Puma Energy

Q2 ’17 and half-year 2017 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 Group Pte Ltd (49.49%), Sonangol Holdings Lda (27.92%), Cochan Holdings LLC (15.45%) and other investors (7.14%).

Investor relations

Puma Energy will discuss its results during an investor conference call on Tuesday 29 August 2017 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:	+1 866 966 5335
Swiss Number:	+41 (0) 22 592 7103
Singapore Number:	+65 6494 8889

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

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Q2 ’17 and half-year 2017 results report

in US$'000	Six months ended 30 June, 2017	2016	Quarter ended 30 June, 2017	2016
Condensed statement of income	**unaudited**	**unaudited**	**unaudited**	**unaudited**
Gross profit	823,191	815,926	415,907	387,959
EBITDA	375,344	390,961	190,574	181,479
Operating profit	**187,019**	**202,766**	**94,802**	**85,556**
Profit before tax	75,545	79,262	36,870	28,774
Profit for the period	**56,275**	**53,608**	**29,232**	**13,335**
Net profit attributable to the owners of the parent	**48,127**	**51,987**	**23,466**	**13,474**
Summarised cash flow				
Cash flow from operating activities	85,544	486,637	67,846	283,141
Cash flow from investing activities	(172,060)	(458,416)	(65,356)	(146,590)
Cash flow from financing activities	148,063	(14,761)	(99,404)	(146,264)
Total cash flows	**61,547**	**13,460**	**(96,915)**	**(9,713)**
Effects of exchange rate differences	(6,371)	31,180	161,898	(94)
Net increase/(decrease) in cash and cash equivalents	**55,176**	**44,640**	**64,983**	**(9,807)**
Key ratios				
Sales volume ('000 m3)	10,920	10,819	5,519	5,589
Throughput volume ('000 m3)	8,245	10,148	3,582	4,485
Downstream unit margin (US$/$m^3$)	68	68	70	62

	As at 30 June, 2017	2016	As at 31 December, 2016
Balance sheet	**unaudited**	**unaudited**	**audited**
Trade receivables	588,693	546,729	528,107
Inventories	800,114	649,646	745,258
Cash and cash equivalents	390,833	325,849	335,656
Equity	2,046,778	1,881,518	1,900,395
Total assets	7,309,890	6,774,938	6,919,127

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Consolidated statement of income

in US$'000	Six months ended 30 June, 2017 unaudited	Six months ended 30 June, 2016 unaudited	Quarter ended 30 June, 2017 unaudited	Quarter ended 30 June, 2016 unaudited
Net sales	6,981,342	6,032,244	3,541,161	3,205,593
Cost of sales	(6,158,151)	(5,216,318)	(3,125,254)	(2,817,634)
Gross profit	**823,191**	**815,926**	**415,907**	**387,959**
Selling and operating costs	(558,111)	(517,768)	(280,578)	(244,037)
General and administrative expenses	(75,531)	(78,338)	(35,998)	(50,080)
Other operating income/(expenses)	(5,617)	(20,285)	(3,786)	(9,798)
Share of net profits/(losses) in associates	3,087	3,231	(743)	1,512
Operating profit	**187,019**	**202,766**	**94,802**	**85,556**
Finance income	2,481	3,375	3,128	592
Finance costs	(106,109)	(112,936)	(56,679)	(50,904)
Net foreign exchange gains/(losses)	(7,846)	(13,943)	(4,381)	(6,470)
Profit before tax	**75,545**	**79,262**	**36,870**	**28,774**
Income tax credit/(expense)	(19,270)	(25,654)	(7,638)	(15,439)
Profit for the year	**56,275**	**53,608**	**29,232**	**13,335**
Attributable to:				
Owners of the parent	48,127	51,987	23,466	13,474
Non-controlling interests	8,148	1,621	5,766	(139)

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Segment reporting

Three months ended June 30, 2017 - unaudited

in US$'000	Downstream	Midstream	Total
Sales volumes (k m^3)	5,266	253	5,519
Throughput volumes (k m^3)	-	3,582	3,582
Net sales	**3,421,035**	**120,126**	**3,541,161**
Gross profit	**367,445**	**48,462**	**415,907**
Selling and operating costs	(248,567)	(32,011)	(280,578)
General and administrative expenses	(34,469)	(1,529)	(35,998)
Other operating income/(expense), net	(4,313)	527	(3,786)
Share of net profit/(loss) in associates	(1,409)	666	(743)
Operating profit	**78,687**	**16,115**	**94,802**

in US$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m^3)	2,142	1,366	1,514	497	5,519
Throughput volumes (k m^3)	127	974	744	1,737	3,582
Net sales	**1,082,478**	**891,949**	**1,111,249**	**455,485**	**3,541,161**
Gross profit	**128,215**	**116,636**	**148,418**	**22,638**	**415,907**
Selling and operating costs	(76,491)	(95,021)	(89,150)	(19,916)	(280,578)
General and administrative expenses	(7,639)	(9,237)	(17,229)	(1,893)	(35,998)
Other operating income/(expense), net	(377)	347	(4,521)	765	(3,786)
Share of net profit/(loss) in associates	370	(1,024)	253	(342)	(743)
Operating profit	**44,078**	**11,701**	**37,771**	**1,252**	**94,802**

