

Q3 '19 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 (49.41%), Sonangol Holdings Lda (27.99%), Cochan Holdings LLC (15.48%) and other investors (7.12%).

Investor relations

Puma Energy will discuss its results during an investor conference call on Tuesday 26 November 2019 at 14:00 (UK). 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

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

Q3 '19 results report

in US\$'000	Nine months ended 30 September,		Quarter ended 30 September,	
	2019	2018	2019	2018
Condensed statement of income				
Gross profit	1,076,066	1,097,050	351,613	340,985
EBITDA	530,121	420,285	177,424	132,663
Operating profit	(111,306)	139,424	(228,149)	45,579
Profit before tax	(351,402)	63,336	(307,863)	20,291
Profit for the period	(462,557)	30,046	(383,429)	7,153
Net profit attributable to the owners of the parent	(452,295)	34,831	(385,154)	6,792
Summarised cash flow				
Cash flow from operating activities	373,768	798,720	(17,103)	538,070
Cash flow from investing activities	(27,550)	(147,144)	(2,342)	(60,533)
Cash flow from financing activities	(457,549)	(495,650)	(47,724)	(427,643)
Total cash flows	(111,331)	155,926	(67,170)	49,895
Effects of exchange rate differences	22,378	(69,343)	44,869	(23,308)
Net increase/(decrease) in cash and cash equivalents	(88,953)	86,583	(22,281)	26,587
Key ratios				
Sales volume (k m ³)	18,776	18,373	6,485	6,282
Throughput volume (k m ³)	11,809	10,979	4,209	3,671
Downstream unit margin (US\$/m ³)	49	54	47	49
Balance sheet				
Trade receivables	771,627	834,252		
Inventories	966,429	909,662		
Cash and cash equivalents	555,543	644,496		
Equity	973,957	1,581,066		
Total assets	7,922,498	7,671,614		

Consolidated statement of income

in US\$'000	Nine month ended 30 September		Quarter ended 30 September	
	2019	2018	2019	2018
Net sales	12,712,304	13,297,364	4,451,494	4,651,802
Cost of sales	(11,636,238)	(12,200,314)	(4,099,881)	(4,310,817)
Gross profit	1,076,066	1,097,050	351,613	340,985
Selling and operating costs	(1,101,792)	(808,410)	(597,096)	(261,458)
General and administrative expenses	(130,227)	(140,491)	(37,924)	(35,065)
Other operating income/(expenses)	46,109	(13,700)	57,273	208
Share of net profit in associates	(1,462)	4,975	(2,014)	909
Operating profit	(111,306)	139,424	(228,149)	45,579
Finance income	32,959	104,959	(506)	38,524
Finance costs	(236,440)	(188,809)	(84,232)	(62,331)
Other financial result	(36,615)	7,761	5,024	(1,482)
Profit before tax	(351,402)	63,335	(307,863)	20,291
Income tax credit/(expense)	(111,155)	(33,289)	(75,566)	(13,138)
Profit for the period	(462,557)	30,046	(383,429)	7,153
Attributable to:				
Owners of the parent	(452,295)	34,831	(385,154)	6,792
Non-controlling interests	(10,262)	(4,785)	1,725	361

Segment reporting

Nine month ended 30 September, 2019

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	18,676	100	18,776
Throughput volumes (k m ³)	-	11,809	11,809
Net sales	12,497,981	214,323	12,712,304
Gross profit	943,091	132,975	1,076,066
Selling and operating costs	(1,009,814)	(91,978)	(1,101,792)
General and administrative expenses	(122,317)	(7,909)	(130,226)
Other operating income/(expense), net	38,512	7,597	46,109
Share of net profit/(loss) in associates	(2,894)	1,433	(1,461)
Operating profit	(150,424)	39,118	(111,306)

