Ultrapar Participações S.A.

Earnings conference call

Comments on the company's 4Q16 and 2016 performance and outlook

02.23.2017

Considerações iniciais

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.

- ✓ 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.

Ultrapar – 2016 highlights

1

Growth path continuity, even in a recessive economic environment

- ✓ **EBITDA:** R$ 4.2 billion in 2016, **up 7%** from 2015
  CAGR (11 – 16): 16%
- ✓ **Net earnings:** R$ 1.6 billion in 2016, **up 4%** from 2015
  CAGR (11 – 16): 13%
- ✓ **Dividends:** R$ 907 million of dividends in 2016, **up 4%** from 2015

2

Strengthening and preparation of Ultra for a new growth cycle

- ✓ Signing of the SPAs for **Ale** and **Liquigás** acquisitions / creation of a new company with **Chevron** in lubricants
- ✓ **2017 investment plan** of R$ 2.2 billion
- ✓ **Discipline** in capital allocation, increase in **productivity** and operational **efficiency**

3

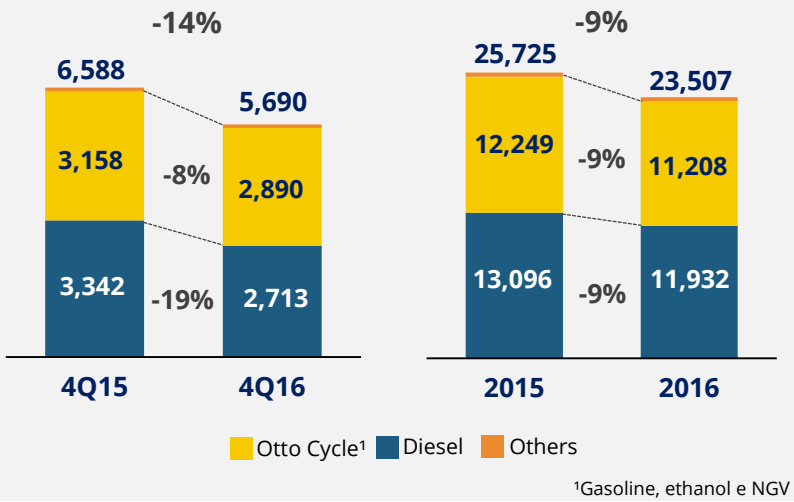
Increasingly **solid**, **profitable** and **enduring** company

- ✓ **ROE 19%**
- ✓ Net debt/EBITDA of **1.36x** in 2016

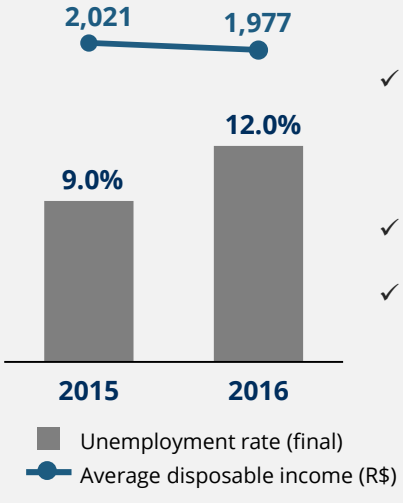
Ipiranga – 4Q16 and 2016 performance

Effects of the current economy still impacting volumes...

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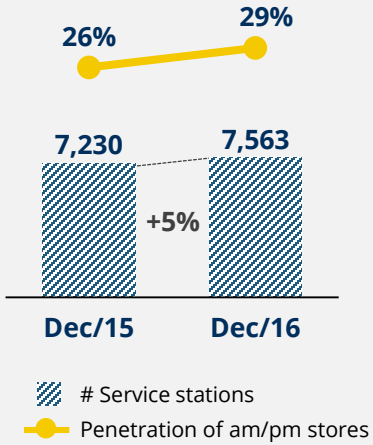
¹Gasoline, ethanol e NGV



- ✓ Worsening of **unemployment rates** and deterioration in the **relative prices of fuel versus disposable income** ratio
- ✓ Low **growth of the light vehicle fleet (2%)**
- ✓ **Diesel:** lower share of the retail wholesale resellers' (TRR) segment in the sales mix, affected by imports by independents

