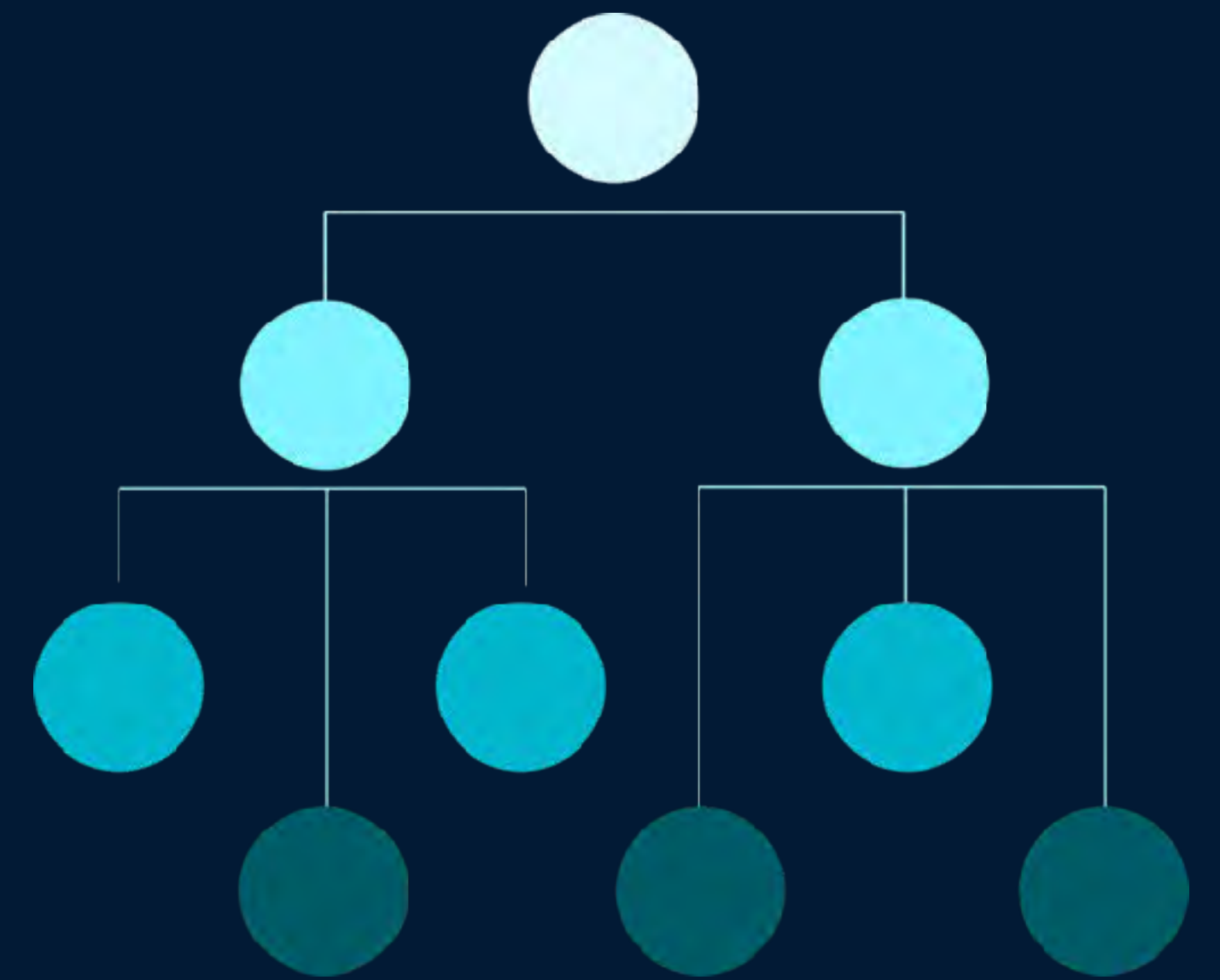


# LEADING WITH ENERGY

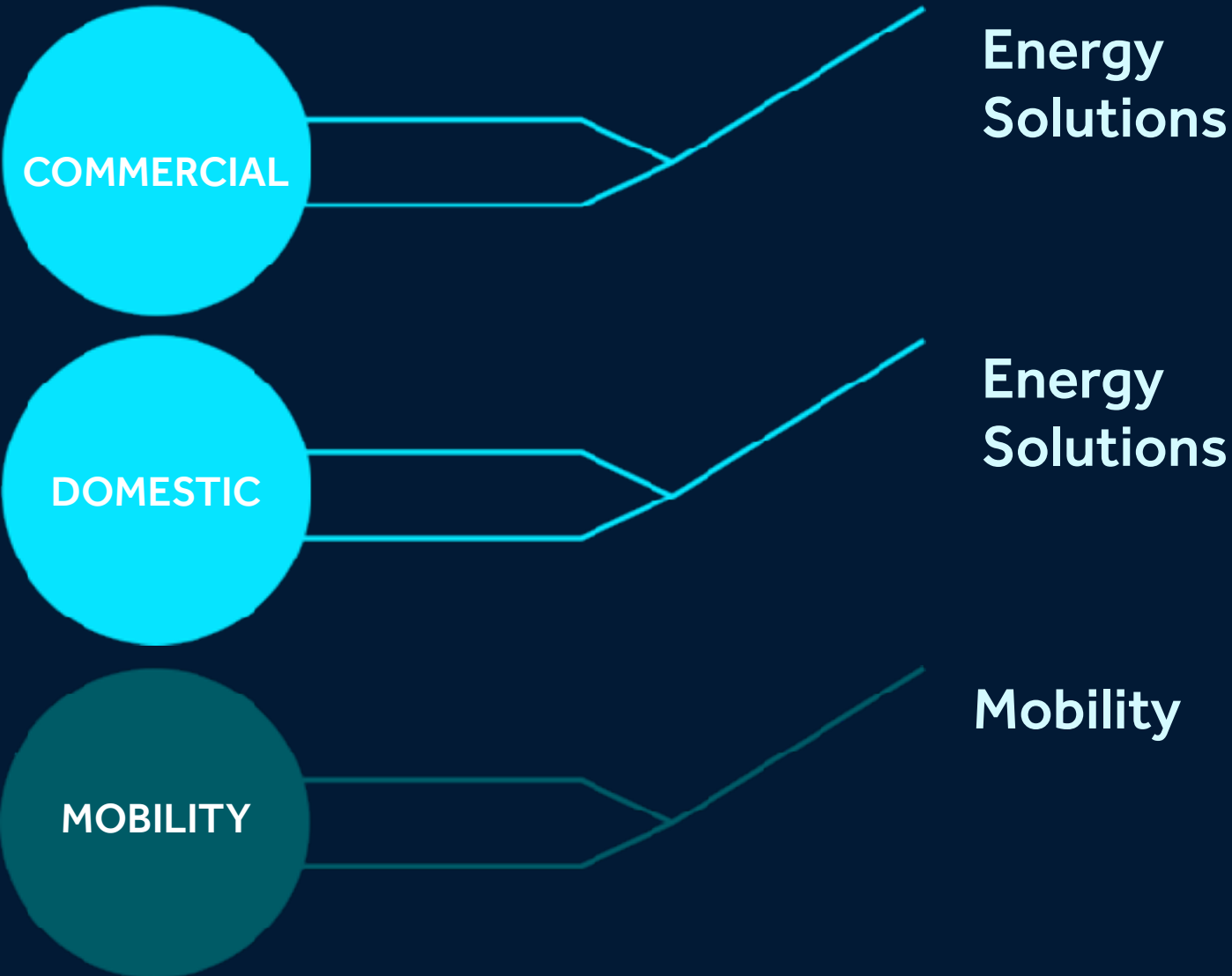
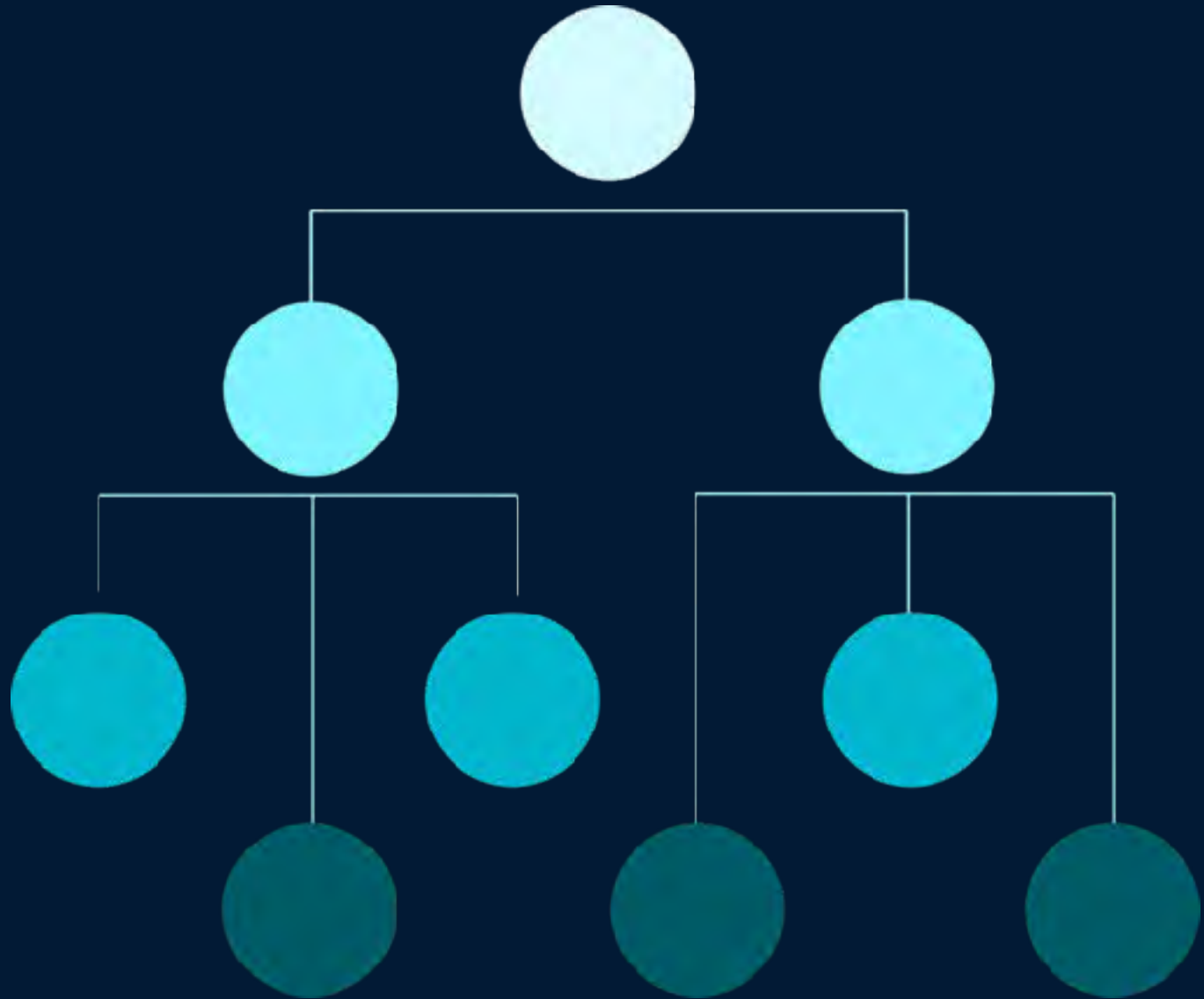
May 2022

# A NEW STRATEGY & STRUCTURE FOR OUR ENERGY BUSINESS

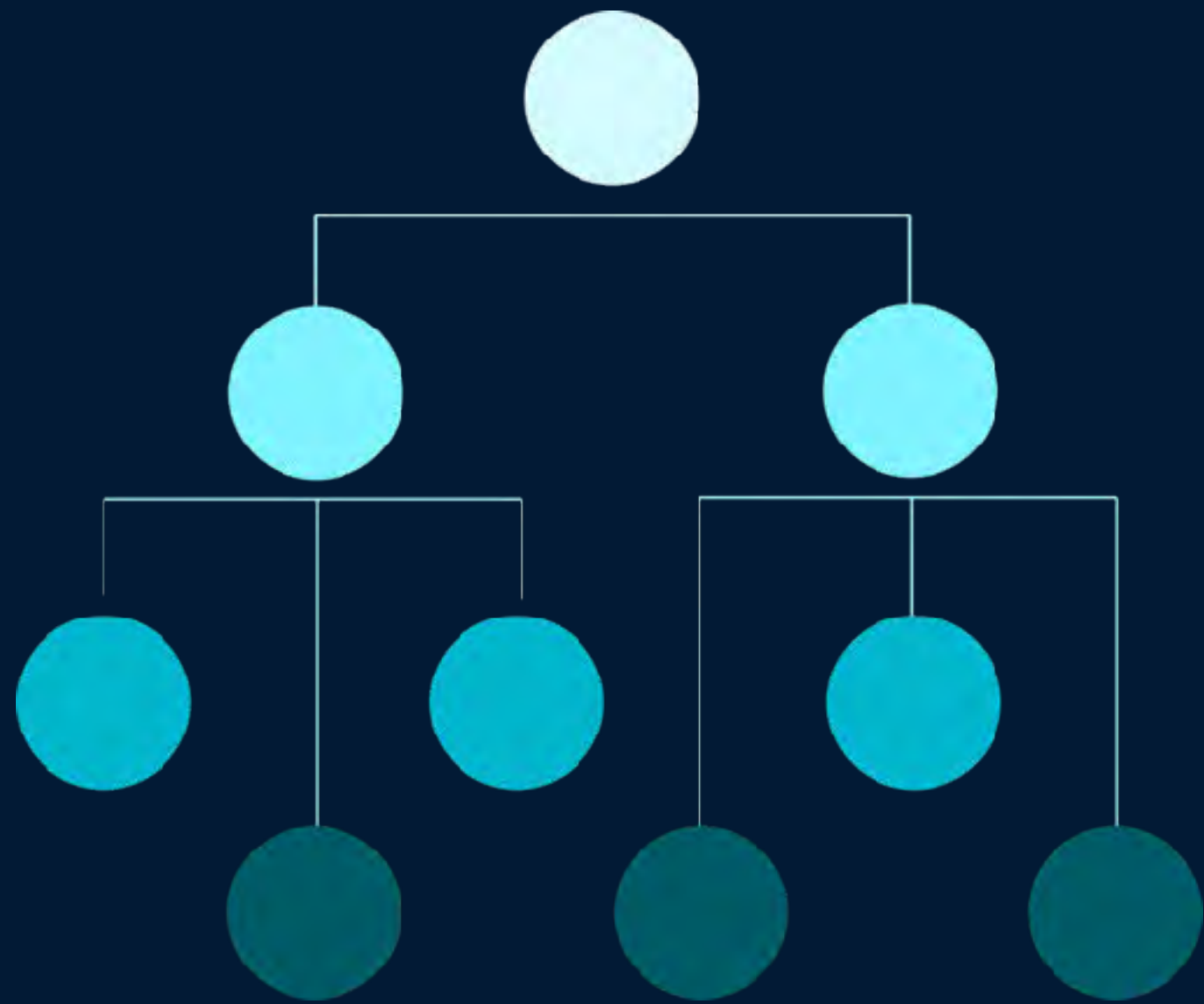


# A NEW STRATEGY & STRUCTURE FOR OUR ENERGY BUSINESS

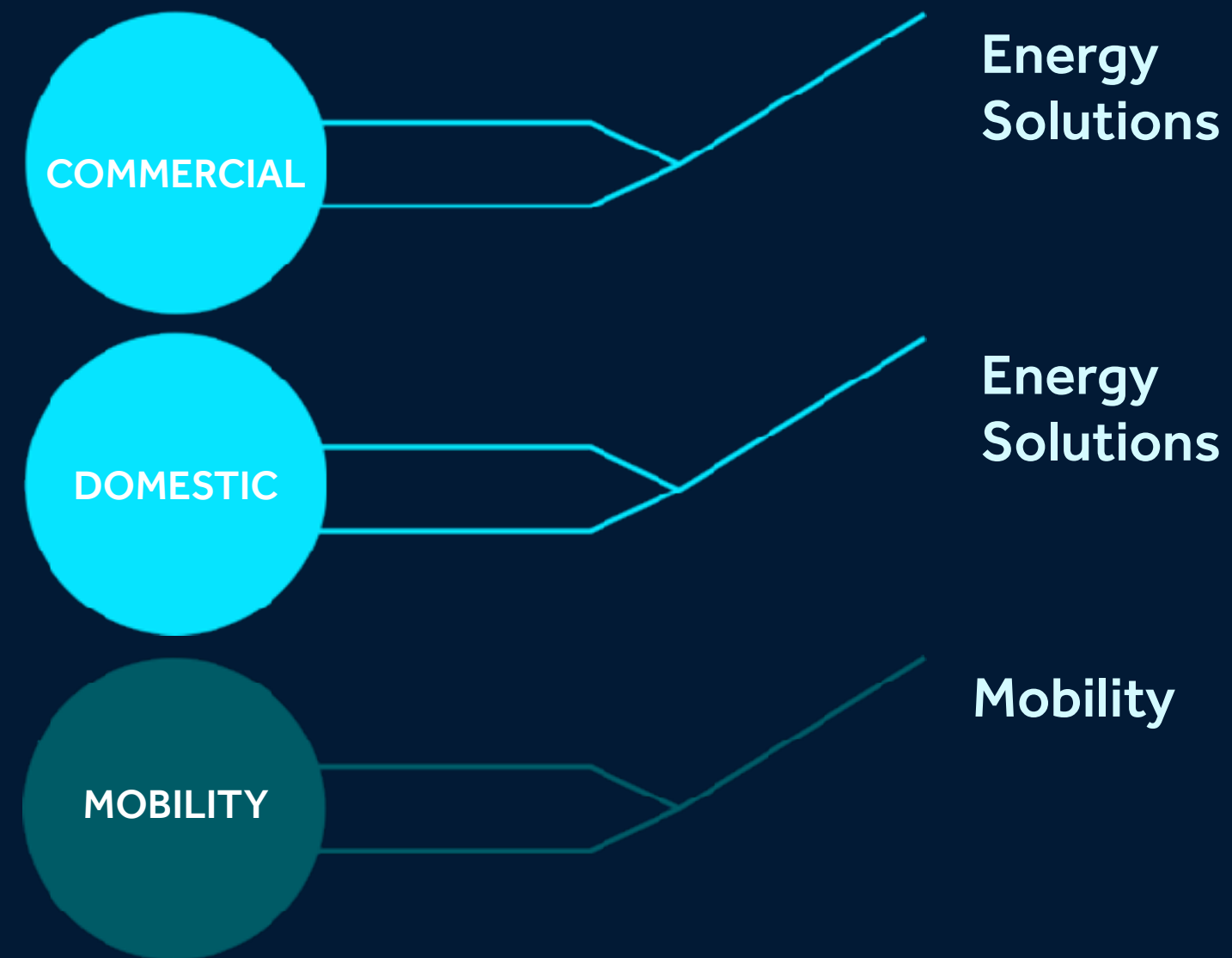
# OUR POINT OF VIEW ON THE PATHWAYS FOR ENERGY TRANSITION



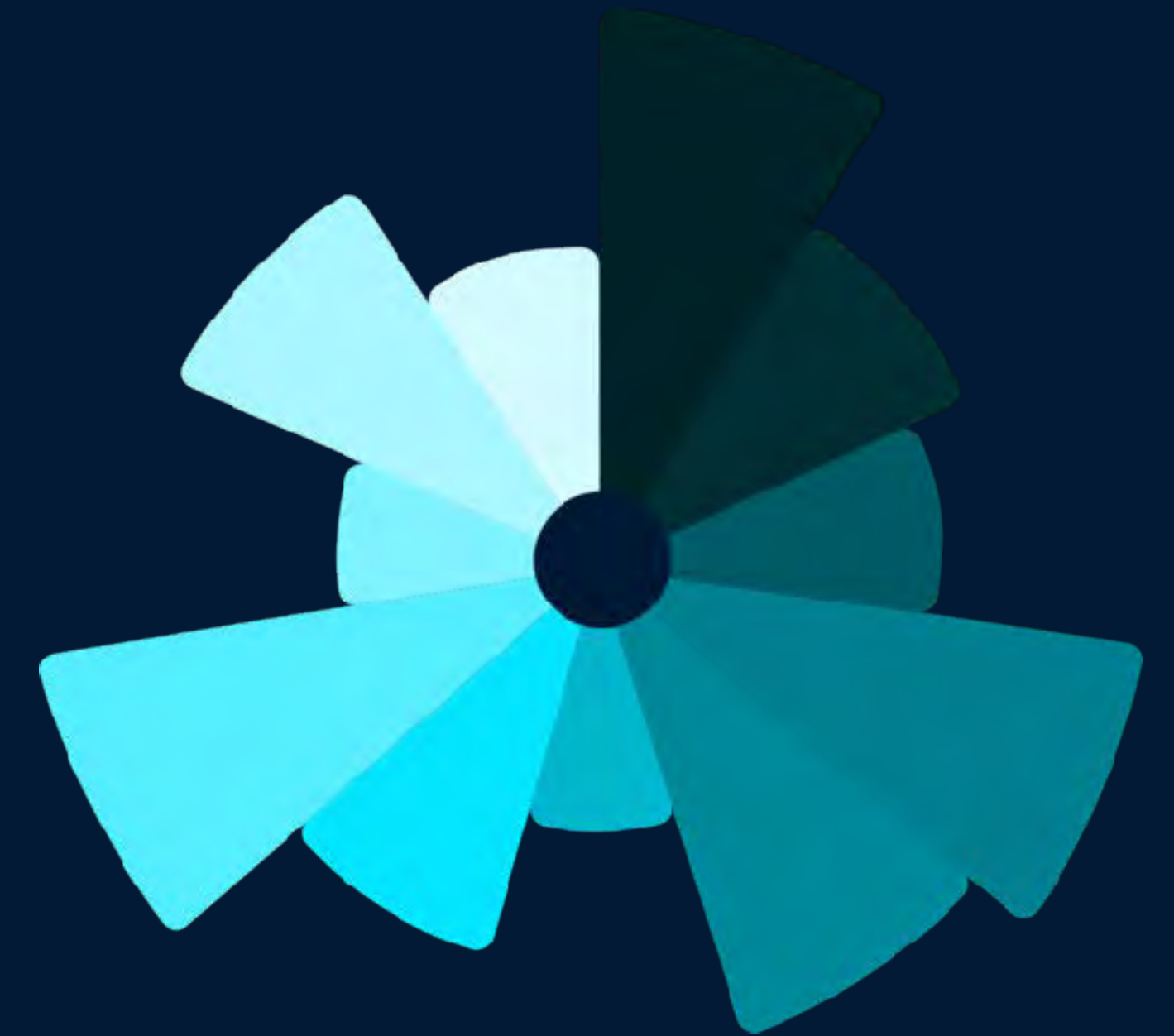
# A NEW STRATEGY & STRUCTURE FOR OUR ENERGY BUSINESS



