



## **ADNOC Distribution Announces Positive Results for the Second Quarter and Half Year 2018**

- H1 2018 EBITDA of AED 1,443 million represents 30% year-on-year growth; H1 2018 net profit of AED 1,124 million represents 18% year-on-year growth
- H1 2018 earnings per share AED 0.090, a year-on-year increase of 18%
- Continued cost focus underpins solid performance
- Strong free cash-flow generation

**Abu Dhabi, UAE – August 13, 2018:** ADNOC Distribution, the UAE’s largest fuel and convenience retailer, has reported that net profit for the six months ended June 30, 2018 increased by 18% to AED 1,124 million compared with the same period last year. EBITDA grew by 30% to AED 1,443 million, and gross profit rose by 24% to AED 2,609 million. Free cash-flow (EBITDA minus capital expenditures) generation was up 72% year-on-year to AED 1,111 million in the first half of 2018.

Quarter-on-quarter, the company has also shown continued momentum, with net profit for the second quarter of 2018 up 24% compared to the second quarter of 2017, gross profit for Q2 2018 increased by 33%, and gross profit margin rose to 25%, up from 22% during the same period last year.

The company’s financial performance during the first half of 2018 remained resilient notwithstanding a challenging market environment. Total fuel volumes sold during the period was 4,763 million liters, a 1% decrease compared to the same period last year.

Commenting on the results, ADNOC Distribution Acting CEO, Saeed Mubarak Al Rashdi, said: “ADNOC Distribution’s second quarter and half-year results reflect our continued progress towards delivering on our strategy. We have made progress in all three of our strategic pillars: fuel, non-fuel and cost-efficiency. We are on track to hit our declared target of achieving approximately AED 190 million in cost savings in 2018 and, as a newly public company, are continuing to exercise a heightened level of discipline in capital investments, resulting in a reduction in our capital expenditure budget compared to 2017. Notably, we have been able to achieve these costs savings while continuing to grow our service station network, and without impacting safety, quality and our customer experience.”

Operationally, ADNOC Distribution made important progress as it transforms the business into a more customer-centric organization and expands its fuel and non-fuel offerings. Initiatives delivered during the second quarter include the implementation of ADNOC Flex, which provides customers the choice of Premium or Self-Serve refueling; the launch of two new retail brands – Géant Express convenience stores and Oasis Café coffee shops and bakeries; and the opening of eight new service stations and 10 new convenience stores since last year’s second quarter.

On the technology front, ADNOC Distribution also installed an additional 69,000 RFID-enabled Smart Tags during the second quarter as part of its world-class ADNOC Wallet cashless payment solution, bringing the total installed base of Smart Tags to over 180,000.

ADNOC Distribution's Deputy CEO, John Carey, added: “ADNOC Distribution continues to demonstrate strong and profitable performance supported by improved margins and a continued cost focus. We have seen good momentum across our businesses, led by a 39% increase in EBITDA in our retail segment and a 5% increase in volumes sold by our Corporate Sales segment in the first half of 2018. We remain confident on the delivery of our business plan for 2018 and beyond, and are well on our way to making ADNOC Distribution a world-class fuels and convenience retailer.”

## Key Financial Metrics

*AED millions, unless otherwise noted*

	Q2-18	Q2-17	Change	H1-18	H1-17	Change	Full Year 2017
Revenue	5,807.9	4,833.7	20.2%	10,966.6	9,417.1	16.5%	19,756.3
Gross profit	1,424.1	1,069.8	33.1%	2,608.6	2,106.1	23.9%	4,426.1
EBITDA	740.3	550.8	34.4%	1,443.1	1,113.4	29.6%	2,281.0
Operating profit	613.0	467.8	31.0%	1,190.6	950.3	25.3%	1,820.3
Profit for the period	582.1	468.2	24.3%	1,124.3	951.8	18.1%	1,804.2
Earnings per share (AED/share)	0.047	0.037	27.0%	0.090	0.076	18.4%	0.144
Capital expenditures	179.0	234.3	-23.6%	331.8	466.4	-28.9%	1,457.7

Our full H1 and Q2 2018 earnings announcement can be found on <https://www.adnocdistribution.ae/en/investor-relations/investor-relations/>

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For media, please contact: Tanya Hughes, +97150 298 3295 or [media@adnocdistribution.ae](mailto:media@adnocdistribution.ae)

For investor relations, please contact: [IR@adnocdistribution.ae](mailto:IR@adnocdistribution.ae)

### **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 with an approximate 67% market share by number of retail fuel service stations, the largest market share in the wholesale segment, and the largest retail store network by number of sites. ADNOC Distribution operates 363 retail fuel stations and 240 ADNOC Oasis convenience stores as of 30 June 2018 in the emirates of Abu Dhabi and Sharjah, in each of which the Company is the sole fuel retailer, and in the emirates of Ajman, Fujairah, Ras Al Khaimah and Umm Al Quwain. ADNOC Distribution is also the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE, with a particularly dominant position in Abu Dhabi, and provides refueling and related services at seven commercial airports in the UAE. To find out more, visit [www.adnocdistribution.ae](http://www.adnocdistribution.ae).