Marfrig reports record-high quarterly results and positive net income for fourth straight quarter

***São Paulo, November 11, 2019 –** Marfrig Global Foods S.A. – Marfrig (B3 Novo Mercado: MRFG3 and Level 1 ADR: MRRTY) announces today its results for the third quarter of 2019 (3Q19). Except where stated otherwise, the following operating and financial information is presented in nominal Brazilian real, in accordance with International Financial Reporting Standards (IFRS), and should be read together with the income statement and notes to the financial statements for the period ended September 30, 2019 filed at the Securities and Exchange Commission of Brazil (CVM).*
To improve comparisons, the results herein are identified as "proforma," i.e., including 100% of the results of Quickfood, Várzea Grande and Iowa Premium in 3Q18.

Results described as "Continuing Operation" consider only the results of National Beef as of its acquisition as of June 2018, the results of the Ohio beef patty business as of the sale of Keystone, i.e., as of December 2018, the results of Quickfood as of January 2019, the results of Várzea Grande as of April 2019 and, lastly, the results of Iowa as of its approval, in June 2019.

HIGHLIGHTS

- **Financial**
  - Consolidated Net Revenue of R$12.7 billion in 3Q19, growing 3.6% from 3Q18 and setting a new record for the Company;
  - All-time high Adjusted EBITDA ("Adj. EBITDA") of R$1.5 billion, with margin of 11.8%, increasing 28.6% and 230 bps from 3Q18;
  - Operating Cash Flow of R$1.3 billion and Free Cash Flow[1] of R$844 million, setting yet another record in the quarter;
  - Net income of R$100.4 million, compared to the net loss of R$126.3 million in the same quarter of 2018.

The results in the first nine months of 2019 and the positive trend expected for the fourth quarter reinforce our confidence in meeting the guidance for the year.

- **Plant-based products**

In August, in partnership with the U.S.-based Archer Daniels Midland Company (ADM), one of the world's leading agricultural producers and food ingredient suppliers, Marfrig launched production and sales of plant-based products in Brazil. In an associated development, the fast food chain Burger King announced the launch in Brazil of its new Rebel Whopper burger made using Marfrig's plant-based burger.

- **Sustainability**

In July, Marfrig issued Sustainable Transition Bonds in a pioneering move in the local market, becoming the first Brazilian company to issue these kinds of bonds in the country. Moreover, this was the first 10-year bond issued by the Company and was placed with its lowest interest coupon ever.

1 Cash Flow before M&A and payment of dividends to third parties

In September, the Company and the Sustainable Trade Initiative (IDH) signed a letter of intent for the development of long-term rural development program for the beef production chain in the Brazilian states of Mato Grosso, Pará and Rondônia. The goal is to promote the supply of sustainably based raw materials as from the production of calves until the final product.

The program will focus on three works fronts with strategic public and private partners over the next 12 months with the goal of attracting investors: the development of a network of partners to provide technical support to cattle producers (current and future suppliers, both direct and indirect); financial mechanisms to help cattle producers implement best industry practices; tracking system to complement the current system with a focus on land-impact indicators and on the production of high-quality calves.

- **New authorizations:**

On September 9, the Ministry of Agriculture, Livestock and Supply ("MAPA") notified the Company of new authorizations for its plants to export beef to the People's Republic of China.

Marfrig had two (2) more plants authorized: Tangará da Serra and Várzea Grande, both in the state of Mato Grosso.

As a result, Marfrig remains the leader in South America as the company with the most plants authorized to export beef to China, with 11 plants authorized to export to the country, with 5 in Brazil, 4 in Uruguay and 2 in Argentina.

SUMMARY

MACROECONOMIC SCENARIO

In the **United States**, the unemployment rate ended September at 3.5% (source: U.S. Bureau of Labor Statistics), the lowest rate since 1969. Factors such as household income and purchasing power above the pre-crisis levels of 2009, the good performance is a consequence of " pro domestic growth" policy adopted by the government that has reflected in the country's economy, which posted GDP growth in 2Q19 (third revision) of 2% on an annualized basis. GDP growth for the whole of 2019 is projected at 2.35%, according to the IMF, demonstrating that the country remains the key growth driver among major developed economies.

In **Brazil,** GDP grew by 0.4% in 2Q19, which, albeit modest, was above expectations and halted the downward revisions in growth forecasts for 2019. In its latest report (Oct. 21), the IMF projected GDP growth for the year of 0.88%, which is line with the consensus forecast of economists surveyed by the Central Bank in its latest *Market Readout*. The forecast is 0.01% higher than in the last reading and the first upward revision after 6 downward revisions.

Despite the favorable revision for Brazil, the IMF cut its growth forecast for **South America** as a whole in its latest report, projecting growth of just 0.2% for 2019.

INDUSTRY SCENARIO

In the **United States**, the volume of cattle processed in 3Q19, which came to 6.6 million head (USDA), grew 0.7% on the same period of 2018, demonstrating the high supply of animals and the strong scenario for beef protein, which continues to expand rapidly even with the incident that shutdown the Tyson plant in Holcomb, Kansas (around 5% of the country's total primary processing capacity). According to the USDA, per-capita beef consumption in the country grew by 1.3% from 2013 to 2018. For 2019, the agency's forecast for consumption growth is 2.8%, to 58.8 pounds per capita, from 57.2 pounds in 2018.

In **Brazil**, the Ministry of Agriculture reported that the 3Q19 primary processing volume of 6.3 million head was 2% lower than in the same period of 2018, a period that was influenced by the cattle processing postponed in 2Q18 due to the truck drivers' strike, thereby distorting the comparison. Using 2Q19 for comparison, volume in the quarter rose 7.3%, which is directly related to the growth in export volumes driven by the new global scenario for proteins and the trade situation involving China. Export growth also affected prices in the domestic market by reducing the difference between protein prices, making beef more competitive in relation to other proteins.

In **Uruguay**, data from Inac showed a decline of 9.8% (503,000 head in 3Q19 vs. 558,000 in 3Q18) in total primary processing compared to 3Q18. The country is facing a shortage of fed cattle due to exports of live cattle in prior quarters and intense competition for cattle for the export market.

In **Argentina**, primary processing stood at 3.7 million in 3Q19, according to the Chamber of Commerce and Industry for Meat and Derivatives (Ciccra), a 9.3% increase from the same period of 2018 and the industry's best result since 2009. This growth was driven by

China's strong demand for beef, which was supported utilization rates and even the reopening of primary processing plants in the region.

