

FuelLife

# 2018 Q2 RESULTS



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# Q2 '18 performance

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- Sales volumes: **6.0 million m<sup>3</sup>**
- Turnover: **US\$ 4.4 billion**
- Gross profit: **US\$ 359 million**
- EBITDA: **US\$ 124 million**
- Operating cash flow: **US\$ 181 million**
- Net investment: **US\$ 30 million**
- Net debt / EBITDA: **3.0**

# Key Highlights – Q2 '18 vs. '17



US\$million	Q2 '18	Q2 '17	Q2 '18 vs Q2 '17
Sales volume ('000 m <sup>3</sup> )	6,032	5,519	9%
Throughput volume ('000 m <sup>3</sup> )	3,830	3,582	7%
Gross profit	359	416	-14%
EBITDA	124	191	-35%
Net capex	30	61	-51%
Cash flow from operations	181	68	166%

## Q2 '18 vs. '17

- Sales volumes increased across all regions
- Gross profit margin impacted by full effect of Q1 trends:
  - change in geographic and segment mix
  - currency devaluation and price “freeze” in Angola
  - market conditions in Australia
  - lower performance in some African countries and the UK
- Reduced net capex spending
- Strong cash flows from operations

# Key Highlights – YTD Jun '18 vs. '17



US\$million	YTD Jun '18	YTD Jun '17	YTD Jun '18 vs '17
Sales volume ('000 m <sup>3</sup> )	12,091	10,920	11%
Throughput volume ('000 m <sup>3</sup> )	7,308	8,245	-11%
Gross profit	756	823	-8%
EBITDA	288	375	-23%
Net capex	76	136	-44%
Cash flow from operations	261	86	205%

## YTD Jun '18 vs. '17

- Sales volumes increased across all regions
- Gross profit margin impacted by:
  - geographic and segment mix
  - currency devaluation and price “freeze” in Angola
  - market conditions in Australia
  - lower performance in some African countries and the UK
- Reduced net capex spending
- Cash flows in line with EBITDA

# Business segmentation – Q2 '18 vs. '17



US\$ million	Downstream			Midstream		
	Q2 '18	Q2 '17	Δ %	Q2 '18	Q2 '17	Δ %
Volume ('000 m <sup>3</sup> )	5,867	5,266	11%	3,995	3,836	4%
Gross profit	318	367	-13%	41	48	-15%
Unit margin (US\$/m <sup>3</sup> )	54	70	-22%	10	13	-18%
Unit margin excl. UK (US\$/m <sup>3</sup> )*	59	75	-21%	n/a	n/a	n/a
EBITDA	106	161	-34%	18	29	-40%

## Downstream

- Increased volumes across all regions and most segments
- Lower unit margins due to currency translation effects, price freeze in Angola, and market and mix effects.
- EBITDA impacted by lower unit margins and increased opex

## Midstream

- Higher throughput volumes in some terminals
- Gross profit and EBITDA impacted by lower refining margins

# Business segmentation – YTD Jun '18 vs. '17



US\$ million	Downstream			Midstream		
	YTD Jun '18	YTD Jun '17	Δ %	YTD Jun '18	YTD Jun '17	Δ %
Volume ('000 m <sup>3</sup> )	11,726	10,474	12%	7,673	8,690	-12%
Gross profit	663	714	-7%	93	109	-15%
Unit margin (US\$/m <sup>3</sup> )	57	68	-17%	12	13	-3%
Unit margin excl. UK (US\$/m <sup>3</sup> )*	62	73	-15%	n/a	n/a	n/a
EBITDA	239	311	-23%	49	65	-25%