Source: IBGE

... with continuous investments in the network



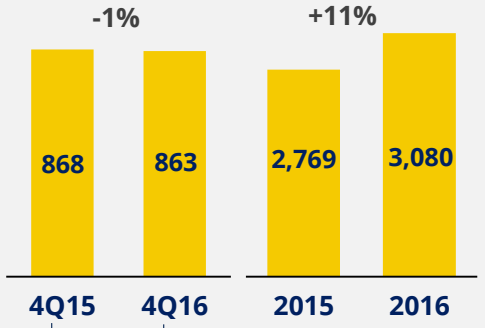
Network expansion and strengthening

- ✓ **333 new service stations** (gross addition: 453)
- ✓ **256** new am/pm stores
- ✓ **163** bakeries
- ✓ **138** beer caves

"Ask at the Ipiranga service station"

EBITDA

R$ million



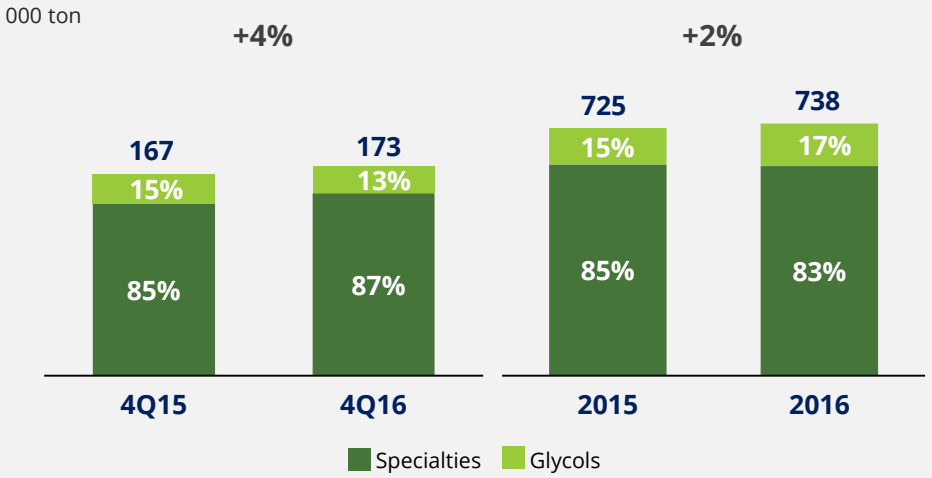
- ✓ Strategy of **differentiation** and **innovation** in services and convenience in the network
- ✓ Increased shares of **gasoline** and **resellers segment** in the sales mix
- ✓ **Opportunities** in fuel costs

