

Vivo Energy plc *Company Presentation*

September 2019



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Vivo Energy - Snapshot

1 Leading independent African fuel distributor, diversified across 23 countries

2 Growth focused – retail portfolio grown by over 65% in 2012

3 Highly cash generative business model with high operating leverage

4 Consistent delivery of +20% ROACE due to disciplined capital allocation

5 Led by an experienced management team, with a proven track record

The leading independent fuel supplier to retail and commercial customers in Africa

Footprint in 23 countries

Access to over 450 million consumers

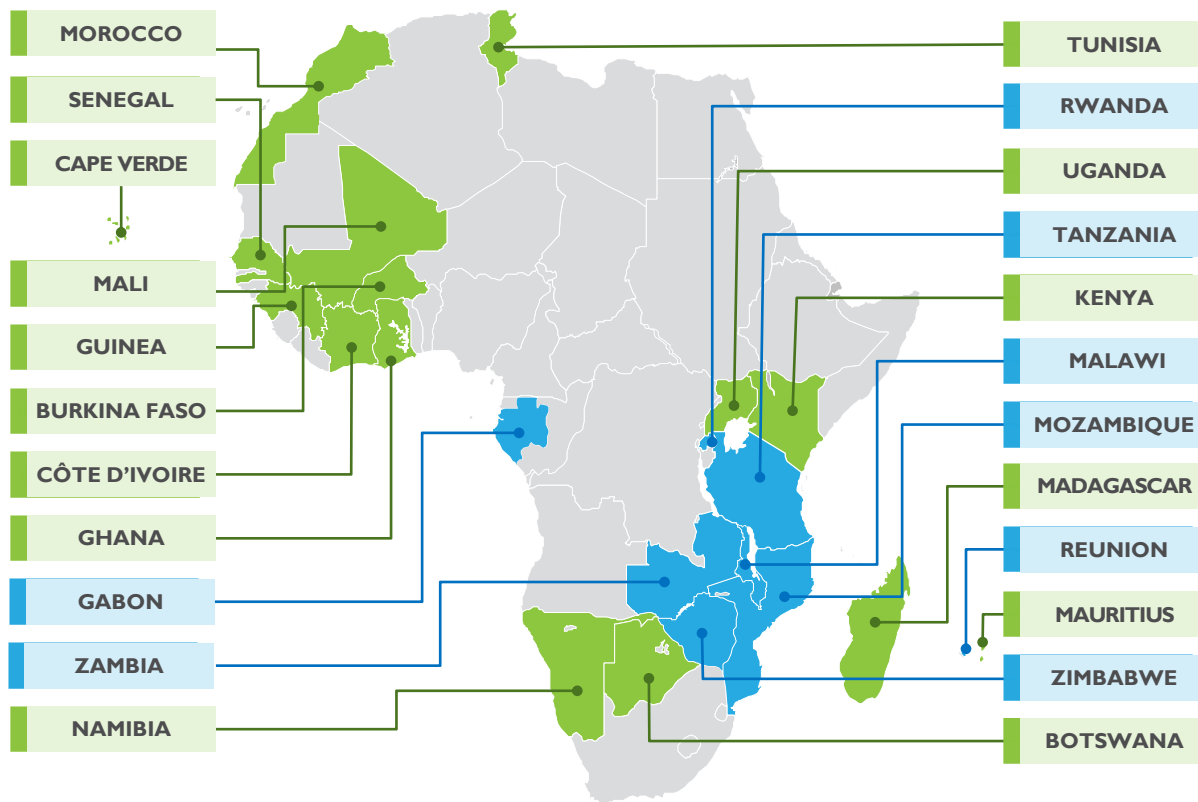


2,171¹ retail sites



+10 billion litres of fuel sold in 2018²

+800,000 customers per day visit our sites



Shell brand

Engen brand



Source UN Population Prospects 2018
 (1) Information as of June 2019
 (2) Pro-forma to include Engen management information reported volumes in 2018

We operate an integrated business across three core segments

Retail

~60% of Adj. EBITDA



Second largest retailer in Africa outside South Africa, in terms of site numbers

Retail fuels

- Sale of petrol and diesel fuels at 2,171¹ Shell and Engen-branded service stations across 23 countries

Non-fuel retail

- Multi-branded Convenience Retail and Quick Service Restaurant offering

Lubricants

~10% of Adj. EBITDA



Integrated manufacturing, distribution and marketing operations

Retail Lubricants

- Providing products to consumers at retail sites, as well as through a network of distributors

Commercial Lubricants

- Supplying specialist lubricants to mining companies, B2B customers and export sales

Commercial

~30% of Adj. EBITDA



Integrated offering to 5,000+ customers across long term contracts, tenders and spot sales

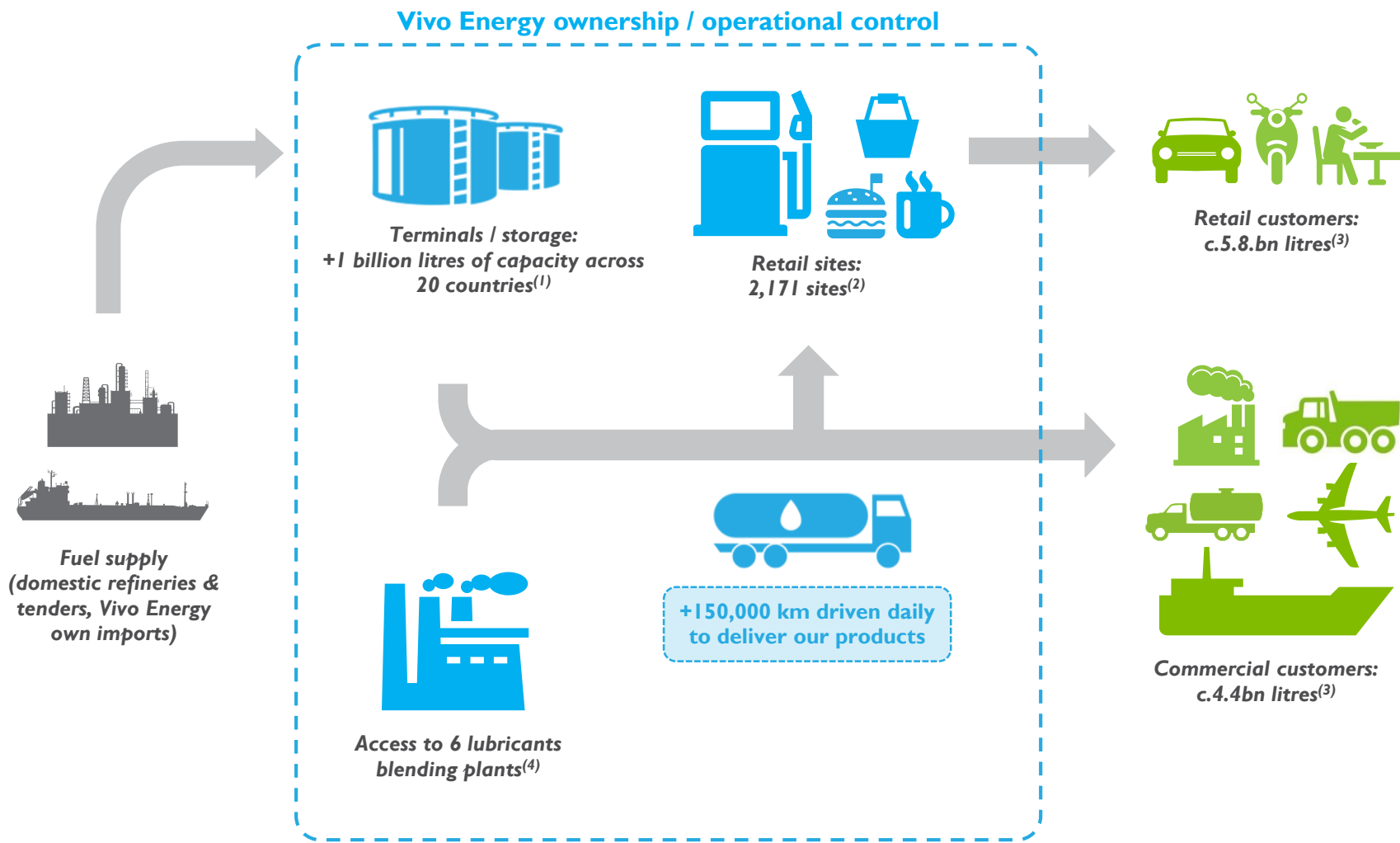
Core Commercial

- Supplying mining, construction, transport, power and industrial companies. We also supply LPG, primarily to consumers

Aviation and Marine


- Supplying aviation fuel, plus bunkering for marine traders and other shipping companies

