

AMPOL LIMITED
ACN 004 201 307

29-33 Bourke Road
ALEXANDRIA
NSW 2015

ASX Release

Acquisition of Z Energy

INVESTOR CONTACT

Fran van Reyk
Head of Investor Relations
+ 61 2 9250 5000
+61 419 871 138
Frances.vanreyk@ampol.com.au

MEDIA CONTACT

Richard Baker
Head of Corporate Affairs
+61 2 9250 5369
+61 417 375 667
richard.baker@ampol.com.au



Important Notice

This presentation for Ampol Limited (ASX: ALD) (Ampol) is designed to provide general background information about Z Energy Limited (NZX: ZEL, ASX: ZEL) (Z Energy), and its proposed acquisition by Ampol, and is current at the date of the presentation, 11 October 2021

This presentation contains forward-looking statements relating to the operations of Ampol and Z Energy that are based on Ampol management's own current expectations, estimates and projections about matters relevant to Ampol's and Z Energy's future financial performance which may ultimately prove to be materially incorrect. Indications of, and guidance or outlook on, future earnings or financial position or performance are forward-looking statements. Words such as "likely", "aims", "looking forward", "potential", "anticipates", "expects", "predicts", "plans", "targets", "believes", "intends", "will", "may", "would", "could" and "estimates" and other similar expressions are intended to identify forward-looking statements.

References in the presentation to current assumptions, estimates and outcomes and forward-looking statements about current assumptions, estimates and outcomes, are based on internal business data and external sources and are uncertain given the nature of the industry, business risks, and other factors. Also, they may be affected by internal and external factors, known and unknown risks, uncertainties and other important factors beyond the control of Ampol that may have a material effect on future business performance and results. No assurance or guarantee is, or should be taken to be, given in relation to, and no reliance should be placed on, the future business performance or results of Ampol or Z Energy or the likelihood that the current assumptions, estimates or outcomes will be achieved. Current market conditions remain challenging with ongoing lockdowns and community transmission of COVID-19. All forward-looking statements are provided on the basis that the Australian and New Zealand vaccination roll out continues and COVID-19 restrictions ease towards the end of 2021.

This presentation contains certain financial information relating to Z Energy, its subsidiaries and its interests in associates and jointly controlled operations which has been derived from Z Energy's audited financial statements for the year ended 31 March 2021 disclosed to the NZX on 6 May 2021 (Z Energy Information). Ampol has not prepared or independently verified, and is not responsible for, the Z Energy Information. As set out in the Z Energy Information, the Z Energy Information is in NZD, is prepared in accordance with generally accepted accounting practice in New Zealand and part 7 of the Financial Markets Conduct Act 2013 (NZ), complies with the New Zealand equivalents to International Financial Reporting Standards (IFRS) (NZ IFRS) as appropriate for profit-oriented entities and Z Energy has reported as a Tier 1 entity under the External Reporting Board Accounting Standards Framework as a listed entity. Z Energy's financial information has been converted from AUD to NZD using an average exchange rate of 1.04.

This presentation also contains certain financial information and measures that are 'non-IFRS financial information' published by ASIC, "non-GAAP financial information" under the Financial Markets Authority New Zealand guidance note on disclosing non-GAAP information and are not recognised under Australian Accounting Standards (AAS), NZ IFRS or IFRS. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS, NZ IFRS or IFRS. Therefore, the non-IFRS financial information/non-GAAP financial measures may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS, NZ IFRS or IFRS. Although Ampol believes these non-IFRS/non-GAAP financial measures provide useful information to investors or potential investors in measuring the financial performance and conditions of Ampol, investors and potential investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this presentation.

While management has taken every effort to ensure the accuracy of the material in the presentation, the presentation is provided for information only and no representations or warranties are made as to, and no reliance should be placed on, the accuracy or completeness of such information. To the maximum extent permitted by law, Ampol, its subsidiaries and its interests in associates and jointly controlled operations—and their directors, officers, management, employees and advisers expressly exclude and disclaim any liability in respect of anything done or not done, directly or indirectly, in reliance on the presentation or information contained in the presentation. This presentation should not be construed in any manner as a recommendation to any investor or potential investor or other reader of this communication.

Any past performance information included in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) a promise, representation, warranty or guarantee as to the past, present or an indication of future performance.

All forward-looking statements made in this presentation are based on information presently available to management and, except as required by law or regulation (including the ASX Listing Rules), Ampol assumes no obligation to, and does not represent that it will, update any forward-looking statements or any other information contained in this presentation. Nothing in this presentation constitutes investment advice and this presentation shall not constitute or form part of an offer to sell or the solicitation of any offer to buy any securities or otherwise engage in any investment activity under the Australian Corporations Act 2001 (Cth), the Financial Markets Conduct Act 2013 (NZ) or any other law. This presentation and its content is not intended to be relied upon as a forecast or advice to investors or potential investors and does not take into account an individual investor's investment objectives or financial situation. You should make your own enquiries and take your own advice in Australia, New Zealand and elsewhere (including financial, taxation and legal advice) before making an investment in the Ampol's shares, Z Energy's shares or in making a decision to hold or sell your shares.