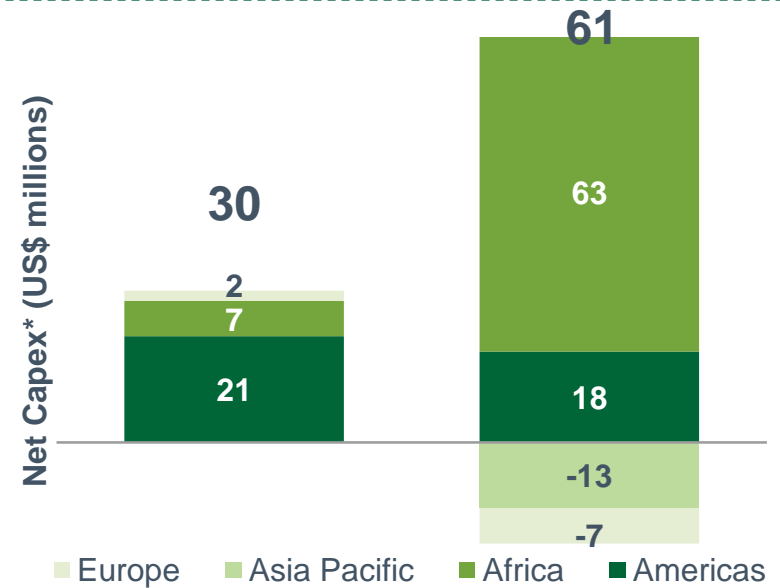
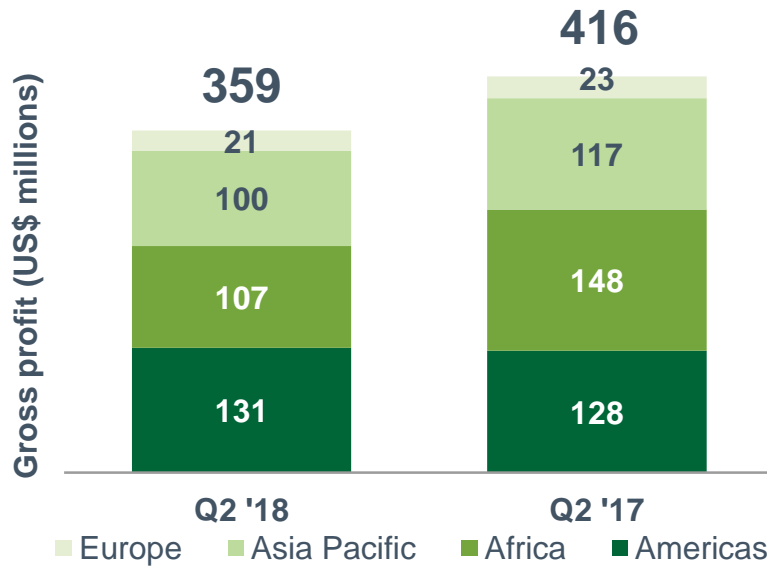
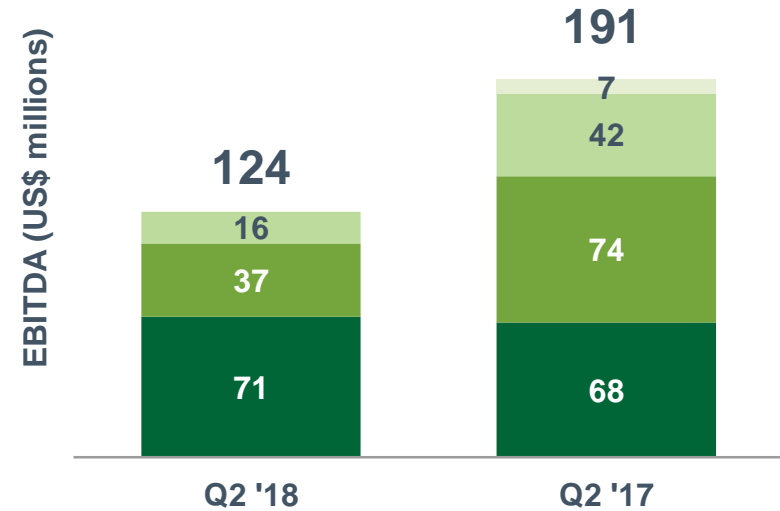
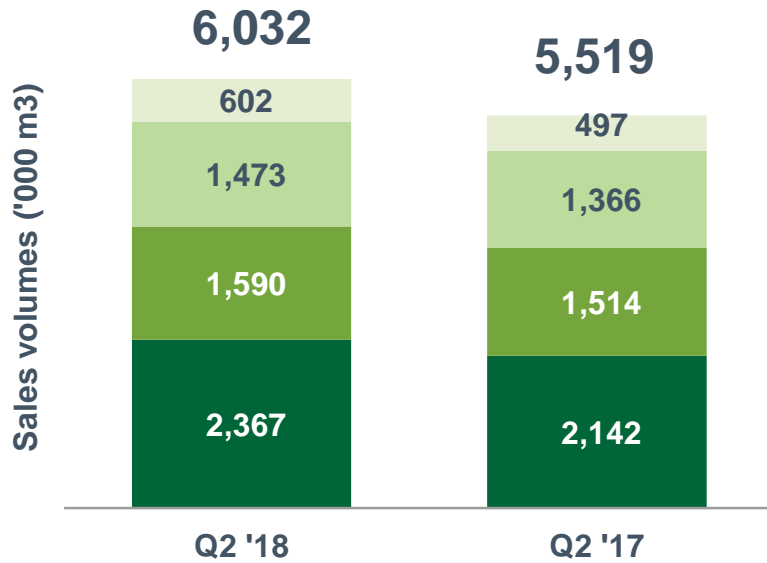
## Downstream

