Results Presentation
2017 e 4Q17

M. Dias Branco

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



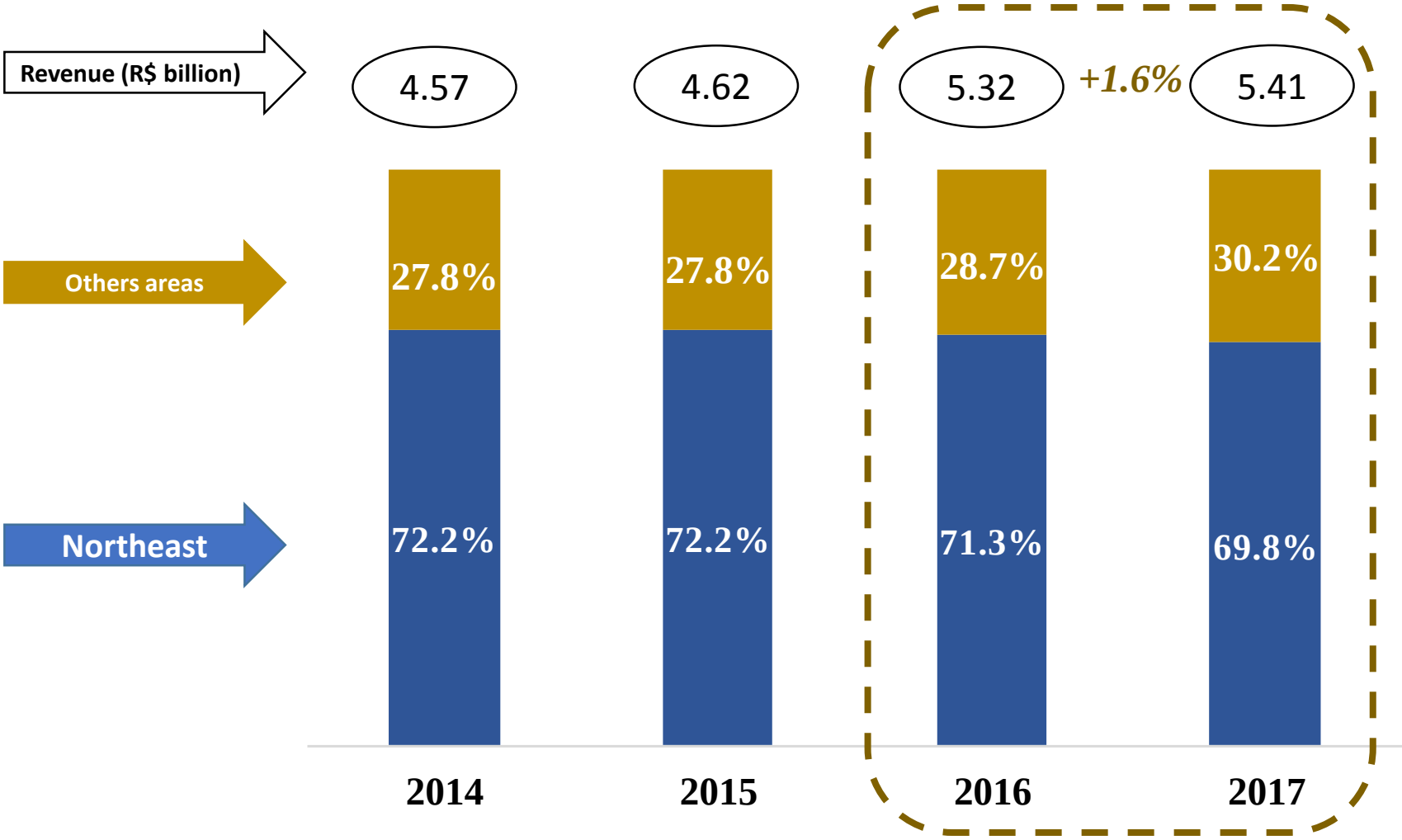
The statements contained in this document related to the management's views on the business of M. Dias Branco are merely trends and, as such, are based exclusively on management's perspective on the continuity of past and present actions, based on facts that have already occurred. These trends do not 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.

The year was marked by important achievements

in our strategy of growth, geographic

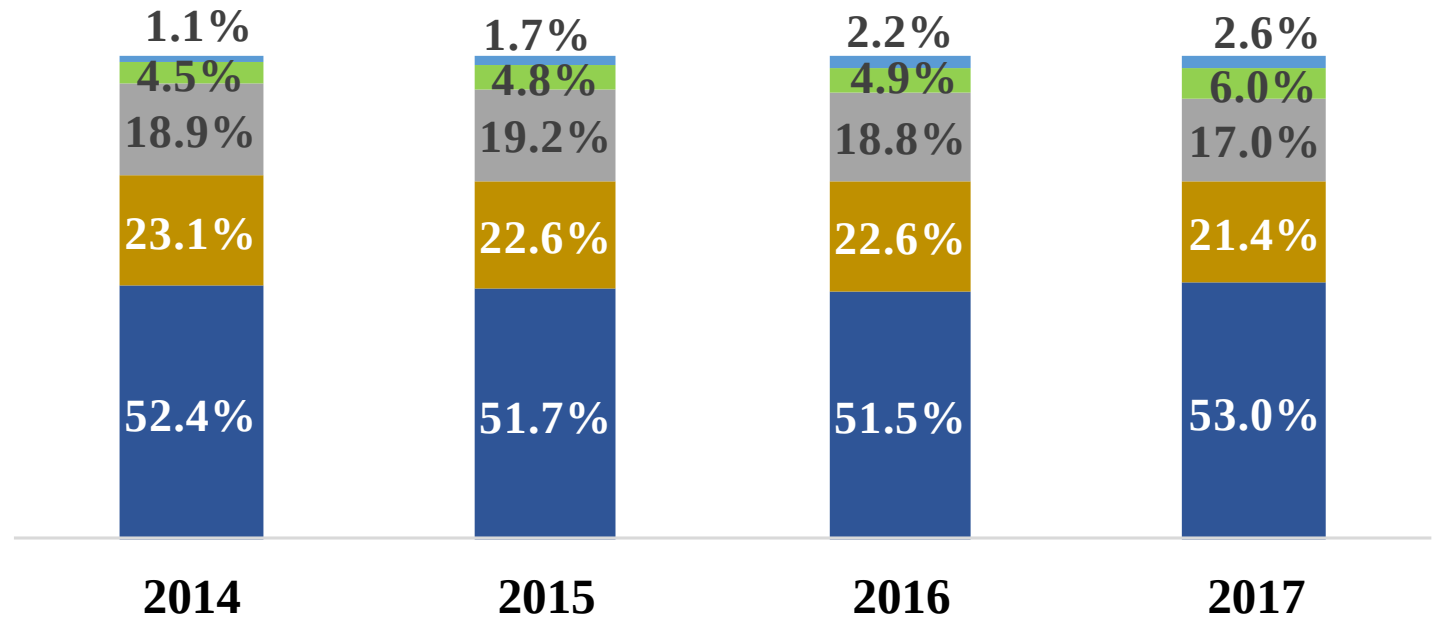
diversification and product portfolio optimization