1. Transaction overview



Z Energy acquisition highlights

Unique opportunity for Ampol to acquire the market leader in New Zealand and deliver strong financial returns

-  Z Energy is the **market leader** in New Zealand with 40% share of New Zealand fuel sales and a similar business model to Ampol

-  Creates a **Trans-Tasman fuel champion** with a combined network of **~2,400 sites** and supplying **~23.5 BL pa** of **fuel** to customers in the Asia Pacific region, **leveraging Ampol's unique international supply chain**

-  **Material transition and synergies¹ opportunities** – **NZ\$60-80m pa** largely via, fuel procurement and overhead cost reductions

-  **Compelling financial returns** – targeting **double digit EPS** accretion and **20%+ free cash flow** accretion in 2023²

-  Creates a **stronger platform for development of lower emissions energy solutions** for customers across Australia and New Zealand



Notes:

1. Transition and synergies are quoted on a pre-tax basis and estimated relative to Z Energy's FY22 earnings and include the cost savings associated with the Marsden Point Refinery converting to a fuel import terminal, the benefits of which are expected to be delivered over three years post financial close
2. All references to accretion are pre-acquisition accounting adjustments

Ampol's acquisition of Z Energy

Ampol has executed a binding Scheme Implementation Agreement to acquire 100% of Z Energy for a cash offer price of NZ\$3.78 per share

- **Cash offer price unchanged at NZ\$3.78 per share**, for a total outlay of ~NZ\$2.0 billion
 - Represents a 35% premium to last close on 26 July 2021, the day prior to press speculation of corporate activity
 - Acquisition EV of NZ\$2.8 billion represents 9.7x EV / EBITDAF (FY22, pre-synergies)¹.
- Additionally, Z Energy to pay an **interim dividend amount of NZ 5 cents per share** with respect to the half year ending 30 September 2021, being the period prior to signing the SIA, with no adjustment to the purchase price
- Other than that dividend amount, any other dividends will reduce the Offer Price by the equivalent amount per share
- Consistent with the original terms, Ampol's offer includes an adjustment mechanism whereby Ampol will pay an additional cash amount of NZ 0.055 cents per share per day for each day the transaction extends beyond 31 March 2022, up to a limit of NZ 10 cents per share
- The transaction is **unanimously recommended by Z Energy's Board of Directors**, with typical fiduciary exceptions
- The SIA outlines customary deal protection arrangements including "exclusivity", with notification and matching rights, as well as conditions including material adverse change and no prescribed occurrences. The SIA also includes break fees and reverse break fees and regulatory break fee each of NZ\$20m
- The proposed acquisition is subject to a Z Energy shareholder and regulatory approval (including NZCC and OIO). This includes a commitment to divest Gull within a prescribed period.
- Completion is targeted in the first half of 2022²



Notes:

1. FY22 EBITDAF represents the mid-point of Z Energy EBITDAF guidance of NZ\$270-310m for the period ending 31 March 2022
2. Target completion date is indicative given regulatory approval timelines are not within Ampol's control

2. Introduction to Z Energy



Expansion into attractive market Ampol knows well

The New Zealand market is expected to transition to a fuel import market creating opportunities for Ampol to add significant value

New Zealand fuel market

- New Zealand is a market with similar characteristics to Australia, but with structurally higher costs of distribution
- New Zealand is currently transitioning to a fuel import market with New Zealand’s sole refinery, Marsden Point, aiming to convert to a fuel import terminal by mid-2022¹. Ampol’s experience and Trading and Shipping capability can be leveraged to support a smooth transition and protect fuel security
- New Zealand is expected to have a stable fuel demand outlook to 2030 under a range of energy transition scenarios with a favourable long-term outlook for fuel demand²
 - Transition to fuel import market provides increased flexibility to deliver lower emissions solutions such as biofuels
 - Potential to repurpose existing infrastructure and assets for alternative uses

					Distributors & Resellers	Independent Retailers & Supermarkets
1. Importing	✓	✓	✓	✓		
2. Primary Distribution	✓	✓	✓			
3. Terminals	✓	✓	✓	✓		
4. Secondary Distribution	✓	✓	✓	✓	✓	
5. Marketing	✓	✓	✓	✓	✓	✓
Share of fuel sales²	~40%	~27%	~23%	~7%	–	–



Notes:

1. Source: Channel Infrastructure
2. Ampol estimate of share of fuel sales figures includes fuel sales to distributors, subject to rounding so may not add to 100%