Positive and negative variations in prices

Inventory gains due to the price increase in Oct/15

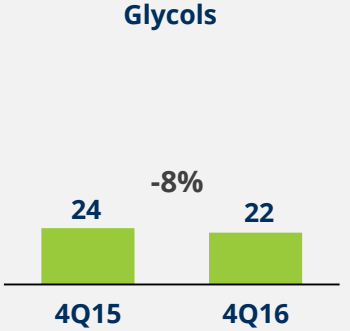
Oxiteno – 4Q16 and 2016 performance

Volume growth indicating smooth recovery trend for the Brazilian economy



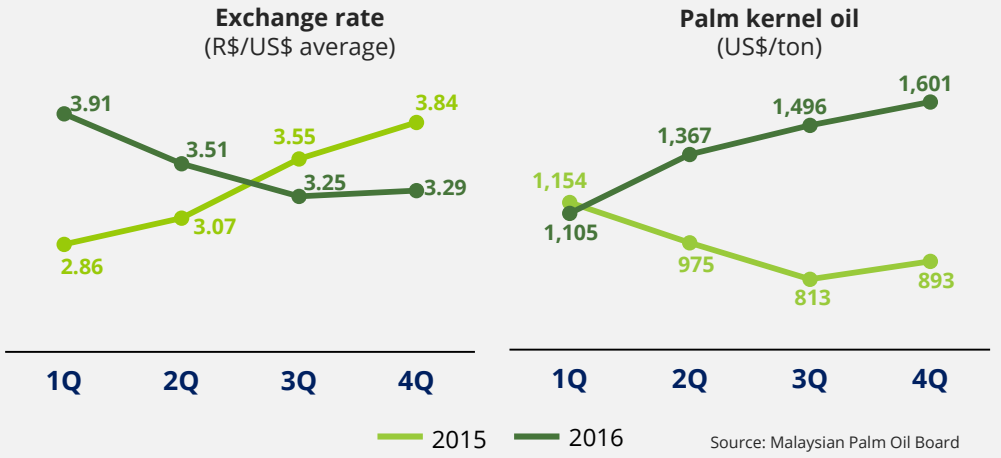


- ✓ Agrochemicals, automotive fluids and coatings
- ✓ Increased exports

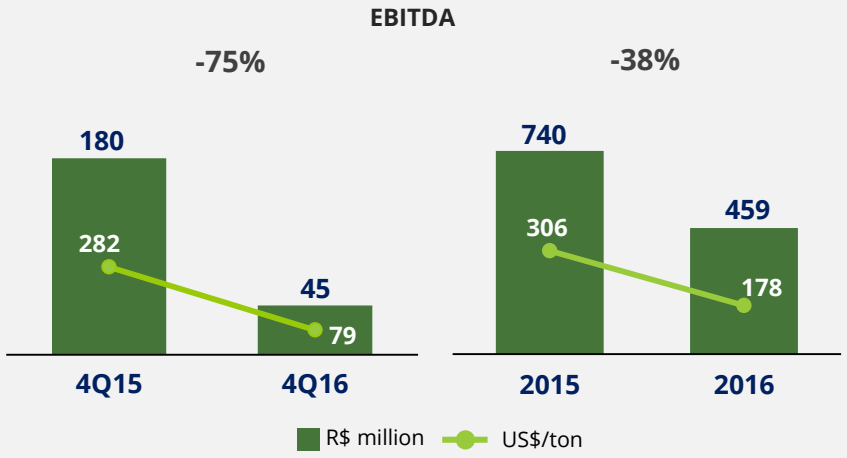


- ✓ Scheduled maintenance stoppage at Camaçari

