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Vibra Energia



RECOMMENDATION: BUY

Overview	
Ticker	B3: VBBR3
Industry	Oil & gas
Sector	Fuel Distribution
Market cap (BRL mn)	19,718
Enterprise Value (BRL mn)	29,216
Valuation	
Current price (BRL)	17.6
Target price (BRL)	24.6
Upside	38.9%
Dividend yield 2024E	7.2%

Thesis overview



1. Better supply conditions, boosting Vibra's advantage



2. Tackling informality, driving volume expansion



3. Logistics dominance, securing market leadership



4. Energy transition, unlocking growth potential

Exhibit 1: VBBR3 performance vs IBOVESPA



Source: Team 11, Factset

Exhibit 2: Financial ratios

Ratios	FY24e
Net debt / EBITDA	1.0x
EV/EBITDA*	5.6x
Price/Earnings*	7.1x
Adj. EBITDA/m³ (BRL)	161
ROIC*	15.4%
ROE	31.0%

Source: Team 11

EXECUTIVE SUMMARY

We are initiating coverage of Vibra Energia (B3: VBBR3) with a **BUY** recommendation and a target price of BRL 24.6 derived from a DCF methodology, with a potential upside of 38.9% relative to the 1-month Volume Weighted Average Price (VWAP) of BRL 17.6. Our recommendation is supported by four main catalysts, that lead us to forecast a 2024-2028E EBITDA CAGR of 10.3% (vs. 5.4% consensus): (i) a positive outlook in supply dynamics for Vibra, motivated by Petrobras' new pricing strategy and more difficult fuel imports; (ii) combating on illegality among fuel distributors, which opens Vibra's doors for volume growth and fair competition; (iii) leveraging logistical infrastructure and idle capacity to unlock new growth opportunities in the fuel sector; and (iv) Vibra's pioneering the energy transition, a prudence in embracing biofuels and renewable opportunities.

- 1. Improved supply dynamics, boosting Vibra's advantage: In 2023, Petrobras, Brazil's leader in oil production and refining, announced a significant shift in its pricing strategy (Appendix Q). We believe this adjustment will position domestic supply as the most cost-effective option for distributors, reducing import opportunities in both frequency and duration. This new scenario will allow Vibra to take advantage of its leadership and positioning, which guarantee substantial purchase quotas with Petrobras (Exhibit 24). Meanwhile, competitors will have to resort to more expensive alternatives. Even in the short and rare moments when imports will be attractive (Exhibit 25), Vibra also has clear advantages ignored by the market: an advanced import infrastructure, which allows for lower costs and greater competitiveness in important areas; an elite trading team; and high volumes that absorb expenses and risks. Based on a resilient and unique MOAT, Vibra excels in sourcing cost-effective supplies, a critical capability in this sector. The scenario echoes the company's "Golden Age" (2013 2017), a period characterized by better margins, price-to-earnings ratios above 17x, and a combined market share of over 70% for incumbents—10% higher than today (Appendix S).
- **2. Tackling informality, driving volume expansion:** The fuel sector in Brazil, one of the largest globally, faces a considerable challenge: the prevalence of illegal activities that weaken competitiveness and impact the performance of major companies, particularly Vibra. Consuming approximately 15% of the profits of established distributors, informality leads to an estimated loss of BRL 8.7 bn annually for the government (Appendix W). Recently, initiatives to address illegality have gained traction through collaborative efforts by the public regulatory bodies, and distributors, resulting in a recovery of the previously illicit market. Lawsuits against these activities have also intensified, with cases growing at a compound annual rate of 22.4% in recent years and the State achieving an 83% success rate in rulings (Appendix AJ). Measures such as tax reform and Complementary Law Project 164/2022 aim to eradicate those practices, creating a more equitable landscape (Appendix Y). We are convinced that Vibra, as the market leader, is the most impacted by illegal activities, sustaining, on our estimations, an annual hit of BRL 414 mn on its EBITDA (Appendix U). By implementing specialized internal structures for collaboration and making investments to integrate these new legal sources, Vibra has positioned itself to reclaim an estimated 5.2% of market share (Appendix V). We are confident that this approach allows Vibra to transform idle capacity into new gains, reinforcing its competitive stance and improving its financials.
- **3. Logistics dominance, securing market leadership:** With a strengthened logistical infrastructure inherited from Petrobras, Vibra is strategically positioned to capitalize on market share growth opportunities in Brazil's fuel sector. The company represents 33.5% of the country's total fuel storage capacity, a significant advantage over its competitors. This robust infrastructure, combined with an efficient logistics network, places the company in a prime position to benefit from market consolidation, particularly as illegal players are reduced and the fuel import window closes (Exhibit 11; Appendix T). Vibra's underutilized capacity enables it to swiftly absorb a larger portion of the market without requiring substantial additional investment, a feat that would take competitors years to match (Exhibit 16; Appendix AF). Therefore, given this great infrastructure competitive advantage (Exhibit 28), we believe that the company is well-positioned to improve its margins by leveraging its idle infrastructure (Exhibit 29) and to expand market share over its competitors.
- **4. Energy transition, unlocking growth potential:** Vibra is well-positioned to capitalize on Brazil's unique energy transition, a potential not fully recognized by the market (Appendix I). While its core focus on oil faces global demand challenges, Brazil's transition will likely follow a different path, mitigating demand reduction risks. Biofuels, like ethanol, will remain central to Brazil's transportation energy matrix (Exhibit 30), preserving Vibra's distribution advantage, unlike the global shift to electric vehicles, which faces cost and infrastructure barriers. Furthermore, Vibra's acquisition of Comerc—a leader in renewable energy—broadens its portfolio, enhances cash flow stability and profit margins, adding resilience amid fuel market volatility. Its long-term, inflation-adjusted contracts ensure steady cash generation and profitability, and we expect that the merger will boost free cash flow margins, strengthening Vibra's position (Exhibit 35). Finally, we are convinced that Brazil's energy market deregulation could unlock significant growth for Comerc, configuring an upside risk (Appendix AA).

KEY FINANCIALS

	His	torical dat	ta			Forecast								
Operational and Financial Data	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Key metrics														
Net revenue	130,121	181,446	162,947	172,636	169,413	170,504	172,030	182,151	196,489	211,829	228,228	245,762	264,486	284,494
Gross profit	6,851	7,489	8,361	8,513	9,532	9,688	9,834	10,415	11,202	12,044	12,938	13,893	14,907	15,991
EBITDA	3,053	4,518	8,133	10,191	6,727	7,524	8,357	9,124	9,936	10,825	11,762	12,740	13,799	14,936
Net earnings	2,497	1,537	4,766	6,462	2,204	2,623	3,313	3,924	4,465	5,087	5,755	6,439	7,142	7,913
Margins														
EBITDA Margin	2.3%	2.5%	5.0%	5.9%	4.0%	4.4%	4.9%	5.0%	5.1%	5.1%	5.2%	5.2%	5.2%	5.2%
Adj. EBITDA/m³ (Vibra)	123.3	106.7	137.2	160.7	156.4	165.6	177.3	186.2	195.2	204.8	214.4	223.6	233.6	243.9
Net margin	1.9%	0.8%	2.9%	3.7%	1.3%	1.5%	1.9%	2.2%	2.3%	2.4%	2.5%	2.6%	2.7%	2.8%
Operational														
BR dist. volume sold (000 m³)	38,493	38,553	36,931	36,460	38,113	39,851	41,636	43,467	45,346	47,274	49,253	51,282	53,364	55,499

^{*} Adjusted by credit tax recognition

Exhibit 3: Vibra's market share

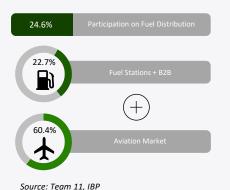


Exhibit 4: Vibra's operational areas

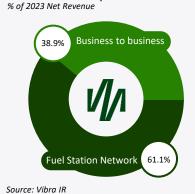
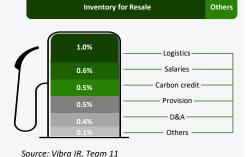


Exhibit 5: Vibra's 2023 cost and expenses breakdown

3.3%

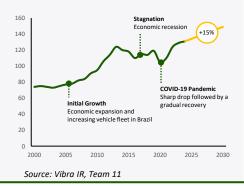
96.7%



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Exhibit 7: Fuel demand in Brazil (mm/m3)



BUSINESS DESCRIPTION

Vibra Energia (B3: VBBR3), founded in 1971 as BR Distribuidora and initially a subsidiary of Petrobras, is the largest fuel and lubricant distributor in Brazil, holding 24.6% of the sector's market share (Exhibit 3). With over 50 years of experience and a strong presence across the country, it is currently associated with 8,198 service stations, 26,000 B2B consumption points, and serves 2,900 clients in the aviation market. Following its IPO in 2017 and subsequent repositioning in 2021, the company was rebranded as "Vibra Energia" while maintaining its identity and supply chain linked to the former "BR Distribuidora" network. The privatization was motivated by the negative impacts of the *Lava Jato* operation which raised concerns about governance and management practices in several stateowned enterprises in the country. Vibra has traditionally been a key player in the liquid fuels market and is now expanding its operations to encompass a wider range of energy solutions. The company operates a diversified and scalable network across all five regions of Brazil, strategically positioning itself within the evolving energy landscape. Committed to enhancing its long-term strategic positioning, Vibra is actively pursuing initiatives and acquisitions that not only broaden its service offerings but also maximize synergies among its energy solutions.

How does Vibra Energia make money?

As a major fuel distributor in Brazil, Vibra's core operation is to source fuel, mainly from Petrobras, and resell it to a network of retail and supply stations across the country. The company's businesses can be grouped into two main segments, namely: (i) Fuel Station Network and (ii) B2B (Exhibit 4).

(i) Fuel Station Network: The majority of Vibra's service stations are operated by third parties through franchise agreements, while a smaller portion is leased to independent operators. Franchisees commit to exclusively purchasing fuels from Vibra and paying associated fees. In return, Vibra provides high-quality fuels, logistical support, and financial assistance, including working capital advances, along with marketing campaigns and operational support. As the distributor for Brazil's largest fuel station network, Vibra generates over 61.1% of its net revenue from this segment. Key fuel products include diesel, gasoline, and ethanol, which represent 40.9%, 46.0%, and 12.5% of station sales volume, respectively. Additionally, Vibra offers value-added services through its BR Mania convenience stores and Lubrax+ maintenance centers. This strategy not only aims to increase customer retention but also leverages cross-selling opportunities, capitalizing on its extensive customer base (Appendix O).

(ii) B2B: Accounting for 38.9% of Vibra's net revenue, the B2B segment involves the distribution of fuels, lubricants, aviation fuels and chemical products to key industries and sectors across the Brazilian economy. With a client base of 9.400 companies, this segment delivers solutions such as fleet fuel management and lubrication services, aiming to boost customer retention through cross-selling and strategic product offerings. Around 30% of Vibra's B2B operations is dedicated to the aviation sector, managed under the BR Aviation brand and holding 60.4% market share. Vibra supplies aviation gasoline and jet fuel to 94 airports, serving approximately 3,000 clients in the commercial, executive, and military sectors. The company's logistics network, which includes an integrated pipeline system and road transport infrastructure, ensures timely fuel deliveries to major airports, with transportation costs from refineries already included in the pricing structure.

Attention to detail: cost and expenses breakdown

In a market characterized by low product differentiation and tight margins, effective cost management is essential for maintaining healthy profit margins. An analysis of Vibra's cost structure reflects its primary role as a distributor and reseller of fuels produced by its suppliers, resulting in a company with a high proportion of variable costs. Approximately 96.7% of Vibra's total expenses are attributed solely to the purchase of fuels (Exhibit 5), which are subsequently stored, transported, and resold with a tight spread—around 0.15 BRL per liter. Additionally, the company must pay suppliers for carbon credits related to the ethanol purchased, further increasing variable costs. Consequently, the margin for error is narrow, and operational leverage is relatively low, making strong control over logistics expenses crucial (Appendix P).

Efficient logistics at scale: how Vibra leads Brazil's liquid bulk market

Vibra Energia is the largest liquid bulk operator in Brazil, supported by an efficient logistics network that keeps costs 15% to 20% below the market average. This efficiency is driven by a robust infrastructure that was largely built by Petrobras before Vibra's privatization, including 1,463 thousand m³ of storage capacity, the largest among a wide range of transportation modes, including road, river, rail, cabotage, and pipelines, to ensure seamless distribution in the country, and 98 operational units located across all five regions of Brazil. Additionally, the company operates 10 ports, 11 lubricant depots, and 94 aircraft refuelling stations, providing comprehensive coverage nationwide. A key element of Vibra's logistics strategy is its focus on agricultural corridors (Exhibit 6) linking the Southeast, North, and Midwest, with major bases in Santarém, Belém, and Porto do Açu. These corridors play a critical role in serving Brazil's agribusiness, as Vibra facilitates the transportation of ethanol from Mato Grosso to the Northeast, reducing costs during the off-season, and supplies imported diesel from Santarém to the Midwest. Vibra's continued investment of R\$ 500 million annually in logistics infrastructure further strengthens its operations, enhancing productivity.

Adding to the mix: lubricants

Vibra also operates the largest lubricants manufacturing facility in Latin America, situated in Duque de Caxias, Rio de Janeiro. The company recently allocated over 100 mn BRL towards expanding this facility, increasing its annual production capacity from 300 to 500 mn liters. Managing approximately 1,700 Lubrax stores nationwide, Vibra ranks as the sixth-largest franchise network in Brazil, effectively leveraging scale efficiencies for its products. Given that lubricants yield margins up to ten times greater than traditional fuel sales, Vibra is set to capitalize on this high-margin segment (Appendix AG). Finally, expanding the B2B segment could unlock valuable cross-selling opportunities for Vibra. Currently, only 36% of B2B clients purchase two or more products, despite strong demand for complementary goods within Vibra's broad portfolio.

Fueling growth strategy: enhancing leadership through white-label conversions

Vibra is now adopting a strategy aimed at converting independent, unbranded fuel stations—known as white-label stations—into Petrobras-branded locations. Currently, around 40.4% of fuel stations in Brazil fall into this category, operating without exclusive branding from any distributor. Vibra's approach for future conversion emphasizes a value proposition that leverages the strength of the BR



Exhibit 8: Historical capacity GW/stake

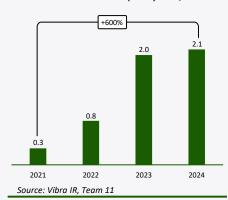
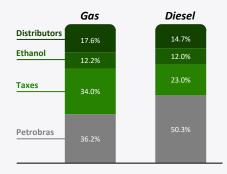
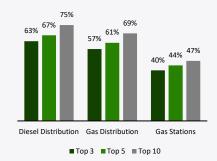


Exhibit 9: Fuel prices breakdown



Source: Petrobras

Exhibit 10: Market Share Concentration



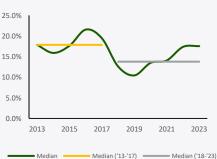
Source: ANP

Exhibit 11: Petrobras vs IPP



Source: Team 11

Exhibit 12: Incubents' Median ROIC



Median (13-17) Median (18-2s

Source: Team 11

brand, a robust infrastructure, and initiatives to address illegal practices in the market. By offering these benefits, Vibra aims to drive growth by transforming white-label stations into branded BR outlets, expanding its market presence and reinforcing its leadership within Brazil's fuel station network. This strategy promises resellers numerous advantages, such as BR Mania convenience stores, Lubrax+ maintenance centers, and additive fuels, all designed to enhance profitability. As Brazil's fuel demand is projected to grow by 15% by 2030 following a period of stagnation and recovery (Exhibit 7), Vibra's forward-looking strategy is set to align its growth trajectory with that of resellers, broadening its market footprint and share.

Inorganic Growth: A Key Pillar in Vibra's long-term strategy

Recently, Vibra has strategically pursued inorganic growth to drive trends of the energy transition, expanding its services through targeted acquisitions and joint ventures. The BRL 7.05 bn acquisition of Comerc, with 2.1 GW of installed capacity (Exhibit 8), has strengthened Vibra's position in renewable energy, positioning solar power as a key growth driver, with the goal of achieving, by 2030, 30% of its EBITDA from this sector. Vibra has also acquired a majority stake in Grupo Targus to further diversify its portfolio into electricity trading, adding free market management and distributed generation services. In 2022, Vibra expanded into the biomethane market with the acquisition of 50% of ZEG Biogás and Energia S.A. Furthermore, a joint venture with Copersucar for ethanol commercialization aligns with Vibra's ESG goals, creating synergies in inventory management and enhancing operational efficiency.

INDUSTRY OVERVIEW AND COMPETITIVE POSITIONING

The oil industry can be divided into four major sectors. In Brazil, the extraction and refining (processing) segments are almost fully controlled by Petrobras, a national mixed-capital company. The next stage, distribution, is where Vibra and its competitors operate. They are responsible for storing and transporting oil derivatives, especially fuels, to retailers. Lastly, there are the retailers, which are the fuel stations.

Specific Characteristics of the Sector in Brazil: The national oil market has certain specific features that significantly impact its dynamics. The first is that Brazilian distributors are legally prohibited from operating fuel stations. As a result, they establish exclusive supply contracts with partner stations, which then operate under a unified brand. Another important factor is that Brazil is not self-sufficient in fuel production, requiring the import of approximately 20% of domestic consumption (Appendix Q). Since expansions in refining capacity happen abruptly and require high investments, this scenario does not show any predictions of changes.

Trending Topics

Recently, certain key issues have significantly impacted the operations of fuel distributors, with particular emphasis on (i) the Russian diesel imports and (ii) the presence of illegal practices within the sector. These factors are crucial for navigating the challenges and competitive pressures within the fuel distribution market.