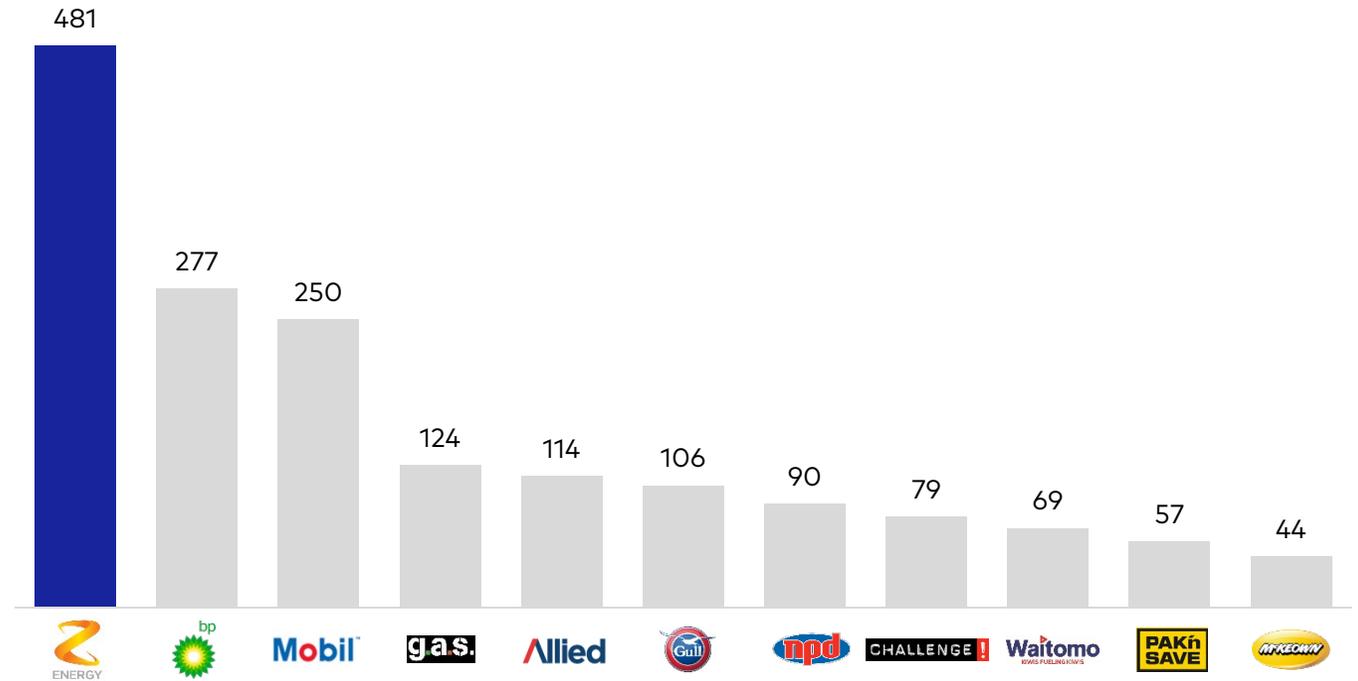
Z Energy is the market leader in New Zealand

Z Energy is the market leader with a trusted, iconic brand. Z Energy sells approximately 40% of all fuel volumes across New Zealand through Z Energy and Caltex stores

Z Energy's competitive strengths

- 80% of New Zealand's population is **within 5km** of a Z or Caltex service station 
- Z's sites are located at **high quality retail locations** with site tenure through freehold ownership or long-term leases 
- Z is a trusted and **iconic New Zealand brand** 
- Z Energy has a **strong infrastructure** position in New Zealand which includes owning **11 fuel terminal assets** across the country 
- Z Energy sells **~40% of fuel volumes** in New Zealand, and generated **14 million** retail transactions in FY21 
- Diversified** business mix includes a significant **commercial contract book** and large **convenience offering** 

New Zealand market site numbers²



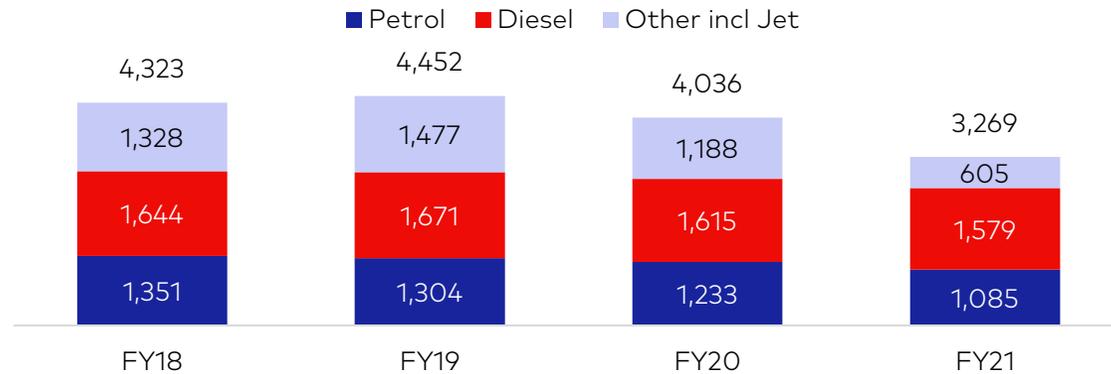
Notes:

1. Sourced from Z Energy's FY19-21 results presentations and Z Energy quarterly operational data March 2018
2. Z Energy sites numbers as at 31 March 2021 and includes Caltex branded sites. Competitor site numbers as at September 2021

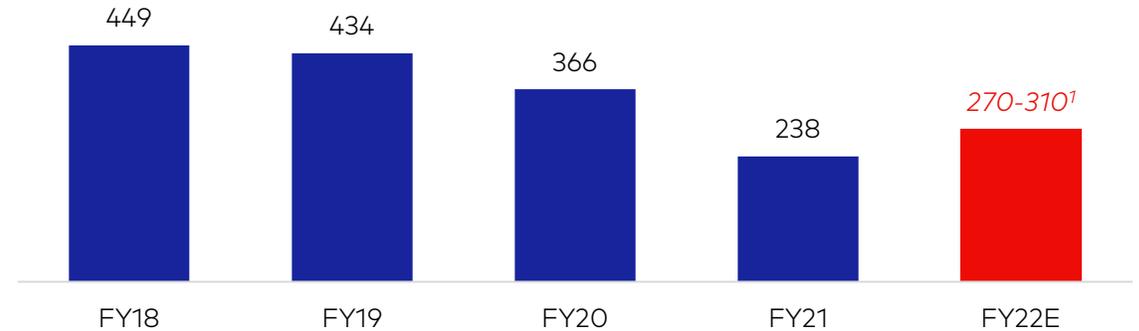
Z Energy's financial performance

COVID-19 lockdowns in New Zealand caused significantly reduced earnings in FY21. Z Energy have maintained FY22 earnings guidance, supported by lower volume declines than experienced in FY21 and their favourable hedged ETS position¹

