



Camil

2Q19 Earnings Presentation



The following material presents the results for the second quarter of 2019 (2Q19 – Jun/2019 to Aug/2019). In this presentation, financial data is presented in accordance to the International Financial Reporting Standards and represents the Company's consolidated results in million reais (R\$) with comparisons referring to the second quarter of 2018 (2Q18 – Jun/2019 to Aug/2019; YoY Comparisons) and to the first quarter of 2019 (1Q19 – Mar/2018 to May/2019; QoQ Comparisons), except when otherwise specified.

Results here presented contemplate the results of SLC Alimentos as of the acquisition's conclusion on December 3rd, 2018.

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*Quarter highlighted by grains volume increase;
+3.0% QoQ and +19.1% YoY.*

2Q19 Financial Highlights

YoY Comparisons

R\$1.2 billion Net Revenue (▲+6.8%)

R\$886 milhões Brazil Food Segment (▲+10.7%)

R\$337 milhões International Food Segment (▼-2.2%)

R\$284 million Gross Profit (▼-10.3%)

23.2% Gross Margin (▼-4.4pp)

R\$89 million EBITDA (▼-34.1%)

7.3% EBITDA Margin (▼-4.5pp)

R\$40 million Net Income (▼-49.3%)

3.3% de Margem Líquida (▼-3.6pp)

2.9x Net Debt/EBITDA

Latest News

and subsequent events

August-2019

- **Closure of the Company's 2nd Share Buyback Program.** 3,565,275 ordinary shares were repurchased, totaling 9,386,846 treasury shares;
- **União sugar line's new packaging** brings a very attractive visual unit, valuing the brand's position
- **Super Barra Launch** accomplishing our refined retail sugar packaging process internalisation project, looking to increase competitiveness and efficiency in sugar.
- **IOE Payment of R\$15mm** paid in September;

July-2019

- **União is leader in the Sugar Category for the Abase/Nielsen Prize** reflecting the success in Bahia Sales Team and the Company's strategy for this brand and category

June-2019

- **IOE Payment of R\$21mm**, R\$6mm approved in AESM and R\$15mm approved in Board of Directors meeting;

Main Indicators



Camil reaches Net Revenue of R\$1.2 billion (+6.8% YoY) in the quarter

Highlights	2Q18	1Q19	2Q19	2Q19 vs	2Q19 vs
Closing Date	31-Aug-18	31-may-19	31-Aug-19	2Q18	1Q19
Net Revenues	1,145.6	1,237.1	1,223.6	6.8%	-1.1%
Food Products Brasil	800.9	941.5	886.4	10.7%	-5.8%
Food Products International	344.7	295.6	337.1	-2.2%	14.0%
Gross Profit	316.1	286.8	283.7	-10.3%	-1.1%
Gross Margin (%)	27.6%	23.2%	23.2%	-4.4pp	0.0pp
EBITDA	134.6	83.0	88.7	-34.1%	6.9%
EBITDA Margin (%)	11.7%	6.7%	7.3%	-4.5pp	0.5pp
Net Income	79.1	49.8	40.1	-49.3%	-19.4%
Net Margin (%)	6.9%	4.0%	3.3%	-3.6pp	-0.7pp
Capex	35.7	29.9	38.2	7.0%	27.8%
Operational Highlights - Volume (in thousand ton)					
Volume - Brazil					
Grains	182.2	210.6	216.9	19.1%	3.0%
Rice	162.7	187.2	190.4	17.0%	1.7%
Beans	19.5	23.3	26.5	36.3%	13.7%
Sugar	132.2	137.5	119.5	-9.6%	-13.0%
Canned Fish	8.1	7.0	6.1	-24.9%	-13.4%
Volume - International	144.8	110.6	145.2	0.2%	31.2%
Uruguay	104.0	69.4	101.6	-2.3%	46.4%
Chile	19.9	20.5	21.6	8.4%	5.4%
Peru	20.9	20.7	21.9	5.1%	6.0%

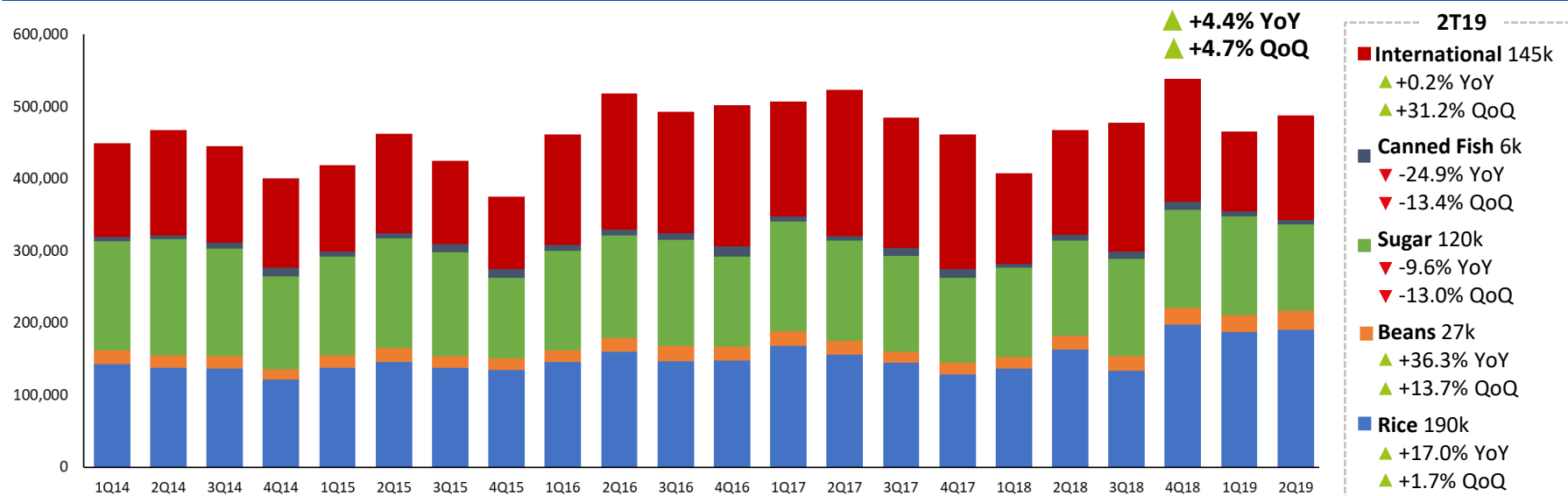
1 SLC Alimentos Results consolidated as of the conclusion of the acquisition (December 3, 2018).

