



19 July 2021

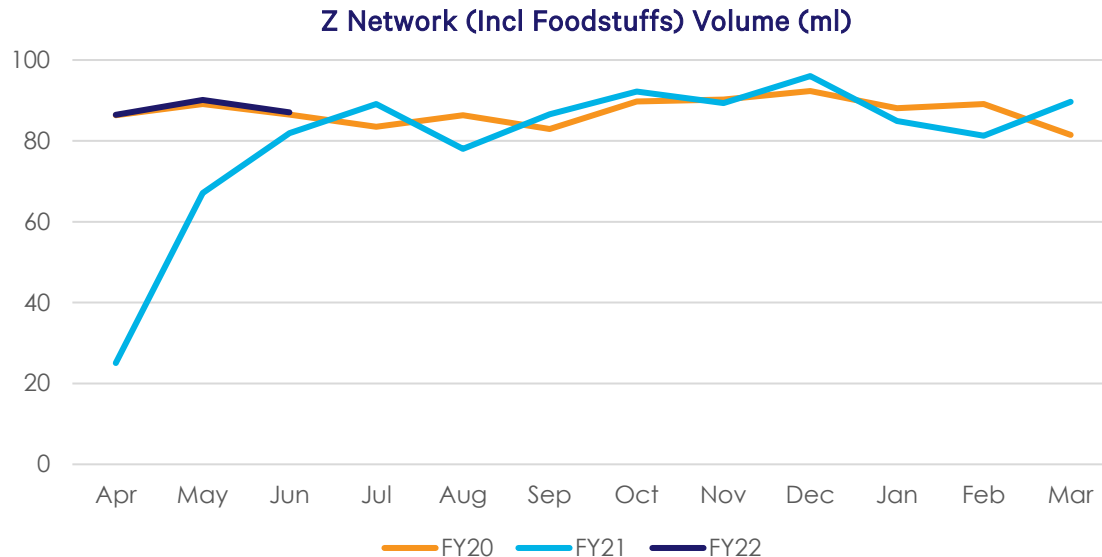
## Z Energy quarterly operating data

### Overview

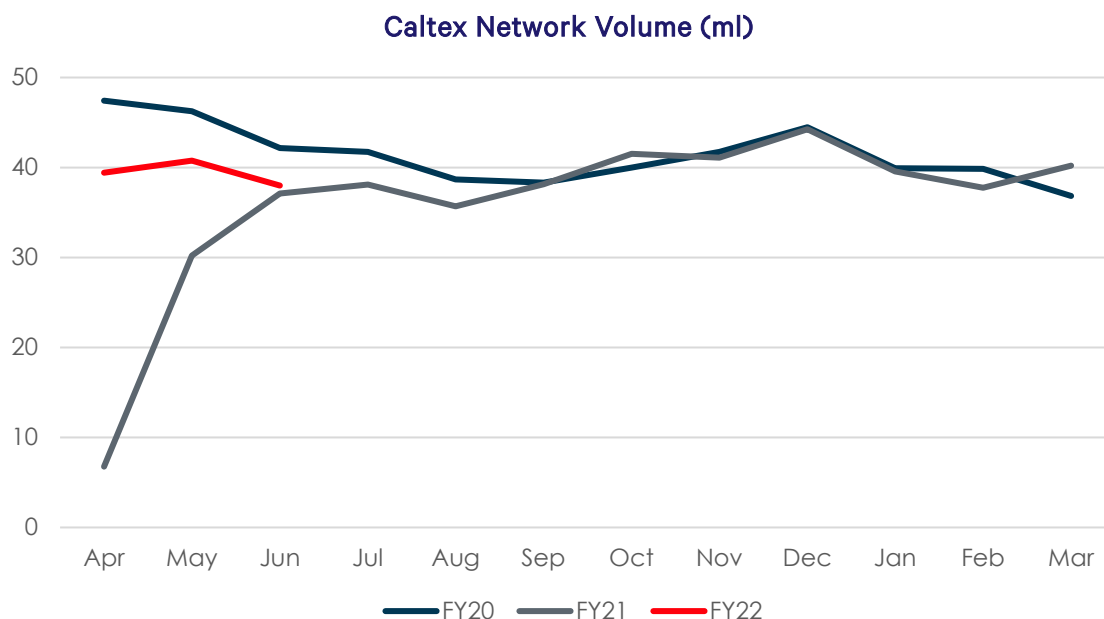
Z Energy (NZX/ASX: ZEL) (“Z”) delivered good volume for 1QFY22 and convenience retail continued its strong performance. Margins for Z were down slightly due to continued rising crude oil prices and mix, with strong volumes in lower margin businesses. Z continues to deliver on its four point plan and reaffirms FY22 RC EBITDAF guidance to be in the range of \$270m to \$310m with dividends of 19cps to 23cps.

