Company Presentation
October 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



Creativity

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



Goodwill

Great desire brings down big obstacles when the commitment to winning is greater.
Ronaldo Brasil, Supervisor de Serviços Gerais



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



Ethics

We should work in an ethical way, following the right principles, and appreciating everyones qualities and limitations.
Kleilson Galvão, Supervisor de Manutenção Predial



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



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



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



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



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 20 thousand employees focused on sustainable results*



55% Production

34% Sales and logistics

11% Administrative

33% women on the Board of Directors

(*) In 2017 the number was 16.7 thousand without Piraquê.
As of May 2018, 20 thousand employees with Piraquê.

Competitive Advantages



A broad and diversified portfolio



% of Sales 2017	M. Dias Branco	M. Dias Branco + piraquê
Cookies & Crackers[1]	53%	56%
Pasta	21%	22%
Wheat Flour & Bran	17%	15%
Margarine & Vegetable Shortening	6%	5%
Others [2]	3%	2%

[1] Contain Cookies, Crakers and Chocolate covered cookies

[2] Cakes, snacks, cake mix and packaged toast

19 brands with regional or national approach

VITARELLA

ADRIA

finna

piraquê

Medalha de Ouro

Estrela

Bonsabor

PILAR DESDE 1875

SALSITOS

Pelaggio

BASILAR DESDE 1964

ff FORTALEZA

Richester

isabela

Puro Sabor

Adorita

DELICITOS

Zabet

Amorela margarina

Brand with National approach

...and our brands are awarded and recognized on a regional 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*

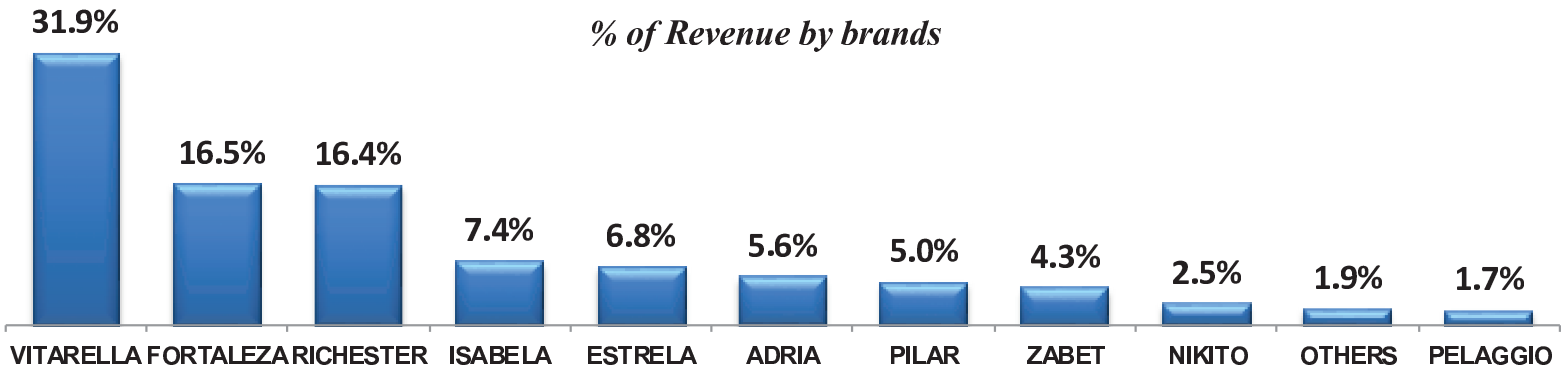
***ADRIA** was elected in **2016** as one of the **"50 most valuable brands in Brazil",** according to the ranking published by IstoÉ Dinheiro and prepared by Kantar*

***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 & Crackers *

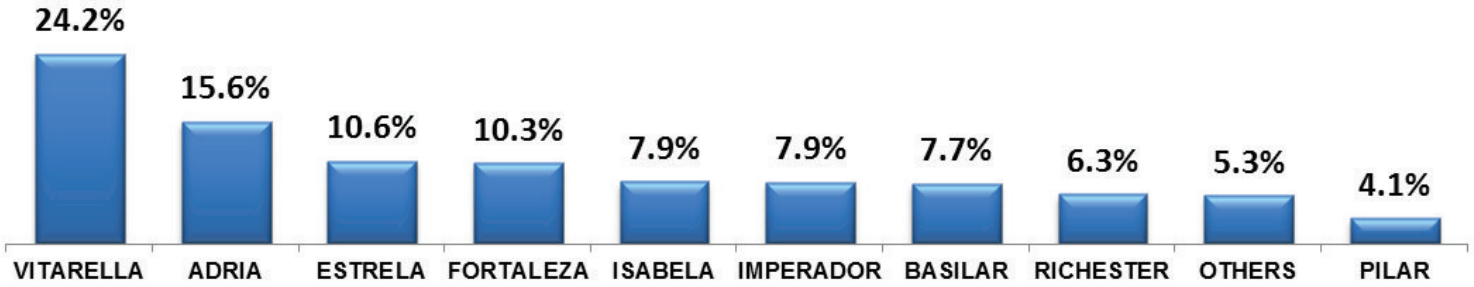
% of Revenue by brands



*Cookies and Crackers** **53.0% of total sales**

Pasta *

% of Revenue by brands



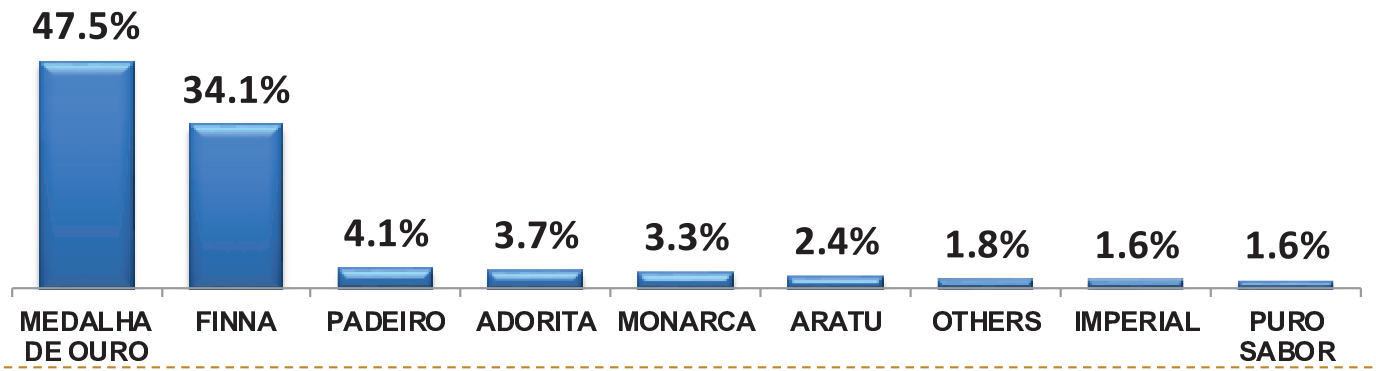
*Pasta** **21.4% of total sales**

(*) Figures without Piraquê

Sales per product line and brand

Wheat Flour & Bran *

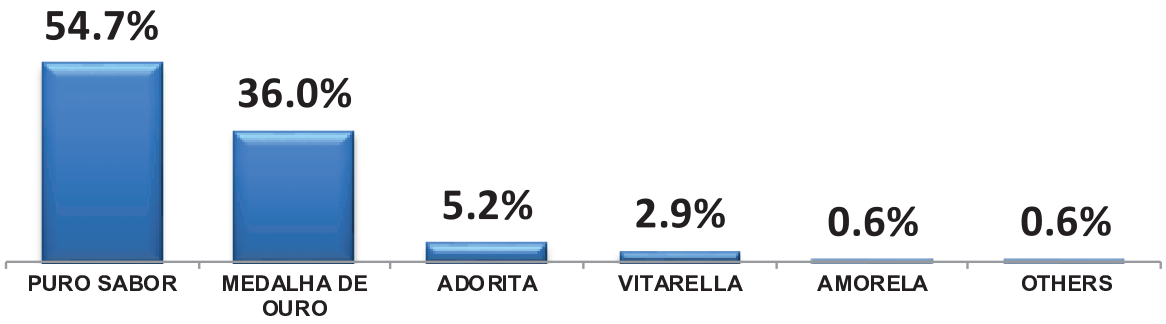
% of Revenue by brands



Wheat Flour & Bran* 17.0% of total sales

Margarine & Vegetable Shortening *

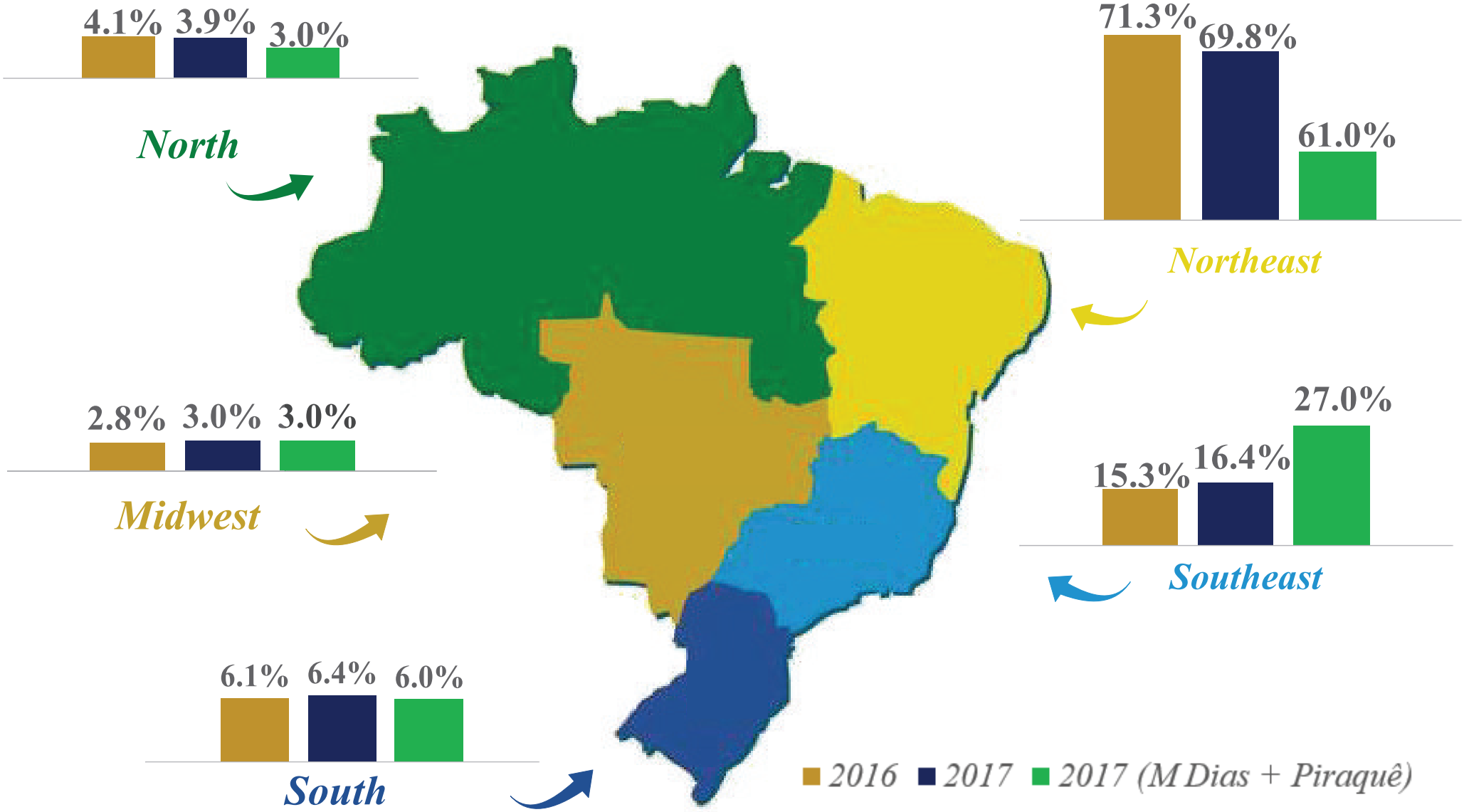
% of Revenue by brands



Margarine & Vegetable Shortening* 6.0% of total sales

(*) Figures without Piraquê

% of total Net Sales by region

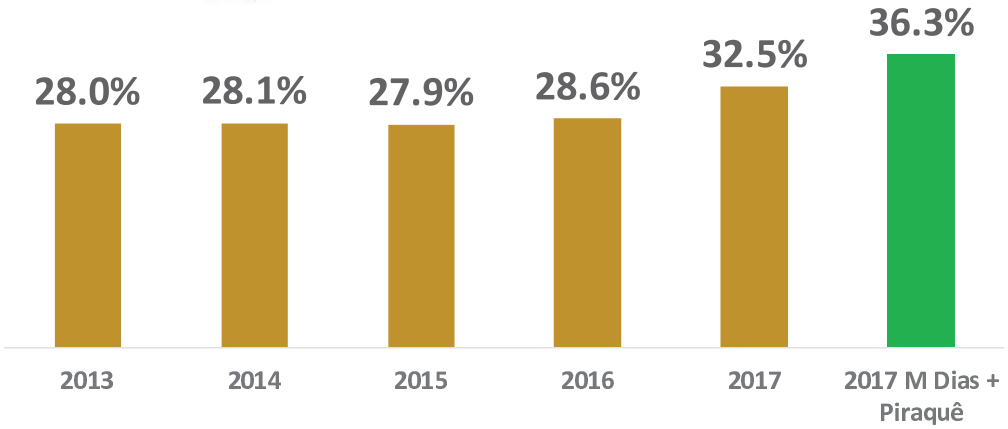


Note: In 2017 0.5% (0.4% in 2016) of Net Revenue corresponded to exports.

National Market Leadership*

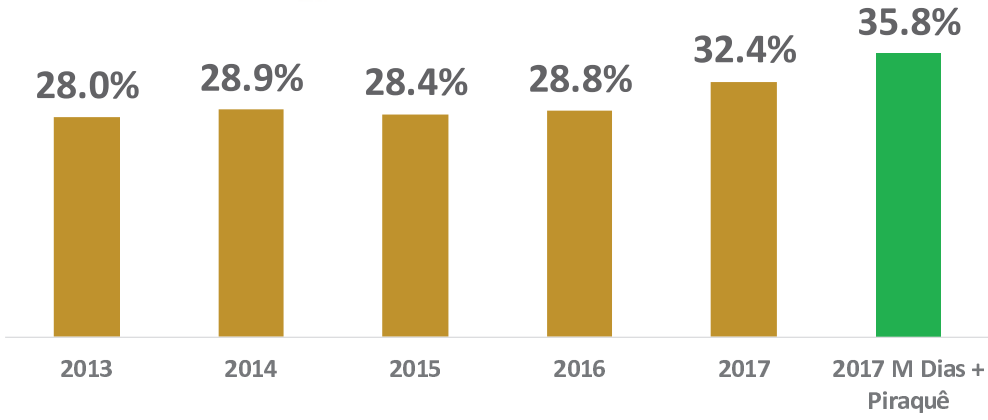


Market Share Volume Cookies & Crackers[2]

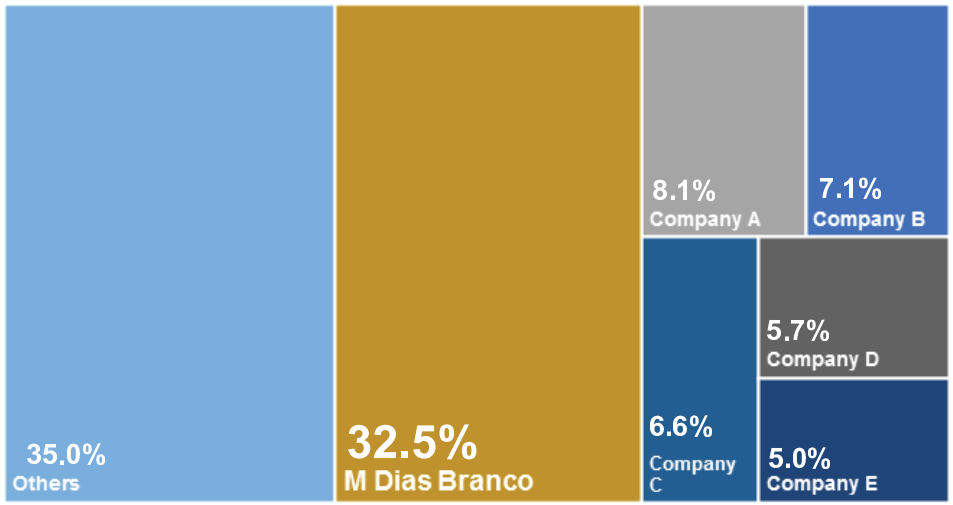




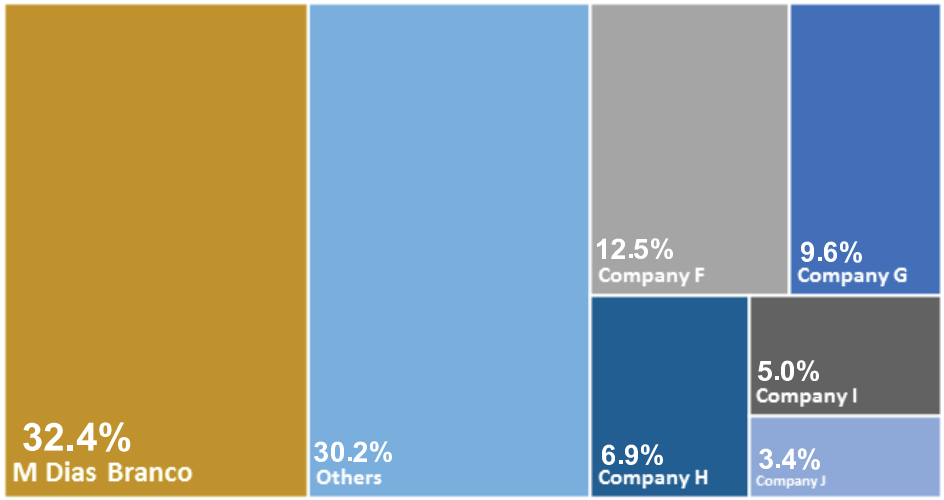
Market Share Volume Pastas[2]



