

Earnings Release Conference Call

3Q17



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. Operational Highlights

2. Financial Highlights

3. Inventories

4. Indebtedness

5. Hedge

6. Merger of Nova Fronteira Bioenergia

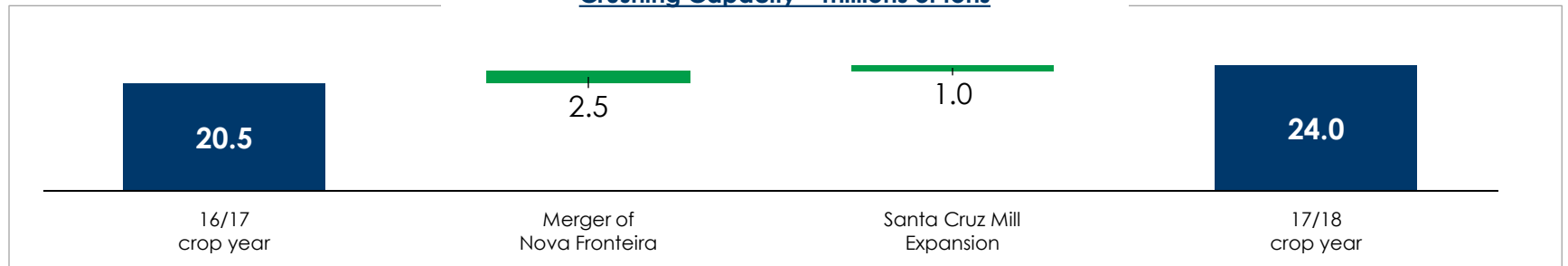


Operational Highlights



OPERATING DATA			
	15/16	16/17	YoY (%)
	Crop Year	Crop Year	
São Martinho - Consolidated			
Crushing ('000 tons)	20,024	19,281	-3.7%
Own	12,985	13,398	3.2%
Third Parties	7,039	5,883	-16.4%
Production			
Sugar ('000 tons)	1,230	1,301	5.8%
Anhydrous ('000 m3)	445	398	-10.5%
Hydrous ('000 m3)	306	269	-12.1%
Cogeneration ('000 MWh)	741	686	-7.4%
Average TRS (Kg/Ton)	128.9	130.3	1.1%
Total TRS Produced ('000 tons)	2,581	2,512	-2.7%
Mix Sugar - Ethanol	50% - 50%	54% - 46%	

Crushing Capacity – millions of tons



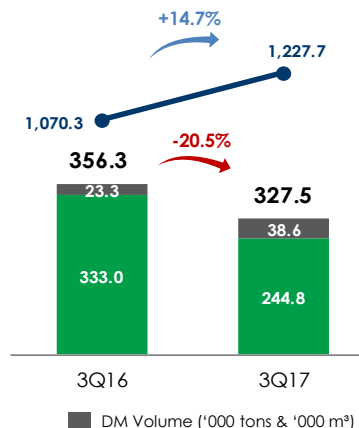
Financial Highlights



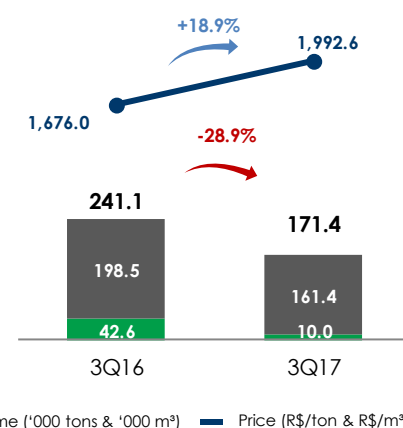
Table 1

	3Q16	3Q17	Chg. %
Net Revenue	852,673	739,325	-13.3%
COGS (cash)	(373,424)	(338,075)	-9.5%
Selling Expenses	(32,923)	(21,078)	-36.0%
G&A Expenses	(34,947)	(38,770)	10.9%
Adjusted EBITDA	411,909	341,638	-17.1%
Adj. EBITDA Margin	48.3%	46.2%	-2.1 p.p.
Adjusted EBIT	201,621	155,816	-22.7%
Adj. EBIT Margin	23.6%	21.1%	-2.6 p.p.
Biological Assets Results	11,488	(19,448)	n.m.
Net Income before Taxes	85,987	66,775	-22.3%
Income Taxes	(6,812)	(10,931)	n.m.
Net Income	79,175	55,844	-29.5%
TRS Sold ('000 tons)	787	591	-24.9%

