

Operator:

Good afternoon, ladies and gentlemen, and thank you for waiting. Welcome to São Martinho S.A. conference call to discuss the 2Q results of the 2018/2019 harvest earnings. Today, with us, we have Mr. Felipe Vicchiato, CFO and Investor Relations Officer; and Mrs. Aline Reigada, São Martinho's Investor Relations Manager.

The audio and the slides of this call are being simultaneously broadcast at the Company's website www.saomartinho.com.br/ir.

We would like to inform you that the participants will be in listen-only mode during the Company's presentation. After the Company's remarks are over there will a question and answer session for investors and analysts, when further instructions will be given. Should any participant need assistance during the call, please press *0 to reach the operator.

We would like to inform you that some information in this call are forward-looking statements about future expectations, and as such they are subject to know and unknown risks and uncertainties, which could cause the Company's actual results to differ materially from those expressed in these forward-looking statements.

Now, I would like to turn the floor over to Mr. Felipe Vicchiato, who will start today's conference. Thank you.

Felipe Vicchiato:

Good afternoon, everyone. Thank you for participating in our call about the 2Q. Let us start on page three with the agenda of the themes that I will be discussing here with you.

First, we will be talking about the operating results of this harvest, as well as what will happen in the next days and, number two, financial highlights. And the expectations for the sales of ethanol and sugar for the 3Q and 4Q.

The fourth item, we will talk about the evolution of the Company's indebtedness; five, the hedge position, and the closure of the scenario for ethanol and also some remarks also about the sugar scenario for the next crop year.

Now going to the next page, page four, we have a summary of the operating highlights at the end of September. São Martinho crushed 18.6 million tons, 1.3% than the same period last year; sugarcane was virtually stable – 6.2 to 6.5 million tons, dropping a little bit. And third-party sugarcane and our yield dropped from 82 to 75 tons per hectare.

And this is a point of attention because of the dry season, which that had a negative impact on São Martinho's harvest. So, we will be reaching a guidance around 20.5 million, but the figures would better if it were not for this very dry weather we had during the harvest.

The production of sugar was 25% less than last year due to the change in mix as we said before, and production of ethanol went up 29%, going from 762 thousand m³ to 983 thousand m³. We expect to grow the harvest within the next 15 days. We only have two mills crushing right now – Boa Vista and Iracema.

The mills of São Martinho and Santa Cruz have already closed the harvest. And as I said before, the production of sugar and ethanol will be more or less in the guidance – 1% more or less over the ATR equivalent. But we will decrease the ethanol production little bit, however, our expectation was around mid-June.

Talking about harvest, we have just started the rainy season now, but we could give you an idea. The rainfall in October was quite good, which is a very good point for the harvest, and mainly for the sugarcane. So, the perspective for next year is very good because of this sprouting. And there should be volume of sunlight and rain. This remains more or less the same.

But we have already started on the right track in October because of the rainfall. And this helps a lot in terms of the yield of the next harvest.

On page five, we will talk about the results for the quarter. The Company's net revenue dropped by 12%, going from R\$736 million to R\$643 million. The drop in net revenue basically comes from the lower volume of sugar sold in the quarter; 47% decrease in the amount of sugar and also the mix of the sugar and ethanol, and we exchanged sugar in order to sell in October and March in the screen, because the prices will be better than July's screen for it was very much affected as the Brazilian market was in full harvest, and we still have a lot of sugar production.

The strategy of the commercial area was to roll out the screens in order to carry out the sales in the two quarters, and the hedging has already been done, and I will be talking about that on the next slide. So, we already have the pricing and the forecast for the quarter. Most of this will probably happen in the 3Q.

The EBITDA from the lower volume of the sales of sugar dropping 19%; EBITDA margin to 49%; and EBIT going to R\$122 million, with a drop here. And the financial result improved because of the decrease in financial expenses and one non-recurring items that happened in the previous quarter, which was the hedge accounting that was in shareholders' equity. And with that, we have the net income before taxes.

On next page, we talk about our inventory for the 2Q quarter and the expectation for production in the next two quarters. We closed with an inventory of sugar totaling R\$575 thousand tons in September. Adding to the production that will happen in October and November, we will be having a volume equivalent to 61% of the total production of sugar, which will be sold in the 3Q and 4Q.

