

Puma Energy Q2 2020 Financial Results

Thursday 20 August 2020

PUMA



Energising
communities





Agenda

1. CEO Overview
2. Financial Performance
3. Outlook
4. Q&A

Keeping our customers & employees safe through the pandemic



Health, safety and wellbeing of staff and customers

- Lost Time Injury Frequency Rate (LTIFR) remained stable at 0.9 per 1 million hours worked
- Core focus to protect customers. Our best practice approach sets the bar in regard to hygiene, PPE and social distancing
- Creating secure environments for our employees and customers during lockdown
- The wellbeing of our employees is always our top priority with a focus in Q2 on mental health

Supporting our Communities

- We continue to support the communities we serve with over 40 different initiatives targeted where help is needed most
- In South Africa we are producing and launching a medical grade sanitisation product – Puma Protect – with profits donated to charity



Impact

- As expected due to the impact of COVID we noted volume reductions across all markets
- Overall volume recovery started in May
- Impact of volume reductions mitigated by a combination of opportunistic sales and storage optimisation in a contango market
- Based on current trajectory and subject to a second wave, volumes are expected to broadly recover by year end, with the exception of Aviation



“The results we are announcing today have been delivered in an extremely challenging environment. We have a clear path to recovery, we remain in control and are delivering on our commitments.”

Delivering on our commitments



Q2 EBITDA:
\$150m



\$37m
of operational
improvements
in H1



Fixed costs down
by **\$9m** compared
to Q1 2020



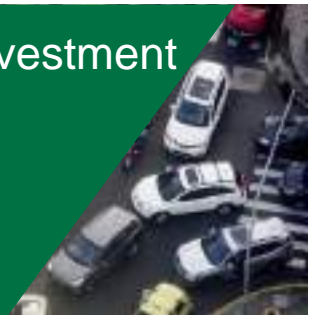
Sale of **Australian
Fuels Business**
closed in June
2020



Prepaid **\$200m** term
loan YTD



\$23m of divestment
achieved



An aerial photograph of a mountainous landscape. The foreground shows a road winding through a lush green forest. A white truck is driving on the road. The middle ground features rolling hills covered in dense green vegetation. In the background, there are large, hazy mountains under a bright sky with some clouds. The overall scene is vibrant and scenic.

Financial Performance

Andrew Kemp, CFO

Headline performance



	Q2 '20	Q2 '19	Q1 '20
Sales volume ('000 m ³)	5,183	6,239	6,306
Gross profit	349	356	318
Unit margin (USD/m ³)	67	57	50
Fixed costs	196	211	205
EBITDA	150	136	111
Profit for the period	(74)	(54)	(19)
Capex	(33)	(25)	(34)
Cash flow from operations	(402)	177	45



Key messages

- Sales volumes 16% lower on a like-for-like base vs the same quarter last year as demand impacted by COVID-19
- Gross profit flat reflecting support from core shareholder suppliers
- Sustained progress on fixed cost reduction
- Underlying EBITDA is up 14% on a like-for-like base vs the same quarter last year and 2% up for the first six months
- Loss for the period would have been -\$13 million without the Australia divestment impact.

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

Cash flow & working capital



US\$ million	Q2 '20	Q2 '19	Q1 '20
EBITDA	150	136	111
Change in working capital	(504)	85	56
Trade, other receivables and prepayments	43	(39)	(47)
Inventory*	(44)	216	111
Trade, other payables and accrued expenses	(504)	(91)	(120)
Other	(48)	(45)	(10)
Net cash flow from operations	(402)	177	45
Net cash flow used in investing	256	(3)	(31)
Net cash flow from financing	252	(153)	(95)



