

Puma Energy

Q2 '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%), Cochran Holdings LLC (15.48%) and other investors (7.12%).

Investor relations

Puma Energy will discuss its results during an investor conference call on Wednesday 28 August 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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Q2 '19 results report

in US\$'000	Six month ended 30 June		Quarter ended 30 June	
	2019	2018	2019	2018
Condensed statement of income				
Gross profit	724,453	756,065	365,836	359,482
EBITDA	352,698	287,622	178,980	123,834
Operating profit	116,843	93,845	62,521	30,623
Profit before tax	(43,539)	43,045	(42,013)	20,754
Profit for the period	(79,128)	22,894	(63,888)	7,262
Net profit attributable to the owners of the parent	(67,141)	28,039	(50,687)	13,617
Summarised cash flow				
Cash flow from operating activities	390,871	261,081	217,019	181,052
Cash flow from investing activities	(25,207)	(86,612)	(2,533)	(32,762)
Cash flow from financing activities	(409,825)	(68,438)	(195,590)	(117,822)
Total cash flows	(44,161)	106,031	18,896	30,468
Effects of exchange rate differences	5,873	(46,036)	9,488	(379)
Net increase/(decrease) in cash and cash equivalents	(38,288)	59,995	28,384	30,089
Key ratios				
Sales volume (k m ³)	12,291	12,091	6,239	6,032
Throughput volume (k m ³)	7,600	7,308	3,484	3,830
Downstream unit margin (US\$/m ³)	50	57	49	54
Balance sheet				
	As at 30	As at 31		
	June,	December,		
	2019	2018		
Trade receivables	869,543	834,252		
Inventories	977,698	909,662		
Cash and cash equivalents	606,208	644,496		
Equity	1,432,712	1,581,066		
Total assets	8,464,936	7,671,614		

Consolidated statement of income

	Six month ended 30 June		Quarter ended 30 June	
in US\$'000	2019	2018	2019	2018
Net sales	8,260,810	8,645,562	4,191,016	4,424,528
Cost of sales	(7,536,357)	(7,889,497)	(3,825,180)	(4,065,047)
Gross profit	724,453	756,065	365,836	359,482
Selling and operating costs	(504,696)	(546,952)	(255,580)	(271,669)
General and administrative expenses	(92,303)	(105,426)	(39,963)	(51,912)
Other operating income/(expenses)	(11,164)	(13,908)	(6,259)	(7,659)
Share of net profit in associates	553	4,066	(1,513)	2,381
Operating profit	116,843	93,845	62,521	30,623
Finance income	33,465	66,434	10,557	41,975
Finance costs	(152,208)	(126,479)	(76,244)	(58,539)
Other financial result	(41,639)	9,245	(38,847)	6,693
Profit before tax	(43,539)	43,045	(42,013)	20,754
Income tax credit/(expense)	(35,589)	(20,151)	(21,875)	(13,492)
Profit for the period	(79,128)	22,894	(63,888)	7,262
Attributable to:				
Owners of the parent	(67,141)	28,039	(50,687)	13,617
Non-controlling interests	(11,987)	(5,145)	(13,201)	(6,355)

Segment reporting

Six month ended 30 June, 2019

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	12,226	65	12,291
Throughput volumes (k m ³)	-	7,600	7,600
Net sales	8,089,431	171,379	8,260,810
Gross profit	626,730	97,723	724,453
Selling and operating costs	(441,983)	(62,713)	(504,696)
General and administrative expenses	(86,184)	(6,119)	(92,303)
Other operating income/(expense), net	(16,945)	5,781	(11,164)
Share of net profit/(loss) in associates	(628)	1,181	553
Operating profit	80,990	35,853	116,843

