



ADNOC
DISTRIBUTION

Q1 2020 RESULTS PRESENTATION

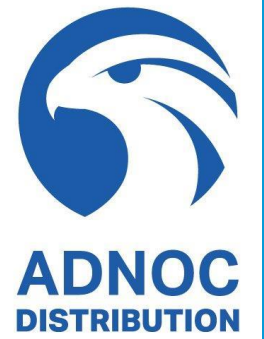
INVESTOR & ANALYST CONFERENCE CALL

12 MAY 2020



ADNOC DISTRIBUTION

AGENDA



01 | EXECUTIVE
SUMMARY



02 | STRATEGY
UPDATE



03 | Q1 2020
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.

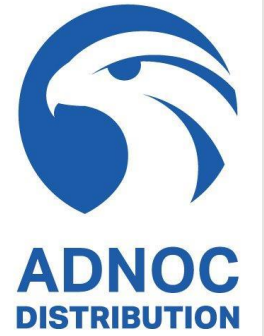
Except as expressly required by law, we disclaim any intent or obligation to update or revise these forward-looking statements.

01

EXECUTIVE SUMMARY

SPEAKER: AHMED AL SHAMSI
ACTING CHIEF EXECUTIVE OFFICER

COVID-19 RESPONSE



We are focused on ensuring the **safety of employees, customers and local communities and protecting business** through robust business continuity measures. We responded swiftly to the evolving needs by launching new services to **enhance customer experience and accelerating our digital transformation strategy**



Remote Working

Enabled work from home for staff where applicable



Protective Gear

Provided personal protective equipment such as face masks, gloves, hand sanitizers to frontline staff



Essential Home Products

Launched a new 'essential products' range in our ADNOC Oasis stores, including fresh food, household and healthcare products, at a low cost to help customers across the UAE



Car Interior Sanitization

Introduced a new complimentary deep cleaning and sanitization of cars at select stations as part of auto wash service



Daily Cleaning of Sites

Performing daily cleaning at our sites, including head office, service stations and depots



Contactless Payment

Enhancing our advanced Mobile Pay technology to facilitate social distancing through totally contactless payment



Online Grocery Delivery

Launched an online home delivery service of more than 1,000 of Oasis products, including groceries and hot beverages for the convenience and safety of our customers



Mobile Fuel Delivery

Offering My Station, a new mobile fueling service that provides services at a location and time of customers' choosing

KEY HIGHLIGHTS & OUTLOOK



BUSINESS RESILIENCE

- Underlying EBITDA increased by 4.7% in Q1 2020 compared to Q1 2019, strong free cash flow generation
- Q1 2020 reported EBITDA and Net Profit negatively impacted by one-off revaluation/prudent provisioning in the current environment as well as due to unfavorable base period of Q1 2019 with one-off reversals/recoveries
- Decline in fuel volumes expected to be partially mitigated by management initiatives and higher retail fuel margins in the short term
- Strong balance sheet and ample liquidity to proceed with investment plans and pursue potential new opportunities for future growth
- Accelerating OPEX optimization initiatives by moving to a more efficient retail site operating model. Confirm like-for-like OPEX savings of USD 25 million in 2020



