

Minerva Foods

CONFERENCE CALL 2Q19

July 26th, 2019

CHINA: Market's Opportunities

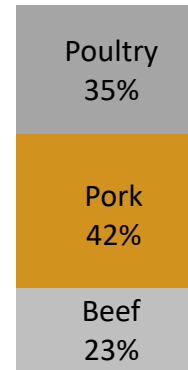
Disruption on Global Protein Market due to African Swine Fever

HIGHLIGHTS

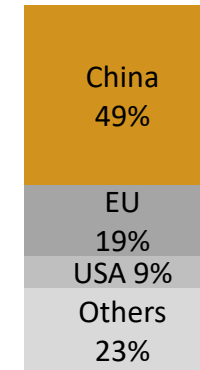
- Protein deficit as effect of ASF;
 - Short-term: increase on animal protein prices;
 - Long-term: ramping up global exports to China / shift on consumer preferences.
- Beef and South America**: uniquely positioned to take advantage of supply shock;
 - Strategic opportunity: long term food supplier for China;
 - Idle capacity (~75%): quick ramp-up on utilization rate;
 - Cattle availability and low-cost producer;
 - Commercial relationship with China: no trade barriers.

SUPPLY / DEMAND - PROTEIN

Meat Consumption World



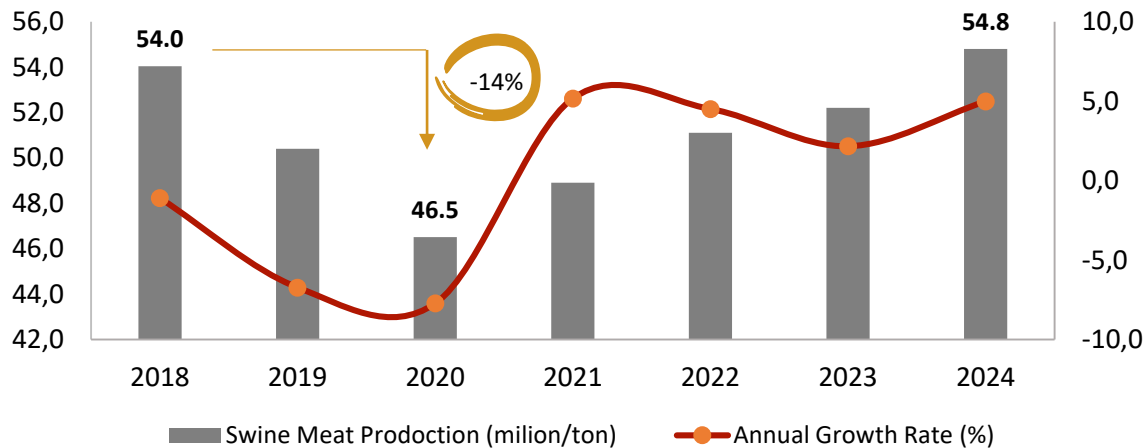
Pork Consumption World (~120mT)



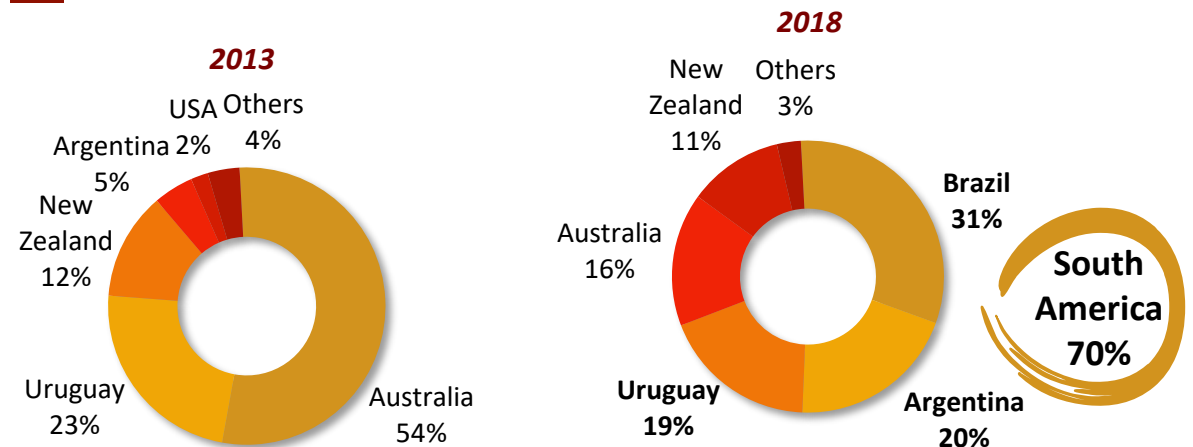
Chinese Pork Supply (~60mT)



