

COMMERCIAL BUSINESS

ADNOC Distribution is the leading marketer, supplier, and distributor of bulk refined petroleum products to commercial, residential, industrial and government customers in the UAE.



2024
4,680
million liters

Commercial Fuel Volumes

+9.2%
compared to
4,284 million liters
in 2023



2024
4,260
million liters

Corporate Fuel Volumes

+9.5%
compared to
3,891 million liters
in 2023



2024
420
million liters

Aviation Fuel Volumes

+6.9%
compared to
393 million liters
in 2023

Overview

ADNOC Distribution is the leading marketer, supplier, and distributor of bulk refined petroleum products, including gasoil, gasoline, LPG, finished lubricants, and specialized products, to commercial, residential, industrial, and government customers in the highly competitive UAE market.

In addition, the Company's proprietary ADNOC Voyager lubricants are exported to distributors in 46 countries across the GCC, Africa, Europe, and Asia, with more countries in the pipeline.

The Company's aviation division in the UAE has two main activities: selling aviation fuel and providing services to strategic customers as well as providing aviation services to the civil aviation sector, where it maintains fuel systems and offers fueling services. In addition, the Company owns a 50% stake in TotalEnergies Marketing Egypt, which conducts aviation operations in Egypt.





Corporate Segment

Fuel: gasoline, gasoil, and LPG

Demand for wholesale fuels in the UAE is aligned with the country’s economic activity. ADNOC Distribution provides fuels that cater to the demand of key sectors in the UAE, which include residential, small to medium enterprises, large commercial logistics providers, medium to large fleet owners, construction, manufacturing, marine, and power generation.

Lubricants and base oil

ADNOC Distribution’s proprietary ADNOC Voyager lubricants have more than 370 products and 2000 SKUs and meet most requirements for commercial fleet operators and the construction, manufacturing, marine, and power generation sectors. The offering comprises automotive and marine engine lubricants, automotive gear and transmission fluids, and industrial lubricants and greases. ADNOC Distribution uses Group III base oil, which is highly advanced and is used as the raw material to produce high-quality synthetic lubricants.

Aviation segment

Aviation fuel is sold to strategic customers in the UAE. The business utilizes highly advanced facilities to provide refueling, defueling and other operational and technical-related services to ADNOC’s civil aviation customers. This includes regional and international commercial and private aviation customers at several commercial airports in the UAE. In Egypt, the Company owns 50% stake in TotalEnergies Marketing Egypt which conducts aviation operations in two main airports in the country.

Operational review

Corporate Segment

ADNOC Distribution maintains its leading position in the corporate business in Abu Dhabi, and continues to focus on gaining market share in Dubai and the Northern Emirates.

Gasoil and gasoline

In 2024, the gasoil market remained competitive in an aggressive pricing environment. While the grey market (off-spec products from unauthorized sources) continued to partially impact the Company's corporate sales; ADNOC Distribution has increasingly benefited from a gradual elimination of the grey market in the UAE.

ADNOC Distribution witnessed higher level of gasoil sales throughout 2024, as a result of continued growth of its loyal customer base of commercial, industrial and government clients in Abu Dhabi, together with substantial growth in the Northern Emirates due to an increase in term customers. The Company increased its commercial gasoline sales through expansion of its market share in Dubai and the Northern Emirates. This was supported by the signing of new contracts with new corporate customers over 2023-24, such as large taxi fleet companies and last-mile fuel delivery providers.

In addition, the Company is expanding its My Station services in the UAE, using small to mid-sized fuel trucks for fuel delivery to customers. MyStation now offers a full spectrum of mobile fueling services (Fleet of 80 MyStation Fuel trucks with a capacity of 4,500 liters, 7 Super Fuel Truck with a capacity of 20,000 liters in addition to skids, trailers, overground tanks and 4 micro-stations offering dual products) to all customers providing complete flexibility and convenience at their doorstep. This was relevant for the growth of the Company's gasoil and gasoline business, to ensure the provision of products for customers with medium to large commercial vehicle fleets.

LPG

The LPG market includes bulk sales for large commercial and industrial customers and cylinder sales mainly for residential and small commercial customers (e.g., restaurants and laundrettes).

ADNOC Distribution maintained market share in Dubai and the Northern Emirates through distributors and direct customers. Expansion in the Dubai commercial LPG cylinder market continues with 100 lbs. cylinders.

The Company plans to continue growing aggressively in this segment. It experienced double-digit growth in the residential LPG cylinder markets (25 & 50 lbs.) in Dubai as market share continued to grow through strategic distributor partnerships.

In Abu Dhabi, the Company has expanded its LPG cylinder delivery fleet to 149 trucks as part of its LPG digital operating model implementation. ADNOC Distribution's customers can order LPG cylinders through the Company's application and pay using their ADNOC pre-paid wallet, cash or credit card and earn ADNOC Rewards points with every purchase. The Company continues to sell cylinders to end customers via third-party distributors and provides services directly through the digital operating model.

ADNOC Distribution also introduced propane and butane for the commercial gas market in the UAE as part of our product portfolio diversification strategy.



Lubricants

In the UAE market, the lubricants market share increased due to strategic distributor restructuring, increased marketing, and a significantly expanded product portfolio offering. ADNOC Distribution’s VOYAGER lubricants maintained its position as the leading lubricants brand in the UAE by sales volume.

There was also an increased focus on export markets, which was sustained throughout the year, with the objective of entering new markets in Africa, Central and Southeast Asia and America using the distributor model. The total number of export network countries of ADNOC Distribution’s VOYAGER lubricants portfolio rose to 46 countries by the end 2024, compared to 38 markets at the end of 2023, adding new countries such as Qatar, Turkmenistan, Mali, Jordan, Namibia, Turkey and the United States.