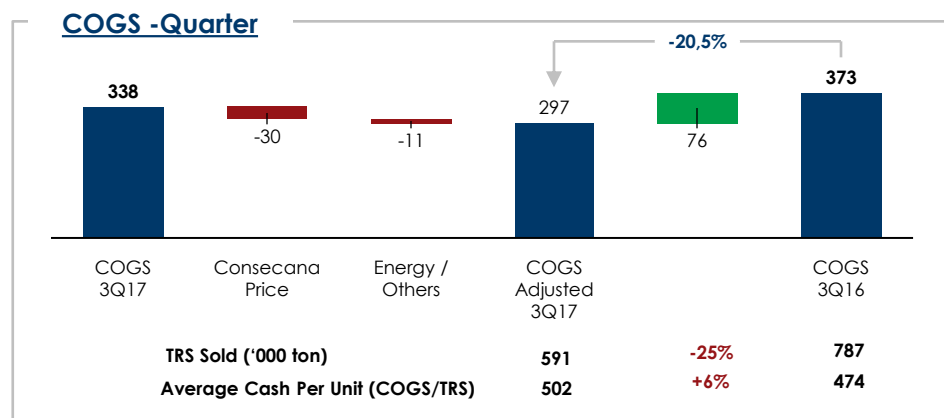
Graph 1 SUGAR



Graph 2 ETHANOL



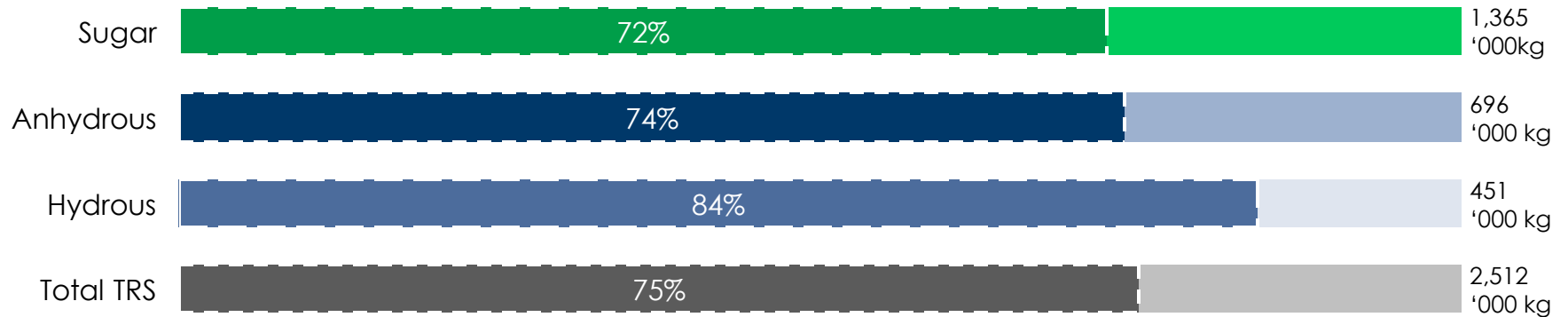
Graph 3





	Inventories 3Q16	Inventories 3Q17	Chg. (%)
Sugar (tons)	397,699	390,015	-1.9%
Hydrous (m³)	94,854	50,134	-47.1%
Anhydrous (m³)	148,643	144,631	-2.7%

9M17 Sales vs Revised Guidance (TRS)



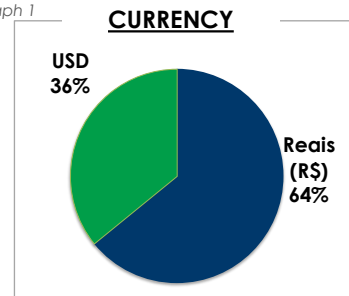
Indebtedness



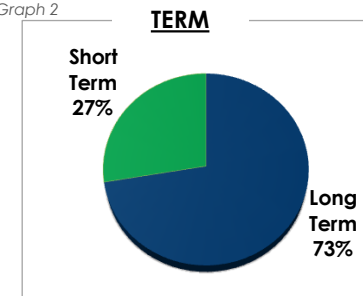
Table 1

INDEBTEDNESS	Mar/16	Dec/16	Chg%.
R\$ '000			
Indebtedness in foreign exchange	1,759,149	1,363,031	-22.5%
BNDES / Rural Credit	799,041	743,934	-6.9%
Working Capital	1,215,533	1,214,524	-0.1%
Agribusiness Certificate of Receivables (CRA)		361,494	
Obligations from acquisitions	79,687	73,780	-7.4%
PESA	51,757	41,245	-20.3%
Gross Debt	3,905,167	3,798,008	-2.7%
Cash and Cash Equivalents	1,120,212	894,981	-20.1%
Net Debt	2,784,955	2,903,027	4.2%
Net Debt / EBITDA LTM	2.14 x	2.09 x	
Net Debt / EBITDA LTM - USD *	2.16 x	2.23 x	
Adj. EBITDA LTM	1,301,240	1,390,389	