# OUR POINT OF VIEW ON THE PATHWAYS FOR ENERGY TRANSITION



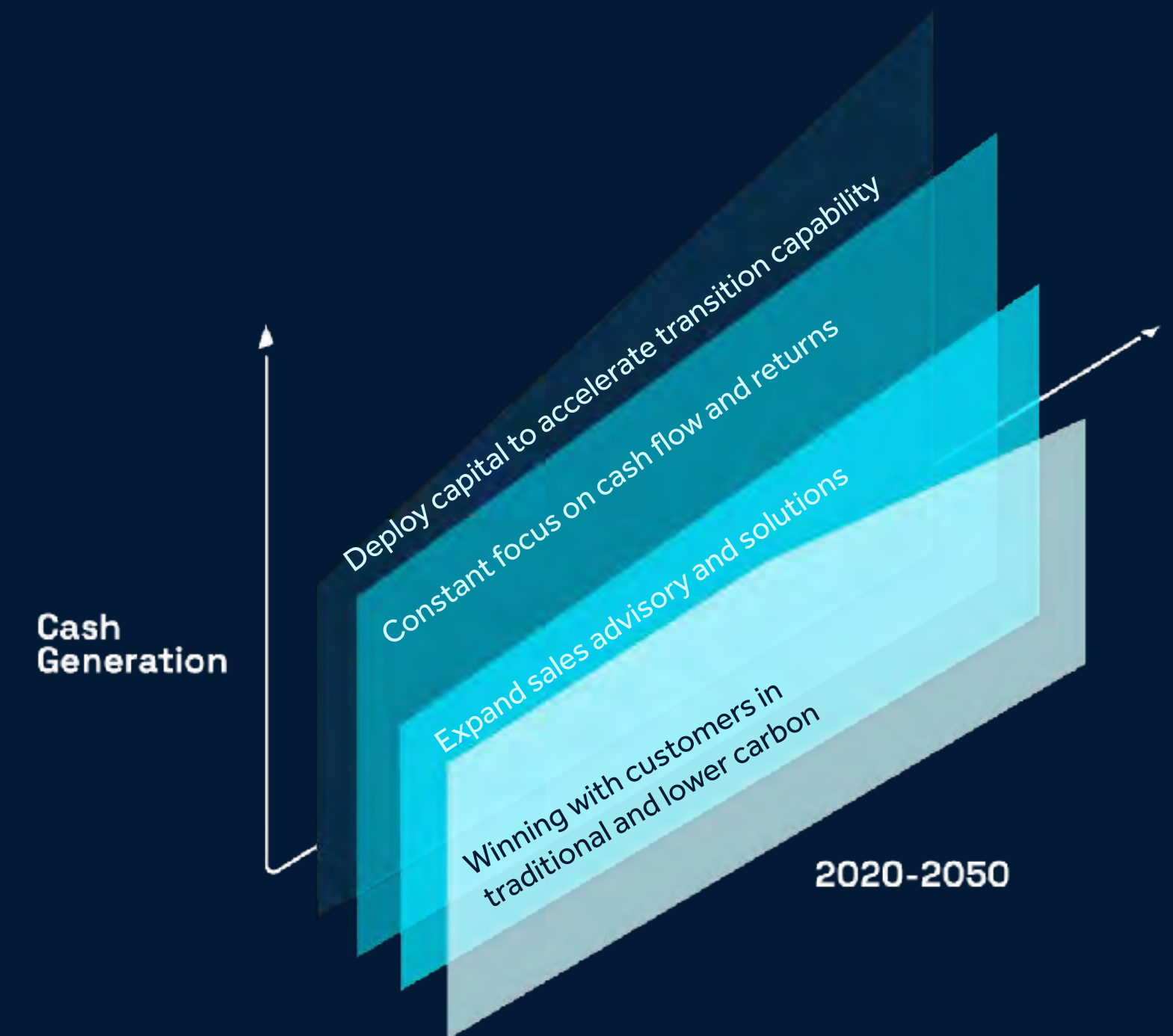
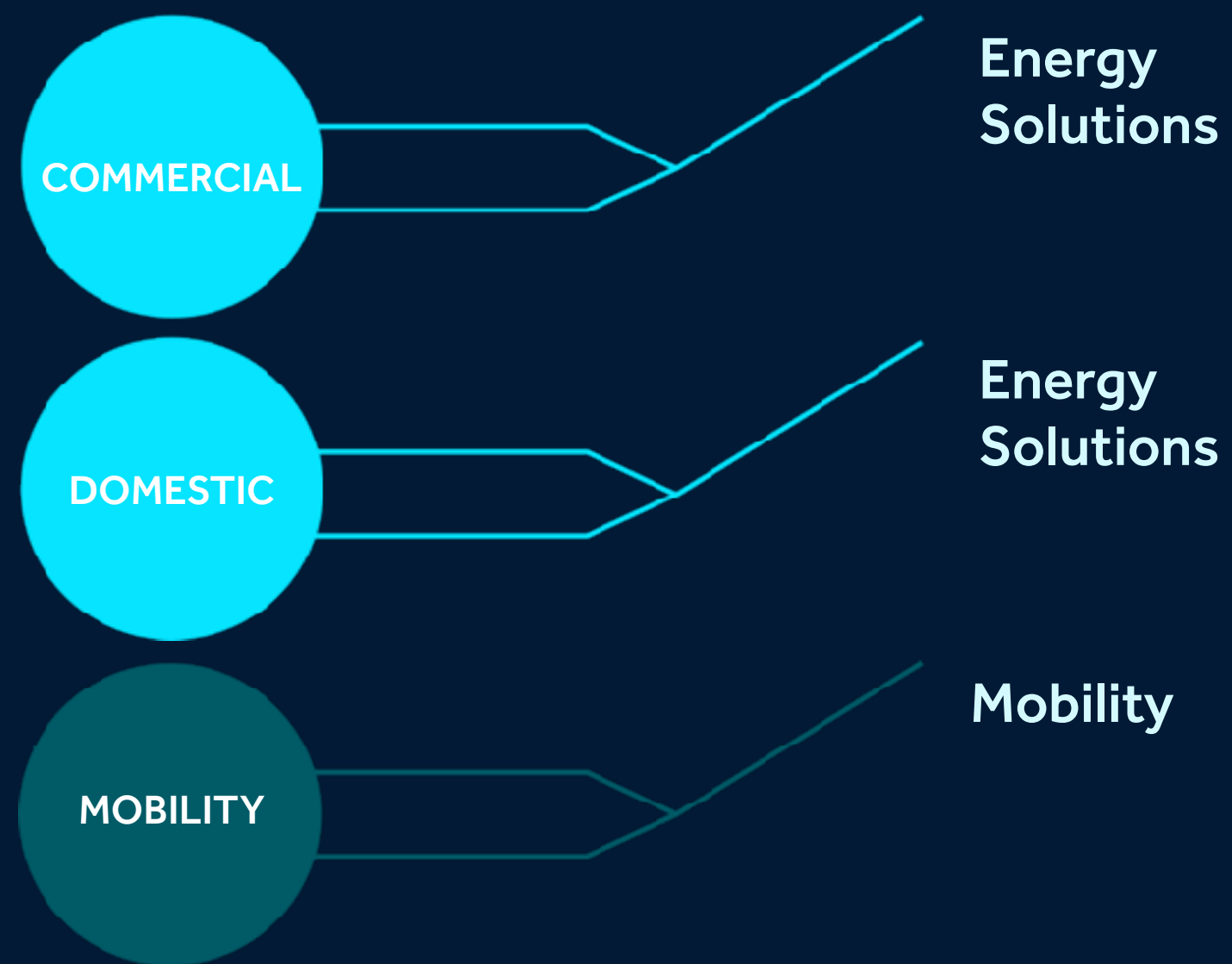
# HOW WE ARE EXPANDING OUR OFFERS AND SOLUTIONS



# OUR POINT OF VIEW ON THE PATHWAYS FOR ENERGY TRANSITION

# HOW WE ARE EXPANDING OUR OFFERS AND SOLUTIONS

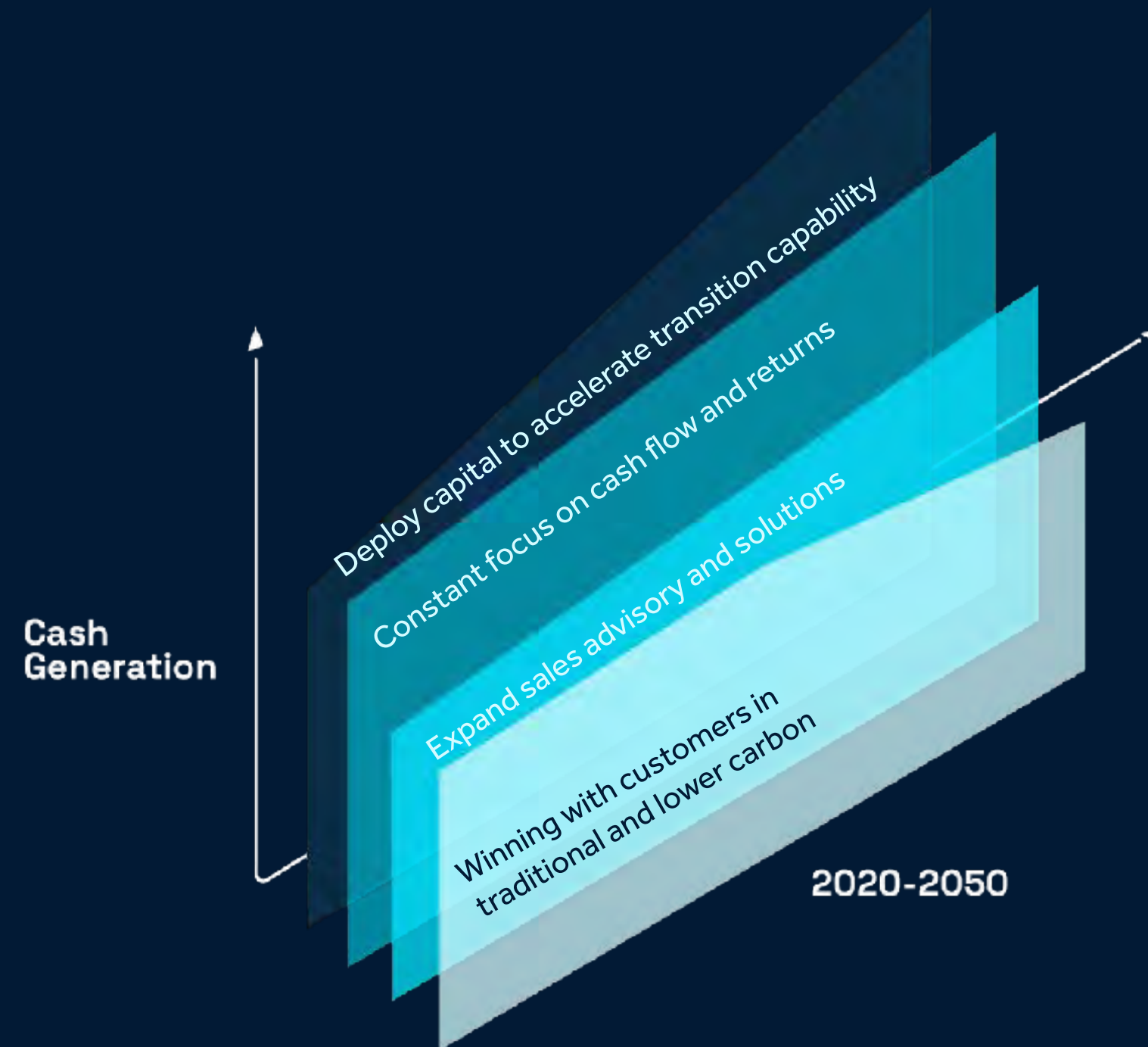
# THE FINANCIAL CHARACTERISTICS OF THE TRANSITION



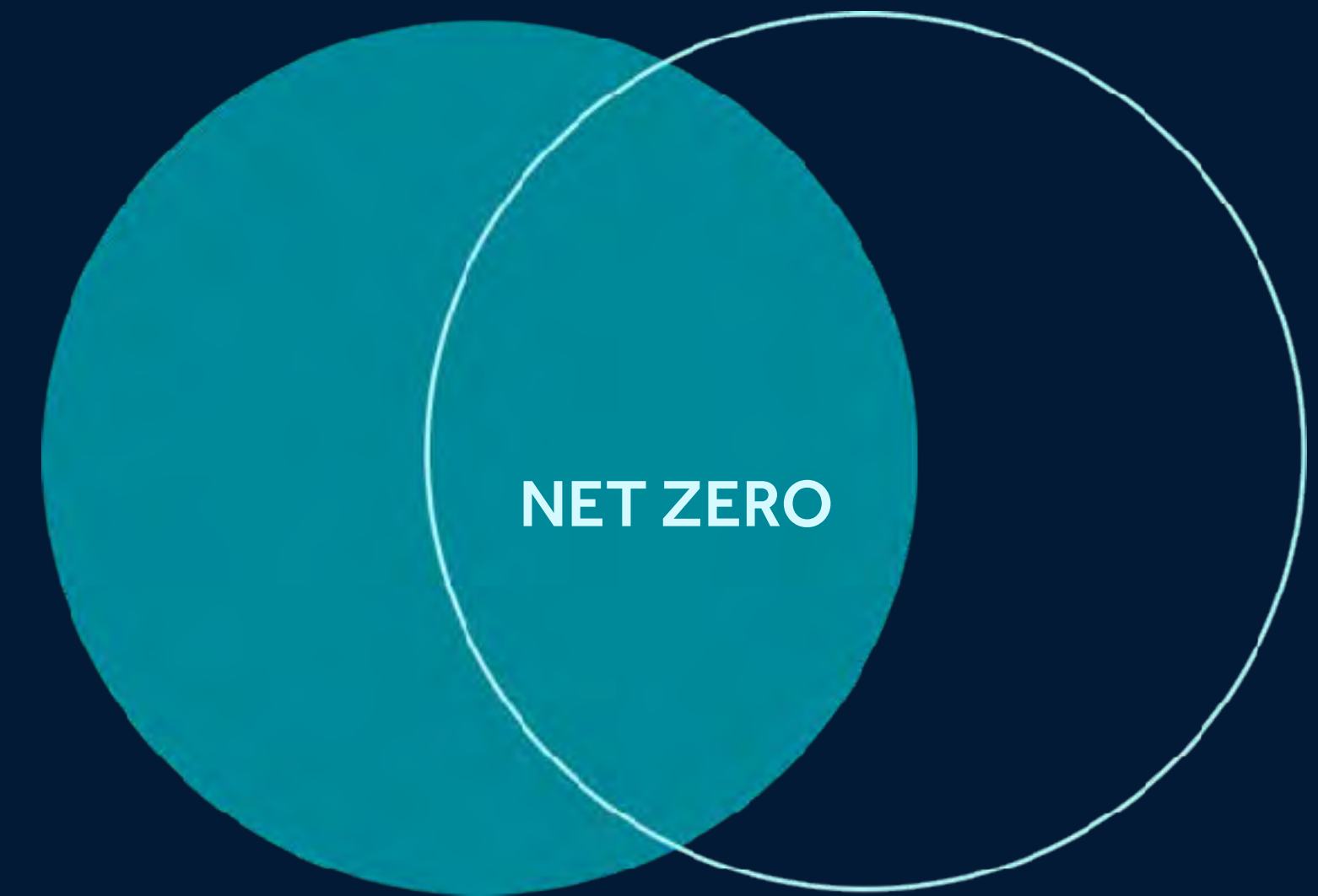
# HOW WE ARE EXPANDING OUR OFFERS AND SOLUTIONS



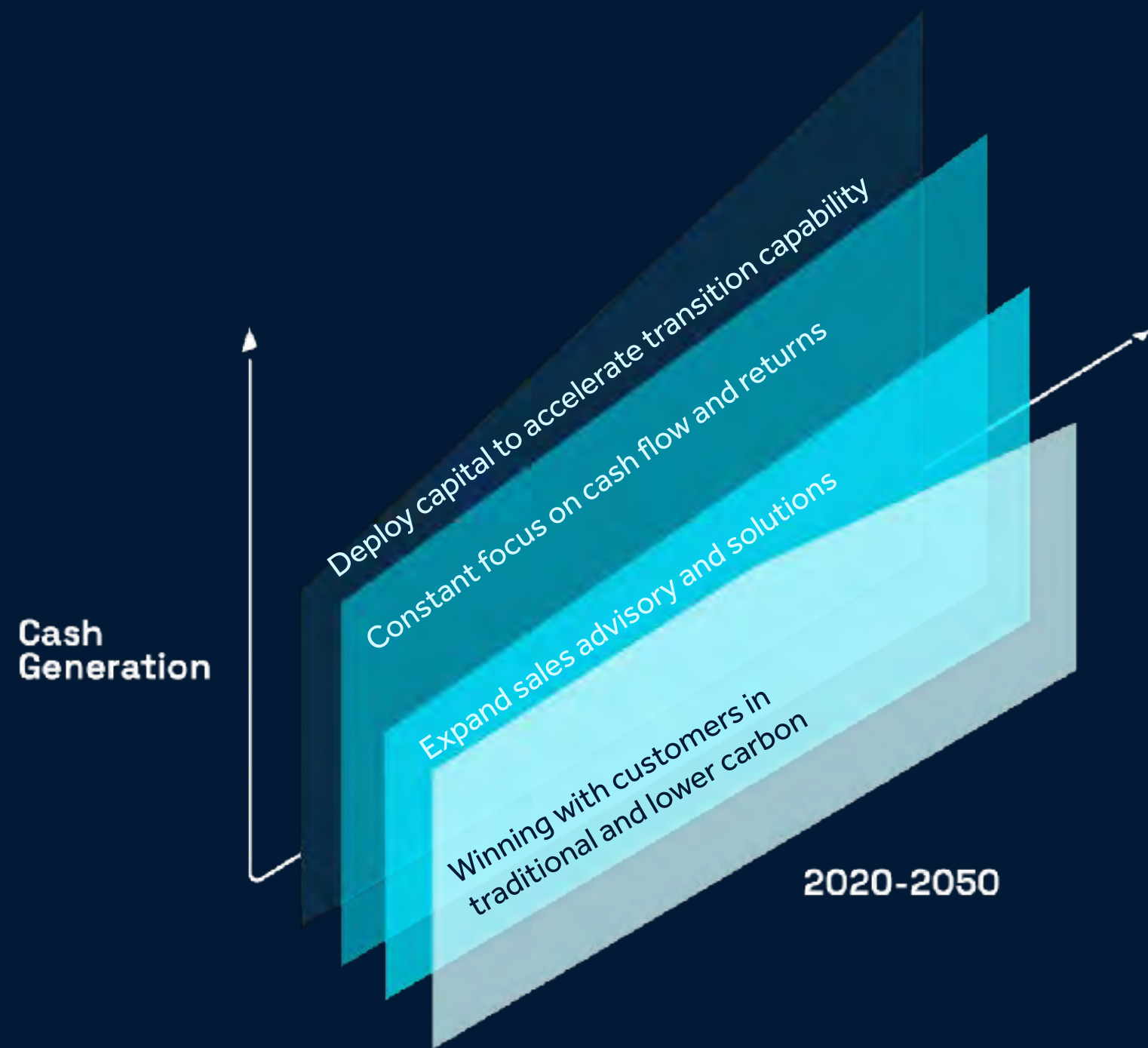
# THE FINANCIAL CHARACTERISTICS OF THE TRANSITION



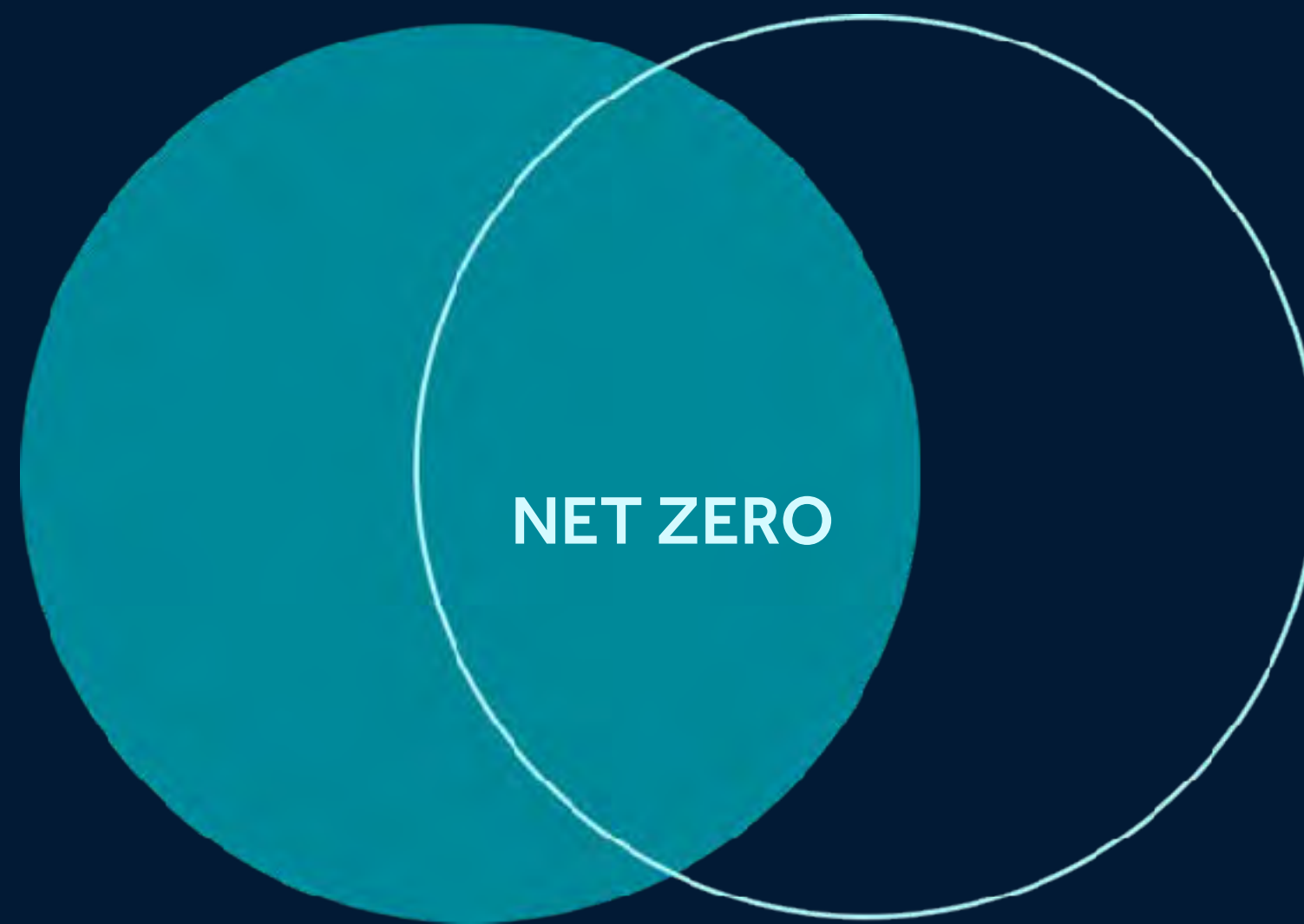
# NEW COMMITMENTS THAT WILL DRIVE OUR PROGRESS



# THE FINANCIAL CHARACTERISTICS OF THE TRANSITION



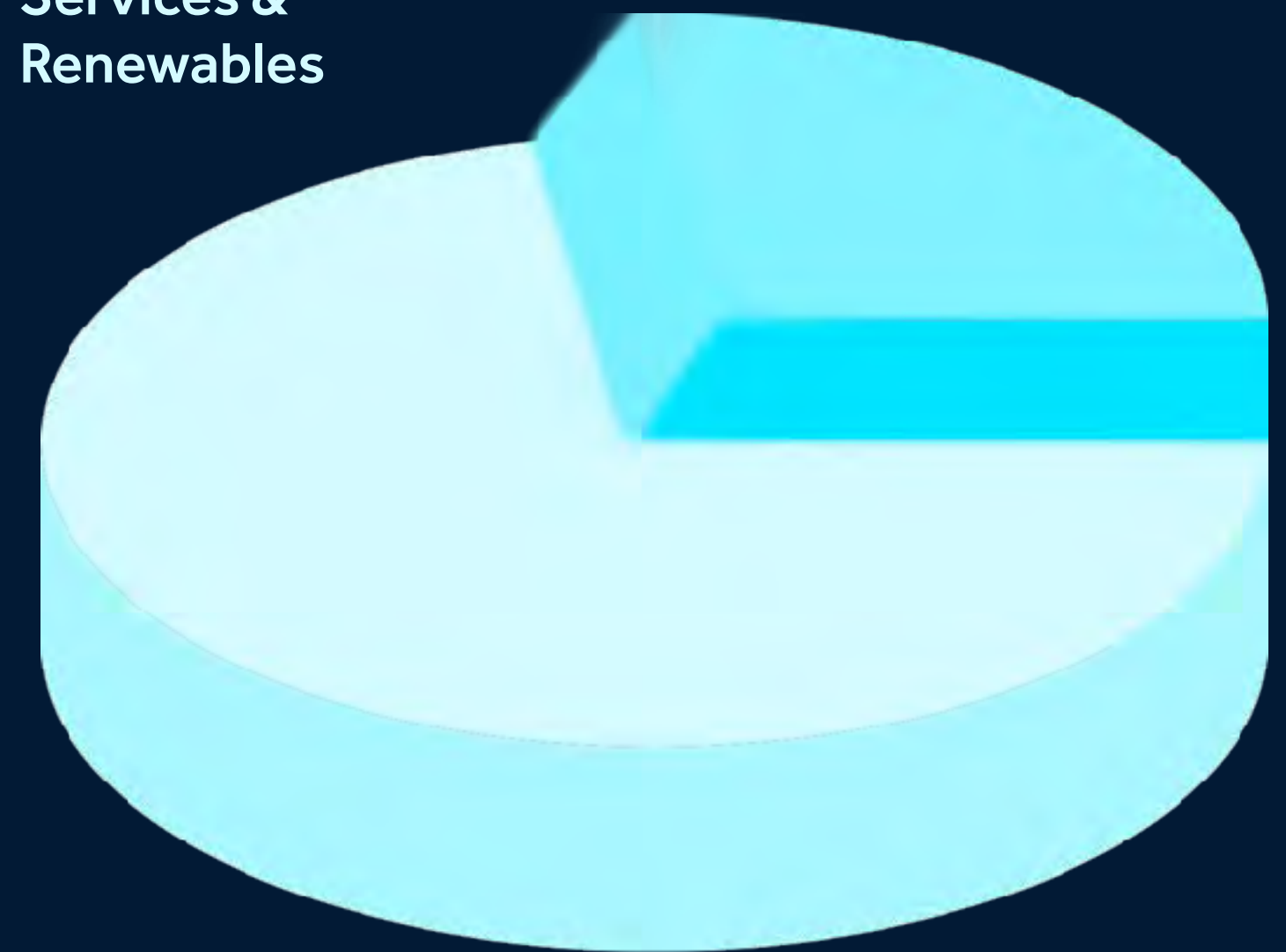
# NEW COMMITMENTS THAT WILL DRIVE OUR PROGRESS