Z Energy Fuel Sales by Product (ML)²



RC EBITDAF (NZ\$m)²



- Fuel volumes ex-Jet are expected to recover to pre-COVID levels by FY23
- COVID-19 significantly impacted Z Energy's fuel volumes in FY21, with parts of New Zealand spending 70 days in Alert Level 3 / 4 lockdown³ during the financial year
- FY21 Jet volumes were particularly impacted by COVID-19 restrictions on international travel, falling 68% year-on-year relative to FY20 (which itself was partially impacted by COVID-19)

- Marsden Point conversion into an Import Terminal is expected to complete by the second quarter 2022 and will result in supply chain efficiencies, producing earnings upside and removing volatility driven by refinery earnings
- Z Energy restated FY22 RC EBITDAF guidance of NZ\$270-310m despite recent lockdowns in parts of New Zealand, with volume downside more than mitigated by ETS hedging position¹
- FY21 RC EBITDAF was impacted by a number of transitory impacts including significant refinery losses and COVID-19 lockdowns



Notes:

1. Source: Z Energy guidance provided 16 September 2021
2. Source: Per Z Energy's FY19-21 results presentation and Z Energy quarterly operational data March 2018. Financial year ending 31 March

3. Strategic rationale



Strategic rationale

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

- | | |
|--|--|
| <div style="background-color: #0056b3; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">1</div> <p>Establishing a Trans-Tasman fuel champion</p> | <div style="text-align: center; margin-bottom: 10px;">  </div> <p>#1 Trans-Tasman player with ~23.5 billion litres of fuel sales annually and a network of ~2,400 fuel sites</p> |
| <div style="background-color: #0056b3; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">2</div> <p>Leverage New Zealand short position</p> | <div style="text-align: center; margin-bottom: 10px;">  </div> <p>Greater scale reduces cost to supply fuel, creating a larger regional platform to win additional volumes and execute growth plans</p> |
| <div style="background-color: #0056b3; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">3</div> <p>Compelling financial returns for shareholders</p> | <div style="text-align: center; margin-bottom: 10px;">  </div> <p>Double digit EPS accretion and 20%+ free cash flow accretion from 2023 onwards¹</p> |
| <div style="background-color: #0056b3; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">4</div> <p>Identified opportunities to deliver earnings upside</p> | <div style="text-align: center; margin-bottom: 10px;">  </div> <p>Material synergies² and transition benefits (largely from the Marsden Point Import Terminal transition) totalling NZ\$60-80m pa have been identified</p> |
| <div style="background-color: #0056b3; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">5</div> <p>Light-touch, low risk integration</p> | <div style="text-align: center; margin-bottom: 10px;">  </div> <p>Light-touch integration in a market Ampol knows well, focussed on leveraging Ampol's international supply chain capabilities</p> |
| <div style="background-color: #0056b3; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">6</div> <p>A stronger platform to manage the energy transition</p> | <div style="text-align: center; margin-bottom: 10px;">  </div> <p>The combined entity will create a new and larger platform to navigate the energy transition in both Australia and New Zealand</p> |



Notes:

1. All references to accretion are pre-acquisition accounting adjustments
2. Transition and synergies are quoted on a pre-tax basis and estimated relative to Z Energy's FY22 earnings and include the cost savings associated with the Marsden Point Refinery converting to a fuel import terminal, the benefits of which are expected to be delivered over three years post financial close

1 Establishing a Trans-Tasman fuel champion

The transaction will create the #1 Trans-Tasman fuel player with ~2,400 fuel sites and ~23.5 BL of fuel sales annually

