

Earnings Release Conference Call

3Q18



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. Cash COGS

4. Indebtedness

5. Inventories

6. Hedge



OPERATING DATA			
	16/17 Crop Year	17/18 Crop Year	YoY (%)
São Martinho - Consolidated			
Crushing ('000 tons)	19,281	22,206	15.2%
Own	13,398	15,191	13.4%
Third Parties	5,883	7,015	19.2%
Production			
Sugar ('000 tons)	1,301	1,407	8.2%
Anhydrous ('000 m3)	398	487	22.4%
Hydrous ('000 m3)	269	466	73.1%
Cogeneration ('000 MWh)	686	897	30.7%
Average TRS (Kg/Ton)	130.3	139.8	7.3%
Total TRS Produced ('000 tons)	2,512	3,104	23.6%
<i>Mix Sugar - Ethanol</i>	<i>54% - 46%</i>	<i>47% - 53%</i>	

Financial Highlights



Table 1
R\$ '000

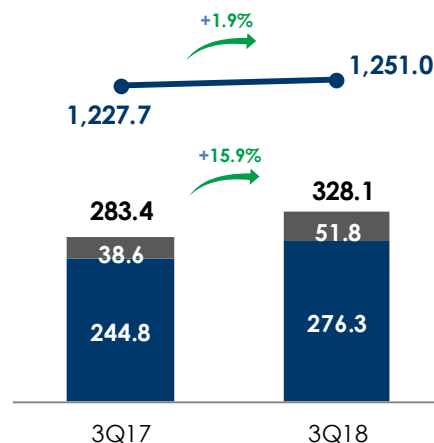
Highlights	3Q17	3Q18	Chg. (%)
Net Revenue	739,325	899,679	224.2%
Adjusted EBITDA	341,638	497,440	45.6%
Adjusted EBITDA Margin	46.2%	55.3%	9.1 p.p.
Adjusted EBIT	155,816	277,821	78.3%
Adjusted EBIT Margin	21.1%	30.9%	9.8 p.p.
Adjustment to Maturity of Hedge Acc.	(2,400)	(4,612)	n.m.
Net Income before taxes	66,775	216,454	224.2%
Net Income	55,844	168,483	201.7%
Net Debt / EBITDA	2.09 x	1.61 x	

Table 2
R\$ '000

Cash Income	3Q17	3Q18	Chg. (%)
Net Income	55,844	168,483	201.7%
Taxes	10,931	47,971	
Income Tax paid	(2,591)	(8,845)	
Biological Asset	19,448	3,651	
Maturity of Hedge / PPA	2,400	4,612	92.2%
Cash Income	86,032	215,872	150.9%
Total shares ex- treasury (in thousands)	337,318	357,222	
Cash Income per share	0.26	0.60	136.9%

