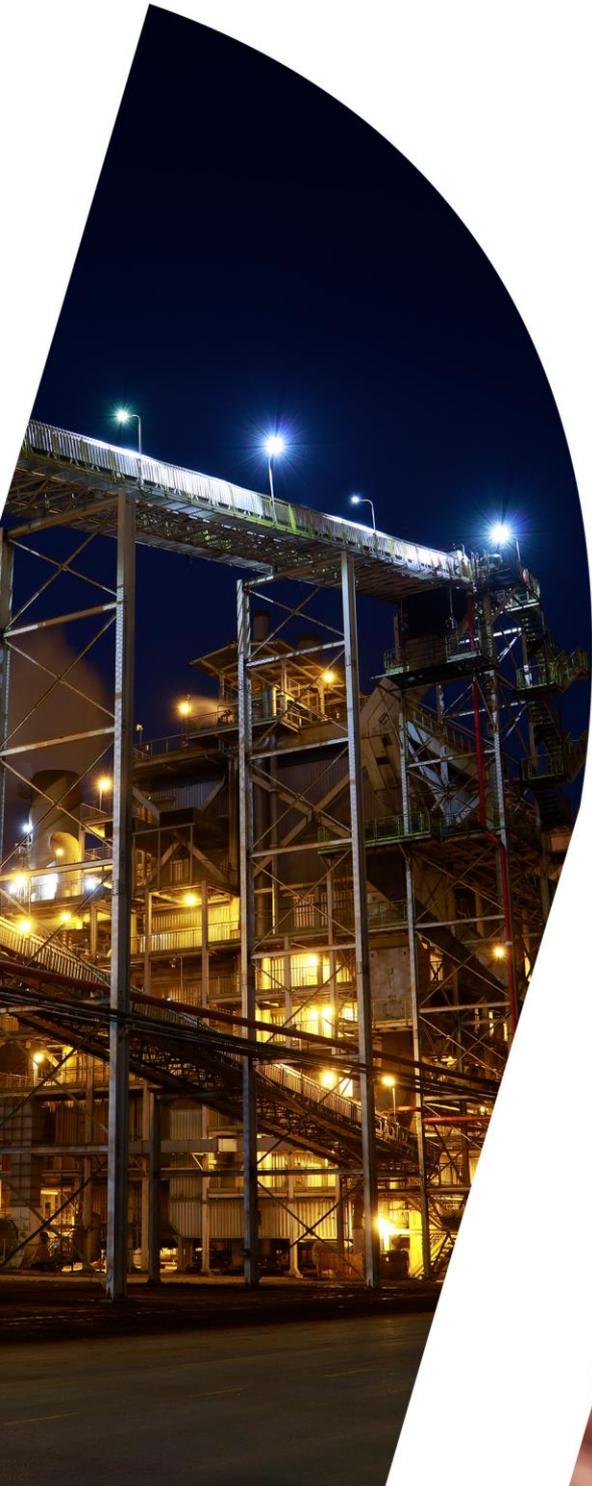


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Earnings Release

4th QUARTER
2019/2020 Crop Year



Net Income of R\$639.0 million in 19/20 crop year – 103.5% increase

4Q20 and 12M20 Highlights (excluding the effects of IFRS 16 – Agrarian Contracts)

- ✓ Adjusted EBITDA came to **R\$580 million** in 4Q20 (+13.7%) and **R\$1,857 million** in the crop year (+12.9%), with **Adjusted EBITDA margin of 50.2%**. The improvement reflects primarily the better sugar and ethanol sales prices and the higher sugar and cogeneration sales volume in the periods;
- ✓ Adjusted EBIT was **R\$270.2 million** in 4Q20 (+123.1%) and **R\$792.5 million** (+32.1%) in 12M20, with **Adjusted EBIT margin of 21.4%**;
- ✓ Net income was **R\$142.6 million** in 4Q20 (+66.6%) and **R\$639.0 million** in 12M20 (+103.5%), while Cash Income came to **R\$164.9 million** in 4Q20 (+4.3%) and to **R\$713.5 million** in 12M20 (+54.7%);
- ✓ Operating Cash Flow¹ amounted to **R\$146.5 million** in 4Q20 and to **R\$721.1 million** in 12M20;
- ✓ On March 31, 2020, our sugar prices for the 20/21 crop year were hedged for **~873 thousand tons** of sugar, which represents **~77% of own cane**, at a price of **~R\$1,332/ton**. For the 21/22 crop year, ~24.3 thousand tons of sugar were hedged at a price of **~R\$ 1,496/ton**;
- ✓ Production guidance for the 20/21 crop year: 2.5% growth in cane crushing volume to **~23.2 million tons**.

1 – Operating Cash Flow = Adjusted EBITDA – Maintenance Capex

Executive Summary	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
Net Revenue ¹	1,146,539	1,124,508	2.0%	3,701,547	3,381,663	9.5%
Adjusted EBITDA	579,510	509,586	13.7%	1,857,191	1,644,534	12.9%
Adjusted EBITDA Margin	50.5%	45.3%	5.2 p.p.	50.2%	48.6%	1.5 p.p.
Adjusted EBIT	270,185	121,050	123.2%	792,538	599,760	32.1%
Adjusted EBIT Margin	23.6%	10.8%	12.8 p.p.	21.4%	17.7%	3.7 p.p.
Copersucar Rights	-	106,499	n.m.	349,056	106,499	227.8%
Net Income before taxes	184,346	87,639	110.3%	733,674	379,234	93.5%
Net Income without IFRS 16 effects	117,513	85,610	37.3%	661,815	314,045	110.7%
Non-cash effect of IFRS 16 on Net Income	25,132	-	n.m.	(22,805)	-	n.m.
Net Income	142,645	85,610	66.6%	639,010	314,045	103.5%
Cash Income	164,860	158,048	4.3%	713,547	461,370	54.7%
Net Debt / EBITDA	1.55 x	1.46 x	6.1%	1.55 x	1.46 x	6.1%

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

Data do not include the IFRS 16 impacts, except net income

March 31, 2020

SMT03
R\$14.78 per share

Market Cap:
R\$5,232 million

Earnings Conference Call

June 30, 2020 (Tuesday)

3 p.m. (Brasília time) + 55 11 4210-1803
2 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](#)

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Ações com Tag Along
Diferenciado **ITAG**

Índice
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Small Cap **SMLL**

MESSAGE FROM MANAGEMENT

São Martinho's 2019/2020 crop year reflected our permanent commitment to agro-industrial management excellence, with a record in sugarcane crushing volume achieved (22.6 million tons). And we know that the new crop year that is beginning, 20/21, will enable us to continue growing, to a crushing volume of over 23 million tons, with our focus for the coming years on reaching and surpassing our installed capacity of 24 million tons.

We know that these results reflect the collective efforts of all our employees, through their daily hard work and dedication, and their engagement with the purpose of supplying food, fuel and energy to our society.

This crop year definitely gave us the opportunity to reach important marks, which we will share with you below.

In addition to our positive agro-industrial results, our strategy of prioritizing ethanol in the sales mix allowed us to achieve a strong growth in all financial metrics – EBITDA, EBIT and Net Income.

And these results also permeate our relations with agents in the financial markets. Reflecting the Company's solid financial position, we attained an investment grade rating of ("BBB-") from Standard & Poor's ("S&P"), one of the world's largest risk rating agency, which reflects our continuous commitment to adopt a long-term strategy focus on value creation and business sustainability.

Sustainability and innovation are incorporated into all aspects of our initiatives. This crop year, we continue to be at the industry forefront in sustainable production, becoming the first ethanol producer to be certified by RenovaBio, which qualifies us to issue and trade decarbonization credits (CBios). We also made important advances in the technological management of our sugarcane fields. With the inauguration of the Agricultural Operations Center (COA) at the São Martinho Mill, we moved to a 4.0 agricultural operation, which fully integrated our management and made it more efficient.

In 2019, São Martinho once again was elected in the Você S/A ranking the Best Company to Work for in the Agribusiness Sector, marking the third straight year that it garners this recognition, and also figured among the Best Companies to Work For for the eighth straight time.

With all these important achievements during the crop year, in early March, an exceptional and unprecedented situation materialized with the declaration of the COVID-19 pandemic. Understanding the importance of the continuity of our operations for serving the basic needs of the humanity, we implemented a series of conditions to enable the Company to continue operating, with the first priority the safety of our employees.

Faced with this scenario, we adapted and continue to move forward. And we are working hard to set new records in the 2020/2021 crop year through continuous improvements to our processes.

The Management

São Martinho

Our preventive actions related to COVID-19

In March, when the World Health Organization (WHO) officially declared the global pandemic of COVID-19, the Company rapidly responded by adopting measures to prevent and mitigate any potential impacts arising from COVID-19, in line with the orientations of the Ministry of Health and the WHO. Priority was given to the safety of our workers and to the continuity of our operations to guarantee the supply of food, energy and fuel to meet humankind's basic needs. The highlights include:

- activation of the Crisis Management Committee to conduct daily assessments of the general situation to update preventive measures and actions for minimizing risks and to coordinate the execution of action plans;
- intensive communication and orientation campaigns on COVID-19 to promote prevention among all employees;
- intensification of hygiene procedures in workplaces, cafeterias and commuter vehicles, orientations on personal hygiene and distribution of hand sanitizers to all employees and in common spaces;
- suspension of training programs and corporate events and implementation of remote meetings (telephone, applications or videoconferencing);
- cancellation or postponement of business travel, travel between units and visits by suppliers and contractors;
- adoption of the home office practice, vacation time, hours bank or operational leave for employees in risk groups and in specific risk situations;
- operational leave for apprentices, interns, pro-youth and patrols;
- increase in the number of vehicles performing commuter transportation of employees to and from units;
- mandatory use of masks on commuter transportation and at all São Martinho facilities, including in individual spaces, for workers, partners and visitors, during the work shift.
- implementation of temperature measurement protocol on commuter transportation and at the entrance of units; and
- in the cafeterias of units, the actions included expanding the operating hours, with the employee meal times spread out to reduce occupancy, the number of seats reduce, and the adoption of physical distancing.

