



PETRONAS Vitol ENGEN VIVO ENERGY PREMIER

**Commemorative Signing of Agreement**

by and between  
Vitol Group  
Vivo Energy  
and  
PETRONAS Marketing International Sdn. Bhd.  
with respect to  
ENGEN Limited

09 February 2023  
Cape Town, South Africa



# Vivo Energy Limited H1 2023 Results Presentation

August 2023

# Legal disclaimer

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# HI 2023 key highlights







- ▶ **Business demonstrated resilience in the face of volatile macroeconomic conditions and a declining oil price environment in HI 2023**
- ▶ **Performance started to normalise by the end of the half year period as margins returned to normal levels**
- ▶ **Engen transaction is progressing well and target to close remains Q4 2023**
- ▶ **Building for the future, investing in LPG and renewable energy projects**
- ▶ **Clear, tangible priorities identified to mitigate macro risks and drive performance in H2 2023**

**ENGEN**

**Continued Investment for Future Growth**

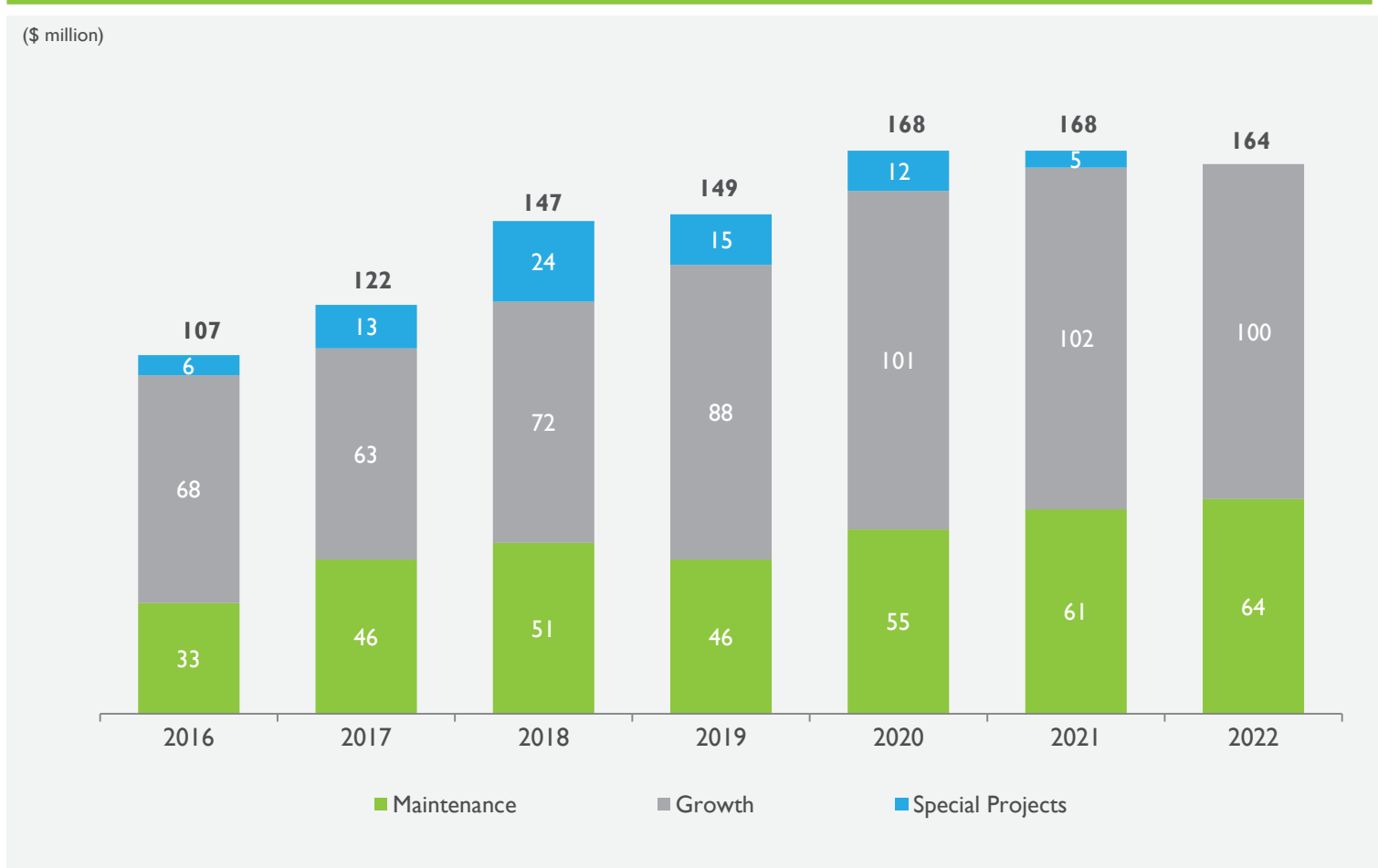


# A reminder of our strategic focus areas, enabling us to continue to grow and succeed

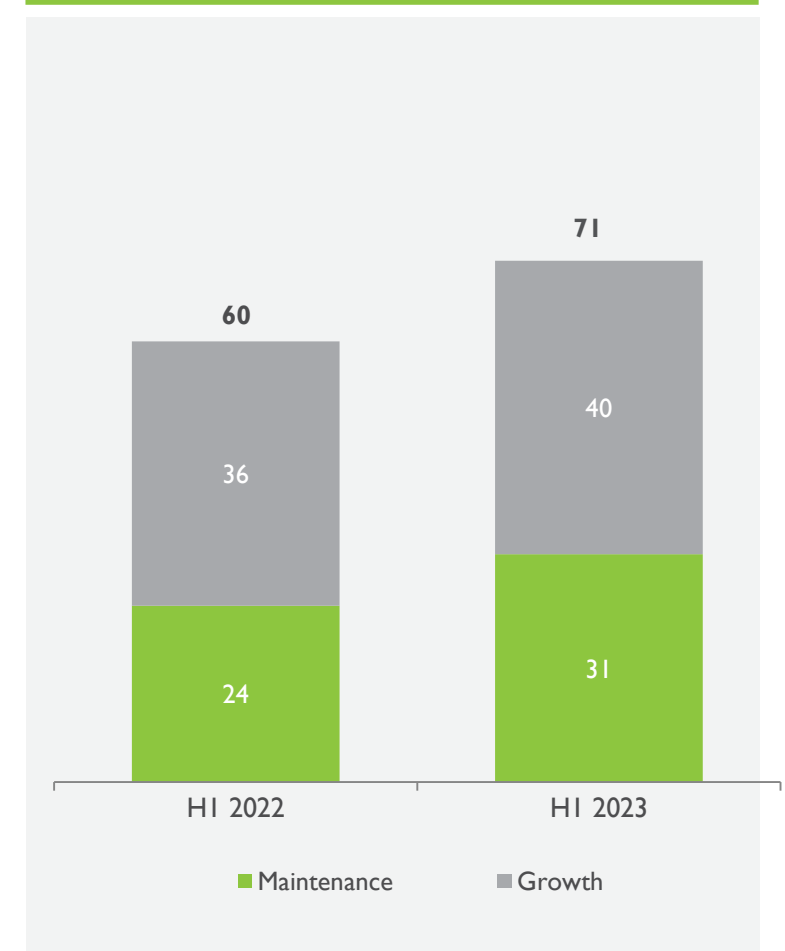
	Strategic focus areas		Key HI 2023 actions
Maximise value	 <p><b>Retail Fuel</b></p>	<ul style="list-style-type: none"> <li>• Optimising and upgrading our network</li> <li>• Adding new sites each year</li> <li>• Shining our existing sites</li> </ul>	<ul style="list-style-type: none"> <li>• 61 net new sites opened in HI 2023</li> <li>• Total c.\$40m Retail Fuel capex                             <ul style="list-style-type: none"> <li>– \$23m growth and \$17m maintenance capex, respectively</li> </ul> </li> </ul>
	 <p><b>Non-fuel Retail Offering</b></p>	<ul style="list-style-type: none"> <li>• Building a substantial food business</li> <li>• Increasing our convenience retail presence</li> <li>• Diversifying other Non-fuel retail offering</li> </ul>	<ul style="list-style-type: none"> <li>• Total c.\$4m NFR capex                             <ul style="list-style-type: none"> <li>– \$3m growth and \$1m maintenance capex, respectively</li> </ul> </li> </ul>
