Company Presentation
June 2018

M. Dias Branco

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



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

1978
Launched the Richester brand

1980
Commissioned the Fortaleza Plant in Eusébio (CE)



1992
Early vertical integration



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

2011/12
Continued acquisitions



2014
Entering new markets

2015
Continued vertical integration



2016
Restructuring of the sales model

2017
Continuous growth

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 everyones qualities and limitations.
Kleilson Galvão, Supervisor de Manutenção Predial



Simplicity

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



Expedition

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



Creativity

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



Endeavor

Its 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

Its about giving your best to the work, applying all your knowledge, and beingwilling to always move forward.
Odorvalino Carneiro, Operador de Processos III



Excellence

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



Security

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

*A team with 16.7*Thousand employees focused on sustainable results*



55% Production

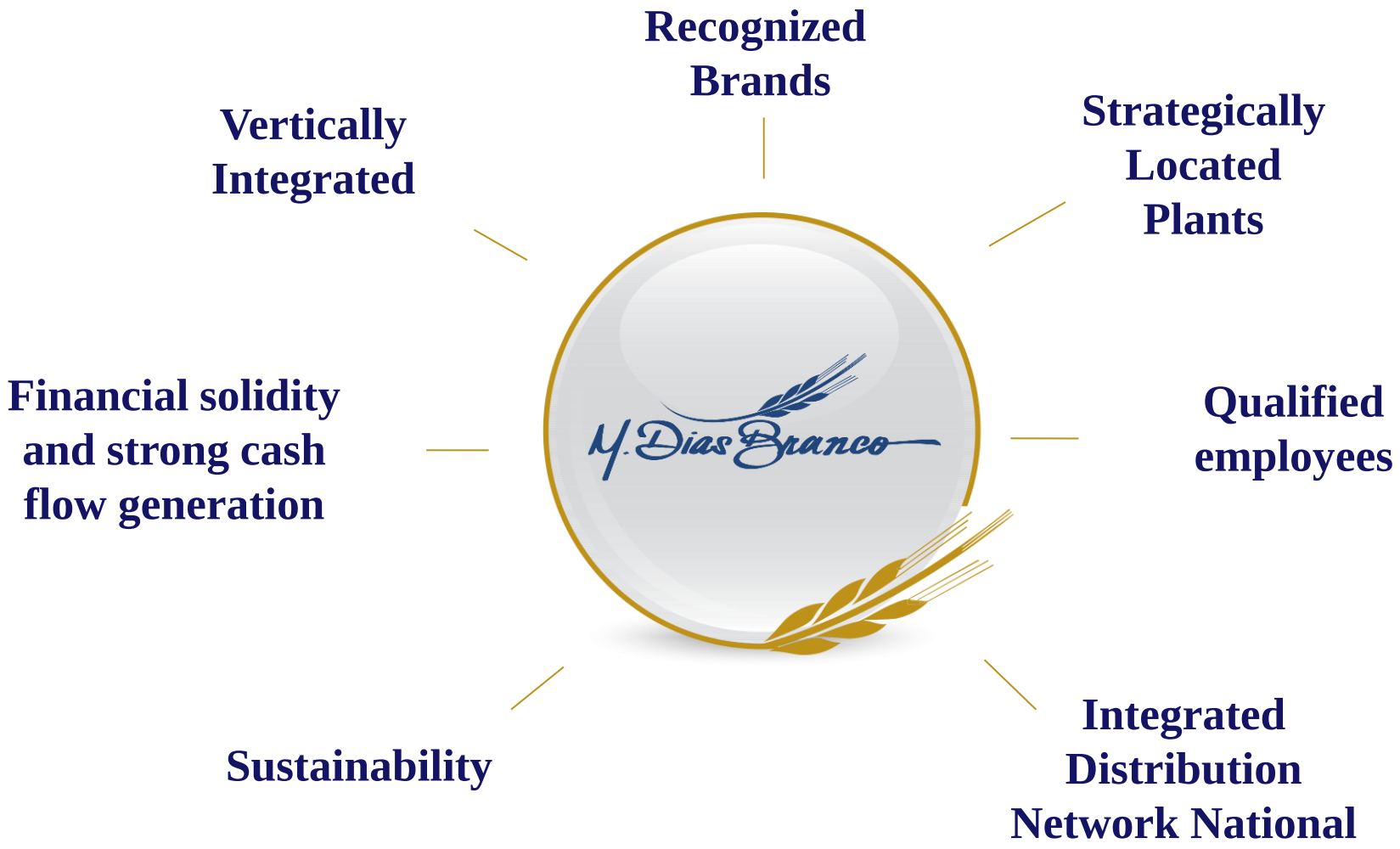
34% Sales and logistics

11% Administrative

33% women on the Board of Directors

(*) Figures without Piraquê

Competitive Advantages



A broad and diversified portfolio



	*% of Sales 2017 **
Cookies & Crackers[1]	53%
Pasta	21%
Wheat Flour & Bran	17%
Margarine & Vegetable Shortening	6%
Others [2]	3%

[1] Contain Cookies, Crakers and Chocolate covered cookies.
[2] Cakes, snacks, cake mix and packaged toast
* Figures without Piraquê

19 brands with regional or national approach







Brand with National approach

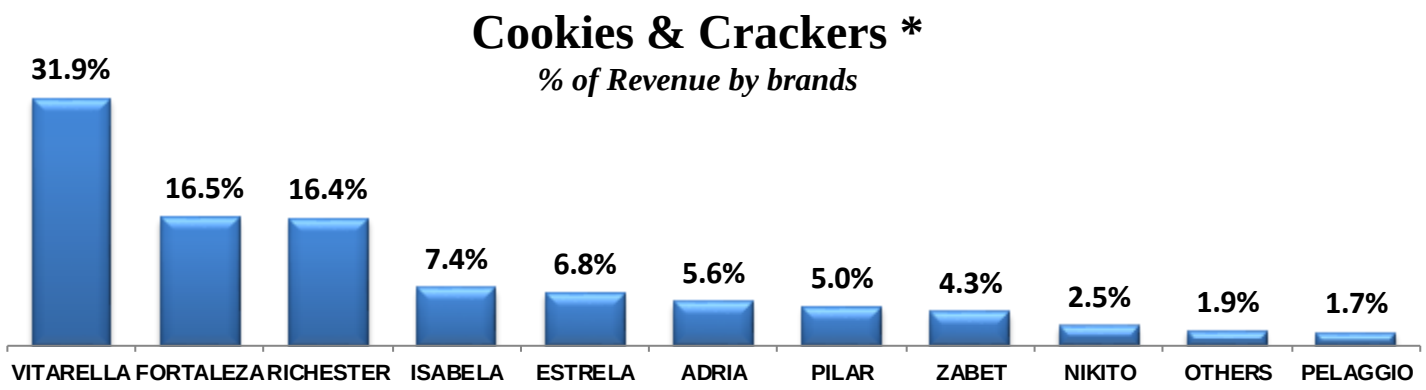
...and our brands are awarded and recognized on a regionl and national basis

VITARELLA *was elected in* **2017** *as one of the* ***"60 most valuable brands in Brazil",*** *according to the ranking published by IstoÉ Dinheiro and prepared by Kantar*

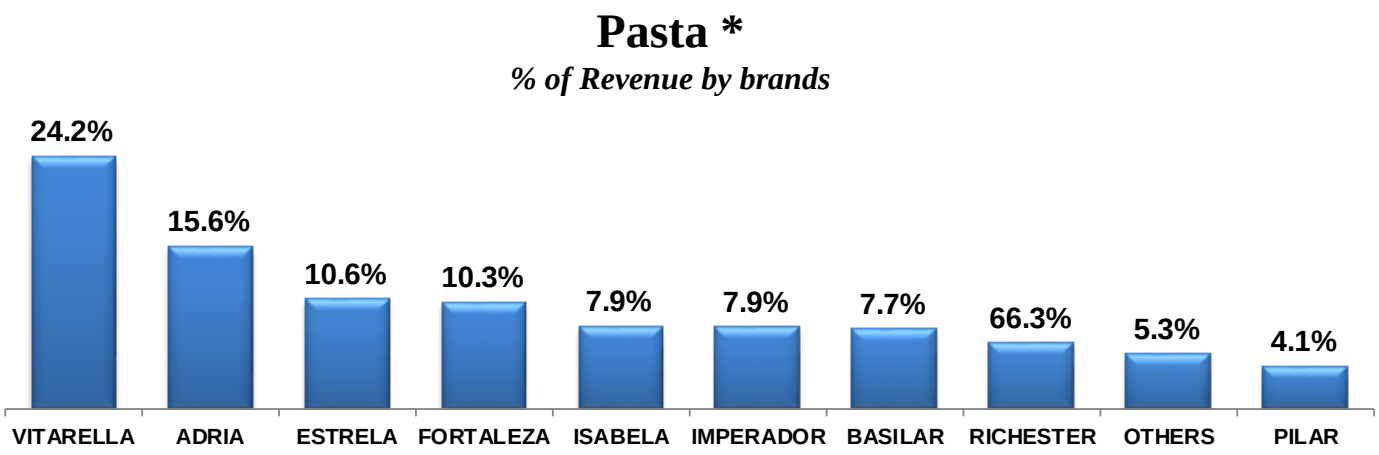
ADRIA *was elected in* **2016** *as one of the* ***"50 most valuable brands in Brazil",*** *according to the ranking published by IstoÉ Dinheiro and prepared by Kantar*

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**.

Sales per product line and brand



*Cookies and Crackers** 53.0% of total sales



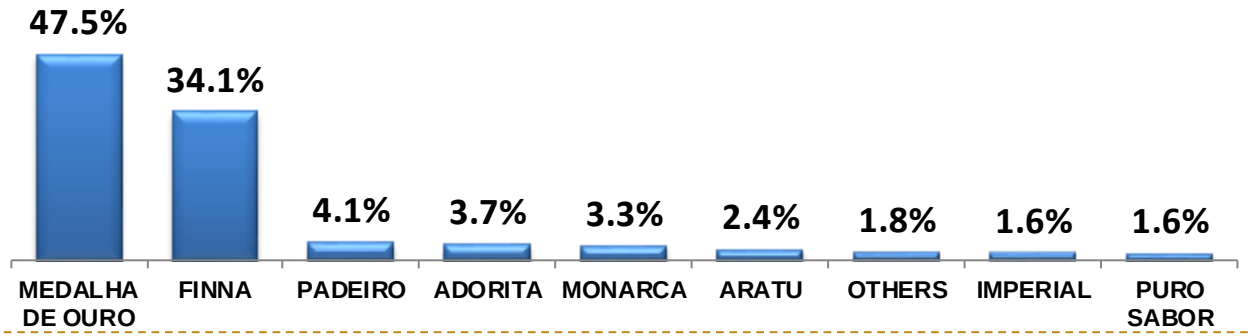
*Pasta** 21.4% of total sales

(*) Figures without Piraquê

Sales per product line and brand

Wheat Flour & Bran *

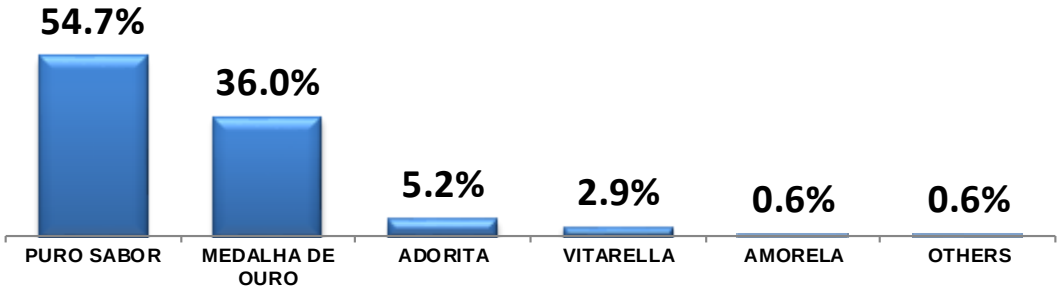
% of Revenue by brands



Wheat Flour & Bran* 17.0% of total sales

Margarine & Vegetable Shortening *

% of Revenue by brands



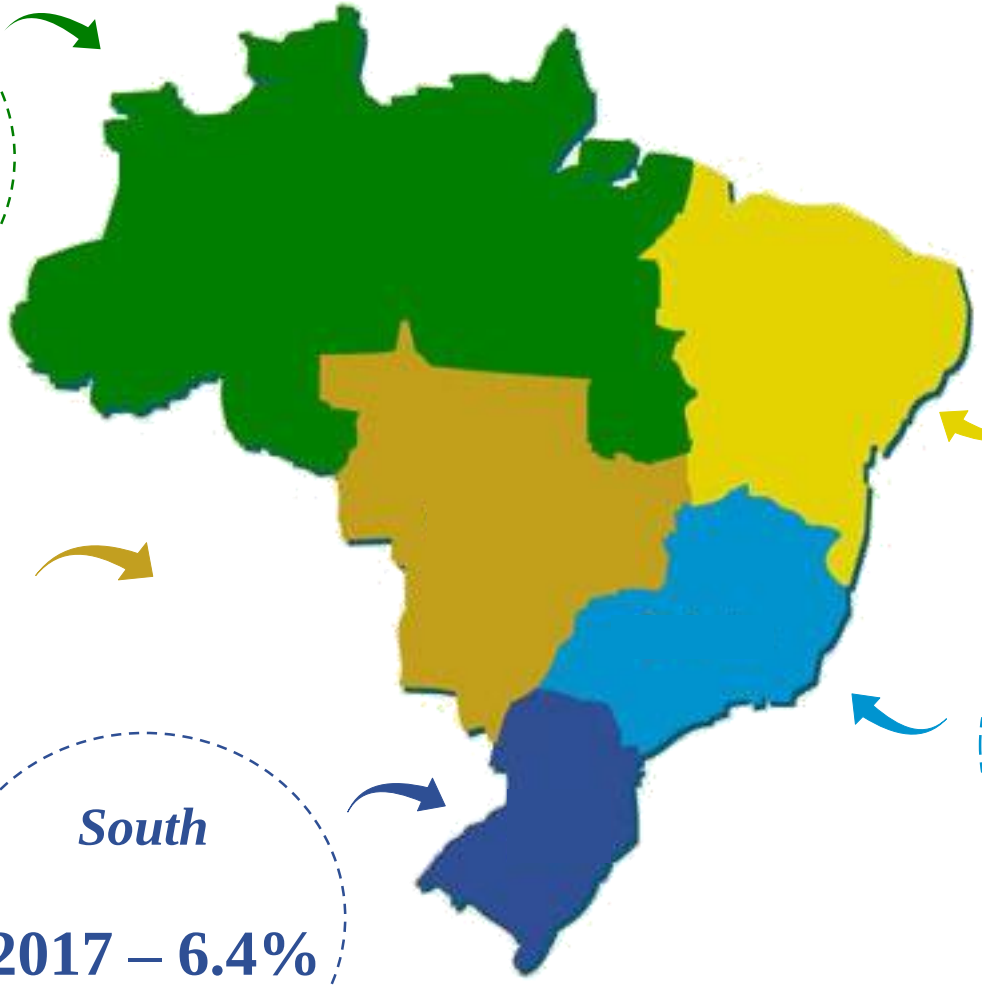
Margarine & Vegetable Shortening* 6.0% of total sales

