
12 November 2018

UBS Australasia Conference Presentation

Viva Energy's presentation for the UBS Australasia Conference to be held on 12 and 13 November 2018 is attached.

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About Viva Energy

Viva Energy (ASX: VEA) is one of Australia's leading energy companies and supplies approximately a quarter of the country's liquid fuel requirements. It is the exclusive supplier of high quality Shell fuels and lubricants in Australia through an extensive network of more than 1,100 Shell branded service stations across the country.

Viva Energy owns and operates the strategically located Geelong Refinery in Victoria, and operates bulk fuels, aviation, bitumen, marine, chemicals and lubricants businesses supported by more than 20 terminals and 50 airports and airfields across the country.

www.vivaenergy.com.au

Viva Energy Australia

UBS Australasia Conference

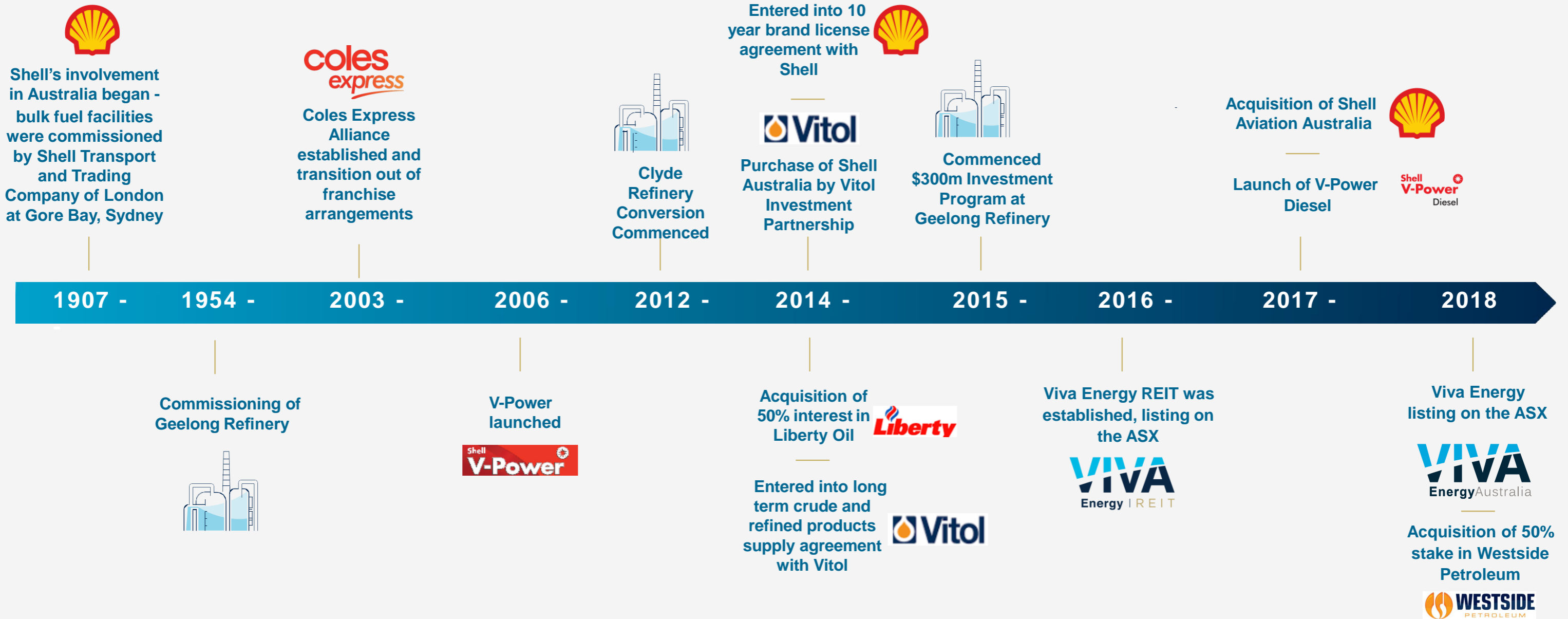
12 – 13 November 2018

Scott Wyatt CEO

Jevan Bouzo CFO

Introduction to Viva Energy

A significantly transformed established player



Viva Energy ambition

To be one of Australia's most respected energy companies

- 1 Safe and reliable operations
- 2 Respect the environment and the communities where we operate
- 3 Expand and grow our markets to retain leading position
- 4 Premium offers and solutions for customers
- 5 Unique culture which empowers our employees
- 6 Consistent cash flows and strong shareholder returns

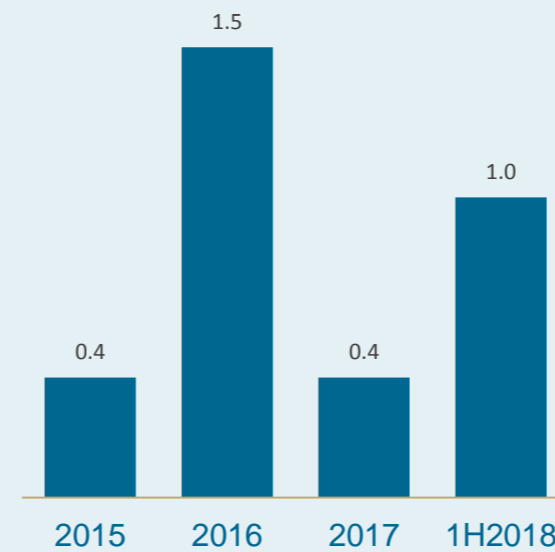


Commitment to Goal Zero



Personal Safety

Lost time injury frequency rate (LTIF)¹

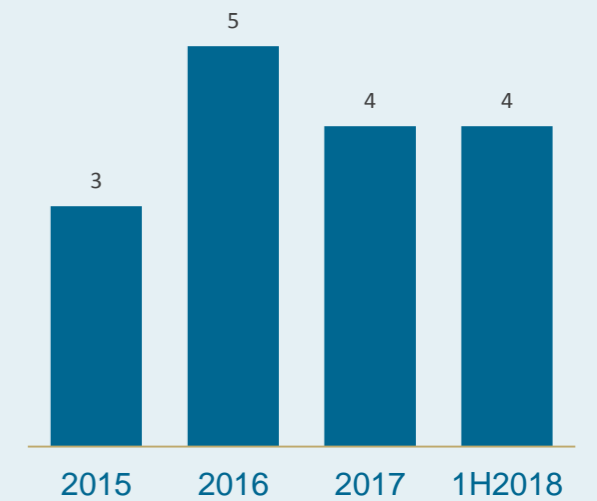


Industry frequency rates² for 2016/2017 Australia wide are:

- 8.1 (construction)
- 8.0 (manufacturing)
- 8.0 (transport)

