

1st Quarter Results 2022/2023 Crop

Videconference Call in Portuguese, with simultaneous translation into English

08/12/2022 – Friday – 2:00 pm (US EDT)

[Videoconference access link](#)

Or by phone:

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Access code: 39777

Financial Division

www.jallesmachado.com/ri

Agenda

- 1 *Operational and Commercial data*
- 2 *Financial data*
- 3 *Capex*
- 4 *Q&A*

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Highlights for the Quarter

6.9% increase in sugarcane crushing

Lower productivity partially offset by higher Total of TRS/ha

Adjusted Ebit LTM of R\$753.8 million, up 6.8%

Adjusted Ebit LTM margin of 49.8%

Cash Net Income of R\$ 128.1 M (+36.7%)

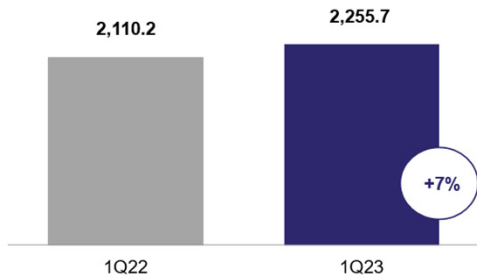
Buyback program up to 4 million Company's shares



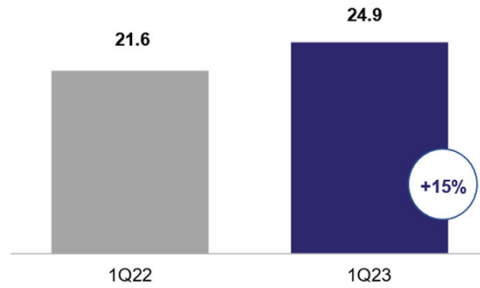
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1Q23 Operational Data

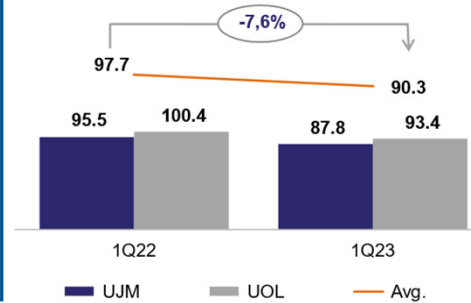
Crushing
(⁰⁰⁰ t)



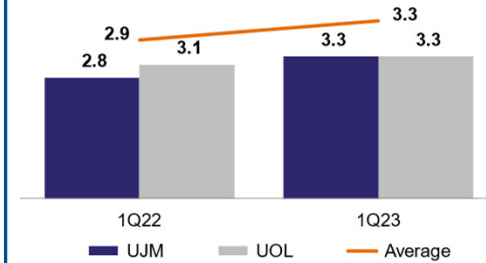
Harvested Area
(⁰⁰⁰ ha)



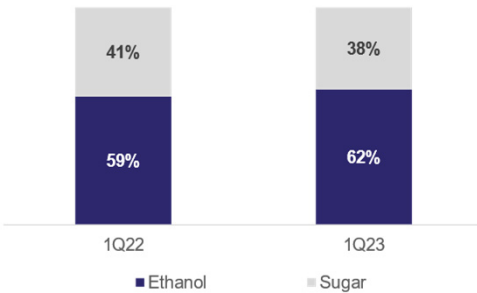
Productivity
(t/ha)



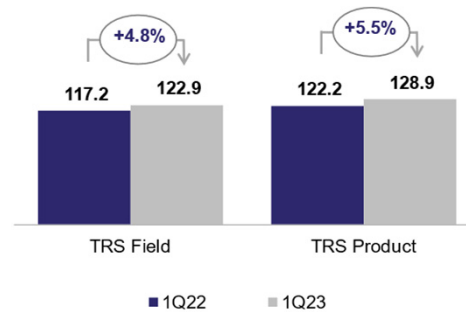
Average Age of Sugarcane Plantation
(years)