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	4,278	3,184	3,588	1,242	12,291
Throughput volumes (k m ³)	340	2,456	1,783	3,021	7,600
Net sales	2,391,231	2,350,434	2,378,057	1,141,088	8,260,810
Gross profit	248,456	218,317	213,868	43,812	724,453
Selling and operating costs	(140,032)	(181,945)	(144,631)	(38,088)	(504,696)
General and administrative expenses	(23,024)	(23,595)	(41,411)	(4,273)	(92,303)
Other operating income/(expense), net	(9,214)	6,854	(9,847)	1,043	(11,164)
Share of net profit/(loss) in associates	1,187	909	(1,256)	(287)	553
Operating profit	77,373	20,540	16,723	2,207	116,843

Six month ended 30 June, 2018

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	11,726	365	12,091
Throughput volumes (k m ³)	-	7,308	7,308
Net sales	8,382,856	262,706	8,645,562
Gross profit	663,136	92,929	756,065
Selling and operating costs	(484,091)	(62,861)	(546,952)
General and administrative expenses	(98,775)	(6,651)	(105,426)
Other operating income/(expense), net	(7,328)	(6,580)	(13,908)
Share of net profit/(loss) in associates	2,668	1,398	4,066
Operating profit	75,610	18,235	93,845

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	4,667	2,866	3,284	1,274	12,091
Throughput volumes (k m ³)	292	2,164	1,789	3,063	7,308
Net sales	2,756,103	2,250,301	2,499,174	1,139,984	8,645,562
Gross profit	280,649	210,383	224,685	40,348	756,065
Selling and operating costs	(143,433)	(196,564)	(163,728)	(43,227)	(546,952)
General and administrative expenses	(21,087)	(33,090)	(46,971)	(4,278)	(105,426)
Other operating income/(expense), net	(9,929)	(9,388)	7,552	(2,143)	(13,908)
Share of net profit/(loss) in associates	1,039	1,690	902	435	4,066
Operating profit	107,239	(26,969)	22,440	(8,865)	93,845

Segment reporting

Quarter ended 30 June, 2019

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	6,202	37	6,239
Throughput volumes (k m ³)	-	3,484	3,484
Net sales	4,060,513	130,503	4,191,016
Gross profit	317,081	48,755	365,836
Selling and operating costs	(225,195)	(30,385)	(255,580)
General and administrative expenses	(36,923)	(3,040)	(39,963)
Other operating income/(expense), net	(8,677)	2,418	(6,259)
Share of net profit/(loss) in associates	(2,013)	500	(1,513)
Operating profit	44,273	18,248	62,521

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,191	1,672	1,775	601	6,239
Throughput volumes (k m ³)	170	1,143	584	1,587	3,484
Net sales	1,264,149	1,298,590	1,064,611	563,666	4,191,016
Gross profit	124,750	117,521	103,848	19,717	365,836
Selling and operating costs	(71,313)	(90,811)	(76,240)	(17,216)	(255,580)
General and administrative expenses	(10,593)	(11,701)	(15,669)	(2,000)	(39,963)
Other operating income/(expense), net	(3,030)	3,262	(6,030)	(461)	(6,259)
Share of net profit/(loss) in associates	544	332	(2,242)	(147)	(1,513)
Operating profit	40,358	18,603	3,667	(107)	62,521

Quarter ended 30 June, 2018

in US\$'000	Downstream	Midstream	Total
Sales volumes (k m ³)	5,867	165	6,032
Throughput volumes (k m ³)	-	3,830	3,830
Net sales	4,329,055	95,473	4,424,528
Gross profit	318,101	41,381	359,482
Selling and operating costs	(240,496)	(31,173)	(271,669)
General and administrative expenses	(49,170)	(2,742)	(51,912)
Other operating income/(expense), net	(10,320)	2,661	(7,659)
Share of net profit/(loss) in associates	1,694	687	2,381
Operating profit	19,809	10,814	30,623

in US\$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m ³)	2,367	1,473	1,590	602	6,032
Throughput volumes (k m ³)	148	1,233	840	1,610	3,830
Net sales	1,445,202	1,156,871	1,247,550	574,905	4,424,528
Gross profit	131,402	100,078	106,647	21,355	359,482
Selling and operating costs	(68,974)	(104,499)	(77,158)	(21,038)	(271,669)
General and administrative expenses	(10,605)	(16,219)	(23,217)	(1,871)	(51,912)
Other operating income/(expense), net	(10,875)	(1,976)	9,738	(4,546)	(7,659)
Share of net profit/(loss) in associates	463	806	532	580	2,381
Operating profit	41,411	(21,810)	16,542	(5,520)	30,623