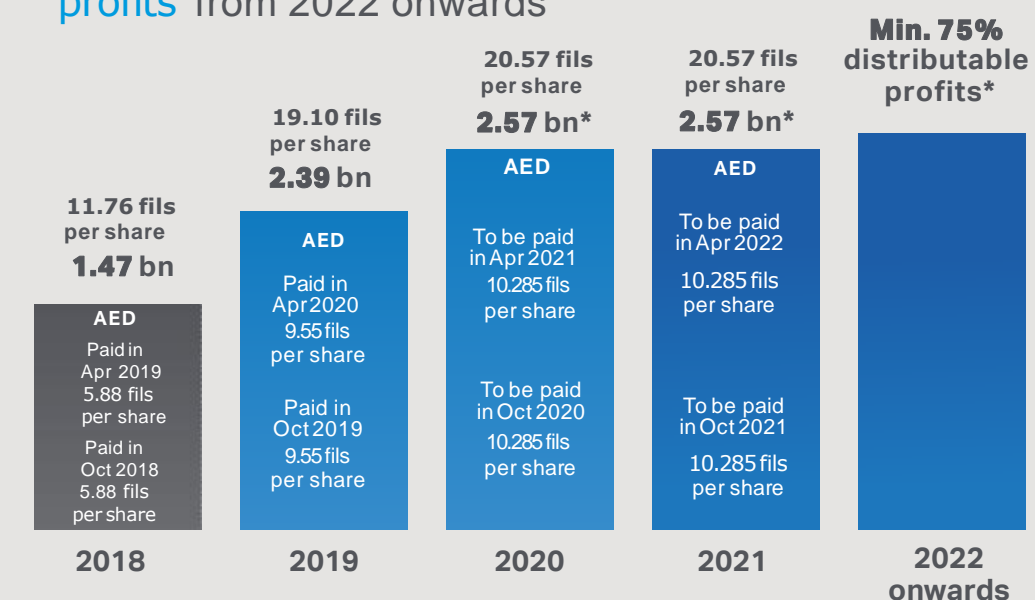
SMART GROWTH

- Offering a superior customer experience by widening our portfolio of services
- 10 new stations opened as of April 2020
- We expect to open c.15 additional stations by H1 2020 given 75% average completion
- In 2020, we expect to open 50-60 new stations, including 20-25 in Dubai
- Continuing with our convenience store revitalization program to refurbish 40-50 C-stores in 2020
- Maintaining CAPEX guidance of USD 300 million to USD 400 million in 2020, reiterating our commitment to deliver smart growth beyond 2020 and provide best-in-class services to our customers



ATTRACTIVE DIVIDEND POLICY

- Offering high dividend visibility to shareholders. 2020 dividend policy set to continue with an expected increase of 7.5% to USD700m (7.3% yield**)
- Looking forward, dividend policy sets 2021 dividend at USD700m and minimum 75% of distributable profits from 2022 onwards



* Subject to the discretion of the Board of Directors and Shareholders' approval

** at Share Price of AED 2.80 as on 11th May 2020
Conversion rate: 1 USD equal 3.673 AED



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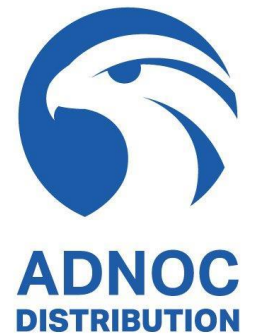
STRATEGY UPDATE

SPEAKER: MOHAMED AL HASHEMI
CHIEF OPERATING OFFICER

ADNOC Distribution

KEY STRATEGIC UPDATE

Fuel Business (B2C & B2B)



2020 ANNOUNCED GUIDANCE

- Low single digit growth in total fuel volumes driven by market share gains
- Deliver accelerated domestic network expansion with:
 - ✓ At least **60 new stations** in UAE in 2020, which includes mix of traditional and 'ADNOC On the go' stations
 - Of which **20-25 new stations in Dubai**, most of which would be traditional stations
- Execute international growth strategy

ACHIEVEMENTS

- Q1 2020 total fuel volumes down 1.2% YoY
 - ✓ Retail Fuel volumes declined 1.9% YoY, despite higher growth in Jan. and Feb. 2020, mainly owing to COVID-19 impact in March
- **7 new stations opened** in Q1 in the UAE (4 in Dubai). As of April, **10 new stations opened** (5 in Dubai)
- Extended existing B2B (commercial) mobile fuel delivery service (My Station) to B2C (retail)
- International expansion strategy progressing with discussions/proposals under consideration

Al Qouz Fuel Station in Dubai



1st ADNOC On the go station in Al-Bateen - Abu Dhabi



KEY STRATEGIC UPDATE

Non-Fuel business (B2C)



2020 ANNOUNCED GUIDANCE

- Further improvements in category management, introduction of high margin fresh food and great coffee offerings
- Deliver accelerated revitalization program for 100 convenience stores in 2020
- Further enhancements to our customer-centric focus, including station optimization across our network