Accelerate growth	 <p><b>Commercial Fuel &amp; Lubricants</b></p>	<ul style="list-style-type: none"> <li>• Driving core B2B profitable market share growth</li> <li>• Growing re-seller volume market share</li> <li>• Growing our Lubricants business (inc. export markets)</li> <li>• Increasing focus on aviation and marine</li> </ul>	<ul style="list-style-type: none"> <li>• Mining: Capitalising on a c.0.6 Bln fuel and 10 Mln lubricant new business pipeline</li> <li>• B2B: Doubling up on new business development in low market share markets</li> <li>• Lubricants: Implementing key enablers across consumer, B2B and export channels</li> <li>• Aviation &amp; Marine: Developing strategic partnerships to drive long-term growth</li> </ul>
	 <p><b>LPG</b></p>	<ul style="list-style-type: none"> <li>• Reducing product mix carbon intensity through LPG growth</li> </ul>	<ul style="list-style-type: none"> <li>• Total c.\$13m LPG capex (primarily growth)</li> <li>• Strengthening VE / Vitol LPG collaboration and partnerships</li> <li>• Reinforcing capabilities and expanding assets in current and new markets</li> </ul>
	 <p><b>Solar</b></p>	<ul style="list-style-type: none"> <li>• Developing solar hybrid power product offering</li> <li>• Piloting more electric vehicle (EV) charging sites</li> </ul>	<ul style="list-style-type: none"> <li>• Executing on the current pipeline of Solar Hybrid opportunities in Mining</li> <li>• Expanding our Solar value proposition to Commercial &amp; Industrial customers (priority focus in Kenya and M&amp;A opportunities)</li> </ul>
Evolve business model	 <p><b>New Mobility</b></p>	<ul style="list-style-type: none"> <li>• Investigating and developing new mobility solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Signed agreement between Vivo Energy and the Rwanda Social Security Board (RSSB) for the introduction of 200+ electric buses in Kigali, Rwanda</li> </ul>