### Volume

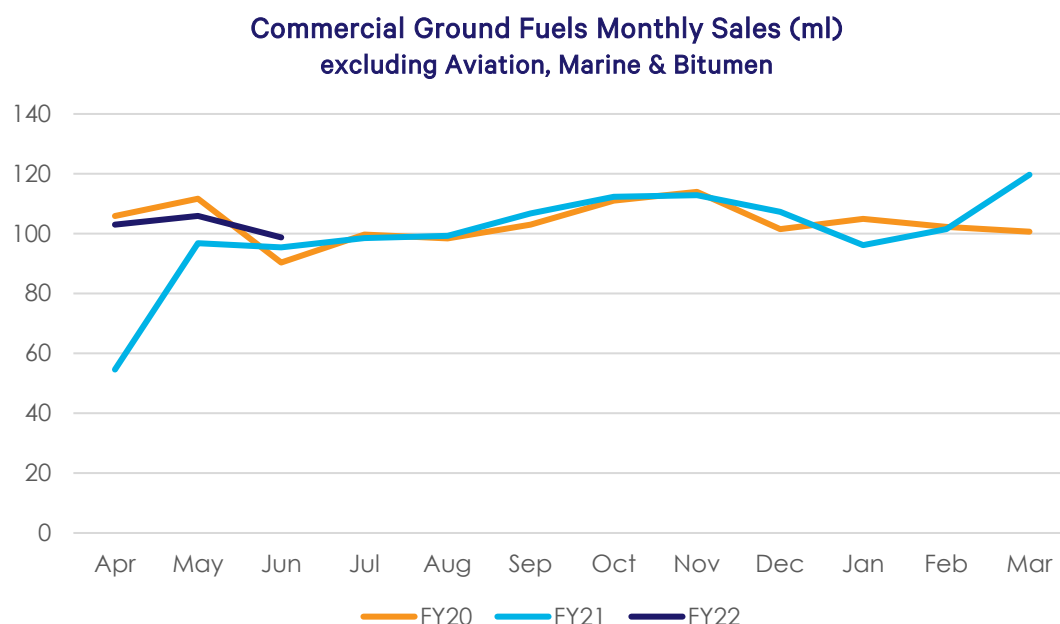
Z Retail volumes were up 51.5% for 1QFY22 versus the prior corresponding period (PCP) in FY21, rebounding from last year’s AL3 and AL4 Covid-related lockdowns. Z volumes are in-line with usual seasonality; tracking 0.8% above FY20 volume as Z continues to focus on volume and holding market share.



Caltex retail volumes for petrol and diesel were up 59.5% for 1QFY22 versus FY21 PCP, rebounding from last year’s Covid-related lockdowns. One Caltex site was converted to Z over FY21, adding to the 3 conversions in FY20. The Pumped loyalty program has continued to gain market share with Caltex customers and has been a key driver in arresting the decline in Caltex volumes in 1Q.



