

# Conference Call 2Q20

July 29<sup>th</sup> 2020

*Minerva Foods*



# Minerva

## 2Q20 Highlights

### OPERATING AND FINANCIAL HIGHLIGHTS'

- **Operational Free Cash Flow**
  - 2Q20: R\$711.2 million | LTM2Q20: R\$3,625.3 million
- **Free Cash Flow**
  - 2Q20: R\$376.5 million | LTM2Q20: R\$1,882.8 million
- **Gross Revenue 2Q20:** R\$ 4.6 billion | **LTM2Q20:** R\$19.0 billion
  - Brazilian Division: 45% of gross revenue | Athena Foods: 45% of gross revenue | Trading: 10% of gross revenue
- **Net Revenue**
  - 2Q20: R\$4.4 billion (+9% yoy) | LTM2Q20: R\$17.9 billion (+7% yoy)
- **Exports:**
  - 2Q20: 72% of gross revenue (+16% yoy) | LTM2Q20: 69% of gross revenue (+18% yoy)
- **EBITDA**
  - 2Q20: R\$ 590.2 million (+62% yoy) | EBITDA Margin: 13.4%
  - LTM2Q20: R\$ 2.029.5 million | EBITDA Margin: 11.3%
- **Net Result: 2Q20:** R\$ 253.4 million | **1H2020:** 524.6 | **LTM2Q20:** R\$ 685.5 million

### CAPITAL STRUCTURE

- Leverage measured by Net Debt/EBITDA LTM ratio: **2.6x**
  - Leverage in USD: **2.2x**
- Cash Position: R\$ 6.8 billion
- Debt Duration: ~4.6 year

### OTHER HIGHLIGHTS

- Bonds buyback: USD 96.7 million face value on 2026 and 2028 bonds
- 2Q20 liability management: local notes (CRA) totaling R\$ 1.2 billion – 5 to 6 years maturity
- Minerva's Innovation Area: (i) Advanced Analytics, (ii) E-Commerce/Marketplace, (iii) Venture Capital

