Fourth Quarter and Full Year 2024 Results

Management Discussion & Analysis Report

11 February 2025

Key highlights:
Continued improvement in underlying profitability in 2024

Total fuel volumes – 2024

15.0 billion liters

+8.7% Y-o-Y

Retail: +8.4%, driven by strong mobility trends and partially attributable to the timing of consolidation of TotalEnergies Marketing Egypt

Commercial: +9.2%, driven by economic expansion and partially attributable to the timing of consolidation of TotalEnergies Marketing Egypt

11.9 billion liters sold in the UAE and KSA

+7.6% Y-o-Y

Retail: +6.8% supported by network expansion, higher mobility, sustained momentum in the region's economic growth and higher contribution from KSA operations

Commercial: +9.2% on strong performance of the corporate business and new contracts signed in the UAE in 2023 and 2024

Revenue – 2024

35,454 AED million

+2.4% Y-o-Y

supported by higher fuel volumes, growing non-fuel retail segment contribution and the timing of consolidation of TotalEnergies Marketing Egypt, partially offset by lower prices

Gross profit – 2024

6,216 AED million

+6.5% Y-o-Y

driven by strong operating performance and despite lower inventory gains of AED 254 million in 2024 compared to inventory gains of AED 339 million in 2023

3,844 AED million

Fuel retail: +2.9% Y-o-Y

supported by a strong growth in fuel volumes and despite lower inventory gains of AED 276 million in 2024 compared to inventory gains of AED 334 million in 2023

860 AED million

Non-fuel retail: +12.5% Y-o-Y

supported by growth in non-fuel transactions, improved convenience store customer offerings, growing contribution of car wash business as well as other car services

1,512 AED million

Commercial: +13.1% Y-o-Y

driven by growth in corporate fuel volumes, despite inventory losses of AED 22 million in 2024 vs. inventory gains of AED 6 million in 2023

EBITDA – 2024

3,855 AED million

+4.8% Y-o-Y

despite lower inventory gains in 2024 vs. 2023

Underlying EBITDA – 2024

3,633 AED million

+11.4% Y-o-Y

supported by volume growth, higher contribution from non-fuel retail business and international activities

Net profit attributable to equity holders – 2024

2,420 AED million

-7.0% Y-o-Y

after the impact of AED 243 million UAE corporate income tax in 2024

Net profit, excl. UAE corporate income tax impact – 2024

2,663 AED million

+2.4% Y-o-Y

supported by volume growth, higher contribution from non-fuel retail business and international activities (KSA and Egypt), despite lower inventory gains and higher finance costs in 2024 vs. 2023

Cash generation and balance sheet – 2024

2,775 AED million

Free cash flow

Free cash flow down 31.0% Y-o-Y due to lower impact of working capital changes

Excl. the effect of working capital changes, free cash flow increased by 2.2% Y-o-Y to AED 2,722 million

The Company maintained a strong financial position at the end of 2024 with liquidity of AED 5.7 billion, in the form of AED 2.9 billion in cash and cash equivalents and AED 2.8 billion in unutilized credit facility

0.69x

Net debt to EBITDA ratio

balance sheet remained strong with a Net debt to EBITDA ratio of 0.69x as of 31 December 2024 (0.62x as of 31 December 2023)

Operational highlights – 2024

59

New stations

in the UAE, KSA and Egypt

896

Total stations network

551 in the UAE

100 in KSA (incl. 30 under development)

245 in Egypt

373

Convenience stores network in the UAE

527

Total convenience stores network

373 in the UAE

13 in KSA

141 in Egypt

189.2 million

Fuel transactions in the UAE

+5.3 % Y-o-Y

49.3 million

Non-fuel transactions in the UAE

+10.2% Y-o-Y

220

EV fast and super-fast charging points in the UAE

more than 4x growth compared to 53 charging points at the end of 2023

26.1% +c.140 bps

2024 convenience store conversion rate in the UAE

compared to 24.7% in 2023

2.26 million

Number of ADNOC Rewards members

+18.5% Y-o-Y

27.7% +c.220 bps

Q4 2024 convenience store conversion rate in the UAE

compared to 25.5% in Q4 2023

Record EBITDA supported by strong volumes and growing contribution from non-fuel retail and international activities

In 2024, ADNOC Distribution demonstrated growth in EBITDA of 4.8% year-on-year to AED 3,855 million, while underlying EBITDA increased at a double-digit rate of 11.4% to AED 3,633 million. Net profit attributable to equity holders decreased by 7.0% to AED 2,420 million due to lower inventory gains, higher finance costs and introduction of the UAE corporate tax. Net profit excluding the tax impact increased by 2.4% year-on-year.

This financial performance was driven by the strong growth in fuel volumes (+8.7% year-on-year), an expanded retail fuel network (896 stations at the end of December 2024 compared to 840 stations in the same period last year), strong growth in non-fuel transactions (+10.2% year-on-year), record-high convenience store conversion rate in five years (26.1% in 2024 compared to 24.7% in the same period last year), and a growing contribution from international operations in KSA and Egypt. A strong balance sheet (net debt/EBITDA of 0.69x as of 31 December 2024) underpins the Company's future growth, aligned with the 2024-28 strategy endorsed by the Board of Directors and communicated during the February 2024 Investor Day.

Fuel business

In 2024, ADNOC Distribution achieved record fuel deliveries to its customers. Retail and commercial fuel volumes in the UAE and KSA increased by 7.6% year-on-year, reaching 11.87 billion liters, driven by sustained momentum in the region's economic growth and higher mobility. The introduction of new stations in Dubai and network upgrades in Saudi Arabia contributed to higher retail fuel volumes, resulting in a 6.8% increase to 7.71 billion liters in the UAE and KSA compared to 2023. Including operations in Egypt, ADNOC Distribution reported total fuel volume growth of 8.7% year-on-year to above 15 billion liters, with retail fuel volumes rising by 8.4% and commercial volumes by 9.2%.

Network expansion: In 2024, ADNOC Distribution further expanded its retail fuel activities by adding 29 new stations in the UAE, KSA and Egypt and exceeded its target of opening 15-20 new stations in 2024. In addition, the Company contracted 30 stations in KSA under CAPEX-light Dealer Owned-Company Operated (DOCO) model – they will soon start to operate under ADNOC Distribution brand further increasing the Company's presence in a large and dynamic Saudi market.

- **Domestically:** ADNOC Distribution added 22 new stations in the UAE in 2024 to reach 551 stations in the home market, which compares to 529 stations at the end of 2023.
- In Dubai, the Company opened 12 stations in 2024. 10 cater specifically to trucks, in partnership with Dubai's Road and Transport Authority (RTA). As a result, ADNOC Distribution's service station network in the emirate expanded to 56 stations at the end of the period, up by 27% from 44 stations at the end of 2023.
- **Internationally:** ADNOC Distribution continued to execute on its plans in the Kingdom of Saudi Arabia, with three stations opened during 2024 (one existing station was returned during the period), taking the total network in the country to 70 stations at the end of the period, excluding DOCO stations. The Company has revitalized and rebranded c.90% of its KSA stations as of the end of 2024. Including DOCO contracted stations, Company's network in KSA reached 100 stations, a c.50% increase compared to 2023.

  During 2024, the Company's assets in Egypt added four new service stations to the portfolio (two existing stations were closed during the period) and had 245 service stations at the end of the period. In addition, the Egypt portfolio comprised aviation fuel, lubricant and wholesale fuel operations as well as 140+ convenience stores, 200+ lube changing points and 130+ car wash locations.
- **Total network of ADNOC Distribution** increased to 896 stations at the end of 2024 vs. 840 at the end of 2023
- **Network of fast and super-fast EV charging points** more than quadrupled to 220 at the end of 2024 vs. 53 at the end of 2023.

Commercial segment: In 2024, commercial fuel volumes in GCC increased by 9.2% compared to 2023 to 4.16 billion liters driven by an increase of 10.6% year-on-year in corporate business volumes. This was a result of execution of new contracts signed in 2023 and 2024, as the Company has been proactively focusing on gaining market share in Dubai and Northern Emirates.

Commercial fuel volumes in Egypt increased by 9.2% compared to 2023 to 516 million liters. This was driven by a 34% year-on-year increase in aviation volumes to 221 million liters supported by the continued tourism growth and was partially attributable to the timing of consolidation of TotalEnergies Marketing Egypt.

