



## 2nd Quarter 2019 Earnings Webcast

August 16, 2019

**AGRO**  
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**NYSE**

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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

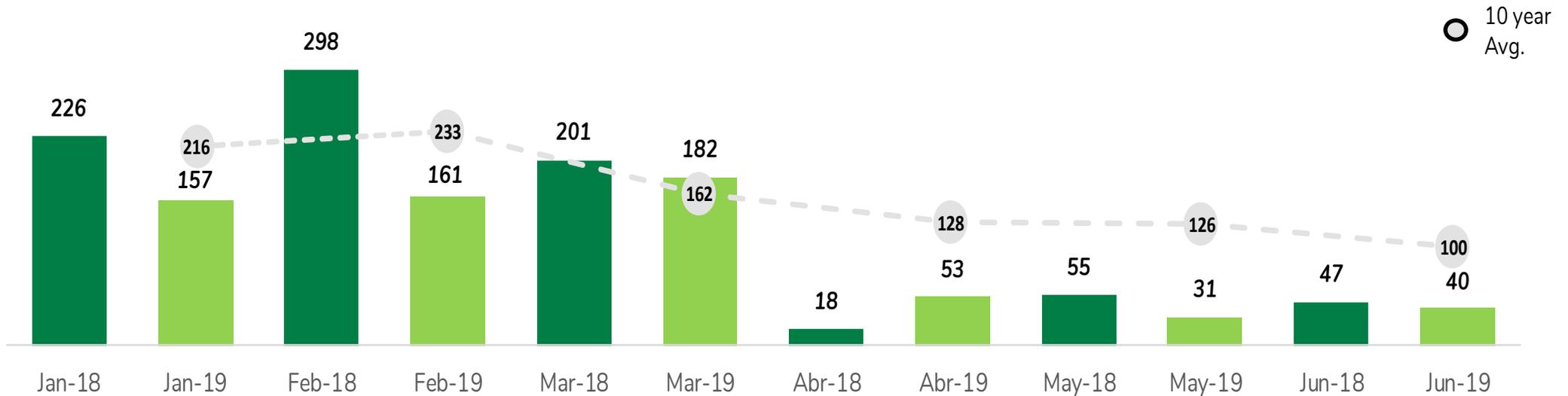


**Dry weather conditions during the quarter enabled us to accelerate the pace of crushing...**

Mato Grosso do Sul Rains

(In mm)

<i>6M19 vs 10 year Avg.</i>		<i>YoY Rains</i>	
10 Y. Avg	996	6M18	846
6M19	624	6M19	624
<b>Δ %</b>	<b>(35.4%)</b>	<b>Δ %</b>	<b>(26.2%)</b>



...resulting in a **6.3% increase in crushing activities during 2Q19**

Operational Metrics - 2Q18 vs. 2Q19

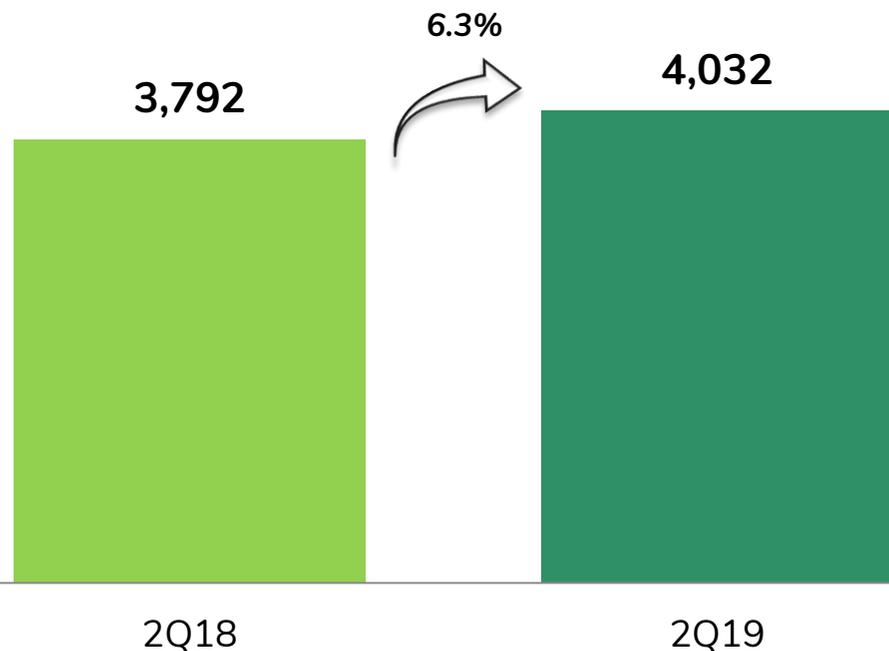
Operational Metrics	2Q18	2Q19	% Change
Total Days	91	91	0.0%
Effective Milling Days	71	75	<b>5.1%</b>
Total Crushing (k tons)	3,792	4,032	6.3%
Milling per Day (k tons)	53,452	54,068	1.2%
Harvested area (ha)	39,142	47,019	20.1%

Operational Metrics - 6M19 vs. 6M18

Operational Metrics	6M18	6M19	% Change
Total Days	181	181	0.0%
Effective Milling Days	113	118	4.3%
Total Crushing (k tons)	5,316	5,384	1.3%
Milling per Day (k tons)	47,102	45,722	(2.9%)
Harvested area (ha)	53,206	61,629	15.8%

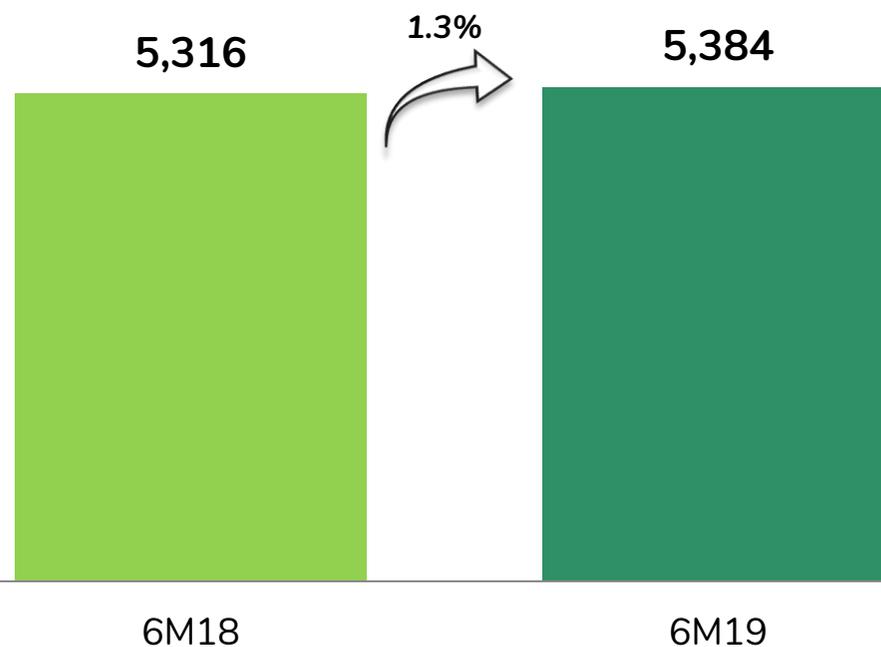
Sugarcane crushing

(In Thousands Tons)



