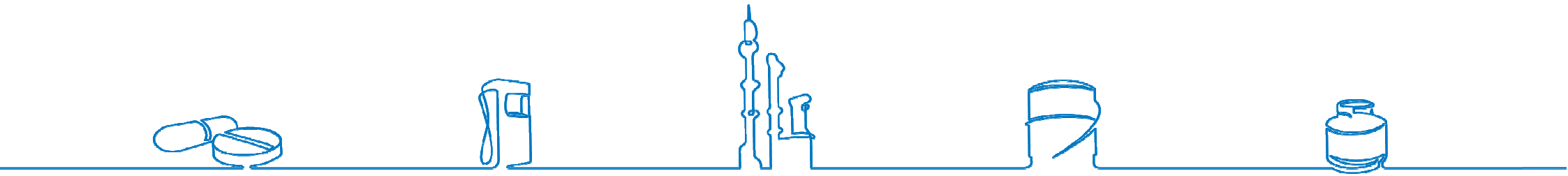
# Ultrapar Participações S.A.

Earnings conference call

Comments on the company's 3Q15 / 9M15 performance and outlook

11.06.15



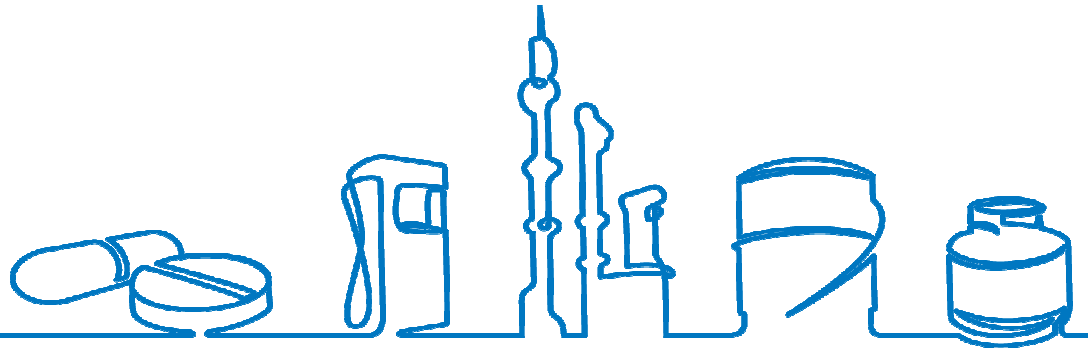
# Considerations

- Forward-looking statements
  - ✓ This document may include "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "expect," "estimate," "plan," "outlook," "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Investors are cautioned that such forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the business of Ultrapar Participações S.A. ("Ultrapar") are based on current expectations that are subject to risks and uncertainties that could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. Ultrapar is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise. For this reason, readers should not place undue emphasis on these forward-looking statements.

- Standards and criteria adopted in preparing the information
  - ✓ The financial information presented in this document has been prepared according to International Financial Reporting Standards (IFRS). The financial information of Ultrapar corresponds to the company's consolidated information. The financial information of Ipiranga, Oxiteno, Ultragaz, Ultracargo and Extrafarma is reported without elimination of intercompany transactions. Therefore, the sum of such information may not correspond to the consolidated financial information of Ultrapar. In addition, the financial and operational information presented in this document is subject to rounding off and, consequently, the total amounts presented in the tables and charts may differ from the direct sum of the amounts that precede them.
  - ✓ In September 2013, Ultrapar entered into an association agreement with Extrafarma, one of Brazil's ten largest drugstore chains. The transaction was closed on January 31, 2014 upon the approval of the association by the Extraordinary General Meetings of Ultrapar and Extrafarma. Extrafarma's results were consolidated in Ultrapar's financial statements as from February 1, 2014.
  - ✓ EBITDA — Earnings Before Interest, Taxes, Depreciation and Amortization, and EBIT— Earnings Before Interest and Taxes, are presented in accordance with CVM Instruction No. 527, issued by CVM on October 4, 2012.

# Agenda


- Ultrapar and strategy of its businesses.....p.04
- Performance of the businesses.....p.15
- Outlook and priorities.....p.23



# Ultrapar and strategy of its businesses

# Ultrapar – Multi-business company




- 2nd largest **fuel distributor** in Brazil
- The largest convenience store network in Brazil

- Leader in **specialty chemicals** derived from ethylene oxide in Latin America
- 12 production facilities in 5 countries

- The largest **LPG distributor** in Brazil
- Network of 5 thousand independent resellers

- The largest provider of **storage for liquid bulk** in Brazil

- One of the 10 largest **drugstore chains** in Brazil
- Leader in the North and Northeast regions

# Ultrapar – Our investments and results were boosted by the attributes of our businesses

- **Resilient** businesses
- **Leveraged** on the Brazilian economic growth
- Differentiation through **innovation**
- Markets under **consolidation**
- Potential for **leadership** position
- Markets under **formalization** process