Total number of export network countries in ADNOC Distribution's VOYAGER lubricants portfolio rose to 46 markets at the end of 2024 compared to 37 markets at the end of the same period last year. The Company is exploring opportunities to penetrate new growing lubricants markets through collaboration with leading partners worldwide.

In 2023 the Company launched ADNOC Voyager brand signature range of premium and OEM-approved automotive vehicle lubricants in Egypt through TotalEnergies Marketing Egypt. The products are available for the Egyptian consumers to purchase at ADNOC-branded service stations. Additionally, ADNOC Distribution signed a lubricant franchisee agreement with TotalEnergies Marketing Egypt and in 2024 started production of low and mid-tier lubricants in Egypt for local sale and export.

Non-fuel business - UAE

In 2024, ADNOC Distribution continued to execute its non-fuel retail strategy with dynamic marketing campaigns and customer-focused initiatives. The Company elevated the shopping experience with a modern retail environment, improved category management, fresh food, premium coffee and convenient digital ordering. ADNOC Distribution revitalized its ADNOC Oasis convenience stores to offer fresh food, barista-brewed coffee and an expanded menu. Today, 90% of the stores boast a new or refurbished look with superior category management.

The growth strategy involves leveraging advanced technologies like Artificial Intelligence. AI-driven initiatives, such as Fill and Go with computer vision license plate recognition, enhance the refuelling process and solidify ADNOC Distribution's position as a leader in innovation within the industry.

In 2024, the Company continued to develop its non-fuel offerings launching in the UAE 17 new convenience stores (3 were closed during the period), including 5 stand-alone stores to capture opportunities for non-fuel retail growth outside service stations and expand outreach of the Oasis value proposition. In addition, ADNOC Distribution launched 5 car wash tunnels, which have significantly greater capacity than conventional facilities. C.50% of existing automatic car wash facilities were upgraded, with a focus on Tier-1 best performing car washes. Both initiatives provided strong support to the car wash business which posted the highest year-on-year growth in gross profit among all non-fuel retail verticals in 2024.

ADNOC Distribution increased the number of its vehicle inspection centres in the UAE to 35 following an addition of one new centre between end of 2023 and end of 2024. The number of vehicles inspected (fresh tests) in the Company's vehicle inspection centres increased by 20.4% in 2024 year-on-year, driven by an increase of the number of vehicle inspection centres, introduction of new services and supported by marketing and promotions.

In its property management business, at the end of December 2024 ADNOC Distribution had 1,151 occupied and awarded properties for rent, which implies an increase of 12.5% or 128 units compared to the end of December 2023. During the year, the Company opened 39 properties that operate under recognised international and local brands including McDonald's, Dunkin' Donuts, Domino's Pizza, Starbucks, Al Baik and others. These anchor brands bring additional footfall to ADNOC Distribution service stations and transform them into destinations of choice. Furthermore, at the end of 2024 ADNOC Distribution operated 12 Burger King restaurants under a franchise model (2 of them were opened outside the stations network), improving the yield on its property by 2.5x vs. conventional rental model.

ADNOC Rewards loyalty program and customer focus

ADNOC Distribution is committed to putting customers at the heart of what it does to redefine the experience at service stations. ADNOC Rewards loyalty program welcomed more than 350,000 new members over the twelve months ending 31 December 2024, including over 100,000 new members in Q4 2024 alone. The members enrolled in the program reached 2.3 million at the end of 2024, an increase of 18.5% year-on-year.

Under the ADNOC Rewards loyalty program, over 120 partners provide deals and discounts through the ADNOC Distribution app. Each of ADNOC Rewards tiers: SILVER, GOLD, and PLATINUM – delivers an expanded suite of exciting benefits and offers to customers.

As part of the loyalty programme, the Company offers its customers promotions in-store, and a range of initiatives that include linking ADNOC Rewards across service station purchases and allowing customers to earn and redeem points against valuable offerings – in fuel, lube change services, convenience store and car washes. This has helped increase footfall and drive sales in the food and beverage category.

OPEX

ADNOC Distribution cash OPEX increased in 2024 by 8.5% year-on-year to AED 2,409 million which is partially explained by a one-off cost of AED 33 million vs. a one-off gain of AED 77 million in 2023. Excluding the impact of the one-off items, 2024 cash OPEX increased by only by 3.4% year-on-year to AED 2,376 million, while the Company's operations and associated costs expanded.

In particular, the number of stations in the UAE and KSA increased by 4% at the end of 2024 compared to the end of 2023, excluding the addition of DOCO stations in KSA. Furthermore, in 2024 ADNOC Distribution recorded additional costs associated with the assets in Egypt due to the timing of consolidation of TotalEnergies Marketing Egypt.

In 2024, the Company achieved like-for-like OPEX savings of AED 66 million, on track to reduce like-for-like OPEX by up to AED 184 million ($50 million) in 2024-28.

Efficient capital allocation

In line with the plans to continue with its expansion strategy, ADNOC Distribution invested (including accruals/provisions) AED 1,073 million in 2024, of which nearly 60% spent on service station projects. The Company accelerated by a third its investments in technology infrastructure to AED 122 million.

ADNOC Distribution has demonstrated a proven track-record of value creation since IPO, by pursuing new opportunities in domestic and international markets and allocating cash towards growth. Through efficient capital allocation, the Company has consistently achieved healthy rates of return, including Return on Capital Employed (ROCE) of 28.8% in 2024 (26.3% in 2023) and Return on Equity (ROE) of 80.9% in 2024 (74.9% in 2023) – both return metrics representing record levels for ADNOC Distribution.

In 2024, the Company generated free cash flow of AED 2,775 million, a reduction of 31.0% year-on-year due to lower impact of working capital changes. Excluding the effect of working capital changes, in 2024 the free cash flow increased by 2.2% vs. 2023 to AED 2,722 million.

At the end of December 2024, the Company maintained a strong financial position with liquidity of AED 5.7 billion in the form of AED 2.9 billion in cash and cash equivalents and AED 2.8 billion in unutilized credit facility. The balance sheet remained strong following distribution of the final 2023 dividend in April and interim 2024 dividend in October with a net debt to EBITDA ratio of 0.69x as of 31 December 2024 vs. 0.62x as of 31 December 2023.

Early adoption of amendments to IAS 21 – Lack of exchangeability

ADNOC Distribution adopted amendments to IAS 21 in relation to operations of its subsidiary based in Egypt. The EGP was considered to lack of exchangeability from the beginning of the period until 5 March 2024, and the subsidiary has been unable to convert its functional currency from Egyptian banks to settle its foreign currency obligations. The lack of exchangeability of the EGP was restored effective 6 March 2024. In accordance with the requirements of the amendment, the subsidiary has revalued its net foreign monetary liabilities as at 31 December 2023 at the rate available on 6 March 2024 which is the most recent date reflecting the ending of the lack of exchangeability in Egypt, as a basis for implementation. Accordingly, the Group recorded an adjustment of AED 68 million to the opening balance of its retained earnings and Non-controlling interests in respective proportions of ownership.

Taxation – OECD Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model ("Pillar Two") rules designed to address the tax challenges arising from the digitalisation of the global economy.

On 9th December 2024, the UAE announced, it will implement a "Domestic Minimum Top-up Tax" (DMTT) effective from 1 January 2025. As the UAE has only recently published the relevant regulations, the Group is currently reviewing the impact of the overall Pillar Two tax position and does not anticipate material exposure.

Eng. Bader Al Lamki – Chief Executive Officer:

"ADNOC Distribution's strong performance in 2024 underscores our strategic focus on delivering value for both our customers and shareholders. By driving operational efficiency, embracing digital transformation, and expanding our market presence, we are well-positioned to achieve the ambitious goals of our five-year strategy. Looking ahead, we are confident in sustaining robust growth and unlocking new opportunities both domestically and internationally."

ADNOC DISTRIBUTION

Outlook: Growth momentum to sustain in 2025 and beyond

ADNOC Distribution represents an attractive investment opportunity, supported by continued growth of business and appealing shareholder distributions. Strong execution is demonstrated by a delivery on a critical commitment to capital markets of generating in excess AED 3.68 billion ($1 billion) EBITDA in 2023 followed by an increase to a new record level of AED3.86 billion in 2024. Underlying EBITDA and net profit, which exclude the effects of inventory movements, one-off items and the UAE corporate income tax, demonstrated double-digit growth in 2024 versus prior year.

