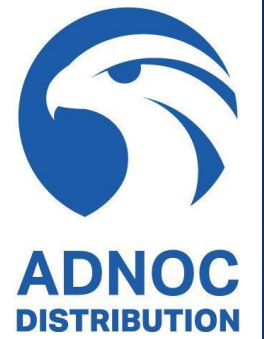


ADNOC DISTRIBUTION Q3 AND 9M 2019 RESULTS PRESENTATION

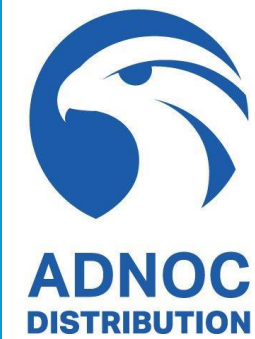


أدنوك ADNOC

INVESTOR AND ANALYST CONFERENCE CALL
31 October 2019

ADNOC Distribution

AGENDA



01 | EXECUTIVE SUMMARY



02 | STRATEGY UPDATE



03 | Q3 & 9M 2019 RESULTS



04 | CLOSING REMARKS

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.



ADNOC
DISTRIBUTION

01

EXECUTIVE SUMMARY

SPEAKER: SAEED MUBARAK AL RASHDI
CHIEF EXECUTIVE OFFICER

ADNOC Distribution

HIGHLIGHTS

Strong results with more to come



ADNOC
DISTRIBUTION



Operational and financial performance

- ▶ **Prioritization of safety remains core to our business**
- ▶ **Double-digit year-on-year underlying EBITDA growth and strong cash generation in Q3 and 9M 2019**
- ▶ **Total fuel volumes increased by 3.9% in Q3 2019 including retail fuel volumes**
- ▶ **Continued OPEX and CAPEX efficiencies**



Strategic update

- ▶ **Board of Directors approved free assisted fueling to all our customers; no impact expected on our profitability or dividend policy**
- ▶ **Facilitates and strengthens our ambitious network expansion and volume growth**
- ▶ **Renegotiation of retail fuel supply contract (2 fils/liter), leading to incremental EBITDA**



Outlook

- ▶ **Acceleration of service stations and convenience store domestic expansion, particularly in Dubai**
- ▶ **Launch of new loyalty program, ADNOC Rewards, before end 2019 with a focus on an enhanced customer experience**
- ▶ **Focus on earnings growth and shareholder returns**



ADNOC
DISTRIBUTION

02

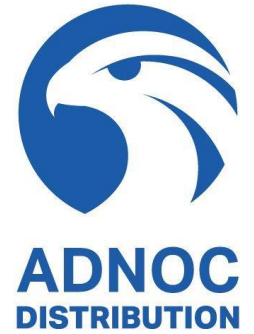
STRATEGY UPDATE

SPEAKER: MOHAMED AL HASHEMI
CHIEF OPERATING OFFICER

ADNOC Distribution

KEY STRATEGIC UPDATE & OUTLOOK

Fuel Business



ANNOUNCED STRATEGY

- 20-30 new service stations across the UAE in 2019, with a focus on accelerating growth in Dubai (10-15 stations)
 - Most to open towards end of 2019
- 3 new pilot stations in Saudi Arabia in 2019

KEY MILESTONES ACHIEVED

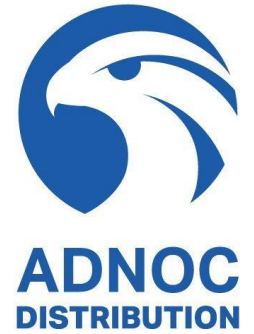
- 6 new service stations opened in 9M 2019 in the UAE (3 in Dubai)
- Successful marketing campaigns, generating an increase in retail fuel volumes in the third quarter of 2019 for the first time since our IPO
- Strong growth in Corporate segment driven by increase in volumes including LPG, lubricants and base oil

Outlook

- Domestic network expansion to accelerate starting 2020
 - 45 new sites in advanced stage of execution
- Offering free assisted fueling expected to translate into fuel volume growth
- Renegotiation of retail fuel supply contract (2 fils/liter), leading to incremental EBITDA

