



9M20

Earnings Conference Call

February 14th, 2020

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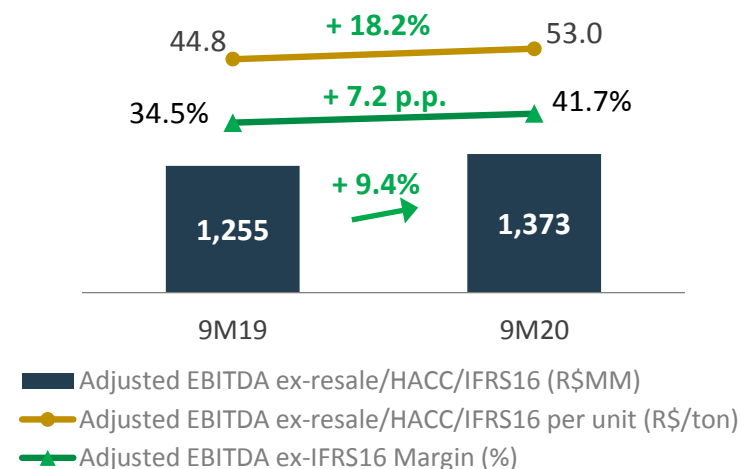
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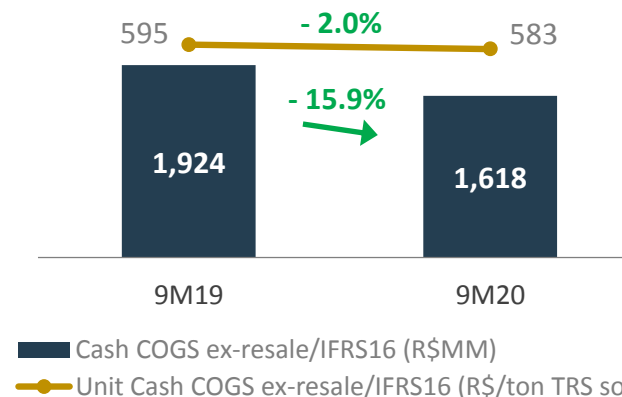
9M20 Highlights

- Adjusted EBITDA ex-resale/HACC increased 9.4% to R\$1.4 billion, with EBITDA Margin expanding 7.2 p.p. to 41.7%, and EBITDA per unit increased 18.2% to R\$53.0 per ton, compared to 9M19;
- Cash COGS ex-resale decreased 15.9%, with Cash COGS per unit decreasing 2.0%;
- The share of ethanol in the production mix reached 64.6% given the product's higher profitability in relation to sugar, in line with 9M19;
- Crushing volume reached 25.9 million tons, in line with 9M19;
- TCH increased 2.1% to 80.1 ton/ha;
- The industrial efficiency Product TRS/Cane TRS increased 0.9% to 1.011 in 9M20.

Adjusted EBITDA ex-resale/HACC (R\$MM), Margin (%) & per unit (R\$/ton)

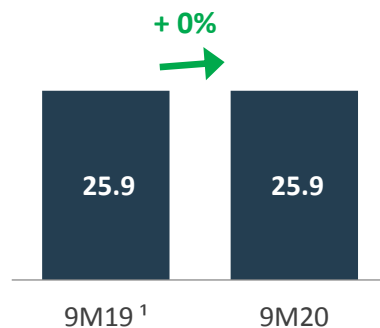


Cash COGS ex-resale (R\$MM) & Unit Cash COGS ex-resale (R\$/ton TRS sold)

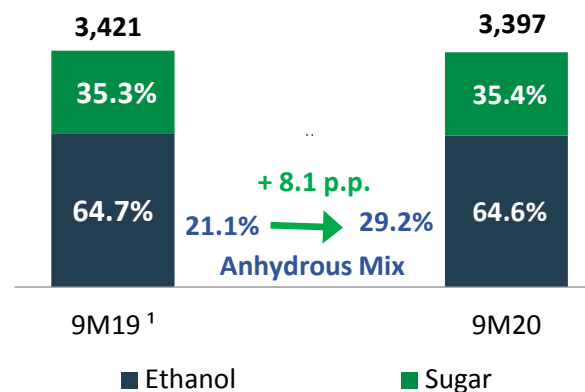


Ethanol mix reached 64.6% Anhydrous mix reached 29.2%

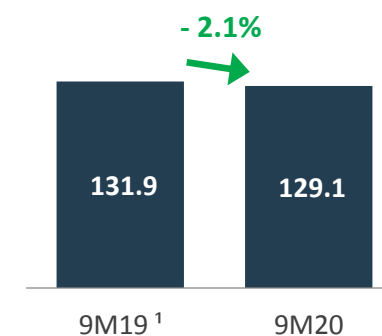
Crushing (million tons)