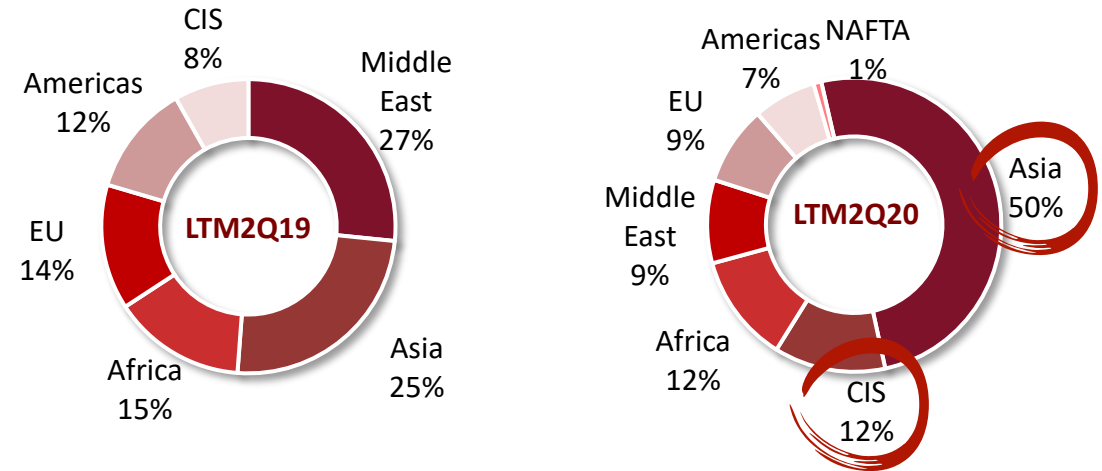
# Share of Exports

## SOUTH AMERICA MARKET SHARE – 2Q20



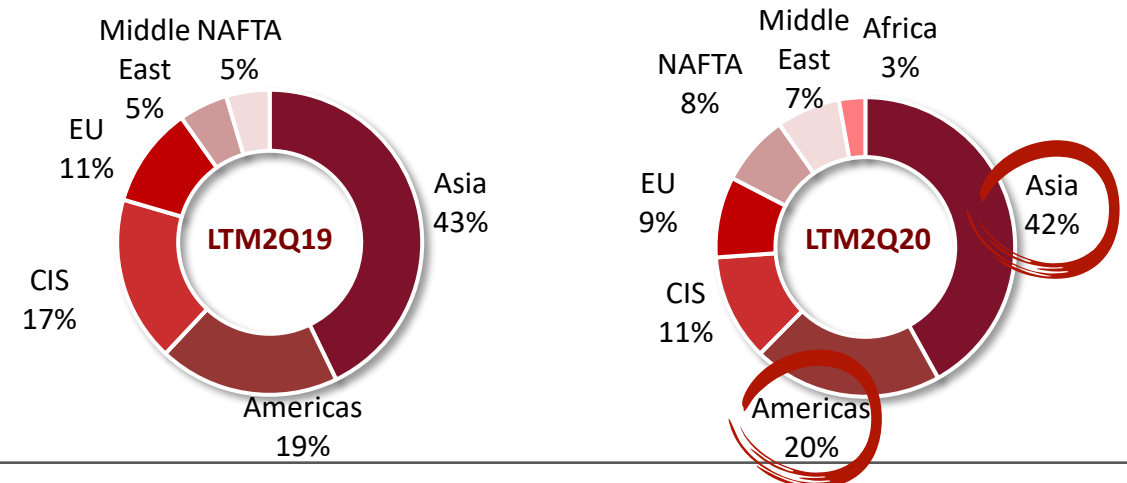
## BRAZILIAN DIVISION EXPORTS

(% OF REVENUE)



## ATHENA FOODS EXPORTS

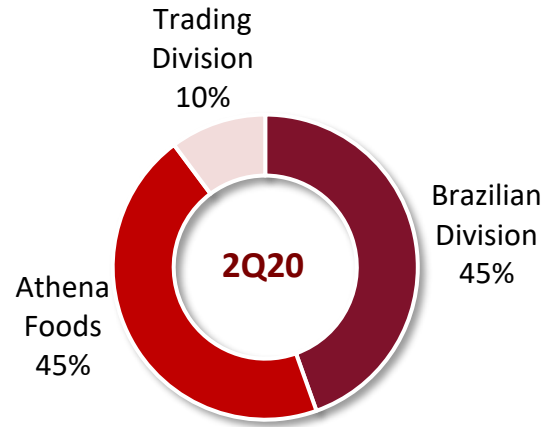
(% OF REVENUE)



# Operating and Financial Results

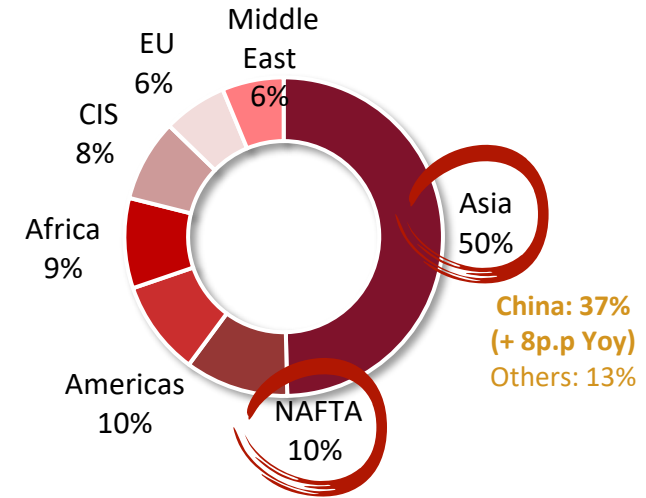
## DIVISIONS BREAKDOWN

(% OF GROSS REVENUE)