[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

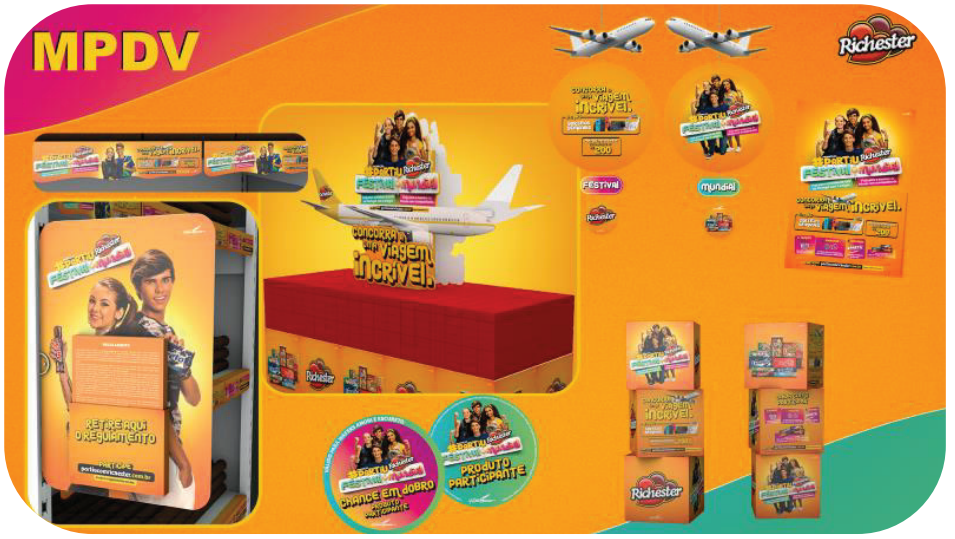


Salsitos



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



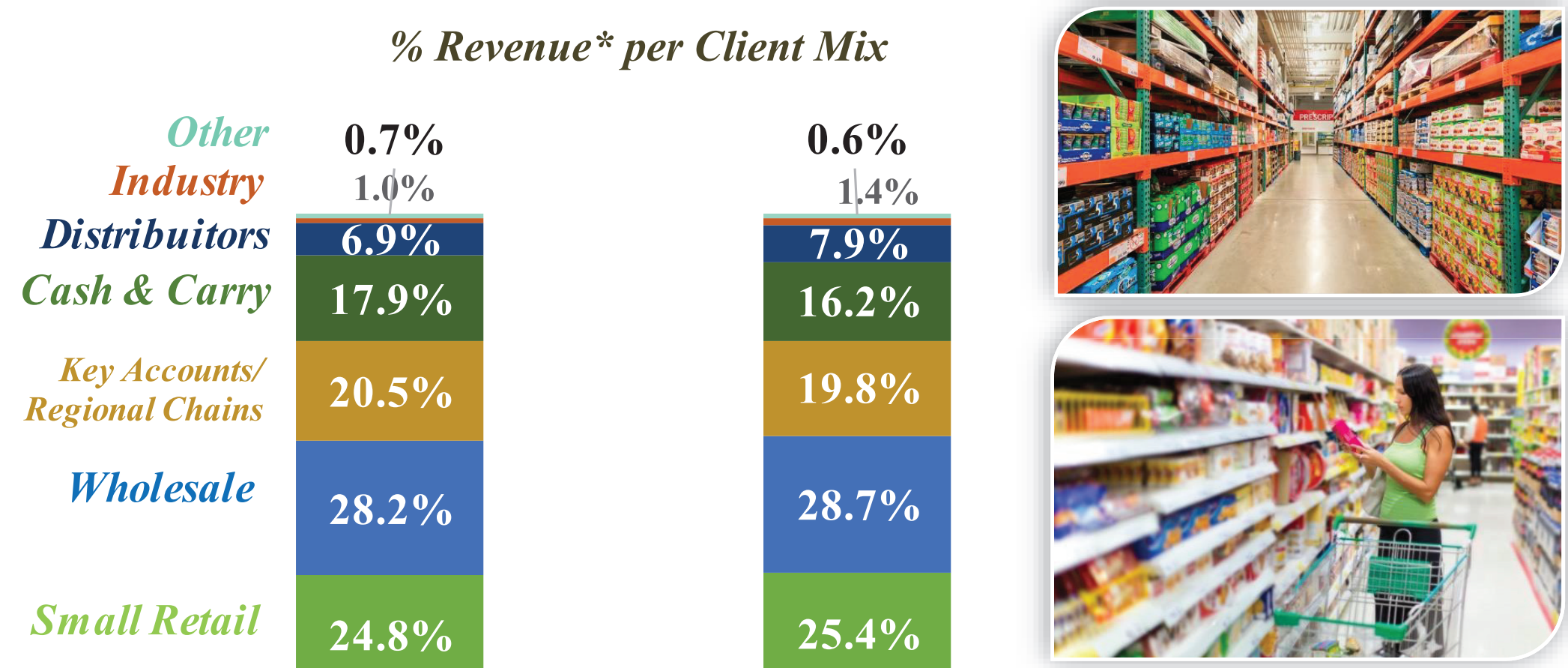


New Packages



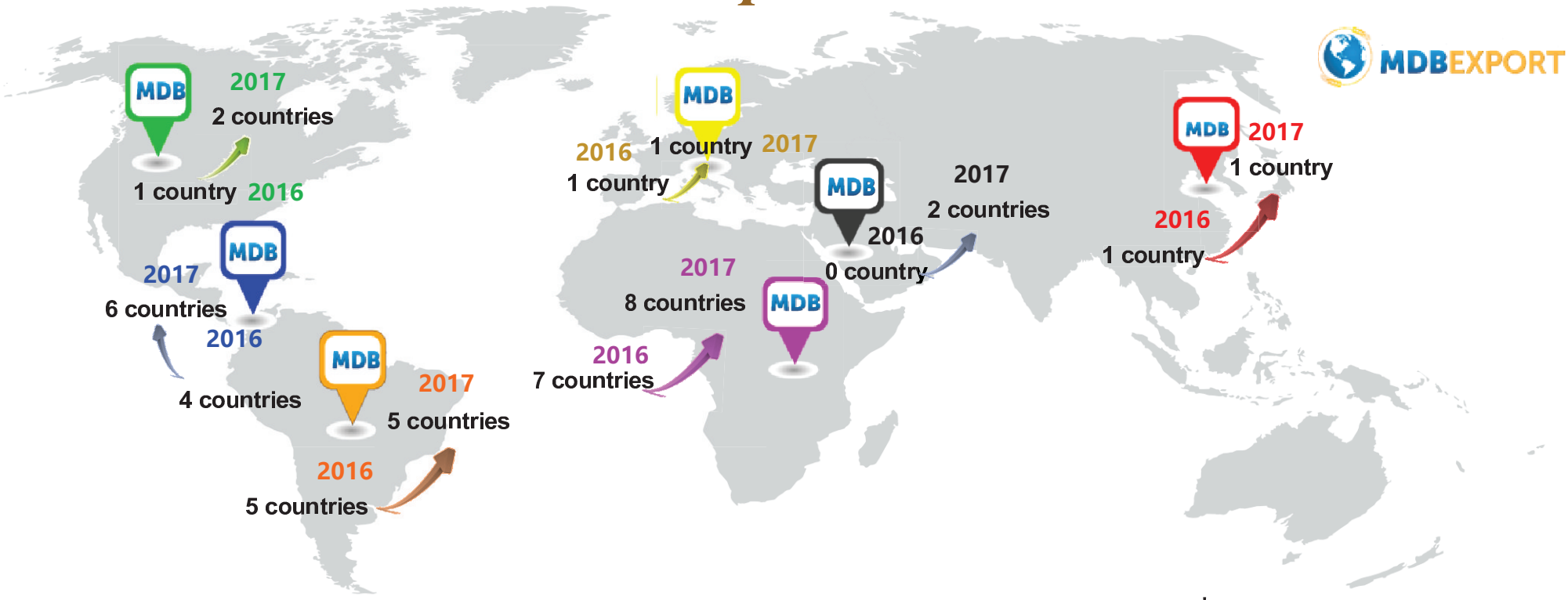


Our products are sold through a diversified cliente mix



(*) Figures without Piraquê

Exported to 25 Countries in 2017*



MDB 2016 *

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

MDB 2017 *

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

(*) 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

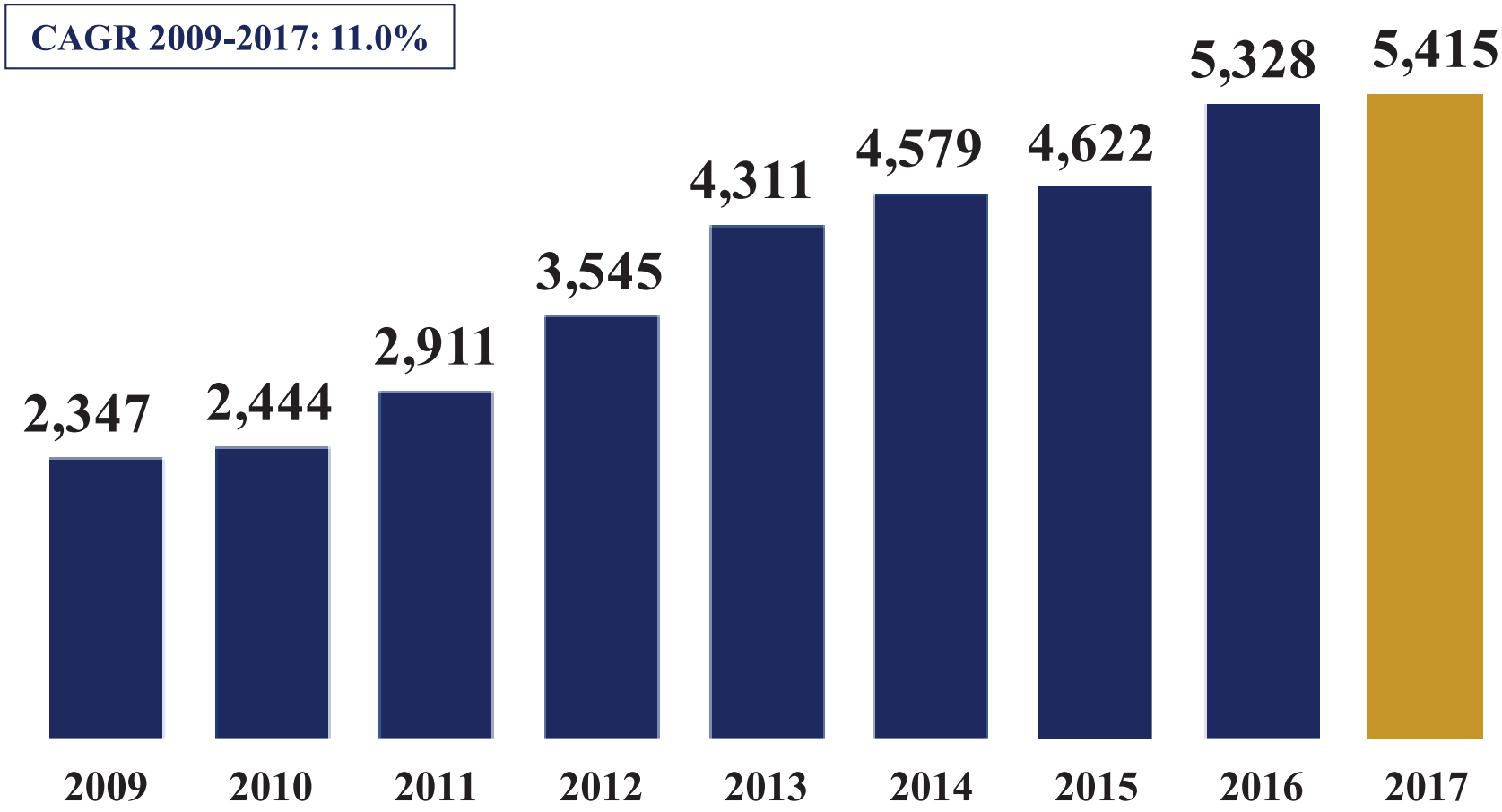


Continuous search for more operational efficiency and costs control

Results



Net Revenue (R$ million)*

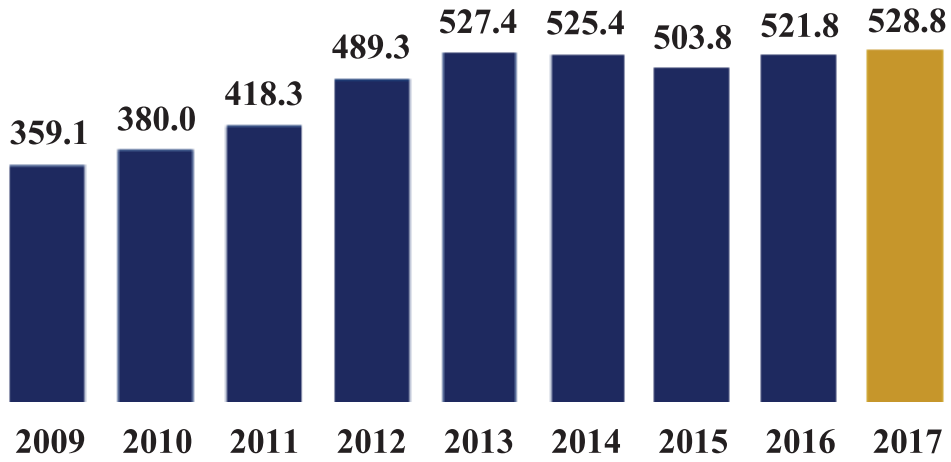


(*) Figures without Piraquê

Sales Volume * by Product Line

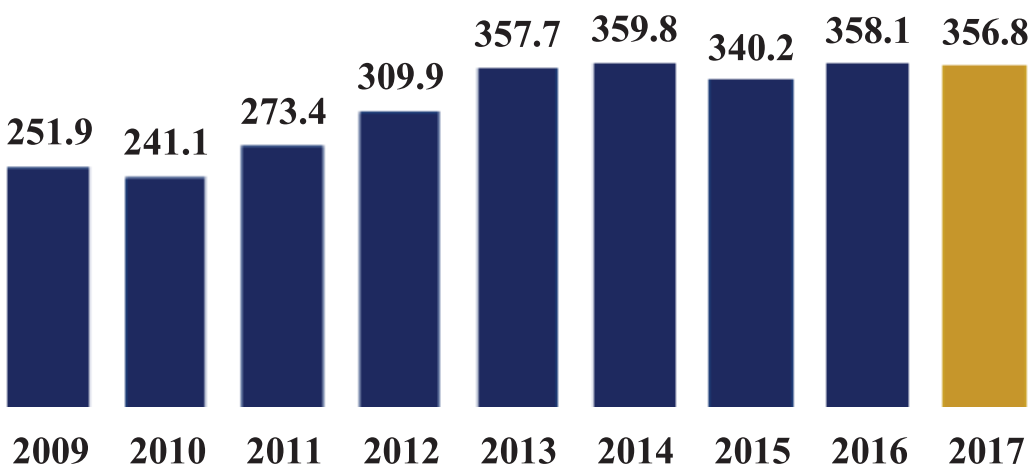
Cookies and Crackers – Sales ('000 tonnes)

CAGR 2009-2017: 5.0%



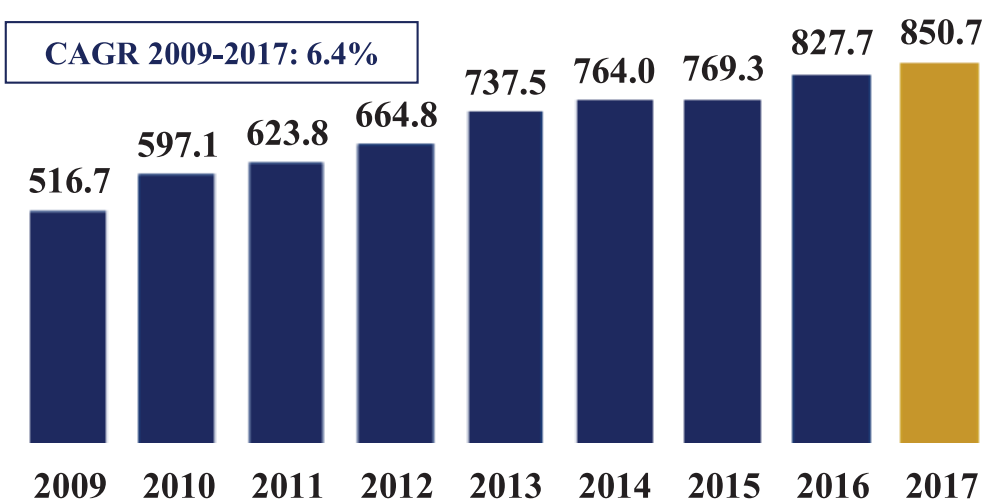
Pasta – Sales ('000 tonnes)

CAGR 2009-2017: 4.4%



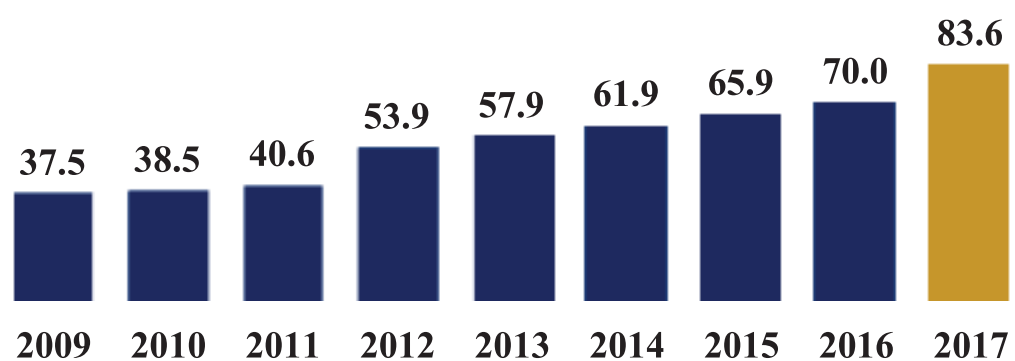
Wheat Flour and Bran – Sales ('000 tonnes)

CAGR 2009-2017: 6.4%



Margarine and Vegetable Shortening – Sales ('000 tonnes)

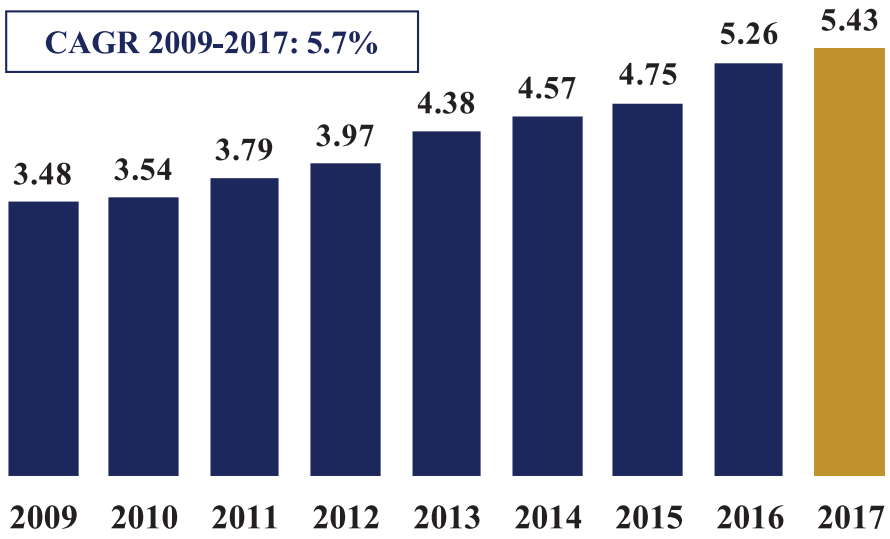
CAGR 2009-2017: 10.5%



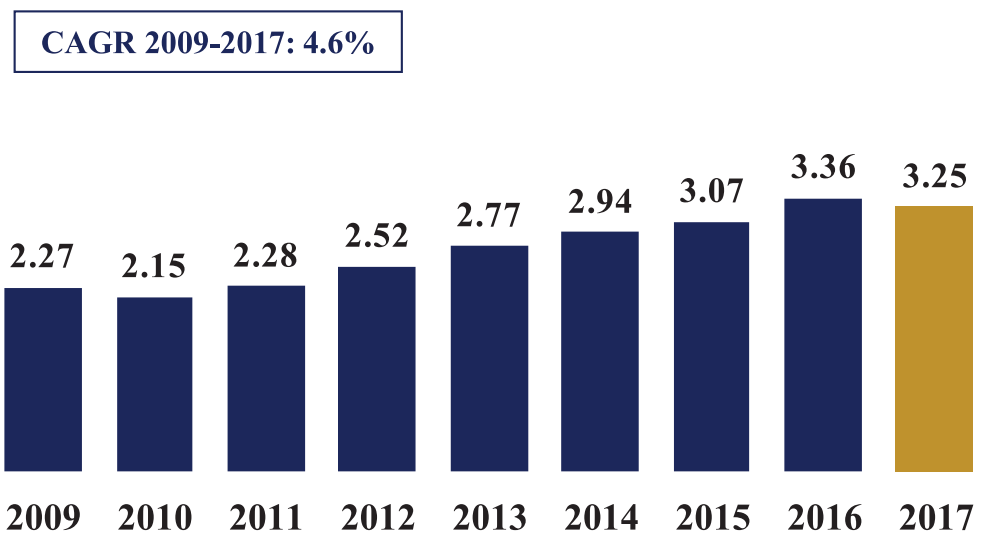
(*) Figures without Piraquê

Net Average* Price by Product Line

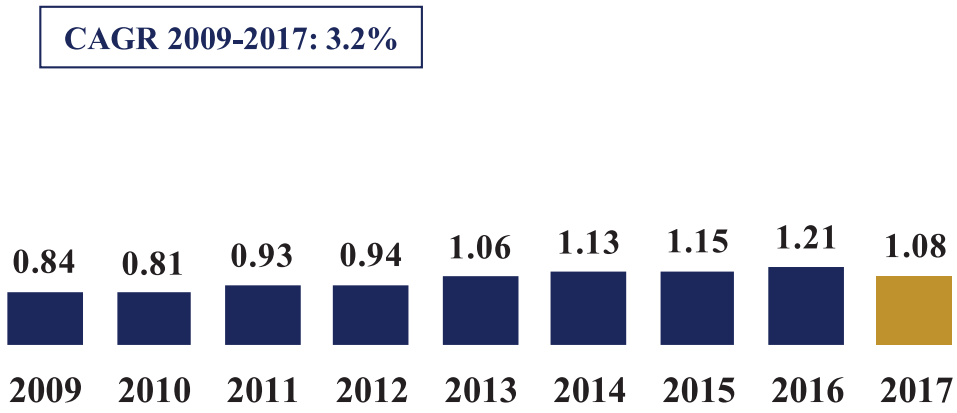
Cookies and Crackers – Sales (R$/Kg)



