



São Martinho reports cash net income of R\$ 405.8 million

Company announces its financial results for the 3rd quarter of 2022/23 crop year (3Q23)

São Paulo, February 14, 2022 – São Martinho, one of Brazil's largest sugarcane and energy companies, reports its results for the 3rd quarter of 2022/23 crop year, covering the period from October to December, as well as the cumulative general results for the crop year.

The figures reported include Cash Net Income of R\$ 405.8 million, down 36.5% from the same quarter last year (3Q22). Adjusted EBITDA was R\$ 774.9 million in 3Q23 (-13.2%), with Adjusted EBITDA margin of 50.5%. The variation in the period mainly reflects the lower average sales price in the domestic market for ethanol (-15.7%)¹, which was partially offset by the premium on fuel exports.

Adjusted EBIT was R\$ 357.2 million in 3Q23 (-35.8%), with margin of 23.3%. In 9M23, Net Income was R\$ 429.7 million (-38.3%) and Operating Cash Flow came to R\$ 1,289.4 million, decreasing 4.2% from 9M22. Meanwhile, the leverage ratio ended 9M23 at 1.24x Net Debt/Adjusted EBITDA.

Note that on December 31, 2022, our sugar prices for the 2022/23 crop year were hedged for 349,000 tons of sugar at a price of R\$ 2,509/ton. For the 2023/24 crop year, 533,000 tons of sugar were hedged at a price of R\$ 2,316/ton

From the operational viewpoint, as of the end of the crushing period for the 2022/23 crop year, the Company informed that it had processed approximately 20.0 million tons of sugarcane, in line with the volume processed in the previous crop year.

During the current crop year, the company produced around 1.2 million tons of sugar, down 7.4% from the 2021/22 crop year, as well as 989.9 thousand m³ of ethanol (-1.6%) and 732.7 thousand MWh of energy exported (-3.6%). The sugar/ethanol production mix was 45%/55%, compared to 47%/53% in the same period last crop year. TRS produced in the first nine months of the crop year decreased 4% in relation to the previous season, considering the 4.5% reduction in the average TRS (140.0 kg/ton).

The result was due to the effects from weather events during the 2021/22 crop year, namely the prolonged drought and frost (which occurred in July 2021 on certain fields). São Martinho also reinforces that, as previously informed to the market, there was a delay in the start of crushing at the São Martinho and Santa Cruz mills (which began in the second half of April 2022), with this factor partially offset by the late conclusion of the crushing period (as per the material fact notice dated December 2022).

About São Martinho

São Martinho is one of the largest sugar and ethanol groups in Brazil, with approximate crushing capacity of 24 million tons per crop year and a maximum mechanized harvesting rate of 100%, and a reference in agricultural and industrial management. São Martinho has a unique logistics platform for product distribution, high storage capacity and proximity to key highway and rail systems, and also has its own rail branch. A publicly held corporation since 2007, its shares trade on the Novo Mercado, the listing segment of the B3 with the highest corporate governance standards, under the ticker SMT03. For more information, visit: www.saomartinho.com.br