



# Cosan S/A

## 3Q17 EARNINGS PRESENTATION

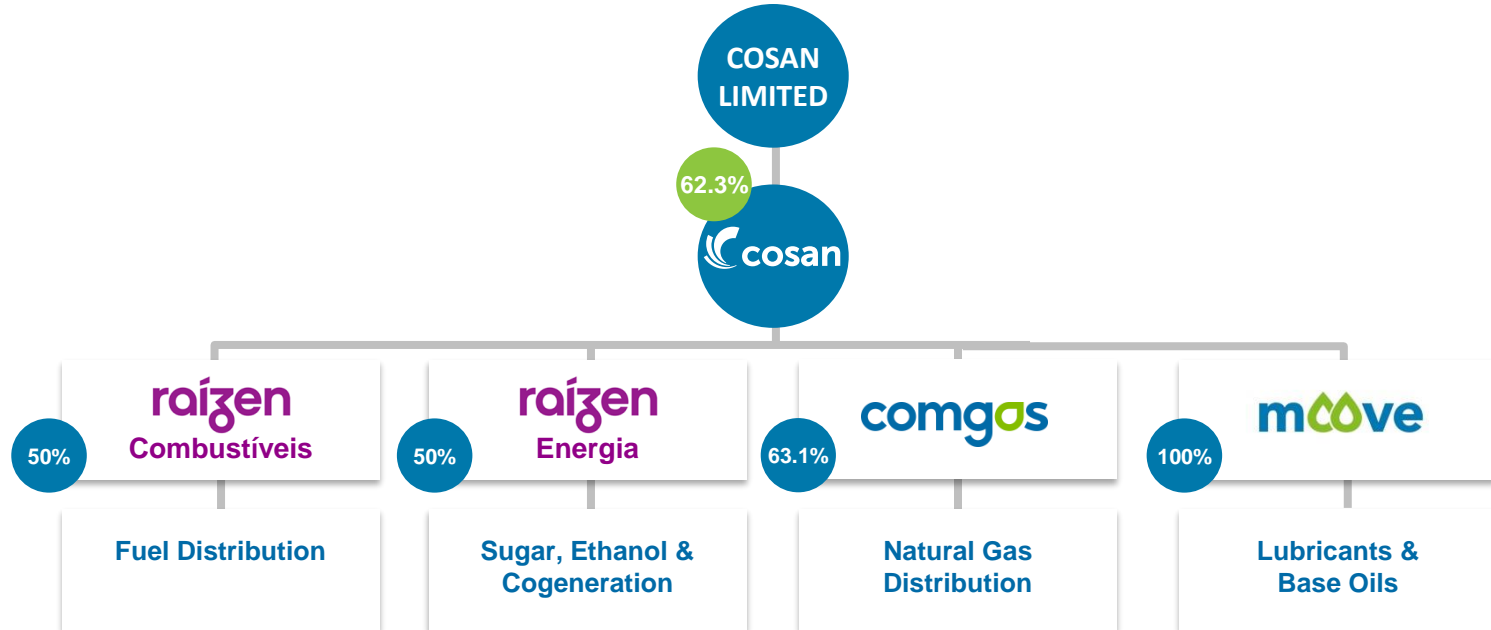
November 13, 2017

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This presentation contains estimates and forward-looking statements regarding our strategy and opportunities for future growth. Such information is mainly based on our current expectations and estimates or projections of future events and trends, which affect or may affect our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Our estimates and forward-looking statements may be influenced by the following factors, among others: (1) general economic, political, demographic and business conditions in Brazil and particularly in the geographic markets we serve; (2) inflation, depreciation and devaluation of the real; (3) competitive developments in the ethanol and sugar industries; (4) our ability to implement our capital expenditure plan, including our ability to arrange financing when required and on reasonable terms; (5) our ability to compete and conduct our businesses in the future; (6) changes in customer demand; (7) changes in our businesses; (8) government interventions resulting in changes in the economy, taxes, rates or regulatory environment; and (9) other factors that may affect our financial condition, liquidity and results of our operations.

The words “believe”, “may”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made and we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. Our future results may differ materially from those expressed in these estimates and forward-looking statements. In light of the risks and uncertainties described above the estimates and forward-looking statements discussed in this presentation 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.

