VIVA Energy Australia

ASX Release

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1Q2025 Operating Update

Viva Energy Group Limited (the **Company**) today provides an operating update for the three months ended 31 March 2025 (**1Q2025**).

Viva Energy remains on track to deliver EBITDA (RC)[1] in line with guidance of between $270 million and $330 million in 1H2025 across its non-refining businesses, Convenience & Mobility (**C&M**) and Commercial & Industrial (**C&I**) combined.[2]

Earnings in 2H2025 are expected to benefit from the implementation of approximately $80 million of previously announced synergies and cost reduction initiatives. In addition, the acquisition of the remaining 50% interest of Liberty Convenience (**LOC**) was completed on 31 March 2025. We expect LOC to contribute between $20 million and $25 million to C&M EBITDA (RC) in FY2025.[3]

		1Q2025	1Q2024*	Change (%)	Change (#)
Convenience & Mobility Fuel Volumes	*ML*	1,293	1,294	(0.1)	(1)
Commercial & Industrial Fuel Volumes	*ML*	2,821	3,001	(6.0)	(180)
Total Group Sales Volumes	*ML*	**4,114**	**4,295**	**(4.2)**	**(181)**
Core Fuel & Convenience Network[4]	*#*	982	979	0.3	3
Convenience Sales[5]	*$M*	428	461	(7.2)	(33)
Convenience Gross Margin[6]	*%*	38.2	38.1	0.3	0.1
Geelong Refining Margin[7]	*(US$/BBL)*	7.9	12.0	(34.2)	(4.1)
Refining intake	*MBBL*[8]	9.6	10.2	(5.9)	(0.6)

*** Viva Energy acquired OTR Group on 28 Mar 2024. To allow a like-for-like comparison, the prior corresponding period has been restated such that fuel volumes and convenience sales include pro forma OTR Group contributions.**

- C&M quarterly fuel sales grew 1.1% versus the same time last year across the company-controlled channels (Express and OTR), with retail fuel margins strengthening in March. Convenience sales excluding tobacco grew 0.5% in 1Q2025, with average gross margin of 38.2% broadly in line with 1Q2024.
- C&I sales declined 6.0% due to adverse weather events affecting key mining markets and reduced sales into lower margin wholesale markets. Lower sales were largely offset by margin growth across most segments.
- Geelong Refining Margin (**GRM**) of US$7.9/BBL was marginally above break-even levels, impacted by the site-wide shutdown in January due to a power outage and higher energy costs through the period.
- The upgrade to Ultra Low Sulphur Gasoline (ULSG) at Geelong Refinery is proceeding on schedule, with the Company transitioning to ULSG supply from August 2025 to ensure compliance at retail sites by 15 December 2025.

C&M synergies (update)

The Company is on track to realise $30 million of C&M synergies in 2H2025 ($60 million annualised run-rate at year-end). Key progress in 1Q2025 included:

- Rebranded the OTR network from BP to Shell and exited the BP supply arrangement. This reduces the cost of supply across the OTR/Shell branded network by approximately $20 million per annum ($10 million in 2H2025).
- Established systems and capability to exit the Coles Transitional Services Agreement by the end of April 2025, driving net savings (after cost of new systems) of $1.7 million per month from May ($10 million in 2H2025; $20 million in FY2026).
- Accelerated consolidation of OTR and Express operations under a unified business, which is expected to reduce above-store costs by approximately $20 million per annum ($10 million in 2H2025).

These and other synergies are expected to deliver $90 million-plus of annualised earnings uplift by end-FY2026.

Group-wide cost reduction program (update)

Various programs to reduce overhead and operating costs by $50 million in FY2025 (primarily in the second half) are underway and progressing well, with key focus in the following areas:

- Reduction of discretionary spend and deferment of non-essential spend across all parts of the business.
- Reductions in convenience store operating costs (labour hours, repairs and maintenance).
- Rationalisation of Group corporate support functions and contracts to reflect new business operating model (C&M has independent functional capability).

