

Rumo | Earnings Release 1Q18

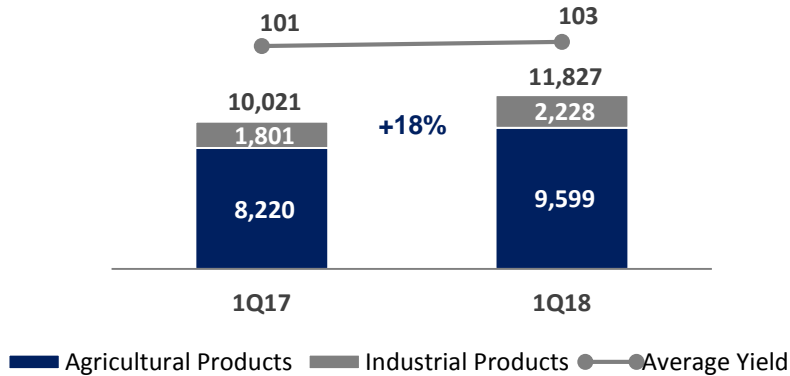
The background of the slide is a dark blue-tinted photograph of a train engine. The engine is viewed from a low angle, showing its front and side. The number '3498' is visible on the side of the engine. The Rumo logo, consisting of the word 'rumo' in a lowercase, sans-serif font with a stylized 'o' that has a dot, is positioned in the bottom right corner. A white horizontal line runs across the bottom of the slide, ending in a curved flourish on the right side.

rumo

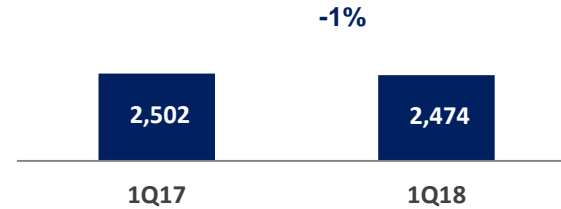
This presentation contains forward-looking estimates and statements on our strategies and future growth opportunities. This information is mainly based on our current expectations and estimates or projections of future events and trends affecting or which may affect our businesses and operating results. Despite the fact we believe these forward-looking estimates and statements are based on reasonable suppositions, they are subject to several risks and uncertainties and are made considering currently available information. Our forward-looking estimates and statements may be influenced by the following factors, amongst others: (1) general economic, political, demographic and commercial conditions in Brazil and specifically in the geographic markets where we operate; (2) inflation, depreciation of Brazilian Real; (3) competitive developments in the ethanol and sugar sectors; (4) our capacity to implement our Capex plan, including our ability to raise loan when necessary and under reasonable terms; (5) our ability to compete and conduct our businesses in the future; (6) changes in consumers' demand; (7) alterations in our businesses; (8) government interventions resulting in changes in economy, taxes, rates or regulatory environment; and (9) other factors to affect our financial condition, liquidity and operating results.

The words "believe", "may", "should", "estimate", "continue", "foresee", "intend", "expect" and similar words aim at identifying forward-looking estimates and statements. Forward-looking estimates and statements only refer to the date when these are made and we do not assume any obligation to update or revise any forward-looking estimate or statement in view of new information, future events or other factors. The forward-looking estimates and statements involve risks and uncertainties and are not guarantees of future performance. Our future results may significantly differ from those expressed in our forward-looking estimates and statements. Considering the risks and uncertainties described above, the forward-looking estimates and statements discussed herein may not occur and our future results and performance may substantially differ from those expressed in the forward-looking statements, inclusive, amongst others, due to the factors mentioned above. In view of these uncertainties, investor should not make any investment decision based on these forward-looking estimates and statements.

