



Fueling  
Sustainability

# FS Earnings Release 3Q24 and 9M24

February 29<sup>th</sup>, 2024

## 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.



## 3Q24 and 9M24 Earnings Release Schedule



**Alex Borges**

*EVP Commercial and  
Finance*



**Daniel Gushi**

*CFO and IRO*

EARNINGS RESULTS

Q&A SESSION



## Highlights | 3Q24



**Net Revenue: BRL 2,277.0 million in 3Q24** (+20.4% vs. 3Q23)

**EBITDA: BRL 174.6 million in 3Q24** (-66.4% vs. 3Q23) and 7.7% EBITDA margin (-19.8 p.p. vs. 3Q23). **EBITDA / liter: 0.292 in 3Q24** (-79.6% vs 3Q23)

**Net loss: BRL 114.7 million in 3Q24**, with -5.0% of net margin

**CAPEX: BRL 121.7 million in 3Q24**

**Net Debt / EBITDA: 4.12x EBITDA LTM** (+2.11x vs. 3Q23)  
Net Debt of BRL 5,185.4 million (+2.3% vs. 3Q23)

In Dec'23 and Jan'24, we issued **two unsecured CRAs** in total amount of **BRL 1.9 billion**, both in four series, with 5 and 6.5 years maturity and average cost of CDI+2.22% p.a.

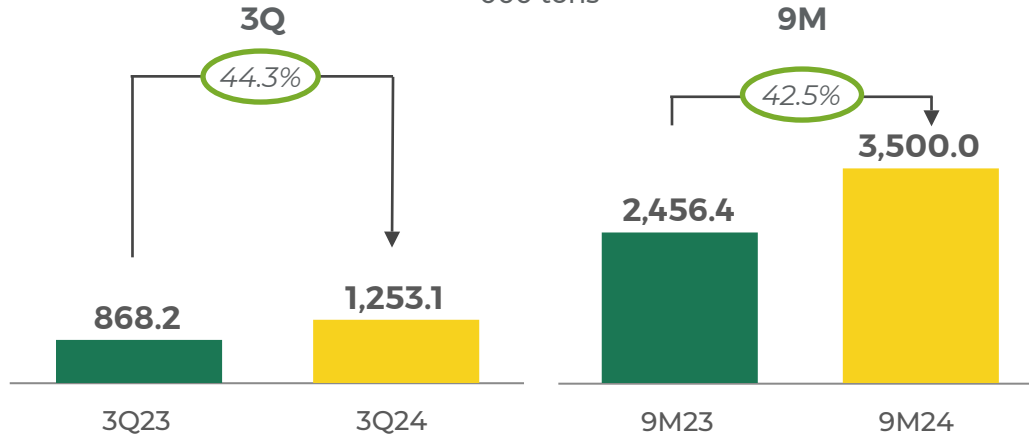
### In February 2024:

- Issuance of a 7-year unsecured Green Bond of **USD 500.0 million**;
- Conclusion of the Tender Offer of 2025 Green Bond repurchasing USD 315.5 million, reducing the outstanding principal to **USD 130.9 million**;
- First direct disbursement with BNDES of **BRL 359.2 million**.

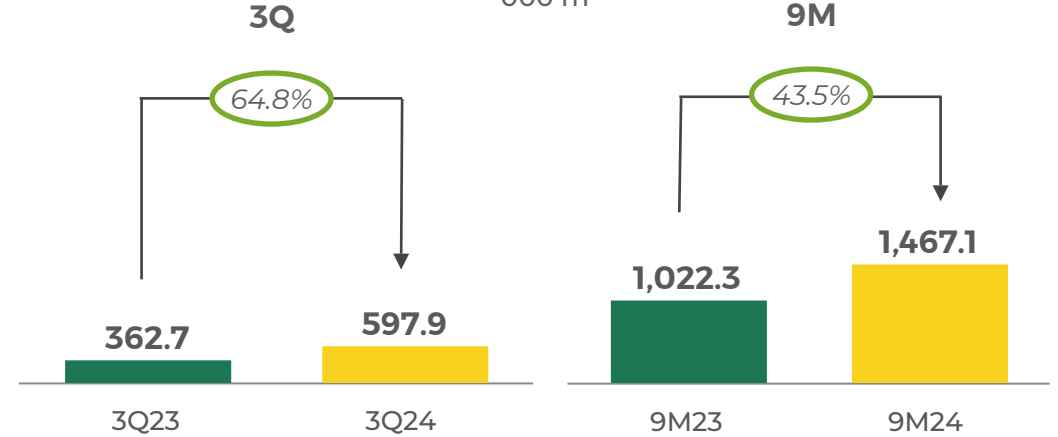


# Operational Highlights

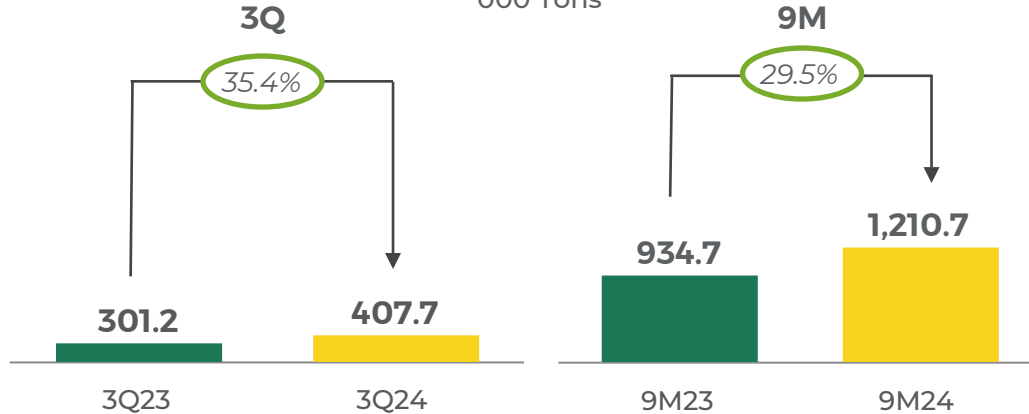
### Corn Crushed '000 tons



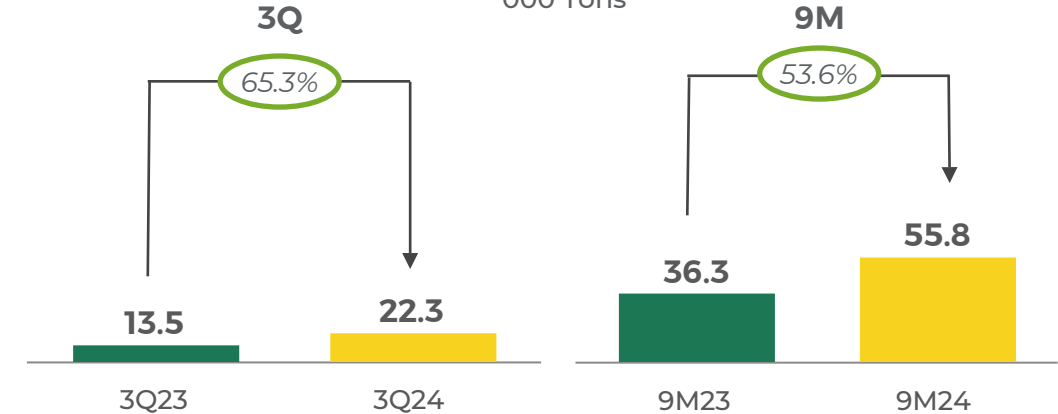
### Ethanol Sold<sup>(1)</sup> '000 m<sup>3</sup>



### DDG Products Sold<sup>(2)</sup> '000 Tons



### Corn Oil Sold '000 Tons



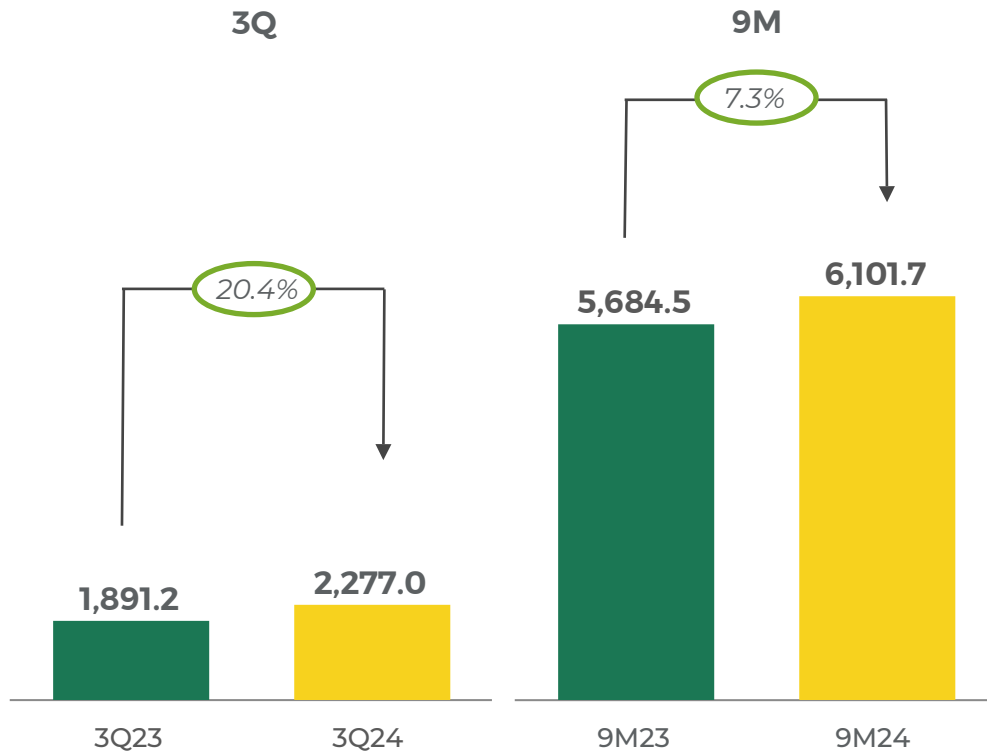
**Notes:**

- 1. Volume of anhydrous ethanol and hydrous ethanol combined.
- 2. Considers the sum of the products: DDG high protein, DDG high fiber and Wetcake.

