Puma Energy: First quarter 2019 results

Thursday 23rd May 2019

Q1 in context

- Performance has stabilised, reflected in steady EBITDA & sales volumes
- Strategic review complete, now focused on implementation:
  - Material opportunity to improve performance of our customer led businesses - retail, lubricants, aviation & other B2B segments
  - continuing focus on operational basics: cost and capital discipline, reduction in leverage
- Optimisation of portfolio progressing: discussions well advanced on two non-core divestments
- Three new executive committee members announced
- One year RCF facility successfully financed, in oversubscribed process
- Strengthened governance structure: increased stakeholder engagement

Q1 2019 Performance

- Sales volumes: **6.1 million m^3**
- Turnover: **US$ 4.1 billion**
- Gross profit: **US$ 347 million**
- EBITDA: **US$ 130 million**
- Operating cash flow: **US$ 131 million**
- Investment in infrastructure: **US$ 22 million**

Key Highlights – Q1 ’19 vs. Q1, Q3 & Q4 ‘18

US$ million	Q1			Q4		Q3	
	2019	2018	Δ %	2018	Δ %	2018	Δ %
Sales volume (k m³)	6,052	6,059	*-0%*	6,450	*-6%*	6,282	*-4%*
Throughput volume (k m³)	4,116	3,478	*+18%*	4,110	*+0%*	3,671	*+12%*
Gross profit	347	397	*-13%*	363	*-4%*	341	*+2%*
EBITDA	130	164	*-21%*	134	*-3%*	133	*-2%*
Net capex	22	46	*-52%*	96	*-77%*	59	*-62%*
Cash flow from operations	131	80	*+64%*	129	*+2%*	538	*-76%*

Note: All financial figures are presented excluding the impact of IFRS16

- **Performance stabilised over three consecutive quarters, steady volumes and EBITDA**
- **Disciplined approach to capital expenditure, coupled with healthy cash flows**
- **Sales volumes stable year-on-year versus Q1 ‘18**
- **Gross profit impacted by lower unit margins leading to lower EBITDA versus Q1 ‘18**

Business Segmentation

US$ million	Downstream			Midstream			Downstream		Midstream		Downstream		Midstream	
	Q1 '19	Q1 '18	Δ %	Q1 '19	Q1 '18	Δ %	Q4 '18	Δ %	Q4 '18	Δ %	Q3 '18	Δ %	Q3 '18	Δ %
Volume (k m³)	6,023	5,859	+3%	4,145	3,678	+13%	6,411	-6%	4,149	-0%	6,070	-1%	3,883	+7%
Gross profit	302	345	-12%	45	52	-13%	322	-6%	41	+10%	300	+1%	41	+10%
Unit margin (US$/m³)	50	59	-15%	11	14	-23%	50	-0%	10	+10%	49	+1%	10	+3%
	55 *	65 *	-16%	n/a	n/a	n/a	54 *	+0%	n/a	n/a	54 *	+0%	n/a	n/a
EBITDA	109	135	-20%	21	28	-26%	111	-2%	23	-10%	108	+0%	24	-14%

Downstream

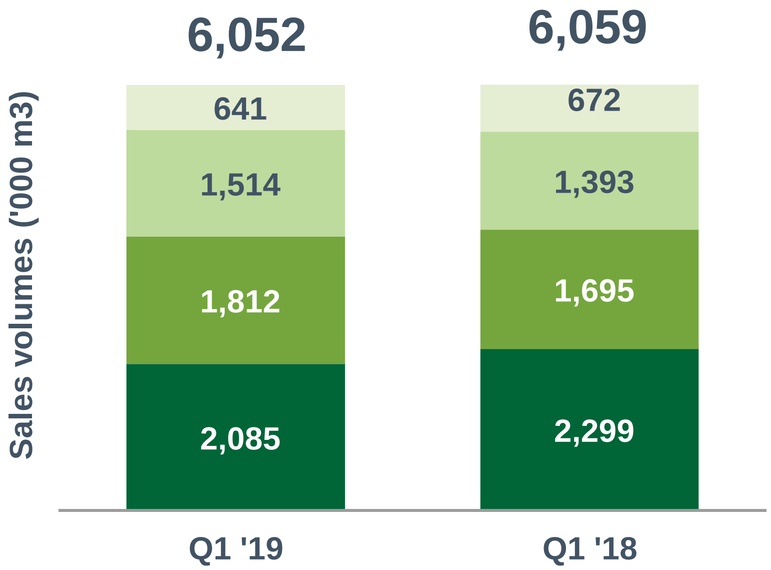
- **Higher sales volumes especially in Asia-Pacific and Africa**
- **Unit margins down YoY due to currency devaluations, but stabilised since Q3 ‘18**
- **EBITDA down YoY due to lower unit margins**

