

Rumo | Earnings Release 2Q18

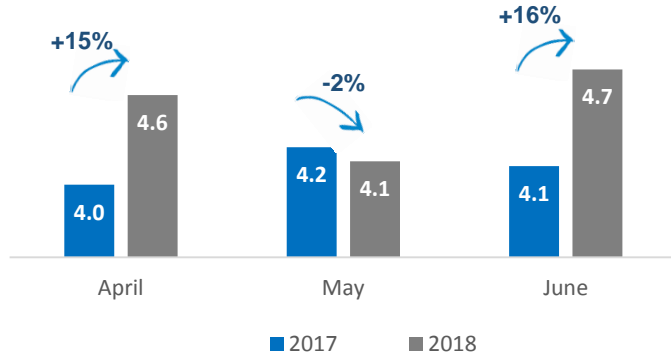
The Rumo logo consists of the word "rumo" in a lowercase, white, sans-serif font. The letter "o" is stylized with a white circle inside it. The logo is positioned in the lower right area of the slide, above a white decorative line that curves from the bottom left towards the right.

rumo

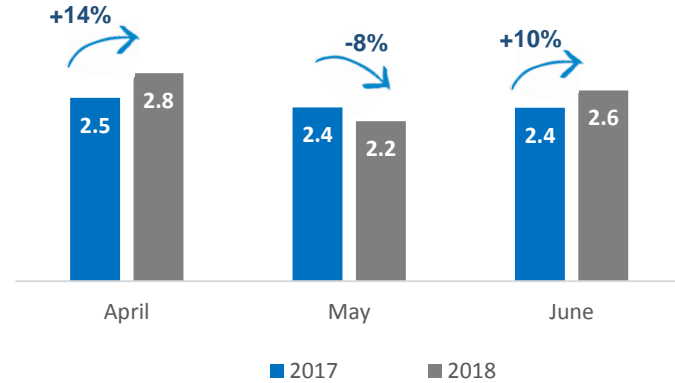
This presentation contains forward-looking estimates and statements on our strategies and future growth opportunities. This information is mainly based on our current expectations and estimates or projections of future events and trends affecting or which may affect our businesses and operating results. 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.

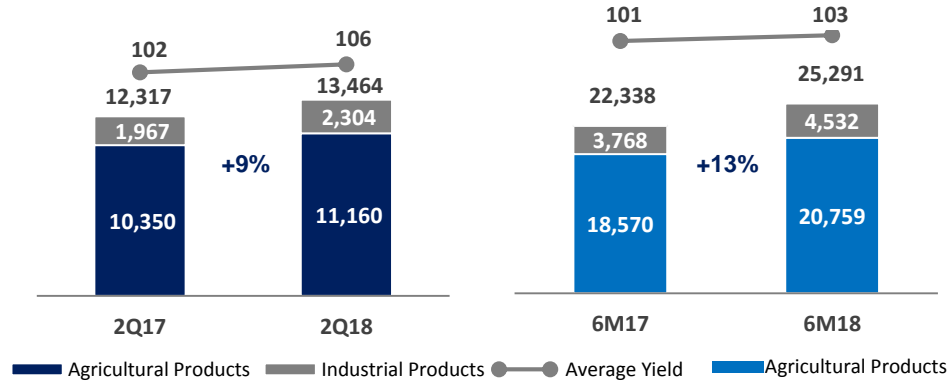
Total volume transported
(Bln RTK)



Volume of grains North Operation
(Bln RTK)



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



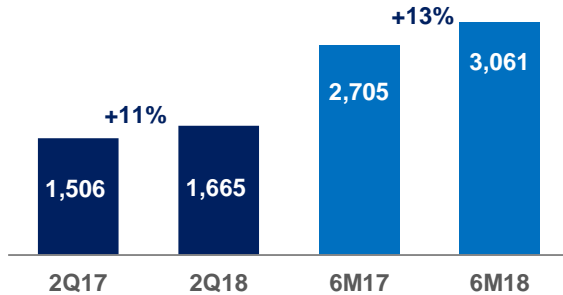
- Growth in agricultural volume (8%), reflecting the increase in capacity and Strong demand for soybean transportation.
- Growth in transportation of industrials products transportation (17%), highlighting pulp operations and to higher volume of containers.