Volume and Transportation yield
(MM RTK and R\$/RTK x 1000)



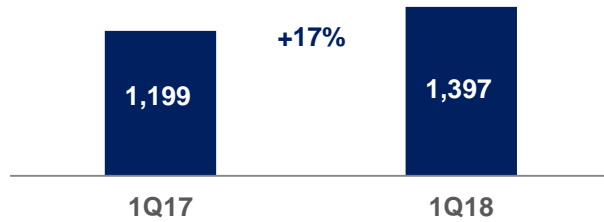
Loading Volume
(Thousand tons)



- Agricultural volume grew by 17%, driven by carryover inventories in January and capacity gains which increased volumes in Feb and Mar.
- Transportation of industrial products was up 24%, highlighting the pulp new operation and higher volume of shipped containers.

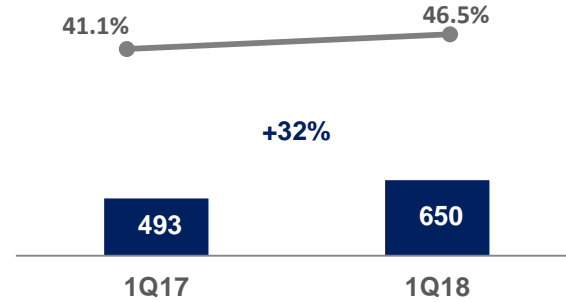
- Port loading volume decreased 1% due to lower sugar exports vs. 1Q17

Net Revenue
(R\$ MM)



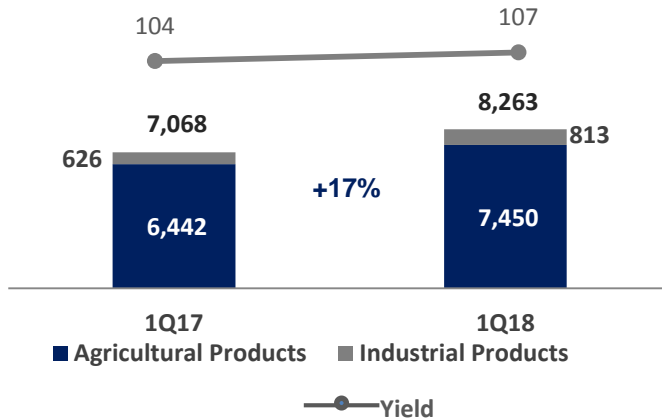
- Net revenue growth mainly due to higher transported volumes.

EBITDA and EBITDA Margin
(R\$ MM)

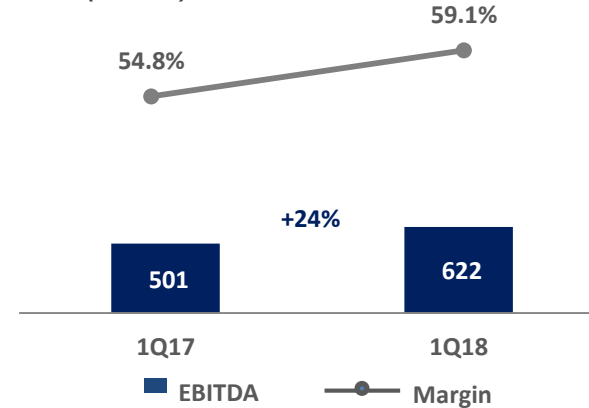


- Higher transported volume (+18%) and greater cost efficiency resulted in EBITDA growth and EBITDA margin expansion.

Volume and Transportation yield
(MM RTK and R\$/RTK x 1000)



