

# AGRICULTURE AT IT'S BEST

2Q22 RESULTS  
CONFERENCE CALL  
August 11th 2022



**SLC** *Agrícola*

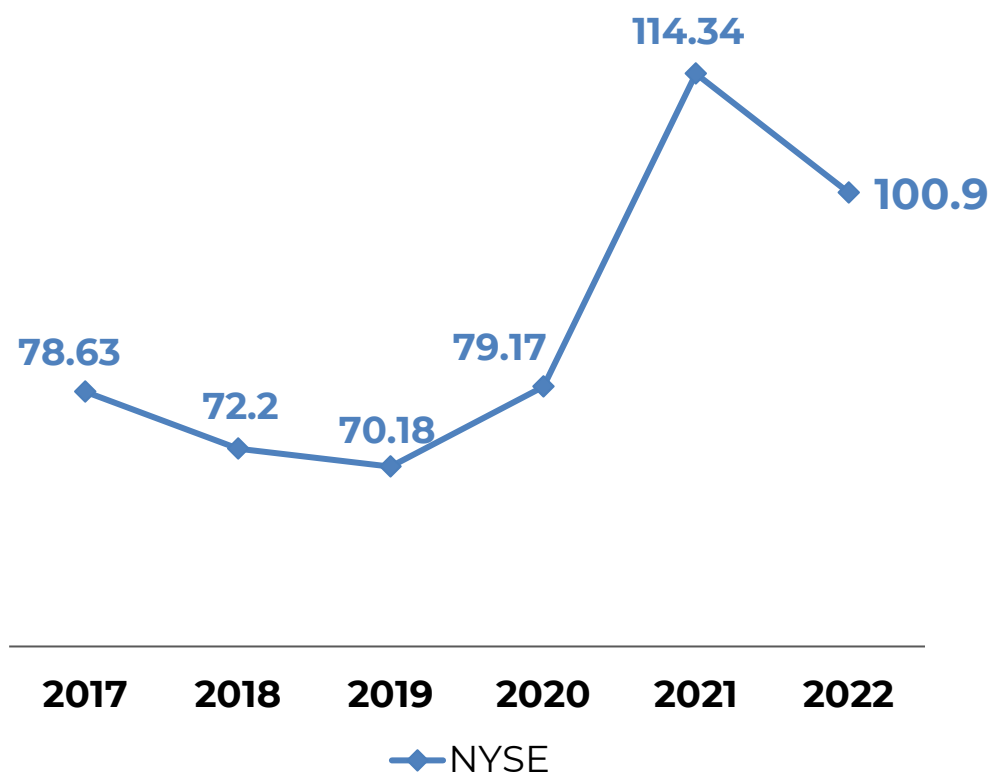


# 1. MARKET OVERVIEW



# COTTON

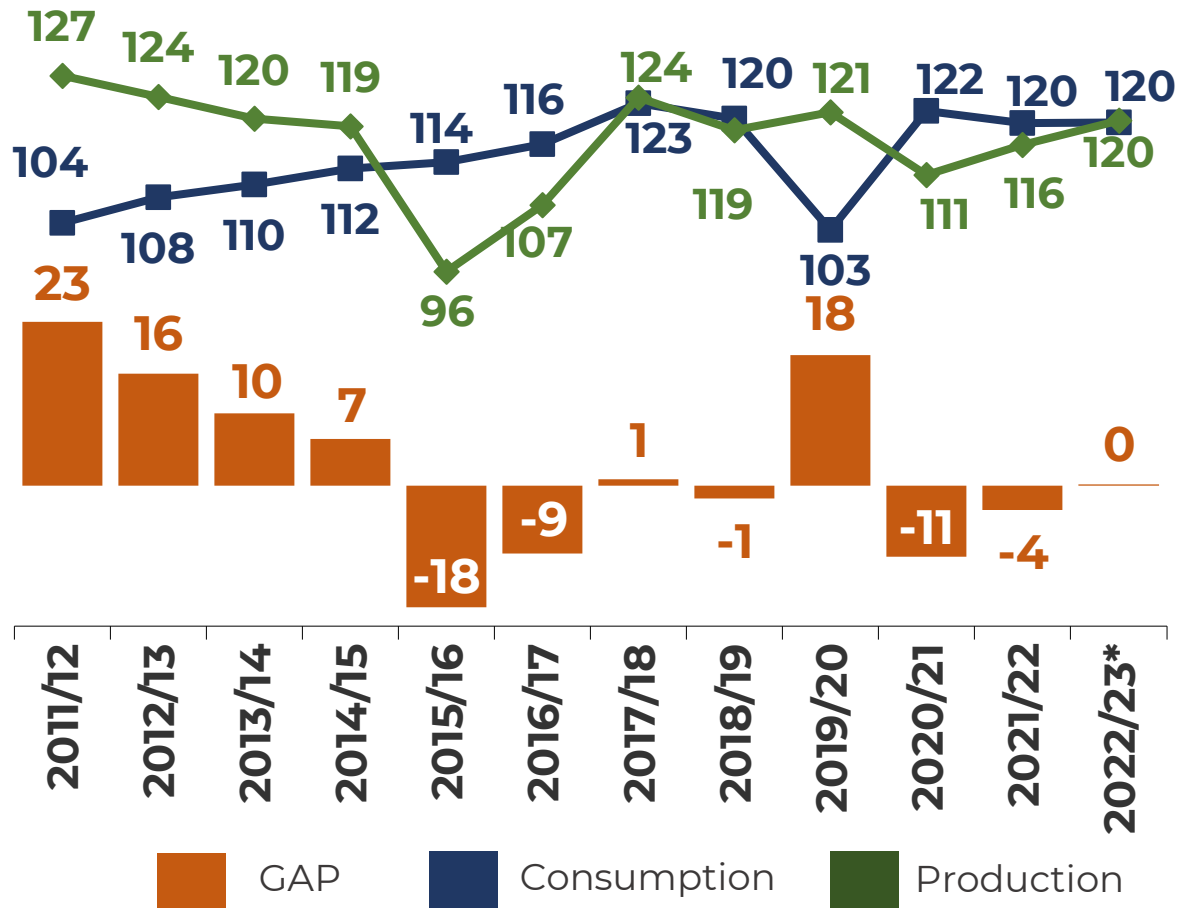
## PRICES (NYSE)



