

Q4 AND FY 2019 RESULTS PRESENTATION



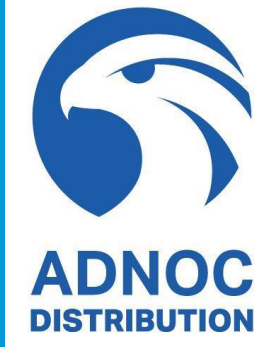
ADNOC
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12 February 2020

INVESTOR AND ANALYST CONFERENCE CALL

ADNOC Distribution



AGENDA



01 | EXECUTIVE SUMMARY



02 | STRATEGY UPDATE



03 | Q4 & FY 2019 RESULTS



04 | OUTLOOK

DISCLAIMER



This communication includes forward-looking statements which relate to, among other things, our plans, objectives, goals, strategies, future operational performance and anticipated developments in markets in which operate and in which we may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "intends", "estimates", "plans", "targets", or "anticipates" or the negative thereof, or other comparable terminology.

These forward-looking statements and other statements contained in this communication regarding matters that are not historical facts involve predictions and are based on the beliefs of our management, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward looking statements are reasonable at this time, we cannot assure you that such expectations will prove to be correct.

Given these uncertainties, you are cautioned not to place undue reliance on such forward looking statements. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to: our reliance on ADNOC to supply us with substantially all of the fuel products that we sell; an interruption in the supply of fuels to us by ADNOC; changes in the prices that we pay ADNOC for our fuels and to the prices that we are allowed to charge our retail customers in the UAE; failure to successfully implement our operating initiatives and growth plans, including our mixed-mode service offering, our convenience store optimisation initiatives, our cost savings initiatives, and our growth plans; competition in our markets; decrease in demand for the fuels we sell, including due to general economic conditions, improvements in fuel efficiency and increased consumer preference for alternative fuels; the dangers inherent in the storage and transportation of the products we sell; our reliance on information technology to manage our business; laws and regulations pertaining to environmental protection, operational safety, and product quality; the extent of our related party transactions with ADNOC and our reliance on ADNOC to operate our business; the introduction of VAT and other new taxes in the UAE; failure to successfully implement new policies, practices, systems and controls that we implemented in connection with or following our IPO; any inadequacy of our insurance to cover losses that we may suffer; general economic, financial and political conditions in Abu Dhabi and elsewhere in the UAE; instability and unrest in regions in which we operate; the introduction of new laws and regulations in Abu Dhabi and the UAE; and other risks and uncertainties detailed in our International Offering Memorandum dated 26 November 2017 relating to our initial public offering and the listing of our shares on the Abu Dhabi Securities Exchange, and from time to time in our other investor communications.

Except as expressly required by law, we disclaim any intent or obligation to update or revise these forward-looking statements.



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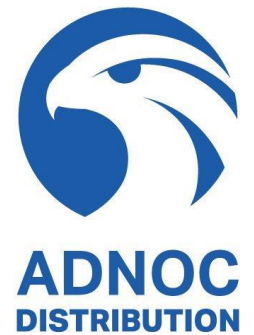
EXECUTIVE SUMMARY

SPEAKER: AHMED AL SHAMSI
ACTING CHIEF EXECUTIVE OFFICER

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HIGHLIGHTS

Resilient Q4 and Full Year 2019 performance in both Fuel and Non-Fuel Businesses



Operational and financial performance

- Prioritization of safety remains core to our business
- Net profit increased by 11.3% YoY in Q4 2019 and by 4.2% YoY in 2019
- Sustained growth in total fuel volumes (+2.0% YoY) including retail fuel volumes (+1.2% YoY) in Q4 2019
- Strong Free Cash Flow generation in FY 2019 (USD635m, +16.4% YoY), supporting our dividend policy



Strategic update

- Fuel Stations and Convenience Stores network expansion on track to be delivered in 2020
- Free assisted fueling driving growth in retail fuel volumes as expected
- Series of customer-focused initiatives launched to enhance the overall customer experience

✓ ADNOC on the go



✓ ADNOC Rewards



✓ ADNOC Oasis



2020 Outlook

- Focus on superior customer experience
- Grow EBITDA across all businesses, pursue cost optimization & margin improvement initiatives
- Deliver on accelerated network expansion
- Acceleration in CAPEX, reflecting significant network growth



