

29 July 2024

## 1H2024 Operating Update and Unaudited Financial Result

Viva Energy Group Limited today provides an operating update and unaudited financial results for the six months ended 30 June 2024 (1H2024).

		1H2024	1H2023*	Change		2Q2024	2Q2023*	Change	
				(%)	(#)			(%)	(#)
Convenience & Mobility Fuel Volumes	ML	2,401	2,422	(0.9)	(21)	1,291	1,293	(0.2)	(2)
Commercial & Industrial Fuel Volumes	ML	5,876	5,406	8.7	470	2,921	2,760	5.8	161
<b>Total Group Sales Volumes</b>	ML	<b>8,277</b>	<b>7,828</b>	<b>5.7</b>	<b>449</b>	<b>4,212</b>	<b>4,053</b>	<b>3.9</b>	<b>159</b>
Core Fuel & Convenience Network <sup>1</sup>	#	994	987	0.7	7	994	987	0.7	7
Convenience Sales <sup>2</sup>	\$M	730	740	(1.4)	(10)	472	472	0.0	0
Convenience Gross Margin <sup>3</sup>	%	37.3	35.8	4.2	1.5	38.2	36.2	5.5	2.0
Geelong Refining Margin <sup>4</sup>	(US\$/BBL)	10.8	10.8	0.0	0.0	9.6	4.2	128.6	5.4
Refining Intake	MBBL <sup>5</sup>	20.6	16.2	27.2	4.4	10.4	6.1	70.5	4.3

\* Viva Energy acquired Coles Express Convenience Retailing on 1 May 2023 and OTR Group on 28 Mar 2024. In the table above, prior corresponding period fuel volumes and convenience metrics include pro forma Coles Express and OTR Group contributions from Jan 2023 and Apr 2023 respectively and exclude divested sites as part of the OTR acquisition from Mar 2023.

Group fuel sales in 1H2024 were up 5.7% over the same period last year, with strong growth in the Commercial and Industrial business offsetting sector-wide softness in the retail market. Unaudited 1H2024 Group EBITDA (RC)<sup>6</sup> is expected to be between \$445 million and \$455 million.

On a pro-forma basis, 1H2024 Convenience & Mobility (C&M) fuel and convenience sales declined by 0.9% and 1.4% respectively over the same period last year. Within the company-operated fuel and convenience network (Express and OTR combined), same-store fuel and convenience sales each declined by ~5%. High oil prices, cost of living pressures and the illicit tobacco trade impacted demand, with same-store tobacco sales down ~17%. With the inclusion of OTR, gross margin on convenience sales lifted to 38% in the quarter ended 30 June 2024 (2Q2024).

Both Express and OTR have been affected by the soft environment, with 1H2024 C&M EBITDA (RC) expected to be broadly in line with the 1H2023 reported result. The prior period partially excluded the impact of transitional services costs connected with the Coles Express Convenience Retailing acquisition that applied from 1 May 2023. Good progress is being made to integrate OTR, Express and Viva Energy Retail and begin capturing synergies and efficiencies which are expected to drive significant earnings improvements over the next eighteen months.

Commercial & Industrial (C&I) 1H2024 sales grew 8.7% on a pro-forma basis to 5,876ML, a new record half for the business. Strong demand from Aviation, Resources, Agriculture and Defence sectors supported growth, with the OTR Wholesale business successfully integrated into Liberty Rural during 2Q2024. This additional capability in the Northern Territory and South Australia further extends our national footprint into more regional markets.

Geelong Refining Margin (GRM) for 1H2024 was US\$10.8/BBL on crude intake of 20.6MBBLs. GRM of \$US9.6/BBL for 2Q2024 was negatively impacted by ~US\$0.6/BBL due to a unit outage affecting feedstock supply to the poly-propylene plant during May, but otherwise the refinery continues to run at full capacity with no major maintenance events planned for the rest of the year.

Viva Energy successfully refinanced the OTR Group acquisition through a new A\$1 billion Term Loan Facility during the period, with the balance funded through existing facilities.

## Notes

1. Comprises 680 Express, 211 OTR Group and 103 Liberty Convenience (LOC) fuel and convenience stores as at 30 Jun 2024. Does not include OTR's 31 standalone stores and 279 Smokemart and Giftbox (SMGB) stores. Viva Energy owns 50% of LOC, with the right to fully acquire the business in Jan 2025 subject to regulatory approvals.
2. Convenience sales from the Express and OTR networks, including quick-service restaurant (QSR) sales. Does not include SMGB sales.
3. Convenience gross margin post waste and shrinkage.
4. The Geelong Refining Margin (GRM) is a non-IFRS measure calculated in the following way: IPP less the COGS, and is expressed in US dollars per barrel (US\$/BBL), where:
  - IPP: a notional internal sales price which is referable to an import parity price for the relevant refined products, being the relevant Singapore pricing market and relevant quality or market premiums or discounts plus freight and other costs that would be incurred to import the product into Australia.
  - COGS: the actual purchase price of crude oil and other feedstock used to produce finished products.

GRM is a financial measure Viva Energy uses to illustrate and aid in the understanding of the performance of the Geelong Refinery. It involves elements of estimation and is not alone a measure of historical financial performance. In addition, it is only one contributor to the replacement cost Underlying EBITDA of Viva Energy. In its financial reporting, Viva Energy converts GRM into Australian dollars using the prevailing month average exchange rate.

5. MBBL: million barrels of oil.
6. Viva Energy reports its 'Underlying' performance on a "replacement cost" (RC) basis. RC is a non-IFRS measure under which the cost of goods sold is calculated on the basis of theoretical new purchases of inventory instead of historical cost of inventory. This removes the effect of timing differences and the impact of movements in the oil price.

**Authorised for release by:** the Disclosure Committee of Viva Energy Group Limited

## Further enquiries:

### Media Enquiries

Michael Cave  
T: +61 409 647 910  
E: michael.cave@vivaenergy.com.au

### Investor Relations

David Gilmour  
T: +61 3 8823 3110  
E: investors@vivaenergy.com.au

## About Viva Energy

Viva Energy (ASX: VEA) is a leading convenience retailer, commercial services and energy infrastructure business, with a history spanning more than 120 years in Australia. The Group operates a convenience and fuel network of almost 900 stores across Australia, and exclusively supplies fuels and lubricants to a total network of more than 1,500 service stations.

Viva Energy owns and operates the strategically located Geelong Refinery in Victoria, and operates bulk fuels, aviation, bitumen, marine, chemicals, polymers and lubricants businesses supported by more than 20 terminals and 60 airports and airfields across the country.

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