

## ADNOC Distribution – Company Fact Sheet

ADNOC Distribution delivered significant value for its shareholders in 2020

and remains committed to create long term value with combination of: solid business resilience, smart growth strategy, and attractive and highly visible shareholder return



### ADNOC Distribution in Numbers

445

Fuel retail sites in the UAE

326

Convenience stores

28

Vehicle inspection centers

8.66bn liters

2020 Fuel volumes

136.4m

2020 Fuel retail transactions

31.1m

2020 Non-fuel retail transactions

### Company Profile

ADNOC Distribution is the leading retail and wholesale fuel brand and convenience store operator in the United Arab Emirates.

We are currently the sole fuel distributor in the emirate of Abu Dhabi and have a dominant market position in the northern emirates of Sharjah, Ras Al Khaimah, Fujairah, Ajman and Umm Al Quwain. Our expansion into Dubai began in 2018, with the opening of three fuel service stations. This growth was significantly accelerated in 2020 with 20 new stations opening in the emirate throughout the year.

We are also the leading marketer and distributor of fuels to commercial, industrial and government customers in the UAE. We provide aviation fuel and refueling and related aviation services to strategic customers throughout the UAE as well as refueling and related services to civil aviation customers at seven airports across the UAE.

To further compliment the services we offer at our fuel and retail stations, we operate the only government-authorized vehicle inspection centers in Abu Dhabi, and we expanded our vehicle inspection services to the other Emirates in 2020. We also offer car care services such as lube changes, tire change, and car washes at many of our locations. In addition, we lease space at our service stations to restaurants and other service providers, including major household brands such as McDonalds, KFC and Starbucks.

ADNOC Distribution was established in 1973, as a wholly owned subsidiary of ADNOC (Abu Dhabi National Oil Company), an integrated energy company owned by the Emirate of Abu Dhabi that operates across the hydrocarbon value chain, including exploration, production, storage, refining, marketing and distribution.

ADNOC Distribution shares are listed on the Abu Dhabi Securities Exchange (ADX) under the symbol ADNOCDIST.

### Vision

We harness energy resources in the service of our nation.

### Mission

Through partnership, innovation and a relentless focus on high-performance and efficiency we maximize the value of energy resources.

### Strategy

Our smart growth strategy targets to deliver sustainable and profitable earnings growth and create long term value for shareholders. Our diversified businesses creates ample room for future growth in both our Fuel and Non-Fuel segments. Whilst remaining focused on our ambitious growth strategy, we are also committed to optimize our cost to become a leading cost efficient fuel retailer.

We recognize that the success of our business can only be achieved by placing our customers at the center of our offering. Our customer-centric focus is an integral part of our transformational journey from a fuel retailer to a retail destination offering more than just fuel.

We are on track to implement a clear and deliverable strategy, with a target to grow EBITDA to over USD 1 billion by 2023. We aim to achieve this by consolidating our market leader status in the UAE fuel sector, enhancing our product range, expanding geographically, maximizing returns from our current portfolio and increasing efficiencies in our costs and capital allocation.

Key pillars of our strategy:

- Grow Market Share in UAE**  
Despite uncertainties caused by COVID-19 pandemic, we are accelerating our domestic expansion plans in the UAE, reiterating our commitment to deliver growth in 2021 and beyond. We intend to boost our top-line growth in both fuel and non-fuel businesses. To achieve our long-term growth objective, we are focusing on the following key areas:
  - Network expansion in Dubai to gain market share
  - Maintain dominant market share in Abu Dhabi and the Northern Emirates
  - Commercial growth
  - Lubricants growth
  - Non-Fuel Growth
- Grow Internationally**  
Delivering on our international expansion remains integral to our ambitious smart growth strategy. We expect to grow internationally in markets, including in Saudi Arabia, where we see opportunities that can deliver against our investment criteria of more than 15% internal rate of return. Besides Saudi Arabia, we are also exploring other markets in GCC, Middle East and Northern Africa and Asia region
- Unlock value from our assets**  
To unlock value from our growing retail assets in order to maximize return on capital employed, we are undertaking comprehensive retail network health analysis based on data analytics to enhance asset utilization and earnings growth. This can be achieved through network portfolio optimization, property services transformation and fuel premiumization and portfolio management
- OPEX and CAPEX Efficiency**  
We are adopting an OPEX and CAPEX lite efficiency approach with customized operating models across the value chain. Our focus is consistently around operational excellence, efficiencies and optimization throughout our organization. We are optimizing our expenditures to become an increasingly efficient organization and balancing a reduction in our costs whilst maintaining a high level of customer service.

Key Enablers

To achieve our strategic objectives, we are continuing to invest in key enablers that will enable us to successfully execute our strategy. Key enablers are:

**People and Performance Culture:** We are instilling a performance-led culture that views everything we do through a commercial lens. People are at the core of our strategic imperatives. Throughout the transformation, we focus on the development of a highly skilled, world-class work force and encouraging a strong sense of responsibility and commitment

**Digital and IT Infrastructure:** The use of advanced technology is key to leveraging our position as the number one retailer in the UAE. We are modernizing our entire IT landscape through multiple digital and IT initiatives that comprise ERP, CRM, Unified Retail Management system, Machine Learning and Artificial Intelligence. We are revamping our digital Infrastructure to offer superior customer interface.