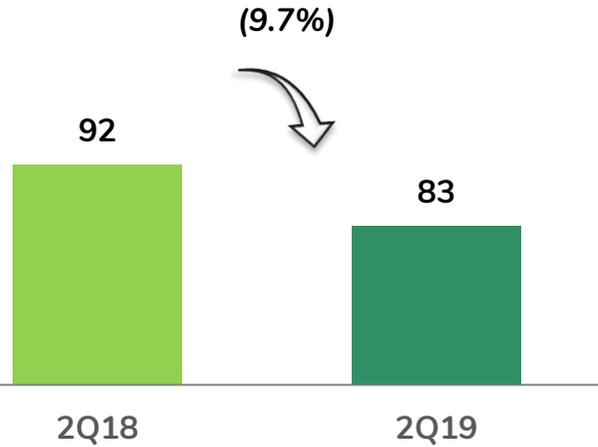
Sugarcane crushing

(In Thousands Tons)

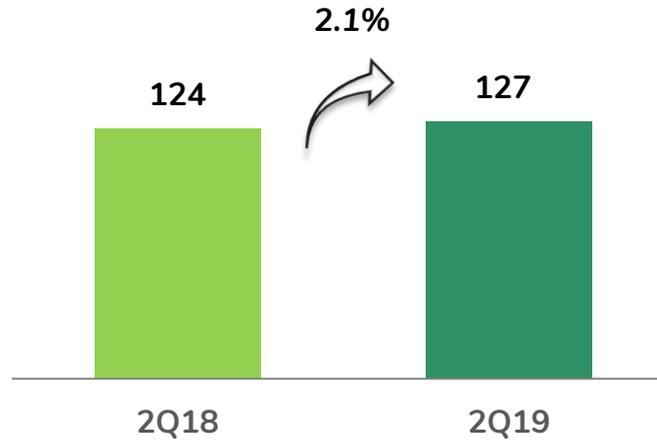


## Lower sugarcane productivity due to dry weather conditions

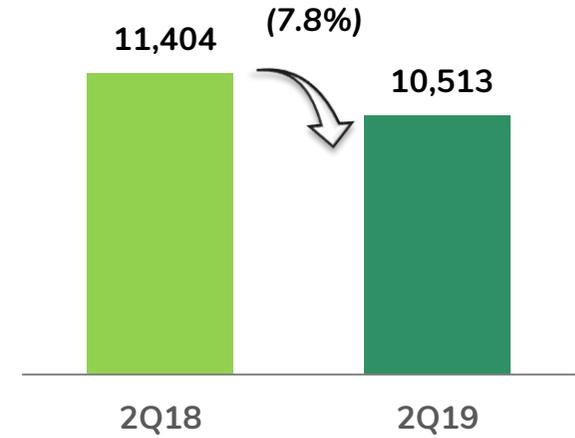
Yield per Hectare  
(tons/hectare)



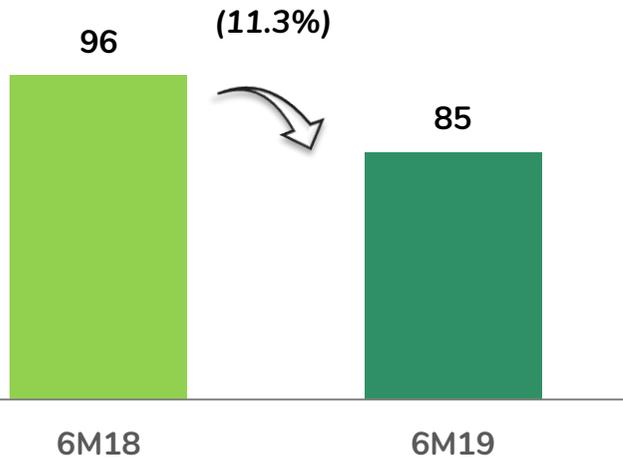
TRS per Ton



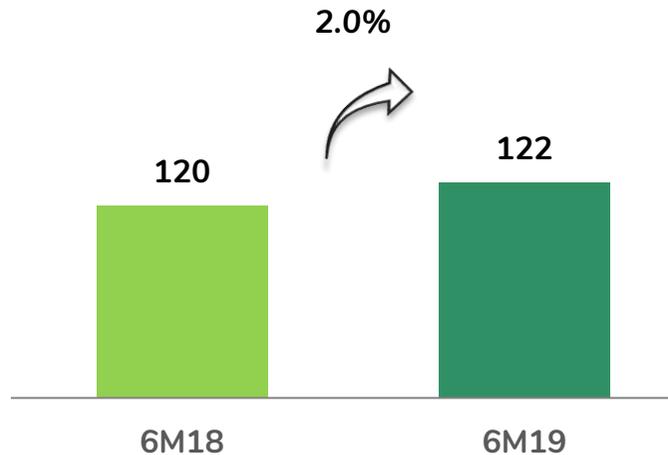
TRS per Hectare  
(kg/hectare)



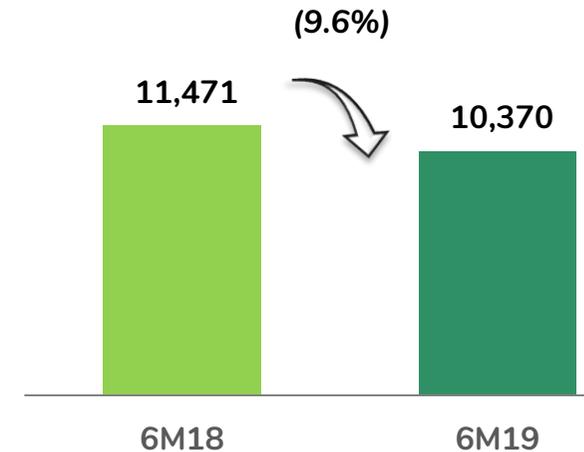
Yield per Hectare  
(tons/hectare)



