ASX/NZX Release

25 October 2022

UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS TO 30 SEPTEMBER 2022

Key points

- On track to deliver record Full Year earnings with year to date 30 September 2022 Group RCOP EBIT[1] of over $1.0 billion, including third quarter RCOP EBIT of $272.3 million
- Third quarter Lytton Refiner Margin (LRM)[2] remained above historical averages at US$15.46/bbl, compared to US$6.76/bbl for the same time last year. Lytton total production for the quarter was 1,546 million litres
- Strong third quarter financial performance from Convenience Retail and Z Energy as demand recovered and fuel prices eased
- Australian quarterly sales volume grew by 20 per cent compared to the prior corresponding period to 3,661 million litres, the highest level since the start of the pandemic as growth was seen across all channels, including more than 22 per cent growth in Australian wholesale. Total Group sales volume for the quarter was 5,615 million litres

	Year to date ending 30 September^			
Financial Results	**2022 Group ($M)**	**2022 Continuing[3] ($M)**	**Restated Group 2021 ($M)**	**Restated Continuing 2021 ($M)**
Group RCOP EBITDA[4]	**1,310.6**	**1,252.1**	**686.7**	**622.7**
Depreciation and Amortisation	(304.2)	(293.2)	(279.4)	(265.5)
Lytton EBIT	*587.7*	*587.7*	*70.8*	*70.8*
Fuels and Infrastructure (Ex Lytton and Future Energy) EBIT	*164.7*	*117.2*	*189.7*	*139.6*
Future Energy EBIT	*(21.7)*	*(21.7)*	*(3.5)*	*(3.5)*
Fuels and Infrastructure EBIT	730.7	683.2	257.0	206.9
Convenience Retail EBIT	235.8	235.8	182.3	182.3
Z Energy EBIT^^	83.0	83.0	-	-
Corporate EBIT	(43.1)	(43.1)	(32.0)	(32.0)
Group RCOP EBIT (Excl significant items)	**1,006.4**	**958.9**	**407.4**	**357.2**
Interest	(116.2)	(111.3)	(76.9)	(71.4)
Non-controlling interest	(33.9)	(33.9)	(27.8)	(27.8)
Tax	(282.8)	(271.7)	(81.8)	(63.0)
RCOP NPAT[5] (Attributable to Parent) – Excl significant items	**573.5**	**542.0**	**221.0**	**195.0**
Inventory Gain/(Loss) after tax (incl. externalities realised FX)	121.2	122.0	190.2	193.2
Significant Items Gain/(Loss) after tax	(27.1)	(64.0)	(25.4)	(25.4)
Statutory NPAT (Attributable to Parent) – Historical Cost Operating Profit (HCOP)	**667.5**	**600.0**	**385.8**	**362.9**

Notes: ^ Adjusted for rounding. The FY 2021 year to date RCOP results under the new methodology exclude Externalities foreign exchange gains of $33.9 million (before tax) and $23.7 million (after tax). ^^ Z Energy EBIT converted to Australian Dollars and includes preliminary Purchase Price Accounting adjustments. In particular, the valuation of intangible assets acquired as part of the transaction will only be completed in Q4 2022 and amortisation for the year ending 31 December 2022 will be reflected in the income statement at that time.

Ampol Limited (ASX/NZX:ALD) today provides unaudited financial results for the nine months[6] to 30 September 2022.

CEO Comments

Matt Halliday, Managing Director and CEO, said: “Since the end of June we have seen crude oil and product prices ease, and fuel demand in Australia and New Zealand continued to recover quarter on quarter. Volatility has continued to be a feature of global markets as the competing forces of fears of a weaker economic outlook, increasing mobility and geopolitical tensions continue to swing market sentiment.

“In this environment Ampol has delivered another quarter of strong volume, financial and operational performance, reinforcing the resilience of our integrated value chain and business model. We continue to execute on our strategic priorities, making good progress on plans to build the leading EV charging network in Australia and to grow our non-fuel earnings.”

Fuels and Infrastructure (F&I)

Year to date Fuels and Infrastructure RCOP EBIT grew to $730.7 million, up 184 per cent on the same time last year, including $113.9 million for the third quarter. Overall, across the integrated supply chain the volatile macro conditions have driven F&I's earnings higher compared to the same time last year. Lytton was the major contributor to the improved performance, offsetting the fall in F&I (Ex-Lytton) earnings.

