

Q4/FY 2022 RESULTS PRESENTATION

INVESTOR & ANALYST CONFERENCE CALL

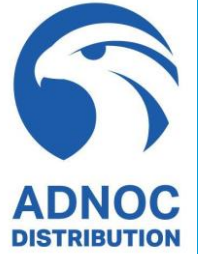
9 February 2023

ADNOC
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ADNOC
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ADNOC DISTRIBUTION

AGENDA



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02 | STRATEGY UPDATE



03 | Q4 & FY 2022 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.

01

EXECUTIVE SUMMARY



SPEAKER: ATHMANE BENZERROUG
CHIEF INVESTOR RELATIONS OFFICER



Q4 & FY 2022 KEY HIGHLIGHTS & 2023 OUTLOOK

Robust 2022 earnings and strong cash generation reflecting strong post COVID-19 growth

Network expansion, strong volume and Non-fuel retail growth



Domestic: exceeded 2022 target of 20-30 new stations in UAE with 42 stations (including 8 in Dubai)

International: +26 stations in KSA



2022: +8% in total fuel volumes with commercial volumes increasing by 19%

Q4 2022: +12% in total fuel volumes with commercial volumes increasing by 40%



2022: +15% in non-fuel transactions

2022: C-stores conversion rate 19% (2021: 18%)

Record-breaking EBITDA, Net profit and Free Cash Flow in 2022



+15% in EBITDA and +22% in Net profit

+50% in cash generation to \$923 million

+25% in Fuel retail Gross profit driven by higher volumes, inventory gains and premiumization

+6% in Non-fuel retail Gross profit supported by customer-centric initiatives driving higher traffic at stations and higher F&B sales

Return on Capital Employed of 28.5% (2021: 24.8%)

0.78x Net debt / EBITDA (1.06x at end of 2021)

Min. \$1bn EBITDA target in 2023: Focus on accelerating sustainable growth through efficient capital allocation



Network expansion to be sustained in 2023:

- ✓ +25-35 new stations in 2023
- ✓ Acquisition of 50% stake in TotalEnergies Marketing Egypt⁽¹⁾ with 240 stations in operation



Pursuing organic and inorganic growth opportunities:

- ✓ Growth-driven investments with a CAPEX plan of \$250-300 million in 2023 (2022: \$341 million)
- ✓ International expansion through value-accretive transactions



DELIVERING ENHANCED VALUE PROPOSITION

Shareholder payback visibility reinforced by renewed margin guarantee and business futureproofing



Successful renewal of Supply contract with ADNOC for a 5-year term

- ✓ Securing **predictable fuel retail margins** with **downside protection** provided by the margin backstop
- ✓ Reinforcing the Company's profile as **a highly free cash flow generative business**
- ✓ **Reaffirming strong relationship** with the majority shareholder ADNOC



Business proofing - Growing while transforming

- ✓ Through **E₂GO JV** ADNOC Distribution aims to become the **destination of choice** for EV charging and convenience and **generate new revenue streams**
- ✓ **New sustainability agenda** unveiled with tangible initiatives to reduce GHG emissions intensity and sustainability-linked financing



Progressive dividend policy

- ✓ **H2 2022 dividend** of \$350 million expected to be paid in April 2023⁽¹⁾
- ✓ **Total 2022 dividend** of \$700 million offers a dividend yield of 4.6%⁽²⁾
- ✓ **Distribution of min. 75%** of distributable profits starting 2023



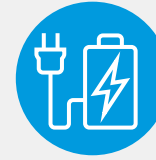
FUTURE PROOFING OUR BUSINESS

Growing while transforming with a focus on sustainability



Decarbonization roadmap and Sustainability Linked Loan unveiled in January 2023

- ✓ ADNOC Distribution plans to achieve a 25% reduction in Scopes 1 and 2 emissions intensity by 2030 through energy efficiency and cleaner fuels initiatives:
 - ✓ installing solar panels at service stations
 - ✓ use of biofuels to power fleet of vehicles
 - ✓ other energy optimization initiatives
 - ✓ utilization of 'green concrete' in construction of new stations
- ✓ Conversion of existing \$1.5 billion term loan into a Sustainability Linked Loan demonstrates determination to align funding strategy with sustainability roadmap
- ✓ Decarbonization roadmap is a commitment to sustainable growth while creating incremental shareholders value