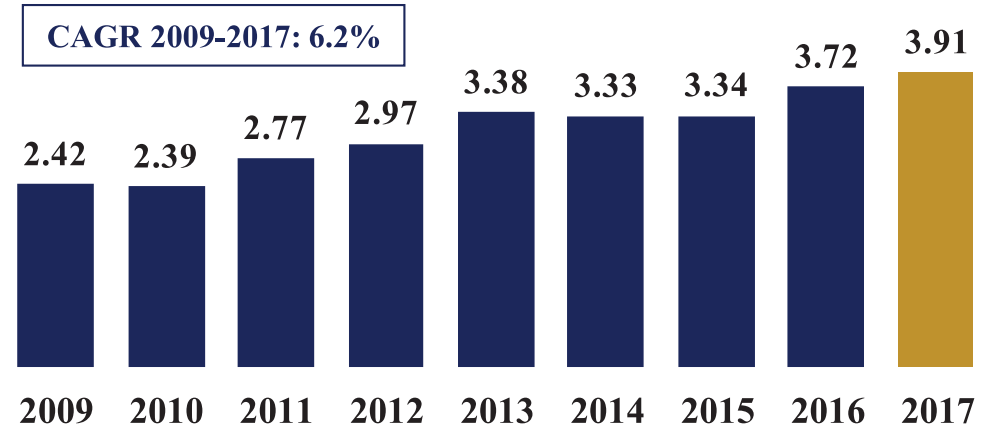
Pasta – Sales (R$/Kg)



Wheat Flour and Bran – Sales (R$/Kg)



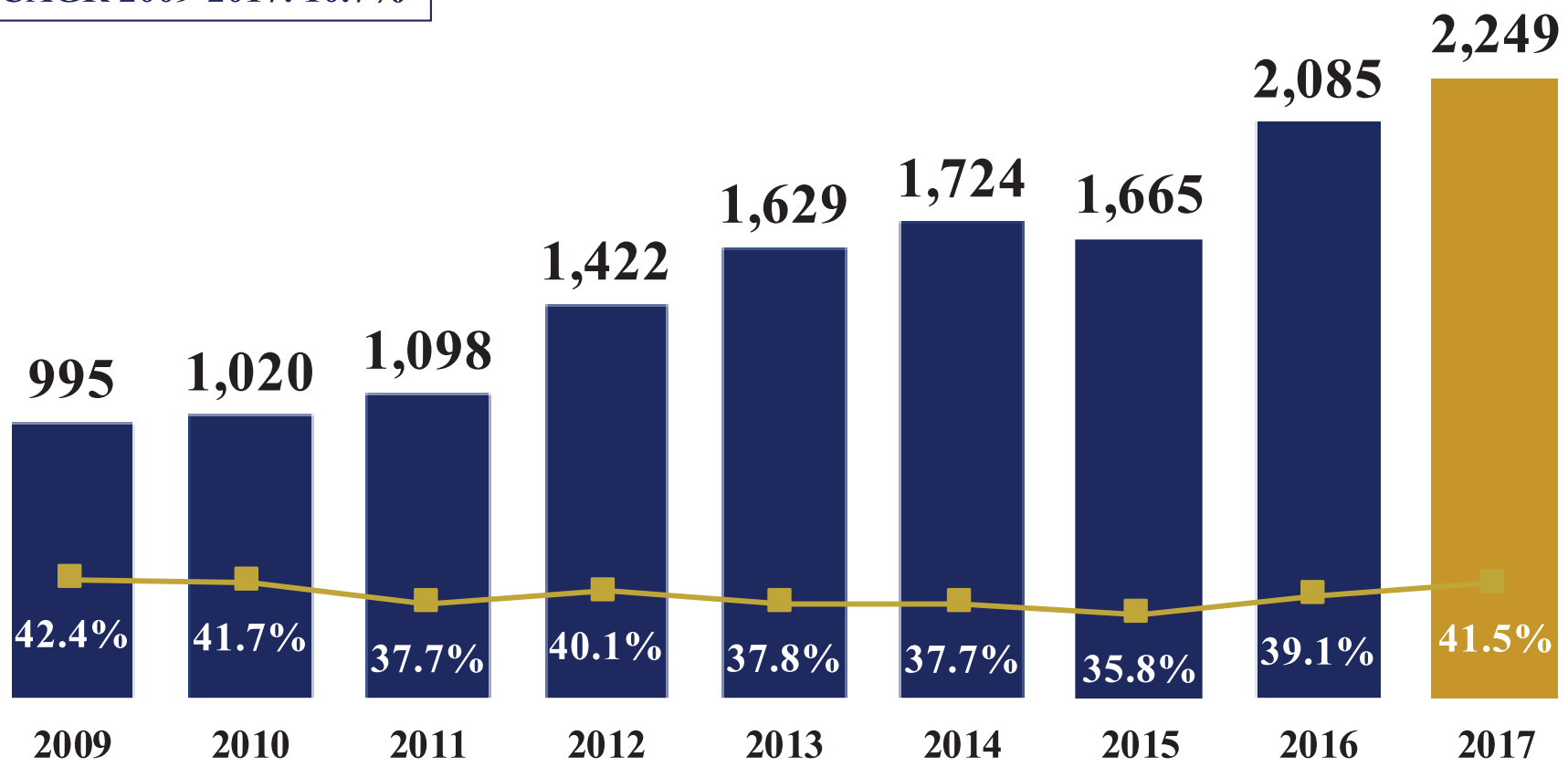
Margarine and Vegetable Shortening – Sales R$/Kg)



(*) Figures without Piraquê

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

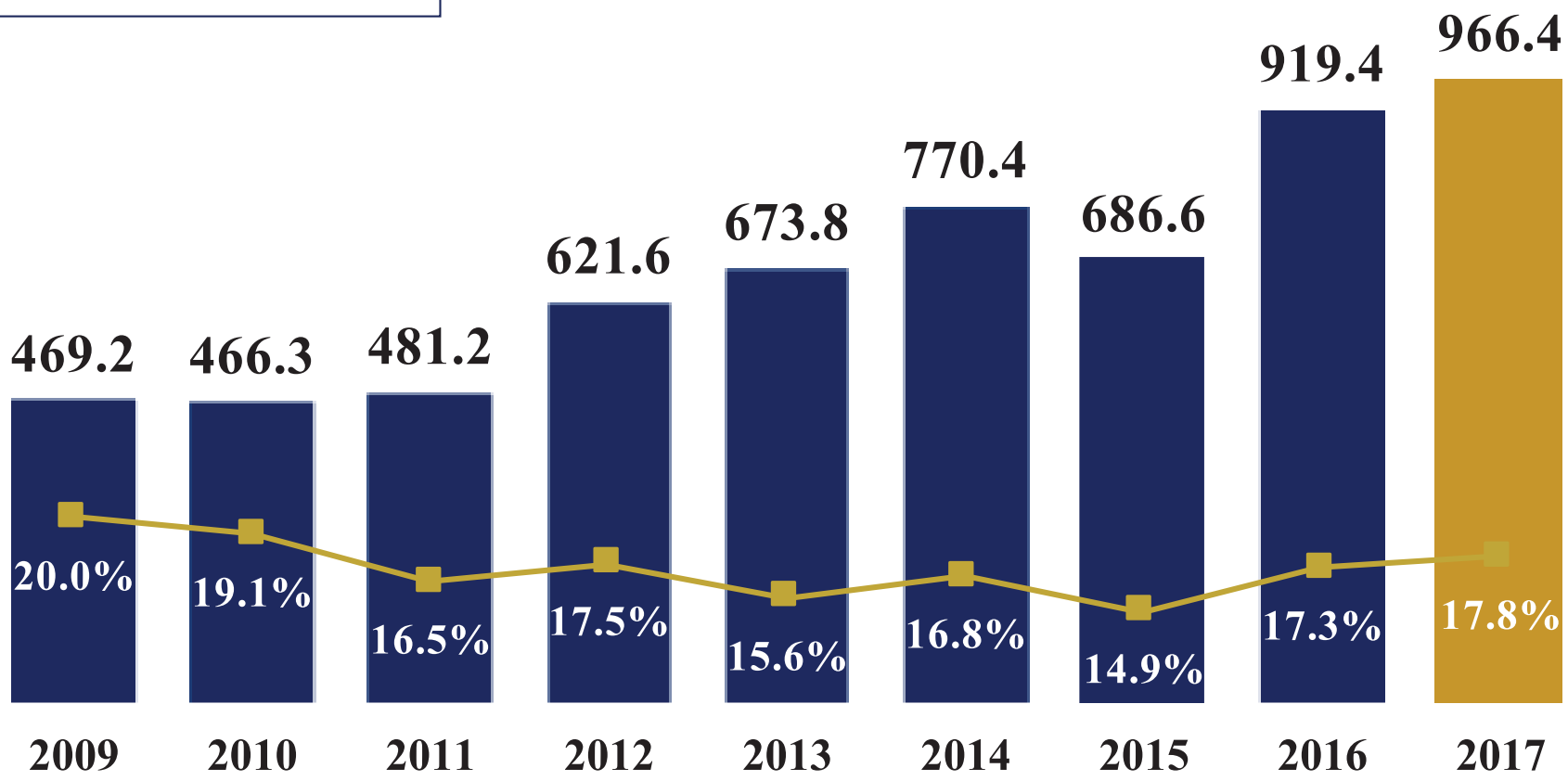
CAGR 2009-2017: 10.7%



(*) Figures without Piraquê

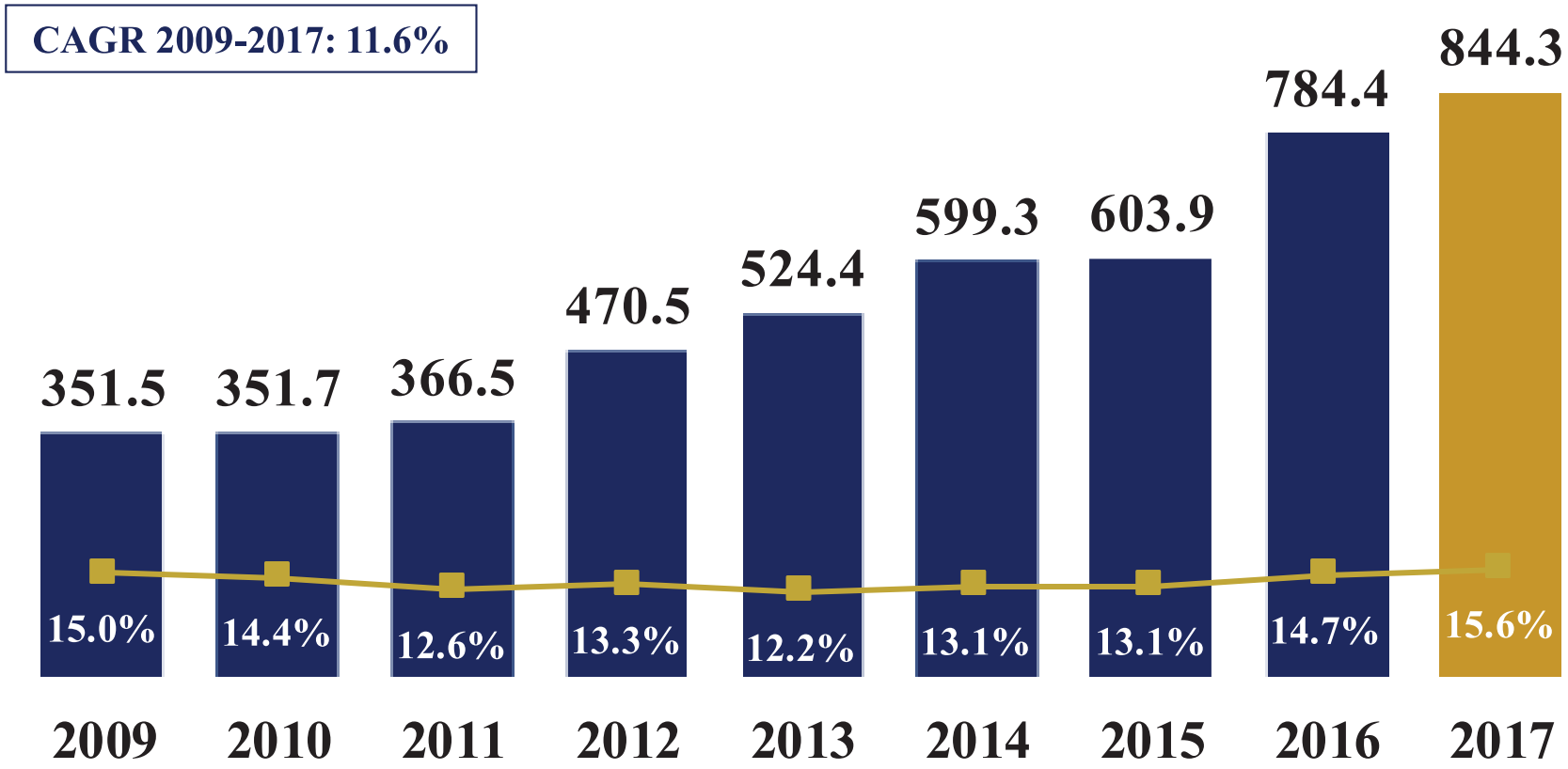
EBITDA (R$ million) and and EBITDA Margin* (%)*

