

# ASX Release



15 October 2024

## 3Q24 TRADING UPDATE

### Key points

- Group total fuel sales volumes for 3Q24 were 6.5 billion litres, with resilient volumes in Convenience Retail, New Zealand, and F&I Australia
- Australian shop sales (ex-tobacco) grew year on year, broadly consistent with the 1H24 trend
- \$50m cost out program announced for delivery in 2025. Further details to be provided at full year results
- 3Q24 performance impacted by the planned Reformer Turnaround and Inspection (T&I) to the Lytton refinery and significantly weaker finished and intermediate product cracks
- Given the current refining margin environment, Ampol intends to undertake a further maintenance stop at Lytton to repair the regenerator, part of the Fluidised Catalytic Cracking Unit (FCCU), reducing production to approximately 350 million litres for the month of November
- In response to recent refining margin weakness, global refiners have commenced production run-cuts, providing a modest level of margin recovery since the start of October

| Quarterly volumes                  | 2Q24            | 3Q24            | 3Q24v2Q24<br>Var (%) | 3Q23                        | 3Q24v3Q23<br>Var (%) |
|------------------------------------|-----------------|-----------------|----------------------|-----------------------------|----------------------|
| Convenience Retail                 | 907 ML          | 918 ML          | 1.2%                 | 920 ML                      | (0.2%)               |
| Australian wholesale (ex-Net sell) | 2,622 ML        | 2,646 ML        | 0.9%                 | 2,690 ML                    | (1.6%)               |
| Net sell                           | 244 ML          | 261 ML          | 7.0%                 | 457 ML                      | (43%)                |
| Subtotal Australian volume         | 3,774 ML        | 3,824 ML        | 1.3%                 | 4,067 ML                    | (6.0%)               |
| International                      | 1,978 ML        | 1,791 ML        | (9.5%)               | 1,934 ML                    | (7.4%)               |
| New Zealand <sup>1</sup>           | 884 ML          | 906 ML          | 2.5%                 | 913 ML <sup>2</sup>         | (0.8%)               |
| <b>Total sales volume (Group)</b>  | <b>6,636 ML</b> | <b>6,521 ML</b> | <b>(1.7%)</b>        | <b>6,914 ML<sup>2</sup></b> | <b>(5.7%)</b>        |
| LRM <sup>3</sup> (US\$/bbl)        | 8.81            | 1.48            | (83%)                | 19.69                       | (92%)                |
| Refinery production                | 1,420 ML        | 916 ML          | (35%)                | 1,569 ML                    | (42%)                |

Ampol Limited (ASX:ALD) today provides an update on the Group trading conditions for the third quarter of its 2024 financial year.

### 3Q Lytton Refiner Margin

The 3Q24 LRM includes the impact of the lower value production mix from the Lytton refinery during the planned Reformer T&I maintenance period which coincided with significant weakness in global finished and intermediate products margins. The reformer experienced performance issues following mechanical completion, requiring additional repair work in September, which led to a slower ramp up. The refinery is now operating at full capacity.

LRM for the third quarter of the 2024 financial year was US\$1.48 per barrel, reflecting the impact of the T&I and subsequent performance issues, lower product cracks during the quarter, and the short-term lag between when crude premiums are priced and when the crude is consumed in production (typically ~2 months).

Refinery production for the quarter was 916 ML. Volumes were impacted by a combination of the T&I and related issues as well as a reduction in throughput to optimise the production plan during the T&I period.

The combined impact of the weaker refining margins, T&I and associated operating issues, together with the supply side response to the disruptions, was approximately \$100 million to Group RCOP EBIT<sup>4</sup>.

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## 3Q Group trading update

Looking beyond the operational events at the refinery:

- Convenience Retail continued the strong first half performance, benefiting from favourable market conditions which translated to improved fuel margins and sales volumes, particularly in base grades. Shop performance was resilient, performing in line with the first half.
- Similar dynamics were at play in New Zealand, with sales volumes broadly in line with 1H24 averages, and noting that 3Q23 included the one-off recovery of impacts from the New Zealand Government's temporary reduction of fuel excise duty in 2022.
- In F&I ex Lytton, the Australian wholesale volume reduction was largely the result of the refining outage, requiring increased purchasing of domestic product, reducing the net sell to other industry participants. F&I International was profitable for the quarter, albeit with similar trends to the first half, with well supplied markets limiting physical sales and value creating opportunities.

### Current trading and operational performance

The refinery has recently begun experiencing operational issues with the Fluidised Catalytic Cracking Unit (FCCU). Ampol intends taking advantage of the current global refining market environment to effect repairs to the regenerator across the month of November. During this time, the refinery will operate at a reduced rate and is expected to produce approximately 350 million litres of high value product (HVP). No disruption in supply to customers is anticipated.

Recently, in response to global refining margin weakness, several refiners have commenced production run-cuts, particularly in North Asia and Europe. This has led to a modest recovery in Singapore Weighted Average Margins (WAM) to approximately US\$10-11 per barrel since the start of October.

Ampol has committed to an initial \$50 million (nominal) cost reduction for the Group to be delivered in 2025 and is pursuing additional opportunities to improve productivity and simplify its business in the period ahead. Further details will be provided at Ampol's full year results in February 2025.

Commenting on the 3Q24 result, CEO Matt Halliday said "Notwithstanding the challenging global refining market and operational performance of Lytton, which has been impacted by a series of one-off events this year, the rest of the business continues to perform well and demonstrate its resilience. We are confident in the steps we are taking at Lytton to enable stronger operational performance in 2025 which should coincide with the refiner margin impact of production run-cuts currently being taken across the world."

**Authorised for release by:** the Board of Ampol Limited.

#### Notes:

1. 3Q23 Z Energy volumes have been restated to align with the methodology used for reporting Australian wholesale sales to other distributors by netting off purchases. This has the effect of reducing previously reported sales figures for 3Q23 by 138 million litres for both the Group and Z Energy.
2. In 2H23 Z Energy exited the supply of certain specialty products including the supply of avgas to general aviation customers and bitumen. These products represented 1 million litres of sales volume in 3Q23.
3. Lytton Refiner Margin (LRM) represents the difference between the market value of importing a standard Lytton Refinery basket of products and the cost of importing the crude oil required to make that product basket.

The LRM is calculated in the following manner:

Weighted Singapore product prices (for a standard Lytton Refinery basket of products)

Less: Reference crude price (the Ampol reference crude marker is Dated Brent)  
Equals: Singapore Weighted Average Margin (Dated Brent basis)  
Plus: Product quality premium, Crude discount and Product freight  
Less: Crude & Feedstock premium, Crude freight, Other related hydrocarbon costs and Yield Loss  
Equals: Lytton Refiner Margin

The Lytton Refiner Margin is converted to an Australian dollar basis using the prevailing average monthly exchange rate.

4. Replacement Cost Operating Profit (RCOP) is an unaudited non-IFRS measure. For definition refer to the 2023 Annual Report. All references to RCOP EBITDA and RCOP EBIT are excluding Significant Items throughout unless otherwise stated.

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