TRS per Ton

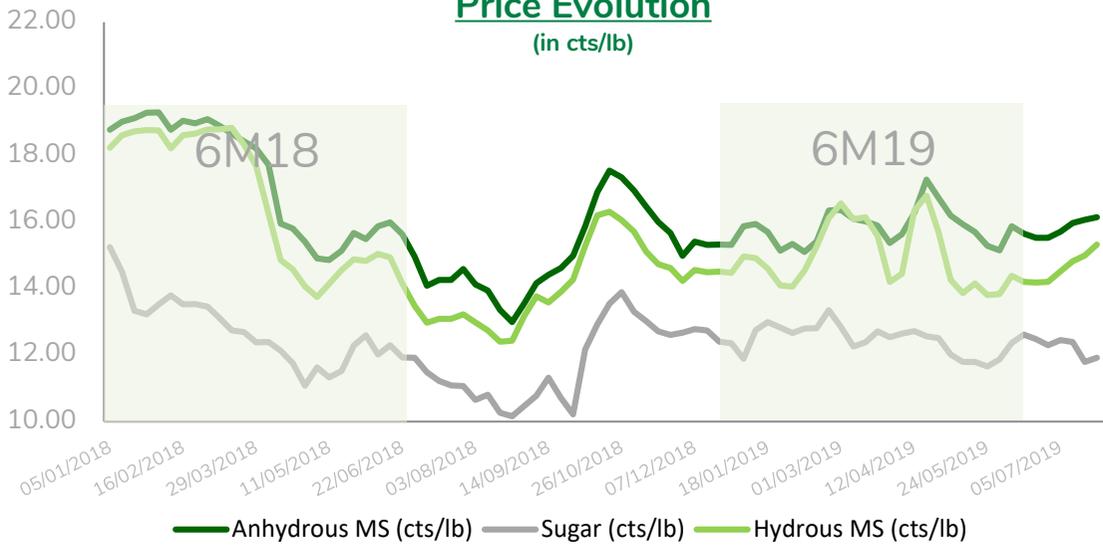


TRS per Hectare  
(kg/hectare)



## TRS was diverted to ethanol production to maximize profitability

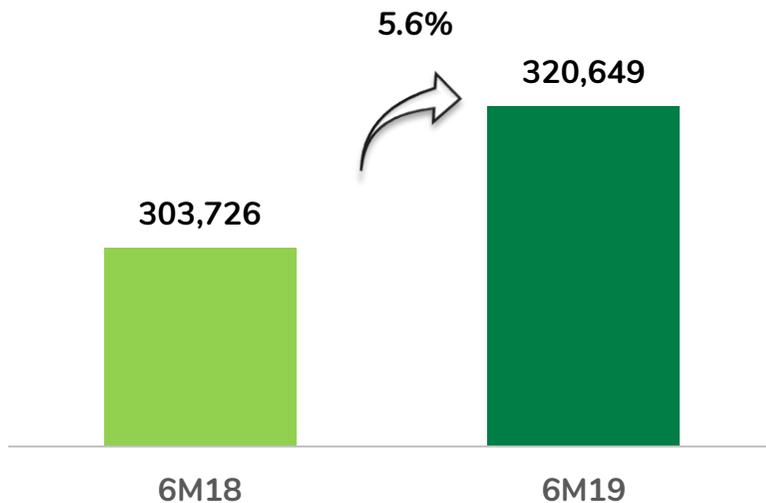
**Price Evolution**  
(in cts/lb)



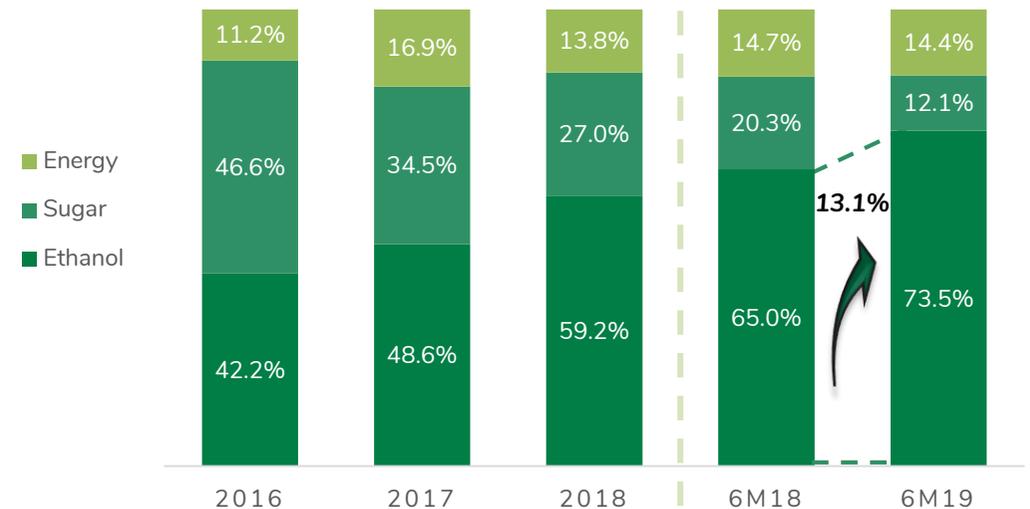
**Ethanol Production Mix Evolution**  
(in %)