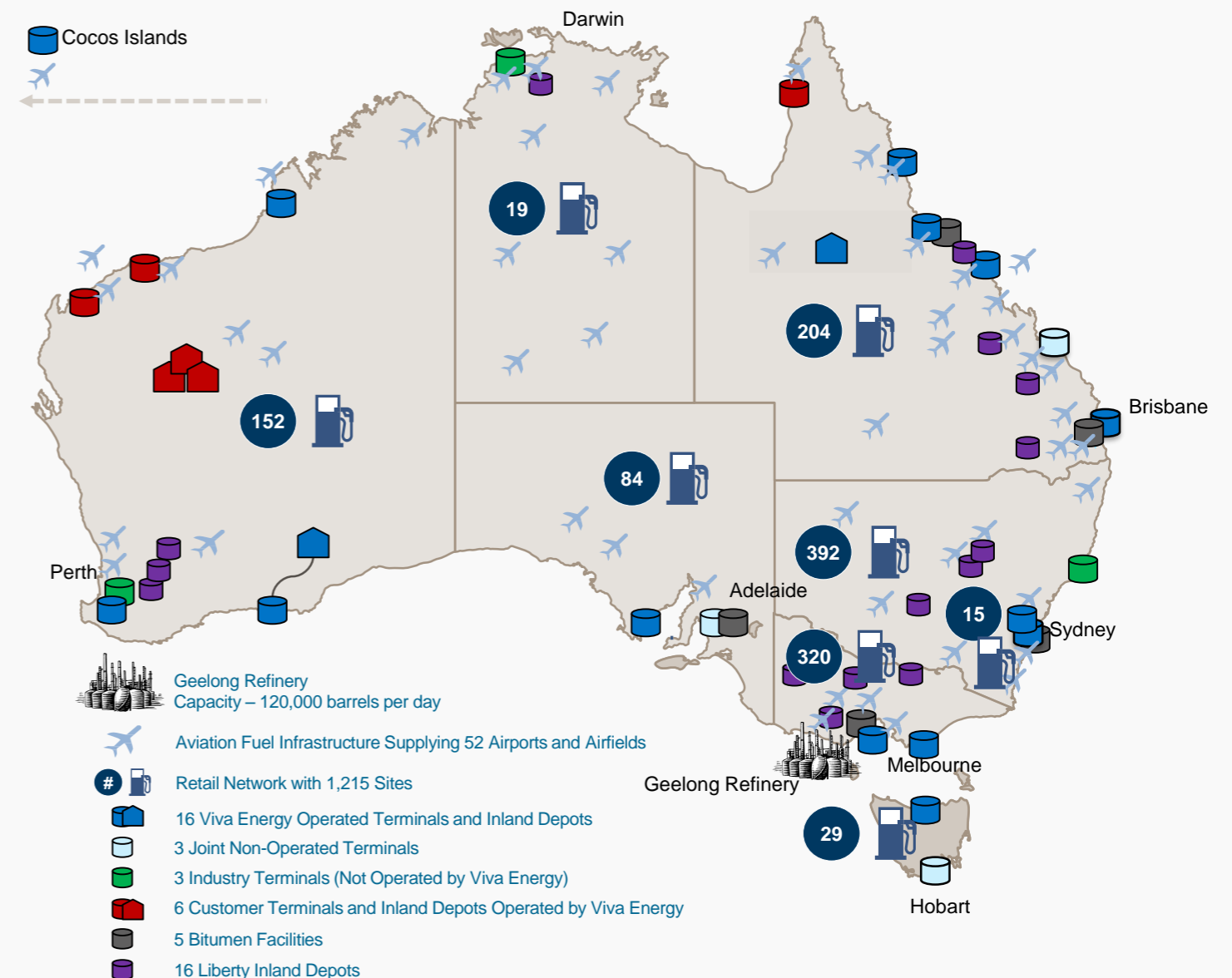
Process Safety

Loss of containment (>1,000 KG)



A leading integrated downstream petroleum company

24%¹	of the Australian downstream petroleum market
1,215²	service station sites nationwide in Viva Energy's network
44	fuel import terminals and depots ³ nationally to support operations
52	airports and airfields across Australia supplied by Viva Energy
120 kbbbls/d	capacity oil refinery in Geelong, Australia
110+	years proudly operating in Australia
	sole right to use the Shell brand in Australia for sale of retail fuels ⁴
	retail Alliance with Coles
	strategic relationship with Vitol
	38% holding in ASX listed Viva Energy REIT c.\$580m ⁵



(1) Market share data is based on total Australian market fuel volumes of 59.6 billion litres, as per Australia Petroleum Statistics in 2017, and in respect of Viva Energy, is based on total fuel volumes of 14.2 billion litres in the 2017 calendar year.

(2) Please refer page 8 for further details

(3) Includes 23 import terminals and 21 active depots (including 16 Liberty Oil depots), Viva Energy holds a 50% interest in the Liberty business and supplies it with fuel

(4) Viva Energy has been granted that right by an affiliate of Royal Dutch Shell and Viva Energy has in turn granted a sub-licence to Coles Express and to certain other operators of Retail Sites

(5) Based on ASX Market Price of \$2.21 as of 7 November 2018

Viva Energy business overview

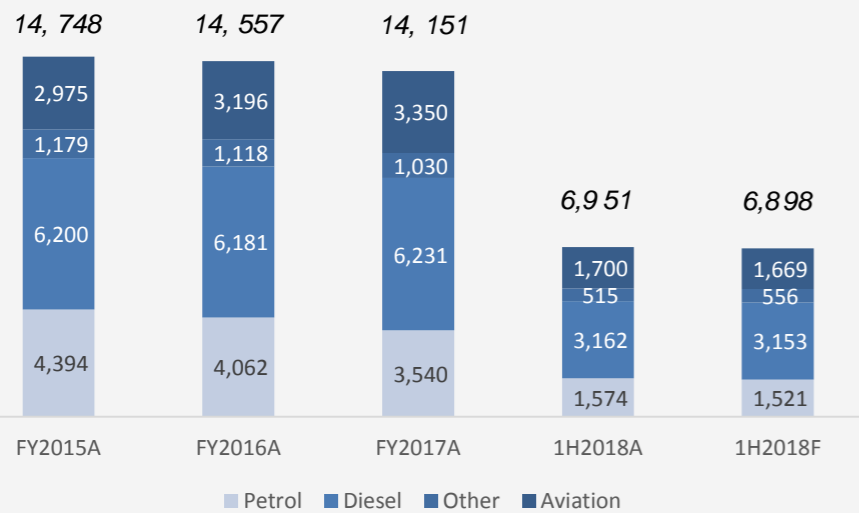


**RETAIL, FUELS AND MARKETING
(RETAIL & COMMERCIAL)**

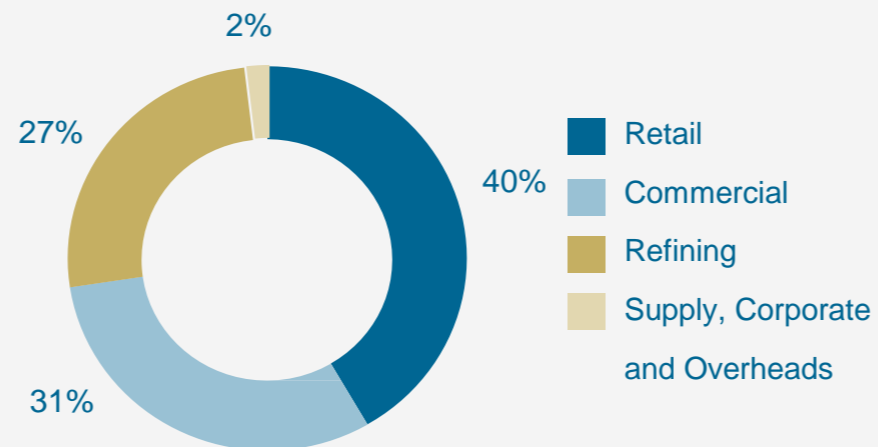
REFINING

SUPPLY, CORPORATE AND OVERHEADS

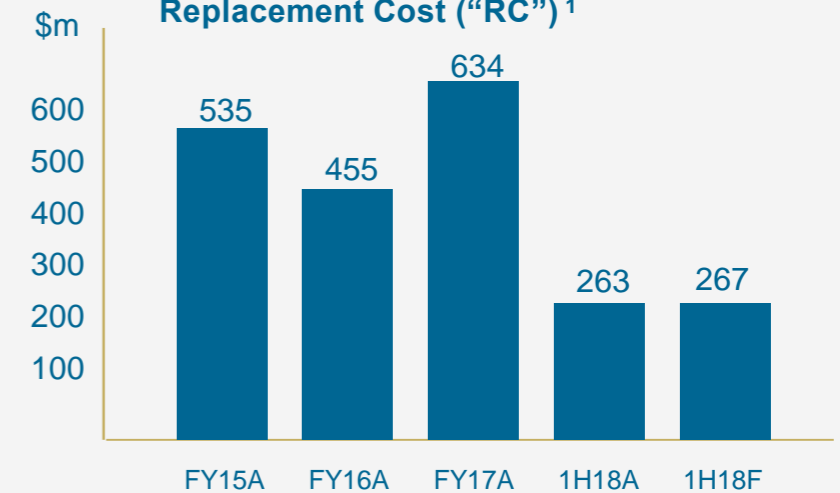
Viva Energy fuel volumes sold by product (ML)



Gross Profit (RC) by Segment (2017A)







Viva Energy Group Underlying EBITDA Replacement Cost ("RC")¹




(1) Underlying EBITDA is profit before interest, tax, depreciation and amortisation adjusted to remove the impact of additional non-cash items that do not necessarily reflect the operational performance of the business, including: lease straight-lining expense; share of net profit of associates; gains or losses on the disposal of property, plant and equipment; and gains or losses on derivatives and foreign exchange (both realised and unrealised)

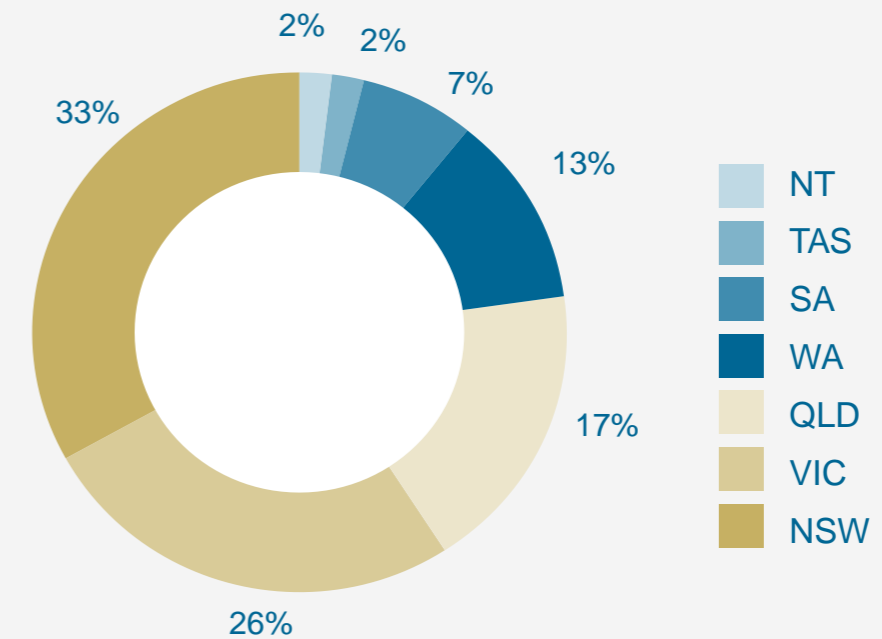
High quality retail network and brands

Viva Energy Network Distribution

		Viva/ Partner Controlled ¹	Branded Wholesale ²	Total
	Alliance	666	45	711
	Viva Energy	34 ³	146	180
	Liberty Oil	41	230	271
	Westside	43 ⁴	10	53
	Total	784	431	1,215

