



## 2nd Quarter 2018 Earnings Webcast

August 17, 2018

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*This press release contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about us and our industry. These forward-looking statements can be identified by words or phrases such as “anticipate,” “forecast”, “believe,” “continue,” “estimate,” “expect,” “intend,” “is/are likely to,” “may,” “plan,” “should,” “would,” or other similar expressions.*

*The forward-looking statements included in this press release relate to, among others: (i) our business prospects and future results of operations; (ii) the implementation of our business strategy, including our development of the Ivinhema project; (iii) our plans relating to acquisitions, joint ventures, strategic alliances or divestitures; (iv) the implementation of our financing strategy and capital expenditure plan; (v) the maintenance of our relationships with customers; (vi) the competitive nature of the industries in which we operate; (vii) the cost and availability of financing; (viii) future demand for the commodities we produce; (ix) international prices for commodities; (x) the condition of our land holdings; (xi) the development of the logistics and infrastructure for transportation of our productions in the countries where we operate; (xii) the performance of the South American and world economies; (xiii) weather and other natural phenomena; (xiv) the relative value of the Brazilian Real, the Argentine Peso, and the Uruguayan Peso compared to other currencies; and (xv) developments in, or changes to, the laws, regulations and governmental policies governing our business, including environmental laws and regulations.*

*These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may turn out to be incorrect. Our actual results could be materially different from our expectations. In light of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this press release 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.*

*The forward-looking statements made in this press release related only to events or information as of the date on which the statements are made in this press release. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.*

# Sugar, Ethanol & Energy Business



**Crushing activities increased 54% in 2Q18 due to enhanced industrial efficiencies**

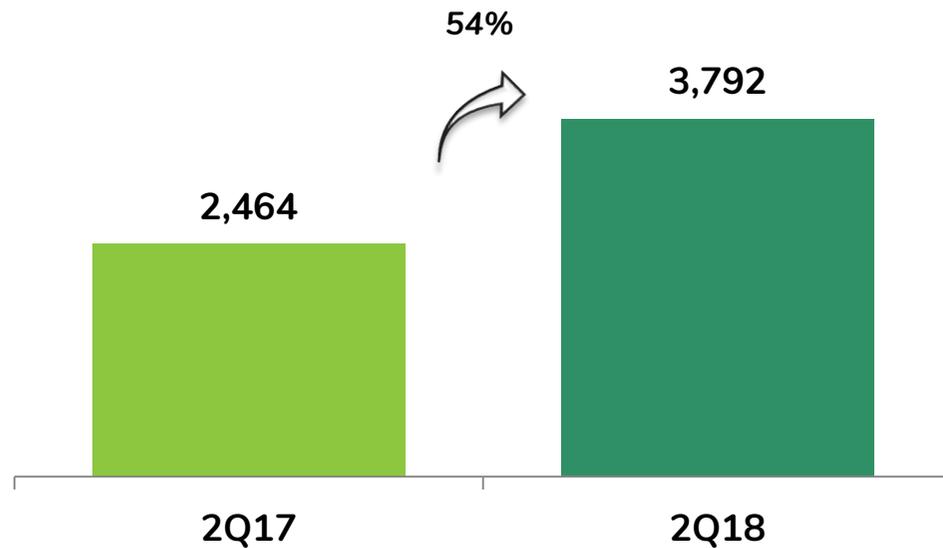
Operational Metrics - 2Q18 vs. 2Q17

Operational Metrics	2Q17	2Q18	% Change
Total Days	91	91	0%
Effective Milling Days	48	71	48%
Total Crushing (k tons)	2,464	3,792	54%

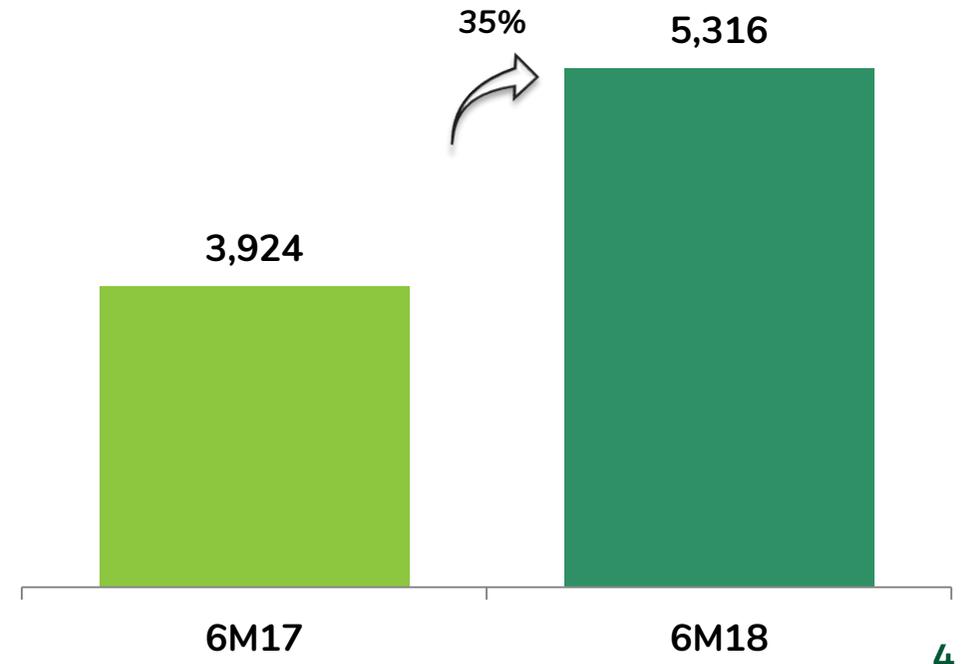
Operational Metrics - 6M18 vs. 6M17

Operational Metrics	6M17	6M18	% Change
Total Days	171	174	2%
Effective Milling Days	87	105	22%
Total Crushing (k tons)	3,924	5,316	35%

Sugarcane crushing  
(In Thousands Tons)

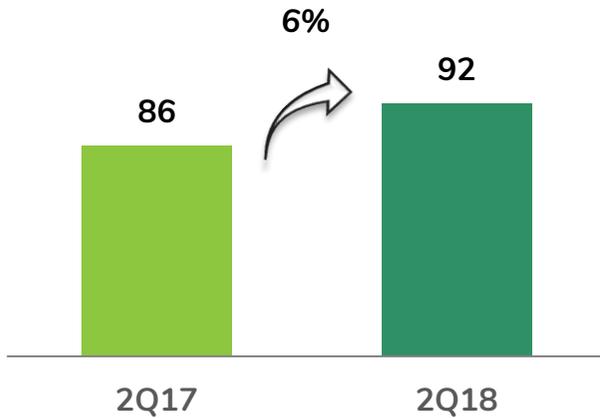


Sugarcane crushing  
(In Thousands Tons)