Loading Volume
(Thousand tons)



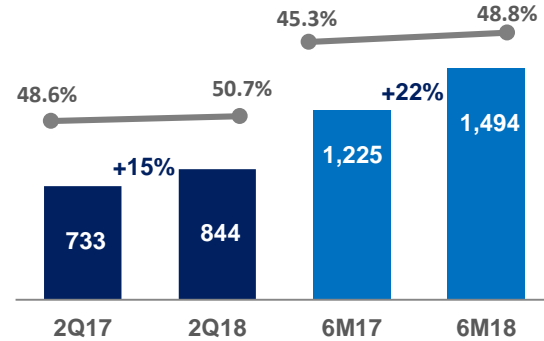
- Port load volume reduction (-21%) due to lower sugar export vs 2017.

Net Revenue
(R\$ MM)



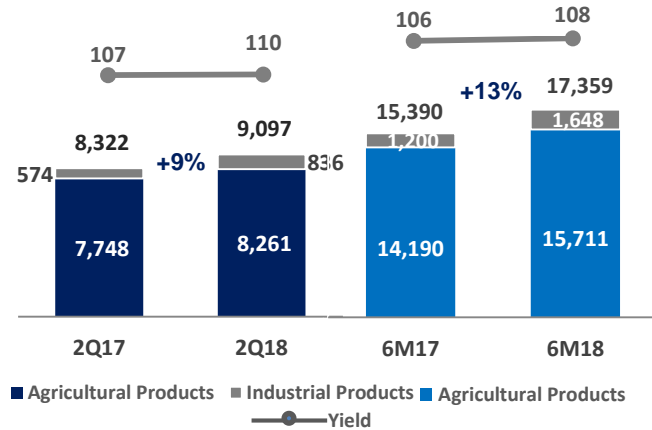
- Net revenue increase due to higher transported products volumes.

EBITDA and EBITDA Margin
(R\$ MM)



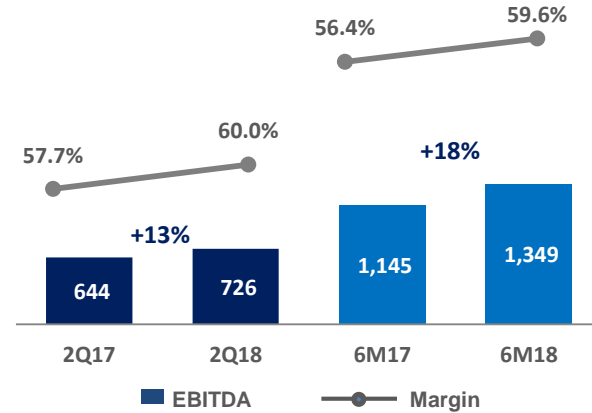
- Transported volumes growth and higher costs efficiency resulting in EBITDA increase and margin expansion.

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



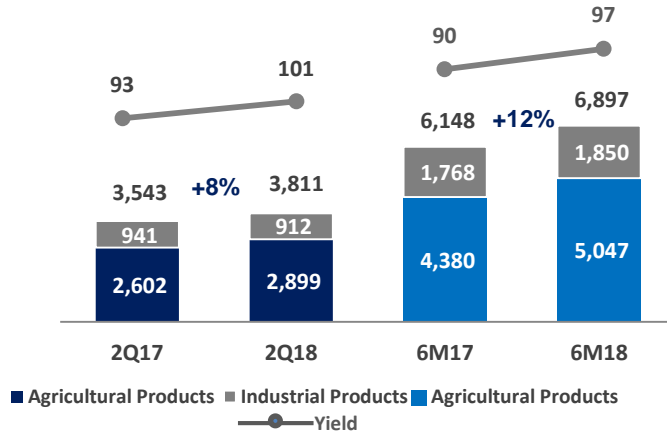
- Higher agricultural volumes (+7%) and industrials (+46%), in addition to averaged yield increase, allowed 9% increase in net revenue.