# Ultrapar – Corporate governance designed to value creation

**Alignment of interests – shareholders, management and teams**

**High standards of controls and transparency**

**Streamlined management structure**

**Long-term financial soundness**

**Accountability**

**Agile decision-making processes**

**Track record of prospecting, analyzing and executing**

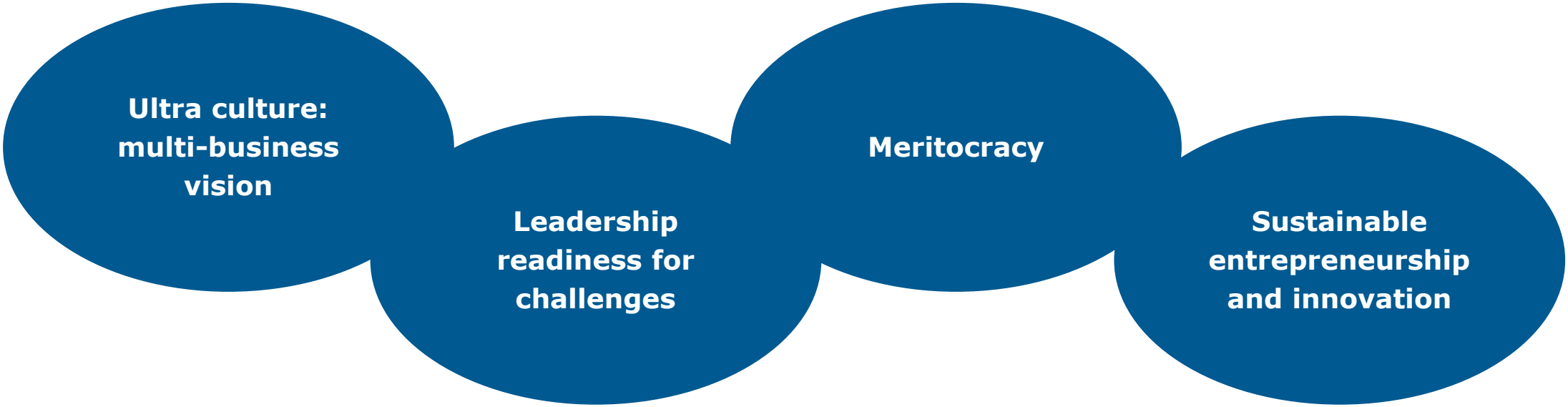
- ✓ Continuous process
- ✓ Engagement of the entire company

**Strong investment capacity**

- ✓ Capital
- ✓ People
- ✓ Processes

**Increasingly robust, profitable and enduring company**

# Ultrapar – People strategy to support growth




**The main recent initiatives**

- New **leadership development** program
  - ✓ 140 executives participated in 2015
- **Job-rotation** among different areas and business units
  - ✓ 1,000 employees in 2014

# Ipiranga – Differentiation in convenience and services

**Diversification of products and services at Ipiranga service stations, with constant innovation**

## The largest convenience store network in Brazil

- 1,761 stores: +7% yoy



- 439 **bakeries**: +36% yoy



- **Beer Cave**: 171 units in operation since Feb/14





- **New concepts** of stores
  - ✓ Super Store (urban)
  - ✓ "Station" (highway)
- am/pm **Supply**
  - ✓ DCs in operation in RJ, SP and PR
  - ✓ Other DCs under implementation

- The largest loyalty program in Brazil: > **19 million** individuals registered
  - ✓ +19% yoy
- New **strategic partner**: Itaú Unibanco
- 537 thousand users
  - ✓ Electronic payment for toll roads, parking lots and fuel



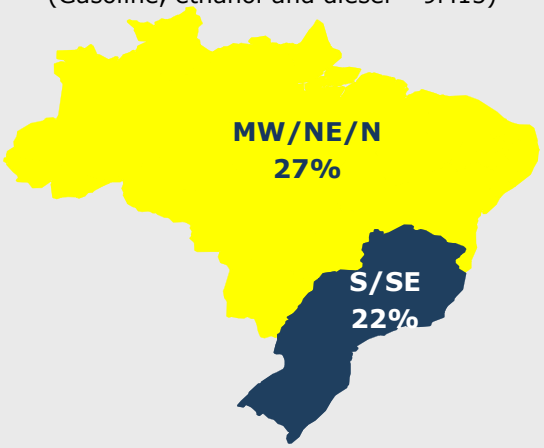
- 1,374 franchises: +6% yoy
- 956 **eco-efficient stations**: +56% yoy
  - ✓ Reduced environmental impacts and costs

As of Sep/15

# Ipiranga – R$ 1.8 billion[1] invested in the service station network since 2011

## Investments to expand the service station network, focused on N/MW/NE regions

**% unbranded or regional distributors vs. market**
(Gasoline, ethanol and diesel – 9M15)




**Midwest/Northeast/North**

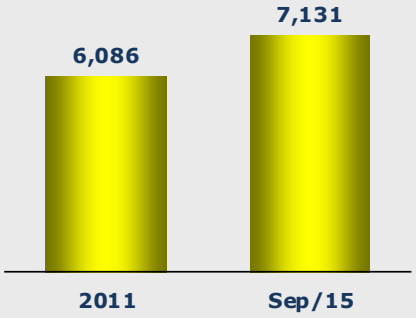
- ✓ # Ipiranga's service station Sep/15 +10% yoy
- ✓ Market growth (09-14)[2] = 9%
- ✓ Ipiranga growth (09-14)[2] = 12%

**Southeast/South**

- ✓ # Ipiranga's service station Sep/15 +2% yoy
- ✓ Market growth (09-14)[2] = 5%
- ✓ Ipiranga growth (09-14)[2] = 8%

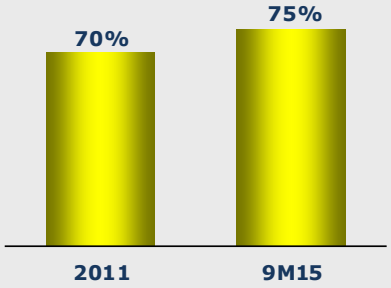
[1] Adjusted by inflation
[2] CAGR 2009-14, volume gasoline, ethanol and diesel

**Ipiranga's service stations**



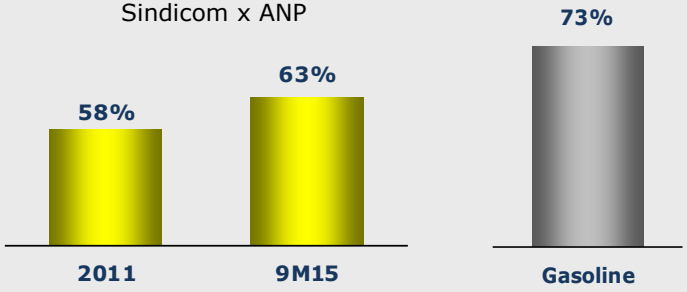

**Sales mix**

% Ipiranga's sales volume in the reseller segment




**Gradual reduction of the grey market in ethanol**

**Ethanol volume**
Sindicom x ANP



# Oxiteno – Strengthening of the positioning in specialty chemicals

## Leadership position in Latin America

- **Sole producer** of ethylene oxide in Brazil and oleochemicals in Latin America, with production capacity ahead of domestic demand
- Deep knowledge of **surfactants** technology
- Relevant and growing share of chemicals produced from **renewable materials**