	Sites Leased by Viva Energy from Viva Energy REIT	435
	Sites Branded Shell	990

Viva Energy Network Distribution by State



79% of the Australian population are located on the eastern seaboard

Note: All data as of 7 November 2018

(1) Refers to retail sites where Viva Energy, or one of its business partners (Liberty or Westside) holds the freehold or leasehold interest. This includes company controlled and operated sites, and sites where an agent operates the site, generally on a fuel commission basis (Retail Agent).

(2) Retail sites controlled and operated by a third party, but to which Viva Energy or its business partners supply fuel products, typically coupled with rights to branding. Note that certain Liberty or Westside sites are branded Shell based on separate licensing arrangements from Viva Energy

(3) Viva Controlled includes Retail Agent sites and Unmanned truckstops

(4) Includes Retail Agent, franchised and company operated sites

Coles Alliance

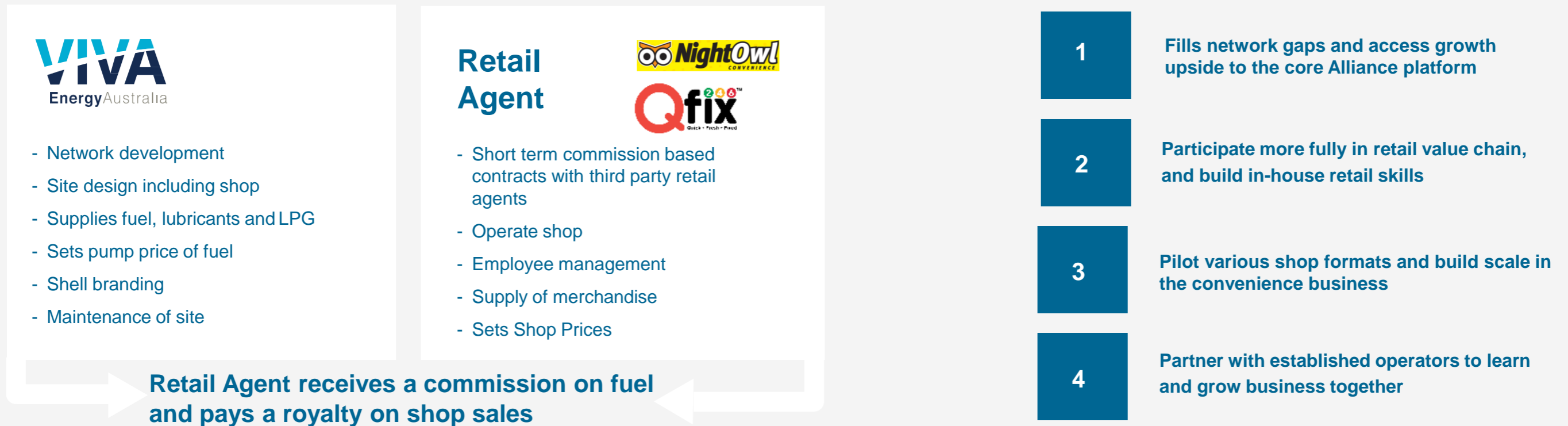
Retail alliance with one of the country's largest supermarket operators

- 1 Coles has been the retail operator of Viva Energy's prime service station network since 2003
- 2 High quality network with strong brands, quality fuel and convenience offering and loyalty programs
- 3 Viva Energy receives fuel and non-fuel income
- 4 Alliance until 2024 with right to extend for a further 5 years (2029)
- 5 Coles Express' Convenience revenue has grown by CAGR of 5% since Alliance formed in 2003¹
- 6 60 new sites in the Alliance since Viva Energy acquisition in 2014²



Growing alternative retail channels

Viva Energy Retail Agent model



Multi channel growth strategy

118 + 386 = 504

Viva/Associate Controlled/Operated Sites Independently Operated Sites Retail Sites Nationwide



Diversified commercial and specialty business

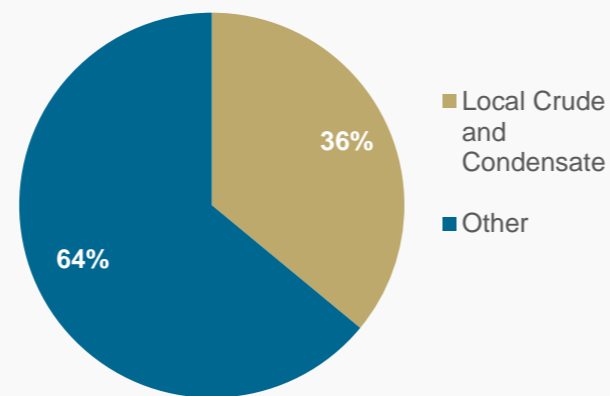
				
AVIATION	MARINE	RESOURCES	TRANSPORT	SPECIALTIES
<ul style="list-style-type: none"> - 37% market share of Australian aviation¹ - Nationwide aviation fuel infrastructure footprint - Presence at more than 50 airports across Australia 	<ul style="list-style-type: none"> - 48% market share of marine² - Only marine fuel oil supply terminal inside Sydney Harbour and in Port of Melbourne 	<ul style="list-style-type: none"> - Major distributor of fuel and lubricant products - Capability to supply remote, regional locations - Provide technical and operational services 	<ul style="list-style-type: none"> - Bulk diesel to an extensive blue-chip customer portfolio - Supply directly to customers' on-site refuelling facilities or directly into equipment - On-road refuelling via the extensive Shell Card network of service stations and truckstops 	<p>BITUMEN Only manufacturer of Bitumen in Australia at Geelong Refinery</p> <p>LUBRICANTS Sole distributor of Shell lubricants and greases in Australia³</p> <p>SOLVENTS Manufacturer of hydrocarbon solvents in Australia at Geelong Refinery</p>
				

Strategically positioned and profitable refinery

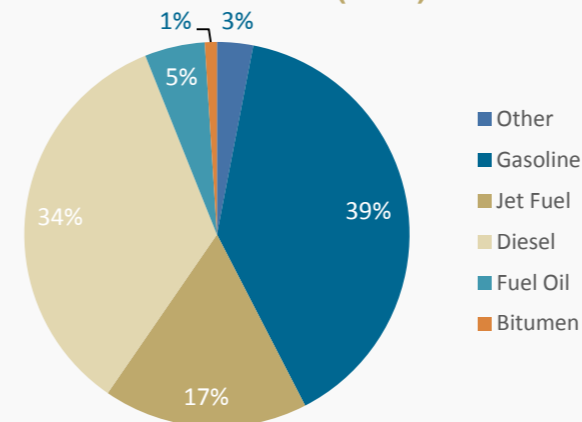
The Geelong Refinery is embedded into the Victorian supply chain

- 1 120 kbbls/d capacity
- 2 9.44 Nelson Complexity Index
- 3 Supplied the equivalent of approximately 50% of Victoria's demand in FY2017
- 4 Embedded into Victorian supply chain
- 5 Wide range of specialty products