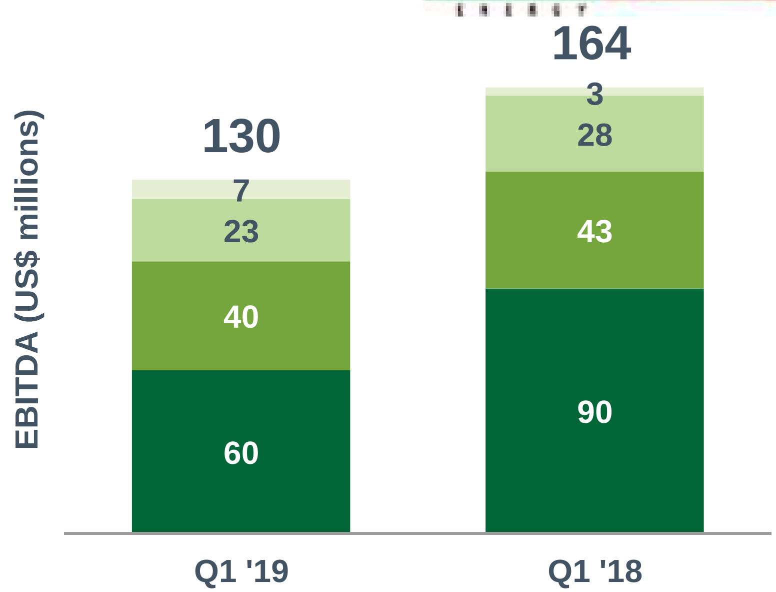
Midstream

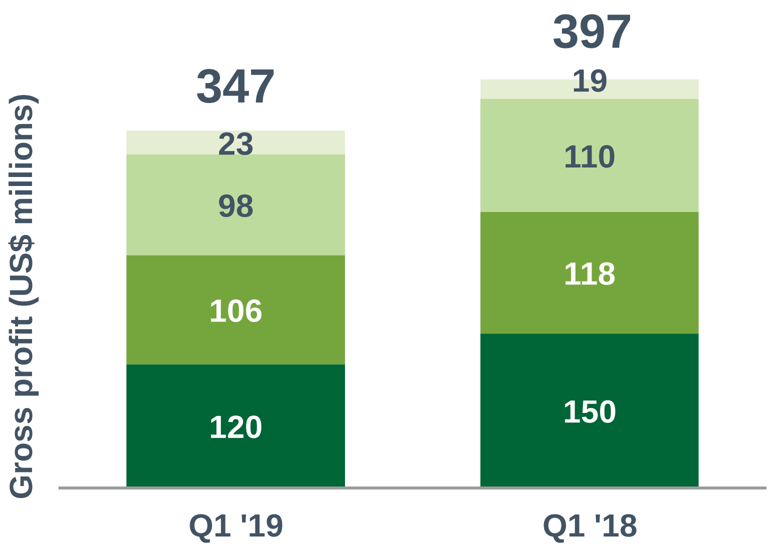
- **Higher throughput volumes in Asia-Pacific and Africa**
- **Gross profit and EBITDA impacted by lower refining margins in Nicaragua**