## WORLD SUPPLY & DEMAND

Millions of Bales

+11% planted area USA



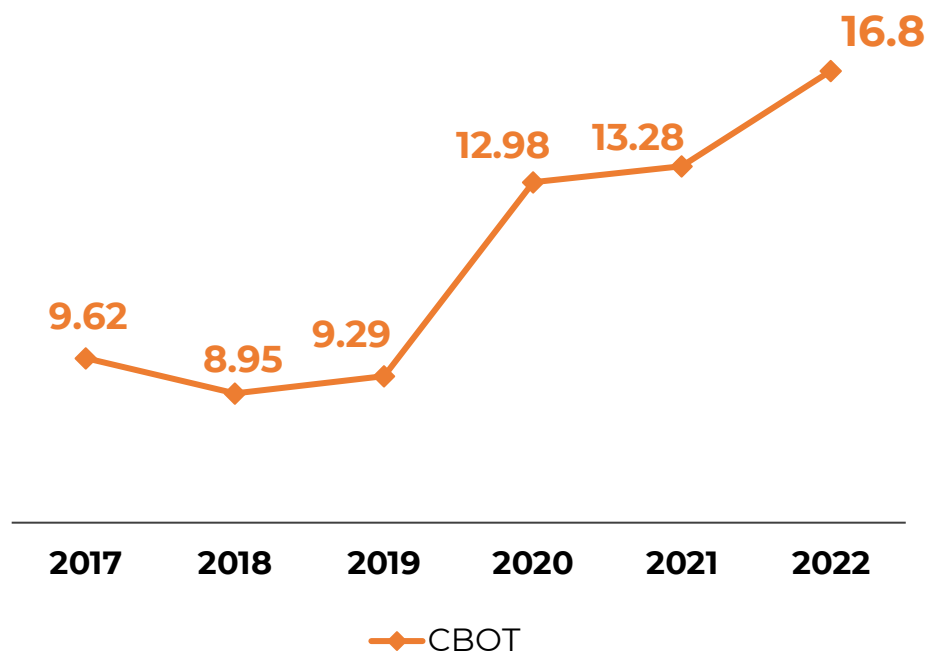
Prices -> Source: CMA. Update: August 10th, 2022.