Such as is the case in ethanol, we have the same here in ethanol and we will have a 3Q and a 4Q that will be very strong from the viewpoint of sugar sales, in line with that I have just said about the rolling of screening that I mentioned.

Ethanol inventory went up 34%, going from 453 thousand m³ to 610 thousand m³. The reason why inventory went up was because of the increase in this mix towards ethanol in the crop year. And this volume of 610 thousand m³ added to the production that we will have in the next few months, we will have more or less 2/3 of the harvest. We know that it will be sold with ethanol in the 3Q and 4Q. And we are bullish about the 3Q and 4Q. The prices should be better than they were during the 1Q and 2Q.

But our expectation for the full year is that São Martinho will be able to have close to R\$1.85 on average per liter, and with the combination, of course, of the amount of anhydrous that I produced, the volume that I produced at Boa Vista with its tax benefit and strategy of sales.

This is much more allocated in the 2H because the players in the region have a lower tankage vis-à-vis São Martinho, so this means that the prices in the region of Goiás suffered a little bit less than the São Paulo region when you have a surplus in the supply. You have an oversupply.

So, all this combined bring us a degree of optimism. And we understand that the price of São Martinho should be around R\$1.85 per liter for São Martinho. This price could be higher and may be higher. If the price of oil and the dollar recover until the end of the crop. But considering the current prices of gasoline and the dollar at the current levels, we understand R\$1.85 is a very feasible number.

So, let us go to page seven now; we talk about our debt. The comparison of March and September went up 25%, from R\$2.4 billion to R\$3 billion (net debt). And the main evolutions were the working capital that we produced because of the period of the crop and the strategy of carrying over the inventory of ethanol, and sugar will be affected by the exchange rate variation, going from R\$3.30 to R\$4.00 at the close of September.

Our net debt today is 35% in foreign currency, or in dollars, and 65% in reais. Most of the debt profile is being financed by the capital market, notably issuance of CRA in the last three years, and BNDS here as well as banks and financial institutions both in Brazil and abroad.

So, we are comfortable with these debt levels. We have R\$1.3 billion on September 8, not to mention the inventories that are to be sold and that would add about R\$5 million. And with this debt profile for the next couples of years is about R\$1.8 billion.

On next slide, we talk about our hedge position for the current and the next crop. For the current one, we have mentioned 97% exposure in our own cane already hedged. That is something close to R\$1,116.00 per ton. We have 97% of the sugar that has already been hedged as well as 65% of the dollar. And the figure we show you here is the NPN number concerning the current dollar rate.

And the reason why we do not hedge for the current harvest now is because we have some obligations in dollars, so we have to maintain a long exposure in dollars in order to comply with these obligations. The payment for crop protection, for instance, is in dollar and we have (*audio failure*) dollars.

So, we have 300 thousand tons of sugar already hedged at R\$1,186.00 per ton, 44% of our own sugarcane and, at the moment, we have pegged in dollar, and sugar on the stock exchange, so this number is virtually guaranteed.

On next slide, we talk about a scenario for sugar and ethanol. I will talk about the sugar scenario. Last week, we had an important event here of Data Agro to talk about the sugar and ethanol market. And they reviewed their expectation of deficit for sugar for the next couple of years.

And this is one of the reasons why the sugar price went up so quickly, I will say, in the last eight weeks. And we can see this on this chart – a major recovery from R\$0.10 to R\$0.13. And now price went back a little bit. In our understanding, this price is not going to change a lot until the Brazilian crop resumes and confirms the mix in Brazil.

In the case of ethanol, in spite of the recent drop in prices, we had a very strong growth in prices. But, in the first week of November, the price went down a little bit. In spite of that, we are talking about prices going up year on year, and looking at November, to 7%. On average, it is much better than last year.

In order to reach the target of São Martinho of closing at R\$1.85 per liter of ethanol sold, we assume that the average price of the 2H will be about 5% higher than the average price that was realized in the same period last year.

So this is not an aggressive projection due to the dynamics and the increase in the oil price that happened from then on, and not to mention the taxes, because in August last year, there was an increase in PIS and COFINS taxes for gasoline and ethanol. And this includes the competitiveness of ethanol at the pump vis-à-vis gasoline.

