

EARNINGS RELEASE

2nd Quarter
2019/2020 Crop Year



Cash Income of R\$116.3 million in 2Q20 (+80.8%)

2Q20 and 6M20 Highlights (excluding the IFRS 16 effects – Agrarian Contracts)

- ✓ Adjusted EBITDA was **R\$387.9 million** in 2Q20 (+22.6%), with **Adjusted EBITDA margin of 50.4%**. The nominal increase in the indicator is mainly due to: (i) the higher sugar sales volumes in the period (+34.3%); and (ii) the higher ethanol sales prices in the quarter (+14.4%);
- ✓ Adjusted EBIT was **R\$166.3 million** in 2Q20 (+35.4%), with **Adjusted EBIT margin of 21.6%**. The increase in the indicator is mainly due to the same effects that positively impacted Adjusted EBITDA growth;
- ✓ Net Income came to **R\$92.8 million** in 2Q20, up 58.6% from 2Q19, while Cash Income was **R\$116.3 million** (+80.8%);
- ✓ Operating Cash Flow¹ was **R\$348.4 million** in 6M20;
- ✓ On September 30, 2019, sugar prices for the 2019/20 crop year were hedged for around **510,000 tons** at an average price of **R\$1,208/ton**. For the 2020/21 crop year, approximately 201,000 tons of sugar were hedged at around **R\$1,246/ton**.

1 – Operating Cash Flow = Adjusted EBITDA – Maintenance Capex

Executive Summary	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
Net Revenue ¹	770,096	643,427	19.7%	1,525,030	1,414,593	7.8%
Adjusted EBITDA	387,858	316,238	22.6%	736,240	717,628	2.6%
Adjusted EBITDA Margin	50.4%	49.1%	1.2 p.p.	48.3%	50.7%	-2.5 p.p.
Adjusted EBIT	166,341	122,835	35.4%	284,666	320,959	-11.3%
Adjusted EBIT Margin	21.6%	19.1%	2.5 p.p.	18.7%	22.7%	-4.0 p.p.
Net Income before taxes	61,250	58,932	3.9%	130,135	212,757	-38.8%
Net Income without IFRS 16 effects	92,847	58,547	58.6%	189,207	162,506	16.4%
Non-cash effect of IFRS 16 on Net Income	(30,865)	-	n.m.	(35,762)	-	n.m.
Net Income	61,982	58,547	5.9%	153,445	162,506	-5.6%
Cash Income	116,285	64,325	80.8%	182,814	222,152	-17.7%
Net Debt / EBITDA	1.88 x	1.72 x	9.3%	1.88 x	1.72 x	9.3%

1- Excludes the Hedge Accounting effect of foreign-denominated debt and PPA USC
Data do not include the IFRS 16 impacts - Agrarian Contracts, except net income

September 30, 2019

SMT03
R\$18.95 per share

Market Cap:
R\$ 6,709 million

Earnings Conference Call

November 12, 2019 (Tuesday)

3 p.m. (Brasília time) + 55 11 4210-1803
1 p.m. (New York time) +1 412 717-9627
Access code: São Martinho

To access the webcast, [click here](#)
To access via HD Web Phone, [click here](#)



Adoption of IFRS 16/CPC 06 – Leases

As mentioned last quarter, as of April 1, 2019, the Company adopted IFRS 16 – Leases, which introduces a single accounting model for leases.

As of the adoption, we recognized the payment obligation at present value as a Liability and the right-of-use as an Asset in an amount equivalent to the Liability.

The Company adopted the following criteria:

- (i) **Liabilities:** outstanding balances of the agreements in force on the date of first-time adoption, net of advances and discounted by the real interest rate of São Martinho loans; and
- (ii) **Assets:** amount equivalent to liabilities adjusted to present value.

There was no impact on the Company's **Cash Flow** or **Adjusted EBITDA**.

For more details, see the Financial Statements for the period.

Impacts from IFRS16 on the Income Statements for 2Q20 and 6M20:

Results	2Q20			6M20		
	Before IFRS 16	Impacts	After IFRS 16	Before IFRS 16	Impacts	After IFRS 16
Net Revenue¹	770,096		770,096	1,525,030		1,525,030
COGS	(526,143)	(11,867)	(538,010)	(1,084,010)	(7,031)	(1,091,041)
(-) Agrarian Contracts Expenses		33,162			89,357	
(+) Amortization of the Right-of-Use		(45,029)			(96,388)	
Gross Income	243,953	(11,867)	232,086	441,020	(7,031)	433,989
Selling/General/Adm. Expenses	(90,502)		(90,502)	(159,562)		(159,562)
Op. Income Before Financial Result	153,451	(11,867)	141,584	281,458	(7,031)	274,427
Financial Result/Debt Hedge	(45,371)	(34,963)	(80,334)	(97,138)	(47,154)	(144,292)
Lease APV		(34,963)			(47,154)	
Income before Taxes	108,080	(46,830)	61,250	184,320	(54,185)	130,135
Income tax	(15,233)	15,965	732	4,887	18,423	23,310
Net Income	92,847	(30,865)	61,982	189,207	(35,762)	153,445
Book EBITDA	374,784	33,162	407,946	732,406	89,357	821,763
Adjustment to Maturity of Hedge	184		184	626		626
Biological Assets	9,696		9,696	422		422
Equity Income (Loss)	(800)		(800)	(1,208)		(1,208)
Non Recurring Revenue (Expenses)	3,994		3,994	3,994		3,994
Agrarian Contracts Expenses		(33,162)	(33,162)		(89,357)	(89,357)
Adjusted EBITDA	387,858		387,858	736,240		736,240

We no longer account for cash cost of agrarian contracts

We now account for contract amortization

Adjustment to Present Value (APV) of agrarian contracts is accounted for as net financial result

As we no longer account for cash cost of agrarian contracts, Book EBITDA increased, which effect has been adjusted for the Adjusted EBITDA

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

To improve analysis and comparisons between quarters, the data presented in this release exclude impacts from the adoption of IFRS 16 related to agrarian contracts.

COMPANY OVERVIEW

Operating Highlights

OPERATIONAL DATA	6M20	6M19	Chg.(%)
Crushed Sugarcane ('000 tons)	18,924	18,429	2.7%
Own	12,551	12,153	3.3%
Third Parties	6,373	6,276	1.5%
Mechanized Harvest	100%	100%	0.0 p.p.
Agricultural Yield (ton/ha)	85.4	75.3	13.5%
Average TRS (kg/ton)	136.7	142.1	-3.8%
Production			
Sugar ('000 tons)	959	902	6.2%
Ethanol ('000 m ³)	928	983	-5.5%
Cogeneration ('000 MWh)	629	649	-3.0%
TRS Produced	2,587	2,620	-1.2%
Mix Sugar - Ethanol	39% - 61%	36% - 64%	

The Company processed 18.9 million tons of sugarcane in the first six months of the 2019/20 crop year, up 2.7% from the same period of the 2018/19 season, reflecting the better weather conditions in the period, especially the rains early in the crop year, which enabled a significant recovery in the average yield of sugarcane fields (TCH), as shown in the above table.

As such, upon conclusion of the crop year, we expect sugar and ethanol production to remain in line with the Guidance given in June 2019.