WSP-> Source: USDA (July, 2022)  
\*Forecast

# SOYBEAN



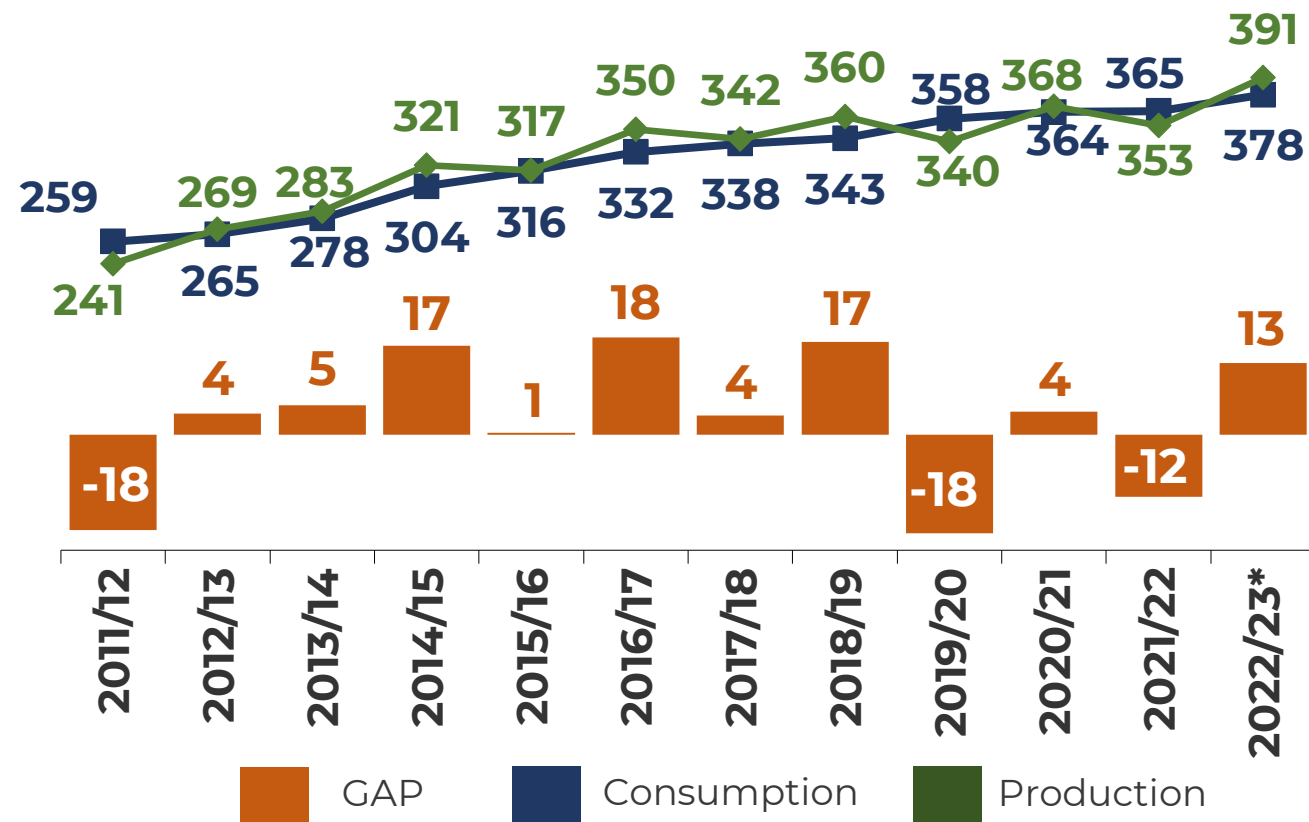
## PRICES (CBOT)



