

Vivo Energy plc *Company Presentation*

November 2019



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Vivo Energy - Snapshot

- 1** Market leading positions across Africa, with premium brands
- 2** Growth underpinned by favourable African macro and fuel market fundamentals
- 3** Highly cash generative business model, with structurally high ROACE
- 4** Diversified operations with resilient margins uncorrelated to oil prices
- 5** Experienced management, with proven track record of executing growth strategy

The leading independent fuel supplier to retail and commercial customers in Africa

Footprint in 23 countries

#1 and #2 positions in countries representing ~90% of volumes²

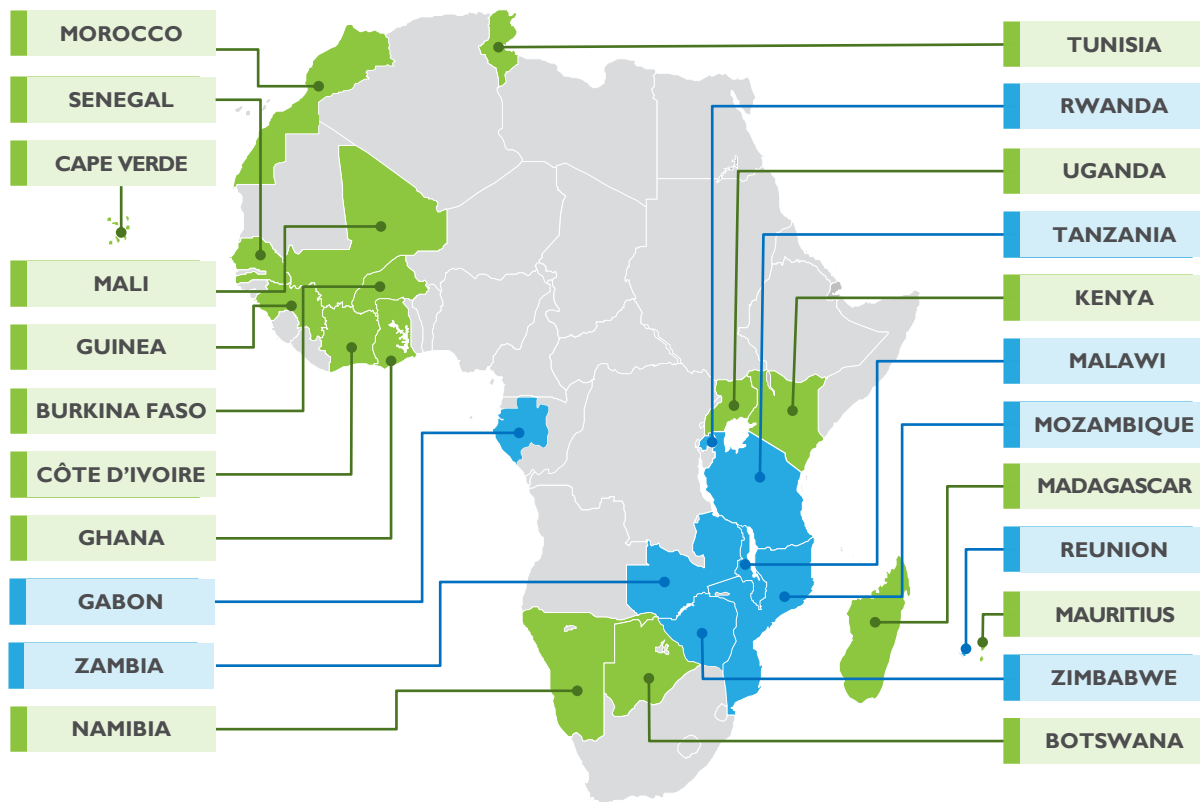


2,171¹ retail sites



+10 billion litres of fuel sold in 2018³

+800,000 customers per day visit our sites



Shell brand

Engen brand



(1) Overall market position across all business segments in 2018, source CITAC, based on total volumes sold in the six months ended 30 June 2019
 (2) Information as of June 2019
 (2) Pro-forma to include Engen management information reported volumes in 2018

We operate an integrated business across three core segments

Retail

~60% of Adj. EBITDA



Second largest retailer in Africa outside South Africa, in terms of site numbers

Retail fuels

- Sale of petrol and diesel fuels at 2,171¹ Shell and Engen-branded service stations across 23 countries

Non-fuel retail

- Multi-branded Convenience Retail and Quick Service Restaurant offering

Lubricants

~10% of Adj. EBITDA



Integrated manufacturing, distribution and marketing operations

Retail Lubricants

- Providing products to consumers at retail sites, as well as through a network of distributors

Commercial Lubricants

- Supplying specialist lubricants to mining companies, B2B customers and export sales

Commercial

~30% of Adj. EBITDA



Integrated offering to 5,000+ customers across long term contracts, tenders and spot sales

Core Commercial

- Supplying mining, construction, transport, power and industrial companies. We also supply LPG, primarily to consumers

Aviation and Marine

- Supplying aviation fuel, plus bunkering for marine traders and other shipping companies

Favourable African macro trends underpin our growth



STRONG POPULATION GROWTH

- **1.2 billion** more people by **2050⁽¹⁾**
- **58%** of global population growth



YOUNG POPULATION

- **Median age of 19** vs. 30 and 38 in Asia and USA, respectively⁽²⁾



RAPID URBANISATION

- Urban population to grow from **42%** to **60%** from 2015 – 2050



GROWING MIDDLE CLASS

- **376 million** to **582 million** people from 2013 – 2030



STRONG GDP GROWTH IN VIVO ENERGY COUNTRIES

- **5.2%** CAGR 2018 – 2023



INCREASING CONSUMER SPENDING

- **4%** household consumption CAGR 2015 – 2025



RAPID VEHICLE GROWTH

- **7%** CAGR 2016 – 2021⁽³⁾
- **60** vehicles per 1,000 people vs. **560** in Europe⁽³⁾

