



ENERGIA QUE  
ABASTECE O BEM

# Earnings Release

1Q22

August 10<sup>th</sup>, 2021

CONFIDENTIAL

## Legal Disclaimer

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The statements contained in this document related to business prospects, projections of operating and financial results and those related to growth prospects of FS are merely projections and, as such, are based exclusively on management's expectations about the future of the business.

These expectations depend, substantially, on market conditions, the performance of the Brazilian economy, the sectors in which the Company operates and international markets and are subject to change without prior notice.

The information contained herein does not mean and should not be interpreted as a guarantee of the Company's performance or future results.



## Highlights – 1Q22



**Net Revenue: BRL 1,294.6 million**

(+112.2% vs. 1Q21)

**EBITDA: BRL 526.2 million and 40.6% EBITDA margin**

(+208.2% vs. 1Q21)

**EBITDA / liter: 1.657**

(+BRL 1.009/liter vs. 1Q21)

**Net Income: BRL 506.6 million and 39.1% net margin**

**CAPEX: BRL 75.0 million**

(BRL 68.3 million in Growth Capex and BRL 6.7 million in Maintenance Capex)

**Net Debt / EBITDA: 1.54x EBITDA LTM**

Net Debt of BRL 2,333.4 million (-3.10x vs. 1Q21)



## Operational Highlights

### Corn Crushed

'000 tons

1Q

30.5%

595.6

777.5

1Q21

1Q22

### Ethanol Sold<sup>(1)</sup>

'000 m<sup>3</sup>

1Q

20.6%

263.2

317.5

1Q21

1Q22

### DDG Products Sold<sup>(2)</sup>

'000 Tons

1Q

36.7%

224.3

306.6

1Q21

1Q22

### Corn Oil Sold

'000 Tons

1Q

36.7%

7.6

10.4

1Q21

1Q22

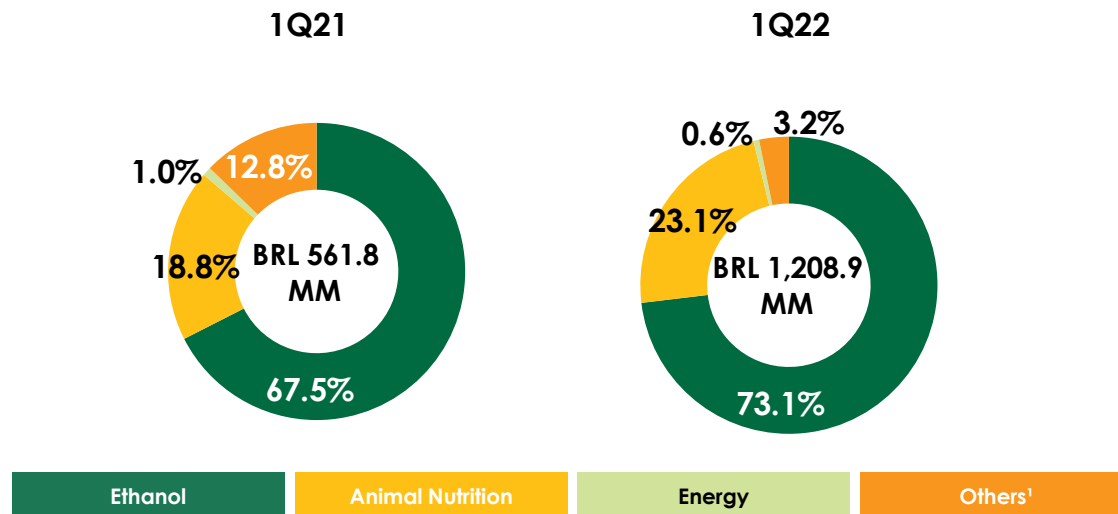
#### Notes:

1. Volume of anhydrous ethanol and hydrous ethanol combined.

2. Considers the sum of the products: DDG High protein, DDG High fiber and Wetcake.

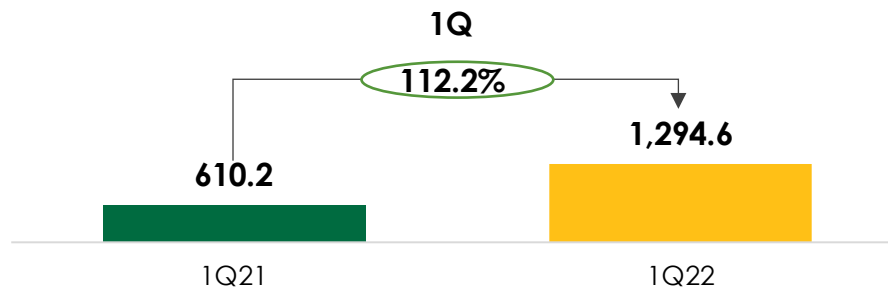
## \$ Net Revenue

### Net Revenue from Segments



### Total Net Revenue

In BRL MM

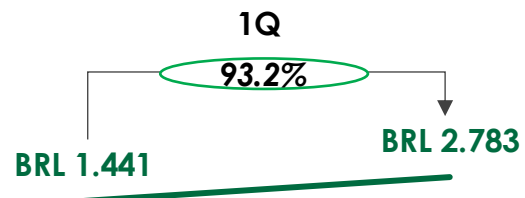


**Notes:**

1. Commercialization of corn and sales of steam

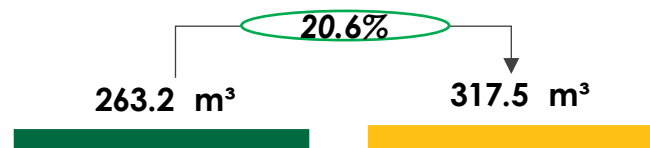
## Net Sale Price

In BRL/ltr



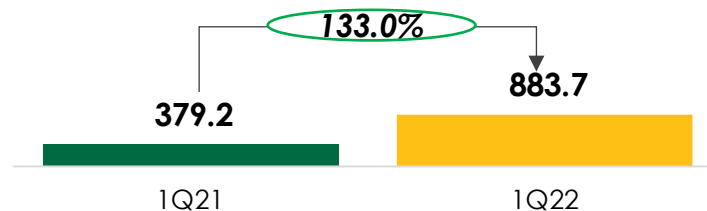
## Volume Sold

In m<sup>3</sup> thousand

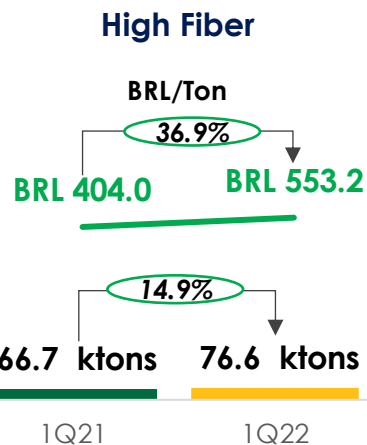
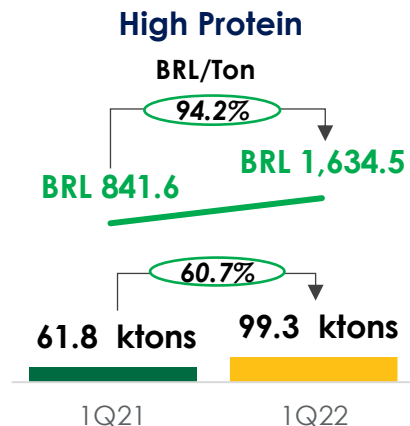


## Net Revenue Ethanol Segment

In BRL MM



# Animal Nutrition Segment



**Net Revenue  
Animal Nutrition  
Segment**  
(in BRL MM)

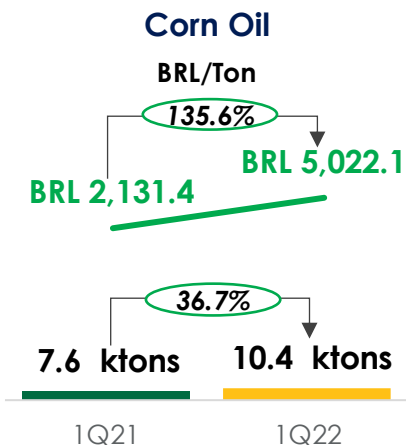
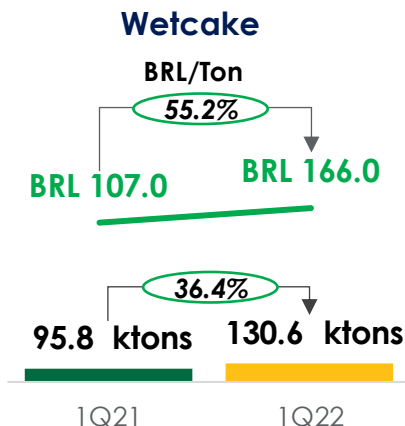
164.3%

1Q21      1Q22  
105.5      278.7

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**Coverage Ratio<sup>(1)</sup>**

