12 July 2022

2Q2022 operational update and 1H2022 unaudited financial result

Viva Energy Group Limited (the **Company**) today provides an operational update for the three months ended 30 June 2022 (**2Q2022**) as well as unaudited financial result for the half year ended 30 June 2022 (**1H2022**).

		1H2022	2Q2022	1Q2022	1H2021	1H2021 v 1H2022 Change
Retail Fuel Volumes	*ML[1]*	2,188	1,103	1,085	2,175	0.6%
Commercial Volumes	*ML*	4,634	2,431	2,203	4,312	7.5%
Total Group Sales Volumes	*ML*	**6,822**	**3,534**	**3,288**	**6,487**	5.2%
Weekly Alliance[2] Fuel Sales	*ML per week*	56.2	56.7	55.6	58.5	-3.9%
Geelong Refining Margin[3]	*(US$/BBL)*	19.1	30.8	8.3	6.6	*189%*
Refining intake	*MBBL[4]*	21.5	11.0	10.5	21.4	*0.5%*

Total group sales volumes in 1H2022 were up 5.2% on the same period last year, driven predominantly by strong diesel sales which exceed pre-pandemic levels. Although Retail sales volumes were impacted by reduced mobility, higher pump prices (driven by high product costs), and adverse weather events in New South Wales and Queensland, total sales volumes are up on prior year supported by continued growth in our regionally-focused Liberty Convenience and Dealer Owned channels.

Strong global demand for refined products, especially diesel, coupled with tightening supply as a result of refinery closures, reduced exports from China and the broader impact of sanctions on the purchase of Russian oil, continued to drive stronger global refining margins through 2Q2022. The Geelong Refinery delivered a strong operational performance, producing at near full capacity in 1H2022. Actual Geelong Refining Margin (GRM) achieved in 2Q2022 was US$30.8/BBL, which is a significant increase on the GRM of US$8.3/BBL reported for the quarter ended 31 March 2022 (**1Q2022**).

Unaudited Underlying Group EBITDA (RC[5]) for 1H2022 is expected to be approximately $614M, an increase of 140% on the same period last year. This improvement is predominantly driven by a stronger refining performance and continued recovery in commercial segments which were most impacted by the pandemic, with Retail performance negatively impacted due to the effect of rising product costs on retail margins.

Scott Wyatt, CEO and Managing Director, said “Viva Energy has delivered an exceptional first half result in the face of ongoing impacts from the pandemic and significant volatility in global energy markets driven by the war in Ukraine. I am pleased with the way we have maintained reliable supply during a period of significant disruption to traditional supply chains, and to see some robust recovery in segments which were most impacted by the pandemic. After a period of significant losses during the pandemic, it is especially pleasing to see our refining business now delivering strong results and playing a key role in meeting the country’s energy security needs.

While the Company has delivered a particularly strong performance for 1H2022, markets remain volatile and uncertain, with higher energy and operating costs, rising crude and product premia, and increases in fuel excise providing potential headwinds. We look forward to providing a further update on trading conditions when we release our half year results later in August 2022."

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

Notes:

1. ML: millions of litres
2. Retail service station network operated by Coles Express.
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 referrable 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
5. Viva Energy reports its 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 the historical cost of inventory. As a result, it removes the effect of timing differences and management believes it enables users of the financial information to more clearly observe the operating performance of the business independently of the impact of movements in the oil price. To further assist with the assessment of the underlying performance of the business, Replacement Cost measures include lease expense and exclude lease interest and right of use amortisation. Financial measures based on replacement costs and inclusive of lease expense are identified by the use of the suffix "RC".

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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 1,340 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 over 50 airports and airfields across the country.

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