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	6,763	4,713	5,419	1,881	18,776
Throughput volumes (k m ³)	513	4,144	2,642	4,510	11,809
Net sales	3,706,493	3,463,817	3,800,128	1,741,866	12,712,304
Gross profit	375,760	310,075	320,359	69,872	1,076,066
Selling and operating costs	(214,188)	(613,828)	(214,705)	(59,071)	(1,101,792)
General and administrative expenses	(31,286)	(32,146)	(61,048)	(5,746)	(130,226)
Other operating income/(expense), net	58,338	(2,560)	(10,328)	659	46,109
Share of net profit/(loss) in associates	1,173	819	(2,894)	(560)	(1,461)
Operating profit	189,797	(337,640)	31,384	5,153	(111,306)

Nine month ended 30 September, 2018

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	17,796	577	18,373
Throughput volumes (k m ³)	-	10,979	10,979
Net sales	12,857,897	439,467	13,297,364
Gross profit	963,510	133,540	1,097,050
Selling and operating costs	(713,345)	(95,065)	(808,410)
General and administrative expenses	(132,565)	(7,926)	(140,491)
Other operating income/(expense), net	(9,888)	(3,812)	(13,700)
Share of net profit/(loss) in associates	2,887	2,088	4,975
Operating profit	110,599	28,825	139,424

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	6,975	4,404	5,076	1,918	18,373
Throughput volumes (k m ³)	451	3,574	2,507	4,447	10,979
Net sales	4,208,343	3,500,595	3,832,035	1,756,391	13,297,364
Gross profit	396,302	308,064	337,440	55,244	1,097,050
Selling and operating costs	(212,119)	(292,461)	(239,257)	(64,573)	(808,410)
General and administrative expenses	(28,038)	(42,759)	(64,198)	(5,496)	(140,491)
Other operating income/(expense), net	(8,364)	(9,625)	9,287	(4,998)	(13,700)
Share of net profit/(loss) in associates	1,429	1,898	1,510	138	4,975
Operating profit	149,210	(34,883)	44,782	(19,685)	139,424

Segment reporting

Quarter ended 30 September, 2019

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	6,450	35	6,485
Throughput volumes (k m ³)	-	4,209	4,209
Net sales	4,408,552	42,942	4,451,494
Gross profit	316,363	35,250	351,613
Selling and operating costs	(567,866)	(29,231)	(597,096)
General and administrative expenses	(35,956)	(1,968)	(37,924)
Other operating income/(expense), net	55,510	1,763	57,273
Share of net profit/(loss) in associates	(2,267)	252	(2,014)
Operating profit	(234,215)	6,066	(228,149)

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,489	1,527	1,830	639	6,485
Throughput volumes (k m ³)	172	1,689	859	1,489	4,209
Net sales	1,315,092	1,113,596	1,422,113	600,693	4,451,494
Gross profit	127,132	91,972	106,534	25,975	351,613
Selling and operating costs	(74,185)	(431,821)	(70,089)	(21,001)	(597,096)
General and administrative expenses	(8,156)	(8,757)	(19,600)	(1,411)	(37,924)
Other operating income/(expense), net	67,523	(9,359)	(490)	(400)	57,274
Share of net profit/(loss) in associates	(16)	(87)	(1,637)	(274)	(2,014)
Operating profit	112,298	(358,053)	14,717	2,889	(228,149)

Quarter ended 30 September, 2018

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	6,070	212	6,282
Throughput volumes (k m ³)	-	3,671	3,671
Net sales	4,475,042	176,760	4,651,802
Gross profit	300,374	40,611	340,985
Selling and operating costs	(232,100)	(29,358)	(261,458)
General and administrative expenses	(33,752)	(1,313)	(35,065)
Other operating income/(expense), net	(2,437)	2,644	207
Share of net profit/(loss) in associates	219	690	909
Operating profit	32,304	13,274	45,578

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,303	1,539	1,797	643	6,282
Throughput volumes (k m ³)	159	1,410	717	1,384	3,671
Net sales	1,451,611	1,250,429	1,333,601	616,161	4,651,802
Gross profit	115,559	97,702	112,865	14,859	340,985
Selling and operating costs	(70,460)	(94,117)	(75,375)	(21,506)	(261,458)
General and administrative expenses	(6,506)	(9,601)	(17,673)	(1,285)	(35,065)
Other operating income/(expense), net	1,516	(220)	1,773	(2,862)	207
Share of net profit/(loss) in associates	389	208	609	(297)	909
Operating profit	40,498	(6,028)	22,199	(11,091)	45,578