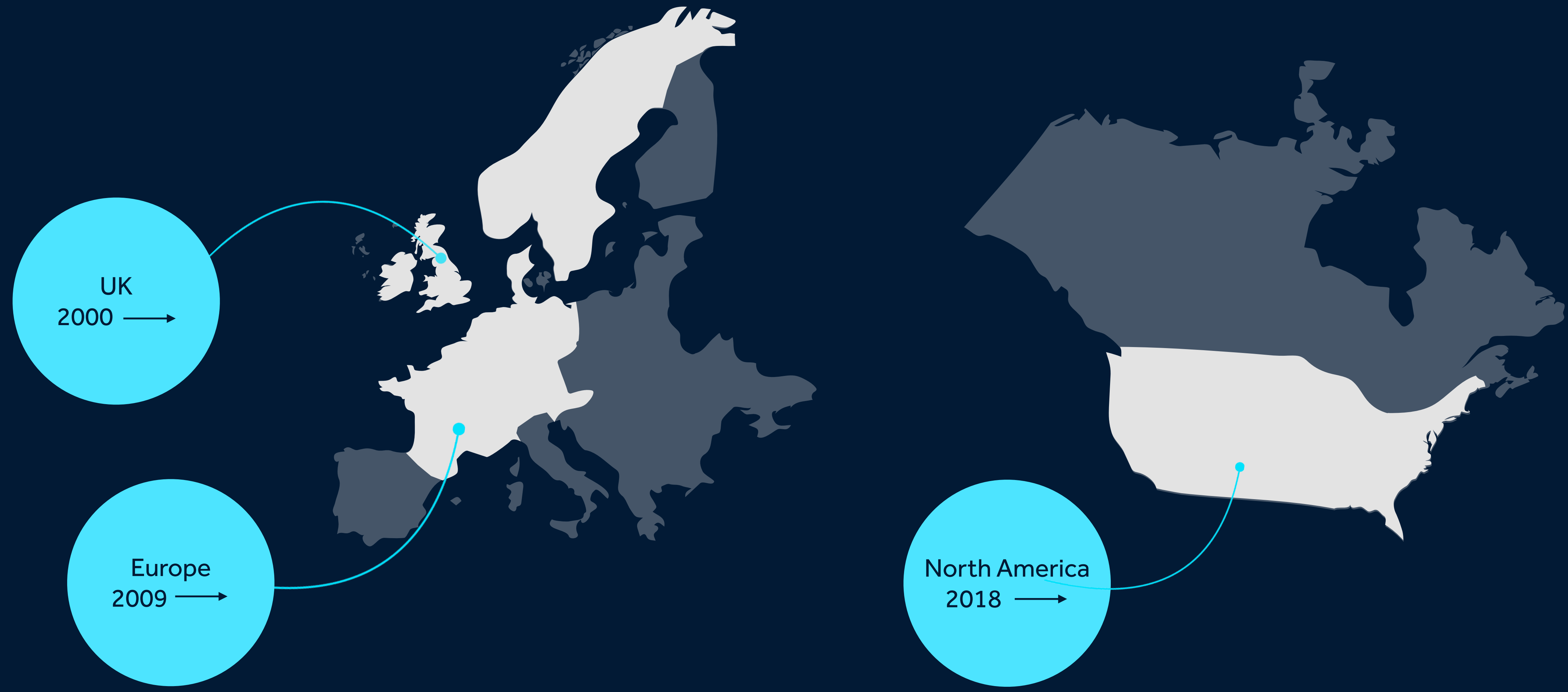
# WHAT THIS MEANS FOR THE GROUP IN 2030

DCC Healthcare  
DCC Technology  
DCC Energy -  
Services &  
Renewables

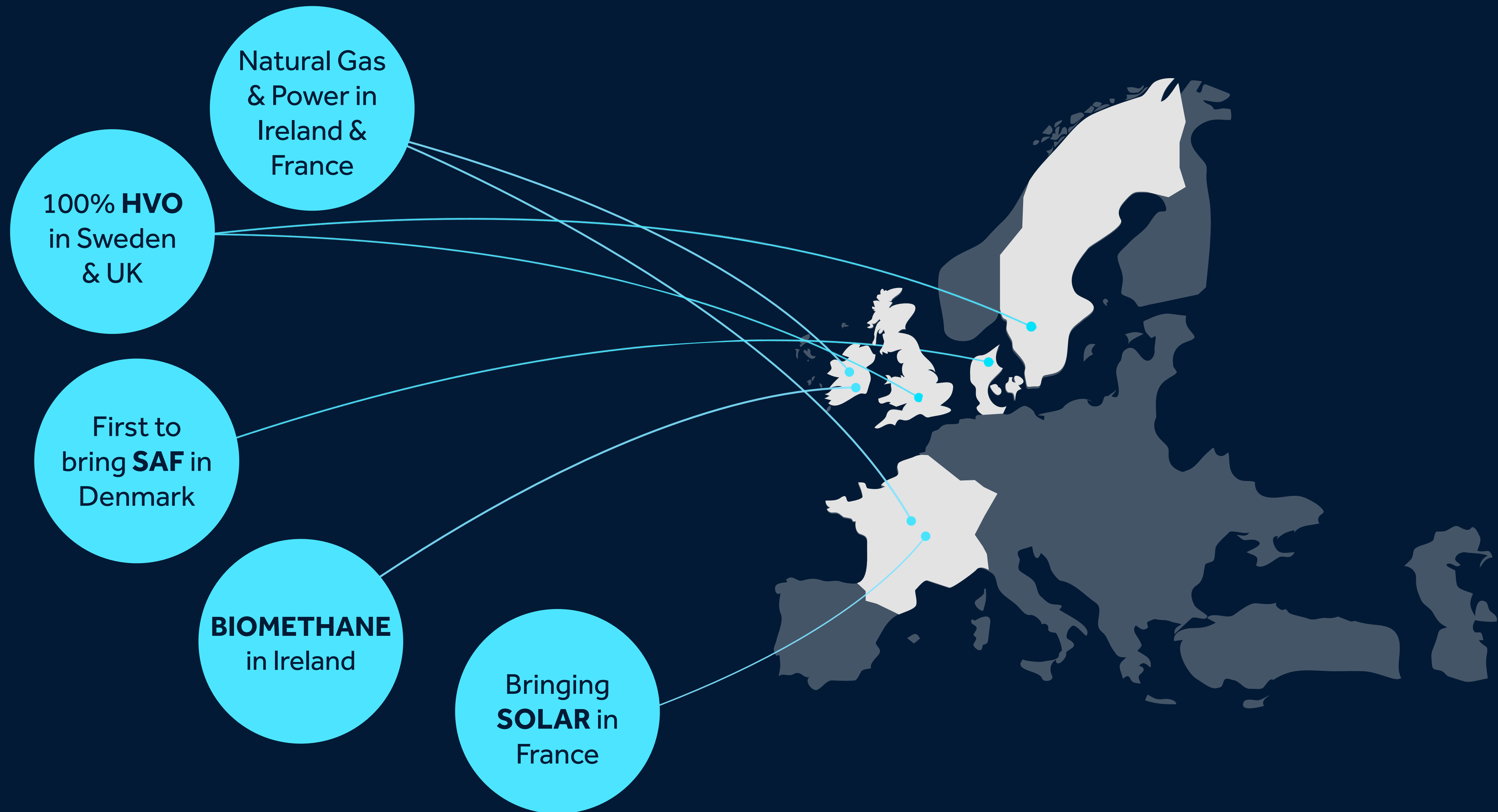
Traditional  
and lower  
carbon



# CONSOLIDATING, WITH ENERGY



# INNOVATING, WITH ENERGY



# PARTNERING, WITH ENERGY



Our Vision

LEADING

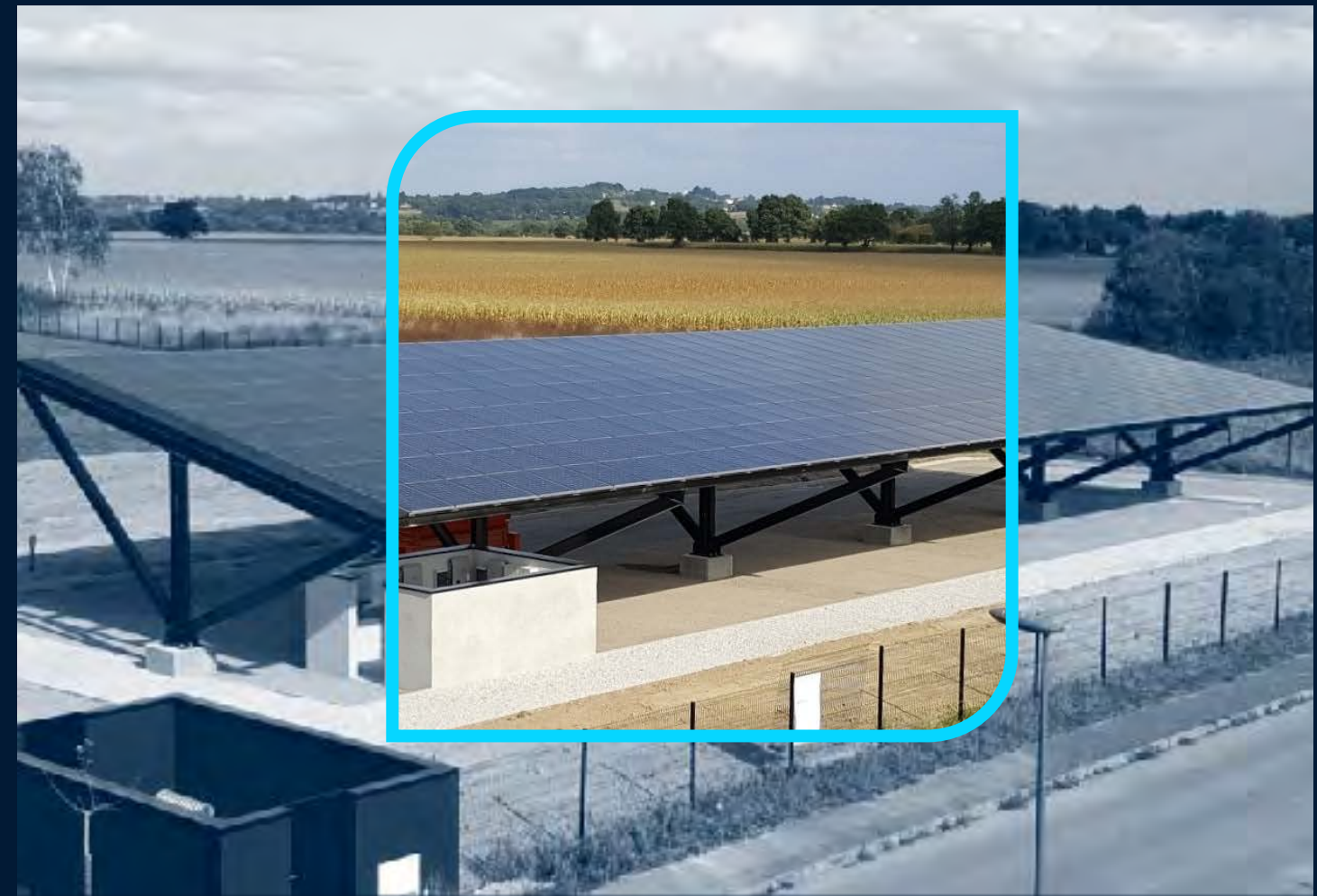
WITH ENERGY

# OUR STRATEGY

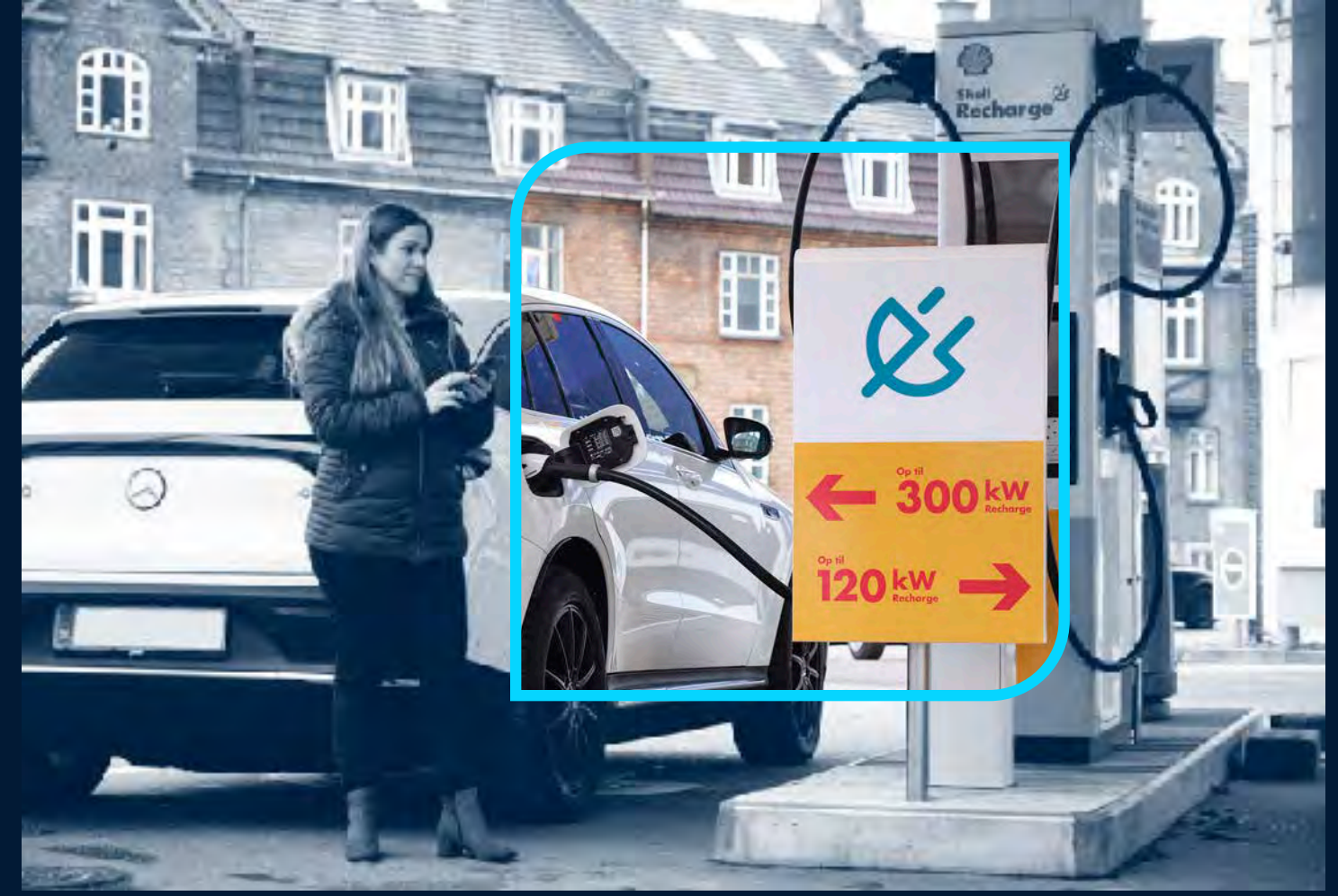
Our strategy is to accelerate the net zero journey of our customer by leading the sales, marketing and distribution of low carbon energy solutions



Customer focus

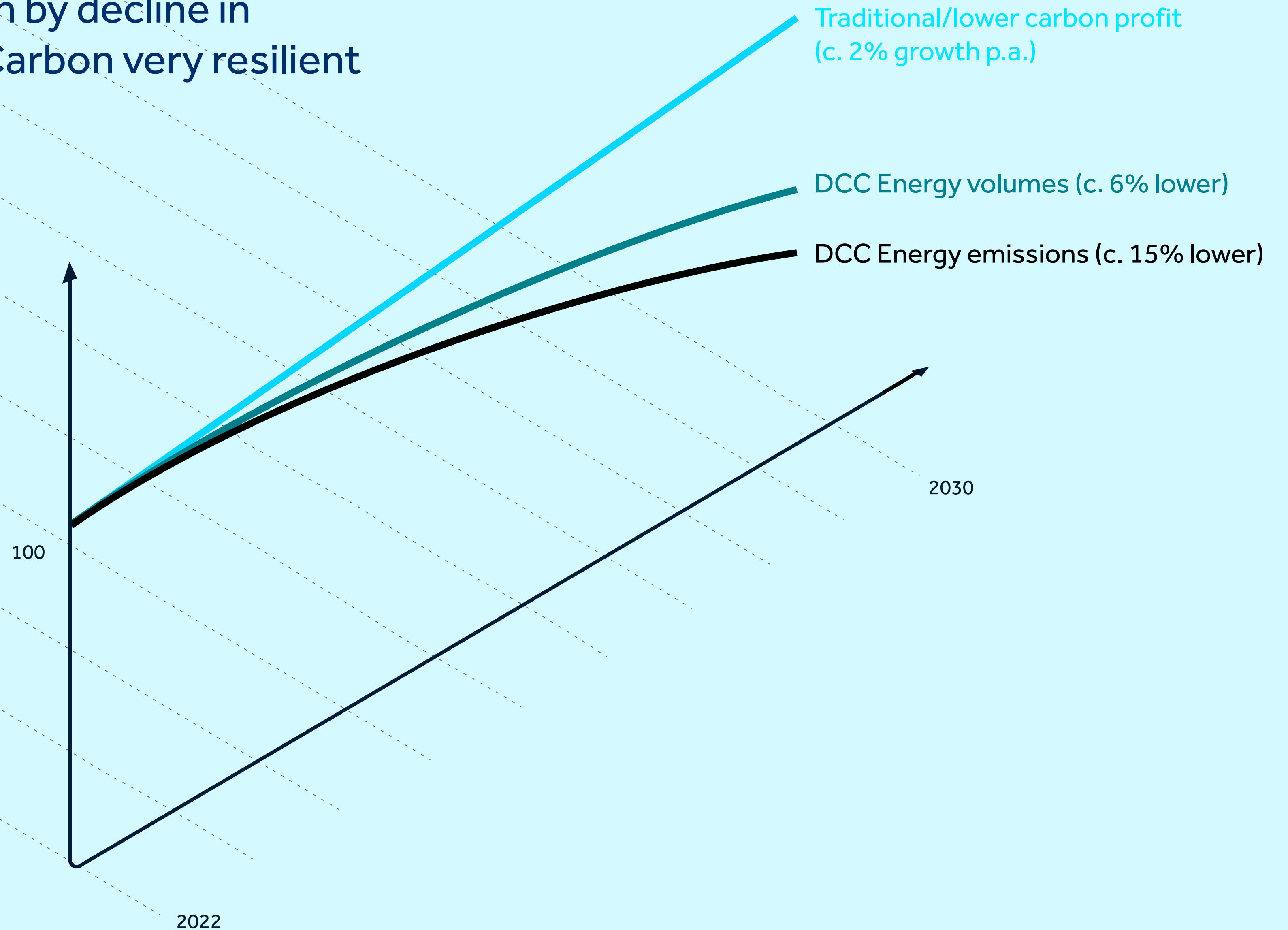


Multi-energy solutions

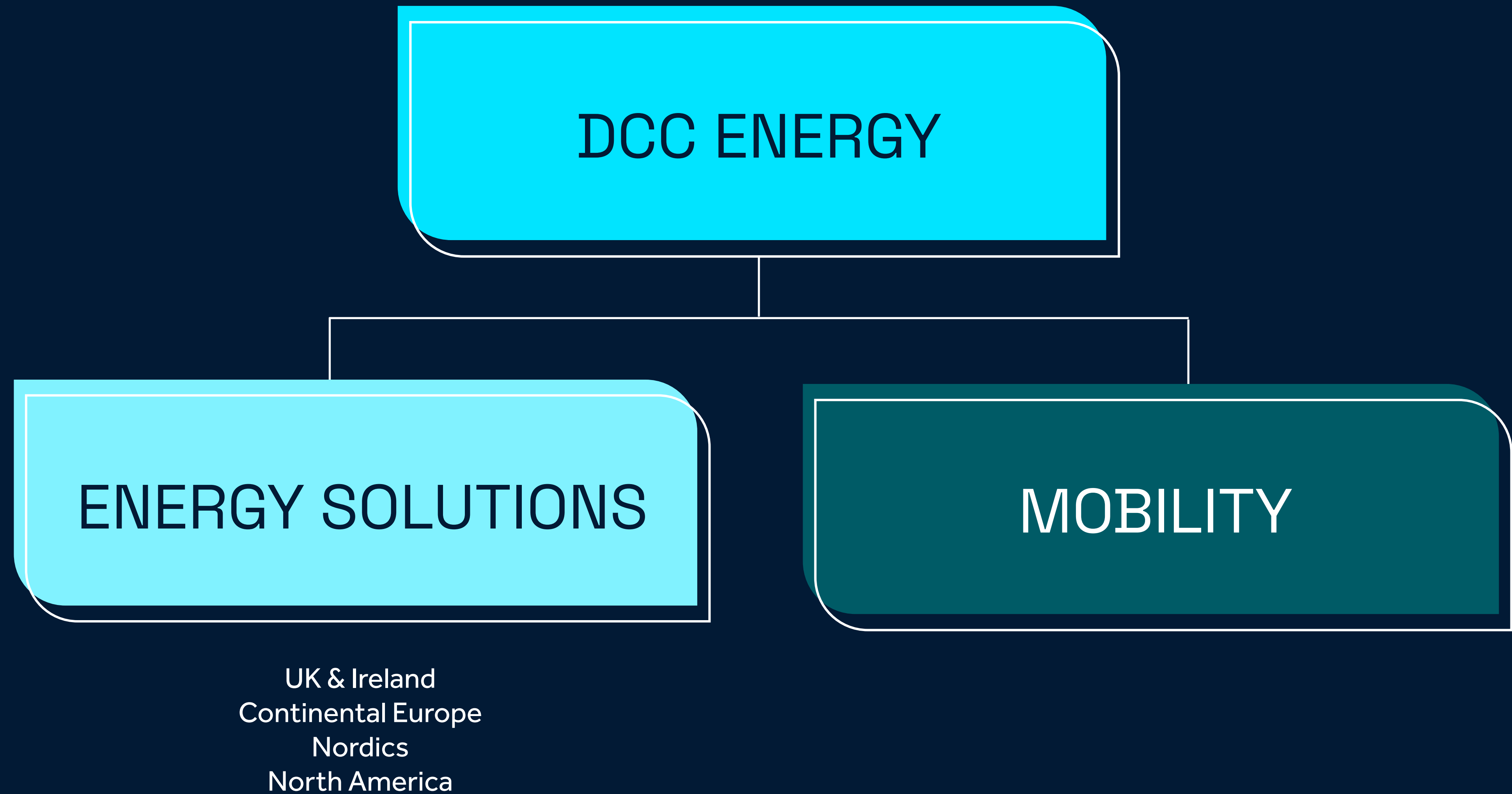


Key partnerships

# DCC Energy to 2030 and beyond: **Volumes** lower by 2030 driven by decline in Traditional products, Lower Carbon very resilient