**Segments with growth potential**


Cosmetics


Detergents


Paints & coatings

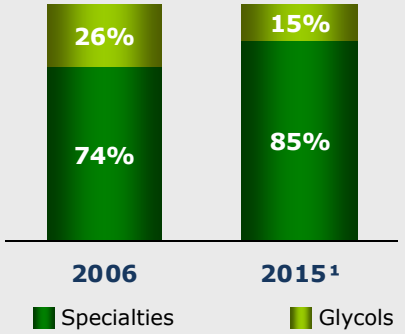

Agricultural chemicals


Oil & Gas

## Strategy

- Differentiation in **technology and innovation**
- Strong **production capacity expansion** cycle made between 2007 and 2011
- Focus on higher **value-added products**

**Sales mix**




- **Geographic expansion – investment in the U.S.**
  - ✓ Diversification of feedstock base
  - ✓ Exchange of technology and innovation
  - ✓ Access to a broader market
  - ✓ More competitive costs

¹ 2015 = 9M15

# Ultragaz – Resilient market demand and strengthening of differentials

## Bottled segment

- **Resilient** demand
- **Differentiation** through innovation in the relationship with customers and resellers

✓ > 2 million KM accumulated

✓ 800,000 vouchers sold in 2014

✓ ~ 180,000 transactions



✓ Pre operational training



✓ Reseller qualification

## Bulk segment

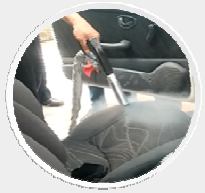
- Optimization in **client prospecting** – digital intelligence in the search for new SMB and agricultural segments
- **Rationalization** of the installation process
  - ✓ 1/3 of time reduction
- Solutions for **different uses of LPG**



✓ Asphalt producers



✓ Grains and seeds dry off



✓ Automotive wash



✓ Aviary warming



✓ Special gases

**New positioning of the brand focused on emotional attributes of the customers**

# Ultracargo – Strategy focused on growing demand for port operations of bulk terminals

**Largest provider of storage for liquid bulk in Brazil**

- **Leadership** in liquid bulk storage segment achieved over its 50 years

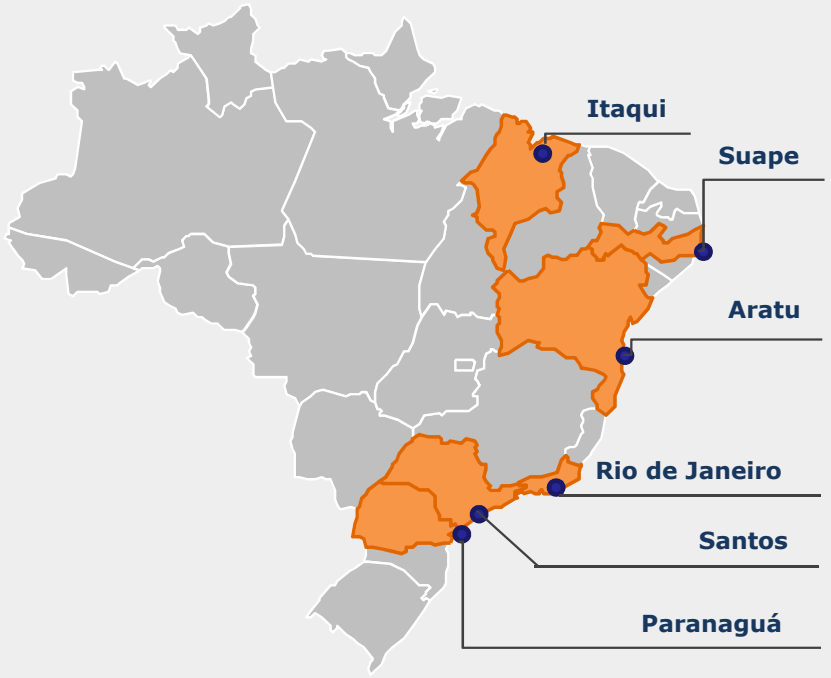
- Strong operational scale
  - ✓ Storage capacity[1] >800 thousand m³
  - ✓ Annual handling of liquid bulk ~6 million ton

- Operational **flexibility and agility**
  - ✓ Located in **6 port terminals**

- Scope of work
  - ✓ **Expanding scale** in the ports
  - ✓ **Geographic expansion**

[1] Including part of Santos terminal currently with suspended operations

**Geographical coverage**






# Extrafarma – Initiatives taken to build a more solid retail platform

## Quality standards of new stores



Arterial 18 (PA)


Shopping Partage Mossoró (RN)

- Better shopping experience
- Trained employees – spirit to serve
- Consumers-centered information
- Visual communication
- Consumer at the center of the attention

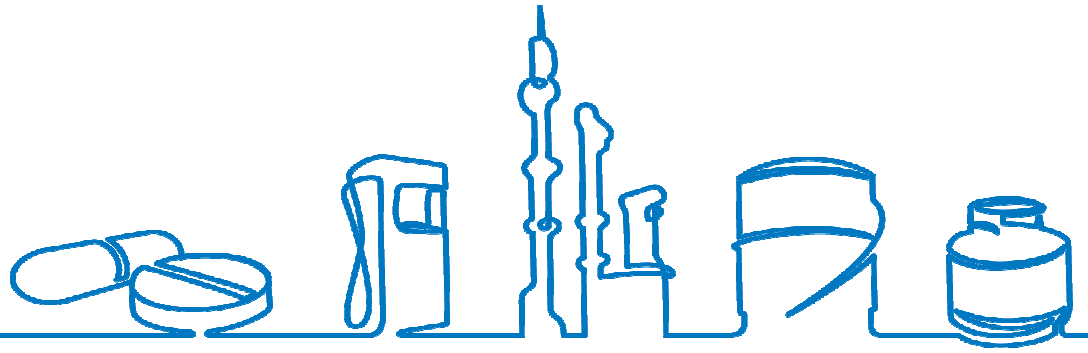
## Evolution in the retail pharmacy management

- Upgraded exposure and communication of products (example: nail polish)



## Novelties for the next month

- New **market positioning**
- New **model and architecture** of the stores
- Launch of the **new brand**
- Remodeling the **loyalty program**
- New **website**
- Entrance in **new states** – Paraiba and Pernambuco
- **Flagship store** in São Paulo



# Ultrapar
# Performance of the businesses

# Ultrapar – Proven track record through different economic cycles

## Significant earnings growth in different macroeconomic scenarios

CAGR 2006 – Sep/15 LTM

**Net revenues**

35% p.a.