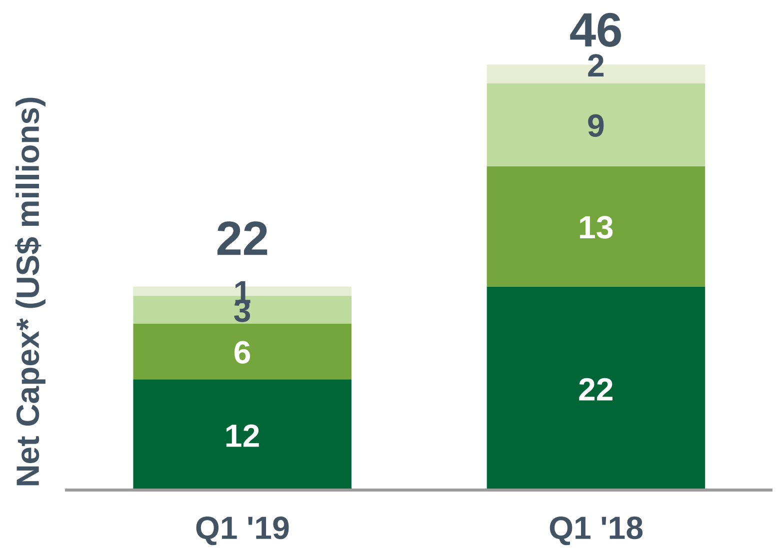
(*) Not including UK volumes and gross profit

