

AMPOL LIMITED  
ACN 004 201 307

LEVEL 24  
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SYDNEY NSW 2000

# ASX Release

## 2020 Investor Day

Monday 23 November 2020 (Sydney): Ampol Limited provides the attached 2020 Investor Day Presentation.

Authorised for release by: the Board of Ampol Limited

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# Welcome and overview

Matt Halliday  
Managing Director & CEO



# Ampol Leadership Team



**Matt Halliday**  
Managing Director & CEO



**Joanne Taylor**  
Executive General Manager  
Retail, Brand and Culture



**Brent Merrick**  
Executive General Manager  
Commercial



**Andrew Brewer**  
Executive General Manager  
Infrastructure



**Jeff Etherington**  
Interim Chief Financial Officer



**Alan Stuart-Grant**  
Executive General Manager  
Strategy and Corporate  
Development



**Georgina Koch**  
General Counsel & Company  
Secretary

# Agenda

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## SESSION ONE

09:00 – 09:55	Overview, strategy and short-term priorities	Matt Halliday
09:55 – 10:00	Break	

## SESSION TWO

10:00 – 10:10	F&I Australia	Brent Merrick
10:10 – 10:20	F&I International	Brent Merrick
10:20 – 10:30	Retail	Joanne Taylor
10:30 – 10:40	Energy transition	Alan Stuart-Grant
10:40 – 10:45	Conclusion	Matt Halliday
10:45 – 11:30	Q&A	All

# Overview & strategy

- Introduction
- Our strategy
- Short-term priorities



# Overview

- Ampol is Australia's market-leading fuels and retail business, underpinned by strategic infrastructure and strong customer positions
- COVID-19 impacts have highlighted the quality of the business (ex-Refining and Aviation), with strong underlying performance in our Retail and International businesses, however the outlook for demand remains uncertain
- Despite the unprecedented disruption, we have made strong progress against our 2019 Investor Day commitments
- We remain committed to disciplined capital allocation to ensure strong ROCE across all parts of the portfolio
- We are capitalising on a unique opportunity to bring back an iconic Australian brand and reinvigorate our customer connection and organisational culture
- We have a clear strategy to:
  - Enhance the core business through relentless focus on cost efficiency, capital effectiveness and customer delivery
  - Deliver earnings growth in International and Retail, where we continue to build momentum
  - Build foundations for energy transition, leveraging the strength of our assets, customer positions and capabilities



# We are the Australian transport fuels leader

Ampol possesses qualities that are unmatched in the Australian transport fuels industry

## Strategic assets

- Portfolio of privileged infrastructure:
  - 1.5BL owned capacity in highly strategic locations
  - Potential to adapt for alternate uses
- Australia's largest branded retail network at ~1,930 sites
- Valuable partnerships with industry leaders including Woolworths, Uber Eats, Evie Networks

## Deep customer base

- Significant B2B and B2C customer platforms:
  - Over 80K business accounts
  - Over 3M weekly Convenience Retail (CR) customers
- ~19-year average historical supply relationship with top 20 B2B customers\*\*\*
  - Leading card offer, with ~38%^ market share

## Supply chain expertise

- Australia's largest integrated fuel supplier:
  - 21BL Australian and International volumes\*
  - Manage valuable 16BL Australian short position\*
- Strong trading and shipping capability
- Growing presence in international market (bought or sold cargoes from 19 countries in 2020\*\*)

## Iconic Australian brand

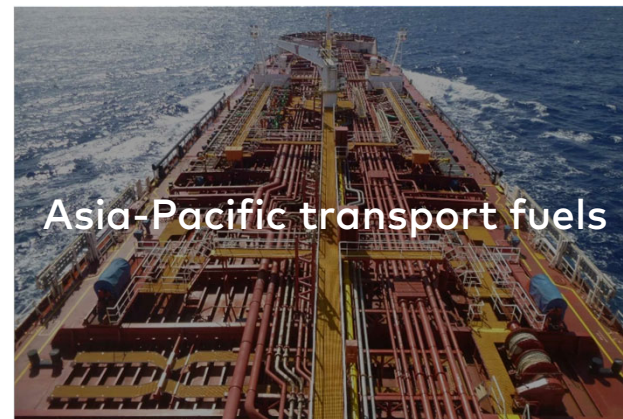
- Ampol brand strongly resonates with Australians
- Market leader in Australian transport fuels (largest wholesale supplier, with 28% market share in 2019)
- CR store transition 96% complete\*\*
- Relentless focus on safety and reliability



\* 2019 volumes (pre COVID-19)  
 \*\* As of 31 October 2020  
 \*\*\* Based off 2019 analysis  
 ^ Source: ACA Research 2019

# We operate in three large and resilient markets

Our strong platform means we are well positioned to take advantage of growth opportunities in all of these markets



Scale  
in 2019:

~56BL

~1,100BL

\$8.8bn

Resilient  
in 2020:

Diesel ↓ 1%;  
Gasoline ↓ 15%; Jet ↓ 53%\*

Estimated daily  
demand ↓ 6%\*\*

Petrol & Convenience (P&C)  
spend ↑ 1.3%\*\*\*



\* September 2020 YTD versus pcp  
\*\* Versus pcp; estimate as at October 2020  
\*\*\* Moving annual total as at 26 July 2020

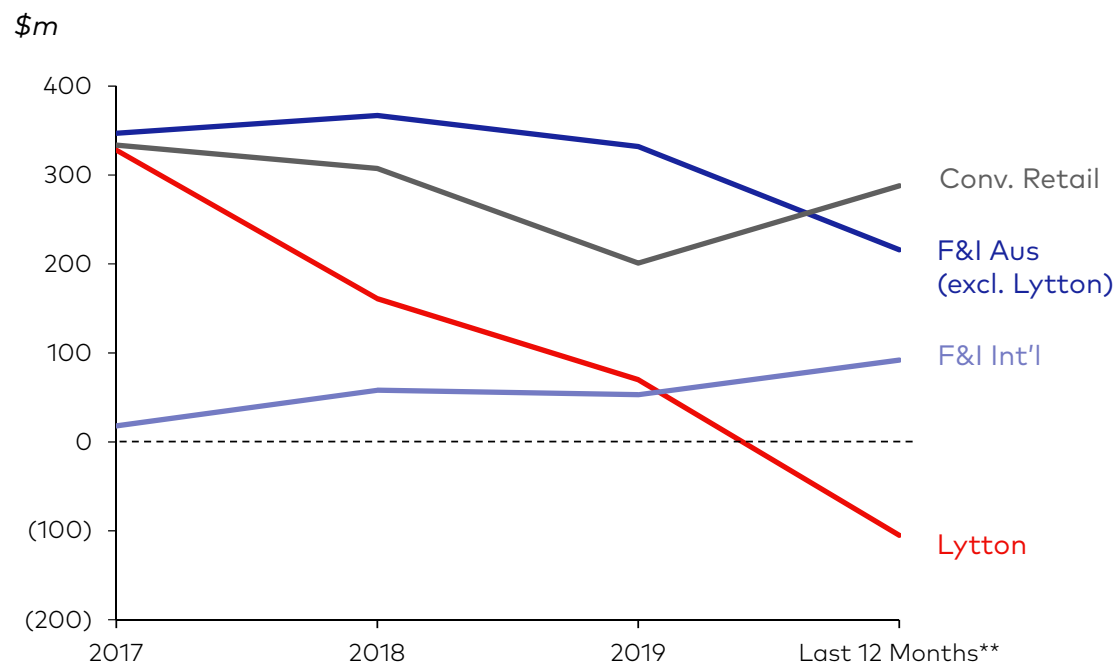
Source: APS; FGE - Asia Pacific Petroleum Databook 1: Supply and Demand (Fall 2020); IRI, Opportunities and Challenges for Convenience Retail post Covid-19; 2019 AACS State of the Industry report



# Our non-refining businesses generate good returns

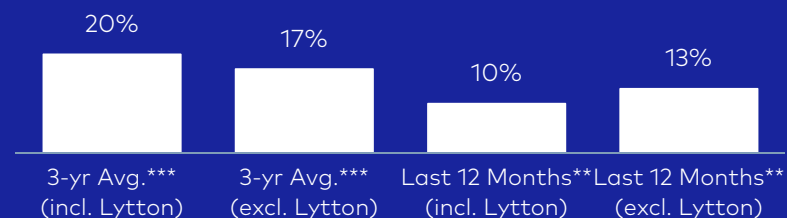
With the exception of the recent performance of Lytton, the integrated business generates compelling returns

