

Q4/FY 2023 RESULTS PRESENTATION

INVESTOR & ANALYST CONFERENCE CALL

7 February 2024



Agenda



01 | EXECUTIVE SUMMARY



02 | STRATEGY UPDATE



03 | Q4/FY 2023 RESULTS



04 | CLOSING REMARKS

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.

01

EXECUTIVE SUMMARY



SPEAKER: ATHMANE BENZERROUG
CHIEF STRATEGY, TRANSFORMATION & SUSTAINABILITY OFFICER

ADNOC Distribution equity story



Track record of shareholder value creation



Total shareholder return since IPO: \$7.3 billion (+85%)



Robust 5-year ROCE of over 25% driven by efficient capital allocation and value-accretive investments



Attractive dividend policy supported by visible cashflow profile and strong balance sheet

Min. \$700 million for 2023 (offering a c.6% dividend yield) and min. 75% of distributable profits thereafter¹



Significant share liquidity after free float increase to 23% and inclusion into MSCI EM and FTSE EM indices (2021)



Focus on delivering sustainable growth



Transforming the largest UAE fuel & convenience retail network into a destination of choice for customers in an attractive and growing market



Accelerating sustainable and profitable growth domestically and internationally through efficient capital allocation towards mobility



Futureproofing the business: by unlocking new revenue streams offered by energy transition (incl. EV charging) and pursuing sustainability goals



Accelerating digital transformation to create incremental value and enhance customer loyalty



Unlocking hidden value through OPEX initiatives



Solid performance and cashflow visibility



Demonstrable solid business performance reinforced by strong 2023 operating and financial results



Predictable cash flow generation supported by robust regulatory framework, industry-leading margins and limited exposure to oil price volatility



Supportive and committed majority shareholder ADNOC: 5-year supply contract with a retail margin guarantee protecting against inventory losses while providing exposure to inventory gains



Strong balance sheet with ample liquidity supports growth prospects and enables attractive shareholder distributions



Q4 & FY 2023 achievements & 2024 outlook

Delivering on key commitments to capital markets

Network expansion, record volumes, strong momentum in non-fuel retail



1.5X network growth

- ✓ 41 new stations (UAE: 31), above 2023 target (25-35)
- ✓ Total network: 840 stations

Record fuel volumes sold

- ✓ Total: +40% (retail: +45%)
- ✓ UAE/KSA: +12% (retail: +10%)

Double-digit growth in non-fuel retail

- ✓ UAE non-fuel transactions: +13%
- ✓ UAE convenience store conversion rate¹ 24.7% (2022: 21.7%)

Strong momentum in ADNOC Rewards

- ✓ +22% Y-o-Y to >1.9 million members

Record-breaking EBITDA in 2023



- ✓ ADD delivers on its commitment to the market of \$1 billion EBITDA in 2023
- ✓ Underlying EBITDA c.+15% Y-o-Y, driven by higher mobility, efficiency improvements and growing contribution from international operations
- ✓ Like-for-like OPEX savings of \$28 million, above guidance of \$25 million
- ✓ Non-fuel retail gross profit +20% Y-o-Y supported by higher number of transactions and strong conversion rate
- ✓ Robust free cash flow: \$1.1 billion and industry-leading ROCE: 26.3%
- ✓ Strong balance sheet: 0.62x net debt / EBITDA (2022: 0.78x)

Outlook: disciplined growth through efficient capital allocation



- ✓ Deliver incremental growth with a focus on operational excellence and futureproofing our business
- ✓ Pursue organic growth with a CAPEX plan of \$250-300 million in 2024 (2023: \$320 million)
- ✓ Unveil new phase of growth focusing on convenience and mobility during Capital Markets Day (Feb. 2024)
- ✓ 2024 network expansion target: 15-20 new stations
- ✓ Explore inorganic growth opportunities through value-accretive transactions

1. Number of convenience stores transactions divided by number of fuel transactions at sites with convenience stores. 2. Subject to Board discretion and shareholders approval

Focus on sustainability

Significant progress made in 2023 in integrating sustainability into our operations

Sustainability achievements in 2023



First UAE fuel retailer to announce 2030 decarbonization roadmap & convert an existing (\$1.5bn) loan into sustainability linked loan



First high-speed hydrogen refueling station in the Middle East



Partnership with Emerge to install PV solar panels across stations in Dubai



Converted 100% of heavy vehicle owned fleet into Biofuel



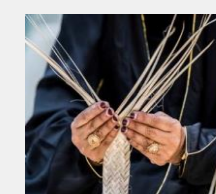
Introduced Reverse Vending Machine recycling service



Introduced ADD "e-COOL LL" engine coolant tailored for EVs to fulfil growing customers' needs