2 Information on International Volume exclude La Loma, Argentinian subsidiary with 100% of Camil's participation sold in 2Q18.

Operational Highlights

Increase of 4.4% in the quarterly consolidated volume, driven by volumes increases in grains and International Food Segment, negatively impacted by the decrease in sugar and fish volumes

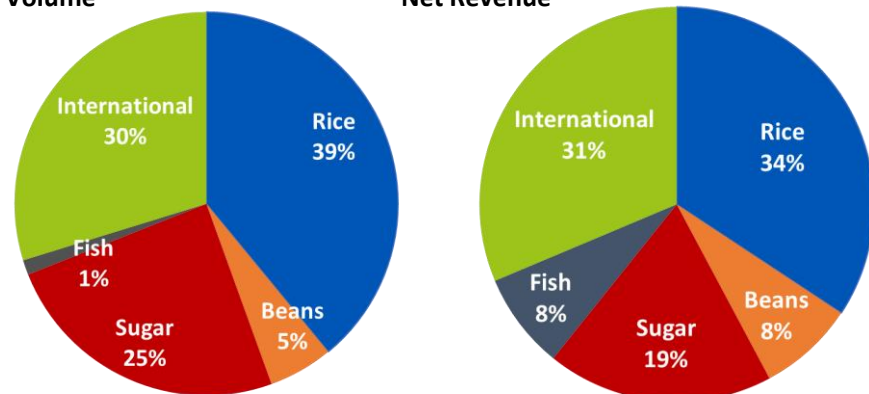
Quarterly Volume Evolution (k ton)



2Q19 Volume and Revenue Breakdown (%)

Volume

Net Revenue

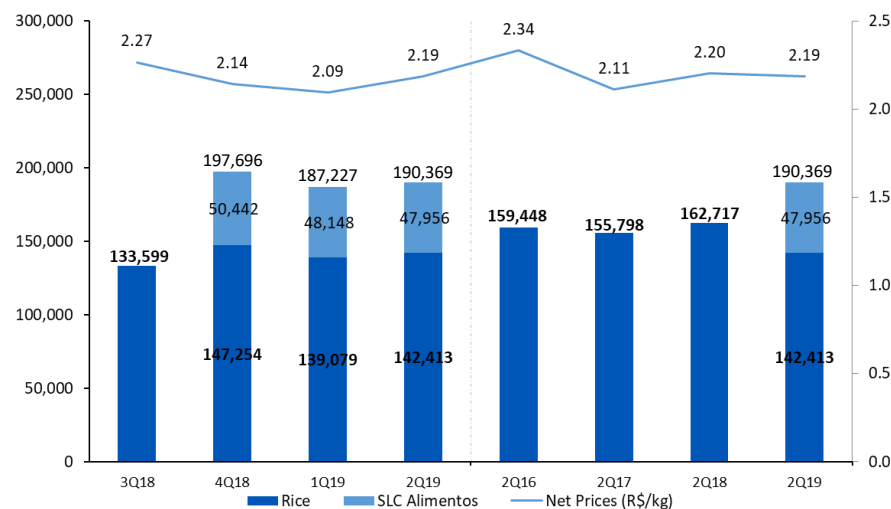


2Q19 Sales Volumes ('000 ton)

Highlights	2Q18	1Q19	2Q19	2Q19 vs	2Q19 vs
Volumes (in k tons)	31-Aug-18	31-May-19	31-Aug-19	2Q18	1Q19
Volume - Brazil					
Grains	182,2	210,6	216,9	19,1%	3,0%
Rice	162,7	187,2	190,4	17,0%	1,7%
Beans	19,5	23,3	26,5	36,3%	13,7%
Sugar	132,2	137,5	119,5	-9,6%	-13,0%
Canned Fish	8,1	7,0	6,1	-24,9%	-13,4%
Volume - International					
Uruguay	104,0	69,4	101,6	-2,3%	46,4%
Chile	19,9	20,5	21,6	8,4%	5,4%
Peru	20,9	20,7	21,9	5,1%	6,0%

