HISTORICAL BUSINESS UNIT INFORMATION

This document outlines the detailed historical information use to prepare the half year 2019 result for Caltex Australia Limited (**Caltex**).

Caltex reports its results for statutory purposes on a historical cost of sales operating profit (HCOP) basis and provides information on a replacement cost of sales operating profit (RCOP) basis. Caltex believes that RCOP presents a clearer picture of the company's underlying business performance and this is consistent with the basis of reporting commonly used within the global oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices (a key external factor). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historic cost, including the effect of contract-based revenue lags.

Historical Context

The following key historical events provide the context to understand the historical business unit information provided below:

- In August 2017, Caltex announced the change in operating model by establishing two inter-dependant businesses: Fuels & Infrastructure and Convenience Retail. The historical account information below has been presented on a basis consistent with this change in accounting which occurred from 2018.
- In 2018, Caltex and Woolworths (now EG Group) entered into a new 15-year wholesale fuel supply agreement, commencing from the 1 August 2018. The terms of the new agreement will result in an $80m p.a. reduction in EBIT, all else being equal, relative to the previous contract.
- In 2016, Caltex identified instances where franchisees were underpaying their employees, and to remove underpayment from its network Caltex established a $20 million assistance fund, and in 2017 transitioned considerable number of franchise sites back to company operations, impacting Convenience Retail EBIT by ~$25m.
- In February 2018, Caltex announced a target of transitioning all franchised sites back to company-operations by 2020, with an anticipated one-off cost of $100-120m (of which $70 – 80 million is expensed) over 2018 – 2020.
- In 2017, Caltex completed the acquisition of Gull New Zealand (A$325m) and in 2018 acquired a 20% interest in SEAOIL (~A$115m).
- From calendar year 2019, Caltex will be required to adopt AASB16 accounting treatment for lease liabilities. All numbers below are shown before the impact of AASB16. For more information on the impact of AASB16, refer to Caltex's 2018 full year result presentation.

All numbers are in A$ million unless otherwise stated.

Refining Margins	FY16	1H17	FY17	1H18	FY18	1H19
CRM (US$/bbl)[1]	10.50	12.36	13.02	10.06	9.99	7.50

Volumes	FY16	1H17	FY17	1H18	FY18	1H19
Lytton sales from production (BL)[2]	6.2	3.0	6.1	3.2	6.0	2.9
Australian Wholesale Sales Volume (BL)[3]	10.9	5.6	11.5	6.0	12.0	5.7
Convenience Retail Sales Volume (BL)[4]	5.0	2.5	5.1	2.5	4.9	2.4
Australian Volumes (BL)	*16.0*	*8.1*	*16.6*	*8.4*	*16.9*	*8.1*
International Sales Volume (BL)[5]	1.8	0.9	2.5	1.8	3.5	1.5
Total Volumes (BL)	**17.7**	**9.1**	**19.1**	**10.2**	**20.4**	**9.6**

F&I ex-Lytton	FY16	1H17	FY17	1H18	FY18	1H19
Australian F&I (ex-Lytton) EBITDA ($m)[6]	355	188	415	222	435	206
International EBITDA ($m)[7]	2	3	27	36	75	39
Externalities ($m)[8]	(4)	(17)	(26)	(9)	(16)	0
Other income and expenses ($m)	0	0	0	0	0	0
F&I (ex-Lytton) EBITDA ($m)	**353**	**174**	**416**	**250**	**494**	**245**
Lytton						
CRM ($m)	554	311	648	259	507	191
Other margin ($m)[9]	(41)	(39)	(78)	(35)	(91)	(55)
Operating & other costs ($m)[10]	(228)	(95)	(183)	(88)	(189)	(98)
Lytton EBITDA ($m)	**285**	**177**	**387**	**136**	**227**	**37**
F&I EBITDA ($m)	**638**	**351**	**803**	**386**	**721**	**283**
F&I (ex-Lytton) D&A ($m)	(71)	(36)	(79)	(41)	(85)	(53)
Lytton D&A ($m)	(56)	(27)	(60)	(32)	(66)	(36)
F&I RCOP EBIT ($m)	**510**	**287**	**666**	**314**	**570**	**193**
F&I (ex-Lytton) EBIT ($m)	*282*	*138*	*338*	*209*	*409*	*192*
Lytton EBIT ($m)	*228*	*149*	*328*	*105*	*161*	*1*

