

Institutional Presentation 2019



SANTOS BRASIL



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Port of Santos

‘Must-call port’ in South America

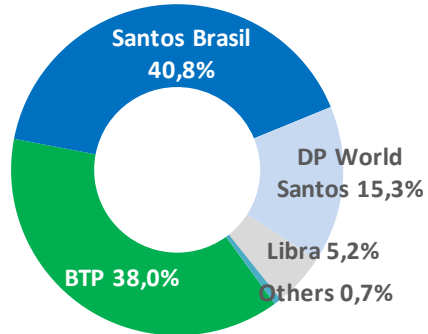
- Largest Port in South America
- > 25% of Brazilian trade balance
- Hinterland covers 55% of Brazil's GDP
- Connected to Brazil's main roads and railways
- ~90% of São Paulo's industrial base is located less than 200 kilometers from the Port of Santos



Port of Santos

Tecon Santos' market-share recovery: 40.8% in 6M19 vs. 35.4% in FY18

Market share – 6M19



Container throughput (TEU x 1,000)

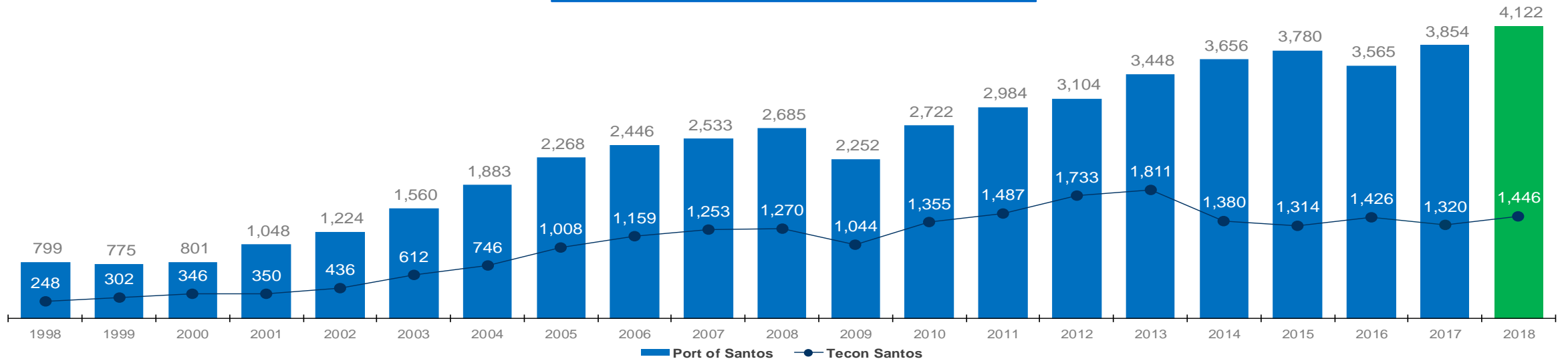
■ 2018 x 2017

- Port of Santos: +4.0% (+7.0% in TEU)
- Tecon Santos: +7.8% (+9.5% in TEU)

■ CAGR 1998 – 2018

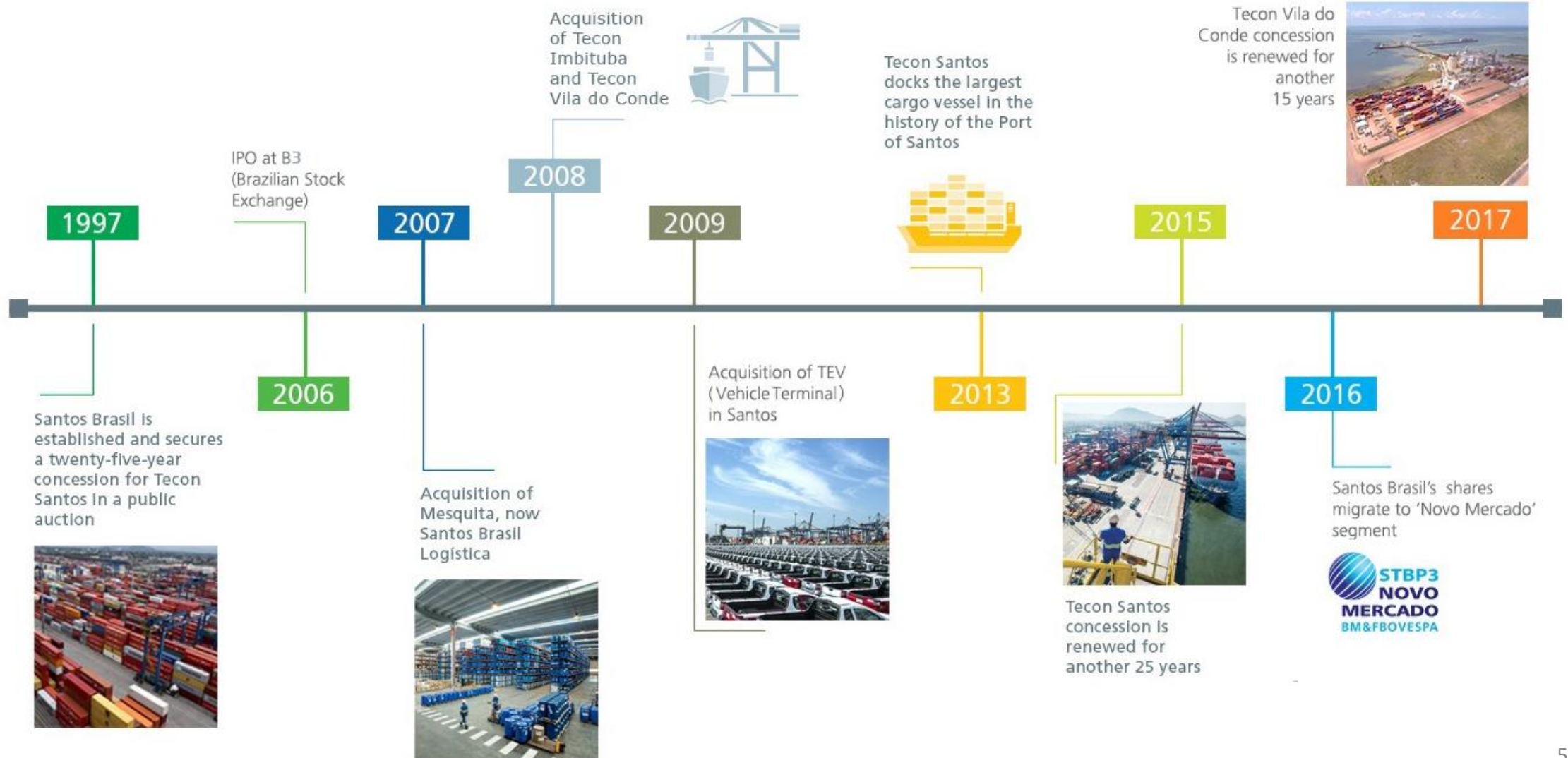
- Port of Santos: 8.5%
- Tecon Santos: 9.2%

Container throughput (TEU x 1,000)