Commercial ground fuel volumes for 1QFY22 were up 24.7% versus Covid-impacted FY21 PCP and flat against FY20 PCP. From the Covid-19 lows of FY21, 1QFY22 reflects the stronger than expected economic recovery with growth in road freight and civil construction sectors, partially offset by a decline in agricultural volumes as a result of adverse weather events over the quarter.



### Convenience Retail (C-Store)

Average weekly c-store sales, on a like for like basis, were up 14.3% for 1QFY22 versus FY21 PCP, reflecting the rebound from FY21 lockdowns. Z continues to focus on broadening the Z Express offer with a wider fresh food on the go offer.

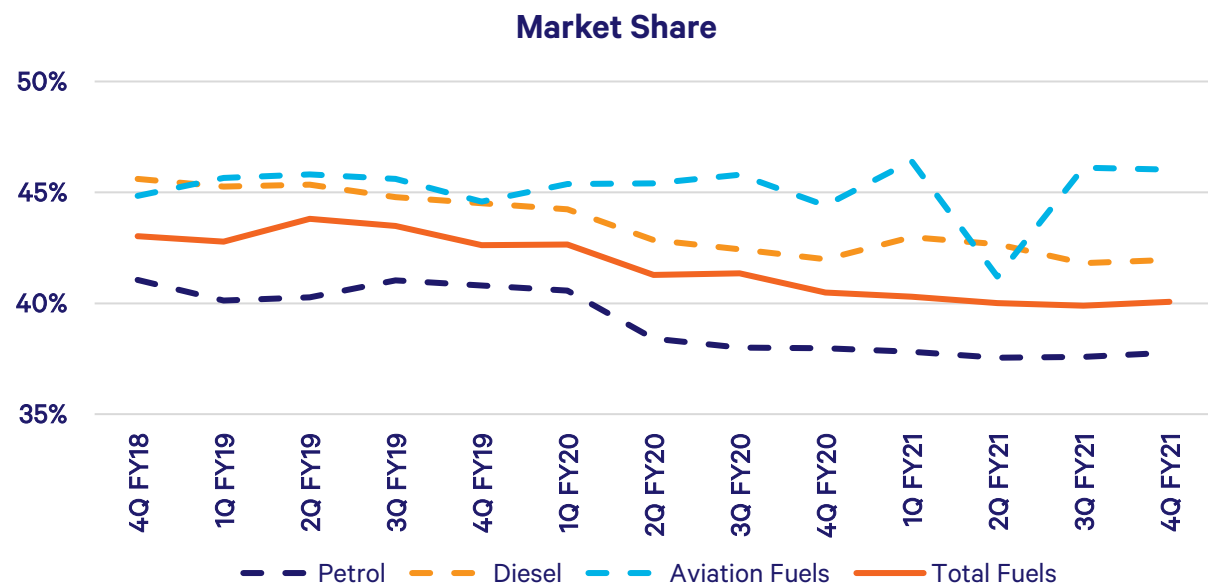
### Four Point Plan Progress

Z is delivering on its four point plan, objectives are on track.

## Hold Market Share

Z now calculates market share based on oil products consumption data published by MBIE approx. 90 days after the end of each quarter. Based on this data, Z has maintained market share vs PCP in both petrol and diesel. Z's market share for 4QFY21 was +0.2% to the previous quarter.

Z uses available information to track the openings, closures and rebrands of retail fuel sites across the industry in New Zealand. From January to June in 2021, 12 new to industry (NTI) sites opened, 11 sites were closed and 3 sites were rebranded. This data is consistent in showing the net growth NTI sites is decreasing.



## Monetise Scale

In 1QFY22, Z removed the Mt Maunganui terminal from the Borrow & Loan (B&L) industry arrangement and is operating this terminal independently on a commercial basis. In line with the Fuel Industry Act 2020 (FIA) regulations, Z now displays Terminal Gate Pricing (TGP) at both Mt Maunganui and Nelson terminals. The FIA regulations will come into effect in August 2021, requiring all terminals to display a TGP.

