



**3Q18 Crop Year  
Earnings Conference Call**  
February 9<sup>th</sup>, 2018

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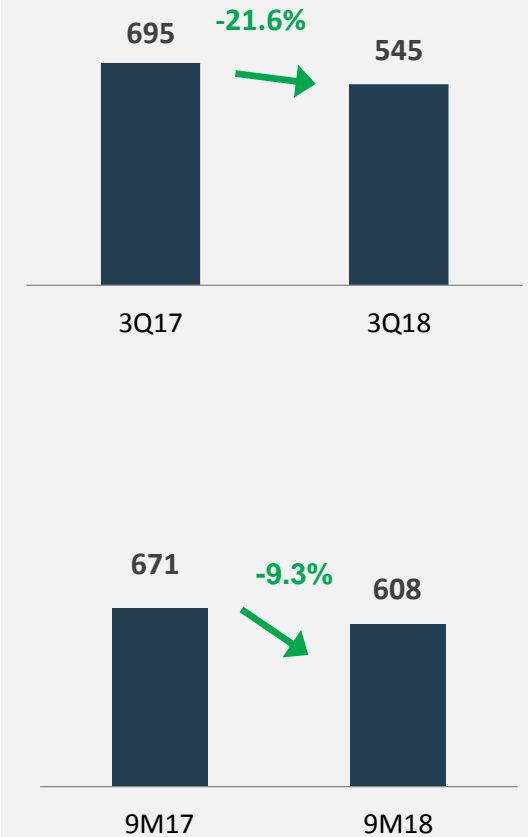
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# 3Q18 and 9M18 Crop Year Highlights

- ✓ 9M18 crushing reached 29.1 MMt, in line with 9M17
- ✓ 9M18 consolidated TCH stood at 80.2 ton/ha, up 0.8%
- ✓ 9M18 Cane TRS increased 0.7% to 131.9 kg/ton
- ✓ 9M18 production volume measured by Product TRS grew 2.8% to 3.8 million tons
- ✓ 3Q18 unit cash COGS (ex-resale) fell 21.6% and 9M18 fell 9.3%, confirming the downward trend observed in 2Q18
- ✓ 3Q18 Adjusted EBITDA<sup>(1)</sup> amounted to R\$588 million and 9M18 amounted to R\$1.3 billion, with EBITDA Margin of 44.5% and 34.0%, respectively
- ✓ R\$173 million non-recurring P&L impact due to payment to the historical Santelisa Vale shareholders of the resources received from lawsuits against IAA (Instituto do Açúcar e do Alcool)

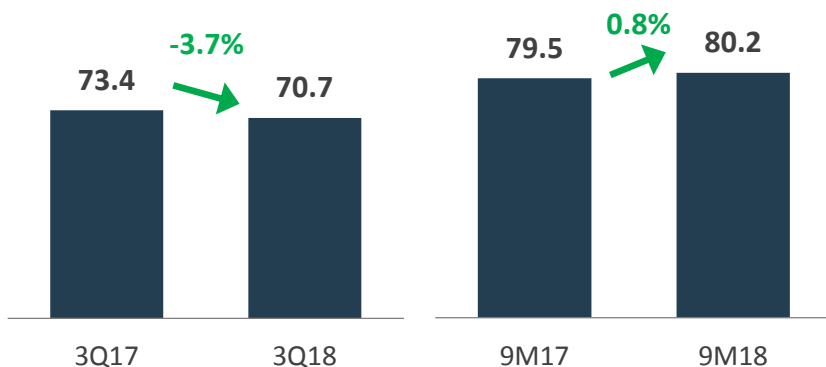
## Unit Cash COGS (R\$/ton TRS sold)



