



Vivo Energy plc Company Presentation

September 2021

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A leading pan-African distributor and retailer of Shell- and Engen-branded fuels and lubricants

Footprint in 23 countries



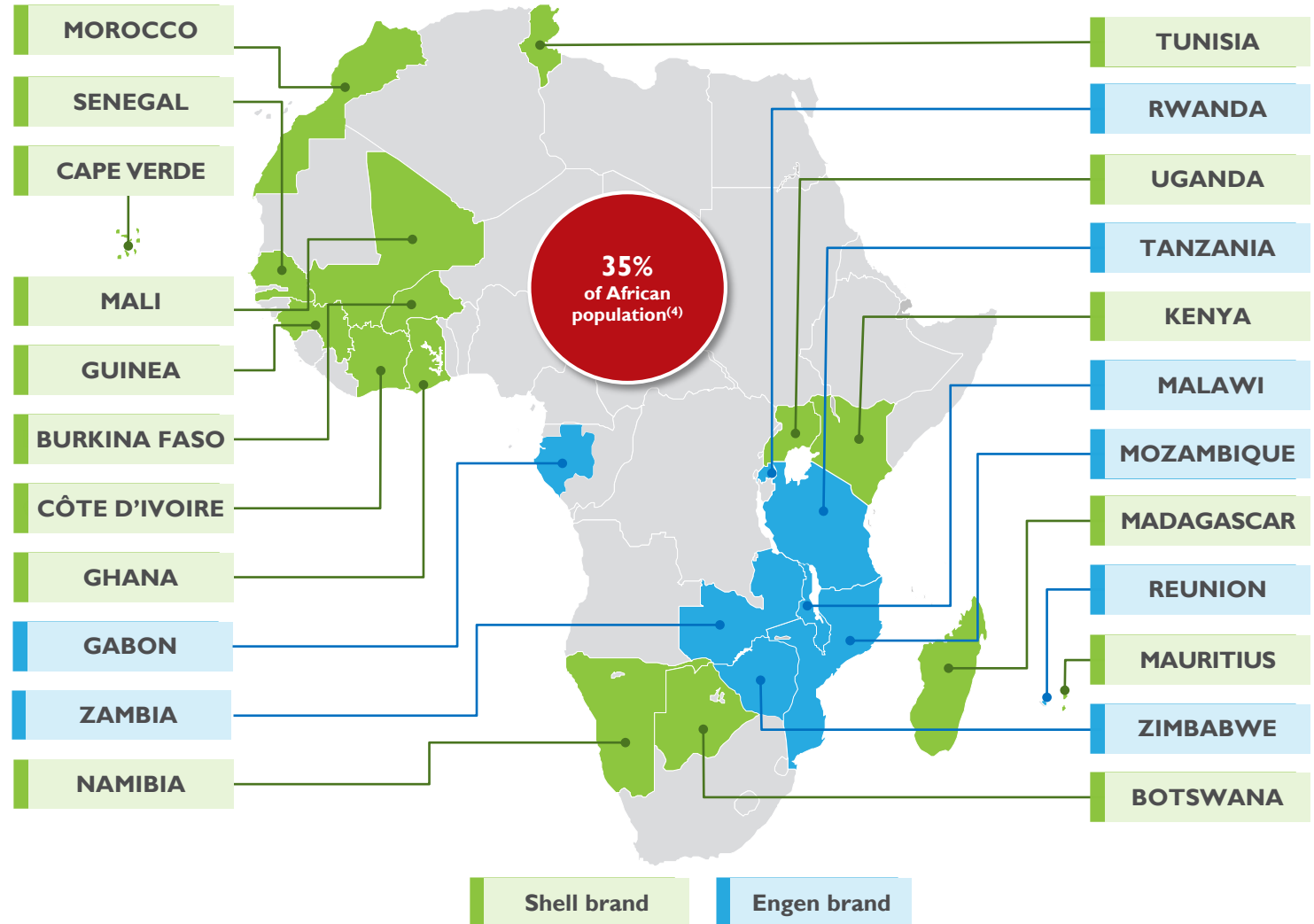
+2,400⁽¹⁾ retail sites

#1 and #2 positions in countries representing ~90% of volumes⁽²⁾

9.6 billion litres of fuel sold in 2020

Over 1 billion litres of storage⁽³⁾

+750,000 customers per day visit our sites⁽⁵⁾



(1) Information as at 30 June 2021.
 (2) Overall market position across all business segments as of 31 December 2020 (source CITAC). Based on % of volumes sold in 2020.
 (3) Information as at 30 June 2021.
 (4) United Nations World Population Prospects 2019.
 (5) During 2020 and based on average 20 litres fill per customer.

An integrated business across three core segments

Retail



Retail fuels

Over 2,400 Shell- and Engen-branded service stations across 23 countries

Non-fuel retail

Multi-branded Convenience Retail and Quick Service Restaurant offering

FY 2020 Adj. EBITDA: \$216m
(60% of Group)

Lubricants



Retail Lubricants

Sell products at retail sites, as well as through a network of distributors

Commercial Lubricants

Supply and export specialist lubricants to B2B customers & mines

FY 2020 Adj. EBITDA: \$52m
(14% of Group)