**Ethanol Production**  
(M3)

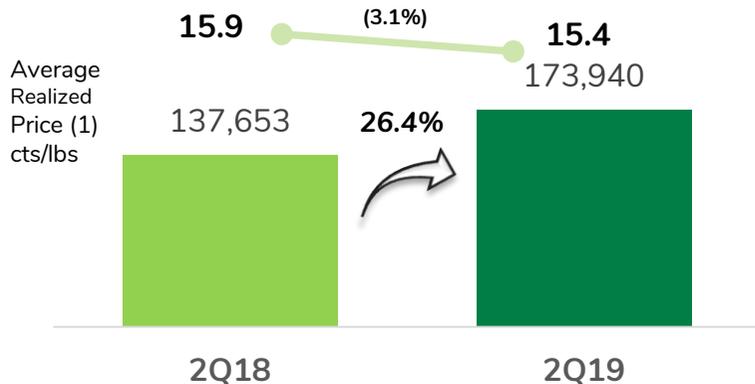


**SE&E EBITDA Distribution**  
(in %)

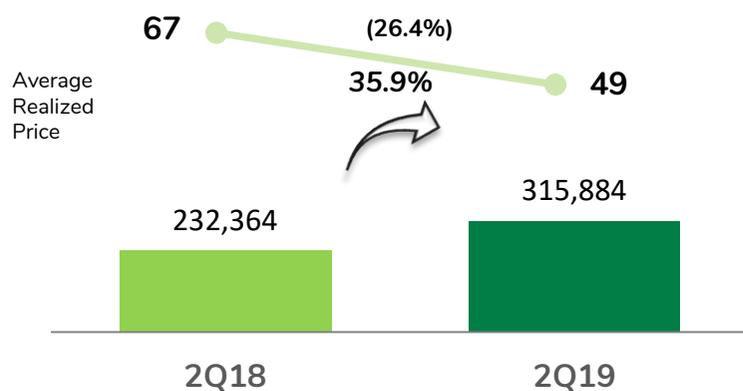


## Higher net sales were mainly explained by higher ethanol selling volumes

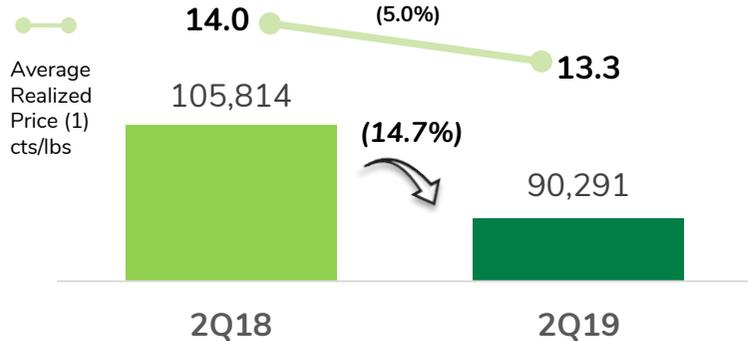
**Ethanol Sales Volume (m3)**



**Energy Sales Volume (MWh)**

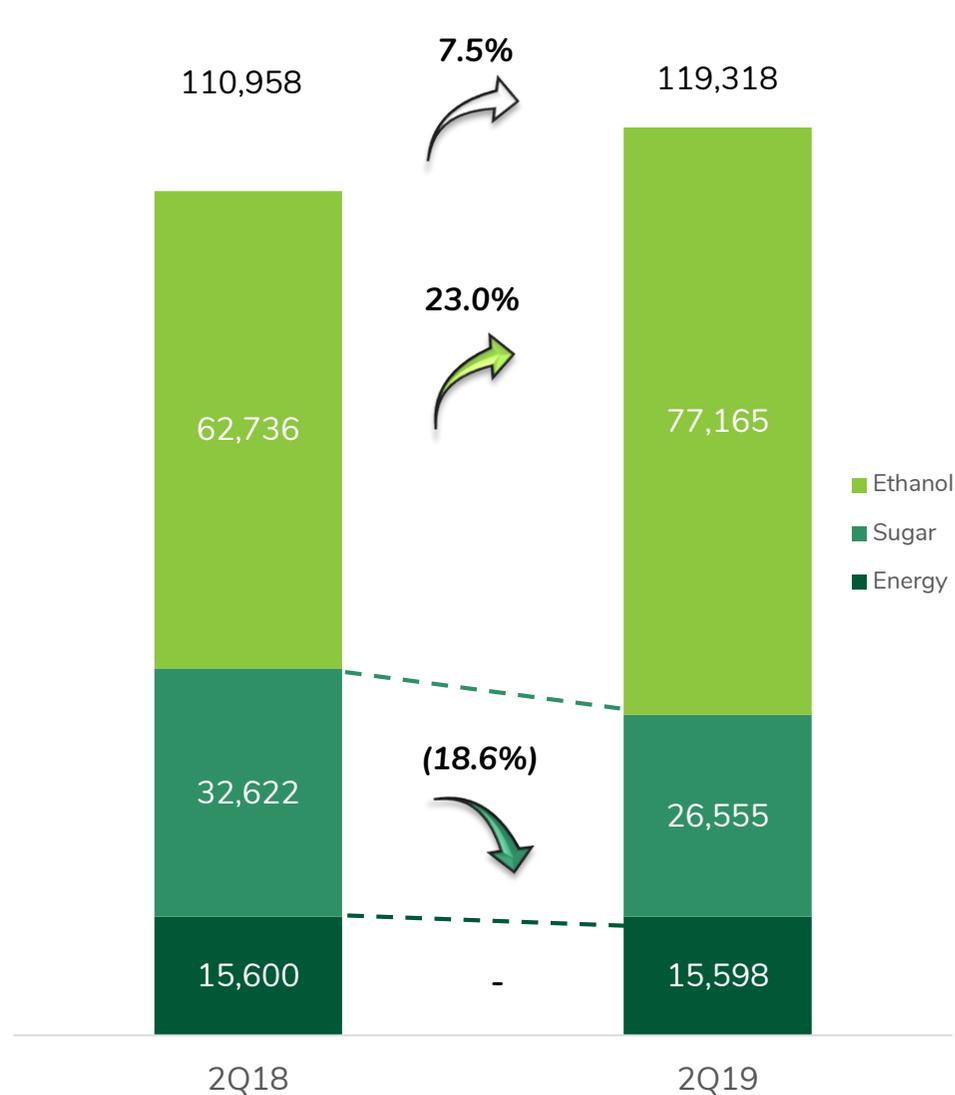


**Sugar Sales Volume (Tons)**



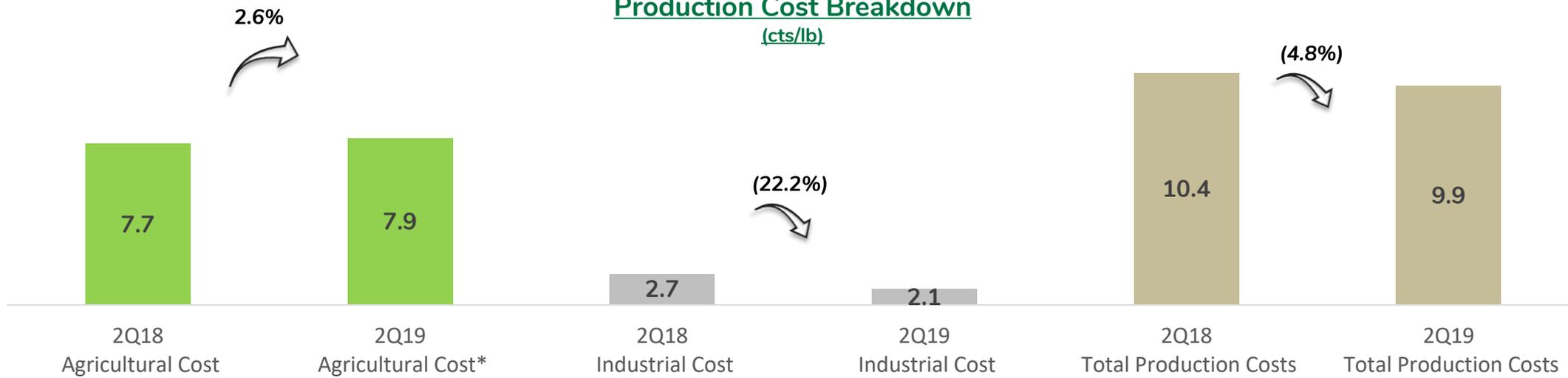