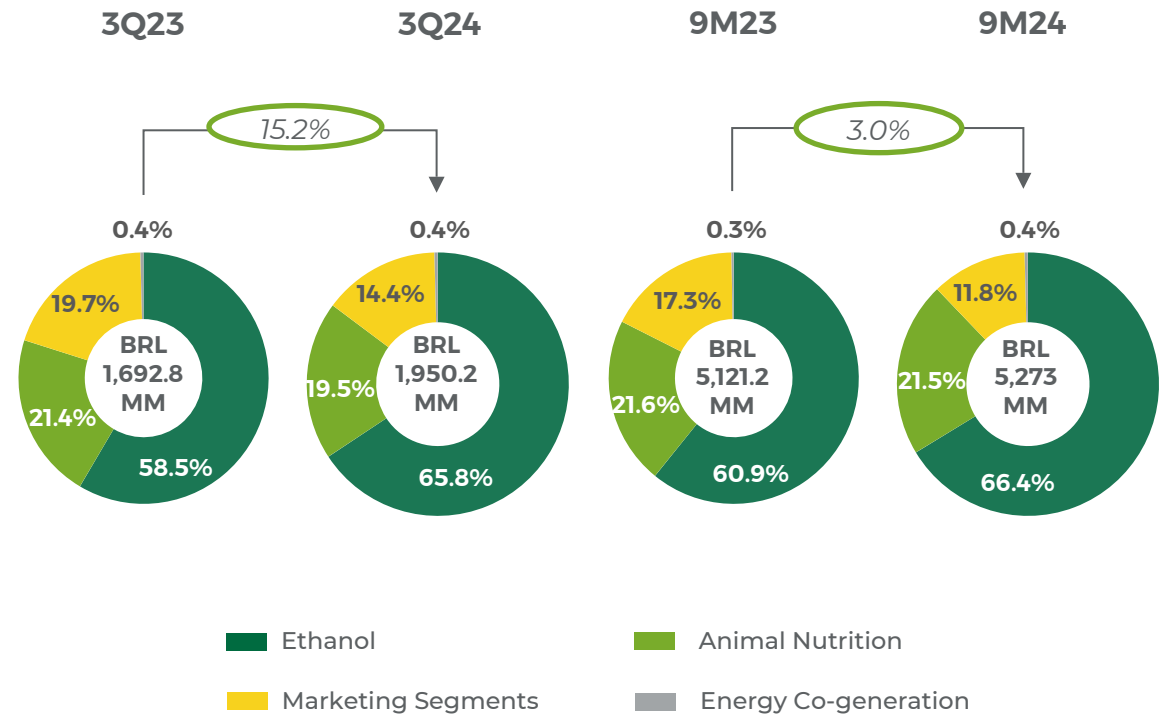
# \$ Net Revenue

## Total Net Revenue

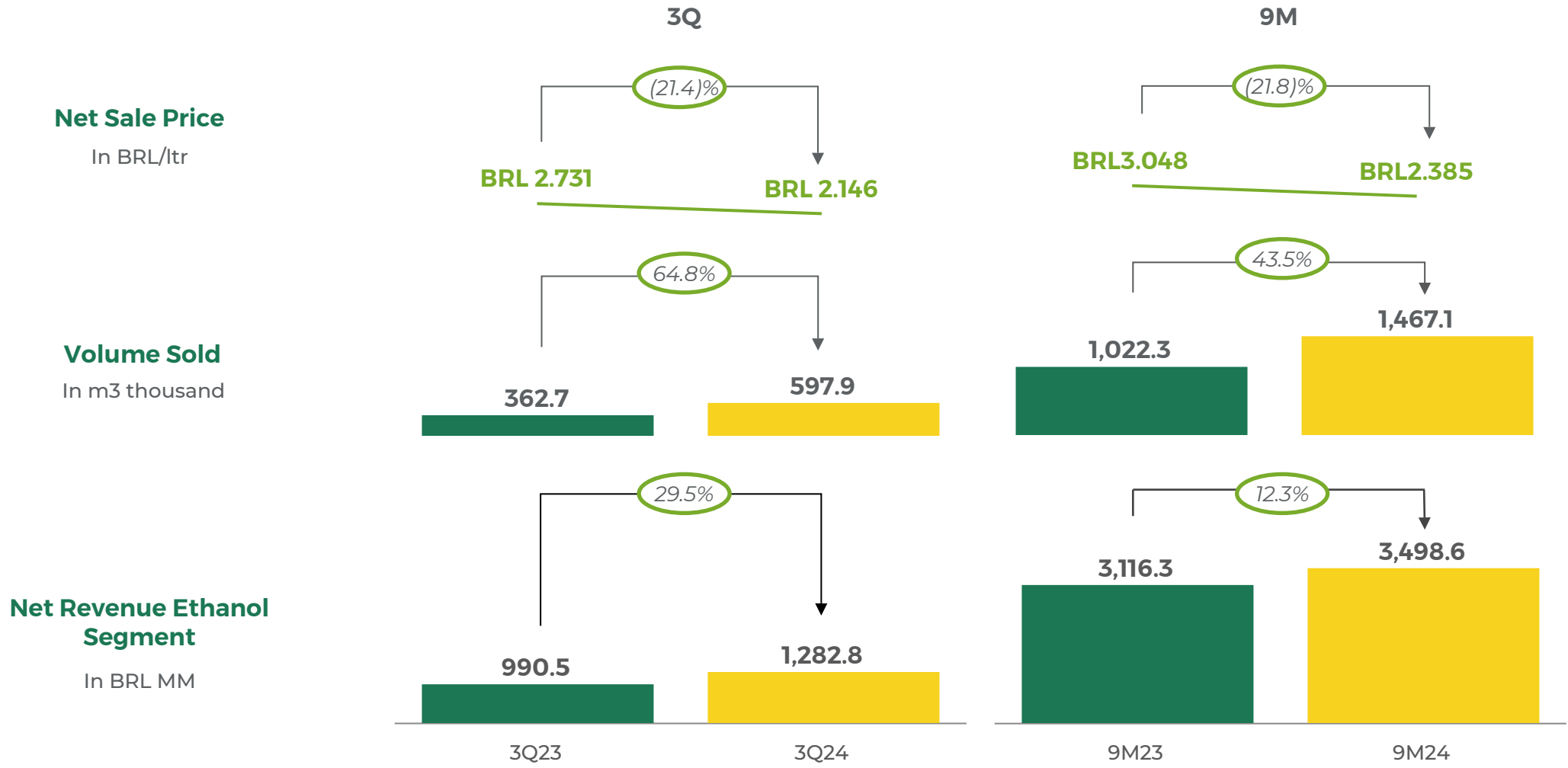
In BRL MM



## Net revenue from Segments



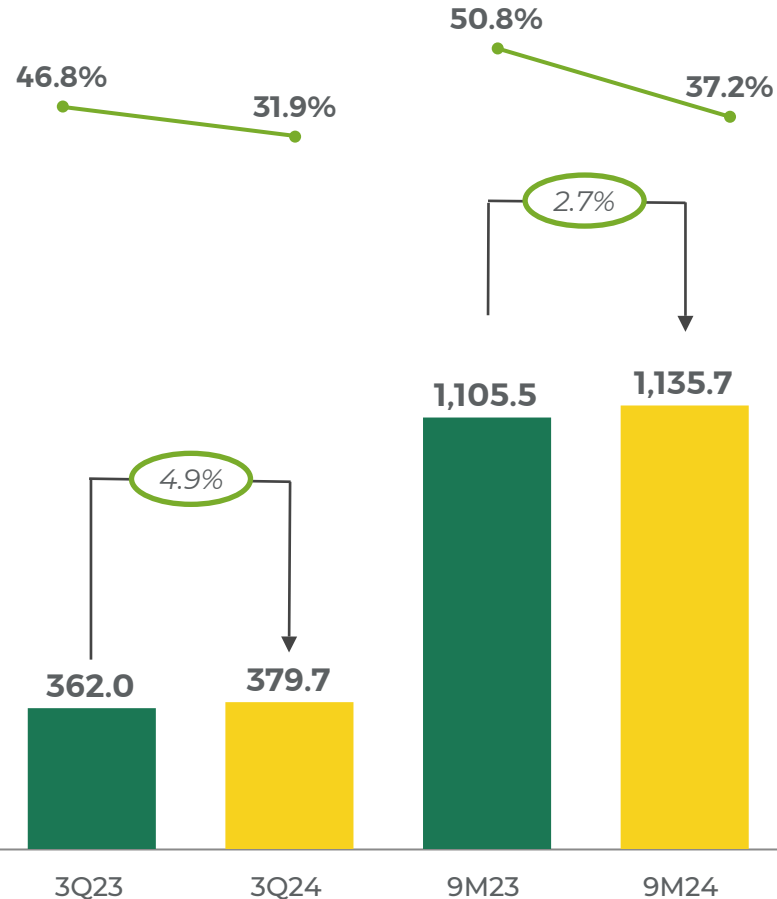
# Ethanol Segment



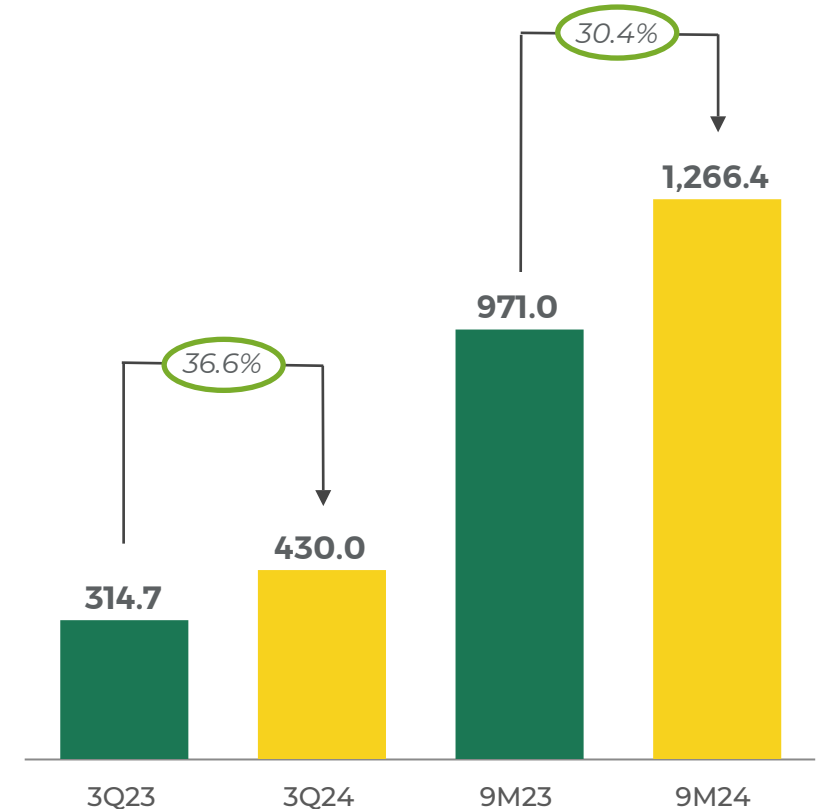


# Animal Nutrition Segment

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



## DDGs<sup>(2)</sup> + Corn Oil Volume Sold In thousand tons

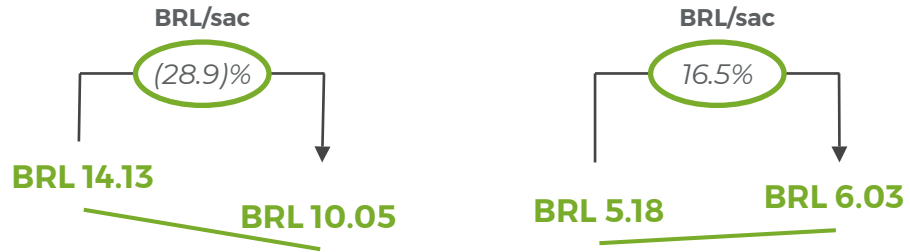


### Notes:

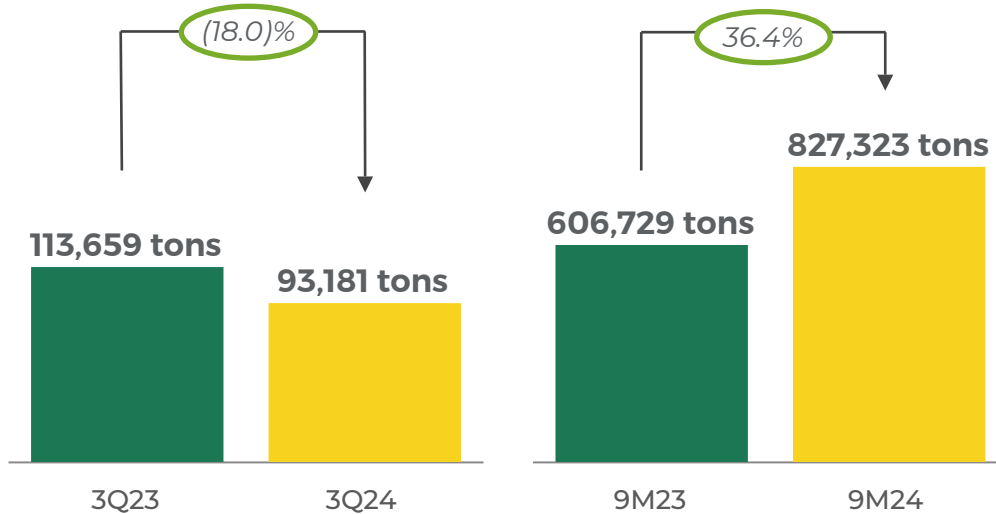
1. Animal nutrition segment revenue + P&L corn marketing divided by corn COGS