ACHIEVEMENTS

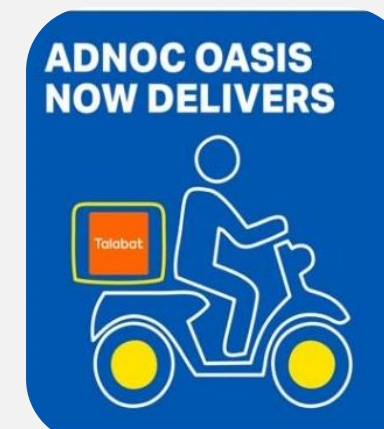
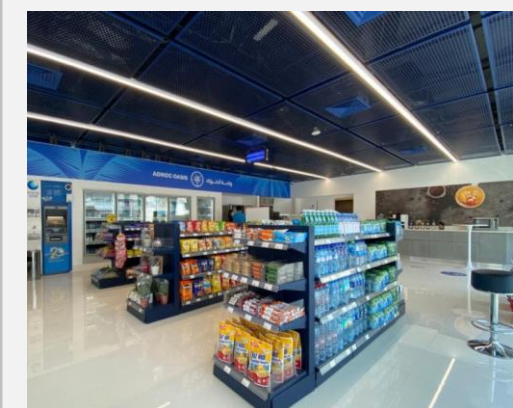
- 5 new convenience stores opened in Q1 2020
- Focus on category management (average gross basket size up 12.0% YoY in Q1-20)
- Refurbishment plan phased over rest of 2020
- Focused on offering a superior customer experience and accelerated digital transformation strategy:
 - Enhanced contactless payment
 - Launched C-store online home delivery
 - Launched a new 'essential products' range

Abu Dhabi Corniche – 1st refurbished C-store



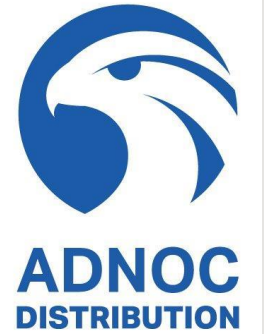
ADNOC Oasis refreshed store

ADNOC Oasis Online store



KEY STRATEGIC UPDATE

OPEX and CAPEX



2020 ANNOUNCED GUIDANCE

- Deliver additional like-for-like cost savings of up to USD25m in 2020 out of the total USD100m over 2020-23
- CAPEX acceleration (USD300-400m in 2020), reflecting significant growth in network
- Continued CAPEX efficiency in building new stations

ACHIEVEMENTS

- Like-for-like cash OPEX increased by USD4m YoY, mainly due to higher maintenance and SMART technology utilities costs
 - Moving to a more efficient and effective retail site operating model
- In line with our plans to deliver higher number of new stations, CAPEX increased to USD50m in Q1 2020 versus USD13m in Q1 2019

Dubai new stations under construction

Al Warqa



95%

Remraam



80%

Abu Dhabi new On the go stations under construction

Al-Salamat



83%

MBZ City Center



75%



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03

Q1 2020 RESULTS

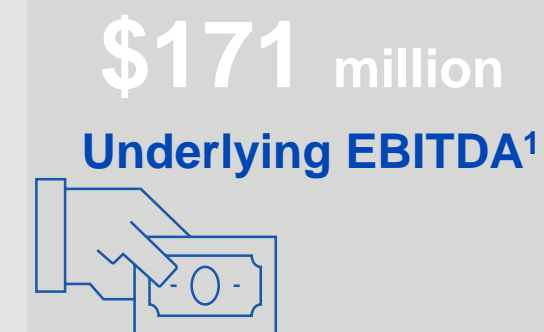
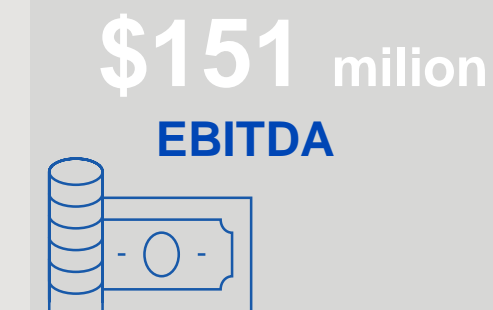
SPEAKER: PETRI PENTTI
CHIEF FINANCIAL OFFICER

ADNOC Distribution

Q1 2020 FINANCIAL PERFORMANCE

Resilient underlying operating performance...

