



ADNOC DISTRIBUTION REPORTS ROBUST Q1 2024 GROWTH WITH 18% INCREASE IN EBITDA

- EBITDA increases by 18% year-on-year to \$248 million and net profit rises to \$150 million.
- Year-on-year fuel volumes increase by 17% and non-fuel retail transactions rise by 7%, demonstrating continued momentum across both fuel and non-fuel businesses
- ADNOC Distribution leverages AI-driven digital innovation to drive value and enhance efficiency, employing predictive fuel demand models, Fill & Go for personalized fueling, and expanding its network of EV charging points

Abu Dhabi, UAE – 09 May, 2024: ADNOC Distribution (ISIN: AEA006101017) (Symbol: ADNOCDIST), the UAE's largest fuel and convenience retailer, today announced robust Q1 2024 financial results, reporting an 18% year-on-year increase in its Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to \$248 million, demonstrating that the Company remains firmly on track to achieving the goals outlined in its new five-year strategy.

The progress follows sustained momentum in both fuel and non-fuel retail segments in Q1, including developments in ADNOC Distribution's pipeline of more than 20 Artificial Intelligence (AI)-driven initiatives, such as Fill and Go and the Fuel Demand AI Model, aimed at accelerating growth and enhancing operational efficiencies.

Eng. **Bader Saeed Al Lamki, CEO** of ADNOC Distribution, said, "Our robust first-quarter results with an 18% EBITDA growth are a testament to the Company's five-year strategy announced earlier this year, which prioritizes domestic growth, international platforms, and future-proofing the business. We are well positioned to achieve our operational objectives for 2028, aiming to expand the ADNOC Distribution network to 1,000 stations, increase the number of fast and super-fast EV charging points to at least 500, grow our non-fuel transactions by 50%, and increase the number of convenience stores by 25%."

"The integration of AI, a cornerstone of our strategy, continues to yield tangible results across our operations. For instance, thanks to our innovative Fuel Demand AI Model, we harness predictive demand analytics to optimize fuel delivery across our network. The model is projected to prevent potential lost sales totaling over \$27 million in a five-year period."

Financial Performance

The Company reported a double-digit increase in EBITDA compared to the same period last year, with higher traffic across its network driving growth in fuel volumes and non-fuel business. In Q1 2024, ADNOC Distribution's EBITDA increased by 18% year-on-year to \$248 million, with net profit reaching \$150 million compared to \$146 million in Q1 2023, despite the impact of the recently introduced UAE Corporate Tax. Excluding the tax impact, net profit saw a robust 13% year-on-year increase to \$165 million. The Company also reported a strong non-fuel gross profit increase of 16% year-on-year to \$55 million. ADNOC Distribution maintained a strong balance sheet with a net debt-to-EBITDA ratio of 0.50x, reinforcing its strong financial position and enabling the Company to invest in growth and deliver attractive shareholder returns.



Operational Performance

Operational highlights for the quarter include sustained growth in fuel volumes in all regions where the Company operates. Total fuel volumes increased by 17% year-on-year, driven by growth in both retail and commercial segments. The GCC region saw a 9% increase, fueled by factors including increased traffic across our network, sustained economic growth, ongoing network expansion, and a higher contribution from international operations in Saudi Arabia.

In Q1 2024, ADNOC Distribution opened 8 new service stations, expanding its total network to 846 stations. The Company remains on track to achieve its full-year target of adding between 15 and 20 new sites. ADNOC Distribution also saw ongoing growth in its non-fuel retail business, with transactions increasing by 7% across the network in the UAE.

Aligned with its new growth strategy, ADNOC Distribution is allocating capital towards convenience and mobility to transform its stations into destinations of choice. In Q1, ADNOC Distribution expanded its non-fuel offerings by opening two new high-capacity car wash tunnels, which have significantly greater capacity than conventional facilities. Plans are underway to launch 8 more car wash tunnels and upgrade 50% of automatic car washes by the end of 2024. Additionally, the Company aims to double the number of property units occupied by leading international and regional food and beverage brands across its network by the end of 2025.

AI & Future Proofing

As a cornerstone of its growth strategy, ADNOC Distribution is leveraging AI-enabled digital innovation to drive value and efficiency across its network, including predictive fuel demand models, Fill & Go, and in the company's EV network expansion.

From an operational efficiency perspective, ADNOC Distribution's Fuel Demand AI Model offers a fuel forecast accuracy exceeding 95%, far surpassing conventional methods averaging 60%, resulting in reduced total fuel inventory runout. Additionally, the improved accuracy facilitated a 10% reduction in total fuel truck emissions through optimized delivery timing efficiencies, in line with the Company's objective to reduce carbon emissions intensity by 25% by 2030.

Committed to futureproofing its business through a disciplined rollout of fast and super-fast electric vehicle (EV) charging points, ADNOC Distribution expanded its network in Q1 2024 to 89 charging points, marking a 68% increase over Q4 2023. This expansion included the establishment of a dedicated Mobility Hub in Masdar City. ADNOC Distribution remains on track to more than double its profitable EV charging points network to approximately 150 to 200 by the end of 2024.

Positive Outlook

Since its initial public offering in 2017, ADNOC Distribution has provided shareholders with an approximately 90% return on investment through increased market value and dividends. The Company delivered on its promise of achieving \$1 billion in EBITDA in 2023, setting the foundation for its next phase of accelerated growth. The Company continues to target value-accretive domestic and international expansion opportunities, including new markets to generate additional value for its shareholders.



ADNOC Distribution's new growth strategy includes disciplined expansion plans, leveraging its strong financial position and cash generation. With planned capital expenditures of between \$250 million and \$300 million in 2024, 70% of which are earmarked for growth, the Company has already invested \$46 million in Q1 2024. This strategic allocation of investments aims to boost shareholder value and returns by pursuing ambitious growth projects.

During the last Annual General Meeting in March, ADNOC Distribution shareholders approved a new five-year dividend policy, setting an annual dividend of \$700 million or a minimum of 75% of net profit, whichever is higher. This policy provides long-term visibility on returns and potential upside.

- ### -

For media, please contact: media@adnocdistribution.ae

For Investor Relations, please contact: ir@adnocdistribution.ae

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 40 countries across the world via distributors. Now in its 51st year, ADNOC Distribution has 846 service stations, 532 in the UAE, 69 in KS, and 245 in Egypt. As a non-fuel retail leader in the UAE, it operates 361 ADNOC Oasis convenience stores, 34 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 31 March 2024. 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.

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.