



PUMA ENERGY

Q 2 2 0 1 6 R E S U L T S



August 2016

- ▶ Solid quarter marked by growth in sales volumes (**+20% y-o-y**), gross profit and EBITDA
- ▶ Sales volumes: **5.6million m³**
- ▶ Gross profit: **US\$ 388million**
- ▶ EBITDA: **US\$ 181million**
- ▶ Strong cash flow from operations (**US\$ 283million**) and contained investment (**US\$ 139million**)

Key Highlights – Q2'16 vs. '15



| US\$million | Q2 '16 | Q2 '15 | Q2 '16 vs Q2 '15 |
|------------------------------------------|--------|--------|------------------|
| Sales volume ('000 m ³) | 5,589 | 4,646 | 20% |
| Throughput volume ('000 m ³) | 4,485 | 4,528 | -1% |
| Gross profit | 388 | 375 | 3% |
| EBITDA | 181 | 175 | 4% |
| Capex | 139 | 209 | -33% |
| Cash flow from operations | 283 | 302 | -6% |

Q2 '16 vs. Q2 '15

- ▶ 20% increase in sales volumes from organic growth and acquisitions.
- ▶ 3% increase in gross profit, due to some shift in the geographical mix, lower midstream performance and devaluating currencies.
- ▶ 4% EBITDA increase from higher gross profit and less one-off costs.
- ▶ Lower capex on storage and retail projects.

Key Highlights –YTD Jun '16 vs. '15



| <i>US\$million</i> | YTD Jun '16 | YTD Jun '15 | YTD Jun '16 vs YTD Jun '15 |
|----------------------------------------------|----------------|----------------|-------------------------------------|
| Sales volume ('000 m ³) | 10,819 | 8,916 | 21% |
| Throughput volume ('000 m ³) | 10,148 | 9,135 | 11% |
| Gross profit | 816 | 722 | 13% |
| EBITDA | 391 | 327 | 19% |
| Capex | 326 | 354 | -8% |
| Cash flow from operations | 487 | 451 | 8% |

YTD Jun '16 vs. '15

- ▶ Increased sales volumes and gross profit from organic growth and acquisitions.
- ▶ 19% increase in EBITDA reflects strong gross profit and lower one off costs.
- ▶ US\$326m capex on ongoing and completed construction projects.
- ▶ Capex and acquisitions entirely financed through operating cash flows.

Business segmentation – Q2 '16 vs. Q2 '15



| US\$ million | Downstream | | | Midstream | | |
|----------------------------------------------|------------|--------|------|-----------|--------|------|
| | Q2 '16 | Q2 '15 | Δ % | Q2 '16 | Q2 '15 | Δ % |
| Volume ('000 m ³) | 5,336 | 4,504 | 18% | 4,738 | 4,671 | 1% |
| Gross profit | 331 | 310 | 7% | 57 | 64 | -11% |
| Unit margin (US\$/m ³) | 62 | 69 | -10% | 12 | 14 | -12% |
| Unit margin excl. UK (US\$/m ³)* | 67 | 69 | -3% | 12 | 14 | -12% |
| EBITDA | 151 | 138 | 9% | 31 | 37 | -17% |

Downstream

- ▶ Higher volumes and gross profit, from organic growth and acquisitions.
- ▶ Decrease in unit margins, mainly from high UK volumes at lower margins.
- ▶ Stable unit margins when normalizing for the UK.
- ▶ 9% increase in EBITDA.

Midstream

- ▶ Gross profit and unit margins impacted by lower margins on refining and throughput arrangements.