Our integrated model provides a sustained competitive advantage



(1) Represents fuel storage capacity only and includes equity share of storage capacity in joint ventures, excluding bitumen and LPG. JV storage is included on a pro rata basis based on ownership %, pro-forma for Engen markets
 (2) As at June 2019
 (3) Fuel and lubricants sales in 2018 pro-forma for Engen markets
 (4) Via 50% SVL joint venture. Vivo Energy either owns or has operational control of 5 of the 6 plants

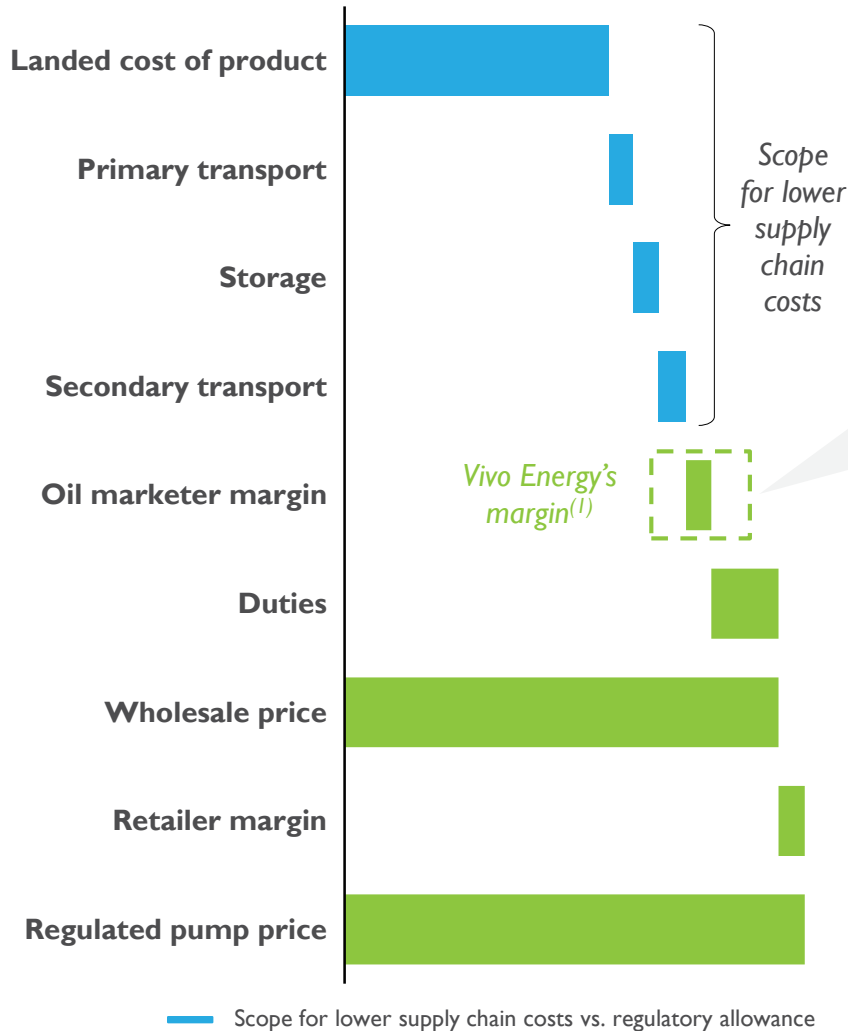
We operate primarily in regulated markets



	Supply	Regular fuel margin	Subsidies
Morocco	Deregulated	Deregulated	Bottled LPG only
Uganda	Deregulated	Deregulated	None
Ghana	Partially regulated	Deregulated	None
Namibia	Deregulated	Regulated	Rural areas only
Kenya	Tender	Regulated	None
Botswana	Deregulated	Regulated	Kerosene only
Madagascar	Deregulated	Regulated	None
Mali	Deregulated	Regulated	LPG only
Zimbabwe	Deregulated	Regulated	None
Rwanda	Deregulated	Regulated	None
Malawi	Deregulated	Regulated	None
Mozambique	Tender	Regulated	None
Reunion	Tender	Regulated	None
Zambia	Tender	Regulated	None
Cape Verde	Tender	Regulated	None
Guinea	Tender	Regulated	All fuel products
Tanzania	Partially regulated	Regulated	None
Senegal	Partially regulated	Regulated	None
Mauritius	Partially regulated	Regulated	LPG only
Gabon	State monopoly	Regulated	None
Burkina Faso	State monopoly	Regulated	LPG only ⁽¹⁾
Côte D'Ivoire	State monopoly	Regulated	LPG only
Tunisia	State monopoly	Regulated	All fuel products ⁽²⁾

How we make our retail margins?

ILLUSTRATIVE RETAIL PUMP PRICE BUILD-UP



REGULATED MARGIN WITH EFFICIENCY UPSIDE

- Regulators set pump prices using **assumed supply chain costs**
- The regulated price contains an **allowed margin** for oil marketers
- Oil marketer margin generally **5 – 10% of pump price**
- Oil marketing companies can make margins above the regulated marketing margin by **achieving lower supply chain costs** than those in the pump price formula
- Savings are driven by the **reach, scale and efficiency** which can be achieved by large, vertically-integrated players
 - Vivo Energy has a **structural advantage** vs. small independents

Favourable African macro trends underpin our growth



STRONG POPULATION GROWTH

- **1.2 billion** more people by **2050⁽¹⁾**
- **57%** of global population growth



YOUNG POPULATION

- **Median age of 19** vs. 30 and 38 in Asia and USA, respectively⁽²⁾



RAPID URBANISATION

- Urban population to grow from **40%** to **56%** from 2015 – 2050



GROWING MIDDLE CLASS

- **376 million** to **582 million** people from 2013 – 2030



STRONG GDP GROWTH IN VIVO ENERGY COUNTRIES

- **5.1%** CAGR 2018 – 2023



INCREASING CONSUMER SPENDING

- **4%** household consumption CAGR 2015 – 2025



RAPID VEHICLE GROWTH

- **7%** CAGR 2016 – 2021⁽³⁾
- **66** vehicles per 1,000 people vs. **560** in Europe⁽³⁾