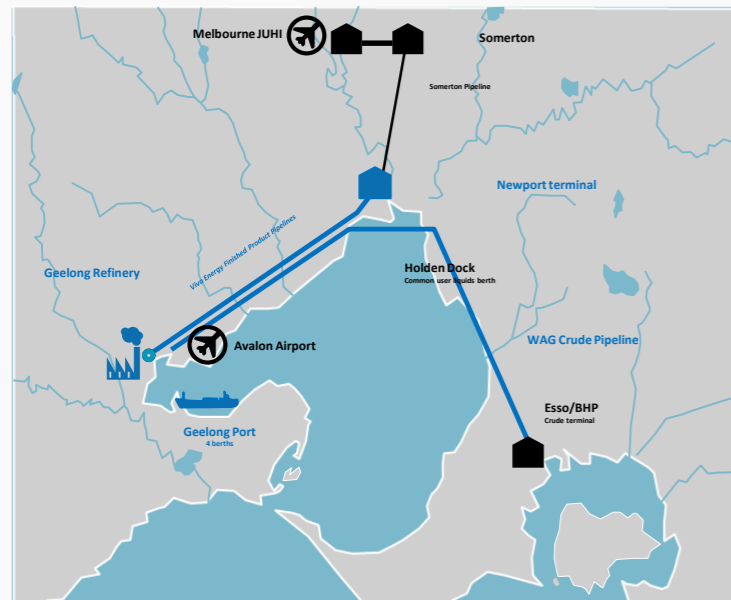
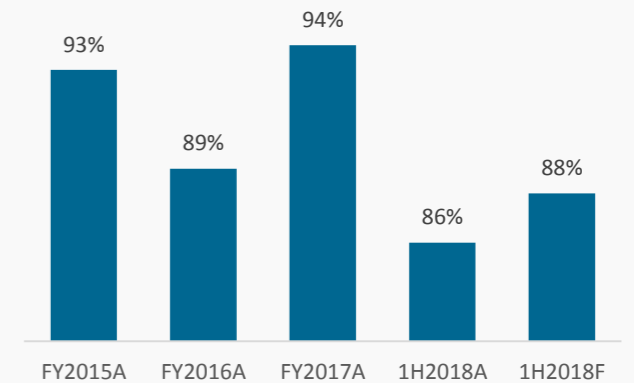
Flexibility of Crude Intake (2017)¹



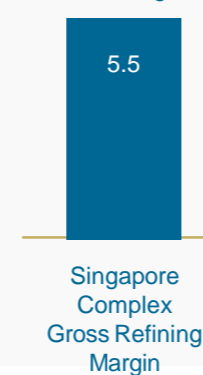
Production slate (2017)



Operational availability (%)



FY2015A-FY2017A Avg. Singapore FCC Margin²

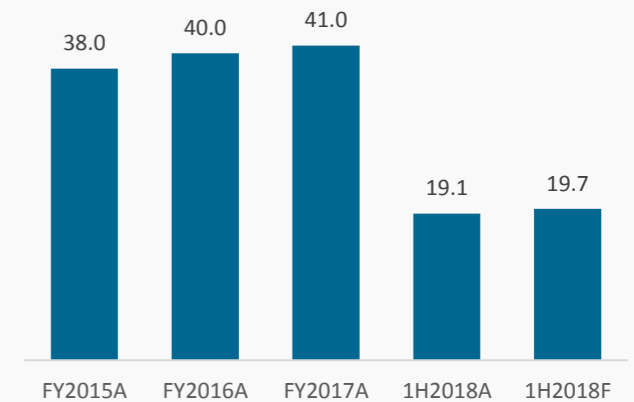


2015A-2017A average premium US\$3.50/bbl³

FY2015A-FY2017A Avg. Geelong Gross Refining Margin (incl. energy cost)



Refinery Intake (mmbbls)



(1) Local crude and condensate intake represents Geelong refinery actual crude intake sourced from Australia for the period 1 Jan 2017 to 31 Dec 2017
 (2) Singapore Fluid Cracking Catalytic Gross Refining Margin (Bloomberg ticker CUSGF CDF)
 (3) Average premium, after subtracting energy costs

Viva Energy procurement operation

Advantages

Viva Energy's procurement team, based in Singapore, Geelong and Melbourne is responsible for sourcing of crude and refined product

- Long-term security of supply of crude and products
- Competitive, cost effective and reliable crude and product supply
- Viva Energy maintains balance of locally sourced product and imported supply from Vitol
- Strategic and ongoing product supply relationship with Vitol to deliver certainty of supply from a global partner

Supply agreement

- Long term agreement between Viva Energy and Vitol leverages the scale of Vitol's extensive global trading and sourcing capabilities
- Supply of refined products and refinery feedstock (including crude and condensate)
- Market-based pricing
- No procurement fee payable for at least the first 5 years



1

One of the world's largest independent energy trading companies

2

Turnover of US\$181 billion in 2017

3

Traded over 7 million barrels of crude oil and refined products per day on average

4

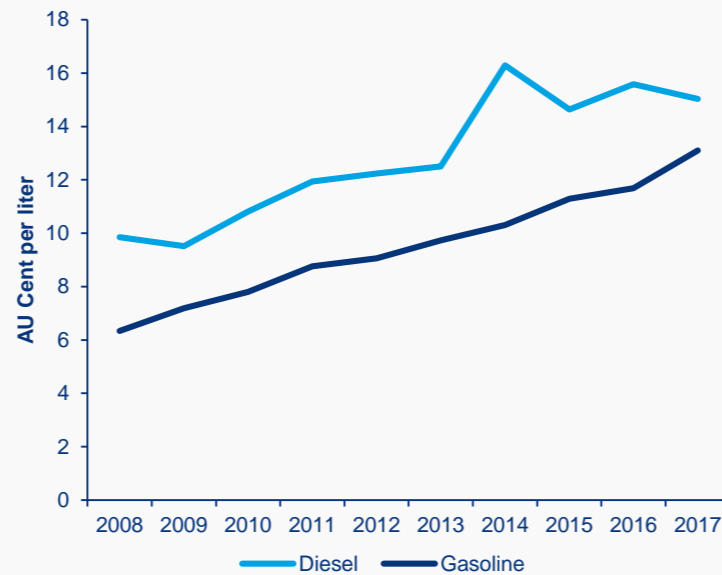
Vitol's trading represents approximately seven times Australia's total demand and approximately 7% of global trading

Industry Developments

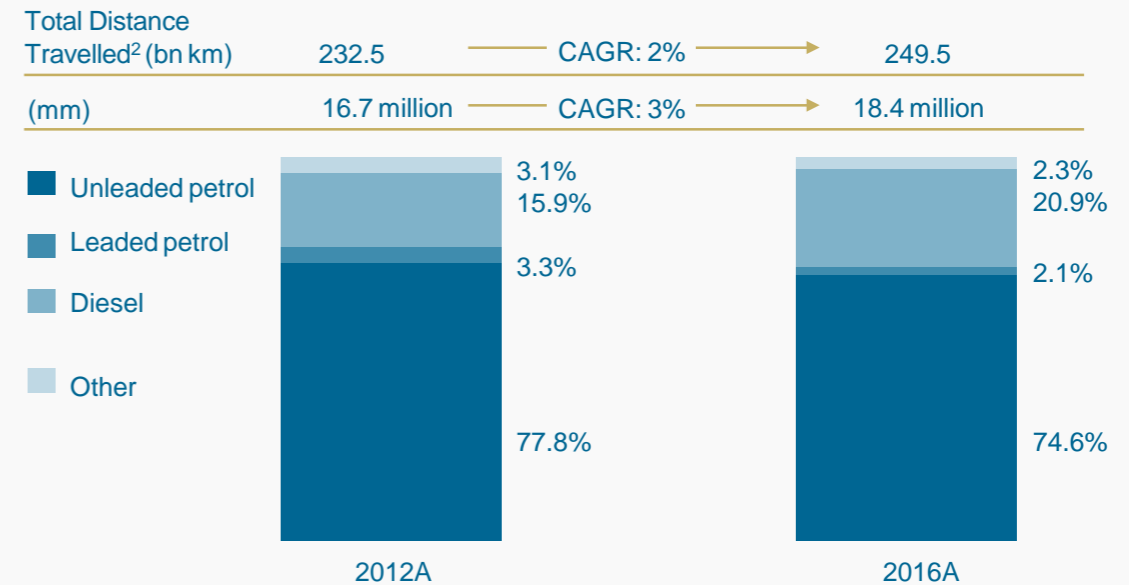
Evolving fuels and convenience market

- 1** Increased vehicle ownership has offset efficiency and impact of EVs
- 2** Retail margins remain strong
- 3** Growth in convenience sales providing a new source of income