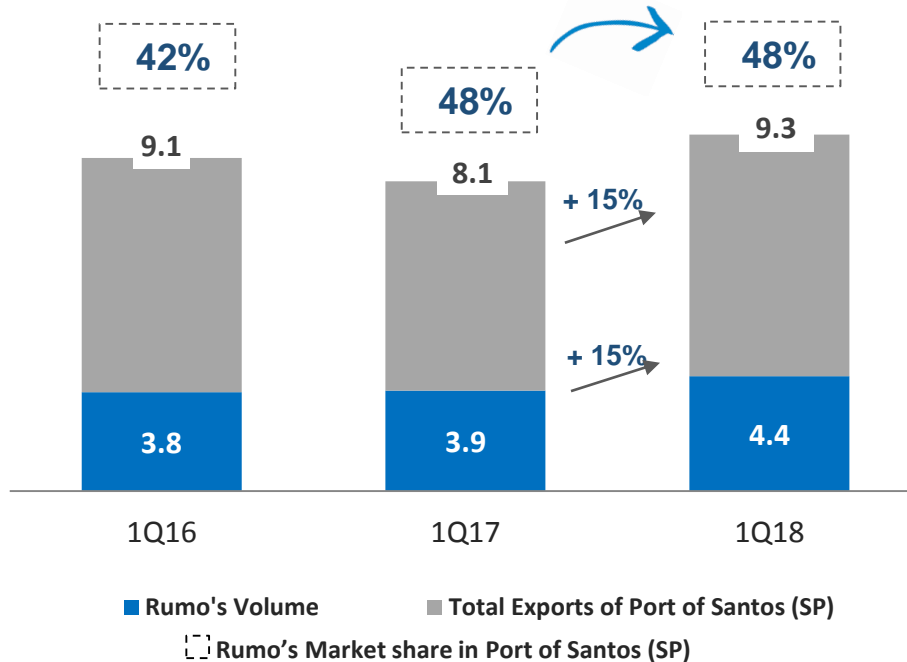
EBITDA and EBITDA Margin
(R\$ MM)



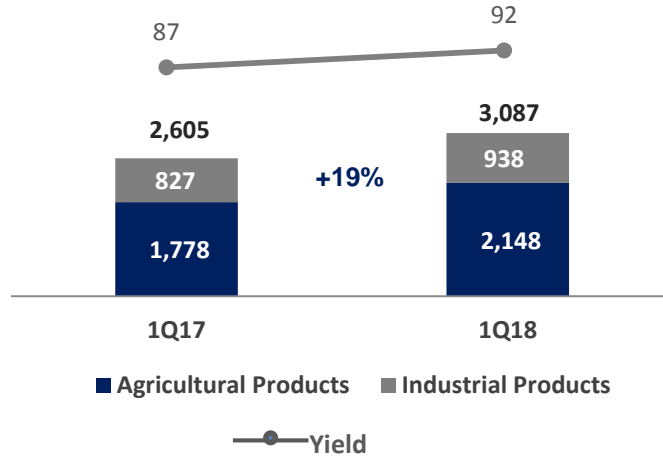
- Higher agricultural (+16%) and industrial (+20%) volumes, coupled with higher average yield, drove 15% net revenue increase.

- Higher volumes with efficiency gains in variable costs and dilution of fixed costs resulted in EBITDA and EBITDA margin increases.

Rumo's Market share in rail grain transportation to the Port of Santos (SP)
(MM tons)

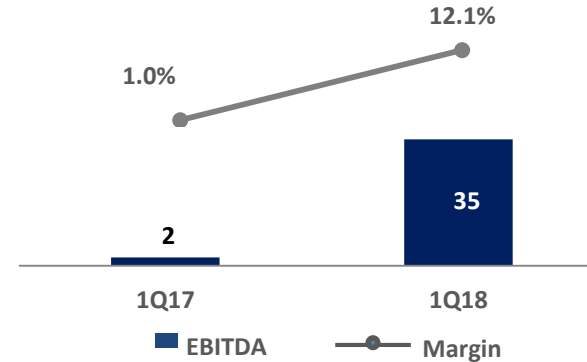


Volume and Transportation yield
(MM RTK and R\$/RTK x 1000)



