

## Vivo Energy plc First Quarter 2018 Results A good start to the year

**London, United Kingdom, 30 May 2018:** Vivo Energy plc (“Vivo Energy” or the “Company”) announces interim consolidated financial results for the quarter ended 31 March 2018, following the admission of its shares to trading on the Main Market for listed securities of the London Stock Exchange, and to listing and trading as a secondary inward listing on the Main Board of the securities exchange operated by the Johannesburg Stock Exchange (together, “Admission”) on 10 May 2018 (the “IPO”). References in this announcement to “Vivo Energy” or the “Group” mean the Company and Vivo Energy Holding B.V. (“VEH”, the holding company of the Vivo Energy group until Admission), together with its consolidated subsidiaries and subsidiary undertakings. Refer to the Non-GAAP financial measures definitions of Adjusted EBITDA and Adjusted Net Income and reconciliations to the most comparable IFRS measures in the interim consolidated financial statements for the three month period ended 31 March 2018 (Note 4). The Group defines Gross Cash Profit as Gross profit adjusted to exclude depreciation and amortisation expense.

### KEY PERFORMANCE INDICATORS

(\$ in millions), if not otherwise indicated	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017	Change
Volumes (million litres)	2,289	2,189	+5%
Gross Cash Profit	170	160	+6%
Adjusted EBITDA	102	96	+6%
Net Income	43	42	+3%
Adjusted Net Income	48	42	+15%

Christian Chammas, CEO of Vivo Energy, commented: “We have made a good start to 2018, reflected in a strong set of results across our operations. Performance was underpinned by continued growth in volume and gross cash profit, as well as our relentless focus on enhancing our customer value proposition across all segments, whilst driving efficiency throughout the business.”

### Highlights

- Total Volumes up 5% year-on-year, driven by expansion of the retail network across the portfolio and strong volume performances in our Commercial and Lubricants segments
- Adjusted EBITDA up 6% year-on-year, primarily as a result of higher volumes and strong margins
- Adjusted Net Income, before the impact of special items mainly associated with IPO related costs, up 15% year-on-year
- Completed joint venture agreement to acquire KFC Botswana
- Subsequent to the reporting period, the Group established a new \$400m revolving credit facility at Admission; terminates in three years with two possible one-year extensions; security granted in respect of the facility was released on Admission
- On 30 May 2018 announced the proposed issue of new five or seven year \$[400]m Senior Notes due 2023 or 2025 (the “Notes”) to refinance existing indebtedness and pay fees and expenses related to the IPO and the offering of the Notes

## OVERVIEW OF OPERATIONS BY SEGMENT

(\$ in millions), if not otherwise indicated	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017	Change
<b>Volumes (million litres)</b>			
Retail	1,300	1,219	+7%
Commercial	956	938	+2%
Lubricants	33	32	+3%
<b>Total</b>	<b>2,289</b>	<b>2,189</b>	<b>+5%</b>
<b>Gross Cash Unit Margin (\$ / 000 litres)</b>			
Retail Fuel	79	76	+4%
Commercial	46	44	+5%
Lubricants	546	624	-12%
<b>Total</b>	<b>74</b>	<b>73</b>	<b>+2%</b>
<b>Gross Cash Profit</b>			
Retail (including Non-Fuel Retail)	108	98	+10%
Commercial	44	42	+7%
Lubricants	18	20	-10%
<b>Total</b>	<b>170</b>	<b>160</b>	<b>+6%</b>

### Retail

Retail volume growth was 7%, as a result of continued network expansion across the business, whilst maintaining average throughput performance for the retail network in line with full year 2017 levels. Overall Gross Cash Profit was up 10%, supported by enhanced volumes, incremental unit margin growth, as well as the ongoing expansion of Non-Fuel Retail activities.

### Commercial

Commercial volume growth was 2% and Gross Cash Profit was up 7%. Gross Cash Profit increased across all parts of the Commercial segment, especially in Aviation and Marine, where several new tenders were won. Overall, 74% of volumes were generated by core Commercial customers in the B2B, Mining and LPG channels, which contributed 86% of Commercial Gross Cash Profit, with the remainder driven by Aviation and Marine.

### Lubricants

Lubricants volumes were up 3% but Gross Cash Profit was down 10%. Consistent volume growth in the Retail and B2C channels was offset by lower Gross Cash Unit Margins due to increasing base oil market prices during the quarter. Overall, the Retail and B2C channels accounted for approximately 60% of volume and Gross Cash Profit within Lubricants.