First fuel retailer to offer customers the opportunity to adopt a mangrove & monitor it live



Promoted local crafts and products in our convenience stores

Future proofing our business

Leading mobility and energy transition



EV charging rollout

- ✓ EV strategy promotes clean mobility solutions and unlocks new revenue streams
- ✓ Launched the first wave of over 50 fast and super-fast EV charging points across service station network at strategic locations, to address current EV customer demand
- ✓ Proposed Mobility JV with integrated utility TAQA is intended, once established, to build and operate EV charging infrastructure in public and private sites across the Abu Dhabi Emirate



Hydrogen step in

- ✓ In 2023, ADNOC Distribution started operation of the region's first high-speed green hydrogen pilot refuelling station opened by ADNOC, to test a fleet of zero-emission hydrogen-powered vehicles



02

GROWTH STRATEGY UPDATE



SPEAKER: BADER SAEED AL LAMKI
CHIEF EXECUTIVE OFFICER

Committed to 100% HSE

Strong HSE performance

- ✓ ADNOC Distribution is committed to maintaining the highest standards of safety in delivering its product and services

0.03 mmhrs
TRIR⁽¹⁾

Zero
fatalities

Zero
catastrophic events



WELL Health Safety Rating

- ✓ ADNOC Distribution was awarded with **WELL Health-Safety Rating** for its entire network in the UAE (500+ sites)
- ✓ The certification is a testament to Company's commitment to maintaining the highest level of healthy environment and safety practices for its staff and customers



Key strategic update

Fuel business in 2023



Fuel volumes in the UAE and KSA hit new record: 11 bn+ liters, +12% Y-o-Y:

- ✓ Retail fuel volumes: +9.6% Y-o-Y
- ✓ Commercial volumes: +16.2% Y-o-Y



Total fuel volumes (incl. Egypt): +40% Y-o-Y to 13.8 bn liters

- ✓ Retail fuel volumes: +44.9% Y-o-Y
- ✓ Commercial volumes: +30.6% Y-o-Y



Network: 840 stations

- ✓ UAE: +31 (total UAE: 529, incl. 44 in Dubai)
- ✓ KSA: +6 (total KSA: 68, c.85% ADNOC branded)
- ✓ Egypt¹: +4 (total Egypt: 243, incl. 9 ADNOC branded stations)



Key strategic update

Non-fuel retail business in 2023



Double-digit growth in non-fuel retail segment

- ✓ Non-fuel retail gross profit: +20% Y-o-Y
- ✓ UAE number of non-fuel transactions up 13% Y-o-Y
- ✓ Opening of 2 new vehicle inspection centers



Strong momentum in Q4 2023 in the UAE convenience store segment

- ✓ Gross profit (UAE): +16% Y-o-Y
- ✓ Conversion rate¹:
 - +c.170 bps to 25.5% in Q4 23 (Q4 22: 23.8%)
 - +c.300 bps to 24.7% in 2023 (2022: 21.7%)
- ✓ Average gross basket size:
 - +4.2% Y-o-Y to \$7.5 in Q4 23 (Q4 22: \$7.2)
 - +2.9% Y-o-Y to \$7.2 in 2023 (2022: \$7.0)



ADNOC Rewards

A key driver for incremental growth through enhanced customer experience and loyalty