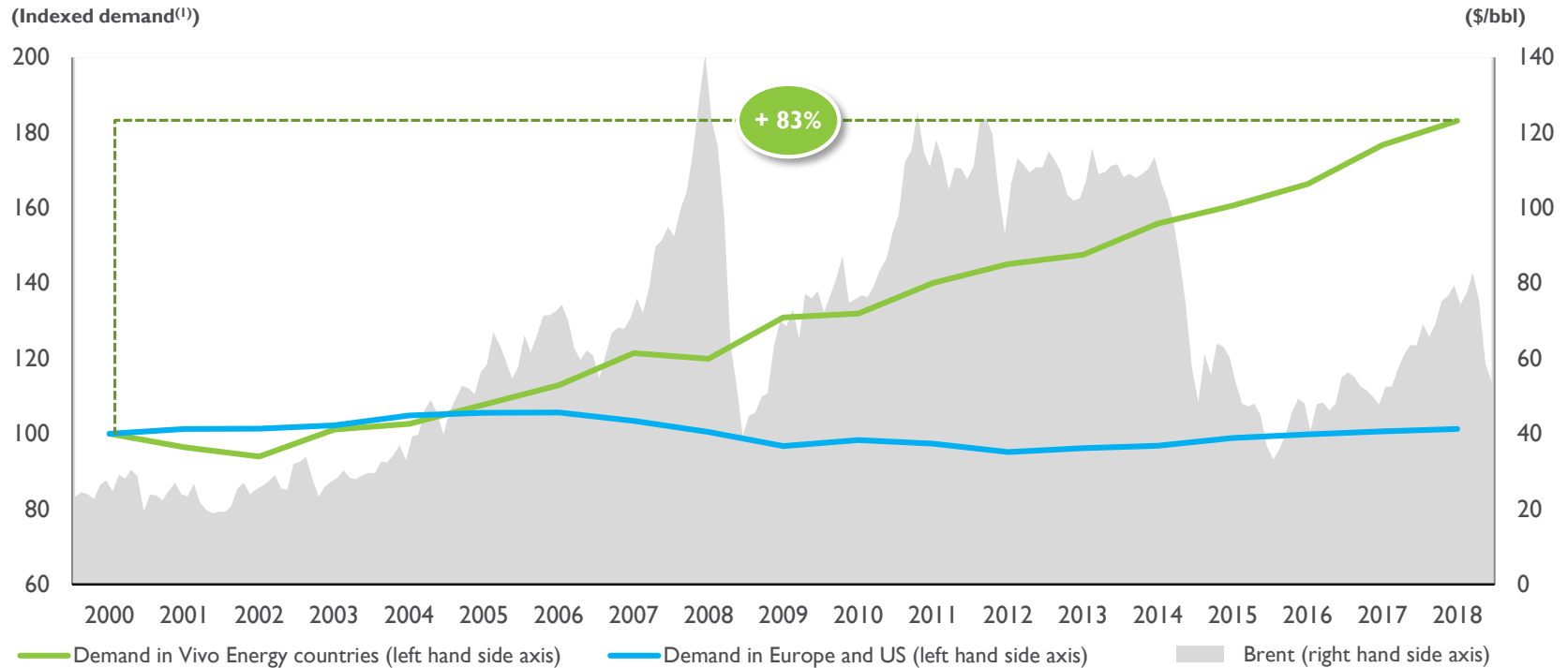


STRONG INFRASTRUCTURE DEVELOPMENT

- **\$150bn** of annual infrastructure spending required by 2025

Our markets have resilient and growing fuel demand

FUEL DEMAND HAS KEPT GROWING DESPITE A FLUCTUATING OIL PRICE



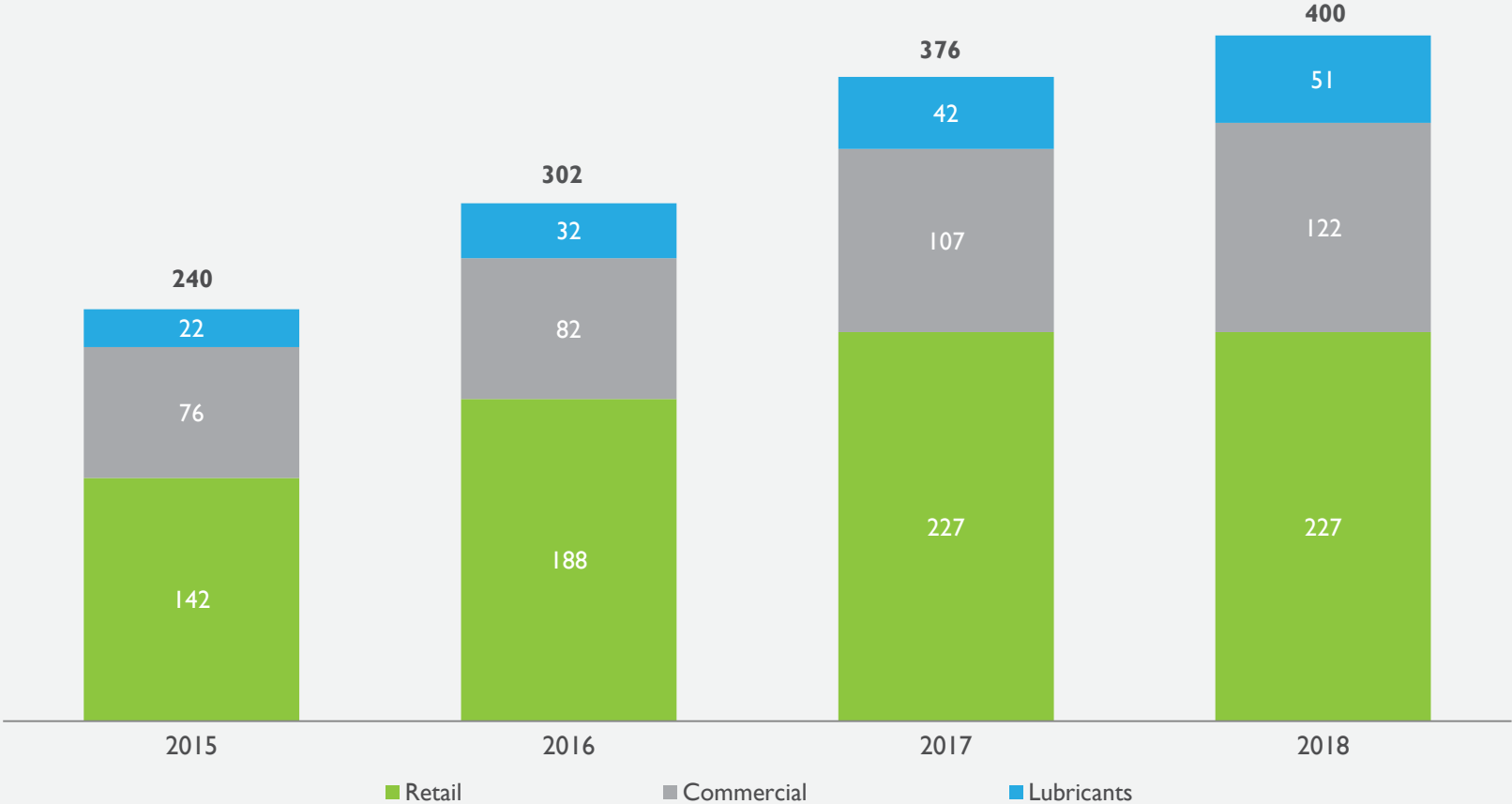
AFRICAN FUEL DEMAND CHARACTERISTICS

- Few public transport alternatives
- Roads are the primary transport route
- Staple product
- Car parc growth, lower vehicle efficiency and expanding road network

Consistently growing Adjusted EBITDA year-on-year

ADJUSTED EBITDA

(\$ in millions)



Driving +20% ROACE through disciplined capital allocation

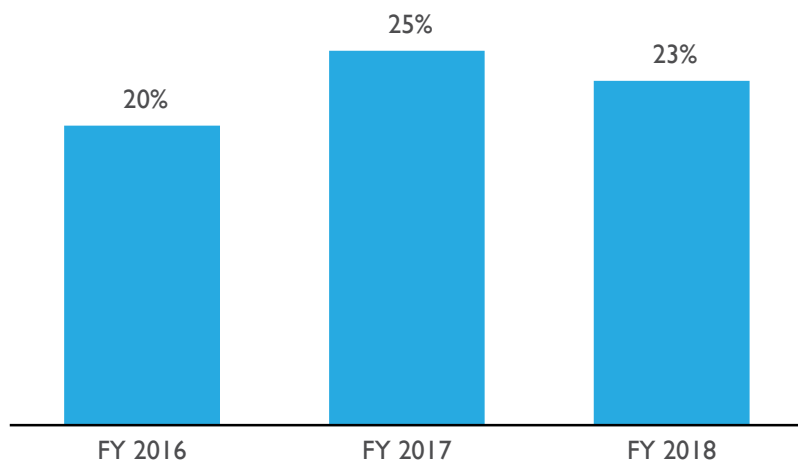
DISCIPLINED CAPITAL ALLOCATION

- ▶ Rigorous return requirements for any investment controlled by a central team
- ▶ USD IRR hurdle rate of 20% for retail projects and 25% for commercial projects
- ▶ Group and individual countries incentivised for return on capital
- ▶ Annual post-investment reviews

AIDED BY STRUCTURALLY NEGATIVE WORKING CAPITAL

- ▶ Working capital is structurally negative and self-liquidating
 - Retail payments are on average 6 days after delivery
 - Creditors operate on longer terms
- ▶ Focus is to continually improve working capital position
- ▶ In 2018, working capital amounted to a \$36 million benefit to cash flow

ROACE CONSISTENTLY ABOVE 20%⁽¹⁾



	2017	2018
Days Payable Outstanding	53	56
Days Inventory Outstanding	22	24
Days Sales Outstanding	17	16

Vision to become the most respected energy business in Africa

OVERVIEW

- ▶ Aim for **Goal Zero** – no harm to people and minimised impact on the environment
- ▶ HI 2019 Total Recordable Case Frequency of **zero**
- ▶ The **first company in Africa**, and one of the first 10 companies globally, to be certified under ISO 37001 standard for anti-bribery management systems
- ▶ Outstanding employee survey results: **90% are proud to work for Vivo Energy**
- ▶ Delivered over **35 social projects** across Education, Road Safety and Environment in HI 2019
- ▶ 2018 CO₂e Scope 2 emissions amounted to **102.82** kilotonnes

MANAGING OUR ENERGY IMPACT

- ▶ What we're doing to reduce energy consumption:
- ▶ Delivering smarter, more efficient depots
- ▶ Improved supply chains, introducing automation to improve efficiencies
- ▶ Smarter transport operations – reducing distance travelled, HSSE exposure and transport costs by optimising product deliveries
- ▶ Improving the efficiency of our service stations and buildings, including using solar power, LED lighting, and more efficient air conditioning and refrigeration at our sites