## EBIT – Business unit



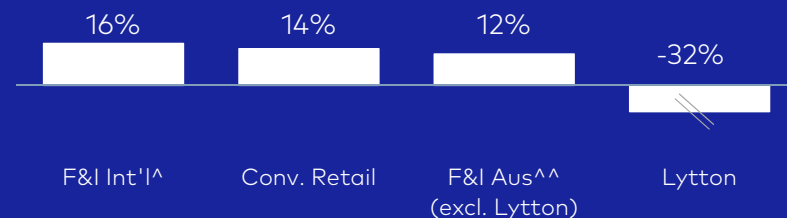
## ROCE\* – Total company

Percent



## ROCE\* Last 12 Months\*\* – Business unit

Percent



\* ROCE = EBIT / Capital Employed. Calculated based on reporting at the time (i.e. on a post AASB 16 basis from 2019)

\*\* Last 12 months to 30 September 2020; ROCE calculated using last 12 months EBIT to 30 September 2020 and 2019 CE (except for CR and Lytton adjusted for June 2020 impairment)

\*\*\* 3 Year Average 2017-2019. Calculated based on reporting at the time (i.e. on a post AASB 16 basis from 2019)

^ Includes Gull, SEOIL and Trading & Shipping International

^^ Includes Bulk Fuels, Lubes and Trading & Shipping Australia

# Our strategy builds on our strengths in fuels

Our strategy focuses on our core business, and establishes a platform to grow and ultimately evolve as energy markets transition

<i>Purpose</i>	<b>Powering better journeys, today and tomorrow</b>		
<i>Strategy</i>	<b>ENHANCE</b> <i>the core business</i>	<b>BRING BACK AMPOL</b>   Bring back an iconic Australian brand and reinvigorate our people and customer connection	
		<b>FURTHER COST SAVINGS</b>   Take further action on costs to mitigate demand impacts and reinforce competitive position	
		<b>MAXIMISE LYTTON VALUE</b>   Review to determine how to maximise value from a highly strategic and well-located asset	
		<b>IMPROVE RETAIL NETWORK</b>   We have released significant capital, with further potential to improve returns	
		<b>RESTORE F&amp;I AUSTRALIA ROCE</b>   Our market leading position provides resilience, but we will take action to further strengthen our infrastructure and focus on capital effectiveness and cost efficiency	
	<b>EXPAND</b> <i>from rejuvenated fuels platform</i>	<b>INT'L EARNINGS GROWTH</b>   Leverage our scale and capabilities to accelerate our growth in regional markets	
		<b>SHOP EARNINGS GROWTH</b>   Leverage our strength in retail fuel to capture opportunities from the evolving behaviours and expectations of our customers	
	<b>EVOLVE</b> <i>energy offer for our customers</i>	<b>BUILD FOUNDATIONS FOR ENERGY TRANSITION</b>   Transition with our customers, focusing on a targeted set of energy and decarbonisation themes with clear linkages to our capabilities and assets	
	<i>Strengths</i>	Strategic assets	Deep customer base

# We will remain disciplined in our approach

Our approach will be governed through a well-defined Capital Allocation Framework, underpinned by operating and capital efficiency

## Capital Allocation Framework

### Stay-In-Business Capex

- Focused on safety and reliability of supply

### Optimal Capital Structure

- Adj. Net Debt / EBITDA target of 1.5x – 2.0x
- Where Adj. Net Debt > 2.0x EBITDA, debt reduction plans become a focus

### Ordinary Dividends

- 50% – 70% of RCOP NPAT (fully franked)

### Capital Returns

- Where Adj. Net Debt < 1.5x EBITDA (or sufficient headroom exists)

### Growth Capex

- Where clearly accretive to shareholder returns
- Investments to support energy transition

- Commitment to a strong investment grade credit rating
- Mandated a number of banks to explore the possibility of issuing A\$ wholesale hybrid capital securities, subject to market conditions
- \$300 million off-market buy-back announced, following settlement of the property transaction
- The buy-back has been sized in accordance with our credit rating commitment and Capital Allocation Framework, having regard to business performance and outlook, and future growth options
- Committed to releasing franking credits over time, subject to our Capital Allocation Framework and business performance



# Our decisions are informed by our approach to ESG

Ampol is taking a responsible and long-term view to deliver value for stakeholders



In aligning our organisation behind our ESG strategy, we will:

- Announce our ambitions, targets and a decarbonisation strategy along with our TCFD report during 1H 2021 – climate scenario analysis underway
- Routinely integrate ESG considerations into our strategy and business planning
- Develop an ESG scorecard to monitor our progress

# We are delivering on our promises from 2019 Investor Day

Despite a year of unprecedented disruption, we have delivered on the strategic initiatives outlined at our 2019 Investor Day

		2019 Investor Day	Progress
Improve our network	Core company-operated network	<ul style="list-style-type: none"> <li>Proposed IPO of 49% interest</li> </ul>	<ul style="list-style-type: none"> <li>✓ Charter Hall consortium acquired 49% interest for \$682 million</li> </ul>
	Non-core sites under review	<ul style="list-style-type: none"> <li>Under review</li> </ul>	<ul style="list-style-type: none"> <li>✓ ~100 back to core and process underway to change operating model for ~130</li> </ul>
	Alternate use sites	<ul style="list-style-type: none"> <li>Divestment process</li> </ul>	<ul style="list-style-type: none"> <li>✓ 25 higher and better use retail sites sold for \$136 million</li> </ul>
\$195m earnings growth by 2024*	Cost-out	<ul style="list-style-type: none"> <li>\$40m in 2020</li> </ul>	<ul style="list-style-type: none"> <li>✓ Delivered in 2020</li> </ul>
	F&I International	<ul style="list-style-type: none"> <li>\$70m by 2024</li> </ul>	<ul style="list-style-type: none"> <li>✓ Strong performance in Trading &amp; Shipping Int'l, Gull NZ and SEAOIL</li> </ul>
	Convenience Retail non-fuel	<ul style="list-style-type: none"> <li>\$85m by 2024</li> </ul>	<ul style="list-style-type: none"> <li>✓ Positive momentum on basket size, gross margin and labour efficiencies</li> </ul>
Capital management	Franking credits	<ul style="list-style-type: none"> <li>Release franking credits</li> </ul>	<ul style="list-style-type: none"> <li>✓ \$300 million OMBB announcement</li> </ul>
	Hybrid Capital Issue	<ul style="list-style-type: none"> <li>New hybrid</li> </ul>	<ul style="list-style-type: none"> <li>Considering an A\$ wholesale hybrid issue, subject to market conditions</li> <li>Structured to support balance sheet and Moody's credit rating</li> </ul>



\* From 2019 base EBIT

# We have a clear set of 2021 priorities

Clear strategic priorities to grow shareholder value during 2021 by continuing to grow earnings and improving returns by strengthening our asset positions and improving cost and capital efficiency

Rebrand	Bring back Ampol	<ul style="list-style-type: none"> <li>Launch national rollout and achieve network scale by the end of 2021</li> </ul>
Improve returns from F&I Australia	Lytton refinery review	<ul style="list-style-type: none"> <li>Complete review by end of 1H 2021</li> </ul>
	Improve returns	<ul style="list-style-type: none"> <li>Review asset base operations to enhance capital effectiveness and drive cost efficiency</li> <li>Selectively pursue value accretive investments to strengthen infrastructure position</li> </ul>
Earnings growth	Cost-out	<ul style="list-style-type: none"> <li>Upgraded overhead reduction program to achieve additional \$40 million by 2022*</li> </ul>
	F&I International	<ul style="list-style-type: none"> <li>Network expansion in NZ and the Philippines</li> <li>Trading &amp; Shipping growth across customers, geographies and products</li> </ul>
	Convenience Retail non-fuel	<ul style="list-style-type: none"> <li>Embed efficiencies across shop operations and disciplined approach to format upgrades</li> <li>New store pipeline and network rebrand</li> </ul>
Improve our network	Maximise portfolio value	<ul style="list-style-type: none"> <li>Evaluate value maximising strategies for ~75 freehold sites</li> </ul>
Capital management	Release franking credits	<ul style="list-style-type: none"> <li>Continued prudent management of balance sheet</li> <li>Committed to releasing franking credits over time, subject to our Capital Allocation Framework and business performance</li> </ul>



