

## ADNOC DISTRIBUTION RECORDS 28% Y-O-Y INCREASE IN Q3 2023 EBITDA, REPORTING ONE OF ITS STRONGEST RESULTS SINCE IPO

- Company's Q3 2023 EBITDA rises to \$303 million (AED1.1 billion) and net profit increases 9% Y-o-Y to \$227 million (AED835 million)
- ADNOC Distribution's fuel volumes sold in GCC countries (UAE and Saudi Arabia) witness a significant 21% increase Y-o-Y
- Q3 2023 Non-fuel transactions up 14% Y-o-Y and convenience store conversion rate rises to 24% from 21% in Q3 2022, indicating that more fuel customers are also shopping at our convenience stores
- Company achieves its full-year 2023 target by opening 28 new stations during the first nine months of the year

**Abu Dhabi, UAE – November 10, 2023:** ADNOC Distribution (ISIN: AEA006101017) (Symbol: ADNOCDIST), the UAE's largest fuel and convenience retailer, which is listed on the Abu Dhabi Securities Exchange (ADX), today announced robust Q3 2023 results, reporting a 28% year-on-year (Y-o-Y) increase in EBITDA to \$303 million (AED1.1 billion) and a 9% Y-o-Y increase in net profit to \$227 million (AED835 million). These results are among the strongest since the Company's initial public offering in 2017, supported by a double-digit growth in fuel volumes and non-fuel business, efficiency improvement initiatives, and a growing contribution from international operations.

### FUEL VOLUME UP 21% Y-O-Y

ADNOC Distribution witnessed a healthy 21% Y-o-Y increase and a 5% quarter-on-quarter (Q-o-Q) growth in total fuel volumes sold in the GCC region (UAE and Saudi Arabia). This growth was driven by the Company's ongoing network expansion and the sustained momentum in the region's economic growth.

	Q3 2023	Q3 2022	YoY%
<b>GCC fuel volume</b>	<b>2,803</b>	<b>2,322</b>	<b>20.7%</b>
<b>Retail fuel volume</b>	<i>1,812</i>	<i>1,583</i>	<i>14.5%</i>
<b>Commercial fuel volume</b>	<i>991</i>	<i>739</i>	<i>34.1%</i>
<i>Fuel volume in million liters</i>			



ADNOC Distribution has a robust track record of value creation since its IPO, pursuing new opportunities in domestic as well as international markets and allocating cash for growth. In Q3 2023, ADNOC Distribution generated robust free cash flow of \$394 million (AED1,447 million) and maintained a strong balance sheet with a net debt-to-EBITDA ratio of 0.67x as of 30 September 2023, providing support for future growth prospects and shareholder returns.

**Eng. Bader Saeed Al Lamki, CEO of ADNOC Distribution**, said: "Our impressive third-quarter results are a testament to the continuous growth of our business as we witness strong momentum across both our fuel and non-fuel retail segments. These results mark one of the strongest quarterly performances since our IPO. They are driven by our commitment to creating value and attractive shareholder returns by implementing our smart growth strategy. This strategy includes the expansion of our domestic and international network, operational efficiency initiatives, investments in growth, and the adoption of advanced technologies across our operations to deliver a superior customer experience."

#### **NON-FUEL TRANSACTIONS GROW 14% AS CONVENIENCE STORE CONVERSION RATE SURGES TO 24%**

The Company's non-fuel business recorded consistent growth in Q3 2023, with 14% Y-o-Y increase in non-fuel retail transactions, profitability, and a surge in convenience store conversion rate to 24% from 21% in Q3 2022, indicating that more of our customers are now shopping at our convenience stores when they visit to buy fuel.

#### **ADNOC DISTRIBUTION DATA OF C-STORE CONVERSION RATE**

	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>YoY%</b>
<b>Non-Fuel Transactions (millions)</b>	11.2	9.9	14%

Since its launch, the ADNOC Rewards loyalty program has continued to expand and now reaches more than 1.8 million enrolled members, marking a 14% increase compared to Q3 2022.

The Company continued to enhance its customer value proposition and recently launched the ADNOC Rewards tiers system, introducing SILVER, GOLD, and PLATINUM tiers, each delivering an expanded suite of exciting benefits and offers to customers.