(*) Figures without Piraquê

Our sales are distributed in all regions in Brazil*

North

2017 – 3.9%
2016 – 4.1%



Northeast

2017 – 69.8%
2016 – 71.3%

Midwest

2017 – 3.0%
2016 – 2.8%

Southeast

2017 – 16.4%
2016 – 15.3%

South

2017 – 6.4%
2016 – 6.1%

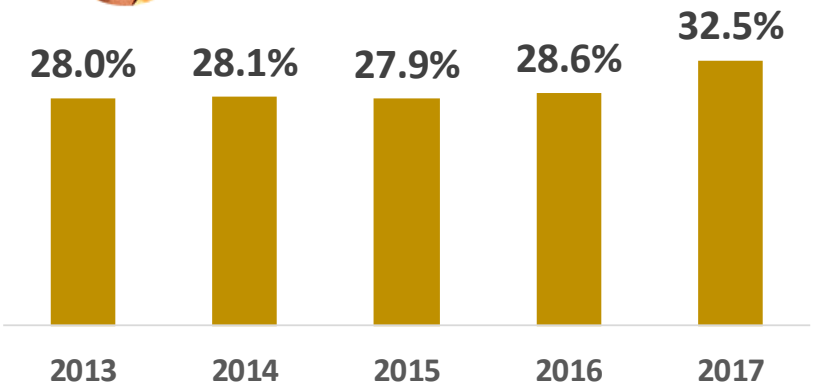
Note: The values are Percentage of Total Revenue
In 2017 0.5% (0.4% in 2016) of Net Revenue corresponded to exports.

(*) Figures without Piraquê

National Market Leadership*

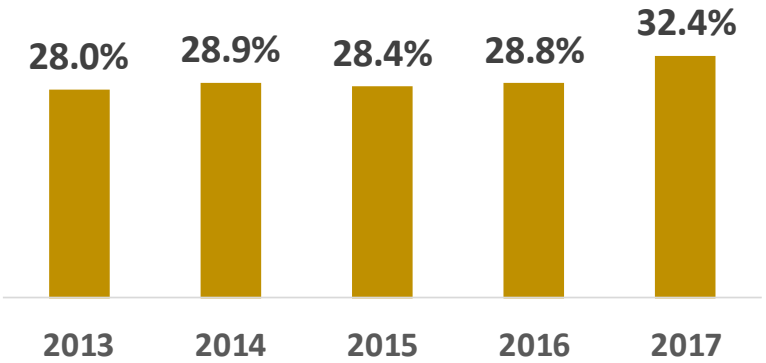


Market Share Volume Cookies & Crackers[2]

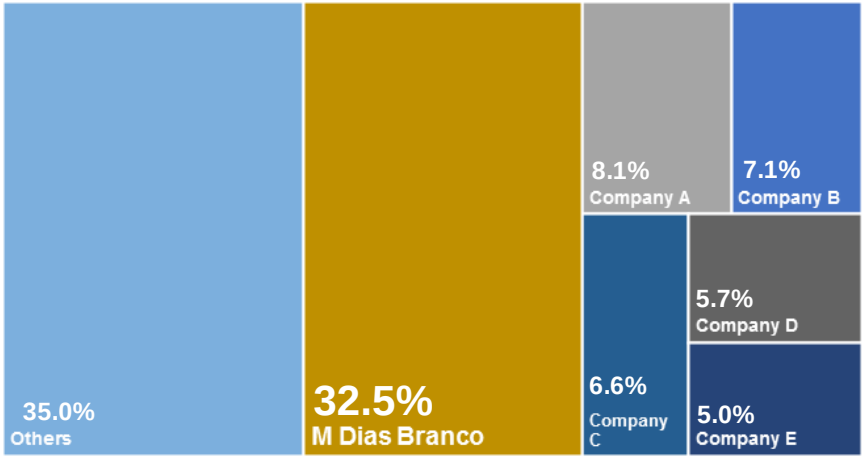




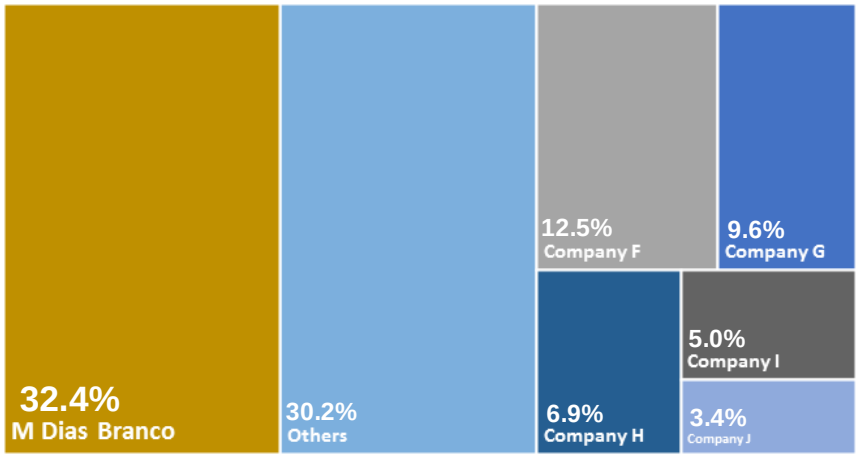
Market Share Volume Pastas[2]



[1]Leadership in Cookies & Crackers in 2017



[1]Leadership in Pasta in 2017



[1] Until 2016, AC Nielsen market share data considered retailers only and, as of 2017, they have also included cash & carry outlets.
Cash & Carry: a sales channel that offers a hybrid business model, aimed at both the retailer (merchants, grocers) and individual consumers
[2] Period: jan-dez/17 ***(*) Figures without Piraquê***

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

- Healthy with flavor
- Nutrition
- Indulgence and experience
- Convenience
- Affordable











Marketing investments to drive sales and to create strong brands

Richester Animados Zoo



Vitarella Treloso



FINNA



Salsitos



Marketing investments to drive sales and to create strong brands







We are also investing on new packages

Previous Packages







New Packages







We are also investing on new packages

Previous Packages



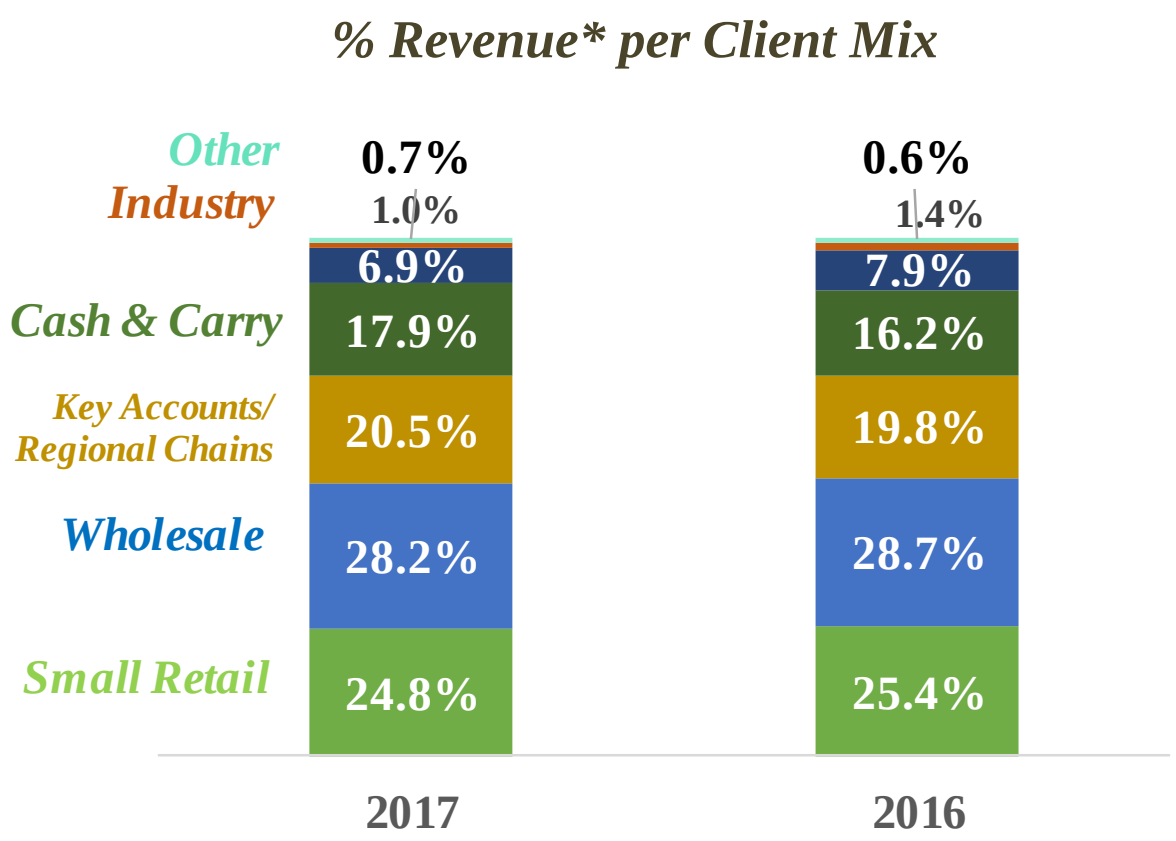


New Packages





Our products are sold through a diversified cliente mix

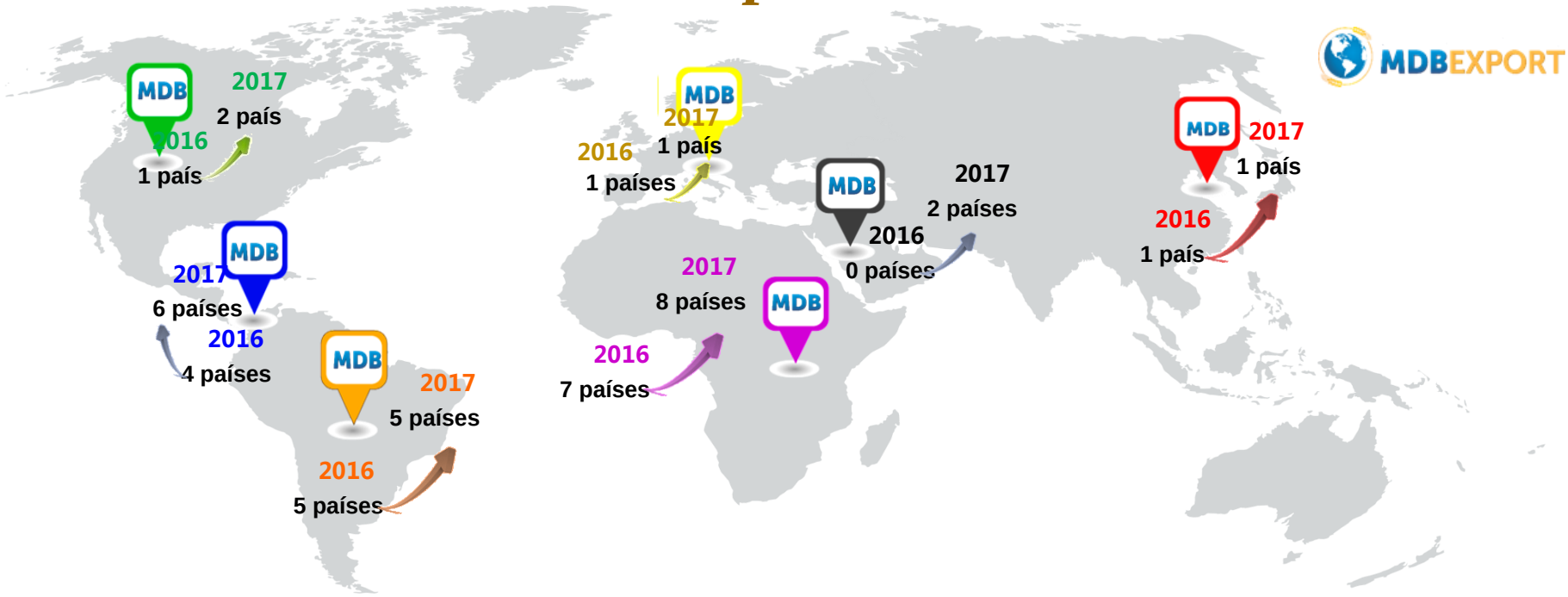






(*) Figures without Piraquê

Exported to 25* Countries in 2017



MDB 2016 *

- América do Sul
- América Central
- América do Norte
- Ásia
- África
- Europa

MDB 2017 *

- América do Sul
- América Central
- América do Norte
- Ásia
- África
- Europa
- Oriente Médio*

*Iêmen, Palestina, Kuwait, Emirados Árabes, Omã, Jordânia, Qatar, Iraque, Síria, Líbano, Israel

