raízen

Conference call transcript
Q3 25'26 Results
Raízen S.A. (RAIZ4)
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Phillipe Casale:

Good morning, everyone, and thank you for joining Raízen's third-quarter earnings call for the 2025'26 crop year.

Let me start with the highlights.

I like to begin by once again highlighting performance of our Fuel Distribution business. In Brazil, we have delivered our third consecutive quarter of operational improvement. In Argentina, we achieved our best performance of the year.

In EAB, results were impacted by circumstantial factors affecting productivity and pricing — as expected and consistent with what we have been seeing throughout the year.

Another important point is that we continue to make structural progress in reduction our cost and investment base, in line with our crop year operational plan.

In the first nine months of the year, we delivered R$ 600 million in efficiency gains. This clearly reflects our disciplined expense and cost management approach, as well as ongoing efforts to optimize both our corporate and operating structures.

Before moving to each segment's performance, let me note that at yesterday's earnings release we reported a net loss above market expectations. This was mainly driven by non-cash provision of R$ 11 billion which I will come back to this topic in more detail later in the presentation.

Turning now to ESB results.

This has been another challenging year for industry, as we have been discussing over the past quarters. Agricultural productivity was affected by adverse climate conditions. Sugar cane fields have been affected by the dry weather in recent years, and some areas were also impacted by frosts early in the crop year, putting pressure on yields.

Crushing, after these nine months, which is the main production period for sugar cane, was 70.3 million tons. Agricultural productivity, measured in tons of ATR per hectare, declined 8% year-on-year, reaching 9.7.

We maximized the production mix toward sugar, supported by favorable prices hedged for the season. Still, lower productivity reduced sugar availability, which explains the 5% decline in sugar sales year-to-date.

Sugar prices remain in line with our hedges, with almost the entire volume fixed for this crop year. Looking ahead to the 2026'27 crop year, we have already hedged 60% volumes at around R$ 111 per pound, well above current market levels, helping to mitigate short-term pressure.

In ethanol, pricing dynamics remain healthy, supported by a favorable inventory-to-consumption ratio. Despite lower production and sales volumes, average selling prices increased 10% year-on-year on a crop-year-to-date basis.

As a result, EAB EBITDA for the first nine months of the crop-year was impacted mainly by lower volumes sold and weaker sugar prices, as well as cost pressure driven by reduced dilution effect, given the a significant portion of the segments fixed-cost nature of the business. We also saw an impact from mark-to-market adjustments on certain bioenergy contracts.

On the positive side, I like to highlight efficiency gains that make a positive contribution during the year, with progress in optimization operating structure, fleet management, agricultural machinery and other key initiatives that were being addressed at the segment.

Moving to Fuel Distribution in Brazil.

We've delivered another quarter of consistent operational improvement. This reflects not only a healthier competitive environment, with continued progress in combating illegal fuel markets, but also increasingly solid execution of our commercial strategy.

Volumes grew across all products, both year-on-year and quarter-on-quarter. Diesel and lubricants were key highlights, with a strong contribution to quarterly and year-to-date results. We continue to strengthen our reseller network, increasing alignment with the Shell value proposition. Key highlights include growth in Shell Box, higher penetration of Shell Lubricants in higher-margin channels, and the recovery of premium fuels such as Shell V-Power.

We also continue to generate structural and efficiency gains remain a core focus. We are managing expenses tightly, optimizing operations, and benefiting from higher asset turnover as volumes grow.

As a result, Adjusted EBITDA increased 50% year-on-year, supported by strong volume growth and margin expansion. Year-to-date margins reached R$ 183 per cubic meter, above our operational plan assumptions.

Turning now to Fuel Distribution in Argentina.

Before I continue, a quick clarification: the figures presented exclude Paraguay operations, to ensure better comparability. The key highlight of the quarter was the completion of the efficiency maximization project at the Buenos Aires refinery, finalized in December. The resumption of operations was accompanied by a recovery in margins, which had been pressured earlier in the year by oil price volatility and current FX depreciation.

Results also benefited from higher sale volumes, a more assertive commercial strategy, and further optimization of the operating structure.

Turning to financial results.

As disclosed in our earnings release and financial statements, the Company recognized R$ 11.1 billion in impairment provisions this quarter. This had a significant impact on net income and shareholders' equity.

