



4th Quarter 2016 Earnings Webcast

March 17, 2017

AGRO
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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





Increase in sugarcane crushing driven by nominal capacity ramp up coupled with enhanced milling efficiencies

Operational Metrics

Operational Metrics	4Q16	4Q15	% Change
Total Days	92	92	0%
Effective Milling Days	67	44	51%
Total Crushing (k tons)	3,118	1,794	74%
Milling per Day (k tons)	47	40	15%

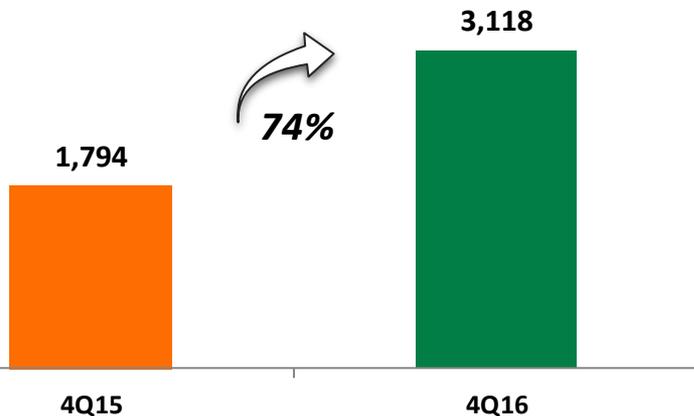
Operational Metrics

Operational Metrics	12M 16	12M 15	% Change
Total Days	336	285	18%
Effective Milling Days	232	186	25%
Total Crushing (k tons)	11,114.51	8,335	33%
Milling per Day (k tons)	48	45	7%



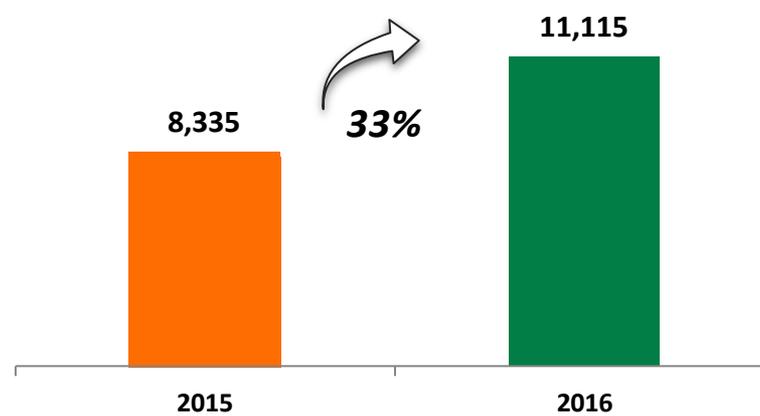
Sugarcane crushing

(In Thousands Tons)



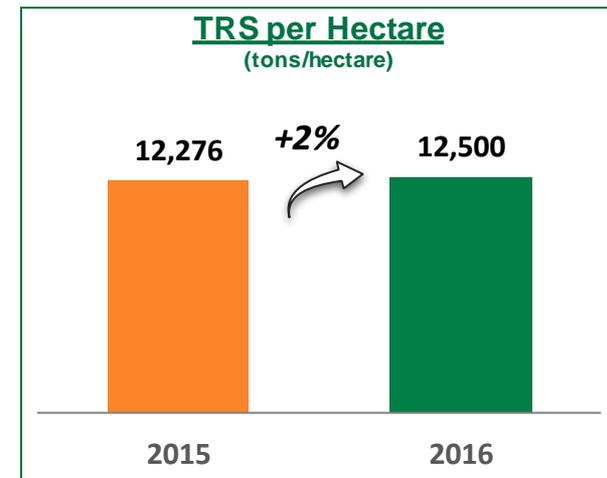
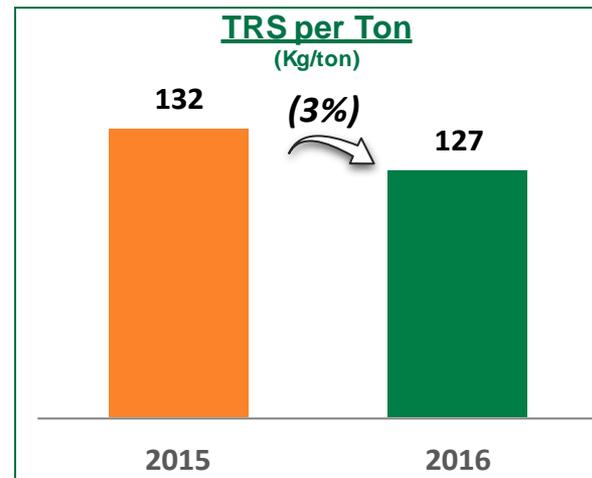
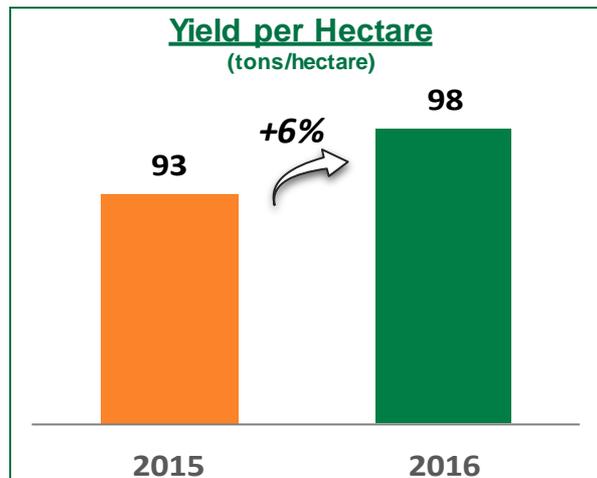
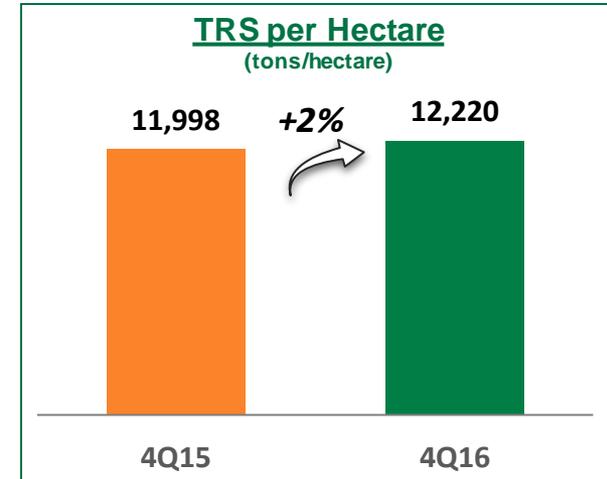
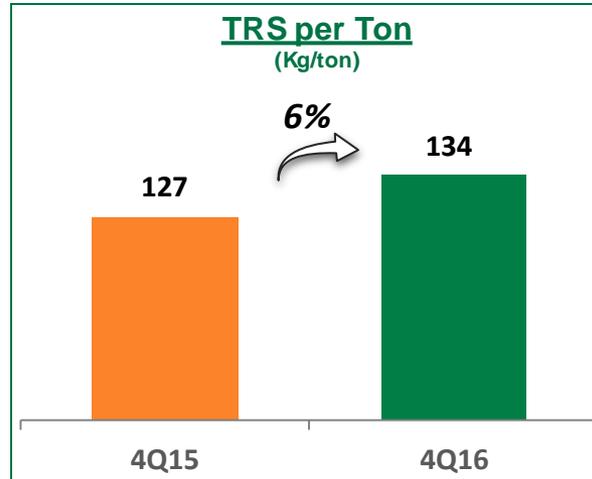
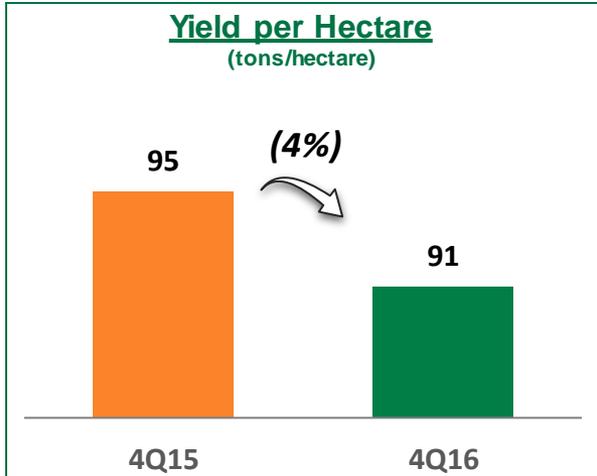
Sugarcane crushing

