ADNOC DISTRIBUTION
Q3 AND 9M 2018 RESULTS PRESENTATION

INVESTOR AND ANALYST CONFERENCE CALL
15 November 2018

AGENDA

01 EXECUTIVE SUMMARY

02 STRATEGY UPDATE

03 Q3 AND 9M 2018 RESULTS

04 OUTLOOK

DISCLAIMER

This communication includes forward-looking statements which relate to, among other things, our plans, objectives, goals, strategies, future operational performance and anticipated developments in markets in which operate and in which we may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “would”, “intends”, “estimates”, “plans”, “targets”, or “anticipates” or the negative thereof, or other comparable terminology.

These forward-looking statements and other statements contained in this communication regarding matters that are not historical facts involve predictions and are based on the beliefs of our management, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward looking statements are reasonable at this time, we cannot assure you that such expectations will prove to be correct.

Given these uncertainties, you are cautioned not to place undue reliance on such forward looking statements. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to: our reliance on ADNOC to supply us with substantially all of the fuel products that we sell; an interruption in the supply of fuels to us by ADNOC; changes in the prices that we pay ADNOC for our fuels and to the prices that we are allowed to charge our retail customers in the UAE; failure to successfully implement our operating initiatives and growth plans, including our mixed-mode service offering, our convenience store optimisation initiatives, our cost savings initiatives, and our growth plans; competition in our markets; decrease in demand for the fuels we sell, including due to general economic conditions, improvements in fuel efficiency and increased consumer preference for alternative fuels; the dangers inherent in the storage and transportation of the products we sell; our reliance on information technology to manage our business; laws and regulations pertaining to environmental protection, operational safety, and product quality; the extent of our related party transactions with ADNOC and our reliance on ADNOC to operate our business; the introduction of VAT and other new taxes in the UAE; failure to successfully implement new policies, practices, systems and controls that we implemented in connection with or following our IPO; any inadequacy of our insurance to cover losses that we may suffer; general economic, financial and political conditions in Abu Dhabi and elsewhere in the UAE; instability and unrest in regions in which we operate; the introduction of new laws and regulations in Abu Dhabi and the UAE; and other risks and uncertainties detailed in our International Offering Memorandum dated 26 November 2017 relating to our initial public offering and the listing of our shares on the Abu Dhabi Securities Exchange, and from time to time in our other investor communications.

Except as expressly required by law, we disclaim any intent or obligation to update or revise these forward-looking statements.

01

EXECUTIVE SUMMARY

SPEAKER: SAEED MUBARAK AL RASHDI

ACTING CHIEF EXECUTIVE OFFICER

INTRODUCTION

Strong underlying performance and continued progress on strategic initiatives

Operational and financial performance

- **Prioritization of safety remains core to our business**
- **Strong underlying EBITDA** performance driven by our core business
- **Strong free cash flow** generation underpinned by **operational efficiencies**

Strategic update

- Achieving **OPEX and CAPEX savings** driven by **improved efficiencies**
- **On track** on implementation of our announced growth initiatives with **visible impact on performance**

2018 outlook guidance

- **On track to achieve announced 2018 targets** across all three pillars of our strategy: Fuel Retail, Non-Fuel Retail and Cost Efficiency

02

STRATEGY UPDATE

SPEAKER: JOHN CAREY

DEPUTY CHIEF EXECUTIVE OFFICER

STRATEGY UPDATE

Continued progress of our initiatives

Market context

- Fuel retail volumes down 5.6% YoY in Q3 2018
- Non-fuel retail transactions down 15.6% YoY in Q3 2018

Implemented strategic initiatives

Fuel Retail

- Full roll-out of ADNOC Flex
- Service station expansion
- On track for Dubai and KSA expansion

Non-Fuel Retail

- Convenience store expansion
- Store revitalization
- Géant Express partnership

Cost / BS Efficiency

- OPEX savings exceeding target
- Significant CAPEX reduction
- Active working capital management