Graph 1



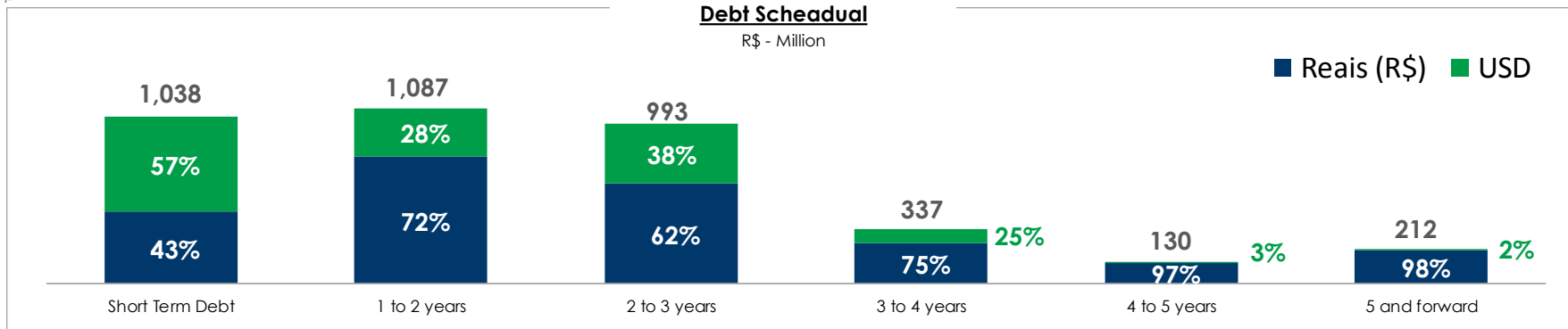
Graph 2



Graph 4

Debt Schedules

R\$ - Million



* Net Debt PTAX:
March/16: R\$ 3.56
September/16: R\$ 3.25

EBITDA LTM Average daily PTAX 12 months:
March/16: R\$3.58
September/16: R\$3.62

Table 1

	Volume Hedged ('000 tons)	Avg. Price (US\$ c/p)	Avg. Price (R\$ c/p)
Sugar			
Out/16 (V16)	71,323	16.55	
Mar/17 (H17)	260,718	19.01	
Safra 2016/2017	332,041	18.48	62
Mai/17 (K17)	161,654	20.58	
Jul/17 (N17)	171,662	19.92	
Out/17 (V17)	139,758	19.73	
Mar/18 (H18)	26,926	18.81	
Safra 2017/2018	500,000	20.02	72

Table 2

	TOTAL		SUGAR	
Dólar	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)
2016/2017 crop year	55,058	3.55	55,058	3.55
2017/2018 crop year	214,877	3.60	214,877	3.60

Merger of Nova Fronteira Bioenergia



Table 1

São Martinho S.A.			
	9M17 (50,95% UBV)	9M17 (100% UBV)	Chg. (%)
R\$ '000			
Net Revenue*	2,228,079	2,554,308	14.6%
Adjusted EBITDA	1,044,092	1,238,238	18.6%
Adjusted EBITDA Margin	46.9%	48.5%	1.6 p.p.
Adjusted EBIT	524,940	632,394	20.5%
Adjusted EBIT Margin	23.6%	24.8%	1.2 p.p.
Income (Loss) Before taxes	196,869	300,937	52.9%
Net Income	164,426	241,038	46.6%
Net Debt†	2,903,027	2,997,781	3.3%
EBITDA YTD	1,390,389	1,594,791	14.7%
Net Debt / EBITDA	2.09 x	1.88 x	

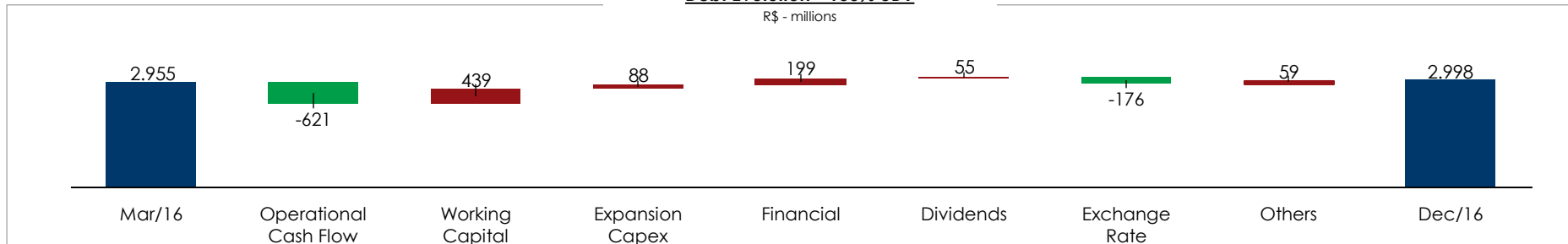
*Excludes the Hedge Accounting effect of foreign-denominated debt and USC PPA.

- ✓ Closing of the transaction with Petrobrás will occur on February 23, 2017;
- ✓ São Martinho will control 100% of Boa Vista Mill;
- ✓ The impacts on the balance sheet will be reflected in the next quarter, fully incorporating assets and liabilities;
- ✓ Transaction Structure (exchange of shares), strengthens the São Martinho Group commitment to deleverage, after 4 year of investments to growth and productivity increase;
- ✓ With the incorporation of the assets, in addition to the conversion of working capital into cash, the Group's net ineptness is expected to close between R\$ 2.6 billion and 2.7 billion, with a net debt/EBITDA close to 1.6 times;

Graph 1

Debt Evolution – 100% UBV

R\$ - millions



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