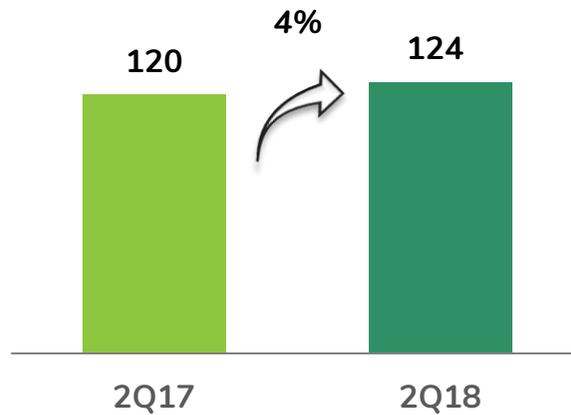


**Higher Sugarcane productivity due to enhanced agricultural efficiencies and normal weather conditions**

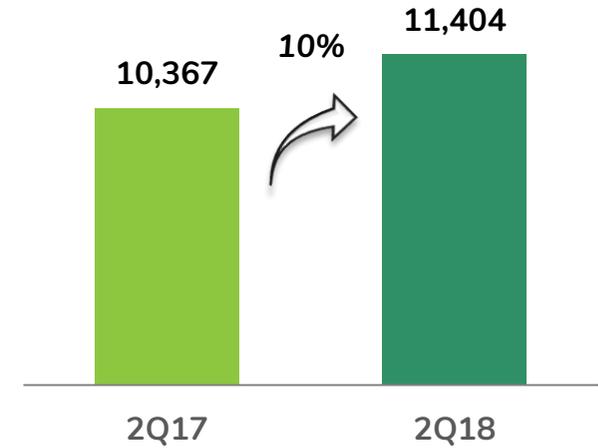
Yield per Hectare  
(tons/hectare)



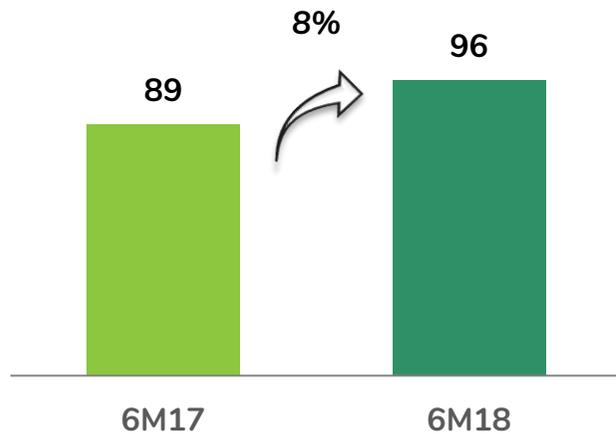
TRS per Ton



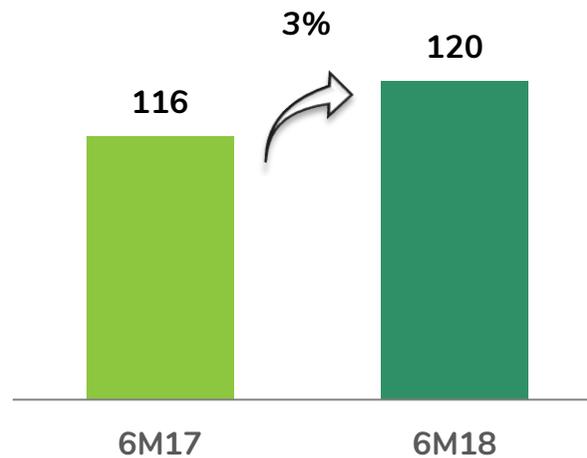
TRS per Hectare  
(kg/hectare)



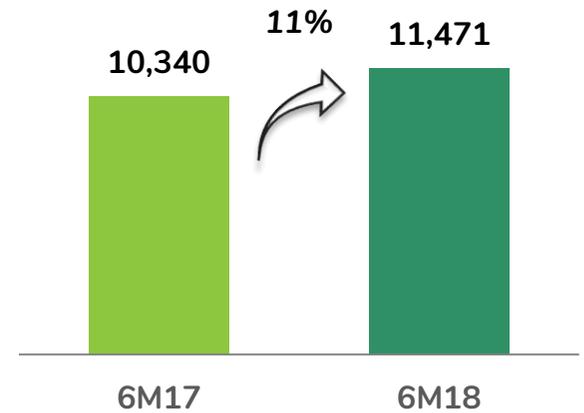
Yield per Hectare  
(tons/hectare)



TRS per Ton

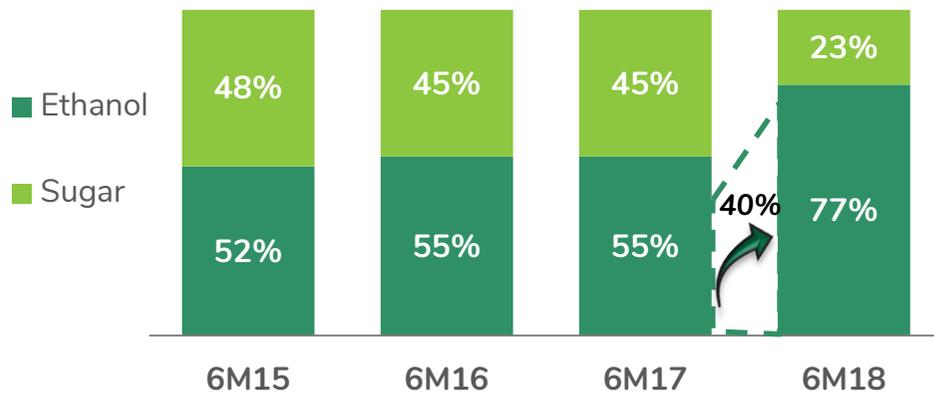


TRS per Hectare  
(kg/hectare)

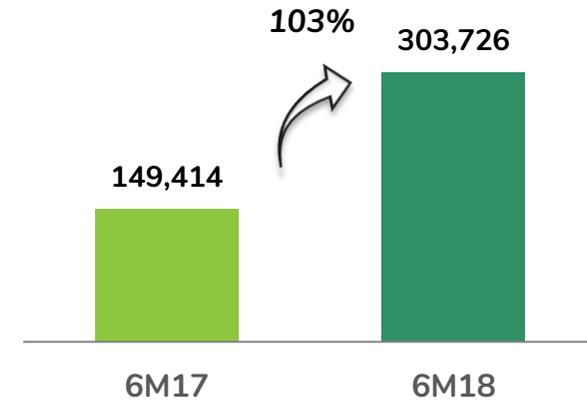


**Flexibility in production mix allowed us to doubled our ethanol production during 6M18 to profit from higher relative prices**