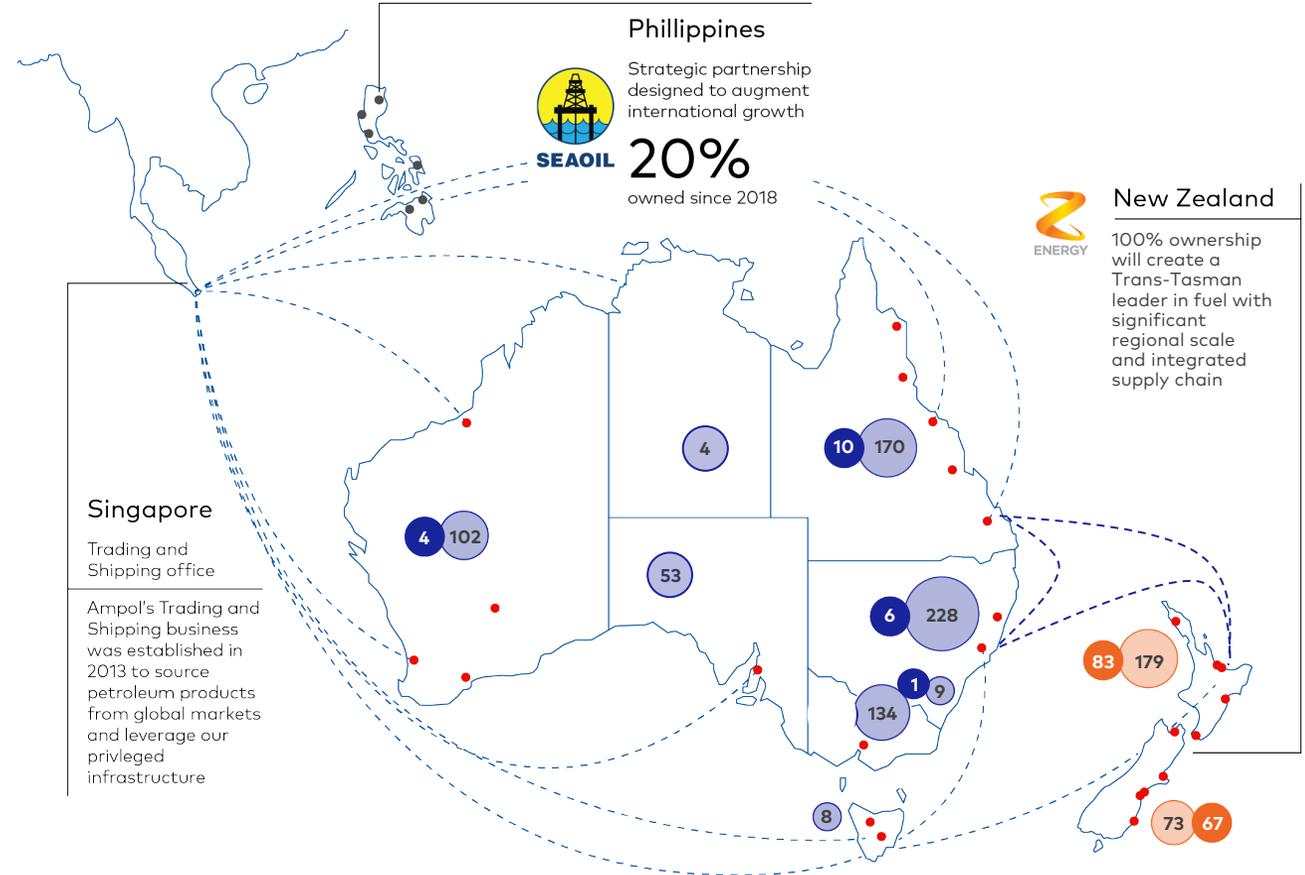
Operational metrics			
 Aus and NZ Volumes	13.6 BL	3.3 BL	16.9 BL
 International Volumes	6.5 BL	NA	6.5 BL
 Total Fuel Volumes	20.1 BL	3.3 BL	~23.5 BL
 Company branded sites	708	+ 197 ¹	>900
 Total Network Sites	1,925	481²	~2,400
 Fuel Terminals owned	13	11	24
 Fuel Terminal Capacity	1,556 ML	276 ML	1,832 ML

Notes:

Ampol data as at December 2020, Z Energy data for full year to 31 March 2021.

1. Company sites reflect Z Energy branded sites

2. Total Z Energy network includes Z Energy branded sites (197), Caltex branded sites (133) and truck stops (151). Network may include additional RORO or distributor sites.



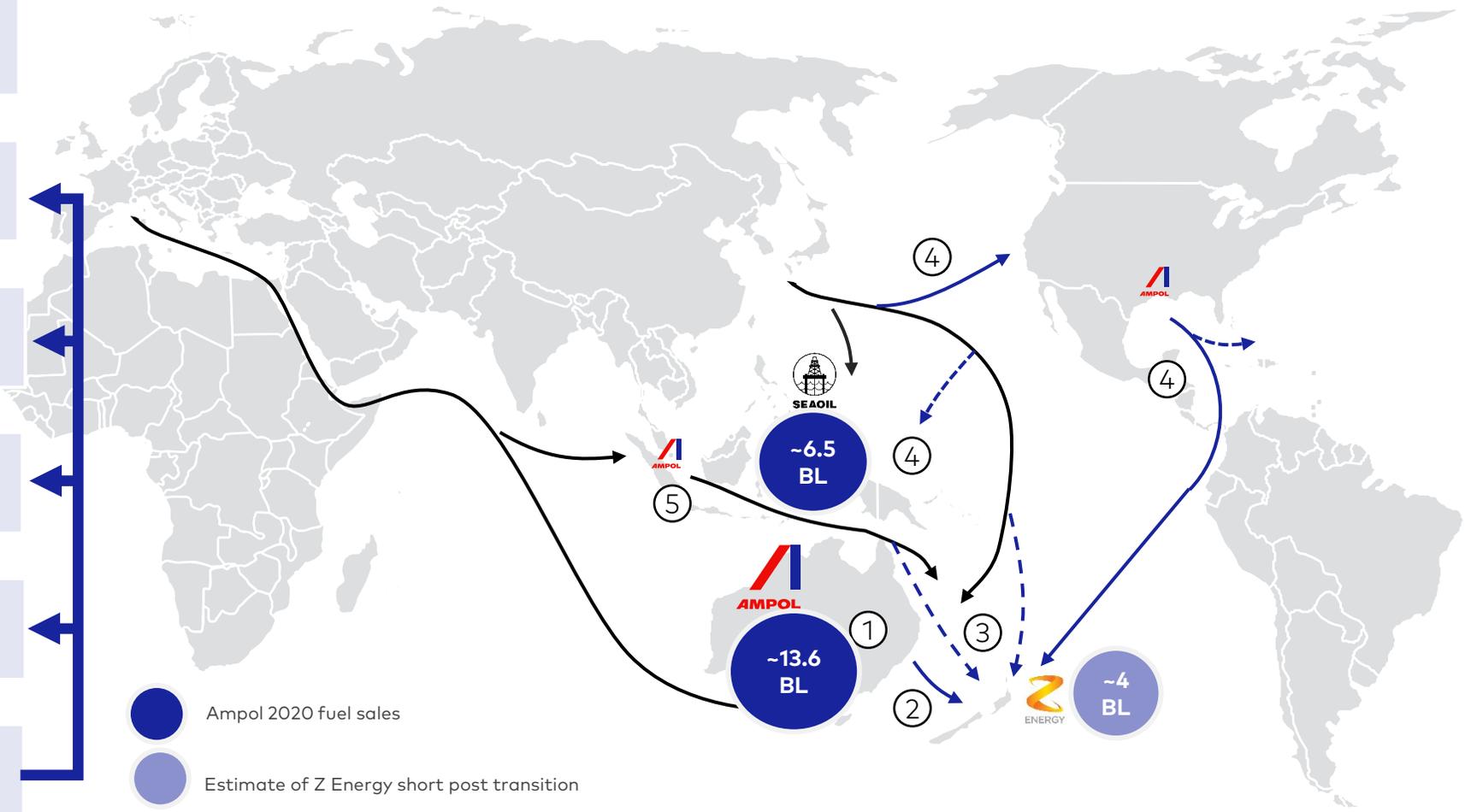
● Service Stations ● Diesel/Truck Stops ● Fuel Terminals ● Seaoil network (Philippines) -- Shipping lanes