Three months ended June 30, 2016 - unaudited

in US$'000	Downstream	Midstream	Total
Sales volumes (k m^3)	5,336	253	5,589
Throughput volumes (k m^3)	-	4,485	4,485
Net sales	**3,080,438**	**125,155**	**3,205,593**
Gross profit	**331,079**	**56,880**	**387,959**
Selling and operating costs	(207,953)	(36,084)	(244,037)
General and administrative expenses	(45,113)	(4,967)	(50,080)
Other operating income/(expense), net	(10,404)	606	(9,798)
Share of net profit/(loss) in associates	1,282	230	1,512
Operating profit	**68,891**	**16,665**	**85,556**

in US$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m^3)	2,326	1,148	1,621	494	5,589
Throughput volumes (k m^3)	115	1,048	2,167	1,155	4,485
Net sales	**1,032,506**	**669,090**	**1,054,775**	**449,222**	**3,205,593**
Gross profit	**125,842**	**88,278**	**150,955**	**22,884**	**387,959**
Selling and operating costs	(65,284)	(74,464)	(85,008)	(19,281)	(244,037)
General and administrative expenses	(13,097)	(12,596)	(20,859)	(3,528)	(50,080)
Other operating income/(expense), net	(2,266)	(800)	(6,566)	(166)	(9,798)
Share of net profit/(loss) in associates	(92)	1,810	(205)	-	1,512
Operating profit	**45,103**	**2,228**	**38,317**	**(91)**	**85,556**

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Segment reporting

Six months ended June 30, 2017 - unaudited

in US$'000	Downstream	Midstream	Total
Sales volumes (k m^3)	10,474	446	10,920
Throughput volumes (k m^3)	-	8,245	8,245
Net sales	**6,749,253**	**232,089**	**6,981,342**
Gross profit	**714,369**	**108,822**	**823,191**
Selling and operating costs	(488,655)	(69,456)	(558,111)
General and administrative expenses	(72,128)	(3,403)	(75,531)
Other operating income/(expense), net	(6,949)	1,332	(5,617)
Share of net profit/(loss) in associates	1,774	1,313	3,087
Operating profit	**148,411**	**38,608**	**187,019**

in US$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m^3)	4,269	2,541	3,110	1,000	10,920
Throughput volumes (k m^3)	244	2,361	2,198	3,442	8,245
Net sales	**2,196,273**	**1,678,308**	**2,207,190**	**899,571**	**6,981,342**
Gross profit	**268,315**	**221,916**	**284,914**	**48,046**	**823,191**
Selling and operating costs	(151,602)	(185,642)	(179,385)	(41,482)	(558,111)
General and administrative expenses	(17,036)	(18,837)	(35,918)	(3,740)	(75,531)
Other operating income/(expense), net	842	(124)	(7,192)	857	(5,617)
Share of net profit/(loss) in associates	823	2,368	238	(342)	3,087
Operating profit	**101,342**	**19,681**	**62,657**	**3,339**	**187,019**

Six months ended June 30, 2016 - unaudited

in US$'000	Downstream	Midstream	Total
Sales volumes (k m^3)	10,331	488	10,819
Throughput volumes (k m^3)	-	10,148	10,148
Net sales	**5,798,410**	**233,834**	**6,032,244**
Gross profit	**703,002**	**112,924**	**815,926**
Selling and operating costs	(442,992)	(74,776)	(517,768)
General and administrative expenses	(71,619)	(6,719)	(78,338)
Other operating income/(expense), net	(19,986)	(299)	(20,285)
Share of net profit/(loss) in associates	2,303	928	3,231
Operating profit	**170,708**	**32,058**	**202,766**

in US$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m^3)	4,524	2,186	3,182	927	10,819
Throughput volumes (k m^3)	225	2,328	4,634	2,961	10,148
Net sales	**1,888,425**	**1,235,012**	**2,040,572**	**868,235**	**6,032,244**
Gross profit	**235,983**	**179,447**	**353,166**	**47,330**	**815,926**
Selling and operating costs	(137,517)	(157,421)	(179,683)	(43,147)	(517,768)
General and administrative expenses	(20,968)	(17,301)	(35,271)	(4,798)	(78,338)
Other operating income/(expense), net	(4,218)	(1,822)	(14,032)	(213)	(20,285)
Share of net profit/(loss) in associates	224	3,679	(672)	-	3,231
Operating profit	**73,504**	**6,582**	**123,508**	**(828)**	**202,766**