Growth and geographical diversification



More diversified mix of products

Net Revenue by product line



Launch of higher added value products

ADRIA

PLUS LIFE



VITARELLA

TRELOSO MEGA



finna

FINNA FESTA E FINNA COCO



isabela

TRIWAFER



COOKIES



We have increased marketing investments and modernized packaging

Marketing Campaign (diferente types of media)





Modernization of packaging



Old



Current



Old



Current

We invested R$ 307 Million in infrastruture

- **The level of logistic services increased from 73% in 2016 to 85% in 2017**



- **Duplicate production capacity of margarines and vegetable shortening**



- **Construction of the Wheat Mill in Bento Gonçalves (RS)**



Investments in our employees, evolution in Corporate Governance and improvement of socio-environmental practices

- **We were one of the winners of the Transparency Trophy 2017**

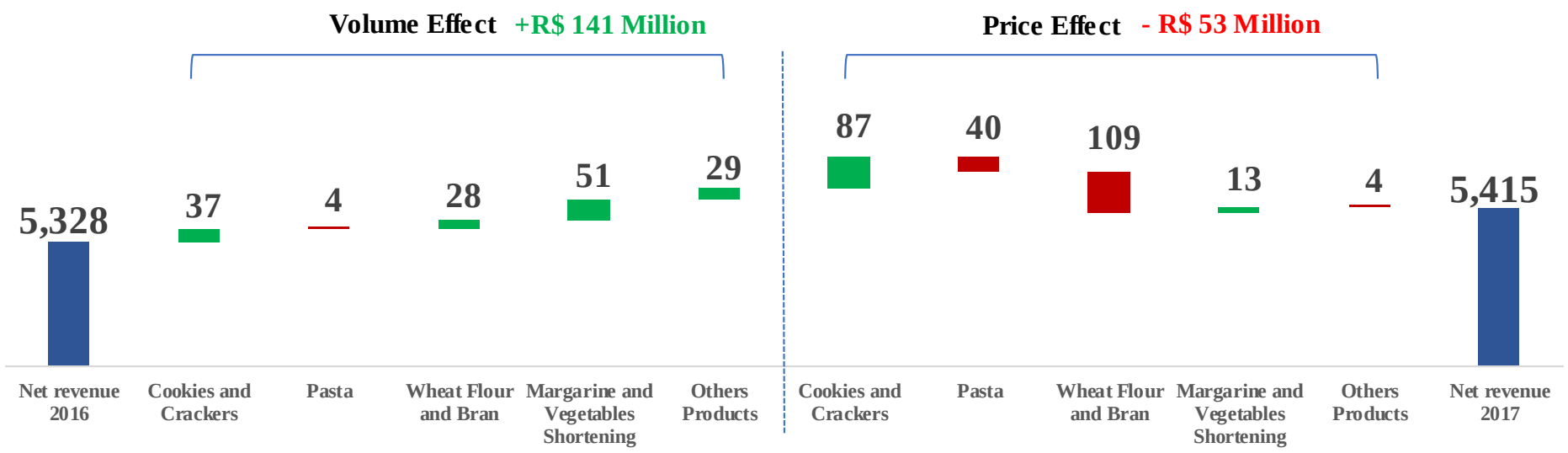


- **Relative water consumption decreased by 4.3% compared to 2016**
- **Succession Plan for the Executive Board**
- **We have developed the M Dias Branco Corporate Governance Index**

Results
2017 and 4Q17

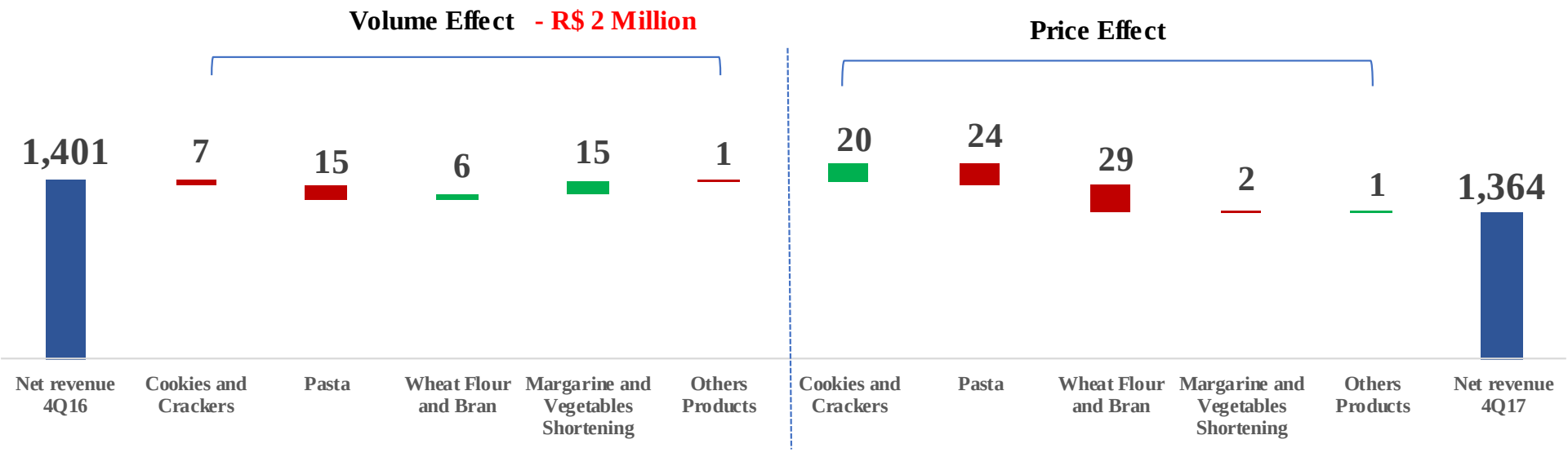
Growth of +1.6% in Net Revenue in 2017

Variation of Net Revenue - 2017 (R$ Million)



