



Earnings Release Conference Call

4Q18



São Martinho

17/18 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

2. Financial Highlights

3. Costs

4. Indebtedness

5. 18/19 Production Guidance

6. Hedge

6. Ethanol Scenario



Table 1

	12M17	12M18	Chg.(%)
Crushed Sugarcane ('000 tons)	19,281	22,206	15.2%
Own	13,398	15,191	13.4%
Third Parties	5,883	7,015	19.2%
Mechanized Harvest	98.9%	99.8%	0.87 p.p.
Agricultural Yield (ton/ha)	78.7	79.5	1.1%
Average TRS (kg/ton)	130.3	139.8	7.3%
Production			
Sugar ('000 tons)	1,301	1,407	8.2%
Anhydrous Ethanol ('000 m3)	398	487	22.4%
Hydrous Ethanol ('000 m3)	269	466	72.9%
Cogeneration ('000 MWh)	720	913	26.8%
<i>TRS Produced</i>	<i>2,513</i>	<i>3,104</i>	<i>23.5%</i>
<i>Mix - Sugar - Ethanol</i>	<i>54% - 46%</i>	<i>47% - 53%</i>	
<i>Mix Anhydrous - Hydrous</i>	<i>61% - 39%</i>	<i>52% - 48%</i>	

Financial Highlights



Table 1
R\$ '000

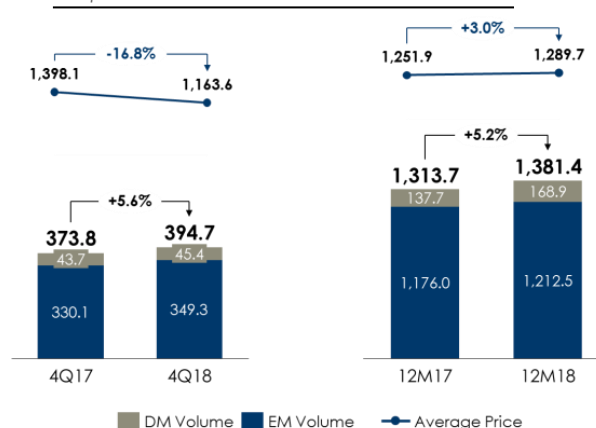
	4Q17	4Q18	Chg. (%)
Net Revenue*	894.270	1.118.241	25,0%
Adjusted EBITDA	400.991	585.629	46,0%
Adjusted EBITDA Margin	44,8%	52,4%	7,5 p.p.
Adjusted EBIT	182.232	296.278	62,6%
Adjusted EBIT Margin	20,4%	26,5%	6,1 p.p.
Adjustment to Maturity of Hedge Accounting/	(5.802)	3.899	n.m.
Biological Assets	(17.647)	(50.076)	183,8%
Non recurrent	140.609	(1.834)	n.m.
Net Income before taxes	248.683	192.107	-22,8%
Net Income	119.441	153.335	28,4%
Cash Income	114.917	233.176	102,9%
Net Debt / EBITDA	1,55x	1,26x	-18,6%