## FY 2018 OUTLOOK

During the first quarter of 2018, the Company progressed steadily towards meeting the Group's objectives for the year. Looking ahead, we continue to expect annual volume growth to be within our target mid-single digit percentage range, with an overall broadly stable total Gross Cash Unit Margin.



Vivo Energy expects to provide further updates on its medium term objectives, including the impact of the Engen transaction, in due course after completion of the transaction.

**NOTE**

The following interim consolidated financial statements were prepared in connection with the offering of the Notes. The Company does not intend to publish quarterly financial statements on an ongoing basis.

**Ends**

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**Notes to editors:**

Vivo Energy operates and markets its products in countries across North, West, East and Southern Africa. The Group has a network of over 1,800 service stations in 15 countries and exports lubricants to a number of other African countries. Its retail offering includes fuels, lubricants, card services, shops and other non-fuel services (e.g. oil change and car wash). 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 at 23 airports under the Vitol Aviation brand.

The Company employs around 2,360 people and has access to approximately 943,000 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 and has blending capacity per annum of around 158,000 metric tonnes at plants in six countries (Ghana, Guinea, Ivory Coast, Kenya, Morocco, and Tunisia).

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

This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities of Vivo Energy plc or any of its affiliates in any jurisdiction or an inducement to enter into investment activity.

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**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.*



## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2018

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### Terms and abbreviations

Term	Description	Term	Description
<b>EBIT</b>	Earnings before financing expense, financing income and income taxes	<b>FVTPL</b>	Fair value through profit and loss
<b>EBITDA</b>	Earnings before financing expense, financing income, income taxes, depreciation, amortisation and impairment charges	<b>GAAP</b>	Generally accepted accounting principles
<b>EBT</b>	Earnings before income taxes	<b>HSSE</b>	Health, safety, security and environment
<b>EPS</b>	Earnings per share	<b>IAS</b>	International Accounting Standards
<b>ETR</b>	Effective tax rate	<b>IASB</b>	International Accounting Standards Board
<b>FCF</b>	Free cash flow	<b>IFRIC</b>	IFRS Interpretation Committee
<b>FVTOCI</b>	Fair value through other comprehensive income	<b>IFRS</b>	International Financial Reporting Standards
		<b>NCI</b>	Non-controlling interest
		<b>OCI</b>	Other comprehensive income
		<b>P&amp;L</b>	Profit and loss
		<b>PP&amp;E</b>	Property, plant & equipment

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

US \$'000	Notes	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
Revenues	4	1,777,792	1,607,561
Cost of sales		(1,623,991)	(1,462,061)
<b>Gross profit</b>	<b>4</b>	<b>153,801</b>	<b>145,500</b>
Selling and marketing cost		(44,407)	(41,158)
General and administrative cost		(40,492)	(31,754)
Share of profit of joint ventures and associates		5,412	2,696
Other income (expense)	5	(141)	299
<b>EBIT</b>	<b>4</b>	<b>74,173</b>	<b>75,583</b>
Finance income		1,605	1,073
Finance expense		(8,067)	(8,483)
<b>Finance expense – net</b>	<b>6</b>	<b>(6,462)</b>	<b>(7,410)</b>
<b>EBT</b>		<b>67,711</b>	<b>68,173</b>
Income taxes	7	(24,552)	(26,185)
<b>Profit</b>	<b>4</b>	<b>43,159</b>	<b>41,988</b>
<b>Profit attributable to:</b>			
Owners of the company		39,783	38,938
NCI		3,376	3,050
		<b>43,159</b>	<b>41,988</b>
<b>OCI</b>			
<b>Items that may be reclassified to profit or loss</b>			
Currency translation differences		22,949	6,501
Net investment hedge – net loss		(4,989)	-
<b>Items that are never reclassified to profit or loss</b>			
Re-measurement of retirement benefits		33	680
Income tax relating to retirement benefits		-	(211)
<b>OCI, net of tax</b>		<b>17,993</b>	<b>6,970</b>
<b>Total comprehensive income</b>		<b>61,152</b>	<b>48,958</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		54,984	45,127
NCI		6,168	3,831
		<b>61,152</b>	<b>48,958</b>
<b>EPS (US \$)</b>			
	<b>8</b>		
Basic		17.68	17.31
Diluted		17.39	17.02

### NON-GAAP FINANCIAL MEASURES<sup>1</sup>

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
Adjusted EBIT	79,260	75,583
EBITDA	96,453	95,721
Adjusted EBITDA	101,540	95,721
Adjusted net income	48,095	41,988
Adjusted EPS (US \$)	19.55	17.02

The notes are an integral part of these interim consolidated financial statements.