ADNOC Distribution expects solid outlook for 2025 and beyond, underpinned by volume growth momentum, strong consumer confidence, higher contribution of non-fuel retail and international activities, and further efficiency enhancements.

In its quest to futureproof the business, ADNOC Distribution continues to explore further growth opportunities in mobility and lifestyle as well as new revenue streams created through energy transition. The Company is developing fast and superfast EV charging infrastructure across its network in the UAE in a disciplined manner. ADNOC Distribution continues to explore value-accretive domestic and international expansion opportunities, including new markets – to generate additional value for the shareholders.

Supportive macroeconomic environment

ADNOC Distribution's growth ambitions are underpinned by a solid macroeconomic backdrop:

- In 9M 2024, Abu Dhabi GDP increased by 3.9% year-on-year, including by 4.5% in Q3 2024, the fastest pace of growth recorded in the emirate since Q4 2022. This was driven by the growth of non-oil economic activities which expanded in 9M 2024 by 5.9% year-on-year, including by 6.6% in Q3 2024. Non-oil activities represented 54% of the Abu Dhabi economy in Q3 2024. The fastest-growing sector was transport and storage which expanded by 18% year-on-year, followed by financial and insurance sector (+11.6%), construction (+10.0%) and real estate (+6.1%). Another strong signal of growth in economic activity is that Abu Dhabi airports reported a 28.1% increase in passenger traffic in 2024 year-on-year to 29.4 million passengers compared to 22.9 million in 2023.
- Dubai's economy expanded by 3.1% year-on-year in 9M 2024, including by 2.9% in Q3 2024. Transport and storage continued strong growth, rising by 5.3% in 9M 2024. Wholesale and retail trade, which represented a quarter of Dubai's real GDP in 2023, expanded by 2.9% while financial services by 4.5%, manufacturing by 2.3% and real estate activities by 3.6% in 9M 2024 year-on-year. In 2024, international visitor numbers in Dubai reached 18.7 million, up 9% year-on-year. The growth was supported by hotel indicators: hotels occupancy levels increased to 78% in 2024 compared to 77.4% in the same period last year. In full year 2024, Dubai International Airport saw passenger traffic growing by 6.1% year-on-year to a new record of 92.3 million, surpassing the previous record of 89.1 million set in 2018.
- IMF estimates that the UAE GDP increased by 3.7% in 2024 and will grow by 4.5% in in the medium term. This is the highest rate among the GCC economies for which IMF sees 2025-29 growth at an average rate of 3.7%. It expects the UAE GDP growth to remain healthy at around 4% in 2025, despite lower-than-expected oil production related to OPEC+ agreements with non-hydrocarbon activity boosted by tourism, construction, public expenditure, and continued growth in financial services.
- At the end of December 2024, the UAE Central Bank maintained its forecast for the country's 2024 real GDP growth at 4.0% in light of expected improvements in the oil sector, with expectations of acceleration to 4.5% in 2025 and 5.5% in 2026. The non-oil component of GDP is expected to grow by 4.9% in 2024 and by 5.0% in 2025, driven by tourism, transportation, financial and insurance services, construction and real estate, and communications sectors.

Beyond the strong macroeconomic indicators, business activity expansion has translated into higher traffic and improved consumer confidence across the UAE resulting in higher fuel volumes and number of fuel and non-fuel transactions for ADNOC Distribution in 2024. Leveraging on its leadership position in the UAE, customer focus and best-in-class mobility and lifestyle experience, the Company has grown its fuel volumes at a faster rate than the country's GDP growth, increasing 2024 retail fuel volumes in the GCC markets by 6.8% and commercial volumes by 9.2% year-on-year.

Navigating towards 2028 ambition with a strong progress in 2024

During Investor Day in February 2024, ADNOC Distribution unveiled key strategic initiatives and focus areas. The Company is prioritizing innovation and enhancing customer experience in line with its strategic objectives. The focus on seamless customer journeys through digital solutions and hyper-personalization will drive improved brand engagement and increased footfall. ADNOC Distribution is scaling up its portfolio of low-carbon energy solutions including biofuels, EV and hydrogen to support de-carbonization of the transport industry and is expanding its non-fuel retail offerings.

ADNOC Distribution aims to deliver earnings growth in 2024-28 through identified key strategic initiatives, including: growing the number of non-fuel transactions by 50%, increasing the number of fast and super-fast EV charging points by 10-15x by 2028 compared to the end of 2023, reducing like-for-like OPEX by up to AED 184 million ($50 million) over a 5-year period, and growing the network of service stations to ~1,000 by 2028.

ADNOC Distribution has successfully navigated towards 2028 ambition with a strong progress in 2024:

- Number of non-fuel transactions: 10.2% growth year-on-year
- Number of fast and super-fast EV charging points: more than 4x growth compared to the end 2023
- Like-for-like OPEX savings: AED 66 million
- Network of service stations: 896
- Additionally, in 2024 the Company demonstrated progress across key non-fuel retail verticals: growing the number of convenience stores (+4% year-on-year), barista-prepared drinks (+33%), number of car washes (1.1x growth), number of oil changes (1.1x growth) as well as launched 12 franchise operations in 2023-24 that had 2.5x higher yield on property vs. conventional rental model.

Fuel business

New stations: after exceeding the 2023 target of opening 25-35 stations by adding 41 new stations, ADNOC Distribution again exceeded its target to add 15-20 stations to its network in 2024 by opening 29 new stations and contracting 30 new stations in KSA. The Company targets to open 40-50 stations in 2025, exceeding its previous targets, including 30-40 stations in KSA under CAPEX-light DOCO model.

Saudi Arabia: with a fully operational team on the ground, the Company is nearing revitalization and rebranding of the KSA network. ADNOC Distribution accelerated growth on a large and attractive KSA market by contracting 30 stations under DOCO model, which are currently under development. The new stations will operate under ADNOC Distribution brand following the upgrade.

Egypt: ADNOC Distribution's acquisition of a 50% stake in TotalEnergies Marketing Egypt in Q1 2023 reaffirmed the Company's commitment to expanding business in attractive international growth markets. Egypt's retail fuel, lubricants and aviation markets are highly attractive with a potential for future growth. Ten service stations were re-branded to ADNOC in Cairo during 2023 and 2024.

The Company started blending ADNOC Voyager lubricants in Egypt in 2024, with the intention of making the country a regional export hub.

Renewal of the Refined Products Supply Agreement: at the beginning of 2023, ADNOC Distribution successfully renewed its supply agreement with ADNOC in the UAE for a new five-year term, reaffirming the Company's strong value proposition driven by predictable margins and highly cash generative core business. The renewal also demonstrated strong and ongoing support from the majority shareholder, ADNOC.

Non-fuel business

ADNOC Distribution focuses on extracting additional growth and value by sweating the assets, providing enhanced customer experience and shifting capital towards mobility and lifestyle. The Company's convenience store revitalization programme has ensured that ADNOC Distribution is positioned to capitalize on benefits of its customer-centric initiatives and generates consistent growth in its convenience stores business.

By offering a modern shopping environment and a better assortment of products to customers, including fresh food and premium coffee, bundle offers and digital channels to order and transact, the Company is transforming its stations into destinations of choice.

ADNOC Distribution continued to develop its non-fuel offerings in 2024 launching 17 new convenience stores, including 5 stand-alone stores, and 5 car wash tunnels – which have significantly greater capacity than conventional facilities – with plans to open additional car wash tunnels over the course of 2025.

In its property management business, the Company aims to double the number of property units occupied by top international and regional food & beverage brands across its network by the end of 2025 vs. 2023.

Operating and investment efficiency

ADNOC Distribution aims to become one of the leading cost-efficient fuel retailers and remains on track to reduce structural costs, make its operations leaner and more efficient. The key drivers for OPEX savings include optimization, with the more efficient deployment of staffing levels for stations and convenience stores, energy efficiency through smart technology, outsourcing of logistics, centralization of key functions, etc.