Refining NZ (NZX:NZR) confirmed that it would hold a Special Meeting on 6th August 2021 where shareholders can vote on NZR's proposal to cease refining and move to the provision of import terminal services. Z supports NZR's transition to an import terminal. The conversion of Refining NZ to an import terminal, with Z exiting the crude oil supply chain, will free up approx. \$150m of working capital which will be used to fund deleverage and transition to a low carbon future.

## Reduce Costs

In FY21, Z reduced operating costs by \$48m which will run rate to \$60m in FY22. Z remains on track to achieve its target of \$70m of operating expense reduction in FY22 (versus FY20 base).

## Manage Capital

Z currently has \$150m of net equity raise proceeds set aside to pay down the retail bond maturing in November 2021. Having reduced debt, Z is committed to returning cash to shareholders through reliable and sustainable dividends, and potentially buybacks.

# Operational data

For the quarter ended 30 June 2021



## Safety & Wellbeing (S&W)

	June 2021	June 2020	March 2021
Lost time injuries	6	2	6
Spills to ground	-	-	-
Robberies <sup>1</sup>	1	-	1
Fuel quality incidents	-	-	-
Tier 1 / 2 Process safety incidents	-	-	-
Food safety incidents	4	1	5
Total recordable case frequency	1.20	0.59	1.62
Motor vehicle incidents frequency	6.27	-	1.30

## Refining

	June 2021	June 2020	March 2021
USD GRM per barrel	1.50 <sup>2</sup>	0.67	3.48 <sup>3</sup>
NZD GRM per barrel <sup>4</sup>	2.10	1.11	4.82

<sup>1</sup> Robberies reported only relates to Z Retail sites. Caltex sites are owned and operated by independent retailers

<sup>2</sup> This number is from Refining NZ published data for the March/April period

<sup>3</sup> This number is from Refining NZ published data for the January/February period

<sup>4</sup> The NZD conversion is calculated by Z

# Operational data

For the quarter ended 30 June 2021



Fuels - All fuels in millions of litres	June 2021	June 2020	March 2021
Total NZ Fuel consumption <sup>5</sup>	-	1,420	1,957
Z Group total fuel volumes	854	602	902
Petrol - Z Retail <sup>6</sup>	185	120	179
- Caltex Retail	81	50	81
Diesel - Z Retail	79	54	77
- Caltex Retail	38	24	37
- Commercial	194	165	195
Other fuels	117	80	124
Supply - Domestic	126	102	134
- Industry & Export	3	2	39
- Terminal Gate sales	31	5	36

<sup>5</sup> Based on MBIE Oil supply, transformation and consumption data tables excluding LPG. Data in not yet available for June 2021 quarter. This replaces Industry volumes previously reported as this is no longer available due to the Commerce Commission inquiry. Total NZ Fuel consumption does not include Bitumen and Lubricants

<sup>6</sup> Z Retail volumes include volumes from 53 Foodstuffs sites

# Operational data

For the quarter ended 30 June 2021



Customer Experience	June 2021	June 2020	March 2021
Z Retail customer satisfaction <sup>7</sup>	93%	92%	92%
Total Z Retail transaction count	14.0 million	9.4 million	14.0 million
Z Retail: fuel-only transactions	6.8 million	4.3 million	6.6 million
Z Retail: fuel and store transactions	1.4 million	0.9 million	1.4 million
Z Retail: store only transactions	5.8 million	4.2 million	6.0 million
Z Average weekly store sales	\$40,679	\$35,590	\$42,544
Z Average weekly store sales like-for-like	\$41,166	\$36,236	\$42,825
Number of Z branded service stations	197	198	197
Number of EV charging stations	6	7	6
Caltex Retail customer satisfaction <sup>7</sup>	76%	82%	76%
Number of Caltex branded service stations	133	135	133
Number of truck stops <sup>8</sup>	150	153	151

<sup>7</sup> Customer satisfaction determined using ongoing internal customer measurement

<sup>8</sup> This figure represents the combined Z and Caltex branded truck stops