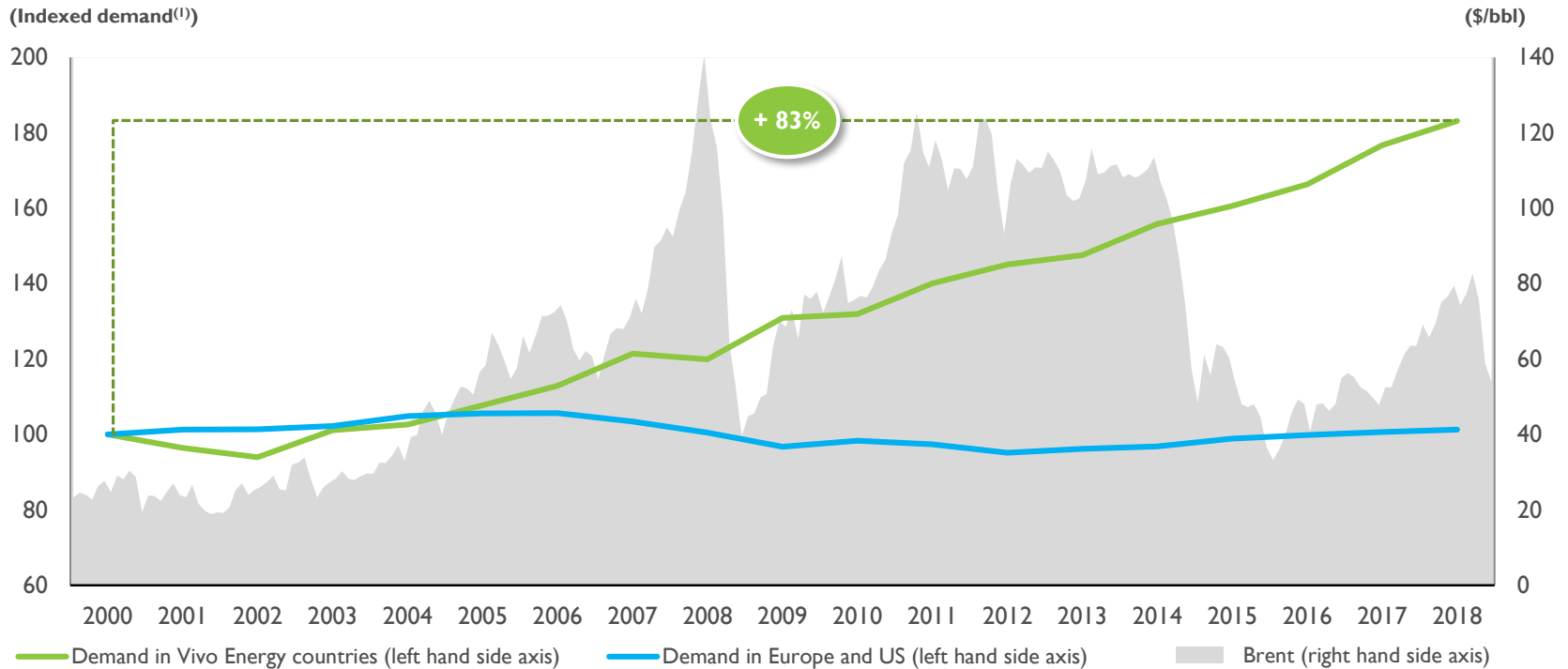


STRONG INFRASTRUCTURE DEVELOPMENT

- **\$150bn** of annual infrastructure spending required by 2025

Which drives resilient and growing fuel demand

FUEL DEMAND HAS KEPT GROWING DESPITE A FLUCTUATING OIL PRICE



AFRICAN FUEL DEMAND CHARACTERISTICS

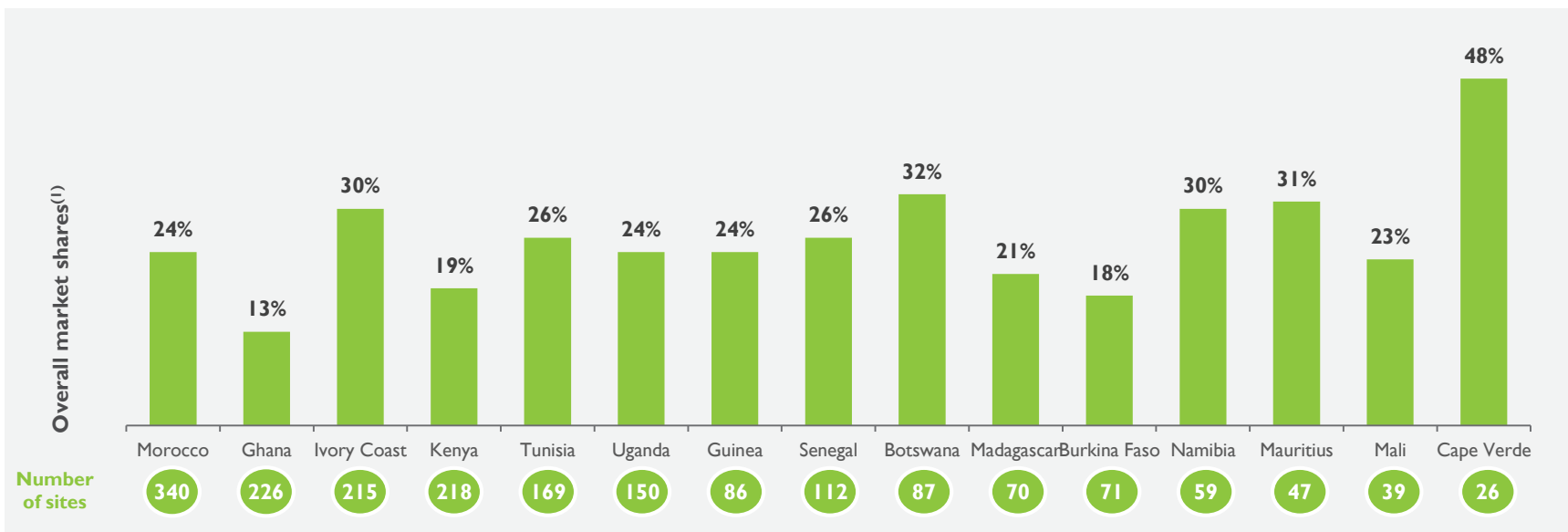
- Few public transport alternatives
- Roads are the primary transport route
- Staple product
- Car parc growth, lower vehicle efficiency and expanding road network

We have market leading positions in our Shell-branded Markets

TOTAL VOLUMES: 9.4bn litres

MARKET SHARE: 23%

ADJ. EBITDA: \$400m



BRAND REMAINS CRITICAL IN AFRICA

- Fuel is a high share of wallet purchase
- Presence of counterfeit and adulterated products
- Price regulation in most markets



WE HAVE THE #1 BRAND

- Most preferred brand in all Vivo Energy's markets with 52% brand preference⁽²⁾
- 15 year license agreement with Shell renewed in 2017

WE MAKE THE BRAND WORK

- Significant volume uplift following rebranding to Shell
- Differentiated fuels and product innovation



Source: Company information, CITAC, as of December 2018.

(1) Market share across all business segments.

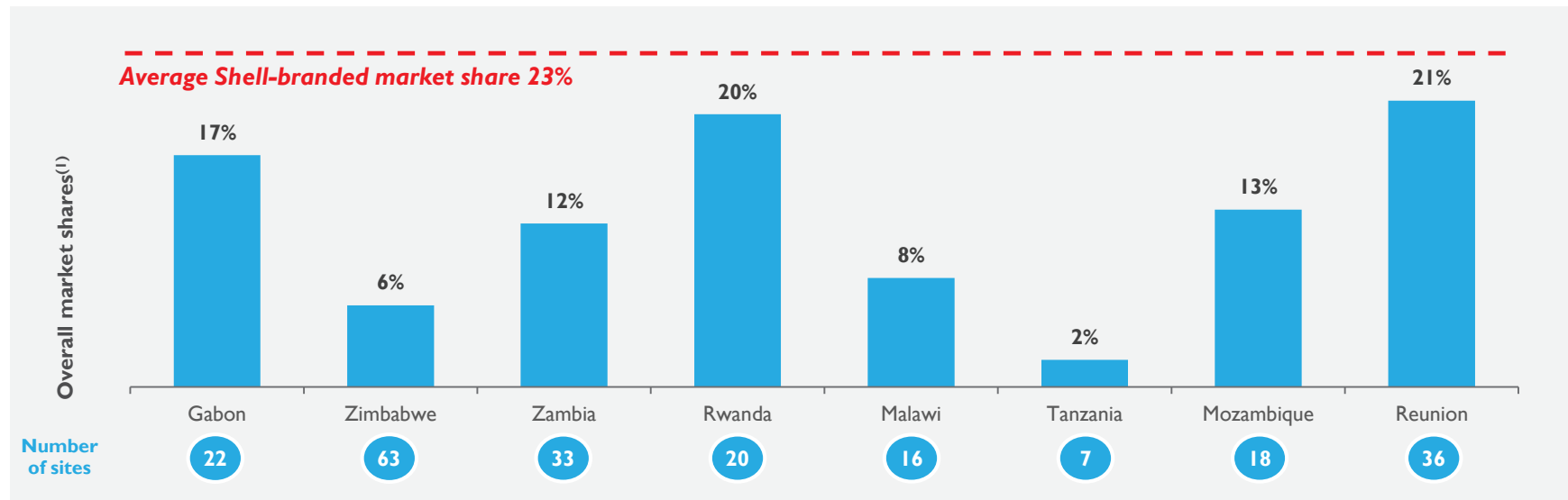
(2) Ipsos Global brand tracker Q3 2017, conducted for Shell in all Vivo Energy markets.

Opportunity to replicate this in newly acquired Engen-branded markets

TOTAL VOLUMES: 1.0bn litres

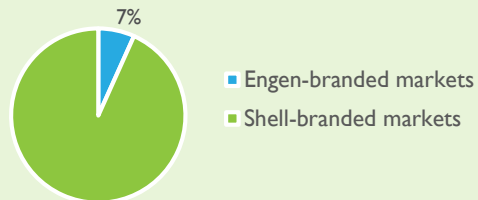
MARKET SHARE: 11%

ADJ. EBITDA: \$33m



ENGEN CONTRIBUTION TO GROUP

Adjusted EBITDA⁽²⁾ (US\$'000)



VALUE TO BE UNLOCKED BY IMPLEMENTING OUR OPERATIONAL MODEL TO:

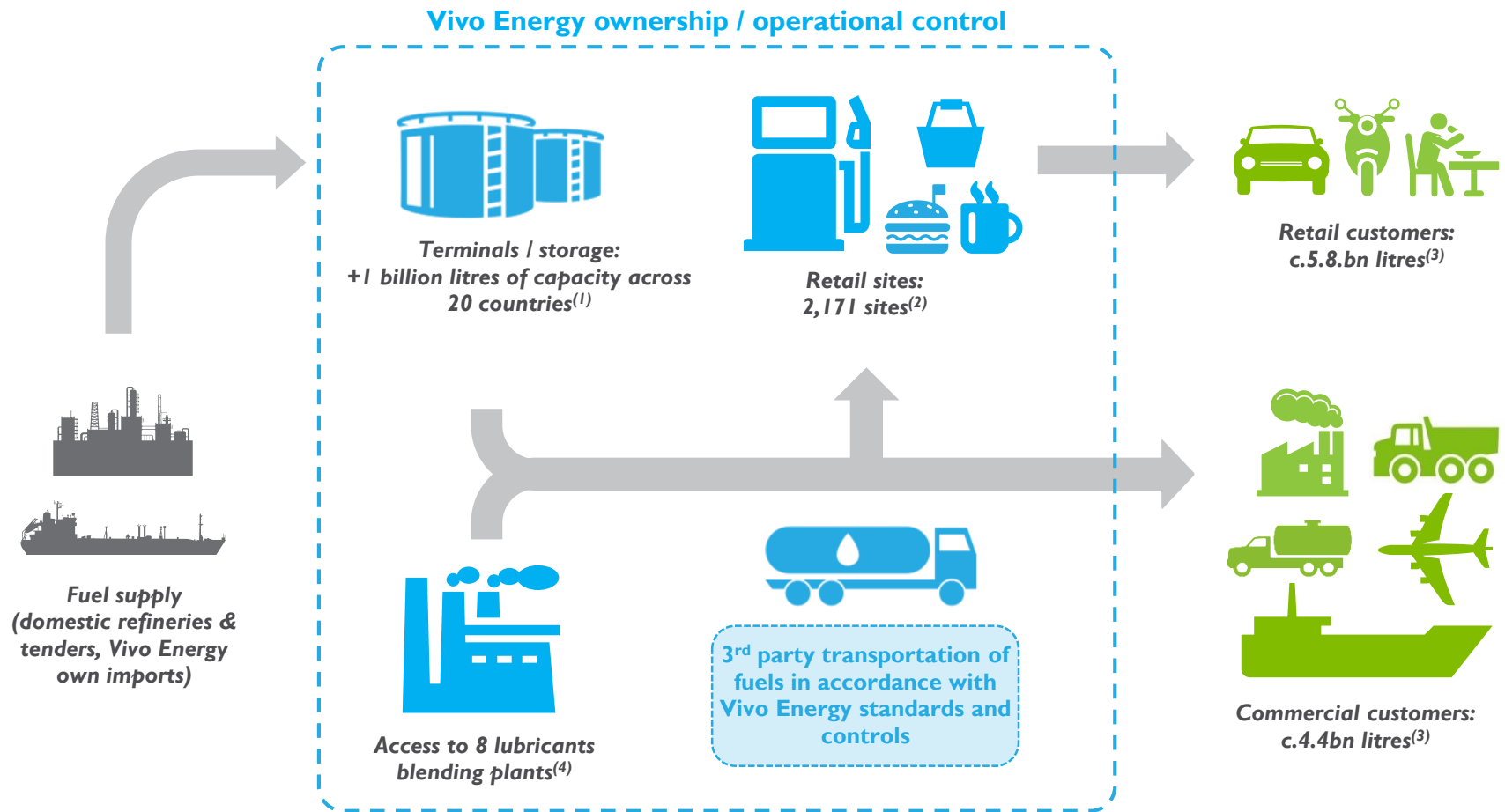
- Embed Vivo Energy culture and strengthen teams
- Refresh ageing retail sites and expand the network
- Upgrade environmental and safety standards
- Accelerate growth in Commercial business
- Improve financial efficiency and drive ROACE

Source: Company information, CITAC, as of December 2018.

(1) Market shares across all business segments.

(2) Six months ended 30 June 2019

Our integrated model provides a sustained competitive advantage



Owning storage assets in Africa is essential to control costs, guarantee supply and manage HSSE and product quality



- (1) Represents fuel storage capacity only and includes equity share of storage capacity in joint ventures, excluding bitumen and LPG. JV storage is included on a pro rata basis based on ownership %, pro-forma for Engen markets
- (2) As at June 2019
- (3) Fuel and lubricants sales in 2018 pro-forma for Engen markets
- (4) Via a combination of direct ownership and the 50% SVL joint venture

De-risking Retail performance through use of Dealer model

Company Owned
(~65% of portfolio)

Dealer Owned
(~35% of portfolio)

Company Operated

Dealer Operated

Dealer Operated

~5% of portfolio

- Generally flagship or highway sites
- Sometimes mandatory initial platform due to regulations
- Vivo Energy is responsible for all operating costs and interaction with the consumer
- Higher margin capture
- High level of operational complexity

~95% of portfolio is Dealer Operated

- Forecourt operating risk transferred to the Dealer, whilst we focus on supply and standards
- Dealer manages employees, opex, working capital and interaction with the consumer
 - In return, receive the fixed “retailer” margin
- Vivo Energy retains responsibility for supply, branding, marketing, operating standards and HSSE
 - In return, receive fixed “marketer/distributor” margin
- Captive channel and low operating complexity as our “consumer” is the dealer

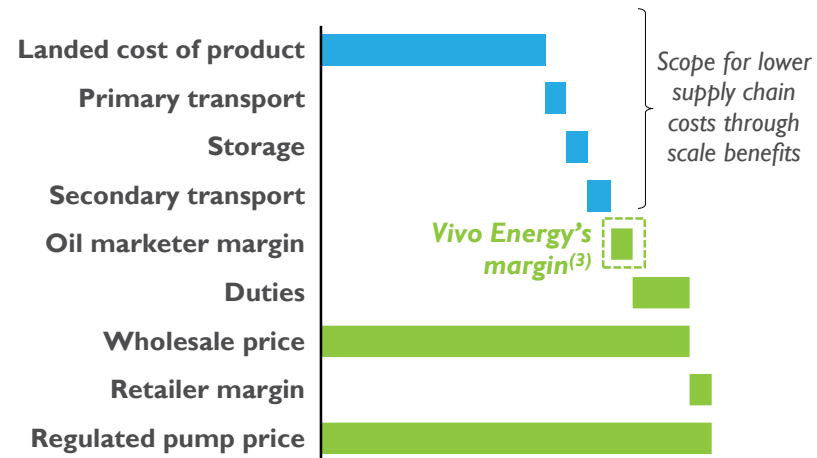
Majority presence in regulated markets provides margin stability

OVERVIEW OF RETAIL PRICE REGULATION IN OUR COUNTRIES

Regulated (no subsidies)	18 countries (52% of volumes ⁽¹⁾)
Regulated (with subsidies ⁽²⁾)	2 countries (15% of volumes ⁽¹⁾)
De-regulated	3 countries (33% of volumes ⁽¹⁾)

- **Regulated** fuel markets are common in emerging markets
 - Government sets the pump price, which changes periodically to reflect the current oil price and input costs
 - Marketing **margins are fixed** per litre
- Regulated markets can be also be **Subsidised**, where the pump price is stable and doesn't reflect the oil price
 - Marketing **margins are fixed** per litre
- **Deregulated** markets are more common in developed economies
 - Pump prices fluctuate frequently due to oil price and competition
 - Marketing **margins are variable** per litre

MARGINS IN REGULATED MARKETS ARE COST PLUS



REGULATED MARGIN WITH EFFICIENCY UPSIDE

- Regulators set pump prices using **assumed supply chain costs**
- The regulated price contains an **allowed margin** for oil marketers, generally **5-10% of pump price**
- Oil marketing companies can make margins above this by **achieving lower supply chain costs** than those in the pump price formula
- Savings are driven by the **reach, scale and efficiency** which can be achieved by large, vertically-integrated player

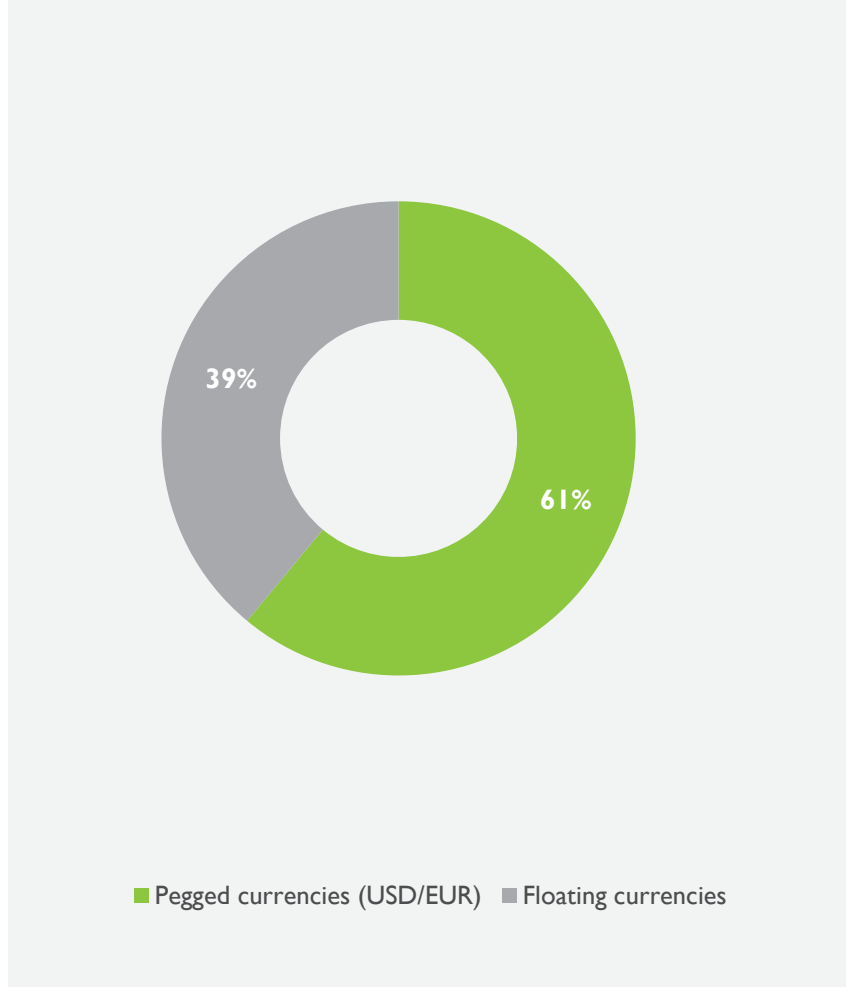
Diversified operations with resilient margins uncorrelated to oil price

