Source: www.safras.com.br

Reduction of marketing, sales and logistics expenses and non-recurring expenses impact

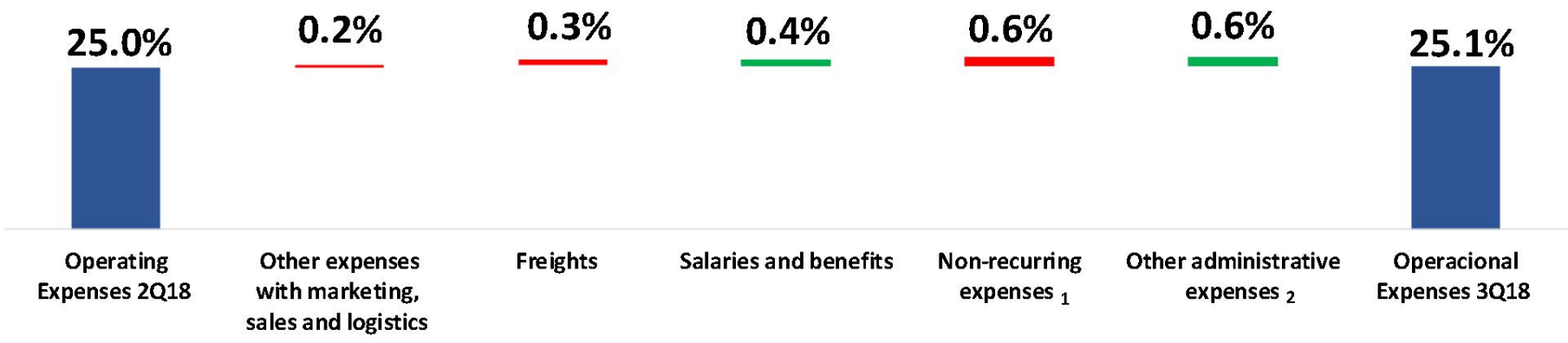
Evolution Operating expenses (% Net Revenue) 3Q18 vs. 3Q17



[1]Note: Non-recurring expenses with integration of Piraquê (R$ 2.3 million), Independent Committee (R$ 4.5 million) and expenses incurred by Piraquê with consultancy and restructuring (R$ 3.4 million). [2]Note: Other administrative expenses without non-recurring expenses.

Stability of operating expenses compared to 2Q18, even with the relevant impact of non-recurring expenses

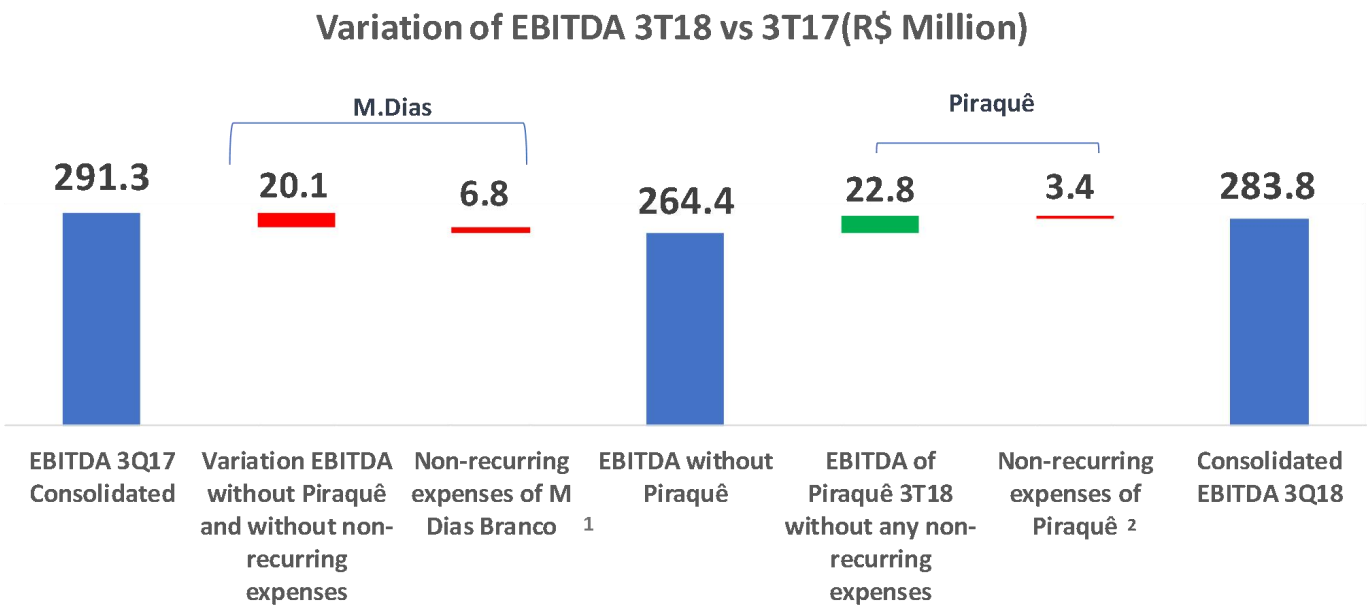
Evolution Operating expenses (% Net Revenue) 3Q18 vs. 2Q18



