



# **OPERATING AND FINANCIAL REPORT**

# **HARVEST 2019/20**

July / 2019



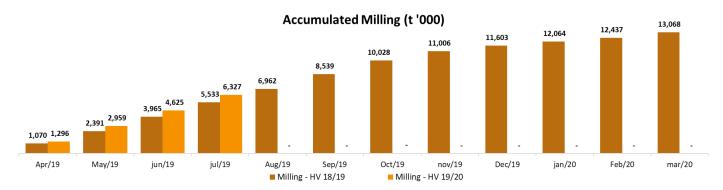
## Operational Summary - (HV 18/19 x HV 19/20)

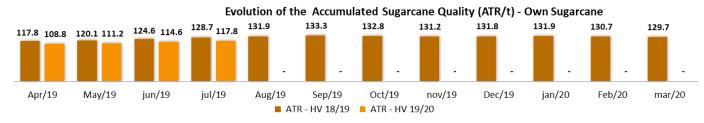
Industrial and Agricultural Operating Performance – Accumulated Crop Results (April to July)

| Sugarcane Total           | HV 18/19 (R) | HV 19/20 (R) | Nominal Change | Change % |
|---------------------------|--------------|--------------|----------------|----------|
| Raw Material              | 5,532,516    | 6,327,039    | 794,523        | 14.4%    |
| Own Sugarcane (t)         | 1,587,355    | 2,066,240    | 478,886        | 30.2%    |
| Third-Party Sugarcane (t) | 3,945,161    | 4,260,799    | 315,637        | 8.0%     |
| POL (%) - S. Total        | 12.99        | 12.22        | -0.76          | -5.9%    |
| ATR - S. Total            | 130.98       | 123.74       | -7.24          | -5.5%    |
| TCH - S. Total            | 83.98        | 88.55        | 4.57           | 5.4%     |

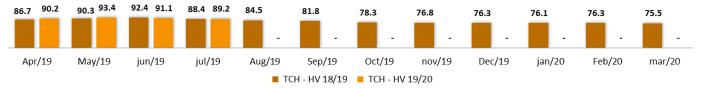
| Production                | HV 18/19 (R) | HV 19/20 (R) | Nominal Change | Change % |
|---------------------------|--------------|--------------|----------------|----------|
| Equivalent Sugar (bg)     | 14,006,734   | 15,218,750   | 1,212,016      | 8.7%     |
| Total Sugar (bg)          | 7,277,679    | 7,505,217    | 227,538        | 3.1%     |
| VHP Sugar (t)             | 344,604      | 341,795      | -2,809         | -0.8%    |
| Crystal Sugar (bg)        | 385,593      | 669,310      | 283,717        | 73.6%    |
| Molasses (t)              | 24,927       | 37,486       | 12,559         | 50.4%    |
| Total Ethanol (m³)        | 198,825      | 225,727      | 26,902         | 13.5%    |
| Anhydrous (m³)            | 100,056      | 110,917      | 10,860         | 10.9%    |
| Hydrous (m <sup>3</sup> ) | 98,769       | 114,811      | 16,041         | 16.2%    |
| Energy (MWh)              | 285,521      | 298,930      | 13,409         | 4.7%     |

(Sc = 50 Kg/20 = tons)

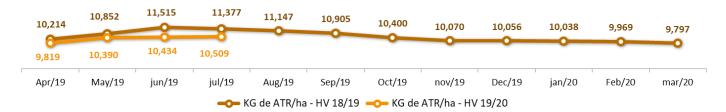




#### Evolution of the Accumulated Average Productivity per Hectare (t/ha) - Own Sugarcane



#### Evolution of the Accumulated Amount of Sugar per Hectare (ATR Kg/ha) - Own Sugarcane





# **Gross Revenue** - (HV 18/19 x HV 19/20)

Gross Revenue - Accumulated Crop Results (April to July)

| Commercial - Volume       | HV 18/19 (R) | HV 19/20 (R) | Nominal Change | Change % |
|---------------------------|--------------|--------------|----------------|----------|
| VOLUME                    |              |              |                |          |
| Sucrose Production - (Sc) | 7,286,234    | 9,720,857    | 2,434,624      | 33.4%    |
| Total Sugar - (sc)        | 3,865,630    | 4,159,525    | 293,895        | 7.6%     |
| VHP Sugar - (t)           | 172,185      | 194,553      | 22,367         | 13.0%    |
| Crystal Sugar - (sc)      | 421,921      | 268,469      | -153,452       | -36.4%   |
| Total Ethanol - (m³)      | 98,019       | 160,219      | 62,200         | 63.5%    |
| Anhydrous - (m³)          | 61,259       | 69,767       | 8,508          | 13.9%    |
| Hydrous - (m³)            | 36,760       | 90,452       | 53,692         | 146.1%   |
| Molasses - (t)            | 24,833       | 37,518       | 12,685         | 51.1%    |
| Energy Total - (MWh)      | 183,983      | 181,904      | -2,079         | -1.1%    |
| Contract Energy           | 143,358      | 156,042      | 12,684         | 8.8%     |
| Spot Energy               | 40,625       | 25,862       | -14,763        | -36.3%   |
| (Sc = 50Kg/20 = tons)     |              |              |                |          |