Continuing to innovate to enhance our business

Expanding our customer value proposition

Premium fuel roll-out



Non-fuel partnerships



Energy efficiency



Embracing data analytics

ERP - Optima



Loyalty



Site automation

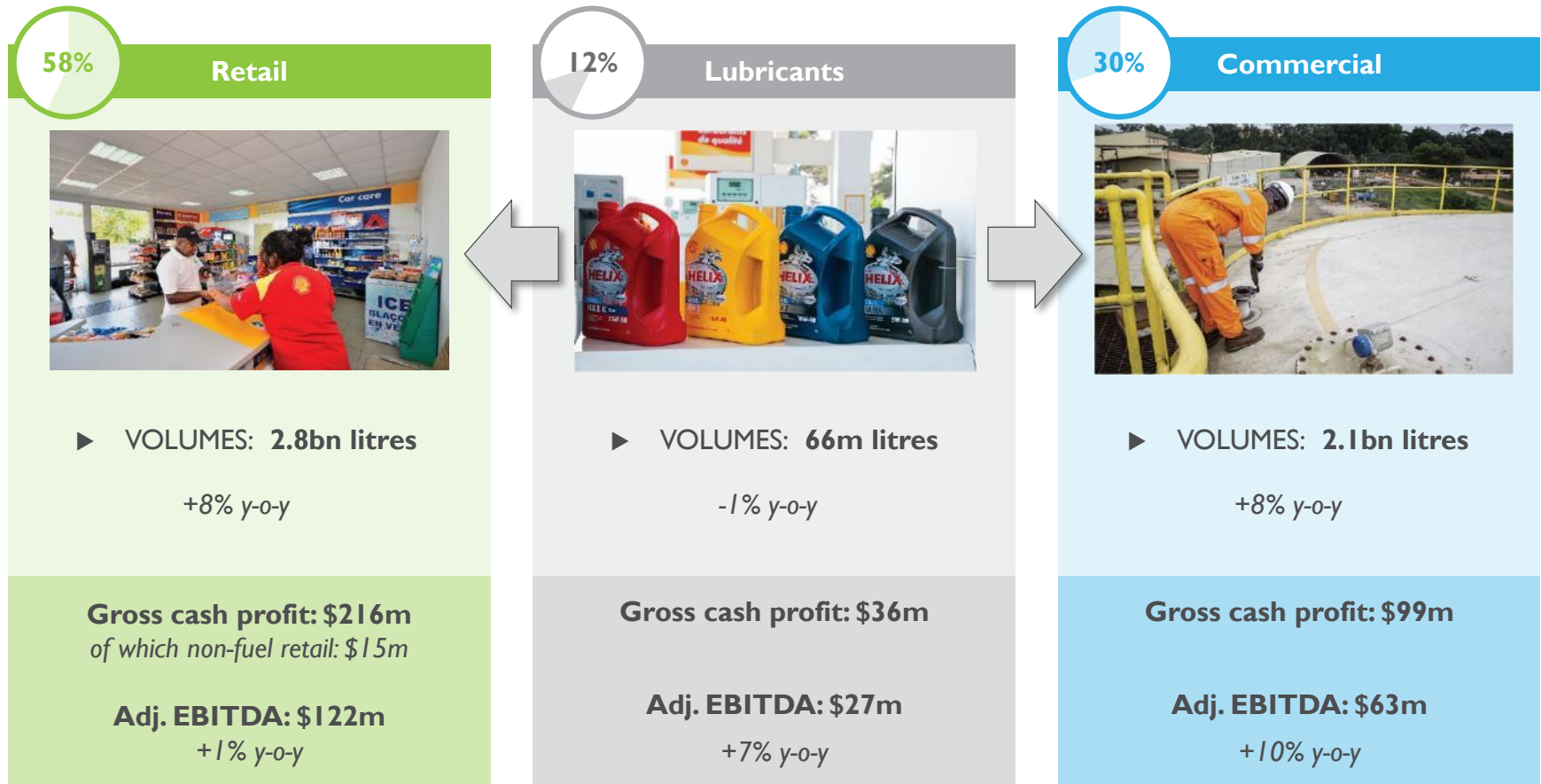





HI 2019 Review

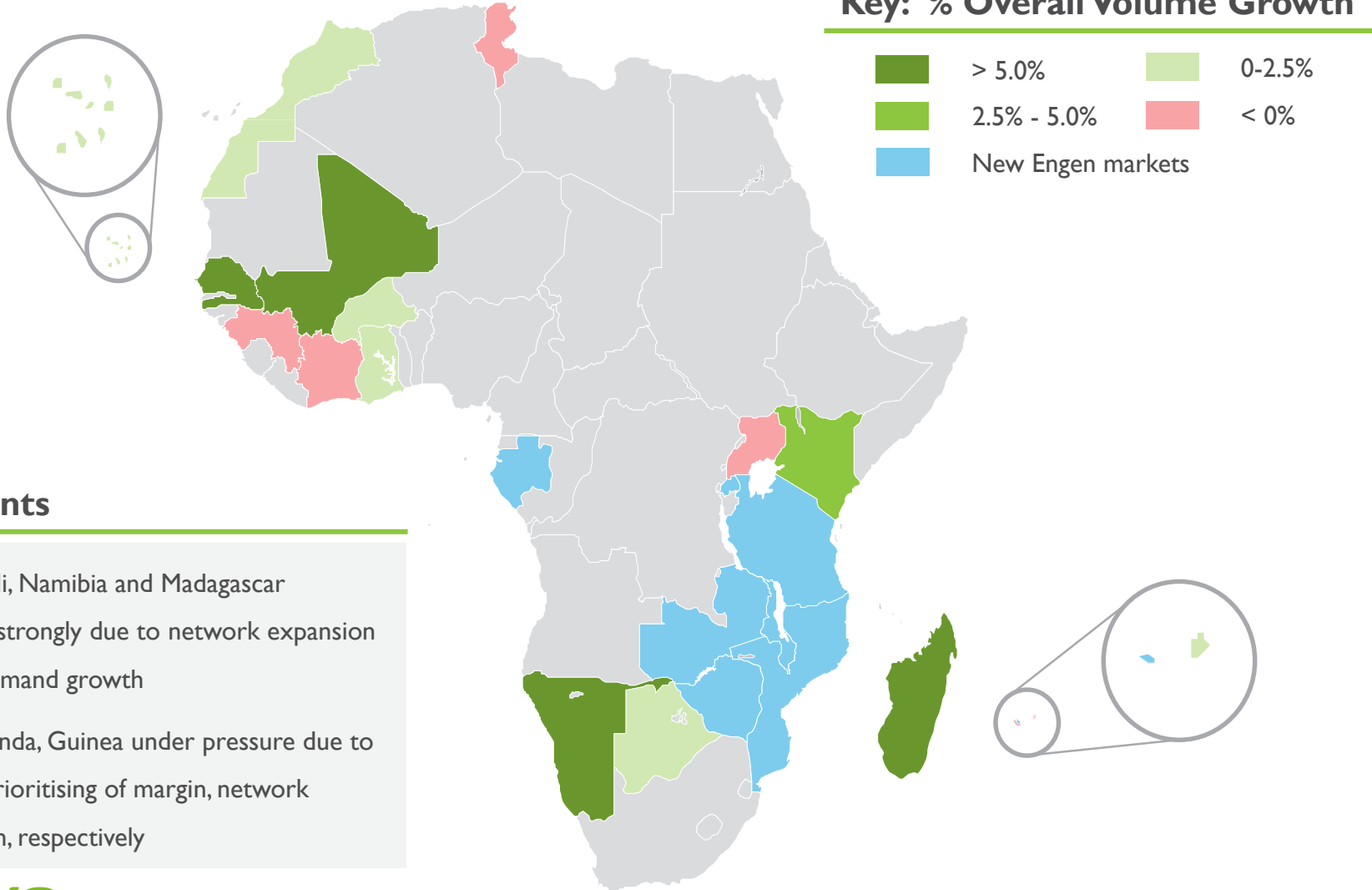


HI 2019 segmental performance




 HI 2019 Adj. EBITDA split

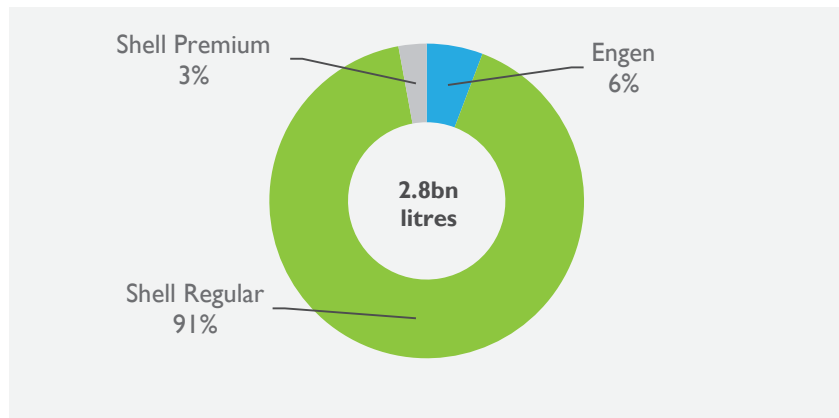
HI 2019 Retail volume heat map



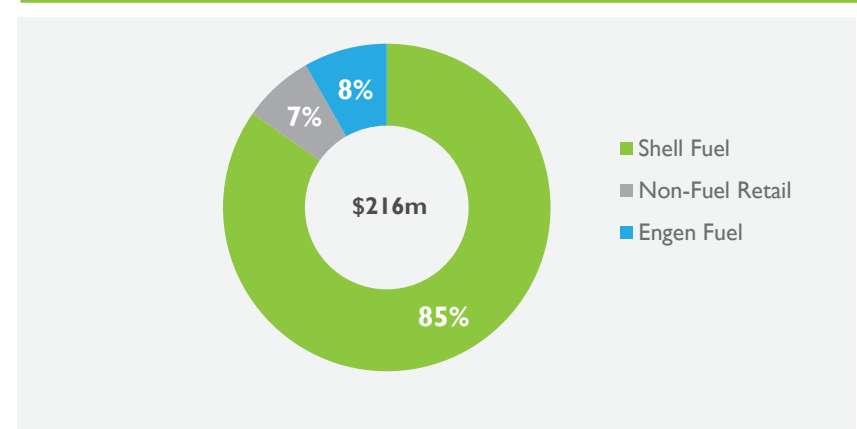
Retail remained resilient despite margin pressures in Morocco

VOLUME GROWTH OFFSET LOWER MARGINS

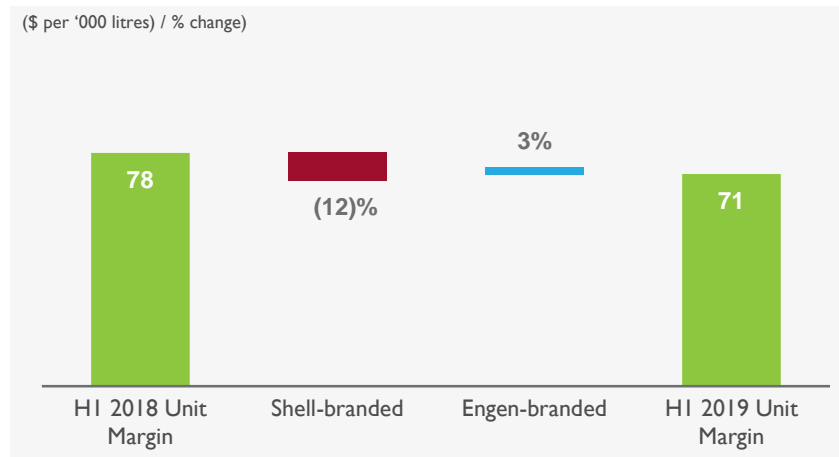