CAGR 2009-2017: 9.5%



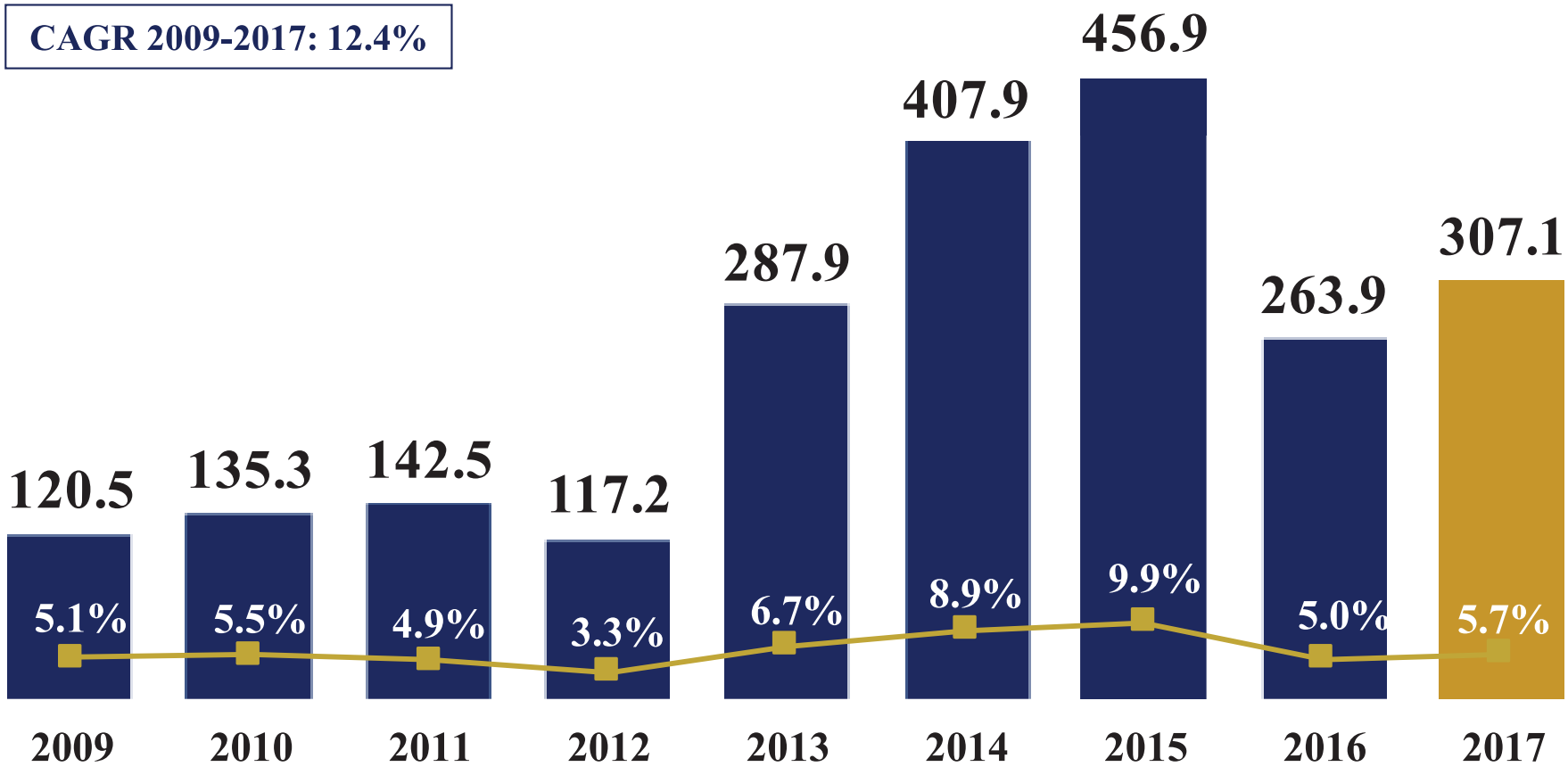
(*) Figures without Piraquê

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



(*) Figures without Piraquê

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

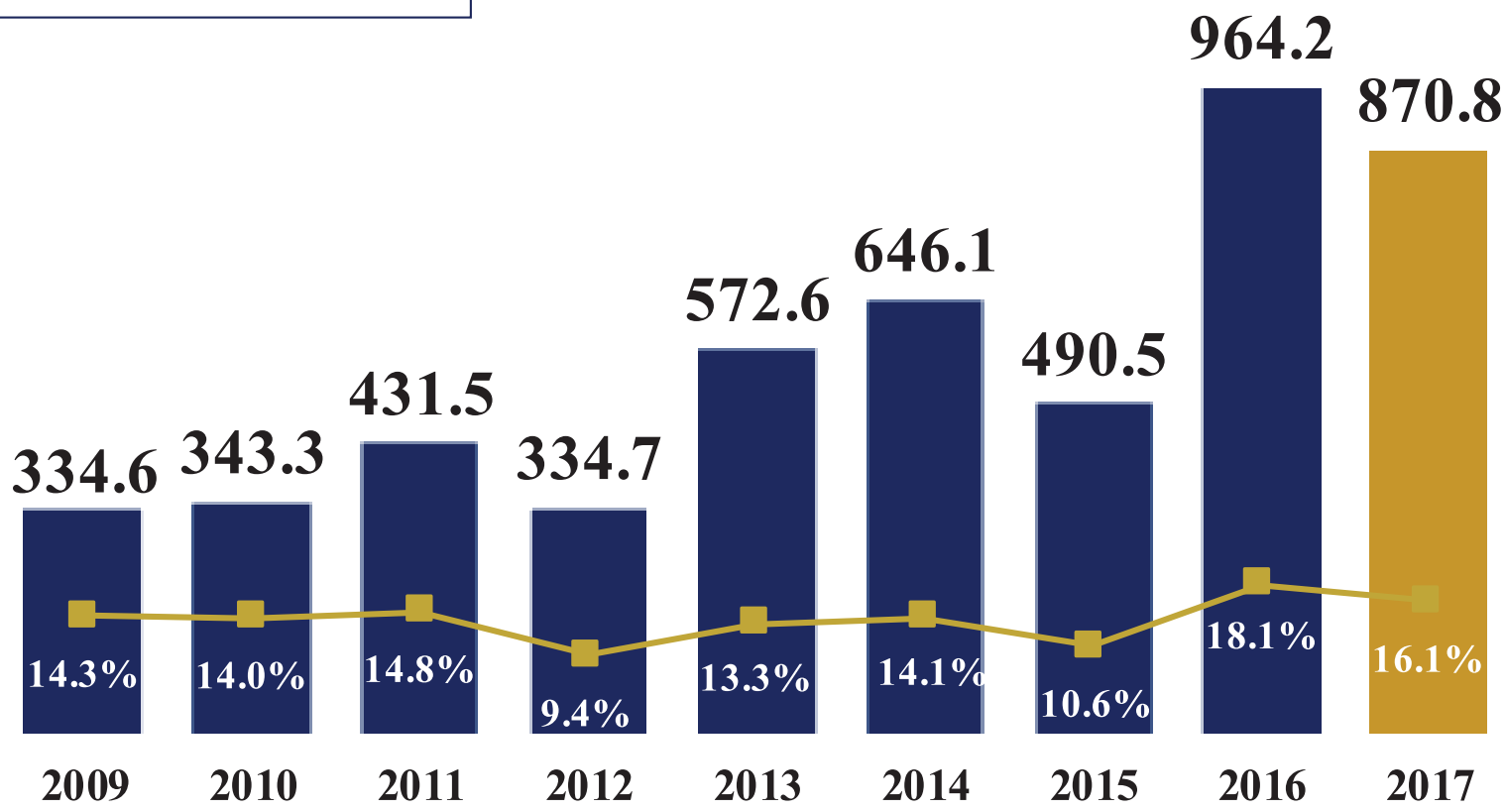


** Excluding acquisitions*

(*) Figures without Piraquê

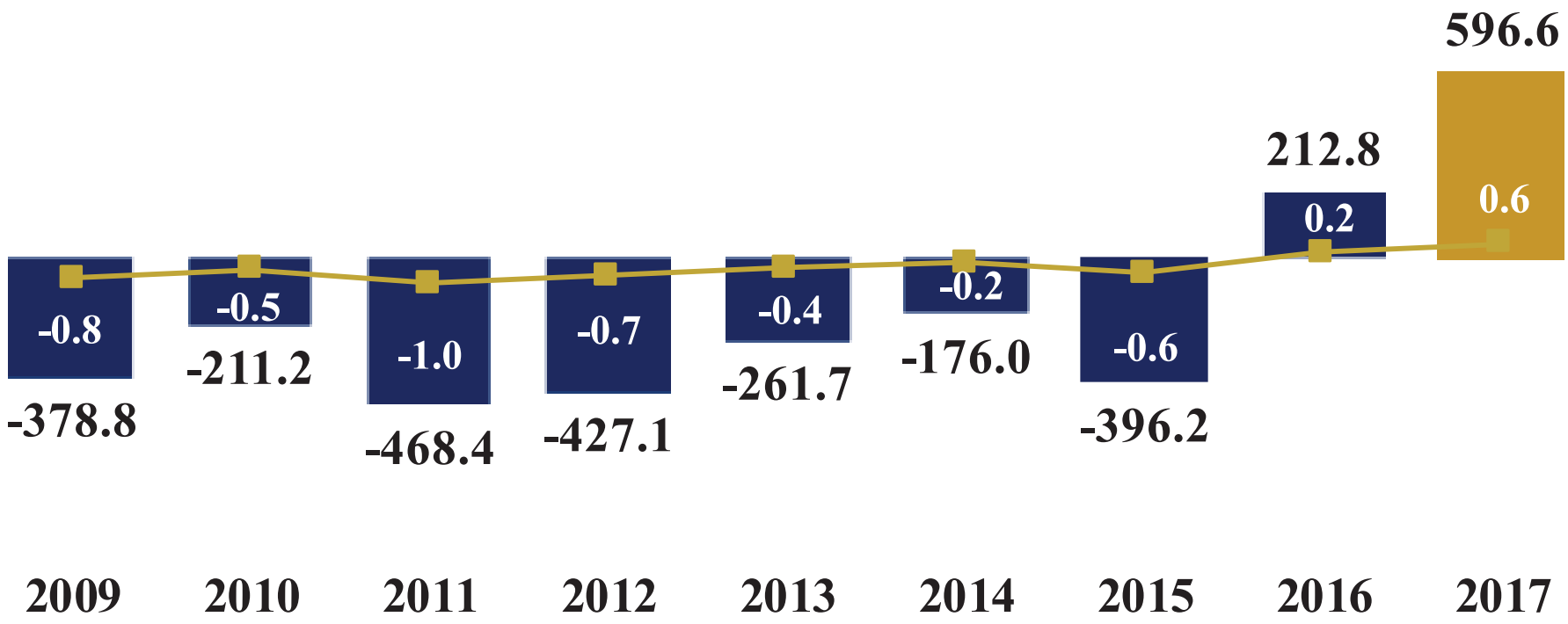
*Operational Cash Generated * (R$ million) and Operational Cash/Net Revenue* (%)*

CAGR 2009-2017: 12.7%



(*) Figures without Piraquê

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

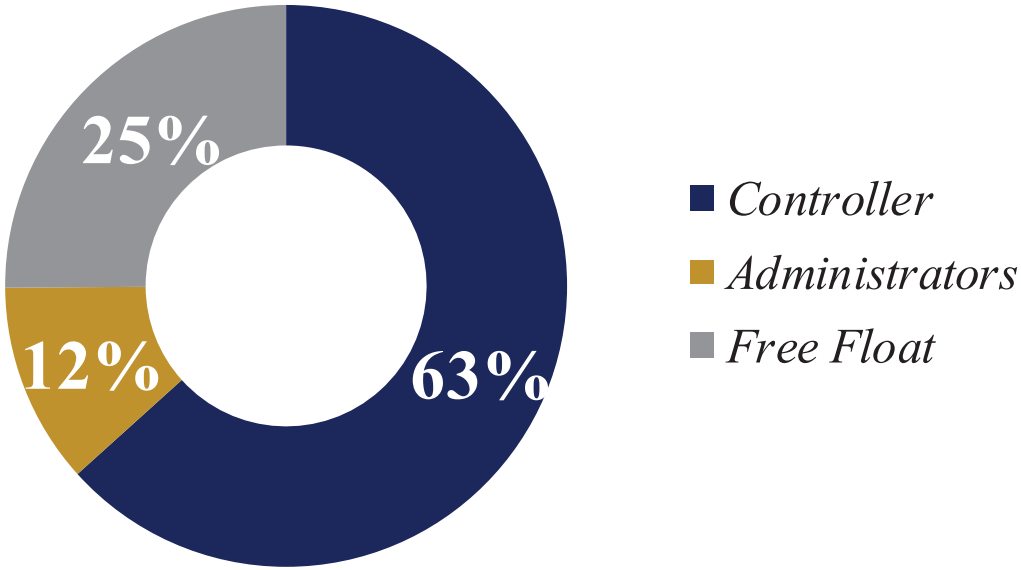


(*) Figures without Piraquê

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)'**

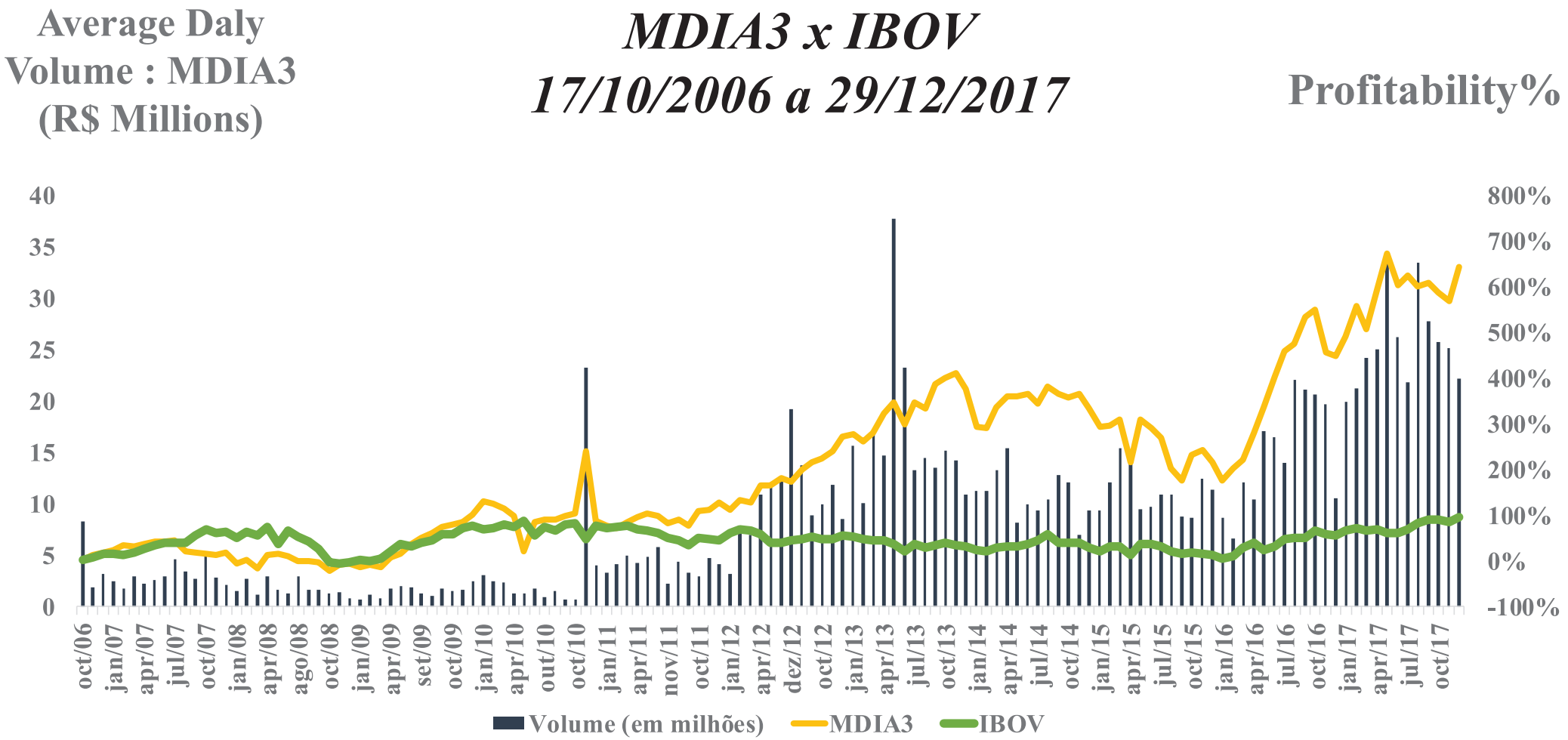
Shareholder Position as of 12/29/2017.



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

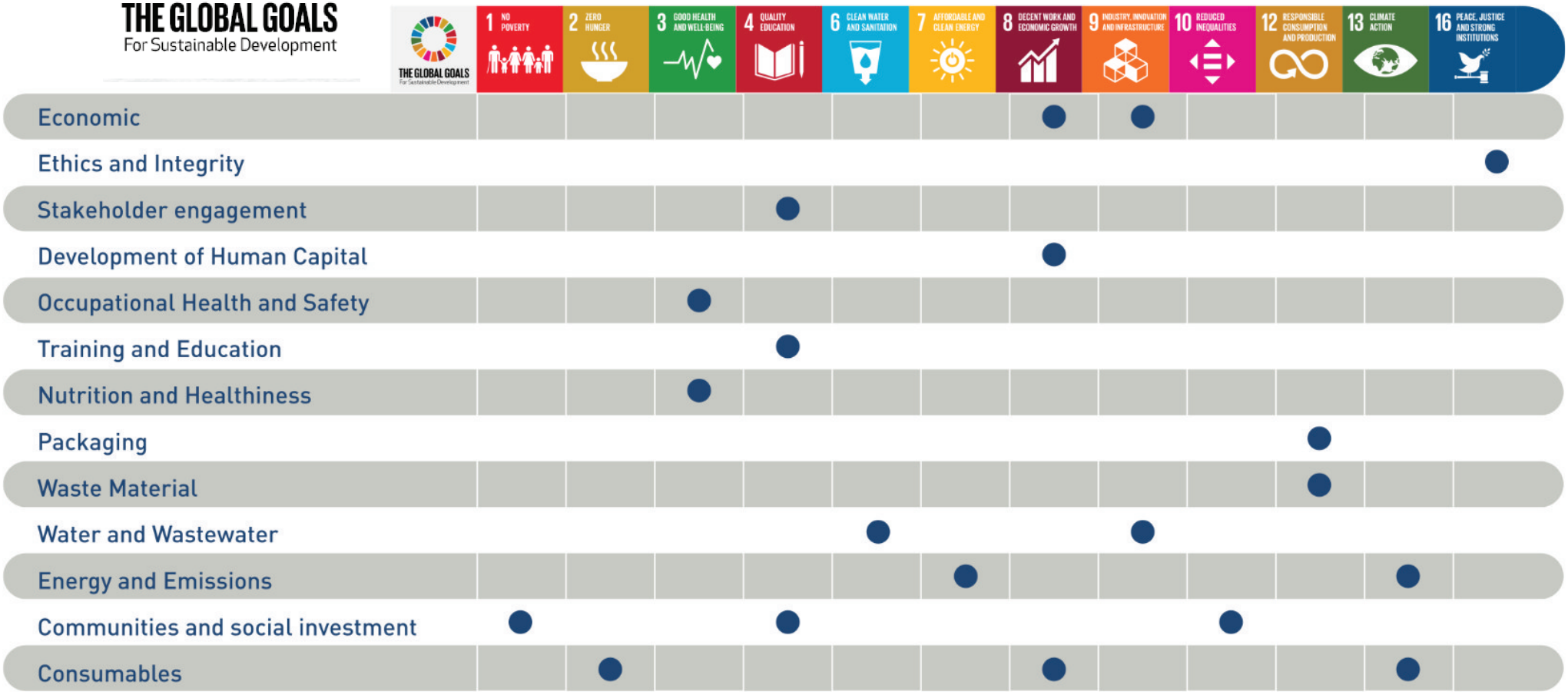
Since the IPO (R$ billion, year end)



Sustainability Results

THE GLOBAL GOALS
For Sustainable Development

MATERIAL ISSUES AND SUSTAINABLE DEVELOPMENT OBJECTIVES PURSUED BY THE COMPANY



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	Custodian	Independent Auditors	B3 Ticker
BTG Pactual	Bradesco	pwc	MDIA3 NOVO MERCADO BM&FBOVESPA

Thank you

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").

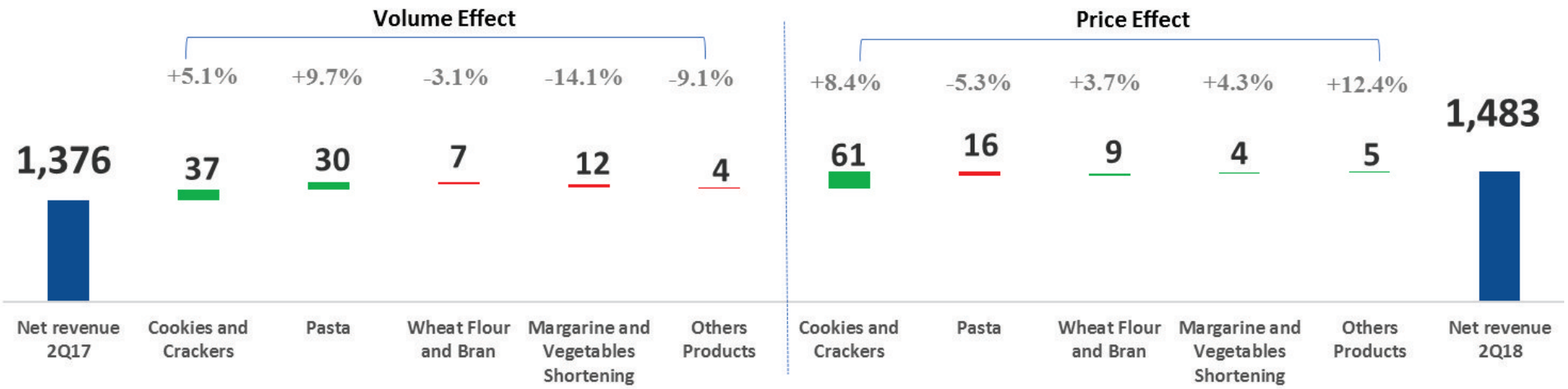
Piraquê's results for the period between May 17 and June 30, 2018, can be found in the consolidated information of this document.

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*

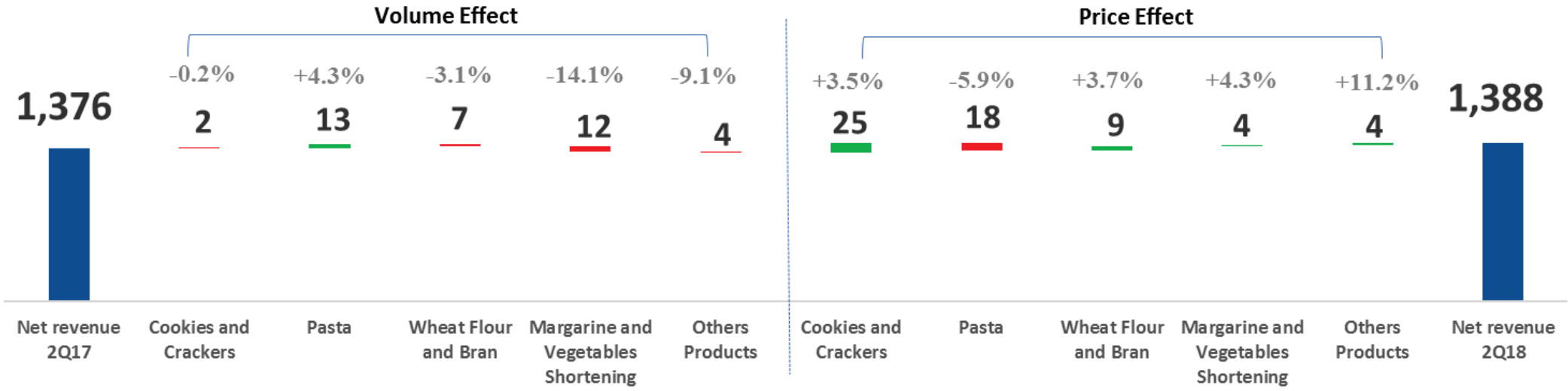
Variation of Net Revenue - 2Q18 vs. 2Q17 (R$ MM)



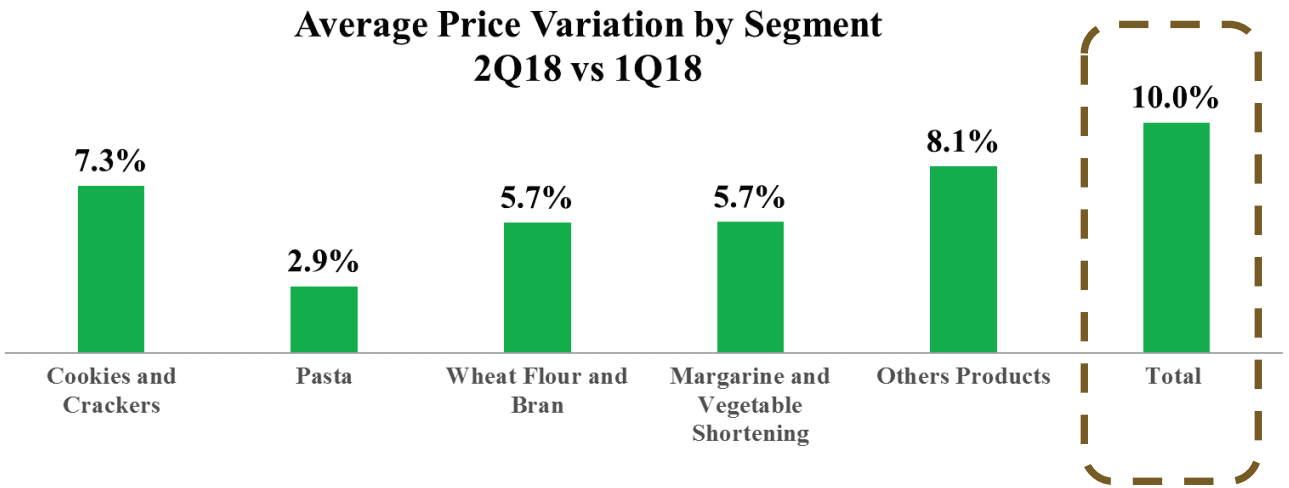
Average Price growth and volume decrease (excluding Piraquê)

