



21 October 2021

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

Third 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 30 September 2021 ('Q3').

Q3 Highlights

- Gross cash profit of \$195 million was 4% higher than Q3 20 (\$187 million)
- Group volumes rose 3% from Q3 20, and by 6%, excluding the impact of the end of a large low-margin Commercial supply contract in Q3 20
- Retail volumes were up 6%, supported by increasing mobility and excellent site roll-out progress
- Commercial volumes were down 1%, although Aviation and Marine volumes improved
- Lubricants delivered another excellent quarter, with 9% volume growth
- Unit margins remained strong at \$76 per thousand litres

KEY PERFORMANCE INDICATORS

	Three-month period ended 30 September		
	2021	2020	
(\$ in millions), if not otherwise indicated	Total	Total	Change
Volumes (million litres)	2,576	2,492	3%
Gross Cash Unit Margin (\$/000 litres)	76	75	1%
Gross Cash Profit	195	187	4%

	Nine-month period ended 30 September		
	2021	2020	
(\$ in millions), if not otherwise indicated	Total	Total	Change
Volumes (million litres)	7,585	7,110	7%
Gross Cash Unit Margin (\$/000 litres)	76	69	10%
Gross Cash Profit	580	487	19%

Commenting on the trading update, Christian Chammas, CEO said, "We are delighted to deliver another strong quarter with the business maintaining its momentum. Volumes continued to improve, and together with strong unit margins, led to gross cash profit of \$195 million, ahead of both Q3 20 and Q3 19. Performance has been driven by Retail, with our accelerated site rollout supporting the volume recovery, despite the remaining mobility restrictions. Having delivered 114 net new sites so far this year, we now expect to exceed the top of our previous guidance range by more than 20%, by adding between 130-140 net new sites in 2021. Due to the opportunities in our markets, we are aiming to maintain this new level of site openings in 2022. We believe there is significant long-term potential in our markets and will continue to invest to grow our fuel and non-fuel offerings to meet this demand whilst broadening our product mix to provide long-term benefits to our customers and our broader stakeholders."

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Operational Review

The Group continued to perform well against all of its key HSSEQ indicators during the quarter, reflecting how integral HSSEQ is to the business and its long-term success in Africa.

Group volumes of 2,576 million litres were 3% higher than Q3 20, reflecting the continuing business recovery from the impact of COVID-19 as mobility restrictions eased in the latter part of the quarter, partially offset by the end of a non-recurring material supply contract in Q3 20. Excluding the supply contract, volumes were 6% higher compared to the previous year period.

- **Retail** delivered strong results during the quarter, with volumes up 6% compared to Q3 20, and 3% ahead of Q3 19. This was driven by the continued network expansion and consumer mobility increasing through the period, having initially been constrained in July by restrictions in certain markets.
- **Commercial** continued to recover, with volumes 1% lower than Q3 20, and 12% behind Q3 19, primarily due to the end of the material supply contract in 2020. Excluding the supply contract, volumes were 6% higher than Q3 20 and 7% below Q3 19. Aviation and Marine volumes, which have been heavily impacted by restrictions on international travel, are beginning to recover and recorded year-on-year volume growth during the quarter.
- **Lubricant** volumes increased by 9% against Q3 20 and 6% against Q3 19, driven by strong performance in both the Retail & B2C channels.

Gross cash profit of \$195 million was 4% ahead of Q3 20, primarily driven by higher volumes and unit margins. Gross cash unit margins of \$76 per thousand litres were 1% higher than Q3 20. Unit margins have remained strong, as the business has continued to benefit from the current supply and pricing environment, the impact of H1 lubricant price increases, as well as the higher margin product mix.

COVID-19 Update

As highlighted in our H1 results, our markets started to experience higher COVID-19 case numbers in June due mostly to the Delta variant, and this continued through much of Q3. Whilst mobility restrictions were initially tightened, as we moved through the period and case numbers fell, restrictions were eased, and a number of countries re-opened their borders and shortened the duration of evening curfews. Vaccination rates have progressed at different paces, with most sub-Saharan countries still early in their programmes. Mauritius and Morocco have the most advanced rollout of vaccinations, with the majority of their target populations being fully vaccinated.

Outlook

The strong performance during Q3, when COVID-19 cases were elevated, demonstrates the strength of the business model and reinforces our confidence in the ongoing volume recovery. As we move into Q4, we are beginning to see improvements in the Aviation and Marine segment, and are driving our Retail segment forward by accelerating the expansion of the network. Having opened 114 net new sites in the first nine months of the year, ahead of our previous full year guidance range of 90-110 net new sites, we now expect to open between 130-140 net new sites in 2021 and aim to maintain this pace of site openings in 2022. Fuel will continue to be integral to the development and growth of our African markets and we believe we are well placed to meet this growing demand, whilst broadening our product mix to provide long-term benefits to our customers and broader 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/61436a187d0383367bb11f47>

Participants wishing to ask a question may also dial into the event by conference call using the below details:

Dial-in: +44 330 336 9125 / +27 11 844 6054
Passcode: 9503021

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 2,400 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

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",

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"assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology, but are not the exclusive means of identifying such statements. 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.

Such forward-looking statements contained in this report are current only as of the date of this report. The Company and the Directors do not intend, and will not update any forward-looking statements set forth in the document. You should interpret all subsequent written or oral forward-looking statements attributable to the Group or to persons acting on the Group's behalf as being qualified by the cautionary statements in this report. As a result, you should not place undue reliance on such forward-looking statements. This announcement may contain references to Vivo Energy's website. These references are for convenience only and Vivo Energy is not incorporating into this announcement any material posted on www.vivoenergy.com.