

TRANSCRIÇÃO

Teleconferência de resultados 4T24 - São Martinho

Inglês

PARTICIPANTES

Vozes femininas identificadas: F1 e F2

TEMPO DE GRAVAÇÃO

56 minutos e 21 segundos

MODALIDADE DE TRANSCRIÇÃO

Padrão

LEGENDA

... → pausa ou interrupção.

(inint) [hh:mm:ss] → palavra ou trecho ininteligível.

(palavra) [hh:mm:ss] → incerteza da palavra transcrita / ouvida.

(INÍCIO)

[00:00:00]

F1: Good afternoon, ladies and gentlemen, and thank you for waiting. Welcome to the São Martinho S.A conference call to discuss the results for the fourth quarter of the 23 24 crop season. With us today are mister Felipe Vicchiato, CFO and Investor Relations Officer, Alessandro Soares, New Business Officer, External Communications and IR, and Investor Relations (inint) [00:00:32] São Martinho. The audio and slides of this conference call are being broadcast simultaneously over the internet at www.saomartinho.com.pr/ir. Participants will be able to choose which language they want to view the presentation in. At the top of the screen, two tabs will appear with the options. Please note that all participants will only be on listen only mode during the company's presentation. We will then begin the Q&A session for investors and analysts when further

instructions will be provided. Please be advised that certain information contained in this conference call may contain forward-looking statement. Such information is subject to known and unknown risks and uncertainties that may cause such expectations not to be realized or to differ materially from what was anticipated. Now I would like to turn the floor to mister Felipe Vicchiato, who will initiate this conference call. Thank you. Good afternoon, everyone. Thank you for joining us this afternoon. I will move on with the presentation initiating with the agenda of the points that we believe are important to talk about the quarter and the year. I'll talk about guidance and the CapEx for production. Yesterday we released the information at the end of the data closing of the market. We have the expectation for the quarter, the cash cost for the crop season with a little bit of expectation for this year. We will refer to the corn operation this year, the operation of the plant, the evolution of the hedge prices, both corn hedge and sugar hedge. And finally, I will conclude saying that the ethanol base was the major detractor last year. We understand that now because of the demand issue, it's much healthier. Now moving on, here on page four we have the production guidance of the company. We expect to produce 2.9% less in sugar cane, when compared to last year, reaching 22.4 million tons of sugar cane. However, with the TRS of the final product being better than last year, so that the produced TRS is almost flat once we compared year on year. There were some changes in this first year to increase the sugar mix. So, there was an increase of 6% in sugar cane production this year, sugar coming from the sugar cane crop, and then the ethanol production remains flat once you combine a drop in ethanol production coming from lower crushing of sugar cane and a 20% increase of corn-based ethanol. This year our corn plant is operating at full capacity crushing

approximately 495 thousand tons. So, the result turned out to be 26% higher when compared to last year. Now when we look at processed cane at 2.9% lower, we also see a decrease, which is lower for our own cane and a higher decrease for a third-party cane. Our own cane is about 1.5% vis-a-vis last year and third-party cane is dropping between five and 6% and the combination of both gives us that 2.9%. This is a very important point because we will manage to have a better cost dilution next crop season because we have more of our own cane and the cost is lower, so the dilution is higher. So, the drop is mostly concentrated in third party cane because there are also other aspects involved like variation in agricultural management practices and region. Summer was quite dry this season, and that summer remained through April and May, 45 days with no rain in the region. Therefore, we believe that this is why the guidance is slightly lower when it comes to sugarcane production. Now moving on now we will talk about our CapEx guidance for this year. Our guidance is 2.5 billion BRLs, pretty much in keeping with what we had last year, which was two, four, eight, five last year. Our CapEx guide guidance was 2.7 billion of Brazilian BRLs, Brazilian Reais. We were able to save some part of it and the other part was rollover to the following season. About a hundred million BRLs were carried on to towards 24 25, meaning that 2025 would be a number a hundred and 30 some million less. If we were to fulfill the guidance that we had released at the end of last year. It's worth mentioning that that guidance, in terms of greatness, 1.9 billion refers to maintenance CapEx, you know, maintenance and cane planting, 5 million BRLs is fleet and agricultural machinery, and the remainder refers to investments already hired by the company as the biomethane project, that should be ramping up in the be in the middle of last year, a higher sugar mix. We are now