Financial Indicators

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

	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
R\$ '000						
Net Revenue ¹	770,096	643,427	19.7%	1,525,030	1,414,593	7.8%
Adjusted EBITDA	387,858	316,238	22.6%	736,240	717,628	2.6%
Adjusted EBITDA Margin	50.4%	49.1%	1.2 p.p.	48.3%	50.7%	-2.5 p.p.
Adjusted EBIT	166,341	122,835	35.4%	284,666	320,959	-11.3%
Adjusted EBIT Margin	21.6%	19.1%	2.5 p.p.	18.7%	22.7%	-4.0 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	9,951,058	9,573,128	3.9%	9,951,058	9,573,128	3.9%
Shareholders' Equity	3,462,528	3,257,083	6.3%	3,462,528	3,257,083	6.3%
EBITDA (LTM)	1,663,146	1,800,556	-7.6%	1,663,146	1,800,556	-7.6%
Net Debt	3,119,488	3,090,556	0.9%	3,119,488	3,090,556	0.9%
Net Debt / EBITDA (LTM)	1.88 x	1.72 x	9.3%	1.88 x	1.72 x	9.3%
Net Debt / Shareholders' Equity	90%	95%		90%	95%	

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

Data do not include the IFRS 16 impacts - Agrarian Contracts

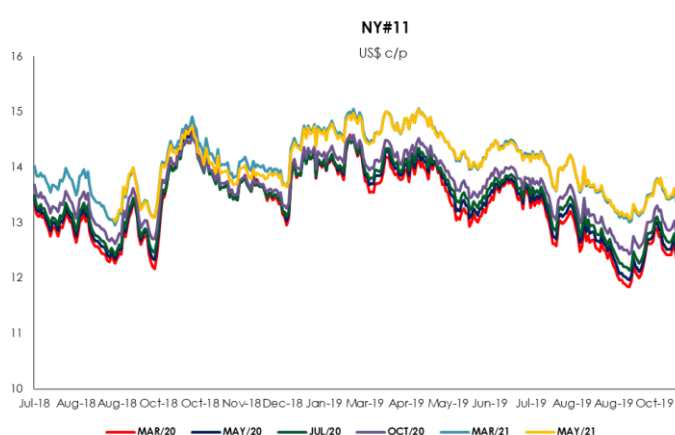
INDUSTRY OVERVIEW

According to the report issued by the Sugarcane Industry Association (UNICA), from the start of crop year to October 16, 2019, the Center-South region processed 510.3 million tons of sugarcane, or 5.0% more than in the previous crop year, mainly due to the better weather conditions in the year, with 35.3% of the production mix allocated to sugar and 64.7% to ethanol.

Sugar

Brazil's Center-South region produced 23.7 million tons of sugar, up 1.1% from the previous crop year.

As mentioned previously, although Brazilian production has shifted towards a higher share of ethanol in the mix and the country is reducing its sugar export capacity, global sugar stocks remain at high levels, pressuring prices in the near term, which is why we do not expect a recovery in sugar prices in the period. Therefore, our hedge position at end-September already represented most of our sugar export exposure for 19/20 crop year. For more details, see the Hedge section of this earnings release.



Source: Bloomberg

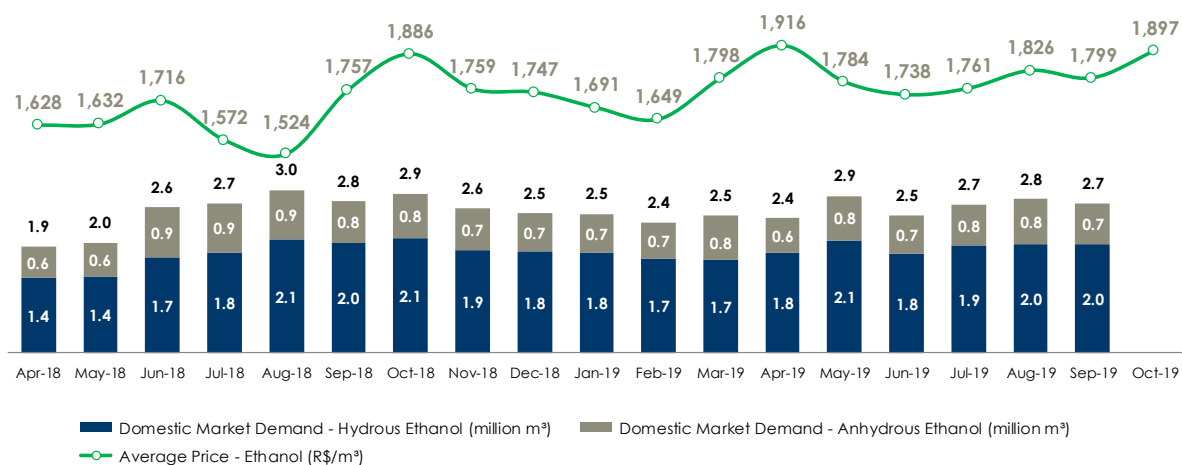
However, we expect a better scenario for sugar prices in the 2020/21 crop year - considering that (i) Brazil maintains the ethanol production mix and (ii) India confirms the reduction of sugar production by up to 5 million tons due to adverse weather conditions in the current crop.

Ethanol

According to data from UNICA, as of October 16, 2019, ethanol production in Brazil's Center-South region grew by 5.9% on the previous crop year.

The share of hydrous ethanol consumption at the pump rose to over 48% from January to September 2019 (according to ANP), reinforcing the scenario of resilience in monthly ethanol consumption, as shown in the chart below. In September, the price parity of hydrous ethanol at the pump compared to gasoline stood at 65%.

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



Source: UNICA and CEPEA/ESALQ

FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
R\$ '000						
Domestic Market	407,733	493,046	-17.3%	884,452	972,257	-9.0%
Sugar	30,102	39,866	-24.5%	62,248	74,689	-16.7%
Ethanol	262,947	353,995	-25.7%	615,753	707,763	-13.0%
Energy	77,101	81,564	-5.5%	144,662	157,271	-8.0%
Real Estate Development	16,796	954	n.m.	17,271	2,266	n.m.
Others	20,787	16,667	24.7%	44,518	30,268	47.1%
Export Market	362,363	150,381	141.0%	640,578	442,336	44.8%
Sugar	187,004	123,947	50.9%	411,575	396,591	3.8%
Ethanol	175,359	26,434	n.m.	229,003	45,745	n.m.
Net Revenue¹	770,096	643,427	19.7%	1,525,030	1,414,593	7.8%
Sugar	217,106	163,813	32.5%	473,823	471,280	0.5%
Ethanol	438,306	380,429	15.2%	844,756	753,508	12.1%
Energy	77,101	81,564	-5.5%	144,662	157,271	-8.0%
Real Estate Development	16,796	954	n.m.	17,271	2,266	n.m.
Others	20,787	16,667	24.7%	44,518	30,268	47.1%

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

Net Revenue

In the second quarter of the 2019/20 crop year, the Company's net revenue amounted to R\$770.1 million, up 19.7% from the same period last crop year. The better quarterly result was mainly supported by: (i) the higher sugar sales volumes in the period (+34.3%); and (ii) the higher ethanol sales price (+14.4%). In the six-month period (6M20), revenue grew 7.8% to R\$1,525.0 million, due to the same reasons that affected the result for the quarter.

Main Adjustments in Net Revenue for 2Q20 and 6M20

1) Debt maturity (Hedge Accounting)

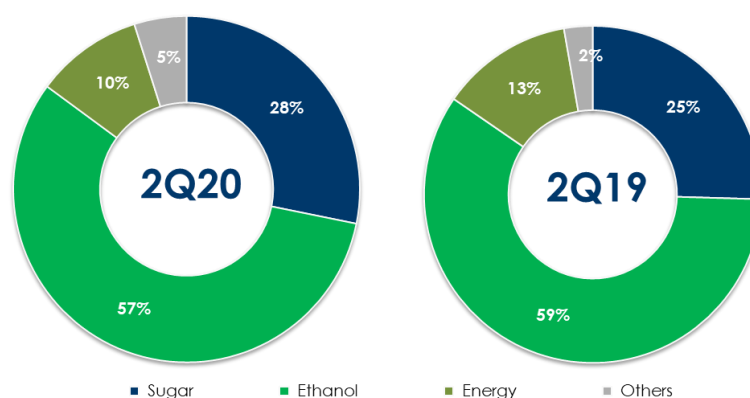
Expense related to exchange variation on debt settled in 2Q20 that was previously designated as Hedge Accounting at a BRL/USD exchange rate of R\$3.3. Considering that the exchange rate used for the purposes of cash flow in the period was R\$4.0/USD, we adjusted the amount of R\$0.2 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 6M20, we adjusted the amount of R\$0.6 million.

2) Purchase Price Allocation (PPA)

Non-cash expense of R\$3.2 million, due to the amortization of goodwill paid for the future profitability of the cogeneration volume of the Santa Cruz Mill in 2Q20. In 6M20, we adjusted R\$6.0 million in net revenue.