(1) Sugar equivalent

**Net Sales 2Q18 vs 2Q19**  
(\$'000)

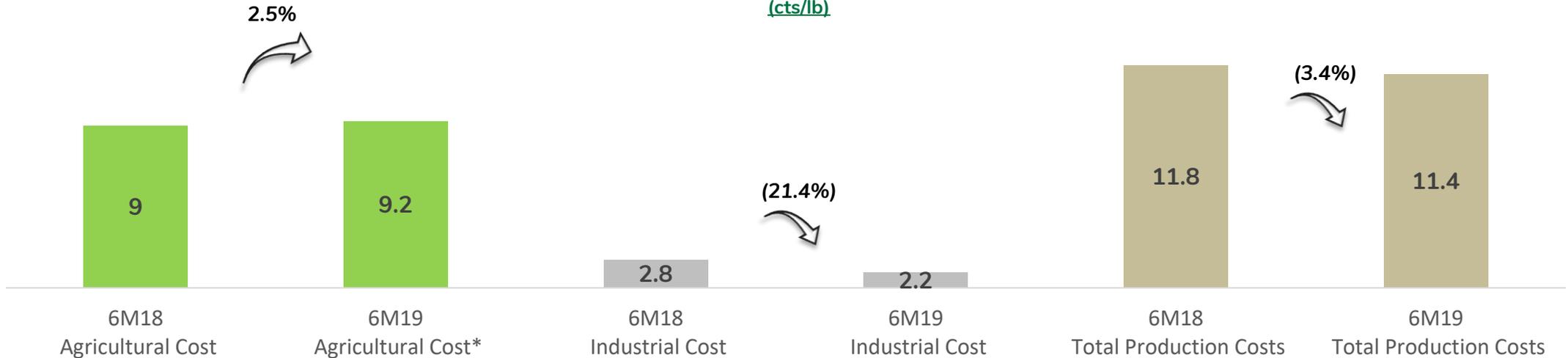


**Total Production Costs decreased 3.4% in 6M19**

**Production Cost Breakdown**  
(cts/lb)



**Production Cost Breakdown**  
(cts/lb)

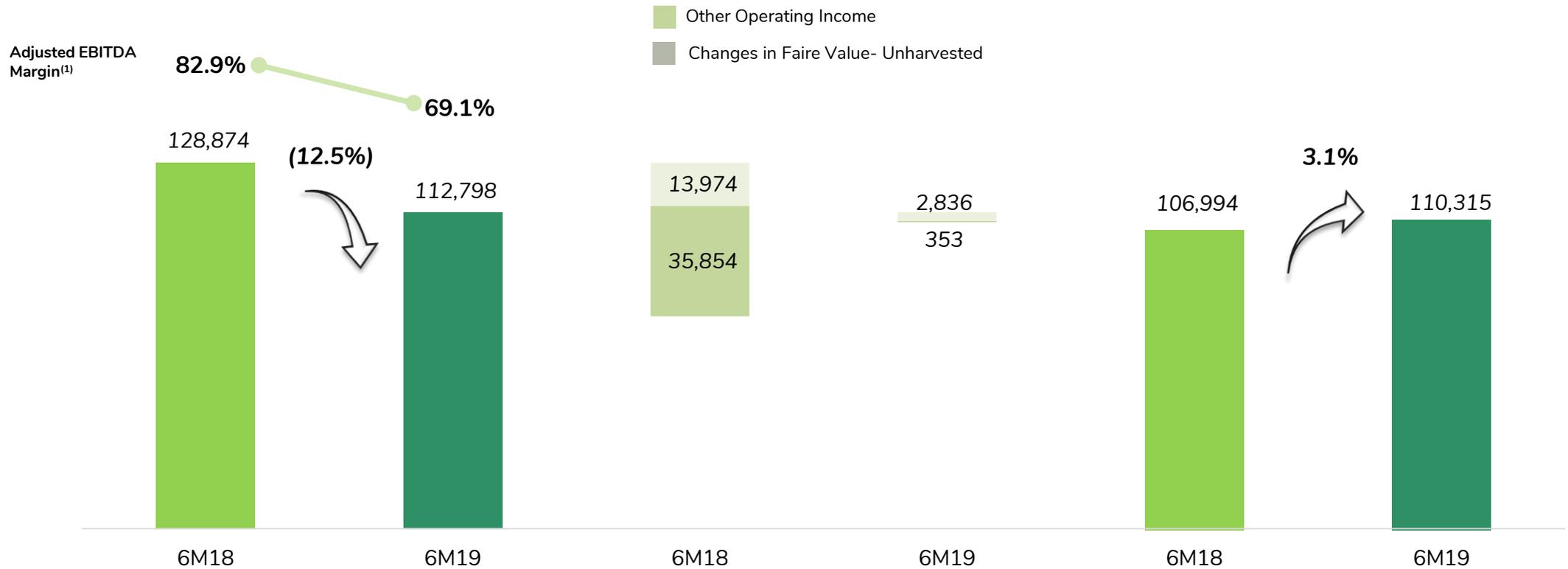


\*Excludes the effect of the application of IFRS 16

**Adjusted EBITDA, net of non operating results, reached \$110.3 M, 3.1% or \$3.3 M higher year-over-year**

Adjusted EBITDA  
(\$'000)