concluding some investments, so that our mix will increase the amount of sugar for the next season. And we also have an efficiency project related to the two-row harvester that would also give us about 150 mil in CapEx. That meaning that this will not only increase efficiency but also reduce the cost of harvest. When the investments are lower in the coming years and we no longer have, you know, growth CapEx, the number for CapEx in the company would be around 1.9 billion BRLs. Moving on, here we have the financial numbers. In that semester we sold a lot. We grew about 65% whereby we grew 20% in terms of our sugar cane volume, and we grew 113% our ethanol volume. However, in the case of ethanol, given the price conditions that occur between January and March, the average price is 30% lower, which considerably hurt our margins, both (EBITDA and EBIT) [00:07:55] margins. We also see that net income was 607 million BRLs accounting income, mostly attributed to the prepayment of the court ordered debt payments and everything ended up by being paid at the end of March. So, we just do a reconciliation to look at a cleaner figure in terms of net income, including the court order that securities and ICMS issues that you know, we credited so that income could amount to 150 some million BRLs if we have a non-recurring effect in our results. But obviously this cash had a positive effect on the GNA of the company. So, our net debt over (EBITDA) [00:08:52] is pretty much in line with what we had last year, 1.8 times, despite all of the investments that we did to conclude the corn plant and the beginning or the ramp up of the biomethane plant.

F2: Here. (inint) [00:09:11], losing cash cost... sugar, (inint) [00:09:18] BRLs (inint) [00:09:22] sugar. That sales price was 1 2 45 (inint) [00:09:29] increase, 7.7% points (inint) [00:09:33] on the other hand (inint) [00:09:40] ethanol, (inint) [00:09:45] of ethanol. Ethanol prices were reduced

significantly from 400 (inint) [00:09:55] comparison is (inint) [00:10:08] 2022. The fact is, despite the (inint) [00:10:22] was practically zero. (inint) [00:10:31] our CapEx (inint) [00:10:42] and maintenance, (inint) [00:10:45]. The fact is, (inint) [00:10:51] for the year compressed our margin for the whole group and basically for ethanol we kind of (inint) [00:11:00]. So here we have a summary of the corn operations, (inint) [00:11:06] this was the first-year commissioning (inint) [00:11:11] to crush at full capacity. We crushed 390 thousand tons, a total of 500 thousand tons capacity. With this we had (inint) [00:11:25] 70 (inint) [00:11:35] the ethanol prices, as I mentioned in the previous slide, we have a first year for corn with a negative EBITDA of (inint) [00:11:46] for this year (inint) [00:11:49] of crushing (inint) [00:11:54] thousand, practically 100% of the plant's capacity. (inint) [00:12:00] inventory already purchased (inint) [00:12:04] 55 (inint) [00:12:06] BRL per bag. So, over the last year, 2025 (inint) [00:12:12] lower in terms of corn cost. (inint) [00:12:19] 80% of the total on ethanol production cost. And we expect to have much better result in corn EBITDA. And on the dynamics of the ethanol price and (inint) [00:12:35] almost 200 million BRL per year, (inint) [00:12:39]. Here we have (inint) [00:12:42] of São Martinho, (inint) [00:12:48], at this level, (inint) [00:13:09], and the market (inint) [00:13:13] driven by (inint) [00:13:21] Pakistan, (inint) [00:13:25]. And this is the main (inint) [00:13:28] have been declining since mid (inint) [00:13:33] Brazilian (inint) [00:13:38] we might have a surprise (inint) [00:13:41] sugar, and we might have this deficit (inint) [00:13:52] crop season. (inint) [00:13:56], we have the summary (inint) [00:14:00] no rain, it is possible (inint) [00:14:03] season (inint) [00:14:05], we're going to have crop seasons (inint) [00:14:12] last year to (inint) [00:14:28] this year, (inint) [00:14:29] of the crop season starting in