Key Financial Performance	USDm	Q1 2020	Q1 2019	YoY (%)
	Revenue	1,345	1,299	3.6%
	Gross Profit	302	312	-3.1%
	Margin	22.5%	24.0%	
	EBITDA	151	200	-24.1%
	Margin	11.3%	15.4%	
	Underlying EBITDA ¹	171	164	4.7%
	Margin	12.7%	12.6%	
	Net Income	109	157	-30.9%
	Margin	8.1%	12.1%	



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

Cash Generation and Net Debt	USDm	Q1 2020	Q1 2019	YoY (%)
	Free cash flow ²	145	-262	NM ³
	Net debt	70	265	-73.4%



...and high returns


Profitability		Q1 2020	Q1 2019	YoY (%)
	ROCE ⁴ (%)		23.7%	22.9%
ROE ⁵ (%)		71.2%	53.2%	-

Q1 2020 OPERATING PERFORMANCE



	Q1 2020	Q1 2019	YoY (%)
Fuel Volumes			
mL			
Retail (B2C)	1,577	1,607	-1.9%
Commercial (B2B)	729	728	0.1%
<i>of which Corporate</i>	551	541	1.9%
<i>of which Aviation</i>	178	188	-4.9%
TOTAL	2,306	2,336	-1.2%
Retail Fuel Operating Metrics			
Number of service stations – UAE	389	379	2.6%
Number of service stations - Saudi Arabia ¹	2	2	0.0%
Number of fuel transactions (millions)	38.2	36.9	3.5%
Retail Non-Fuel Operating Metrics			
Number of convenience stores - UAE	269	252	6.7%
Number of non-fuel transactions (millions) ²	9.7	11.7	-17.1%
Average gross basket size (USD) ³	7.4	6.6	12.0%

2.3 billion liters
Total Fuel Volume



389
Retail Fuel sites in the UAE



269
Convenience Stores in the UAE

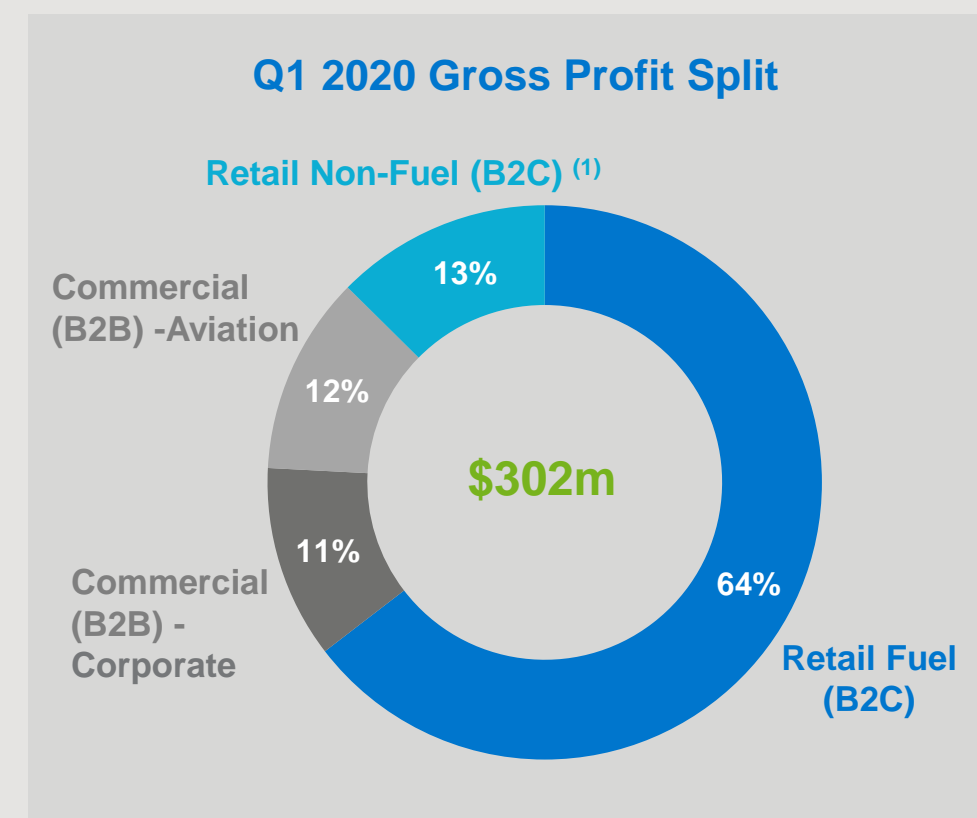


1. Includes one franchised site 2. Includes convenience stores, car wash and oil change transactions

3. Average gross basket size is calculated as convenience store revenue (including revenue from consignment items shown under other operating income) divided by number of convenience store transactions.