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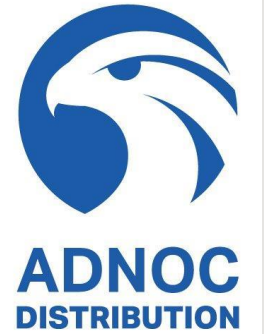
STRATEGY UPDATE

SPEAKER: MOHAMED AL HASHEMI
CHIEF OPERATING OFFICER

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KEY STRATEGIC UPDATE

Fuel Business



2019 ANNOUNCED STRATEGY

- Low single digit fuel volume growth in 2H 2019
- Domestic network expansion to accelerate starting 2020
 - 45 new sites in advanced stage of execution to be delivered by H1 2020
- 3 new pilot stations in Saudi Arabia in 2019

KEY MILESTONES ACHIEVED

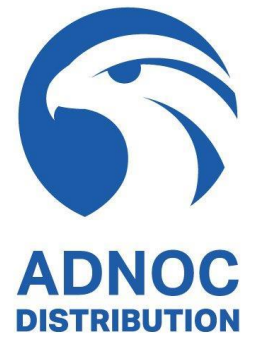
- Total fuel volumes up 2.9% YoY in 2H 2019 and 0.7% in 2019
 - ✓ Rebound in 2H19 retail fuel volumes (+1.2% YoY)
- In 2019, 6 new fuel stations opened in the UAE (3 in Dubai); construction on track to deliver new stations as guided
- Strong growth in Corporate segment driven by higher sales across products
- International expansion strategy in execution mode with establishment of legal entities and discussion with several players

Last Exit Fuel Station in Dubai



KEY STRATEGIC UPDATE

Non-Fuel business



2019 ANNOUNCED STRATEGY

- Convenience store network to expand at a faster pace than retail fuel sites
- Continued roll-out of convenience stores, in addition to new food and coffee offerings
- Further implementation of convenience store revitalization program

KEY MILESTONES ACHIEVED

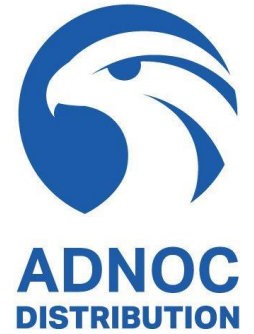
- 14 new convenience stores in 2019
 - Unveiled next generation 'ADNOC Oasis store'
- Convenience stores gross profit increased 20.6% YoY in 2019 driven by:
 - New store openings, category management, improved look and feel, introduction of fresh food and coffee offerings
- Average basket size up 5.0% YoY in 2019
- Non-fuel transactions up 9.8% YoY in 2019

New ADNOC Oasis C-store at Corniche



KEY STRATEGIC UPDATE

OPEX and CAPEX



2019 ANNOUNCED STRATEGY

- USD50m of OPEX savings in 2019 on a like-for-like basis
- Continued CAPEX efficiency in building new stations
- Up to USD300m CAPEX in 2019 to accelerate network expansion in UAE and internationally and to invest in our digital initiatives

KEY MILESTONES ACHIEVED

- Achieved USD46m OPEX savings on like-for-like basis in 2019
 - Over 2018-19, USD100m OPEX savings achieved, in line with guidance
 - Balancing a reduction in our costs while maintaining a high level of customer service
- CAPEX of USD138m in 2019

New Stations Under Construction





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Q4 & FY 2019 RESULTS

SPEAKER: PETRI PENTTI
CHIEF FINANCIAL OFFICER

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Q4 & FY 2019 FINANCIAL PERFORMANCE

Solid underlying financial results...

Key Financial Performance	USDm	Q4 2019	Q4 2018	YoY (%)	2019	2018	YoY (%)
	Revenue		1,477	1,626	-9.1%	5,809	6,233
Gross Profit		342	322	6.0%	1,355	1,380	-1.8%
Margin		23.1%	19.8%		23.3%	22.1%	
EBITDA		179	168	6.5%	773	755	2.3%
Margin		12.1%	10.3%		13.3%	12.1%	
Underlying EBITDA ¹		179	183	-2.2%	740	691	7.2%
Margin		12.1%	11.3%		12.7%	11.1%	
Net Income		135	121	11.3%	604	579	4.2%
Margin		9.1%	7.5%		10.4%	9.3%	

...Leading to strong free cash flow generation...