Consolidated balance sheet

in US\$'000	Jun19A	Dec18A
Assets		
Property and Equipment	2,989,221	3,158,720
Intangible assets and goodwill	1,248,817	1,273,008
Right-of-use (IFRS16)	1,030,524	-
Investments in associates	35,859	39,932
Other financial assets	88,710	88,639
Deferred tax assets	101,964	109,940
Other assets	74,011	121,719
Total non-current assets	5,569,106	4,791,958
Inventories	977,698	909,662
Other assets	380,014	386,294
Income tax receivable	15,054	15,934
Trade receivables	869,543	834,252
Other financial assets	47,313	89,018
Cash and cash equivalents	606,208	644,496
Total current assets	2,895,830	2,879,656
Total assets	8,464,936	7,671,614
Equity and liabilities		
Share capital	2,054,166	2,054,166
Retained earnings	605,957	662,930
Foreign currency translation reserve	(1,445,334)	(1,376,870)
Other components of equity	88,205	104,931
Equity attributable to owners of the parent	1,302,994	1,445,157
Non-controlling interests	129,718	135,909
Total equity	1,432,712	1,581,066
Interest-bearing loans and borrowings	2,774,552	2,828,303
Lease liabilities	892,065	
Retirement benefit obligation	1,297	2,121
Other financial liabilities	8,926	10,103
Deferred tax liabilities	52,912	54,842
Provisions	44,566	43,444
Total non-current liabilities	3,774,318	2,938,813
Trade and other payables	2,741,784	2,598,873
Interest-bearing loans and borrowings	325,679	457,032
Lease liabilities	107,247	
Other financial liabilities	30,257	40,799
Income tax payable	32,100	40,151
Provisions	20,839	14,880
Total current liabilities	3,257,906	3,151,735
Total liabilities	7,032,224	6,090,548
Total equity and liabilities	8,464,936	7,671,614

Consolidated statement of cash flows

in US\$'000	Six month ended 30 June		Quarter ended 30 June	
	2019	2018	2019	2018
Profit before tax	(43,539)	43,045	(42,013)	20,754
Non-cash adjustments:				
Depreciation and impairment of PP&E	148,876	173,393	74,096	84,540
Amortisation and impairment of intangible assets	17,410	18,154	8,248	9,504
Amortisation and impairment of lease right-of-use (In) tangible assets written off	69,929	-	34,388	-
(Gain)/loss on disposal of assets and investments	498	-	498	-
	(5,548)	(312)	(4,093)	(588)
Net interest expense	99,178	114,957	50,108	51,811
Lease financial costs	32,453	-	16,362	-
Dividend income	(2,289)	(2,983)	(2,017)	(2,530)
Share of net profit of associate	(553)	(4,066)	1,513	(2,381)
Provisions	7,343	1,854	5,605	2,459
Changes in value of derivative financial instruments	62,059	(29,723)	2,568	13,873
Effect from hyperinflation adjustment	(15,162)	(42,142)	(31)	(20,653)
Working capital adjustments:				
Decrease/(increase) receivables	(50,982)	(205,017)	(45,466)	(15,690)
Decrease/(increase) in inventories	(86,627)	(117,295)	213,343	(147,717)
(Decrease)/increase payables	171,892	345,968	(84,770)	206,261
Interest received	15,901	7,302	8,506	4,833
Dividends received from associates	250	226	250	226
Income tax paid	(30,218)	(42,280)	(20,076)	(23,650)
Net cash flows from operating activities	390,871	261,081	217,019	181,052
Net proceeds from sale of assets and investments	24,116	26,761	20,315	26,125
Purchase of intangible assets	(2,673)	(9,914)	(1,326)	(5,931)
Purchase of PP&E	(48,939)	(102,277)	(23,539)	(55,486)
Acquisitions of subsidiaries, net of cash acquired	-	(4,165)	-	-
Dividends received	2,289	2,983	2,017	2,530
Net cash flows used in investing activities	(25,207)	(86,612)	(2,533)	(32,762)
Loans (granted)/reimbursed	(2,144)	(1,461)	(648)	687
Proceeds from/(repayment of) borrowings	(205,416)	(650,757)	(90,069)	(36,324)
Proceeds from bond issuance	-	750,000	-	-
Interest paid	(111,983)	(140,404)	(56,888)	(76,928)
Lease payments	(85,441)	-	(43,144)	-
(Acquisition)/divestment of non-controlling interests	-	-	-	(425)
Dividends paid	(4,841)	(16,254)	(4,841)	(4,832)
Deemed distribution to shareholder	-	(9,562)	-	-
Net cash flows from financing activities	(409,825)	(68,438)	(195,590)	(117,822)
Total cash flows	(44,161)	106,031	18,896	30,468
Effects of exchange rate differences	5,873	(46,036)	9,488	(379)
Cash and cash equivalents at beginning of period	644,496	519,204	577,824	549,110
Cash and cash equivalents at end of period	606,208	579,199	606,208	579,199