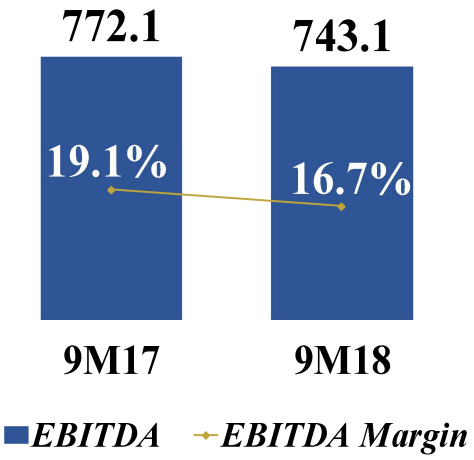
[1]Note: Non-recurring expenses with integration of Piraquê (R$ 2.3 million), Independent Committee (R$ 4.5 million) and expenses incurred by Piraquê with consultancy and restructuring (R$ 3.4 million). [2]Note: Other administrative expenses without non-recurring expenses.

In 3Q18 vs 3Q17, decrease of EBITDA (R$ Million) due to non-recurring expenses

-2.6%
3Q18 vs. 3Q17

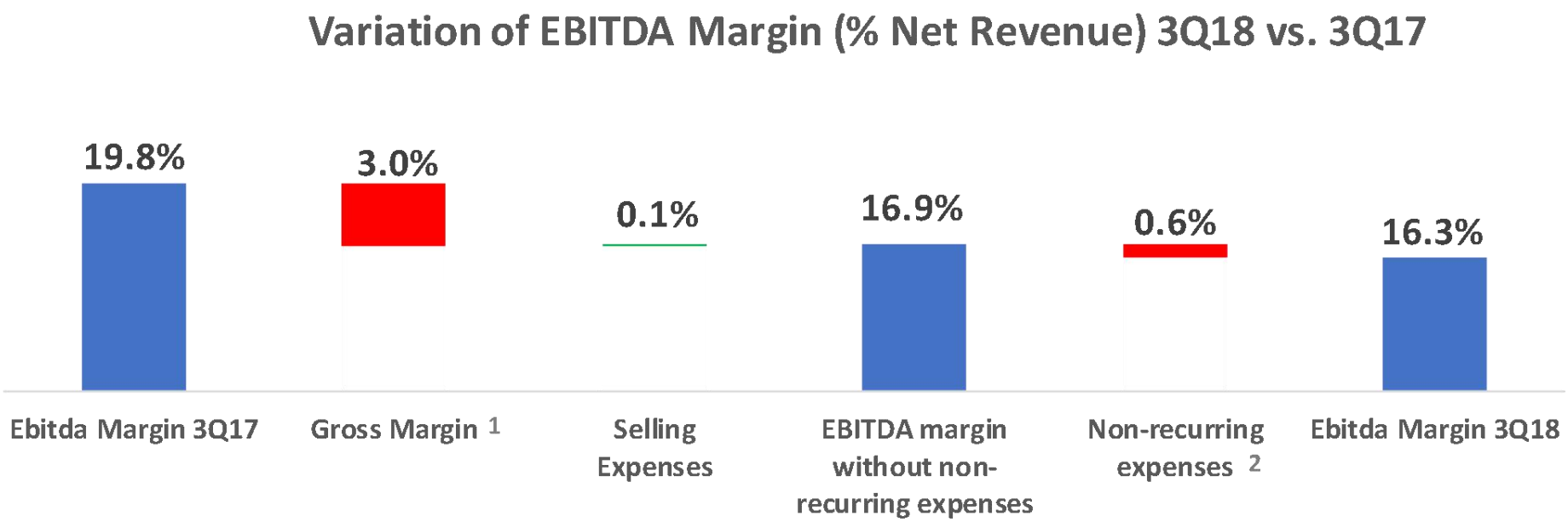


-3.8%
9M18 vs. 9M17



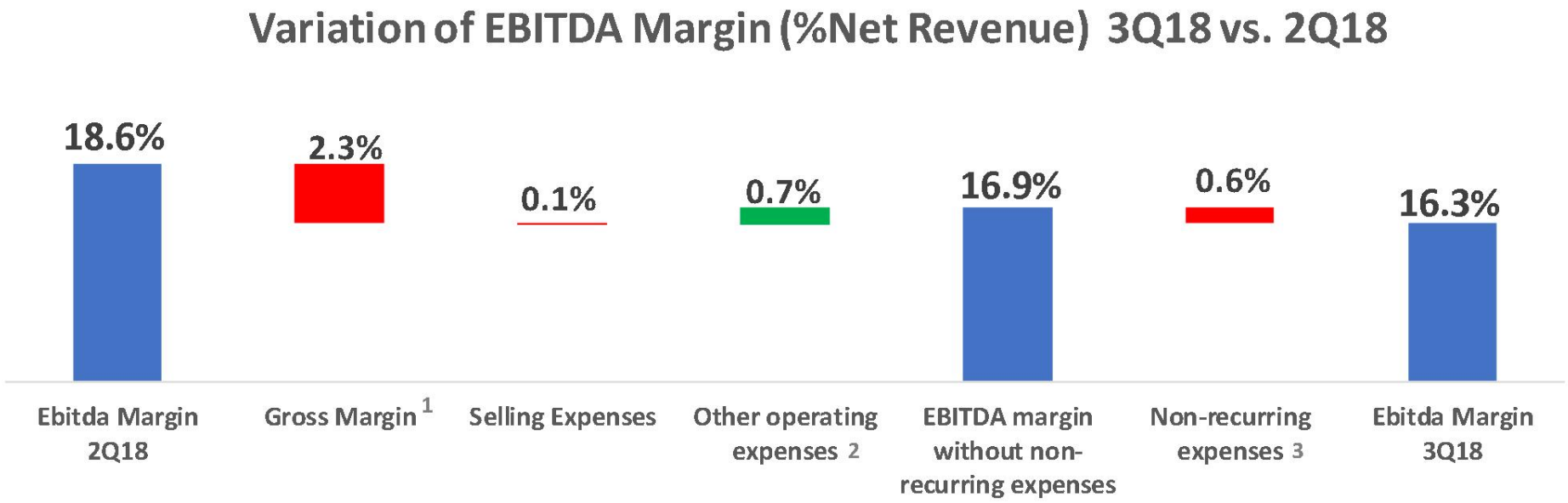
[1]Note: Non-recurring expenses of M Dias Branco with integration of Piraquê (R$ 2.3 million) and Independent Committee (R$ 4.5 million). [2]Note: Expenses incurred by Piraquê with consultancy and commercial restructuring (R$ 3.4 million).

EBITDA Margin (%Net Revenue) in 3Q18 vs 3Q17 impacted by lower gross margin and non-recurring expenses



[1]Note:% Gross margin without considering the representativeness of COGS depreciation over net revenue. 2Note: Non-recurring expenses with integration of Piraquê (R$ 2.3 million), Independent Committee (R$ 4.5 million) and expenses incurred by Piraquê with consulting and restructuring (R$ 3.4 million).