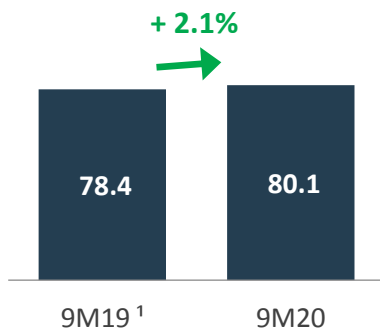
Production Mix(%) & TRS Product ('000 tons)



Cane TRS (kg/ton)



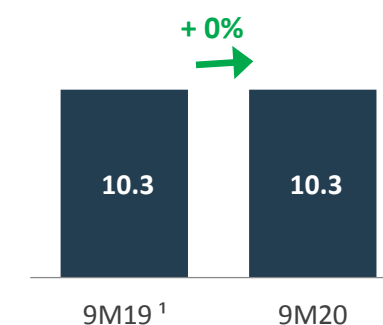
TCH (Ton of Cane/ha)



Industrial Efficiency (Prod. TRS/Cane TRS)



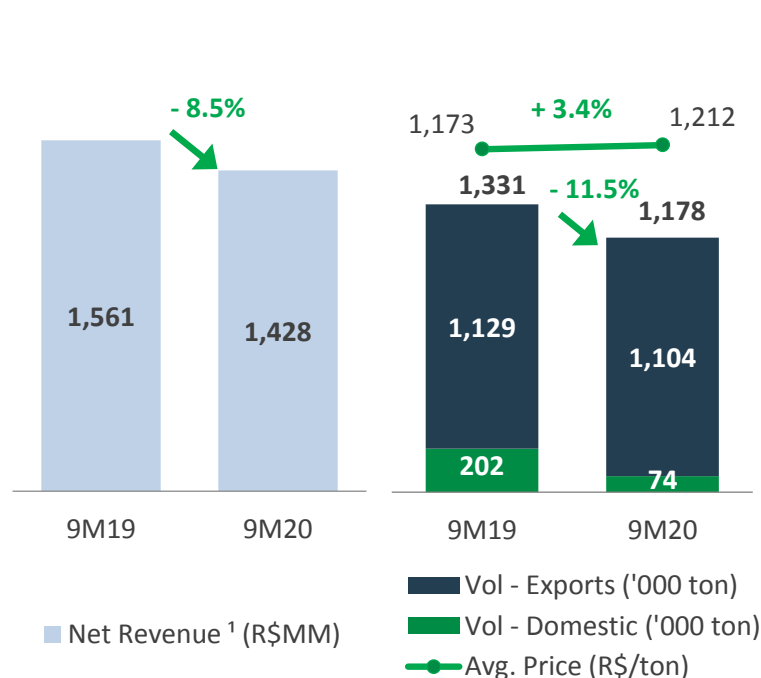
TSH (Ton of Sugar/ha)



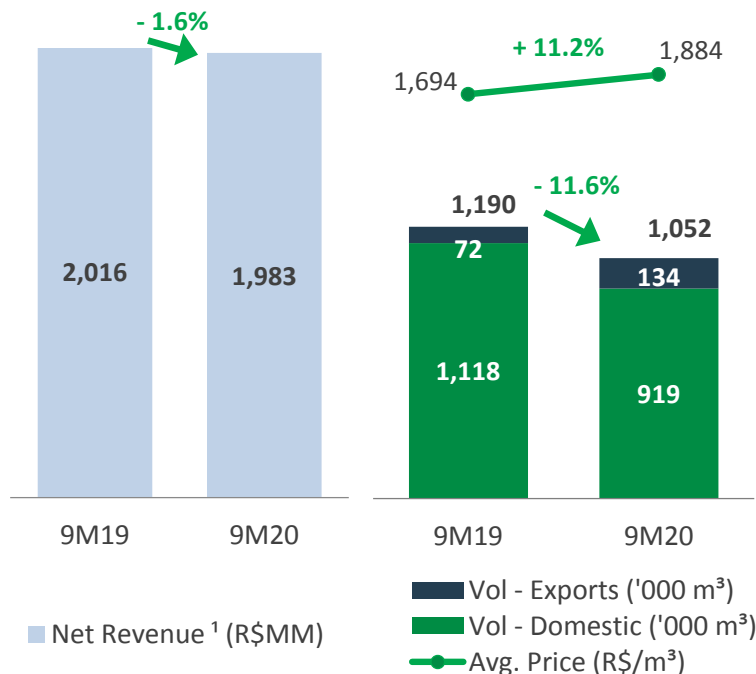
¹ 9M19: ex-NE Cluster for comparison purposes

