



# Cosan S/A

## 4Q17 & 2017 EARNINGS PRESENTATION

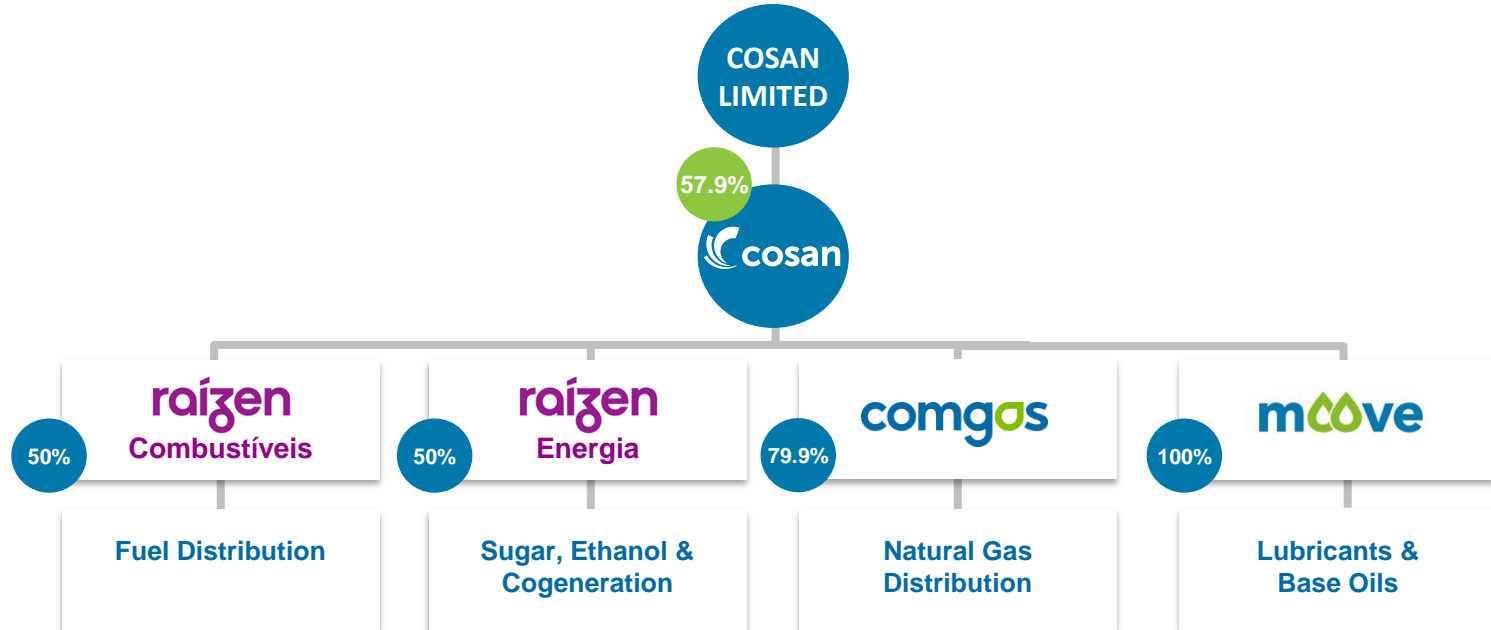
February 23, 2018

## DISCLAIMER

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

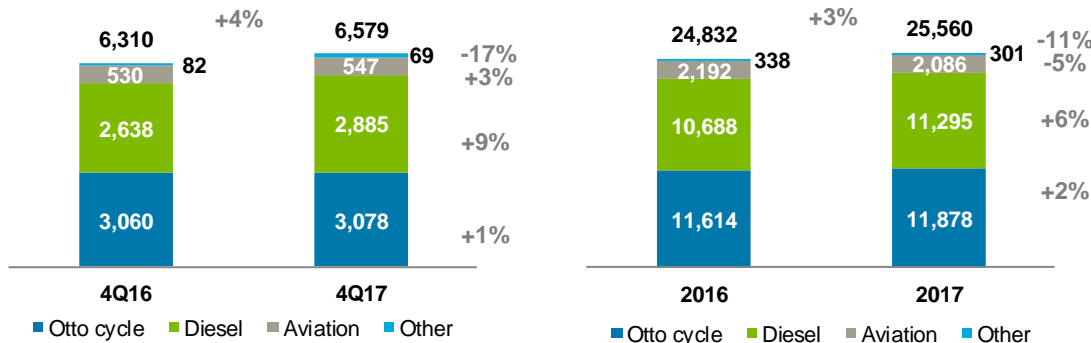


## Raízen Combustíveis | Consistency on strategy of sale volumes

2017 Adjusted EBITDA and EBIT totaled BRL 2.9 billion and BRL 2.3 billion, respectively, especially driven by the higher volume sold, above market average.