Ampol was a net beneficiary of higher product freight costs which bolstered LRM but were a headwind to F&I (Ex-Lytton) margins on jet fuel sales. In the short term, Trading and Shipping earnings were impacted by the sharp decline in market product prices, conversely the lower market product prices benefited fuel margins in Convenience Retail. Pleasingly, quality/purchase premiums also eased in line with market product prices.

Globally, refined product supply remained tight through the quarter, limiting the opportunity for F&I International to capture incremental earnings through spot sales with international sales volumes (excluding Z Energy) down 766 million litres versus the prior corresponding period.

Future Energy operating expenditure increased to $8.6 million in the quarter as Ampol commenced the rollout of its EV charging network to its forecourts and continued its test and learn activities in other areas of focus including retail electricity, hydrogen and renewable fuels.

Convenience Retail (CR)

Year to date Convenience Retail RCOP EBIT grew to $235.8 million, up 29 per cent on the same time last year. This includes third quarter RCOP EBIT of $108.5 million, the strongest quarterly result since the pandemic began. This compares to $32.9 million in the third quarter last year when New South Wales and Victoria were in lockdown for most of the period. Both fuel and shop performed well in the quarter with Total Fuel and Shop margin up more than 50 per cent versus the third quarter last year.

Fuel volumes for the third quarter were up 14 per cent to 980 million litres, and 16 per cent on a like for like basis after adjusting for network rationalisation to 654 sites compared with 691 company operated sites at 30 September 2021. As market product prices eased through the quarter, reducing input costs from the peaks seen in May and June, average retail margins recovered.

The rebrand of the EG network sites is well advanced with over 200 stores rebranded by the end of September and we are on track for completion by the end of the year. MetroGo store rollout reached 46 of the planned 50 stores.

Z Energy

For the period 1 May 2022 to 30 September 2022 Z Energy RCOP EBIT including preliminary Purchase Price Accounting adjustments was $83.0 million including $69.3 million for the third quarter. During the quarter, the stabilisation of the import model, with no disruption to customer supply, and the exit from the National Inventory Agreement has seen Z Energy gain commercial volume share. Government published data indicates Z's market share for the June quarter grew 2 percentage points year on year, an uplift expected to be retained in the September quarter. COVID-19 mobility restrictions continued to impact retail volumes for much of the period but lifted towards the end of the quarter.

Fuel sales for the quarter were 969 million litres reflecting the ongoing improvement in demand through the quarter, with falling crude and product prices being positive for fuel margins. The non-fuel earnings growth strategy also continued to deliver promising results.

US$270 million of United States Private Placement (USPP) notes were refinanced with lower cost Group debt facilities during the period. The USPP notes were due to mature in equal tranches across 2026, 2028 and 2030. As previously announced, Z Energy entered into an agreement during the period for the sale of 51 freehold properties to an unlisted property vehicle in which it will maintain a 51% majority interest. This transaction successfully completed in October and delivered approximately NZ$126 million in net proceeds.

Z Energy has continued to execute its strategy to respond to the energy transition including acting as the import partner for 1.2 million litres of sustainable aviation fuel (SAF) on behalf of Air New Zealand. The SAF cargo was sourced from Neste, the world's largest SAF supplier, with the first shipment used as part of a process to establish the supply chain for longer term importing SAF into New Zealand.

Current trading conditions

The market volatility experienced year to date is expected to continue in the period ahead.

Products cracks have continued to trade around the levels seen in September, with strength in middle distillates and weakness in gasoline cracks driving recent refiner margins. To date, the recently announced increase in Chinese export quotas has yet to materialise but remains an area to watch and global product inventories remain below previous years' lows as we head towards a northern hemisphere winter. The Australian dollar has continued to weaken in recent weeks, benefiting refining margins in Australian dollar terms.

Since the end of the quarter, Australian retail and wholesale demand was largely unaffected by the return of the fuel excise levy. While retail margins continue to fluctuate in response to the volatility of product costs, shop sales have remained strong, and Convenience Retail is well positioned as it heads into the fourth quarter.

Z Energy also entered the final quarter with good momentum and should benefit from the lifting of COVID-19 restrictions.

In summary, the integrated nature of Ampol's supply chain and balance sheet strength position it to successfully manage through the volatile market conditions and continue to progress its strategic priorities.

Authorised for release by: the Board of Ampol Limited.