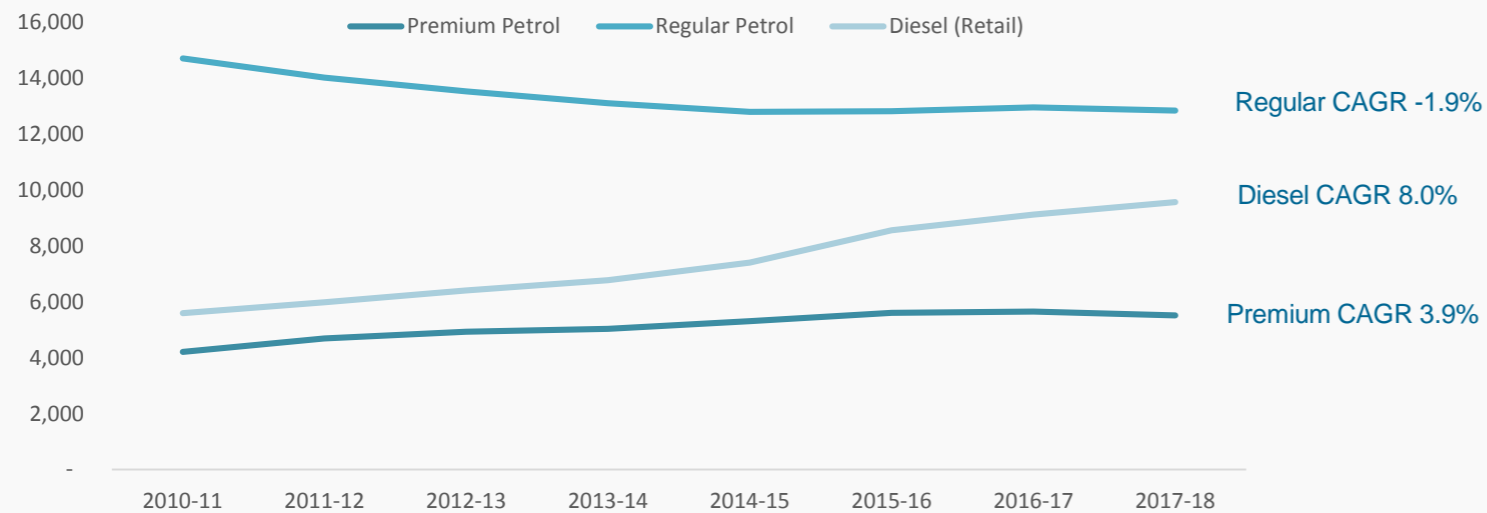
Industry retail gross margins³



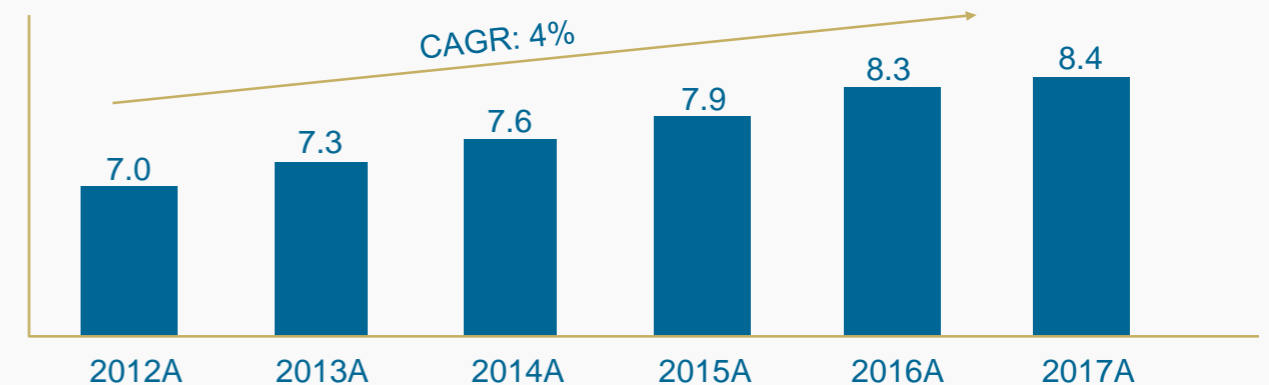
Australian Vehicles Registered by Fuel Type¹



Evolution of Retail Volumes⁵ (mL)



Australian Petrol Convenience Industry Size (\$bn)⁴



(1) Compound Annual Growth Rate (CAGR) and accompanying charts calculated on the basis of Estimated Motor Vehicles on Register of 16,741,644 as at January 2012 and 18,387,136 as at January 2016 according to ABS Motor Vehicle Census (9309.0)

(2) Compound Annual Growth Rate (CAGR) and accompanying charts calculated on the basis of Estimated Total Kilometres Travelled of 232,453 million as at June 2012 and 249,512 million as at June 2016 according to ABS Survey of Motor Vehicle Use (9208.0)

(3) Source: Wood Mackenzie

(4) The data represented in this chart is based on third party analysis, which analysis takes into account (among other things) information provided by certain retailers, projections in relation to the performance of certain other retailers, an industry survey conducted by a third party and other third party data

(5) Source: Australian Petroleum Statistics Issue 264, July 2018

Fuel specification changes

Marine fuel sulphur specification change

- Implementation 1st January 2020
- IMO approved changes requiring ships to use fuel oil with a sulphur content of no more than 0.5% m/m or alternatively install fuel oil scrubbers
- Objective to reduce sulphur oxide emissions

Potential impacts

- Depressed High Sulphur Fuel Oil refining margins (less than 5% of Geelong Refinery output from blended feedstock, flexibility in production)
- Potential for robust Jet and Diesel margins based on increased demand (key products produced at Geelong Refinery)
- Potential increase in sweet crude premia as a result of global shift from heavy high sulphur to light sweet crude
- Viva Energy is exploring diversification of crude supply to offset the potential increase in premia of light sweet crude
- Impacts will be influenced by compliance and enforceability

Petrol specification change

- Ministerial forum established in 2015 to coordinate Federal Government approach to reducing motor vehicle emissions
- Draft Regulation impact Statement relaxed in January 2018 outlines potential reduction in sulphur limit in gasoline to 10ppm¹
- Implementation dates considered range from 2022 to 2027
- As an industry Australian refiners will need to invest in additional desulphurisation

Positive

Potential for stronger Jet and Diesel margins

Negative

Potential for increased light sweet crude oil premia

1H2018 Business Update

Retail

Highlights

- Continued growth of retail presence through Viva Energy controlled, Liberty, and Westside sites
- Implementation of V-Power diesel continues, with strong penetration rates
- Continued expansion of Viva Retail Agent loyalty program with strong consumer take-up and redemption rates
- Coles Express rolling out food-to-go offer to 500+ stores by 1H19, further rollout of 'Click & Collect' and trialling fresh product offering¹
- Leveraging Shell V-Power Race Team sponsorship with targeted digital promotions

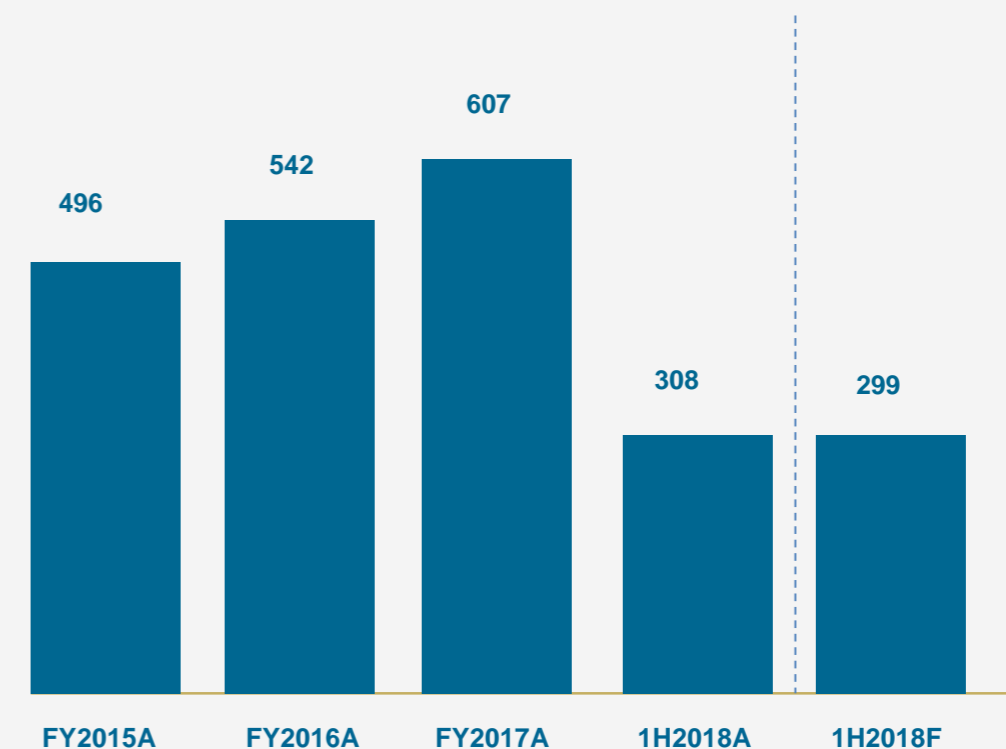


Acquisition of 50% completed in August 2018

- 53 sites with 4 new sites opened in CY18, and strong growth in fuel volumes
- 11 Company operated sites now trading
- The majority of fuel supply is now transitioned to Viva Energy supply
- Strong growth pipeline with 8 new sites expected to trade by Dec 2019
- Site locations in regional areas and a diversification of brand complimentary to Viva Energy's existing fuel network
- Growth plan in place with Viva Energy granted a call option to acquire the remaining 50% of Westside