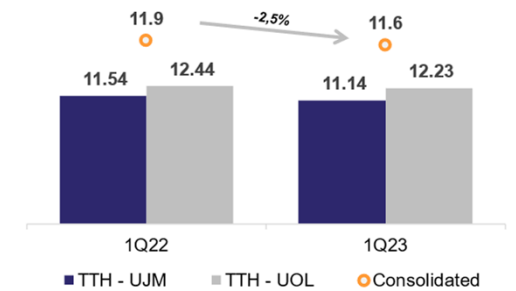
Production Mix
(%)



TRS
(kg/t)



Total of TRS per hectare - TTH
(⁰⁰⁰ ton/ha)



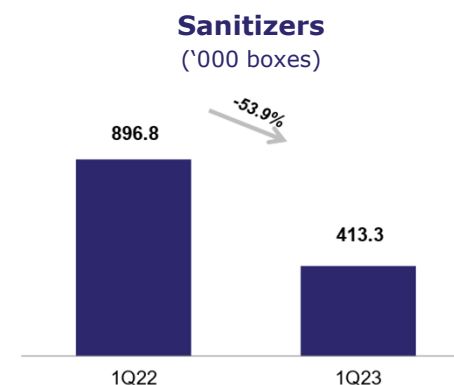
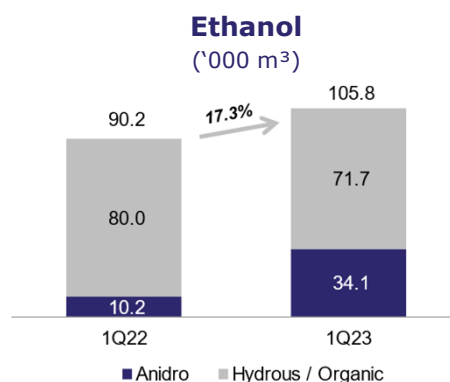
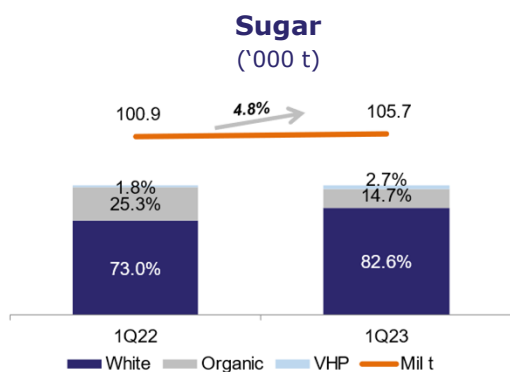
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Production

| | 1Q23 | 1Q22 | Chg. (%) | Chg. (#) |
|-----------------------------------|---------|---------|----------|----------|
| Sugarcane Processing ('000 ton) | 2,255.7 | 2,110.2 | 6.9% | 145.5 |
| TRS Production* ('000 ton) | 290.8 | 257.8 | 12.8% | 33.0 |
| Ethanol Production ('000 m³) | 105.8 | 90.2 | 17.3% | 15.6 |
| Hydrous / Organic | 71.7 | 80.0 | -10.4% | (8.3) |
| Anhydrous | 34.1 | 10.1 | 234.8% | 24.0 |
| Sugar Production ('000 bags 50kg) | 105.7 | 100.9 | 4.8% | 4.8 |
| Refined | 87.4 | 73.6 | 18.7% | 13.8 |
| Organic | 15.5 | 25.5 | -39.1% | (10.0) |
| VHP | 2.8 | 1.8 | 58.3% | 1.0 |
| Sanitizers ('000 boxes) | 413.3 | 896.8 | -53.9% | (483.5) |
| Yeast Production ('000 ton) | 0.5 | 0.7 | -25.1% | (0.2) |