Operative Adjusted EBITDA  
(\$'000)



<sup>(1)</sup> Net of 3rd 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

## Favorable weather conditions in Argentina resulted in higher yields for most of our crops

Farming Production Data									
Planting & Production	Planted Area (hectares)			2018/19 Harvested Area			Yields (Tons per hectare) <sup>(3)</sup>		
	2018/19	2017/18	Chg %	Hectares	% Harvested	Production	2018/19	2017/18	Chg %
Soybean	47,690	58,119	(17.9%)	47,679	100.0%	150,362	3.2	2.2	44.5%
Soybean 2 <sup>nd</sup> Crop	25,620	23,150	10.7%	25,621	100.0%	36,863	1.4	1.2	22.1%
Corn <sup>(1)</sup>	43,396	45,894	(5%)	30,095	69.3%	205,464	6.8	5.0	37.7%
Corn 2 <sup>nd</sup> Crop	4,458	10,847	(58.9%)	745	16.7%	4,414.2	5.9	3.2	87.8%
Wheat <sup>(2)</sup>	40,210	36,533	10.1%	40,213	100.0%	114,809	2.9	2.2	31.0%
Sunflower	3,825	2,869	33.3%	3,824	100.0%	5,937	1.6	1.8	(14.0%)
Cotton	5,316	3,132	69.7%	-	0.0%	-	-	-	n.a
Peanut	15,479	9,375	65.1%	15,478	100.0%	47,738	3.1	2.2	41.7%
<b>Total Crops</b>	<b>185,993</b>	<b>189,918</b>	<b>(2.1%)</b>	<b>163,654</b>	<b>88.0%</b>	<b>565,588</b>			n.a
Rice	39,308	40,289	(2.4%)	39,308	100.0%	239,778.80	6.1	6.9	(11.2%)
<b>Total Farming</b>	<b>225,301</b>	<b>230,207</b>	<b>(2.1%)</b>	<b>202,962</b>	<b>90.1%</b>	<b>805,367</b>			
Owned Croppable Area	113,509	124,733	(9.0%)						
Leased Area	86,307	72,115	19.7%						
Second Crop Area	32,422	35,948	(9.8%)						
<b>Total Farming Area</b>	<b>232,238</b>	<b>232,796</b>	<b>(0.2%)</b>						
	Milking Cows (Average Heads)			Milk Production (MM liters) <sup>(1)</sup>			Productivity (Liters per cow per day)		
Dairy	2Q19	2Q18	Chg %	2Q19	2Q18	Chg %	2Q19	2Q18	Chg %
Milk Production	8,992	7,440	20.9%	28.6	24.1	18.8%	34.9	35.5	(1.7%)

(1) Includes chia

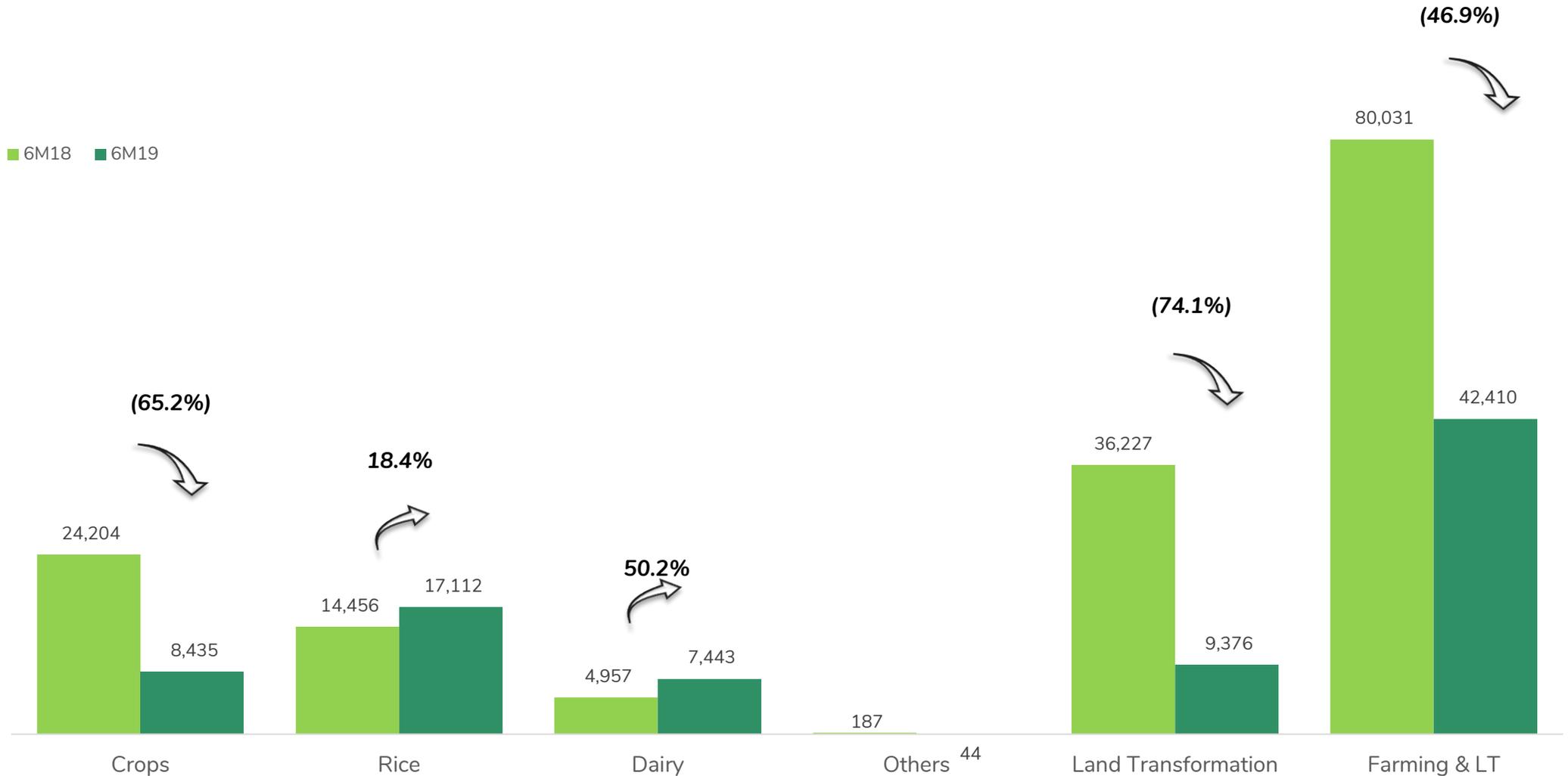
(3) Yields for 2017/18 season are partial yields related to the harvested area as of April 30, 2018. Yields for 2016/17 reflect the full harvest season.

