



# *3Q20 Earnings Presentation*

*November 16, 2020*



# Disclaimer

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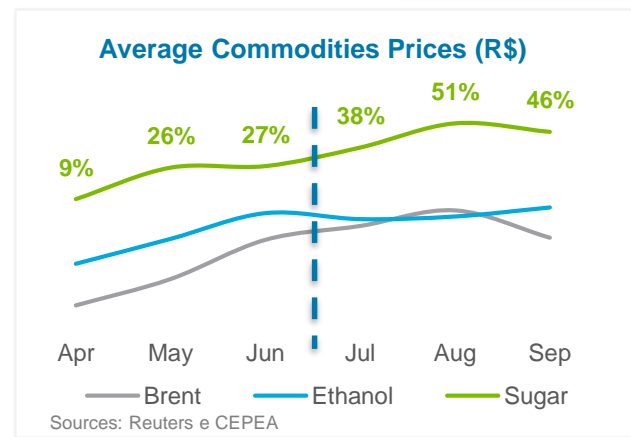
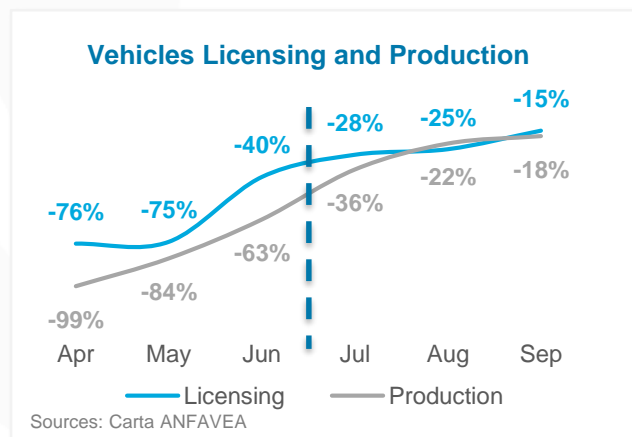
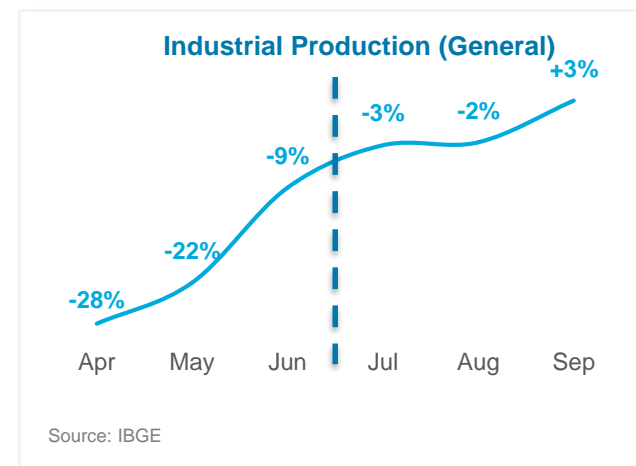
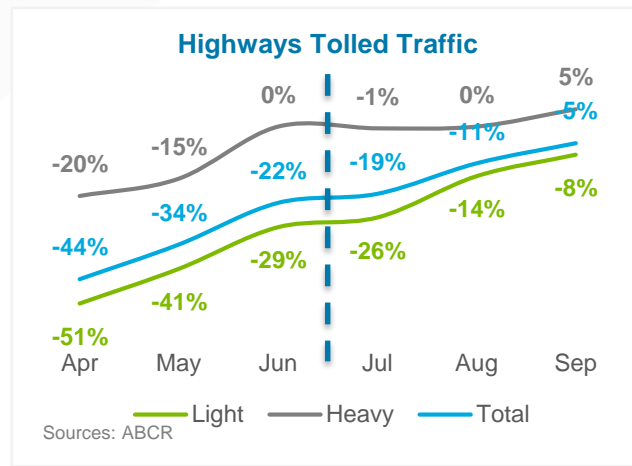
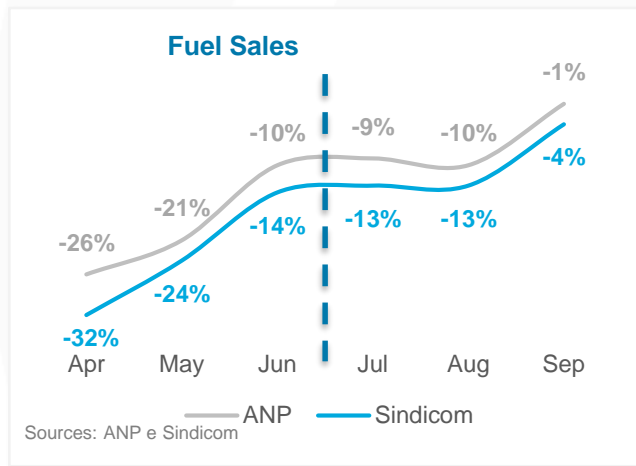
This presentation contains estimates and forward-looking statements regarding our strategy and opportunities for future growth. Such information is mainly based on our current expectations and estimates or projections of future events and trends, which affect or may affect our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Our estimates and forward-looking statements may be influenced by the following factors, among others: (1) general economic, political, demographic and business conditions in Brazil and particularly in the geographic markets we serve; (2) inflation, depreciation and devaluation of the real; (3) competitive developments in the ethanol and sugar industries; (4) our ability to implement our capital expenditure plan, including our ability to arrange financing when required and on reasonable terms; (5) our ability to compete and conduct our businesses in the future; (6) changes in customer demand; (7) changes in our businesses; (8) government interventions resulting in changes in the economy, taxes, rates or regulatory environment; and (9) other factors that may affect our financial condition, liquidity and results of our operations.