2. Considers the sum of the products: DDG high protein, DDG high fiber and Wetcake.



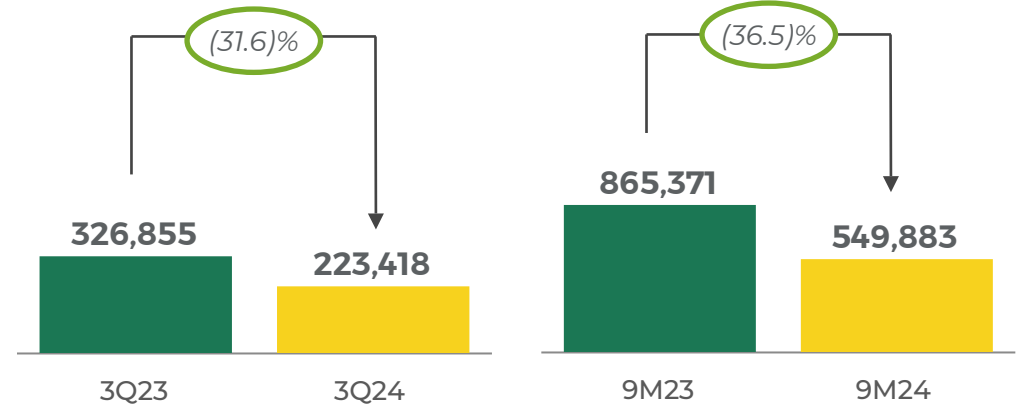
## Spread per sac



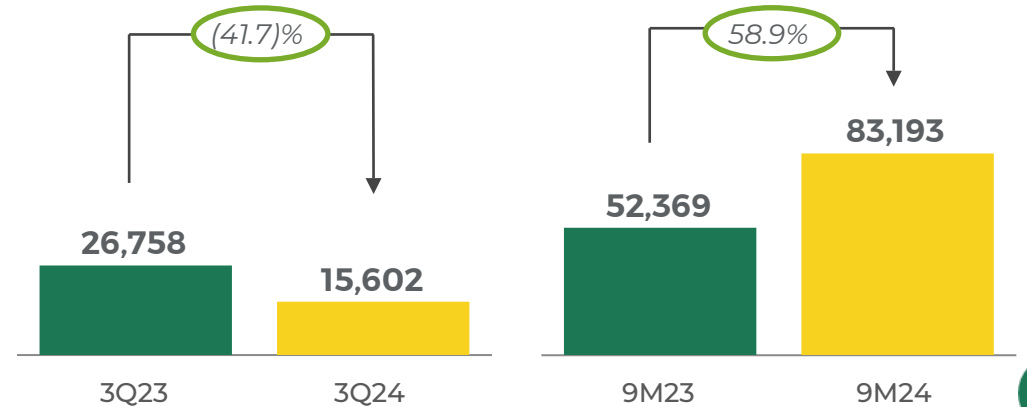
## Total Volume



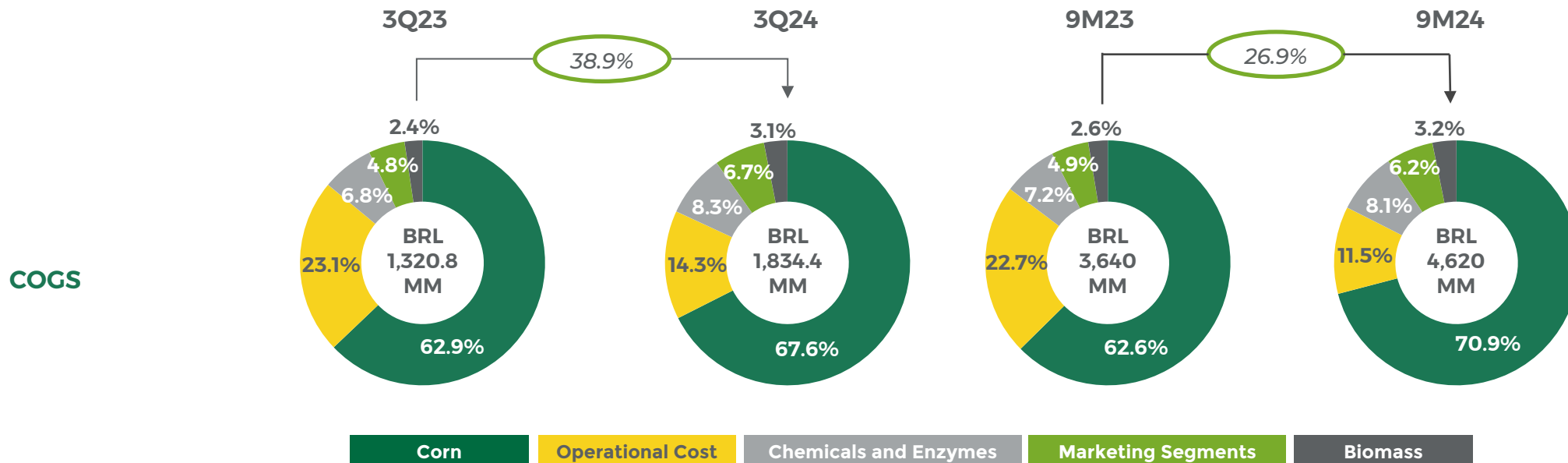
## Net Revenue



## P&L Total

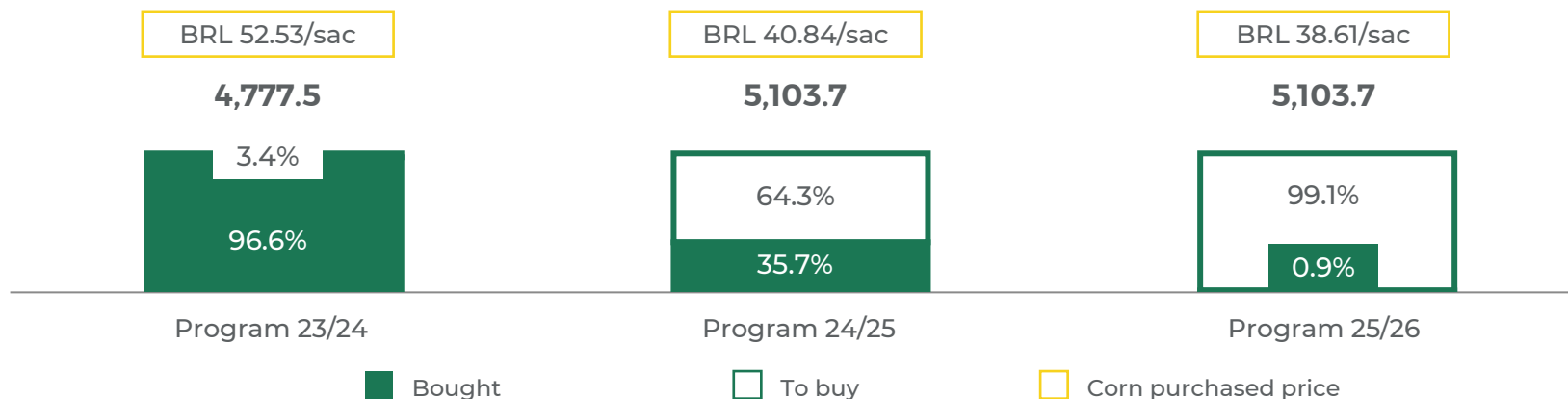


# Cost of Goods Sold



## Corn Program<sup>(1,2,3)</sup>

thousand tons

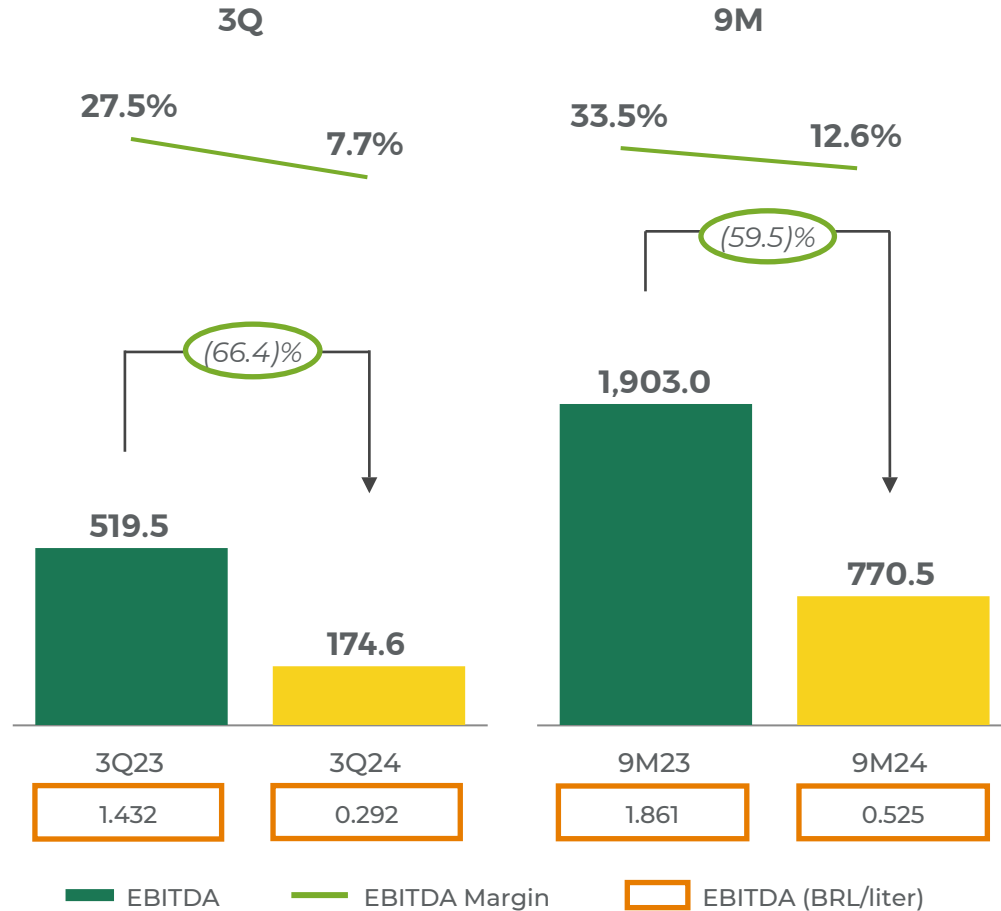


Notes:  
 1. As of February 21st, 2024.  
 2. The price per sac does not consider warehouse and freight costs.  
 3. The programs consider the need for the future plant of Primavera do Leste.