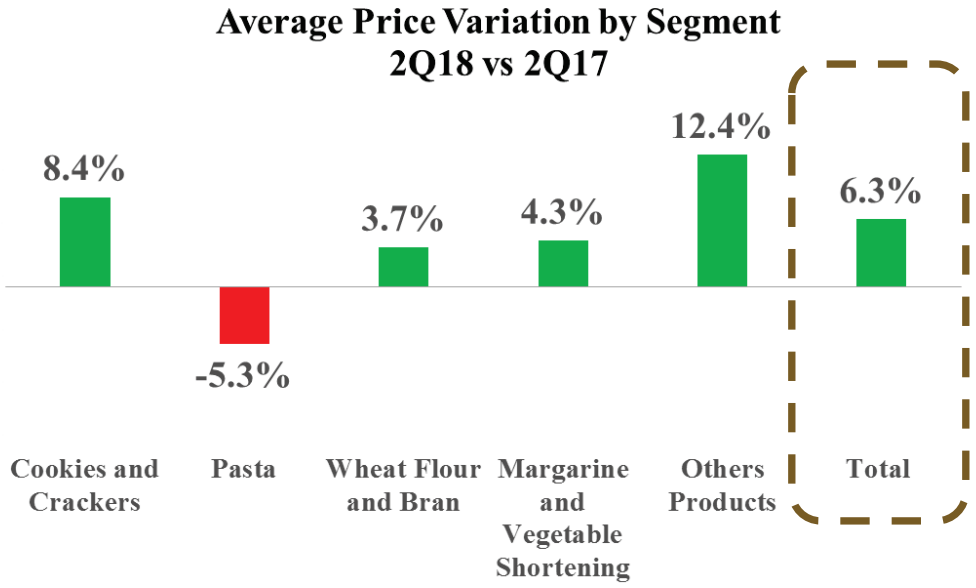
Net Revenue		*Volume*	*Average Price*
+ 0.9% vs. 2Q17	=	*-1.4% vs. 2Q17*	*+2.3% vs. 2Q17*

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



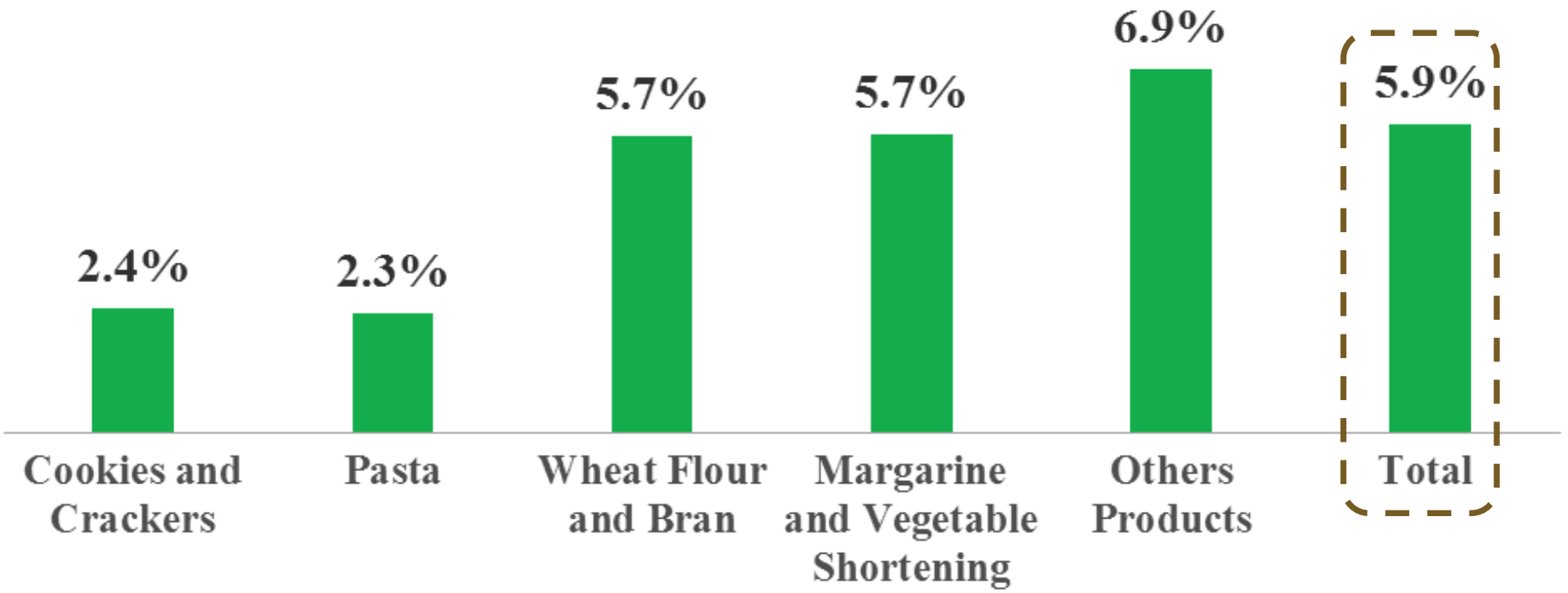
Average Price growth vs 2Q17 and 1Q18





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

Average Price Variation by Segment
2Q18 vs 1Q18



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.***

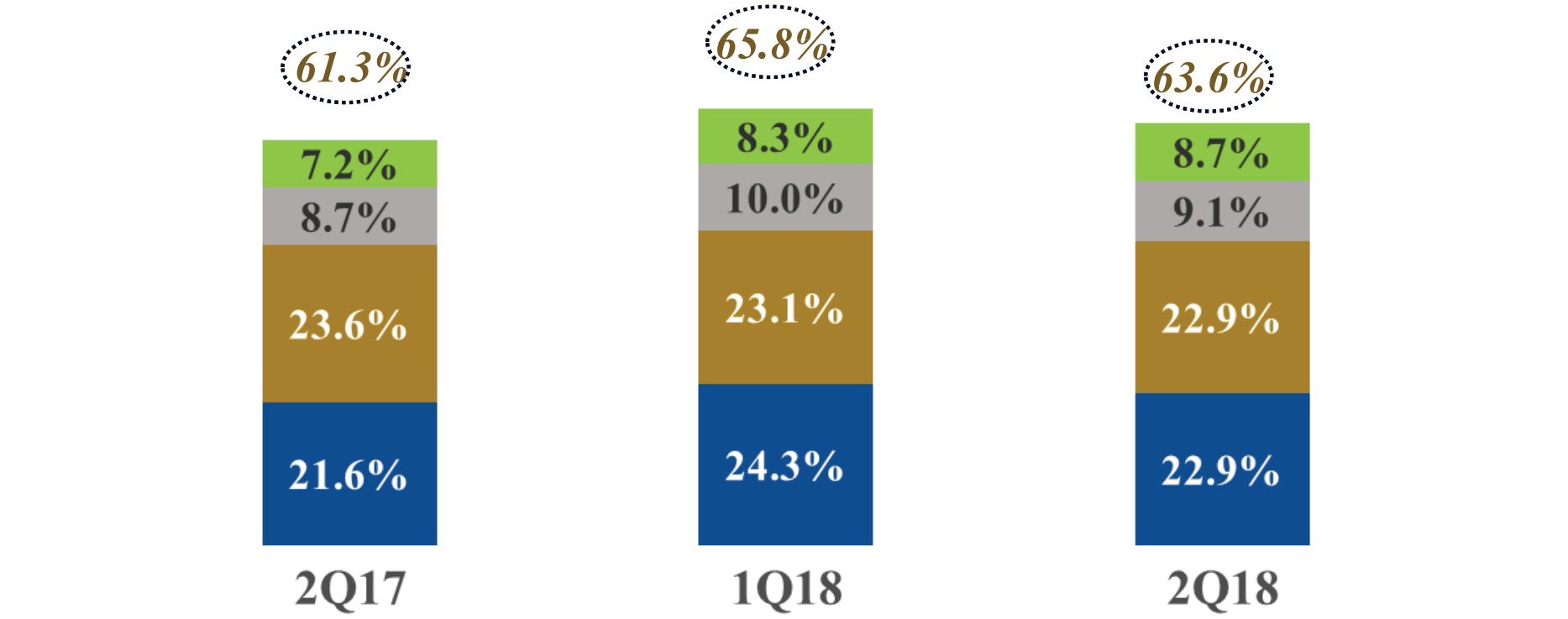
Share Value ***31.9%***

*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

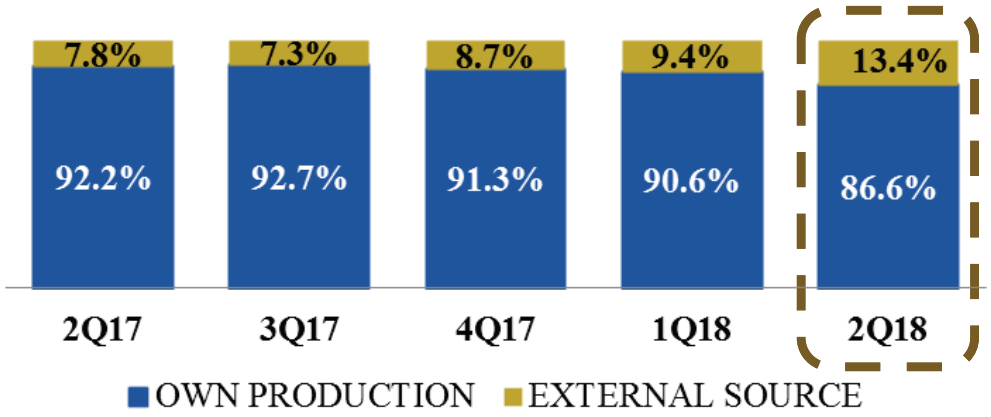


Decrease of Vertical Integration Index of wheat by the growth in the southeast and Piraquê

Vertical Integration Index

1H18 = 88.4%
1H17 = 92.1%

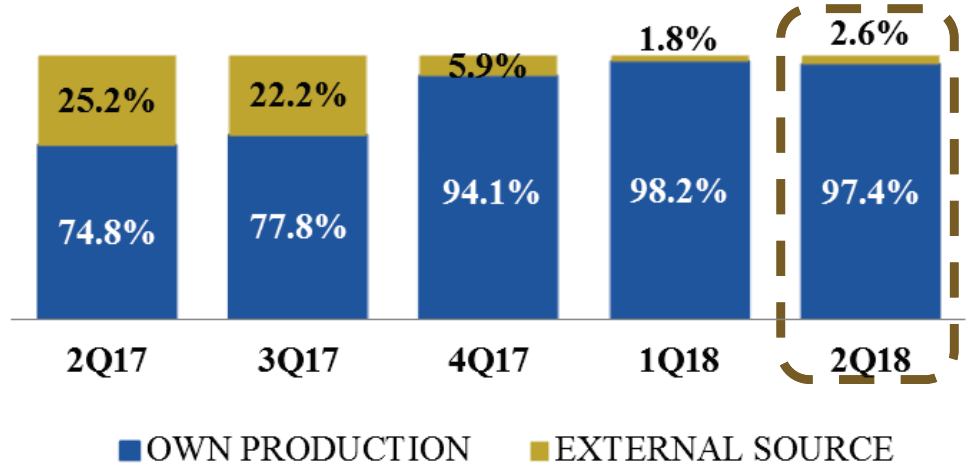
Wheat Flour | Company Consumption (%)



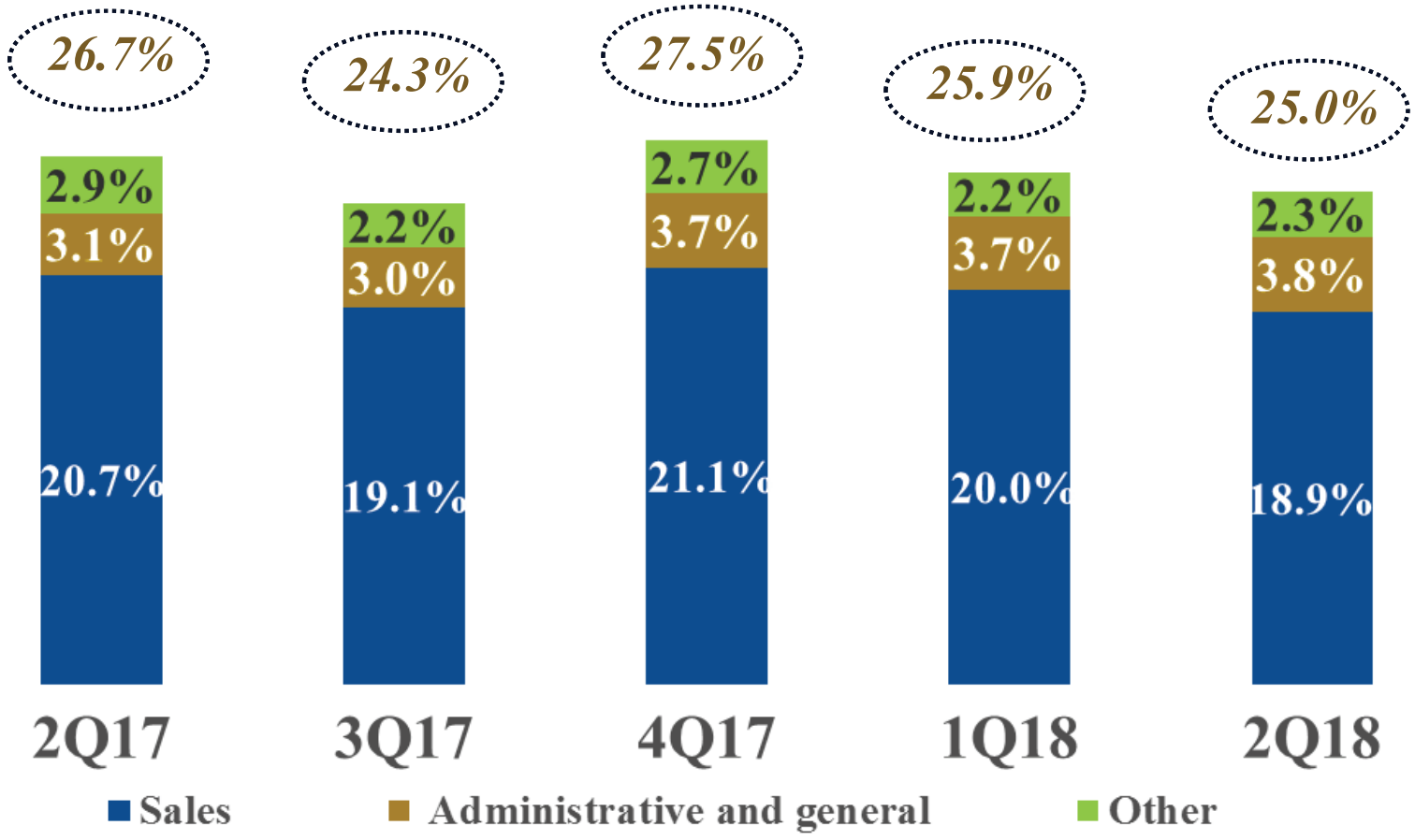
Vertical Integration Index

1H18 = 97.8%
1H17 = 79.5%

Shortening | Company Consumption (%)

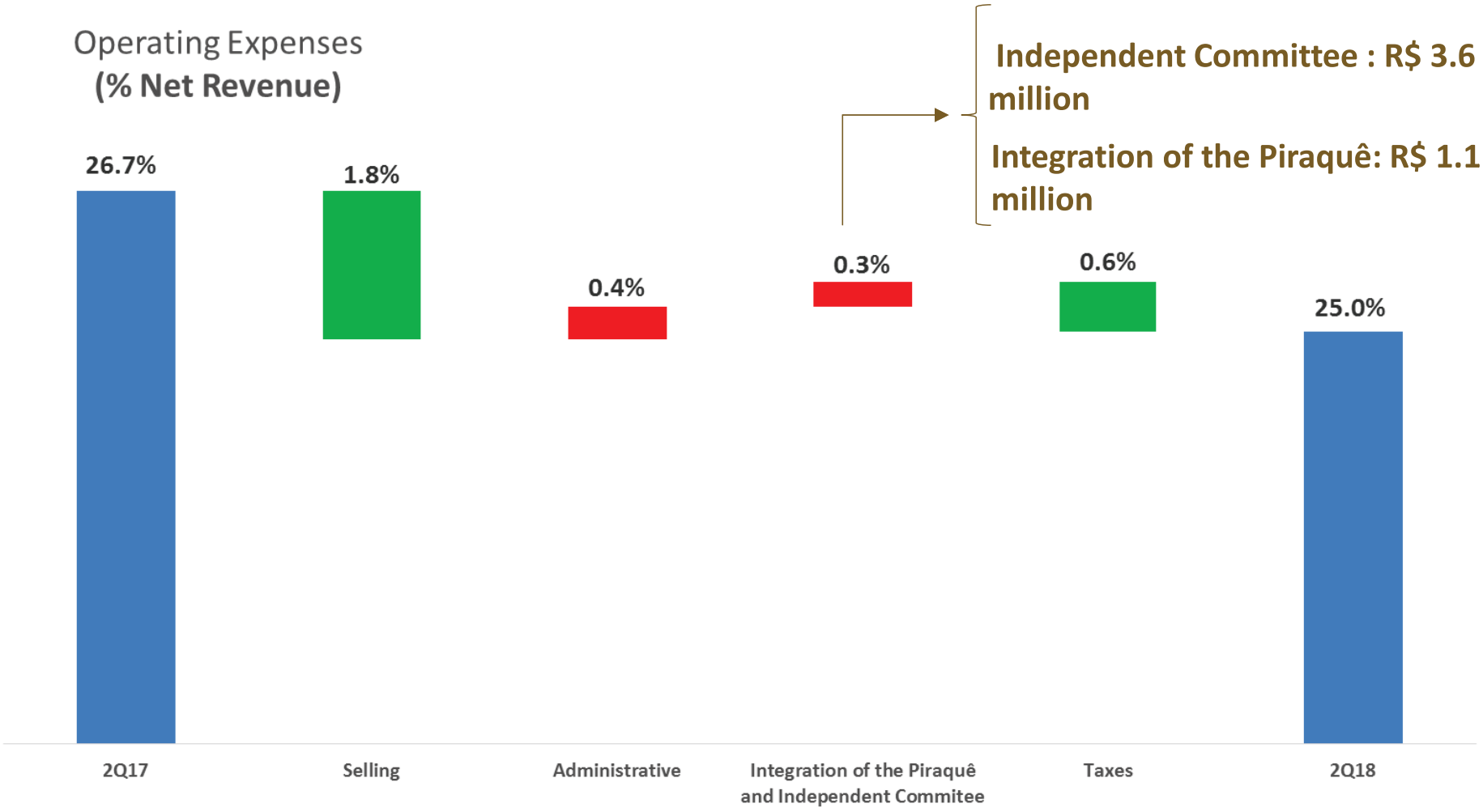


Decrease in Operating Expenses (% Net Revenue) versus 2Q17 and 1Q18



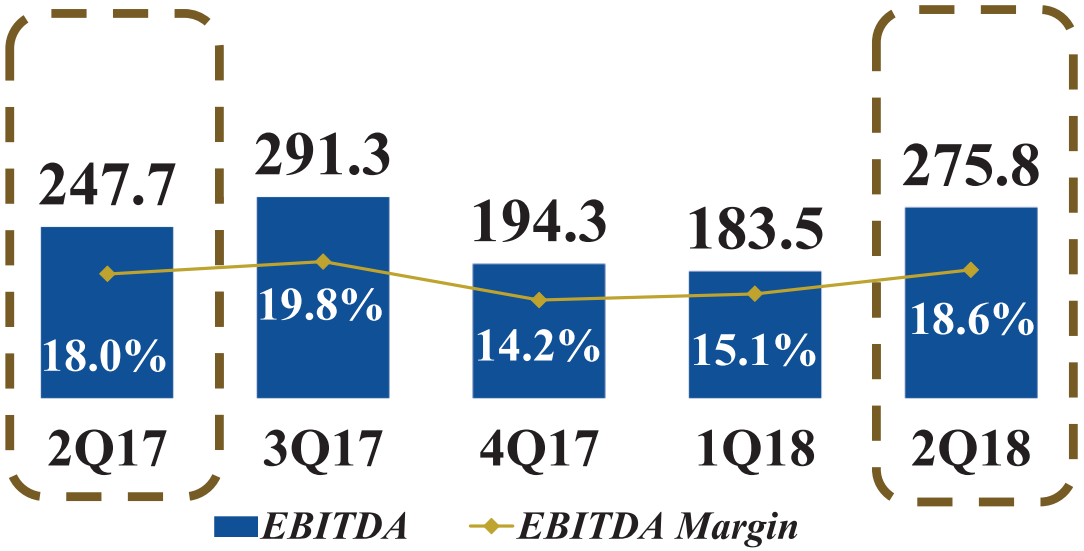
** Selling Expenses contain: Salaries and benefits, freight and other expenses with marketing, sales force and logistics.*