<sup>1</sup> Refer to the Non-GAAP financial measures definitions of these metrics and reconciliations to the most comparable IFRS measures (note 4).

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

US \$'000	Notes	31 March 2018	31 December 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		599,068	585,171
Right-of-use assets		153,561	148,413
Intangible assets		125,935	119,993
Investments in joint ventures and associates		225,292	218,801
Deferred income taxes		42,705	42,627
Available for sale investments		6,327	6,314
Other assets	9	105,586	82,171
		<b>1,258,474</b>	<b>1,203,490</b>
<b>Current assets</b>			
Inventories	10	412,632	353,129
Trade receivables		490,355	412,181
Other assets	9	272,644	229,068
Income tax receivables		6,017	8,452
Other financial assets		3,734	-
Cash and cash equivalents		385,732	422,494
		<b>1,571,114</b>	<b>1,425,324</b>
<b>Total assets</b>		<b>2,829,588</b>	<b>2,628,814</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>			
Attributable to equity holders of Vivo Energy Holding B.V.		456,530	401,546
Attributable to NCI		52,243	46,075
		<b>508,773</b>	<b>447,621</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liability		124,432	121,261
Borrowings	11	400,422	396,244
Provisions		92,831	91,982
Deferred income taxes		54,428	51,388
Other liabilities	12	184,037	168,245
		<b>856,150</b>	<b>829,120</b>
<b>Current liabilities</b>			
Lease liability		17,437	12,496
Trade payables		1,046,750	868,521
Borrowings	11	210,933	258,947
Provisions		19,966	20,866
Other financial liabilities		-	664
Other liabilities	12	131,616	152,409
Income tax payables		37,963	38,170
		<b>1,464,665</b>	<b>1,352,073</b>
<b>Total liabilities</b>		<b>2,320,815</b>	<b>2,181,193</b>
<b>Total equity and liabilities</b>		<b>2,829,588</b>	<b>2,628,814</b>

The notes are an integral part of these interim consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

US \$'000	For the three-month period ended 31 March 2018										
Attributable to equity holders of Vivo Energy Holding B.V.											
	Share Capital	Share Premium	Retained Earnings	Other reserves							
				Retirement Benefits	Currency Translation Difference	Fair Value Reserves	Management Equity Plan	NCI Reserves	Total	NCI	Total Equity
<b>Balance at 1 January 2018</b>	30	244,753	309,218	(2,294)	(160,226)	2,446	1,904	5,715	401,546	46,075	447,621
Profit	-	-	39,783	-	-	-	-	-	39,783	3,376	43,159
OCI	-	-	-	33	15,168	-	-	-	15,201	2,792	17,993
<b>Total comprehensive income</b>	-	-	39,783	33	15,168	-	-	-	54,984	6,168	61,152
Share based payments	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2018</b>	30	244,753	349,001	(2,261)	(145,058)	2,446	1,904	5,715	456,530	52,243	508,773

  

US \$'000	For the three-month period ended 31 March 2017										
Attributable to equity holders of Vivo Energy Holding B.V.											
	Share Capital	Share Premium	Retained Earnings	Other reserves							
				Retirement Benefits	Currency Translation Difference	Fair Value Reserves	Management Equity Plan	NCI Reserves	Total	NCI	Total Equity
<b>Balance at 1 January 2017</b>	30	244,753	473,501	(4,233)	(175,396)	2,281	1,814	5,715	548,465	39,993	588,458
Profit	-	-	38,938	-	-	-	-	-	38,938	3,050	41,988
OCI	-	-	-	469	5,720	-	-	-	6,189	781	6,970
<b>Total comprehensive income</b>	-	-	38,938	469	5,720	-	-	-	45,127	3,831	48,958
Share based payments	-	-	-	-	-	-	22	-	22	-	22
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	30	244,753	512,439	(3,764)	(169,676)	2,281	1,836	5,715	593,614	43,824	637,438

The notes are an integral part of these interim consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