1Q21      1Q22  
44.3%      55.7%



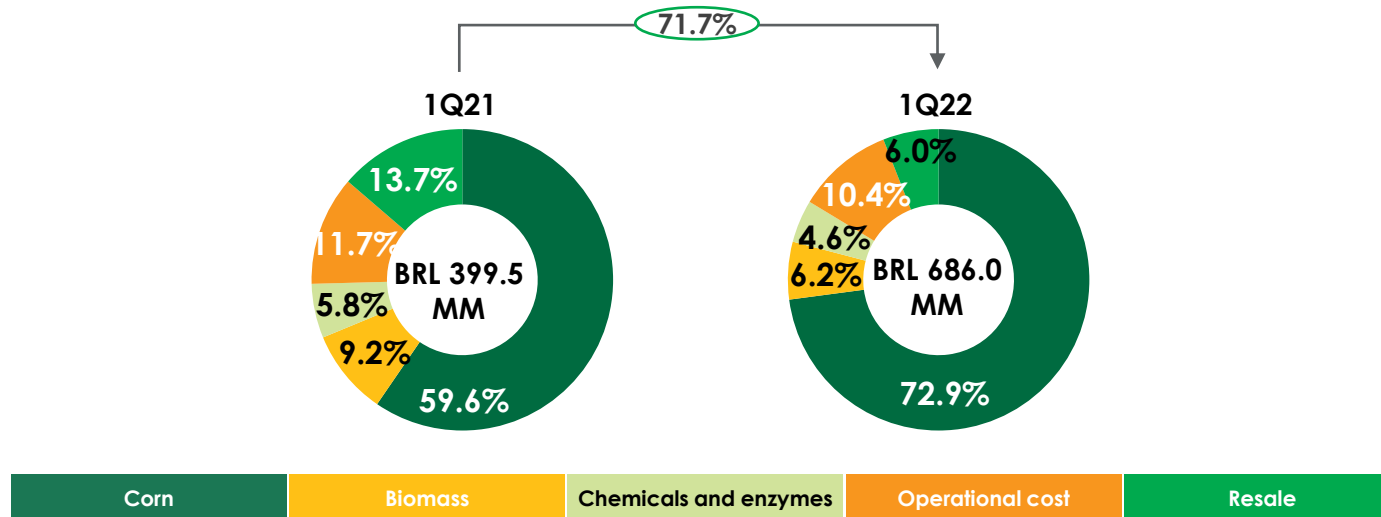
**Notes:**

1. Animal nutrition segment revenue divided by corn COGS

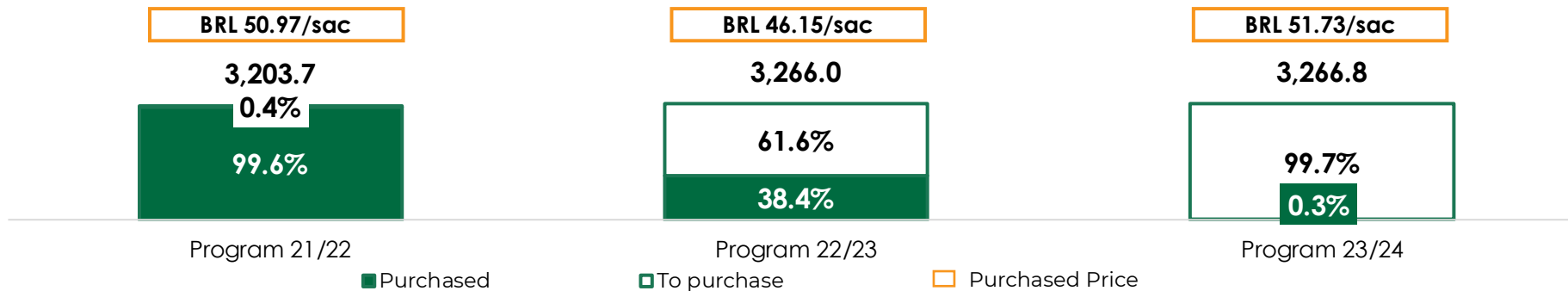


## Cost of Goods Sold

COGS



Corn  
Program<sup>(1)</sup>  
thousand tons



Notes:  
1. As of August 6<sup>th</sup>, 2021



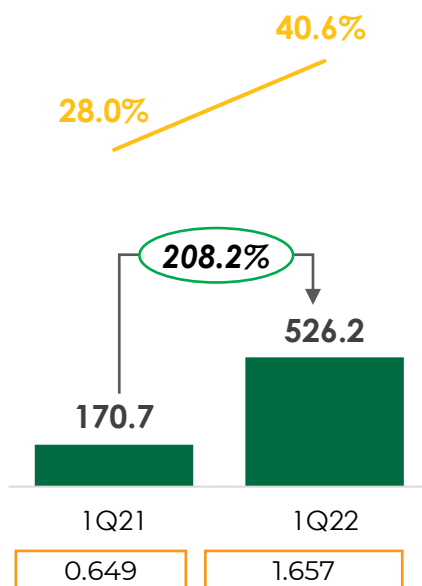


## EBITDA and Net Profit

### EBITDA Evolution

In BRL MM

1Q

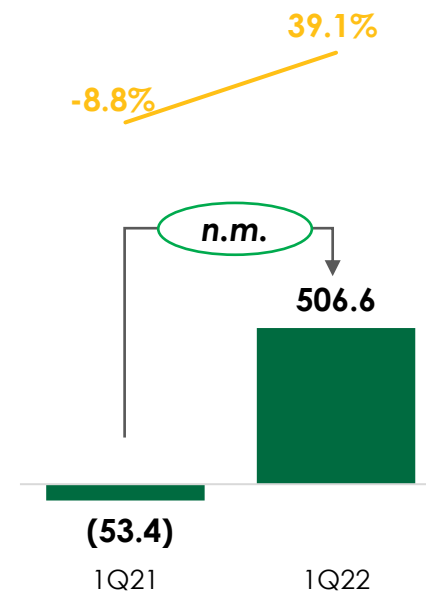


■ EBITDA    — EBITDA Margin    □ EBITDA (BRL/liter)