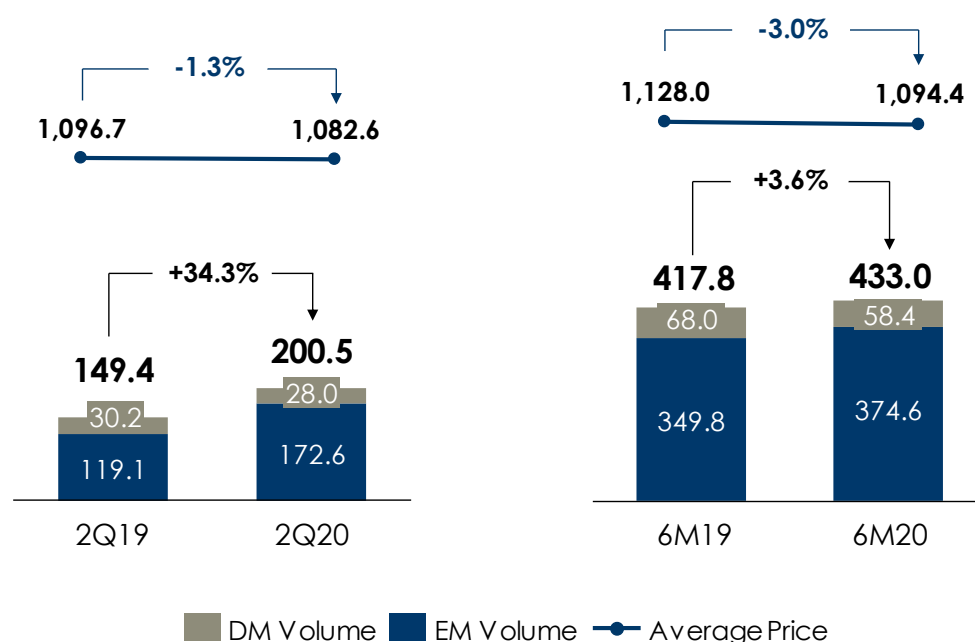
The following charts present a breakdown of the Company's net revenue by product:

Net Revenue Distribution



Sugar

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

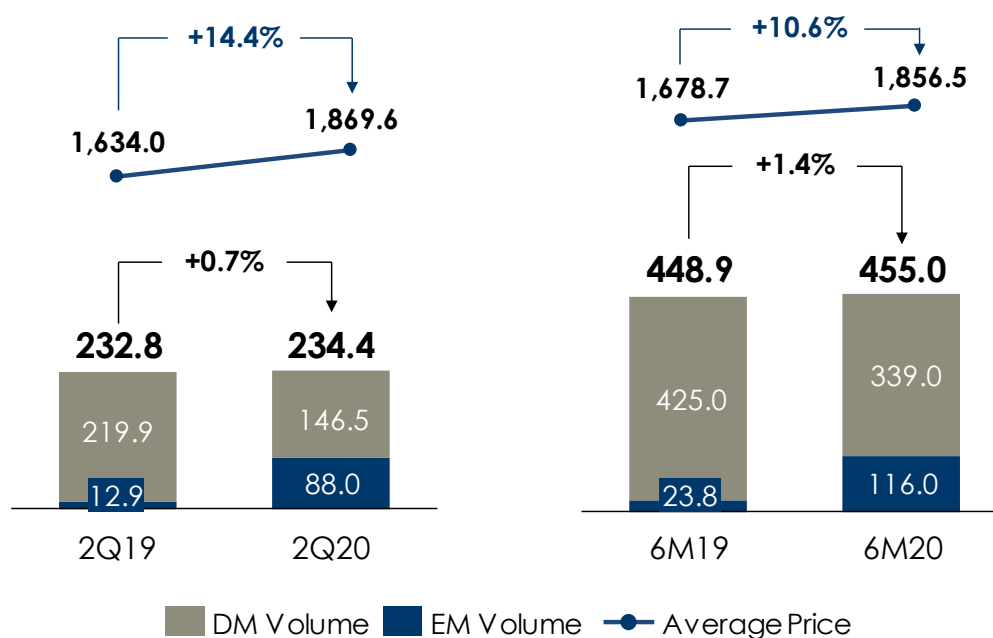


Net revenue from sugar sales amounted to R\$217.1 million in 2Q20, increasing 32.5% on the same period of the previous crop year. In the six-month period (6M20), sugar net revenue amounted to R\$473.8 million, in line with 6M19, reflecting the Company's decision to concentrate shipments in screens for the end of the crop year, with prices higher than those in the first months of the crop year.

As mentioned before, we have already hedged 510 thousand tons of sugar for the coming quarters of the 19/20 crop year, which represents approximately 87% of own sugarcane (considering the lower end of the range for sugar production, as per the Material Fact on Guidance for the crop year), at the average price of ~R\$1,208/ton (elevation cost of ~R\$40/ton not discounted).

Ethanol

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

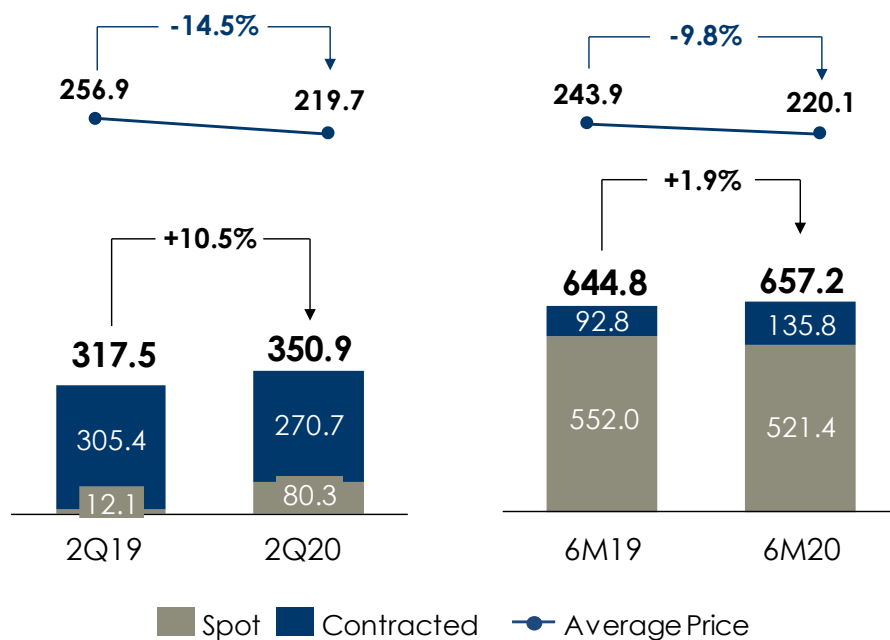


Net revenue from ethanol sales amounted to R\$438.3 million in 2Q20, up 15.2% from 2Q19, mainly due to the higher average sales price in the quarter (+14.4%). Revenue growth reflects the higher exports of anhydrous ethanol in the quarter compared to 2Q19, and the higher share of anhydrous ethanol in the sales mix of the Boa Vista Mill.

In 6M20, net revenue from ethanol sales was 12.1% higher than in the same period last crop year, also mainly due to the higher average sales price (+10.6%).

Cogeneration

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



Net revenue from cogeneration sales amounted to R\$77.1 million in 2Q20, down 5.5% from the same quarter last crop year, reflecting the lower spot price in the period, due to the higher precipitation compared to 2Q19.

In the first six months of the crop year, net revenue from cogeneration sales decreased 8.0%, to R\$144.7 million, explained by the same reason that influenced performance in the quarter. Note that, as of October 2019, energy spot prices recovered, leading us to expect higher average prices in the second half compared to the initial months of the crop year.

Real Estate Development

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

Real Estate Development	Type	City	Area (m²)	Launched date	Total lots sold	POC Position
Recanto das Paineiras	Residential	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	29.3%	99.0%
Nova Pradópolis - Phase I	Residential	Pradópolis	246,937	December-15	93.6%	100.0%
Nova Pradópolis - Phase II	Residential	Pradópolis	255,750	July-17	56.5%	100.0%

In 6M20, the Company recognized net revenue of R\$17.3 million and cash generation of R\$6.4 million.