Commercial



Core Commercial

Supply fuels to a range of sectors as well as LPG, primarily to consumers

Aviation and Marine

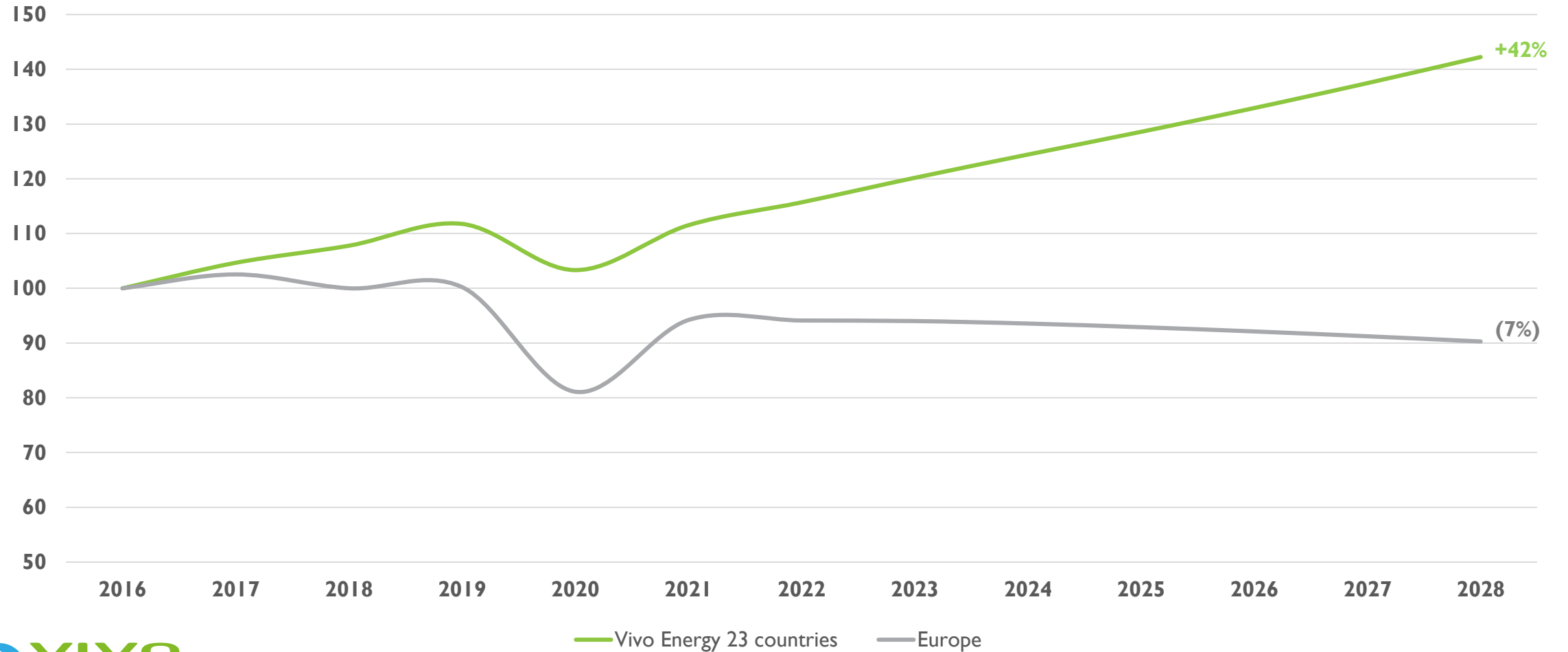
Supply jet fuel and marine bunkering for traders and shipping companies

FY 2020 Adj. EBITDA: \$92m
(26% of Group)

Favourable African macro trends driving increased mobility needs in our markets...

SIGNIFICANT DIVERGENCE IN FUTURE DEMAND IN OUR MARKETS FROM DEVELOPED MARKETS

(Indexed historic and forecast oil product demand)

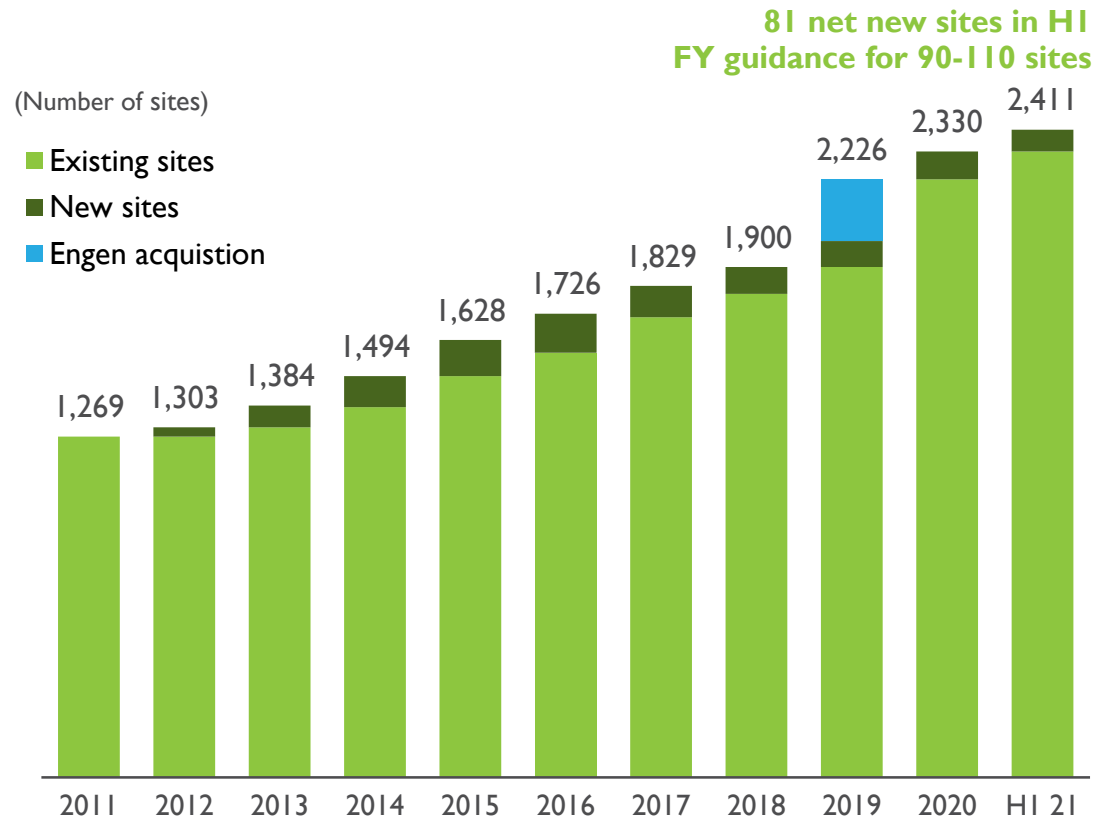


(1) Forecasts for Vivo Energy 23 countries by CITAC, with forecasts for Europe provided by IHS

