



ADNOC Distribution net profit grows by 6.6% to AED 578 million in Q1 2019

Abu Dhabi, UAE – May 1, 2019: ADNOC Distribution (ISIN: **AEA006101017**) (Symbol: **ADNOCDIST**), the UAE's largest fuel and convenience retailer and a company listed on Abu Dhabi Securities Exchange (**ADX**), today reported that its first quarter 2019 net profit increased by 6.6% to AED 578 million when compared with the same period last year.

Excluding inventory gains recorded in Q1 2018, Q1 2019 underlying EBITDA grew by 16.5% compared to Q1 2018 to AED 733 million. Q1 2019 free cash flow (EBITDA minus capital expenditures) generation grew by 24.9% year-on-year to AED 687 million. Profitability has also shown continued momentum, with Q1 2019 EBITDA margin reaching 15.4%, up from 13.6% in Q1 2018.

ADNOC Distribution recorded Q1 2019 earnings per share of AED 0.046 up by 29.6% compared to Q4 2018 and by 6.6% year-on-year. Moreover, ADNOC Distribution continues to maintain a low net debt to EBITDA ratio of 0.35x at 31 March 2019.

During Q1 2019, ADNOC Distribution's UAE network reached 379 retail fuel stations, with the addition of three new stations during Q1 2019. The company's convenience store network reached 252, including 14 Géant Express convenience stores, as of 31 March 2019. Q1 2019 non-fuel gross profit increased by 9.2% compared to Q1 2018. Our convenience store revitalization program, which offers customers an improved shopping experience, is on track and is contributing to improvements in gross margins and an uplift in average basket size by 13.2% in Q1 2019 compared to Q1 2018.

Commenting on the results, ADNOC Distribution's Acting CEO, Saeed Mubarak Al Rashdi, said: "Thanks to an unwavering focus on our customers and the resilience of our business model, we are off to a solid start in 2019. Our first quarter results confirm our ambition to sustain strong financial performance through operational excellence and premium customer service. ADNOC Distribution has once again demonstrated its ability to realize profitable long-term growth, driven by greater fuel offerings and service, an enhanced convenience store experience and improved quality of service. We are well on

our way to making ADNOC Distribution a world-class fuel and convenience retailer and look forward to continuing our journey in the UAE and beyond.”

“We remain focused on accelerating our growth plans in 2019. In response to strong international investor interest, ADNOC Distribution will host its first-ever Capital Markets Days in London and New York in early May. We are pleased that the market recognizes our ability to deliver on our IPO commitments and our potential for future growth”, Al Rashdi added.

During the Company’s general assembly meeting held on 4th of April 2019, ADNOC Distribution announced an enhanced dividend policy, reflecting its Board of Director’s confidence in the company and its commitment to reward shareholders for their trust in the company. The new progressive dividend policy represents an increase of 63% for 2019 (AED 2,388 million) and 75% for 2020 (AED 2,571 million) compared to 2018, resulting in a 7.3% dividend yield for 2019 (based on yesterday’s closing share price of AED 2.60 per share).

Key Financial Metrics

AED millions	Q1-19	Q4-18	QoQ %	Q1-18	YoY %	2018
Revenue	4,770	5,972	-20.1%	5,159	-7.5%	22,893
Gross profit	1,146	1,184	-3.2%	1,184	-3.3%	5,069
EBITDA	733	617	18.7%	703	4.3%	2,774
Operating profit	605	465	30.1%	578	4.7%	2,242
Profit for the period	578	446	29.6%	542	6.6%	2,128
Earnings per share (AED/share)	0.046	0.036	29.6%	0.043	6.6%	0.170
Capital expenditures	46	245	-81.2%	153	-69.8%	772
Free cash flow	687	373	84.3%	550	24.9%	2,002
Net cash generated from operating activities	-903	1,177	-176.8%	2,129	-142.4%	4,914

ADNOC Distribution will host its first Capital Markets Day events on Tuesday, May 7, in London, followed by New York on Wednesday, May 8. The focus of the Capital Markets Days will be to provide an update by senior management of the company on ADNOC Distribution’s growth strategy, current status and future vision, as well as the financial profile of the business. The company’s Capital Markets Day presentation will be available on its website beginning May 7 at <https://www.adnocdistribution.ae/en/investor-relations/investor-relations/>.

The full Q1 2019 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 381 retail fuel stations and 252 ADNOC Oasis convenience stores, including 14 Géant Express convenience stores, as of 31 March 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.

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 forward-looking 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.