## WORLD SUPPLY & DEMAND

Million of Tons

**+1.3% planted area USA**

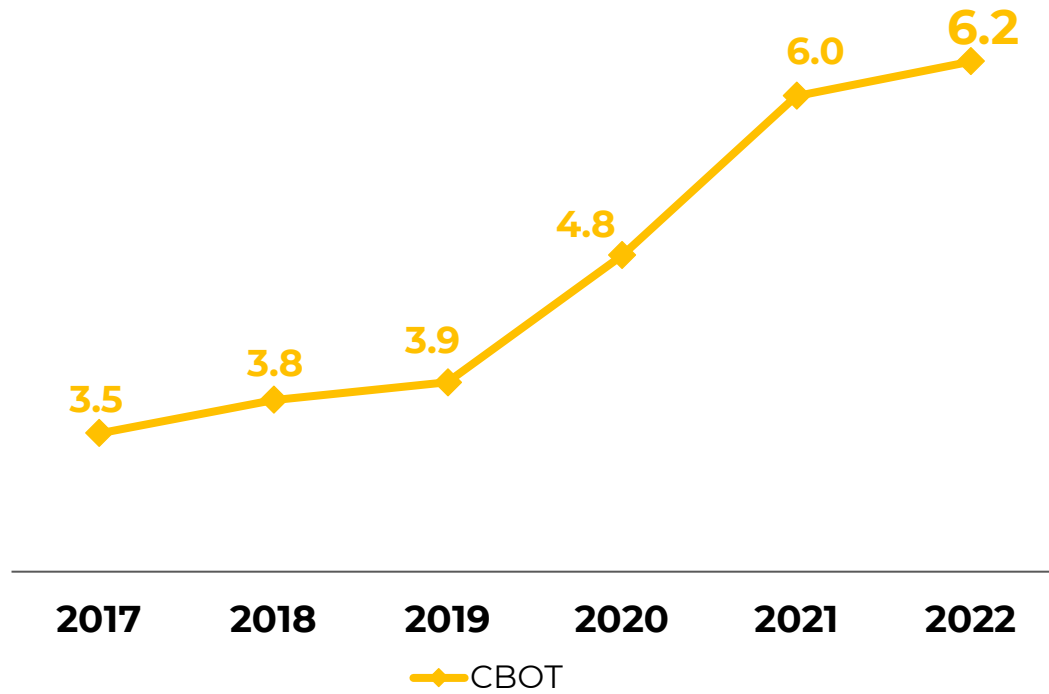


Prices -> Source: CMA & ESALQ. Update: August 10th, 2022.

WSP-> Source: USDA (July, 2022)

\*Forecast

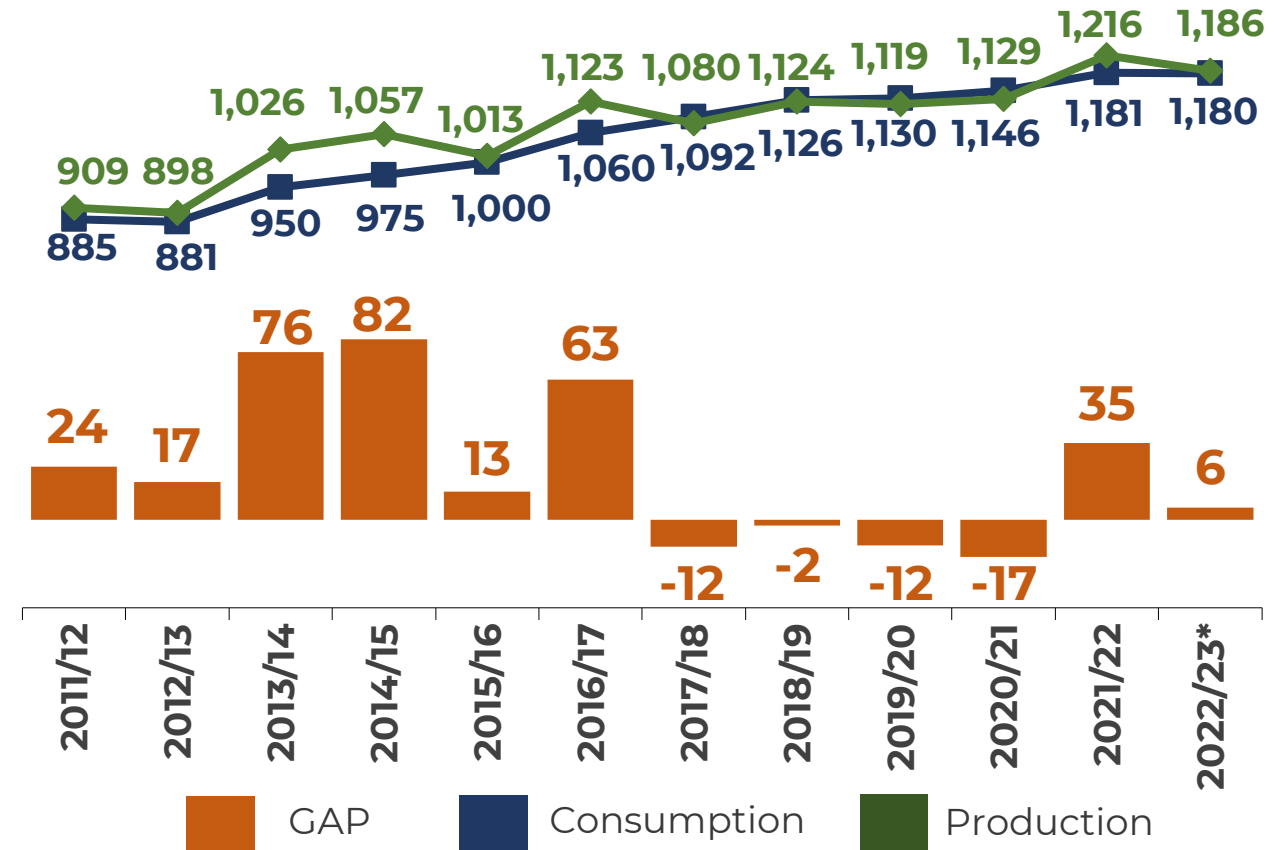
## PRICES (CBOT)



## WORLD SUPPLY & DEMAND

Million of Tons

**+9.5% planted area USA**



Prices -> Source: CMA & ESALQ. Update: August 10th, 2022.