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Consolidated balance sheet

in US$'000	Jun17A	Dec16A
Assets	**unaudited**	**audited**
Property and Equipment	3,444,581	3,328,833
Intangible assets and goodwill	1,382,461	1,342,091
Investments in associates	60,067	94,473
Other financial assets	53,596	31,257
Deferred tax assets	104,546	100,543
Other assets	148,969	143,264
Total non-current assets	**5,194,220**	**5,040,461**
Inventories	800,114	745,258
Other assets	292,617	229,614
Income tax receivable	18,588	17,569
Trade receivables	588,693	528,107
Other financial assets	24,825	22,462
Cash and cash equivalents	390,833	335,656
Total current assets	**2,115,670**	**1,878,666**
Total assets	**7,309,890**	**6,919,127**
Equity and liabilities		
Share capital	2,054,166	2,054,166
Retained earnings	683,729	629,986
Foreign currency translation reserve	(812,272)	(861,306)
Other components of equity	(859)	(1,840)
Equity attributable to owners of the parent	**1,924,764**	**1,821,006**
Non-controlling interests	122,014	79,389
Total equity	**2,046,778**	**1,900,395**
Interest-bearing loans and borrowings	2,745,427	2,714,904
Retirement benefit obligation	5,342	6,002
Other financial liabilities	35,624	41,177
Deferred tax liabilities	58,730	59,548
Provisions	52,897	51,047
Total non-current liabilities	**2,898,020**	**2,872,678**
Trade and other payables	1,605,496	1,631,727
Interest-bearing loans and borrowings	697,973	421,081
Other financial liabilities	20,008	39,267
Income tax payable	26,560	39,235
Provisions	15,055	14,744
Total current liabilities	**2,365,092**	**2,146,054**
Total liabilities	**5,263,112**	**5,018,732**
Total equity and liabilities	**7,309,890**	**6,919,127**

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Consolidated statement of cash flows

in US$'000	Six months ended 30 June, 2017 unaudited	Six months ended 30 June, 2016 unaudited	Quarter ended 30 June, 2017 unaudited	Quarter ended 30 June, 2016 unaudited
Profit before tax	**75,545**	**79,262**	**36,870**	**28,774**
Non-cash adjustments:				
Depreciation and impairment of PP&E	169,182	157,158	86,360	79,822
Amortisation and impairment of intangible assets	18,923	18,557	9,357	9,534
(In)tangible fixed assets written off	-	292	-	(342)
(Gain)/loss on disposal of assets and investments	(1,424)	(584)	(1,438)	(107)
Net interest expense	98,248	102,462	49,456	53,061
Dividend income	(225)	(2,166)	(24)	(2,050)
Share of net profit of associate	(3,087)	(3,231)	743	(1,512)
Provisions	(364)	2,280	(1,602)	993
Unrealised (gains)/losses on derivatives	(31,499)	94,063	(2,820)	24,714
Working capital adjustments:				
Decrease/(increase) receivables	(119,350)	100,944	401	22,136
Decrease/(increase) in inventories	(35,309)	(51,927)	(32,084)	(25,446)
(Decrease)/increase payables	(57,712)	33,906	(70,616)	130,930
Interest received	2,256	1,209	1,763	648
Dividends received from associates	1,336	212	1,181	-
Income tax paid	(30,976)	(45,800)	(9,701)	(38,014)
Net cash flows from operating activities	**85,544**	**486,637**	**67,846**	**283,141**
Net proceeds from sale of assets and investments	20,053	2,098	18,654	1,364
Purchase of intangible assets	(10,625)	(15,280)	(6,549)	(6,871)
Purchase of PP&E	(187,746)	(327,654)	(111,213)	(140,715)
Cash inflow from change in ownership	31,262	-	31,262	-
Acquisitions of subsidiaries, net of cash acquired	(23,378)	(117,312)	2,548	(132)
Financial investments	(1,851)	(394)	(82)	(246)
Dividends received	225	126	24	10
Net cash flows used in investing activities	**(172,060)**	**(458,416)**	**(65,356)**	**(146,590)**
Loans (granted)/reimbursed	4,407	(61,870)	13,301	(8,590)
Proceeds from/(repayment of) borrowings	247,362	57,113	(73,900)	(94,301)
Proceeds from bond issuance	-	100,000	-	-
Proceeds from equity increase/(reduction)	-	(1,403)	-	(1,403)
Interest paid	(99,985)	(104,091)	(34,549)	(41,304)
(Acquisition)/divestment of non-controlling interests	2,098	(500)	-	755
Dividends paid	(5,819)	(4,010)	(4,256)	(1,421)
Net cash flows from financing activities	**148,063**	**(14,761)**	**(99,404)**	**(146,264)**
Net increase in cash and cash equivalents	**61,547**	**13,460**	**(96,914)**	**(9,713)**
Effects of exchange rate differences	(6,371)	31,180	161,897	(94)
Cash and cash equivalents at beginning of period	335,656	281,209	325,849	335,656
Cash and cash equivalents at end of period	**390,832**	**325,849**	**390,832**	**325,849**

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EBITDA reconciliation

	Six months ended 30 June,		Quarter ended 30 June,	
in US$'000	**2017**	**2016**	**2017**	**2016**
Operating profit	**187,019**	**202,766**	**94,802**	**85,556**
Other (income)/expenses	218	12,480	439	6,568
EBIT	**187,237**	**215,246**	**95,241**	**92,124**
Depreciation	168,790	155,850	85,812	78,561
Amortisation	18,924	18,557	9,357	9,533
Impairment charge	393	1,308	164	1,261
EBITDA	**375,344**	**390,961**	**190,574**	**181,479**