(*) Figures without Piraquê

15 Industrial Plants and 38 Distribution Centers



Fábrica Fortaleza

State of Ceará



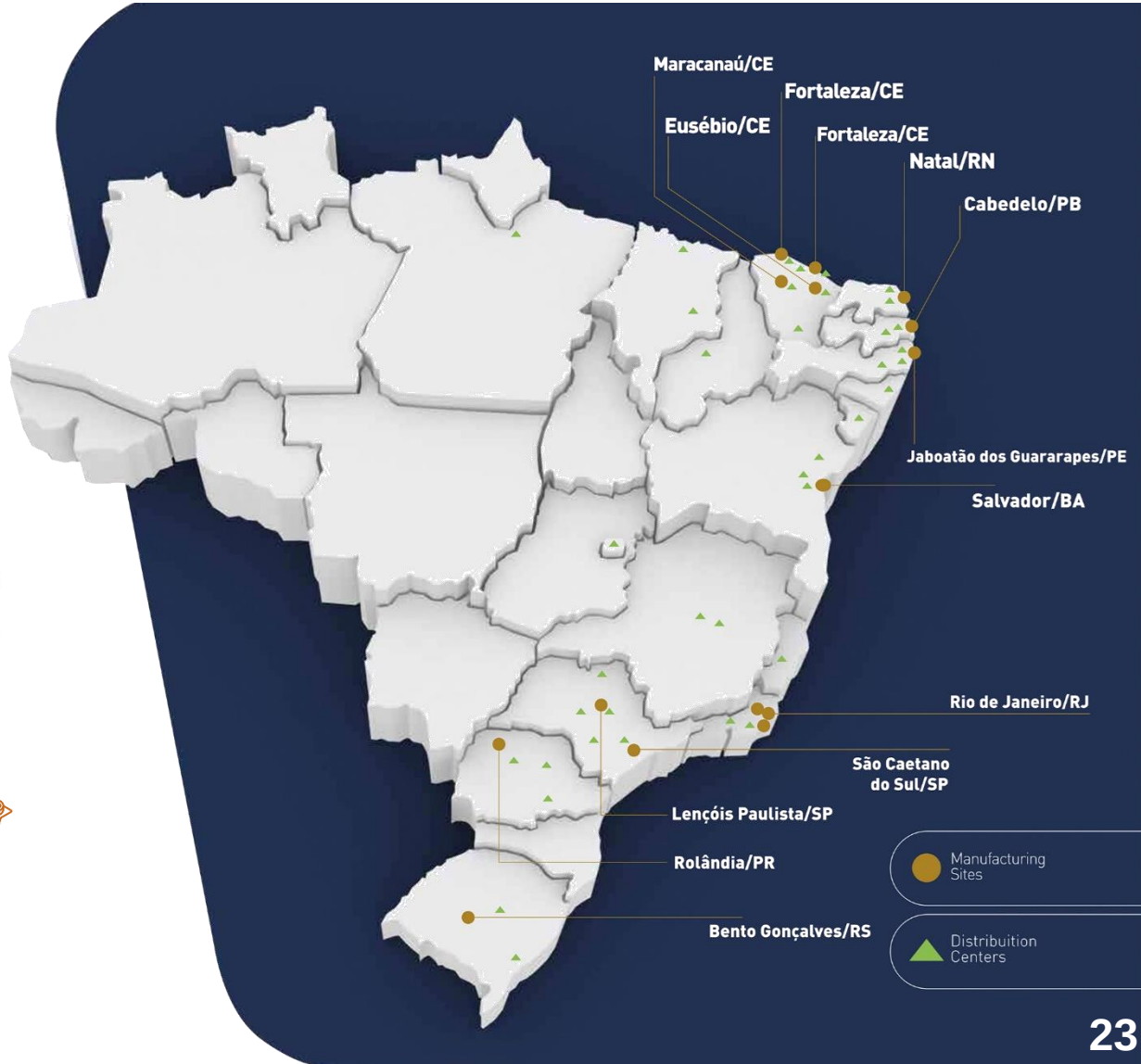
Grande Moinho Aratu

State of Bahia



Gorduras e Margarinas Especiais

State of Ceará



The vertically integrated production increases our competitiveness

VERTICAL INTEGRATION OF WHEAT FLOUR *



92% of the wheat flour we consume is produced internally

VERTICAL INTEGRATION OF VEGETABLE OIL *



83% of the vegetal shortening we consume is produced internally

(*) Figures without Piraquê

Sustainability

ser sustentável
POR UM MUNDO CADA VEZ MELHOR



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”

Strong Acquisitions Track Record

Aquisition in 2003

ADRIA

Regions: South and Southeast



Aquisition in 2008

VITARELLA

Region: Northeast



Aquisition in 2011

PILAR
DESDE 1875

Region: Northeast



Aquisition in 2011

Estrela

Region: Northeast



Aquisition in 2012

MOINHO
Santa Lúcia

Region: South



Aquisition in 2018

piraquê

Region: Southeast



The closing of the Piraquê acquisition was in May 2018



*Cookies and Crackers**

- *Volume and Value Brazil Share:* **3.8% and 6.2%**
- *Volume and Value Southeast Share :* **8.1% and 12.0%**
- *Volume and Value Northeast Share:* **0.3% and 0.6%**



Powder Juice



Pasta

- *Volume and Value Brazil Share:* **3.4% and 4.2%**
- *Volume and Value Southeast Share:* **7.1% and 8.2%**
- *Volume and Value Northeast Share:* **0.4% and 0.6%**

*** The information presented is the Market Share in Volume and Value Sales of the Piraquê brand (year 2017)**

Strategy



Expanding Market Share leadership.



Organic Growth



New acquisitions.



Operations in new food segments.



Vertical integration expansion.



Maintain the current dividend policy.

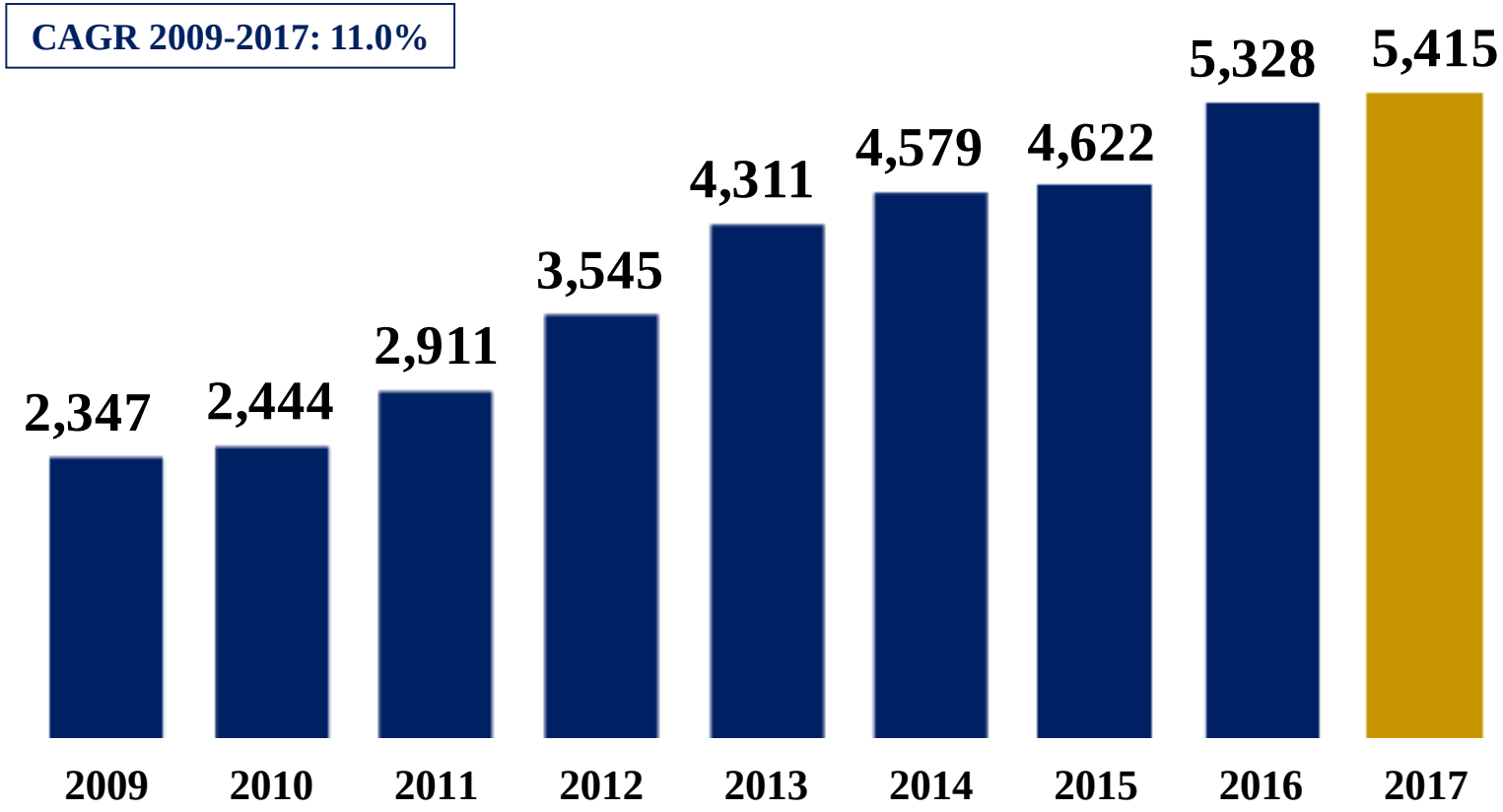


Continuous search for more operational efficiency and costs control.

Results



Net Revenue (R$ million)*

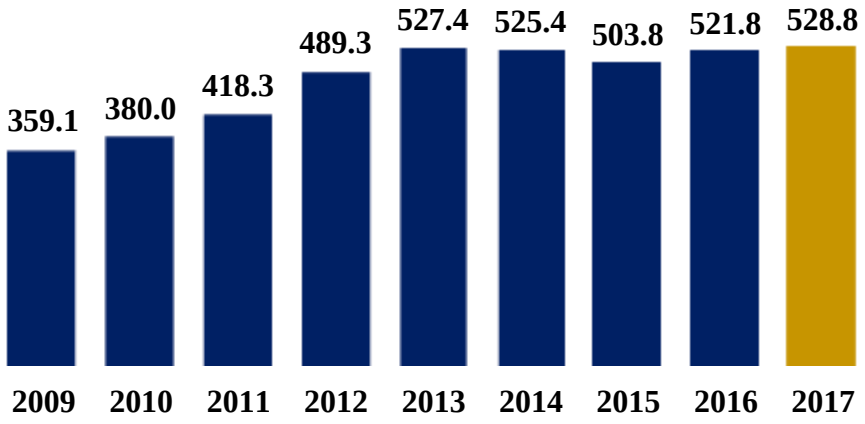


(*) Figures without Piraquê

Sales Volume * by Product Line

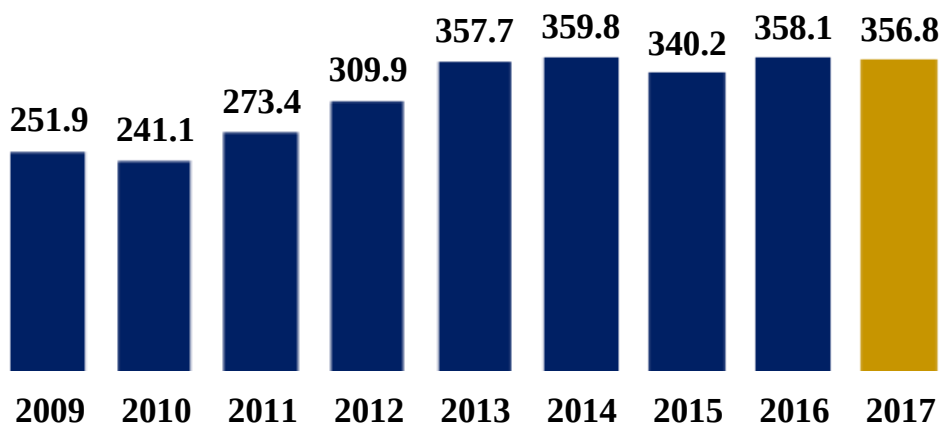
Cookies and Crackers – Sales ('000 tonnes)

CAGR 2009-2017: 5.0%



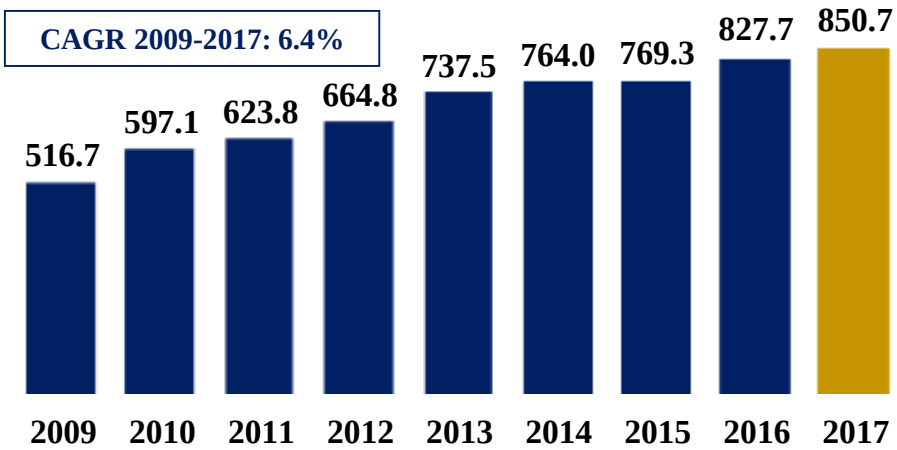
Pasta – Sales ('000 tonnes)

CAGR 2009-2017: 4.4%



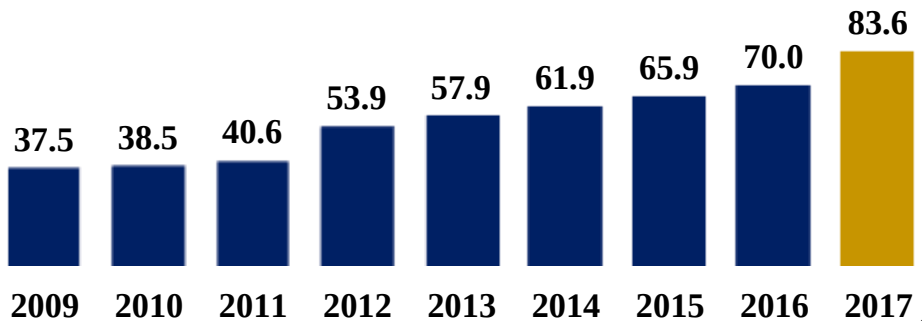
Wheat Flour and Bran – Sales ('000 tonnes)

CAGR 2009-2017: 6.4%



Margarine and Vegetable Shortening – Sales ('000 tonnes)