MARGINS HAVE LIMITED CORRELATION TO OIL PRICE



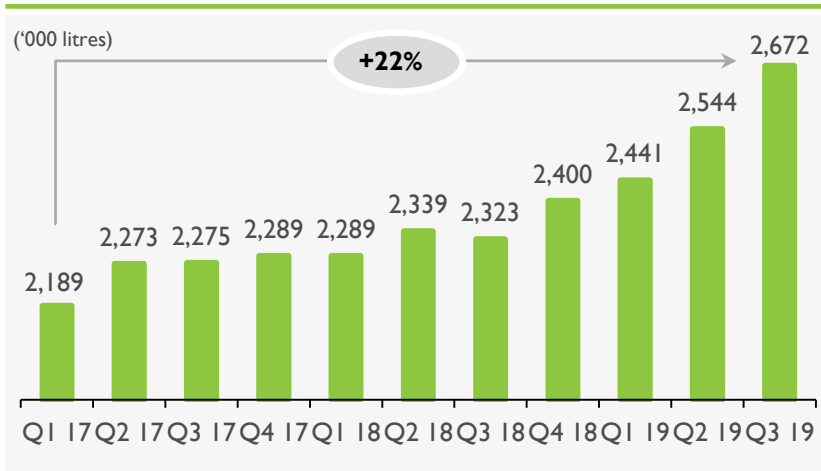
WITH FX RISK MINIMISED DUE TO CURRENCY PEGS

% OF ADJ. EBITDA PEGGED TO USD:EUR IN HI 2019

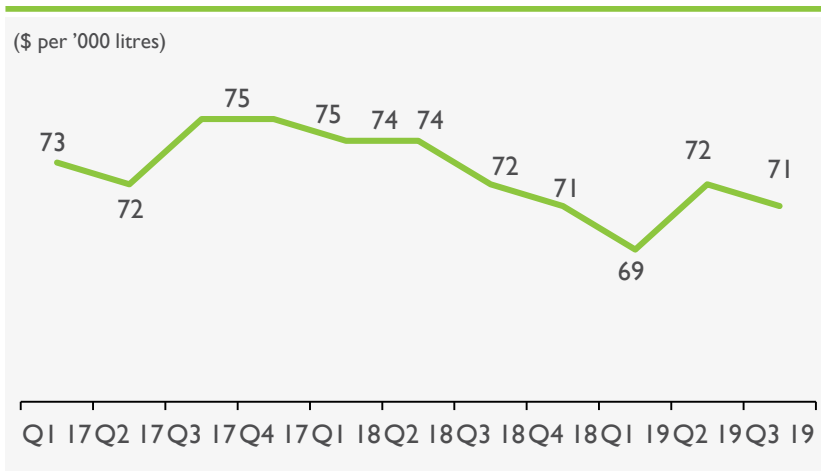


Profitability supported by strong volume growth and margin recovery

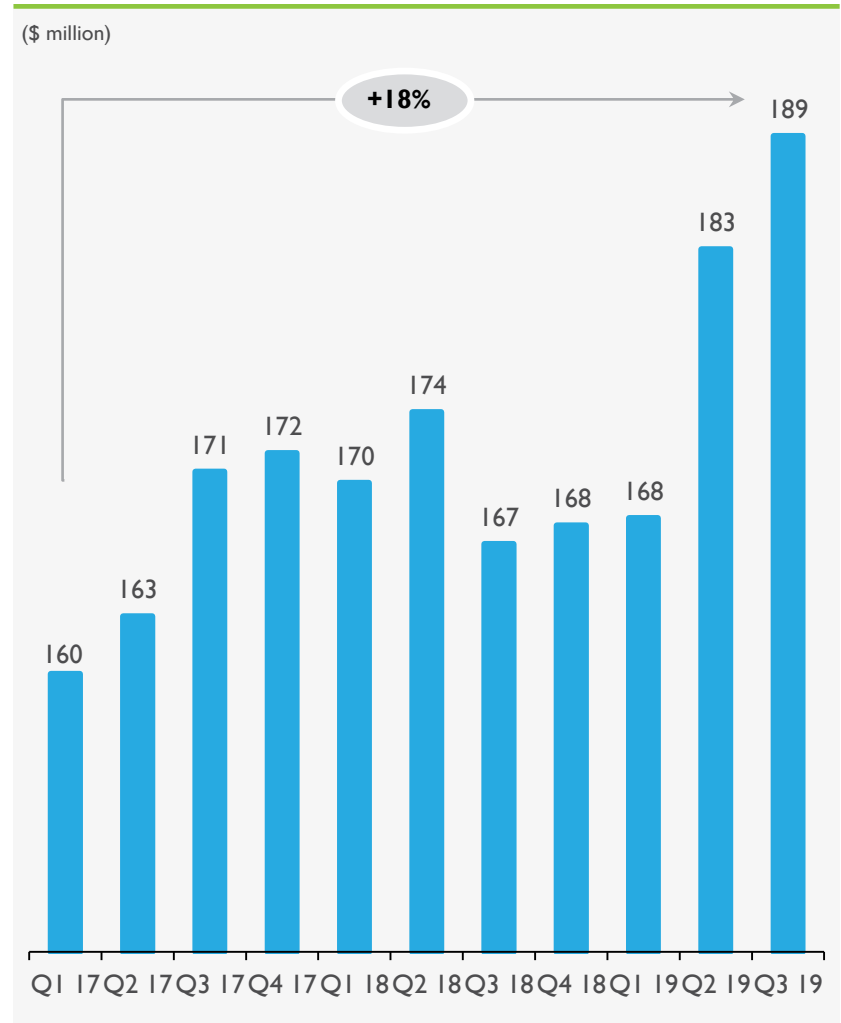
STRONG VOLUME GROWTH



TOGETHER WITH STABLE GROSS CASH UNIT MARGINS



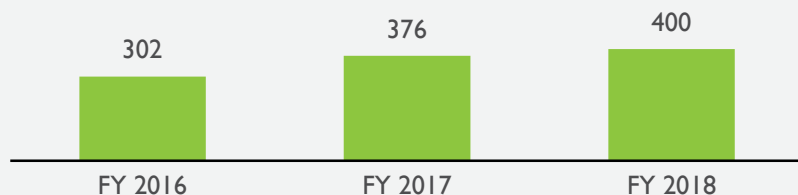
LEADS TO GROSS CASH PROFIT IMPROVEMENT



Strong adjusted free cash generation and low leverage

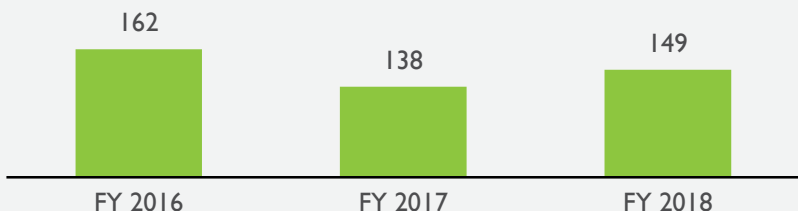
SUSTAINED ADJUSTED EBITDA GROWTH

(\$ in millions)

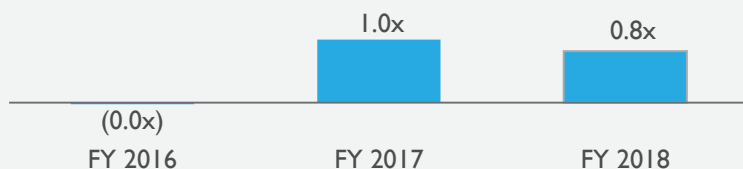


STRONG ADJUSTED FREE CASH FLOW GENERATION⁽¹⁾

(\$ in millions)



LOW FINANCIAL LEVERAGE⁽³⁾



HOW WE DELIVER GROWTH AND HIGH RETURNS

- A Resilient US\$ unit margins**
 - Retail margins decoupled from oil prices and FX exposure
- B Significant diversification**
 - Across regions, segments and currency exposure
- C Low financial leverage**
 - Maximum net leverage of 1.5x in the normal course of business⁽²⁾
- D Disciplined capital allocation**
 - Rigorous return requirements, high returns on investment and staff compensation linked to ROACE
- E Strong financial efficiency**
 - Structurally negative working capital with operational leverage

2019 outlook

METRIC	2019 INITIAL GUIDANCE	PROGRESS
Total Volumes (%)	Low to mid double-digit volume growth	On track 10% (including 7 months of Engen)
Group Gross Cash Unit Margin (\$)	High sixties per thousand litres	Ahead US\$70/'000 litres
Capital Expenditure (\$)	Around \$150 million (including Engen capex)	On track
Net New Retail Sites	80-100 new service stations	On track

