

4Q19 EARNINGS RELEASE

JUNE 24TH, 2019

Cash Income of R\$461.4 million in 18/19 Crop Year

4Q19 and 12M19 Highlights

- ✓ Adjusted EBITDA amounted to **R\$510 million** in 4Q19 (-13%) and to **R\$1,645 million** in the 18/19 crop year (-16%), with **Adjusted EBITDA margin of 48.6%**. The decrease reflects the lower sugar prices in 12M19 and 4Q19 combined with the lower ethanol price in 4Q19 compared to 4Q18;
- ✓ Operating Cash Flow¹ amounted to **R\$134 million** in 4Q19 and to **R\$638 million in 12M19**;
- ✓ Net income amounted to **R\$86 million** in 4Q19 (-44%) and to **R\$314 million** in 12M19 (-36.1%), while Cash Income amounted to **R\$158 million** in 4Q19 (-32%) and to **R\$461 million** in the crop year (-45%);
- ✓ IAA Credits (Copersucar Rights): **R\$106.5 million** received in 4Q19 related to the 1st installment of the 1st precatory, with a net effect of R\$70.6 million;
- ✓ At March 31, 2019, our sugar prices for the 19/20 crop year were hedged for **~574 thousand tons** at an average price of **~R\$1,190/ton (54.00 ¢/lb)**;
- ✓ Production guidance for the 19/20 crop year: growth in cane crushing volume of 8% to **~22 million tons**, reflecting the better weather conditions and projects to increase yields.

1 – Operating Cash Flow = EBITDA – Maintenance Capex

Executive Summary	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
Net Revenue ¹	1,124,508	1,118,241	0.6%	3,381,663	3,621,987	-6.6%
Adjusted EBITDA	509,586	585,629	-13.0%	1,644,534	1,949,994	-15.7%
Adjusted EBITDA Margin	45.3%	52.4%	-7.1 p.p.	48.6%	53.8%	-5.2 p.p.
Adjusted EBIT	121,050	296,278	-59.1%	599,760	1,054,412	-43.1%
Adjusted EBIT Margin	10.8%	26.5%	-15.7 p.p.	17.7%	29.1%	-11.4 p.p.
Net Income before taxes	87,639	192,107	-54.4%	379,234	622,546	-39.1%
Net Income	85,610	153,335	-44.2%	314,045	491,706	-36.1%
Cash Income	158,048	233,176	-32.2%	461,370	846,362	-45.5%
Net Debt / EBITDA	1.46 x	1.26 x	15.6%	1.46 x	1.26 x	15.6%

1- Excludes the Hedge Accounting effect of foreign-denominated debt and PPA USC

March 29, 2019

SMT03
R\$ 18.34 per share

Market Cap:
R\$ 6,676 million

Earnings Conference Call

June 25, 2019 (Tuesday)

3 p.m. (Brasília time) + 55 11 3193-1001
2 p.m. (New York time) +1 646 828-8246

Access code: São Martinho
To access the webcast, [click here](#)

MESSAGE FROM MANAGEMENT

With a flexible business model that enables us to rapidly and effectively adapt to various scenarios, São Martinho completed a crop year that confirmed its solidity and capacity to deliver results in an environment marked by high price volatility and significant impacts on production due to weather factors.

Despite the high volatility in sugar and ethanol prices, a positive highlight in the 18/19 crop year was the robust consumption of ethanol in Brazil, which grew by 18% in relation to the prior crop year. The combination of strong growth in demand for the biofuel with low sugar prices in the international market drove a shift in our production mix in the crop year, with 65% of cane TRS converted into ethanol.

Also, we maintained our planned investments, which included: (i) conclusion of the PSS and Meiosis project for cane planting, which will enable us to reach full crushing capacity within the next few years; and (ii) the COA project, which already has been implemented at the São Martinho Mill and this year will be rolled out to the Company's other mills. These initiatives not only are important growth and profitability drivers, but also strengthen our positioning as leading innovators in sustainable agriculture.

For the 19/20 crop year, which started in April, we have observed since the start of the year better weather conditions and consequently better sugarcane yields, which allowed us to recover our cane processing volume to around 22 million tons, representing growth of 8% compared to the 18/19 crop year.

We remain optimistic on the ethanol market, given our belief that the combination of strong domestic consumption and better oil prices in Brazilian real could improve market conditions. We also must note the relevance of the Renovabio to the industry and our Company, and we expect to become soon a part of this program that promotes the importance of ethanol and already is a world reference.

Last, but not least, in 2018, we won various awards that certainly are the result of the daily efforts and dedication of all employees. In the ranking compiled by *Você S.A.* magazine, we were elected Company of the Year, the **Best Company to Work for in Brazil**. In addition to taking the top award in this ranking, we once again were named Best Agribusiness Company, Best Large Company and Highlight in the Leadership category. We take this opportunity to thank all our employees, stakeholders and shareholders.

The Management

São Martinho

COMPANY OVERVIEW

Operating Highlights

OPERATIONAL DATA	12M19	12M18	Chg.(%)
Crushed Sugarcane ('000 tons)	20,450	22,206	-7.9%
Own	13,692	15,191	-9.9%
Third Parties	6,758	7,015	-3.7%
Mechanized Harvest	99.9%	99.8%	0.13 p.p.
Agricultural Yield (ton/ha)	74.2	79.5	-6.7%
Average TRS (kg/ton)	142.2	139.8	1.7%
Production			
Sugar ('000 tons)	992	1,407	-29.5%
Ethanol ('000 m ³)	1,097	953	15.1%
Cogeneration ('000 MWh)	829	913	-9.2%
TRS Produced	2,908	3,104	-6.3%
Sugar - Ethanol Mix	36% - 64%	47% - 53%	

During the 18/19 crop year, the Company processed 20.5 million tons of sugarcane, 7.9% less than in the previous crop year. As mentioned in the previous quarter, despite the lower volume of processed cane, average TRS increased 1.7% (142.2 kg/ton), while total TRS produced was 6.3% lower than last crop year. The lower yield is explained by the severe drought observed over the entire crop year.

Production Guidance for 19/20 Crop Year

As per the Material Fact released today, we announce our guidance for operating results in the 19/20 crop year.

	19/20 Guidance	18/19	Chg. (%)
OPERATIONAL DATA			
Crushing ('000 tons)	22,000	20,450	8%
Average TRS (Kg/Ton)	139.0	142.2	-2%

Production Mix Scenarios	Max Sugar	Max Ethanol	
Sugar ('000 tons)	1,415	1,055	992
Ethanol ('000 m ³)	915	1,145	1,097
Cogeneration ('000 MWh)	905	910	829

Cane crushing volume in the 19/20 crop year is estimated at approximately 22.0 million tons, up 8% from the previous crop year, **reflecting the better weather conditions and projects to increase yields.**

Guidance for the production mix is 1.4 million tons of sugar and 915 thousand m³ of ethanol, considering maximum sugar mix scenario, and 1.1 million tons of sugar and 1.1 million m³ of ethanol, considering a maximum ethanol mix scenario.

Financial Indicators

The following table presents São Martinho's financial highlights in the fourth quarter and full crop year, which will be discussed in more detail throughout this earnings release.

	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
R\$ '000						
Net Revenue ¹	1,124,508	1,118,241	0.6%	3,381,663	3,621,987	-6.6%
Adjusted EBITDA	509,586	585,629	-13.0%	1,644,534	1,949,994	-15.7%
Adjusted EBITDA Margin	45.3%	52.4%	-7.1 p.p.	48.6%	53.8%	-5.2 p.p.
Adjusted EBIT	121,050	296,278	-59.1%	599,760	1,054,412	-43.1%
Adjusted EBIT Margin	10.8%	26.5%	-15.7 p.p.	17.7%	29.1%	-11.4 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	9,748,722	9,114,712	7.0%	9,748,722	9,114,712	7.0%
Shareholders' Equity	3,391,010	3,289,775	3.1%	3,391,010	3,289,775	3.1%
EBITDA (LTM)	1,644,534	1,949,994	-15.7%	1,644,534	1,949,994	-15.7%
Net Debt	2,401,992	2,462,768	-2.5%	2,401,992	2,462,768	-2.5%
Net Debt / EBITDA (LTM)	1.46 x	1.26 x	15.6%	1.46 x	1.26 x	15.6%
Net Debt / Shareholders' Equity	71%	75%		71%	75%	

1 - Excludes the Hedge Accounting effect of foreign-denominated debt and PPA USC

INDUSTRY OVERVIEW

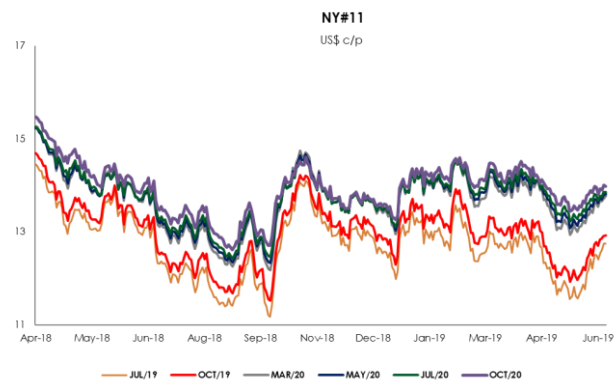
According to the report issued by the Brazilian Sugarcane Industry Association (UNICA) for the close of the 18/19 crop year, the Center-South region processed 573.1 million tons of sugarcane, or 3.9% less than in the previous crop year, mainly due to the drier weather observed in the crop year, with 35.2% of this production allocated to sugar production and 64.8% to ethanol production.