Notes: Shows company controlled sites only

2 Leverage New Zealand short position

Proposed Z Energy acquisition would materially increase the size of the short Trading & Shipping supply which would lead to additional opportunities to leverage Ampol's 'physical backed' system, generating incremental earnings from a very large international opportunity set

- 1 Australian fuel leader with significant East Coast infrastructure
 - 2 Break bulk via Kurnell Terminal or supply specialty products such as low sulphur jet from Lytton Refinery
 - 3 Leverage combined scale and network to generate additional supply chain efficiencies into NZ market
 - 4 Leverage NZ supply to access other markets with similar requirements
 - 5 International storage improves flexibility and reduces overall supply costs to access new markets and customers
- Incremental scale reduces cost to supply, creating ability to win additional volumes and execute growth plans



3 Compelling financial returns for shareholders

Strong financial returns driven by benefits from import transition and synergies, leveraging Ampol's balance sheet capacity to fund the acquisition

**Double digit EPS accretion¹
in 2023**

**20%+ free cash flow
accretion¹ to equity in 2023**

**NZ\$60-80m pa of
estimated annual benefits²**

**Ampol remains committed
to its strong investment
grade credit rating with
Moody's**

**Capital management
remains a priority**



Notes:

1. All references to accretion are pre-acquisition accounting adjustments
2. Transition and synergies are quoted on a pre-tax basis and estimated relative to Z Energy's FY22 earnings and include the cost savings associated with the Marsden Point Refinery converting to a fuel import terminal, the benefits of which are expected to be delivered over three years post financial close

4 Identified opportunities to deliver earnings upside

Material operating synergies and benefits from the Marsden Point Import Terminal transition have been identified across the fuel supply chain, corporate, and retail and wholesale network

NZ\$60-80 million
estimated annual benefits¹

Fuel Supply Chain

- Increased regional scale benefits associated with a ~23.5 billion litre fuel short position
- Shipping and logistics benefits leveraging east coast Australia infrastructure
- Refinery conversion to reduce volatility and simplify supply chain and cost base

Corporate

- Low impact integration as Z Energy transitions to a regional subsidiary as a separate division of Ampol Limited

Retail and Wholesale Network

- Creation of future energy transition centres of excellence in Australia and New Zealand
- A stronger platform and deeper customer base to 'test and learn' for future energy customer offerings



Notes:

- Transition and synergies are quoted on a pre-tax basis and estimated relative to Z Energy's FY22 earnings and include the cost savings associated with the Marsden Point Refinery converting to a fuel import terminal, the benefits of which are expected to be delivered over three years post transaction completion

5 Light-touch integration

- ✓ The majority of short-term value creation via **leveraging Ampol's trading and shipping capabilities**
 - Ampol has operated in and supplied the **New Zealand market since 2017**¹
-

- ✓ Ampol has **experience in managing the transition to fuel import markets**
-

- ✓ Z Energy and Ampol have very **similar operations and core capabilities**, providing opportunities for shared learnings and centres of excellence
-

- ✓ Z Energy will **operate as a subsidiary** of Ampol Limited with a New Zealand based management team and staff
 - **Z Brand** retained
 - **Retention** of key personnel will be a priority
-