Real Estate Development	Net Revenue 6M20	Cash Generation 6M20	Portfolio September/19
R\$ '000			
Current Projects	467	4,423	53,952
Land Monetization	16,804	1,976	21,285
Total	17,271	6,399	75,237

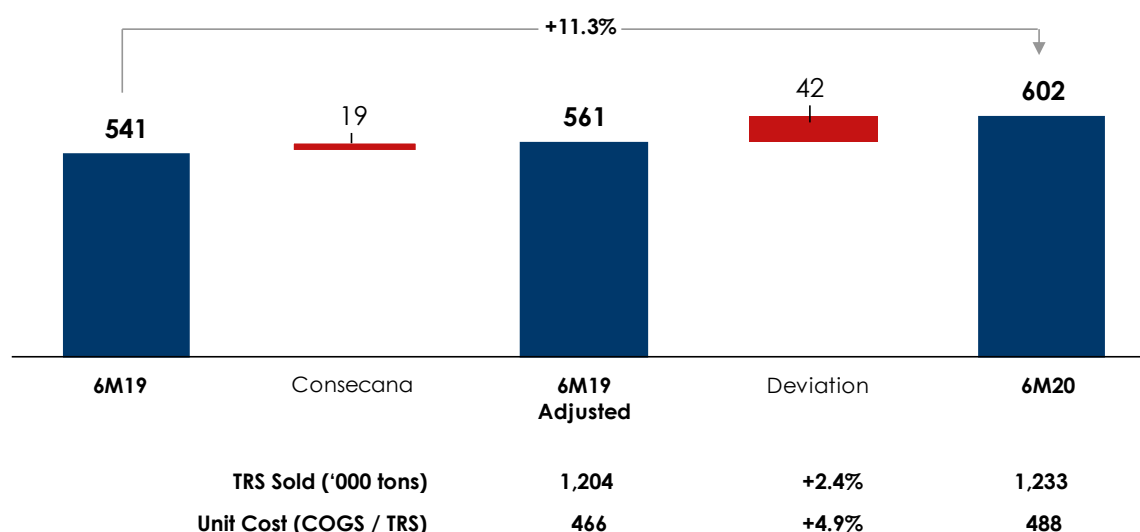
CASH COGS

CASH COGS	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
R\$ '000						
Agricultural Costs	248,477	212,780	16.8%	527,097	469,218	12.3%
Suppliers	150,973	127,156	18.7%	296,763	261,232	13.6%
Partnerships	48,999	42,569	15.1%	115,220	104,066	10.7%
Own Sugarcane	48,505	43,055	12.7%	115,114	103,920	10.8%
Industrial	33,352	33,137	0.6%	75,768	74,653	1.5%
Other Products	20,924	14,959	39.9%	43,957	29,296	50.0%
Reintegra	(368)	(165)	122.9%	(649)	(3,229)	-79.9%
Total COGS	302,386	260,711	16.0%	646,174	569,938	13.4%
TRS Sold (000 Tons)	613	555	10.3%	1,233	1,204	2.4%
Unit Cost (Sugar and Ethanol Cash COGS / TRS)	459	443	3.8%	488	449	8.7%

Data do not include the IFRS 16 impacts - Agrarian Contracts

In 2Q20, Cash COGS came to R\$302.4 million, increasing 16.0% from the same period of the previous crop year, mainly due to: (i) the increase in the Consecana price (+9%); and (ii) the effect from the higher sales volume in the quarter (+10.3%). In 6M20, Cash COGS was R\$646.2 million, up 13.4%, reflecting the same factors that affected performance in the quarter.

The following chart shows the variation in costs (cash COGS), considering only sugar and ethanol, in 6M20 compared to 6M19, excluding the impact from Consecana in the period.



The table below presents details on the variation in average unit cost (cash COGS) for both sugar and ethanol production compared to the same period last crop year. In the case of ethanol, the slower increase in costs in the comparison periods reflects the higher share of ethanol sales of the Goiás Mill, which, as previously mentioned, has a lower production cost than the mills in São Paulo.

Cash COGS per Product	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
R\$ '000						
COGS (Cash)	281,461	245,873	14.5%	602,221	541,184	11.3%
Sugar	102,001	71,508	42.6%	233,421	201,646	15.8%
Ethanol	179,459	174,365	2.9%	368,799	339,538	8.6%
Average Cash Cost Per Unit¹						
Sugar Cash Cost	508.6	478.8	6.2%	539.1	482.7	11.7%
Ethanol Cash Cost	765.5	748.9	2.2%	810.5	756.5	7.1%

Data do not include the IFRS 16 impacts - Agrarian Contracts

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 (2Q20 vs. 2Q19).

	2Q20						2Q19					
	Sugar	Ethanol	Energy	Real Estate Development	Others	Total	Sugar	Ethanol	Energy	Real Estate Development	Others	Total
R\$ '000,000												
Net Revenue ¹	217	438	77	17	21	770	164	380	82	1	17	643
(-) Costs/Expenses	-132	-220	-20	-3	-7	-382	-95	-210	-17	-2	-3	-327
(=) Adjusted EBITDA	85	218	57	14	14	388	69	170	64	-1	14	316
Adjusted EBITDA Margin	39%	50%	74%	85%	65%	50%	42%	45%	79%	-61%	83%	49%
Average EBITDA Cost (R\$/unit²)	658	939	58				638	902	55			
(+) Depreciation/Amortization	-71	-136	-9	0	-6	-222	-53	-128	-9	0	-4	-193
(=) Adjusted EBIT	15	82	47	14	8	166	16	43	55	-1	10	123
(-) Depreciation/Amortization	71	136	9	0	6	222	53	128	9	0	4	193
(-) Maintenance Capex	-75	-132	0	0	0	-207	-48	-129	0	0	0	-177
(=) Cash Generation	11	86	57	14	14	181	21	41	64	-1	14	139
Volume sold (unit ³)	201	234	351	-	-	613	149	233	317	-	-	555
Average Price (R\$/unit²)	1,083	1,870	220	-	-	-	1,097	1,634	257	-	-	-
Average Total Cash Cost (R\$/unit²)	1,030	1,503	58	-	-	-	959	1,457	55	-	-	-

¹ Excludes the Hedge Accounting effect of foreign-denominated debt and PPA US\$C

² Units: Sugar: tons, Ethanol: m³, Energy: MWh, Total: Kgs of sugar and ethanol TRS/ton

³ Sugar: '000 tons, Ethanol: '000 m³, Energy: '000 MWh, Total: '000 tons of TRS

Data do not include the IFRS 16 impacts - Agrarian Contracts

The average sugar cash cost in 2Q20 was R\$1,030/ton, up 7.4% from 2Q19. Given that in the same period the average sugar sales price decreased 1.3%, the product's margin fell by 7.7 p.p. in 2Q20 compared to 2Q19. In the case of ethanol, the average cash cost in the crop year was R\$1,503/m³, increasing 3.2% from the previous crop year, with the margin expanding by around 9 p.p. The improvement in the ethanol margin reflects: (i) the 14.4% higher average price compared to 2Q19; and (ii) the higher share of the Goiás Mill in the ethanol sales mix, diluting capex per TRS sold compared to the São Paulo mills.

As mentioned in the previous quarter, we expect to gradually reduce the sugar and ethanol cash cost by the end of the 2019/20 crop year – excluding the effect of Consecana – to present costs in line with the previous crop year.

SELLING EXPENSES

	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
R\$ '000						
Port Costs / Freight	29,100	12,760	128.1%	49,143	32,011	53.5%
Other	8,134	5,996	35.7%	13,563	10,575	28.3%
Selling Expenses	37,234	18,756	98.5%	62,706	42,586	47.2%
TRS Sold ('000 tons)	613	555	10.3%	1,233	1,204	2.4%
% of Net Revenue	4.8%	2.9%	1.9 p.p.	4.1%	3.0%	1.1 p.p.