Sugar

According to UNICA, Brazil's Center-South region produced 26.5 million tons of sugar in the 18/19 crop year, down 26.5% from the prior crop year, reflecting the shift in the production mix towards ethanol, given the product's higher profitability relative to sugar in the period, as discussed in prior quarters.

As of September 2018, sugar prices started to recover for all contract dates for the 19/20 crop year, reflecting the sharp decline in sugar production in Brazil.

In light of this scenario of recovering prices, we increased our sugar hedge position for the 19/20 crop year to 574 thousand tons, which represents approximately 68% of own cane (considering the minimum of the range for sugar production, as per the Material Fact with guidance for the crop year), at the average price of 54.00 ¢/lb.



Ethanol

According to data for the close of the 18/19 crop year from UNICA, Brazil's Center-South region increased ethanol production by 18.6% from the prior crop year, reflecting the shift in the production mix towards ethanol.

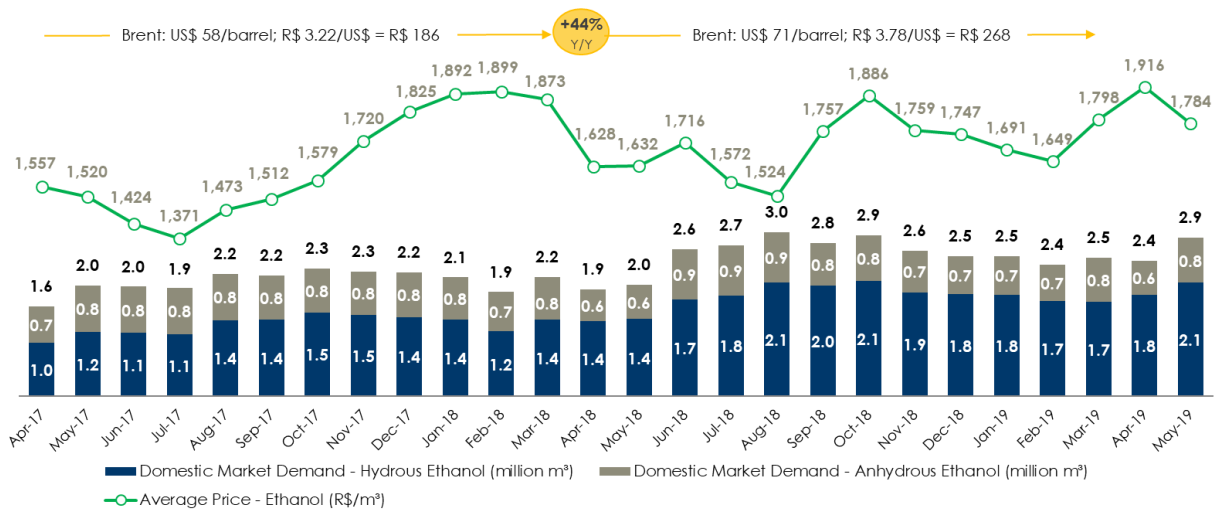
According to data from ANP, the share of hydrous ethanol consumption at the pump increased to over 45% in the 18/19 crop year, compared to 33% in the previous crop year, considering the consumption of C gasoline in key consumer states (São Paulo, Minas Gerais and Goiás).

The shift in consumer behavior at the pump mainly reflected the higher gasoline C price, given the 44% increase due to the combination of higher crude oil prices and local-currency depreciation in the 18/19 crop year (vs. 12M18), which stimulated the migration of consumption towards ethanol. However, given the strong ethanol production volume throughout the crop year, the parity of the ethanol price to the gasoline price remained below 65% during a large part of the crop year, which prevented a higher increase in prices, as occurred in the gasoline C price.

For the 19/20 crop year, which began in April, ethanol prices registered a sharp increase, due to (i) the higher precipitation in the period, which delayed the start of the season in certain regions, and (ii) the very low levels of ending stocks for ethanol.

Given the positive fundamentals for the ethanol market and the resilience in monthly consumption growth, especially of hydrous ethanol, we expect better support for prices over the crop year, considering a scenario of stable oil prices.

The following chart shows monthly hydrous and anhydrous ethanol consumption and the average prices practiced, based on data from ESALQ.



Source: UNICA and CEPEA/ESALQ

FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
R\$ '000						
Domestic Market	769,303	716,649	7.3%	2,308,727	2,014,480	14.6%
Sugar	32,925	68,098	-51.7%	142,053	205,965	-31.0%
Ethanol	714,536	626,722	14.0%	1,902,358	1,544,909	23.1%
Energy	11,592	6,098	90.1%	209,082	207,293	0.9%
Real Estate Development	7	3,893	-99.8%	2,730	8,419	-67.6%
Others	10,243	11,838	-13.5%	52,504	47,894	9.6%
Export Market	355,205	401,592	-11.6%	1,072,936	1,607,507	-33.3%
Sugar	334,154	391,138	-14.6%	966,242	1,575,580	-38.7%
Ethanol	21,051	10,454	101.4%	106,694	27,100	293.7%
Others	-	0	n.m.	-	4,827	n.m.
Net Revenue¹	1,124,508	1,118,241	0.6%	3,381,663	3,621,987	-6.6%
Sugar	367,079	459,236	-20.1%	1,108,295	1,781,545	-37.8%
Ethanol	735,587	637,176	15.4%	2,009,052	1,572,009	27.8%
Energy	11,592	6,098	90.1%	209,082	207,293	0.9%
Real Estate Development	7	3,893	-99.8%	2,730	8,419	-67.6%
Others	10,243	11,838	-13.5%	52,504	52,721	-0.4%

¹ - Excludes the Hedge Accounting effect of foreign-denominated debt and PPAUSC

Net Revenue

In the fourth quarter of the 18/19 crop year, the Company's net revenue amounted to R\$1,124.5 million, which is in line with the same quarter last crop year. The main factors supporting this result were: (i) the higher ethanol sales volume in the period, due to the shift in the production mix; and (ii) the higher sales volume and price of energy cogeneration.

In the full crop year, net revenue decreased 6.6%, mainly due to: (i) the lower sugar sales volume and price, which were partially offset by (i) the higher ethanol sales volume and price; and (ii) the higher cogeneration sales price.

Main Adjustments in Net Revenue for 4Q19 and 12M19

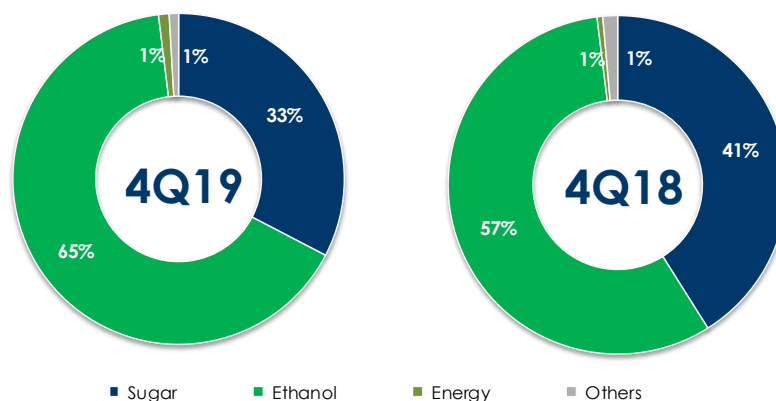
1) Debt maturity (Hedge Accounting)

Debt maturity (Hedge accounting): expense related to exchange variation on debt settled in 4Q19 that was previously designated as Hedge Accounting at a BRL/USD exchange rate of R\$3.3. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.8/USD, we adjusted the amount of R\$0.8 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 12M19, we adjusted the amount of R\$13.1 million.