Russian Diesel: The ongoing war between Russia and Ukraine has prompted many countries to impose sanctions on Russian products, limiting their imports and driving down prices (Appendix T). Coupled with Brazil's need to import fuel, this situation made Russian diesel highly attractive to national distributors, especially smaller companies that were unable to secure sufficient volumes from Petrobras. This caused Russian imports to jump from 0 to over 1.5 million m³ at its peak, close to 80% of total imports. As a result, increasing levels led to higher inventories and an oversupply in the market. Consequently, the entire industry began operating with lower prices and tighter margins. Illegality: A significant portion of regional and local distributors engage in illegal practices, including tax evasion and fuel adulteration. This allows them to offer lower prices and achieve better margins, posing a major challenge for incumbent companies. Furthermore, this issue is aggravated by the composition of fuel prices: state and federal taxes account for over 20% of diesel prices and 30% for gasoline, while only about 15% of the final price is attributable to distributors (Exhibit 9). Therefore, the benefits of illegal operations are substantial in a segment with structurally low profitability.

Distribution, a Business for Big Companies

The domestic fuel distribution market is comprised of more than 160 brands, yet it is largely dominated by the three major players. Over the past four years, Vibra, Ultrapar, and Raízen have maintained a combined market share of more than 55% in both diesel and gas sales. However, the fact that they individually have a share 5 times larger than that of the fourth largest company and that those markets presents HHI indexes of 1,367 and 1,118 (we used 2023's top ten players market share for these calculations), respectively, indicates the large space for consolidation that still exists in both sectors, full of smaller competitors with marginal participation (Exhibit 10). As a result, they hold significant competitive advantages that position them for an extremely promising future, allowing them to navigate an environment driven by scale, pricing, and efficiency with ease. In parallel to this, their gas station networks also have the same domain and present a substantial avenue for further growth: white-flag gas stations, which operate on a smaller scale and are not contractually tied to any distributor, but, collectively, account for 47% of the market.

Strategic Shift: Recently, Vibra, Ultrapar, and Raízen have undertaken strategic shifts, focusing on supporting and developing their dealer networks. By deprioritizing other markets — such as Transporter Resellers (TRRs) and white-flag stations (which can purchase from any distributor) that traditionally offer lower margins — they were able to increase their gains per m³ sold. Although this shift led to slightly lower overall volumes, total EBITDA grew.

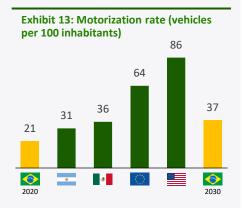
After Turbulence, Supply Presents Positive Outlook

In a market characterized by tight margins and price-sensitive consumers, fuel distributors are locked in a constant race to secure the cheapest supply. They face two primary options: purchasing from the domestic market, dominated by Petrobras, or turning to imports.

Petrobras: The petroleum derivatives producer operates under a quota system. The sales volume allocated to each distributor is based on their purchase history from previous months. As a result, larger distributors can secure a significant share of these quotas.

Imports: An alternative to the domestic market is imports. This option becomes more attractive when imported fuel prices are competitive, benefiting smaller distributors and unbranded stations, which can easily access this market and operate with favorable prices (Exhibit 11 and Appendix R).





Source: Anfavea, PwC, OICA

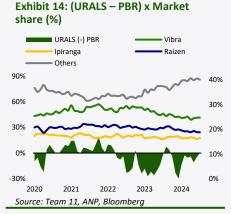
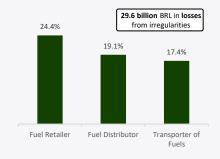


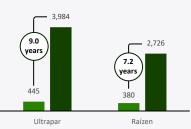
Exhibit 15: Infraction records as % of inspection actions by segment 2023



Source: Team 11, ANP, FGV

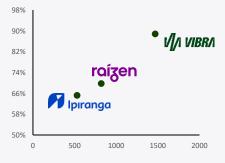
Exhibit 16: Expansion CapEx in 2023 x Total CapEx to match Vibra (BRL mn)

- Expansion CapEx for fuel distribution in 2023
- ■Total CapEx to match Vibra installed capacity



Source: Team 11, Companies

Exhibit 17: Gas stations within 300km radius (%) x Storage capacity ('000 m³)



Source: Team 11, ANP

maximized refinery profitability, boosting smaller competitors while incumbent players saw a sharp decline in their ROICs (Exhibit 12).

Future Outlook: Last year, Petrobras announced the end of its international parity pricing policy after fuel prices reached record levels in the country (Appendix Q). This reduces the impact of global oil and dollar price fluctuations on the company's pricing, narrowing the window of opportunity for imports by smaller competitors and stations. Additionally, the government aims to fully nationalize fuel pricing, either by expanding the country's refining capacity or changing Petrobras' shareholder remuneration policy. Consequently, this suggests a future where maximizing domestic market share will be the optimal strategy, creating an ideal position for Vibra, Raízen, and Ultrapar to expand their market dominance. The quota system also creates an artificial entry barrier, preventing smaller companies from consistently growing their share. Moreover, while determining the cheapest supply source may become more complex, unbranded distributors will struggle to secure a reliable supply, while incumbents are better positioned to navigate a more volatile environment.

Demand Side: Brazil Still Has Opportunities

Globally, fuel sales volumes are closely tied to national GDP growth, and specifically in Brazil, to the performance of the agribusiness output. Agriculture is one of the largest consumers of fuel in the country, both for production and transport. Therefore, positive expectations, such as the Ministry of Agriculture and Livestock's current forecast of a 24% increase in grain production until 2034, will positively impact fuel demand. Additionally, Brazil lags its peers in terms of motorization, presenting further market growth opportunities. The overall expansion trends in the automotive sector and of the middle class could enable the vehicle ownership rate per 100 inhabitants to increase from 21 to 37 by 2030 (Exhibit 13). Based on these two main drivers, we anticipate secular tailwinds in overall fuel demand. This scenario is highly favorable for major distributors, as it discourages aggressive competition for market share, typical in stagnant markets.

An Inevitable, but Different, Energy Transition

The energy transition is no longer a mere expectation but a tangible reality for the future. Several government programs underscore this (Appendix AB), such as the "Fuel of the Future" initiative, aimed at fostering the development of alternative energy technologies where Brazil already excels, and "RenovaBio", which promotes the production and consumption of renewable fuels as alternatives to fossil fuels. As such, distributors must position themselves to capitalize on this new landscape.

Ethanol: In Brazil's case, ethanol will play a central role in this transition due to the country's expertise and the product's energy efficiency. For example, when considering the entire production chain and usage, a fully electric more expensive, and factories must adapt to produce them, making adoption in developing economies more challenging. This continued prominence of renewable fuels is good news for distributors, as their existing infrastructure will remain vital. The storage and transportation of energy in the form of liquid biofuels will be essential.

Renewable Sources: The core of Brazil's energy transition will undoubtedly center around renewable energy sources, as an electric car in Europe is 1.4 times more polluting than a flex-fuel vehicle in Brazil. Even so, electric engines are expected to gradually capture a portion of the local market (Exhibit 30). Consequently, distributors will need to invest significantly and explore new segments to stay competitive. Those who lead this transition will benefit, while those who underestimate its importance will face higher costs.

Vibra in a good path for market consolidation: Competitive prowess

In a sector with three major players and numerous smaller ones, Vibra positions itself as the largest incumbent. We believe that, within an industry poised for consolidation, Vibra is well-positioned to gain further market share through a scale that provides an undeniable logistical advantage and its high available capacity.

Competitive edge of the industry leaders: Considering the competitive advantages regarding product supply, cost dilution and brand recognition held by the major companies and their growth strategies in recent years, the current environment presents solid opportunities for consolidation in the sector. Unbranded stations hold over 40% of the fuel retail market, representing a key growth opportunity for incumbents, given that the more favorable conditions in which these players operated in the last couple years are on the verge of disappearing (Exhibit 14). Similarly, smaller brands face the same challenges, including higher costs and compromised logistics, making them another source of potential market share gains.

Ready to replace illegality: The illegal practice of tax evasion currently results annually in a loss of BRL 30 bn posing a significant challenge to both government revenue and the quality of products compromised by fuel adulteration (Exhibit 15). Therefore, we recognize incentives to combat this illegality. Capitalizing on these illicit practices, smaller players manage to achieve significant margins, which in turn compresses the margins and market share of larger competitors. Representing approximately 55.7% of the sector (Appendix U), the leading companies are poised to capitalize on this shift in the competitive dynamics of the industry, benefiting from reduced margin competition against illegal players. We believe that Vibra is strategically positioned to capture this market share due to its estimated available capacity more than 2.2 million cubic meters per month, which, without significant investments, could absorb a bigger stake of the market.

Unattainable capillarity: Due to its state-owned origins, Vibra currently possesses an unmatchable scale, with a tank storage capacity that would require an investment of at least BRL 2.7 bn, according to our estimates (Exhibit 16; Appendix AE), from its largest Brazilian competitor to achieve parity. We see that its strategic position not only makes it practically unattainable but also provides cost advantages that is 15% to 20% below the market average. We believe this is a crucial factor driving the consolidation of unbranded stations facing risks associated with distributors involved in illegal activities, given that 88.7% of white-flag gas stations in Brazil are within a 300km radius of a Vibra storage terminal, which is approximately 20% ahead of its competitors (Exhibit 17; Appendix AD).

Portfolio diversification: The acquisition of Comerc by Vibra represents a strategic move towards portfolio diversification, solidifying Vibra's position as the largest multi-energy platform in Brazil. Comerc, a leader in energy management with a 15% market share in the free energy market, enhances Vibra's presence in a more stable sector. Notably, Comerc's operations in solar and wind



Exhibit 18: ESG scoreboard

	raízen	ultra [⊕]	√[/I VIBR/I
ESG Risk	Low	High	Low
ESG Mgmt	Average	Average	Strong
S&P score	70	41	59
MSCII rating	AA	Α	AA
Bloomberg	3.06	3.67	4.32

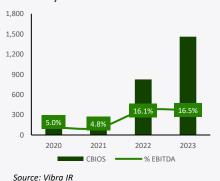
Source: Sustainalytics, S&P, MSCII, Bloomberg

Exhibit 19: Vibra's total greenhouse gas emissions



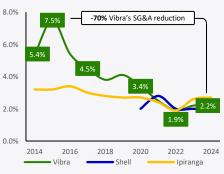
Source: Vibra IR

Exhibit 20: CBIO spending by Vibra (in BRL mm)



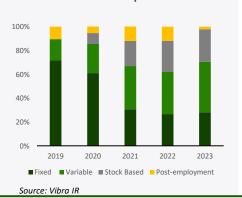
Source. Vibra in

Exhibit 21: SG&A margins



Source: Vibra, Raizen and Ultra IR

Exhibit 22: C-Level compensation



energy, which have seen a yearly growth rate of 10%, provide significant tax benefits due to Brazilian incentives for renewable energy investments. This synergy not only maximizes operational efficiency but also positions Vibra to seize opportunities in an expanding market projected to grow by 20% annually over the next decade, ensuring sustainable and resilient long-term growth.

ESG: Vibra's Path to Sustainable Profitability and Long-Term Value Creation

In comparison to its main local peers, Vibra distinguishes itself with a notably lower ESG risk profile and for the robustness of its ESG initiatives, positioning the company to capitalize on the rising wave of ESG investments and attract a broad range of responsible investors (Exhibit 18). On the governance side, the company has set a positive example by successfully implementing an efficient corporate restructuring, overcoming the challenges posed by the *Lava Jato* operation, the largest corruption scandal in Brazil's history, which led to its privatization in 2017. This strong governance framework allowed Vibra to strengthen its operational resilience and transparency, earning high ratings from leading global ESG agencies (Exhibit 18).

Environmental: Vibra's Blueprint for a Cleaner, Greener Energy Future

Decarbonizing its operations: as an energy company that operates a vast logistics network, Vibra faces the significant challenge of reducing its direct CO_2 emissions. The company has set an ambitious target of cutting emissions by up to 67% by 2026 (Exhibit 19), primarily through decommissioning the Juruti thermoelectric plant and optimizing fuel distribution operations. Given Brazil's vast geography and heavy reliance on road transport, Vibra's operations often depend on highways, which leads to a substantial environmental footprint. To address this, the company is adopting two key strategies: enhancing road transport efficiency by optimizing routes, utilizing return freight to reduce empty trips, improving load efficiency, and employing control tower monitoring; and expanding the adoption of alternative transport modes, including rail and cabotage. In 2023, the cabotage efforts alone resulted in record increases in ethanol and biodiesel deliveries, eliminating 6,120 road trips and cutting CO_2 emissions by 20,538 tons. This initiative also yielded significant cost savings, reducing logistics expenses by 43.2 mm BRL. On a smaller scale, the company is already conducting tests and small distribution operations using electric vehicles and green diesel (R5)-powered vehicles.

Greener energy alternatives: Vibra is on a clear trajectory of investing in new businesses to become a more diversified energy solutions company, with a focus on renewable sources. In this process, it has been utilizing part of the cash accumulated through its distribution operations to acquire clean energy businesses, with Comerc standing out as a key example. In this direction, the company is aiming to achieve 30% of its EBITDA by 2030 from other energy sources, positioning itself as a more sustainable and well-prepared company for the energy transition. Recently, Vibra successfully raised R\$ 1.5 billion through the issuance of green transition bonds, underscoring its commitment to financing projects that promote energy transition and reduce greenhouse gas emissions. Through this offering, Vibra secured attractive financing rates with a repayment term exceeding seven years, which contributed not only to attracting ESG-focused investors but also to the reduction of its cost of debt.

Decarbonization comes at a price: As a fuel distributor operating in Brazil, Vibra and all other local fuel distributors have been legally required to purchase carbon credits since 2020. These credits, known as CBIOs, are a key element of the country's National Biofuels Policy, RenovaBio. The goal of this policy is to encourage biofuel production and reduce carbon emissions. For every ton of carbon avoided by biofuel producers and importers, a CBIO is issued. Fuel distributors like Vibra are legally obligated to purchase these credits, ensuring their role in the country's carbon reduction efforts. Currently, this is Brazil's only operational carbon market, making it crucial for the nation's transition to a low-carbon economy. The cost of the operation has been high for Vibra: just last year, the spending on CBIOS consumed 16.5% of Vibra's EBITDA (Exhibit 20).

Social: Vibra's Pledge to People—Driving Change Through Safety and Support

Safety comes first: With an extensive transportation operation, Vibra has set a new benchmark for safety. In 2023, for the second year in a row, the company achieved its best-ever transport safety performance, recording a remarkably low accident frequency rate (TFAT) of just 0.02 per million kilometers traveled. Despite managing a high volume of product transport, only eight incidents were registered, far below the alert threshold of 0.06 and well below the global benchmark of 0.7. This success reflects Vibra's robust Risk Management Program for Transport. Looking ahead to 2024, Vibra is raising the bar even higher with an ambitious new goal, lowering the alert limit to 0.054, further underscoring its unwavering commitment to safety and accident prevention.

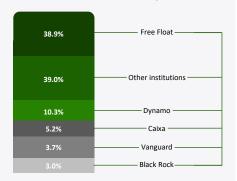
Vibra's social commitment: Zero tolerance for child exploitation. In response to the alarming reality that 9,745 points on federal highways are vulnerable to child sexual exploitation—impacting predominantly black and mixed-race girls under 17—Vibra has made combating this issue a priority. In late 2023, the company launched the "Exploração Sexual Zero" initiative, focusing on engaging society and partners, protecting children and adolescents, and supporting vulnerable families. As part of this effort, Vibra strengthened its partnership with Childhood Brasil and joined the Coalizão Pará, concentrating on high-risk areas like Pará's grain transport routes. In 2023, over 3,000 employees were trained to address exploitation, and 10,000 truck drivers were sensitized through awareness programs, highlighting the company's commitment to this urgent cause.

Governance: Vibra's Roadmap to Integrity—Building Trust Through Transparency

A fresh start: Governance plays a pivotal role for Vibra, as the company emerged from a major privatization process in 2017, driven by the need to recover from the involvement of the former BR Distribuidora in the Lava Jato Operation — Brazil's largest corruption scandal, which shook investor and public confidence in the country's market. Following its privatization and IPO, Vibra embarked on a comprehensive restructuring plan aimed at boosting profitability, enhancing operational efficiency, and driving greater transparency. These efforts have paid off, with a substantial reduction in SG&A costs over recent years (Exhibit 21) and a complete revamp of internal policies, including a full restructuring of C-level remuneration (Exhibit 22), that have successfully restored the company's reputation and regained public trust. Regarding its ownership structure, Petrobras sold the remainder of its stake in the company in 2021. Currently, institutional investors hold 60.7% of Vibra's shares, while the remaining shares are widely dispersed. Its largest investors include local funds such as Dynamo (10.3%), Caixa Previdência (5.2%), and Kapitalo (1.8%), as well as global funds like The Vanguard Group (3.7%) and BlackRock (3.0%) (Exhibit 23).



Exhibit 23: Vibra's ownership structure



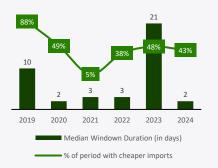
Source: Team 11, Factset

Exhibit 24: Quotas system

Petrobras' Variables	Vibra's positioning
Past Purchases	It is the volume leader in both diesel and gas markets
Market Share	It has the biggest share in distribution and branded stations
Regional Coverage	It is the only distributor present in all states
Logistics Capabilities	It has the largest tanking capacity among all players

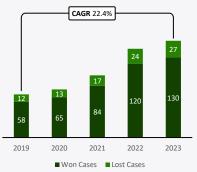
Source: Team 11

Exhibit 25: Import attractiveness



Source: Team 11

Exhibit 26: Historical growth of lawsuits



Source: Team 11

Exhibit 27: Illegality estimated Impacts



Source: Team 11

A leadership shift: As a major pure corporation, Vibra's strategic trajectory is shaped by leadership dynamics between its executive team and Board, both of which play an essential role in the company's growth and diversification ambitions. The July 2022 CEO transition, however, brought some uncertainty, as the departing CEO, previously a unifying figure in Vibra's push for business diversification, moved to head Eletrobras. Now, with Ernesto Pousada at the helm, Vibra has a leader seasoned in management and project execution, though his expertise lies outside fuel distribution and retail sectors. This gap in industry experience positions him to rely significantly on Vibra's existing team, especially in steering the company's energy diversification efforts (Appendix AI).