African Swine Fever – New global protein scenario

African Swine Fever is a disease that does not affect human beings, but is lethal to pigs. The first outbreaks were confirmed by the Chinese government in mid-August 2018. In an alarming escalation and without effective vaccines, today the official estimate by China's Ministry of Agriculture is that the disease has caused a 40% reduction in the country's pork herd on the prior year.

Pig farming is extremely relevant in the country, since pork is the main meat consumed. In 2018, China accounted for 50% of global pork production and for 50% of global pork consumption.

According to the USDA, a total of 55.4 million tons of carcass-weight equivalent (CWE) were consumed in 2018. With dwindling parent and breeding stocks, the agency has projected a 12% drop in consumption for 2019 and another 22% decline for 2020.

Given the scarcity of pigs and as a measure to control prices, the Chinese government imposed rationing, with pork consumption limited to 900 grams per day/per person.

According to the Food and Agriculture Organization of the United Nations (FAO), the situation has created a 10% shortfall in world protein supply. This disruption generates two instantaneous effects: first, the migration of consumption to other proteins, and, second, higher imports to meet China's protein needs.

On the migration to beef protein, also according to the USDA, China's internal consumption of beef in 2018 was 7.9 million tons of CWE. Consumption growth is projected at 16.7% (9.2 million tons of CWE) for 2019 and another 3% for 2020. In a projection prepared by market experts[2], each additional kilogram of beef protein consumed per capita generates consumption of over 1.2 million tons, or approximately 80% of the total volume exported by Brazil in 2018.

With regard to higher imports to supply domestic needs, China is seeking alternatives, especially in the South American market. In September, more than 25 new plants were authorized in Brazil alone, 17 of which for cattle primary processing.

Chinese customs data show that Brazil and Argentina account for more than 40% of all volume of beef exported to China and, with the new authorizations, this percentage should rise even higher by year-end. In the case of Brazil, China combined with Hong Kong accounted for 42% of volume total exports in 3Q19.

[2] HSBC – swine fever report published in September 2019.

MARFRIG SCENARIO

A highlight in the quarter was the **progress made in product innovation and client relations.** We launched the production of plant-based burgers in partnership with ADM and with sales initially to Burger King, demonstrating Marfrig's industry leadership and alignment with consumer demands.

The Company also plans to launch a new line of plant-based products by year-end. The development is based on Marfrig's belief that consumers should have the power to choose between animal and plant-based products.

Also aligned with its **strategic focus on higher-value products and sustainability pillar**, Marfrig is one of the leaders in South America and Uruguay's leading exporter of USDA certified organic meat, a product highly valued in leading consumer markets. Marfrig also is planning for this year the launch of a line of carbon neutral beef.

The **footprint of the South America Operation** and the new authorizations of the Tangará da Serra and Várzea Grande units, both in the Brazilian state of Mato Grosso, put Marfrig in a privileged and leadership position to **meet the growing Chinese demand**.

In the quarter, approximately 60% Argentina's total export revenue and 64% of Uruguay's came from China. In the case of Brazil, which is awaiting the new authorizations to take effect, approximately 44% of its export revenue came from China.

Meanwhile, the **North America Operation** continues to post **successive quarters of record-high results**. The demand for beef protein and the ample supply of cattle further reinforce the excellent moment that Marfrig is enjoying in the region.

In this scenario, **Marfrig's delivered record-high consolidated results in 3Q19**, reinforcing our positive outlook for 2019 and for **meeting our guidance** for the year.

Consolidated net revenue was R$12.7 billion, advancing 3.6% on 3Q18 and setting a new record for the Company.

Gross income grew 16.2% on prior-year period to R$1.9 billion, with gross margin expanding 160 bps to 14.9%.

Consolidated Adj. EBITDA also set a new record, of R$1.5 billion, advancing 28.6% on the same quarter last year, with Adj. EBITDA margin of 11.8%.

Financial leverage measured by the ratio of Net Debt/Adj. EBITDA in U.S. dollar in the last 12 months stood at 2.43x, down 0.26x from the prior quarter.

MARFRIG

PRODUCTION

Marfrig has total primary processing capacity of approximately 33,000 head/day, as follows:

COUNTRY	Beef Primary Processing Units	Effective Processing Capacity (head/day)
USA	3	13,100
BRAZIL	14	14,800
URUGUAY	4	3,700
ARGENTINA	2	1,200
Total	**23**	**32,800**

Marfrig also is one of the world's leading beef patty producers, with a production platform in all countries where it has primary processing units. The Company has 12 further processed food units producing beef patties, canned beef, kibbeh, meatballs, sauces and other products, in line with its strategy to focus on higher-value products.

COUNTRY	Further Processing Units	Beef Patty Production Capacity (kton/year)
USA	5	106 kton
BRAZIL	3	69 kton
URUGUAY	1	18 kton
ARGENTINA	3	39 kton
Total	**12**	**232 kton**

Marfrig also has 10 distribution centers and sales offices in South America, Europe and Asia.

In Chile, Marfrig is the country's leading beef importer and distributor.

In Uruguay and Chile, Marfrig also has lamb primary processing lines with capacity of 6,500 head/day.

OPERATIONS:

NORTH AMERICA OPERATION

The fourth-largest beef processor and **one of the industry's most efficient companies** in the United States, the Operation has three primary processing plants with capacity of 13,100 head/day, which corresponds to over 3.3 million head/year, or roughly 14% of U.S. primary processing capacity. Its products are sold domestically in the retail, wholesale and food service channels, as well as exported to various markets. Marfrig is the **leading** U.S. exporter of chilled beef, with a focus on the **Japanese and South Korean markets**. The operation also has annual production capacity of **106,000 tons of beef patties**, markets complementary products and subproducts, has **tannery and logistics operations and sells products online** directly to consumers.

