ASX/NZX Release

21 August 2023

2023 HALF YEAR REPORT

Ampol Limited (ASX/NZX:ALD) provides the attached 2023 Half Year Report (incorporating Appendix 4D).

Authorised for release by: the Board of Ampol Limited.

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ACN 004 201 307

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Half Year Report 2023

Powering our way of life

Ampol Limited
ACN 004 201 307

Consolidated Income Statement

FOR THE HALF YEAR ENDED 30 JUNE 2023

Appendix 4D - Results for Announcement to the Market

Details of Reporting Period	
Current reporting period	Six (6) months to 30 June 2023
Previous corresponding period	Six (6) months to 30 June 2022

Key Results (Millions of dollars)		2023	2022
Revenue from ordinary activities	▲ 6.4%	**18,446.6**	17,333.3
Profit after tax attributable to members of the parent – continuing:			
Statutory basis	▼ 88.3%	**79.1**	676.2
Replacement cost basis (excluding significant items after tax) (i)(iv)	▼ 25.9%	**329.6**	444.7
Profit after tax from discontinued operations			
Statutory basis	>100%	-	19.7
Replacement cost basis (excluding significant items after tax)(i)(iv)	>100%	-	26.3

Dividend declared per security (fully franked)(ii)	2023	2022
Interim	**95c**	120c
Final	**N/A**	105c
Special	**N/A**	50c
Record date for 2023 interim dividend		4 September 2023
Payment date for the 2023 interim dividend		27 September 2023

Net tangible assets	2023	2022
Net tangible asset backing per share ($)(iii)	**8.37**	9.59

Return on equity attributable to members of the parent entity after tax	2023	2022
Statutory basis	**2.4%**	18.1%
Replacement cost basis (excluding significant items)(i)(iv)	**9.9%**	11.9%

The remainder of the information requiring disclosure to comply with ASX listing rule 4.2A.3 is contained in the Operating and Financial Review section of the Directors' Report and the reviewed Financial Report, within the Ampol Limited Half Year Report 2023, lodged with this Appendix 4D.

(i) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure commonly used within the global downstream oil industry. It is unaudited and derived from the statutory profit adjusted for inventory (losses)/gains. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory costs, and adjusting for the effect of contract-based revenue lags. Refer to note B3 in the Financial Statements for a reconciliation of Statutory Profit to Replacement Cost basis profit.

(ii) There is no conduit foreign income component distributed in relation to the dividend. There is no Dividend Reinvestment Plan in operation.

(iii) Net tangible asset backing per share is derived by dividing net tangible assets by the number of shares issued. Net tangible assets are net assets attributable to members of Ampol less intangible assets. The number of ordinary shares used in the calculation of net tangible assets per share was 238 million (2022: 238 million).

(iv) Significant items are events that Management and the Board consider by virtue of their size, nature or incidence to be outside the scope of usual business. These are excluded to give a clearer reflection of underlying financial performance from one period to the next.

Contents

The 2023 Half Year Financial Report for Ampol Limited (Ampol) includes the:

- Directors' Report
- Directors' Declaration
- Independent Auditor's Review Report
- Half Year Financial Statements
- Notes to the Half Year Financial Statements for the Group

For the purposes of this report, the Group refers to Ampol and its controlled entities.

The 2023 Half Year Financial Report should be read in conjunction with the 2022 Financial Report.

The Board

The directors of Ampol Limited (Ampol) present the 2023 Directors' Report and the 2023 Financial Report for Ampol and its controlled entities (collectively referred to as the Group) for the half year ended 30 June 2023.

The Directors of Ampol resolved to authorise the issue on 21 August 2023 of the Half Year Financial Report for the half year ended 30 June 2023.

Board of Directors

The following persons were directors holding office at any time during the half year period and up to the date of this report, unless otherwise stated.

Name	Position
1. Steven Gregg	Independent, Non-executive Director (appointed 9 October 2015) and Chairman (appointed 18 August 2017)
2. Matthew Halliday	Managing Director and Chief Executive Officer (appointed 29 June 2020)
3. Simon Allen	Independent, Non-executive Director (appointed 1 September 2022)
4. Mark Chellew	Independent, Non-executive Director (appointed 2 April 2018)
5. Melinda Conrad	Independent, Non-executive Director (appointed 1 March 2017)
6. Elizabeth Donaghey	Independent, Non-executive Director (appointed 1 September 2021)
7. Michael Ihlein	Independent, Non-executive Director (appointed 1 June 2020)
8. Gary Smith	Independent, Non-executive Director (appointed 1 June 2020)
9. Penny Winn	Independent, Non-executive Director (appointed 1 November 2015)

A biography of each current director is available on the Ampol website at https://www.ampol.com.au/about-ampol/who-we-are/board-of-directors.

Board and committee changes

There has been no change to the Board and Committee compositions for the half year ended 30 June 2023, other than a change in name to the People and Culture Committee (formerly Human Resources Committee).

Executive changes

On 1 March 2023, Mike Bennetts stepped down from his role as Executive General Manager, Z Energy. He was replaced by Lindis Jones.

Alan Stuart-Grant resigned from his position as Executive General Manager, Growth and Development on 31 March 2023.

Directors' Report continued
Operating and financial review

The purpose of the operating and financial review (OFR) is to provide shareholders with additional information regarding the Group's operations, financial position, business strategies and prospects. The review complements the Financial Report on pages 19 to 46.

The OFR may contain forward-looking statements. These statements are based solely on the information available at the time of this report, and there can be no certainty of the outcome in relation to the matters to which the statements relate.

Company overview

Ampol (previously Caltex) returned to its iconic Australian name following shareholder approval on 14 May 2020. The national roll-out of the Ampol brand across our retail network was completed in late 2022. Approximately 1,800 sites now display the Ampol brand. Ampol is an independent Australian company and the leader in transport fuels in Australia and through its acquisition of Z Energy, in New Zealand.

We supply Australia's largest branded petrol and convenience network as well as refining, importing and marketing fuels and lubricants. We have a deep history spanning over 120 years and are listed on the Australian Securities Exchange (ASX) (primary listing) and New Zealand Exchange (NZX) through a foreign exempt listing.

Ampol supplies fuel to approximately 110,000 business and SME customers in diverse sectors across the Australian and New Zealand economies, including defence, mining, transport, marine, agriculture, aviation and other commercial and industrial sectors. Across our Australian and New Zealand retail networks, we serve approximately four million customers every week with fuel and convenience products.

Our ability to service our broad customer base is supported by our robust supply chain and strategic infrastructure positions. In Australia that includes 15 terminals, 6 major pipelines, 53 wet depots, 1,816 Ampol branded sites (including 643 company-controlled retail sites) and one refinery located in Lytton, Queensland. In New Zealand that includes 9 terminals and 519 sites (includes Z Energy and Caltex branded sites). This network is supported by over 9,200 people across Australia, New Zealand, Singapore and the United States of America (USA).

In recent years, we have leveraged our Australian business to extend our supply chain and operations into international markets. This includes our Trading and Shipping business that operates out of Singapore and Houston in the USA, and our international storage positions across the Asia Pacific region. We also have grown our presence in New Zealand through the acquisition of Z Energy. Ampol divested Gull New Zealand on 27 July 2022 as part of the regulatory approval to acquire Z Energy. Ampol also owns a 20% equity interest in Seaoil, a leading independent fuel company in the Philippines.

Directors' Report continued
Operating and financial review continued

Group strategy

Ampol's strategy is focused around three elements which are underpinned by our market-leading position in transport fuels, strategic assets, customer relationships and supply chain expertise.

We are clear on our key priorities for 2023 which are aligned to our three strategic pillars of:

- Enhance the core business
- Expand from rejuvenated fuels platform
- Evolve energy offer for our customers.

While delivering for our customers and delivering another strong financial result, we have made good progress and are on track to achieve our strategic priorities.

For the Enhance pillar our priorities were focused on:

- Reaching final investment decision on the Ultra Low Sulphur Fuels Project for Lytton
- Leveraging our successful rebrand to Ampol to continue to grow retail channels in Australia
- Continue to derisk fixed price B2B diesel and aviation contracts in Australia.

For the Expand pillar our priorities were focused on:

- Delivery of the Z Energy acquisition benefits and synergies target of NZ$60-80 million
- Continuing to explore organic growth opportunities in Fuels and Infrastructure International
- Development of strategic highway sites in Australia
- Conducting a trial of Quick Service Restaurant operation with a Tier one fast food chain, Hungry Jacks.

Evolving our business to build the foundations for energy transition is the third pillar of Ampol's strategy. Ampol's and Z Energy's privileged assets, supply chain expertise and deep customer relationships mean we are uniquely placed to be part of the decarbonisation solution in Australia and New Zealand by enabling an orderly energy transition and to capitalise on opportunities that can deliver sustainable returns for shareholders over the long-term. Our focus areas in the Evolve pillar were to:

- Progress the roll out of the on-the-go Electric Vehicle charging network
- Continue with test and learns for other Future Energy initiatives
- Evaluate low carbon solutions for hard to abate sectors such as aviation, mining and heavy haul trucking.

Strategic Pillar	Key Priorities	Current Status
Enhance the core business	**Final investment decision on Lytton Ultra Low Sulphur Fuels Project** expected once Australian fuel standard changes are resolved	In progress
	Leverage rebrand to continue growth in retail channels	In progress
	Continue to derisk fixed price B2B diesel and aviation contracts in Australia and mitigate residual exposure with opportunistic term supply and price risk management	In progress
Expand from rejuvenated fuels platform	**Deliver Z Energy acquisition synergies target** of NZ$60–80 million (annualised run rate)	Complete
	Continue to explore organic growth in F&I International by expanding across customers, products and regional markets	In progress
	Continue to develop strategic highway sites in Australia including Pheasants Nest and the M4 sites	In progress
	Conduct pilot of Quick Service Restaurant (QSR) strategy with Tier 1 fast food chain	In progress
Evolve energy offer for our customers	**Progress EV network roll out** of ARENA and NSW Drive Electric co-funded programs	In progress
	Continue with test and learns for other Future Energy initiatives including integrated fuel and charging offers for customers	In progress
	Evaluate low carbon solutions for aviation and heavy haul tracking	In progress