Transparency and leadership: Vibra is highly committed to transparency, regularly publishing sustainability reports that adhere to international standards like GRI and SASB, ensuring timely disclosure of ESG metrics. Recognized by S&P for its data availability, Vibra also holds a place in B3's Novo Mercado for top-tier corporate governance, distinguishing it from competitors such as Ultra and Raízen. To reinforce its focus on ESG, Vibra has established an Executive Vice-Presidency for Renewable Energy and ESG, with 19% of 2023 executive incentives tied to these goals, underscoring their importance to its strategy.

INVESTMENT SUMMARY

THESIS 1 | Improved supply dynamics, boosting Vibra's advantage

Petrobras's recent pricing strategy shift is driven by its goal to reclaim a larger domestic fuel market share. To prevent the volume losses experienced in recent years due to import attractiveness, the company has started to view the alternative costs faced by its clients as a ceiling for its pricing. Beyond the political motivations for maintaining low prices, this strategy is also essential for Petrobras to leverage critical economies of scale. The previous strategy, based on international parity pricing, led to a market share below 80%, impairing its cost structure (Appendix Q). Additionally, Russian diesel, a major source of imports, is becoming less and less attractive (Appendix T). In this context, Vibra stands to benefit substantially as it seeks out the most cost-effective source.

What to expect? The coming years are likely to be characterized by a landscape in which, most of the time, the optimal strategy will involve purchasing domestically sourced fuel from Petrobras. Nevertheless, given the considerable volatility of oil prices and occasional delays in Petrobras's price adjustments, there may be brief windows where imported products become more attractive.

Vibra's competitive edge in this scenario: When it comes to Petrobras supply, Vibra possesses an unmatched advantage. Thanks to a quota-based system, its historically high and consistent purchase volumes, market leadership, extensive regional coverage, and superior logistics capabilities guarantee the largest quota allocation from the producer (Exhibit 24). This enables the company to secure a substantial fuel volume, while other distributors, particularly smaller ones, are forced to rely on more expensive sources. Over time, this competitive edge becomes more entrenched, as others struggle to increase their Petrobras quotas. Even in scenarios where imports become more appealing-initially perceived as disadvantageous for Vibra-a deeper analysis reveals a different perspective. Firstly, these periods tend to be significantly shorter (Exhibit 25), meaning that importers face high risks and uncertainty, as international products can take up to 45 days to reach the country while prices fluctuate. In 2024, the median import windows duration reduced from 21 to 2 days. Additionally, Vibra currently boasts one of the industry's best setups for such activities, with unparalleled infrastructure, elite trading team, and scale that allow it to better absorb the costs and risks associated with imports. Finally, these periods present a strategic long-term opportunity: while other players redirect their offerings to external markets, Vibra can expand its quotas with Petrobras, further enhancing its competitive position—a strategy effectively employed in recent years.

Implications for the company: This environment allows Vibra to fully leverage its unique competitive advantages, maintaining a leadership position in the quest for the lowest prices—an essential factor in the sector. This paves the way for significant market share gains and improvements in profit margins. As a result, the future could resemble the industry's Golden Age, when, in the absence of import opportunities, the company maintained better returns over several years, traded at multiples higher than 17x P/E (very different from the current 6.8x) and the incumbents had a combined market share of more than 70% (Appendix S).

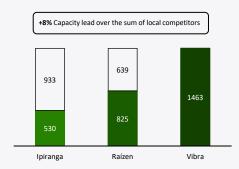
THESIS 2 | Tackling informality, driving volume expansion

Dimensions of illegality in the Brazilian fuel sector: Brazil ranks globally as the tenth-largest producer of oil and the third-largest consumer of fuels, with the sector accounting for approximately 2.8% of country's GDP. This serves as a fertile ground for illegal activities, which severely impact the revenue and competitiveness of major companies (Exhibit 9). The illegal fuel market resulting in losses of approximately R\$26 billion annually for public coffers (Appendix W), of which around R\$14 billion is attributed to tax evasion (Appendix X). The three largest players in the sector collectively face losses exceeding R\$950 million each year, with Vibra being the most affected, missing out on over R\$414 million in EBITDA (Exhibit 27; Appendix U) and suggesting a re-rating range between 11% and 22.5% on valuation (Appendix Z).

Why we believe in the diminishing of illegality: The mobilization against illegality is focused on two main measures: the Tax Reform implementation and Complementary Law Project 164/2022 comprehensive approval, both of which aim to eliminate unfair competition and ensure a more equitable business environment (Appendix Y). Recently, the fight against informality in the fuel sector has intensified, evolving into a public issue that needs a coordinated effort from federal and state governments. Over the past seven years, these efforts have resulted in a recovery of 5.22% of previously illegal market share (Appendix V). Further supporting this trend, judicial engagement has significantly increased, with legal cases addressing illegality growing at 22.4% annual rate (Exhibit 26). Moreover, the State boasts a robust 83% success rate in securing favorable rulings against illegal activities, reinforcing the legal infrastructure to sustain these advancements (Appendix AJ).

How Vibra benefits from this fight: We believe that Vibra, as the market leader, has a genuine interest and capacity to combat irregularities. The company has mobilized significant efforts, establishing internal oversight branches in Brasília and Rio de Janeiro in collaboration with the Legal Fuel Institute (ICL). These initiatives aim to restore market integrity and recover substantial fuel volumes, with estimates suggesting that the company could gain an additional 5% to 10% in volume. The fight against illegality ensures a fair competitive environment for Vibra, enabling the company to convert idle capacity into market share gains, resulting in a more robust financial outlook.

Exhibit 28: Fuel tank capacity ('000s m3)



Source: Team 11, Vibra IR, ANP

Exhibit 29: Vibra's EBITDA/m³ as a function of the volume sold

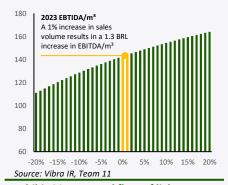


Exhibit 30: Expected fleet of light vehicles in Brazil (mn)

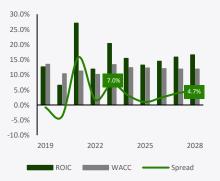


Source: Team 11, EPE

Exhibit 31: Adjusted EBITDA margin per m3



Exhibit 32: ROIC-WACC spread (%)



Source: Team 11

THESIS 3 | Logistics dominance, securing market leadership

As a former subsidiary of Petrobras, Vibra inherited an extensive fuel distribution infrastructure, currently accounting for 33.5% of the nation's total storage capacity. This strategic advantage, combined with its superior cost-efficiency driven by an advanced logistics network, positions Vibra as a key beneficiary of the anticipated market share consolidation in the sector.

Capacity: In a favorable scenario for the leading companies in the sector, with the reduction of illegal players and the closure of the fuel import window, we see Vibra poised to capture more market share due to its idle capacity, which, if operated at the same operational levels as the average of its competitors, could represent an additional volume of 24.3 million m³ (Appendix AF). This capacity enables Vibra to absorb a larger portion of the market more swiftly than its competitors, who would require at least 7 years of current logistic capital expenditures to match Vibra's current capacity (Exhibit 28; Appendix AE), making it exceptionally challenging for any other player to match its scale without significant investment. Although we do not anticipate such a substantial increase in utilized capacity in our model, this growth potential could translate into over an 18% market share gain. This underscores that the current competitive landscape is highly advantageous for Vibra.

Cost efficiency: In a low-margin industry sensitive to fluctuations in fuel prices, cost efficiency is paramount. We believe that, due to its extensive reach across the country and currently underutilized capacity, Vibra holds substantial potential for margin improvement. We estimate that for each 1% increase in Vibra's total volume sold it could yield a gain of 1.3 BRL EBITDA/m³ (Exhibit 29; Appendix P), positioning Vibra as the most efficient listed company in the sector, significantly ahead of its competitors.

THESIS 4 | Energy transition, unlocking growth potential

We believe that the market has not fully priced how Vibra is positioned regarding the energy transition that is bound to happen worldwide. Indeed, Vibra has a core business tied to oil, which may experience continuous lower global demand. However, when we dig deeper into Brazil's own energy transition, which will be different from the rest of the world, we do not perceive it as the same deep and structural risk tied to international companies. Besides seeing the core business as somehow protected, we also firmly believe that the company's moves regarding a broader energy portfolio pose growth avenues, bringing greater cash flow stability with margins improvement to the table as well in the case of Comerc.

A hybrid local transition: The impact of the energy transition on the mobility sector will be massive, but we do not see this as a threat to Vibra. Globally, the adoption of electric vehicles has faced three main barriers: (1) higher costs, ranging from 10% to 50% compared to conventional vehicles; (2) high production costs for batteries; and (3) an unstable charging infrastructure, leading to bottlenecks in vehicle recharging. This set of factors creates a high transition cost, making the adoption of an electrified fleet a long-term challenge. In an emerging country like Brazil, these costs become even more significant, and the adopted alternative for decarbonizing transportation in the coming decades has been the replacement of diesel and gasoline with biofuels and electrification (Exhibit 30). Sugarcane absorbs around 80% of the CO² released during the production and combustion of ethanol fuel, and the Brazilian government has implemented various measures over the past decades to expand its use (Appendix AB). Therefore, Brazil's outlook remains one of heavy dependence on biofuels in its transportation matrix, which would not disrupt the distribution structure.

Are there any opportunities to be exploited by Vibra? We firmly believe that Vibra's management has already made the first move in order to capitalize on new green opportunities - Comerc, a renewable energy powerhouse. Comerc changes the whole picture for Vibra when it comes to stability amid fuel industry volatility. Centralized and distributed generation segments operate based on long-term inflation adjusted contracts, meaning constant and predictable cash generation. Furthermore, Comerc's EBITDA Margins, around 20% figures, will bring higher profitability to VIBRA, which will translate to high double digit FCFF margins for the company in our projections (Exhibit 35). Finally, we also see the expansion of Brazil's free energy market as a potential upside risk for Comerc. Further deregulation, which means more people trading in a more flexible market, could be a key driver for Comerc's growth, mainly in its market share leading trading operation (Appendix AA).

FINANCIAL ANALYSIS

Vibra's peers are not entirely comparable to the company, as it is the only fuel distribution company in Brazil with a sole focus on this market. Its two main peers, Ultrapar and Raízen, are engaged in a broader range of activities—Raízen produces ethanol and sugar, while Ultrapar operates in gas and logistics. Despite these distinctions, we included both companies in our financial comparison, since fuel distribution remains their primary business focus.

How does Vibra stand as the leader in a tight margin market?

Industry's margins are extremely tight. In 2023, the gross margins of Vibra, Ipiranga (Ultrapar), and Shell (Raízen) were 5.1%, 5.7%, and 4.9%, respectively (Appendix S). As such, effective expense control is crucial for maintaining profitability, and we believe Vibra excels in this area. The company currently leads the sector in Adjusted EBITDA per cubic meter margin (Exhibit 31). In our view, Vibra's market share leadership (Exhibit 14) and strong SG&A control (Exhibit 21) contribute to its leading position in the fuel distribution market. The company has consistently improved its Adjusted EBITDA margin from 2018 to 2023, successfully navigating market cycles and we estimate an BRL/m³ 161 for 2024E. Our projections are based on our fixed cost dilution analysis (Exhibit 29) and by inflation adjustments in the following years, meaning a stable real margin.

Is there any value creation in a such competitive dynamic industry?

Despite the challenging profitability environment, low margins do not necessarily equate to low returns. In Vibra's case, its strong competitive positioning is evident in its return on invested capital (ROIC), which we calculated using the asset approach—adding NOWC and PP&E. Currently, Vibra's ROIC stands at an impressive 20.3%, which is 8 percentage points above its 12.3% weighted average cost of capital (Appendix K). We anticipate a significant normalization of ROIC in the coming years (Exhibit 32), driven by the impact of the Comerc acquisition on NOPAT and Invested Capital. While our short-term projections indicate a reduction in returns due to the absence in our projections of non-recurring results that occurred in the past, the value creation should continue due to the positive spread between ROIC and WACC, reaching 4.7% in our 2028 estimates.







Exhibit 34: Net debt/EBITDA

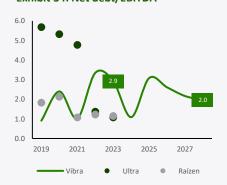
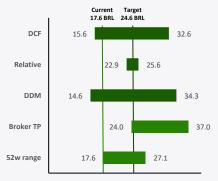


Exhibit 35: Comerc's EBITDA and FCFF margin (in BRL mn and %)

Source: Team 11



Exhibit 36: Football Field



Source: Team 11

Exhibit 37: Earnings forecast (BRL mn)



Source: Team 11, Capital IQ

Beyond ROIC, Vibra also demonstrates strong financial performance in terms of return on equity (ROE), which reached an impressive 30% in our 2023 DuPont analysis (Appendix D), as well as a 15.0% return on capital employed (ROCE) (Appendix D). These figures further reinforce our view of Vibra's competitive advantage relative to its industry peers.

Cash is king and Vibra is the ruler of the jungle!

Vibra not only leads the fuel distribution segment in terms of profitability and return metrics but also excels in cash generation (Exhibit 33). After leading the industry in free cash flow in 2019 and 2020, Vibra and Ultrapar pursued different capital investment strategies. While both companies faced challenges with weaker operational cash flow due to the Russian diesel crisis, their strategies diverged. Vibra made significant investments in acquisitions, particularly in 2022, which impacted its free cash flow (FCF). In contrast, Ultrapar undertook a portfolio restructuring, selling off a substantial portion of its assets, such as those tied to Ultrafarma, temporarily boosting its FCF. However, Vibra regained its leading position in 2023, and we anticipate robust free cash flow in the coming years, supported by a more favorable competitive environment and our outlook on market consolidation.

Dividends: Furthermore, given Vibra's strong cash-generating capabilities, we believe that management's decisions on dividend payments and share buyback programs are value-accretive from a capital allocation perspective. Our projections assume a payout ratio of 40% from 2024 to 2027, increasing to 60% from 2028 to 2031, and reaching 75% thereafter. This approach results in an estimated 4.5% dividend yield for 2025E, based on our dividend forecasts (Appendix E), providing an additional return that supports our recommendation.

Capex: Vibra's approach to capital allocation highlights its low capital intensity—its 2023 capex accounted for just 0.8% of the company's revenue. With an extensive logistics network inherited from its history as BR Distribuidora, Vibra's logistics investments are now more targeted and strategic. Today, its capital expenditures focus primarily on two areas: expanding its fuel station client base and pursuing new growth opportunities. These include the development of storage terminals linked to agribusiness and the construction of a new lubricant plant. Excluding 2025, which will see increased cash investment due to the Comerc acquisition, we expect a normalization of investment cash flow in the coming years, assuming no additional large-scale acquisitions.

Working capital: In a fast-paced, high-transaction volume industry, efficient management of working capital is critical. Vibra faces challenges in this area, as its cash conversion cycle (CCC) lags behind its peers. Although there are potential improvement drivers, particularly related to Vibra's idle capacity, we have opted for a conservative approach in our projections. As such, we do not anticipate any significant improvement in the days outstanding for working capital-related assets and liabilities. Consequently, our CCC estimates go up 3 days given Comerc's acquisition (Appendix F).

Debt: During 2021 and 2022, the sector experienced significant leveraging due to the impacts of the pandemic and tighter margins from increased import competition. However, over the past twelve months, improved sector conditions have led to higher margins, resulting in reduced net debt levels across all companies (Exhibit 34). Vibra is currently well-positioned among its peers, reflecting the management's disciplined financial oversight. Excluding the debt incurred in the first half of 2024, we do not anticipate any major new financing in our model. Consequently, despite a tighter short-term outlook, partly due to the Comerc acquisition, the Net Debt/EBITDA ratio indicates a significant deleveraging trend for the company as it continues to generate cash.

How does Comerc fit into it all?

We acknowledge the market's concerns regarding the multiples paid by Vibra to fully acquire Comerc. However, we believe that Comerc is a valuable asset that offers several strategic advantages: (i) it enhances margins and cash generation, (ii) provides stability throughout market cycles, and (iii) represents a critical step in advancing Vibra's "house of energy" strategy. With almost all necessary investments already in place to support Comerc's financial growth, we anticipate significant FCFF margins starting from 2025 (Exhibit 35). In our view, these projections underscore Comerc's potential to boost Vibra's cash flow and EBITDA generation.

VALUATION

We issue our BUY recommendation for Vibra, with a target price of BRL 24.6, reflecting a premium of 38.9% over the 1-month Volume Weighted Average Price (VWAP) of BRL 17.7. This target is derived from a discounted cash flow model that integrates our assumptions of market share gains, robust margins, and resilience amid the energy transition. Our analysis includes scenario sensitivity to account for the risks inherent to our thesis, and we have validated our findings through a relative valuation approach (Appendix M) and a dividend discount model (DDM) (Exhibit 36, Appendix H). We reiterate our belief that the market has not fully recognized Vibra's re-rating potential, as outlined by our four key catalysts.