WSP -> Source: USDA (July, 2022)

\*Forecast



## 2. CROP OUTLOOK 2021/22



# FORECAST YIELDS

YIELDS (KG/ HA)	CROP 2020/21	CROP 2021/22		%		
	ACHIEVED (A)	BUDGET (B)	FORECAST (C)	(B)x(A)	(C)x(A)	(C)x(B)
COTTON LINT 1 <sup>st</sup> CROP	1,913	1,871	1,662	-2.2%	-13.1%	-11.2%
COTTON LINT 2 <sup>nd</sup> CROP	1,689	1,804	1,335	6.8%	-21.0%	-26.0%
COTTON SEED	2,312	2,299	1,866	-0.6%	-19.3%	-18.8%
SOYBEAN (COMMERCIAL + SOYBEAN SEED)	3,985	3,765	3,994	-5.5%	0.2%	6.1%
CORN 2 <sup>nd</sup> CROP	5,880	7,714	6,318	31.2%	7.4%	-18.1%

# FORECAST PRODUCTION COST (R\$/ha 2021/22 Crop Year)

THE INCREASE IN PRODUCTION COST GREW UP FROM **16.1%** TO **14.1%** WHEN COMPARED TO THE PREVIOUS HARVEST

Total (R\$/ha)	Achieved 2020/21 <sup>(1)</sup> (a)	Budget 2021/22 (b)	Forecast 2021/22 (c)	Δ% (c x b)	Δ% (c x a)
Cotton 1 <sup>st</sup> crop	10,971	12,658	12,580	-0.6%	14.7%
Cotton 2 <sup>nd</sup> crop	9,951	10,863	10,191	-6.2%	2.4%
Soybean	3,529	4,131	4,283	3.7%	21.4%
Corn 2 <sup>nd</sup> crop	2,990	3,939	3,711	-5.8%	24.1%
<b>Total average cost</b>	<b>5,629<sup>(2)</sup></b>	<b>6,528<sup>(2)</sup></b>	<b>6,425<sup>(2)</sup></b>	<b>-1.6%</b>	<b>14.1%</b>

(1) Figures may suffer changes by the end of cotton processing and the sale of grains.

(2) Weighted by areas in the 2021/22 crop year to avoid impacts from changes in the product mix.



# 3. FINANCIAL PERFORMANCE



# FINANCIAL HIGHLIGHTS

(R\$ thd)	1S21 Combined	1S22	AH	2Q21 Combined	2Q22	AH
<b>Net Revenue</b>	<b>2,471,254</b>	<b>4,073,968</b>	<b>64.9%</b>	<b>1,244,250</b>	<b>1,664,892</b>	<b>33.8%</b>
<b>Change in Fair Value Biol. Assets<sup>(3)</sup></b>	<b>1,655,140</b>	<b>1,810,419</b>	<b>9.4%</b>	<b>736,439</b>	<b>723,691</b>	<b>-1.7%</b>
<b>Gross Profit</b>	1,638,142	2,407,043	46.9%	852,740	928,366	8.9%
<b>Gross Margin</b>	66.3%	59.1%	-7.2p.p	68.5%	55.8%	-12.7p.p
<b>Operational Performance</b>	1,382,028	2,123,916	53.7%	690,383	808,316	17.1%
<b>Operational Margin</b>	55.9%	52.1%	-3.8p.p	55.5%	48.6%	-6.9p.p
<b>Net Profit</b>	759,759	<b>1,282,645</b>	68.8%	421,237	485,583	15.3%
<b>Net Margin</b>	30.7%	31.5%	0.8p.p	33.9%	29.2%	-4.7p.p
<b>Adjusted EBITDA<sup>(1,2,5)</sup></b> (Agricultural Operation + Sale of Land)	<b>973,000</b>	<b>2,079,692</b>	<b>113.7%</b>	<b>494,084</b>	<b>820,262</b>	<b>66.0%</b>
<b>Adjusted EBITDA Margin<sup>(1 and 2)</sup></b> (Agricultural Operation + Sale of Land)	<b>39.4%</b>	<b>51.0%</b>	<b>11.6p.p.</b>	<b>39.7%</b>	<b>49.3%</b>	<b>9.6p.p.</b>

(1) Excludes the effects from Biological Assets, since they are noncash. (2) Excludes Write-offs of Property, Plant and Equipment and Other Property, Plant and Equipment Transactions, which are noncash. (3) Variation of the fair value of Biological Assets (Note 28 of the Quarterly Financial Information-ITR). (4) Realization of the fair value of Biological Assets (Note 27 of the Quarterly Financial Information-ITR). (5) Amortization of right-of-use assets - leases.

