PUMA ENERGY

Q3 2016 RESULTS



November 2016

Key highlights – Q3 '16

- **Strong growth in sales volumes (+14%).**
- **Slight decrease in gross profit (US$ 376million) and EBITDA (US$ 165million).**
- **Higher cash flow from operations (US$ 200million) and reduced investments (US$ 60million).**
- **Fire at Puerto Sandino in August, with no impact on operations.**
- **Acquired terminal in Northern Ireland, increasing storage capacity to 7.9million m^3.**

Key Highlights – Q3 '16 vs. '15

US$million	Q3 '16	Q3 '15	*Q3 '16 vs Q3 '15*
Sales volume (‘000 m³)	5,725	5,004	*14%*
Throughput volume (‘000 m³)	5,143	4,555	*13%*
Gross profit	376	400	*-6%*
EBITDA	165	177	*-7%*
Capex*	60	237	*-74%*
Cash flow from operations	200	155	*29%*

Q3 '16 vs. Q3 '15

- **14% increase in sales volumes.**
- **-6% of gross profit from lower B2B margins, a shift in the business and geographic mix and devaluating currencies.**
- **Decrease in EBITDA only linked to decrease in gross profit.**
- **Reduced capex on ongoing construction projects.**
- **Increased operating cash flows.**

(*) Capex of US$107million, shown net of US$47m of proceeds from the disposal of fixed assets

Key Highlights – YTD Sep '16 vs. '15

US$million	YTD Sep '16	YTD Sep '15	*YTD Sep '16 vs '15*
Sales volume ('000 m³)	16,543	13,921	*19%*
Throughput volume ('000 m³)	15,291	13,691	*12%*
Gross profit	1,192	1,123	*6%*
EBITDA	556	504	*10%*
Capex	386	590	*-35%*
Cash flow from operations	686	606	*13%*

YTD Sep '16 vs. '15

- **Higher sales volumes and gross profit.**
- **10% increase in EBITDA from higher gross profit and contained opex.**
- **Reduced capex, entirely financed through operating cash flows.**
- **Increase in operating cash flows.**

Business segmentation – Q3 '16 vs. Q3 '15

US$million	Downstream			Midstream		
	Q3 '16	Q3 '15	Δ %	Q3 '16	Q3 '15	Δ %
Volume ('000 m³)	5,370	4,975	*8%*	5,498	4,584	*20%*
Gross profit	320	348	*-8%*	56	52	*7%*
Unit margin (US$/m³)	60	70	*-15%*	10	11	*-11%*
Unit margin excl. UK (US$/m³)*	64	74	*-14%*	10	11	*-11%*
EBITDA	132	147	*-10%*	33	30	*11%*

Downstream

- **Increased volumes in most regions with good performance of retail and aviation.**
- **Unit margins impacted by lower B2B margins, changes in the geographic and segment mix and devaluating currencies.**
- **Decrease in gross profit and EBITDA due to lower unit margins.**

Midstream

- **Increase in midstream volumes, especially in Asia Pacific leading to higher EBITDA.**

(*) Not including UK volumes and gross profit

Business segmentation – YTD Sep '16 vs. '15

US$million	Downstream			Midstream		
	YTD Sep'16	YTD Sep'15	Δ %	YTD Sep'16	YTD Sep'15	Δ %
Volume (‘000 m³)	15,700	13,416	*17%*	16,135	14,195	*14%*
Gross profit	1,023	956	*7%*	169	167	*1%*
Unit margin (US$/m³)	65	71	*-8%*	10	12	*-11%*
Unit margin excl. UK (US$/m³)*	70	73	*-4%*	10	12	*-11%*
EBITDA	461	413	*12%*	95	92	*4%*

Downstream

- **Increased volumes, gross profit and EBITDA.**
- **Unit margins impacted by lower B2B margins, a shift in the segment and geographic mix, and devaluating currencies.**
- **Relatively stable unit margins when normalizing for the UK.**