September, (inint) [00:14:43] significant (inint) [00:14:46] compared to last year. I'd like to remember that last year (inint) [00:14:50] operated until (inint) [00:15:01] will be harvested after (inint) [00:15:10] rain fall, (inint) [00:15:17] expected to be (inint) [00:15:21] crop season will be very different when broken down into thirds, in terms of (inint) [00:15:28]. Lastly, and we will have the Q&A, we have here a summary of the (inint) [00:15:38] of the ethanol market, (inint) [00:15:40]. Last year ethanol accounted for only 20% of (inint) the total (inint) [00:15:46], 60% (inint) [00:15:59] consumption (inint) [00:16:00] of this year, and (inint) [00:16:08] almost (inint) [00:16:14] 2 billion, (inint) [00:16:19] in mid-September, that's our expectation. (inint) [00:16:30] having the campaign that we started running the second half of January to make people aware of the benefits of ethanol, economically and in terms of the sustainability. So, I think it's in everyone's mind now that it makes economic sense to consume ethanol, we'll see how the demand will respond. Last year we concentrated a lot of our sales in the last month of the crop season, which ended up (inint) [00:17:02] our result. Back then I thought the demand would be resumed given the parity and that did not happen. But now with demand being at a very good level, when we look at it (inint) [00:17:18] 15 days, we are not expecting the same problem we had in the past crop season. These are my general comments, (inint) [00:17:27] to open the floor for questions.

Reinaldo: Thank you. We will now initiate the Q&A session. As a reminder for questions in writing, please submit your questions using the Q&A icon in the bottom of your screens. For audio questions just click in raise hand, also in the lower part of your screen, your names will be announced and then you can ask your questions live. At that point a notification to unmute your phone will appear on the screen. Our first question comes from

Isabella Simonato. Please, you can unmute your microphone. Good afternoon, Felipe. Good, good afternoon, everyone. Can you hear me? Yes. Yeah, we can hear you well. Felipe, I would just like to go back a bit when you talk about crushing and the weather as in fact it's been much drier and hotter than normal and, and I think this also impacted crushing because the growing season was extended until December, but I think your TRS estimate it's even more positive, and at the beginning of the season, according to the data, I think TRS is a bit lower. So, could you give me some more color and tell me what is behind that assumption and what would be the risk? And in terms of climate in the past few days, I don't think that the weather predictions are that different. And the second question refers to the sugar market. In fact, we've seen or maybe different opinions in terms of what is happening in the worldwide crop season 24, 25, there is an anticipation of a super season, or the market is a bit tighter. I would just like to hear your opinion about the price behavior and what do you see in terms of pricing for the rest of the season and even the beginning of the next crop season. Isabella, thank you for your questions. Well, in fact the, the drop in sugar cane crushing of around 3% stems from that drier climate. If we had any normalization of rainfall in the summer, you know things would be higher because of all of the investments we did and the amount of sugar cane we have. The final TRS is a combination of the following things. When it's drier there is a higher concentration of TRS, but this number also contemplates a better, you know, industrial efficiency. When you talk about gross TRS, it's a combination of better cane TRS, and the combination of the cane TRS with industrial TRS. Last year, São Martinho, in particular, there was an issue related to industrial efficiency because it was lower than expected. Now we see the recovery and that's why our final TRS is slightly higher than the rest