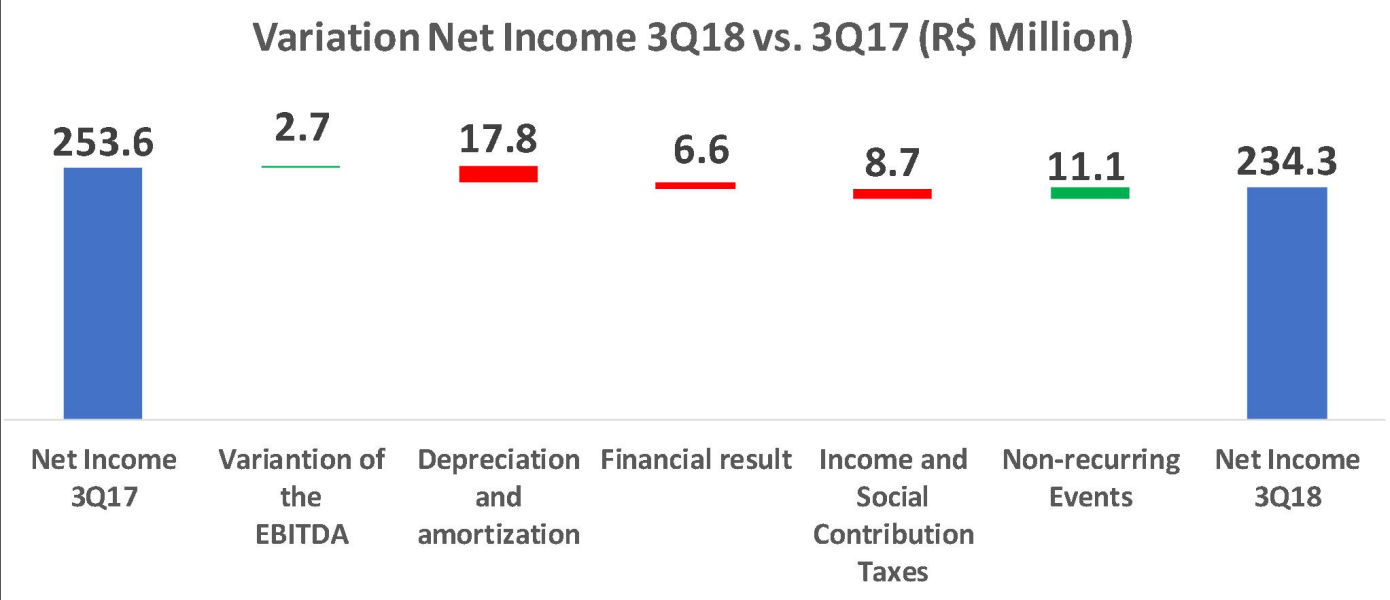
... Decrease of EBITDA margin vs. 2Q18, also affected by the gross margin and non-recurring expenses



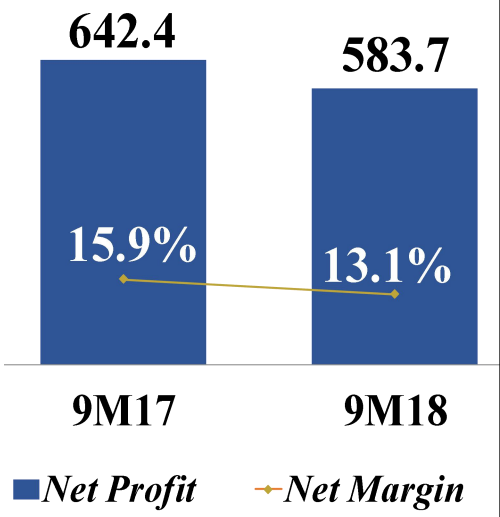
[1]Note:% Gross margin without considering the representativeness of COGS depreciation over net revenue. [2]Note: Regarding administrative expenses, administration fees, tax expenses and other operating expenses without non-recurring expenses. [3]Note: Non-recurring expenses with integration of Piraquê (R$ 2.3 million), Independent Committee (R$ 4.5 million) and expenses incurred by Piraquê with consultancy and restructuring (R$ 3.4 million).

Lower Net Profit (R$ Million) and Net Margin (%Net Revenue)