(In Thousands Tons)

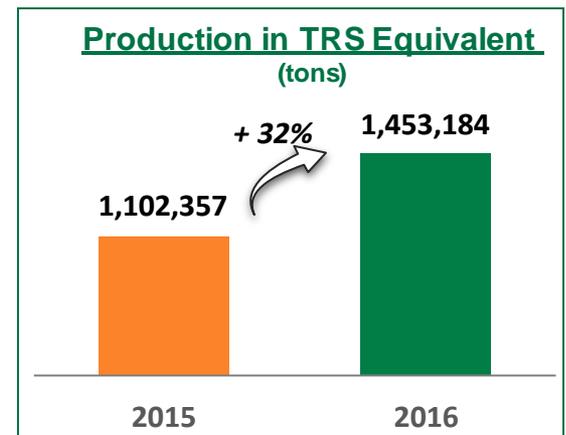
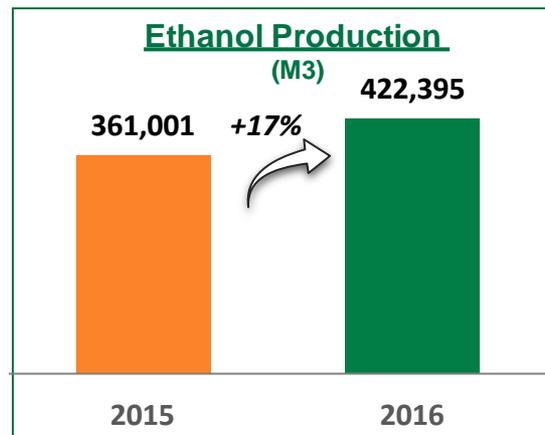
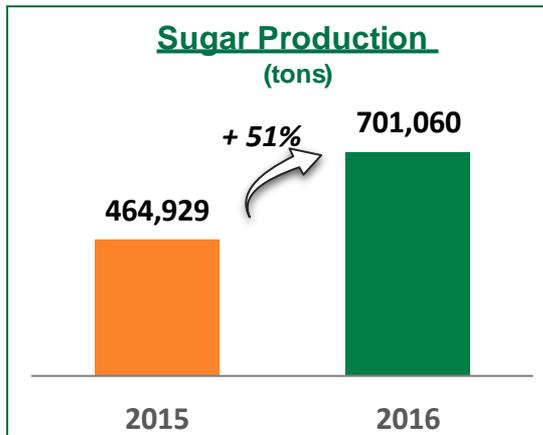
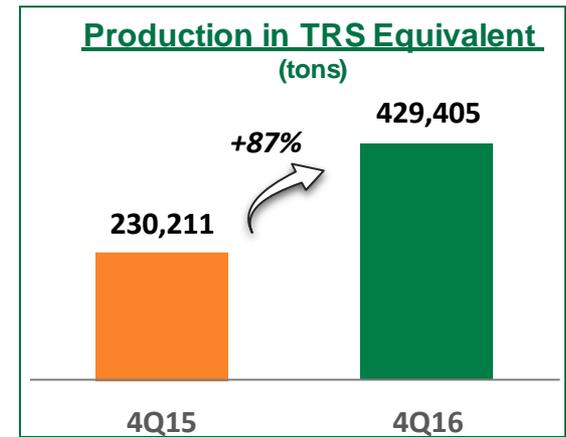
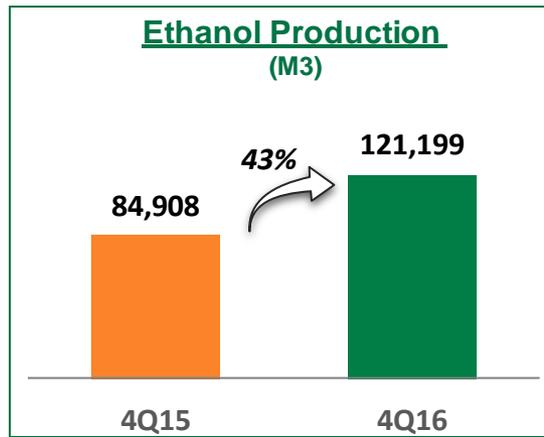
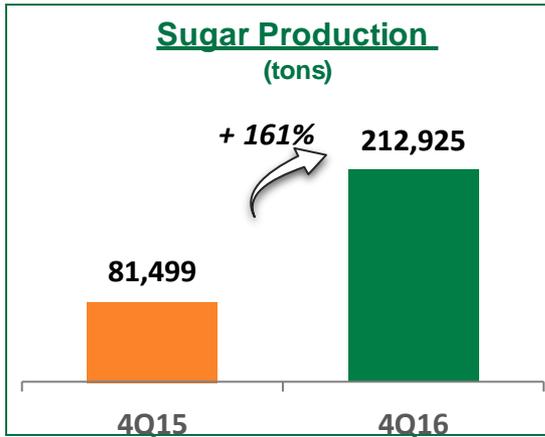