# Continued investment in long-term growth

**BREAKDOWN OF FULL YEAR CAPEX**

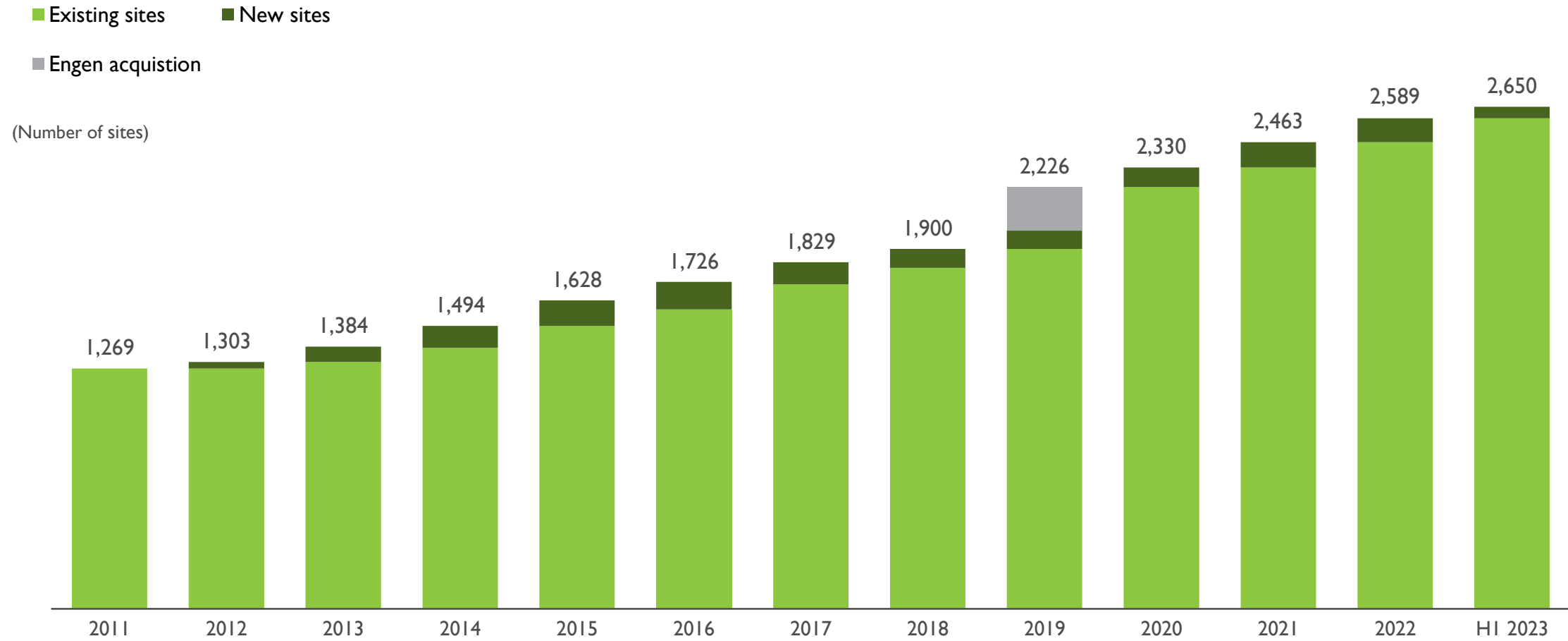


**BREAKDOWN OF FIRST HALF CAPEX**



# Maximising value from Retail – our footprint continues to grow across our markets

## OPENED A NET TOTAL OF 61 NEW RETAIL SITES IN THE FIRST HALF



# Accelerating growth in our Commercial business: Fuels

## ACCELERATING GROWTH IN OUR MINING & B2B BUSINESSES

- ▶ **Mining:** Focusing on high-priority customers (top 20% customer base delivering 80% volume), relationship development across all management levels; >170 feasibility stage projects in VE countries, differentiating on technical support to customers (including focus on Mining lubricants support)
- ▶ **B2B:** Structuring and segmenting our B2B customer portfolio to differentiate and tailor our value proposition



