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11 March 2021

Z Energy updates FY21 guidance and February monthly volume data

Z Energy (NZX:ZEL ASX:ZEL) (Z) today announced that it expects its FY21 RC EBITDAF to be in a range between $235m to $245m (previous guidance range was $235m to $265m).

Current trading conditions

Z continues to experience the effects of COVID from the two recent lockdowns, the loss of international tourists in its retail channel and reduced volume in Jet, as well as the enduring and ongoing effects of lower refining margins.

Intense retail competition has continued, while crude prices have increased substantially in a short period of time, compressing margins. Oil prices have risen on the expectation of a post-COVID global economic recovery and vaccination roll-out, with the Brent indicator having increased by over 75% in the 120 days since the beginning of November 2020.

Z's Chief Executive Mike Bennetts said, "The past year has been focussed on our core business as Z and the country bounced back from the worst effects of COVID. Markets, like Jet, have yet to recover from COVID and the most recent lockdowns have also reduced volume across Z's retail networks, especially in Auckland.

The business has focused on executing our four point improvement plan, in particular we remain on track to deliver $48m of structural cost reductions"

February volume data

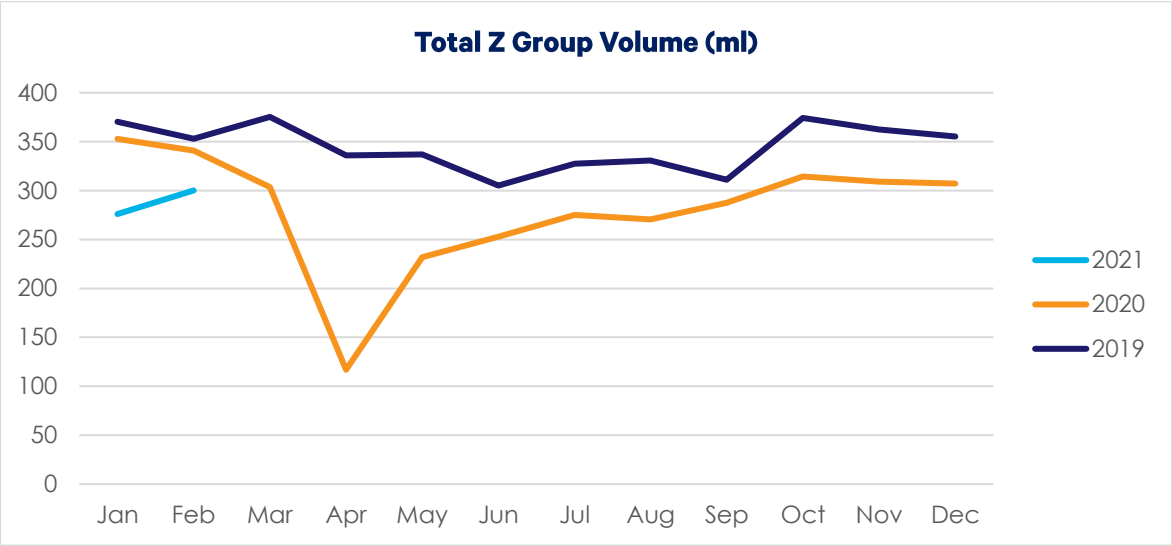
Z is choosing to provide monthly volume data for FY21 as Z and New Zealand manages through the response to the global Covid-19 pandemic.

Total Z Group volume for February was down 11.9% versus 2020 PCP (previous corresponding period).