Strong financial performance

- Gross profit up 26.5% YoY in Q3 2018
- Underlying EBITDA (excluding inventory gains) up 26% YoY in Q3 2018
  - Including inventory gains, EBITDA up 42.0% YoY in Q3 2018
- USD899m of cash generated pre dividends and finance costs in 9M 2018
- Net debt to EBITDA ratio of 0.1x as of 30 September 2018

KEY STRATEGIC UPDATE

Continued expansion of our Fuel Retail business

IPO – December 2017	January 2018 to date	…up to year-end 2018
ANNOUNCED STRATEGY	**KEY MILESTONES ACHIEVED**	**OUTLOOK**
• Network expansion with expected openings of 13 new stations in Abu Dhabi, Northern Emirates and Dubai • Full roll-out of ADNOC Flex across all stations in 2018 • Suggested price for premium refuelling service between AED 5-10 / transaction	• 5 new stations added in 9M 2018 • Ongoing progress to open 3 service stations in Dubai and at least 1 in KSA in Q4 2018 • 2.2% YoY increase in Fuel Retail transactions in Q3 2018 • Full roll-out of ADNOC Flex across our network • Visible impact of ADNOC Flex initial results – 20% penetration on average at AED 10 / transaction – Attractive rewards to be redeemed in convenience stores	• On track to open 13 new stations for the full year of 2018 – Of which 3 new sites to open in Dubai • Additionally, at least 1 new site to open in KSA in Q4 2018 • Expansion into Dubai will continue in 2019

KEY STRATEGIC UPDATE

Visible outcome from Non-Fuel Retail key initiatives

IPO – December 2017 | January 2018 to date | …up to year-end 2018

ANNOUNCED STRATEGY

- Opening of 5-7 new convenience stores in 2018
- Convenience store revitalization
- Increase basket size

KEY MILESTONES ACHIEVED

- 6 new convenience stores opened to date
- Continued strategic convenience store revitalization
  - 5 convenience stores revitalized as Géant Express stores to date
  - 4 bakeries and cafés added under Oasis Café brand
  - Average basket size up +22.0% YoY in Q3 2018
- Despite 15.6% decrease YoY in non-fuel transaction, non-fuel retail gross profit including Allied Services up 8.1% YoY in Q3 2018
- Conversion rate of 23% in Q3 2018, up from 20% in Q2 2018

OUTLOOK

- Opening of 7 new convenience stores in Q4 2018, leading to a total of 13 new convenience stores for the full year 2018
- Accelerated roll-out of 8 additional Géant Express stores in Q4 2018, leading to a total of 13 Géant Express shops (compared to 10 announced last quarter)

KEY STRATEGIC UPDATE

Continued cost efficiency and CAPEX reduction

IPO – December 2017	January 2018 to date	…up to year-end 2018
ANNOUNCED STRATEGY	**KEY MILESTONES ACHIEVED**	**OUTLOOK**
• Cash OPEX savings of USD50m for 2018 • Full year CAPEX below USD250m, supporting the opening of 10-12 sites	• Cost focus – Adjusted OPEX on a like-for-like basis of -9.8% YoY for the Q3 2018 and -2.9% for the first nine months • CAPEX savings – Adjusted CAPEX decreased by 18.2%, amounting to USD143m as of September 2018, with the opening of 6 new sites to date – 10% CAPEX efficiency improvements in the construction of new service stations	• Cash OPEX savings above USD50m in 2018 on a like-for-like basis • Expect 2018 full year CAPEX to be up to USD210m (previous guidance was USD190m), including accelerated CAPEX of USD20m initially planned for 2019