of the industry. Now, in regard to sugar, well it's very difficult to have a good reading about the sugar market with 5 million in surplus. I mean, we have a lot of dissenting opinions. Our hedge today... currently 80% is already fixed at that level that we gave you before, and mostly concentrated in the first screens... I mean, the last screen we don't have a lot of hedging. We believe that in Brazil we saw lower sugar production, sugar yield and prices may react. We see a market assumption that Brazil will produce more sugar, but what we are seeing is that despite the fact that a lot of people are investing in crystallization, we have two problems. The first problem was that the basic industry was not able to deliver all of the necessary equipment. And the second issue is that once you have a very dry crop season, and the season is moving very fast, the daily average is moving fast, the conversion of bags of sugar per ton is lower than what was anticipated because, you know, the meal is full, everybody is using, you know, their full capacity. Therefore, the sugar conversion per ton, which is an indicator that we look quite frequently, that indicator is lower than anticipated. If the season was moving at a slower pace, certainly that sugar conversion of that bag of sugar per ton would be much better. So, in our view, Brazil would be a, a leading indicator for this crop season if we could have a lower volume of sugar than anticipated. But obviously we have to keep an open eye, we have to keep an eye on the other countries, like India for instance, and we have to look at the conversion sugar ethanol according to the program, they have additional experts from Thailand and so on. That's very clear. If you allow me another follow up, your opinion in terms of what should we expect in terms of India, whether that is something that should occur in the short run or you are not considering that so much when we look at sugar prices going forward. For this year, we think that the crop season in India will not have

as much ethanol as previously estimated, and the volume is pretty much in line with what we showed you in one of your slides, you should be something close to 31, 32 million tons. I mean there were elections in India and that's why they delayed the season, there was a worsening in the season in terms of ethanol conversion, but the ethanol program is in progress, it's just a matter of time, one or two years, probably, until we see some other effects. Very clear. Thank you very much. Our next question from Gustavo Troiano please you may proceed. Good afternoon, can you hear me? Yes, we can. I would like to hear from you two particular points. One is the cost estimate for the next crop year. You already talked about the TRS guidance year on year with lower crushing volumes, and you also mentioned, you know, this composition between crushing and your own cane, but could you elaborate a bit more in terms of what we could expect in terms of unit cane costs for the next crop year? And my second question, I think it's a follow up on Isa's question, because that productivity dynamic was very clear, like in the last third part of the period you would have lower yield. So how comfortable are you to operate in a short window and when do you think it will be more prudent to get that 20% that is still exposed? I just want to have a better idea of how far do you think you could wait for that sugar price to evolve? Well, we are getting to the end of June. We are heading towards the second half of June, so I think until the middle of September we will have more clarity in terms of how sugar production will evolve and with that we will make a decision in terms of whether or not we will accelerate our hatching. In regard to cost, we believe that this year will be a more economical crop year because when you have lower crushing but higher TRS, your unit cost is lower because you have lower labor costs, you consume less diesel oil. In addition to that, there are some very important

inputs because prices were down, so we believe that there will be about 5% in BRLs in terms of, you know, cubic meter of sugar and then we, we will be able to reduce the comparison year on year without considering CONSECANA either up or down, we are just referring to the cost that we can control. This is our best estimate today. Thank you, that's very clear.

F2: Our next question comes from Thiago Duarte, (inint) [00:27:18] BTG Pactual, go ahead sir. Good afternoon, Felipe. Good afternoon, everyone. (inint) [00:27:29] with you. I have two questions, first about the CapEx and guidance, and I understand just so briefly about this, it was all part of the CapEx of last year, came to this year, because the CapEx last year was (inint) [00:27:51] was transferred to the (inint) [00:27:55]. I just want to (inint) [00:27:59] understand that significant portion of what we're talking terms of improvements associated to the (inint) [00:28:09] harvester, the biomethane project, (inint) [00:28:14]. I'm not sure whether we can try to match the amount invested (inint) [00:28:25] in terms of (inint) [00:28:27] generation for these two projects in particular, because I understand that from what is left of major investment once you finish expansion (inint) [00:28:38] unit, these are the two big expansion (inint) [00:28:45] for the results of the company, in addition to the prices. So how much do you think, if have 500 million BRL (inint) [00:28:58] CapEx, how much do you think this can generate in terms of results for the company (inint) [00:29:05] crop season? In the prior crop season, you (inint) [00:29:13] 40% of the cash net income. This year, if I understood you well, we are considering 25% of netting, so I need to understand why change given that the leverage of the company is super low, (inint) [00:29:32] the payments received (inint) [00:29:34] the leverage is low (inint) [00:29:40] CapEx is not that robust, the discussion regarding capital allocation can gain momentum. I'd like to hear