Directors' Report continued
Operating and financial review continued

Ampol results 30 June 2023

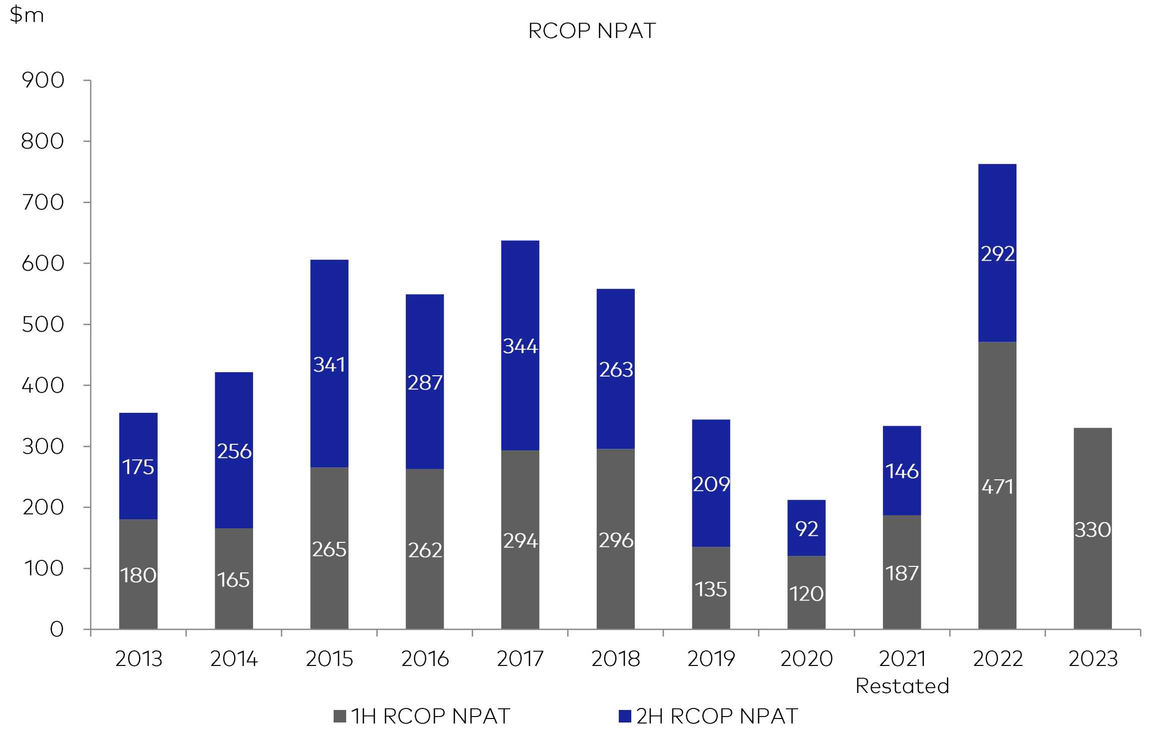
On a statutory basis, Ampol recorded an after-tax profit attributable to equity holders of the parent entity of $79.1 million, including a significant item loss of $30.4 million and a product and crude oil inventory loss of $220.1 million after tax. This compares unfavourably to the 2022 half year after-tax profit attributable to equity holders of the parent entity of $695.9 million, which included a significant items loss of $64.7 million and a product and crude oil inventory gain of $289.6 million after tax.

RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure commonly used within the global downstream oil industry. It is unaudited and derived from the statutory profit adjusted for inventory (losses)/gains. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory costs, and adjusting for the effect of contract-based revenue lags.

A reconciliation of the RCOP result to the statutory result is set out in the following table and can also be found in note B3 to the Financial Statements:

Reconciliation of the RCOP result to the statutory result	June 2023 $m (after tax)	June 2022 $m (after tax)
Net profit attributable to equity holders of the parent entity	79.1	695.9
Significant items loss (after tax)	30.4	64.7
Inventory (gain)/loss	220.1	(289.6)
RCOP NPAT (before significant items)	329.6	471.0

On an RCOP basis, Ampol recorded an RCOP NPAT (before significant items) of $329.6 million (1H 2022: $471.0 million).



Dividend

The Board has declared an interim ordinary dividend of 95 cents per share, fully franked. This represents a payout ratio of 69 per cent for the first half, in line with Ampol's stated Dividend Policy pay-out ratio of 50% to 70% of RCOP NPAT (excluding significant items). This compares to Ampol's 2022 interim fully franked dividend of 120 cents per share.

Directors' Report continued
Operating and financial review continued

Income statement

	For the half year ended 30 June	2023 $m	2022 $m
	Continuing operations		
1.	Total revenue	18,446.6	17,333.3
	Other income	6.7	7.5
	Share of net profit of entities accounted for using the equity method	0.2	9.6
2.	Total expenses[(i)]	(17,877.2)	(16,657.3)
	RCOP EBIT, excluding significant items from continuing operations	576.3	693.1
	Finance income	6.6	4.1
	Finance expenses	(143.0)	(61.9)
3.	**Net finance costs**	(136.4)	(57.8)
	Income tax expense[(ii)]	(85.2)	(167.2)
	Non-controlling interest	(25.1)	(23.4)
	RCOP net profit after tax from continuing operations	329.6	444.7
	RCOP net profit after tax from discontinued operations	-	26.3
	RCOP net profit after tax from continuing and discontinued operations	329.6	471.0
4.	Inventory gain/(loss) after tax	(220.1)	289.6
5.	Significant items loss after tax	(30.4)	(64.7)
	Statutory net profit after tax attributable to parent	79.1	695.9
	Non-controlling interest	25.1	23.4
	Statutory net profit after tax	104.2	719.3
	Dividends declared or paid		
	Interim ordinary dividend per share	95c	120c
	Final ordinary dividend per share	N/A	105c
	Special dividend per share	N/A	50c
	Earnings per share from continuing operations (cents)		
	Statutory basis including significant items – basic	33.2	283.8
	Statutory basis including significant items – diluted	33.1	282.3
	Replacement cost basis excluding significant items – basic	138.3	186.6
	Replacement cost basis excluding significant items – diluted	138.1	185.7

(i) Excludes significant item loss before tax of $42.1 million from continuing operations (1H 2022: $77.7 million) and inventory loss before tax of $305.5 million (1H 2022: $410.4 million inventory gain).

(ii) Excludes tax benefit on inventory loss of $85.4 million from continuing operations (1H 2022: $123.2 million tax expense) and tax benefit on significant items loss of $11.7 million (1H 2022: $22.0 million).

Directors' Report continued
Operating and financial review continued

Income statement continued

Discussion and analysis – Income statement		
1.	Total revenue from continuing operations ▲ 6%	Total revenue increased largely due to a 25% increase in total sales volumes (14.4 BL) compared with 1H 2022 (11.5 BL). Contributing to this increase was a full six months of revenue from New Zealand in 1H 2023 and growth in aviation fuel sales as the industry continues its recovery post COVID. The volume increase was partly offset by decreased crude and product prices, with the equivalent Australian dollar sales prices being 21% lower on average than 1H 2022.
2.	Total expenses from continuing operations ▲ 7%	Total expenses increased in line with revenue primarily due to higher replacement cost of goods sold, driven by an uplift in volumes which was partly offset by decreased crude and product prices.
3.	Net finance costs from continuing operations ▲ 136%	Finance costs increased predominantly due to an increase in market interest rates and higher average drawn debt in 1H 2023 compared to 1H 2022 resulting from the acquisition of Z Energy in May 2022.
4.	RCOP Inventory loss after tax $220.1 million	Inventory loss of $220.1 million after tax ($305.5 million before tax) in 1H 2023 due to the purchase price of inventory during the period being higher than replacement cost. Ampol holds crude and product inventory, the price of which varies due to fluctuations in the product price and foreign exchange movements. The price at which inventory was purchased often varies from the current market prices at the time of sale. This creates an inventory gain or loss at the time of sale.
5.	Significant items loss after tax $30.4 million	Total significant item expense after tax of $30.4 million (1H 2022: $64.7 million expense) relates to: **Legal settlements and other** $1.4 million cost in current period relating to a multi-year project to improve Commodity Trading Risk Management partly offset by a gain on sale of a Convenience Retail site. 1H2022: $27.7 million includes a settlement relating to a Deed of Release entered into in April 2022 with EG Group Limited, the nature of which is commercially sensitive, and divestment proceeds from the sale of Convenience Retail sites. **Ampol rebranding expense** In 1H 2022, the Group had recognised an expense of $21.8 million relating to the rebranding program to remove Caltex signage and install Ampol branding at the Group's Australian sites. The rebranding program was completed in 2022. **Transaction costs** In 1H 2022, the Group recognised an expense of $37.3 million relating to transaction costs incurred to acquire Z Energy Limited and dispose Gull. The acquisition of Z Energy Limited and disposal of Gull completed in 2022. **Unrealised mark-to-market electricity derivative (losses)** $40.7 million relating to unrealised electricity derivative mark-to-market losses which do not qualify for hedge accounting treatment arising from Z Energy's investment in Flick Energy (1H 2022: $nil). **Tax effect of significant items** Significant items tax benefit of $11.7 million on significant items (1H 2022: $22.1 million) predominantly reflects the New Zealand corporate tax rate of 28% on the unrealised mark-to-market of electricity derivative losses.

Directors' Report continued
Operating and financial review continued

Income statement continued

Discussion and analysis – Income statement	RCOP EBIT breakdown(i)
Fuels and Infrastructure (F&I) RCOP EBIT	**$303.9m**
Fuels and Infrastructure RCOP EBIT for the first half of the 2023 financial year was $303.9 million. This was 47 per cent lower (on a continuing basis) than the same time last year as lower Lytton refinery earnings, compared to a record performance last year, were partially offset by the stronger performance from F&I (Ex-Lytton). Lytton RCOP EBIT was $100.3 million reflecting the lower second quarter Lytton Refiner Margin (LRM) of US$5.66 per barrel due to weak Singapore product cracks in April and May 2023 and the one-off impact of the Fluidised Catalytic Cracking Unit (FCCU) outage. LRM for the first half was US$10.29 per barrel, including the benefit of the stronger first quarter. Total production for the half was similar to the same time last year, however it included a higher proportion of lower value finished products and intermediates produced during the FCCU outage. The refinery returned to normal operations by the end of May as planned and together with improved Singapore product cracks, the refinery delivered a LRM of US$12.69 per barrel for the month of June. F&I (Ex-Lytton and Future Energy) earnings grew by 54 per cent on a continuing basis, including an 84 per cent increase in earnings from F&I Australia (Ex-Lytton and Future Energy). Total Australian sales volumes rose 13 per cent compared with the same time last year, through growth in sales to commercial customers, particularly in aviation, and modest growth in retail volumes. Margins improved as the finished product markets stabilised in the period following the Russian invasion of the Ukraine, resulting in reduced volatility of the Quality Premiums and product freight rates relative to what was experienced during 2022. Commercial supply contracts also continue to be secured with current market related terms. In addition, the one-off incremental volume imported to address the refined high value product shortfall helped to partially offset the downside in refining. F&I International earnings (adjusted to exclude Gull as a discontinued operation) were also higher, rising 19 per cent, and included one-off sales of FCCU feed in response to the outage and the contribution from improved sales from the US Trading and Shipping operations. International volumes (excluding Z Energy) rose 10 per cent. Future Energy operating expense was $19.5 million, in line with the run rate for the second half of 2022. Ampol is progressing the rollout of the AmpCharge on-the-go electric vehicle (EV) charging network in Australia. As at the end of June 2023, 34 charging bays at 14 sites have been delivered in Australia as part of the ARENA and NSW Drive Electric programs. Gull New Zealand was held for sale at 30 June 2022 and is shown as a Discontinued Operation for the prior half.	
Convenience Retail (CR) RCOP EBIT	**$167.1m**
Convenience Retail has delivered further growth in RCOP EBIT for the first half 2023, with earnings up 31 per cent as fuel sales improved in addition to continued strong shop performance. Fuel volumes were up 1.1 per cent, 2.7 per cent on a like for like basis. Overall retail fuel margins were higher than in the first half of 2022, particularly in diesel, as wholesale product input costs stabilised. Excluding tobacco, network shop sales grew 5.6 per cent on a like for like basis as key categories of coffee, snacks, beverages and confectionery achieved strong growth. Average Basket Value continued to grow, more than offsetting the impact of reduced tobacco sales. Shop gross margin also continued to improve, reaching 34.9 per cent post waste and shrink through a combination of improved pricing, promotions and product mix. As a result, excluding higher electricity charges, total shop income increased compared to the same time last year. The rationalisation of the company operated network was essentially complete by the end of 2022. Total Ampol branded sites as at 30 June 2023 was 1,816 including 643 company operated sites. The pilot of 50 MetroGo stores was also completed late last year and has been the subject of a joint review in the half. The outcome of this review is that Woolworths and Ampol have agreed to not progress with a broader rollout and existing stores will be rebranded to Foodary over the coming months. The two companies remain committed to their partnership on Everyday Rewards loyalty and redemption. The outcome of the review provides Ampol with greater flexibility to leverage the entire network to execute the next phase of Ampol's retail strategy. Our immediate focus is on investment in new major highway sites including Pheasants Nest, M4s and M1s. The two new marquee sites at Pheasants Nest are now open and construction is well progressed on the refresh of the M1 flagship sites which will include Ampol-operated Hungry Jack's Quick Service Restaurants (QSRs). Over time, we also intend to take a more tiered approach to our Foodary offer to better meet the needs of our local customers as well as unlock the potential of QSRs across more of our premium network.	