In this scenario, São Martinho, prioritizing prevention and the well-being of the public, has been conducting a series of corporate social actions, which included:

- action in partnership with the Sugarcane Industry Association (UNICA): donation of ~136 thousand liters of 70% alcohol to the National Health System (SUS) and to hospitals in 302 municipalities and administrative regions in the state of São Paulo, with the support of Coca-Cola FEMSA, for the transportation of alcohol containers to distribution points of the local Fire Brigades;
- action in partnership with Natura/Avon: donation of 120 thousand liters of anhydrous alcohol, to produce 150 thousand liters of 70% alcohol and 15 thousand kilos of gel alcohol to the São Paulo State Health Department;
- action in partnership with Brazilian Association of Household Aerosols and Cleaning Products (ABAS): donation of 10 thousand liters of industrial alcohol, which will be used to produce 60 thousand aerosol containers of 150ml containing 70% alcohol, to the São Paulo State Health Department, to supply public hospitals, first responders, health teams, Bom Prato, as well as the families assisted by the Social and Social Development Fund in all of São Paulo, including the state capital;
- actions to donate 70% alcohol in local communities distributed directly by São Martinho, with total of ~16.8 thousand liters, to local health departments and public hospitals in the state of São Paulo,

the Goiás State Health Department, and the municipal governments of Quirinópolis and Paranaiguara, both in Goiás state;

- participation in the project to expand hospital beds and hire health professionals in the HC of Ribeirão Preto, in partnership with BTG Pactual;
- participation in the donation of ICU beds to the hospital Santa Casa de Araraquara;
- donation of digital electrocardiograms to the State Hospital of Américo Brasiliense;
- donation of PPEs, increasing over 5 thousand masks, to local communities through the health departments, education departments (for municipal schools) and the social fund.

All of São Martinho's donation actions are estimated at approximately R\$5 million.

Adoption of IFRS 16/CPC 06 – Leases

As mentioned in recent quarters, as of April 1, 2019, the Company adopted IFRS 16 – Leases, which introduces a single accounting model for leases and agricultural partnerships in the balance sheet. Right-of-use assets were recognized in assets and lease liabilities, in liabilities.

The Company and its subsidiaries consider as lease any contract that, upon consideration, transfers the right to control the use of an asset for a certain period. Accordingly, the agricultural partnership agreements, although having a different legal form, were accounted for as leases.

The Company adopted the simplified with cumulative effect approach and the following criteria:

- (i) **Liabilities:** comprised of remaining balances of the contracts in force on the date of initial adoption, net of advance payments, and discounted at the average rate of DI futures contracts (nominal interest coupon), with terms equivalent to those of partnership and lease contracts; and
- (ii) **Assets:** comprised of the amount equivalent to the 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 IFRS 16 on the Income Statements for 4Q20 and 12M20:

Results	4Q20			12M20			
	Before IFRS 16	Impacts	After IFRS 16	Before IFRS 16	Impacts	After IFRS 16	
Net Revenue¹	1,146,539		1,146,539	3,701,547		3,701,547	
COGS	(809,475)	47,000	(762,475)	(2,600,062)	83,066	(2,516,996)	We no longer account for cash cost of agrarian contracts
(-) Agrarian Contracts Payment		114,783			274,903		→
(+) Right-of-Use Amortization		(67,784)			(191,838)		→ We now account for contract amortization
Gross Income	337,064	47,000	384,064	1,101,485	83,066	1,184,551	
Selling/General/Adm. Expenses	(90,356)		(90,356)	2,395		2,395	
Op. Income Before Financial Result	246,708	47,000	293,708	1,103,880	83,066	1,186,946	
Financial Result/Debt Hedge	(100,441)	(8,921)	(109,362)	(335,653)	(117,619)	(453,272)	
└ Lease APV		(8,921)			(117,619)		→ Adjustment to Present Value (APV) of agrarian contracts is accounted for as net financial result
Income before Taxes	146,268	38,078	184,346	768,228	(34,554)	733,674	
Income tax	(28,754)	(12,947)	(41,701)	(106,412)	11,748	(94,664)	
Net Income	117,513	25,132	142,645	661,815	(22,805)	639,010	
Book EBITDA	555,767	114,783	670,550	2,167,421	274,903	2,442,324	
Agrarian Contracts Expenses		(114,783)	(114,783)		(274,903)	(274,903)	→ As we no longer account for cash cost of agrarian contracts, Book EBITDA increased, which effect has been adjusted for the Adjusted EBITDA
Other adjustments	23,744		23,744	(310,230)		(310,230)	
Adjusted EBITDA	579,510		579,510	1,857,191		1,857,191	

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

To improve analysis and comparisons between periods, the data presented in this release exclude impacts from the adoption of IFRS 16 – Agrarian Contracts.

COMPANY OVERVIEW

Operating Highlights

OPERATIONAL DATA	12M20	12M19	Chg.(%)
Crushed Sugarcane ('000 tons)	22,640	20,450	10.7%
Own	15,740	13,692	15.0%
Third Parties	6,900	6,758	2.1%
Mechanized Harvest	100%	100%	0.0 p.p.
Agricultural Yield (ton/ha)	82.9	74.2	11.7%
Average TRS (kg/ton)	139.4	142.2	-2.0%
Production			
Sugar ('000 tons)	1,106	992	11.4%
Ethanol ('000 m ³)	1,172	1,097	6.9%
Cogeneration ('000 MWh)	913	829	10.1%
TRS Produced	3,155	2,908	8.5%
Mix Sugar - Ethanol	37% - 63%	36% - 64%	

As announced previously, during the 19/20 crop year, the Company processed 22.6 million tons of sugarcane, up 10.7% from the previous crop year, reflecting the 11.7% increase in the average yield of the sugarcane fields in the period, due to the better weather conditions observed during the crop year.

The Company produced approximately 1,106 thousand tons of sugar and 1,172 thousand m³ of ethanol, which represents increases on the previous crop year of 11.4% and 6.9%, respectively. This resulted in a production mix in the crop year of 37% sugar and 63% ethanol. Meanwhile, cogeneration produced and exported increased by 10.1% to 913 thousand MWh.

On the following page, we detail our production guidance for the 2020/2021 crop year.

Production Guidance for 2020/2021 Crop Year

As per the Material Fact released today, we announce our guidance for operating results in the 20/21 crop year.

	20/21 Guidance	19/20	Chg. (%)
OPERATIONAL DATA			
Crushing ('000 tons)	23,200	22,640	2.5%
Average TRS (Kg/Ton)	138.0	139.4	-1.0%
Production Mix Scenarios			
	Max Sugar	Max Ethanol	
Sugar ('000 tons)	1,490	1,135	1,106
Ethanol ('000 m ³)	970	1,200	1,172
Cogeneration ('000 MWh)	925	930	913

Cane crushing volume in the 20/21 crop year is estimated at approximately 23.2 million tons, up 2.5% from the previous crop year, supported by higher yields in the cane fields.

The production mix projected for the crop year, considering the sugar price premium over ethanol, especially as of March/20, the Company expects to prioritize the production of sugar during the 20/21 crop year, at the expense of ethanol production, considering current market conditions.

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.

	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
R\$ '000						
Net Revenue ¹	1,146,539	1,124,508	2.0%	3,701,547	3,381,663	9.5%
Adjusted EBITDA	579,510	509,586	13.7%	1,857,191	1,644,534	12.9%
Adjusted EBITDA Margin	50.5%	45.3%	5.2 p.p.	50.2%	48.6%	1.5 p.p.
Adjusted EBIT	270,185	121,050	123.2%	792,538	599,760	32.1%
Adjusted EBIT Margin	23.6%	10.8%	12.8 p.p.	21.4%	17.7%	3.7 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	10,477,841	9,748,722	7.5%	10,477,841	9,748,722	7.5%
Shareholders' Equity	3,386,074	3,391,010	-0.1%	3,386,074	3,391,010	-0.1%
EBITDA (LTM)	1,857,191	1,644,534	12.9%	1,857,191	1,644,534	12.9%
Net Debt	2,879,312	2,401,992	19.9%	2,879,312	2,401,992	19.9%
Net Debt / EBITDA (LTM)	1.55 x	1.46 x	6.1%	1.55 x	1.46 x	6.1%
Net Debt / Shareholders' Equity	85%	71%		85%	71%	

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

Data do not include the IFRS 16 impacts

INDUSTRY OVERVIEW

According to the report issued by the Brazilian Sugarcane Industry Association (UNICA) regarding the close of the 19/20 crop year, the Center-South region processed 589.9 million tons of sugarcane, or 2.9% more than in the previous crop year, mainly due to the better weather conditions in the year, with 34.3% of the production mix allocated to sugar and 65.7% to ethanol.

Sugar

Brazil's Center-South region produced 26.7 million tons of sugar in the 19/20 crop year, stable in relation to production in the previous crop year.

The start of Brazil's 20/21 crop year was marked by significant macroeconomic changes resulting from the dramatic drop in the oil prices plus the impacts related to COVID-19, which led international sugar prices (NY11) in USD to fall sharply, as shown in the chart on the right. However, given the sharp depreciation in the Brazilian real against the U.S. dollar in the same period, sugar prices in Brazilian real remained at higher levels than before the pandemic, leading to significant premium over the market prices of ethanol, as detailed in the 'Ethanol' section below.



Considering the hedge positions, on March 31, 2020, we had **~873 thousand tons** of sugar hedged, which represents **~77% of own cane**, at an average price of **~R\$ 1,332/ton**. For the 21/22 crop year, **~24.3 thousand tons** of sugar were hedged at a price of **~R\$ 1,496/ton**.

It is important to note that, given the scenario outlined above, and combined with the opportunities for stronger demand for Brazilian sugar during this period, after the close of the fiscal year, we accelerated our sugar hedging for both the 20/21 and 21/22 crop year. Therefore, after said date, the sugar volumes hedged for the 20/21 crop year increased to **~1,094 thousand tons (~96% of own cane)** at an average price of **~R\$ 1,319/ton**, and for the 21/22 crop year to **~260 thousand tons (23% of own cane)** at a price of **~R\$ 1.449/ton**.