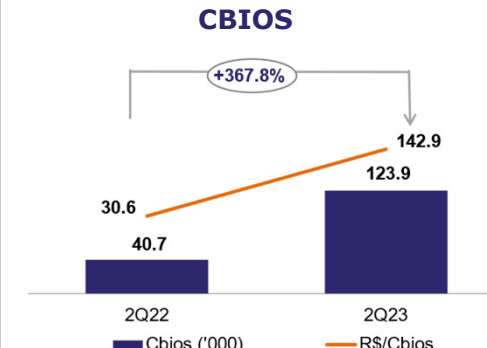
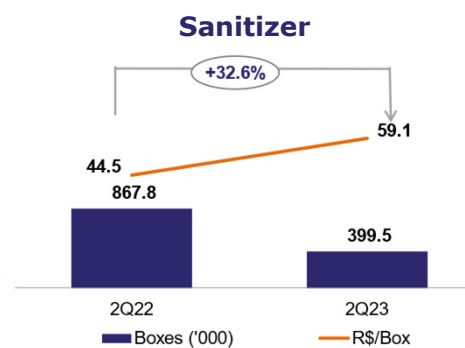
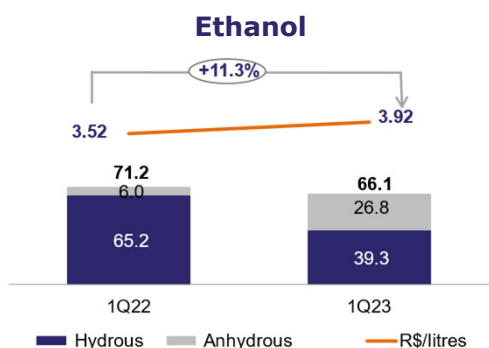
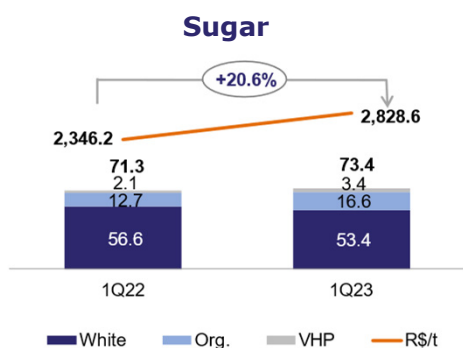
*Sugar and Ethanol

Source: Company agroindustrials papers



| | 1Q23 | 1Q22 | Chg. (%) | Chg. # |
|--|--------------|--------------|---------------|----------------|
| TRS Sold ('000 tonnes) | 189.8 | 194.6 | -2.5% | (4.8) |
| TRS Production* ('000 tonnes) | 65.3% | 75.5% | -13.5% | (10.2) |
| Ethanol Production ('000 m3) | 66.1 | 71.2 | -7.1% | (5.1) |
| Hydrous / Organic | 39.3 | 65.2 | -39.7% | (25.9) |
| Anhydrous | 26.8 | 6.0 | 348.5% | 20.8 |
| Sugar Production ('000 bags 50kg) | 73.4 | 71.3 | 2.9% | 2.1 |
| White | 53.4 | 56.6 | -5.6% | (3.2) |
| Organic | 16.6 | 12.7 | 30.7% | 3.9 |
| VHP | 3.4 | 2.1 | 65.2% | 1.4 |
| Sanitizers ('000 boxes) | 399.5 | 867.8 | -54.0% | (468.3) |
| Cbios ('000) | 123.9 | 40.7 | 204.3% | 83.2 |
| Yeast Production ('000 tonnes) | 0.3 | 0.4 | -33.0% | (0.1) |

*Sugar and Ethanol



Financial Highlights

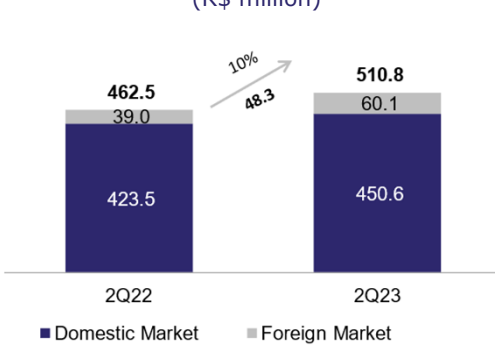
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Financial Highlights