more about this. Hello, Thiago. Let's start with the second question first. The reason why the board of directors proposed a minimum payout of 25% was because of the (inint) [00:30:05]. We have a large (inint) [00:30:07] program that is ongoing. We have 60 to 70% of it already done (inint) [00:30:17] what the dividends proposed, we (inint) [00:30:21] about a total shareholder remuneration of 15% of the (inint) [00:30:25]. So that's part of our policy. We understand that the buyback is part of shareholders remuneration, and in the shared price performance, (inint) [00:30:37] with the company's operating efficiency, despite the market being a little complicated, we believe that this is the best capital allocation and that is why the decision was made, retain a little, not pay 40%, but to accelerate the buyback (inint) [00:30:56]. To your first question regarding cash duration, (inint) [00:31:02] 500 million, Thiago, kind of half of it is the biomethane project. Biomethane project (inint) [00:31:10] EBITD of about 40 million BRLs, and this is a project that (inint) [00:31:23] leverage, (inint) [00:31:26] and BNDES (inint) [00:31:29], compared to the markets, so that it make sense, and we can have return on the (inint) [00:31:36]. Without these funding conditions we would not be able to make the project viable, because at market cost it would not be feasible. We have already sold the biomethane (inint) [00:31:47], so this is a project that is one third sold and leverage return will be above 30, 35%. The other half can be broken down into 150 million approximately, for this sugar project. We're removing the (inint) [00:32:17] to produce more sugar so I'll have a higher share of sugar in the mix starting in the next crop season, (inint) [00:32:25] at São Martinho, my largest plant we'll have 70% share of sugar in the mix. So, look at last year we had a sugar price (inint) [00:32:35] 100% above (inint) [00:32:39] price and for this year it's between 30 and (inint) [00:32:45]

higher, the payback (inint) [00:32:47] it's going... (inint) [00:32:52] in terms of diesel consumption, (inint) [00:33:03] cost reduction in terms of labor. With this, (inint) [00:33:11], we have (inint) [00:33:16], depending on the price of ethanol price assumptions. Super clear. Thank you very much. Well, thank you, Tiago. Next question from Mister Gabriel Barra (inint) [00:33:37], please go-ahead mister Barra. Hello, thank you for taking my question, (inint) [00:33:46] to understand the initiatives a little, you spoke (inint) [00:33:53] two harvest term, I don't know (inint) [00:33:57] being too optimist but this seems to be a very interesting business for the company in terms of yield and production for the future years. Could you please elaborate more in terms of deployment, impact on yield in the (inint) [00:34:13] crop, (inint) [00:34:16] in terms of soil compaction, yield and the (inint) [00:34:22] of planting. If you could elaborate that would be interesting. My second question (inint) [00:34:31] of the quarter, there was a discussion of (inint) [00:34:36] and then discussions went back (inint) [00:34:40] my question is regarding the risks, the government is trying to increase their taxes, and I'd like to hear about (inint) [00:34:56] of another discussion of increasing taxes for your industry, if you believe that these are a material risks, I'd like to hear you hear your input. (inint) [00:35:10] harvester, yes, it it'll perform (inint) [00:35:15] the return the project (inint) [00:35:18], super optimistic about the project (inint) [00:35:53] time line (inint) [00:35:57] harvester, of course, (inint) [00:36:27] some areas where (inint) [00:36:30] be able to buy this new technology, as much (inint) [00:36:46] a whole sector (inint) [00:36:57] sugar, which is why (inint) [00:37:02], we don't think that it can be taxed (inint) [00:37:12] administration, (inint) [00:37:25] which was approved (inint) [00:37:38], has to maintain a tax difference compared to other (inint) [00:37:49], it's

actually going to be (inint) [00:37:57] limited (inint) [00:38:04] payment of (inint) [00:38:09], but I guess that such risks have been eliminated. Thank you.