US \$'000	Notes	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
<b>Operating activities</b>			
Profit		43,159	41,988
<b>Adjustment for:</b>			
Income taxes		24,552	26,185
Amortisation, depreciation and impairment		22,280	20,138
Net (gain)/loss on disposal of PP&E and intangible assets	5	(27)	139
Share of profit of joint ventures and associates		(5,412)	(2,696)
Dividends received from joint ventures and associates		-	367
Current income tax paid		(21,318)	(40,911)
Net change in operating assets and liabilities and other adjustments	13	(25,799)	(11,077)
<b>Cash flows from operating activities</b>		<b>37,435</b>	<b>34,133</b>
<b>Investing activities</b>			
Acquisition of businesses		(547)	-
Purchases of PP&E and intangible assets		(20,479)	(20,339)
Proceeds from disposals of PP&E and intangible assets		424	248
<b>Cash flows from investing activities</b>		<b>(20,602)</b>	<b>(20,091)</b>
<b>Financing activities</b>			
Net proceeds from long-term debt		-	472
Net repayments of bank and other borrowings		(49,159)	(61,429)
Repayment of lease liability		(5,217)	(4,664)
Interest paid		(8,301)	(5,889)
Interest received		1,498	1,073
<b>Cash flows from financing activities</b>		<b>(61,179)</b>	<b>(70,437)</b>
Effect of exchange rate changes on cash and cash equivalents		7,584	3,405
<b>Net decrease in cash and cash equivalents</b>		<b>(36,762)</b>	<b>(52,990)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>422,494</b>	<b>368,653</b>
<b>Cash and cash equivalents at end of period</b>		<b>385,732</b>	<b>315,663</b>

The notes are an integral part of these interim consolidated financial statements.

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of preparation

The Company's condensed interim consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting Standards' as adopted by the European Union. The condensed interim consolidated financial statements have been prepared under the historical cost convention unless otherwise indicated.

These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with IFRS as adopted by the European Union.

### 2. Significant changes in the current and future reporting period

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018.

IFRS 2 'Amendments to Classification and Measurement of Share-based Payment Transactions' clarifies the following:

- In estimating the fair value of cash-settled share-based payments, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments;
- Where tax law or regulation require an entity to withhold a specified number of equity instruments equal to the monetary value of the employees tax obligation, which is then remitted to the tax authority, such an arrangement should be classified as equity-settled in its entirety, provided it would have been classified as equity-settled in absence of the net settlement feature; and
- A modification of share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as (1) a derecognition of the original liability; (2) recognition of an equity-settled share based payment at the modification date; and (3) any differences between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss.

The Group already applies these amendments.

IFRS 10 'Consolidated Financial Statements' and IAS 28 'Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' deals with situations where there is a sale or contribution of assets between an investor and its associate or joint venture and the treatment of gains or losses from such transactions. The IASB has not confirmed the effective date of this amendment, however early application is permitted. The Group does not anticipate that the application of these amendments will have an impact on the Group's financial statements in future periods should such transaction arise.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability.

The Group already accounts for transactions involving the payment or receipt of advance consideration in a foreign currency that is consistent with IFRIC 22 amendments.

IFRIC 23 'Uncertainty over Income Tax Treatments' provides additional guidance on the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The Group has to determine the impact, if any, on the consolidated financial statements.

The Group does not anticipate that the application of these amendments will have an impact on the Group's consolidated financial statements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

### 3. Financial instruments by category

The table below sets out the Group's classification of each class of financial assets and financial liabilities and their fair values for the current and the comparative period:

US \$'000		31 March 2018			
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at FVTOCI	Total carrying value	Fair value
<b>Financial assets</b>					
Trade receivables	490,355	-	-	490,355	490,355
Cash and cash equivalents	385,732	-	-	385,732	385,732
Available for sale investments	-	-	6,327	6,327	6,327
Other assets <sup>1</sup>	98,230	-	-	98,230	98,230
<b>Total</b>	<b>974,317</b>	<b>-</b>	<b>6,327</b>	<b>980,644</b>	<b>980,644</b>

US \$'000		31 March 2018		
	Financial liabilities measured at amortised cost	Total carrying value	Fair value	
<b>Financial liabilities</b>				
Trade payables		1,046,750	1,046,750	1,046,750
Borrowings		611,355	611,355	611,355
Other liabilities <sup>2</sup>		250,941	250,941	250,941
Lease liabilities		141,869	141,869	141,869
<b>Total</b>		<b>2,050,915</b>	<b>2,050,915</b>	<b>2,050,915</b>

<sup>1</sup> Other assets (note 9) exclude the following elements that do not qualify as financial instruments: prepayments, VAT and duties receivable and other compensation benefits.

<sup>2</sup> Other liabilities (note 12) exclude the following elements that do not qualify as financial instruments: other tax payable and deferred income.