Cash Generation and Net Debt	USDm	Q4 2019	Q4 2018	YoY (%)	2019	2018	YoY (%)
	Free cash flow ²		107	101	5.7%	635	545
Net debt		202	3	NM ³	202	3	NM ³

...and high returns

Profitability		Q4 2019	Q4 2018	YoY (%)	2019	2018	YoY (%)
	ROCE ⁴ (%)		23.8%	24.2%	-	23.8%	24.2%
ROE ⁵ (%)		59.2%	59.3%	-	59.2%	59.3%	-

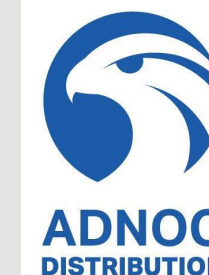
Q4 & FY 2019 OPERATING PERFORMANCE

	mL	Q4 2019	Q4 2018	YoY (%)	2019	2018	YoY (%)
		Fuel Volumes	Retail	1,705	1,685	1.2%	6,525
	Corporate	585	548	6.7%	2,373	2,239	6.0%
	Aviation	190	199	-4.3%	777	748	3.8%
	TOTAL	2,481	2,432	2.0%	9,674	9,611	0.7%
		Q4 2019	Q4 2018	YoY (%)	2019	2018	YoY (%)
Fuel Operating Metrics	Number of service stations – UAE	382	376	1.6%	382	376	1.6%
	Number of service stations - Saudi Arabia ¹	2	2	-	2	2	-
	Number of fuel transactions (millions)	41.4	40.8	1.5%	158.5	167.8	-5.5%
		Q4 2019	Q4 2018	YoY (%)	2019	2018	YoY (%)
Non-Fuel Operating Metrics	Number of convenience stores - UAE	264	250	5.6%	264	250	5.6%
	Number of non-fuel transactions (millions)	11.6	11.7	-0.9%	46.9	42.7	9.8%
	Average basket size (USD) ²	5.3	5.0	5.4%	5.2	4.9	5.0%

GROSS PROFIT BY SEGMENT

USDm	Q4 2019	Q4 2018	YoY (%)	FY 2019	FY 2018	YoY (%)
Fuel and Non-Fuel Retail	223	209	7.0%	861	900	-4.4%
<i>Of which Fuel</i>	201	189	6.7%	773	821	-5.9%
<i>Of which Non-Fuel</i>	22	20	10.4%	89	79	11.8%
<i>Margin</i>	22.1%	18.7%		22.1%	21.1%	
Corporate	55	48	12.6%	237	214	10.8%
<i>Margin</i>	17.4%	14.5%		18.3%	16.6%	
Aviation	46	50	-6.9%	192	197	-2.7%
<i>Margin</i>	33.8%	30.5%		34.2%	33.0%	
Other¹	18	16	12.8%	66	69	-4.9%
Total	342	322	6.0%	1,355	1,380	-1.8%

- In 2019, gross profit decreased due to lower inventory gains (USD 33m in 2019 compared to USD 65m in 2018)
- Retail gross profit declined in 2019 due to lower volumes and inventory gains, despite strong growth in Non-fuel business. However, Q4 2019 retail gross profit increased driven by higher volumes, an increase in retail fuel margins following the renegotiation of our fuel supply contract, an increase in non-fuel retail gross profit and improved operating cost efficiencies
- Corporate gross profit growth driven by increase in volumes, better stock management and dynamic product pricing
- Non-fuel retail delivering growth given new C-stores and initiatives to improve customer experience