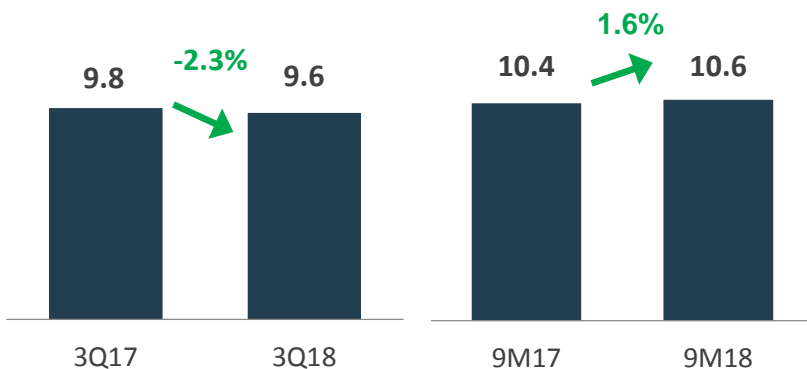
(1) Excludes effects from resale operations and from hedge accounting on foreign currency denominated debt (HACC) and non-recurring effects

# +2.8% production volume growth boosted by TRS and higher industrial efficiency

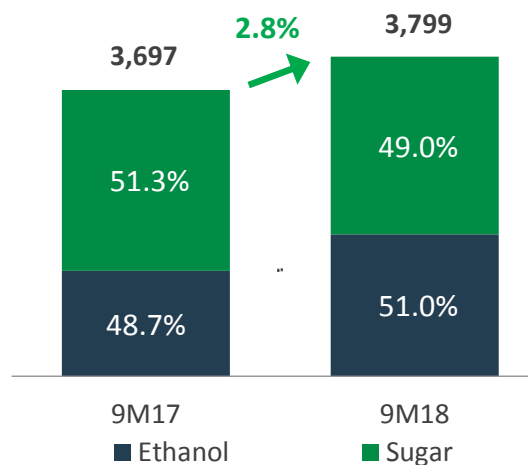
TCH (Ton of Cane / ha)



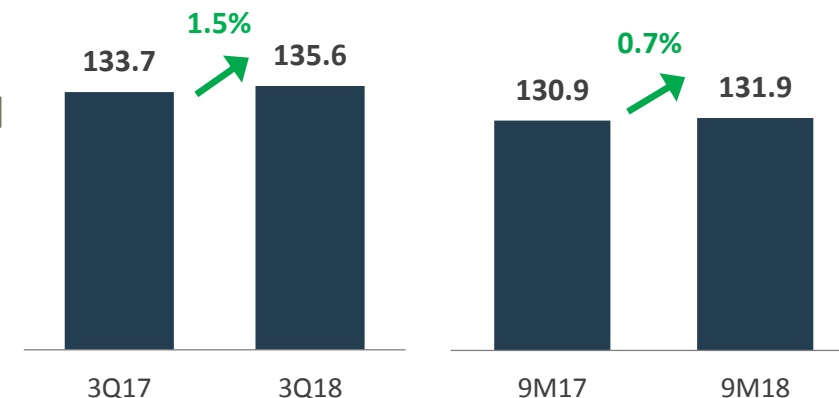
TSH (Ton of Sugar / ha)



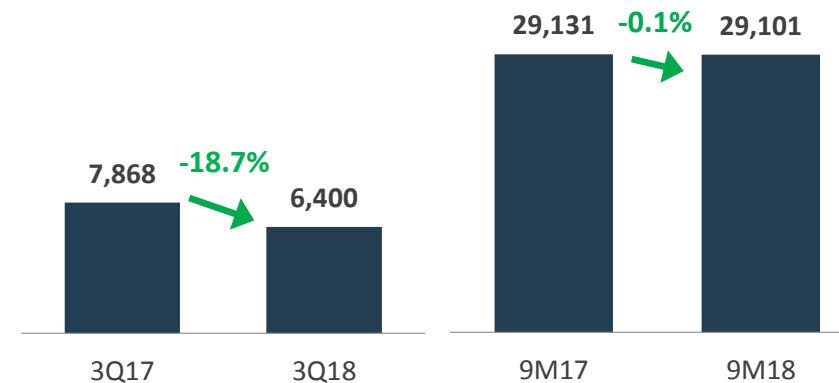
Production Mix (%) & TRS Product ('000 tons)