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

'000 cbm



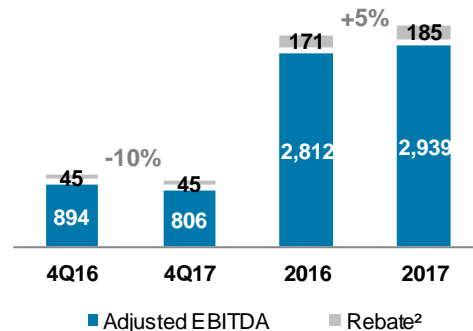
- Total fuel consumption in Brazil grew 1% in 2017, ANP basis, while the Plural (former Sindicom) decreased 1%.

### Raízen:

- Gasoline equivalent sales increased in the year, supported by the growth of service stations network and vehicles licensing (+9%, ANFAVEA basis).
- Diesel volumes grew in 2017, influenced by higher demand from clients in the agribusiness segment and new B2B clients.
- Aviation volume presented gradual recovery over the year of 2017, in line with the market resumption.
- Network ended 2017 with net addition of 245 Shell service stations, in line with expansion strategy and sustainable growth of dealers network.

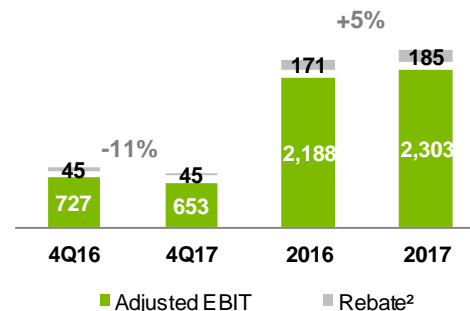
### EBITDA & Adjusted EBITDA

BRL mln



### EBIT & Adjusted EBIT

BRL mln

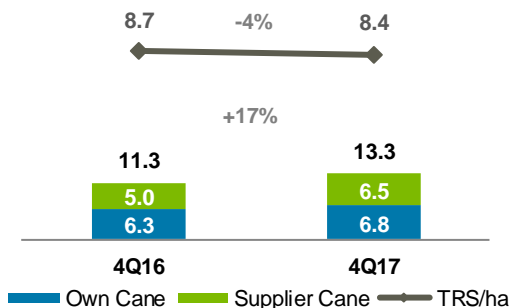


## Raízen Energia | Accumulated crushing of 2017/18 crop reaches 61 million tons of sugarcane

Adjusted EBITDA in 4Q17 came to BRL 891 million (-11%), reflecting lower average sugar and ethanol prices in the market, partially offset by better bioenergy results.

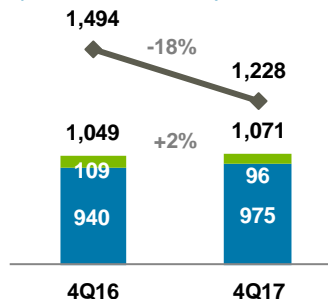
### Crushing Volumes & Agri. Productivity<sup>3</sup>

'000 ton & ton of TRS/ha

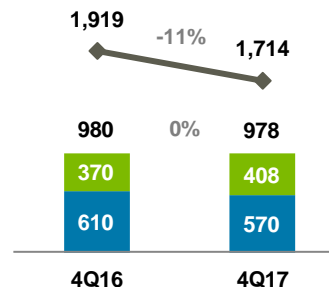


### Volumes & Prices<sup>4</sup>

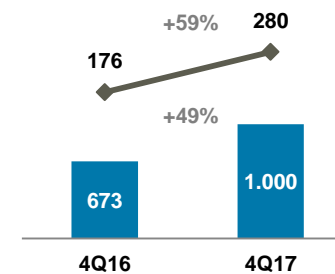
Sugar ('000 ton & BRL/ton)



Ethanol ('000 cbm & BRL/cbm)