*includes variation in unrealized gain/(loss) on derivatives

Key messages

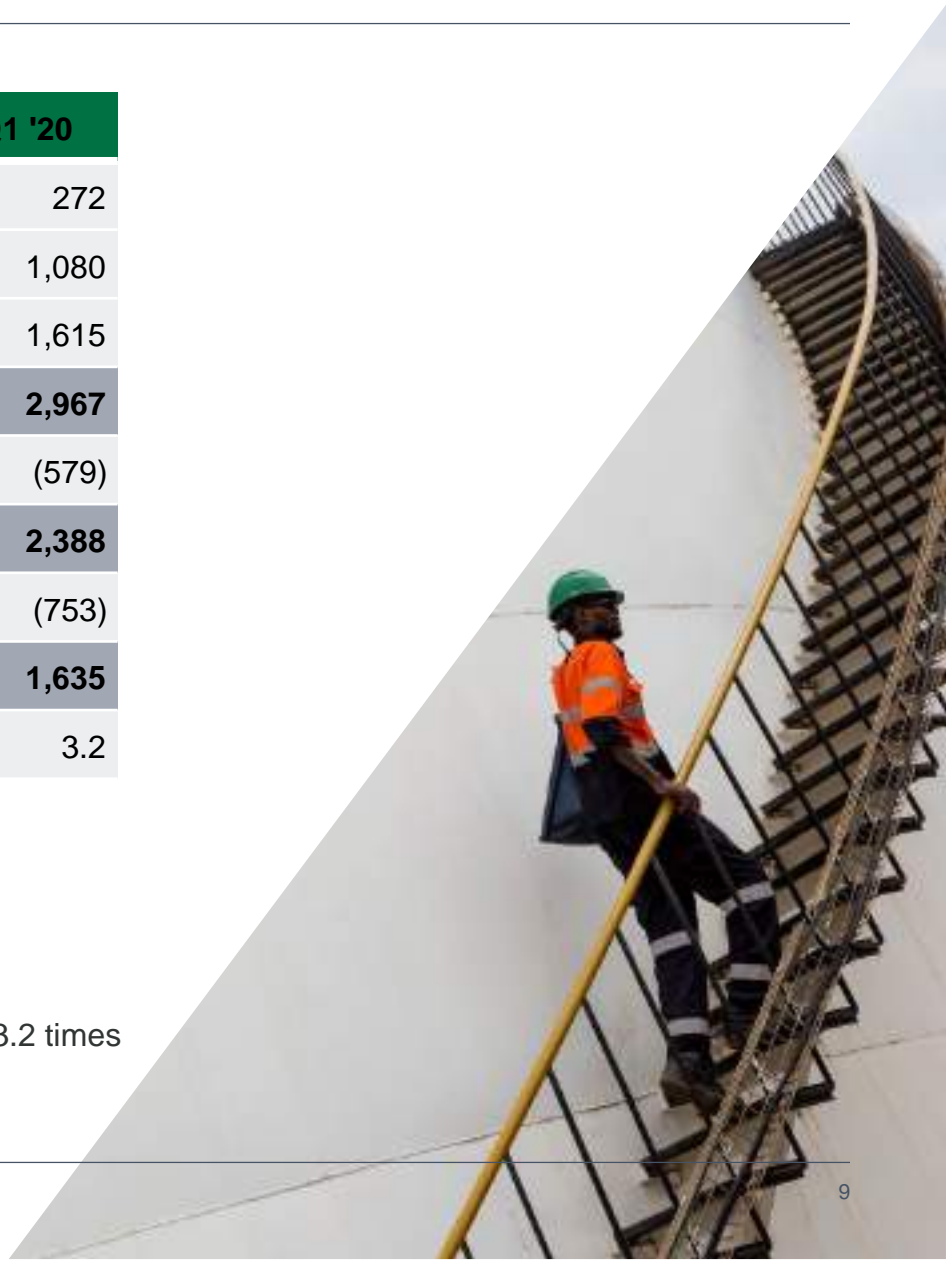
- Cash flow from operations reflects reduction in product price and COVID-19 related sales volume decrease
- Inventories increase driven by market structure opportunities
- Positive cash flow used in investing on proceeds related to the Australian Fuels business divestment

Capital structure

US\$ million	Q2 '20	Q2 '19	Q1 '20
OpCo Debt	416	211	272
Senior Facilities	1,261	1,273	1,080
Senior Notes	1,608	1,658	1,615
Gross debt	3,285	3,142	2,967
Cash	(765)	(606)	(579)
Gross debt net of cash	2,520	2,536	2,388
Inventories	(849)	(978)	(753)
Net debt	1,671	1,558	1,635
x LTM EBITDA	3.2	2.9	3.2

Key messages

- Strong liquidity from both high cash balances and undrawn committed shareholder loan
- Leverage ratio at the end of the quarter remained stable at 3.2 times



Debt maturity

<i>US\$ million</i>	Total	< 1yr	> 1yr	> 2yrs	> 3yrs	> 4yrs	> 5yrs
HoldCo debt	2,869	1,064	225	184	56	595	745
OpCo debt	416	412	4	-	-	-	-
Gross debt	3,285	1,476	229	184	56	595	745
<i>% of Total</i>		45%	7%	6%	2%	18%	23%

