

# Financial review

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

The following discussion and analysis of the Company’s financial results is based on audited financial statements for the year ending December 31, 2024. The results should be read in conjunction with the audited financial statements, including the related notes, which are available on the Company’s website.

In 2024, ADNOC Distribution demonstrated growth across all operating metrics, thanks to implementation of the Company’s new strategy. After delivering on a critical commitment to capital markets of generating in excess of AED 3.68 billion EBITDA in 2023, 2024 marked a new record EBITDA of AED 3.86 billion, a 4.8% increase year-on-year.

Underlying profitability, which is measured by excluding the effects of inventory movements and one-off items, demonstrated double-digit year-on-year growth in 2024. While net profit attributable to equity holders decreased by 7.0% to AED 2.42 billion due to lower inventory gains, higher depreciation charges and finance costs, and the introduction of the UAE corporate tax, net profit excluding the tax impact increased by 2.4% year-on-year.

Financial performance was driven by 8.7% year-on-year growth in fuel volumes, an expanded retail fuel network, strong growth in non-fuel transactions of 10.2% year-

on-year, the highest convenience store conversion rate in five years at 26.1%, and a growing contribution from international operations in KSA and Egypt.

The Company also continued to enhance its operational efficiencies, successfully achieving like-for-like OPEX savings of AED 66 million in 2024, positioning the Company well towards achieving its target of up to AED 184 million in OPEX savings in 2024 - 2028.

In 2024, ADNOC Distribution generated a record 29% Return on Capital Employed. This industry-leading rate of return was driven by efficient capital allocation, demonstrating the Company’s continued focus on value creation.

Additionally, robust free cash flow of AED2.78 billion and a strong balance sheet (net debt/EBITDA ratio of 0.69x) support growth prospects and attractive shareholder distributions.

Following this strong set of 2024 results, the Company expects a solid outlook for 2025 and beyond, underpinned by volume growth momentum, strong consumer confidence, growth in non-fuel retail, higher contributions from international activities and further efficiency enhancements.

### Continuous momentum in fuel volume growth



#### Total fuel volumes

**15,029** million liters

**+8.7%** compared to 13,829 million liters in 2023

Record total fuel volumes, supported by network expansion, regional economic growth, higher mobility trends and growth in international activities



#### GCC fuel volumes (UAE and KSA)

**11,872** million liters

**+7.6%** compared to 11,032 million liters in 2023

Supported by network expansion, higher mobility trends, sustained momentum in the region’s economic growth and higher contribution from KSA operations



Supporting solid financial results



Revenue

AED  
**35,454**  
million

+2.4% compared to AED 34,629 million in 2023

Driven by growth in fuel volumes and an increased contribution from non-fuel retail



Gross profit

AED  
**6,216**  
million

+6.5% compared to AED 5,836 million in 2023

Driven by strong operational performance, with record-high fuel volumes, as well as increased international and NFR contributions



Net profit\*\*

AED  
**2,420**  
million

-7.0% compared to AED 2,601 million in 2023

After AED 243 million impact of the newly-introduced UAE corporate income tax



EBITDA

AED  
**3,855**  
million

+4.8% compared to AED 3,680 million in 2023

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



Underlying EBITDA\*

AED  
**3,663**  
million

+11.4% compared to AED 3,263 million in 2023

Highlighting strength of the company's business fundamentals



Net profit excluding UAE tax impact

AED  
**2,663**  
million

+2.4% compared to AED 2,601 million 2023

Despite lower inventory gains and higher finance costs

Revenue breakdown

- Retail (Fuel & Non-fuel)  
AED  
**23,799** million  
**67%**
- Commercial (Corporate & Aviation)  
AED  
**11,655** million  
**33%**

Gross profit breakdown

- Retail (Fuel & Non-fuel)  
AED  
**4,704** million  
**76%**
- Commercial (Corporate & Aviation)  
AED  
**1,512** million  
**24%**

EBITDA<sup>1</sup> breakdown

- Retail (Fuel & Non-fuel)  
AED  
**2,728** million  
**71%**
- Commercial (Corporate & Aviation)  
AED  
**1,129** million  
**29%**

\* EBITDA excluding Inventory movements and one-offs

\*\*Net profit attributable to equity holders

(1) EBITDA contribution excluding unallocated items of - AED 2 million





Healthy free cash flow generation and strong balance sheet, supporting growth prospects and dividend distribution



Net cash generated from operating activities

AED  
**3,931**  
million



Capital expenditures

AED  
**1,073**  
million

CAPEX investments by the Company (including accruals/provisions, excluding M&A)



Free cash flow\*

AED  
**2,775**  
million



Net debt to EBITDA ratio\*\*

**0.69x**

There are no financial covenants in the Company's credit facilities.



Total equity

AED  
**3,181**  
million



Net debt\*\*

AED  
**2,656**  
million

Industry-leading return ratios



Return on capital employed (ROCE)

**28.8%**

Compared to **26.3%** in 2023



Return on equity (ROE)

**80.9%**

Compared to **74.9%** in 2023

\* Calculated as net cash generated from operating activities less payments for purchase of property, plant and equipment and advances to contractors  
\*\* Cash and bank balances used for net debt calculation includes term deposits with banks