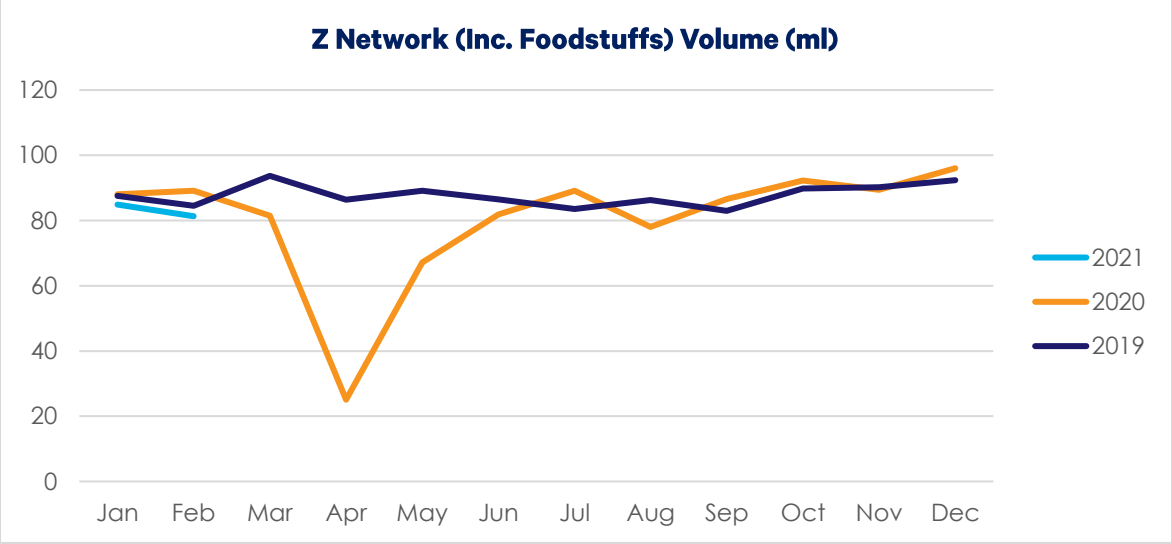
Commercial diesel was down 8.4% versus 2020 PCP. Z Retail and Caltex Retail volume across all grades were down 8.8% and 5.3% respectively versus 2020 PCP. Other Commercial Fuels were down 53.5% versus 2020 PCP, primarily due to Jet down 65.0% and Marine Fuel Oil down 86.3% with Z's decision to exit the Awanuia barge in Auckland.

There was a large, one-off increase in Industry and Export volume from the sale of Blendstock (used in the refining process) to another industry participant.

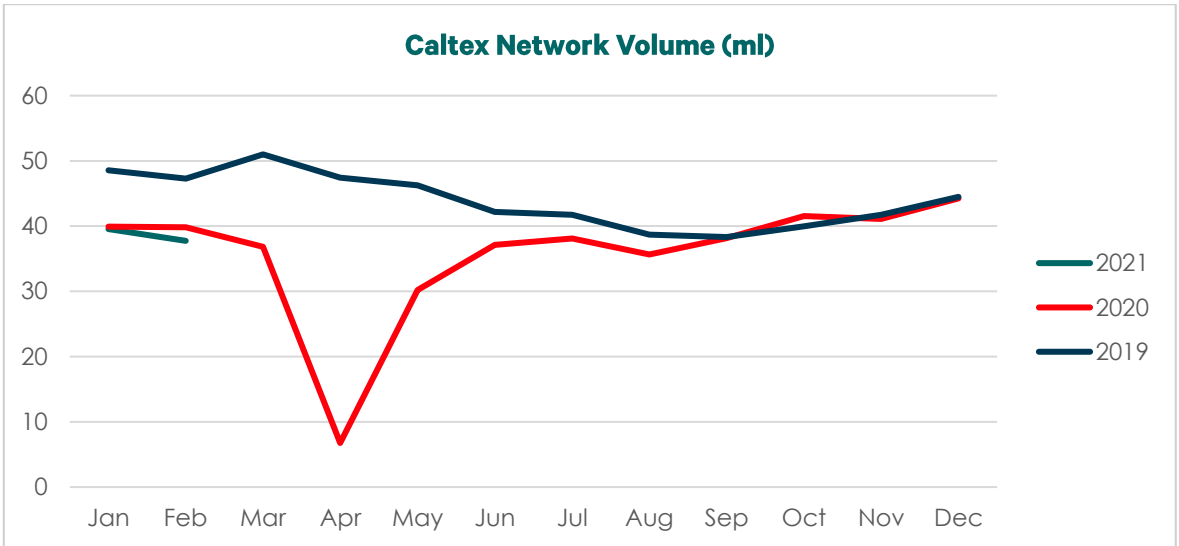
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February retail volumes were down compared to 2020 PCP. Z Network volume for petrol was down 9.8% versus PCP and down 5.5% compared to January 2021.