EBITDA and EBITDA Margin
(R\$ MM)



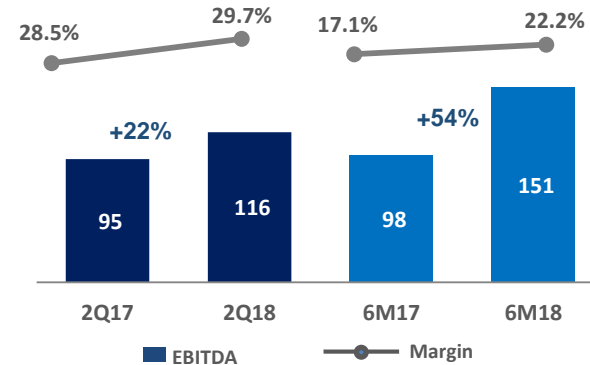
- Higher volumes with efficiency costs gains and fixed costs dilution, resulting in EBITDA growth and margin expansion.

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



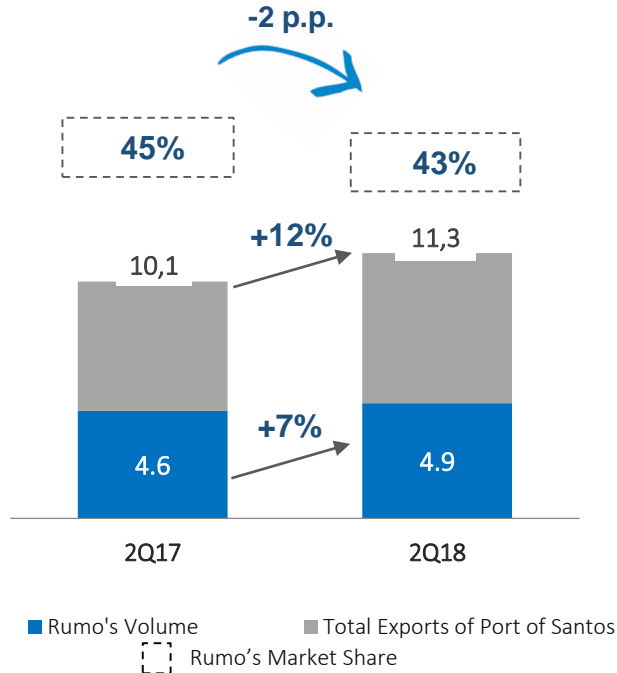
- Higher agricultural volumes (+11%) and average yield increase, allowed 17% increase in net revenue.

EBITDA and EBITDA Margin
(R\$ MM)

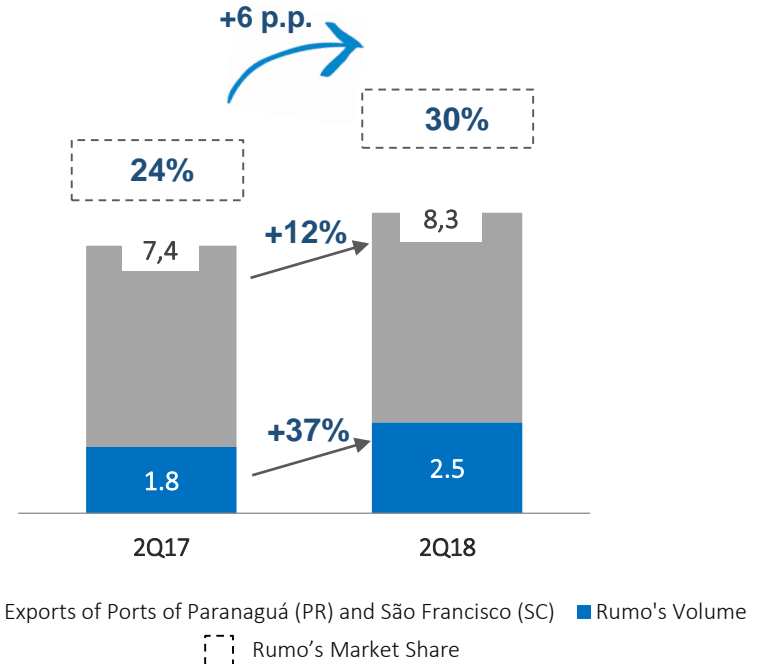


- Higher volumes and cost dilution contributed to the results.

