



## **ADNOC Distribution net profit increases by 4.2% to AED 2.22 billion in 2019**

***Net Profit for Q4 2019 increases 11.3% to AED 496 million***

***New customer experience initiatives to deliver best-in-class services***

***Board recommended dividend of AED 1.194 billion (9.55 fils per share) for the second half of 2019, taking full-year 2019 dividend to AED 2.39 billion (19.10 fils per share), a 62% increase over the previous year***

**Abu Dhabi, UAE – February 12, 2020:** ADNOC Distribution (ISIN: **AEA006101017**) (Symbol: **ADNOCDIST**), the UAE's largest fuel and convenience retailer, today reported that net profit for the fourth quarter of 2019 was AED 496 million, an increase of 11.3% compared to same period last year. EBITDA for the fourth quarter of 2019 was AED 658 million, an increase of 6.5% compared to the same period last year, driven by a solid operational performance in both fuel and non-fuel businesses. Total fuel volumes sold increased by 2.0% in the fourth quarter of 2019 compared to the fourth quarter of 2018, driven by a continued recovery in the company's retail business, growth in its corporate business and supported by new marketing initiatives. Growth in retail fuel volumes was driven by improvement in the core Abu Dhabi market, market share gains in the Northern Emirates following implementation of free assisted fueling (effective 3 Nov. 2019) and the contribution from new stations in Dubai. Non-fuel retail gross profit increased by 10.4% for the same period compared to Q4 2018. This was supported by the company's convenience store revitalization program which offers customers an improved shopping experience, contributing to an uplift in average basket size by 5.4% in Q4 2019 compared to the same period of 2018.

In Q4 2019, a series of customer-focused initiatives were introduced to enhance the overall customer experience. The company unveiled its innovative next-generation fuel and retail station 'ADNOC On the Go', bringing ADNOC Distribution closer to its customers and the communities that it serves; launched its new customer loyalty program 'ADNOC Rewards',

offering customers more benefits, a seamless digital experience and smart payment options; and unveiled its next-generation Oasis convenience store to better serve customers, offering a contemporary family-friendly environment where customers can refuel, unwind and enjoy freshly prepared food.

ADNOC Distribution's Acting CEO, Ahmed Al Shamsi, said: "We have delivered strong results in the fourth quarter as well as for the full year 2019. We continue to transform ADNOC Distribution into a world-class, customer-focused, commercially driven company with a determined focus on driving profitable growth. As we sharpen our focus on customer experience and pursue growth opportunities, both domestically and internationally, we will expand all our distribution channels to reach larger market segments and sustain volume growth. Finally, OPEX reduction and optimization of CAPEX also remain key priorities".

For the full year 2019, net profit increased to AED 2.22 billion, an increase of 4.2% compared to 2018. In 2019, EBITDA increased 2.3% to AED 2.84 billion, while underlying EBITDA (EBITDA excluding inventory gains) grew 7.2% to AED 2.72 billion, compared to 2018. The company's EBITDA margin has also shown continued momentum, reaching 13.3% in 2019, up from 12.1% in 2018. Total fuel volumes sold increased by 0.7% in 2019 compared to 2018. Free cash flow (EBITDA minus capital expenditure) generation was up 16.4% year-on-year to AED 2.33 billion for 2019. Non-fuel retail gross profit increased by 11.8% for the same period compared to 2018. ADNOC Distribution continues to focus on realizing cost efficiencies, which has contributed to 8.6% reduction in operating expenses for 2019 compared to 2018.

ADNOC Distribution's priorities remain customer focus, profitable growth and shareholder returns underpinned by a progressive dividend policy. To that end, the company's Board of Directors has proposed a cash dividend of AED 1.194 billion (9.55 fils per share) for the second half of 2019, which will be submitted to the Company's shareholders for approval at the Annual General Assembly Meeting scheduled on 31<sup>st</sup> March 2020. Subject to shareholders' approval, total dividend for fiscal year 2019 is expected to be AED 2.39 billion (19.10 fils per share), which would represent a 62% increase compared to the 2018 dividend, in line with the approved dividend policy. This would translate to a 6.4% annual dividend yield for 2019 (based on a share price of AED 2.97 as of 11<sup>th</sup> February 2020). The company paid half of the 2019 dividend in October of last year and expects to pay the final payment in April 2020, subject to shareholders' approval.



## Key Financial Metrics

<i>AED million</i>	Q4-19	Q4-18	change	2019	2018	Change
Revenue	5,426	5,972	-9.1%	21,337	22,893	-6.8%
Gross profit	1,255	1,184	6.0%	4,978	5,069	-1.8%
EBITDA	658	617	6.5%	2,839	2,774	2.3%
Underlying EBITDA (EBITDA excl. inventory gains)	658	672	-2.2%	2,719	2,536	7.2%
Operating profit	509	465	9.6%	2,301	2,242	2.6%
Profit for the period	496	446	11.3%	2,218	2,128	4.2%
Earnings per share (AED/share)	0.040	0.036	11.3%	0.177	0.170	4.2%
Capital expenditures	264	245	7.8%	508	772	-34.2%
Free cash flow*	394	373	5.7%	2,331	2,002	16.4%

\*Free Cash Flow defined as EBITDA less capital expenditures

The full fourth quarter and full year 2019 earnings announcement can be found at <https://www.adnocdistribution.ae/en/investor-relations/investor-relations/>

**\*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.