



25 October 2019

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

Third Quarter 2019 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 30 September 2019 ('Q3').

Commenting on the trading update, Christian Chammas, CEO said, "We are pleased to have delivered another record quarter, with gross cash profit increasing by 13% year-on-year to \$189 million. This was a result of stable margins in the Shell-branded markets and strong volume growth of 15% year-on-year, primarily driven by the Engen-branded markets. The successful integration of the Engen transaction, and the completion of the roll-out of the ERP¹ system across all 15 Shell-branded markets demonstrate the capability of our teams and we are well on-track to deliver against our expectations for the full year."

Highlights

- Q3 Sales volume up 15% year-on-year driven by the contribution of Engen-branded markets
- Q3 Gross cash profit of \$189 million, up 13% year-on-year and up 4% quarter-on-quarter, driven by higher volumes and stable margins
- Q3 Gross cash unit margin of \$71 per thousand litres (Q3 2018: \$72), ahead of full year guidance
- Engen integration progressing well, with strong commercial volume performance during Q3

KEY PERFORMANCE INDICATORS²

	Three-month period ended 30 September			
	2019	2019	2018	
(\$ in millions), if not otherwise indicated	Shell-branded³	Total	Total	Change
Volumes (million litres)	2,356	2,672	2,323	+15%
Gross Cash Unit Margin (\$/000 litres)	71	71	72	-1%
Gross Cash Profit	168	189	167	+13%

	Nine-month period ended 30 September			
	2019	2019	2018	
(\$ in millions), if not otherwise indicated	Shell-branded³	Total	Total	Change
Volumes (million litres)	7,034	7,657	6,951	+10%
Gross Cash Unit Margin (\$/000 litres)	70	70	74	-5%
Gross Cash Profit	490	540	512	+6%

(1) Enterprise Resource Planning system

(2) Unaudited management information

(3) Engen Kenya volumes of 7 million litres in Q3 have been included in Shell-branded volumes due to the rebranding of the retail sites.



Operational Review

Q3 gross cash profit of \$189 million increased by 13% year-on-year.

Q3 volumes of 2,672 million litres were 15% higher year-on-year, primarily driven by both the new contribution and strong Commercial performance in the Engen-branded markets. Gross cash unit margin of \$71 per thousand litres in Q3 was slightly ahead of H1 2019 driven by improved margins in the Shell-branded markets and broadly in-line with the previous year period.

Volumes in Shell-branded markets grew by 1%, with the focus remaining on driving gross cash profit growth by balancing volume growth with strong margins. As a result, Shell-branded margins were slightly ahead of H1 2019, driven by improved Retail margins and the decision to reduce the low margin Commercial reseller business in certain markets in Q2; additionally volume growth in each of the segments was in line with H1 2019. A number of initiatives are underway in order to drive Retail volume growth and we remain on track to achieve our target of opening a net total of between 80-100 sites this year.

Outlook

Year-to-date group volume growth increased to 10% against the comparable period, and we continue to expect volume growth for the full year, including the Engen-branded markets, to be within our guidance range of low to mid double-digit percentage growth. Group year-to-date gross cash unit margins are \$70 per thousand litres, which remains above our initial full year expectations and we continue to expect to be slightly ahead of initial guidance of the high sixties per thousand litres for the full year. As a result, we continue to expect another year of strong gross cash profit growth.

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 9126 / +27 11 844 6054
Passcode: 4806314

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

Ends

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Vivo Energy operates and markets its products in countries across North, West, East and Southern Africa. The Group has a network of over 2,100 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, and manufacturing. Jet fuel is sold to customers under the Vitol Aviation brand.

The Company employs around 2,700 people and has access to over 1,000,000 cubic metres of fuel storage capacity. The Group's joint venture, Shell and Vivo Lubricants B.V., sources, blends, packages and supplies Shell-branded lubricants at plants in six countries.

This announcement is available on the Company's website: <http://investors.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.

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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