



Earnings Release Conference Call

4Q17



São Martinho

16/17 Harvest



DISCLAIMER

- This presentation contains forward-looking statements relating to the business outlook, operating and financial projections, and the growth prospects of São Martinho S.A. These statements merely represent projections and as such are based exclusively on management's expectations about the future of the business.
- Forward-looking statements are no guarantee of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future.
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- 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. Financial Highlights 4Q17

2. Financial Highlights 12M17 – 100% UBV

3. Free Cash Flow

4. Indebtedness

5. Hedge

6. Guidance

Financial Highlights 4Q17

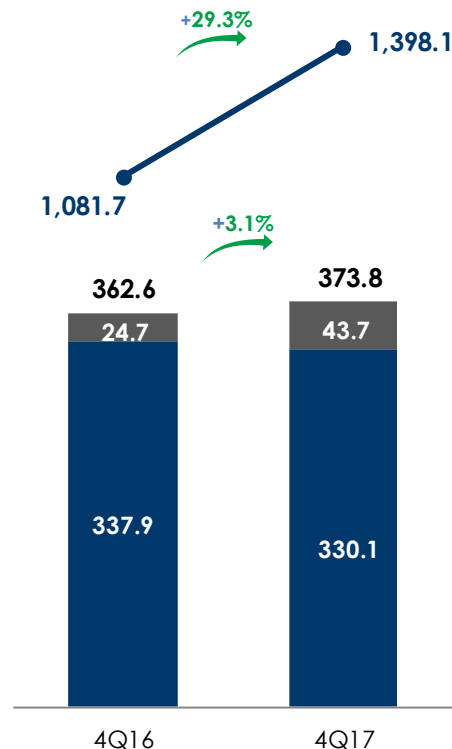


Table 1
R\$ '000

	4Q16	4Q17	Chg. %
Net Revenue	818,146	894,270	9.3%
COGS (cash)	(401,820)	(438,052)	9.0%
Selling Expenses	(33,666)	(28,758)	-14.6%
G&A Expenses	(41,061)	(31,422)	-23.5%
Adjusted EBITDA	346,297	400,991	15.8%
Adj. EBITDA Margin	42.3%	44.8%	2.5 p.p.
Adjusted EBIT	114,444	182,232	59.2%
Adj. EBIT Margin	14.0%	20.4%	6.4 p.p.
Financial Result / Hedge	(70,805)	(56,168)	-20.7%
MTM Biological Assets	44,455	(19,963)	-144.9%
Net Income before taxes	88,094	106,101	20.4%
UBV Incorporation Effect / Taxes	(15,978)	13,340	n.m.
Net Income	72,116	119,441	65.6%
TRS Sold ('000 tons)	738	701	-5.0%

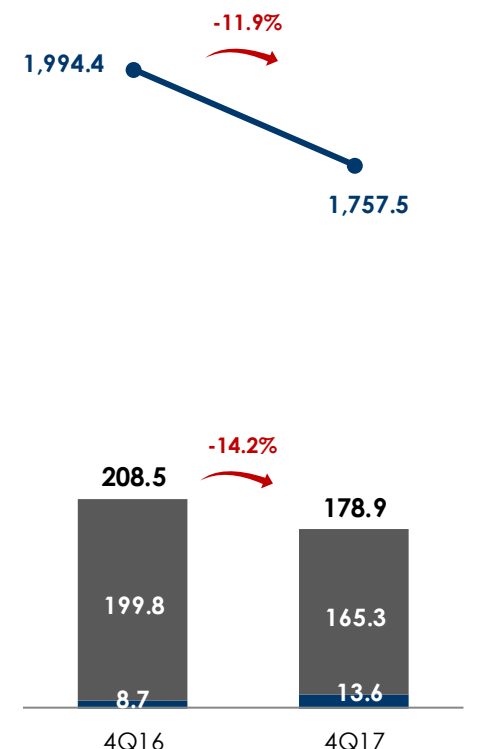
Graph 1

SUGAR



Graph 2

ETHANOL



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

Financial Highlights 12M17 – 100% UBV



Table 1
R\$ '000

	12M16	12M17*	Chg. %
Net Revenue	2,831,124	3,499,437	23.6%
COGS (cash)	(1,281,790)	(1,549,841)	20.9%
Selling Expenses	(109,145)	(111,517)	2.2%
G&A Expenses	(145,214)	(178,497)	22.9%
Adjusted EBITDA	1,301,240	1,666,784	28.1%
Adj. EBITDA Margin	46.0%	47.6%	1.7 p.p.
Adjusted EBIT	569,254	827,190	45.3%
Adj. EBIT Margin	20.1%	23.6%	3.5 p.p.
Financial Result / Hedge	(423,938)	(384,414)	-9.3%
MTM Biological Assets	60,515	(22,411)	-137.0%
Net Income before taxes	205,830	420,365	104.2%
Income Taxes	1,115	(84,314)	n.m.
Net Income	206,945	336,052	62.4%