(* Not including UK volumes and gross profit)

| US\$ million | Downstream | | | Midstream | | |
|----------------------------------------------|-------------|-------------|-----|-------------|-------------|------|
| | YTD Jun '16 | YTD Jun '15 | | YTD Jun '16 | YTD Jun '15 | Δ % |
| Volume ('000 m ³) | 10,330 | 8,440 | 22% | 10,637 | 9,611 | 11% |
| Gross profit | 703 | 608 | 16% | 113 | 114 | -1% |
| Unit margin (US\$/m ³) | 68 | 72 | -6% | 11 | 12 | -10% |
| Unit margin excl. UK (US\$/m ³)* | 73 | 72 | 2% | 11 | 12 | -10% |
| EBITDA | 329 | 265 | 24% | 62 | 62 | 0% |

Downstream

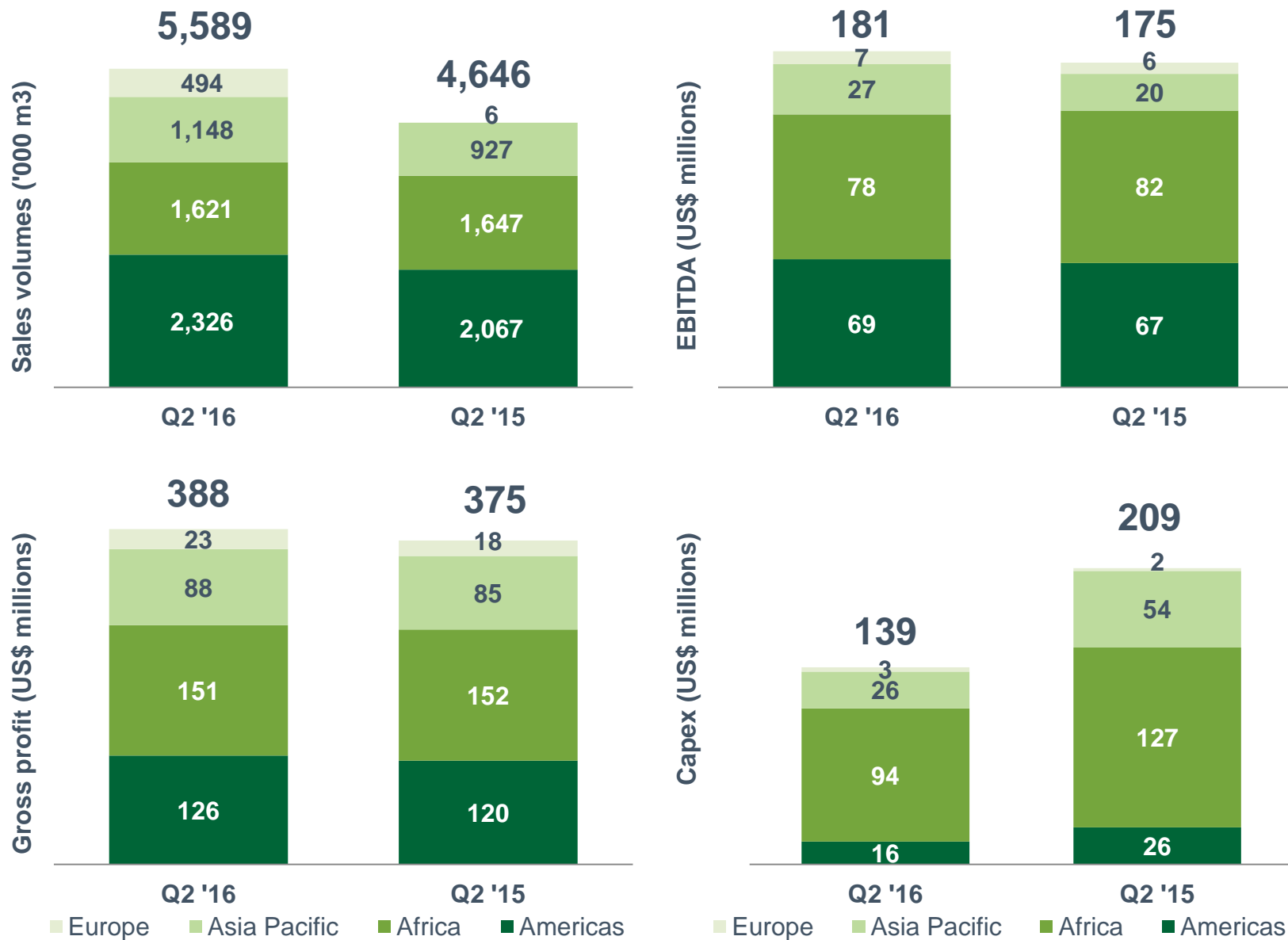
- ▶ Increase in volumes and gross profit from organic growth and acquisitions.
- ▶ Decrease in unit margins, due to high UK volumes at lower margins.
- ▶ Stable unit margins when normalizing for the UK.
- ▶ 24% increase in EBITDA.