Opposite trends of exchange rates and costs of raw materials impacting EBITDA

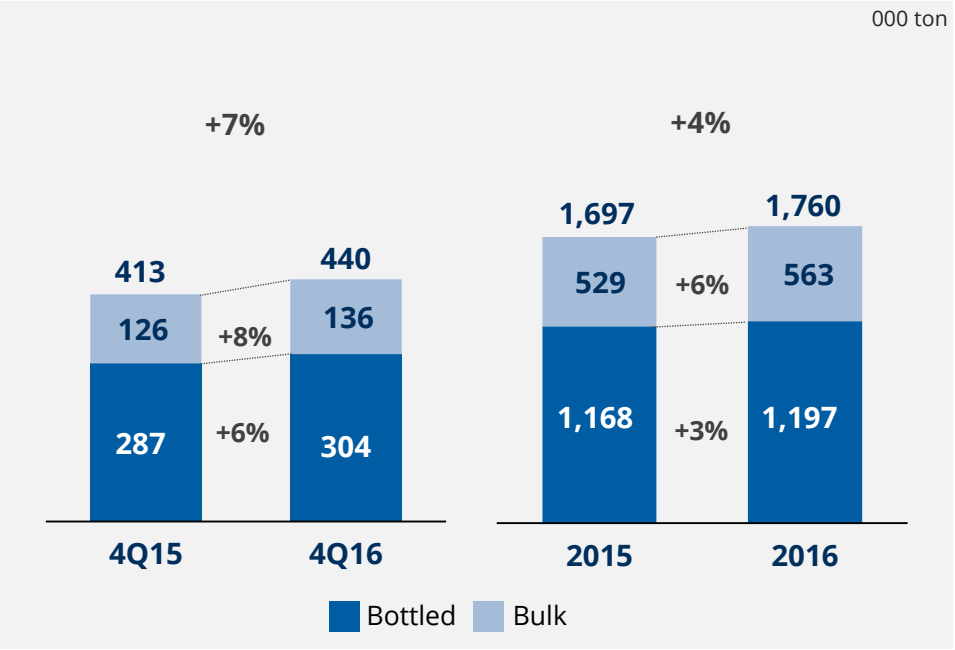


Source: Malaysian Palm Oil Board

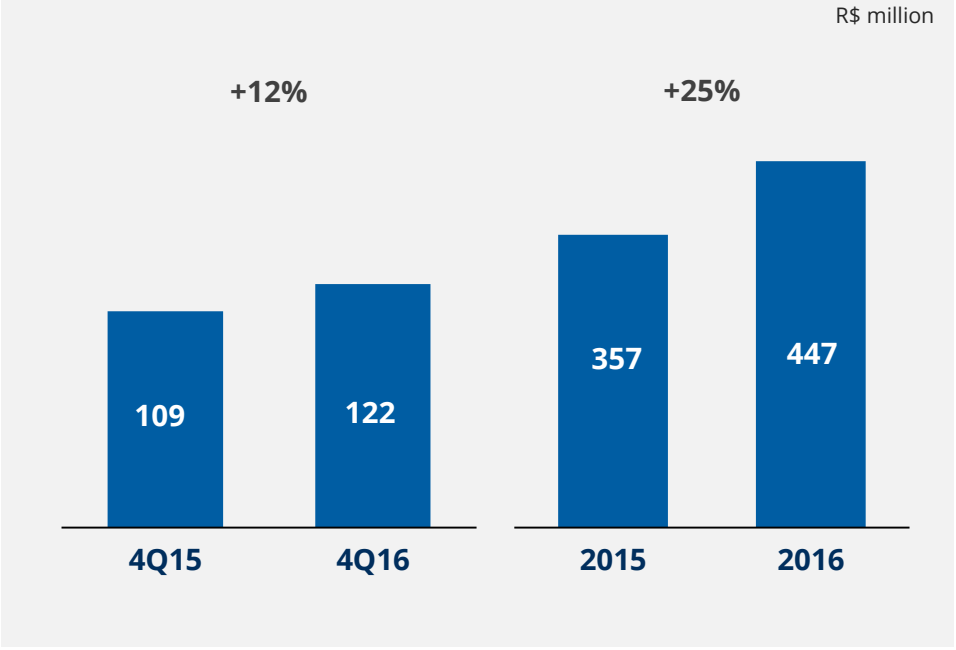


Ultragaz – 4Q16 and 2016 performance

Volume



EBITDA



Volume

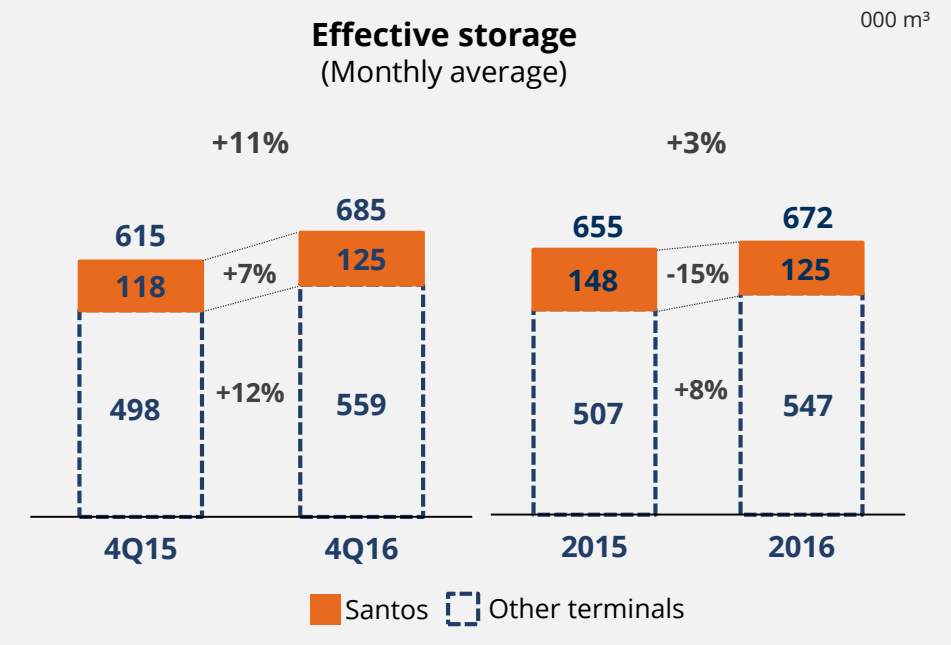
- ✓ **Bulk:** new costumers added, notably in the industrial and residential condominium segments
- ✓ **Bottled:** investments in new resellers