We highlight increase in volumes in 2Q19 YoY and QoQ

Rice – Camil's Volume and Net Prices



Source: Company

Rice – Quarterly Highlights

Sales Volume: 190.4 thousand tons

▲ +17.0 % YoY

▲ +1.7% QoQ

Average **raw material price**¹: R\$43.60/bag

▲ +4.6% YoY

▲ +4.4% QoQ

Gross Price Camil: R\$2.48/kg

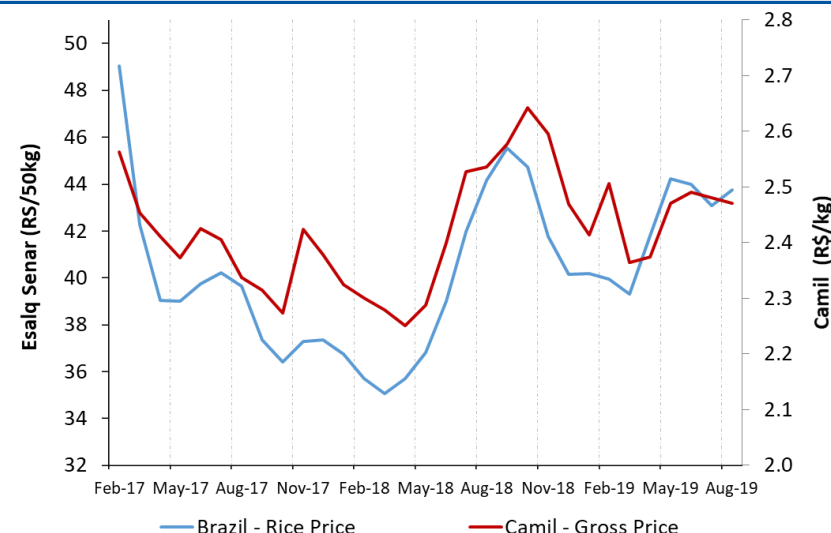
▼ -0.5% YoY

▲ +3.1% QoQ

▼ Struggle to transfer cost increases to prices

▲ SLC Alimentos acquisition, with volumes increase YoY and QoQ

Rice – Market Prices vs. Camil's Gross Prices



Source: Esalq Senar¹, Company

Rice – Product Portfolio



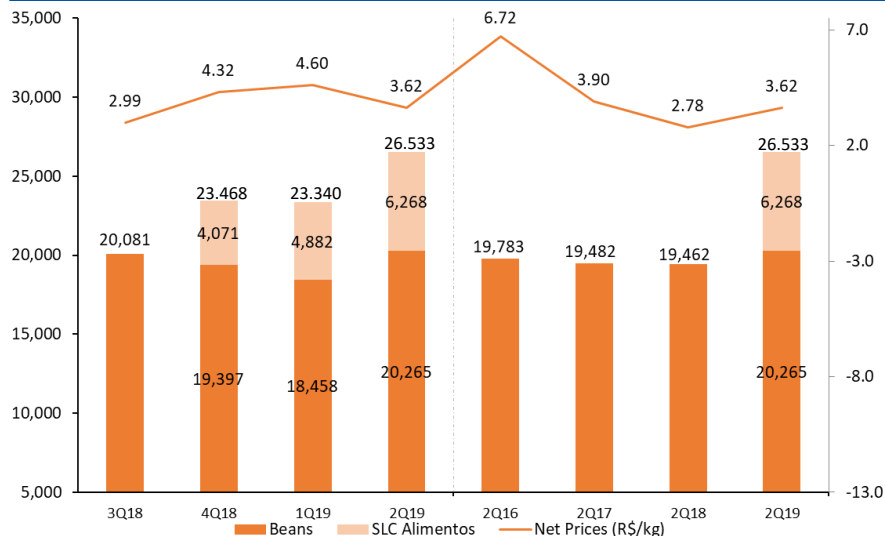
Source: Company

¹Source: CEPEA; rice indicator Esalq/Senar-RS 50kg.