# \$ EBITDA and Net Profit

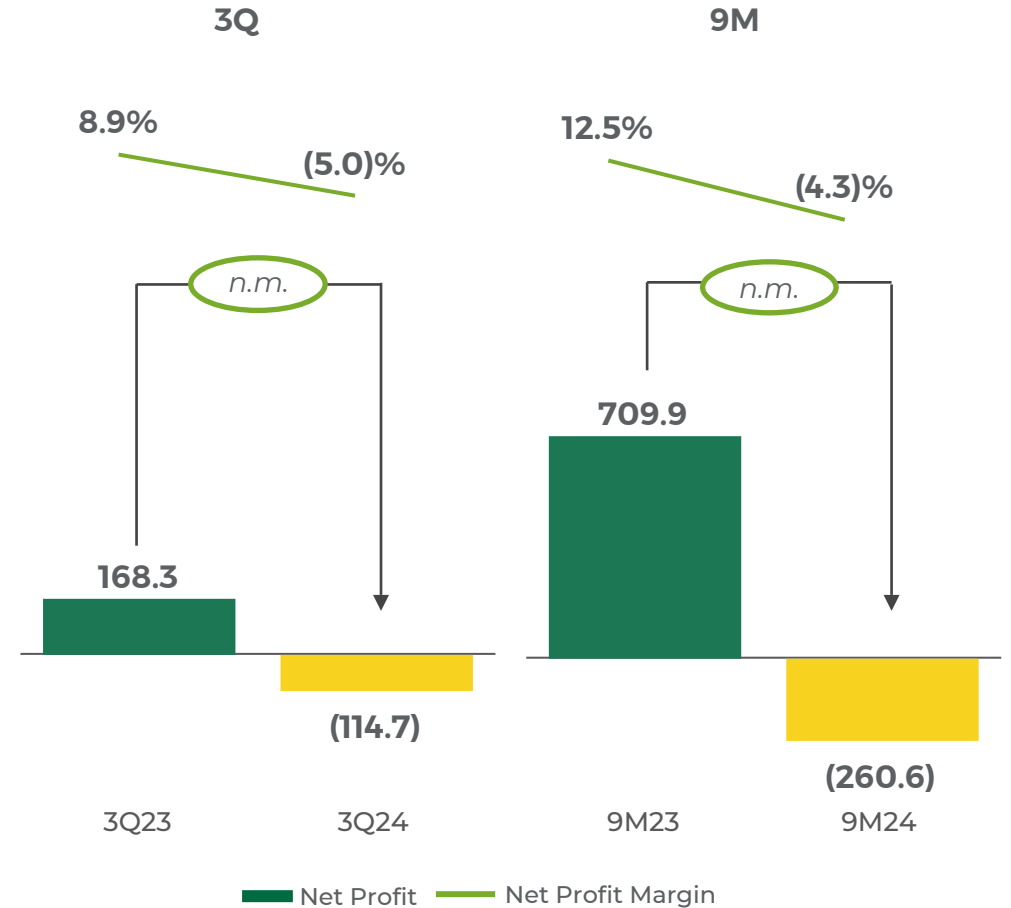
## EBITDA Evolution

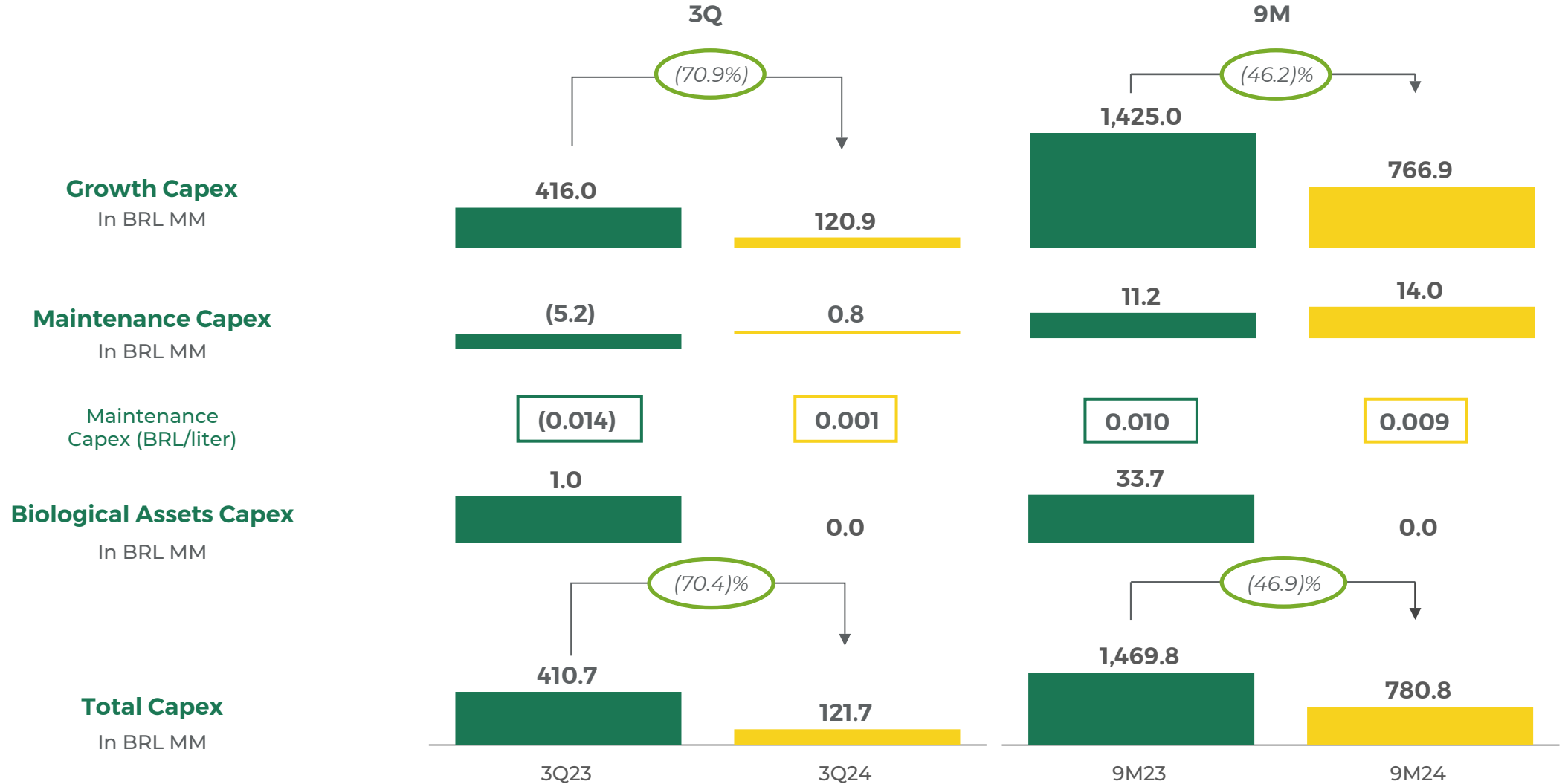
In BRL MM



## Net Profit (Loss) Evolution

In BRL MM







# Cash Flow Statement

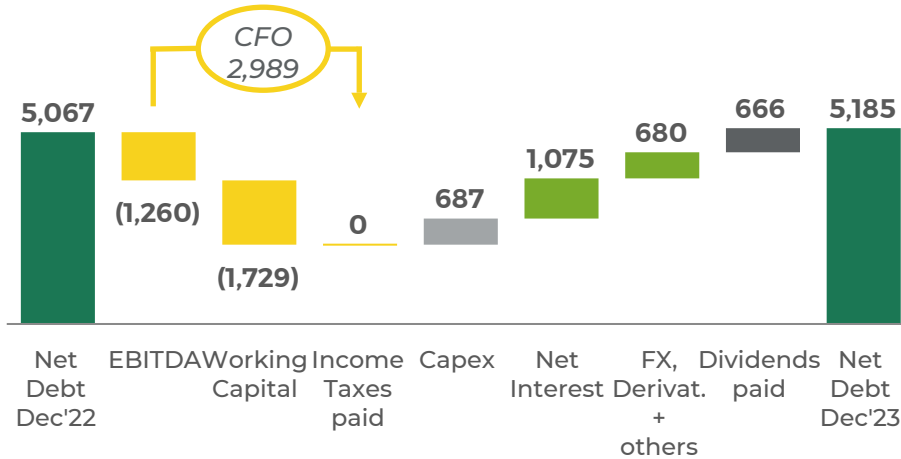
<b>Net Debt Evolution</b> <i>(in BRL MM)</i>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>	<b>3Q24 LTM</b>
<b>Net Debt BoP</b>	<b>5,066.5</b>	<b>4,842.1</b>	<b>5,034.4</b>	<b>4,945.8</b>	<b>5,066.5</b>
EBITDA	489.2	377.1	218.8	174.6	1,259.7
Working Capital	256.1	1,117.7	(8.5)	294.6	1,659.9
Income Taxes paid	—	—	—	—	—
<b>Cash Flow From Operations</b>	<b>745.2</b>	<b>1,494.8</b>	<b>210.3</b>	<b>469.2</b>	<b>2,919.6</b>
Cash Capex	(97.7)	(332.6)	(58.9)	(197.9)	(687.2)
<b>Cash Flow From Operations Minus Capex</b>	<b>647.5</b>	<b>1,162.2</b>	<b>151.4</b>	<b>271.3</b>	<b>2,232.4</b>
<b>Cash Flow From Financing Activities</b>	<b>(423.1)</b>	<b>(1,354.4)</b>	<b>(62.8)</b>	<b>(511.0)</b>	<b>(2,351.3)</b>
Net Interest	(452.6)	(112.4)	(187.1)	(322.8)	(1,075.0)
Impact from FX, Derivatives and Others	29.5	(596.6)	124.3	(161.7)	(604.5)
Dividends Paid / Tax Distribution	—	(645.4)	—	(20.5)	(665.9)
<b>Net Debt EoP</b>	<b>4,842.1</b>	<b>5,034.4</b>	<b>4,945.8</b>	<b>5,185.4</b>	<b>5,185.4</b>
Change in Net Debt	(224.4)	192.2	(88.6)	239.7	118.9
Readily Marketable Inventories - RMI	831.6	932.0	1,902.8	1,685.3	1,685.3
<b>Net Debt EoP adjusted by RMI</b>	<b>4,010.5</b>	<b>4,102.3</b>	<b>3,043.0</b>	<b>3,500.1</b>	<b>3,500.1</b>

**Notes:**

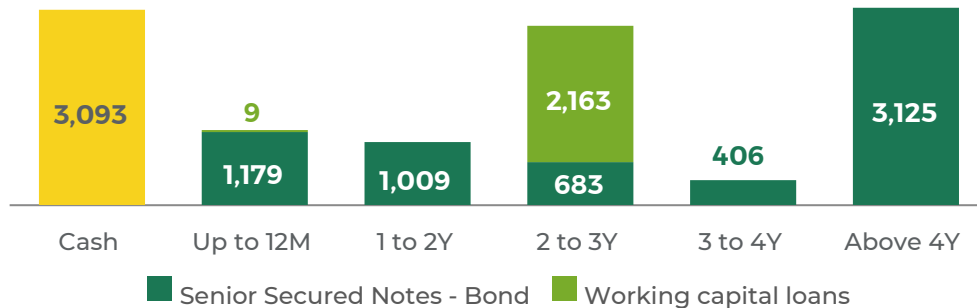
1. RMI calculus consider the position of corn inventories multiplied by the market value on the closing date, added to the ethanol inventories position multiplied by ESALQ Hydrous Ethanol Ribeirão Preto/SP index also on the closing date, discounted by the position of suppliers of raw materials and inputs according to the NE 15 of the Financial Statements.

