

Results

2nd QUARTER
2019/2020 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. Operational Highlights

4. Hedge Position

2. Financial Highlights

5. Investments

3. Indebtedness

Operational Highlights

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

Financial Highlights

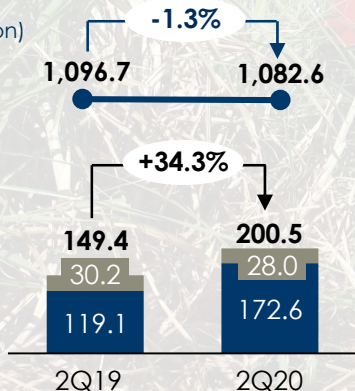
R\$ '000	Executive Summary	2Q19	2Q20	Chg. (%)
	Net Revenue ¹	643,427	770,096	19.7%
	Adjusted EBITDA	316,238	387,858	22.6%
	Adjusted EBITDA Margin	49.1%	50.4%	1.2 p.p.
	Adjusted EBIT	122,835	166,341	35.4%
	Adjusted EBIT Margin	19.1%	21.6%	2.5 p.p.
	Net Income without IFRS 16 effects	58,547	92,847	58.6%
	Non-cash effect of IFRS 16 on Net Income	-	(30,865)	n.m.
	Net Income	58,547	61,982	5.9%
	Cash Income	64,325	116,285	80.8%
	Net Debt / EBITDA	1.72 x	1.88 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

SUGAR

('000 tons - R\$/ton)

Graph 2



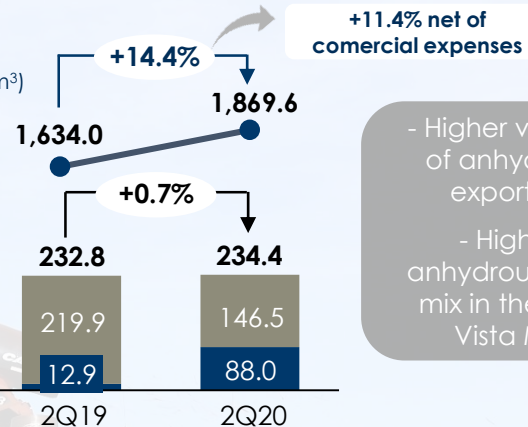
Shipments concentrated in screens for the end of the crop year – higher prices compared to 6M20

DM Volume EM Volume Average Price

ETHANOL

('000 m³ - R\$/m³)

Graph 1



+11.4% net of commercial expenses

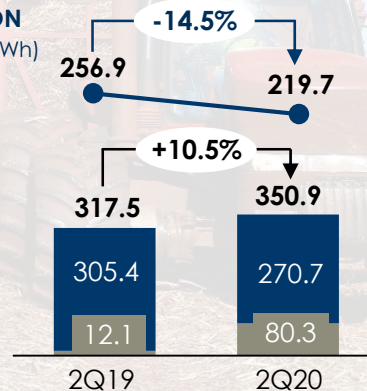
- Higher volume of anhydrous exported
- Higher anhydrous sales mix in the Boa Vista Mill

DM Volume EM Volume Average Price

COGENERATION

('000 MWh - R\$/MWh)

Graph 3



- Decrease in the spot price in the period
- Expected higher average prices in 2H20

Spot Contracted Average Price



Indebtedness

Table 1

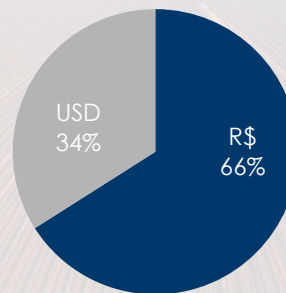
	Mar/19	Sep/19	Chg.%
R\$ '000			
Gross Debt	4,491,205	4,531,268	0.9%
Cash and Cash Equivalents	2,089,213	1,411,780	-32.4%
Net Debt	2,401,992	3,119,488	29.9%
Net Debt / LTM EBITDA - R\$	1.46 x	1.88 x	28.4%
Net Debt / LTM EBITDA - USD ¹	1.32 x	1.74 x	32.1%
LTM Adjusted EBITDA	1,644,534	1,663,146	1.1%

