



May 07th 2020



Agenda



- ☐ 2020 First Quarter Analysis
- ☐ 2020 Full Year Forecast
- ☐ Covid-19
- ☐ 2020 Key Priorities
- ☐ Q&A

2020 First quarter Analysis

Managerial Results and key performance indicators



AGRIBRASIL - CONSOLIDADO

Receita Líquida

	Audit	Unaudit			
	First Quarter				
VOLUMES & REVENUES	2019A	2020A			
Volume (000'ton)					
Corn	27,5	12			
Beans	8	41,6			
Total	35,5	53,6	51%		
P&L (BRLm)	2019A	2020A			
Net Revenues	28,7	109,5	282%	-8%	-2%
Cost o Goods Sold	-24,2	-103,8			
Gross Profit	4,5	5,7	25%	-60%	2%
Gross Profit Margin %	15,7%	5,2%			
SG&A	-0,8	-1,8			
EBITDA	3,7	3,9			
EBITDA Margin %	12,9%	3,5%	-1,9%	2,8%	
Interest (Expenses) / Income	-0,3	-0,7			
PBT	3,4	3,2			
PBT Margin %	11,9%	2,9%			

Benchmarking



Highlights:

- Net revenue** Strong growth due to the soybean export program. In addition to our revenues we have commitments for aprox. R\$ 300mm to be executed during the 2Q20, totaling R\$ 400mm in first semester of 2020.
- Gross Profit** of R\$ 5,7mm is 25% better than the first quarter of 2019
- SGA** higher than last quarter already reflecting new corporate governance, structure and all necessary support to run the ERP implemented in the last quarter of 2019.
- EBITDA** Margin of 3.5% is higher than our 3% average expectation for the year in 2020, therefore a reduction of around 0.5% in the overall margin is expected for the second quarter. However, Agribrazil margin will continue to be higher than our benchmarking in the same period Bunge (-1.9% 2020 and 1.5% 2019) and ADM (2.8% 2020 and 2.4% in 2019)
- Financial Income/(Expenses)** including Interest expenses only. All FX Hedge effect (currency exchange variation) was classified to Cost Of Goods Sold hence this is pure operational cost for Agribrazil.

2020 Full year Forecast

Managerial Results and key performance indicators



Highlights:

- Net revenue** Agribrazil expects an aggressive growth to deliver R\$ 800mm. 1st semester shall exceed R\$400mm, challenge is on second semester as limited NDF lines limit our purchases, and crop is already 70% sold.
- Gross Profit** of R\$ 31,2mm in 2020 is 3.9% of the expected Net Revenue compared to 3.2% in 2019. Such growth is possible since part of our structure cost is fixed.
- SGA** amount in BRL to be 41% higher than last year (R\$ 7.2mm/R\$ 5.1mm), while per metric ton ratio shall increase 8.5% (R\$9.23/ton 2020 versus R\$ 8.50/ton in 2019), already reflecting new corporate governance, structure and support to run the new ERP implemented in the last quarter of 2019.
- EBITDA** margin expected shall be higher than 2019 due to higher increase in revenues (+107%) than in SG&A (+41%).

AGRIBRASIL - CONSOLIDADO

Receita Líquida

VOLUMES & REVENUES

Volume (000'ton)

	First Quarter		
	2019A	2020A	Δ
Corn	27,5	12,0	
Beans	8,0	41,6	
	35,5	53,6	51%

P&L (BRLm)

Net Revenues

	2019A	2020A	
Cost o Goods Sold	-24,2	-103,8	282%

Gross Profit

	2019A	2020A	
Gross Profit Margin %	15,7%	5,2%	25%

SG&A

	2019A	2020A	
EBITDA	3,7	3,9	4%

EBITDA Margin %

Interest (Expenses) / Income

	2019A	2020A	
PBT	3,4	3,2	

PBT Margin %

First Quarter

2019A 2020A



Forecast Analysis

Audit Unaudit

FULL YEAR

2019A 2020F



	564,7	500,0	
	35,3	280,0	
	600,0	780,0	30%

2019A 2020F

	386,5	800,0	107%
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	-373,9	-768,8	
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	12,6	31,2	148%
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	3,2%	3,9%	
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	-5,1	-7,2	
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	7,5	24,0	222%
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	1,9%	3,0%	
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	-1,5	-2,7	
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	6,0	21,2	
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	1,6%	2,7%	
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Covid-19

Overview of the grain export sector through the Coronavirus pandemic



Agribrasil executive summary:

Positive:

1. **International Freight:** Reduction of around -40% on the ocean freight price due to the impact on supply/demand in the petroleum cost price arising from the pandemic, this is a relevant cost reduction to **our international buyers**.
2. **Chicago Board of Trade (CBOT):** commodities price had a reduction of around -20% and it is also an additional and relevant reduction for **our international buyers**.
3. **FX Impact (BRL:USD devaluation):** recent BRL devaluation of around +40% is a good incentive for **our Brazilian sellers** to sell goods