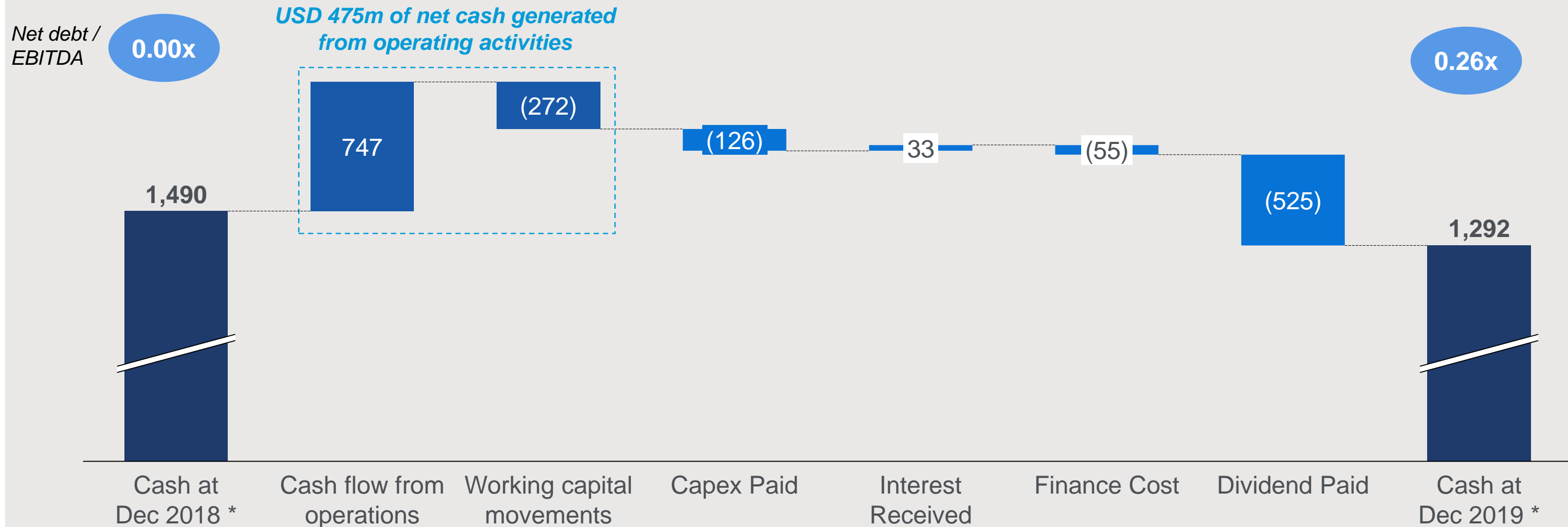


EBITDA BY SEGMENT

USDm	Q4 2019	Q4 2018	YoY (%)	FY 2019	FY 2018	YoY (%)
Fuel and Non-Fuel Retail	110	84	31.0%	462	446	3.4%
<i>Margin</i>	<i>10.9%</i>	<i>7.6%</i>		<i>11.9%</i>	<i>10.4%</i>	
Corporate	43	51	-15.6%	195	177	10.2%
<i>Margin</i>	<i>13.9%</i>	<i>15.4%</i>		<i>15.1%</i>	<i>13.7%</i>	
Aviation	25	23	9.7%	100	93	7.7%
<i>Margin</i>	<i>18.2%</i>	<i>14.0%</i>		<i>17.7%</i>	<i>15.5%</i>	
Other¹	0	10	-94.8%	17	40	-57.4%
Total EBITDA	179	168	6.5%	773	755	2.3%
Underlying EBITDA²	179	183	-2.2%	740	691	7.2%

- 2019 Underlying EBITDA increased by 7.2% driven by higher fuel volumes, non-fuel growth and cost efficiencies
- 2019 Retail EBITDA growth driven by cost efficiencies and growth in non-fuel business
- 2019 Corporate EBITDA growth was driven by higher fuel volumes and cost efficiencies. Q4 2019 corporate EBITDA impacted due to presence of one-off recovery in Q4 2018
- Aviation EBITDA growth was driven by higher fuel volumes and cost efficiencies
- Others mainly impacted by higher impairment expenses and lower Other Income

ROBUST CASH POSITION & LOW NET DEBT TO EBITDA RATIO



- Net cash generated from operating activities increased mainly due to robust cash flow from operations, partially offset by increase in working capital
- Working capital increased due to a reduction in payment terms under retail fuel supply agreement



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OUTLOOK

SPEAKER: AHMED AL SHAMSI
ACTING CHIEF EXECUTIVE OFFICER

2020 OUTLOOK



Fuel

- **Deliver** accelerated domestic network expansion
 - Targeting to open at least 60 new stations in UAE, which includes mix of traditional and 'ADNOC On the go' stations
 - To open 20-25 new stations in Dubai, most of which would be traditional stations
- Low single digit growth in total fuel volumes driven by market share gains
- Focus on sales of high margin products like premium fuels and lubricants
- Execute international growth strategy