Cane TRS (kg / ton)

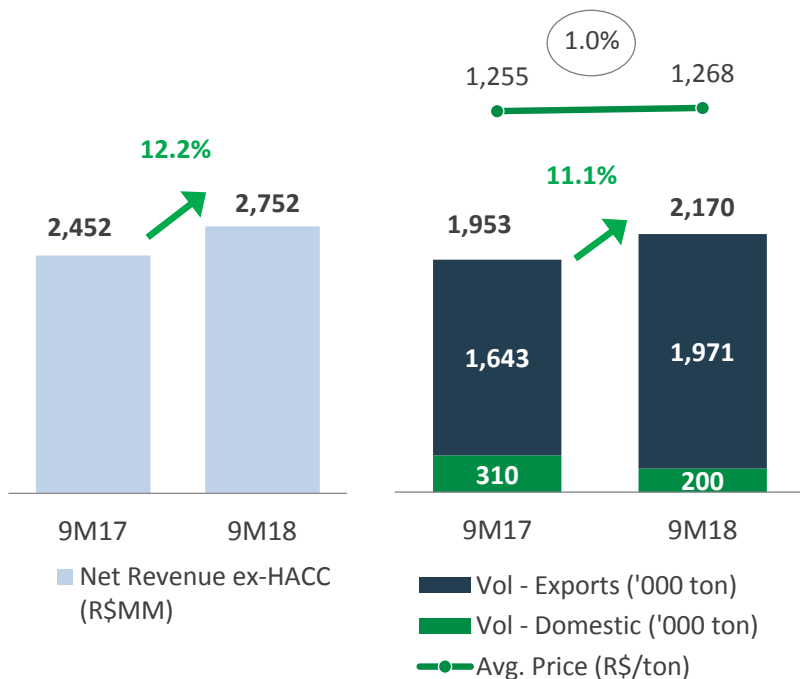


Crushing (million ton)