-7.6%
3Q18 vs. 3Q17



-9.1%
9M18 vs. 9M17



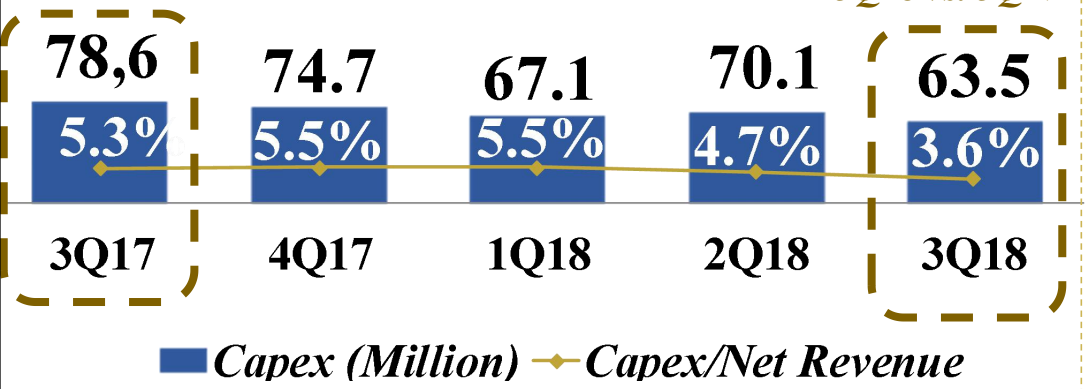
[1]*Note: EBITDA variation without non-recurring expenses.* [2]*Note: Non-recurring events refer to expenses with integration of Piraquê (R$ 2.3 million), Independent Committee (R$ 4.5 million) and expenses incurred by Piraquê with consultancy and restructuring (R$ 3.4 million), as well as the financial income from the tax credit update (IPI on packaging) of retroactive periods, whose lawsuit was final (R$ 21.3 million).*

We invested R$ 63.5 million in infrastructure

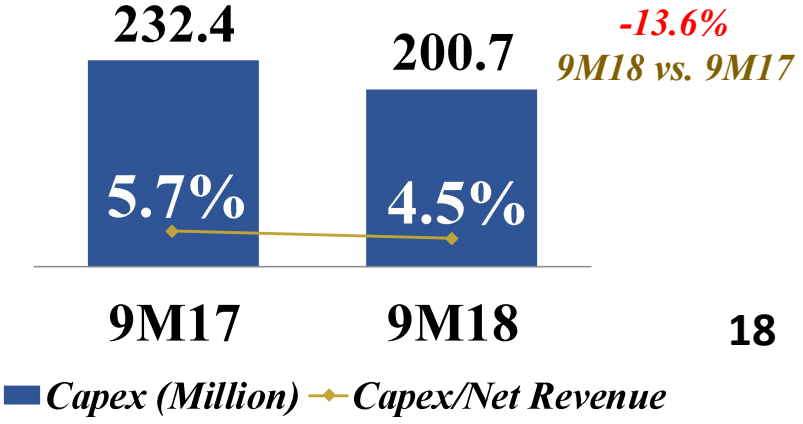
- **Construction in progress of the Wheat Mill in Bento Gonçalves (RS)**
- **Modernization of silos in the Tambaú unit (PB)**
- **Expansion of storage capacity of the distribution center in the Maracanaú unit (CE)**



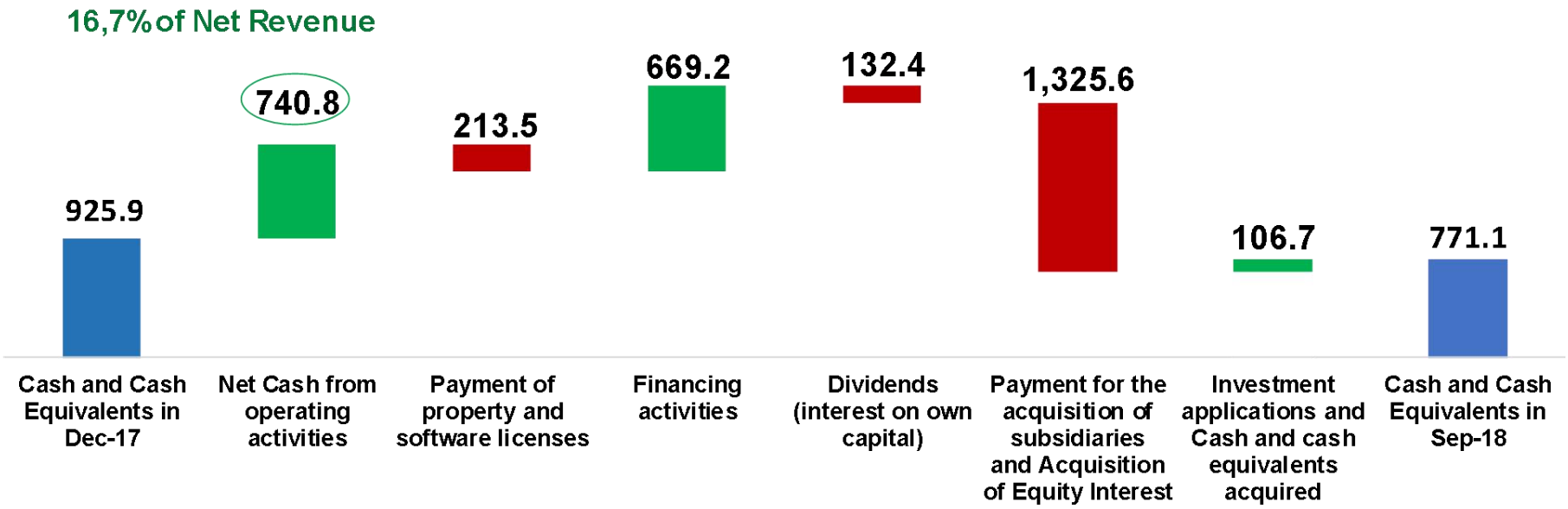
Capex (R$ Million and % Net Revenue) – without acquisition