\* Represents F&I Aust and corporate overhead costs; Refining to be addressed separately through the Lytton Review; excludes natural group cost inflation and one off cost increases

# Bring back Ampol

Bring back an iconic Australian brand and reinvigorate our people and customer connection



Distinctly Australian

Market leader in transport fuels

Relentless focus on safety and reliability



World-class fuels that go the distance

Refreshed company-operated network

Customer-driven energy solutions





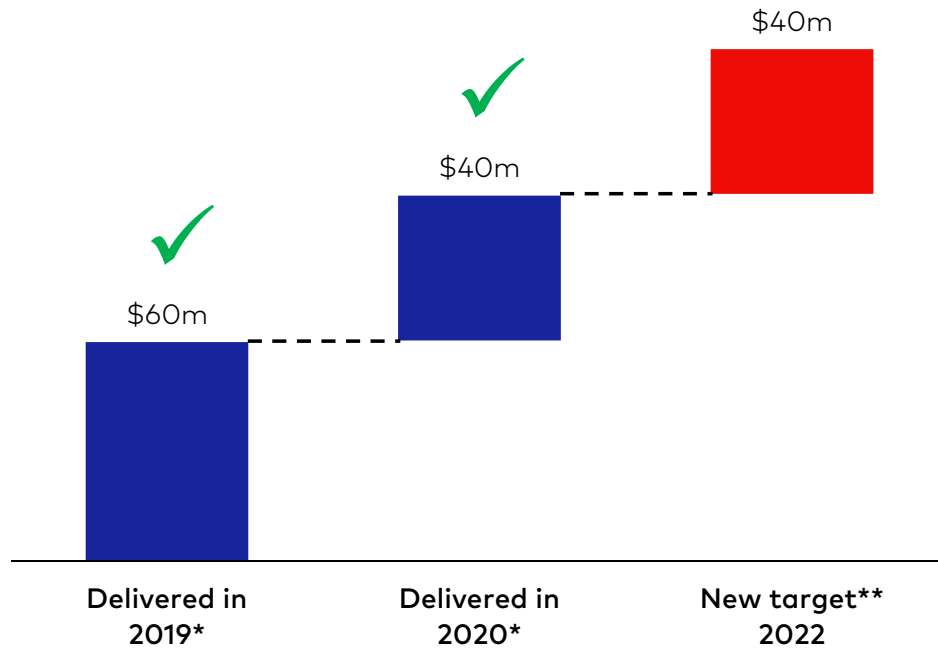
# Further cost savings

Take further action on costs to mitigate demand impacts and reinforce competitive position



# We continue to take action on costs

Continual focus on improving the overall cost base – new program to reduce overheads by an additional \$40 million by 2022



## Cost-out initiative examples

- Office relocation
- IT simplification
- Rationalise depot network
- Reduce manning levels across distribution network
- Increased use of automation and technology



\* Excludes natural group cost inflation, program being based on 2018 baseline

\*\* Represents F&I Aust and corporate overhead costs; Refining to be addressed separately through the Lytton Review; excludes natural group cost inflation and one off cost increases



## Maximise Lytton value

Review to determine how to maximise value from a highly strategic and well-located asset

# Lytton review underway

Determining how to maximise value from a highly strategic and well-located piece of infrastructure

Why we are taking action	Key considerations	Possible outcomes
<ul style="list-style-type: none"> <li>▪ Global refining heavily impacted by COVID-19; Lytton loss making</li> <li>▪ Refining in Australia competitively disadvantaged versus large, modern regional refineries</li> <li>▪ Lytton earnings volatility impacts financial settings</li> <li>▪ Well-located asset on ~220ha land must deliver an appropriate return</li> <li>▪ Increased competitor ability to import into Brisbane; may impact refinery economics</li> <li>▪ Findings expected by end of 1H 2021; all options to be considered</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lytton Refiner Margin (LRM) outlook</li> <li>▪ Potential for productivity and cost improvements; 2027 fuel standards capex</li> <li>▪ Fuel security and government support initiatives</li> <li>▪ Impacts from separation from supply chain</li> <li>▪ Impact on competitive position from moving to import model</li> <li>▪ Trading and Shipping value creation from shifting from crude, to product imports</li> <li>▪ Environment, workforce and community</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued refining operations with efficiency program to deliver improved financial performance</li> <li>▪ Conversion to import terminal:               <ul style="list-style-type: none"> <li>– Closure and remediation costs estimated to be lower than Kurnell, given smaller size</li> <li>– Conversion capex estimated to be lower than Kurnell, given existing infrastructure capability</li> </ul> </li> <li>▪ Potential for other uses of land zoned for industrial use</li> </ul>

# Improve retail network

We have released significant capital, with further potential to improve returns

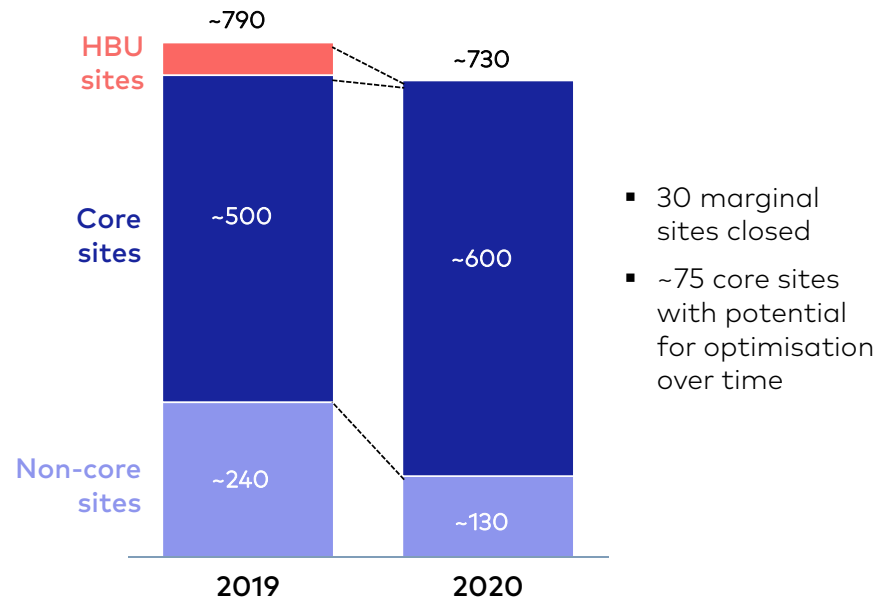


# We continue to improve our network

Our actions have improved the quality of our network and released significant capital\*

## Company-operated network

Number of sites in network



## Capital released and network quality strengthened

- We have delivered on a series of capital initiatives:
  - 25 HBU sites divested
  - Execution of core property transaction has released ~\$635 million\*
- Increased number of core sites from improvement in both shop and fuel
- Continual focus on maximising returns from live capital base:
  - Potential to optimise capital employed over time in a further ~75\*\* core freehold sites, on a site-by-site basis
  - Continue to evaluate alternative business models for non-core sites
- Network quality improved, reflecting our focus on fuel:
  - 4 NSW high volume highway site leases secured
  - 4 NTI sites added in 2020; targeted NTI strategy to high-grade network quality and deliver earnings growth



\* Gross proceeds of \$682 million less estimated transaction costs. The property transaction completed on 20 November 2020

\*\* Includes remaining Higher or Better Use (HBU) sites and ~50 sites excluded from property trust

# Business unit strategies

- F&I Australia
- F&I International
- Retail
- Energy transition



## Restore F&I Australia ROCE

Our market-leading position provides resilience, but we will take action to further strengthen our infrastructure and focus on capital effectiveness and cost efficiency



# Our objectives

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We are well placed to build upon our market-leading position in Australia

