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Optimised business to deliver shareholder returns, low carbon transition

Z Energy (NZX/ASX: ZEL) ("Z") is holding its Investor Day in Auckland today, focusing on how the company's strategy will deliver strong, reliable returns to shareholders, while transitioning the company to a low carbon future.

The investor day presentation slides are available on [Z's Investor Centre](#) and the content will be live webcast for investors.

The presentations are focused on how Z's strategy to simplify and optimise its core business will deliver earnings growth and a sustainable dividend. The presentations will detail the company's retail network strategy through to 2030 and the benefits that will be realised in exiting the crude oil supply chain and moving to an import only supply chain by June 2022.

"Z's strategy is clear and simple," said Z CEO Mike Bennetts. "We will optimise our core business so that we can deliver strong and increasingly reliable returns to shareholders while transitioning to a low carbon future.

"We have already outlined how moving to imports will free up approximately \$150 million of additional working capital, having already released \$30 million from refining less product last year, and we will provide more detail on our earnings outlook and capital management," he said.

"Z is committed to grow convenience store revenue to over \$500 million by 2025 and delivering value through investing in a low carbon future that helps New Zealanders cut their transport carbon emissions," he added.

Z CFO, Lindis Jones, will present the company's capital management strategy. It will set out Z's plans to deliver by the end of FY24:

- 15% annual earnings growth (on a compound annual growth rate basis)
- Debt reduction to a ratio of 1.5x Net Debt to EBITDAF
- Provide shareholder returns via ordinary dividends of no less than 19 cents per share
- Release over \$300 million of capital to fund debt repayment and growth capex

Mike Bennetts said as the company recovered from the impact of Covid-19 it had clarified its strategy, cut costs and started to realise its preferred industry structure.

“We have a very clear and compelling strategy that will see us deliver real value to our investors from across our entire supply chain at the same time as supporting New Zealand's commitment to lower carbon forms of energy.”

Noting recent speculative references in the media about Z potentially being an acquisition target Mike commented, “We are always very conscious of complying with our continuous disclosure obligations and we don't think it's helpful to provide comments on market speculation. Although we have discussions with other parties and actively consider opportunities that may arise from time to time, there is nothing in this area which requires disclosure. The Board will always consider proposals that may be in the interests of the company and shareholders.”

The investor day will be livestreamed for Z's international audience. Investors will be able to ask questions via the livestream link.

The webcast link is: <https://edge.media-server.com/mmc/p/d56gkogb>

Ends

Matt Hardwick
Corporate Affairs Manager
+64 (0)27 787 4688
matt.hardwick@z.co.nz