| Commercial - Gross Price      | HV 18/19 (R) | HV 19/20 (R) | Nominal Change | Change % |
|-------------------------------|--------------|--------------|----------------|----------|
| AVARAGE PRICE                 |              |              |                |          |
| Sucrose Production - (R\$/Sc) | 55.79        | 59.93        | 4.14           | 7.4%     |
| Total Sugar - (R\$/Sc)        | 53.41        | 56.14        | 2.74           | 5.1%     |
| VHP Sugar - (R\$/t)           | 1,043.64     | 1,093.12     | 49.47          | 4.7%     |
| Crystal Sugar - (R\$/sc)      | 63.40        | 77.71        | 14.30          | 22.6%    |
| Total Ethanol - (R\$/m³)      | 1,913.15     | 2,040.46     | 127.31         | 6.7%     |
| Anhydrous - (R\$/m³)          | 1,888.72     | 1,988.09     | 99.38          | 5.3%     |
| Hydrous - (R\$/m³)            | 1,953.87     | 2,080.85     | 126.98         | 6.5%     |
| Molasses - (R\$/t)            | 503.09       | 588.70       | 85.61          | 17.0%    |
| Energy Total - (R\$/MWh)      | 282.47       | 212.67       | -69.81         | -24.7%   |
| Contract Energy               | 241.78       | 216.69       | -25            | -10.4%   |
| Spot Energy                   | 426.08       | 188.38       | -238           | -55.8%   |

| Commercial - Gross Revenues    | HV 18/19 (R) | HV 19/20 (R) | Nominal Change | Change % |
|--------------------------------|--------------|--------------|----------------|----------|
| REVENUES                       |              |              |                |          |
| Gross Revenue - (R\$ mil)      | 469,867      | 629,022      | 159,154        | 33.9%    |
| Sucrose Production - (R\$ mil) | 406,470      | 582,538      | 176,068        | 43.3%    |
| Total Sugar - (R\$ mil)        | 206,452      | 233,531      | 27,079         | 13.1%    |
| VHP Sugar - (R\$ mil)          | 179,700      | 212,669      | 32,969         | 18.3%    |
| Crystal Sugar - (R\$ mil)      | 26,752       | 20,862       | -5,889         | -22.0%   |
| Total Ethanol - (R\$ mil)      | 187,524      | 326,920      | 139,396        | 74.3%    |
| Anhydrous - (R\$ mil)          | 115,701      | 138,703      | 23,002         | 19.9%    |
| Hydrous - (R\$ mil)            | 71,824       | 188,217      | 116,394        | 162.1%   |
| Molasses - (R\$ mil)           | 12,493       | 22,087       | 9,594          | 76.8%    |
| Others - (R\$ mil)             | 11,427       | 7,798        | -3,629         | -31.8%   |
| Energy - (R\$ mil)             | 51,970       | 38,685       | -13,285        | -25.6%   |
| Contract Energy                | 34,661       | 33,813       | -848           | -2.4%    |
| Spot Energy                    | 17,310       | 4,872        | -12,438        | -71.9%   |

| Fixings Frame Sugar VHP |                        | Volume  | % Fixed * | Cents/lb | brl/ton |
|-------------------------|------------------------|---------|-----------|----------|---------|
|                         | Hedge Volume (t)       | 379,398 | 43%       | 14.00    | 1,204   |
| Harvest 2019/20         | Volume to be fixed (t) | 497,464 | 57%       | 12.95    | 1,086   |
|                         | Total Production       | 876,862 | 100%      | 13.41    | 1,137   |
|                         | Hedge Volume (t)       | 95,158  | 10%       | 15.83    | 1,393   |
| Harvest 2020/21         | Volume to be fixed (t) | 820,882 | 90%       | 14.05    | 1,209   |
|                         | Total Production       | 916,040 | 100%      | 14.23    | 1,228   |
|                         | Hedge Volume (t)       | 60,609  | 7%        | 16.27    | 1,454   |
| Harvest 2021/22         | Volume to be fixed (t) | 855,431 | 93%       | 14.57    | 1,301   |
|                         | Total Production       | 916,040 | 100%      | 14.68    | 1,311   |

<sup>\*</sup> Includes potential likely of desk operations (OTOs)



Balance Sheet - Accumulated Crop Results (April to July)