AI & futureproofing of business

I/ Technology

As a core part of its growth strategy, ADNOC Distribution is actively pursuing more than 20 AI-focused projects by integrating AI and advanced technologies across all business segments, empowering data-driven decision-making to drive growth, enhance operational efficiency and elevate customer experience.

The Company is continuously working on enhancing customer experience through innovation and digital transformation. Fill & Go technology is the region's first AI-personalized experience introduced by ADNOC Distribution. It leverages the latest advancements in computer vision and machine learning to offer a hyper-personalized seamless refuelling process.

Using innovative Fuel Demand AI Model, ADNOC Distribution employs predictive demand analytics to optimize fuel delivery across its network. The model offers fuel forecast accuracy exceeding 95%, far surpassing conventional methods averaging 60%, resulting in reduced fuel inventory runout.

Additionally, with the improved fuel demand forecast accuracy the Company's supply chain fleet reduced total fuel truck emissions by 10% through improved delivery timing efficiencies.

II/ Rollout of Electric Vehicles (EV) charging infrastructure

ADNOC Distribution is committed to futureproofing its business through a disciplined rollout of profitable fast and super-fast EV charging points. The chargers are installed across the Company's service stations and dedicated mobility hubs at strategic locations in the UAE to address current EV charging demand and offer enhanced customer value proposition. The rollout of chargers is calibrated on a quarterly basis, depending on the actual EV uptake and using best-in-class technology.

ADNOC Distribution has made significant progress in expanding its network of EV charging points across the UAE, as part of its strategy to meet the growing demand for e-mobility solutions. As of end of 2024, the Company had 220 EV charging points, more than quadrupling their number from the end of 2023. The network offers fast and super-fast EV charging options, covering key highways and urban areas. ADNOC Distribution aims to further increase its network by c.100 EV charging points by the end of 2025, cementing its position as a leader in the growing On-the-Go EV charging market.

Sustainability

I/ Decarbonization roadmap

ADNOC Distribution plans to expand its sustainability-driven efforts to futureproof its business. In January 2023, the Company unveiled its decarbonization roadmap, committing to a reduction of carbon intensity of its operations by 25% by 2030 (compared to 2021 baseline). The decarbonization roadmap covers Scope 1 emissions which come directly from the Company's operations, and Scope 2 carbon emissions which come from the energy ADNOC Distribution uses to run its operations.

The Company aims to cut emissions through a set of identified initiatives that will be implemented in 2024 and beyond, such as installing solar panels at service stations, use of biofuels to power its fleet of vehicles and other energy optimization initiatives. ADNOC Distribution also aims to utilize 'green concrete', that is eco-friendly and has a smaller carbon footprint than traditional concrete, in the construction of new service stations.

In January 2025, ADNOC Distribution partnered with Emerge to power Abu Dhabi stations with solar energy. Solar PV panels will be added to more than 100 service stations across Abu Dhabi, intended to avoid more than 13,000 tonnes of CO_2 emissions annually. This development marks the second phase of service station solarization program following the successful installation of solar PV panels at 28 service stations in Dubai.

Finally, 100% of the Company's owned UAE heavy fleet is now using biofuel.

II/ Sustainability Linked Loan

ADNOC Distribution became the first UAE fuel and convenience retailer to tap into sustainable financing, by converting in January 2023 an existing AED 5.5 billion ($ 1.5 billion) term loan into a Sustainability Linked Loan. The Company committed to a penalty/incentive model which ties the loan to the sustainability-linked indicators, including GHG emissions intensity and share of renewable energy contribution. By arranging the Sustainability Linked Loan, ADNOC Distribution has aligned its funding strategy with the sustainability roadmap.

Dividend policy

ADNOC Distribution is committed to delivering sustainable, profitable growth and attractive shareholder returns. In recognition of the Company's strong financial position and confidence in the future cash flow generation, in March 2024 the shareholders approved a new dividend policy that provides long-term visibility for expected shareholder returns and offers upside from the future earnings growth. This dividend policy represents a balance between growth in investments and sustainable shareholder payback.

For 2024-28, the policy sets a dividend of AED 2.57 billion (20.57 fils per share) or minimum 75% of net profit, whichever is higher, subject to the discretion of the Company's Board of Directors and to the shareholders' approval. In accordance with the dividend policy, ADNOC Distribution expects to continue to pay half of the annual dividend in October of the relevant year and the second half in April of the following year.

In October 2024, ADNOC Distribution paid the dividend of AED 1.285 billion for the first six-months period of 2024. In February 2025, the Board of Directors recommended the dividend of AED 1.285 billion for the second six-months period of 2024, which is expected to be paid in April 2025, subject to the shareholders' approval.

At AED 2.57 billion, 2024 dividend yields 5.7% (at a share price of AED 3.64 as of 10 February 2025).

ADNOC DISTRIBUTION

Financial summary

AED million	Q4 24	Q3 24	QoQ %	Q4 23	YoY %	2024	2023	YoY %
Revenue	8,837	9,083	*-2.7%*	9,564	*-7.6%*	35,454	34,629	*2.4%*
Gross profit	1,608	1,587	*1.3%*	1,526	*5.4%*	6,216	5,836	*6.5%*
Gross margin, %	*18.2%*	*17.5%*		*16.0%*		*17.5%*	*16.9%*	
EBITDA	954	1,009	*-5.5%*	941	*1.4%*	3,855	3,680	*4.8%*
EBITDA margin, %	*10.8%*	*11.1%*		*9.8%*		*10.9%*	*10.6%*	
Underlying EBITDA (1)	986	995	*-1.0%*	890	*10.8%*	3,633	3,263	*11.4%*
Operating profit	744	801	*-7.1%*	749	*-0.6%*	3,069	2,983	*2.9%*
Net profit attributable to equity holders	580	667	*-13.1%*	677	*-14.3%*	2,420	2,601	*-7.0%*
Net margin, %	*6.6%*	*7.3%*		*7.1%*		*6.8%*	*7.5%*	
Earnings per share (AED/share)	0.05	0.05	*-13.1%*	0.05	*-14.3%*	0.19	0.21	*-7.0%*
Net profit, excluding UAE corporate tax impact	641	729	*-12.1%*	677	*-5.4%*	2,663	2,601	*2.4%*
Net cash generated from operating activities	1,087	507	*114.6%*	1,725	*-37.0%*	3,931	5,051	*-22.2%*
Capital expenditures	396	307	*29.0%*	556	*-28.7%*	1,073	1,176	*-8.7%*
Free cash flow (2)	804	178	*351.3%*	1,356	*-40.7%*	2,775	4,025	*-31.0%*
Free cash flow, excl. the effect of working capital (2)	698	676	*3.2%*	568	*22.9%*	2,722	2,664	*2.2%*
Total equity	3,181	2,940	*8.2%*	3,796	*-16.2%*	3,181	3,796	*-16.2%*
Net debt (3)	2,656	2,137	*24.3%*	2,298	*15.6%*	2,656	2,298	*15.6%*
Capital employed	10,667	10,418	*2.4%*	11,340	*-5.9%*	10,667	11,340	*-5.9%*
Return on capital employed (ROCE), %	*28.8%*	*29.5%*		*26.3%*		*28.8%*	*26.3%*	
Return on equity (ROE), %	*80.9%*	*94.3%*		*74.9%*		*80.9%*	*74.9%*	
Net debt to EBITDA ratio (3)	0.69	0.56		0.62		0.69	0.62	
Leverage ratio, %	*45.5%*	*42.1%*		*37.7%*		*45.5%*	*37.7%*	

(1) Underlying EBITDA is defined as EBITDA excluding inventory movements and one-off items
(2) Free cash flow is defined as net cash generated from operating activities less payments for purchase of property, plant & equipment, and advances to contractors
(3) Cash and bank balances used for net debt calculation include term deposits with banks
Note: See the Glossary for the calculation of certain metrics referred to above

Operating and financial review

Fuel volumes

In Q4 2024, total fuel volumes reached 3.98 billion liters, increasing by 7.2% year-on-year and setting a new quarterly volume record.

In the GCC markets (UAE and KSA), Q4 2024 total fuel volumes amounted to 3.17 billion liters, up by 8.7% year-on-year, supported by ongoing growth in region's economic activities and higher mobility as well as the network expansion. GCC retail fuel volumes increased by 9.0% while the commercial fuel volumes were up by 8.3% year-on-year.