EBITDA

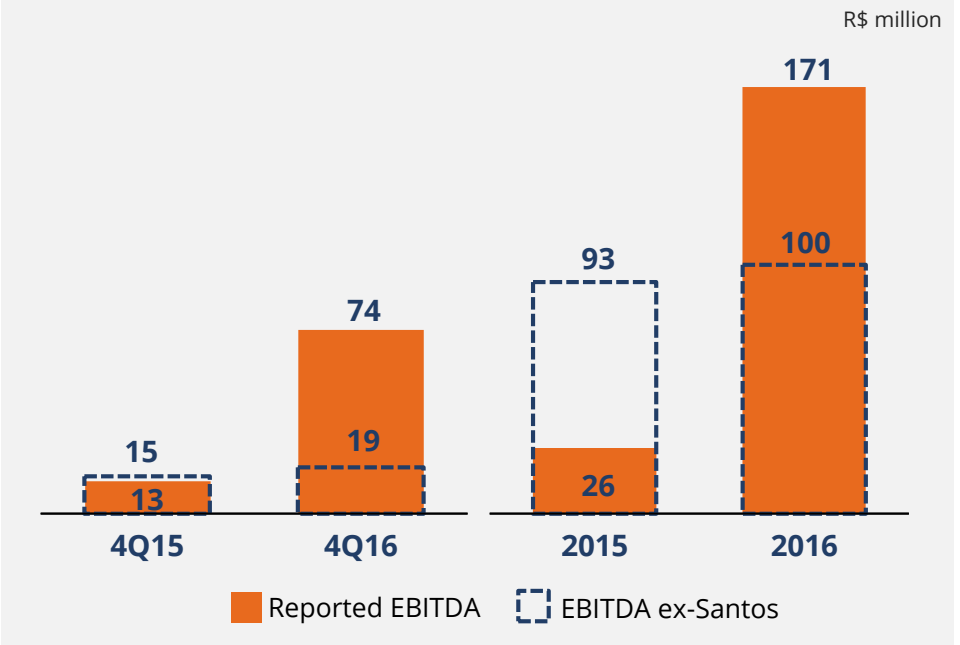
- ✓ Initiatives to **capture new customers and resellers**
- ✓ Strategy of **differentiation** and **innovation**
- ✓ **Below-inflation increase** in fixed costs

Ultracargo – 4Q16 and 2016 performance

Volume



EBITDA



Volume

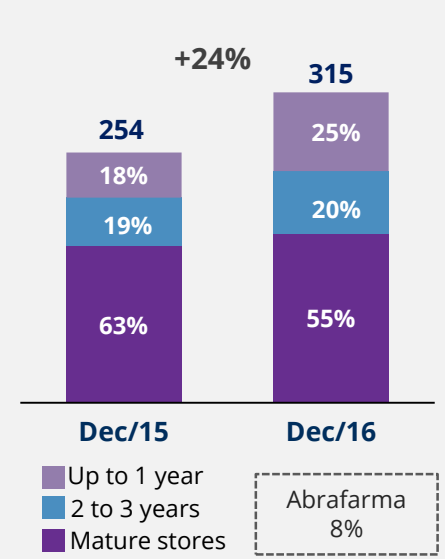
- ✓ **Increased handling of fuels** in the ports of Suape, Aratu e Santos

EBITDA

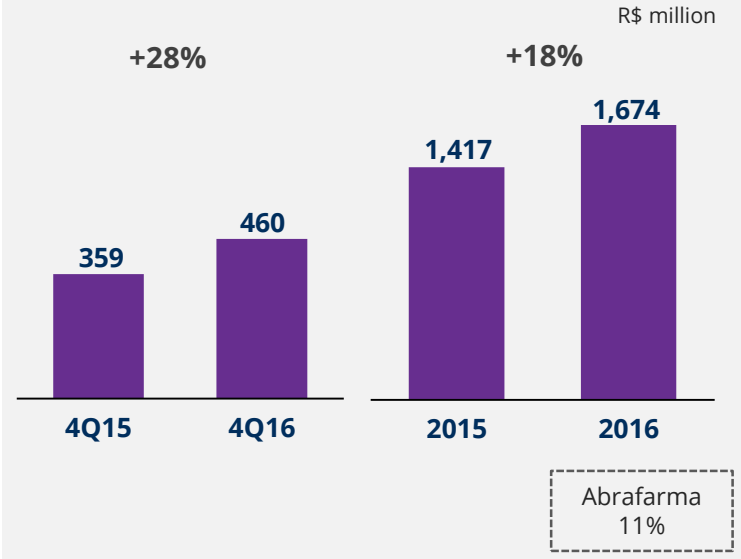
- ✓ **Growth in average storage**
- ✓ **Increased average tariff** in all terminals
- ✓ **Santos:** insurance recoveries (R$ 74 million) and expenses related to the fire (R$ 23 million)