About Santos Brasil

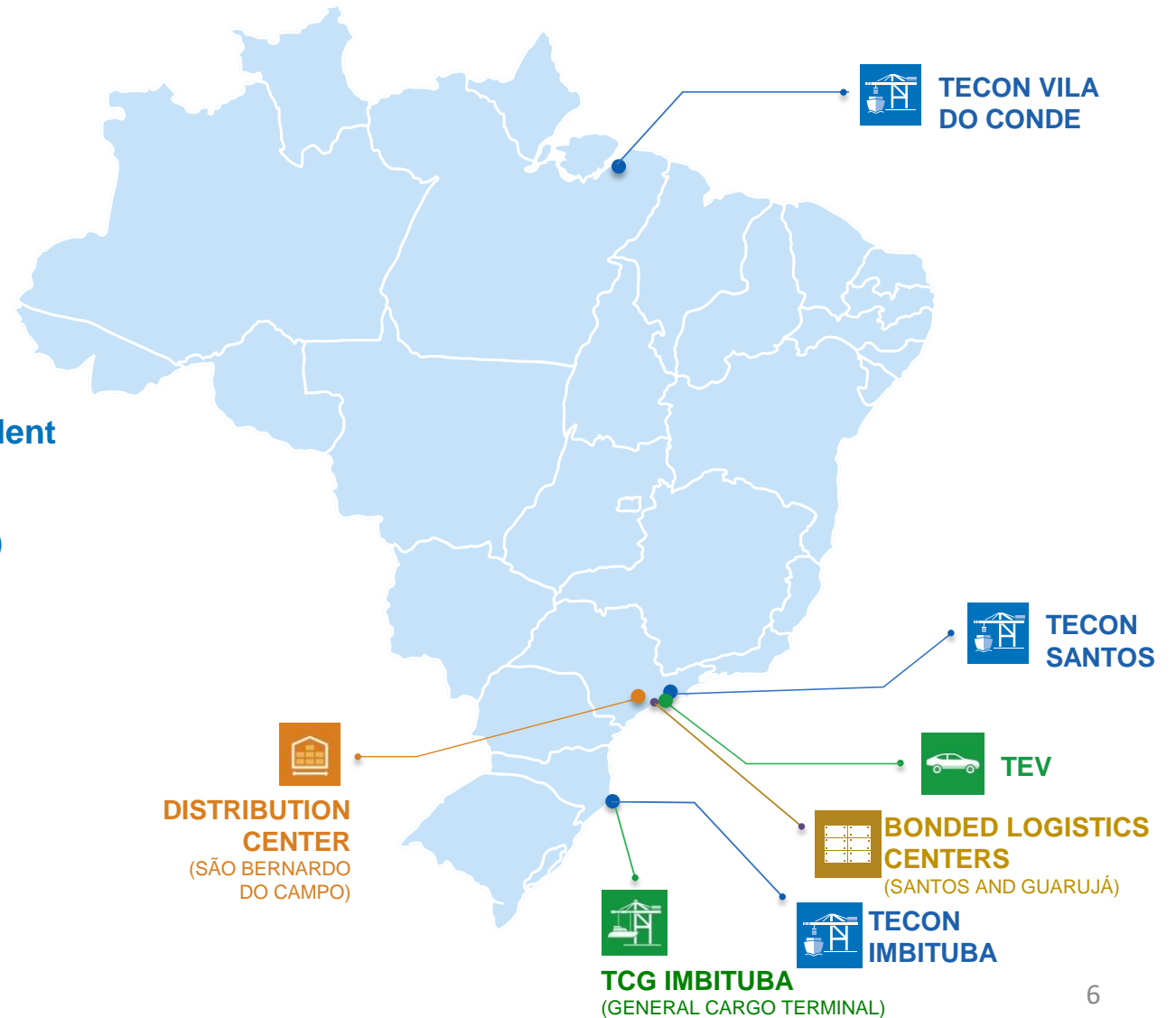
History



About Santos Brasil

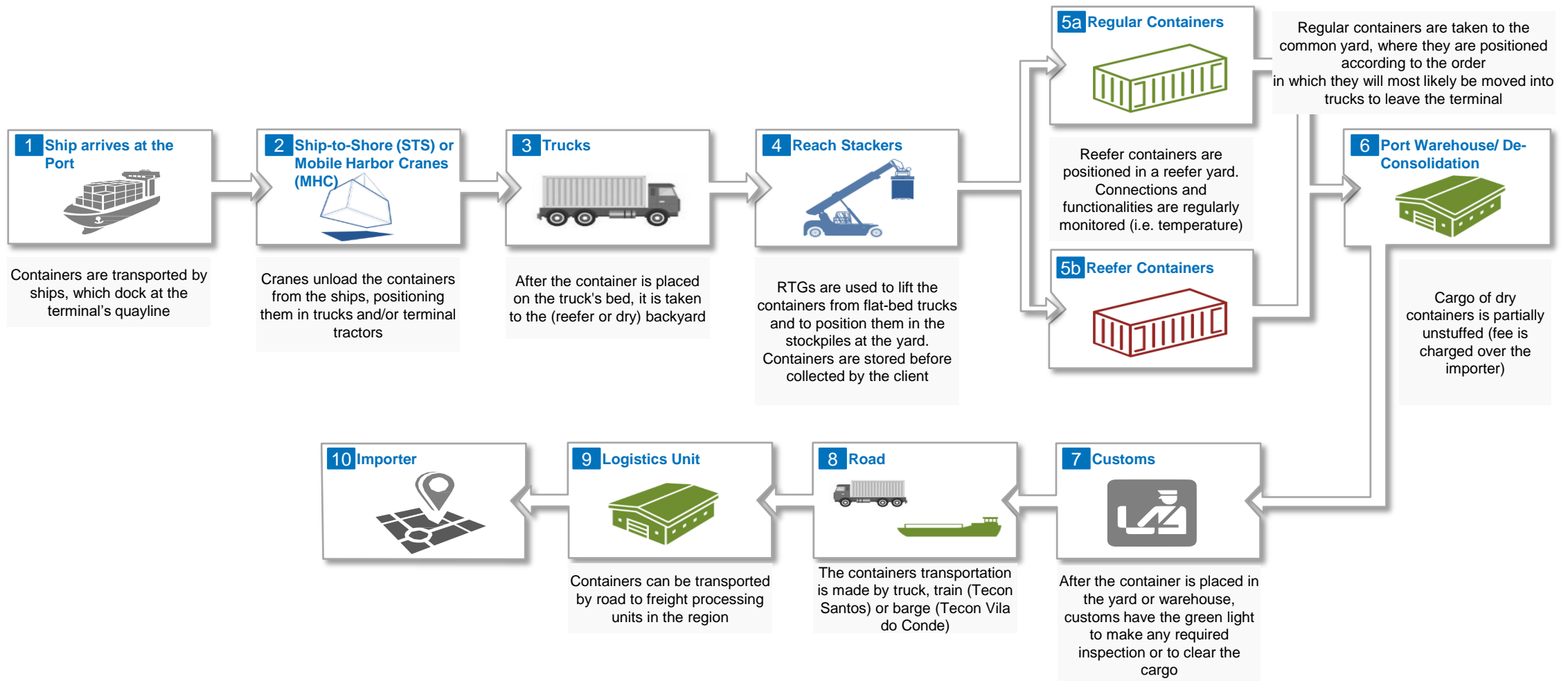
Highlights

- Publicly-traded company, listed in B3
- Five terminals on the Brazilian coast
 - Three container terminals
 - One vehicle terminal
 - One general cargo terminal
- Container throughput: 1.68 million TEU (twenty-foot equivalent unit) in 2018
- Port-to-Door full logistics solution (Santos Brasil Logística)
- 17% of the Brazilian container throughput in 2018*



Container terminal operation

The container cycle in a import operation (reverse for exports)



TECON
SANTOS



SANTOS BRASIL

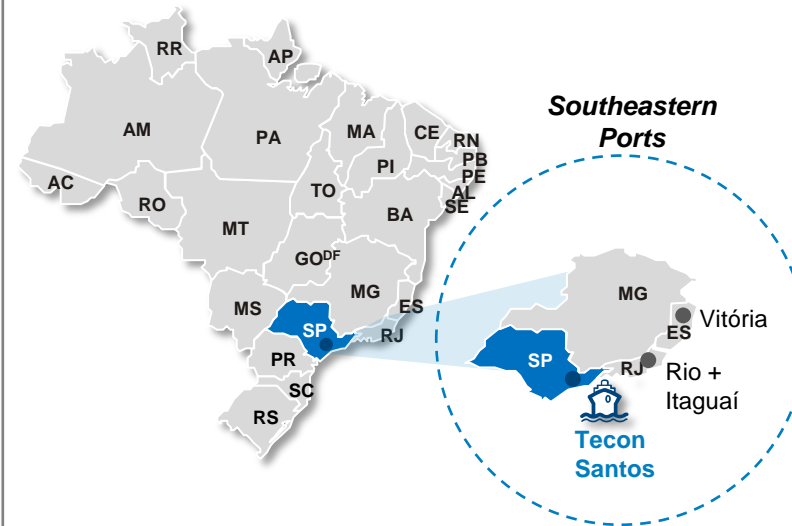


Tecon Santos

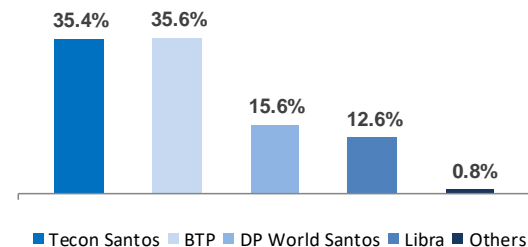
Best solution for containers in South America

- Growth capacity: CAPEX plan of ~R\$1.3 billion already started
- Lease contract renewed until 2047
- Equipment 100% GPS-controlled
- Connected to Brazil's main roads and railways
- 4 internal railway tracks

Geographic Footprint



Market Share 2018



Tecon Santos

Infrastructure and other information



General data

Depth: 13.7m
 Quayline extension: 980m + 310m (TEV)
 Area: 596,000 m²
 Annual capacity: 2,000,000 TEU

Allows Post-Panamax vessels to dock at the Port

Security

Scanner (non-invasive inspection)
 Surveillance cameras
 Restricted access

Equipment

	#	STS	MHC	Reach Stacker	RTG
Ship-to-Shore	13 ¹				
MHC	1				
Reach Stackers	18				
RTG	46				



(1) There are currently 11 STS cranes in operation. In 2018, 2 cranes were acquired, expected to be delivered in 2020.

