

1Q19 Results Presentation



*On the table and in the heart
of Brazilian people.*

M. Dias Branco

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”).

The results of Piraquê, included in the consolidated information presented in this document, include information as of May 17, 2018.

This presentation includes some information excluding Piraquê’s results (“without Piraquê”).

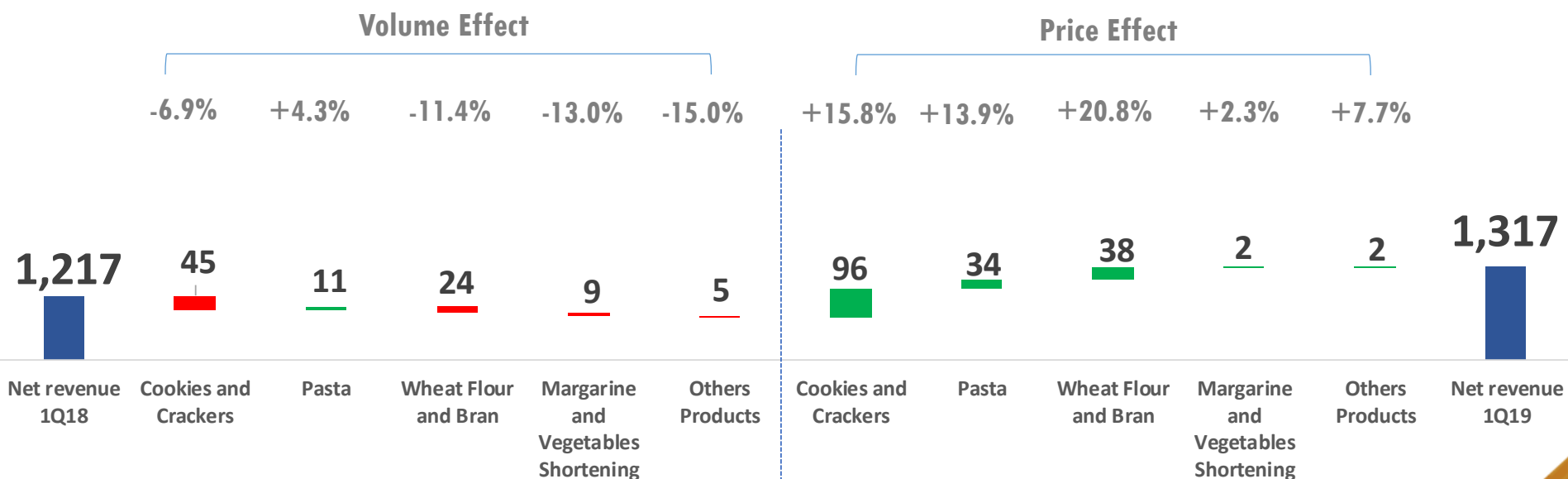
Results and Highlights

1Q19

Net Revenue (with Piraquê)

+8.2% 1Q19 vs. 1Q18

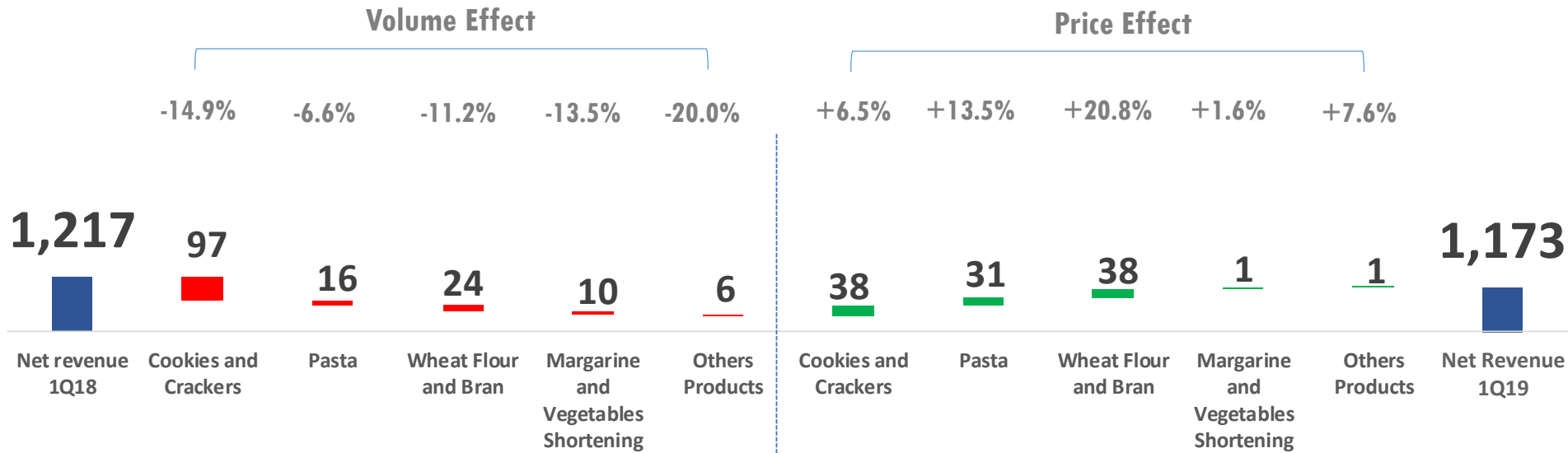
Variation of Net Revenue - 1Q19 vs. 1Q18 (R\$ Million) | M. Dias + Piraquê