Ethanol

According to data from UNICA for the close of the 2019/20 crop year, Brazil's Center-South region produced 33.2 billion liters of ethanol, up 7.4% compared to the previous crop year.

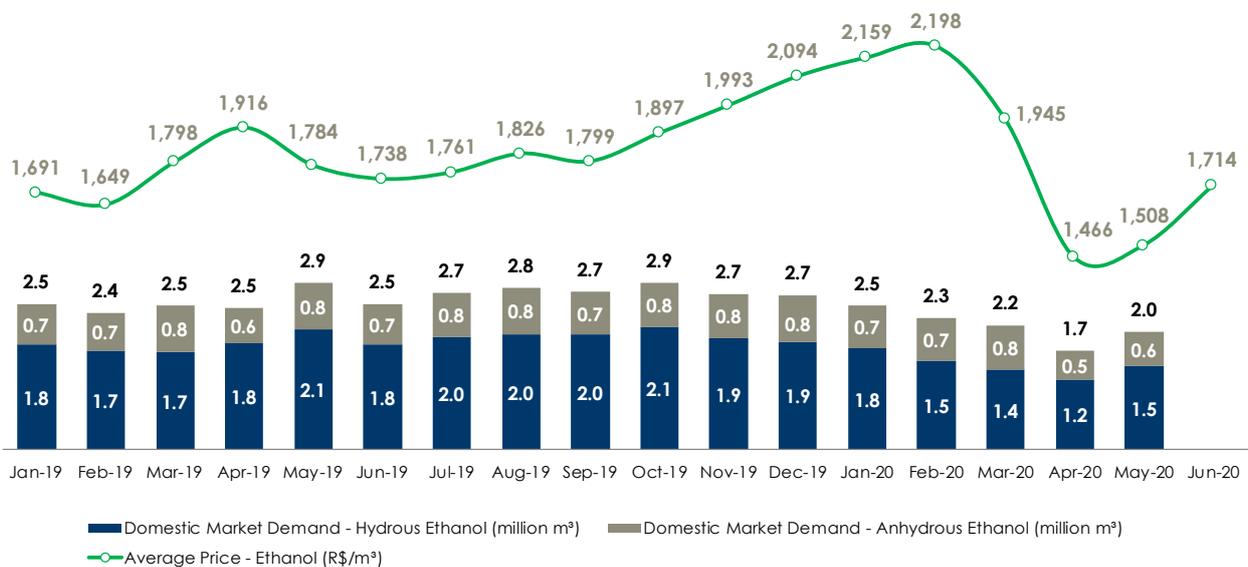
In mid-March, due to the restrictions on movement because of the COVID-19 pandemic, demand for fuels fell sharply, which, as we mentioned before, combined with the drop in oil prices, led to a sharp decline in the ethanol price.

Given this scenario, the Company opted to carryover part of its ethanol inventories to capture better prices in future months during the 20/21 crop year.

As the following chart shows, in late April, ethanol prices began to recover, reflecting primarily: (i) the relaxing of physical distancing measures, which supported a recovery in the demand for fuels; and (ii) the reduction in the product's supply as the industry began to prioritize sugar production, which has been offering higher profitability driven by the exchange rate.

As a result, depending on the pace of the economic recovery amidst the pandemic and of the stabilization in oil prices, we believe that the scenario for ethanol prices could improve over the course of the crop year.

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

The following table presents São Martinho's financial highlights in the fourth quarter and full crop year.

NET REVENUE BREAKDOWN	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
R\$ '000						
Domestic Market	723,047	769,303	-6.0%	2,228,211	2,308,727	-3.5%
Sugar	40,422	32,925	22.8%	134,393	142,053	-5.4%
Ethanol	653,934	714,536	-8.5%	1,781,389	1,902,358	-6.4%
Energy	11,166	11,592	-3.7%	218,444	209,082	4.5%
Real Estate Development	636	7	n.m.	20,107	2,730	n.m.
Others	16,889	10,243	64.9%	73,878	52,504	40.7%
Export Market	423,492	355,205	19.2%	1,473,336	1,072,936	37.3%
Sugar	423,492	334,154	26.7%	1,107,684	966,242	14.6%
Ethanol	0	21,051	n.m.	365,652	106,694	242.7%
Net Revenue¹	1,146,539	1,124,508	2.0%	3,701,547	3,381,663	9.5%
Sugar	463,914	367,079	26.4%	1,242,077	1,108,295	12.1%
Ethanol	653,934	735,587	-11.1%	2,147,041	2,009,052	6.9%
Energy	11,166	11,592	-3.7%	218,444	209,082	4.5%
Real Estate Development	636	7	n.m.	20,107	2,730	n.m.
Others	16,889	10,243	64.9%	73,878	52,504	40.7%

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

Net Revenue

In the fourth quarter of the 19/20 crop year, the Company's net revenue amounted to R\$1,146.5 million, up 2.0% from the same period last crop year. In the full crop year, net revenue increased 9.5% compared to 12M19, to R\$3,701.5 million.

Net revenue growth in the quarter and crop year were mainly due to the better sugar and ethanol sales prices and the higher sugar and energy sales volume in the periods.

Main Adjustments in Net Revenue for 4Q20 and 12M20

1) Debt maturity (Hedge Accounting)

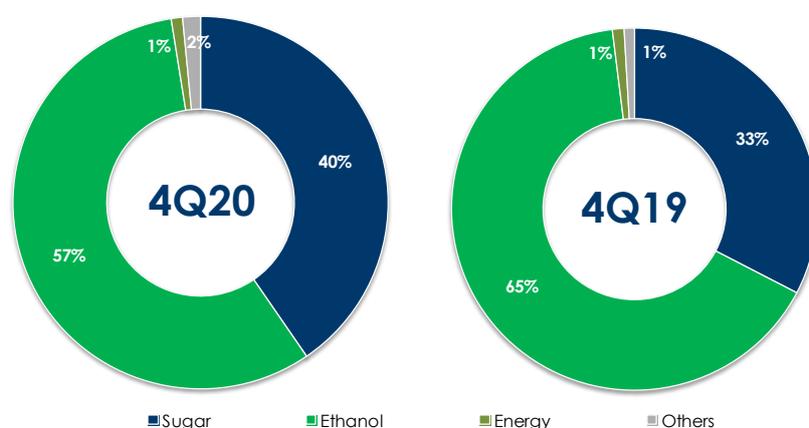
Expense related to exchange variation on debt settled in 4Q20 that was previously designated as Hedge Accounting at a BRL/USD exchange rate of R\$3.3. Considering that the exchange rate used for the purposes of cash flow in the period was R\$4.3/USD, we adjusted the amount of R\$0.3 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 12M20, we adjusted the amount of R\$1.1 million.

2) Purchase Price Allocation (PPA)

There were no expenses related to PPA in 4Q20. In the crop year, there was a noncash expense of R\$6.6 million, reflecting the amortization of goodwill paid for the future profitability of the cogeneration volume of the Santa Cruz Mill.

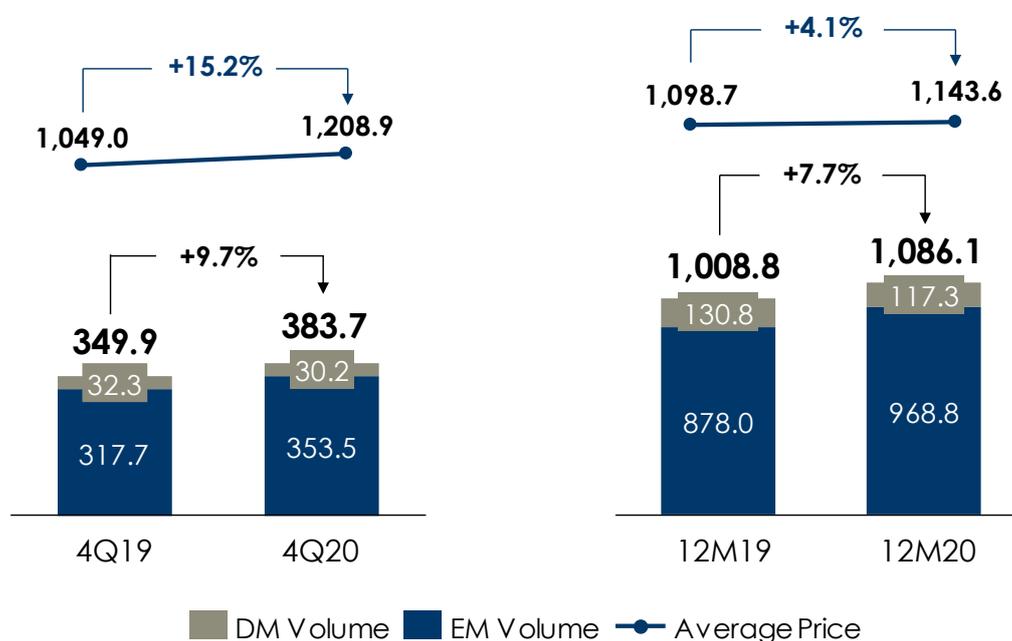
The following charts present a breakdown of the Company's net revenue by product:

Net Revenue Breakdown



Sugar

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

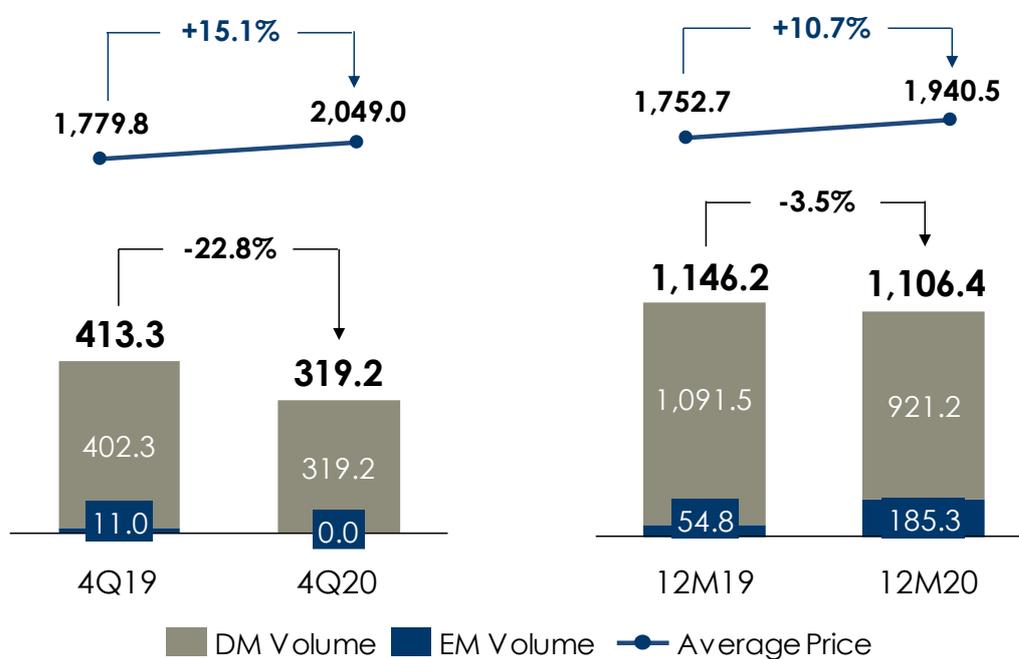


Net revenue from sugar sales came to R\$463.9 million in 4Q20, increasing 26.4% over the same quarter of the last crop year, reflecting the concentration of shipments in the intercrop period, which registered an average sales price 15.2% higher than a year earlier and 7.0% higher than the average price in 3Q20.

In the full crop year, net revenue from sugar sales amounted to R\$1,242.1 million, up 12.1% compared to the previous crop year, due to: (i) the higher sales volume in the period (+7.7%), given the increase in total TRS produced in 19/20 in relation to 18/19; and (ii) the 4.1% price increase compared to the previous crop year.

Ethanol

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

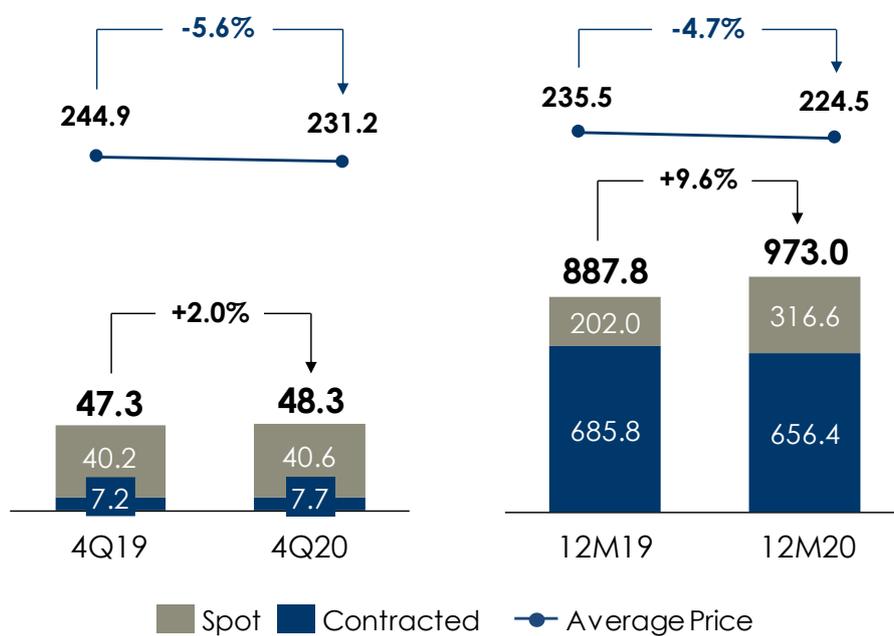


Net revenue from ethanol sales amounted to R\$653.9 million in 4Q20, down 11.1% from 4Q19. Despite the increase in the average ethanol sales price of 15.1% (R\$ 2,049/m³) in relation to the previous crop year, ethanol sales volume declined by 22.8% (319.2 thousand m³), due to the Company's decision to carry over product for sale over the coming months at potentially higher prices, given the sharp drop in ethanol prices in mid-March.

In the full crop year, net revenue from ethanol sales increased 6.9% on the prior-year period, to R\$2,147.0 million. The better performance in the period is mainly explained by the increase in the average sales price in the crop year, of 10.7%, despite the 3.5% lower sales volume, due to the same reasons that affected the quarterly result, as already mentioned.

Cogeneration

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



Net revenue from cogeneration sales amounted to R\$11.2 million in 4Q20, down 3.7% from the same quarter last crop year, reflecting the lower spot price in the period. In the full crop year, net revenue from cogeneration increased 4.5%, to R\$218.4 million, reflecting the higher volume of bagasse available for cogeneration, in line with the production data already mentioned.

Real Estate Development

The following table presents an overview of the projects and their percentage of completion (POC) and sales since their launch through March 2020.

Real Estate Development	Type	City	Area (m ²)	Launched date	Total lots sold	POC Position
Recanto das Paineiras	Residence	Iracemápolis	376,567	June-14	99.4%	100.0%
Park Empresarial - I	Industrial	Iracemápolis	182,684	September-14	76.1%	100.0%
Park Empresarial - II	Industrial	Iracemápolis	133,794	October-17	33.6%	100.0%
Nova Pradópolis - Phase I	Residence	Pradópolis	246,937	December-15	92.4%	100.0%
Nova Pradópolis - Phase II	Residence	Pradópolis	255,750	July-17	62.9%	100.0%

In 12M20, the Company recognized net revenue of R\$20.1 million and cash generation of R\$12.5 million.

Real Estate Development	Net Revenue 12M20	Cash Generation 12M20	Portfolio March/20
R\$ '000			
Current Projects	1,693	7,621	105,602
Land Monetization	18,416	4,839	57,239
Total	20,109	12,459	162,841

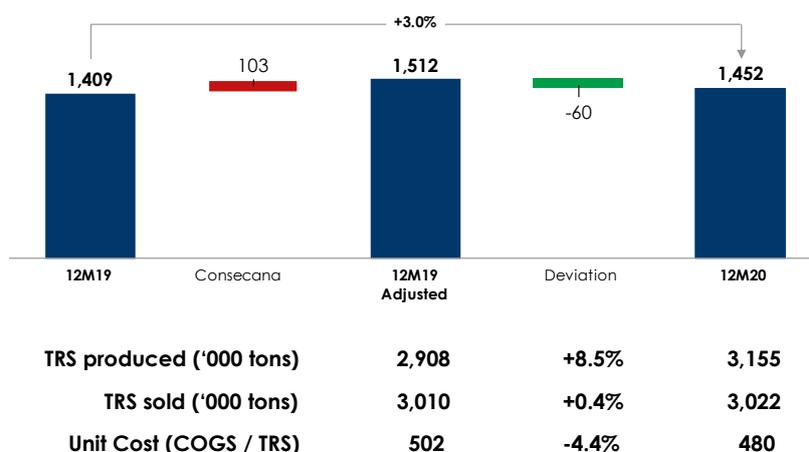
CASH COGS

CASH COGS	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
R\$ '000						
Agricultural Costs	410,949	453,568	-9.4%	1,276,296	1,219,495	4.7%
Suppliers	194,777	226,099	-13.9%	658,855	644,044	2.3%
Partnerships	117,462	113,224	3.7%	315,591	283,476	11.3%
Own Sugarcane	98,710	114,244	-13.6%	301,849	291,975	3.4%
Industrial	51,587	71,625	-28.0%	177,031	193,760	-8.6%
Other Products	12,516	15,142	-17.3%	75,242	61,243	22.9%
Reintegra	(464)	(353)	31.4%	(1,507)	(3,827)	-60.6%
Total COGS	474,588	539,981	-12.1%	1,527,062	1,470,671	3.8%
TRS Sold ('000 Tons)	943	1,070	-11.8%	3,022	3,010	0.4%
Unit Cost (Sugar and Ethanol Cash COGS / TRS)	490	491	-0.2%	480	468	2.6%

Data do not include the IFRS 16 impacts

Cash COGS in 4Q20 was R\$474.6 million, down 12.1% from 4Q19, mainly reflecting the effect from the lower sales in terms of TRS in the period, especially for ethanol, given the carryover of a portion of inventory for sales during the 20/21 crop year. In the full crop year, cash COGS was R\$1,527.1 million, up 3.8% on the prior crop year, which is mainly explained by the impact from the higher Consecana price (+12.9%) and by inflation in the period.

However, as the following chart shows, excluding the effect from the variation in the Consecana price in the period, unit cash COGS, considering both sugar and ethanol, declined by 4.4% in relation to 12M19, reflecting the lower fixed costs due to economies of scale, given the higher volume of TRS produced in the 19/20 crop year.



The following table presents details on the variation in average unit cash COGS for both sugar and ethanol compared to the same period last crop year. As mentioned in prior quarters, the lower variation in the ethanol cost at the expense of sugar mainly reflects the higher share of ethanol sales at the Boa Vista Mill in the crop year, whose production cost is lower than that of the mills located in São Paulo.

Cash COGS per Product	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
R\$ '000						
COGS (Cash)	462,071	523,746	-11.8%	1,451,824	1,409,493	3.0%
Sugar	205,387	188,685	8.9%	575,300	514,014	11.9%
Ethanol	256,685	335,060	-23.4%	876,524	895,479	-2.1%
Average Cash Cost Per Unit¹						
Sugar Cash Cost	535.2	539.2	-0.7%	529.7	509.5	4.0%
Ethanol Cash Cost	804.3	810.7	-0.8%	792.2	781.2	1.4%

Data do not include the IFRS 16 impacts

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 (12M20 vs. 12M19).