2) PPA

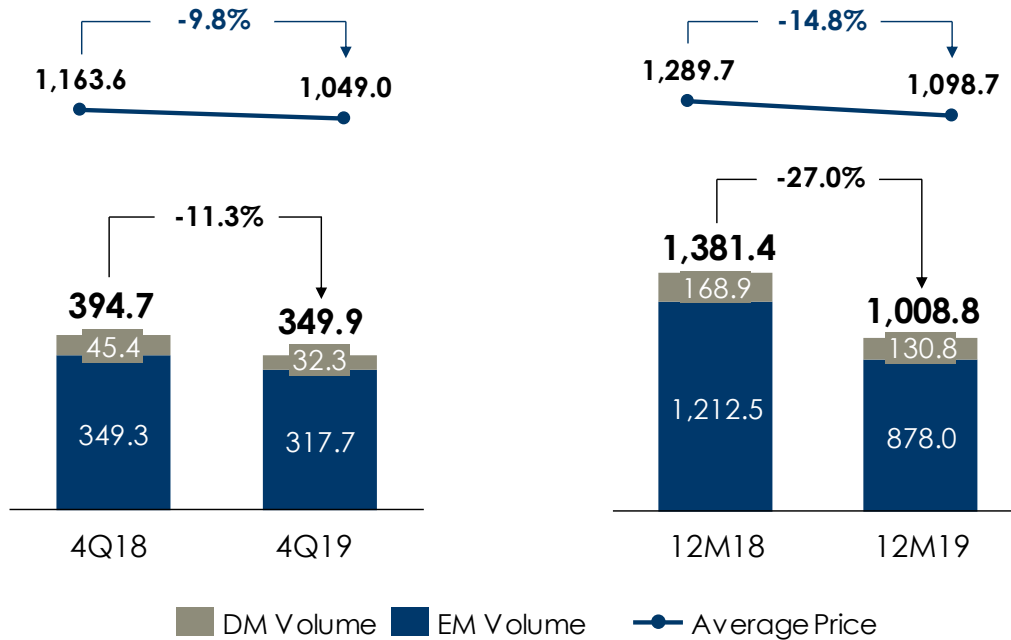
Purchase Price Allocation (PPA): there were no expenses related to PPA in 4Q19. In the crop year, there was a noncash expense of R\$8.2 million, reflecting the amortization of goodwill paid for the future profitability of the cogeneration volume of the Santa Cruz Mill.

The following charts present a breakdown of the Company's net revenue by product:



Sugar

Volume ('000 tons) and Average Price (R\$/ton)

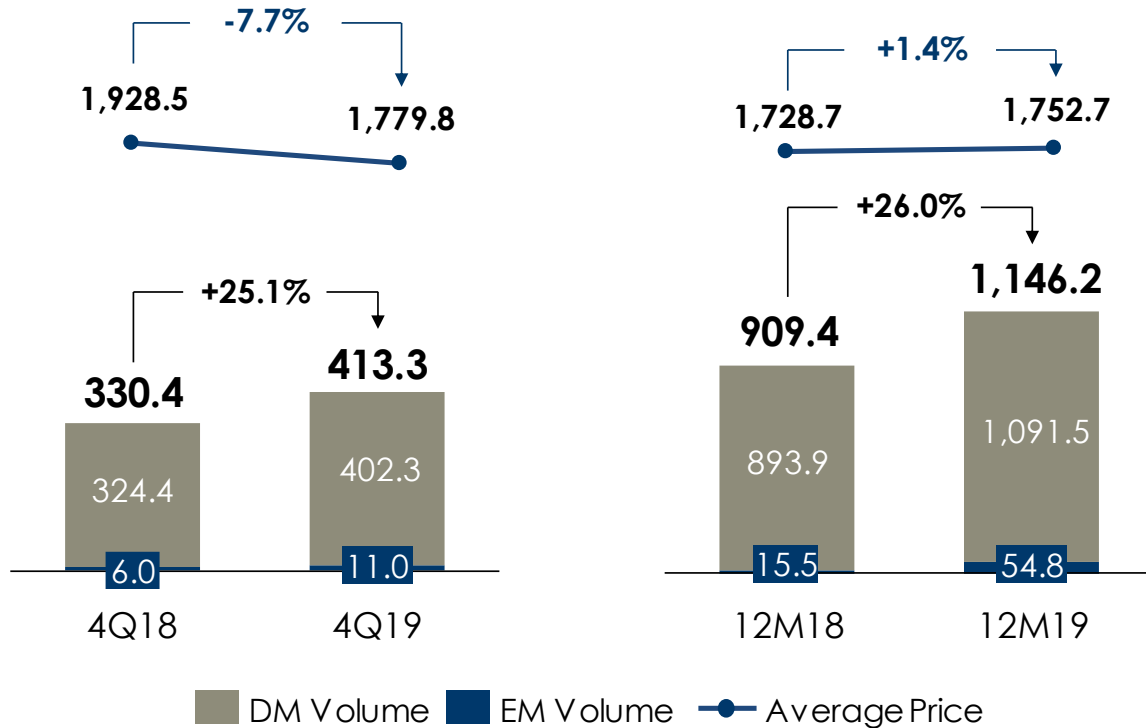


Net revenue from sugar sales amounted to R\$367.1 million in 4Q19, down 20.1% compared to the same period last crop year. The decline in sugar revenue is mainly due to: (i) the lower sales volume, given the higher share of ethanol in the production mix this crop year; and (ii) the 9.8% reduction in the average sugar sales price in the quarter, caused by the decrease in the sugar price.

In the full crop year (12M19), net revenue from sugar sales amounted to R\$1,108.3 million, decreasing 37.8% compared to 12M18, reflecting the 27.0% decrease in sales volume and the 14.8% decrease in average sales price, due to the same factors affecting the quarterly result.

Ethanol

Volume ('000 m³) and Average Price (R\$/m³)

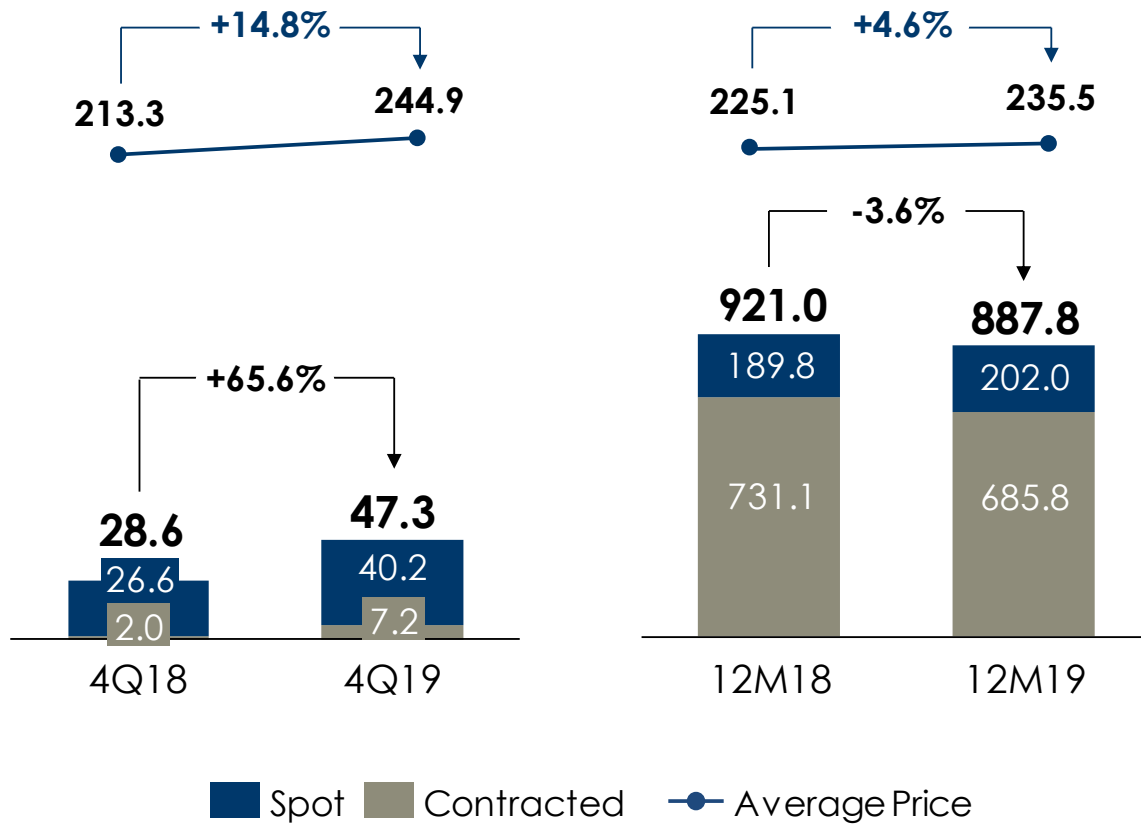


Net revenue from ethanol sales amounted to R\$735.6 million in 4Q19, up 15.4% from 4Q18, mainly due to the higher ethanol sales volume in the period (+25.1%), which offset the lower average price in the period (-7.7%).

In the full crop year, net revenue from ethanol sales increased 27.8% from the previous crop year, due to (i) the higher share of ethanol in the production mix this crop year (+26.0%); and (ii) the increase in the average sales price compared to the 17/18 crop year (+1.4%).

