

## ADNOC DISTRIBUTION REPORTS RECORD FUEL VOLUMES AND EBITDA FOR FIRST NINE MONTHS OF 2024

- Company reports record EBITDA of \$790 million, with net profit reaching \$501 million and robust free cash flow of \$537 million, underscoring profitability and operational efficiency
- Delivers record volume of more than 11 billion liters of fuel in the first nine months of 2024, marking a 9.2% year-on-year increase, driven by network expansion, increased mobility and growing contribution from international operations
- Non-fuel retail gross profit rose by 13.0% year-on-year, bolstered by a 9.4% year-on-year increase in non-fuel retail transactions, supported by the Company's network expansion and diversification efforts

**Abu Dhabi, UAE – 31 October 2024:** ADNOC Distribution (ISIN: AEA006101017) (Symbol: ADNOCDIST), the UAE's largest fuel and convenience retailer, today announced its financial results for the third quarter and the first nine months of 2024. The Company reported its highest-ever nine-month EBITDA of \$790 million (AED2.90 billion) and underlying EBITDA of \$721 million (AED2.65 billion), implying growth of 5.9% and 11.6% year-on-year, respectively.

In the first nine months of 2024, the Company's free cash flow reached \$537 million (AED1.97 billion), while maintaining a robust balance sheet with a net debt-to-EBITDA ratio of 0.56x as of 30 September 2024. This strong financial standing positions the Company favourably for future growth and attractive shareholder distributions. These achievements can be attributed to strong retail and commercial performance, including highest-ever nine-month fuel volumes, robust non-fuel retail (NFR) contributions, and cost efficiency improvements.

EBITDA growth and strong free cash flow generation were also supported by material like-for-like OPEX savings totalling \$13 million (AED48 million) over the first nine months of 2024, putting the Company on track to achieve \$50 million (AED184 million) in OPEX savings between 2024 and 2028.

**Eng. Bader Saeed Al Lamki**, CEO of ADNOC Distribution, said: "ADNOC Distribution's strong underlying financial performance is testament to the Company's solid fundamentals and its ability



to execute against strategic objectives. Across the first nine months of the year, we made steady progress expanding our domestic retail presence and market share, while also seeing growing returns from our international expansion. To continue to unlock shareholder value, the Company is pursuing AI, advanced digital technologies, and innovation-enabled growth across our entire value chain, engendering considerable OPEX savings and improvements to our industry-leading customer experience.”

The H1 2024 dividend of \$350 million (AED1.285 billion) was distributed in October, aligning with the approved five-year policy which expects the Company to distribute annual dividend of \$700 million (AED2.57 billion), equivalent to 20.57 fils per share, or a minimum of 75% of net profit, whichever is higher, offering long-term visibility for shareholders. The H2 2024 dividend will be paid in April 2025, subject to the discretion of the Board and approval of shareholders.

## **OPERATIONAL PERFORMANCE**

In the first nine months of 2024, ADNOC Distribution exceeded 11 billion liters in total fuel volumes, marking a 9.2% year-on-year increase, driven by network expansion, economic growth, and growing contributions from international operations. Non-fuel retail transactions also grew by 9.4% year-on-year during the period, with a 10.3% growth in Q3 alone. The convenience store conversion rate reached 25.5% over the nine-month period – the highest for this period in five years - including 25.9% in Q3 2024. Key growth initiatives included expanding premium food and beverage offerings, enhancing car services, and optimizing real estate to strengthen the Company’s position. ADNOC Voyager maintained its leading position as the UAE’s number one lubricant brand by market share, and now available in 43 countries, up from 34 the same time last year.

In the nine-month period, ADNOC Distribution added more than 60 commercial retail tenants across its network, including new stores, restaurants, and car services, with plans to add another 20 by the end of the year. The Company aims to double the number of property units occupied by top international and regional food and beverage brands by the end of 2025.