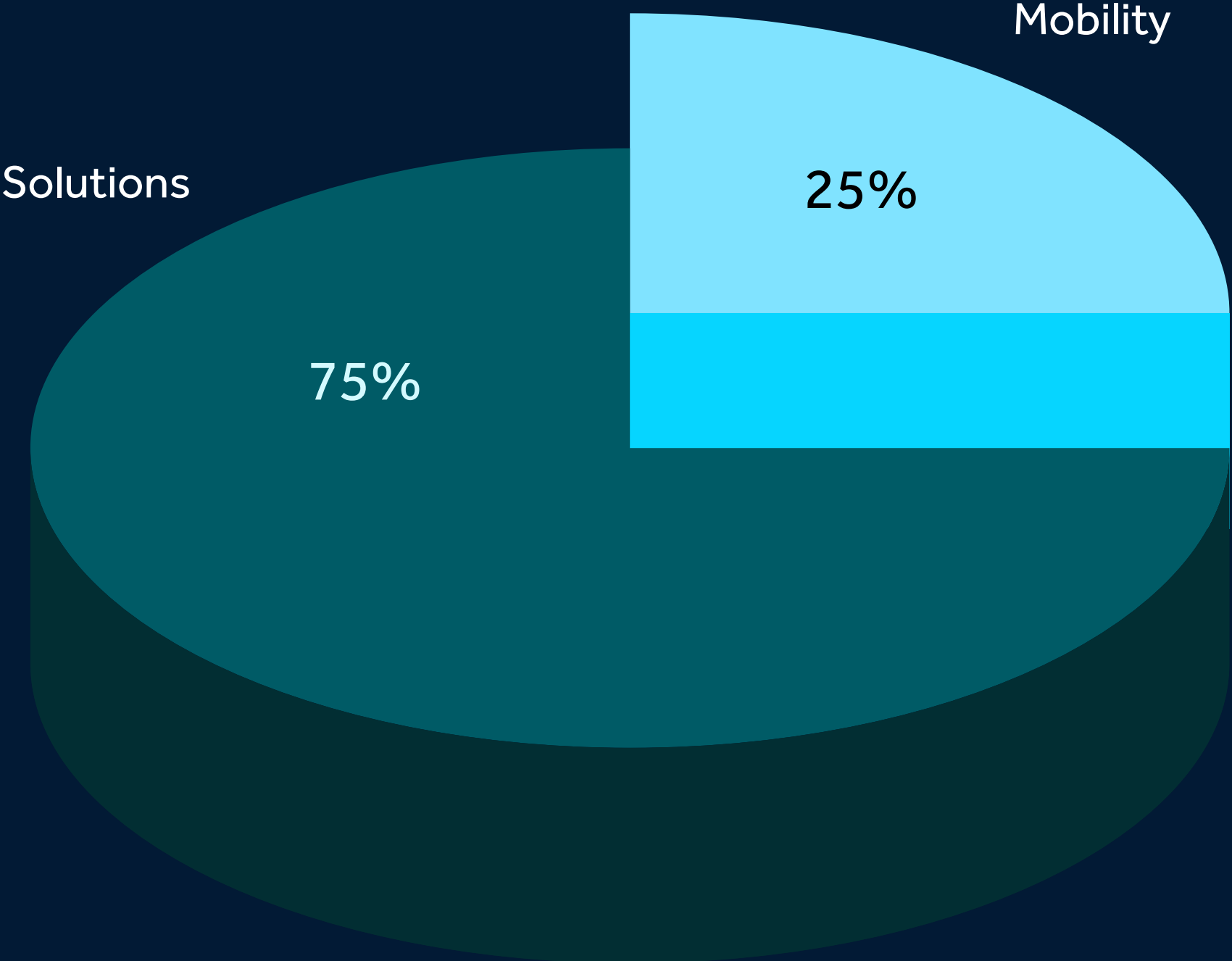


# OUR STRUCTURE

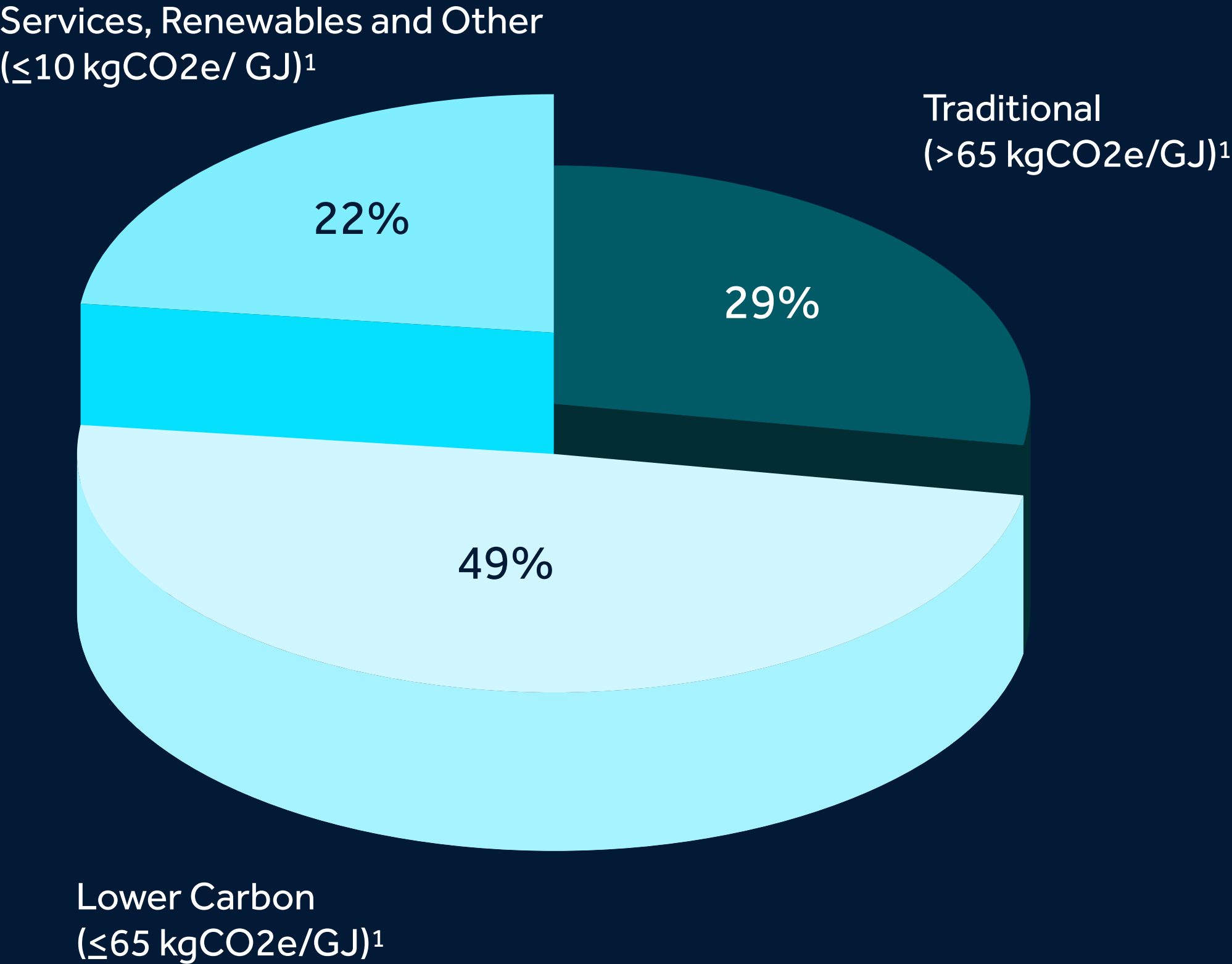


# DCC ENERGY OVERVIEW

FY22 Operating profit by segment



FY22 Operating profit mix



<sup>1</sup>Carbon intensity value is from use of sold product

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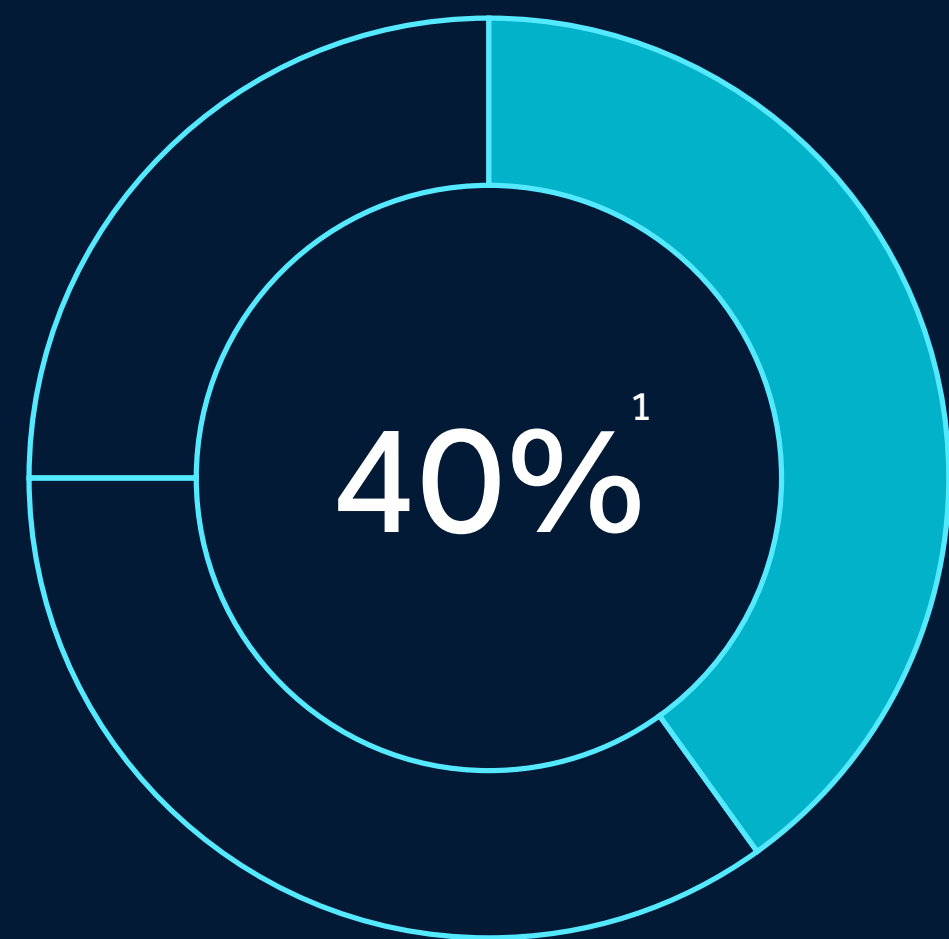
# ENERGY TRANSITION PATHWAYS

# LEADING WITH ENERGY

## Energy Solutions

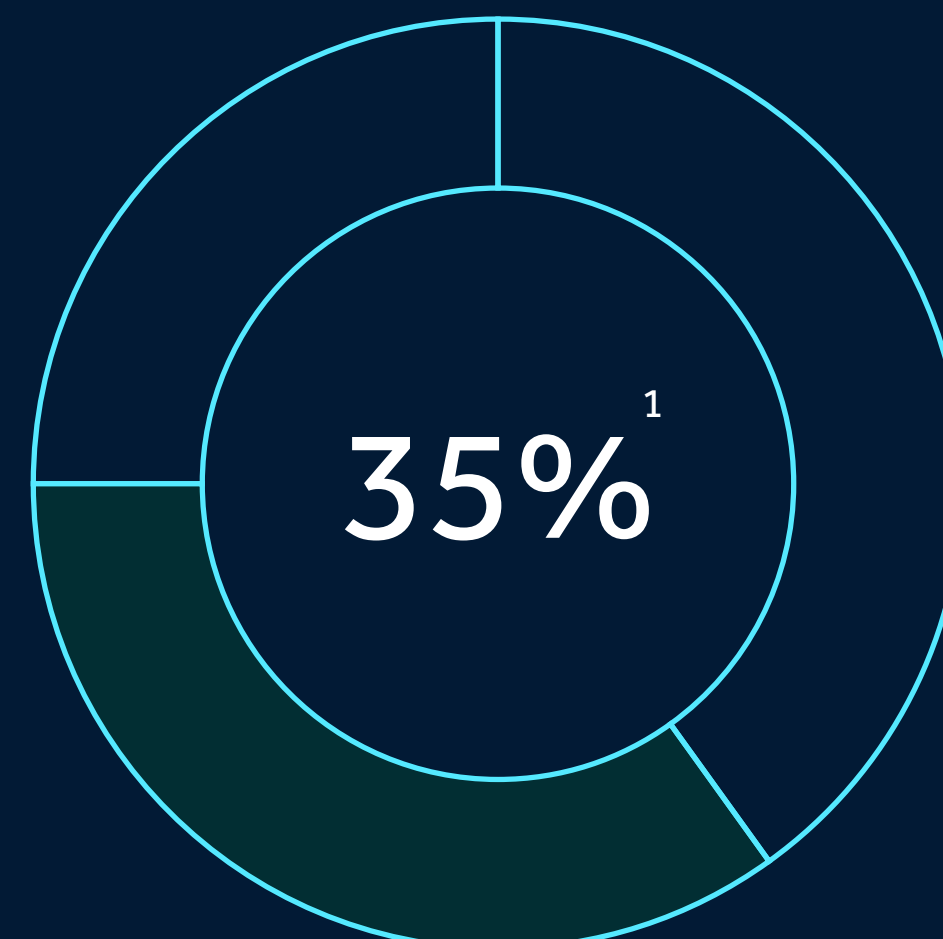
### 1. Commercial

The trusted partner of commercial customers, reducing the complexity of transition & delivering energy solutions across processes, heating and fleets.



### 2. Domestic

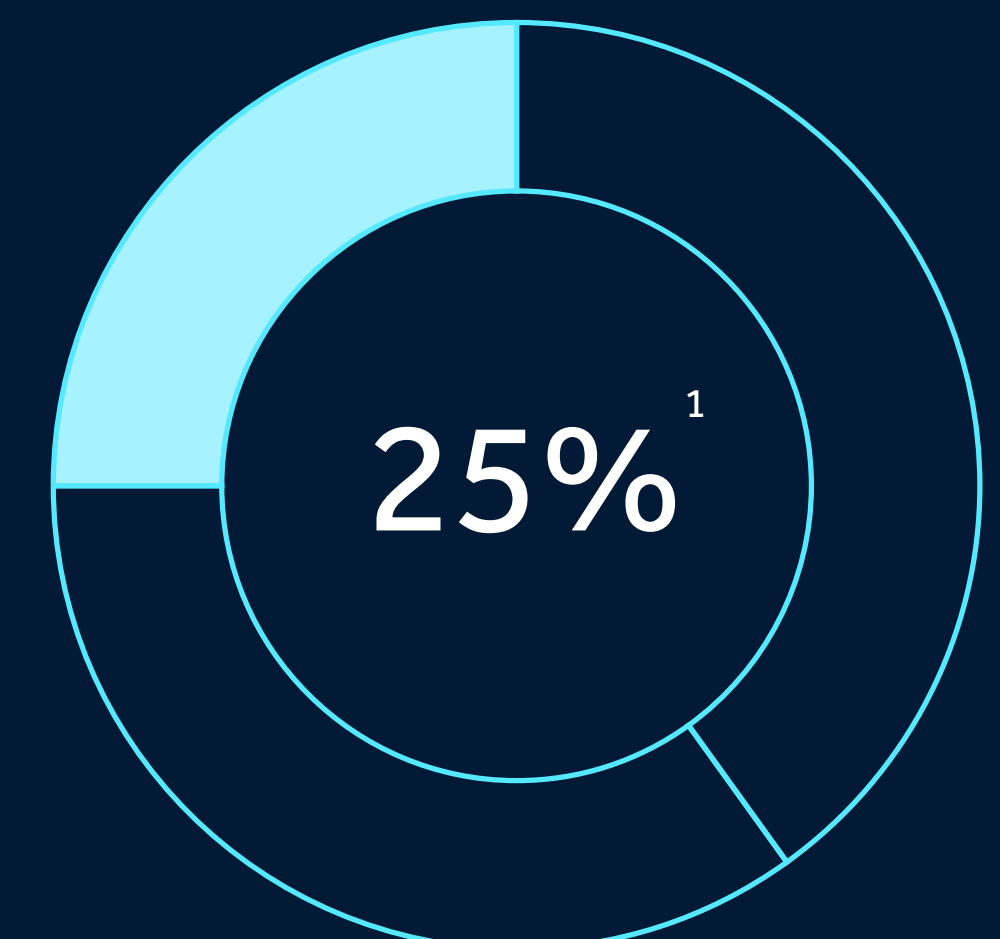
We will lead the transition for off-grid homes, making decarbonisation simple and affordable.



## Mobility

### 3. Mobility

A leading multi-fuel mobility network focused on retail fuels and forecourts, motorway EV charging, HGV fuels and fleet services.



# COMMERCIAL & INDUSTRIAL TRANSITION



## 2020s

Efficiencies and less carbon intensive solutions such as LPG, are driving most emissions reduction for commercial and industrial customers. For early adopters such as light manufacturing or hospitality, solutions such as solar, renewable electricity and biofuels are key parts of the energy mix.

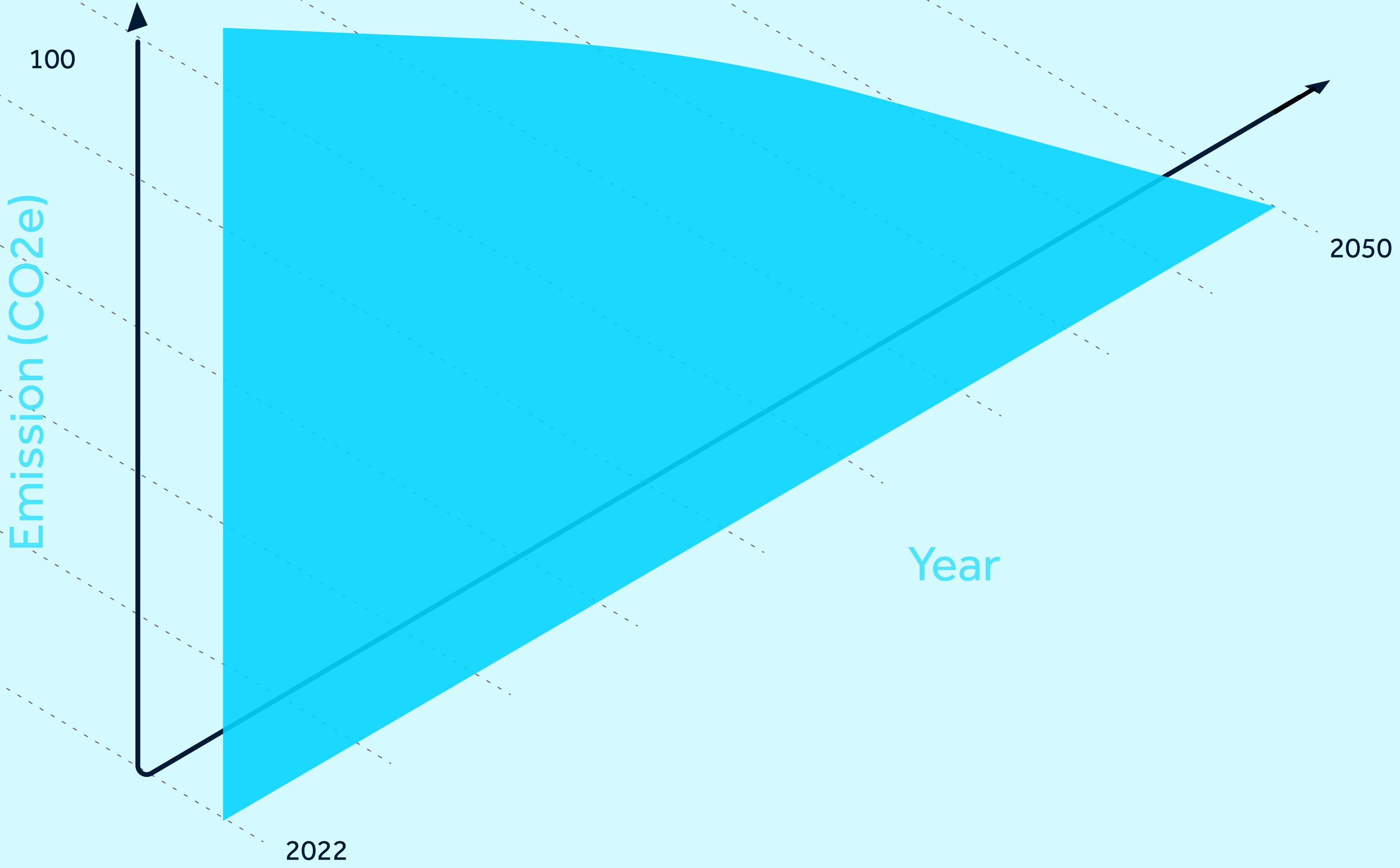
## 2030s

Technologies that were piloted by early adopters in the 2020s will reach scale adoption. Solar and efficiencies adoption will be widespread and advanced biofuels combined with increased supply will drive the next phase of decarbonisation.

## 2040s

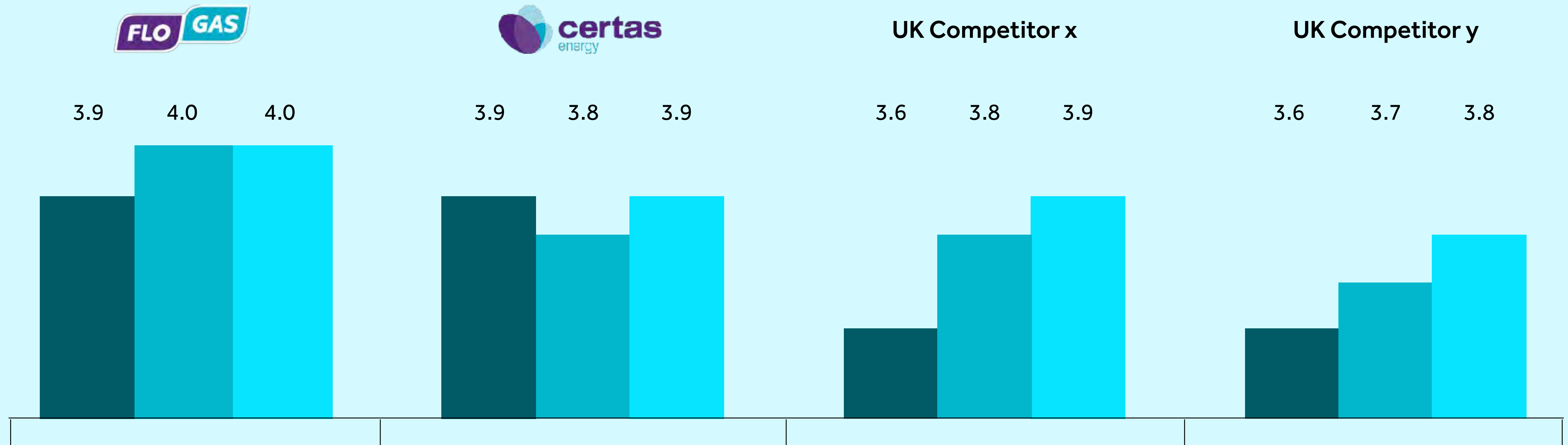
As we approach 2050, most of the achievable emissions reduction for the sector will have been achieved. Technologies such as hydrogen and ammonia will reach commercial scale allowing for the final push to net zero.

# COMMERCIAL & INDUSTRIAL EMISSIONS



# OUR CUSTOMERS TRUST US TO HELP THEIR TRANSITION

UK Commercial and Industrial brand perception



*Current brand users score 1 (not at all / no) to 5 (high / yes)*

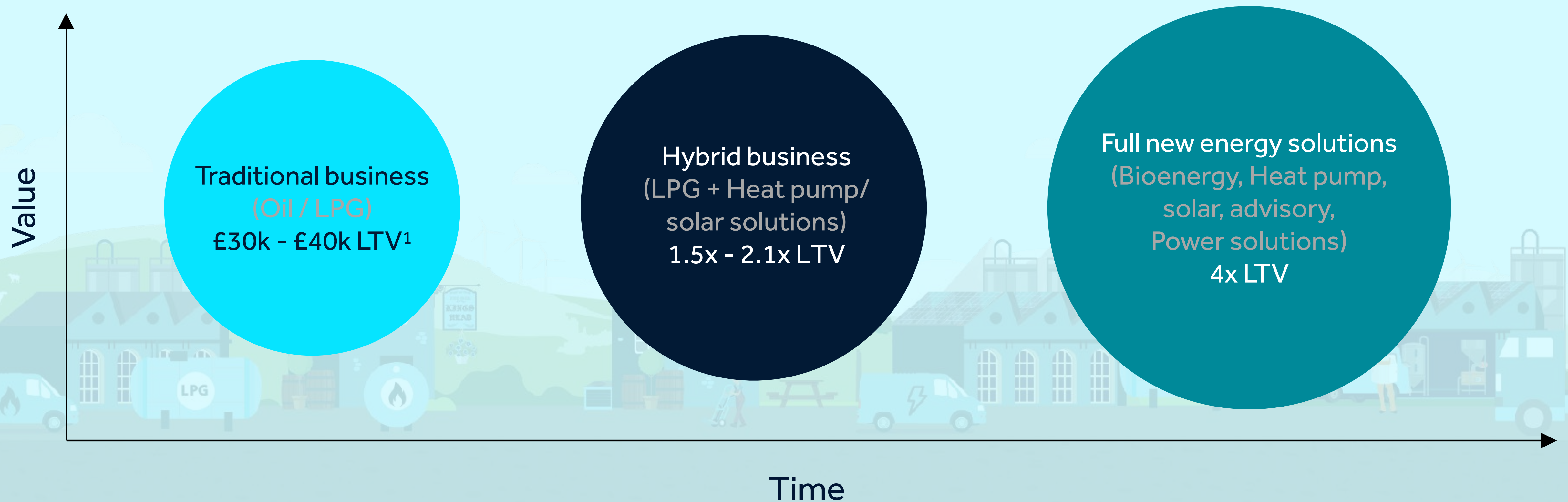
● "I would go to this brand for advice on which renewable energies to use"

● "I would go to this brand for advice on how to reduce my energy consumption"

● "I would consider them for all my energy needs (e.g..Electricity, Gas)"

# WE WILL INCREASE OUR PROFIT THROUGH SOLUTIONS

Sample UK Light Manufacturing Customer



<sup>1</sup>Gross Profit

# DOMESTIC TRANSITION



## 2020s

Efficiencies will be the main decarbonisation driver in the 2020s with early adopters helping to build capabilities in biofuels and heat pump systems.