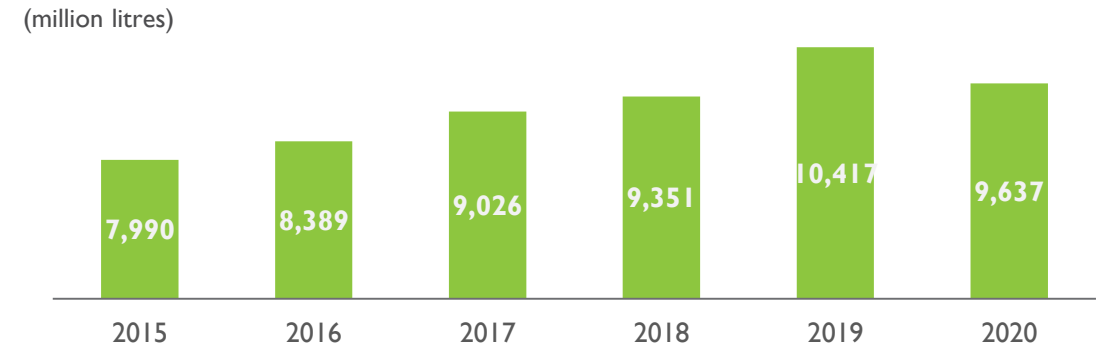
...which supports our track record of delivering growth at highly attractive returns

OVER 80% GROWTH IN NETWORK SINCE INCEPTION...

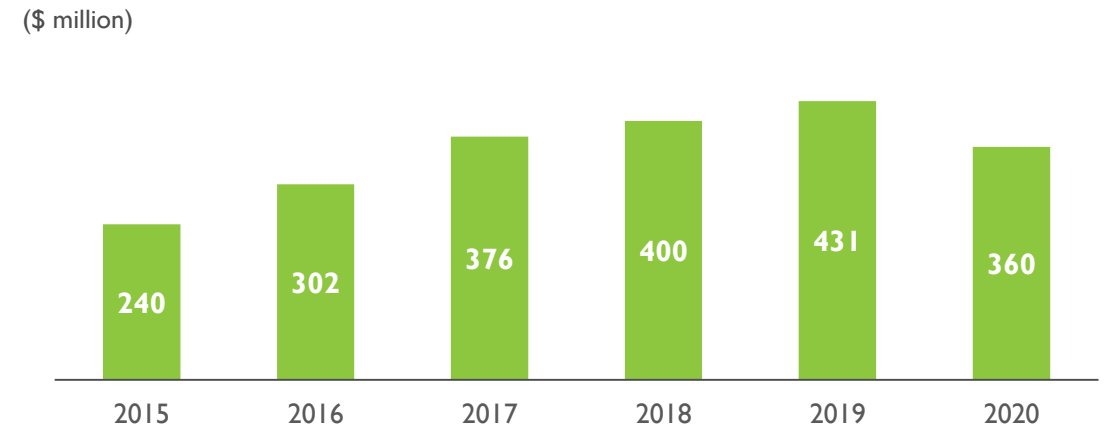
Post investment review of ~300 sites built 2016-2019 show average IRR of +30%



...WHICH SUPPORTS LONG TERM VOLUME GROWTH...

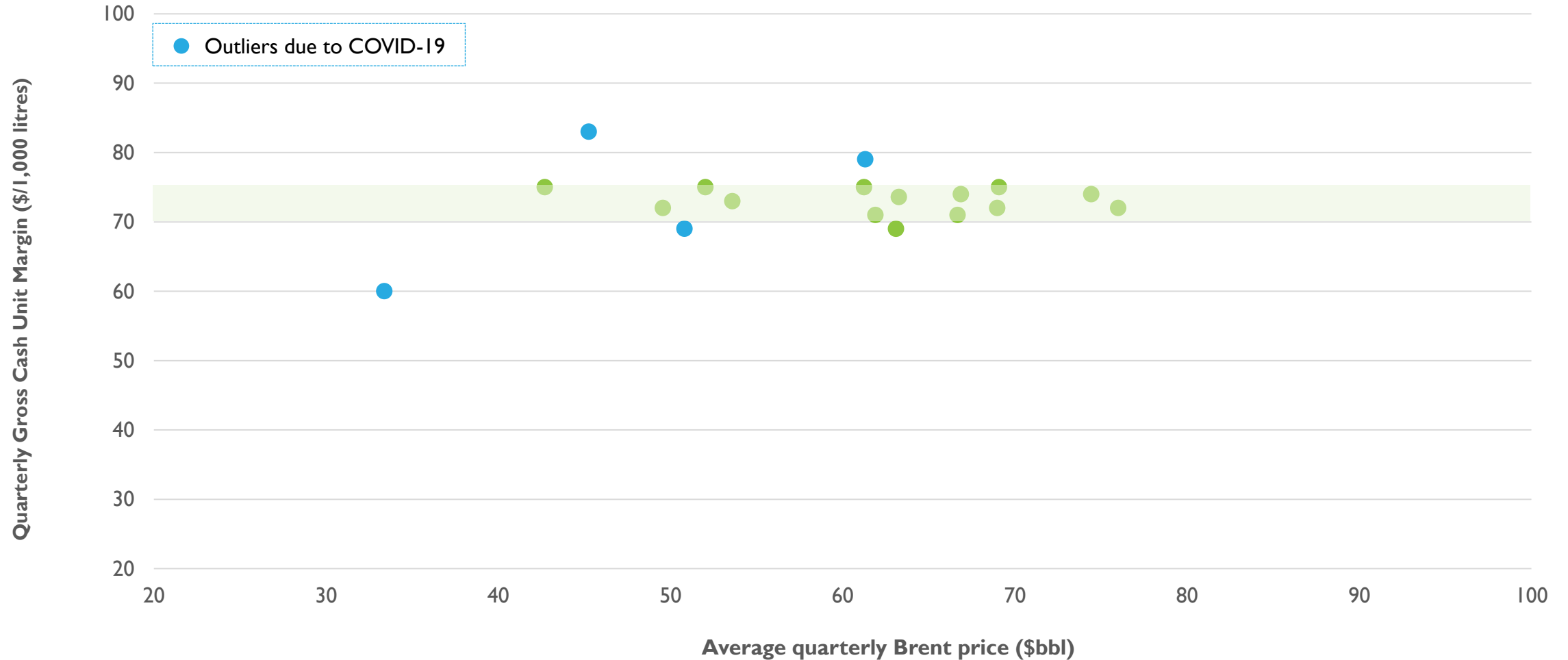


...AND STRONG ADJUSTED EBITDA GROWTH



Complemented by stable “cost-plus” unit margins which are uncorrelated to oil prices