E₂GO JV: Pursing leadership in mobility retail and unlocking new revenue stream

- ✓ E₂GO mobility JV with integrated utility giant TAQA will build and operate EV charging infrastructure in public and private sites across Abu Dhabi and the wider UAE
- ✓ E₂GO will utilize the JV companies' wealth of experience, vast network and innovation capabilities to promote clean mobility solutions and unlock new business revenue streams
- ✓ An estimated 70,000 EV charging points will be required in Abu Dhabi by 2030 for up to \$200 million CAPEX

02

GROWTH STRATEGY UPDATE



SPEAKER: BADER SAEED AL LAMKI
CHIEF EXECUTIVE OFFICER

KEY STRATEGIC UPDATE

Fuel business



Total fuel volumes up 12% y-o-y in Q4 2022 and 8% y-o-y in 2022

- ✓ Retail fuel volumes up 2% y-o-y in Q4 and 3% y-o-y in 2022
- ✓ Commercial volumes up 40% y-o-y in Q4 and 19% y-o-y in 2022



Momentum in network expansion accelerated in Q4 2022

- ✓ 21 new stations in UAE (total UAE: 502)
- ✓ 2 new stations in Dubai (total Dubai: 39)



Target continued growth in 2023 after exceeding 2022 plans

- ✓ +25-35 new stations
- ✓ Acquisition of a 50% stake in TotalEnergies Marketing Egypt⁽¹⁾ expected to be completed in in Q1 2023
- ✓ Pursue value-accretive opportunities in the Middle East and beyond

(1) Subject to satisfaction of certain conditions including obtaining regulatory approvals, aim to complete transaction in Q1 2023



KEY STRATEGIC UPDATE

Non-fuel retail business



Momentum sustained in Q4 2022 leading to strong 2022 growth

- ✓ Non-fuel transactions increased in Q4 2022 by **9% y-o-y** and by **15% y-o-y** in 2022
- ✓ Non-fuel Gross profit up by **6% y-o-y** in 2022
- ✓ Convenience store margin improved in 2022 by **30 basis points** to a new record of **33.6%**



Successful execution of Non-fuel retail strategy and improving customer experience

- ✓ 2022: **28 convenience stores** opened and **42 renovated**
- ✓ Continued focus on **customer-centric initiatives**: improvement in category management, fresh food and premium coffee offerings
- ✓ Opening of **2 new vehicle inspection centres** in 2022



KEY STRATEGIC UPDATE

Enhancing customer experience and loyalty through ADNOC Rewards program and marketing promotions

As of 2022:

1.6 MILLION



MEMBERS IN ADNOC REWARDS LOYALTY PROGRAM

Over **59** MILLION



TRANSACTIONS USING ADNOC REWARDS, SINCE LAUNCHING THE POINTS PROGRAM



Let's Go SHOP & WIN

AMAZING MONTHLY PRIZES

CHEVROLET

USE YOUR ADNOC REWARDS TO ENTER THE DRAW

NEW

USE ADNOC REWARDS POINTS TO PAY FOR FUEL

DOWNLOAD THE APP

عروض الغسيل التالي

AUTO WASH OFFERS

ابتداء من STARTING FROM

18 AED

منها

VALID AT THIS STATION

أسعار جديدة منخفضة

NEW LOW PRICES

5,000KM**	WAS AED 119/4L*	NOW AED 79/4L*
10,000KM**	WAS AED 130/4L*	NOW AED 115/4L*
15,000KM**	WAS AED 130/4L*	NOW AED 153/4L*