Net Revenue (without Piraquê)

-3.7% 1Q19 vs. 1Q18

Variation of Net Revenue - 1Q19 vs. 1Q18 (R\$ Million) | M. Dias



Main reasons of volumes reduction 1Q19 vs. 1Q18

- **Price increase in 2018**
- **Retraction in the cookies & crackers market**
- **Adjustments due to strong month-month volume variations in 2018**

Impact of strong variations of volumes sold month-month in 2018 (Total* without Piraquê)

Volumes Sold Total | tons month thousand |
M. Dias Branco without Piraquê

1Q19 vs. 1Q18
11.6% lower

Mar19 vs. Mar 18 = 14% lower

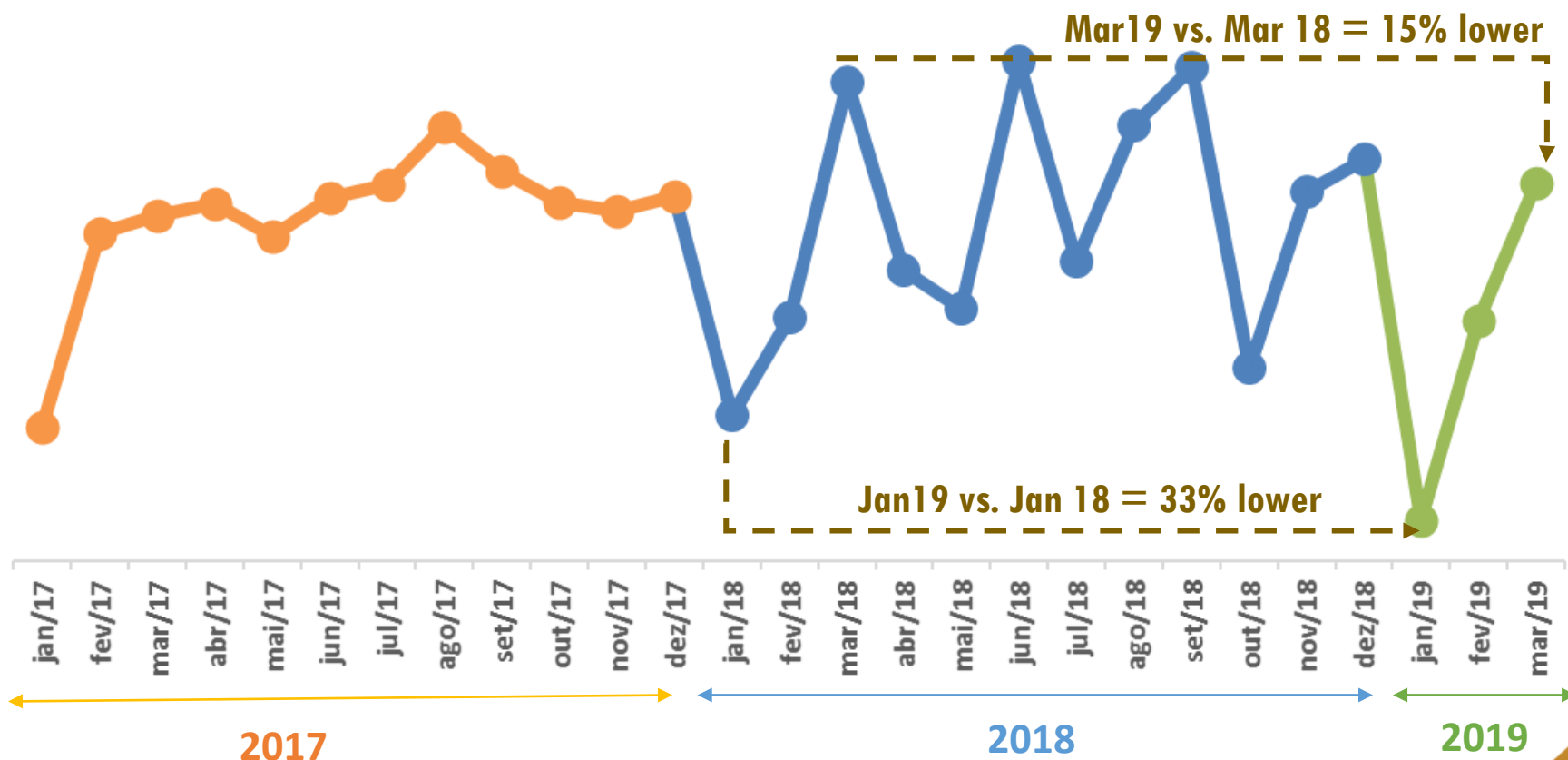
Jan19 vs. Jan 18 = 21% lower



Impact of strong variations of volumes sold month-month in 2018 (Cookies and Crackers without Piraquê)

1Q19 vs. 1Q18
14.9% lower

Volumes Sold Cookies & Crackers | tons month thousand |
M. Dias Branco without Piraquê



Expansion of market share in cookies & crackers and pastas

Product line



1Q19 vs. 1Q18

Share volume:

36.0% (+3.8 p.p vs. 1Q18)

Share Value:

30.9% (+6.7 p.p vs. 1Q18)



Share volume:

37.9% (+4.8 p.p vs. 1Q18)

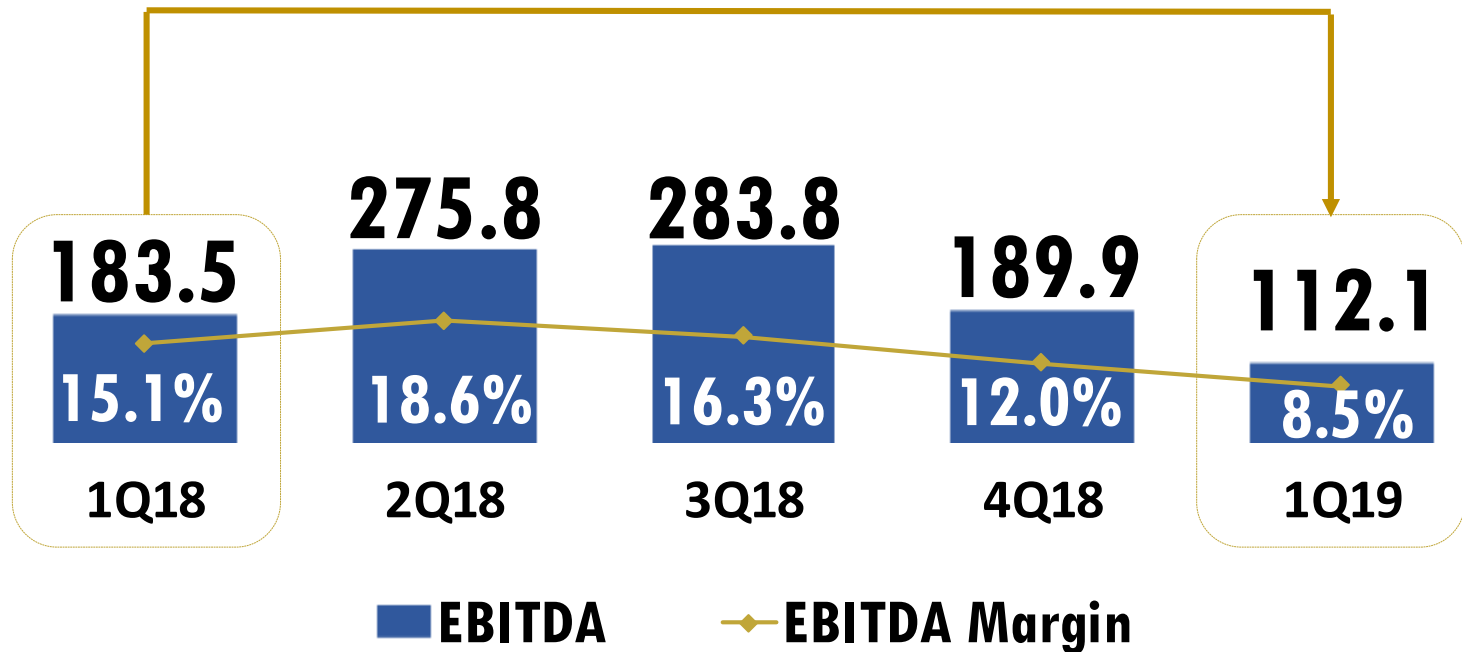
Share Value:

33.1% (+4.5 p.p vs. 1Q18)

EBITDA (R \$ MM) and EBITDA Margin (% Net Revenue)

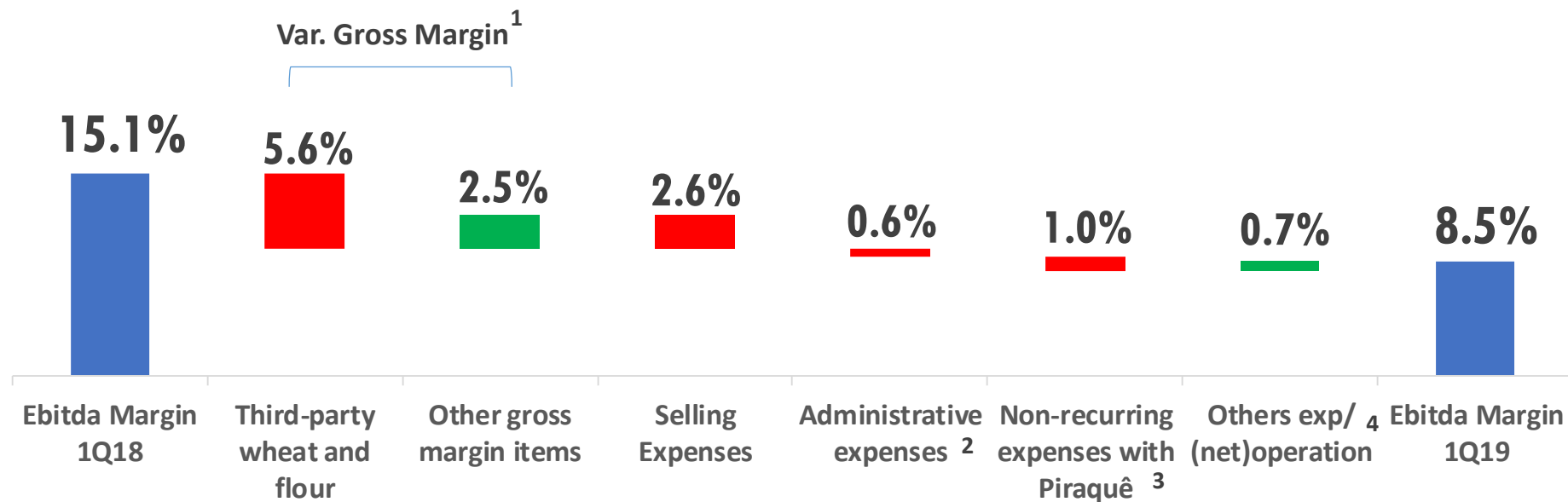
M. Dias Branco + Piraquê

EBITDA -38.9% e EBITDA Margin -6.6pp



Retraction of 6.6pp in 1Q19 EBITDA Margin vs. 1Q18

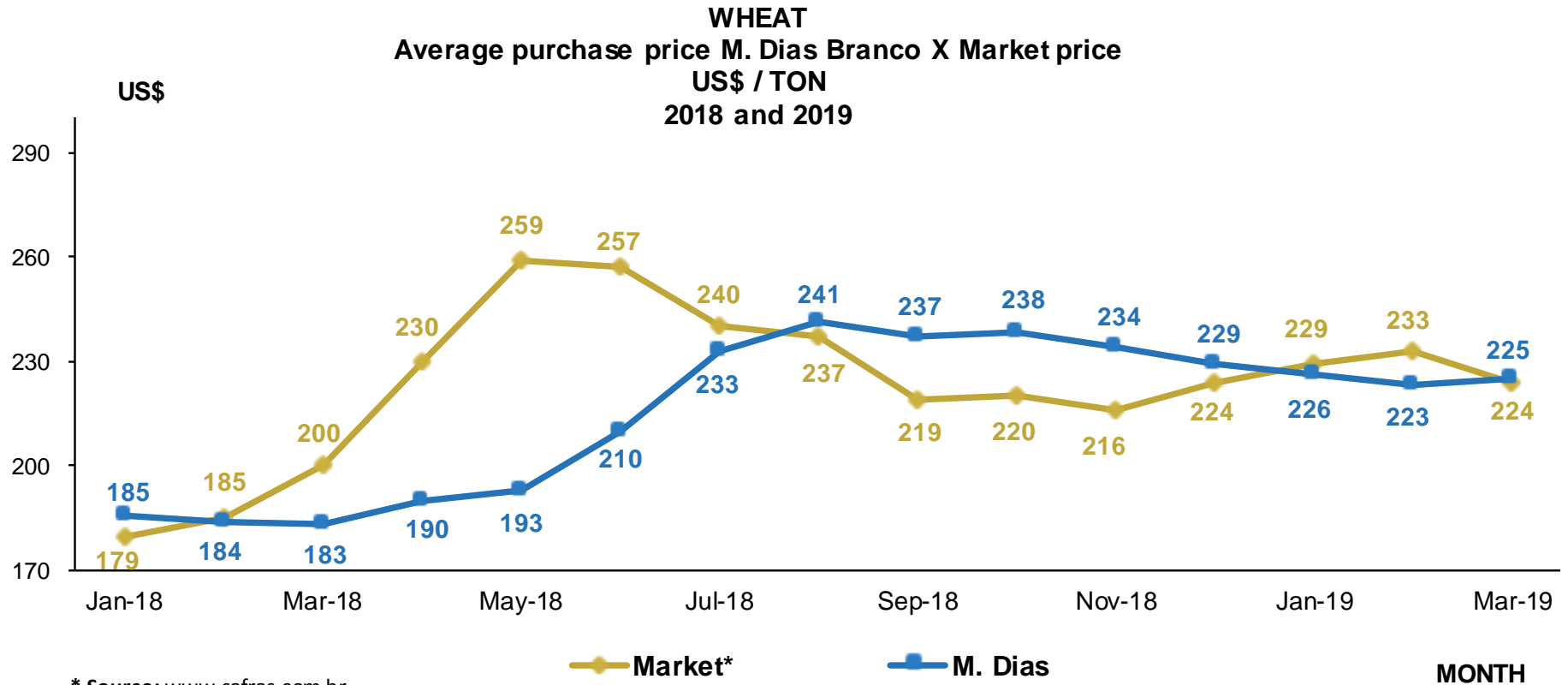
M. Dias Branco + Piraquê



- Average cost of wheat in BRL + 36.9% 1Q19 vs. 1Q18;
- Price readjustment in 2018 offset higher cost of other inputs, packaging and labor;
- Lower dilution of fixed expenses (sales and administrative expenses), due to the retraction of volumes;
- R\$ 13.4 million of non-recurring expenses with Piraquê;
- PIS / COFINS ex-temporary credit registry in the amount of R\$ 18.5 million;