CAGR 2009-2017: 10.5%

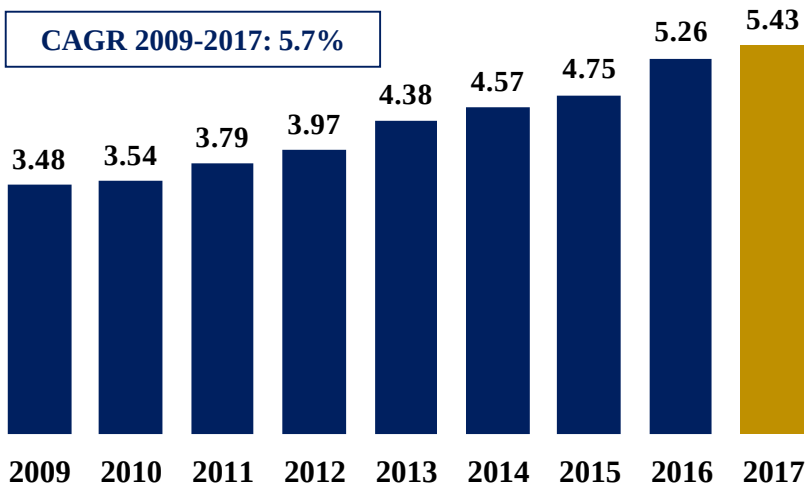


(*) Figures without Piraquê

Net Average* Price by Product Line

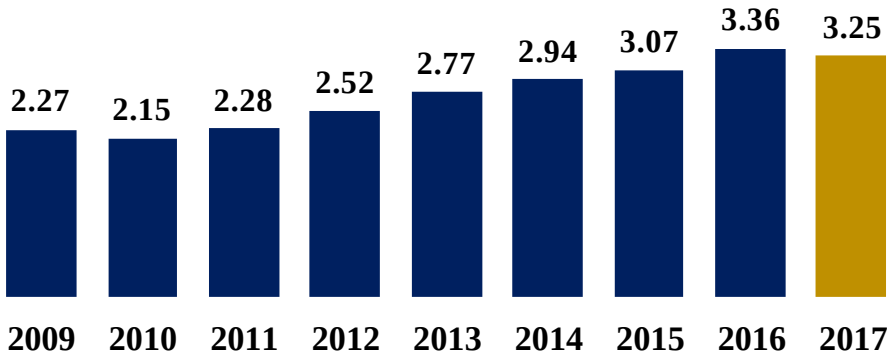
Cookies and Crackers – Sales (R$/Kg)

CAGR 2009-2017: 5.7%



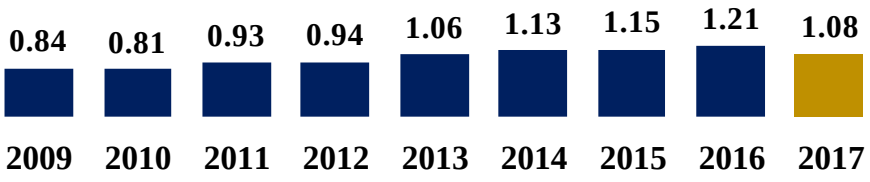
Pasta – Sales (R$/Kg)

CAGR 2009-2017: 4.6%



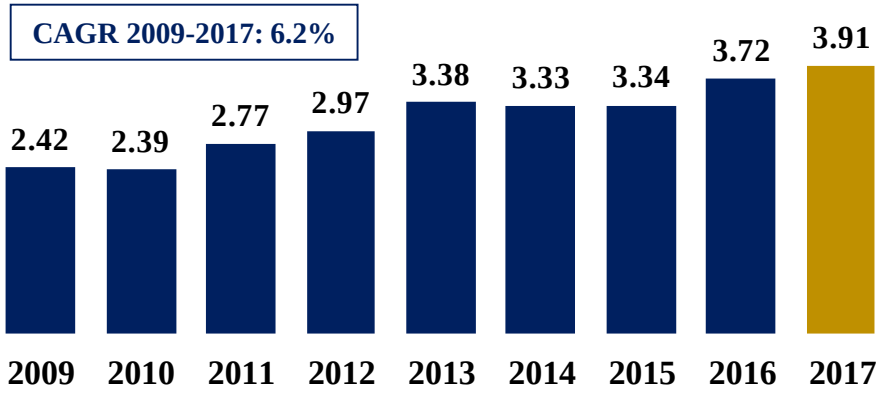
Wheat Flour and Bran – Sales (R$/Kg)

CAGR 2009-2017: 3.2%



Margarine and Vegetable Shortening – Sales R$/Kg)

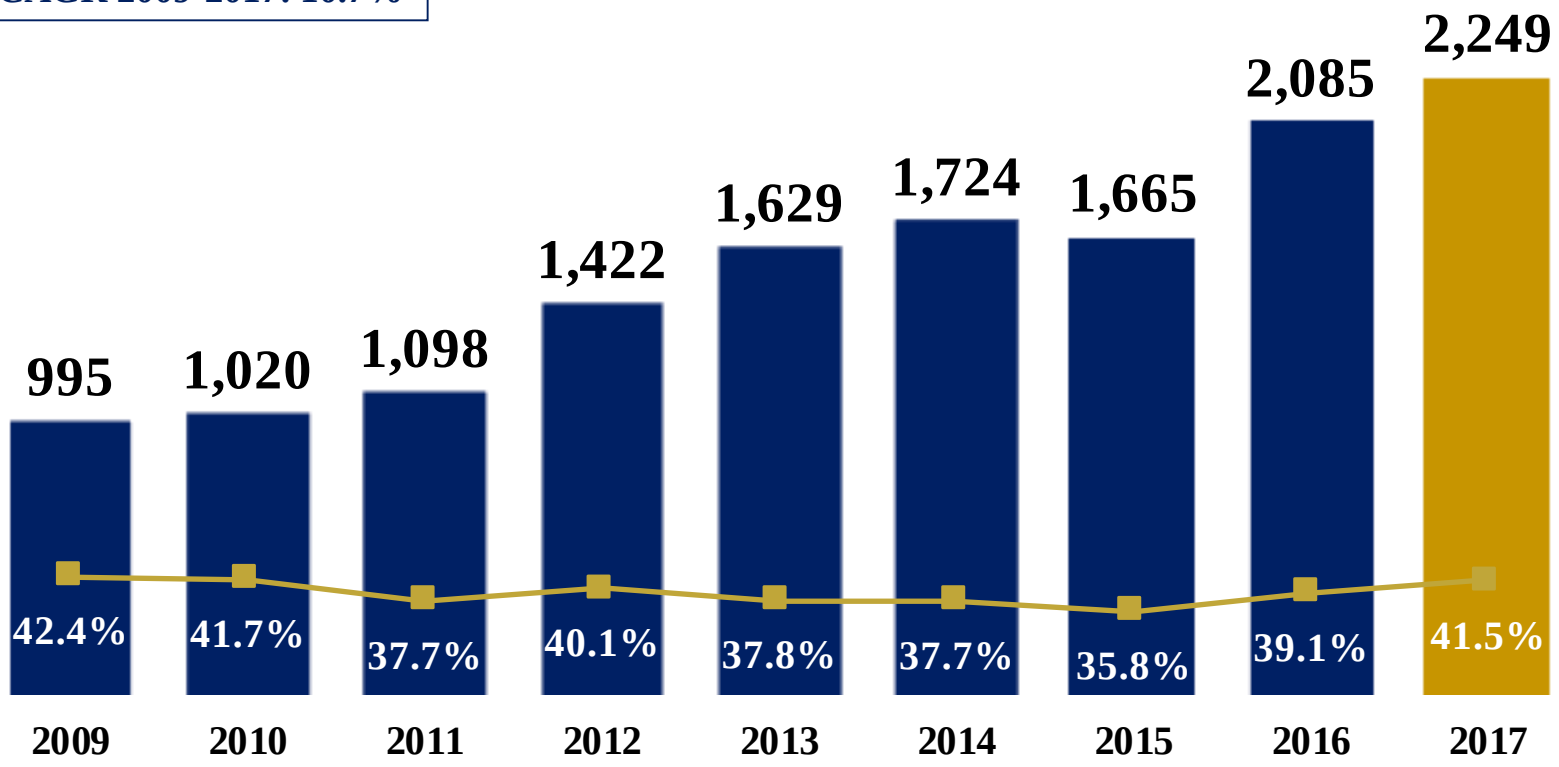
CAGR 2009-2017: 6.2%



(*) Figures without Piraquê

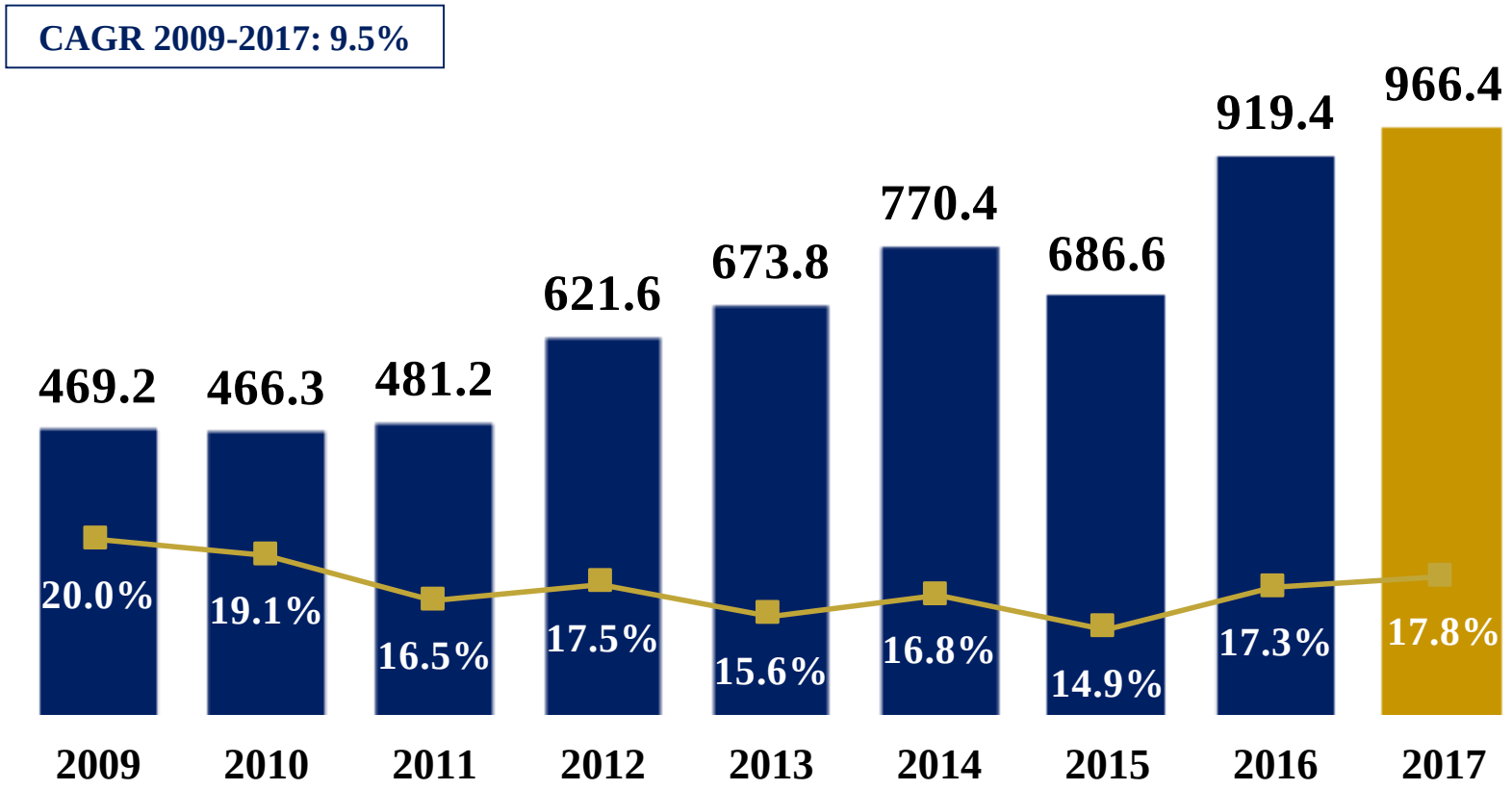
Gross Profit (R$ million) and Gross Margin* (%)*