As some costs are re-introduced into the business to support expected sales growth from FY2026, we expect this program to reach a sustainable run-rate of approximately $50 million per annum (i.e. approximately half of the program delivered in FY2025 is sustainable).

C&M network (update)

C&M is on track to open between 40 and 60 OTR format stores during FY2025 through a mix of store conversions and new store openings:

- Approximately 10 conversions will commence during 2Q2025. Most conversions in FY2025 are remodels (within the existing roofline) and concentrated in New South Wales which will help drive efficiencies in supply chain and marketing campaigns. We anticipate average capex of $1.5 million per store that will be funded by Viva Energy, within existing capex guidance for FY2025.
- Viva Energy has reached an agreement with Dexus Convenience Retail REIT to convert the Express north-bound store in Glasshouse Mountains, Queensland, to the OTR format. Located on one of Australia's busiest highways between Brisbane and the Sunshine Coast, the site was closed in February 2025 for a knockdown-rebuild (building works to be fully funded by the landlord) and is set to reopen in December 2025. We are in discussions with Dexus to convert the south-bound store.
- Negotiations with other landlords for funding arrangements remain focused on opportunities from FY2026 onwards, as the conversion program expands to completing ~100 site conversions per annum. The wide range of landlords in our network provides flexibility in how we prioritise funding arrangements for our conversion program.

Impact from US tariffs

The imposition of US tariffs is evolving and will continue to be monitored. The potential immediate and expected impacts are as follows:

- Oil price movements typically have no net cash impact through the cycle, as net inventory gains/losses are offset by working capital draws/releases.
- Falling oil prices typically support retail margins in the short term as board prices lag the fall in product prices. Lower oil prices tend to stimulate consumer demand for fuel and, through higher foot traffic, also support increased demand for convenience items.
- A weaker AUD/USD exchange rate on a net basis is supportive for Viva Energy Group earnings, given our exposure to US-based refining margins. The Fuel Security Services Payment (**FSSP**) provides for direct financial support should regional margins fall below A$10.20/BBL[9] across a calendar quarter.
- Viva Energy has limited exposure to C&I customers that are directly dependent on US markets for exports. Any impact on demand from C&I customers is therefore likely to be a secondary impact from broader economic impacts of US tariffs, and responses from other countries.

Notes

1. 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.
2. Before corporate costs.
3. Liberty Convenience (LOC) was historically reported as an associate share of net income.
4. Comprises 676 Express, 214 OTR Group and 92 Liberty Convenience (LOC) fuel and convenience stores as at 31 March 2025. Does not include OTR's 30 standalone stores and Smokemart and Giftbox (SMGB) stores.
5. Convenience sales from the Express and OTR networks, including quick-service restaurant (QSR) sales. Does not include SMGB sales.
6. Convenience gross margin post waste and shrinkage.
7. 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.
8. MBBL: million barrels of oil.
9. Fuel Security Services Payment (FSSP) is payable when the Margin Marker falls below A$10.20/bbl over a calendar quarter. Support escalates in a linear fashion from 0 cents per litre (cpl) to 1.8 cpl (or A$0.0/bbl to A$2.90/bbl) until the support caps at the Margin Marker level of A$7.30/bbl. Geelong breakeven margin is effectively reduced by A1.8cpl or A$2.90/BBL.

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

Viva Energy Group Limited
Level 16, 720 Bourke Street, Docklands, Victoria, 3008
ABN 74 626 661 032

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 retail convenience and fuel network of almost 900 stores across Australia and supplies fuels and lubricants to a total network of nearly 1,500 service stations.

Viva Energy owns and operates the Geelong Refinery in Victoria, and operates bulk fuels, aviation, bitumen, marine, chemicals, polymers and lubricants businesses supported by more than 20 terminals and 79 airports and airfields across the country.

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