REVENUE AND VOLUME

NORTH AMERICA OPERATION	3Q19	3Q18	Chg.	
Tons (thousand)			**Tons**	**%**
Total Volume	488	481	7	1.5%
Domestic	412	413	(1)	-0.2%
Exports	76	68	8	11.5%
US $ Million			**US$**	**%**
Net Revenue	2,249	2,118	131	6.2%
Domestic	1,959	1,813	145	8.0%
Exports	290	305	(15)	-4.8%
COGS	(1,874)	(1,818)	(57)	3.1%
Gross profit	375	300	74	24.7%
Gross Margin (%)	16.7%	14.2%	- 250 bps	

Net revenue from the North American Operation was US$2,249 billion in 3Q19, growing 6.2% on 3Q18. This revenue growth is explained by the 8.3% increase in the average price practiced in the domestic market (US$4,754 in 3Q19 vs. US$4,391 in 3Q18), driven by the solid and consistent growth in U.S. beef demand and leveraged by the shortfall created from the reduction in supply due to the incident at a competitor.

In Brazilian real, net revenue was R$8.950 billion.

GROSS INCOME & GROSS MARGIN

Gross income from the North America Operation in the quarter was US$374.7 million, increasing 25% from US$300.5 million in 3Q18. The cutout ratio[3] (average beef price divided by average cattle cost) stood at 2.03, compared to 1.85 in 3Q18, with the better performance explained by the higher beef prices in the domestic market and by the lower cattle costs, due to the shutdown of the Tyson unit that increased the supply of fed cattle.

Gross margin in the quarter was 16.7%, up from 14.2% in 3Q18.

In Brazilian real, gross income was R$1,496.7 million.

[3] Source: USDA - USDA KS Steer $ cwt / USDA Comp Cutout $ cwt

SOUTH AMERICA OPERATION

One of the region's leading beef producers and exporters, with primary processing capacity of approximately 20,000 head/day, Marfrig is recognized for the quality of its products in both the local and international markets. Marfrig is one of the region's largest exporters and has **the most plants (11) in South America authorized to export to China**. In Brazil, Marfrig is the second largest beef processor**, with primary processing capacity of 14,800 head/day and the capacity to produce 69,000 tons of beef patties per year.** With brands renowned for their quality, such as **Bassi and Montana**, the Company focuses on retail and foodservice channels for the local market, with the best restaurants and steakhouses as customers.

In Uruguay, it is the industry's largest company and the only one to produce and sell **organic beef**, especially for export. **In Argentina,** in addition to having two primary processing plants, the Company is the **leading producer and seller of beef patties** and owns two of the region's most valuable and recognized brands (Paty and Vienissima!). **In Chile,** Marfrig is the **country's leading beef importer** and has a lamb primary processing plant in the Patagonia region.

On September 9, the Ministry of Agriculture, Livestock and Supply ("MAPA") notified the Company of new authorizations for its plants to export beef to the People's Republic of China.

Marfrig had two (2) more plants authorized: Tangará da Serra and Várzea Grande, both in the Brazilian state of Mato Grosso.

As a result, Marfrig, remains the South American company with the most plants authorized to export beef to China, with 11 plants authorized to export to that country, with 5 in Brazil, 4 in Uruguay and 2 in Argentina.

In the quarter, approximately 51% of the export revenue from South America Operation came from China, with the country accounting for 60% of Argentina's total export revenue and 64% of Uruguay's. In the case of Brazil, which is awaiting the new authorizations to take effect, approximately 44% of its export revenue came from China.

SALES REVENUE & VOLUME

SOUTH AMERICA OPERATION	3Q19 (a)	3Q18 (b)	2Q19 (c)	(a/b) Chg.		(a/c) Chg.	
Tons (thousand)				Tons	%	Tons	%
Total Volume	378	414	348	(36)	-8.8%	30	8.6%
Domestic	263	287	238	(24)	-8.4%	25	10.4%
Exports	115	128	110	(12)	-9.6%	5	4.7%
R$ million				R$	%	R$	%
Net Revenue	3,795	3,890	3,448	(95)	-2.4%	347	10.1%
Domestic	1,778	1,782	1,652	(3)	-0.2%	126	7.6%
Exports	2,016	2,108	1,795	(91)	-4.3%	221	12.3%
COGS	(3,390)	(3,449)	(3,052)	59	-1.7%	(338)	11.1%
Gross profit	404	441	395	(36)	-8.2%	9	2.3%
Gross Margin (%)	10.7%	11.3%	11.5%	- 60 bps		- 80 bps	

Net revenue from the South America Operation came to R$3,795 billion in 3Q19, down 2.4% from 3Q18, basically due to the lower sales volume (378,000 tons in 3Q19 vs 414,000 tons in 3Q18), which is explained by: (i) the strong performance in 3Q18, which was inflated by sales postponed due to the truck drivers' strike in 2Q18; (ii) the lower primary processing volume caused by the adjustment and optimization of the production footprint in Brazil; and (ii) the lower supply of fed cattle in Uruguay. These effects partially offset by the higher average sales prices in the domestic and export markets.

GROSS INCOME & GROSS MARGIN

In 3Q19, gross income from the South America operation was R$404 million, down 8.2% from 3Q18, due to the lower sales volume detailed above.

Gross margin stood at 10.7% in 3Q19, down 60 bps from 3Q18, which also is explained by the lower sales volume.

CONSOLIDATED RESULTS

CONSOLIDATED RESULTS	3Q19	3Q18	Chg.	
Tons (thousand)			**tons**	**%**
Total Volume	866	896	(29)	-3.3%
Domestic	675	700	(25)	-3.6%
Exports	192	196	(4)	-2.3%
R$ Million			**R$**	**%**
Net Revenue	12,744	12,302	443	3.6%
COGS	(10,844)	(10,667)	(177)	1.7%
Gross profit	1,900	1,635	265	16.2%
Gross Margin - (%)	14.9%	13.3%		162 bps
SG&A	(698)	(649)	(49)	7.5%
Commercial expenses	(533)	(539)	5	-1.0%
Administratives expenses	(164)	(110)	(54)	49.2%
(+) Depreciation & Amortization	(297)	(180)	(117)	64.7%
Adj. EBITDA	1,499	1,166	333	28.6%
Adj. EBITDA Margin - %	11.8%	9.5%		230 bps