CAGR 2009-2017: 10.7%



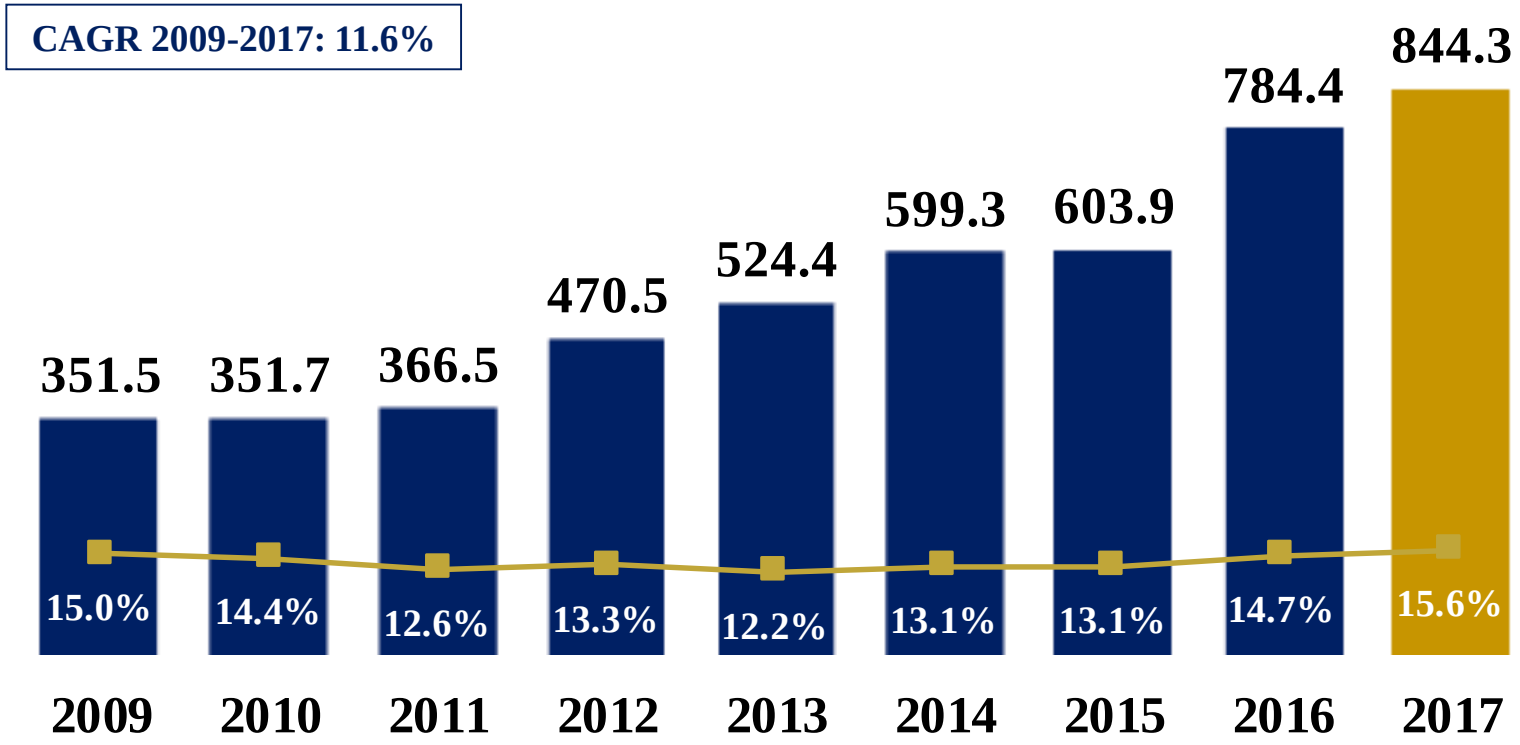
(*) Figures without Piraquê

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



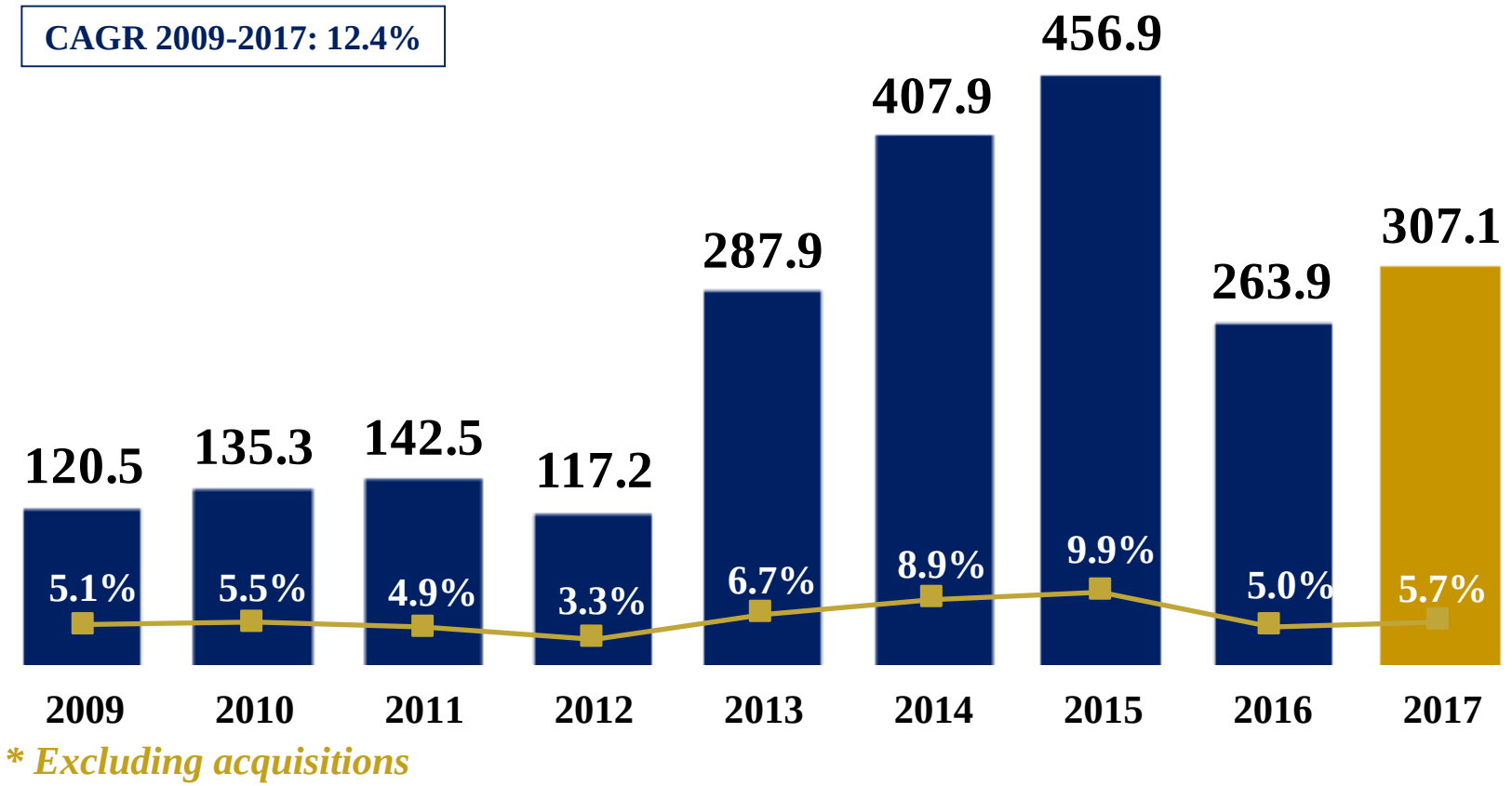
(*) Figures without Piraquê

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



(*) Figures without Piraquê

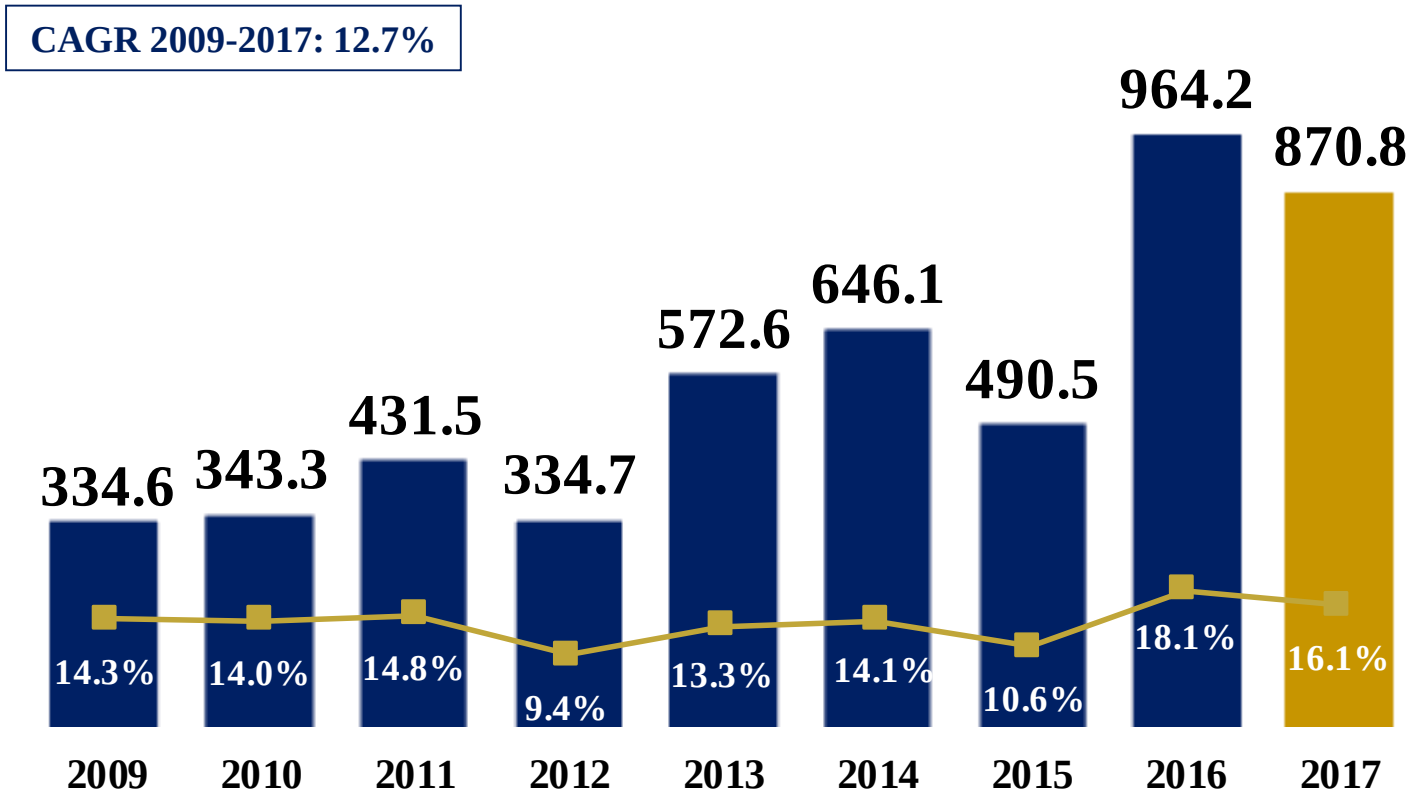
Capex (R$ million) and Capex*/Net Revenue (%)*



** Excluding acquisitions*

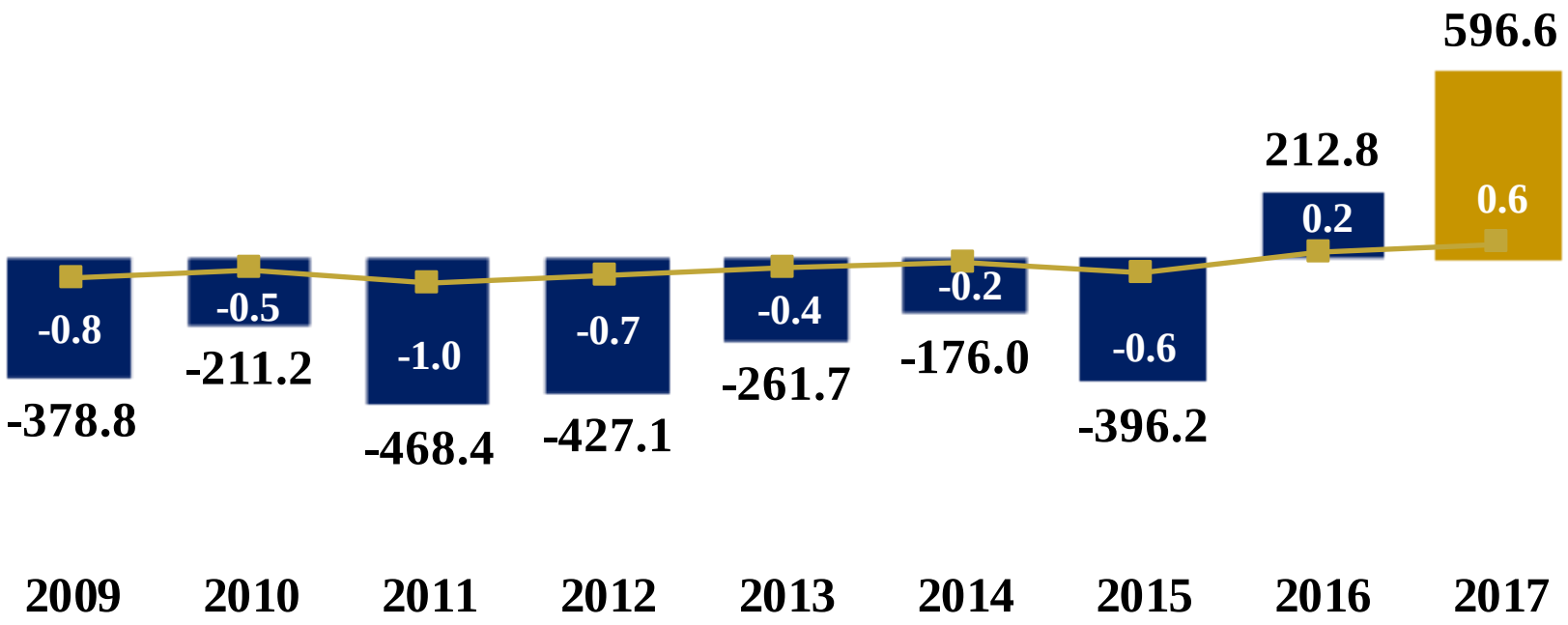
(*) Figures without Piraquê

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



(*) Figures without Piraquê

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

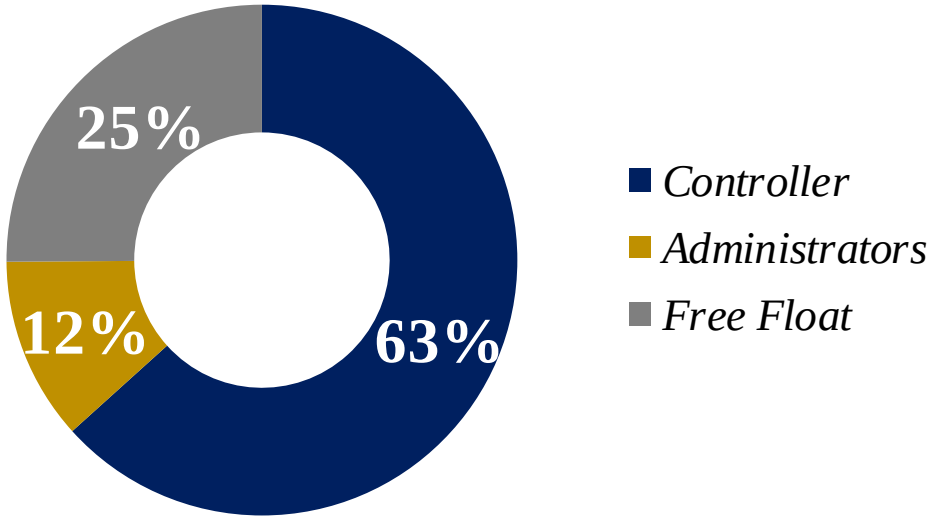


(*) Figures without Piraquê

Corporate Governance and Capital Market

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

Shareholder Position as of 12/29/2017.