# NET DEBT

Credit Line	Average Rate (%)			Consolidated	
(R\$ thd)	Indexer	4Q21	1S22	4Q21	1S22
Applied in Fixed Assets				42,529	46,840
Finame – BNDES	Prefixed	5.6%	5.6%	42,529	46,840
Applied in Working Capital				2,556,693	3,804,042
Rural Credit	Prefixed	5.5%	13.0%	18,299	84,577
Rural Credit	CDI <sup>(1)</sup>	10.3%	14.3%	153,314	208,604
CRA	CDI <sup>(1)</sup>	11.0%	15.0%	534,015	564,338
Working Capital	Prefixed	-	7.5%	-	20,195
Working Capital	CDI <sup>(1)</sup>	10.3%	14.4%	699,354	1,488,016
Export Loans	CDI <sup>(1)</sup>	10.4%	14.3%	1,151,711	1,438,312
Total Indebtedness <sup>(3)</sup>		10.4%	14.3%	2,599,222	3,850,882
( +/- ) Gains and losses with deriv. connected with applications and debts <sup>(2)</sup>				65,678	(57,780)
(=) Adjusted Gross Debt				2,533,544	3,908,662
(-) Cash				140,464	641,549
(=) Adjusted Net Debt				2,393,080	3,267,113
Adjusted EBITDA (Last 12 months)				1,685,247	2,987,193
Adjusted Net Debt/EBITDA				1.42x	1.09x

<sup>(1)</sup> Final Interest Rate with swap; <sup>(2)</sup> Transactions with gains and losses from Derivatives (note 24 of the Quarterly financial Information-ITR).

<sup>(3)</sup> Total debt is different from the accounting position due to the costs of CRA transactions (see note 17 of the Quarterly Financial Information).

# HEDGE POSITION 2021/22

## FX Hedge – Soybean

Crop Year	2020/21	2021/22
%	100	85.4
R\$/USD	5.2583	5.4009
Commitments % <sup>(1)</sup>	-	3.6

## FX Hedge – Cotton

Crop Year	2020/21	2021/22
%	100	80.6
R\$/USD	5.4069	5.8588
Commitments % <sup>(1)</sup>	-	6.5

## FX Hedge - Corn

Crop Year	2020/21	2021/22
%	100.0	86.9
R\$/USD	52.330	56.927
Commitments% <sup>(1)</sup>	-	0.1

## Commercial Hedge – Soybean

Crop Year	2020/21	2021/22
%	100	81.2
USD/bu <sup>(2)</sup>	12.46	14.14
Commitments % <sup>(1)</sup>	-	2.7

## Commercial Hedge – Cotton

Crop Year	2020/21	2021/22
%	99.9	86.2
US¢/lb <sup>(2)</sup>	75.82	79.04
Compromissos % <sup>(1)</sup>	-	-

## Commercial Hedge – Corn

Crop Year	2020/21	2021/22
%	100.0	77.3
R\$/bag <sup>(3)</sup>	44.11	54.14
Commitments% <sup>(1)</sup>	-	-

(1) Commitments with payments for fixed-rate securities in U.S. dollar, natural hedge with payments related to land acquisitions and lease agreements based on soybean bags.

(2) Based on FOB Port - prices at our production units also are influenced by transport expenses and any discounts for quality. (3) Farm price.