- Increased volumes in all regions, in particular in the retail and wholesale segment
- EBITDA impacted by lower unit margins and increased opex

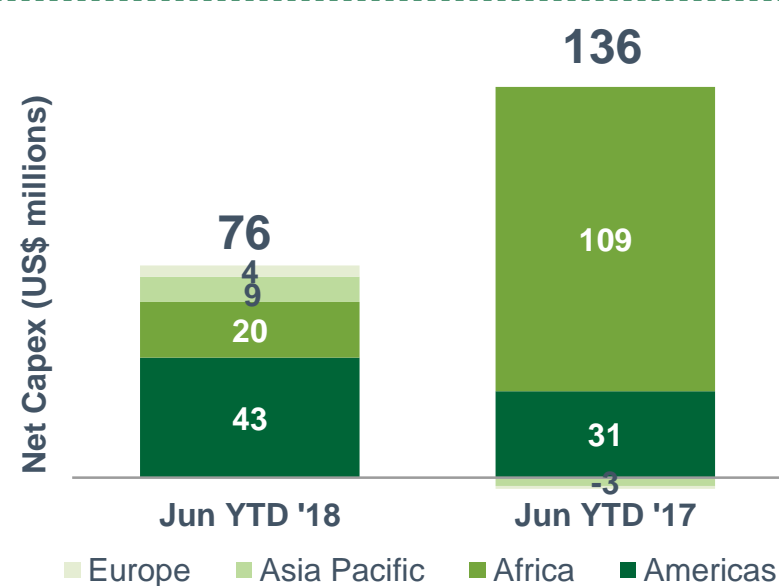
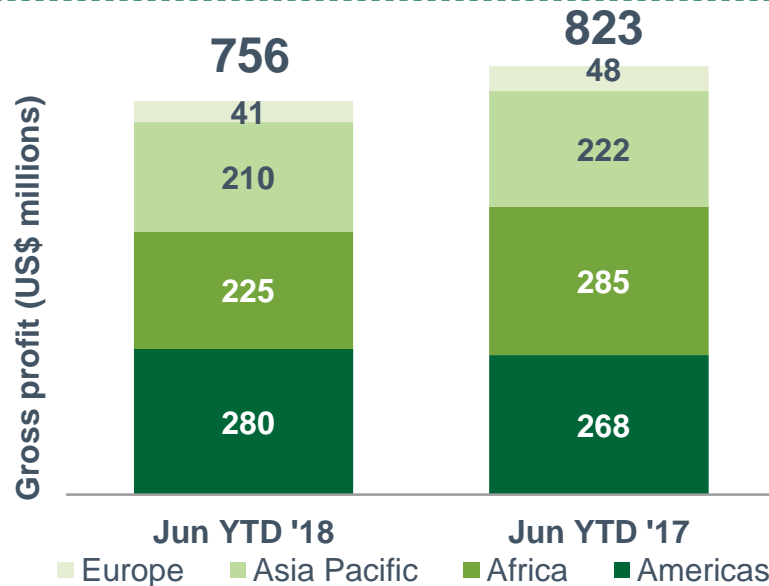
