



25 March 2020

**Vivo Energy plc**

LSE:VVO / JSE:VVO

## **Update on the impact of COVID-19**

Vivo Energy, the pan-African retailer and distributor of Shell and Engen-branded fuels and lubricants, issues the below update given the rapidly evolving developments linked to COVID-19.

### **Our Priority**

Vivo Energy's first priority has, and always will be, the health and safety of our people, their families and our customers. We have implemented a range of measures to protect our staff, including travel restrictions, remote working and/or creating rotations to reduce the numbers of people in our offices or facilities at one time. We are also supporting our local communities and host Governments in their efforts to manage the situation, with initiatives including donations of fuel to Ministries of Health, funding to support the fight against the spread of COVID-19, and as an example, we are blending hand sanitiser for the Kenyan Government at our lubricants blending facilities in Mombasa.

### **Current trading**

Trading for the year to date has been in line with expectations as there has been minimal impact from the COVID-19 virus due to the small number of confirmed cases in our 23 African operating countries to date. However, in recent days, a number of our host Governments, including in Morocco, Kenya and Tunisia, have acted decisively to prevent the spread of COVID-19 within their countries. These measures have included the closure of borders, schools and in certain cases, imposing restrictions on the movement of people. As fuel is a critical resource, our retail sites remain open and we have continued to supply to our commercial customers, but we have naturally seen a reduction in aviation and transport volumes from the restrictions.

### **Financial Position**

We have entered this period of uncertainty in a strong financial position and year-end 2019 net debt to EBITDA of 0.5x. As at the end of February 2020, the Group had long-term debt of \$0.4 billion, with available short-term capital resources amounting to \$1.7 billion. This comprises \$0.2 billion of an undrawn committed multi-currency revolving credit facility, \$1.1 billion of undrawn unsecured short-term bank facilities within our 23 operating entities for working capital purposes, and \$0.4 billion of cash on hand. \$0.3 billion of the long-term debt is an amortising term loan which matures in 2022, with principal repayments of \$41 million due semi-annually (June and December) ahead of maturity. The financial covenants attached to the long-term debt are that EBITDA should be no less than 4 times interest and net debt should be no more than 3 times EBITDA.

### **Dividend**

It is the Board's current intention to maintain their recommendation of the payment of the full year dividend, representing \$34 million, as the business retains a strong balance sheet. However, as we cannot predict the impact of COVID-19 to the business, as a rapidly evolving situation, the Board may decide to review this recommendation ahead of the Annual General Meeting on 20 May.

## Company Actions and Outlook

Due to the unprecedented situation, the company has taken steps to update its business continuity planning to ensure we can continue to operate efficiently and has taken the decision to reduce marketing spend and discretionary uncommitted capex in order to manage our expenditure. We are closely monitoring stock levels and credit exposure to ensure that these continue to be managed effectively in light of the changing demand.

As a result of the current uncertainty, the Group has decided to withdraw the guidance it published on 4 March 2020, but will continue to monitor developments and provide further updates as necessary.

**Ends**

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***This announcement contains inside information, which is disclosed in accordance with the Market Abuse Regulation.***

### 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](http://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.*

*Such forward-looking statements contained in this report speak only as of the date of this announcement. 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.*