### Net Income Evolution

In BRL MM

1Q



■ Net Profit    — Net Profit Margin

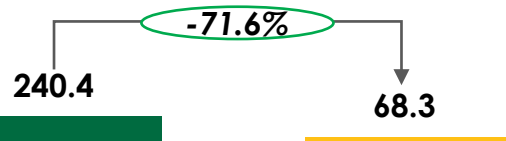


# Capex

1Q

## Growth Capex

In BRL MM



## Maintenance Capex

In BRL MM

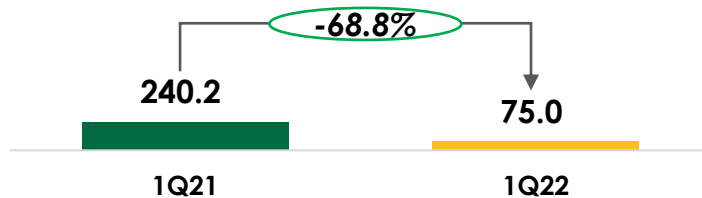


Maintenance  
Capex (BRL/liter)



## Total Capex

In BRL MM



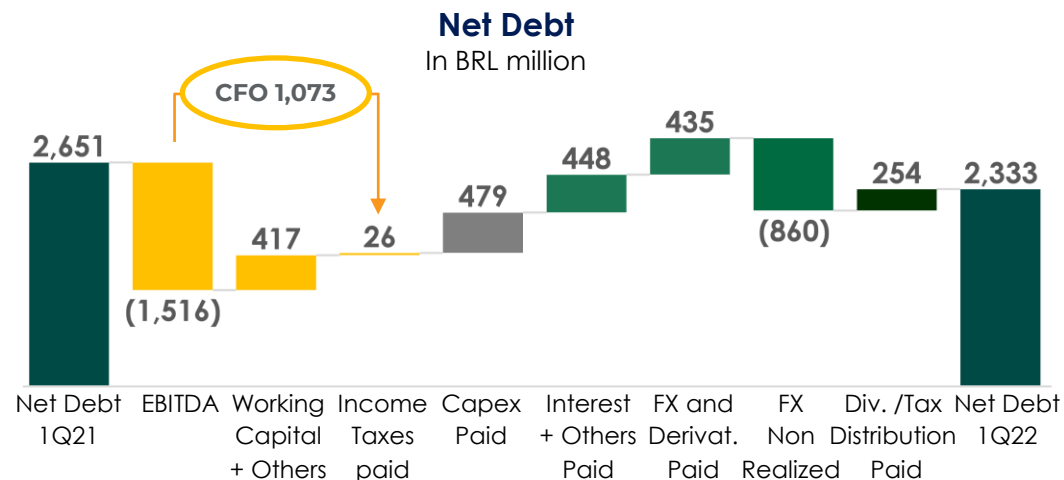


## Net Debt Evolution

Net Debt Evolution (in BRL MM)	2Q21	3Q21	4Q21	1Q22	1Q22 (LTM)
<b>Net Debt BoP</b>	<b>2,650.7</b>	<b>2,839.7</b>	<b>3,071.7</b>	<b>2,972.1</b>	<b>2,650.7</b>
EBITDA	244.1	325.1	420.1	526.2	1,515.6
Working Capital + Others	(234.5)	(574.5)	131.1	261.2	(416.8)
Income Taxes paid	-	-	-	(25.9)	(25.9)
<b>Cash Flow From Operations</b>	<b>9.6</b>	<b>(249.4)</b>	<b>551.2</b>	<b>761.5</b>	<b>1,072.9</b>
Cash Capex	(142.7)	(84.6)	(106.2)	(145.6)	(479.1)
<b>Cash Flow From Operations Minus Capex</b>	<b>(133.1)</b>	<b>(334.0)</b>	<b>445.0</b>	<b>615.9</b>	<b>593.9</b>
<b>Cash Flow From Financing Activities</b>	<b>(55.9)</b>	<b>102.0</b>	<b>(345.4)</b>	<b>22.7</b>	<b>(276.6)</b>
Interest + Others paid	(86.7)	(116.9)	(63.6)	(180.4)	(447.6)
FX and Derivatives Impact	30.8	218.8	(281.7)	457.4	425.3
Dividends Paid / Tax Distribution	-	-	-	(254.3)	(254.3)
<b>Net Debt EoP</b>	<b>2,839.7</b>	<b>3,071.7</b>	<b>2,972.1</b>	<b>2,333.4</b>	<b>2,333.4</b>
Change in Net Debt	189.0	232.1	(99.6)	(638.7)	(317.2)