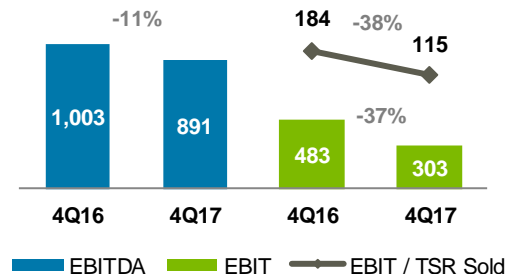


Cogeneration ('000 MWh & BRL/MWh)



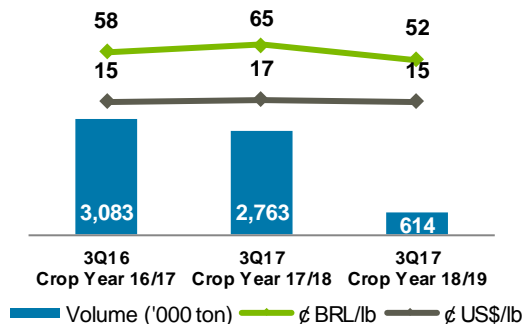
### Adjusted EBITDA & EBIT<sup>4</sup>

BRL mln & BRL/ton



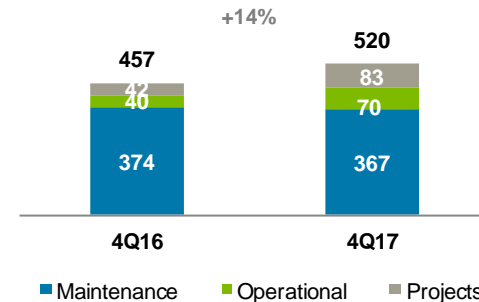
### Hedge<sup>5</sup>

Volumes & Prices



### CAPEX<sup>6</sup>

BRL mln



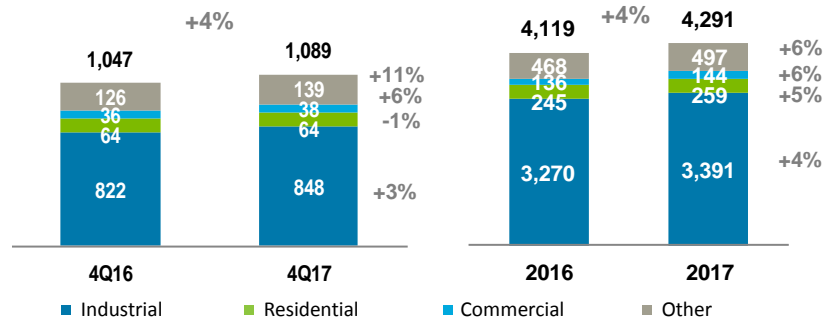
Note: (3) Measured by tons of TRS per hectare. (4) EBITDA adjusted by (i) Variation in Biological Assets, (ii) Hedge Accounting (iii) forex effect on sugar exports and (iv) nonrecurring effects, if applicable. (5) Prices in Brazilian Reals include polarization premium. (6) CAPEX does not include Tonon.

## Comgás | Volume growth in all segments in 2017

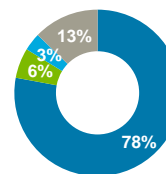
Normalized EBITDA reached BRL 416 million (+16%) in 4Q17 and BRL 1.7 billion (+19%) in 2017 due to higher volume sold and regulatory margin inflation adjustments in May 2017.

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

*'mln cbm*

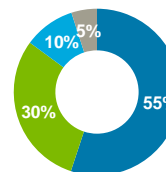


### Volume



- **Residential:** new connections (+105,000) in the last 12 months resulted in a 5% volume growth in 2017.

### Contribution Margin

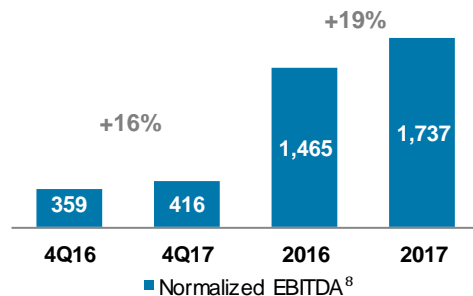


- **Commercial:** 923 new customers in the last 12 months supported the volume growth of 6% in the year.

