

CEO's Message



Matthew Halliday

It remains an honour to lead this great Australian company.

I am proud that in 2022 strong ongoing operational performance has allowed us to deliver exceptional outcomes for shareholders, customers, and communities as we continued to successfully execute our strategy.

The core business delivered a record financial result, which supported record shareholder returns.

These outcomes wouldn't have been possible without the dedication of the entire Ampol team, who have responded well to the significant challenges of global energy markets volatility, extreme weather events and COVID-19 outbreaks to continue to deliver safely, reliably and efficiently for our customers.

There was strong performance across our integrated value chain. Record earnings at Lytton, where the Refiner Margin for the year averaged US\$17.86/bbl, was complemented by higher earnings in our International business, which continues to develop as a platform for further growth, and allowed us to deliver a significantly improved RCOP EBIT result in Fuels & Infrastructure. Convenience Retail also delivered very strong financial performance through improved earnings in both fuel and shop, despite the impact of high fuel prices during the year.

Record total fuel sales across the year were achieved as we continued to build on our strong track record of safe, reliable and efficient supply. Ampol has an important role to play in underpinning energy security in Australia and New Zealand, leveraging the skills of our people, our market leading infrastructure and integrated supply chain. We know this is essential for our customers, and these capabilities came to the fore in 2022 as challenges emerged in fuel supply chains globally.

Strong progress was made against our strategic priorities. The rebrand to Ampol is now complete, with the milestone reached in just under two years. Our customers, stakeholders and employees have responded very positively to the return of Ampol as an iconic brand Australians know and love.

We also achieved our non-fuel RCOP EBIT uplift target in our Convenience Retail business ahead of schedule. The performance of retail fuels has also improved significantly over the same period, and together have driven much stronger profitability. When coupled with the strong improvement in safety performance, these results highlight a business that has developed strong capability and is well positioned to continue to pursue disciplined growth in the coming years.

We also completed the acquisition of Z Energy (Z) in New Zealand. The acquisition of Z further builds on Ampol's international growth strategy, through which we have continued to build our presence and scale across the region. This acquisition further strengthens Ampol's platform to continue our growth across the region and good progress has already been made integrating Z into Ampol's business. Like Australia, in 2022 the New Zealand market was negatively impacted by high fuel prices and COVID-19 in the initial months following acquisition, but delivered strong performance in the second half of 2022.

In 2023 we will continue to deliver on the synergies from the transaction, including increasing supply to the Z business through our established trading and shipping team. This will drive improved outcomes for Ampol and strengthen fuel security in New Zealand.

We remain disciplined with our allocation of capital, prioritising shareholder returns as we strive to get the balance right between core business optimisation, ongoing international growth, and targeted investment in the energy transition to meet the evolving needs of our customers.

Ampol continued to invest in the energy transition in 2022 consistent with our plans communicated at the start of the year. Our efforts to extend our customer value proposition will continue to be tested with discipline to ensure we are delivering strong and sustainable returns for shareholders over the long-term, while in parallel evolving our business over time alongside our customers.

The Future Energy team achieved several significant milestones, including launching AmpCharge, our electric vehicle charging solution, and the installation of the first five pilot sites as part of a co-funding agreement with the Australian Renewable Energy Agency (ARENA).

We also finalised an agreement with the NSW Government to deliver 19 fast charging sites and over 110 charging bays in key areas of NSW, including over 50 bays at eight 'at-destination' sites outside our retail network.

In total, our initial commitment is to deliver more than 100 fast-charging sites and over 300 charging bays nationally as we work collaboratively with governments on co-funding solutions to leverage our infrastructure network strength to deliver e-mobility solutions.

In 2022 we also made strong progress putting community at the heart of our strategy. Overall Ampol community contributions increased by 29 per cent to \$4.1 million, which included raising over \$1 million for our Ampol Foundation charity partners through our retail network and the generous support of customers. This was complemented by strong employee participation in our workplace giving program, Fuelling Change, with funds raised reaching almost \$300,000.

We also continued to progress our objectives in diversity and inclusion and maintained our strong employee culture as demonstrated in our third consecutive annual culture survey. This included the launch of our second Innovate Reconciliation Action Plan as we continue our journey to support better opportunities for Aboriginal and Torres Strait Islander peoples across employment, procurement, cultural awareness and community engagement.

Ampol is also committed to developing its people and leaders. I was pleased that all three changes to our Ampol leadership team (ALT) in 2022 recognised the talent that exists within the company.

Kate Thomson was promoted to the role of Executive General Manager, Retail Australia, Faith Taylor was promoted to Executive General Manager, Group General Counsel, Regulation and Company Secretary, and Lindis Jones was appointed Executive General Manager, Z Energy and will commence in his role on 1 March 2023. With these leadership changes, female representation on the ALT has increased to 33%, which is closer to our aspiration of 40%.

Finally, I am pleased that this year we have integrated our Sustainability Performance into our full year reporting suite. The integration of our financial and non-financial reporting underlines our commitment to transparency and to ongoing improvement across our key sustainability measures.

As we head into 2023, we will continue to focus on strong operational and commercial performance, which support the ongoing delivery of attractive shareholder returns. We will also continue to invest prudently in energy transition to maximise the future value of Ampol's infrastructure strength and capabilities to evolve alongside our customers' needs.

I would like to thank all our employees for a great year. Our financial and operational results, together with the clear progress we are making on the delivery of our strategy, reflect the talent, commitment, and innovation our people bring to Ampol each day.

I would also like to thank our customers, partners and shareholders for their continued support and as we look forward to another year of strong delivery in 2023.



Matthew Halliday
Managing Director and CEO