HI VOLUME CONTRIBUTION



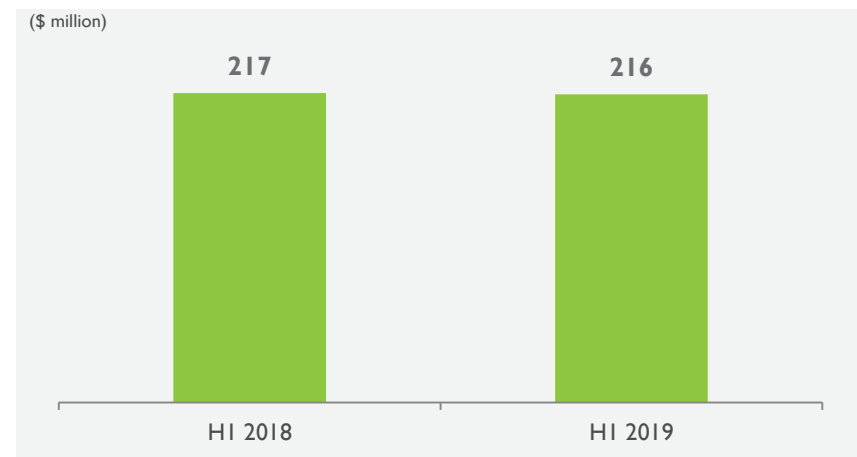
HI GROSS CASH PROFIT CONTRIBUTION



UNIT MARGIN



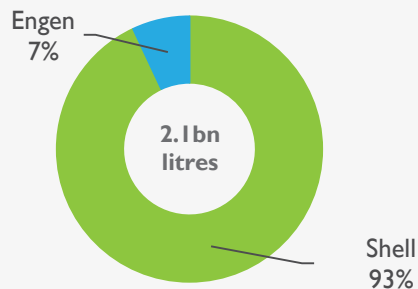
GROSS CASH PROFIT



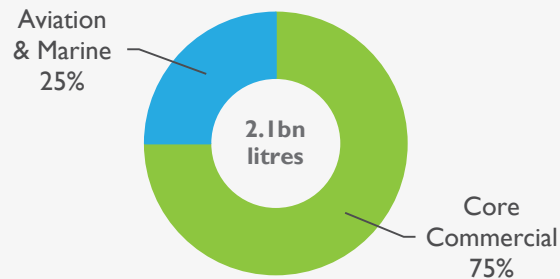
Strong Commercial segment performance

ORGANIC VOLUME GROWTH DRIVEN BY AVIATION AND LPG

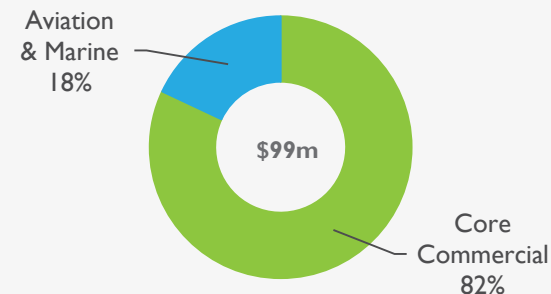
VOLUME CONTRIBUTION BY BRAND



VOLUME CONTRIBUTION BY SEGMENT

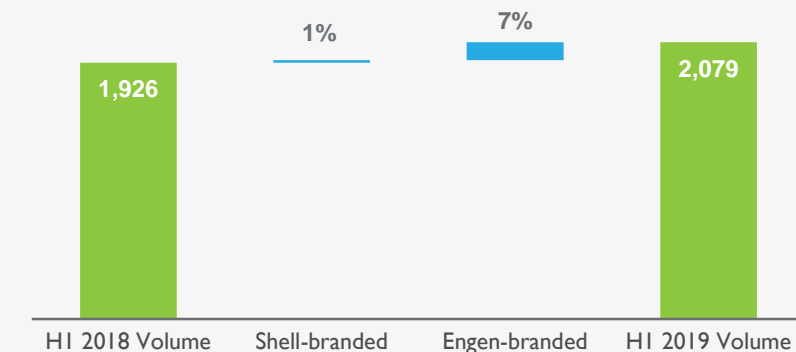


GROSS CASH PROFIT CONTRIBUTION



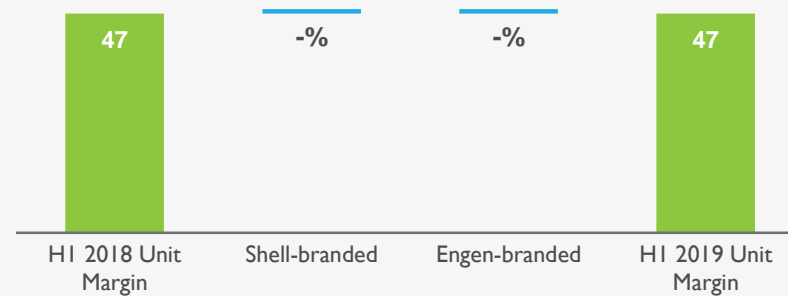
YoY % VOLUME GROWTH

(million litres) / % growth



UNIT MARGIN BREAKDOWN

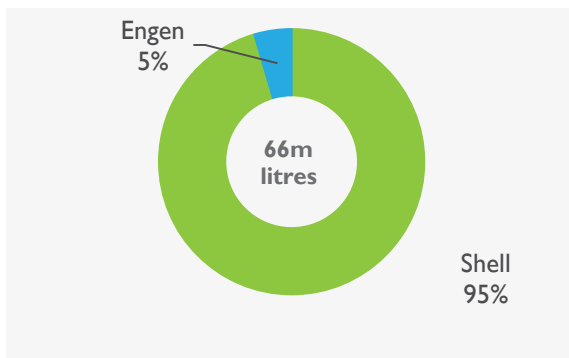
(\$ per '000 litres)



