



ADNOC Distribution continues to grow strongly with 3Q18 earnings

- 3Q 2018 EBITDA of AED 714 million represents 42% year-on-year growth; 3Q 2018 net profit of AED 558 million represents 55% year-on-year growth
- 9M 2018 EBITDA of AED 2,157 million represents 33% year-on-year growth; 9M 2018 net profit of AED 1,682 million represents 28% year-on-year growth
- 3Q 2018 earnings per share AED 0.045, a year-on-year increase of 55%; 9M 2018 earnings per share AED 0.135, a year-on-year increase of 28%
- Continued cost focus underpins solid performance
- Strong free cash-flow generation

Abu Dhabi, UAE – November 15, 2018: ADNOC Distribution, the UAE's largest fuel and convenience retailer, has reported that net profit for the nine months ended September 30, 2018, increased by 28% to AED 1,682 million compared with the same period last year. EBITDA grew by 33% to AED 2,157 million. Adjusted free cash-flow (EBITDA minus capital expenditures) generation was up 68% year-on-year to AED 1,630 million in the first nine months of 2018.

Year-on-year, the company has also shown continued momentum, with EBITDA margin for the nine months ended September 30, 2018, reaching 13%, up from 11% during the same period last year.

The company's financial performance during the first nine months of 2018 remained resilient notwithstanding a 2.3% decrease in fuel volumes sold compared to the same period last year to 7,179 million liters.

The company's convenience stores generated higher revenues driven by increased footfall and conversion rates in the third quarter compared to the second quarter of 2018.

This was driven by management initiatives to improve the customer experience, including a more focused store revitalization program and the implementation of Flex Rewards, which offers Premium refueling rewards that may be redeemed in its stores convenience stores.

Commenting on the results, ADNOC Distribution Acting CEO Saeed Mubarak Al Rashdi said: “Our third quarter results confirm that we continue to deliver on our strategy, delivering and sustaining robust financial results through our focus on operational excellence, innovation, and cost efficiency. We have made significant progress across all three pillars of our strategy – fuel, non-fuel and cost-efficiency initiatives. I am pleased that our commitment to improve our customer experience by offering customers choice, convenience and better-quality products and services while also focusing on improving our financial performance has generated positive momentum and has led to the strong results we are announcing today.

“While we are continuing to strengthen our competitive positioning, we remain committed to our shareholders by pursuing our ambition to transform the company into a more performance-driven, commercially minded business and through our disciplined, return-driven capital allocation strategy.”

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 54% increase in EBITDA in our Retail segment and a 3% increase in volumes sold by our Corporate Sales segment in the first nine months 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 million	Q3-18	Q3-17	change	9M-18	9M-17	change
Revenue	5,955	4,804	24.0%	16,922	14,221	19.0%
Gross profit	1,277	1,010	26.5%	3,885	3,116	24.7%
EBITDA	714	503	42.0%	2,157	1,616	33.5%
Operating profit	587	360	63.2%	1,777	1,310	35.7%
Profit for the period	558	360	55.0%	1,682	1,312	28.2%
Earnings per share (AED/share)	0.045	0.029	55.0%	0.135	0.105	28.2%
Capital expenditures	195	874*	-77.6%	527	1,340*	-60.7%

*Includes AED 696 million of assets acquired from ADNOC Refining in connection with the ADNOC Refining perimeter reorganization.

Our full Q3 2018 and 9M 2018 earnings announcement can be found at <https://www.adnocdistribution.ae/en/investor-relations/investor-relations/>

ENDS

For media, please contact: Tanya Hughes, +97150 298 3295 or media@adnocdistribution.ae

For investor relations, please contact: 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 364 retail fuel stations and 241 ADNOC Oasis convenience stores as of 30 September 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.