

Q1 2024 RESULTS PRESENTATION

INVESTOR & ANALYST CONFERENCE CALL

9 May 2024



Agenda



01 | EXECUTIVE SUMMARY



02 | STRATEGY UPDATE



03 | Q1 2024 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

ADNOC Distribution equity story



Track record of shareholder value creation



Value creation since IPO:

Total shareholder return: c.\$7.5 billion (+c.90%)



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

Attractive 2024-28 dividend policy supported by visible cashflow profile and strong balance sheet:



\$700 million or min. 75% of net profit, whichever is higher (offering a 5.9% dividend yield)¹



Significant share liquidity (free float of 23%) and part of MSCI EM and FTSE EM indices



Focus on delivering sustainable growth



2028 ambition: establish ADNOC Distribution as a multi-energy, convenience and mobility leader



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



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



Hyper-personalized digital-first experience to drive customer engagement, footfall and monetization



Unlocking hidden value through OPEX initiatives



Solid performance and cashflow visibility



Demonstrable solid business performance reinforced by strong Q1 2024 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



Q1 2024 key achievements & 2024 outlook

One of the strongest quarters driven by the continued expansion and volumes growth

Robust operating performance



Network and EV charging infrastructure

- ✓ UAE/KSA: 601 stations (Q1 2023: 574)
- ✓ Egypt: 245 stations
- ✓ UAE fast and superfast EV charging points: ~90

Record Q1 fuel volumes sold

- ✓ Total: +17% (retail: +18%)
- ✓ UAE/KSA: +9% (retail: +7%)

Continued growth in non-fuel retail

- ✓ UAE non-fuel transactions: +7%
- ✓ UAE convenience store conversion rate¹ 24.5% (Q1 2023: 24.4%)

Strong momentum in ADNOC Rewards

- ✓ +21% Y-o-Y to 2 million members

Continued growth momentum



- ✓ **Gross profit:** +17% Y-o-Y, driven by growing mobility, higher number of fuel and non-fuel transactions, efficiency improvements and a positive impact of inventory gains
- ✓ **NFR gross profit:** +16% Y-o-Y
- ✓ **EBITDA and net profit:** +18% and +2% Y-o-Y, respectively
- ✓ **Net profit excl. tax impact:** +13% Y-o-Y
- ✓ **Free cash flow:** \$158 million and industry-leading ROCE: 29.5%
- ✓ **Strong balance sheet:** 0.50x net debt / EBITDA based on \$1.04 billion LTM² EBITDA (2023: 0.62x)

Outlook: focus on disciplined growth, technology and innovation



- ✓ **Deliver incremental growth** with a focus on operational excellence and futureproofing the business
- ✓ **AI:** leverage advanced technologies to enhance customer experience and improve operational efficiency
- ✓ **Future proofing:** double number of profitable fast and super-fast EV charging points to c.200 by the end of 2024
- ✓ **Total network expansion target:** 15-20 new stations in 2024 (8 added in Q1 2024)
- ✓ **Pursue organic growth** with a CAPEX plan of \$250-300 million in 2024 (2023: \$320 million)
- ✓ **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. LTM – last 12 months

Placing sustainability at the core of our operations and futureproofing the business

Strategic initiatives

Energy optimization

Reduce energy use across our assets through efficient systems and optimized building designs

PV solar

Grow network of solar-powered service stations

Biofuel

Introduce biofuel in 100% of ADNOC Distribution supply chain vehicles

Fleet management

Introduce real-time fleet tracking to improve fuel efficiency

2023 achievements

~10%

reduction in Scope 1 and Scope 2 emissions compared to 2022

Target

25%

reduction in Scope 1 & Scope 2 emissions intensity by 2030 compared to 2021 baseline

Tomorrow



Becoming the partner of choice for sustainable mobility solutions



02



GROWTH STRATEGY UPDATE

SPEAKER: BADER SAEED AL LAMKI
CHIEF EXECUTIVE OFFICER

Committed to 100% HSE

Q1 2024 HSE performance

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

100%
HSE

0.00 mmhrs

TRIR⁽¹⁾

Zero

fatalities

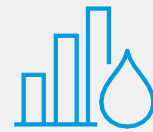
Zero

catastrophic events

1. Total Recordable Injury / Illness Rate (in million manhours)

Key strategic update

Fuel business in Q1 2024



Significant growth in fuel volumes sold in GCC (UAE and KSA) in Q1 2024: +9.3% Y-o-Y to 2.9 bn liters:

- ✓ Retail fuel volumes: +7.0% Y-o-Y
- ✓ Commercial volumes: +13.7% Y-o-Y



Total fuel volumes (incl. Egypt): +17.3% Y-o-Y to 3.7 bn liters

- ✓ Retail fuel volumes: +17.7% Y-o-Y
- ✓ Commercial volumes: +16.3% Y-o-Y



Network: 846 stations, after opening 8 new stations in Q1 2024

- ✓ UAE: 532, incl. 45 in Dubai
- ✓ KSA: 69, incl. c.85% ADNOC-branded
- ✓ Egypt¹: 245, incl. 9 ADNOC-branded



Key strategic update

Non-fuel retail business in Q1 2024



Double-digit growth in non-fuel retail segment gross profit

- ✓ Non-fuel retail gross profit, supported by double-digit growth in Convenience stores, Car wash and Property management: **+16.2% Y-o-Y**
- ✓ UAE number of non-fuel transactions: **+6.9% Y-o-Y**
- ✓ **Two new high-capacity car wash tunnels** launched, with plans to open 8 additional car wash tunnels by the end of 2024
- ✓ **Aim to double the number of property units** occupied by top international and regional food & beverage brands by the end of 2025.



UAE convenience store segment

- ✓ Gross profit (UAE): **+12.8% Y-o-Y**
- ✓ Conversion rate¹: **24.5% in Q1 24 (Q1 23: 24.4%)**
- ✓ Average gross basket size: **+2.6% Y-o-Y to \$7.5 in Q1 24 (Q1 23: \$7.3)**

1. Number of convenience stores transactions divided by number of fuel transactions at sites with convenience stores

Future proofing our business

Leading mobility and energy transition



EV charging infrastructure

- ✓ EV strategy promotes **clean mobility solutions** and unlocks **new revenue streams**
- ✓ ADNOC Distribution **pursues leadership** on the growing UAE EV charging market and **offers best customer journey**
- ✓ Launched the first wave of **c.90 fast and super-fast EV charging points** across service station network at strategic locations, to address current EV customer demand
- ✓ Target to reach **c.200 EV charging points** through a disciplined rollout by the end of 2024



Hydrogen step in

- ✓ **Firsthand experience** to set-up and operate a high-speed green hydrogen pilot refuelling station
- ✓ **Technical, analytical and operational learnings** to provide good base for future large-scale expansion
- ✓ **Actively participating** in the H2 vision for Abu Dhabi