Decrease of -2.6% in Net Revenue in 4Q17

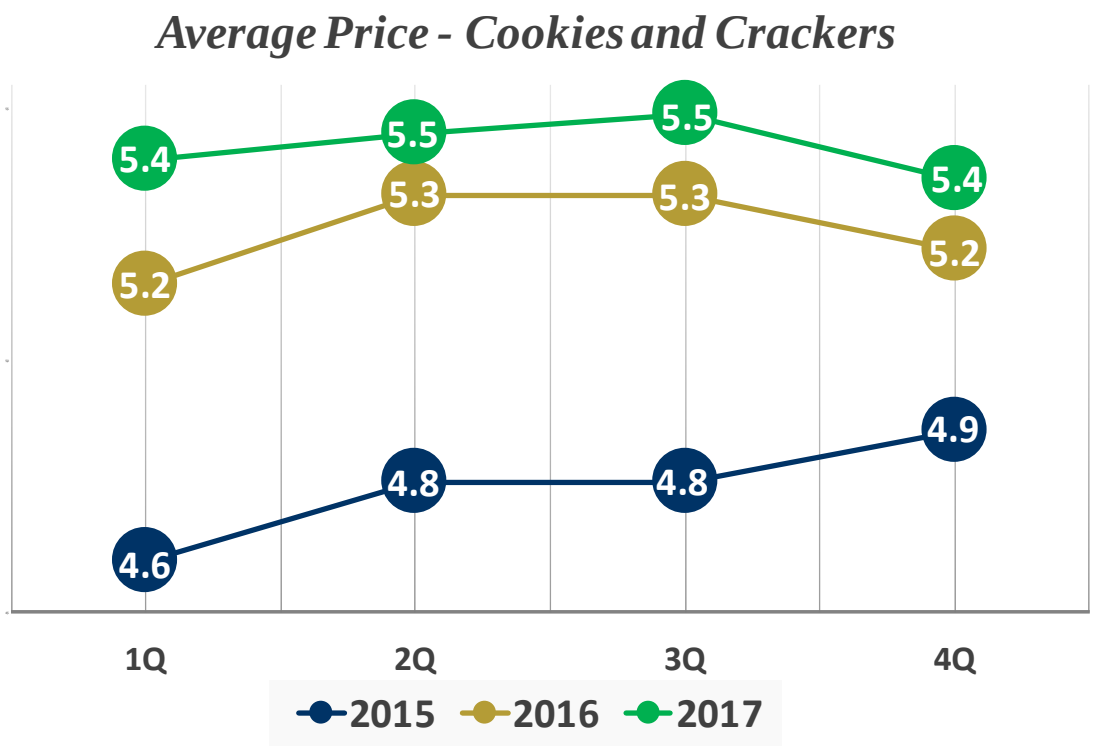
Variation of Net Revenue - 4Q17 (R$ Million)



Cookies and Crackers*: Growth, share gain and highest average price

	Δ 2017 vs. 2016
Net Revenue	4.5%
Volume	1.3%
Average Price	3.2%
Share Volume	1.6 p.p
Share Value	1.2 p.p

	Δ 4Q17 vs. 4Q16
Net Revenue	1.8%
Volume	-1.0%
Average Price	2.7%
Share Volume	0.3 p.p
Share Value	0.2 p.p



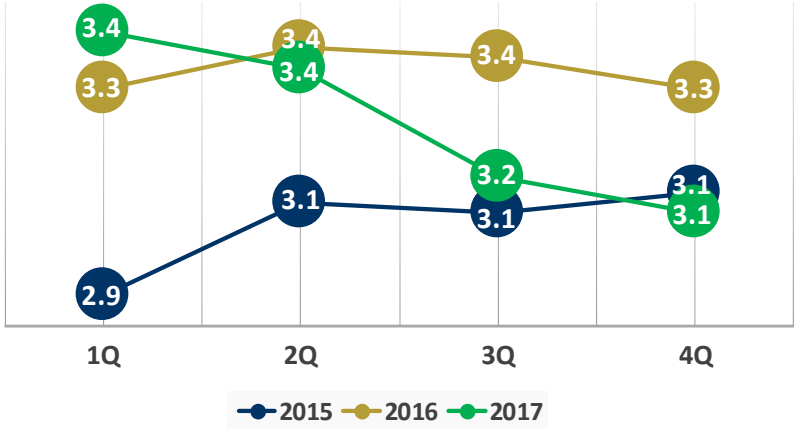
* The biscuit line represented 53% of total net revenue in 2017

Pasta*: share gain in a context of falling prices

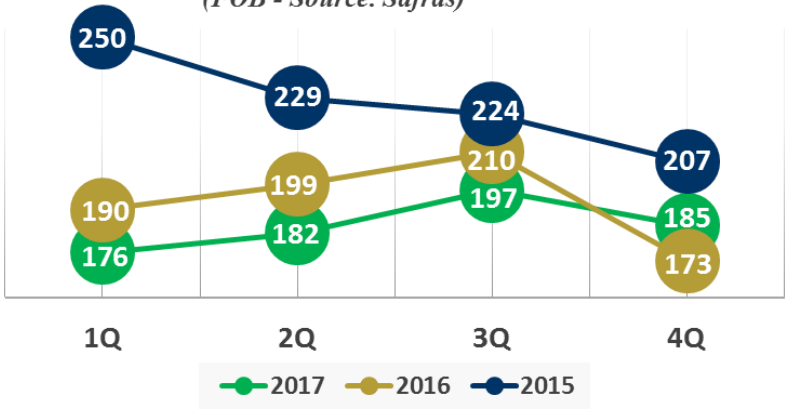
	Δ 2017 vs. 2016
Net Revenue	-3.7%
Volume	-0.4%
Average Price	-3.3%
Share Volume	0.9 p.p
Share Value	0.7 p.p

	Δ 4Q17 vs. 4Q16
Net Revenue	-11.7%
Volume	-4.7%
Average Price	-7.2%
Share Volume	1.5 p.p
Share Value	1.0 p.p

Average Price - Pasta



Average Price of Wheat Market
(FOB - Source: Safras)



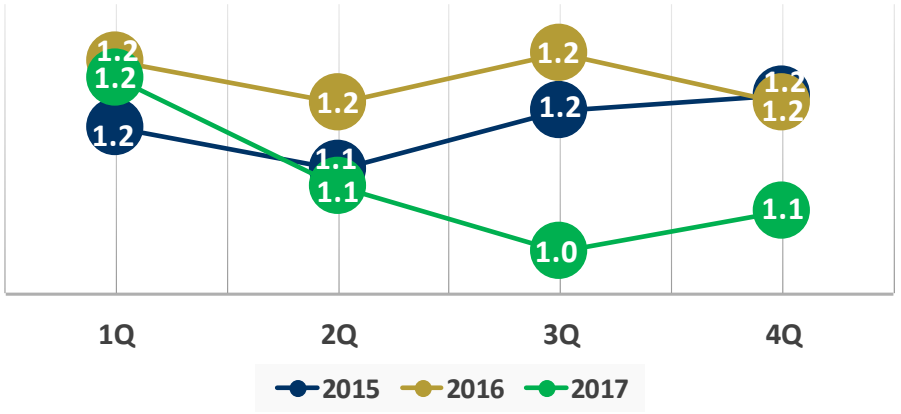
* The pastas line represented 21% of total net revenue in 2017

Wheat Flour and Bran: volume growth in domestic wheat flour and sharp fall in the price of bran*