F1: Our next question comes from mister Luis Carvalho from UBS. You may proceed sir. Hello, Felipe. Good afternoon. Thank you for taking my question. Felipe, I would like to relate to capital allocation again, I think you already talked about the projects but I would have like to have a better understanding now that some of your projects have been concluded and there was a recovery of the ethanol business as you said. I would just like to understand better in terms of capital allocation going forward. I would say in the next 12 to 24 months. The second point is about the weather of the past two weeks. It's been much drier than the ideal climate. Do you think that this environment is already contemplated in your scenario? And how much of that represents a risk in the guidance you gave us? Luis, I have some questions. I'll start with the second question. Yes, this drought scenario of 45 days with no rain is already included in the guidance. We, probably, in the next 70 days we are not anticipating any rain. There should be some rain at the end of the season only, but rain at the end of the season does not improve the current season, it only, you know, impacts the next coming season. That's the cane that I'm planting today that should be getting some rain in the midst of September and early October. Now related to your first question about capital allocation, all the large projects I had have been already announced, sugar, biomethane today we were looking at the expansion of corn base ethanol at Boa Vista, as we said, it is possible... I mean we have energy available in the unit to have another plant the same size I have, to add additional corn tons at Boa Vista, so this is the project that maybe would make sense for us to invest. But even before the decision,

the decision probably should come by the end of the season. We're initiating the studies for the unit one and two, and we are just checking the ethanol market dynamics. I would say that if the ethanol market hadn't been as erratic as it was last year, where for several months it operated at 60% of priority without any reaction, probably we would be able to make another effective decision to double our ethanol plant. But the way things were, we decided to wait for a while to check on the consumer behavior in the next coming months to see in fact whether we will make a decision whether we will go ahead or not in the second phase. The fact is that corn, around 45 BRLs per bag, which is the current price in the Goiás region, this is a very attractive project if you look at current ethanol prices, because return on capital is quite reasonable. But this is a decision that we will make only by the end of the year. Very clear. Thank you. Our next question comes from mister Pedro Fonseca from XP Investments. You may proceed sir. Good morning, Felipe and everyone else. Thank you for taking my question. I would like to hear more about corn-based ethanol. If you can share with us an upgrade in terms of your inventory formation and what kind of opportunities you anticipate for corn prices, even considering the next crop season, you know, the off-season crop, or safrinha, inventories in the domestic market. What do you anticipate for the corn market? And it still speaking about corn-based ethanol, can you tell us what is your view about the DDG market? We are seeing some investments in corn-based ethanol, the DDG supply is increasing in the country. Do you see any risk in this regard in whether you are looking at some pricing for distribution channels or maybe to open an export channel? On that same note on corn-based ethanol, you talked about return on the investment at corn at 45 VLS per bag. What is the return that you anticipate? This is a line that we got from

what you said when you refer to a very erratic ethanol market. So, these are my questions. Thank you. Well, thank you for your questions. I mean, corn inventory information, today, in terms of purchasing we still have to purchase about 150 thousand tons of corn until the end of this crop season and we could even buy an additional 5 thousand tons. So, in fact the yield in the region was quite good. We are seeing that prices are at a very attractive level. So, if the lever remains at 40 or 45, we will have full inventory. I have a static capacity of 250 thousand tons of corn in two warehouses so that we could have good inventory when we go over to the next season at a lower price for next season when compared to the current prices of corn. The second question about DDG market, in fact there is a new DDG supplier because there is a huge member of corn-based ethanol, once, you know, you look at what happened in the past few years, and in addition to that there is the price of soybean meal. So DDG and soybean meal are competitors if you look at the amount of protein, so we are looking at some export channels, the market is not yet open or not yet developed, so we are working on that. So, for now we are selling to the domestic market, but from the initial project we see the DDG prices that are between 10 to 15% lower than what was initially anticipated. And on the other hand, corn prices are also lower. So, one thing compensates for the other but in fact there is a large volume of DDG, and the soy prices are also down and it's a big competitor in this market. And finally, about corn returns, I would rather not give you a lot of details because we are now evaluating CapEx and CapEx is quite different if you think it strategically. If you have to do ethanol tanking and buying corn, CapEx may vary between 20 to 30%. But if I give you a number of return you may hear from other companies totally different numbers, but maybe their assumptions are different, because