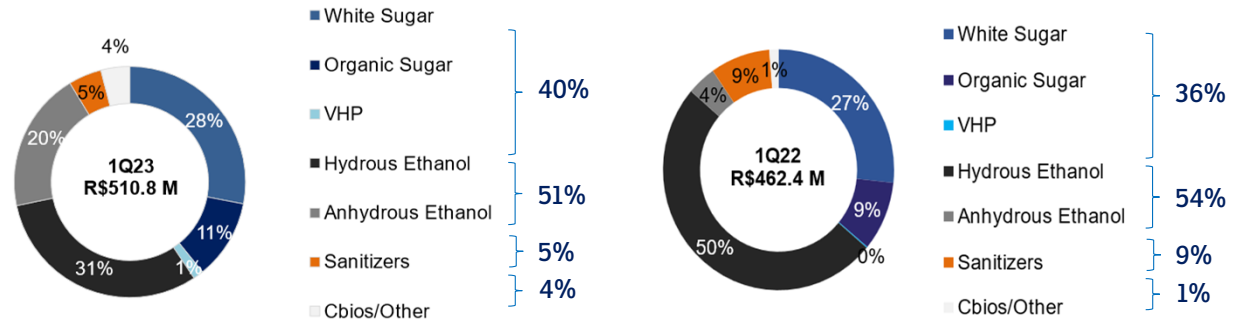
| R\$ millions | Accounting Results | | | Cash Results | | |
|--|--------------------|----------------|------------------|---------------|---------------|-----------------|
| | 1Q23 | 1Q22 | Chg. (%) | 1Q23 | 1Q22 | Chg. (%) |
| Gross Revenue | 510.8 | 462.5 | 10.5% | 510.8 | 462.5 | 10.5% |
| Net Revenue | 442.8 | 378.5 | 17.0% | 442.8 | 378.5 | 17.0% |
| Domestic Market | 382.7 | 339.8 | 12.6% | 382.7 | 339.8 | 12.6% |
| Foreign Market | 60.1 | 38.7 | 55.5% | 60.1 | 38.7 | 55.5% |
| Change in Biological Asset | 19.9 | 61.2 | -67.5% | - | - | n/a |
| COGS | 222.5 | 201.3 | 10.5% | 242.1 | 211.0 | 14.7% |
| Gross Profit | 240.2 | 238.4 | 0.8% | 200.7 | 167.5 | 19.8% |
| <i>Gross Margin</i> | <i>54.3%</i> | <i>63.0%</i> | <i>-8.7 p.p.</i> | <i>45.3%</i> | <i>44.3%</i> | <i>1.1 p.p.</i> |
| SG&A | 63.4 | 46.2 | 37.4% | 63.4 | 46.2 | 37.4% |
| Sales Expenses | 33.7 | 22.8 | 47.6% | 33.7 | 22.8 | 47.6% |
| G.A. Expenses | 29.8 | 23.4 | 27.5% | 29.8 | 23.4 | 27.5% |
| Other Oper. Rev. (Exp.) | 50.2 | 31.3 | 60.6% | 50.2 | 31.3 | 60.6% |
| Allowance for credit losses | (0.0) | 0.8 | n/a | - | - | n/a |
| Share in Earnings/(Loss) of Assoc./Subs. | 4.2 | 5.0 | -16.6% | 4.2 | 5.0 | -16.6% |
| Operating Income/(Loss) (EBIT) | 231.2 | 229.3 | 0.8% | 191.7 | 157.6 | 21.6% |
| <i>EBIT Margin</i> | <i>52.2%</i> | <i>60.6%</i> | <i>-8.4 p.p.</i> | <i>43.3%</i> | <i>41.6%</i> | <i>1.7 p.p.</i> |
| <i>Financial Results</i> | <i>(81.1)</i> | <i>(72.5)</i> | <i>11.8%</i> | <i>(62.4)</i> | <i>(63.1)</i> | <i>-1.1%</i> |
| Financial Revenues (Exp.) | (14.6) | (14.6) | 0.1% | (13.6) | (8.8) | 55.1% |
| Forex Changes/Hedge Operations | (66.5) | (57.9) | 14.8% | (48.7) | (54.3) | -10.2% |
| Income tax and social contribution on profits | (1.3) | (0.9) | 45.8% | (1.3) | (0.9) | 45.8% |
| Income tax and social contribution on profits deferred | (28.8) | (40.2) | -28.5% | - | - | n/a |
| Net Income | 120.0 | 115.7 | 3.8% | 128.1 | 93.7 | 36.7% |
| Adjusted LTM EBIT* | 753.8 | 706.0 | 6.8% | | | |
| Adjusted LTM EBIT Margin | 49.8% | 53.8% | -4.0 p.p. | | | |
| Adjusted LTM EBITDA | 1,247.0 | 909.6 | 37.1% | | | |
| <i>Adjusted LTM EBITDA Margin</i> | <i>82.4%</i> | <i>69.4%</i> | <i>13.0 p.p.</i> | | | |
| Adjusted Quarterly EBITDA | 325.5 | 274.5 | 18.6% | | | |
| Adjusted Quarterly EBITDA Margin | 73.5% | 72.5% | 1.0 p.p. | | | |
| Capex | 107.8 | 65.4 | 64.9% | | | |
| <i>Cash and equivalents</i> | <i>1,281.6</i> | <i>1,153.5</i> | <i>11.1%</i> | | | |
| Net Debt | 121.7 | 63.5 | 91.7% | | | |