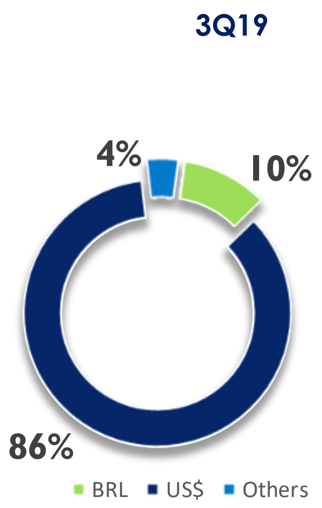
** Depreciation and amortization expenses allocated to Cost of Goods Sold (COGS) stood at R$222 million in 3Q19 and R$168 million in 3Q18 (pro forma basis). Meanwhile, depreciation and amortization expenses allocated to Selling, General and Administrative (SG&A) expenses stood at R$75 million in 3Q19 and R$12 million in 3Q18 (pro forma basis). The higher expenses with depreciation and amortization are mainly explained by the recognition of the opening balance sheet of National Beef as of 4Q18 and by the adoption of IFRS 16. For more details on the breakdown of costs and expenses, see Note 23 to the Quarterly Information (ITR) for 3Q19.*

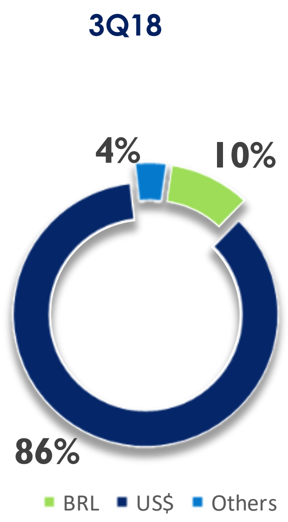
CONSOLIDATED NET REVENUE

Marfrig's consolidated net revenue in 3Q19 was R$12.7 billion, advancing 3.6% on 3Q18, basically explained by the higher revenue from the North American Operation and the higher prices in the domestic and export markets in South American Operation, which offsett the 3% decline in total sales volume, as explained above, the exceptional sales volume in 3Q18 was impacted by the sales postponed in the second quarter due to the truck drivers' strike.

In 3T19, net revenue denominated in foreign currency was stable at 90% of total revenue.

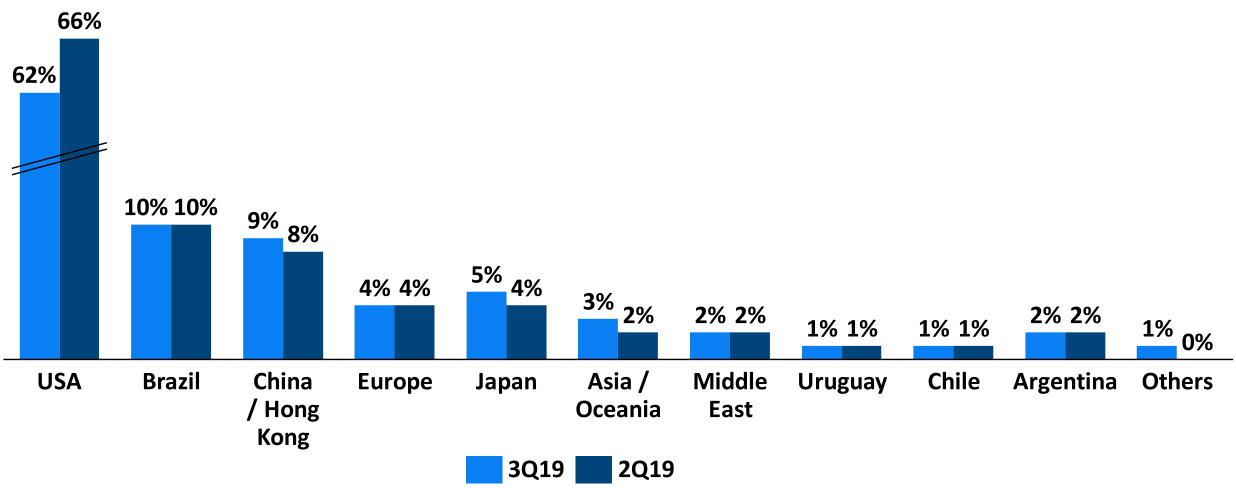
Revenue by Currency (%)





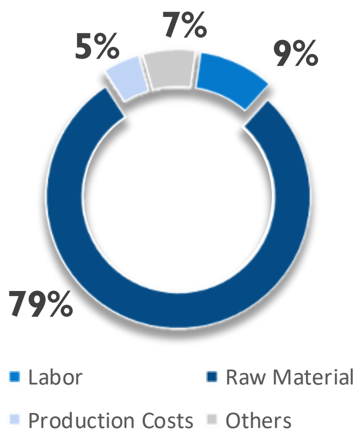
Consumer Markets (% of Consolidated Net Revenue)

Sales were highly concentrated in excellent and promising markets. The United States accounted for 62% of our sales and Brazil for around 10%, followed by China, Japan and Europe follow, which accounted for 9%, 5% and 4%, respectively.



COST OF GOODS SOLD ("COGS")

Marfrig's cost of goods sold in 3Q19 was R$10,844 million, up 1.7% from the same period last year, explained by the higher cattle cost, mainly in Brazil and Uruguay, which was partially offset by the lower primary processing volume.



In the United States, the USDA KS Steer[4] price reference averaged US$106/cwt[5], down 4.0% from 3Q18, explained by the higher cattle supply in the period.

In Brazil, the ESALQ São Paulo price reference for fed cattle averaged R$155.3/arroba (US$2.48/kg) in 3Q19, up 6.8% from the same period of 2018, mainly due to the stronger export demand.

In Uruguay, the INAC price reference increased 15.2% compared to 3Q18, with an average price of US$4.07 (INAC data). Growing and strong demand for exports, mainly to China, and the exports of live cattle in prior quarters decreased the supply of fed cattle and heavily pressured cattle costs in the quarter.

In Argentina, the cattle price reference stood at US$2.58/kg (MAG data – Argentina), down 1.9% compared to the same period of 2018, which means that Argentina continues to have one of the world's lowest cattle costs.

SELLING, GENERAL & ADMINISTRATIVE EXPENSES

Selling, general & administrative (SG&A) expenses amounted to R$698 million. SG&A expenses as a ratio of net revenue (SG&A/NOR) stood at 5.5%, compared to 5.3% in 3Q18.

Selling expenses came to R$533 million, corresponding to 4.2% of Net Revenue and in line with the prior-year period. In nominal terms, the amount is 1% lower than in 3Q18, explained by the lower sales volume in the period.