Brazil Food Segment | Beans

We highlight volumes increase YoY and QoQ

Beans - Camil's Volume and Net Prices



Source: Company

Beans - Quarterly Highlights

Sales volume: 26.5 thousand tons

▲ +36.3% YoY

▲ +13.7% QoQ

Average raw material price: R\$143.55/bag

▲ +41.0% YoY

▼ -44.0% QoQ

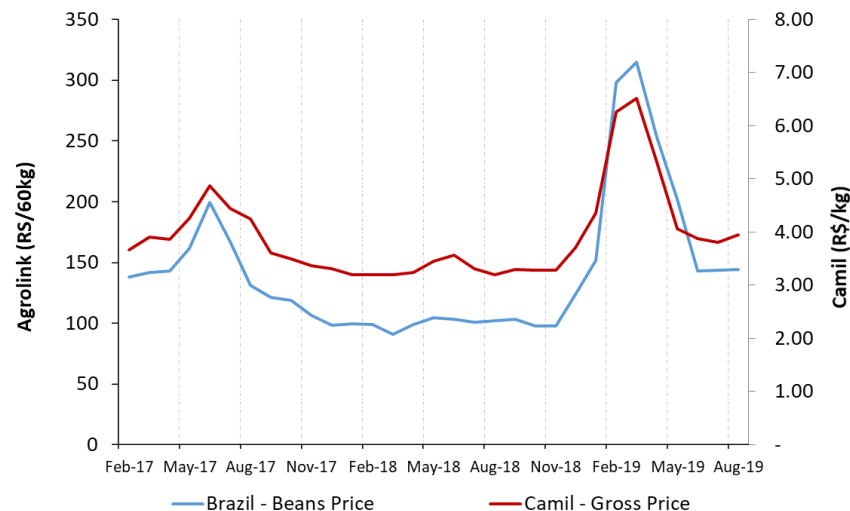
Gross Price Camil: R\$3.87/kg

▲ +15.4% YoY

▼ -23.5% QoQ

▲ SLC Alimentos acquisition, with volumes increase YoY and QoQ

Beans - Market Prices vs. Camil's Gross Prices



Source: Agrolink, Company

Beans- Product Portfolio

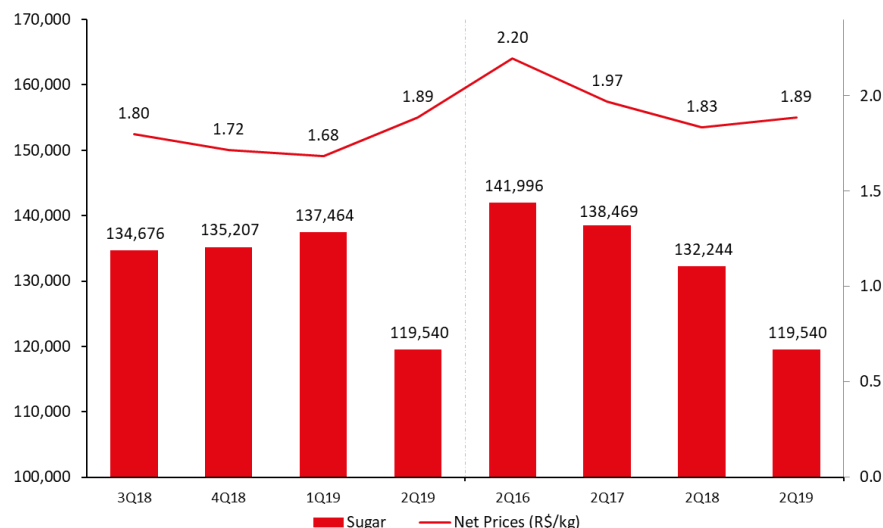


Source: Company

Brazil Food Segment | Sugar

We launched Camil's 13th industrial unit, accomplishing our refined retail sugar packaging process internalisation project, looking to increase competitiveness and efficiency in sugar.

Sugar - Camil's Volume and Net Prices



Source: Company

Sugar - Quarterly Highlights

Sales Volume: 119.5 mil tons

▼ -9.6% YoY

▼ -13.0% QoQ

Average **raw material price**¹ : R\$60.77/saca

▲ +10.9% YoY

▼ -11.3% QoQ

Gross Price Camil: R\$2.14/kg

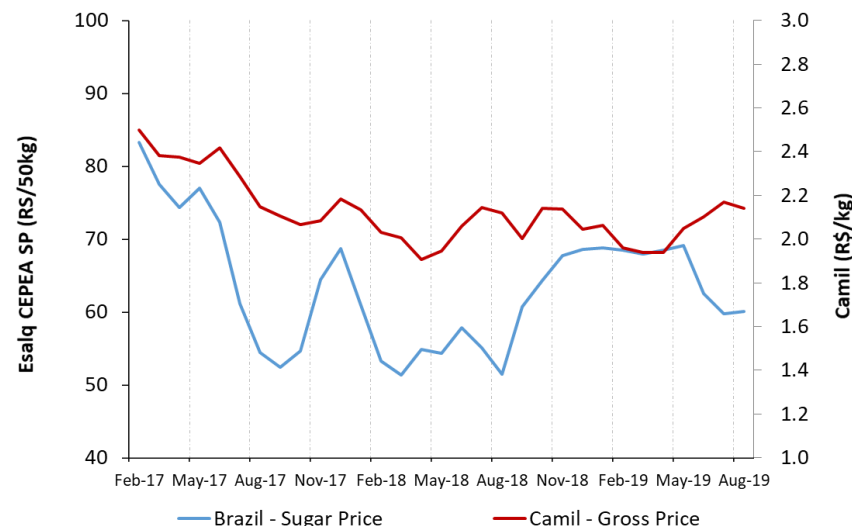
▲ +1.5% YoY

▲ +8.0% QoQ

▲ Launch of the sugar packaging industrial unit in Barra Bonita

▼ Restriction in raw material supply in the period

Sugar - Market Prices vs. Camil's Gross Prices



Source: Esalq-Senar; Company

Sugar - Product Portfolio

Mainstream

Value Pricing Brands



Parceria **União** & **Amyris**
Adoçante Natural

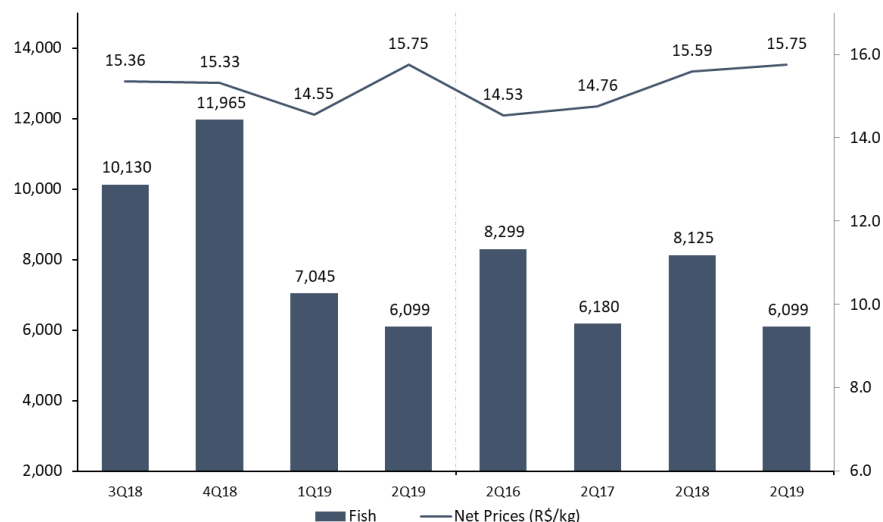
R&D **amyris**

Source: Company

¹Source: CEPEA; Cristal Sugar indicator Esalq-SP 50kg.