In 2Q20, selling expenses amounted to R\$37.2 million, increasing 98.5% from the same period last crop year. The increase in expenses is mainly due to the costs related to ethanol exports, which were higher this quarter than in the same period last crop year, and to the higher sugar export volume, as shown in the section "Net Revenue – Sugar and Ethanol." In 6M20, selling expenses were 47.2% higher than in 6M19, due to the same factors that affected the quarterly performance.

CASH GENERAL & ADMINISTRATIVE EXPENSES

	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
R\$ '000						
Personnel and Management Fee	27,750	31,953	-13.2%	61,383	59,242	3.6%
Taxes, Fees, Contributions and Contingencies	3,764	9,521	-60.5%	9,604	12,521	-23.3%
General Expenses and Third-Party Services	11,548	10,842	6.5%	20,067	21,524	-6.8%
Total recurring General and Administrative Expenses	43,062	52,316	-17.7%	91,054	93,287	-2.4%
Non-recurring items	3,994	-	n.m.	3,994	-	n.m.
Total General and Administrative Expenses	47,056	52,316	-10.1%	95,048	93,287	1.9%

In 2Q20, general and administrative expenses, not considering non-recurring items, amounted to R\$43.1 million, decreasing 17.7% from the same period last crop year. The reduction in expenses mainly reflects the reversal of provisions for contingencies due to the successful outcome of certain lawsuits. In 6M20, recurring G&A expenses amounted to R\$91.1 million, down 2.4% from the same period last crop year.

EBITDA

EBITDA RECONCILIATION	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
R\$ '000						
Adjusted EBITDA	387,858	316,238	22.6%	736,240	717,628	2.6%
Adjusted EBITDA Margin	50.4%	49.1%	1.2 p.p.	48.3%	50.7%	-2.5 p.p.
Adjustment to Maturity of Hedge Accounting	(184)	(1,050)	-82.5%	(626)	(11,355)	-94.5%
Equity Income	800	594	34.7%	1,208	(255)	n.m.
Non Recurring Revenues (Expenses)	(3,994)	-	n.m.	(3,994)	-	n.m.
Biological Assets	(9,696)	(5,843)	65.9%	(422)	(412)	2.4%
Non-cash effect of IFRS 16 on COGS	33,162	-	n.m.	89,357	-	n.m.
Book EBITDA¹	407,946	309,939	31.6%	821,763	705,606	16.5%
EBITDA Margin	53.2%	48.5%	4.7 p.p.	54.1%	50.5%	3.6 p.p.
(-) Depreciation and Amortization	(266,546)	(193,403)	37.8%	(547,962)	(396,669)	38.1%
(-) Financial Revenue (Expense), net	(80,150)	(57,604)	39.1%	(143,666)	(96,180)	49.4%
(=) Operating Income	61,250	58,932	3.9%	130,135	212,757	-38.8%

¹ - Book EBITDA includes the IFRS 16 impacts - Agrarian Contracts

Adjusted EBITDA

Adjusted EBITDA was R\$387.9 million in 2Q20 (Adjusted EBITDA margin of 50.4%), increasing 22.6% from 2Q19. The improvement in the indicator is mainly due to: (i) the higher sugar sales volumes in the quarter (+34.3%); and (ii) the higher ethanol sales price in the quarter (+14.4%).

In 6M20, Adjusted EBITDA grew 2.6% to R\$736.2 million (Adjusted EBITDA margin of 48.3%), reflecting the same factors that affected performance in the quarter.

Main Adjustments to EBITDA in 2Q20 and 6M20

1) IFRS 16 – Leases

Reduction in Adjusted EBITDA compared to Book EBITDA of R\$33.2 million in 2Q20, related to payments of agrarian contracts that are no longer accounted for as cash cost (COGS), but as amortization of the right-of-use. In 6M20, the reduction in Adjusted EBITDA was R\$89.4 million.

2) Debt maturity (Hedge Accounting)

Expense related to exchange variation on debt settled in 2Q20 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\$4.0/USD, we adjusted the amount of R\$0.2 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 6M20, we adjusted the amount of R\$0.6 million.

3) Biological assets

Negative non-cash temporal effect of R\$9.7 million on accounting costs (COGS) in 2Q20 from the mark-to-market adjustment of biological assets. This temporal effect is explained by the release of an area for renewal of the cane field. As the fields are planted through the end of the season, the effect is reversed. In 6M20, the negative effect was R\$0.4 million.

Operating Cash Generation (Adjusted Cash EBIT)

	2Q20	2Q19	Chg.%	LTM 2Q20	LTM 2Q19	Chg.%
R\$ '000						
Adjusted Cash EBIT	181,149	139,271	30.1%	609,941	819,934	-25.6%
Adjusted EBIT Margin	23.5%	21.6%	1.9 p.p.	17.5%	23.9%	-6.4 p.p.
(-) Maintenance Capex	(206,709)	(176,967)	16.8%	(1,053,205)	(980,763)	7.4%
Adjusted EBITDA	387,858	316,238	22.6%	1,663,146	1,800,697	-7.6%
Adjusted EBITDA Margin	50.4%	49.1%	1.2 p.p.	47.6%	52.5%	-4.8 p.p.
Adjustment to Maturity of Hedge	(184)	(1,050)	-82.5%	(2,419)	(19,866)	-87.8%
Equity Income (Loss)	800	594	34.7%	1,223	(1,454)	n.m.
Non Recurring Income (Expenses)	(3,994)	-	n.m.	102,505	(1,808)	n.m.
Biological Assets	(9,696)	(5,843)	65.9%	5,141	(54,139)	n.m.
Non-cash effect of IFRS 16 on COGS	33,162	-	n.m.	89,357	-	n.m.
Book EBITDA	407,946	309,939	31.6%	1,858,953	1,723,430	7.9%
EBITDA Margin	53.2%	48.5%	4.7 p.p.	53.4%	50.6%	2.8 p.p.

Adjusted Cash EBIT amounted to R\$181.1 million, (Adjusted EBIT margin of 23.5%), increasing 30.1% compared to 2Q19, mainly due to the same factors that positively impacted EBITDA.

HEDGE

The tables below summarize our sugar and U.S. dollar hedge positions as of September 30, 2019:

Sugar

	Volume Hedged (tons)	Avg. Price (US\$ c/p)	Avg. Price (R\$/Ton)
Sugar			
2019/2020 crop year	510,209	13.54	1,208
2020/2021 crop year	201,027	13.61	1,246

On September 30, 2019, sugar prices for the 19/20 crop year were hedged for 510.2 thousand tons at an average price of 13.54 ¢/lb, which **represents the hedging of approximately 87% of own cane** (considering the lower end of the range for sugar production, as per the Material Fact on Guidance for the crop year). Our sugar prices for the 2020/21 crop year were hedged for 201.0 thousand tons at an average price of US\$13.61 ¢/lb.

U.S. Dollar

On September 30, 2019, the Company held open positions through Non-Deliverable Forwards (NDFs) and derivative instruments, which are used to hedge its exports, for the 2019/20 and 2020/21 crop years, 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	160,306	4.01	127,182	4.02	33,124	3.97
2020/2021 crop year	61,612	4.15	61,612	4.15	-	-

The volume of NDFs in U.S. dollar on said date represented approximately 87% of own cane hedged for the 2019/20 crop year (considering the lower end 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 to September 2019, we recorded a reduction in shareholders' equity of R\$54.3 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 2Q20, a total of US\$0.3 million in debt was recognized, with the exchange rate of R\$3.3/US\$ adopted for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$4.0/US\$, we made an adjustment of R\$0.2 million in net revenue and EBITDA to provide a better understanding of the Company's operating cash generation.

In 6M20, a total of US\$1.1 million in debt was recognized at the exchange rate of R\$3.3/US\$ used for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.9/US\$, we made an adjustment of R\$0.6 million in net revenue and EBITDA to provide a better understanding of the Company's operating cash generation.

