ADNOC DISTRIBUTION REPORTS STRONG 2022 EARNINGS WITH EBITDA OF AED 3.52 BILLION AND NET PROFIT OF AED 2.75 BILLION

UAE's largest fuel and convenience retailer reports Y-o-Y growth in EBITDA by 15% and Net Profit by 22%, with total fuel volumes increasing by 8% and commercial volumes up by 19% during 2022

ADNOC Distribution maintained growth momentum throughout Q4 2022 by opening 21 new UAE service stations, expanding local network beyond 500 sites mark

Non-fuel retail transactions increased by 15% during 2022, driven by ongoing focus on customer-centric initiatives such as ADNOC Rewards

ADNOC Distribution has successfully renewed its supply agreement with ADNOC for a new 5-year term

Board recommends dividend of AED 1.285 billion (10.285 fils per share) for H2 2022

Abu Dhabi, UAE – February 09, 2023: ADNOC Distribution (ISIN: AEA006101017) (Symbol: ADNOCDIST), UAE's largest fuel and convenience retailer, which is listed on the Abu Dhabi Securities Exchange (ADX), today reported strong earnings for full-year 2022, with year-on-year growth in EBITDA by 15% to AED 3.52 billion, and net profit by 22% to AED 2.75 billion for 2022.

The company's total fuel volumes continued to increase during the year, recording an 8% year-on-year growth through 2022 – with commercial fuel volumes up by 19%. Among the key factors contributing to the growth in fuel volumes are the continued economic expansion across the UAE, the ongoing ADNOC service station network expansion nationwide, and higher customer traffic.

Positive outlook following strong 2022 results

Eng. Bader Saeed Al Lamki, CEO, ADNOC Distribution, commented: "The company has demonstrated robust financial and operational performance throughout 2022. We have sustained our growth trajectory while generating strong cash flow and maintaining a solid financial position. ADNOC Distribution's priority remains to accelerate achieving sustainable growth and building incremental shareholder value through efficient capital allocation."

Following the record earnings in 2022, ADNOC Distribution's growth momentum is expected to continue through 2023 – a year in which the company is targeting to achieve a minimum $1 billion in EBITDA – on the back of continued network expansion and higher non-fuel retail contribution. In its ongoing quest to futureproof the business, ADNOC Distribution continues to explore potential growth opportunities and new revenue streams created through energy transition, including new mobility solutions such as electric vehicle charging.

ADNOC Distribution has successfully renewed its supply agreement with ADNOC for a new five-year term in 2023, reaffirming its strong value proposition driven by predictable margins and highly cash generative core business. It also demonstrates strong and ongoing support from the majority shareholder, ADNOC.

The company continued its growth trajectory in 2022 by committing to deliver modern, digitally-enabled fuel retail convenience to customers and communities across the UAE. Additionally, 68 new ADNOC service stations were opened in 2022 across the UAE and KSA, with 21 openings during the fourth quarter, including a state-of-the-art flagship location in the heart of Dubai on Shaikh Zayed Road. The company's international service station network reached a total of 568 sites, including 502 in UAE and 66 in KSA as of 31 December 2022.

Convenience store sales continued to gain momentum throughout 2022, with non-fuel retail transactions increasing by 15% during 2022. This was mainly driven by the company's commitment to its non-fuel retail strategy, while focusing on offering an upgraded customer experience and modernizing the ADNOC Oasis retail space with of 42 additional stores refurbished. Initiatives linking ADNOC Rewards spends across service stations – including fuel, lube change services, convenience store purchases, and car washes – also contributed to the growth. The company maintained its position as the UAE's largest convenience store operator through the ongoing expansion of its ADNOC Oasis network, with a total of 362 stores by the end of 2022 – up from 346 at the end of 2021.

Last year also saw ADNOC Distribution further advance its international expansion by partnering with TotalEnergies, announcing a milestone transaction to acquire a 50% stake in TotalEnergies Marketing Egypt, one of the top four fuel retail operators in Egypt. The acquisition aligns with the company's vision to establish ADNOC Distribution as a regional fuel distribution leader. The acquisition is expected to be completed in Q1 2023 pending satisfaction of certain conditions, including customary regulatory approvals.

Al Lamki added, “The year was marked by several milestones in ADNOC Distribution’s history, including the signing of our largest-ever international acquisition in Egypt. We also opened a flagship service station in Dubai – our first on Sheikh Zayed Road. Furthermore, we showcased our ability to provide a cutting-edge digitally-enabled customer experience, while also achieving long-term sustainable growth to generate attractive shareholder returns.”

Futureproofing the business

ADNOC Distribution’s drive to deliver long-term shareholder value is underpinned by a commitment to futureproof the business, including initiatives such as the recently announced partnership with TAQA, one of the largest listed integrated utility companies in the EMEA region, to establish E_2GO. The new mobility joint venture will build and operate electric vehicle services infrastructure in Abu Dhabi and the wider UAE. The company also plans to expand its sustainability-driven efforts to futureproof the business, including installing solar panels to power service stations and use biofuels in its fleet of vehicles in 2023 and beyond.

On the sustainability front, the company has also committed to decarbonizing its operations and reducing carbon intensity by 25% by 2030. It also announced converting an existing USD$ 1.5bn (AED 5.5bn) term loan into a sustainability-linked one, demosntrating commitment to embrace sustainability across its day-to-day operations.

Attractive value proposition and shareholder payback

ADNOC Distribution remains committed to delivering sustainable, profitable growth and attractive shareholder returns. In line with its approved dividend policy, the Company’s Board of Directors has recommended distributing a cash dividend of AED 1.285 billion (10.285 fils per share), for the second half of 2022, which will be submitted to the company’s shareholders for approval at the Annual General Assembly Meeting scheduled for 2023. Subject to shareholders’ approval, total dividend for the fiscal year 2022 is expected to be AED 2.57 billion (20.57 fils per share). This would translate to a 4.6% annual dividend yield for 2022 (based on a share price of AED 4.44 as of closing on 8 February 2023).

The company paid half of the 2022 dividend in October of last year, and expects to pay the second half in April 2023, subject to shareholders’ approval.

The company’s dividend policy for the years thereafter sets a dividend equal to at least 75% of distributable profits. ADNOC Distribution is unwavering in its commitment to fulfilling its strategic goals and providing long-term sustainable returns for its shareholders.

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About ADNOC Distribution
ADNOC Distribution, listed on the Abu Dhabi Securities Exchange (ADX) under the symbol “ADNOCDIST”, is the leading fuel distributor and convenience store operator in the UAE. ADNOC Distribution operates 502 retail fuel stations, 362 convenience stores in UAE as of 31 December 2022 and is the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE. ADNOC Distribution operates in all seven emirates in the UAE, and in 2018 expanded its retail fuels operations internationally in the Kingdom of Saudi Arabia where it operates 66 retail fuel stations as of 31 December 2022. To find out more, visit www.adnocdistribution.ae.

Cautionary statements relevant to forward-looking information
This news release contains forward-looking statements relating to ADNOC Distribution’s operations that are based on management’s current expectations, estimates and projections about the petroleum, chemicals and other related industries. Words or phrases such as “anticipates,” “expects,” “intends,” “plans,” “targets,” “forecasts,” “projects,” “believes,” “seeks,” “schedules,” “estimates,” “positions,” “pursues,” “may,” “could,” “should,” “will,” “budgets,” “outlook,” “trends,” ”guidance,” “focus,” “on schedule,” “on track,” "is slated,” “goals,” “objectives,” “strategies,” “opportunities,” and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company’s control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, ADNOC Distribution undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.