> **1.9M**

MEMBERS ENROLLED

+c.350K NEW MEMBERS

+22% Y-o-Y

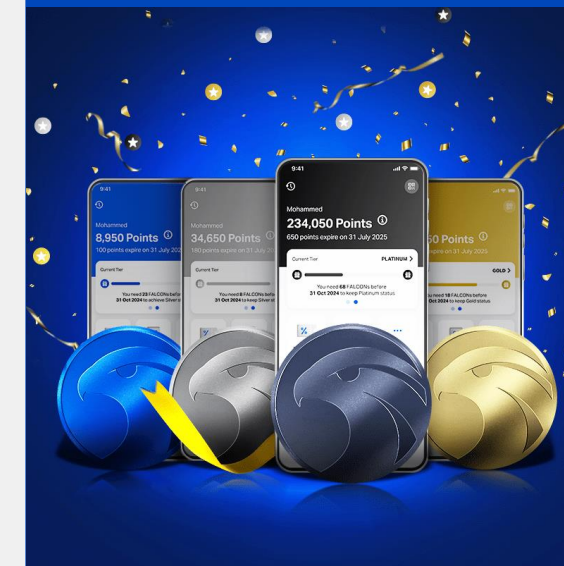


> **100** PARTNERS

PROVIDING ATTRACTIVE
OFFERS TO OUR LOYALTY
MEMBERS



New Tiers system with
personalized rewarding