Tecon Santos

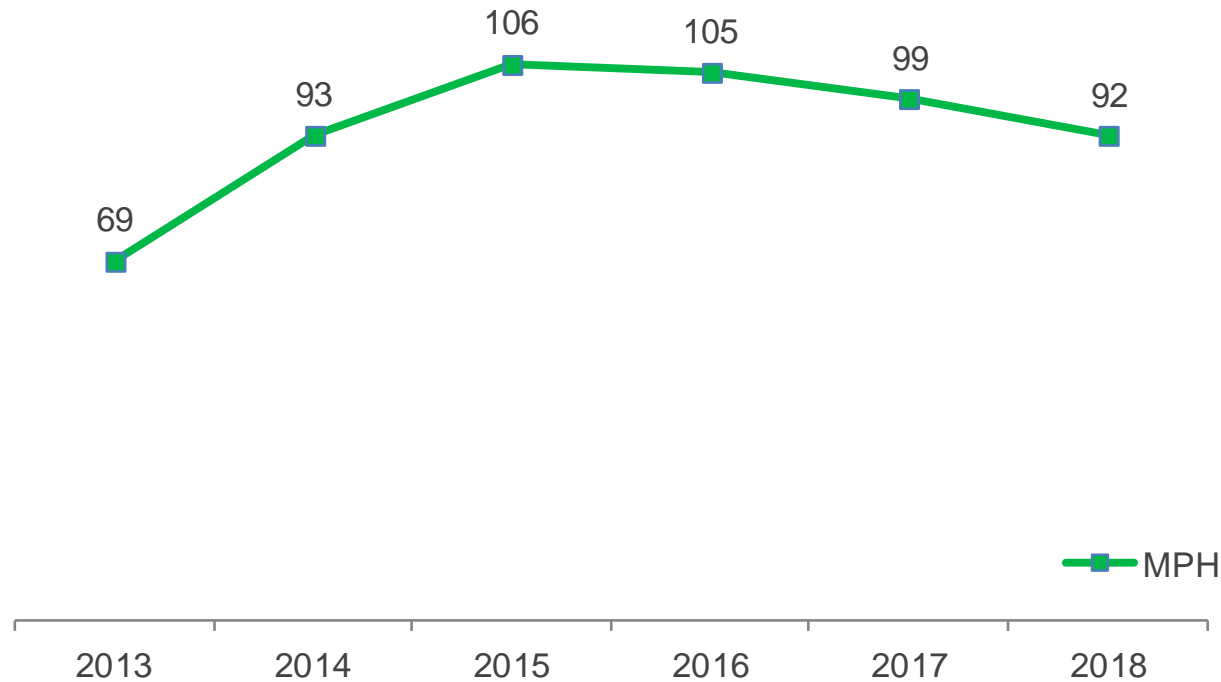
R\$ 3.0 billion¹ invested to upgrade and expand the terminal



■ High Productivity - movements per hour per vessel (MPH)



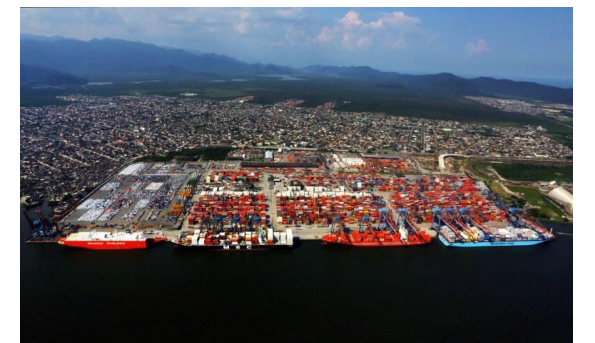
Monthly Average
in 2018
92 MPH



Tecon Santos in 1997: 11 MPH



Tecon Santos in 2018: 92 MPH



(1) IGP-M inflation adjusted

Tecon Santos

Investment cycle in progress: cutting-edge technology, modern layout

NEW LAYOUT

Automation

Focus on efficiency

New Capacity

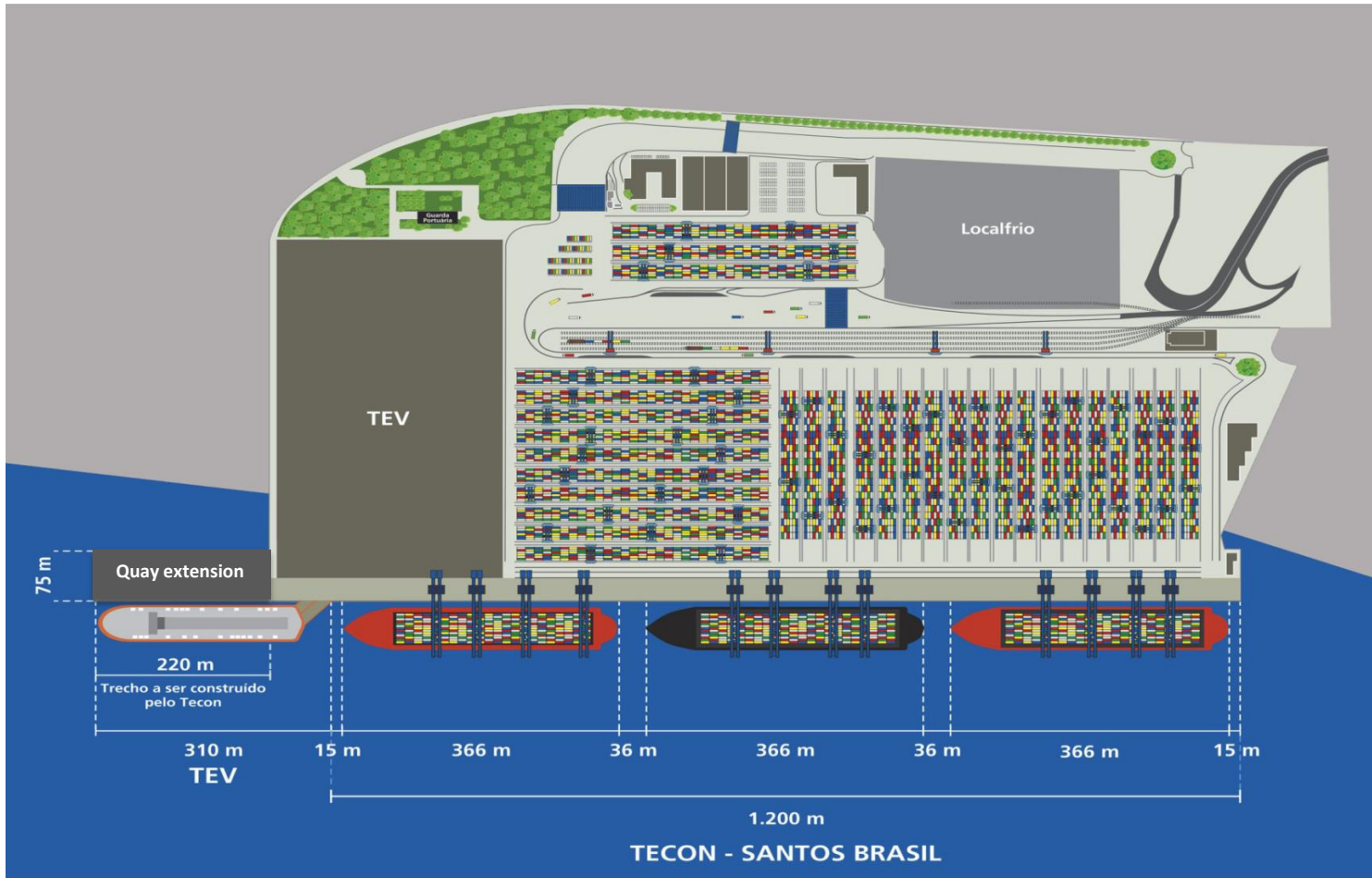
2,400,000 TEU

Estimated CapEx

R\$ 1.3 billion (US\$ 350M)