NET FINANCIAL RESULT

FINANCIAL RESULTS	2Q20	2Q19	Chg.%	6M20	6M19	Chg.%
R\$ '000						
Financial Revenues	29,542	30,319	-2.6%	76,905	57,458	33.8%
Financial Expenses	(74,359)	(79,989)	-7.0%	(156,872)	(158,560)	-1.1%
Exchange Variation / Derivative	(369)	(7,934)	-95.3%	(16,544)	4,922	n.m.
Financial Revenues/Expenses	(45,186)	(57,604)	-21.6%	(96,511)	(96,180)	0.3%
IFRS 16 Effects - APV	(34,963)	-	n.m.	(47,154)	-	n.m.
Net Financial Result	(80,150)	(57,604)	39.1%	(143,666)	(96,180)	49.4%
Debt Hedge	(184)	(1,050)	-82.5%	(626)	(11,355)	-94.5%
Financial Result	(80,334)	(58,654)	37.0%	(144,292)	(107,535)	34.2%

COPERSUCAR

Obligations

On September 30, 2019, São Martinho recognized the amount of R\$205.2 million in obligations payable to Copersucar under Liabilities on its balance sheet. 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 is also a plaintiff in legal proceedings claiming the refund/overpayment of various taxes or indemnities. The Company, as a former cooperative member, will be entitled to a proportion of these credits, if any, and will inform the market when its legal right to these amounts is secured.

Copersucar's financial statements at March 31, 2019 disclose that it calculated and transferred to Cooperative Members the first installment (R\$906 million) of the court-ordered debt payment issued in June 2017, in the total amount of R\$5.6 billion (Company's share amounting to R\$730.5 million), under the court ruling that ordered the Federal Government to pay damages arising from fixing a ceiling for sugar and ethanol prices for sales made in the 1980s. Upon transferring the funds (held during March, 19), Copersucar withheld a portion for litigation seeking damages and the levy of PIS and COFINS taxes, while undertaking to transfer the corresponding amounts in the event of a favorable outcome.

The lawsuit also files for a supplementary claim of R\$12.8 billion (Company's share R\$1.7 billion), thought the federal government claims an overestimation of R\$2.2 billion (Company's share R\$286.3 million). In June 2018, a supplementary court-ordered debt payment of R\$10.6 billion was issued (Company's share R\$1.4 billion).

On April 29, 2019, the second installment of the first court-ordered debt payment and the first installment of the supplementary court-ordered debt payment were deposited in court by the Federal Government. The release of these funds is pending court procedures and the balance of the court-ordered debt payments already issued will follow the appropriate legal procedures.

The Company, in coordination with Copersucar, also filed a lawsuit, supported by a judicial deposit, claiming the suspension of the enforceability of IRPJ/CSLL/PIS/COFINS payment. The judicial deposit, of R\$58,313 thousand, was recorded in liabilities, as "Taxes with suspended payment". An amount of R\$3,313 thousand was transferred to Luiz Ometto Participações S.A. ("LOP"), as provided for in the Agreement for Purchase and Sale of Shares of Santa Cruz S.A. Açúcar e Alcool ("USC"). After the transfer and withholding of the amounts related to court expenses and taxes under litigation, the balance of R\$106,499 thousand was recorded within "Other expenses (income), net". Although management classifies the receipt of the remainder credit as probable, the amount has not been recorded, since its receipt is not under the Company's control.

DEBT

INDEBTEDNESS	Sep/19	Mar/19	Chg.%
R\$ '000			
Agribusiness Certificate of Receivables (CRA)	1,892,801	1,794,696	5.5%
BNDES / FINAME	498,674	542,092	-8.0%
Rural Credit	389,437	393,583	-1.1%
Working Capital	162,677	264,793	-38.6%
PESA	9,531	16,451	-42.1%
PPE (Export prepayment)	1,158,598	1,084,247	6.9%
International Finance Corporation (IFC)	380,957	356,738	6.8%
Obligations from Acquisitions - LOP	38,593	38,605	0.0%
Gross Debt	4,531,268	4,491,205	0.9%
Cash and Cash Equivalents	1,411,780	2,089,213	-32.4%
Net Debt	3,119,488	2,401,992	29.9%
Net Debt / LTM EBITDA - R\$	1.88 x	1.46 x	28.4%
Net Debt / LTM EBITDA - USD ¹	1.74 x	1.32 x	32.1%
LTM Adjusted EBITDA	1,663,146	1,644,534	1.1%

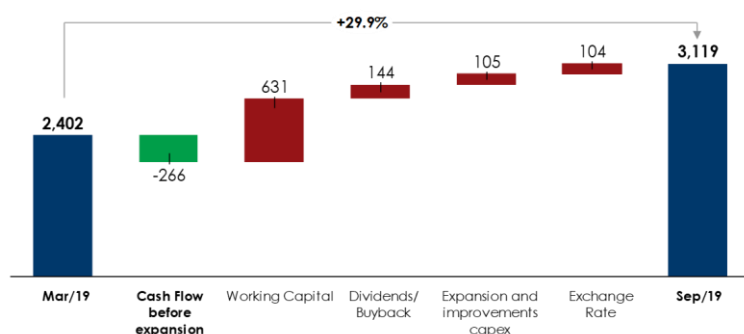
¹ - Net Debt PTAX:
 March/19: R\$ 3.90
 September/19: R\$ 4.16

EBITDA average LTM daily PTAX:
 March/19: R\$ 3.78
 September/19: R\$ 3.87

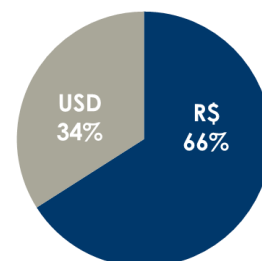
In September 2019, the Company's net debt stood at R\$3.1 billion, up 29.9% from March 2019. The increase mainly reflects the higher working capital in the period, due to the higher inventory of products, which should be converted into cash by the end of the crop year. The following charts present details of the debt position.

Changes in Net Debt

R\$ million

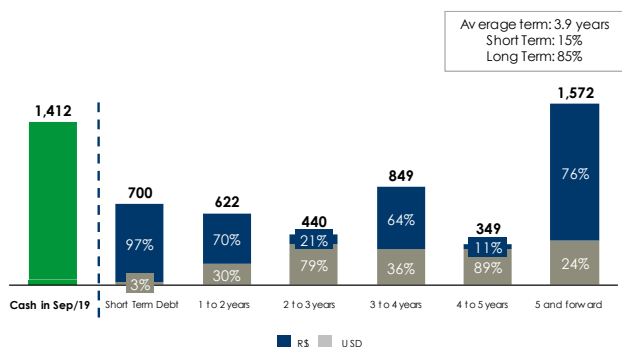


Currency - Gross Debt



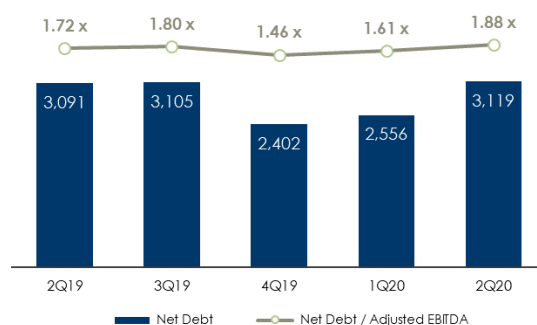
Debt Amortization Schedule

R\$ million



Net Debt/LTM EBITDA Evolution

R\$ million



In October 2019, Standard & Poor's assigned an investment grade rating ("BBB-") to São Martinho's long-term credit risk on the global scale, while its rating on the national scale was reaffirmed at "AAA", both with a stable outlook.