## Cosan S/A | Business Units

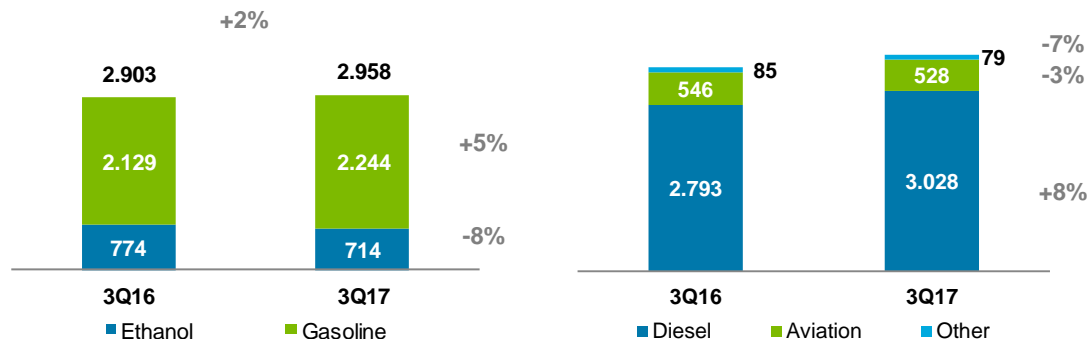


## Raízen Combustíveis | Outperforming market volume

Adjusted EBITDA reached BRL 894 million (+21%) supported by a 4% growth in total sales volume, inventory gains due to price dynamics and an effective supply and commercialization strategy of the products in the period.

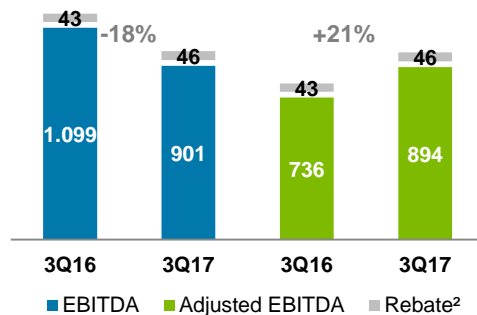
### Sales Volume<sup>1</sup>

'000 cbm



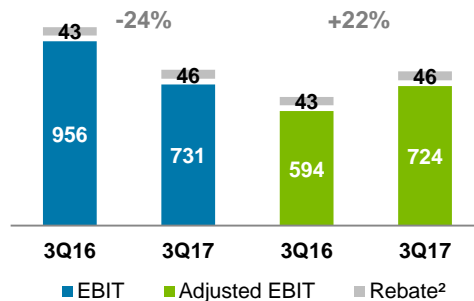
### EBITDA & Adjusted EBITDA

BRL mln



### EBIT & Adjusted EBIT

BRL mln



- **Brazilian Market** showed an expansion of only 1% in total volume sold in 3Q17 (ANP basis).
- **Network** ended the quarter with 6,138 service stations, supporting above-market volume growth.
- **Otto-cycle volumes** grew 2%, while market showed a decrease of 1% (ANP basis).
- **Diesel volumes** grew 8% influenced by a booming in the agribusiness industry and new clients.
- **Aviation volume** decreased by 3%, but it went up 7% quarter-on-quarter, in line with market recovery (ANAC basis).
- EBITDA & EBIT adjusted by:

*Asset sale: gain of BRL 1,5 mln (3Q16) | gain of BRL 7,4 mln (3Q17)*

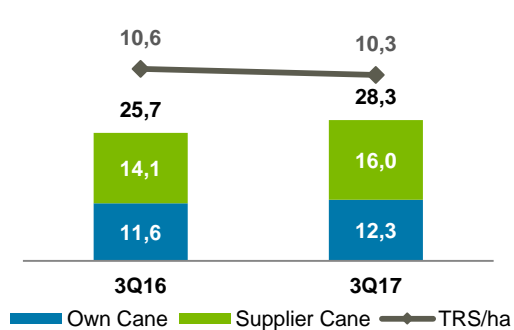
*Other extraordinary effects: gain of BRL 361 mln (3Q16)*

## Raízen Energia | Higher concentration of own sales volumes of all products

Adjusted EBITDA came to BRL 1.4 billion (+50%), reflecting the higher crushing and own volume sold of all products and lower unit cost in the quarter.