General and Administrative Expenses were R$164 million. Excluding the impact from the R$62.4 million in amortization from the recognition of the opening balance sheet of National Beef (as of 4Q18), G&A expenses were R$102 million, compared to R$110 million in 3Q18, corresponding to 0.80% of net revenue, compared to 0.90% in 3Q18, demonstrating the Company's focus on cost control.

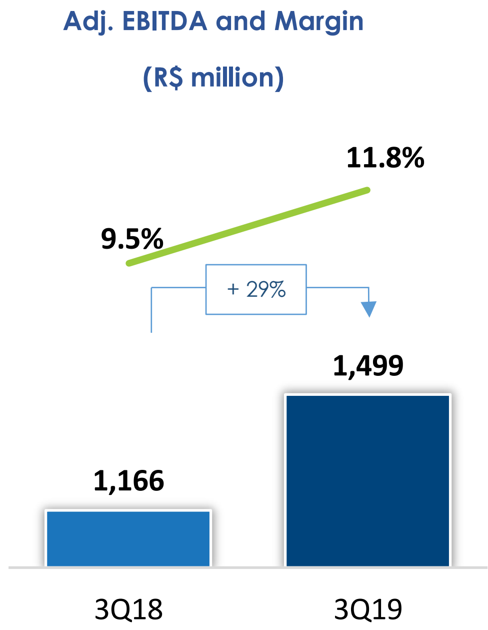
Adjusted EBITDA

Adj. EBITDA margin was 11.8%, expanding 230 bps from 3Q18.

Adj. EBITDA came to R$1,498.8 million, representing a new record for the Company and growth of 28.6% compared to 3Q18. This performance is explained by: (i) the better spreads in the North American Operation, with higher sales prices and lower cattle costs; (ii) the better prices in the domestic market of the South American operation; (iii) the

[4] "USDA KS Steer": cattle price reference in the U.S. state of Kansas.
[5] A "hundredweight," or Cwt, is a weight-measuring unit used in certain commodity contracts. In North America, a hundredweight equals 100 pounds.

better export mix, with more products exported to China; and (iv) the turnaround in the Argentina operation, with a return to profitability and operating efficiency gains.



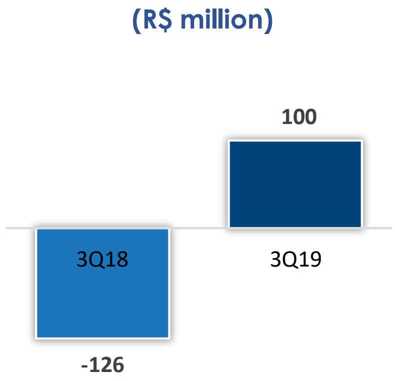
FINANCIAL RESULT

FINANCIAL RESULT	3Q19	2Q19	Chg.	
			R$	%
Net Interest Provisioned	(254)	(242)	(12)	5%
Other Financial Revenues and Expenses	(170)	(147)	(22)	15%
FINANCIAL RESULT EX-EXCHANGE VAR.	**(423)**	**(389)**	**(34)**	**9%**
Exchange Variation	(242)	(15)	(227)	1561%
NET FINANCIAL RESULT	**(665)**	**(404)**	**(262)**	**65%**

Note: the effects from currency translation on liabilities contracted by subsidiaries abroad, whose functional currency differs from that of the parent company, are recorded under shareholders' equity.

The net financial result in 3Q19 was an expense of R$665 million. Excluding the effects from exchange variation on debt, the financial result was R$423 million, up 8.8% from 2Q19, which is explained by higher expenses with interest pegged to foreign currency, by the costs with the issuance of Sustainable Transition Bonds.

NET INCOME (Continuing Operations)

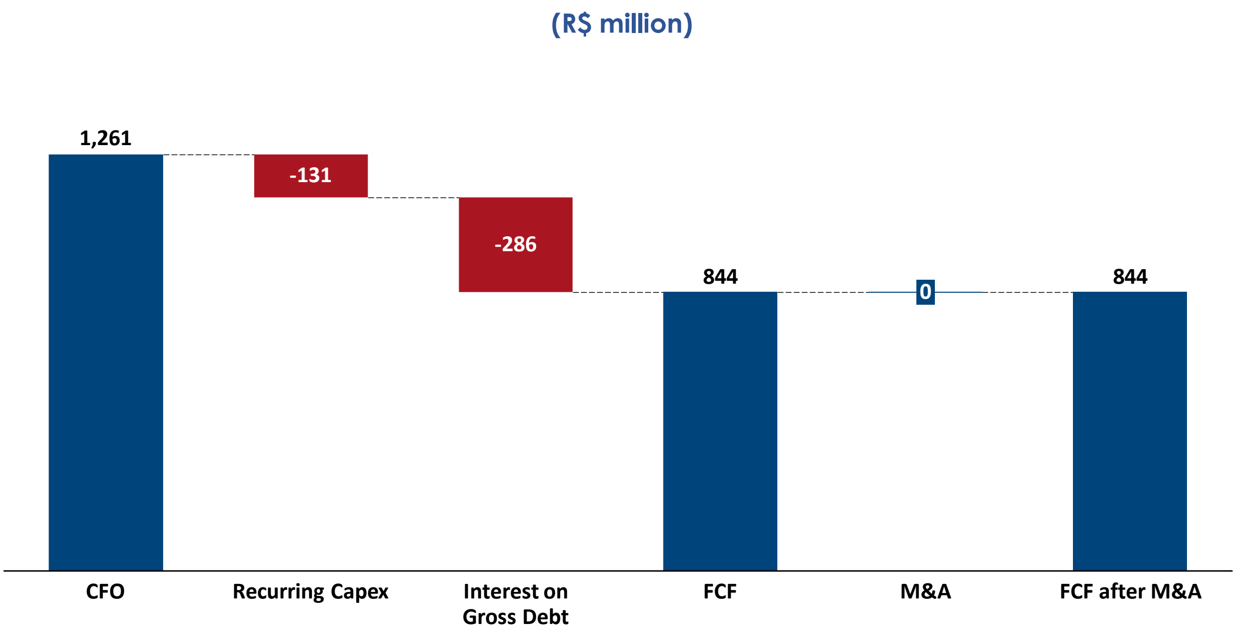


In 3Q19, Marfrig reported positive net income for the fourth straight quarter. Net income in the quarter was R$100.4 million, compared to the net loss of R$126.3 million in 3Q18, demonstrating the turnaround in profitability of the operations, with margin expansion, control of expenses and better management of financial costs.