CAPEX

(Maintenance)	2Q20	2Q19	Chg.%	6M20	6M19	Chg.%
R\$ '000						
Sugarcane Planting - Renovation	81,893	58,967	38.9%	139,716	115,746	20.7%
Off-Season Maintenance (Industrial/Agricultural)	-	-	n.m.	6,302	1,538	309.7%
Crop Treatment	124,816	117,999	5.8%	241,872	224,141	7.9%
Total	206,709	176,967	16.8%	387,890	341,426	13.6%
(Operational Improvements)						
Equipment/Replacements	30,177	13,548	122.7%	54,688	28,053	94.9%
Total	30,177	13,548	122.7%	54,688	28,053	94.9%
(Upgrading/Expansion)						
Sugarcane Planting - Expansion / Biological Assets	4,859	6,932	-29.9%	10,670	10,495	1.7%
Projects (Industrial/Agricultural)	29,603	14,932	98.2%	51,282	38,389	33.6%
Total	34,462	21,864	57.6%	61,952	48,884	26.7%
GRAND TOTAL	271,349	212,379	27.8%	504,530	418,363	20.6%

The Company's maintenance capex amounted to R\$206.7 million in 2Q20, increasing 16.8% from the same period of the previous crop year. The increase is reflected mainly in the "sugarcane planting – renovation" line and is related to the soil preparation anticipation, which is a temporal effect that should be normalized by the end of the crop year. We also had impacts on inputs, mainly in crop treatments, as previously mentioned, due to a combination of price increases and dollar appreciation. In 6M20, the increase was 13.6%, mainly due to the same factors that affected the quarter.

Operational improvement capex - investments mainly related to replacing agricultural and industrial equipment to increase yields - amounted to R\$30.2 million in 2Q20, basically reflecting adjustments to the agricultural fleet and industrial parts and equipment. In 6M20, total investments in operational improvements amounted to R\$54.7 million.

Expansion capex came to R\$34.5 million in 2Q20, increasing 57.6% from the same period last crop year, mainly reflecting the implementation of the yeast factory at the Boa Vista Mill (with an estimated IRR of ~30%), in addition to the carryover effect of projects started in the previous crop year focusing on creating value for shareholders. In 6M20, the increase was due to the same factors affecting the quarter.

Considering the investments already made in 6M20 and the expected amount for the second semester, we estimate a maintenance capex for this crop of approximately R\$1.1 billion. Additionally, we have planned investments of R\$180 million in (i) operational improvements and (ii) projects previously announced to the market.

CASH INCOME

São Martinho's cash income in 2Q20 amounted to R\$116.3 million, increasing 80.8% from 2Q19. The improvement is mainly explained by the growth in Adjusted EBITDA in the period.

In 6M20, cash income came to R\$182.8 million. The decrease mainly reflects the effect of R\$28 million in 1Q20 related to the recognition of income and social contribution tax credits on Outorgado's benefit between 2015 and 2018, which, under Complementary Law 160/2017, no longer is taxed.

Cash Income	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
R\$ '000						
Net Income	61,982	58,547	5.9%	153,445	162,506	-5.6%
Non-cash effect of IFRS 16 on Net Income	30,865	-	n.m.	35,762	-	n.m.
Income tax	15,233	385	n.m.	(4,887)	50,251	n.m.
Income Tax paid	(1,675)	(1,500)	11.7%	(2,554)	(2,372)	7.7%
Biological Asset	9,696	5,843	65.9%	422	412	2.4%
Maturity of Hedge	184	1,050	-82.5%	626	11,355	-94.5%
Cash Income	116,285	64,325	80.8%	182,814	222,152	-17.7%
Total Shares ex-treasury (in thousand)	348,865	350,803	-0.6%	348,865	350,803	-0.6%
Cash Income per share	0.33	0.18	81.8%	0.52	0.63	-17.3%

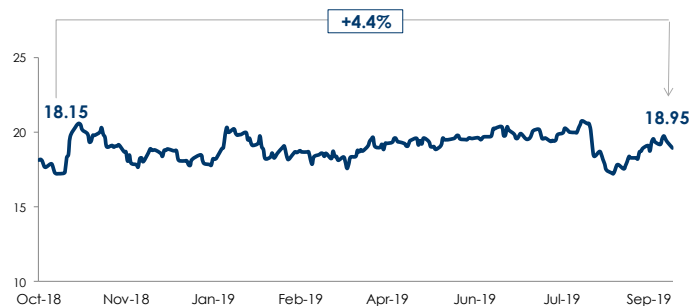
6th SHARE BUYBACK PROGRAM

As previously announced, the Company's Board of Directors approved on June 24, 2019 the 6th share buyback program for up to 10 million shares, valid through December 2020, with the aim of efficiently investing funds available in cash so as to maximize capital allocation and value creation for shareholders. Until September 2019, the Company acquired 1,937,400 shares at the average price of R\$17.79/share, totaling an investment of R\$34.5 million.

CAPITAL MARKETS

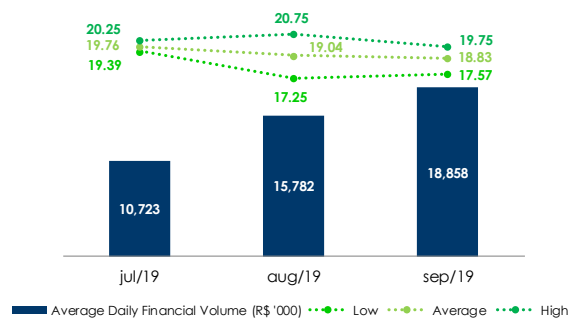
SMT03 Performance – 12 months

In R\$



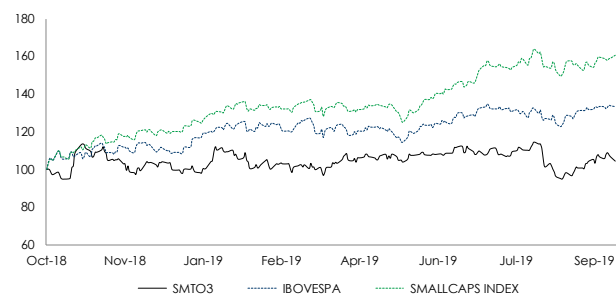
Price and Volume

In R\$



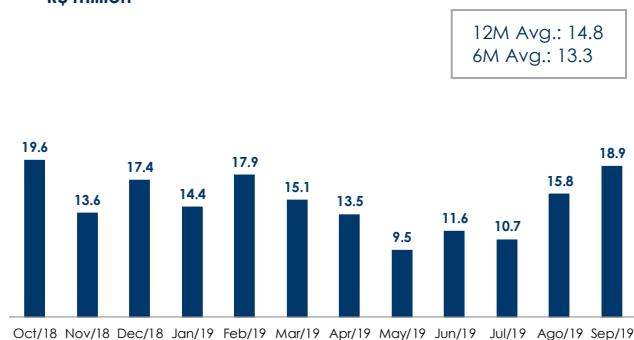
SMT03 Performance vs. Stock Indexes

Base 100



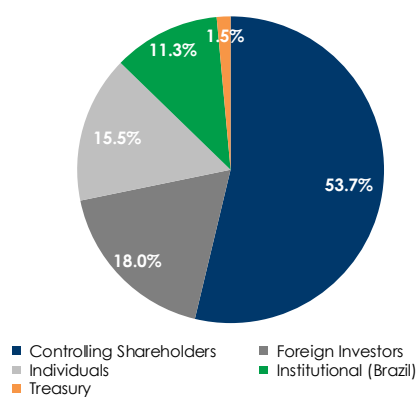
Average Daily Trading Volume

R\$ million

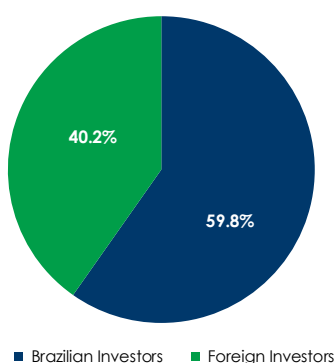


Ownership Structure

Base: September 30, 2019



Free-Float Composition



ANNUAL AND SUSTAINABILITY REPORT

In October 2019, São Martinho published its Annual and Sustainability Report for the 2018/19 Crop Year. [Click here](#) to access the document, which includes the Company's indicators for the crop year and economic, environmental and social practices and actions.

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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.

FINANCIAL STATEMENTS

The figures in the tables below consider the impacts from adoption of IFRS 16 starting 1Q20, in accordance with the consolidated and audited Financial Statements, including the effects detailed in 'Adoption of IFRS 16/CPC 06 – Leases' section on page 3 of this earnings release.