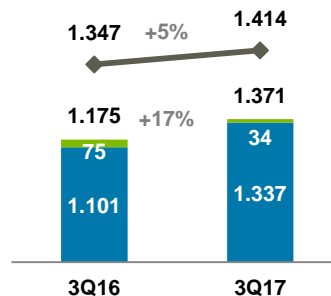
### Crushing Volumes & Agri. Productivity<sup>3</sup>

'000 ton & ton of TRS/ha

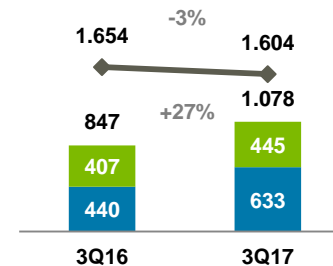


### Volumes & Prices

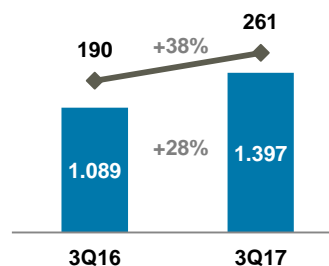
Sugar  
( '000 ton & BRL/ton)



Ethanol  
( '000 cbm & BRL/cbm)

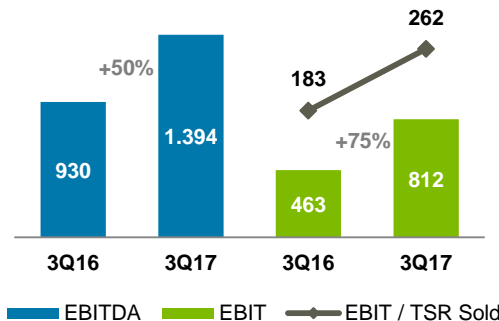


Cogeneration  
( '000 MWh & BRL/MWh)



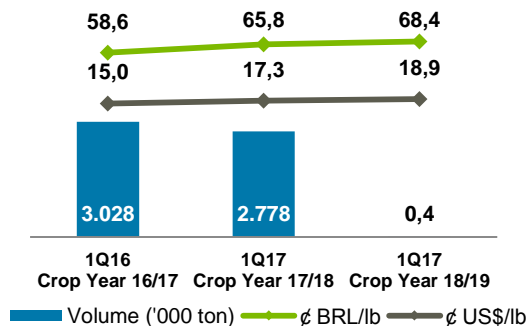
### Adjusted EBITDA & EBIT<sup>4</sup>

BRL mln & BRL/ton



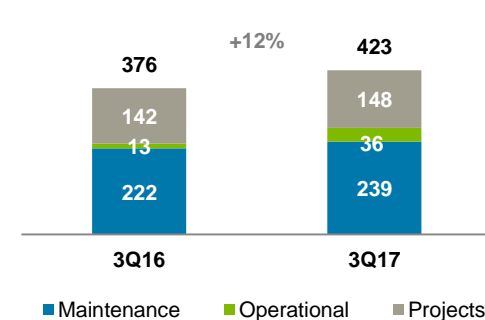
### Hedge

Volumes & Prices<sup>5</sup>



### CAPEX

BRL mln



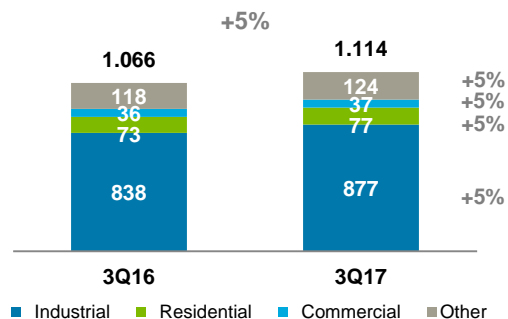
Note: (3) Measured by tons of TRS per hectare. (4) EBITDA adjusted by (i) Variation in Biological Assets, (ii) Hedge Accounting (iii) forex effect on sugar exports and (iv) nonrecurring effects, if applicable. (5) Prices in Brazilian Reals include polarization premium. (6) CAPEX does not include Tonon.

## Comgás | Volume growth in all segments

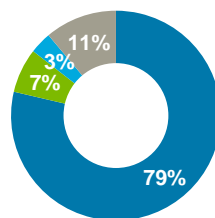
Normalized EBITDA grew 6% this quarter on higher sales volumes across all segments and inflation adjustments of regulatory margin on May 2017.