DEMONSTRATED CONSISTENT QUARTERLY UNIT MARGINS, IRRESPECTIVE OF OIL PRICE VOLATILITY



Leading to strong cash generation, low leverage and increasing shareholder returns

**FIVE-YEAR AVERAGE
ANNUAL ADJUSTED FREE
CASH FLOW OF:**

\$180_M

**NEW DIVIDEND PAYOUT
RATIO OF:**

50% OF EPS

**FIVE-YEAR AVERAGE
ANNUAL ROACE OF:**

20%

**HI 2I NET DEBT TO
ADJUSTED EBITDA OF:**

0.8x



Making a positive impact is at the heart of our purpose

Our purpose is to safely provide innovative and responsible energy solutions to Africa, which enable growth and development of the continent and its people

Environment – Minimising our impact

Minimising spills - Zero reportable spills in H1

Hybrid power solutions - Offering power solutions to industrial customers

Recycling - Partnering to reduce plastic use and increase recycling



Social – Empowering people & communities

World class safety - Zero TCRF with zero fatalities in H1

Employee support and development - focus on employee wellbeing

Community Investment - Leading a national road safety campaign in Ghana



Governance – Leading by example

ESG and Climate Management Committee - formed to guide our future sustainability approach and support the deeper integration of climate change into the business

Modern Slavery Guidance Principles - updated and rolled out internally and to all of our dealers



Recent Developments

Strong H1 performance driven by improved volumes and strong margins

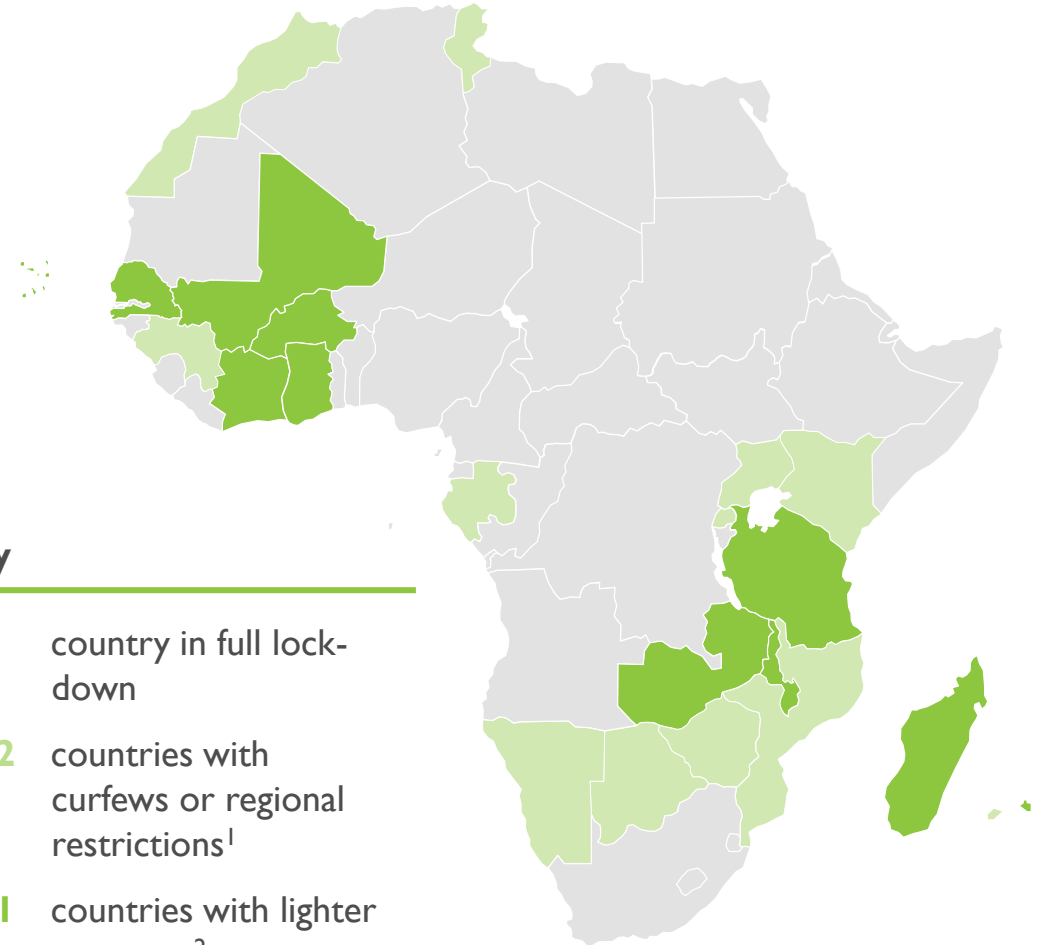
PERIOD	VOLUMES Million litres	GROSS CASH UNIT MARGIN US\$/000 litres	GROSS CASH PROFIT \$ million
HI 21	5,009	77	385
vs HI 20	+8%	+18%	+28%
vs HI 19	0%	+10%	+10%