	12M20						12M19					
	Sugar	Ethanol	Energy	Real Estate Development	Others	Total	Sugar	Ethanol	Energy	Real Estate Development	Others	Total
R\$ '000,000												
Net Revenue ¹	1,242	2,147	218	20	74	3,702	1,108	2,009	209	3	53	3,382
(-) Costs/Expenses	-726	-1,027	-64	-5	-23	-1,844	-648	-1,013	-57	-3	-16	-1,737
(=) Adjusted EBITDA	516	1,120	155	15	51	1,857	460	997	152	-1	36	1,645
Adjusted EBITDA Margin	42%	52%	71%	76%	69%	50%	42%	50%	73%	-19%	69%	49%
Average EBITDA Cost (R\$/unit²)	668	928	65				643	883	64			
(+) Depreciation/Amortization	-382	-647	-20	0	-16	-1,065	-352	-664	-19	0	-9	-1,045
(=) Adjusted EBIT	134	473	135	15	35	793	108	332	133	-1	27	600
(-) Depreciation/Amortization	382	647	20	0	16	1,065	352	664	19	0	9	1,045
(-) Maintenance Capex	-408	-728	0	0	0	-1,136	-313	-694	0	0	0	-1,007
(=) Cash Generation	108	391	155	15	51	721	147	302	152	-1	36	638
Volume sold (unit ³)	1,086	1,106	973	-	-	3,022	1,009	1,146	888	-	-	3,010
Average Price (R\$/unit²)	1,144	1,940	225	-	-	-	1,099	1,753	236	-	-	-
Average Total Cash Cost (R\$/unit²)	1,044	1,587	65	-	-	-	953	1,489	64	-	-	-

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

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

The average sugar cash cost in 19/20 crop year was R\$1,044/ton, representing an increase of 9.6% from the previous crop year. Given that in the same period the average sugar sales price increased 4.1%, the product's margin decreased by 4.6 p.p. For ethanol, the total average cash cost in 12M20 was R\$1,587/m³, increasing 6.6% from the same period of the previous crop year, while the average sales price increased 10.7%, leading to product margin expansion of 3.2 p.p. in relation to 12M19.

The higher costs reflect not only the 12.9% increase in the Consecana price in the 19/20 crop year, but also the impact from the higher prices of essential basic agricultural products, such as pesticides and fertilizers, on our maintenance capex, as already mentioned in previous quarters, and which we will detail below in the 'Capex' section of this release.

SELLING EXPENSES

	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
R\$ '000						
Port Costs / Freight	36,983	27,672	33.6%	114,280	81,692	39.9%
Other - non-recurring	3,037	3,124	-2.8%	23,917	15,675	52.6%
Selling Expenses	40,020	30,796	30.0%	138,197	97,367	41.9%
TRS Sold ('000 tons)	943	1,070	-11.8%	3,022	3,010	0.4%
% of Net Revenue	3.5%	2.7%	0.8 p.p.	3.7%	2.9%	0.9 p.p.

In 4Q20, selling expenses amounted to R\$40.0 million, up 30.0% compared to the same period of the previous crop year, mainly due to the increase in costs associated with the higher sugar export volume.

In the full crop year, expenses were 41.9% higher than in 12M19, due to the expenses associated with the higher sugar and ethanol export volumes compared to in the previous crop year, as explained in the section 'Net Revenue – Sugar and Ethanol.'

CASH GENERAL & ADMINISTRATIVE EXPENSES

	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
R\$ '000						
Personnel and Management Fee	30,314	27,990	8.3%	120,035	110,823	8.3%
Taxes, Fees, Contributions and Contingencies	4,416	6,600	-33.1%	20,184	21,239	-5.0%
General Expenses and Third-Party Services	11,789	12,005	-1.8%	42,442	44,885	-5.4%
Stock Option - Vested	2,197	928	136.8%	10,790	4,770	126.2%
Total recurring General and Administrative Expenses	48,716	47,523	2.5%	193,451	181,717	6.5%
Stock Option - Non-vested	(6,500)	-	n.m.	(252)	-	n.m.
Non-recurring items	-	-	n.m.	7,988	-	n.m.
Total General and Administrative Expenses	42,216	47,523	-11.2%	201,187	181,717	10.7%

In 4Q20, general and administrative expenses, excluding non-recurring items, amounted to R\$48.7 million, increasing 2.5% from the same quarter last crop year. In the full crop year, recurring expenses amounted to R\$193.5 million, up 6.5% from the previous crop year. The increase in expenses is basically explained by the recognition on the income statement of the exercise price of virtual options above that recognized at the start of the fiscal year, reflecting the stock price appreciation during the crop year, as well as the inflation in the comparison period.

EBITDA

EBITDA RECONCILIATION	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
R\$ '000						
Adjusted EBITDA	579,510	509,586	13.7%	1,857,191	1,644,534	12.9%
Adjusted EBITDA Margin	50.5%	45.3%	5.2 p.p.	50.2%	48.6%	1.5 p.p.
Copersucar Rights	-	106,499	n.m.	349,056	106,499	227.8%
Non-cash effect of IFRS 16 on COGS	114,783	-	n.m.	274,903	-	n.m.
Equity Income	(919)	(502)	83.1%	625	(240)	n.m.
Stock Option - Non-vested	6,500	-	n.m.	252	-	n.m.
Adjustment to Maturity of Hedge Accounting	(267)	(817)	-67.3%	(1,113)	(13,148)	-91.5%
Non Recurring Revenues (Expenses)	-	-	n.m.	(7,988)	-	n.m.
Biological Assets	(29,058)	8,991	n.m.	(30,602)	5,151	n.m.
Book EBITDA¹	670,550	623,757	7.5%	2,442,324	1,742,796	40.1%
EBITDA Margin	58.5%	55.5%	3.0 p.p.	66.1%	51.9%	14.3 p.p.
(-) Depreciation and Amortization	(377,109)	(388,536)	-2.9%	(1,256,491)	(1,044,774)	20.3%
(-) Financial Revenue (Expense), net	(109,095)	(147,582)	-26.1%	(452,159)	(318,788)	41.8%
(=) Operating Income	184,346	87,639	110.3%	733,674	379,234	93.5%

¹ - Book EBITDA includes the IFRS 16 impacts

Adjusted EBITDA

Adjusted EBITDA was R\$579.5 million in 4Q20 (Adjusted EBITDA margin of 50.5%), increasing 13.7% from 4Q19. In the full crop year, Adjusted EBITDA increased 12.9% to R\$1,857.2 million (adjusted EBITDA margin of 50.2%).

The main reasons that justified the better result of the quarter and the crop year were the better sugar and ethanol sales prices and the higher sugar and energy sales volume in the periods.

Main Adjustments to EBITDA in 4Q20 and 12M20

1) Copersucar Rights

Credit of R\$349.1 million in 12M20 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\$230.4 million, net of taxes and other expenses. The section 'Copersucar' in this release provides more details.

2) IFRS 16 - Leases

Reduction in Adjusted EBITDA compared to Book EBITDA of R\$114.8 million in 4Q20, related to the payment of Agrarian Contracts that are no longer recognized under cash cost (COGS), but as amortization of right-of-use. In the full crop year, the reduction in Adjusted EBITDA was R\$274.9 million.

3) Biological assets

Negative non-cash effect of R\$29.1 million on COGS in 4Q20 from the mark-to-market adjustment of biological assets. In 12M20, the negative effect was R\$30.6 million. The higher expenses in the periods reflects the sharp decline in ethanol prices, as detailed before.

4) Debt maturity (Hedge Accounting)

Expense related to the effect from exchange variation on debt settled in 4Q20 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\$4.3/USD, we adjusted the amount of R\$0.3 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 12M20, we adjusted the amount of R\$1.1 million.

Operating Cash Generation (Adjusted Cash EBIT)

	4Q20	4Q19	Chg.%	LTM 4Q20	LTM 4Q19	Chg.%
R\$ '000						
Adjusted Cash EBIT	146,462	133,693	9.6%	721,080	637,793	13.1%
Adjusted EBIT Margin	12.8%	11.9%	0.9 p.p.	19.5%	18.9%	0.6 p.p.
(-) Maintenance Capex	(433,049)	(375,893)	15.2%	(1,136,110)	(1,006,741)	12.9%
Adjusted EBITDA	579,510	509,586	13.7%	1,857,191	1,644,534	12.9%
Adjusted EBITDA Margin	50.5%	45.3%	5.2 p.p.	50.2%	48.6%	1.5 p.p.
Copersucar Rights	-	106,499	n.m.	349,056	106,499	227.8%
Non-cash effect of IFRS 16 on COGS	114,783	-	n.m.	274,903	-	n.m.
Equity Income	(919)	(502)	83.1%	625	(240)	n.m.
Stock Option - Non-vested	6,500	-	n.m.	252	-	n.m.
Adjustment to Maturity of Hedge	(267)	(817)	-67.3%	(1,113)	(13,148)	-91.5%
Non Recurring Income (Expenses)	-	-	n.m.	(7,988)	-	n.m.
Biological Assets	(29,058)	8,991	n.m.	(30,602)	5,151	n.m.
Book EBITDA	670,550	623,757	7.5%	2,442,324	1,742,796	40.1%
EBITDA Margin	58.5%	55.5%	3.0 p.p.	66.1%	51.9%	14.3 p.p.

Adjusted Cash EBIT in 4Q20 was R\$146.5 million (Adjusted EBIT margin of 12.8%), increasing 9.6% from 4Q19. In the full crop year, Adjusted Cash EBIT was R\$721.1 million (Adjusted EBIT margin of 19.5%), increasing 13.1% compared to 12M19.

The improvement in the comparison period reflects primarily the same factors that positively affected EBITDA, which offset the increase in investments, as detailed below in the 'Capex' section.

HEDGE

The table below summarizes our sugar and U.S. dollar hedge positions as of March 31, 2020:

Sugar

	Volume Hedged (tons)	Avg. Price (US\$ c/p)	Avg. Price ¹ (R\$/Ton)
Sugar			
2020/2021 crop year	872,737	13.69	1,332
2021/2022 crop year	24,284	14.90	1,496

On March 31, 2020, sugar prices for the 20/21 crop year were hedged for ~873 thousand tons at the average price of US\$13.69 cents/pound, or approximately R\$1,332/ton¹, which represents around **~77% of own sugarcane** hedged (based on the maximum share of sugar in the production mix). Our sugar prices for the 21/22 crop year were hedged for ~24 thousand tons at an average price of US\$14.90 cents/pound, or R\$1,496/ton¹.