CAPEX & INVESTMENTS

Recurring capex amounted to R$131 million in 3Q19, which was allocated to maintaining assets and to operational improvements. In the year to date, disbursement related to recurring capex were R$492 million, increase 5.9% from the investments made in the same period of 2018 (R$465 million).

CASH FLOW



Marfrig's operating cash flow (OCF) came to R$1,261 million.

In 3Q19, recurring capex was R$131 million.

Debt interest expenses in the quarter were R$286 million, impacted by the additional costs with the issue carried out in August.

As a result, free cash flow was R$844 million, advancing 10% from the free cash flow of R$408 million in 2Q19.

The cash flow was used to distribute dividends to third parties and to deleverage.

In this quarter, dividends paid to third parties by National Beef amounted to US$79.2 million (R$314.7 million).

DEBT

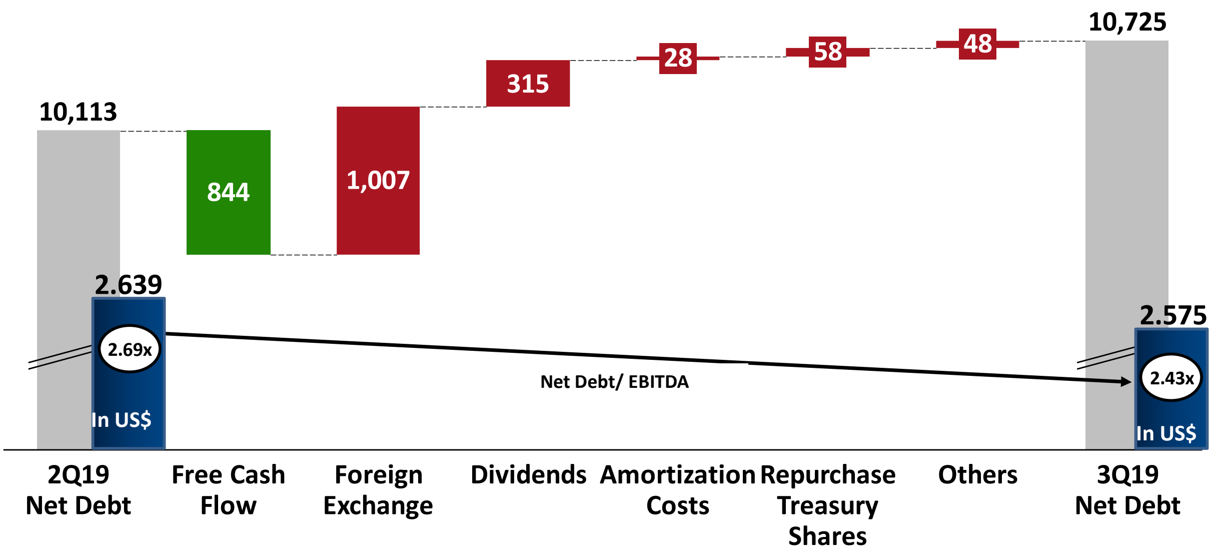
Because a large portion of Marfrig's debt is denominated in U.S. dollar (debt denominated in USD or currencies other than the BRL ended the quarter at roughly 98.7% of total debt), the variations discussed in this section are based on the amounts in U.S. dollar.

At June 30, 2019, the balance of gross debt stood at US$4,582 million and the balance of cash and marketable securities stood at US$2,007 million.

Marfrig's net debt stood at US$2,575, down 2% from the prior quarter, mainly explained by the generation of free cash flow.

In Brazilian real, net debt stood at R$10,725 million.

Changes in Net Debt
(R$ million)



Financial leverage, calculated by the ratio of net debt to proforma Adj. EBITDA LTM (last 12 months), was 2.43x in U.S. dollars, down 0.26x in relation to 2Q19. In Brazilian real, the leverage ratio was 2.59x.

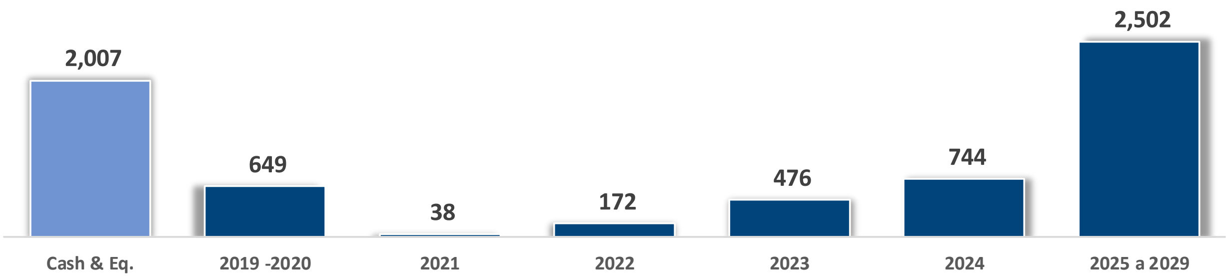
Net Debt / LTM Adj. EBITDA in USD	Net Debt / LTM Adj. EBITDA in BRL	Avg. Cost (% p.a.)	Avg. Term (years)
2.43x	**2.59x**	**6.74%**	**5.07**

Note: the calculation of the leverage ratio for the purpose of complying with the financial covenants of bank and capital market funding transactions, which establish a limit of 4.75x, includes provisions that allow for excluding exchange-variation effects. Accordingly, the ratio for this purpose ended 3Q19 at 1.08x (for more information, see Note 17.3 to the financial statements).

In July, the Company carried out a funding operation in the amount of US$500 million. The Sustainable Transition Bonds due in 2029 with coupon of 6.625% p.a. represents the first 10-year bond issued by the Company and obtained its lowest interest coupon ever.