US \$'000				31 December 2017	
	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at FVTOCI	Total carrying value	Fair value
<b>Financial assets</b>					
Trade receivables	412,181	-	-	412,181	412,181
Cash and cash equivalents	422,494	-	-	422,494	422,494
Available for sale investments	-	-	6,314	6,314	6,314
Other assets <sup>1</sup>	87,473	-	-	87,473	87,473
<b>Total</b>	<b>922,148</b>	<b>-</b>	<b>6,314</b>	<b>928,462</b>	<b>928,462</b>

US \$'000				31 December 2017	
	Financial liabilities measured at amortised cost	Total carrying value	Fair value		
<b>Financial liabilities</b>					
Trade payables	868,521	868,521	868,521		
Borrowings	655,191	655,191	655,191		
Other liabilities <sup>2</sup>	261,179	261,179	261,179		
Lease liabilities	133,757	133,757	133,757		
Other financial liabilities	664	664	664		
<b>Total</b>	<b>1,919,312</b>	<b>1,919,312</b>	<b>1,919,312</b>		

The Group has classified equity investments as financial instruments at FVTOCI (without recycling). These investments are measured using inputs for the asset or liability that are in absence of observable market data, based on net asset value of the related investments (level 3 in the IFRS 13 fair value measurement hierarchy). Since the value is based on the net asset value of the related investments, no sensitivity analysis is presented.

#### 4. Segment reporting

The Group operates under three reportable segments: Retail, Commercial and Lubricants.

**Retail segment** - Retail Fuel is aggregated with Non-Fuel revenue. Both the operating segments derive revenue from retail customers who visit our retail sites. Retail Fuel and Non-Fuel revenues are aggregated as the segments are managed as one unit and have similar customers. The economic indicators that have been addressed in determining that the aggregated segments have similar economic characteristics, are that they have similar expected future financial performance and similar operating and competitive risks.

**Commercial segment** - Commercial Fuel and LPG are aggregated in the Commercial segment as the operating segments derive revenues from commercial customers. The segments have similar economic characteristics. The economic indicators that have been addressed are the long-term growth and average long-term gross margin percentage.

**Lubricants segment** - Retail Lubes, B2C Lubes and B2B/Export Lubes are the remaining operating segments. Since these operating segments meet the majority of aggregation criteria they are aggregated in the Lubricants segment.

<sup>1</sup> Other assets (note 9) exclude the following elements that do not qualify as financial instruments: prepayments, VAT and duties receivable and other compensation benefits.

<sup>2</sup> Other liabilities (note 12) exclude the following elements that do not qualify as financial instruments: other tax payable and deferred income.

The segmented information is prepared using the same accounting policies as those described in the annual consolidated financial statements for the fiscal year ended 31 December 2017.

The following table presents revenues and profit information regarding the Group's operating segments.

US \$'000	Three-month period ended 31 March 2018			
	Retail	Commercial	Lubricants	Consolidated
Revenues from external customers	1,156,994	528,253	92,545	1,777,792
Gross profit	97,441	38,915	17,445	153,801
Add back: Amortisation, depreciation and impairment	10,395	5,445	660	16,500
Gross cash profit	107,836	44,360	18,105	170,301
<b>Adjusted EBITDA</b>	<b>62,314</b>	<b>26,468</b>	<b>12,758</b>	<b>101,540</b>

US \$'000	Three-month period ended 31 March 2017			
	Retail	Commercial	Lubricants	Consolidated
Revenues from external customers	1,019,046	506,098	82,417	1,607,561
Gross profit	89,209	36,785	19,506	145,500
Add back: Amortisation, depreciation and impairment	9,117	4,776	579	14,472
Gross cash profit	98,326	41,561	20,085	159,972
<b>Adjusted EBITDA</b>	<b>53,720</b>	<b>28,973</b>	<b>13,028</b>	<b>95,721</b>

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
	<b>Share of profit of joint ventures and associates included in Segment EBITDA</b>	
Lubricants	2,775	-
Retail	1,443	1,634
Commercial	1,194	1,062
<b>Total</b>	<b>5,412</b>	<b>2,696</b>

The amount of revenues from external customers by location of the customers is shown in the table below.

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
	<b>Revenues from external customers by country</b>	
Morocco	356,283	308,488
Kenya	279,109	352,621
Ghana	146,198	132,264
Other	996,202	814,188
<b>Total</b>	<b>1,777,792</b>	<b>1,607,561</b>

US \$'000	31 March 2018	31 December 2017
	<b>Non-current assets by country (excluding deferred tax)</b>	
Morocco	193,833	189,058
Netherlands	185,577	182,459
Kenya	122,669	125,184
Other	713,690	664,162
<b>Total</b>	<b>1,215,769</b>	<b>1,160,863</b>

## Reconciliation of Non-GAAP measures

We believe that providing certain non-GAAP financial measures in addition to IFRS measures provides users of our consolidated financial statements with enhanced understanding of results and related trends and increases the transparency and clarity of the core results of our business. Non-GAAP financial measures are derived from the consolidated financial statements but do not have standardised meanings prescribed by IFRS. The exclusion of certain items from non-GAAP performance measures does not imply that these items are necessarily non-recurring. From time to time, we may exclude additional items if we believe doing so would result in a more transparent and comparable disclosure.