As explained before in the section 'Industry Overview – Sugar,' after the close of the fiscal year, we accelerated our sugar hedging for both the 20/21 and 21/22 crop years. Therefore, after said date, the sugar volume hedged for the 20/21 crop year increased to ~1,094 thousand tons at an average price of US\$13.00 cents/pound, or R\$1,319/ton², representing **~96% of own sugarcane** hedged. For the 21/22 crop year, the volume hedged amounted to ~260 thousand tons at an average price of US\$12.18 cents/pound, or ~R\$ 1,449/ton², representing **~23% of own sugarcane** hedged.

U.S. Dollar

On March 31, 2020, the Company held open positions through Non-Deliverable Forwards (NDFs) and derivative instruments, which are used to hedge its exports, for the 20/21 and 21/22 crop years, as follows:

Dólar	TOTAL		SUGAR		ETHANOL	
	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)
2020/2021 crop year	253,561	4.36	244,361	4.35	9,200	4.66
2021/2022 crop year	7,697	4.53	7,697	4.53	-	-

On March 31, 2020, the volume of NDFs in U.S. dollar represented approximately **71% of own cane hedged** for the 20/21 crop year (based on the maximum share of sugar in the production mix). For the 21/22 crop year, the volume of NDFs in U.S. dollar represented 2% of own cane (considering the same production and mix of the 20/21 crop year).

Based on the latest data, the volume of NDFs in U.S. dollar represented approximately **76% of own cane hedged** for the 20/21 crop year at an average price of R\$4.41/US\$ and **11% of own cane hedged** for the 21/22 crop year at an average price of R\$5.23/US\$.

¹ For the sugar volume hedged but not denominated in U.S. dollar, the spot exchange rate of R\$5.20/US\$ was adopted.

² For the sugar volume hedged but not denominated in U.S. dollar, the spot exchange rate of R\$5.48/US\$ was adopted.

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 2019 to March 2020, we recognized a reduction in shareholders' equity of R\$87.9 million from the effects from local-currency depreciation in the period.

Effect on Income Statement

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

In 4Q20, 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\$4.3/US\$, we made an adjustment of R\$0.3 million in net revenue and EBITDA to provide a better understanding of the Company's operating cash generation.

In 12M20, a total of US\$1.6 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\$4.0/US\$, we made an adjustment of R\$1.1 million in net revenue and EBITDA to provide a better understanding of the Company's operating cash generation.

NET FINANCIAL RESULT

FINANCIAL RESULTS	4Q20	4Q19	Chg.%	12M20	12M19	Chg.%
R\$ '000						
Financial Revenues	22,253	23,377	-4.8%	103,220	98,645	4.6%
Financial Expenses	(69,600)	(74,117)	-6.1%	(298,360)	(311,154)	-4.1%
Exchange Variation / Derivative	(52,827)	(16,502)	220.1%	(64,720)	(25,939)	149.5%
Financial Revenues/Expenses	(100,174)	(67,242)	49.0%	(259,860)	(238,448)	9.0%
IFRS16 Effects - APV	(8,921)	-	n.m.	(117,619)	-	n.m.
Debt Prepayment Effect	-	(80,340)	n.m.	(74,680)	(80,340)	-7.0%
Net Financial Result	(109,095)	(147,582)	-26.1%	(452,159)	(318,788)	41.8%
Debt Hedge	(267)	(817)	-67.3%	(1,113)	(13,148)	-91.5%
Financial Result	(109,362)	(148,399)	-26.3%	(453,272)	(331,936)	36.6%

The net financial result in 4Q20 totaled an expense of R\$109.1 million, which represents a 26.1% reduction in relation to 4Q19, due to the effect on the comparison with 4Q19, a quarter that was impacted by debt prepayment. Excluding this effect, the exchange variation in 4Q20 reflects primarily the noncash accounting effects from the non-recurring mark-to-market adjustment of the debt swap transaction in foreign currency, which was affected by the sharp decline in the curve of the Libor rate in the period.

In the full crop year, the financial result totaled R\$452.2 million, an increase of 41.8% compared to 12M19, mainly due to: (i) the effects from the adoption of IFRS 16 as from this crop year; and (ii) the increase in the MTM adjustment of debt swaps, as explained before.

COPERSUCAR

Obligations

On March 31, 2020, São Martinho recognized on its Balance Sheet debt of R\$190.1 million with Copersucar. In accordance with the terms negotiated for the withdrawal from Copersucar, we will continue to recognize 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 sureties.

Rights

Copersucar also figures as a plaintiff in legal proceedings claiming the refund/overpayment of various taxes or indemnities. The Company, as a former cooperative member, has a proportional right to these credits, and will inform the market when its clear legal right to these amounts is secured.

Among the lawsuits to which Copersucar is an active party, it should be highlighted the one that ordered the Federal Government to compensate for damages arising from the setting of lagged prices for sugar and ethanol sales made in the 1980s.

In June 2017, the first court ordered debt security of R\$5.6 billion (R\$730.5 million proportional to the Company) was issued, and in June 2018, the supplementary court ordered debt security amounting to R\$10.6 billion (R\$1.4 billion proportional to the Company) was issued.

The excess of R\$2.2 billion alleged by the Federal Government (R\$286.3 million proportional to the Company) is still under dispute.

In March 2019, Copersucar received and transferred to the Cooperative members the first installment of the first court ordered debt security (R\$906 million). Additionally, in December 2019, the second installment of the first court-ordered debt security (R\$1.06 billion) and the first installment of the supplementary court ordered debt security (R\$1.725 billion) were collected.

At the transfer of the funds, 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 Company, in coordination with the measures taken by 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 was provided for within: "Taxes with suspended payment" As established in the Agreement for Purchase and Sale of Shares of Santa Cruz S.A. Açúcar e Álcool ("USC")., the Company transferred R\$27,432 thousand to Luiz Ometto Participações S.A.

After the transfer and withholding of the amounts related to court expenses and taxes under litigation, the balance of R\$349,056 thousand was recorded within "Other expenses (income), net". Management classifies the receipt of the remainder credit as probable, but not practically certain, and therefore, the amount has not been recorded.

DEBT

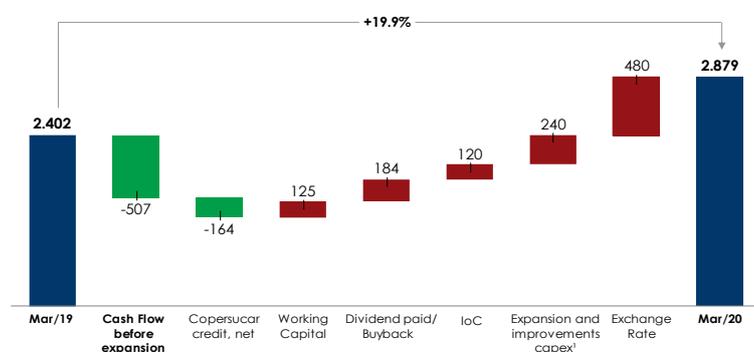
INDEBTEDNESS	Mar/20	Mar/19	Chg.%
R\$ '000			
Agribusiness Certificate of Receivables (CRA)	1,922,913	1,794,696	7.1%
BNDES / FINAME	423,457	542,092	-21.9%
Rural Credit	278,536	393,583	-29.2%
Working Capital	261,837	264,793	-1.1%
PESA	8,349	16,451	-49.2%
PPE (Export prepayment)	1,445,015	1,084,247	33.3%
International Finance Corporation (IFC)	474,334	356,738	33.0%
Obligations from Acquisitions - LOP	26,934	38,605	-30.2%
Gross Debt	4,841,376	4,491,205	7.8%
Cash and Cash Equivalents	1,962,064	2,089,213	-6.1%
Net Debt	2,879,312	2,401,992	19.9%
Net Debt / LTM EBITDA - R\$	1.55 x	1.46 x	6.1%
Net Debt / LTM EBITDA - USD ¹	1.23 x	1.32 x	-6.9%
LTM Adjusted EBITDA	1,857,191	1,644,534	12.9%

¹ - Net Debt PTAX:
 March/19: R\$3.90
 March/20: R\$5.20

LTM EBITDA average daily PTAX:
 March/19: R\$3.78
 March/20: R\$4.11

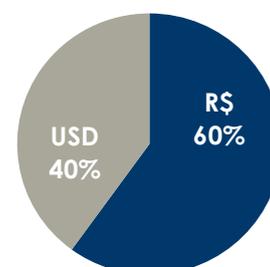
At March 2020, the balance of net debt stood at R\$2.9 billion, representing an increase of 19.9% from March 2019, reflecting primarily the effects from the sharp depreciation in the Brazilian real against the U.S. dollar in the period - approximately 40% of the Company's net debt is exposure to foreign currency. Another factor was the working capital needs of approximately R\$125 million, reflecting the decision to carryover inventories, especially of ethanol, which will be reverted into cash over the crop year, at higher prices. The following charts present details of the debt position.