Cogeneration

Volume ('000 MWh) and Average Price (R\$/MWh)



Net revenue from cogeneration sales amounted to R\$11.6 million in 4Q19, up 90.1% from the same period last crop year, reflecting the increase in sales volume (+65.6%) and the increase in average sales price in the period (+14.8%), due the higher spot price.

In the full crop year, net revenue from cogeneration sales increased 0.9%, to R\$209.1 million, reflecting the 4.6% higher average price (R\$236/MWh), despite the lower sales volume (-3.6%).

Real Estate Development

The following table presents an overview of these projects and their percentage of completion (POC) and sales since their launch through March 2019.

Real Estate Development	Type	City	Area (m ²)	Launch date	Total lots sold	POC Position
Recanto das Paineiras	Residence	Iracemápolis	376,567	June-14	99.5%	100.0%
Park Empresarial - I	Industrial	Iracemápolis	182,684	September-14	76.1%	100.0%
Park Empresarial - II	Industrial	Iracemápolis	133,794	October-17	26.4%	99.0%
Nova Pradópolis - Phase I	Residence	Pradópolis	246,937	December-15	95.8%	100.0%
Nova Pradópolis - Phase II	Residence	Pradópolis	255,750	July-17	53.3%	100.0%

In 12M19, the Company recognized net revenue of R\$2.7 million and cash generation of R\$10.0 million.

Real Estate Development	Net Revenue 12M19	Cash Generation 12M19	Portfolio March/19
Current Projects	2,730	9,997	120,938
Land Monetization	0	0	12,163
Total	2,730	9,997	133,101

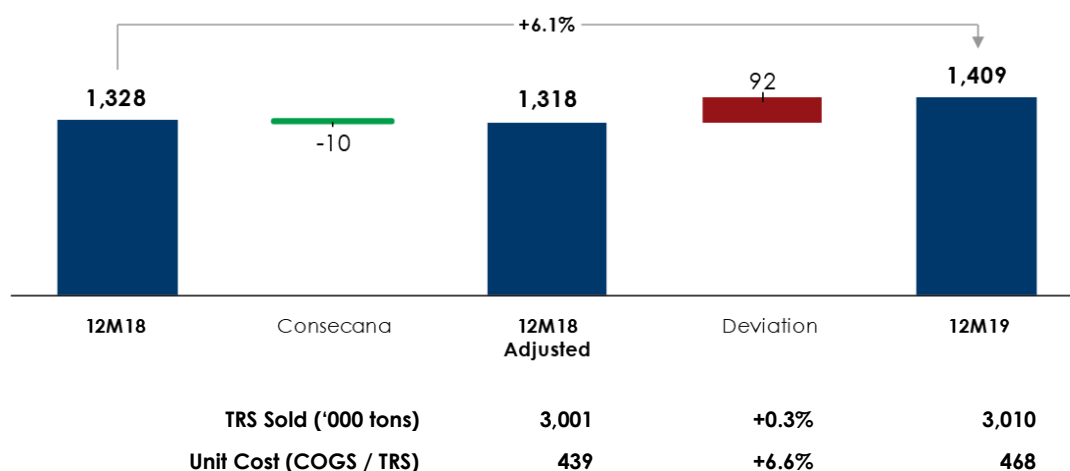
CASH COGS

CASH COGS	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
R\$ '000						
Agricultural Costs	453,568	395,532	14.7%	1,219,495	1,171,193	4.1%
Suppliers	226,099	184,283	22.7%	644,044	599,878	7.4%
Partnerships	113,224	102,013	11.0%	283,476	277,892	2.0%
Own Sugarcane	114,244	109,236	4.6%	291,975	293,423	-0.5%
Industrial	71,625	62,356	14.9%	193,760	183,580	5.5%
Other Products	15,142	12,140	24.7%	61,243	61,529	-0.5%
Reintegra	(353)	(7,318)	-95.2%	(3,827)	(26,828)	-85.7%
Total COGS	539,981	462,710	16.7%	1,470,671	1,389,475	5.8%
TRS Sold (000 Tons)	1,070	978	9.4%	3,010	3,001	0.3%
Unit Cost (Sugar and Ethanol Cash COGS / TRS)	491	461	6.5%	468	442	5.8%

Cash COGS in 4Q19 amounted to R\$540.0 million, up 16.7% from the same period last crop year, mainly due to: (i) the higher concentration of sales in the quarter (+9.4%); (ii) the lower benefit from Reintegra; and (iii) the effects from inflation in the period.

In the full crop year, cash COGS amounted to R\$1,470.7 million, up 5.8% from the same period of the previous crop year. The increase is mainly due to the lower dilution of fixed costs, which is explained by the sharp decrease in crushing volume this crop year compared to the prior crop year (-7.9%), as well as by the effect from inflation in the period and the lower benefit from Reintegra.

The following chart shows the variation in costs, considering only sugar and ethanol, in 12M19 compared to 12M18, excluding the impact from Consecana in the period.



The table below presents details on the variation in average unit cash COGS for both sugar and ethanol production compared to the same period last crop year.

AVERAGE CASH COST PER UNIT	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
R\$ '000						
COGS (Cash)	523,746	450,576	16.2%	1,409,493	1,328,093	6.1%
Sugar	188,685	192,716	-2.1%	514,014	660,234	-22.1%
Ethanol	335,060	257,860	29.9%	895,479	667,859	34.1%
Average Cash Cost Per Unit¹						
Sugar Cash Cost	539.2	488.3	10.4%	509.5	477.9	6.6%
Ethanol Cash Cost	810.7	780.4	3.9%	781.2	734.4	6.4%

¹ - Sugar in R\$/ton
Ethanol in R\$/m³

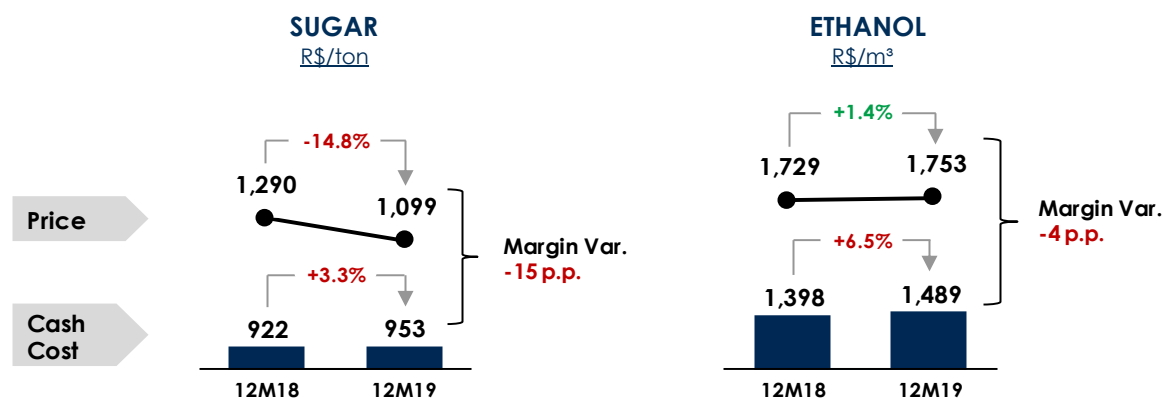
CASH COST BY PRODUCT

To provide a better understanding of the impacts of production cash cost, the following table presents a breakdown of costs in the comparison periods (12M19 and 12M18).

	12M19						12M18					
	Sugar	Ethanol	Energy	Real Estate Development	Others	Total	Sugar	Ethanol	Energy	Real Estate Development	Others	Total
R\$ '000,000												
Net Revenue ¹	1,108	2,009	209	3	53	3,382	1,782	1,572	207	8	53	3,622
(-) Costs/Expenses	-648	-1,013	-57	-3	-16	-1,737	-840	-750	-51	-4	-27	-1,672
(=) Adjusted EBITDA	460	997	152	-1	36	1,645	942	822	156	4	25	1,950
Adjusted EBITDA Margin	42%	50%	73%	-19%	69%	49%	53%	52%	75%	51%	48%	54%
Average EBITDA Cost (R\$/uniF²)	643	883	64				608	824	55			
(+) Depreciation/Amortization	-352	-664	-19	0	-9	-1,045	-407	-467	-11	0	-10	-896
(=) Adjusted EBIT	108	332	133	-1	27	600	535	355	145	4	15	1,054
(-) Depreciation/Amortization	352	664	19	0	9	1,045	407	467	11	0	10	896
(-) Maintenance Capex	-313	-694	0	0	0	-1,007	-434	-521	0	0	0	-956
(=) Cash Generation	147	302	152	-1	36	638	507	301	156	4	25	994
Volume sold (unit ³)	1,009	1,146	888	-	-	3,010	1,381	909	921	-	-	3,001
Average Price (R\$/uniF²)	1,099	1,753	236	-	-	-	1,290	1,729	225	-	-	-
Average Total Cash Cost (R\$/uniF²)	953	1,489	64	-	-	-	922	1,398	55	-	-	-

¹Excludes the Hedge Accounting effect of foreign-denominated debt and PPA USC
²Units: Sugar: tons, Ethanol: m³, Energy: MWh, Total: Kgs of sugar and ethanol TRS/ton
³Sugar: '000 tons, Ethanol: '000 m³, Energy: '000 MWh, Total: '000 tons of TRS

Sugar cash cost in the 18/19 crop year was R\$ 953/ton, up 3.3% from 12M18. Considering that in the same period the average sugar sales price decreased 14.8%, the product's margin fell 15 p.p. between 12M19 and 12M18. In the case of ethanol, cash cost in the crop year was R\$ 1,489/m³, increasing 6.5% from the previous crop year, with margin contraction of 4 p.p., since the average ethanol price was virtually stable, increasing 1.4% from the 17/18 crop year.