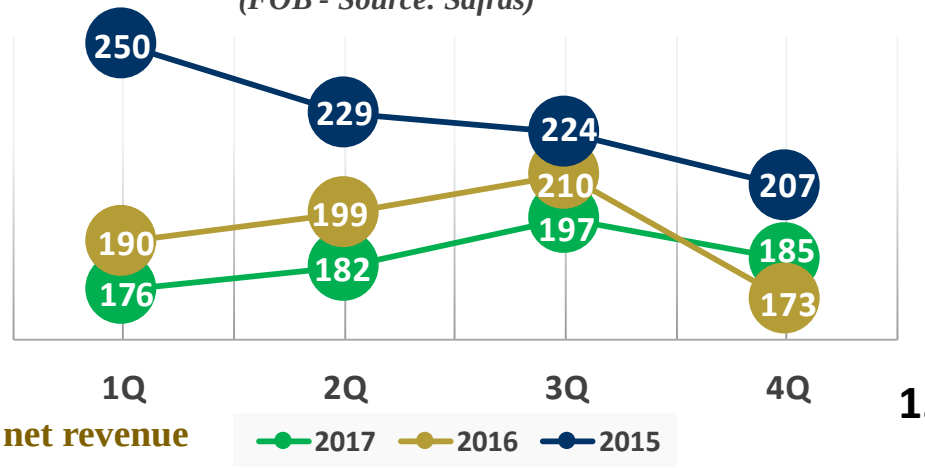
	Δ 2017 vs. 2016
Net Revenue	-8.4%
Volume	2.8%
Average Price	-10.7%

	Δ 4Q17 vs. 4Q16
Net Revenue	-9.6%
Volume	2.2%
Average Price	-11.0%

Average Price - Wheat Flour and Bran

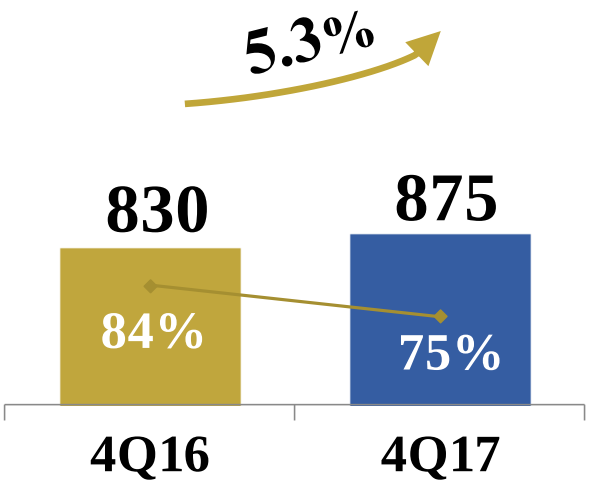


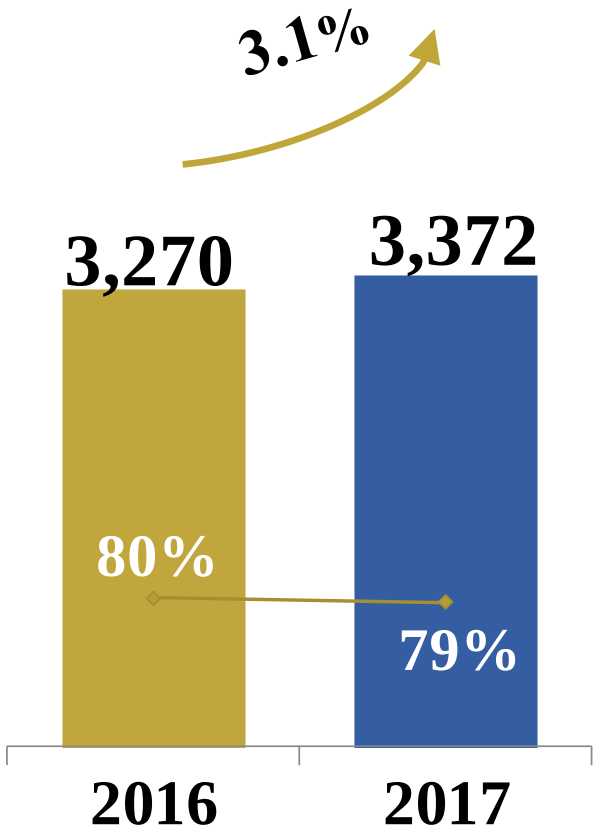
Average Price of Wheat Market
(FOB - Source: Safras)



*** The wheat flour and bran line represented 17% of total net revenue in 2017**

Capacity Production ('000 tonnes) and Capacity Utilization (%)



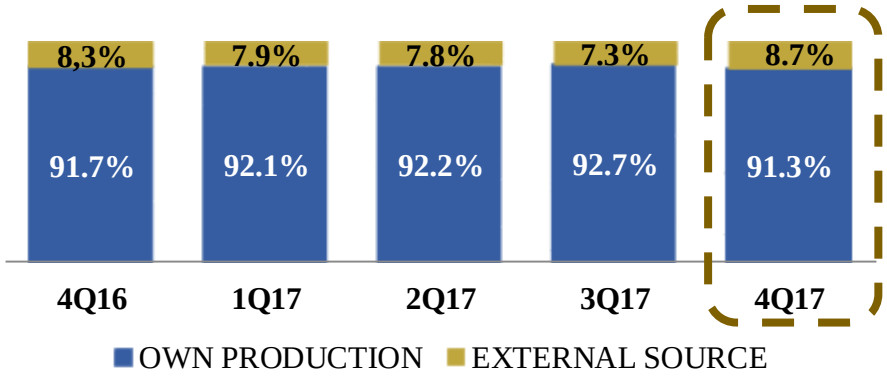


Increase in Vegetables Shortening Verticalization

Vertical Integration Index

2017 = 92.1%
2016 = 93.0%

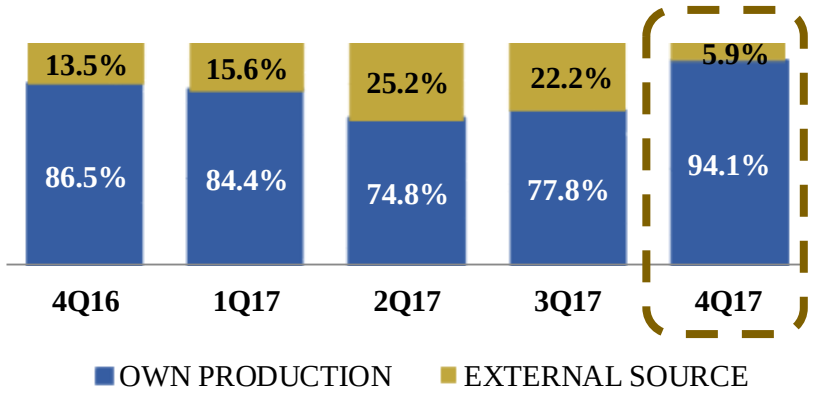
Wheat Flour | Company's Consumption (%)



Vertical Integration Index

2017 = 82.6%
2016 = 88.7%

Vegetable Shortening| Company's Consumption (%)

