

Puma Energy

Q1 '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 Thursday 23 May 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 7913

Singapore Number: +65 6494 8889

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

Q1 '19 results report

in US\$'000	Quarter ended 31 March,	
	2019	2018
Condensed statement of income		
Gross profit	358,617	396,583
EBITDA	173,718	163,788
Operating profit	54,323	63,223
Profit before tax	(1,526)	22,291
Profit for the period	(15,240)	15,632
Net profit attributable to the owners of the parent	(16,454)	14,422

Summarised cash flow		
Cash flow from operating activities	173,851	80,029
Cash flow from investing activities	(22,674)	(53,851)
Cash flow from financing activities	(214,237)	49,385
Total cash flows	(63,060)	75,563
Effects of exchange rate differences	(3,612)	(45,656)
Net increase/(decrease) in cash and cash equivalents	(66,672)	29,907

Key ratios		
Sales volume (k m ³)	6,052	6,059
Throughput volume (k m ³)	4,117	3,478
Downstream unit margin (US\$/m ³)	51	59

	As at 31 March, 2019	As at 31 December, 2018
Balance sheet		
Trade receivables	815,625	834,252
Inventories	1,206,901	909,662
Cash and cash equivalents	577,824	644,496
Equity	1,547,910	1,581,066
Total assets	8,799,172	7,671,614

Consolidated statement of income

Quarter ended 31 March,

in US\$'000	2019	2018
Net sales	4,069,794	4,221,033
Cost of sales	(3,711,177)	(3,824,450)
Gross profit	358,617	396,583
Selling and operating costs	(249,116)	(275,283)
General and administrative expenses	(52,340)	(53,514)
Other operating income/(expenses)	(4,904)	(6,248)
Share of net profit in associates	2,066	1,685
Operating profit	54,323	63,223
Finance income	22,910	24,459
Finance costs	(75,965)	(67,942)
Other financial result	(2,794)	2,551
Profit before tax	(1,526)	22,291
Income tax credit/(expense)	(13,714)	(6,659)
Profit for the period	(15,240)	15,632
Attributable to:		
Owners of the parent	(16,454)	14,422
Non-controlling interests	1,214	1,210

Segment reporting

Quarter ended 31 March, 2019

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	6,024	28	6,052
Throughput volumes (k m ³)	-	4,116	4,117
Net sales	4,028,918	40,876	4,069,794
Gross profit	309,650	48,967	358,617
Selling and operating costs	(216,788)	(32,328)	(249,116)
General and administrative expenses	(49,246)	(3,094)	(52,340)
Other operating income/(expense), net	(8,378)	3,474	(4,904)
Share of net profit/(loss) in associates	1,386	680	2,066
Operating profit	36,624	17,699	54,323

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,082	1,515	1,813	642	6,052
Throughput volumes (k m ³)	171	1,313	1,199	1,434	4,117
Net sales	1,126,686	1,053,282	1,312,783	577,043	4,069,794
Gross profit	123,763	100,593	110,113	24,148	358,617
Selling and operating costs	(68,724)	(91,105)	(68,406)	(20,881)	(249,116)
General and administrative expenses	(12,454)	(11,781)	(25,798)	(2,307)	(52,340)
Other operating income/(expense), net	(6,178)	3,468	(3,745)	1,551	(4,904)
Share of net profit/(loss) in associates	645	570	989	(138)	2,066
Operating profit	37,052	1,745	13,153	2,373	54,323

Quarter ended 31 March, 2018

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	5,859	200	6,059
Throughput volumes (k m ³)	-	3,478	3,478
Net sales	4,053,799	167,234	4,221,033
Gross profit	345,034	51,549	396,583
Selling and operating costs	(243,808)	(31,475)	(275,283)
General and administrative expenses	(49,610)	(3,904)	(53,514)
Other operating income/(expense), net	3,091	(9,339)	(6,248)
Share of net profit/(loss) in associates	974	711	1,685
Operating profit	55,681	7,542	63,223