Key messages

- In August 2020 we have prepaid a further US\$ 50 million of our 2021 term loan in addition to the US\$ 150 million prepaid previously
- We are looking at refinancing options, including potentially through the debt capital markets, to extend our short to medium bank debt maturities



BEBIDAS



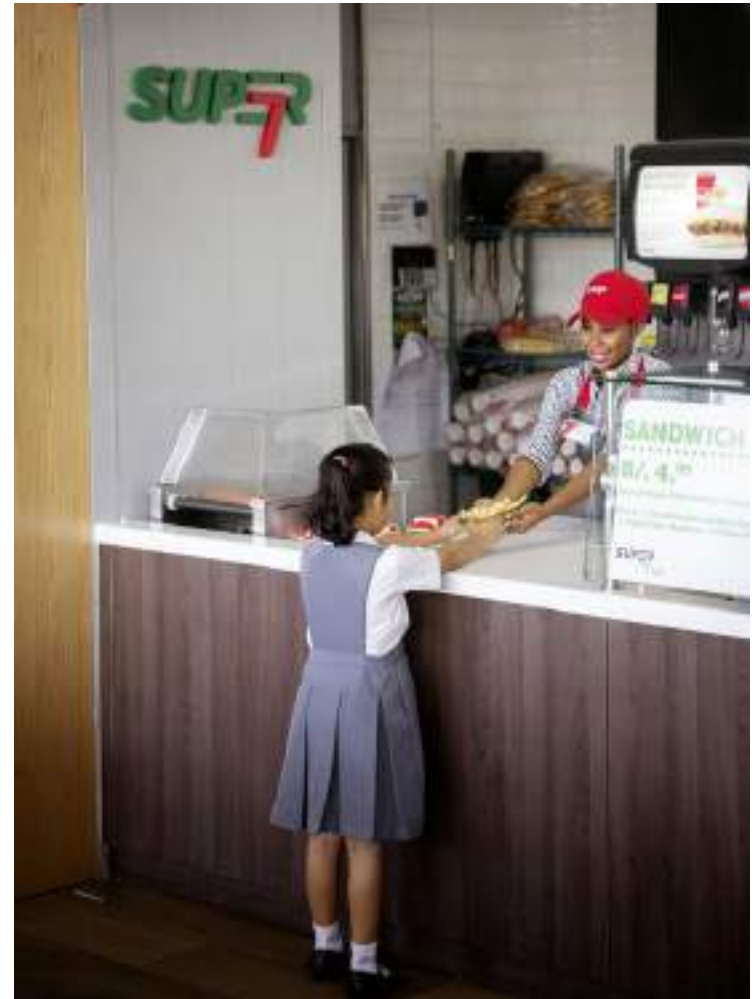
Outlook

Emma FitzGerald, CEO

Full Year Guidance



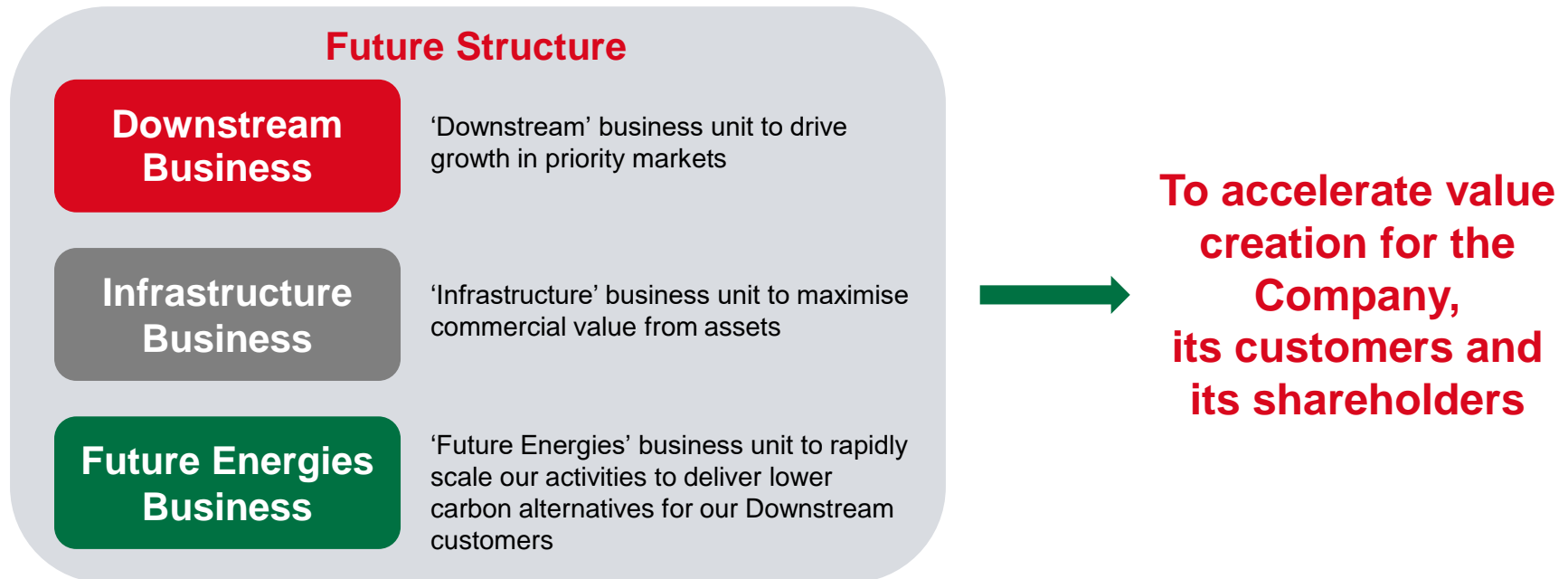
- Challenging period but volumes recovering
- Continuing to accelerate the plan while refocusing the business on customers and priority growth markets
- Subject to a material second wave of COVID-19 we expect EBITDA for 2020 to be broadly similar to 2019