experience



03

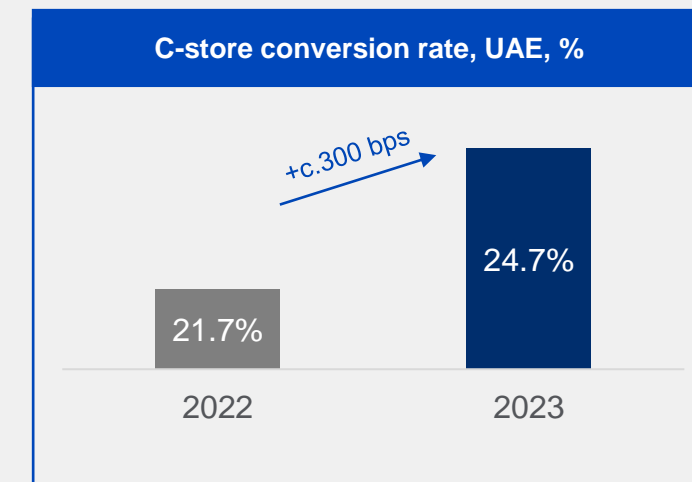
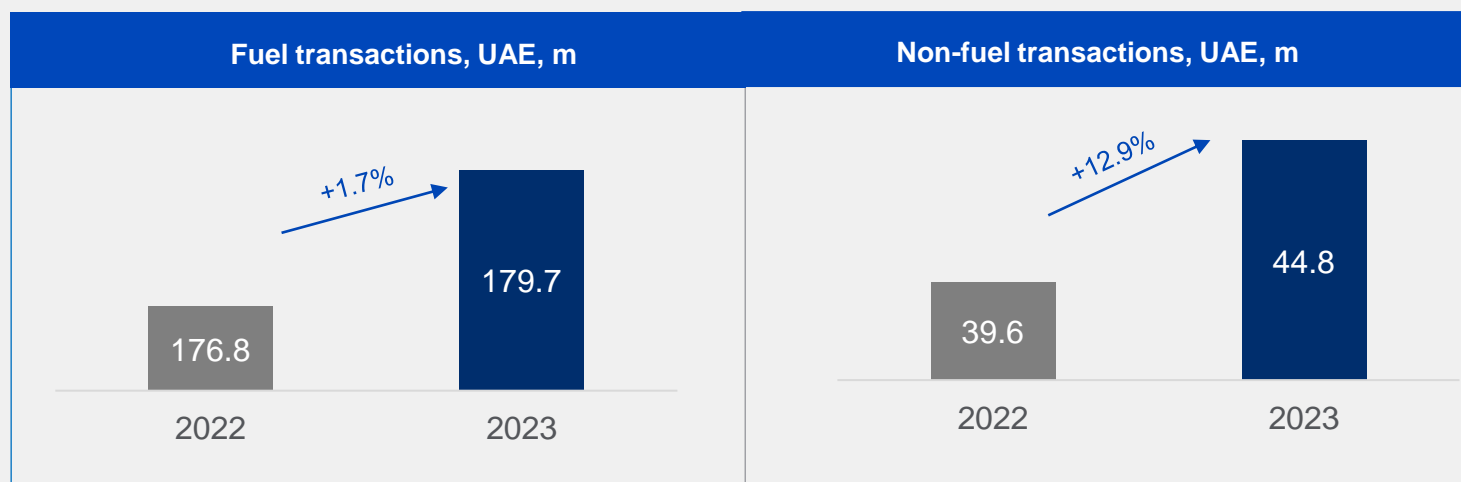
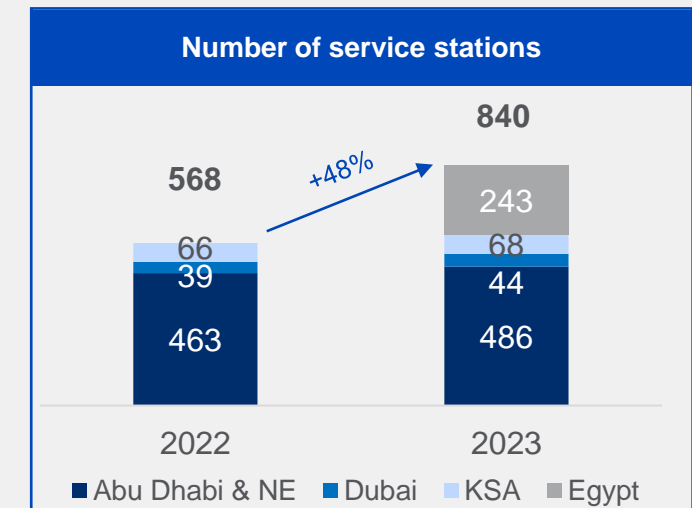
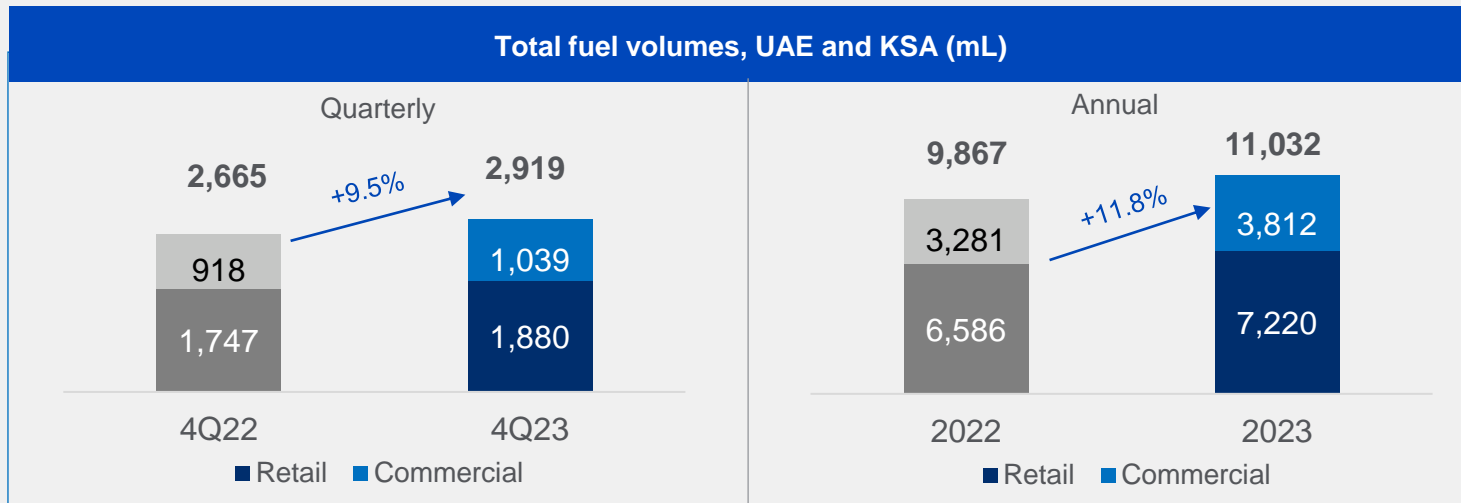
Q4/FY 2023 RESULTS