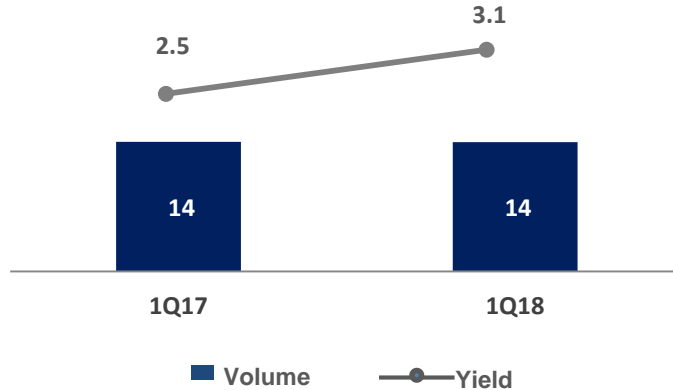
- Higher agricultural (+21%) and industrial (+14%) volumes, and higher average yield drove 22% net revenue growth.

EBITDA and EBITDA Margin
(R\$ MM)



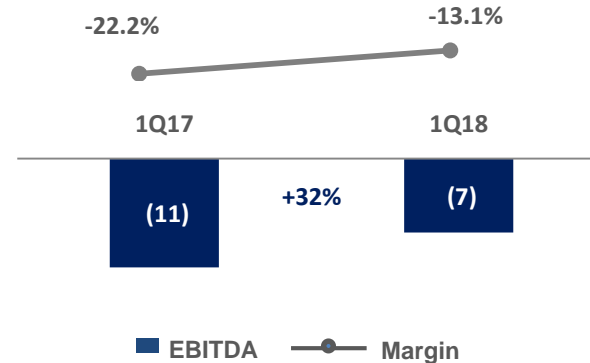
- Higher volumes and cost dilution contributed to results.

Volume and Transportation yield
(Containers thousand and R\$ thousand/containers)



- Diversification of cargoes and servicing of routes with higher average distance contributed to increasing tariff practiced and volume in RTK.

EBITDA and EBITDA Margin
(R\$ MM)



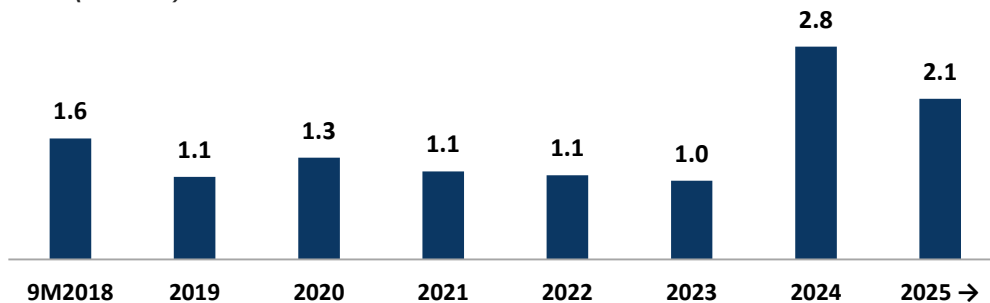
- Improved results were reflected on the qualification of operations and cost dilution.

Net Debt and Leverage (R\$ MM)

Total Indebtedness (Amounts in R\$ MM)	1Q18	4Q17	Chg. %
Total Gross Broad Debt	12,058.9	10,701.8	12.7%
Cash and Cash Equivalents and Securities	-4,372.8	-3,423.7	27.7%
Net Derivative Instruments	-80.6	-110.1	-26.8%
Total Net Broad Debt	7,605.4	7,168.0	6.1%
EBITDA LTM	2,914.1	2,756.6	5.7%
Leverage (Net Broad Debt/ EBITDA LTM)	2,6x	2,6x	n. a.

Note 1: 1Q18 includes restricted cash linked to bank debt in the amount of R \$ 69.7 million. 4Q17 includes restricted cash from bank debts in the amount of R \$ 93.2 million.