We highlight improvement in tuna fishing in the period

Canned Fish - Camil's Volume and Net Prices



Source: Company

Canned Fish - Quarterly Highlights

Sales volume: 6.1 thousand tons

▼ -24.9% YoY

▼ -13.4% QoQ

Gross price Camil: R\$20.26/kg

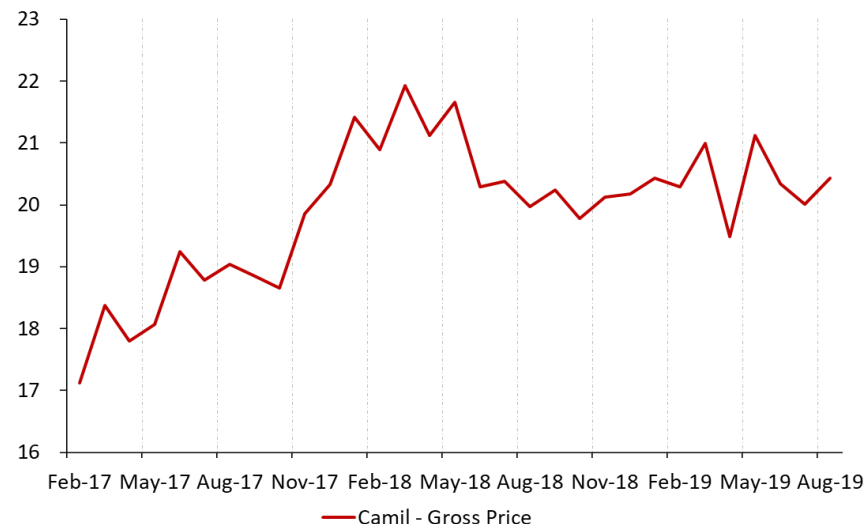
▲ +0.4% YoY

▼ -1.3% QoQ

▼ Continued struggle in local sardine fishing

▲ Improvement in local tuna fishing

Canned Fish - Camil's Gross Prices



Source: Company

Canned Fish - Product Portfolio

Mainstream



Value Pricing Brands



Source: Company

International Food Segment

We highlight volumes increase in Chile and Peru and the recovery of exports in Uruguay

International - Main Considerations

Export Market



Uruguay

Sales volume: 101.6 thousand tons

▼ -2.3% YoY

▲ +46.4% QoQ

▲ Exports
Recovery

Gross price in R\$: 1,89

▼ -5.9% YoY

▼ -3.2% QoQ

Gross price in US\$/ton:

▼ -7.7% YoY

▼ -2.7% QoQ

Domestic Market



Chile

Sales volume: 21.6 thousand tons

▲ +8.4% YoY

▲ +5.4% QoQ

▲ Good
profitability
maintainance

Gross price in R\$: 5.46

▼ -7.8% YoY

▼ -5.3% QoQ

Gross price in CLP/ton:

▼ -2.1% YoY

▼ -1.8% QoQ

Domestic Market



Peru

Sales volume: 21.9 thousand tons

▲ +5.1% YoY

▲ +6.0% QoQ

▲ Sales recovery

Gross price in R\$: 4.90

▲ +4.9% YoY

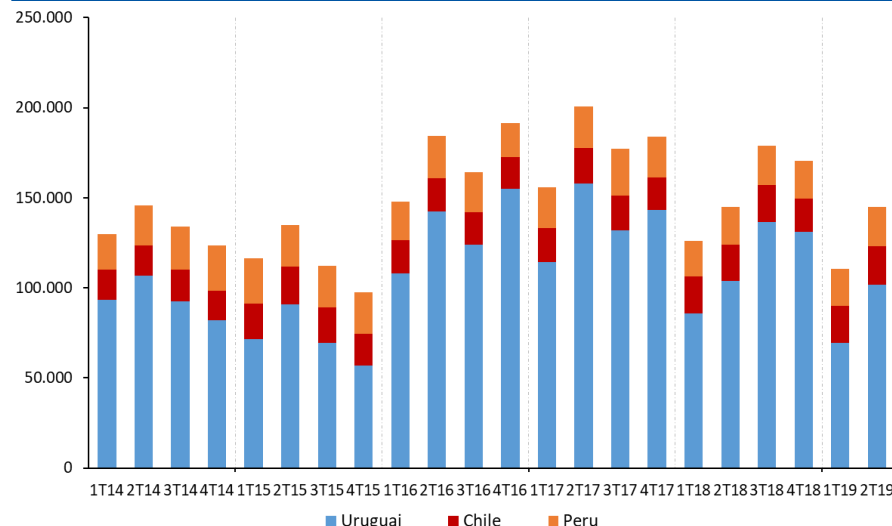
▼ -0.1% QoQ

Gross price in PEN/ton:

▲ +5.4% YoY

▲ +1.2% QoQ

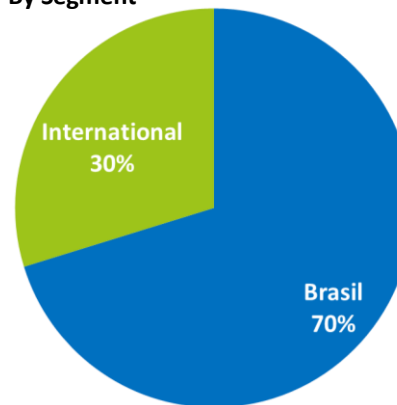
International Operational Performance – Quarterly Evolution ('000 ton)