Vibra's Discounted Cash Flow

Description: Vibra's DCF valuation is based on a 10-year nominal FCFE projection, resulting in a target price of 24.6. We estimated VBBR3's cost of equity using the CAPM methodology, arriving at a 15.2% Ke. This calculation is based on a 4.6% risk-free rate, a 4.4% equity risk premium (ERP), Vibra's 5-year leveraged beta of 1.08, a 4.6% Brazil country risk premium (CRP), and a 0.17% ESG discount derived from our proprietary index (Exhibit 41; Appendix J and AH). Additionally, the terminal value in our model was calculated using a perpetuity growth method, assuming a 3.5% growth rate aligned with Brazil's long-term inflation growth. We may add that even if this assumption does not hold, considering potential disruptions from an energy transition, a negative growth rate would be required in our model to align with current prices (Appendix I). This suggests that the market's outlook on Vibra's value is overly pessimistic.

Volume: The total sales volume has been projected based on Vibra's market share gain in the Diesel, Gasoline, and Ethanol segments (while other segments follow industry growth), reflecting our theses on market share expansion. The company is expected to reach 28.3% market share by 2029.

Revenue: The total revenue is a function of the volume sold multiplied by the revenue generated per unit volume. Given the significant volatility in fuel prices, we have chosen to align the growth of revenue per cubic meter with market projections for Brent Crude oil prices. Taking a conservative approach, this results in an estimated revenue of 196,489 million BRL/m³ by 2029.



Exhibit 38: Upside sensitivity

Perpetuity growth rate (%) 2.5% 3.0% 3.5% 4.0% 4.5% -0.2% -4 1% -2.4% -0.7% 1 3% Market Share gain (%) 0.0% 16.3% 18.7% 21.4% 0.2% 35.9% 38.9% 0.4% 52.6% 56.0%

Source: Team 11

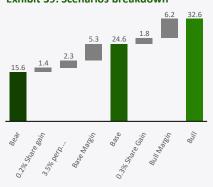
0.6%

Exhibit 39: Scenarios breakdown

76.7%

81.0%

72.6%



Source: Team 11

Exhibit 40: VBBR3 historical P/E NTM



Exhibit 41: ESG discount | Premium

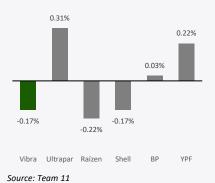


Exhibit 42: Trading comps

Brazil	LatAm	Europe	Asia	US
(7.2%)	9.2%	(10.9%)	(29.6%)	(52.9%)
(14.6%)	42.9%	52.0%	30.0%	3.4%
15.2%	56.8%	45.2%	34.9%	33.2%
7.3x	6.2x	7.6x	9.6x	14.3x
6.2x	8.8x	11.5x	12.4x	14.8x
14.8	21.0	27.4	29.6	35.2
30%	20%	15%	15%	20%
	(7.2%) (14.6%) 15.2% 7.3x 6.2x 14.8	(7.2%) 9.2% (14.6%) 42.9% 15.2% 56.8% 7.3x 6.2x 6.2x 8.8x 14.8 21.0	(7.2%) 9.2% (10.9%) (14.6%) 42.9% 52.0% 15.2% 56.8% 45.2% 7.3x 6.2x 7.6x 6.2x 8.8x 11.5x 14.8 21.0 27.4	(7.2%) 9.2% (10.9%) (29.6%) (14.6%) 42.9% 52.0% 30.0% 15.2% 56.8% 45.2% 34.9% 7.3x 6.2x 7.6x 9.6x 6.2x 8.8x 11.5x 12.4x 14.8 21.0 27.4 29.6

Sources: Team 11, Capital IQ

OPEX and Margin: We have projected operating expenses based on our margin assumptions, reflecting growth aligned with the estimated increase in volume (Exhibit 29). To maintain a disciplined and risk-conscious approach, we have incorporated only 50% of the projected efficiency gains into our base scenario. Furthermore, we have indexed these figures to expected inflation, ensuring the preservation of real margins (Appendix B).

Comerc: We also valued Comerc, Vibra's recent acquisition in the renewable energy sector, using a FCFF approach, which resulted in an equity value of BRL 5.3 billion, representing a 24.2% discount compared to the implied BRL 7.05 billion paid by Vibra, showing that it was a hefty acquisition. In terms of implicit multiples, based on our (Vibra's) NTM EBITDA projections, the company would be trading at 9.1 (10.4) forward EV/EBITDA.

Bull and Bear Scenarios

To assess the sensitivity of our target price to key assumptions, we performed a scenario sensitivity analysis, focusing on (i) market share growth, (ii) adjusted EBITDA margin, and (iii) the perpetuity growth rate. Under our bullish scenario, we reached a target price of BRL 32.6 representing a 84.3% premium over VWAP, while a more bearish scenario yielded a 15.6 BRL target price, translating to a 12.0% downside (Exhibit 39).

Bull Case: In our view, the optimal scenario for Vibra would encompass: (i) volume growth accompanied by a market share gain of 5.4% in 5 years; (ii) a real, adjusted EBITDA margin per m³ reflecting the full realization of estimated efficiency gains; and (iii) a perpetuity growth rate aligned with the Brazil's inflation growth rate. Under this scenario, our FCFE projection would grow significantly, resulting in an upside of 84.3%.

Bear Case: The worst-case scenario for Vibra would arise if none of our four main catalysts materialize, although we view this outcome as highly unlikely based on our assessment of VBBR3's fundamentals and potential risks. In this scenario, our bear case assumes that the company: (i) fails to increase its current market share, with volume growth merely tracking the sector's expansion; (ii) is only able to sustain real margin gains, but in line Vibra's 150 Adj. EBITDA/m³ lower bound guidance and under our implicit market expectations (Exhibit 43); and (iii) cannot maintain a positive perpetuity growth rate due to the impact of the energy transition on its core operations. Even under these unfavorable conditions, we still foresee limited downside potential.

Relative Valuation

Description: Our relative valuation is driven by two key factors: our NTM earnings projection for Vibra and the forward multiple derived from a historical discount P/E analysis of a global peer set (Appendix L; Appendix M). This analysis focuses on how Vibra's multiples have historically traded at a discount compared to the median multiples of peer groups from Brazil, Latin America, North America, Asia, and Europe. Based on this approach, Vibra's fair trading level is estimated at a 10.1 forward P/E, which is below the average multiple at which the company has traded since its IPO in 2017 (Exhibit 40). As a result, our relative valuation suggests a BRL 24.2 target price, implying a potential 37.0% upside. In our opinion, this indicates that the market continues to underestimate Vibra's current catalysts.

Peer selection: Vibra's peers are not entirely comparable, due to several key differences: (i) Brazilian fuel distribution companies are not pure players, (ii) Brazilian oil companies are restricted from participating in the downstream segment of the supply chain, and (iii) major international competitors typically have more vertically integrated operations. As a result, selecting appropriate stocks for a trading comparables analysis is challenging. To avoid introducing bias into our analysis, we used the median historical premium (or discount) of multiples, placing greater emphasis on Brazilian peers, Ultrapar and Raízen (Exhibit 42).

Vibra on its own: Vibra's historical forward price-to-earnings (P/E) multiple has generally ranged between 10x and 18x, with a mean of 14x. We believe that the current multiples do not fully reflect the value of our four main catalysts. This is evident not only because the company is trading below its 1 standard deviation range, but also because it is trading at an implied 8.9x forward P/E based on our next NTM earnings projections and current prices. Consequently, we view the current pessimism as an excellent investment opportunity, offering a significant margin of safety.

Dividend Discounted Model

Description: To further enhance the robustness of our valuation analysis, we conducted a Dividend Discount Model (Appendix H). This approach allows us to directly value the cash returns that the company provides to its investors, aligning with Vibra's consistent payout policy and regular extra distributions. As previously outlined, we assumed a 40% payout ratio from 2024 to 2027, 60% from 2028 to 2031, and 75% thereafter. Applying a 5.1% perpetuity growth rate based on the Sustainable Growth Rate formula, we arrived at a target price of 24.3, representing a potential 37.3% upside.

INVESTMENT RISKS

This section presents the main risks associated with our Investment Thesis and also with Vibra's future success. They can be separated into four main groups: Business and Operational Risks (B), Competitive Risks (C), Macroeconomic Risks (M), and ESG Risks (E). To complement our analysis of their respective impacts on our target price, we used a Monte Carlo Simulation (Exhibit 44; Appendix N) and a Tornado Analysis (Exhibit 45). It is worth noting that the risks are listed in order of relevance within their sections and graphically classified in matrices (Exhibit 46 and 47).

Business and Operational Risks (B) Probability: Low | Impact: Medium

(B1) Failure of the Rebranding Process - Probability: Low | Impact: High

Currently, the company holds a licensing agreement that allows it to use several brands owned by Petrobras in its operations, most notably "BR", which names its Network of Fuel Stations. However, Petrobras has announced that it does not intend to extend the agreement (at least not under the current conditions) beyond June 2029, when it expires. As a result, following this date, Vibra will need to execute a debranding process within six years, transitioning away from these established brands and adopting new ones. If this transition is not well executed, the company could face significant damage to its business, as the current brands are widely recognized by consumers and



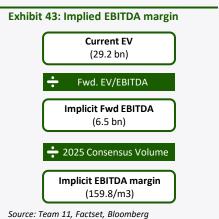


Exhibit 44: Monte Carlo simulation



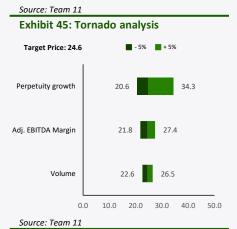


Exhibit 46: Macro risk matrix

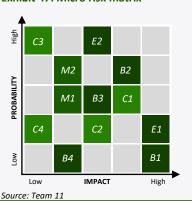
Macro
Risks

Departitional
ESG Risks

Low IMPACT High

Exhibit 47: Micro risk matrix

Source: Team 11



play a key role in the company's sector, representing its quality and expertise. Even so, the company has sufficient time and expertise to perform it, and there is still room for renegotiation with Petrobras.

(B2) Increased Interest Risk due to Post-Acquisition Debt - Probability: Medium | Impact: Medium The acquisition of Comerc resulted in significant impacts on Vibra's indebtedness, due to the cost of the deal and the incorporation of the acquired company's debts. In our pro forma model, we project

the deal and the incorporation of the acquired company's debts. In our pro forma model, we project a Net Debt/EBITDA of 3.1x for 2025, versus 1x for Vibra in 2024. Furthermore, the prospects of higher interest rates in Brazil make this risk more relevant. However, management has already reinforced its focus on reducing gross debt in the medium term, aiming for a Net Debt/EBITDA below 2x and demonstrating its concern about the issue.

(B3) Errors in Supply Strategy - Probability: Medium | Impact: Medium

In a highly competitive and price-sensitive market, the company's strategy concerning the source of fuel, whether domestic or international, is critical. Any misstep that prevents Vibra from offering competitive pricing could lead to substantial losses in volume and market share. Over time, persistent strategic errors could harm relationships with retailers, potentially resulting in a significant reduction in the number of fuel stations under the company's brand. However, the company's experience and logistical strength significantly reduce the chances of this happening.

(B4) Logistics Infrastructure Issues - Probability: Low | Impact: Medium

The company's business relies heavily on its logistics infrastructure, which ensures the smooth operation of its entire supply chain. Therefore, any disruptions to storage facilities or distribution routes could lead to adverse effects, including potential operational stoppages.

Competitive Risks (C)

Probability: Low | Impact: High

(C1) Failure to Combat Illegal Activity - Probability: Low | Impact: High

Despite significant efforts to combat illegal competitors in the sector, these operations have persisted for decades, making it a challenging task. Using adulterated fuels and tax evasion, they can offer significantly lower prices, primarily because taxes account for a substantial portion of fuel prices. Beyond the financial losses to the state, this situation creates an unfair competitive environment. Should efforts to address this issue prove unsuccessful, what we see as unlikely, the company's operational results will continue to suffer, with reduced market share and margins.

(C2) Changes in Petrobras' Quota System - Probability: Low | Impact: High

Currently, Vibra benefits from the quota system through which Petrobras allocates fuel. While Vibra and other large players secure sufficient volumes, regional and local competitors are not fully served and must rely on less favorable sources. Any change to this system, such as guaranteeing quota shares to smaller ones, would erode a significant competitive advantage for larger distributors. However, it's worth noting that there are currently no incentives for Petrobras or the government to make such a change, especially given the high level of informality among smaller players.

(C3) Abrupt Changes in Supply Dynamics that Favor Imports - Probability: Low | Impact: High

For similar reasons, when the domestic fuel price is lower, the three largest distributors benefit. A future scenario with more opportunities for imports, driven by lower international oil prices compared to Petrobras' ones, would harm these players. This could enable independent stations to offer lower prices and create an excess supply in the market, eroding Vibra's pricing power and brand value. Such a scenario could also emerge from improbable changes in Petrobras' pricing policies.

(C4) Heightened Competition - Probability: Low | Impact: Medium

Vibra's current leadership position in the market is a valuable competitive advantage, enabling it to maintain a strong market share, pricing power, and operational control. However, increased competition, whether through the emergence of a new major distributor or the growth of existing players, would negatively impact the company. As a result, Vibra would not fully sustain its market share, suffering with tighter revenue streams and mildly lower margins. Nevertheless, in our view, the sector is already mature enough for this type of movement to occur without any clear advantage for one of the participants, which is not the case for Vibra's competitors.

Macroeconomic Risks (M)

Probability: Medium | Impact: Medium

(M1) Slower National Economic Activity - Probability: Medium | Impact: Medium

Fuel demand is closely tied to the performance of the Brazilian economy. A slowdown in economic growth, fewer new vehicles on the road, or constraints on consumer income would reduce this demand. Consequently, this would lead to lower sales volumes and weaker operational results for the company.

(M2) Impact of the Middle East Crisis - Probability: Medium | Impact: Medium

The growing tensions in the Middle East have caused significant fluctuations in fuel prices due to the region's critical role in the global oil market. Similar to the effects of the Russia-Ukraine war, these tensions are expected to drive prices higher. This would also likely reduce consumption due to elevated prices, as well as increasing the company's inventory costs, impacting its financial performance.

ESG Risks (E)

Probability: Low | Impact: Medium

(E1) Misallocation of Capital for the Future - Probability: Low | Impact: High

The company's future is closely tied to its positioning in the energy transition, a process already being shaped by management, as evidenced by the recent acquisition of Comerc. However, this transition is of utmost importance and must be managed with careful attention. Should the company's leaders fail to make relevant and successful investments in this area, its prospects in a renewable energy-dominated landscape would be severely damaged. So far, our analysis is that the excellent recent steps indicate that the company is moving in the opposite direction.

(E2) Climate Risks to Agribusiness - Probability: Medium | Impact: Medium

In the context of global warming, extreme weather events are expected to become more frequent, severely impacting agricultural production. Extreme temperatures or unfavorable rainfall patterns have the potential to reduce output significantly. Given the importance of the agricultural industry to fuel consumption, this would result in lower sales volumes for the company.



APPENDIX A – Vibra's financial statements: balance sheet, income statement and cash flow statement