SPEAKER: WAYNE BEIFUS
CHIEF FINANCIAL OFFICER

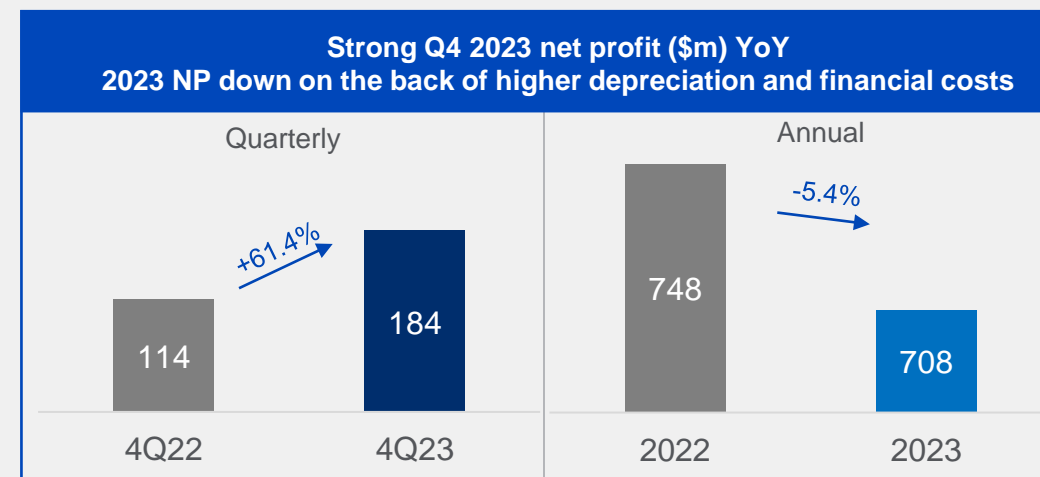
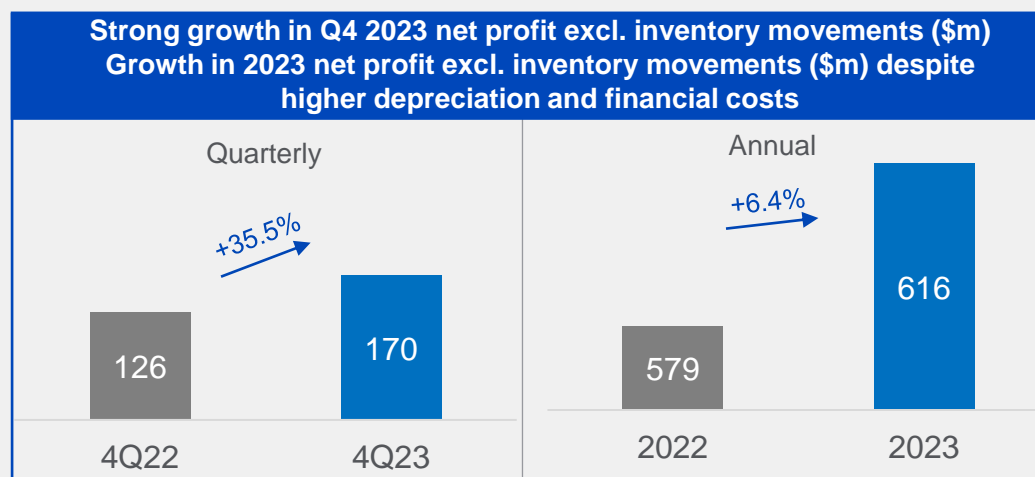
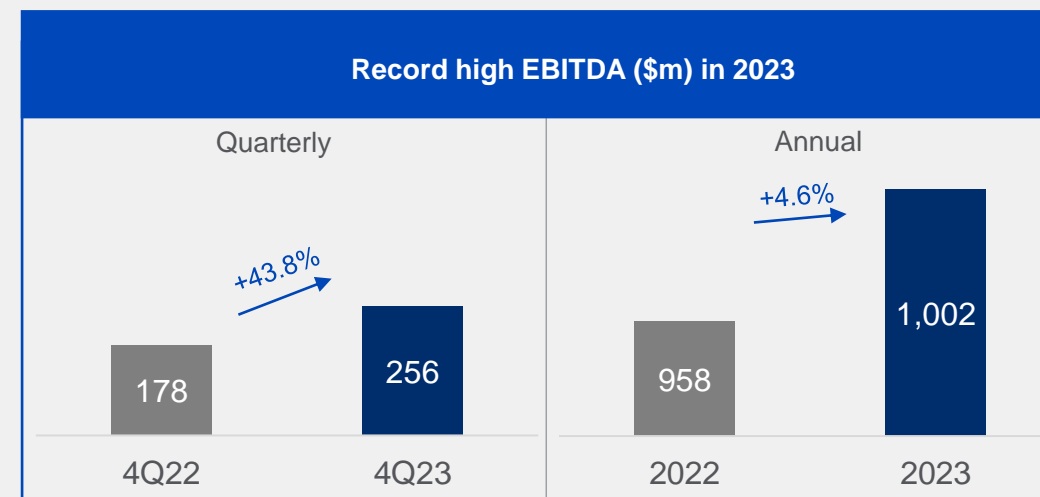
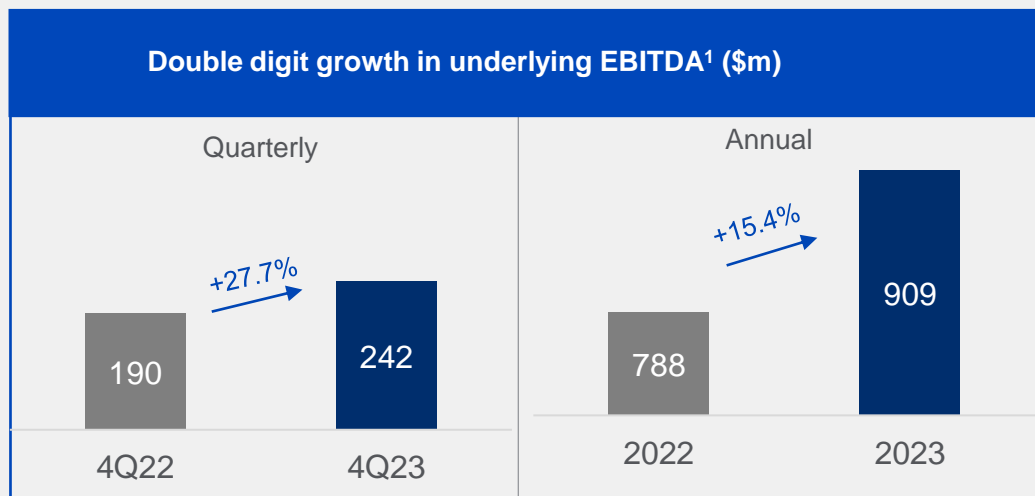
Operating performance