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 current period.

**Good performance in Rice and Dairy businesses resulted were fully offset by non farmland sales**

**Farming & Land Transformation Adjusted EBITDA 6M19 vs. 6M18**

(\$ '000)

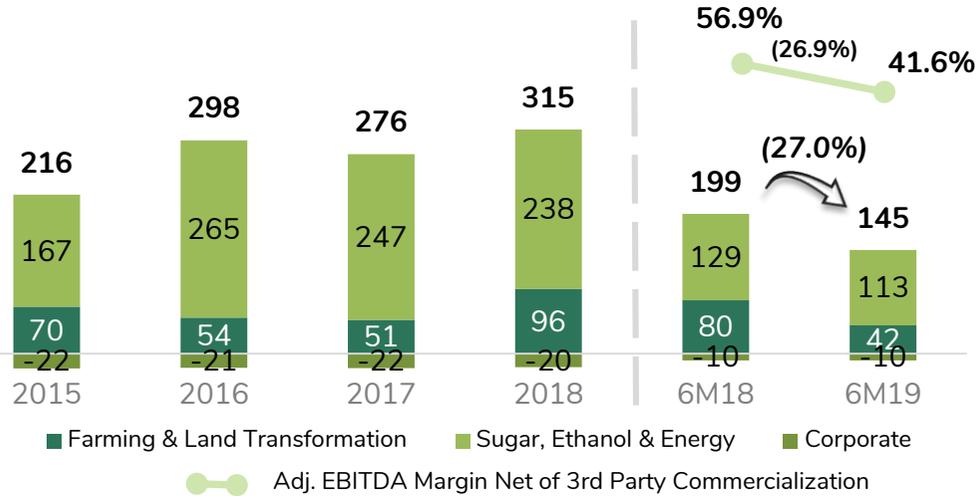


An aerial photograph of a vast, lush green rice paddy field. The field is divided into long, straight rows of rice plants, with a central water channel running through the middle. The horizon is flat, with a line of trees visible in the distance under a clear sky.

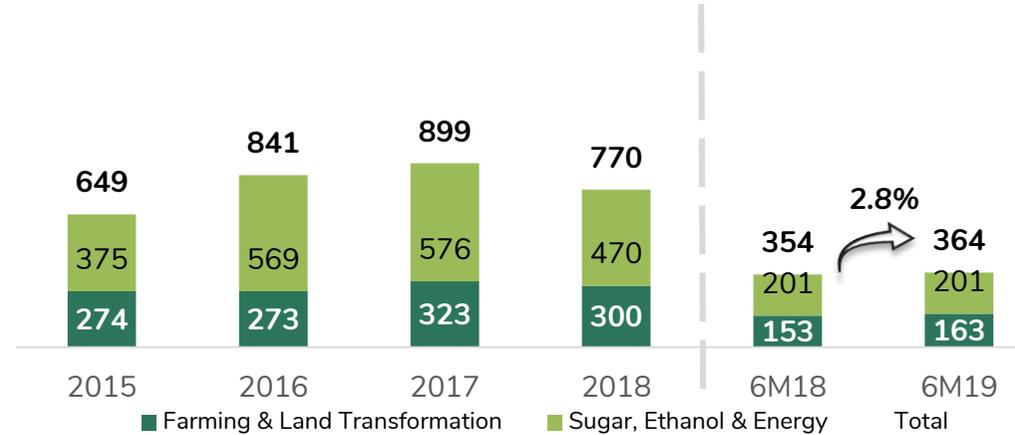
# Financial Performance

## Consolidated Adjusted EBITDA reached \$145 million in 6M19

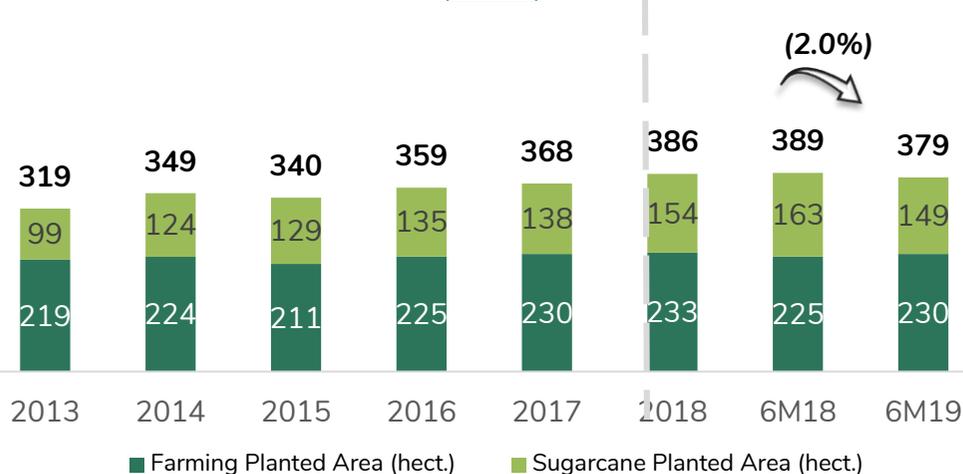
### Adjusted EBITDA (MM USD)



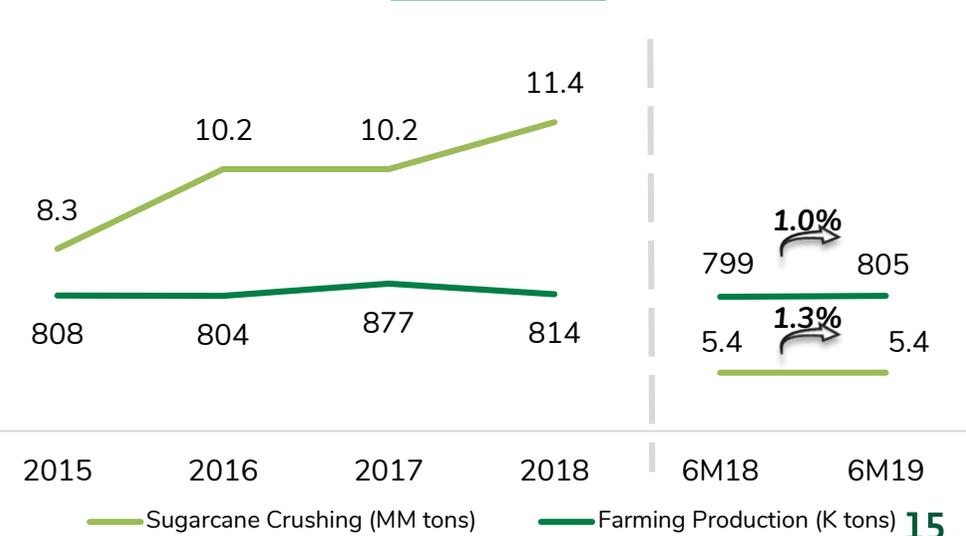
### Net Sales (MM USD)