Convenience Retail	FY16	1H17	FY17	1H18	FY18	1H19
Period end COCO sites[11]	152	233	316	414	516	584
Period end CORO sites[12]	641	555	482	376	277	206
Foodary/Metro sites[13]	0	7	23	37	55	61
Total Fuel Revenue ($m)[14]	3,360	1,841	3,771	2,070	4,376	2,119
Network Shop Revenue ($m)[15]	*1,063*	*529*	*1,070*	*534*	*1,089*	*543*
Shop Revenue ($m)[16]	191	191	311	330	591	429
Total Revenue ($m)	**3,551**	**2,032**	**4,081**	**2,400**	**4,967**	**2,548**
Total Fuel and Shop Margin, ex. Site Costs ($m)[17]	**855**	**462**	**931**	**497**	**1,027**	**478**
Site costs ($m)[18]	(57)	(41)	(108)	(93)	(210)	(140)
Total Fuel and Shop Margin ($m)	**798**	**421**	**823**	**404**	**817**	**339**
Costs of Doing Business ($m)[19]	(347)	(193)	(404)	(199)	(412)	(159)
EBITDA ($m)	**451**	**228**	**419**	**205**	**405**	**180**
D&A ($m)	(76)	(40)	(85)	(44)	(97)	(96)
EBIT ($m)	**375**	**187**	**334**	**161**	**307**	**85**

Corporate	FY16	1H17	FY17	1H18	FY18	1H19
Corporate costs ($m)[20]	(31)	(18)	(35)	(28)	(44)	(16)
D&A ($m)	(6)	(3)	(6)	(3)	(8)	(6)
EBIT ($m)	**(36)**	**(21)**	**(41)**	**(31)**	**(51)**	**(22)**

Total Group	**FY16**	**1H17**	**FY17**	**1H18**	**FY18**	**1H19**
RCOP EBITDA ($m)	1,058	560	1,188	563	1,081	447
D&A ($m)	(209)	(107)	(229)	(120)	(255)	(191)
RCOP EBIT ($m)	849	454	959	443	826	255
Net Interest ($m)	(73)	(35)	(67)	(27)	(49)	(65)
EBT ($m)	777	419	892	416	777	191
Tax ($m)	(228)	(125)	(254)	(120)	(218)	(56)
RCOP NPAT ($m)	**549**	**294**	**638**	**296**	**558**	**135**
Add: Inventory gain/(loss) ($m)	61	(31)	(4)	87	14	21
Add: Significant Item gain / (loss) ($m)	0	2	(14)	0	(12)	0
HCOP NPAT ($m)	**610**	**265**	**619**	**383**	**560**	**155**

Ratios	**FY16**	**1H17**	**FY17**	**1H18**	**FY18**	**1H19**
RCOP EPS (pre-significant items) [cps]	209	113	244	113	214	53
Dividends per Share (DPS) [cps]	102	60	121	57	118	32

Capital Expenditure	**FY16**	**1H17**	**FY17**	**1H18**	**FY18**	**1H19**
Total Capex ($m)	353	261	809	223	469	104

Shares On issue	**FY16**	**1H17**	**FY17**	**1H18**	**FY18**	**1H19**
Weighted average shares	263,410,485	260,810,519	260,810,519	260,810,519	260,810,519	256,265,487

[1] CRM (Caltex Refining Margin) represents the difference between the cost of importing a standard Caltex basket of products to eastern Australia and the cost of importing the crude oil required to make that product basket.

