

Puma Energy

Q4 '18 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 Thursday 28 March 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) 22 592 7915
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>

Q4 '18 results report

in US\$'000	Year ended 31 December,		Quarter ended 31 December,	
	2018	2017	2018	2017
Condensed statement of income				
Gross profit	1,459,556	1,671,807	362,506	442,734
EBITDA	554,393	739,514	134,108	183,945
Operating profit	122,133	321,985	(17,291)	49,539
Profit before tax	20,349	150,298	(42,987)	43,634
Profit for the period	(30,982)	108,422	(61,029)	31,113
Net profit attributable to the owners of the parent	(25,208)	96,674	(60,039)	29,408

Summarised cash flow				
Cash flow from operating activities	927,300	476,712	129,202	141,839
Cash flow from investing activities	(247,694)	(358,696)	(100,521)	(97,883)
Cash flow from financing activities	(466,558)	89,446	29,077	16,790
Total cash flows	213,048	207,462	57,757	60,746
Effects of exchange rate differences	(87,755)	(23,915)	(19,047)	(15,537)
Net increase/(decrease) in cash and cash equivalents	125,293	183,547	38,710	45,209

Key ratios				
Sales volume (k m ³)	24,824	22,794	6,450	6,070
Throughput volume (k m ³)	15,089	16,634	4,110	4,224
Downstream unit margin (US\$/m ³)	53	66	50	64

	As at 31 December, 2018	As at 31 December, 2017
Balance sheet		
Trade receivables	834,252	654,255
Inventories	909,662	1,087,977
Cash and cash equivalents	644,496	519,203
Equity	1,581,066	2,262,604
Total assets	7,671,614	8,112,691

Consolidated statement of income

in US\$'000	Year ended 31 December,		Quarter ended 31 December,	
	2018	2017	2018	2017
Net sales	17,920,887	15,181,302	4,623,524	4,400,187
Cost of sales	(16,461,331)	(13,509,495)	(4,261,018)	(3,957,453)
Gross profit	1,459,556	1,671,807	362,506	442,734
Selling and operating costs	(1,124,168)	(1,155,351)	(315,758)	(354,734)
General and administrative expenses	(211,154)	(199,472)	(70,664)	(43,106)
Other operating income/(expenses)	(8,267)	(624)	5,434	2,869
Share of net profit in associates	6,166	5,625	1,191	1,776
Operating profit	122,133	321,985	(17,291)	49,539
Finance income	137,003	57,336	19,346	25,102
Finance costs	(248,481)	(227,148)	(59,672)	(42,814)
Other financial result	9,694	(1,875)	14,630	11,807
Profit before tax	20,349	150,298	(42,987)	43,634
Income tax credit/(expense)	(51,331)	(41,876)	(18,042)	(12,521)
Profit for the year	(30,982)	108,422	(61,029)	31,113
Attributable to:				
Owners of the parent	(25,208)	96,674	(60,039)	29,408
Non-controlling interests	(5,774)	11,748	(990)	1,705

Segment reporting

Year ended December 31, 2018 - audited

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	24,208	616	24,824
Throughput volumes (k m ³)	-	15,089	15,089
Net sales	17,378,326	542,561	17,920,887
Gross profit	1,285,363	174,193	1,459,556
Selling and operating costs	(1,000,837)	(123,331)	(1,124,168)
General and administrative expenses	(199,509)	(11,645)	(211,154)
Other operating income/(expense), net	(6,803)	(1,464)	(8,267)
Share of net profit/(loss) in associates	3,406	2,760	6,166
Operating profit	81,620	40,513	122,133

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	9,158	6,050	6,973	2,643	24,824
Throughput volumes (k m ³)	612	5,249	3,294	5,934	15,089
Net sales	5,492,874	4,796,015	5,211,045	2,420,953	17,920,887
Gross profit	492,899	424,262	460,700	81,695	1,459,556
Selling and operating costs	(281,884)	(442,667)	(314,484)	(85,133)	(1,124,168)
General and administrative expenses	(41,957)	(60,446)	(100,714)	(8,037)	(211,154)
Other operating income/(expense), net	10,863	(9,404)	(4,645)	(5,081)	(8,267)
Share of net profit/(loss) in associates	1,372	2,294	2,258	242	6,166
Operating profit	181,293	(85,961)	43,115	(16,314)	122,133