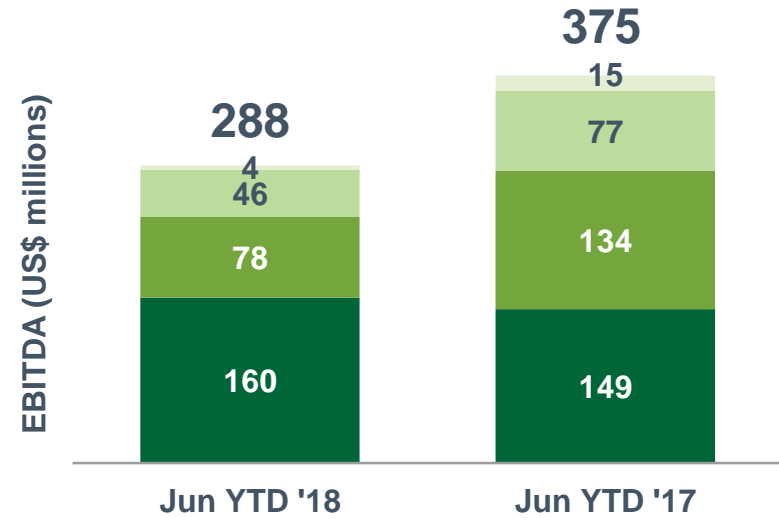
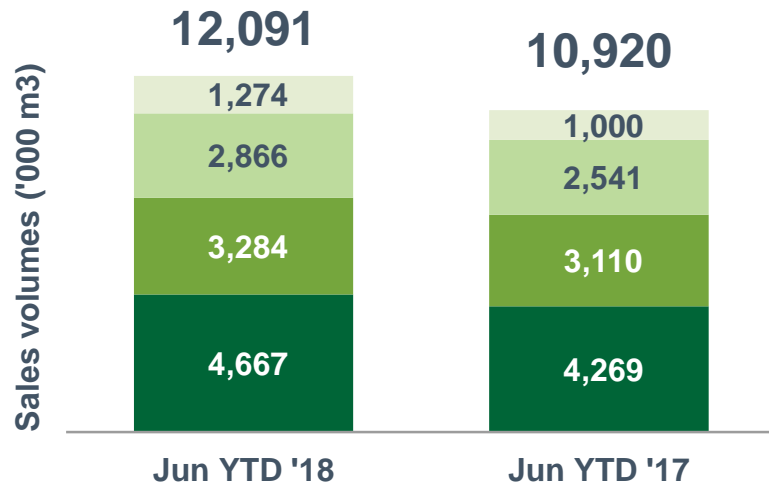
## Midstream

- Lower throughput volumes due to the full effect of Ghana pipeline concession loss
- Translating in lower gross profit and EBITDA

