

Results Presentation 4Q16 and 2016

March/2017

M. Dias Branco

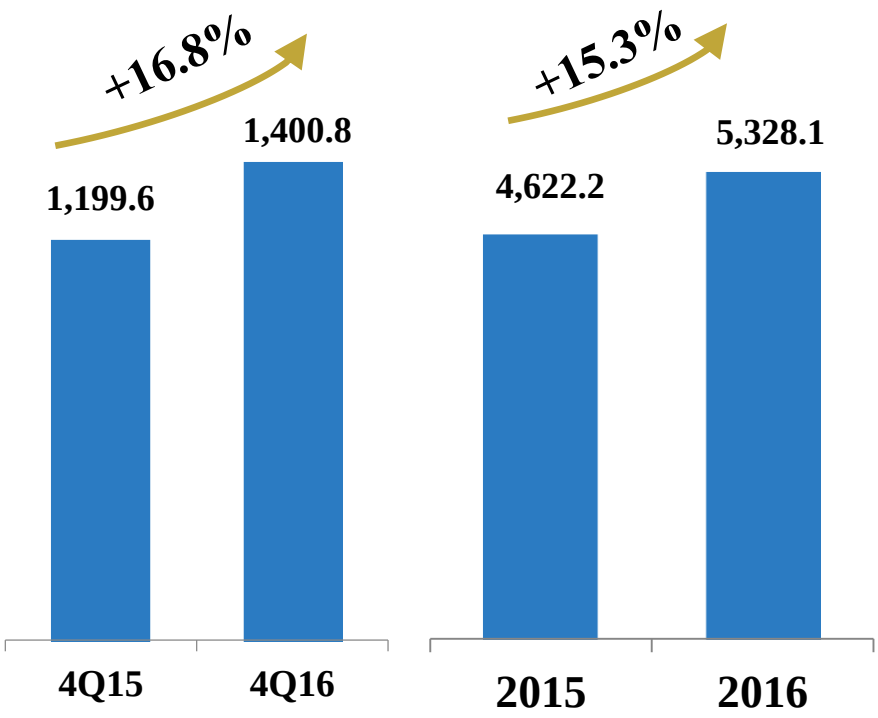
“FOOD FOR THE WELL - BEING OF SOCIETY AND THE PEOPLE’S HAPPINESS”

This is the greater purpose that
Inspires the Company’s mission.

The statements contained in this document related to business prospects, operating and financial results and growth of M. Dias Branco are merely projections and, as such, are based exclusively on the Management expectations concerning the future of the business. These statements depend, substantially, on changes in market conditions, the performance of the Brazilian economy, as well as of the sector and the international markets, and therefore are subject to change without notice.

Net Revenue (R$ million)

Total Net Revenue



Net Revenue for Products Lines

Products Lines	2015	2016	Δ
Cookies and Crackers	2,391	2,745	14.8%
Pasta	1,044	1,205	15.5%
Wheat Flour and Bran	887	1,003	13.0%
Margarine and Shortening	220	260	18.3%
Other Products*	80	115	43.0%
Total	**4,622**	**5,328**	**15.3%**

* cakes, snacks, cake mix and packged toast

Products Lines	4Q15	4Q16	Δ
Cookies and Crackers	604	715	18.4%
Pasta	277	323	16.7%
Wheat Flour and Bran	237	256	8.2%
Margarine and Shortening	61	70	14.9%
Other Products*	22	37	72.1%
Total	**1,200**	**1,401**	**16.8%**

* cakes, snacks, cake mix and packged toast

Net Revenue Growth vs. 2015

1Q16	2Q16	3Q16	4Q16	2016
11.7%	18.0%	14.4%	16.8%	15.3%

Sales Volume and Net Average Price

Sales Volume - Breakdown

(in '000 Tonnes, net of returns)

Products Lines	4Q15	4Q16	Δ	2015	2016	Δ
Cookies and Crackers	124.4	137.1	10.2%	503.8	521.8	3.6%
Pasta	88.2	96.9	9.9%	340.2	358.1	5.3%
Wheat Flour and Bran	198.4	216.1	8.9%	769.3	827.7	7.6%
Margarine and Shortening	18.4	17.9	-2.7%	65.9	70.0	6.2%
Other Products*	2.1	4.5	114.3%	7.9	12.9	63.3%
Total	**431.5**	**472.5**	**9.5%**	**1,687.1**	**1,790.5**	**6.1%**