### Sales Volume<sup>7</sup>

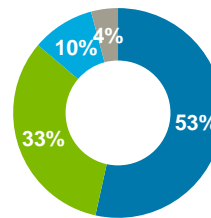
'mln cbm



### Volume



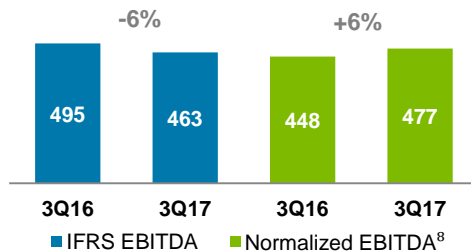
### Contribution Margin



- Residential: new connections (+101,000).
- Commercial: new client additions (+810) in the last 12 months supported the volume growth.
- Industrial: gradual improvement of activity in major sectors, and higher consumption of some clients.
- BRL 8.9 million recovery in regulatory current account.

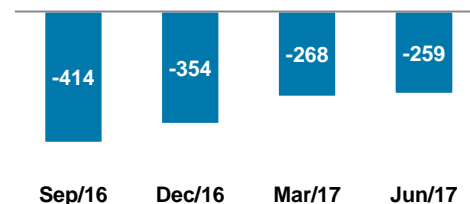
### EBITDA

BRL mln



### Regulatory Current Account Balance

BRL mln

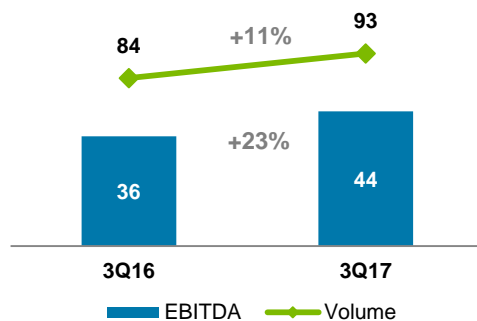


## Moove

- EBITDA expansion of 23% in 3Q17 as a result of higher volume sold (+11% versus 3Q16) in all performance markets, especially in Brazil.

### EBITDA & Sales Volume

BRL mln and '000 cbm

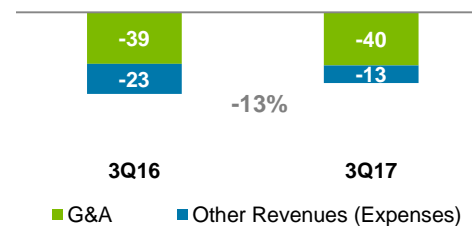


## Cosan Corporate

- General and Administrative expenses in line with expectations.
- Other Expenses came to BRL 13 million in 3Q17 (-42%) due to a lower concentration of expenses in the period.

### EBITDA (ex- Equity Pick-up)

BRL mln

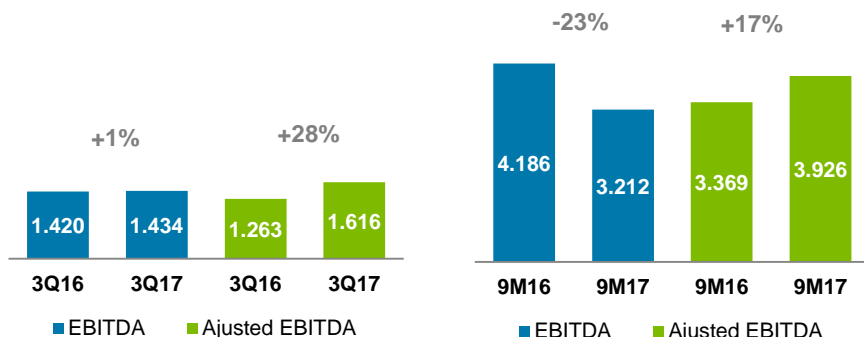


## Cosan S/A Pro forma | Net Income reaches BRL 500 million in this quarter

Adjusted EBITDA reached BRL 1.6 billion in 3Q17 (+28%), due to better operational performance across all businesses in the period, and Adjusted Net Income came to BRL 500 million.