This provision reflects our current context, including higher leverage, increased financial expenses, and a deterioration in credit conditions, as reflected by recent rating downgrades. Accounting standards require a reassessment of asset recoverability under these circumstances.

I want to clearly emphasize two points. First, this is not an operational issue, but rather a challenge driven by the current financial context. Second, this provision has non-cash and may be reversed in the future as market conditions improve and as we advance in optimizing our capital structure.

Moving to cash flow. We continue to replace short-term working capital instruments with longer-term debt, extending our maturity profile. Excluding these non-recurring movements — mainly related to supply chain finance and customer advances — operating cash flow year-to-date improved versus last year, reflecting more efficient recurring working capital management, even considering the seasonal build-up of sugar and ethanol inventories.

Finally, regarding net debt and leverage.

As of the end of December 2025 reflects the lower LTM EBITDA, the replacement of working capital lines in longer term debt, as previously mentioned, CAPEX incurred during the period — already considering cash proceeds from asset sales — as well as higher financial expenses, driven by the increase in gross debt levels and the CDI over the period.

We ended the quarter with R$ 17.3 billion in cash, of which more than 90% is held in instruments with immediate liquidity, allocated to top-tier financial institutions.

With that, I conclude my presentation and will now turn the call over to Nelson Gomes, our CEO, for his closing remarks, before we move on to the question-and-answer session.

Thank you very much.

Nelson Gomes:

Thank you, Phillipe. Good morning, everyone. Welcome to our earnings release call for the 3Q of 2025'2026 crop year.

I would like to start my opening remarks by touching on what we have talked about and splitting into 2 parts, operational and capital structure. I will also turn it over to Lorival for his opening remarks, and then we can move on to the Q&A session.

On the operational side, starting with the progress we made in implementing our Raizen transformation plan, over the last 12 months since I joined the Company, we have been making significant progress in both simplifying the way we operate, as well as our business portfolio and operating efficiency.

So, a few comments on this simplification process. We are once again focusing on the Company's core business, which is to produce sugar and ethanol and to distribute fuel and lubricants. By doing that, we have a new organizational cultural dynamic where everything is simpler in the Company's day-to-day operation.

To speak about our portfolio optimization, in the last 12 months, we have sold assets worth approximately R$ 5 billion, 6 plants have been sold, reducing the recurring CAPEX. We have also sold power assets involving sales companies, as well as some mobility assets that we have invested in in the past.

Recently, outside the quarter we are talking about recently, we concluded our JV with FEMSA, the Nós Group, turning our focus back again to our convenience stores in Shell service stations, and we have revised our entire trading operation scope, focusing on everything that will bring us return, reduce risk and reduce business volatility. So that's the simplification side.

Let's talk a bit about operating efficiency. We have been optimizing our entire management structure, whether in the business itself, but also especially our administrative infrastructure. These efforts have already brought in R$ 600 million worth of reductions in the first nine months of this crop year, which is more than R$ 500 million we had estimated at the beginning of the crop year when we shared the guidance with the market.

So, we have optimized all of our operational and corporate structures. We have gained a lot of efficiency in our ethanol, sugar and biofuels structure, EAB, and the main efficiency gain in EAB came from CCT, cutting, loading and transportation of sugarcane, as well as a massive yield increase, productivity increase in our heavy and light fleet. And fuel that happened through reducing SG&A costs, as well as commercial and logistic efficiency, which are bringing the Company's cost down to R$ 20 per m^3 this year compared to the previous year.

And finally, in Argentina, we are also optimizing our structure, reducing SG&A costs. And also, as Phillipe said, we have completed all the construction work and investments to upgrade the refinery.

Now turning to CAPEX and efficiency, this year, we should reduce R$ 3 billion compared to last year's CAPEX. Our market guidance was between R$ 9 billion and R$ 9.8 billion, and we should be between the average and the low point of the guidance by the end of the crop year.

That comes through a lot of capital allocation discipline, using that CAPEX to bring in the necessary efficiency, not only in planting and tilling where we see levels close to the market, as well as quality when planting and also taking care of the sugarcane crops.

We are concluding many of our projects that started in previous years that ended up being delayed. So, at the end of this crop year, we should start concluding them.

To conclude the operational side and moving on to our capital structure, I would like to start by saying that even though we have a robust liquidity at the Company, in terms of capital structure, we got to an inflection point where clearly, all of our operational transformation plan per se has not been enough to mitigate the imbalance we have in the Company's capital structure. And obviously, resolving the Company's capital structure by reducing debt is the absolute priority, both for us here at the management and our shareholders.