GROSS PROFIT BY SEGMENT

USDm	Q1 2020	Q1 2019	YoY (%)
Retail (B2C)	229	209	9.5%
<i>Of which Fuel</i>	195	172	13.1%
<i>Of which Non-Fuel ⁽¹⁾</i>	34	37	-7.5%
<i>Retail Margin</i>	24.4%	23.6%	
Commercial (B2B)	74	103	-28.6%
<i>Of which Corporate</i>	35	56	-37.0%
<i>Of which Aviation</i>	38	47	-18.6%
<i>Commercial Margin</i>	18.1%	25.0%	
Total	302	312	-3.1%

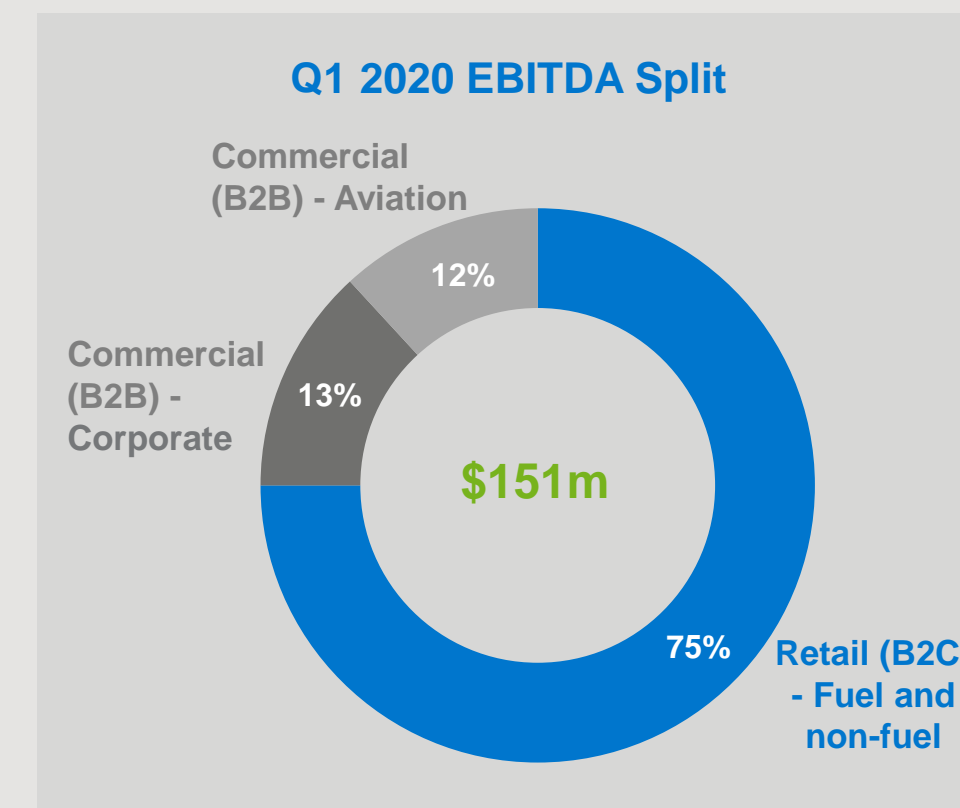


- Lower Commercial and Non-Fuel Retail gross profit, partially offset by higher Retail Fuel margins.
- Non-Fuel Retail business impacted by absence of voucher redemption after free assisted fueling and the impact of COVID-19 in March.
- Commercial business was negatively impacted by ~USD16m due to inventory losses and other one-offs in Q1 2020, whereas Q1 2019 included one-off recoveries (~USD15m).