- **Industrial:** 4% growth compared to 2016, reflecting the gradual improvement of economic activity in major sectors, and higher consumption of some clients.

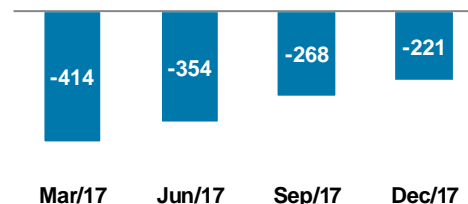
### Normalized EBITDA<sup>8</sup>

*BRL mln*



### Regulatory Current Account Balance

*BRL mln*



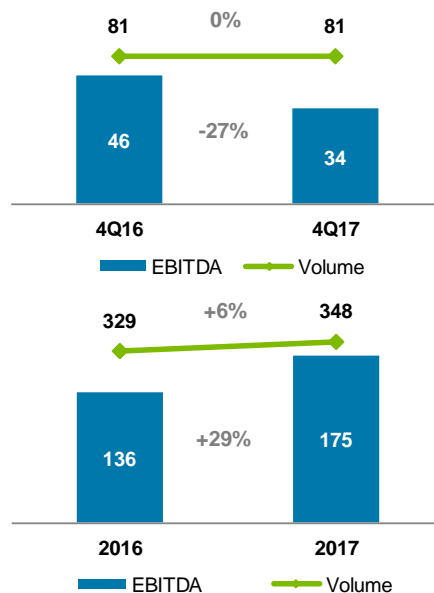
- Reduction of BRL 193 million of regulatory current account in 2017.

## Moove

- Total volume sold expanded 6% in 2017, reflecting consistency of business strategy in Brazil and in the international market.
- EBITDA grew 29% in the year due to higher sales volume with better product mix.

### EBITDA & Sales Volume

BRL mln and '000 cbm

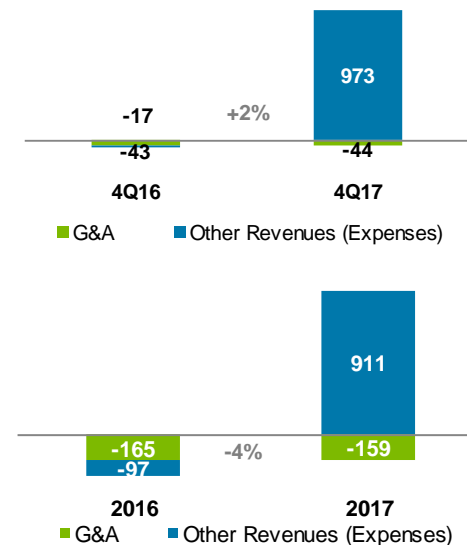


## Cosan Corporate

- General and Administrative expenses achieved BRL 44 million in 4Q17 (+2%) and BRL 159 million in 2017 (-4%), reflecting efforts to control costs.
- Other Revenues totaled BRL 973 million in the quarter and BRL 911 million in the year impacted by the sale of credit rights.

### G&A and Other Revenues (Expenses)

BRL mln

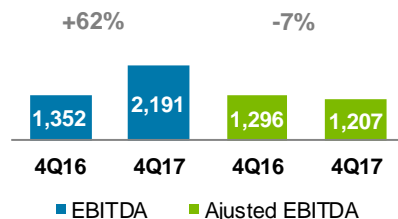


## Cosan S/A Pro forma | EBITDA record in 2017

Adjusted EBITDA reached BRL 1.2 billion in 4Q17 (-7%) and BRL 5.1 billion in the year of 2017 (+10%). Adjusted Net Income totaled BRL 953 million in the year (+53%) due to better operational performance across all Company's businesses.