Midstream

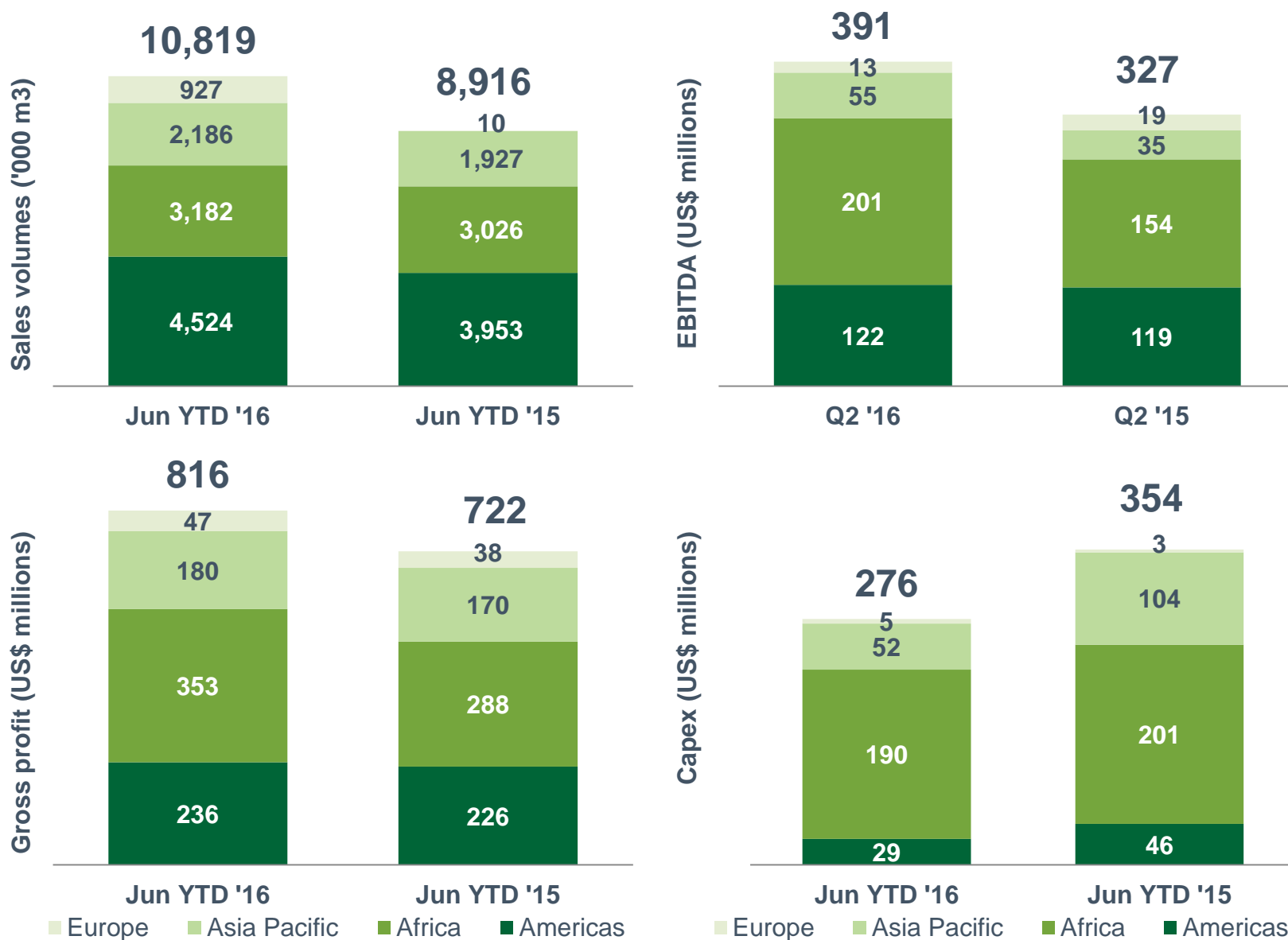
- ▶ Gross profit and unit margins impacted by lower refining margins and throughput revenues.