SWINE MEAT PRODUCTION TREND - CHINA



CHINESE BEEF IMPORTS EVOLUTION - % OF VOLUME



Minerva

2Q19 Highlights

OPERATING AND FINANCIAL HIGHLIGHTS

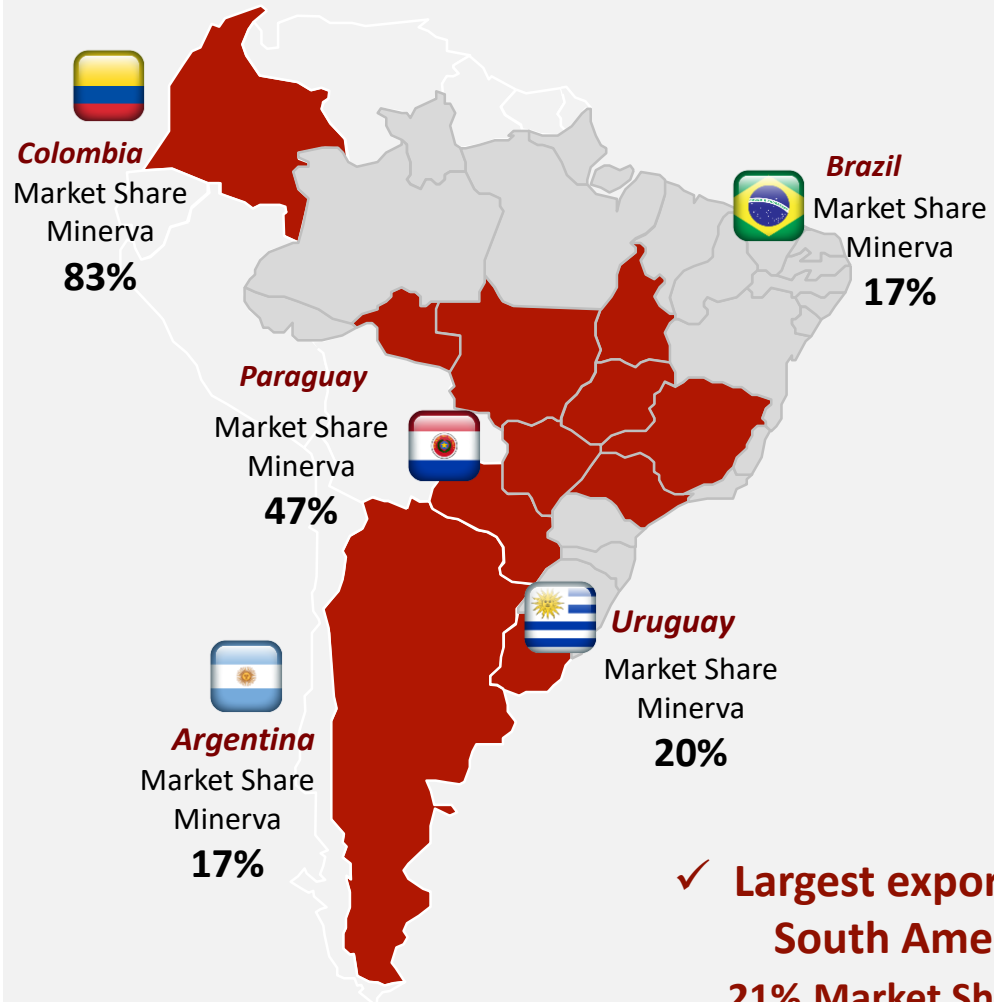
- **Operational Cash Flow 2Q19:** R\$322.4 million | **LTM2Q19:** R\$1,308.3 million
- **Recurring Free Cash Flow 2Q19:** R\$142.8 million | **LTM2Q19:** R\$641.9 million
- **Gross Revenue 2Q19:** R\$4.3 billion | **LTM2Q19:** R\$17.8 billion
 - **Breakdown 2Q19:**
 - **Brazilian Industry:** 42% of gross revenue | **Athena Foods:** 43% of gross revenue | **Trading:** 15% of gross revenue
- **Exports 2Q19:** 67% of gross revenue (+14% yoy) | **LTM2Q19:** 62% of gross revenue (+18% yoy)
- **Net Revenue 2Q19:** R\$4.0 billion (+8% yoy) | **LTM2Q19:** R\$16.7 billion (+12% yoy)
- **EBITDA 2Q19:** R\$363.9 million | **EBITDA Margin:** 9.0%
- **Adjusted EBITDA LTM2Q19:** R\$1.6 billion | **Adjusted EBITDA Margin:** 9.6%
- **Adjusted Net Profit before Taxes:** R\$26.5 million