Directors' Report continued
Operating and financial review continued

Income Statement continued

New Zealand (incl Z Energy) RCOP EBIT	**$122.8m**
The fully debt funded acquisition of Z Energy was completed on 10 May 2022, with the New Zealand segment's RCOP EBIT for this half at $122.8 million, benefitting from a full six months contribution of Z Energy and the contribution from the supply by Ampol's Trading and Shipping business. The Z Energy management team have delivered the anticipated benefits of the acquisition and the objective to simplify the business to drive improved profitability. The underlying business performed strongly in the half, despite the extreme weather events of the first quarter. The exit from the National Inventory Agreement has allowed Z Energy to continue to benefit from its superior infrastructure position gaining market share during the period. Ampol took over responsibility for full supply to Z Energy on 1 April 2023 with the earnings from supply presented in the New Zealand segment (consistent with F&I Australia). Fuel sales volumes improved by 23% on a proforma basis compared with the January to June period in 2022, as the COVID recovery improved demand particularly for jet. Z Energy also has continued to execute on its energy transition strategy having installed 37 EV charge bays at 14 sites as at the end of June 2023.	
Corporate RCOP EBIT	**($17.5m)**
Corporate operating expenses are $6.2 million lower compared to 1H 2023 due to the non-recurrence of self-insurance costs relating to the 2022 flooding events in Queensland and New South Wales, partly offset by marketing expenses.	
RCOP EBIT excluding significant items from continuing operations	**$576.3m**

(i) RCOP is an unaudited non-IFRS reporting measure. A reconciliation between statutory earnings and RCOP earnings can be found in note B3 of the financial statements.

Directors' Report continued
Operating and financial review continued

Balance sheet

		June 2023 $m	Dec 2022 Restated(ii) $m	Change $m
1.	Working capital	**1,806.6**	2,001.4	▼ 194.8
2.	Property, plant and equipment	**4,596.9**	4,615.6	▼ 18.7
3.	Intangibles	**1,346.9**	1,609.9	▼ 263.0
4.	Interest-bearing liabilities net of cash	**(3,505.9)**	(3,488.4)	▲ 17.5
5.	Other assets and liabilities	**(487.7)**	(688.4)	▼ 200.7
	Total equity	**3,756.8**	4,050.1	▼ 293.3

(ii) Amounts have been re-presented at 31 December 2022 due to the finalisation of the purchase price allocation on the Z acquisition. Refer to note D1 of the financial statements for further information.

Discussion and analysis – balance sheet		
1.	**Working capital** ▼ **$194.8m**	The working capital decrease was driven by a decrease in inventory pricing, partly offset by an increase in receivables and decrease in current tax liabilities.
2.	**Property, plant and equipment** ▼ **$18.7m**	Property plant & equipment broadly in line with December 2022, with capital expenditure of $160.0m being offset by depreciation and disposals.
3.	**Intangibles** ▼ **$263.0m**	Intangibles decreased largely due to the impairment of New Zealand Emissions Trading Units. These units are held by Z Energy to meet surrender obligations under the NZ Emissions Trading Scheme. There is a corresponding decrease in payables (within Other assets and liabilities) relating to the reduction in the surrender obligation.
4.	**Interest-bearing liabilities net of cash** ▲ **$17.5m**	Interest-bearing liabilities relate to net borrowings of $2,379.8 million (December 2022: $2,358.9 million) and lease liabilities of $1,126.1 million (December 2022: $1,129.5) at 30 June 2023. Ampol's gearing was 38.8%, an increase of 2.0% from 31 December 2022. On a lease-adjusted basis, gearing was 48.3%, an increase of 2.0% from 31 December 2022.
5.	**Other assets and liabilities** ▼ **$200.7m**	Other assets and liabilities decreased primarily due to the decrease in Z Energy's Emissions Trading Units surrender obligation. The value of this obligation is directly related to the value of the Emission Trading Units intangible asset which was impaired in the current reporting period.

Directors' Report continued
Operating and financial review continued

Cash flows(i)

For half year ended 30 June	2023 $m	2022 $m	Change $m
1. Net operating cash (outflows)/inflows	**698.1**	199.2	▲ 498.9
2. Net investing cash (outflows)/inflows(ii)	**(158.1)**	(1,798.3)	▼ 1,640.2
3. Net financing cash (outflows)/inflows	**(544.1)**	1,327.4	▼ 1,871.5
Net decrease in cash held(iii)	**(4.6)**	(278.2)	▲ 273.6

(i) The Consolidated Cash Flow Statement includes cash flows from both continuing and discontinued operations.

(ii) Does not include the purchases of New Zealand Emissions Trading Units during the period, which is included in operating cashflows.

(iii) Including effect of foreign exchange rates on cash and cash equivalents.

Discussion and analysis – Cash flows	
1. Net operating cash inflows ▲ $498.9m	Net operating cash inflows increased largely due to a 25% increase in total sales volumes. This increase in receipts from customers ($2,480.0 million) was partly offset by an increase in payments to suppliers ($1,770.8 million) and increased tax related payments of $139.4 million due to higher earnings in FY22.
2. Net investing cash outflows ▼ $1,640.2m	Investing cash flows represent capital expenditure for property, plant and equipment, the purchase of intangibles and major cyclical maintenance at the Lytton refinery. The decrease in investing cash flows is due to the prior period including the acquisition of Z Energy for $1,785.1 million net of cash acquired of $111.1 million.
3. Net financing cash inflows ▼ $1,871.5m	The decrease in financing cash flows compared with the prior period was largely due to the non-recurrence of the draw-down of facilities to fund the Z Energy acquisition and the receipt of proceeds on sale of the non-controlling interest in Ampol Property Trust. In addition, the current period includes a net repayment of borrowings ($92.7 million), and a dividend payment of $369.4 million which was an increase of $271.8 million compared with the prior period.

Capital expenditure

Capital expenditure totalled $160.0 million, which included $23.3 million for New Zealand. F&I capital expenditure of $90.1 million included $54.7 million for Lytton, $21.5 million F&I excluding Lytton and Future Energy and $13.9 million relating to Future Energy. In Convenience Retail capital expenditure was $43.3 million and corporate capital expenditure of $3.3 million mainly related to information technology assets.

Market conditions

The Lytton Refiner Margin improved to US$15.31 per barrel for July, above historical averages due to middle distillate cracks and we have seen a promising start to August. F&I (Ex-Lytton) is expected to continue to benefit from the ongoing growth in demand for jet, driven by the recovery in air travel.

During July, fuel margins for Convenience Retail softened due to rising wholesale product prices and the lag in flowing these through to board pricing. This is expected to normalise as product prices stabilise. We expect continued strong shop performance in the context of the current economic environment.

Z Energy should benefit from increasing immigration post COVID which is supportive of demand, helping to counter any short term impacts of weaker economic conditions.

Capex spend is expected to skew to the second half, trending to $450 million including investments in highway sites, the Lytton Ultra Low Sulphur Fuels Project and the EV public charging networks.

Directors' Report continued

Risk management

There have been no material changes to the descriptions of Ampol's risk management framework as outlined in the Operating and Financial Review included in the Annual Report as at 31 December 2022.

Events subsequent to 30 June 2023

Dividend

On 21 August 2023, the Directors declared a fully franked interim dividend of 95 cents per share.

Other

There were no other items, transactions or events of a material or unusual nature that, in the opinion of the Board, are likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group that have arisen in the period from 30 June 2023 to the date of this report.

Rounding of amounts

Amounts in the half year 2023 Directors' Report and half year 2023 Financial Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated, in accordance with *ASIC Corporations (Amendment) Instrument 2016/191.* Ampol is an entity to which the instrument applies.

The Directors' Report is made in accordance with a resolution of the Directors of Ampol.

Steven Gregg
Chairman

Matthew Halliday
Managing Director & Chief Executive Officer
Sydney, 21 August 2023

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ampol Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Ampol Limited for the half-year ended 30 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Cameron Slapp
Partner
Sydney
21 August 2023

Directors' Declaration

The Directors of Ampol Limited (Ampol) declared that:

a) in the Directors' opinion, there are reasonable grounds to believe that Ampol will be able to pay its debts as and when they become due and payable; and

b) in the Directors' opinion, the consolidated financial statements for the Group for the half year ended 30 June 2023, and the notes to the financial statements, are in accordance with the *Corporations Act 2001 (Cth)*, including:

   (i) section 304 (compliance with Accounting Standards); and

   (ii) section 305 (true and fair view).

This declaration is made in accordance with a resolution of the Directors of Ampol.