Non-Fuel

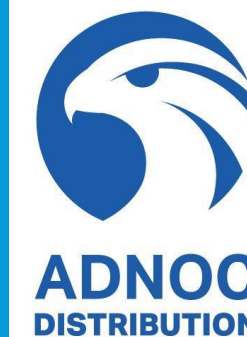
- **Deliver** accelerated revitalization program for 100 convenience stores in 2020
- Further improvements in category management, introduction of high margin fresh food and great coffee offerings
- Further enhancements to our customer-centric focus, including station optimization across our network



Cost Efficiency

- **Deliver** additional like-for-like cost savings of up to USD25m in 2020, in line with previous guidance to achieve USD100m over 2020-23
- CAPEX acceleration (USD300-400m in 2020), reflecting significant growth in network
- Continued CAPEX efficiency in building new stations

| Q&A



Ahmed Al Shamsi
Acting Chief Executive Officer



Mohamed Al Hashemi
Chief Operating Officer

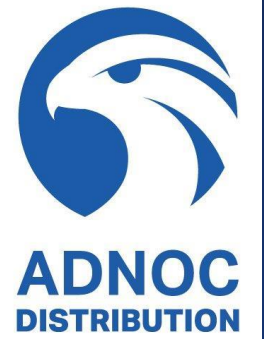


Petri Pentti
Chief Financial Officer



Athmane Benzerroug
Chief Investor Relations Officer

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12 FEBRUARY 2020
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THANK YOU



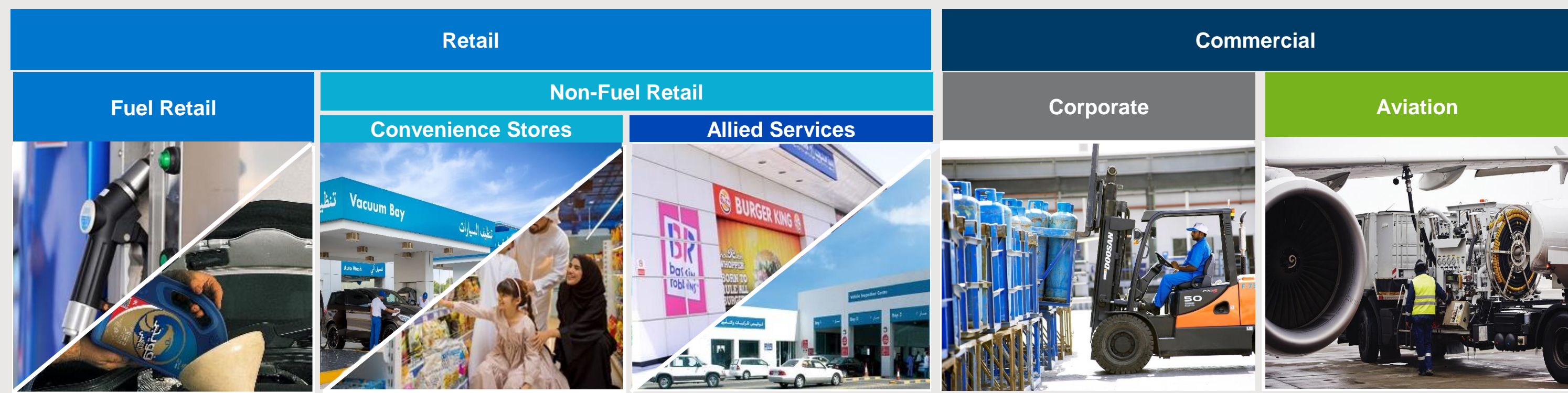
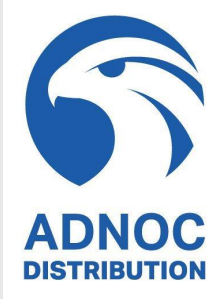
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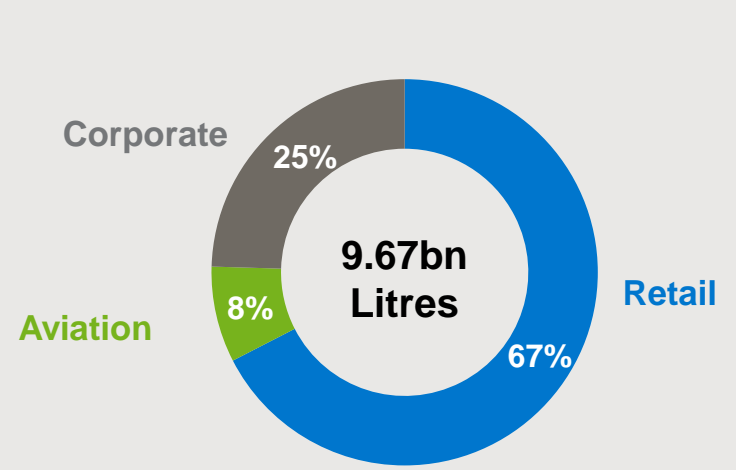
APPENDIX