We continue to expect another year of strong gross cash profit growth

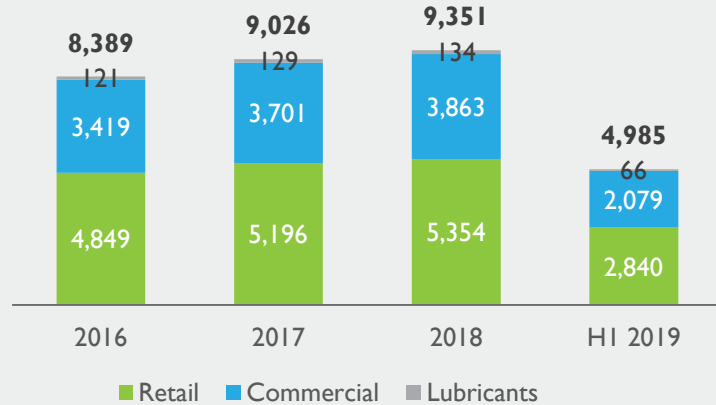


Appendix

Overview of segmental performance

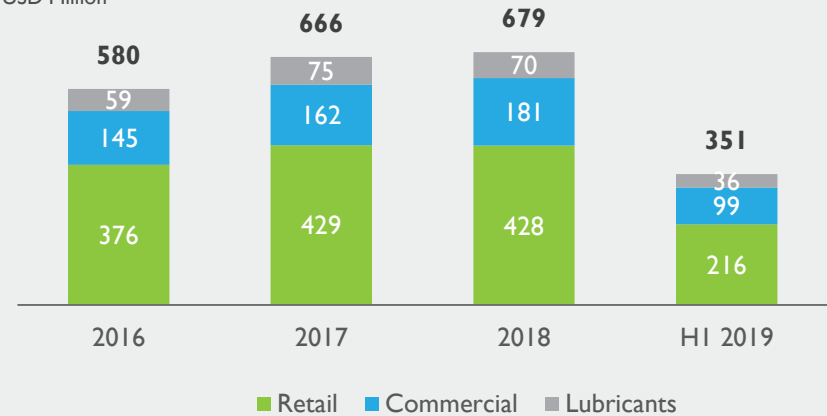
GROUP VOLUMES

Million litres



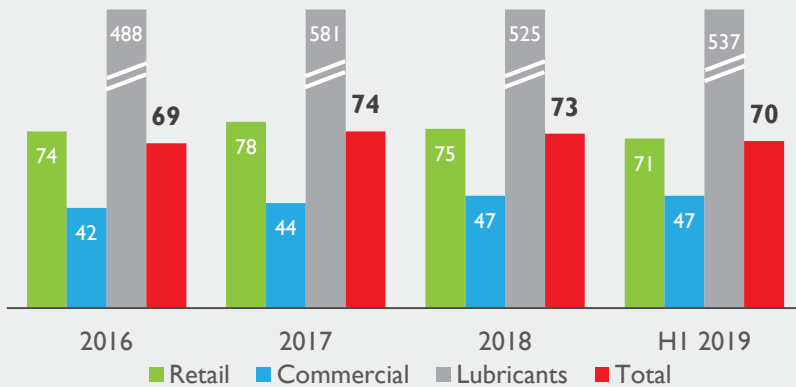
GROSS CASH PROFIT

USD Million



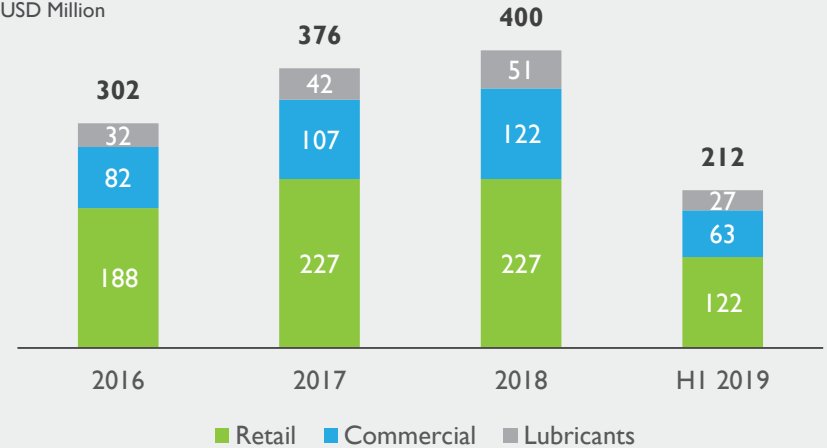
GROSS CASH UNIT MARGIN

USD per thousand litres

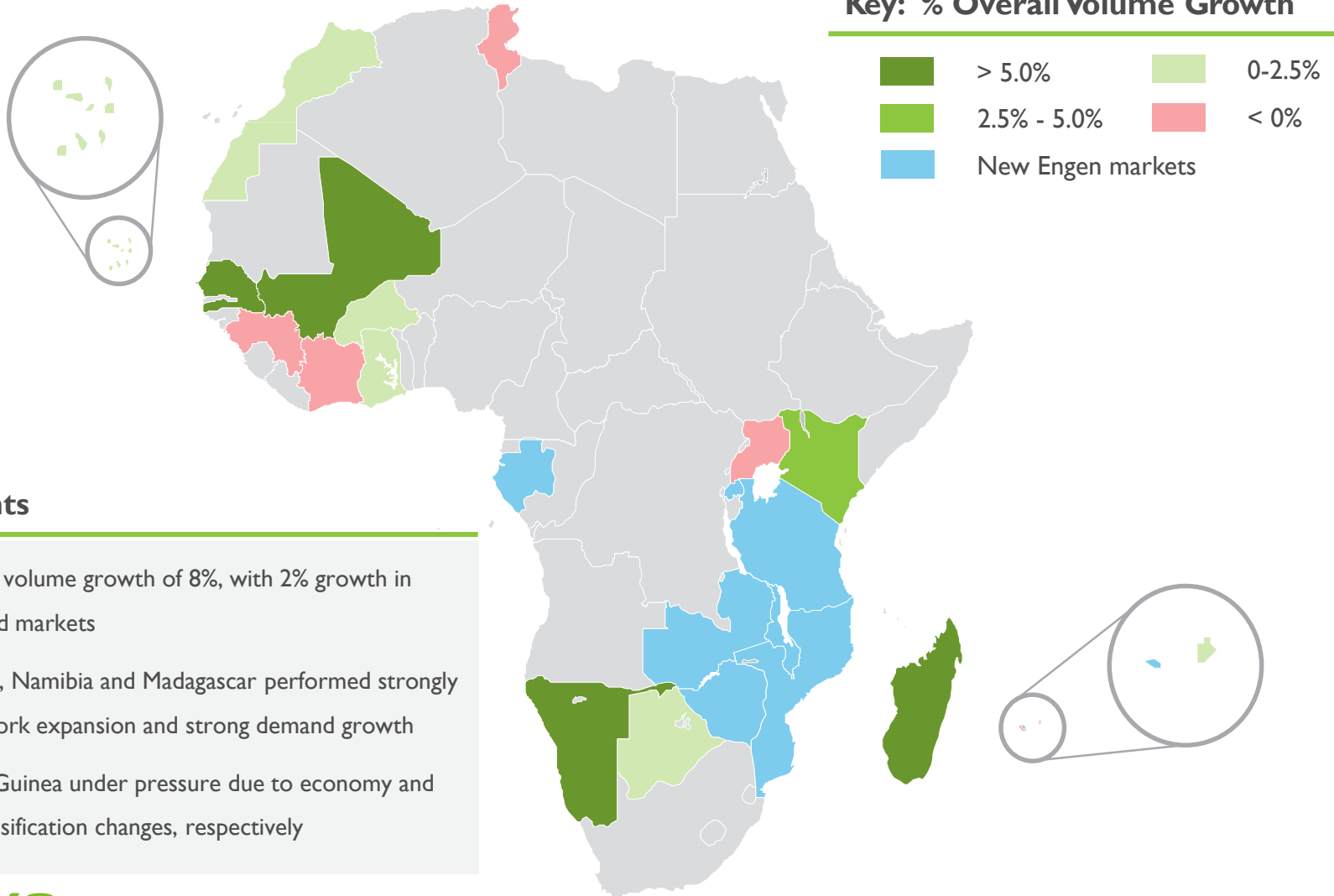


ADJUSTED EBITDA

USD Million



HI 2019 Retail volume heat map



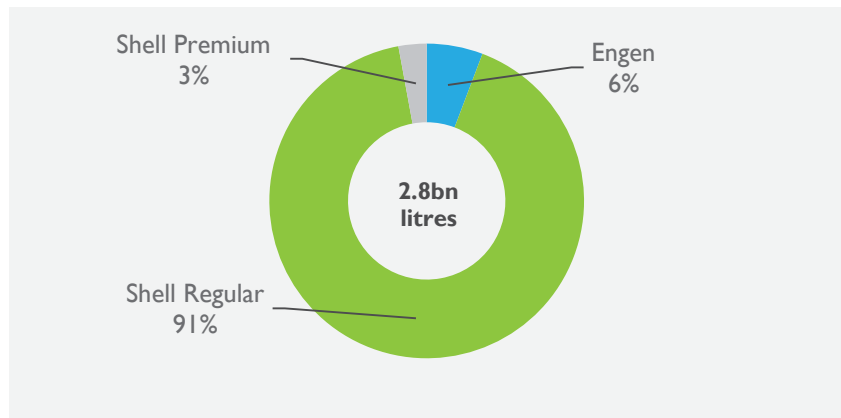
Major Points

- ▶ H1 19 Retail volume growth of 8%, with 2% growth in Shell-branded markets
- ▶ Senegal, Mali, Namibia and Madagascar performed strongly due to network expansion and strong demand growth
- ▶ Tunisia and Guinea under pressure due to economy and network classification changes, respectively