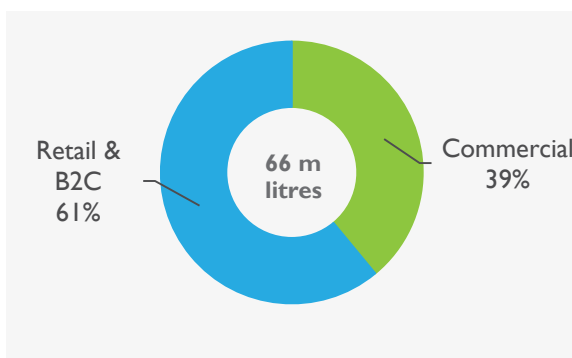
Lubricants segment

ORGANIC MARGINS IMPROVING, OFFSETTING IMPACT OF LOWER VOLUMES

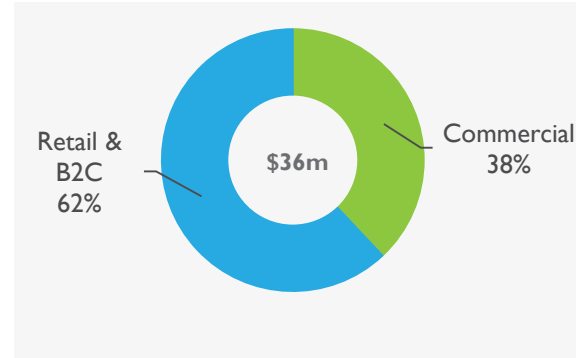
VOLUME CONTRIBUTION BY BRAND



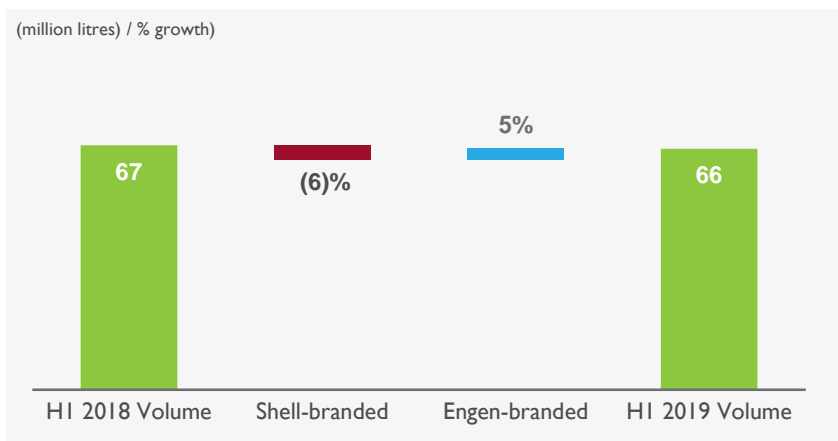
VOLUME CONTRIBUTION BY SEGMENT



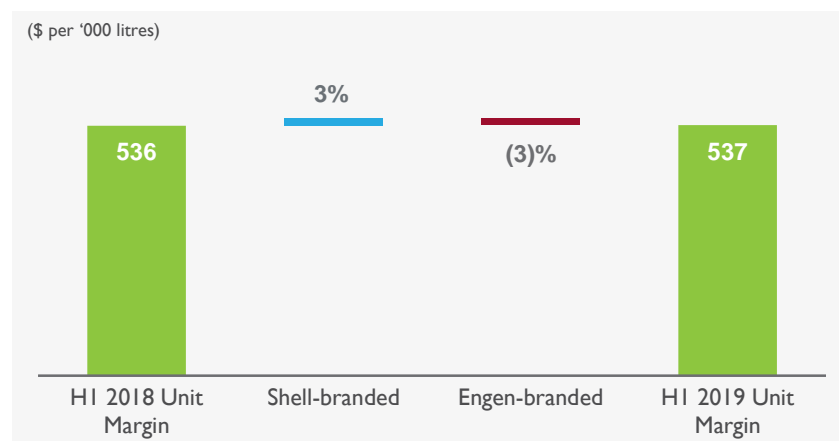
GROSS CASH PROFIT CONTRIBUTION



YoY VOLUME GROWTH



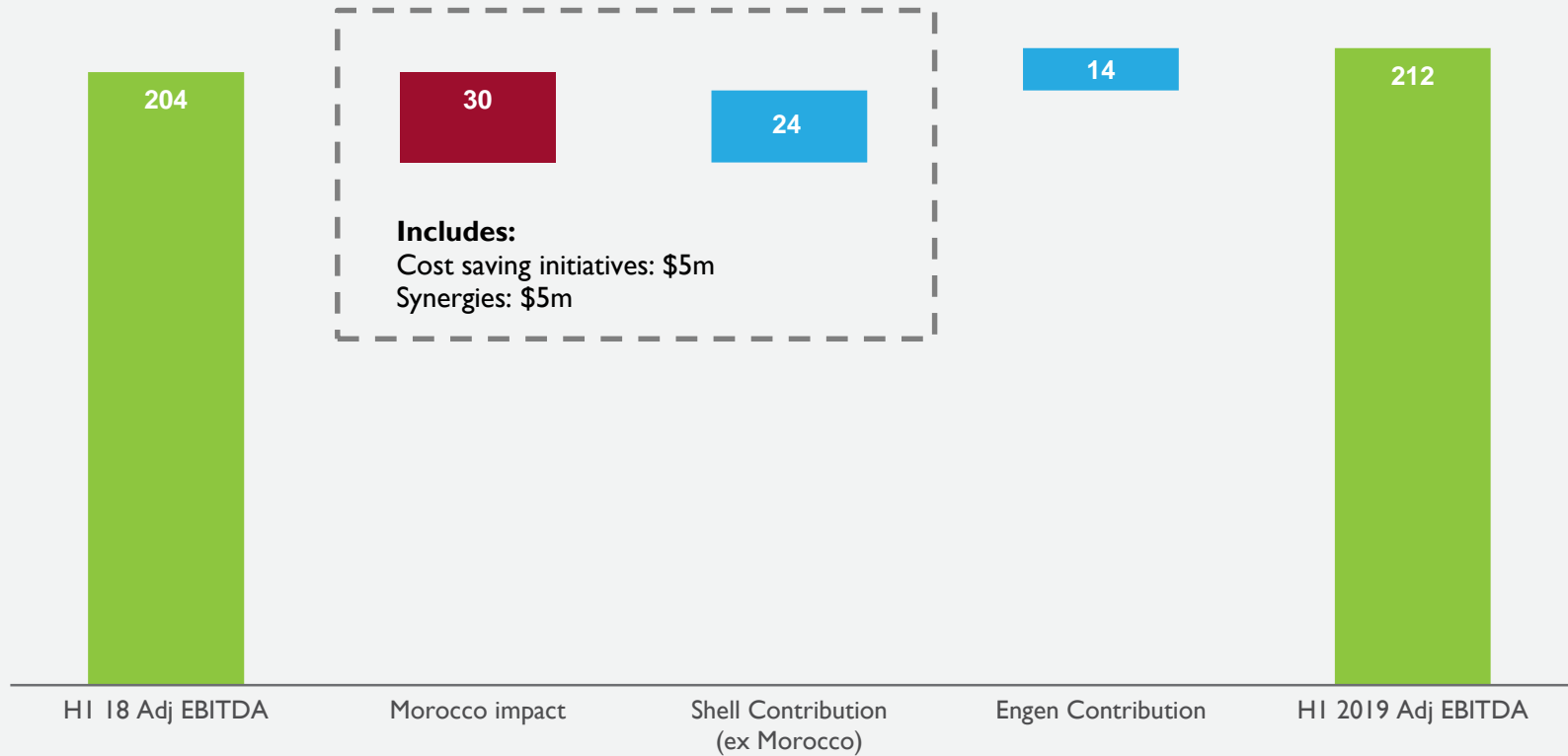
UNIT MARGIN BREAKDOWN



On track for another year of Adjusted EBITDA growth despite impact of Morocco

ADJUSTED EBITDA

(\$ in millions)