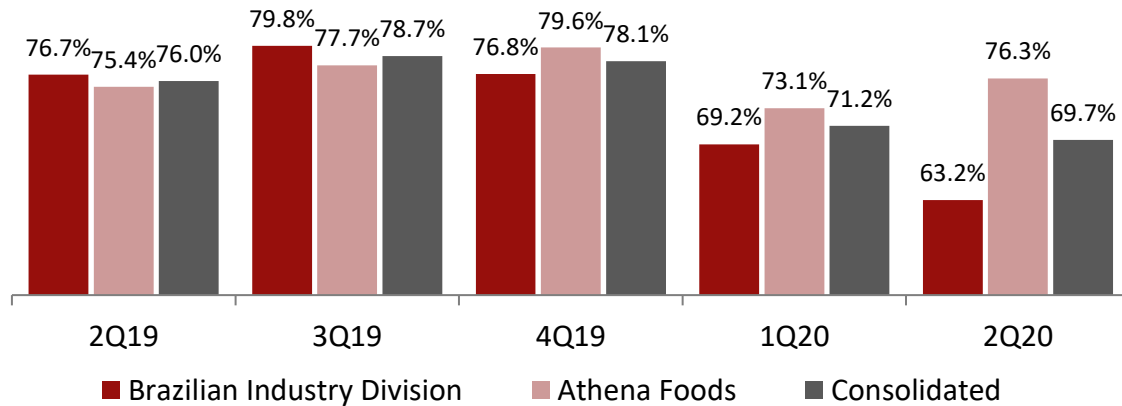


## CONSOLIDATED EXPORTS 2Q20

(% OF REVENUE)

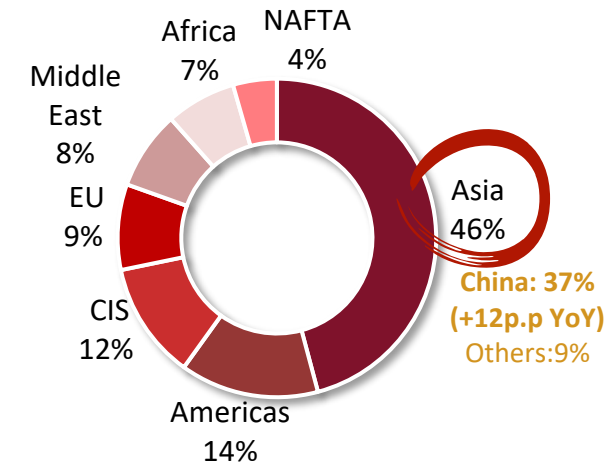


## CAPACITY UTILIZATION



## CONSOLIDATED EXPORTS – LTM2Q20

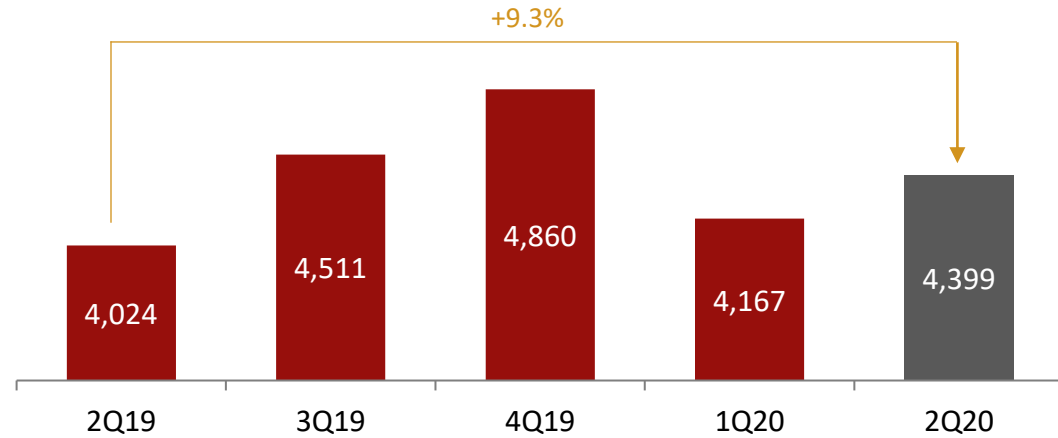
(% OF REVENUE)