|                                |            | Co           | onsolida | ted Balance        | Sheets under BRGAAP                    |                       |           |      |                    |
|--------------------------------|------------|--------------|----------|--------------------|--|-----------------------|-----------|------|--------------------|
| ASSETS                         | A          | mount (R\$ t | housand) | )                  | LIABILITY                              | Amount (R\$ thousand) |           |      |                    |
|                                | 2019/03/31 | 2019/07/31   | L        | Variation<br>(+ -) |  | 2019/03/31            | 2019/07/3 | 1    | Variation<br>(+ -) |
| Current                        | 1,294,904  | 1,294,845    | 0%       | -59                | Current                                | 1,237,473             | 1,246,878 | 1%   | 9,405              |
| Cash, Banks and Applications   | 316,304    | 160,223      | -49%     | -156,081           | Suppliers                              | 99,741                | 102,311   | 3%   | 2,570              |
| Accounts Receivable            | 96,948     | 78,279       | -19%     | -18,669            | Loans and Financing                    | 905,494               | 869,627   | -4%  | -35,867            |
| Readily Marketable Inventories | 30,894     | 243,880      | 689%     | 212,986            | Taxes and Contributions                | 29,443                | 17,304    | -41% | -12,139            |
| Stock Semifinished             | 1,307      | 1,544        | 18%      | 237                | Advances from Customers                | 72,686                | 127,686   | 76%  | 55,000             |
| Third Party Stock              | 7,490      | 0            | -100%    | -7,490             | Labor Legislation Liabilities          | 66,863                | 66,311    | -12% | -552               |
| Advences from suppliers        | 393,293    | 364,055      | -7%      | -29,238            | Other Obligations                      | 7,859                 | 8,252     | 876% | 393                |
| Warehouse                      | 52,880     | 51,448       | -3%      | -1,432             | Proposed dividends*                    | 55,387                | 55,387    | 0%   | 0                  |
| Biological Assets              | 236,289    | 241,874      | 2%       | 5,585              | ·                                      |                       |           |      |                    |
| Recoverable Taxes              | 122,491    | 106,052      | -13%     | -16,439            |  |                       |           |      |                    |
| Related Parties                | 0          | 0            | 0%       | 0                  |  |                       |           |      |                    |
| Other Credits                  | 37,008     | 47,490       | 28%      | 10,482             |  |                       |           |      |                    |
| Noncurrent                     | 4,143,147  | 4,245,567    | 2%       | 102,420            | Noncurrent                             | 2,866,838             | 2,955,133 | 3%   | 88,295             |
| Long-term Receivables          | 2,908,044  | 2,942,678    | 1%       | 34,634             | Loans and Financing                    | 1,821,951             | 1,907,302 | 5%   | 85,351             |
| Financial investments          | 1,580      | 1,931        | 22%      | 351                | Taxes and Contributions                | 95,494                | 96,492    | 1%   | 998                |
| Advences from suppliers        | 65,795     | 65,795       | 0%       | 0                  | Provisions for Contingencies           | 8,756                 | 8,756     | 0%   | 0                  |
| Related Parties                | 42,747     | 42,472       | -1%      | -275               | Provisions for Deferred Income Tax and | 593,420               | 591,121   | 0%   | -2,299             |
| Recoverable Taxes              | 1,740      | 2,899        | 67%      | 1,159              | Related Parties                        | 0                     | 0         | 0%   | 0                  |
| Judicial Deposits              | 1,415      | 1,447        | 2%       | 32                 | Other Obligations                      | 347,217               | 351,462   | 1%   | 4,245              |
| Other Credits Receivable       | 2,794,767  | 2,828,134    | 1%       | 33,367             |  |                       |           |      |                    |
| Investments                    | 19,189     | 19,189       | 0%       | 0                  | Net Equity                             | 1,333,740             | 1,338,401 | 0%   | 4,661              |
| Fixed Assets                   | 1,215,321  | 1,282,681    | 6%       | 67,360             | Share Capital                          | 408,845               | 408,845   | 0%   | 0                  |
| Intangible                     | 593        | 1,019        | 72%      | 426                | Shares in Treasury                     | -1,215                | -1,215    | 0%   | 0                  |
|                                |            |              |          |                    | Revaluation Reserve                    | 2,986                 | 490       | -84% | -2,496             |
|                                |            |              |          |                    | Equity Adjustment                      | 105,293               | 101,598   | -4%  | -3,695             |
|                                |            |              |          |                    | Profit Reserves                        | 817,831               | 828,683   | 1%   | 10,852             |
| TOTAL ASSETS                   | 5,438,051  | 5,540,412    | 2%       | 102,361            | TOTAL LIABILITY                        | 5,438,051             | 5,540,412 | 2%   | 102,361            |

Dollar on July 2018 = 3.7546 Dollar on March 2019 = 3.8964 Dollar on July 2019 = 3.7646