EBITDA BY SEGMENT

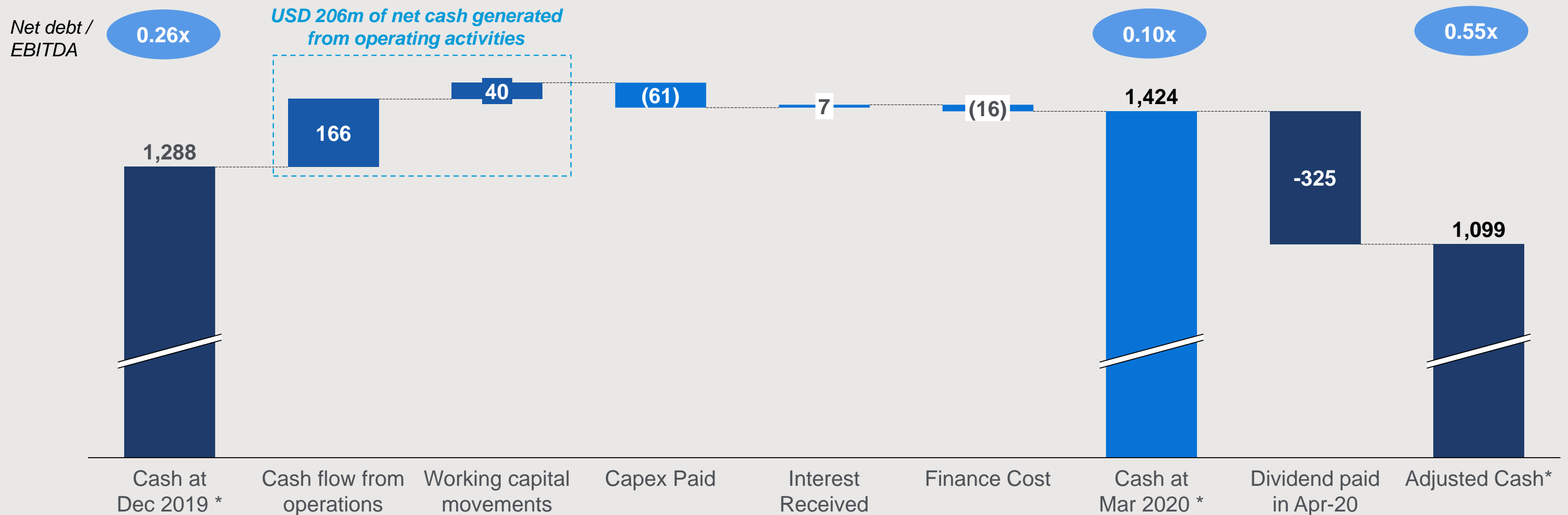


USDm	Q1 2020	Q1 2019	YoY (%)
Retail (B2C)	114	119	-3.9%
<i>Retail Margin</i>	12.2%	13.4%	
Commercial (B2B)	38	80	-52.6%
<i>Of which Corporate</i>	20	55	-63.6%
<i>Of which Aviation</i>	18	25	-28.6%
<i>Commercial Margin</i>	9.3%	19.4%	
Unallocated¹	-1	1	NM
Total reported EBITDA	151	200	-24.1%
Underlying EBITDA²	171	164	4.7%



- EBITDA impacted by USD20m due to inventory losses and other one offs in Q1 2020, whereas Q1 2019 included one-off OPEX reversals and recoveries totaling USD36m. Underlying EBITDA (excluding inventory movements and one-offs) up 4.7%
- Retail EBITDA declined due to lower fuel volumes, higher staff cost to implement free assisted fueling, OPEX related to new stations and due to the presence OPEX reversals in Q1 2019.
- Commercial EBITDA declined due to lower Aviation volumes, inventory losses and other one-offs in Q1 2020, whereas Q1 2019 included one-off recoveries.