So, in light of that, the Company has selected advisers, financial and legal advisers to look into alternatives that will continue to make the Company viable and competitive in the long run and to interact with market agents.

So that whole process is being conducted by the Company jointly with the controlling shareholders who have committed to contributing with capital to a consensual solution that will strengthen the structure and that is definitive so that the Company can operate in the long term.

It's also important to point out during this earnings release call that the way this process has been progressing started a few months ago and should take another few months. We will be communicating on the market all the facts that take place and need to be communicated. We have been experiencing in the last few weeks a lot of speculation, and it is our duty and responsibility not to speculate about potential structures, potential initiatives until the Company, together with controlling shareholders, have concluded the work they are doing.

And lastly, before I turn it over to Lorival, my last comment would be that this Company continues to implement its transformation plan by simplifying its portfolio, increasing efficiency across all operations. We continue to operate on the usual track across all of our businesses. We reiterate the commitments of all of our operations. We will continue to have a relationship with all of our business partners, clients, resellers, suppliers, who are even more key right now that the Company is going through this moment.

And now I will turn it over to Lorival.

Lorival Luz:

Thank you, Nelson. Good morning, everyone. First of all, I would like to start by providing more details about the impact on the balance this quarter referring to the impairments.

So, where does that come from? We have revisited December's balance sheet, and there are some very relevant assumptions that are applicable to the impairment test of a few assets. So, what does that take into account? That takes into account the assumptions, the Company's current level of debt. You saw in the balance sheet, the leverage is 5.3x right now. The Company's current capital structure, the cost of the debt service, which will be demanding in this period, and more recently, the impact of the credit rating downgrades and its effect on the Company's access to credit lines.

After revisiting these assumptions, we are classifying the Company's financial statements within a context of significant uncertainty. That's an accounting term. That's the term we have to use, and it is included in the explanation notes. It's very clear in the administration's report. There's a whole page talking about that. And we have done that and are doing that very transparently.

So that in and of itself meant an impact of R$ 11.1 billion, which was accounted for now. That is recoverable taxes, surplus of fixed assets, some intangible assets, it's all explained there. But the main thing is that this is a surprise. Is this a surprise? No, it's not. All of this information, all of these figures were already in the balance sheet. It was all very transparent. What we have done was in this scenario and in revisiting these assumptions, we have changed the classification to this impairment scenario. It was all there. There is no news. Nothing new has been discovered. Everything was already in the balance sheet. We have just reclassified it in light of this new scenario and revisiting these assumptions, which we have done and are doing with great responsibility and transparency.

Does that mean it's being removed from the balance sheet and not going back to it? It will go back to it as the Company adjusts its capital structure. And as Nelson just said, we continue to improve our operational efficiency and results, and then we will go back to having the ability and access to recover the impaired assets. So I just want to make that very, very clear. That's why I am taking some time to talk about it, just so that there is no doubt regarding that.

The other thing is, all of these effects, so the reported loss, in other words, are impairments and non-cash provisions. So those R$ 11 billion are non-cash. They will not have an impact on the cash or the Company's liquidity. Moreover, in the financial statements, there's another R$ 3 billion related to provisions and accounting adjustments, which are the same thing. They are non-cash provisions. They do not have a cash effect. So just to clarify those accounting classification.

Another important point is the Company's cash situation. We have reported R$ 17 billion in cash, over 90% of which has immediate liquidity, all of which are according to the Company's conservative policy, held in non-risk assets and top-tier financial institutions. That, coupled with longer average debt maturity at around 8 years, provides us with robust liquidity for the moment.

So these adjustments that have been made are non-recurring. They are all one-offs that are taking place for the time being. They are not recurring and nothing like it in this magnitude will take place again. So I just wanted to make that clear.

Another thing I would like to reiterate that Nelson touched on is that it is our duty and responsibility, and whenever we have any material facts or information that is relevant to the Company, to the shareholders or to the market, we will be communicating them to the market directly. I know there's always rumors going around in the market and that kind of conversation, but official information and facts will be promptly communicated to all of you very clearly through an announcement to the market, through a material fact announcement, always taking the Company's best interest into account to preserve the Company and, as a consequence, all of its stakeholders.