Sep/15 LTM: R$ 73 bi

**EBITDA**

24% p.a.

Sep/15 LTM: R$ 3.7 bi

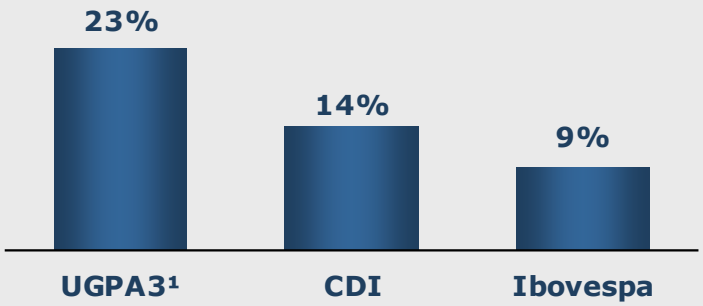
**Net earnings**

19% p.a.

Sep/15 LTM: R$ 1.4 bi

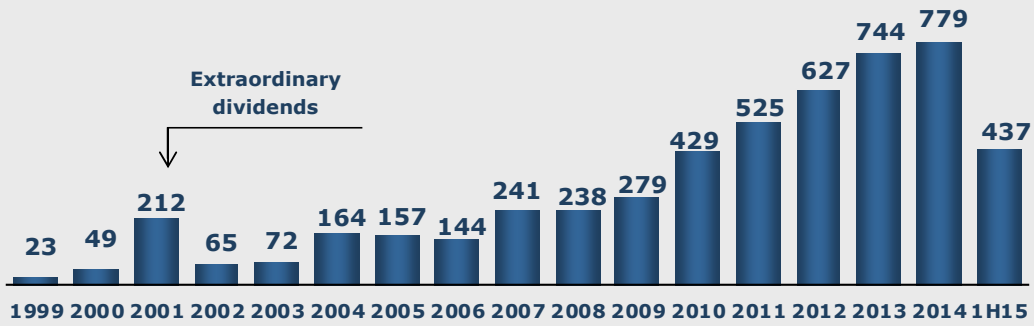
## Strong performance of Ultrapar's shares since the IPO...

CAGR 1999 – Sep/15




## ... with growing dividends

**Dividends**
(R$ million)



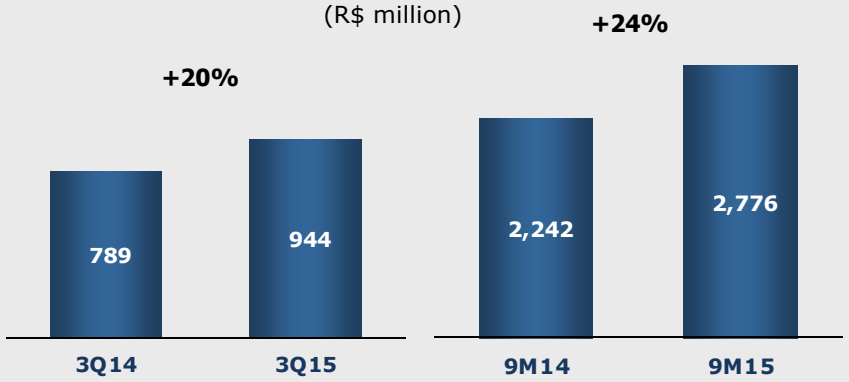

¹ Considering reinvestment of dividends

# Ultrapar – Performance 3Q15 and 9M15

## Resilient results...

### EBITDA

(R$ million)

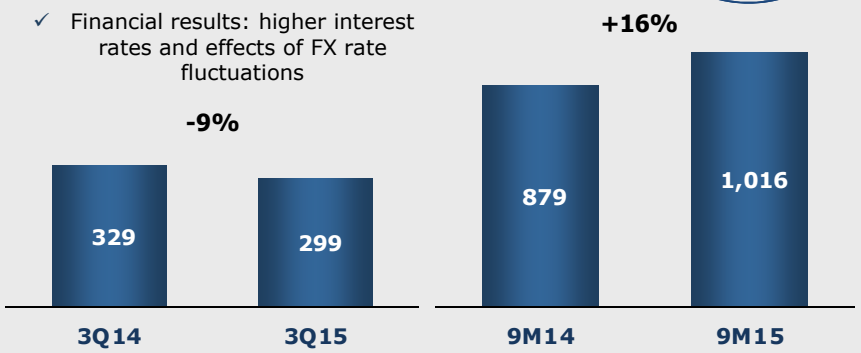



### Net earnings

(R$ million)