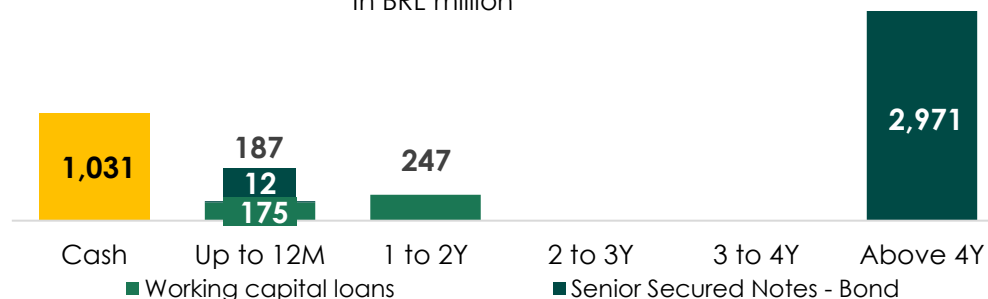


## Indebtedness



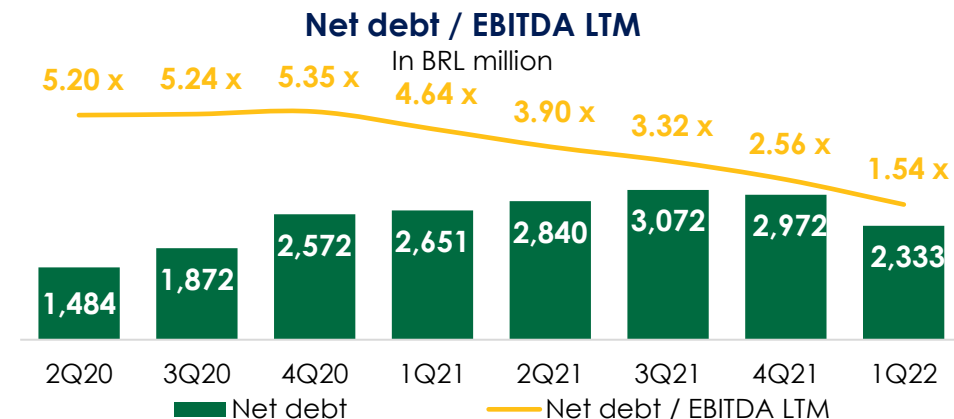
### Debt Amortization Schedule<sup>(1)</sup>

In BRL million



#### Notes:

- Does not include the impact of transaction costs.
- Issuance of USD 600.0 million Senior Secured Green Notes - Bond - Notes by the subsidiary FS Luxembourg s.à.r.l., ("FS Lux").
- Issuance of USD 594.2 million of CPRF (Cédula de Produtor Rural Financeira) by FS, in connection with the Bond issued.
- Acquisition of rights over a TRS (Total Return Swap) of USD 594.2 million - The TRS is a financial instrument agreement between FS Lux and a financial institution that mirrors the terms and cash flows of the CPRF issued by FS. The TRS amount is fully deducted from the Gross Debt in order to eliminate the duplicate debt caused by the local issuance of a CPRF.

