

Q1 2020 results report

Company profile

Puma Energy Holdings Pte Ltd is incorporated in Singapore as a private company limited by shares. The registered office of the Company is One Marina Boulevard #28-00, 1 Marina Boulevard, Singapore 018989.

Puma Energy is a global oil energy company that focuses on fast-growing markets with high demand for oil products.

The principal business activities of Puma Energy Holdings Pte Ltd and its subsidiaries (the “Company” or “Puma Energy”) are the ownership and operation of storage and retail facilities for, and the sale and distribution of petroleum products.

Puma Energy supplies quality fuel and invests in transformative infrastructure. Through its global supply system, the Company has expertise in integrating midstream and downstream operations in order to deliver high quality fuels around the world safely, swiftly, reliably and at competitive price.

The Company’s shareholders are Trafigura PE Holding Limited (49.42%), Sonangol Holdings Lda (27.99%), Cochan Holdings LLC (15.48%) and other investors (7.11%).

Investor relations

Puma Energy will discuss its results during an investor conference call on Wednesday, 20th May 2020 at 13:00 (GMT). An accompanying slide presentation will be available on the “Investors” section of PumaEnergy.com (<http://www.pumaenergy.com/en/investor-relations>).

The conference call can be accessed by dialling one of the access numbers below:

UK & International Number:	+44 (0) 20 3003 2666
US Number:	+1 212 999 6659
Swiss Number:	+41 (0) 43 456 9986
Singapore Number:	+65 6494 8889

For further information, please contact our investor relations team on:

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<http://www.pumaenergy.com/en/investor-relations>

Q1 2020 results report

Three month ended 31 March

in US\$'000	2020	2019
Condensed statement of income		
Gross profit	281,061	318,572
EBITDA	139,117	159,512
Operating profit / (loss)	45,829	62,839
Profit / (loss) before tax	(1,002)	12,174
Loss after tax from discontinued operations	(7,489)	(13,724)
Loss for the period	(25,005)	(15,240)
Net loss attributable to the owners of the parent	(27,150)	(16,454)

Summarised cash flow

Cash flow from operating activities	93,570	173,851
Cash flow from investing activities	(30,618)	(22,674)
Cash flow from financing activities	(139,472)	(214,237)
Total cash flows	(76,520)	(63,060)
Effects of exchange rate differences	34,463	(3,612)
Net increase / (decrease) in cash and cash equivalents	(42,057)	(66,672)

Key ratios

Sales volume (k m ³)	5,602	5,390
Throughput volume (k m ³)	3,416	3,720
Downstream unit margin (US\$/m ³)	47	50

	As at 31 March, 2020	As at 31 December, 2019
Balance sheet		
Trade receivables	630,305	619,724
Inventories	716,217	1,022,175
Cash and cash equivalents	578,997	619,023
Equity	302,636	447,376
Total assets	6,989,908	7,488,808

Consolidated statement of income

	Three month ended 31 March	
in US\$'000	2020	2019
Net sales	3,220,787	3,485,468
Cost of sales	(2,939,726)	(3,166,896)
Gross profit	281,061	318,572
Selling and operating costs	(195,822)	(205,037)
General and administrative expenses	(38,766)	(49,313)
Other operating income/(expenses)	(2,705)	(3,290)
Share of net profit in associates	2,061	1,907
Operating profit	45,829	62,839
Finance income	7,726	22,884
Finance costs	(64,919)	(70,804)
Other financial result	10,362	(2,745)
Profit before tax	(1,002)	12,174
Income tax credit/(expense)	(16,514)	(13,690)
Loss after tax from discontinued operations	(7,489)	(13,724)
Profit for the period	(25,005)	(15,240)
Attributable to:		
Owners of the parent	(27,150)	(16,454)
Non-controlling interests	2,145	1,214

Segment reporting

Three month ended 31 March, 2020

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	5,572	30	5,602
Throughput volumes (k m ³)	-	3,416	3,416
Net sales	3,135,613	85,174	3,220,787
Gross profit	261,256	19,805	281,061
Selling and operating costs	(165,372)	(30,450)	(195,822)
General and administrative expenses	(36,482)	(2,284)	(38,766)
Other operating income/(expense), net	(7,742)	5,037	(2,705)
Share of net profit/(loss) in associates	1,722	339	2,061
Operating profit	53,382	(7,553)	45,829