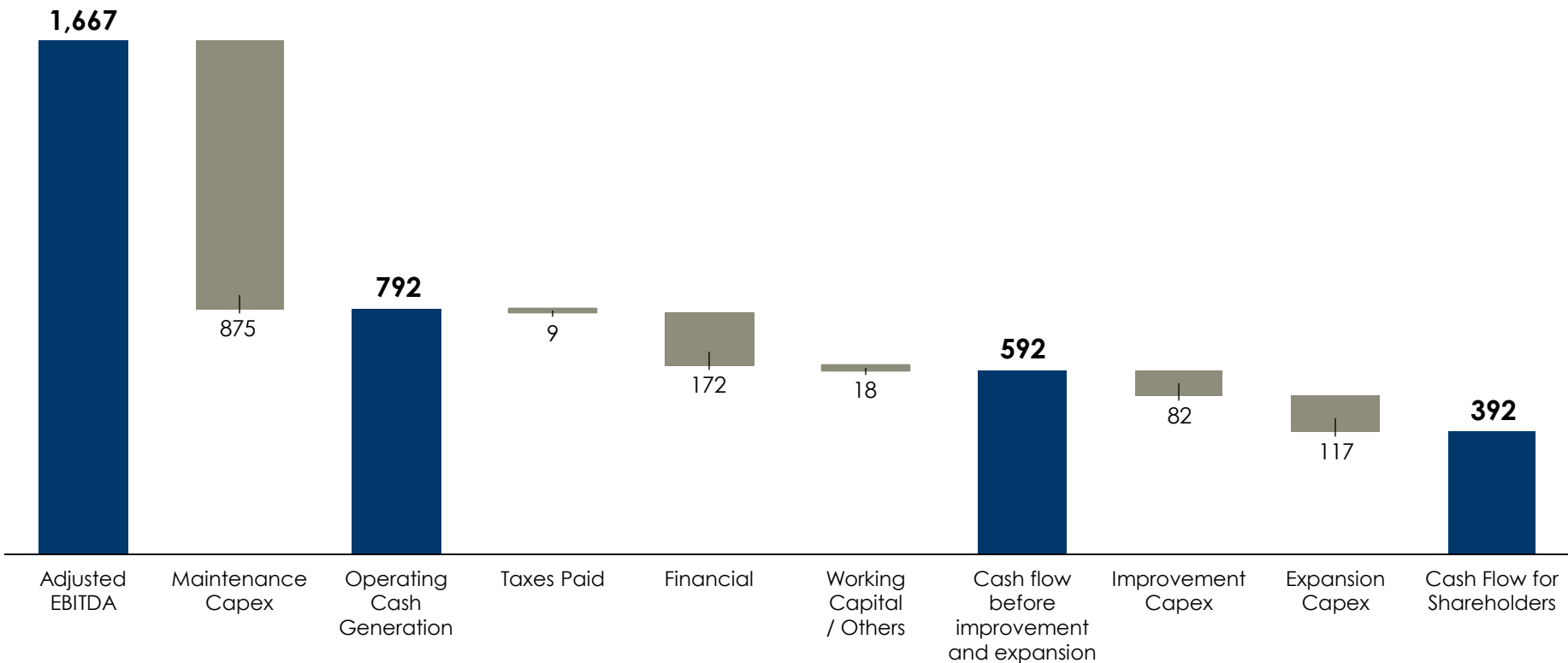
* Considers 100% of UBV.

Free Cash Flow – 100% UBV



Graph 1

R\$ million



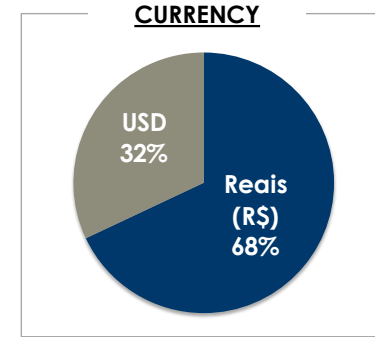
Indebtedness



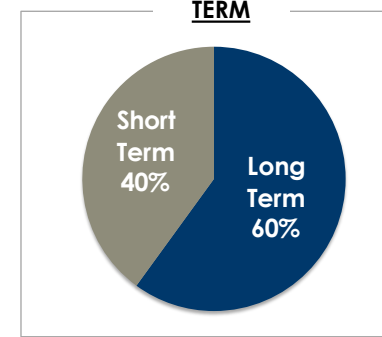
Table 1

INDEBTEDNESS	Mar/16	Mar/17	Chg%.
R\$ '000			
Indebtedness in foreign exchange	1,759,149	1,217,557	-30.8%
BNDES / Rural Credit	799,041	885,751	10.9%
Working Capital	1,346,977	1,328,561	-1.4%
Agribusiness Certificate of Receivables (CRA)	-	349,462	
Gross Debt	3,905,167	3,781,331	-3.2%
Cash and Cash Equivalents	1,120,212	1,196,782	6.8%
Net Debt	2,784,955	2,584,549	-7.2%
Net Debt / EBITDA LTM	2.14 x	1.55 x	