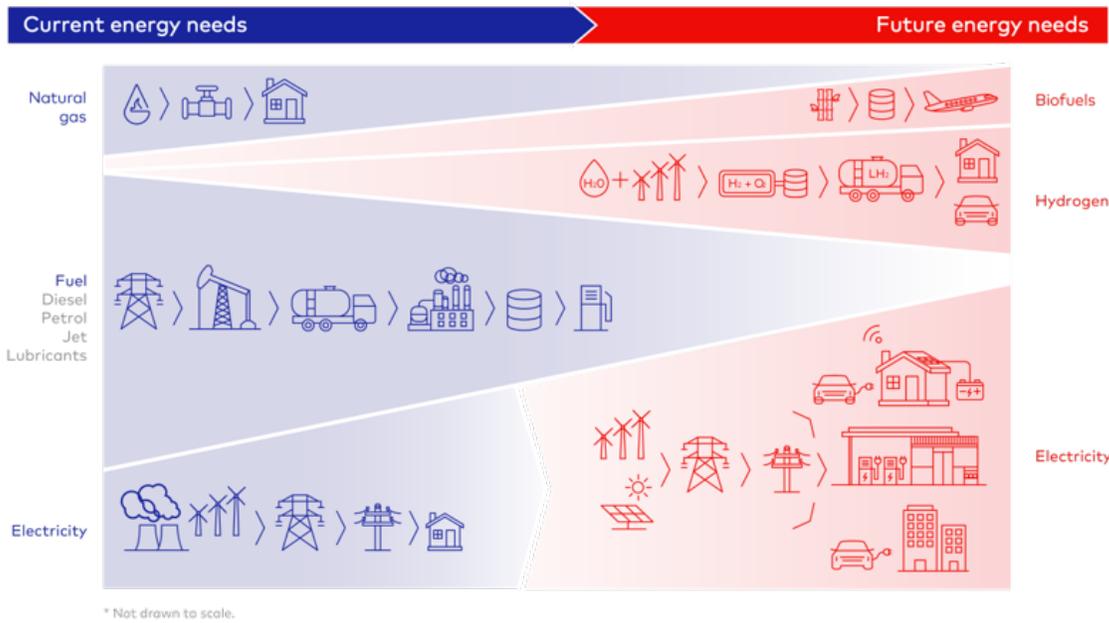


Notes:

1. As part of obtaining New Zealand Commerce Commission approval, Ampol has committed to divesting Gull in its entirety within a period to be prescribed

6 A stronger platform to manage the energy transition

The scale and reach of the combined entity will create a new and larger platform to navigate the energy transition in both Australia and New Zealand from a position of strength. Existing infrastructure and assets can be repurposed to deliver low emissions solutions



+



Brand	<ul style="list-style-type: none"> Reinvigorated iconic Ampol brand 	<ul style="list-style-type: none"> Z is an iconic Kiwi brand
Scale and reach	<ul style="list-style-type: none"> 80k business accounts 3m weekly retail customers Australia's largest branded retail network Broad network close to end-consumers 	<ul style="list-style-type: none"> 32k SME accounts 1m weekly retail customers New Zealand's largest fuel network 80% of population live within 5kms of a Z or Caltex service station
Optionality	<ul style="list-style-type: none"> Well located assets in close proximity to key infrastructure Potential to adapt key infrastructure and assets for alternative uses 	<ul style="list-style-type: none"> Terminal infrastructure and retail assets across all regions of New Zealand Key retail and truckstop locations can be repurposed for alternative uses
Supply chain expertise	<ul style="list-style-type: none"> Australia's largest integrated fuel supplier Experience in managing the transition to fuel import markets Strong capability in manufacturing, distribution, energy trading and shipping 	<ul style="list-style-type: none"> New Zealand's largest integrated fuel supplier New Zealand market will transition to fuel import market Experience in biofuels production, importing and distribution



4. Funding and pathway to completion



Z Energy acquisition – proposed funding

Ampol intends to fund the transaction largely using debt, whilst maintaining its strong Baa1 investment grade credit rating

Ampol's funding sources

- \$1.8 billion of new debt facilities, enabling the acquisition to be initially fully debt funded
 - The new facilities have a tenor of 12 months, with an option for Ampol to extend for a further 12 months
- Z Energy's NZX-listed retail bonds will be retained as part of the pro forma Ampol capital structure. USPP notes also expected to be retained, subject to uptake in the mandatory prepayment offer
- Final funding mix to be determined after regulatory approval. Significant steps to be taken to minimise the need for any new equity in the final funding mix:
 - New 1-2 year facilities secured (above), provides flexibility on timing
 - A potential new hybrid issuance (structured to receive 50% equity credit); subject to market conditions
 - Asset divestments, including the divestment of Gull and certain freehold properties owned by Z Energy
- Expect to maintain a Baa1 credit rating post-transaction. Ongoing commitment to Ampol's Capital Allocation Framework

Sources and uses

Sources	NZ\$m	A\$m
New Ampol senior debt facilities	1,870	1,800
Existing Ampol senior debt facilities	75	70
Existing Z Energy NZX-listed retail bonds ¹	195	190
Existing Z Energy USPP notes	380	365
Total sources	2,520	2,425
Uses	NZ\$m	A\$m
Z Energy equity value (at offer price)	1960	1,885
Z Energy net debt (as at 31 March 2021) ²	560	540
Total uses	2,520	2,425

Note: Sources and uses shown is rounded to nearest NZ\$5m/A\$5m, assumes conversion at 1.04 AUDNZD, and excludes pre-completion cash flows, take-out financing and divestments. Reported on a pre AASB 16 basis.