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

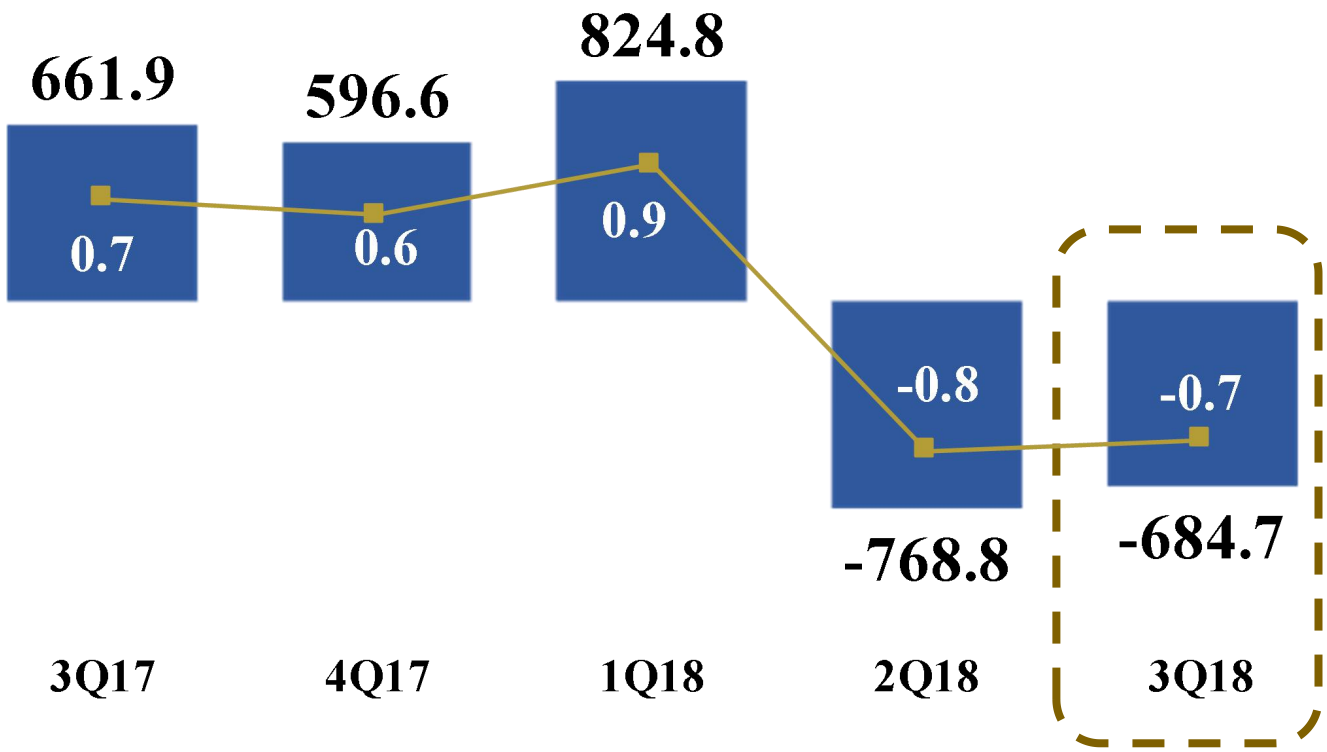


Cash and Cash Equivalent

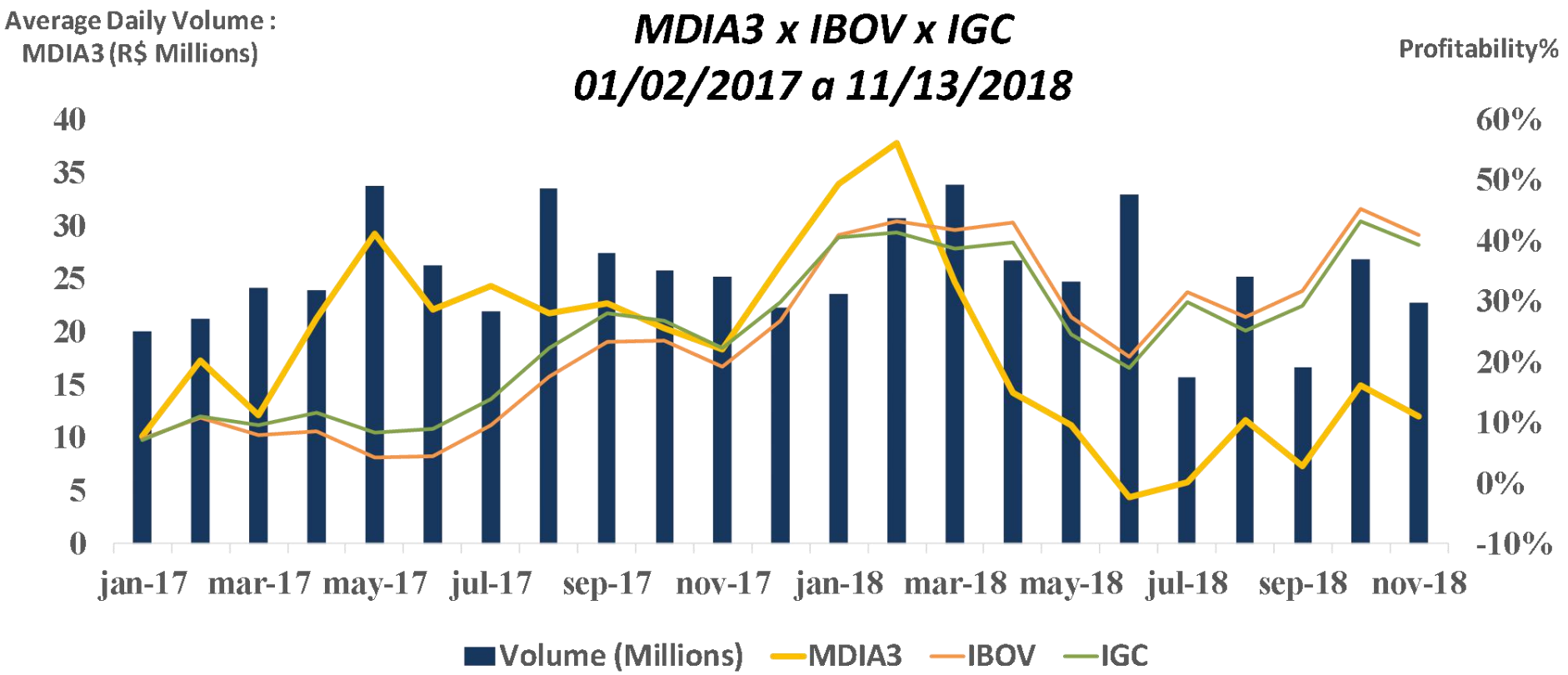


Note: The variation of the cash and cash equivalents in the graphic above refers to 9M18.

Net debt/EBITDA decreased from 0.8 in the 2Q18 to 0.7 in 3Q18



Capital Market



We started the Germinar's pilot project

germinar

11 startups selected

- ✓ **Packages, Ingredients**
- ✓ **New Business**
- ✓ **Trade Marketing and Midia**

Evolution social-environmental practices

ser sustentável
POR UM MUNDO CADA VEZ MELHOR





- **Improvement of the water reuse system (SDG 6 e 11)**
- **The relative water consumption (m^3/ton) decreased by 2.2% in 9M18 vs 9M17 (SDG 6)**
- **Increased of 1.2% of energy intensity in 9M18 vs 9M17 (SDG 7)**
- **We realize donation of products to 113 institutions who lives around of our factories and distribution centers (SDG 1,2,10 and 11)**

Awards and honors

Awarded by "Empresas Mais" in the "Food and Drink" category

ESTADÃO broadcast+
Empresas Mais

Winner of the Transparecy Trophy conceded by ANEFAC

Fipecafi - Serasa Experian
TROFÉU TRANSPARÊNCIA
ANEFAC
2018

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