



## **AED 1.285 BILLION INTERIM CASH DIVIDEND APPROVED BY ADNOC DISTRIBUTION BOARD FOR FIRST SIX MONTHS OF 2021 (10.285 FILS PER SHARE)**

- ***Full-year 2021 dividend expected to be AED 2.57 billion (20.57 fils per share)***
- ***Final day for purchasing shares to fulfil eligibility for interim dividend payment is 6 October 2021***
- **Company remains committed to its progressive dividend policy**

**Abu Dhabi, UAE – 30 September 2021:** ADNOC Distribution (ISIN: **AEA006101017**) (Symbol: **ADNOCDIST**), the UAE's largest fuel and convenience retailer, announced today that its Board of Directors has approved an interim dividend payment to shareholders for the first six months of 2021 of AED 1.285 billion (10.285 fils per share), equivalent to USD 350 million. This is the first payment in what is expected to be a full-year 2021 dividend payment of AED 2.57 billion (AED 20.57 fils per share), consistent with the company's dividend policy.

This would translate to a 4.9% annual dividend yield for 2021 (based on a share price of AED 4.16 as of 30 September 2021). As per the company's approved policy, the second and final dividend for 2021 is expected to be paid in April 2022, subject to the Board of Directors' recommendation and shareholders' approval.

Since IPO, the company has consistently increased cash payback to its shareholders with dividend of AED 1.47 billion for 2018, AED 2.39 billion for 2019 and AED 2.57 billion for 2020. During its General Assembly meeting in March 2021, the company reiterated its dividend policy for 2021, with dividend of AED 2.57 billion, and announced an amendment to its dividend policy for 2022, setting a minimum of AED 2.57 billion dividend for 2022 (compared to minimum 75% of distributable profits as per previous policy). The amended dividend policy provides further visibility of payback to shareholders until April 2023. The dividend policy for the years thereafter remains unchanged at a dividend equal to at least 75% of distributable profits. ADNOC Distribution expects to continue to pay half of the annual dividend in October of the relevant year and half in April of the following year. Dividend payments remain subject to the discretion of the Board of Directors and the approval of shareholders.

The approved dividend policy amendment recognizes the company's strong financial position at the end of 2020 and confidence in its growth prospects and cash-flow generation ability going forward. ADNOC Distribution remains steadfast in the delivery of its strategic commitments and sustainable returns for its shareholders.

Since its IPO in 2017, ADNOC Distribution has continued to deliver on its growth strategy, including a move into competitive markets, opening new locations across Dubai and Saudi Arabia. It also improved its convenience store experience with refreshed and upgraded locations across



the UAE, together with an online delivery service and the launch of its points-based rewards programs highlights a steadfast focus on delivering exceptional customer service.

ADNOC Distribution's resilience and steadfast focus on robust and continued growth has also enabled it to set a progressive dividend policy, which reflects the company's growth prospects and cash-flow generation ability going forward. The company has continued on its journey as a modern retail organization, implementing strategic cost optimization and increasing operational efficiencies to ensure its position as a leading, cost-competitive fuel retailer.

Engineer Bader Saeed Al Lamki, Chief Executive Officer, ADNOC Distribution said: "Our progressive dividend policy demonstrates our commitment to our shareholders, as we advance our strategic priorities of steady and sustainable growth, enhanced customer experience and attractive capital returns.

"Today, ADNOC Distribution shares offer an attractive value proposition to shareholders and investors with a combination of low exposure to oil price volatility, predictable and healthy cash flows, strong growth potential and an attractive dividend policy that offers high payback visibility. With our resilient business model, we are confident in our ability to pay an attractive dividend to our shareholders, while also maintaining significant capacity to deploy capital through a disciplined investment strategy, aimed at continuing our efforts to expand our fuel station network, as well as investing in our non-fuel and international business expansion."

As of 30 June 2021, ADNOC Distribution maintains a strong balance sheet with cash and cash equivalents (including term deposits) of AED 3.9 billion, unutilized revolving credit facilities of AED 2.8 billion, retained earnings of AED 1.995 billion and net debt to EBITDA of 0.46x. In the first six month of 2021, the company demonstrated solid business resilience by delivering strong financial results with an EBITDA of AED 1,528 million and Net Profit of AED 1,152 million and enhanced operational efficiencies.

The company continued to deliver on its smart growth strategy in H1 2021, with 12 new service stations opened in the UAE, 24 convenience store refurbished in the UAE and received no objection certificates from the General Authority for Competition in Saudi Arabia to acquire 35 stations in Saudi Arabia.

In May 2021, ADNOC announced a successful placement of approximately 375 million shares (USD 445 million) in ADNOC Distribution, representing an additional 3% approximately of the registered share capital of the company and taking ADNOC Distribution's free float on the Abu Dhabi Securities Exchange to 23%. It also issued approximately USD 1.195 billion of senior unsecured bonds (the "Exchangeable Bonds") due 2024, exchangeable into existing shares of ADNOC Distribution under certain conditions, constituting approximately 7% of the registered share capital of ADNOC Distribution. Following the transactions, ADNOC will retain at least a 70% strategic stake in the company as it continues to see significant growth potential in ADNOC Distribution.



Additionally, in May 2021, the company announced that Morgan Stanley Capital International (MSCI) had included ADNOC Distribution as part of its MSCI Emerging Markets Index. ADNOC Distribution was included in the MSCI EM Index after meeting the necessary requirements and will now be among nine UAE listed companies to be part of the MSCI EM index which is most widely tracked by global institutional investors. Most recently, the company announced that FTSE Russell had also included ADNOC Distribution in the FTSE Emerging Markets (EM) Index. The inclusion in these reputable indices is expected to increase the attractiveness of ADNOC Distribution's shares to potential international investors and thus further diversifying the company's investor base.

#### Key Dates:

Shareholders of ADNOC Distribution registered on 10 October 2021 (record date) will be entitled to receive the interim cash dividend, meaning the last day for purchasing shares and fulfilling the eligibility criteria is 6 October 2021. The payment itself is scheduled within 30 days from the date of the Board of Directors' approval.

Board of Directors' approval	30 September 2021
Last Entitlement date (last day to purchase)	6 October 2021
Record date	10 October 2021
Dividend Payment	30 days from Board approval

**\*ENDS\***

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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 457 retail fuel stations, 340 convenience stores as of 30 June 2021 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 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 and the approval of our shareholders.