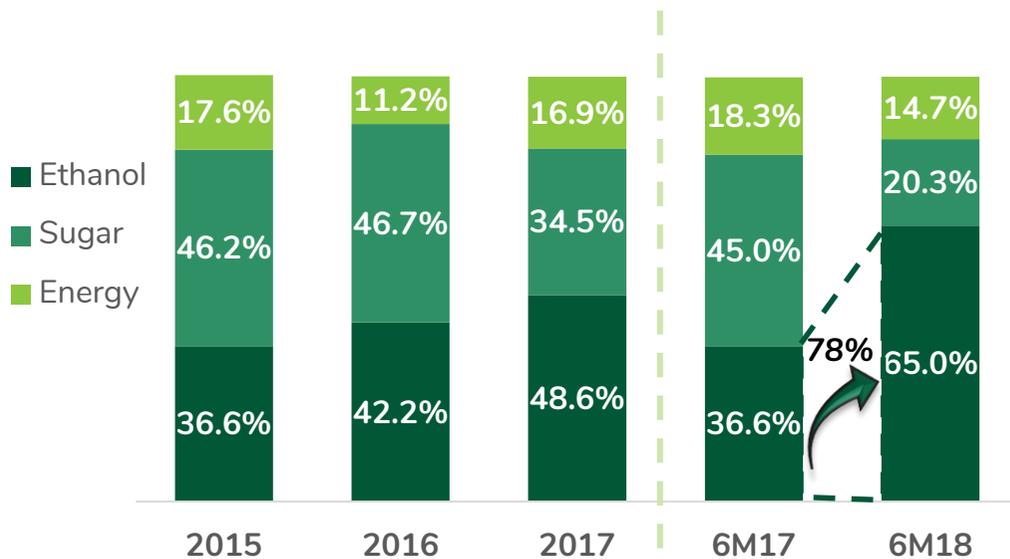
Ethanol Mix Evolution



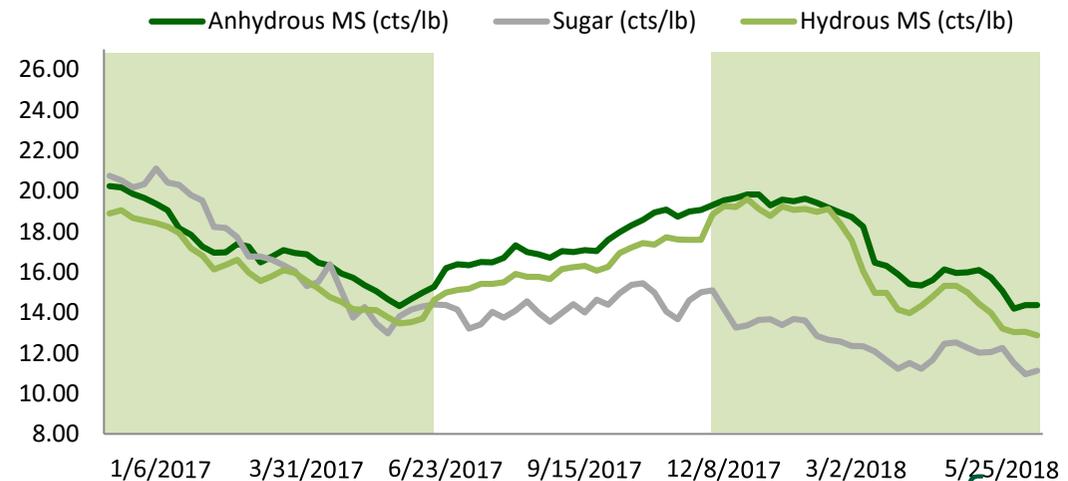
Ethanol Production (M3)



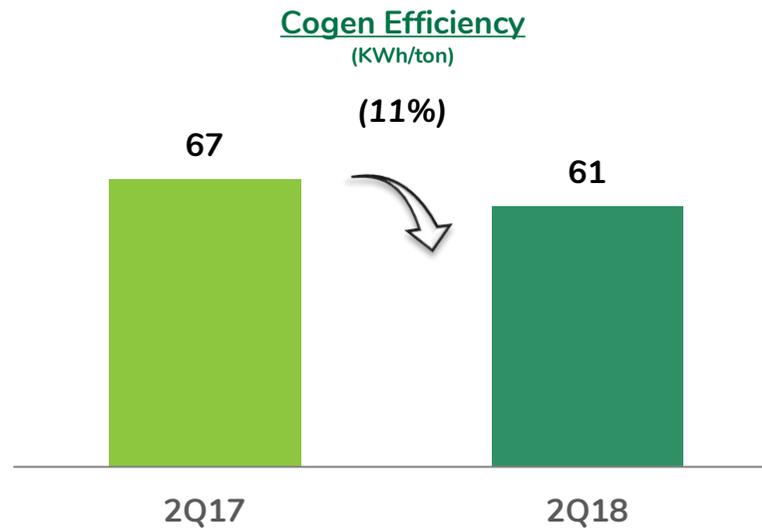
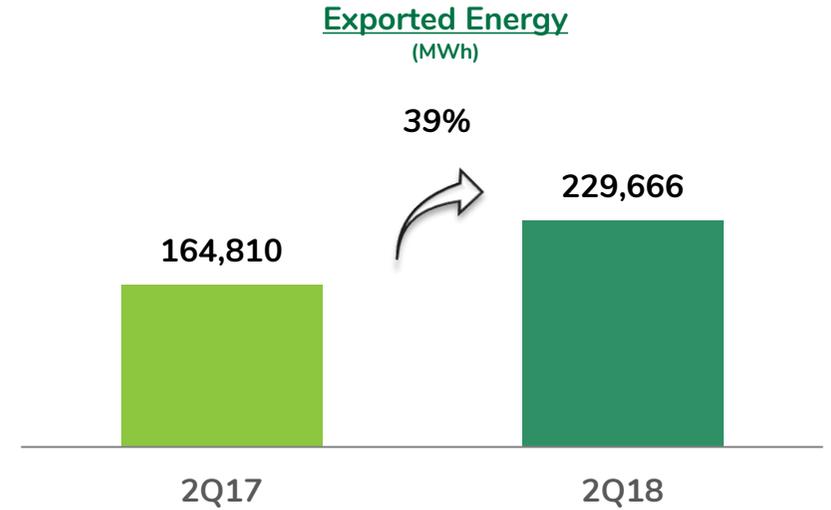
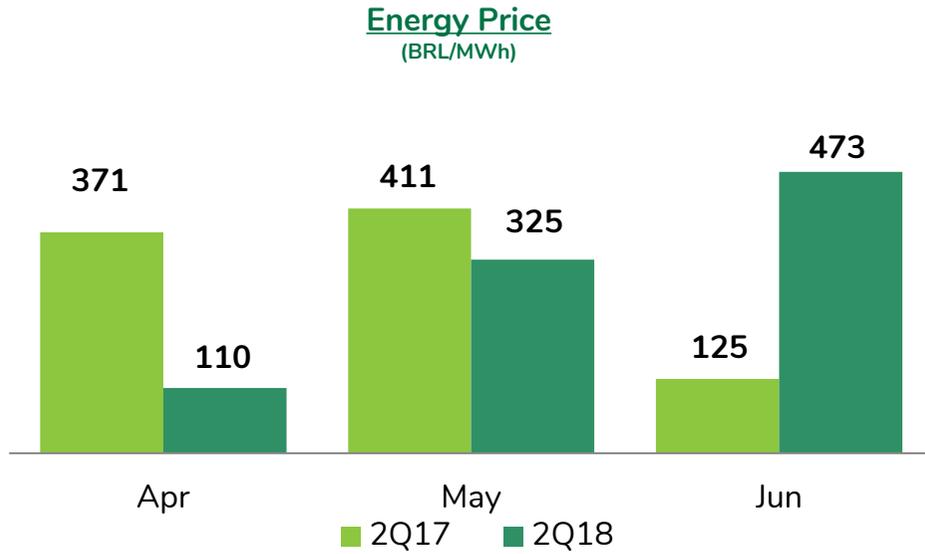
SE&E EBITDA distribution



Prices in sugar equivalent (cts/lb)

