

CEO's Message



It has been a privilege to lead Ampol in 2023 and it is my pleasure to provide you with this update on our performance.

In 2023, we successfully executed our strategy, leveraging the achievements of 2022 to achieve yet another strong financial performance. Our operational and financial success has benefited our shareholders, customers, and the communities in which we operate.

The full year 2023 Replacement Cost Operating Profit (RCOP) EBIT was \$1,297 million and RCOP NPAT was \$740 million. This result was underpinned by earnings growth in non-refining divisions and a full 12 months' contribution from Z Energy. Lytton also contributed to the result as earnings eased from the record level seen last year.

This wouldn't have been possible without the commitment of the entire Ampol team. They have worked diligently and cohesively to consistently deliver for our customers and shareholders.

Total fuel sales reached record volumes of 28.4 billion litres, up approximately 17% from last year, having benefited from international sales growth, improving aviation fuel volumes in Australia, along with the addition of the first full 12 months' contribution from Z Energy.

With the recent finalisation of the new fuel standards by the Australian Federal Government, we intend to upgrade the Lytton refinery to produce gasoline compliant with the new specifications for both regular and premium gasoline grades. Ampol has made significant progress in design, site preparation, and procurement of long lead items ahead of a Final Investment Decision expected in the coming weeks.

Throughout the year, we retained and secured several new Business to Business (B2B) customer contracts, and our fuels and lubricants supply chain now services more than 110,000 businesses across Australia and New Zealand.

The resilience of our integrated supply chain, with the support of our Trading and Shipping team, was evident this year as it responded to the significant outage at Lytton refinery early in the year, maintaining uninterrupted supply to our customers. During the year imported fuel supply to Z Energy transitioned to Ampol's Trading and Shipping team in Singapore, contributing meaningfully to the New Zealand segment result. The Trading and Shipping team has grown to be a significant contributor to Ampol's profitability over the past decade, growing both its capacity and capabilities to support customers across a broad range of products and geographies.

Convenience Retail continued to perform strongly with RCOP EBIT earnings up 2.1%.

Following the completion of our network rationalisation program, Convenience Retail's focus shifted in 2023 to investment in our major highway network as part of our strategy to upgrade and deliver new sites along key transport routes.

RCOP EBIT¹

\$1,297_m

1. Group result excluding Significant Items.
2. Excludes Significant Items.

The Pheasants Nest sites on both sides of the Hume Highway in NSW were unveiled in 2023. The completion of the M1 Northbound site at Wyong NSW followed in December with the M1 Southbound site due for completion in the first half of 2024.

We also commenced a Quick Service Restaurant (QSR) trial during the year, taking over the operation of Hungry Jack's stores on the Central Coast of NSW and the M1 Northbound site at Wyong, NSW. The stores are performing to expectation and the trial will be extended during 2024.

We continue to deliver on our ambition to assist customers through the energy transition as the leading Trans-Tasman transport energy provider.

Our EV network rollout gained momentum through the year with 186 charging bays now operating across Australia and New Zealand, rising from 34 at the end of 2022.

We have an ambition to be a major player in the development of renewable fuels and are assessing a number of options to provide solutions for hard to abate sectors like mining, aviation and heavy haul transport.

We are committed to meeting the ongoing energy needs of our customers by developing capability and partnerships to ensure we play a leading role in the transport energy transition, and our success will be achieved by building on the competitive strengths that underpin our business today.

Our achievements in 2023 extended beyond our operational and commercial performance, encompassing notable advancements in our people, community, and sustainability programs.

We remain determined to make a difference in the communities in which we operate, and our financial contribution to the community through the work of the Ampol Foundation increased by 12% from 2022, to over \$4.6 million in 2023. We also reached a significant milestone with our support of the Westpac Rescue Helicopter Service, celebrating 30 years of partnership. Z Energy continued with its Good In The Hood program contributing NZ\$1 million to its local communities.

We also made meaningful advancements in our diversity and inclusion programs, including our activities to encourage improved Indigenous participation across both our Australia and New Zealand operations.

In addition, we brought to life our 'Glampol' campaign to demonstrate our support for the LGBTQIA+ community and raise funds to support the mental health of Australian youth of diverse sexualities and genders.

Ampol is a diverse organisation that is connected by a common purpose – to power better journeys today and tomorrow. Despite the challenges posed by geopolitical tensions and volatility in energy markets in recent years, we have consistently showcased our ability to navigate risks effectively to deliver strong operational and financial outcomes.

I'd like to thank all our employees for their hard work and dedication to the delivery of this result. I would also like to acknowledge the support of our customers, partners, suppliers, community stakeholders and shareholders.

We are well-positioned to carry out our strategic objectives in 2024, and we look forward to delivering on our vision for the organisation in the year ahead.



Matthew Halliday

Managing Director and CEO