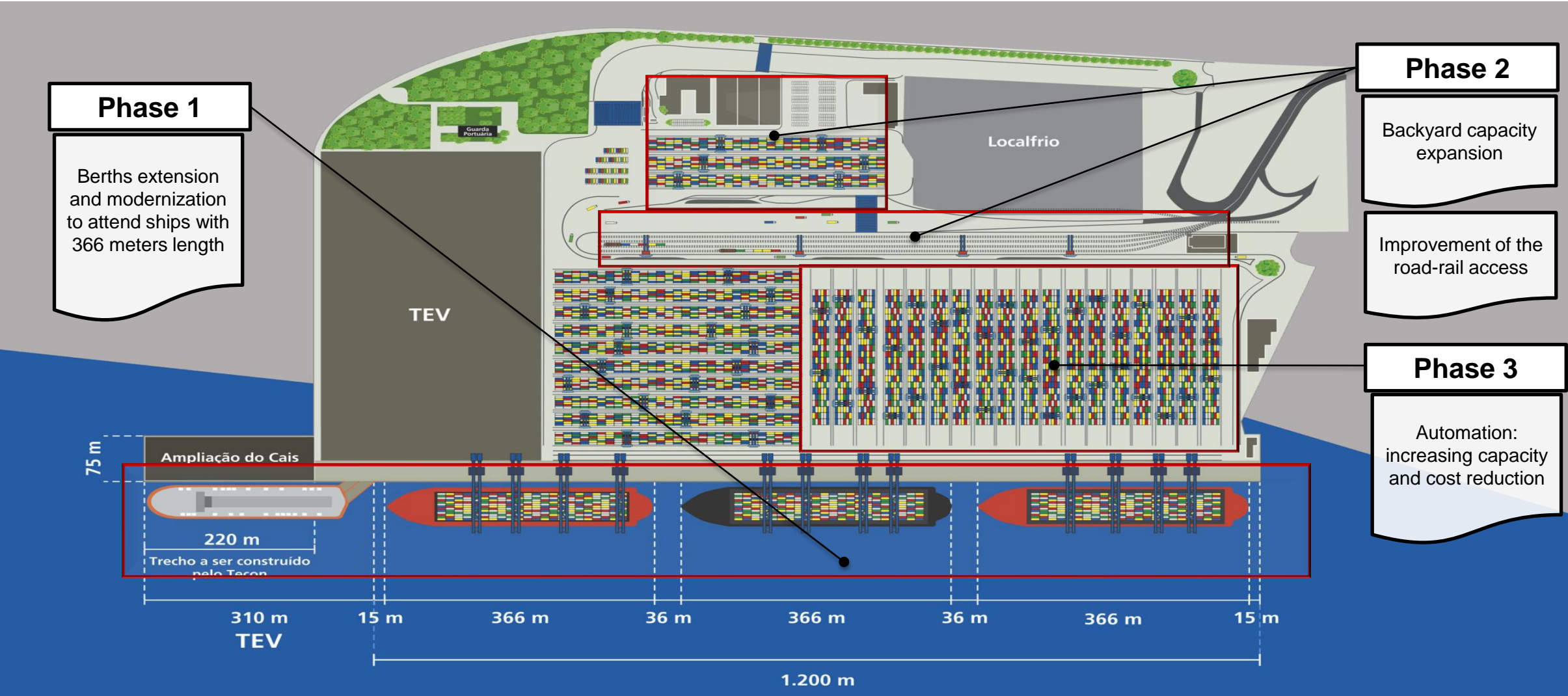
Hired Investments (FY18)

~R\$ 100M



Tecon Santos

Phases of the project



TECON
IMBITUBA



SANTOS BRASIL

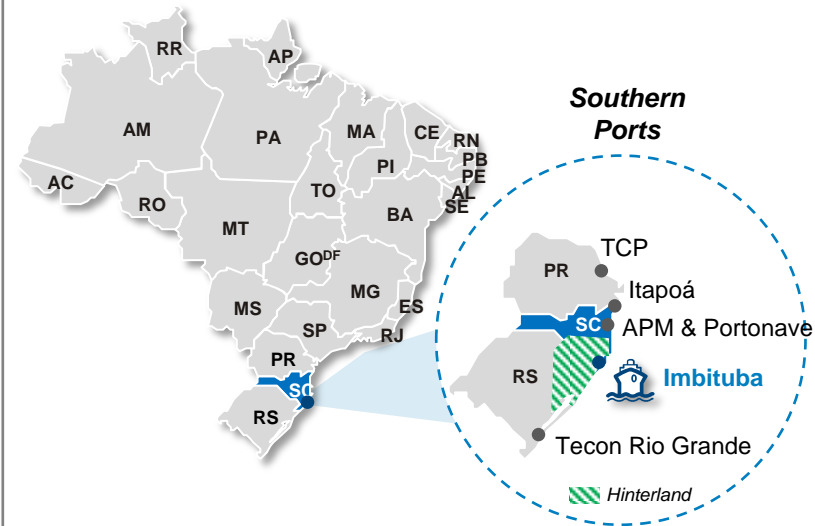


Tecon Imbituba

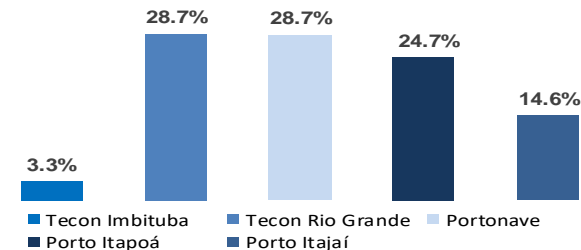
Strategic Location at Southern Region, with developed logistical access

- 14.5m draft: port terminal ready to receive Super-Post-Panamax vessels of 366 meters length
- Close to Santa Catarina and Rio Grande do Sul industrial zones
- 25-year lease contract (starting in 2008), with a renewal option for additional 25 years
- Beneficiary of adjacent infrastructure projects: widening of BR-101 federal highway and the construction of Coastal Railway (“Ferrovia Translitorânea”)
- Favorable meteorological conditions and 24-hour access
- Tecon Imbituba hosts 2 terminal types: Container and General Cargo
- One-stop shop: ship, DEPOT and container freight station (CFS) operations

Geographic Footprint



Market Share 2018



Tecon Imbituba

Infrastructure and other information



General data

Depth: 15.0m
 Quayline extension: 660m
 Area: 207,000m²
 Annual Capacity: 450,000 TEU

**Allows
Super-
Post-
Panamax
vessels
to dock
at the
Port**

Security

Scanner (non-invasive inspection)
 Surveillance cameras
 Restricted access

Equipment

#

Ship-to-Shore 2
 MHC 2
 Reach Stackers 8

STS

MHC

Reach Stacker



Tecon Imbituba

Potential for volume increase

- **Tecon Imbituba and its peer terminals (Itajaí/Navegantes and Rio Grande) are equidistant from the industrial zones and the consumption centers in the Southern region**

Nearby Agricultural Area

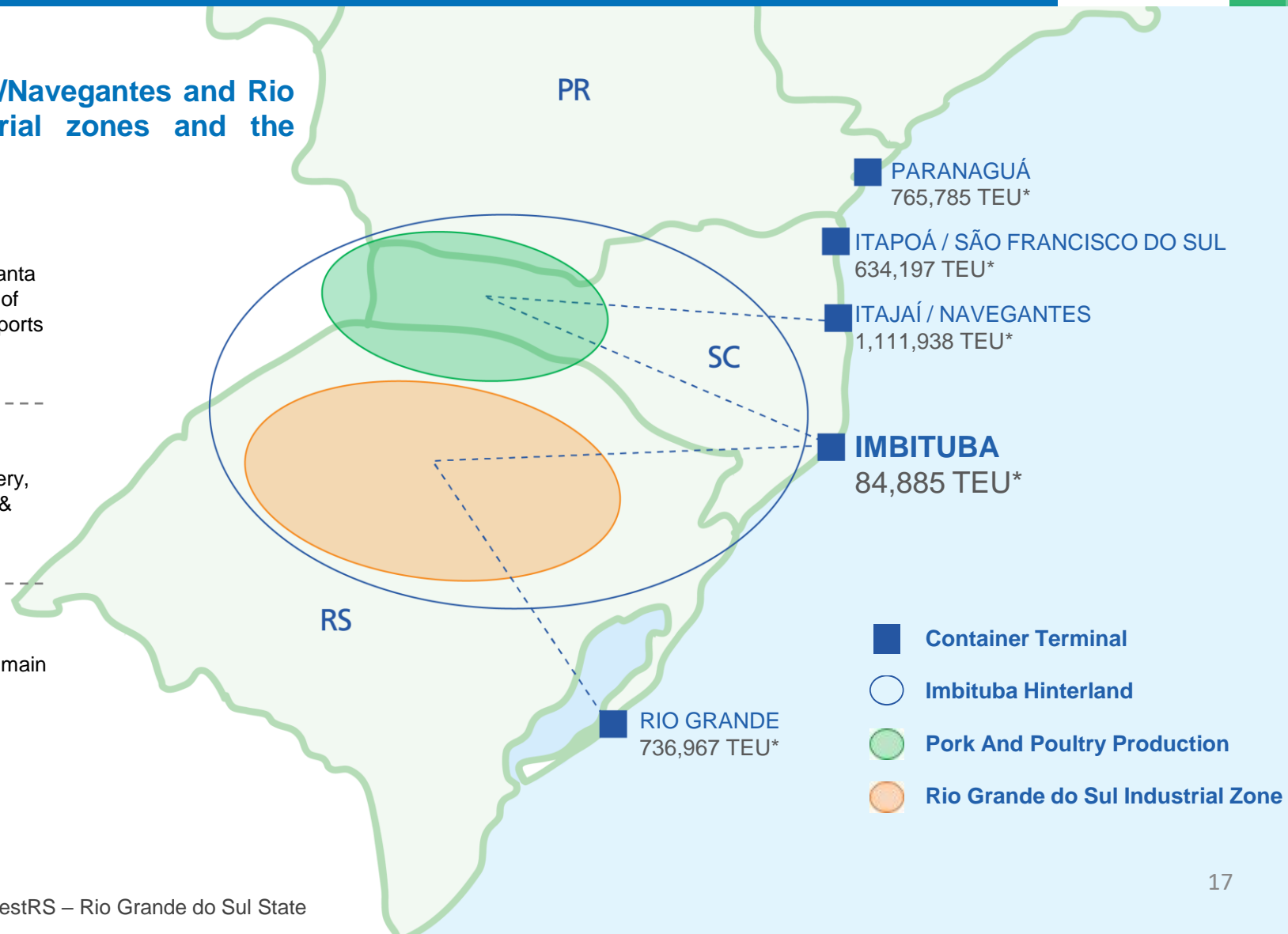
- ✓ The states of Rio Grande do Sul and Santa Catarina together accounted for 40.5% of Brazilian chicken and 69.7% of pork exports in 2017⁽¹⁾