Midstream

- **Increase in volumes.**
- **Stable gross profit and EBITDA.**

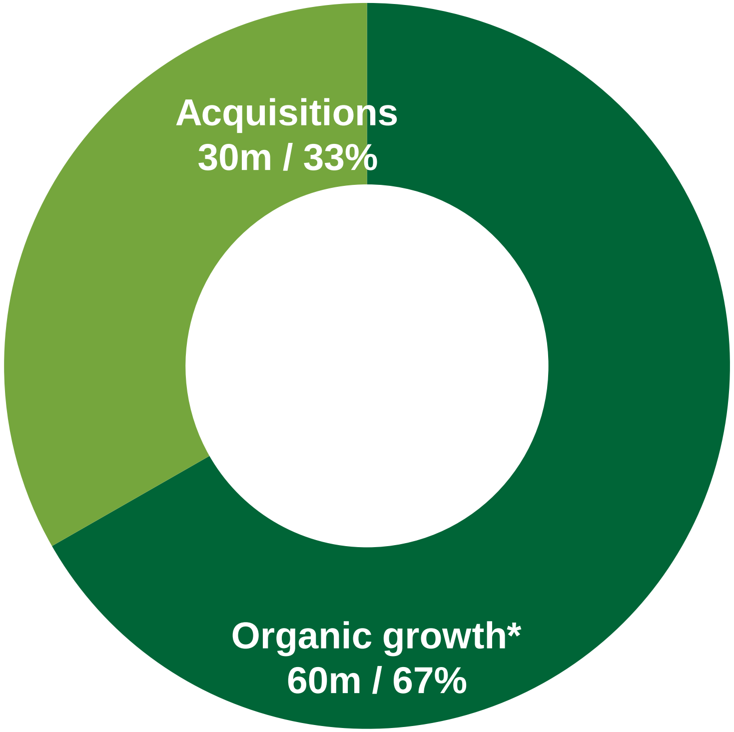
(*) Not including UK volumes and gross profit

Geographic Segmentation – Q3 '16 vs. Q3 '15

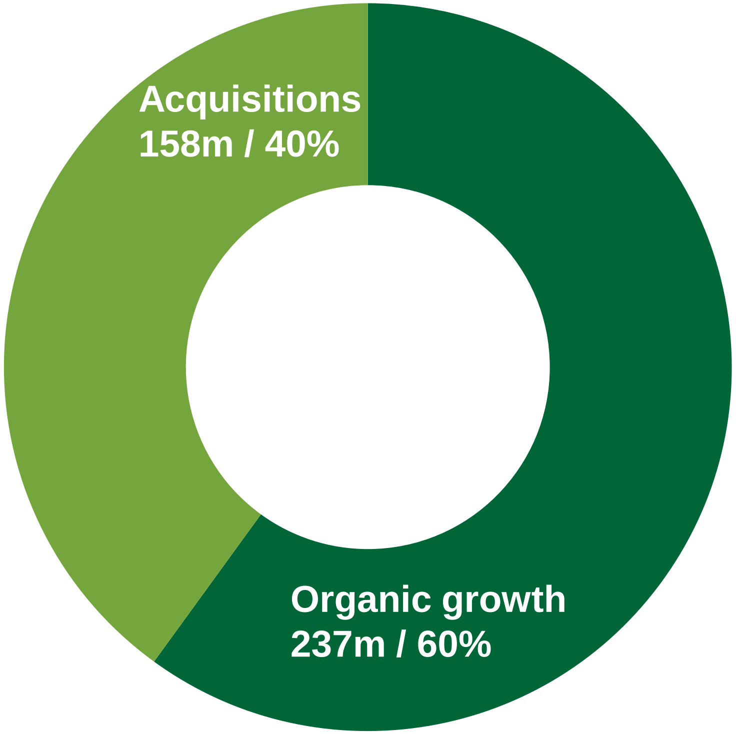
Geographic Segmentation – YTD Sep '16 vs. '15

Investment – Q3 '16 vs. Q3 '15

Q3 '16
US$ 90million



Q3 '15
US$ 395million



(*) Capex of US$107million, shown net of US$47m of proceeds from the disposal of fixed assets

Key Performance Indicators – Q3 '16

	Sep '16	Jun '16	Mar '16
Number of countries	47	47	47
Number of service stations	2,468	2,419	2,376
Number of terminals	100	99	98
Storage capacity (mil. m^3)	7.9	7.8	7.8
Number of airports	62	62	51
Headcount	7,844	7,902	7,635

Key statistics

- **Expanded service station network in Africa and the Americas.**
- **Acquisition of the Group’s 100th terminal in Northern Ireland – at a limited investment.**
- **Increased storage capacity to 7.9 mil. m^3**
- **Stable workforce between Q3’ 16 and Q2’ 16.**