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,299	1,393	1,695	672	6,059
Throughput volumes (k m ³)	144	931	950	1,453	3,478
Net sales	1,310,842	1,093,550	1,251,376	565,265	4,221,033
Gross profit	149,236	110,325	117,999	19,023	396,583
Selling and operating costs	(72,763)	(93,921)	(86,663)	(21,936)	(275,283)
General and administrative expenses	(10,812)	(16,873)	(23,415)	(2,414)	(53,514)
Other operating income/(expense), net	854	(7,406)	(2,190)	2,494	(6,248)
Share of net profit/(loss) in associates	576	884	369	(144)	1,685
Operating profit	67,091	(6,991)	6,100	(2,977)	63,223

Consolidated balance sheet

in US\$'000	Mar19A	Dec18A
Assets		
Property and Equipment	3,102,539	3,158,720
Intangible assets and goodwill	1,264,837	1,273,008
Right-of-use (IFRS16)	1,064,277	-
Investments in associates	42,056	39,932
Other financial assets	89,016	88,639
Deferred tax assets	106,588	109,940
Other assets	79,281	121,719
Total non-current assets	5,748,594	4,791,958
Inventories	1,206,901	909,662
Other assets	391,122	386,294
Income tax receivable	15,166	15,934
Trade receivables	815,625	834,252
Other financial assets	43,940	89,018
Cash and cash equivalents	577,824	644,496
Total current assets	3,050,578	2,879,656
Total assets	8,799,172	7,671,614
Equity and liabilities		
Share capital	2,054,166	2,054,166
Retained earnings	658,410	662,930
Foreign currency translation reserve	(1,400,508)	(1,376,870)
Other components of equity	99,558	104,931
Equity attributable to owners of the parent	1,411,626	1,445,157
Non-controlling interests	136,284	135,909
Total equity	1,547,910	1,581,066
Interest-bearing loans and borrowings	3,704,354	2,828,303
Retirement benefit obligation	1,870	2,121
Other financial liabilities	8,813	10,103
Deferred tax liabilities	51,323	54,842
Provisions	44,713	43,444
Total non-current liabilities	3,811,073	2,938,813
Trade and other payables	2,941,231	2,598,873
Interest-bearing loans and borrowings	420,321	457,032
Other financial liabilities	23,616	40,799
Income tax payable	39,152	40,151
Provisions	15,869	14,880
Total current liabilities	3,440,189	3,151,735
Total liabilities	7,251,262	6,090,548
Total equity and liabilities	8,799,172	7,671,614

Consolidated statement of cash flows

in US\$'000	Quarter ended 31 March,	
	2019	2018
Profit before tax	(1,526)	22,291
Non-cash adjustments:		
Depreciation and impairment of PP&E	74,781	88,841
Amortisation and impairment of intangible assets	9,161	8,688
Amortisation and impairment of lease right-of-use	35,542	-
(Gain)/loss on disposal of assets and investments	(1,455)	276
Net interest expense	49,070	63,147
Lease financial costs	16,091	-
Dividend income	(272)	(453)
Share of net profit of associate	(2,066)	(1,685)
Provisions	1,738	(607)
Changes in value of derivative financial instruments	59,489	(43,596)
Effect from hyperinflation adjustment	(15,132)	(21,489)
Working capital adjustments:		
Decrease/(increase) receivables	(5,515)	(187,199)
Decrease/(increase) in inventories	(299,970)	28,268
(Decrease)/increase payables	256,662	139,708
Interest received	7,395	2,470
Income tax paid	(10,142)	(18,632)
Net cash flows from operating activities	173,851	80,029
Net proceeds from sale of assets and investments	3,802	636
Purchase of intangible assets	(1,348)	(3,983)
Purchase of PP&E	(25,400)	(46,792)
Acquisitions of subsidiaries, net of cash acquired	-	(4,165)
Dividends received	272	453
Net cash flows used in investing activities	(22,674)	(53,851)
Loans (granted)/reimbursed	(1,496)	(1,723)
Proceeds from/(repayment of) borrowings	(115,348)	(614,432)
Proceeds from bond issuance	-	750,000
Interest paid	(55,096)	(63,476)
Lease payments	(42,297)	-
Dividends paid	-	(11,422)
Deemed distribution to shareholder	-	(9,562)
Net cash flows from financing activities	(214,237)	49,385
Total cash flows	(63,060)	75,563
Effects of exchange rate differences	(3,612)	(45,656)
Cash and cash equivalents at beginning of period	644,496	519,203
Cash and cash equivalents at end of period	577,824	549,110