Nearby Industrial Cluster

- ✓ Rio Grande do Sul holds the largest concentration of biodiesel, tobacco, automation, agricultural & road machinery, wine, trailers & car bodies, and leather & footwear producers / manufacturers in Brazil⁽²⁾

With Premium Logistics

- ✓ Premium transportation logistics with 2 main roads and railways under construction



* Source: Volume in 2018 (ANTAQ)

(1) Brazilian Association of Animal Protein 2018 Annual Report; (2) InvestRS – Rio Grande do Sul State

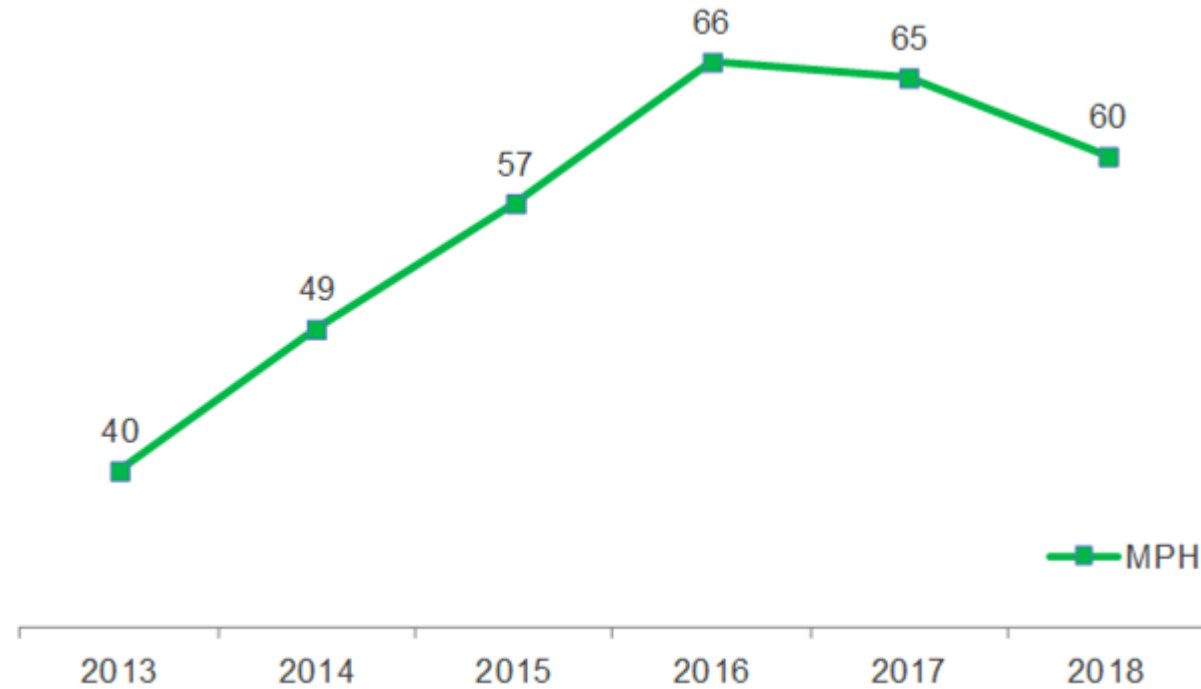
Tecon Imbituba

R\$ 965 million⁽¹⁾ invested since 2008

■ Improving Productivity - movements per hour per vessel (MPH)



Monthly Average
in 2018
60 MPH



(1) IGP-M inflation adjusted. Includes investments in Imbituba General Cargo terminal

TECON
VILA DO
CONDE

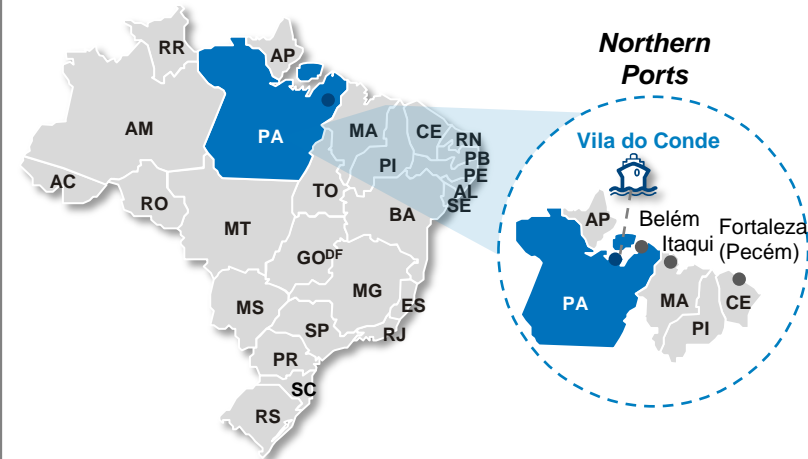


Tecon Vila do Conde

Located in the delta of Amazon River

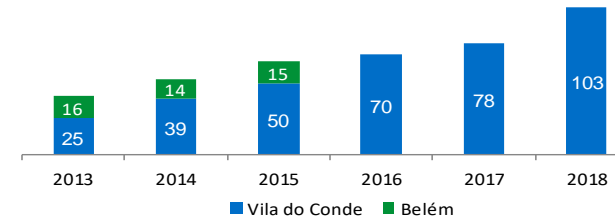
- Located in the North region of Brazil, with no physical constraints to receive long haul vessels
- Dominant container terminal in Pará state, well connected to other Brazilian ports via cabotage
- Connected to all continents, directly, through Caribbean hub ports and Panama Canal
- Offers container stuffing and unstuffing services, as well as refrigerated warehousing
- Capacity expanded in 2018: investments in new equipment and infrastructure modernization
- Lease contract recently renewed for an additional 15-year period (by 2033)
- Important commodities export hub in the region (e.g. timber, frozen meat, pepper, agricultural products, metals, minerals and fruits)

Geographic Footprint



Market Share 2018

'000 containers



Tecon Vila do Conde

Infrastructure and other information



General data

Depth: 13.5m
 Quayline extension: 254m
 Area: 86,615 m²
 Annual Capacity: 217,000 TEU

**Allows
Post-
Panamax
vessels
to dock
at the
Port**

Security

Scanner (non-invasive inspection)
 Surveillance cameras
 Restricted access

Equipment

#

MHC 3
 Reach Stackers 12

MHC



Reach Stacker



Tecon Vila do Conde

North Region: inland waterway cargo transportation



Tecon Vila do Conde

Recent upgrade and capacity expansion to 217,000 TEU



TEV - Vehicle Terminal

Largest vehicle terminal in Brazil

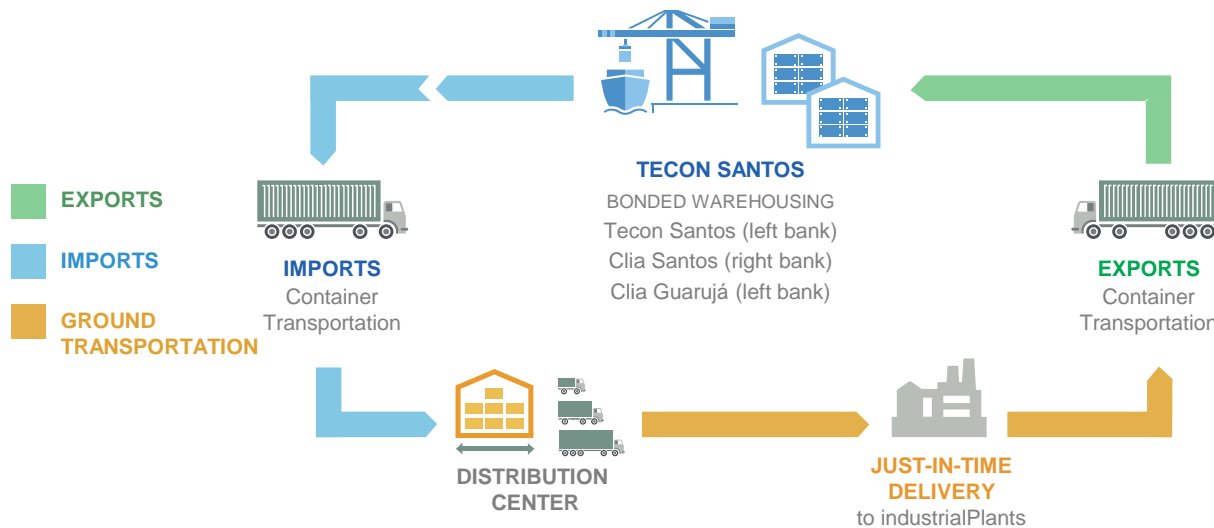
- **Neighbor to Tecon Santos**
- **Handling of different types of cargo:** trains, dismantled industrial plants, power transformers, dismantled machinery, large sculptures etc
- **Annual capacity: 300,000 vehicles**
 - Static capacity: 10,000 vehicles
 - FY18 throughput: 241,291 vehicles
 - Total area: 164,000 m²
 - Quayline extension: 310 meters