**Operational and Customer Excellence:** Improving the customer experience is central to our success. We achieve this by understanding what services customers’ value and thus enhance our offers to meet their needs. We differentiate our offering through speed, convenience, service offering, digital experience, price and loyalty.

**Brand:** We are closely monitoring our customer satisfaction and investing in ADNOC brand in UAE and new markets as we expand internationally.

**Sustainability and CSR:** We are committed to meet energy needs of our nation in a sustainable manner. We are undertaking initiatives to reduce Green House gas emissions in line with our 2030 decarbonisation strategy. We are taking concrete steps for reducing our energy intensity like use of solar panels, installation of EV chargers, use of smart technology etc. Our corporate social responsibility initiatives are focused in the pillars of Economy and Community service, wherein we are committed to increase In-country value, promote local employment and entrepreneurship.

At a glance

2020 Revenue	AED 16,132m
2020 Gross profit	AED 5,783m
2020 Gross profit margin	35.8%
2020 EBITDA	AED 3,189m
2020 EBITDA margin	19.8%
2020 Net Profit for the period	AED 2,432m
2020 Net Profit Margin for the period	15.1%

Governance

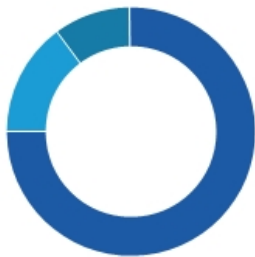
Chairman of the Board	CEO	CFO
H.E. Dr. Sultan Ahmed Al Jaber	Bader Al Lamki	Mohamed Al Hashimi

Stock Market Information

Market	Abu Dhabi Securities Exchange (ADX)
Sector	Energy
ADX symbol	ADNOCDIST
Currency	AED (United Arab Emirates Dirham)
International Securities Identification Number (ISIN)	AEA006101017
Reuters Instrument Code	ADNOCDIST.AD
Bloomberg symbol	ADNOCDIS:UH
Initially listed in the stock market on	December 13, 2017
Number of shares outstanding	12,500,000,000
Market cap as at 10/05/2024	AED 42,375,000,000

Financials

2020 Gross profit - AED 5.78 bn



- 76% Retail (Fuel & Non-Fuel) (AED 4,368m)
- 15% Corporate (AED 846m)
- 10% Aviation (AED 568m)

2020 EBITDA - AED 3.19 bn



- 80% Retail (fuel & non-fuel) (AED 2,562 m)
- 18% Corporate (AED 580 m)
- 7% Aviation (AED 233 m)
- -6% Unallocated<sup>1</sup> (-AED 187m)

(1) Unallocated includes other operating income/expenses not allocated to specific segment

Retail Business		Commercial Business	
<b>Fuel</b> ADNOC Distribution is the UAE's leading operator of retail fuel service stations, operating in 445 domestic locations as of 31 December 2020. We are the only operator of retail fuel stations in Abu Dhabi and a dominant operator in the Northern Emirates. We have expanded presence in UAE and now operate 26 fuel service stations in neighboring Dubai emirate. We are the only fuel provider to operate in all seven emirates, as well as have two stations located in Saudi Arabia. We are also active in the retail sale of liquefied petroleum gas (LPG), compressed natural gas (CNG) and automotive lubricants.	<b>Convenience Stores</b> ADNOC Distribution is the UAE's largest convenience store retailer by number of stores and operate 326 convenience stores in the UAE by the end of 31 December 2020.	<b>Corporate</b> ADNOC Distribution is the largest supplier of diesel and gasoline to commercial, industrial and government customers in the UAE wholesale fuels market. We also sells lubricants (engine oils and greases), used by commercial, industrial, marine and government customers for motor vehicles as well as for other engines, machinery and equipment.	<b>Aviation</b> We provide fuel distribution services and aircraft refueling operations to ADNOC's civil aviation customers. In addition, we also sell aviation fuel, and provides refueling and related services, to strategic aviation customers in the UAE.
<b>Non-Fuel</b> Our non-fuel activities comprise convenience stores located at fuel service stations, as well as value added services such as car washes, lube changes, rental properties and vehicle inspection.	<b>Car Services</b> We offer car care services at many of our service station locations including car wash and lube change services. In addition, various services are provided by our partners and tenants, such as vehicle servicing, repairs and tire changes.		
	<b>Rental properties</b> We manage and lease retail space within our service stations. Our tenants occupy more than 900 properties, offering quick service restaurants and supplementary products and services including banking and automobile insurance. Major tenants include well-known global brands such as McDonald's, Starbucks, KFC, Subway and Burger King.		
	<b>Vehicle inspection</b> We operate 28 vehicle inspection centers across the UAE, and we are the only authorized providers of government-mandated annual vehicle inspections in the Emirate of Abu Dhabi.		

Inquiries

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