



**IQ2I – Earnings
Presentation
May, 2021**

I Q2I Highlights



RESULTS

- ❑ **Consolidated Net Revenue** of R\$ 17.2 billion: + 27.7% *vs* 1Q20
 - ❑ **Net revenue by currency:** Dollar and other 93% | Reais 7%
- ❑ **Consolidated EBITDA^{adj}** of R\$1.7 billion: +40% *vs* 1Q20
- ❑ **EBITDA^{adj} Margin** of 9.9%: + 85 bps *vs* 1Q20
- ❑ **Revenue & EBITDA^{adj} by Operation:** North America (73%|89%) and South America (27%|11%)
 - ❑ **North America Operation:** Revenue of US\$2.3 billion and Margin EBITDA^{adj} of 12.0%
 - ❑ **South America Operation:** Revenue of R\$4.6 billion and Margin EBITDA^{adj} of 4.6%
- ❑ **Consolidated Net Profit:** R\$279 million *vs* loss of R\$137 million in 1Q20

FINANCIAL / OPERATIONAL

- ❑ **Operational Efficiency Program:** Capture of R\$ 80.8 million in 1Q21
- ❑ **Average Cost of Debt:** 4.66% p.a. *vs* 5.70% p.a. in 4Q20
- ❑ **Average Debt Term:** 5.1 years *vs* 3.5 years in 4Q20
- ❑ **Financial Leverage:** 1.68x in dolar (*vs* 2.84x in 1Q20) | 1.76x in real (*vs* 3.56x in 1Q20)

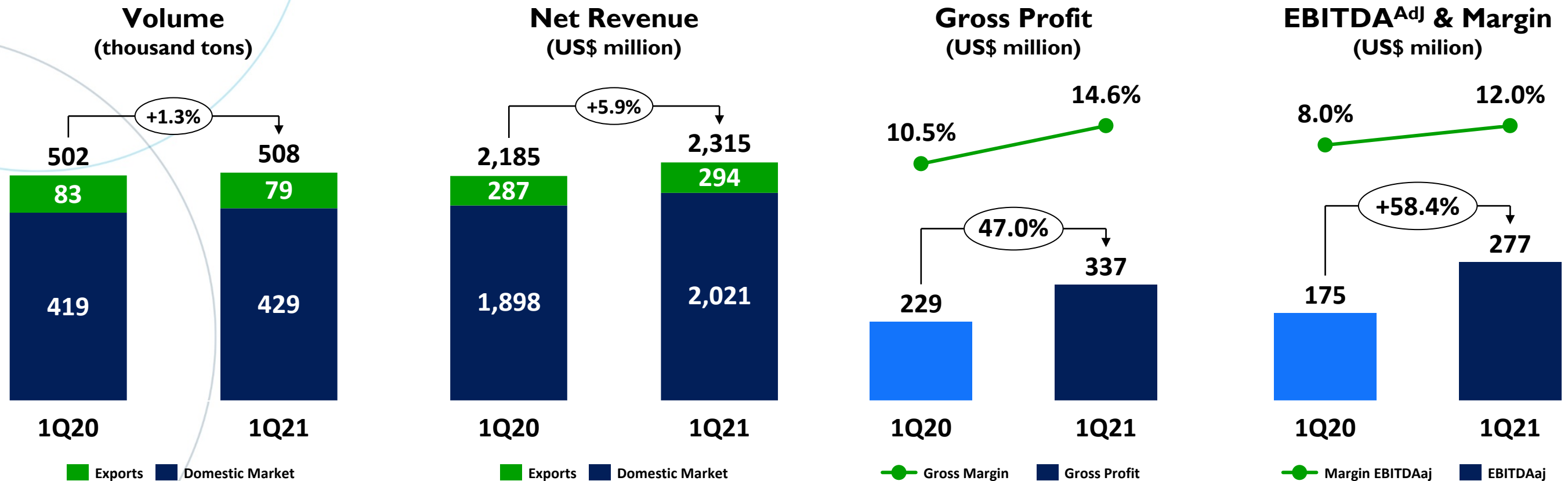
SUBSEQUENT EVENTS / OTHER

- ❑ **Dividends:** Payment of R\$ 0.20/share on April 30, 2021
- ❑ **Buyback Shares:** Up to 9.5 million shares, or 2.8% of the outstanding shares as of 3/9/21
- ❑ **Sustainability:** Advances Marfrig Verde+ Program in 1Q | Marfrig is the best rated globally in the sector
- ❑ **Plant Plus in 1Q21:** Constitution of the executive's directors | Appointment of Mr. John Pinto for the position of CEO