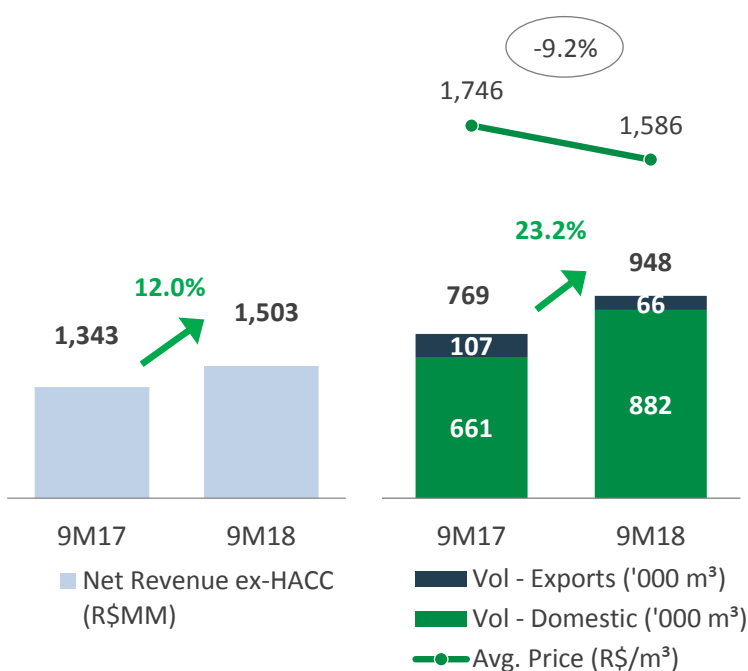


# Higher revenue in all product lines

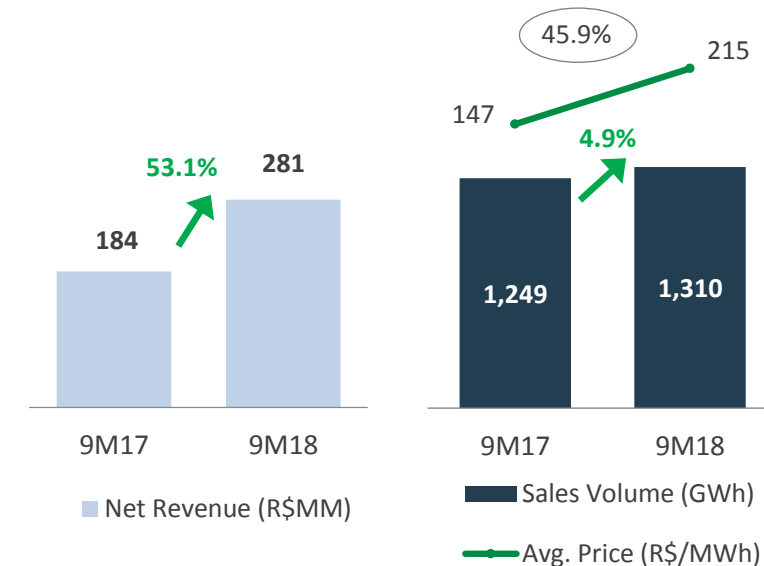
## Sugar Net Revenue<sup>1</sup> Breakdown