Integrated value  
creation

Superior asset base  
with improved capital  
effectiveness

Relentless focus  
on costs

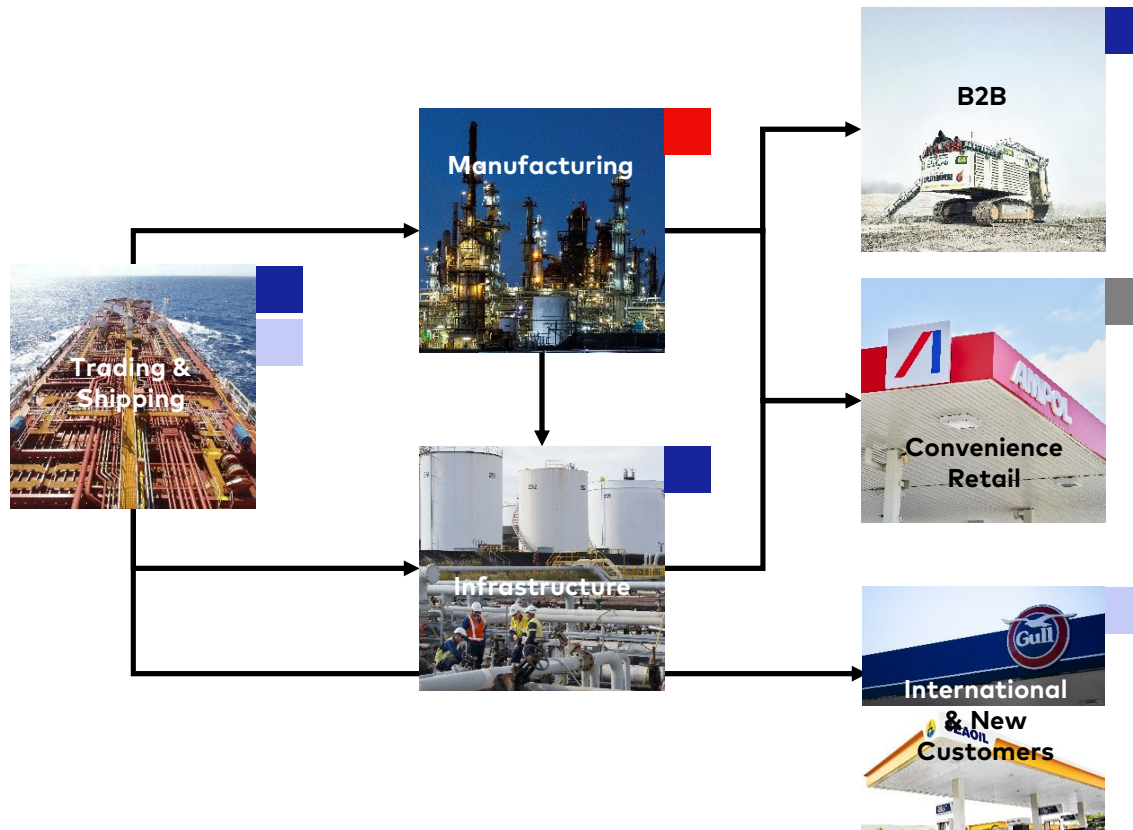
Safe, reliable  
operations

# Our integrated platform creates opportunities

Integration delivers diversified earnings, a strong base for growth off existing business activities and skills to evolve into new areas

## Reporting segments

-  Australian F&I (ex Lytton)
-  Lytton (F&I)
-  International F&I
-  Convenience Retail
-  Crude and product flows



## Integration benefits

- Earnings are diversified by participation across the full supply chain and through a broad customer base
- Informed decision-making across the value chain supports value capture
- Broader base from which to pursue earnings uplift
- Ability to assess and set direction of core and adjacent market growth pathways

# We are taking action to improve returns

Our business is resilient, but we remain focused on cost efficiency and capital effectiveness

Market characteristics*	NSW	QLD	WA	VIC	SA
Total market demand	15.9BL	13.3BL	9.7BL	12.2BL	3.3BL
Ampol's fuel market share	33%	35%	22%	23%	23%
Quality of infrastructure position	✓	✓	✗	~	✓

\* Volumes and market share as of 2019

Focus on capital effectiveness (NSW, QLD)

Look to strengthen position (WA, VIC, SA)

## COVID-19 impacts

- Loss of scale due to COVID-19 demand reduction impacting current returns
- Lytton Refinery return to production has reduced import volume requirements relative to the T&I period
- Jet fuel challenged; international flights (incl. freight) represented >75% of Ampol 2019 jet fuel volumes

## Cost efficiency and capital effectiveness

- Demand reduction requires cost and capital discipline on a market by market basis to maximise gross margin and competitive unit costs (e.g. jet reset, depot rationalisation, hours of operation etc.)
- Exploring full asset potential with consideration of current status, energy transition and energy security
- Control of operational decisions as we move through a dynamic time for the Australian energy market is key



Ampol is in discussions with Puma Energy Holdings Pte. Ltd in respect of a potential acquisition of Puma's partially constructed Perth terminal. There is no certainty at this time that a transaction will proceed. Further details will be provided at the appropriate time