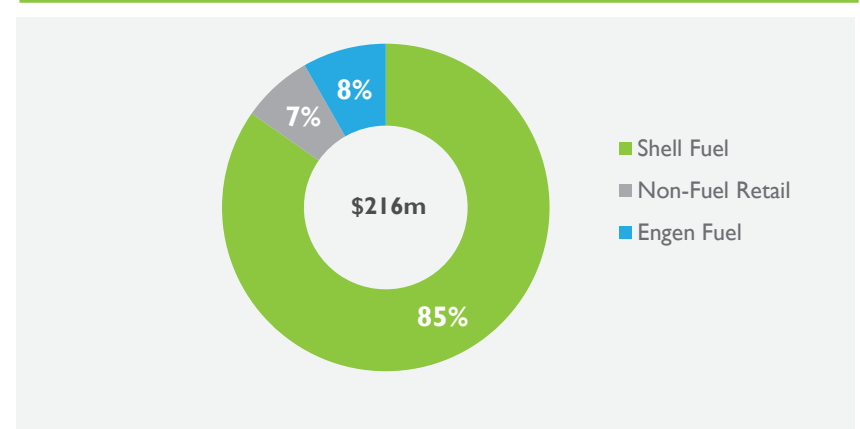
Retail remained resilient despite margin pressures in Morocco

VOLUME GROWTH OFFSET LOWER MARGINS

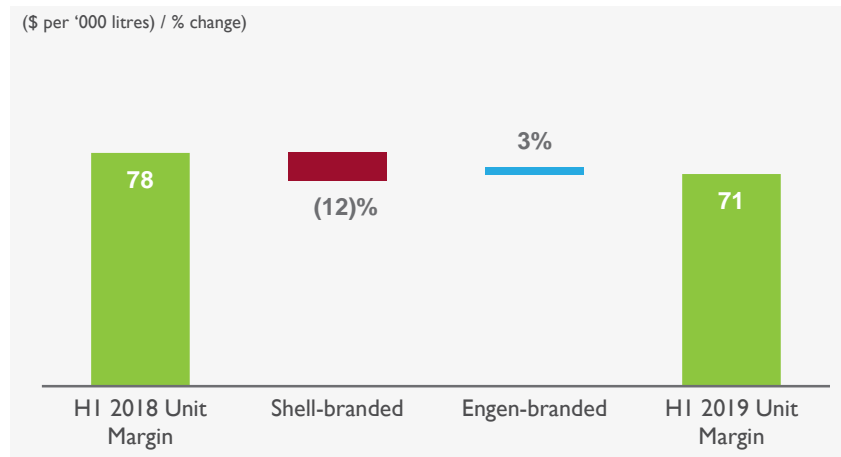
HI VOLUME CONTRIBUTION



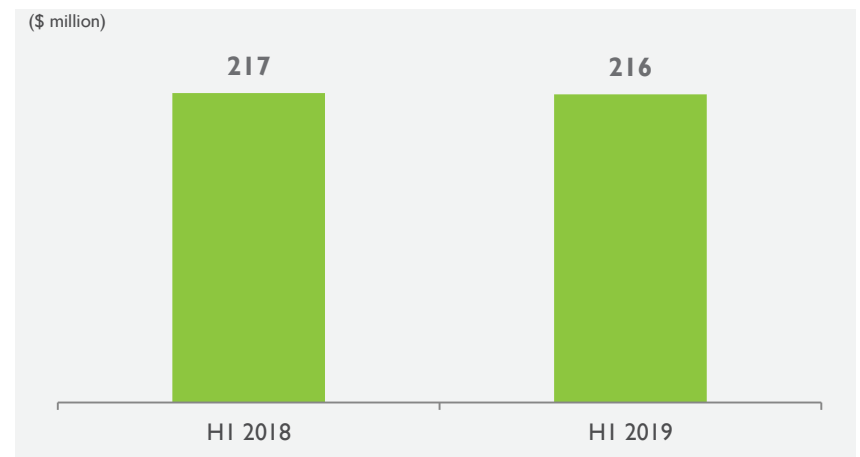
HI GROSS CASH PROFIT CONTRIBUTION



UNIT MARGIN



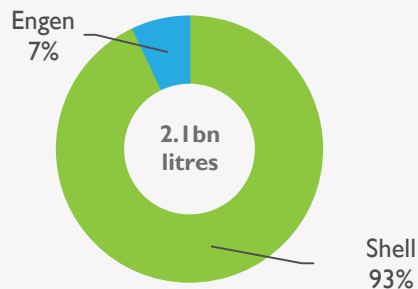
GROSS CASH PROFIT



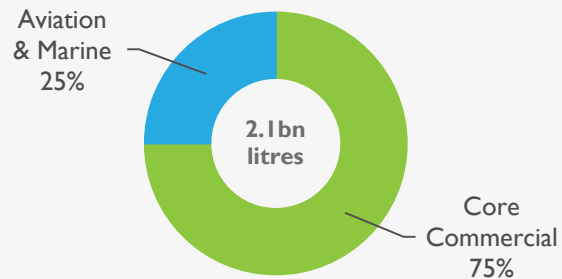
Strong Commercial segment performance

ORGANIC VOLUME GROWTH DRIVEN BY AVIATION AND LPG

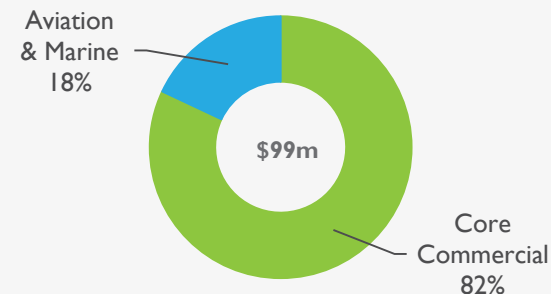
VOLUME CONTRIBUTION BY BRAND



VOLUME CONTRIBUTION BY SEGMENT

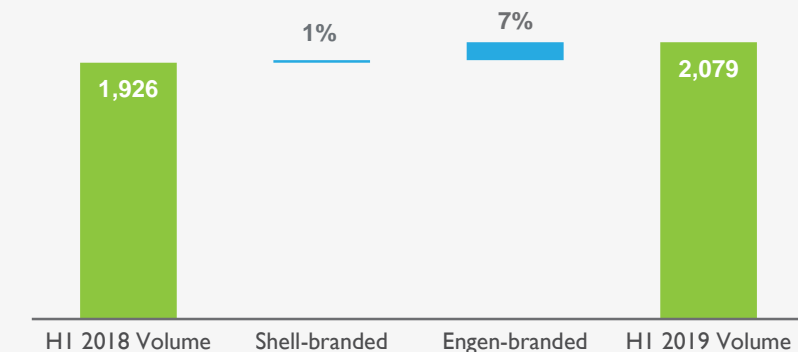


GROSS CASH PROFIT CONTRIBUTION



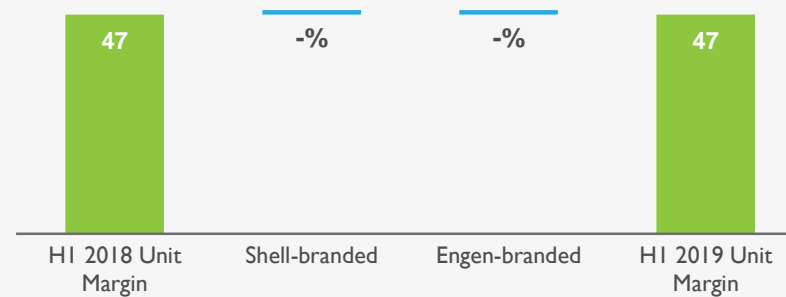
YoY % VOLUME GROWTH

(million litres) / % growth



UNIT MARGIN BREAKDOWN

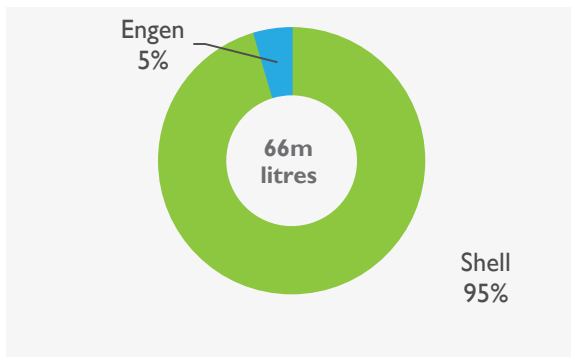
(\$ per '000 litres)