Income Statement	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2
let Revenue	130121	181,446	162,947	172,636	169,413	170,504	172,030	182,151	196,489	211,829	228,228	245,762	264,486	284
) COGS	-123270	-173,957	-154,586	-164,123	-159,881	-160,816	-162,196	-171,736	-185,288	-199,785	-215,290	-231,869	-249,579	-268
ross Profit	6851	7.489	8.361	8,513	9.532	9.688	9.834	10.415	11.202	12.044	12.938	13.893	14,907	1
otal Operational Expenses	-4357	-3524	-782	1119.3877	-3844.6866	-3338.0329	-2754.0409	-2659.6558	-2716.133874	-2744.6143	-2774.1095	-2821.4186	-2835.8683	-284
) SG&A	-4357	-3524	-782	1119.3877	-3844.6866	-3338.0329	-2754.0409	-2659.6558	-2716.133874	-2744.6143	-2774.1095	-2821.4186	-2835.8683	-284
Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	204
BIT	2494	3,965	7,579	9,632	5,687	6,350	7,080	7,755	8,485	9,299	10,164	11,072	12,071	1
let Eineneiel Income (Evnences)	EC0	-2,031	-1,084		-2,018	-2,082	-1,826	-1,629	-1,586	-1,511	-1,422	-1,353	-1,348	
	•		0	-780 0	-520	-520	-520	-520	-520	-520	-520	-520		
oregone interest on Cash Others		0 -4		0	0	0		0	-320	-520	0	0	-520 0	
retax Profit	112 3174	1,930	-36 6,459	8,853	3,149	3,747	0 4,733	5,606	6,379	7,267	8,222	9,198	10,203	1
	-677	-393			-945			-1,682						
(-) Income tax consolidated Net Income	2497	1, 537	-1,693 4,766	-2,391 6,462	2,204	-1,124 2,623	-1,420 3,313	3,924	-1,914 4,465	-2,180 5,087	-2,467 5,755	-2,759 6,439	-3,061 7,142	-
alance Sheet	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
ash	3625	4,145	6,666	6,948	3,712	4,738	6,217	6,377	6,657	7,127	7,598	7,496	7,473	
eceivables	5587	6,931	6,135	6,310	7,128	7,201	7,286	7,835	8,451	9,109	9,812	10,564	11,367	1
ventory	5674	6,753	5,954	6,796	7,300	7,375	7,462	8,025	8,655	9,329	10,050	10,820	11,642	1
axes	1844	2,701	3,642	3,861	3,943	3,984	4,030	4,334	4,675	5,039	5,428	5,844	6,288	
ther current assets	1030	1,714	1,202	1,231	7,364	7,364	7,364	7,364	7,364	7,364	7,364	7,364	7,364	
otal current assets	17760	22,244	23,599	25,146	29,446	30,662	32,359	33,935	35,801	37,967	40,251	42,087	44,134	
eceivables	526	574	391	775	775	775	775	775	775	775	775	775	775	
udicial	1124	1,196	1,281	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	
axes	2369	2,508	4,149	7,321	7,321	7,321	7,321	7,321	7,321	7,321	7,321	7,321	7,321	
Other non-current assets	4281	1,766	1,506	1,101	1,101	1,101	1,101	1,101	1,101	1,101	1,101	1,101	1,101	
otal non-current assets	8300	6,044	7,327	10,544	10,544	10,544	10,544	10,544	10,544	10,544	10,544	10,544	10,544	
nvestments	609	4,984	4,490	4,501	6,135	6,097	6,061	6,027	5,994	5,963	5,934	5,906	5,879	
ixed Assets	6762	6,944	6,954	7,155	15,592	16,026	16,396	16,718	17,000	17,251	17,675	17,880	18,074	
Other	453	894	1,111	1,219	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649	
otal assets	33884	41,110	43,481	48,565	64,365	65,977	68,009	69,872	71,987	74,374	77,053	79,065	81,280	8
Payables	3310	5,134	4,496	3,228	3,806	3,844	3,887	4,181	4,510	4,862	5,239	5,641	6,071	
Dividends / IoC	132	401	1,124	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	
Short term debt	1339	1,674	1,349	2,758	6,374	6,374	6,374	6,374	6,374	6,374	6,374	6,374	6,374	
eases	118	128	121	77	178	178	178	178	178	178	178	178	178	
Pension Fund	108	153	155	124	124	124	124	124	124	124	124	124	124	
Other	2332	2,134	2,751	3,236	8,599	8,599	8,599	8,599	8,599	8,599	8,599	8,599	8,599	
otal current liabilities	7339	9,624	9,996	10,480	20,139	20,177	20,220	20,514	20,843	21,195	21,572	21,974	22,404	2
	11670	14.883	13,421	13,966	17.582	17.582	17,582	17.582	17.582	17.582	17,582	17.582	17.582	1
ong term debt					17,582 386				17,582			,		1
ong term leases	706	706	627	285		386	386	386		386	386	386	386	
Pension Fund	751	828	1,251	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	
Other long term liabilities	1110	2,456	2,455	1,875	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976	2,976	
Total non-current liabilities	14237	18,873	17,754	17,312	22,131	22,131	22,131	22,131	22,131	22,131	22,131	22,131	22,131	2
Common equity Fotal liabilities & equity	12308 33884	12,613 41,110	15,731 43,481	20,774 48,565	22,096 64,365	23,670 65,977	25,658 68,009	27,227 69,872	29,014 71,987	31,048 74,374	33,350 77,053	34,960 79,065	36,746 81,280	3
Cash Flow	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
let income	2497	1537	4766	6440	2204	2623	3313	3924	4465	5087	5755	6439	7142	
+) Depreciation	559	553	554	559	1040	1174	1277	1368	1451	1526	1598	1668	1729	
+) Adjustmnets	2584	3416	1792	-814	0	0	0	0	0	0	0	0	0	
-) NWC change	-2906	-1456	16	-2504	-668	-151	-174	-1123	-1257	-1344	-1437	-1535	-1640	
·) Other	-458	-2787	-881	-812	0	0	0	0	0	0	0	0	0	
perating cash flow	2276	1263	6247	2868	2576	3646	4416	4169	4659	5269	5917	6571	7230	
-) Capex	-636	-2420	-770	-1241	-2017	-1570	-1612	-1655	-1700	-1747	-1992	-1845	-1896	
-) Investments	-1998	0	0	-7	0	0	0	0	0	0	0	0	0	
) Dividends	15	53	137	7	0	0	0	0	0	0	0	0	0	
Asset sales (acquisitions)	204	356	1078	367	0	0	0	0	0	0	0	0	0	
nvesting cash flow	-2415	-2011	445	-874	-2017	-1570	-1612	-1655	-1700	-1747	-1992	-1845	-1896	
) Debt amortization	-2313	-2035	-4546	-2705	0	0	0	0	0	0	0	0	0	
-) Dividends	-2761	-490	-401	-1422	-882	-1049	-1325	-2354	-2679	-3052	-3453	-4829	-5356	
+) Debt issued	5845	4508	1836	2909	0	0	0	0	0	0	0	0	0	
+) Others	-365	-743	-1006	-586	0	0	0	0	0	0	0	0	0	
Financing cash flow	406	1240	-4117	-1804	-882	-1049	-1325	-2354	-2679	-3052	-3453	-4829	-5356	
X cash effects	0	28	- 4 117 -54	92	-002	-1049	-1323	-2334	-2679	-3032	-3433	-4029	-3336	
	267	520	-54 2521	92 282	-323	1 027	1479	159	28 0	470	471	-102	- 23	
Total cash flow											4/1			

APPENDIX B – Operational Data

Operational Data	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Volume (000 m3)	38,493	38,553	36,931	36,460	38,113	39,851	41,636	43,467	45,346	47,274	49,253	51,282	53,364	55,499
Yo Y(%)	4.74%	0.16%	-4.21%	-1.28%	4.53%	4.56%	4.48%	4.40%	4.32%	4.25%	4.18%	4.12%	4.06%	4.00%
Gas Stations	22,534	23,787	23,072	21,909	22,902	23,947	25,019	26,119	27,249	28,407	29,596	30,816	32,067	33,350
YoY(%)	7.11%	5.56%	-3.01%	-5.04%	4.53%	4.56%	4.48%	4.40%	4.32%	4.25%	4.18%	4.12%	4.06%	4.00%
B2B	15,959	14,766	13,860	14,551	15,211	15,904	16,617	17,347	18,097	18,867	19,656	20,466	21,297	22,149
YoY(%)	1.57%	-7.47%	-6.14%	4.99%	4.53%	4.56%	4.48%	4.40%	4.32%	4.25%	4.18%	4.12%	4.06%	4.00%
Vibra market share														
Diesel	28.0%	28.2%	25.6%	23.8%	24.6%	25.4%	26.2%	27.0%	27.8%	28.6%	29.4%	30.2%	31.0%	31.8%
Gasolina	25.1%	25.2%	23.2%	21.9%	22.5%	23.3%	24.1%	24.9%	25.7%	26.5%	27.3%	28.1%	28.9%	29.7%
Etanol	17.3%	18.1%	18.0%	17.2%	17.0%	17.8%	18.6%	19.4%	20.2%	21.0%	21.8%	22.6%	23.4%	24.2%
Óleo Combustível	98.5%	86.8%	84.8%	75.6%	73.3%	73.3%	73.3%	73.3%	73.3%	73.3%	73.3%	73.3%	73.3%	73.3%
Combust. Aviação	68.7%	68.4%	59.2%	62.5%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
Total	29.0%	28.7%	26.4%	24.7%	25.3%	26.1%	26.8%	27.6%	28.3%	29.1%	29.8%	30.6%	31.3%	32.1%
YoY(%)	2.14%	-0.27%	-2.36%	-1.61%	0.56%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Brazil total demand														
Diesel	62,112	63,227	65,518	68,282	70,032	71,152	72,291	73,447	74,622	75,816	77,029	78,262	79,514	80,786
Gasolina	39,317	43,039	46,030	45,699	47,570	48,331	49,105	49,890	50,688	51,499	52,323	53,161	54,011	54,875
Etanol	16,792	15,529	16,035	21,276	20,846	21,180	21,518	21,863	22,213	22,568	22,929	23,296	23,669	24,047
Óleo Combustível	3,390	1,869	1,906	1,902	1,933	1,964	1,995	2,027	2,060	2,093	2,126	2,160	2,195	2,230
Combust. Aviação	4,433	6,005	6,574	6,867	6,926	7,037	7,149	7,264	7,380	7,498	7,618	7,740	7,864	7,990
Total	126,043	129,669	136,063	144,027	147,307	149,664	152,058	154,491	156,963	159,474	162,026	164,618	167,252	169,928
Volume per mix														
Gas Stations	58.5%	61.7%	62.5%	60.1%	60.1%	60.1%	60.1%	60.1%	60.1%	60.1%	60.1%	60.1%	60.1%	60.1%
B2B	41.5%	38.3%	37.5%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%
Volume per fuel														
Diesel	17,373	17,843	16,772	16,240	17,261	18,106	18,974	19,866	20,780	21,719	22,683	23,672	24,687	25,728
Gasolina	9,857	10,849	10,686	10,009	10,700	11,258	11,831	12,419	13,023	13,644	14,280	14,934	15,605	16,294
Etanol	2,909	2,810	2,891	3,663	3,540	3,766	3,999	4,238	4,483	4,735	4,994	5,261	5,534	5,815
Óleo Combustível	3,340	1,623	1,617	1,438	1,417	1,440	1,463	1,486	1,510	1,534	1,559	1,584	1,609	1,635
Coque	1,033	506	315	129	131	134	137	139	142	145	148	151	154	157
Combust. Aviação	3,047	4,107	3,892	4,291	4,360	4,429	4,500	4,572	4,645	4,720	4,795	4,872	4,950	5,029
Lubrificantes	267	257	261	268	273	279	284	290	296	302	308	314	320	326
Outros	667	559	498	422	431	439	448	457	466	475	485	495	505	515
Revenues /m3 (BRL k)	3,401	4,723	4,432	4,750	4,311	4,142	3,994	4,052	4,194	4,341	4,493	4,650	4,813	4,981
Adjusted EBITDA/m3 (BRL k)	123	107	137	161	156	166	177	186	195	205	214	224	234	244
Adjusted EBITDA	4,745	4,113	5,068	5,858	5,959	6,601	7,382	8,091	8,851	9,681	10,558	11,469	12,467	13,535

Source: Team 11, Vibra IR



APPENDIX C – Valuation Assumptions

Vibra	
Payout	40.007
2024-2027	40.0%
2028-2031	60.0%
2032-2034	75.0%
Key Assumptions	
Market Share Gain (QoQ)	
Diesel	0.20%
Gasoline	0.20%
Ethanol	0.20%
Fuel Oil	0.00%
Aviation Fuel	0.00%
Cash rate	3.5%
Debt rate	-3.5%
Ratio to amortization of	0.8
bonuses	0.0
Depreciation as % of	-2.0%
PP&E	
Income tax rate	30.0%
Growth rate (Perpetuity)	3.5%

Comerc	
Key Assumptions	
Long term IPCA	3.5%
Load as % of GC Solar	25.0%
Capacity	25.076
Load as % of GC Wind	60.0%
Capacity	00.078
Load as % of GD Capacity	25.0%
Segments EBITDA Margins	
Solar GC	73.8%
Wind GC	85.0%
GD	63.1%
Trading	3.6%
Services	19.8%
Depreciation as % of PP&E	-4.4%
Income tax rate	23.0%
Beginning of dividend payout	2029

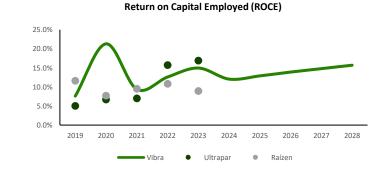
Variable	Bear case	Base case	Bull case
EBITDA/m3	Inflation Growth	50% Efficiency Gain + Inflation Growth	100% Efficiency Gain + Inflation Growth
Volume growth	0.0% of Market Share Gain per Quarter	0.2% of Market Share Gain per Quarter	0.3% of Market Share Gain per Quarter
Perpetuity	0%	Inflation Growth	Inflation Growth

Source: Team 11, Vibra IR

APPENDIX D – ROCE and ROE

ROCE: Besides ROIC calculation, which we have done using the asset side, we have also computed Vibra and its peers' return on capital employed. Our ROCE is the ratio between EBIT and Capital Employed, defined by the difference between Total Assets and Current Liabilities. Despite more volatile results, we see that the company has outstanded its peers in 2020, 2021 and 2023. We expect future normalization for these figures, standing around the 15% mark, a 3% spread from our WACC calculation. Historical and forecasted values reiterate our view on the company's competitive positioning and value generation.

ROE: We have also conducted a 5-step ROE Dupont Analysis, in which we see Vibra's 2023 30.3% ROE at the top when compared to Ultra's 17.9% and Raízen' mere 2.1% return on equity. We see that VBBR3 stands out regarding all components of our decomposition. The only exception is financial leverage, given that Raízen's operations demand higher indebtness. In such a competitive environment, having low debt, higher margins and higher turnover is fundamental to guarantee stable returns higher than peers' average.

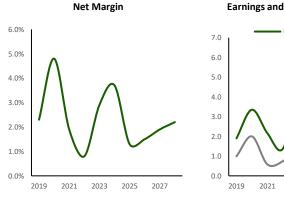


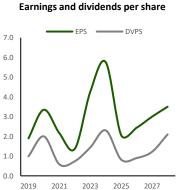


APPENDIX E – Net Margin, EPS and DVPS

Net Margin: As we should expect from a tight operational margin business, only a small fraction of Vibra's revenue translates into bottomline gains. Furthermore, being exposed to a market (i) tied to commodities prices fluctuations and (ii) featured by tough tailwinds in the last few years brought high volatility to company's earnings. Backed by our four catalysts, we expect a margin normalization, given the credit tax impact in 2023 and 2024 results, near 1.3% figures in 2025 followed by a modest growth with Vibra's operational excellence and Comerc's financial ramp-up.

EPS and DVPS: With a positive industry scenario and Vibra's logistics positioning, we expect a 2.0 EPS in 2025 and a 3.5 EPS in 2028. Furthermore, given low reinvestment needs, we expect that Vibra should continue to have great financial flexibility, allowing constant dividends payment and a 60% payout in 2028. In this sense, we see a 0.8 DVPS in 2025 and a 2.1 DVPS in 2028, reiterating the upside potential that Vibra is currently offering investors given FCF generation and additional proceeds.





Source: Team 11, Vibra IR

APPENDIX F – Cash Conversion Cycle

Working capital: Regarding working capital, we see that Vibra is very depleted when compared to its mains peers. While the company has improved its cash conversion cycle, Ultrapar and Raízen have done the same, implying that this considerable difference is still in play. The main reason is based upon DIO – Vibra's greater capacity asset base results in a lower inventory turnover. As seen in our third catalyst, current positive industry tailwinds could lead to an outstanding volume growth for the company, given the reduction of tax evasion and its logistics competitive advantage. Even so, we preferred to be conservative in our model, in which a 32 days CCC was forecasted with no improvement based on historical levels and impacted by Comerc's acquisition.





Appendix G - FCFE

FCFE		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2034
Net Income		6,462	2,204	2,623	3,313	3,924	4,465	5,087	5,755	6,439	7,142	7,913	7,913
D&A		559	1,040	1,174	1,277	1,368	1,451	1,526	1,598	1,668	1,729	1,786	1,786
CapEx		-1,241	-2,017	-1,570	-1,612	-1,655	-1,700	-1,747	-1,992	-1,845	-1,896	-1,950	-1,786
Investment in WC		-2,504	-668	-151	-174	-1,123	-1,257	-1,344	-1,437	-1,535	-1,640	-1,752	-1,752
Change in Debt		204	0	0	0	0	0	0	0	0	0	0	0
FCFE		3,479	559	2,076	2,804	2,514	2,959	3,522	3,925	4,727	5,334	5,998	54,357
Time Step		0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	10.0
Ke	15.2%												
g	3.5%												
FCFE PV		-47.8	485.8	1,566.3	1,836.5	1,428.0	1,458.7	1,506.9	1,457.1	1,522.4	1,490.8	1,454.8	13,185.1
Equity Value		27,392.4											
Target		24.6											
Upside		38.9%											
Implicit P/E	0.07									Source: Tean	n 11, Vibra IR		

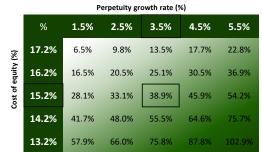
Appendix H – Dividend Discount Model (DDM)

DDM		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2034
Net Income		6,462	2,204	2,623	3,313	3,924	4,465	5,087	5,755	6,439	7,142	7,913	7,913
Payout		40%	40%	40%	40%	60%	60%	60%	60%	75%	75%	75%	75%
Dividends		2,585	882	1,049	1,325	2,354	2,679	3,052	3,453	4,829	5,356	5,935	61,627
Time Step		0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	10.0
Ke	15.2%												
g (perpetuity)	5.1%												
ROE	20%												
Payout	75%												
NPV		-35	767	792	868	1,337	1,321	1,306	1,282	1,555	1,497	1,440	14,948
Equity Value	27,077												
Shares Outstanding	1,115.3												
Target	24.3												
Upside	37.3%												

Source: Team 11, Vibra IR

APPENDIX I – Upside Sensibility Analysis: growth and cost of equity

How sensitive our model is for key premisses: To evaluate how our upside changes with variations in the cost of equity and perpetuity growth rates, we performed a sensitivity analysis. We find that only extremely pessimistic assumptions regarding our discount rate (17.2% cost of equity) and Vibra's terminal value (-1% perpetuity growth) justify the current price levels. Notably, even if we assumed that Vibra would completely cease operations after 2034 — yielding no perpetuity cash flow — and that future cash flow only would be generated by Comerc, this would result in a limited downside of 17% compared to current prices. In our view, this analysis underscores that the market may be overly skeptical about the long-term sustainability of Vibra's business model. As we have evaluated, even with a significant decline in oil demand, Brazil's energy transition remains a substantial driver supporting the continuity of the company's operations. Additionally, Vibra's alignment with the "energy house" thesis and its expanding portfolio of renewable energy further strengthens our confidence in its terminal value. Finally, our perpetuity growth rate is grounded in expected inflation, meaning no real growth for Vibra after our forecasted period.