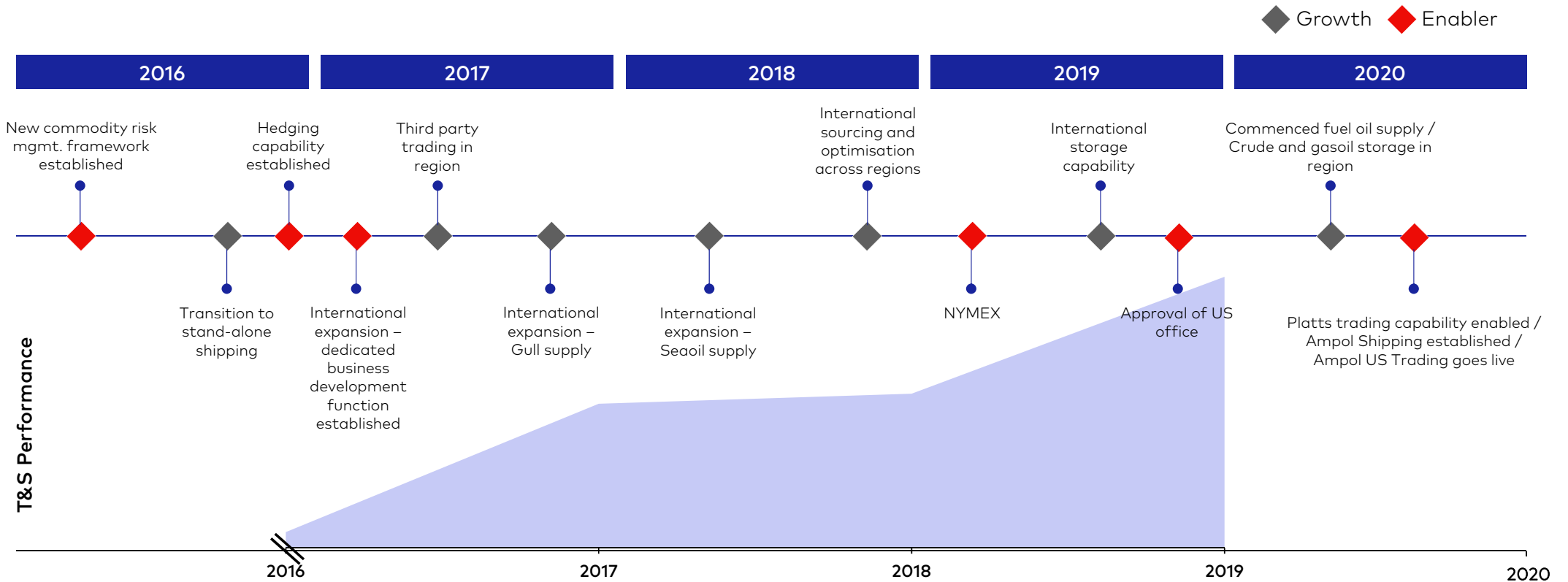
# International earnings growth

Leverage our scale and capabilities to accelerate our growth in regional markets



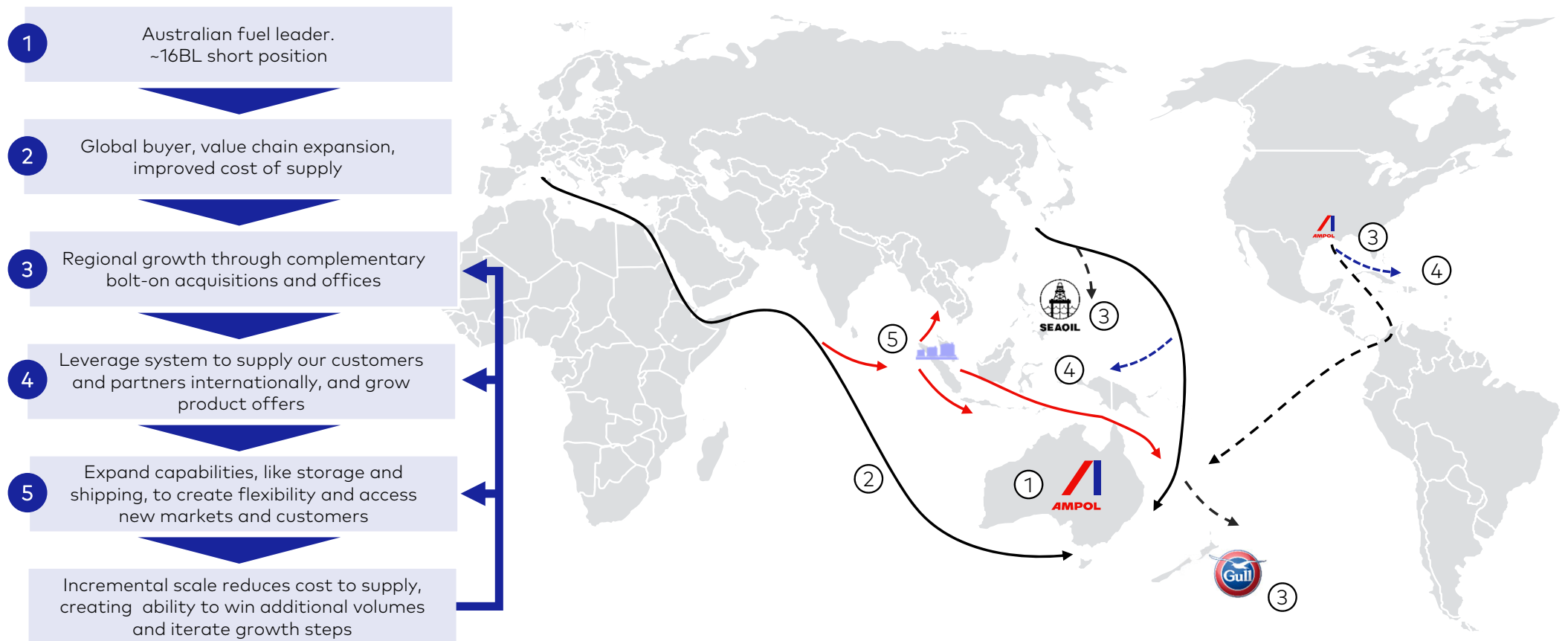
# Capability build has translated to earnings growth

Trading & Shipping (T&S) has evolved quickly and is now a strong earnings contributor and key growth enabler for the group



# Large Australian short position provides platform for growth

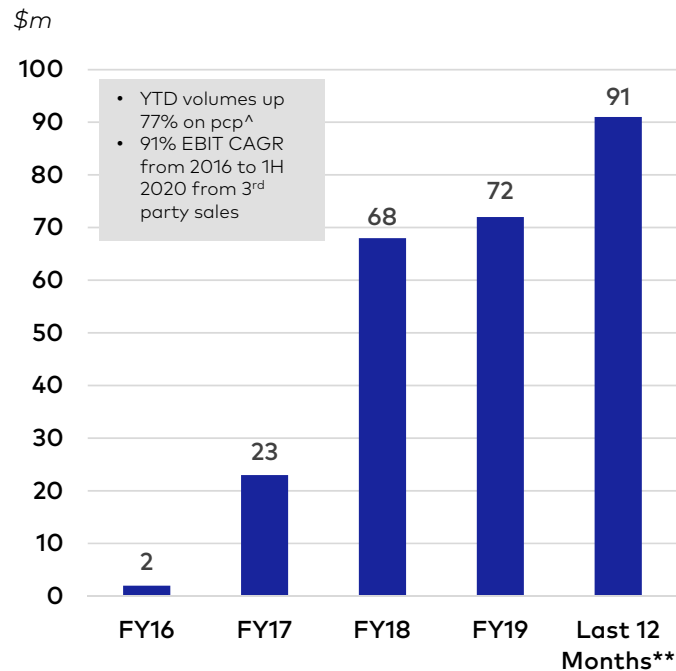
T&S is systematically layering capabilities, customers, products and geographies onto our 'physically backed' system to generate incremental earnings from a very large International opportunity set



# Progressing delivery of \$70 million EBIT uplift by 2024\*

We continue to focus on delivering organic growth that leverages our core strengths in assets, customers and supply chain

## International EBIT



## Strong progress

	2020 Achievements	Future plans
<b>Trading &amp; Shipping</b>	<ul style="list-style-type: none"> <li>Expanded APAC customers</li> <li>USA office operational</li> <li>Value created from crude and middle distillates int'l storage</li> <li>Establishment of freight entity</li> </ul>	<ul style="list-style-type: none"> <li>New 3rd party customer contract wins</li> <li>New locations and product books</li> <li>Freight as an incremental earnings stream</li> <li>Pursue the right M&amp;A and capital efficient growth opportunities at the right time</li> </ul>
	<ul style="list-style-type: none"> <li>Strong pipeline: will open 11 sites in 2020</li> <li>On track to exceed 2019 total volume, despite lockdowns</li> <li>Strong volume recovery post lockdowns</li> </ul>	<ul style="list-style-type: none"> <li>Up to 12 new sites targeted in 2021</li> <li>Continue selective expansion of customer base outside of retail</li> <li>Trial new promotional mechanism and card platform</li> </ul>
	<ul style="list-style-type: none"> <li>Volumes back to &gt;85% of pre-COVID levels</li> <li>Opened ~50 branded sites to October, despite lockdowns</li> </ul>	<ul style="list-style-type: none"> <li>Continue retail expansion to 1,000 branded sites (expect 550+ by end 2020)</li> <li>Maintain focus on terminal capacity rollout and / or aggregation</li> </ul>



\* From 2019 base EBIT  
\*\* Last 12 months EBIT to 30 September 2020  
^ YTD to 31 October 2020





## Shop earnings growth

Leverage our strength in retail fuel to capture opportunities from the evolving behaviours and expectations of our customers

# Our objectives

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We are well placed to leverage our strength in retail fuel to capture opportunities from the evolving behaviours and expectations of our customers

Balance value and volume to maximise fuel profitability

Enhanced merchandising supported by efficient shop operations






Capturing synergies from Ampol rebrand delivery

Disciplined approach to format upgrades ensuring strong returns

# Fuel continues to provide a strong base for Retail

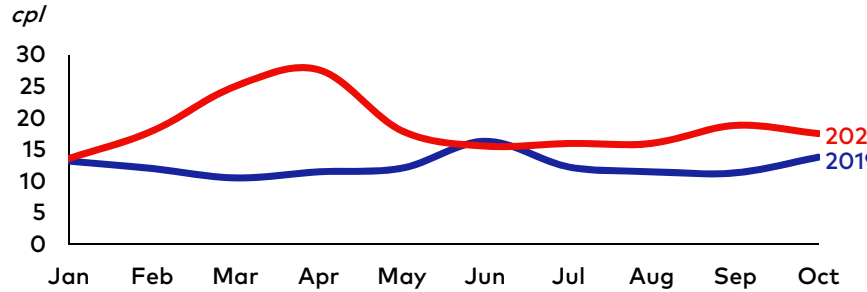
COVID related market impacts have reiterated the resilience and importance of fuel to the Retail business