maybe they do not need to store ethanol. The fact of the matter is that given (inint) [00:46:51] prices, the project would give good returns, but I think we still have to wait and see the performance of ethanol prices and how these prices will evolve in the next coming years. Corn-based ethanol, we are producing... is part of our Produzir project, our first plant. So, any investment in corn-based ethanol today, it would require less years to produce and the return certainly is lower as well when compared to other plants. So maybe capital allocation today, the best thing would be to rebuy shares rather than to do the investment. But until the end of the year or maybe next year we will make some decisions to that end. It's very clear, Felipe. Thank you.

F2: Next one, from miss Julia (inint) [00:47:48]. Miss Rizzo, you may begin. Good afternoon. (inint) [00:47:57]. Yes, good afternoon, Julia. I'm still (inint) [00:48:02] to ask about ethanol. (inint) [00:48:06] ethanol selling price in sugar equivalent? Perhaps I'll have a follow up question (inint) [00:48:26]. Julia, (inint) [00:48:35] we expect (inint) [00:48:37] it's possible (inint) [00:48:40] and ethanol (inint) [00:48:43] we can see (inint) [00:48:54], here is (inint) [00:49:09] closed to get to (70%) [00:49:11]. And the last number, I remember (inint) [00:49:21] sugar (inint) [00:49:24] than ethanol. So, if we think that ethanol (inint) [00:49:38] actually sugar is about 18, so (inint) [00:49:45]. I'd like to make (inint) [00:49:54] ethanol and sugar, (inint) [00:49:59], which I actually forgot to mention, (inint) [00:50:03] investment (inint) [00:50:12] 65% (inint) [00:50:29] the share of (inint) [00:50:32] 100% in (inint) [00:50:33] from the results of the São Paulo ones, (inint) [00:50:52] to rely (inint) [00:50:55] ethanol. Of course, I will have (inint) [00:51:01] ethanol, which is (inint) [00:51:03] based on the (inint) [00:51:07] ethanol price (inint) [00:51:08]. So, if we have (inint) [00:51:13], next year (inint)

[00:51:20] very comfortable situation (inint) [00:51:22] 100% (inint) [00:51:25] the price of ethanol (inint) [00:51:30] better (inint) [00:51:49], and we have (inint) [00:51:54] Produzir Program, so we end up being a little (inint) [00:51:58] follow up question was (inint) [00:52:06] given that the (inint) [00:52:12] very much reduced (inint) [00:52:16], and there's (inint) [00:52:17] working capital (inint) [00:52:19] in production cost, (inint) [00:52:27] ethanol mill and (inint) [00:52:35] 50 BRLs per bag, we are talking about (inint) [00:52:45] 20%. (inint) [00:52:51] magnitude here, Julia. (inint) [00:52:55] talking about (inint) [00:52:58] of (inint) [00:53:18], if you produce (inint) [00:53:27] prices, (inint) [00:53:46] less efficient (inint) [00:53:49]. And if you have (inint) [00:54:17] in São Paulo, (inint) [00:54:20] sugar, because (inint) [00:54:24] you can make (inint) [00:54:27] price of sugar, and (inint) [00:54:39] ethanol (inint) [00:54:42] in São Martinho, (inint) [00:54:46]. Well, (inint) [00:54:51] the ethanol equivalent (inint) [00:54:56] 300 (inint) [00:55:01], 500 (inint) [00:55:03] considering (inint) [00:55:06] to produce (inint) [00:55:09] BRLs, which, today, in current condition (inint) [00:55:18] prices, it would be practically impossible. Ok, thank you very much. Thank you. (inint) [00:55:30] we collect more questions. (inint) [00:55:35] questions, please (inint) [00:55:39] at the bottom of your screen. (inint) [00:55:46] Q&A session, (inint) [00:55:49]. Thank you very much for joining us (inint) [00:55:58], myself and (inint) [00:56:05]. Thank you all for participating and have a good day.