(*) Not including UK volumes and gross profit

Geographic Segmentation – Q2 '16 vs. Q2 '15



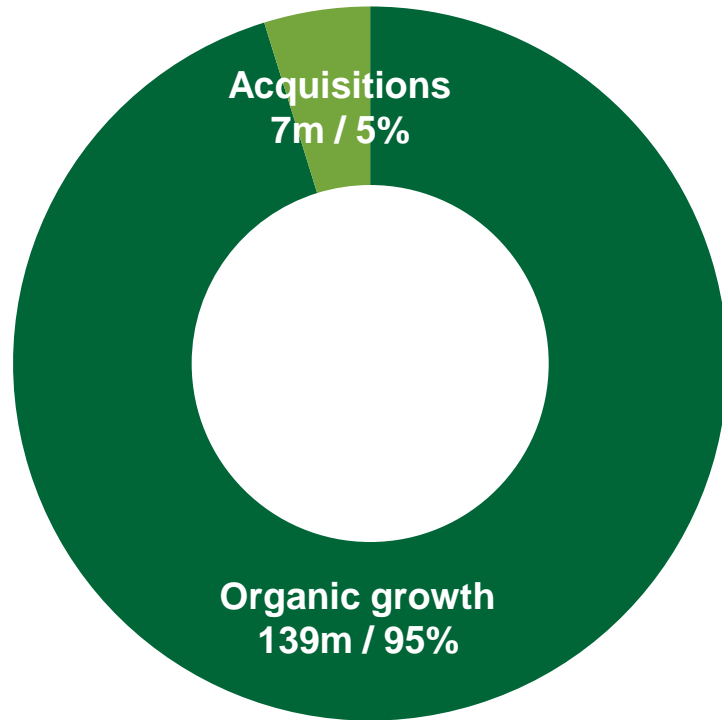
Geographic Segmentation – YTD Jun '16 vs. '15



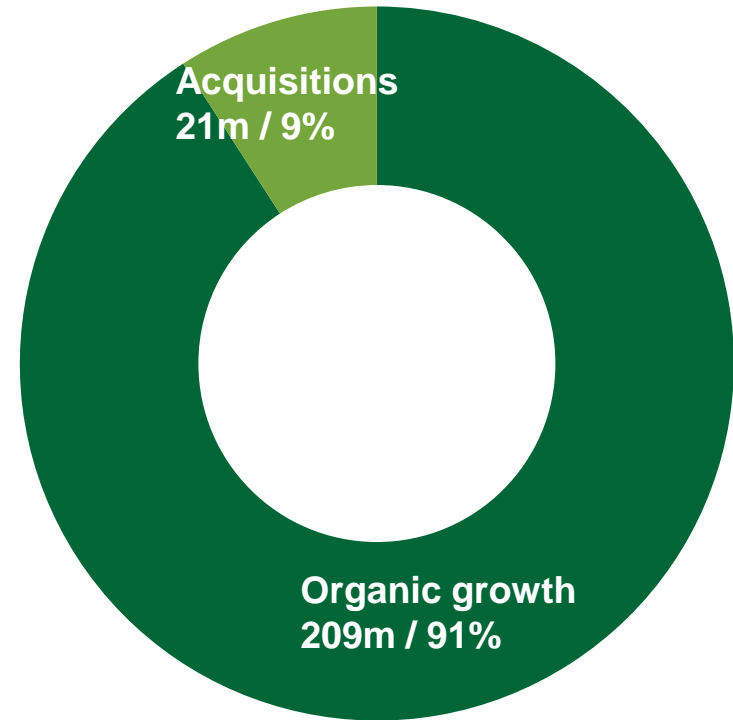
Investment – Q2 '16 vs. Q2 '15



Q2 '16
US\$ 146million



Q2 '15
US\$ 230million



| | Jun16 | Mar16 | Dec15 |
|-----------------------------------------|-------|-------|-------|
| Number of countries | 47 | 47 | 47 |
| Number of service stations | 2,419 | 2,376 | 2,362 |
| Number of terminals | 99 | 98 | 98 |
| Storage capacity (mil. m ³) | 7.8 | 7.8 | 7.7 |
| Number of airports | 62 | 51 | 49 |
| Headcount | 7,902 | 7,635 | 7,713 |

Key statistics

- ▶ Opened additional service stations in Americas, Africa and APAC.
- ▶ Established a presence at 11 new airports in Myanmar.
- ▶ Opened a new terminal in Congo DRC.
- ▶ Slight increase in workforce.