Retail Underlying EBITDA (RC) \$m

Period on period growth	9%	12%
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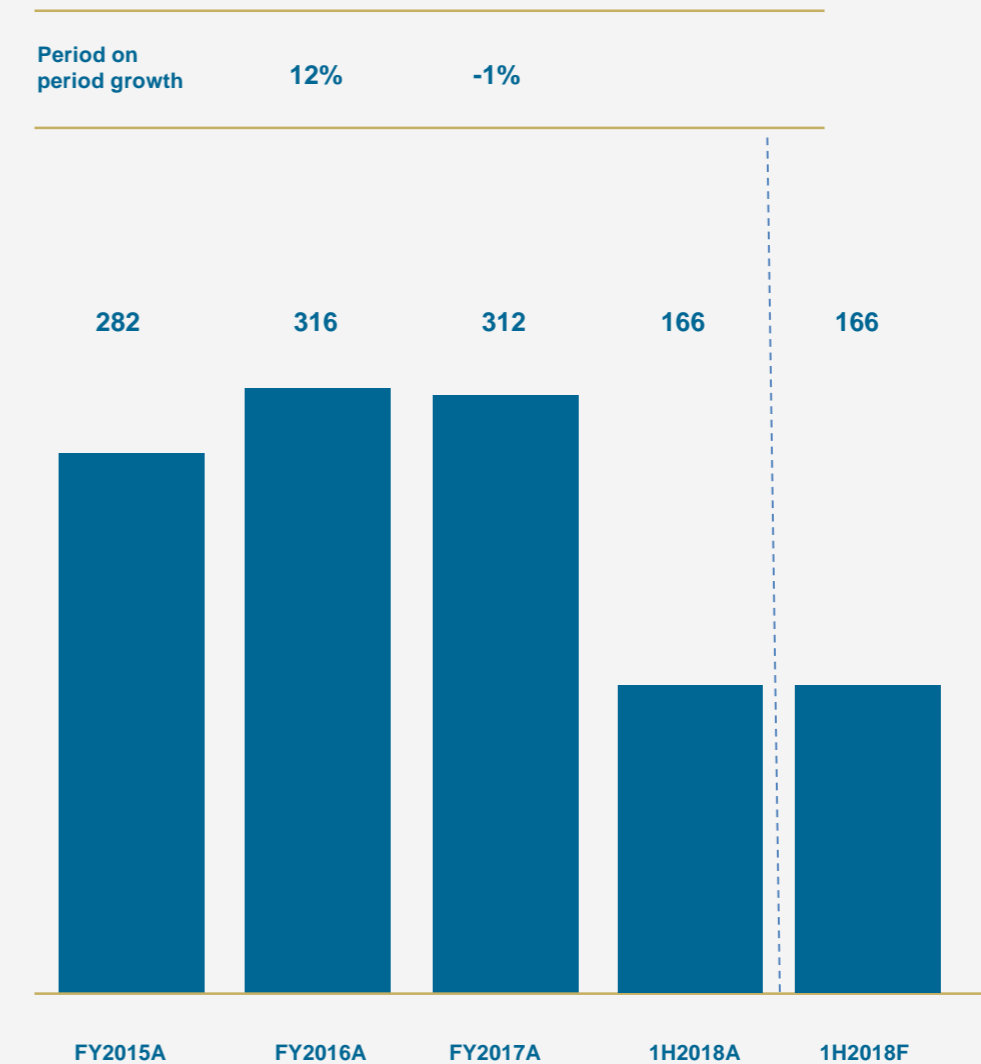


Commercial

Highlights

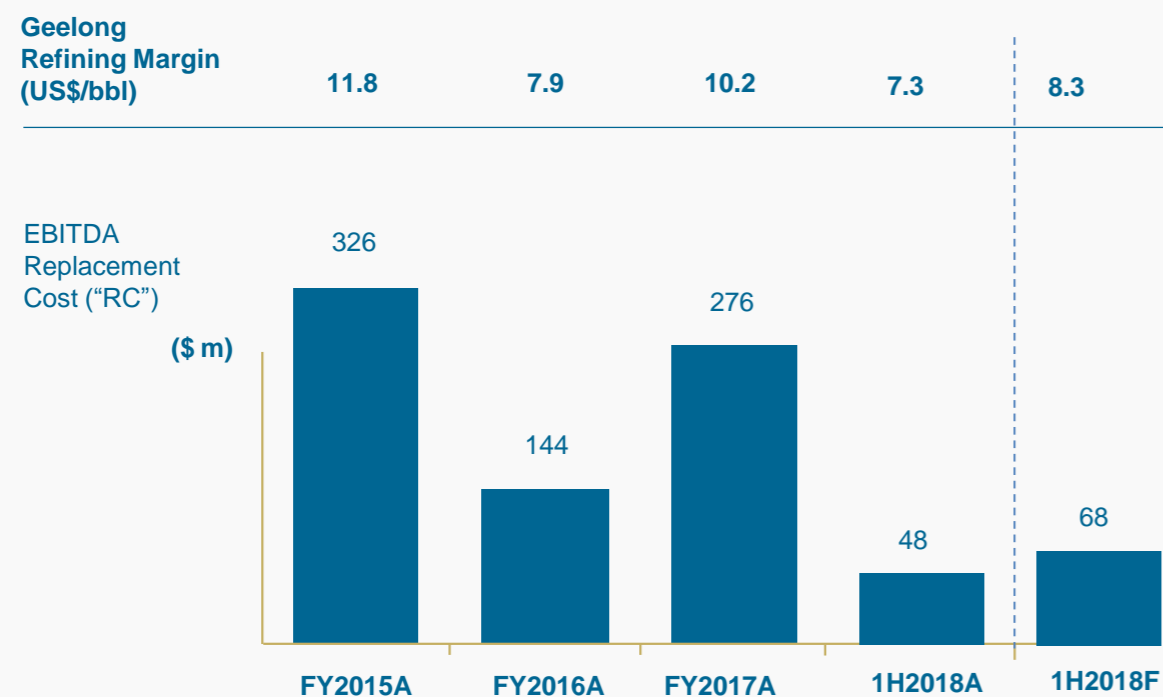
- Sales volumes remain robust
- Commissioned new Jet tank to grow Cairns Jet market position
- Commissioned new bitumen import facility in Townsville to support business in North Queensland
- Expanding Diesel storage at Esperance and Kalgoorlie to support growth in Goldfields
- Constructing additional Jet storage at Newport to support growing Melbourne market
- Completed the transition of Shell aviation branding to Viva Energy following the 2017 acquisition
- Established agreement to provide access to Vitol Aviation international network

Commercial Underlying EBITDA (RC) \$m



Refining

Refining Underlying EBITDA (RC)



Highlights

- 1H18 refinery performance was impacted by lower regional refining margins and severe weather event causing RCCU outage
- Geelong Refining Margin for 1H18 was US\$7.3/BBL compared with Prospectus forecast US\$8.3/BBL
- Unplanned downtime in August due to power outage impacted refining margins in 3Q18, along with further weakness in regional refining margins
- Increased process safety, energy efficiency and production together with reduction in maintenance costs following an upgrade of our CDU3 furnace in 1H18
- Successful crude oil lightening trial in August, adding further efficiency to feedstock supply logistics on top of new Crude Oil Tank and application of Dynamic Under Keel Clearance technology

Refining performance YTD

	1H2018	Jul 2018	Aug 2018	Sep 2018	2H2018F
Geelong Refining Margin (US\$/bbl)	7.3	8.6	11.1	8.1	10.1
Refinery Intake (mmbbls)	19.1	3.5	3.1	3.6	22.5