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

LTM EBITDA Daily Average PTAX:
March/19: R\$ 3.78
September/19: R\$ 3.87

Currency - Gross

Graph 2



S&P Global

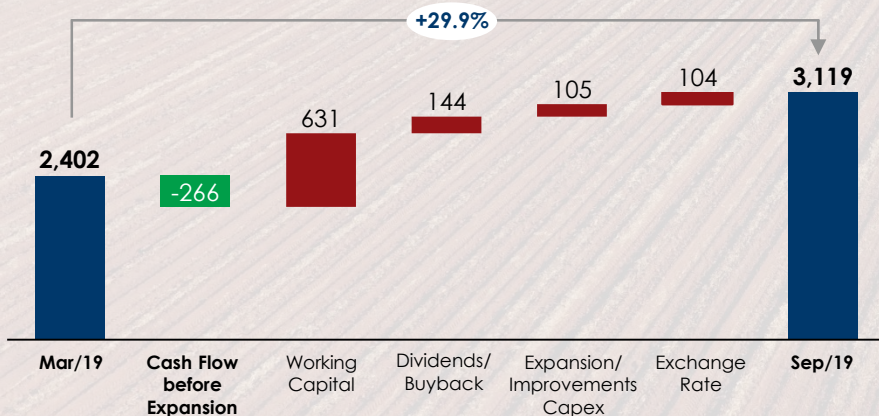
BBB-
Investment Grade
Global Scale

BrAAA
National Scale

Debt Evolution

R\$ - '000 000

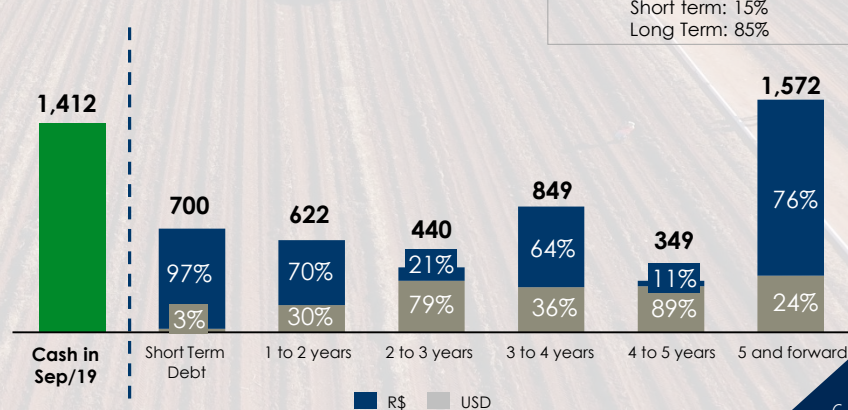
Graph 1



Debt Schedule

R\$ - '000

Graph 3



Average Term: 3.9 years
Short term: 15%
Long Term: 85%

Hedge Position

SUGAR	Volume Hedged (ton)	Average Price (US\$ c/p)	Average Price (R\$/ton)	
2019/2020 Harvest	510,209	13.54	~1,208	~87% of own sugarcane hedged ¹
2020/2021 Harvest	201,027	13.61	~1,246	
DOLLAR	Volume Hedged (US\$ '000)	Average Price (R\$/US\$)		
2019/2020 Harvest	160,306	4.01		~87% of own sugarcane hedged ¹
2020/2021 Harvest	61,612	4.15		

1- Considering the minimum range for the sugar production, according to Material Fact about the harvest guidance

Main Projects focused on Value Creation

2019/2020 Harvest

✓ **Projects: ~R\$ 110 million**

- COA: Agricultural Automation
- PSS+Meiosi
- Yeast
- Sugar and Ethanol Production

✓ **Operational Improvement: ~R\$ 70 million**

Total: ~R\$ 180 million

+ R\$ 1.1 billion of Maintenance Capex

Next Harvests

✓ **Cogeneration (A-6 Auction)¹**



Sales: 177 GWh



Price: R\$ 206/MWh (adjusted by inflation)



Supply: 25 years (beginning on jan/2025)



Investment: R\$ 320.5 million (boiler acquisition, new generator and adjustments to current facilities)

Contacts - Investor Relations

+55 11 2105-4100

ri@saomartinho.com.br

www.saomartinho.com.br/ir