# Operating and Financial Results

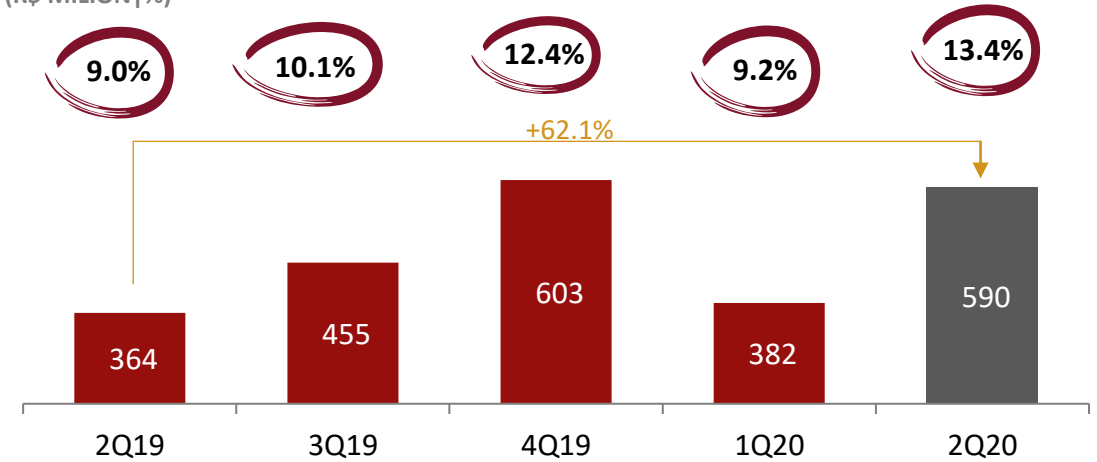
## NET REVENUE

(R\$ MILLION)

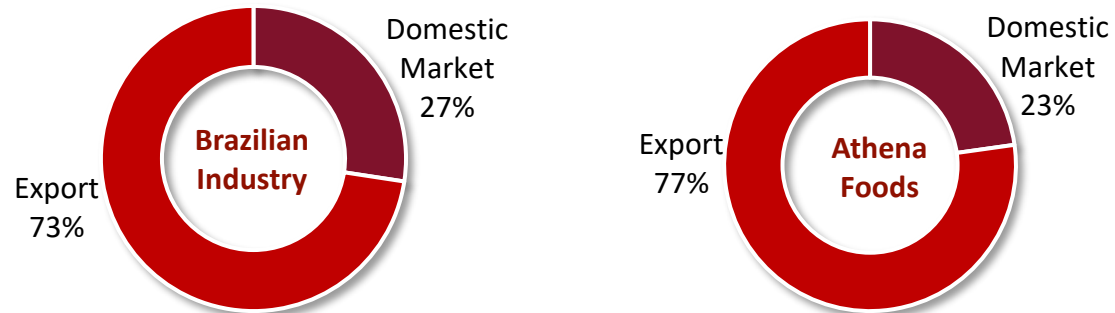


## EBITDA & EBITDA MARGIN – QUARTERLY

(R\$ MILLION | %)