# 4. HIGHLIGHTS





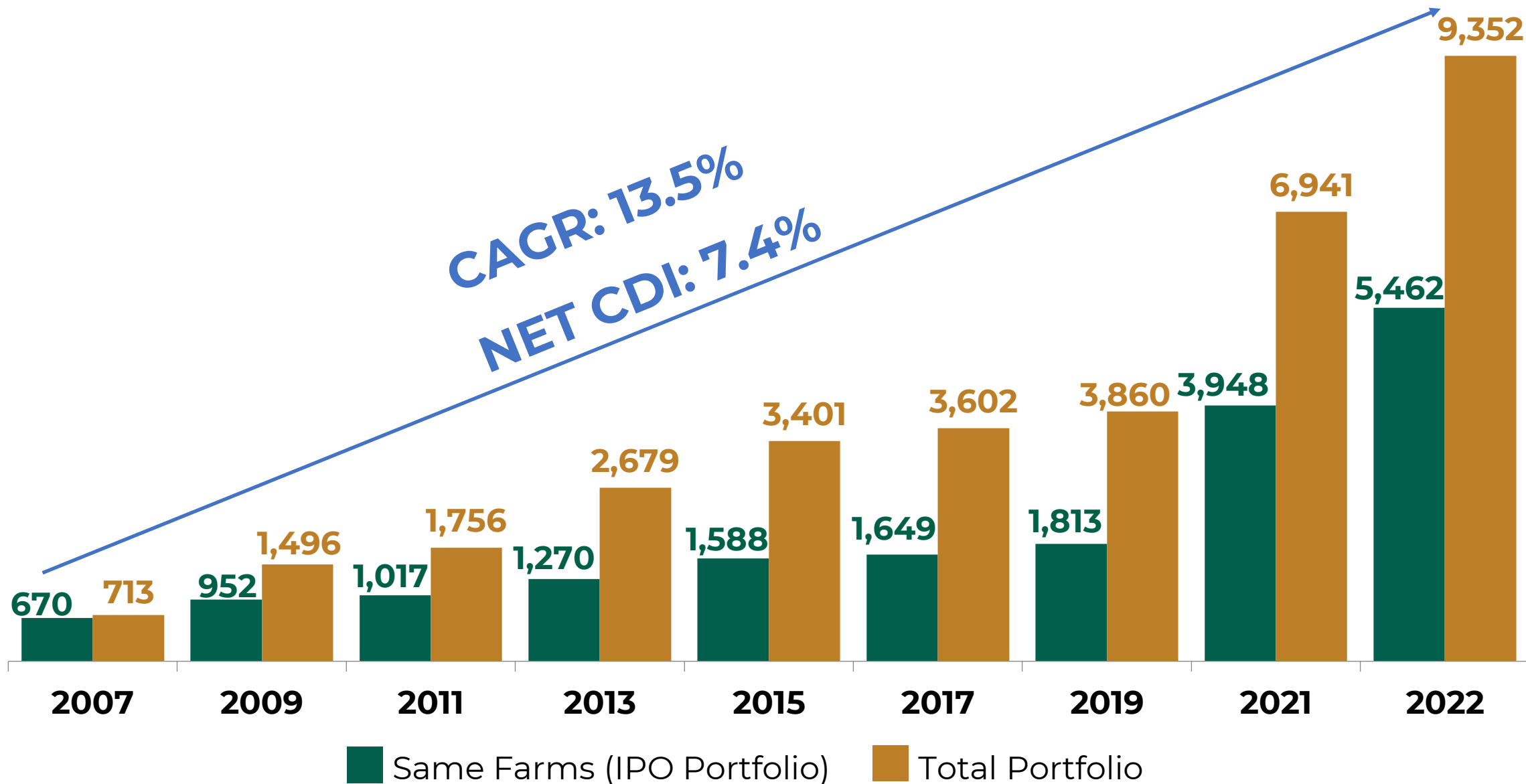
## SHARE BUYBACK PROGRAM CONCLUDED

**2 million common shares**

## NEW SHARE BUYBACK PROGRAM

**July 13th, 2022:** approval by the Board of Directors of a new share buyback program for the acquisition of 4 million shares