Cash flows – Q2 '16 vs. Q2 '15 and Q1 '16



| <i>US\$million</i> | Q2 '16 | Q2 '15 | Q1 '16 |
|---------------------------------------------------------|--------|--------|--------|
| Net cash flow from operations | 283 | 302 | 203 |
| Net cash flow used in investing | (147) | (231) | (312) |
| Net cash flow from financing | (146) | 94 | 132 |
| <i>Days of sales outstanding (3rd party)</i> | 12 | 14 | 13 |
| <i>Days of inventory</i> | 21 | 23 | 24 |

Q2 '16 vs. '15

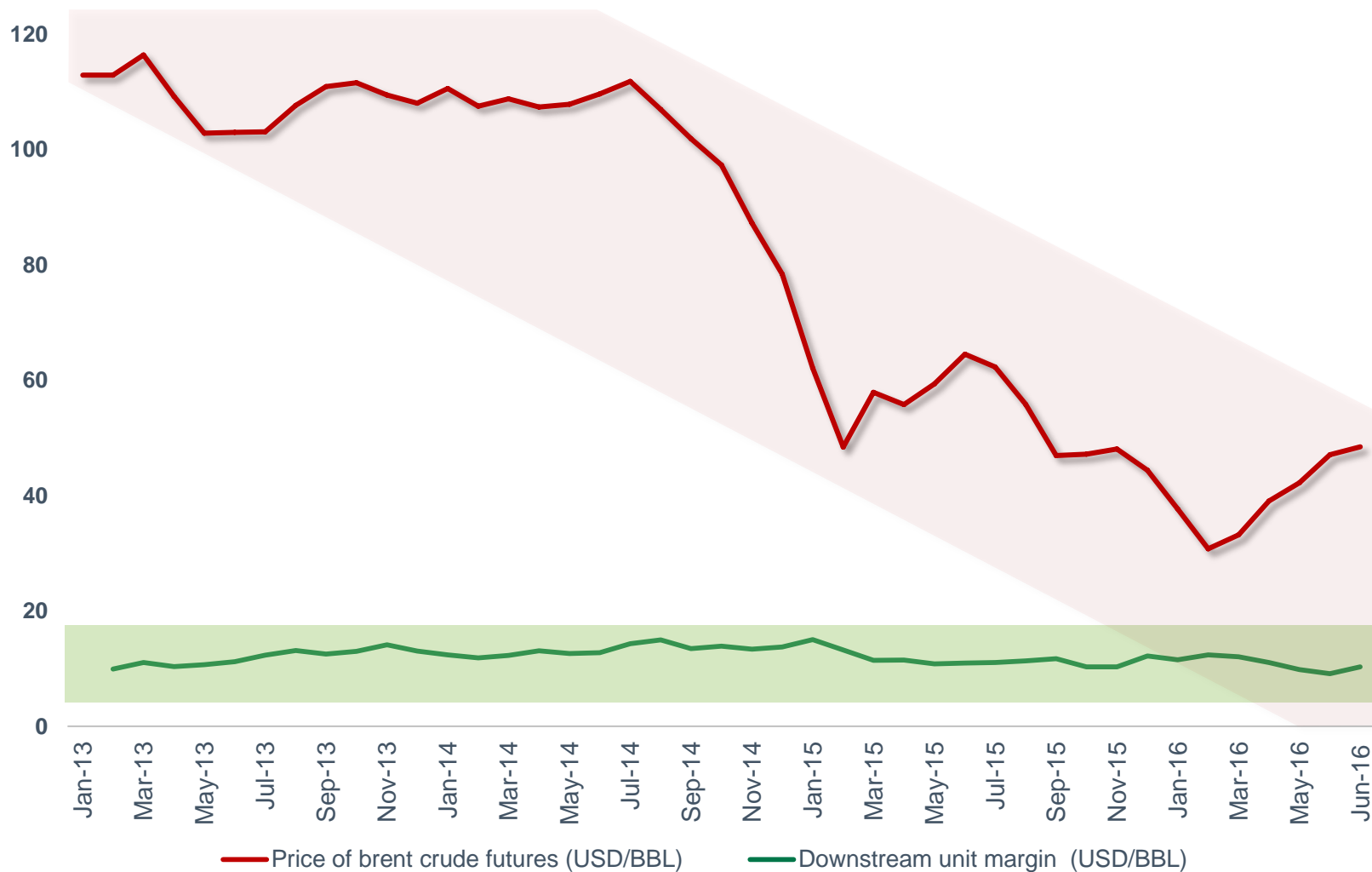
- ▶ **US\$283m operating cash flows, thanks to good performance and efficient working capital management.**
- ▶ **Investing cash flows fully self-financed by operating cash flows.**
- ▶ **Financing cash flows reflect interest payments and slight decrease in debt.**
- ▶ **Improved DSO and DIO.**