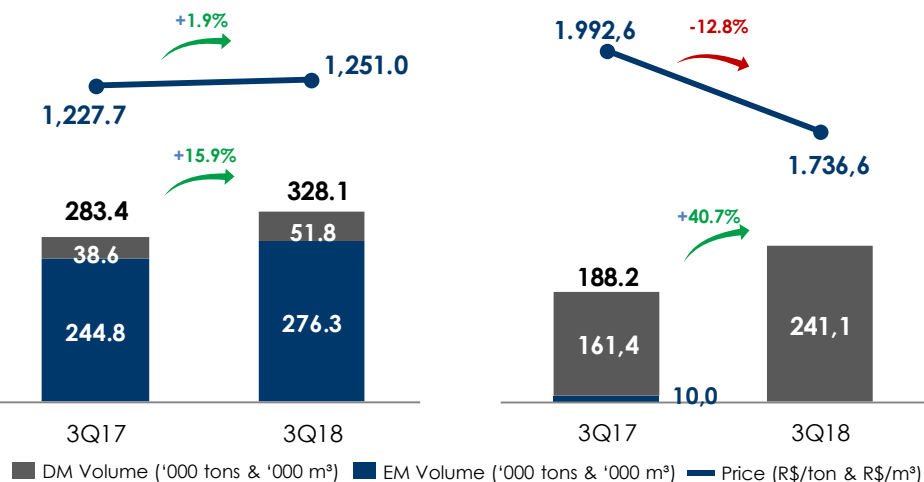
Graph 1

SUGAR



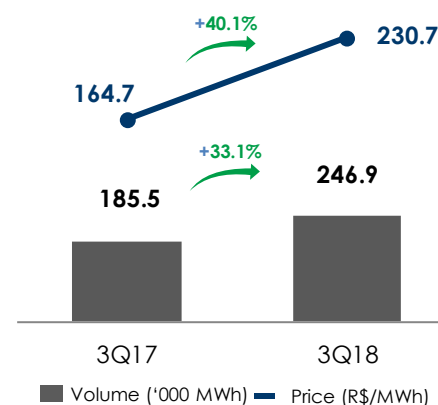
Graph 2

ETHANOL



Graph 3

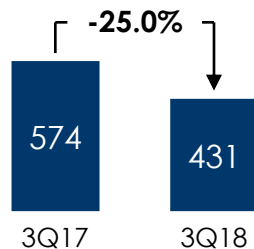
COGEN



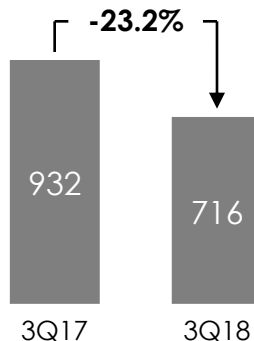
Cash COGS



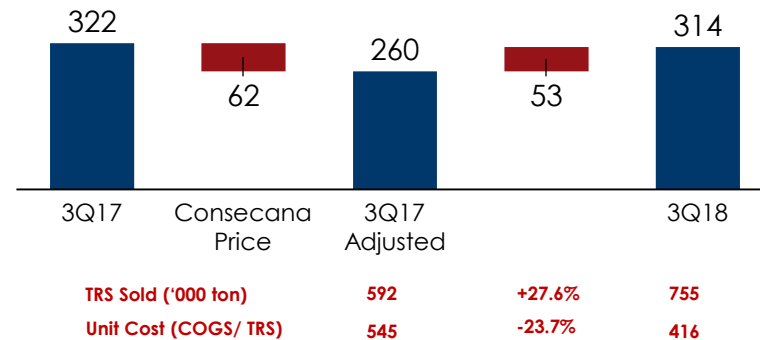
Sugar (R\$/ton)



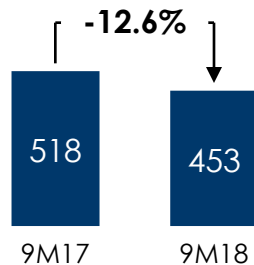
Ethanol (R\$/m³)



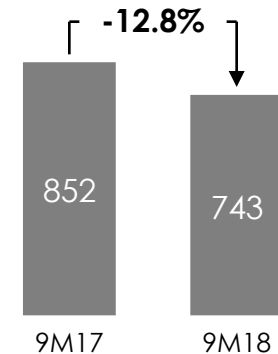
COGS – Sugar and Ethanol (R\$ '000)



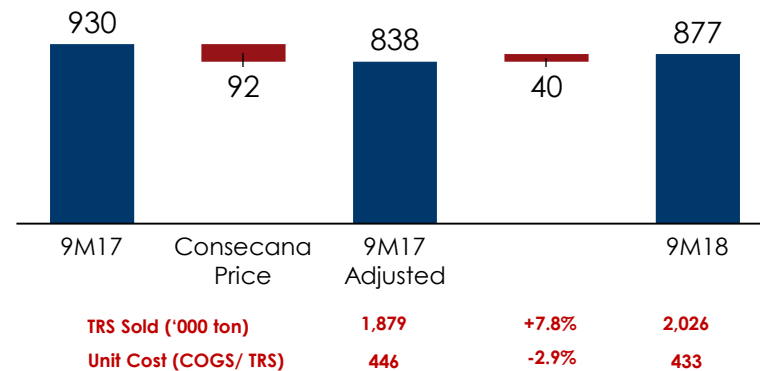
Sugar (R\$/ton)



Ethanol (R\$/m³)



COGS – Sugar and Ethanol (R\$ '000)