Extrafarma – 4Q16 and 2016 performance

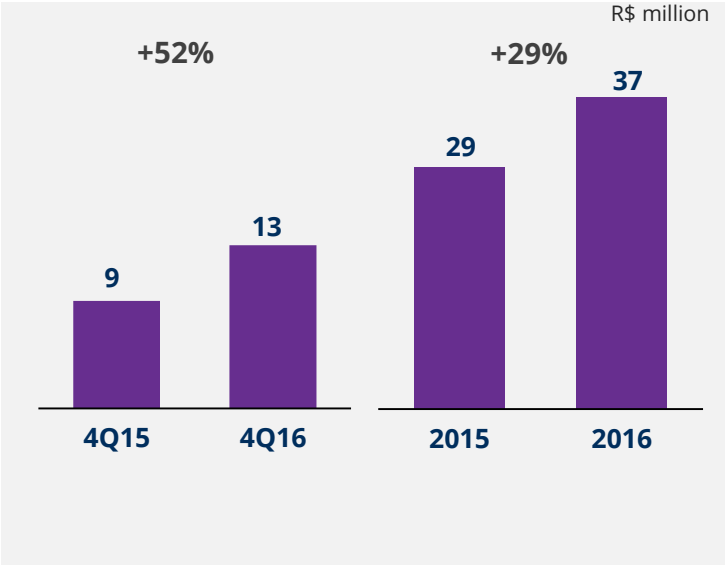
Number of stores



Gross revenues



EBITDA



Gross revenues

↑ **28% growth in revenues**

- ✓ Increased number of stores (+ 61 YoY / + 22 QoQ)
- ✓ SSS: +21%

↓ **Despite the recessive economic scenario**

EBITDA

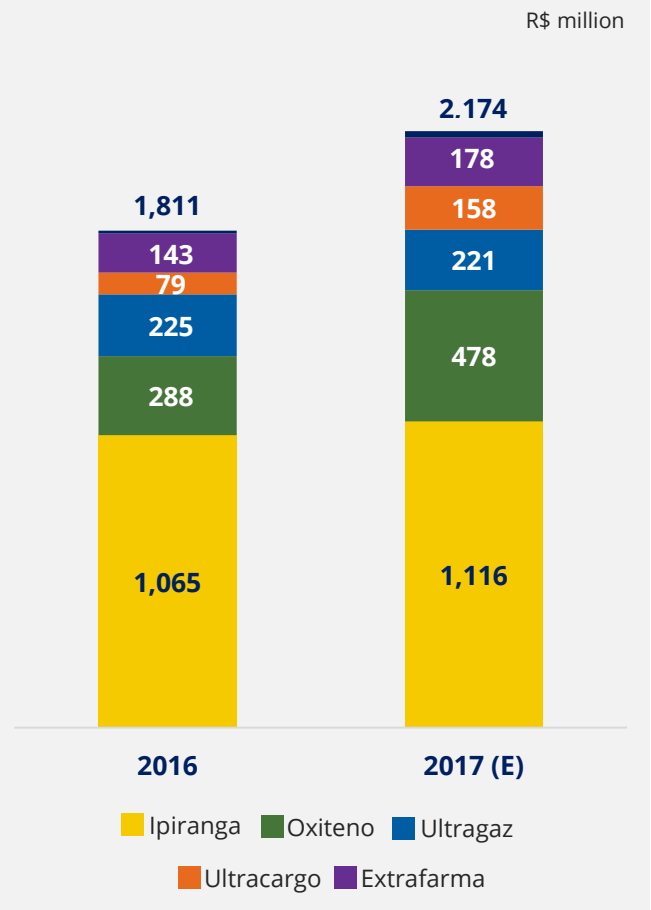
↑ **Revenues growth**

↑ Initiatives to **improve management standards in the retail pharmacy**

↓ Increased share of new stores in **maturing phase**

Ultrapar – Priorities and outlook

Investments in expansion to boost earnings and profitability growth



Ipiranga

- ✓ **Expansion of** service stations, am/pm and Jet Oil networks
- ✓ **Expansion** of the logistics infrastructure
- ✓ Focus on **differentiation** through **diversification** and **innovation** in products and services

Oxiteno

- ✓ Aspire **leadership in surfactants** in the Americas
- ✓ **International expansion** – construction of the new alkoxylation plant in Pasadena, Texas (USA)

Ultragaz

- ✓ Focus on **differentiation** initiatives, creating **new niche** markets and **sales channels**

Ultracargo

- ✓ **Resuming activities in the Santos terminal**
- ✓ Focus on modernization of **safety**, **reliability** and **integrity** systems
- ✓ Expansion to **strengthen position** as port operator

Extrafarma

- ✓ **Retail pharmacy management**: roll out of the new store model for the network
- ✓ Faster **stores opening** pace








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