CAPITAL STRUCTURE

- **Leverage measured by the net debt/LTM EBITDA ratio:** 3.8x
- **Cash Position:** R\$3.1 billion
- **6th Debenture Issuance :** R\$400 million – 3 years
- **Tender Offering of the outstanding Perpetual Bonds**

Share of Exports

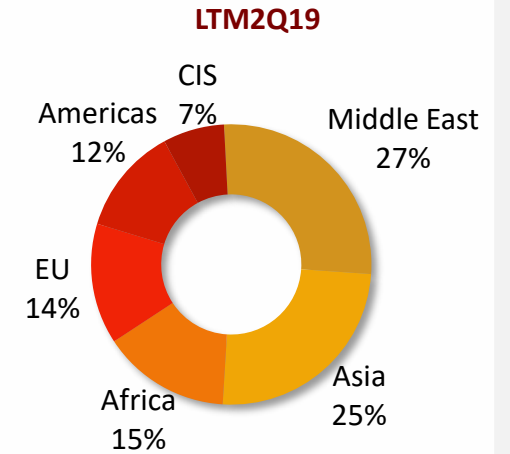
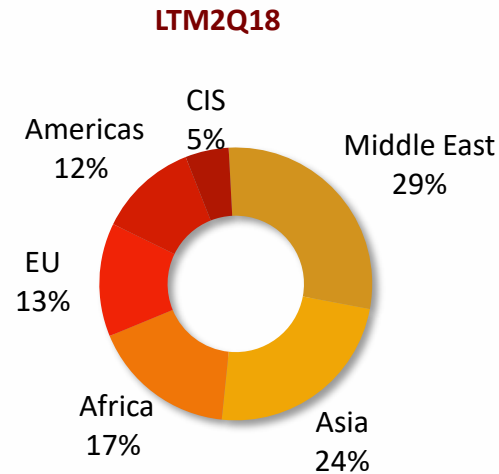
MARKET SHARE (EXPORTS PER COUNTRY) – 2Q19



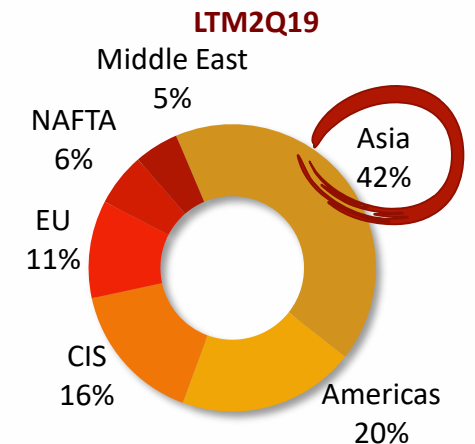
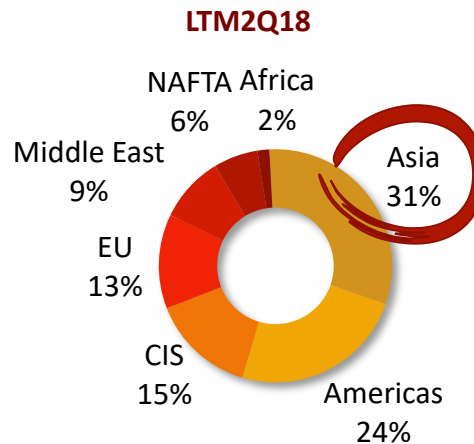
✓ Largest exporter in South America
21% Market Share