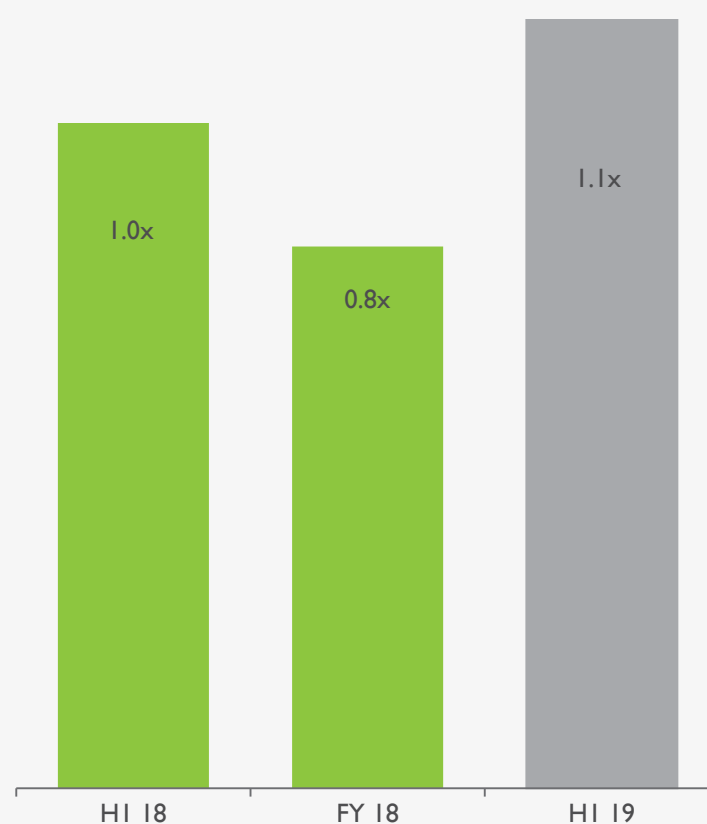
Balance sheet remains strong with low leverage

CAPITAL STRUCTURE OVERVIEW

US \$millions	HI 2019
Long-term debt	413
Lease liabilities	119
Total debt exc. short -term bank borrowings	531
Short-term bank borrowings	242
Less cash and cash equivalents	(314)
Net debt	459
Net debt / LTM Adj. EBITDA⁽¹⁾	1.1x

LEVERAGE

Net debt / LTM Adjusted EBITDA⁽¹⁾



Engen – exciting potential

FIRST FOUR MONTHS

- ▶ Integration of Engen operations in 8 new markets started on 1 March 2019 and is going well
- ▶ Business delivered volumes of 1.0bn litres and Adjusted EBITDA of \$33m in 2018
- ▶ Value to be unlocked by implementing Vivo Energy operational model to:
 - ▶ Embed Vivo Energy culture and strengthen teams
 - ▶ Refresh ageing retail network
 - ▶ Upgrade environmental and safety standards
 - ▶ Accelerate growth in Commercial business
 - ▶ Improve financial efficiency and drive ROACE

NEW SITES IN MOZAMBIQUE



2019 outlook

METRIC	2019 GUIDANCE	YTD PERFORMANCE	UPDATED GUIDANCE
Total Volumes (%)	Low to mid double-digit volume growth	8% (inc. 4 months of Engen)	Unchanged
Group Gross Cash Unit Margin (\$)	High sixties per thousand litres	US\$70/'000 litres	Upper end or slightly ahead of previous range
Capital Expenditure (\$)	Around \$150 million (including Engen capex)	\$49 million	Marginally below \$150m
New Retail Sites	80-100 new service stations	Net total of 41 new service stations in H1	Unchanged

Summary



Dynamic business led by an experienced management team



Delivering strong growth and +20% return on capital employed



Resilient operations with diversification across the African continent



Operate in high growth markets backed by strong macro fundamentals



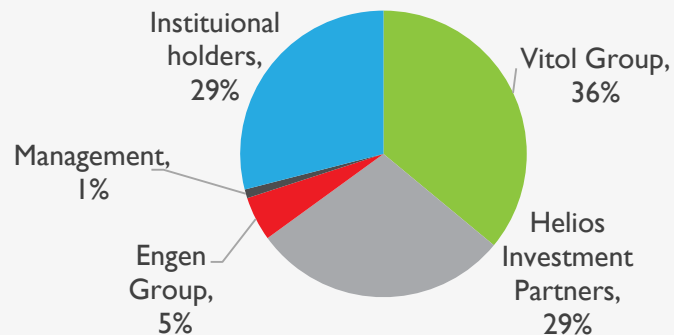
Appendix

Corporate structure

OVERVIEW

- ▶ Completed Initial Public Offering on the London Stock Exchange in May 2018 with a simultaneous inward secondary listing on the Johannesburg Stock Exchange
- ▶ At the time was the largest African IPO for 10 years
- ▶ Market capitalisation currently: £1.5bn (\$1.8bn)
- ▶ Member of the FTSE 250 Index and JSE All Share Index
- ▶ UK Governance code compliant Board of Directors

SHAREHOLDER STRUCTURE



BOARD OF DIRECTORS

- ▶ Chairman – John Daly
- ▶ Chief Executive Office – Christian Chammas
- ▶ Chief Financial Officer – Johan Depraetere
- ▶ Senior Independent Director – Thembalihle Hixonia Nyasulu
- ▶ Independent Non Executive Director – Chris Rogers
- ▶ Independent Non Executive Director – Carol Arrowsmith
- ▶ Independent Non Executive Director – Gawad Abaza
- ▶ Non-Executive Director – Temitope Lawani (Helios Rep)
- ▶ Non-Executive Director – Javed Ahmed (Vitol Rep)

Our community investment programme

At Vivo Energy, we want to make a real and lasting difference to the communities where we operate. Our community investment programme focuses on three key areas:

ROAD SAFETY

Road safety remains a major focus across the continent

- We work with local communities, governments and NGOs to provide **tailored programmes that shift attitudes** to road safety



Tweddeko Road Safety Caravan, Uganda

EDUCATION

Education is key to unlocking Africa's potential

- We develop and deliver a wide range of **educational initiatives** focused on fostering learning for school children and on providing **life skills** for Africa's youth



Tunisia's "Mois de l'école" programme

ENVIRONMENT

We want to be **part of the solution** for a **more sustainable future**

- We also educate local communities to help them safeguard the environment
- We market **more energy efficient products** and are investing in **solar power** to make our retail sites more energy efficient