Net Revenue impacted by higher prices and lower volume sales

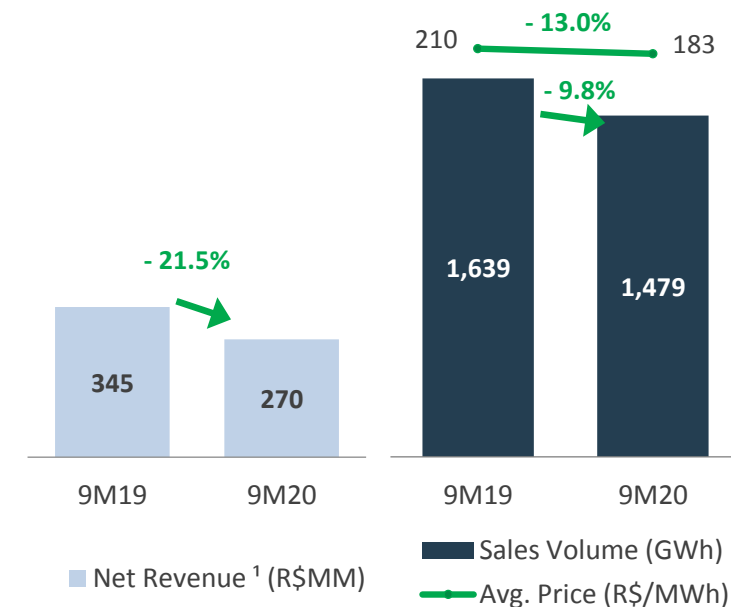
Sugar



Ethanol



Cogeneration

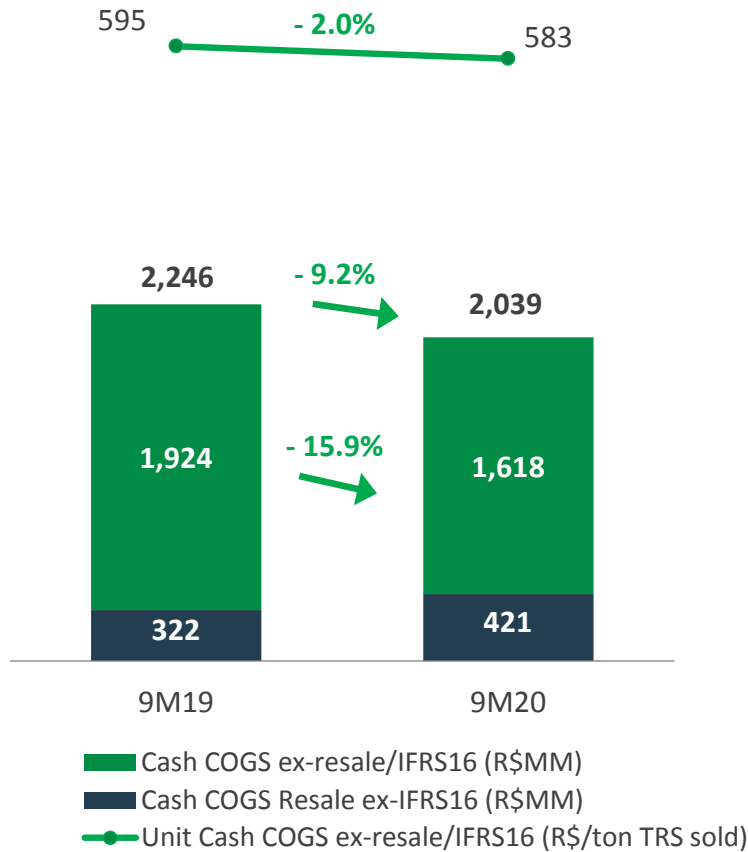


- 8.5% sugar revenue decrease impacted by lower sales volume (-11.5%), partially offset by higher prices (+3.4%).
- 1.6% ethanol revenue decrease impacted by lower sales volume (-11.6%), partially offset by higher prices (+11.2%).
- 21.5% cogen revenue decrease impacted by both lower prices (-13.0%) and sales volume (-9.8%).

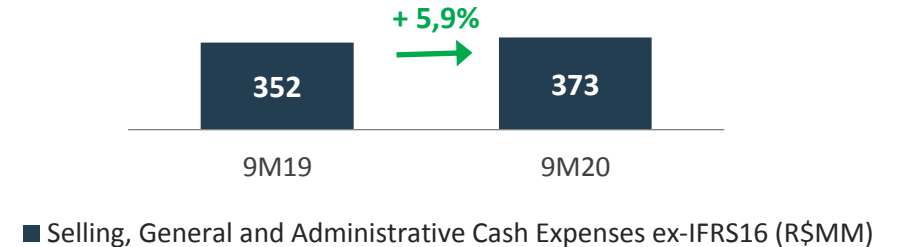
¹ Excludes effects from hedge accounting on foreign currency denominated debt (HACC)

-15.9% in Cash COGS ex-resale +5.9% in SG&A Cash Expenses