Puma Energy

EBITDA reconciliation

in US\$'000	2019			2018
	Quarter ended 31 March	IFRS16 Impact	Pro forma	Quarter ended 31 March
Operating profit	54,323	(8,458)	45,864	63,223
Other (income)/expenses	(89)	-	(88)	3,071
EBIT	54,234	(8,458)	45,776	66,294
Depreciation	74,937	-	74,937	88,844
Amortisation (intangibles)	9,161	-	9,161	8,684
Amortisation (right-of-use)	35,542	(35,542)	-	-
Impairment charge	(156)	-	(156)	(34)
EBITDA	173,718	(44,000)	129,718	163,788

Statement of income reconciliation – IFRS16

in US\$'000	Quarter ended 31 March, 2019	IFRS16 Impact	Pro forma
Net sales	4,069,794	-	4,069,794
Cost of sales	(3,711,177)	(11,930)	(3,723,107)
Gross profit	358,617	(11,930)	346,687
Selling and operating costs	(249,116)	4,872	(244,245)
General and administrative expenses	(52,340)	(1,435)	(53,775)
Other operating income/(expenses)	(4,904)	-	(4,904)
Share of net profit in associates	2,066	20	2,085
Operating profit	54,323	(8,458)	45,864
Finance income	22,910	-	22,910
Finance costs	(75,965)	16,091	(59,874)
Other financial result	(2,794)	55	(2,739)
Profit before tax	(1,526)	7,687	6,161
Income tax credit/(expense)	(13,714)	-	(13,714)
Profit for the period	(15,240)	7,687	(7,553)
Attributable to:			
Owners of the parent	(16,454)	7,523	(8,931)
Non-controlling interests	1,214	164	1,379

Balance sheet reconciliation – IFRS16

in US\$'000	Mar19A	IFRS16 Impact	Pro forma
Assets			
Property and Equipment	3,102,539	-	3,102,539
Intangible assets and goodwill	1,264,837	-	1,264,837
Right-of-use (IFRS16)	1,064,277	(1,064,277)	-
Investments in associates	42,056	20	42,076
Other financial assets	89,016	-	89,016
Deferred tax assets	106,588	-	106,588
Other assets	79,281	26,538	105,819
Total non-current assets	5,748,594	(1,037,719)	4,710,875
Inventories	1,206,901	-	1,206,901
Other assets	391,122	25,174	416,296
Income tax receivable	15,166	-	15,166
Trade receivables	815,625	-	815,625
Other financial assets	43,940	-	43,940
Cash and cash equivalents	577,824	-	577,824
Total current assets	3,050,578	25,174	3,075,752
Total assets	8,799,172	(1,012,545)	7,786,627
Equity and liabilities			
Share capital	2,054,166	-	2,054,166
Retained earnings	658,410	1,344	659,754
Foreign currency translation reserve	(1,400,508)	31	(1,400,477)
Other components of equity	99,558	-	99,558
Equity attributable to owners of the parent	1,411,626	1,375	1,413,001
Non-controlling interests	136,284	83	136,367
Total equity	1,547,910	1,458	1,549,368
Interest-bearing loans and borrowings	3,704,354	(927,244)	2,777,110
Retirement benefit obligation	1,870	-	1,870
Other financial liabilities	8,813	6,035	14,848
Deferred tax liabilities	51,323	-	51,323
Provisions	44,713	-	44,713
Total non-current liabilities	3,811,073	(921,209)	2,889,864
Trade and other payables	2,941,231	(92,808)	2,848,423
Interest-bearing loans and borrowings	420,321	14	420,335
Other financial liabilities	23,616	-	23,616
Income tax payable	39,152	-	39,152
Provisions	15,869	-	15,869
Total current liabilities	3,440,189	(92,794)	3,347,395
Total liabilities	7,251,262	(1,014,003)	6,237,259
Total equity and liabilities	8,799,172	(1,012,545)	7,786,627

* 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\$ 6,229 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	Quarter ended 31 March, 2019	IFRS16 Impact	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)