Sources: Minerva, Secex, INAC, SENACSA, DANE and IPCVA

BRAZILIAN DIVISION EXPORTS (% OF REVENUE)

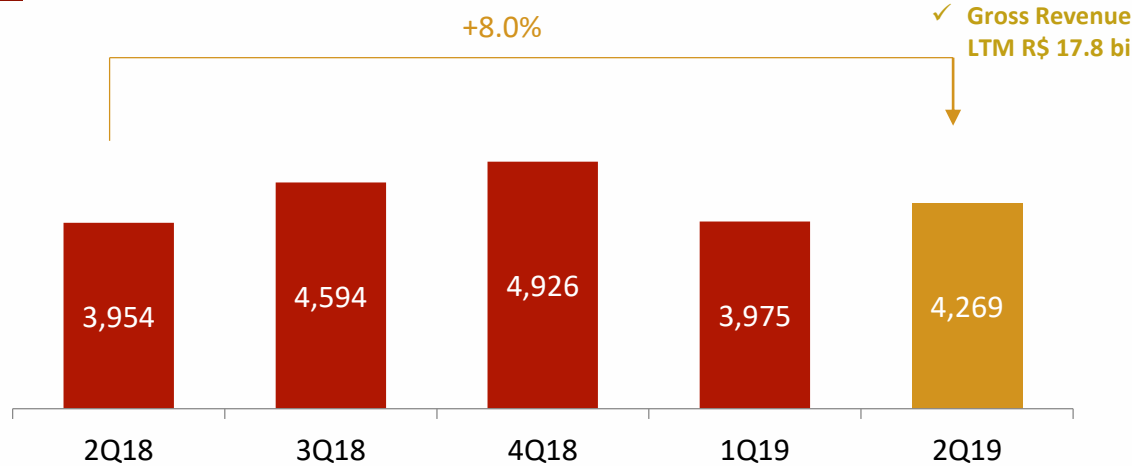


ATHENA FOODS OF EXPORTS (% OF REVENUE)

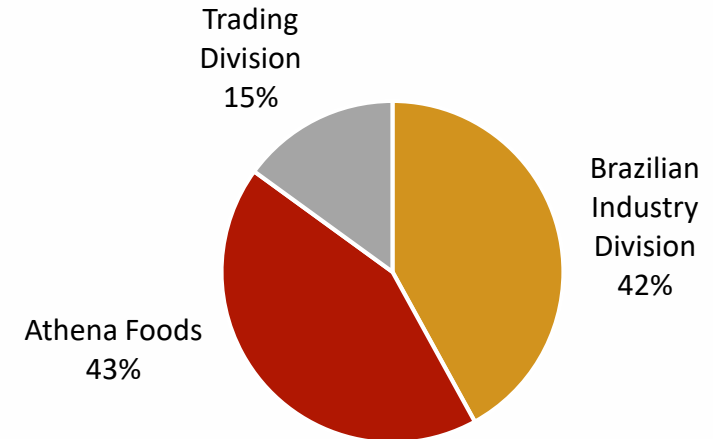


Operating and Financial Results

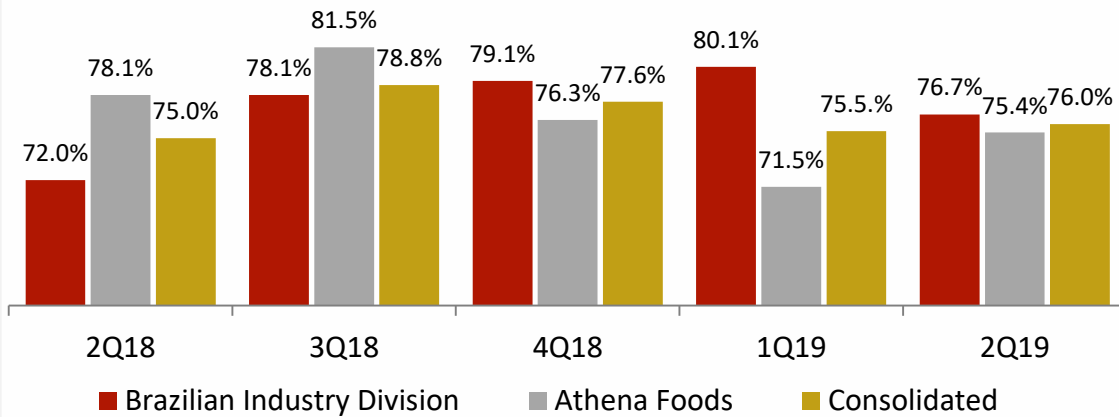
GROSS REVENUE (R\$ MILLION)