Notes:

1. *Replacement Cost Operating Profit Earnings Before Interest and Tax*
2. *Lytton Refiner Margin (LRM) represents the difference between the market value of importing a standard Lytton Refinery basket of products and the cost of importing the crude oil required to make that product basket.*

   The LRM is calculated in the following manner:

   Weighted Singapore product prices (for a standard Lytton Refinery basket of products)

   Less: Reference crude price (the Ampol reference crude marker is Dated Brent)
   Equals: Singapore Weighted Average Margin (Dated Brent basis)
   Plus: Product quality premium
   Crude discount
   Product freight
   Less: Crude & Feedstock premium
   Crude freight
   Other related hydrocarbon costs
   Yield Loss
   Equals: Lytton Refiner Margin

   The Lytton Refiner Margin is converted to an Australian dollar basis using the prevailing average monthly exchange rate
3. *The result for Continuing operations excludes the contribution from Gull which was divested on 27 July 2022 and is shown as a Discontinued Operation. The gain on sale has been reported in the Statutory (HCOP) result and has had no impact on the RCOP result as it is classified as a significant item.*
4. *Replacement Cost Operating Profit Earnings Before Interest, Tax, Depreciation and Amortisation*
5. *Net Profit After Tax*
6. *For reconciliation of continuing and discontinuing results for 3Q 2022 refer to Appendix*

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Appendix – Third Quarter Reconciliation

	Third Quarter ending 30 September 2022^			Third Quarter ending 30 September 2021^				
							Previous RCOP Method	
Financial Results	**2022 ($M) Group**	**2022 ($M) Cont.**	**2022 ($M) Gull (Discont.)**	**Restated 2021 ($M) Group**	**2021 ($M) Cont.**	**2021($M) Gull (Discont.)**	**Less Extern, FX**	**Reported 2021 ($M)**
Group RCOP EBITDA	**383.3**	**375.8**	**7.5**	**185.4**	**167.2**	**18.2**	**9.2**	**194.7**
Depreciation and Amortisation	(111.0)	(110.0)	(1.0)	(93.3)	(88.5)	(4.8)	-	(93.3)
Lytton EBIT	*143.8*	*143.8*	-	*21.6*	*21.6*	-	-	*21.6*
F&I (excluding Lytton and Future Energy) EBIT[1]	(21.3)	*(27.8)*	*6.5*	*53.8*	*40.3*	*13.5*	-	*51.9*
Future Energy EBIT	(8.6)	*(8.6)*	-	*(1.9)*	*(1.9)*			
Externalities realised FX gains/(losses)	-	-		-	-	-	*9.2*	*9.2*
Fuels and Infrastructure EBIT	113.9	107.5	6.5	73.4	60.0	13.5	9.2	82.7
Convenience Retail EBIT	108.5	108.5	-	32.9	32.9	-	-	32.9
Underlying Z Energy EBIT	77.6	77.6	-	-	-	-	-	-
Preliminary Purchase Price Accounting Adjustment	(8.3)	(8.3)	-	-	-	-	-	-
Z Energy EBIT	69.3	69.3	-	-	-	-	-	-
Corporate EBIT	(19.4)	(19.4)	-	(14.2)	(14.2)	-	-	(14.2)
Group RCOP EBIT (excluding significant items)	**272.3**	**265.9**	**6.5**	**92.2**	**78.7**	**13.5**	**9.2**	**101.4**
Interest	(54.2)	(53.4)	(0.8)	(28.0)	(26.3)	(1.7)	-	(28.0)
Non-controlling interest	(10.5)	(10.5)	-	(8.8)	(8.8)	-	-	(8.8)
Tax	(105.1)	(104.5)	(0.6)	(21.7)	(14.4)	(7.2)	(2.8)	(24.5)
RCOP NPAT (Attributable to Parent) – Excluding significant items	**102.5**	**97.4**	**5.1**	**33.7**	**29.2**	**4.5**	**6.5**	**40.1**
Inventory Gain/(Loss) after tax (incl. externalities FX)	(168.5)	(165.3)	(3.2)	33.8	35.4	(1.6)	(6.5)	27.3
Significant Items Gain/(Loss) after tax	37.6	(8.3)	45.9	(7.2)	(7.2)	-	-	(7.2)
Statutory NPAT (Attributable to Parent) – (HCOP)	**(28.4)**	**(76.2)**	**47.8**	**60.3**	**57.4**	**2.9**	**-**	**60.3**

Notes: ^ Adjusted for rounding.