And I would like to remind you that to finalize our talk about the market, ethanol prices, today, at the pump, are much lower than parity, and although we had a decrease in the consumption of fuel, the decision of consumers is still going forward – ethanol instead of gasoline is the main consumer market. So, we understand that the prices will react. Let us see.

Next week, we will have a long holiday on November 15th and 20th. Usually during these long holidays, the distributors recompose their inventories and this could help increase the price of ethanol for producers.

And lastly, comparing from January to September 2017 to 2018, the same period, we can see that hydrous is going up from 28% to 40%. So, this helps prices go up, and the inventory levels of ethanol be consumed until the end of this crop. These were my initial remarks. Now, I would like to open for questions.

Daniela Eiger, Bank of America:

Hello, everyone. Thank you for the question. I have two questions, in fact. The first one has to do with the price of ethanol in the intercrop period. I would like to understand with R\$1.85 that you referred to, considering the price of oil and the current exchange rate, are you taking into account the consecutive drops that were announced, over 20% of the price of oil that Petrobras announced?

How do you see this drop in the price of gasoline and ethanol? Because the parity is still favorable to ethanol, but it is also because we have not seen the drop in gasoline prices being transferred to the pump prices. If this parity is adjusted because of the lower gasoline price, could we see a decrease in demand of ethanol? How do you see this risk for the intercrop period for ethanol demand?

My second question has to do with the cash cost. We saw an increase in ethanol and sugar. Maybe, in ethanol it will be temporary because of the concentration of sales here in São Paulo. What are the plans that you see for sugar, mainly, and also for ethanol for 2H? Thank you very much. These are my questions.

Felipe Vicchiato:

Daniela, thank you for the questions. R\$1.85 is a price looking at the oil market and the dollar rate as it is today, the exchange rate as it is. I would like to remind you that when you have a drop in the price of gasoline at the refinery, in order to transfer the price to the pump, it is not something so straightforward.

It is not because of the price dropping 20% at the refinery that the same will happen at the pump, because there are many taxes and there is a margin that is charged by distributors and by the fuel stations. This is usually transferred only about 1/3 to the pump. But we believe that R\$1.85 is a feasible number.

Just to give you an idea, last year, the São Martinho average price was R\$1.73/L. So, R\$1.85 means a 7% increase year on year only. If you look at the bigger snapshot, the increase in oil prices year on year was much higher than 7%. So, we believe that, all in all, 7% will be the increase in São Martinho year on year. So, this is the ratio and, of course, looking at the market today. Again, if the oil price was about US\$80, this would be even higher, but we believe that R\$1.85 is very feasible in terms of materializing.

Now, your second question regarding cost. The cost that went up the most was the ethanol cost. In the financial statements, we mentioned that the cost for the quarter went up 14% because of the sales mix in the quarter. We sold 75% of the volumes of ethanol from São Paulo mills. On average, the São Paulo mills have a 20% higher cost for the production of ethanol vis-à-vis Goiás mills. As of the 3Q and 4Q, you will see that in Goiás, and this tends to dilute the unit cost and that will be in line or even lower than inflation.

In relation to sugar, year to date, we had a drop of 1.3% if you compare the half year. The quarter is much more impacted because of an increase in third-party sugarcane. In the 2Q, you crush more third-party cane than our own sugarcane and, because of that, you have a higher cost. The cash cost is higher in this specific quarter due to this reason.

Daniela Eiger, Bank of America:

Extremely clear. Thank you very much.

Lucas Ferreira, JP Morgan:

Good afternoon. The spike of sugar happened in October, after you closed the quarter, in fact. Have you taken advantage of this window of opportunity in October in order to accelerate your hedging? We saw the exchange accelerating, I do not know whether this was your case or not, but maybe you could give us some color whether this was your case.

The other question is in the medium run, when will you resume discussions about growing your ethanol project? Do you have any projects that make sense for the Company? What do you expect to see in terms of variables? Do you think that sugar has to go ahead much more as it seems that the ethanol market is going well, given the current economic conditions? What are the variables that come into play and that you

measure in order to talk again about investments and whether you already have some talks about new investments? Thank you very much.

Felipe Vicchiato:

Lucas, thank you for the question. One interesting thing that happened was that when we saw R\$0.10 on shorter screen of sugar combined with the exchange rate of the time, we had about R\$1,100.00 per ton. When it went from R\$0.10 to R\$0.13 at the exchange rate, that was R\$3.70. We continued to have about R\$1,100.00.

