

ASX Release

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CALTEX ANNOUNCES PLANS FOR PROPERTY IPO

- Proposed IPO of up to a 49% interest in 250 core freehold sites
- Caltex to retain a majority interest and enter into long-term lease agreements over each site
- Proposed IPO a further outcome from the retail network review
- Transaction to release significant capital which will allow Caltex to explore capital management opportunities and support balance sheet in line with capital allocation framework

Caltex Australia (ASX:CTX) today announces its intention to undertake an initial public offering (IPO) of up to a 49% interest in 250 core Convenience Retail freehold sites.

Caltex proposes to retain a majority interest in the freehold sites, which would be placed into a property trust, and enter into a long-term lease agreement over each site. If implemented, the proposed IPO is expected to realise significant value for Caltex shareholders, while allowing Caltex to maintain operational control of the company's core Convenience Retail network.

It is anticipated that the property trust will receive rental payments from Caltex of approximately \$80 million to \$100 million in the first year.

The proposed IPO represents a further milestone from the ongoing retail network review and builds on the outcomes announced at half year results in August. As announced, Caltex will focus on delivering growth from an enhanced convenience offer on approximately 500 core sites and is progressing the divestment of 50 metropolitan freehold sites identified as having a higher value through alternative use.

The 250 sites to be part of the proposed property IPO represent all the freehold sites within the identified core network of 500 sites.

Managing Director and CEO of Caltex Australia, Julian Segal, said: "Caltex is focussed on unlocking value in our portfolio for shareholders and the segmentation of our network following our Convenience Retail network review has allowed us to consider a range of options to release capital from our high-quality property assets.

“This includes realising the value of Caltex's core Convenience Retail freehold sites as well as the 50 higher value alternative use sites. We have had strong interest in the first tranche of 25 higher value alternative use sites that have been brought to market and we will provide further updates once this process has concluded.”

Caltex Chief Financial Officer, Matt Halliday, said the proposed IPO is expected to release significant capital and improve returns for shareholders.

“The network review has provided a segmented view of our retail business and this now provides an opportunity to optimise the financial structure underpinning our retail operations at a time of attractive valuations for quality freehold property assets that are well in excess of Caltex's trading multiple.

“This transaction is expected to release significant capital that could be used to further strengthen the balance sheet, fund future growth opportunities and return capital to Caltex shareholders in a way that unlocks the franking credits balance, in line with our capital allocation framework.”

Implementation of the proposed IPO is subject to obtaining various approvals, consents and waivers from third parties, including the ASX, in addition to final Caltex board approval. It is also subject to prevailing market conditions. If approved, the transaction is expected to complete in the first half of 2020.

Caltex has appointed UBS and Grant Samuel as financial advisers, UBS as lead manager in relation to the IPO, and Herbert Smith Freehills as legal adviser.

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INVESTOR CONTACT

Dale Koenders
Head of Investor Relations
+61 2 9250 5626
+61 457 559 036
dale.koenders@caltex.com.au

MEDIA CONTACT

Richard Baker
Head of Corporate Affairs
+61 2 9250 5369
+61 417 375 667
richard.baker@caltex.com.au

Caltex Australia

A proud and iconic Australian company, Caltex [ASX:CTX] has grown to become the nation's leading transport fuel supplier, with a network of approximately 2,000 company-owned or affiliated sites. Caltex aims to be the market leader in complex supply chains and the evolving convenience marketplace by delivering the fuel and other everyday needs of its diverse customers through its networks. Caltex has safely and reliably fuelled the needs of Australian motorists and businesses since 1900. It operates as a refiner, importer and marketer of fuels and lubricants. Follow us on LinkedIn, Twitter and Facebook, and for more information visit www.caltex.com.au