ASX/NZX Release

AMPOL

19 August 2024

RESILIENT FIRST HALF PERFORMANCE

Key points

- First half 2024 Group Replacement Cost Operating Profit (RCOP) Earnings Before Interest and Tax (EBIT) excluding significant items of $502.1 million
- Statutory Net Profit After Tax (NPAT) (Attributable to Parent) of $235.2 million
- Declared an Interim dividend of 60 cents per share, representing a 61 per cent payout ratio of RCOP NPAT (Attributable to Parent) excluding significant items

	Half year ending 30 June^		
Financial Results[1]	**2024 ($M)**	**2023 ($M)**	**Variance**
Group RCOP EBITDA (excluding significant items)	**736.5**	**798.0**	**(7.7%)**
Depreciation and Amortisation	(234.4)	(221.7)	5.7%
Lytton RCOP EBIT	*89.5*	*100.3*	*(11%)*
Fuels & Infrastructure (ex Lytton & Energy Solutions (Aus)) RCOP EBIT	*160.8*	*223.1*	*(28%)*
Energy Solutions (Aus) RCOP EBIT	*(24.4)*	*(19.5)*	*25%*
Fuels and Infrastructure RCOP EBIT	225.9	303.9	(26%)
Convenience Retail RCOP EBIT	175.0	167.1	4.7%
New Zealand RCOP EBIT	127.6	122.8	3.9%
Corporate RCOP EBIT	(26.4)	(17.5)	51%
Group RCOP EBIT (excluding significant items)	**502.1**	**576.3**	**(13%)**
Net Interest	(150.2)	(136.4)	10%
Non-controlling interest	(26.7)	(25.1)	6.4%
Tax	(91.5)	(85.2)	7.4%
RCOP NPAT (Attributable to Parent) – Excluding significant items	**233.7**	**329.6**	**(29%)**
Inventory Gain/(Loss) after tax (incl. externalities realised FX)	(21.1)	(220.1)	(90%)
Significant Items Gain/(Loss) after tax	22.6	(30.4)	N/A
Statutory NPAT (Attributable to Parent)	**235.2**	**79.1**	**>100%**

Notes: ^ Adjusted for rounding. The applicable AUD/USD exchange rate for 1H 2023 was 0.6765 and for 1H 2024 was 0.6585.

Ampol Limited (ASX/NZX:ALD) today announces its financial results for the six months ending 30 June 2024.

CEO Comments

Matt Halliday, Managing Director and CEO, said: “Ampol has delivered a resilient performance through a determined focus on the things we can control. This is a significant achievement in an environment of tougher economic conditions across Australia and New Zealand.

“In that environment, to grow Ampol’s retail earnings in Australia was a particularly pleasing result. By investing in the premium end of the market, we delivered a favourable premium fuel mix and supported our customers with targeted value promotions such as ‘Crave ’n Save’.

“Our New Zealand business also performed well, benefitting from an effective integrated supply chain that helped secure gains in wholesale and commercial segments.

“Together with a Fuels and Infrastructure (F&I) Australia result that was in line with the first half last year, the strength of these performances helped to mitigate short-term impacts from disrupted production at the Lytton refinery and softer international third-party sales and margins.”

Fuels and Infrastructure (F&I)

Fuels and Infrastructure RCOP EBIT for the first half of the 2024 financial year was $225.9 million. This was lower than the same time last year primarily due to the decline in earnings from F&I International and Lytton, while earnings from F&I Australia were broadly in line.

Lytton RCOP EBIT was $89.5 million, down compared to the first half of 2023. LRM for this half was US$10.27 per barrel, in line with the same time last year. Total production for the half was down 5.8 per cent, reflecting the impact of the refinery wide steam outage and delay in supply of catalyst for the Alkylation Unit due to disruptions in the Red Sea during the first quarter. Reliability improved in the second quarter, resulting in an increase in total production and importantly, high value products.

F&I Australia RCOP EBIT was $140.7 million, broadly in line with the first half of last year. Australian wholesale volumes were up 1.0 per cent as growth in diesel in commercial channels more than offset softer third-party retail channel volumes.

F&I International RCOP EBIT was $20.1 million, lower than the record levels of the first half of 2023 which included an exceptionally strong second quarter. The first half of 2024 saw a more stable market, particularly in the second quarter, reducing opportunities for discretionary sales activities resulting in lower volumes and margins compared to the more favourable trading conditions in 2023.