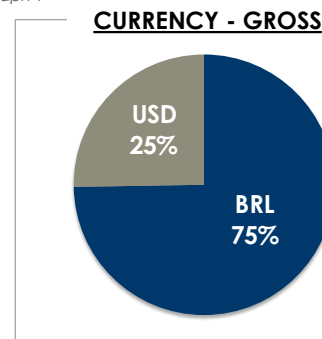
Indebtedness



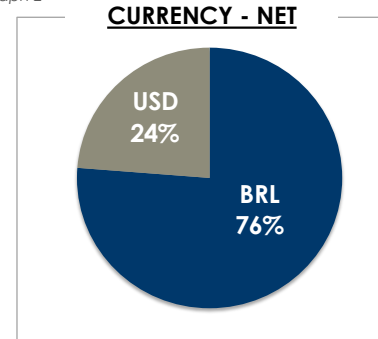
Table 1

INDEBTEDNESS	Mar/17	Dec/17	Chg%.
R\$ '000			
Indebtedness in foreign exchange	1,217,557	1,049,070	-13.8%
BND&S	842,630	693,665	-17.7%
Working Capital and Others	1,371,682	1,543,988	12.6%
Agribusiness Certificate of Receivables (CRA)	349,462	866,428	147.9%
Gross Debt	3,781,331	4,153,151	9.8%
Cash and Cash Equivalents	1,196,782	1,198,741	0.2%
Net Debt	2,584,549	2,954,410	14.3%
Net Debt / EBITDA LTM	1.55 x	1.61 x	