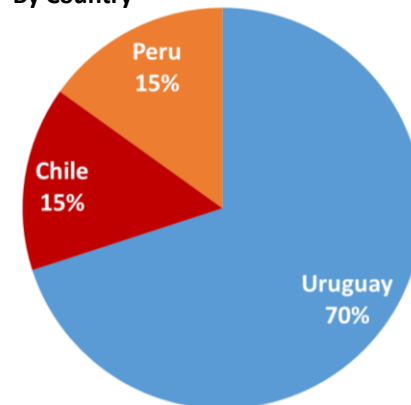
Source: Company

International – Breakdown 1Q19 (%)

By Segment



By Country



Source: Company

Financial Highlights

Statements (in R\$ millions) Closing Date	2Q18 31-ago-18	1Q19 31-may-19	2Q19 31-Aug-19	2Q19 vs 2Q18	2Q19 vs 1Q19
Net Revenues	1.145,6	1.237,1	1.223,6	6,8%	-1,1%
(-) Cost of Sales and Services	(829,5)	(950,3)	(939,9)	13,3%	-1,1%
Gross Profit	316,1	286,8	283,7	-10,3%	-1,1%
(-) SG&A	(226,9)	(238,5)	(227,7)	0,3%	-4,5%
(+/-) Equity (Earnings)/Losses in Uncons. Subs.	0,7	(0,4)	(1,8)	-362,4%	359,3%
Other Operating Income	19,1	1,4	0,8	-95,8%	-42,6%
EBIT	109,0	49,3	55,0	-49,6%	11,5%
(+/-) Financial Result	(6,1)	(10,8)	(18,2)	198,5%	68,6%
Pre-Tax Income	102,9	38,5	36,8	-64,3%	-4,5%
(-) Total Income Taxes	(23,8)	11,3	3,3	-114,1%	-70,4%
Net Income	79,1	49,8	40,1	-49,3%	-19,4%
Adj. Net Income²	68,0	49,8	40,1	-41,0%	-19,4%
EBITDA Reconciliation					
Net Income	79,1	49,8	40,1	-49,3%	-19,4%
(-) Net Financial Result	6,1	10,8	18,2	198,5%	68,6%
(-) Income Taxes	23,8	(11,3)	(3,3)	-114,1%	-70,4%
(-) Depreciation and Amortization	25,6	33,7	33,8	31,9%	0,2%
(=) EBITDA	134,6	83,0	88,7	-34,1%	6,9%
(+/-) Non Recurring Revenues/Expenses ²	15,3	-	-	-	-
(=) Adj. EBITDA²	119,3	83,0	88,7	-25,6%	6,9%
Margins					
Gross Margin	27,6%	23,2%	23,2%	-4,4pp	0,0pp
EBITDA Margin	11,7%	6,7%	7,3%	-4,5pp	0,5pp
Adj. EBITDA Margin ²	10,4%	6,7%	7,3%	-3,2pp	0,5pp
Net Margin	6,9%	4,0%	3,3%	-3,6pp	-0,7pp
Adj. Net Margin ²	5,9%	4,0%	3,3%	-2,7pp	-0,7pp

Result Statements	Food Products Brazil			Food Products International			Consolidated		
	2Q18	2Q19	2Q19 vs	2Q18	2Q19	2Q19 vs	2Q18	2Q19	2Q19 vs
Closing Date	31-Aug-18	31-Aug-19	2Q18	31-Aug-18	31-Aug-19	2Q18	31-Aug-18	31-Aug-19	2Q18
Net Revenues	800.9	886.4	10.7%	344.7	337.1	-2.2%	1,145.6	1,223.6	6.8%
(-) Cost of Sales and Services	(588.7)	(693.0)	17.7%	(240.8)	(246.9)	2.5%	(829.5)	(939.9)	13.3%
Gross Profit	212.2	193.4	-8.8%	103.9	90.2	-13.2%	316.1	283.7	-10.3%
(-) SG&A	(157.9)	(161.5)	2.3%	(69.0)	(66.1)	-4.2%	(226.9)	(227.7)	0.3%
(+/-) Other operating income (expenses) and Equity (Earnings)/Losses in Uncons. Subs.	3.2	(0.1)	-103.5%	16.6	(0.9)	-105.6%	19.8	(1.0)	-105.2%
EBIT	57.5	31.8	-44.7%	51.5	23.2	-55.0%	109.0	55.0	-49.6%
(+/-) Financial Result	3.0	(15.1)	-603.5%	(9.1)	(3.1)	-66.0%	(6.1)	(18.2)	197.6%
(-) Debt Interest Expense	(47.5)	(42.0)	-11.6%	(17.0)	(7.2)	-57.8%	(64.5)	(49.2)	-23.8%
(+) Interest Income	50.5	26.9	-46.8%	7.9	4.1	-48.3%	58.4	31.0	-47.0%
Pre-Tax Income	60.5	16.7	-72.4%	42.4	20.1	-52.6%	102.9	36.8	-64.3%
Total Income Taxes	(18.0)	8.7	-148.1%	(5.8)	(5.3)	-8.4%	(23.8)	3.3	-114.1%
Net Income	42.5	25.3	-40.4%	36.6	14.8	-59.6%	79.1	40.1	-49.3%
(=) EBITDA	72.2	54.4	-24.7%	62.5	34.3	-45.1%	134.7	88.7	-25.6%
Margins									
Gross Margin	26.5%	21.8%	-4.7pp	30.1%	26.8%	-3.4pp	27.6%	23.2%	-4.4pp
EBITDA Margin	9.0%	6.1%	-2.9pp	18.1%	10.2%	-7.9pp	11.8%	7.3%	-4.5pp
Net Margin	5.3%	2.9%	-2.4pp	10.6%	4.4%	-6.2pp	6.9%	3.3%	-3.6pp