## Ethanol Net Revenue<sup>1</sup> Breakdown



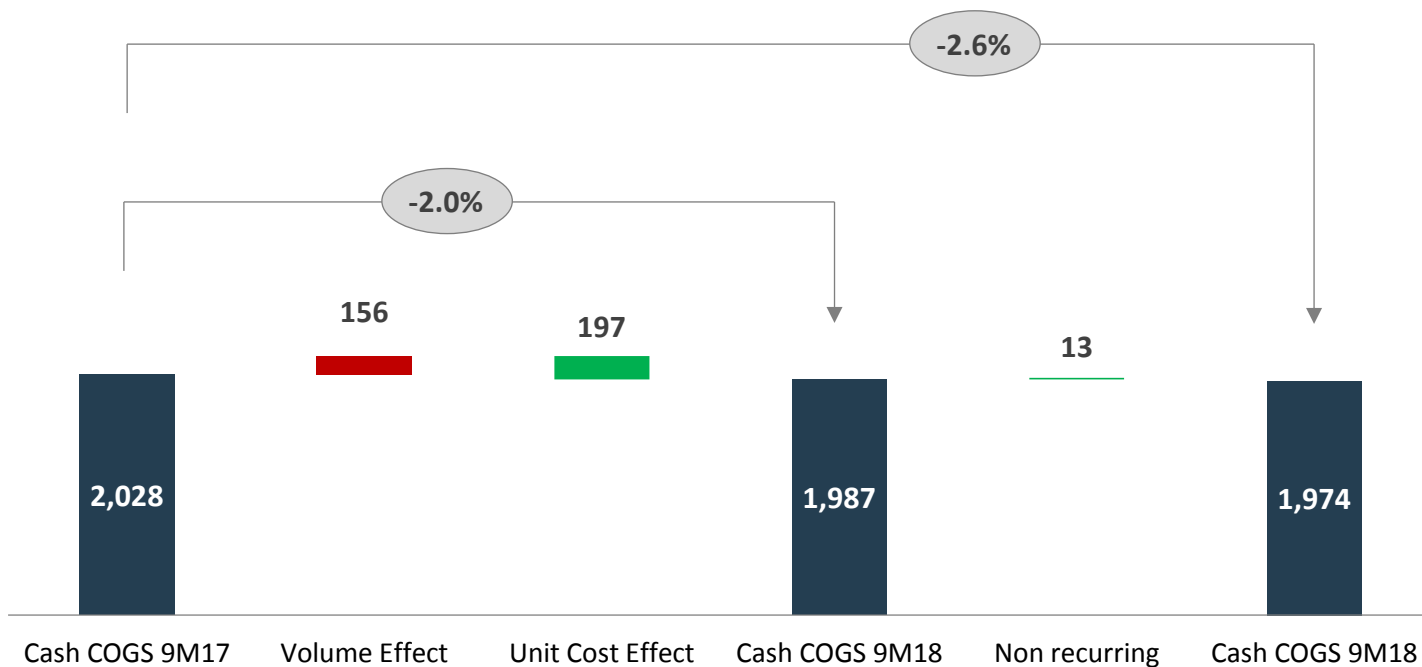
## Cogeneration Revenue Breakdown



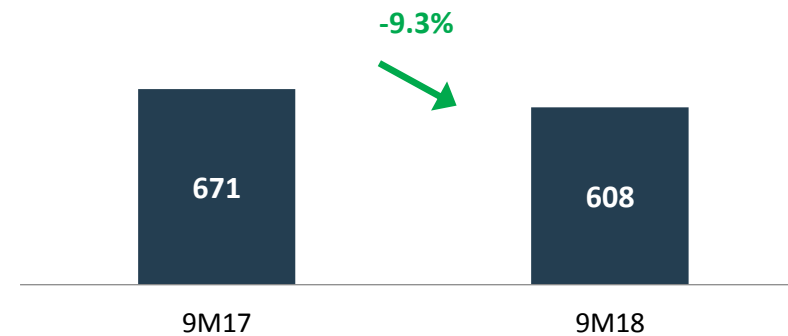
- 12% sugar revenue growth boosted by higher prices (+1%) and sales volume (+11%)
- 12% ethanol revenue increase due to higher volume (+23%) partially offset by lower prices (-9%)
- 53% cogen revenue growth impacted by higher prices (+46%) and volumes (+5%)

# Cash COGS down ~3% and unit costs down ~9%

Cash COGS ex-resale (R\$MM)



Cash COGS ex-resale (R\$/ton TRS sold)

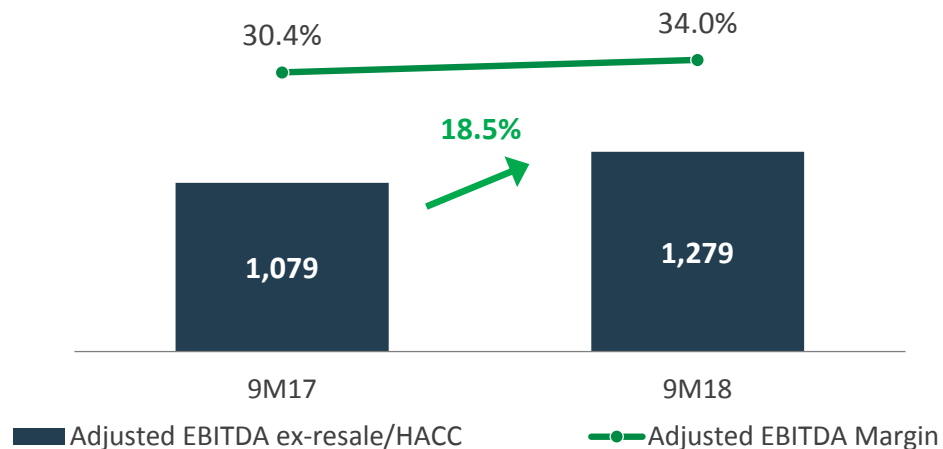


- Improvement reflects the reduction of operating costs, as a result of the on-going process to optimize costs and streamline organizational structures
- R\$13 million non-recurring costs associated with the ongoing streamlining of organizational structures