SELLING EXPENSES

	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
R\$ '000						
Port Costs / Freight	27,672	30,510	-9.3%	81,692	104,947	-22.2%
Other	3,124	3,725	-16.1%	15,675	14,831	5.7%
Selling Expenses	30,796	34,235	-10.0%	97,367	119,778	-18.7%
TRS Sold ('000 Tons)	1,070	978	9.4%	3,010	3,001	0.3%
% of Net Revenue	2.7%	3.1%	-0.3 p.p.	2.9%	3.3%	-0.4 p.p.

In 4Q19, selling expenses amounted to R\$30.8 million, down 10.0% from the same period last crop year, mainly due to the lower sugar sales volume in the period. In the full crop year, selling expenses were 18.7% lower than in the prior crop year, due to the same factors that affected these expenses in the quarter.

CASH GENERAL & ADMINISTRATIVE EXPENSES

	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
R\$ '000						
Personnel and Management Fee	28,918	27,872	3.8%	115,593	109,705	5.4%
Taxes, Fees, Contributions and Contingencies	6,600	(523)	n.m.	21,239	14,019	51.5%
General Expenses and Third-Party Services	12,005	11,999	0.1%	44,885	44,565	0.7%
Total General and Administrative Expenses	47,523	39,348	20.8%	181,717	168,289	8.0%

In 4Q19, general and administrative expenses amounted to R\$47.5 million, increasing 20.8% from the same period last crop year. The increase in expenses is mainly due to the reversal of the provision for legal contingencies in 4Q18, which affected comparability between the periods. In the full crop year, these expenses increased 8.0% compared to 12M18, due to the same effect cited for the quarter, combined with inflation in the period.

EBITDA

EBITDA RECONCILIATION	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
R\$ '000						
Adjusted EBITDA	509,586	585,629	-13.0%	1,644,534	1,949,994	-15.7%
Adjusted EBITDA Margin	45.3%	52.4%	-7.1 p.p.	48.6%	53.8%	-5.2 p.p.
Adjustment to Maturity of Hedge Accounting	(817)	(3,899)	-79.0%	(13,148)	(186,287)	-92.9%
Equity Income	(502)	(992)	-49.4%	(240)	(2,994)	-92.0%
Non Recurring Operating Income (Expenses)	106,499	(1,834)	n.m.	106,499	(2,386)	n.m.
Biological Assets	8,991	(50,076)	n.m.	5,151	(63,064)	n.m.
Book EBITDA	623,757	528,828	18.0%	1,742,796	1,695,263	2.8%
EBITDA Margin	55.5%	47.5%	8.1 p.p.	51.9%	49.3%	2.5 p.p.
(-) Depreciation and Amortization	(388,536)	(289,351)	34.3%	(1,044,774)	(895,582)	16.7%
(-) Financial Income (Expense), net	(147,582)	(47,370)	211.6%	(318,788)	(177,135)	80.0%
(=) Operating Income	87,639	192,107	-54.4%	379,234	622,546	-39.1%

Adjusted EBITDA

Adjusted EBITDA in 4Q19 was R\$510.0 million (Adjusted EBITDA margin of 45.3%), down 13.0% from 4Q18. In the full crop year, Adjusted EBITDA decreased 15.7% to R\$1,645 million (adjusted EBITDA margin of 48.6%). The decrease reflects the deterioration in sugar prices in 12M19 and 4Q19, combined with the lower ethanol price in 4Q19 compared to the same period last crop year.

Main Adjustments to EBITDA in 4Q19 and 12M19

1) Rights - Copersucar

Rights – Copersucar: R\$106.5 million received in 4Q19 related to lawsuits filed by Copersucar in which the Company is a party, given that it is a former cooperative member. The impact on net income was R\$70.6 million, net of taxes and other expenses. For more details, see the “Copersucar” section of this release.

2) Debt maturity (Hedge Accounting)

Debt maturity (Hedge Accounting): expense related to exchange variation on debt settled in 4Q19 that was previously designated as Hedge Accounting at a BRL/USD exchange rate of R\$3.3. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.8/USD, we adjusted the amount of R\$0.8 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 12M19, we adjusted the amount of R\$13.1 million.

3) Biological Assets

Negative noncash effect of R\$9.0 million on accounting costs (COGS) in 4Q19 from the mark-to-market adjustment of biological assets. In the year, the negative effect was R\$5.2 million.

Operating Cash Generation (Adjusted EBIT)

	4Q19	4Q18	Chg.%	12M19	12M18	Chg.%
R\$ '000						
Adjusted EBIT	121,050	296,278	-59.1%	599,760	1,054,412	-43.1%
Adjusted EBIT Margin	10.8%	26.5%	-15.7 p.p.	17.7%	29.1%	-11.4 p.p.
(-) Depreciation and Amortization	(388,536)	(289,351)	34.3%	(1,044,774)	(895,582)	16.7%
Adjusted EBITDA	509,586	585,629	-13.0%	1,644,534	1,949,994	-15.7%
Adjusted EBITDA Margin	45.3%	52.4%	-7.1 p.p.	48.6%	53.8%	-5.2 p.p.
Adjustment to Maturity of Hedge	(817)	(3,899)	-79.0%	(13,148)	(186,287)	-92.9%
Equity Income	(502)	(992)	-49.4%	(240)	(2,994)	-92.0%
Non Recurring Operating Income (Expenses)	106,499	(1,834)	n.m.	106,499	(2,386)	n.m.
Biological Assets	8,991	(50,076)	n.m.	5,151	(63,064)	n.m.
Book EBITDA	623,757	528,828	18.0%	1,742,796	1,695,263	2.8%
EBITDA Margin	55.5%	47.5%	8.1 p.p.	51.9%	49.3%	2.5 p.p.

Adjusted earnings before taxes (EBIT) in 4Q19 came to R\$121.0 million (adjusted EBIT margin of 10.8%), down 59.1% from 4Q18. In the year, Adjusted EBIT decreased 43.1% to R\$599.8 million (EBIT margin of 17.7%). The lower Adjusted EBIT in the periods reflects the same factors that adversely affected EBITDA, combined with the higher expenses with depreciation and amortization, with no effect on cash flow in the fiscal year.

HEDGE

The tables below summarize our sugar and U.S. dollar hedge positions as of Mar/29/2019:

Sugar

	Volume Hedged (tons)	Avg. Price (US\$ c/p)	Avg. Price (R\$/Ton)
Sugar			
2019/2020 crop year	574,220	13.54	1,189.8

On March 29, 2019, sugar prices for the 19/20 crop year were hedged for 574.2 thousand tons at 13.54 ¢/lb, **which represents the hedging of approximately 68% of own cane** (considering the bottom of the range for sugar production, in accordance with the Material Fact on guidance for the crop year).

U.S. Dollar

On March 29, 2019, the Company held open positions through Non-Deliverable Forwards (NDFs) and derivative instruments, which are used to hedge the exports, for the 19/20 crop year, as follows:

USD	TOTAL		SUGAR		ETHANOL	
	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)
2019/2020 crop year	209,441	3.96	165,451	3.98	43,990	3.86

The volume of NDFs in U.S. dollar on said date represented approximately 71% of own cane hedged for the 19/20 crop year (considering the bottom of the range for sugar production, in accordance with the Material Fact on guidance for the crop year).

Hedge Accounting

Effect on Shareholders' Equity

In March 2010, inclusive, the Company began to adopt hedge accounting for derivatives classified as hedge instruments, as well as debt denominated in foreign currency.

The quarterly results are recorded in shareholders' equity ("Adjustments to Book Value"), net of deferred income and social contribution taxes. In the period from April 2018 to March 2019, we recorded a reduction in shareholders' equity of R\$87.9 million.

Effect on Income Statement

As previously mentioned, certain foreign-denominated liabilities have been designated to Hedge Accounting, which will impact our net revenue.

In 4Q19, a total of US\$1.8 million in debt was recognized, with the exchange rate of R\$3.3/USD adopted for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.8/USD, we made an adjustment of R\$0.8 million in net revenue and EBITDA to provide a better understanding of the Company's operating cash generation.