# Geographic Segmentation – Q2 '18 vs. '17



# Geographic Segmentation – YTD Jun '18 vs. '17





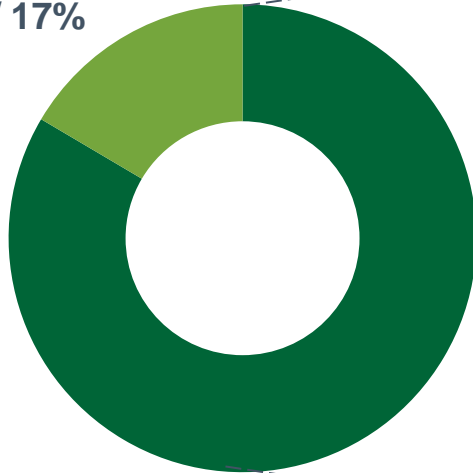
# Investment – Q2 '18 vs. '17



**Q2 '18**  
**US\$ 36 million**

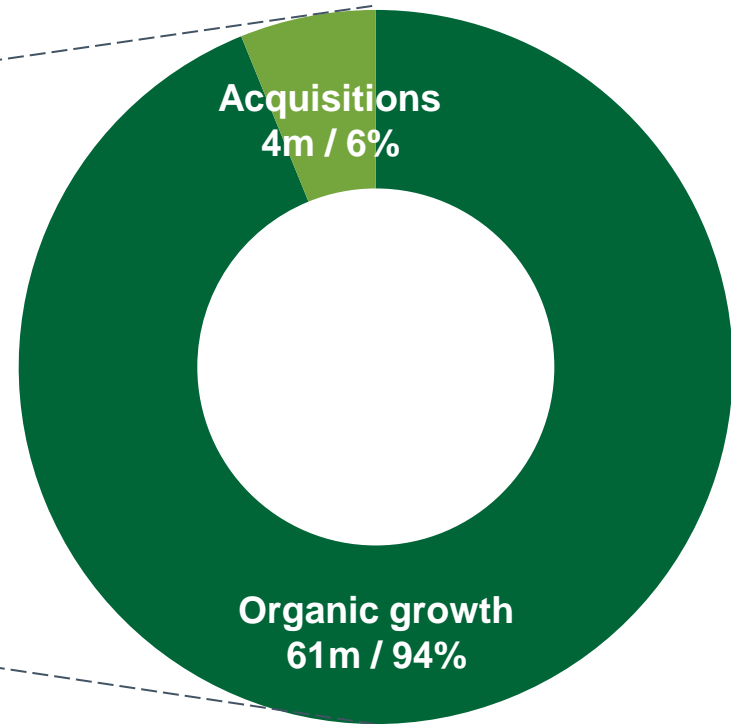
**Q2 '17**  
**US\$ 65 million**

**Acquisitions**  
**6m / 17%**



**Organic growth\***  
**30m / 83%**

**Acquisitions**  
**4m / 6%**



**Organic growth**  
**61m / 94%**

# Key Performance Indicators – Jun '18



	Jun '18	Mar '18	Dec '17
Number of countries	49	49	49
Number of service stations	3,105	3,095	3,064
Number of terminals	104	104	104
Storage capacity (mil. m <sup>3</sup> )	7.6	8.2	8.3
Number of airports	79	76	71
Headcount	8,439	8,224	8,333

## Key statistics

- Opened a few additional retail sites
- Finalized the construction of a terminal in Panama
- Disposed of a 20% stake in Langsat terminal in Malaysia
- Started operations at 3 new airports in Mozambique and South Africa

# Cash flows – Q2 '18 vs. '17 and Q1'18



<i>US\$million</i>	Q2 '18	Q2 '17	Q1 '18
Net cash flow from operations	181	68	80
Net cash flow used in investing	(33)	(65)	(54)
Net cash flow from financing	(117)	(99)	49
<i>Days of sales outstanding (3<sup>rd</sup> party)</i>	12	11	14
<i>Days of inventory</i>	26	23	25

## Q2 '18 vs. '17

- Cash flow from operations, reflecting strong cash conversion and strict working capital management
- Reduced investing cash flows fully self-financed by cash flows from operations
- Operating cash flows have been used for interest and debt repayments
- Slight increase in DIO, stable DSO. Offset by DPO

# Capital structure – Jun '18



<i>US\$ million</i>	Jun-18	Mar-18	Jun-17
Cash	(579)	(549)	(391)
Inventories	(1,159)	(1,054)	(800)
OpCo Debt	585	478	448
Senior Facilities	1,402	1,580	1,681
Senior Notes	1,682	1,697	1,329
<b>Total net debt</b>	<b>1,931</b>	<b>2,152</b>	<b>2,267</b>
<i>x LTM EBITDA</i>	<i>3.0</i>	<i>3.0</i>	<i>3.1</i>