STRONG CASH GENERATION AND ROBUST CASH POSITION



- Strong cash flow generation with free cash flow of USD 145 million
- Net cash generated from operating activities has increased mainly due to stable cash flow from operations and positive working capital movements. Working Capital reduced as a result of a decrease in trade receivables and inventories, partially offset by a decrease in trade payables



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04

OUTLOOK

SPEAKER: AHMED AL SHAMSI
ACTING CHIEF EXECUTIVE OFFICER

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2020 OUTLOOK - SUMMARY



Fuel

- Committed to pursue our expansion plans, in a disciplined manner, and explore potential opportunities presented by current environment:
 - Expect to open c.15 additional stations by H1 2020 (average completion rate of 75%)
 - For 2020, we expect to open 50-60 new stations, which includes mix of traditional and 'ADNOC On the go' stations
 - To open 20-25 new stations in Dubai, most of which would be traditional stations
 - Expand mobile fuel delivery services in both B2B and B2C with addition of 15 more trucks
- Deliver on international growth strategy



Non-Fuel

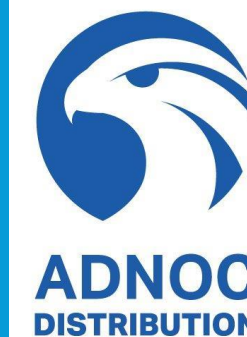
- Expect to refurbish 40-50 C-stores in 2020 under our convenience store revitalization program
- Continuing to make improvements in category management, with a greater focus on high margin fresh food and premium coffee products
- Further enhancements to our new online food and grocery delivery service



Cost Efficiency

- Accelerate delivery of OPEX optimization initiatives by moving to a more efficient retail site operating model. Confirm like-for-like OPEX savings of USD 25 million in 2020
- Maintain CAPEX guidance of USD 300 million to USD 400 million in 2020, reiterating our commitment to deliver smart growth beyond 2020 and superior customer experience
- Continued CAPEX efficiency in building new stations

| Q&A



Ahmed Al Shamsi
Acting Chief Executive Officer



Mohamed Al Hashemi
Chief Operating Officer



Petri Pentti
Chief Financial Officer

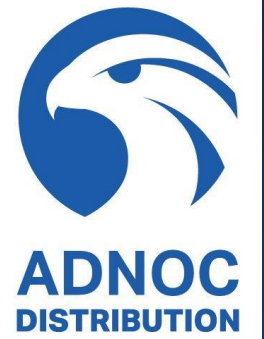


Athmane Benzerroug
Chief Investor Relations Officer

ADNOC DISTRIBUTION Q1 2020 RESULTS PRESENTATION

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12 MAY 2020

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THANK YOU

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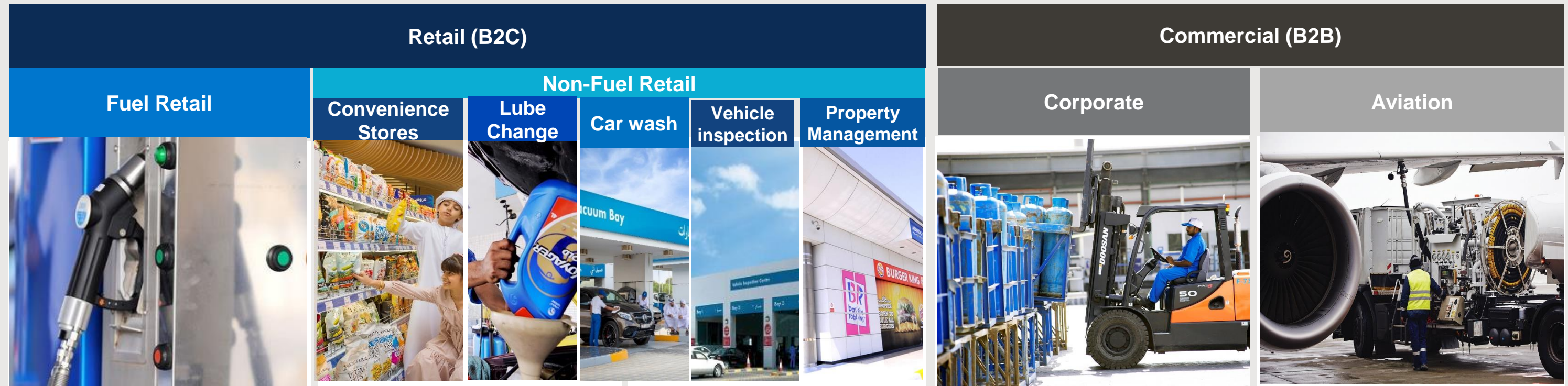
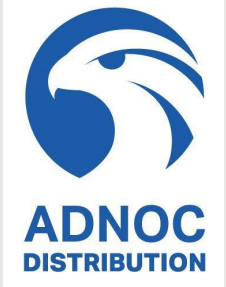