## PURSUIING PROFITABLE GROWTH IN AVIATION

- ▶ Re-designing our Aviation international segment framework to drive accelerated growth in current markets
- ▶ Pursuing new market entry (Mozambique)



## RE-POSITIONING OUR MARINE BUSINESS

- ▶ Leveraging key third party relationships and partnerships (e.g.Vitol Bunkers) to:
  - Holistically optimise our bunkering asset base, logistics and supply
  - Drive long-term contract wins



# Accelerating growth in our Commercial business (cont'd): LPG & Lubricants

## EXPANDING OUR LPG BUSINESS

- ▶ Accelerating LPG cylinder injection in select profitable markets
- ▶ Investing in enabling infrastructure (through JVs)
- ▶ Expanding the LPG country footprint through M&A
- ▶ Setting up a dedicated LPG organisation in key markets to drive growth, project execution and OU focus



## PURSuing PROFITABLE GROWTH AND EMBEDDING KEY ENABLERS IN LUBRICANTS

- ▶ Driving the Consumer business through ownership of the key points of consumption (Shell Helix Centers)
- ▶ “Premiumising” the business with a focus on value share
- ▶ Bringing in strong technology aids to drive point of sale effectiveness
- ▶ Targeting exponential export volume growth in key markets



# Evolving our business model – building our low and zero carbon offering

## ELECTRIFYING KIGALI'S BUS FLEET

- ▶ Agreement signed with the Government of Rwanda for the deployment of a fleet of electric buses and charging infrastructure in Kigali
- ▶ The project will be implemented in partnership with the Rwanda Social Security Board



## EXPLORING 2 AND 3 WHEELER BATTERY SWAPPING SOLUTIONS

- ▶ Vivo Energy is collaborating with a leading international e-mobility company to deploy a battery charging and swapping solution for electric 2 and 3 wheelers
- ▶ Pilot to be launched in Q4 2023

## DEVELOPING A STRONG PIPELINE OF SOLAR PROJECTS

- ▶ Executing on our robust pipeline of >150MW in Solar Hybrid opportunities for Mining customers
- ▶ Driving partnership with Vitol Solar to develop and expand our value proposition for Commercial & Industrial customers