In 12M19, a total of US\$15.0 million in debt was recognized at the exchange rate of R\$2.7/USD used for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.6/USD, we made an adjustment of R\$13.1 million in net revenue and EBITDA to provide a better understanding of the Company's operating cash generation.

NET FINANCIAL RESULT

FINANCIAL RESULTS	4Q19	4Q18	Chg.%	12M19	12M18	Chg.%
R\$ '000						
Financial Income	24,577	21,771	12.9%	103,716	122,702	-15.5%
Financial Expenses	(71,566)	(65,841)	8.7%	(302,055)	(316,386)	-4.5%
Financial Result before Exchange Var. and Hedge	(46,989)	(44,070)	6.6%	(198,339)	(193,684)	2.4%
Hedge Result/Exchange Variation/Others	(100,593)	(3,300)	n.m.	(120,449)	16,549	n.m.
Net Financial Result	(147,582)	(47,370)	211.6%	(318,788)	(177,135)	80.0%

The net financial result in 4Q19 was an expense of R\$147.6 million, which represents an increase of 211.6% from 4Q18. In the full crop year, the net financial result increased by 80.0% to R\$318.8 million. The deterioration in the financial result in 4Q19 and 12M19 is related to exchange variation in the period, mainly the impact from this variation on foreign-denominated liabilities whose maturity was lengthened in the period and previously were recorded under Hedge Accounting (R\$ 80.3 million in 4Q19).

COPERSUCAR

Obligations

On March 29, 2019, São Martinho recognized on its Balance Sheet debt of R\$210.6 million with Copersucar. In view of the terms negotiated in the process to terminate the membership at Copersucar, we will continue to book under “Obligations - Copersucar” all liabilities related to the contingencies currently in litigation conducted by the attorneys at Copersucar. The total amount of these obligations is secured by bank guarantees.

Rights

Copersucar also is a plaintiff in lawsuits claiming the reimbursement/overpayment of various taxes or indemnifications. The Company, as a former cooperative member, is entitled to the proportionate transfer of any credits and will inform the market when such rights become liquidated and certain.

Copersucar's Financial Statements as of March 31, 2019 state that it has calculated and transferred to Cooperative Members the first installment (R\$906 million) of the registered warrant (precatory) issued in June 2017, in the aggregate amount of R\$5.6 billion (Company's share R\$730.5 million), under the court ruling that ordered the federal government to pay damages arising from the lagged setting of sugar and ethanol sales prices in the 1980s. Upon transferring the funds, Copersucar withheld a portion for litigation seeking damages and for payment of PIS and COFINS taxes, while undertaking to transfer them in the event of a successful ruling.

The lawsuit also claims the payment of a complementary balance of R\$12.8 billion (Company's share R\$1.7 billion), with the federal government claiming an excess of R\$2.2 billion (Company's share R\$286.3 million). In this context, in June 2018, a complementary registered warrant was issued in the amount of R\$10.6 billion (Company's share R\$1.4 billion).

On April 29, 2019, the second installment of the first registered warrant and the first installment of the complementary registered warrant were deposited into court by the federal government. The release of these funds is pending court procedures and the balance of the registered warrants already issued is following the procedure for judicial registered warrants.

The Company, in coordination with Copersucar's actions, also filed a lawsuit involving IRPJ/CSLL/PIS/COFINS taxes with a judicial deposit for suspending the enforceability of these taxes. Furthermore, it transferred R\$3,313 thousand to Luiz Ometto Participações S.A. (“LOP”), in accordance with the Agreement for Purchase and Sale of Shares in Santa Cruz S.A. Açúcar e Alcool (“USC”). After the transfer and withholding of court expenses and the taxes in litigation, the balance of R\$106,499 thousand was recorded under “other expenses (income), net”. The remainder of this credit continues to be classified by the Company's Management as probable, but not under its control, which is why it remains unrecorded.

DEBT

INDEBTEDNESS	Mar/19	Mar/18	Chg.%
R\$ '000			
Agribusiness Certificate of Receivables (CRA)	1,794,696	1,360,550	31.9%
BNDES / FINAME	542,092	582,203	-6.9%
Rural Credit	393,583	509,214	-22.7%
Working Capital	264,793	397,336	-33.4%
PESA	16,451	29,225	-43.7%
PPE (Export prepayment)	1,084,247	734,471	47.6%
International Finance Corporation (IFC)	356,738	303,797	17.4%
NCE (Export Credit Note)	-	8,101	n.m.
Obligations from Acquisitions - LOP	38,605	50,256	-23.2%
Gross Debt	4,491,205	3,975,153	13.0%
Cash and Cash Equivalents	2,089,213	1,512,385	38.1%
Net Debt	2,401,992	2,462,768	-2.5%
Net Debt / LTM EBITDA - R\$	1.46 x	1.26 x	15.6%
Net Debt / LTM EBITDA - USD ¹	1.32 x	1.22 x	7.9%
LTM Adjusted EBITDA	1,644,534	1,949,994	-15.7%

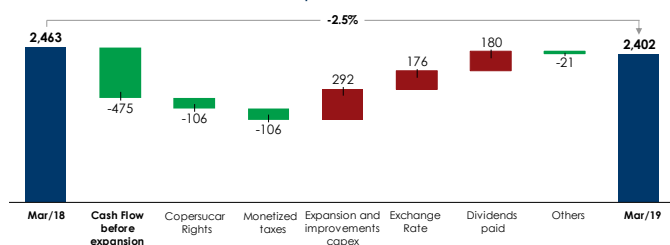
¹ - Net Debt PTAX:
March/18: R\$ 3.32
March/19: R\$ 3.90

Cum. EBITDA Avg. daily PTAX (LTM):
March/18: R\$ 3.22
March/19: R\$ 3.78

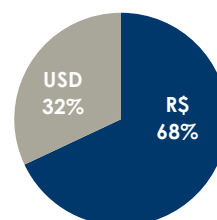
In March 2019, the Company's net debt stood at R\$2.4 billion, down 2.5% from the previous crop year. The reduction in net debt mainly reflects: (i) the operating cash generation; (ii) the positive effect from the amounts received related to the Copersucar lawsuit; and (iii) the monetization of taxes. The following charts presents more details on our debt as of March 2019:

Net Debt Evolution

R\$ - million

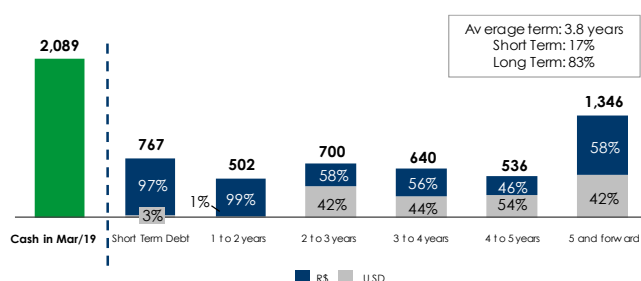


Currency - Gross



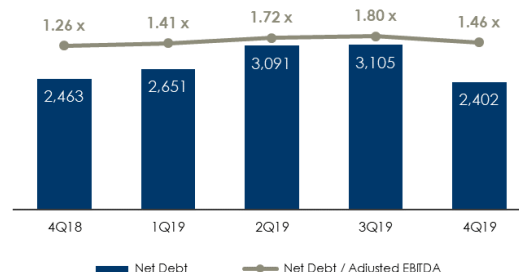
Debt Amortization Schedule

R\$ - million



Net Debt / EBITDA LTM

R\$ - million



CAPEX

(Maintenance)	4Q19	4Q18	Chg.%	12M19	12M18	Chg.%
R\$ '000						
Sugarcane Planting - Renovation	86,523	50,922	69.9%	272,860	219,296	24.4%
Off-Season Maintenance (Industrial/Agricultural)	191,659	195,846	-2.1%	289,539	281,631	2.8%
Crop Treatment	97,711	122,596	-20.3%	444,341	454,651	-2.3%
Total	375,893	369,363	1.8%	1,006,741	955,578	5.4%
(Operational Improvements)						
Equipment/Replacements	39,603	30,057	31.8%	89,787	109,703	-18.2%
Total	39,603	30,057	31.8%	89,787	109,703	-18.2%
(Upgrading/Expansion)						
Sugarcane Planting - Expansion / Biological Assets	12,222	25,955	-52.9%	63,165	32,187	96.2%
Projects (Industrial/Agricultural)	51,292	19,061	169.1%	122,026	70,256	73.7%
Total	63,514	45,016	41.1%	185,191	102,443	80.8%
GRAND TOTAL	479,010	444,436	7.8%	1,281,718	1,167,724	9.8%

The maintenance capex amounted to R\$375.9 million in 4Q19, in line with the expenditures made in the same period of the previous crop year. The increase in the line sugarcane planting reflects a one-off impact due the schedule for a portion of planting for the 17/18 crop year, which ended up being carried out in the start of the 18/19 crop year. In the full crop year, maintenance capex increased 5.4%, mainly due to the same factors affecting the quarter.