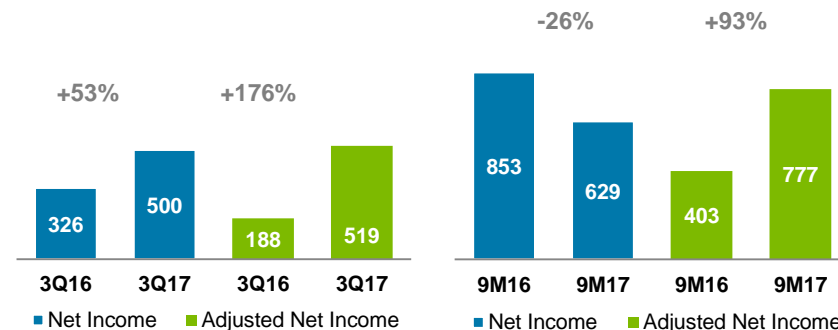
### EBITDA<sup>9</sup> & Adjusted EBITDA<sup>10</sup>

BRL mln



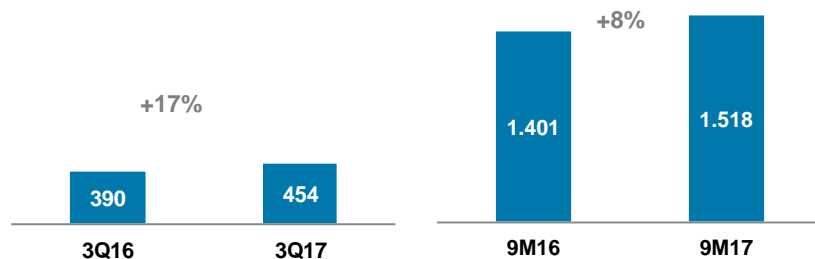
### Net Income & Adjusted Net Income<sup>10</sup>