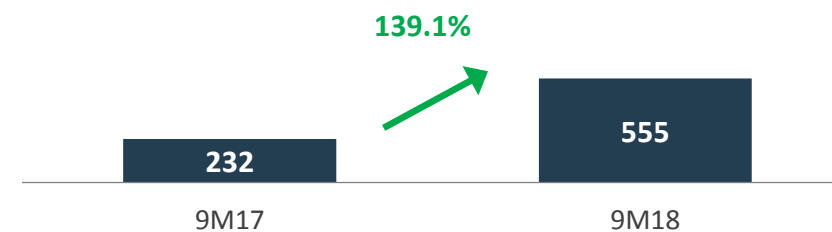


# +139% increase in EBITDA minus CAPEX

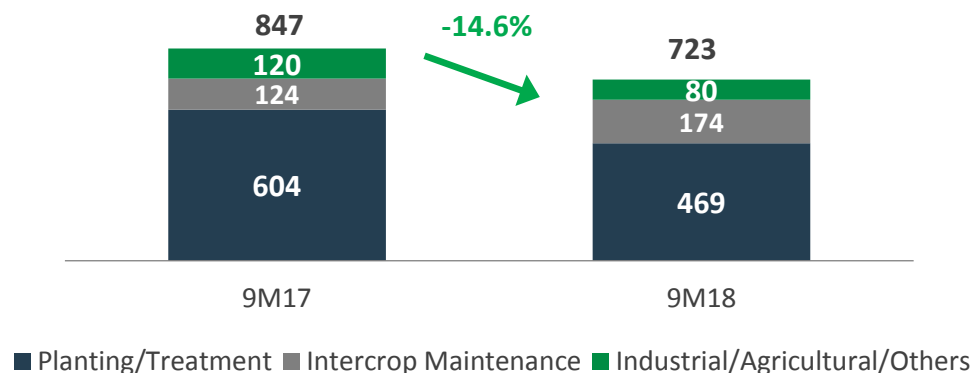
## Adjusted EBITDA<sup>(1)</sup> (R\$MM) & EBITDA Margin (%)



## Adjusted EBITDA<sup>(1)</sup> - CAPEX<sup>(2)</sup> (R\$MM)



## CAPEX<sup>(2)</sup> (R\$MM)



(1) Excludes effects from resale operations and from hedge accounting on foreign currency denominated debt (HACC) and non-recurring effects

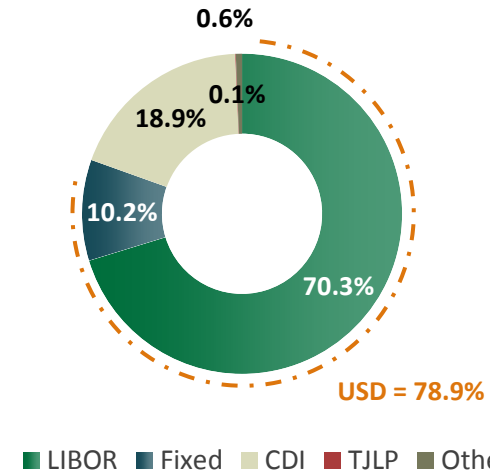
(2) Recurring CAPEX: excludes R\$9 million non-recurring items from the ongoing streamlining of the company's operational and organizational structures

# EBITDA increase favors financial leverage reduction

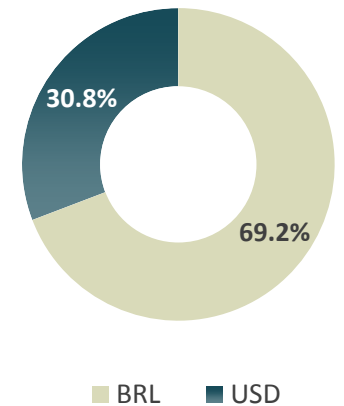
Debt (R\$MM)	Dec -17	Sep -17	Chang. (%)
Short-Term	2,098	2,126	-1.3%
Long-Term	3,355	3,306	1.5%
<b>Gross Debt</b>	<b>5,453</b>	<b>5,432</b>	<b>0.4%</b>
Cash & Short-term Investments	(407)	(497)	-18.1%
<b>Net Debt</b>	<b>5,046</b>	<b>4,934</b>	<b>2.3%</b>
Net Debt / Adjusted EBITDA	3.4x	3.8x	-