Operating Metrics

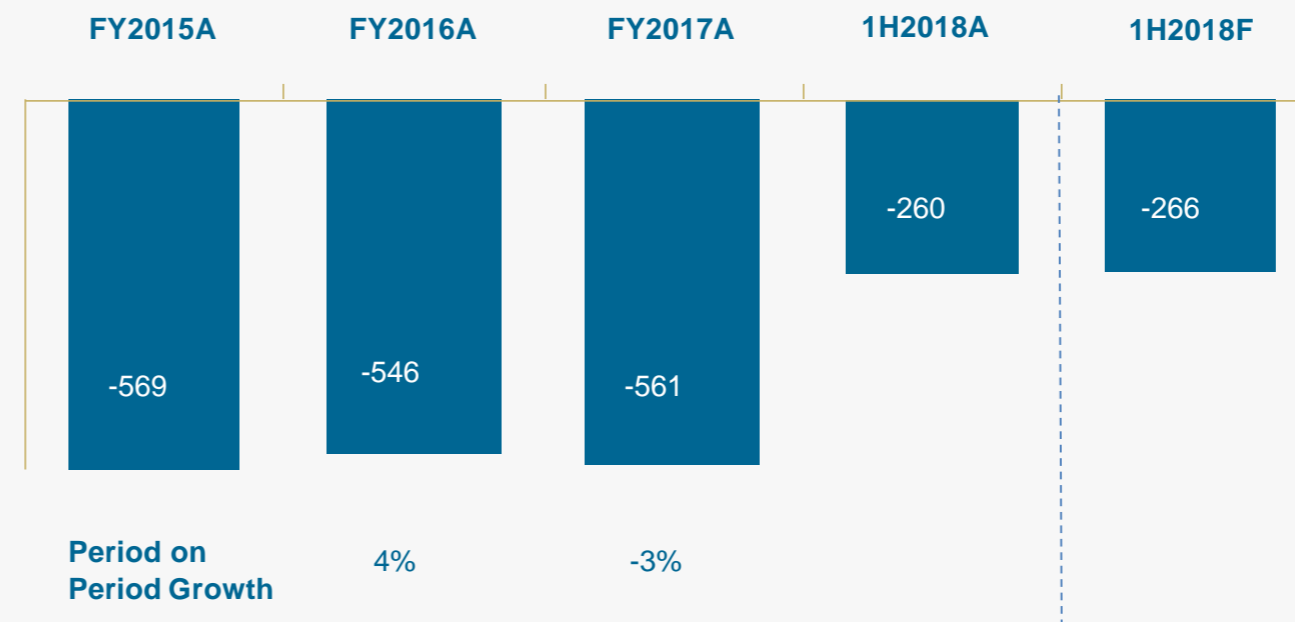
	FY2015	FY2016	FY2017	1H2018F	1H2018A
Operational Availability (%)	93%	89%	94%	88%	86%
Refinery Intake (mmbbls)	38	40	41	19.7	19.1

Supply Chain, Corporate and Overheads

Corporate and Overheads

- Head office and overhead cost savings
- Insurance cost savings as a result of annual renewal and re-tendering
- Lower than expected property maintenance costs
- Transition from legacy SAP to Oracle JDE ERP platform with further corporate overhead efficiencies expected

Supply Chain, Corporate and Overheads Underlying EBITDA (RC) \$m



Proforma group financials

Underlying EBITDA \$m

Net Profit After Tax \$m

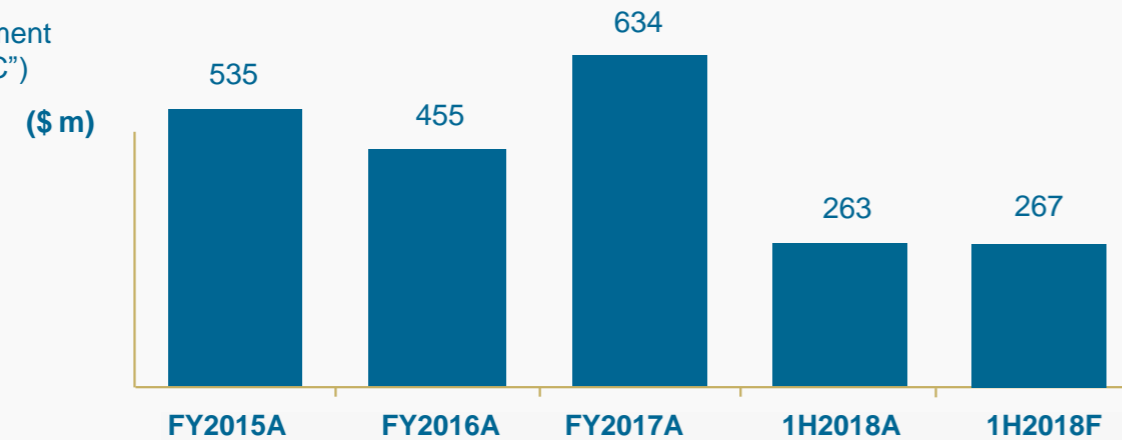
Historical Cost ("HC")

483 394 626 284 246

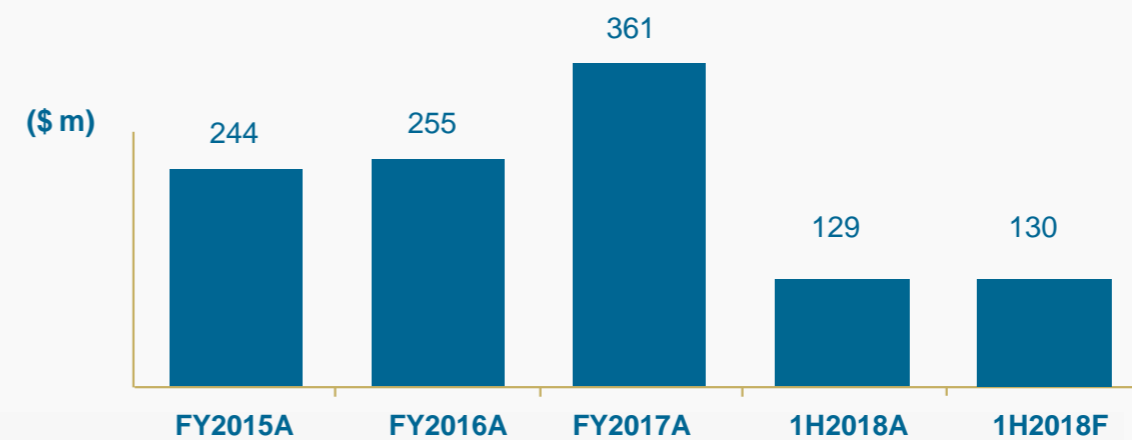
207 212 355 144 115

Replacement Cost ("RC")

(\$m)



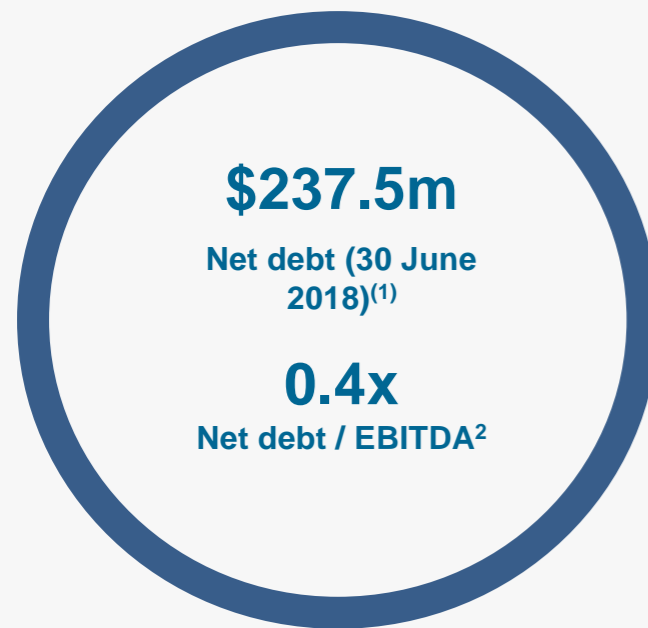
(\$m)



Balance sheet and capital allocation

Strong balance sheet provides financial flexibility

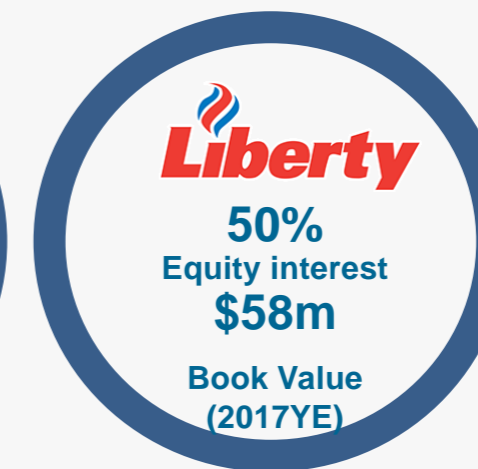
Balance sheet



Dividend policy³



Investments (equity accounted)



(1) \$237.5m net debt relates to working capital facilities. Viva Energy has no structural long term debt.

(2) Calculated as \$237.5m 1H2018 net debt divided by FY2018E pro forma underlying EBITDA (RC) of \$605.1m.

(3) Viva Energy expects to pay a dividend for 2H2018, expected to be paid in April 2019. Dividends are expected to be fully franked. The payment of any dividend is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and the financial condition of the Company (including financing, capital and tax matters), and any contractual or regulatory restrictions on the payments of dividends, and any other factors the Directors may consider relevant. See section 4.10 of the Prospectus for further information.

(4) Based on VVR.ASX security price of \$2.21 on 7 November 2018.