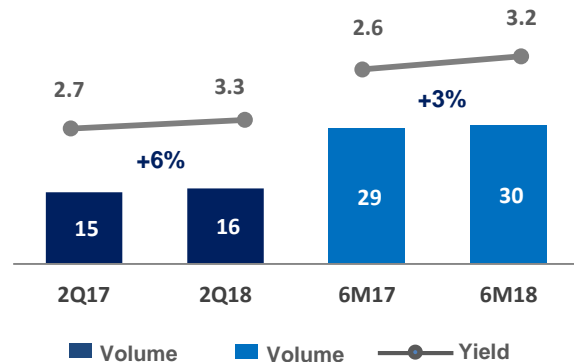
Rumo's Market share of grains transport to Port of Santos (SP)
(MM tons)



Rumo's Market share of grains transport to Port of Paranaguá (PR) and São Francisco do Sul (SC)
(MM tons)

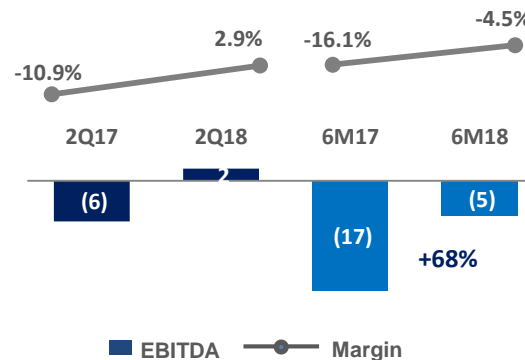


Volume and Transportation Yield
(Containers thousand and R\$ thousand/containers)



- Cargoes diversification and attendance to higher averaged distance flow, contributed to the increase in volumes and yield growth.

EBITDA and EBITDA Margin
(R\$ MM)



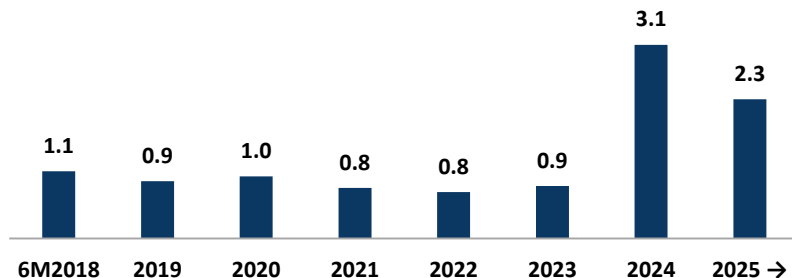
- Results improvement reflecting the operations qualification and costs dilution.

Net Debt and Leverage (R\$ MM)

Total Indebtedness (Amounts in R\$ MM)	2Q18	1Q18	Chg.%
Total Gross Broad Debt	10,855.90	12,058.90	-10.0%
Cash and Cash Equivalents and Securities ²	-2,639.60	-4,372.80	-39.6%
Net Derivative Instruments	-480.5	-80.6	>100%
Total Net Broad Debt	7,735.70	7,605.40	1.7%
EBITDA LTM	3,025.10	2,914.10	3.8%
Leverage (Net Broad Debt/ EBITDA LTM)	2.6x	2.6x	>100%

Note² The 2Q18 includes restricted cash linked to bank debts of R\$70.5 million.
The 1Q18 includes restricted cash from bank debts totaling R\$69.7 million.

