

OPERATIONS REPORTS

CONVENIENCE RETAIL

Ampol understands the important role our national retail network plays in powering the way of life for millions of customers today, while supporting their needs for tomorrow.

— The Convenience Retail business continued to see earnings growth, delivering an RCOP EBIT of \$357 million. Our strategy to position Ampol's company-owned Foodary network at the premium end of the fuel and convenience market continues to prove effective.

Earnings grew year on year as we continued to leverage the quality of our network and brands to drive growth in premium fuel mix, from 53.7% in 2023 to 55.4% in 2024. Cost-of-living pressures were evident with fuel volumes down 3.5%, mostly in base grades, as price sensitive customers shifted when prices peaked.

In the shop, promotions were focused on delivering value to our convenience customers through our ongoing commitment to loyalty, our exclusive app deals, our rotational Crave 'n Save menu and our monthly product offers program.

Network shop sales grew 2.0%, excluding tobacco, as key categories beverages, foodservice, confectionery and snacks continued to grow. Average Basket Value was broadly flat on 2023 with improving run rate in the second half offsetting tobacco headwinds.

A conscious effort to reduce our exposure to tobacco in recent years has meant we have been less impacted by the significant shift of these products into illicit markets.

Shop gross margin improved, reaching 37.3% post waste and shrink, which was driven by a combination of pricing, promotions, operational efficiencies and product mix.

Safety remains a priority for Ampol and is a key area of focus for our retail convenience business. 2024 saw a reduction in Convenience Retail Total Recordable Injury Frequency Rate (TRIFR), from 3.8 in 2023, to 3.2 in 2024.

SEGMENTATION STRATEGY EXPANDS

A key strategic focus for Ampol is the investment in our retail convenience network through shop offer segmentation.

Convenience ranging, quick service restaurant offer and site design, are all distinctions being explored and invested in across the wider retail convenience network.

Our segmentation strategy has been aided by market research into consumer habits to define four shop categories – Highway, Premium, Mainstream and Regional Centre.

An initial pilot of 10 premium sites is underway, with a focus on in-store experiences and key categories such as hot beverages, heated food, bakery and 'grab and go' opportunities underpinning the execution.

Our investment in highway sites progressed with the completion of the M1 Wyong upgrades. The next phase of our highway site investment, the redevelopment of the M4 Eastern Creek Eastbound and Westbound sites, is now underway.

Our redeveloped highway sites are strategically located for commuter and long-distance travel on Australia's important national routes and have set a new standard for long-haul drivers and passengers alike, where they can refuel and re-energise in the comfort of our modernised facilities.

INNOVATION THROUGH VALUE

Our focus on retail store segmentation and innovation has been framed with customer-centricity at the core. Key to maintaining this connection is having offers that resonate with customers, differentiate in market and compete effectively.

A commitment to delivering accessible value through promotions and innovation has also been a focus through our Foodary retail convenience network.

Our Crave 'n Save monthly campaigns offered customers more value for money with different combo meals available at discounted prices. To complement this initiative, we introduced limited time value deals and day-of-week promotions to drive further engagement.

The product extension of our private label continued in 2024, while our focus on Foodary coffee was complemented by a new loyalty program.





The Everyday Rewards (EDR) loyalty initiative, to offer further value to our customers, was integrated into the Foodary brand campaign with scan rates reaching an all-time high in 2024.

Our Ampol app saw growth in usage and importance as initiatives tailored to value, convenience and rewards saw transactions and sales increase by 29% and 20% respectively. 2024 saw the Ampol app reach a milestone of one million downloads across iOS and Android devices, allowing us to connect with consumers more so than ever before.

The Ampol app provides exclusive Foodary shop offers and allows customers to add their EDR card to ensure they are still collecting points no matter their method of purchase. Our AmpCharge EV charging and Ampol Energy capabilities are also powered through the app, driving a seamless experience for our customers.

DIVERSIFYING OPPORTUNITY THROUGH QSR

Our expansion into quick service restaurants (QSR) continues to support the non-fuel growth strategy for the business.

While other opportunities are being explored, Ampol's initial focus remains on our Boost Juice and Hungry Jack's QSR operations.

We remain the biggest Boost Juice franchisee with 46 sites, while our Hungry Jack's M1 Wyong sites have seen high sales revenue since opening. We were pleased to see the Northbound site win Hungry Jack's New Store of the Year in 2024.

Foodservice remains an area of focus as we explore offering both 'grab and go' and 'cook to order' hot kitchen value meal deals.

In time, as our QSRs develop and increase, we envision our offerings will provide an avenue of growth as customers spend longer durations on our own or partner sites, charging their electric vehicles on-the-go.

CASE STUDY

Strengthening the core with operational improvements



An ongoing focus on operational improvements underpinned benefits for our Convenience Retail business in 2024.

Disciplined cost management is engrained in our culture and has delivered efficiencies to fund short-term growth in the business.

Efficient remediation and ongoing maintenance of our retail sites remain core opportunities where long-term roadmap programs are in place.

A revitalised maintenance approach to the replacement, relining and associated site downtime of underground petroleum storage systems saw benefits of \$4.3 million in reduced capital spend and a \$1.4 million EBIT uplift in 2024.

Customer drive-offs is another priority for Ampol in the broader context of loss prevention. The installation of market-leading technology across our network aided an 11% improvement on volume loss and 2% increase on recovered funds, year on year.

Further scale rollout of drive off technology to higher risk sites and planned innovation and advancement pilots with this technology are planned for 2025.