Changes in Net Debt R\$ - Million

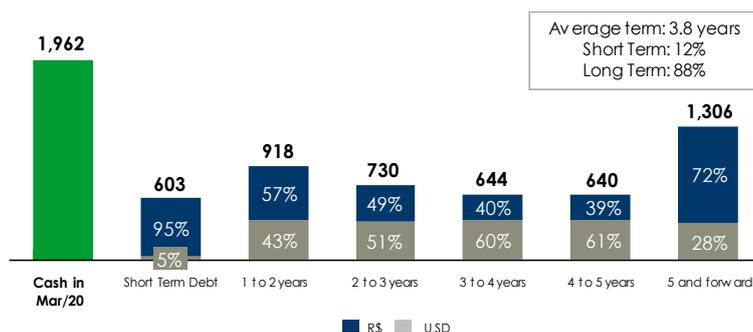


* Expansion and improvements capex = Expansion capex + Improvements capex + receivment from fixed assets sale + others

Currency - Gross Debt



Debt Amortization Schedule R\$ - Million



Net Debt/LTM EBITDA Evolution R\$ - Million



CAPEX

(Maintenance)	4Q20	4Q19	Chg.%	12M20	12M19	Chg.%
R\$ '000						
Sugarcane Planting - Renovation	103,169	86,523	19.2%	318,717	272,860	16.8%
Off-Season Maintenance (Industrial/Agricultural)	208,422	191,659	8.7%	303,851	289,539	4.9%
Crop Treatment	121,458	97,711	24.3%	513,543	444,341	15.6%
Total	433,049	375,893	15.2%	1,136,110	1,006,741	12.9%
(Operational Improvements)						
Equipment/Replacements	19,807	34,702	-42.9%	92,487	76,914	20.2%
Environmental/Legal	10,316	4,901	110.5%	39,336	12,873	205.6%
Total	30,123	39,603	-23.9%	131,823	89,787	46.8%
(Upgrading/Expansion)						
Sugarcane Planting - Expansion / Biological Assets	10,442	12,222	-14.6%	22,269	63,165	-64.7%
Projects (Industrial/Agricultural)	23,719	51,292	-53.8%	97,780	122,026	-19.9%
Total	34,161	63,514	-46.2%	120,049	185,191	-35.2%
GRAND TOTAL	497,333	479,010	3.8%	1,387,982	1,281,718	8.3%

The Company's maintenance capex amounted to R\$1,136 million in 12M20, increasing 12.9% from the previous crop year. As mentioned before, the increase is mainly explained by the higher prices of inputs, such as pesticides and fertilizers, reflecting the exchange variation in the period, which affected the investments related to cane planting and crop treatments, combined with the expansion in planted area in the period.

Capex related to operational improvements comprise the investments in: (i) agricultural and industrial equipment to capture productivity gains; and (ii) environmental/legal: investments primarily in adapting to regulatory requirements and in fire prevention and suppression systems. The 12M20 increase basically reflects the higher investments in regulatory requirements and environmental.

Expansion capex amounted to R\$120.0 million in the crop year, declining 35.2% compared to 12M19. The expenditures were allocated mainly to: (i) the construction of the yeast production plant at the Boa Vista Mill (~R\$30 million and projected IRR of ~30% p.a.); (ii) COA project (Agricultural Automation): ~R\$14 million and projected IRR of ~25% p.a.; (iii) Ethanol Production: R\$8 million and projected IRR of ~49% p.a.; (iv) Ethanol Tanks: R\$5 million and projected IRR of ~23% p.a.; and (v) Drip Irrigation: R\$5 million and projected IRR of ~25% p.a.

For the 20/21 crop year, we estimate maintenance capex of approximately R\$1,170 million. We also project around R\$100 million of investments in operational improvements and projects. The cogeneration project, related to the A-6 auction (Oct/19), as well as the corn ethanol production project integrated to the Boa Vista Mill are pending approval for the start of investments, and are not included in the amount mentioned above.

CASH INCOME

São Martinho's cash income in 4Q20 amounted to R\$164.9 million, increasing 4.3% from 4Q19. In the full crop year, Cash net income was R\$713.5 million, representing growth of 54.7% in relation to 12M19.

The improvement in the indicator mainly reflects: (i) the growth in adjusted EBITDA; and (ii) the higher credit received related to the Copersucar lawsuit in 12M20 compared to 12M19 (effect in 4Q19).

Cash Income	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
R\$ '000						
Net Income	142,645	85,610	66.6%	639,010	314,045	103.5%
Non-cash effect of IFRS 16 on Net Income before taxes	(38,078)	-	n.m.	34,554	-	n.m.
Income Tax booked	41,701	2,029	n.m.	94,664	65,189	45.2%
Income Tax paid	(10,466)	(1,757)	n.m.	(18,882)	(6,201)	204.5%
Judicial Deposit (Income Tax/Social Contribution-Copersucar)	-	-	n.m.	(141,081)	-	n.m.
Biological Asset	29,058	(8,991)	n.m.	30,602	(5,151)	n.m.
Debt Prepayment Effect	-	81,157	n.m.	74,680	93,488	-20.1%
Cash Income	164,860	158,048	4.3%	713,547	461,370	54.7%
Total Shares ex-treasury (in thousand)	346,744	350,803	-1.2%	346,744	350,803	-1.2%
Cash Income per share	0.48	0.45	5.5%	2.06	1.32	56.5%

ROIC

With land	12M20	12M19	Without land	12M20	12M19
R\$ '000,000			R\$ '000,000		
Adjusted EBITDA	1,857	1,645	Adjusted EBITDA	1,857	1,645
(-) Maintenance Capex	-1,136	-1,007	(-) Maintenance Capex	-1,136	-1,007
(-) Income Tax/Social Contribution paid	-19	-6	(-) Income Tax/Social Contribution paid	-19	-6
			(-) Own land result	-57	-50
Operating Cash Generation	702	632	Operating Cash Generation	645	582
Permanent Assets*	7,168	6,928	Permanent Assets*	5,350	5,118
Short term Assets - Short-term Liabilities**	104	140	Short term Assets - Short-term Liabilities**	104	140
Average Invested Capital	7,271	7,067	Average Invested Capital	5,454	5,257
ROIC¹	9.7%	8.9%	ROIC without land¹	11.8%	11.1%

1 – Considers average capital invested between current and previous crop year

*Permanent Asset = Non-current Assets + Biological Assets (current) – Financial Investments – Income Tax/Social Contribution – Derivative Financial Instruments – Accounts Receivables from Copersucar – Related Parties – Judicial Deposits

**Current Assets – Adjusted Current Liabilities (excludes Income Tax/Social Contribution, Debt, Copersucar Obligations and Dividends)

PROPOSAL FOR SHAREHOLDER COMPENSATION

As per Note 18 of the Financial Statements for the fiscal year, at the Board of Directors' meeting held on December 9, 2019, a new dividend policy was established, whereby stockholders are entitled to a dividend and/or interest on capital equivalent to 40% of cash profit, as calculated and disclosed by the Company, or 25% of the profit for the year, after deduction of accumulated deficit and transfer to the legal reserve, whichever is greater.

The minimum distribution of 40% of the cash profit may not take place, upon recommendation of the Board of Directors, in the following hypotheses:

- use of material capital in business investments, share buyback program, and/or mergers and acquisitions;
- debt indicators, such as a ratio of net debt to adjusted EBITDA of more than 2x, determined at year-end, seeking to maintain the investment grade rating assigned by S&P;
- changes in tax legislation; and
- transfer to mandatory reserves, or restrictions on the distribution of a portion of these reserves, which could affect the distribution of profits.

At the Board of Directors' meetings held on December 9, 2019, the payment of interest on capital of R\$120.0 million was approved, of which R\$16.6 million related to income tax withheld at source (IRRF).

The table below shows the proposed distribution of dividends for the year ended March 31, 2020. At the Board of Directors' meeting held on June 29, 2020, the proposal for additional distribution of dividends in the amount of R\$12.9 million (R\$0.0373 per share) was approved, to be ratified at the Annual General Meeting.

	2020	2019
R\$ '000		
Profit for the year	639,010	314,045
Transfer to legal reserve - 5%	-31,950	-15,702
Minimum mandatory dividend calculation basis	607,060	298,343
Mandatory Minimum dividends - 25%	151,765	74,586
Interest on equity	120,000	-
Taxes of Interest on equity	-16,592	-
Mandatory minimum dividends	48,357	-
Realization of reserve for unrealized profits	6,332	6,491
Supplementary dividends	12,936	28,923
Total	171,033	110,000
Dividends per share	0.4933	0.3136
Net treasury stock quantity (thousand)	346,744	350,803

Accordingly, the proposed total dividends amount to R\$171.0 million, or approximately 28% of the net profit for the year after deducting the legal reserve, or 24% of cash profit.

In view of the uncertainties and high volatility in the market, mainly resulting from the effects of the COVID-19 pandemic from March, 2020 onwards, the Company's Board of Directors proposes a shareholders' compensation which, at this moment, prioritizes the preservation of cash in the short term in order to protect the Company's business.

6th SHARE BUYBACK PROGRAM

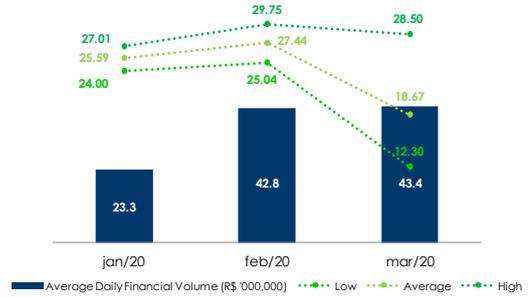
As previously announced, the Company's Board of Directors approved on June 24, 2019 the 6th share buyback program for up to 10 million shares, valid through December 2020, aiming to efficiently invest funds available in cash so as to maximize capital allocation and value creation for shareholders. As of March 2020, the Company had acquired 4,058,400 shares at the average price of R\$18.36/share, totaling an investment of R\$74.5 million.