Debt Amortization Schedule (R\$ BLN)



Main changes in 2Q18

Funding

R\$ 61 million

Amortizations

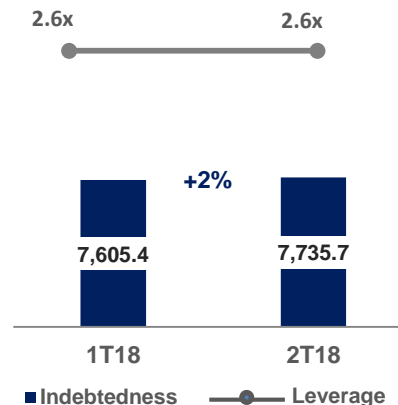
Principal: R\$ 1,919 million

Interest Rate: R\$ 196 million

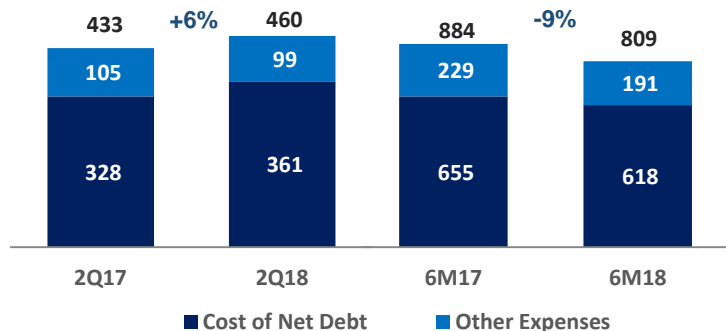
Average Cost of Debt

134% of CDI

Total Net Broad Debt and Leverage (R\$ MM)



Financial Result (R\$ MM)

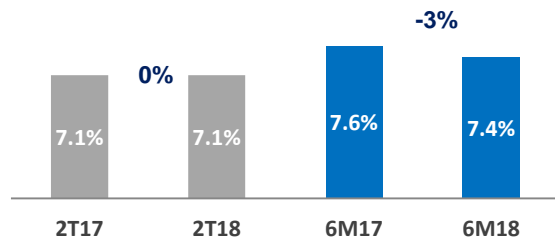


- Financial results impacted by non-recurring effects related to yield curve and debt prepayment.
- Impact of approximately R\$102 million (non-cash) and R\$ 15 million (cash).

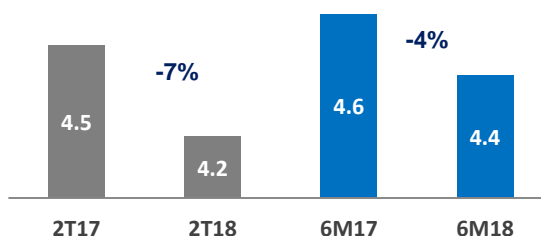
Cash Flow (R\$ MM)

	2Q18	2Q17	Chg.%	Indirect Cash Flow (Amount in R\$ MM)	6M18	6M17	Chg.%
	843.7	732.7	15.1%	EBITDA	1,493.9	1,225.4	21.9%
	-97.5	-231.9	-57.9%	Non-cas effects and changes working Capital	-433.6	-140.7	>100%
	15.2	25.9	-41.4%	Operating Financial Result	46.4	9.8	>100%
(a)	761.3	526.7	44.6%	(=) Operating Cash Flow	1,106.7	1,094.5	1.1%
	-556.1	-478.2	16.3%	Capex	-1,039.9	-950.1	9.5%
(b)	-203.9	-192.5	5.9%	Recurring	-414.6	-357.0	16.1%
	-352.3	-285.6	23.3%	Expansion	-625.2	-593.1	5.4%
	-	-	>100%	Asset Sale	-	7.0	-100.0%
	6.1	1.3	>100%	Dividends Received	6.5	3.8	71.6%
(c)	-550.0	-476.9	15.3%	(=) Cash Flow from Investing Activities	-1,033.4	-939.3	10.0%
	61.4	67.6	-9.3%	Funding	2,136.8	2,456.1	-13.0%
	-1,918.8	-375.0	>100%	Amortization of Principal	-2,675.9	-719.5	>100%
	-195.7	-410.7	-52.4%	Amortization of Interest Rate	-447.2	-631.6	-29.2%
	-1.7	-0.6	>100%	Dividends Paid	-2.6	-0.6	>100%
	7.3	27.5	-73.3%	Derivative Financial Instruments and Others	-31.7	28.3	>100%
	30.4	5.4	>100%	Restricted Cash	59.2	-18.7	>100%
(d)	-2,017.0	-685.8	>100%	(=) Cash Flow from Financing Activities	-961.4	1,114.0	>100%
(e)	71.6	-19.9	>100%	Impact of Exchange variation on cash and cash equivalents	126.8	27.6	>100%
	-1,734.1	-655.9	>100%	(=) Net Cash Generation (Consumption)	-761.3	1,296.8	>100%
	4,303.2	3,129.9	37.5%	(+) Total Cash (includes cash + marketable securities) opening	3,330.4	1,177.1	>100%
	2,569.1	2,473.9	3.8%	(=) Total Cash (includes cash + marketable securities) closing	2,569.1	2,473.9	3.8%
Métricas							
	557.5	334.1	66.9%	(=) Cash Generation after Recurring Capex (a+b)	692.1	737.5	-6.20%
	211.3	49.8	>100%	(=) Cash Generation after Cash from Investments (a+c)	73.3	155.2	-52.80%
	-1,734.1	-655.9	>100%	(=) Total Cash Generation (Consumption) (a+c+d+e)	-761.3	1,296.8	>100%