Agricultural productivity continues to be a key driver for growth and cost dilution



Production was boosted by higher milling efficiency and cane availability

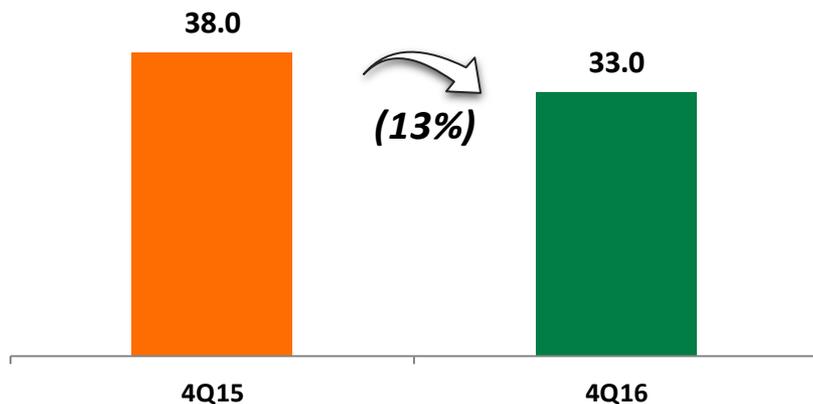




Production cost dilution in USD driven by cluster ramp-up, operational enhancements and higher milling

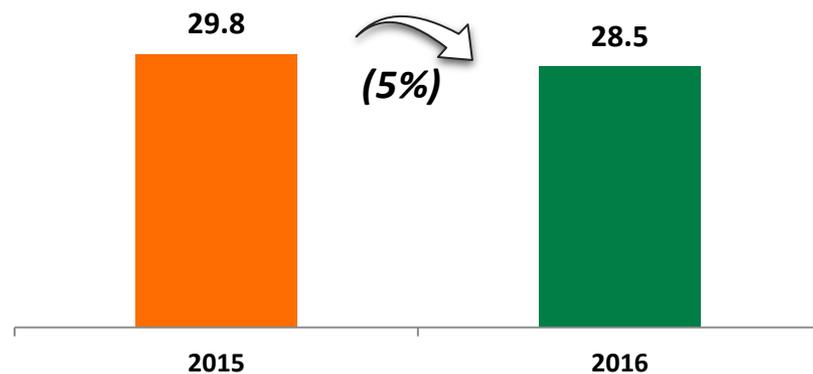
Production costs per ton of sugarcane crushed

(USD/Ton)



Production costs per ton of sugarcane crushed

(USD/Ton)