The words “believe”, “may”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made and we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. Our future results may differ materially from those expressed in these estimates and forward-looking statements. In light of the risks and uncertainties described above the estimates and forward-looking statements discussed in this presentation might not occur and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, inclusive, but not limited to the factors mentioned above. Because of these uncertainties you should not make any investment decision based on these estimates and forward-looking statements.

# Macroeconomic Indicators

Relaxation of social distancing measures lead to gradual recovery of economic activity

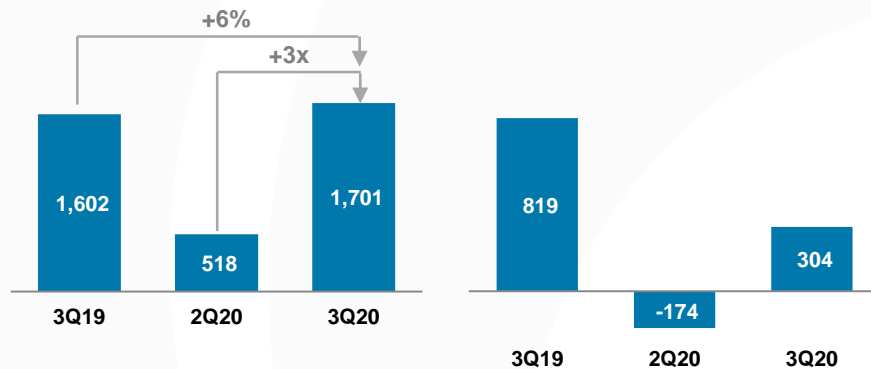
(Monthly % change 2020 vs. 2019)