Logistics

Vertical integration

- Taylor-made logistics services, integrating maritime transportation to exporters' and importers' logistic chain
- Potential to increase customers' competitiveness: eg. the “K10” logistics operation for BASF
- Synergies between integrated logistics and port operations
- Infrastructure:
 - Distribution Center in São Bernardo do Campo (105,000m²)
 - CLIA Guarujá (bonded warehouse - 52,900m²)
 - CLIA Santos (bonded warehouse - 64,755m²)



Main clients

Port terminals and Logistics



Investments

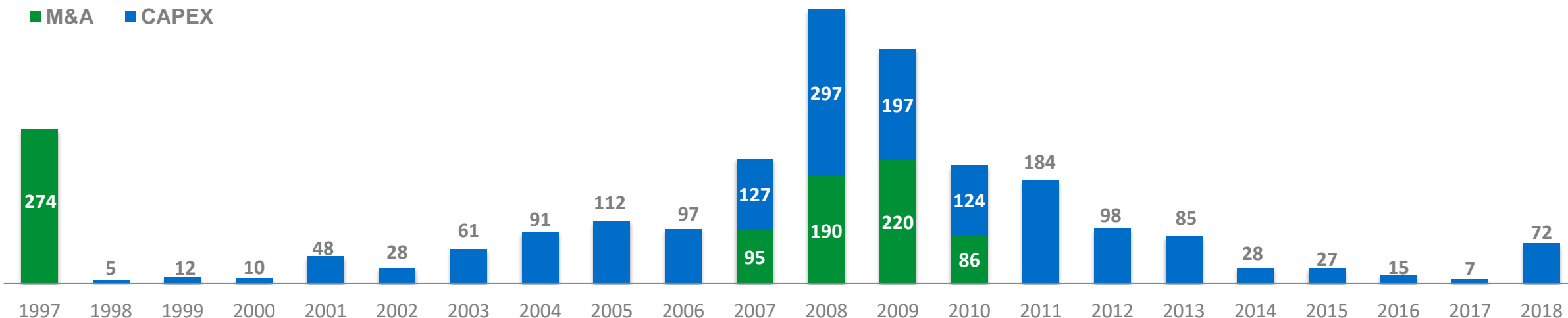
R\$ 4.9 billion⁽¹⁾ in 22 years

M&A

- 1997 – Tecon Santos bidding
- 2006 – Santos Brasil IPO
- 2007 – Santos Brasil Logística aquisição
- 2008 – Tecon Imbituba bidding & Tecon Vila do Conde acquisition
- 2009 – Vehicles terminal bidding

CAPEX

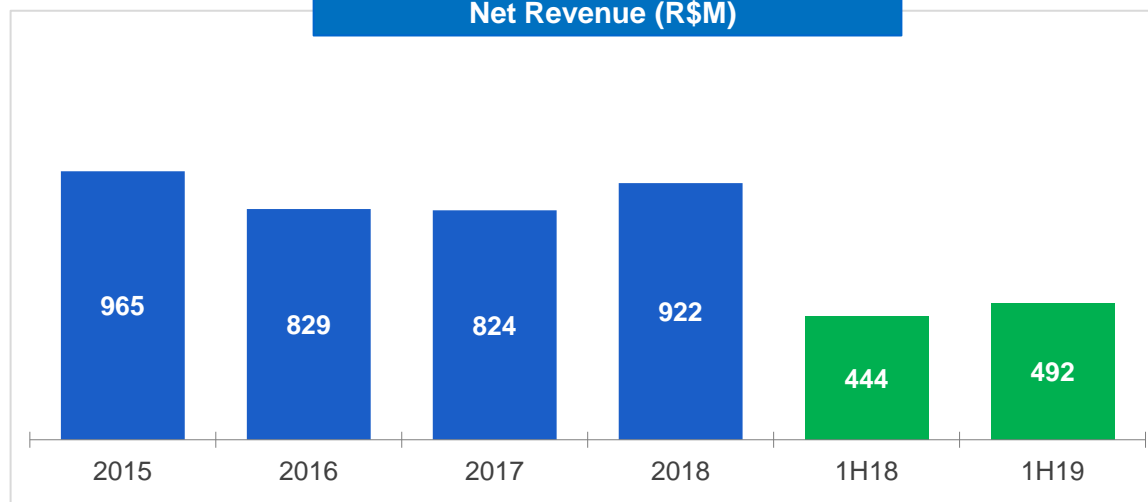
- 2004/2006 – Tecon Santos first expansion
- 2008/2010 – Tecon Santos second expansion
- 2008/2011 – Tecon Imbituba expansion



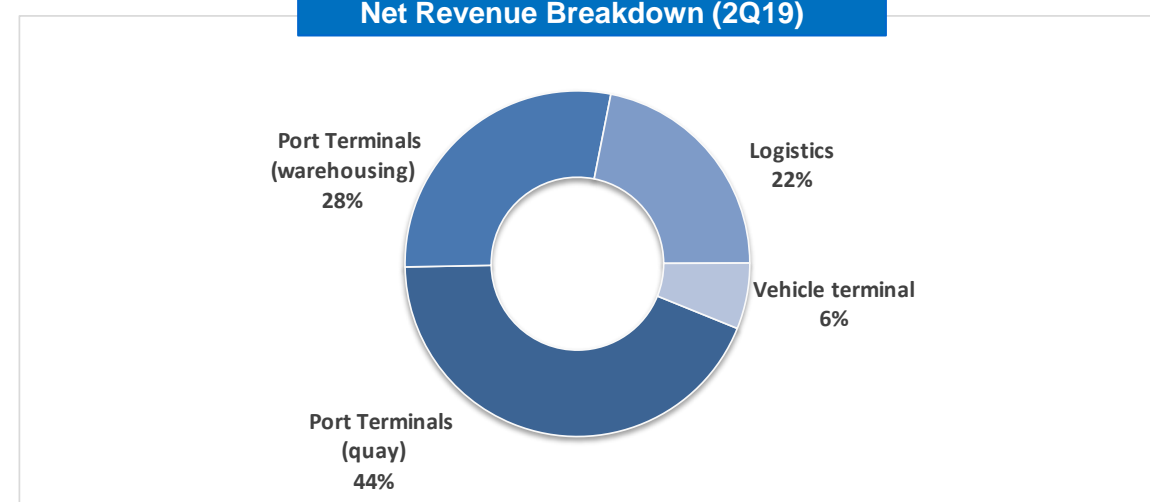
(1) IGP-M inflation adjusted

Financial Highlights

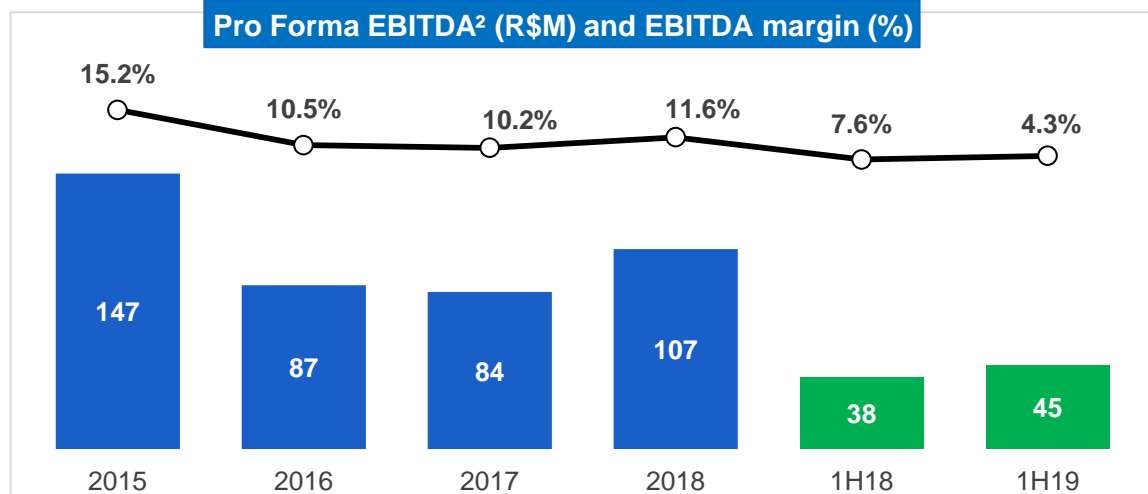
Net Revenue (R\$M)