On a quarter-on-quarter basis, retail and commercial volumes increased by 5.6% and 4.4%, respectively, driven by the higher mobility and supportive macroeconomic environment.

In 2024, total fuel volumes sold exceeded 15 billion liters, increasing by 8.7% year-on-year, driven by strong mobility trends and partially attributable to the timing of consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), 2024 total fuel volumes amounted to 11.87 billion liters, up by 7.6% year-on-year, supported by ongoing growth in region's economic activities and higher mobility as well as the network expansion.

In 2024, GCC retail fuel volumes increased by 6.8% year-on-year. Commercial fuel volumes were up by 9.2% year-on-year driven by an increase of 10.6% in corporate business and partially offset by a 12.6% decline in aviation business.

Fuel volumes by segment (million liters)	**Q4 24**	**Q3 24**	***QoQ %***	**Q4 23**	***YoY %***	**2024**	**2023**	***YoY %***
Retail (B2C)	**2,719**	**2,619**	*3.8%*	**2,546**	*6.8%*	**10,349**	**9,544**	*8.4%*
Of which GCC	*2,048*	*1,940*	*5.6%*	*1,880*	*9.0%*	*7,708*	*7,220*	*6.8%*
Of which Egypt	*671*	*679*	*-1.2%*	*666*	*0.7%*	*2,641*	*2,325*	*13.6%*
Commercial (B2B)	**1,258**	**1,211**	*3.8%*	**1,165**	*7.9%*	**4,680**	**4,284**	*9.2%*
Of which GCC	*1,125*	*1,077*	*4.4%*	*1,039*	*8.3%*	*4,164*	*3,812*	*9.2%*
Of which Egypt	*133*	*134*	*-0.4%*	*127*	*5.3%*	*516*	*472*	*9.2%*
Of which Corporate	**1,143**	**1,097**	*4.2%*	**1,050**	*8.9%*	**4,260**	**3,891**	*9.5%*
Of which GCC	*1,069*	*1,023*	*4.5%*	*971*	*10.0%*	*3,965*	*3,585*	*10.6%*
Of which Egypt	*74*	*74*	*0.6%*	*79*	*-5.4%*	*295*	*307*	*-3.9%*
Of which Aviation	**115**	**114**	*0.2%*	**116**	*-0.8%*	**420**	**393**	*6.9%*
Of which GCC	*56*	*55*	*2.2%*	*68*	*-17.5%*	*199*	*228*	*-12.6%*
Of which Egypt	*59*	*60*	*-1.6%*	*48*	*22.7%*	*221*	*166*	*33.5%*
Total	**3,977**	**3,830**	*3.8%*	**3,711**	*7.2%*	**15,029**	**13,829**	*8.7%*

Fuel volumes by product (million liters)	**Q4 24**	**Q3 24**	***QoQ %***	**Q4 23**	***YoY %***	**2024**	**2023**	***YoY %***
Gasoline (1)	2,162	2,087	*3.6%*	2,007	*7.7%*	8,327	7,625	*9.2%*
Diesel	1,484	1,419	*4.6%*	1,390	*6.8%*	5,413	5,003	*8.2%*
Aviation products	115	114	*0.2%*	116	*-0.8%*	420	393	*6.9%*
Others (2)	216	210	*3.0%*	199	*8.8%*	869	808	*7.5%*
Total	**3,977**	**3,830**	*3.8%*	**3,711**	*7.2%*	**15,029**	**13,829**	*8.7%*
Of which GCC	3,173	3,018	*5.1%*	2,919	*8.7%*	11,872	11,032	*7.6%*
Of which Egypt	804	813	*-1.1%*	792	*1.4%*	3,157	2,797	*12.9%*

(1) Includes grade 91, 95 and 98 unleaded gasoline
(2) Includes CNG, LPG, kerosene, lubricants, and base oil

Financial results

In Q4 2024, revenue decreased by 7.6% year-on-year to AED 8,837 million due to lower selling prices as a result of lower crude oil prices.

Q4 2024 gross profit increased by 5.4% year-on-year to AED 1,608 million due to higher fuel volumes and growth in the non-fuel retail business, despite inventory losses in Q4 2024 compared to inventory gains in the same period of last year. In particular, in Q4 2023 inventory gains amounted to AED 51 million (AED 76 million inventory gains in fuel retail and AED 25 million inventory losses in commercial business), compared to inventory losses of AED 9 million in Q4 2024 (all recorded in the commercial segment).

Q4 2024 EBITDA increased by 1.4% year-on-year to AED 954 million despite the inventory losses in Q4 2024 compared to inventory gains in Q4 2023.

Q4 2024 underlying EBITDA (EBITDA excluding inventory movements and one-off items) demonstrated a double-digit growth of 10.8% year-on-year to AED 986 million supported by higher volumes, growing contribution from non-fuel retail segment and international activities.

Q4 2024 net profit attributable to shareholders decreased by 14.3% year-on-year to AED 580 million due to the impact of inventory movements and one-off items as well as an AED 60 million impact of the UAE corporate income tax.

Q4 2024 net profit excluding the impact of the UAE corporate income tax decreased by 5.4% year-on-year to AED 641 million due inventory losses in Q4 2024 compared to inventory gains in the same period of last year as well as higher finance costs year-on-year.

On an underlying basis, i.e. excluding the impact of inventory movements and one-off items as well as the UAE tax impact, Q4 2024 net profit increased by 7.4% year-on-year.

In 2024, revenue increased by 2.4% year-on-year to AED 35,454 million. The growth was driven by higher fuel volumes, growing contribution of non-fuel retail business and timing of the consolidation of TotalEnergies Marketing Egypt. The revenue growth was partially offset by lower selling prices as a result of lower crude oil prices.

2024 gross profit increased by 6.5% year-on-year to AED 6,216 million, supported by the higher fuel volumes and growth in non-fuel retail business, despite lower inventory gains compared to the same period of last year. In particular, in 2024 inventory gains amounted to AED 254 million (AED 276 million inventory gains in fuel retail and AED 22 million inventory losses in commercial segment) compared to inventory gains of AED 339 million in 2023 (AED 334 million inventory gains in fuel retail and AED 6 million inventory gains in commercial business).

In 2024, EBITDA increased by 4.8% year-on-year to AED 3,855 million supported by the higher fuel volumes and offset by lower inventory gains in 2024 compared to 2023.

2024 underlying EBITDA (EBITDA excluding inventory movements and one-offs) increased by 11.4% year-on-year to AED 3,633 million. This was supported by like-for-like OPEX savings of AED 66 million.

2024 net profit attributable to shareholders decreased by 7.0% year-on-year to AED 2,420 million due to AED 243 million UAE corporate income tax impact and higher finance costs.

Net profit excluding the UAE tax impact increased by 2.4% year-on-year to AED 2,663 million despite lower impact of inventory gains.

On an underlying basis, i.e. excluding the impact of inventory movements and one-off items as well as the UAE tax, 2024 net profit increased by 11.8% year-on-year.

Revenue by segment (AED million)	Q4 24	Q3 24	QoQ %	Q4 23	YoY %	2024	2023	YoY %
Retail (B2C)	**5,923**	**6,052**	*-2.1%*	**6,283**	*-5.7%*	**23,799**	**23,217**	*2.5%*
Of which fuel retail	5,489	5,662	*-3.1%*	5,897	*-6.9%*	22,223	21,814	*1.9%*
Of which non-fuel retail (1)	435	390	*11.6%*	386	*12.7%*	1,575	1,403	*12.3%*
Commercial (B2B)	**2,913**	**3,031**	*-3.9%*	**3,281**	*-11.2%*	**11,655**	**11,412**	*2.1%*
Of which corporate	2,526	2,615	*-3.4%*	2,829	*-10.7%*	10,085	9,872	*2.2%*
Of which aviation	387	417	*-7.1%*	452	*-14.3%*	1,570	1,540	*2.0%*
Total	**8,837**	**9,083**	*-2.7%*	**9,564**	*-7.6%*	**35,454**	**34,629**	*2.4%*