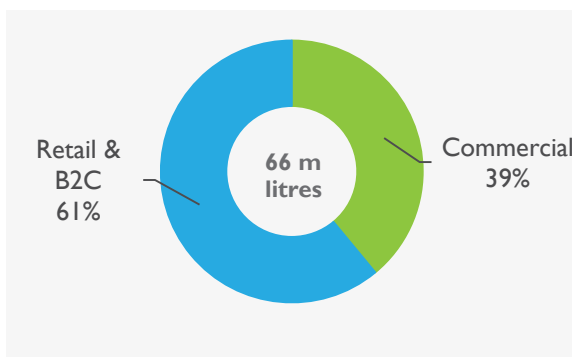
Lubricants segment

ORGANIC MARGINS IMPROVING, OFFSETTING IMPACT OF LOWER VOLUMES

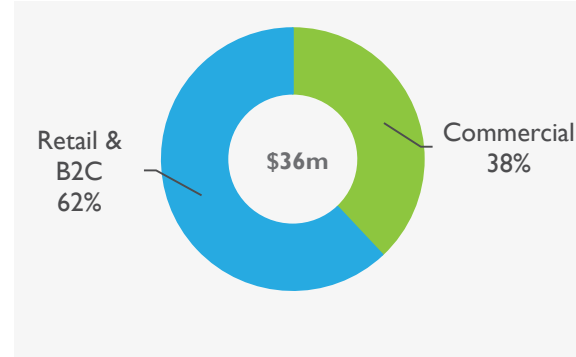
VOLUME CONTRIBUTION BY BRAND



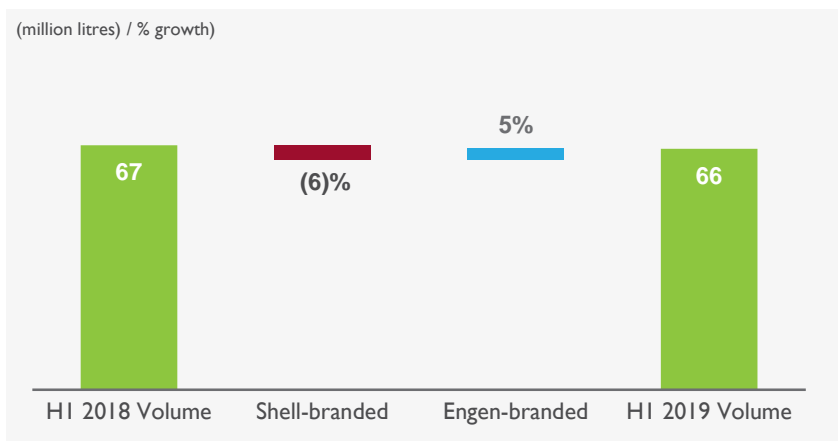
VOLUME CONTRIBUTION BY SEGMENT



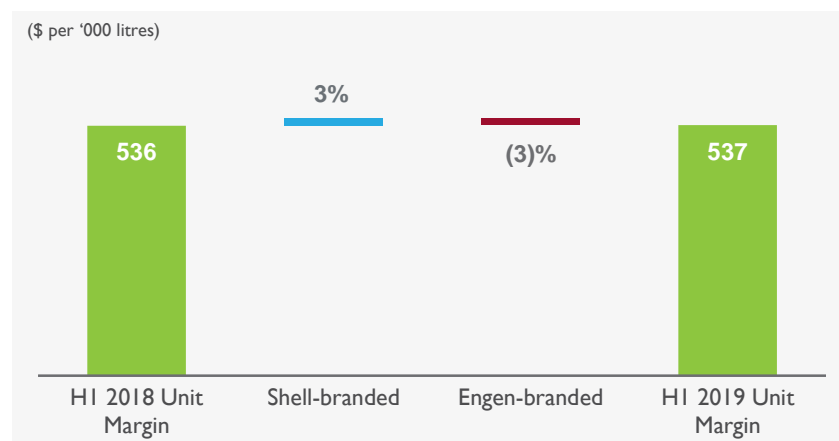
GROSS CASH PROFIT CONTRIBUTION



YoY VOLUME GROWTH



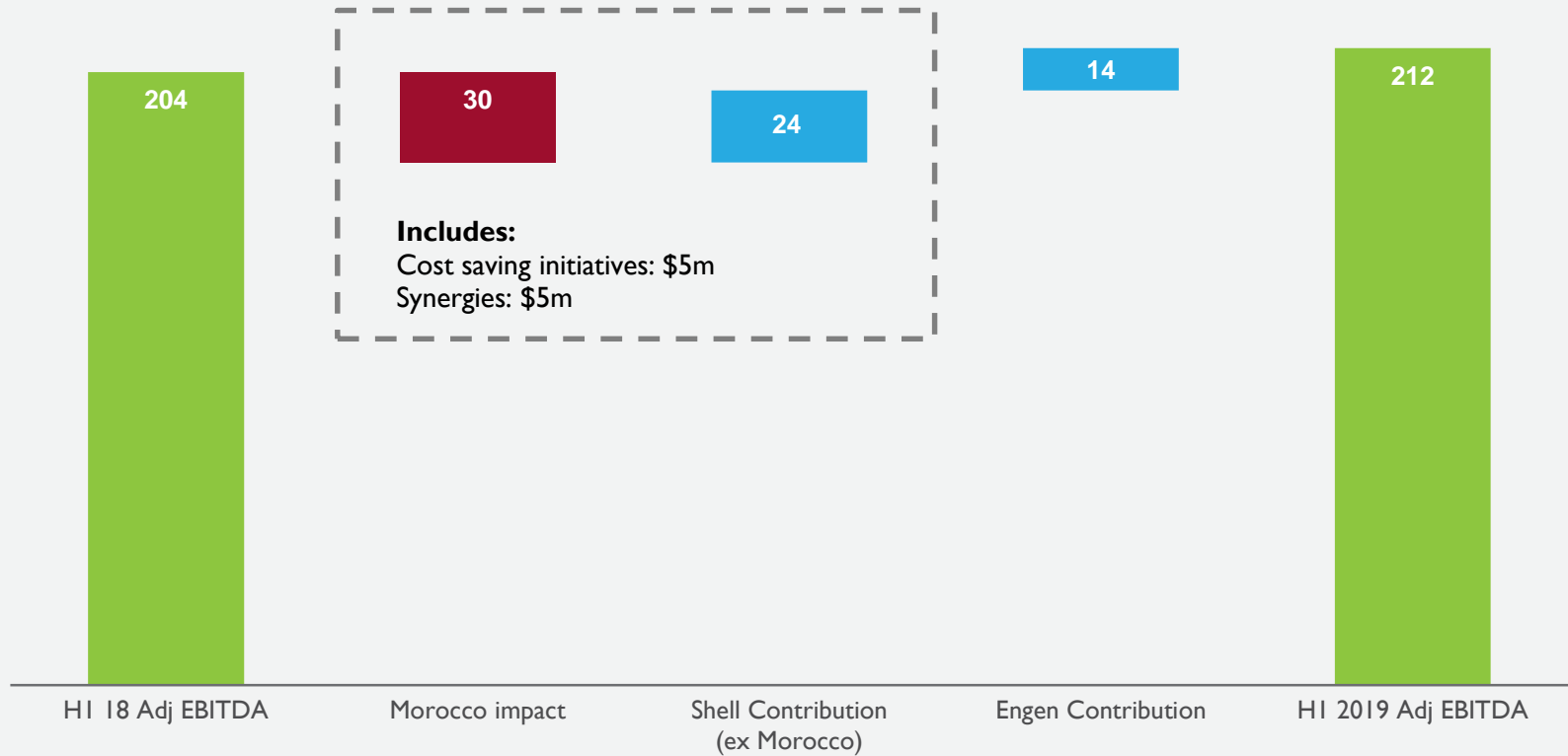
UNIT MARGIN BREAKDOWN



On track for another year of Adjusted EBITDA growth despite impact of Morocco

ADJUSTED EBITDA

(\$ in millions)



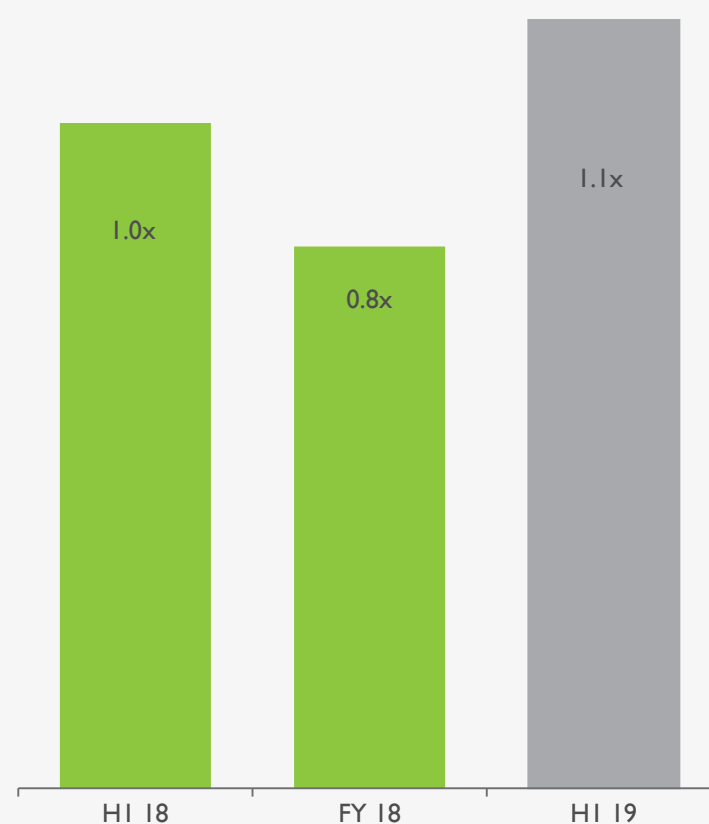
Balance sheet remains strong with low leverage