*Lucro Caixa: (i) ajuste no valor justo do ativo biológico; (ii) efeitos do IFRS 16 no CPV e no resultado financeiro; (iii) provisão para perdas de crédito esperadas; (iv) variação cambial e operações de hedge não caixa e MTM;

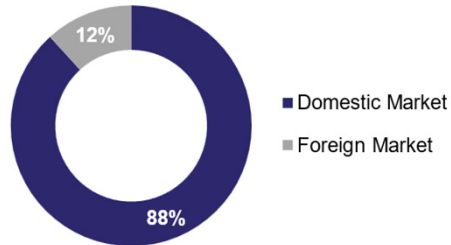
Gross Revenues
(R\$ million)



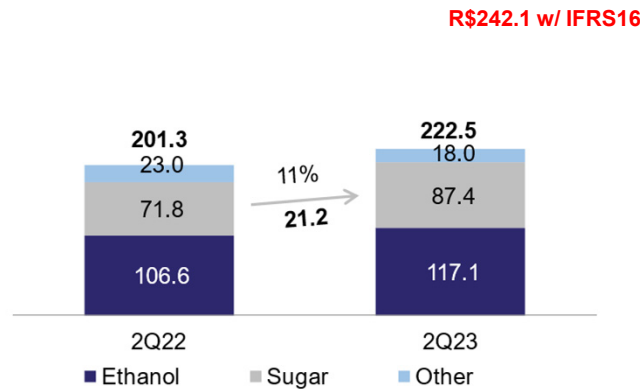
Breakdown Receita
(%)



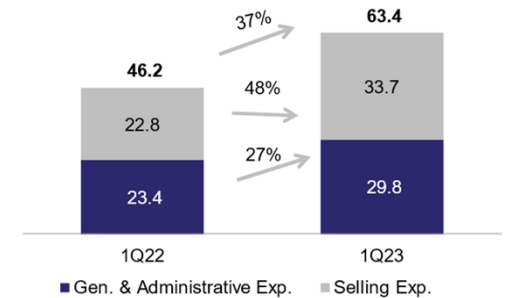
Revenues by Market
(%)



COGS
(R\$ million)