Operational Results



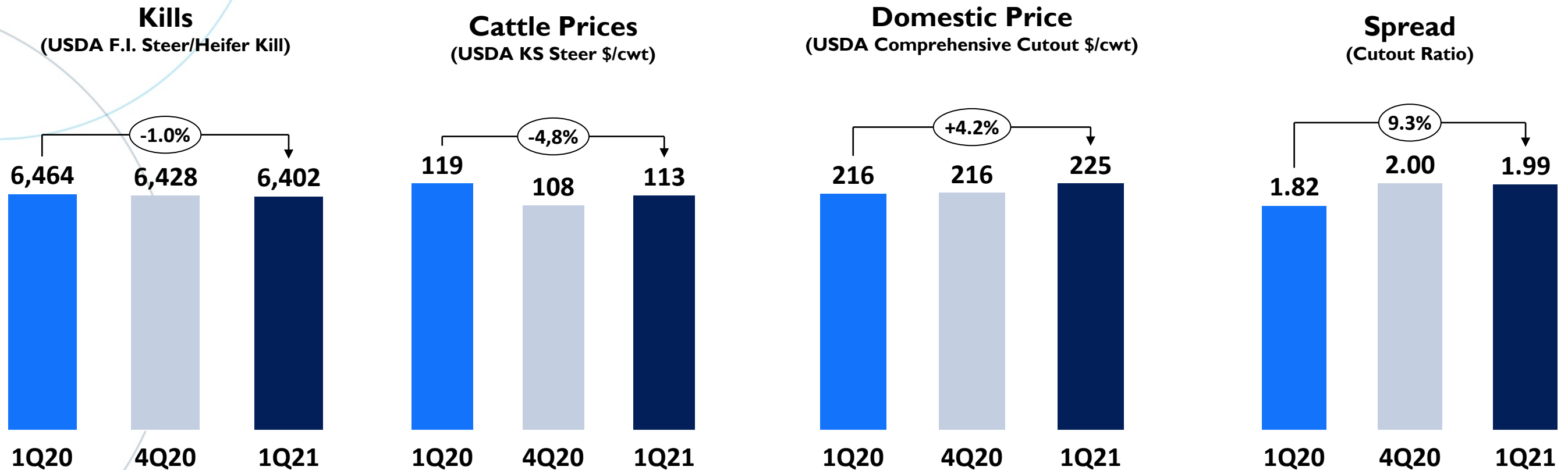
North America Operation 1/2



- Sales volume was 1.3% higher than the volume of the previous year, with focus on the domestic market, which grew 2.0% compared to 1Q20.
- The high availability of cattle (priced 4.8% lower than 1Q20) and the slaughter heavier animals contributed to the gain in the operation's gross margin.
- EBITDA^{aj} was US\$ 277 million, an increase of 58.4% compared to 1Q20. It important that in the 1Q20 result there were no additional expenses related to Covid.

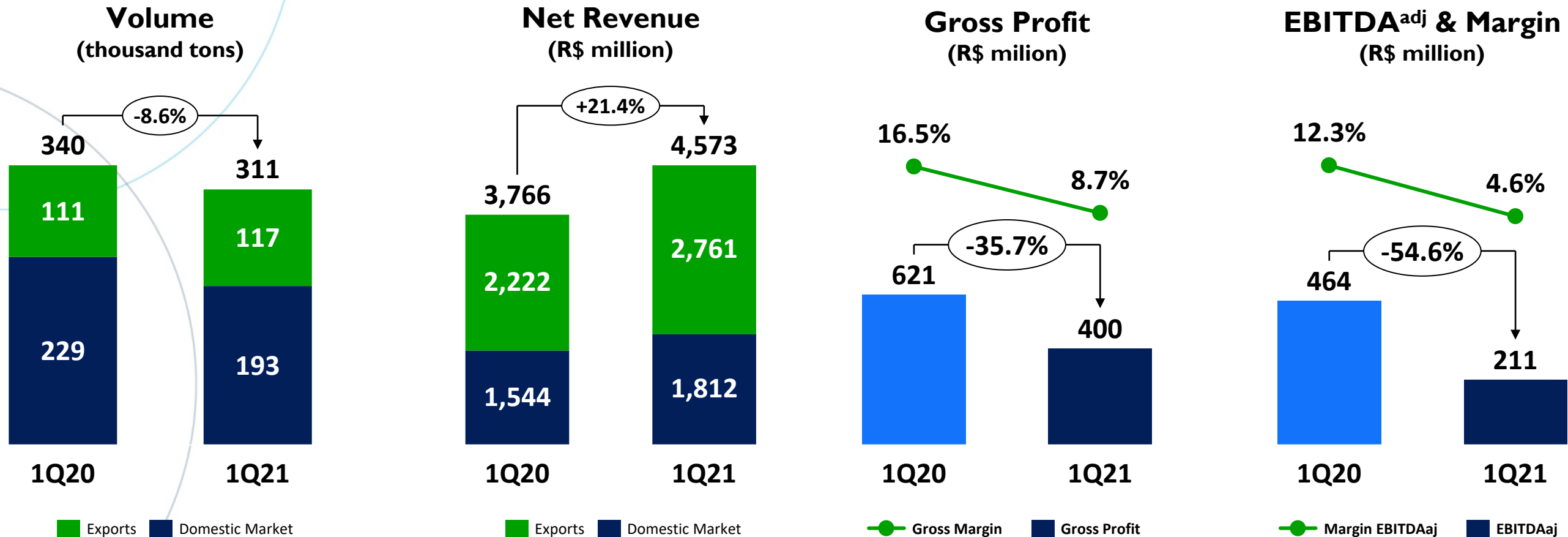
North America Operation 2/2

USA – MARKET DATA



- ❑ The main driver of the performance was the strong demand for beef combined with wide availability of animals.
- ❑ The average selling price in 1Q21 was 4.2% higher than in 1Q20, the result of the gradual normalization of the North American economy after the coronavirus pandemic, the strong vaccination process of the North American population and government incentives, which supported strong demand for beef.
- ❑ The Cutout Ratio for 1Q21 was 1.99, the highest historical value for a first quarter (+ 9.3% vs 1Q20).