Robust growth in both fuel and non-fuel businesses driven by management initiatives, mobility and ongoing economic growth



Financial performance

Solid growth in underlying EBITDA and Net Profit supported by volume growth, higher contribution from NFR and international operations underpinned by efficiency improvements



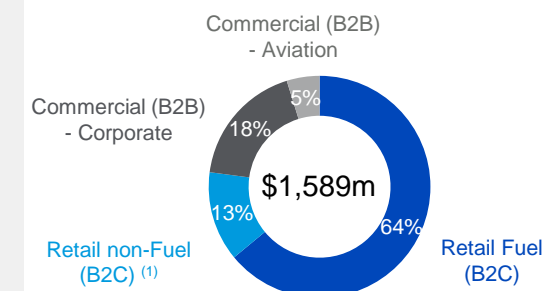
Gross profit by operating segment

\$m	Q4 2023	Q4 2022	YoY (%)	2023	2022	YoY (%)
Retail (B2C)	322	253	27.4%	1,225	1,152	6.3%
of which fuel	263	209	26.0%	1,017	978	4.0%
of which non-fuel ¹	59	44	34.4%	208	174	19.6%
<i>Retail margin, %</i>	<i>18.8%</i>	<i>17.5%</i>		<i>19.4%</i>	<i>19.7%</i>	
Commercial (B2B)	94	81	15.5%	364	391	-6.9%
of which Corporate	73	62	18.7%	288	313	-8.0%
of which Aviation	20	19	4.9%	76	78	-2.2%
<i>Commercial margin, %</i>	<i>10.5%</i>	<i>10.3</i>		<i>11.7%</i>	<i>13.5%</i>	
Total	415	334	24.5%	1,589	1,543	3.0%

NM not meaningful

- ✓ **Fuel retail:** gross profit up supported by volume growth and despite lower inventory gains of \$91 million in 2023 (2022: \$133 million)
- ✓ **Non-fuel retail:** higher gross profit driven by double-digit growth in number of transactions, higher convenience store conversion rate, upgrade of the car wash offering and new initiatives in the property management segment to drive rent revenue
- ✓ **Commercial:** gross profit down due to lower inventory gains of \$2 million in 2023 (2022: \$36 million) and lower margins

2023 gross profit split

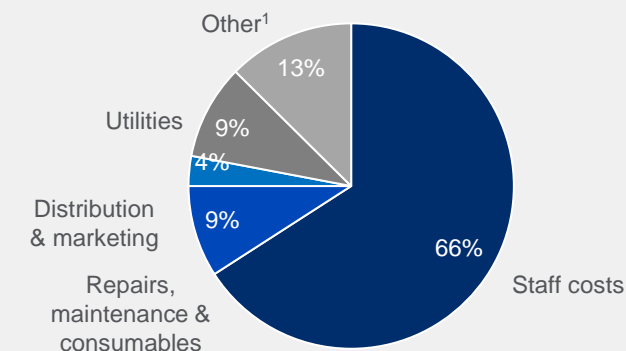


1. Includes convenience stores, car wash, lube change, property management and vehicle inspection

OPEX update

Delivered \$28m like-for like OPEX savings in 2023, above market guidance (\$25m)

2023 cash OPEX split (\$604m)



- ✓ ADNOC Distribution successfully executed **management initiatives to increase operational efficiency** across all business units
- ✓ As a result, 2023 cash OPEX (excl. DD&A charge) **remained unchanged Y-o-Y** despite a c.5% growth in the Company's network in the UAE and KSA and consolidation of TotalEnergies Marketing Egypt²

1. Other costs include lease cost, bank charges, insurance, subscriptions, legal fees, consultancies, etc.

2. TotalEnergies Marketing Egypt consolidated from 1 February 2023

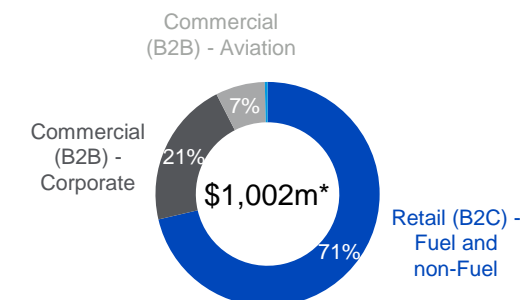
EBITDA by operating segment

\$m	Q4 2023	Q4 2022	YoY (%)	2023	2022	YoY (%)
Retail (B2C)	193	109	77.5%	720	653	10.4%
<i>Retail margin, %</i>	<i>11.3%</i>	<i>7.5%</i>		<i>11.4%</i>	<i>13.5%</i>	
Commercial (B2B)	67	69	-3.4%	285	304	-6.2%
of which Corporate	49	52	-5.3%	213	255	-16.5%
of which Aviation	18	17	2.6%	72	49	47.4%
<i>Commercial margin, %</i>	<i>7.5%</i>	<i>8.8%</i>		<i>9.2%</i>	<i>10.5%</i>	
Unallocated ¹	-4	0	<i>n.m.</i>	-4	1	<i>n.m.</i>
Total reported EBITDA	256	178	43.8%	1,002	958	4.6%
Underlying EBITDA²	242	190	27.7%	909	788	15.4%