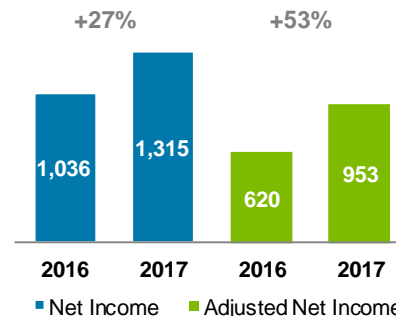
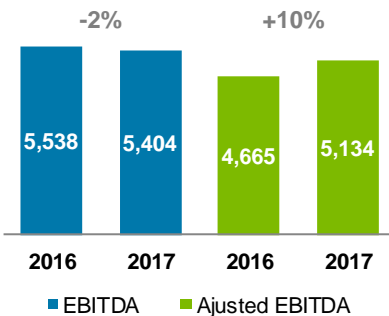
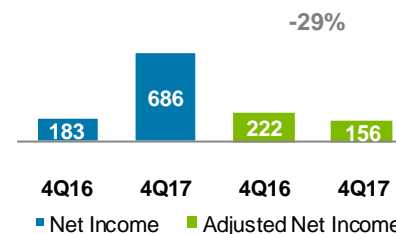
### EBITDA<sup>9</sup> & Adjusted EBITDA<sup>10</sup>

BRL mln



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

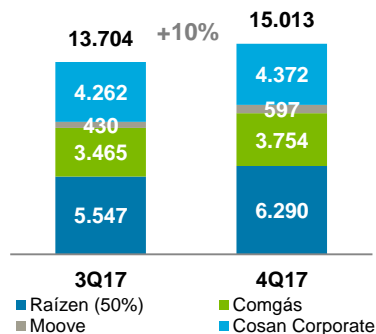
BRL mln



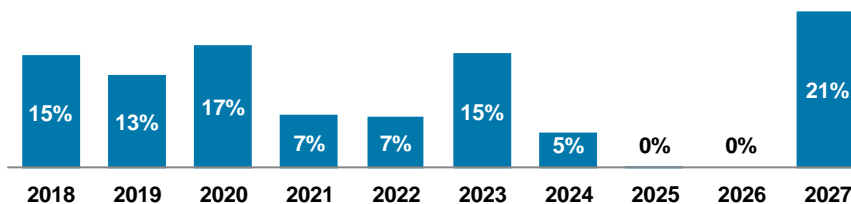


## Debt and Leverage | Normalized leverage stable at 2.0x

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



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

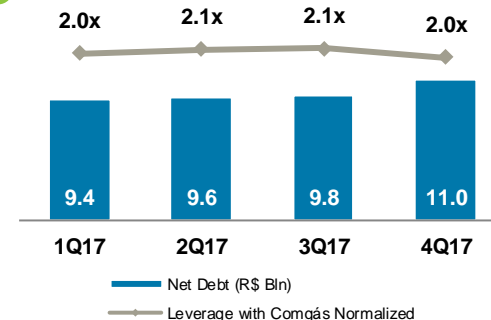


#### Average Term

Cosan Corporate: 7.8 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	4Q17	4Q16	Var. %	2017	2016	Var. %
Cash Flow from Operations	961	1,253	-23%	4,935	5,446	-9%
Cash Flow from Investing	(672)	447	n/a	(2,711)	(881)	n/a
Cash Flow from Financing Activities	116	(218)	n/a	(1,588)	(1,538)	3%
Dividends received	5	2	n/a	7	15	-51%
<b>Free Cash Flow to Equity</b>	<b>410</b>	<b>1,483</b>	<b>-72%</b>	<b>643</b>	<b>3,042</b>	<b>-79%</b>
<b>Cash and Cash Equivalents and Marketable Securities</b>	<b>5,496</b>	<b>6,134</b>	<b>-10%</b>	<b>5,496</b>	<b>6,134</b>	<b>-10%</b>
<b>Net Debt</b>	<b>10,960</b>	<b>10,064</b>	<b>9%</b>	<b>10,960</b>	<b>10,064</b>	<b>9%</b>
<b>LTM EBITDA</b>	<b>5,404</b>	<b>5,538</b>	<b>-2%</b>	<b>5,404</b>	<b>5,538</b>	<b>-2%</b>
<b>Leverage (Net Debt/EBITDA)</b>	<b>2.0x</b>	<b>1.8x</b>	<b>0.2x</b>	<b>2.0x</b>	<b>1.8x</b>	<b>0.2x</b>

**Gross Debt:** issuance of BRL 700 million of “CRA” and BRL 1 billion of “PPE” at Raízen Combustíveis (100%).

### Cash Generation

- CFO: reduction of regulatory current account at Comgás.
- CFI: sale of Radar and STP in 2016, as well as the acquisition of Tonon mills in 2017.
- CFF: increased funding at Raízen in the year partially offset by de cash disbursement related to the acquisition of Comgás shares by Cosan S/A in 4Q17.