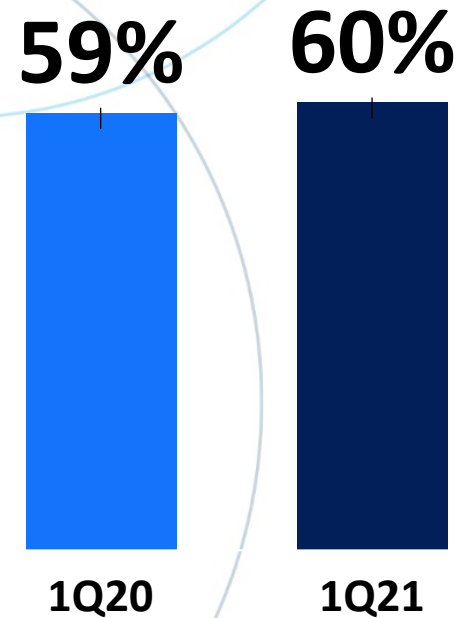
South America Operation – 1/2



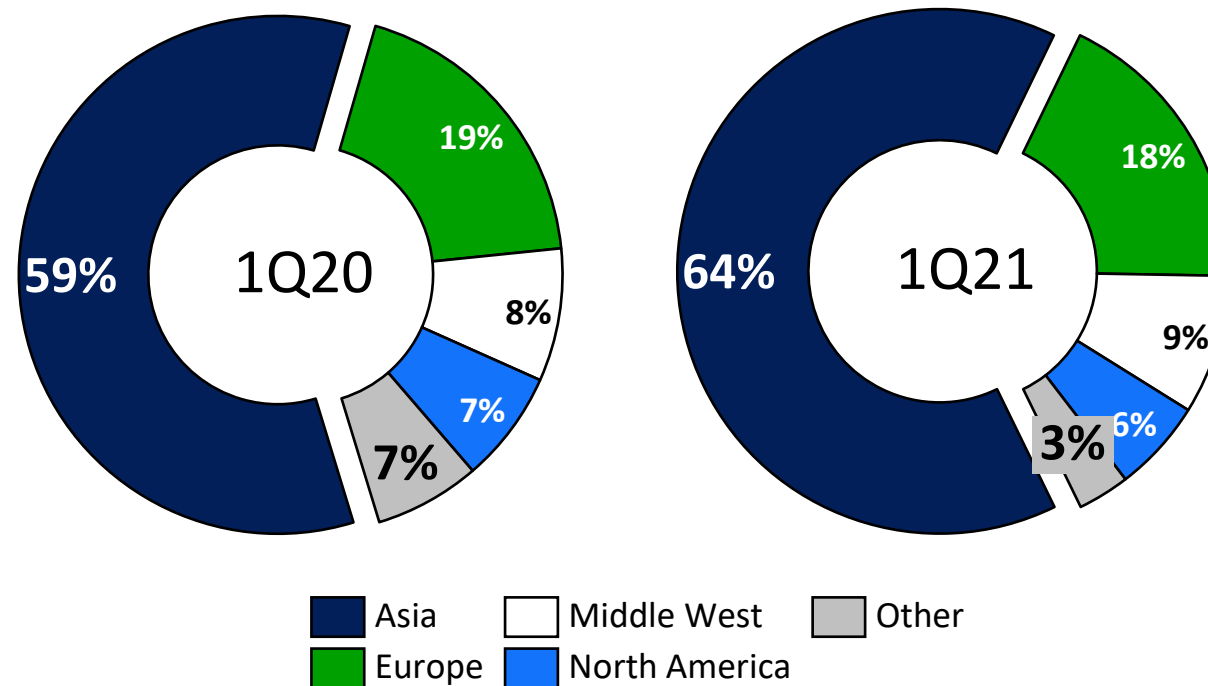
- ❑ The sales volume of the South America operation was 311 thousand tons, 8.6% lower than the volume of 1Q20, explained by the decrease in sales to the domestic markets.
- ❑ Net revenue was R\$ 4.6 billion in 1Q21, 21.4% higher when compared to 1Q20, explained by the increase in the volume of exports and the 29.1% devaluation of the real against the dollar.
- ❑ In 1Q21, EBITDA^{aj} was R\$ 211 million, a decrease of 54.6% compared to the same period in 2020, explained by the 52% increase in the price of raw material in relation to the same period in 2020.

South America Operation – 2/2


Exports
(% of revenues)



Export Destinations
(% of revenues)



Operational Improvement & Cost Management

- 
- + 0.8% in flank yield performance
 - + 0.6% in the front's yield performance
 - -10.0% in the cost of packaging per ton
 - Improvement in the performance of boneless and trimmings
 - Increase use of bone-in meat for China
 - Captures in the corporate
 - Improvement of the commercial mix, with emphasis on organic products
 - Optimization of Fixed Cost per animal
 - Improvement in the performance of boneless and trimmings