NM: Not meaningful

- ✓ 2023 EBITDA: **+5% Y-o-Y** driven by strong growth across all businesses despite lower inventory gains vs. 2022
- ✓ Retail segment: **+10% Y-o-Y** supported by growth in volumes and NFR business despite lower inventory gains
- ✓ Commercial segment: **-6% Y-o-Y** due to lower inventory gains
- ✓ Underlying EBITDA: **+15% Y-o-Y** driven by volumes growth, higher contribution from non-fuel retail business, international assets and successful delivery of OPEX reduction initiatives

2023 EBITDA split



1. Unallocated includes other operating income/expenses not allocated to specific segment. 2. Underlying EBITDA is defined as EBITDA excluding inventory movements
 * Includes unallocated amount of \$-4m

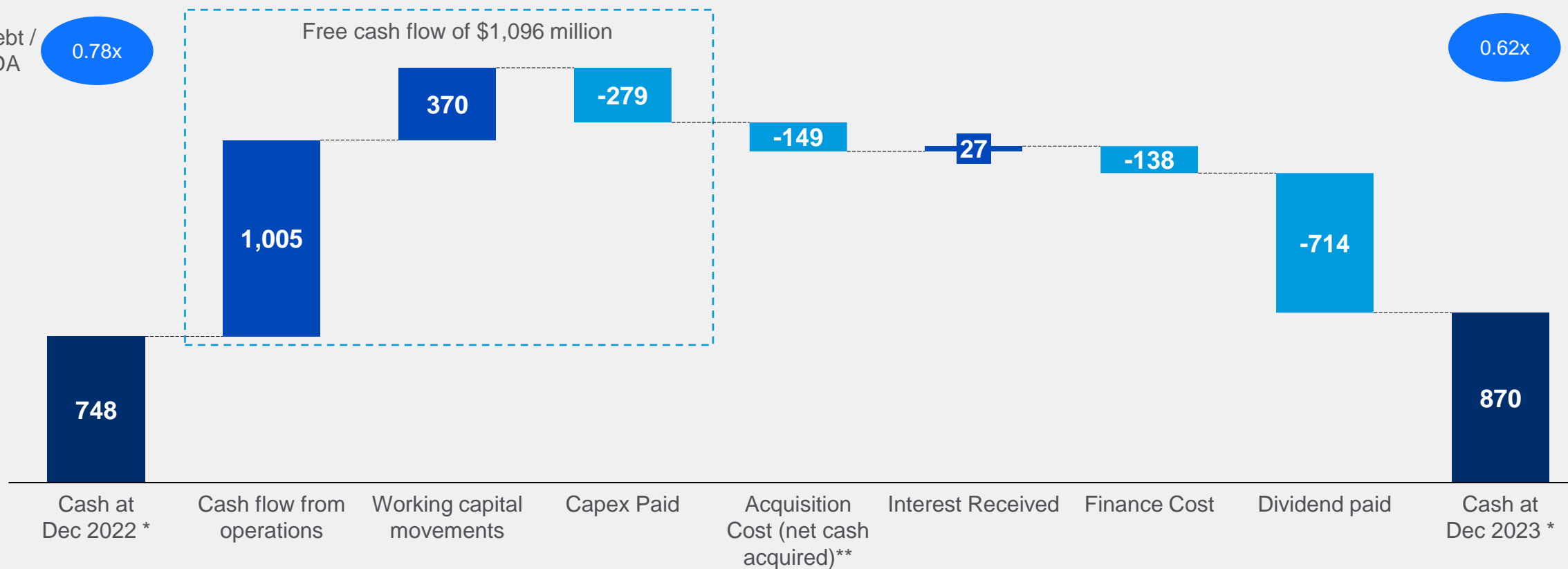


Robust cash generation

Net debt /
EBITDA

0.78x

0.62x



- ✓ **Operating cash flow** (\$1,375 million) and **free cash flow** (\$1,096 million) in 2023 supported by positive financial performance
- ✓ **Solid cash position** (\$870 million) and **strong balance sheet** (Net debt / EBITDA 0.62x) offer sufficient room to invest into growth while sustaining attractive dividend policy

