



ADNOC Distribution Announces Third-Quarter 2021 Results

- ***EBITDA of AED 737 million and net profit of AED 529 million in the third quarter of 2021***
- ***Fuel volumes recover in September, following the easing in travel restrictions, return to office and face-to-face learning in schools***
- ***In the UAE, 14 new stations opened in first nine months 2021 and 35 ADNOC Oasis stores refurbished***
 - ***Continued commitment to international expansion with 10 new stations added in Saudi Arabia as of 8 November; 40-45 new stations planned to be opened in the Kingdom in 2021***
- ***The company paid an interim dividend for the first six months of 2021 of AED 1.285 billion (10.285 fils per share), equivalent to USD 350 million, in October 2021***

Abu Dhabi, UAE – 9 November 2021: 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 reported that its EBITDA stood at AED 2.3 billion, with net profit of AED 1.7 billion for the first nine months of 2021. For the third quarter, EBITDA was AED 737 million with net profit of AED 529 million.

Continued business resilience

The company continues to see recovery with September total fuel volumes increasing by 10.6% compared to August, following the easing in travel restrictions, the successful vaccination drive across the UAE, government entities now 100% back to office, and schools return to face-to-face learning. It is expected that these volumes will continue to increase going into fourth quarter. In addition, ADNOC Distribution has continued to see incremental volumes from its Dubai stations, with a total of 31 stations now in operation in the emirate and a total network of 459 stations across the UAE as of 30 September 2021.



The company's commercial business has continued to implement a proactive sales strategy, including continued international expansion of its ADNOC Voyager lubricants, with new distributors added in the third quarter of 2021 and export volumes at double 2020 levels year to date.

The company's non-fuel business continues to show improvement with gross profit increasing by 4.3% in the third quarter of 2021 compared to the same period in 2020, underpinned by convenience stores refurbishment program alongside attractive promotions via ADNOC Rewards program.

Operationally, as part of its ongoing transformation, the company remains committed to reducing operating costs and ensuring competitiveness in the UAE fuel retail and convenience store sector. Throughout the first nine months of 2021, ADNOC Distribution's operational expenditure (excluding depreciation) decreased by 17.8% compared to the first nine months in 2020, despite growth in network.

Continued commitment to smart growth

During the first nine months of 2021, ADNOC Distribution has continued to deliver a modern, digitally-enabled fuel retail convenience to customers and communities across the UAE, with the opening of 14 new stations in the UAE. In addition, its ADNOC Oasis refurbishment program has seen 35 stores renovated in the UAE, offering fresh food, barista-brewed coffee and a wider menu selection.

The company received no objection certificates from the Saudi General Authority for Competition (GAC) to acquire 35 stations in Saudi Arabia. The company has continued to execute on its plans in the Kingdom, with 10 new stations added as of 8 November 2021 and total of 40-45 new stations to open in 2021. ADNOC Distribution remains committed to bringing modern fuel and retail convenience to customers and communities across the Kingdom.

Engineer Bader Saeed Al Lamki, Chief Executive Officer, ADNOC Distribution said: "ADNOC Distribution presents a compelling investment story as today's results show. The green shoots of recovery are here and accelerated growth is clear to see.

"We will continue to deliver on our expansion plans, domestically and internationally, which positions us as an even stronger fuel and convenience retail leader in the UAE and cements our place as a global fuel retailer.

"We maintain a robust balance sheet and continue to bring new innovations to the market which demonstrate exceptional customer experience. Looking ahead, we expect our growth trend to accelerate driven by strengthening economic recovery and an increase in visitors heading into holiday season, Expo 2020 and a number of sporting events being hosted by the UAE."



Customer-focused

In its continued dedication to upholding the highest standards of health and safety and supporting the nation's ongoing recovery in the fight against COVID-19, the company has ensured that 100% of its frontline employees working at service stations have received their vaccination booster dose.

Customer experience has been integral to the company throughout 2021, with the ADNOC Rewards loyalty program recording more than 1.2 million members. This was significantly driven by a series of promotions throughout the quarter, including the Let's Go Shop and Win Raffle, which saw 16 million entries over the three month campaign period. Reward member customers were entered into the raffle with every purchase, with the chance to win brand new cars, cash, gadgets and more.

In addition, a number of promotions have run throughout the quarter, in store and on the ADNOC Rewards program, to offer added value and an enhanced retail experience for consumers. This included an AED10 off AED30 spent at ADNOC Oasis promotion, the launch of multi-pack promotional offers, allowing customers to buy daily essentials in bulk and at value, and a dedicated Dubai station campaign to raise awareness of locations amongst communities.

Attractive shareholder proposition

Following ADNOC Distribution's inclusion in MSCI Emerging Markets Index in May 2021, ADNOC Distribution was also included in the FTSE Emerging Markets (EM) Index in September 2021. The inclusion in these reputable indices is expected to increase the attractiveness of ADNOC Distribution's shares to potential international investors and thus further diversifying the company's investor base.

In September, ADNOC Distribution announced that its Board of Directors had approved an interim dividend payment to shareholders for the first six months of 2021 of AED 1.285 billion (10.285 fils per share), equivalent to \$ 350 million, which was paid in October 2021. This was the first payment in what is expected to be a full-year 2021 dividend payment of AED 2.57 billion (AED 20.57 fils per share), consistent with the company's dividend policy.

This would translate to a 4.8% annual dividend yield for 2021 (based on a share price of AED 4.26 as of 8 November 2021). As per the company's approved policy, the second and final dividend for 2021 is expected to be paid in April 2022, subject to the Board of Director's recommendation and shareholders' approval.

The dividend policy recognizes the company's strong financial position and confidence in its growth prospects and cash-flow generation ability going forward. ADNOC Distribution remains steadfast in the delivery of its strategic commitments and sustainable returns for its shareholders.



Commitment to sustainable growth

The company has continued to show its commitment to effectively managing environmental, social and governance (ESG) matters. In the third quarter of 2021, ADNOC Distribution received a rating of A in the MSCI ESG Ratings assessment, recognizing ADNOC Distribution's approach to managing its business for long term sustainability.

MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

Key Financial Metrics

<i>AED millions</i>	Q3 2021	Q3 2020	change	9M 2021	9M 2020	change
<i>Revenue</i>	5,398	4,030	33.9%	14,698	11,986	22.6%
<i>Gross profit</i>	1,203	1,726	-30.3%	3,750	4,172	-10.1%
<i>EBITDA</i>	737	879	-16.1%	2,265	2,134	6.2%
<i>Underlying EBITDA¹</i>	617	1,132	-45.5%	2,017	2,554	-21.0%
<i>Profit for the period</i>	529	671	-21.2%	1,681	1,581	6.3%
<i>Earnings per share (AED/share)</i>	0.042	0.054	-21.2%	0.134	0.126	6.3%

(1) Underlying EBITDA defined as EBITDA less inventory gains/losses and one-offs

The full third quarter earnings announcement can be found at <https://www.adnocdistribution.ae/en/investor-relations/investor-relations/>

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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 459 retail fuel stations, 342 convenience stores as of 30 September 2021 and is the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE. ADNOC Distribution is the only fuel retailer operating in all seven emirates in the UAE, and in 2018 expanded its operations internationally, opening two service stations in the Kingdom of Saudi Arabia. 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.

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