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

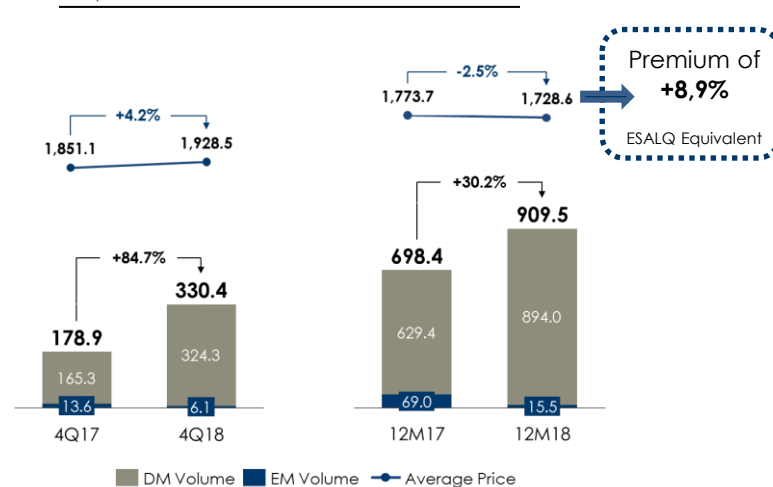
Table 2
R\$ '000

	4Q17	4Q18	Chg. (%)
Net Income	119,441	153,335	28,4%
UBV Aquisition gain	(142,582)	-	n.m.
Income tax	129,242	38,772	-70,0%
Income Tax paid	(3,029)	(12,906)	326,1%
Biological Asset	17,647	50,076	183,8%
Maturity of Hedge / PPA	(5,802)	3,899	n.m.
Cash Income	114,917	233,176	102,9%
Total Shares ex-treasury (in thousands)	358,580	350,803	
Cash Income per share	0.32	0.66	

Graph 1 SUGAR



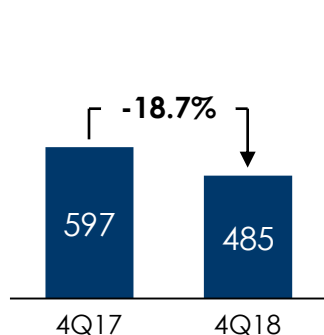
Graph 1 ETHANOL



Cash COGS

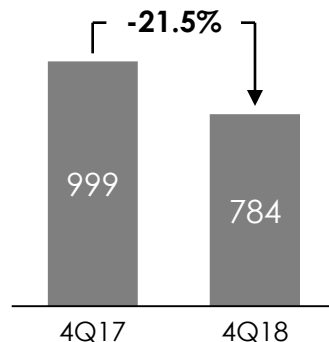
Sugar (R\$/ton)

Graphic 1



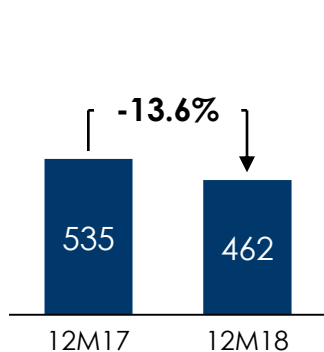
Ethanol (R\$/m³)

Graphic 2



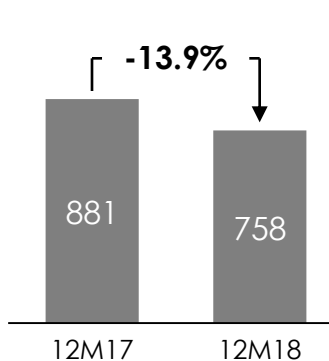
Sugar (R\$/ton)

Graphic 3



Ethanol (R\$/m³)

Graphic 4



Unity Cash Cost

12M18	Sugar	Ethanol	Energy	Others	Total
R\$ '000.000					
Cost of Goods Sold	1,084	1,170	38	43	2,336
Selling Expenses	102	8	10	1	120
General and Administrative Expenses	85	92	-	3	180
(-) Depreciation/Amortization	(421)	(454)	(10)	(10)	(896)
Biological Assets	(30)	(33)	-	-	(63)
Cash costs and expenses	820	783	38	37	1,678
(+) Maintenance CAPEX	460	496			956
Total	1,279	1,279	38	37	2,633
Average Price (in R\$/unity¹)	1,290	1,729	225		
Average Cost (in R\$/unity¹)	926	1,406	41		
Operating Margin (%)	28%	19%	82%		
Sold Volumes ('000 unity¹)	1,381	909	921		