ADNOC Distribution actively explores opportunities to enter new and growing lubricant markets through strategic collaborations with leading partners worldwide. In 2024, the Company continued to sign new contracts and add new distributors, aimed at enhancing its presence in key lubricant markets worldwide.

Internationally, in 2024, the Company launched toll blending in Egypt. The first formulations have been released to initiate local production in Egypt, utilizing local base oils to optimize costs and enhance competitiveness.



The ADNOC Voyager range of premium, OEM-approved automotive vehicle lubricants are now available in Egypt through TotalEnergies Marketing Egypt. The products are available for the Egyptian consumers to purchase at ADNOC-branded service stations.

Until 2024, ADNOC Distribution introduced over 370 products, offering customers a comprehensive range options across the Passenger Oil, Heavy Duty and Industrial Oil segments. This includes specialized products such as the new Mold Release Oil.

The Company continues to leverage its in-house research team and production facilities to invest in innovations that offer greater choice and quality, in support of progress towards a more diversified energy mix. This demonstrates ADNOC Distribution’s commitment to offering a broad range of products that meet customer needs.

Additionally, the company continued to secure international accreditations for its lubricant products, including 65 API-approved products, 15 JASO approvals, and 80 OEM approvals. Notably, it received the first-ever WinGD approvals for Voyager Marine Cylinder and System Oils, supporting the expansion of its marine business. Other significant approvals include Siemens Energy (Turbine Oil EP), VW (Voyager Gold 8900), and MTU (Voyager Plus), among others. Furthermore, ADNOC Blue product achieved the first ISO 22241 certification the region.



Sustainable products

As part of its commitment to support B2B customers decarbonize their operations, ADNOC Distribution is actively exploring sustainable products. In 2024, the Company started a pilot to supply biodiesel to commercial and government customers, and it intends to expand this supply to a broader range of customers in 2025 through its established MyStation fleet and bulk offerings. This expansion is expected to grow the Company’s biodiesel portfolio, which includes range of biodiesel variants from B5 to B20.

Aviation segment

Within the aviation business, the Company provides fuel distribution services and management of aircraft refueling operations to ADNOC’s civil aviation customers. In addition, the Company sells aviation fuel and provides refueling services to strategic aviation customers across many airports in the UAE.

In 2024, ADNOC Distribution experienced a slowdown in aviation fuel sales distribution and refueling services in the UAE, due to lower uptake from its strategic aviation customers.

In Egypt, the Company has successfully expanded its aviation fuels business in 2024 by securing the right to supply aviation fuel to new airlines for flights fueled in Cairo.



Financial review

Commercial Segment

Volumes

In 2024, commercial total fuel volumes increased by 9.2% compared to 2023 to 4.68 billion liters, driven by economic expansion and partially attributable to the timing of consolidation of TotalEnergies Marketing Egypt.

Total Corporate volumes were up by 9.5% to 4.26 billion liters compared to 2023, and aviation volumes were up by 6.9% to 420 million liters.

In GCC markets (UAE and KSA), 2024 commercial fuel volumes 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 the 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. This was partially offset by a decline of 12.6% in aviation volumes.

In Egypt, commercial fuel volumes increased by 9.2% compared to 2023 to 516 million liters. This was driven by a 33.5% 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. Corporate volumes in Egypt were down by 3.9% year-on-year.



Results

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

| Key Financials (AED million) | 2024 | 2023 | YoY % |
|---------------------------------|--------|--------|-------|
| Revenue | 11,655 | 11,412 | 2.1% |
| Revenue - Corporate | 10,085 | 9,872 | 2.2% |
| Revenue - Aviation | 1,570 | 1,540 | 2.0% |
| Gross profit | 1,512 | 1,337 | 13.1% |
| Gross profit - Corporate | 1,184 | 1,058 | 11.9% |
| Gross profit - Aviation | 327 | 279 | 17.4% |
| EBITDA | 1,129 | 1,048 | 7.7% |
| EBITDA - Corporate | 831 | 783 | 6.1% |
| EBITDA - Aviation | 298 | 265 | 12.5% |
| Operating profit | 1,026 | 964 | 6.4% |
| Capital expenditure | 47 | 33 | 2.0% |

Outlook

Commercial Segment

2024 has set a strong foundation with key building blocks already in place, supporting a positive outlook for the commercial segment. A key consideration is the potential downward risk of commodity price volatility and rising transportation cost.

Gasoil & gasoline

ADNOC Distribution will continue to leverage its strategic initiatives, including Key Account Management (KAM), Fleet Management, and the MyStation platform, to drive growth in the gasoil and gasoline segment. With a focus on expanding its Abu Dhabi commercial customer base and exploring opportunities in the Northern Emirates, the Company aims to enhance market presence and service delivery. The hub-and-spoke model is expected to further optimize operational efficiency, while automated mobility solutions at customer sites will support improvements to customer convenience.

LPG

In the LPG segment, the Company plans to focus on maximizing margins through optimized sales channels, including retail, distributor, MyStation, and vending platforms. ADNOC Distribution aims to enhance operational efficiency through proactive and efficient plant and inventory management, ensuring a reliable supply while minimizing costs.

Lubes

ADNOC Distribution's lubes business is expected to expand through a dual approach of penetrating existing and new international markets via distributor and franchise models to grow its presence. The company aims to focus on domestic opportunities driven by marine lubricants while innovating with specialty products base oils, and new product offerings. Targeted marketing and an optimized product portfolio are expected to enable ADNOC Distribution to meet evolving customer needs and maintain its leadership in the highly competitive global lubricants market.