Cash flows – Q3 '16 vs. Q3 '15 and Q2 '16

US$million	Q3 '16	Q3 '15	Q2 '16
Net cash flow from operations	200	155	283
Net cash flow used in investing	(88)	(394)	(147)
Net cash flow from financing	125	151	(146)
Days of sales outstanding (3rd party)	12	13	12
Days of inventory	23	20	21

Q3 '16 vs. '15

- **Increase in operating cash flows, thanks to steady performance and efficient working capital management.**
- **Investing cash flows fully self-financed by operating cash flows.**
- **Financing cash flows reflect interest payments and slight increase in debt.**
- **Stable DSO and slight increase in DIO.**

Capital structure – Sep '16

US$million	**Sep '16**	**Jun '16**	**Sep '15**
Cash	(474)	(326)	(426)
Inventories	(712)	(650)	(634)
OpCo Debt	507	512	848
Senior Facilities	1,405	1,265	1,172
Senior Notes	1,324	1,323	1,224
Total net debt	**2,050**	**2,125**	**2,184**
X LTM EBITDA	2.8	2.9	3.1

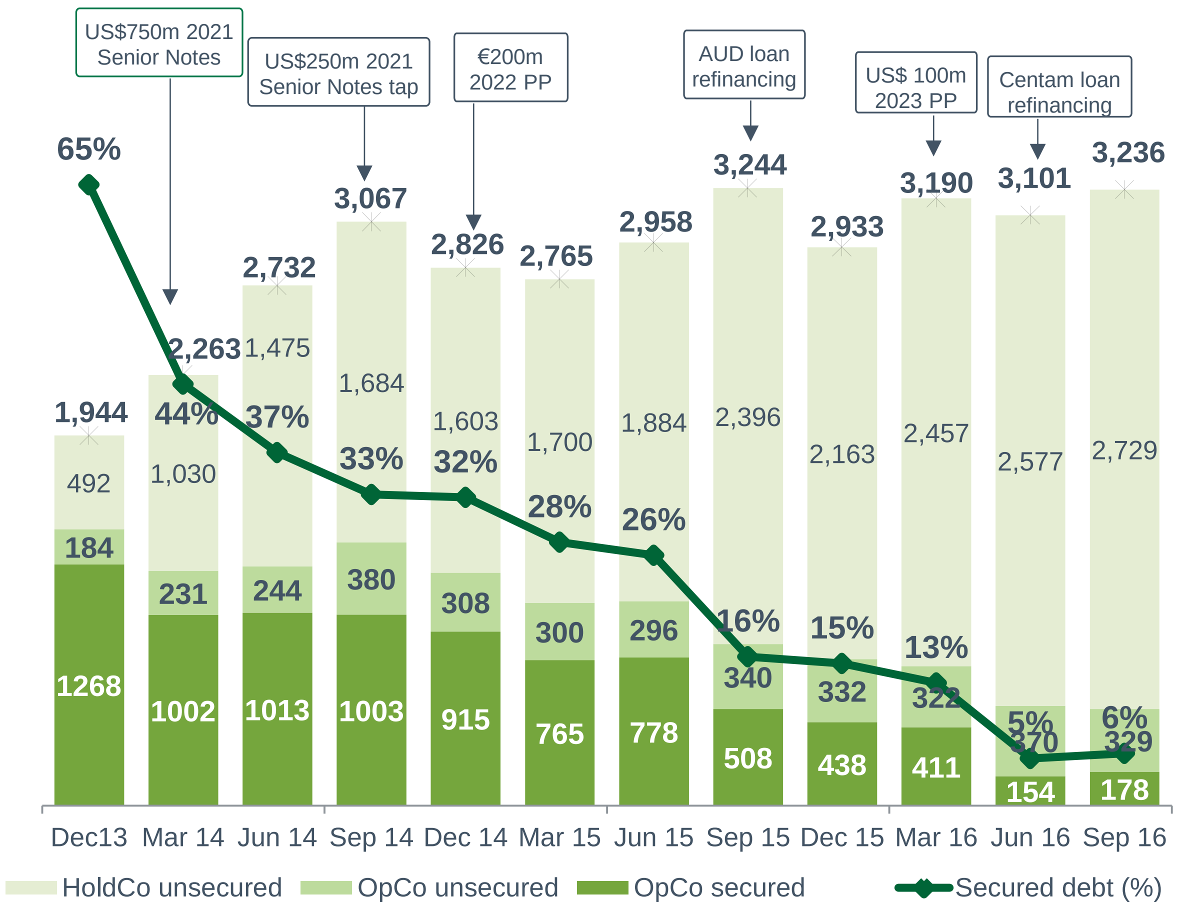
- **Reduction in net debt and leverage, from high operating cash flow and lower capex**
- **Net Debt / LTM EBITDA at 2.8x, in line with capital structure policy.**
- **Unsecured HoldCo debt represents 84% of Group's debt.**
- **41% of debt maturing in 2021 and beyond.**
- **Senior Notes upgraded to Ba2 (from Ba3), by Moody's.**