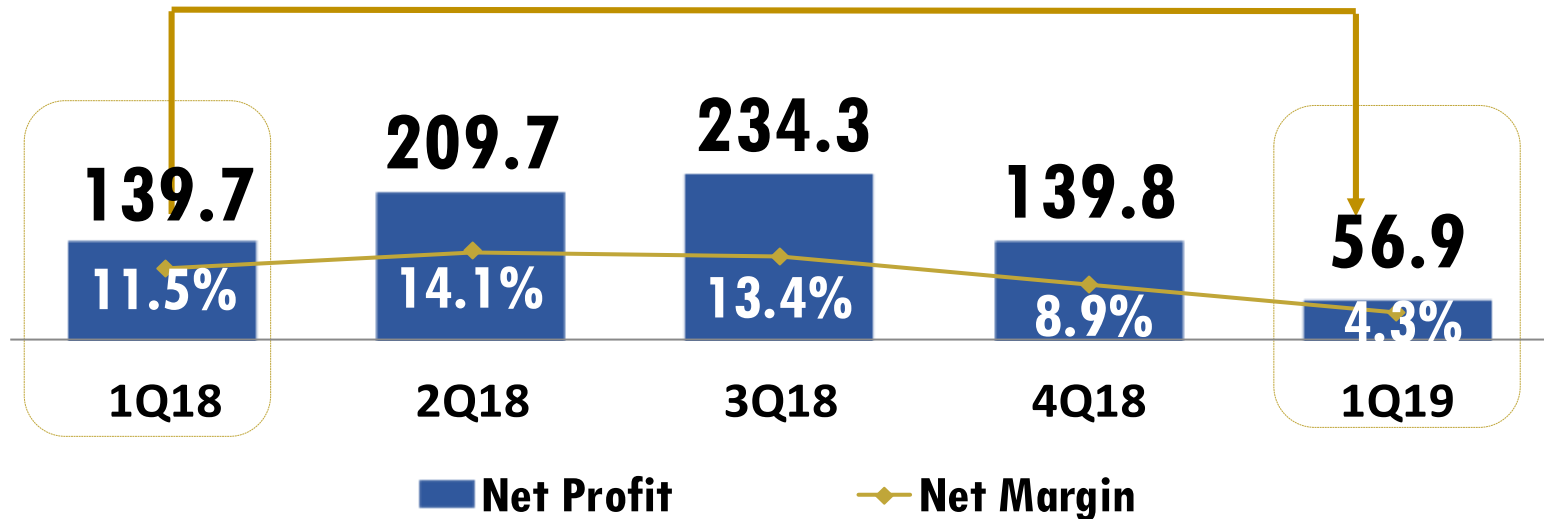
¹Note: % Variation in gross margin without considering the representativeness of CPV depreciation on net revenue. ²Note: Administrative expenses without non-recurring expenses with Piraquê. ³Note: M.Dias non-recurring expenses with the integration of Piraquê (R\$ 1.8 million) and expenses incurred by Piraquê with consultancy and restructuring (R\$ 11.6 million). ⁴Note: Regarding tax expenses and other operating revenue / expenses without nonrecurring expenses with Piraquê, in particular the 1Q19 recorded of PIS / Cofins credit for the exclusion of bonus from the calculation base (R\$ 18.5 million).

Average cost of wheat in BRL + 36.9% 1Q19 vs. 1Q18



Net Income (R\$ Million) and Net Margin (% Net Revenue) M. Dias Branco + Piraquê

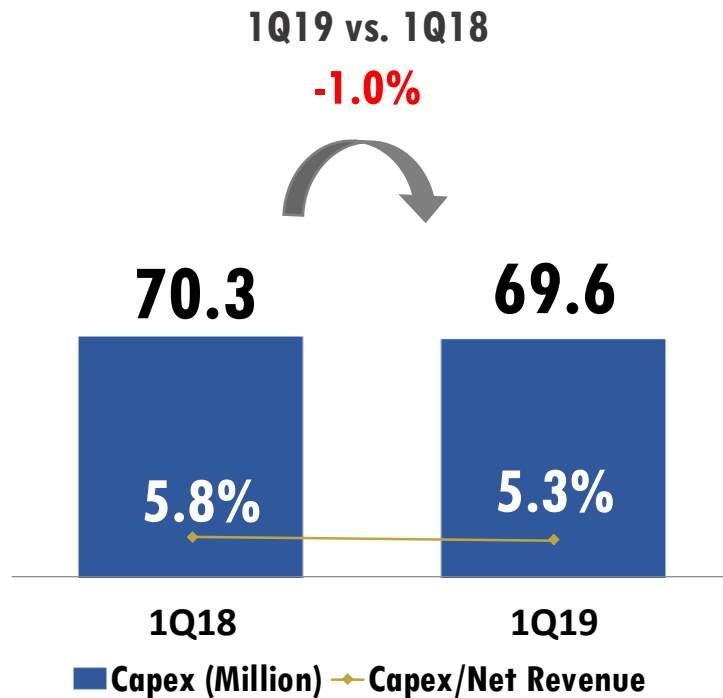
Net Income -59.3% and Net Margin - 7.2pp