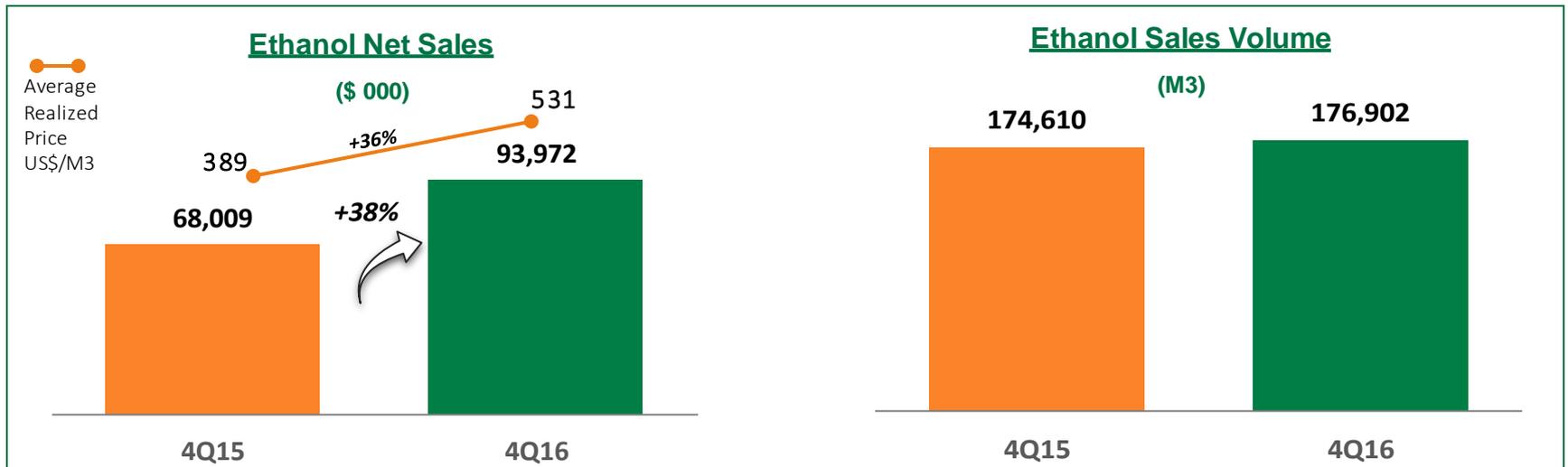
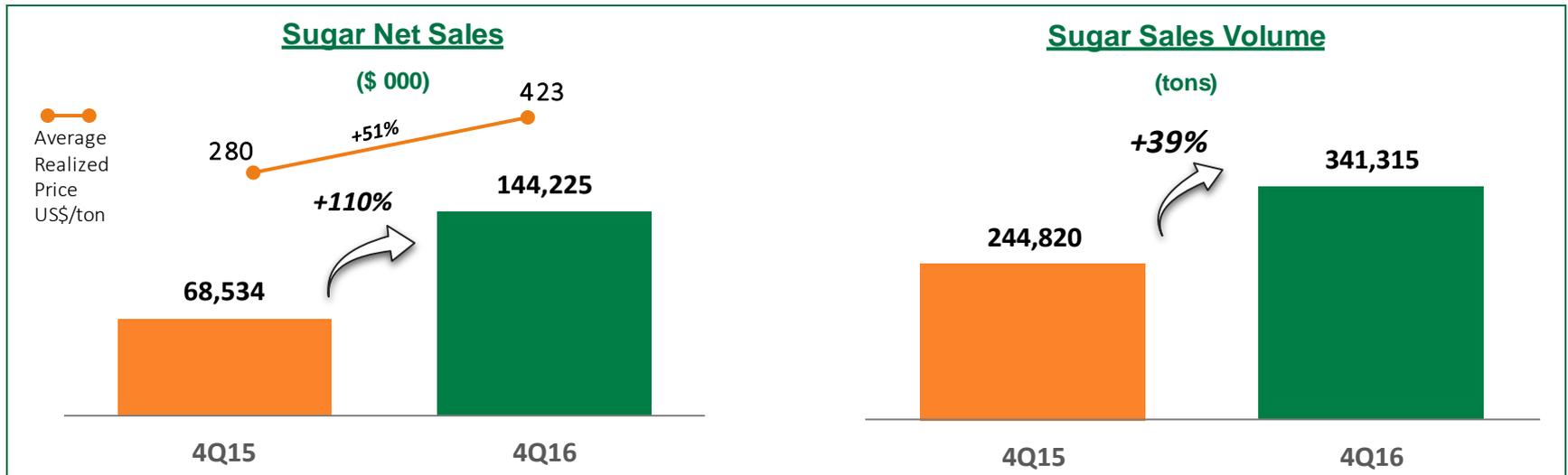
Note: Includes agricultural and industrial costs. Does not include SG&A

► **Main Drivers for cost dilution:**

- ✓ Increase in sugarcane milling
- ✓ Higher agricultural productivity
- ✓ Efficiency enhancements at industry and sugarcane logistics