ADNOC Distribution added 19 new service stations in the first nine months of 2024, bringing the total to 855 across the UAE, KSA and Egypt, achieving its full-year goal of adding 15 to 20 stations ahead of time. Eight of these, launched in Dubai in Q3, cater specifically to trucks, in partnership with Dubai’s Road and Transport Authority (RTA).

As of 30 September 2024, ADNOC Distribution’s UAE network included 112 fast and super-fast charging points, more than double compared to 53 at the end of 2023, with plans to reach 150-200 charging points by the end of 2024.



Future-proofing the business is an iterative and crucially important process at ADNOC Distribution. At present, the Company is actively pursuing more than 20 AI-focused projects by integrating AI and advanced technologies across all business segments, empowering data-driven decision-making to drive growth, enhance operational efficiency, and elevate customer experience.

## **ESG STEWARDSHIP**

Reaffirming its commitment to leading Environmental, Social and Governance (ESG) practices, ADNOC Distribution announced the formation of an ESG subcommittee to its Board's Executive Committee, anchoring ESG oversight and responsibility among the Company's highest governing bodies. The new committee will be chaired by a non-executive Independent Board member and will be comprised of specialists with the requisite experience to supervise ESG performance.

In October 2024, ADNOC Distribution received the Dubai Chamber of Commerce's ESG label, the first fuel retailer in the Middle East to do so, a strong recognition of the Company's ESG leadership within the sector and beyond.

## **FUTURE OUTLOOK**

ADNOC Distribution's strategic plan is underscored by a solid financial foundation and strong cash generation. To pursue further growth, the Company has earmarked between \$250 and \$300 million in CAPEX allocations for calendar year 2024, with 70% of the investment directed towards growth-focused initiatives.

Since its IPO in 2017, ADNOC Distribution has delivered significant returns to shareholders through enhanced market value and consistent dividends, including the distribution of \$4.4 billion in dividends. Building on its strong financial results and operational performance over the past nine months, the Company is well-positioned for its next phase of strategic and accelerated growth.

**-END-**

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

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### **About ADNOC Distribution**

ADNOC Distribution is a leading mobility retailer in UAE and further afield. The Company has been providing energy for customers' journeys since 1973. Since this time, the Company has continuously been at the forefront of providing the best in customer service. Today, ADNOC Distribution enables, enhances, and energizes every customer journey thanks to digitally enabled, innovative customer experiences and high-quality non-fuel retail products. The Company operates service stations in all seven emirates in its home country, plus Saudi Arabia and Egypt, and sells lubricants in 43 countries across the world via distributors. Now in its 51st year, ADNOC Distribution has 855 service stations, 543 in the UAE, 69 in KSA, and 243 in Egypt. As a non-fuel retail leader in the UAE, it operates 366 ADNOC Oasis convenience stores, 34 vehicle inspection centers, and other leading services spanning car wash, lube change, and EV charging. The Company is also the leading marketer and distributor of fuels to commercial, industrial, and government customers throughout the UAE. All figures as of 30 September 2024. ADNOC Distribution aims to be the global mobility retailer of choice, enabler of sustainable mobility, and provider of exceptional customer experiences. To find out more, visit <https://www.adnocdistribution.ae>.

### **Cautionary statements relevant to forward-looking information**

This news release contains forward-looking statements relating to ADNOC Distribution's operations that are based on management's current expectations, estimates, and projections about the petroleum, chemicals, and other related industries. Words or phrases such as "anticipates," "expects," "intends," "plans," "targets," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "positions," "pursues," "may," "could," "should," "will," "budgets," "outlook," "trends," "guidance," "focus," "on schedule," "on track," "is slated," "goals," "objectives," "strategies," "opportunities," and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the Company's control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, ADNOC Distribution undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

The payment of dividends by the Company is subject to consideration by the Board of Directors of the cash management requirements of the Company for operating expenses, interest expense, and anticipated capital expenditures, and market conditions, the then current operating environment in its markets, and the Board of Directors' outlook for the business of the Company. In addition, any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors and approval of shareholders