KEY STRATEGIC UPDATE & OUTLOOK

Non-Fuel business



ANNOUNCED STRATEGY

- Convenience store network to expand at a faster pace than fuel retail sites
- Continued roll-out of convenience stores, in addition to new food and coffee offerings
- Further implementation of convenience store revitalization program

KEY MILESTONES ACHIEVED

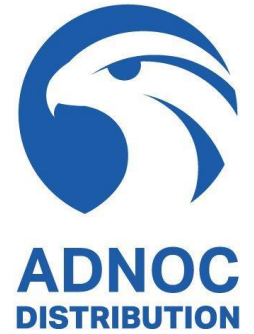
- Opening of 14 convenience stores in 9M 2019 (2 in Q3 2019)
- Q3 2019 non-fuel retail gross profit increased by 16.6% supported by our convenience store revitalization program, contributing to an uplift in average basket size by 6.5%
- 8.3% increase in non-fuel transactions YoY in Q3 2019, mainly driven by higher footfall

Outlook

- Focus on category management and introduction of fresh food concepts
- Accelerate in 2020 our revitalization program for 100 convenience stores
- Enhance and improve overall customer experience at our network

KEY STRATEGIC UPDATE & OUTLOOK

OPEX and CAPEX efficiencies



ANNOUNCED STRATEGY

- Expected USD50m of OPEX savings in 2019 on a like-for-like basis
- Up to USD300m CAPEX planned in 2019 in order to accelerate network expansion in UAE and internationally and to invest in our digital initiatives
- Continued CAPEX efficiency in building new stations

KEY MILESTONES ACHIEVED

- Significant OPEX achievement with USD43m savings on like-for-like basis in 9M 2019
- USD66m CAPEX in 9M 2019

Outlook

- Further cost optimization targeting additional cost savings totaling up to USD100m by end of 2023
- Network rollout scheduled for operational deployment towards early 2020
 - For 2020, we expect CAPEX acceleration given our ambitious delivery schedule, especially in Dubai
- Continued CAPEX efficiency in building new stations



ADNOC
DISTRIBUTION

03

Q3 & 9M 2019 RESULTS

SPEAKER: PETRI PENTTI
CHIEF FINANCIAL OFFICER

ADNOC Distribution



OVERVIEW OF 9M 2019 PERFORMANCE

Solid underlying financial performance...

Financial Performance

	9M 2019	9M 2018	Change YoY (%)
Revenue (USDm)	4,332	4,607	-6.0%
Gross profit (USDm)	1,014	1,058	-4.2%
EBITDA (USDm)	594	587	1.1%
Underlying EBITDA (USDm) ¹	561	507	10.6%
Net income (USDm)	469	458	2.3%

...Despite flat volumes...

Fuel Volumes

	9M 2019	9M 2018	Change YoY (%)
Retail (mL)	4,819	4,915	-1.9%
Corporate (mL)	1,788	1,691	5.7%
Aviation (mL)	586	550	6.7%
Total (mL)	7,194	7,179	0.2%

...Leading to strong free cash flow generation...

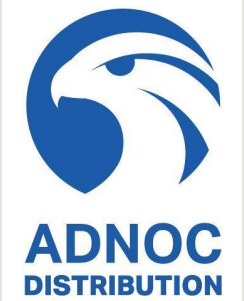
Cash Generation and Net Debt

	9M 2019	9M 2018	Change YoY (%)
Free cash flow (USDm) ²	527	444	18.8%
Net debt (USDm)	-85	54	-