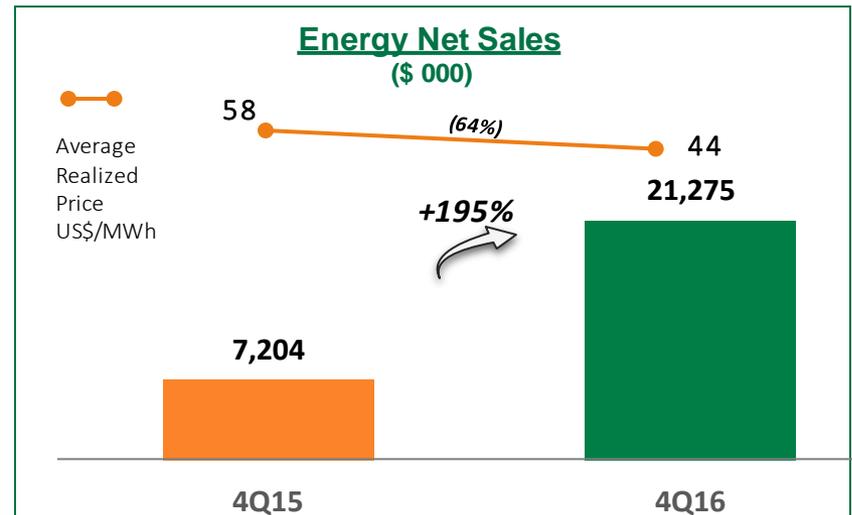
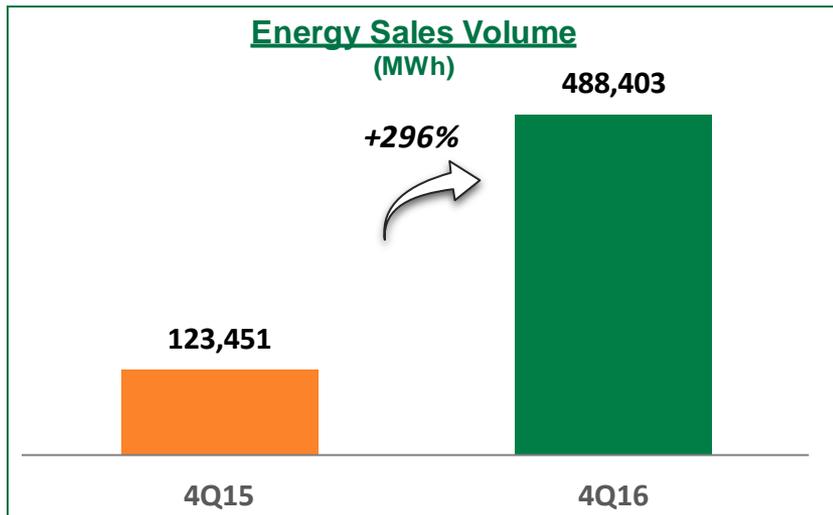
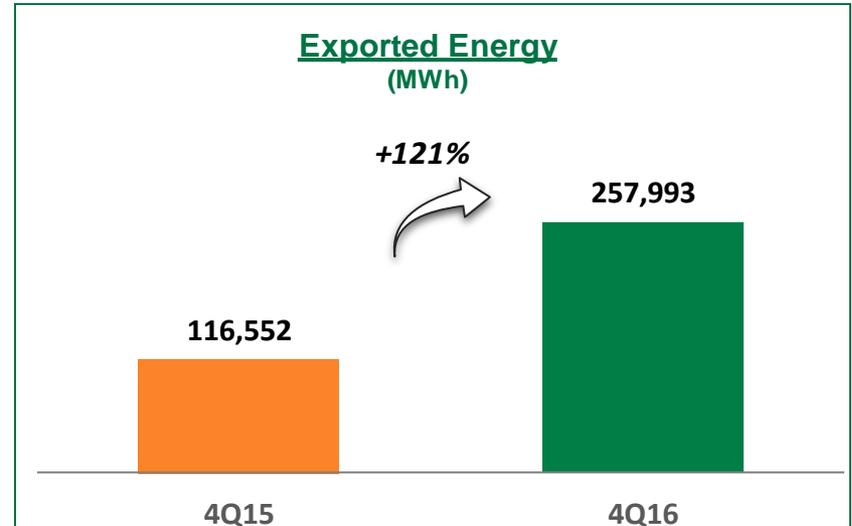
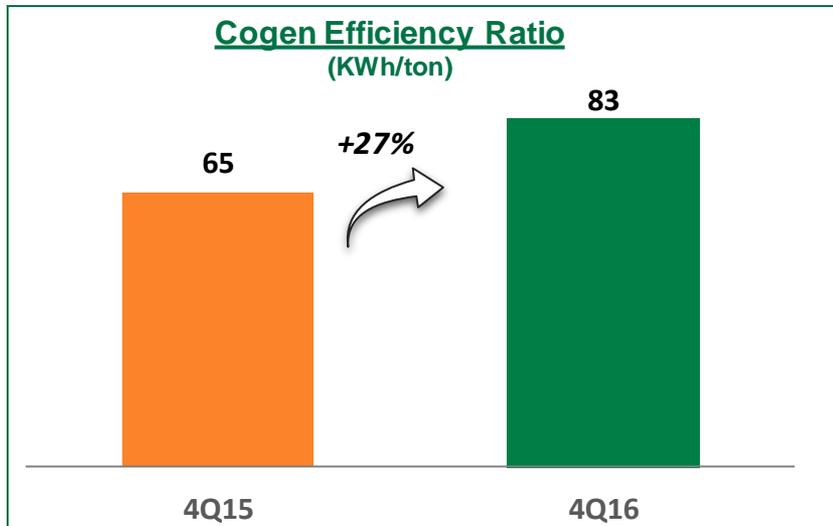


Sugar and Ethanol sales in 4Q16 have increased significantly as a result of higher selling volumes and higher realized prices





Energy sales positively contributed to EBITDA generation, despite falling prices



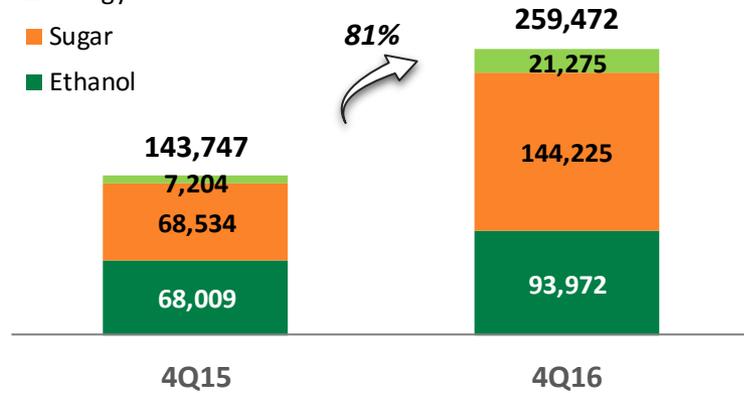


Adj EBITDA expanded 123% in 3Q16 driven by stronger sales volumes, higher prices, productivity gains and cost dilution

4Q Net Sales

(\$ '000)

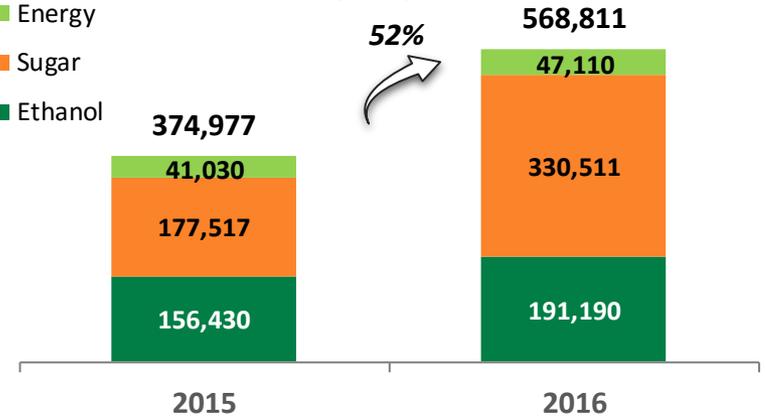
- Energy
- Sugar
- Ethanol



12M Net Sales

(\$ '000)