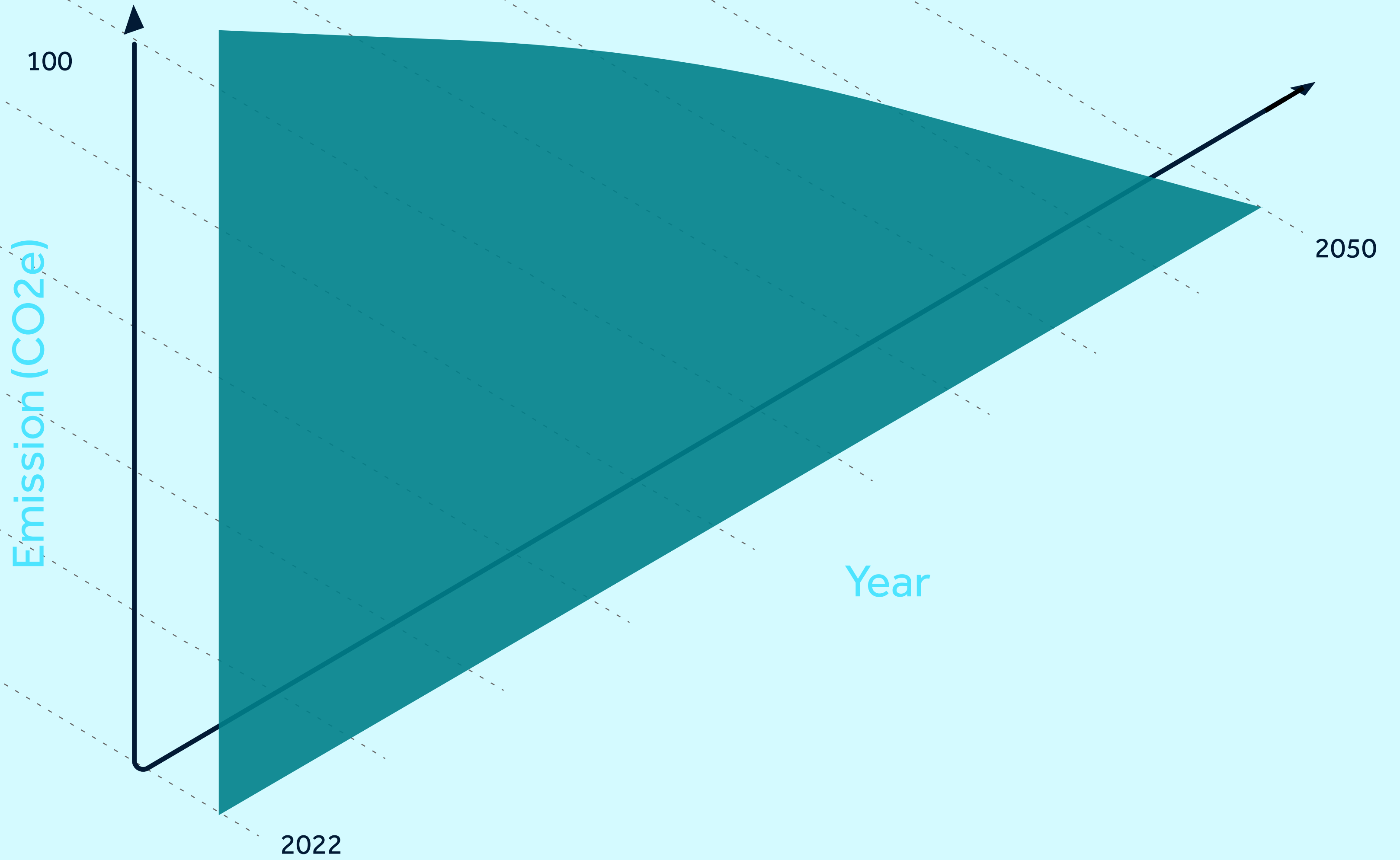
## 2030s

Greater mass adoption of new heating solutions including advanced biofuels and heat pump systems. Greater power solutions will be required to allow more widespread domestic EV charging.

## 2040s

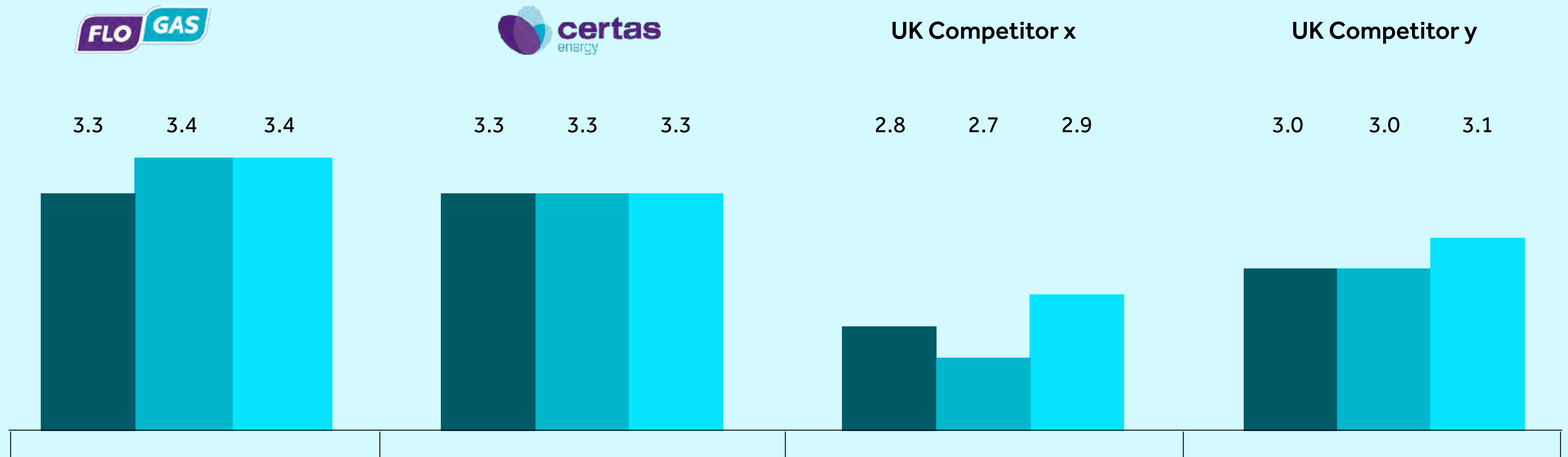
Advanced power solutions with self-generation, battery storage solutions, scaled bidirectional EV charging capabilities in homes. Advanced biofuels for complex heating solutions.

# DOMESTIC EMISSIONS



# OUR CUSTOMERS TRUST US TO HELP THEIR TRANSITION

## UK Domestic brand perception



Current brand users score 1 (not at all / no) to 5 (high / yes)

● "I associate this brand with renewable energy"

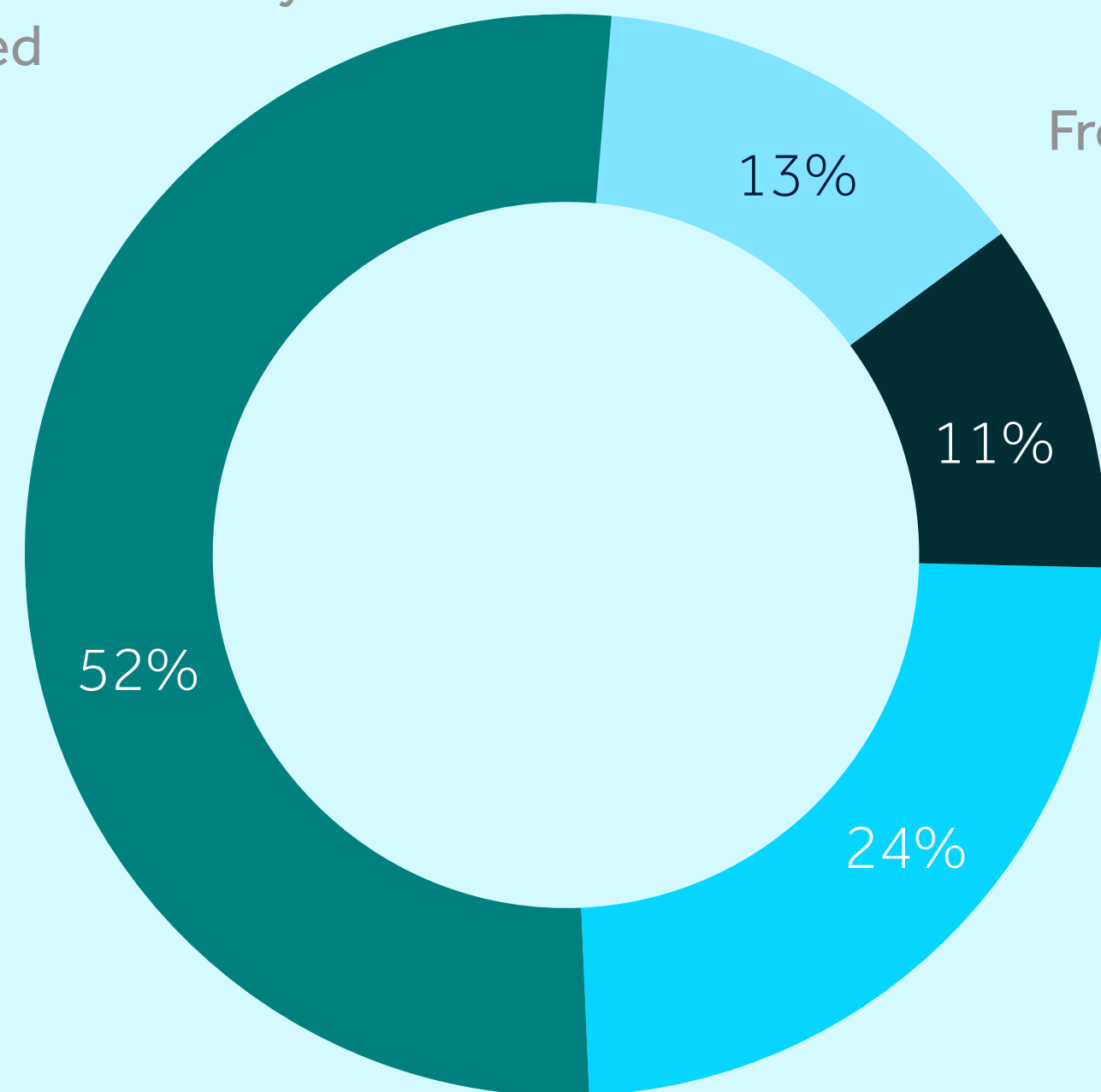
● "I would go to this brand for advice on which renewable energies to use"

● "I would go to this brand for advice on how to reduce my energy consumption"

# WE KNOW WHO TO TARGET WITH HEAT-AS-A-SERVICE

## Example breakdown of the UK Domestic Heating Market

Less Environmentally  
Conscious / Financially  
Constrained



Freya & Oliver

Jan & Julia

Jamie & Tom

### Freya & Oliver

- 30-60
- Average to above average property value
- Highly environmentally engaged
- Early adopters on domestic energy solutions

### Jan & Julia

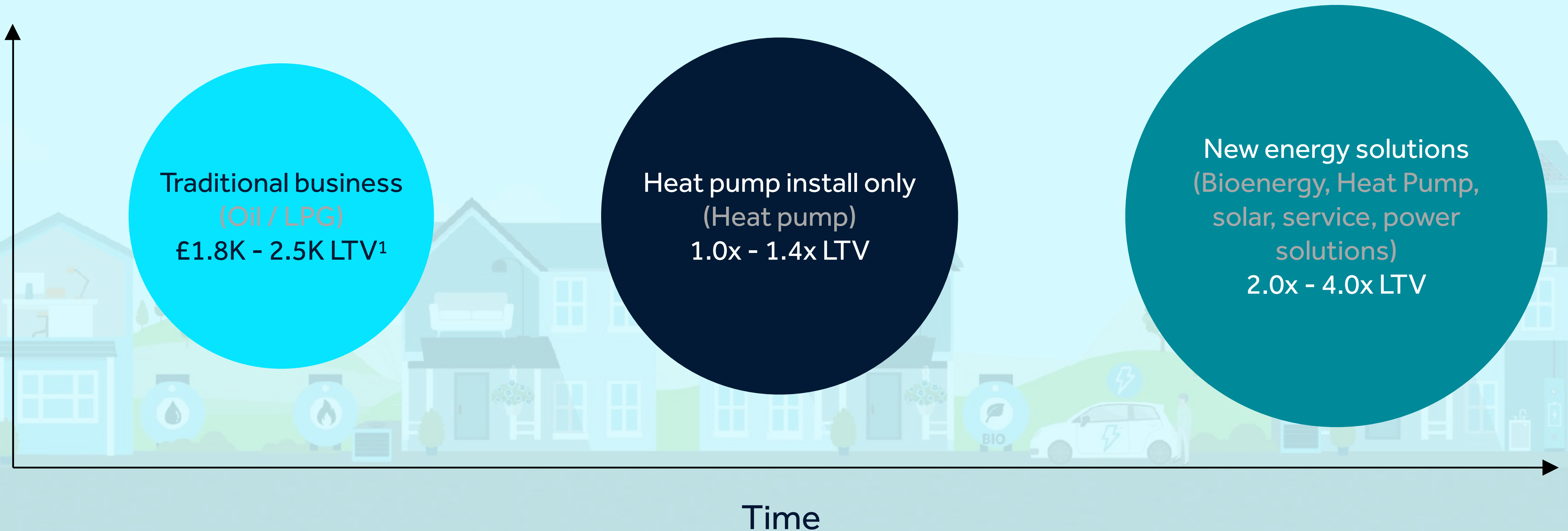
- 60-75
- Average to above average property value
- Somewhat environmentally engaged
- Early adopters on domestic energy solutions

### Jamie & Tom

- 30-60
- Low to average property value
- Somewhat environmentally engaged
- Slower to transition to domestic energy solutions

# WE WILL INCREASE OUR PROFIT THROUGH SOLUTIONS

Sample UK Domestic Customer



<sup>1</sup>Gross Profit

# WE ARE INNOVATING WITH A CUSTOMER-FIRST BUSINESS MODEL

## TRIGGER FOR ACTION

Multiple points to start transition journey - home move, renovation, boiler replacement

## DIGITAL DISCOVERY

Use digital touchpoint, both social and owner (e.g. website, app, web chat), to understand the options for their home

## ASSESSMENT & PURCHASE

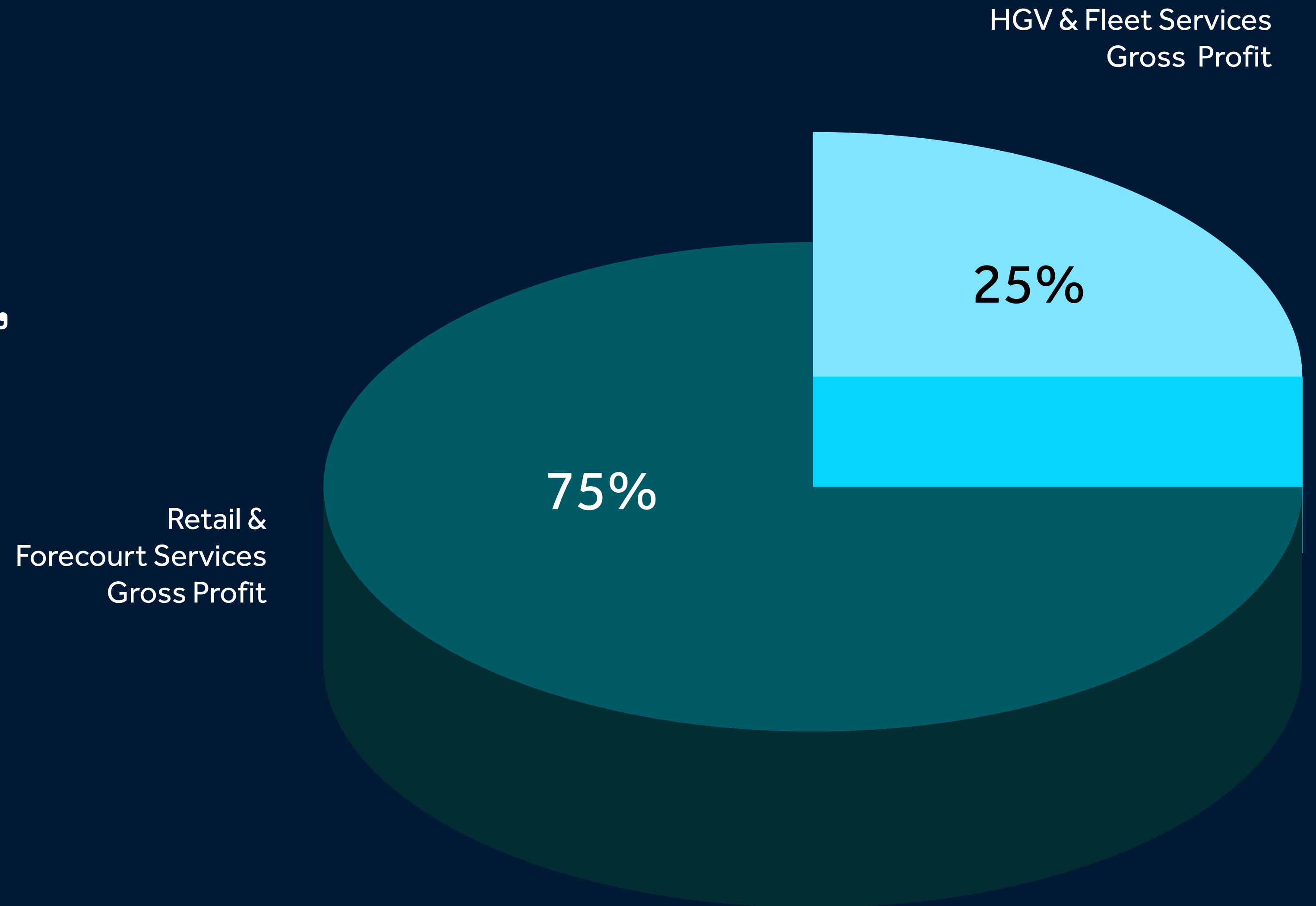
Purchase bundle with financing after home visit. Easy to sign contract immediately on an iPad and select ongoing maintenance

## INSTALL...& BEYOND

Smooth installation and maintenance with install of solar and EV charging in following years



# MOBILITY HAS TWO DISTINCT BUSINESS MODELS: RETAIL AND FORECOURT SERVICES, AND HGV AND FLEET SERVICES



# MOBILITY TRANSITION



## 2020s

A focus on premium destination energy hubs with mix of blended bio and hydrocarbon pumps, alongside growing reliable EV charging and shared convenience.

## 2030s

High-value reliable charging destinations with high percentage biofuel offerings.

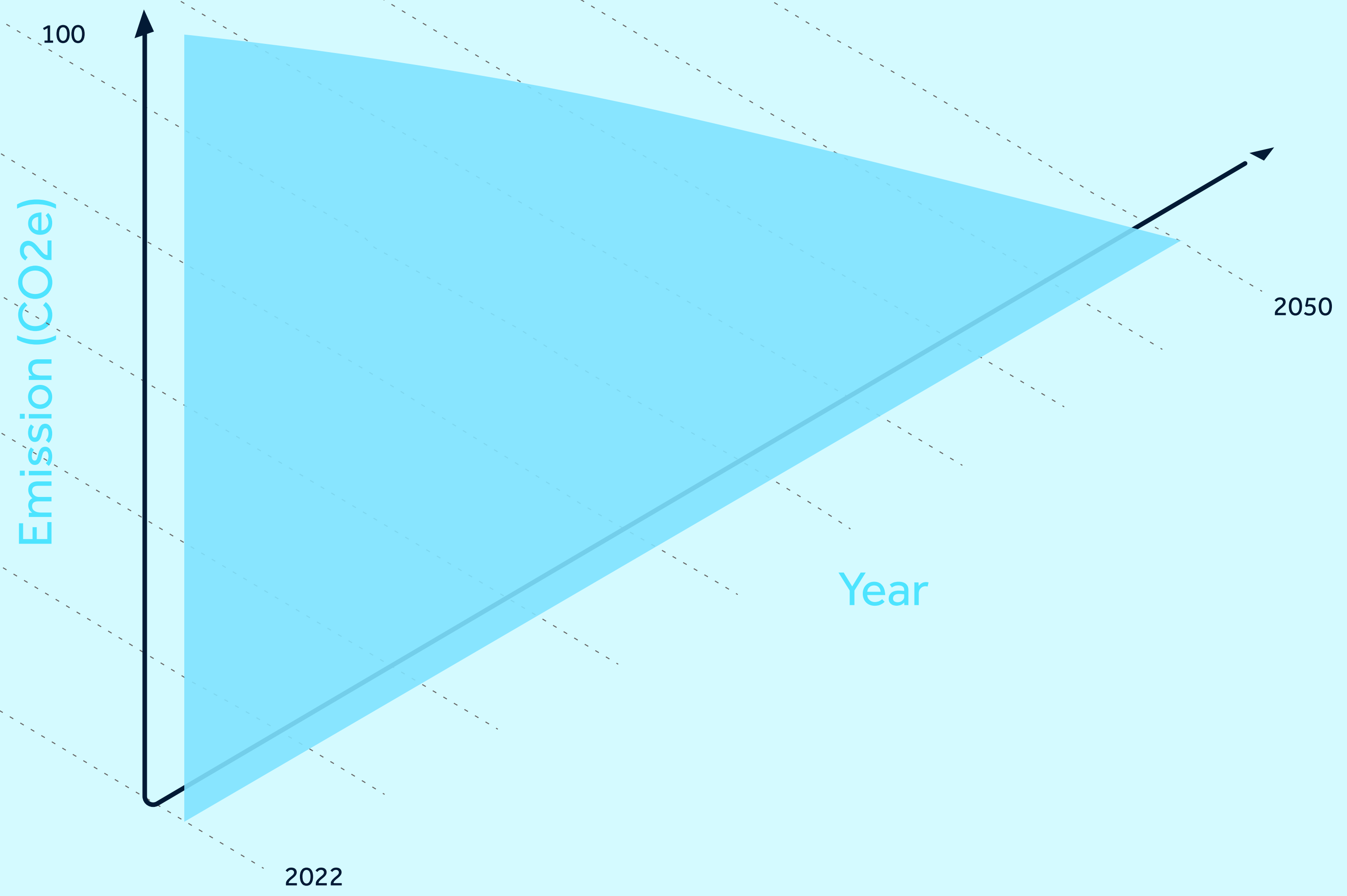
## 2020s/2030s

Increasing HGV efficiencies and biofuel penetration will drive emissions reduction at scale. Secure parking, convenience and payment services drive additional revenue growth. Some experimentation in eHGV, hydrogen, and bioCNG.

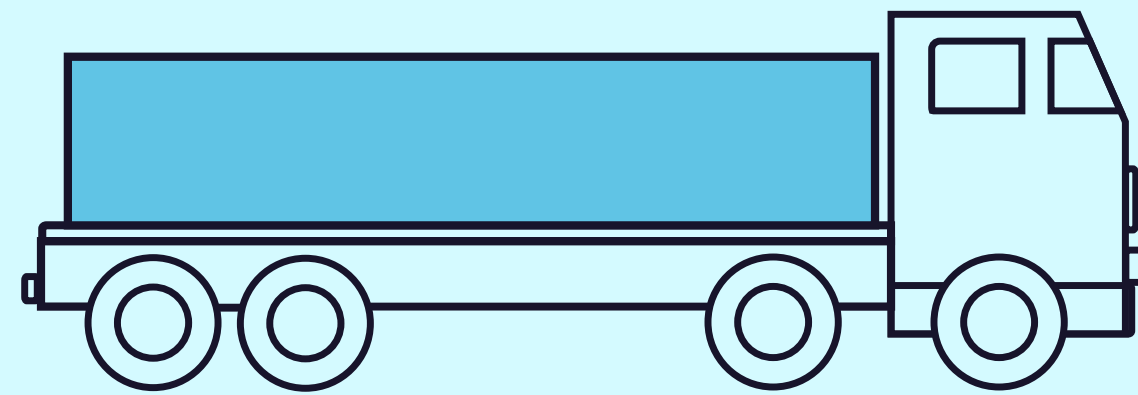
## 2040s

New technologies begin to scale across the HGV fleet after a decade of innovation and commercialisation of alternative fuel types - hydrogen, biofuels or eHGV.