ADNOC Rewards

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

2.0m

80K+ members
enrolled in Q1 2024

+21% Y-o-Y



>120

partners providing
attractive offers to
our loyalty members



New Tiers system with
personalized rewarding
experience



غسيل آلي للسيارات AUTO CAR WASH

ساعة مفتوحة
OPEN 24 HOURS

الفضية
SILVER
AED 29
غسيل خارجي أساسي
BASIC EXTERIOR WASH



03



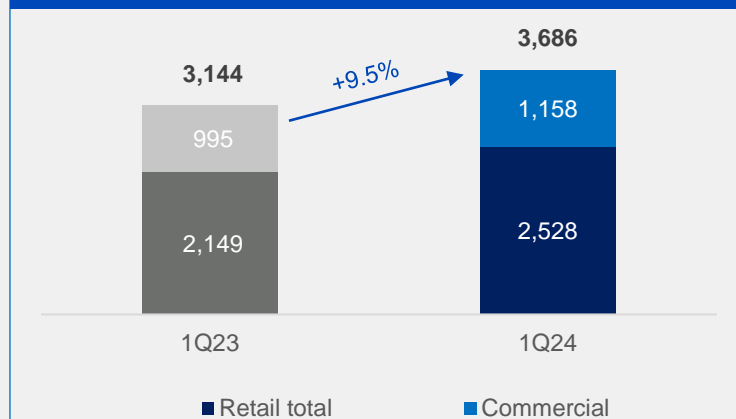
Q1 2024 RESULTS

SPEAKER: WAYNE BEIFUS
CHIEF FINANCIAL OFFICER

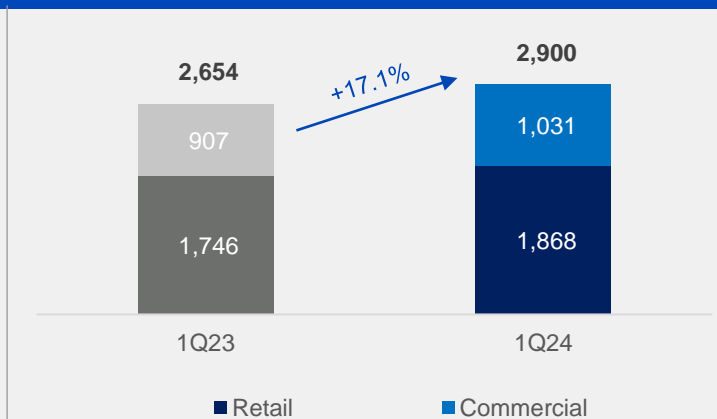
Operating performance

Strong growth in both fuel and non-fuel businesses

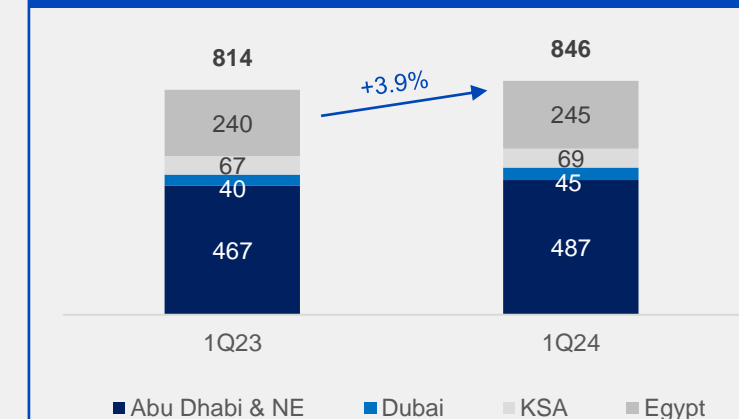
Total fuel volumes (mL)



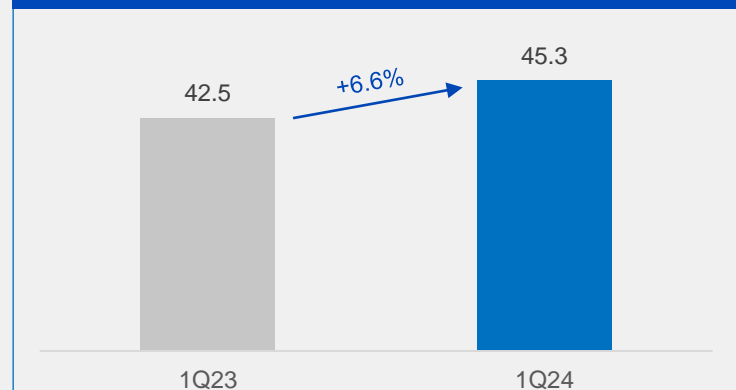
Fuel volumes, UAE and KSA (mL)