Graph 1



Graph 2



Adj. EBITDA LTM

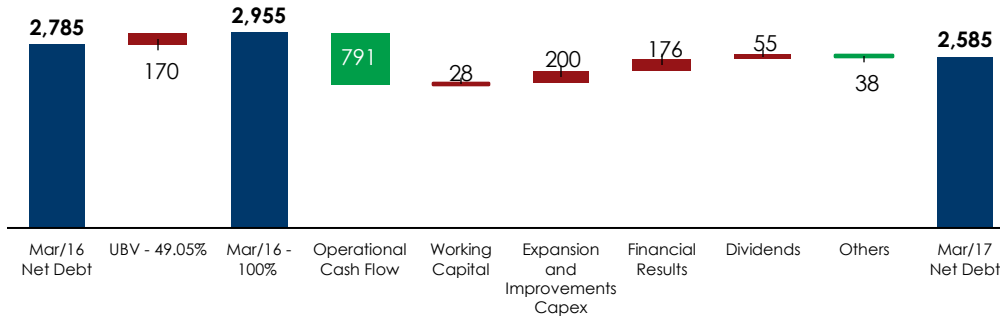
1,301,240

1,666.784*

Graph 3

Debt Evolution

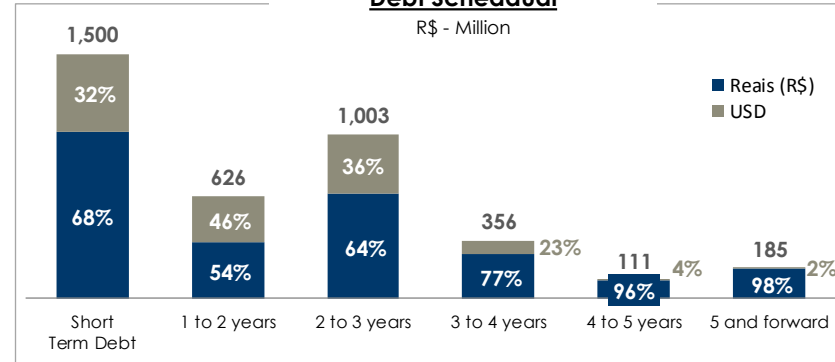
R\$ - Million



Graph 4

Debt Schedules

R\$ - Million



* EBITDA considers 100% of UBV Results.

Table 1

	Volume Hedged ('000 tons)	Avg. Price (US\$ c/p)	Avg. Dolar (R\$ /US\$)*	Avg. Price (R\$ /ton)
Sugar				
May/17 (K17)	211,299	20.67	3.48	1,586
Jul/17 (N17)	209,713	20.04	3.56	1,574
Oct/17 (V17)	179,028	19.91	3.55	1,558
Mar/18 (H18)	97,592	19.64	3.55	1,538
Crop year 2017/2018	697,632	20.14	3.53	1,568

- ✓ Our sugar prices hedged represents, approximately 68% of own cane and 50% of total sugar.

* The exchange rate of R\$/USD 3.25 was considered for the 5% that is not hedged.

Table 2

TOTAL			SUGAR	
Dollar	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)
2017/2018 crop year	295,527	3.54	295,527	3.54

- ✓ The volume of NDF's in U.S. dollar on March 2017, represented approximately 95% of the total hedged sugar volume.

Table 1

	Performed 16/17 Crop Year*	Guidance 17/18 Crop Year	Chg. (%)
Crushing ('000 tons)	19,281	22,300	15.7%
Suagr ('000 tons)	1,301	1,400	7.6%
Anhydrous ('000 m³)	398	450	13.1%
Hydrous ('000 m³)	269	430	59.8%
Cogeneration ('000 MWh)	720	900	25.0%
Average TRS (Kgs/Ton)	130.3	133.5	2.5%
Total TRS produced	2,512	2,977	18.5%
Mix Sugar/Ethanol - SP Mills	63% - 37%	62% - 38%	
Mix Sugar/Ethanol - Consolidated	54% - 46%	49% - 51%	

* Considers 50.95% of Boa Vista Mill

Contacts - IR

Felipe Vicchiato

CFO e IRO

Aline Reigada

IR Manager

Letícia Montagnani

IR Senior Analyst

Telephone: +55 11 2105-4100

E-mail: ri@saomartinho.com.br

Website: www.saomartinho.com.br/ir



São Martinho