* cakes, snacks, cake mix and packged toast

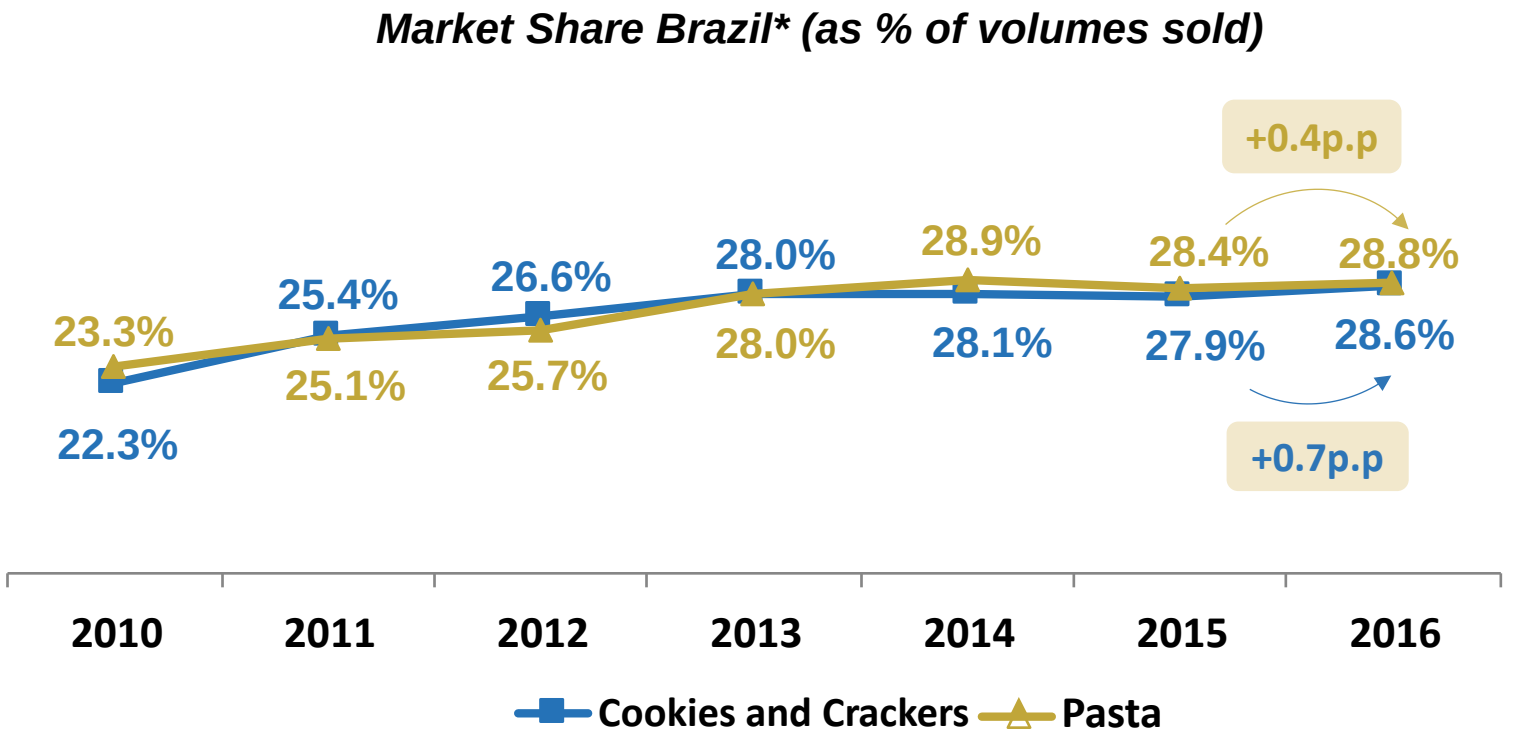
Net Average Prices

(in R$/Kg, net of returns)

Products Lines	4Q15	4Q16	Δ	2015	2016	Δ 2015/2016
Cookies and Crackers	4.9	5.2	7.4%	4.8	5.3	10.7%
Pasta	3.1	3.3	6.4%	3.1	3.4	9.4%
Wheat Flour and Bran	1.2	1.2	-0.8%	1.2	1.2	5.2%
Margarine and Shortening	3.3	3.9	18.1%	3.3	3.7	11.4%
Other Products*	10.2	8.2	-19.7%	10.2	8.9	-12.5%
Total	**2.8**	**3.0**	**6.5%**	**2.7**	**3.0**	**8.8%**