Closing remarks

- **Quarterly performance reflects continued growth in sales volumes, whilst gross profit and EBITDA are decreasing.**
- **Retail and aviation expected to perform well, driven by consumption and increased marketing efforts.**
- **Margins under pressure due to economic slowdown in some countries, impacting the B2B segment, a shift in the geographic mix and the impact of currency devaluations.**
- **However, capex spending is reducing and we do not forecast any major new investments.**

Appendix 1 - Rebalancing the capital structure

2013 – 2016 financing structure evolution (in US$m)

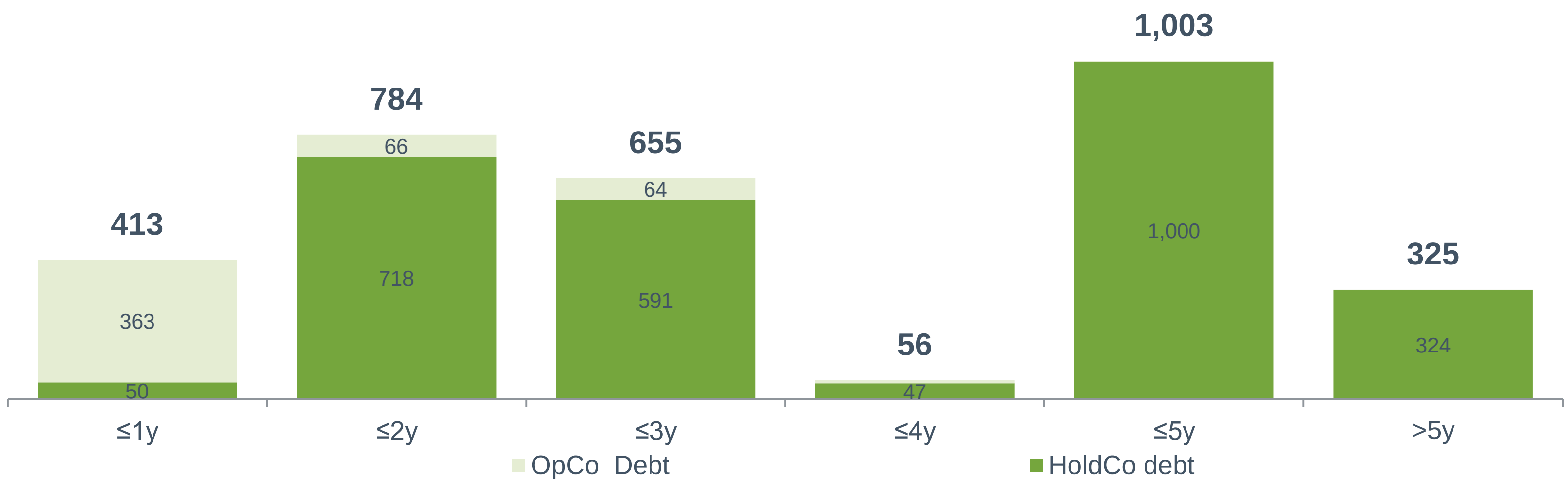


Strategy

- **Centralize term financing at HoldCo level,** whilst continuing to diversify funding sources (i.e. bank financing, high yield bonds and private placements).
- All financings at HoldCo level rank **pari passu** and are **unsecured.**
- **Working capital financing** kept at **OpCo level.**

Appendix 2 - Debt maturity profile

HoldCo vs. OpCo maturity profile (as at Q3 2016)



Maturity profile

US$million	Total	≤1y	≤2y	≤3y	≤4y	≤5y	>5y
HoldCo debt	2,729	50	718	591	47	1,000	324
OpCo Debt	507	363	66	64	9	3	1
Gross debt	**3,236**	**413**	**784**	**655**	**56**	**1,003**	**325**
% of Total		*13%*	*24%*	*20%*	*2%*	*31%*	*10%*

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2