Gross profit by segment (AED million)	Q4 24	Q3 24	QoQ %	Q4 23	YoY %	2024	2023	YoY %
Retail (B2C)	**1,198**	**1,172**	*2.3%*	**1,182**	*1.4%*	**4,704**	**4,499**	*4.6%*
Of which fuel retail	956	958	*-0.2%*	965	*-0.9%*	3,844	3,735	*2.9%*
Of which non-fuel retail (1)	242	213	*13.5%*	217	*11.4%*	860	764	*12.5%*
Commercial (B2B)	**409**	**415**	*-1.4%*	**344**	*19.2%*	**1,512**	**1,337**	*13.1%*
Of which corporate	322	331	*-2.5%*	270	*19.4%*	1,184	1,058	*11.9%*
Of which aviation	87	85	*2.9%*	74	*18.3%*	327	279	*17.4%*
Total	**1,608**	**1,587**	*1.3%*	**1,526**	*5.4%*	**6,216**	**5,836**	*6.5%*

(1) Non-fuel retail includes convenience stores, car wash, lube change, property management and vehicle inspection

EBITDA by segment (AED million)	Q4 24	Q3 24	QoQ %	Q4 23	YoY %	2024	2023	YoY %
Retail (B2C)	**679**	**673**	*0.9%*	**708**	*-4.0%*	**2,728**	**2,646**	*3.1%*
Commercial (B2B)	**284**	**338**	*-16.0%*	**246**	*15.2%*	**1,129**	**1,048**	*7.7%*
Of which corporate	213	253	*-15.8%*	181	*17.6%*	831	783	*6.1%*
Of which aviation	71	85	*-16.7%*	65	*8.6%*	298	265	*12.5%*
Unallocated(1)	-9	-2	*NM*	-13	*NM*	-2	-15	*NM*
Total	**954**	**1,009**	*-5.5%*	**941**	*1.4%*	**3,855**	**3,680**	*4.8%*

(1) Unallocated includes other operating income/expenses not allocated to specific segment
NM: Not meaningful

Distribution and administrative expenses

In Q4 2024, distribution and administrative expenses (OPEX) were AED 861 million, an increase of 10.2% compared to Q4 2023, mainly as a result of a 4% increase in the Company's network in the UAE and KSA and associated costs as well as consolidation of TotalEnergies Marketing Egypt.

Excluding depreciation, Q4 2024 cash OPEX increased by 10.5% year-on-year to AED 651 million on back of growth of the Company's network.

In 2024, distribution and administrative expenses (OPEX) were AED 3,195 million, an increase of 9.5% compared to 2023. Excluding depreciation, cash OPEX increased by 8.5% to AED 2,409 million due to the expansion of the Company's fuel retail network and consolidation of TotalEnergies Marketing Egypt

In 2024, the Company incurred a one-off cost of AED 33 million compared a one-off gain of AED 77 million in 2023. Excluding the impact of one-off items, 2024 cash OPEX increased by only by 3.4% year-on-year to AED 2,376 million while the Company's operations and associated costs expanded. This was supported by management initiatives to increase efficiency and reduce costs across all business units.

AED million	Q4 24	Q3 24	QoQ %	Q4 23	YoY %	2024	2023	YoY %
Staff costs	396	400	*-1.1%*	386	*2.4%*	1,589	1,461	*8.7%*
Depreciation	210	208	*0.9%*	192	*9.3%*	786	697	*12.8%*
Repairs, maintenance, and consumables	64	45	*42.3%*	59	*9.9%*	192	203	*-5.5%*
Distribution and marketing expenses	49	23	*113.7%*	33	*49.6%*	111	65	*69.9%*
Utilities	63	58	*7.4%*	48	*29.2%*	218	210	*3.8%*
Insurance	3	3	*-0.4%*	-3	*NM*	11	10	*16.7%*
Others [(1)]	77	69	*12.1%*	66	*16.3%*	288	271	*6.5%*
Total	**861**	**806**	*6.8%*	**781**	*10.2%*	**3,195**	**2,917**	*9.5%*

(1) Other costs include lease cost, bank charges, subscriptions, legal fees, consultancies, etc.
NM: Not meaningful

Capital expenditures

The Company's capital expenditures (CAPEX) primarily consist of (i) investments related to the development and construction of new service stations and fuel terminal projects and capitalized maintenance costs related to properties, (ii) the purchase of machinery and equipment, and (iii) other capital expenditures related to properties, including structural upgrades, technology infrastructure upgrades and other improvements.

In 2024, total CAPEX decreased by 8.7% compared to 2023 to AED 1,073 million, due to lower spending on industrial and other projects as well as machinery and equipment. C.60% of the CAPEX comprised development and construction of new service stations.

The table below presents the breakdown of capital expenditures for the reviewed period.

AED million	Q4 24	Q3 24	QoQ %	Q4 23	YoY %	2024	2023	YoY %
Service stations projects	229	187	*22.4%*	283	*-19.4%*	621	668	*-7.1%*
Industrial and other projects	19	37	*-49.1%*	124	*-84.6%*	160	233	*-31.5%*
Machinery and equipment	75	38	*95.5%*	95	*-20.9%*	137	166	*-17.4%*
Distribution fleet	13	12	*6.7%*	4	*255.1%*	26	4	*NM*
Technology infrastructure	55	32	*73.2%*	45	*22.6%*	122	91	*33.4%*
Office furniture and equipment	6	1	*NM*	6	*4.3%*	8	14	*-46.6%*
Total	**396**	**307**	*29.0%*	**556**	*-28.7%*	**1,073**	**1,176**	*-8.7%*

NM: Not meaningful

Business segments operating review

Retail segment – B2C (fuel and non-fuel)

Volumes

In Q4 2024, retail fuel volumes increased by 6.8% year-on-year to 2.72 billion liters. In GCC markets (UAE and KSA), the volumes increased by 9.0% year-on-year to 2.05 billion liters driven by the region's ongoing economic growth, higher mobility and addition of new service stations.

Retail fuel volumes increased in Q4 2024 by 3.8% compared to Q3 2024, driven by a strong growth of 5.6% in the UAE/KSA markets and partially offset by a 1.2% reduction in Egypt.

In 2024, retail fuel volumes increased by 8.4% year-on-year to 10.35 billion liters, driven by strong mobility trends and partially attributable to the timing of consolidation of TotalEnergies Marketing Egypt.

In GCC markets (UAE and KSA), they increased by 6.8% year-on-year to 7.71 billion liters as a result of economic growth and higher mobility in the region. In addition, the Company continued to expand in Dubai by adding new stations and upgraded its retail network in KSA, resulting in incremental fuel volumes in 2024 compared to the same period of 2023.

Retail segment volumes (million liters)	Q4 24	Q3 24	*QoQ %*	Q4 23	*YoY %*	2024	2023	*YoY %*
Gasoline	2,068	1,992	*3.8%*	1,916	*8.0%*	7,970	7,317	*8.9%*
Diesel	587	565	*3.8%*	572	*2.6%*	2,122	1,999	*6.1%*
Other (1)	64	61	*3.7%*	58	*9.9%*	257	228	*12.7%*
Total	**2,719**	**2,619**	*3.8%*	**2,546**	*6.8%*	**10,349**	**9,544**	*8.4%*
Of which GCC	2,048	1,940	*5.6%*	1,880	*9.0%*	7,708	7,220	*6.8%*
Of which Egypt	671	679	*-1.2%*	666	*0.7%*	2,641	2,325	*13.6%*

(1) Includes CNG, LPG, kerosene, and lubricants

Financial results

In Q4 2024, retail segment revenue decreased by 5.7% compared to Q4 2023 to AED 5,923 million as a result of lower pump prices. Fuel retail business revenue was 6.9% lower year-on-year while non-fuel retail business revenue increased by 12.7% compared to Q4 2023.

Q4 2024 retail segment gross profit increased by 1.4% compared to Q4 2023 to AED 1,198 million supported by higher fuel volumes, growing contribution from non-fuel and international activities and despite lower inventory gains. In particular, in Q4 2024 the Company did not record any retail segment inventory gains while in Q4 2023 they amounted to AED 76 million.

Fuel retail gross profit decreased in Q4 2024 by 0.9% year-on-year principally due the lower impact of inventory gains, partially offset by the higher volumes.

However, non-fuel retail gross profit increased by 11.4% in Q4 2024 compared to Q4 2023 driven by improved customer offerings, double-digit growth in number of non-fuel transactions (+12.3% year-on-year) and continued growth of convenience store conversion ratio (27.7% vs. 25.5% in prior year).