In practice, this did not really change in reais per ton. This is what is important for Brazilian producers, this going from R\$0.10 to R\$0.13. Then, in September, besides the 3,000 tons, we had 30,000 tons more that were realized, but also at R\$1,150.00 and R\$1,180.00.

Secondly, we have many projects in the Company that are being analyzed, but they are still projects, that is to say, they do not have the initial or the necessary return in order for us to justify the investment. The first one would be the expansion of Boa Vista because you have area available in order to plant sugarcane, but given the size of the investment that is necessary, although I am optimistic regarding ethanol, the return would still be too small or too narrow.

So, there is nothing new that I could talk about regarding investments. Maybe in two years, when RenovaBio starts and plus the price of ethanol reaches reasonable levels for us, we will think about making new investments, but, so far, we have nothing to tell you about that.

Lucas Ferreira, JP Morgan:

Thank you, Felipe.

Gustavo Allevato, Santander:

Good afternoon, Felipe. I have two questions. Regarding growth, how long would it take for you to have an important growth at Boa Vista in order for this to materialize? The second one has to do with costs. Let us say you are able to produce 22 million tons, what would be the earnings that you believe you would be reporting this year?

Felipe Vicchiato:

Gustavo, I am going to start with the second question. Two million tons more with the necessary yield, that is to say, in our own land, I am not buying sugarcane from third parties, let us say, I plant it and I harvest it, I cannot tell you for sure, but I would be increasing R\$150 million per year.

My marginal cost, for sugarcane, would be the higher cost of diesel to crush the sugarcane because the driver is already there, so the fixed cost will be diluted. So, I would have about R\$150 million more. I expect we will have a typical summer next year and we go back to 22 million. This is what São Martinho intends to deliver.

In relation to your first question, we have to plant and it takes up from two to three years in order for you to crush the first million ton of sugarcane in order to start running.

So, we need an additional four years to get to a minimum size of 3 million tons if you really accelerate planting, but if you accelerate too much, you run some risks that have to do with the structure. You have to hire more people than you have to demobilize these people in an area that does not have abundant labor. So, you have to bring labor from São Paulo to the region. The logistics are rather complicated.

So in order to have an economically feasible size so that the Company may reach breakeven, I would say four years for 3 million tons. This is the reason why all new investors in ethanol take a long time, because we have to be very comfortable with the scenario and we have to put a lot of capital in order to grow and have the returns afterwards.

Boa Vista started to give profit eight to ten years afterwards. Now it is great, the best in the group, with very low cost. But at the beginning, we had losses and it took a long time for us to have this situation, as well as São Martinho, with all the expertise that we have, so, initially, we have a lot of CAPEX. And for return that will take quite a few years to come.

Gustavo Allevato, Santander:

Looking at the current price levels for the next harvest, would it make sense to maintain the same mix that you are having this quarter? Could you increase production of sugar a little bit?

Felipe Vicchiato:

I understand it would make sense to keep the same mix. The production of sugar today, the price of sugar for next year, if we lock it, it will be close to R\$1,650.00 to R\$1,700.00/m³ of hydrous ethanol. As we have a major capacity to store ethanol and assuming that oil prices go up, let us say, 5%, 6% year on year, São Martinho should have this kind of mix for next year. But as you said, it is a little bit too early to say that. Maybe we could go back to that in the next quarter, but this could change and the speed of change is very fast.

Gustavo Allevato, Santander:

Thank you, Felipe.

Gabriel Barra, UBS:

Thank you for the question, Felipe. A follow-up on the price of ethanol in the intercrop period. I believe you would have to reach R\$1,950.00/m³ in the 2H of the year. In the 2H of the year, when would you start to be concerned about the price?

The second has to do with production for next year, in 2017/2018, we had a price that was lower than the historical level, but as you said, in October, the situation was better. I would like to know if there is any chance of starting the new harvest a little bit before it is activated. Also regarding yield, what could we expect about the 22.6 million tons for the next crop year? Will you keep this figure with a better perspective regarding pricing? Thank you.

Felipe Vicchiato:

Thank you for the question. I will start by the second question. No, we will not bring this forward. We are not going to start before April; São Martinho usually starts in the first week of April, and if we start crushing in March, we will end up crushing sugarcane with very low TRS, and you take the sugarcane from the cycle, so the hinder is the whole plantation.