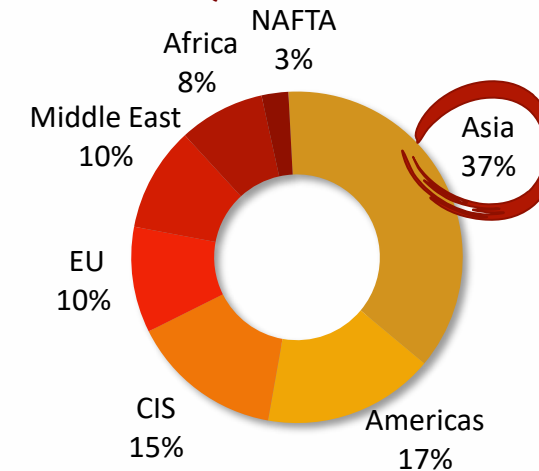
DIVISIONS BREAKDOWN (% OF GROSS REVENUE) – 2Q19



CAPACITY UTILIZATION

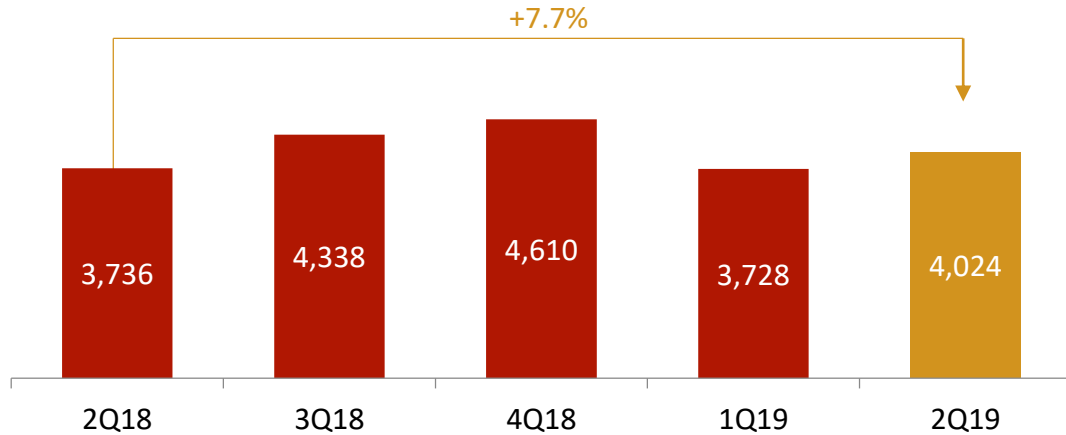


CONSOLIDATED EXPORTS 2Q19 - MINERVA

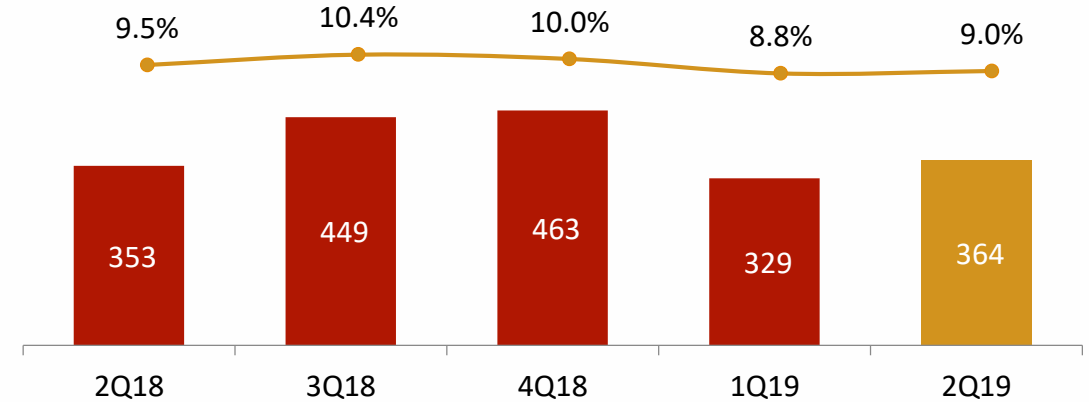


Operating and Financial Results (cont'd)