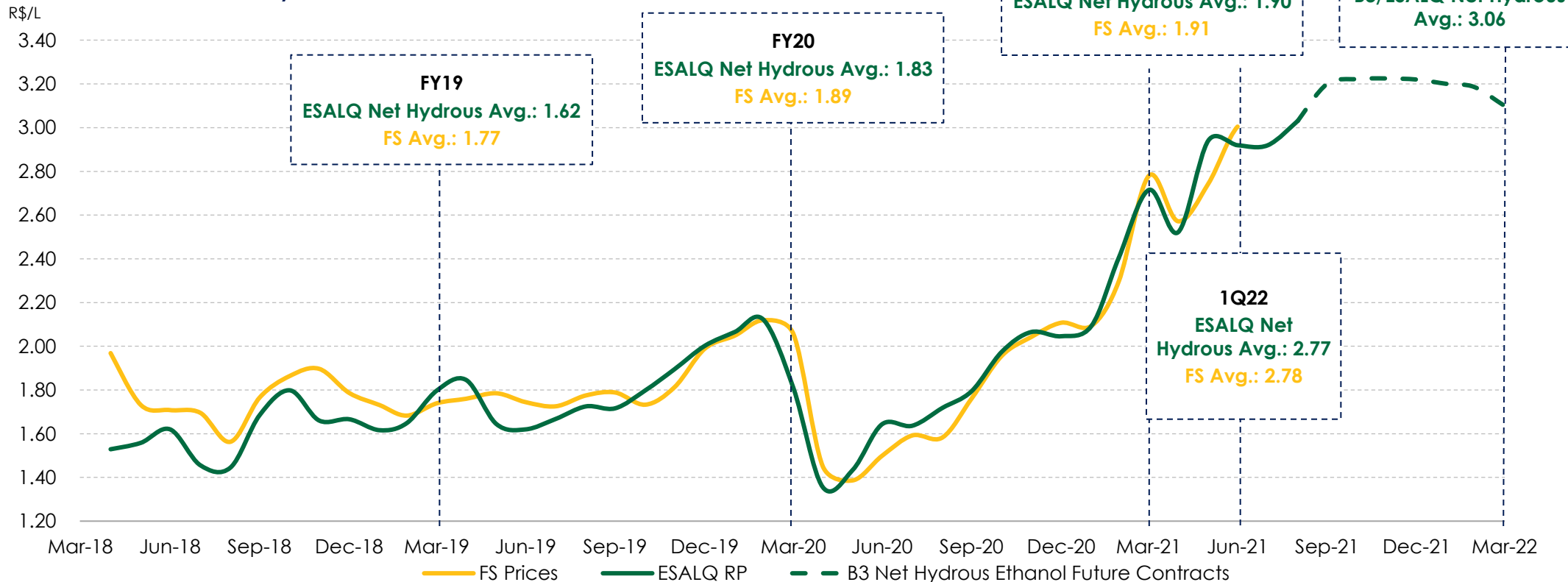


Net Debt Reconciliation (in BRL million)	1Q21	1Q22	1Q22 vs 1Q21
Bond <sup>(2)</sup> and CPRF <sup>(3)</sup>	-	5,943.1	n.m.
TRS (Total return swap) <sup>(4)</sup>	-	(2,987.2)	n.m.
Project Finance	2,659.4	-	n.m.
CRA, CRI and WC lines	887.8	408.5	(54.0%)
<b>Gross debt</b>	<b>3,547.2</b>	<b>3,364.4</b>	<b>(5.2%)</b>
Total cash (a)	896.6	4,018.1	348.2%
TRS (Total return swap) (b) <sup>(4)</sup>	-	(2,987.2)	n.m.
<b>Total cash (c) = (a)+(b)</b>	<b>896.6</b>	<b>1,030.9</b>	<b>15.0%</b>
<b>Net debt</b>	<b>2,650.7</b>	<b>2,333.4</b>	<b>(12.0%)</b>
Net debt / EBITDA	4.64 x	1.54 x	(66.8%)
Gross Debt – USD (%)	75.8%	36.6%	(39.2 p.p.)
Gross Debt – BRL (%)	24.2%	63.4%	39.2 p.p.