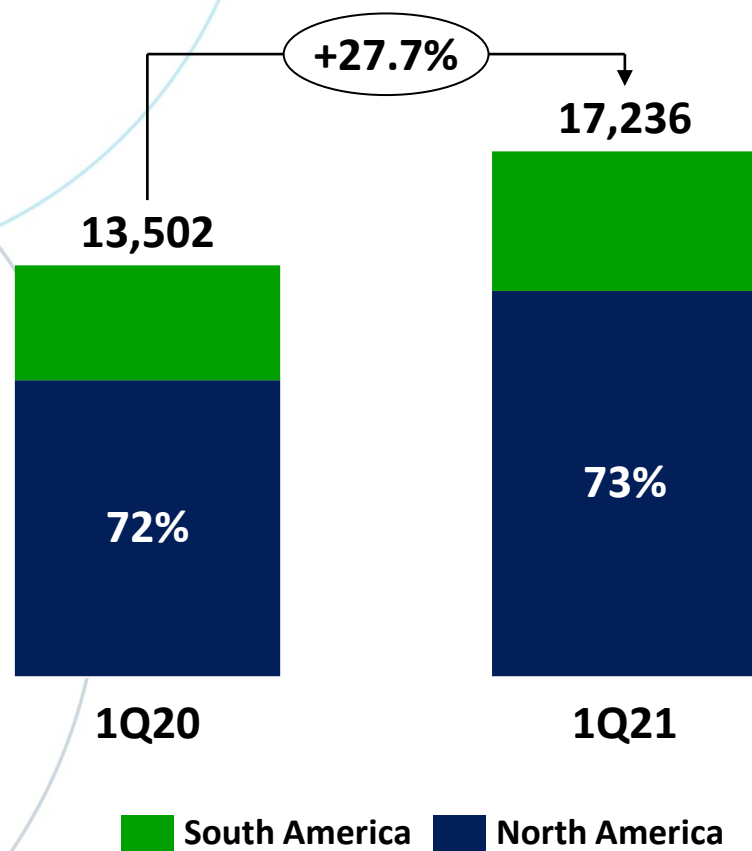
- ❑ Exports will represent 60% of the Net Revenue from the South America Operation.
- ❑ Approximately 64% of total export earnings went to Asia, especially China and Hong Kong, compared to 59% in 1Q20.
- ❑ The capture of the operational efficiency program in 1Q21 was R\$ 80.8 million, and had a direct impact on the operational performance of the South America Operation.

Consolidated Results

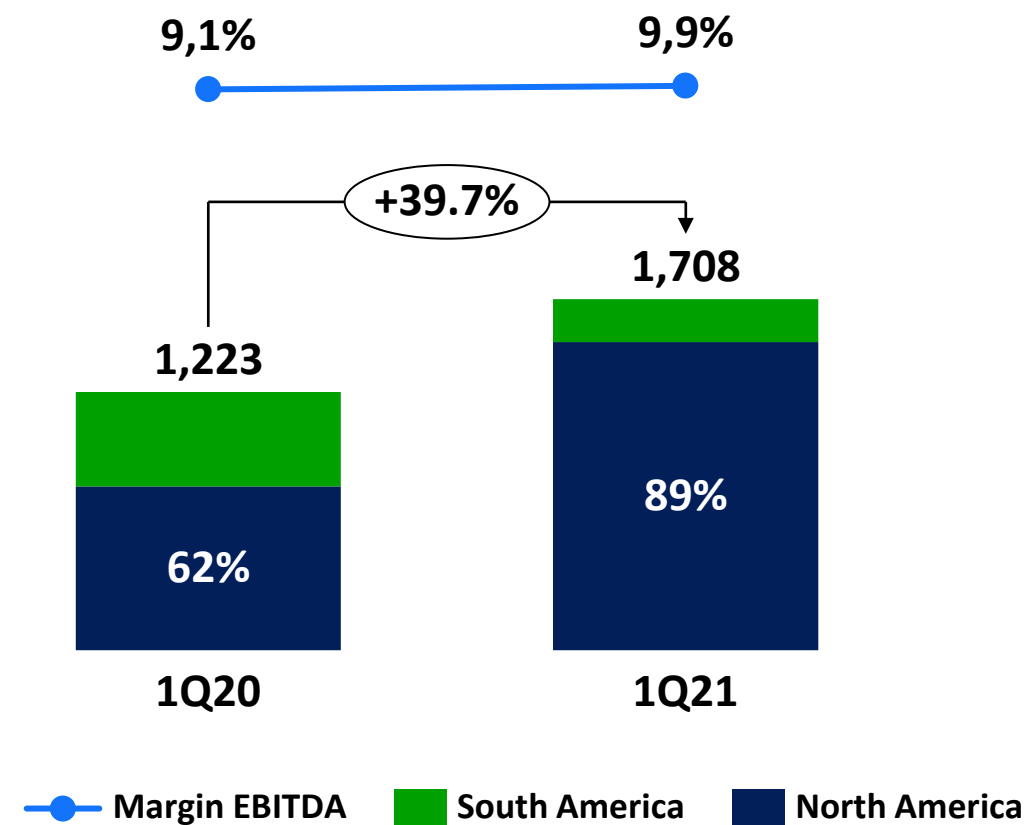


Net Revenue & EBITDA^{adj}

Net Revenue (R\$ million)