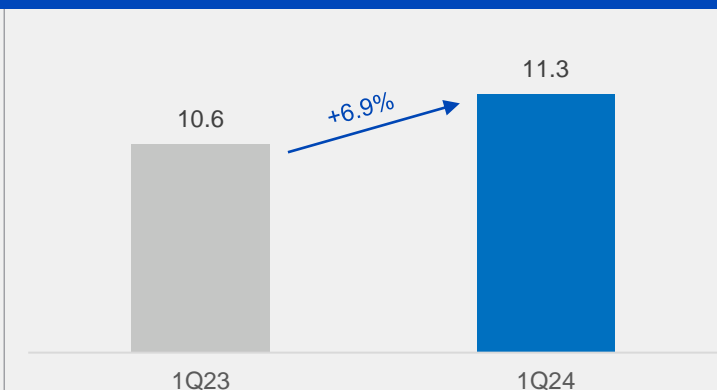
Number of service stations



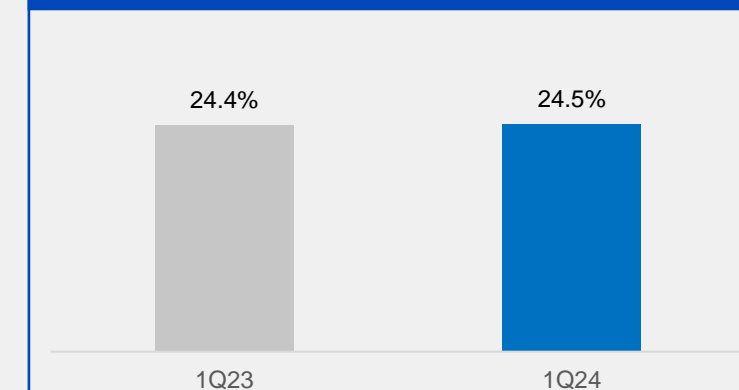
Fuel transactions, UAE, m



Non-fuel transactions, UAE, m



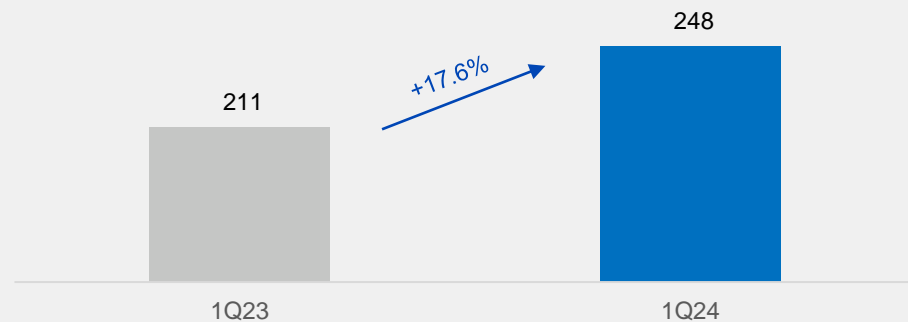
C-store conversion rate, UAE, %



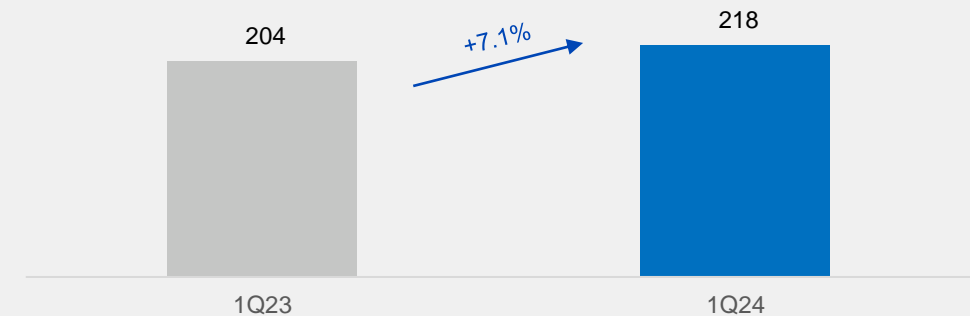
Financial performance

Solid growth in EBITDA and net profit (excl. UAE tax impact) supported by volume growth, higher contribution from NFR and international operations underpinned by efficiency improvements

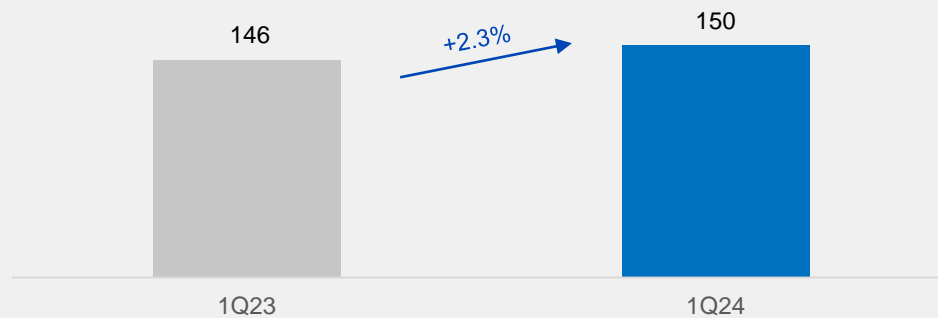
Double digit growth in EBITDA (\$m)



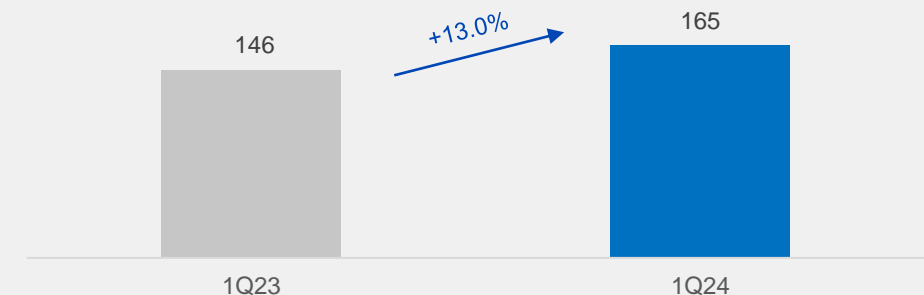
Underlying EBITDA (\$m)