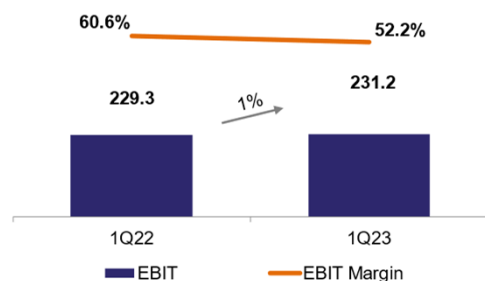
SG&A
(R\$ million)



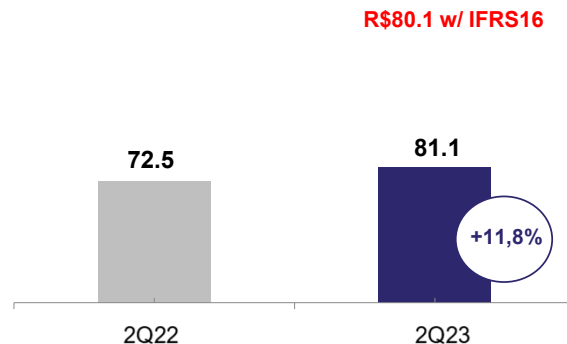
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Financial Highlights

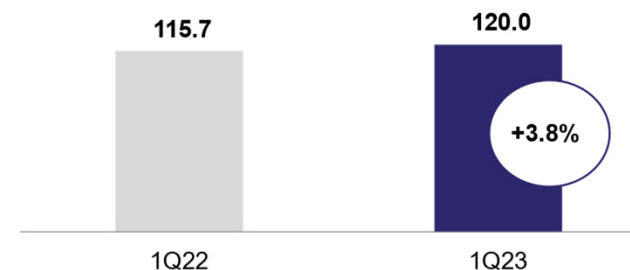
Ebit
(R\$ million)



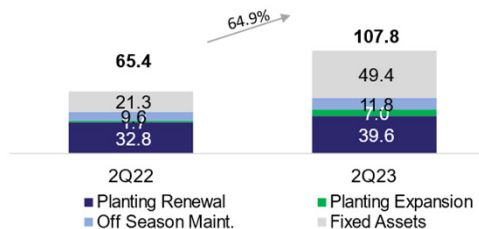
Financial Results
(R\$ million)



Net Income
(R\$ million)



Capex
(R\$ million)



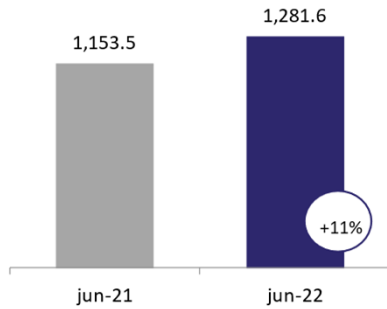
| | 1Q23 | 1Q22 | Var. % | Var. # |
|--|--------------|-------------|---------------|-------------|
| Renewal Planting | 39.6 | 32.8 | 20.5% | 6.7 |
| Off Season Maint. | 11.8 | 9.6 | 23.8% | 2.3 |
| Recurring Capex | 51.4 | 42.4 | 21.2% | 9.0 |
| Expansion - IPO | 30.6 | 0.0 | n/a | 30.6 |
| Expansion Planting | 7.0 | 1.7 | 324.3% | 5.4 |
| Fixed Assets | 16.4 | 20.3 | -19.3% | -3.9 |
| Intangible | 1.2 | 0.3 | 315.5% | 0.9 |
| Investments | 1.2 | 0.8 | n/a | 0.5 |
| Expansion/Imp. Capex | 56.4 | 23.0 | 145.5% | 33.4 |
| Capex Total | 107.8 | 65.4 | 64.9% | 42.4 |
| <i>Cultural cane processes - expansion</i> | <i>3.4</i> | <i>1.5</i> | <i>122.5%</i> | <i>1.8</i> |
| <i>Cultural cane processes</i> | <i>63.6</i> | <i>44.5</i> | <i>42.9%</i> | <i>19.1</i> |
| Total Cultural cane | 67.0 | 46.0 | 45.5% | 20.9 |

* Including cultural cane processes.