03

Q4 & FY 2022 RESULTS



SPEAKER: WAYNE BEIFUS
CHIEF FINANCIAL OFFICER



OPERATING PERFORMANCE

Strong performance driven by volume and number of transactions

		Q4 2022	Q4 2021	YoY (%)	2022	2021	YoY (%)
		million liters					
Fuel volumes	Retail (B2C)	1,747	1,720	1.6%	6,586	6,384	3.2%
	Commercial (B2B)	918	657	39.7%	3,281	2,755	19.1%
	of which Corporate	868	563	54.2%	3,061	2,284	34.0%
	of which Aviation	50	94	-47.0%	220	471	-53.2%
	TOTAL	2,664	2,377	12.1%	9,867	9,139	8.0%
Retail fuel operating metrics		Q4 2022	Q4 2021	YoY (%)	2022	2021	YoY (%)
	Service stations – UAE	502	462	8.7%	502	462	8.7%
	Service stations – Saudi Arabia ¹	66	40	65.0%	66	40	65.0%
	Fuel transactions (million)	44.3	44.3	0.0%	176.8	160.1	10.4%
Retail non-fuel operating metrics		Q4 2022	Q4 2021	YoY (%)	2022	2021	YoY (%)
	Convenience stores – UAE	362	346	4.6%	362	346	4.6%
	Non-fuel transactions (million) ³	10.8	9.9	9.2%	39.6	34.4	15.2%
	Average gross basket size (\$) ⁴	7.2	7.1	0.6%	7.0	7.2	-3.4%

2022

9.87 billion liters
Total fuel volume



502

Retail fuel sites in the UAE



362

Convenience Stores in the UAE



FINANCIAL PERFORMANCE

Robust financial performance

	\$m				2022		
		Q4 2022	Q4 2021	YoY (%)	2022	2021	YoY (%)
Key financial performance	Revenue	2,229	1,694	31.6%	8,742	5,696	53.5%
	Gross profit	334	333	0.2%	1,543	1,311	17.7%
	Gross margin, %	15.0%	19.7%		17.7%	23.0%	
	EBITDA	178	218	-18.4%	958	835	14.7%
	EBITDA margin, %	8.0%	12.9%		11.0%	14.7%	
	Underlying EBITDA ¹	190	187	1.7%	862	737	17.1%
	Underlying EBITDA margin, %	8.5%	11.1%		9.9%	12.9%	
	Net profit	114	156	-26.6%	748	613	22.0%
	Net margin, %	5.1%	9.2%		8.6%	10.8%	

2022

\$958 million
EBITDA



\$862 million
Underlying EBITDA



\$748 million
Net profit



Strong free cash flow generation

	\$m				2022		
		Q4 2022	Q4 2021	YoY (%)	2022	2021	YoY (%)
Cash generation and Net debt	Free cash flow ²	311	132	147.1%	923	615	50.0%
	Net debt	745	883	-15.7%	745	883	-15.7%

High financial returns

				2022	
	Q4 2022	Q4 2021		2022	2021
Profitability	ROCE ⁴ (%)	28.5%	24.8%	28.5%	24.8%
	ROE ⁵ (%)	79.8%	70.3%	79.8%	70.3%

* For comparable purposes, prior year periods OPEX were reclassified. Further details of the reclassification are in the appendix of this presentation



GROSS PROFIT BY SEGMENT

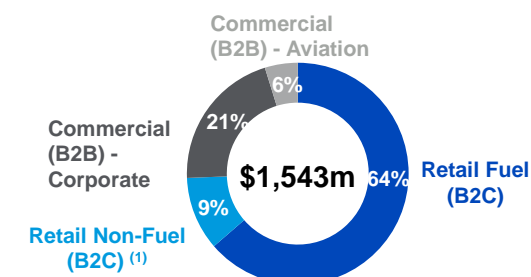
\$m	Q4 2022	Q4 2021	YoY (%)	2022	2021	YoY (%)
Retail (B2C)	253	242	4.6%	1,152	945	21.9%
of which Fuel	209	197	5.6%	978	781	25.2%
of which Non-fuel ⁽¹⁾	44	44	-0.1%	174	164	6.2%
<i>Retail margin, %</i>	17.5%	19.6%		19.7%	23.3%	
Commercial (B2B)	81	91	-11.3%	391	366	7.0%
of which Corporate	62	67	-8.0%	313	261	19.9%
of which Aviation	19	24	-20.7%	78	104	-25.4%
<i>Commercial margin, %</i>	10.3%	19.9%		13.5%	22.4%	
Total	334	333	0.2%	1,543	1,311	17.7%