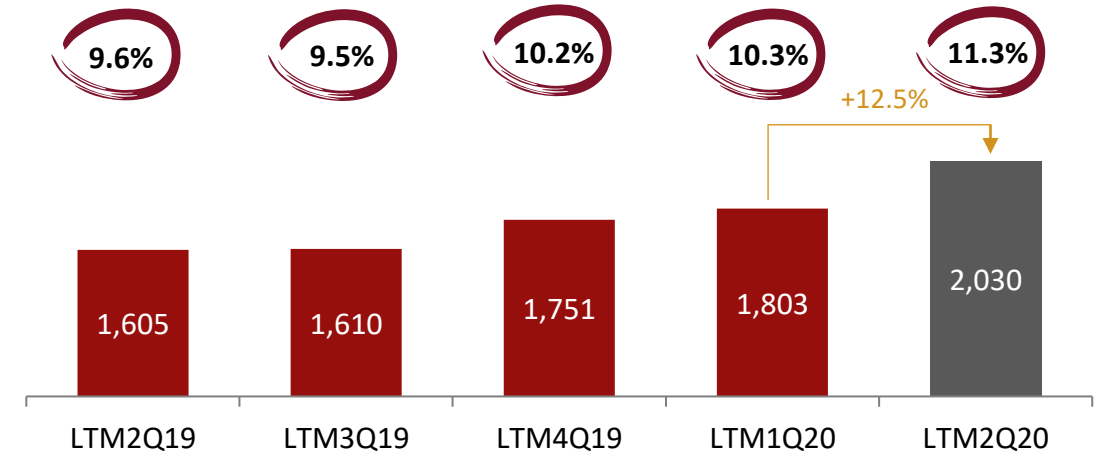


## BREAKDOWN GROSS REVENUE – 2Q20



## EBITDA & EBITDA MARGIN - LTM

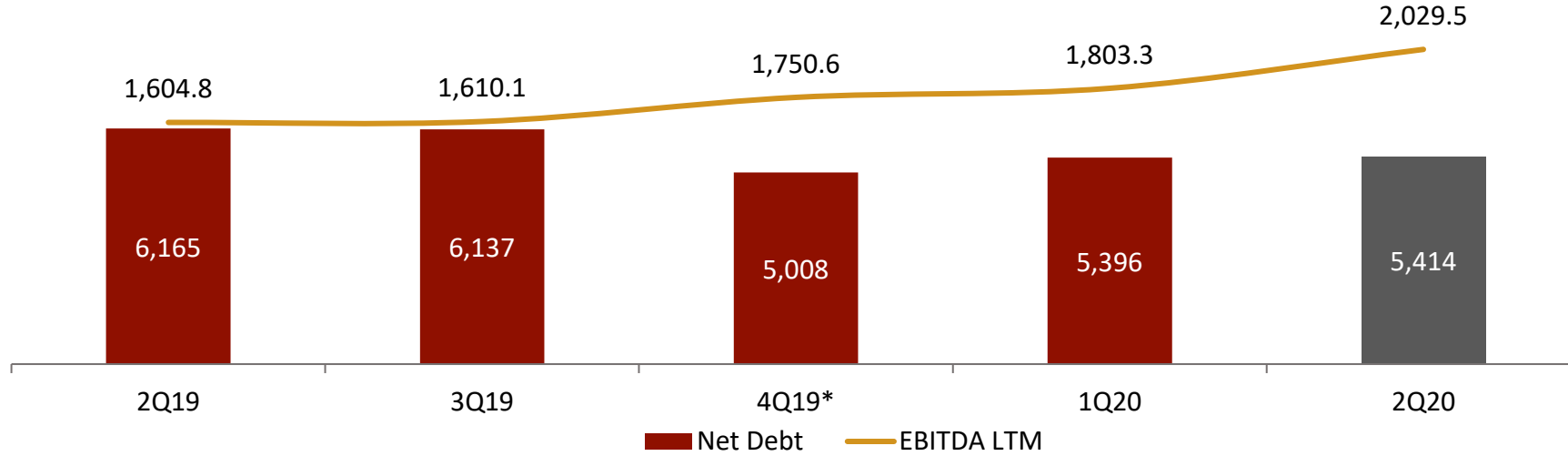
(R\$ MILLION | %)