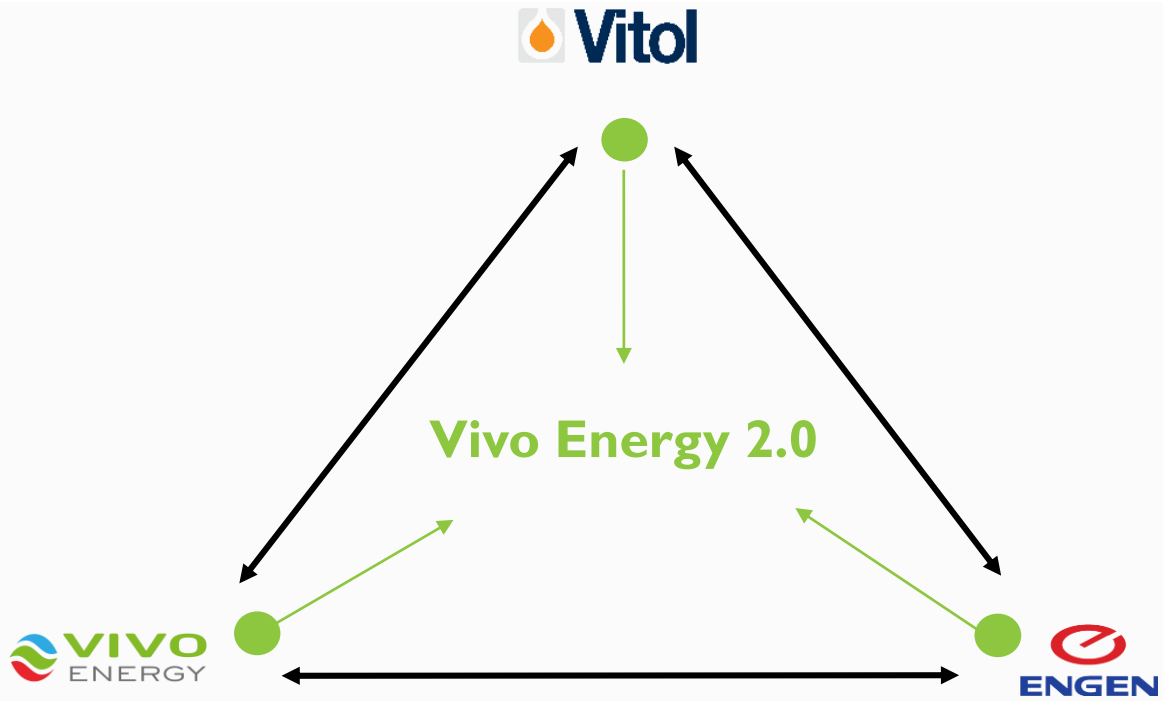


# Engen transaction update

- ▶ Antitrust and public interest considerations submitted
- ▶ Engaging with regulators, competition authorities and other parties to address questions
- ▶ Integration team appointed, and workstreams established
- ▶ Continuing to target Q4 2023 closing timeline



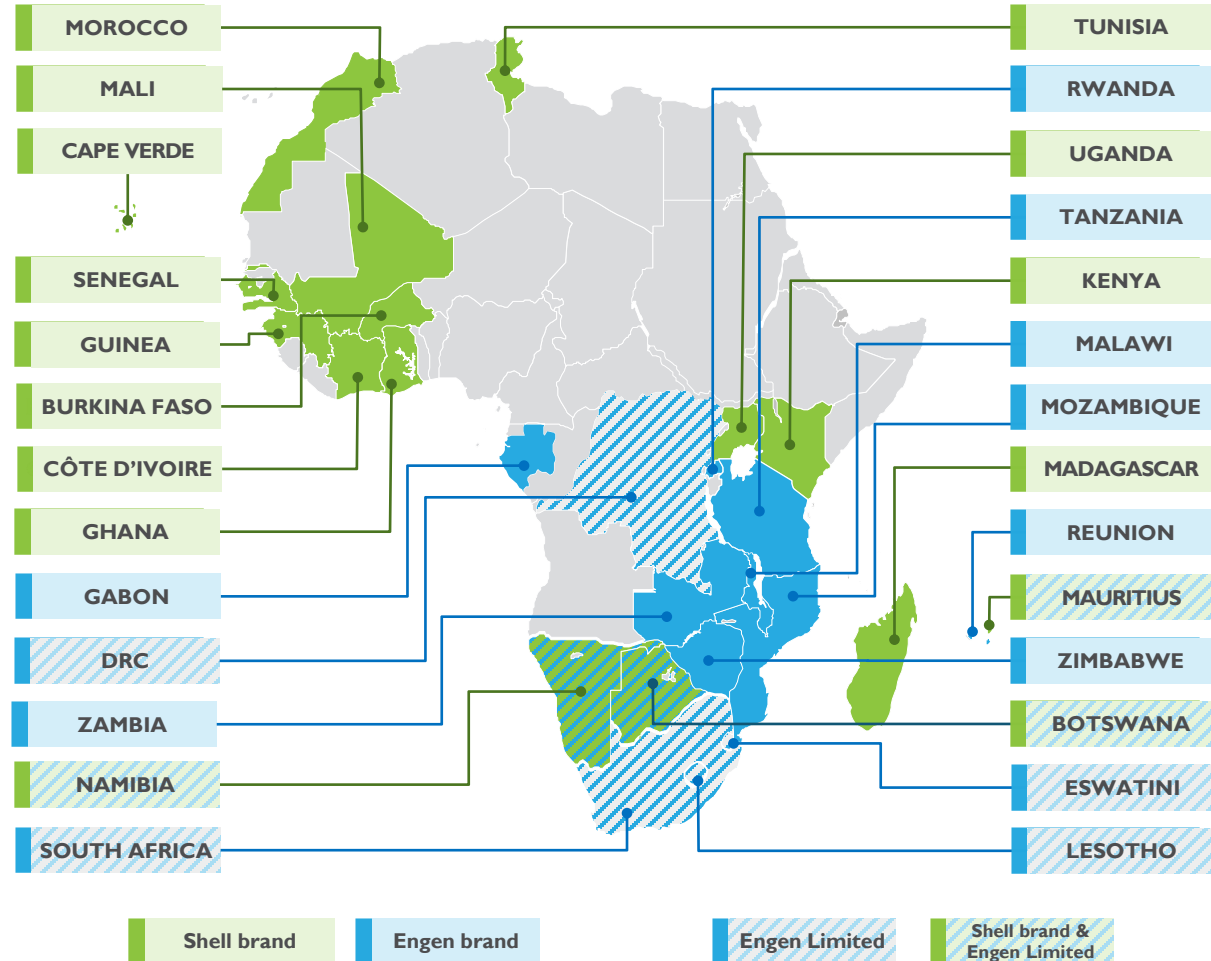
# The bigger picture ambition is to create a new Vivo Energy 2.0



