CONSUMER SERVICES

Is there a future for service stations?

Péter Ratatics

Group Consumer Services EVP

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MOL 2030+: PROFITABLY TOWARDS NET-ZERO

ACCELERATED LOW-CARBON TRANSITION



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CONSUMER SERVICES IN THE OIL & GAS VALUE CHAIN



CONSUMER SERVICES CONSISTS OF 3 MAIN PILLARS: RETAIL, DIGITAL AND MOBILITY

Become a true consumer goods & convenience retailer

- Widening the range of convenience services & FMCG capabilities
- Increasing Fresh Corner sites (1,000+)

Digitalize customer interactions and operations

- Start personalizing retail customers' journeys through new Digital Loyalty program
- Make the operation more efficient through enhanced digitalization

Lead the (R)evolution of transportation in CEE

- Aim to become a key regional, integrated mobility service provider
- Targeting customers both owning and not owning vehicles





A LEADING REGIONAL NETWORK



Market share sources: HU, SK, CZ – local oil associations, RO, SLO, CRO, SRB, BiH, MNE – own estimate

BECOME A DIGITALLY-DRIVEN CONSUMER GOODS RETAILER AND **INTEGRATED, COMPLEX MOBILITY SERVICE PROVIDER BY 2030**



Regional leader in fuel and convenience retailing

- Organic expansion of the network in existing and potential new markets in CEE
- Increase premium fuel penetration
- Expand alternative fuel portfolio
- Strengthen the food and convenience offerings by building on our FMCG capabilities



- Continuous improvement of operational efficiency
- Strong standardization and digitalization of processes
- Optimization of OPEX, supply chain and stock management
- Data-driven operations and digital execution



- Customer activation via new digital loyalty rewards program
- Focus on exploiting synergies by bringing retail and mobility customers onto the same platform
- Establishing an e-commerce platform
- Roll-out of standalone Fresh Corner Café concept and become a multibrand franchisor

CONTINUOUS INTEGRATION OF SUSTAINABILITY OBJECTIVES TO BECOME CARBON NEUTRAL BY 2030



CEE MARKET LEADER IN FUEL & CONVENIENCE RETAILING





STRENGTHENING CEE LEADERSHIP IN FOSSIL FUEL RETAILING

THROUGH INCREASING MARKET SHARE AND UPGRADED PORTFOLIO



STRENGTHENING LEADING POSITION IN CEE

- Strengthened regional market-leading position, increasing the market share by 1ppt annually
- Quality upgrade of main and premium grades and ensure the availability of the whole fuel portfolio in each country
- Expansion of service station network in existing and potential new markets in CEE (~2,400 by 2025)
- Strong marketing activities to boost premium penetration (volume) from 19% in 2020 to ~30% of the total by 2030
- Utilization of the strong B2B customer base to support future B2B2C integration



**All targets based on organic portfolio and do not include recent M&A transaction.

WE ARE FACING REGULATED FUEL TOTEM PRICES ACROSS GROUP

COUNTRIES	REGULATED PRICE
• HUNGARY	 Maingrades regulated – price cap
SLOVAKIA	No regulation
CROATIA	 Maingrades regulated – fix margin price formula
CZECHIA	No regulation
ROMANIA	 No regulation – indirect low-price position kept by Petrom
SLOVENIA	 Maingrade and premium diesel regulated – price cap
• SERBIA	 Maingrades regulated – weekly price formula
BOSNIA	 All grades regulated based on govt. formula





*calculated on daily USD exchange rate (08-04-2022)

SIGNIFICANT PROGRESS MADE IN NETWORK EXPANSION SINCE 2021

BY ACQUIRING 500+ STATIONS IN THE REGION



WE MADE A BIG STEP FORWARD IN BUILDING CONSUMER GOODS RETAILER CAPABILITIES



More than 1,000 Fresh Corners across our fuel retail network in 9 countries

Standalone Fresh Corner Café in Budapest



FURTHER DEVELOPMENT IN FOOD AND CONVENIENCE OFFERINGS BY BUILDING ON OUR OWN FMCG CAPABILITIES



NON-FUEL MARGIN (USD MN)



FRESH CORNER PENETRATION (%)



IMPROVING FMCG CAPABILITIES

- Increase gross margin contribution of consumer goods to 35% and improve unit margin to reach 25% by 2025 driven by finalizing the Fresh Corner roll-out
- Standardization of methods, processes and assets
- Optimization of OPEX, supply chain and stock management
- Strengthen and standardize the gastro and grocery portfolio
- Expand the own branded product range with high unit margin expectation