* For comparable purposes, prior year periods OPEX were reclassified. Further details of the reclassification are in the appendix of this presentation

NM: Not meaningful

- ✓ **Fuel retail:** 2022 gross profit supported by an increase in volumes and higher inventory gains (\$133m)
- ✓ **Non-fuel retail:** 2022 gross profit driven by customer-centric initiatives, higher traffic and higher F&B sales
- ✓ **Commercial business:** strong performance in 2022 Corporate segment Gross profitability was partially offset by a decline in aviation business

2022 Gross profit split



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

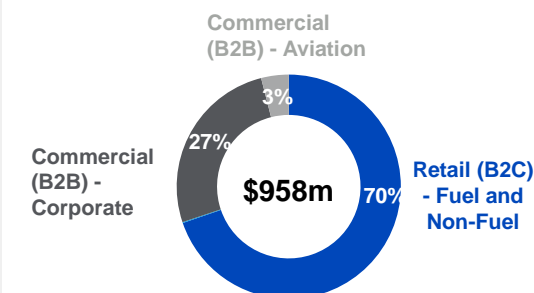
EBITDA BY SEGMENT

\$m	Q4 2022	Q4 2021	YoY (%)	2022	2021	YoY (%)
Retail (B2C)	109	145	-25.3%	653	551	18.5%
<i>Retail margin, %</i>	7.5%	11.8%		11.2%	13.6%	
Commercial (B2B)	69	73	-5.0%	304	285	6.7%
of which Corporate	52	55	-4.7%	255	209	21.9%
of which Aviation	17	18	-5.8%	49	75	-34.3%
<i>Commercial margin, %</i>	8.8%	15.9%		10.5%	17.4%	
Unallocated ¹	0	0	NA	1	(1)	NA
Total reported EBITDA	178	218	-18.4%	958	835	14.7%
Underlying EBITDA²	190	187	1.7%	862	737	17.1%

NM: Not meaningful

- ✓ **Retail Business:** 2022 EBITDA driven by an increase in volumes and higher inventory gains of \$133 million (\$100 million in 2021)
- ✓ **Commercial business:** 2022 EBITDA up on strength Corporate volumes offset by the reduced activity in aviation business segment