In addition to the factors that impacted EBITDA, we had:

- Depreciation of new production lines throughout 2018 and 1Q19
- Depreciation and amortization expenses of Piraquê
- Reduced financial result, due to the redemption of financial investments for payment of the acquisition of Piraquê

Investments of R\$ 69.6 million in 1Q19



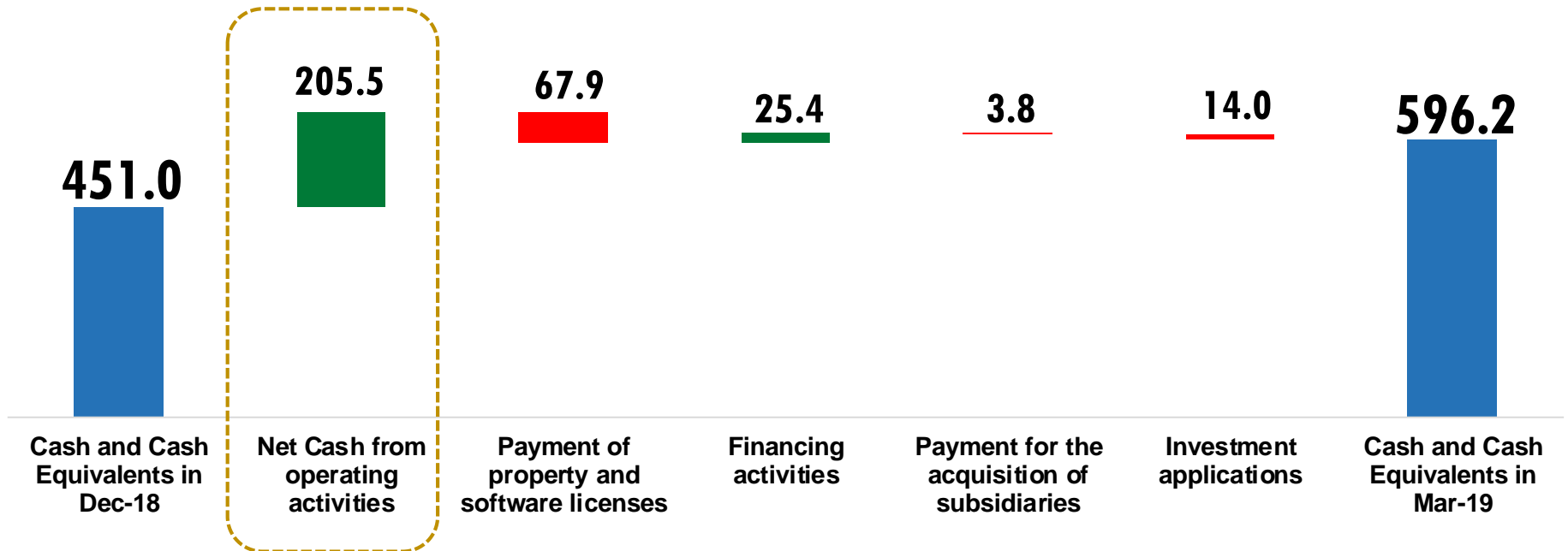
Ongoing construction of the new milling unit in Bento Gonçalves (RS);

Expanding the capacity of the mill silos in Paraná;

Increased packing capacity in the line of cookies & crackers and in the storage of wheat flour at the Jaboatão dos Guararapes (PE)

Cash Flow

**15.6% of Net Revenue
in 1Q19**



Sustainability (1Q19 vs 1Q18)

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



- Increase in the waste recycling index by 3.0pp vs. 1Q18.
- Reduction of solid waste generated per ton produced in 19.9% vs. 1T18.