EBITDA reconciliation

USD '000	2019			2018
	Six month ended 30 June	IFRS16 Impact	Pro forma	Six month ended 30 June
Operating profit	116,843	(16,612)	100,231	93,845
Other (income)/expenses	(361)	-	(361)	2,230
EBIT	116,482	(16,612)	99,870	96,075
Depreciation	149,064	-	149,064	163,843
Amortisation (intangibles)	17,410	-	17,410	18,188
Amortisation (right-of-use)	69,929	(69,929)	-	-
Impairment charge	(188)	-	(188)	9,516
EBITDA	352,698	(86,541)	266,156	287,622

USD '000	2019			2018
	Quarter ended 30 June	IFRS16 Impact	Pro forma	Quarter ended 30 June
Operating profit	62,521	(8,153)	54,368	30,623
Other (income)/expenses	(273)	-	(273)	(841)
EBIT	62,248	(8,153)	54,095	29,782
Depreciation	74,128	-	74,128	74,998
Amortisation (intangibles)	8,248	-	8,248	9,504
Amortisation (right-of-use)	34,388	(34,388)	-	-
Impairment charge	(32)	-	(32)	9,550
EBITDA	178,980	(42,541)	136,439	123,834

Statement of income reconciliation – IFRS16

in US\$'000	Six month ended 30 June, 2019	IFRS16 Impact	Pro forma
Net sales	8,260,810	-	8,260,810
Cost of sales	(7,536,357)	(21,844)	(7,558,202)
Gross profit	724,453	(21,844)	702,608
Selling and operating costs	(504,696)	9,412	(495,285)
General and administrative expenses	(92,303)	(4,052)	(96,354)
Other operating income/(expenses)	(11,164)	(139)	(11,303)
Share of net profit in associates	553	11	564
Operating profit	116,843	(16,612)	100,231
Finance income	33,465	-	33,465
Finance costs	(152,208)	32,453	(119,756)
Other financial result	(41,639)	2,683	(38,956)
Profit before tax	(43,539)	18,524	(25,015)
Income tax credit/(expense)	(35,589)	(975)	(36,564)
Profit for the period	(79,128)	17,549	(61,579)
Attributable to:			
Owners of the parent	(67,141)	16,596	(50,546)
Non-controlling interests	(11,987)	953	(11,034)