04

CLOSING REMARKS



SPEAKER: BADER SAEED AL LAMKI
CHIEF EXECUTIVE OFFICER

ADNOC DISTRIBUTION

Closing remarks

Deliver incremental growth with a focus operational excellence and futureproofing our business



Strong execution momentum in 2023

- ✓ \$1 billion+ EBITDA
- ✓ 41 new stations (UAE: 31), above 2023 target (25-35)
- ✓ 1.5x network expansion to 840 stations, incl. 243 in Egypt
- ✓ \$28 million like-for-like OPEX savings, above \$25 million target
- ✓ First wave of 50+ EV charging points rollout across service station network



Deliver sustainable growth

- ✓ Invest in highly attractive and growing core UAE energy market
- ✓ Shift capital allocation towards convenience & mobility
- ✓ Transform service stations into destinations-of-choice
- ✓ Sustainable mobility: drive customer choice for EV charging on the go
- ✓ Decarbonization: 25% carbon intensity reduction target by 2030



Attractive shareholder distribution

- ✓ Track record of shareholder value creation
- ✓ H2 2023 dividend of \$350 million to be paid in April 2024¹

Q&A



Bader Saeed Al Lamki
Chief Executive Officer



Wayne Beifus
Chief Financial Officer



Athmane Benzerroug
Chief Strategy, Transformation &
Sustainability Officer



THANK YOU
AND HAVE
A GREAT DAY!

ADNOC DISTRIBUTION Q4 2023 RESULTS PRESENTATION

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ADNOC DISTRIBUTION

Operating performance

Fuel volumes (UAE / KSA)	million liters	Q4 2023	Q4 2022	YoY (%)	2023	2022	YoY (%)
	Retail (B2C)		1,880	1,747	7.6%	7,220	6,586
Commercial (B2B)		1,039	918	13.2%	3,812	3,281	16.2%
<i>of which Corporate</i>		971	868	11.9%	3,585	3,061	17.1%
<i>of which Aviation</i>		68	50	35.8%	228	220	3.3%
TOTAL		2,919	2,664	9.6%	11,032	9,867	11.8%

Retail fuel operating metrics		Q4 2023	Q4 2022	YoY (%)	2023	2022	YoY (%)
	Service stations – UAE		529	502	5.4%	529	502
Service stations – Saudi Arabia		68	66	3.0%	68	66	3.0%
Service stations – Egypt ¹		243			243		
Fuel transactions – UAE (m)		47.0	44.3	6.0%	179.7	176.8	1.7%

Retail non-fuel operating metrics		Q4 2023	Q4 2022	YoY (%)	2023	2022	YoY (%)
	Convenience stores – UAE		359	362	-0.8%	359	362
Non-fuel transactions – UAE (m) ²		11.9	10.8	10.3%	44.8	39.6	12.9%
<i>Conversion rate, C-stores, %</i>		25.5	23.8		24.7	21.7	
Average gross basket size (\$) ³		7.5	7.2	4.2%	7.2	7.0	2.9%

2023

11 billion liters
Total fuel volume
sold in UAE / KSA



597

Retail fuel sites in
UAE / KSA



359

Convenience stores
in the UAE



1. Acquisition of a 50% stake in TotalEnergies Marketing Egypt completed in February 2023. 2. Includes convenience stores, car wash and oil change transactions

3. Calculated as convenience store revenue (including revenue from consignment items shown under other operating income) divided by number of convenience store transactions

Financial performance

Performance supported by volume growth, higher contribution from international operations and efficiency

Financial performance	\$m	Q4 2023	Q4 2022	YoY (%)	2023	2022	YoY (%)
	Revenue		2,604	2,229	16.8%	9,428	8,742
Gross profit		415	334	24.5%	1,589	1,543	3.0%
Gross margin, %		16.0%	15.0%		16.9%	17.7%	
EBITDA		256	178	43.8%	1,002	958	4.6%
EBITDA margin, %		9.8%	8.0%		10.6%	11.0%	
Underlying EBITDA¹		242	190	27.7%	909	788	15.4%
Underlying EBITDA margin, %		9.3%	8.5%		9.6%	9.0%	
Net profit attributable to equity holders		184	114	61.4%	708	748	-5.4%
Net profit excluding inventory movements		170	126	35.5%	616	579	6.4%

Robust free cash flow generation

Cash generation and Net debt	\$m	Q4 2023	Q4 2022	YoY (%)	2023	2022	YoY (%)
	Free cash flow ²		369	316	18.8%	1,096	929
Net debt		0.62x	0.78x		0.62x	0.78x	

High financial returns

Profitability		2023	2022
	ROCE ³ (%)		26.3%
ROE ⁴ (%)		74.9%	79.8%

2023

\$1,002
million
EBITDA



\$909 million
underlying
EBITDA



\$708 million
net profit