Year ended December 31, 2017 - audited

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	21,924	870	22,794
Throughput volumes (k m ³)	-	16,634	16,634
Net sales	14,638,148	543,154	15,181,302
Gross profit	1,445,298	226,509	1,671,807
Selling and operating costs	(1,008,610)	(146,741)	(1,155,351)
General and administrative expenses	(187,209)	(12,263)	(199,472)
Other operating income/(expense), net	(3,759)	3,135	(624)
Share of net profit/(loss) in associates	3,008	2,617	5,625
Operating profit	248,728	73,257	321,985

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	8,839	5,130	6,552	2,273	22,794
Throughput volumes (k m ³)	523	5,499	3,909	6,703	16,634
Net sales	4,734,741	3,571,425	4,875,745	1,999,391	15,181,302
Gross profit	538,416	446,101	603,067	84,223	1,671,807
Selling and operating costs	(319,837)	(367,237)	(394,727)	(73,550)	(1,155,351)
General and administrative expenses	(44,697)	(51,598)	(94,385)	(8,792)	(199,472)
Other operating income/(expense), net	12,034	(878)	(13,800)	2,020	(624)
Share of net profit/(loss) in associates	1,445	4,340	1,121	(1,281)	5,625
Operating profit	187,361	30,728	101,276	2,620	321,985

Segment reporting

Three months ended December 31, 2018

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	6,411	39	6,450
Throughput volumes (k m ³)	-	4,110	4,110
Net sales	4,520,429	103,095	4,623,524
Gross profit	321,853	40,653	362,506
Selling and operating costs	(288,587)	(27,171)	(315,758)
General and administrative expenses	(67,090)	(3,574)	(70,664)
Other operating income/(expense), net	2,864	2,569	5,434
Share of net profit/(loss) in associates	519	672	1,191
Operating profit	(30,441)	13,149	(17,291)

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,179	1,647	1,898	726	6,450
Throughput volumes (k m ³)	160	1,675	788	1,487	4,110
Net sales	1,282,782	1,296,123	1,379,690	664,929	4,623,524
Gross profit	97,293	115,918	122,990	26,305	362,506
Selling and operating costs	(64,532)	(152,365)	(77,086)	(21,775)	(315,758)
General and administrative expenses	(12,778)	(18,158)	(36,921)	(2,807)	(70,664)
Other operating income/(expense), net	20,036	(115)	(14,211)	(276)	5,434
Share of net profit/(loss) in associates	(88)	408	759	112	1,191
Operating profit	39,931	(54,312)	(4,469)	1,559	(17,291)

Three months ended December 31, 2017

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	5,868	202	6,070
Throughput volumes (k m ³)	-	4,224	4,224
Net sales	4,205,398	194,789	4,400,187
Gross profit	377,865	64,869	442,734
Selling and operating costs	(307,128)	(47,606)	(354,734)
General and administrative expenses	(41,643)	(1,463)	(43,106)
Other operating income/(expense), net	1,706	1,163	2,869
Share of net profit/(loss) in associates	1,121	655	1,776
Operating profit	31,921	17,618	49,539

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,349	1,279	1,767	675	6,070
Throughput volumes (k m ³)	153	1,614	853	1,604	4,224
Net sales	1,363,143	1,002,906	1,453,348	580,790	4,400,187
Gross profit	131,826	119,625	173,532	17,751	442,734
Selling and operating costs	(99,656)	(100,679)	(141,990)	(12,409)	(354,734)
General and administrative expenses	(11,925)	(10,375)	(18,912)	(1,894)	(43,106)
Other operating income/(expense), net	8,311	(2,688)	(3,173)	419	2,869
Share of net profit/(loss) in associates	337	1,098	750	(409)	1,776
Operating profit	28,893	6,981	10,207	3,458	49,539