Sources: Team 11

Source: Team 11, Vibra IR

APPENDIX J - Cost of Equity

Methodology: To estimate Vibra's cost of equity, we applied the Capital Asset Pricing Model (CAPM), resulting in a 15.2% cost of equity in BRL. For the build-up, we used a 4.6% risk-free rate, reflecting the current 10-year United States Treasury yield. Our assumptions for the Equity Risk Premium (ERP) and Country Risk Premium (CRP) align with Professor Damodaran's calculations. Vibra's beta was determined through a linear regression model, using five years of daily returns from both Vibra and the Brazilian market. Additionally, our ESG discount is based on our proprietary index (Appendix AH), while the FX variation considers an annualized nominal depreciation rate of the BRL against the USD, with inflation long-term projections of 3.5% for Brazil and 2.5% for the U.S.

Vibra's cost of equity breakdwon 4.4% -0.2% Risk Free ERP Beta CRP ESG Discount FX Var Ke

APPENDIX K – Weighted Average Cost of Capital

Cost of Debt Vibra **Capital Structure** Effective Effective Debt Principal Weight Index Spread Principal Weight Spread Interest Interest In BRL In USD 12.0% CRA 215 1.46% CDI 0.0% Citibank 3.94% None 3.1% CRI 0.66% IPCA 8.8% MUFG 0.95% 2.2% 141 None 4.1% 462 0.9% 12.9% Scotiabanl None CRA 379 2.57% IPCA 5.6% 10.3% JPM 246 1.67% None 5.9% 7.8% RNP 246 1.67% SOFR 3m 1.8% 8 5% ■ We ■ Wd 1,094 7.41% CDI 1.7% 13.7% Finex 1.5% Scotiabank 487 3.30% None 3.4% 4.87% Debenture 719 CDI 1.5% 13.5% 2.0% 3.9% mmary Discount rates BNP 732 4.96% None 493 3.34% 1.7% 13.7% NCE CDI BofA 2.46% None 2.9% 4.8% NCE 562 3.81% CDI 1.7% 13.7% Citibank 2.48% 2.9% 4.9% None 1.253 CDCA 8.48% CDI 1.6% 13.6% Bank of China 440 2.98% None 4.1% 6.0% Debenture 1.540 10.43% CDI 1.5% 13.5% Scotiabank 435 2.95% None 2.4% 4.3% CRA 912 6 17% IPCA 5.4% 10 1% Scotiabank 295 2.00% None 2.7% 4.6% 12.3% Debenture 800 5.42% CDI 1.8% 13.8% Scotiabank 3.32% None 5.0% 6.9% CRI 335 2.27% IPCA 5.0% 9.7%

Appendix L – Trading Comps

All data is in USD				Net Income			EBITDA								
Data covers from 19/12/1017 to 03/01/2025	Enterprise Value	Net Debt	Actual	FY1	FY2	Actual	FY1	FY2			EV/EBITDA			3.4x 6 7.4x 8 33.8x 6	
									_	2023	2024	2025	2023	2024	2025
VBBR3	4,723	1,541	774	928	466	1,320	1,117	1,025		3.6x	4.2x	4.6x	4.1x	3.4x	6.8x
Brazilian Peers															
UGPA3	4,657	1,907	489	373	331	1,027	1,045	961		4.5x	4.5x	4.8x	5.6x	7.4x	8.3x
RAIZ4	12,062	8,491	474	106	557	2,729	2,961	2,777		4.4x	4.1x	4.3x	7.5x	33.8x	6.4x
Average										4.5x	4.3x	4.6x	6.6x	20.6x	7.4x
Median										4.5x	4.3x	4.6x	6.6x	20.6x	7.4x

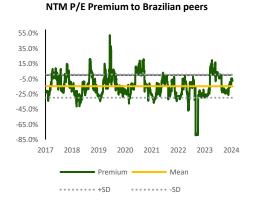
Source: Team 11

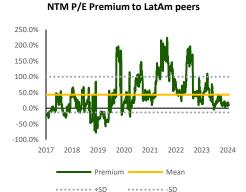


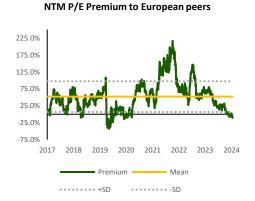
LatAm Peers														
YPFD	27,801	7,794	(5,965)	3,271	1,831	4,127	5,713	5,780	6.7x	4.9x	4.8x	-3.4x	6.1x	10.9x
ECOPETROL	46,033	29,118	4,433	4,179	3,013	13,631	14,638	12,474	3.4x	3.1x	3.7x	3.8x	4.0x	5.6x
COPEC	14,783	7,110	349	1,107	1,027	1,957	3,070	2,820	7.6x	4.8x	5.2x	22.0x	6.9x	7.5x
Average									5.9x	4.3x	4.6x	7.5x	5.7x	8.0x
Median									6.7x	4.8x	4.8x	3.8x	6.1x	7.5x
US Peers														
CVX	287,666	21,966	21,369	19,062	19,422	42,177	45,360	48,222	6.8x	6.3x	6.0x	12.4x	13.9x	13.7x
XOM	497,055	23,000	36,010	34,294	35,879	70,954	74,378	78,413	7.0x	6.7x	6.3x	13.2x	13.8x	13.2x
PSX	67,366	19,422	7,015	2,923	4,005	9,997	7,486	8,994	6.7x	9.0x	7.5x	6.8x	16.4x	12.0x
SU	54,129	8,322	6,147	4,888	3,750	11,856	12,394	10,574	4.6x	4.4x	5.1x	7.5x	9.4x	12.2x
MPC	76,907	31,032	9,681	3,427	2,963	16,951	10,876	10,388	4.5x	7.1x	7.4x	4.7x	13.4x	15.5x
Average									5.9x	6.7x	6.5x	8.9x	14.7x	13.0x
Median									6.7x	6.7x	6.3x	7.5x	13.8x	13.2x
Asia Peers														
PETROCHINA	247,839	35,443	22,772	22,813	21,821	69,090	67,564	65,462	3.6x	3.7x	3.8x	9.3x	9.3x	9.7x
PETRONAS														
	8,338	(544)	372	421	505	871	970	1,135	9.6x	8.6x	7.3x	10.2x	21.1x	17.6x
ENEOS	34,256	19,802	1,064	1,995	1,356	4,633	5,535	4,874	7.4x	6.2x	7.0x	13.6x	7.2x	10.7x
Average									6.9x	6.2x	6.1x	11.0x	12.6x	12.7x
Median									7.4x	6.2x	7.0x	10.2x	9.3x	10.7x
Europe Peers														
SHEL	231,544	33,552	19,359	22,925	22,806	46,218	64,273	58,438	5.0x	3.6x	4.0x	10.2x	10.1x	9.3x
REP	23,256	8,872	3,426	3,131	2,804	7,090	8,552	7,813	3.3x	2.7x	3.0x	6.8x	7.4x	8.3x
ENI	66,029	22,509	5,160	4,989	5,844	18,088	20,408	18,383	3.7x	3.2x	3.6x	8.4x	8.7x	7.4x
BP	124,466	45,241	15,239	4,271	9,993	44,158	37,102	37,227	2.8x	3.4x	3.3x	8.2x	29.1x	12.5x
TTE	155,194	28,445	21,384	17,293	18,404	43,909	41,364	41,358	3.5x	3.8x	3.8x	5.9x	7.3x	6.9x
Average									3.7x	3.3x	3.5x	7.9x	12.5x	8.9x
Median									3.5x	3.4x	3.6x	8.2x	8.7x	8.3x

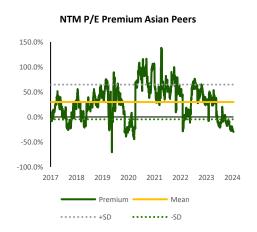
APPENDIX M - Vibra's Historical P/E Premium (Discount)

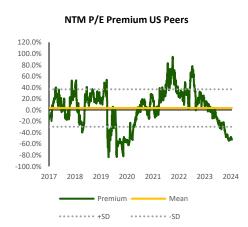
Source: Team 11, Capital IQ







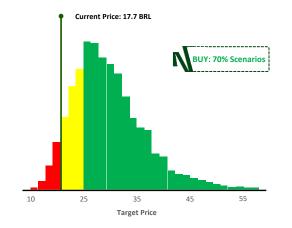




Methodology: For our relative valuation, we compared Vibra against five global peer groups to assess how it has historically traded since its IPO relative to similar companies. Using Capital IQ, we built a database of historical NTM P/E ratios and calculated Vibra's premium (or discount) against the median multiple of each peer set. Across almost all regions analyzed, VBBR3's forward price-to-earnings multiple is trading at a discount, with premiums close to one standard deviation below the historical mean. We then applied this premium (or discount) to current forward multiples and calculated a weighted average, resulting in a fair 10.1 NTM P/E. This fair multiple remains near one standard deviation below Vibra's historical P/E mean (exhibit 40). This analysis supports our view that the market has yet to fully price in the four primary catalysts we believe will drive a re-rating of the stock.

Sources: Capital IQ, Team 11

🖫 APPENDIX N – Monte Carlo Analysis



Methodology: We assumed the bellow distributions for key variables and simulated over 10,000 scenarios sampled randomly from those distributions and stored the resulting price target for each simulation.

Results: The results indicate that, in most scenarios, Vibra's current price level offers a highly favorable risk-reward ratio, taking into account the uncertainties of sales volume (market share), margin, and cost of capital.

Variable	Distribution	Mean	Stdev
Market Share Gain (QoQ)	Normal	0.2%	0.2%
Eficiency Gain of Margin	Normal	50.0%	50.0%
Cost of Equity	Normal	15.2%	2.0%

Source: Team 11. Vibra IR



APPENDIX O - Vibra's Brands overview

Consumer Engagement and Branding Strategy: Vibra connects with end consumers through a suite of brands that shape its branding universe, including Petrobras, BR Aviation, Petrobras Premmia, Petrobras Podium, Petrobras Grid, Petrobras Verana, Flua Petrobras, De Olho no Combustível, BR Mania, and Lubrax+. As their names suggest, many of these brands still leverage Petrobras's identity—a legacy from the company's pre-privatization era. The "Vibra" brand itself didn't emerge until 2017 and has yet to be fully integrated into the company's consumer-facing image. This scenario may shift after 2029, when the licensing agreement with Petrobras expires, though the pathway remains uncertain.



Petrobras (or BR stations) is the central brand of the company, featuring over 8,198 service stations across Brazil and an average of 840 million refuels per year. The stations contribute approximately 62.47% of the total volume sold, offering the main types of fuels and encompassing other business ventures of the company, such as convenience stores and lubricant shops.



Premmia Loyalty Program: Premmia is Vibra's loyalty program, designed to strengthen consumer engagement and brand loyalty. As of December 31, 2023, Premmia had an impressive 20 million registered members, highlighting its broad reach and significance within Vibra's brand portfolio.



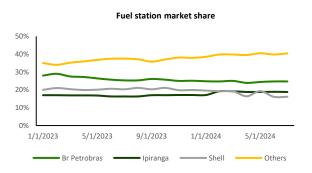
BR Mania is a convenience store brand by BR, focusing on providing a diverse range of products and services to enhance customer experience at gas stations. With over 1,323 active stores, BR Mania emphasizes non-fuel sales, such as food services, boosting revenue and customer loyalty. In 2023, the brand achieved an average revenue of R\$115,7 thousand per store.

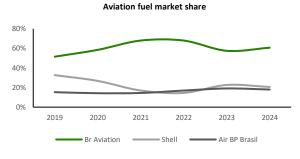


Lubrax+ is a franchise brand by BR, specializing in lubricants and automotive services. With a network of 1,724 franchises, Lubrax+ plays a key role in BR's strategy to increase customer engagement and drive revenue through high-quality automotive care across its service stations.



BR Aviation is the identity brand of Vibra in the aviation sector, it holds the largest share in aviation fuel distribution in Brazil, operating in 94 airports and serving approximately 2,900 clients. The company supplies jet fuel and aviation gasoline, achieving a market share of 61.6%.





Source: ANP, Team 11

APPENDIX P – Cost and Expense Analysis of Vibra

Vibra's total spending breakdown (BRL mm)	2023	% of total spending	Category	Туре	How much % is variable
COGS	-154,586	96.3%			
Products for Resale	-154,300	96.1%	Products for resale	Variable	100%
Third-Party Services and Rentals	-109	0.1%	Logistics	Hybrid	20,00%
Personnel Expenses	-40	0.0%	Salaries	Fixed	0%
Depreciation and Amortization	-13	0.0%	D&A	Fixed	0%
Inventory Variation (****)	0	0.0%	Other	Fixed	0%
Others	-124	0.1%	Other	Hybrid	50%
	0	0.0%			
ales	-2,773	1.7%			
Third-Party Services, Freight, and Rentals	-1,672	1.0%	Logistics	Hybrid	25,00%
Personnel Expenses	-374	0.2%	Salários	Fixed	0%
Expected Credit Losses (*)	-59	0.0%	Provision	Variable	100%
Losses on Uncollectible Receivables (*)	-43	0.0%	Provision	Variable	100%
Depreciation and Amortization	-451	0.3%	D&A	Fixed	0%
Others	-174	0.1%	Other	Fixed	0%
General and Administrative Expenses	-804	0.5%			
Third-Party Services and Rentals	-215	0.1%	Other	Fixed	0%
Personnel Expenses	-413	0.3%	Salaries	Fixed	0%
Depreciation and Amortization	-90	0.1%	D&A	Fixed	0%
Others	-86	0.1%	Other	Fixed	0%
Other Expenses	-2,436	1.5%			
Rental Expenses	-67	0.0%	Other	Fixed	0%
Losses and Provisions for Legal Proceedings	-283	0.2%	Provision	Fixed	0%
Pension and Healthcare Plans - Retirees	-103	0.1%	Salaries	Fixed	0%
Provision for Decarbonization Credits	-1,246	0.8%	Carbon credit	Variable	100%
Institutional Relations and Cultural Projects	-134	0.1%	Other	Fixed	0%
Performance Bonuses and Other Incentives	-152	0.1%	Salaries	Fixed	0%
Others	-91	0.1%	Other	Fixed	0%
Provision for Out-of-Court Settlements	-360	0.2%	Provision	Fixed	0%

Spending Type Methodology: To analyze Vibra's costs and expenses, we based our assessment on the company's detailed financial statements and operational disclosures. Each line item was categorized by spending type (products for resale, logistics, salaries, depreciation and amortization, provisions, and other) and grouped according to the company's operational functions.

Main Takeaways: The classification of costs and expenses by type has provided greater visibility into the company's expense structure. This structure consists of resale merchandise (96.7%), logistics (1.04%), carbon credits (0.54%), provisions and salaries (0.62%), depreciation and amortization (0.35%), and other expenses (0.27%). Most the company's cost structure stems from fuel purchases for resale (96.7%), which grants significant bargaining power to its suppliers. Among other costs, logistics expenses and the notable impact of carbon credits stand out.

EBITDA Variation Methodology with Volume: To analyze EBITDA variation in relation to sales volume, we categorized expenses as fixed or variable based on fuel sales. Some expense lines contained both fixed and variable components, which we labeled as hybrid and split according to representative proportions. This approach enabled us to develop a total spending function tied to Vibra's sales volume. By combining this function with the company's current EBITDA, we estimated potential cost savings or additional expenses driven purely by volume changes, allowing us to model EBITDA impact based solely on volume fluctuations, assuming all other factors remain constant.

Key Takeaways: Our EBITDA analysis by volume highlights that Vibra operates with limited operational leverage—a reflection of its high variable cost structure (97,16%). However, in an intensely competitive, low-margin industry, every marginal gain matters. Even a modest increase in volume could positively influence profitability, delivering an estimated boost of 2.47 BRL/m³ for each 2% rise in sales volume. This underscores the potential value of strategic volume growth in driving Vibra's profitability.

Total spending (BRL mm)	2023	% of Total spending				
Variable spending	156,088	97.16%				
Fixed spending	4,511	2.84%				
Total spending	160,99	100%				
Opera	ational leverage					
Total volume (000 m³)	35,852,88	36,211,409				
Fixed costs	4,56	57 4,567				
Variable costs	156,08	38 157,592				
Average cost/m³	4,479	.4 4,477.1				
Volume increase		1%				
Cost reduction BRL/m³		-1.26				
EBITDA increase BRL/m³		1.26				
	Source: Team 11, Vibra IR; Cosan IR					

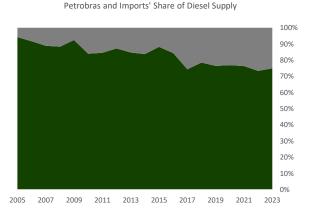


APPENDIX Q – Petrobras pricing strategy over time: interventionism, liberalization, and stability

The "golden age" (2013-2017): Petrobras followed a more interventionist pricing policy that provided substantial stability for fuel distribution incumbents. This approach allowed major players to secure consistent fuel supplies domestically with favorable terms, as Petrobras maintained refinery prices below international parity. This strategy led to high returns for distributors like Raízen, Vibra, and Ipiranga, as it limited the entry of smaller players and created a stable market environment, fostering significant brand value and infrastructure investments that reinforced incumbents' market positions.

The import era (2018-2022): Petrobras shifted to a more liberalized pricing model, aligning prices closer to international levels to improve refinery margins. This "import era" opened opportunities for smaller players to source fuel through imports, challenging the incumbents' dominance. The increase in imported fuel availability led to a loss in market share for established distributors as smaller, unbranded stations could sell fuel at more competitive prices. Consequently, this era saw reduced profitability for major players and heightened competition in the Brazilian fuel distribution sector.

A new pricing policy: In 2023 Petrobras adopted a new pricing policy for gasoline and diesel aiming to balance internal market competitiveness with profitability, moving away from using Import Parity Pricing (IPP) as the sole benchmark. Prices will now fall within a range, with the upper limit close to the customer's alternative cost (CAC) and the lower limit near Petrobras's marginal value.