# Indebtedness

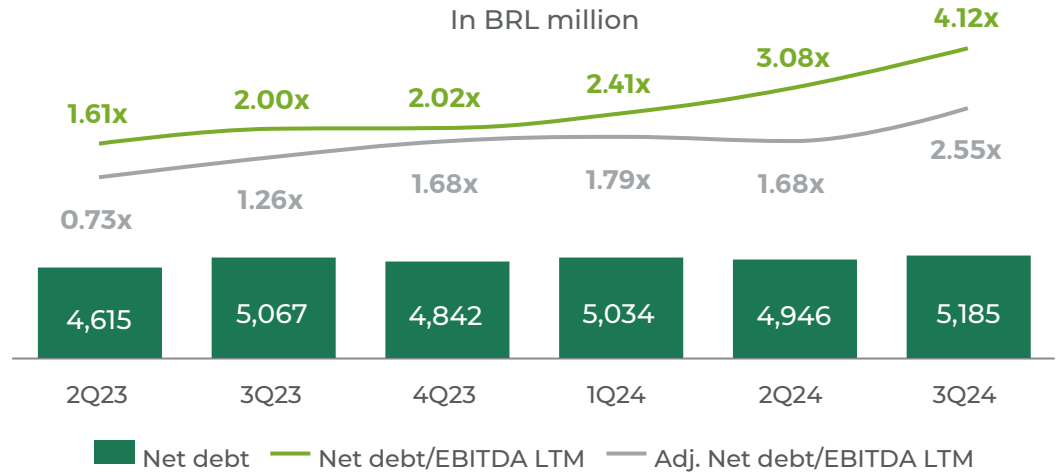
## Net Debt In BRL million



## Debt Amortization Schedule<sup>(1)</sup> In BRL million



## Net debt / EBITDA LTM In BRL million



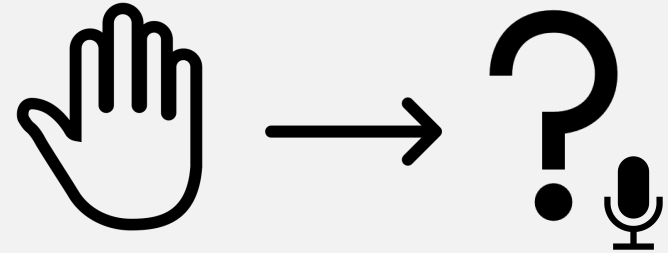
Net Debt Reconciliation (in BRL million)	3Q23	3Q24	3Q24 vs 3Q23
Bond and CPRF <sup>(2, 3, 4)</sup>	3,105.7	2,153.7	(30.7)%
CRA and CRI	2,016.0	4,024.6	99.6%
Other WC lines <sup>(5)</sup>	1,392.9	2,099.8	50.8%
<b>Gross debt</b>	<b>6,514.6</b>	<b>8,278.1</b>	<b>27.1%</b>
Total cash <sup>(4,6,7)</sup>	1,448.1	3,092.7	113.6%
<b>Net debt</b>	<b>5,066.5</b>	<b>5,185.4</b>	<b>2.3%</b>
Net debt / EBITDA (LTM)	2.00 x	4.12 x	2.11 x
<b>Net debt adj. RMI</b>	<b>3,186.7</b>	<b>3,500.1</b>	<b>9.8%</b>
<b>Ebitda adj. by PDL Plant<sup>(8)</sup></b>	<b>2,528.9</b>	<b>1,374.8</b>	<b>(45.6)%</b>
Net debt RMI / LTM EBITDA Adj <sup>(8)</sup>	1.26 x	2.55 x	1.29 x
Gross Debt – USD (%)	22.0%	10.2%	(11.8 p.p.)
Gross Debt – BRL (%)	78.0%	89.8%	11.8 p.p.

### Notes:

1. Does not include the impact of transaction costs; 2. Issuance of USD 680.0 million Senior Secured Green Notes - Bond - Notes by the subsidiary FS Luxembourg s.à.r.l., ("FS Lux"). Current balance of USD 130.9 million. 3. Issuance of USD 594.2 million of CPRF (Cédula de Produtor Rural Financeira) by FS, in connection with the Bond issued. 4. 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. 5. Issuance of BRL 1.5 billion of CPRF (Cédula de Produtor Rural Financeira) by FS, due the back-to-back transaction to transfer assets from FS LTDA to FS S.A. 6. Financial instrument/application of BRL 1.5 billion between FS LTDA and financial institutions that mirrors the terms and cash flows of the CPRF issued by FS to cover the back-to-back transition. 7. Includes cash and cash equivalents, financial investments, and restricted cash (short-term and long-term).

## Questions & Answers

To organize the Q&A queue, please use the raise hand tool and wait to be invited to open your microphone and ask your question.



## Investor Relations Contacts

Alex Borges  
*VP Commercial and Financial*

Daniel Gushi  
*CFO and IRO*

Giam Freitas  
*Treasurer and IR manager*

Maria Victoria M. Gimenez  
*IR coordinator*

Gabriel Quintão  
*IR intern*

[ri@fs.agr.br](mailto:ri@fs.agr.br)  
[www.fs.agr.br/en/ir/](http://www.fs.agr.br/en/ir/)