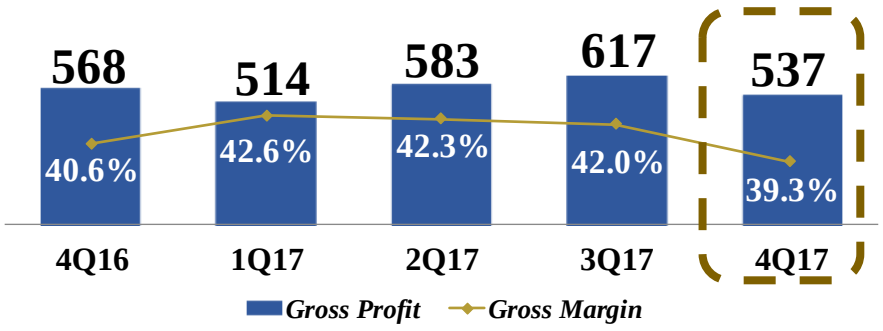


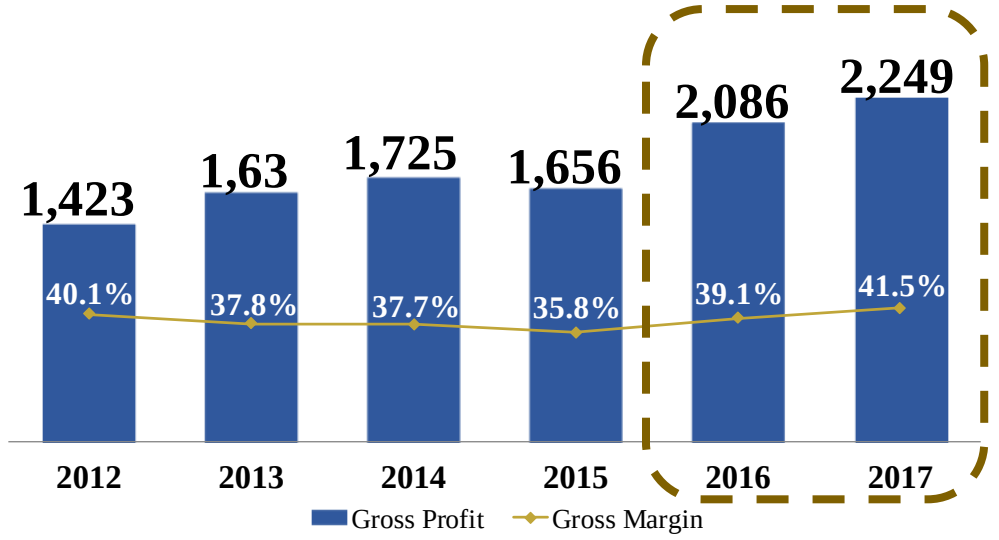
COGS favored by falling wheat prices and negatively affected by lower volume of production in 4Q17

COGS(R$ million)

Item/Period	4Q16	4Q17	Δ	2016	2017	Δ
Raw Material	576	552	-4.3%	2,263	2,135	-5.7%
Others Costs	310	332	7.1%	1,194	1,245	4.2%
COGS	**886**	**884**	**-0.3%**	**3,457**	**3,380**	**-2.2%**

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

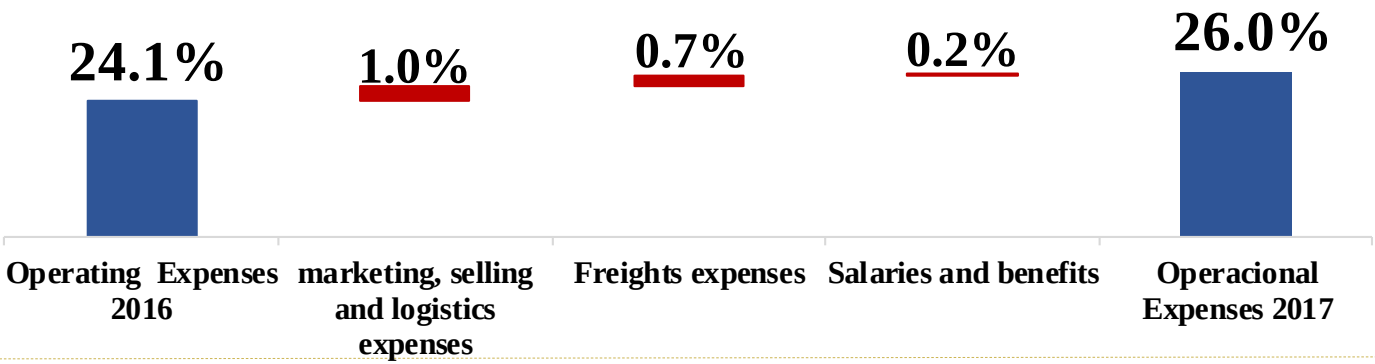




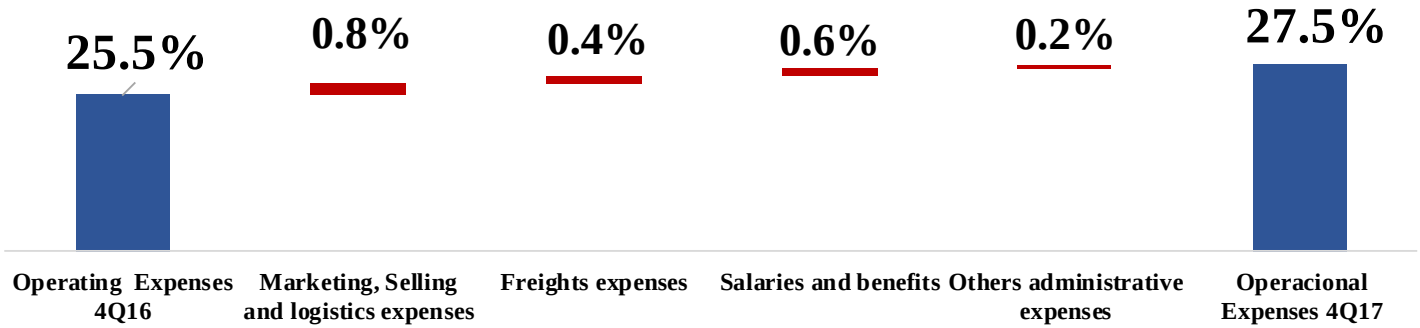
*Gross Profit includes taxes incentives in the amount of R$ 213.5 million in 2017 and R$ 214.8 million in 2016 (R$56.6 million in 4Q17 and R$ 54.0 million in 4Q16) .

