



30 April 2020

Vivo Energy plc
(LSE: VVO & JSE: VVO)

First Quarter 2020 Trading Update

Vivo Energy plc, the leading pan-African distributor and retailer of Shell and Engen-branded fuels and lubricants, provides the following trading update regarding the quarter ended 31 March 2020 ('Q1').

Commenting on the trading update, Christian Chammas, CEO said, "Our gross cash profit rose 6% to \$179 million in Q1 reflecting a strong start to the year before COVID-19 related restrictions on movement imposed in March created significant and ongoing reductions in demand. We have responded rapidly to the challenges raised by COVID-19 to protect our people and customers, our communities and our business, and with our robust balance sheet and access to liquidity we have a strong base to navigate through these uncertain times."

Summary

- Q1 Gross cash profit of \$179 million, up 6% year-on-year
- Strong available liquidity position of \$1.6 billion
- Supporting our people and customers, our communities and our business through a number of initiatives
- Board believes prudent to withdraw recommendation of the payment of the 2019 final dividend, but will consider an additional dividend payment once more certainty in our markets

Key Performance Indicators

| (\$ in millions), if not otherwise indicated | Q1 2020 | Q1 2019 | Change |
|--|---------|---------|--------|
| Volumes (million litres) | 2,602 | 2,441 | 7% |
| Gross Cash Unit Margin (\$/'000 litres) | 69 | 69 | - |
| Gross Cash Profit | 179 | 169 | 6% |

Operational Review

Q1 gross cash profit of \$179 million increased by 6% year-on-year. The company saw strong trading in January and February, experiencing over 20% gross cash profit growth, with March performance affected by COVID-19 related measures reducing demand, with full lockdowns imposed in countries including Morocco, Tunisia, Mauritius and Reunion in the last two weeks of the month.

Volumes rose by 7%, with the Group benefiting from two months of additional Engen contribution and improved Shell-branded Retail performance, before the government restrictions were imposed. Gross cash unit margins remained resilient at \$69 per thousand litres. This was in-line with the



previous year period. Margins were strong in January and February, but fell in March, primarily due to the impact of the reduction in demand and valuation of stocks.

In April, we have seen reduced volumes as more governments have enacted restrictions to contain the spread of COVID-19. There are currently countrywide lockdowns in nine countries, with either curfews or partial lockdowns in a further ten. The remaining four countries currently have a broad range of social distancing measures in place including the closure of schools and borders and bans on group gatherings. As a result, volumes have been running at around half of expected levels in April to date, but will fluctuate dependent on the restrictions in place at any given time.

COVID-19 Response

In light of the current situation, we have implemented a number of key initiatives to protect our people and customers, our communities and our business:

People and customers

- Implementation of a range of preventive and protective health and safety measures, including travel restrictions, remote working and/or rotations to reduce the numbers of people in our offices or facilities at one time
- Close coordination with our dealer network to provide support and to protect the jobs and safety of front line staff, including the provision of appropriate personal protective equipment
- Quick adaptation of our service stations including hand washing stations, limiting the number of customers at a time and social distancing markers
- Development of new innovations to support our customers, including an LPG home delivery service and launch of a pilot 'click and collect' shopping service

Communities

- Engagement with governments and local NGOs to provide support in the pandemic response, for example in the donation of medical equipment and fuel to support the mobility of the health workers
- Blending of hand sanitiser in Kenya and further exploring potential in other countries with facilities
- Support of e-learning applications for children whose schools have closed

Business

- As announced on 25 March, we took the decision to reduce marketing spend and discretionary uncommitted capex in order to manage our expenditure
- Working closely with our suppliers to reduce supply of fuels for Q2 in line with lower demand
- Managing credit exposures through close monitoring and engagement with customers

Liquidity

The Group remains well capitalised, with available short-term capital resources amounting to \$1.6 billion as at the end of March, comprising of \$353 million of cash on hand, \$238 million of an undrawn committed multi-currency revolving credit facility, and an aggregate of \$1.0 billion of undrawn unsecured short-term bank facilities. The short-term bank facilities are used for working capital purposes within our 23 self-funding operating entities with utilisation rates of approximately 30% at the end of March. Due to lower demand, there has been an increase in the utilisation of the facilities during April, but given the decrease in our supply orders, this is expected to reduce in May.



The Group has long-term debt in place of \$369 million, maturing in 2022, with principal repayments of approximately \$82 million in the current financial year, which will be funded by cash on hand within the holding company. The financial covenants attached to the long-term debt are minimum interest cover of 4x and maximum debt cover of 3x.

Outlook and Dividend

On 25 March, the Group withdrew guidance for the year in light of the uncertainty arising from COVID-19 and the actions taken by host governments to stem the spread of the virus. Until there is further clarity over the length of the restrictions on movement in our countries of operations, the Board does not believe it is appropriate to provide updated guidance.

Given the current impact on fuel volumes and uncertainty as to how long this will continue, the Board has decided to act prudently to withdraw its recommendation to pay a final dividend. Consequently, resolution 3, in relation to the final dividend payment that was to be proposed at the annual general meeting on 20 May 2020, will not be put to the meeting and no final dividend will be paid. The Board recognises the importance of dividends to shareholders and, as such, it intends to consider the appropriateness, quantum and timing of an additional dividend payment relating to the financial year ended 31 December 2019 when there is more clarity around the effects of COVID-19 on the Group's operations.

Conference call

Vivo Energy plc will host a conference call for analysts and investors this morning at 09:00 UK time, with the following dial-in details:

Dial-in: +44 330 336 9128 / +27 11 844 6054
Passcode: 2778581

A replay of the conference call will be available after the event at <https://investors.vivoenergy.com>

Ends



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About Vivo Energy:

Vivo Energy operates and markets its products in countries across North, West, East and Southern Africa. The Group has a network of over 2,200 service stations in 23 countries operating under the Shell and Engen brands and exports lubricants to a number of other African countries. Its retail offering includes fuels, lubricants, card services, shops, restaurants and other non-fuel services. It provides fuels, lubricants and liquefied petroleum gas (LPG) to business customers across a range of sectors including marine, mining, construction, power, transport, wholesalers and manufacturing. The Company employs around 2,600 people and has access to over 1,000,000 cubic metres of fuel storage capacity and has a joint venture, Shell and Vivo Lubricants B.V., that sources, blends, packages and supplies Shell-branded lubricants.

For more information about Vivo Energy, please visit www.vivoenergy.com

Forward-looking statements

This announcement includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as: "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies of the Group and the industry in which it operates.

No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

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