Gross cash profit, the Group defines Gross cash profit as Gross profit adjusted to exclude depreciation and amortisation expense. Adjusted EBITDA, the Group defines EBITDA as earnings before tax, finance expense, finance income, depreciation and amortisation. Adjusted EBITDA is arrived at by making further adjustments to EBITDA for special items. Special items represent income or charges that are not considered to represent the underlying operational performance and based on their significance in size or nature are presented separately to provide further understanding of the financial performance of the Group. Headline earnings, the Group defined Headline earnings as earnings based on profit attributable to owners of the Group before items of a capital nature, net of income tax.

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
<b>EBIT</b>	<b>74,173</b>	<b>75,583</b>
Amortisation, depreciation and impairment	22,280	20,138
<b>EBITDA</b>	<b>96,453</b>	<b>95,721</b>
<b>Special items:</b>		
Management Equity Plan	1,342	-
IPO related expenses <sup>1</sup>	3,745	-
<b>Adjusted EBITDA</b>	<b>101,540</b>	<b>95,721</b>

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
<b>Net income</b>	<b>43,159</b>	<b>41,988</b>
<b>Adjustments to EBIT related to special items:</b>		
Management Equity Plan	1,342	-
IPO related expenses <sup>1</sup>	3,745	-
Tax on special items	(151)	-
<b>Adjusted net income</b>	<b>48,095</b>	<b>41,988</b>

US \$	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
Diluted EPS (see note 8)	17.39	17.02
Impact of special items	2.16	-
<b>Adjusted EPS</b>	<b>19.55</b>	<b>17.02</b>

<sup>1</sup> In May 2018 the Company became listed on the London Stock Exchange Main Market for listed securities and the Main Board of the JSE Limited by way of secondary inward listing. All IPO-related expenses are considered to be special items. For further information see note 16 (events after balance sheet period).

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
<b>Headline Earnings Per Share</b>		
Profit attributable to owners	39,783	38,938
Re-measurements:		
Net (gain)/loss on disposal of PP&E and intangible assets	(27)	139
Impairments	-	-
Income tax on re-measurements	10	(53)
<b>Headline earnings</b>	<b>39,766</b>	<b>39,024</b>
Weighted average number of ordinary shares	2,250,000	2,250,000
Headline EPS (US \$)	17.67	17.34
Diluted number of shares	2,287,433	2,287,433
Diluted headline earnings (US \$)	17.38	17.06
<b>ETR</b>	<b>36.26%</b>	<b>38.41%</b>

## 5. Other income and expense

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
Gain/(loss) on disposal of PP&E and intangible assets	27	(139)
Loss on financial instruments	(597)	(360)
Other income	429	798
	<b>(141)</b>	<b>299</b>

## 6. Finance income and expense

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
<b>Finance expense</b>		
Interest on bank and other borrowings and on lease liability	(5,214)	(5,435)
Interest on long-term debt including amortisation of set-up fees	(1,699)	(1,760)
Foreign exchange loss	-	(123)
Accretion expense net defined benefit liability	(545)	(521)
Other	(609)	(644)
	<b>(8,067)</b>	<b>(8,483)</b>
<b>Finance income</b>		
Interest from cash and cash equivalents	1,499	1,073
Foreign exchange gain	106	-
	<b>1,605</b>	<b>1,073</b>
<b>Finance expense – net</b>	<b>(6,462)</b>	<b>(7,410)</b>

## 7. Income taxes

Income tax expense is recognised based on management's estimate of the effective annual income tax rate of 36% (2017: 38%) expected for the full financial year. The effective tax rate used for the three-month period ended 31 March 2018 is in line with management's estimated annual income tax rate for the year, due to the fact that management has not identified any significant items impacting the effective annual income tax rate.