Markets remain resilient, balancing economic and health impacts

AFRICA – COVID-19 UPDATE

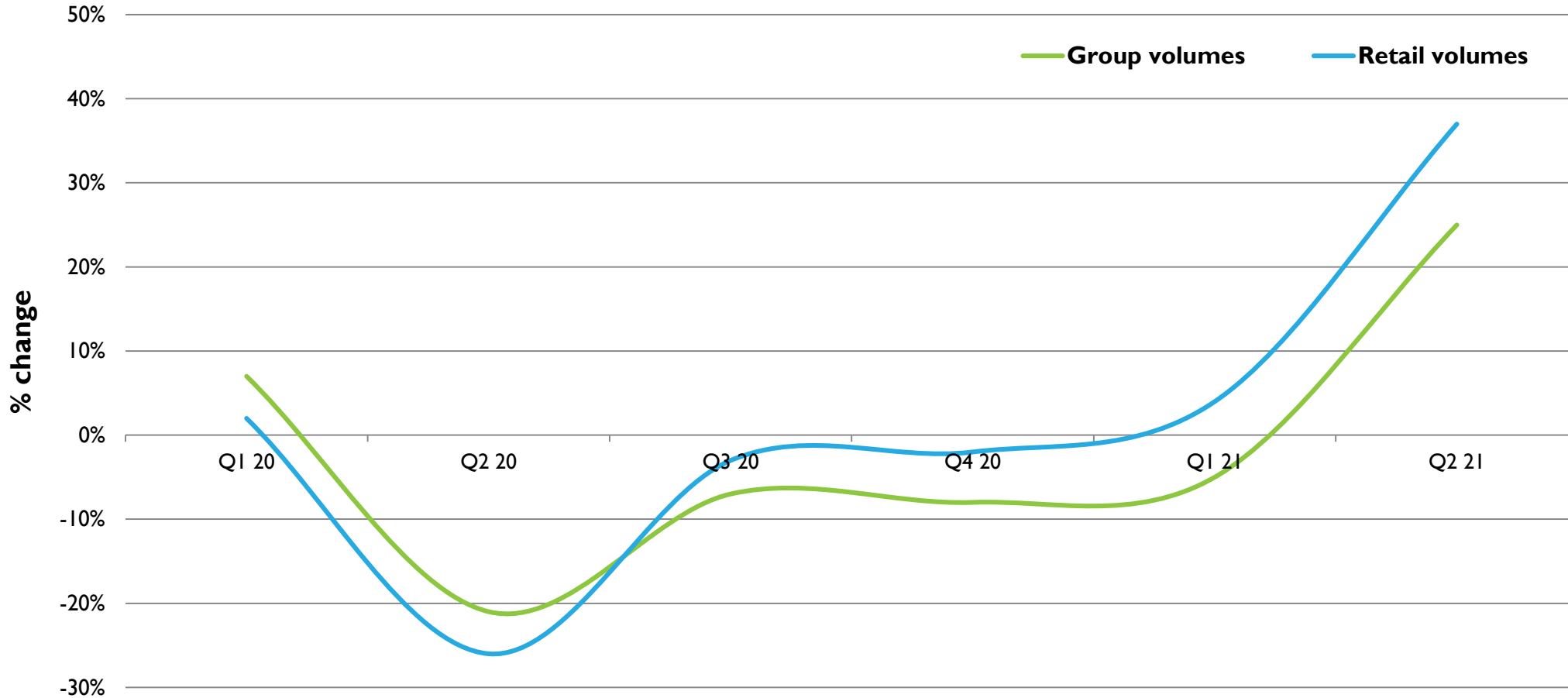
- ▶ Health impact to date remains limited compared to UK/Europe
- ▶ Many markets experienced a further wave of infections during H1 21, with a 3rd wave starting in June
- ▶ Led to extended curfews and additional localised measures in a number of countries but had limited volume impact
- ▶ Vaccine programmes improving, but at an early stage in most countries

STATUS OF RESTRICTIONS AS AT AUGUST 31



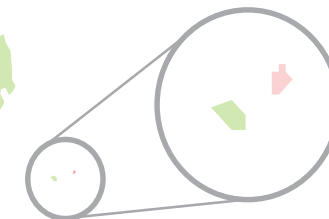
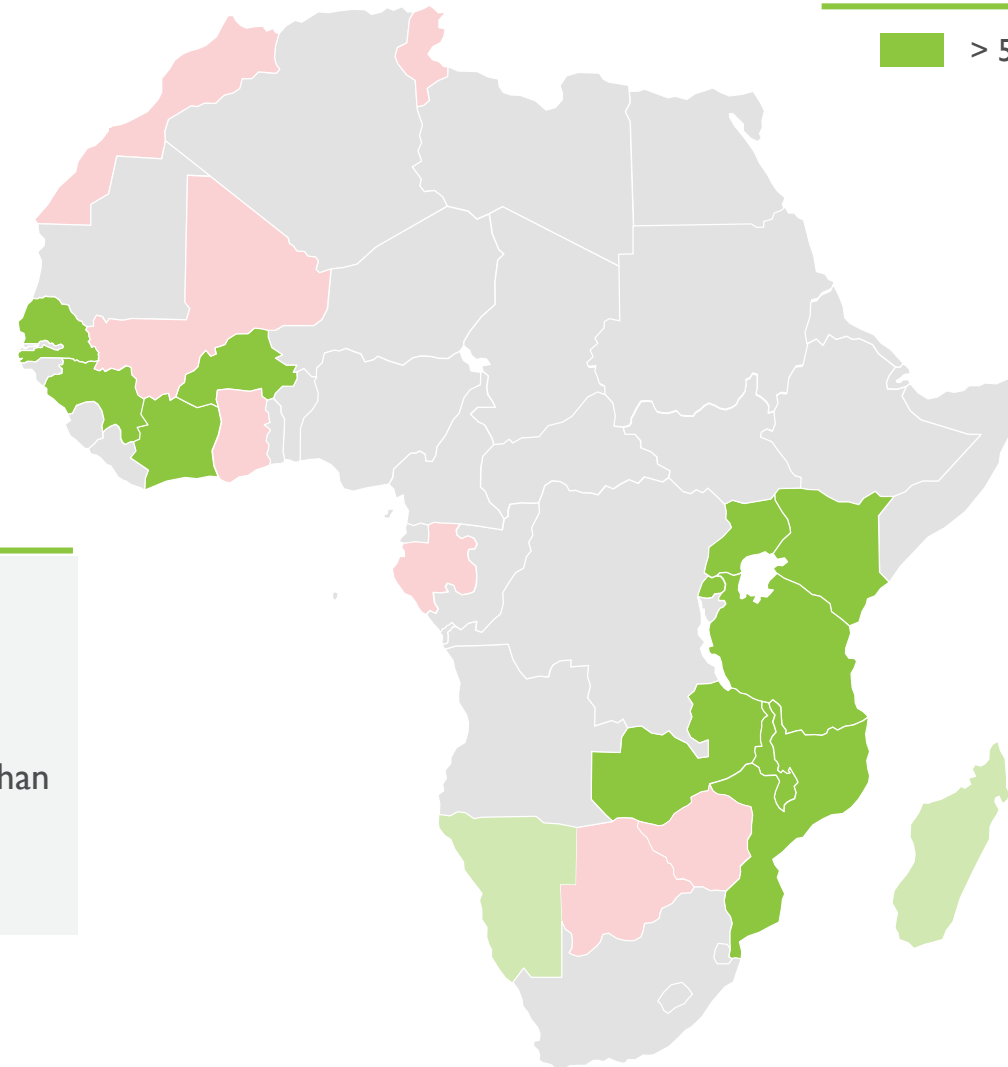
Volume recovery continued during the period