Operational improvement capex (investments in replacing agricultural and industrial equipment to increase yields) amounted to R\$39.6 million in 4Q19, up 31.8% compared to the same period last crop year. The increase mainly reflects investments related to the replacement of a part of the agricultural fleet at units in the quarter. In the full crop year, operational improvement capex decreased 18.2% compared to the previous year.

Expansion capex amounted to R\$63.5 million in 4Q19, or 41.1% higher than in the year-ago period. In the full crop year, investments came to R\$185.2 million, up 80.8% from the 17/18 crop year. The main projects explaining this one-off increase were (i) the planting related to the acquisition of biological assets from Usina Furlan, as well as other projects, as detailed below:

Project	Description	Investment in 18/19	Value Creation	Expected IRR
1) Agricultural Automation (COA)	Integration of advanced agriculture and precision technologies to modernize agricultural operations	R\$ 24.4 million	Reduction in agricultural costs of ~R\$ 2 to R\$ 3 per ton as of the 21/22 crop year after rollout to all mills	25% p.a.
2) Furlan Biological Assets	Expansion of Iracema's industrial capacity from 3.0 to 3.5 million tons	R\$ 13.6 million	Expansion in crushing capacity without expanding planted area	19% p.a.
3) PSS & Meiosis	Innovative method for sett production in greenhouses (with greater vigor and purity) and planting of main line with replication in parallel lines in the field	R\$ 7.2 million	Reduction of 20% in direct production costs with transportation and increase in crushing volume by processing the cane used for setts	45% p.a.
4) Ethanol Tanks	Construction of ethanol tanks at the Boa Vista Mill, increasing storage capacity by 40,000 m ³	R\$ 11.9 million	Ethanol carryover possibility and increased sales flexibility	23% p.a.
5) Ethanol Production	Expansion of ethanol production	R\$ 11.8 million	Greater flexibility in production mix to increase the profitability of products	49% p.a.
6) Vinasse Application	Extension of vinasse area to 100% of applicable area at the São Martinho Mill	R\$ 5.0 million	Reduction in average cost with mineral fertilization and increase in cane yields	38% p.a.

CASH NET INCOME

São Martinho's cash net income in 4Q19 amounted to R\$158.0 million, decreasing 32.2% from 4Q18. In the full crop year, cash net income decreased 45.5% to R\$461.4 million. The reduction is mainly explained by the lower adjusted EBITDA in the period.

Cash Income	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
R\$ '000						
Net Income	85,610	153,335	-44.2%	314,045	491,706	-36.1%
Income tax	2,029	38,772	-94.8%	65,189	130,840	-50.2%
Income tax paid	(1,757)	(12,906)	-86.4%	(6,201)	(25,535)	-75.7%
Biological Asset	(8,991)	50,076	n.m.	(5,151)	63,064	n.m.
Maturity of Hedge/Anticipation of Debt Payment Effect	81,157	3,899	n.m.	93,488	186,287	-49.8%
Cash Income	158,048	233,176	-32.2%	461,370	846,362	-45.5%
Total Shares ex-treasury (in thousand)	350,803	350,803	0.0%	350,803	350,803	0.0%
Cash earnings per share	0.45	0.66	-32.2%	1.32	2.41	-45.5%

ROIC

With land	12M19	12M18	Without land	12M19	12M18
R\$ '000,000			R\$ '000,000		
Adjusted EBITDA	1,645	1,950	Adjusted EBITDA	1,645	1,950
(-) Maintenance Capex	-1,007	-956	(-) Maintenance Capex	-1,007	-956
(-) Income tax	-6	-26	(-) Income tax	-6	-26
			(-) Own land result	-50	-54
Operating Cash Generation	632	969	Operating Cash Generation	582	915
Permanent Assets*	6,928	6,698	Permanent Assets*	5,118	4,890
Short term Assets - Short-term Liabilities**	140	219	Short term Assets - Short-term Liabilities**	140	219
Average Invested Capital	7,067	6,918	Average Invested Capital	5,257	5,110
ROIC¹	8.9%	14.0%	ROIC without land¹	11.1%	17.9%

1 – Considers the average capital invested between the current and prior crop year

*Permanent Assets = Non-Current Assets + Biological Assets (current) – Financial Investments – IR/CS – Derivative Instruments – Copersucar Receivables – Related Parties – Judicial Deposits

**Current Assets – Adjusted Current Liabilities (excludes IR/CS, Debt, Copersucar Obligations and Dividends)

PROPOSAL FOR SHAREHOLDER COMPENSATION

Based on the results for the 18/19 crop year, as announced today, the Management Proposal containing the proposed agenda to be considered and voted on in the Annual Shareholders Meeting to be held on July 26, 2019 includes the proposal for the distribution of dividends to the shareholders of the Company in the amount of **R\$110.0 million**, or **R\$0.314 per share** (considering treasury shares as of 03/29/2019), for a payout ratio of **35.0%**.

CANCELATION OF TREASURY SHARES AND NEW SHARE BUYBACK PROGRAM

In addition to the dividend distribution mentioned above, as already announced today through a Material Fact, the Board of Directors of the Company approved: (i) the cancelation of 10 million treasury shares, corresponding to R\$177 million; and (ii) the launch of a new share buyback program up to 10 million shares over the next 18 months, with the aim of efficiently investing funds available in cash so as to maximize capital allocation and value creation for shareholders.

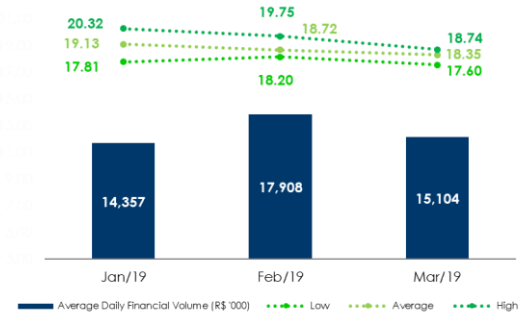
The decision on capital allocation for the 18/19 crop year took into consideration certain pillars we believe are essential for creating value for shareholders, which include: (i) a combination of dividend distributions and share repurchases; (ii) discipline in investment decisions; and (iii) managing conservatively the Company's capital structure to preserve cash, given current market conditions, and maintaining a cushion for any strategic decisions that could emerge.

CAPITAL MARKETS

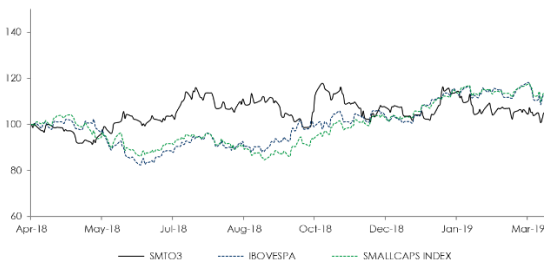
SMT03 Performance – 12 months In R\$



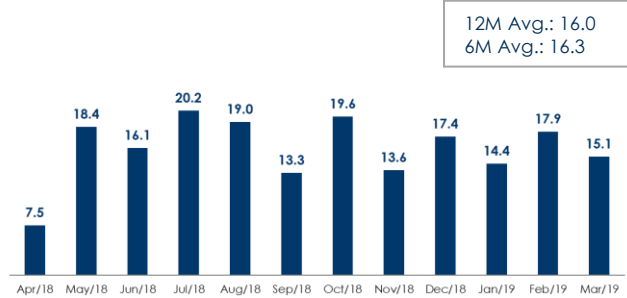
Price and Volume In R\$



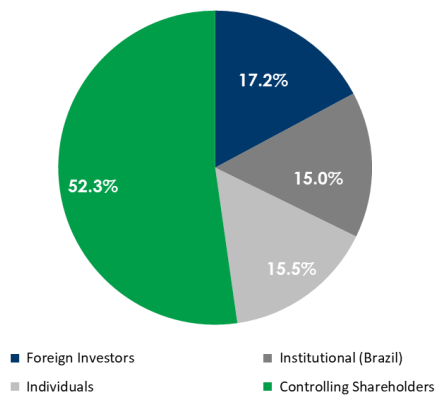
SMT03 vs. Stock Indexes Base 100



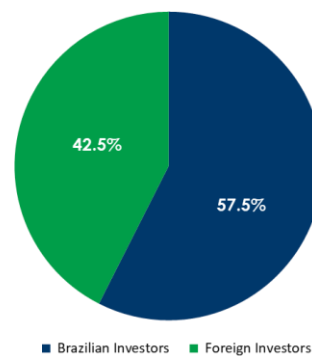
Average Daily Trading Volume R\$ million



Ownership Structure Base: March 29, 2019



Free-Float Composition



INVESTOR RELATIONS TEAM

Felipe Vicchiato - CFO and IRO

Aline Reigada - IR Manager

Luiza Chaves - IR Consultant

Telephone: +55 11 2105-4100

E-mail: ri@saomartinho.com.br

Website: www.saomartinho.com.br/ri

DISCLAIMER

This document contains forward-looking statements related to the business outlook, operating and financial projections and growth prospects of São Martinho. These statements are merely projections and as such are based exclusively on Management's expectations for the future of the business. These forward-looking statements depend materially on changes in market conditions and the performance of the Brazilian economy, the industry and international markets, and therefore are subject to change without prior notice.