MSCI Índices · MDIA3 Novo Mercado BM&FBOVESPA · Índice Brasil IBRX · Índice de Ações com Governança Corporativa Diferenciada IGC · Índice de Consumo ICON · Índice de Ações com Tag Along Diferenciado ITAG · Índice de Governança Corporativa Trade IGCT · Índice MidLarge Cap MLCX · Índice do Setor Industrial INDX · Índice Brasil Amplo BM&FBOVESPA IBRA · FTSE4Good · ESG Rating

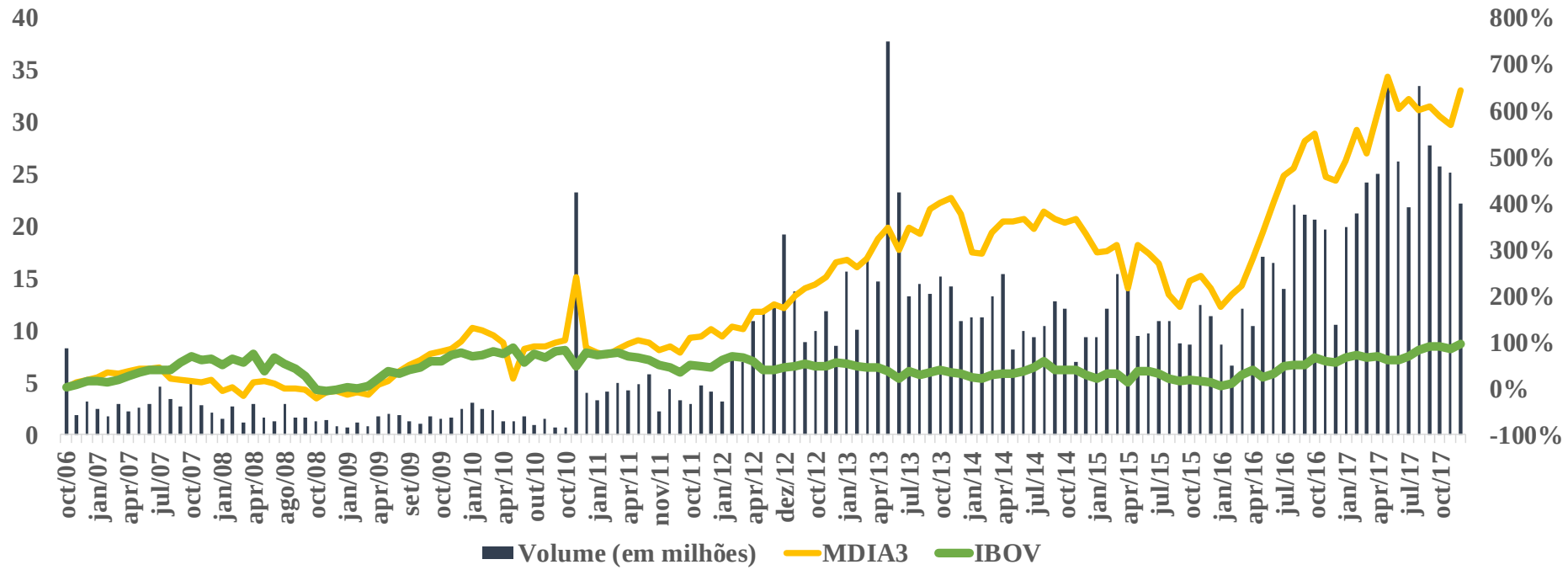
MDIA 3 vs IBOVESPA

Since the IPO (R$ billion, year end)

Average Daly Volume : MDIA3 (R$ Millions)

MDIA3 x IBOV
17/10/2006 a 29/12/2017

Profitability%



Sustainability Results

MATERIAL ISSUES AND SUSTAINABLE DEVELOPMENT OBJECTIVES PURSUED BY THE COMPANY

THE GLOBAL GOALS
For Sustainable Development



	1	2	3	4	6	7	8	9	10	12	13	16
Economic							●	●				
Ethics and Integrity												●
Stakeholder engagement				●								
Development of Human Capital							●					
Occupational Health and Safety			●									
Training and Education				●								
Nutrition and Healthiness			●									
Packaging										●		
Waste Material										●		
Water and Wastewater					●			●				
Energy and Emissions						●					●	
Communities and social investment	●			●					●			
Consumables		●					●				●	

IR Team

Geraldo Luciano Mattos Júnior - Vice-President of Investments and Controllership
Fabio Cefaly - New Business and Investor Relations Director
Fernanda Carvalho - New Business and Investor Relations Manager

Julianny Maia – New Business and Investor Relations Analyst
Renata Lessa– New Business and Investor Relations Analyst
Vitor Veiga – Trainee

Tel.: (85) 4005-5952 or 5874
E-mail: ri@mdiasbranco.com.br

Market Marker

BTGPactual

Custodian

Bradesco

Independent Auditors

pwc

B3 Ticker

MDIA3 NOVO MERCADO BM&FBOVESPA

Thank you

Results Presentation 1Q18

M. Dias Branco

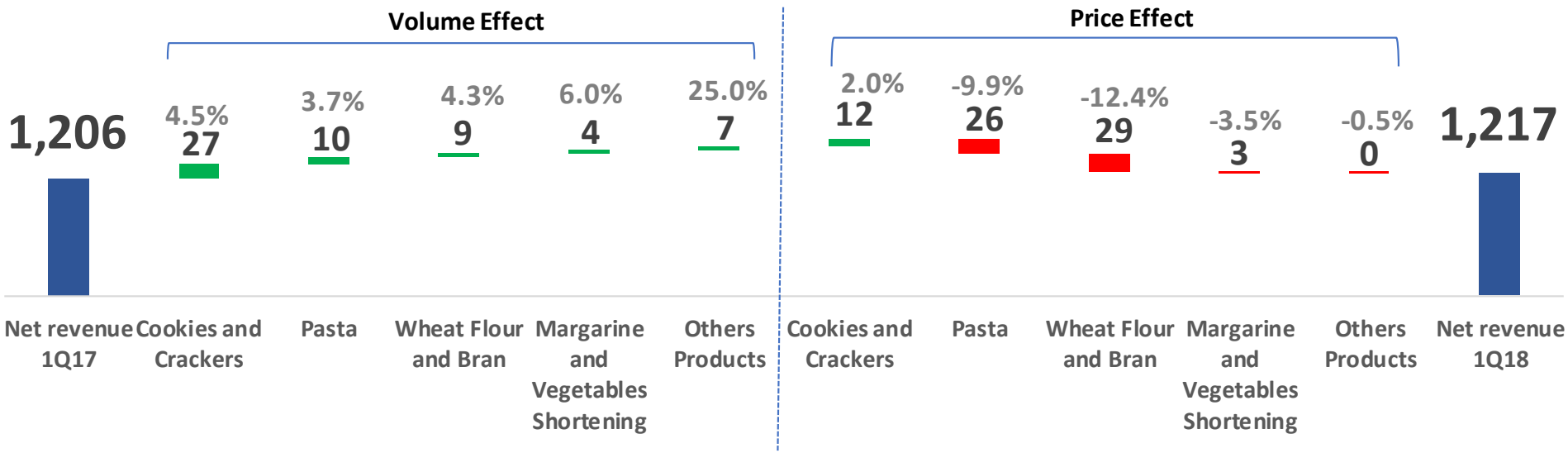
Food for the well-being of Society and the people's happiness



Volume growth in all product lines and decrease of average price

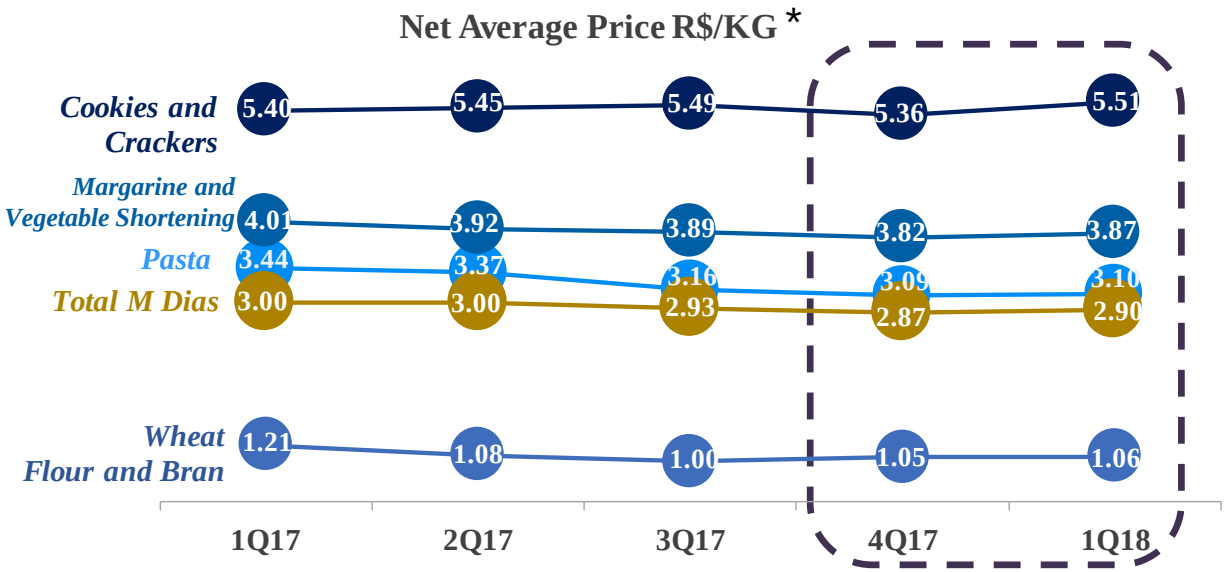
Net Revenue *	=	*Volume**	*Average Price**
+ 0.9% vs. 1Q17		*+ 4.5% vs. 1Q17*	*-3,3% vs. 1Q17*

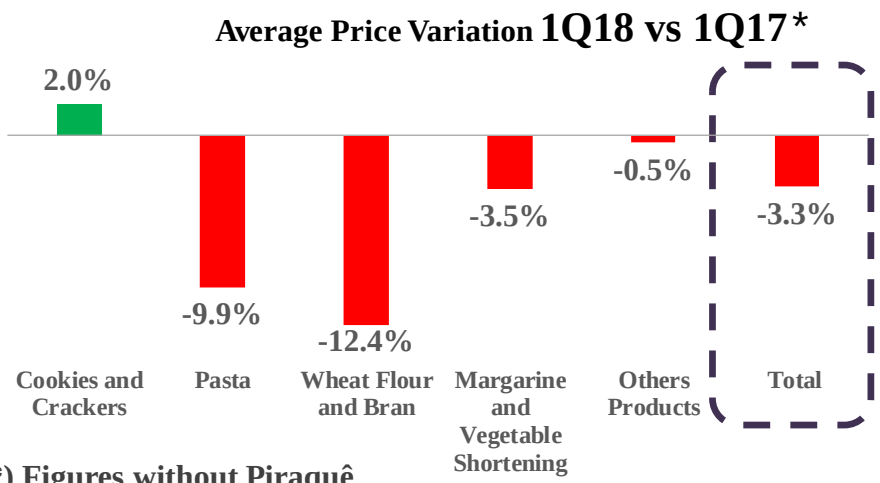
Variation of Net Revenue - 1Q18 VS 1Q17 (R$ Millions and %)*

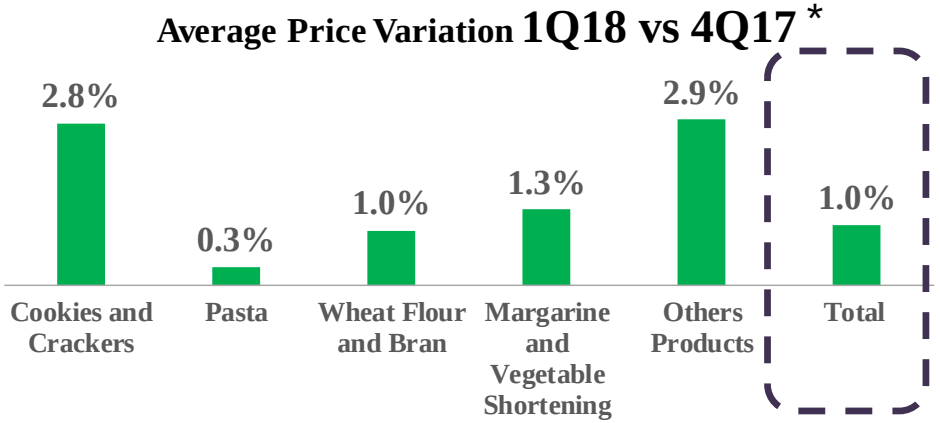


(*) Figures without Piraquê

Average prices decreased in 1Q18 vs 1Q17 and increased compared to 4Q17







(*) Figures without Piraquê

Volume Growth leveraged by incentives to the sales promoters and marketing investments

- ✓ **Incentive to the sales promoters to gain new extra points of sales in our clients;**

- ✓ **Marketing campaigns with prize promotions to the end consumers**

ADRIA *Promote sell in and sell out*



VITARELLA *National visibility*



Launches consistent with the strategy of growth and introduction of items with higher added value

VITARELLA





Estrela





We maintained the national leadership in pasta, cookies and crackers

Cookies and Crackers*
*National Leadership with **32.2%****
*Δ Share Volume: **+0.3 p.p.***
*Δ Share Value: **+0.2 p.p.***



Pasta*
*National Leadership with **33.1%****
*Δ Share Volume: **-0.4 p.p.***
*Δ Share Value: **-0.6 p.p.***



Wheat Flour and Bran*
*Northeast Leadership with **28.6%****

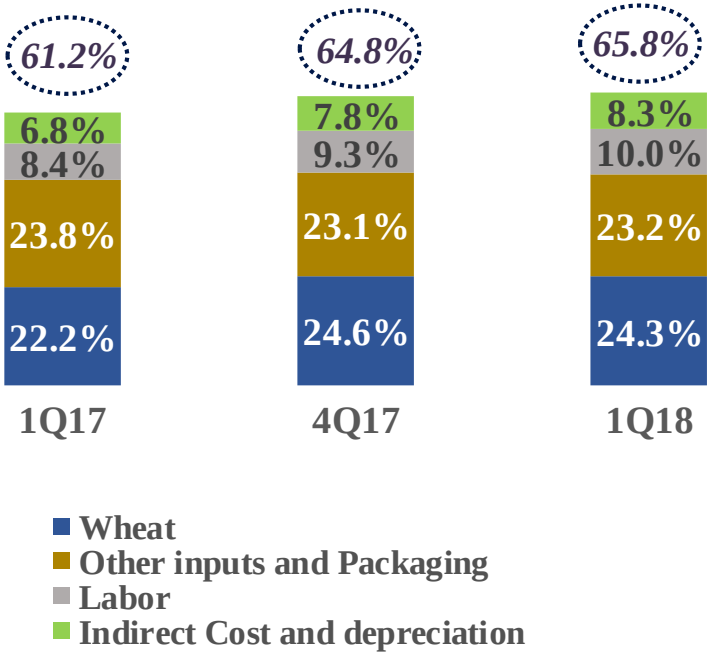
* Market Share - Volume according to Ac Nielsen data (jan-feb/18)