YoY CHANGE IN QUARTERLY VOLUMES SOLD⁽¹⁾



Retail business returning to growth against HI 2019

Key: HI 21 v HI 19 % Retail Volume Growth



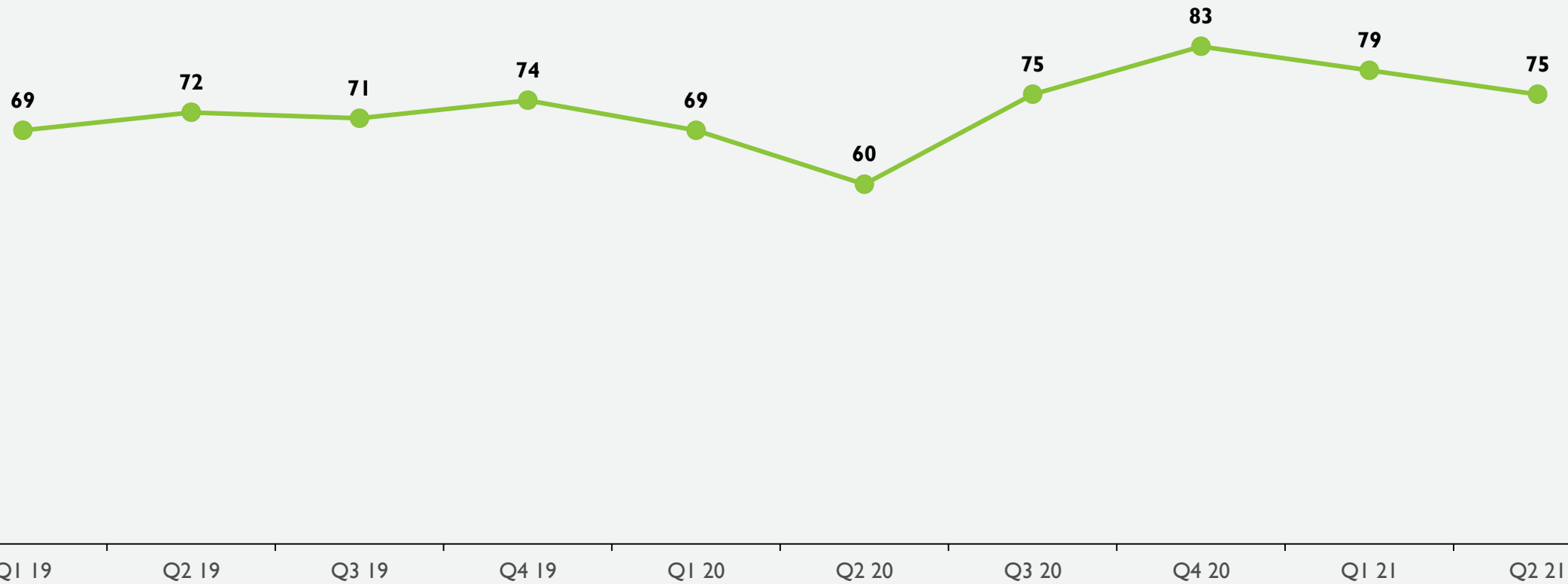
MAJOR POINTS

- ▶ HI 21 Retail volumes up 18% vs HI 20
- ▶ 15 markets ahead of HI 2019⁽¹⁾ volumes
- ▶ Volumes in Engen markets are 25% higher than same period in HI 19⁽¹⁾, ex Zimbabwe

Unit margins returning towards more normalised levels, as expected...

GROSS CASH UNIT MARGIN EVOLUTION

(\$ per thousand litres)



Summary



Looking to continue our positive momentum and capture growth opportunities in our markets





Appendix

Sustainability

Financial Performance Review

Operating Environment

Our Vision: To become the most respected energy business in Africa

We aim to achieve our vision through....

Ensuring financial strength

Working with our stakeholders

Investing for future growth

....and deliver on our Purpose:

To safely provide **innovative and responsible energy solutions to Africa**, which enable growth and development of the continent and its people

....And become the partner of choice supporting our customers through the energy transition across Africa

Our Approach

We are **responding to climate change impacts** and are playing our part

We are increasingly **monitoring and disclosing** the impacts of our business

We are committed to **managing and reducing** our impacts

We will **evolve our customer offerings** to meet changes in demand driven by the energy transition

We will continue to **invest in our local communities** and supporting local climate change responses where appropriate

Our Actions

- ▶ Using TCFD as a climate change response roadmap
- ▶ Adopting climate change as a principle risk
- ▶ Implemented ISOMETRIX across operations
- ▶ Preparing to disclose Scope 3 value chain emissions in 2022
- ▶ Expanding site energy efficiency initiatives and PV roll-out
- ▶ Growing LPG offer to reduce carbon intensity of product mix
- ▶ Developing solar hybrid power product offering
- ▶ Piloting solar powered EV charging sites in Reunion
- ▶ Support local cook stove biofuels projects in East Africa
- ▶ Investing in local tree planting projects

Building our low and zero carbon offering

WELL POSITIONED TO EXPAND OUR LPG BUSINESS AND TAKE ADVANTAGE OF MARKET GROWTH...