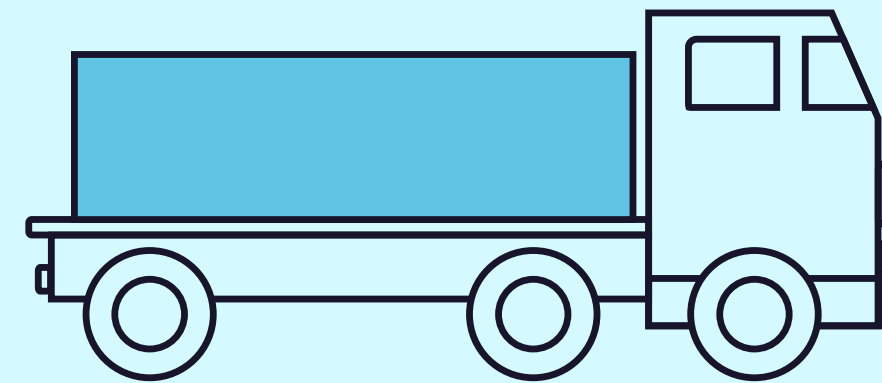
# MOBILITY EMISSIONS



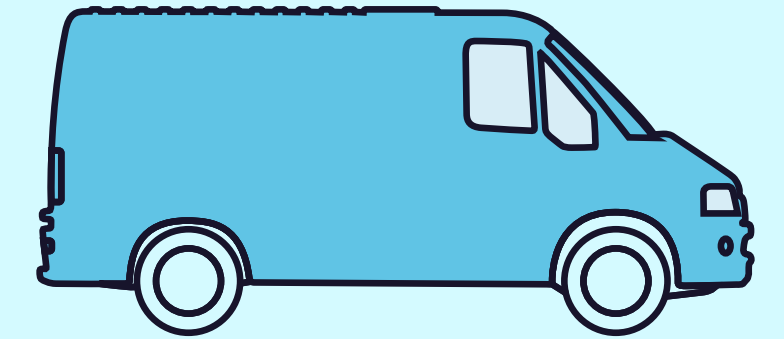
# HGVs REQUIRE NEW TECHNOLOGY TO REACH NET ZERO



**LONG DISTANCE**  
>500km/day



**MEDIUM DISTANCE**  
250-500km/day



**SHORT DISTANCE/LAST MILE**  
<250km/day

2050  
Technology

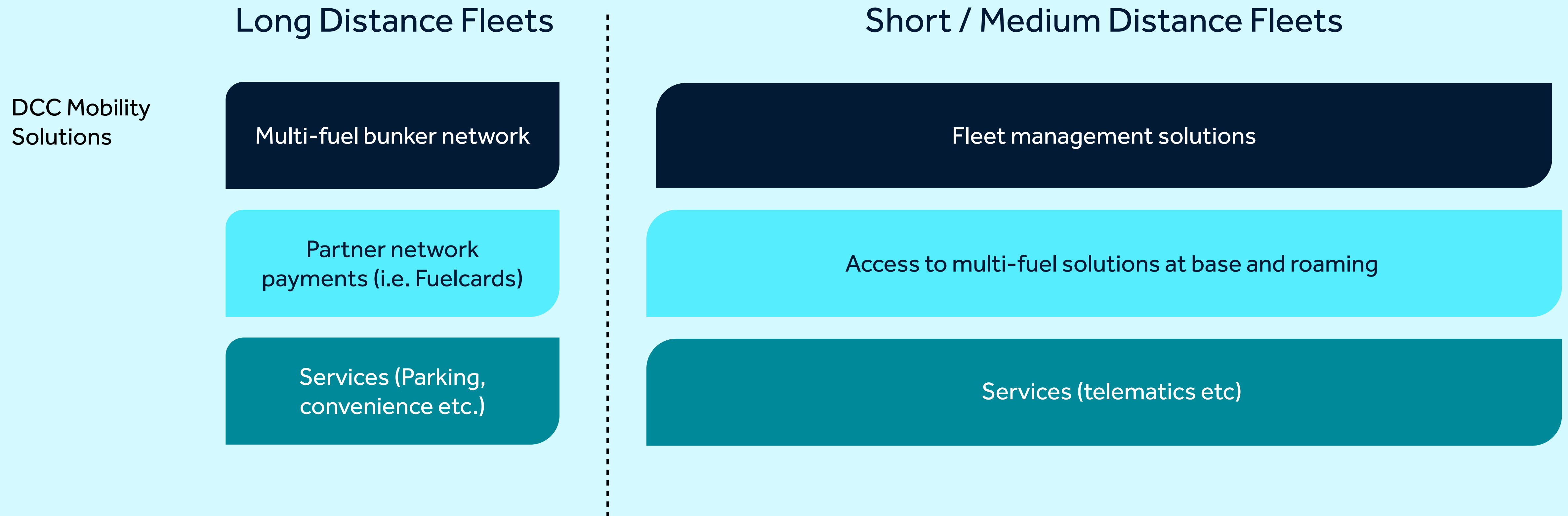
Hydrogen Fuel-Cell

Hydrogen Fuel-Cell

Battery Electric  
Vehicle

Battery Electric Vehicle

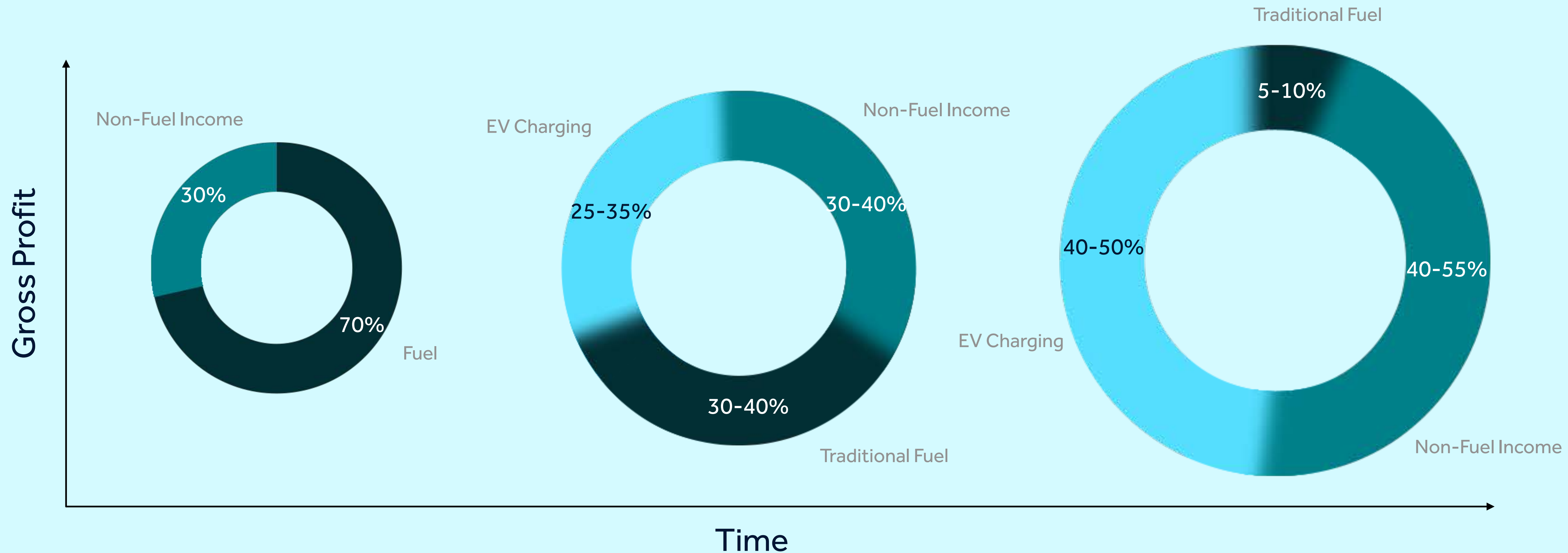
# WE SEE GROWTH OPPORTUNITY IN HGV SERVICES



# THE FORECOURT TRANSITION TO EV CHARGING IS PRIMARILY DRIVEN BY SITE LOCATION

Format	Transition Pathway	Opportunity
Urban [554 sites]	Key role of fast charging in commuter journeys	EV fast chargers + retail services
Motorway & equiv. [65 sites]	Long term multi-fuel role on critical mobility infrastructure	Motorway mobility hubs
Rural [554 sites]	Continued service of rural communities through low-cost unmanned model	Services expansion + network optimisation

# RETAIL SITE PROFITABILITY WILL GROW THROUGH TRANSITION



Existing mix contributes approx. ~£60k average profit

Short-term growth in EV Charging and Non-Fuel income, while managing cash contribution from traditional fuel

Long-term growth in profitability from EV charging and from growth in convenience

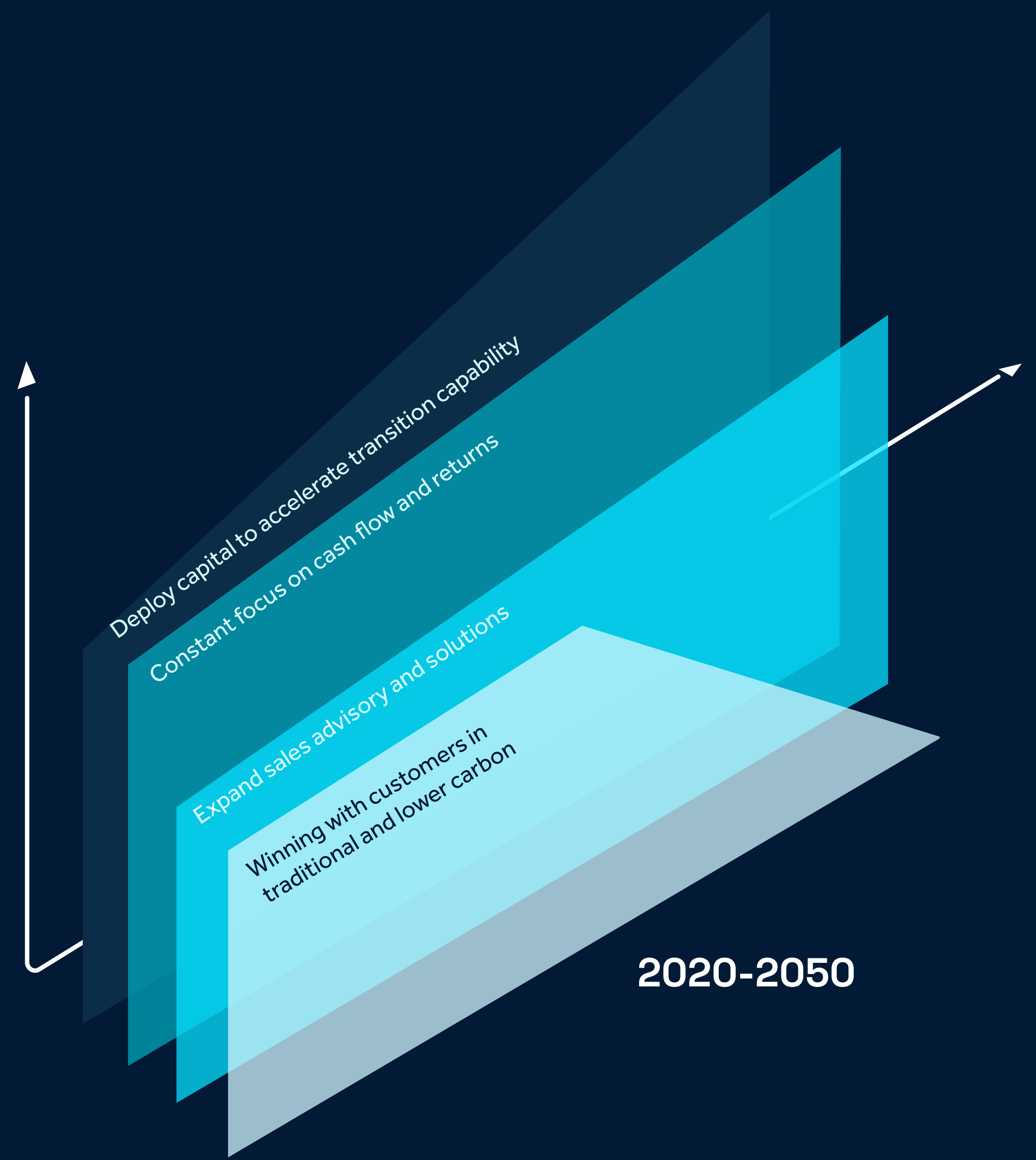
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# GROWING WITH ENERGY

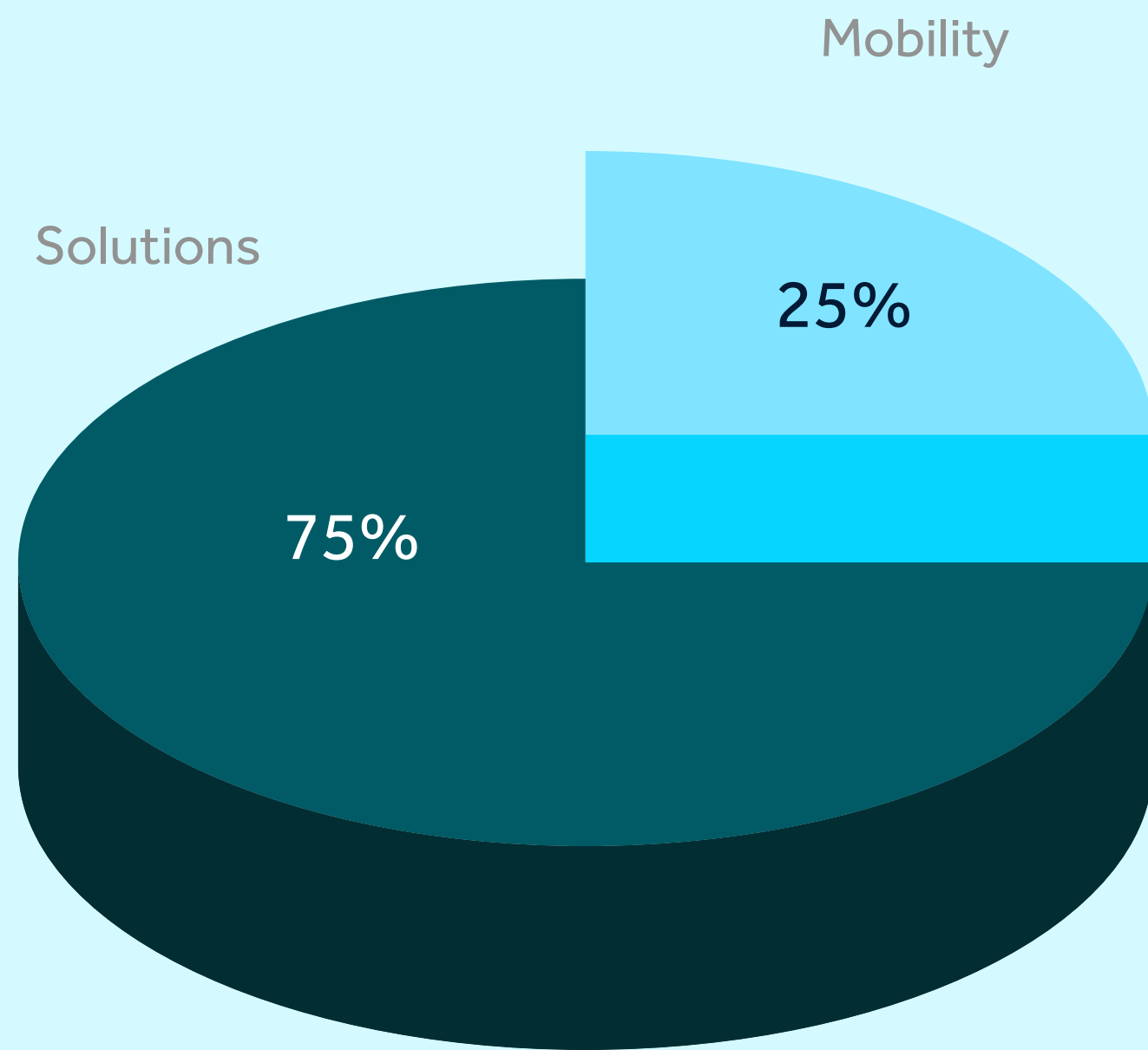
# OUR ENERGY GROWTH STRATEGY IS BUILT ON FOUR KEY DRIVERS

Cash  
Generation

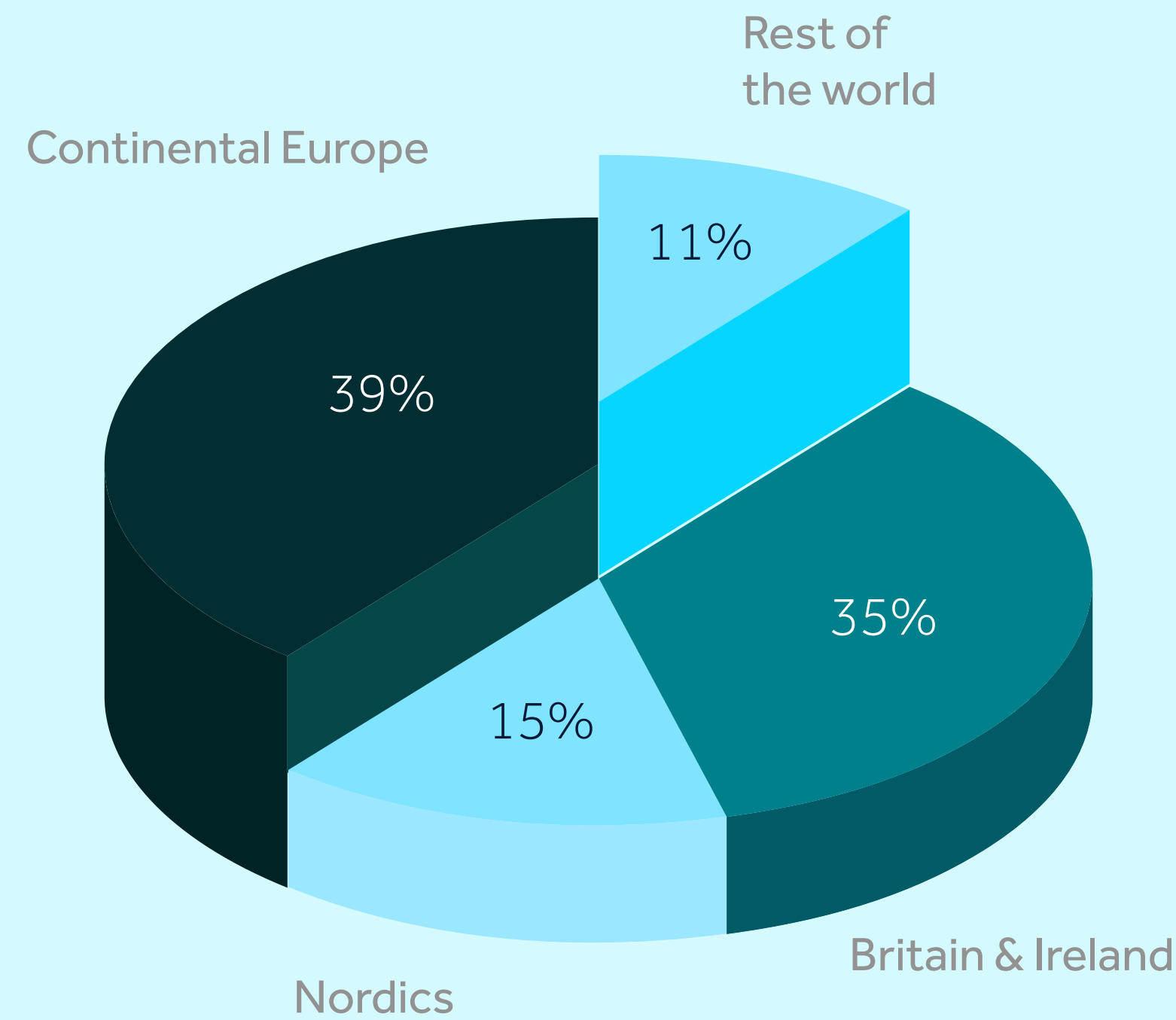


# DCC ENERGY TODAY

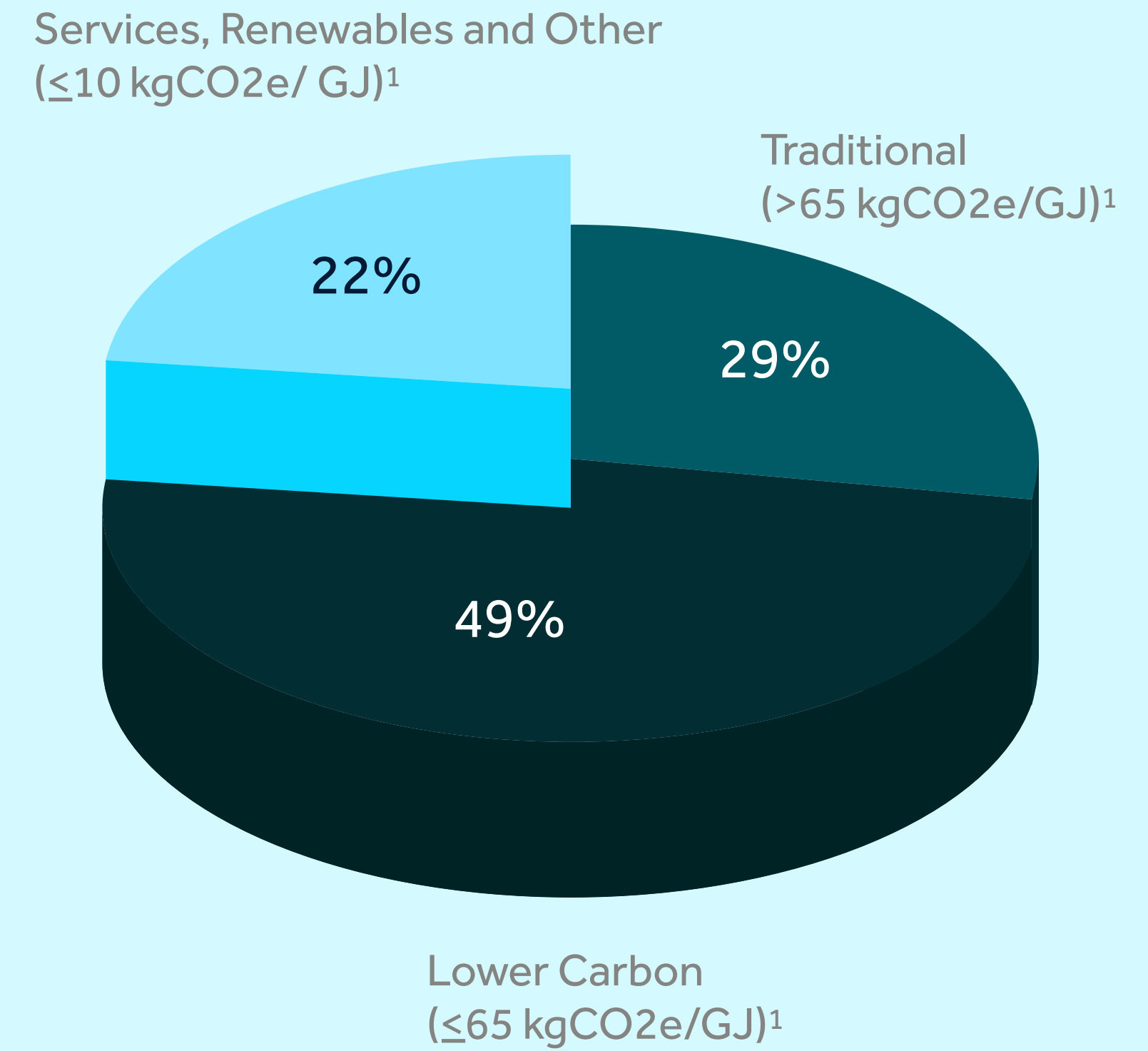
## DCC Energy Business Segments



## DCC Energy Regional Markets



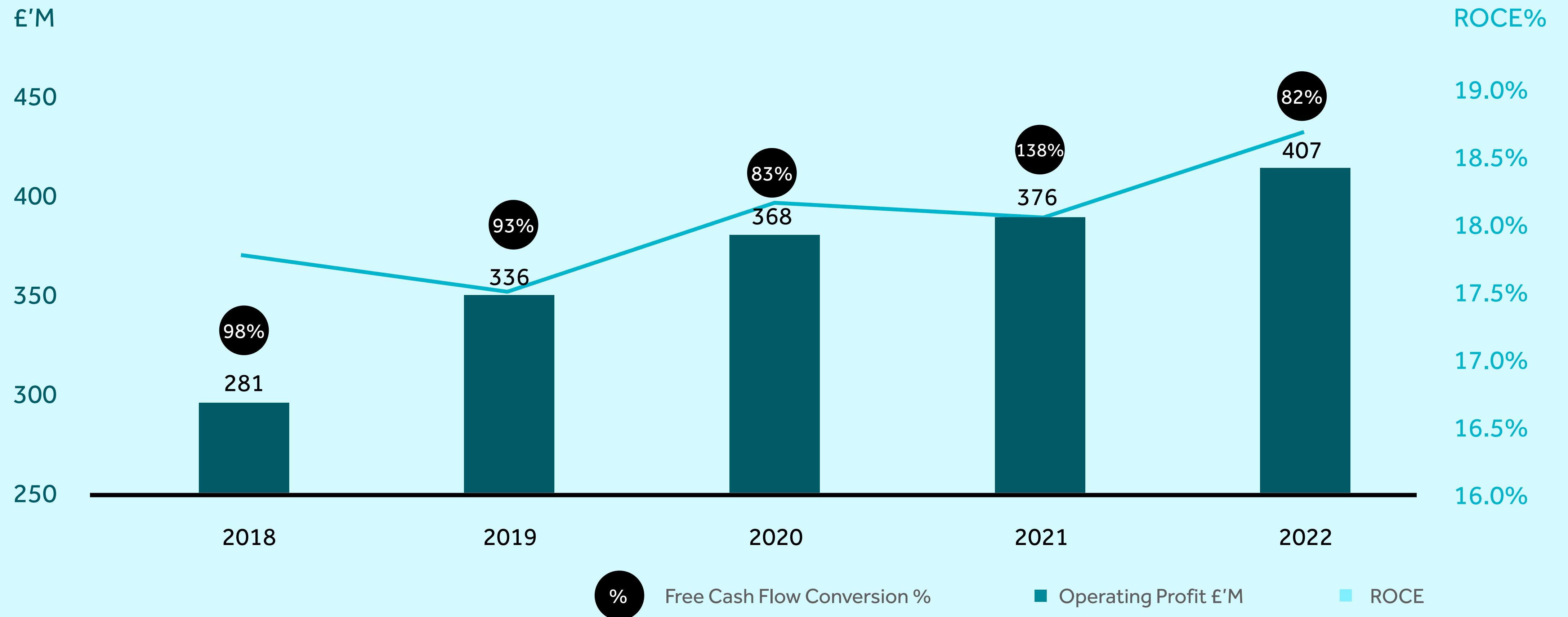
## DCC Energy Product & Service Mix



<sup>1</sup> Carbon intensity value from use of sold product

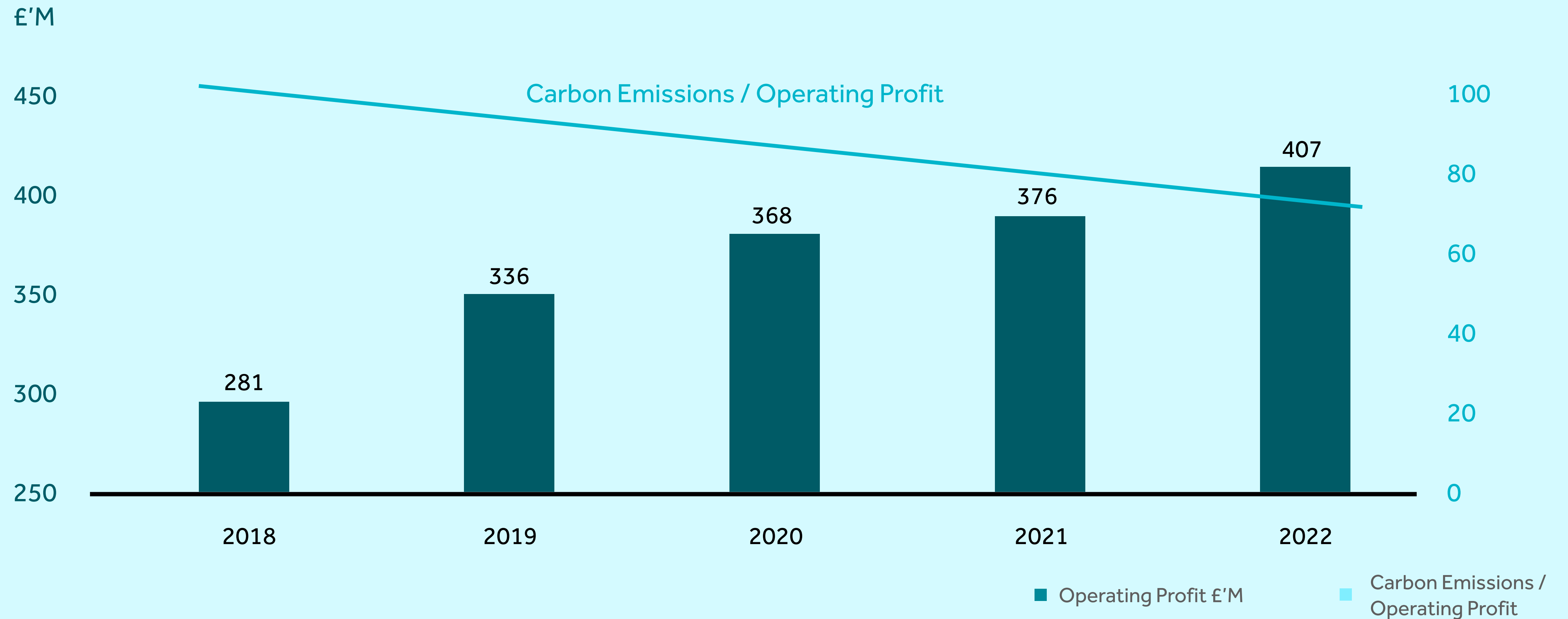
# GROWING WITH ENERGY

A multi-energy product and services provider and transition leader:  
with strong returns and cash generation