#### Income Statement - Accumulated Crop Results (April to July)

| Inco          | me Statement - BRGAAP                        | Amount<br>(R\$ thousand)<br>July/18 | %Т     | Amount<br>(R\$ thousand)<br>July/19 | %Т     | Change R\$ | Change % |
|---------------|--|-------------------------------------|--------|-------------------------------------|--------|------------|----------|
| (+) Gross     | Sales Revenue                                | 469,867                             | 100.0% | 629,022                             | 100.0% | 159,155    | 33.9%    |
| (-) Deduct    | tions  | -24,231                             | -5.2%  | -50,898                             | -8.1%  | 26,668     | 110.1%   |
| (=) Net Sa    | ales Revenue (A)                             | 445,636                             | 94.8%  | 578,123                             | 91.9%  | 132,487    | 29.7%    |
| (-) Cost of   | f Goods Sold (B)                             | -259,691                            | -58.3% | -341,156                            | -59.0% | 81,465     | 31.4%    |
| (-) Depred    | ciation, Amortization, Depletion             | -64,071                             | -14.4% | -78,989                             | -13.7% | 14,918     | 23.3%    |
| ( - ) Crop Ti | reatment Amortization                        | -26,650                             | -6.0%  | -42,665                             | -7.4%  | 16,015     | 60.1%    |
| ( = ) Gross   | Profit                                       | 95,225                              | 21.4%  | 115,313                             | 19.9%  | 20,089     | 21.1%    |
| ( - ) Adminis | istrative Expenses (C)                       | -42,305                             | -9.5%  | -42,301                             | -7.3%  | -4         | 0.0%     |
| (-) Depred    | ciation                                      | -1,372                              | -0.3%  | -1,389                              | -0.2%  | 17         | 1.3%     |
| (-) Expens    | ses with Sales and Logistics (D)             | -32,635                             | -7.3%  | -44,287                             | -7.7%  | 11,652     | 35.7%    |
| (-) Depred    | ciation                                      | -1,155                              | -0.3%  | -1,195                              | -0.2%  | 40         | 3.5%     |
| (=) Opera     | iting Income - Before Income / Expenses      | 17,758                              | 4.0%   | 26,141                              | 4.5%   | 8,383      | 47.2%    |
| (±) Other C   | Operating Income and Expenses (E)            | -946                                | -0.2%  | 4,652                               | 0.8%   | 5,598      | 591.8%   |
| (±) Other [   | Depreciation, Loss of Permanent Assets       | -9,315                              | -2.1%  | -509                                | -0.1%  | -8,806     | -94.5%   |
| (±) Equity    |  | 29                                  | 0.0%   | 0                                   | 0.0%   | -29        | -100.0%  |
| (=) Opera     | iting Profit                                 | 7,526                               | 1.7%   | 30,285                              | 5.2%   | 22,759     | 302.4%   |
| (±) Net Fin   | nancial ex Foreign Exchange                  | -123,813                            | -27.8% | -67,517                             | -11.7% | -56,296    | -45.5%   |
| (±) Exchan    | nge Rates                                    | -156,527                            | -35.1% | 40,897                              | 7.1%   | 197,424    | 126.1%   |
| (=) Incom     | ne Before income tax and social contribution | -272,814                            | -61.2% | 3,666                               | 0.6%   | -276,480   | 101.3%   |
| (-) Income    | e Tax and Social Contribution                | 99,656                              | 22.4%  | 995                                 | 0.2%   | -98,661    | -99.0%   |
| Net In        | ncome / Loss                                 | -173,158                            | -38.9% | 4,660                               | 0.8%   | 177,819    | 102.7%   |
| EBITD.        | A (F)=(A+B+C+D+E)                            | 110,088                             | 24.7%  | 155,032                             | 26.8%  | 44,944     | 40.8%    |
| Variat        | tion of Biological Assets (G)                | 27,372                              |        | 0                                   |        | -27,372    | -100.0%  |
| Gains         | / losses on derivatives on exports (H)       | 13,690                              |        | 0                                   |        | -13,690    | -100.0%  |
| ADJUS         | STED EBITDA (I)=(F+G+H)                      | 151,150                             | 33.9%  | 155,032                             | 26.8%  | 3,882      | 2.6%     |
| Gross         | Debt   | 3,045,905                           |        | 2,776,929                           |        | -268,977   | -8.8%    |
| Net D         | ebt  | 2,628,159                           |        | 2,614,775                           |        | -13,384    | -0.5%    |
| Readil        | ly Marketable Inventories                    | 280,478                             |        | 245,425                             |        | -35,054    | -12.5%   |
| Net D         | ebt Stocks                                   | 2,347,681                           |        | 2,369,350                           |        | 21,670     | 0.9%     |

Dollar on July 2018 = 3.7546 Dollar on March 2019 = 3.8964 Dollar on July 2019 = 3.7646



Net Financial Reconciliation - Accumulated Crop Results (April to July)

|       | Opening of Net Financial and Foreign Exchange    | Amount<br>(R\$ thousand)<br>July/18 | Amount<br>(R\$ thousand)<br>July/19 |
|-------|--|-------------------------------------|-------------------------------------|
| (=)   | NET FINANCIAL                                    | -123,813                            | -67,517                             |
| (+)   | Correction IAA *                                 | 17,332                              | 27,499                              |
| (+)   | Interest on Mutual Loan                          | 1,631                               | -690                                |
| (+)   | Income from Investments                          | 7,456                               | 2,903                               |
| ( ± ) | Other Financial Expenses / Income                | -22,699                             | -18,447                             |
| (-)   | Interest on loans                                | -92,870                             | -88,717                             |
| ( ± ) | Gains and Losses, Net of Derivative Transactions | -34,663                             | 9,936                               |
| (=)   | EXCHANGE VARIATION                               | -156,527                            | 40,897                              |