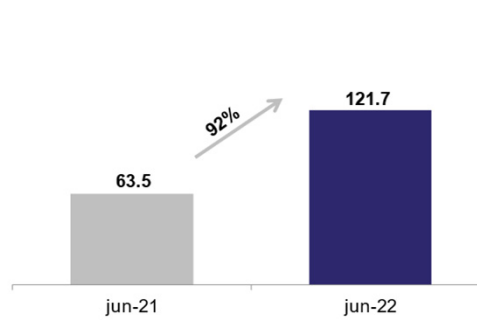
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Cash and cash equivalents, and Debt

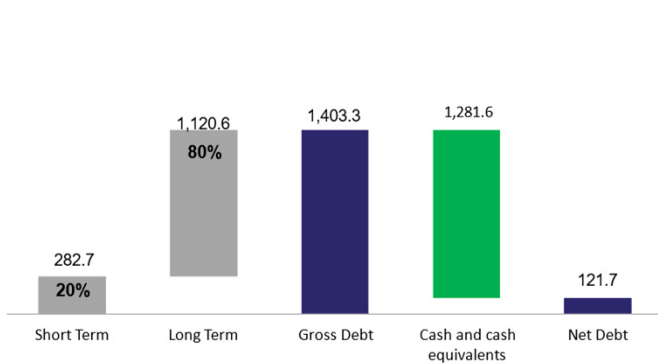
Cash and cash equivalents
(R\$ million)



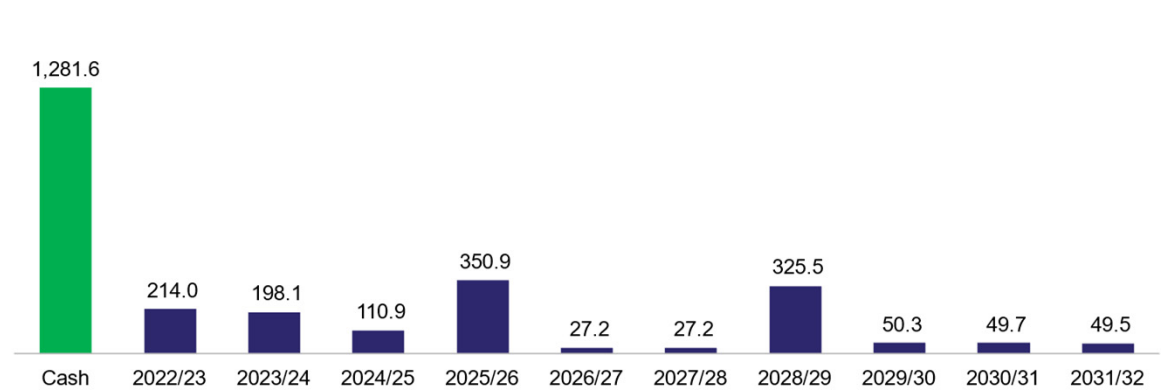
Net debt
(R\$ million)