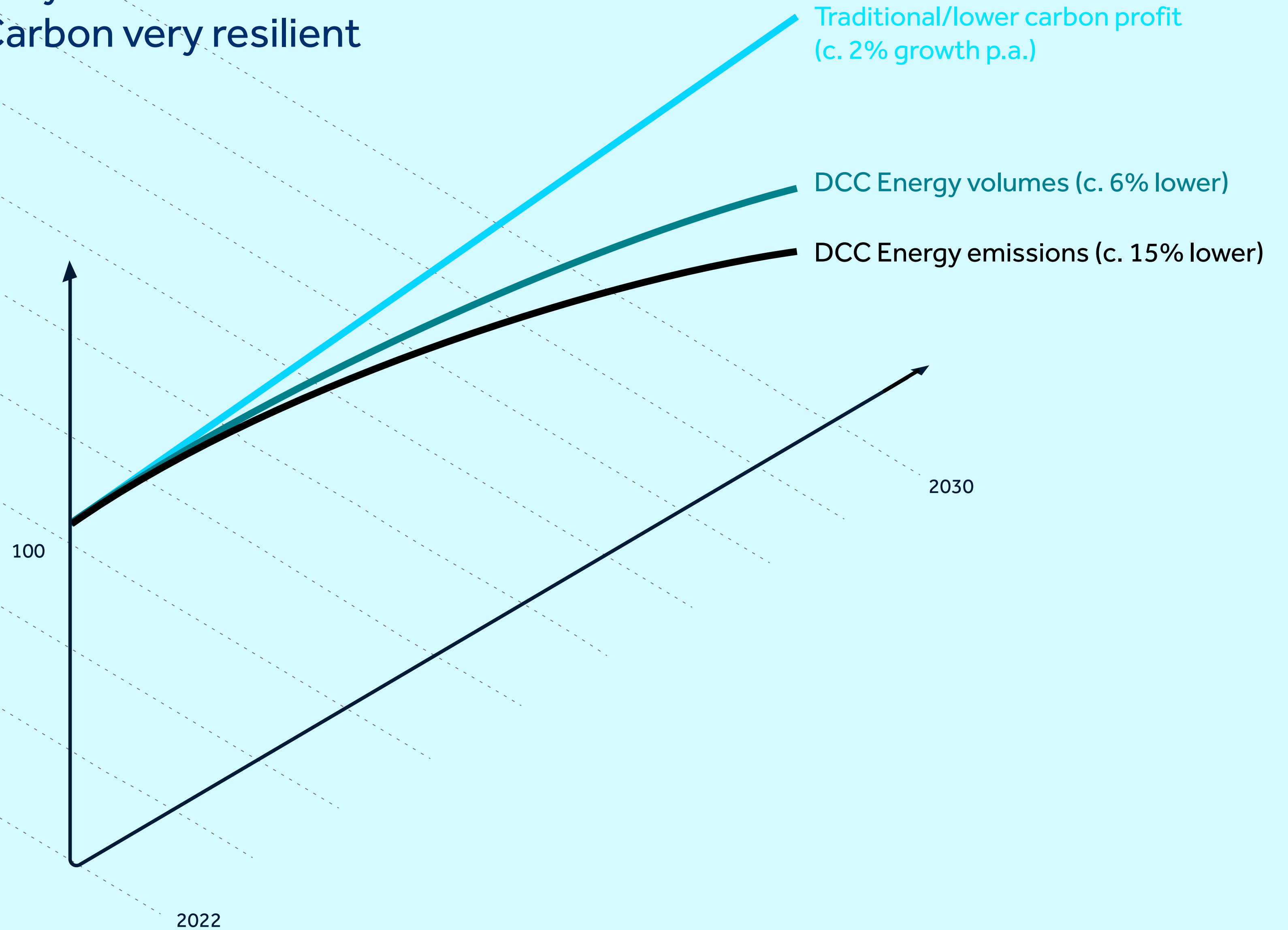


# GROWING WITH ENERGY

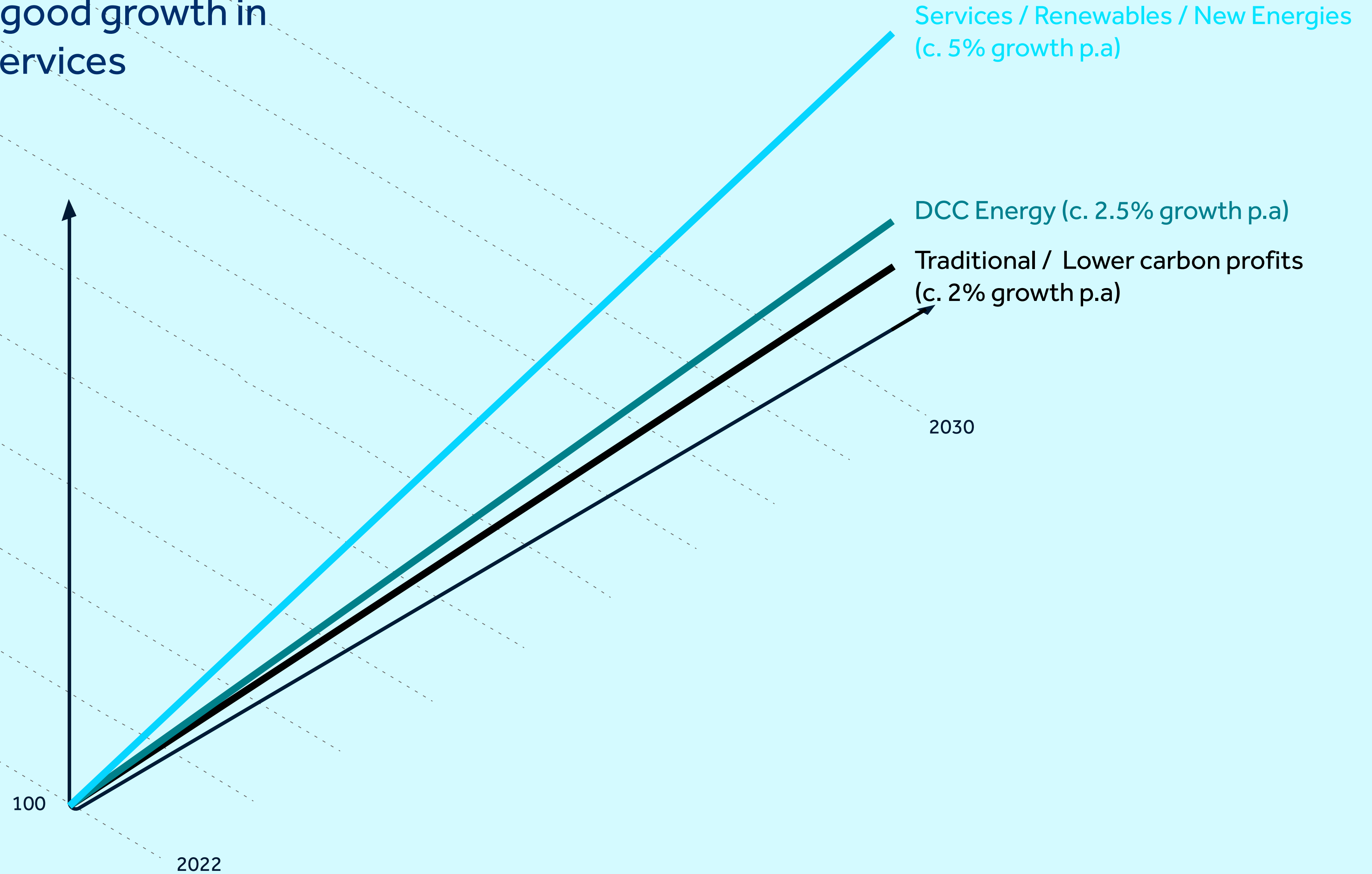
Growth in services and lower carbon products driving reduction in carbon intensity of profits



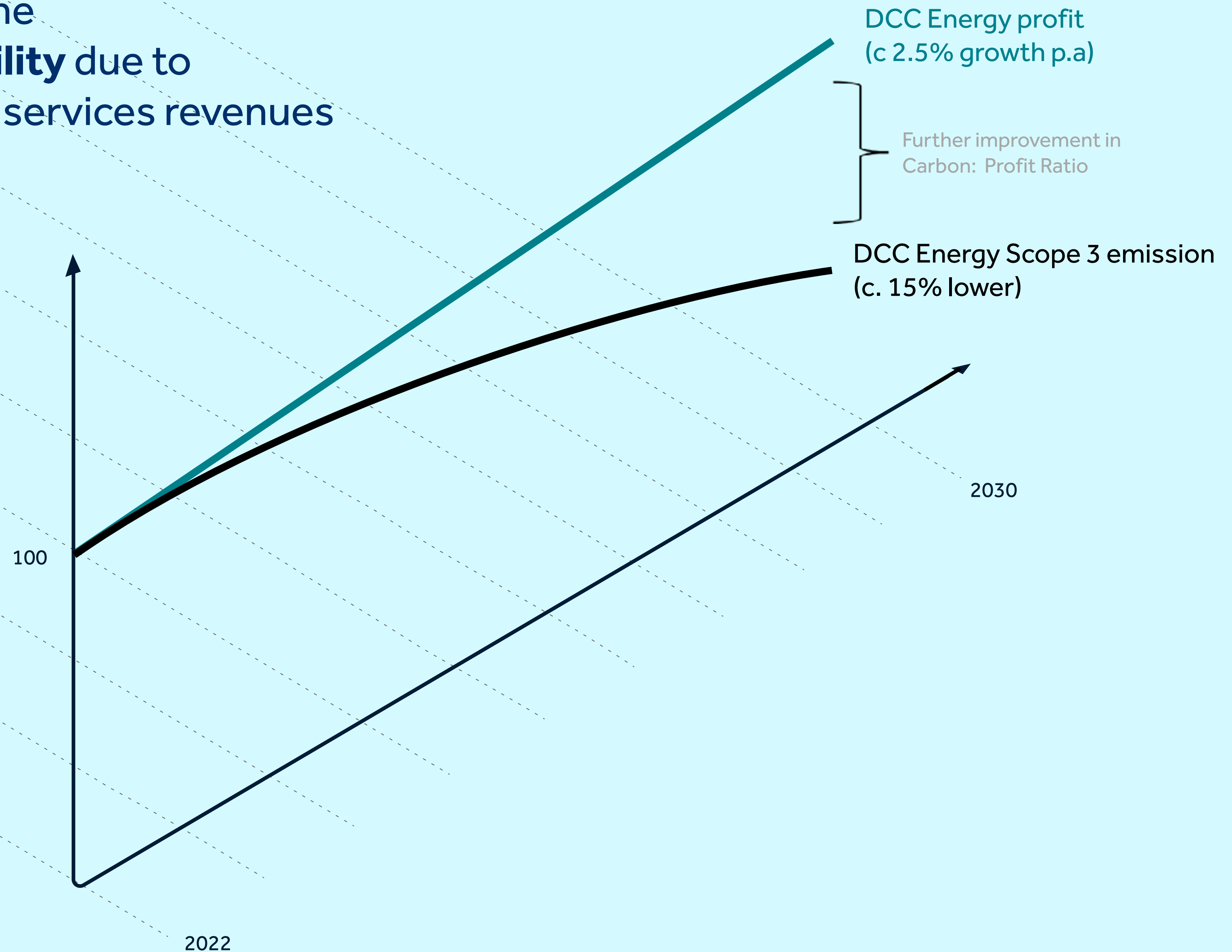
# DCC Energy to 2030 and beyond: Volumes lower by 2030 driven by decline in Traditional products, Lower Carbon very resilient



DCC Energy to 2030 and beyond:  
Resilient **profitability** from Traditional and  
Lower Carbon products with good growth in  
newer energy products and services



DCC Energy to 2030 and beyond:  
Continued improvement in the  
**carbon intensity of profitability** due to  
growth in renewable, bio and services revenues



# CONTINUED GROWTH OPPORTUNITY FOR DCC ENERGY, INCREASINGLY IN TRANSITION SOLUTIONS

Resilient profits, returns and cash flow, with increasing proportion of higher growth transition solutions over time

Delivering organic  
profit growth in  
traditional fuels  
c. 2% p.a. on average

Growing our  
transition capability  
c. 5% profit growth  
p.a. on average

Cash Flow Profile  
facilitates transition and  
growth in other areas  
c. 95% FCF conversion &  
high teen ROCE



Delivering growth, generating cash flow, enabling  
transition and providing capital for our priorities

# WE DISCUSSED OUR GROUP CAPITAL ALLOCATION PRIORITIES IN DECEMBER

We assess all opportunities, both M&A and development capital expenditure, through a lens of long term and sustainable growth opportunity

## Our capital deployment priorities

Scaling our DCC Health & Beauty platform in high-growth markets & building DCC Vital into a European leaders

Scaling the specialist capability of DCC Technology

Energy transition capability to accelerate decarbonisation for customers

Consolidating customer bases in North American and European energy markets

## Long term growth drivers and rates

Supportive demographic and consumer trends, regulations and policy backdrop - proven and scaling capability

4% - 6%

Growth industry with channel dynamics that support our specialist capability

3% - 5%

Significant opportunity in high growth new energy as world transitions to Net Zero

5%+

Customers requiring practicable decarbonisation solutions

c.2%

# OUR PRIORITIES ACROSS DCC ENERGY

Accelerating our transition capability

Acquiring customers with clear transition pathways

Where we are not allocating capital

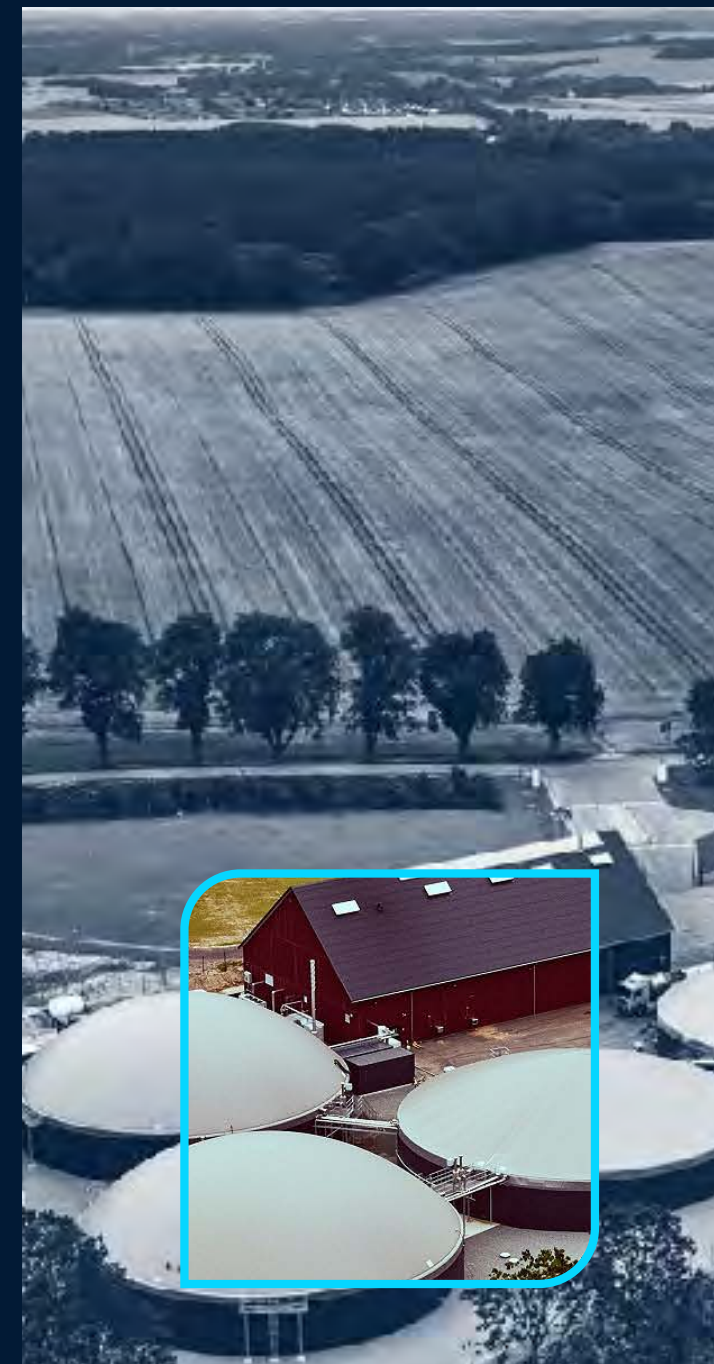
Significant opportunity in high growth new energy as world transitions to Net Zero

Customers requiring practicable decarbonisation solutions

Longer term growth opportunity is limited, and transition capability is unclear

# ACCELERATING OUR TRANSITION CAPABILITY

Acquiring new capability at strong returns



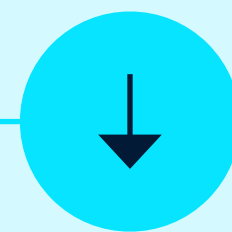
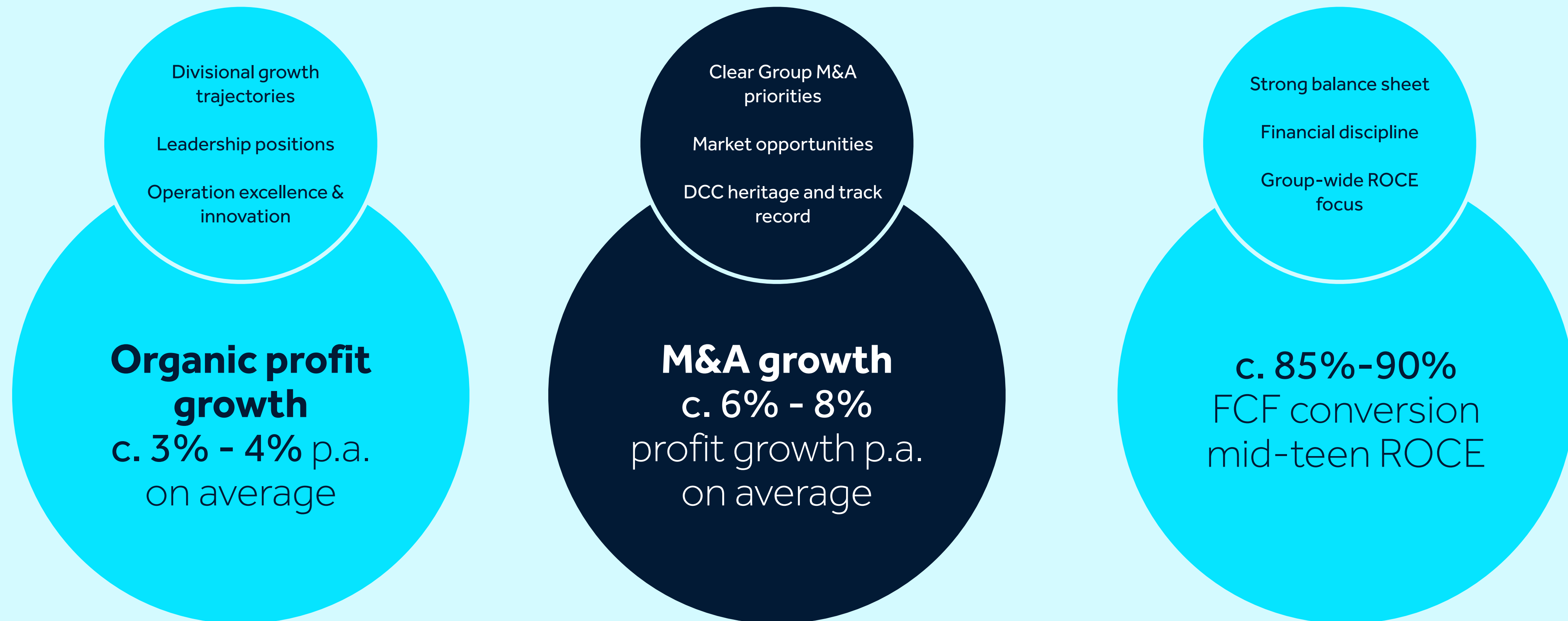
Developing capability organically at strong returns



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# DCC Group to 2030 and Beyond: Compounding Growth and Sustainability

