

ASX Release



14 January 2021

UNAUDITED LYTTON RCOP EBIT 2020, 4Q 2020 LYTTON REFINER MARGIN UPDATE AND NET DEBT

Ampol Limited (ASX:ALD) today provides unaudited Lytton RCOP EBIT for 2020, its 4Q 2020 Lytton Refiner Margin (LRM) update and net debt position.

Unaudited Lytton RCOP EBIT 2020

4Q 2020 Lytton RCOP EBIT was a loss of \$4 million, bringing unaudited full year RCOP EBIT for Lytton to \$145 million loss.

This exceeds analyst consensus for Lytton by \$20 million when compared with the full year 2020 RCOP EBIT consensus reflecting a \$165 million loss.¹ While the 4Q 2020 result is above consensus, economic conditions in 2021 remain uncertain as a result of continued COVID-19 impacts on international and domestic demand, further depressing already soft regional refining margins and the strengthening Australian dollar experienced over recent months also works against the available LRM when expressed in Australian dollars.

As previously announced, Ampol is currently undertaking a comprehensive review of the Lytton refinery to determine the best operating model over the medium-term. The review is considering all options for the facility's operations and for the connected supply chains and markets it serves and will be completed in the first half of 2021.

The unaudited result for Lytton is excluding any potential significant items that could arise with the finalisation of year-end financial disclosures, including the assessment of the recoverability of Lytton's non-current assets.

4Q 2020 Lytton Refiner Margin Update

The 4Q 2020 LRM was US\$5.13 per barrel. Singapore Weighted Average Margin (SWAM) for 4Q 2020 was US\$4.73 per barrel, which remained lower than 1H 2020 US\$9.08 per barrel and well below the historic average. LRM for 4Q 2020 has been underpinned by very low landed cost of crude in the quarter, that has supported refiner margins above SWAM. Refinery production for 4Q 2020 since the restart of refining operations in September was 1,369 ML. Total Refinery production for 2020 was 3,496 ML.

Ampol has adopted an amended methodology for reporting LRM from 4Q 2020 that will now see LRM include "Other Margin" hydrocarbon costs that were previously excluded from the prior refiner margin definition (plus some other peripheral methodology changes). These costs have always been part of Lytton RCOP EBIT, but their inclusion in LRM now reflects a full Refining Gross Margin to improve disclosure. An updated definition of LRM has been provided at the end of this release.

¹ Consensus is based on the average of published forecasts from the 12 most active covering analysts, namely BAML, Citi, Credit Suisse, CLSA, Goldman, Jeffries, JP Morgan, Macquarie, Morgan Stanley, MST, RBC and UBS. Relative to Bloomberg, it excludes Rimor research, Morningstar, ISS-EVA and Everblu given these forecasts have historically been updated with a slower cadence despite dynamic market conditions in 2020. Forecasts are collated by Ampol, based on published reports and forecasts provided directly from the analysts as of 11 January 2020. Consensus forecasts are not based on Ampol's own opinions, estimates or forecasts and are compiled and referenced without comment from, or endorsement or verification by Ampol. Ampol does not confirm or express a view as to the accuracy of forecasts published by analysts, nor does it make any representation that its earnings will fall within the range of forecasts provided by analysts. Ampol does not assume any liability for the accuracy of such forecasts.

Net Debt

Net debt at the end of December 2020, excluding lease liabilities, was \$434 million.

Ampol will provide details of its audited financial result on Monday, 22 February 2021.

Authorised for release by: the Board of Ampol Limited.

Notes

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 and Feedstock discount
Product freight

Less: Crude and Feedstock premium
Crude and Feedstock freight
Other related hydrocarbon costs
Yield Loss

Equals: Lytton Refiner Margin

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

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