in US\$'000	Quarter ended 30 June, 2019	IFRS16 Impact	Pro forma
Net sales	4,191,016	-	4,191,016
Cost of sales	(3,825,180)	(9,915)	(3,835,094)
Gross profit	365,836	(9,915)	355,921
Selling and operating costs	(255,580)	4,540	(251,040)
General and administrative expenses	(39,963)	(2,617)	(42,579)
Other operating income/(expenses)	(6,259)	(155)	(6,413)
Share of net profit in associates	(1,513)	(8)	(1,521)
Operating profit	62,521	(8,153)	54,368
Finance income	10,557	(1)	10,555
Finance costs	(76,244)	16,362	(59,882)
Other financial result	(38,847)	2,629	(36,218)
Profit before tax	(42,013)	10,836	(31,175)
Income tax credit/(expense)	(21,875)	(975)	(22,850)
Profit for the period	(63,888)	9,862	(54,026)
Attributable to:			
Owners of the parent	(50,687)	9,073	(41,614)
Non-controlling interests	(13,201)	789	(12,412)

Balance sheet reconciliation – IFRS16

in US\$'000	Jun19A	IFRS16 Impact	Pro forma
Assets			
Property and Equipment	2,989,221	-	2,989,221
Intangible assets and goodwill	1,248,817	-	1,248,817
Right-of-use (IFRS16)	1,030,524	(1,030,524)	-
Investments in associates	35,859	9	35,868
Other financial assets	88,710	-	88,710
Deferred tax assets	101,964	(885)	101,079
Other assets	74,011	37,761	111,772
Total non-current assets	5,569,106	(993,639)	4,575,467
Inventories	977,698	-	977,698
Other assets	380,014	13,113	393,127
Income tax receivable	15,054	-	15,054
Trade receivables	869,543	-	869,543
Other financial assets	47,313	-	47,313
Cash and cash equivalents	606,208	-	606,208
Total current assets	2,895,830	13,113	2,908,943
Total assets	8,464,936	(980,526)	7,484,410
Equity and liabilities			
Share capital	2,054,166	-	2,054,166
Retained earnings	605,957	10,323	616,280
Foreign currency translation reserve	(1,445,334)	(74)	(1,445,408)
Other components of equity	88,205	-	88,205
Equity attributable to owners of the parent	1,302,994	10,250	1,313,244
Non-controlling interests	129,718	878	130,596
Total equity *	1,432,712	11,128	1,443,840
Interest-bearing loans and borrowings	2,774,552	393	2,774,945
Lease liabilities	892,065	(891,967)	98
Retirement benefit obligation	1,297	-	1,297
Other financial liabilities	8,926	5,434	14,360
Deferred tax liabilities	52,912	-	52,912
Provisions	44,566	-	44,566
Total non-current liabilities	3,774,318	(886,140)	2,888,178
Trade and other payables	2,741,784	1,820	2,743,604
Interest-bearing loans and borrowings	325,679	15	325,694
Lease liabilities	107,247	(107,349)	(102)
Other financial liabilities	30,257	-	30,257
Income tax payable	32,100	-	32,100
Provisions	20,839	-	20,839
Total current liabilities	3,257,906	(105,514)	3,152,392
Total liabilities	7,032,224	(991,654)	6,040,570
Total equity and liabilities	8,464,936	(980,526)	7,484,410

* 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	Six month ended 30 June, 2019	IFRS16 Impact	Pro forma
Cash flow from operating activities	390,871	(82,858)	308,013
Cash flow from investing activities	(25,207)	-	(25,207)
Cash flow from financing activities	(409,825)	85,469	(324,356)
Total cash flows	(44,161)	2,611	(41,550)
Effects of exchange rate differences	5,873	(2,611)	3,262
Net increase/(decrease) in cash and cash equivalents	(38,288)	-	(38,288)

in US\$'000	Quarter ended 30 June, 2019	IFRS16 Impact	Pro forma
Cash flow from operating activities	217,020	(40,150)	176,870
Cash flow from investing activities	(2,533)	-	(2,533)
Cash flow from financing activities	(195,590)	42,474	(153,116)
Total cash flows	18,896	2,323	21,219
Effects of exchange rate differences	9,488	(2,323)	7,165
Net increase/(decrease) in cash and cash equivalents	28,384	-	28,384