**Average Cost of Debt<sup>14</sup>:** Cosan S/A Pro forma<sup>12</sup>: 107% CDI

Cosan S/A: 112% CDI.

## Guidance 2017 | Cosan delivers on guidance in all businesses

		<i>Guidance</i> 2017 (Jan-Dec)	<i>Actual</i> 2017 (Jan-Dec)	
<b>Cosan S/A Consolidated</b>	Pro forma Net Revenue (BRL mln)	$45,000 \leq \Delta \leq 48,000$	49,368	✓
	Pro forma EBITDA <sup>15</sup> (BRL mln)	$4,900 \leq \Delta \leq 5,300$	5,134	✓
<b>Raízen Combustíveis</b>	Adjusted EBITDA <sup>15</sup> (BRL mln)	$2,700 \leq \Delta \leq 3,000$	2,939	✓
	CAPEX (BRL mln)	$800 \leq \Delta \leq 1,000$	781	✓
<b>Comgás</b>	Total Volume Sold, excluding Thermo ('000 cbm)	$4,250 \leq \Delta \leq 4,350$	4,292	✓
	Normalized EBITDA <sup>16</sup> (BRL mln)	$1,670 \leq \Delta \leq 1,730$	1,737	✓
	CAPEX (BRL mln)	$450 \leq \Delta \leq 500$	460	✓
<b>Moove</b>	EBITDA (BRL mln)	$160 \leq \Delta \leq 180$	175	✓

Note 15: Cosan S/A Pro forma EBITDA considers IFRS EBITDA of Comgás, Moove and Cosan Corporate and 50% of adjusted EBITDA of Raízen Energia and Raízen Combustíveis.

Note 16: Adjusted EBITDA exclude gains with asset divestments and other extraordinary effects, detailed on slide 4.

## Guidance 2018

		Actual 2017 (Jan-Dec)	Guidance 2018 (Jan-Dec)
Cosan S/A Consolidated	Pro forma Net Revenue (BRL mln)	49,368	<b>50,000 ≤ Δ ≤ 53,000</b>
	Pro forma EBITDA <sup>17</sup> (BRL mln)	5,134	<b>4,900 ≤ Δ ≤ 5,400</b>
Raízen Combustíveis	Ajusted EBITDA <sup>17</sup> (BRL mln)	2,939	<b>2,850 ≤ Δ ≤ 3,150</b>
	CAPEX (BRL mln)	781	<b>800 ≤ Δ ≤ 1,000</b>
Comgás	Total Volume Sold, excluding Thermo ('000 cbm)	4,292	<b>4,400 ≤ Δ ≤ 4,600</b>
	Normalized EBITDA <sup>18</sup> (BRL mln)	1,737	<b>1,770 ≤ Δ ≤ 1,870</b>
	CAPEX (BRL mln)	460	<b>450 ≤ Δ ≤ 500</b>
Moove	EBITDA (BRL mln)	175	<b>200 ≤ Δ ≤ 230</b>

		Actual Crop Year 2016/17 (Apr/16-Mar/17)	Guidance Crop Year 2017/18 (Apr/17-Mar/18)	Preliminary Guidance Crop Year 2018/19 (Apr/18-Mar/19)
Raízen Energia	Volume of Sugarcane Crushed ('000 tons)	59,391	59,000 ≤ Δ ≤ 63,000	<b>63,000 ≤ Δ ≤ 67,000</b>
	Volume of Sugar Produced ('000 tons)	4,227	4,300 ≤ Δ ≤ 4,700	<b>4,200 ≤ Δ ≤ 4,600</b>
	Volume of Ethanol Produced (million liters)	1,990	2,000 ≤ Δ ≤ 2,300	<b>2,300 ≤ Δ ≤ 2,600</b>
	Volume of Energy Sold ('000 of MWh)	2,802	2,200 ≤ Δ ≤ 2,400	<b>2,500 ≤ Δ ≤ 2,700</b>
	Adjusted EBITDA <sup>17</sup> (BRL mln)	3,078	3,900 ≤ Δ ≤ 4,300	<b>3,400 ≤ Δ ≤ 3,800</b>
	CAPEX (BRL mln)	2,088	2,300 ≤ Δ ≤ 2,600	<b>2,400 ≤ Δ ≤ 2,700</b>



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