Debt Maturity Schedule

(US$ million)



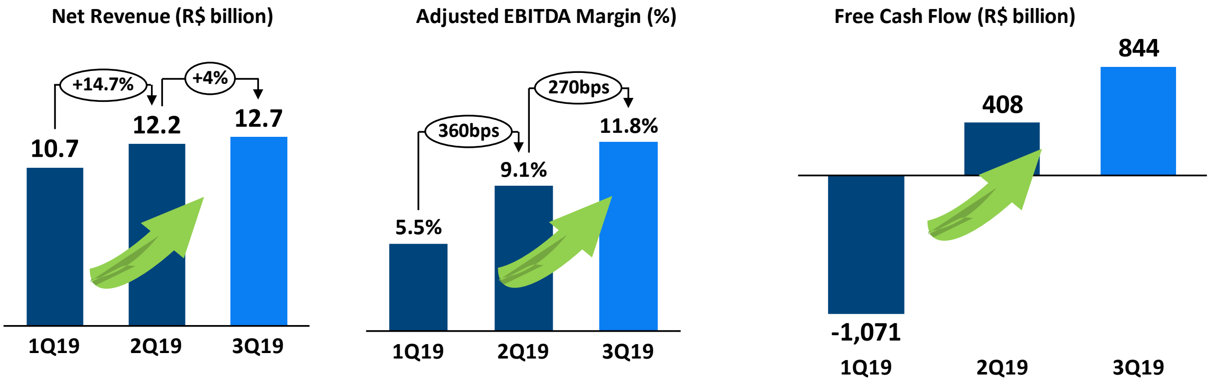
GUIDANCE

In view of the results for the year to September 2019 and the positive trend expected for the coming quarter, we reaffirm our guidance[2] given in the first quarter:

GUIDANCE 2019	Range	
	from	to:
Consolidated Net Revenue	R$ 47 billion	R$ 49 billion
Adj. EBITDA Margin	8.7%	9.5%
Free Cash Flow[1]	R$ 1 billion	R$ 1.5 billion

(1) Does not include M&A and payment of dividends to third parties
(2) The guidance is based on an exchange rate of R$3.90/US$1.00.

Actual results:



SUSTAINABILITY:

On the sustainability front, which is a strategic pillar of the Company, we highlight that in September, the Company and the Sustainable Trade Initiative (IDH) signed a letter of intent for the development of long-term rural development program for the beef production chain in the Brazilian states of Mato Grosso, Pará and Rondônia. The goal is to promote the supply of sustainably based raw materials as from the production of calves.

The program will focus on three works fronts with strategic public and private partners over the next 12 months with the goal of attracting investors: the development of a network of partners to provide technical support to cattle producers (current and future suppliers, both direct and indirect); financial mechanisms to help cattle producers implement best industry practices; tracking system to complement the current system with a focus on land-impact indicators and on the production of high-quality calves.

Follow the sustainability pillar, Marfrig should launch this year the first brand of Carbon Neutral Meat in partnership with the Brazilian Agricultural Research Corporation (Embrapa). The concept is to integrate the forest with livestock by neutralizing the emission of methane emitted by animals.

CLOSING REMARKS

Marfrig's strategy will continue to be guided by the generation of sustainable value, based on five pillars, for which we highlight key achievements:

- **Financial Solidity:**
    - 4th straight quarter of profitability;
    - Robust cash flow generation and record in the quarter;
    - Reduce leverage.

- **Operational Excellence:**
  - Optimization of sales teams across operations;
  - Turnaround of Argentina assets – Quickfood;
  - Restructuring of the Várzea Grande Complex, with expansion in primary processing capacity and higher utilization of the processed foods plant.

- **Products and Clients:**
  - Launch of the plant-based burger line; Supply agreement with Burger King.
- **Sustainability:**
  - Commitment to HDIs;
  - Brazil's first issue of sustainable bonds;
  - Partnership with Embrapa.
- **Corporate Governance:**
  - Creation of Sustainability Committee;
  - Revision and approval of new corporate governance policies. Following the approval of the new Compliance policies by the Board of Directors in May 2019, the Company's Employee training cycle began. The training sessions are made available to employees with administrative functions through a web platform and applied on-site to employees assigned to the operation. Training is in progress and has already been completed by 75% (seventy-five percent) of employees in administrative functions and 40% (forty percent) of employees in operational functions.

Marfrig is optimistic on the outlook for the next quarter and will continue to make its best efforts to deliver the targets set for 2019.

UPCOMING EVENTS

Earnings Conference Call

Date: November 12, 2019

Portuguese	**English**
2 p.m. (Brasília)	**2 p.m. (Brasília)**
Dial in Brazil: + 55 (11) 3181-8565 Or +55(11) 4210-1803	Dial in other countries: + 1 (412) 717-9627 Or +1 (844) 204-8942
Code: Marfrig	Code: Marfrig

Live audio webcast with slide presentation.
Replay available for download: www.marfrig.com.br/ri

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APPENDIX LIST

APPENDIX I

Proforma Income Statement

(R$ million)

	3Q19 (a)		3Q18 (b)		(a/b) Chg.	
	R$	%NOR	R$	%NOR	R$	%
Net Revenues	**12,744**	**100.0%**	**12,302**	**100.0%**	**443**	**3.6%**
COGS	(10,844)	-85.1%	(10,667)	-86.7%	(177)	1.7%
Gross Profit	**1,900**	**14.9%**	**1,635**	**13.3%**	**265**	**16.2%**
SG&A	**(698)**	**-5.5%**	**(649)**	**-5.3%**	**(49)**	**7.5%**
Commercial	(533)	-4.2%	(539)	-4.4%	5	-1.0%
Administratives	(164)	-1.3%	(110)	-0.9%	(54)	49.2%
Adj. EBITDA	**1,499**	**11.8%**	**1,166**	**9.5%**	**333**	**28.6%**
Others revenues/expenses	(29)	-0.2%	(27)	-0.2%	(2)	8.0%
EBITDA	**1,470**	**11.5%**	**1,139**	**9.3%**	**331**	**29.0%**
P&L - US$ x BRL	**R$ 3.92**		**R$ 3.61**		**0.31**	**8.7%**
BS - US$ x BRL	**R$ 3.83**		**R$ 3.86**		**-0.02**	**-0.6%**

APPENDIX II

Income Statement and EBITDA Reconciliation | Continuing Operation

(R$ million)