Consolidated balance sheet

in US\$'000	Dec18A	Dec17A
Assets		
Property and Equipment	3,158,720	3,614,424
Intangible assets and goodwill	1,273,008	1,453,860
Investments in associates	39,932	49,204
Other financial assets	88,639	95,769
Deferred tax assets	109,940	113,723
Other assets	121,719	121,868
Total non-current assets	4,791,958	5,448,848
Inventories	909,662	1,087,977
Other assets	386,294	347,375
Income tax receivable	15,934	19,002
Trade receivables	834,252	654,255
Other financial assets	89,018	36,031
Cash and cash equivalents	644,496	519,203
Total current assets	2,879,656	2,663,843
Total assets	7,671,614	8,112,691
Equity and liabilities		
Share capital	2,054,166	2,054,166
Retained earnings	662,930	709,196
Foreign currency translation reserve	(1,376,870)	(817,711)
Other components of equity	104,931	185,853
Equity attributable to owners of the parent	1,445,157	2,131,504
Non-controlling interests	135,909	131,100
Total equity	1,581,066	2,262,604
Interest-bearing loans and borrowings	2,828,303	2,781,690
Retirement benefit obligation	2,121	5,566
Other financial liabilities	10,103	37,910
Deferred tax liabilities	54,842	62,232
Provisions	43,444	52,886
Total non-current liabilities	2,938,813	2,940,284
Trade and other payables	2,598,873	2,038,308
Interest-bearing loans and borrowings	457,032	754,261
Other financial liabilities	40,799	63,655
Income tax payable	40,151	37,491
Provisions	14,880	16,088
Total current liabilities	3,151,735	2,909,803
Total liabilities	6,090,548	5,850,087
Total equity and liabilities	7,671,614	8,112,691

Consolidated statement of cash flows

in US\$'000	Year ended 31 December,		Quarter ended 31 December,	
	2018	2017	2018	2017
Profit before tax	20,349	150,298	(42,987)	43,634
Non-cash adjustments:				
Depreciation and impairment of PP&E	359,853	382,057	108,558	123,890
Amortisation and impairment of intangible assets	79,604	52,022	52,166	23,784
(Gain)/loss on disposal of assets and investments	(1,188)	(3,379)	(154)	(164)
Net interest expense	218,515	195,863	50,447	48,569
Dividend income	(3,730)	(889)	29	(275)
Share of net profit of associate	(6,166)	(5,625)	(1,191)	(1,776)
Provisions	(1,597)	797	(1,742)	870
Changes in value of derivative financial instruments	(112,685)	3,662	(108,770)	13,564
Effect from hyperinflation adjustment	-	(17,466)	-	(35,795)
Working capital adjustments:				
Decrease/(increase) receivables	(431,908)	(211,668)	(116,120)	(486)
Decrease/(increase) in inventories	101,103	(317,417)	239,179	(210,469)
(Decrease)/increase payables	744,685	314,302	(37,525)	168,614
Interest received	21,517	9,242	7,439	3,709
Dividends received from associates	2,821	4,097	2,595	1,396
Income tax paid	(50,070)	(49,445)	(8,830)	(7,488)
Net cash flows from operating activities	927,300	476,712	129,201	141,839
Net proceeds from sale of assets and investments	32,049	29,376	3,477	1,640
Purchase of intangible assets	(16,767)	(21,860)	(4,496)	(7,595)
Purchase of PP&E	(262,541)	(358,725)	(99,473)	(82,206)
Cash inflow from change in ownership	-	31,262	-	-
Acquisitions of subsidiaries, net of cash acquired	(4,165)	(38,015)	-	(10,336)
Financial investments	-	(1,623)	-	339
Dividends received	3,730	889	(29)	275
Net cash flows used in investing activities	(247,694)	(358,696)	(100,521)	(97,883)
Loans (granted)/reimbursed	(453)	(25,581)	58	(27,107)
Proceeds from/(repayment of) borrowings	(938,824)	351,854	80,459	107,322
Proceeds from bond issuance	750,000	10,000	-	10,000
Interest paid	(238,112)	(228,992)	(39,094)	(73,076)
(Acquisition)/divestment of non-controlling interests	(8,320)	2,093	(8,320)	15
Dividends paid	(17,262)	(19,928)	-	(364)
Deemed distribution to shareholder	(13,587)	-	(4,026)	-
Net cash flows from financing activities	(466,558)	89,446	29,077	16,790
Net increase in cash and cash equivalents	213,048	207,462	57,757	60,746
Effects of exchange rate differences	(87,755)	(23,915)	(19,047)	(15,537)
Cash and cash equivalents at beginning of period	519,203	335,656	605,786	473,994
Cash and cash equivalents at end of period	644,496	519,203	644,496	519,203

EBITDA reconciliation

in US\$'000	Year ended 31 December,		Quarter ended 31 December,	
	2018	2017	2018	2017
Operating profit	122,133	321,985	(17,291)	49,539
Other (income)/expenses	(7,197)	(16,550)	(9,327)	(13,268)
EBIT	114,936	305,435	(26,618)	36,271
Depreciation	317,508	356,816	75,740	99,567
Amortisation	36,213	37,425	8,777	9,187
Impairment charge	85,736	39,838	76,209	38,920
EBITDA	554,393	739,514	134,108	183,945