CAPITAL MARKET

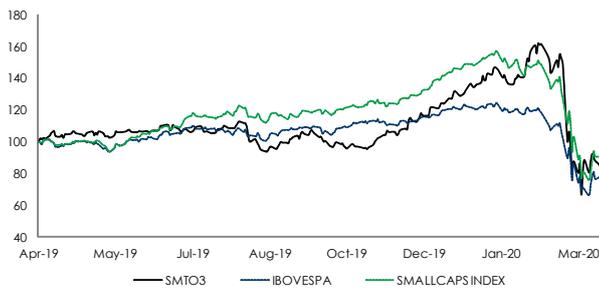
SMT03 Performance - 12 months
In R\$



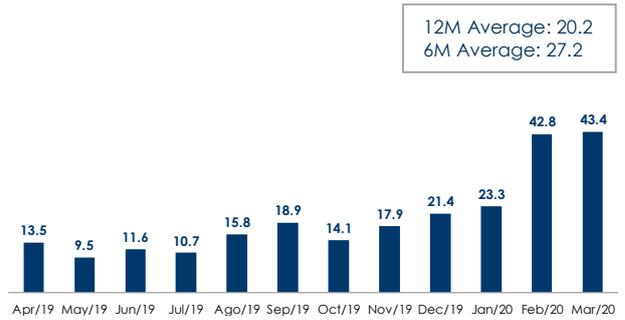
Price and Volume
In R\$



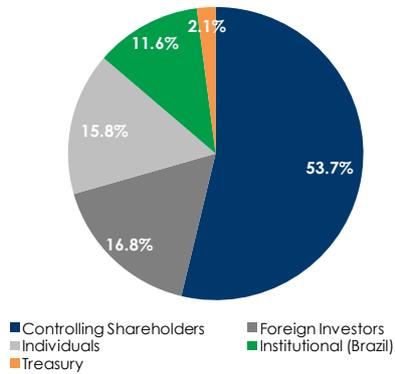
SMT03 Performance vs. Stock Indexes
Base 100



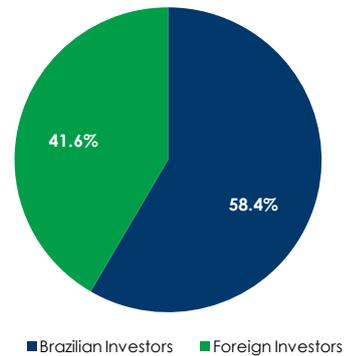
Average Daily Trading Volume
R\$ million



Ownership Structure
Base: March 31, 2020



Free-float Breakdown



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/ir

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 following tables consider the impacts from the adoption of IFRS 16 as of 1Q20, in accordance with the consolidated and audited Financial Statements, including the effects detailed in section 'Adoption of IFRS 16/CPC 06 – Leases' on page 6 of this earnings release.

INCOME STATEMENT

SÃO MARTINHO S.A. - CONSOLIDATED	4Q20	4Q19	Chg. (%)	12M20	12M19	Chg. (%)
R\$ '000						
Gross Revenue	1,273,698	1,261,554	1.0%	4,065,225	3,731,066	9.0%
Deductions from Gross Revenue	(127,426)	(137,863)	-7.6%	(371,365)	(370,704)	0.2%
Net Revenue	1,146,272	1,123,691	2.0%	3,693,860	3,360,362	9.9%
Cost of Goods Sold (COGS)	(762,475)	(916,448)	-16.8%	(2,516,996)	(2,488,932)	1.1%
Gross Profit	383,797	207,243	85.2%	1,176,864	871,430	35.0%
Gross Margin (%)	33.5%	18.4%	15.0 p.p	31.9%	25.9%	5.9 p.p
Operating income (expenses)	(90,356)	27,978	n.m.	8,969	(173,408)	n.m.
Selling Expenses	(40,020)	(30,796)	30.0%	(138,197)	(97,367)	41.9%
General and Administrative Expenses	(45,712)	(50,601)	-9.7%	(216,869)	(194,925)	11.3%
Equity in the results of investees	(919)	(502)	83.1%	625	(240)	n.m.
Other income (expenses), net	(3,705)	109,877	n.m.	363,410	119,124	205.1%
Operating profit	293,441	235,221	24.8%	1,185,833	698,022	69.9%
Finance income (costs)	(109,095)	(147,582)	-26.1%	(452,159)	(318,788)	41.8%
Finance income	22,928	24,578	-6.7%	117,003	103,718	12.8%
Finance costs	(78,521)	(74,118)	5.9%	(415,979)	(311,154)	33.7%
Monetary and foreign exchange variations, net	50,777	(70,459)	n.m.	(35,891)	(35,008)	2.5%
Derivatives	(104,279)	(27,583)	n.m.	(117,292)	(76,344)	53.6%
Profit before taxation	184,346	87,639	110.3%	733,674	379,234	93.5%
Income Tax and Social Contribution - Current	(3,943)	(24,257)	-83.7%	(124,725)	(31,606)	n.m.
Income Tax and Social Contribution - Deferred	(37,758)	22,228	n.m.	30,061	(33,583)	n.m.
Net Income	142,645	85,610	66.6%	639,010	314,045	103.5%
Net Margin (%)	12.4%	7.6%	4.8 p.p	17.3%	9.3%	8.0 p.p

BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS		
R\$ '000		
ASSETS	Mar/20	Mar/19
CURRENT ASSETS		
Cash and Cash Equivalents	92,066	197,607
Financial investments	1,831,504	1,838,261
Trade Receivables	165,829	163,412
Derivative Financial Instruments	224,635	53,967
Inventories and advance to suppliers	366,177	232,322
Biological Assets	713,547	657,057
Taxes Recoverable	12,303	20,124
Income Tax and Social Contribution	71,257	79,759
Other assets	8,832	10,191
TOTAL CURRENT ASSETS	3,486,150	3,252,700
NON-CURRENT ASSETS		
Long-term Receivables		
Financial investments	38,494	53,345
Inventories and advance to suppliers	49,916	131,881
Derivative Financial Instruments	28,977	229
Trade Receivables	27,192	22,488
Receivables from Copersucar	10,017	10,017
Taxes Recoverable	81,046	79,790
Judicial Deposits	271,060	27,210
Other Assets	57,159	14,366
	563,861	339,326
Investments	33,868	33,537
Property, plant and equipment	5,844,505	5,644,660
Intangible assets	465,689	478,499
Right-of-use assets	1,719,453	-
TOTAL NON-CURRENT ASSETS	8,627,376	6,496,022
TOTAL ASSETS	12,113,526	9,748,722

BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED - LIABILITIES			
R\$ '000			
<u>LIABILITIES AND EQUITY</u>	<u>Mar/20</u>	<u>Mar/19</u>	
CURRENT LIABILITIES			
Borrowings	591,024	754,999	
Leases payable	40,168	-	
Agricultural partnership payable	203,835	-	
Derivative Financial Instruments	406,473	37,369	
Trade Payables	174,524	152,713	
Payables to Copersucar	10,892	9,094	
Salaries and Social Charges	150,249	134,372	
Taxes recoverable	34,730	40,833	
Income tax and social contribution payable	4,985	4,178	
Dividends Payable	54,694	81,077	
Advances from Customers	34,710	4,295	
Acquisition of Ownership interests	11,664	11,715	
Other Liabilities	18,527	27,020	
TOTAL CURRENT LIABILITIES	1,736,475	1,257,665	
NON-CURRENT LIABILITIES			
Borrowings	4,223,418	3,697,601	
Leases payable	377,954	-	
Agricultural partnership payable	1,053,956	-	
Derivative Financial Instruments	79,022	13,520	
Payables to Copersucar	179,189	201,498	
Taxes recoverable	7,283	2,998	
Deferred Income Tax and Social Contribution	746,226	988,760	
Provision for Contingencies	100,283	103,817	
Acquisition of Ownership interests	15,270	26,890	
Taxes with suspended payment	242,188	58,313	
Other Liabilities	5,586	6,650	
TOTAL NON-CURRENT LIABILITIES	7,030,375	5,100,047	
EQUITY			
Share Capital	1,696,652	1,696,652	
Capital Reserve	9,418	9,418	
Treasury Shares	(131,361)	(234,100)	
Carrying Value Adjustments	607,022	1,016,355	
Revenue Reserves	1,164,945	902,685	
TOTAL EQUITY	3,346,676	3,391,010	
TOTAL LIABILITIES AND EQUITY	12,113,526	9,748,722	

CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	12M20	12M19
R\$ '000		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	639,010	314,045
Adjustments		
Depreciation and amortization	636,816	430,032
Biological assets harvested	613,101	606,589
Change in the fair value of biological assets	30,602	(5,151)
Amortization of electric power contracts	6,574	8,153
Equity in the results of investees	(625)	240
Capital gain on jointly-controlled investment	-	(306)
Gains (losses) on investments and PP&E written off	(15,734)	6,757
Interest, monetary and exchange variations, net	243,479	268,188
Derivatives Financial Instruments	143,322	22,021
Setup of provision for contingences, net	10,915	71,413
Income tax and social contribution	94,664	65,189
Taxes with suspended payment	42,794	-
Adjustment to present value and other adjustments	106,348	10,662
	2,551,266	1,797,832
Changes in asset and liabilities		
Trade receivables	26,347	26,468
Inventories	(95,738)	56,957
Taxes recoverable	37,324	112,075
Derivatives Financial Instruments	(123,495)	2,323
Other assets	(283,333)	1,389
Trade payables	13,563	(1,094)
Salaries and social charges	15,878	(22,249)
Taxes recoverable	33,694	(1,126)
Payables to Copersucar	(25,832)	(13,549)
Provision for contingencies - settlement	(19,924)	(21,400)
Other liabilities	24,314	(21,041)
Cash from operations	2,154,064	1,916,585
Payment of interest on borrowings	(178,303)	(229,410)
Income tax and social contribution paid	(18,882)	(6,201)
Net cash provided by operating activities	1,956,879	1,680,974
CASH FLOW FROM INVESTING ACTIVITIES		
Investment of funds	(13,621)	(30,580)
Purchases of property, plant and equipment and intangible assets	(532,117)	(527,027)
Additions to biological assets (planting and crop treatments)	(852,931)	(760,927)
Financial investments	101,276	(453,858)
Proceeds from sale of property, plant and equipment	9,119	5,133
Cash and cash equivalents of subsidiary	-	2,259
Advance for future capital increase	-	(833)
Dividends received	294	-
Net cash used in investing activities	(1,287,980)	(1,765,833)
CASH FLOW FROM FINANCING ACTIVITIES		
Amortization of lease and partnership agreements	(276,168)	-
Proceeds from borrowings – third parties	546,107	1,876,608
Repayment of borrowings - third parties	(739,887)	(1,555,007)
Payment of dividends and interest on capital	(229,999)	(180,000)
Acquisition of treasury shares	(74,493)	-
Net cash provided by (used in) financing activities	(774,440)	141,601
Increase (decrease) in cash and cash equivalents	(105,541)	56,742
Cash and cash equivalents at the beginning of the year	197,607	140,865
Cash and cash equivalents at the end of the year	92,066	197,607