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,393	746	1,782	681	5,602
Throughput volumes (k m ³)	132	1,392	756	1,136	3,416
Net sales	1,176,079	449,850	1,045,476	549,382	3,220,787
Gross profit	110,721	50,581	107,464	12,295	281,061
Selling and operating costs	(67,288)	(39,530)	(65,311)	(23,693)	(195,822)
General and administrative expenses	(9,582)	(7,028)	(21,813)	(343)	(38,766)
Other operating income/(expense), net	(1,287)	328	2,444	(4,190)	(2,705)
Share of net profit/(loss) in associates	884	192	1,103	(118)	2,061
Operating profit	33,448	4,543	23,887	(16,049)	45,829

Three month ended 31 March, 2019

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	5,362	28	5,390
Throughput volumes (k m ³)	-	3,720	3,720
Net sales	3,444,586	40,882	3,485,468
Gross profit	269,598	48,974	318,572
Selling and operating costs	(172,122)	(32,915)	(205,037)
General and administrative expenses	(45,845)	(3,468)	(49,313)
Other operating income/(expense), net	(7,722)	4,432	(3,290)
Share of net profit/(loss) in associates	1,227	680	1,907
Operating profit	45,136	17,703	62,839

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,100	817	1,829	644	5,390
Throughput volumes (k m ³)	171	917	1,199	1,433	3,720
Net sales	1,134,158	453,889	1,319,560	577,861	3,485,468
Gross profit	125,281	57,488	111,489	24,314	318,572
Selling and operating costs	(70,201)	(43,990)	(69,731)	(21,115)	(205,037)
General and administrative expenses	(13,194)	(7,231)	(26,461)	(2,427)	(49,313)
Other operating income/(expense), net	(5,238)	3,101	(2,911)	1,758	(3,290)
Share of net profit/(loss) in associates	682	335	1,024	(134)	1,907
Operating profit	37,330	9,703	13,410	2,396	62,839

Consolidated balance sheet

in US\$'000	Mar20A	Dec19A
Assets		
Property and Equipment	2,312,101	2,420,519
Intangible assets and goodwill	572,709	606,124
Right-of-use	644,222	682,257
Investments in associates	28,535	27,643
Other financial assets	82,057	89,455
Deferred tax assets	43,344	52,384
Other assets	70,036	101,123
Total non-current assets	3,753,004	3,979,505
Inventories	716,217	1,022,175
Other assets	314,818	341,684
Income tax receivable	16,526	14,993
Trade receivables	630,305	619,724
Other financial assets	248,995	31,587
Cash and cash equivalents	578,997	619,023
Total current assets	2,505,858	2,649,186
Asset classified as held for sale	731,046	860,117
Total assets	6,989,908	7,488,808
Equity and liabilities		
Share capital	2,060,035	2,060,035
Retained earnings	27,992	52,256
Foreign currency translation reserve	(1,917,555)	(1,794,559)
Other components of equity	5,297	5,568
Equity attributable to owners of the parent	175,769	323,300
Non-controlling interests	126,867	124,076
Total equity	302,636	447,376
Interest-bearing loans and borrowings	2,512,704	2,724,934
Lease liabilities	556,461	591,189
Retirement benefit obligation	522	294
Other financial liabilities	5,208	4,528
Deferred tax liabilities	37,784	50,997
Provisions	41,694	43,042
Total non-current liabilities	3,154,373	3,414,984
Trade and other payables	2,418,281	2,619,443
Interest-bearing loans and borrowings	440,210	284,733
Lease liabilities	80,455	79,890
Other financial liabilities	76,444	57,860
Income tax payable	36,013	36,739
Provisions	22,355	21,430
Total current liabilities	3,073,758	3,100,095
Liabilities directly associated with the assets classified as held for sale	459,141	526,353
Total liabilities	6,687,272	7,041,432
Total equity and liabilities	6,989,908	7,488,808

Note: In the course of April, the Company had bought for USD10,128,000 (face value) of its 2024 and 2026 notes. The Company may continue to do open market repurchases from time to time.