Cost of sales and services

R\$939.9 million (+13.3% YoY)

76.8% of Net Revenue

- ▲ SLC Alimentos Acquisition;
- ▲ Grains sales increase;
- ▲ Increase in average raw material Market prices;
- ▲ Increase in costs of sales and services in the International Segment

▼ **Gross Profit of 23.2% (-4.4pp):** reflecting the struggle of transferring raw material cost increase to prices

SG&A

▲ R\$227.7 million (+0.3% YoY)

18.6% of Net Revenue

▲ Growth of Brazil SG&A (+2.3% YoY):

- ▲ Increase in sales expenses;
Remarks to the reduction of the impact of freights in Net Revenue (-0.7pp)
- ▲ SLC Alimentos Incorporation;
- ▲ Growth of D&A with the adoption of the IFRS 16 standard;

▼ International SG&A Reduction (-4.2% YoY):

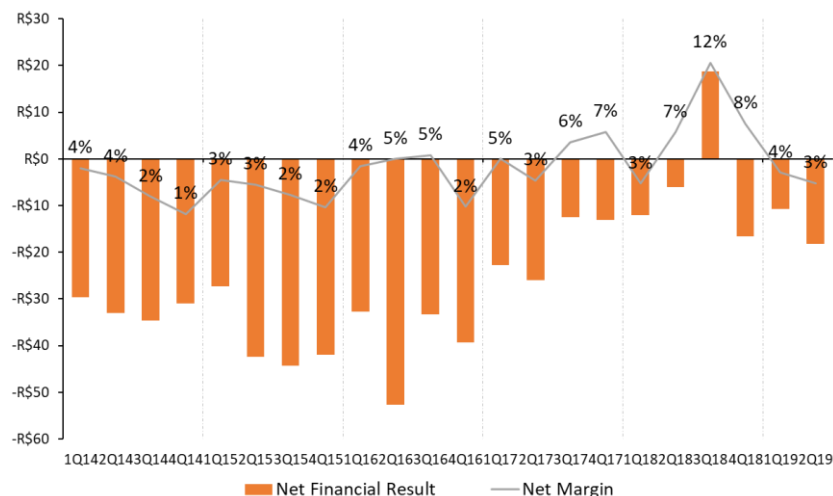
- ▼ Reduction in expenses with La Loma (sold in 2Q18);
- ▼ Sales reduction in Uruguay;

▼ **EBITDA Margin of 7.3% (-4.5pp):** reflecting the decrease in gross margin with a slight YoY increase in SG&A.

Financial Result and Debt

Liability Management: Debt cost reduction

Net Financial Result



Fonte: Companhia

Net Financial Result of -R\$18.2 million

(vs. -R\$6.1 million in 2Q18)

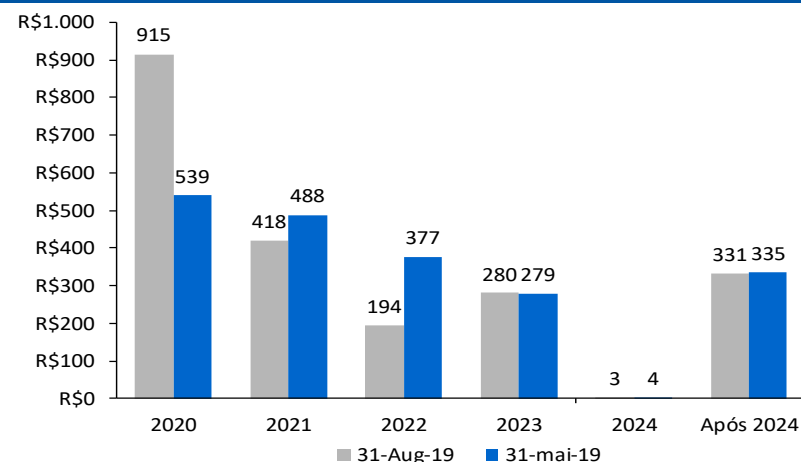
▼ Increase in financial expenses

- ▼ SLC Alimentos Acquisition
- ▼ Cash Flow was seasonally negative in the period;
- ▼ Interest over leases in the period (IFRS 16)

Debt (R\$mm)

Debt (in R\$m)	2Q18	1Q19	2Q19	2Q19 vs 2Q18	2Q19 vs 1Q19
Closing Date	31-Aug-18	31-mai-19	31-Aug-19	2Q18	1Q19
Total Debt	1,491.2	2,022.7	2,141.8	43.6%	5.9%
Loans and financing	512.8	445.1	555.6	8.4%	24.8%
Debentures	978.4	1,577.6	1,586.2	62.1%	0.5%
Short Term	365.0	539.2	915.4	150.8%	69.8%
Long Term	1,129.0	1,483.6	1,226.4	8.6%	-17.3%
Leverage					
Gross Debt	1,491.2	2,022.7	2,141.8	43.6%	5.9%
Cash and Cash Equivalents + financial applications	666.1	965.7	869.0	30.5%	-10.0%
Net Debt	825.1	1,057.0	1,272.8	54.3%	20.4%
Net Debt/EBITDA LTM	1.8x	2.2x	2.9x	1.1x	0.7x