Graph 1



Graph 2

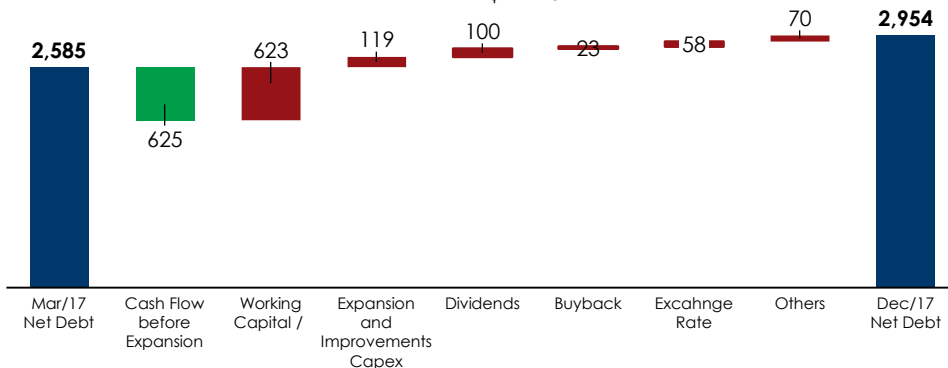


Adj. EBITDA LTM* 1,666.784 1,838.897

Graph 3

Debt Evolution

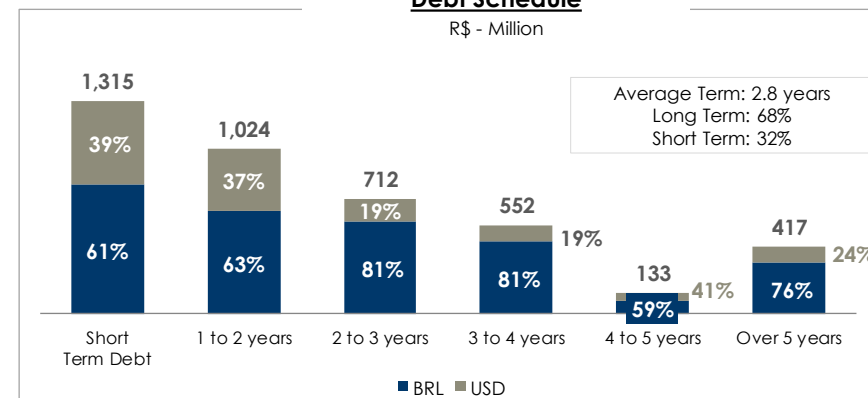
R\$ - Million



Graph 4

Debt Schedule

R\$ - Million



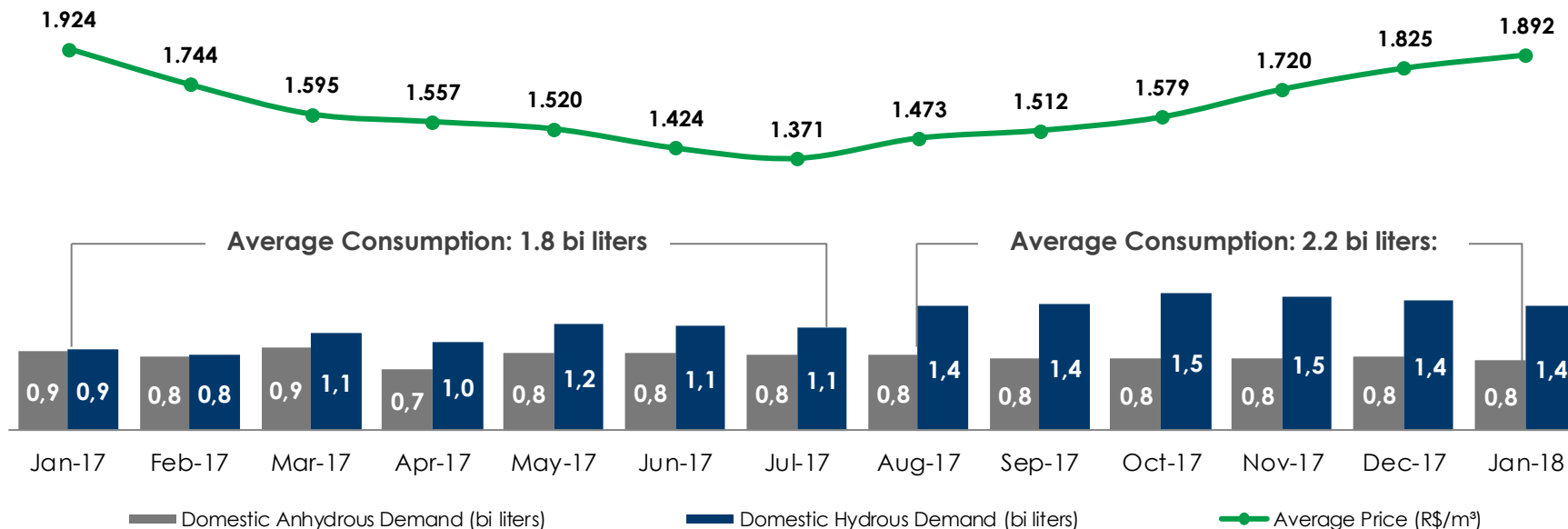
* EBITDA considers 100% of UBV Results.

Table 1

Inventories	3Q17	3Q18	Chg. (%)
Sugar (tons)	390,015	430,321	10.3%
Hydrous (m ³)	50,134	172,860	244.8%
Anhydrous (m ³)	144,631	235,848	63.1%

Ethanol Scenario*

Graph 1



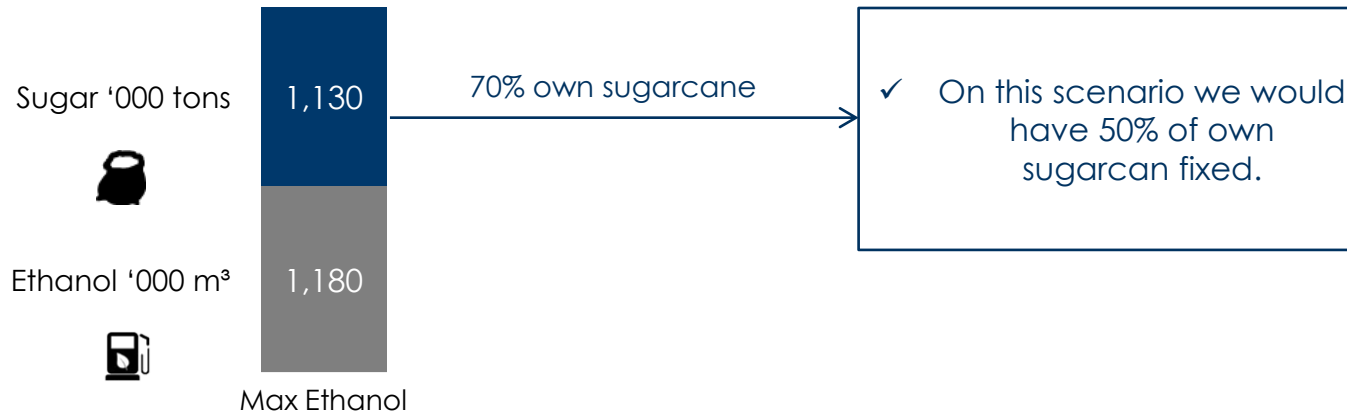
* Source: UNICA / Cepea Esalq

Table 1

	Volume Hedged ('000 tons)	Avg. Price (US\$ c/p)	Avg. Price (R\$ /ton)
Sugar			
Crop year 2017/2018	346,727	17.29	1,273.4
Crop Year 2018/2019	404,693	15.80	1,163.9

Sugar Scenario*

Graph 1



* Considering the use of 96% of installed capacity in the 18/19 crop.

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