Growth in Q1 2024 net profit (\$m) YoY despite UAE tax impact, higher depreciation and financial costs



Strong growth in Q1 2024 net profit excl. UAE tax impact (\$m)



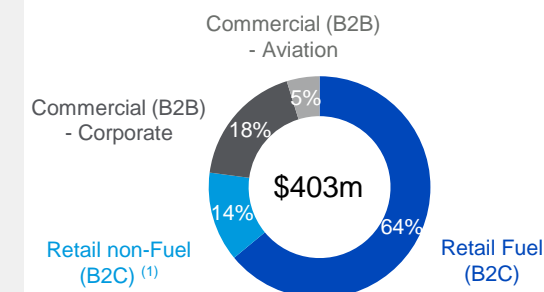
Gross profit by operating segment

\$m	Q1 2024	Q1 2023	YoY (%)
Retail (B2C)	311	266	16.9%
of which fuel	256	219	17.1%
of which non-fuel ¹	55	47	16.2%
<i>Retail margin, %</i>	<i>19.9%</i>	<i>18.6%</i>	
Commercial (B2B)	92	78	17.8%
of which Corporate	71	63	12.6%
of which Aviation	21	15	39.6%
<i>Commercial margin, %</i>	<i>11.1%</i>	<i>10.5%</i>	
Total	403	344	17.1%

NM not meaningful

- ✓ **Fuel retail:** gross profit up supported by volume growth and inventory gains of \$33 million in Q1 2024 vs. zero inventory gains in Q1 2023
- ✓ **Non-fuel retail:** higher gross profit driven by a 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:** driven by growth in corporate fuel volumes and inventory gains of \$1 million in Q1 2024 vs. inventory losses of \$4 million in Q1 2023

Q1 2024 gross profit split

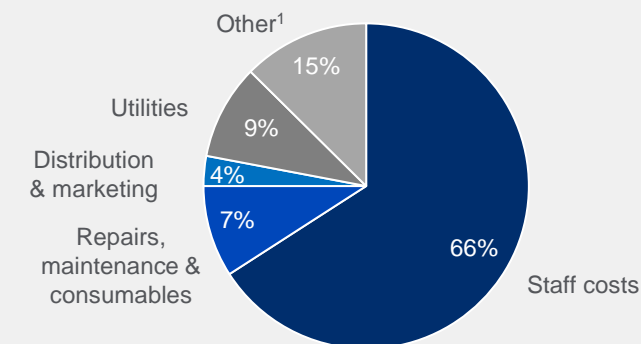


1. Includes convenience stores, car wash, lube change, property management and vehicle inspection

OPEX update

Strong control over the costs

Q1 2024 cash OPEX split (\$162m)



- ✓ ADNOC Distribution successfully executed **management initiatives to increase operational efficiency** across all business units
- ✓ **Fuel Demand AI Model**: predictive demand analytics helps to optimize fuel delivery across our network
- ✓ Q1 2024 cash OPEX (excl. one-off items) **increased by 4.5% Y-o-Y** despite a 4.7% growth in the Company's network in the UAE and KSA and consolidation of TEME²

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

2. TotalEnergies Marketing Egypt consolidated from 1 February 2023

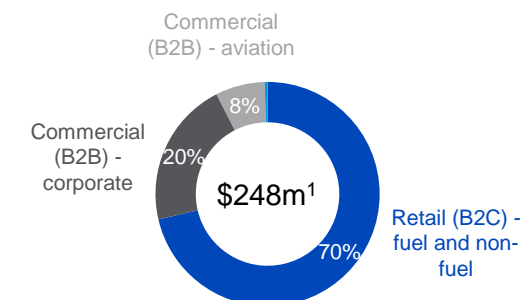
EBITDA by operating segment

\$m	Q1 2024	Q1 2023	YoY (%)
Retail (B2C)	174	148	17.1%
<i>Retail margin, %</i>	<i>11.1%</i>	<i>10.4%</i>	
Commercial (B2B)	71	60	17.1%
of which Corporate	51	46	10.3%
of which Aviation	20	15	38.3%
<i>Commercial margin, %</i>	<i>8.7%</i>	<i>8.1%</i>	
Unallocated ¹	4	3	
Total reported EBITDA	248	211	17.6%
Underlying EBITDA²	204	218	7.0%