# Financial Leverage

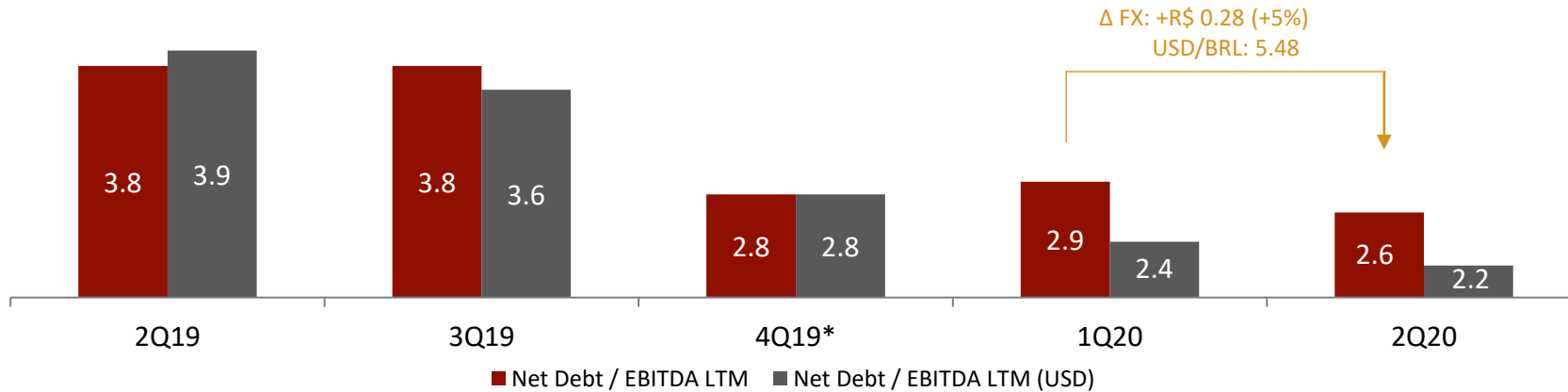
## NET DEBT AND EBITDA LTM

(R\$ MILLION)



## LEVERAGE (X)

(NET DEBT/EBITDA LTM)



R\$ Million	Jun/20
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Gross Debt 12,255.0

Cash and Cash Equivalents 6,831.6

Net Debt 5,414.1

EBITDA LTM 2,029.5

Net Debt / EBITDA LTM 2.6x

Net Debt / EBITDA LTM (USD) 2.2x

Outstanding Warrants 776.9

Leverage in BRL (after Warrants exercise) 2.2x

4Q19\* Considering Follow-on net proceeds

# Net Result and Operating Cash Flow

## NET PROFIT

R\$ million	2Q20	LTM2Q20
Net Result Before Taxes	294.3	587.4
Taxes	-40.9	98.1
<b>Net Result After Taxes</b>	<b>253.4</b>	<b>685.5</b>

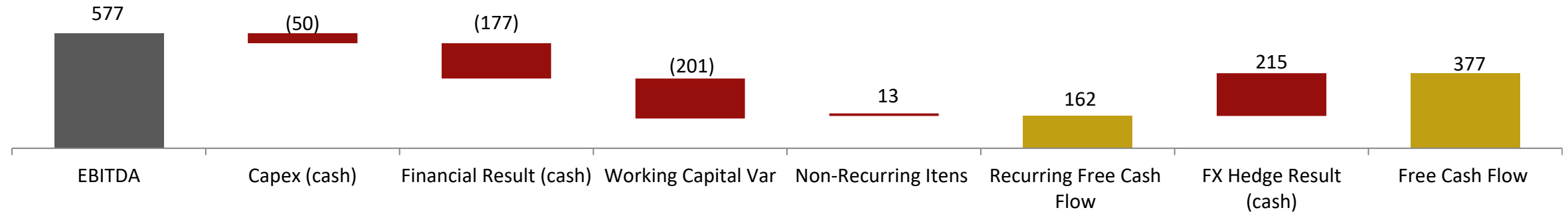
## OPERATING CASH FLOW

R\$ million	2Q20	LTM2Q20
Net Result	253.4	685.5
(+) Net Result Adjustments	659.5	2,610.9
(+) Changes in Working Capital Requirements	-201.8	329.0
<b>Operating Cash Flow</b>	<b>711.2</b>	<b>3,625.3</b>