* cakes, snacks, cake mix and packged toast

Market Share

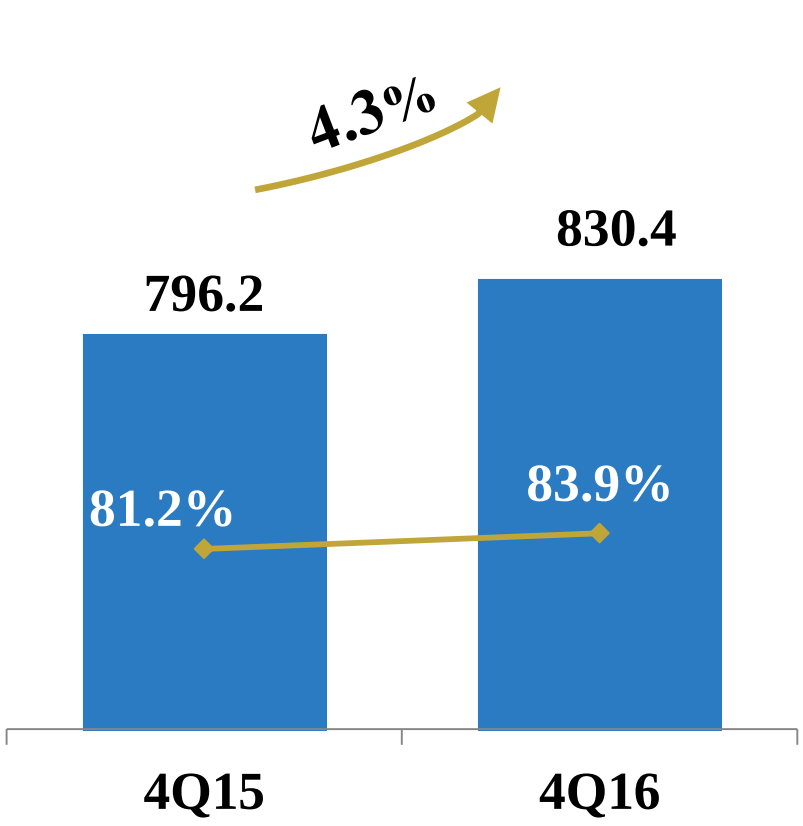


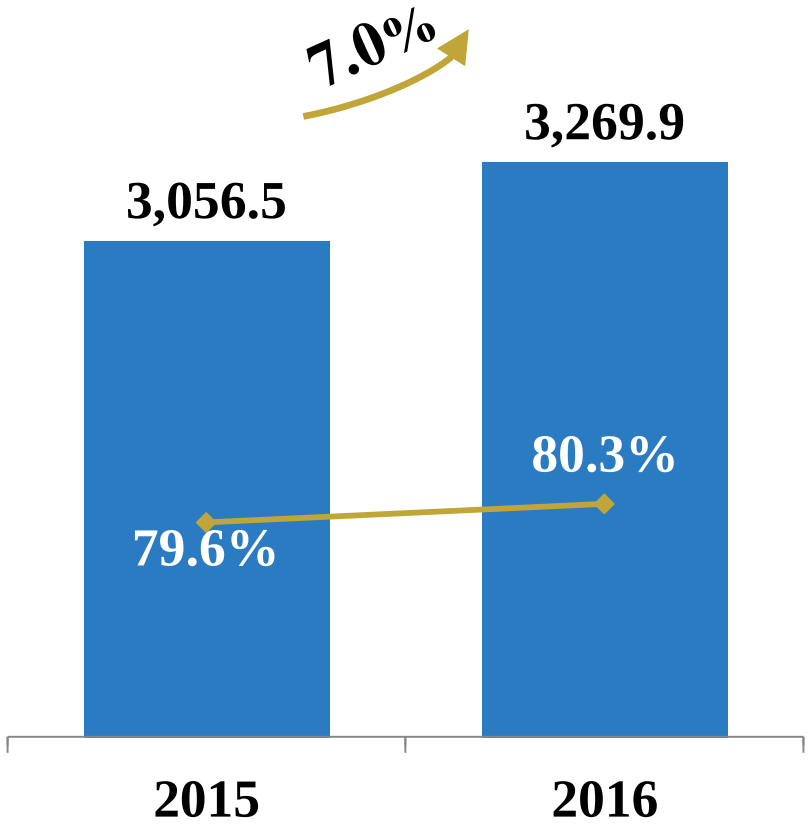
**AC NIELSEN date for the period Jan-Dec/2016.*

Note: Data includes Pilar and Estrela since 2011 and Moinho Santa Lúcia since 2012

Production Capacity and Utilization

Production Capacity *('000 Tonnes)* and Production Capacity Utilization *(%)*

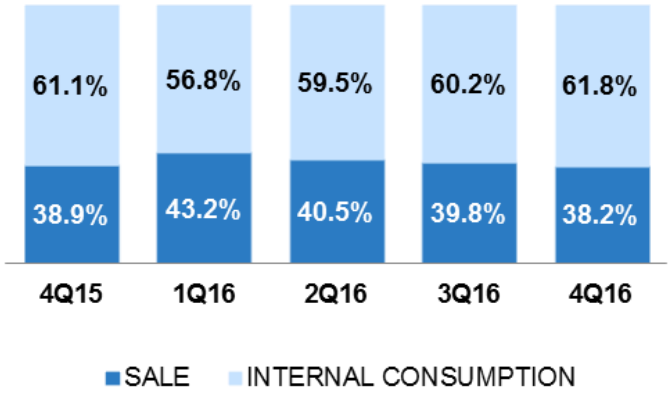




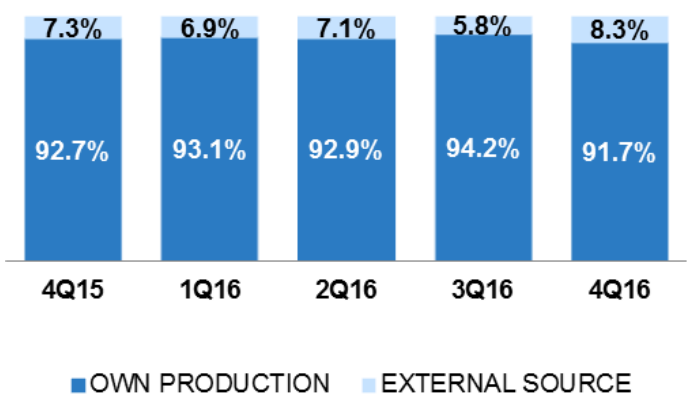
Vertical Integration

Wheat Flour

Production Allocation (%)



Company's Consumption (%)

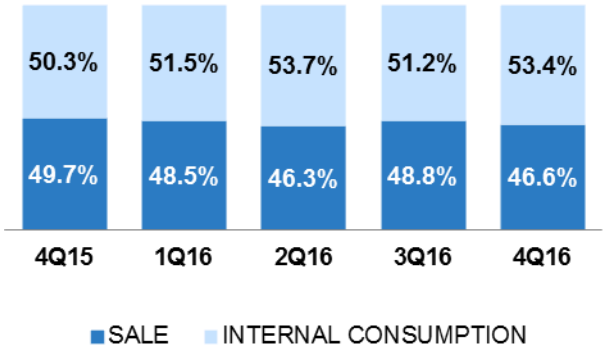


Vertical Integration

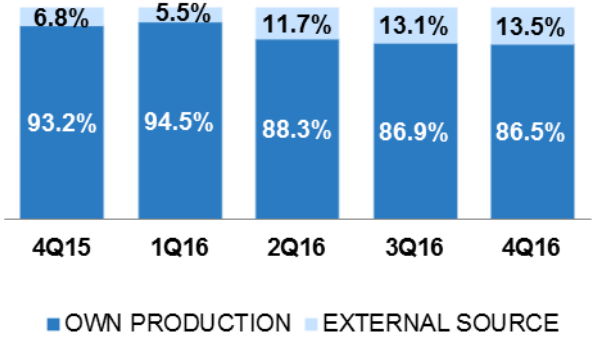
2016 = 93.0%
2015 = 83.4%

Vegetable Shortening

Production Allocation (%)



Company's Consumption (%)