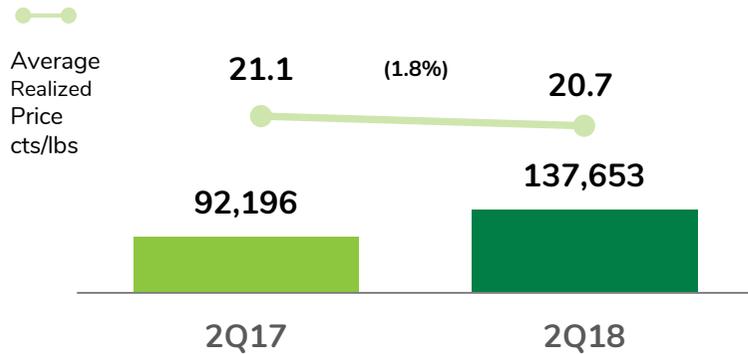


**Significant increase in exported energy allowed us to capture higher prices**

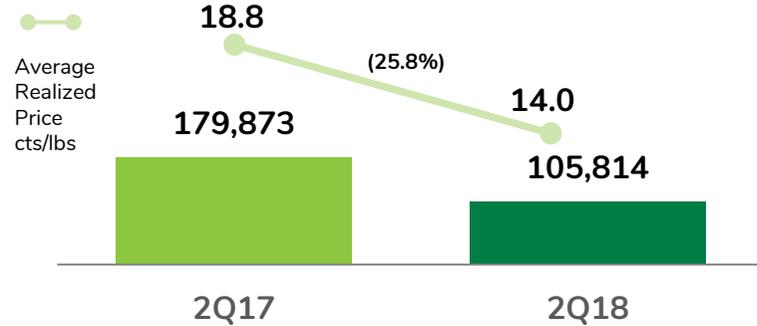


## Higher ethanol and energy sales as a result of higher selling volumes and realized prices

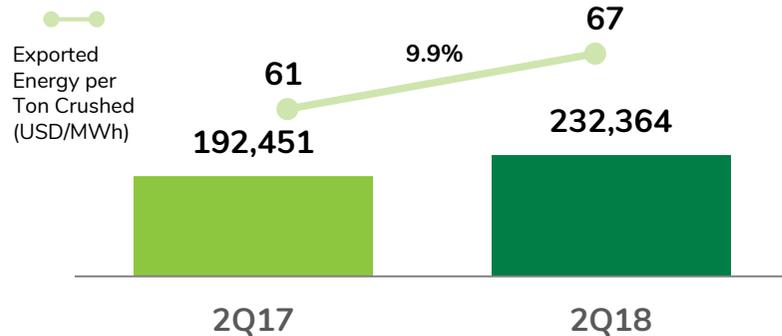
Ethanol Sales Volume (m3)



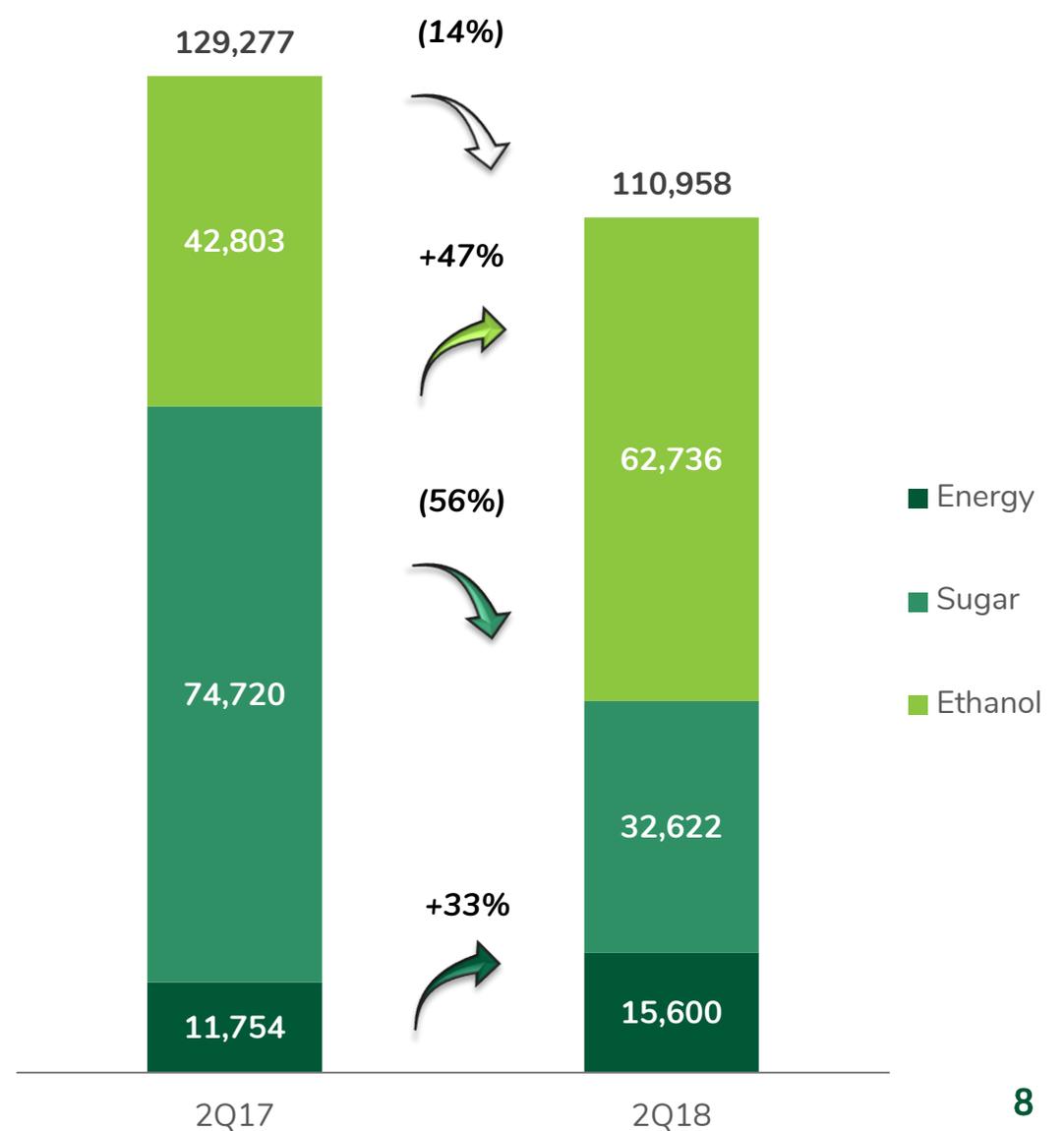
Sugar Sales Volume (Tons)



Energy Sales Volume (MWh)



Net Sales 2Q18 vs 2Q17 (\$'000)