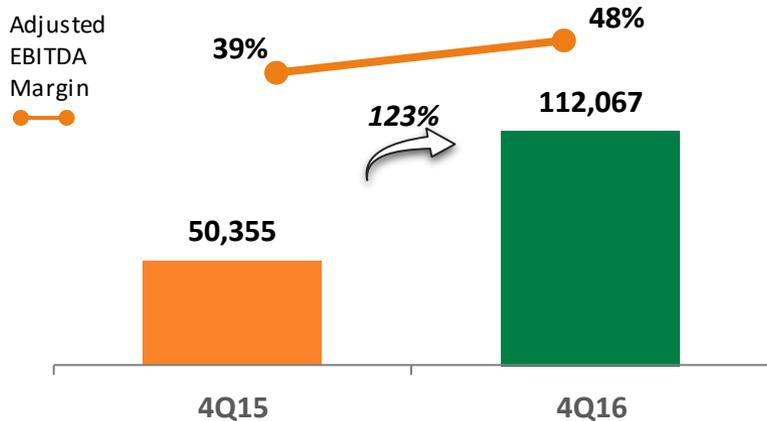
- Energy
- Sugar
- Ethanol



Adjusted EBITDA & EBITDA Margin 4Q16

(\$ '000)

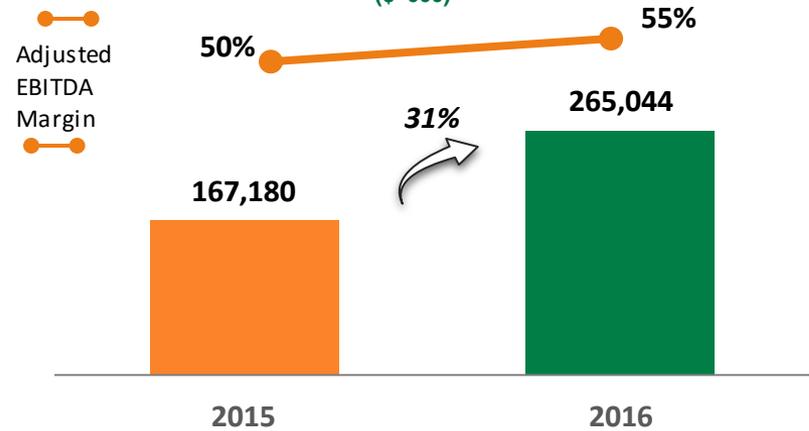
Adjusted EBITDA Margin



Adjusted EBITDA & EBITDA Margin 12M16

(\$ '000)

Adjusted EBITDA Margin



A large stream of golden corn kernels is falling 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. The overall scene is bright and clear, suggesting a sunny day.

Farming Business



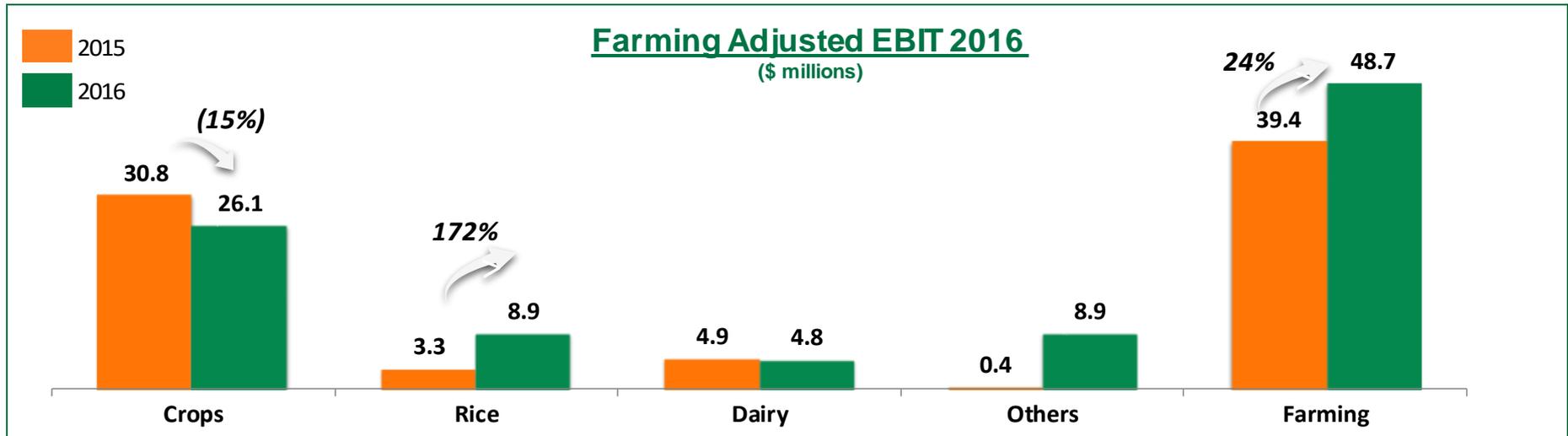
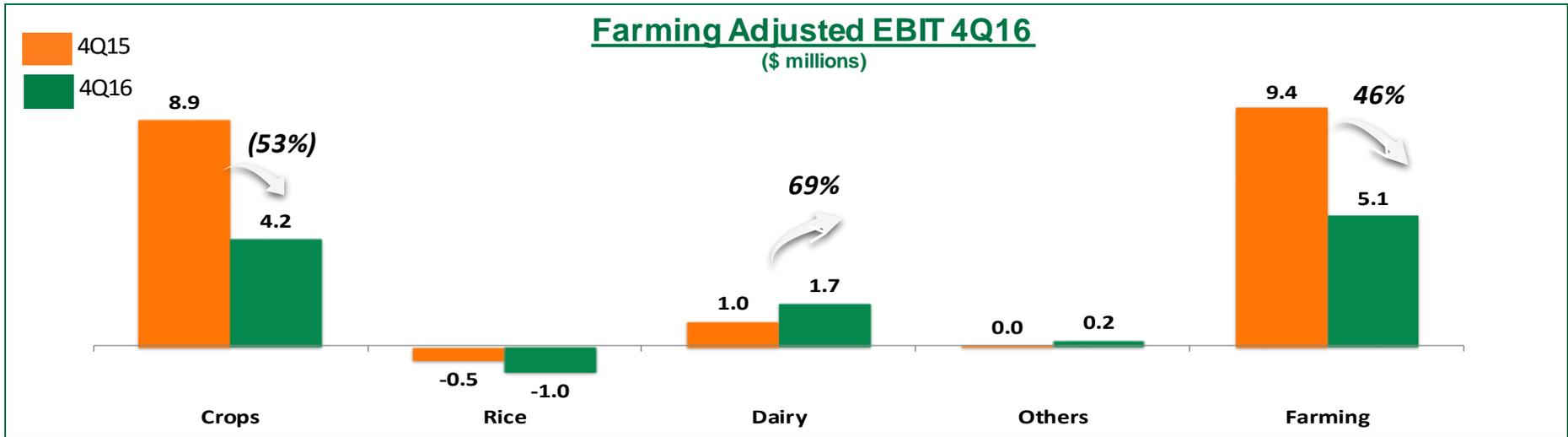
We successfully completed the 2016/17 crop planting plan, with 7% growth year-over-year