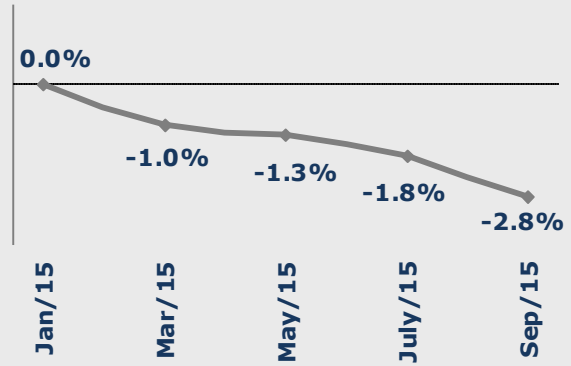
ROE 17%

✓ Financial results: higher interest rates and effects of FX rate fluctuations



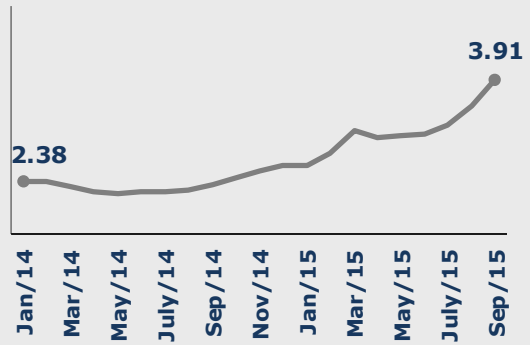

## ... in an environment of continuous worsening, rising inflation and interest rate

### Brazilian GDP forecast 2015 – Focus research




### FX rate

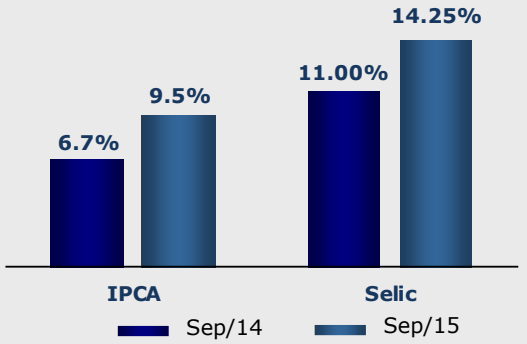
Average R$/US$



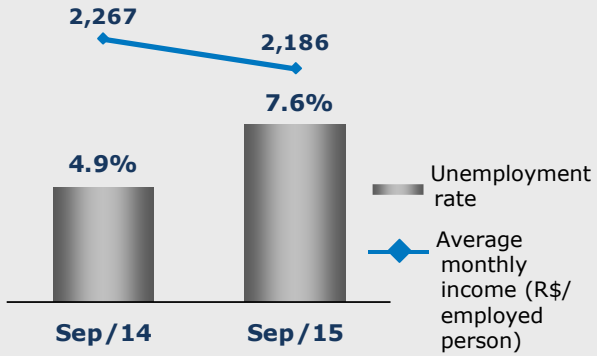

✓ 3Q15: 3.55 (+56% vs. 3Q14)

✓ 9M15: 3.16 (+38% vs. 9M14)

### Inflation (IPCA) and Selic (end of period)




### Unemployment and income

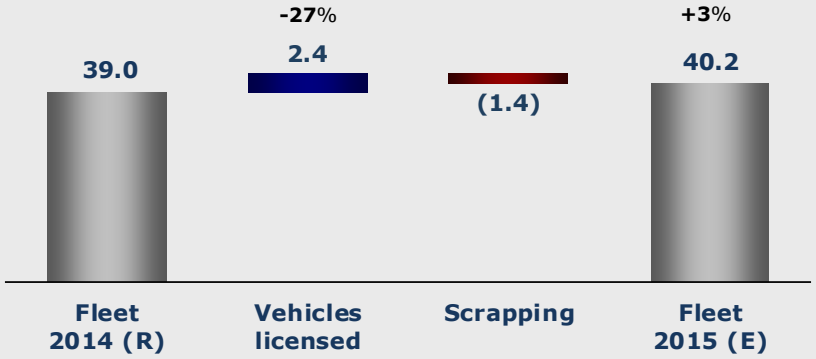



Sources: Banco Central and IBGE (PME)

# Ipiranga – Continuity of the recent trend driven by differentiation strategy

## Continued vehicle fleet growth

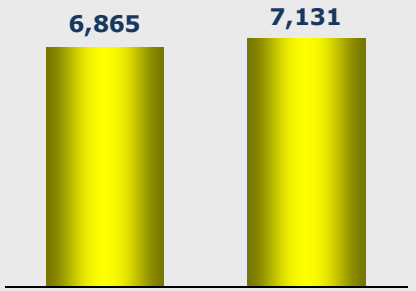
**Brazilian light vehicle fleet**
(million vehicles – end of period)




Source: ANFAVEA

## Investments to expand the service station network and differentiation in convenience and services

**# service stations**




✓ Investments in new service stations and conversion of unbranded

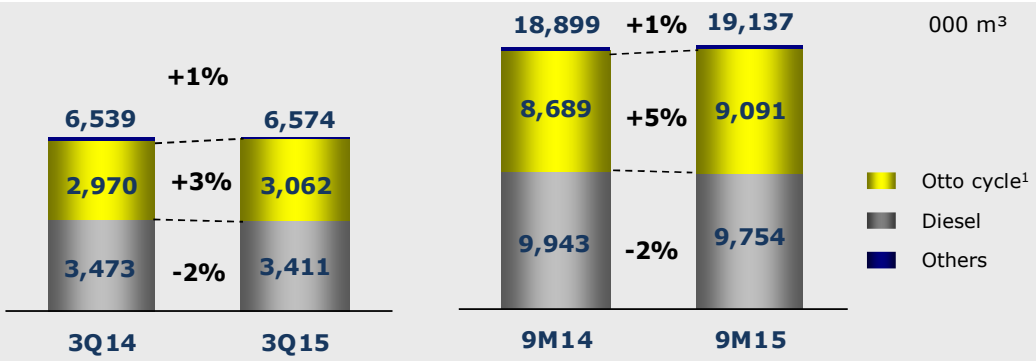
***"Ask at the Ipiranga service station"***