CAPITAL STRUCTURE OVERVIEW

US \$millions	HI 2019
Long-term debt	413
Lease liabilities	119
Total debt exc. short -term bank borrowings	531
Short-term bank borrowings	242
Less cash and cash equivalents	(314)
Net debt	459
Net debt / LTM Adj. EBITDA⁽¹⁾	1.1x

LEVERAGE

Net debt / LTM Adjusted EBITDA⁽¹⁾



Vision to become the most respected energy business in Africa

OVERVIEW

- ▶ Aim for **Goal Zero** – no harm to people and minimised impact on the environment
- ▶ HI 2019 Total Recordable Case Frequency of **zero**
- ▶ The **first company in Africa**, and one of the first 10 companies globally, to be certified under ISO 37001 standard for anti-bribery management systems
- ▶ Outstanding employee survey results: **90% are proud to work for Vivo Energy**
- ▶ Delivered over **35 social projects** across Education, Road Safety and Environment in HI 2019

MANAGING OUR ENERGY IMPACT

- ▶ What we're doing to reduce energy consumption:
- ▶ Delivering smarter, more efficient depots
- ▶ Improved supply chains, introducing automation to improve efficiencies
- ▶ Smarter transport operations – reducing distance travelled, HSSE exposure and transport costs by optimising product deliveries
- ▶ Improving the efficiency of our service stations and buildings, including using solar power, LED lighting, and more efficient air conditioning and refrigeration at our sites

World class HSSE performance

CLEAR FOCUS ON HSSE DEMONSTRATED BY KEY KPIS

Total Recordable Case Frequency (TRCF)
(Frequency per million working hours)

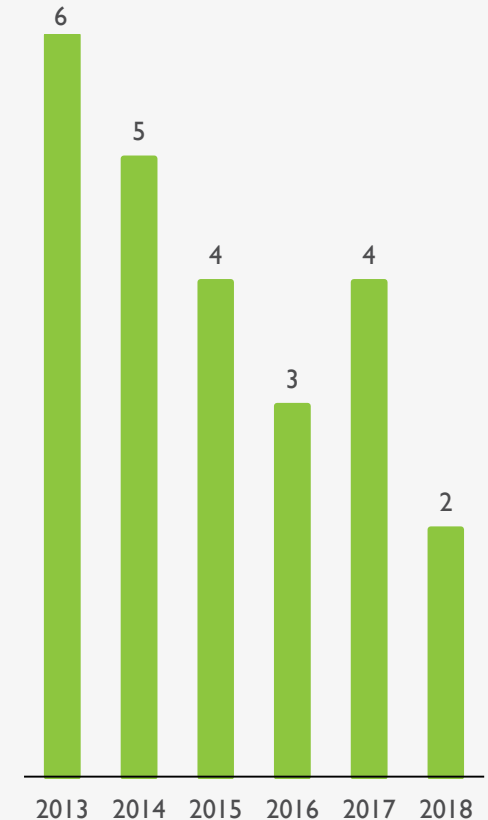


Lost Time Injury Frequency (LTIF)
(Injuries per million working hours)



REDUCTION IN SPILLS⁽¹⁾

(Annual recorded spills)



Source: Company information.
 Note: Shell refers to the Shell Global (i.e. including upstream)
 1) Spill threshold defined as exceeding 100kg.

Our community investment programme

At Vivo Energy, we want to make a real and lasting difference to the communities where we operate. Our community investment programme focuses on three key areas:

ROAD SAFETY

Road safety remains a major focus across the continent

- We work with local communities, governments and NGOs to provide **tailored programmes that shift attitudes** to road safety



Tweddeko Road Safety Caravan, Uganda

EDUCATION

Education is key to unlocking Africa's potential

- We develop and deliver a wide range of **educational initiatives** focused on fostering learning for school children and on providing **life skills** for Africa's youth



Tunisia's "Mois de l'école" programme

ENVIRONMENT

We want to be **part of the solution** for a **more sustainable future**

- We also educate local communities to help them safeguard the environment
- We market **more energy efficient products** and are investing in **solar power** to make our retail sites more energy efficient



School environmental awareness programme, Morocco

\$3m invested over the last two years in community investment programmes

The right operating model for each opportunity

SITE OPERATING MODELS

Company Owned, Company Operated

~5% of portfolio

- Enables large / highway sites to be run 100% by Vivo Energy
- Showcase Vivo Energy flagship sites
- Vivo Energy quality of service and operations
- Focus on convenience retail, QSR and other services
- Higher margin capture
- High level of operational complexity
- Sometimes mandatory initial platform

Company Owned, Dealer Operated

~60% of portfolio

- Preferred model for sites in high-potential locations
- High Vivo Energy involvement
- Strategic locations with long-term viability
- Strong non-fuel offer
- Freehold or leasehold land
- Medium level of operational complexity

Dealer Owned, Dealer Operated


~35% of portfolio

- Preferred model for sites in medium-potential locations
- Medium term viability
- Lower Vivo Energy involvement
- Local non-fuel offer
- Low level of operational complexity

Clear division of responsibilities with consistent standards and control framework for our fuel business

		COCO	CODO	DODO
Margin capture	Marketing margin	Vivo Energy	Vivo Energy	By negotiation
	Retailer margin		Dealer	Dealer
Responsibilities	QSR & CR offer	Vivo Energy	Vivo Energy	Dealer with Vivo Energy input
	Operating costs		Dealer	Dealer
	Maintenance-buildings		Vivo Energy	
	Maintenance-equipment			Vivo Energy: Pumps & branding Dealer: Other capex
	Capex			Dealer
	Wet stock		Dealer	Dealer
Operational excellence and standards	Vivo Energy manages and controls HSSE, marketing and branding, site and service standards			

Overview of Regulation in our markets



	Supply	Regular fuel margin	Subsidies
Morocco	Deregulated	Deregulated	Bottled LPG only
Uganda	Deregulated	Deregulated	None
Ghana	Partially regulated	Deregulated	None
Namibia	Deregulated	Regulated	Rural areas only
Botswana	Deregulated	Regulated	Kerosene only
Madagascar	Deregulated	Regulated	None
Mali	Deregulated	Regulated	LPG only
Zimbabwe	Deregulated	Regulated	None
Rwanda	Deregulated	Regulated	None
Malawi	Deregulated	Regulated	None
Kenya	Tender	Regulated	None
Mozambique	Tender	Regulated	None
Reunion	Tender	Regulated	None
Zambia	Tender	Regulated	None
Cape Verde	Tender	Regulated	None
Guinea	Tender	Regulated	All fuel products
Tanzania	Partially regulated	Regulated	None
Senegal	Partially regulated	Regulated	None
Mauritius	Partially regulated	Regulated	LPG only
Gabon	State monopoly	Regulated	None
Burkina Faso	State monopoly	Regulated	LPG only ⁽¹⁾
Cote D'Ivoire	State monopoly	Regulated	LPG only
Tunisia	State monopoly	Regulated	All fuel products ⁽²⁾

Our operating environment

CHALLENGE	MITIGATION
<p>Stocks / oil price</p>	<ul style="list-style-type: none"> ■ Fluctuations in oil price reflected in the pump price, not borne by the Company ■ Margins are either fixed via a regulated price structure (20 of 23 countries) or through market dynamics (3 countries) ■ Countries manage stock levels with maximum and minimum stock levels through manual of authorities
<p>Currency</p>	<ul style="list-style-type: none"> ■ ~60% of H1 2019 Adjusted EBITDA derived from currencies pegged to the EUR / USD ■ Utilise hedging strategies to mitigate major FX risks (i.e. importing fuels into a country) ■ Upstream dividends from operating units where possible into USD
<p>Credit</p>	<ul style="list-style-type: none"> ■ Robust credit approvals process with central oversight, local empowerment and use of credit risk mitigation measures when required ■ Bad debts represented less than 1% of gross cash profits during 2018
<p>Supply</p>	<ul style="list-style-type: none"> ■ Access to over 1.0 billion litres of storage in Africa helps to mitigate major supply risks ■ Utilise over 100 suppliers, with Vitol, the worlds largest oil trader, representing 30% of Group supply in 2018
<p>Compliance</p>	<ul style="list-style-type: none"> ■ Robust and proven internal control framework with limited historical losses from fraud / bribery ■ The first company in Africa to achieve ISO 37001 certification for our anti-bribery management system