| <i>US\$ million</i> | Jun16 | Mar16 | Jun15 |
|-----------------------|--------------|--------------|--------------|
| Cash | (326) | (309) | (449) |
| Inventories | (650) | (629) | (645) |
| OpCo Debt | 512 | 746 | 1,078 |
| Senior Facilities | 1,265 | 1,117 | 660 |
| Senior Notes | 1,323 | 1,327 | 1,224 |
| Total net debt | 2,125 | 2,252 | 1,868 |
| <i>x LTM EBITDA</i> | <i>2.9</i> | <i>3.1</i> | <i>2.7</i> |

- ▶ Reduction in net debt and leverage.
- ▶ Net Debt / LTM EBITDA at 2.9x, in line with our capital structure policy.
- ▶ Further shift towards HoldCo debt.
- ▶ Unsecured HoldCo debt represents 83% of Group's debt.
- ▶ 43% of debt maturing in 2021 and beyond.
- ▶ Renewal and increase of Senior Credit Facility to US\$1.55bn.

- ▶ **Solid quarter** with continued sales growth, increased gross profit and EBITDA.
- ▶ **Retail and aviation** expected to perform well, driven by consumption and increased marketing efforts (**digitalization and shop offer** improvement).
- ▶ Margins still subject to a shift in the **geographic mix**, economic **headwinds** impacting the **B2B segment** in Southern Africa, Australia and PNG and further **currency devaluations**.
- ▶ Capex and acquisition spend financed by operating activities.
- ▶ **Refinanced and increased** the RCF to US\$ 1.55bn.