## Ampol is well positioned to continue to generate profitable fuel earnings

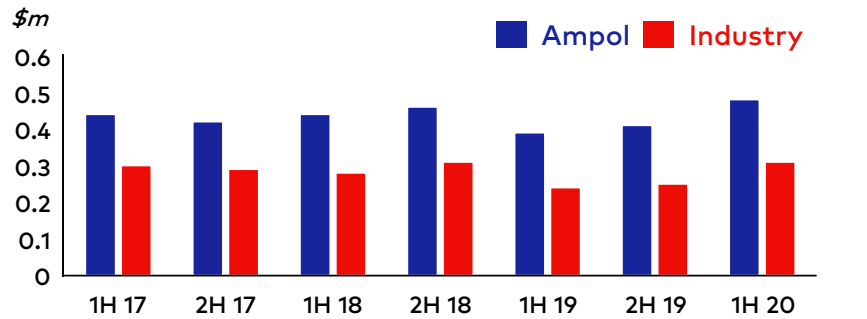
 Fuel margins	Industry fuel margins continue to grow to cover increasing cost bases
 Network	High quality network with national coverage
 Supply chain	Integrated supply chain ensures right price for every product, at every site
 Premium fuels	Premium fuel outperformance: ~52%* of Retail volumes; volume 5ppts** better than base grade
 Ampol Card	Leveraging Ampol Card, partnerships and loyalty to continue driving customer visitation

## Resilience and strength in fuel margins

### Industry retail margins



### NAM\*\*\* / site: Ampol vs. industry



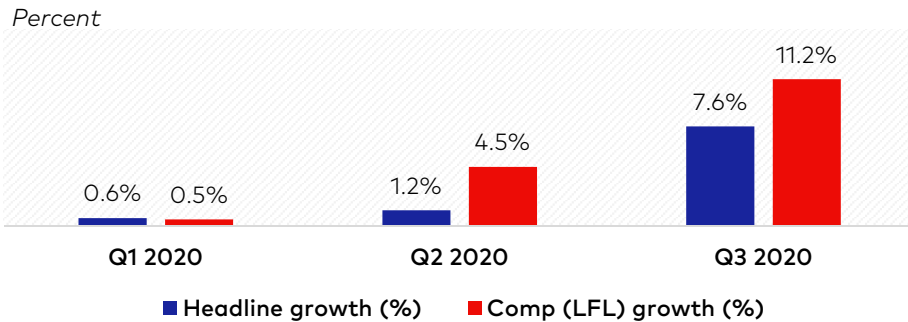
\* Percentage of total Retail fuel volumes (petrol and diesel) for October 2020 YTD  
 \*\* YoY October YTD 2020 across Retail (incl. RORO)  
 \*\*\* Net Available Margin (NAM) / site calculated pre-card, loyalty, temp gain; Ampol excludes RORO  
 Industry chart source: AIP data. Assumes 50:50 average of base grade gasoline and diesel Retail fuel margins

# Strong growth in shop performance

Transition to company operations largely complete. Merchandising enhancements, combined with change in customer behaviour and operational improvements, sees strong momentum in shop

**Strong +5.8% LFL sales growth\*, ahead of 2020 target of >3% growth**

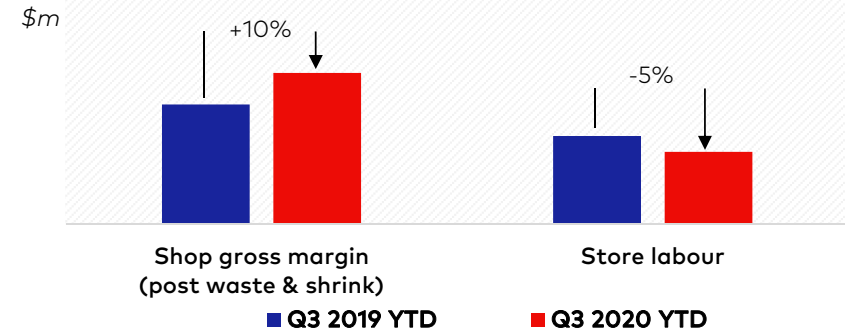
Quarterly network shop sales comp (LFL) growth, 2020



- Strong growth in chilled perishables, grocery, beverages, tobacco and general merchandise
- Retention of market share at 20.4%\*\* , despite smaller network
- Implementation of the store merchandise segmentation strategy to provide further opportunity for growth and efficiencies in 2021+

**Profitability improvement driven by gross margin and labour**

Comparable shop performance\*\*\*, Q3 YTD 2020



- Improved range from implementation of Woolworths wholesale supply
- Improved merchandising capability, implementation of pricing strategies and more effective promotions; enhancements to space and range
- COVID as a catalyst to bring forward labour and store cost reductions. Acceleration of labour standards expected to deliver ~\$20 million of sustainable labour savings that extend into 2021+



\* YTD 31 October 2020

\*\* IRI, Moving Annual Total to September 2020

\*\*\* Comparable stores under Company operation for full periods of comparison

# Format offer resonating with customers

Improved profitability and capital efficiency is being delivered across Woolworths' Metro



**60%\***  
average sales  
lifts



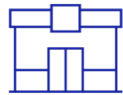
**6ppts\*\***  
gross margin  
expansion



**20-30%\*\*\***  
run-rate labour  
hour reduction



**20-40%**  
capital reductions  
in recent pilots



**6 pilots**  
complete by end  
2020

**Profitability improvements combined with capital efficiencies provides pathway to >15% returns**



\* YTD 31 Aug 2020 vs. YTD 31 Aug 2019 (Average Kingsford and North Ryde only); YTD sales averaging ~\$70K/week

\*\* Gross margin pre-waste and shrink; YTD average shop margin ~37%

\*\*\* Run rate performance from January 2020 to September 2020 (Kingsford and North Ryde only)





# Leveraging rebrand and formats across our quality network

Ampol rebrand provides opportunity to elevate core fuel proposition and site appearance



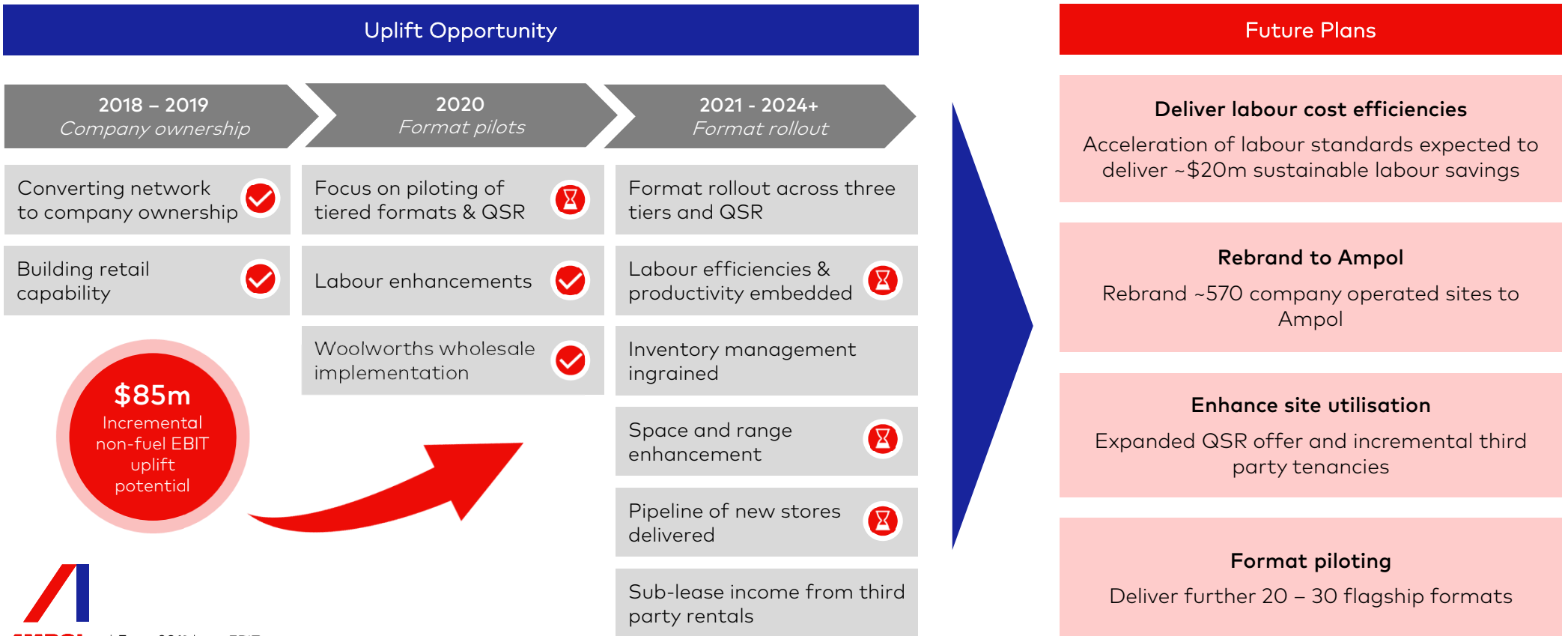
## Tiered format strategy leveraging pilot learnings