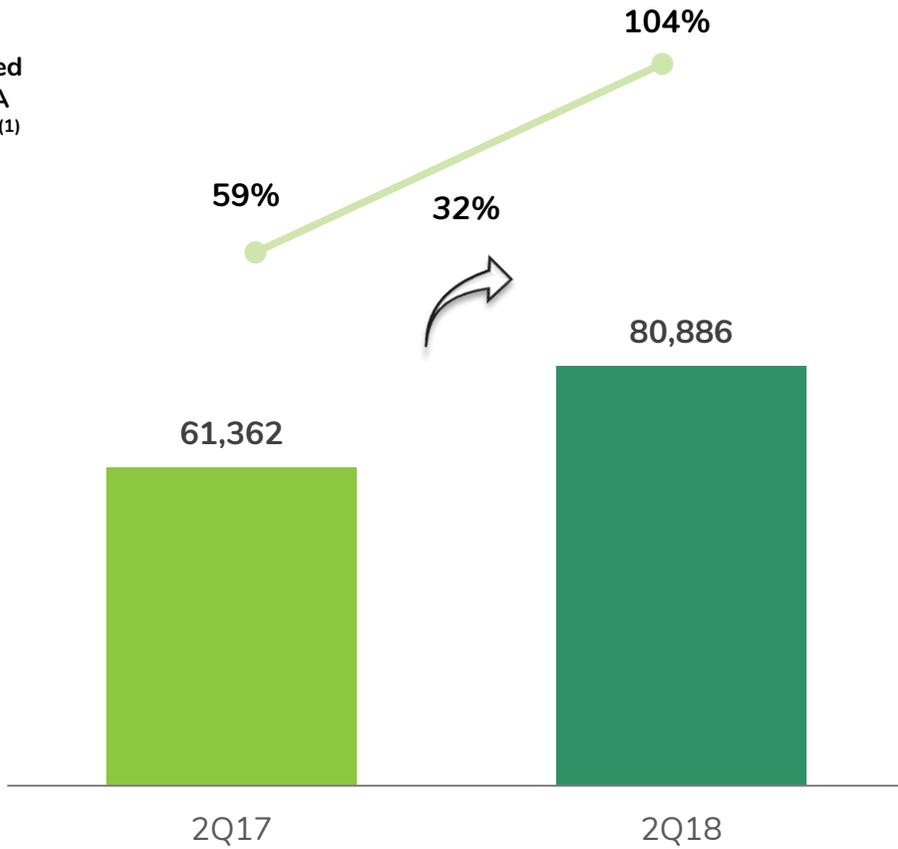
## Total cost per pound decreased 26% mainly explained by an increase of sugarcane crushing and enhanced efficiencies

Sugar, Ethanol & Energy - Total Production Costs						
	Total Cost ('000)			Total Cost per Pound (cts/lbs)		
	6M18	6M17	Chg %	6M18	6M17	Chg %
Industrial costs	37,292	36,028	3.5%	2.5	3.4	(25.8%)
Industrial costs	32,545	26,940	20.8%	2.2	2.6	(13.4%)
Cane from 3rd parties	4,747	9,088	(47.8%)	0.3	0.9	(62.6%)
Agricultural costs	121,027	105,820	14.4%	8.3	10.1	(18.0%)
Harvest costs	47,283	43,455	8.8%	3.2	4.1	(22.0%)
Cane depreciation	28,064	19,954	40.6%	1.9	1.9	0.8%
Leasing costs	16,227	15,195	6.8%	1.1	1.4	(23.4%)
Maintenance costs	29,453	27,216	8.2%	2.0	2.6	(22.4%)
<b>Total Production Costs</b>	<b>158,319</b>	<b>141,847</b>	<b>11.6%</b>	<b>10.8</b>	<b>13.5</b>	<b>(20.0%)</b>
Depreciation & Amortization	(66,619)	(53,034)	25.6%	(4.5)	(5.0)	(9.9%)
<b>Total Production Costs (excl. D&amp;A)</b>	<b>91,700</b>	<b>88,814</b>	<b>3.2%</b>	<b>6.3</b>	<b>8.4</b>	<b>(26.0%)</b>

**Adjusted EBITDA increased 41% in a cumulative basis year-over-year**

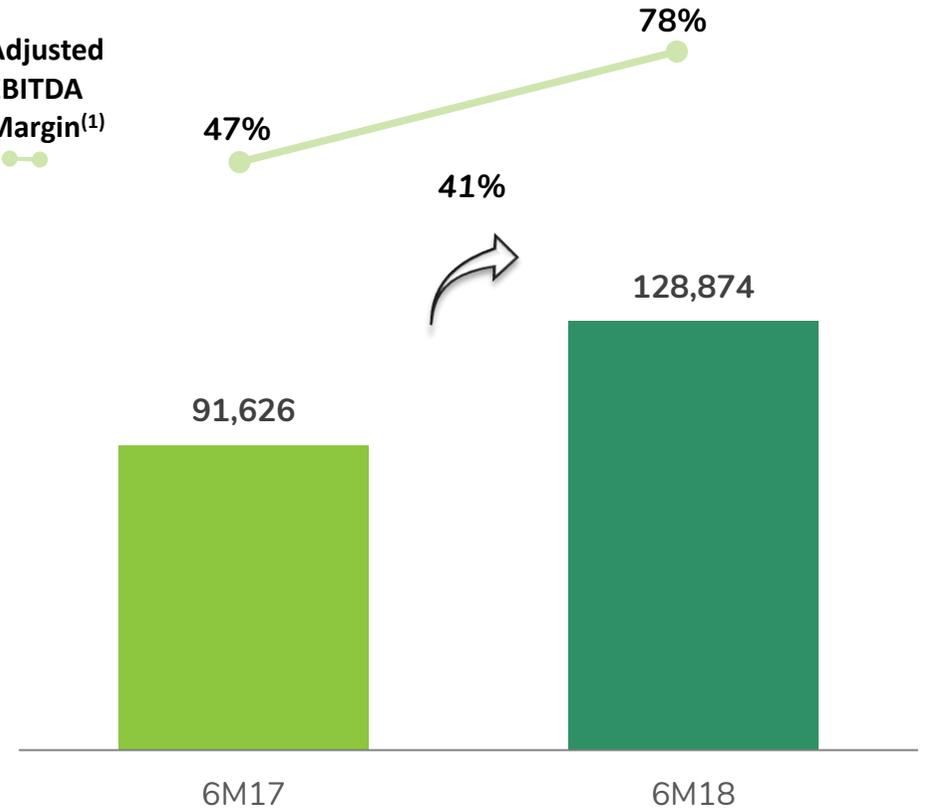
Adjusted EBITDA 2Q18 vs 2Q17  
(\$'000)

Adjusted EBITDA Margin<sup>(1)</sup>



Adjusted EBITDA 6M18 vs 6M17  
(\$'000)

Adjusted EBITDA Margin<sup>(1)</sup>



(1) Net of third party commercialization

A large stream of golden-brown corn kernels is pouring from a red metal chute. The kernels are in motion, creating a blurred trail as they fall against a clear blue sky. The chute is on the left side of the frame, and the kernels are falling towards the bottom right.