Debt Amortization Schedule (R\$mm)

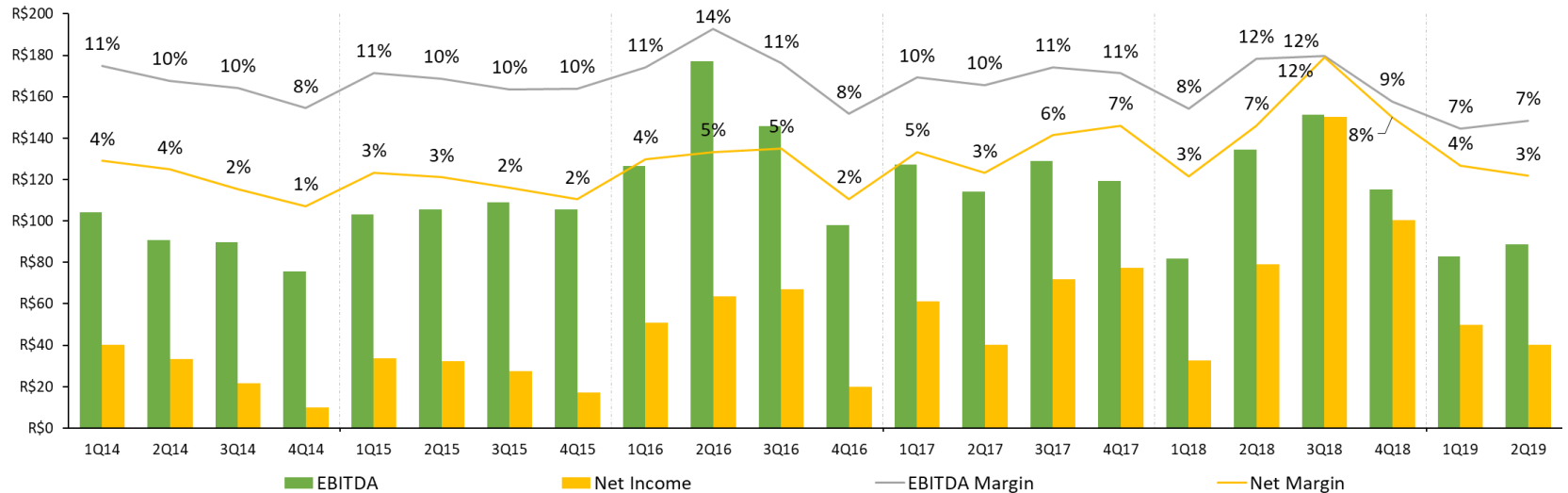


Source: Company

Profitability Evolution: Net Income, EBITDA and Margins

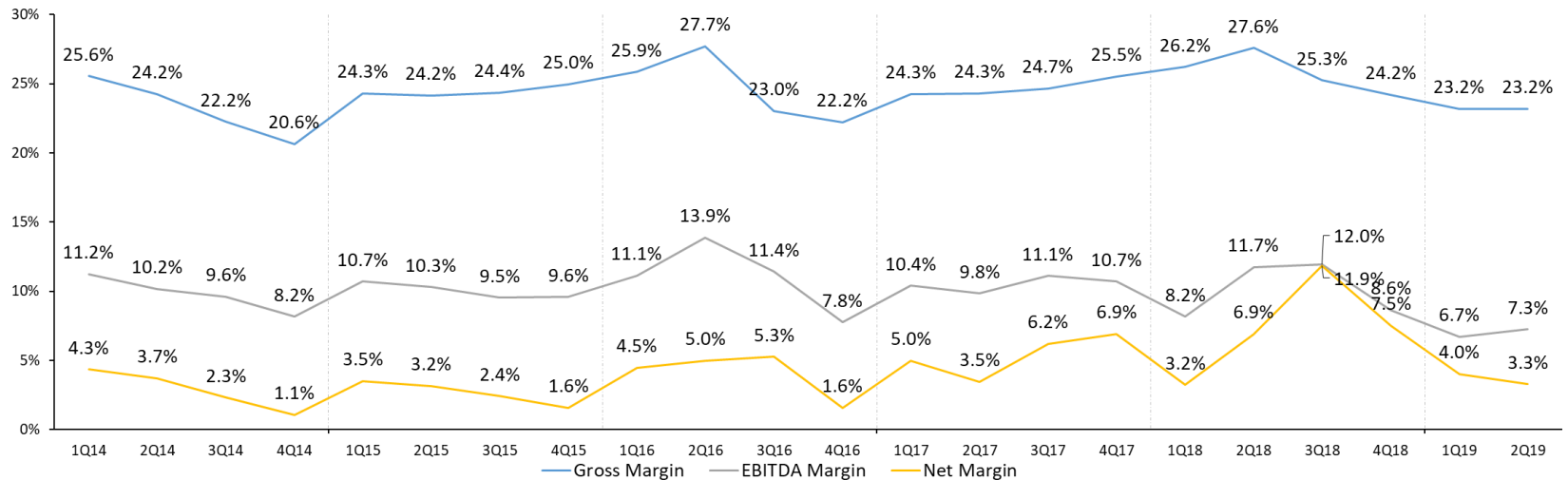
2Q19 remarked by the reduction of margins due to the struggle in transferring cost increases to prices

Quarterly Profitability Evolution (in R\$m)



Source: Company

Quarterly Margin Evolution (%)



Source: Company

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