Note: The variations presented reffers to the periods nov-dec/17 vs. jan-feb/18

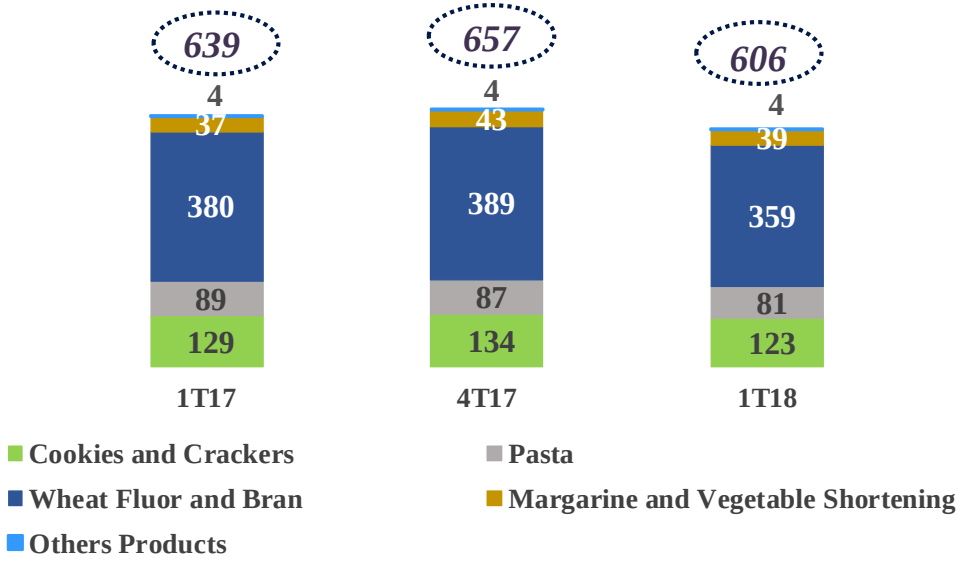
***) Figures without Piraquê**

COGS negatively impacted by decrease in the volumes produced, increase in the price of wheat and BRL devaluation

Cost of Goods Sold* *(% Net Revenue)*



Volume Produced *('000 tonnes)**

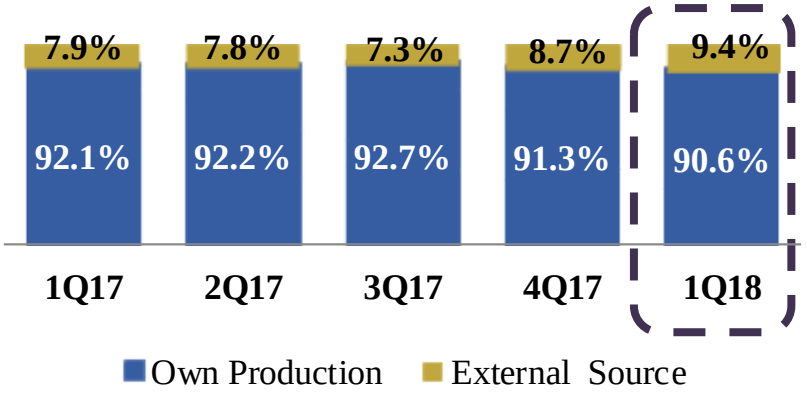


Growth of Vertical Integration Index of Shortening

Vertical Integration Index*

1Q18 = 90.6%
1Q17 = 92.1%

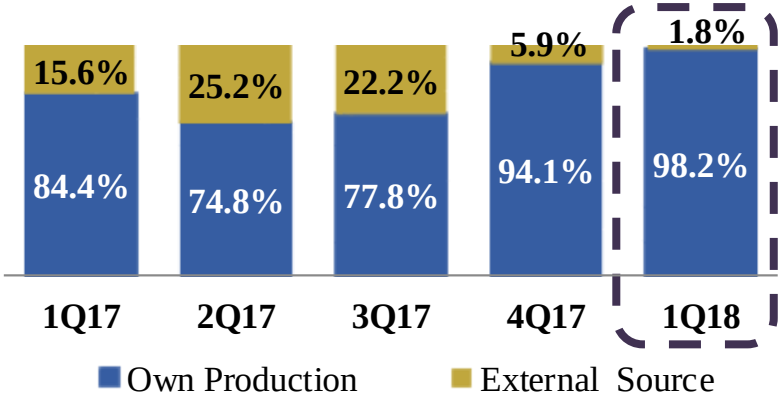
Wheat Flour | Company Consumption (%)*



Vertical Integration Index*

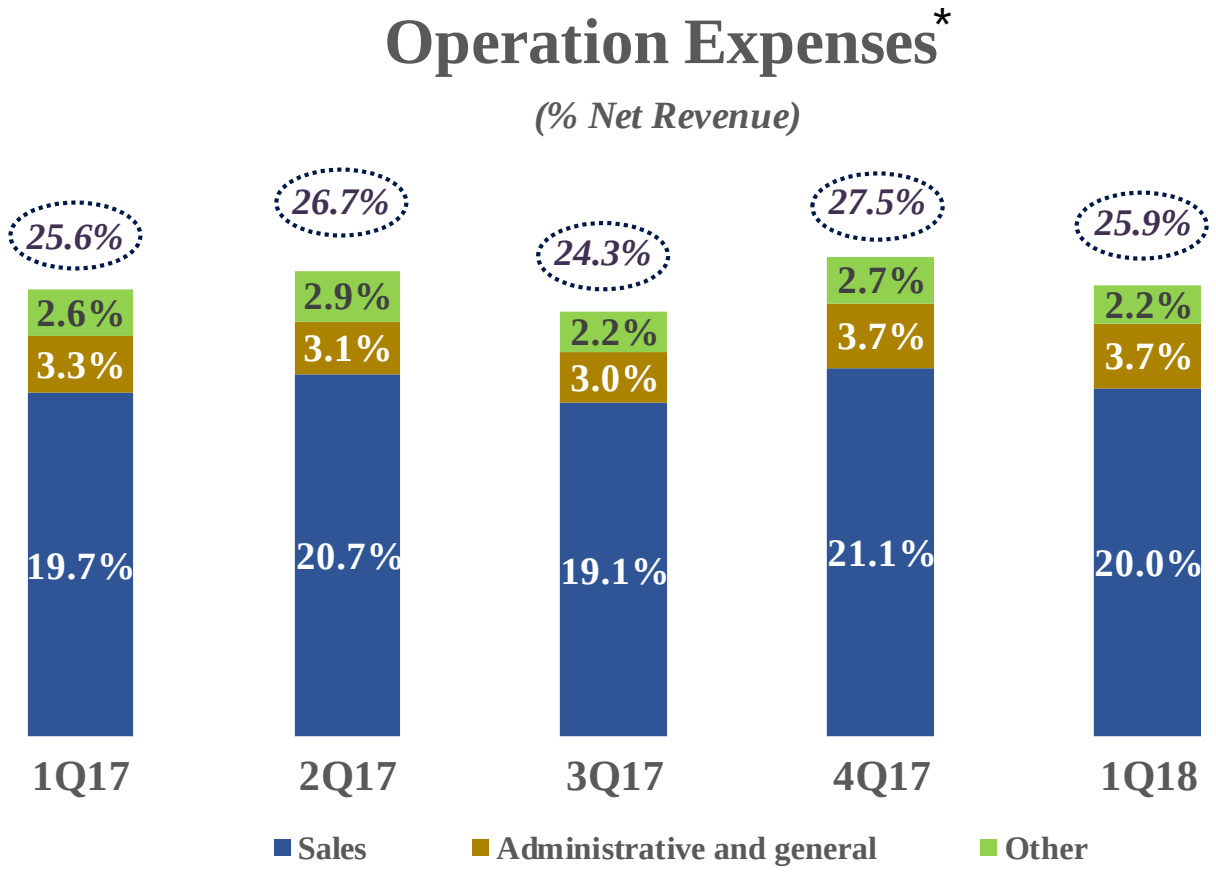
1Q18 = 98.2%
1Q17 = 84.4%

Shortening | Company Consumption (%)*



(*) Figures without Piraquê

Decrease in Operating Expenses (% Net Revenue) versus 4Q17

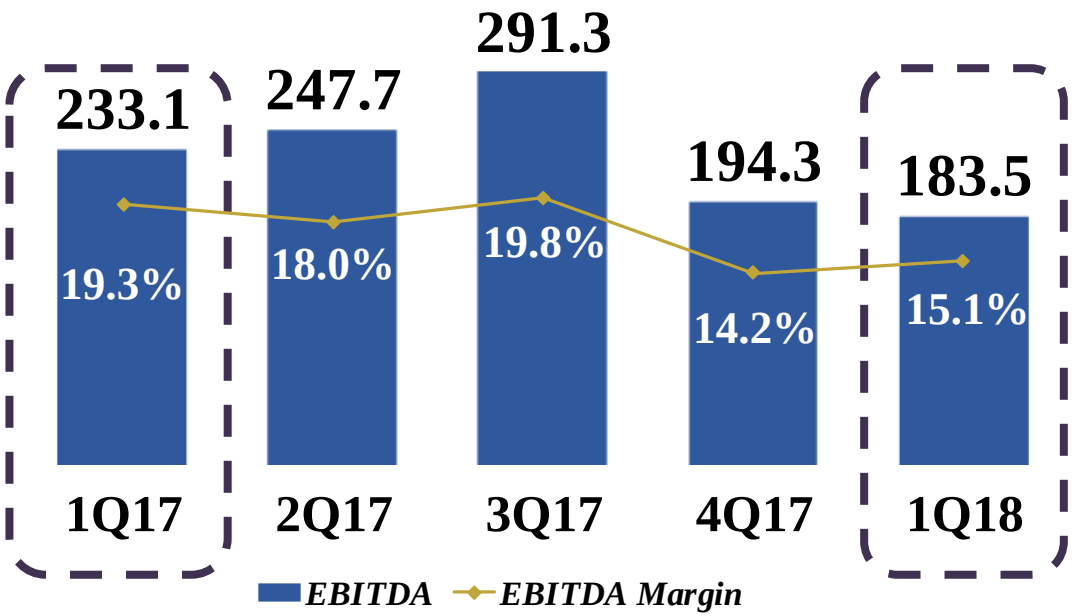


** Selling Expenses contain: Salaries and benefits, freight and other expenses with marketing, sales force and logistics.*

(*) Figures without Piraquê

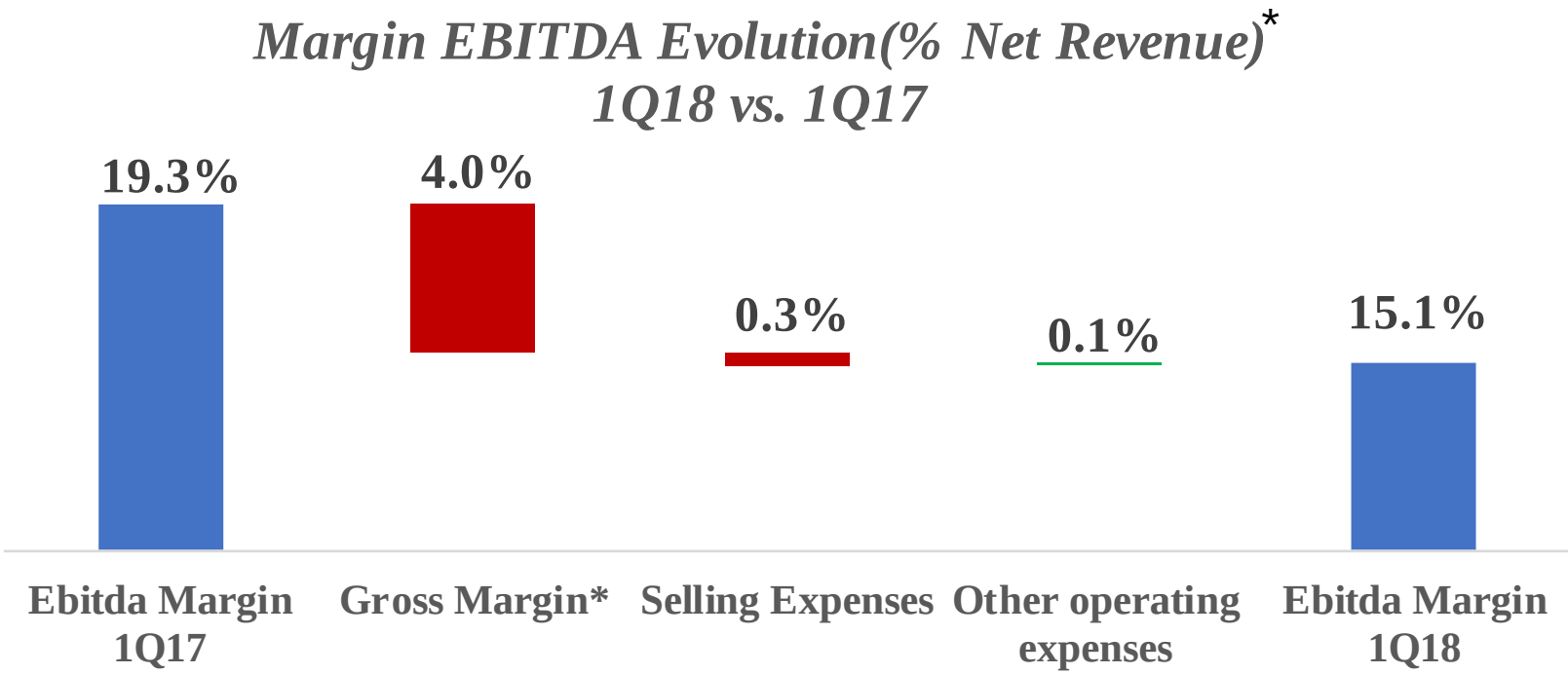
EBITDA (R$ Million) and EBITDA Margin* (% Net Revenue)*