Learnings utilised to drive capital efficiencies and pathway to improved returns, with 20-30 flagship upgrades targeted in 2021



# On track to deliver \$85 million EBIT uplift by 2024\*

Significant progress made over 2020 with the accelerated delivery of labour enhancements and efficiencies, implementation of wholesale from Woolworths and progress with range simplification, formats and new store pipeline





## Build foundations for energy transition

Transition with our customers, focusing on a targeted set of energy and decarbonisation themes with clear linkages to our capabilities and assets

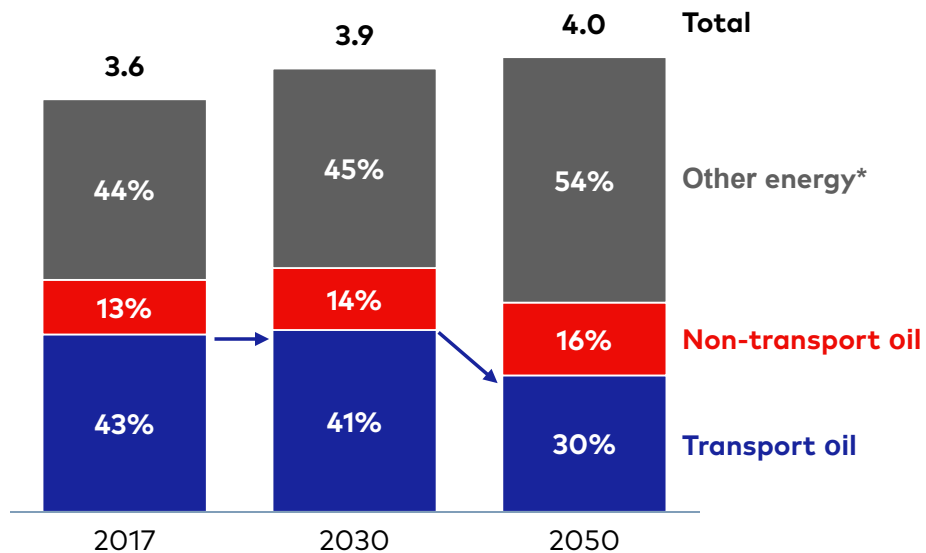


# Transition with our customers

Demand in core Australian fuels expected to remain strong until at least 2030

## Australian energy mix forecasts

Final consumption, MTJ



## What this means for Ampol

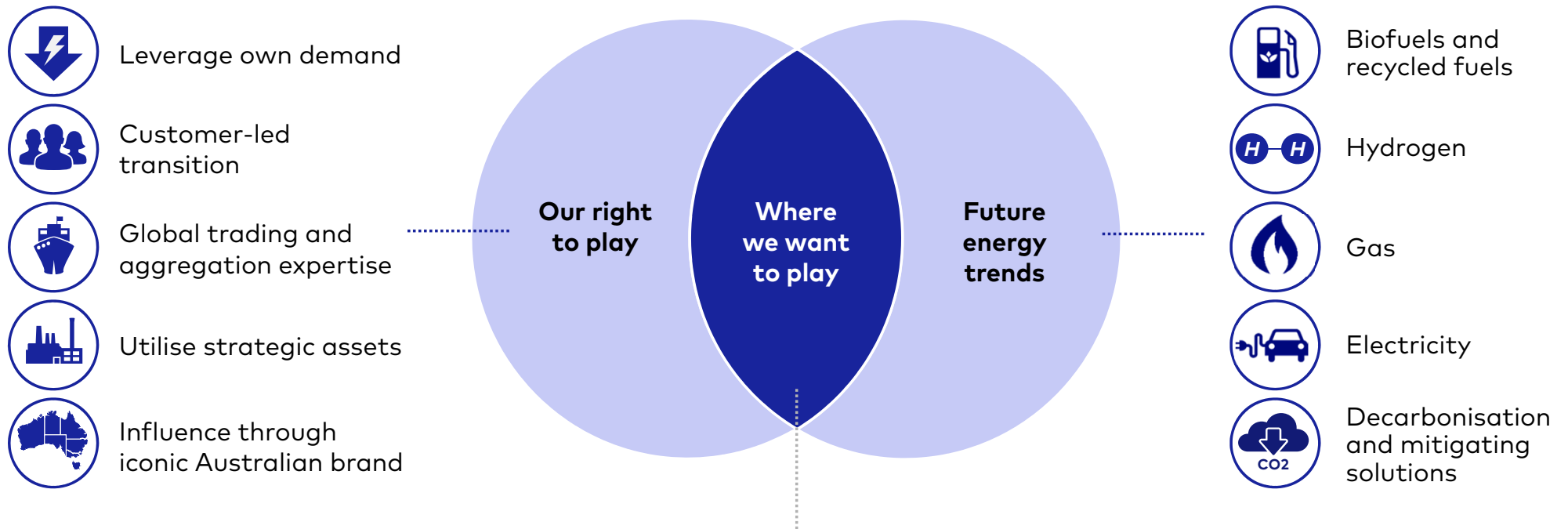
- The evolution of Australia's transport fuels is anticipated to be slower than many other developed economies
- Over the medium term, we expect transport oils to remain a strong and growing market, particularly diesel, given lack of substitutes
- Beyond 2030, we expect alternative energy technologies in Australia to grow at pace:
  - Large-scale infrastructure investments required
  - Technology roadmap to evolve with numerous competing low-carbon options
  - Viable technologies will vary between industries and geographies
- Ampol will make disciplined investments towards in-market and commercially viable technologies:
  - Federal and State governments prioritising various early-stage energy transition investments
  - Ampol well placed to benefit as the market-leader in Australian transport fuel



• Includes coal, gas, bioenergy, electricity and others  
 Source: McKinsey Energy Insights (Global Energy Perspective A1 (central) case); press search

# Investigate targeted options

Ampol has started focusing on a targeted set of energy and decarbonisation themes, each of which has a clear linkage to our strengths



Driven by organisational and commercial enablers

Disciplined  
capital management

Close to  
assets/customers

Government  
priorities and funding

Industry/technology  
partnerships

# Apply test and learn approach

Leveraging partnerships to test and learn our approach to energy transition

## Practical approach

1. Actively engage customers and government on energy transition
2. Staff a small, dedicated team of cross-functional capabilities tapped in to the broader organisation
3. Establish a set of relevant investment criteria to test and learn in a discipline fashion
4. Allocate a modest funding pool to establish capability and credibility
5. Seek government funding and co-investors where possible to share risk and source capability

## Case example: Potential downstream hydrogen distribution opportunity in Tasmania

### Description

- Ampol is exploring downstream hydrogen distribution opportunities in Tasmania with other interested parties such as Woodside
- Currently at pre-feasibility stage, with only modest financial commitment

### Strategic rationale

- Fuel diversification toward high-growth 'greener' alternative fuels
- Understand the economics of hydrogen manufacturing and distribution, and target new revenue streams as domestic and export markets develop
- Early exposure to potentially 'game-changing' technological capability

### Our right to play

- We are well-positioned to extend strong fuel distribution and transportation capability to hydrogen
- Leveraging strong customer base in Tasmania as the basis for future demand
- Engineering expertise and product handling capability highly relevant