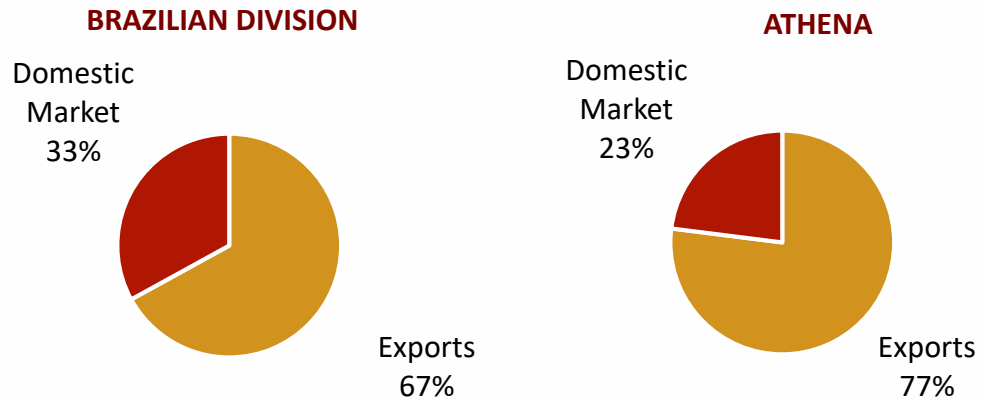
NET REVENUE (R\$ MILLION)



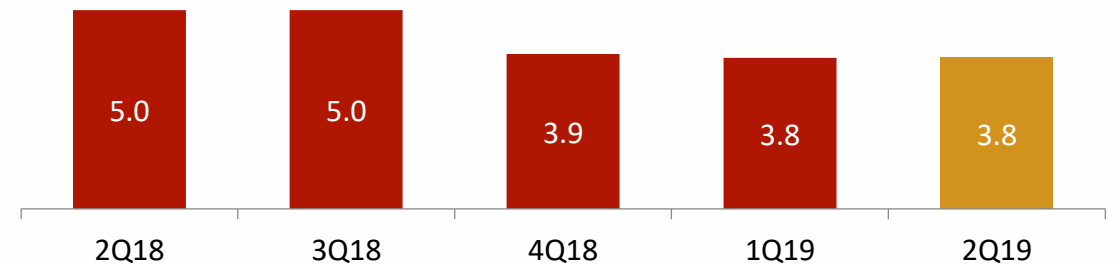
EBITDA (R\$ MILLION) AND EBITDA MARGIN (%)



GROSS REVENUE BREAKDOWN – 2Q19



NET DEBT/EBITDA LTM



Adjusted Net Result and Cash Flow

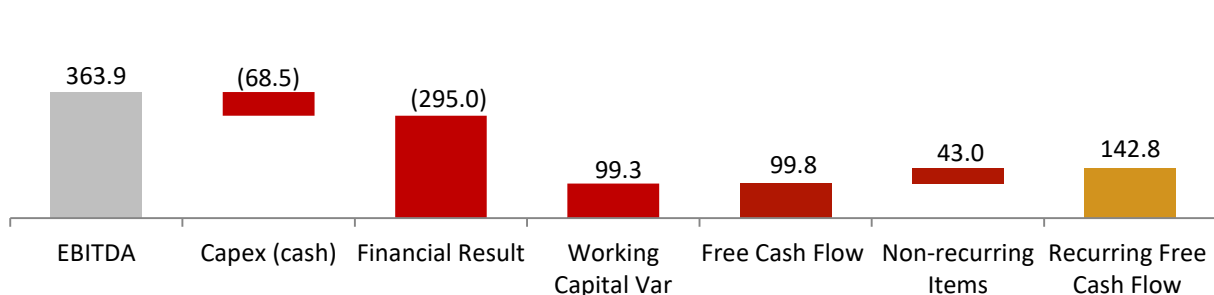
ADJUSTED NET PROFIT (R\$ MILLION)