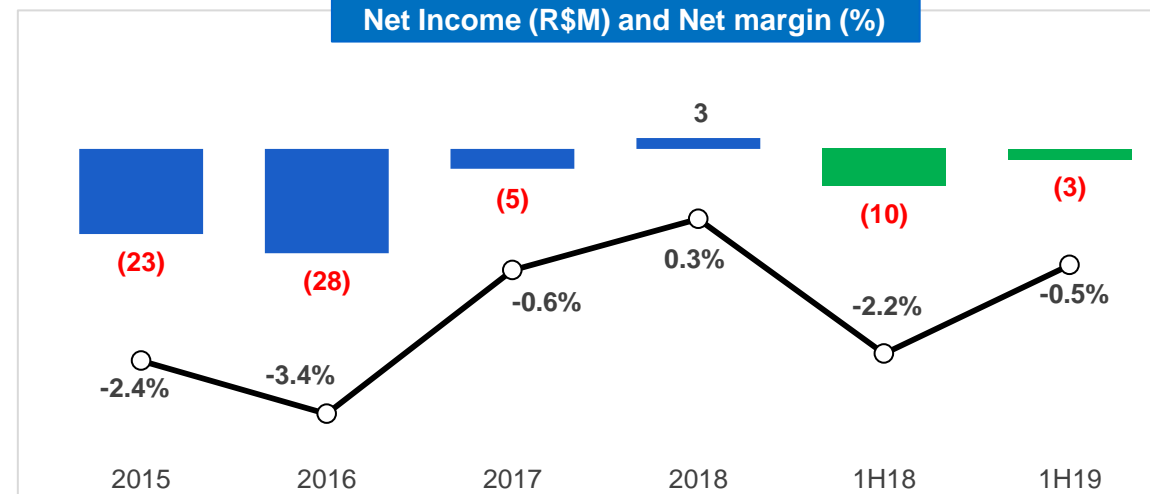
Net Revenue Breakdown (2Q19)



Pro Forma EBITDA² (R\$M) and EBITDA margin (%)



Net Income (R\$M) and Net margin (%)

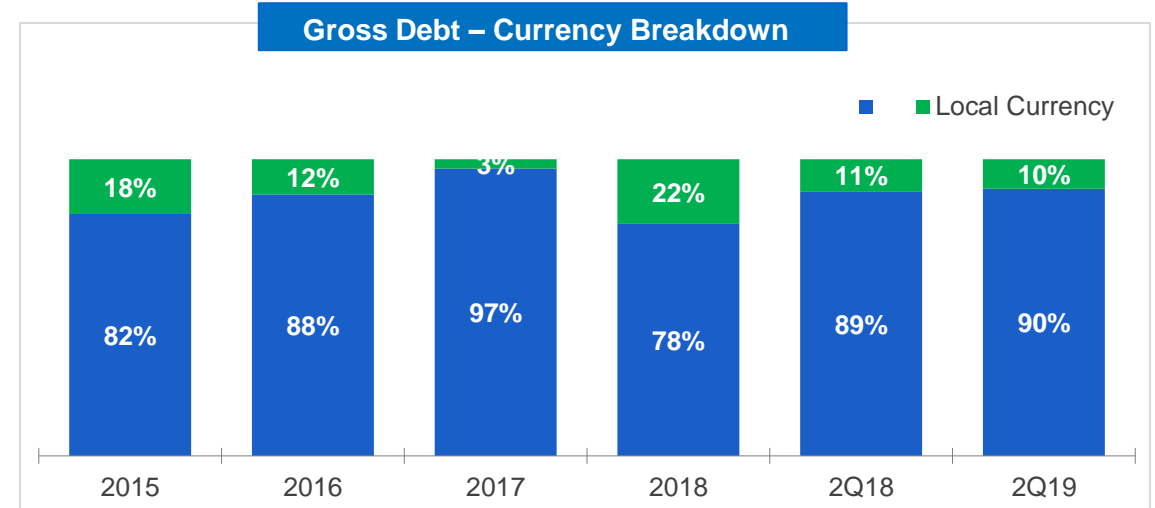
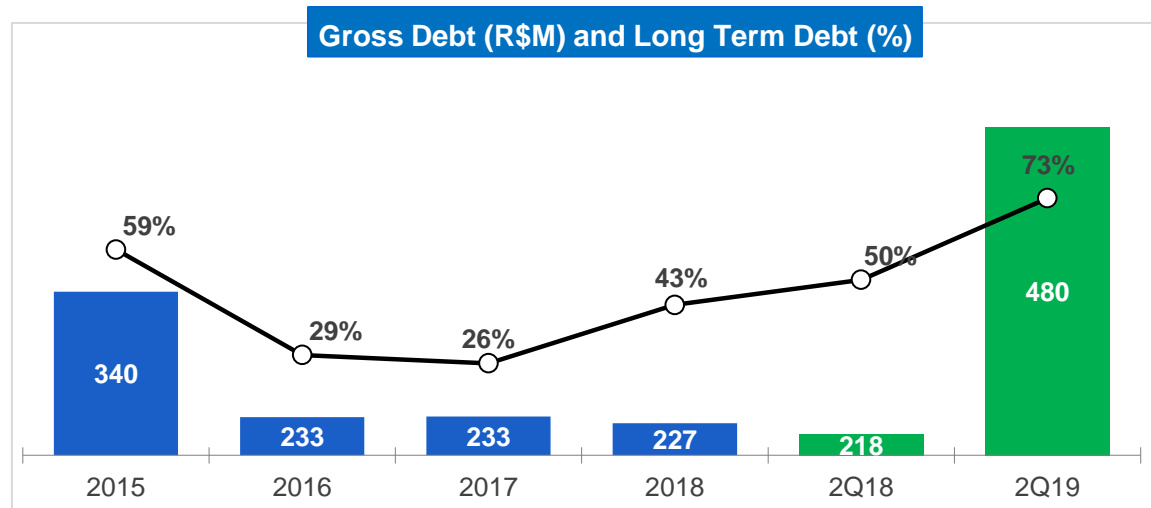
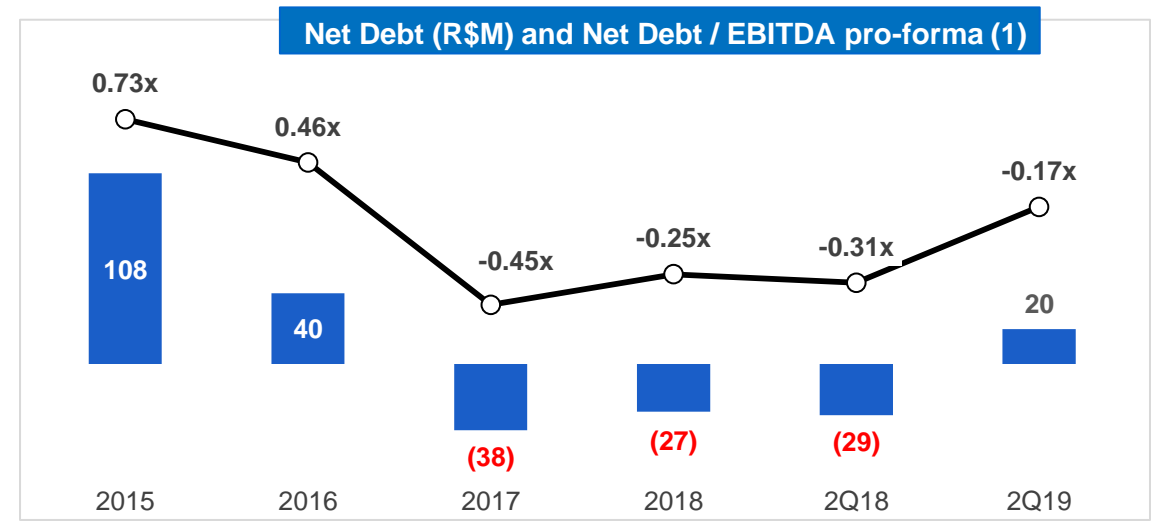
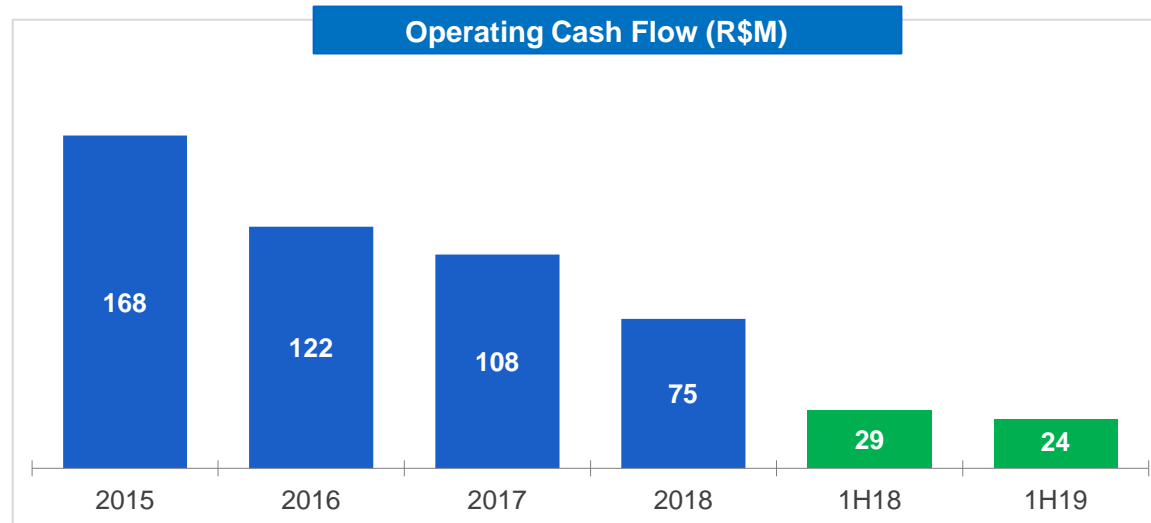