...And positive returns

Profitability

	9M 2019	9M 2018	Change YoY (%)
ROCE ³ (%)	24.8%	23.9%	-
ROE ⁴ (%)	67.0%	56.1%	-



FINANCIAL AND OPERATING HIGHLIGHTS

Key Financial Performance

USDm	Q3 2019	Q3 2018	YoY (%)	9M 2019	9M 2018	YoY (%)
Revenue	1,535	1,621	-5.3%	4,332	4,607	-6.0%
Gross profit	339	348	-2.5%	1,014	1,058	-4.2%
<i>Margin</i>	<i>22.1%</i>	<i>21.4%</i>		<i>23.4%</i>	<i>23.0%</i>	
EBITDA	190	194	-2.2%	594	587	1.1%
<i>Margin</i>	<i>12.4%</i>	<i>12.0%</i>		<i>13.7%</i>	<i>12.7%</i>	
Underlying EBITDA¹	190	173	10.0%	561	507	10.6%
<i>Margin</i>	<i>12.4%</i>	<i>10.7%</i>		<i>13.0%</i>	<i>11.0%</i>	
Net income	149	152	-1.7%	469	458	2.3%
<i>Margin</i>	<i>9.7%</i>	<i>9.4%</i>		<i>10.8%</i>	<i>9.9%</i>	

Fuel Volume

Volume (mL)	Q3 2019	Q3 2018	YoY (%)	9M 2019	9M 2018	YoY (%)
Total	2,510	2,416	3.9%	7,194	7,179	0.2%
Retail	1,612	1,591	1.3%	4,819	4,915	-1.9%
Corporate	683	644	6.0%	1,788	1,691	5.7%
Aviation	216	181	19.3%	586	550	6.7%

GROSS PROFIT BY SEGMENT

USDm	Q3 2019	Q3 2018	YoY (%)	9M 2019	9M 2018	YoY (%)
Fuel and Non-Fuel Retail	207	228	-9.2%	638	692	-7.8%
<i>Of which Fuel</i>	184	208	-11.6%	571	632	-9.7%
<i>Of which Non-Fuel</i>	23	19	16.6%	66	59	12.2%
<i>Margin</i>	20.9%	21.1%		22.1%	21.9%	
Corporate	63	59	6.5%	182	165	10.2%
<i>Margin</i>	16.8%	15.5%		18.6%	17.3%	
Aviation	52	45	15.6%	146	148	-1.2%
<i>Margin</i>	34.3%	31.0%		34.4%	34.0%	
Other¹	17	15	9.1%	48	53	-10.1%
Total	339	348	-2.5%	1,014	1,058	-4.2%

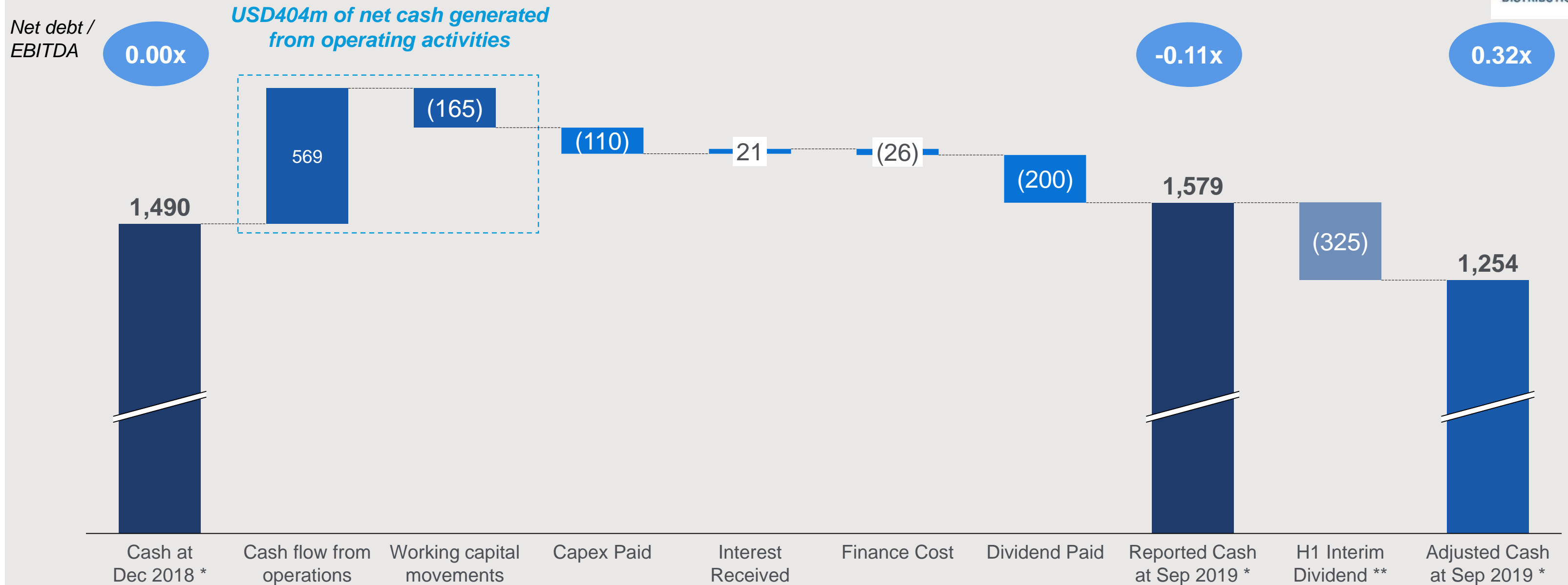
- Q3 2019 gross profit decreased 2.5% due to a decline in retail fuel gross profit as a result of the absence of inventory gains
- Q3 2019 non-fuel retail gross profit increased by 16.6%, supported by the convenience store revitalization program, contributing to an uplift in average basket size by 6.5%
- 9M 2019 gross profit decrease driven by lower inventory gains (USD 33m in 9M 2019 compared to USD 80m in 9M 2018), partially offset by increase in Corporate and Aviation volumes