# Farming Business

## Significant increase in rice yields proved the benefits from product diversification

### Farming Production Data

Planting & Production	Planted Area (hectares)			2017/18 Harvested Area			Yields (Tons per hectare) <sup>(3)</sup>		
	2017/18	2016/17	Chg %	Hectares	% Harvested	Production	2017/18	2016/17	Chg %
Soybean	58,119	55,237	5.2%	58,064	99.9%	126,723	2.2	3.0	(27.0%)
Soybean 2 <sup>nd</sup> Crop	23,150	29,197	(20.7%)	23,150	100.0%	27,287	1.2	2.4	(51.4%)
Corn <sup>(1)</sup>	45,894	38,790	18%	29,434	64.1%	145,929	5.0	6.4	(22.9%)
Corn 2 <sup>nd</sup> Crop	10,847	9,987	8.6%	5,702.3	52.6%	17,996.6	3.2	4.7	(33.0%)
Wheat <sup>(2)</sup>	36,533	38,008	(3.9%)	36,530	100.0%	79,622	2.2	3.0	(28.2%)
Sunflower	2,869	5,413	(47.0%)	2,869	100.0%	5,181	1.8	1.9	(3.3%)
Cotton	3,132	2,640	18.6%	2,691	85.9%	113	-	-	n.a
Peanut	9,375	5,840	60.5%	8,817	94.0%	19,190	2.2	-	n.a
Corn Silage	2,589	2,171	19.3%	2,589	100.0%	100,177	38.7	27.3	41.7%
<b>Total Crops</b>	<b>192,507</b>	<b>187,284</b>	<b>2.8%</b>	<b>169,846</b>	<b>88.2%</b>	<b>522,218</b>			n.a
Rice	40,289	39,728	1.4%	40,289	100.0%	276,693	6.9	5.9	16.2%
<b>Total Farming</b>	<b>232,796</b>	<b>227,012</b>	<b>2.5%</b>	<b>210,134</b>	<b>90.3%</b>	<b>798,912</b>			
Owned Croppable Area	124,733	123,582	0.9%						
Leased Area	72,115	64,245	12.2%						
Second Crop Area	35,948	39,184	(8.3%)						
<b>Total Farming Area</b>	<b>232,796</b>	<b>227,012</b>	<b>2.5%</b>						
	Milking Cows (Average Heads)			Milk Production (MM liters) <sup>(1)</sup>			Productivity (Liters per cow per day)		
<b>Dairy</b>	2Q18	2Q17	Chg %	2Q18	2Q17	Chg %	2Q18	2Q17	Chg %
Milk Production	7,440	6,836	8.8%	21.6	21.4	0.8%	35.5	35.2	1.0%

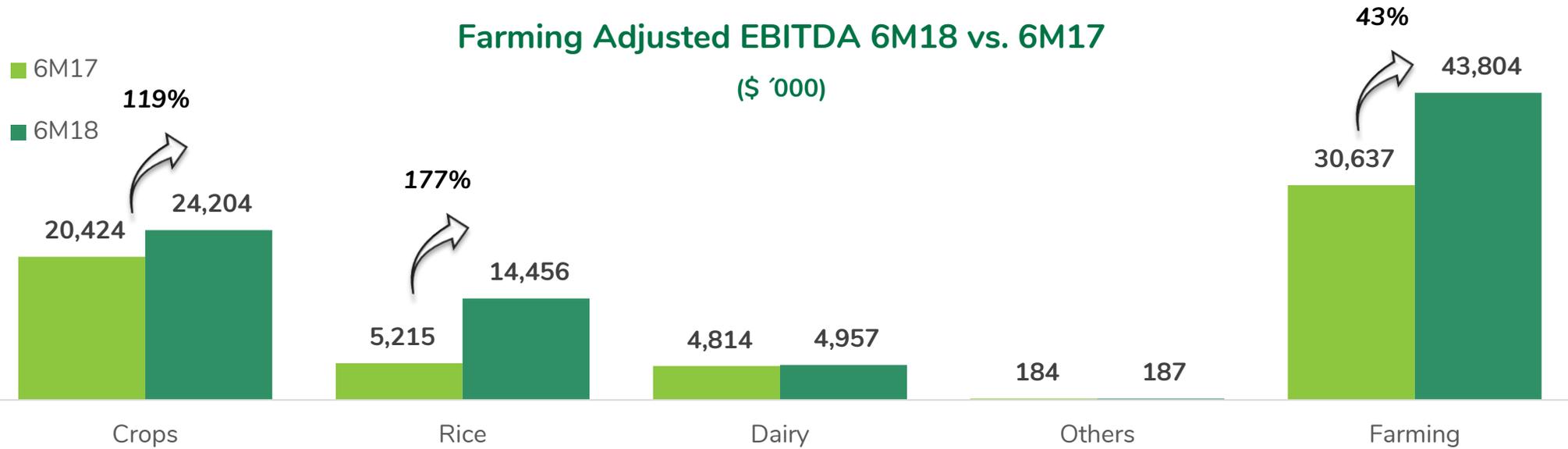
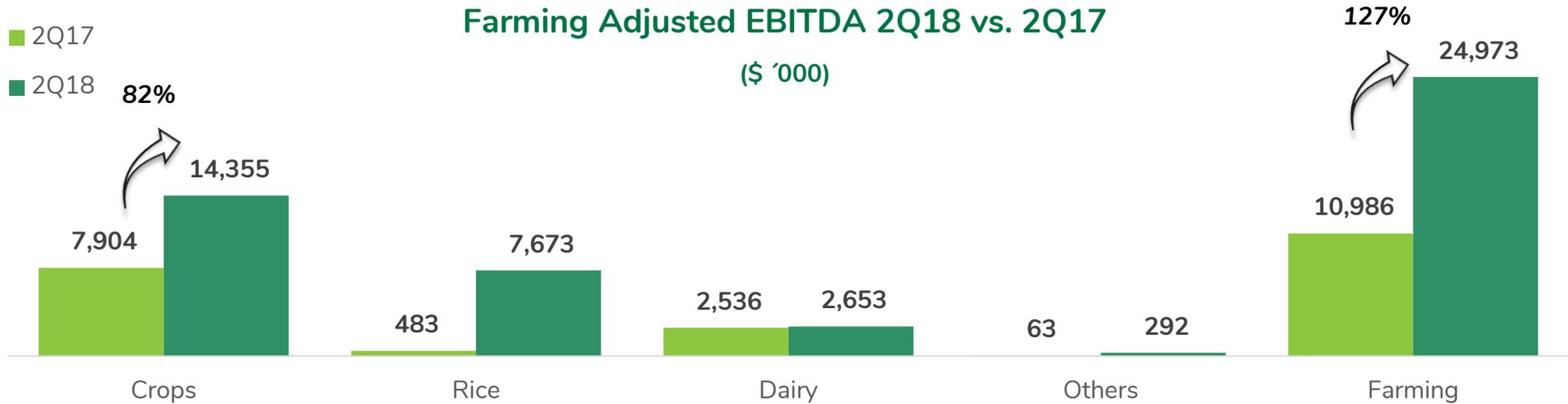
(1) Includes chia

(2) Includes barley.