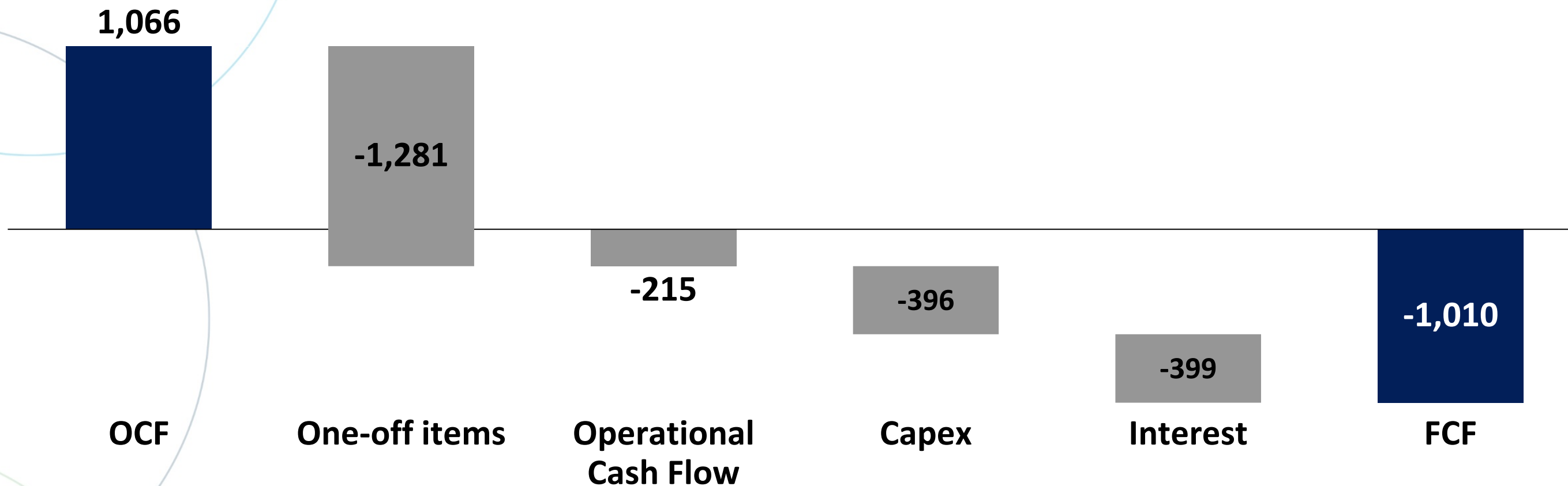
EBITDA^{adj} & Margin (R\$ million)



- In 1Q21, Marfrig's consolidated net revenue was R\$ 17,236 million, 27.7% higher than 1Q20 revenue. This increase is justified by the 21.4% growth in revenue from Operation South America and the 30,1% increase in revenue, measured in reais, from North America Operation in the period.
- EBITDA^{adj} was R\$ 1,708 million, an increase of 39.7% compared to 1Q20.

Cash Flow – 1Q21

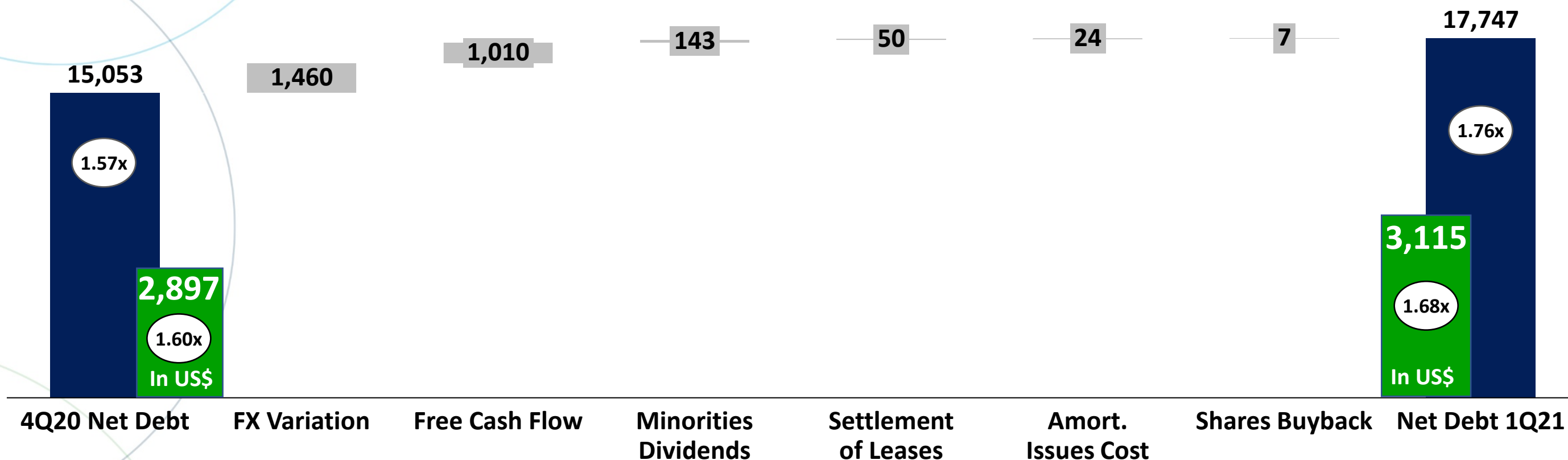
(R\$ million)



- ❑ In 1Q21, operating cash flow was a negative R\$ 215 million, mainly explained by the payment of the performance bonus, referring to the 2020 results, of the North America operation, which had a cash effect of R \$ 1.3 billion.
- ❑ Investments in the quarter amounted to R\$ 396 million, of which approximately 54%, equivalent to R\$ 212.7 million, were allocated to maintenance and improvement of operations, the rest being used for organic growth projects.