Convenience | Services



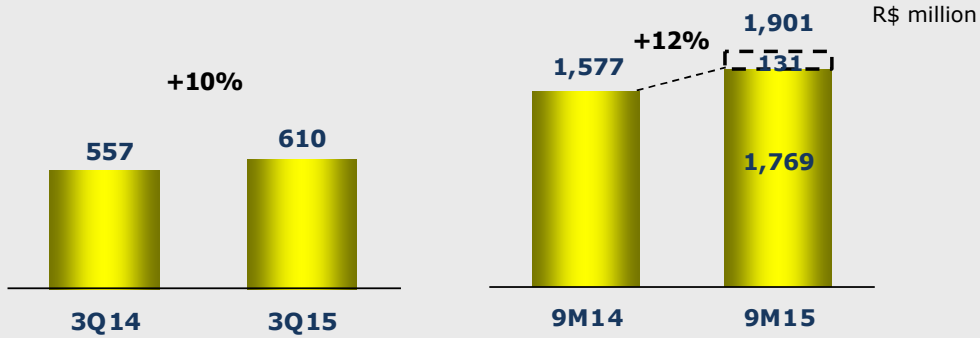
✓ Increased flow, customer satisfaction and loyalty

## Volume



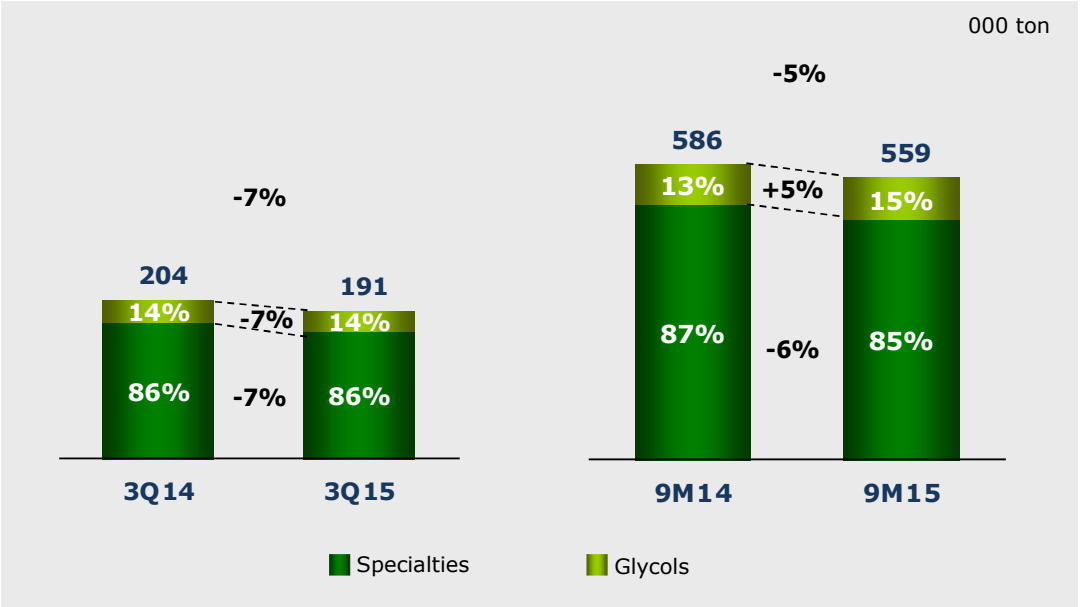

¹ Gasoline, ethanol and NGV

## EBITDA

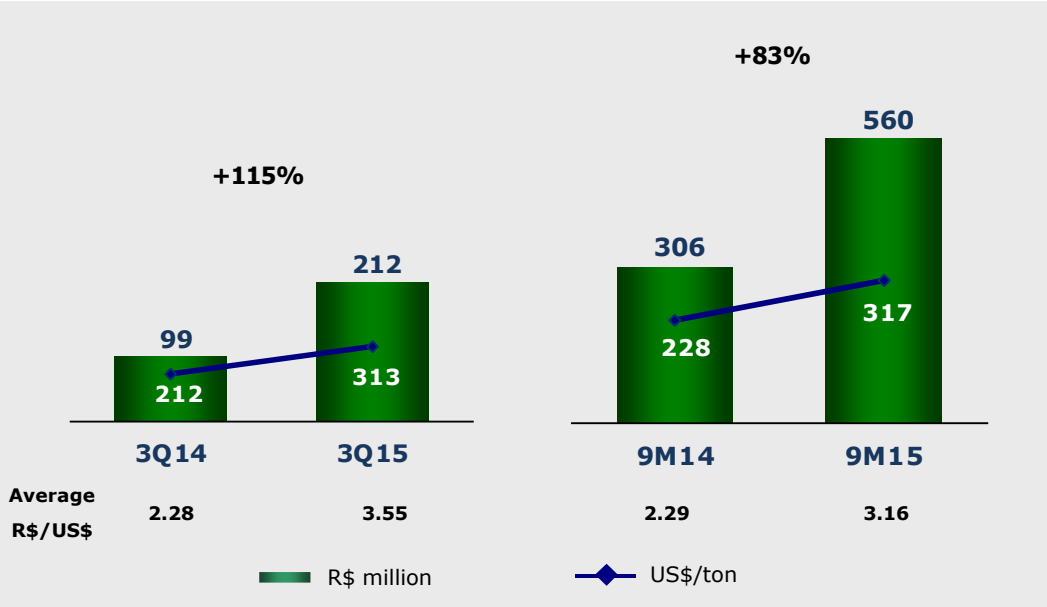


# Oxiteno – Growing results despite the economic environment

## Volume




## EBITDA




## Volume

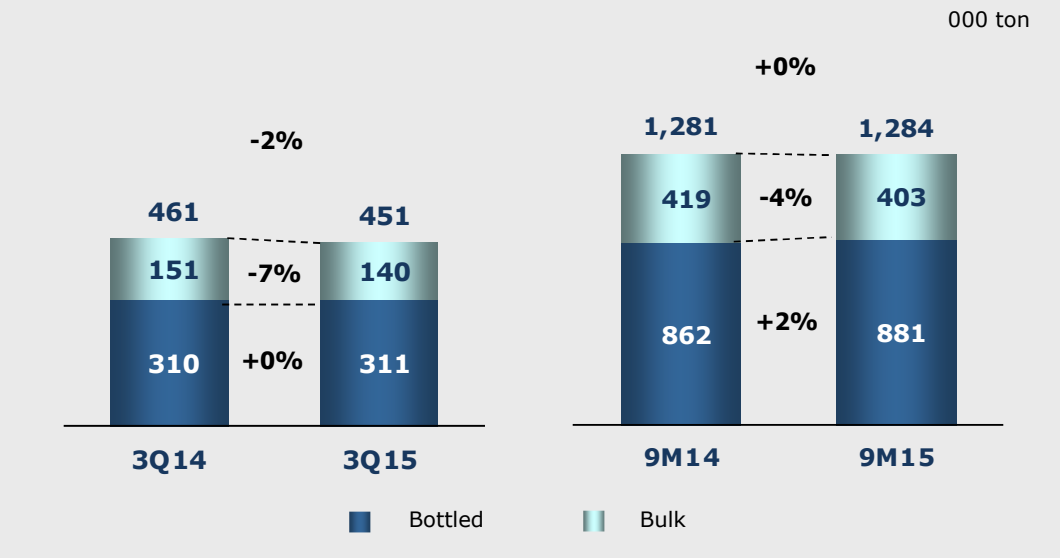
- Specialties
  - ✓ Brazil -8%: slowdown of the economic activity
  - ✓ International -4%: decision to discontinue a line of products for the leather market
- Commodities
  - ✓ Volatility in prices and in demand

## EBITDA

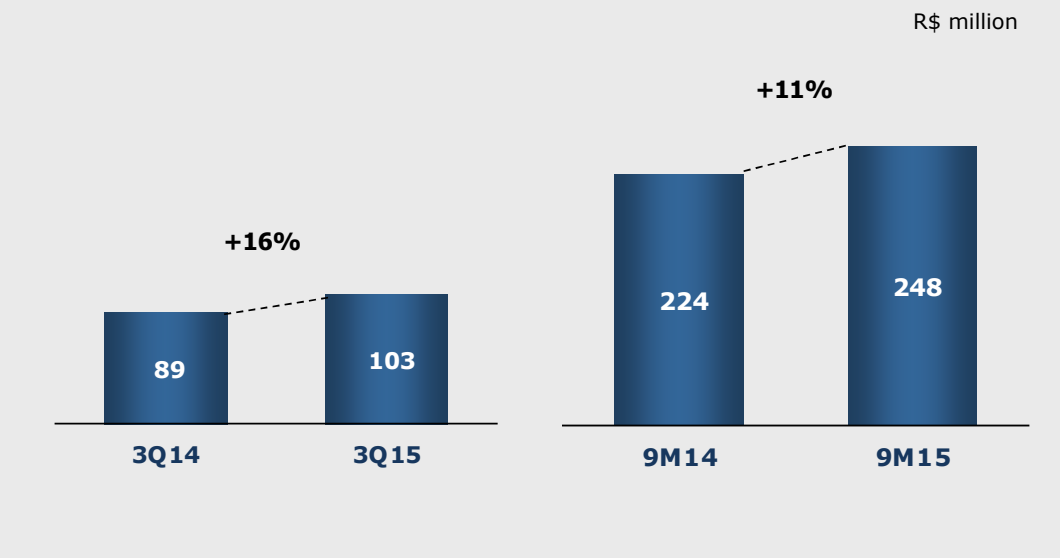