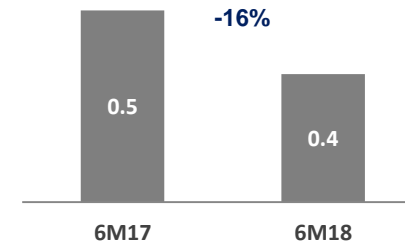
Operating Ratio



Diesel Consumption (liters/ '000 GTK)



Personal accidents (MM Accidents / MHW)

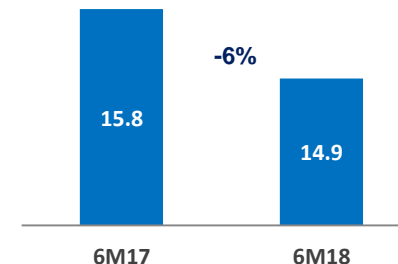


Operating and Financial Performance Index	
North Operation	
Total volume transported (RTK million)	
Cycle of railcars – Grains from Rondonópolis (MT) – Santos (SP)	
South Operation	
Total volume transported (RTK million)	
Cycle of railcars – Grains from North PR – Ports PR/SC	

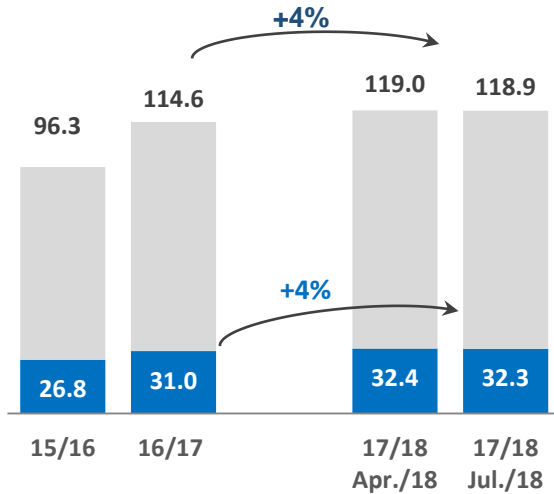
6M17	6M18	Chg. %
15,390	17,359	12.8%
10.0	10.3	3.0%
6,148	6,897	12.2%
7.3	7.5	2.7%

2Q17	2Q18	Chg. %
8,322	9,097	9.3%
9.8	10.7	9.2%
3,543	3,811	7.6%
7.0	7.4	5.7%

Rail accidents (MM Train/Km)