**All targets based on organic portfolio and do not include recent M&A transaction.

WE ARE EXPANDING OUR OWN BRANDED PRODUCT RANGE

JIM ENERGY DRINKS



Classic Sugarfree

FRESH CORNER COFFEE CAPSULES



Nespresso compatible capsules



Dolce Gusto compatible capsules







Salty

Light salty



Lungo

Sour cream & onion



Paprika





SUSTAINABILITY GOALS

Carbon neutrality by 2030: renewable energy to cover the consumption of the service station network, including the EV chargers

Carbon offsetting initiatives

Conscious waste management

Extensive use of recyclable materials (e.g. coffee cups) at Service Stations

DIGITAL FACTORY



SUCCESSFUL DEVELOPMENT AND LAUNCH OF MOL MOVE IN HUNGARY

OUR NEW DIGITAL LOYALTY REWARDS PROGRAMS DRIVE TRANSFORMATION FROM PHYSICAL LOYALTY CARDS TO MOBILE APPS

MOL MOVE

Our new digital loyalty rewards program developed further during 2021 and launched in Hungary in January 2022 with its final brand: MOVE



MOBILE APP DOWNLOADS (MN, GROUP-LEVEL)

Our mobile app downloads are on an exponential growth driven by the new digital loyalty rewards programs



- Following successful launches in Croatia (2020), Slovenia (2021) and Hungary (2022), we plan further geographic expansion in the following years
- We observe high activity levels on mobile, mobile app customers spend min. 15% more at our service stations

IN TERMS OF RELATIVE MOBILE APP USAGE, WE ARE GETTING CLOSE TO STARBUCKS' IN THE US



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DATA ANALYTICS: EXTENSIVE USE OF TOOLS, FOCUS ON ENABLEMENT AND BUSINESS VALUE CREATION

HUGE DATA LAKE WITH WIDELY USED DASHBOARDS



- 6 countries covered (HU, RO, SK, CZ, SRB), INA being implemented Daily transaction-level data since 2017-2018 -→ more than 200 measures calculated, 1.5bn transactions (vs. Carrefour Data Lake with 8bn transactions claimed to be the largest in Europe¹)
- We are introducing "Data Lake On-Demand" to aid quick insight generation without technical knowledge and support

ADVANCED ANALYTICS TOOLS DIRECTLY CREATING BUSINESS VALUE - HERO TOOLS

Workforce Efficiency tool	Hot dog production planner	Sales Growth Navigator	
SeS-level FTE optimization based on analysis of efficiency drivers – aided by ML	SeS-level forecasting of hourly hot dog sales – aided by ML	Platform for SeS- level weekly vs. plan performance and action planning	
Reactivated legacy tool in all countries, scheduling tool under development in CZ	In operation in HU and SK, CZ and RO rollout prep. in progress	In operation in HU , rollout to all countries be completed by July	
Premium fuel pricing	Category mgmt. analytics	Next Best Offer	
Premium fuel pricing SeS-level optimization of premium fuel price gap vs. maingrade price	Category mgmt. analytics SeS-level optimization of Non-alcoholic drinks, Snacks, Alcoholic drinks and Tobacco assortment	Next Best Offer Automated segmented offering and communication tool	

https://www.carrefour.com/en/digital-retail-strategy-2026

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DIFFERENT MOBILITY SOLUTIONS FOR DIFFERENT NEEDS





IN 2016 MOL GROUP SET THE DIRECTION REGARDING MOBILITY SERVICES

"Selling kilometers instead of selling liters of fuel"

MOL GROUP 2030 Strategy, 2016. November

"Become an integrated, complex mobility service provider by 2030"

MOL GROUP 2030+ Strategy Update, 2021. February



REACTING TO THE 4 MAIN TRENDS SHAPING THE FUTURE OF MOBILITY

Electric



- To meet both regulator and customer demand, OEMs are significantly ramping up EV portfolios
- 20-40% European sales market share forecasted by 2030 to reach 60% by 2040

Shared



- Urban population with increasingly less preference for vehicle ownership
- Shared mobility providers constantly gaining popularity

Autonomous



- AVs could address mobility's pain points in cities
- Making mobility more affordable, efficient and available to everyone

Connected



- Connected cars to become potent information platforms
- Provide better experience for drivers and open new value creation channels

Regulation

Mobility has been influenced greatly by regulation. Currently, emission levels are the main topic of the discussion, but cities also have a huge influence on how they enable and promote new mobility services locally

MOL GROUP BUILT SIGNIFICANT PRESENCE IN MOBILITY SINCE 2016



Alternative fuels (EV charging) • ~200 EV-chargers & mobile app in 6 countries

• Strategic aim is to become the leading e-mobility provider in the CEE region by 2030



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FLEET

Fleet mgmt.