## 8. Earnings per share

Basic and diluted EPS were computed as follows:

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
<b>Basic Earnings Per Share</b>		
Profit	43,159	41,988
Attributable to owners	39,783	38,938
Weighted average number of ordinary shares	2,250,000	2,250,000
<b>Basic EPS (US \$)</b>	<b>17.68</b>	<b>17.31</b>

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
<b>Diluted Earnings Per Share</b>		
Earnings attributable to owners	39,783	38,938
Diluted number of shares	2,287,433	2,287,433
<b>Diluted EPS (US \$)</b>	<b>17.39</b>	<b>17.02</b>

## 9. Other assets

US \$'000	31 March 2018	31 December 2017
Prepayments	133,460	118,507
Other compensation benefits <sup>1</sup>	108,506	71,748
VAT and duties receivable	38,034	33,511
Indemnification asset on legal and tax claims	7,726	9,868
Employee loans	9,580	8,137
Other <sup>2</sup>	80,924	69,468
	<b>378,230</b>	<b>311,239</b>
Of which current	272,644	229,068
Of which non-current	105,586	82,171
	<b>378,230</b>	<b>311,239</b>

## 10. Inventories

US \$'000	31 March 2018	31 December 2017
Fuel	328,097	276,680
Lubricants	77,354	69,773
Other	7,181	6,676
	<b>412,632</b>	<b>353,129</b>

Cost of sales as disclosed on the face of the consolidated statements of comprehensive income include the total expense for inventory during the quarter for \$1,567m (full year 2017: \$5,869m). The carrying value of inventory represents the net realisable value.

Write-downs of inventories to the net realisable value amounted to \$5m as per 31 March 2018 (2017: \$5m). These were recognised as an expense during the period and included in cost of sales.

<sup>1</sup> The amount relates to compensation benefits granted by the government mainly in Morocco, Botswana, Madagascar, Senegal and Guinea.

<sup>2</sup> The amount in 'Other' mainly comprises items such as brand promotion fund receivables and coupons to customers' deposits.

## 11. Borrowings

US \$'000	Drawn on	Interest rate	Maturity	31 March 2018	31 December 2017
Societe Generale <sup>1</sup>	09/06/2017	Libor + 2.50%/3%	09/06/2022	485,514	479,889
Bank borrowings				125,841	175,302
				<b>611,355</b>	<b>655,191</b>
Of which current				210,933	258,947
Of which non-current				400,422	396,244
				<b>611,355</b>	<b>655,191</b>

Current borrowings consist of bank borrowings which carry interest rates between 1% and 24% per annum.

The carrying amounts of the Group's non-current and current borrowings approximate the fair value.

The Societe Generale secured term loan facility was entered into on 6 June 2017. The facility matures on 9 June 2022 and has semi-annual repayments. Interest is paid quarterly at a rate of Libor plus a margin of 2.50% per annum. Incremental facility was drawn down on 18 December 2017 and carries an interest of Libor +2.5% for the amortised portion and Libor +3% for the bullet portion.

The facility carries the following security: Pledge of the shares of Vivo Energy Investments B.V., Vivo Energy Cape Verde Holdings B.V., Vivo Energy Morocco Holdings B.V., Vivo Energy Mauritius Holdings B.V., Vivo Energy Mali Holdings B.V., Vivo Energy Senegal Holdings Ltd., Vivo Energy Madagascar Holdings Ltd., Vivo Energy Tunisia Holdings Ltd., Vivo Energy Africa Holdings Ltd., Vivo Energy Kenya Holdings B.V., Vivo Energy Burkina Faso Holdings B.V., Vivo Energy Guinea Holdings B.V., Vivo Energy Cote D'Ivoire Holdings B.V., Vivo Energy Ghana Holdings B.V. and Vivo Energy Uganda Holdings B.V.

### Key covenants:

- The Company needs to supply to the lender within 150 calendar days after year end its audited annual consolidated financial statements, unaudited annual non-consolidated financial statements and the unaudited annual group accounts of each operating unit. Within 90 days after each half of each financial year the Company should provide its unaudited non-consolidated financial statements, unaudited consolidated financial statements and unaudited group accounts for each operating unit for the financial half year.
- With each set of financial statements a financial covenants compliance certificate has to be provided showing the following covenants ratios: debt cover and interest cover.
- Formerly, we reported twice a year, a set of financial statements accompanying a financial covenants compliance certificate that had to be provided showing the following covenants ratios:
  - Current cover ratio;
  - Debt cover;
  - Debt service cover; and
  - Cash flow cover.
- The loan carries a negative pledge that restricts the Company from creating or permitting to subsist any security over any of its assets. The Company is also not permitted to incur any additional financial indebtedness, enter into mergers, demergers or reconstruction, may not sell, lease, transfer or dispose of assets or issue any guarantees subject, in each case, to certain exemptions.

<sup>1</sup> The amounts are net of financing costs. The loan amount is \$490m (2017: \$484m); financing costs are \$4m (2017: \$4m).

- Default events include but are not limited to a breach in financial covenants, cross-default, failure of payment, misrepresentations, insolvency, failure to pay taxes and unlawfulness.
- Upon the occurrence of change of control, the facility will be cancelled and all outstanding loans, together with accrued interest and all other amounts due, will become immediately payable and due. The IPO reorganization of the Group does not lead to any change of control.