Consolidated balance sheet

in US\$'000	Sep19A	Dec18A
Assets		
Property and Equipment	2,827,679	3,158,720
Intangible assets and goodwill	866,305	1,273,008
Right-of-use (IFRS16)	1,089,208	-
Investments in associates	33,585	39,932
Other financial assets	87,902	88,639
Deferred tax assets	56,240	109,940
Other assets	121,707	121,719
Total non-current assets	5,082,626	4,791,958
Inventories	966,429	909,662
Other assets	468,099	386,294
Income tax receivable	15,564	15,934
Trade receivables	771,627	834,252
Other financial assets	62,611	89,018
Cash and cash equivalents	555,543	644,496
Total current assets	2,839,872	2,879,656
Total assets	7,922,498	7,671,614
Equity and liabilities		
Share capital	2,054,166	2,054,166
Retained earnings	410,422	662,930
Foreign currency translation reserve	(1,628,466)	(1,376,870)
Other components of equity	4,472	104,931
Equity attributable to owners of the parent	840,594	1,445,157
Non-controlling interests	133,363	135,909
Total equity	973,957	1,581,066
Interest-bearing loans and borrowings	2,753,288	2,828,303
Lease liabilities	962,112	
Retirement benefit obligation	1,231	2,121
Other financial liabilities	4,667	10,103
Deferred tax liabilities	53,986	54,842
Provisions	44,155	43,444
Total non-current liabilities	3,819,439	2,938,813
Trade and other payables	2,501,841	2,598,873
Interest-bearing loans and borrowings	410,927	457,032
Lease liabilities	107,561	
Other financial liabilities	41,470	40,799
Income tax payable	43,526	40,151
Provisions	23,777	14,880
Total current liabilities	3,129,103	3,151,735
Total liabilities	6,948,541	6,090,548
Total equity and liabilities	7,922,498	7,671,614

Consolidated statement of cash flows

in US\$'000	Nine months ended 30 September		Quarter ended 30 September	
	2019	2018	2019	2018
Profit before tax	(351,402)	63,335	(307,863)	20,291
Non-cash adjustments:				
Depreciation and impairment of PP&E	570,287	251,295	421,411	77,945
Amortisation and impairment of intangible assets	25,509	27,436	8,099	9,248
Amortisation and impairment of lease right-of-use (in) tangible assets written off	107,412	-	37,483	-
	495	-	(3)	-
(Gain)/loss on disposal of assets and investments	(78,520)	(1,034)	(72,973)	(722)
Net interest expense	158,270	168,068	59,092	53,110
Lease financial costs	51,799	-	19,346	-
Dividend income	(2,566)	(3,759)	(277)	(775)
Share of net profit of associate	1,461	(4,974)	2,014	(909)
Provisions	11,102	145	3,759	(1,709)
Changes in value of derivative financial instruments	58,709	(3,915)	(3,348)	25,808
Effect from hyperinflation adjustment	(8,265)	(72,622)	6,897	(30,480)
Working capital adjustments:				
Decrease/(increase) receivables	(47)	(242,621)	50,936	(37,615)
Decrease/(increase) in inventories	(115,999)	(138,076)	(29,372)	(20,781)
(Decrease)/increase payables	(30,961)	782,210	(202,854)	436,672
Interest received	22,016	14,247	6,114	6,945
Dividends received from associates	1,263	226	1,033	-
Income tax paid	(46,815)	(41,241)	(16,597)	1,042
Net cash flows from operating activities	373,768	798,720	(17,103)	538,070
Net proceeds from sale of assets and investments	61,080	28,603	36,563	1,841
Purchase of intangible assets	(5,639)	(12,272)	(2,966)	(2,358)
Purchase of PP&E	(85,557)	(163,069)	(36,617)	(60,791)
Acquisitions of subsidiaries, net of cash acquired	-	(4,165)	-	-
Financial investments	-	-	-	-
Dividends received	2,566	3,759	276	775
Net cash flows used in investing activities	(27,550)	(147,144)	(2,342)	(60,533)
Loans (granted)/reimbursed	(5,030)	(510)	(2,886)	526
Proceeds from/(repayment of) borrowings	(141,371)	(1,019,283)	64,045	(368,525)
Proceeds from bond issuance	-	750,000	-	-
Interest paid	(176,065)	(199,033)	(64,082)	(58,629)
Lease payments	(130,242)	-	(44,801)	-
(Acquisition)/divestment of non-controlling interests	-	-	-	(6)
Dividends paid	(4,841)	(17,262)	-	(1,009)
Deemed distribution to shareholder	-	(9,562)	-	-
Net cash flows from financing activities	(457,549)	(495,650)	(47,724)	(427,643)
Net increase in cash and cash equivalents	(111,331)	155,926	(67,169)	49,894
Effects of exchange rate differences	22,378	(69,343)	44,688	(23,307)
Cash and cash equivalents at beginning of period	644,496	519,203	577,624	579,199
Cash and cash equivalents at end of period	555,543	605,786	555,543	605,786