NM: Not meaningful

- ✓ Q1 2024 EBITDA: +18% Y-o-Y driven by strong growth across all businesses and positive impact of inventory gains
- ✓ Retail segment: +17% Y-o-Y supported by growth in volumes and NFR business
- ✓ Commercial segment: +17% Y-o-Y
- ✓ Underlying EBITDA: +7% Y-o-Y driven by volumes growth, higher contribution from non-fuel retail business, international assets and delivery of OPEX reduction initiatives

Q1 2024 EBITDA split



1. Includes unallocated amount of \$4 million (other operating income/expenses not allocated to a specific segment)

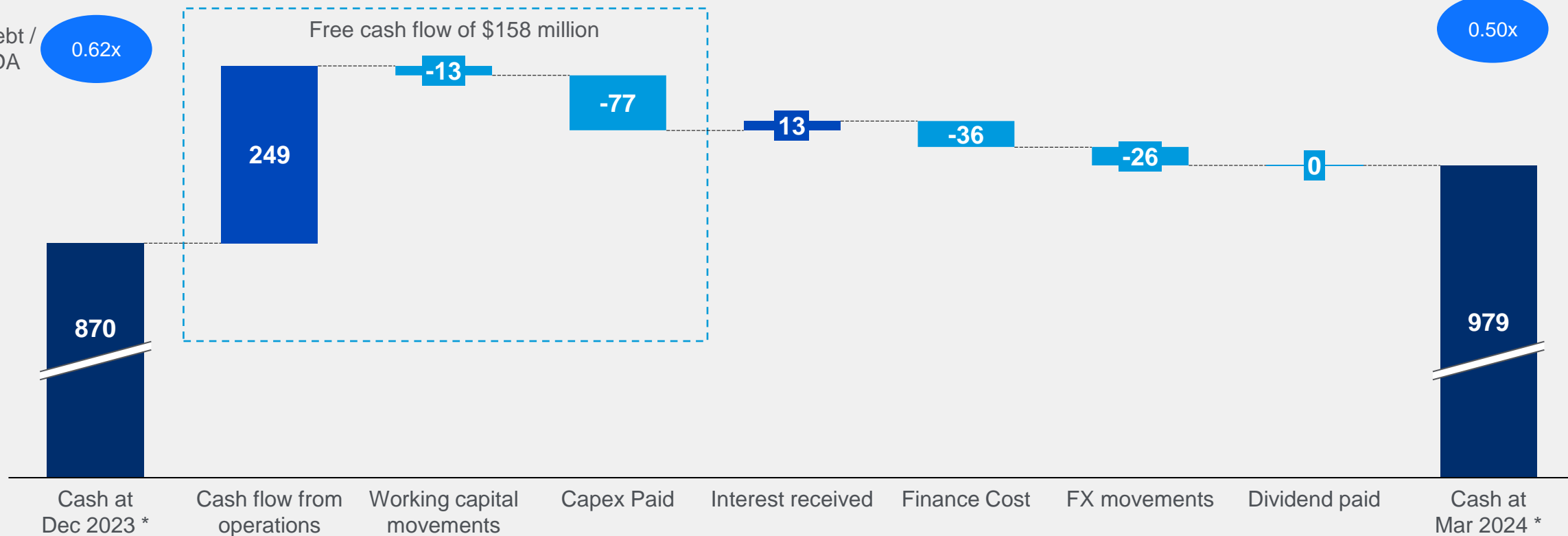
2. Underlying EBITDA is defined as EBITDA excluding inventory movements and one-offs

Cash generation

Net debt /
EBITDA

0.62x

0.50x



- ✓ Operating cash flow (\$235 million) and free cash flow of (\$158 million) in Q1 2024
- ✓ Free cash flow excl. the effect of working capital changes (\$171 million) up 8% Y-o-Y supported by positive financial performance
- ✓ Solid cash position (\$979 million) and strong balance sheet (Net debt / EBITDA 0.50x) offer sufficient room to invest into growth while sustaining attractive dividend policy