# Free Cash Flow

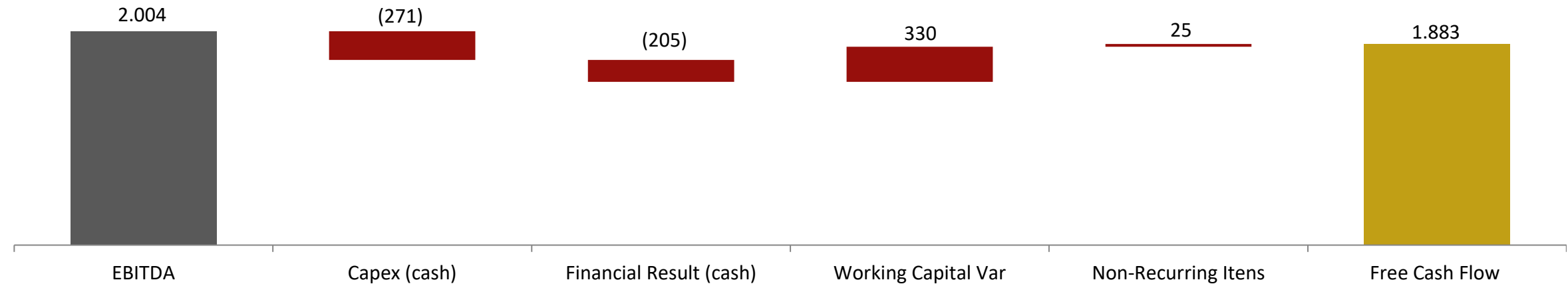
## FREE CASH FLOW 2Q20

(R\$ MILLION)



## FREE CASH FLOW LTM2Q20

(R\$ MILLION)