## Our Ethanol Net Prices Have Closely Followed ESALQ Hydrous Ribeirão Preto

FS Net Prices vs. ESALQ Net Hydrous Ribeirão Preto Prices

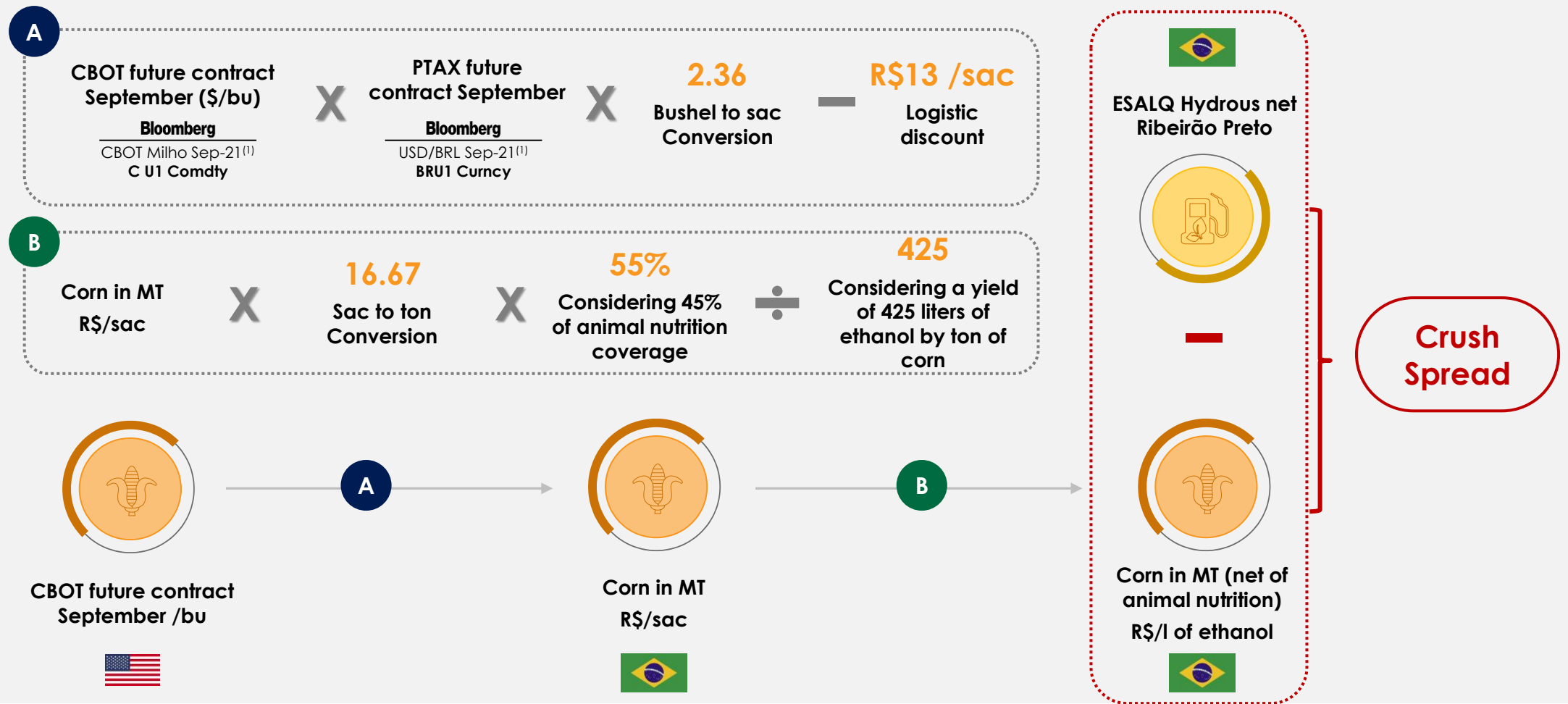


Source: FS Estimates, CEPEA ESALQ, B3

**Notes:**

1. As of August 06<sup>th</sup>, 2021

# Crush Spread Calculation



## Notes:

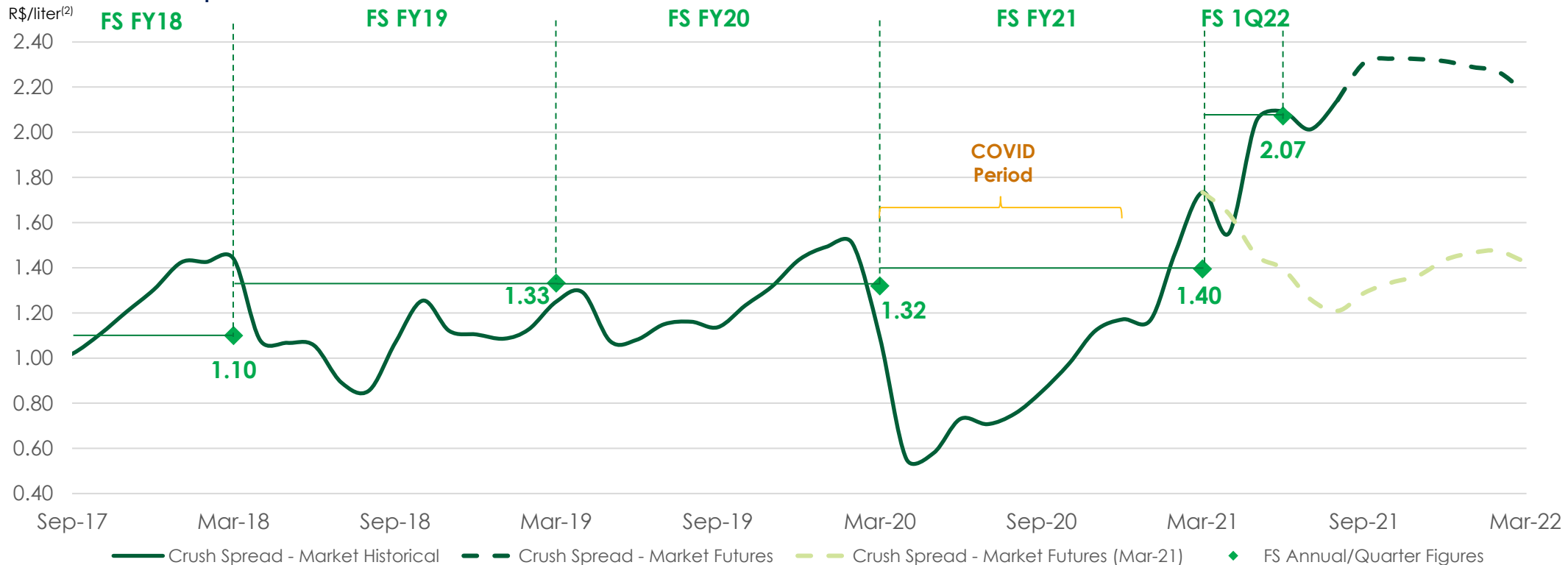
1. September 2021 futures contracts are used from June 2020 until May 2021. From June 2021, 2022 contracts will be used (C U2 Comdty and BRU1 Curncy, for CBOT and PTAX, respectively)



# Ethanol vs. Corn Prices: Favorable Crush Spread Dynamics

## Favorable Crush Spread Dynamics

### Corn Ethanol Crush Spread<sup>(1)</sup>



Source: Bloomberg, ESALQ, Brazilian Central Bank (as of August 6<sup>th</sup>, 2021)