So I would like to ask you to please pay attention to all the official announcements, all the material fact announcements so that we can have a clear direct communication channel with you.

So with that, I will now turn it over to the Q&A session.

Q&A session

Isabella Simonato, Bank of America:

Good morning. Nelson, you touched on the controlling shareholders' commitment to provide the Company with more capital and that it is a process that might still take a few months after 6 months since you announced that you are going to be increasing capital. Given the bond performance and the rating agencies downgrades, Lorival, could you comment on the Company's liquidity right now in terms of access to supplier credit? Because the rating agencies downgrade affect a lot of stakeholders you do business with. So what kind of an impact did that have on your need for short-term working capital? So ultimately, my question is, do we see a deterioration in using working capital or not, or will things continue to be as they have been in the last quarters? That's my first question.

And along the same lines, but considering the time and the solution that you will eventually reach, is there a significant change to your plan to sell assets? Does it make sense to sell Argentina? And is there an accelerated plan to sell other plants or any other assets along the same lines?

Nelson Gomes:

Isabella, thank you for the questions. I will take your last question first, and then Lorival can comment on the liquidity scenario.

As I mentioned in my opening remarks, the Company's transformation plan will continue to be implemented exactly as it was conceived at the beginning of this journey a year ago because it's the right thing to do for the Company. So, our portfolio simplification plans, asset sales, decommissioning businesses that are not bringing in the expected returns. All of these initiatives will continue.

Specifically, about the sale in Argentina, as I said, in December, we concluded the refinery upgrade. That was done on time within the expected costs and without any complications at all. So, we needed to conclude that process, resume operations in Argentina, get to business as usual to understand whether we would have got the expected results. And results were very positive. In December, we saw profits coming back to our business in Argentina.

As for the sale itself, it is on track according to the schedule that we had set. There are no delays. We need to remember that Raizen's assets in Argentina is one of the most relevant in the country. And that entails a lot of complexity. But as I said, everything is on track and as expected for this kind of operation. We are working on the selected offer that we believe to be the most suitable, with negotiations progressing speedily and constructively, and we expect that to be concluded this year.

So, our asset sales, not only in Argentina, but more broadly speaking, is following the exact plan we conceived at the beginning of Raizen's transformation journey.

Lorival Luz:

Isabella, as for the impact on working capital and liquidity. First, we reported R$ 17 billion in cash and immediate liquidity. So, we are starting off with quite robust cash. We have no major maturities in the short term. And added to that, there are a few other factors. First, we are very comfortable because we are addressing a definitive solution and the Company and the shareholders' commitment to that solution. So, things are moving forward in a very positive fashion.

Also, as we saw on our balance sheet, we are not using certain working capital operations or instruments that we could be using. And we are not doing so because we believe the Company's funding should happen in the long run, and not short term or using short-term structure to fund long-term CAPEX. It's a matter of the right capital structure and how to use the balance sheet and funds to fund things properly.

So, what I can say is that we have a plan, and I am completely comfortable with our working capital and how things are moving forward.

Isabella Simonato:

Okay. That was very clear. Nelson, can I just check something? You talked about selling Argentina before the end of the year. Is that the fiscal year or the calendar year?

Nelson Gomes:

Sorry, Isa. I meant the end of the calendar year, not the crop year. As I said, it's a complex process, and it needs to go through all the legal and regulatory procedures, both in Brazil and in Argentina.

Matheus Enfeldt, UBS:

Good morning. Thanks for taking my question. I know that there's a lot of uncertainty, but if I could hear from you about a potential definitive solution, I think you talked about R$ 20 billion to R$ 25 billion. Thinking of an ideal capital structure and a company that has cash generation and leverage, which was 2.0x to 2.5x, what would be the ideal target in terms of capital structure looking forward and boundary conditions?

And as a follow-up to Isa's question, have downgrades led to any margin calls in the Company's derivatives?

Lorival Luz:

Matheus, thanks for the question. With regards to the capital structure, I think I am in line with you and the market in general in terms of the Company's leverage and debt level, not just our Company, any company.

When interest rates are high, which is what we have right now, there's no question that in order to have a healthy capital structure, you need to be between 2.0x and 2.5x so that the math works. That is the objective. It will happen in time, and it will be the result of, one, improving operations, everything we have been doing in our business, which has been progressing, and those gains do make a contribution, and a solution for the capital structure and reduction of indebtedness.