03

Q3 AND 9M 2018 RESULTS

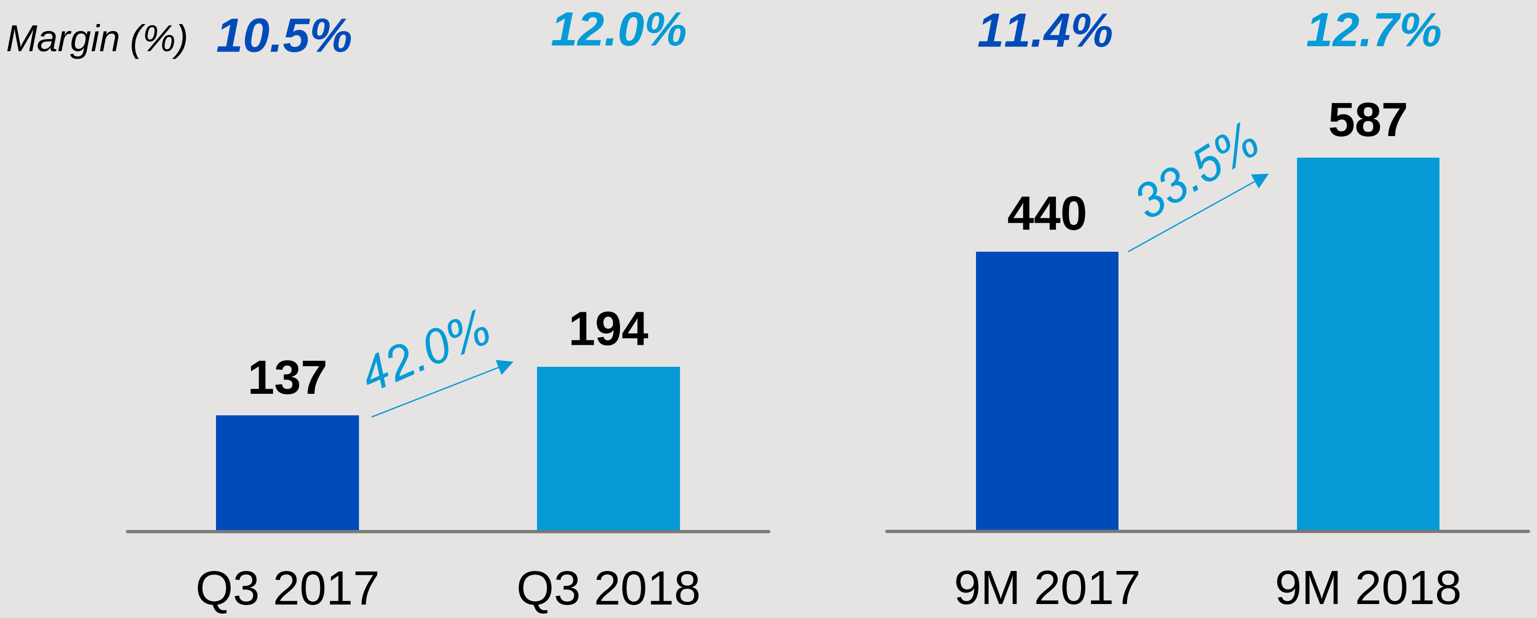
SPEAKER: PETRI PENTTI

CHIEF FINANCIAL OFFICER

KEY FINANCIAL HIGHLIGHTS

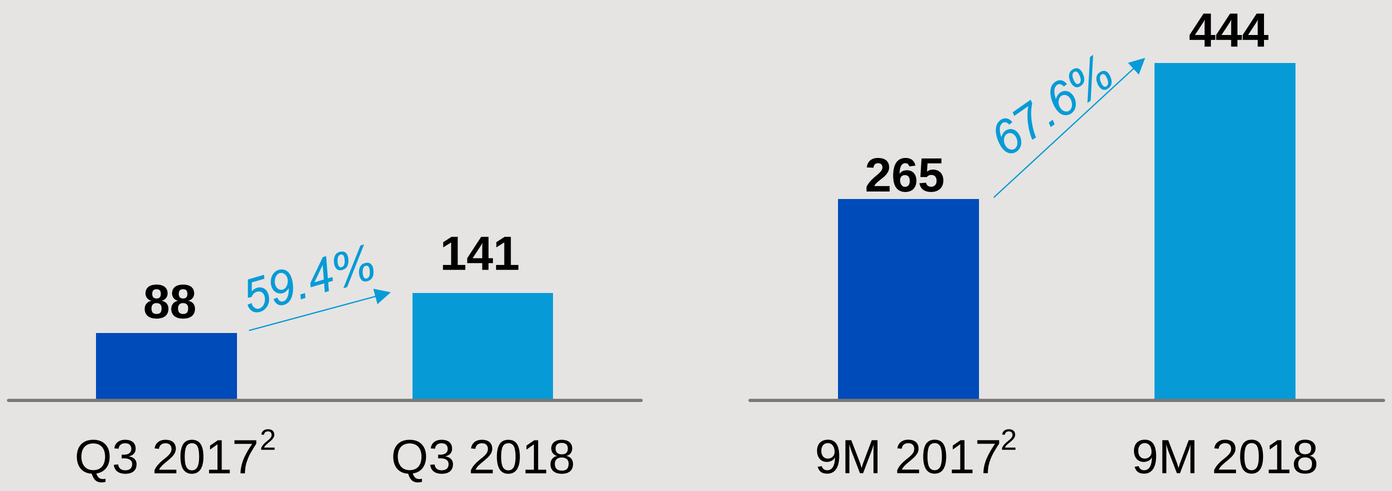
Strong financial performance driven by core business

EBITDA (USDm)



- **Resilient and strong increase in EBITDA** as a result of