Q4 2024 retail segment EBITDA decreased by 4.0% compared to Q4 2023 to AED 679 million, mainly due to the lower impact of inventory gains compared to the same period of last year.

In 2024, retail segment revenue increased by 2.5% compared to 2023 to AED 23,799 million supported by higher volumes, strong growth in non-fuel retail revenue, timing of consolidation of TotalEnergies Marketing Egypt, and offset by lower pump prices. 2024 fuel retail business revenue was 1.9% higher year-on-year and the non-fuel retail business revenue increased by 12.3% compared to 2023.

2024 retail segment gross profit increased by 4.6% compared to 2023 to AED 4,704 million supported by higher fuel volumes, growing contribution from non-fuel and international activities (KSA and Egypt). This was offset by lower inventory gains: in 2023 they amounted to AED 334 million while in 2024 they were AED 276 million.

2024 fuel retail gross profit increased by 2.9% year-on-year principally due the higher volumes, offset by the lower impact of inventory gains.

Non-fuel retail gross profit increased at a double-digit rate of 12.5% in 2024 year-on-year supported by improved convenience store customer offerings, growth in non-fuel transactions, increasing car wash business contribution driven by new initiatives: tunnels and upgraded automatic car washes, as well as other car services.

In 2024, retail segment EBITDA increased by 3.1% compared to 2023 to AED 2,728 million.

Retail segment (AED million)	Q4 24	Q3 24	*QoQ %*	Q4 23	*YoY %*	2024	2023	*YoY %*
Revenue	**5,923**	**6,052**	*-2.1%*	**6,283**	*-5.7%*	**23,799**	**23,217**	*2.5%*
Of which fuel retail	5,489	5,662	*-3.1%*	5,897	*-6.9%*	22,223	21,814	*1.9%*
Of which non-fuel retail (1)	435	390	*11.6%*	386	*12.7%*	1,575	1,403	*12.3%*
Gross profit	**1,198**	**1,172**	*2.3%*	**1,182**	*1.4%*	**4,704**	**4,499**	*4.6%*
Of which fuel retail	956	958	*-0.2%*	965	*-0.9%*	3,844	3,735	*2.9%*
Of which non-fuel retail (1)	242	213	*13.5%*	217	*11.4%*	860	764	*12.5%*
EBITDA	**679**	**673**	*0.9%*	**708**	*-4.0%*	**2,728**	**2,646**	*3.1%*
Operating profit	492	494	*-0.5%*	550	*-10.5%*	2,046	2,033	*0.6%*
Capital expenditures	312	250	*24.7%*	467	*-33.2%*	849	864	*-1.8%*

(1) Non-fuel retail includes convenience stores, car wash, lube change, property management and vehicle inspection

Other operating metrics

The number of fuel transactions in the UAE increased by 3.5% in Q4 2024 year-on-year and by 5.3% in 2024 year-on-year.

This was supported by the network expansion, improvement in customer sentiment as well as the ongoing growth in economic activity and mobility in the UAE.

Fuel operating metrics	Q4 24	Q3 24	*QoQ %*	Q4 23	*YoY %*	2024	2023	*YoY %*
Service stations network								
UAE (1)	551	543	*1.5%*	529	*4.2%*	551	529	*4.2%*
Saudi Arabia (1)	100	69	*44.9%*	68	*47.1%*	100	68	*47.1%*
Egypt (1)	245	243	*0.8%*	243	*0.8%*	245	243	*0.8%*
Total (1)	**896**	**855**	*4.8%*	**840**	*6.7%*	**896**	**840**	*6.7%*
Throughput per station – GCC (million liters)	3.3	3.2	*4.0%*	3.1	*4.8%*	12.4	12.1	*2.6%*
Number of fuel transactions – UAE (million)	48.6	48.3	*0.5%*	47.0	*3.5%*	189.2	179.7	*5.3%*

(1) At end of period

Q4 2024 and 2024 non-fuel transactions in the UAE increased by 12.3% and 10.2% year-on-year, respectively, driven by improved consumer sentiment, enhanced offerings following revitalization of the convenience stores, introduction of car wash tunnels and ongoing upgrade of automatic car washes.

In addition, the strong growth in non-fuel transactions was supported by marketing and promotion campaigns under ADNOC Rewards loyalty program to attract higher footfall and increase customer spending.

In 2024, convenience store conversion rate increased by nearly 140 bps to a new record in five years of 26.1% from 24.7% in 2023. In Q4 2024 convenience store conversion rate was 27.7%, an increase of more than 220 bps from 25.5% in Q4 2023.

The UAE convenience stores revenue increased by 10.3% in Q4 2024 compared to Q4 2023, and by 10.9% in 2024 compared to 2023, mainly driven by the higher number of transactions compared to the same period of last year.

In Q4 2024, UAE convenience stores gross profit increased by 22.5% year-on-year to AED 100 million and in 2024 by 15.5% year-on-year to AED 330 million driven by the higher number of transactions as a result of enhanced customer offerings following revitalization of the convenience stores, marketing and promotion campaigns as well as the higher Food & Beverage sales.

Average gross basket size increased by 0.7% year-on-year in Q4 2024 compared to Q4 2023, and by 1.7% year-on-year in 2024 compared to 2023.

In its property management business, the Company continues to transition its tenancy business to a revenue-sharing model to maximize revenues and profitability. In 2024, the number of occupied and awarded properties for rent increased by 12.5% year-on-year to 1,151 units.

A number of vehicles inspected (fresh tests) in the Company's vehicle inspection centres increased by 11.6% in Q4 2024 compared to Q4 2023 and by 20.4% in 2024 compared to 2023, driven by a higher number of vehicle inspection centres, introduction of new services, and supported by marketing promotions.

Non-fuel operating metrics	Q4 24	Q3 24	*QoQ %*	Q4 23	*YoY %*	2024	2023	*YoY %*
Number of non-fuel transactions – UAE (million) (1)	13.4	12.4	*8.0%*	11.9	*12.3%*	49.3	44.8	*10.2%*
Convenience stores								
Number of convenience stores – UAE (2)	373	366	*1.9%*	359	*3.9%*	373	359	*3.9%*
Convenience stores revenue (AED million) – GCC	258	232	*11.2%*	234	*10.3%*	943	850	*10.9%*
Convenience stores gross profit (AED million) - GCC	100	78	*29.0%*	82	*22.5%*	330	286	*15.5%*
Gross margin, %	*38.7%*	*33.4%*		*34.9%*		*35.0%*	*33.6%*	
Conversion rate (C-store sites only), % (3)	*27.7%*	*25.9%*		*25.5%*		*26.1%*	*24.7%*	
Average basket size – UAE (AED) (4)	22.3	21.6	*3.6%*	22.8	*-1.9%*	22.2	22.2	*0.1%*
Average gross basket size – UAE (AED) (5)	27.6	25.7	*7.2%*	27.4	*0.7%*	26.8	26.4	*1.7%*
UAE property management								
Number of property management tenants(2)	331	322	*2.8%*	303	*9.2%*	331	303	*9.2%*
Number of occupied and awarded properties for rent(2)	1,151	1,124	*2.4%*	1,023	*12.5%*	1,151	1,023	*12.5%*
UAE vehicle inspection								
Number of vehicle inspection centres(2)(6)	35	34	*2.9%*	34	*2.9%*	35	34	*2.9%*
Number of vehicles inspected – fresh tests (thousands)	407	385	*5.7%*	365	*11.6%*	1,534	1,274	*20.4%*
Other vehicle inspection transactions (thousands) (7)	53	46	*15.5%*	53	*-0.1%*	184	214	*-13.8%*

(1) Includes convenience stores, car wash and oil change transactions
(2) At end of period
(3) Number of convenience stores transactions divided by number of fuel transactions at sites with convenience stores
(4) Average basket size is calculated as convenience store revenue divided by number of convenience store transactions
(5) Average gross basket size is calculated as convenience store revenue (including revenue from consignment items shown under other operating income) divided by number of convenience store transactions
(6) Includes one permitting centre
(7) Other vehicle inspection transactions include number of vehicles inspected (re-tests) and sale of safety items at vehicles inspection centres

Commercial segment – B2B (corporate and aviation)

Volumes

In Q4 2024, commercial fuel volumes increased by 7.9% year-on-year to 1.26 billion liters.