Higher representativeness of expenses due to lower average prices and higher expenses with logistics and freight

Evolution Operating Expenses (%Net Revenue)
2017 vs. 2016

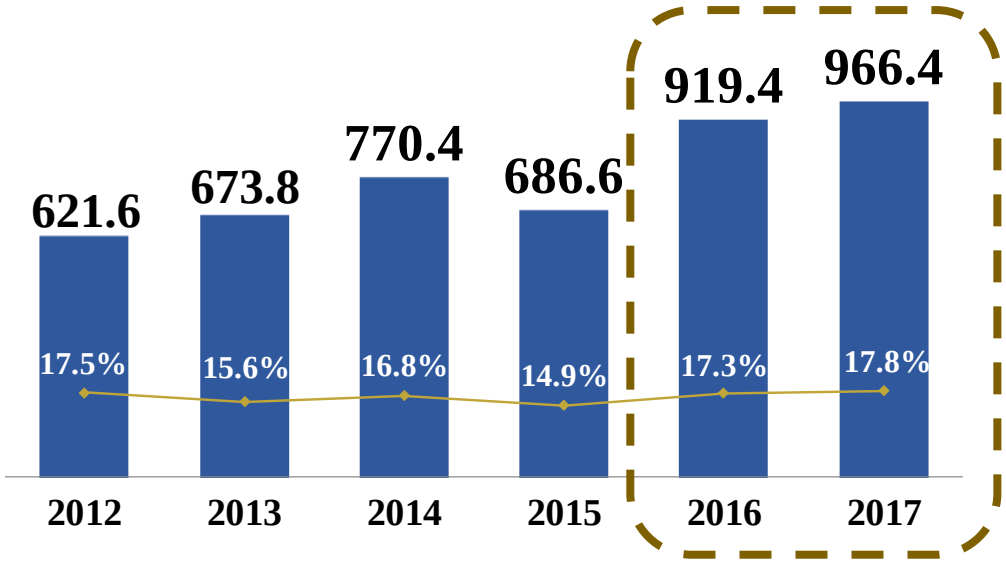


Evolution Operating Expenses (%Net Revenue)
4Q17 vs. 4Q16

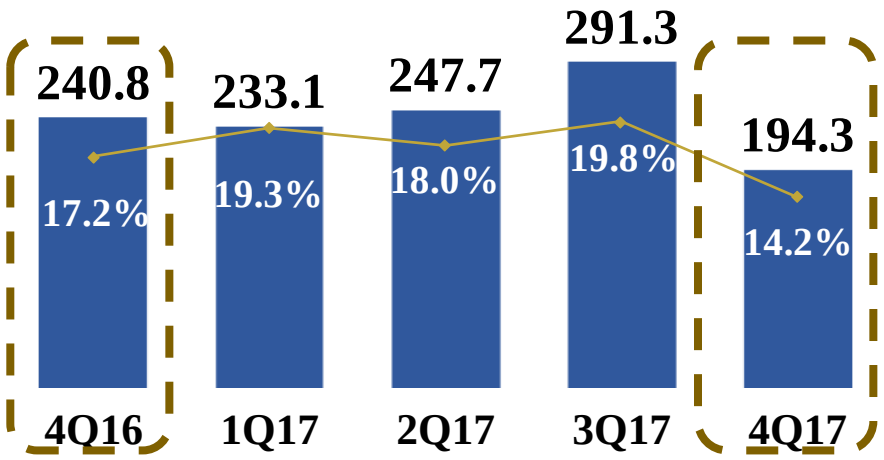


EBITDA (R$ Million) and EBITDA Margin (%Net Revenue)

+5.1%
2017 vs. 2016

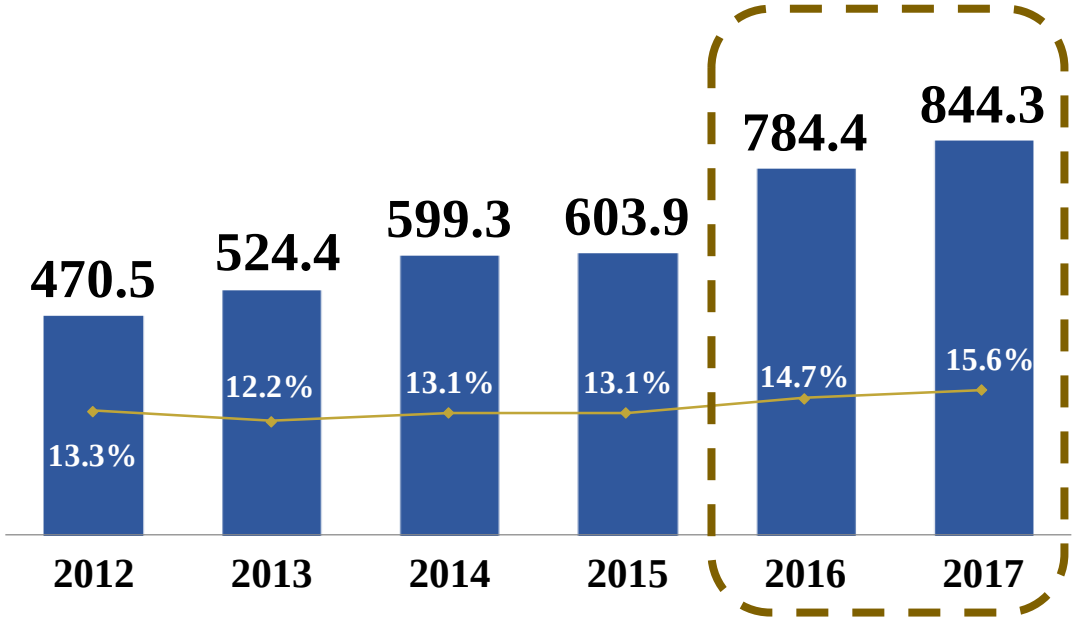


-19.3%
4Q17 vs. 4Q16

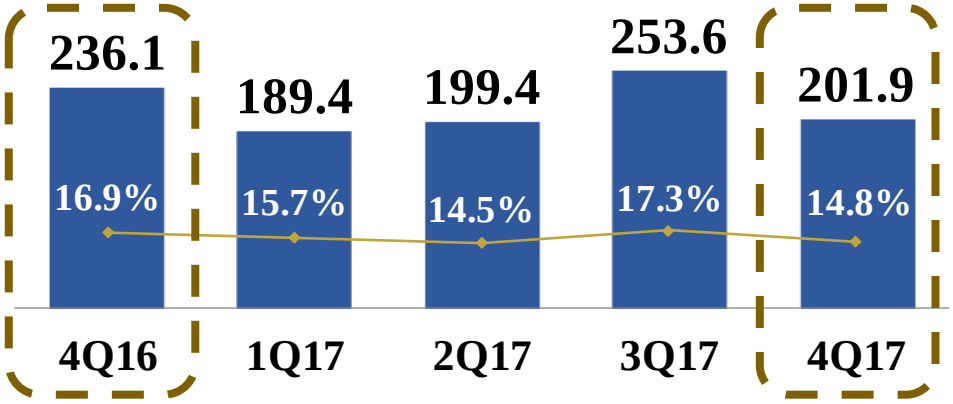


Net Income (R$ Million) e Net Margin (%Net Revenue)