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

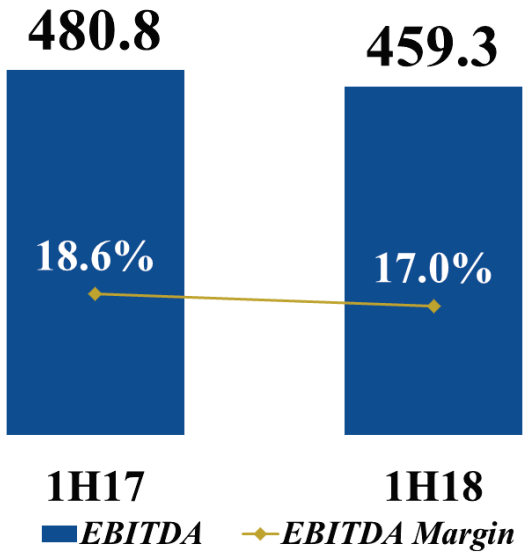


EBITDA (R$ Million) and EBITDA Margin (% Net Revenue) 2Q18 vs. 2Q17

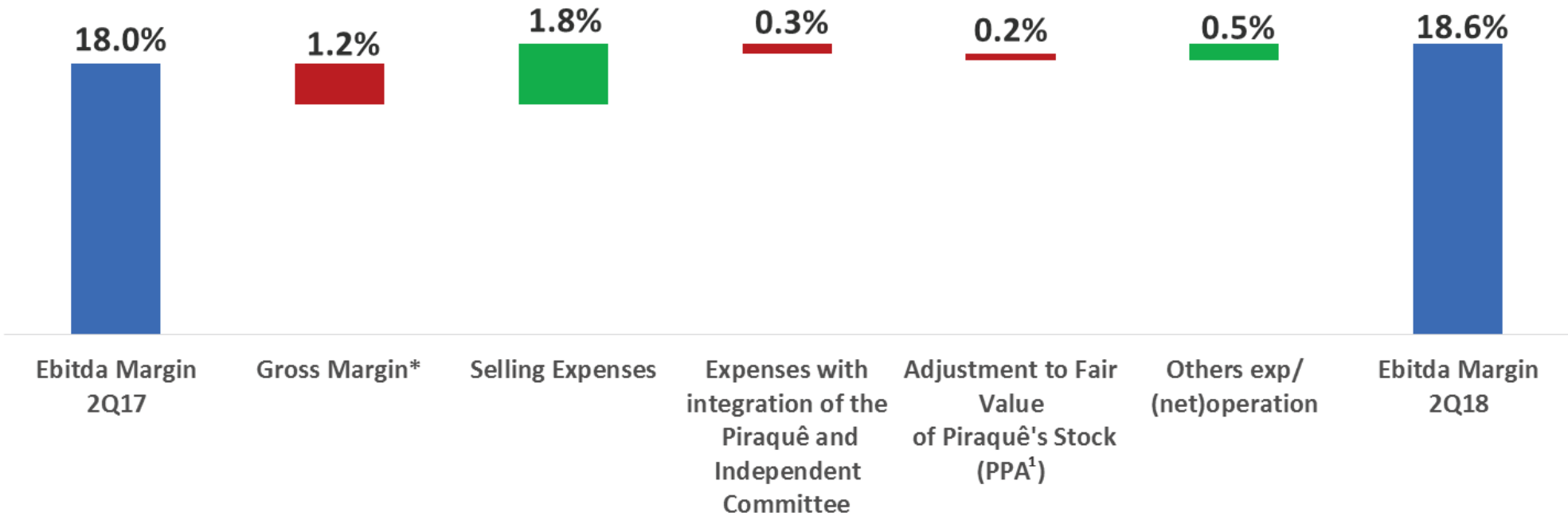
+11.3%
2T18 vs. 2T17



-4.5%
1H18 vs. 1H17

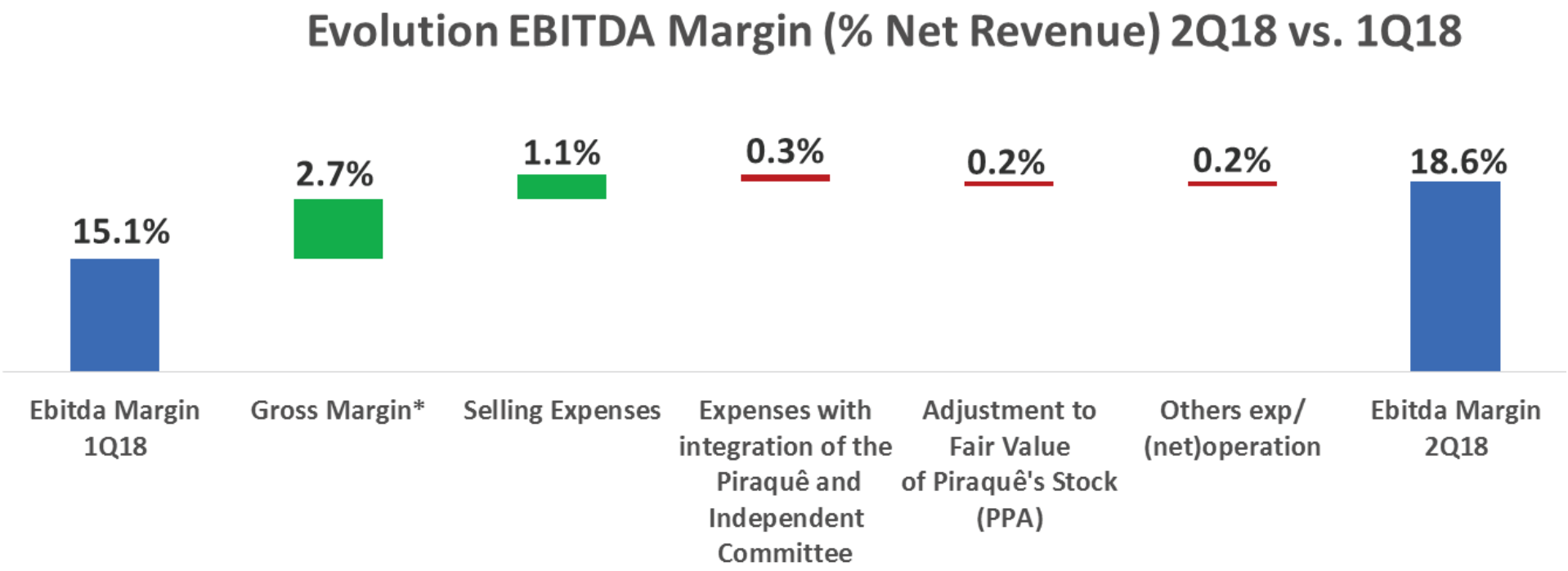


EBITDA Margin impacted by extraordinary expensives and increase in the price of wheat and BRL Devaluation



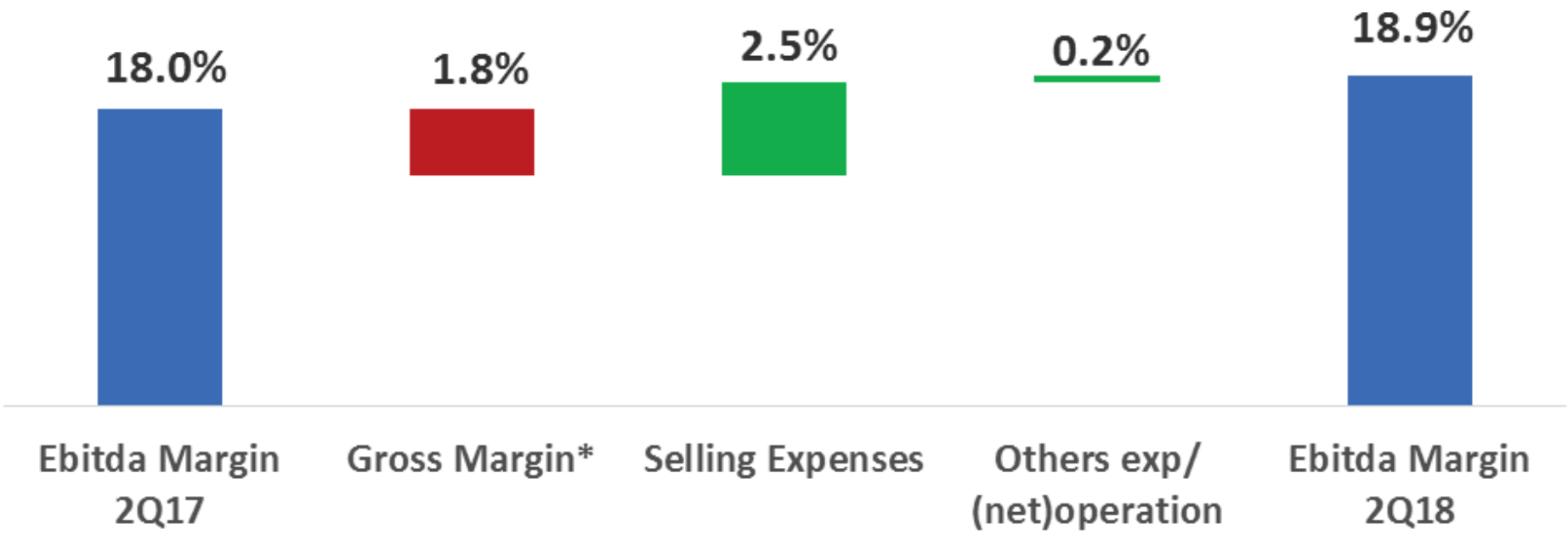
**Note: % Gross Margin without consider the depreciation of Cost of Good Sales in the Net Revenue. **Note: Refer to the administrative expenses, management fees, taxes and othes operation expenses. [1] Purchase Price Allocation (PPA) is the allocation of the company's acquisition cost to its assets acquired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

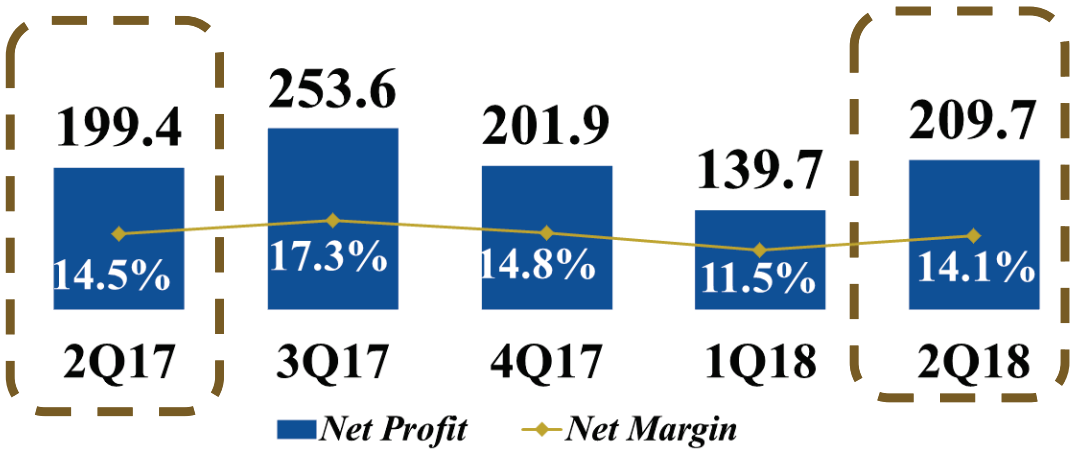
EBITDA Margin impacted by the expenses of integration of Piraquê and Indepent Committee ("excluding Piraquê")



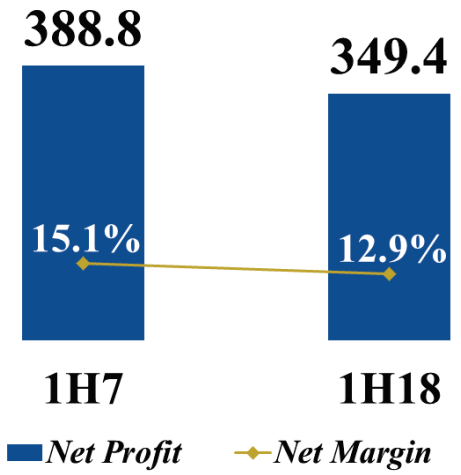
*Note: % Gross Margin without consider the depreciation of Cost of Good Sales in the Net Revenue.
**Note: Refer to the administrative expenses, management fees, taxes and other operating expenses.

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

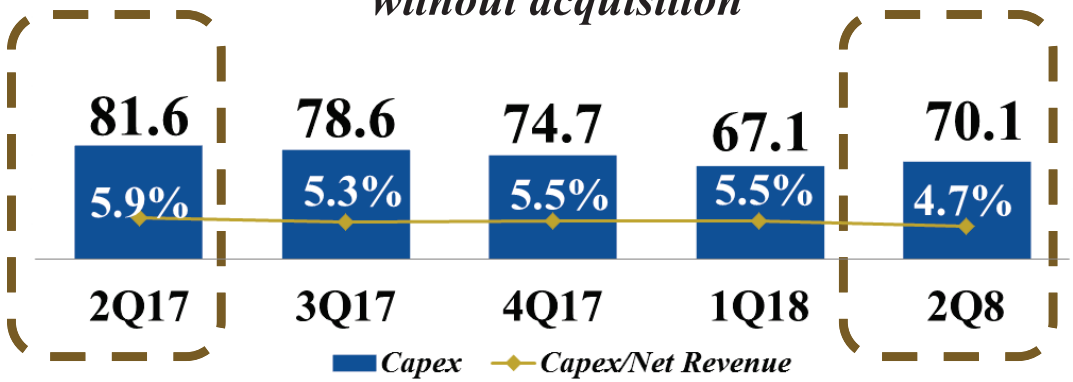
- **Construction in progress of the Wheat Mill in Bento Gonçalves (RS);**
- **Expansion of storage capacity of the distribution center in the Maracanaú unit (CE);**



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

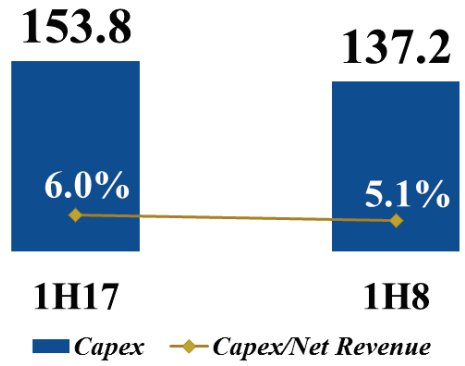
-14.1%
2Q18 vs. 2Q17

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

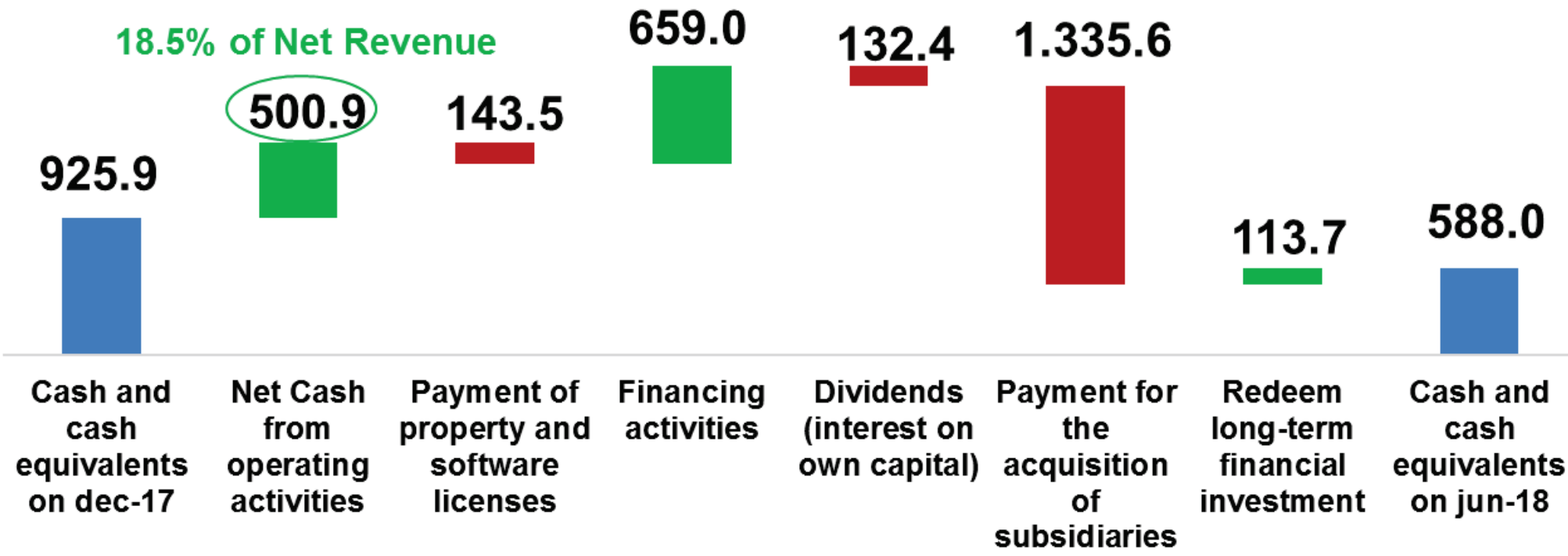


-10.8%
1H18 vs. 1H17

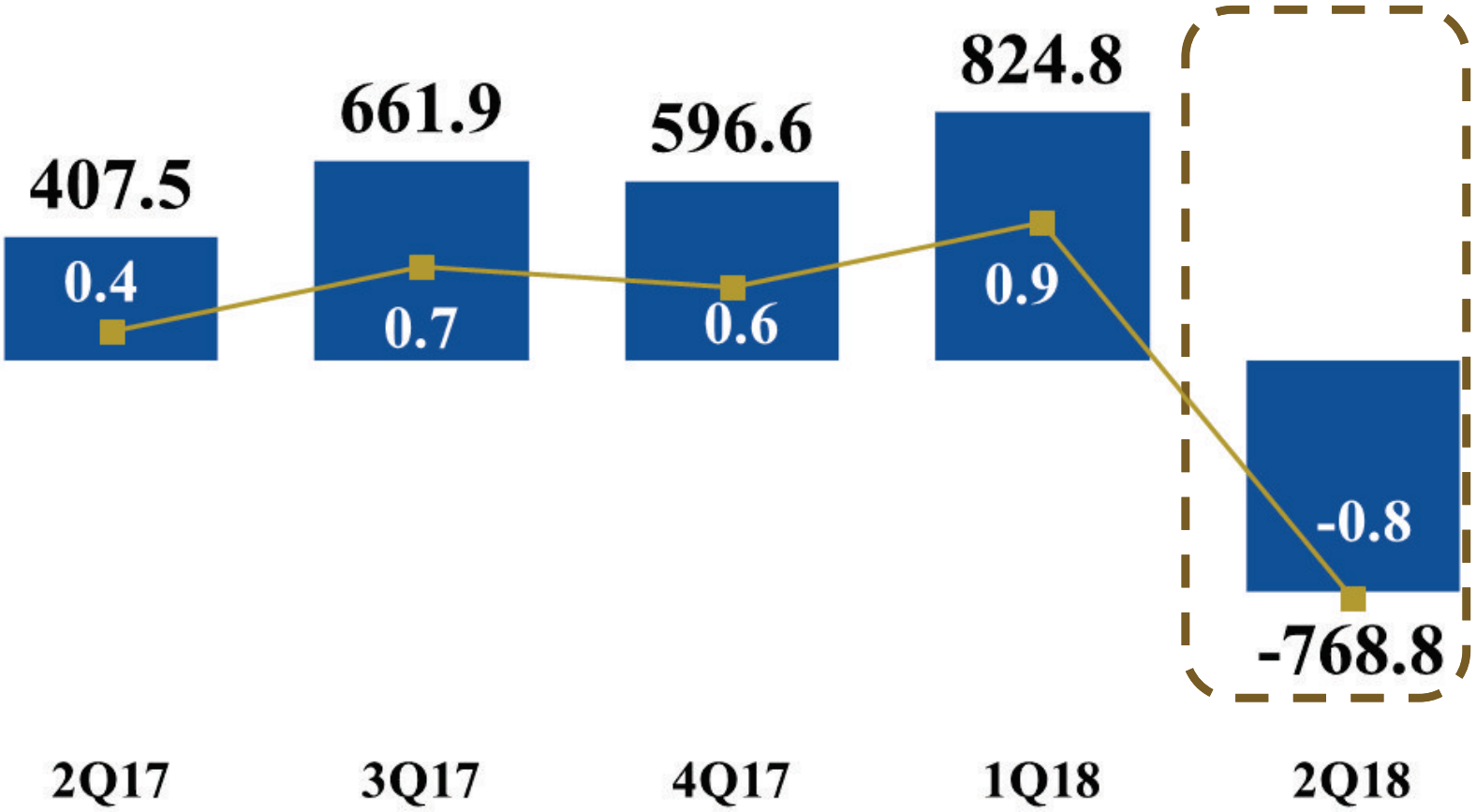
Capex (R$ Million e % Net Revenue) – without acquisition