We could only make the decision of doing this one or two weeks before only if in March and we look at the sugarcane field and see that we have over 24 million. This is only factor that could lead us to bring this forward.

But even if we have a typical summer, we believe that we will not reach 24 million, but we are still ramping up planting, so it will take some time for us to get to the 24 million.

In relation to your first question, the price dynamics, if we look historically, in the intercrop period, the price of ethanol, even with the stable gasoline price, when the price of gasoline was controlled in Brazil, we will see that the price of ethanol goes up anyway.

In a few years it went up to 75% of parity because there was a shortage of the product. So, I cannot tell you. If the price of gasoline at the refinery goes down so much, I run the risk of not reaching R\$1.85, this is not an exact science, I cannot say that is not because we have inertia in the consumption of ethanol.

That is already happening, so the consumer is already used to consuming ethanol, and sometimes this is cheaper. The gasoline is R\$5.00 and the ethanol is R\$ 3.00.

So, let us say that the price of gasoline goes down in an additional 10%, in spite of that we can still have R\$1.85. Of course, if there is a collapse in the gasoline prices, let us say, 25% then this could be another case. But, as I said before, not all the crop in the refinery goes to the pump. So, you have many other factors and costs that come into play in this way up to the pump.

Gabriel Barra, UBS:

Thank you.

Thiago Duarte, BTG Pactual:

Good afternoon, everybody. Felipe, I think the dynamics of ethanol price is very clear for the remainder of the crop year, and R\$1,85 should be feasible for the whole year. But I would like to hear from you the view you have about the performance of the ethanol market so far.

Because this year, so far, has been a little bit non-typical, the inventories went up earlier, so you take the latest data by the government, the inventories are quite high and the prices, as of August, change a lot; which is not common at this time of the year. And, recently, it started to goes down. If you take weekly base. So, why is there this mismatch between the inventories and the prices over the last few months?

And the second question has to do with the precatories of Copersucar. Do you keep same the view or do you believe that the schedule that you have been sharing with the market will be maintained? The first precatory? Do you already have the first tranche paid this year? And the first payment of the second precatory should happen next year, according to the schedule that you have been informed to the market. So, could you tell me if something has changed?

Felipe Vicchiato:

Thiago, thank you for the questions. In relation to ethanol, mainly in September it went up more; there was the truck drivers' strike and because of that we had the low level of fuels at the pump in Brazil. And as of the moment, the fuels stations were able to receive the fuel again. There was an increase in the price of ethanol.

In order to explain August and September because is not typical to have this increase in ethanol prices during this time of the year. I think that the best explanation is this – because it went up very quickly because of the strike.

In October, prices continued to goes up mainly in line with the strong consumption and the so-low parity and, more recently, in the last couple of weeks, the prices dropped.

We believe that this drop in ethanol prices is more linked to an oversupply of ethanol, the harvest is coming to an end, and you can see the amount of ethanol that we still have at the tank, and the mills have to sell the product in order to get cash and in order to pay obligations. So, honestly, this is the reason.

Honestly, I do not see anything related to supply and demand to have this drop in the last couple of weeks because the crop has already ended; the consumption is strong, and the harvest will not start in March, it will start in April and the volume of sugarcane will remain the same unless we have very big problems in summer.

So, there is no economic sense for the drop in the last couple of weeks, maybe it is little bit related to the drop in refineries prices and the exchange rate, as this is a little bit more favorable to the Real. But in spite of this drop at the refinery, if it has not impacted the gas stations yet; it could not explain this drop in the last two weeks. We are very comfortable with that and will continue with the strategy of selling gradually during the 3Q and 4Q.

The demand is quite strong, the parity is low, so we will have to wait for the harvest to end. And the long holiday is very important for us to see the demand on the part of distributors, so consumption usually goes up steeply during long holidays.

Regarding the second question, the schedules continue as informed. We believe we will be able to raise the money related the first precatory; that has already been paid by the end of the fiscal year, that is to say, March 2019. So, if it does end in the 3Q, it will come in the 4Q. So, totally preserved. As you know, it has already been issued and, next year, we will probably have 15% and then five equal installments to the second precatory.