# Conclusion



# Summary

- Ampol is Australia's market-leading fuels and retail business, underpinned by strategic infrastructure and strong customer positions
- COVID-19 impacts have highlighted the quality of the business (ex-Refining and Aviation), with strong underlying performance in our Retail and International businesses, however the outlook for demand remains uncertain
- Despite the unprecedented disruption, we have made strong progress against our 2019 Investor Day commitments
- We remain committed to disciplined capital allocation to ensure strong ROCE across all parts of the portfolio
- We are capitalising on a unique opportunity to bring back an iconic Australian brand and reinvigorate our customer connection and organisational culture
- We have a clear strategy to:
  - Enhance the core business through relentless focus on cost efficiency, capital effectiveness and customer delivery
  - Deliver earnings growth in International and Retail, where we continue to build momentum
  - Build foundations for energy transition, leveraging the strength of our assets, customer positions and capabilities





# Q&A

# Appendix



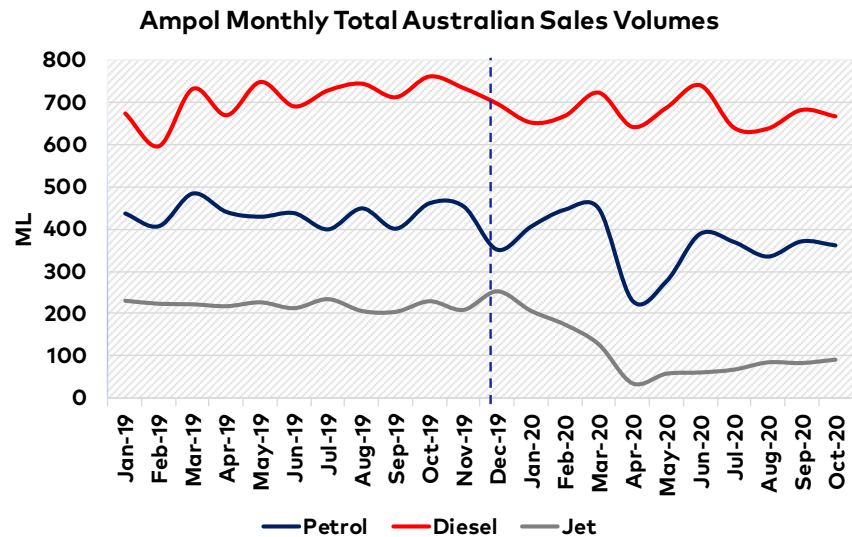


# Hydrocarbon demand impacts

COVID-19 continues to impact volumes; resilience in diesel demand and jet volumes improving with borders reopening, although outlook remains uncertain, particularly for international jet volumes given border closures

## Ampol monthly Australian total sales volumes

ML



## COVID-19 impacts\*

- Pandemic continues to impact Ampol's Australian demand with YTD volumes:
  - Diesel down 4%
  - Jet fuel down 55%
  - CR down 15%^
- CR volumes YTD:^
  - Gasoline down 19%
  - Diesel down 11%
- Comparable shop sales +5.8% YTD; shop market share maintained despite ~7% network reduction
- Gull volumes have recovered to pre-COVID levels, with YTD volumes up 2% vs. pcp; SEOIL volumes continue to improve, but remain below pre-COVID levels



- All YTD comparisons as of 31 October 2020, change vs. pcp
- ^ CR volumes shown on comparable basis given network reduction

# Our rebranding journey is progressing

We have commenced rebranding activities across our branded network

	2H 2020	1H 2021	2H 2021	2H 2022
	Pilot launch	Network rollout commences	Network scale achieved	Brand transition complete
<b>Brand objectives</b>	Local area marketing and sponsorship launch	National launch		Defend market position
<b>No. sites transitioned</b>	25 as of 23 November 2020	~660	~1,350	~1,930
<b>Network rebrand spend*</b>	~\$15 million	~\$100 million		~\$50 million



\* Excludes marketing spend

# Illustrative Buy-back Example (For an Australian Super Fund Investor)

Key Assumptions		Comments
Assumed Market Price <sup>1</sup>	\$ 28.00	
OMBB Price	\$ 24.08	Assumed Market Price less maximum tender discount of 14.0%
Assumed Capital Component	\$ 2.01	As per ATO Drafting class ruling
Original share purchase price (cost base)	\$ 22.80	Assume shares held for more than 12 months
<b>Australian tax implications of sale of shares into the OMBB</b>		
<b>Income tax consequences</b>		
Fully franked dividend component	\$ 22.07	Assumed Buy-Back Price less capital component
Add: Gross up for franking credits	\$ 9.46	
Assessable income	\$ 31.53	Full franked component plus gross up for franking credits
Tax on assessable income	\$ (4.73)	Superfund tax rate (15%) multiplied by assessable income
Add: Tax offset for franking credits	\$ 9.46	As per above
Net tax benefit / (cost)	\$ 4.73	Franking credit less tax on assessable income
<b>After-tax dividend (Income) proceeds</b>	<b>\$ 26.80</b>	<b>Assessable income less net tax benefit / (cost)</b>
<b>Capital Gains Tax consequences</b>		
Sale consideration	\$ 5.93	Assumed Market Price less dividend component
Less: Assumed cost base	\$ (22.80)	Assumption per above
Nominal loss on disposal	\$ (16.87)	Sale consideration less assumed cost base
Discounted capital loss on disposal	\$ (11.25)	33.33% capital gains discount for shares held for more than 12 months
Tax impact of loss	\$ 1.69	Tax on discounted loss on disposal
Add capital component	\$ 2.01	
<b>After-tax capital proceeds</b>	<b>\$ 3.70</b>	<b>Capital component plus tax impact of loss</b>
<b>Total after-tax proceeds</b>	<b>\$ 30.50</b>	<b>After tax dividend plus after-tax capital proceeds</b>
<b>Australian tax implications of sale of shares on the ASX</b>		
<b>Shares sold on market</b>		
Sale proceeds (assumed)	\$ 28.00	Assumed Market Price
Less: Assumed cost base	\$ (22.80)	
Nominal capital gain / (loss) on disposal	\$ 5.20	Sales proceeds less assumed cost base
Discounted capital gain / (loss)	\$ 3.47	Capital gains discount
Tax impact of loss / (gain)	\$ (0.52)	Tax on discounted capital gain
<b>Total after-tax proceeds</b>	<b>\$ 27.48</b>	<b>Sale proceeds less tax impact of capital loss</b>
<b>Net benefit / (cost) OMBB vs on market</b>	<b>\$ 3.02</b>	<b>After tax proceeds OMBB less after tax proceeds for on market sale</b>



Notes:

1. Assumed Market Price is as per the Buy-Back booklet

# Proposed Off-market Buy-back Timetable

## November 2020

▪ Announcement of the Buy-Back	Monday, 23 November
▪ Last day that Shares can be acquired on the ASX to be eligible to participate in the Buy-Back and to qualify for franking credit entitlements in respect of the Buy-Back consideration	Wednesday, 25 November
▪ Buy-Back Ex-Entitlement Date: the date that Shares commence trading on an ex-Buy-Back basis. Shares acquired on the ASX on or after this date will not confer an entitlement to participate in the Buy-Back	Thursday, 26 November
▪ Buy-Back Record Date: determination of shareholders entitled to participate in the Buy-Back at 7.00pm (Sydney time)	Friday, 27 November

## December 2021

▪ Despatch of Buy-Back Flyer to eligible shareholders expected to be completed	Wednesday, 2 December
▪ Tender Period opens	Monday, 7 December

## January 2021

▪ Five trading days over which VWAP is calculated (for the purposes of determining the Market Price)	Monday, 18 January – Friday, 22 January
▪ Closing Date: Tenders must be received by the Registry no later than 7.00pm (Sydney time)	Friday, 22 January
▪ Buy-Back Date: Announcement of Buy-Back Price and scale back (if any) to the ASX and entry into Buy-Back Contracts	Monday, 25 January
▪ Despatch/crediting of Buy-Back proceeds to participating shareholders completed	Monday, 1 February



Notes:

While Ampol does not anticipate any changes to these dates and times, it can vary them by announcement to the ASX. Such an announcement will be taken to amend the Buy-Back Booklet (and the other Buy-Back Documents) accordingly. Ampol may, in its absolute discretion, also decide to vary the size of the Buy-Back (subject to any legal restrictions) or not to proceed with the Buy-Back.

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Thank you