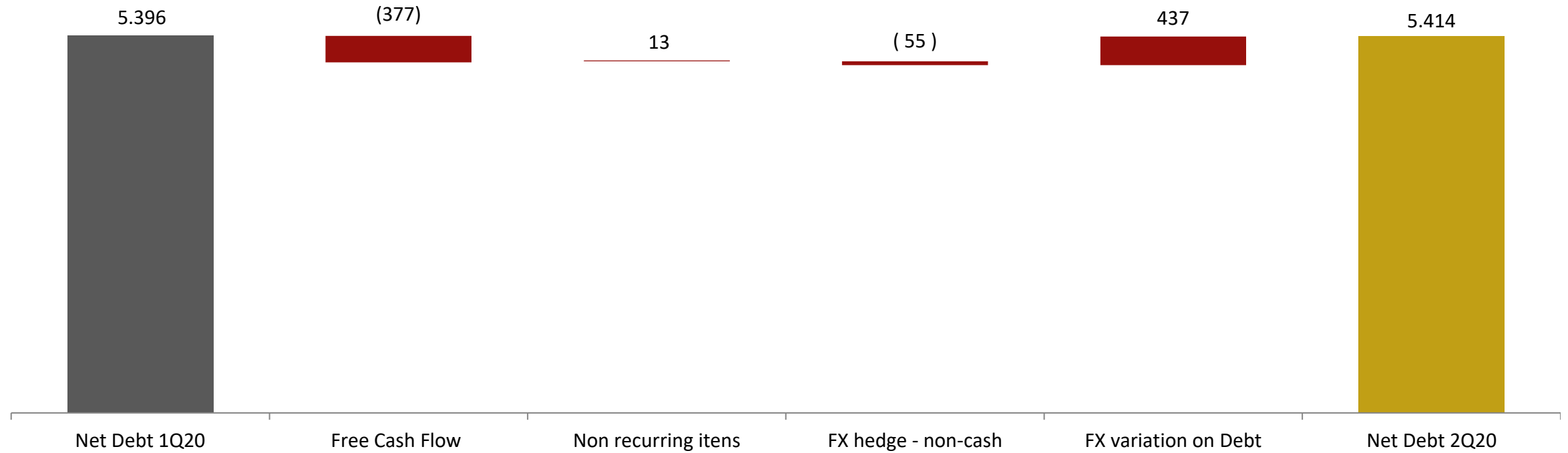




# Debt Bridge

## NET DEBT BRIDGE

(R\$ MILLION)

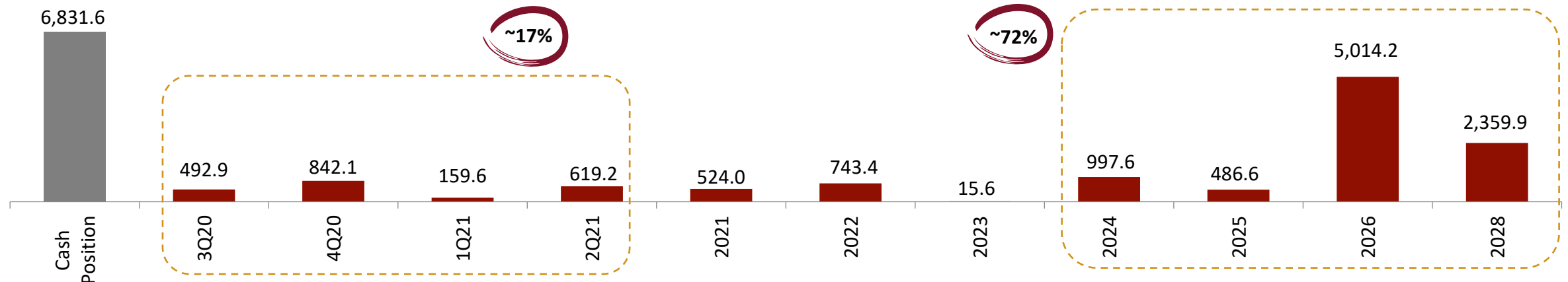


# Capital Structure

## HIGHLIGHTS

- Leverage measured by Net Debt / EBITDA LTM ratio : **2.6x**
- Cash Position: R\$ 6.8 bn
- At the end of June, approximately 78% of total debt was indexed to the dollar variation
  - According to the Company's hedging policy, at least 50% of long-term FX exposure is hedged
- Bonds buyback: USD 96.7 million face value on 2026 and 2028 bonds (cancelled in June/20)
- 2Q20 liability management: local notes (CRA) totaling R\$ 1.2 billion – 5 to 6 years maturity
- Debt Duration: ~4.6 years

## DEBT AMORTIZATION SCHEDULE



# Innovation Area

## Minerva Foods

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### ADVANCED ANALYTICS

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- Responsible for developing and management of advanced analytics tools, to support our decision making process (applying A.I. to our proprietary Data Lake):



Beef Desk



Pricing



Choice meeting



Credit

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### E-COMMERCE / MARKETPLACE PLATFORM

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- To develop worldwide initiatives in order to leverage opportunities of the digital sales channel
- Initial targets



Brazil



Argentina



Paraguay

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### VENTURE CAPITAL

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#### INNOVATION AND INVESTMENT HUB

- Vehicle to invest in startups with innovation skills related to the Minerva value chain, such as: alternative proteins, ingredients, logistics, livestock, agritech and food retail – in order to seek long term synergies and leverage on our capabilities;
- Up to USD 30 mm to be invested in up to 10 companies (individual tickets from US\$ 1million to US\$ 5 million)

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