Cash COGS ex-resale (R\$MM) & Unit Cash COGS ex-resale (R\$/ton TRS sold)

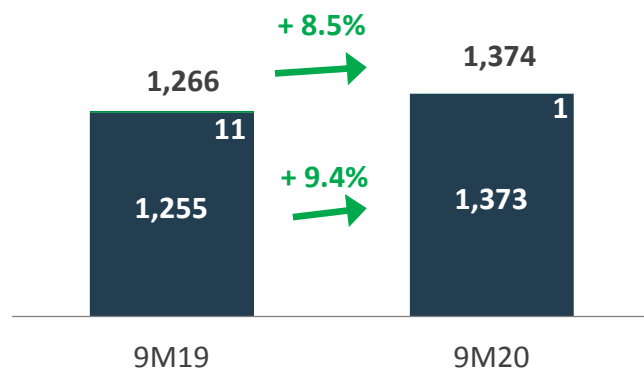


Selling, General and Administrative Cash Expenses (R\$MM)



Adjusted EBITDA ex-resale/HACC less CAPEX of R\$613 million

Adjusted EBITDA ex-HACC (R\$MM),
Adjusted EBITDA ex-resale/HACC (R\$MM)
& per unit (R\$/ton)

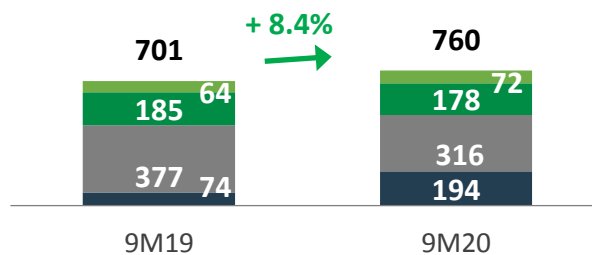


Resale Effect (R\$MM)

Adjusted EBITDA ex-resale/HACC/IFRS16 (R\$MM)

Adjusted EBITDA per unit ex-resale/HACC/IFRS16 (R\$/ton)

CAPEX (R\$MM)



Planting

Treatment

Intercrop deferred costs

Industrial/Agri/Others

Adjusted EBITDA ex-HACC
less CAPEX (R\$MM) and
Adjusted EBITDA ex-resale/HACC
less CAPEX (R\$MM)