# COMPOUNDING BUSINESS MODEL TO DELIVER STRONG GROWTH

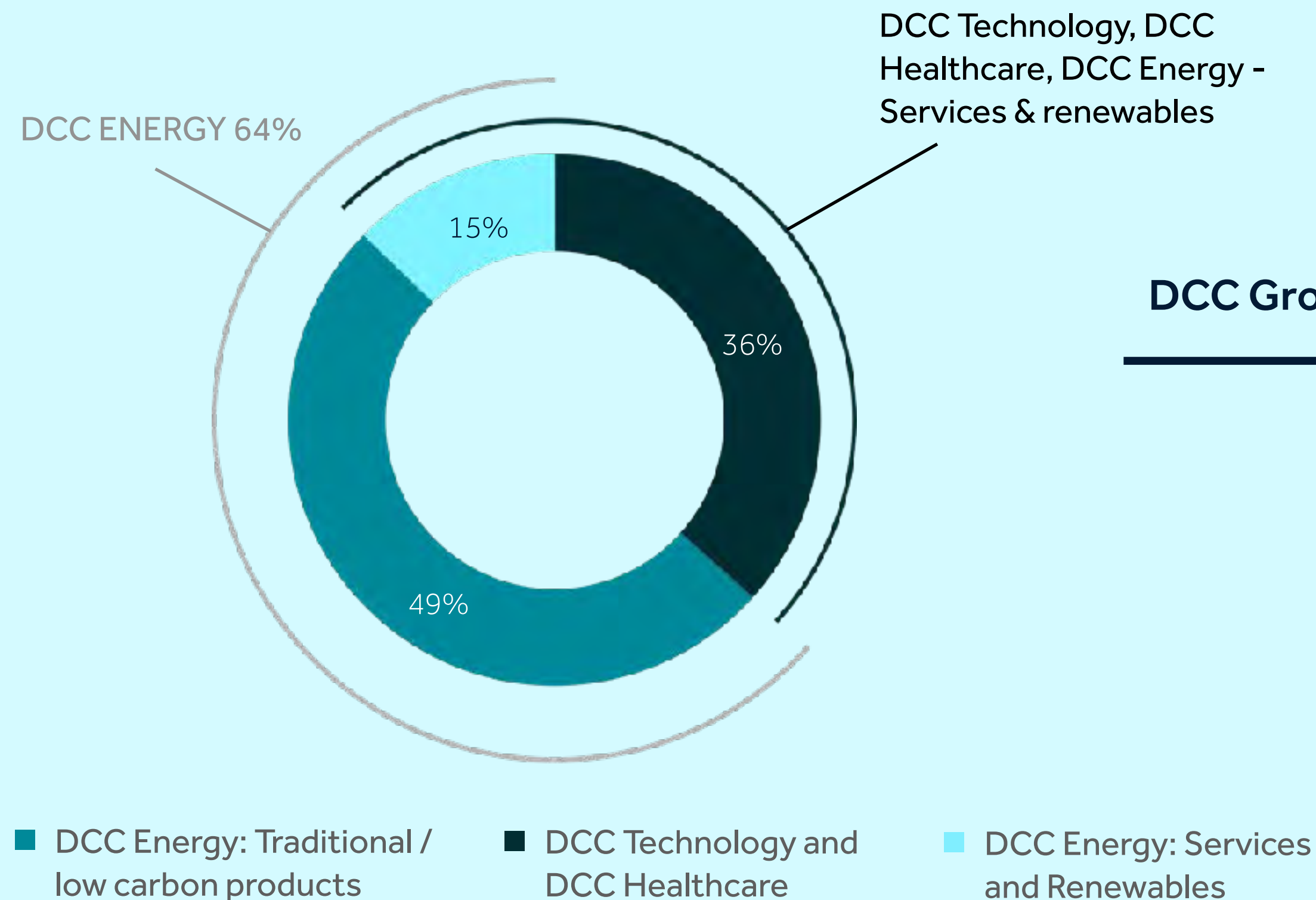


Aim to deliver self-funded double digit earnings growth

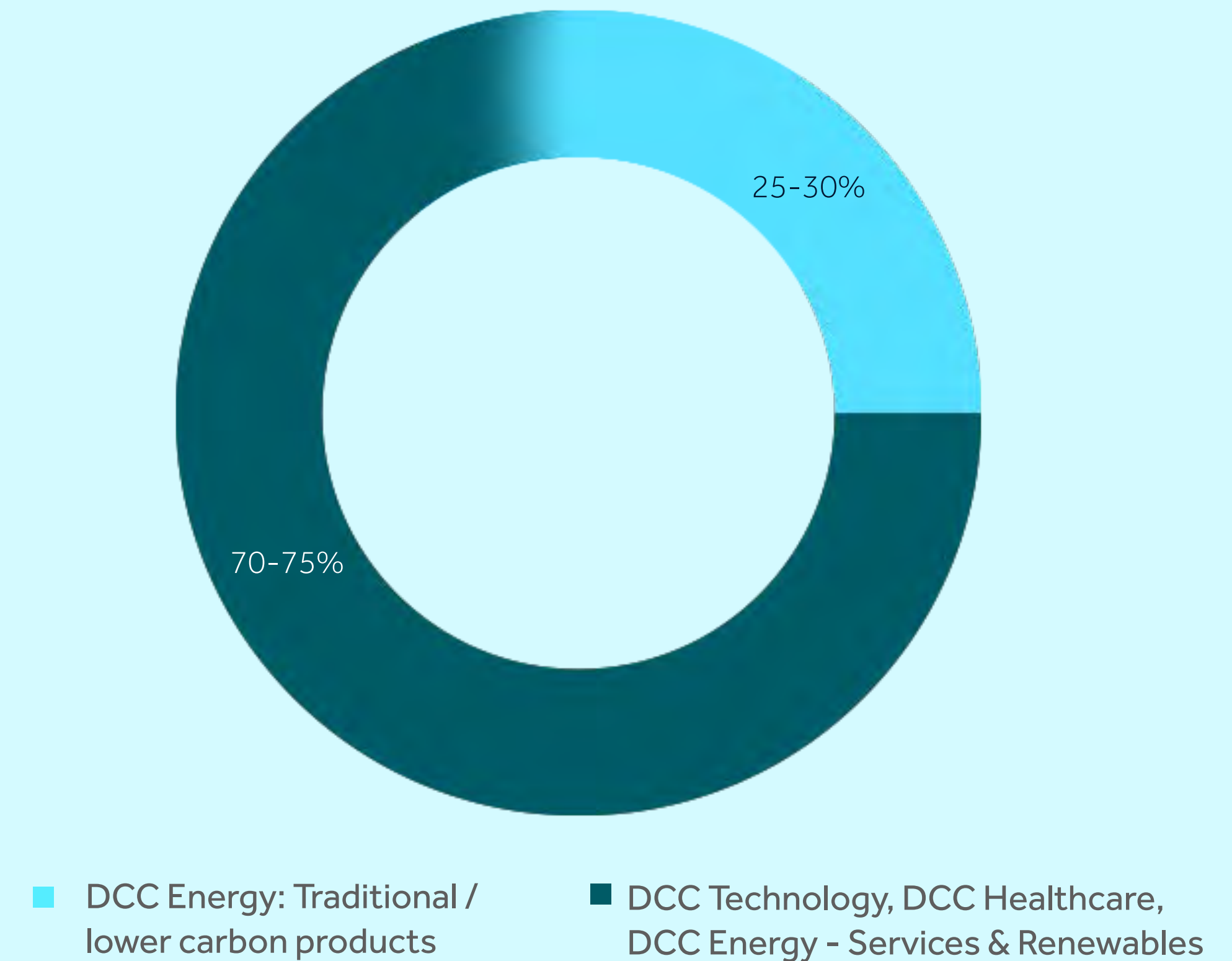
# STRATEGY AND CAPITAL ALLOCATION WILL DRIVE CHANGE

Meaningful change in shape of the Group and reduced reliance on traditional 'fossil' profitability

FY22 Group Adjusted Operating Profit pro-forma for Almo



2030 vision for shape of Group



# GOOD PROGRESS ACROSS THE LAST TWO YEARS IN SUSTAINABILITY



DCC improved  
two classes, from  
C to B in  
December 2021



DCC retained its AAA  
rating in December  
2021



DCC improved 15  
points in the last two  
years: from 'high' risk  
to 'medium' risk

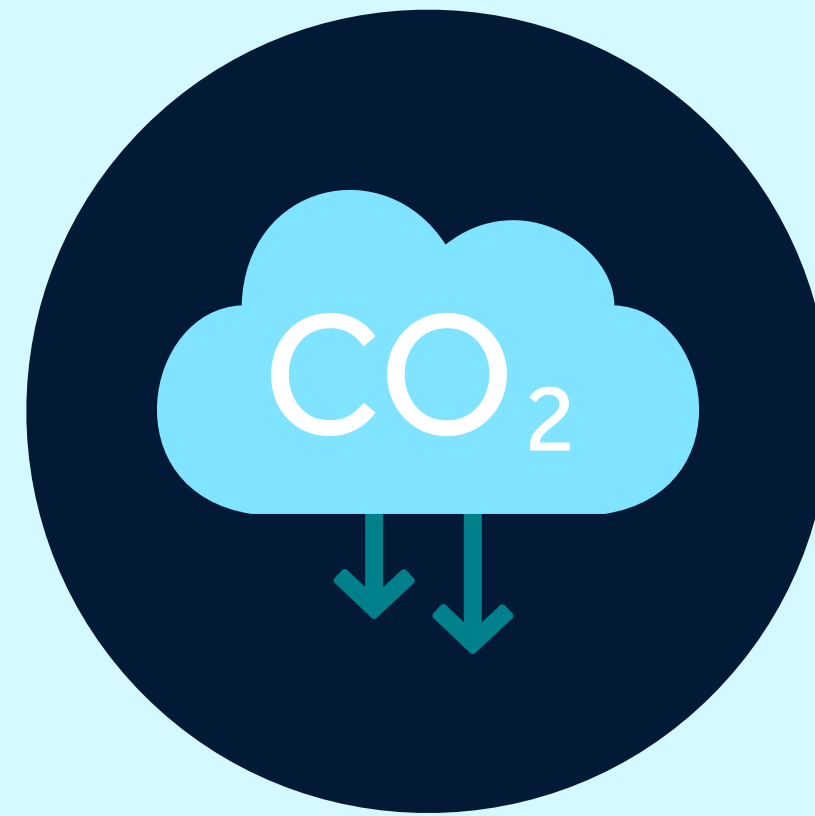


Assigned highest  
Governance rating

# STRIVING FOR FURTHER IMPROVEMENTS, MAKING MEANINGFUL CHANGES



New position at Group  
Management Team



Strategy and capital allocation  
priorities continue to reduce the  
carbon intensity of the Group



New Revolving Credit Facility is  
Sustainability/ESG-linked, with KPIs  
aligned to our sustainability pillars

# OUR VISION FOR 2030 AND BEYOND DRIVEN BY OUR SUSTAINABLE STRATEGY

We are ambitious to grow and develop - while guided by our purpose of enabling people and businesses to grow and progress

Net Zero Scope 1, 2 & 3 by 2050, or sooner

50% reduction in Scope 1 and 2 emissions by 2030

Commercial, capital and strategic priorities drive 2030 ambition:

DCC can be more than twice as profitable

Scope 3 emissions reduction c. 15%, creating momentum for acceleration required in next decade

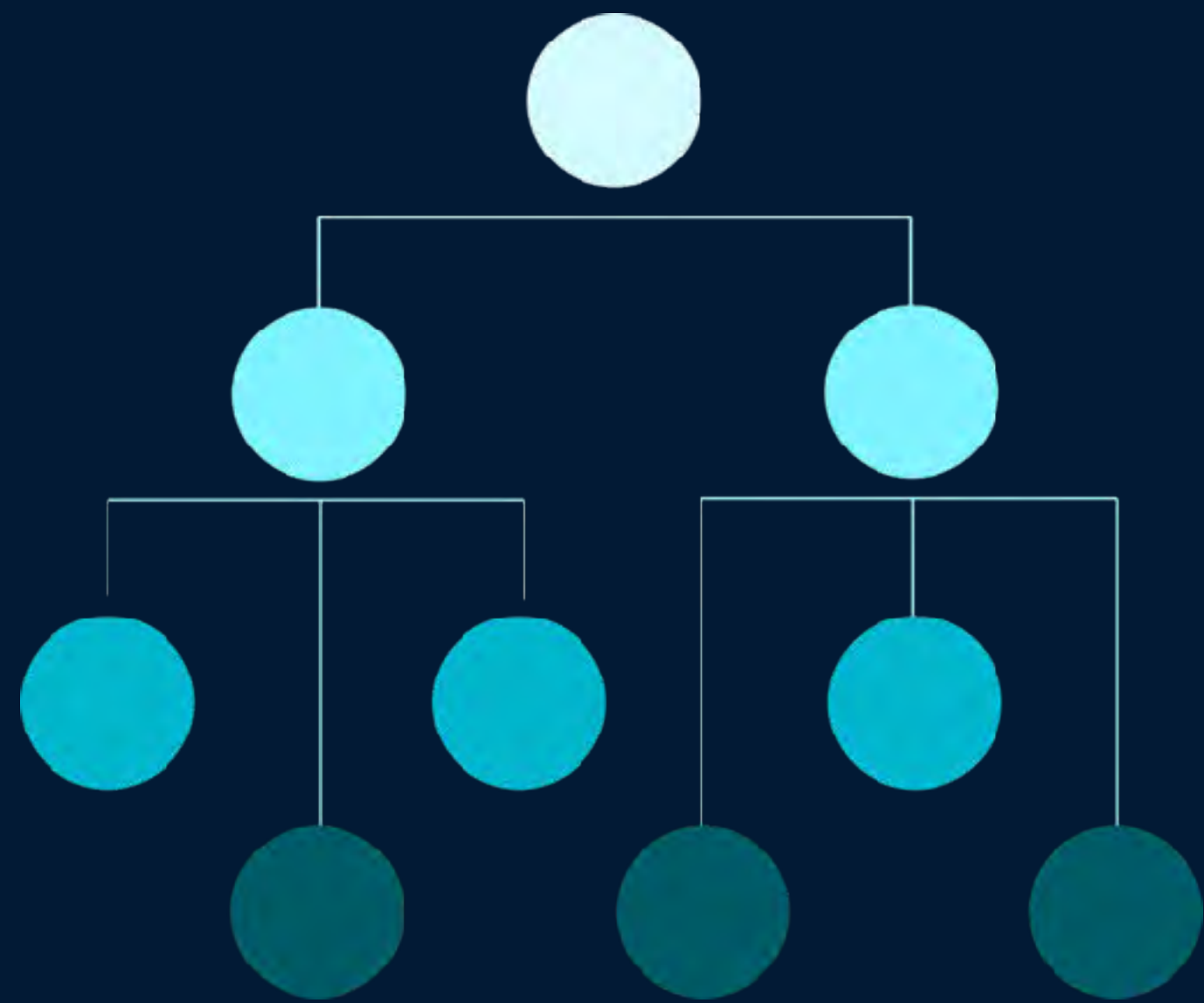
Share of Group profit from fossil-based products to c. 25% - 30% by 2030

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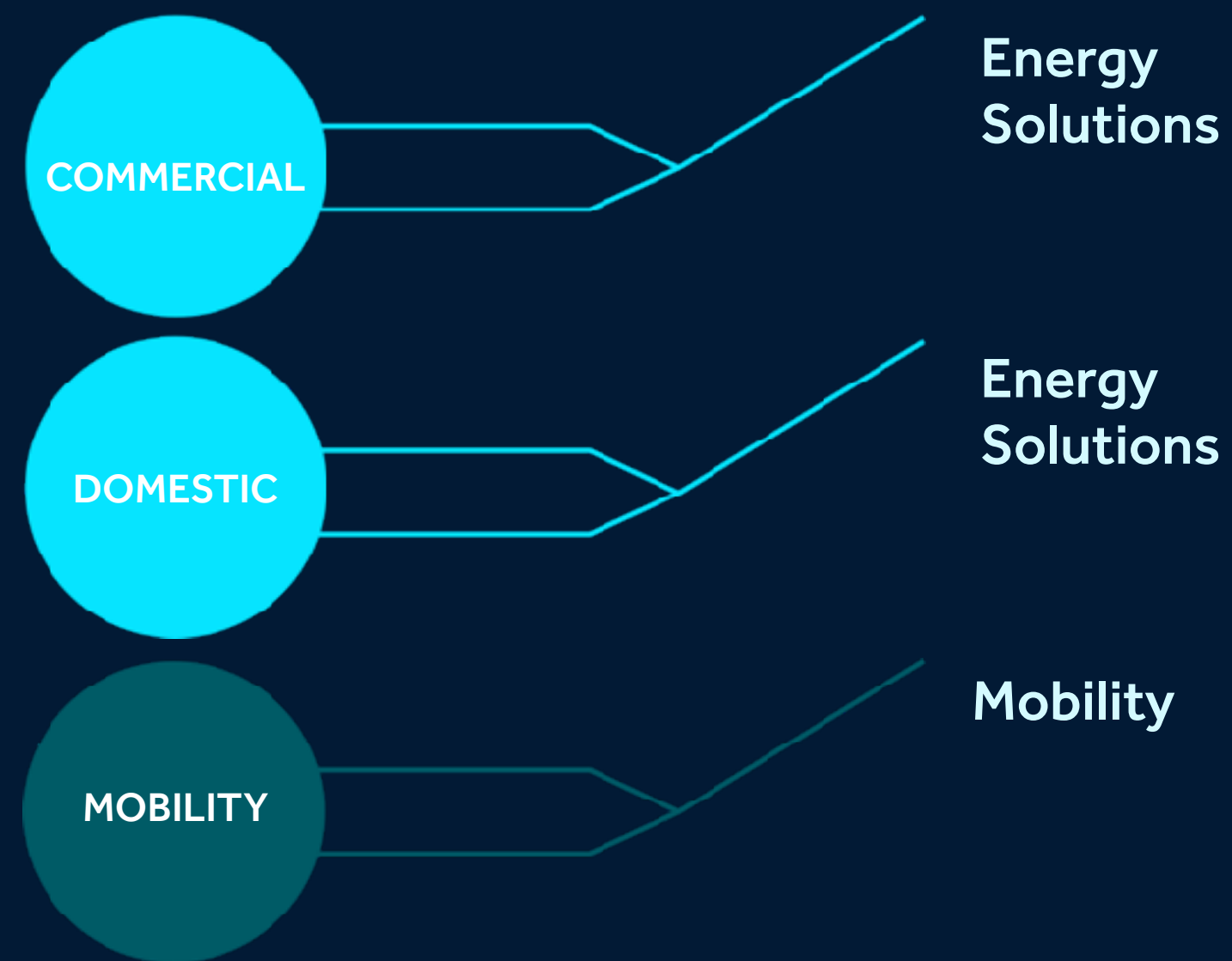
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# SUMMARY & CONCLUSIONS

# A NEW STRATEGY & STRUCTURE FOR OUR ENERGY BUSINESS



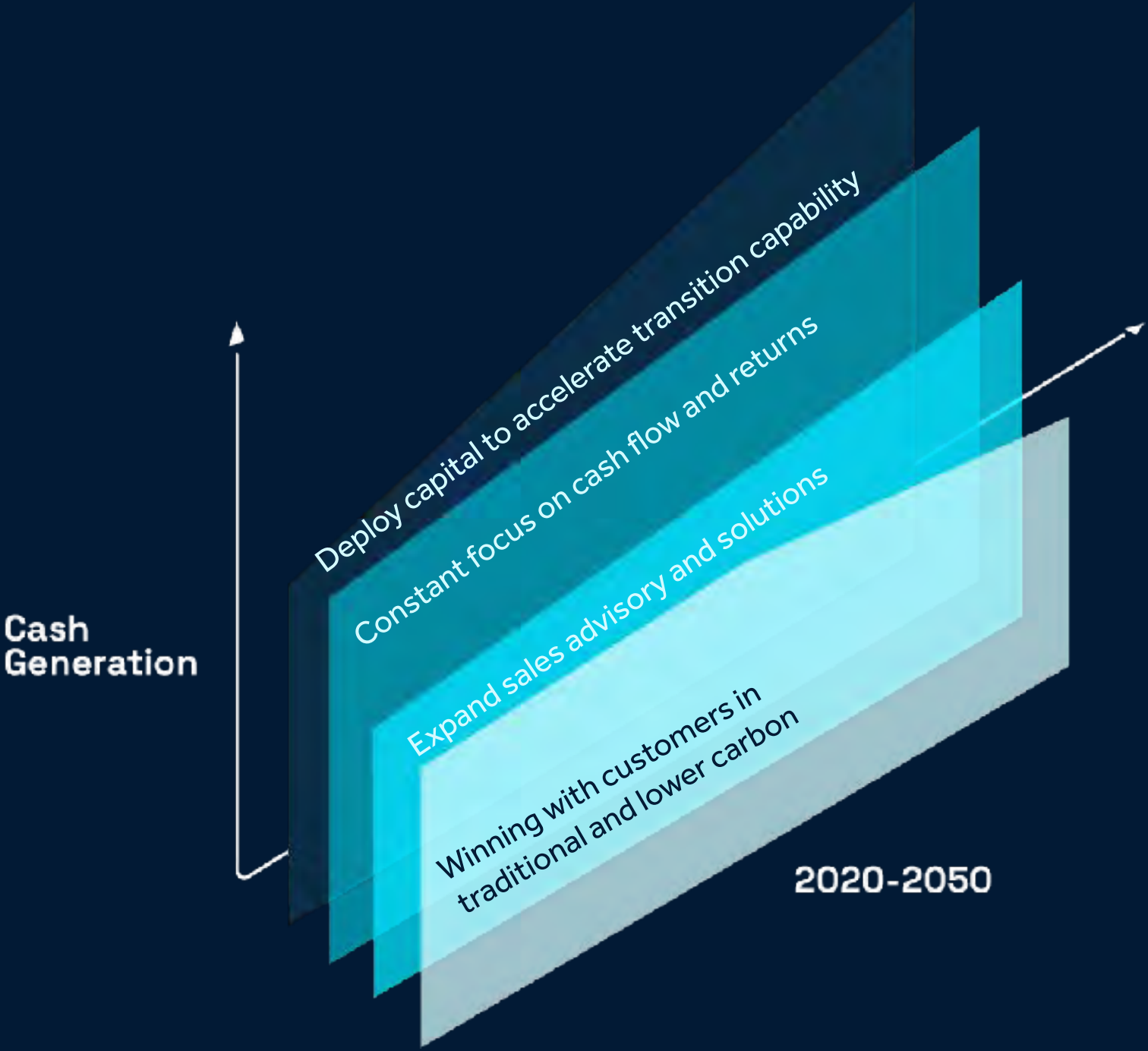
# OUR POINT OF VIEW ON THE PATHWAYS FOR ENERGY TRANSITION



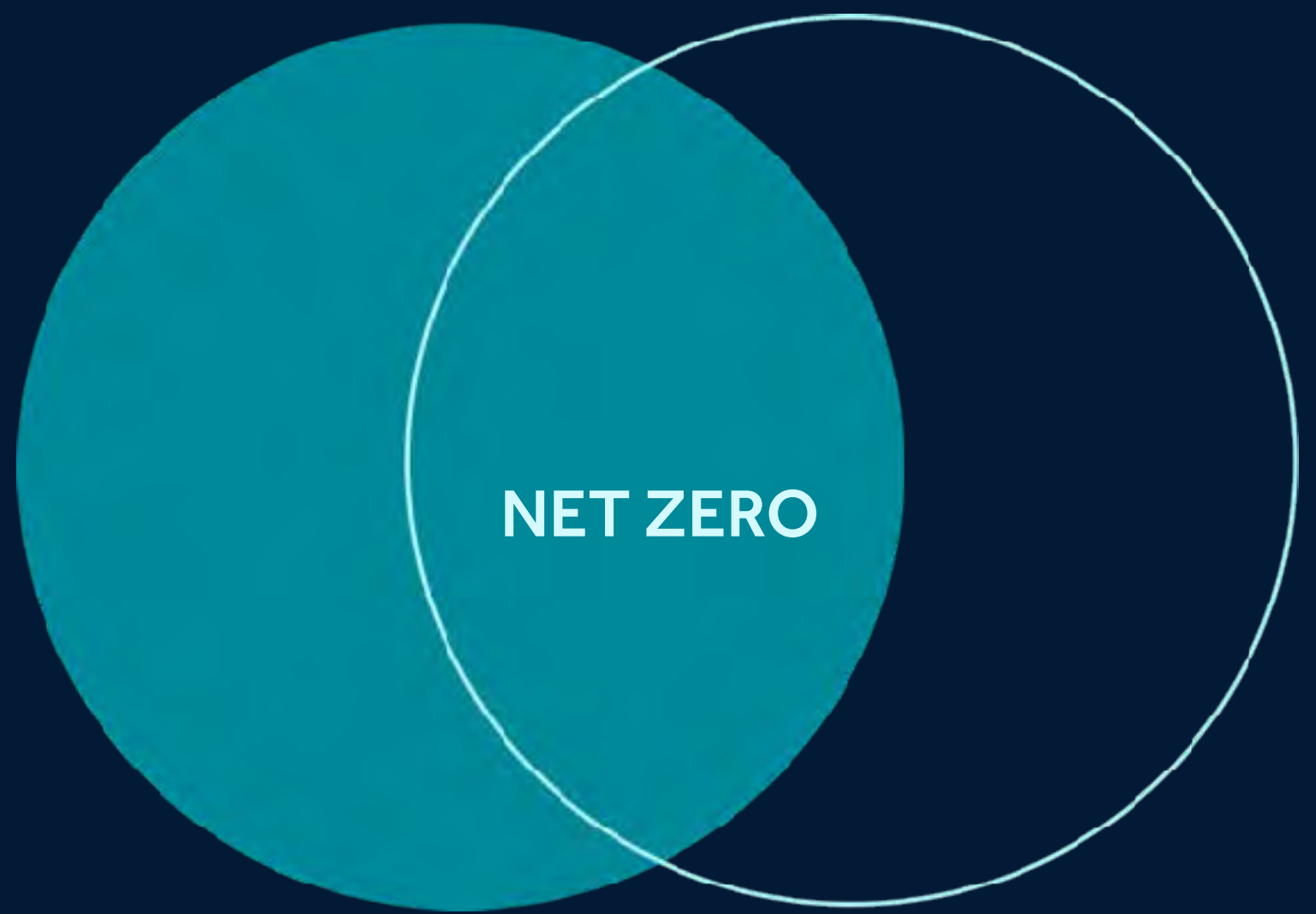
# HOW WE ARE EXPANDING OUR OFFERS AND SOLUTIONS



# THE FINANCIAL CHARACTERISTICS OF THE TRANSITION



# NEW COMMITMENTS THAT WILL DRIVE OUR PROGRESS



# WHAT THIS MEANS FOR THE GROUP IN 2030