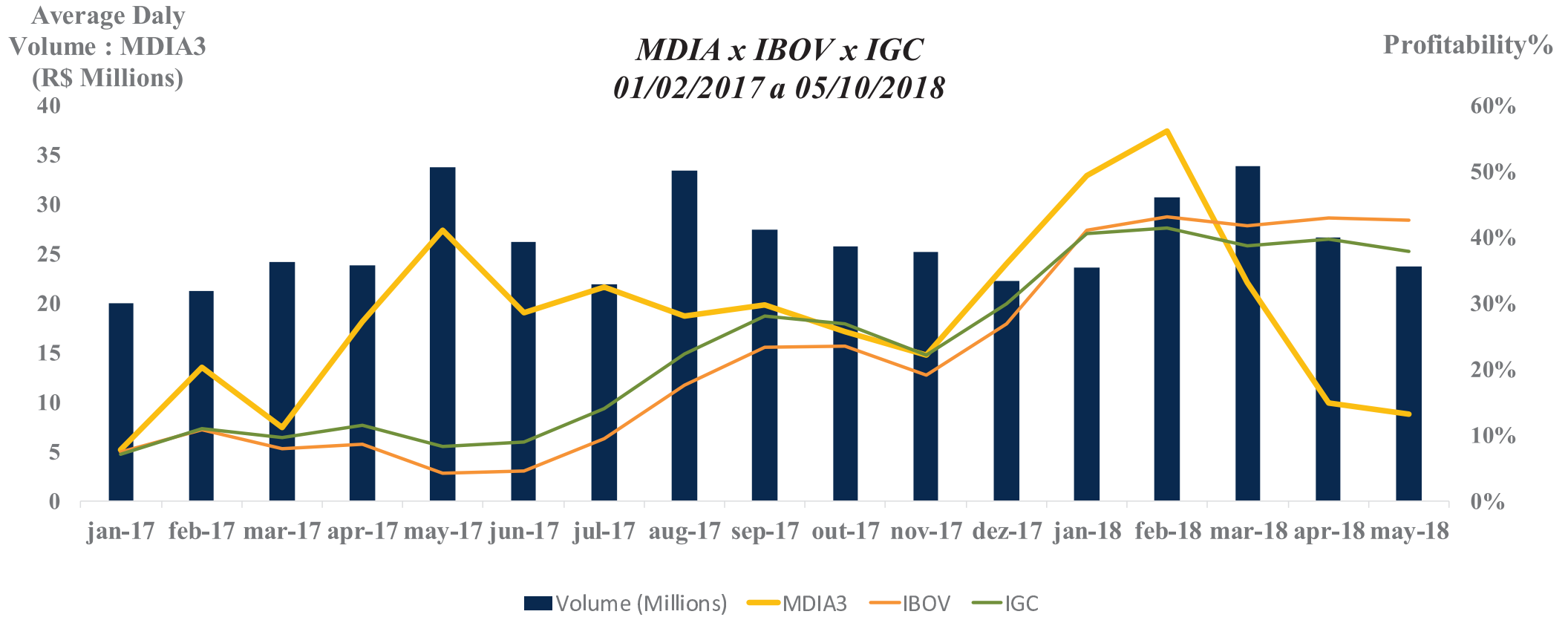
Cash and Cash Equivalent



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



Capital Market



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

germinar

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

Evolution social-environmental practices



- **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

Acquisition of Piraquê by M. Dias Branco

Accelerating growth and consolidating market leadership in cookies & crackers and pasta in Brazil

June 15, 2018

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.

Transaction Summary| Acquisition of 100% of Piraquê

Acquisition Agreement	- Contract date: January 29, 2018 - Enterprise Value: R$ 1.55 billion - EV/EBITDA*: 16.2 x
Approvals and Closing	- April 4: Transaction approved by the Brazilian Antitrust Authority CADE, without restrictions - April 12: Transaction ratified by the Annual Shareholders' Meeting - May 16: Closing of the transaction

Note*: Adjusted EBITDA, excluding non-recurring expenses and other adjustments.

Transaction fully aligned with the strategy of M. Dias Branco

1. Iconic brand in the Brazilian food market for over 60 years
2. Portfolio of complementary products with high value-added items
3. Acceleration of growth and distribution in small retail in the Southeast region
4. Potential for operational and commercial synergies

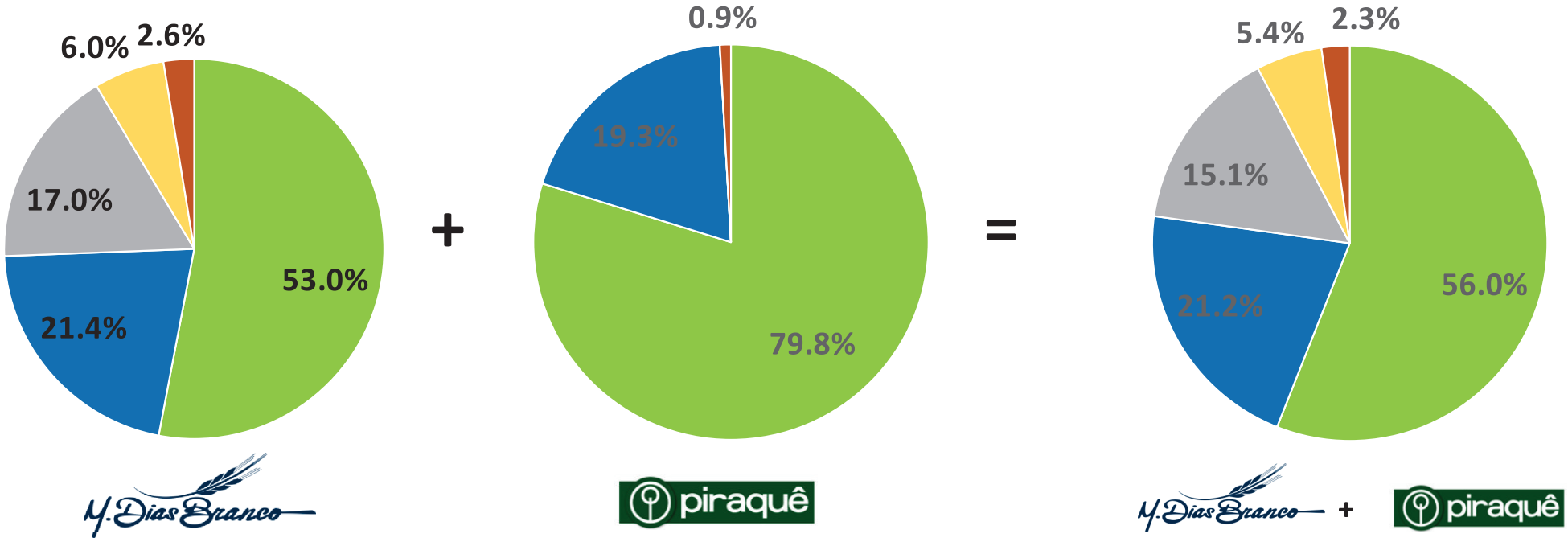
The transaction increases M.Dias Branco's total net revenue by 13% (2017 figures)

Net Revenue 2017 (R$ Million)

	Cookies and Crackers	Pasta	Wheat Flour and Bran	Margarine and Vegetable Shortening	Other products	Total
M. Dias Branco	2,870	1,161	919	327	139	5,416
piraquê *	546	132	-	-	6	684
M. Dias Branco + piraquê	3,416	1,293	919	327	145	6,100
Increase	***19%***	***11%***	**-**	**-**	***4%***	***13%***

Note: Net Revenue of Adjusted Income Statement.

The mix of the combined companies increases the share of product lines with higher average prices



Note : Data for the year 2017.

piraquê



1 Iconic brand in the Brazilian food market for over 60 years

M. Dias Branco

Iconic brand in the Brazilian food market for over 60 years

1950 Piraquê's history began in 1950, with the construction of the first plant in Madureira (RJ).

1953 Production of Cookies and Crackers

1957 Production of Pasta

1980 Production of Margarines and Packaging Factory

2013 Chips and Powder Juice

2015 New Distribution Center in Madureira (RJ)

2016 New plant in Queimados (RJ)

2018 Acquisition by M. Dias Branco

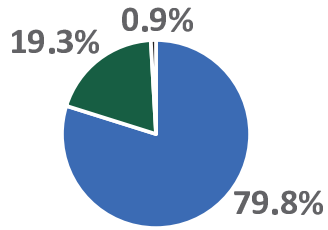
4,253 employees

54,000 tonnes Produced of cookies & crackers/year

56,000 Clients*

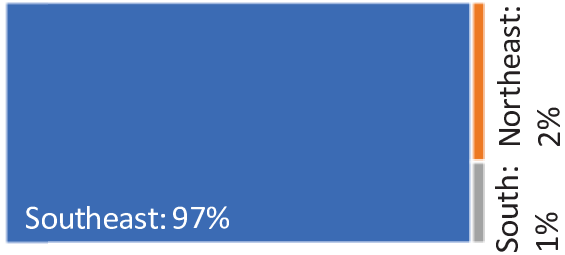
R$ 684 million net revenue 2017

Revenue by product[1]



Cookies and crackers ■ Pasta ■ Others

Revenue by Region

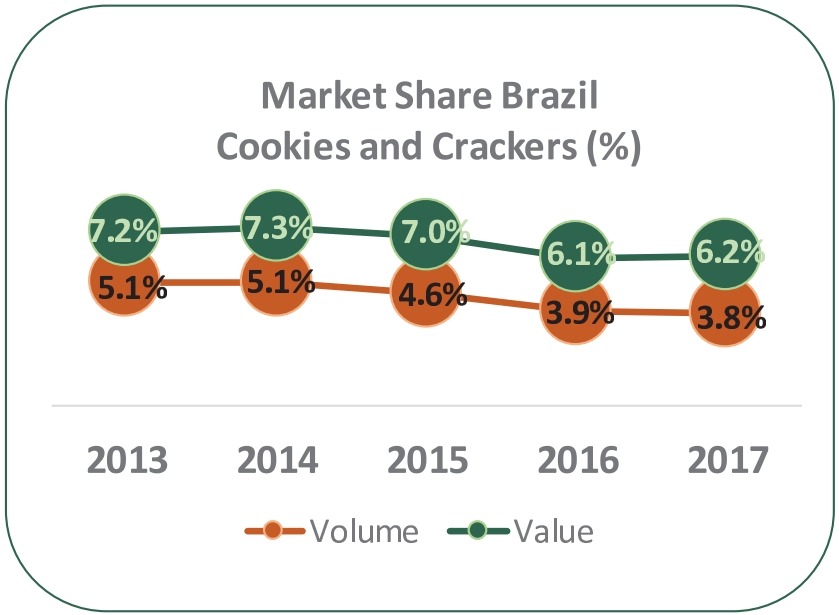


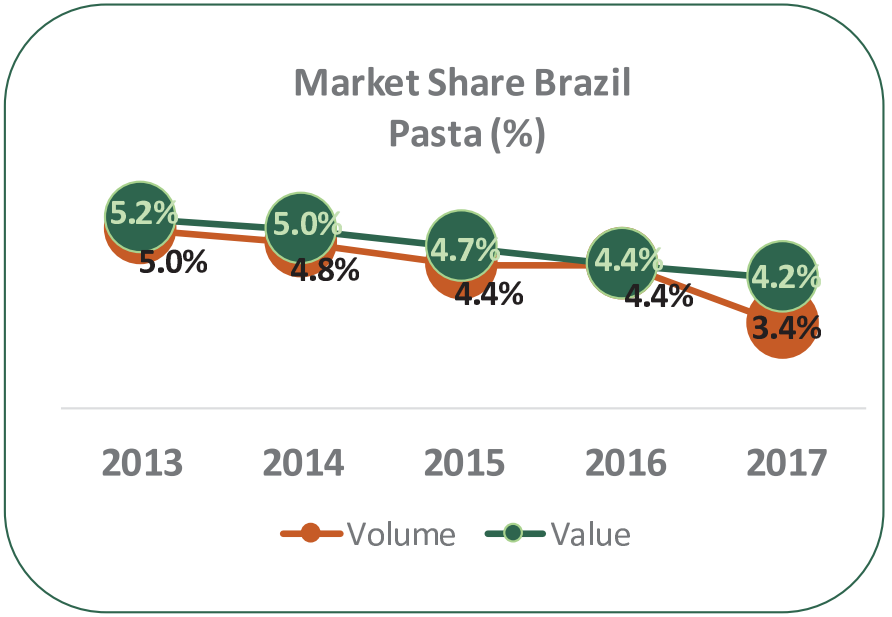
Note [1]: Data for 2017
Others contains chips and powder juice

* *Active clients who have purchased in the last 6 months.*

Iconic brand in the Brazilian food market for over 60 years

In Brazil, Piraquê is the **4th** best-selling cookies and crackers brand and the **9th** best-selling pasta brand in terms of share value





Note : Data from Nielsen.



2 Portfolio of complementary products with high value-added items

Portfolio of complementary products with high value-added items

Total 153 SKUs

Cookies and Crackers



82 SKUs
80%*

Pasta



52 SKUs
19%*

Powder Juice



19 SKUs
<1%*

*% of net revenue 2017

Portfolio of complementary products with high value-added items

Cookies and crackers (82 SKUs)

Sweet (28 SKUs)



Crackers (13 SKUs)



Sandwich / Cookies (17 SKUs)



Salt (10 SKUs)



Wafers (14 SKUs)



Portfolio of complementary products with high value-added items

Pasta (52 SKUs)

Al Dente (16 SKUs)



With eggs (16 SKUs)



Semolina (6 SKUs)



Grano Duro (9 SKUs)



Kids (4 SKUs)



Lasagna (1 SKU)



Portfolio of complementary products with high value-added items

Powder Juice * (19 SKUs)

Package 25g



Package 1Kg



*Outsourced production

Portfolio of complementary products with high value-added items

COOKIES AND CRACKERS PRICE INDEX[1]

PRICE INDEX
PIRAQUÊ: 163
MDB: 75

BRAZIL

PRICE INDEX
PIRAQUÊ: 148
MDB: 72

SOUTHEAST

PASTA PRICE INDEX[1]

PRICE INDEX
PIRAQUÊ: 123
MDB: 88

BRAZIL

PRICE INDEX
PIRAQUÊ: 116
MDB: 88

SOUTHEAST

Note[1]: Nilsen data for 2017.

Portfolio of complementary products with high value-added items

Net Average Price 2017 (R$/Kg)

	Cookies and Crackers	Pasta	Wheat Flour and Bran	Margarine and Vegetable Shortening	Other products	Total
M. Dias Branco	5.43	3.25	1.08	3.91	8.60	2.95
piraquê	10.55	3.79	-	-	17.82	7.89
M. Dias Branco + piraquê	5.88	3.30	1.08	3.91	8.84	3.17

Piraquê's Portfolio will contribute to increase the average price of M. Dias Branco

Piraquê **16.7%** > MDB | combined companies **1.6%** > MDB

Piraquê **94.3%** > MDB | combined companies **8.4%** > MDB

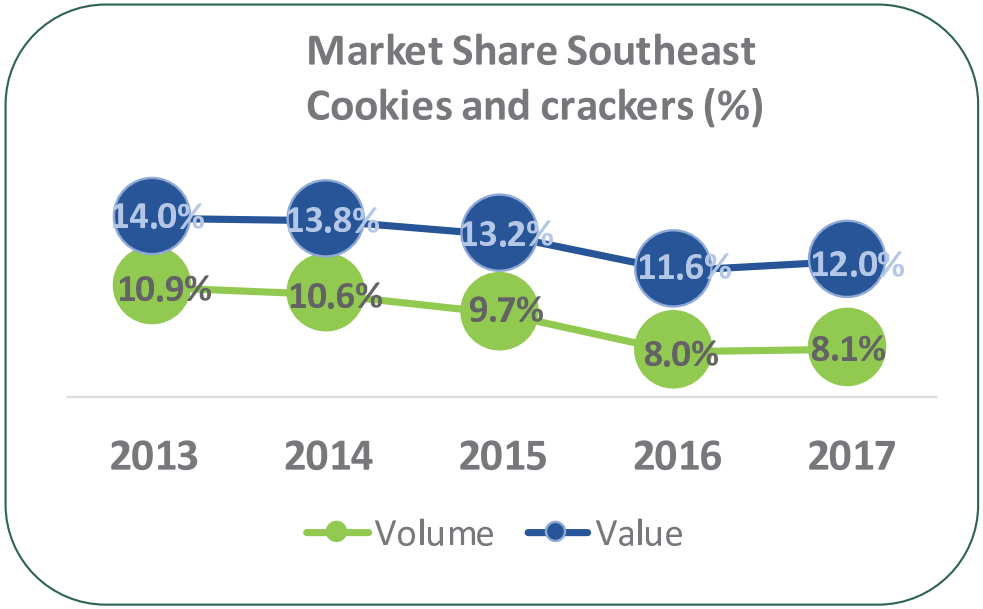
3

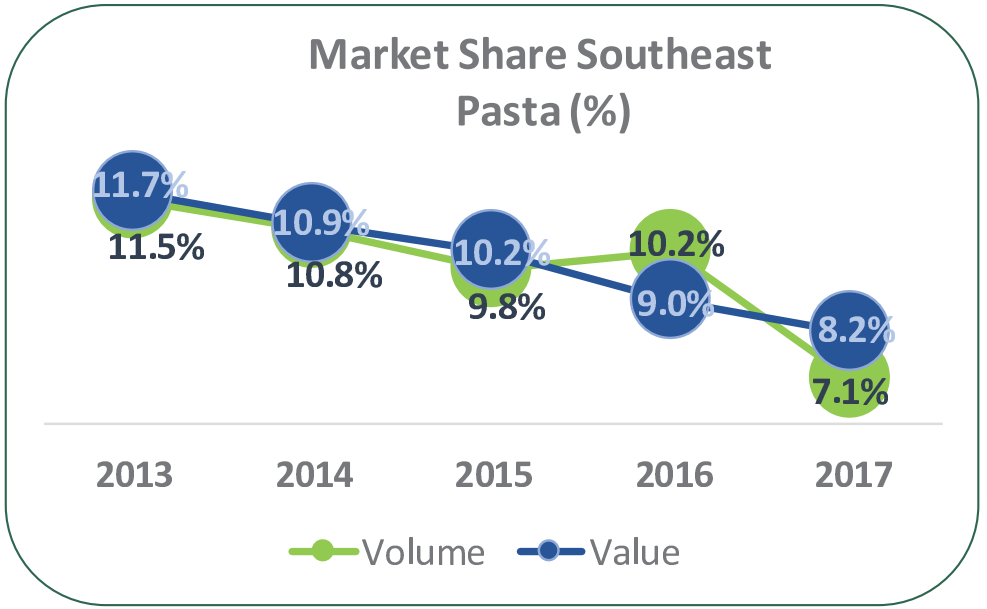
Acceleration of growth and distribution in small retail in the Southeast region



Acceleration of growth and distribution in small retail in the Southeast region

In Southeast, Piraquê is the 1th best-selling cookies and crackers brand and the 3th best-selling pasta brand in terms of share value



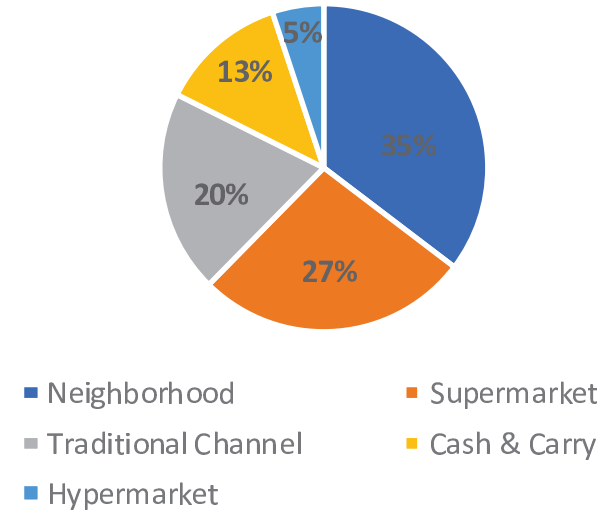


Note : Nielsen data.