Positioning Puma Energy for future growth



A platform to accelerate delivery of sustainable and profitable growth in a fast changing energy landscape



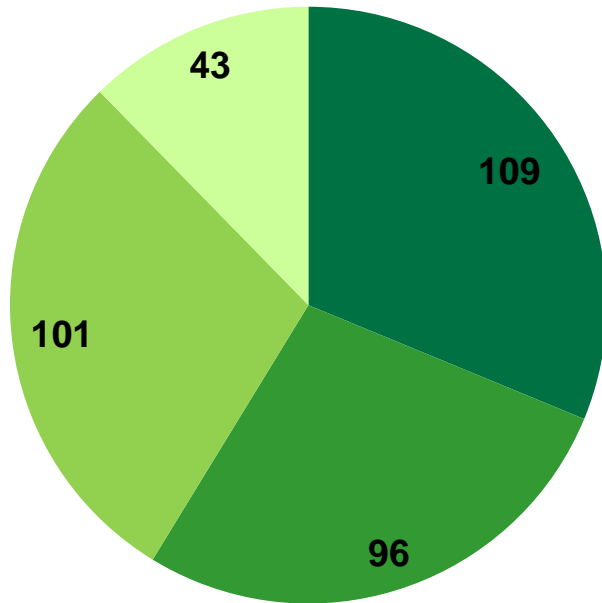
Appendix



Gross profit breakdown

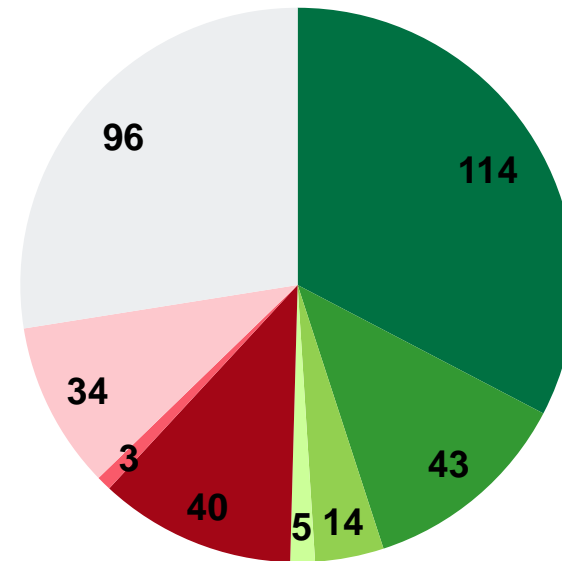


**Gross profit by region
(US\$349 million)**



■ Americas ■ Africa ■ Asia Pacific ■ Europe

**Gross profit by segment
(US\$349 million)**



■ Retail ■ BTB
 ■ Aviation ■ Lubricants
 ■ Storage & Refining ■ Bitumen
 ■ Wholesale ■ Other

Debt covenants



	Threshold	Jun '20 ratio
Tangible net worth	> \$ 1.8 bn	\$ 2.14 bn
Net debt / EBITDA	< 3.5 x	3.19x
Interest coverage ratio	> 2.25 x	2.93x

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Thank you