



## **ADNOC Distribution Hosts its First Capital Markets Days in London and New York**

- **Company highlights solid performance and strong growth trajectory to investors**
- **Delivery of IPO promises resulted in 2018 EBITDA increase of 22% to US\$755 million**
- **Company shares clear and deliverable growth strategy, targeting EBITDA in excess of US\$1 billion by 2023**
- **Progressive dividend policy balances sustainable shareholder payout and capacity to invest in future growth**

**Abu Dhabi, UAE – May 7, 2019:** ADNOC Distribution, (ISIN: AEA006101017) (Symbol: ADNOCDIST), the UAE's largest fuel and convenience retailer, is holding its first Capital Markets Day presentations since its IPO on the Abu Dhabi Securities Exchange (ADX) in December 2017. Management will present today to institutional investors and analysts in London, with a similar presentation taking place tomorrow, May 8, in New York.

The focus of the Capital Markets Day presentations will be to provide an update by the company's senior management on ADNOC Distribution's achievements to date, growth strategy and future vision, as well as the financial profile of the business.

The event will be hosted by the ADNOC Distribution leadership team, including Saeed Mubarak Al Rashdi, Acting Chief Executive Officer, John Carey, Deputy Chief Executive Officer, and Petri Pentti, Chief Financial Officer.

### **Our Priorities – Strong Growth and Shareholder Returns**

In its Capital Markets Day presentation, the company will present its achievements to date, its solid performance and strong growth trajectory, which underpins its progressive new dividend policy, and the company's capacity to invest in future growth.

Key highlights from the presentation include:

- The company successfully delivered on its IPO commitments, securing year-on-year EBITDA growth of 22%, from US\$621 million in 2017 to US\$755 million in 2018.
- The company's clear and deliverable growth strategy remains on track, as it targets EBITDA in excess of US\$1 billion by 2023. As the company outlined last week in its quarterly earnings announcement, its strong trajectory has continued in the first quarter of 2019.
- The company aims to boost top-line growth in both its fuel and non-fuel businesses through acceleration of its expansion in the UAE, particularly in Dubai where it targets at least 10 new stations in 2019, with a similar amount annually thereafter through to 2023.
- The company expects its non-fuel offering to continue to contribute to its profitability through the continued revitalization of its convenience stores, further roll out of Géant Express convenience stores, and further roll out of its proprietary Oasis Cafe coffee and bakery offering.
- The company's cost optimization program remains in place and is expected to contribute to higher operating margins. The company is targeting US\$100-150 million of additional savings through 2023 on top of the US\$50+ million of like-for-like cost savings already delivered in 2018.
- The company expects to deliver further growth by expanding its lubricants business in the UAE and internationally, as well as by expanding its fuel and non-fuel retail offering into new geographies, such as Saudi Arabia.
- Strong cash flow generation and confidence in the company's growth prospects support the company's Board of Directors' and shareholders' recent approval of a new dividend policy under which the company intends to pay US\$650 million, or AED 0.1910 per share, for 2019 (+63% versus 2018), US\$700 million, or AED 0.2057 per share, for 2020 (+75% versus 2018), and a minimum pay-out of 75% of distributable profits thereafter. This dividend policy represents a balance between a sustainable shareholder pay-out, while maintaining significant capacity to invest in future growth. The company had approximately US\$1.2 billion of cash on its balance sheet and a ratio of net debt to EBITDA at 0.35x as of March 31, 2019, providing significant additional leverage capacity.

**Saeed Mubarak Al Rashdi, ADNOC Distribution's Acting Chief Executive Officer, commented:**

*"Since our IPO, we have continued to grow our presence as the number one fuel retail brand in the UAE, and have made significant progress across all three pillars of our strategy: fuel, non-fuel and cost-efficiency. Our Capital Markets Day presentations allow us to reflect on our performance since our IPO, talk about the company's strategy, and explain in more detail how we plan to meet our objectives as part of a carefully constructed growth plan, including our commitment to a disciplined, return-driven capital allocation strategy."*

## **Presentation materials**

The company's Capital Markets Day presentation is available for download on the ADNOC Distribution website at <https://www.adnocdistribution.ae/en/investor-relations/investor-relations/>.

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## **About ADNOC Distribution**

ADNOC Distribution, listed on the Abu Dhabi Securities Exchange (ADX) under the symbol "ADNOCDIST", is the leading fuel distributor and convenience store operator in the UAE. ADNOC Distribution operates 381 retail fuel stations, 260 ADNOC Oasis convenience stores which includes 14 Géant Express convenience stores as of 7 May 2019 and is the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE. ADNOC Distribution is the only fuel retailer operating in all seven emirates in the UAE, and in 2018 expanded its operations internationally, opening two service stations in the Kingdom of Saudi Arabia. To find out more, visit [www.adnocdistribution.ae](http://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 forwardlooking 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.