So, when we talk about a definitive solution, we are talking about a solution that will drive the Company towards that. Towards getting to that level of leverage. And that is an encompassing solution because it involves, as Nelson said, selling some assets. It also involves shareholders. So broadly speaking, we are talking about a context that allows us to get to that level, not immediately, but to move towards that as we conclude the different stages of the structuring process.

As to your other question, let's not forget, this was an investment-grade company. So the documents we have across all contracts do not include any margin calls or financial covenants that would make that happen. So, the answer is no, we do not have that.

Gabriel Barra, Citi:

Thanks for your time. I have a follow-up question to the 2 previous questions. I think that the main topic right now is the Company's capital structure. A Brazilian portal today talked about the Company's capital restructuring process, and it mentioned some facts and figures. And a couple of points drew my attention, and I would like to hear from you on those.

First, a potential ownership restructuring process including fuel redistribution, sugar and ethanol. So how do you see that separation? Would it be purely financial? Or would it be a separation based on the different business characteristics? I would like to hear from you on that, especially considering the Company's history where there was a great deal of synergy between the businesses, which is something that did not materialize over time.

And the second point is liquidity. Lorival and Nelson put it very well. We have been talking to investors about the Company's liquidity position. And even considering a complex capital structure, the Company's liquidity is somewhat comfortable. So considering the Company's restructuring process, how serious will that process be, given the Company's cash position and the uncertainties we have in Brazil this year, considering elections, top-down discussions? So if you could talk about how swiftly that's going to happen and maybe why the need to do that now and not wait a few months. Thank you.

Lorival Luz:

Gabriel, thanks for the question. First question is easy. The Company and I do not comment on market speculation and rumors. Full stop. Communications will be made through material fact announcements or announcements to the market. Any facts that need to be communicated will be communicated through official channels.

As for liquidity, we believe the sooner the better, the sooner we get to a solution and the sooner the cash comes in, the better. Life, structures, negotiations are not as simple as that. Things do not happen in the blink of an eye. So, we are working in the best interest of the Company to do it as swiftly as possible.

Guilherme Palhares, Santander:

Good morning. If I could get some clarification about the non-financial covenants and future ethanol deliveries, and the possibility of a waiver that's in the explanatory notes, what will be the size of the delivery that's not included in this financial covenant? And what are the next steps? Are we talking about something financial or physical? What would be the timing? What are the sizes of the contracts involved in this non-financial covenant?

Lorival Luz:

Excellent question. Thank you for giving me the opportunity to clarify. That's not a financial operation in the fund. It's a long-term contract until 2034 to deliver ethanol. And which says that under given circumstances, you could bring forward ethanol deliveries. But the fact is deliveries have been taking place. Deliveries will continue to take place. We will continue to produce and ship.

So, I think this is a contract for $ 600 million, but it's for deliveries throughout that period. We are already in contact with the other party, obviously, clarifying things and making our production capacity clear and making recurrent shipments. So, it's important to separate those things. This is not like a financial covenant of a loan agreement or a bond or anything like that.

Guilherme Palhares:

Can I ask a follow-up question, Lorival? You can settle that with first-generation ethanol, right? Because we saw that second-generation ethanol sale agreement. Can you deliver on that with first-generation ethanol?

Lorival Luz:

Yes. Absolutely, we can.

Leonardo Alencar, XP:

Good morning. You have touched on this during the presentation, but could you provide us more color on potential impact of this operational decision in the current scenario, considering the usual seasonality of this point in time with the carryover inventory, price fluctuations? This year, there's a significant difference. So, have you been able to get to the ideal inventory level you were pursuing for the quarter? And are you going to continue with the same strategy? And considering the next few strategies, what can we expect in terms of strategies for the current scenario?

Phillipe Casale:

Leo, good morning. I will take your question. We are always monitoring the sugar and ethanol markets and how prices change, so we can make a decision on our production mix along the crop year.

Our hedge position for sugar for this year and next year is well advanced. We are practically 100% hedged for this year. For next year, we gave you the figure. We have hedged 60% of the crop at very similar prices to this year's.

So that mitigates the effect of the decrease in recent sugar prices, but we are monitoring prices and markets weekly to decide on the best production strategy and the best trading strategy, to decide what we are going to ship and inventory carryover strategies, considering carryover costs and assessing strategy consistently. So, it's a living process. And the idea is to optimize and maximize returns for the business.