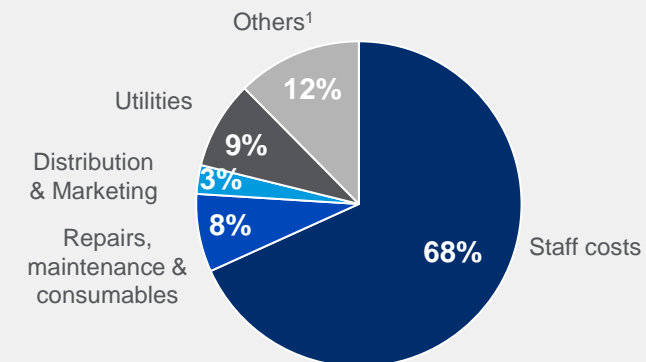
2022 EBITDA split



OPEX UPDATE

Committed to operational excellence

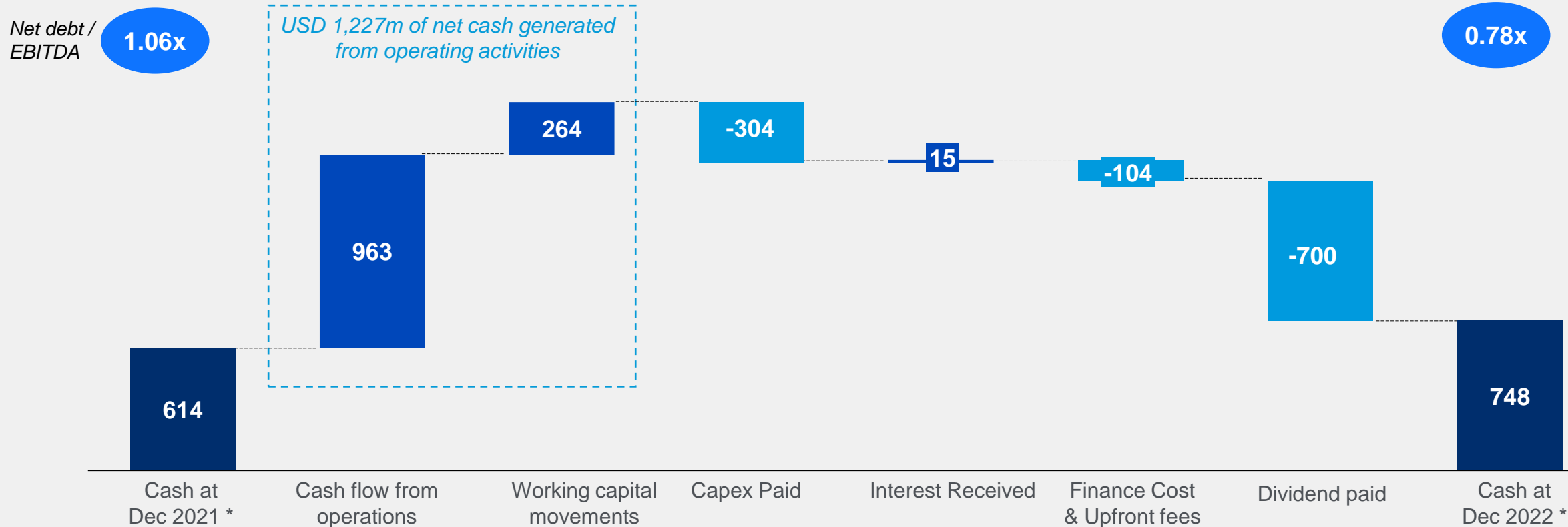
2022 cash OPEX split (\$604m)



- ✓ 2022 cash OPEX (excl. DD&A charge) up 24% YoY to \$604 million mainly due to c.13% increase in the Company's retail stations and associated costs, following cash OPEX reduction in 2021 YoY
- ✓ Company continues to execute management initiatives to increase **operational efficiency** across all business units, implement **prudent cost controls** and **optimize costs**
- ✓ Company remains committed to achieving further **operational excellence** and expects to realize like-for-like OPEX savings **in excess of \$25 million in 2023**



ROBUST CASH POSITION



- ✓ **Strong operating cash flow** (\$1,227 million) and free cash flow (\$923 million) in 2022, driven by robust underlying profitability and a positive impact of change in working capital
- ✓ **Healthy cash position** (\$748 million) and strong balance sheet (Net debt / EBITDA: 0.78x) offer sufficient room to invest in growth while sustaining an attractive dividend policy

04

CLOSING REMARKS



SPEAKER: BADER SAEED AL LAMKI
CHIEF EXECUTIVE OFFICER

CLOSING REMARKS

Key priorities: Accelerate sustainable growth and shareholder value



Execute on our growth commitments

Record financial performance in 2022 driven by growth in every operating segment

Delivering on our commitment to achieve min. \$1 billion EBITDA by 2023 through a combination of organic and in organic opportunities



Deliver sustainable growth

Efficient capital allocation towards growth

Futureproofing our business, unlocking new revenue streams and pursuing sustainability goals



Deliver attractive shareholder distribution

BoD has recommended \$350 million dividend for H2 2022* bringing FY 2022 dividend to \$700 million

Dividend policy to pay min. 75% from 2023



Bader Saeed Al Lamki
Chief Executive Officer



Wayne Beifus
Chief Financial Officer



Athmane Benzerroug
Chief Investor Relations Officer



ADNOC DISTRIBUTION Q4/FY 2022 RESULTS PRESENTATION

INVESTOR AND ANALYST CONFERENCE CALL
9 FEBRUARY 2023

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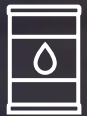
THANK YOU

