



17 April 2019

Z Energy quarterly operating update

Reported industry volumes flat

During the quarter Z's terminal operations staff reported that Mobil had ceased to supply Gull at its Mt Maunganui terminal and that Gull was now being supplied by its parent company. As this supply agreement is not captured through Industry Exchange, Gull volumes are no longer being reported in the data.

The total industry volume for all fuels as reported through Industry Exchange data was flat (-0.2%) year on year at 2,441 million litres but due to the change in supply arrangements as noted above saw a sequential decline from the December quarter.

The decline in reported retail volume was offset by commercial volume, with 'Other fuels' increasing in Bitumen, Marine and Jet due to changing schedules in the Cruise Line market and seasonal adjustments to schedules out of Auckland International Airport.

Z network retail petrol volume increased year on year for the quarter reflecting the addition of the Foodstuffs retail outlets. Caltex network retail volume declined year on year but remained flat on a sequential basis, the result of additional marketing activity across the network.

Due to Gull's small market share in Diesel, changes to Industry Exchange reporting does not materially affect the data. Diesel, for both networks and for retail and commercial, was flat on both a year on year and sequential basis.

Average store sales

Weekly average store sales for the Z network increased on an absolute and like for like basis to \$39,039 reflecting the company's network optimization work and focus on Customer Experience. Z retail customer satisfaction remains high at 91%.

Confirming FY19 guidance and full year results presentation

Z reaffirms FY19 earnings guidance for EBITDAF to be in a range of \$420 million - \$450 million and dividend on a cents per share basis to between \$0.38 and \$0.47 per share.

Z will release its full year earnings on Thursday, 2 May at 8.30am (NZT).

Z Energy operational data for quarter ended March 2019

Health, safety, security and environment (HSSE)

	March 2019	March 2018	December 2018
Lost time injuries	5	3	9
Spills to ground	0	0	0
Robberies ¹	3	0	0
Fuel quality incidents	0	1	0
Process safety incidents	0	0	0
Food safety incidents	0	0	0
Total recordable case frequency	1.62	0.6	1.99
Motor vehicle incident frequency	0	0	1.21

Fuels

All fuels in millions of litres	March 2019	March 2018	December 2018
Total industry volumes (all fuels) ²	2,441	2,446	2,510
Z Group total fuel volumes	1,099	1,103	1,157
Petrol - Z Retail	192 ³	184	197 ³
- Caltex Retail	107	116	109
Diesel - Z Retail	74	75	76
- Caltex Retail	40	42	41
- Commercial	207	203	208
Other fuels	333	324	327
Supply - Domestic	144	136	148
- Industry & Export	2	23	51

1 Robberies reported only relate to Z Retail sites. Caltex sites are owned and operated by independent dealers

2 Excludes 'Supply - Industry & Export' sales

3 Z Retail volumes include volumes from 53 Foodstuffs sites



Refining

	March 2019	March 2018	December 2018
Refining NZ gross refining margin (GRM):			
USD GRM per barrel	4.88 ⁴	7.54	6.53
NZD GRM per barrel ⁵	7.18	10.36	9.62

Customer experience

	March 2019	March 2018	December 2018
Z Retail customer satisfaction ⁶	91%	89%	90%
Total Z Retail transaction count	14.4 million	14.8 million	14.5 million
Z Retail: fuel-only transactions	7.2 million	7.7 million	7.4 million
Z Retail: fuel and store transactions	1.6 million	1.8 million	1.7 million
Z Retail: store only transactions	5.6 million	5.3 million	5.4 million
Z Average weekly store sales	\$38,334	\$35,681	\$37,918
Z Average weekly store sales like-for-like	\$39,039	\$35,740	\$38,515
Number of Z branded service stations	203	204	203
Number of EV charging stations	8	8	8
Caltex Retail customer satisfaction ⁶	79%	81%	79%
Number of Caltex branded service stations	140	139	139
Number of truck stops ⁷	155	156	155

4 This number is from Refining NZ published data for the January/February period

5 The NZD conversion is calculated by Z

6 Customer satisfaction determined using ongoing internal customer measurement

7 This figure represents the combined Z and Caltex branded truck stops

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