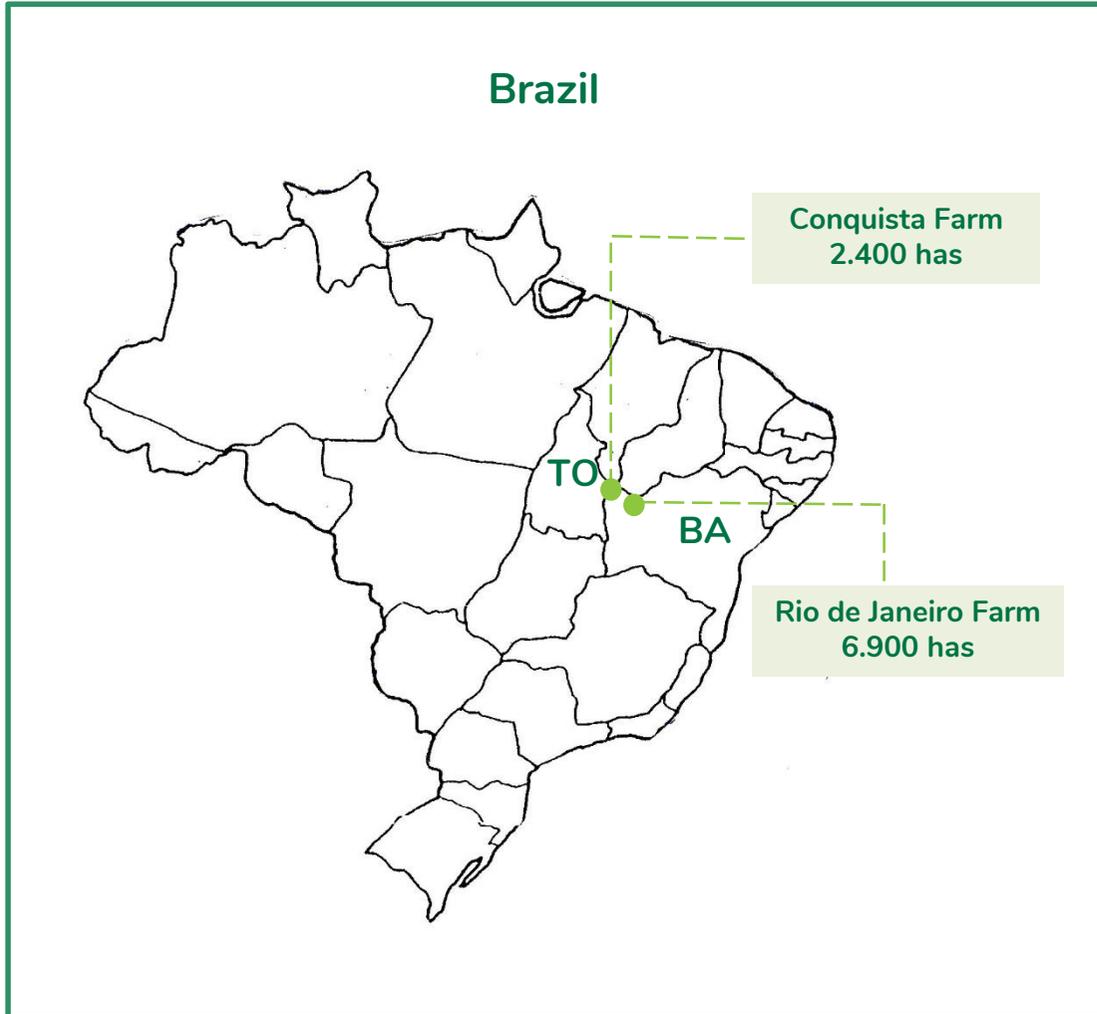
(3) Yields for 2017/18 season are partial yields related to the harvested area as of July 31, 2018. Yields for 2016/17 reflect the full harvest season.

Note: Some planted areas may reflect minor adjustments compared to previous reports due to a more accurate area measurement, which occurred during the current period

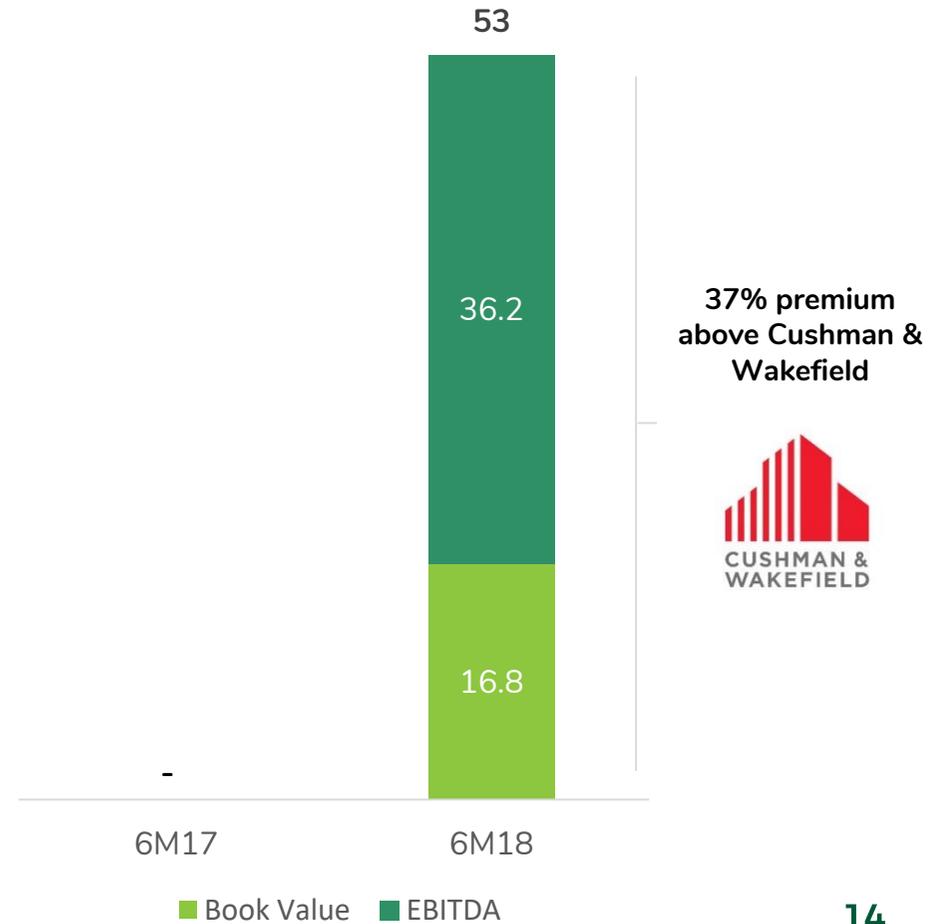
**Adjusted EBITDA increased 127% in 2Q18 as a result of enhanced operational efficiencies which resulted in lower production costs**



**We have sold two farms in Western Bahia and Tocantins**



**Land Transformation Adjusted EBITDA**



An aerial photograph of a vast, lush green rice paddy field. The field is divided into long, straight rows of rice plants by narrow water channels. The perspective is from a high angle, looking down the length of the field. In the background, a thin line of trees marks the horizon under a clear sky. A semi-transparent grey banner is overlaid across the top portion of the image, containing the text "Financial Performance".

# Financial Performance

## Consolidated Adjusted EBITDA reached \$199 million in 6M18, 78% higher year-over-year

Area & Production <sup>(3)</sup>	2012	2013	2014	2015	2016	2017	2Q17	2Q18	Chg%	6M17	6M18	Chg%
Farming Planted Area (hect.) <sup>(1)</sup>	232,547	219,305	224,343	210,556	224,877	230,197	227,012	232,796	2.5%	227,012	232,796	2.5%
Sugarcane Planted Area (hect.)	85,663	99,409	124,412	129,299	134,591	137,697	139,605	149,237 <sup>(4)</sup>	6.9%	139,605	149,237 <sup>(4)</sup>	6.9%
Farming Production (tons) <sup>(2)</sup>	738,847	699,179	848,843	807,535	804,397	876,750	760,317	798,912	5.1%	760,317	798,912	5.1%
Sugarcane Crushing (tons)	4,488,935	6,417,951	7,232,827	8,335,448	10,241,803	10,241,803	2,463,768	3,792,480	54%	3,924,436	5,316,316	35%

Net Sales	2012	2013	2014	2015	2016	2017	2Q17	2Q18	Chg%	6M17	6M18	Chg%
Farming & Land Transformation	322,368	327,163	315,837	273,692	272,543	322,559	92,495	95,478	3.2%	147,934	153,134	4%
Sugar, Ethanol & Energy	271,447	297,265	378,633	374,978	568,820	576,232	129,277	110,958	(14.2%)	233,699	201,267	-14%
<b>Total</b>	<b>593,815</b>	<b>624,428</b>	<b>694,470</b>	<b>648,670</b>	<b>841,363</b>	<b>898,791</b>	<b>221,772</b>	<b>206,436</b>	<b>(6.9%)</b>	<b>381,633</b>	<b>354,401</b>	<b>-7%</b>