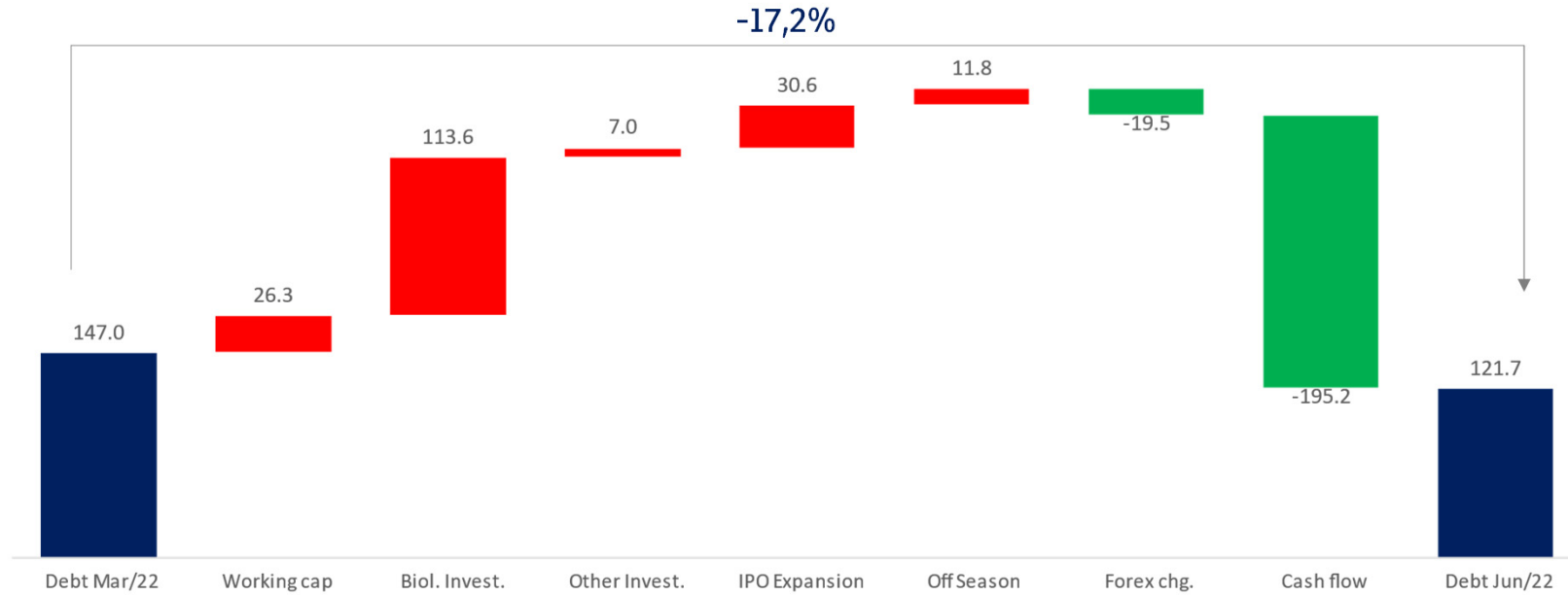
Debt profile
(R\$ million)



Amortization schedule
(R\$ million)



Alterações na Dívida Líquida (R\$ milhões)



2

Cash Flow

| CASH FLOW | 1Q23 | 1Q22 |
|---|--------------|---------------|
| (=) EBITDA | 325.5 | 274.5 |
| (-) Taxes | 1.1 | 0.8 |
| (-) Working Capital | 26.3 | -7.5 |
| (-) Financial Results | 81.6 | 72.1 |
| (=) Operating Cash Flow | 216.5 | 209.1 |
| (+) Investments/REP | 4.2 | 5.0 |
| (-) Leasing | 34.0 | 35.9 |
| (-) Recurring Capex | 115.0 | 86.9 |
| Renewal Planting | 39.6 | 32.8 |
| Cultural Cane Process | 63.6 | 44.5 |
| Off Season Maintenance | 11.8 | 9.6 |
| (=) Cash Flow after Recurring Capex | 71.7 | 91.3 |
| (-) Expansion/Improv. Capex | 48.1 | 14.9 |
| Planting and Cultural Cane | 10.4 | 3.2 |
| Fixed Assets (IPO Expansion) | 30.6 | 0.0 |
| Fixed Assets (Improv/Investments) | 7.0 | 11.8 |
| (-) Dividends | 0.0 | 0.0 |
| (=) Cash Flow After Expansion, Invest. Dividends | 23.6 | 76.4 |
| (-) Debt Amortization | 84 | 177 |
| (+) Funding | 2 | 0 |
| Consolidated FCF at the end | -58.0 | -101.0 |

Capex

Sugar warehouse - UOL

Capex total: R\$35 million



Irrigation, salvage and pivot project



Area volume save completed: 1.050 hectares

Area volume pivots installed in this capex: 1.350 hectares

Capex total: R\$24 million (UJM and UOL).

Ethanol tank: 20 million liters



Capex total R\$8 million



Q&A