1. FY21 balance of NZ\$378m less NZ\$150m repayment due November 2021

2. Excludes NZ\$299m lease liability

3. Transaction costs will be funded via Ampol's existing debt facilities

Regulatory considerations

Ampol is confident of receiving the necessary regulatory approvals¹

New Zealand Commerce Commission (NZCC)

- The transaction is conditional on Ampol obtaining clearance from the NZCC for the acquisition of Z Energy
- Ampol currently owns Gull New Zealand who has ~7% market share by fuel volume. By comparison, Z Energy has a ~40% market share
- Ampol has committed to a full divestment of Gull to address potential competition law issues
- It is expected that divestment would occur within a prescribed period of time following completion of the transaction meaning the transaction is not expected to be conditional on completion of the divestment
- Ampol is exploring both trade sale and IPO options for the divestment of Gull and has commenced preparatory work for both options
- An NZCC clearance application is well progressed and is intended to be submitted shortly

New Zealand Overseas Investment Office Approval (OIO)

- Transaction requires OIO approval
- Ampol has agreed a set of commitments with Z Energy and considers the transaction will bring significant benefits to New Zealand:
 - Ampol has a regional fuel procurement supply chain which can provide NZ with fuel security following the conversion of the Marsden Point refinery
 - Introduction of additional investment into New Zealand
 - Ampol notes that it has previously been granted consent to acquire significant New Zealand assets through its acquisition of Gull in 2017
 - A formal OIO application is well progressed and is intended to be submitted shortly
 - Ampol considering a secondary listing on NZX under the foreign exempt rules



Notes:

1. Regulatory approvals are subject to ongoing discussion and proposed approach may change

Indicative Timetable

The transaction is targeting a Z Energy shareholder vote in early 2022 with completion targeted in the first half of 2022

<i>Event</i>	<i>Date</i>
Announcement of transaction	11 October 2021
OIO application and NZCC clearance application made ¹	October 2021
First court hearing	Early 2022
Z Energy shareholder voting materials dispatched	Early 2022
Z Energy scheme meeting	Early 2022
Target for receipt of regulatory approvals	First half 2022
Second court hearing and completion	First half 2022
<i>Acquisition implementation date (transaction becomes effective)</i>	<i>First half 2022</i>



Notes:

1. The timing of regulatory approvals is subject to ongoing discussion and proposed approach may change

Concluding remarks¹

Z Energy is a highly strategic acquisition opportunity for Ampol

- Z is the market leader in New Zealand with 40% share of fuel sales
- Ampol expects to deliver NZ\$60-80m pa of synergies and transition benefits
- Transaction is expected to deliver compelling financial returns
- New Zealand is an attractive market which is well known to Ampol
- Creates a stronger platform for the future energy transition

Ampol has completed confirmatory due diligence on Z and signed a binding SIA

- Ampol's Offer Price has been reconfirmed at NZ\$3.78 per share
- Z Energy shareholder vote expected to occur early in 2022
- Transaction subject to conditions, including NZCC clearance and OIO approval, no reversal or material delay to Marsden Point conversion, a Z Energy shareholder vote, no material adverse change and no prescribed occurrences
- Transaction completion targeted in the first half of 2022



Notes:

1. This slide to be read in conjunction with the rest of the presentation





Q&A



Appendix

Ampol's Capital Allocation Framework

25

Glossary

26



Ampol's Capital Allocation Framework

Following the Lytton Refinery review outcome, Ampol has increased its target leverage range to Adj. Net Debt / EBITDA of 2.0x – 2.5x and has significant balance sheet capacity

Capital Allocation Framework

Stay-In-Business Capex

- Focused on safety and reliability of supply
- Investments to support decarbonisation

Optimal Capital Structure

- Adj. Net Debt / EBITDA target of 2.0x – 2.5x
- Where Adj. Net Debt > 2.5x EBITDA, debt reduction plans become a focus

Ordinary Dividends

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

Capital Returns

- Where Adj. Net Debt < 2.0x EBITDA (or sufficient headroom exists within the target range)

Growth Capex

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

Balance sheet observations

- Ampol is committed to maintaining a strong investment grade credit rating; currently Baa1 (stable) from Moody's Investors Service
- Net borrowings at 30 June 2021 of \$735 million; Adj. Net Debt / EBITDA of 1.6x¹
- Ampol's Capital Allocation Framework provides a balance between ensuring a safe and sustainable business, maintaining a strong balance sheet, returning capital to shareholders and investing in future value-accretive growth opportunities
- The Federal Government refining support initiatives materially reduce the financial risk and volatility of Ampol, supporting **an increase in the target leverage range to Adj. Net Debt / EBITDA of 2.0x – 2.5x (from 1.5x – 2.0x previously)**
- Based on the revised target leverage range, Ampol has significant balance sheet capacity that can be utilised in accordance with its Capital Allocation Framework



Notes:

1. Adjusted net debt includes net borrowings, lease liabilities in accordance with AASB 16 and hybrid equity credit; RCOP EBITDA is used for the calculation of leverage

Glossary

A\$ - Australian Dollar

BL – Billion litres

CFPS – Cash flow per share

EBITDA – Earnings before interest tax depreciation and amortisation

EPS – Earnings per share

ETS – Emissions Trading Scheme

EV – Enterprise value

FCF – Free cash flow

FY – Financial year (ending 31 March for Z Energy)

IPO – Initial Public Offer

k – thousand

m - million

ML – Million litres

NZ – New Zealand

NZ\$ - New Zealand Dollar

NZCC – New Zealand Commerce Commission

NZX – New Zealand Stock Exchange

OIO – Overseas Investment Office, and where applicable includes the relevant decision making Ministers

RAP – Refinery Auckland Pipeline

RC EBITDAF – A non-IFRS measure of Earnings before interest tax depreciation amortisation and foreign exchange (used by Z Energy)

ROCE – Return on capital employed

SIA – Scheme Implementation Agreement

SME – Small to Medium Enterprise

USPP – US Private Placement



Thank you