Vertical Integration

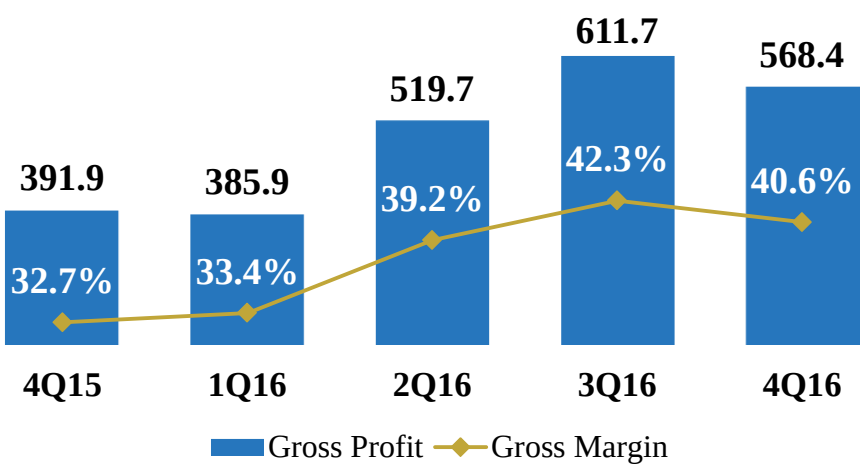
2016 = 88.7%
2015 = 92.1%

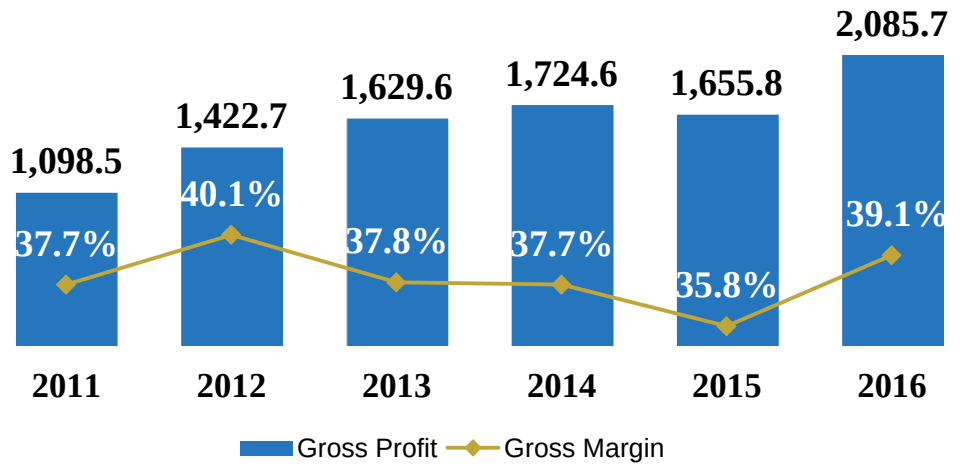
COGS & Gross Profit

COGS *(R$ million)*

Item/Period	4Q15	4Q16	Δ	Item/Period	2015	2016	Δ
Raw Material	590.3	576.1	-2.4%	Raw Material	2,085.8	2,263.4	8.5%
Other	281.1	310.3	10.4%	Other	1,097,3	1,193.8	8.8%
Cogs	871.4	886.4	1.7%	Cogs	3,183.1	3,457.2	8.6%

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





*Gross profit includes subsidies for state investments totaling R$ 54.0 million in 4Q16, R$ 63.7 million in 4Q15, R$ 216.7 million in 2015 e R$ 214.8 million in 2016.