## Our Ambition



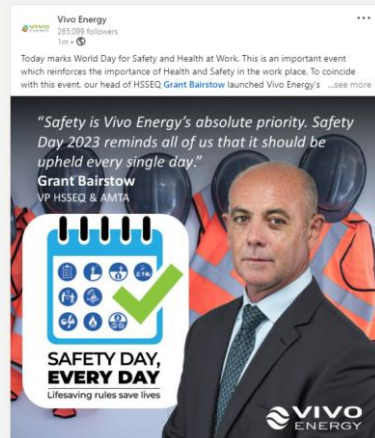
To be a leading pan-African energy business with a strong and growing presence by integrating the businesses and capabilities across the portfolio to unlock upside opportunities



# Continuing to focus on ESG and Sustainability

## EXCELLENT HI HSSEQ PERFORMANCE

- ▶ Zero Total Recordable Case Frequency, Spills and Fatalities during HI 2023
- ▶ Strong results from a Vitol ESG audit
- ▶ Ongoing 'Safety Day, Every Day' campaign launched to focus on Life Saving Rules (LSR), focusing on a different LSR each month



## SHIFTING FOCUS IN OUR COMMUNITY INVESTMENT ACTIVITY

- ▶ After a decade's focus on Road Safety, Education and the Environment, employees were given the opportunity to vote for new community investment focus areas
- ▶ Over 750 employees voted, with focus shifting to Health, Renewable Energy and Education
- ▶ During HI 2023, around 50 community investment projects were supported across the Group. These included:
  - Renewal of Mama Tabiaa environmental education programme in Morocco
  - Promotion of World Hand Hygiene Day in Ghana
  - Relaunch of award-winning child helmet campaign, 'HeadsUp!' in Uganda



Shell  
**HELIX**

REVENDEDOR AUTORIZADO



ZYAN CAR  
SERVICE LDA

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PARA O SEU MOTOR



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# Financial Performance Review

# Macroeconomic factors and a declining oil price environment impacted performance

- ▶ **USD liquidity shortage impacted fuel supply, especially in East Africa region**
- ▶ **Lower USD unit margin in countries where the currency is pegged to EUR due to a low EUR/USD**
- ▶ **Higher inflation reduced consumer purchasing power, resulting in an economic slowdown**
- ▶ **Declining oil prices impacted the value of strategic stocks, impacting the reported IFRS gross cash unit margin**
- ▶ **Transitioned Vivo Energy to manage its commercial performance utilising the replacement cost methodology for inventories during the period, in line with Vitol's risk management framework**

## Summary Profit & Loss indicators

<b>\$ million</b>	<b>HI 2023</b>	<b>HI 2022</b>	<b>YoY Change</b>
<b>Volumes (million litres)</b>	<b>5,270</b>	<b>5,454</b>	<b>-3%</b>
<b>Gross cash profit</b>	<b>332</b>	<b>403</b>	<b>-18%</b>
<b>EBITDA</b>	<b>151</b>	<b>218</b>	<b>-31%</b>
<b>Adjusted EBITDA</b>	<b>157</b>	<b>234</b>	<b>-33%</b>
Depreciation and Amortisation	<b>69</b>	<b>64</b>	<b>+8%</b>
ETR (%)	<b>69%</b>	<b>40%</b>	<b>n/a</b>
<b>Adjusted net income</b>	<b>9</b>	<b>87</b>	<b>-90%</b>

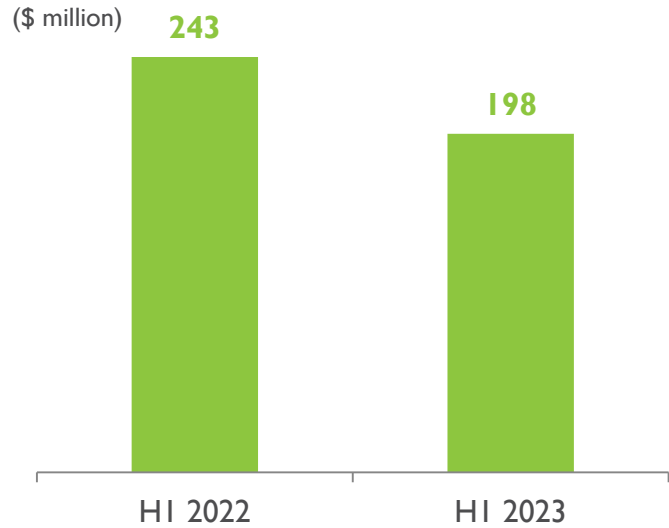
# Adjusted free cash flow remains resilient