EBITDA reconciliation

USD '000	2019			2018
	Nine month ended 30 September	IFRS16 Impact	Pro forma	Nine month ended 30 September
Operating profit	(111,306)	(27,742)	(139,047)	139,424
Other (income)/expenses	(61,782)	141	(61,641)	2,130
EBIT	(173,088)	(27,601)	(200,688)	141,554
Depreciation	222,238	37	222,275	241,768
Amortisation (intangibles)	25,509	-	25,509	27,436
Amortisation (right-of-use)	107,412	(107,412)	-	-
Impairment charge	348,050	1,399	349,448	9,527
EBITDA	530,121	(133,577)	396,544	420,285

USD '000	2019			2018
	Quarter ended 30 September	IFRS16 Impact	Pro forma	Quarter ended 30 September
Operating profit	(228,149)	(11,130)	(239,278)	45,579
Other (income)/expenses	(61,421)	141	(61,280)	(100)
EBIT	(289,570)	(10,989)	(300,558)	45,479
Depreciation	73,173	37	73,210	77,924
Amortisation (intangibles)	8,099	-	8,099	9,248
Amortisation (right-of-use)	37,483	(37,483)	-	-
Impairment charge	348,238	1,399	349,636	11
EBITDA	177,423	(47,036)	130,387	132,662

Statement of income reconciliation – IFRS16

in US\$'000	Nine month ended 30 September, 2019	IFRS16 Impact	Pro forma
Net sales	12,712,304	-	12,712,304
Cost of sales	(11,636,238)	(34,558)	(11,670,796)
Gross profit	1,076,066	(34,558)	1,041,508
Selling and operating costs	(1,101,792)	12,952	(1,088,841)
General and administrative expenses	(130,227)	(6,033)	(136,260)
Other operating income/(expenses)	46,109	(161)	45,949
Share of net profit in associates	(1,462)	58	(1,403)
Operating profit	(111,306)	(27,742)	(139,047)
Finance income	32,959	-	32,958
Finance costs	(236,440)	51,799	(184,641)
Other financial result	(36,615)	2,019	(34,595)
Profit before tax	(351,402)	26,076	(325,326)
Income tax credit/(expense)	(111,155)	(1,566)	(112,721)
Profit for the period	(462,557)	24,510	(438,047)
Attributable to:			
Owners of the parent	(452,295)	23,862	(428,433)
Non-controlling interests	(10,262)	648	(9,614)

in US\$'000	Quarter ended 30 September, 2019	IFRS16 Impact	Pro forma
Net sales	4,451,494	-	4,451,494
Cost of sales	(4,099,881)	(12,714)	(4,112,594)
Gross profit	351,613	(12,714)	338,900
Selling and operating costs	(597,096)	3,540	(593,556)
General and administrative expenses	(37,924)	(1,981)	(39,905)
Other operating income/(expenses)	57,273	118	57,250
Share of net profit in associates	(2,014)	47	(1,968)
Operating profit	(228,149)	(11,130)	(239,278)
Finance income	(506)	-	(507)
Finance costs	(84,232)	19,346	(64,886)
Other financial result	5,024	(660)	4,365
Profit before tax	(307,863)	7,557	(300,306)
Income tax credit/(expense)	(75,566)	(591)	(76,157)
Profit for the period	(383,429)	6,965	(376,464)
Attributable to:			
Owners of the parent	(385,154)	7,270	(377,884)
Non-controlling interests	1,725	(305)	1,420