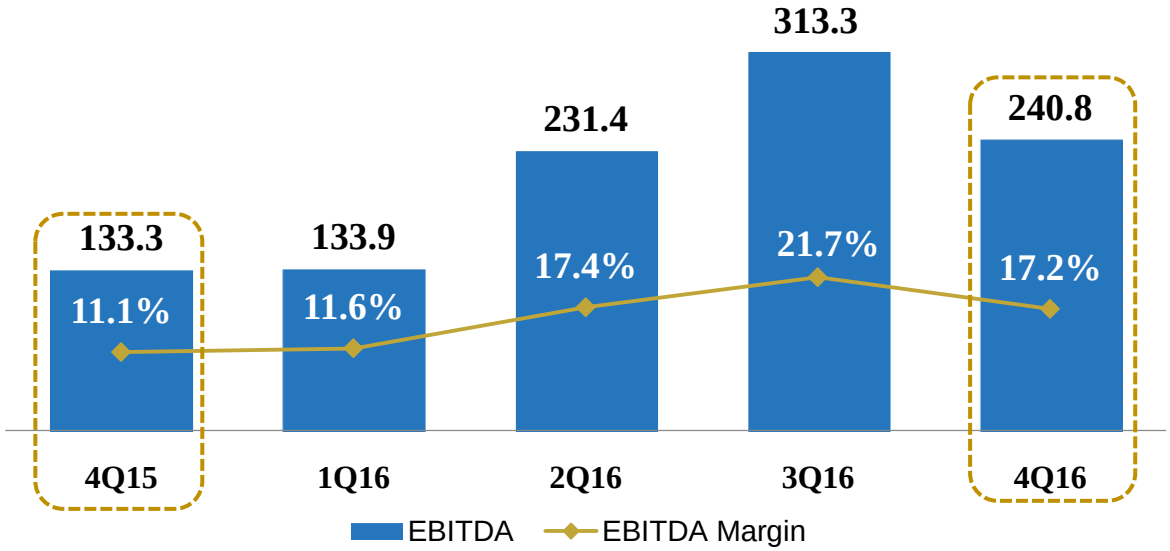
Operational Expenses

Operational Expenses *(R$ million)*

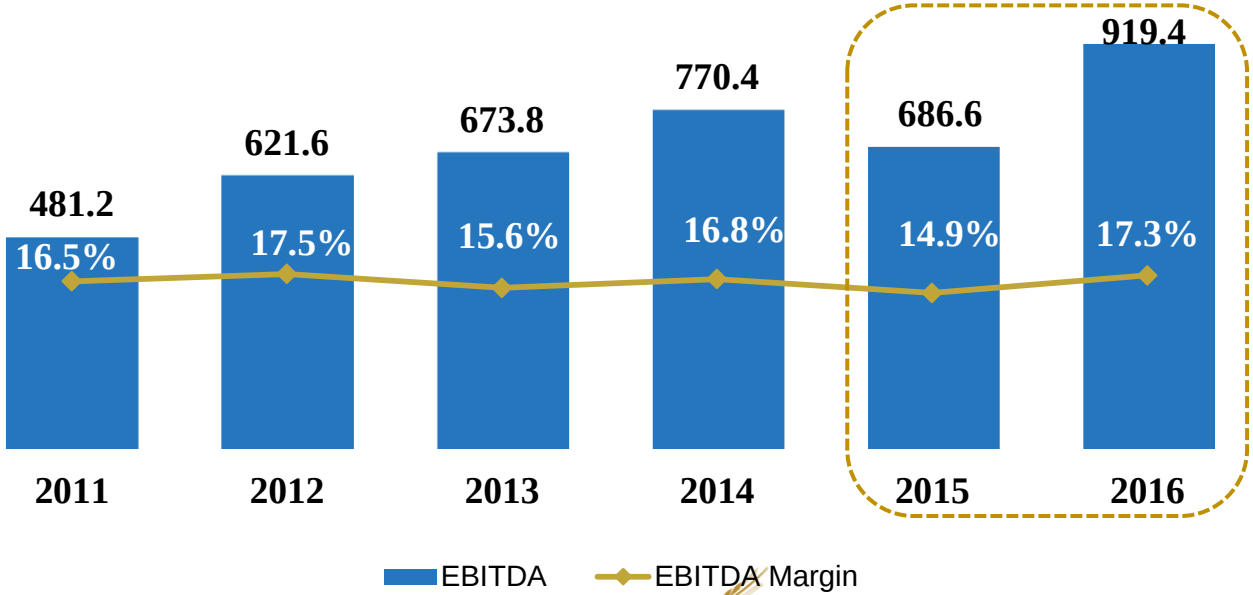
Item/Period	4Q16	% Net Rev.	4Q15	% Net Rev.	Variation
Selling	275.0	19.6%	224.4	18.7%	22.5%
Administrative	46.0	3.3%	37.9	3.2%	21.4%
Management fees	3.3	0.2%	3.3	0.3%	0.0%
Taxes	5.8	0.4%	5.9	0.5%	-1.7%
Depreciation and amortization	6.0	0.4%	5.4	0.5%	11.1%
Other operating expenses/(revenue)	21.3	1.5%	9.5	0.8%	124.2%
TOTAL	**357.4**	**25.5%**	**286.4**	**23.9%**	24.8%

Item/Period	2016	% Net Rev.	2015	% Net Rev.	Variation
Selling	971.5	18.2%	888.6	19.2%	9.3%
Administrative	166.8	3.1%	146.0	3.2%	14.2%
Management fees	11.8	0.2%	11.4	0.2%	3.5%
Taxes	24.2	0.5%	17.8	0.4%	36.0%
Depreciation and amortization	24.5	0.5%	20.8	0.5%	17.8%
Other operating expenses/(revenue)	86.3	1.6%	-9.4	-0.2%	n/a
TOTAL	**1,285.1**	**24.1%**	**1,075.2**	**23.3%**	19.5%

EBITDA (R$ million) & EBITDA Margin (% net revenue)