Evolution of Net Debt & Leverage

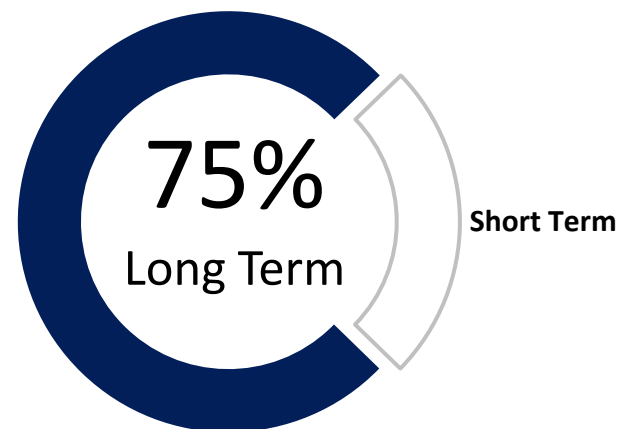
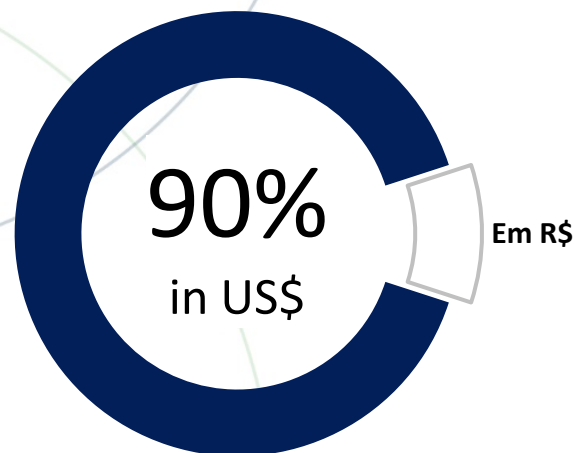
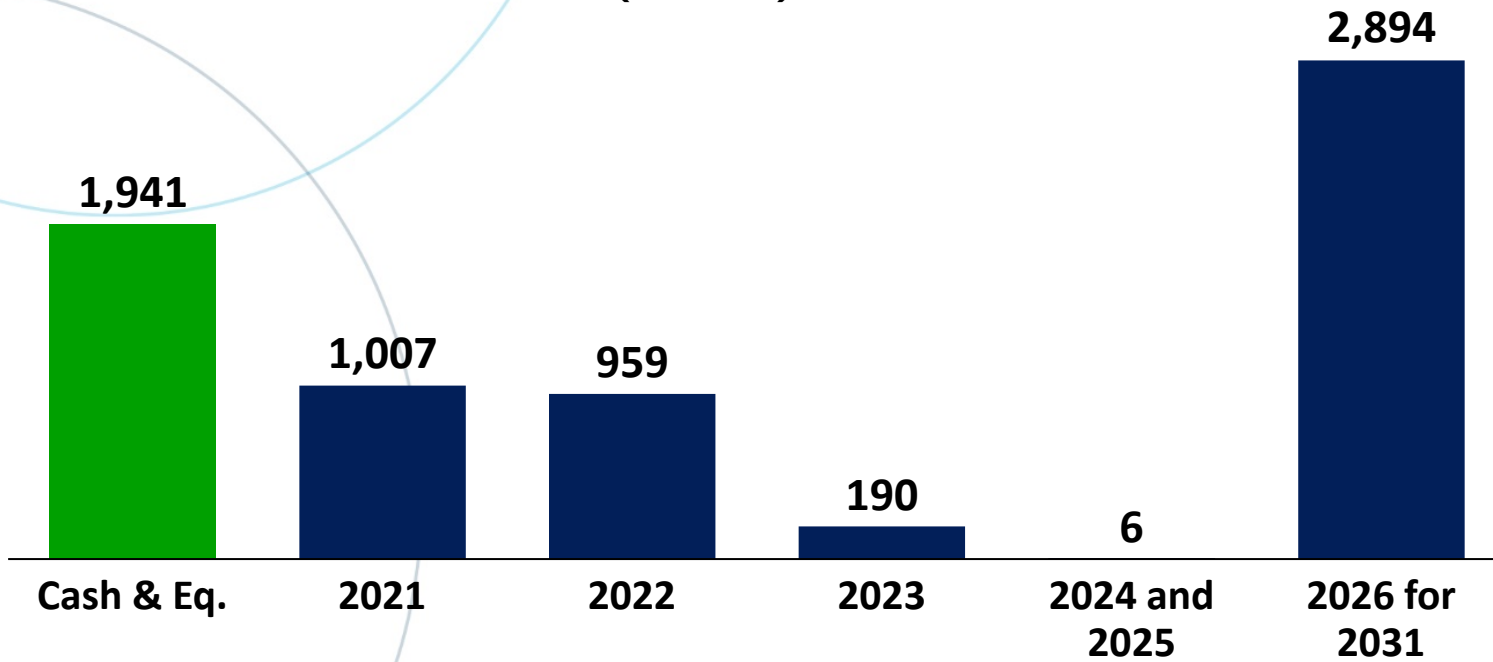
(R\$ million)