Balance sheet reconciliation – IFRS16

in US\$'000	Sep19A	IFRS16 Impact	Pro forma
Assets			
Property and Equipment	2,827,679	-	2,827,679
Intangible assets and goodwill	866,305	(1,352)	864,953
Right-of-use (IFRS16)	1,089,208	(1,089,208)	-
Investments in associates	33,585	28	33,613
Other financial assets	87,902	-	87,902
Deferred tax assets	56,240	(1,456)	54,784
Other assets	121,707	31,469	153,176
Total non-current assets	5,082,626	(1,060,519)	4,022,107
Inventories	966,429	-	966,429
Other assets	468,099	16,115	484,215
Income tax receivable	15,564	-	15,564
Trade receivables	771,627	-	771,627
Other financial assets	62,611	-	62,611
Cash and cash equivalents	555,543	-	555,543
Total current assets	2,839,872	16,115	2,855,989
Total assets	7,922,498	(1,044,404)	6,878,094
Equity and liabilities			
Share capital	2,054,166	-	2,054,166
Retained earnings	410,422	17,587	428,009
Foreign currency translation reserve	(1,628,466)	(752)	(1,629,218)
Other components of equity	4,472	-	4,472
Equity attributable to owners of the parent	840,594	16,835	857,429
Non-controlling interests	133,363	498	133,860
Total equity *	973,957	17,333	991,290
Interest-bearing loans and borrowings	2,753,288	377	2,753,665
Lease liabilities	962,112	(962,112)	-
Retirement benefit obligation	1,231	-	1,231
Other financial liabilities	4,667	5,248	9,914
Deferred tax liabilities	53,986	-	53,986
Provisions	44,155	-	44,155
Total non-current liabilities	3,819,439	(956,487)	2,862,951
Trade and other payables	2,501,841	2,297	2,504,139
Interest-bearing loans and borrowings	410,927	14	410,942
Lease liabilities	107,561	(107,561)	1
Other financial liabilities	41,470	-	41,470
Income tax payable	43,526	-	43,525
Provisions	23,777	-	23,777
Total current liabilities	3,129,103	(105,250)	3,023,854
Total liabilities	6,948,541	(1,061,737)	5,886,804
Total equity and liabilities	7,922,498	(1,044,404)	6,878,094

* Under the modified retrospective approach we have recognized the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the 1st of January 2019. This results in kUS\$ 6,421 difference between the IFRS16 impact on total equity on the balance sheet and the IFRS16 impact on profit for the year as presented in the statement of income.

Cash flow reconciliation – IFRS16

in US\$'000	Nine month ended 30 September, 2019	IFRS16 Impact	Pro forma
Cash flow from operating activities	373,768	(128,156)	245,612
Cash flow from investing activities	(27,550)	(10)	(27,560)
Cash flow from financing activities	(457,549)	130,213	(327,336)
Total cash flows	(111,331)	2,047	(109,284)
Effects of exchange rate differences	22,378	(2,047)	20,331
Net increase/(decrease) in cash and cash equivalents	(88,953)	-	(88,953)

in US\$'000	Quarter ended 30 September, 2019	IFRS16 Impact	Pro forma
Cash flow from operating activities	(17,103)	(45,295)	(62,398)
Cash flow from investing activities	(2,342)	(10)	(2,352)
Cash flow from financing activities	(47,724)	44,745	(2,979)
Total cash flows	(67,169)	(560)	(67,729)
Effects of exchange rate differences	44,888	560	45,448
Net increase/(decrease) in cash and cash equivalents	(22,281)	-	(22,281)