# Results Highlights

## Adjusted EBITDA<sup>2</sup>

BRL mln



## Net Income (Loss)

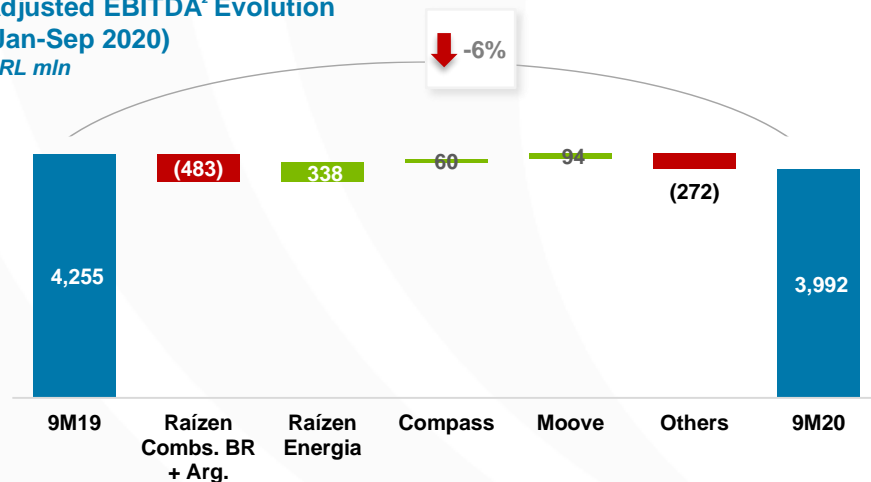
BRL mln

## Cosan Consolidated Proforma<sup>1</sup>

- Adjusted EBITDA boosted by better business performance
- Net Income q-o-q expansion driven by improved operational results

## Adjusted EBITDA<sup>2</sup> Evolution (Jan-Sep 2020)

BRL mln



## Businesses

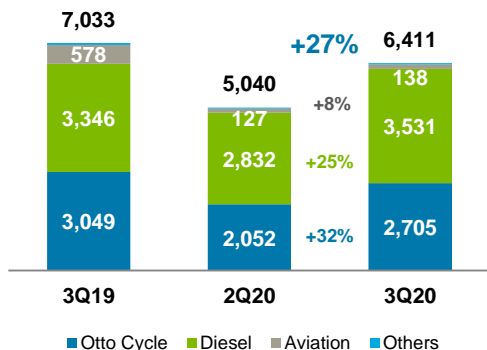
- **Raízen Combustíveis:** a more favorable business environment enabled a good catch up in demand and profitability
- **Raízen Energia:** higher sugar sales volumes, better average prices for all products, and efficiency gains
- **Compass Gás & Energia:** Comgás' higher distribution volume, especially in industrial segment
- **Moove:** record numbers on the back of sales improvement and capture of additional opportunities, supported by its commercial strategy

# Raízen Combustíveis

## Brazil

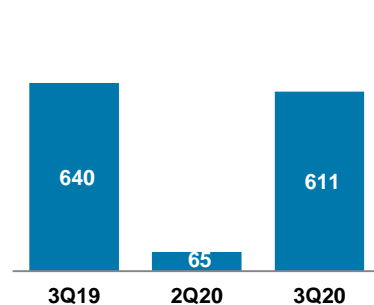
### Sales Volume<sup>3</sup>

'000 cbm



### Adjusted EBITDA<sup>4</sup>

BRL mln



- **Demand recovery** leveraged by the relaxation of social distancing
- **Profitability turnaround** driven by improved business environment, gains from supply/commercialization strategy and greater operational efficiency



Progress in opening **C-stores**, and inauguration of **1st proximity store**

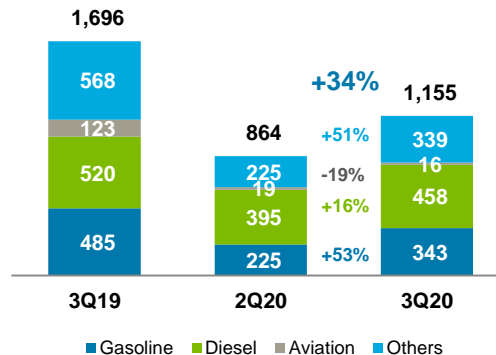


Relevant increase in monthly **transactions**, with high utilization **frequency** by clients