04



CLOSING REMARKS

SPEAKER: BADER SAEED AL LAMKI
CHIEF EXECUTIVE OFFICER

Closing remarks

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



Strong execution momentum in Q1 2024

- ✓ 8 new stations, on track achieve 15-20 new stations in 2024
- ✓ Network: 846 stations, incl. 245 in Egypt
- ✓ First wave of c.90 EV charging points rollout across service station network
- ✓ EBITDA and net profit: +18% and +2% Y-o-Y, respectively
- ✓ Net profit excl. tax impact: +13% Y-o-Y



Deliver incremental and 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

- ✓ Proven track-record of shareholder value creation since IPO
- ✓ New 2024-28 dividend policy*: \$700 million or min. 75% of net profit whichever is higher, providing payback visibility and dividend upside from future earnings growth
- ✓ H2 2023 dividend of \$350 million paid in April 2024



Q&A



Bader Saeed Al Lamki
Chief Executive Officer



Wayne Beifus
Chief Financial Officer



Athmane Benzerroug
Chief Strategy, Transformation &
Sustainability Officer



ADNOC DISTRIBUTION Q1 2024 RESULTS PRESENTATION

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ADNOC DISTRIBUTION

Operating performance

	million liters	Q1 2024	Q1 2023	YoY (%)	2023	2022	YoY (%)
		Fuel volumes (UAE / KSA)	Retail (B2C)	1,868	1,746	7.0%	7,220
	Commercial (B2B)	1,031	907	13.7%	3,812	3,281	16.2%
	<i>of which Corporate</i>	983	863	13.9%	3,585	3,061	17.1%
	<i>of which Aviation</i>	48	44	9.5%	228	220	3.3%
	TOTAL	2,900	2,654	9.3%	11,032	9,867	11.8%
		Q1 2024	Q1 2023	YoY (%)	2023	2022	YoY (%)
Retail fuel operating metrics	Service stations – UAE	532	507	4.9%	529	502	5.4%
	Service stations – Saudi Arabia	69	67	3.0%	68	66	3.0%
	Service stations – Egypt ¹	245	240	2.1%	243		
	Fuel transactions – UAE (m)	45.3	42.5	6.6%	179.7	176.8	1.7%
		Q1 2024	Q1 2023	YoY (%)	2023	2022	YoY (%)
Retail non-fuel operating metrics	Convenience stores – UAE	361	345	6.9%	359	362	-0.8%
	Non-fuel transactions – UAE (m) ²	11.3	10.6	6.9%	44.8	39.6	12.9%
	<i>Conversion rate, C-stores, %</i>	24.5%	24.4%		24.7%	21.7%	
	Average gross basket size (\$) ³	7.5	7.3	2.6%	7.2	7.0	2.9%

Q1 2024

2.9 billion liters
fuel volume sold in
UAE / KSA



601

retail fuel sites in
UAE / KSA



361

convenience stores
in the UAE



Financial performance

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

Financial performance	\$m	Q1 2024	Q1 2023	YoY (%)	2023	2022	YoY (%)
	Revenue		2,382	2,178	9.4%	9,428	8,742
Gross profit		403	344	17.1%	1,589	1,543	3.0%
Gross margin, %		16.9%	15.8%		16.9%	17.7%	
EBITDA		248	211	17.6%	1,002	958	4.6%
EBITDA margin, %		10.4%	9.7%		10.6%	11.0%	
Underlying EBITDA¹		218	204	7.0%	888	862	3.0%
Underlying EBITDA margin, %		9.2%	9.4%		9.4%	9.9%	
Net profit attributable to equity holders		150	146	2.3%	708	748	-5.4%
Net profit excl. the UAE tax impact		165	146	13.0%	616	579	6.4%

Robust free cash flow generation

Cash generation and leverage	\$m	Q1 2024	Q1 2023	YoY (%)	2023	2022	YoY (%)
	Free cash flow ²		158	285	-44.5%	1,096	929
Net debt/EBITDA, x		0.50	1.06x		0.62x	0.78x	

High financial returns

Profitability		Q1 2024	Q1 2023	2023	2022
	ROCE ³ (%)		29.5%	28.3%	26.3%
ROE ⁴ (%)		96.8%	97.0%	74.9%	79.8%

Q1 2024

\$248 million
EBITDA



\$165 million
net profit excl.
UAE tax impact



\$158 million
Free cash flow