- ~5000 cars in Hungary
- Build capabilities to manage the future connected and autonomous car ecosystem



Car sharing

• ~450 cars & 100,000 users in Budapest

- MOL Group's main interest in the area of shared mobility
- Connects MOL brand and shared cars in customers' minds



- Public transport

 ~370 buses in Hungary

 Active in the field of public transport in Budapest, Debrecen and Kecskemét

 Final assembly and manufacturing of buses



Bike sharing

• ~2,000 share bikes

 Main goal is to provide zero CO2 emission transport possibility for consumers, build MOL's image as a mobility provider

MOBILITY SERVICES TO GROW FURTHER

AND EXPLOIT SYNERGIES THROUGH DIGITAL PLATFORMS

2016-2020 Start and capability building



- Capabilities built in B2C and B2B customer brands
- Focus on increasing synergies among mobility businesses: ~610 mn already sold kilometres







- Mobility as a Service: Explore the opportunities and utilize the benefits of shared mobility
- Public transport: Significant growth in local and regional public transport operation





- Offering seamless, digitally integrated platform-based solutions for multimodal transportation
- Active tracking of potential businesses related to autonomous vehicles and transportation methods

EXPANDING THE ALTERNATIVE FUEL PORTFOLIO

TO COMPENSATE THE SHRINKING OPPORTUNITIES IN FOSSIL FUELS BEYOND 2025

2016-2020 Foundations in EVcharging



- Capability and knowledge building in the e-mobility sector
- Close to 200 EV-chargers were installed in the region
- MOL Plugee brand and application were introduced for seamless customer experience

2021-2025 Accelerating growth and pilots



Beyond 2025 Step change



- Build additional presence in the region to increase network density
- Improve services and business model and grow customer base
- Pilot projects in the field of hydrogen fuel-cell based transport

- Significant investments in EVchargers and connected services to be the market leader
- Expected uptake in hydrogen fuelcell vehicles, mainly in public transport and long-haul freight

POTENTIAL EXISTS BUT SEVERAL ROADBLOCKS TO BE SOLVED **REGARDING ZERO EMISSION MOBILITY**

	Gasoline/diesel	LPG	CNG/LNG	BEV/PHEV (Electric)	FCEV (Hydrogen)
Passenger cars			×		?
Buses		×	\bigotimes	\bigotimes	\bigcirc
Freight (LDV, HDV)		×	\bigotimes	?	\bigotimes
Comments	 Dominating technology Infrastructure widespread Rate of decline depends on regulatory push 	 Technology became available decades ago, still no revolution Does not provide significant benefits in emission levels 	 Undeveloped infrastructure, high filling station CAPEX Cost/benefit vs. diesel and vs. EV/FCEV doesn't make it as a realistic long-term direction Not favored on EU level 	 Rapid growth in passenger car segment, already viable in buses Quickly developing infrastructure Heavy-duty freight still questionable 	 No range issues Low CO2 hydrogen needed to reach benefits Expensive tech. Strong push from EU More realistic in buses and freight Advantages over EV in cars is questionable
		V likely not applicable technol	logy 2 Major question in the fu		

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TOTAL EV NEW CAR SALES FORECAST IN EUROPE: 55%-65% BY 2040



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EV¹ NEW CAR REGISTRATIONS² ON CORE MOL MARKETS: HU AND RO WITH HIGHEST EV SHARE IN TOTAL REGISTRATIONS



1. EV=BEV+PHEV 2. Only new car registrations, second-hand market is excluded Source: ACEA Notes: Electrically (chargeable) vehicle (EV) = battery electric vehicles (BEV) + fuel cell 🕨 🥍 🔍 electric vehicles (FCEV) + plug-in hybrid electric vehicles (PHEV)

OPTIMISTIC FORECASTS EXPECT MASS MARKET ACCEPTABILITY OF HYDROGEN-BASED TRANSPORTATION MAINLY AFTER 2025

Demand for FC truck, trains and buses are expected

Expectations by Hydrogen Council in 2017



Source: <u>https://hydrogencouncil.com/wp-content/uploads/2017/11/Hydrogen-Scaling-up_Hydrogen-Council_2017.compressed.pdf</u>, <u>https://ec.europa.eu/eurostat/documents/3217494/10165279/KS-DK-19-001-EN-N.pdf/76651a29-b817-eed4-f9f2-92bf692e1ed9</u>, <u>https://www.acea.be/uploads/publications/factsheet_buses.pdf</u>, Barclay (2020):Hydrogen – a climate megatrend

Thank you for your attention!