Geographic Segmentation



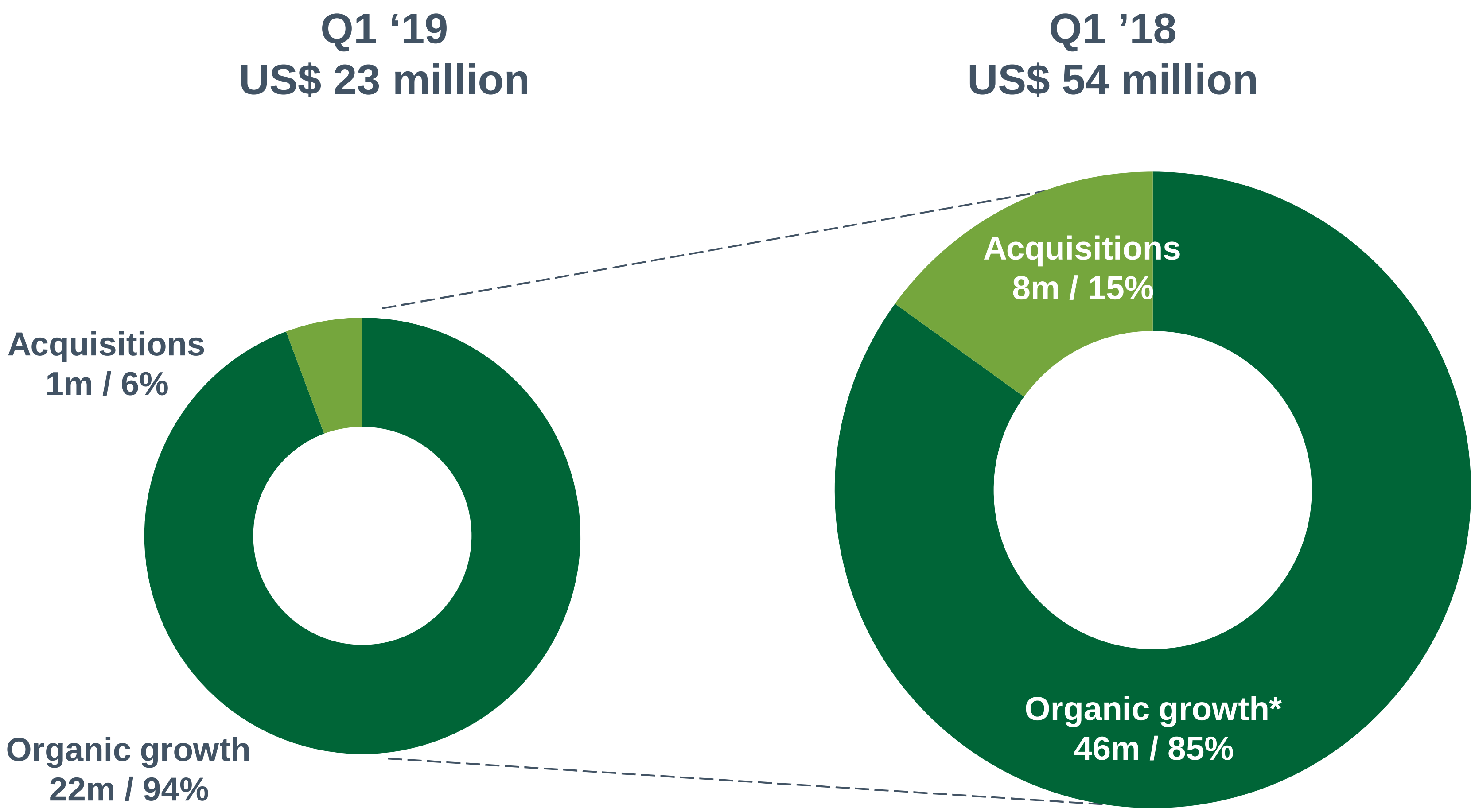






Europe Asia Pacific Africa Americas

Investment



(*) Capex are shown net of proceeds from the disposal of assets and investments

Key Performance Indicators

	Q1 2019	Q4 2018	Q1 2018
Number of countries	48	48	49
Number of service stations	3,038	3,082	3,064
Number of terminals	106	106	104
Storage capacity (mil. m^3)	*7.7*	*7.7*	*8.3*
Number of airports	*85*	*84*	*71*
Headcount *	8,660	8,647	8,678

- **Refocused retail network in South Africa and Puerto Rico**
- **Started operations at Cape Town airport - taking South Africa to 8**
- **Headcount stable**

(*) Headcount for Q4 ’18 and Q1 ’18 has been restated to reflect previously not captured contingency workers in Papua New Guinea

Cash Flows

US$ million	Q1 2019	Q1 2018	Q4 2018	Q3 2018
Net cash flow from operations	131	80	129	537
Net cash flow used in investing	(23)	(54)	(101)	(61)
Net cash flow from financing	(171)	49	29	(428)
Days of sales out-standing (3^{rd} party)	*14*	*14*	*12*	*13*
Days of inventory	*30*	*25*	*19*	*24*

- **Operating cash flow reflects a good performance over the last three quarters**
- **Investing cash flows reflect reduced capex and acquisition spending**
- **Strong operating cash flows enabled debt repayments**
- **DSO has remained stable while DIO reflects timing effect at the end of Q1 ‘19**

Capital Structure

US$ million	Q1 2019	Q4 2018	Q1 2018
Cash	(578)	(644)	(549)
Inventories	(1,207)	(910)	(1,054)
OpCo Debt	298	389	478
Senior Facilities	1,285	1,292	1,580
Senior Notes	1,656	1,679	1,697
Total net debt	**1,454**	**1,806**	**2,152**
x LTM EBITDA	*2.8*	*3.3*	*3.0*

Mar ‘19 capital structure

- **Net Debt / EBITDA multiple at 2.8x, in line with capital structure policy**
- **Reduced gross debt by $121m and net debt by $352m**

RCF renewal and covenant amendments

- During April (post Q1): refinanced one year RCF with a new facility of US$ 350m
  - 26 Banks participated in this financing with a broad geographical split
  - Facility was oversubscribed by 20% at US$ 420m
- The Group has amended all its loan documents to reflect the new definition of two of its bank covenants:
  - Interest Cover ratio has been temporarily reset to 2.25x instead of 2.5x for Q2, Q3 and Q4 of 2019
  - Consolidated net worth definition now excludes the accounting “Foreign currency translation reserve” and threshold has been reset permanently at US$ 2.2bn