+7.6%
2017 vs. 2016

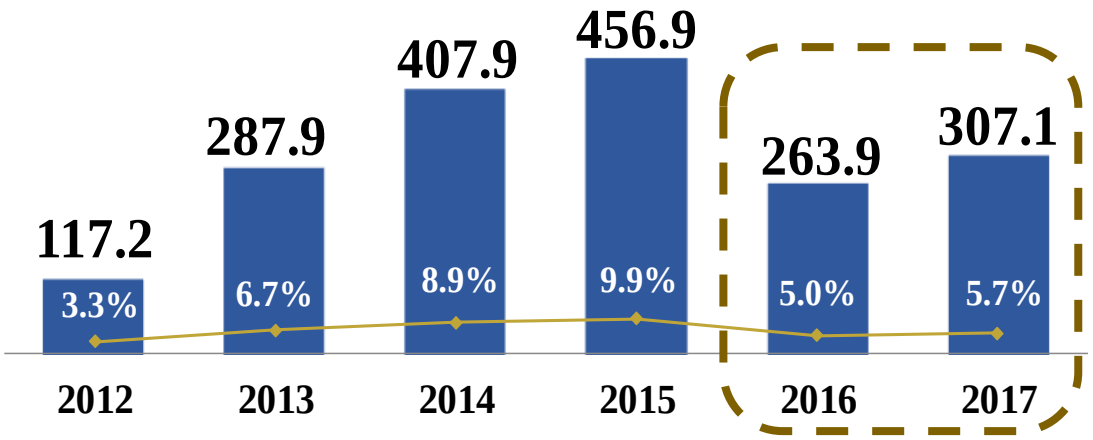


-14.5%
4Q17 vs. 4Q16

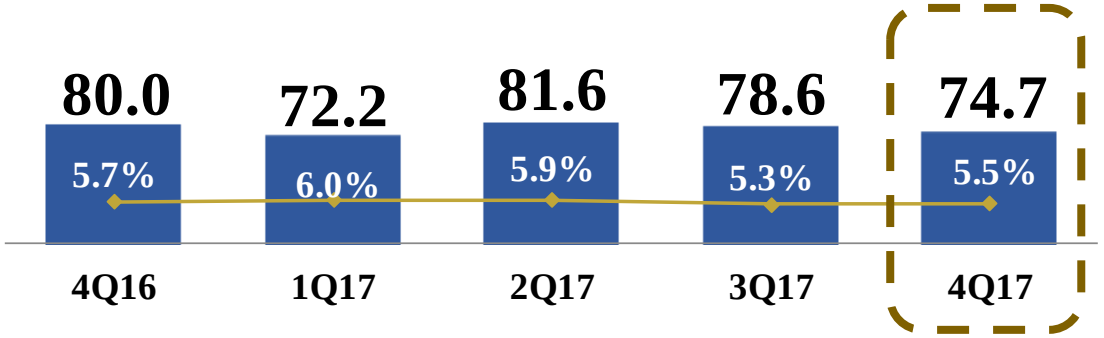


Capex (R$ Million e % Net Revenue) – without acquisition

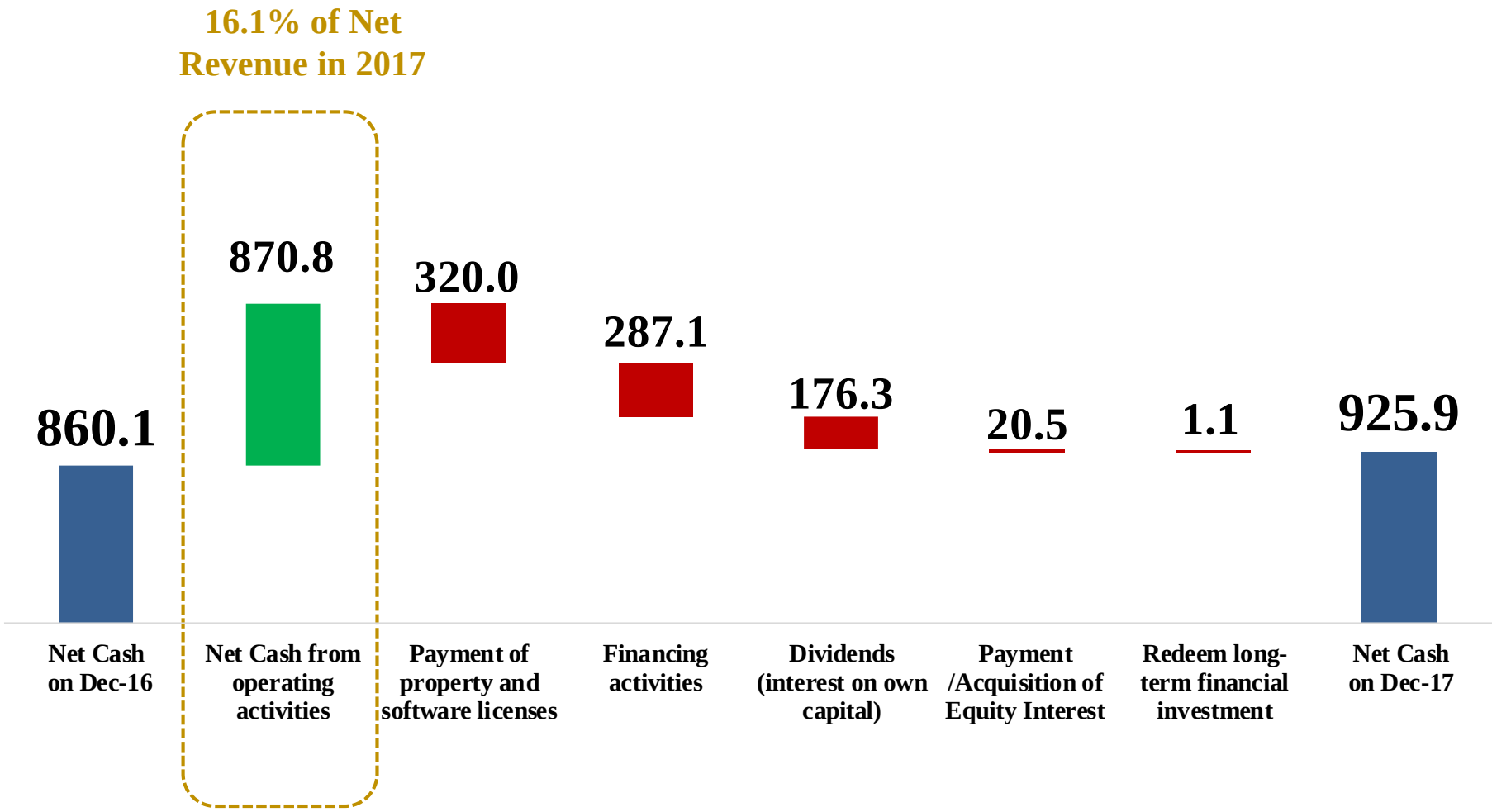
+16.4%
2017 vs. 2016



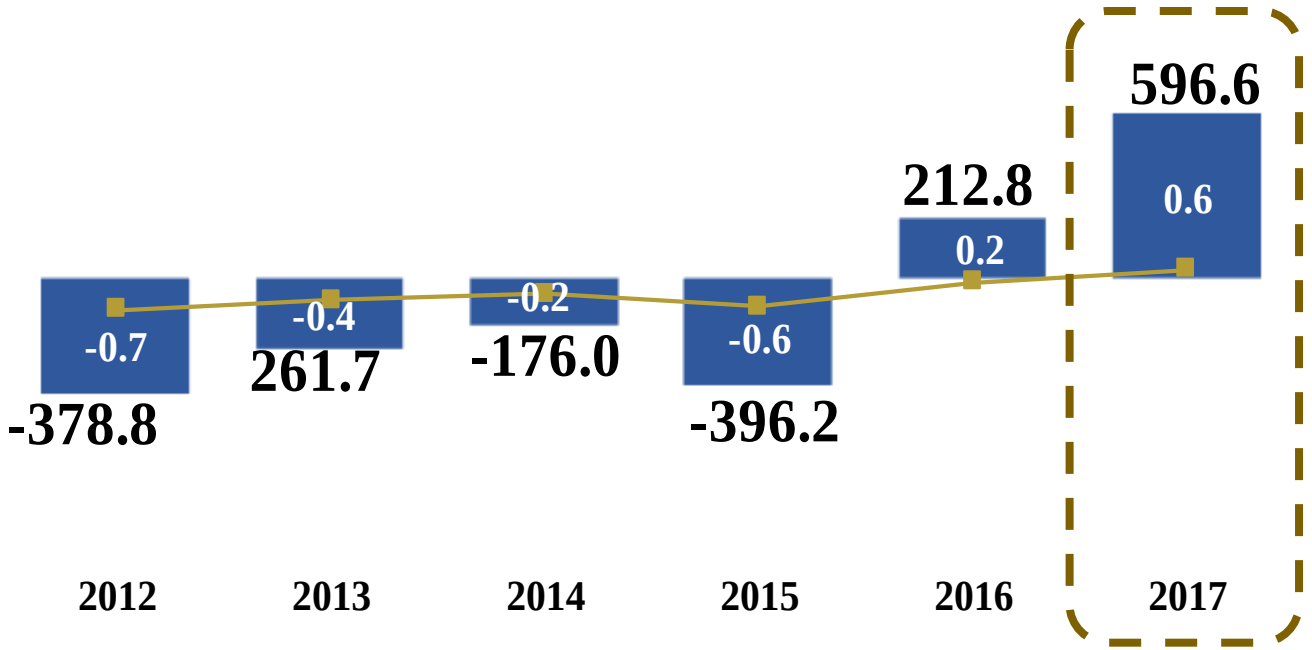
-6.6%
4Q17 vs. 4Q16

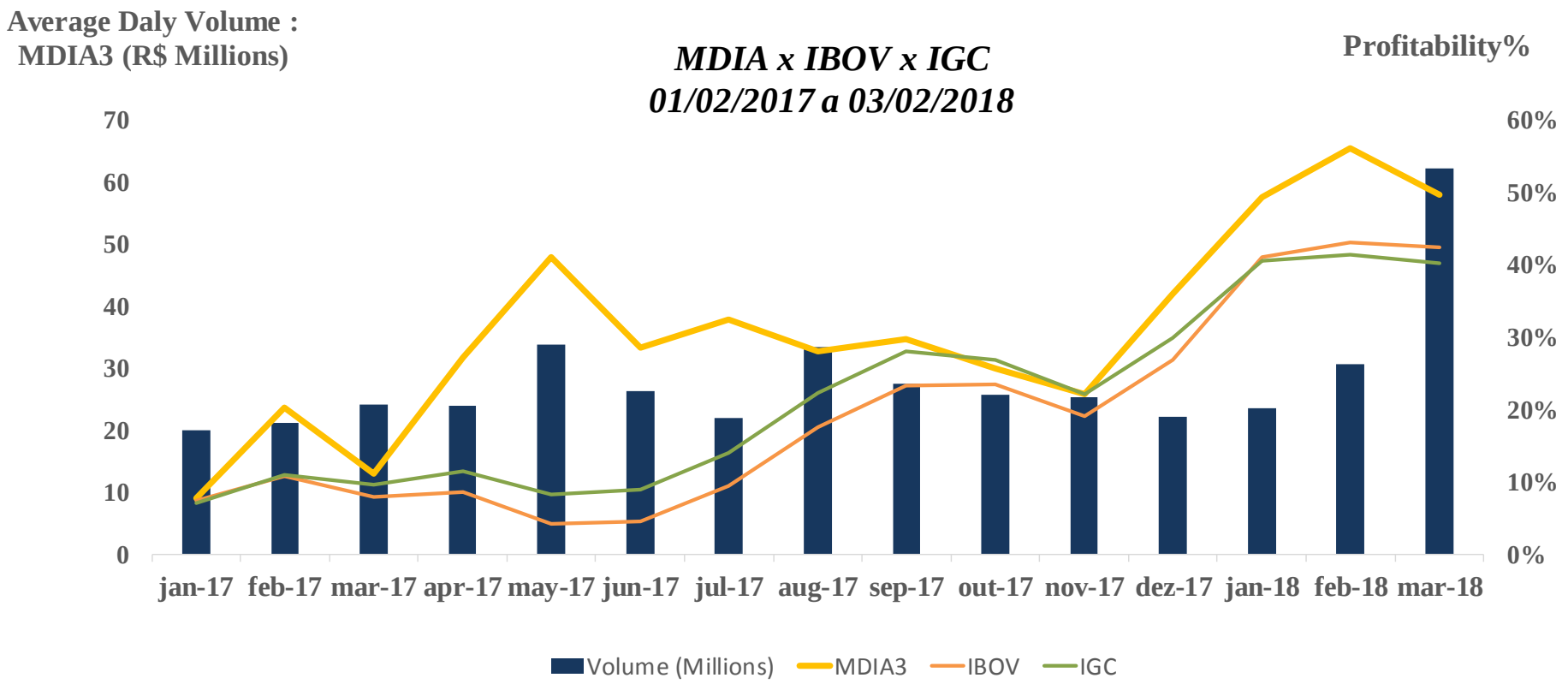


Cash Flow (R$ Million)



Net Cash (Debt): R$ Million and by EBITDA




Average Daly Volume :
MDIA3 (R$ Millions)
MDIA x IBOV x IGC
01/02/2017 a 03/02/2018
Profitability%
70
60
50
40
30
20
10
0
60%
50%
40%
30%
20%
10%
0%
jan-17
feb-17
mar-17
apr-17
may-17
jun-17
jul-17
aug-17
sep-17
out-17
nov-17
dez-17
jan-18
feb-18
mar-18
Volume (Millions)
MDIA3
IBOV
IGC

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