## Argentina

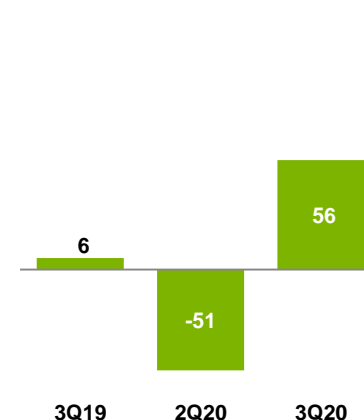
### Sales Volume

'000 cbm



### Adjusted EBITDA<sup>4</sup>

USD mln



- **Gradual improvement in demand** for fuels
- **Lower unit cost** for inputs and products sold
- **Recovery of sales prices**

# Raízen Energia | 3Q20 (2Q Crop 2020/21)

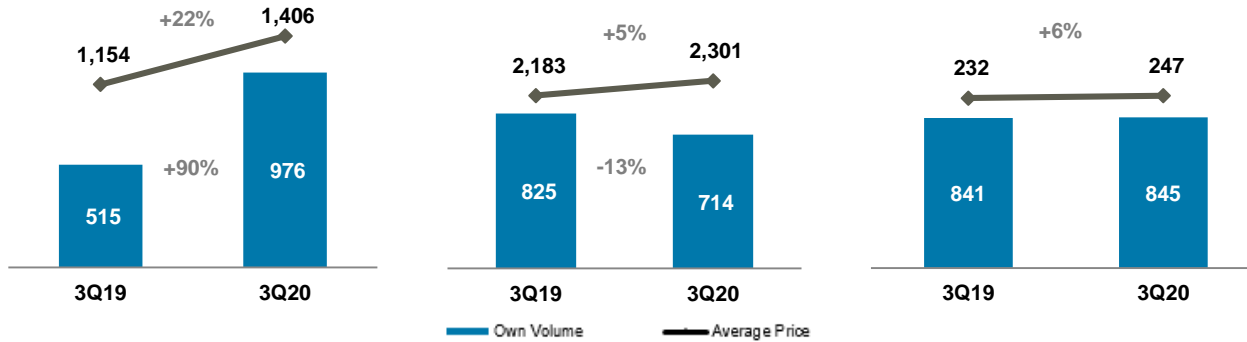
EBITDA expansion due to higher sugar sales volumes, better average prices for all products, and efficiency gains

## Own Volumes Sold and Average Prices<sup>5</sup>

Sugar ('000 tons & BRL/ton)

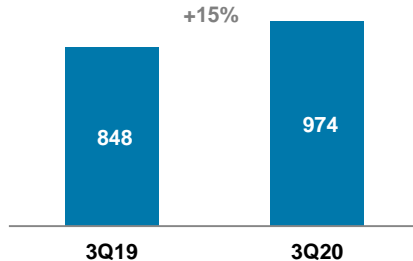
Ethanol ('000 cbm & BRL/cbm)

Cogeneration ('000 MWh & BRL/MWh)