Debt Amortization Schedule (R\$ BLN)



Main changes in 1Q18

Funding

2,051 million

Amortizations

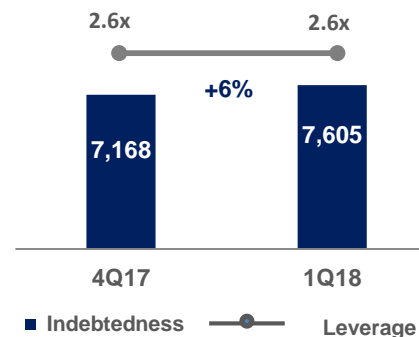
Principal: 756.7 million

Interest Rate: 290.8 million

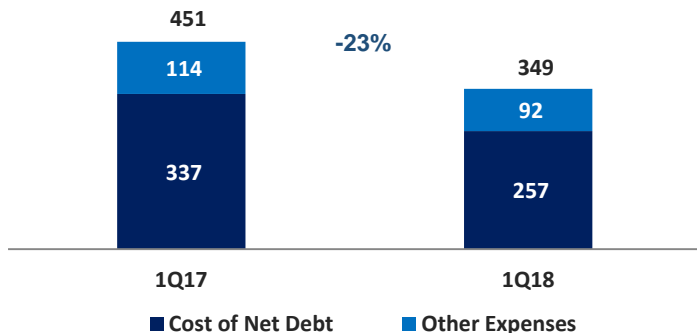
Average Cost of Debt

136% CDI

Broad Net Debt and Leverage (R\$ MM)



Financial Result (R\$ MM)



- Reduced average cost of debt due to prepayment of certain operations, swap of high-cost debts with lower-cost debts and CDI interest rate drop quarter-over-quarter.
- Higher financial investment yield due to increased cash balance in the period.

CASH FLOW (R\$ MM)

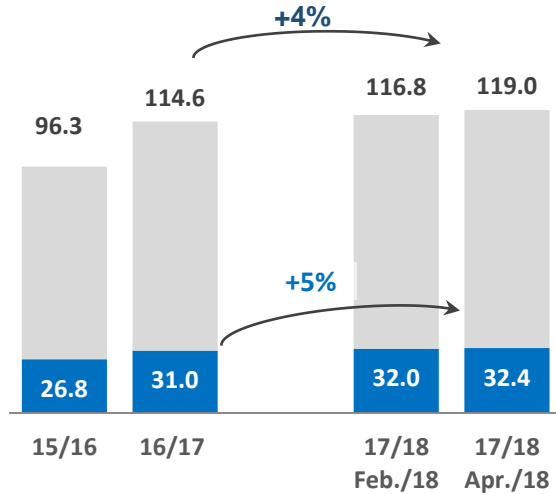
Indirect Cash Flow (Amounts in R\$ MM)		1Q 18	1Q 17	Chg.%
	EBITDA	650,2	492,7	32,00%
	Non-cash effects in EBITDA ²	-336	91,3	>100%
	Operating financial result	31,3	-16,1	>100%
(a)	(=) Operating Cash Flow	345,4	567,9	-39,20%
	Capex	-483,7	-471,9	2,50%
(b)	Recurring	-214,4	-164,4	30,40%
	Expansion	-269,3	-307,5	-12,40%
	Investments & acquisitions	-	-	>100%
	Asset Sale	-	7	-100,00%
	Net cash on investment disposal	-	-	>100%
	Dividends Received	0,3	2,5	-85,90%
(c)	(=) Cash Flow from Investing Activities	-483,4	-462,4	4,50%
	Funding	2.075,40	2.388,50	-13,10%
	Amortization of Principal	-757,1	-344,5	>100%
	Amortization of Interest Rates	-251,5	-220,8	13,90%
	Paid Dividends	-1	-	>100%
	Paid-in Capital	-	-	>100%
	Derivative Financial Instruments and others	-39	0,8	>100%
	Restricted Cash	28,8	-24,1	>100%
(d)	(=) Cash flow from financing activities	1.055,60	1.799,90	-41,40%
(e)	(=) Impact of Exchange variation on cash and cash equivalents	55,1	47,5	16,10%
	(=) Net Cash Generation (Consumption)	972,7	1.952,80	-50,20%
	(+) Initial Total Cash (includes cash + marketable securities)	3.330,40	1.177,10	>100%
	(-) Final Total Cash (includes cash + marketable securities)	4.303,20	3.129,90	37,50%