(1) Does not consider intracompany eliminations

(2) Pro-forma EBITDA sum leasing expenses;

Debt Leverage and Cash Flow

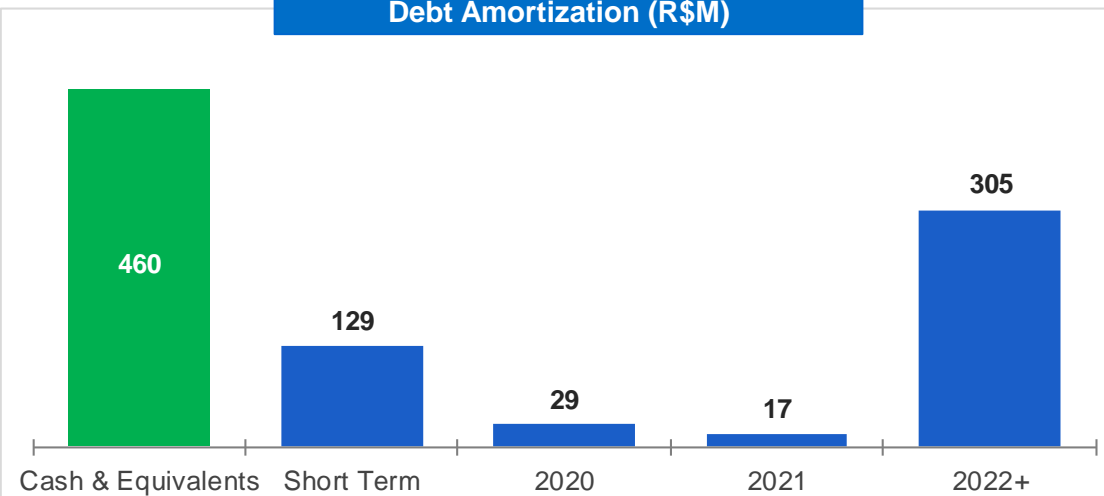
S&P – Corporate rating in national scale: brAAA



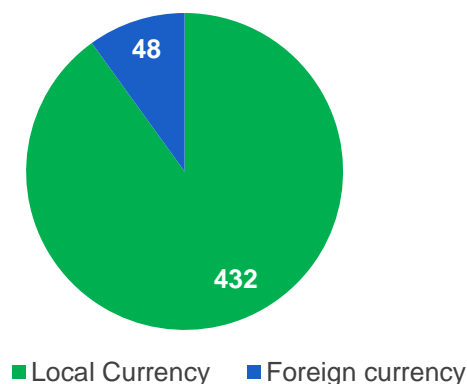
Debt highlights and financial ratios

Net debt of R\$ 19.8 million at 06/30/2019

Debt Amortization (R\$M)



Gross Debt - currency breakdown



Debt	Currency	Outstanding (R\$M)	%
NCE	BRL	101.0	21.0%
Finimp	USD/EUR	16.9	3.5%
Finame	BRL	2.5	0.5%
Debentures	BRL	298.6	62.2%
CCE	USD	61.1	12.7%
Total		480.1	100.0%

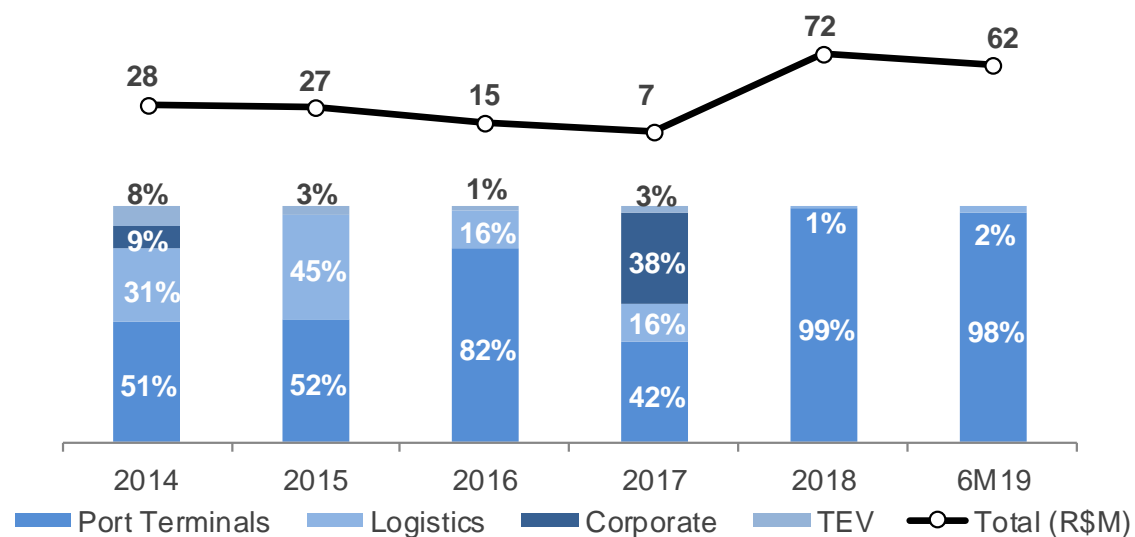
Financial indicators – 2Q19

Debt leverage	0.17x	net debt / pro-forma EBITDA LTM
Coverage ratio	1.7	pro-forma EBITDA LTM / interest expenses LTM
Current ratio	2.1	current assets / current liabilities
Quick ratio	2.0	(current assets - inventories) / current liabilities
Cash ratio	1.5	cash & equivalents / current liabilities

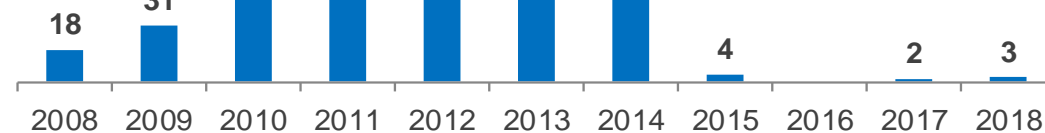
CapEx and Dividends

R\$ million

Capital Expenditures



Dividends and Interest on Equity distribution (R\$M)

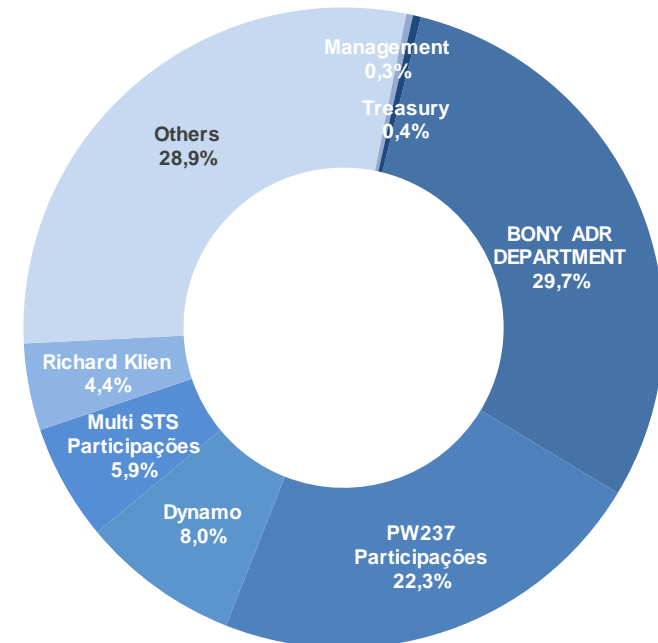


Corporate Governance

All preferred shares converted to voting shares in 2016

- “Novo Mercado” listing on B3
- 100% Tag Along for all minority shareholders
- One Share, One Vote (no shareholders agreement)
- Board of directors: 7 members formed by shareholders
- Permanent Fiscal Board
- **Management:**
 - Stock Options, Performance Shares and Matching for key executives;
 - Compensation program for managers and employees: EBITDA and EVA oriented;
 - Individual performance plans = clear and targets;
 - Progression, promotion and compensation based on meritocracy;

Shareholding Structure (Sep/19)



Sustainability and Social Responsibility

- ✓ Member of the Global Compact, an international sustainability pact
- ✓ Sustainability Report¹ compliant with GRI Standard since 2012
- ✓ Sustainability Academy, an ongoing training for leaders
- ✓ R\$ 26 million invested in training over the last 6 years
- ✓ Annual average of 10.93 hours of training per employee
- ✓ 'Formare Aprendiz' program: 251 youngsters graduated since 2009 – 86 were hired
- ✓ 'Eu Sou Voluntário' program: 170 employees subscribed
- ✓ Support to local projects for social insertion through education, sports and development of physical, intellectual and/or sensorial skills of handicapped child and teenagers



IR contact, Web and Social Medias



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BM&FBOVESPA **IBRA**

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BM&FBOVESPA
Small Cap **SMLL**

dri@santosbrasil.com.br

+55 (11) 3279-3279

 SantosBrasil

 santosbrasil_

 santosbrasiloficial

 santos-brasil