

**Media Release:**

## **ADNOC Distribution announces H1 2022 results, records strong performance**

*Company reported EBITDA of AED 1.99 billion and Net Profit of AED 1.56 billion in the first half of 2022*

*ADNOC Distribution's fuel volume grew by 9% compared to H1 2021, driven by its commercial and retail businesses*

*In H1, company achieved approximately 60% of its 2022 network expansion target, delivering 38 new stations across the UAE and Saudi Arabia, growing its total network to 538 stations*

*The company further signed an agreement to acquire a 50% stake in TotalEnergies Marketing Egypt, which includes 240 fuel retail stations, wholesale fuel, aviation fuel and lubricants operations, delivering on commitment to international growth*

**Abu Dhabi, UAE – August 8, 2022:** : ADNOC Distribution (ISIN: AEA006101017) (Symbol: ADNOCDIST), the UAE's largest fuel and convenience retailer, which is listed on the Abu Dhabi Securities Exchange (ADX), today reported strong first half results for 2022, recording an EBITDA of AED 1.99 billion and Net Profits of AED 1.56 billion.

### **Robust performance**

ADNOC Distribution witnessed year-on-year growth in total fuel volumes, up 9% in H1 2022 compared to H1 2021, while the company's corporate fuel volumes recorded sustained growth with a 27% year-on-year increase, underpinned by the UAE's economic growth and driven by the new corporate fuel sales agreements confirmed last year. The company's non-fuel business also continued to see momentum with customer-centric initiatives, increased traffic at stations, and higher food and beverage sales, resulting in a 10% increase in gross profit for H1 2022 compared to the same period in 2021.



### **Strong execution momentum**

ADNOC Distribution accelerated delivering on its growth strategy throughout H1 2022, with the opening of 12 new stations in the UAE, of which 4 in Dubai, taking its domestic network to 472 (Dubai: 35 stations). In the Kingdom of Saudi Arabia, the company added 26 new stations in the first half of the year, taking its network in the Kingdom to 66. The company's total network stands at 538 stations (as of 30 June 2022) and it remains on track to deliver its target of 60-80 new sites in 2022.

In addition, ADNOC Distribution saw the progression of its store refurbishment program, with 5 ADNOC Oasis stores renovated in the first six months of the year. The newly refurbished stores feature fresh food, barista-brewed coffee and a wider menu selection, which have contributed toward a year-on-year increase in gross profit from non-fuel activities.

In H1 2022, the total number of export network countries of ADNOC Distribution's VOYAGER lubricants portfolio also rose to 21 markets worldwide. The company also launched the ADNOC VOYAGER green series, an alternative 100% plant-based lubricant range for petrol and diesel engines.

ADNOC Distribution further advanced its international expansion by partnering with TotalEnergies, announcing its milestone transaction to acquire a 50% stake in TotalEnergies Marketing Egypt, one of the top four fuel retail operators in Egypt, for approximately AED 683 million (\$185.9 million), with an additional earn-out of up to AED 63.5 (\$17.3 million) (if certain conditions are satisfied). The acquisition aligns with the company's vision to establish ADNOC Distribution as a regional fuel distribution leader. The acquisition is expected to be completed in Q1 2023 pending satisfaction of certain conditions, including customary regulatory approvals.

Eng. Bader Saeed Al Lamki, CEO, ADNOC Distribution, said, "In the first half of 2022, we have maintained a strong financial and operational performance while integrating cutting-edge solutions to our customer-focused offerings. We have demonstrated a healthy performance, with consistent growth and a strong balance sheet to support further growth investments and to sustain attractive capital distribution to our shareholders.

"Furthermore, our entry into Egypt will mark a significant milestone in our company's journey that will help unlock new earnings potential through a diversified portfolio, further contributing to our financial performance. Our investment in our network expansion, launch of new products, and innovative services cater to our customers' needs as we deliver more modern, digitally-enabled convenience in wider locations." added Al Lamki. "By doing so, we are able to accelerate our domestic and international growth expansion plans and deliver higher returns to our shareholders."



### **Customer-oriented approach**

Customer experience has continued to be a fundamental component of the company's growth in H1 2022, driven by a series of promotions and campaigns delivered in-store and through the ADNOC Rewards program. This includes the Let's Go Shop and Win Raffle, as well as comprehensive vehicle inspection, car wash, and lube change offers. The company also expanded the program's offering by including fuel to its benefits, allowing customers to redeem their Rewards points against fuel purchases for the first time. The relaunch of ADNOC Oasis's traditional and premium hot dogs has provided customers more choice, with a range of new flavors freshly prepared on-site across 105 stores in the UAE.

The ADNOC Rewards loyalty program, which launched in 2019, recorded a milestone in H1 2022 with over 1 billion ADNOC Rewards points redeemed in a single calendar month. The program now has over 1.4 million enrolled members with 83 partners providing deals and discounts from some of the UAE's best leisure and entertainment brands through the ADNOC Distribution app.

### **Attractive shareholder proposition**

ADNOC Distribution's 2022 dividend policy is set at a minimum of AED 2.57 billion, offering an annual dividend yield of 4.8% (at a share price of 4.32 as of 5 August 2022). The company expects to pay a minimum of AED 1.285 billion for the first six-month dividend of 2022 (10.285 fils per share) in October of this year, followed by the second six-month dividend of 2022 (10.285 fils per share) in April 2023, subject to the discretion of the board and shareholders' approval.

The company's dividend policy for the years thereafter sets a dividend equal to at least 75% of distributable profits. The policy recognizes the company's strong financial position and cash-flow generation ability going forward, which will support growth opportunities and sustain attractive shareholder distribution.

Following ADNOC Distribution's inclusion in MSCI Emerging Markets Index last year, the company's weight in the Index further increased in May 2022. ADNOC Distribution is also included in the new blue chip FTSE ADX 15 (FADX15) Index launched as a partnership between FTSE Russell and Abu Dhabi Securities Exchange (ADX). This inclusion further exposes ADNOC Distribution to international investors, increasing opportunities to further diversify the company's investor base.

The full second quarter earnings announcement can be found at <https://www.adnocdistribution.ae/en/investor-relations/investor-relations/>

For investor relations, please contact: [IR@adnocdistribution.ae](mailto:IR@adnocdistribution.ae)

For media, please contact: [media@adnocdistribution.ae](mailto:media@adnocdistribution.ae)

###



### **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 472 retail fuel stations, 359 convenience stores in UAE as of 30 June 2022 and is the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE. ADNOC Distribution operates in all seven emirates in the UAE, and in 2018 expanded its retail fuels operations internationally in the Kingdom of Saudi Arabia where it operates 66 retail fuel stations as of 30 June 2022. To find out more, visit [www.adnocdistribution.ae](http://www.adnocdistribution.ae).