\$ million	HI 2023	HI 2022	Change
<b>Net income</b>	<b>2</b>	<b>73</b>	<b>-97%</b>
Adjustment for non-cash items and other	70	98	-29%
Current income tax paid	(58)	(56)	+4%
Net change in operating assets and liabilities and other adjustments	232	(72)	nm
<b>Cash flow from operating activities</b>	<b>246</b>	<b>43</b>	<b>+472%</b>
Net additions of PP&E and intangible assets	(70)	(56)	+25%
<b>Free cash flow</b>	<b>176</b>	<b>(13)</b>	<b>nm</b>
Special items <sup>1</sup>	6	3	+100%
<b>Adjusted free cash flow</b>	<b>182</b>	<b>(10)</b>	<b>nm</b>

# HI segmental performance

## Retail

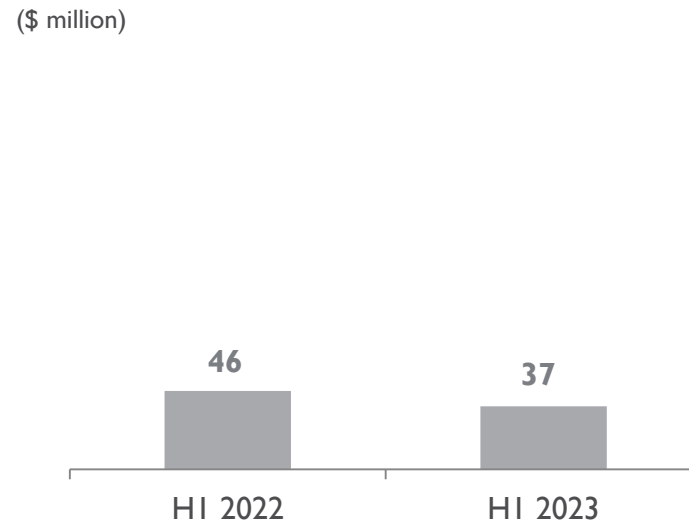
### Gross Cash Profit



**VOLUME:** 3.1bn litres (-3%)  
**UNIT MARGIN:** \$59/'000<sup>(1)</sup> (-18%)  
**NFR (Gross Cash Profit):** \$17m (+6%)