In GCC markets (UAE and KSA), Q4 2024 volumes increased by 8.3% compared to Q4 2023 to 1.12 billion liters, driven by growth in corporate business of 10.0% year-on-year and partially offset by a decline of 17.5% in aviation businesses.

In Egypt, commercial volumes demonstrated growth of 5.3% in Q4 2024 compared to Q4 2023 to 133 million liters. This was primarily driven by a 22.7% year-on-year increase in aviation volumes.

In 2024, commercial fuel volumes increased by 9.2% compared to 2023 to 4.68 billion liters.

In GCC markets (UAE and KSA), 2024 volumes increased by 9.2% compared to 2023 to 4.16 billion liters with corporate fuel volumes growing by 10.6% and aviation fuel volumes decreasing by 12.6% year-on-year.

Egypt commercial volumes growth of 9.2% year-on-year in 2024 to 516 million liters was driven by a 33.5% increase in aviation volumes.

Commercial segment volumes (million liters)	Q4 24	Q3 24	*QoQ %*	Q4 23	*YoY %*	2024	2023	*YoY %*
Gasoline	94	95	*-1.4%*	91	*2.4%*	356	308	*15.9%*
Diesel	897	854	*5.1%*	818	*9.7%*	3,291	3,004	*9.6%*
Aviation	115	114	*0.2%*	116	*-0.8%*	420	393	*6.9%*
Other (1)	152	148	*2.7%*	141	*8.3%*	612	580	*5.6%*
Total	**1,258**	**1,211**	*3.8%*	**1,165**	*7.9%*	**4,680**	**4,284**	*9.2%*
Of which GCC	1,125	1,077	*4.4%*	1,039	*8.3%*	4,164	3,812	*9.2%*
Of which Egypt	133	134	*-0.4%*	127	*5.3%*	516	472	*9.2%*

(1) Includes LPG, lubricants, and base oil

Financial results

Q4 2024 commercial segment revenue decreased by 11.2% compared to Q4 2023 to AED 2,913 million due to lower prices. Corporate business revenue was 10.7% lower year-on-year while aviation business revenue decreased by 14.3% compared to Q4 2023.

Q4 2024 commercial segment gross profit increased by 19.2% year-on-year to AED 409 million driven by higher volumes and partially supported by lower inventory losses. Commercial segment inventory loss was AED 9 million in Q4 2024 vs. AED 25 million inventory loss in Q4 2023.

In Q4 2024, commercial segment EBITDA increased by 15.2% year-on-year to AED 284 million.

2024 commercial segment revenue increased by 2.1% compared to 2023 to AED 11,655 million, supported by higher volumes and the timing of consolidation of TotalEnergies Marketing Egypt, partially offset by lower prices. 2024 corporate business revenue was 2.2% higher year-on-year and the aviation business revenue increased by 2.0% compared to 2023.

In 2024, commercial segment gross profit increased by 13.1% year-on-year to AED 1,512 million supported by the higher volumes and offset by lower effect of inventory gains. In particular, in the commercial segment the Company incurred AED 22 million inventory losses in 2024 vs. AED 6 million inventory gains recorded in 2023.

2024 commercial segment EBITDA increased by 7.7% year-on-year to AED 1,129 million.

Commercial segment (AED million)	Q4 24	Q3 24	*QoQ %*	Q4 23	*YoY %*	2024	2023	*YoY %*
Revenue	**2,913**	**3,031**	*-3.9%*	**3,281**	*-11.2%*	**11,655**	**11,412**	*2.1%*
Of which corporate	2,526	2,615	*-3.4%*	2,829	*-10.7%*	10,085	9,872	*2.2%*
Of which aviation	387	417	*-7.1%*	452	*-14.3%*	1,570	1,540	*2.0%*
Gross profit	**409**	**415**	*-1.4%*	**344**	*19.2%*	**1,512**	**1,337**	*13.1%*
Of which corporate	322	331	*-2.5%*	270	*19.4%*	1,184	1,058	*11.9%*
Of which aviation	87	85	*2.9%*	74	*18.3%*	327	279	*17.4%*
EBITDA	**284**	**338**	*-16.0%*	**246**	*15.2%*	**1,129**	**1,048**	*7.7%*
Of which corporate	213	253	*-15.8%*	181	*17.6%*	831	783	*6.1%*
Of which aviation	71	85	*-16.7%*	65	*8.6%*	298	265	*12.5%*
Operating profit	262	309	*-15.2%*	211	*23.9%*	1,026	964	*6.4%*
Capital expenditures	17	7	*147.2%*	31	*-47.2%*	47	33	*42.0%*

Share trading and ownership

ADNOC Distribution shares are traded on the Abu Dhabi Securities Exchange (ADX) under the symbol ADNOCDIST. The closing share price as of 31 December 2024 was AED 3.52. In the period from 1 January 2024 through 31 December 2024, the share price ranged between AED 3.24 and AED 3.79 at close. ADNOC Distribution market capitalization was AED 44.0 billion as of 31 December 2024.

An average of 7.3 million shares traded daily in 2024 (0.9x 2023 level). In 2024, the average daily traded value of the Company's shares was approximately AED 26.0 million (0.8x 2023 level).

As of 31 December 2024, ADNOC owned 77%, while 23% of ADNOC Distribution outstanding shares were publicly owned by institutional and retail investors.

Potential risks

Key risks potentially affecting ADNOC Distribution's financial and operational results include supply chain risks, asset integrity and information technology risks. The Company has identified and implemented several key controls and mitigation strategies to ensure business continuity, including engineered controls and managed controls as well as contractual safeguards to limit its financial exposure to these risks. For more detailed information on risks and risk management, please refer to the Risk Factors section of the international offering memorandum dated 26 November 2017 relating to ADNOC Distribution IPO, which is available on the Company's website at https://www.adnocdistribution.ae/investor-relations.

2024 earnings conference call details

A conference call in English for investors and analysts will be held on Tuesday, February 11, 2025, at 5 p.m. UAE / 1 p.m. London / 8 a.m. New York. To access the management presentation, followed by a Q&A session, please connect through one of the following methods:

Webcast

Click here to join the webcast
Please note that participants joining by webcast will be able to ask questions via a chat box within the webcast player

Note: Click on the link above to attend the presentation from your laptop, tablet, or mobile device. Audio will stream through your selected device. If you have technical difficulties, please click the "Listen by Phone" button on the webcast player and dial one of the numbers provided therein.

Audio Call Dial in Details:

UAE (Toll Free): 8000 3570 2606

KSA (Toll Free): 800 844 5726

UK (Toll Free): 0800 279 0424

US (Toll Free): 800-289-0462

Passcode: 215705

For other countries, please connect to the above webcast link, select the "Listen by Phone" option on the webcast player and click on the audio numbers to access the dial in information

The presentation materials will be available for download in English on Tuesday, February 11, 2025 at https://www.adnocdistribution.ae/en/investor-relations/investor-relations/downloads/

Reporting date for the Q1 2025

We expect to announce our first quarter 2025 results on or around May 7, 2025.

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February 11, 2025
ABU DHABI NATIONAL OIL COMPANY FOR DISTRIBUTION PJSC

Glossary

- Net debt is calculated as total interest bearing debt less cash and bank balances (including term deposits with banks).
- Free cash flow is calculated as net cash generated from operating activities less payments for purchase of property, plant & equipment, and advances to contractors.
- Capital employed is calculated as the sum of total assets minus non-interest bearing current liabilities.
- Return on capital employed is calculated as operating profit for the twelve months ended divided by capital employed on the last day of the period presented.
- Return on equity is calculated as profit distributable to equity holders of the Company for the period of twelve months ended divided by equity attributable to owners of the Company on the last day of the period presented.
- Net debt to EBITDA ratio is calculated interest bearing net debt as of the end of the period presented, divided by EBITDA for the twelve months ended on the last day of the period presented.
- Leverage ratio is calculated as (a) interest bearing net debt, divided by (b) the sum of interest bearing net debt plus total equity.
- Average basket size is calculated as convenience store revenue divided by number of convenience store transactions
- Average gross basket size is calculated as total convenience store sales revenue (including revenue from consignment items shown under other operating income) divided by number of convenience store transactions.

Cautionary statement regarding forward-looking statements

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 we 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 optimization 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.