R\$ Million	2Q19
Net Profit (Loss) before Taxes	-106.1
FX Variation (non cash)	-17.8
Monetary Correction	42.4
FX Hedge	65.0
Consent Solicitation	43.0
Adjusted Net Profit before Taxes	26.5

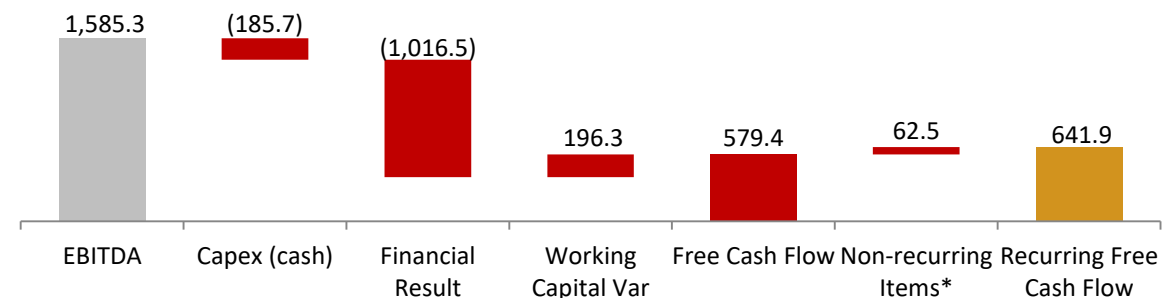
OPERATING CASH FLOW (R\$ MILLION)

R\$ Million	2Q19
Net Profit (Loss)	-113.3
(+) Net Profit (Loss) adjustments	336.4
(+) Changes in working capital requirements	99.3
Operating cash flow	322.4

FREE CASH FLOW 2Q19 (R\$ MILLION)



FREE CASH FLOW LTM2Q19 (R\$ MILLION)

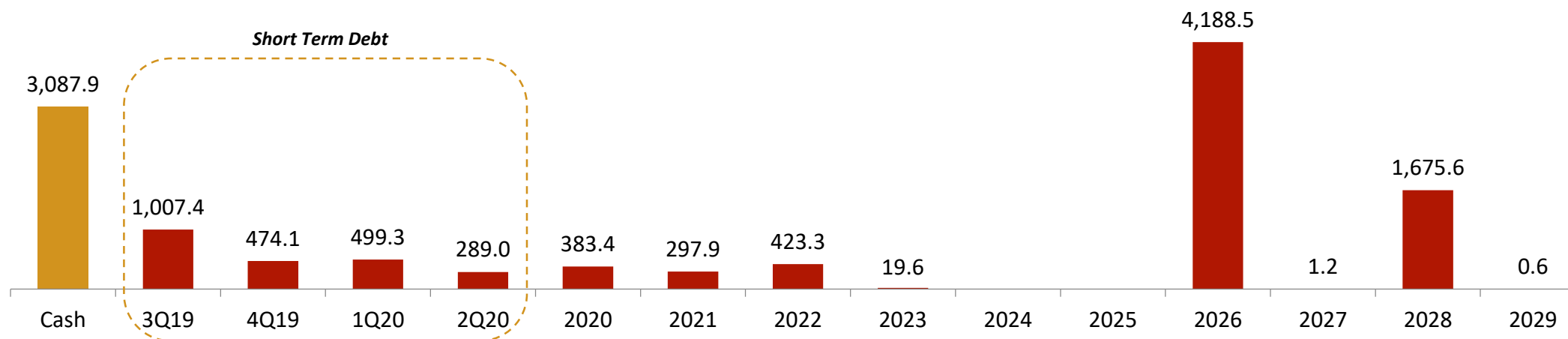


Capital Structure

HIGHLIGHTS

- Net Debt/LTM Adjusted EBITDA ratio: 3.8x
- Cash Position: R\$3.1 billion
- At the end of June approximately 75% of total debt was exposed to the dollar variation
- Debt Duration: 4.8 years
- 2Q19 local debenture issuance: R\$400 million (3Y)

DEBT AMORTIZATION SCHEDULE (R\$ MILLION) – JUN/19



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