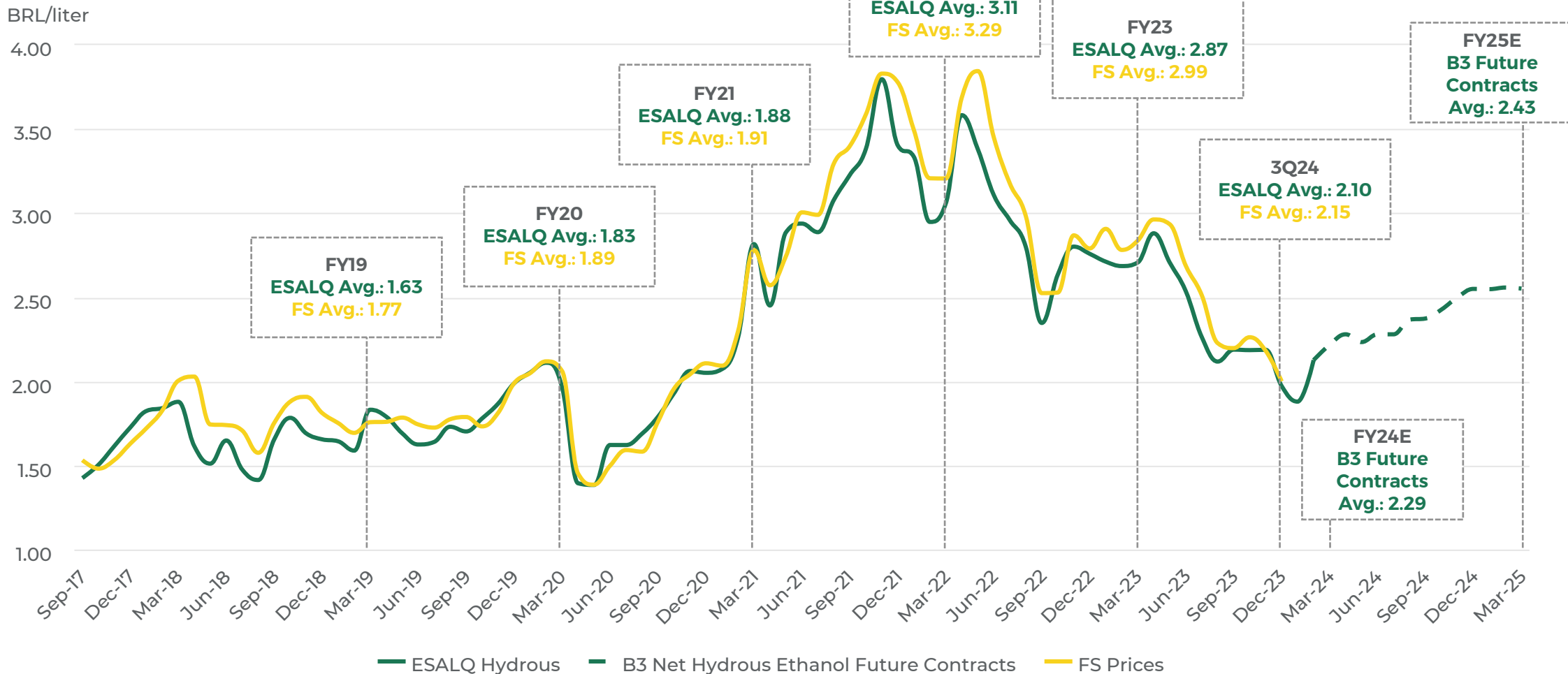
**3Q24**

**BACKUP**

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

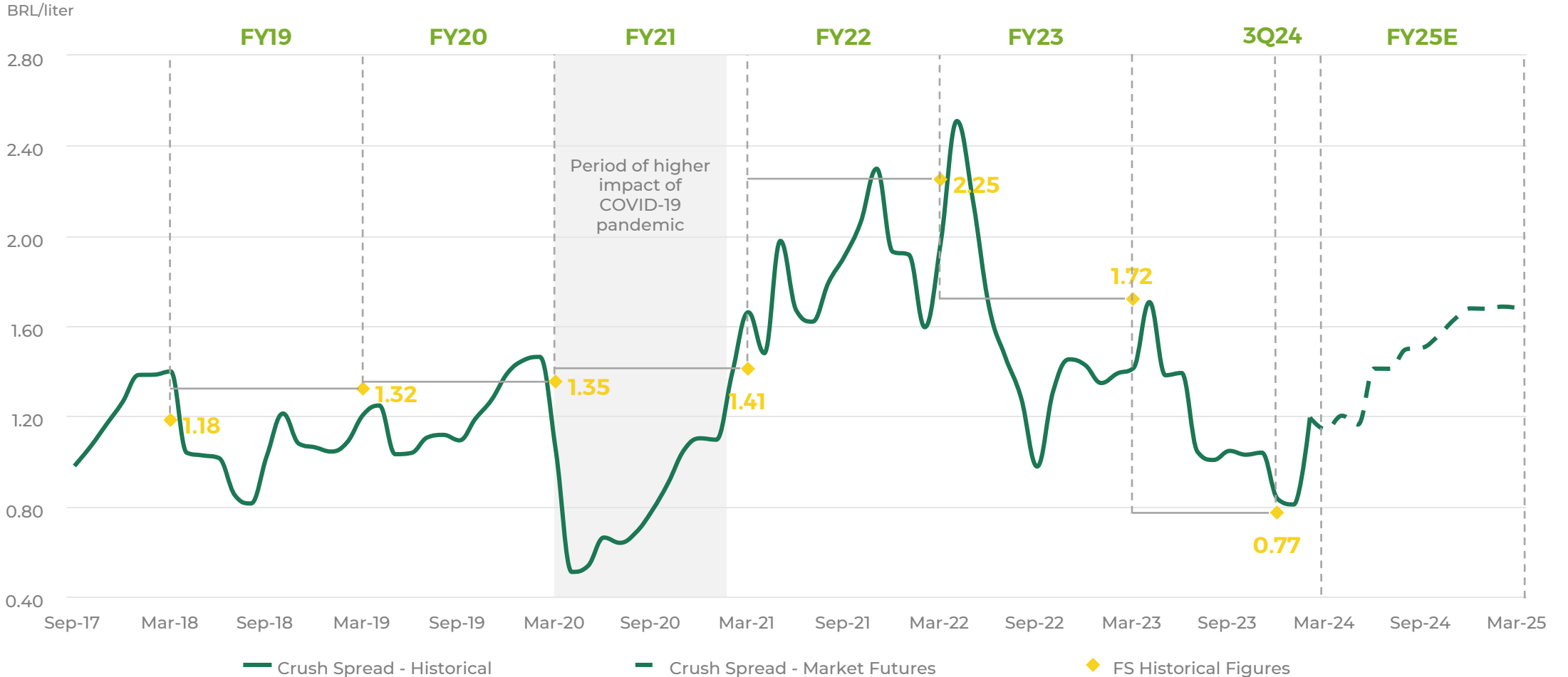
## FS Net Prices vs. ESALQ Net Hydrous Ribeirão Preto Prices



Notes: <sup>1</sup>Distribution by volume of m<sup>3</sup> of ethanol. <sup>2</sup>Arithmetic average of ethanol futures price for the period December 2022 until April 2023 obtained on the B3 platform.  
 Source: FS estimates, CEPEA ESALQ, B3. Base date: Company mode and, B3 Future Prices of February 27th, 2024 and ESALQ of February 23rd, 2024.

# Ethanol vs. Corn Prices: Crush Spread Dynamics

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



**Notes:** <sup>1</sup>Assumes 425 ton/liter of corn for the conversion from sacs to liters. **Source:** Bloomberg, ESALQ, Brazilian Central Bank and FS estimates.  
**Base date:** Company model and ESALQ of February 23rd, 2024. FX, B3 Future Prices and CBOT of February 27th, 2024.

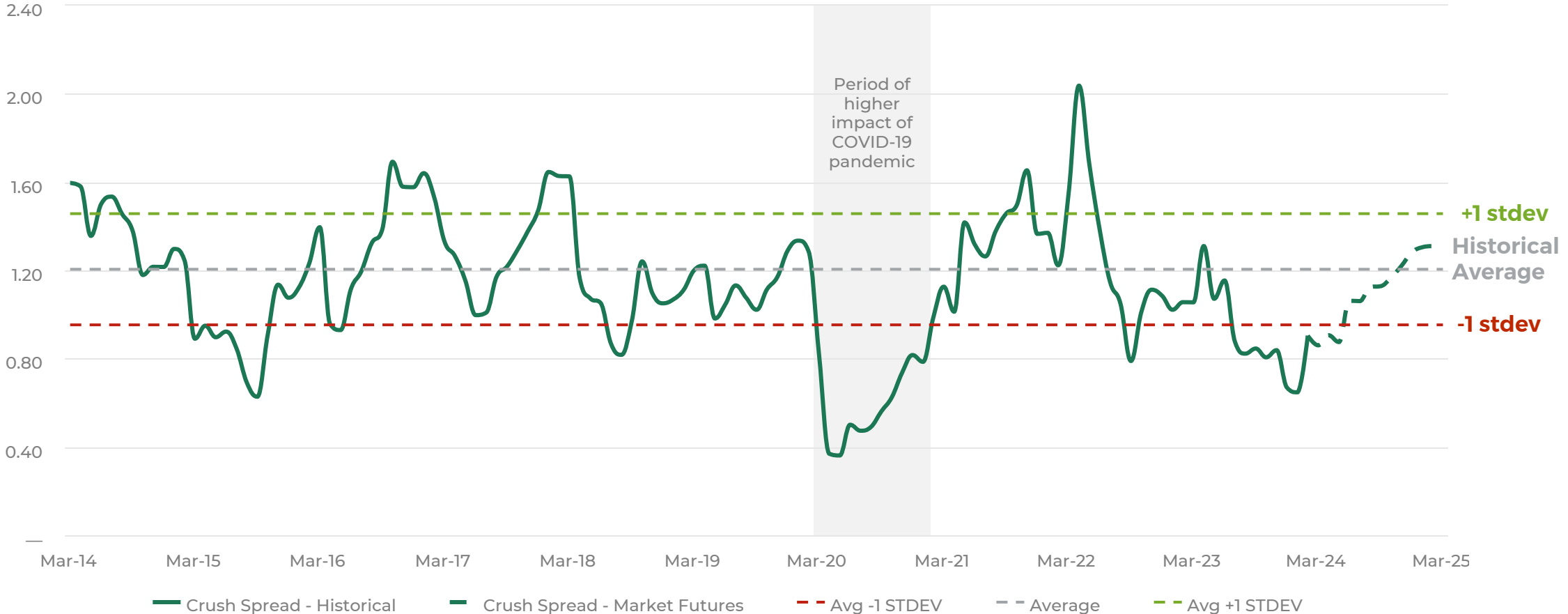
# Ethanol vs. Corn Prices: Crush Spread Dynamics through the cycle

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

USD/Gallon

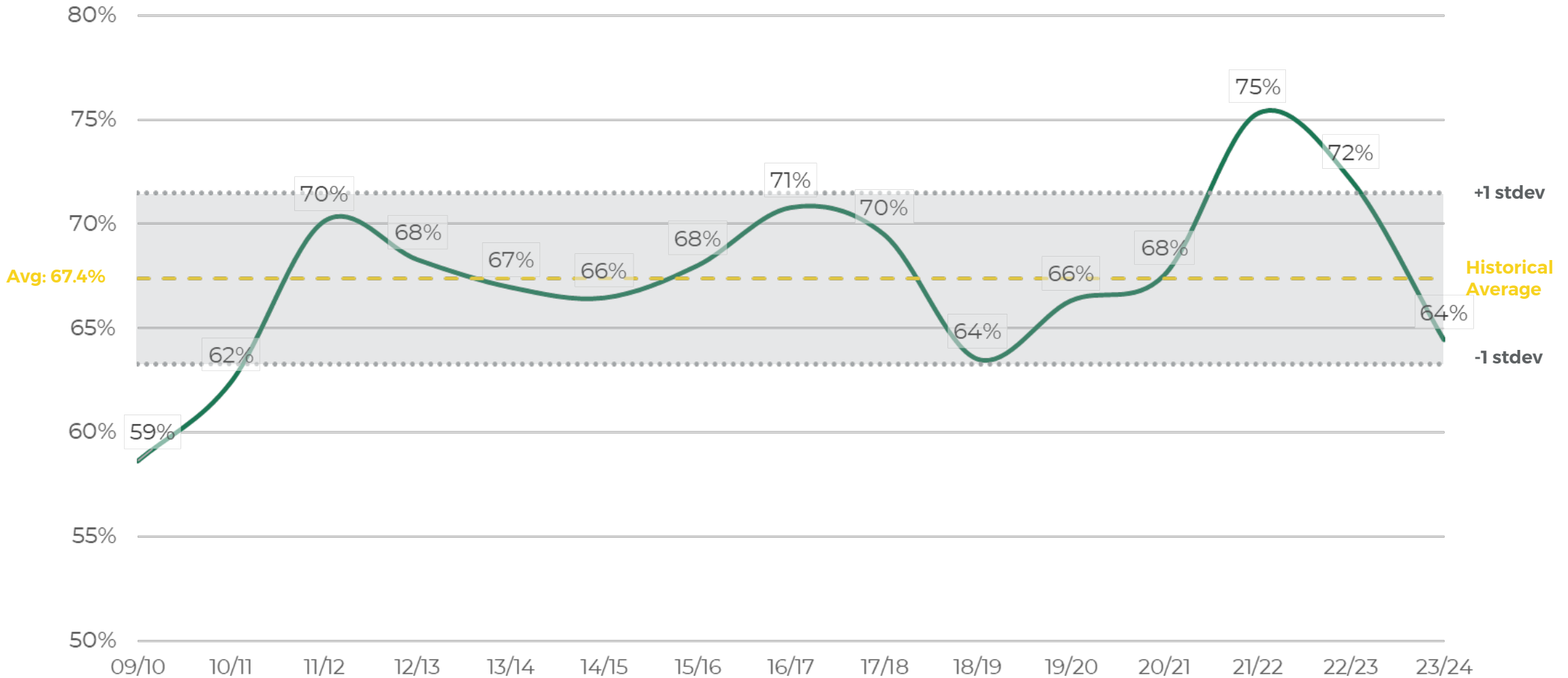
Considering Future Contracts

Average (US\$/gal)	Crush Spread	Implied EBITDA
Last 10 Years <sup>(3)</sup>	1.20	0.94