Acceleration of growth and distribution in small retail in the Southeast region

Larger Distribution in Small Retail

Volume Brazil by Channel[1]



Note[1]: Nielsen Data (Cookies and crackers + Pasta) related to 2017

56,000 Clients

- ✓Extensive **customer base** with low default
- ✓**Capillarity** in Rio de Janeiro
- ✓Strong **Commercial Strategy**

4 Potential for operational and commercial synergies



Potential for operational and commercial synergies

- ✓ **Organizational Structure**

  Integration of systems and governance and administrative, financial and cost structure

- ✓ **Supplies**

  Full sharing and optimization of the supplier mix

- ✓ **Industrial**

  Reduction of losses and idleness, new production lines, reallocation, installation, phase-out and investments in lines and plants

- ✓ **Logistics**

  Full logistics integration and greater use of distribution centers

- ✓ **Commercial**

  Review of product portfolio, sales policies, compensation model, cross-selling and new products

Potential for operational and commercial synergies

Industrial – Infrastructure for the production of cookies, crackers, pasta and vegetable shortening in the Southeast region

Madureira (RJ)

- Cookies & crackers and pasta Factory
- Vegetable Shortening Factory





- ✓ *The cookie and cracker and pasta plant in Madureira has a print shop with a nominal capacity of **2,500 tons** of packaging/year*

Queimados (RJ)

- Cookies & crackers Factory

  "State of the art"



This unit has ICMS tax benefit (tax 3% in the output)

Potential for operational and commercial synergies

Industrial – Growth of 16.9% in biscuit capacity and 15.1% in pasta capacity

	Cookies and Crackers	Pasta	Margarine and Vegetable Shortening	Wheat Flour and Bran	Other products	Total
Total Production Capacity (Thousand tonnes per year)						
Piraquê	**121.8**	**70.8**	**26.4**	**-**	**-**	**219.0**
Cookies & Crackers and Pasta Factory (Madureira/RJ)	*92.1*	*70.8*	*-*	*-*	*-*	*162.9*
Vegetable Shortening Factory (Madureira/RJ)	*-*	*-*	*26.4*	*-*	*-*	*26.4*
Cookies & Crackers Factory (Queimados/RJ)	*29.7*	*-*	*-*	*-*	*-*	*29.7*
Other units of M.Dias Branco	**721.1**	**469.9**	**229.5**	**1,912.0**	**39.3**	**3,371.8**
M.Dias + Piraquê	**842.9**	**540.7**	**255.9**	**1,912.0**	**39.3**	**3,590.8**
Increase	*16.9%*	*15.1%*	*11.5%*	*0.0%*	*0.0%*	*6.5%*
Production Capacity Utilization (%)						
Piraquê	**44.3%**	**37.7%**	**34.0%**	**0.0%**	**0.0%**	**40.9%**
Other units of M.Dias Branco	**76.5%**	**77.5%**	**70.4%**	**82.9%**	**43.5%**	**79.4%**
M.Dias + Piraquê	**71.8%**	**72.3%**	**66.7%**	**82.9%**	**43.5%**	**77.1%**

Note : Data for the year 2017.

Logistics

6 Distribution Centers





Total area of 13,000 m² with **14,000** pallet positions in Madureira (RJ)

Possibility of expanding to **18,000** pallet positions plus **4,500** in the old DC with:

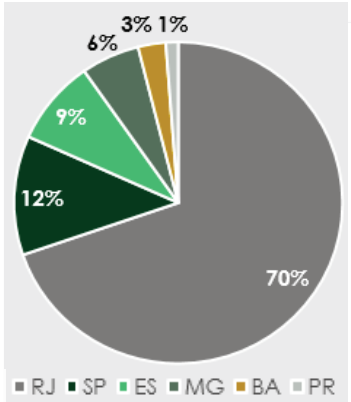
RENTED FLEET

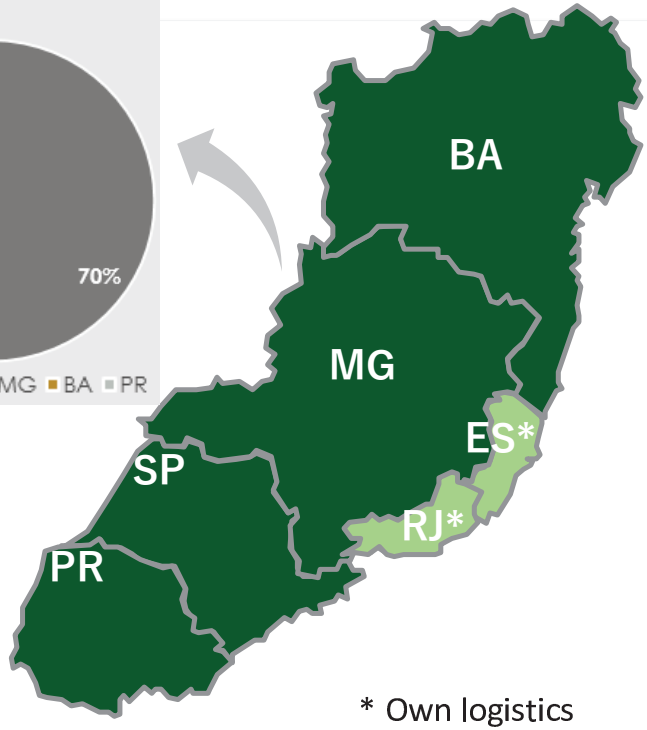
103 rented/third parties + 6 backups (87 RJ + 16 ES)

14,559 pallet positions

36 docks, 3 incoming

Revenue by Distribution Centers



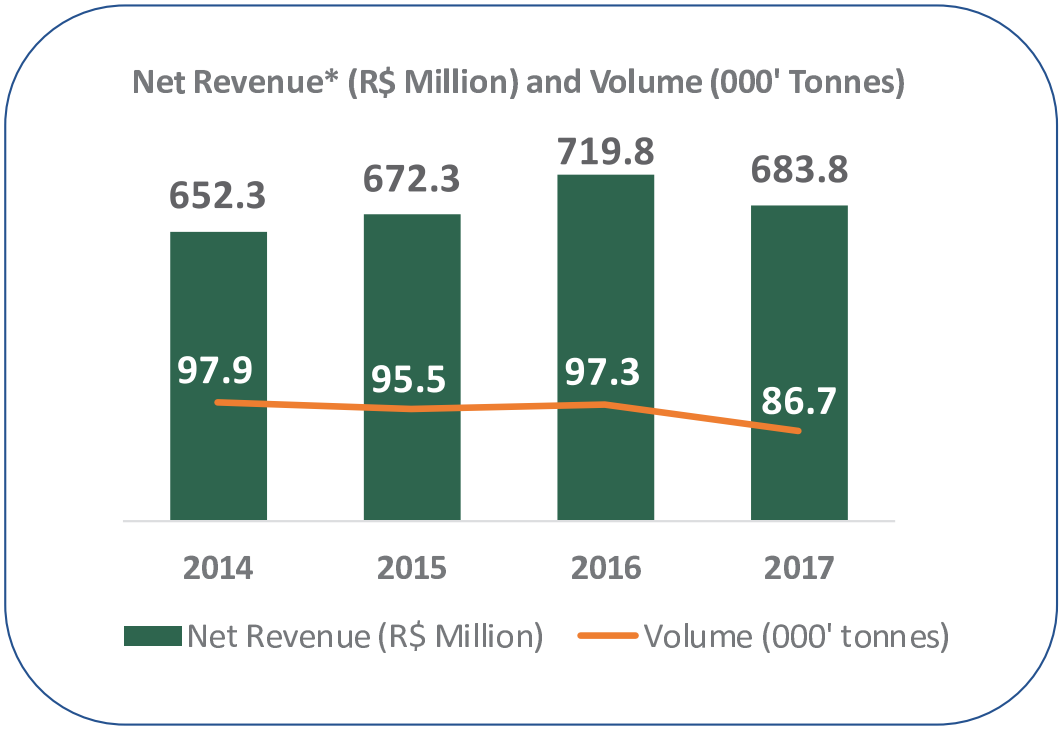


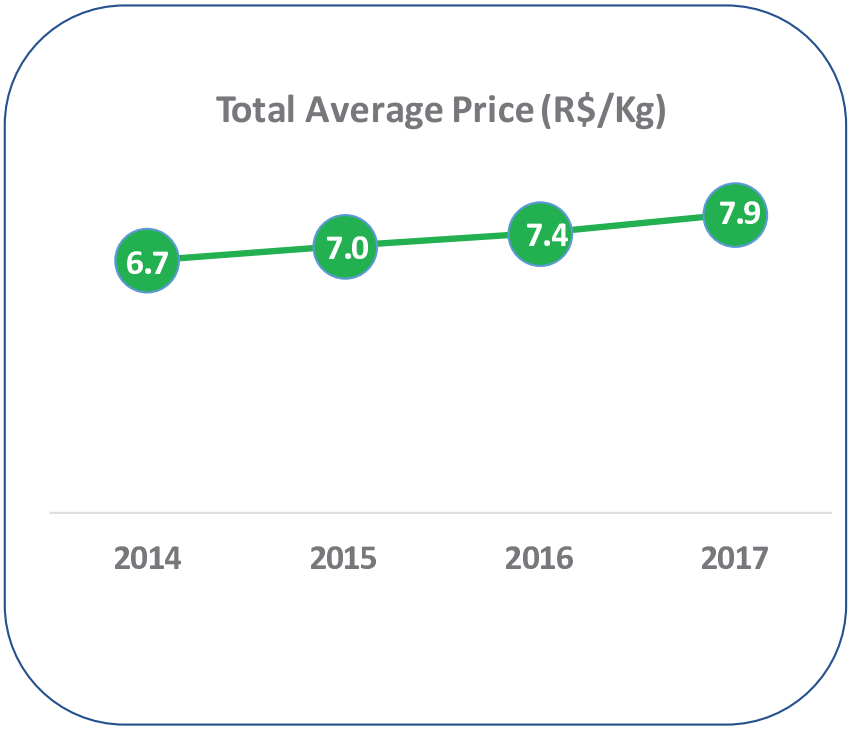
* Own logistics

Additional Information



Evolution of Net Revenue and Volume Piraquê





Note: Net Revenue of Adjusted Income Statement.

Income Statement 2017

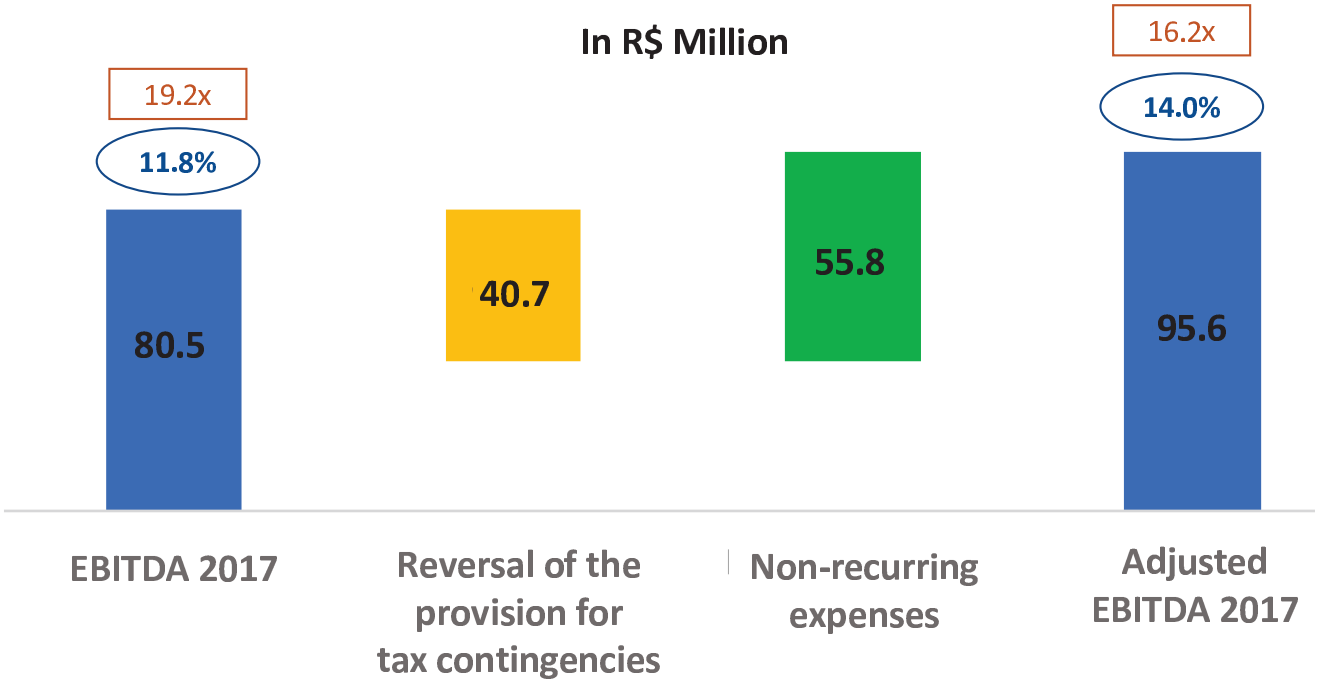
Income statement	M.Dias Branco 2017		Piraquê 2017*		Piraquê 2017 Adjusted**	
	R$ Million	%	R$ Million	%	R$ Million	%
Net revenue	**5,415.4**	**100.0%**	**683.8**	**100.0%**	**683.8**	**100.0%**
(-) Cost of goods sold	-3,379.8	-62.4%	-376.6	-55.1%	-372.2	-54.4%
(+) Tax incentives ICMS	213.5	3.9%	3.9	0.6%	3.9	0.6%
Gross profit	**2,249.1**	**41.5%**	**311.1**	**45.5%**	**315.5**	**46.1%**
Operating expenses	**-1,409.7**	**-26.0%**	**-269.6**	**-39.4%**	**-258.9**	**-37.9%**
Sales expenses	-1,091.6	-20.2%	-219.8	-32.1%	-206.0	-30.1%
Administrative expenses	-177.2	-3.3%	-75.1	-11.0%	-43.1	-6.3%
Other revenues (expenses)	-140.9	-2.6%	25.3	3.7%	-9.8	-1.4%
Operating income	**839.4**	**15.5%**	**41.5**	**6.1%**	**56.6**	**8.3%**
Financial results	76.7	1.4%	29.2	4.3%	4.5	0.7%
Equity in net income of subsidiaries	-0.5	0.0%	0.2	0.0%	0.2	0.0%
Income before tax and social contribution	**915.6**	**16.9%**	**70.9**	**10.4%**	**61.3**	**9.0%**
Income tax and social contribution	-71.3	-1.3%	-10.6	-1.6%	-10.6	-1.6%
Net income	**844.3**	**15.6%**	**60.3**	**8.8%**	**50.7**	**7.4%**
EBITDA	**966.4**	**17.8%**	**80.5**	**11.8%**	**95.6**	**14.0%**

Note: Other income / (expenses) includes depreciation and amortization, tax expenses and other operating income and expenses.

* Proforma: reclassification of state tax incentive and financial discounts, according to accounting criteria adopted in M.Dias Branco.

** Adjusted: excluding non-recurring expenses and revenues.

Adjusted EBITDA



Operational Highlights of Combined Companies

	Operational Data				Market Share Brazil				Market Share Southeast			
	Industrial Units	Distribution Centers	Sales Volume ('000 Tonnes)	Production Capacity ('000 Tonnes)	Cookies and Crackers *Volume*	Cookies and Crackers *Value*	Pasta *Volume*	Pasta *Value*	Cookies and Crackers Volume	Cookies and Crackers Value	Pasta Volume	Pasta Value
M. Dias Branco	12	32	1,836.1	3,371.8	32.5%	24.4%	32.4%	28.6%	15.3%	11.0%	20.1%	17.8%
piraquê	3	6	86.7	219.0	3.8%	6.2%	3.4%	4.2%	8.1%	12.0%	7.1%	8.2%
M. Dias Branco + piraquê	**15**	**38**	**1,922.8**	**3,590.8**	**36.3%**	**30.6%**	**35.8%**	**32.8%**	**23.4%**	**23.0%**	**27.2%**	**26.0%**
			+4.7%	**+6.5%**								

Note[1]: Data for the year 2017.

Financial Highlights of Combined Companies

	Financial (R$ Million)			Margin (%)		
	Gross Profit	EBITDA[1]	Net Income[1]	Gross	EBITDA	Net
M. Dias Branco	2,249.1	966.4	844.3	41.5%	17.8%	15.6%
piraquê	315.5	95.6	50.7	46.1%	14.0%	7.4%
M. Dias Branco + piraquê	**2,564.6**	**1,062.0**	**895.0**	**42.0%**	**17.4%**	**14.7%**
	+14.0%	**+9.9%**	**+6.0%**	**+0.5pp**	**-0.4pp**	**-0.9pp**

Note: [1] Adjusted Gross Profit, EBITDA and Net Income.
Data for the year 2017.

piraquê

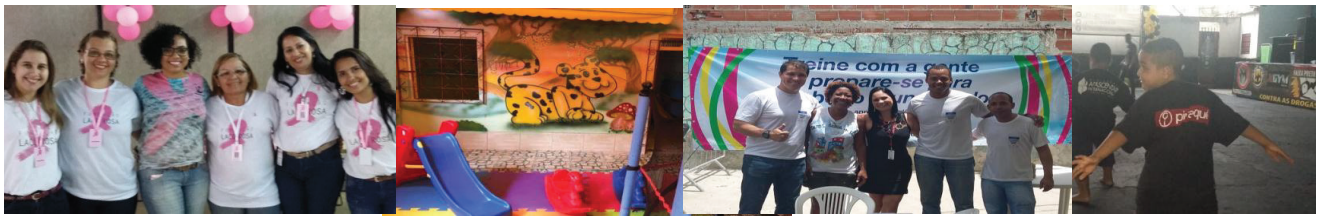


piraquê
institute

M. Dias Branco

Piraquê Institute

- Founded in **2015**
- **Objective:** Organize all social actions and donation of products of the company Piraquê.
- It has **OSCIP**[1] certification according to Law 9,790 / 99. Today, with the advent of **Law 13,019/14**, it takes 3 years of pre-existence to qualify as OSCIP.
- **Projects:** Support to several projects over the years, such as: Laço Rosa, Embaixadores da Alegria, Faixa Preta de Jesus, Instituto Reação, Creche Ovelinhas, Cidadania em Ação e Instituto Sol.



Note: [1] Organization of Civil Society of Public Interest (OSCIP) are NGOs created by private initiative, obtain a certificate issued by the federal public authority in proving compliance with certain requirements, especially those derived from administrative transparency rules.

Thank you