INCOME STATEMENT

SÃO MARTINHO S.A. - CONSOLIDATED	2Q20	2Q19	Chg. (%)	6M20	6M19	Chg. (%)
R\$ '000						
Gross Revenue	827,424	708,863	16.7%	1,653,411	1,540,835	7.3%
Deductions from Gross Revenue	(60,759)	(70,154)	-13.4%	(135,017)	(144,942)	-6.8%
Net Revenue	766,665	638,709	20.0%	1,518,394	1,395,893	8.8%
Cost of Goods Sold (COGS)	(538,010)	(452,516)	18.9%	(1,091,041)	(952,669)	14.5%
Gross Profit	228,655	186,193	22.8%	427,353	443,224	-3.6%
Gross Margin (%)	29.8%	29.2%	0.7 p.p	28.1%	31.8%	-3.6 p.p
Operating Expenses	(87,255)	(69,657)	25.3%	(153,552)	(134,287)	14.3%
Selling Expenses	(37,234)	(18,756)	98.5%	(62,706)	(42,586)	47.2%
General and Administrative Expenses	(51,265)	(56,089)	-8.6%	(103,196)	(100,291)	2.9%
Equity in the results of investees	800	594	34.7%	1,208	(255)	n.m.
Other operating income (expenses), net	444	4,594	-90.3%	11,142	8,845	26.0%
Operating Profit, Before Financial Effects	141,400	116,536	21.3%	273,801	308,937	-11.4%
Financial Result, Net	(80,150)	(57,604)	39.1%	(143,666)	(96,180)	49.4%
Financial Income	29,542	30,319	-2.6%	76,905	57,458	33.8%
Financial Expenses	(109,322)	(79,989)	36.7%	(204,026)	(158,560)	28.7%
Monetary and Exchange Variations - Net	10,820	15,001	-27.9%	(5,197)	43,753	-111.9%
Derivatives Results	(11,190)	(22,935)	-51.2%	(11,348)	(38,831)	-70.8%
Profit before income tax and social contribution	61,250	58,932	3.9%	130,135	212,757	-38.8%
Income Tax and Social Contribution - Current	(3,117)	1,549	n.m.	22,096	14,848	48.8%
Income Tax and Social Contribution - Deferred	3,849	(1,934)	n.m.	1,214	(65,099)	n.m.
Net Income	61,982	58,547	5.9%	153,445	162,506	-5.6%
Net Margin (%)	8.1%	9.2%	-1.1 p.p	10.1%	11.6%	-1.5 p.p

BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS		
R\$ '000		
ASSETS	Sep/19	Mar/19
SHORT-TERM ASSETS		
Cash and Cash Equivalents	48,618	197,607
Financial investments	1,304,427	1,838,261
Trade Receivables	253,665	163,412
Derivative Financial Instruments	56,692	53,967
Inventories and advance to suppliers	1,229,068	232,322
Biological Assets	614,450	657,057
Taxes Recoverable	40,656	20,124
Income Tax and Social Contribution	81,171	79,759
Other Assets	20,351	10,191
TOTAL SHORT-TERM ASSETS	3,649,098	3,252,700
LONG-TERM ASSETS		
Long-term Receivables		
Financial investments	58,735	53,345
Inventories and advance to suppliers	15,562	131,881
Derivative Financial Instruments	2,273	229
Trade Receivables	21,827	22,488
Receivables from Copersucar	10,017	10,017
Taxes Recoverable	88,018	79,790
Judicial Deposits	87,380	27,210
Other Assets	14,366	14,366
	298,178	339,326
Investments	34,451	33,537
Property, plant and equipment	5,332,612	5,644,660
Intangible assets	468,266	478,499
Right-of-use assets	1,745,826	-
TOTAL LONG-TERM ASSETS	7,879,333	6,496,022
TOTAL ASSETS	11,528,431	9,748,722

BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED- LIABILITIES		
R\$ '000		
LIABILITIES AND SHAREHOLDERS' EQUITY	Sep/19	Mar/19
SHORT-TERM LIABILITIES		
Borrowings	688,573	754,999
Lease agreements	50,585	-
Land partnership payable	143,894	-
Derivative Financial Instruments	41,754	37,369
Trade Payables	304,089	152,713
Payables to Copersucar	9,094	9,094
Salaries and Social Contributions	163,614	134,372
Taxes Payable	18,876	40,833
Income Tax and Social Contribution	7,151	4,178
Dividends Payable	2	81,077
Advances from Customers	9,826	4,295
Aquisition of Investment	11,703	11,715
Other Liabilities	13,432	27,020
TOTAL SHORT-TERM LIABILITIES	1,462,593	1,257,665
LONG-TERM LIABILITIES		
Borrowings	3,804,102	3,697,601
Lease agreements	406,519	-
Land partnership payable	1,046,717	-
Derivative Financial Instruments	31,721	13,520
Payables to Copersucar	196,076	201,498
Taxes to Collect	4,521	2,998
Deferred Income Tax and Social Contribution	956,436	988,760
Provision for Contingencies	101,127	103,817
Aquisition of Investment	26,890	26,890
Taxes with suspended chargeability	58,313	58,313
Other Liabilities	6,650	6,650
TOTAL LONG-TERM LIABILITIES	6,639,072	5,100,047
SHAREHOLDERS' EQUITY		
Share Capital	1,696,652	1,696,652
Capital Reserve	9,418	9,418
Treasury Shares	(91,334)	(234,100)
Adjustments to Book Value	960,026	1,016,355
Profit Reserve	741,614	902,685
Retained Earnings	110,390	-
TOTAL SHAREHOLDERS' EQUITY	3,426,766	3,391,010
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,528,431	9,748,722

CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	6M20	6M19
R\$ '000		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income in the period	153,445	162,506
Adjustments		
Depreciation and amortization	291,350	156,464
Biological assets harvested (depreciation)	250,602	232,860
Change in fair value of biological assets	422	412
Amortization of energy contracts	6,010	7,345
Equity in the results of investees	(1,208)	255
Gains (losses) on investments and PP&E written off	(14,770)	2,879
Interest, monetary and exchange variations, net	90,457	86,358
Derivatives Financial Instruments	15,358	25,121
Setup of provision for contingences, net	4,921	6,321
Income tax and social contribution	(23,310)	50,251
Adjustment to present value and other adjustments	36,916	5,527
	810,193	736,299
Changes in asset and liabilities		
Trade receivables	(71,914)	(59,312)
Inventories	(523,197)	(578,500)
Taxes recoverable	(17,928)	52,709
Derivatives Financial Instruments	13,027	19,332
Other assets	(69,237)	5,241
Trade payables	140,889	122,331
Salaries and social charges	29,243	2,556
Taxes payable	7,166	37,136
Payables to Copersucar	(7,381)	(6,632)
Provision for contingencies - settlement	(10,128)	(9,916)
Other liabilities	(4,610)	(27,291)
Cash from operations	296,123	293,953
Payment of interest on borrowings	(97,447)	(92,933)
Income tax and social contribution paid	(2,554)	(2,372)
Net cash provided by operating activities	196,122	198,648
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment of funds	(1,193)	(1,584)
Purchases of property, plant and equipment and intangible assets	(105,348)	(77,810)
Additions to biological assets (planting and crop treatments)	(391,489)	(350,382)
Financial investments	582,303	262,265
Proceeds from sale of property, plant and equipment	4,337	3,919
Advance for future capital increase	-	(500)
Dividends received	294	-
Net cash provided by (used in) investing activities	88,904	(164,092)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amortization of lease and partnership agreements	(191,015)	-
Proceeds from borrowings – third parties	416,431	1,137,239
Repayment of borrowings - third parties	(514,966)	(934,835)
Payment of dividends	(109,999)	(180,000)
Acquisition of treasury shares	(34,466)	-
Net cash provided by (used in) financing activities	(434,015)	22,404
Increase (decrease) in cash and cash equivalents	(148,989)	56,960
Cash and cash equivalents at the beginning of the period	197,607	140,865
Cash and cash equivalents at the end of the period	48,618	197,825