Dollar on July 2018 = 3.7546

Dollar on March 2019 = 3.8964

Dollar on July 2019 = 3.7646

#### Capex and Depreciation - Accumulated Crop Results (April to July)

|  | BRGAAP                       |           |                                   |              |           |                  |                             |  |  |  |
|--|------------------------------|-----------|-----------------------------------|--------------|-----------|------------------|-----------------------------|--|--|--|
| Group of Accounts                      | Balance in<br>March 31, 2019 | Additions | Disposals<br>and/or<br>Write-offs | Depreciation | Transfers | Reclassification | Balance in<br>July 31, 2019 |  |  |  |
| Aircraft                               | 777                          | 0         | 0                                 | -68          | 0         | 0                |                             |  |  |  |
| Facilities, Buildings and Improvements | 285,747                      | 6,147     | 0                                 | -6,795       | 11,517    | 0                | 296,616                     |  |  |  |
| Furniture and Utensiles                | 8,549                        | 719       | -2                                | -651         | 419       | 0                | 9,033                       |  |  |  |
| Machinery, Vehicles and Implements     | 490,638                      | 53,967    | -494                              | -20,508      | 5,838     | 0                | 529,441                     |  |  |  |
| Common Replacement Parts and Itens     | 79,239                       | 55,290    | 0                                 | -52,993      | 3,611     | 0                | 85,146                      |  |  |  |
| Land and Properties                    | 19,457                       | 336       | -13                               | 0            | 0         | 0                | 19,780                      |  |  |  |
| Fixed Asset in Progress                | 27,174                       | 13,968    | 0                                 | 0            | -21,385   | -468             | 19,289                      |  |  |  |
| Advance to Suppliers                   | 0                            | 0         | 0                                 | 0            | 0         | 0                | 0                           |  |  |  |
| Total Capex                            | 911,580                      | 130,427   | -509                              | -81,015      | 0         | -468             | 960,014                     |  |  |  |
| Sugarcane Crops                        | 303,742                      | 51,694    | 0                                 | 0            | 0         | -32,769          | 322,667                     |  |  |  |
| Treatment of Sugacane Cultivation      | 0                            | 0         | 0                                 | 0            | 0         | 0                | 0                           |  |  |  |
| Total Plant Carrier                    | 303,742                      | 51,694    | 0                                 | 0            | 0         | -32,769          | 322,667                     |  |  |  |
| Sugacane Cultivation                   | 103,941                      | 0         | 0                                 | -35,990      | 0         | 32,769           | 100,720                     |  |  |  |
| Treatment of Sugacane Cultivation      | 151,617                      | 71,128    | 0                                 | -62,321      | 0         | 0                | 160,423                     |  |  |  |
| Total Biological Assets in Current     | 236,289                      | 71,128    | 0                                 | -98,312      | 0         | 32,769           | 241,874                     |  |  |  |
| Intangible                             | 593                          | 33        | 0                                 | -75          | 0         | 468              | 1,019                       |  |  |  |
| Energética                             | 0                            | 0         | 0                                 | 0            | 0         | 0                | 0                           |  |  |  |
| Grand Total                            | 1,452,204                    | 253,281   | -509                              | -179,402     | 0         | 0                | 1,525,574                   |  |  |  |

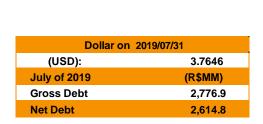
| DEPRECIATION - DEPLETION - AMORTIZATION       | Amount<br>(R\$ thousand)<br>July/19 |
|---|-------------------------------------|
| Depreciation, Treatment and Depletion in COGS | -121,654                            |
| Depreciation in the Administrative            | -1,389                              |
| Depreciation in the Commercial                | -1,195                              |
| Total Depreciation - Income Statement         | -124,238                            |
| Stock Depreciation                            | -55,164                             |
| Total Depreciation                            | -179,402                            |

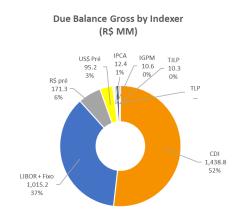


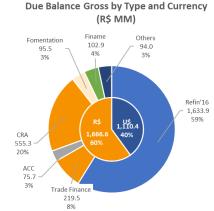
<sup>\*</sup>The increase in the values referring to the correction line of the IAA is due to factors such as: 1) variation of the correction rate (IPCA-E), which was 1.13% in June 2019 in the same period as the previous harvest in June 2018 rate was 1.46%. 2) In December 2018 the company updated the provision of IAA credits / law 4870 in the amount of R \$ 1.7 BI, the provision significantly increased the monthly correction basis of these credits.

### **Indebtednes**

Indebtednes Analysis - Accumulated Crop Results (July - 2019)