EBITDA BY SEGMENT

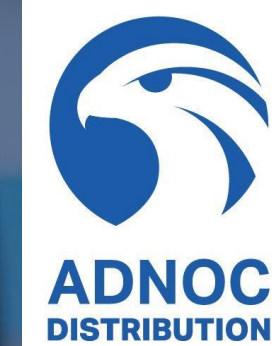
USDm	Q3 2019	Q3 2018	YoY (%)	9M 2019	9M 2018	YoY (%)
Fuel and Non-Fuel Retail	107	118	-9.7%	351	362	-3.0%
<i>Margin</i>	10.8%	10.9%		12.2%	11.5%	
Corporate	49	46	6.1%	151	125	20.9%
<i>Margin</i>	13.0%	12.1%		15.5%	13.1%	
Aviation	27	21	24.3%	75	70	7.1%
<i>Margin</i>	17.4%	14.6%		17.6%	16.1%	
Other¹	8	9	-8.9%	17	30	-45.0%
Total EBITDA	190	194	-2.2%	594	587	1.1%
Underlying EBITDA²	190	173	10.0%	561	507	10.6%

- **Q3 2019 underlying EBITDA increased by 10.0%, mainly driven by higher fuel volumes, improved cost efficiencies and the positive performance of our non-fuel businesses**
- **Solid 9M 2019 underlying financial performance despite flat volumes and lower inventory gains. Good progress with cost efficiencies. Excluding inventory gains, underlying EBITDA increased by 10.6%**
- **Q3 and 9M 2019 Corporate and Aviation EBITDA growth was driven by cost efficiencies and higher volumes**

ROBUST CASH POSITION & LOW NET DEBT TO EBITDA RATIO



- Net cash generated from operating activities has increased mainly due to robust cash flow from operations partially offset by movements in working capital



04

CLOSING REMARKS

SPEAKER: SAEED MUBARAK AL RASHDI
ACTING CHIEF EXECUTIVE OFFICER

| Q&A



Saeed Mubarak Al Rashdi
Chief Executive Officer



Mohamed Al Hashemi
Chief Operating Officer

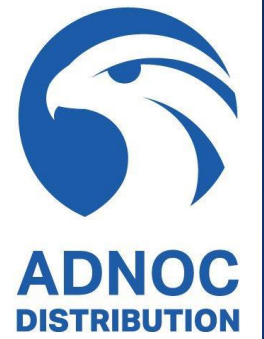


Petri Pentti
Chief Financial Officer



Athmane Benzerroug
Chief Investor Relations Officer

**ADNOC DISTRIBUTION
Q3 AND 9M 2019 RESULTS PRESENTATION
INVESTOR AND ANALYST CONFERENCE CALL
31 OCTOBER 2019
IR@ADNOCDISTRIBUTION.AE**



THANK YOU