Negative:

1. **FX Impact (BRL:USD devaluation):** recent BRL devaluation of around +40% is also a **strong pressure at our existing NDFs lines**, (MTM Credit limit)
2. **Potential** credit restriction as Brazil economy struggling
3. **Potential** truck freight increase due to drivers quarantine

External source: ASSOCIAÇÃO NACIONAL DOS EXPORTADORES DE CEREAIS The logo for ANEC (Associação Nacional dos Exportadores de Cereais), featuring the word 'ANEC' in a blue, bold, sans-serif font inside a blue rectangular border.

1. In April (from 1st to 30th), Brazil exported 14.2 millions tons of soybeans setting a new historical record for the export of this product within a single month.
2. Prevention protocols for the new Coronavirus continue to be applied in the Ports of Santos, Rio Grande, São Luís/Itaqui, São Francisco do Sul, Victoria, Itacoatiara, Bacarena/Vila do Conde, Santarem, Imbituba, Aratu and Santana, where activities remain normal.
3. Acceptance of electronic signature in Brazilian Phytosanitary Certificates (**ePhyto**) was implemented to reduce the risk of contamination

2020 Key Priorities

Managerial Results and key performance indicators



1. **Covid-19** continue to follow all the pandemic prevention protocols without impacting our business and keeping our entire team working in home-office mode (for 6 weeks now) using our in-cloud ERP system.
2. **Continue growing** in a sustainable way aligned to the strategic plan, by delivering a full year Net Revenue at ~R\$ 800mm with R\$ 24mm EBITDA, **Executing well** our Soybean program in 2020 and continuing the successful Corn program developed in 2019.
3. **Onboarding of the new Agribrasil Sr Management.** As of May 1st, 2020 Mr **Ney N.M. Sousa** joined Agribrasil and became the group CFO. Ney Sousa has 30+ years experience in Finance, Controllershship, M&A, Tax and Projects leadership. Worked in large multinational companies such as Cargill Agricola SA (16 years), Serasa Experian (5 years), Englehart Commodities Traders Partners (ECTP) and was Fred Humberg's right hand on building Gavilon do Brasil.
4. **Strengthen the corporate governance** by the transformation of Humberg Agribrasil Comercio e Exportação de Grãos LTDA to "S/A" company and establishment of a formal board of directors to be implemented this year
5. **Increase bank relationship and NDF lines** based on the positive results reported in 2019 and 2020 (current crop is 70% sold and 2021 crop is 30% sold)

Q&A

THANK YOU!!



Benchmarking #1

Public information



Quarter ended	March 31					
ADM	2020		2019			
	(in millions, except per share amounts)					
Revenues	\$	14.970		\$	15.304	-2,2%
Cost of products sold ⁽¹⁾		14,019			14,376	
Gross profit		951			928	2,5%
Gross profit %		6,4%			6,1%	
Selling, general, and administrative expenses ⁽²⁾		664			659	
Asset impairment, exit, and restructuring costs ⁽³⁾		41			11	
Equity in (earnings) losses of unconsolidated affiliates		(140)			(101)	
Interest income		(40)			(49)	
Interest expense		83			101	
Other (income) expense - net ⁽⁴⁾		(32)			(8)	
Earnings before income taxes		375			315	19,0%
Earnings before income taxes %		2,5%			2,1%	
Income tax (benefit) expense ⁽⁵⁾		(16)			81	
Net earnings including noncontrolling interests		391			234	
Less: Net earnings (losses) attributable to noncontrolling interests		—			1	
Net earnings attributable to ADM	\$	391		\$	233	67,8%
EBITDA		418			368	13,6%
EBITDA %		2,8%			2,4%	

Benchmarking 2

Public information



Quarter ended							
	March 31						
BUNGE	2020			2019			
	(in millions, except per share amounts)						
Revenues	\$	9.173		\$	9.938		-7,7%
Cost of products sold ⁽¹⁾		-8.999			-9.501		
Gross profit		174	1,9%		437	4,4%	-60,2%
Selling, general, and administrative expenses ⁽²⁾		-295			-305		
Foreign exchange gain (losses)		-6			-7		
Other (income) expense - net		-51			31		
EBIT attributable to noncontrolling interest		8			-5		
Total Segment EBIT ("EBITDA")		-170	-1,9%		151	1,5%	-212,6%
Interest Income		7			7		
Interest Expense		-77			-75		
Income tax (benefit) expense		55			-38		-244,7%
Noncontrolling interest share of interest and tax		1			0		
Net income (loss) attributable to Bunge		-184	-2,0%		45	0,5%	-508,9%