Leonardo Alencar:

Great. Considering CAPEX dynamics, the whole industry is discussing optimization or reducing CAPEX as much as possible, especially on the agricultural side. Looking at Raízen’s sugarcane crops right now, there's a lot of noise in the market, no question about it. Can we expect the crushing upside being affected next year?

Phillipe Casale:

In the last few years, Leo, we have been maximizing and recovering part of our sugarcane crops. We have had 2 hard years, 2 years of drought, and some frost impacts in some areas. But the 2 main points are, first, we are preserving our CAPEX for planting and to ensure our operations. All other non-priority investments that can be delayed. We look into and we assess them considering our capital discipline.

The reduction, Nelson mentioned the planting and crop efficiencies. So, we are not reducing any inputs, we are not reducing the quality of the process to save money. Quite the opposite. It's very clear to us that investing in sugarcane crops is key because agricultural yield will lead to cost reduction and better efficiency in our business. So, we will be preserving investments to conclude the sugarcane crop renewal but always looking at market opportunities to capture even more process efficiencies.

Monique Greco, Itaú:

Good morning. Thanks for taking my question. I have a question about mobility. You have had solid performance in the mobility sector. How are you thinking about market positioning? In December, the Company imported quite a lot, especially gasoline. So how does that relate with the Company's positioning in that segment, and considering the balance between capturing market share and prioritizing profitability?

Phillipe Casale:

Monique, I will start answering your question, and Nelson and Lorival can jump in. Obviously, considering the benefits from these improving results over the years, this is the third consecutive quarter that we have captured market share with profitability.

A part of that strategy comes from our supply strategy. We do not talk about imports because that's a recurring part of our business. It's part of supply to ensure we can supply our network. So we keep an eye out for market opportunities. We prioritize our main supplier, and our growth strategy is based on that. As you have been seeing, our volumes have been increasing with profitability, and that is key to ensure our business' sustainability and profitability.

Nelson Gomes:

I would add, Monique, that what we can expect in terms of what the Company controls is efficient cost management and management of the Company's operations. We will always pursue as much efficiency in unit costs as possible, which is what we have been trying to do over the last few quarters and maximizing value. That is the Company's priority to maximize value. We will always look for the best balance between efficient costs and a margin that can pay for shareholders' investments.

Gustavo Sadka, Bradesco:

Good morning. Thank you for taking my questions. Actually, I only have one about CAPEX. Your CAPEX to date is R$ 5.4 billion. Does it not seem a bit conservative to wait to expect the CAPEX to go to the average point of your guidance between R$ 9 billion and R$ 9.8 billion?

Phillipe Casale:

The last quarter of the year is where most ethanol, sugar and biofuel investments are concentrated. That's when we plant. That's where we take care of the crops. So obviously, they are higher this quarter. So, we will continue to monitor efficiencies, reassessing projects and investments to make sure that we can continue to invest in the assets' integrity, safety and security, investing and growing our service station network in our sugarcane crop, as well as looking at other non-priority projects that may bring benefits, or we may also delay other investments. But that figure, as Nelson said, looking to the average, to the lower points of the guidance, still makes sense.

Operator:

This concludes the Q&A session. Any questions in writing that have not been addressed during the earnings call will be answered by the Investor Relations team. We will now hand the floor back to the Company for the closing remarks.

Nelson Gomes:

Once again, I would like to thank you all for joining us in this earnings release call for the 3Q and make a few closing remarks.

First, I would like to reiterate our commitment to continuing all of our operational activities, recognizing our relationship with our business partners, clients, suppliers, and resellers as absolutely essential to the Company at this time. As I have said at the beginning and in some of my answers to you, we will continue to focus on our transformation plan. Everything we set out to do operationally a year ago, we will continue to deliver on, and we will continue to communicate facts to you.

And as I have already said to you, it is also important to understand that there is only one single formal and official source of information of what goes on in the Company. It is Investor Relations. So, it is our duty and responsibility not to speculate on nonofficial news coming from nonofficial sources. Once again, I would like to thank you and ask you for your understanding. We will not comment on speculation.

So, thanks again for joining us, and we will see you next quarter. Thanks.

Operator:

Raizen S.A.'s 3Q for 2025’2026 crop year conference call is now concluded. The Investor Relations department is available to answer any further questions. Thank you and have a great day.