Consolidated statement of cash flows

	Three month ended 31 March	
in US\$'000	2020	2019
Operating activities		
Loss before tax from continuing operations	(1,002)	12,174
Loss before tax from discontinued operations	(7,489)	(13,700)
Profit before tax	(8,491)	(1,526)
Non-cash adjustments:		
Depreciation and impairment of PP&E	65,762	74,781
Amortisation and impairment of intangible assets	6,551	9,161
Amortisation and impairment of lease right-of-use	40,297	35,542
(Gain)/loss on disposal of assets and investments	(999)	(1,455)
Net interest expense	46,259	49,070
Lease financial costs	16,527	16,091
Dividend income	(263)	(272)
Share of net profit of associate	(2,107)	(2,066)
Provisions	1,603	1,738
Changes in value of derivative financial instruments	(189,094)	59,489
Effect from hyperinflation adjustment	(813)	(15,132)
Working capital adjustments:		
Decrease/(increase) receivables	(30,664)	(5,515)
Decrease/(increase) in inventories	300,034	(299,970)
(Decrease)/increase payables	(136,972)	256,662
Interest received	6,657	7,395
Income tax paid	(20,717)	(10,142)
Net cash flows from operating activities	93,570	173,851
Net proceeds from sale of assets and investments	2,017	3,802
Purchase of intangible assets	(878)	(1,348)
Purchase of PP&E	(32,924)	(25,400)
Dividends received	1,167	272
Net cash flows used in investing activities	(30,618)	(22,674)
Loans (granted)/reimbursed	426	(1,496)
Proceeds from/(repayment of) borrowings	(42,493)	(115,348)
Interest paid	(52,834)	(55,096)
Lease payments	(44,571)	(42,297)
Net cash flows from financing activities	(139,472)	(214,237)
Total cash flows	(76,520)	(63,060)
Effects of exchange rate differences	34,463	(3,612)
Cash and cash equivalents at beginning of period	621,519	644,496
Cash and cash equivalents at end of period	579,462	577,824
Less: cash and cash equivalents under discontinued operations:	465	18,350
Cash and cash equivalents under continuing operations	578,997	559,474

EBITDA reconciliation

USD '000	Three month ended 31 Mar 2020	IFRS16 Impact	Discontinued operations	Group Pro forma
Operating profit	45,829	(3,607)	(3,549)	38,674
Other (income)/expenses	(1,045)	481	422	(142)
EBIT	44,785	(3,126)	(3,127)	38,532
Depreciation	57,214	-	8,292	65,506
Amortisation (intangibles)	6,167	-	384	6,551
Amortisation (right-of-use)	26,651	(26,651)	-	-
Impairment (tangible and intangible assets)	256	-	-	256
Impairment (right-of-use)	4,044	(4,044)	-	-
EBITDA	139,117	(33,821)	5,549	110,845

USD '000	Three month ended 31 Mar 2019	IFRS16 Impact	Discontinued operations	Group Pro forma
Operating profit	62,839	(6,541)	(10,434)	45,863
Other (income)/expenses	(1,694)	-	1,606	(88)
EBIT	61,145	(6,541)	(8,828)	45,776
Depreciation	65,502	-	9,435	74,937
Amortisation (intangibles)	7,150	-	2,011	9,161
Amortisation (right-of-use)	25,871	(25,871)	-	(0)
Impairment (tangible and intangible assets)	(156)	-	-	(156)
Impairment (right-of-use)	-	-	-	-
EBITDA	159,512	(32,412)	2,618	129,718

Statement of income reconciliation

in US\$'000	Three month ended 31 March 2020	IFRS16 Impact	Discontinued operations	Group Pro forma
Net sales	3,220,787	-	595,591	3,816,378
Cost of sales	(2,939,726)	(11,563)	(546,662)	(3,497,950)
Gross profit	281,061	(11,563)	48,929	318,428
Selling and operating costs	(195,822)	11,132	(48,900)	(233,591)
General and administrative expenses	(38,766)	(2,555)	(2,688)	(44,009)
Other operating income/(expenses)	(2,705)	(556)	(935)	(4,196)
Share of net profit in associates	2,061	(66)	45	2,042
Operating profit	45,829	(3,607)	(3,549)	38,674
Finance income	7,726	-	8	7,734
Finance costs	(64,919)	12,377	(1,726)	(54,269)
Other financial result	10,362	(3,947)	(26)	6,389
Profit before tax	(1,002)	4,823	(5,293)	(1,473)
Income tax credit/(expense)	(16,514)	(523)	(0)	(17,037)
Loss after tax from discontinued operations	(7,489)	2,195	5,293	-
Profit for the period	(25,005)	6,495	-	(18,510)
Attributable to:				
Owners of the parent	(27,151)	7,831		(19,320)
Non-controlling interests	2,145	(1,335)		810