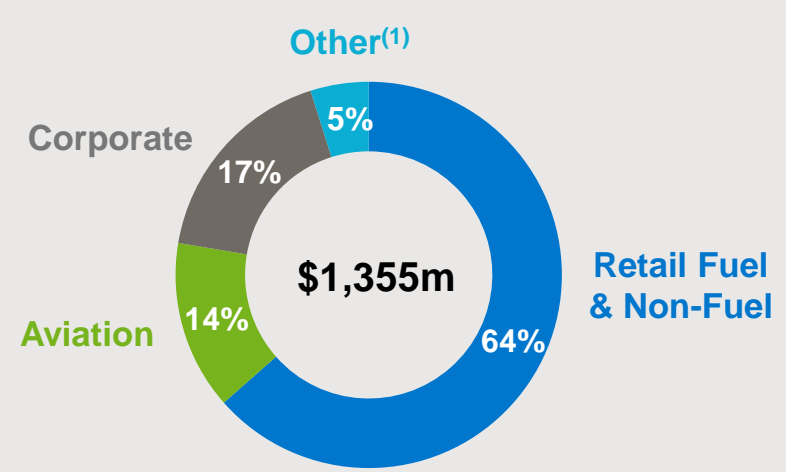
ADNOC DISTRIBUTION BUSINESS OVERVIEW



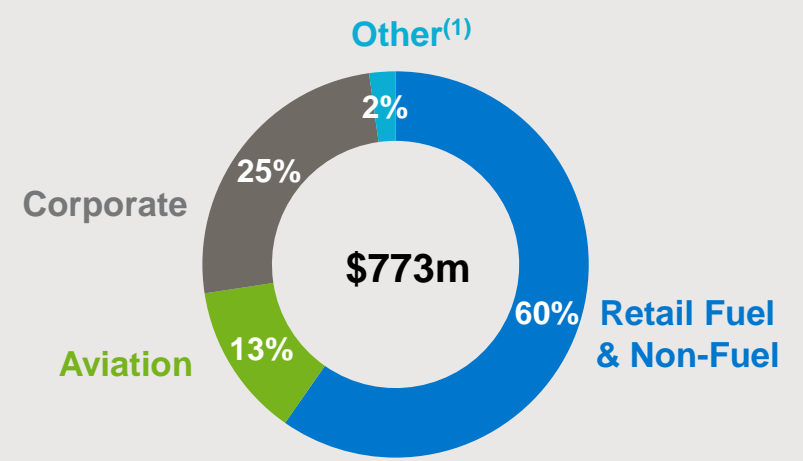
2019A Fuel Volume Split



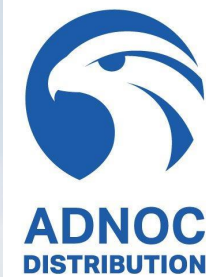
2019A Gross Profit Split



2019A EBITDA Split



(1) Includes Allied Services



ADNOC DISTRIBUTION IN NUMBERS - 2019



0.10

Total Reportable Injury Rate*



9.7 billion liters

Total Fuel Volume



382

Retail Fuel sites in the UAE



2

Retail Fuel sites in Saudi Arabia



264

Convenience Stores in the UAE



159 million

Fuel Transactions



47 million

Non-Fuel Transactions



\$6.5

Average Gross Basket Size



84%

Property Occupancy Rate



26

Number of Vehicle Inspection Centers**



*Total Reportable Injury / 1,000,000 man hours

**Includes one permitting center