The CRM is calculated in the following manner:

Weighted Singapore product prices (for a standard Caltex basket of products)
Less: Reference crude price (the Caltex reference crude marker is Dated Brent)
Equals: Singapore Weighted Average Margin (Dated Brent basis)
Plus: Product quality premium
Crude discount
Product freight
Less: Crude premium
Crude freight
Yield Loss
Equals: Caltex Refiner Margin

The Caltex Refiner Margin is converted to an Australian dollar basis using the prevailing average monthly exchange rate. CRM is the main contributor to the EBIT earnings (excluding significant items) of the Lytton refinery, which is part of the Fuels and Infrastructure business unit. Additionally, pricing lag are now excluded from RCOP earnings, and are instead included in movement in inventory as a component of inventory gain/loss, as communicated to the market on the 28 August 2018.

[2] Lytton refinery has a name plate production capacity of 108,000 barrels per day.

[3] Australian Wholesale sales volumes include supply of predominantly diesel, jet, and gasoline to Caltex's Australian market operations and customers, excluding Caltex Retail operations disclosed separately but including branded wholesale supply eg Woolworths (now EG Group).

[4] Convenience Retail sales volumes include sales through Caltex's controlled Retail network.

[5] International sales volumes include fuel supply outside of Caltex's Australian market operations including (but not limited to) Ampol third party sales (ie sales other than to Caltex's Australian market operations and customers), Seaoil and Gull New Zealand.

[6] Australian F&I (ex-Lytton) EBITDA includes all earnings and costs associated (directly or apportioned) for fuel supply to Caltex's Australian market operations and customers, excluding Lytton Refinery and Caltex Retail operations in Australia.

[7] The F&I International Fuels EBITDA includes all earnings and costs associated (directly or apportioned) for fuel supply outside of Caltex's Australian market operations including (but not limited to) Ampol third party sales (ie sales other than to Caltex's Australian market operations and customers), Seaoil and Gull New Zealand.

[8] Externalities within F&I ex-Lytton segment relate predominantly to realised foreign exchange gains & losses.

[9] Other margin includes any earnings and costs associated with non-CRM elements including, but not limited to, feedstocks, non-CRM product sales and associated costs.

[10] Lytton operating & other costs represents costs associated with the running of the Refinery, for example, maintenance costs.

[11] Period end COCO (Company owned, company operated) sites represents the total number of sites owned and operated by Caltex including the transition of former franchise or CORO (Company owned, Retailer operated) sites.

[12] As per note 11 above.

[13] In 2017, following the launch of its first pilot store, Caltex announced the launch of a refreshed retail convenience offering under the "Foodary" brand. In 2018, Caltex and Woolworths announced the rollout of up to 250 Metro-branded convenience retail stores across the Caltex network.

[14] Total fuel revenue relates to all sites within the Caltex retail business including both COCO and CORO sites.

[15] Network shop revenue includes revenue from both COCO and CORO sites, which reflects the potential of the network. Given the structure of the franchise model, CORO shop revenues are not reported in Caltex's financial statements.

[16] Shop revenue only includes revenue from COCO sites and has increased significantly as a result of the increase in COCO sites.

[17] Primarily comprised of fuel margin attributable to Caltex through both COCO and CORO sites, COCO shop gross margin, and CORO income (franchise fees and royalties and other shop related income).

[18] Site operating costs are for COCO sites only, with CORO site costs covered by the franchisee. Site Costs are primarily comprised of site labour costs, utilities and site consumables. This line has grown materially as CORO sites are transitioned to COCO operations.

[19] CODB (Cost of Doing Business) reflects the network costs for supporting both the COCO and CORO network, including corporate cost allocation, lease costs, and repairs and maintenance. These do not change materially due to site transition but tend to increase with inflation.

[20] Corporate costs represent those costs associated with Group Corporate activity and not attributed to the business units, which was further defined in 2018 as the result of commercial separation work.