Farming Production Data					
Planting & Production	Planting Plan (hectares)			2016/17 Planting Progress	
	2016/2017E	2015/2016	Chg %	Planted	%
Soybean	55,215	59,474	(7.2%)	55,215	100.0%
Soybean 2 nd Crop	29,251	28,903	1.2%	29,251	100.0%
Corn ⁽¹⁾	44,998	38,663	16%	44,731	99.5%
Corn 2 nd Crop	9,982	3,994	149.9%	9,982	100.0%
Wheat ⁽²⁾	38,008	32,396	17.3%	38,008	100.0%
Sunflower	5,413	9,547	(43.3%)	5,413	100.0%
Cotton	2,121	-	n.a	2,121	-
Total Crops	184,988	172,976	6.9%	184,721	99.9%
Rice	39,728	37,580	5.7%	39,728	100.0%
Total Farming	224,716	210,556	6.7%	224,449	99.9%
Owned Croppable Area	121,260	120,065	1.0%		
Leased Area	70,517	64,486	9.4%		
Second Crop Area	32,939	26,005	26.7%		
Total Farming Area	224,716	210,556	6.7%		

(1) Includes sorghum and peanuts

(2) Includes barley.

Adjusted EBIT during 2016 increased 24% driven by productivity gains in the Rice business, peso depreciation and gain from arbitration settlement





Financial Performance





Financial performance in 4Q16 was positively affected by higher sugar and ethanol prices and cost dilution driven by operational enhancements coupled with weaker local currencies

Area & Production	2012	2013	2014	2015	2016	4Q15	4Q16	Chg%
Farming Planted Area (hect.) ⁽¹⁾	232,547	219,305	224,343	210,556	224,716	210,556	224,716	6.7%
Sugarcane Planted Area (hect.)	85,663	99,409	124,412	129,299	134,591	129,299	134,591	4.1%
Farming Production (tons) ⁽²⁾	738,847	699,179	807,535	804,397	927,444	804,397	927,444	15.3%
Sugarcane Crushing (tons)	4,488,935	6,417,951	7,232,827	8,335,448	11,114,509	3,160,379	3,797,200	20%
Net Sales	2012	2013	2014	2015	2016	4Q15	4Q16	Chg%
Farming & Land Transformation	322,368	327,163	315,837	273,692	170,179	66,014	59,816	(9.4%)
Sugar, Ethanol & Energy	271,447	297,265	378,633	374,978	671,184	143,747	259,481	80.5%
Total	593,815	624,428	694,470	648,670	841,363	209,761	319,297	52.2%
Adjusted EBITDA	2012	2013	2014	2015	2016	4Q15	4Q16	Chg%
Farming & Land Transformation	68,647	88,942	85,234	70,498	53,962	35,490	6,629	(81.3%)
Sugar, Ethanol & Energy	97,505	115,239	153,503	167,180	265,044	50,355	112,067	122.6%
Corporate	(25,442)	(23,478)	(23,233)	(21,776)	(20,957)	(5,820)	(4,844)	(16.8%)
Total	140,710	180,704	215,504	215,902	298,049	80,025	113,852	42.3%
Adjusted EBITDA Margin	23.7%	28.9%	31.0%	33.3%	35.4%	38.2%	35.7%	(6.5%)

(1) Planted Area for 2015/16 season

(2) Total Production for the 2016/17 season

(3) Corporate expenses allocated 50% to Farming & Land Transformation and 50% to Sugar, Ethanol & Energy

(4) Calculated over Net Sales. Net Sales is calculated as Sales less sugar and ethanol sales taxes.