ADNOC DISTRIBUTION

05

APPENDIX

ADNOC DISTRIBUTION IN NUMBERS – FY 2022



9.87 billion liters
Total fuel volumes



362
Convenience stores in the UAE



\$7
Average Gross basket size



502
Retail fuel sites in the UAE



177 million
Fuel transactions



32
Vehicle inspection centers**



66
Retail fuel sites in Saudi Arabia



40 million
Non-fuel transactions



0.0
Total reportable injury rate*

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

**Includes one permitting center

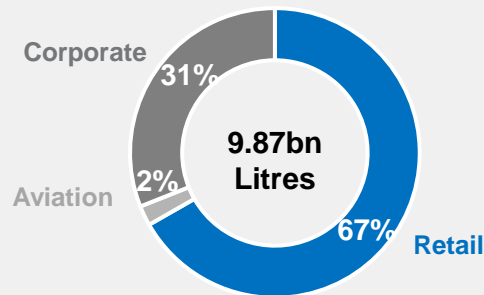


ADNOC DISTRIBUTION BUSINESS OVERVIEW – FY 2022

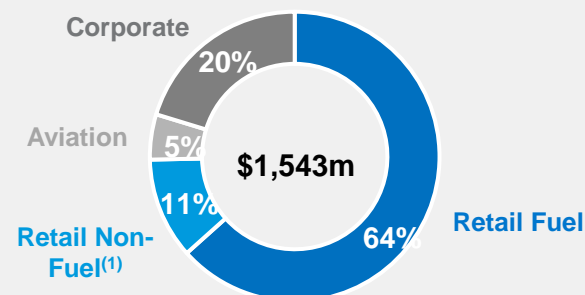


Retail (B2C)						Commercial (B2B)	
Fuel Retail	Non-Fuel Retail					Corporate	Aviation
	Convenience Stores	Lube Change	Car wash	Vehicle inspection	Property Management		

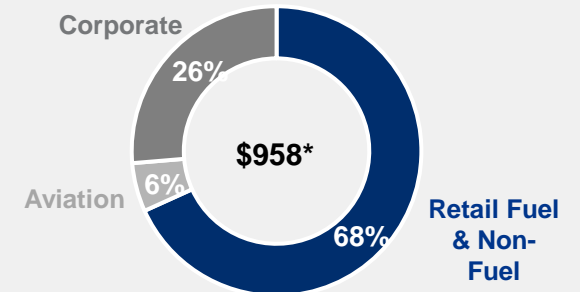
FY2022 fuel volume split



FY2022 Gross profit split



FY2022 EBITDA split



STRATEGIC SUSTAINABILITY FRAMEWORK

Our Sustainability Framework is based on six pillars



CLIMATE, EMISSIONS & ENERGY

Optimize energy consumption and carbon emissions, adopt green liquid fuels portfolio, develop low carbon alternative fuels/energy portfolio



LOCAL ENVIRONMENT

Adopt restorative approach to protect and preserve local environment: reduce waste, reuse water, recycle plastic and waste and recover non-recyclable waste wherever feasible.



ECONOMIC & SOCIAL CONTRIBUTION

Develop and deliver corporate social responsibility projects in priority areas of Community, Environment and Economy



WORKFORCE DIVERSITY & DEVELOPMENT

Promote diversity, equity & inclusion, employee wellbeing, development and satisfaction



HEALTH, SAFETY & SECURITY

Demonstrate 100% commitment to HSE through effective risk assessment, monitoring and reporting, implementing safety culture and asset integrity plans



BUSINESS SUSTAINABILITY

Future proof business by adopting and implementing best practices for corporate and sustainability governance, ethics and compliance, transparency, IT & digital transformation

For more details about our 2021 ESG performance, you may refer to our 2021 ESG Report at the following [link](#)



ADNOC DISTRIBUTION UNIQUE VALUE PROPOSITION



A focused, **deliverable EBITDA profile** of min. \$1 billion by 2023



Ambitious domestic growth expansion programme via fuel and non-fuel initiatives, and crystalizing upside from **international growth**, in a disciplined approach



Accelerated digital strategy to create additional retail value and customer loyalty



Unlock hidden value through OPEX initiatives
(targeted OPEX savings in excess of \$25m in 2023)



Leading fuel retail player in an attractive UAE market and robust regulatory framework



Demonstrable solid business with stable and predictable fuel margins with limited exposure to oil price volatility