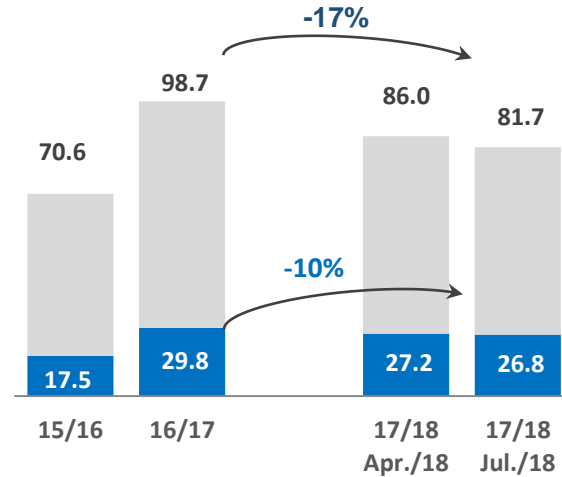


Soybean Production Outlook– Brazil
(MM tons)



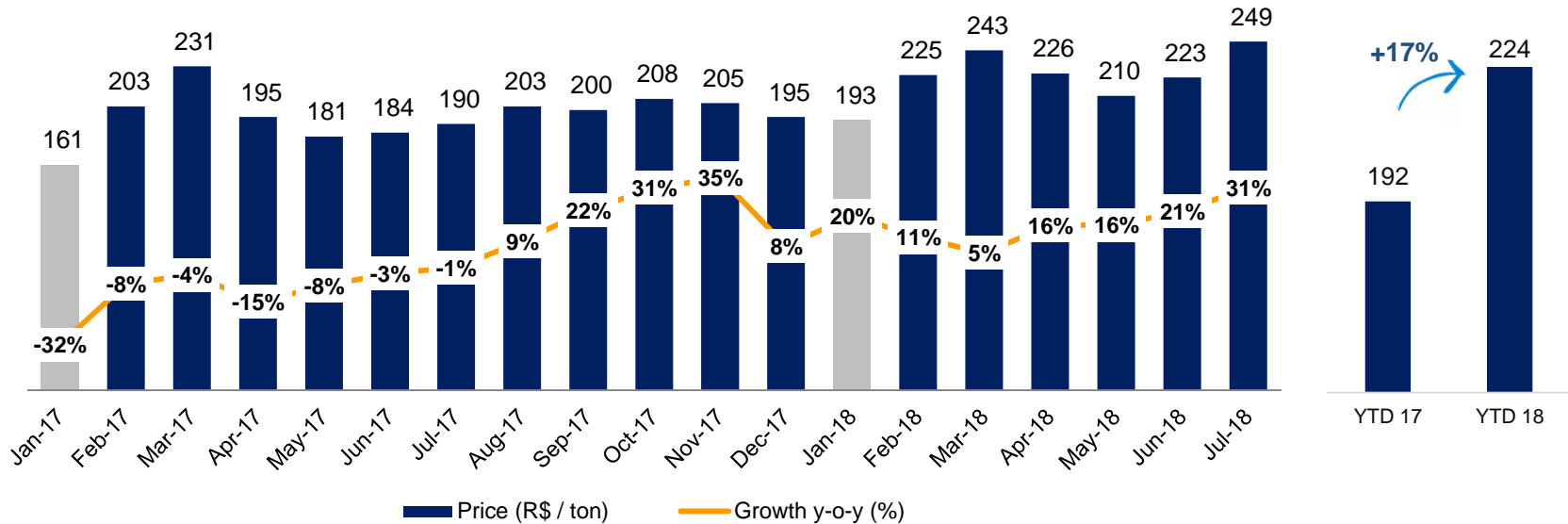
■ Mato Grosso ■ Brazil

Corn Production Outlook – Brazil
(MM tons)



■ Mato Grosso ■ Brazil

Average Road Freight Prices from Rondonópolis (MT) to the Port of Santos (SP)
(R\$ / tons)



		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.

Julio Fontana Neto
Chief Executive Officer

Ricardo Lewin
Chief Financial and Investor Relations Officer

Gustavo Marder
Investor Relations Manager

Website | ri.rumolog.com

E-mail | ir@rumolog.com

Phone | +55 (11) 3897-9797 / (41) 2141-7459