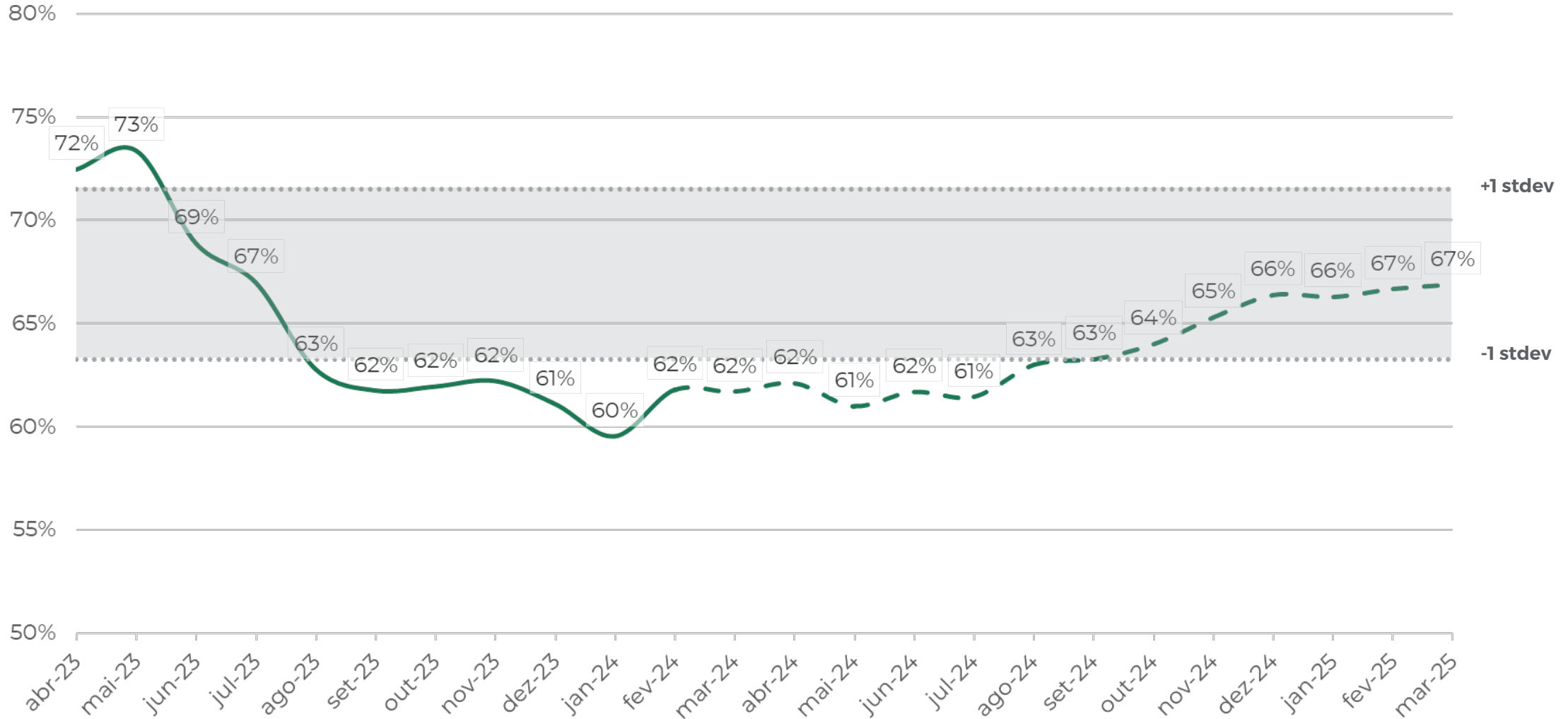
Notes: <sup>1</sup>Assumes 425 ton/liter of corn for the conversion from sacs to liters. <sup>2</sup>Assumes BRL0.348/liter of SG&A & other costs (FY21 figure) adjusted for inflation. <sup>3</sup>Excluding period from Mar-20 to Feb-21 as it was heavily impacted by Covid-19 pandemic  
 Source: Bloomberg, ESALQ, Brazilian Central Bank. Base date: Company model and ESALQ of February 23rd, 2024. FX, B3 Future Prices and CBOT of February 27th, 2024.

# Ethanol Pump Parity over the years



Notes: <sup>1</sup>Assumes 425 ton/liter of corn for the conversion from sacs to liters. <sup>2</sup>Assumes BRL0.348/liter of SG&A & other costs (FY21 figure) adjusted for inflation. <sup>3</sup>Excluding period from Mar-20 to Feb-21 as it was heavily impacted by Covid-19 pandemic  
 Source: Bloomberg, ESALQ, Brazilian Central Bank. Base date: Company model and ESALQ of February 23rd, 2024. FX, B3 Future Prices and CBOT of February 27th, 2024.

# Ethanol Pump Parity ESALQ/B3 Futures FY 23-24 and 24-25



Notes: <sup>1</sup>Assumes 425 ton/liter of corn for the conversion from sacs to liters. <sup>2</sup>Assumes BRL0.348/liter of SG&A & other costs (FY21 figure) adjusted for inflation. <sup>3</sup>Excluding period from Mar-20 to Feb-21 as it was heavily impacted by Covid-19 pandemic  
 Source: Bloomberg, ESALQ, Brazilian Central Bank. Base date: Company model and ESALQ of February 23rd, 2024. FX, B3 Future Prices and CBOT of February 27th, 2024.

## Supply Demand Ethanol 23/24 and forecast 24/25

Crop 2023/24	2023/24	2022/23	%
Crush (MMT)	658,8	548,6	20,1%
Sugar	48,9%	45,9%	6,7%

Sugarcane Production	2023/24	2022/23	%
Sugar (MMT)	42,6	33,7	26,3%
Total Ethanol (MM m <sup>3</sup> )	27,4	24,5	11,8%

Corn Production	2023/24	2022/23	%
Total Ethanol (MM m <sup>3</sup> )	6,3	4,4	42,3%

Total Production Ethanol	2023/24	2022/23	%
Total Ethanol (MM m <sup>3</sup> )	33,7	28,9	16,5%

Internal Demand	2023/24	2022/23	%
Otto Cycle (MM m <sup>3</sup> )	57,6	55,3	4,2%
Gasoline (MM m <sup>3</sup> )	45,1	44,6	1,1%
Ethanol (MM m <sup>3</sup> )	30,2	27,5	10,0%
Anhydrous (MM m <sup>3</sup> )	12,4	12,3	1,1%
Hydrous (MM m <sup>3</sup> )	17,8	15,2	17,1%
Hydrous Share (%)	21,7%	19,3%	12,3%

External Market	2023/24	2022/23	%
Imports (MM m <sup>3</sup> )	0,04	0,2	-80,1%
Exports (MM m <sup>3</sup> )	2,5	2,6	-7,2%

Crop 2024/25	2024/25	2023/24	%
Crush (MMT)	603,2	658,8	-8,4%
Sugar	51,2%	48,9%	4,7%

Sugarcane Production	2024/25	2023/24	%
Sugar (MMT)	41,0	42,6	-3,8%
Total Ethanol (MM m <sup>3</sup> )	24,0	27,4	-12,3%

Corn Production	2024/25	2023/24	%
Total Ethanol (MM m <sup>3</sup> )	8,0	6,3	26,6%

Total Production Ethanol	2024/25	2023/24	%
Total Ethanol (MM m <sup>3</sup> )	32,0	33,7	-5,0%

Internal Demand	2024/25	2023/24	%
Otto Cycle (MM m <sup>3</sup> )	58,5	57,6	1,6%
Gasoline (MM m <sup>3</sup> )	44,5	45,1	-1,4%
Ethanol (MM m <sup>3</sup> )	32,2	30,2	6,6%
Anhydrous (MM m <sup>3</sup> )	12,2	12,4	-1,4%
Hydrous (MM m <sup>3</sup> )	20,0	17,8	12,2%
Hydrous Share (%)	24,0%	21,7%	10,5%

External Market	2024/25	2023/24	%
Imports (MM m <sup>3</sup> )	0,4	0,04	986,8%
Exports (MM m <sup>3</sup> )	2,0	2,5	-19,2%

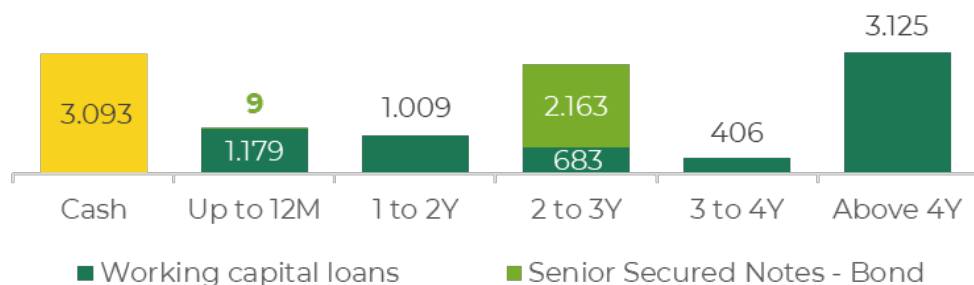
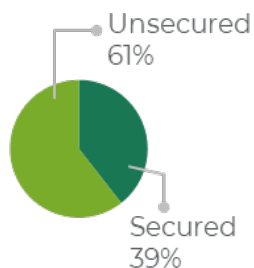
# Evolution of Debt Amortization Schedule | Pro-forma Subsequent Events

## As of December 31st, 2023

R\$MM

Gross Debt R\$ 8,575 million  
 Cash R\$ 3,093 million  
 Net debt\* R\$ 5,483 million

- Average Maturity: **3.3 years**
- Net Debt / EBITDA = **4.1x**
- Gross Debt by currency: **9% USD vs. 91% BRL**

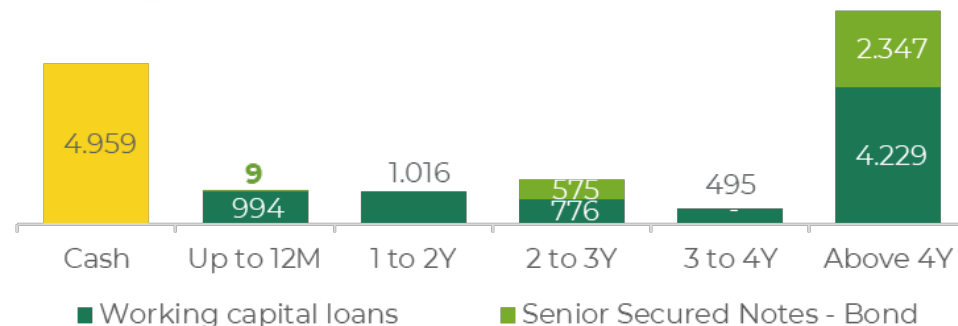
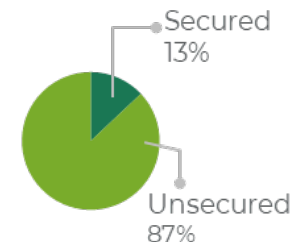


## Proforma Subsequent Events

Proforma, assuming 7-year US\$ 500MM Bond<sup>(1)</sup>, Tender Offer of FS 25, CRA Retap R\$868MM (January'24) & LM BB Debts & BNDES R\$359MM

R\$ 10,441 million  
 R\$ 4,959 million  
 R\$ 5,483 million

- Average Maturity: **5.2 years**
- Net Debt / EBITDA = **4.1x**
- Gross Debt by currency: **18% USD vs. 82% BRL**