Metrics			
(=) Cash Generation after Recurring Capex (a+b)	131	403,5	-67,50%
(=) Cash Generation after Cash from investments (a+c)	-138	105,4	>100%

Note 2: it includes the amount of R\$108.1 million referring to the acquisition of materials/services recognized in 4Q17, with disbursement in 2018, besides seasonal effects due to lower volumes in 1Q18 compared to 4Q17. In addition, the Company recorded the payment of PPR 2017 (profit sharing plan), to be offset in the upcoming quarters by provisions without cash disbursement.

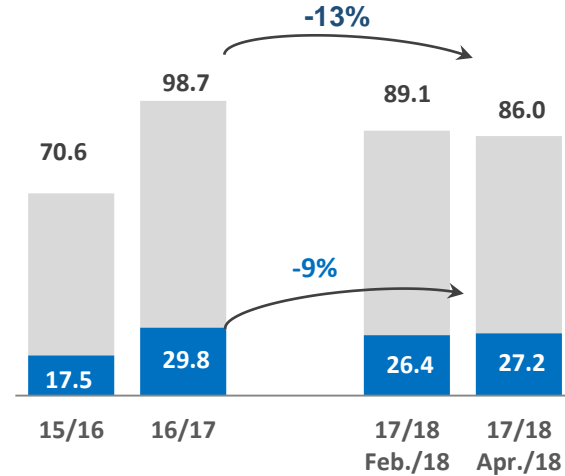
Operating and Financial Performance Indexes	2016	2017	Chg. %	1Q17	1Q18	Chg. %
Consolidated						
Operating ratio	82%	76%	-7.3%	83%	77%	-7.3%
Diesel consumption (litters/ '000 GTK)	4.8	4.4	-8.3%	4.6	4.4	-4.6%
Railway accidents (Accidents /MM Km)	16.9	15.1	-10.7%	15.5	14.2	-8.4%
Personal accidents (Accidents / MM HHT)	0.8	0.4	-50.0%	0.6	0.3	-44.1%
North Operation						
Total transported volume (RTK million)	26.6	33.9	27.4%	7.1	8.3	16.9%
Cycle Grains Rondonópolis (MT) – Santos (SP)	10.5	9.9	-5.7%	10.2	9.9	-3.5%
South Operation						
Total transported volume (RTK million)	12.0	14.0	16.3%	2.6	3.1	18.5%
Cycle Grains North PR – Ports PR/SC	7.8	7.3	-6.4%	7.6	7.6	0.2%

Soybean Production Outlook– Brazil
(MM tons)



■ Mato Grosso ■ Brazil

Corn Production Outlook – Brazil
(MM tons)



■ Mato Grosso ■ Brazil

		2018 Guidance
Rumo	EBITDA (R\$ MM)	3,050 ≤ Δ ≤ 3,250
	Total Capex (R\$ MM)	1,900 ≤ Δ ≤ 2,100
	Recurring Capex (R\$ MM)	800 ≤ Δ ≤ 900
	Expansion Capex (R\$ MM)	1,100 ≤ Δ ≤ 1,200

Disclaimer: Information related to 2018 on businesses and projections of operating and financial results are merely estimates, and as such, these are mainly based on the Management beliefs and assumptions, not representing promise of performance. These estimates are subject to several risks and uncertainties and are made considering information currently available, which takes into account the existence of usual lines of credit for this type of business. Thus, these estimates substantially rely on the market conditions, Brazilian economy performance and business sectors in which the Company operates and international markets, therefore, subject to changes without prior notice. In view of these uncertainties, investor should not make any investment decision exclusively based on these forward-looking estimates and statements. Any change in the perception or factors mentioned above may cause concrete results to diverge from projections made and disclosed.

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