No covenants were breached in the last applicable period ended 31 December 2017. The Company amended its senior facility after the balance sheet period. For details see note 16.

## 12. Other liabilities

US \$'000	31 March 2018	31 December 2017
Oil fund liabilities	89,698	88,070
Employee liabilities	75,402	93,801
Deposits owed to customers	60,558	54,062
Other tax payable	57,403	50,587
Deferred income	7,309	8,888
Contingent liabilities (see note 14)	3,825	3,825
Other	21,458	21,421
	<b>315,653</b>	<b>320,654</b>
Of which current	131,616	152,409
Of which non-current	184,037	168,245
	<b>315,653</b>	<b>320,654</b>

## 13. Net change in operating assets and liabilities and other adjustments

US \$'000	Three-month period ended 31 March 2018	Three-month period ended 31 March 2017
Inventories	(49,309)	2,328
Trade receivables	(59,662)	(67,672)
Trade payables	144,619	67,612
Other assets	(52,589)	(8,999)
Other liabilities	(16,491)	(28,900)
Provisions	(4,209)	11,765
Other	11,842	12,789
	<b>(25,799)</b>	<b>(11,077)</b>

## 14. Commitments and contingencies

### Lease commitments

The table below analyses the Group's lease liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

US \$'000		31 March 2018				
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease liability	5,677	14,329	17,840	50,880	53,850	142,576

  

		31 December 2017				
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease liability	4,846	14,540	17,217	49,906	55,712	142,221

### Contingencies

The Company's Executive Management has prepared a best estimate of its contingent liabilities that should be recognised in respect of legal claims in the course of ordinary business. Some of the claims will be compensated by an indemnity obtained from the former Shareholder (Shell); should these cases be determined against the relevant Vivo Energy Entity, such entity will be indemnified by the former Shareholder. An indemnification assets of \$8m (2017: \$10m), equivalent to the fair value of the contingencies provided for by the Group in respect of the indemnified claims that have been recognised.

In many markets there is a high degree of complexity involved in the local tax regimes. In common with other business operating in this environment the Group is required to exercise judgement in the assessment of any potential exposures in these areas. Where appropriate the Group will make provisions or disclose contingencies in accordance with the relevant accounting principles.

## 15. Management Equity Plan

In 2012, Vivo Energy Holding granted to certain senior managers and other senior employees' phantom options which entitled option holders to a cash payment based on the value of Vivo Energy Holding shares upon exercise of their phantom options. Under the terms of the phantom options, all outstanding phantom options would become fully exercisable upon admission.

However, the option holders have agreed to amend the terms of their outstanding phantom options such that 30% of the outstanding phantom options became deemed to be exercised at admission and 70% will become exercisable on the first anniversary of admission for a period of 12 months. Under the amended terms, the option holders' entitlement to the cash payment is based on the market value of the shares at the time of exercise net of a nominal per share exercise price.

The Management Equity Plan related liability as at 31 March 2018 amounts to \$44m (31 December 2017: \$49m).

## 16. Events after balance sheet period

On 4 December 2017, the Company agreed to enter into a sale and purchase agreement with Engen Holdings (Pty) Limited (Engen Holdings), a 100% subsidiary of Engen Limited, in relation to the purchase of shares in Engen International Holdings (Mauritius) Limited (Engen International Holdings) for the exchange of a shareholding in Vivo Energy, with a possible cash element. This transaction is subject to regulatory approval.

In May 2018 the Company became listed on the London Stock Exchange Main Market for listed securities and the Main Board of the JSE Limited by way of secondary inward listing. In connection with this, a pre-IPO reorganisation of the Group was executed including the insertion of Vivo Energy plc, a public company limited by shares incorporated in the United Kingdom, as the ultimate parent company via a share-for-share exchange effective on 4 May 2018.

The Company amended its senior finance facility agreement before the listing to include a new multi-currency Revolving Credit Facility (RCF), consisting of a primary \$300m able to be drawn upon on admission and an additional \$100m contingent upon events after the listing. Under the terms of the new agreement, the financial covenants and the clauses on change in control and additional indebtedness disclosed in note 11 are amended to align with the Company's future capital structuring plans.

The Company is planning to issue senior unsecured notes in June. The contemplated notional amount is \$400m and the maturity will be 5 to 7 years. The proceeds of the notes will be used to repay the existing term loan in full. The Company has sought credit rating from two rating agencies for the purpose of the notes issuance. Notes holders and RCF lenders will rank pari passu.