- Gross debt stood virtually in line, reflecting the net amortizations of R\$219 million, which was partially offset by the positive impact of R\$183 million from FX variation
- Reduction in cash levels reflects net debt amortizations which more than offset the positive cash flow from operations

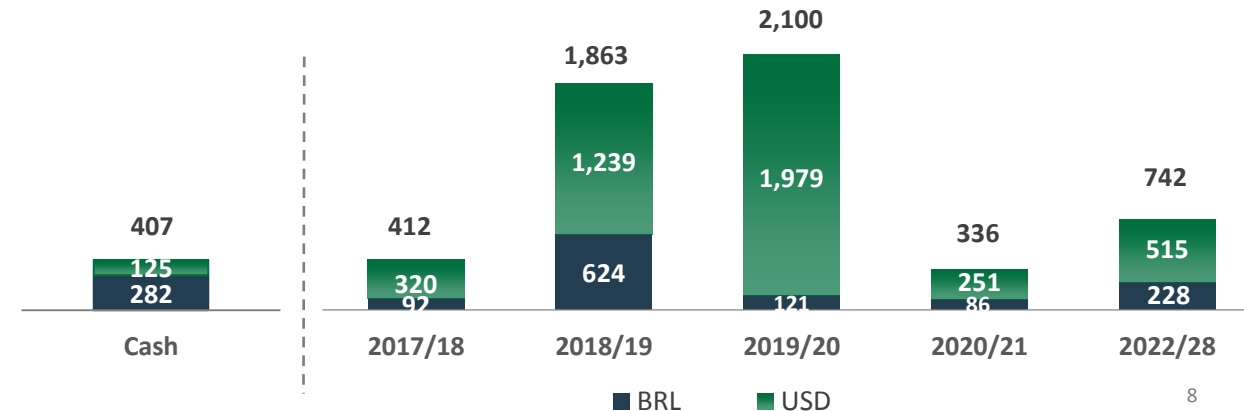
## Breakdown by Index (%)



## Cash & Short-term Investments by Currency (%)



## Cash & Amortization Schedule (R\$MM)





Biosev's guidance is as shown in the table below:

GUIDANCE	2017/18
Crushing Volume (MMt)	31.5 – 33.5
Cane TRS (kg/ton)	129.0 – 131.0
Total TRS (million tons)*	4.06 – 4.39
CAPEX (R\$MM)	1,250 +/- 90

\*Total TRS is the product of crushing volume by sugarcane TRS

Volumes & Prices Hedged at 12/31/2017		2017/18	2018/19
Sugar (#NY11)	Volume ('000 ton)	1,313	815
	Average Price (cUS\$/lb)	17.90	15.67
Currency (US\$)	US\$ Million	465	100
	Average Price (R\$/US\$)	3.577	3.521
Hedged Price (cR\$/lb)		64.02	55.18

Adding up the 4.2% Brazilian VHP polarization premium to the hedge prices shown above, Biosev's hedged prices amounted to R\$57.50 cR\$/lb\*\* for the 18/19 crop-year.

\*\*In the table above, the polarization factor was not applied to the price


Competitive platform of assets, with differentiated production scale

Agricultural development based on market's best practices

Commercial intelligence coupled with production flexibility

Debt management as a key concern

High corporate governance standards



**FOCUS ON COST  
REDUCTION AND  
COMPETITIVENESS  
INCREASE**



**THANK YOU**

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