Appendix 1 – Stable unit margins

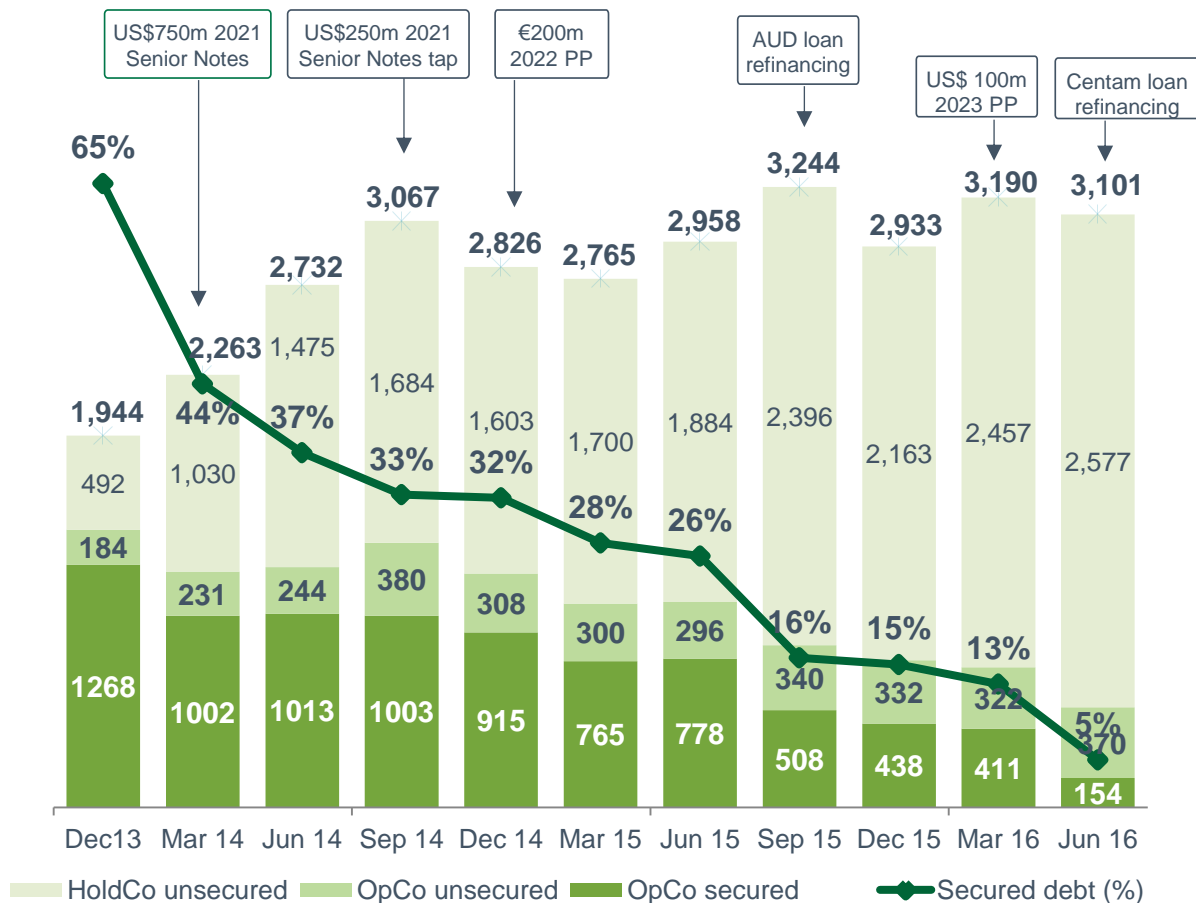


Note: 1 m³ = 6.2898 BBL.

Appendix 2 - Rebalancing the capital structure



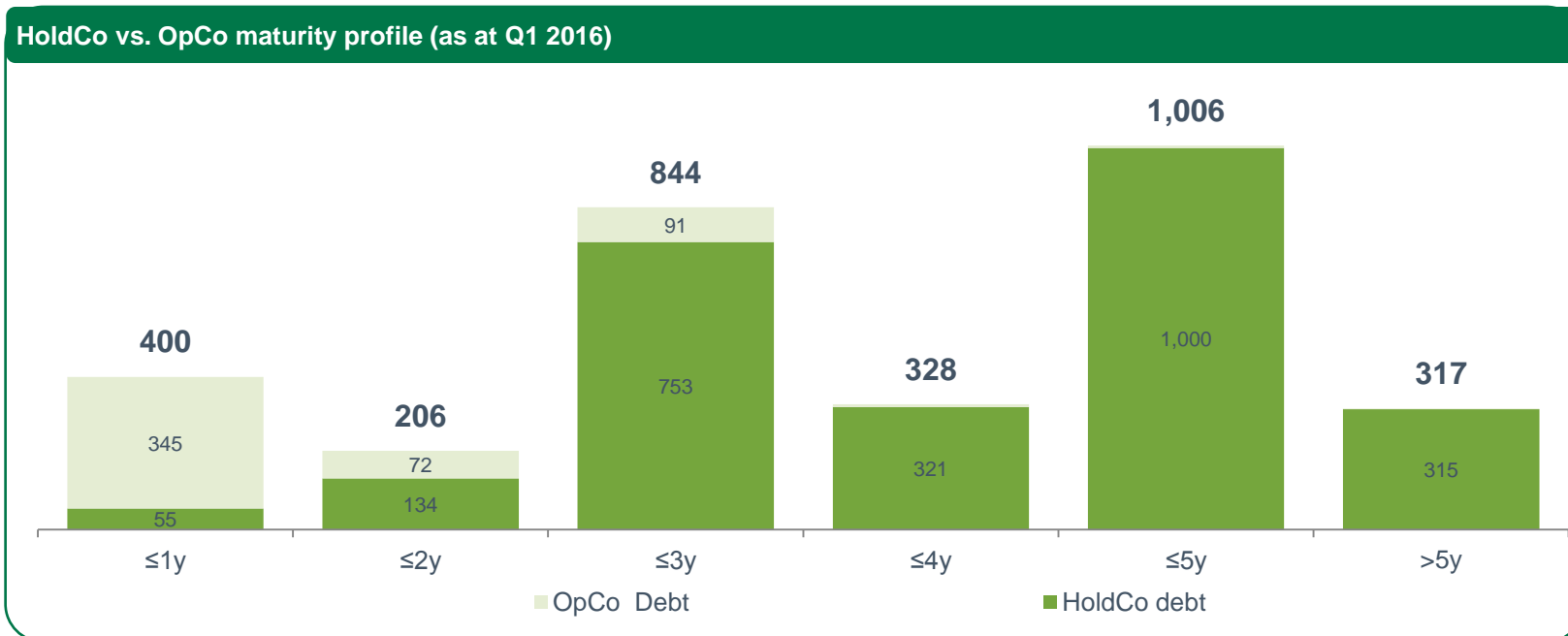
2013 – 2016 financing structure evolution (in US\$m)