Source: Team 11, ANP

APPENDIX R – Diesel Price Comparison

To conduct a fair comparison between both products, we took several precautions. First, regarding the diesel sold by Petrobras, we considered the information provided by the company itself and based our analysis on the prices of S10 diesel traded in Santos (SP), which has lower sulfur content and reflects the product already delivered to the terminal. In addition to standardization reasons, our choice was also due to the fact that Santos is one of the main hubs in the country, serving as a good proxy for other locations. We also converted the prices from cubic meters (m³) to liters (I) to facilitate the comparison. As for the international parity price (IPP), we obtained the price quotation for low-sulfur diesel produced in the U.S. Gulf Coast—a benchmark for global fuel trade. It was necessary to convert the price from U.S. dollars (USD) to Brazilian reais (BRL) and from gallons (gal) to liters (I). However, the two prices were not directly comparable, as one reflected the price of the product already in Brazil and the other still abroad. To address this issue, we added the freight cost that would be required to transport the U.S. diesel to Brazil. We relied on the Platts Clean USGC-Brazil 38kt MR index, a freight index related to medium-sized vessels that transport refined products along the route between the Gulf Coast and several Brazilian cities, including Santos. Currently at around USD 40 per metric ton, we adopted a conservative estimate of USD 30/MT (more than 20% lower), which is equivalent to approximately USD 0.0255/l and BRL 0.10/l. So, we added this value to the international parity price.

In this way, we obtained two price measures that more accurately represent the choice faced by distributors: purchasing diesel of either domestic or international origin, both already quoted in Brazilian reais per liter, with low sulfur content, and delivered to the same location.

Conversions Performed

Petrobras S10 Diesel – BRL/ m³ in Santos (SP) Low Sulfur Diesel – USD/gal, U.S. Gulf Coast

- 1. USD to BRL
- 1. Cubic meters (m3) to liters (l)
- 2. Gallons (gal) to liters (I)

3. Addition of freight costs

.

Petrobras S10 Diesel – BRL/l in Santos (SP)

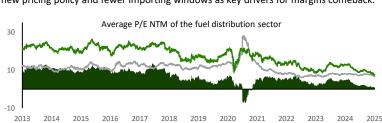
Low Sulfur Diesel – BRL/I, Santos (SP)

Source: Team 11, Vibra IR, ANI

APPENDIX S – The "golden age" (2013 – 2017) of the Brazilian fuel distribution sector

Average

We believe that Petrobras' pricing strategy prior to international parity led to two substantial features within the industry competitive dynamic. Given the quota system, the top 3 players were able to fully capitalize on their scale to buy high volumes with Petrobras, meaning that small players' operational leverages were null. As a direct consequence, Vibra, Ultrapar and Raízen were able to maintain high market share levels while having structurally higher margins, and the sector had a higher average P/E. However, ever since the IPP shift, we see that incumbents are losing share while also suffering with tighter gross margins and lower P/E. Going forward, we see the new pricing policy and fewer importing windows as key drivers for margins comeback.

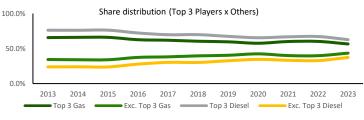


APPENDIX T - Urals

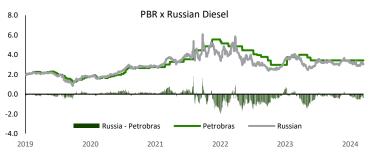
P/E (NTM) - Ibovespa

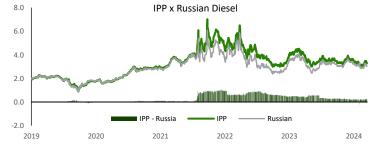
10.0% Gross margins of the fuel distribution sector

5.0% 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 Vibra Shell Ipiranga



Source: Vibra IR,Team 11





Since the beginning of the war between Russia and Ukraine, the European Union (EU) and other countries have imposed a series of sanctions on Russian products. These included a ban on imports of oil and oil products produced in the country. Initially, this was an attempt to cut off the country's sources of revenue. As a result, due to tighter demand, especially from large countries, Urals (the benchmark for the price of Russian oil exports) began to be traded at a significant discount to Brent (the global benchmark for the price of oil). This value, which reached almost 30%, led to a great opportunity for Brazilian distributors: they were able to import fuel at a significantly cheaper price than Petrobras was negotiating on the domestic market. In this way, the smaller distributors were able to compete fiercely with the incumbents, focusing on more attractive prices and gaining a greater market share.

Future Prospects: The difference between the price of Urals and Brent has been steadily narrowing since the sanctions began. As a result, the discount on Russian fuel, which once reached more than 1 BRL per liter, is now at 0.25 BRL per liter and continuing to fall. This is because the Russians are now refusing to sell their fuel at a highly discounted price, raising doubts about the effectiveness of the sanctions today. Consequently, the import opportunity faced by distributors is becoming less attractive.

Source: Vibra IR Team 11



APPENDIX U - Estimated Impacts on EBITDA for Vibra, Ipiranga and Raízen post-informal practice elimination

The impact of illegality in the fuel distribution space is significant, as competitors that do not pay taxes create an unfair competitive environment, resulting in loss of market share, reduced margins for compliant players like Vibra, Ipiranga, and

Methodology: To assess the potential impact on these major players from the five key informal practices identified, we conducted an analysis assuming these practices would cease. By calculating the total volume impacted and aligning it with each distributor's market share, we can estimate how much of this volume would be absorbed by each company. This methodology enables us to apply the EBITDA margin per cubic meter, providing insights into how the elimination of these informal practices would positively influence EBITDA for Vibra, Ipiranga, and Raízen. Based on the calculations, we project that the annual EBITDA impacts of the main informal practices are as follows:

(1.1) Total volume impacted	Individual	volumes (mn m³)	EBITDA Impact (mn R\$)			
(1.1) Total volume impacted	Vibra	Ipiranga	Raízen	Vibra	Ipiranga	Raízen	
620	161	111	117	9.9	5.9	6.6	
3300	729	561	528	46.6	29.9	29.7	
5700	1482	1026	1083	91.1	54.6	61.0	
15048	3912	2708	2859	240.3	144.3	161.1	
1660	431	298	315	26.5	15.9	17.7	
26328	6746	4706	4903	414.4	250.8	276.3	
√[/\ VIBR/\	P Ip	oıranga		r	aízen		
R\$ 414,483,641.15	R\$ 250,8	65,965.44	R\$ 276,334,376.39				

Source: Team 11, Portal da Transparência, Vibra, Raízen and Grupo Ultra IRs

APPENDIX V - Case analysis and estimated recuperation of market share

Methodology: To better understand the dynamics of illegality in Brazil's fuel distribution sector, we analyzed five companies identified over the past seven years for engaging in illegal activities. The objective was to estimate the market share recovered due to intensified efforts to combat such practices. This study outlines the specific Brazilian laws that were violated, highlights the most relevant crimes associated with the sector, and estimates the recovered market share. The names were anonymized to respect ongoing legal proceedings. Using market participation data from the ANP we calculated a recovered market share of 5.22%.

Case	Violated Brazilian Law	Details	Market share
Manaus Free-Trade Zone: fuel imports misclassified as industrial products	1 and Decree-Law No. 1,593/1977 (regulating tax exemptions in free-trade zones)	Players are importing diesel and gasoline, blending them with biofuels, and labeling the mixture as 'industrialized products.' While Amazonas state law exempts such products from federal taxes when sold within the Manaus Free-Trade Zone (FTZ), there are allegations that these companies are distributing the fuel outside the FTZ, circumventing the tax exemption rules.	0.02%
·	Tax evasion under CTN, Art. 1 and Decree No. 9,178/2017 (fuel taxation).	Players import naphtha, paying state taxes at 18% (around R\$0.60 per liter), and sell it as gasoline. However, they avoid paying the full state tax difference for gasoline, which amounts to R\$1.90 per liter, resulting in a R\$0.95 per liter discrepancy in the final hlended product	3.17%
Surrogate Distributors: exploiting temporary companies	(Environmental Crimes), and Law No. 8,137/1990 (crimes against tax order).	Persistent debtors use 'surrogate' distribution companies that temporarily operate without paying taxes. By the time authorities take action, millions of liters have been sold, and a new 'surrogate' company is set up to continue the operation.	1.87%
Carbon Credits: collection failure on fuel sales		Approximately 65 distributers fail to purchase carbon credits for the gasoline and diesel sold	0.13%
Biodiesel Mandate: non-compliance by distributors	(mandatory biodiesel mix) and Law No.	More than 30 distribution companies are blending less than 5% biodiesel into their fuel, falling short of the mandated 14% biodiesel mix requirement.	
		Source: Team 11. Vibra IR. Portal da Transparência. ANP	5.22%

APPENDIX W – Impact of the five most popular Informal Practices in Brazil on Volume and Government's Revenue

Methodology: To assess the impact of illegality on both major companies and government revenue, we identified three primary crimes and five irregular activities within the sector. Our analysis revealed annual losses of 8,798 BRL mm to the Brazilian government and a volume of 26,563 million m³ for legally compliant companies. This calculation excluded the R\$14 billion reported by FGV in collaboration with ICL, which accounted for additional offenses such as product adulteration. We summarized these five informal practices, their effects on government revenue, and the rationale behind our calculations. For issues such as the **Biodiesel Mandate**, estimating the government's losses became complex due to varying regulatory requirements across regions, complicating the collection of consistent data. Furthermore, many distributors underreported biodiesel sales or misclassified their products to evade compliance, resulting in discrepancies in reported volumes. Nevertheless, according to ICL and FGV, it became clear that revenue losses persisted when comparing actual collections from the industry to the amounts that should have been collected.

Crime	Case	(1.0) Volume Calculation	(1.1) Total volume impacted (000 m ³)	(2.0) Government Calculation	(2.1) Total revenue impact on government (R\$Mn)
Tax Evasion	Manaus Free-Trade Zone Fuel imports misclassified as industrial products	580m³ + 40m³ (Diesel imported + Gasoline)	620m³	580m³ * R\$353/m³ (Diesel imported * PIS/COFINS) 40m³ * R\$750/m³ (Gasoline * PIS/COFINS)	234.74
	Fraudulent Raw Material Naptha sold as gasoline	2,400,000m³ = 3,300,000m³ (Imported Naptha = Blended Gasoline)	3,300m ³	3,300,000m ³ * R\$950/m ³ (Blended volume * Tax rate)	3135
	Surrogate Distributors Exploiting temporary companies	15,048,000m³ (Hydrous Ethanol Volume)	15,048m³	7,200,000m ³ * 0.34 (Hydrous ethanol * Tax rate)	5256
Non-compliance	Carbon Credits Collection failure on fuel sales	5,700,000m ³ (Unpaid C-Bios Volume)	5,700m³	R\$7,500,000 * 0.23 (Volume of C-Bios * Tax Rate)	172.5
Regulatory violation	Biodiesel Mandate Non-compliance by distributors	2,000,000m ³ * R\$830 (Estimated volume * Loss per unit)	1,660m³	-	-
		Total	26,328m³	Total	R\$ 8,798

Source: Team 11, Vibra IR, ANP and portal da transparência

APPENDIX X - Potential Tax Revenue vs. Actual Revenue from Fuels in Brazil (R\$mn) - R\$14bn Gap

		Potential C	ollection		Effective Collection				Estimated Tax Losses			
Description	ICMS	PIS/COFINS	CIDE	Total	ICMS	PIS/COFINS	CIDE	Total	ICMS	PIS/COFINS	CIDE	Total
Fuels	98,884	52,569	3,845	155,298	89,849	43,778	3,900	137,527	9,035	8,791	-55	17,771
(-) Ethanol Tax Incentives	-1,521	0	0	-1,521	0	0	0	0	-1,521	0	0	-1,521
(-) ICMS Credits	-2,226	0	0	-2,226	0	0	0	0	-2,226	0	0	-2,226
(=) Default, Fraud & Evasion	95,137	52,569	3,845	151,551	89,849	43,778	3,900	137,527	5,288	8,791	-55	14,024

APPENDIX Y – The Brazilian tax reform and the PIS/COFINS debate

PIS/COFINS credits: In 2022, the Brazilian government introduced measures to reduce fuel tax burdens in response to inflationary pressures and the economic impact of the Russia-Ukraine conflict. Complementary Law 192/2022, enacted on March 11, set PIS/COFINS tax rates to zero for fuels, with Article 9 allowing companies in the fuel sector to retain linked tax credits. This provision led to a favorable interpretation, enabling fuel distributors to recognize credits on fuel purchases—a departure from standard practice for these monophasic taxes. However, on May 18, Provisional Measure 1.118/22 revoked this credit right, prompting a constitutional challenge that argued for a required 90-day transition period before revocation could be enforced. On June 21, the Brazilian Supreme Court (STF) upheld this transition requirement. Subsequently, on June 23, Complementary Law 194/2022 reaffirmed the prohibition on claiming these credits, but it did not take immediate effect due to the provisional measure's expiration on October 5. This sequence created a temporary window—from March 11 to September 21, 2022—during which distributors could recognize these credits. Vibra, one of the companies impacted, has already recognized BRL 2.6 billion in such credits and now anticipates an additional BRL 4 billion pre-tax, pending final judicial confirmation.

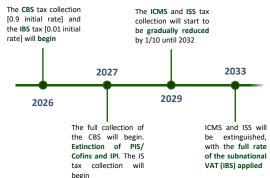
Tax reform: Officially passed in December 2023, the reform aims to modernize and simplify Brazil's complex tax structure by replacing five existing consumption taxes with a more streamlined system based on Value Added Tax (VAT). This alignment with international standards intends to make the system more transparent and efficient. The reform introduces two VAT types: the Goods and Services Tax (IBS), managed by states and municipalities, and the Federal Contribution on Goods and Services (CBS).



Additionally, there is a Selective Tax (IS) on specific products. However, to fully implement the reform, regulatory details such as tax rates, special regimes, and specific definitions will still need further legislative action and strong political coordination. The reform's increased transparency and clearer regulatory framework could improve oversight, allowing authorities to better track tax payments across the supply chain. For the fuel distribution sector, this translates to a more level playing field, where companies adhering to legal requirements are less likely to face unfair competition from those operating informally or evading taxes. The anticipated reduction in tax compliance costs might also allow companies to reinvest in operational efficiencies, further enhancing sector stability and competitiveness

PLP 164/2022: represents a significant advancement in the fight against tax evasion in Brazil, particularly targeting habitual tax debtors who exploit illegal practices to gain competitive advantages. This legislative proposal aims to impose strict penalties on those who, while reporting their sales to tax authorities, fail to remit the owed taxes, thereby creating an environment of unfair competition. By allowing the federal government, states, the Federal District, and municipalities to adopt special criteria for tax collection, the PLP seeks to restore equity in the market, benefiting companies that operate within the law. Effective action against these debtors not only protects the integrity of the sector but also ensures that collected resources can be invested in critical areas such as health, education, and security. In this context, PLP 164/2022 emerges as a crucial opportunity for Vibra and other legitimate distributors, enabling them to reclaim market share and enhance profit margins in a landscape characterized by increased formalization and regulation within the sector.

Brazilian tax reform timeline



Source: Team 11

APPENDIX Z – Vibra's re-rating without informality

Methodology: To evaluate the impact of informal practices on Vibra's EBITDA and potential share price, we analyzed how the elimination of informality might create positive value. First, we calculated historical conversion rates from EBITDA to Net Income for the period 2018 to 2023, finding a rate of 77%. This implies that an estimated FRITDA impact of BRI 414 million would translate to BRI 322 million in Net Income for Vibra. Next, we applied three forward P/E multiples to project the valuation effect of this earnings increase. The selected multiples were 6.7x, reflecting the current multiple; 9.6x, the historical mean minus one standard deviation; and 13.7x, the historical mean. This sensitivity analysis aimed to understand the potential for market re-rating under these scenarios. Our results suggest a re-rating range between 11.0% and 22.5%, indicating substantial investor upside potential from favorable sector tailwinds, as underscored by our catalysts.

	2018	2019	2020	2021	2022	2023
EBITDA	2,803	1,841	5,103	3,165	4,514	8,097
Earnings	3,193	2,211	3,905	2,497	1,537	4,766
Conversion rate %	114%	120%	77%	79%	34%	59%
Median	78%	-	-	-	-	-

EBITDA Impact (R\$mn)	Earnings Impact (R\$mn)	Shares (mn)	Price	Fair P/E for fue distribution	Impact on Valuation per share	Upside
414	322	1,115.3	17.6	6.7x	1.9	11.0%
-	-	-	-	9.6x	2.8	15.7%
-	_	_	-	13.7x	4.0	22.5%

Sources: Team 11

APPENDIX AA - Free energy market

We believe Brazil's free energy market presents a substantial upside risk for our view on Comerc and Vibra's position in the energy transition. The year 1995 marked a turning point for energy generation and distribution, as Law 9074 legalized energy-related transactions. Since then, the ACL (Free Contracting Environment) has consistently evolved, with an increasing number of market participants and a growing share of nationally consumed energy. Despite higher price volatility, the free energy market remains less regulated, offering lower tariffs and greater flexibility in contracts. We believe that this market feature, coupled with future deregulations—such as the liberalization for medium- and high-voltage customers at the start of 2024-will drive further transaction volume growth. Comerc, a leading player in energy generation and trading services, is well-positioned to capitalize on this potential structural shift in energy consumption in Brazil. Consequently, Comerc's contribution to Vibra's EBITDA could become even more significant, reinforcing management's sound capital allocation in support of the energy transition.