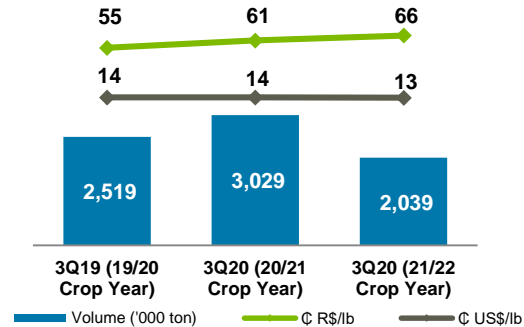


## Adjusted EBITDA<sup>7</sup>

BRL mln



## Sugar Hedge<sup>7</sup>



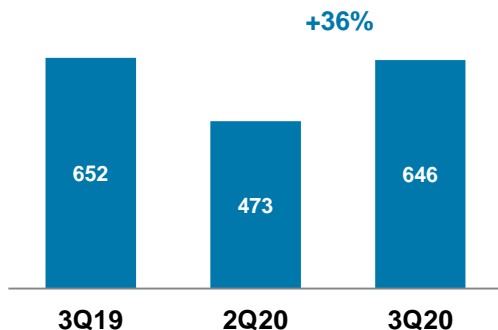
## Highlights of the Quarter

- 28 million tons of sugarcane crushed, +3%
- Sugarcane average yield 11.2 TRS/ha, +13%
- Expansion of both own and resale sugar sales volumes
- Better average prices for all products, reflecting pricing hedge strategy
- Unit cash cost (ex-CONSECANA) -5%, **greater cost dilution and efficiency gains**
- CAPEX of R\$ 422 million, -21%, in line with the plan for the crop year

Notes: (5) Sugar average price adjusted by the effect of foreign Exchange hedge on sugar exports and average prices of cogeneration considers only own volume sold.. (6) EBITDA adjusted by (i) Variation in Biological Assets, (ii) Leases (IFRS 16), and (iii) nonrecurring effects, if applicable; (7) Prices in Brazilian Reais include polarization premium.

# Compass Gás & Energia

## Compass | Adjusted EBITDA<sup>8</sup> BRL mln



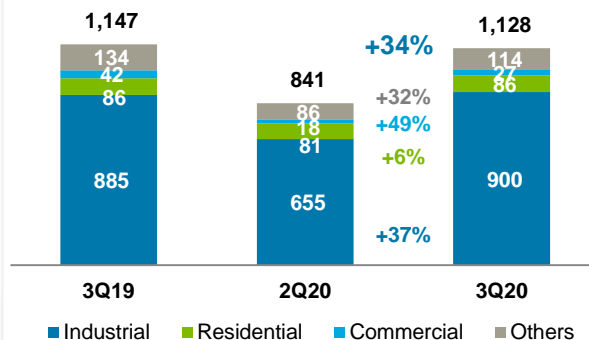
- Result composed by the consolidation of **Comgás**, **Compass Trading** and other segments

## Comgás

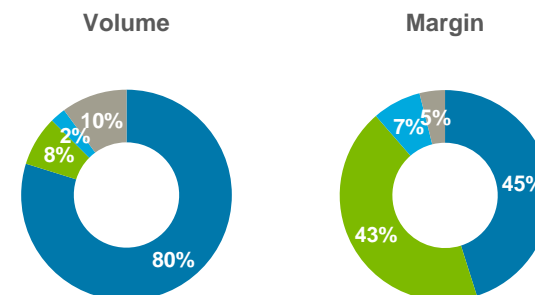
Adjusted EBITDA totaled R\$ 643 million with higher demand, efficient expenses management and margins adjusted by inflation

- Residential:** gross addition of 121,000 clients in the last 12 months
- Industrial:** recovery of economic activity bolstered higher sales volumes
- Commercial:** q-o-q improvement, but still affected by operational restrictions in some sectors
- Investments** of R\$ 258 million (+18%), in line with the expansion plan outlined for the current tariff cycle

## Sales Volume, ex-thermal power mln cbm



## Volume and Contribution Margin (%)



Notas: (8) As from 2Q20, Comgás now records the Regulatory Current Account effects in its corporate books, therefore, the Company's EBITDA standardization is no longer required. Adjustments made according to one-off effects detailed on page 6 of the 3Q20 release.