#### Notes:

1. Calculation as detailed on previous page
2. Assumes 425 ton/liter of corn for the conversion from sacs to liters

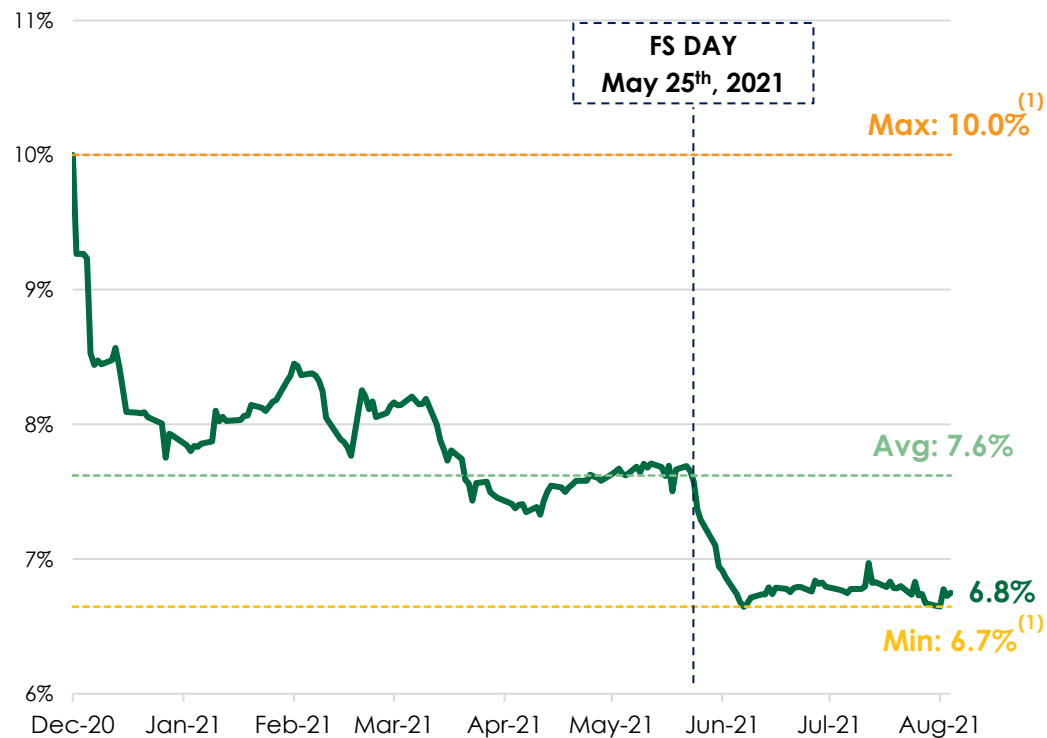


## Bond Performance

### \$600MM FS 2025 Bond Secondary Market Performance as of August 6<sup>th</sup>, 2021

#### FS 2025 Yield

YTM (%) | FS LUX SARL 25 USD BMRK



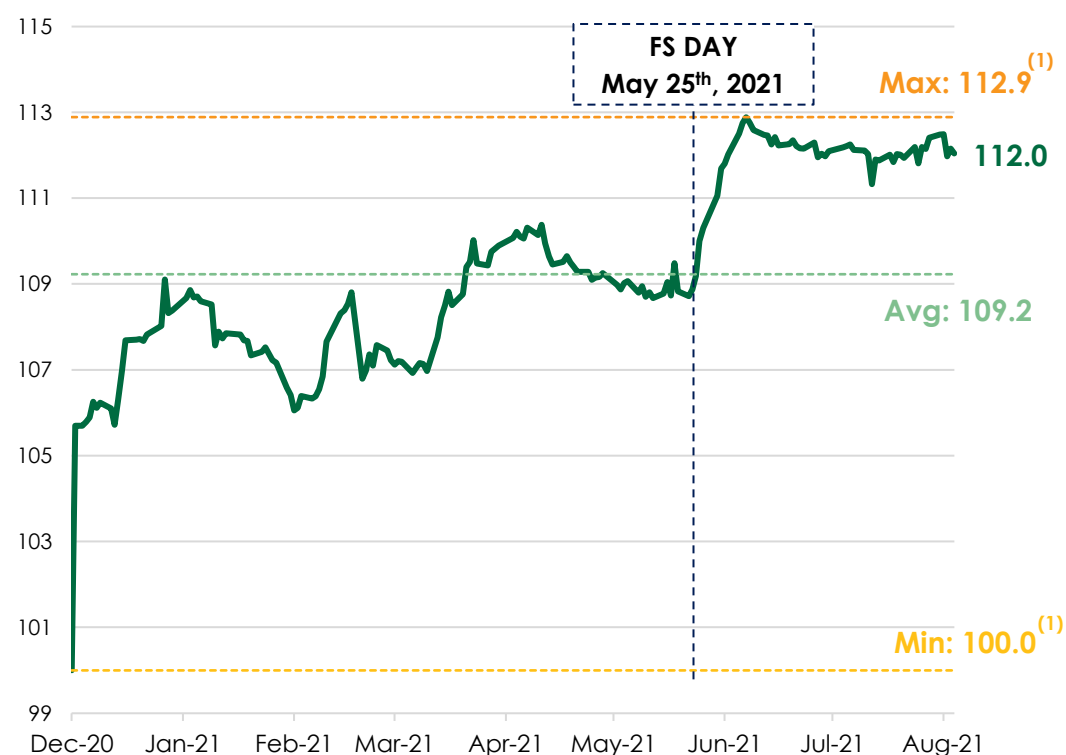
Source: Bloomberg

#### Notes:

1. Considers closing prices of each day

#### FS 2025 Price

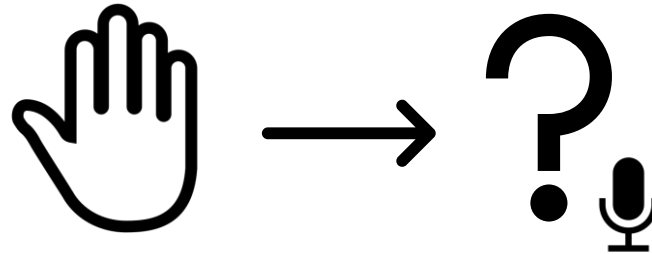
Price (\$) | FS LUX SARL 25 USD BMRK



## ? Questions & Answers

Raise hands at ZOOM app and wait to be invited to open microphone and ask

Q&A – FS Earnings Call 1Q22





## Investor Relations Contacts



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