BRL mln



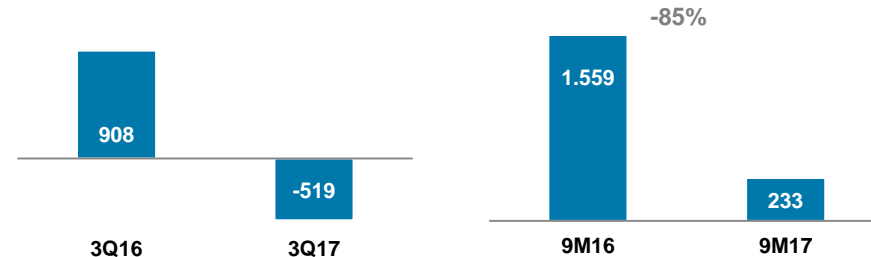
### CAPEX<sup>9</sup>

BRL mln



### Free Cash Flow to Equity<sup>9</sup>

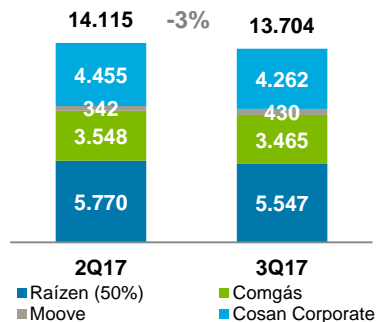
BRL mln



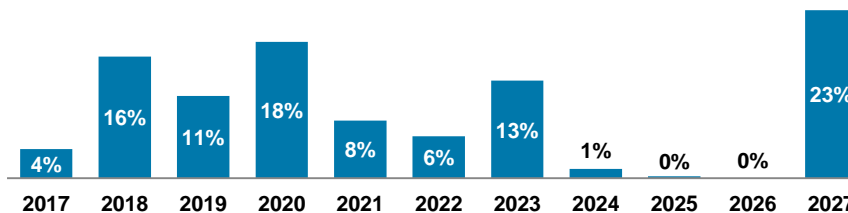


## Debt and Leverage | Normalized leverage stabilized at 2.1x

### Gross Debt (BRL Mln)<sup>11</sup>



### Debt Amortization Profile<sup>12</sup>

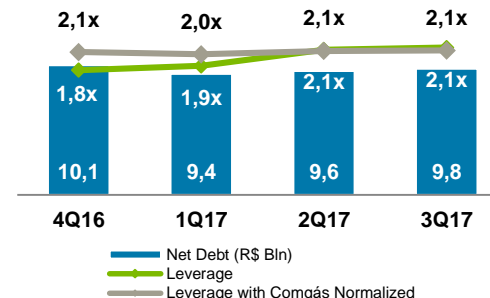


#### Average Term

Cosan Corporate: 8.1 years  
Cosan Pro forma: 4.4 years

### Leverage<sup>13</sup>

Net Debt / EBITDA LTM



### Cash Flow and Net Debt<sup>13</sup>

Cash Flow Reconciliation BRL MM	3Q17	3Q16	Var. %
Cash Flow from Operations	817	1.254	-35%
Cash Flow from Investing	(764)	(226)	n/a
Cash Flow from Financing Activities	(572)	(130)	n/a
Dividends received	0	10	-100%
<b>Free Cash Flow to Equity</b>	<b>(519)</b>	<b>908</b>	<b>n/a</b>
<b>Cash and Cash Equivalents and Marketable Securities</b>	<b>5.469</b>	<b>5.145</b>	<b>6%</b>
<b>Net Debt</b>	<b>9.790</b>	<b>11.196</b>	<b>-13%</b>
<b>LTM EBITDA</b>	<b>4.565</b>	<b>5.906</b>	<b>-23%</b>
<b>Leverage (Net Debt/EBITDA)</b>	<b>2,1x</b>	<b>1,9x</b>	<b>0,3x</b>

**Gross Debt:** BRL 133 million of debt payment at Comgás (BNDES, EIB) and BRL 195 million at Raízen Energia.

### Cash Generation

- CFO: changes on Raízen Combustíveis' supply profile positive impacted 3Q16, generating a strong comparison basis.
- CFI: disbursement of BRL 378 million related to the acquisition of Tonon by Raízen Energia and gains from STP divestment at Raízen Combustíveis in 3Q17.
- CFF: USD 150 million funding at Cosan S/A in 3Q17 (2027 Bond).

**Average Cost of Debt<sup>14</sup>:** Cosan S/A Pro forma<sup>12</sup>: 105% CDI and Cosan S/A: 110% CDI.

## Guidance 2017

		Actual 2016 (Jan-Dec)	Guidance 2017 (Jan-Dec)	Guidance Review 2017 (Jan-Dec)
<b>Cosan S/A Consolidated</b>	Pro forma Net Revenue (BRL mln)	47.008	45,000 ≤ Δ ≤ 48,000	45,000 ≤ Δ ≤ 48,000
	Pro forma EBITDA <sup>15</sup> (BRL mln)	4.665	4,750 ≤ Δ ≤ 5,250	4,900 ≤ Δ ≤ 5,300
<b>Raízen Combustíveis</b>	Adjusted EBITDA <sup>15</sup> (BRL mln)	2.812	2,700 ≤ Δ ≤ 3,000	2,700 ≤ Δ ≤ 3,000
	CAPEX (BRL mln)	797	800 ≤ Δ ≤ 1,000	800 ≤ Δ ≤ 1,000
<b>Comgás</b>	Total Volume Sold, excluding Thermo ('000 cbm)	4.119	4,000 ≤ Δ ≤ 4,300	4,250 ≤ Δ ≤ 4,350
	Normalized EBITDA <sup>16</sup> (BRL mln)	1.465	1,550 ≤ Δ ≤ 1,650	1,670 ≤ Δ ≤ 1,730
	CAPEX (BRL mln)	464	450 ≤ Δ ≤ 500	450 ≤ Δ ≤ 500
<b>Moove</b>	EBITDA (BRL mln)	136	140 ≤ Δ ≤ 160	160 ≤ Δ ≤ 180

		Actual Crop year 2016/17 (Apr/16-Mar/17)	Guidance Crop Year 2017/18 (Apr/17-Mar/18)	Guidance Review Crop Year 2017/18 (Apr/17-Mar/18)
<b>Raízen Energia</b>	Volume of Sugarcane Crushed ('000 tons)	59.391	59,000 ≤ Δ ≤ 63,000	59,000 ≤ Δ ≤ 63,000
	Volume of Sugar Produced ('000 tons)	4.227	4,300 ≤ Δ ≤ 4,700	4,300 ≤ Δ ≤ 4,700
	Volume of Ethanol Produced (million liters)	1.990	2,000 ≤ Δ ≤ 2,300	2,000 ≤ Δ ≤ 2,300
	Volume of Energy Sold ('000 of MWh)	2.802	2,000 ≤ Δ ≤ 2,200	2,200 ≤ Δ ≤ 2,400
	Adjusted EBITDA <sup>15</sup> (BRL mln)	3.078	3,900 ≤ Δ ≤ 4,300	3,900 ≤ Δ ≤ 4,300
	CAPEX (BRL mln)	2.088	2,100 ≤ Δ ≤ 2,400	2,300 ≤ Δ ≤ 2,600



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