Key priorities

1

Continue to extend company controlled network to fill network gaps (mix of operating platforms) and increase exposure to convenience retailing

2

Complete rollout of V-Power Diesel and build leading position in premium fuels

3

Consider opportunities for bolt-on acquisitions which are value accretive and strategically aligned

4

Sustained Refinery production at name-plate capacity

5

Drive further cost and operating efficiencies including from new ERP platform

6

Strong capital expenditure discipline to maximise cash flow and shareholder returns

Appendix

Executive Leadership Team



Scott Wyatt
Chief Executive Officer



Jevan Bouzo
Chief Financial Officer



Daniel Ridgway
General Manager, Retail
Chief Operating Officer (from January 2019)



Thys Heyns
General Manager,
Geelong Refinery



Denis Urtizberea
General Manager,
Commercial



Jodie Haydon
General Manager,
Human Resources



Lachlan Pfeiffer
Group General Counsel
and Company Secretary



Megan Foster
General Manager, Retail
(from January 2019)

Board of Directors



Robert Hill
Chairman

Independent
Non-executive
Director



Arnoud De Meyer

Independent
Non-executive
Director



Jane McAloon

Independent
Non-executive
Director



Sarah Ryan

Independent
Non-executive
Director



Dat Duong
Non-Executive
Director

Head of Asia Pacific
Investments, Vitol



Hui Meng Kho
Non-Executive
Director

President & CEO,
Vitol Asia Pte Ltd



Scott Wyatt
Chief Executive Officer

Viva Energy Australia

Audit and Risk Committee

Financial reporting and internal
audit

Chaired by **Sarah Ryan**

HSSEC Committee

HSSEC and sustainability
management

Chaired by **Jane McAloon**

Remuneration and Nomination Committee

Remuneration planning and framework aligned with
shareholders, board succession and director development

Chaired by **Robert Hill**

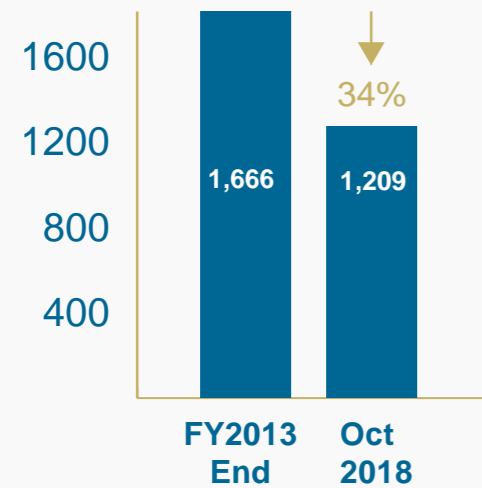
Investment Committee

Supports the Board regarding capital deployment and
investments of
significance for the Group

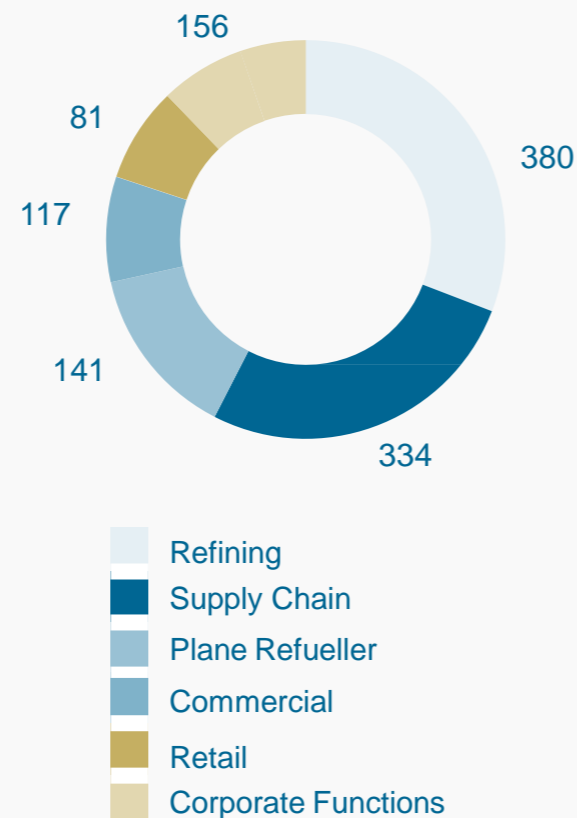
Chaired by **Arnoud De Meyer**

Our people and our culture

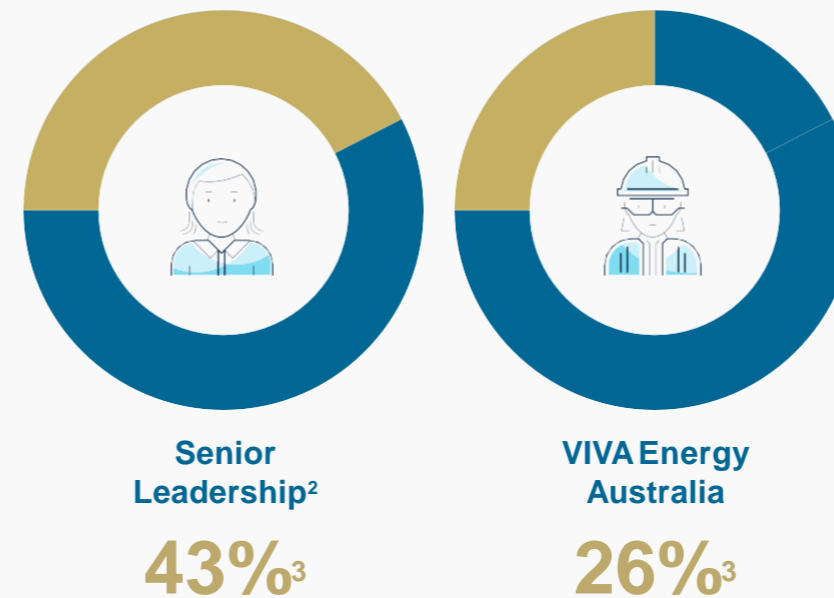
Number of Full Time Employees¹



Employee Split by Business Units



Gender Diversity



The Viva Energy Culture

Centered on a high performance culture of being “driven by people”

Attract and retain a diverse range of employees with the right skills for each role, providing career development opportunities

Attract employees who enjoy purposeful work, are challenged to grow, and feel valued by and connected to the Company

Refinery – margin analysis and key drivers

	Metric	FY2015A	FY2016A	FY2017A	3 Year Avg.
A: AUD/USD	FX	0.75	0.74	0.77	0.75
B: Crude and feedstock intake	mmbbls	37.8	39.9	40.8	39.4
C: Refining Margin	US\$/bbl	11.8	7.9	10.2	10.0
D: Refining Margin = C / A	A\$/bbl	15.8	10.6	13.3	13.2
E: Refining Margin = B x D	A\$ million	595.4	424.2	542.1	520.6
F: Less: Energy costs	A\$/bbl	-1.3	-1.2	-1.4	-1.3
G: Less: Energy costs = B x F	A\$ million	-48.1	-48.2	-57.6	-51.3
H: Less: Operating costs (excl. energy costs)	A\$/bbl	-5.9	-5.8	-5.1	-5.6
I: Less: Operating costs (excl. energy costs) = B x H	A\$ million	-221.3	-232.4	-208.4	-220.7
Refining Underlying EBITDA (RC)	A\$/bbl	8.7	3.6	6.8	6.3
Refining Underlying EBITDA (RC)	A\$ million	325.9	143.6	276.1	248.6
Underlying EBITDA (RC) = B x (D - F - H)					
FY2017A Underlying EBITDA (RC) = 40.8 mmbbls x (A\$13.3/bbl – A\$1.4/bbl – A\$5.1/bbl) = A\$276 mm					

EBITDA (HC, RC and Underlying)

Historical Cost (“HC”)

Calculated in accordance with IFRS

Cost of goods sold at the actual prices paid by the business using a first in, first out accounting methodology

Includes gains and losses resulting from timing differences between purchases and sales and the oil and product prices

Replacement Cost (“RC”)

Non-IFRS measure

Cost of goods sold on the basis of theoretical new purchases of inventory

Removes the effect of timing differences and the impact of movements in the oil price

“Net inventory gain/(loss)”

Represents the difference between the historical cost basis and the replacement cost basis

Underlying EBITDA

Profit before interest, tax, depreciation and amortisation adjusted to remove the impact of the following additional non-cash items:

- lease straight-lining expense;
share of net profit of associates;
- gains or losses on the disposal of property, plant and equipment;
and
- gains or losses on derivatives and foreign exchange
(both realised and unrealised)

Important notice and disclaimer

This presentation has been prepared by Viva Energy Group Limited, ACN 626 661 032 (“**Viva Energy**”). The financial information presented is based on the half-year financial report of Viva Energy Holding Pty Ltd (“**VEH**”), and not Viva Energy itself. The financial report of VEH is a special purpose financial report that is not required by the Australian Securities

and Investments Commission (**ASIC**), is a non-IFRS compliant financial report and does not include comparative information or all the notes normally included in a half-year financial report. The half-year financial report has been requested by the Australian Securities Exchange (**ASX**) for the purpose of

providing the intended users a trading update of the Viva Energy group.

In July 2018 the group was part of an initial public offering and listing on the ASX (the “**IPO**”). As part of that process

VEH was (in July 2018) acquired by a newly formed public company, Viva Energy, being the holding company now listed on the ASX and which is releasing this information.

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