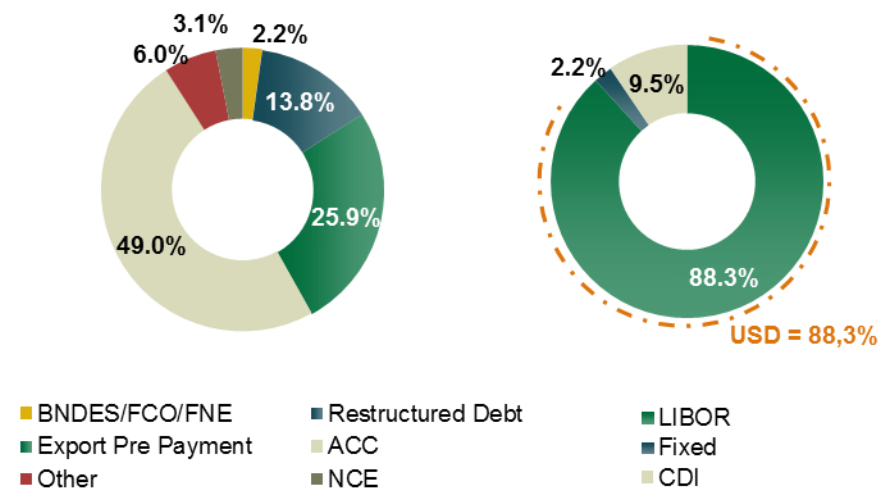
Resale Effect (R\$MM)

Adjusted EBITDA ex-resale/HACC/IFRS16 less Capex (R\$MM)

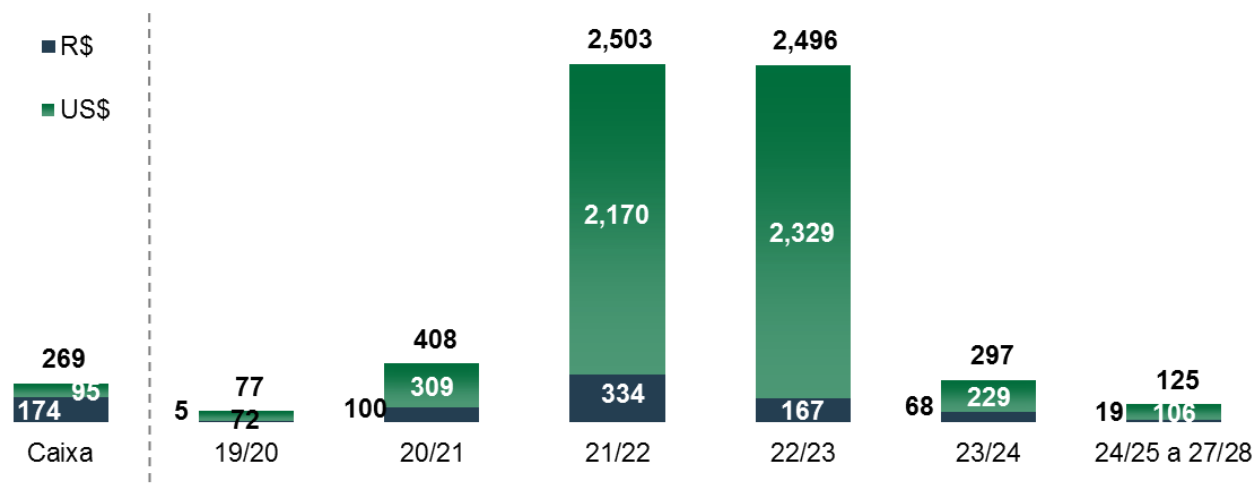
Financial Discipline in Debt Management

Debt (R\$MM)	Dec 19	Sep 19	Var. (%)
(+) Short-Term	483	463	4.3%
(+) Long-Term	5,423	5,610	-3.3%
(=) Gross Debt	5,906	6,073	-2.8%
(-) Cash & Financial Investments	269	458	-41.2%
(=) Net Debt	5,637	5,615	0.4%
Net Debt / Adjusted EBITDA LTM	3.05x	3.10x	-1.5%

Gross Debt by Instrument and by Index (%)



Cash & Financial Investments and Amortization Schedule (R\$MM)



Volumes & Prices Hedged at 12/31/2019	2019/20 Crop	2020/21 Crop
Hedged Sugar Volumes (‘000 ton)	648	728
Hedged Exposure ¹ (%)	100%	80%
Average Prices ² (cR\$/lb)	58.19	59.55

¹ Hedged exposure net of Consecana.

² Prices include the polarization premium from the Brazilian VHP sugar.



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