



ADNOC Distribution hits AED 2.128 billion net profit – 18% up on previous year

Abu Dhabi, UAE – February 14, 2019: ADNOC Distribution has reported its 2018 net profit increased by 18% to AED 2.128 billion, and EBITDA grew by 22% to AED 2,774 million. Free cash-flow (EBITDA minus capital expenditures) generation grew 32% year-on-year to AED 2,002 million in 2018 compared to 2017 adjusted free cash flow.

Profitability has also shown continued momentum, with 2018 EBITDA margin reaching 12.1%, up from 11.5% in 2017. 2018 earnings per share grew to AED 0.17, an increase of 18% year-on-year. Net cash generated from operating activities increased by 45% to AED 4,914 million compared to 2017 driven by strong cash flow from operations and proactive working capital management.

During the year 2018 ADNOC Distribution became the first fuel retailer in the UAE to service all seven emirates. ADNOC Distribution operates 376 retail fuel stations, 250 ADNOC Oasis convenience stores and 13 Géant Express convenience stores as of 31 December 2018 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 its first two service stations in the Kingdom of Saudi Arabia.

Commenting on the results, ADNOC Distribution's Acting CEO, Saeed Mubarak Al Rashdi, said: "Our 2018 results confirm our ambition to deliver and sustain strong financial performance through operational excellence and premium customer service. We generated positive momentum, driven by greater fuel offerings and service, an enhanced convenience store experience and improved quality of service. We have delivered on our business plan commitments for 2018 and remain focused on volume growth initiatives with accelerated UAE and international expansion plans. We are well on our way to make ADNOC Distribution a world-class fuel and convenience retailer."

ADNOC Distribution's recent local expansion presents an opportunity to demonstrate to customers great service levels and a wide range of products, which are now available across the nation. This is the beginning of a journey, with further expansion to come inside the UAE and internationally in 2019.

While the company continues to strengthen its competitive position, ADNOC Distribution remains committed to its shareholders by pursuing its ambition to transform into a more performance-driven and commercially minded business through a disciplined, return-driven capital allocation strategy.

As witnessed in the third quarter of 2018, ADNOC Distribution's convenience stores continued to generate higher revenues, resulting from increased footfall and higher rates of conversion from fuel purchases to convenience purchases in the fourth quarter compared to the third 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 Premium Rewards, which offers rewards to Premium service customers that may be redeemed in the company's convenience stores.

Key Financial Metrics

<i>AED million</i>	Q4-18	Q4-17	change	2018	2017	change
Revenue	5,972	5,535	7.9%	22,893	19,756	15.9%
Gross profit	1,184	1,310	-9.6%	5,069	4,426	14.5%
EBITDA	617	665	-7.1%	2,774	2,281	21.6%
Operating profit	465	511	-9.0%	2,242	1,820	23.2%
Profit for the period	446	492	-9.4%	2,128	1,804	18.0%
Earnings per share (AED)	0.036	0.039	-9.4%	0.170	0.144	18.0%
Capital expenditures	245	118	108.3%	772	1458*	-47.0%
Free Cash Flow **	373	547	-31.9%	2,002	1,519**	31.8%
Net cash generated from operating activities	--	--	--	4,914	3,381	45.3%

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

**Free Cash Flow (defined as EBITDA minus capital expenditures) for the twelve months ended 31 December 2017 has been adjusted to exclude capital expenditures related to the ADNOC Refining perimeter reorganization.

The full Q4 2018 and 2018 earnings announcement can be found 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 376 retail fuel stations, 250 ADNOC Oasis convenience stores and 13 Géant Express convenience stores as of 31 December 2018 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.