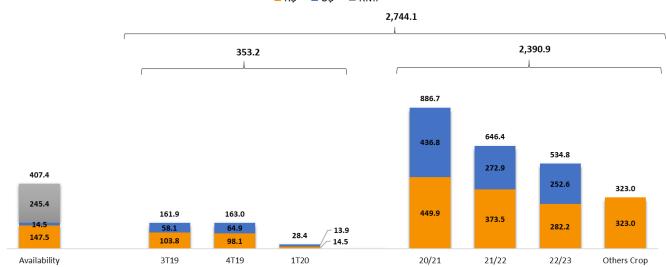


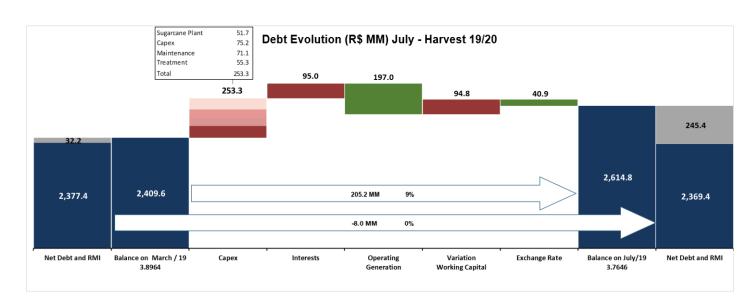


**Disclosure: 2019/08/12** 

# Amortization Schedule

(R\$ MM)
■ R\$ ■ U\$ ■ RMI





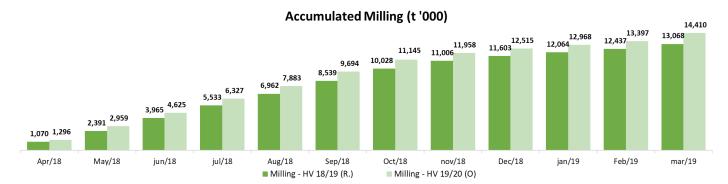


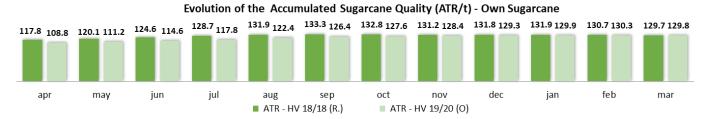
Harvest Projections 2019/20 (March- 2020) - GUIDANCE

| Sugarcane Total           | HV 18/19 (R) | HV 19/20 (0) | Nominal Change | Change % |
|---------------------------|--------------|--------------|----------------|----------|
| Raw Material              | 13,068,213   | 14,410,000   | 1,341,788      | 10.3%    |
| Own Sugarcane (t)         | 4,844,092    | 5,315,000    | 470,908        | 9.7%     |
| Third-Party Sugarcane (t) | 8,224,121    | 9,095,000    | 870,880        | 10.6%    |
| POL (%) - S. Total        | 13.50        | 13.34        | -0.16          | -1.2%    |
| ATR - S. Total            | 135.02       | 133.67       | -1.35          | -1.0%    |
| TCH - S. Total            | 74.51        | 77.71        | 3.20           | 4.3%     |

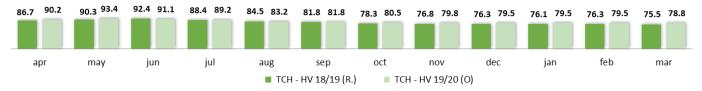
| Production                | HV 18/19 (R.) | HV 19/20 (0) | Nominal Change | Change % |
|---------------------------|---------------|--------------|----------------|----------|
| Equivalent Sugar (bg)     | 33,891,120    | 36,987,255   | 3,096,135      | 9.1%     |
| Total Sugar (bg)          | 17,984,039    | 19,889,043   | 1,905,004      | 10.6%    |
| VHP Sugar (t)             | 800,861       | 866,218      | 65,357         | 8.2%     |
| Raw Sugar (Sc)            | 87,683        | 150,000      | 62,317         | 71.1%    |
| Crystal Sugar (bg)        | 1,879,137     | 2,414,674    | 535,537        | 28.5%    |
| Molasses (t)              | 52,405        | 65,845       | 13,440         | 25.6%    |
| Total Ethanol (m³)        | 472,342       | 505,658      | 33,316         | 7.1%     |
| Anhydrous (m³)            | 239,310       | 272,563      | 33,253         | 13.9%    |
| Hydrous (m <sup>3</sup> ) | 233,031       | 233,095      | 63             | 0.0%     |
| Energy (MWh)              | 642,364       | 720,251      | 77,886         | 12.1%    |

(Sc = 50 Kg/20 = tons)

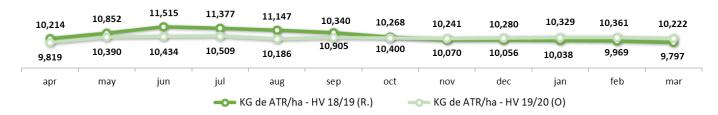




#### Evolution of the Accumulated Average Productivity per Hectare (t/ha) - Own Sugarcane



#### Evolution of the Accumulated Amount of Sugar per Hectare (ATR Kg/ha) - Own Sugarcane





Harvest Projections 2019/20 (March- 2020) - GUIDANCE

| Commercial - Volume         | HV 18/19 (R) | HV 19/20 (P) | Nominal Change | Change % |
|-----------------------------|--------------|--------------|----------------|----------|
| VOLUME                      |              |              |                |          |
| Sucrose Production - (Sc)   | 34,474,687   | 36,255,883   | 1,781,196      | 5.2%     |
| Total Sugar - (sc)          | 18,696,911   | 19,346,077   | 649,166        | 3.5%     |
| VHP Sugar - (t)             | 828,531      | 840,133      | 11,602         | 1.4%     |
| Crystal Sugar - (sc)        | 2,126,300    | 2,543,420    | 417,120        | 19.6%    |
| Total Ethanol - (m³)        | 470,822      | 501,647      | 30,825         | 6.5%     |
| Anhydrous - (m³)            | 244,406      | 272,684      | 28,278         | 11.6%    |
| Hydrous - (m <sup>3</sup> ) | 226,416      | 228,963      | 2,547          | 1.1%     |
| Molasses - (t)              | 52,196       | 65,793       | 13,597         | 26.1%    |
| Energy* - (MWh)             | 510,330      | 410,005      | -100,325       | -19.7%   |
| (Sc = 50Kg/20 = tons)       |              |              |                |          |