Outlook

2019 Outlook

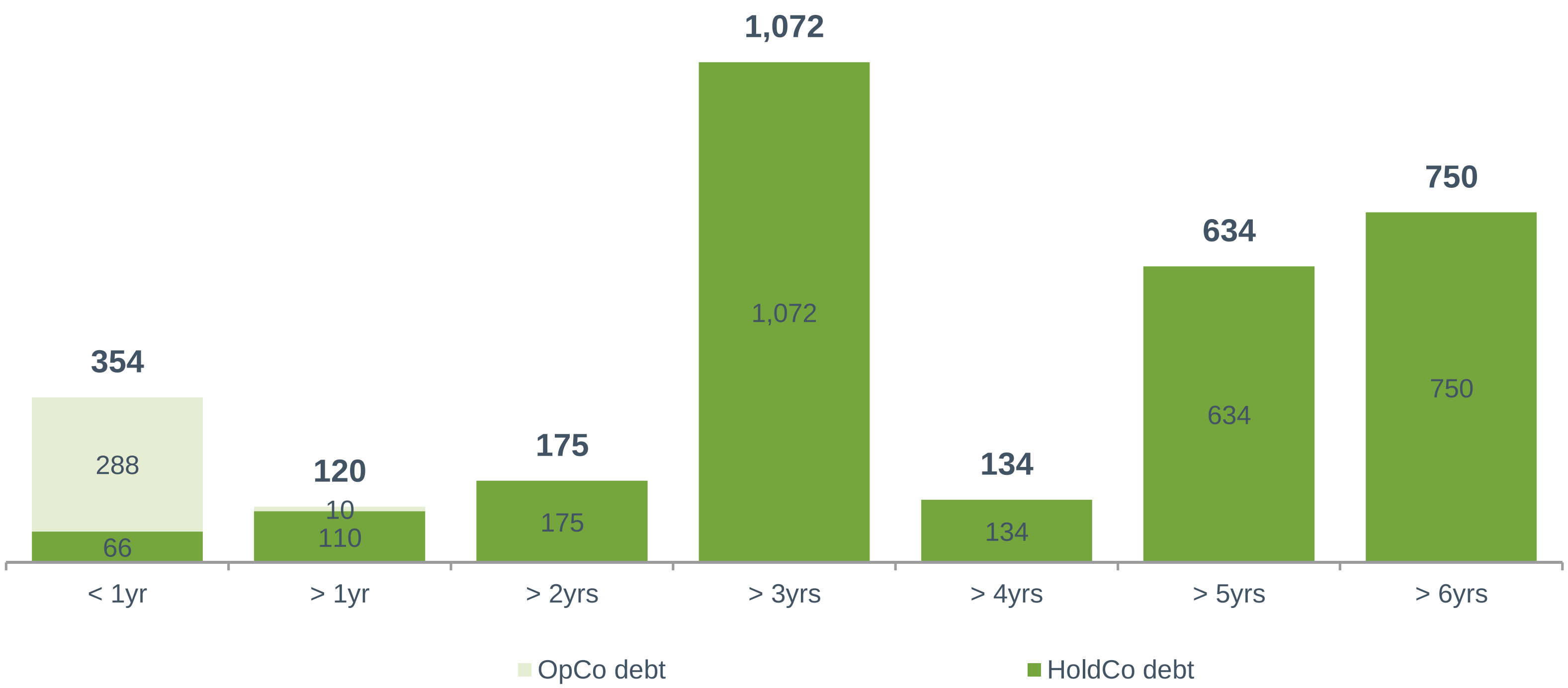
- **Activity levels expected to remain stable at current quarterly run-rate**
- **With strategic review complete, now focused on implementation:**
  - continuing focus on operational basics: cost and capital discipline, reduction in leverage – no significant financing expected before year end
  - stable platform for driving customer-focused business improvement plan focused on opportunities in retail, lubricants, aviation & B2B
- **Continued progress on portfolio review:**
  - expect to see some further small non-core divestments during the year
  - more strategic divestments under review; advisors appointed
- **Building blocks in place to deliver sustainable growth over the medium term**

Thank you

Questions & Answers

Appendices

Appendix 1 – Maturity Profile



US$ million	Total	< 1yr	> 1yr	> 2yrs	> 3yrs	> 4yrs	> 5yrs	> 6yrs
HoldCo debt	2,941	66	110	175	1,072	134	634	750
OpCo debt	298	288	10					
Gross debt	**3,239**	**354**	**120**	**175**	**1,072**	**134**	**634**	**750**
% of Total		*11%*	*4%*	*5%*	*33%*	*4%*	*20%*	*23%*

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