Steven Gregg
Chairman

Matthew Halliday
Managing Director & Chief Executive Officer
Sydney, 21 August 2023

Independent Auditor's Review Report

To the shareholders of Ampol Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Ampol Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Ampol Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2023 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and *the Corporations Regulations 2001.*

The ***Half-year Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023;
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Ampol Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2023 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Cameron Slapp
Partner
Sydney
21 August 2023

Financial Statements Contents

Consolidated Income Statement

FOR THE HALF YEAR ENDED 30 JUNE 2023

Millions of dollars	Note	30 June 2023	30 June 2022
Continuing operations			
Revenue	B1	18,446.6	17,333.3
Cost of goods sold		(17,327.0)	(15,487.7)
Gross profit		1,119.6	1,845.6
Other income	B1	6.7	7.5
Other expenses	B2	–	(6.8)
Net foreign exchange gain/(loss)		20.0	(41.6)
Selling and distribution expenses		(815.0)	(669.7)
General and administration expenses		(102.8)	(118.8)
Profit from operating activities		228.5	1,016.2
Finance costs		(143.0)	(61.9)
Finance income		6.6	4.1
Net finance costs	B2	(136.4)	(57.8)
Share of net profit of entities accounted for using the equity method		0.2	9.6
Profit before income tax expense		92.3	968.0
Income tax benefit/(expense)	E6	11.9	(268.4)
Net profit from continuing operations	B3.2	104.2	699.6
Discontinued operations			
Net profit from discontinued operations	D2.1	–	19.7
Total net profit after tax		104.2	719.3
Profit attributable to:			
Equity holders of the parent entity		79.1	695.9
Non-controlling interest		25.1	23.4
Net profit		104.2	719.3
Earnings per share from continuing operations			
Statutory – cents per share – basic	B4	33.2	283.8
Statutory – cents per share – diluted	B4	33.1	282.3
Earnings per share from continuing operations and discontinued operations			
Statutory – cents per share – basic	B4	33.2	292.0
Statutory – cents per share – diluted	B4	33.1	290.6

The Consolidated Income Statement is to be read in conjunction with the notes to the Financial Statements.

Consolidated Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 30 JUNE 2023

Millions of dollars	Note	30 June 2023	30 June 2022
Profit for the period		104.2	719.3
Other comprehensive income			
Items that will not be reclassified to income statement:			
Actuarial gain/(loss) on defined benefit plans		0.4	(1.7)
Gain on revaluation of investments	C4	1.3	3.0
Tax on items that will not be reclassified to income statement		–	0.5
Total items that will not be reclassified to income statement		1.7	1.8
Items that may be reclassified subsequently to income statement:			
Foreign operations – foreign currency translation differences		(3.6)	19.8
Effective portion of changes in fair value of cash flow hedges		32.5	59.7
Net change in fair value of cash flow hedges reclassified to income statement		(31.1)	(26.2)
Tax on items that may be reclassified subsequently to income statement		(1.5)	(20.0)
Total items that may be reclassified subsequently to income statement		(3.7)	36.3
Other comprehensive (loss)/income for the period, net of income tax		(2.0)	35.1
Total comprehensive income for the period		102.2	754.4
Attributable to:			
Equity holders of the parent entity		77.1	731.0
Non-controlling interest		25.1	23.4
Total comprehensive income for the period		102.2	754.4

Total comprehensive income for the period arising from:			
Continuing operations		102.2	734.7
Discontinued operations		–	19.7

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the Financial Statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2023

Millions of dollars	Note	30 June 2023	31 December 2022 ^Restated
Current assets			
Cash and cash equivalents		**98.9**	126.0
Trade and other receivables		**2,767.5**	2,599.6
Inventories		**2,919.1**	3,593.9
Assets classified as held for sale	D2.2	**9.2**	–
Current tax assets		**63.9**	–
Total current assets		**5,858.6**	6,319.5
Non-current assets			
Trade and other receivables		**150.6**	118.1
Other investments		**64.2**	64.3
Investments accounted for using the equity method		**248.7**	241.1
Intangibles		**1,346.9**	1,609.9
Property, plant and equipment(i)		**3,533.2**	3,562.2
Right-of-use assets(i)		**1,063.7**	1,053.4
Deferred tax assets		**349.3**	366.1
Employee benefits		**3.9**	3.7
Total non-current assets		**6,760.5**	7,018.8
Total assets		**12,619.1**	13,338.3
Current liabilities			
Payables		**4,330.2**	4,438.2
Interest-bearing liabilities	C1.1	**232.6**	339.9
Lease liabilities	C1.2	**165.1**	163.8
Current tax liabilities		**33.0**	266.0
Employee benefits		**129.8**	168.5
Provisions		**91.6**	90.8
Total current liabilities		**4,982.3**	5,467.2
Non-current liabilities			
Payables		**43.8**	52.2
Interest-bearing liabilities	C1.1	**2,246.1**	2,145.0
Lease liabilities	C1.2	**961.0**	965.7
Deferred tax liabilities		**61.1**	82.5
Employee benefits		**6.4**	5.6
Provisions		**561.6**	570.0
Total non-current liabilities		**3,880.0**	3,821.0
Total liabilities		**8,862.3**	9,288.2
Net assets		**3,756.8**	4,050.1
Equity			
Issued capital	C3	**479.7**	479.7
Treasury stock		**(4.7)**	(2.8)
Reserves	C4	**208.4**	209.1
Retained earnings		**2,657.1**	2,946.0
Total parent entity interest		**3,340.5**	3,632.0
Non-controlling interest		**416.3**	418.1
Total equity		**3,756.8**	4,050.1

^ Amounts have been re-presented at 31 December 2022 due to the finalisation of the purchase price allocation on the Z acquisition. Refer to note D1 for further information.

(i) The prior period has been restated for a current period adjustment to transfer asset retirement obligation assets to Right-of-use assets. Refer to note A4 for further information.

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the Financial Statements.

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 30 JUNE 2023

Millions of dollars	Issued capital	Treasury Stock	Reserves (i)	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2023	**479.7**	**(2.8)**	**209.1**	**2,946.0**	**3,632.0**	**418.1**	**4,050.1**
Profit for the half year	–	–	–	79.1	79.1	25.1	104.2
Other comprehensive income	–	–	(2.4)	0.4	(2.0)	–	(2.0)
Total comprehensive income for the half year	**–**	**–**	**(2.4)**	**79. 5**	**77.1**	**25.1**	**102.2**
Ampol Property Trust and Ampol Property Trust 2 – distribution	–	–	–	–	–	(21.6)	(21.6)
Acquisition of Non-controlling Interest net of tax in Flick Energy	–	–	–	0.2	0.2	(0.2)	–
Acquisition of shares – Flick Energy	–	–	–	–	–	(1.9)	(1.9)
Transfer to retained earnings(ii)	–	–	(0.8)	0.8	–	–	–
Own shares acquired, net of tax	–	(5.2)	–	–	(5.2)	–	(5.2)
Shares vested to employees, net of tax	–	3.3	(3.3)	–	–	–	–
Expense on equity settled transactions, net of tax	–	–	5.8	–	5.8	–	5.8
Dividends to shareholders	–	–	–	(369.4)	(369.4)	(3.2)	(372.6)
Balance at 30 June 2023	**479.7**	**(4.7)**	**208.4**	**2,657.1**	**3,340.5**	**416.3**	**3,756.8**
Balance at 1 January 2022	**479.7**	**(1.5)**	**65.5**	**2,531.0**	**3,074.7**	**272.1**	**3,346.8**
Profit for the half year	–	–	–	695.9	695.9	23.4	719.3
Other comprehensive income	–	–	36.3	(1.2)	35.1	–	35.1
Total comprehensive income for the half year	**–**	**–**	**36.3**	**694.7**	**731.0**	**23.4**	**754.4**
Ampol Property Trust 2 – Divestment of Non-controlling Interest, net of tax	–	–	–	31.1	31.1	21.0	52.1
Ampol Property Trust 2 – Acquisition	–	–	–	–	–	4.6	4.6
Ampol Property Trust and Ampol Property Trust 2 – distribution	–	–	–	–	–	(20.1)	(20.1)
Transfer to retained earnings(ii)	–	–	32.2	(32.2)	–	–	–
Own shares acquired, net of tax	–	(5.1)	–	–	(5.1)	–	(5.1)
Shares vested to employees, net of tax	–	3.3	(3.3)	–	–	–	–
Expense on equity settled transactions, net of tax	–	–	3.7	–	3.7	–	3.7
Acquisition of shares by NCI – Flick Energy	–	–	–	–	–	1.6	1.6
Dividends to shareholders	–	–	–	(97.6)	(97.6)	–	(97.6)
Balance at 30 June 2022	**479.7**	**(3.3)**	**134.4**	**3,127.0**	**3,737.8**	**302.6**	**4,040.4**

(i) Refer to note C4 for further information.

(ii) Historic unvested amounts and differences between grant date fair value and the value of shares issued have been transferred from share-based payments reserves to retained earnings.

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the Financial Statements.

Consolidated Cash Flow Statement

FOR THE HALF YEAR ENDED 30 JUNE 2023

Millions of dollars	Note	30 June 2023	30 June 2022
Cash flows from operating activities			
Receipts from customers		23,673.0	21,193.0
Payments to suppliers, employees and governments		(22,555.9)	(20,785.1)
Shares acquired for vesting employee benefits		(5.2)	(5.1)
Dividends and distributions received		1.4	3.2
Interest received		5.2	14.0
Finance costs paid		(92.7)	(39.3)
Lease interest		(38.2)	(31.4)
Income taxes paid		(289.5)	(150.1)
Net operating cash inflows		698.1	199.2
Cash flows from investing activities			
Transaction costs		(0.2)	(15.0)
Purchases of property, plant and equipment		(145.5)	(110.8)
Major cyclical maintenance		(6.7)	(7.9)
Purchases of intangibles(i)		(7.8)	(4.0)
Proceeds from sale of property, plant and equipment, net of selling costs		13.7	13.4
Acquisition of shares in NCI – Flick Energy		(1.9)	–
Payment for investments		(9.7)	–
Acquisition of Z Energy Limited	D1	–	(1,785.1)
Cash acquired on acquisition of Z Energy Limited	D1	–	111.1
Net investing cash (outflows)		(158.1)	(1,798.3)
Cash flows from financing activities			
Proceeds from borrowings		4,947.9	3,195.7
Repayments of borrowings		(5,040.6)	(1,755.0)
Repayment of lease principal		(57.2)	(50.7)
Distributions/dividends paid to non-controlling interest		(24.8)	(20.1)
Dividends paid	B5	(369.4)	(97.6)
Proceeds from sale of non-controlling interest in Ampol Property Trust 2		–	55.1
Net financing cash (outflows)/inflows		(544.1)	1,327.4
Net decrease in cash and cash equivalents		(4.1)	(271.7)
Effect of exchange rate changes on cash and cash equivalents		(0.5)	(6.5)
Decrease in cash and cash equivalents		(4.6)	(278.2)
Cash and cash equivalents at the beginning of the period		103.5	566.3
Cash and cash equivalents at the end of the period		98.9	288.1

(i) Does not include the purchases of New Zealand Emissions Trading Units during the period, which are included in payments to suppliers, employees and government in operating cash.

The Consolidated Cash Flow Statement is to be read in conjunction with the notes to the Financial Statements.

Notes to the Financial Statements
A Overview

FOR THE HALF YEAR ENDED 30 JUNE 2023

A1 Reporting entity

Ampol Limited ("Ampol" or the "Company") is a for-profit company, incorporated and domiciled in Australia. The Consolidated Interim Financial Statements for the six months ended 30 June 2023 comprise the Company and its controlled entities (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. The Group is primarily involved in the purchase, refining, distribution and marketing of petroleum products and the operation of convenience stores.