| Commercial - Gross Price      | HV 18/19 (R) | HV 19/20 (P) | Nominal Change | Change % |
|-------------------------------|--------------|--------------|----------------|----------|
| AVARAGE PRICE                 |              |              |                |          |
| Sucrose Production - (R\$/Sc) | 58.55        | 62.68        | 4.13           | 7.1%     |
| Total Sugar - (R\$/Sc)        | 56.70        | 60.00        | 3.29           | 5.8%     |
| VHP Sugar - (R\$/t)           | 1,106.07     | 1,166.42     | 60.35          | 5.5%     |
| Crystal Sugar - (R\$/sc)      | 67.61        | 71.07        | 3.45           | 5.1%     |
| Total Ethanol - (R\$/m³)      | 1,981.73     | 2,139.07     | 157.34         | 7.9%     |
| Anhydrous - (R\$/m³)          | 1,950.99     | 2,128.26     | 177.27         | 9.1%     |
| Hydrous - (R\$/m³)            | 2,014.92     | 2,151.95     | 137.03         | 6.8%     |
| Molasses - (R\$/t)            | 482.77       | 587.77       | 104.99         | 21.7%    |
| Energy* - (R\$/MWh)           | 261.36       | 225.90       | -35.46         | -13.6%   |

| Commercial - Gross Revenues    | HV 18/19 (R) | HV 19/20 (P) | Nominal Change | Change % |
|--------------------------------|--------------|--------------|----------------|----------|
| REVENUES                       |              |              |                |          |
| Gross Revenue - (R\$ mil)      | 2,175,945    | 2,365,049    | 189,104        | 8.7%     |
| Sucrose Production - (R\$ mil) | 2,018,416    | 2,272,428    | 254,011        | 12.6%    |
| Total Sugar - (R\$ mil)        | 1,060,174    | 1,160,698    | 100,524        | 9.5%     |
| VHP Sugar - (R\$ mil)          | 916,412      | 979,947      | 63,535         | 6.9%     |
| Crystal Sugar - (R\$ mil)      | 143,762      | 180,750      | 36,988         | 25.7%    |
| Total Ethanol - (R\$ mil)      | 933,043      | 1,073,059    | 140,016        | 15.0%    |
| Anhydrous - (R\$ mil)          | 476,835      | 580,342      | 103,507        | 21.7%    |
| Hydrous - (R\$ mil)            | 456,209      | 492,717      | 36,508         | 8.0%     |
| Molasses - (R\$ mil)           | 25,199       | 38,671       | 13,472         | 53.5%    |
| Energy* - (R\$ mil)            | 133,380      | 92,621       | -40,758        | -31%     |
| Others - (R\$ mil)             | 24,149       | 0            | -24,149        | -100.0%  |

<sup>\*</sup> Energy line has volume, prices and Revenues (Mill and Energetic)