-21.3%
1Q18 vs. 1Q17



(*) Figures without Piraquê

EBITDA Margin impacted by lower dilution of fixed costs and increase in the price of wheat

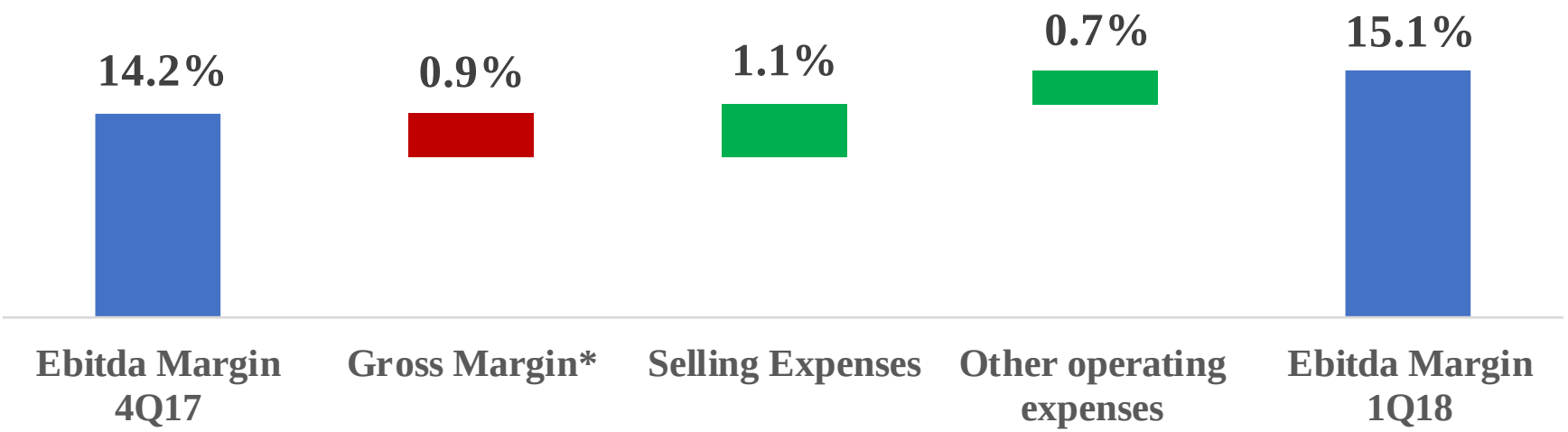


*Note: % Gross Margin without consider the depreciation of Cost of Good Sales in the Net Revenue.
**Note: Refer to the administrative expenses, management fees, taxes and othes operation expenses.

(*) Figures without Piraquê

EBITDA Margin growth compared to 4Q17

Margin EBITDA Evolution(% Net Revenue) 1Q18 vs. 4Q17*

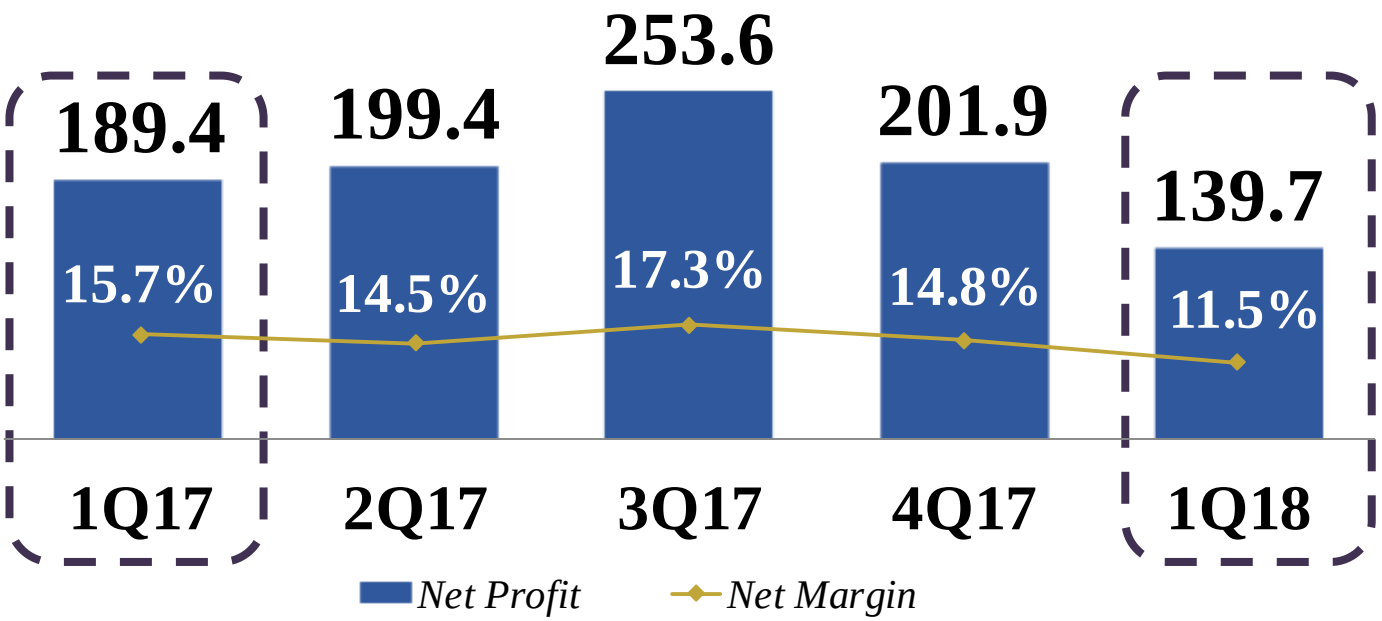


*Note: % Gross Margin without consider the depreciation of Cost of Good Sales in the Net Revenue.
**Note: Refer to the administrative expenses, management fees, taxes and other operating expenses.

(*) Figures without Piraquê

Net Profit(R$ Million) e Net Margin(% Net Revenue)**

-26.2%
1Q18 vs. 1Q17



(*) Figures without Piraquê

*We invested R$ 67.1*millions in infrastructure*

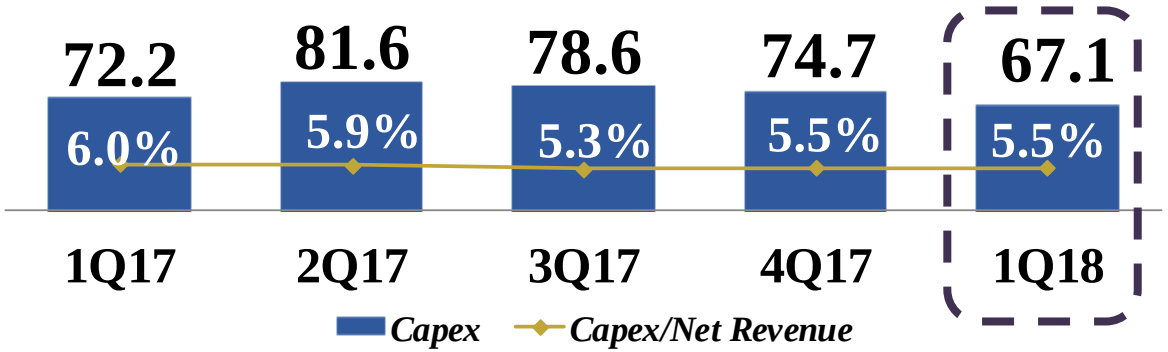
- **Construction in progress of the Wheat Mill in Bento Gonçalves (RS)**
- **Expansion of storage capacity of the distribution center in the Maracanaú unit (CE)**



- **Modernization of silos of the Wheat Mill in Cabedelo (PB)**

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

-7,1%
1Q18 vs. 1Q17



(*) Figures without Piraquê

Evolution of HR management and social-environmental pratices



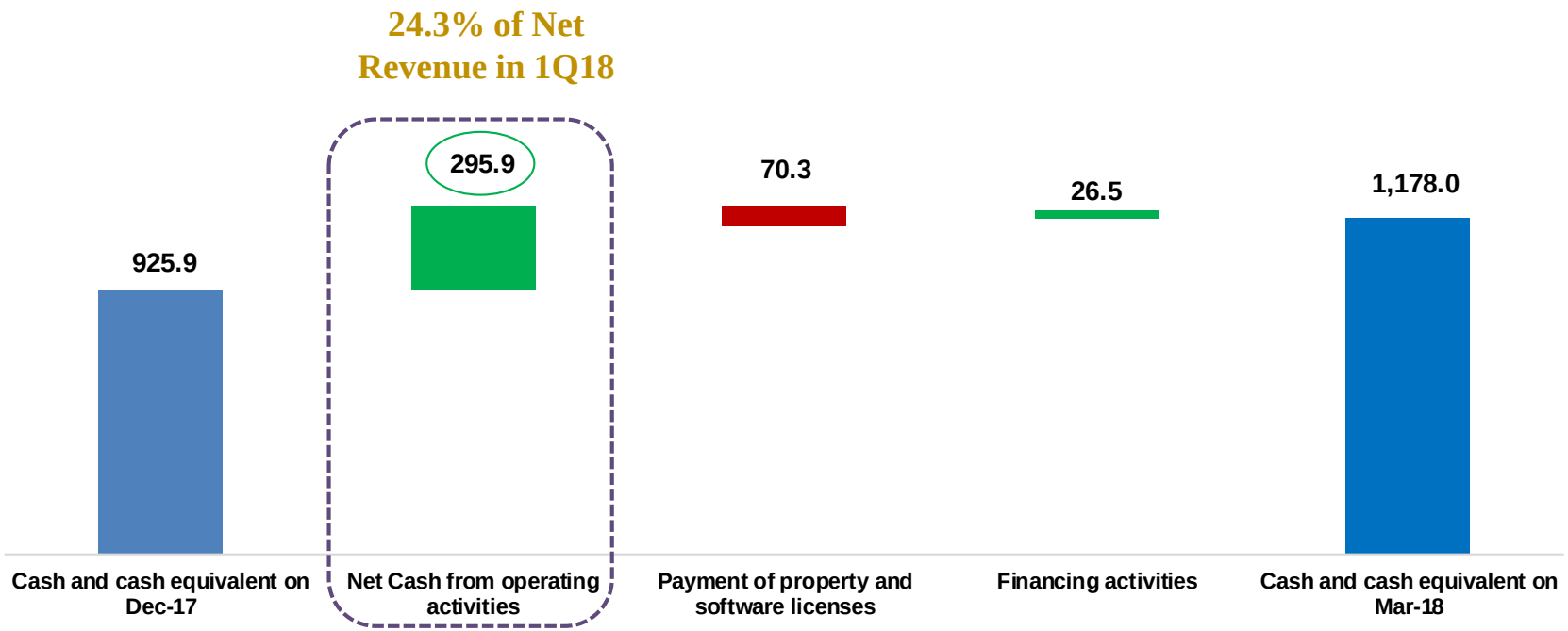
- ***Launch of Oracle Human Capital Management* (HCM) software**

- **Inventory of Greenhouse Gas Emissions for 12 industrial units***
- **Labor's accident rate decreased by 21.1%* compared to 1Q17**
- **The relative water consumption decreased by 4.3%* compared to 1Q17**



(*) Figures without Piraquê

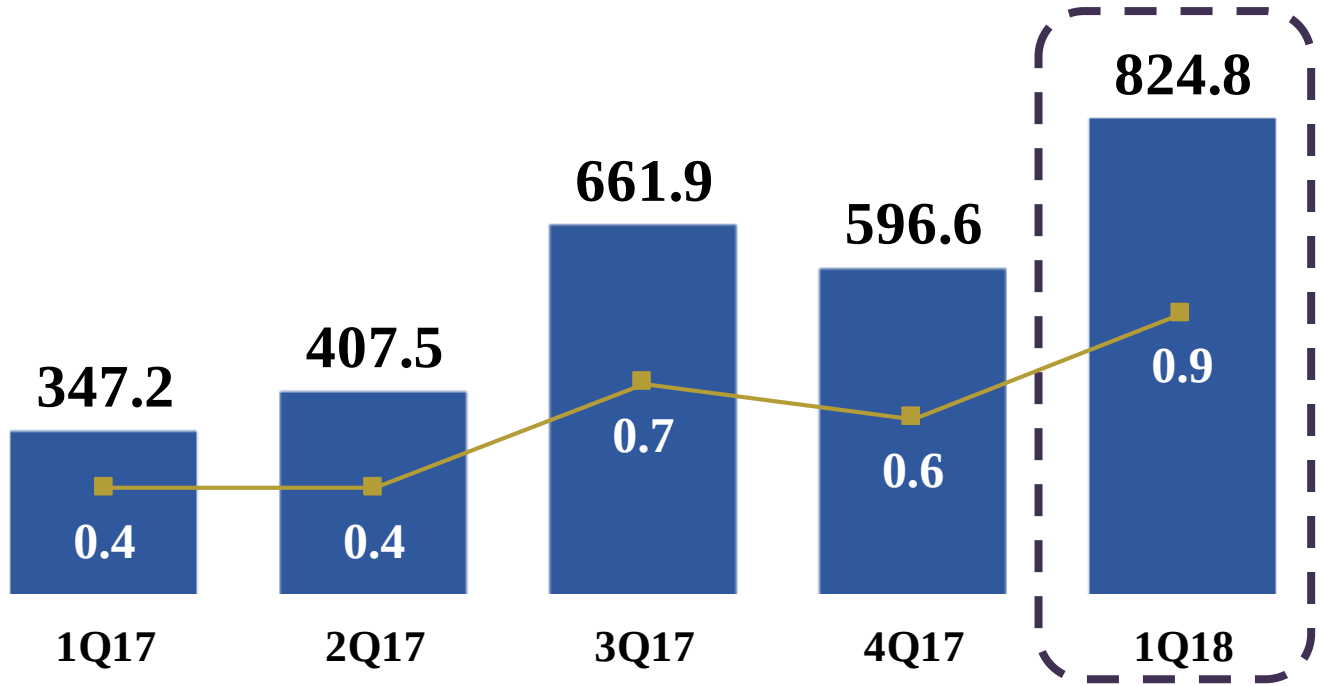
*Strong cash generation in 1Q18**



1Q17 = R$ 203.3 million
4Q17 = R$ 9.0 million

(*) Figures without Piraquê

*We ended 1Q18 with net cash position (cash greater than debt) of R$ 824.8 million**



(*) Figures without Piraquê

Capital Market