- Effect of the weaker Real against the US dollar
  - ✓ 3Q15: +56% vs. 3Q14
- Partially offset by lower sales volume

# Ultragaz – Resilience in the bottled segment and commercial initiatives drove the performance

## Volume




## EBITDA




### Volume

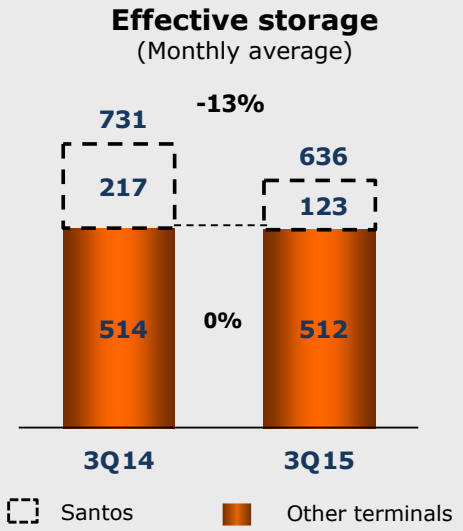
- Bottled
  - ✓ Commercial initiatives of new resellers
- Bulk
  - ✓ Slowdown of the economic activity
  - ✓ Partially offset by investments made to capture new clients in residential condominiums segment

### EBITDA

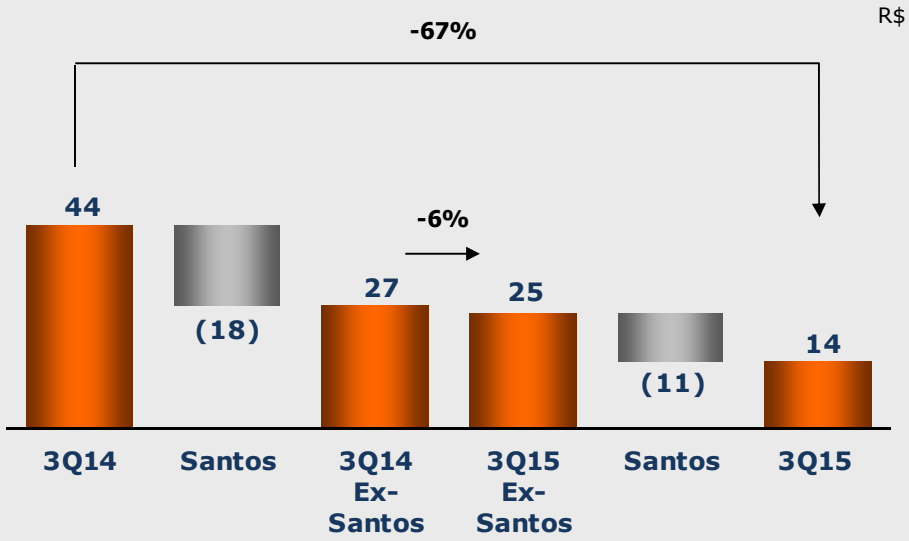
- Commercial initiatives of new resellers in the bottled segment
- Investments made to capture new clients in residential condominiums segment