  - Pricing of fuels under the new Refined Products Supply Agreement
  - Inventory gains of USD21m and USD80m in Q3 2018 and 9M 2018, respectively
- **Underlying EBITDA performance, excluding inventory gains, increased significantly by 26% in Q3 2018 YoY**

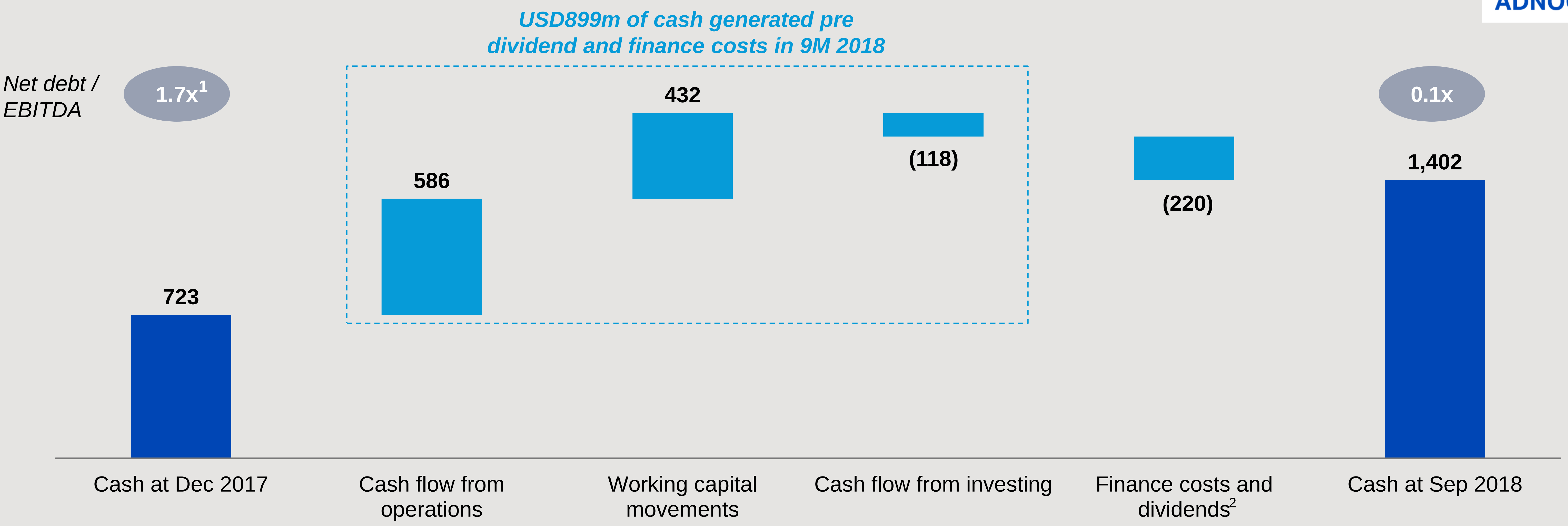
Adjusted free cash flow[1] (USDm)