Adjusted EBITDA	2012	2013	2014	2015	2016	2017	2Q17	2Q18	Chg%	6M17	6M18	Chg%
Farming & Land Transformation	68,647	88,942	85,234	70,282	53,962	50,656	10,986	61,200	457.1%	30,637	80,031	161%
Sugar, Ethanol & Energy	97,505	115,239	153,503	167,180	265,044	247,301	61,362	80,886	31.8%	91,626	128,874	41%
Corporate	(25,442)	(23,478)	(23,233)	(21,776)	(20,957)	(21,664)	(5,172)	(5,081)	(1.8%)	(10,330)	(9,960)	-4%
<b>Total</b>	<b>140,710</b>	<b>180,704</b>	<b>215,504</b>	<b>215,686</b>	<b>298,049</b>	<b>276,293</b>	<b>67,176</b>	<b>137,005</b>	<b>103.9%</b>	<b>111,933</b>	<b>198,945</b>	<b>77.7%</b>

Adjusted EBITDA Margin	2012	2013	2014	2015	2016	2017	2Q17	2Q18	119.1%	29.3%	56.1%	91.4%
	<b>23.7%</b>	<b>28.9%</b>	<b>31.0%</b>	<b>33.3%</b>	<b>35.4%</b>	<b>30.7%</b>	<b>30.3%</b>	<b>66.4%</b>				

(1) Planted Area for 2017/18 season

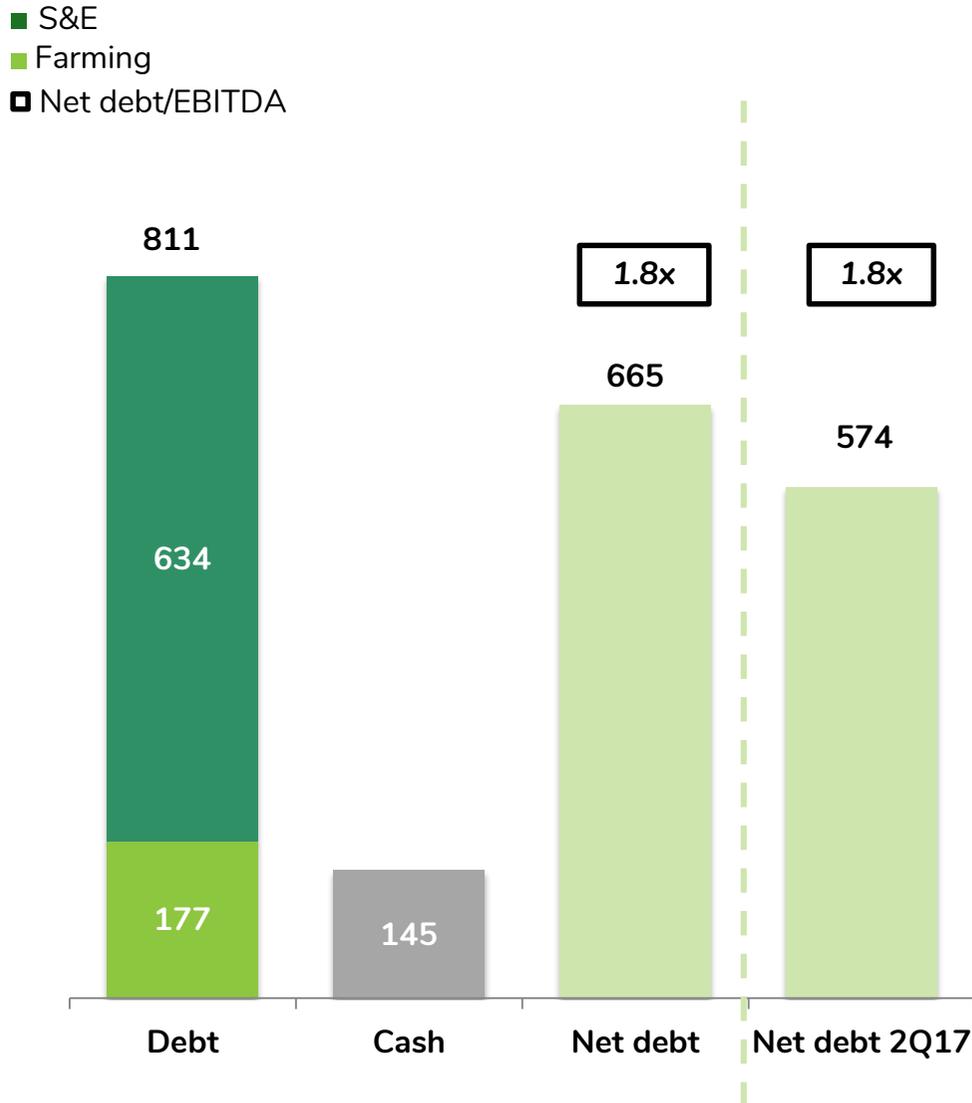
(2) Total Production for the 2016/17 season

(3) Years 2012, 2013, 2014, 2015, 2016 and 2017 correspond to the season 2011/2012, 2012/2013, 2013/2014, 2014/2015, 2015/2016 and 2016/2017, respectively.

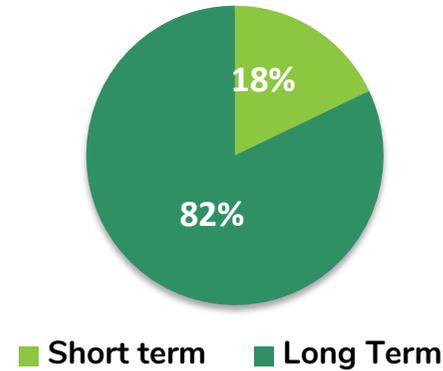
(4) Correspond to the season 2018/2019

**Net debt stands at \$665 million as of June, 2018**

2Q18 Net Debt  
(\$ million)

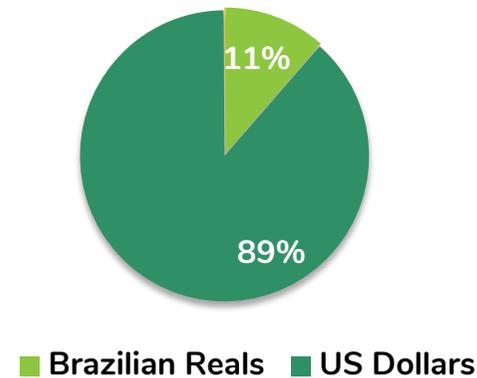


2Q18 Debt Term Structure



**Average life of 7 years**

2Q18 Debt Term Structure



**Average Interest <sup>(1)</sup>**

BRL	4.6%
USD	5.9%

(1) As of June 30, 2018

# Thank you!



adecoagro  
growing energy

[ir.adecoagro.com](http://ir.adecoagro.com)

 @AdecoagroIR

Charlie Boero Hughes - CFO  
Email: [chboero@adecoagro.com](mailto:chboero@adecoagro.com)  
TEL: +5411 4836 8804

Juan Ignacio Galleano - IRO Email:  
[jgalleano@adecoagro.com](mailto:jgalleano@adecoagro.com) TEL:  
+5411 4836 8624