in US\$'000	Three month ended 31 March 2019	IFRS16 Impact	Discontinued operations	Group Pro forma
Net sales	3,485,468	-	584,326	4,069,794
Cost of sales	(3,166,896)	(11,930)	(544,281)	(3,723,107)
Gross profit	318,572	(11,930)	40,045	346,687
Selling and operating costs	(205,037)	6,176	(45,384)	(244,245)
General and administrative expenses	(49,313)	(823)	(3,639)	(53,775)
Other operating income/(expenses)	(3,290)	16	(1,615)	(4,889)
Share of net profit in associates	1,907	20	158	2,085
Operating profit	62,839	(6,541)	(10,435)	45,863
Finance income	22,884	-	26	22,910
Finance costs	(70,804)	12,623	(1,693)	(59,874)
Other financial result	(2,745)	54	(47)	(2,738)
Profit before tax	12,174	6,136	(12,149)	6,161
Income tax credit/(expense)	(13,690)	-	(24)	(13,714)
Loss after tax from discontinued operations	(13,724)	1,551	12,173	-
Profit for the period	(15,240)	7,687	-	(7,553)
Attributable to:				
Owners of the parent	(16,454)	7,523		(8,932)
Non-controlling interests	1,214	164		1,379

Balance sheet reconciliation

in US\$'000	Mar20A	IFRS16 Impact	Discontinued operations	Group Pro forma
Non-current assets				
Property and Equipment	2,312,101	-	183,303	2,495,404
Intangible assets and goodwill	572,709	-	51,945	624,654
Right-of-use	644,222	(644,222)	-	-
Investments in associates	28,535	(178)	8,841	37,198
Other financial assets	82,057	-	-	82,057
Deferred tax assets	43,344	(2,543)	7,505	48,307
Other assets	70,036	37,126	20	107,182
Total non-current assets	3,753,004	(609,817)	251,614	3,394,801
Current assets				
Inventories	716,217	-	36,572	752,789
Other assets	314,818	7,162	6,109	328,089
Income tax receivable	16,526	-	-	16,526
Trade receivables	630,305	-	69,505	699,810
Other financial assets	248,995	-	-	248,995
Cash and cash equivalents	578,997	-	465	579,462
Total current assets	2,505,858	7,162	112,651	2,625,671
Asset classified as held for sale	731,046	(366,781)	(364,265)	-
Total assets	6,989,908	(969,436)	-	6,020,472
Equity				
Share capital	2,060,035	-	-	2,060,035
Retained earnings	27,992	39,730	-	67,722
Foreign currency translation reserve	(1,917,555)	(4,528)	-	(1,922,083)
Other components of equity	5,297	-	-	5,297
Equity attributable to owners of the parent	175,769	35,202	-	210,971
Non-controlling interests	126,867	413	-	127,280
Total equity	302,636	35,615	-	338,251
Non-current liabilities				
Interest-bearing loans and borrowings	2,512,704	348	-	2,513,053
Lease liabilities	556,461	(556,461)	-	-
Retirement benefit obligation	522	-	-	522
Other financial liabilities	5,208	-	5,007	10,215
Deferred tax liabilities	37,784	-	7,505	45,289
Provisions	41,694	-	1,922	43,616
Total non-current liabilities	3,154,373	(556,112)	14,434	2,612,695
Current liabilities				
Trade and other payables	2,418,281	340	71,612	2,490,233
Interest-bearing loans and borrowings	440,210	13	829	441,051
Lease liabilities	80,455	(80,455)	-	-
Other financial liabilities	76,444	-	-	76,444
Income tax payable	36,013	-	-	36,013
Provisions	22,355	-	3,430	25,785
Total current liabilities	3,073,758	(80,102)	75,870	3,069,526
Liabilities directly associ. with the assets classif. as held for sale	459,141	(368,837)	(90,304)	-
Total liabilities	6,687,272	(1,005,051)	-	5,682,221
Total equity and liabilities	6,989,908	(969,436)	-	6,020,472

Cash flow – IFRS16 impact

in US\$'000	Three month ended 31 March 2020	IFRS16 Impact	Group Pro forma
Cash flow from operating activities	93,570	(48,504)	45,066
Cash flow from investing activities	(30,618)	-	(30,618)
Cash flow from financing activities	(139,472)	44,571	(94,901)
Total cash flows	(76,520)	(3,933)	(80,453)
Effects of exchange rate differences	34,463	3,933	38,396
Net increase/(decrease) in cash and cash equivalents	(42,057)	-	(42,057)

in US\$'000	Three month ended 31 March 2019	IFRS16 Impact	Group Pro forma
Cash flow from operating activities	173,851	(42,708)	131,143
Cash flow from investing activities	(22,674)	-	(22,674)
Cash flow from financing activities	(214,237)	42,708	(171,529)
Total cash flows	(63,060)	-	(63,060)
Effects of exchange rate differences	(3,612)	-	(3,612)
Net increase/(decrease) in cash and cash equivalents	(66,672)	-	(66,672)