- **Significant growth in adjusted free cash flow generation** driven by
  - Strong increase in EBITDA
  - Substantial reduction in CAPEX

1. Free cash flow calculated as EBITDA minus CAPEX
2. Excludes assets acquired from ADNOC Refining in connection with our IPO

CASH MOVEMENTS DURING THE YEAR



- Strong FCF generation during the first 9M 2018 of USD899m pre dividends and finance costs; total cash generation of USD680m
- Change in Net Working Capital of USD432m cash, driven by extended credit limit to 60 days
- Gross debt unchanged with a leverage reduction to 0.1x as of Q3 2018 (vs. 1.7x as of year end 2017)

1. Excluding restricted cash related to civil aviation operations
2. Includes amortization of prepaid expenses

FINANCIAL AND OPERATING HIGHLIGHTS

Strong financial performance driven by higher fuel margins combined with a more efficient cost base

Key financial figures

USDm	Q3 2017	Q3 2018	YoY % change	9M 2017	9M 2018	YoY % change
Gross profit	**275**	**348**	*26.5%*	**848**	**1,058**	*24.7%*
Margin	*21.0%*	*21.4%*		*21.9%*	*23.0%*	
EBITDA	**137**	**194**	*42.0%*	**440**	**587**	*33.5%*
Margin	*10.5%*	*12.0%*		*11.4%*	*12.7%*	
Net Income	**98**	**152**	*55.0%*	**357**	**458**	*28.2%*
Margin	*7.5%*	*9.4%*		*9.2%*	*9.9%*	

Fuel sales volume

Volume (mL)	Q3 2017	Q3 2018	YoY % change	9M 2017	9M 2018	YoY % change
Group	**2,552**	**2,416**	*-5.3%*	**7,347**	**7,179**	*-2.3%*
Retail	1,686	1,591	*-5.6%*	5,086	4,915	*-3.4%*
Corporate	642	644	0.4%	1,640	1,691	*3.1%*
Aviation	216	181	-16.1%	593	550	*-7.4%*

GROSS PROFIT BY SEGMENT

USDm	Q3 2017	Q3 2018	YoY % change	9M 2017	9M 2018	YoY % change
Fuel and non-fuel retail	**170**	**228**	*33.7%*	**560**	**692**	*23.5%*
o/w Fuel Retail	*151*	*208*	*37.6%*	*506*	*632*	*24.9%*
o/w Non-Fuel Retail	*19*	*19*	*3.0%*	*54*	*59*	*9.8%*
Margin	*19.1%*	*21.1%*		*20.5%*	*21.9%*	
Corporate	**54**	**59**	*9.1%*	**151**	**165**	*9.6%*
Margin	*18.9%*	*15.5%*		*19.5%*	*17.3%*	
Aviation	**34**	**45**	*34.8%*	**90**	**148**	*64.6%*
Margin	*30.2%*	*31.0%*		*28.7%*	*34.0%*	
Other[1]	**17**	**16**	*n.m*	**48**	**54**	*n.m.*
Total	**275**	**348**	***26.5%***	**848**	**1,058**	***24.7%***