Increase of 1.6% in energy intensity in 1Q19.

7 AFFORDABLE AND
CLEAN ENERGY



Increase of 0.32 in the Occupational Accident Frequency Rate in 1Q19.

3 GOOD HEALTH
AND WELL-BEING



6 CLEAN WATER
AND SANITATION



**Reduction in water consumption
(m³/ton produced) in 8.9% in 1Q19.**



1Q19 New Products



Wafer biscuit covered with chocolate, *Pirachoko* Piraquê brand.

Finna wheat flour, in the package of 5 kg, for cake, pizza and Type 1

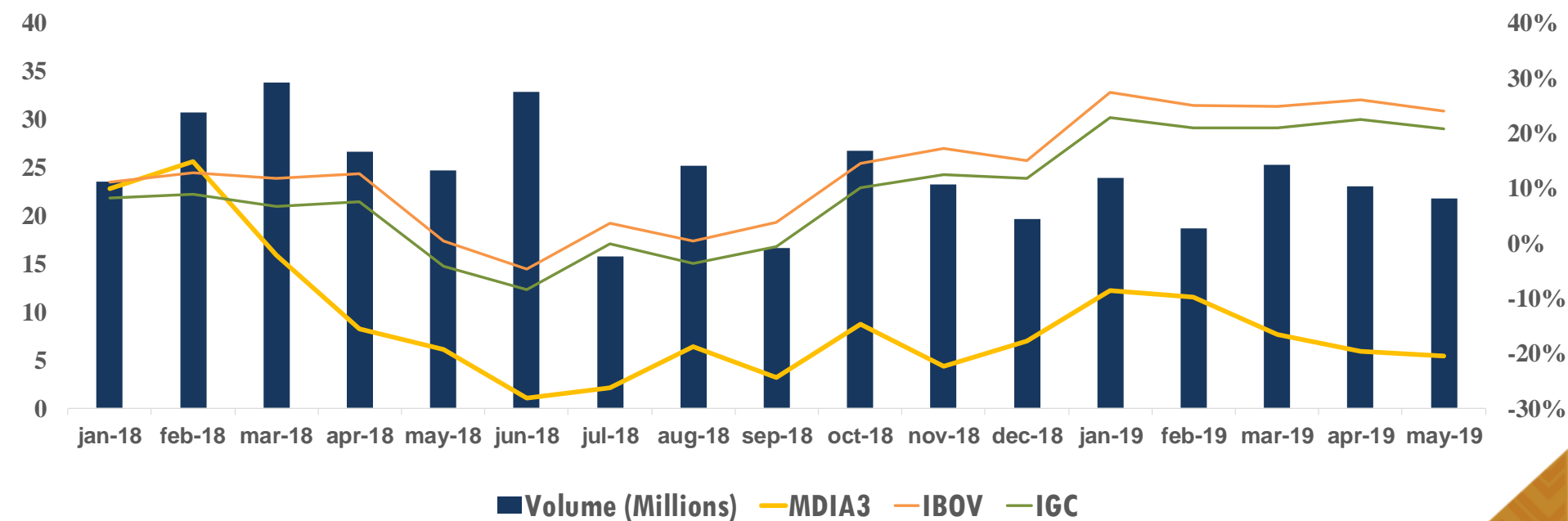


MDIA3 x IBOV x IGC

01/02/2018 to 05/09/2019

Average Daily Volume :
MDIA3 (R\$ Million)

Profitability%



Verticalization Index

Wheat flour

1Q18

90.6%

4Q18

81.2%

1Q19

84.2%

Vegetable Shortening

1Q18

98.2%

4Q18

99.3%

1Q19

98.7%

Ongoing initiatives to regain growth and profitability

- Reduction in the number of employees (dismissals and voluntary dismissal program);
- Contract review and outsourcing;
- Investments in the distribution chain (new distribution centers and expansion of shipping areas);
- Linearization of volumes sold over the months;
- Volumes negotiates with clients for more than one month;
- Commercial initiatives and marketing campaigns focused on growth in regions and subcategories with high growth potential;
- Continuous improvement of our pricing modeling;
- Launch of products with higher added value.



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