

Earnings Release Conference Call

2Q17



São Martinho

16/17 Harvest

DISCLAIMER

- This presentation contains forward-looking statements relating to the business outlook, operating and financial projections, and the growth prospects of São Martinho S.A. These statements merely represent projections and as such are based exclusively on management's expectations about the future of the business.
- Forward-looking statements are no guarantee of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future.
- Investors should understand that general economic conditions, industry conditions, climate and other operating factors could also affect the future results and could cause results to differ materially from those expressed in such forward-looking statements.

AGENDA

1 Revised Guidance

2 Inventories

3 Financial Highlights

4 Indebtedness

5 COGS – Sugar and Ethanol

6 Sugar and Dollar Exposure

Revised Guidance



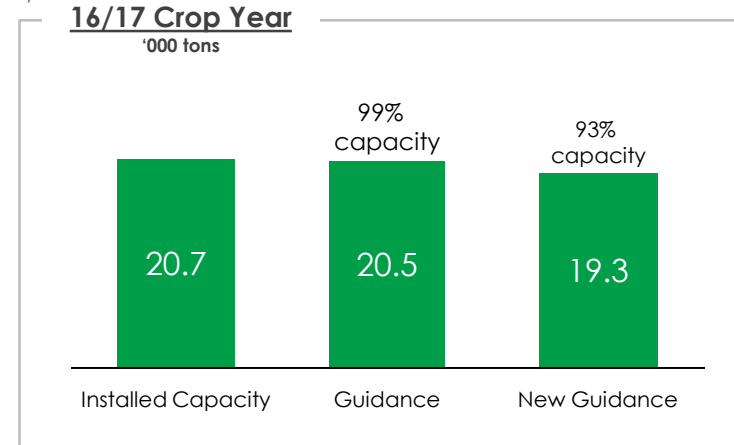
Table 1

Production	Guidance 16/17 Crop Year	New Guidance 16/17 Crop Year	Chg. (%)
Crushing ('000 tons)	20,553	19,266	-6.3%
Suagr ('000 tons)	1,356	1,297	-4.3%
Anhydrous ('000 m³)	455	400	-12.1%
Hydrous ('000 m³)	340	269	-21.0%
Cogeneration ('000 MWh)	753	736	-2.3%
Average TRS (Kgs/Ton)	135.7	130.4	-3.9%
Total TRS produced	2,789	2,511	-9.9%
Mix Sugar/Ethanol	51% - 49%	54% - 46%	

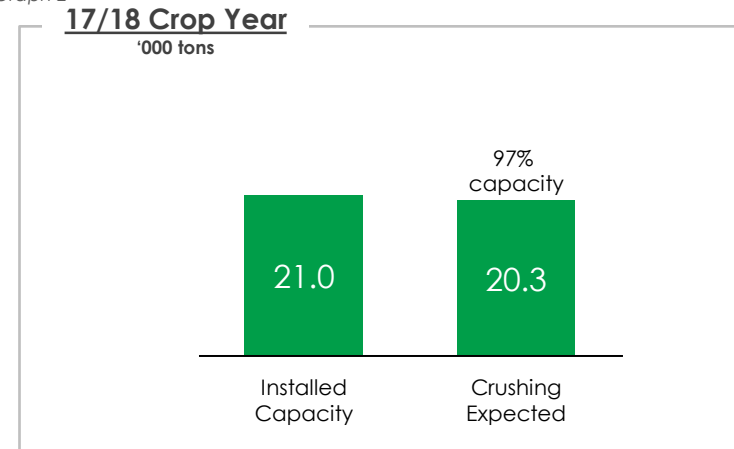
Table 2

Production	Performed 15/16 Crop Year	New Guidance 16/17 Crop Year	Chg. (%)
Crushing ('000 tons)	20,024	19,266	-3.8%
Suagr ('000 tons)	1,230	1,297	5.5%
Anhydrous ('000 m³)	445	400	-10.1%
Hydrous ('000 m³)	306	269	-12.2%
Cogeneration ('000 MWh)	741	736	-0.7%
Average TRS (Kgs/Ton)	128.9	130.4	1.1%
Total TRS produced	2,581	2,511	-2.7%
Mix Sugar/Ethanol	50% - 50%	54% - 46%	

Graph 1



Graph 2



	Inventories 2Q17	Production until the end of the harvest	Total
Sugar (tons)	465,416	204,605	670,021
Hydrous (m³)	106,947	15,665	122,612
Anhydrous (m³)	168,119	77,524	245,643

6M17 Sales vs Revised Guidance (TRS)