- ▶ LPG business currently in 9 markets with existing network of over 175 LPG distributors
- ▶ Represented just over 10% of group volumes in H1 21
- ▶ 2018-2025 demand CAGR for LPG of ~3.5%¹
- ▶ Continued government support for LPG as replacement for biomass, through subsidies and targets
 - ▶ For example, Kenya has a target to increase adoption of LPG to 35% of cooking fuel by 2030²

...WHILST BUILDING OUR HYBRID SOLUTIONS OFFER FOR COMMERCIAL CUSTOMERS

- ▶ Nampala project in Mali in construction phase and scheduled for commercial operation in Q4 21
- ▶ Focus in H1 21 has been on building a high quality team
- ▶ Engaging with a range of potential customers on both a reactive and proactive basis for future solar/hybrid offerings
- ▶ Integrated with fuel and lubricants offering for fleet

Site Preparation at Nampala Mine



Reducing our impact by solarising sites

...SPOTLIGHT ON GHANA

- ▶ Group policy to include energy efficiency measures when building a new site and where possible a solar solution
- ▶ Ghana currently has 4 sites with solar solutions, and recently signed a transaction to retrofit a further 20 sites in H2
- ▶ Will mean more than 10% of the network in Ghana will be powered by solar by the end of the year

Installed capacity
on completion

778 KWp

Expected annual
CO2 emissions
saving

>500 tonnes

Expected annual
cost savings

>\$70k





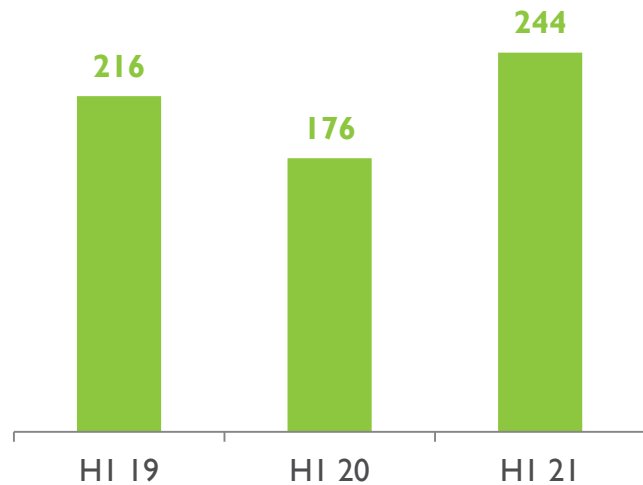
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Operating Environment

HI segmental performance

Retail

Gross Cash Profit

(\$ million)



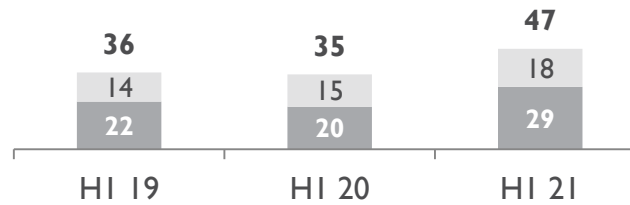
VOLUME: 2.9bn litres (+18%)
UNIT MARGIN: \$78/'000⁽¹⁾ (+18%)
NFR (Gross Cash Profit): \$15m (+25%)

Lubricants

Gross Cash Profit

(\$ million)

■ Retail lubricants
 ■ Commercial lubricants



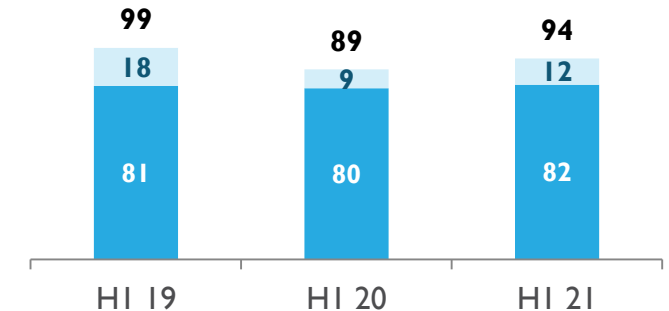
VOLUME: 75m litres (+14%)
UNIT MARGIN: \$616/'000 (+15%)

Commercial

Gross Cash Profit

(\$ million)

■ Aviation & Marine
 ■ Core Commercial



VOLUME: 2.0bn litres (-4%)
UNIT MARGIN: \$47/'000 (+9%)

Improved net income and stable working capital supports cash generation

\$ million	HI 2021	HI 2020	Change
Net income	76	13	+485%
Adjustment for non-cash items and other	106	83	+28%
Current income tax paid	(59)	(41)	+44%
Net change in operating assets and liabilities and other adjustments	21	(167)	-
Cash flow from operating activities	144	(112)	-
Net additions of PP&E and intangible assets	(60)	(44)	+36%
Free cash flow	84	(156)	-
Special items ¹	6	10	(40)%
Adjusted free cash flow	90	(146)	-