A2 Basis of preparation

The Interim Financial Report was authorised for issue by the Board of Directors on 21 August 2023. It does not contain all the information that is included in the full annual financial report and should be read in conjunction with the financial statements for the year ended 31 December 2022. These can be obtained by visiting https://www.ampol.com.au/about-ampol/investor-centre/annual-reports.

The Interim Financial Report is a general-purpose financial report which has been prepared;

- in accordance with AASB 134 "Interim Financial Reporting" and the Corporations Act 2001 (Cth);
- on a historical cost basis, except for derivative financial instruments and other financial assets and liabilities that are measured at fair value;
- on a going concern basis; and
- in Australian dollars together with the Directors' Report and is rounded to the nearest hundred thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless stated otherwise.

A3 Use of judgement and estimates

Except as described below in note A4, the accounting judgements and estimates applied by the Group in these Interim Financial Statements are the same as those applied in its financial statements for the full year ended 31 December 2022.

A4 Significant accounting policies

The Interim Financial Report does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Except as described in this note, the accounting policies applied in these Interim Financial Statements are consistent with those applied as at 31 December 2022 and have been consistently applied by each entity in the Group.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met.

Comparatives

Asset remediation obligations

Historically, the Group has classified make good assets as property, plant and equipment where they related to leased assets. In the current period, the Group has reclassified these to right-of-use assets to reflect more appropriately the nature of the assets in accordance with *AASB 16 Leases*. As a result, $48.9 million (2022: $56.3 million) was reclassified from 'Property, plant and equipment' to 'Right-of-use assets'.

Notes to the Financial Statements
B Results for the half year

FOR THE HALF YEAR ENDED 30 JUNE 2023

This section highlights the performance of the Group for the half year ended 30 June 2023, including revenue and other income, costs and expenses, results by operating segment, earnings per share and dividends.

B1 Revenue and other income

Millions of dollars	30 June 2023	30 June 2022
Revenue		
Sale of goods	**18,329.3**	17,251.6
Other revenue		
Rental income	**14.6**	10.2
Transaction and merchant fees	**61.4**	47.0
Other	**41.3**	24.5
Total other revenue	**117.3**	81.7
Total revenue	**18,446.6**	17,333.3
Other income		
Net gain on sale of property, plant and equipment	**6.7**	7.5
Total other income	**6.7**	7.5

B1.1 Revenue from products and services

Millions of dollars	30 June 2023	30 June 2022
Petrol	**5,225.3**	4,835.3
Diesel	**8,848.9**	9,187.8
Jet	**1,750.2**	1,150.0
Lubricants	**176.2**	147.7
Specialty and other products	**389.2**	152.9
Crude	**1,364.8**	1,180.8
Non-fuel income	**574.7**	597.1
Other revenue	**117.3**	81.7
Total product and service revenue	**18,446.6**	17,333.3

Notes to the Financial Statements
B Results for the half year continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

B2 Costs and expenses

Millions of dollars	30 June 2023	30 June 2022
Finance costs		
Interest expense	105.3	46.1
Finance charges on leases	38.2	30.1
Impact of discounting	(0.5)	(14.3)
Finance costs	143.0	61.9
Finance income	(6.6)	(4.1)
Net finance costs	136.4	57.8
Depreciation and amortisation		
Depreciation of:		
Buildings	18.8	11.3
Leasehold property	5.9	4.9
Plant and equipment	101.1	94.0
Right-of-use assets	64.9	56.4
Asset remediation obligation	9.9	9.6
	200.6	176.2
Amortisation of:		
Intangibles	21.1	9.4
Total depreciation and amortisation	221.7	185.6
Other expenses		
Impairment of non-current assets	–	6.8
Total other expenses	–	6.8

Notes to the Financial Statements
B Results for the half year continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

B3 Segment reporting

B3.1 Segment disclosures

Reporting segments are consistent with those disclosed in the 31 December 2022 Financial Report.

Types of products and services

The following summary describes the operations in each of the Group's reportable segments:

Fuels and Infrastructure

The Fuels and Infrastructure segment includes revenues and costs associated with the integrated wholesale fuels and lubricants supply for the Group, including the Group's international businesses. This includes Lytton refinery, Trading and Shipping, Distribution, Infrastructure, Future Energy and Ampol's share of its equity accounted investment in Seaoil.

Convenience Retail

The Convenience Retail segment includes revenues and costs associated with fuels and shop offerings at Ampol's Australian network of stores.

New Zealand

The segment includes Z Energy which is the largest fuel distributor in New Zealand, supplying fuel to retail and large commercial customers and contributions from Trading and Shipping.

Corporate

Corporate represents the corporate head office and includes transactions relating to Group finance, taxation, treasury, HR, IT, legal and company secretarial functions.

Transfer price between segments

The Group operates as a vertically integrated supply chain including trading and shipping, infrastructure, refining and marketing of fuel products in Australia and internationally to customers, including retail service stations. Segment results are based on commercial pricing between segments. Most notably, the sale of product between the Fuels and Infrastructure and Convenience Retail segments is determined by reference to relevant import parity prices for refining output and other commercial arrangements.

Notes to the Financial Statements
B Results for the half year continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

B3 Segment reporting continued

B3.2 Information about reportable segments

Millions of dollars 30 June 2023	Fuels and Infrastructure	Convenience Retail	New Zealand	Corporate	Total continued operations	Discontinued operations[iii]	Total
Segment revenue							
Total revenue	15,971.9	2,924.3	2,651.5	–	21,547.7	–	21,547.7
Inter-segment revenue	(3,101.1)	–	–	–	(3,101.1)	–	(3,101.1)
Segment external revenue	12,870.8	2,924.3	2,651.5	–	18,446.6	–	18,446.6
Segment results							
RCOP[i] EBITDA excluding significant items	380.5	255.6	172.9	(11.0)	798.0	–	798.0
Depreciation and amortisation	(76.6)	(88.5)	(50.1)	(6.5)	(221.7)	–	(221.7)
RCOP[i] EBIT excluding significant items	303.9	167.1	122.8	(17.5)	576.3	–	576.3
Significant items (before tax)	2.5	3.3	(43.2)	(4.7)	(42.1)	–	(42.1)
RCOP[i] EBIT	306.4	170.4	79.6	(22.2)	534.2	–	534.2
Inventory (loss) (before tax)	(207.2)	–	(98.3)	–	(305.5)	–	(305.5)
Statutory profit/(loss) EBIT	99.2	170.4	(18.7)	(22.2)	228.7	–	228.7
Interest income					6.6	–	6.6
Interest expense					(143.0)	–	(143.0)
Statutory profit before income tax					92.3	–	92.3
RCOP[i] income tax (expense)					(85.2)	–	(85.2)
Significant items tax benefit					11.7	–	11.7
Inventory loss tax benefit					85.4	–	85.4
Statutory profit income tax benefit					11.9	–	11.9
Statutory profit after tax					104.2	–	104.2
Other items							
Share of profit of associates and joint ventures	(3.2)	–	3.4	–	0.2	–	0.2
Capital expenditure[ii]	90.1	43.3	23.3	3.3	160.0	–	160.0
Statutory profit to RCOP[i] net profit after tax reconciliation							
Statutory profit after tax					104.2	–	104.2
Inventory loss (after tax)					220.1	–	220.1
RCOP[i] net profit after tax					324.3	–	324.3
Significant items excluded from profit or loss (after tax)					30.4	–	30.4
Underlying RCOP[i] net profit after tax					354.7	–	354.7
Non-controlling interest					(25.1)	–	(25.1)
Underlying RCOP[i] net profit after tax – attributable to parent					329.6	–	329.6

(i) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure commonly used within the global downstream oil industry. It is unaudited and derived from the statutory profit adjusted for inventory (losses)/gains. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory costs, and adjusting for the effect of contract-based revenue lags.

(ii) Capital expenditure includes the purchase of property, plant and equipment and purchase of intangible software (excludes intangible rights and licences).

(iii) Refer to note D2.1 for further Information relating to discontinued operations.

Notes to the Financial Statements
B Results for the half year continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

B3 Segment reporting continued

B3.2 Information about reportable segments continued

Millions of dollars 30 June 2022	Fuels and Infrastructure	Convenience Retail	New Zealand	Corporate	Total continued operations	Discontinued operations(iii)	Total
Segment revenue							
Total revenue	15,489.7	3,223.0	969.3	0.5	19,682.5	541.5	20,224.0
Inter-segment revenue	(2,349.2)	–	–	–	(2,349.2)	–	(2,349.2)
Segment external revenue	13,140.5	3,223.0	969.3	0.5	17,333.3	541.5	17,874.8
Segment results							
RCOP(i) EBITDA excluding significant items	653.7	210.5	29.2	(16.6)	876.8	50.5	927.3
Depreciation and amortisation	(77.9)	(83.2)	(15.5)	(7.1)	(183.7)	(9.5)	(193.2)
RCOP(i) EBIT excluding significant items	575.8	127.3	13.7	(23.7)	693.1	41.0	734.1
Significant items (before tax)	(35.7)	(13.8)	–	(28.2)	(77.7)	(9.1)	(86.8)
RCOP(i) EBIT	540.1	113.5	13.7	(51.9)	615.4	31.9	647.3
Inventory gain (before tax)	359.7	–	50.7	–	410.4	3.3	413.7
Statutory profit /(loss) EBIT	899.8	113.5	64.4	(51.9)	1,025.8	35.2	1,061.0
Interest income					4.1	–	4.1
Interest expense					(61.9)	(4.2)	(66.1)
Statutory profit before income tax					968.0	31.0	999.0
RCOP(i) income tax (expense)					(167.2)	(10.5)	(177.7)
Significant items tax benefit					22.0	0.1	22.1
Inventory gain tax expense					(123.2)	(0.9)	(124.1)
Statutory profit income tax expense					(268.4)	(11.3)	(279.7)
Statutory profit after tax					699.6	19.7	719.3
Other items							
Share of profit of associates and joint ventures	9.3	–	0.3	–	9.6	–	9.6
Capital expenditure(ii)	39.6	65.4	9.5	2.9	117.4	5.3	122.7
Statutory profit to RCOP(i) net profit after tax reconciliation							
Statutory profit after tax					699.6	19.7	719.3
Inventory gain (after tax)					(287.2)	(2.4)	(289.6)
RCOP(i) net profit after tax					412.4	17.3	429.7
Significant items excluded from profit or loss (after tax)					55.7	9.0	64.7
Underlying RCOP(i) net profit after tax					468.1	26.3	494.4
Non-controlling interest					(23.4)	–	(23.4)
Underlying RCOP(i) net profit after tax – attributable to parent					444.7	26.3	471.0

(i) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure commonly used within the global downstream oil industry . It is unaudited and is derived from the statutory profit adjusted for inventory (losses)/gains. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory costs, and adjusting for the effect of contract-based revenue lags.

(ii) Capital expenditure includes the purchase of property, plant and equipment and purchase of intangible software (excludes intangible rights and licences).

(iii) Refer to note D2.1 for further information relating to discontinued operations.