¹ Unity: Sugar: tons, Ethanol: m³, Energy: MWh

Indebtedness

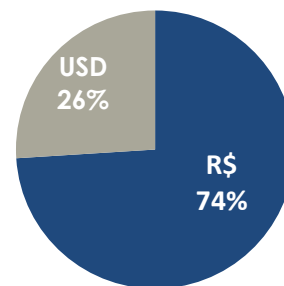


Table 1

	Mar/17	Mar/18	Chg.%
R\$ Thousand			
PESA	41,959	29,225	-30.3%
Rural Credit	678,426	509,214	-24.9%
BNDES / FINAME	828,443	582,203	-29.7%
Working Capital	495,136	397,336	-19.8%
International Finance Corporation (IFC)	-	303,797	n.m.
PPE (Export prepayment)	741,329	734,471	-0.9%
NCE (Export Credit Note)	584,487	8,101	-98.6%
Agribusiness Certificate of Receivables (CRA)	349,462	1,360,550	289.3%
Obligations from Acquisitions - LOP	62,088	50,256	-19.1%
Gross Debt	3,781,331	3,975,153	5.1%
Cash and Cash Equivalents	1,196,782	1,512,385	26.4%
Net Debt	2,584,549	2,462,768	-4.7%
Net Debt / Acum. EBITDA ¹	1.55 x	1.26 x	-18.7%
Net Debt / Acum. EBITDA - USD ²	1.61 x	1.22 x	-24.2%

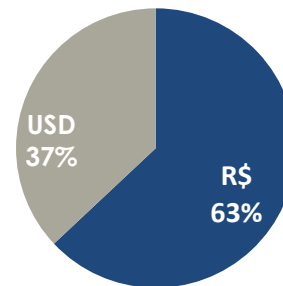
Graph 1

CURRENCY - GROSS



Graph 2

CURRENCY - NET



Adj. EBITDA LTM*

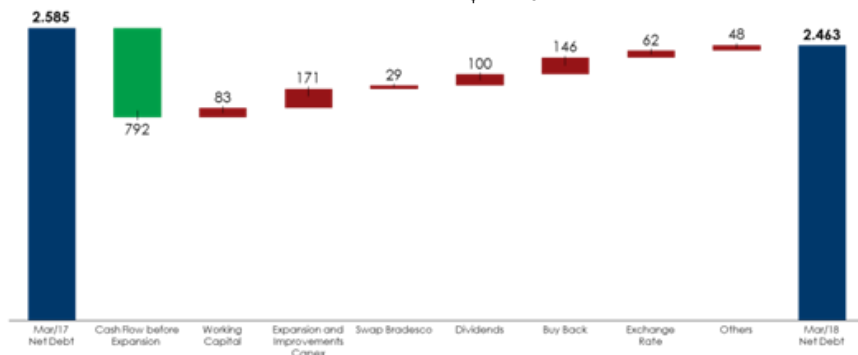
1.445.083

1.949.994

Graph 3

Debt Evolution

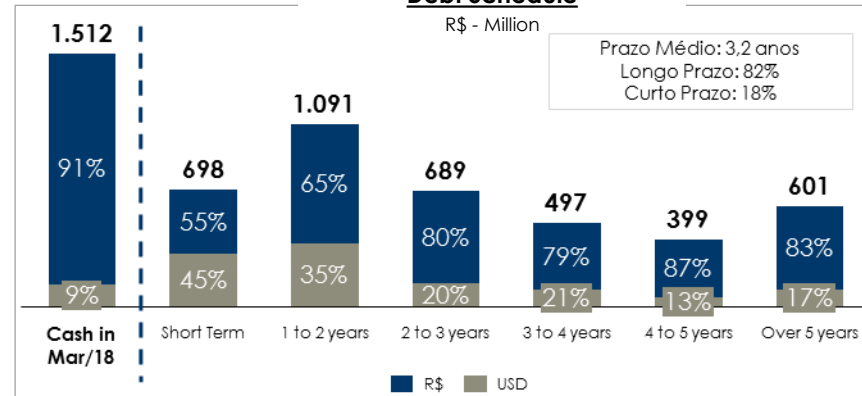
R\$ - Million



Graph 4

Debt Schedule

R\$ - Million



* EBITDA considers 100% of UBV Results.

