



27 April 2021

Vivo Energy plc

(LSE: VVO & JSE: VVO)

First Quarter 2021 Trading Update

Vivo Energy plc, the leading pan-African retailer and distributor of Shell- and Engen-branded fuels and lubricants, provides the following trading update for the quarter ended 31 March 2021 ("Q1").

Highlights

- Q1 gross cash profit of \$195 million was 9% higher than Q1 20 (\$179 million)
- Q1 volumes continued to recover from the significant impact of COVID-19 in 2020, and were 5% lower year-on-year, with unit margins remaining strong at \$79 per thousand litres
- Retail volumes improved by 4% against Q1 20, with Commercial volumes impacted by Aviation and Marine and the end of a large supply contract in Q3 20
- Excluding Aviation, Marine and the supply contract, group volumes were 2% higher than Q1 20

Key Performance indicators

(\$ in millions), if not otherwise indicated	Q1 2021	Q1 2020	Change
Volumes (million litres)	2,483	2,602	-5%
Gross Cash Unit Margin (\$/'000 litres)	79	69	14%
Gross Cash Profit	195	179	9%

Commenting on the trading update, Christian Chammas, CEO said: "We delivered a strong start to 2021, with Q1 gross cash profit increasing by 9% to \$195 million. It was especially pleasing to see the Retail segment return to volume growth despite ongoing restrictions, continuing the positive momentum from H2 2020 and further demonstrating the resilience of our business and our markets. We have already made good progress towards our target of opening 90-110 net new sites this year and continue to develop our customer offerings while protecting the health and safety of our people and customers. As we move through the year, we expect the recovery to continue, albeit subject to potential impacts from the prevailing mobility restrictions, with the strong Q1 reinforcing our confidence in the business moving forwards."



Operational Review

Group volumes of 2,483 million litres were 5% lower than Q1 20, primarily reflecting the continued volume drag from the Aviation and Marine businesses and the end of a material supply contract in Q3 20. Excluding these factors, volumes were 2% ahead of the previous year period.

- **Retail** made a positive start to the year, with volumes up 4% on Q1 20, underpinned by the continuing improvement in mobility leading to a number of markets returning to like-for-like growth, continued network expansion and the positive impact of marketing initiatives.
- **Commercial** volumes were 15% lower, primarily impacted by weaker Aviation and Marine volumes, which have remained subdued due to the continuing restrictions on international travel, and the end of a material supply contract in one market. Core Commercial volumes, excluding the supply contract, were slightly behind the previous year.
- **Lubricant** volumes increased by 9%, driven by strong performance in Retail & B2C channels.

Q1 gross cash profit of \$195 million increased by 9% year-on-year, supported by unit margins of \$79 per thousand litres. Unit margins increased by 14% compared to Q1 20, which was negatively affected by COVID-19 related inventory impacts. Performance has been aided by the positive supply and pricing environment from H2 2020 continuing through Q1, as well as the mix effect from a smaller contribution from the lower margin Aviation and Marine businesses and supply contract volumes.

COVID-19 Update

During Q1, COVID-19 related restrictions on movement within our operating countries remained in place and continued to have an impact on mobility levels. These restrictions regularly change as governments in our countries primarily use measures including curfews, localised restrictions and border closures to reduce the spread of the virus. Just one country, Mauritius, is currently in a countrywide lock-down, which it entered in mid-March. Vaccination programmes have started in the majority of our countries. These are generally at an early stage, although Morocco has vaccinated approximately 4.5 million people, around 13% of the population.

Moroccan Competition Review

As announced in March, the Royal Cabinet's review of the Conseil de la Concurrence's ("CDC") investigation of the fuel marketing industry concluded that the CDC investigation "was marked by numerous procedural irregularities" and experienced "an obvious deterioration in the climate of deliberations". A new President has now been appointed to lead the CDC. We continue to believe that we have conducted our operations in accordance with applicable competition laws, rules and regulations.

Outlook

The strong start to 2021 builds on the positive trends we saw during H2 2020 and reinforces our confidence in the business moving forwards. As we move through the year, we expect the volume recovery to continue to be supported by like-for-like growth and our network expansion, albeit subject to potential impacts from COVID-19 related mobility restrictions, with unit margins normalising. Our strong balance sheet and cash generation enable us to continue to invest in the growth and enhancement of our network to capture the structural growth opportunities in our markets across Africa and create value for all of our stakeholders.



Conference call

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

Webcast link: <https://webcasting.brrmedia.co.uk/broadcast/606c3172560fbf10fcc51e76>

Dial-in: +44 330 336 9125 / +27 11 844 6054

Passcode: 2793712

A replay 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 2,300 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 2,700 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.

Vivo Energy plc has a primary listing on the London Stock Exchange, and is a member of the FTSE 250 index, with a secondary inward listing on the Johannesburg Stock Exchange.

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

Forward-looking statements

Such forward-looking statements contained in this report speak only as of the date of this report. The Company and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law.

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This announcement includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, including risks associated with the impact of COVID-19, 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.