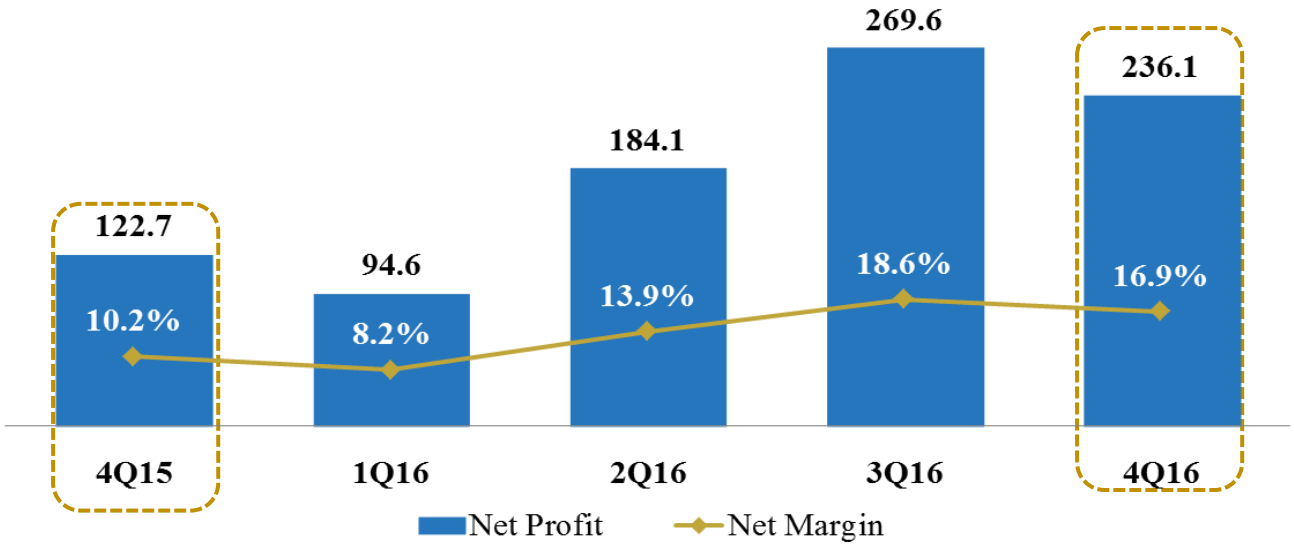


EBITDA +80.6%
4Q16 vs. 4Q15

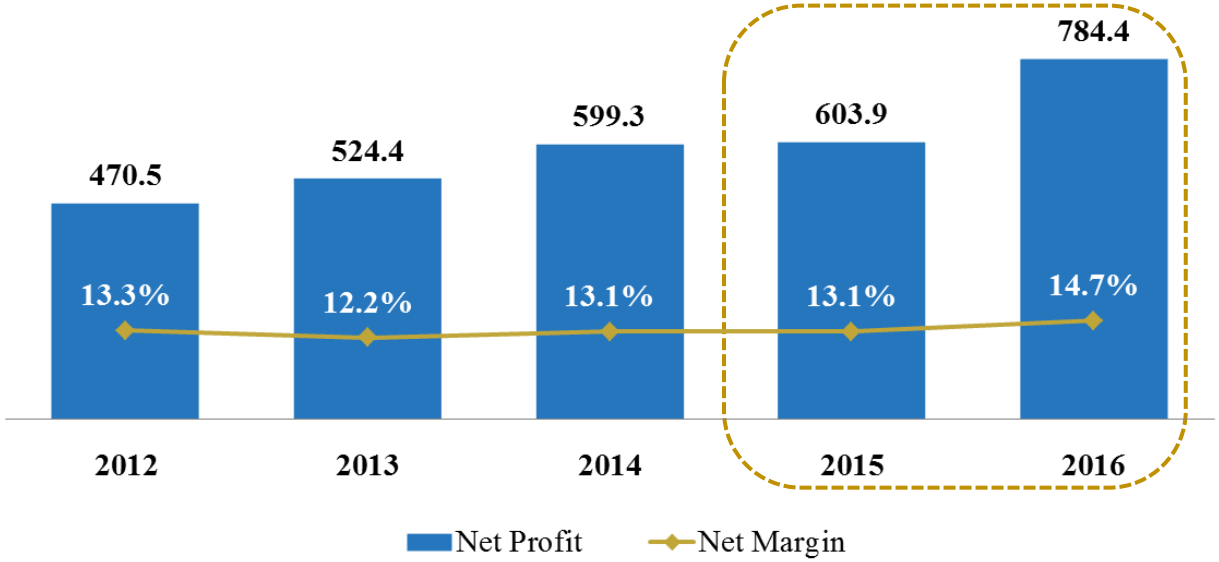


EBITDA +33.9%
2016 vs. 2015

Net Profit (R$ million) & Net Margin (% net revenue)

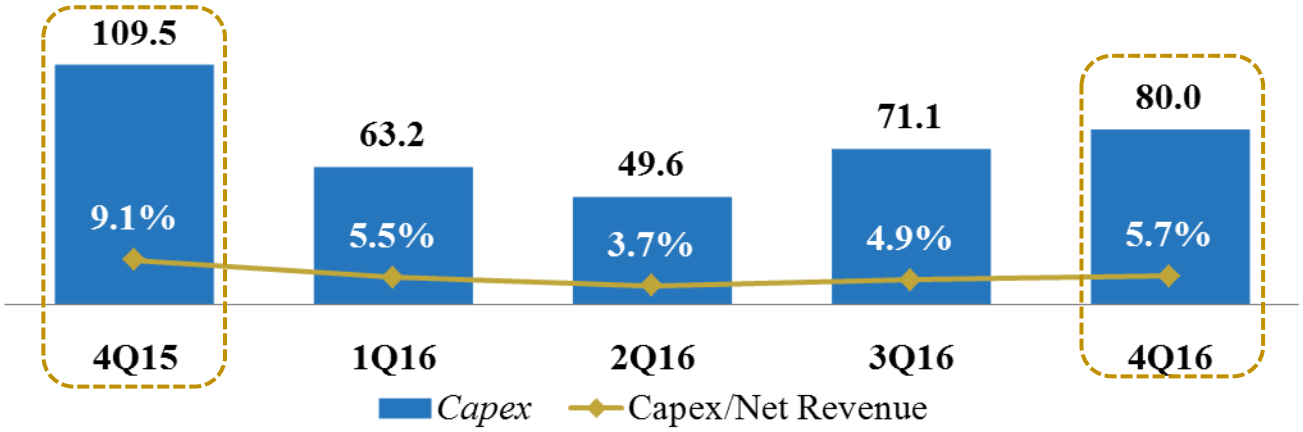


Net Profit+92.4%
4T16 vs. 4T15

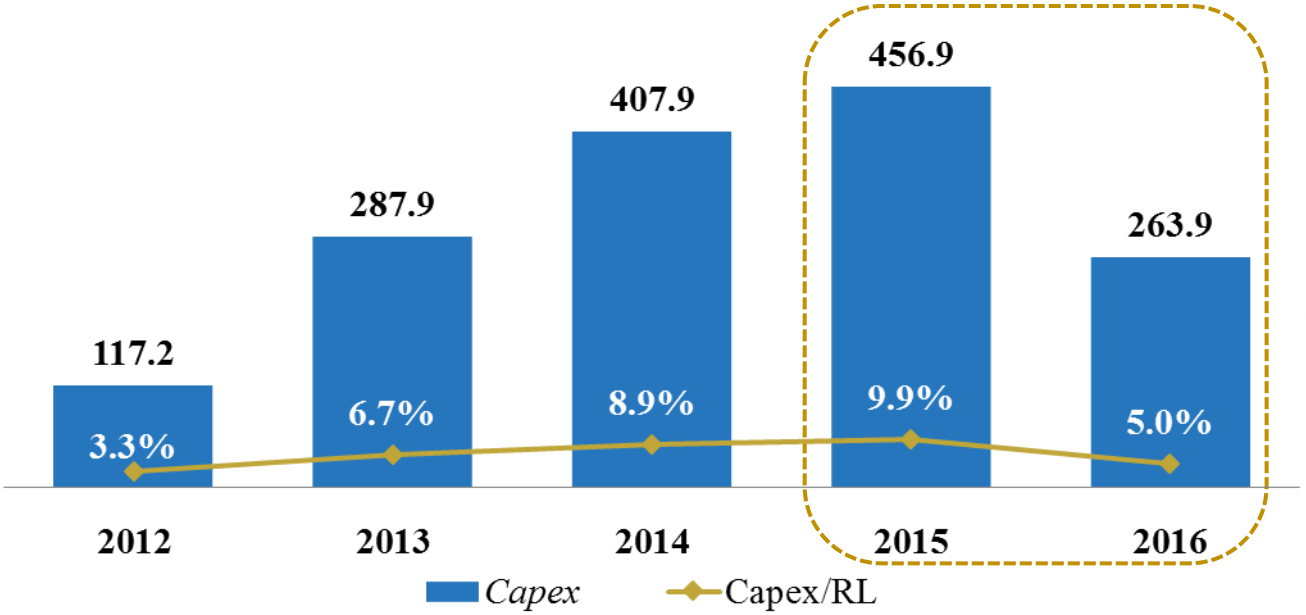


Net Profit+29.9%
2016 vs. 2015

Capex – Value does not include Acquisitions (R$ million and % RL)