18/19 Production Guidance



Table 1

Production	Actual 17/18 Crop Year	Guidance 18/19 Crop Year	Chg. (%)
Crushing ('000 tons)	22,206	20,570	-7.4%
Sugar ('000 tons)	1,407	980	-30.4%
Anhydrous ('000 m ³)	487	456	-6.4%
Hydrous ('000 m ³)	466	663	42.4%
Cogeneration ('000MWh)	913	850	-6.9%
Average TRS (Kg/Ton)	139.8	142.6	2.0%
Total TRS Produced	3,104	2,933	-5.5%
<i>Mix Sugar/Ethanol</i>	<i>47% - 53%</i>	<i>35% - 65%</i>	

Table 1

	Volume Hedged ('000 tons)	Avg. Price (US\$ c/p)	Avg. Price (R\$ /Ton)
Sugar			
2018/2019 crop year	535,037	15.51	1,144.8

Table 2

	USD '000	Avg. Price (R\$/US\$)
Sugar		
	123,495	3.35
Ethanol		
	11.100	3.32
2018/2019 Crop Year	134.60	3.35

Our sugar prices hedged represent approximately:

78% Own Cane

55% Total cane

The volume of NDF's in U.S. dollar on March 2018, represent approximately:

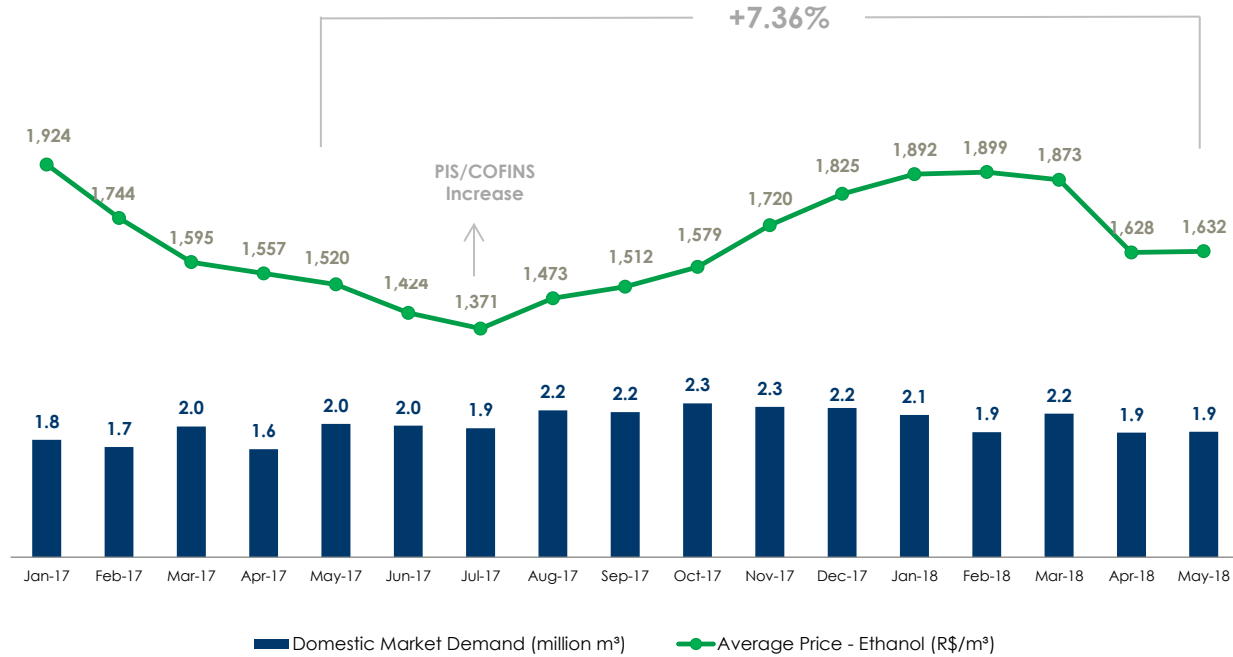
54% Own Cane

39% Total cane

Ethanol Scenario



Graphic 1



- ✓ +12.6% ethanol sales volume since apr/18;
- ✓ Ethanol parity in main brazilian states between 64%-60% of gasoline price at the pump;
- ✓ Ethanol production aprox +50% higher since apr/18, versus last season.

* Source: UNICA / Cepea Esalq

Contacts - IR

Felipe Vicchiato

CFO e IRO

Aline Reigada

IR Manager

Telephone: +55 11 2105-4100

E-mail: ri@saomartinho.com.br

Website: www.saomartinho.com.br/ir



São Martinho