Notes to the Financial Statements
B Results for the half year continued
FOR THE HALF YEAR ENDED 30 JUNE 2023

B3 Segment reporting continued
B3.3 Significant items excluded from profit or loss reported to the chief operating decision maker:

Millions of dollars	30 June 2023	30 June 2022
Legal settlements and Other	**(1.4)**	(27.7)
Ampol rebranding expense	**–**	(21.8)
Transaction costs	**–**	(37.3)
Unrealised (losses) from mark-to-market of electricity derivatives	**(40.7)**	–
Significant items (loss) excluded from EBIT	**(42.1)**	(86.8)
Tax benefits on significant items	**11.7**	22.1
Significant items (losses) excluded from profit or loss (after tax)	**(30.4)**	(64.7)

Legal settlements and Other
$1.4 million cost in current period relating to a multi-year project to improve Commodity Trading Risk Management (expense of $4.7 million) partly offset by a gain on sale of a Convenience Retail site (gain of $3.3 million). 1H2022: $27.7 million includes a settlement relating to a Deed of Release entered into in April 2022 with EG Group Limited, the nature of which is commercially sensitive, and divestment proceeds from the sale of Convenience Retail sites.

Ampol rebranding expense
In 1H 2022, the Group had recognised an expense of $21.8 million relating to the rebranding program to remove Caltex signage and install Ampol branding at the Group's Australian sites. The rebranding program was completed in 2022.

Transaction costs
In 1H 2022, the Group recognised an expense of $37.3 million relating to transaction costs incurred to acquire Z Energy Limited and dispose Gull. The acquisition of Z Energy Limited and disposal of Gull completed in 2022.

Unrealised (losses) from mark-to-market of electricity derivatives
$40.7 million relating to unrealised electricity derivatives mark-to-market losses which do not qualify for hedge accounting treatment arising from Z Energy's investment in Flick Energy (1H 2022: $nil).

Notes to the Financial Statements
B Results for the half year continued
FOR THE HALF YEAR ENDED 30 JUNE 2023

B4 Earnings per share

Cents per share	30 June 2023	30 June 2022
Basic and diluted historical earnings per share		
Statutory net profit attributable to ordinary shareholders – basic	**33.2**	292.0
Statutory net profit attributable to ordinary shareholders – diluted	**33.1**	290.6
RCOP net profit after tax and excluding significant items – basic	**138.3**	197.7
RCOP net profit after tax and excluding significant items – diluted	**138.1**	196.7

Basic and diluted historical earnings per share – Continuing operations		
Statutory net profit attributable to ordinary shareholders – basic	**33.2**	283.8
Statutory net profit attributable to ordinary shareholders – diluted	**33.1**	282.3
RCOP net profit after tax and excluding significant items – basic	**138.3**	186.6
RCOP net profit after tax and excluding significant items – diluted	**138.1**	185.7

Basic and diluted historical earnings per share – Discontinued operations		
Statutory net profit attributable to ordinary shareholders – basic	**–**	8.2
Statutory net profit attributable to ordinary shareholders – diluted	**–**	8.3
RCOP net profit after tax and excluding significant items – basic	**–**	11.1
RCOP net profit after tax and excluding significant items – diluted	**–**	11.0

Calculation of earnings per share

Basic historical earnings per share is calculated as the net profit attributable to ordinary shareholders of the parent entity divided by the weighted average number of ordinary shares outstanding during the half year ended 30 June 2023.

Diluted statutory earnings per share is calculated as the profit attributable to ordinary shareholders of the parent entity divided by the weighted average number of ordinary shares adjusted to include the number of shares that would be issued if all outstanding rights and restricted shares were exercised.

Earnings per share has been disclosed for both the statutory net profit as well as the RCOP net profit after tax. RCOP net profit after tax is the method that adjusts statutory net profit after tax for significant items and inventory gains and losses. A reconciliation between statutory net profit after tax attributable to ordinary shareholders of the parent entity and RCOP after tax is shown overleaf.

Notes to the Financial Statements
B Results for the half year continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

B4 Earnings per share continued

Calculation of earnings per share continued

Millions of dollars	30 June 2023	30 June 2022
Net profit after tax from continuing operations	104.2	699.6
Add/(Less): Non-controlling interest	(25.1)	(23.4)
Add/(Less): Inventory loss/(gains) after tax	220.1	(287.2)
Add/(Less): Significant items loss after tax	30.4	55.7
RCOP net profit after tax excluding significant items– continuing operations	329.6	444.7

Weighted average number of shares (millions)	30 June 2023	30 June 2022
Issued shares as at 1 January	238.3	238.3
Issued shares as at 30 June	238.3	238.3
Weighted average number of shares as at 30 June – basic	238.3	238.3
Weighted average number of shares as at 30 June – diluted	238.7	239.5

B5 Dividends

A provision for dividends payable is recognised in the reporting period in which the dividends are declared, for the entire undistributed amount.

Dividends declared or paid

Dividends recognised in the current year by the Group are:

Millions of dollars	Date of payment	Franked/ unfranked	Cents per share	Total amount
2023				
Final 2022	29 March 2023	Franked	105	250.2
Special 2022	29 March 2023	Franked	50	119.2
Total amount			**155**	**369.4**
2022				
Interim 2022	28 September 2022	Franked	120	286.0
Final 2021	31 March 2022	Franked	41	97.6
Total amount			**161**	**383.6**

Subsequent events

Since 30 June 2023, the Directors declared the following dividends. The dividends have not been provided for and there are no Income Tax consequences for the Group in relation to the interim financial statements.

Interim 2023	27 September 2023	Franked	95	**226.4**

Notes to the Financial Statements
C Capital, funding and risk management

FOR THE HALF YEAR ENDED 30 JUNE 2023

This section focuses on the Group's capital structure and related financing costs. This section also describes how the Group manages the capital and the financial risks it is exposed to as a result of its operating and financing activities.

C1 Liquidity and capital management

The Group has maintained substantial committed undrawn debt capacity, which has a weighted average maturity of over three years. Headroom is available under all key financial covenants per the Group's borrowing arrangements.

C1.1 Interest-bearing liabilities

Millions of dollars	30 June 2023	31 December 2022
Current		
Bank overdraft	-	22.5
Bank facilities(i)	**168.5**	251.9
Capital market borrowings(ii)	**64.1**	65.5
Total current interest-bearing liabilities	**232.6**	339.9
Non-current		
Bank facilities(i)	**695.8**	593.4
Capital market borrowings(ii)	**409.3**	411.9
Subordinated notes(iii)(iv)(v)	**1,141.0**	1,139.7
Total non-current interest-bearing liabilities	**2,246.1**	2,145.0
Total interest-bearing liabilities	**2,478.7**	2,484.9

(i) Bank facilities of $873.8 million (2022: $855.3 million), less borrowing costs of $9.5 million (2022: $10.0 million), comprises:
- NZ$166.0 million equivalent to $152.2 million drawn bank debt (2022: $200.5 million) due to the utilisation of the Z Energy aquisition debt facilities
- NZ$700.0 million equivalent to $641.6 million of drawn bank debt (2022: $524.8 million)
- $80.0 million drawn bank debt (2022: $130.0 million).

(ii) Capital market borrowings of $478.7 million (2022: $482.9 million), less borrowing cost of $0.8 million (2022: $0.8 million), and less fair value adjustment of $4.5 million (2022: $4.7 million), consists of:
- $300.0 million Australian medium-term notes (2022: $300.0 million), less borrowing costs of $0.5 million (2022: $0.7 million), less the fair value adjustment of $5.1 million (2022: $4.7 million) relating to the fair value hedge
- NZ$195.0 million equivalent to $178.7 million of Retail Bonds (2022: $182.9 million) less borrowing costs of $0.3 million (2022: $0.1 million), and add fair value adjustment $0.6 million (2022: $nil).

(iii) Subordinated notes were issued on 9 December 2020 and are unlisted. They are denominated in Australian dollars. The notes have a maturity date of 9 December 2080, with the first optional redemption date on 9 March 2026 totalling $500.0 million, less borrowing costs of $3.4 million (2022: $4.1 million).

(iv) Subordinated notes were issued on 2 December 2021 and are unlisted. They are denominated in Australian dollars. The notes have a maturity date of 2 December 2081, with the first optional redemption date on 19 March 2027 totalling $500.0 million, less borrowing costs of $4.0 million (2022: $4.5 million).

(v) Subordinated notes were issued on 21 June 2022 and are unlisted. They are denominated in Australian dollars. The notes have a maturity date of 21 June 2082, with the first optional redemption date on 21 June 2028 totalling $150.0 million, less borrowing costs of $1.6 million ($1.7 million).

Interest bearing liabilities are initially recorded at fair value, less transaction costs. Subsequently, interest bearing liabilities are measured at amortised cost, using the effective interest method. Any difference between proceeds received net of transaction costs and the amount payable at maturity is recognised over the term of the borrowing using the effective interest method.

Refer to note C1.4 for liquidity risk management.

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

C1 Liquidity and capital management continued

C1.1 Interest-bearing liabilities continued

Significant Funding Transactions

During 1H 2023, the Group extended the tenor of its existing bilateral Bank loans by AUD equivalent $767.0 million (2022 $1,053.7 million) and net downsized its committed Bank loans by $191.5 million (2022 downsized by $422.0 million).

On 8 June 2023, Ampol successfully priced a wholesale offering of approximately A$600 million (equivalent) of term fixed rate senior unsecured notes in the US Private Placement market. The notes will be issued in a mix of USD and AUD denominated tranches and will rank equally with Ampol's existing senior unsecured debt. The notes will have tenors ranging from 8.5 years to 15 years, with a weighted average tenor of 11 years, and will serve to further diversify Ampol's funding sources and extend its debt maturity profile. The issue is expected to close in September 2023, subject to customary conditions, and the net proceeds will be used for general corporate purposes and in line with Ampol's Capital Allocation Framework.

C1.2 Lease liabilities

Millions of dollars	30 June 2023	31 December 2022
Current	165.1	163.8
Non-current	961.0	965.7
Total lease liabilities	**1,126.1**	**1,129.5**

The lease liabilities are initially measured at the present value of the lease payments that are outstanding at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate with reference to external market data, making certain adjustments to reflect the terms of the lease and the type of assets leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, less any lease incentive receivable;
- the exercise price under a purchase option that the Group is reasonably certain to exercise;
- the lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability (recognised in "Finance costs" in the Consolidated Income Statement) and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has elected not to recognise lease liabilities for leases of low-value assets and short-term leases, including motor vehicles and IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Amounts recognised in the statement of cash flows

For the purposes of presentation in the cash flow statement, principal lease payments of $57.2 million (1H 2022: $50.7 million) are presented within the financing activities and interest of $38.2 million (1H 2022: $31.4 million) within operating activities. Lease payments of short-term leases and leases of low-value assets of $40.7 million (1H 2022: $24.0 million) are included within operating activities.

Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The Group assesses at lease commencement date and each reporting date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

C1 Liquidity and capital management continued

C1.3 Capital management

The Group's primary objective when managing capital is to safeguard the ability to continue as a going concern, while delivering on strategic objectives.