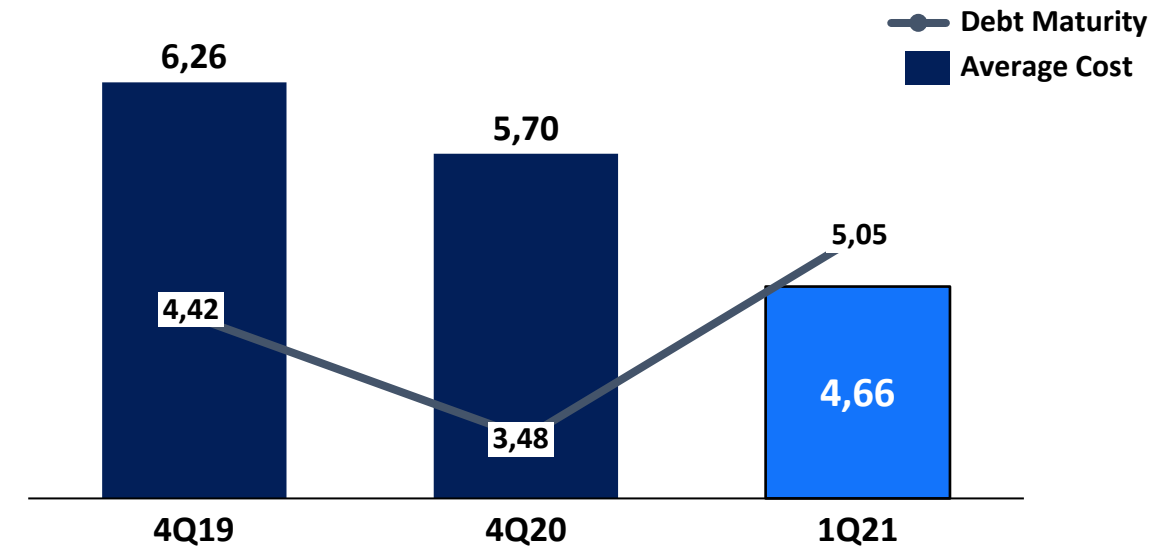
- The net debt on March 30, 2021 was US \$ 3,115 million, an increase of 7.5% in relation to the 4Q20 debt. The increase is mainly explained by the negative performance of cash generation in the first quarter
- In 1Q21, the amount of dividends paid to third parties was US \$ 26 million (R\$ 143 million).

Debt Profile

Cash Position and Debt Schedule in 03/31
(in US\$)



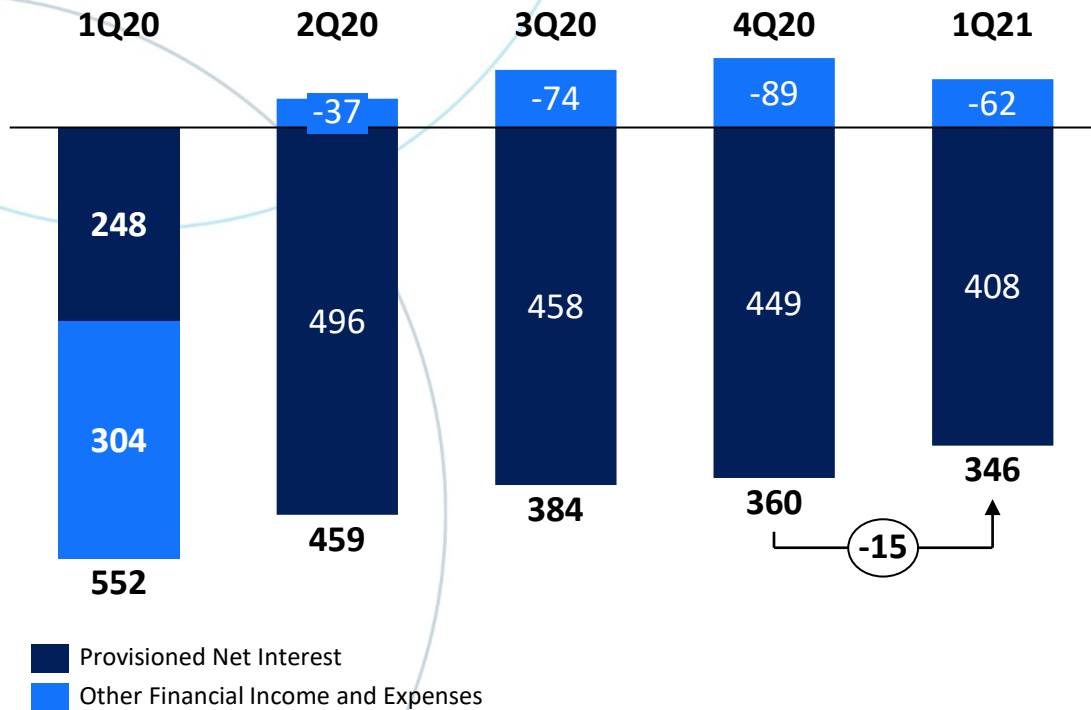
Average Cost & Debt Maturity
(% p.a. & years)



- On March 31, 2021, the Company had a cash position that covered debt maturities for the next 21 months, the average debt term increased to 5.05 years, an increase of almost 2 years compared to 4Q20.
- The average cost of debt at the end of the quarter was 4.66%, 104 basis points lower than 4Q20 and the lowest historical level of the Company.