Energy Solutions (Aus) RCOP EBIT was ($24.4) million, in line with the run rate for the second half of 2023. Ampol is progressing the rollout of the AmpCharge on-the-go electric vehicle (EV) charging network in Australia. As at the end of June 2024, 92 charging bays at 41 sites have been delivered in Australia as part of the ARENA and NSW Drive Electric programs.

Convenience Retail (CR)

The quality of Ampol's retail network has supported further growth in RCOP EBIT for the first half 2024 in Convenience Retail, reaching $175.0 million, up 4.7 per cent versus the first half last year.

Fuel volumes were down 4.8 per cent, largely in base grade petrol due to the higher price environment. Fuel margins more than offset the decline in volume largely due to the more favourable mix of premium fuels sold.

Excluding tobacco, network shop sales grew 2.1 per cent. Shop income was broadly in line with the same time last year. Despite cost of living pressures and the continued decline in tobacco (15.3 per cent), core trading retail metrics have remained strong including Average Basket Value being just 7 cents lower. Shop gross margin continued to increase, reaching 37.0 per cent (post waste and shrink) through a combination of favourable product and channel mix, attachment and pricing.

Total Ampol branded sites as at 30 June 2024 were 1,766 including 633 company operated sites. With the rationalisation of the network complete, our focus has shifted to investment in premium sites with segmentation of the offer to suit local customer needs and the food service expansion including Quick Service Restaurant (QSR) trial. The retail refresh of the M1 flagship sites is now complete including Ampol-operated Hungry Jack's QSRs.

New Zealand (incl Z Energy)

The fully debt funded acquisition of Z Energy was completed on 10 May 2022 with 2023 being the first full year of ownership by Ampol. This half, the New Zealand segment delivered growth in RCOP EBIT to $127.6 million, up 3.9 per cent, reflecting the benefit of the diversification of its channels to market and the benefits of Ampol's integrated supply chain.

The anticipated benefits of the acquisition and business simplification process were reflected in the improved profitability. This included the sale of the Mini-Tankers business and the exit from the sale of aviation gasoline to the general aviation market (as opposed to jet) and bitumen following the closure of the refinery. On a like for like basis, fuel sales volumes were down 3.8 per cent largely due to the decline in Supply terminal and export sales.

Z Energy also has continued to execute on its energy transition strategy with the on-the-go EV charging network reaching 128 bays across 44 sites as at 30 June 2024.

Balance sheet

Net borrowings at 30 June 2024 were $2,555 million, compared with $2,195 million at 31 December 2023, with the increase primarily related to the payment of shareholder distributions in the half. Our liquidity position remains strong, with committed facilities of $5.2 billion. Leverage at 30 June 2024 was 1.9 times Adjusted Net debt / RCOP EBITDA excluding significant items (last 12 months).

Interim dividend

The Board has declared a fully franked interim dividend of 60 cents per share, which represents a 61 per cent payout ratio of 1H 2024 RCOP NPAT (Attributable to Parent) - excluding significant items. The record and payment dates for the interim dividend are 2 September 2024 and 26 September 2024 respectively.

Current trading conditions and outlook

Since the end of June, the high levels of reliability in the global refinery system seen in the first half has continued, keeping markets well supplied during the northern hemisphere summer and contributing to lower product cracks.

The Turnaround and Inspection (T&I) at Lytton commenced in mid-July and is currently on track with production expected to return to normal levels and high value product mix at the end of August.

July trading for F&I (Ex-Lytton), Convenience Retail and the New Zealand segments continue the trends from the first half.

The final investment decision (FID) was made on the Ultra Low Sulfur Fuels (ULSF) Project in the second quarter of 2024. Net capex spend in 2024 is expected to be approximately $600 million, including the Lytton ULSF Project (net of Government grants), investment in highway sites and the Lytton T&I.

Webcast and conference call

Ampol is hosting an investor call to discuss its 1H 2024 results at 10.00am (AEST) on 19 August 2024.

To participate in the call, pre-registration is available via https://s1.c-conf.com/diamondpass/10040068-pDufn.html or investors can listen in via the webcast on our website: https://www.ampol.com.au/about-ampol/investor-centre.

Authorised for release by: the Board of Ampol Limited.

Notes:

1. The reported RCOP EBIT for segments excludes significant items.

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