Financial Highlights

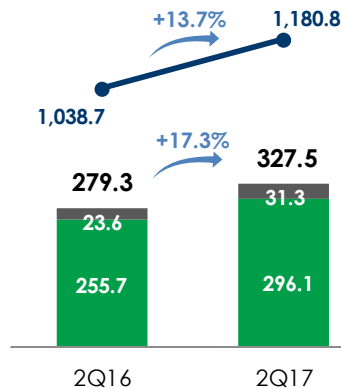


Table 1

	2Q16	2Q17	Chg. %
Net Revenue	683,600	779,327	14.0%
COGS (cash)	298,881	338,705	13.3%
Selling Expenses	27,900	29,851	7.0%
G&A Expenses	38,384	42,486	10.7%
Adjusted EBITDA	318,903	368,704	15.6%
Adj. EBITDA Margin	46.7%	47.3%	0.7 p.p.
Adjusted EBIT	153,151	192,422	25.6%
Adj. EBIT Margin	22.4%	24.7%	2.3 p.p.
Net Income before Taxes	18,259	83,542	357.5%
Net Income	24,206	68,913	184.7%
TRS Sold ('000 tons)	661	667	0.9%

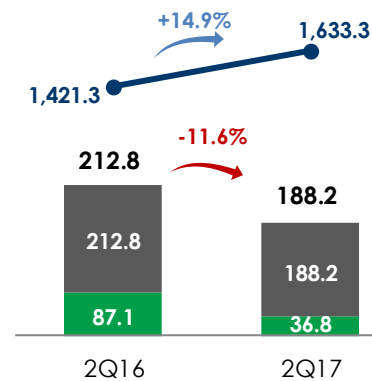
Graph 1

SUGAR

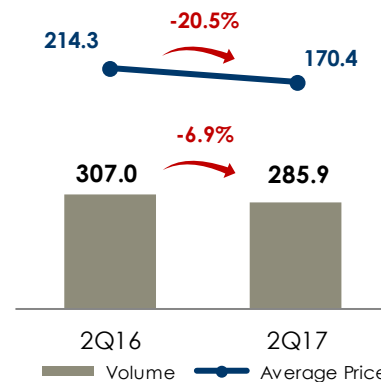


Graph 2

ETHANOL



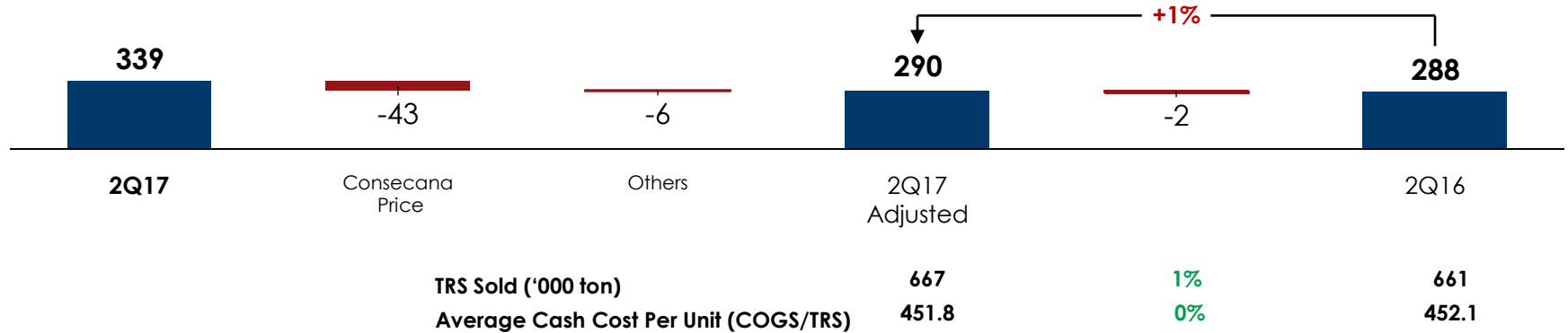
DM Volume ('000 tons & '000 m³) EM Volume ('000 tons & '000 m³) Price (R\$/ton & R\$/m³)