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 3 - Debt maturity profile



Maturity profile

| US\$million | Total | ≤1y | ≤2y | ≤3y | ≤4y | ≤5y | >5y |
|-------------------|--------------|------------|------------|------------|------------|--------------|------------|
| HoldCo debt | 2,577 | 55 | 134 | 753 | 321 | 1,000 | 315 |
| OpCo Debt | 524 | 345 | 72 | 91 | 7 | 6 | 2 |
| Gross debt | 3,101 | 400 | 206 | 844 | 328 | 1,006 | 317 |
| % of Total | | 13% | 7% | 27% | 11% | 32% | 10% |

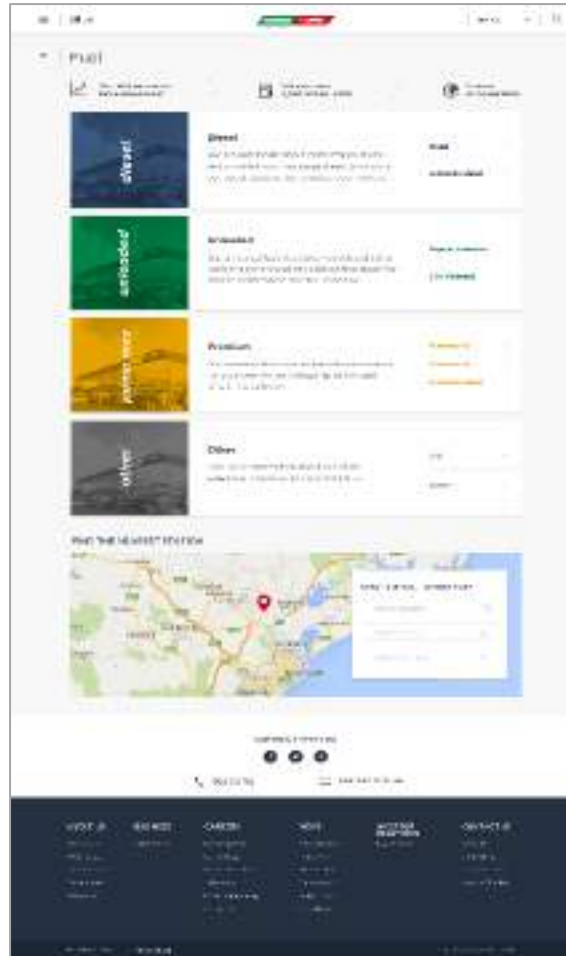
Appendix 4 - New shop concept



Home page



Product page & find nearest location



Nearest station details



The Puma Energy website has also been redesigned and links to the ePuma portal

The Puma website will work across all devices



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