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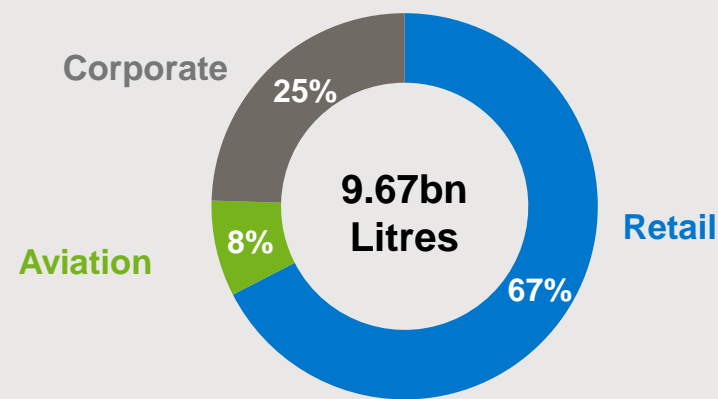
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APPENDIX

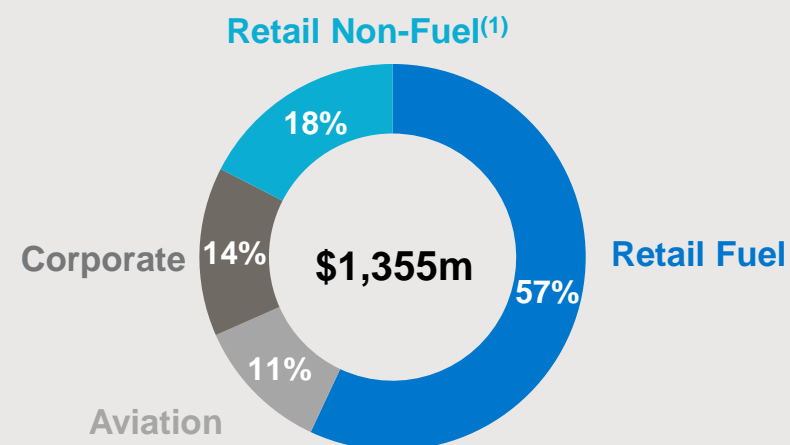
ADNOC DISTRIBUTION BUSINESS OVERVIEW



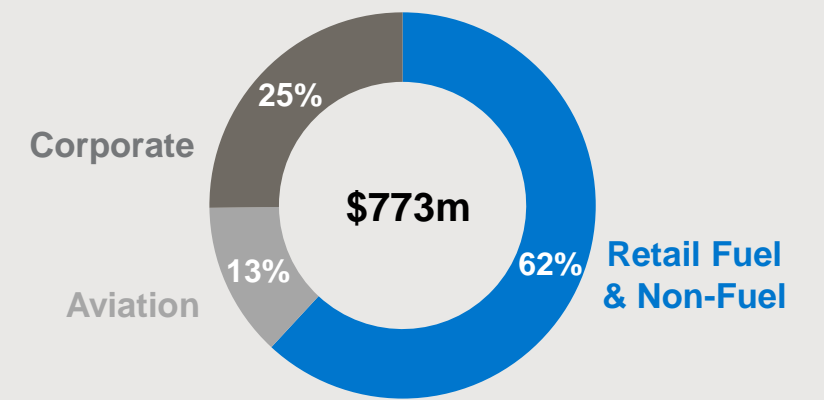
FY2019 Fuel Volume Split



FY2019 Gross Profit Split



FY2019 EBITDA Split



(1) Includes convenience stores, lube change, car wash, vehicle inspection and property management

ADNOC DISTRIBUTION IN NUMBERS – Q1 2020



0.00

Total Reportable Injury Rate*



2.3 billion liters
Total Fuel Volume



389

Retail Fuel sites in the UAE



2

Retail Fuel sites in Saudi Arabia



269

Convenience Stores in UAE



26

Number of Vehicle Inspection Centers**



38.2 million

Fuel Transactions



9.7 million

Non-Fuel Transactions



\$7.4

Average Gross Basket Size

*Total Reportable Injury / 1,000,000 man hours

**Includes one permitting center