Strong balance sheet with ample liquidity to pursue growth opportunities



Attractive and visible dividend policy¹



Dividend track-record since IPO



Significant share liquidity after Free float increased to 23%

MSCI EM Index and FTSE EM Index inclusion (2021)



ADNOC a supportive and committed majority shareholder



On 29th July 2022, ADNOC Distribution announced an agreement to acquire 50% stake in TotalEnergies Marketing Egypt*

Delivering on our commitment to accelerate international growth

Egypt is an important strategic market for growth



Partnering with TotalEnergies, a leading global multi-energy company with successful track-record in Egypt and long-standing relationship with ADNOC



Vision to **establish ADNOC Distribution as a regional leader** in the fuel distribution sector



TotalEnergies Marketing Egypt is a leading fuel distribution company in Egypt, with high-quality diversified asset portfolio

Agreement to acquire 50% stake in TotalEnergies Marketing Egypt

Overview of the transaction*



240
Retail stations



120
C-stores



274
Lube change



16
Car wash



**Bulk & Aviation
Fuel businesses**



**Lubricants
business**

- ✓ End July 2022, ADNOC Distribution announced a milestone international growth transaction with the agreement to acquire a **50% stake in TotalEnergies Marketing Egypt for c.\$186m**, with an additional earn-out of up to \$17.3m*
- ✓ This move aligns with our vision to establish ADNOC Distribution as **a regional fuel distribution leader** and provides sizeable operations in one of the largest countries in MENA
- ✓ **ADNOC Distribution is accelerating international growth** by partnering with TotalEnergies, a leading global multi-energy company with strong brand and successful track-record in Egypt
- ✓ **TotalEnergies Marketing Egypt offers high-quality diversified asset portfolio** with attractive retail locations, lubricants / aviation businesses and integrated supply chain infrastructure
- ✓ Transaction offers ADNOC Distribution an opportunity to **expand its presence in a profitable lubricants business** and **enter commercial aviation business in Egypt** with a further growth upside
- ✓ ADNOC Distribution and TotalEnergies will drive future growth of TotalEnergies Marketing Egypt by **unlocking value potential** in fuel distribution, lubricants and aviation businesses supported by economic growth and post-COVID recovery
- ✓ Debt-financed acquisition will allow for **better allocation of capital towards growth**. ADNOC Distribution balance sheet and cash flow generation provide ample room to finance future growth and pay attractive dividends
- ✓ **Acquisition is earnings accretive from year 1 post closing**: +c.6% uplift to ADNOC Distribution EBITDA on a fully-consolidated basis. TotalEnergies Marketing Egypt **2021 dividend exceeded \$22m (a yield of c.6%)**
- ✓ **EBITDA acquisition multiple**: c.50% below ADNOC Distribution trading multiple
- ✓ **Management controls**: proportionate Board representation in TotalEnergies Marketing Egypt with Chairman appointed by ADNOC Distribution and right to appoint CFO position



Change in Financial presentation

To ensure robust reporting and fair representation of operating expenses, during Q3 2022 ADNOC Distribution reclassified certain OPEX items and changed the accounting estimate of useful life of assets.

The changes are effective from 1st January 2022. However, the full retrospective adjustments for 9M 2022 (c. \$44 million OPEX reclassification to Cost of Goods Sold and \$34 million reduction in depreciation charge) impacted the financials of Q3 2022, and will structurally reduce OPEX and depreciation charge going forward.

The changes include:

1. **Reclassification of certain OPEX items into Cost of Goods Sold (COGS):**
 - **Fuel transport costs** (the cost to transfer fuels from depots to retail stations)
 - **Aviation related OPEX** (costs incurred by ADNOC Distribution and recovered at a margin from ADNOC as per the Aviation Services Agreement which the Company entered with ADNOC at the time of the IPO)

2. **Change in accounting estimate of useful life of assets:**
 - As part of regular review of useful lives of assets mandated by International Financial Reporting Standards (IFRS), lives of certain assets have been extended in line with IAS 16. More details can be found in note 3 of ADNOC Distribution's financial statements for the period ended 30 September 2022