Thiago Duarte, BTG Pactual:

Thank you. And just a follow-up regarding the first point, about ethanol. You mentioned an interesting point, which is the demand on the part of distributors because of the holidays. So, my question is the following: we look at the data from ANP up to August and September and we see anhydrous.

They do demand at least 1.8 billion liters per month, you are talking about 2.6 or 2.7 billion liters per month of total ethanol. So, in your opinion, I know, maybe, I am not asking the right person, because you are not at the final stage of this chain, but you are trying to understand the demand on the part of distributors, but do you believe that this level of demand for ethanol has gone down in the last two weeks? I do not know whether you can answer that.

Felipe Vicchiato:

No, it has not gone down. The distributors are not so many, we only have a handful. In this market, you have a lot of producers and a handful of distributors. So, in our opinion, the mills are ending the harvest and they have to sell ethanol. And you have an oversupply, in fact. But demand continues to be very sharp. Thank you.

Antonio Barreto, Itaú BBA:

A quick question, Felipe. Thank you. When you mentioned 75% in São Paulo, in your inventory, what is the percentage of inventory that comes from Boa Vista, your current inventory? What kind of percentage?

Felipe Vicchiato:

Hi Antonio. Give me just one second. Antonio, we are talking about Boa Vista. The inventory plus the volume that I will be producing until the end of the harvest is approximately 270 thousand m³.

Antonio Barreto, Itaú BBA:

Thank you.

Ian Miller, Credit Suisse:

Good afternoon, everyone. I have two questions: one is more a follow-up on the question asked by Tiago, on the precatories. Once they are paid, what about the taxes? Could this be seen as indemnification, will taxes be levied? And the other one has to do with yield. Of course, dry weather affected your productions this year, but I understand that there should be an impact, or a mitigation of the impact because of the dry weather. What about pipeline of MPB for you, thinking about the next few years?

Felipe Vicchiato:

Thank you for the questions. About the precatories, one is paid. As Copersucar is the owner of the case, it collects all the taxes and court deposits and discusses whether this is going to be considered as indemnification or not, and this will take years and for

São Martinho, it will be 43% of this volume. And then you have the judicial deposit of the taxes and then we will have to wait for the final decision.

And the second question about yield. 75 tons per hectare, as we said before, and October is helping us, there is some impact yet of the dry weather of the next harvest, but the impact is only on the sugarcane; 35% of the sugarcane was harvested more, at the beginning of the harvest and the remainder, the impact will be much lower because of the rainfall in October.

And MPB, next year, it will help to mitigate this impact of the dry weather and giving a reasonable weather condition, we will be able to grow our crushing by over 10%, going from 20 to 22.5, 22.4 million.

Roberto Brahm, Morgan Stanley:

Thank you for the question. A follow-up regarding the sale of ethanol and your commercial strategy for the next two months. Practically, all the sale was the in 4Q last year and this year, could you bring this forward for the 3Q, given the fact that the exchange rate is not varying a lot and the inventories in the industry are higher, so do you think you could have more imports in 4Q beyond the quota?

Felipe Vicchiato:

Thank you for the question. Imports are not very probable because with even with the 20%; it does not really matter. It will only happen if it is over 2 thousand. In the last four years, our commercial strategy carried over ethanol to be sold in 3Q and the 4Q, but this year we carried over the same percentage, however, the volume was much higher because we changed the mix for ethanol.

Based on that, what we did was the following: we accelerated sales mainly in São Paulo. In major of volume of ethanol, I would say that, when we look at the numbers for 3Q and 4Q, we will see more or less half and half, 51% in 3Q and 50% in 4Q. But with the prices that we have today, we stopped selling for some time and we only sold anhydrous, what was already contracted, and in October we sold a little bit in the spot market, mainly in São Paulo because of the prices.

Roberto Brahm, Morgan Stanley:

Thank you.

Operator:

The Q&A session is closed. I would like to give the floor back to Mr. Felipe Vicchiato for his closing remarks.

Felipe Vicchiato:

Thank you very much for participating in the call. And as I mentioned before, we are very bullish about the next few quarters, and in the next quarter, I believe I will be able

to give you more color about the yield for next year, and we will be publishing this in mid-February. So, we will already have had some months of rainfall, and this yield for next year will be clearer to us. Thank you very much and good bye.

Operator:

São Martinho's conference call is closed. Thank you very much for participating, and we wish you a very good afternoon.

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