# Ultracargo – Performance affected by Santos terminal and effects of the economy

## Volume




## EBITDA




### Volume

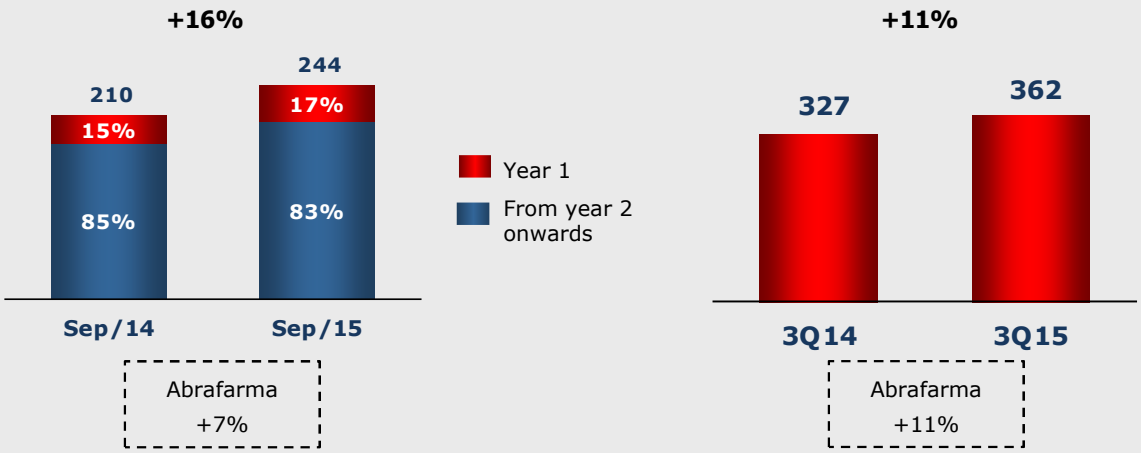
- Reduced activity at the Santos terminal due to the fire accident
- Stable average storage in the other terminals
  - ✓ Increased handling of fuels by the distributors
  - ✓ Offset by effects of the slowdown of the economy on chemicals

### EBITDA

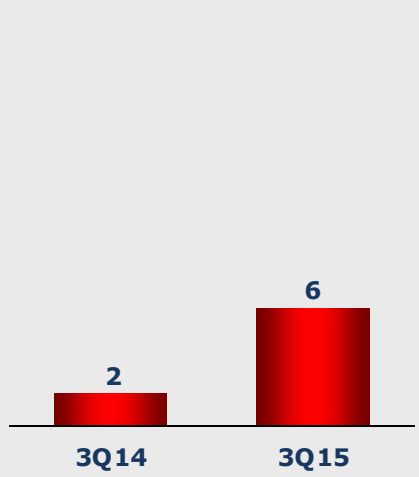
- Fire accident in Santos
  - ✓ Lower average storage
  - ✓ Expenses related to the fire accident (R$ 10 million)
- Other terminals: -6%
  - ✓ Slowdown of the economic activity

# Extrafarma – Revenues still growing, with effects from a challenging economic environment

## Stores and gross revenues




## EBITDA

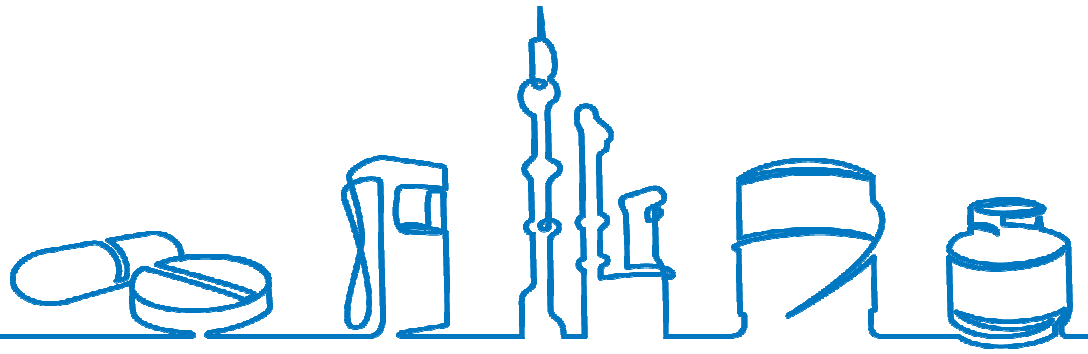



### Gross revenues

- Investments in the opening of new drugstores
- Maturation of drugstores
- Annual adjustment in the prices of medicines (CMED)
- Partially offset by lower sales of mobile phones

### EBITDA

- Revenues growth
- Partially offset by expenses for the new DC and the increase in the number of drugstores opened in 3Q15



# Ultrapar
# Outlook and priorities

# Ultrapar – Investments in the company's strengthening and expansion




- Ipiranga
  - ✓ Investments in expansion of service stations network, focused on the Midwest, Northeast and North regions of Brazil
  - ✓ Expansion of logistics infrastructure
  - ✓ Focus on differentiation initiatives, increasing the offer of products, services and convenience
- Oxiteno
  - ✓ Innovation and development of new products
  - ✓ More favorable exchange rate scenario
  - ✓ Geographic expansion
- Ultragaz
  - ✓ Capture new clients in residential condominiums and small- and medium-business segments
  - ✓ Management of costs and expenses
- Ultracargo
  - ✓ Manage the impacts resulting from the recent accident in Santos
  - ✓ Analyze opportunities derived from increasing demand for liquid bulk storage in Brazil
- Extrafarma
  - ✓ Faster pace of store openings
  - ✓ Retail management/planning and execution

**Ultrapar Participações S.A.**
Investor Relations
☎ 55 11 3177-7014
invest@ultra.com.br
www.ultra.com.br