Financial Result

(R\$ million)

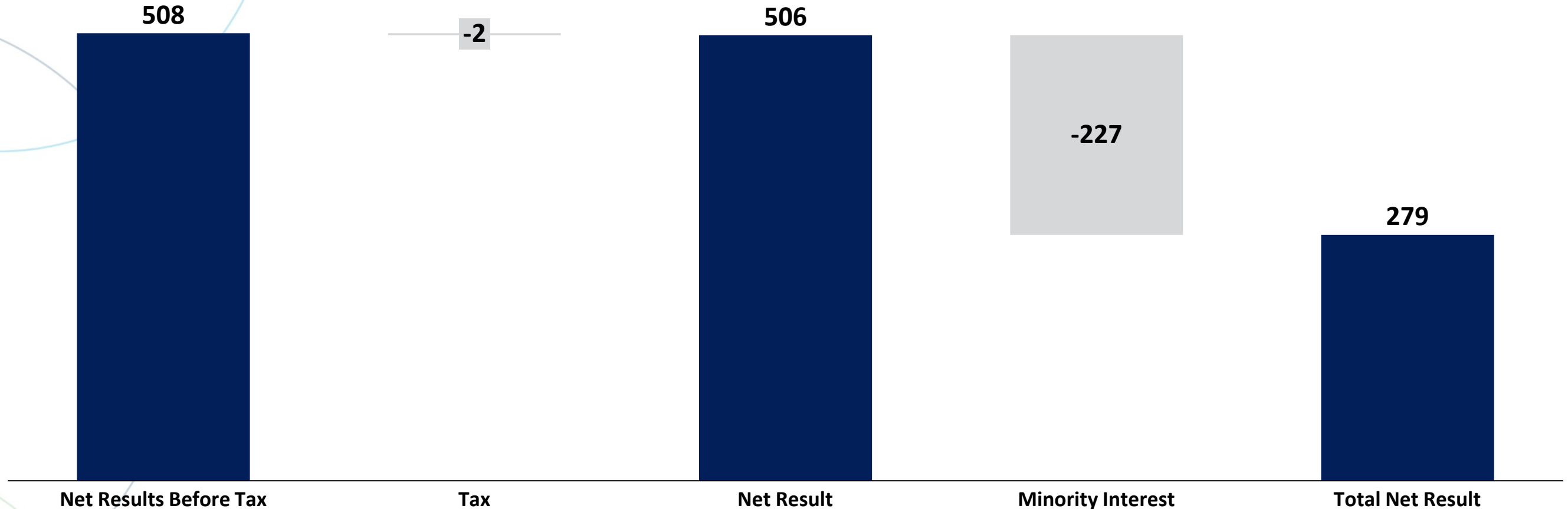


R\$ Million	1Q20	2Q20	3Q20	4Q20	1Q21	Δ 4Q20
Provisioned Net Interest	(248)	(496)	(458)	(449)	(408)	42
Other Revenues & Expenses	(304)	37	74	89	62	(27)
Recurring Financial Result	(552)	(459)	(384)	(360)	(346)	14
FX Variation	(632)	(314)	(229)	204	(387)	(591)
Net Financial Result	(1.183)	(774)	(613)	(156)	(733)	(577)

- ❑ The financial result was an expense of R\$ 345.6 million or US\$ 63.2 million, the lowest historical level of the Company.

Net Profit – 1Q21

(R\$ million)



- The strong operating performance, combined with a program to reduce financial expenses, led the Company to a net profit of R\$ 279 million in 1Q21, compared to a loss of R \$ 137 million in 1Q20.

PlantPlus Foods

Poised to capture the plant-based market opportunity



Meat alternative market has 16% CAGR and potential to reach \$25 billion in 2030¹

Consumer habits are evolving with 52% of Brazilians looking for alternative protein²

PlantPlus Foods JV Key Milestones

May 2020 – Marfrig & ADM announce agreement to create PlantPlus Foods JV across Americas markets

Oct 2020 – Marfrig & ADM launch PlantPlus Foods JV after completing regulatory approval

Q1 2021 – PlantPlus Foods JV Management Team: CEO John Pinto, CFO Alcira Borrás, CMO Rebecca Shapiro

Q2 2021 – Continues to expand in Foodservice in Brazil with Burger King, Outback and now Subway

May 2021 – PlantPlus Foods launches new portfolio for Retail & Foodservice in South America

New PlantPlus Foods Portfolio & “Life Is Worth Every Bite” Campaign



Marfrig scale
ADM sourcing and R&D

100% plant-based
made with natural ingredients

Leading edge
sensory experience & nutrition



MARFRIG HAS ROBUST ESG MANAGEMENT MODEL

STRATEGIC
PILLARS



SUSTAINABILITY

OPERATIONAL
EXCELLENCE



PRODUCTS AND
CUSTOMERS



FINANCIAL
STRENGTH



CORPORATE GOVERNANCE

PLATFORM OF
SUSTAINABILITY

1. Source control

2. Reduction
greenhouse gas
emissions

3. Animal welfare

**4. Use of natural
resources**
(water and energy)

**5. Effluent and waste
management,**
treatment and disposal

6. Social responsibility

SUSTAINABILITY
COMMITTEE

✓ **Bound to the Board**

✓ **Chairman and CEO**

✓ **2 Advisers**

✓ **2 Independent Members**

One, former executive director

Greenpeace

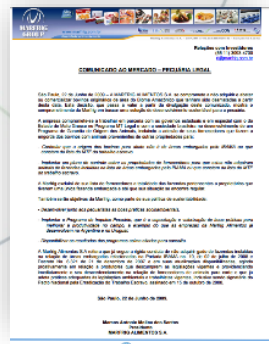


MORE THAN 10 YEARS INVESTING IN ESG



2009

Commitment to the deforestation-free chain in the Amazon



2014

100% of farm perimeters in the Amazon



2010

Launch of the satellite geomonitoring platform



2018

Marfrig establishes partnership with EMBRAPA to launch Carbon Neutral Meat and Low Carbon Meat



2019

Marfrig begins monitoring of fire spots in the Amazon via satellite

IN 2020 TAKES LEADERSHIP IN ESG IN THE SECTOR WITH SERIOUS ACTIONS AND COMMITMENT



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