



## **ADNOC Distribution Hosts Virtual Annual General Assembly**

***Company assures shareholders it is committed to smart growth, increasing local content and ensuring well-being of customers and employees***

***2020 dividend policy set to continue with an increase by 7.5% to AED 2.57 billion after 62% increase in 2019 dividend to AED 2.39 billion***

***General Assembly approves changes to the dividend policy increasing 2021 dividend to AED 2.57 billion***

***ADNOC Distribution reaffirms commitment towards shareholders, customers and employees***

**Abu Dhabi, UAE – March 31, 2020:** ADNOC Distribution (ISIN: **AEA006101017**) (Symbol: **ADNOCDIST**), the UAE's largest fuel and convenience retailer, today held its General Assembly meeting remotely via video conference as part of the Company's measures to ensure the safety and well-being of its shareholders, in line with the UAE Government's social distancing policies to help combat the spread of COVID-19.

Speaking at the General Assembly meeting, H.E. Dr. Sultan Ahmed Al Jaber, Chairman of ADNOC Distribution, assured shareholders that the Company was focused on ensuring the well-being of customers and employees and had put in place a number of precautionary steps to protect their health.

In his opening remarks, H.E. Dr. Sultan Ahmed Al Jaber commended the swift and decisive actions taken by the UAE's wise leadership, and the dedicated efforts of the National Emergency Crisis and Disaster Management Authority (NCEMA), Ministry of Health, Ministry of Interior, Ministry of Defense, health authorities across the UAE and other government agencies. He also recognized the commitment and dedication of the UAE's healthcare professionals who are working tirelessly to keep residents safe and healthy in light of the global COVID-19 pandemic.

"In these unprecedented times, it is vital that we continue working toward the delivery of our promises to customers, shareholders and employees. To maintain the highest standards of health and hygiene, ADNOC Distribution is committed to applying the highest industry standards and ensuring our station staff are equipped with personal

protective equipment such as gloves, face masks and hand sanitizer, with additional supplies available for customers. Our convenience stores and fuel stations are cleaned and sanitized daily.”

“We are encouraging customers to utilize our contactless methods of payment, particularly through the ADNOC Distribution App, which allows minimal-to-no interaction with attendants and appropriate social distancing. Customers are able to identify the station they are at, select their fuel pump, choose their preferred fuel and the amount they would like, all without leaving their car. The ADNOC Dist app communicates directly to the station pump, and the attendant can fill up the customer’s vehicle and payment is deducted from the customer’s account within the App all without the need to interact,” H.E. Dr. Sultan Al Jaber said.

H.E. Dr. Sultan Al Jaber said that ADNOC Distribution’s focus on customer experience was an integral part of the Company’s success in 2019. “We engaged with 14,000 customers throughout the year, through surveys and focus groups to capture their needs and use their feedback to form the backbone of a number of our campaigns; the launch of ADNOC Rewards loyalty program was one key initiative. We launched our new ‘ADNOC On the go’ neighborhood station and the first next-generation ADNOC Oasis convenience store, offering baked goods, made-to-order sandwiches and premium coffee in addition to new seamless digital experiences that allow customers to ‘tap and go’ at self-checkout points and integrated systems for payments and drive-through ordering,” he continued.

“As we continue our local and international expansion efforts in line with our growth strategy, we also recognize our responsibility in supporting the local economy and will continue to identify prospects as we expand to develop jobs for UAE nationals, select local suppliers, support social initiatives and encourage local procurement to increase local value-added input,” he added.

In 2019, ADNOC Distribution successfully increased its In-Country Value (ICV) (procurement awarded to local suppliers) and the Company will continue to identify opportunities to further increase spending on local suppliers and enhance its ICV contribution to the UAE economy.

During the formal agenda items at the Annual General Assembly, ADNOC Distribution shareholders approved a second and final dividend payment of AED 1.194 billion (9.55 fils per share) for the year ended 31 December 2019. This dividend payment comes on top of an interim AED 1.194 billion (9.55 fils per share) dividend payment for the year, which was paid in October 2019, resulting in a full-year dividend of AED 2.39 billion (19.10 fils per share), consistent with ADNOC Distribution’s dividend policy approved by its shareholders in 2019, and being an increase of 62% compared to 2018.

The Company's dividend policy will see the 2020 dividend increase to AED 2.57 billion, an increase of 7.5% compared to 2019.

The Company's shareholders also approved amendments to the dividend policy for 2021 onwards, setting a AED 2.57 billion dividend for 2021 (compared to minimum 75% of distributable profits as per current policy) and a dividend equal to at least 75% of distributable profits from 2022 onwards, in recognition of the Company's strong financial position at the end of 2019 and confidence in the Company's growth prospects and cash-flow generation ability going forward.

Despite current market conditions, ADNOC Distribution's board of directors remain confident and steadfast in the delivery of its strategic commitments and smart growth. The Company benefits from a stable and protected margin in its retail fuel business, which accounts for 70% of total volumes sold.

In this context, ADNOC Distribution's 2019 financial results demonstrated strong operational performance in both fuel and non-fuel business. Net profit grew by 4.2% to AED 2.22 billion, or AED 0.177 per share, and underlying earnings before interest, tax, depreciation and amortization (EBITDA) increased by 7.2% to AED 2.72 billion.

Dr. Sultan Al Jaber added: "As we navigate this ever-evolving landscape, we remain confident that we will responsibly manage the impact of Coronavirus on our long-term strategic commitments. ADNOC Distribution has demonstrated strong profitability in 2019 and remains focused on delivering attractive returns to its shareholders, backed by a long-term sustainable growth plan, customer focus and supported by a solid balance sheet. None of our success would have been possible without the support of our nation's leadership, our shareholders, our employees and, of course, our customers. As we expand the ADNOC Distribution business, we will continue to look at current market conditions to ensure disciplined, smart growth, keeping the safety and well-being of our employees, contractors, suppliers and customers at the heart of all our decisions."

"Delivering on our international expansion remains integral to our ambitious smart growth strategy. We continue to assess potential opportunities to achieve disciplined growth and operational success, while targeting the highest return on investment."

"The changes to the dividend policy approved today demonstrates our commitment to our shareholders and our confidence in the Company's future prospects and ability to deliver sustainable growth. ADNOC Distribution shares offers a unique value proposition to shareholders and investors with a combination of low exposure to oil price volatility, predictable and healthy cash flows, strong growth potential and an attractive dividend policy (7.6% at a share price of AED2.70 as on 31<sup>st</sup> March 2020) that offers high income visibility."

Ahmed Al Shamsi, Acting Chief Executive Officer of ADNOC Distribution, said: "At this time, it is more important than ever that customers have necessities close to home, and

we are bringing in a variety of initiatives to provide for the local community and emergency services. We recently opened seven stations in the UAE, reiterating the Company's strong commitment to delivering convenient fuel and retail offerings to customers across the country, combined with the highest safety and hygiene standards. With hard work and dedication, the current times could also present attractive opportunities, giving us an outlook on how to get closer to the communities we serve and offer them what they need given the strength of our balance sheet."

**-ENDS-**

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### **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 382 retail fuel stations, 264 convenience stores including 16 Géant Express branded convenience stores as of 31 December 2019 and is the leading marketer and distributor of fuels to commercial, industrial and government customers throughout the UAE. ADNOC Distribution is the only fuel retailer operating in all seven emirates in the UAE, and in 2018 expanded its operations internationally, opening two service stations in the Kingdom of Saudi Arabia. To find out more, visit [www.adnocdistribution.ae](http://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.