Adecoagro delivered positive free cash flow in 2016

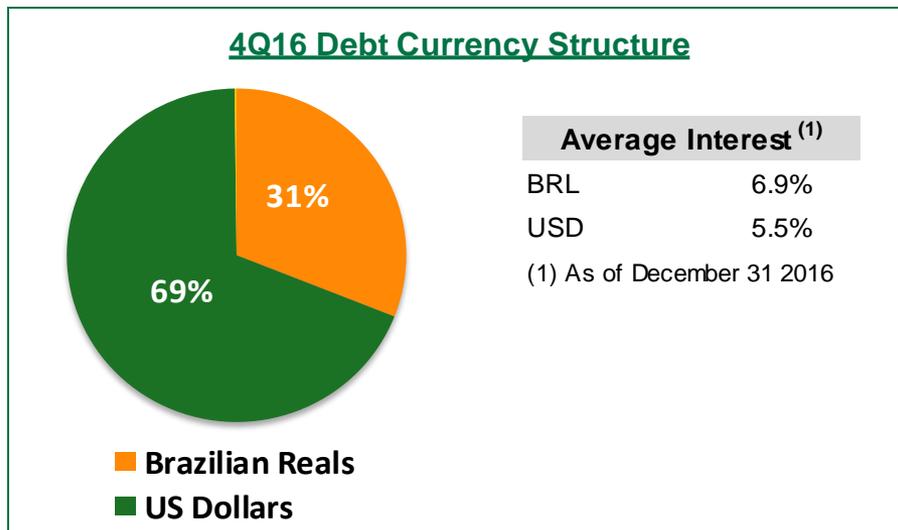
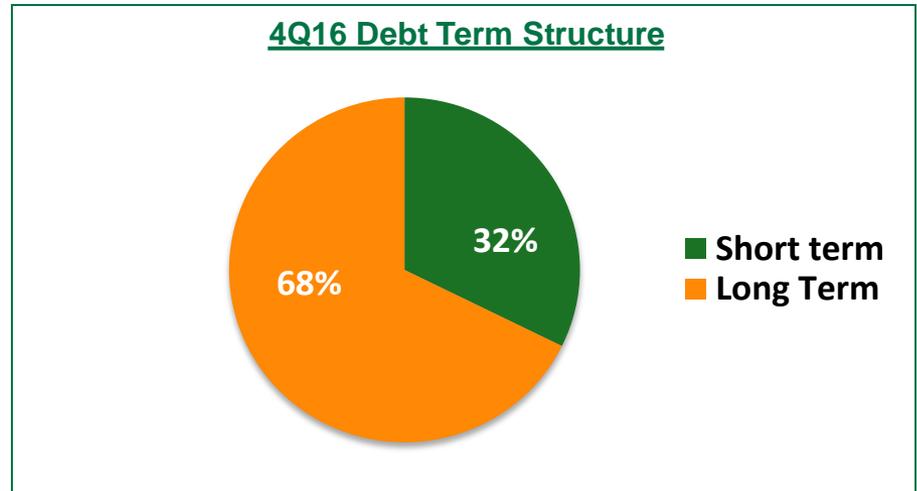
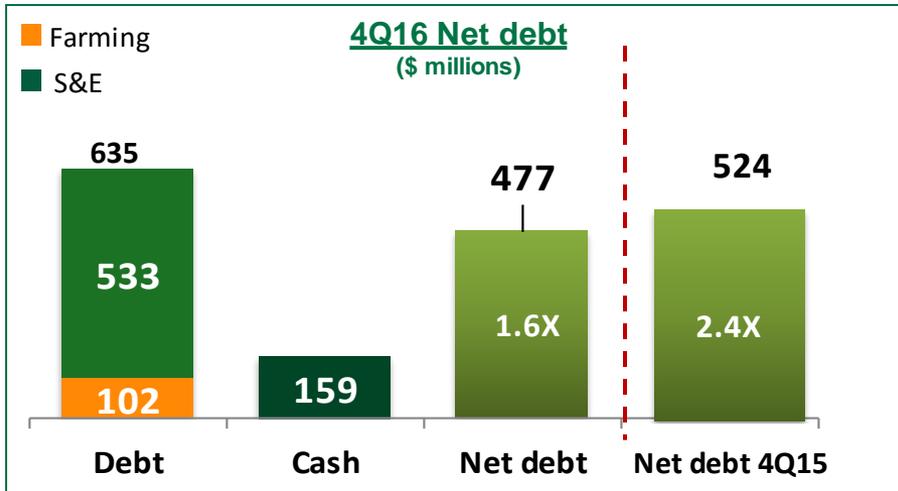
Free Cash Flow Summary			
<i>\$ thousands</i>	2016	2015	Chg %
Net cash generated from operating activities	255,401	145,186	75.9%
Net cash used in investing activities	(122,014)	(125,051)	(2.4%)
Interest paid	(48,400)	(48,438)	(0.1%)
Proceeds from the sale of minority interest in subsidiaries	-	21,964	
Expansion Capex reversal	48,295	87,956	(45.1%)
Free Cash Flow from Operations⁽¹⁾	133,282	81,617	63%
Expansion Capex ⁽²⁾	(48,295)	(87,956)	(45.1%)
Free Cash Flow⁽¹⁾	84,987	(6,339)	n.a

- ▶ **Free Cash Flow from Operations reached \$133.3 million, marking a 63% increase year-over-year**
 - ✓ Strong net cash generated from operating activities

- ▶ **Free Cash Flow reached \$84.9 million, \$91.3 million higher than 2015**
 - ✓ End of strong capex cycle



Net debt stands at \$477 million as of December, 2016





Sugar, Ethanol & Energy Organic Growth Plan will provide 3 Million tons of additional crushing capacity

- ▶ **Cluster in Mato Grosso do Sul will expand capacity from 10 million tons to 13 million**
(from 11.2 million to 14.2 million on a consolidated basis)
- ▶ **The organic expansion will be implemented over 5 years, reaching full crushing capacity in 2023**
- ▶ **Total estimated capex is \$166 million (52 USD/ton)**
 - ✓ 65% of capex is related to planting 51,000 hectares of sugarcane to fully supply new capacity
- ▶ **Phase I (1st and 2nd year)**
 - ✓ Expand Angelica's crushing nominal capacity by 0.9 million tons
 - ✓ Installation of larger mill rollers
 - ✓ Expanding sugar centrifugation and ethanol filtration process
- ▶ **Phase II (3rd, 4th and 5th year)**
 - ✓ Expand Ivinhema's crushing nominal capacity by 2.1 million tons
 - ✓ Expanding sugarcane reception, juice treatment and sugar factory and expand boiler

Thank you!



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