The Group's Financial Framework is designed to support the strategic objective of sustainably delivering value and growth for our owners, people and customers. The Framework's key elements are to:

- maintain an optimal capital structure that delivers a competitive cost of capital by holding a level of net debt (including lease liabilities) relative to EBITDA that is consistent with a strong investment-grade credit rating;
- deliver Return on Capital Employed (ROCE) that exceeds the weighted average cost of capital; and
- make disciplined capital allocation decisions between investments, debt reduction and distribution of surplus capital to shareholders.

The Group's gearing ratio is calculated as net borrowings divided by total capital. Net debt is a non-statutory measure calculated as total interest-bearing liabilities less cash and cash equivalents. Total capital is calculated as equity as shown on the Statement of Financial Position plus net borrowings.

Millions of dollars	30 June 2023	31 December 2022
Interest-bearing liabilities	**2,478.7**	2,484.9
Less: cash and cash equivalents	**(98.9)**	(126.0)
Net borrowings	**2,379.8**	2,358.9
Total equity	**3,756.8**	4,050.1
Total capital	**6,136.6**	6,409.0
Gearing ratio	**38.8%**	36.8%

C1.4 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Due to the dynamic nature of the underlying business, the liquidity risk policy requires maintaining sufficient cash and an adequate amount of committed credit facilities to be held above the forecast requirements of the business. The Group manages liquidity risk centrally by monitoring cash flow forecasts and maintaining adequate cash reserves and debt facilities. The debt portfolio is periodically reviewed to ensure there is funding flexibility across an appropriate maturity profile.

The debt facility maturity profile of the Group as at 30 June 2023 is as follows:

Millions of dollars	2023	2024	2025	2026	Beyond 2026	Funds available	Drawn	Undrawn
Bank facilities – drawn[(i)]	-	152.2	-	-	701.6	853.8	853.8	-
Bank facilities – undrawn	125.0	612.8	300.0	255.0	1,194.6	2,487.4	-	2,487.4
Capital market borrowings[(ii)]	64.1	114.6	300.0	-	-	478.7	478.7	-
Subordinated notes[(iii)]	-	-	-	500.0	650.0	1,150.0	1,150.0	-
Total	**189.1**	**879.6**	**600.0**	**755.0**	**2,546.2**	**4,969.9**	**2,482.5**	**2,487.4**

(i) Bank facilities were partially drawn for the half year period ended 30 June 2023. Refer to note C1.1 annotation for the reconciliation back to $873.8 million (2022: $845.3 million), which include $20 million (2022: $nil) of uncommitted funds.

(ii) Capital market borrowings were drawn for the half year period ended 30 June 2023. Refer to note C1.1 annotation for the reconciliation back to $478.7 million (2022: $477.4 million).

(iii) Subordinated notes were drawn for the half year period ended 30 June 2023. Refer to note C1.1 annotation for the reconciliation back to $1,150.0 million (2022: $1,139.7 million).

The Group maintains a strong balance sheet and liquidity position by accessing diversified funding sources made up of committed bank debt facilities and bonds, with a weighted average debt maturity profile of 3.1 years.

The total committed funds at 30 June 2023 was $4,969.9 million (2022: $5,138.0 million), with $2,487.4 million (2022: $2,670.0 million) in undrawn committed bank debt facilities.

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

C2 Fair value of financial assets and liabilities

The Group's accounting policies and disclosures may require the measurement of fair values for both financial and non-financial assets and liabilities. The Group has an established framework for fair value measurement. When measuring the fair value of an asset or a liability, the Group uses market observable data where available.

Fair values are categorised into different levels in a fair value hierarchy based on the following valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of cash, cash equivalents and non-interest-bearing financial assets and liabilities approximates their carrying value due to their short maturity.

Fair values of recognised financial assets and liabilities with their carrying amounts shown in the Statement of Financial Position are as follows:

Millions of dollars		Asset/(Liability)			
30 June 2023	Carrying amount	Fair value total	Quoted market price (Level 1)	Observable inputs (Level 2)	Non-market observable inputs (Level 3)
Interest-bearing liabilities					
Bank facilities	(864.3)	(859.3)	-	(859.3)	-
Capital market borrowings	(473.4)	(473.3)	-	(473.3)	-
Subordinated notes	(1,141.0)	(1,280.2)	-	(1,280.2)	-
Derivatives					
Interest rate swaps	45.9	45.9	-	45.9	-
Foreign exchange contracts (forwards, swaps and options)	6.4	6.4	-	6.4	-
Crude and finished product swap, option and futures contracts	19.7	19.7	19.7	-	-
Electricity forwards, futures and option contracts	42.1	42.1	5.3	35.0	1.8
Investments					
Channel infrastructure	64.2	64.2	64.2	-	-
Total	(2,300.4)	(2,434.2)	89.2	(2,525.2)	1.8

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

C2 Fair value of financial assets and liabilities continued

Millions of dollars		Asset/(Liability)			
31 December 2022	Carrying amount	Fair value total	Quoted market price (Level 1)	Observable inputs (Level 2)	Non-market observable inputs (Level 3)
Interest-bearing liabilities					
Bank facilities	(845.3)	(842.6)	–	(842.6)	–
Capital market borrowings	(477.4)	(479.4)	–	(479.4)	–
Subordinated notes	(1,139.7)	(1,299.2)	–	(1,299.2)	–
Derivatives					–
Interest rate swaps	42.8	42.8	–	42.8	–
Foreign exchange contracts (forwards, swaps and options)	(6.8)	(6.8)	–	(6.8)	–
Crude and finished product swap, option and futures contracts	0.3	0.3	0.3	–	–
Electricity forwards, futures and option contracts	98.3	98.3	1.0	90.3	7.0
Investments					
Channel infrastructure	64.3	64.3	64.3	–	–
Total	(2,263.5)	(2,422.3)	65.6	(2,494.9)	7.0

Estimation of fair values

Interest-bearing liabilities

Bank facilities

The fair value of bank facilities is estimated as the present value of future cash flows using the applicable market rate.

Capital market borrowings and subordinated notes

These are determined by quoted market prices or dealer quotes for similar instruments.

Derivatives

Interest rate swaps

The fair value of interest rate swap contracts is the estimated amount that the Group would receive or pay to terminate the swap at balance date taking into account current interest rates and credit adjustments.

Foreign exchange contracts (forwards, swaps and options)

The fair value of foreign exchange contracts (forwards and swaps) is calculated by reference to current forward exchange rates for contracts with similar maturity profiles as at reporting date. The fair value of foreign exchange options is determined using standard valuation techniques.

Crude and finished product swap, option and futures contracts

The fair value of crude and product swap contracts is calculated by reference to market prices for contracts with similar maturity profiles at reporting date. The fair value of crude and product swap, option and futures contracts is determined by quoted market prices.

Electricity forwards, futures and option contracts

The fair value of electricity derivatives is determined as the present value of future contracted cash flows. Cash flows are discounted using standard valuation techniques at applicable market yield having regard to timing of cash flows.

Investments

Channel Infrastructure

The fair value of listed investments is determined by quoted market prices.

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

C3 Issued capital

Millions of dollars	30 June 2023	31 December 2022
Ordinary shares		
Shares on issue at beginning of period – fully paid	**479.7**	479.7
Shares on issue at end of period – fully paid	**479.7**	479.7

In the event of the winding up of the Group, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. The Group grants performance rights to Senior Executives; see the Ampol Limited 2022 Annual Report for further details. For each right that vests, the Group intends to purchase shares on-market following vesting.

C4 Reserves

Millions of dollars	30 June 2023	31 December 2022
Foreign currency translation reserve		
Balance at beginning of reporting period	**150.9**	71.4
Included in other comprehensive income	**(3.6)**	87.3
Transfer to retained earnings	**–**	(1.6)
(Losses) reclassified to profit or loss on disposal of subsidiary	**–**	(8.8)
Tax included in other comprehensive income	**–**	2.6
Balance at reporting date	**147.3**	150.9
Hedging reserve		
Balance at beginning of reporting period	**29.6**	7.4
Included in other comprehensive income	**1.4**	34.4
Tax included in other comprehensive income	**(0.7)**	(12.2)
Balance at reporting date	**30.3**	29.6
Equity reserve		
Balance at beginning of reporting period	**3.5**	3.5
Balance at reporting date	**3.5**	3.5
Equity compensation reserve		
Balance at beginning of reporting period	**10.0**	(16.8)
Transfer to retained earnings	**(0.2)**	32.2
Included in statement of profit or loss	**2.5**	6.0
Tax included in other comprehensive income	**(0.8)**	(11.4)
Balance at reporting date	**11.5**	10.0
Investment revaluation reserve		
Balance at beginning of reporting period	**15.1**	–
Transfer to retained earnings	**(0.6)**	–
Included in other comprehensive income	**1.3**	15.1
Balance at reporting date	**15.8**	15.1
Total reserves at reporting date	**208.4**	209.1

Notes to the Financial Statements
C Capital, funding and risk management continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

C4 Reserves continued

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of operations where their functional currency is different to the presentation currency of the Group, as well as from the translation of liabilities that hedge the Group's net investment in foreign operations.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to future transactions.

Equity reserve

The equity reserve accounts for the differences between the fair value of, and the amounts paid or received for, equity transactions with non-controlling interests.

Equity compensation reserve

The equity compensation reserve is used to recognise the fair value of share-based payments issued to employees over the vesting period, and to recognise the value attributable to the share-based payments during the reporting period.

Investment revaluation reserve

The investment revaluation reserve is used to recognise the fair value change in investment in Channel Infrastructure NZ Limited (formerly The New Zealand Refining Company Limited (Refining NZ)) during the reporting period.

Notes to the Financial Statements
D Group structure

FOR THE HALF YEAR ENDED 30 JUNE 2023

D1 Business combinations

On 10 May 2022, Ampol Holdings NZ Limited, a wholly owned subsidiary of Ampol Limited, acquired 100% of the issued capital of Z Energy Limited (Z Energy). Z Energy is the largest fuel distributor in New Zealand, supplying fuel to retail customers and large commercial customers (airlines, trucking companies, shipping companies and vehicle fleet operators). The acquisition of Z Energy enhances Ampol's core business, expands the international portfolio and provides a stronger platform for Ampol to evolve the future energy offer for its customers. The acquisition has been accounted for as a Business Combination under AASB 3.

The Group financial statements for year ended 31 December 2022 included provisional fair values for assets and liabilities acquired in the business combination. Accounting for the business combination is now complete, and the 31 December 2022 comparative information has been restated retrospectively to decrease the fair value of net assets acquired by $10.7 million at the acquisition date and increase goodwill by $10.7 million.