- Strong YoY gross profit growth across all segments, with improved gross profit margin across Retail and Aviation segments, despite lower volumes
- Higher Retail fuel margins mitigated by lower retail fuel volumes
- Including Allied Services, Non-Fuel Retail gross profit was up 8.1% YoY in Q3 2018
- Increase in Corporate fuel volume with more proactive pricing, particularly in diesel
- Change of contractual profile of the Aviation business with a cost-plus-8% compensation from parent company

1. Includes Allied Services

EBITDA BY SEGMENT

USDm	Q3 2017	Q3 2018	YoY % change	9M 2017	9M 2018	YoY % change
Fuel and non-fuel retail	**60**	**118**	*98.3%*	**235**	**362**	***54.0%***
Margin	*6.7%*	*10.9%*		*8.6%*	*11.5%*	
Corporate	**47**	**46**	*-2.4%*	**124**	**125**	*0.5%*
Margin	*16.4%*	*12.0%*		*16.1%*	*13.1%*	
Aviation	**27**	**21**	*-21.7%*	**65**	**70**	*7.7%*
Margin	*24.6%*	*14.6%*		*20.7%*	*16.1%*	
Other[1]	**3**	**9**	*n.m*	**16**	**30**	*n.m.*
Total	**137**	**194**	***42.0%***	**440**	**587**	***33.5%***

- YoY EBITDA growth driven by Retail segments, with material increase in Retail EBITDA margin
- Retail EBITDA driven by continued cost efficiencies implementation across the segment
- Decrease in Aviation EBITDA due to lower volumes and the inclusion of recoverable cost related to civil aviation fueling services

1. Includes Allied Services

04

OUTLOOK

SPEAKER: SAEED MUBARAK AL RASHDI

ACTING CHIEF EXECUTIVE OFFICER

GUIDANCE AND OUTLOOK

Outlook

Strong Q3 2018 with more to come in Q4

Confident of achieving 2018 targets

Continued delivery on key pillars of our strategy

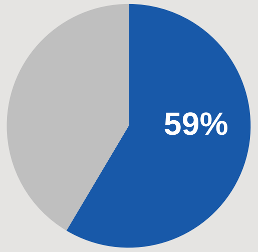
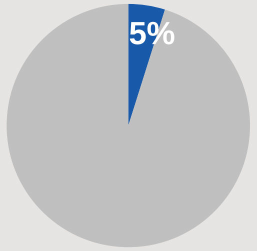
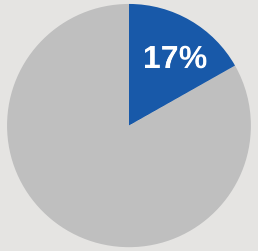
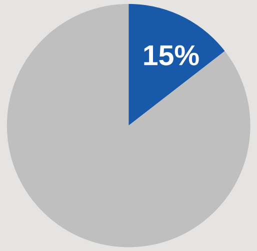
Q&A

Saeed Mubarak Al Rashdi
Acting Chief Executive Officer

John Carey
Deputy Chief Executive Officer

Petri Pentti
Chief Financial Officer

ADNOC DISTRIBUTION BUSINESS MODEL

	Retail		Commercial Business	
	Fuel Retail	Non – Fuel Retail	Corporate	Aviation
				
Key Products / Services	Transportation fuel LPG Lubricants	Convenience stores Car care	Transportation fuel LPG Lubricants	Jet fuel Fuelling, maintenance and other services
Market position	• Undisputed leader in the UAE • Sole fuel distributor in Abu Dhabi and Sharjah **67% Market share**	• Biggest consumer retailer in the UAE **240 stores**	• Leading supplier of commercial fuel in the UAE **72% Market share in commercial diesel in the UAE**	• Presence in 7 airports across the UAE with exclusive supplier status in all the airports in the Emirate of Abu Dhabi
Selected Market Drivers	UAE population and GDP growth UAE car fleet growth	Forecourt growth in the UAE	Corporate LPG demand UAE GDP growth	UAE development as global aviation hub
Gross Profit[1] split by segment				

1. Total Gross Profit includes Allied Services

ADNOC DISTRIBUTION
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THANK YOU