### **Notes**



Harvest Projections 2019/20 (March- 2020) - GUIDANCE

|       | Income Statement - BRGAAP                        | HV 18/19 (R) | %Т     | HV 19/20 (P) | %Т     | Change R\$ | Change % |
|-------|--|--------------|--------|--------------|--------|------------|----------|
| (+)   | Gross Sales Revenue                              | 2,175,945    | 100.0% | 2,365,049    | 100.0% | 189,104    | 8.7%     |
| (-)   | Deductions                                       | -122,052     | -5.6%  | -137,855     | -5.8%  | 15,803     | 12.9%    |
| (=)   | Net Sales Revenue (A)                            | 2,053,893    | 94.4%  | 2,227,194    | 94.2%  | 173,301    | 8.4%     |
| (-)   | Cost of Goods Sold (B)                           | -1,123,130   | -54.7% | -1,104,467   | -49.6% | -18,663    | -1.7%    |
| (-)   | Depreciation, Amortization, Depletion            | -314,275     | -15.3% | -303,176     | -13.6% | -11,099    | -3.5%    |
| (-)   | Crop Treatment Amortization                      | -174,562     | -8.5%  | -160,843     | -7.2%  | -13,719    | -7.9%    |
| (=)   | Gross Profit                                     | 441,927      | 21.5%  | 658,707      | 29.6%  | 216,781    | 49.1%    |
| (-)   | Administrative Expenses (C)                      | -123,406     | -6.0%  | -123,393     | -5.5%  | -13        | 0.0%     |
| (-)   | Depreciation                                     | -4,065       | -0.2%  | -3,829       | -0.2%  | -236       | -5.8%    |
| (-)   | Expenses with Sales and Logistics (D)            | -93,266      | -4.5%  | -124,091     | -5.6%  | 30,825     | 33.1%    |
| (-)   | Depreciation                                     | -3,509       | -0.2%  | -2,834       | -0.1%  | -675       | -19.2%   |
| (=)   | Operating Income - Before Income / Expenses      | 217,681      | 10.6%  | 404,560      | 18.2%  | 186,879    | 85.9%    |
| ( ± ) | Other Operating Income and Expenses (E)          | 81,937       | 4.0%   | 29,581       | 1.3%   | -52,356    | -63.9%   |
| ( ± ) | Other Depreciation, Loss of Permanent Assets     | -24,181      | -1.2%  | 0            | 0.0%   | 24,181     | -100.0%  |
| ( ± ) | Equity   | 1,221        | 0.1%   | 1,221        | 0.1%   | 0          | 0.0%     |
| (=)   | Operating Profit                                 | 276,658      | 13.5%  | 435,362      | 19.5%  | 158,704    | 57.4%    |
| ( ± ) | Net Financial ex Foreign Exchange                | 314,098      | 15.3%  | -233,021     | -10.5% | -547,119   | -174.2%  |
| ( ± ) | Exchange Rates                                   | -199,368     | -9.7%  | 0            | 0.0%   | 199,368    | -100.0%  |
| (=)   | Income Before income tax and social contribution | 391,388      | 19.1%  | 202,341      | 9.1%   | -189,047   | -48.3%   |
| (-)   | Income Tax and Social Contribution               | -146,607     | -7.1%  | -51,935      | -2.3%  | 94,672     | -64.6%   |
|       | Net Income / Loss                                | 244,781      | 11.9%  | 150,406      | 6.8%   | -94,375    | -38.6%   |
|       | EBITDA (F)=(A+B+C+D+E)                           | 797,249      | 38.8%  | 906,045      | 40.7%  | 108,796    | 13.6%    |
|       | Variation of Biological Assets (G)               | 19,269       |        | 0            |        | -19,269    | -100.0%  |
|       | Gains / losses on derivatives on exports (H)     | 0            |        | 0            |        | 0          | -100.0%  |
|       | ADJUSTED EBITDA (I)=(F+G+H)                      | 816,518      | 39.8%  | 906,045      | 40.7%  | 89,527     | 11.0%    |

#### **Notes**



### **Certifications**

## **Recent Agricultural Performance Awards & Certifications**



classification by BENRI, reflecting its position among the best cane fields in Brazil



Awarded by the IDEA Group with the Productivity Champion Prize 16/17 between the plants in the Center-South of Brazil<sup>1</sup>



Awarded by the IDEA Group with the Productivity Champion Prize 15/16 between the plants in the Center-South of Brazil<sup>1</sup>



Elected by Época Magazine with the first place in the Future Vision dimension of the Agribusiness Segment

### **People & Management Awards**



Awarded by IstoÉ **Dinheiro Rural Magazine** with the first place in **Corporate Management** 



Elected by Você S/A magazine as one of the 150 best companies to work for in Brazil



JUL/2018 JUL/2017 JUL/2016

Recognized by Época/Great Place to Work Brazil as one of the best Companies to Work in Brazil



MAY/2018

MAY/2017

Recognized Grupo Gestão RH as one of the best companies Human **Resources Teams in** Brazil



Regognized by Valor Econômico newspaper as one of the best companies in People Management

### Social, Environmental & Certifications



Reserves: Mata Atlântica Feliz Deserto Biome, AL Cerrado Janurária Biome, MG



SEP/2018

SEP/2017

SEP/2016

Best company in People Management and Socio **Environmental** Responsibility



Restoration of forests and restocking of the Coruripe with native species 17,000 hectares of its own land are destined for preservation



Recognized for stimulate the practice of sustainable actions in its productive chain. Highlight of this year was in the area of security



Social Projects: Day care centers; Papermaking Workshop, Florescer and Barriga Cheia **Projects** 



**Disclosure: 2019/08/12** 

Awarded the DuPont Safety Award in the Occupational Health and Safety Management Category



JUL/2018 JUL/2015 practices of socioenvironmental responsibility, citizenship, human capital and community relations.



NOV/2018 NOV/2017

We were selected for the group of Brazilian companies from the Sustainability Guide of Exame Magazine.



Elected champion in sustainability among the best of agribusiness by Globo Rural



We were the first plant in the country to receive the Amiga Company seal of the Atlantic Forest. granted in 2017 by the Mata Atlântica Biosphere Reserve (RBMA), linked to the MaB program of Unesco.



ISO 9001 **Quality management** system. Certifies the quality of the products produced.



ISO 14001 Environmental management system. Proves that the productive chain respects the environment



**OHSAS 18001 Occupational Health** and Workplace Safety Management System. Acknowledges concern about the safety and health of the employee



FSSC 22000 **Quality Management** Food Safety. Ensures food safety management in food production.



Certificate for export of **Ethanol to the United** States.



Awarded in the category Preservation and Conservation of Flora



It certifies that the company defends human, labor rights and is concerned to implement and act with socially and environmentally correct practices