### Area (th. ha)

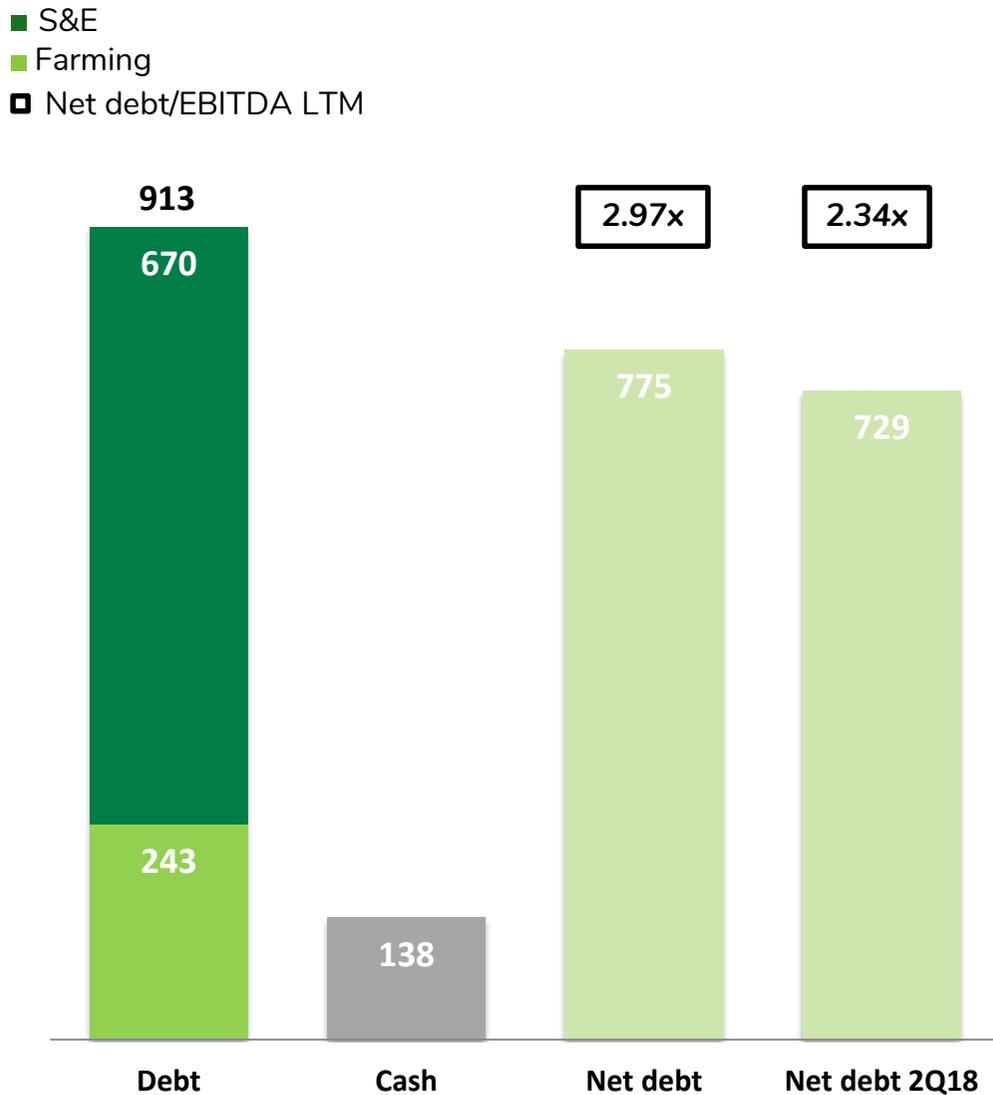


### Production

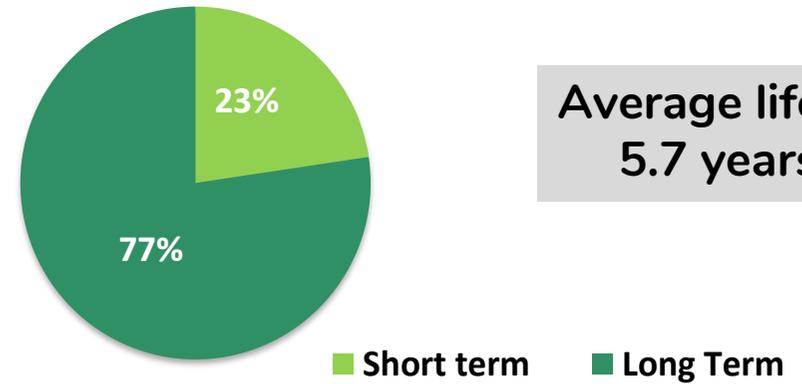


## Net debt stands at \$775 million as of June 2019

2Q19 Net Debt  
(\$ million)

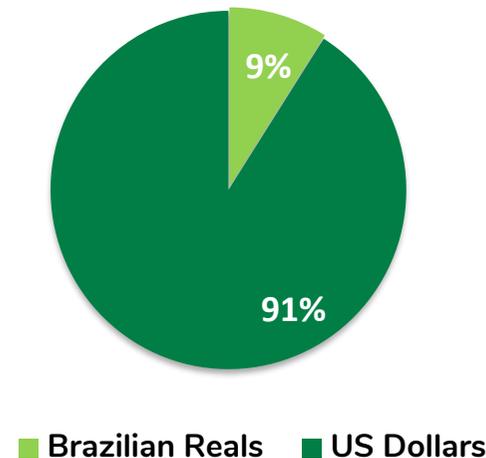


2Q19 Debt Term Structure



**Average life of 5.7 years**

2Q19 Debt Currency Breakdown



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

BRL	4.9%
USD	6.1%

(1) As of June 30, 2019

# Thank you!



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growing energy

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