

17 April 2024

1Q2024 Operating Update

Viva Energy Group Limited today provides an operating update for the three months ended 31 March 2024 (1Q2024).

		1Q2024	1Q2023	Change	
				(%)	(#)
Convenience & Mobility Fuel Volumes	ML	1,110	1,135	(2.2)	(25)
Commercial & Industrial Fuel Volumes	ML	2,954	2,645	11.7	309
Total Group Sales Volumes	ML	4,064	3,780	7.5	284
Coles Express/Reddy Express Stores	#	681	706	(3.5)	(25)
Convenience Sales ¹	\$M	259	271	(4.4)	(12)
Convenience Gross Margin ²	%	35.6	35.1	1.4	0.5
Geelong Refining Margin ³	(US\$/BBL)	12.0	14.7	(18.4)	(2.7)
Refining intake	MBBL ⁴	10.2	10.1	1.0	0.1

The table above excludes the contribution from OTR Group (acquired on 28 March 2024).

Convenience sales and gross margin were under Coles Group (COL) ownership prior to 1 May 2023.

Viva Energy delivered a strong performance in 1Q2024 with Group sales volumes up 7.5% on the same period last year, the Geelong Refinery operating at near capacity and continued progress on our strategic agenda with the acquisition of OTR Group completing on 28 March 2024.

Commercial & Industrial (C&I) maintained momentum, delivering another record quarterly sales performance. Sales volumes increased by 11.7% over the same quarter last year, supported by strong demand across most sectors, particularly Aviation, Resources, and Agriculture, and new business secured in 2023 (e.g. the Australian Defence Force). The acquisition of the OTR Wholesale business provides a platform for further growth through 2024.

The Convenience & Mobility (C&M) business also performed well in the face of adverse weather conditions in some markets and general cost-of-living pressures impacting market demand. Lower fuel and shop sales volumes compared to 1Q2023 reflected timing impacts from the store exchange with Chevron (25 divested in February and 13 to be received in April) and Easter falling in March (versus April in 2023). Adjusting for these one-off impacts, fuel sales volumes were broadly in line with 1Q2023. Convenience sales were also impacted by lower tobacco sales (down 17%) but offset by growth from other convenience categories which lifted the gross margin to 35.6%. The acquisition of OTR Convenience provides a platform to further grow convenience sales as this proven offer is extended to the Coles Express/Reddy Express network.

Energy & Infrastructure (E&I) benefited from a period of strong production (crude intake of 10.2 MBBL, 98% unit availability) and supportive regional refining margins, with the GRM averaging US\$12.0/BBL for the quarter. There are no major maintenance events planned for FY2024.

Notes

1. C-store sales aligned with Coles Group (COL) reporting, which is based on number of trading weeks in the period (ending 24 March 2024).
2. Gross margin post waste and shrinkage.
3. 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.

4. MBBL: million barrels of oil.

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

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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 nearly 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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