# EVALUATION OF THE LAND PORTFOLIO- 2022





# 5. CROP OUTLOOK 2022/23



# FERTILIZERS - PRICES CFR

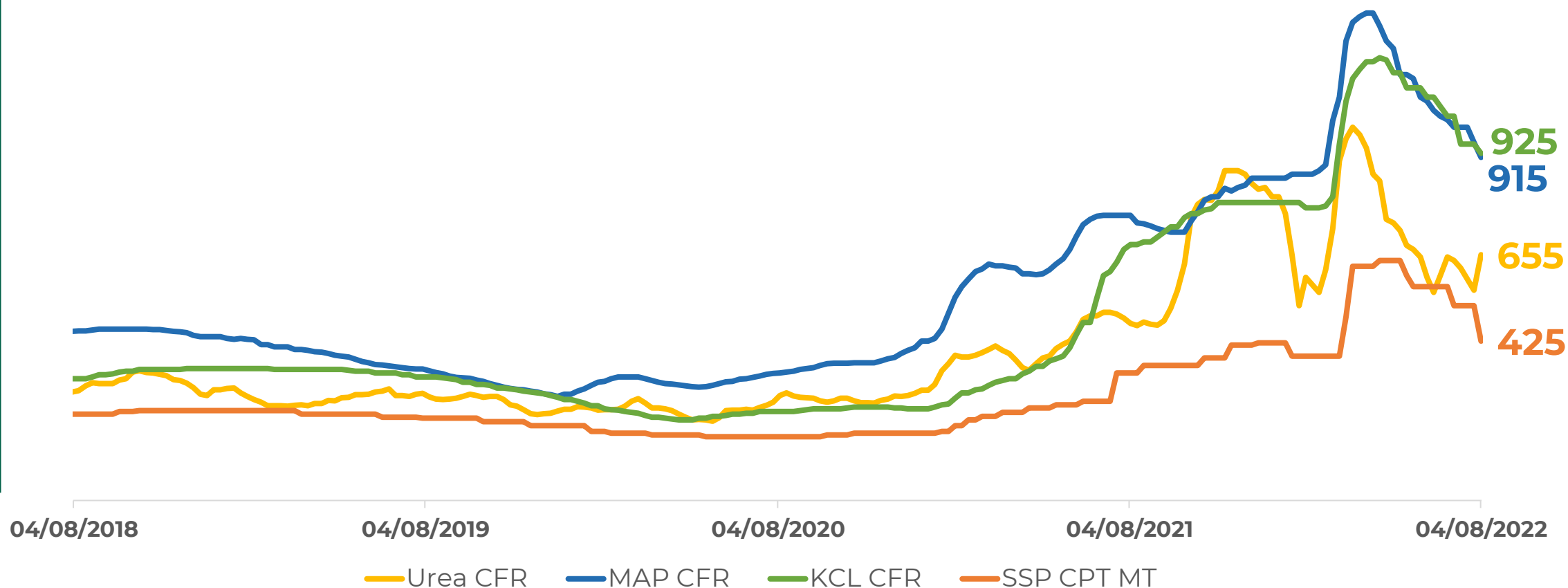
FOR THE 2022/23 CROP, WE'VE ALREADY ACQUIRED:

**84%** of  
Potassium Chloride

**100%**  
Phosphate

**85%**  
Nitrogenous

**93%** of  
Defensive



Source: Bloomberg

# HEDGE POSITION 2022/23

## FX Hedge – Soybean

Crop Year	2021/22	2022/23
%	85,4	16,9
R\$/USD	5,4009	5,8922
Commitments % <sup>(1)</sup>	3,6	40,3

## FX Hedge – Cotton

Crop Year	2021/22	2022/23
%	80,6	18,3
R\$/USD	5,8588	6,1419
Commmitments % <sup>(1)</sup>	6,5	40,5

## FX Hedge - Corn

Crop Year	2021/22	2022/23
%	86,9	31,5
R\$/USD	56,927	61,486
Commitments% <sup>(1)</sup>	0,1	29,5

## Commercial Hedge – Soybean

Crop Year	2021/22	2022/23
%	81,2	35
USD/bu <sup>(2)</sup>	14,14	14,3
Commitments % <sup>(1)</sup>	2,7	13,1

## Commercial Hedge – Cotton

Crop Year	2021/22	2022/23
%	86,2	37,5
US¢/lb <sup>(2)</sup>	79,04	87,27
Commitments % <sup>(1)</sup>	-	-

## Commercial Hedge – Corn

Crop Year	2021/22	2022/23
%	77,3	51,9
R\$/bag <sup>(3)</sup>	54,14	61,75
Commitments% <sup>(1)</sup>	-	-

<sup>(1)</sup> Commitments with payments for fixed-rate securities in U.S. dollar, natural hedge with payments related to land acquisitions and lease agreements based on soybean bags

<sup>(2)</sup> Based on FOB Port - prices at our production units also are influenced by transport expenses and any discounts for quality.<sup>(3)</sup> Farm price



# OUR BIG DREAM

To positively impact  
future generations,  
through global  
leadership in  
agribusiness and  
respect to the planet

WHO REALLY  
DREAMS,

*realizes*





# OUR VALUES



**INTEGRITY**



**PASSION**  
FOR WHAT WE DO



**LASTING**  
RELATIONSHIPS



**SUSTAINABLE**  
RESULTS

We believe that those who have **PASSION FOR WHAT THEY DO** are committed and do it with the highest quality, preserving their **INTEGRITY** through an ethical conduct, consistent and unquestionable.

These attitudes together generate **LONG LASTING RELATIONSHIP** between all the interested parties, producing **SUSTAINABLE RESULTS** that are economically viable, socially just and environmentally responsible



# INVESTOR RELATIONS DEPARTMENT



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