## Jun '18 capital structure

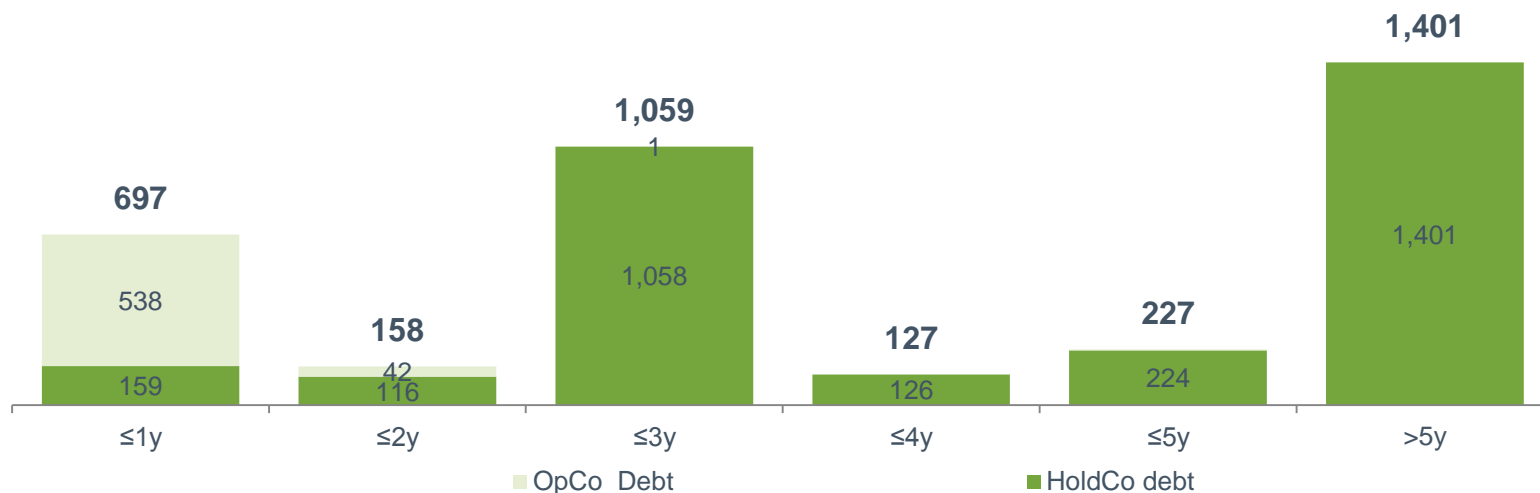
- Net Debt / EBITDA multiple at 3.0x, in line with capital structure policy
- Reduced gross debt by 86m and net debt by 221m
- Extended our Senior Credit Facility, and extended the maturity and repriced one PP in May
- Unsecured HoldCo debt represents 84% of Group's debt
- US\$1.4bn or 38% of debt maturing within more than 5 years

- In light of H1' performance, assuming no improvement in Australia and Angola, we expect **FY '18 EBITDA to be at the lower end of our US\$ 600-650 million guidance** on a constant currency basis (based on H1 rates)
  - Discussions ongoing on Angola margins. However, no change anticipated before year end
  - Expect to maintain our **fixed cost base at same level as FY '17**
  - **Some other risks** may materialize, given political situation in Nicaragua and probability of further currency devaluations vs. the USD
- **Maintain low net capex and strict working capital discipline**

# Appendix 1 – Debt maturity profile



HoldCo vs. OpCo maturity profile (as at Q2 2018)



Maturity profile

US\$million	Total	≤1y	≤2y	≤3y	≤4y	≤5y	>5y
HoldCo debt	3,084	159	116	1,058	126	224	1,401
OpCo Debt	585	538	42	1	1	3	-
<b>Gross debt</b>	<b>3,669</b>	<b>697</b>	<b>158</b>	<b>1,059</b>	<b>127</b>	<b>227</b>	<b>1,401</b>
% of Total		19%	4%	29%	3%	6%	38%

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**It goes further than that.**

**Fuelling Journeys is about showing customers our pioneering, passionate and performance driven spirit. Delivering authentic customer experiences to make a real difference in the communities we serve.**