#### **GROWING OUR PRESENCE THROUGH NETWORK EXPANSION**

In line with its smart growth strategy, ADNOC Distribution continued to expand its network by opening 12 new service stations during Q3 2023, following the opening of 16 service stations in the first half of the year. This expansion brings the total network to 828, of which 585 stations



are located in the UAE and the Kingdom of Saudi Arabia. Having launched 28 new stations during the first nine months of 2023, the Company has already achieved its full-year 2023 target of adding 25-35 new stations across its network and anticipates this momentum to continue in Q4 2023 and beyond.

Total network	828
Full-year target	25 to 35 new service stations

During Q3 2023, the first three ADNOC-branded service stations were launched in strategic locations across Greater Cairo, offering a full range of vehicle services to local communities. Additionally, plans are in place to open a further six branded stations nationwide by the end of the year.

Additionally, the Company recently launched ADNOC Voyager-branded signature range of premium and OEM-approved automotive vehicle lubricants in Egypt through its joint venture. These products will be available for Egyptian consumers to purchase at ADNOC service stations and within the wider local lubricant market.

Beyond its successful acquisition in Egypt, the Company is actively evaluating inorganic growth opportunities in international markets with a focus on efficient capital allocation for growth.

### **DECARBONIZING OUR OPERATIONS**

In January 2023, ADNOC Distribution announced its commitment to reduce its carbon intensity by 25% by 2030, putting sustainability at the core of its day-to-day operations. The Company has already achieved significant milestones, including having 100% of its UAE heavy fleet running on biofuel. Additionally, the installation of solar panels has begun across the Company's Dubai service network, marking the first phase of a UAE-wide solar rollout.

### **FUTURE-PROOFING OUR BUSINESS AND DELIVERING LONG-TERM SHAREHOLDER VALUE**

The Company is actively engaged in the development of innovative sustainable mobility solutions in the UAE, including electric vehicle (EV) charging infrastructure and hydrogen refuelling. Key achievements include the establishment of over 40 superfast EV charging points at strategic locations, strengthening its value proposition and addressing the growing demand from EV customers. In addition, ADNOC Distribution plans to operate the first high-speed hydrogen refuelling station in the region.



## **DELIVERING SUSTAINABLE, PROFITABLE GROWTH AND ATTRACTIVE SHAREHOLDER RETURNS**

ADNOC Distribution's 2023 dividend policy sets a minimum of \$700 million (AED2.57 billion), equivalent to 20.57 fils per share in dividend for the full year 2023, providing an annualized yield of 5.9% (at share price of AED3.46 as of 9 November 2023).

The Company disbursed a dividend of \$350 million (AED1.285 billion), or 10.285 fils per share, for the first six months of 2023 in October 2023. It anticipates paying a minimum of \$350 million (AED1.285 billion), or 10.285 fils per share, as the second six-month dividend of 2023 in April 2024, subject to the discretion of the board and shareholder approval.

The Company's dividend policy for the years thereafter sets a dividend of at least 75% of distributable profits. ADNOC Distribution's dividend policy recognizes the Company's strong financial position and its ability to generate cash flow in the future.

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### **About ADNOC Distribution**

ADNOC Distribution is a leading mobility retailer in UAE. The Company has been providing energy for customers' journeys since 1973. Since this time, the Company has continuously been at the forefront of providing the best in customer service. Today, ADNOC Distribution enables, enhances, and energizes every customer journey thanks to digitally enabled, innovative customer experiences and high-quality non-fuel retail products. The Company operates service stations in all seven emirates in its home country, plus Saudi Arabia, and sells lubricants in 34 countries across the world via distributors. Now in its 50th year, ADNOC Distribution has over 800 service stations, 518 in the UAE and 67 in KSA. As a non-fuel retail leader in the UAE, it operates 355 ADNOC Oasis convenience stores, 33 vehicle inspection centers, and other leading services spanning car wash, lube change, and EV charging. The Company is also the leading marketer and distributor of fuels to commercial, industrial, and government customers throughout the UAE. All figures as of 30 September 2023. Additionally, in February 2023 ADNOC Distribution completed its acquisition from TotalEnergies Marketing Afrique SAS of a 50% stake in TotalEnergies Marketing Egypt LLC, marking the Company's official entry into the Egyptian market. ADNOC Distribution aims to be the global mobility retailer of choice, enabler of sustainable mobility, and provider of exceptional customer experiences. To find out more, visit [www.adnocdistribution.ae](http://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.

The payment of dividends by the Company is subject to consideration by the Board of Directors of the cash management requirements of the Company for operating expenses, interest expense, and anticipated capital expenditures, and market conditions, the then current operating environment in its markets, and the Board of Directors' outlook for the business of the Company. In addition, any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors and approval of shareholders.