INCOME STATEMENT

SÃO MARTINHO S.A. - CONSOLIDATED	4Q19	4Q18	Chg. (%)	12M19	12M18	Chg. (%)
R\$ '000						
Gross Revenue	1,261,554	1,221,387	3.3%	3,731,066	3,792,871	-1.6%
Deductions from Gross Revenue	(137,863)	(107,045)	28.8%	(370,704)	(357,171)	3.8%
Net Revenue	1,123,691	1,114,342	0.8%	3,360,362	3,435,700	-2.2%
Cost of Goods Sold (COGS)	(916,448)	(799,472)	14.6%	(2,488,932)	(2,336,341)	6.5%
Gross Profit	207,243	314,870	-34.2%	871,430	1,099,359	-20.7%
Gross Margin (%)	18.4%	28.3%	-9.8 p.p	25.9%	32.0%	-6.1 p.p
Operating Expenses	27,978	(75,393)	n.m.	(173,408)	(299,678)	-42.1%
Selling Expenses	(30,796)	(34,235)	-10.0%	(97,367)	(119,778)	-18.7%
General and Administrative Expenses	(50,601)	(42,013)	20.4%	(194,925)	(180,070)	8.2%
Equity Income	(502)	(992)	-49.4%	(240)	(2,994)	-92.0%
Other Operating Expenses, Net	109,877	1,847	n.m.	119,124	3,164	n.m.
Operating Profit, Before Financial Effects	235,221	239,477	-1.8%	698,022	799,681	-12.7%
Financial Result, Net	(147,582)	(47,370)	211.6%	(318,788)	(177,135)	80.0%
Financial Income	24,578	21,771	12.9%	103,718	122,702	-15.5%
Financial Expenses	(74,118)	(69,007)	7.4%	(311,154)	(333,519)	-6.7%
Monetary and Exchange Variations - Net	(70,459)	4,531	n.m.	(35,008)	31,858	n.m.
Derivatives Results	(27,583)	(4,665)	n.m.	(76,344)	1,824	n.m.
Income (Loss) Before Income and Social Contribution Taxes	87,639	192,107	-54.4%	379,234	622,546	-39.1%
Income Tax and Social Contribution - Current	(24,257)	(14,402)	68.4%	(31,606)	(71,218)	-55.6%
Income Tax and Social Contribution - Deferred	22,228	(24,370)	n.m.	(33,583)	(59,622)	-43.7%
Net Income	85,610	153,335	-44.2%	314,045	491,706	-36.1%
Net Margin (%)	7.6%	13.8%	-6.1 p.p	9.3%	14.3%	-5.0 p.p

BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS		
R\$ '000		
ASSETS	Mar/19	Mar/18
SHORT-TERM ASSETS		
Cash and Cash Equivalents	197,607	140,865
Marketable Securities	1,838,261	1,320,851
Trade Receivables	163,412	177,893
Derivative Financial Instruments	53,967	69,173
Inventories	232,322	334,654
Biological Assets	657,057	581,725
Taxes Recoverable	20,124	36,093
Income Tax and Social Contribution	79,759	9,687
Other Assets	10,191	16,917
TOTAL SHORT-TERM ASSETS	3,252,700	2,687,858
LONG-TERM ASSETS		
Long-term Receivables		
Marketable Securities	53,345	50,669
Inventories	131,881	111,135
Related Parties	-	5,834
Derivative Financial Instruments	229	3,617
Trade Receivables	22,488	24,869
Receivables from Copersucar	10,017	9,355
Taxes Recoverable	79,790	122,200
Income Tax and Social Contribution	-	117,442
Judicial Deposits	27,210	28,673
Other Assets	14,366	439
	339,326	474,233
Investments	33,537	32,552
Property, plant and equipment	5,644,660	5,449,912
Intangible Assets	478,499	470,157
TOTAL LONG-TERM ASSETS	6,496,022	6,426,854
TOTAL ASSETS	9,748,722	9,114,712

BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED- LIABILITIES			
R\$ '000			
LIABILITIES AND SHAREHOLDERS' EQUITY		Mar/19	Mar/18
SHORT-TERM LIABILITIES			
Borrowings		754,999	686,630
Derivative Financial Instruments		37,369	8,862
Trade Payables		152,713	154,146
Payables to Copersucar		9,094	8,583
Salaries and Social Contributions		134,372	137,155
Taxes Payable		40,833	16,877
Income Tax and Social Contribution		4,178	4,167
Dividends Payable		81,077	148,341
Advances from Customers		4,295	16,406
Aquisition of Investment		11,715	11,746
Other Liabilities		27,020	28,287
TOTAL SHORT-TERM LIABILITIES		1,257,665	1,221,200
LONG-TERM LIABILITIES			
Borrowings		3,697,601	3,238,267
Derivative Financial Instruments		13,520	930
Payables to Copersucar		201,498	201,787
Taxes Payable in Installments		2,998	2,656
Deferred Income Tax and Social Contribution		988,760	1,007,923
Provision for Contingencies		162,130	99,122
Aquisition of Investment		26,890	38,510
Other Liabilities		6,650	14,542
TOTAL LONG-TERM LIABILITIES		5,100,047	4,603,737
SHAREHOLDERS' EQUITY			
Share Capital		1,696,652	1,549,302
Capital Reserve		9,418	9,418
Treasury Shares		(234,100)	(234,100)
Stock options granted		-	11,578
Adjustments to Book Value		1,016,355	1,120,319
Profit Reserve		902,685	833,258
TOTAL SHAREHOLDERS' EQUITY		3,391,010	3,289,775
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,748,722	9,114,712

CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	12M19	12M18
R\$ '000		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income in the period	314,045	491,706
Adjustments		
Depreciation and amortization	430,032	356,202
Harvested biological assets (depreciation)	606,589	539,380
Variation in fair value of biological assets	(5,151)	63,064
Amortization of energy contracts	8,153	8,210
Equity Income	240	2,994
Capital gain on jointly controlled investment	(306)	-
Gain (loss) on investment and PPE disposed of	6,757	1,276
Interest, monetary and foreign exchange variations, net	268,188	188,823
Derivatives Financial Instruments	22,021	(104,827)
Constitution of provision for contingencies, net	71,413	10,964
Deferred income tax and social contribution	65,189	130,840
Adjustments to present value and others	10,662	2,536
	1,797,832	1,691,168
Changes in asset and liabilities		
Trade receivables	26,468	(9,547)
Inventories	56,957	(60,371)
Taxes recoverable	112,075	69,888
Derivatives Financial Instruments	2,323	203,359
Other assets	1,389	2,708
Trade payables	(1,094)	13,252
Salaries and social charges	(22,249)	15,491
Taxes payable	(1,126)	(60,618)
Obligations with Copersucar	(13,549)	(43,666)
Provision for contingencies - settlements	(21,400)	(25,452)
Other liabilities	(21,041)	11,835
	1,916,585	1,808,047
Cash provided by operations	1,916,585	1,808,047
Interest paid	(229,410)	(277,361)
Income tax and social contribution paid	(6,201)	(25,535)
Net cash provided by operating activities	1,680,974	1,505,151
CASH FLOW FROM FINANCING ACTIVITIES		
Financial resources used in investments	(30,580)	(17,451)
Additions to property and intangible assets	(527,027)	(459,670)
Additions to biological assets (planting and crop treatment)	(760,927)	(706,133)
Marketable Securities	(453,858)	(232,999)
Proceeds from sale of property, plant and equipment	5,133	6,553
Cash and cash equivalents acquired from subsidiary	2,259	-
Advance for future capital increase	(833)	(4,834)
Dividends received	-	4
Net cash used in investing activities	(1,765,833)	(1,414,530)
CASH FLOW FROM FINANCING ACTIVITIES		
New borrowing - third parties	1,876,608	1,746,615
Repayment of borrowing - third parties	(1,555,007)	(1,595,432)
Dividends Payment	(180,000)	(99,999)
Purchase of treasury shares	-	(145,756)
Sale of treasury shares	-	2,362
Net cash provided by financing activities	141,601	(92,210)
Increase (decrease) in cash and cash equivalents	56,742	(1,589)
Cash and cash equivalents at the beginning of the period	140,865	142,454
Cash and cash equivalents at the end of the period	197,607	140,865