## Lubricants

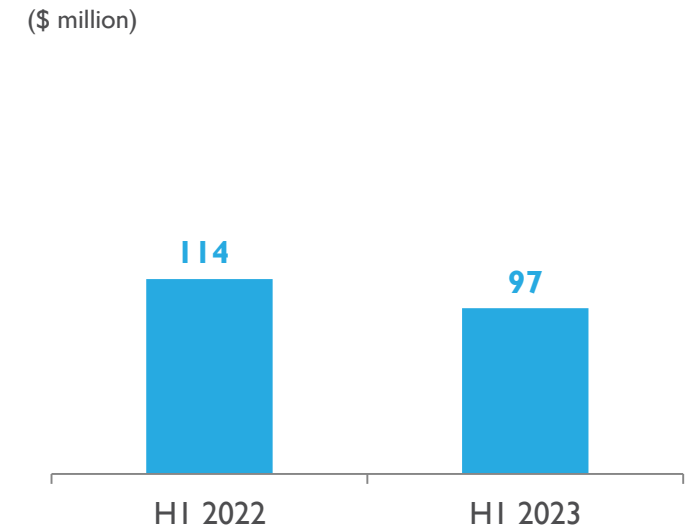
### Gross Cash Profit



**VOLUME:** 73m litres (-9%)  
**UNIT MARGIN:** \$504/'000 (-14%)

## Commercial

### Gross Cash Profit

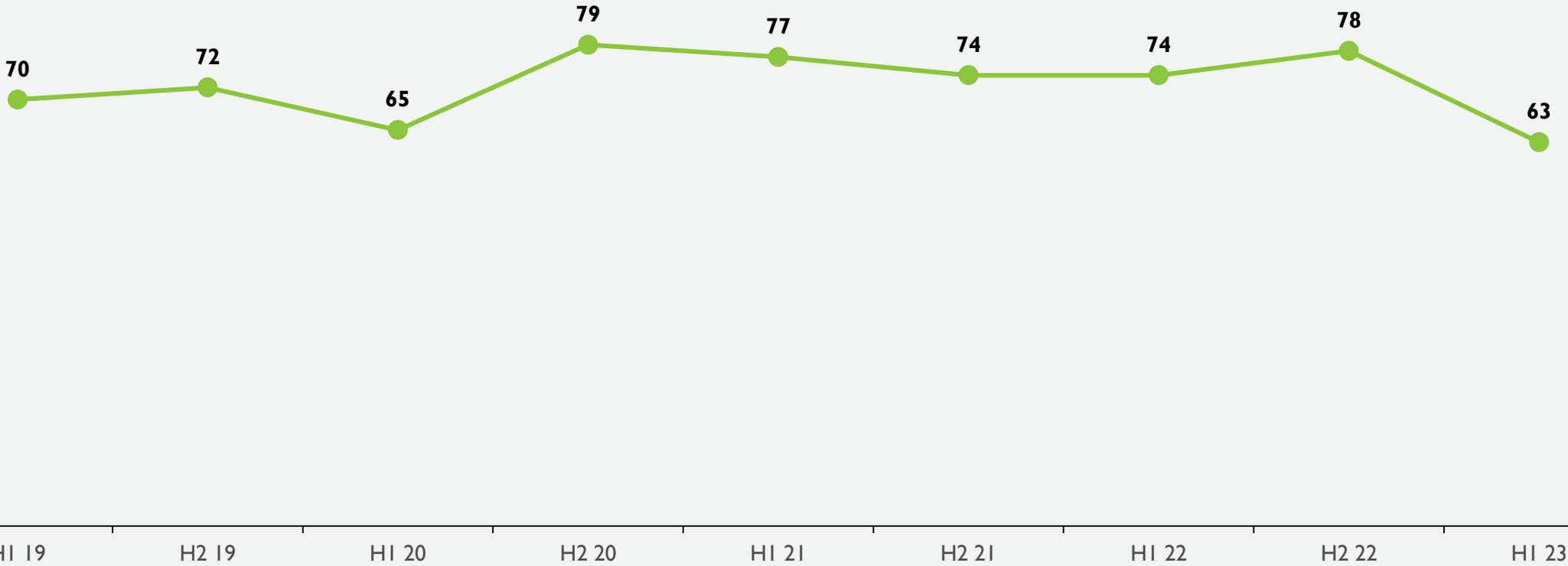


**VOLUME:** 2.1bn litres (-3%)  
**UNIT MARGIN:** \$45/'000 (-12%)

# The impact of declining oil prices in H1 2023 is expected to normalise in H2 2023

## GROSS CASH UNIT MARGIN EVOLUTION

(\$ per thousand litres)



# Introducing replacement cost methodology

- ▶ Cost of Sales measured at historical cost are impacted by volatility in oil price, especially in countries where we hold large quantities of compulsory strategic stock
- ▶ Cost of sales measured at replacement cost provides management with a better measure of the underlying performance by isolating the swings in valuation of the base level inventories
- ▶ The approach will allow Vivo Energy to improve its commercial and investment decision making process, allowing us to be more competitive in the market
- ▶ The process is under review and replacement cost reporting will commence in future reports, in line with other peers

# Balance sheet remains very robust

## CAPITAL STRUCTURE OVERVIEW

<b>MOODY'S</b>	<b>FitchRatings</b>	<b>S&amp;P Global Ratings</b>
<b>Baa3</b>	<b>BBB-</b>	<b>BB+</b>
<b>Negative</b>	<b>Stable</b>	<b>Positive</b>

### HI 2023 COMMENTARY

- ▶ S&P outlook now positive
- ▶ Bridge loan was repaid in the period
- ▶ Proceeds from a Term loan (\$400m) and subordinated shareholder debt (\$160m) received
- ▶ The \$300m RCF was renewed

<b>\$ million</b>	<b>HI 2023</b>	<b>FY 2022</b>
Long-term debt and subordinated shareholder debt	903	1,016
Lease liabilities	186	183
<b>Total debt exc. short-term bank borrowings</b>	<b>1,089</b>	<b>1,199</b>
Short-term bank borrowings	451	513
Less cash and cash equivalents	(469)	(500)
<b>Net debt</b>	<b>1,071</b>	<b>1,212</b>
<b>Debt cover<sup>1</sup></b>	<b>2.1x</b>	<b>2.4x</b>



# Summary

**VIVO**  
ENERGY  
UGANDA

- ▶ **Continued resilience of the business model despite macroeconomic headwinds**
- ▶ **Volumes were impacted by the increasing pressure from macroeconomic factors on the business environment, however run rate is expected to improve in H2 2023**
- ▶ **Financial performance is expected to stabilise over the second half of the year**
- ▶ **H2 performance management and organisational priority focus areas identified across all three regions, to help drive growth and achieve strategic objectives**

# Questions & Answers



Shell  
**V-Power**  
Unleaded

Shell  
**FuelSave**  
Unleaded

Shell  
**FuelSave**  
Diesel