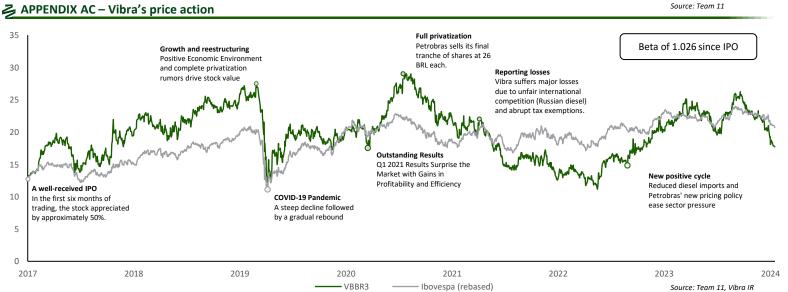
APPENDIX AB – Structure of Public Policies to Encourage the Production and Use of Biofuels in Brazil

In Brazil, a dynamic framework of public policies drives the growth of biofuels, built on three key pillars: the Mandatory Blend, RenovaBio, and strategic tax incentives. The Mandatory Blend, initiated in 1975 amidst a oil crisis, set the stage for a greener energy mix by requiring a blend of biofuels in the transportation sector, helping to gradually replace fossil fuels with more sustainable alternatives. RenovaBio, introduced through Law No. 13,576 in 2017, aims to accelerate biofuel production, closely aligning with Brazil's ambitious goals to reduce greenhouse gas emissions under the Paris Agreement. Complementing these initiatives, the differentiated tax rates between biofuels and fossil fuels create a tax advantage for biofuels, boosting their competitiveness and making them a more attractive choice for producers and consumers alike.

Contribution 2023	Ethanol	Gasoline	Diesel
ICMS (State)	12% to 18%	25% to 34%	12% to 18%
CIDE (Federal)	Exempt	R\$ 0.10 per liter	R\$ 0.05 per liter
PIS/COFINS (Federal)	R\$ 0.24 per liter	R\$ 0.79 per liter	R\$ 0.35 per liter
Ethanol/Biodiesel Blend	-	27%	13%

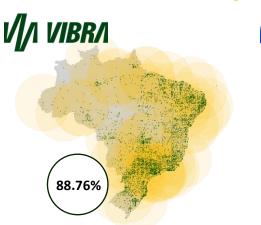
Source: Team 11

Source: CCEE





APPENDIX AD – Percentage of White-Flag Gas Stations Within a 300 km Radius of Any Fuel Distribution Base, by Company (in %)

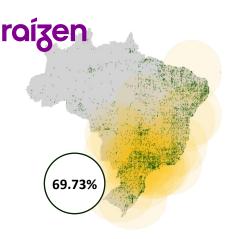


Fuel distribuition coverage area

White-flag gas station

Ipiranga

65.17%



Methodology: To evaluate the proximity of white flag gas stations to distribution bases, we obtained the coordinates of both the stations and the bases from the website of the National Agency of Petroleum, Natural Gas and Biofuels of Brazil (ANP). Using the pandas and geopy libraries for python, we calculated the percentage of stations located within 300 km of the distribution bases of each of the main listed players.

Results: This analysis clearly demonstrated, through both data and visual representation, Vibra's significant network reach and logistical advantage compared to its peers.

APPENDIX AE – Investment required to match Vibra's storage capacity

Source: Team 11 ,Vibra IR, ANP

Methodology: We conducted an estimate to understand the average expenditure required for companies to reach Vibra's full fuel storage capacity (currently at 1,463,202 m³, according to ANP). For this calculation, we mapped out the investments in storage tank purchases and expansions within the sector and calculated the average cost per cubic meter. Lastly, we estimated how much the two main peers (Ultrapar and Raízen) would need to spend to match Vibra's storage size, considering their current capacities. This allowed us to assess how long it would take them to reach this level if all their capital expenditure (CapEx) reported in 2023 for asset expansion in the distribution segment were invested in new storage facilities.

Date	Local	Compan	У	(Cap - in m ³)	(CapEx - in BRL mn)	CapEx/Cap (in BRL)	
2024	Porto do açu (RJ)	Vibra + Va	ist	84,000	300	3,571		
2024	Betim (MG)	Grupo poter	ncial	25,000	120	4,800		
2024	Betim (MG)	Grupo poter	ncial	7,000	25	3,571	571	
2024	Santarém (PA)	Raizen + Vi	bra	120,000	350	2,917		
2024	Santa Maria (RS)	Grupo sir	m	10,000	50	5,000		
2024	Juazeiro (BA)	Larco petró	ileo	3,500	20	5,714		
2023	Fortaleza (CE)	Ipiranga	1	21,600	80	3,704		
2023	Balsas (MA)	PetroBah	ia	1,265	8	6,324		
2022	Miramar (PA)	Vibra		28,000	70	2,500		
2021	Miritituba, Pará	Vibra + Ultrapar	+ Raízen	21,250	115	5,412		
2021	Senador Canedo (GO)	Larco		5,800	20	3,448		
		Average: reais/m³ c				R\$	4,269	
Com	pany Today's cap	acity (in m³)	CapEx to ma (in BRL		Fuel distribuition CapEx (in BRL mn)	Years to	match	
Ultra	apar 530	,128	3,98	4	445	9.0		
Raí	zen 824	,676	2,72	6	380	7.2		

APPENDIX AF – If Vibra Matched Operational Capacity with Other Players

Source: Team 11, Vibra IR, ANP

per storage capacity

Methodology: To estimate Vibra's minimum potential idle capacity, we analyzed the hypothetical volume if Vibra operated at the same utilization rate as its competitors. This analysis involved dividing each competitor's installed fuel storage capacity by their annual sales volumes of Gasoline, Ethanol, and Diesel. We then applied this ratio to Vibra's total installed capacity, resulting in an estimated average of 54.6 million cubic meters per year.

Raizen	820,962	26,183,507	32
Ipiranga	531,440	22,564,848	42
	Defere	la innu de	Avenage
	Raízen	Ipiranga	Average
Matched capacity volume (m3)	46,838,531	62,355,774	54,597,152

olume sold 2023 (m³

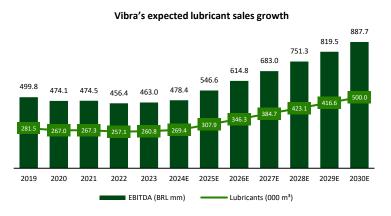
APPENDIX AG – Quantifying the Returns of Vibra's Investment in Lubricant Production

Source: Team 11, IBP

In 2023, Vibra made a strategic investment of approximately 100 million reais to expand its lubricant production facility, boosting its capacity from 300 million to 500 million liters per year. To forecast the potential financial benefits of scaling up sales to match this new capacity, we conducted an estimate using EBITDA per m³ as a proxy, given the absence of publicly available data.

Our analysis leveraged two key benchmarks: the three-year average EBITDA per m³ of 1,750.8 reported by Moove, a comparable competitor, and Vibra's own guidance, indicating that the EBITDA margin per m³ for its lubricant business is 12 times greater than the company's overall EBITDA per m³—estimated to be around 1,800 BRL.

Based on these inputs, we projected volume growth aligned with the increased production capacity, envisioning that by 2030, Vibra will reach its target of 500 million liters in annual sales. This analysis underscores the potential uplift in profitability as the company capitalizes on its enhanced production capabilities.



Source: Team 11, Vibra IR; Cosan IR



APPENDIX AH – ESG scoreboard

		Local peers	3	Global		Latam			
riteria	Vibra Ultrapar Raízen		Shell BP		YPF	Relevance in the industry	Mean	Media	
ESG Score	4.6	4.3	4.6	4.7	4.5	4.3		4.5	4.6
E - Environmental	4.5	4.3	4.6	4.6	4.3	4.1		4.4	4.4
E1: Emission reduction initiatives (GRI 305: Greenhouse Gas Emissions)	4.6	4.3	4.8	4.7	4.4	4.2	Critical	4.5	4.
E2: Commitments to global environmental agreements and goals aligned with the Paris Agreement (GRI 305: Greenhouse Gas Emissions)	5.0	4.7	5.0	5.0	4.3	4.2	Critical	4.7	4.
E3: Environmental monitoring and responsibility in the supply chain (GRI 308: Supplier Environmental Assessment)	4.1	4.0	4.3	4.4	4.5	4.0	High	4.2	4.
E4: Biodiversity management and environmental impacts in operational areas (GRI 304: Biodiversity)	3.8	4.0	4.2	4.3	4.0	4.1	Average	4.1	4
E5: Water and energy management in operations and supply chain (GRI 303: Water and Effluents; GRI 302: Energy)	4.5	4.3	4.5	4.5	4.3	4.1	Average	4.4	4
S - Social	4.6	4.2	4.4	4.6	4.5	4.1		4.4	4.
S1: Employee safety and health in high-risk operations (GRI 403: Occupational Health and Safety)	4.8	4.6	4.5	4.8	4.6	4.2	Critical	4.6	4.
S2: Labor relations management and unionization (GRI 402: Labor/Management Relations)	4.2	3.9	4.2	4.2	4.2	3.9	High	4.1	4
S3: Investments in local communities, particularly in fuel operation areas (GRI 413: Local Communities)	4.8	4.1	4.6	4.7	4.5	4.0	High	4.5	4
S4: Organizational climate and job satisfaction (GRI 401: Employment)	4.4	4.3	4.3	4.3	4.4	4.2	Average	4.3	4
S5: Workforce diversity and inclusion (GRI 405: Diversity and Equal Opportunity)	4.5	4.1	4.6	4.6	4.8	4.3	Average	4.5	4
G - Governance	4.6	4.4	4.5	4.7	4.4	4.2		4.5	4
G1: Transparency in governance and compliance policies (GRI 205: Anti-corruption Policies)	4.9	4.2	4.6	5.0	4.4	4.2	tical	4.6	4
G2: Executive compensation aligned with sustainability goals (GRI 102-35: Remuneration Policies)	4.7	4.6	4.8	4.7	4.2	4.1	High	4.5	4
G3: Data Availability and Transparency (GRI 102: General Disclosures)	4.8	4.6	4.5	4.8	4.8	4.4	High	4.7	4
G4: Capital concentration and ownership structure (GRI 102-22: Governance Composition)	4.2	4.1	4.1	4.2	4.9	4.1	Average	4.3	4
G5: Board diversity and commitment to inclusion (GRI 405: Diversity and Equal Opportunity)	4.3	4.0	4.3	4.3	4.3	4.0	Average	4.2	4
G6: Transparency and ethics in employee evaluations (GRI 206: Anti-competitive Behavior)	4.6	4.5	4.5	4.5	3.9	4.5	Average	4.4	4
Future Commitments	4.9	4.4	5.0	5.0	4.8	4.7	<u> </u>	4.8	4
FC1: Clear Energy Transition Plans	4.9	4.2	5.0	5.0	5.0	4.8	Critical	4.8	5
FC2: Long-Term Sustainability Management	4.7	4.5	5.0	5.0	4.8	4.6	High	4.8	4
FC3: Defined ESG Commitment Pathways	5.0	4.4	5.0	5.0	4.5	4.5	High	4.7	4
Risk score - Sustainalytics ESG Risk Score (0-100)	19.4	35.0	19.1	38.4	33.8	31.2		29.5	3
Environmental score	4.5	4.3	4.6	4.6	4.3	4.1		4.4	4
Social score	4.6	4.2	4.4	4.6	4.5	4.1		4.4	4
Governance score	4.6	4.4	4.5	4.7	4.4	4.2		4.5	4
Present effort (75% weight)	4.6	4.3	4.5	4.6	4.4	4.2		4.4	
Future commitments (25% weight)	4.9	4.4	5.0	5.0	4.8	4.7		4.8	4
ESG Score	4.6	4.3	4.6	4.7	4.5			4.5	4
ESG risk adjusted score	4.8	4.4	4.8	4.8	4.6	4.4		4.6	4
Deviation from the mean	0.2	-0.2	0.2	0.2	0.0	-0.3		N/A	N
ESG risk premium	-0.17%	0.31%	-0.22%	-0.17%	0.03%	0.22%		N/A	N

Methodology: Our ESG index is built upon the most relevant publicly available ESG data disclosed by companies in the energy distribution sector. The sector adheres to the standards set by the Sustainability Accounting Standards Board (SASB), Principles for Responsible Investment (PRI), and Global Reporting Initiative (GRI), enabling consistent and meaningful comparisons. To more accurately capture the dynamics of the sector, we have introduced a relevance criterion within the ranking that adjusts the weighting of each topic based on its significance to the sector. Given the diverse nature of company operations, each score is further refined using the Sustainalytics ESG Risk Score specific to each company.

Key Takeaways: Our ESG ranking highlights Vibra's strong leadership in the local market, where it is already recognized by leading global agencies. Locally, Vibra stands out among its peers with a lower-risk business model, a strong commitment to ESG targets, and top scores in MSCI and Bloomberg rankings. On a global scale, the company remains highly competitive, consistently aligning with industry best practices. Our methodology also quantifies this leadership in financial terms. This advantage positions the company to benefit from an ESG risk premium; specifically, its lower ESG risk relative to local peers can result in a reduced cost of equity.

Rating	Description	Review			
1	Laggard	Initial efforts are visible, yet they have not translated into significant success in meeting the criteria.			
2	Satisfactory	Demonstrates a clear commitment with measurable progress towards achieving the criteria.			
3	Average	Performance meets industry benchmarks, reflecting a consistent effort and success.			
4	Excellent	Shows above-average dedication and superior results in fulfilling the criteria.			
5	Leader	Sets the benchmark through innovation and demonstrates exemplary efforts and results in achieving the criteria.			

Source: Team 11, Vibra IR

APPENDIX AI – Management members

Name	Position	Field of expertise	Years of industry experience	Background
Ernesto Pousada	CEO	Mechanical Engineering, Business Management	5+	Mechanical Engineer from Escola de Engenharia Mauá; specialization in Business Administration (FIA); former CEO at VLI Logística; roles at Dow Chemical, Suzano, Ingredion; awarded Executive of Value in 2021 by Valor Econômico.
Augusto Ribeiro Júnior	Corporate Finance, Strategy, and IR	Finance, Strategic Management	25+	Bachelor's and Master's in Mechanical Engineering (UFSC); Corporate Finance (FGV-RJ); EMBA from University of Pittsburgh; advanced training at Wharton and LBS; former CFO at PicPay, senior roles at lochpe Maxion, BRF, Sadia, Kraft Foods.
Marcelo Fernandes Bragança	Operations and Supply	Logistics, Operations Management	25+	Mechanical Engineer (UFES); postgraduate in Maintenance Engineering; MBA in Business Logistics; long-term executive at BR since 1998, including leadership in various operational departments.
Flavio Coelho Dantas	Retail Commercial	Retail Management, Strategic Planning	26+	Economist (PUC-RJ); specialization in Administration; extensive experience at Ipiranga as commercial director; roles at Accenture Brazil and FIRJAN.
Juliano Junqueira de Andrade Prado	B2B commercial and Aviation	Industrial Engineering, Digital Transformation	20+	Industrial Engineering (UFRI); executive MBA (Coppead); additional training from LBS, Wharton, Harvard, IMD; global VP at Gerdau; senior roles in Shell, Raízen, and Cosan.
Clarissa Sadock	Renewable Energy	Finance, Renewable Energy Management	15+	Economist (Cândido Mendes); MBA in Finance (COPPEAD/UFRJ); extension in Finance (Darden School, UVA); CEO at AES Brasil; extensive background in financial planning and treasury.
Henry Daniel Hadid	Legal and Institutional Relations	Corporate Law, Institutional Relations	23+	Law degree (Estácio de Sá); postgraduate in Oil Law (Candido Mendes); MBA in Business Law (FGV); joined BR in 2001 with progressive roles in legal and institutional relations.
Aspen Ricardo Andersen da Silva	People, Technology, and ESG	Business Development, Technology Management	20+	Mechanical Engineer (UFRJ); MBA from Ibmec; executive training in Digital Business (FGV), innovation (MIT), leadership (Singularity University); extensive experience in managerial roles at BR and Petrobras.
Vanessa Gordilho	Negócios e Marketing	Digital Transformation, Marketing Strategy	20+	Communication graduate; MBA from UCSD; former CEO of healthtech Qsaúde; senior roles in Mastercard, Thales, GetNet, with focus on digital business transformation.

Key takeaways: Vibra faced governance scrutiny in 2022 with its CEO change. Ernesto Pousada, despite limited industry experience, was seen as a strong candidate. The experienced board mitigates concerns over his background. In our view, this depth of expertise helps to mitigate any challenges arising from the CEO's limited background in fuel distribution. Source: Vibra IR. Team 11

APPENDIX AJ – Progress in Combating Illegality & conviction rate

To show the growing focus on illegality in Brazil's fuel sector, we analyzed court decisions from all 26 states and the Federal District over the past five years (2019–2024). Using keywords like "Gasoline," "Charges," and "ICMS" to identify relevant cases in the General Consultation section of each court, we built a structured database and calculated the annual growth rate (CAGR). The results revealed a 22.4% increase in cases, showing greater judicial action against illegality in the sector. To measure the consistency of convictions, we examined 152 cases from 2023, looking for terms like "request fully or partially granted" to indicate rulings in favor of the State. Of these, 126 cases favored the State, while 26 were unfavorable, resulting in an 83% success rate. This means the State has, on average, an 83% chance of winning lawsuits related to illegal activities in the fuel sector.

Word search criteria	"Fuel", "Charge" and "ICMS"					
Years analized	2019	2020	2021	2022	2023	2024
Cases recorded annually	70	78	101	144	157	152

2023 Conviction Rate						
Judgement Situation	Number of Cases	%				
Won Cases	126	83%				
Lost Cases	26	17%				
Total	152	100%				