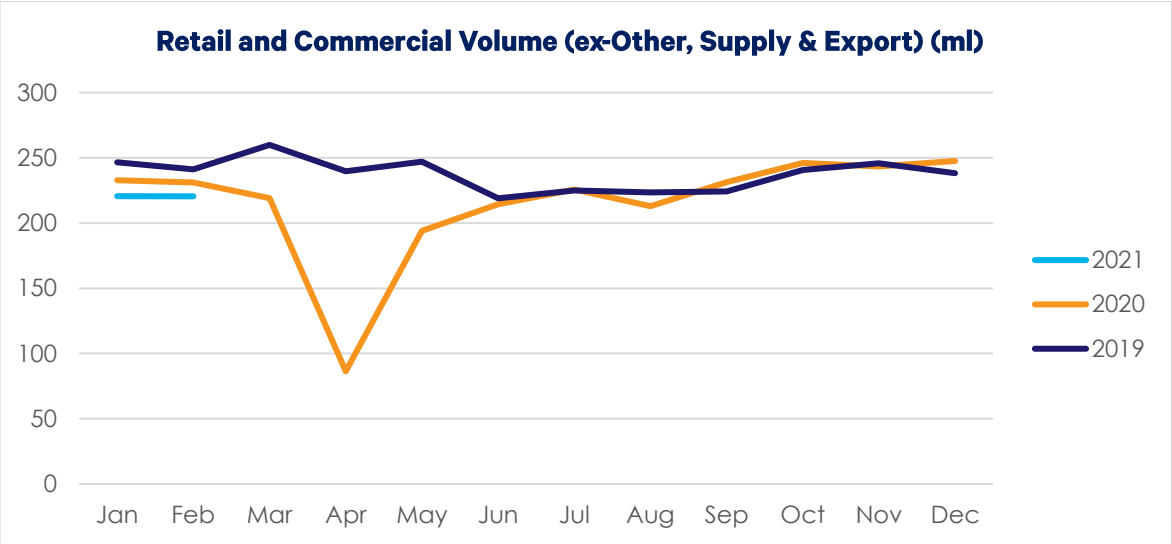


Total Caltex volume was down 5.3% versus 2020 PCP but on a same-site basis was flat against the prior year. Caltex retail petrol volume was down 6.5% versus January 2021 while retail diesel was flat over the same period.



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Retail and Commercial Volume for both petrol and diesel, excluding Other Commercial Fuels and Supply, was down 4.6% versus 2020 PCP, and flat compared to the prior month.



All volume in million litres (ml)	Jan 21	Feb 20	Feb 21
Petrol			
- Z Retail[1]	60.432	63.317	57.100
- Caltex Retail	27.655	27.541	25.853
Diesel[2]			
- Z Retail	24.452	25.806	24.210
- Caltex Retail	11.894	12.305	11.892
- Commercial	61.461	67.392	61.729
Other Commercial Fuels			
- Jet	26.616	67.518	23.643
- Marine Fuel Oil	0.355	10.974	1.500
- Bitumen	8.245	18.545	19.142
- Other	1.570	1.505	1.511
Supply			
- Domestic Petrol[3]	10.371	11.270	10.396
- Domestic Diesel[3]	30.401	33.402	33.582
- Industry & Export[4]	1.060	1.146	17.101
- Terminal Gate Sales	11.469	0.000	12.452

(1) Z retail includes the Foodstuffs network
(2) Diesel commercial includes Z and Caltex branded Truckstops, private Truckstops, Mini-Tankers and Marine diesel
(3) Supply Domestic Petrol & Diesel is the total bulk fuel delivered to distributor customers
(4) Supply Industry & Export includes domestic supply at Z terminals outside the NIA

Ends.