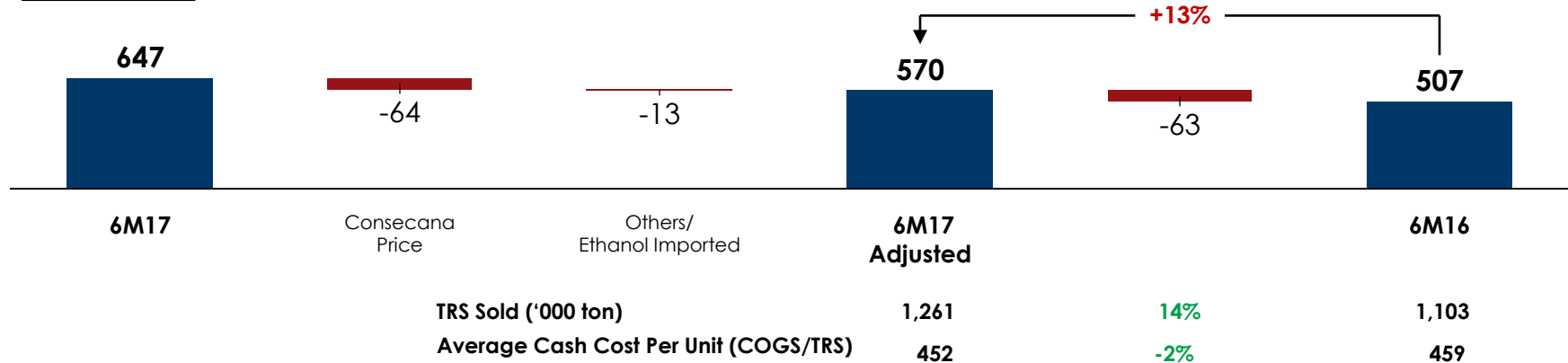
COGS – Sugar and Ethanol



Quarter



Year to Date



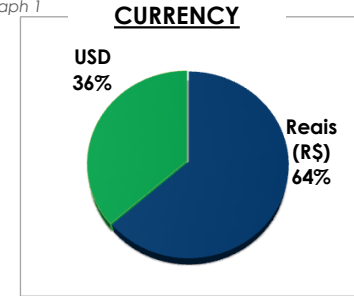
Indebtedness



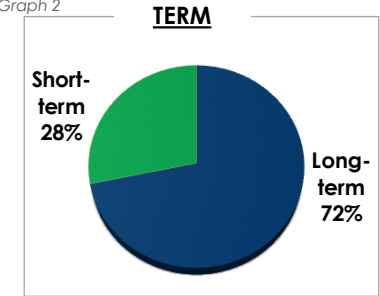
Table 1

INDEBTEDNESS	Mar/16	Sep/16	Chg%.
R\$ '000			
Indebtedness in foreign exchange	1,759,149	1,375,394	-21.8%
BNDES / Rural Credit	799,041	746,290	-6.6%
Working Capital	1,215,533	1,183,266	-2.7%
Agribusiness Certificate of Receivables (CRA)		350,001	
Obligations from acquisitions	79,687	73,795	-7.4%
PESA	51,757	41,736	-19.4%
Gross Debt	3,905,167	3,770,482	-3.4%
Cash and Cash Equivalents	1,120,212	928,749	-17.1%
Net Debt	2,784,955	2,841,733	2.0%
Net Debt / EBITDA LTM	2.14 x	1.95 x	
Net Debt / EBITDA LTM - USD *	2.16 x	2.17 x	
Adj. EBITDA LTM	1,301,240	1,460,659	

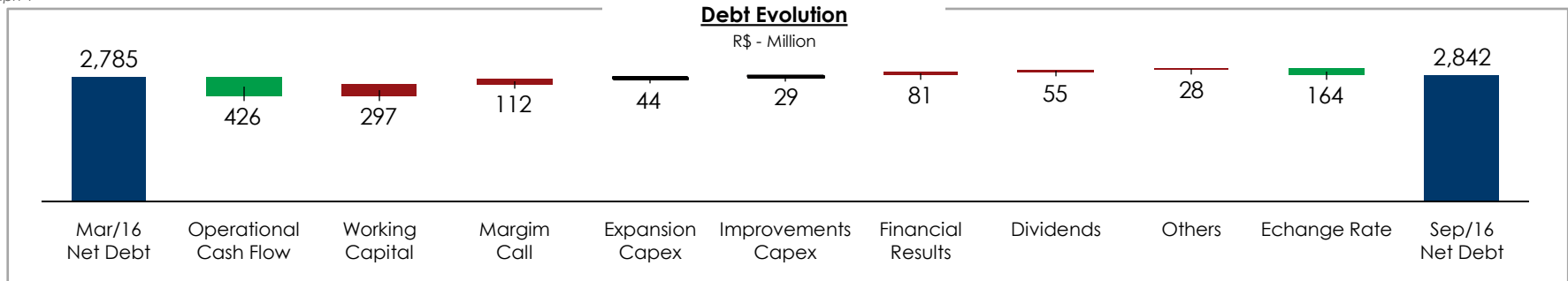
Graph 1



Graph 2



Graph 4



* Net Debt PTAX:
March/16: R\$ 3.56
September/16: R\$ 3.25

EBITDA LTM Average daily PTAX 12 months:
March/16: R\$3.58
September/16: R\$3.62

Sugar and Dollar Exposure



	Volume Hedged (^{'000} tons)	Avg. Price (R\$ c/p)	% own sugarcane	% of dollar
Sugar				
2016/2017 crop year	415,506	62.22	85.2%	61.5%
2017/2018 crop year	350,131	72.56	32.5%	32.5%

Contacts - IR

Felipe Vicchiato

CFO e IRO

Aline Reigada

IR Manager

Letícia Montagnani

IR Senior Analyst

Telephone: +55 11 2105-4100

E-mail: ri@saomartinho.com.br

Website: www.saomartinho.com.br/ir



São Martinho