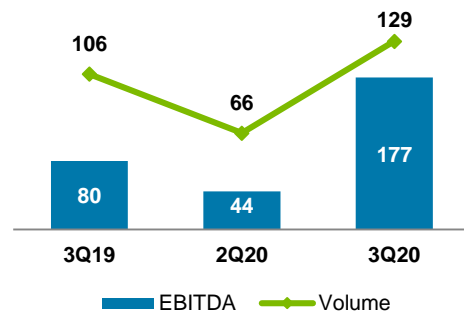


# Moove

- **Record result in the quarter**, reflecting strong recovery of sales volume, especially in Brazil
- **Better performance of the main operational indicators**, driven by supply and commercialization strategy and operational efficiency
- Greater contribution from **international operations**

## Adjusted EBITDA & Sales Volume

BRL mln & '000 cbm

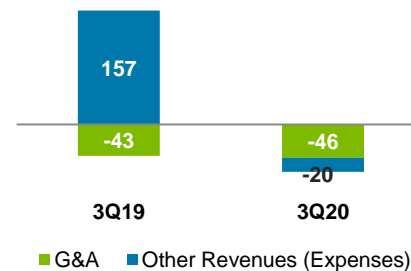


# Cosan Corporate

- Estability of Company's **corporate expenses (G&A)**
- **Other Revenues (Expenses)**: 3Q19 impacted by a positive one-off effect related to the exclusion of ICMS from the calculation basis of PIS/COFINS.

## G&A and Other Revenues (Expenses)

BRL mln

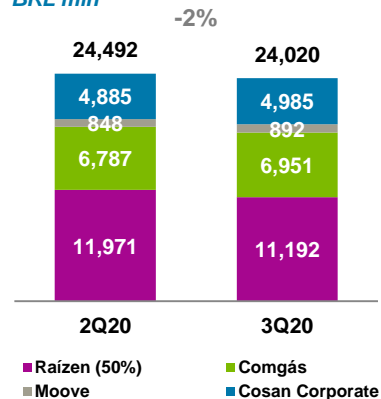




# Cosan Consolidated Proforma<sup>9</sup> | Debt and Cash Flow

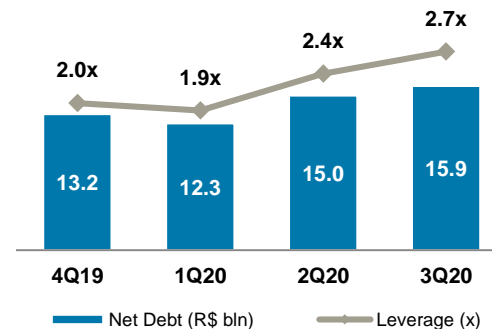
## Gross Debt<sup>10</sup>

BRL mln



## Leverage

Net Debt<sup>11</sup> / LTM EBITDA<sup>12</sup>



Cash Flow Reconciliation BRL mln	3Q20	3Q19	Var. %
Cash Flow from Operations	724	1,377	-47%
Cash Flow from Investments	(778)	(673)	16%
Cash Flow from Financing Activities	(1,426)	(26)	n/a
Dividends Received	2	0	n/a
<b>Free Cash Flow to Equity</b>	<b>(1,477)</b>	<b>678</b>	<b>n/a</b>
<b>Cash and Cash Equivalent and Marketable Securities</b>	<b>8,532</b>	<b>7,201</b>	<b>18%</b>
<b>Net Debt<sup>11</sup></b>	<b>15,938</b>	<b>12,959</b>	<b>23%</b>
<b>LTM EBITDA<sup>12</sup></b>	<b>6,626</b>	<b>7,282</b>	<b>-9%</b>
<b>Normalized Leverage</b>	<b>2.7x</b>	<b>1.9x</b>	<b>0.8x</b>

## Cash Flow Main Impacts:

- **OCF:** increase in inventories at Raízen Energia
- **CFI:** acquisition of Rumo's shares via *follow-on* held
- **CFF:** higher debt amortization at Raízen

# ESG Cosan | Highlights of accomplishments in the quarter

- UN **Global Compact** signature



- Responded to both the **ISE** and **CDP** questionnaires (2<sup>nd</sup> year)



- Responded to Bloomberg **GEI** – Gender-Equality Index (1<sup>st</sup> year)



- Inauguration of Raízen's 1<sup>st</sup> **biogas plant**

- **Corporate Restructuring** process on schedule



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