The fair values of the identifiable assets and liabilities acquired are as follows:

Millions of dollars	Opening balances at 31 December 2022	Adjustment	Opening balances at 30 June 2023
Cash and cash equivalents	111.1	–	111.1
Trade and other receivables	530.8	(1.5)	529.3
Inventories	778.7	–	778.7
Investments accounted for using the equity method	82.3	–	82.3
Intangibles	245.7	–	245.7
Emission Trading Units	889.5	–	889.5
Property, plant and equipment	1,147.4	(2.1)	1,145.3
Payables	(685.1)	–	(685.1)
Emission Trading Obligation	(632.6)	–	(632.6)
Lease liabilities	(267.1)	–	(267.1)
Current tax liabilities	(108.4)	–	(108.4)
Provisions	(99.4)	(12.8)	(112.2)
Interest-bearing liabilities	(543.2)	–	(543.2)
Deferred tax liabilities	(142.1)	5.7	(136.4)
Net assets acquired	**1,307.6**	(10.7)	**1,296.9**
Goodwill	477.5	10.7	488.2
Acquisition-date fair value of the total consideration transferred	**1,785.1**	–	**1,785.1**
Cash used to acquire business:			
Acquisition-date fair value of the total consideration transferred	**1,785.1**	–	1,785.1
Net cash used	**1,674.0**	–	1,674.0

The Group incurred acquisition-related costs of $29.1 million relating to external legal fees and due diligence costs. These costs have been included in general and administration expenses in the consolidated statement of profit or loss in the prior period. No further costs were incurred in 2023.

Notes to the Financial Statements
D Group structure continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

D2 Discontinued operations and assets classified as held for sale

D2.1 Discontinued operations

On 27 July 2022, the Group sold its Gull business in New Zealand (Gull) to GNZ Energy Bidco Limited, a transaction vehicle entity of Allegro Funds Pty Ltd (Allegro) for a consideration of $471 million and realised a gain on sale of $46.6 million and incurred transaction costs of $8.0 million. There are no other discontinued operations in the current period.

The results of the discontinued operation included in the profit for the half year ended 30 June 2022 is set out below.

Discontinued operations (millions of dollars)	Note	30 June 2022
Revenue		541.5
Expenses		(506.3)
Net finance costs		(4.2)
Statutory profit before income tax	B3.2	31.0
Income tax (expense) from sale of discontinued operations		(11.3)
Statutory profit after tax from discontinued operations		19.7

D2.2 Assets classified as held for sale

In May 2023, the Group entered into an agreement with Waitomo Group for the sale of its Homebase and Mini-Tankers assets in New Zealand. These are presented as assets classified as held for sale as at 30 June 2023 in the Statement of Financial Position. The sale was completed in August 2023.

D3 Controlled entities

Details of entities over which control has been gained or lost during the period:

2023

On 28 April 2023, Ampol Connect Pty Ltd was incorporated.

On 18 April 2023, Z Energy Limited acquired 100% interest of Flick Energy Limited.

There were no other entities over which control was gained or lost during the half year ended 30 June 2023.

2022

On 2 March 2022, a Charter Hall and GIC consortium acquired a 49% interest of Ampol Property Trust 2.

On 21 March 2022, Ampol QSR Pty Ltd was incorporated.

On 15 April 2022, Ampol Refineries (Matraville) Pty Ltd was deregistered with ASIC.

On 10 May 2022, Z Energy Limited and the following entities were acquired:

- Z Energy 2015 Limited
- Z Energy ESPP Trustee Limited
- Z Energy LTI Trustee Limited
- Flick Energy Limited

On 08 June 2022, Ampol Energy (Wholesale Trading) Pty Ltd was incorporated.

There were no other entities over which control was gained or lost during the half year ended 30 June 2022.

Notes to the Financial Statements
D Group structure continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

D4 Investments accounted for in other comprehensive income

		% Interest	
Name	Country of incorporation	30 June 2023	31 December 2022
Channel Infrastructure NZ Limited	New Zealand	13	13

D5 Investments accounted for using the equity method

		% Interest	
Name	Country of incorporation	30 June 2023	31 December 2022
Investments in associates			
Bonney Energy Group Pty Ltd	Australia	50	50
Coastal Oil Logistics Limited(i)	New Zealand	–	50
Endua Pty Ltd	Australia	20	20
EVOS Technology Pty Ltd	Australia	30.4	30.4
Geraldton Fuel Company Pty Ltd	Australia	50	50
Seaoil Philippines Inc.	Philippines	20	20
Drylandcarbon One Limited Partnership	New Zealand	37	37
Mevo Limited	New Zealand	32	32
Loyalty NZ Limited	New Zealand	25	25
Wiri Oil Services Limited (WOSL)	New Zealand	44	44
Forest Partners Limited Partnership	New Zealand	21	21
Investments in joint ventures			
Airport Fuel Services Pty Limited	Australia	40	40
Australasian Lubricants Manufacturing Company Pty Ltd(ii)	Australia	50	50
Cairns Airport Refuelling Service Pty Ltd	Australia	33.3	33.3

(i) On 15 March 2023, Coastal Oil Logistics Limited was removed from the New Zealand Companies Office.

(ii) Australasian Lubricants Manufacturing Company Pty Ltd ceased joint venture operations on 17 April 2015 and had a nil carrying value at 30 June 2023.

Notes to the Financial Statements
E Other information

FOR THE HALF YEAR ENDED 30 JUNE 2023

E1 Commitments

Capital expenditure

Millions of dollars	30 June 2023	31 December 2022
Capital expenditure contracted but not provided for in the financial report and payable	123.1	44.9

On 25 August 2020, Ampol announced, after successfully applying to a tender with Transport for New South Wales, that Ampol had won the right to lease and redevelop four existing highway service centres located on the M4 Motorway at Eastern Creek and on the M31 Hume Highway at Pheasants Nest. DA approval was obtained for Pheasants Nest in 2022 and works are progressing with full completion of the site expected on 9 October 2023. The Eastern Creek project delivery agreement was executed on 18 May 2022 and development approval was submitted on 22 June 2022 and is still pending. The estimated combined redevelopment capital expenditure of ~$123 million is expected to be contracted and spent in the periods covering 2022 to 2024 with $52 million spent to date.

E2 Contingent liabilities

Discussed below are items where either it is not probable that the Group will have to make future payments, or the amounts of the future payments are not able to be reliably measured.

Legal and other claims

In the ordinary course of business, the Group is involved as a plaintiff or defendant in legal proceedings. Where appropriate, Ampol takes legal advice. The Group does not consider that the outcome of any current proceedings is likely to have a material effect on its operations or financial position.

A liability has been recognised for any known losses expected to be incurred where such losses are capable of reliable measurement.

Guarantees

The Group has entered into letters of credit in the normal course of business to support crude and product purchase commitments and other arrangements entered into with third parties. In addition, the Group has granted indemnities to banks to cover bank guarantees given on behalf of controlled entities. The probability of having to make a payment under these arrangements is remote.

Deed of Cross Guarantee and class order relief

Details of the Deed of Cross Guarantee are disclosed in note F1 of the Financial Statements for the year ended 31 December 2022.

Notes to the Financial Statements
E Other information continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

E3 Related party disclosures

Associates

Associate related party transactions are as follows:

$'000 of dollars	30 June 2023	30 June 2022
Income Statement		
Sale of goods and services, net of excise	1,132,218	1,516,359
Rental income	839	921
Purchase of goods and services	(24,552)	–
Dividend and disbursements	1,805	2,203
Total Income Statement impact	1,110,310	1,519,483
Statement of Financial Position		
Receivables	198,317	97,250
Total Statement of Financial Position impact	198,317	97,250

Details of the Group's interests are set out in note D4 and D5. There were no other material related party transactions during the half year ended 30 June 2023.

Joint venture and joint operations

The Group has interests in joint arrangements primarily for the marketing, sale and distribution of fuel products.

There were no other material related party transactions with the Group's joint arrangements entities during the half year 2023 (2022: $nil). Details of the Group's interests are set out in notes F5 and F6 of the Financial Statement for the year ended 31 December 2022.

E4 Net tangible assets per share

Dollars	30 June 2023	31 December 2022
Net tangible assets per share	8.37	8.53

Net tangible assets are net assets attributable to members of the Group less intangible assets. The number of ordinary shares used in the calculation of net tangible assets per share was 238.3 million (2022: 238.3 million).

E5 Impairment of non-current assets

Cash-generating units ("CGUs") are reviewed at each reporting period to determine if there are any indicators of impairment. CGUs are the lowest levels at which assets are grouped and generate separately identifiable cash flows. Where an indicator of impairment exists, a detailed recoverable amount test is performed for the relevant CGU. If the recoverable amount test determines that a CGU is impaired an impairment expense is recognised in the income statement.

All CGUs have been reviewed for indicators of impairment with none noted at 30 June 2023.

Notes to the Financial Statements
E Other information continued

FOR THE HALF YEAR ENDED 30 JUNE 2023

E6 Taxation

On 17 February 2023, the Australian Tax Office finalised its position in relation to the extent to which the earnings of the Group's Singaporean entities, from transactions with the Group's Australian entities, are taxable. Further details are set out in note G9 of the Financial Statements for the year ended 31 December 2022.

Details of the Group's income tax expense, current tax provision and deferred tax balances and the Group's tax accounting policies for the half year ended 30 June 2023 are presented below.

E6.1 Recognised in the Consolidated Income Statement

Millions of dollars	30 June 2023	30 June 2022
Current tax expense		
Current year	**(14.8)**	(352.1)
Adjustments for prior years	**22.3**	(4.9)
Total current tax benefit/(expense)	**7.5**	(357.0)
Deferred tax benefit		
Origination and reversal of temporary differences	**10.8**	88.7
(Utilisation)/recognition of tax losses	**(5.9)**	3.2
(Utilisation) of carry forward tax offsets	**–**	–
Adjustments for prior years	**(0.5)**	(3.3)
Total deferred tax benefit	**4.4**	88.6
Total income tax benefit/(expense)	**11.9**	(268.4)

E6.2 Reconciliation between income tax expense and profit before income tax expense

Millions of dollars	30 June 2023	30 June 2022
Profit before income tax	**92.3**	968.0
Income tax (expense) using the domestic corporate tax rate of 30% (2022: 30%)	**(27.7)**	(290.4)
Effect of tax rates in foreign jurisdictions	**66.6**	124.7
Change in income tax benefit/(expense) due to:		
Share of net (loss)/profit of associated entities	**(0.9)**	3.0
Tax on non-controlling interest portion of flow through entity profits	**6.5**	6.1
Current tax (benefit) associated with depreciable assets in flow through entity	**(2.1)**	(3.0)
Income subject to attribution under controlled foreign company regime	**(52.5)**	(99.4)
Other	**(0.3)**	(4.5)
Income tax over/(under) provided in prior years	**22.3**	(4.9)
Total income tax benefit/(expense)	**11.9**	(268.4)

Income tax expense comprises current tax expense and deferred tax expense. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the Statement of Financial Position date, and any adjustments to tax payable in respect of previous years. Deferred tax expense represents the changes in temporary differences between the carrying amount of an asset or liability in the consolidated statement of financial position and its tax base.

E7 Events subsequent to the reporting date

Dividend

On 21 August 2023, the Directors declared a fully franked interim dividend. Refer to note B5 for further information.