Balance sheet remains very strong

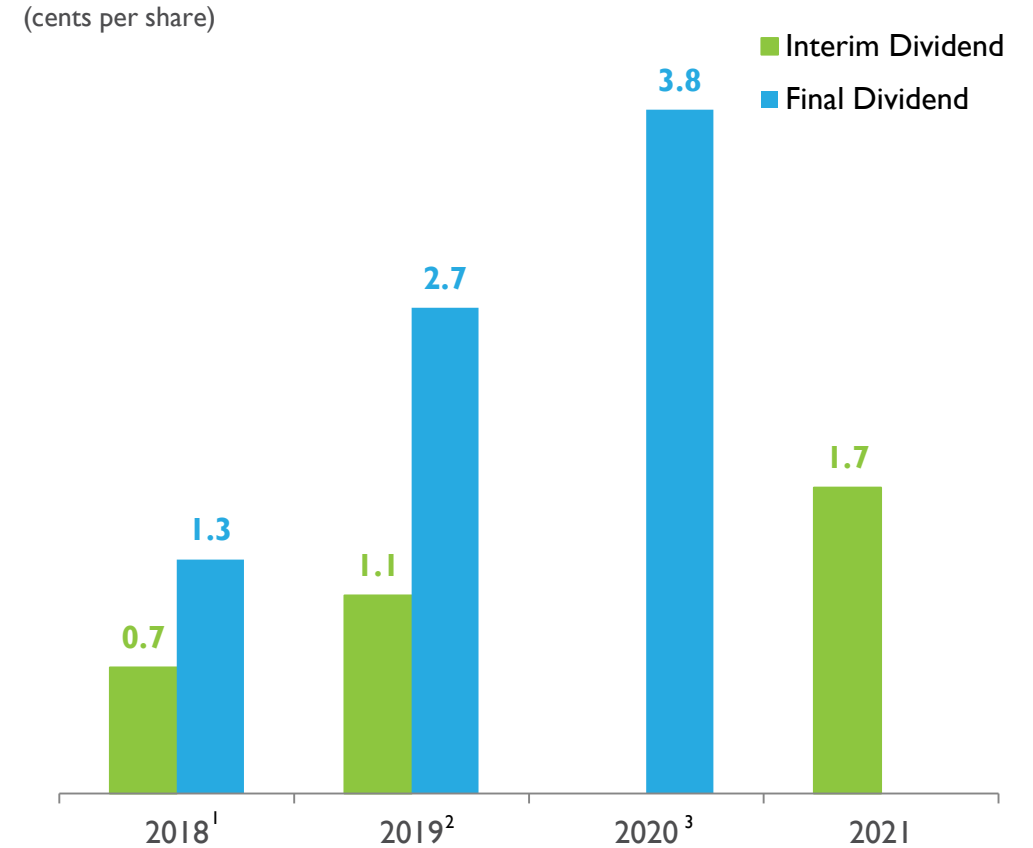
CAPITAL STRUCTURE OVERVIEW

- ▶ Maintained a very strong balance sheet
- ▶ During H1 21, we paid the 2020 final dividend of \$48 million and repaid outstanding debt under the RCF of \$60 million
- ▶ Net debt to Adj EBITDA reduced to 0.77x
- ▶ Refinancing in H2 2020 extended debt maturities to 2027

\$ million	HI 2021	FY 2020
Long-term debt	349	408
Lease liabilities	153	143
Total debt exc. bank borrowings	502	551
Bank borrowings	294	274
Less cash and cash equivalents	(459)	(515)
Net debt	337	310
Net debt to Adj EBITDA¹	0.77x	0.86x

ENHANCING SHAREHOLDER RETURNS WHILST GROWING OUR BUSINESS

- ▶ 2021 Interim dividend declared of 1.7 US cents per share, which equates to \$21.5 million
 - ▶ First to be paid under the recently enhanced dividend policy of 50% pay-out ratio
 - ▶ Policy is to pay approximately 1/3 as an interim dividend
- ▶ As a result, brings shareholder distributions since the start of the pandemic to over \$100 million



An aerial photograph of a large-scale mining operation. The landscape is dominated by terraced earthworks and a winding dirt road. The terrain is reddish-brown, suggesting a mineral-rich area. In the background, there are more hills and a cloudy sky. The overall scene depicts a significant industrial activity in a natural setting.

Appendix
Sustainability
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Operating Environment

Our operating environment

CHALLENGE	MITIGATION
Stocks / oil price	<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
Currency	<ul style="list-style-type: none">■ ~60% of H1 2021 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
Credit	<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 0.5% of gross cash profit during H1 2021
Supply	<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 approximately 30% of Group supply in 2020
Compliance	<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

Overview of fuel market regulation in our countries



	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
Kenya	Tender	Regulated	None
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
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⁾
Côte D'Ivoire	State monopoly	Regulated	LPG only
Tunisia	State monopoly	Regulated	All fuel products ⁽²⁾

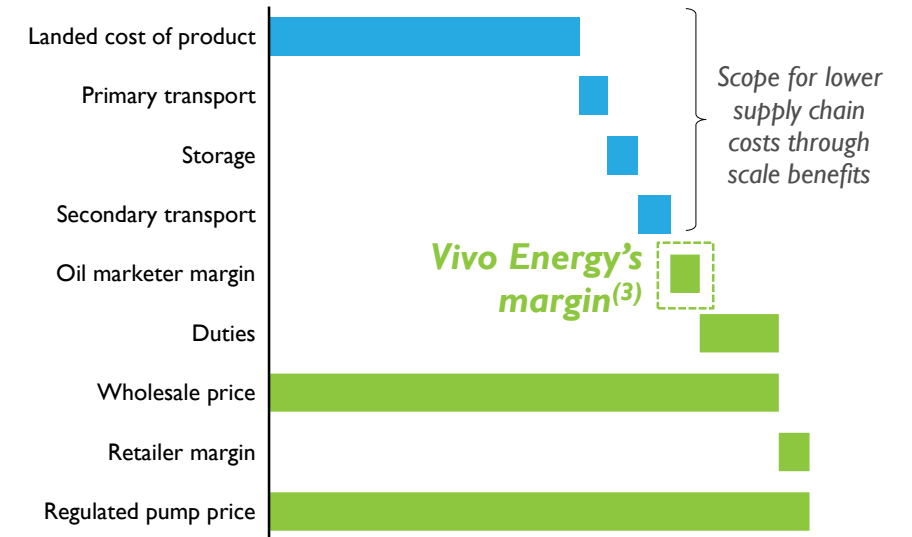
Majority presence in regulated markets provides margin stability

OVERVIEW OF RETAIL PRICE REGULATION IN OUR COUNTRIES

Regulated (no subsidies)	18 countries (54% of volumes ⁽¹⁾)
Regulated (with subsidies ⁽²⁾)	2 countries (16% of volumes ⁽¹⁾)
De-regulated	3 countries (30% 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 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

De-risking Retail performance through use of dealer model