	3Q19 (a)		3Q18 (b)		(a/b) Chg.	
	R$	%NOR	R$	%NOR	R$	%
Net Revenues	**12,744**	**100.0%**	**11,089**	**100.0%**	**1,655**	**14.9%**
COGS	(10,844)	-85.1%	(9,573)	-86.3%	(1,271)	13.3%
Gross Profit	**1,900**	**14.9%**	**1,516**	**13.7%**	**384**	**25.3%**
SG&A	**(698)**	**-5.5%**	**(608)**	**-5.5%**	**(90)**	**14.7%**
Commercial	(533)	-4.2%	(519)	-4.7%	(14)	2.8%
Administratives	(164)	-1.3%	(89)	-0.8%	(75)	83.9%
Adj. EBITDA	**1,499**	**11.8%**	**1,080**	**9.7%**	**419**	**38.7%**
Others revenues/expenses	(29)	-0.2%	(26)	-0.2%	(3)	13.1%
EBITDA	**1,470**	**11.5%**	**1,055**	**9.5%**	**415**	**39.4%**
Equity Account	0	0.0%	-	0.0%	0	-
D&A	(297)	-2.3%	(173)	-1.6%	(124)	71.6%
EBIT	**1,173**	**9.2%**	**882**	**8.0%**	**291**	**33.0%**
Financial Results	**(665)**	**-5.2%**	**(714)**	**-6.4%**	**48**	**-6.8%**
Financial revenues/expenses	**(423)**	**-3.3%**	**(572)**	**-5.2%**	**149**	**-26.0%**
Exchange rate variation	**(242)**	**-1.9%**	**(141)**	**-1.3%**	**(101)**	**71.3%**
EBT	**508**	**4.0%**	**168**	**1.5%**	**340**	**202.1%**
Taxes	**133**	**1.0%**	**86**	**0.8%**	**47**	**54.8%**
Continued Operation - Net Profit	**641**	**5.0%**	**254**	**2.3%**	**387**	**152.2%**
Discontinued Operation - Net Profit	**-**	**0.0%**	**46**	**0.4%**	**(46)**	**-100.0%**
Total Net Profit	**641**	**5.0%**	**300**	**2.7%**	**341**	**113.7%**
Minority Stake	**(541)**	**-4.2%**	**(380)**	**-3.4%**	**(160)**	**42.1%**
Continued Operation - Net Profit	**100**	**0.8%**	**(126)**	**-1.1%**	**227**	**-179.5%**
Discontinued Operation - Net Profit	**-**	**0.0%**	**46**	**0.4%**	**(46)**	**-100.0%**
Total Net Profit	**100**	**0.8%**	**(80)**	**-0.7%**	**181**	**-224.8%**
P&L - US$ x BRL	**R$ 3.97**		**R$ 3.96**		**-R$ 3.92**	
BS - US$ x BRL	**R$ 4.16**		**R$ 4.00**		**-R$ 3.83**	

RECONCILIATION OF ADJUSTED EBITDA (R$ million)	3Q19	3Q18
Net Profit / Loss	**100**	**(126)**
(+) Provision for income and social contribution	(133)	(86)
(+) Non-controlling Interest	541	380
(+) Net Exchange Variation	242	141
(+) Net Financial Charges	423	572
(+) Depreciation & Amortization	297	173
(+) Equity Income	(0)	-
EBITDA	**1,470**	**1,055**
(+) Other Operacional Revenues/Expenses	29	26
Adj. EBITDA	**1,499**	**1,080**

APPENDIX III

Cash Flow | Continuing Operation

(R$ million)

Continued Free Cash Flow	3Q19	2Q19
Net Income/Loss	100	87
(+/-) Non cash items	1,222	758
(+/-) Account Receivable	(74)	(225)
(+/-) Inventories	(68)	(39)
(+/-) Suppliers	(45)	193
(+/-) Others	125	102
(=) Operational Cash Flow	1,261	876
(-) Total Capex and Investments	(131)	(497)
(-) Interest expenses	(286)	(277)
Cash Flow Before Third Party Dividends	**844**	**103**

APPENDIX IV

Balance Sheet

(R$ ‘000)

ASSETS	3Q19	4Q18
CURRENT ASSETS		
Cash and Marketable Securities	8,359,589	7,191,706
Trade accounts receivable	1,670,060	1,243,840
Inventories of goods and merchandise	2,548,353	1,822,280
Biological assets	20,877	16,570
Recoverable taxes	1,599,243	1,144,888
Prepaid expenses	45,506	53,833
Notes receivable	9,623	118,307
Advances to suppliers	101,775	58,628
Other receivables	166,262	112,905
	14,521,288	**11,762,957**
NON CURRENT ASSETS		
Court deposits	62,352	47,526
Notes receivable	40	220
Deferred income and social contribution taxes	1,638,526	999,844
Recoverable taxes	1,436,149	1,780,342
Other receivables	149,965	82,567
	3,287,032	**2,910,499**
Investments	47,210	42,545
Property, plant and equipment	6,491,935	5,231,216
Intangible assets	7,066,645	6,557,055
	13,605,790	**11,830,816**
TOTAL ASSETS	**31,414,110**	**26,504,272**

LIABILITIES	3Q19	4Q18
CURRENT LIABILITIES		
Trade accounts payable	2,254,027	2,148,983
Supply chain finance	173,056	182,635
Accrued payroll and related charges	635,612	564,391
Taxes payable	365,999	345,438
Loans and financing	2,698,589	3,665,455
Notes payable	160,673	185,522
Lease payable	133,713	3,209
Advances from customers	1,262,260	1,093,168
Other payables	425,342	457,589
	8,109,271	**8,646,390**
NON CURRENT LIABILITIES		
Loans and financing	16,386,170	11,567,895
Taxes payable	781,440	833,591
Deferred income and social contribution taxes	241,181	118,911
Provisions for contingencies	370,530	301,667
Lease payable	436,054	2,102
Notes payable	247,425	301,945
Advances from customers	416,440	387,480
Other	173,077	332,734
	19,052,317	**13,846,325**
CONTROLLING SHAREHOLDER´S EQUITY		
Share Capital	7,427,677	7,427,677
Capital reserve	-10,408	47,614
Profit reserves	51,824	51,824
Other comprehensive income	-3,998,846	-3,535,777
Accumulated losses	-3,122,186	-3,317,874
Controlling Shareholder's Equity	**348,061**	**673,464**
Non-controlling interest	3,904,461	3,338,093
Total Controlling Shareholder's Equity	**4,252,522**	**4,011,557**
TOTAL LIABILITIES	**31,414,110**	**26,504,272**