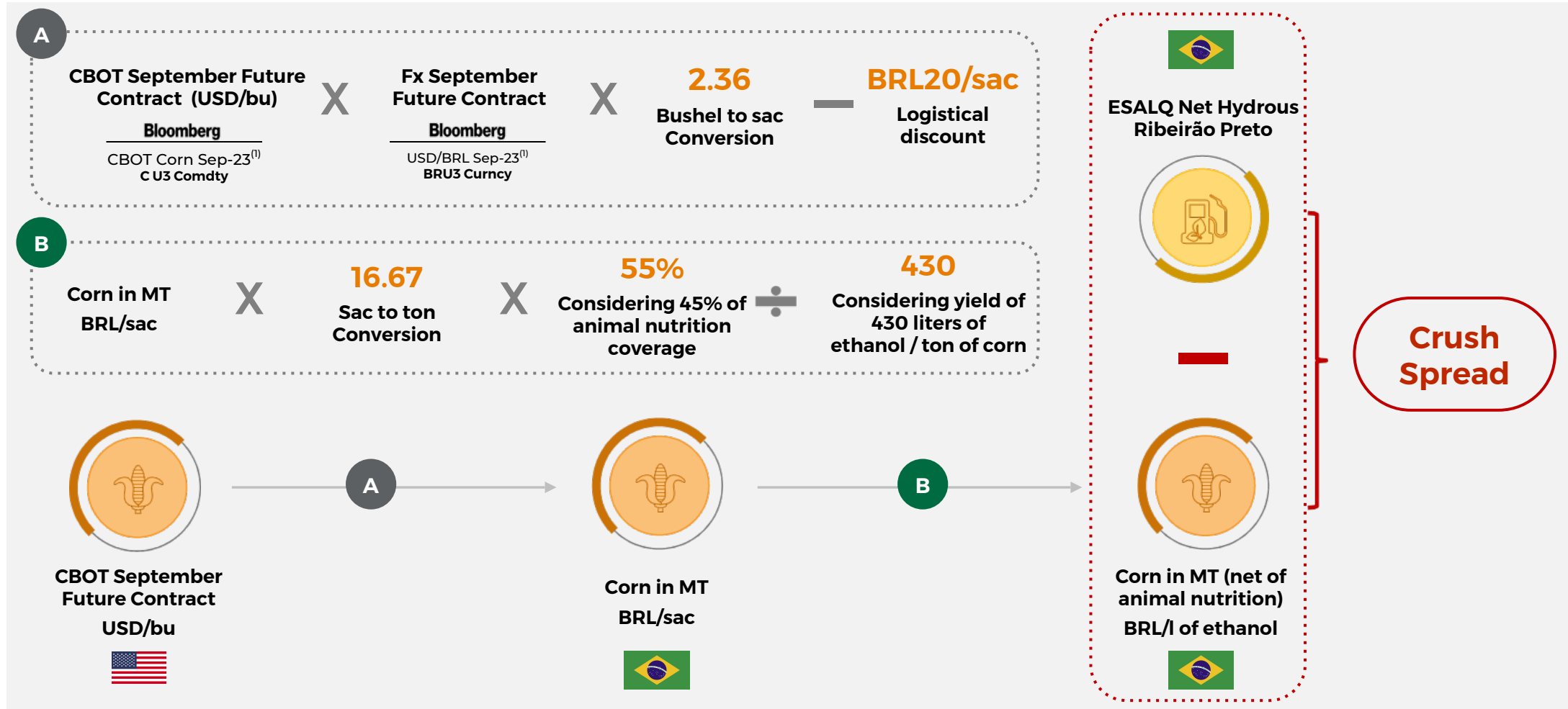


Notes: <sup>1</sup>Considering a 4.9535 USD/BRL exchange rate. Source: Company Reports.



# Crush Spread Calculation

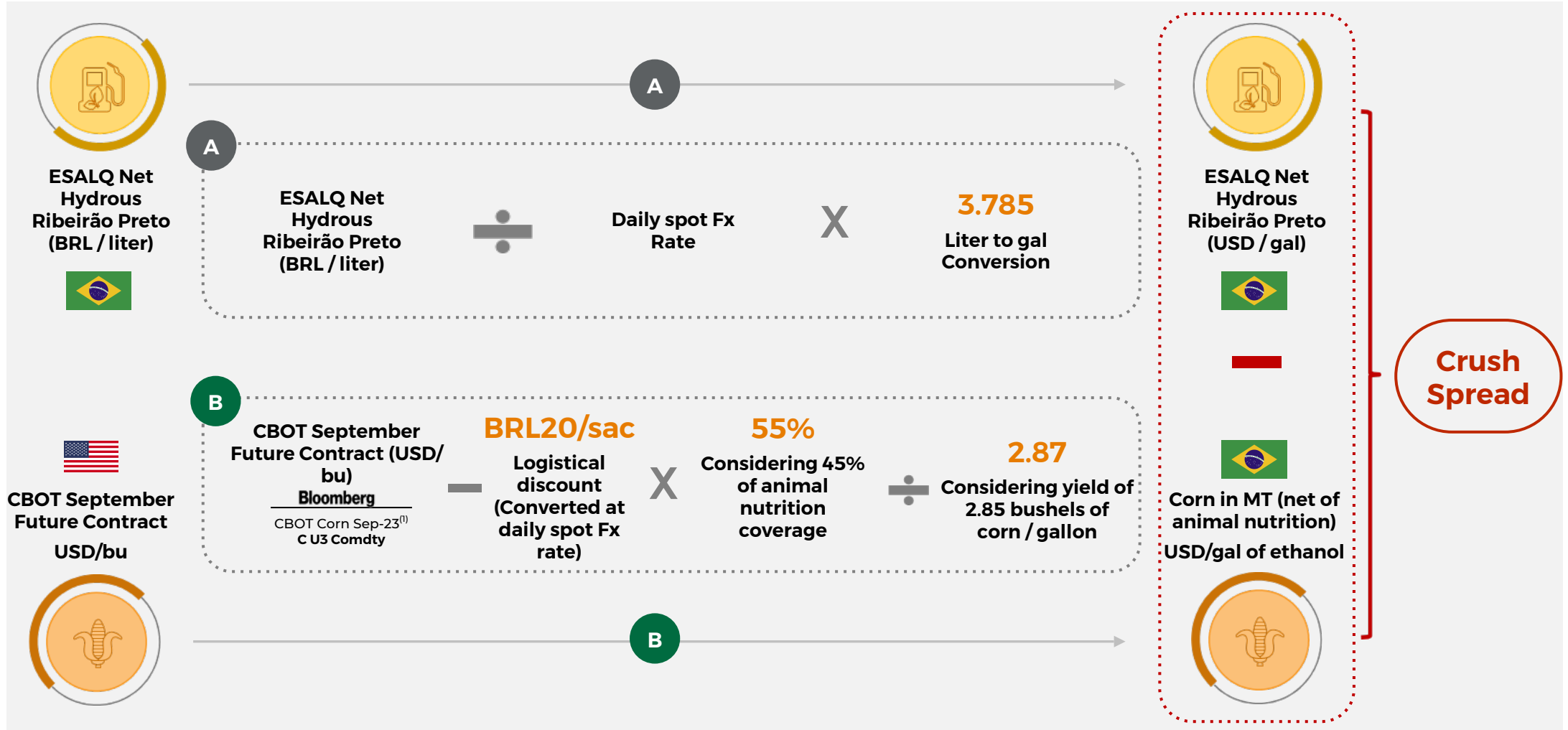
BRL / Liter



Notes:  
1. September 2023 future contracts are used from June 2022 to May 2023

# Crush Spread Calculation

USD / Gallon

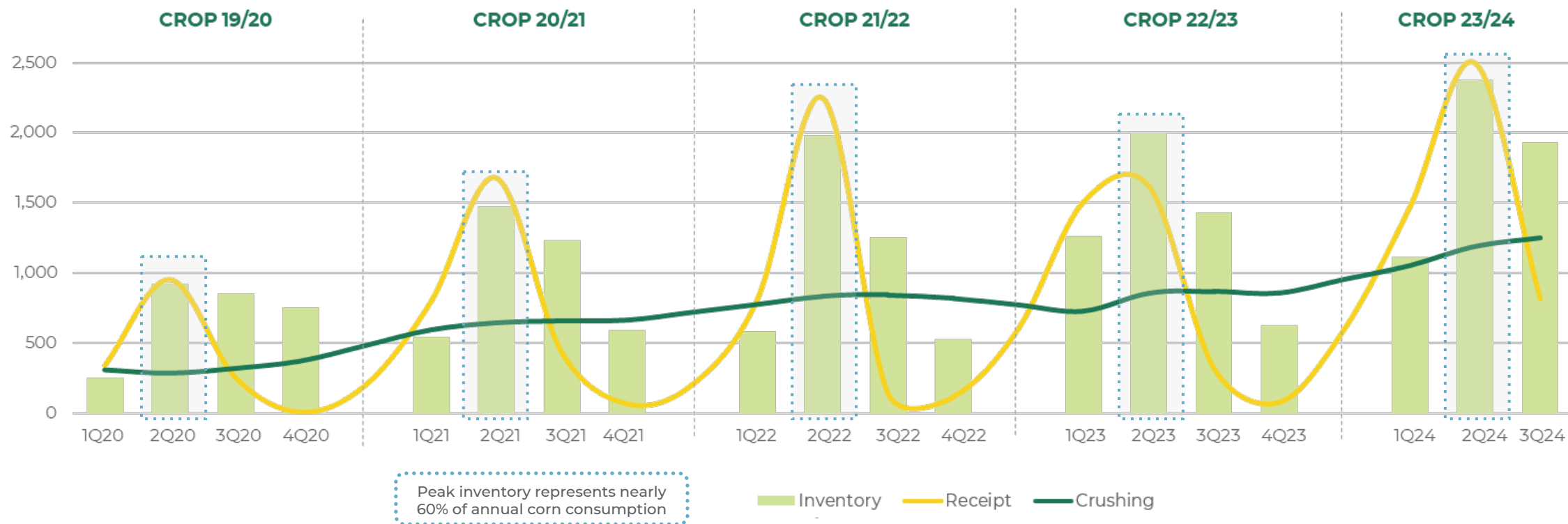


**Notes:**

1. September 2023 future contracts are used from June 2022 to May 2023. From June 2021, 2022 contracts will start to be used (C U2 Comdty for CBOT)

# Corn inventory dynamics

FS consolidated end of quarter in '000 tons



'000 tons	CROP 19/20	1Q20	2Q20	3Q20	4Q20	CROP 20/21	1Q21	2Q21	3Q21	4Q21	CROP 21/22	1Q22	2Q22	3Q22	4Q22	CROP 22/23	1Q23	2Q23	3Q23	4Q23	CROP 23/24	1Q24	2Q24	3Q24
Receipt	1,551	22%	61%	16%	1%	2,973	27%	56%	15%	2%	3,319	24%	68%	4%	4%	3,523	43%	46%	9%	2%	4,937	30%	51%	17%
Crushing	1,289	24%	22%	25%	29%	2,567	23%	25%	26%	26%	3,277	24%	25%	26%	25%	3,316	22%	26%	26%	26%	4,778	22%	25%	26%

# Ethanol inventory dynamics

FS consolidated end of quarter inventory in '000 m<sup>3</sup>



'000 m <sup>3</sup>	CROP 20/21	1Q21	2Q21	3Q21	4Q21	CROP 21/22	1Q22	2Q22	3Q22	4Q22	CROP 22/23	1Q23	2Q23	3Q23	4Q23	CROP 23/24	1Q24	2Q24	3Q24
Produced	1.111	24%	25%	26%	25%	1.426	23%	26%	26%	25%	1.455	21%	26%	26%	26%	2.081	21%	25%	27%
Sale	1.108	24%	22%	26%	28%	1.416	22%	23%	29%	26%	1.456	21%	24%	25%	30%	2.042	19%	23%	29%