School environmental awareness programme, Morocco

\$3m invested over the last two years in community investment programmes

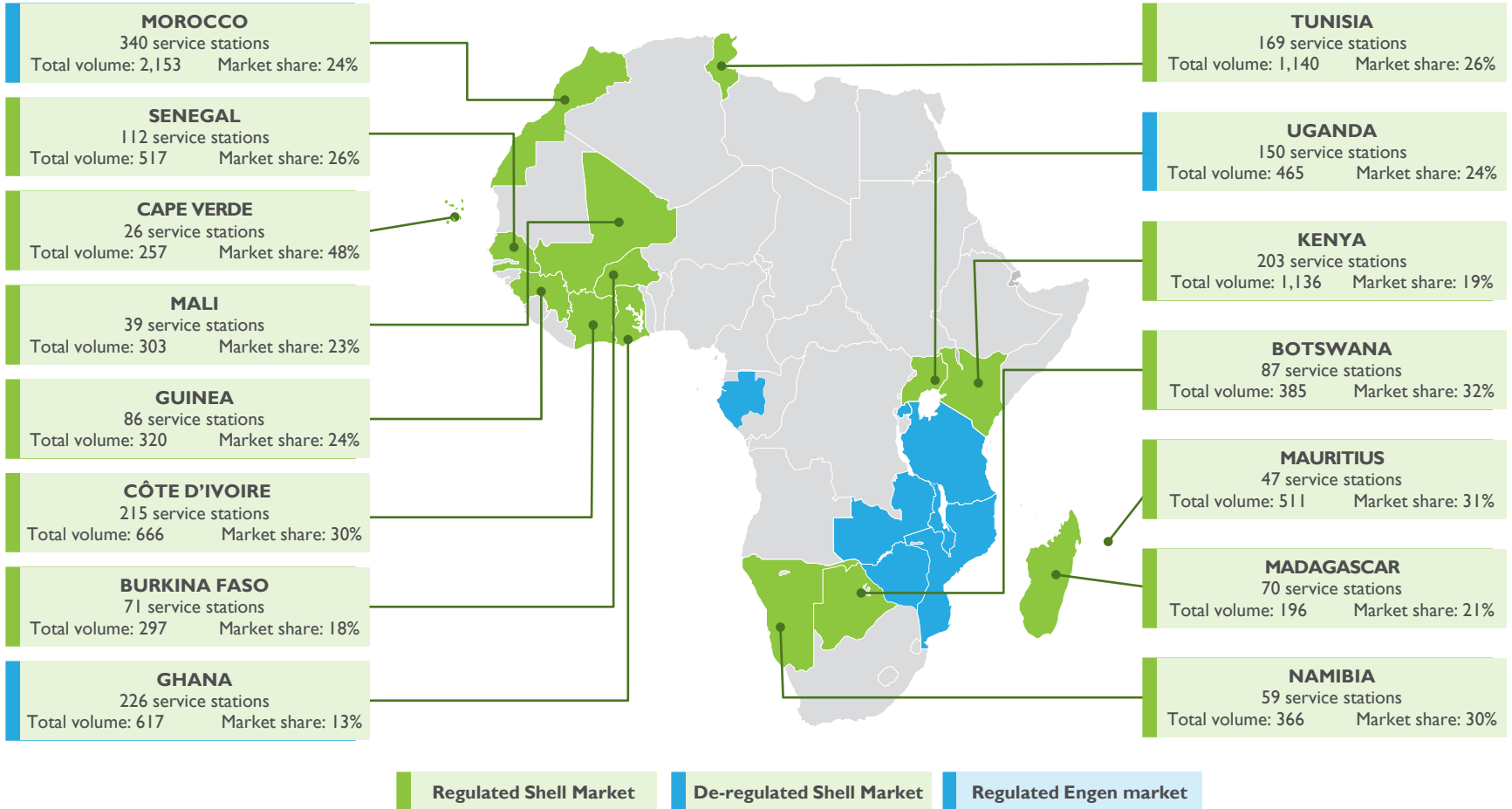
Shell branded markets

TOTAL VOLUMES: 9.4bn litres

MARKET SIZE: 41.1bn litres

MARKET SHARE: 23%

ADJ. EBITDA: \$400m



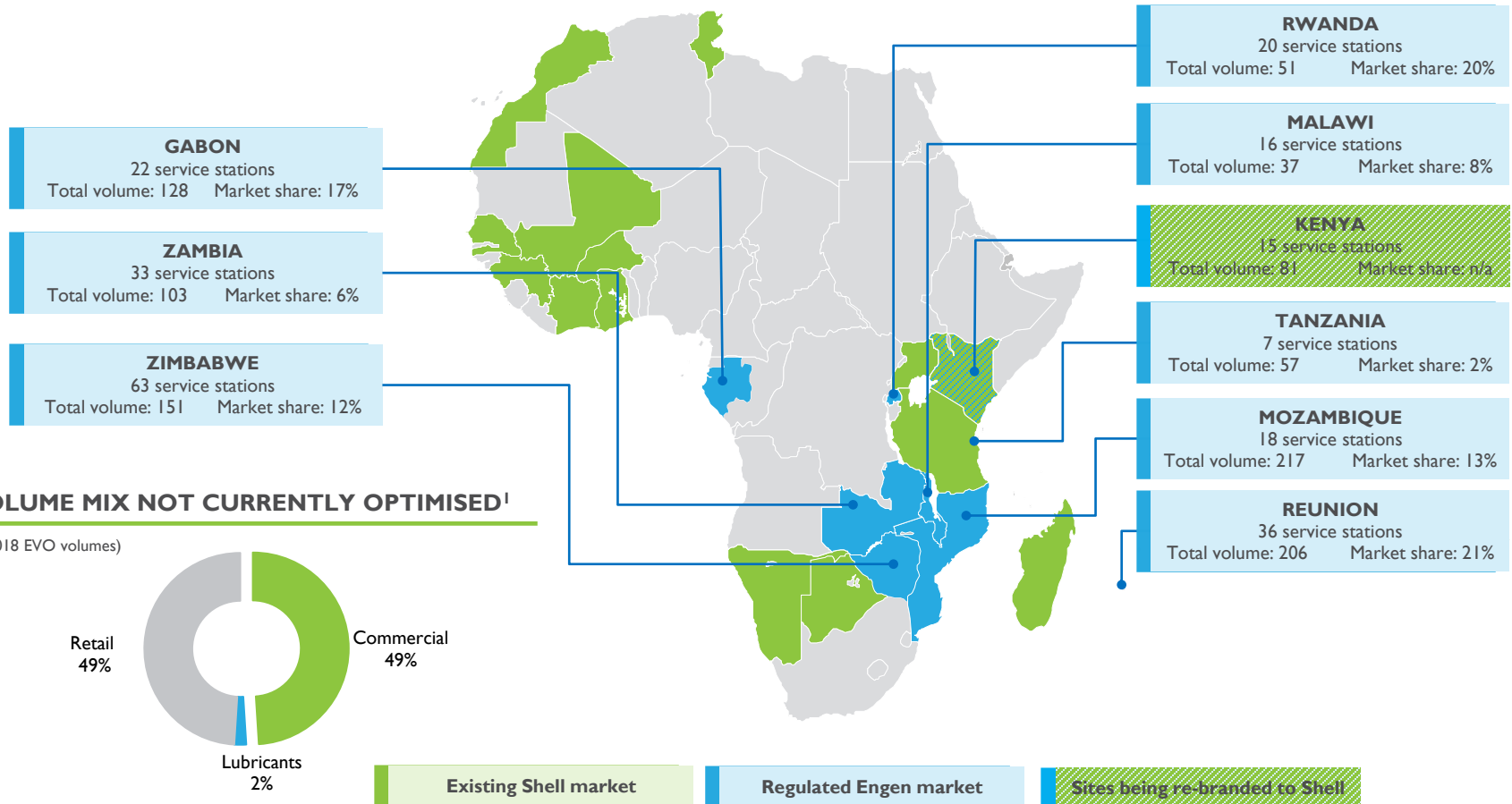
Engen branded markets

TOTAL VOLUMES: 1.0bn litres

MARKET SIZE: 9.1bn litres

MARKET SHARE: 11%

ADJ. EBITDA⁽¹⁾: \$33m



Note: Total volumes measured in litres. Market shares based on Company Information and Citac as of December 2018
(1) Based on Engen management information reporting

The right operating model for each opportunity

SITE OPERATING MODELS

Company Owned, Company Operated

~5% of portfolio

- Enables large / highway sites to be run 100% by Vivo Energy
- Showcase Vivo Energy flagship sites
- Vivo Energy quality of service and operations
- Focus on convenience retail, QSR and other services
- Higher margin capture
- High level of operational complexity
- Sometimes mandatory initial platform

Company Owned, Dealer Operated

~60% of portfolio

- Preferred model for sites in high-potential locations
- High Vivo Energy involvement
- Strategic locations with long-term viability
- Strong non-fuel offer
- Freehold or leasehold land
- Medium level of operational complexity

Dealer Owned, Dealer Operated

~35% of portfolio

- Preferred model for sites in medium-potential locations
- Medium term viability
- Lower Vivo Energy involvement
- Local non-fuel offer
- Low level of operational complexity

Clear division of responsibilities with consistent standards and control framework for our fuel business

		COCO	CODO	DODO
Margin capture	Marketing margin	Vivo Energy	Vivo Energy	By negotiation
	Retailer margin		Dealer	Dealer
Responsibilities	QSR & CR offer	Vivo Energy	Vivo Energy	Dealer with Vivo Energy input
	Operating costs		Dealer	Dealer
	Maintenance – buildings		Vivo Energy (except for DO without capex)	Dealer
	Maintenance – equipment			Vivo Energy
	Capex			Vivo Energy: Pumps & branding Dealer: Other capex
	Wet stock		Dealer	Dealer
Operational excellence and standards	Vivo Energy manages and controls HSSE, marketing and branding, site and service standards			

Our operating environment

CHALLENGE	MITIGATION
<p>Stocks / oil price</p>	<ul style="list-style-type: none"> ■ Fluctuations in oil price reflected in the pump price, not borne by the Company ■ Margins are either fixed via a regulated price structure (20 of 23 countries) or through market dynamics (3 countries) ■ Countries manage stock levels with maximum and minimum stock levels through manual of authorities
<p>Currency</p>	<ul style="list-style-type: none"> ■ ~60% of H1 2019 Adjusted EBITDA derived from currencies pegged to the EUR / USD ■ Utilise hedging strategies to mitigate major FX risks (i.e. importing fuels into a country) ■ Upstream dividends from operating units where possible into USD
<p>Credit</p>	<ul style="list-style-type: none"> ■ Robust credit approvals process with central oversight, local empowerment and use of credit risk mitigation measures when required ■ Bad debts represented less than 1% of gross cash profits during 2018
<p>Supply</p>	<ul style="list-style-type: none"> ■ Access to over 1.0 billion litres of storage in Africa helps to mitigate major supply risks ■ Utilise over 100 suppliers, with Vitol, the worlds largest oil trader, representing 30% of Group supply in 2018
<p>Compliance</p>	<ul style="list-style-type: none"> ■ Robust and proven internal control framework with limited historical losses from fraud / bribery ■ The first company in Africa to achieve ISO 37001 certification for our anti-bribery management system