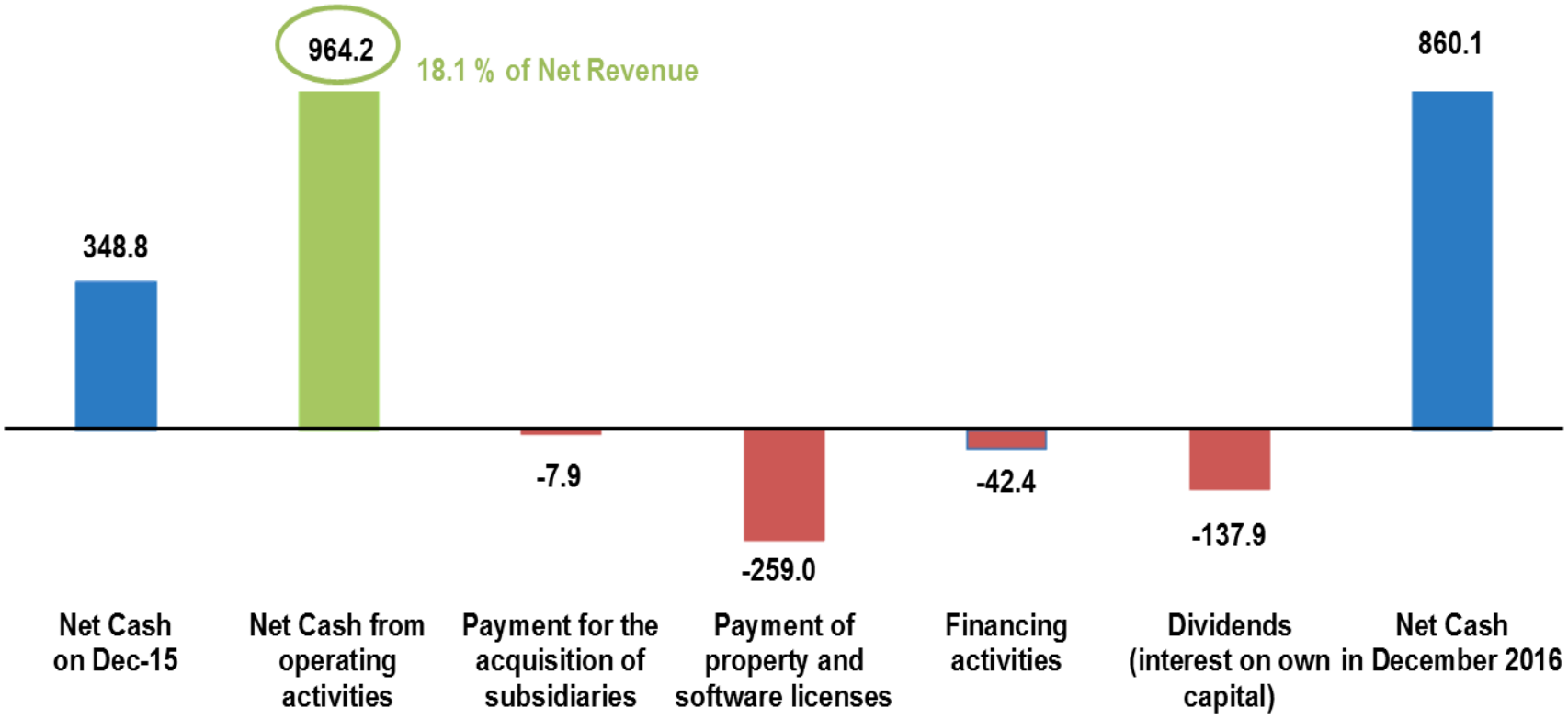


Capex -26.9%
4Q16 vs. 4Q15

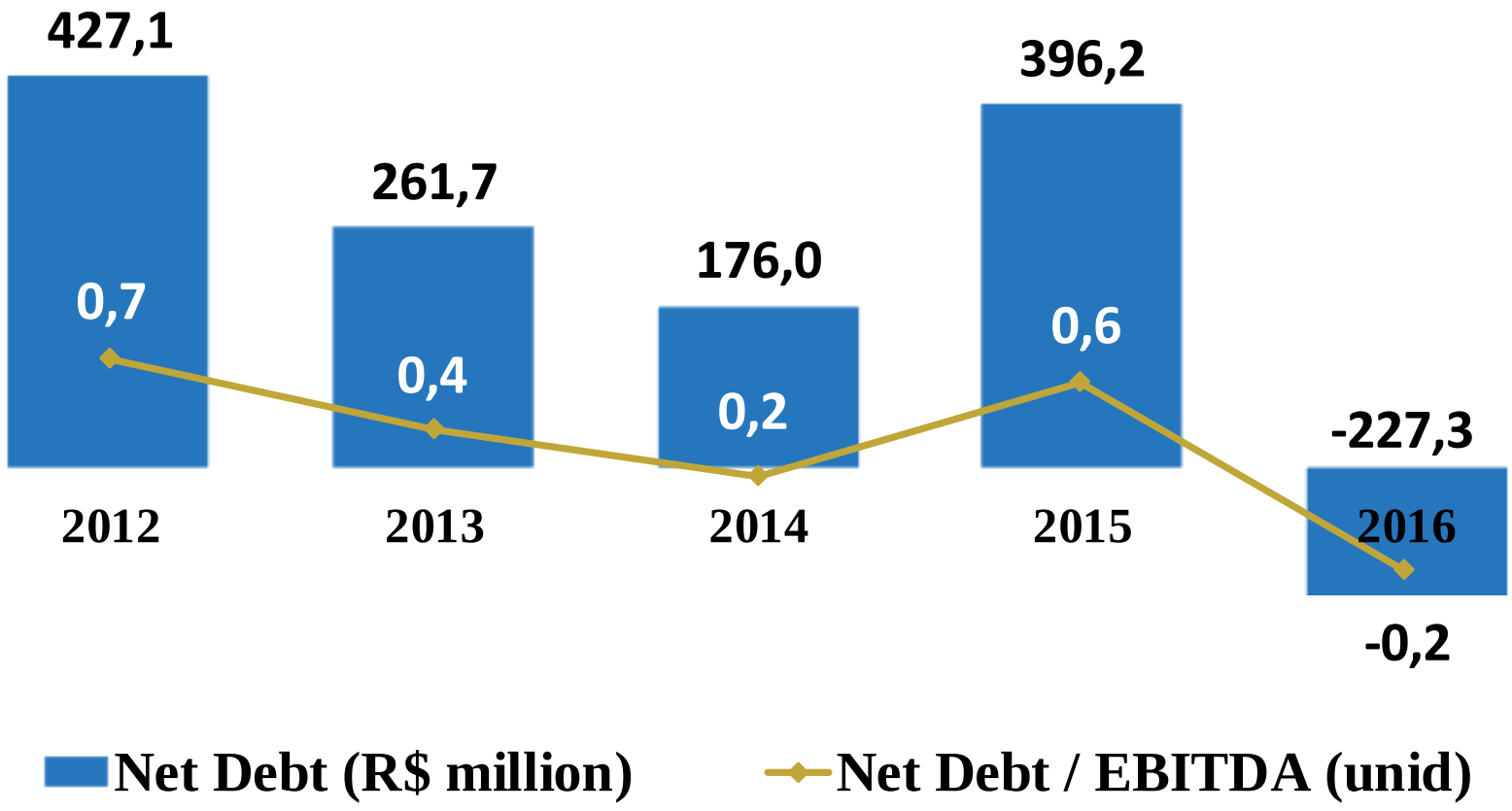


Capex -42.2%
2016 vs. 2015

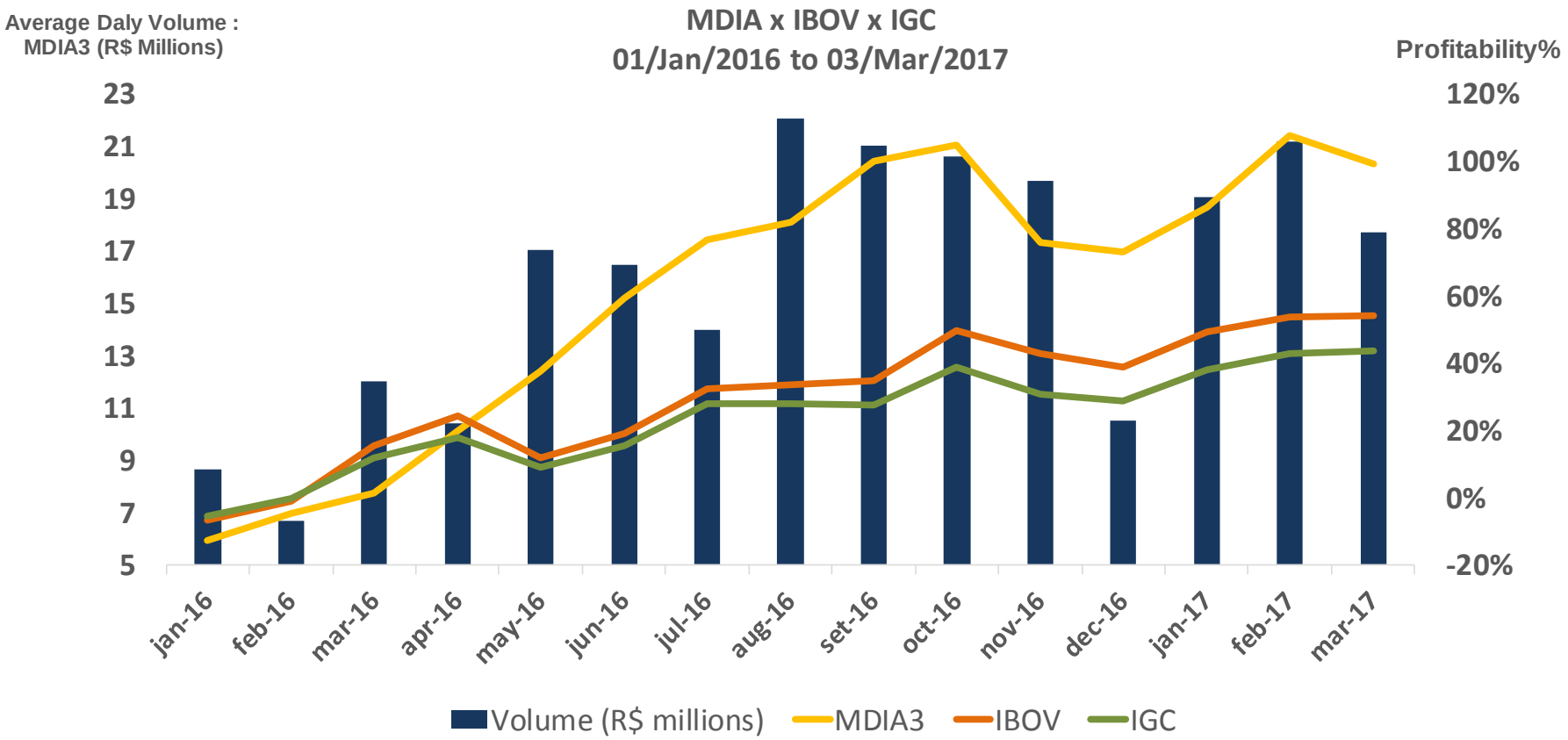
Cash Flow (R$ million)



Net Debt


427,1
261,7
176,0
396,2
-227,3
0,7
0,4
0,2
0,6
2012
2013
2014
2015
2016
-0,2
Net Debt (R$ million)
Net Debt / EBITDA (unid)

Capital Market



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