Media Release:

ADNOC Gas Reports 21% Y-o-Y Increase in Adjusted Net Income to $1,187 Million in Q1 2024, Exceeding Market Expectations

Rising Adjusted Net Income driven by 14% Y-o-Y increase in sales volumes

ADNOC Gas' UAE revenue grows by 10% on the back of strong domestic demand

Final and second dividend of $1.625 billion for 2023 was paid in April 2024

Abu Dhabi, UAE – May 7, 2024: ADNOC Gas plc and its subsidiaries (together referred to as "ADNOC Gas" or the "Company") (ADX symbol: ADNOCGAS / ISIN: AEE01195A234), a world-class integrated gas processing company, today announced its reviewed consolidated financial results for the three months period ended March 31, 2024 (Q1 2024).

ADNOC Gas delivered robust Q1 2024 results, with revenues increasing by 15% year-on-year (Y-o-Y) to $6,011 million underpinned by a strong increase in demand in the UAE, which saw overall sales volumes increase by 14% Y-o-Y. As a result of the improved revenue and continued focus on operational efficiency, Q1 2024 earnings before interest, taxes, depreciation, and amortization (EBITDA) increased to $2,076 million, a 17% Y-o-Y increase. EBITDA margin improved to 35% from 34% a year earlier, underscoring the benefits of our 25-year gas supply and purchase agreement.

The Company's adjusted net income improved by 21% Y-o-Y to $1,187 million while its domestic gas net income unit margin improved by 20% Y-o-Y, a testament to ADNOC Gas' position as a highly efficient domestic gas supplier, benefiting from favourable market demand. ADNOC Gas fulfils more than 60% of the UAE's gas demand and is the largest supplier to the petrochemical sector in the country.

Dr. Ahmed Alebri, Chief Executive Officer of ADNOC Gas, said: "Fueled by robust sales volumes and ongoing margin improvement in our core domestic operations, we're proud to have achieved a 21% Y-o-Y increase in adjusted net income. While delivering improvement across all key metrics, we have made significant progress on our strategic growth projects, including signing additional LNG sales agreements that reinforce our position as a trusted and reliable global supplier.

"Our strong profitability was backed by a high cash conversion rate where our free cash flow generation was up 47% year-on-year to $1,183 million. Our robust cash flow generation will enable us to grow the annual dividend by 5% to $3.41 billion in 2024, in line with our dividend policy. Thanks to ADNOC Gas' strong financial performance and an exceptional portfolio of growth projects, our shareholders stand to continue to benefit from an annual dividend yield of over 5% in addition to the potential for share price appreciation."

The Company plans to invest more than $13 billion in domestic and international growth opportunities between 2024 and 2028, with its predictable margin business expected to grow its EBITDA by up to 40%. ADNOC Gas is well-positioned to benefit from ADNOC's planned expansion of oil production capacity to five million barrels per day by 2027, which will contribute to an increase in associated gas production.

The Company is seeking to grow internationally and acquire new positions in the gas value chain in Europe, India, China and South-East Asia with the aim of enhancing the UAE's presence in international LNG markets and generating an additional return that enhances its current business.

In line with its commitment to operational excellence, ADNOC Gas achieved an impressive average reliability rate of 99.4% across its facilities in Q1 2024 compared to an average of 99.1% in 2023.

Ruwais LNG project achieves key milestones

In Q1 2024, ADNOC made significant progress with Ruwais LNG, a strategic project for ADNOC and the UAE on which ADNOC Gas is currently providing support and advice. ADNOC awarded a pivotal early Engineering, Procurement, and Construction (EPC) contract for Ruwais LNG during Q1, marking a crucial step forward for the project. Additionally, ADNOC secured two long-term Heads of Agreements for LNG offtake from the facility, accelerating the project's momentum. ADNOC recently announced its intention to take a final investment decision (FID) on the Ruwais LNG project. The Company intends to acquire the Ruwais LNG plant and more than double its LNG production capacity by 2028.

Progress on growth projects and new contracts

In Q1 2024, the Company continued to make excellent progress with two of its strategic growth projects, incurring $387 million in CAPEX, up 123% Y-o-Y and in line with its guidance for FY24. ADNOC Gas also continued its strong sales momentum from 2023, signing a new 10-year LNG supply agreement in Q1 that will see ADNOC Gas supply 0.5 million metric tonnes of LNG per annum to GAIL India Limited, India's leading natural gas company. The deal capitalizes on the growing global demand for LNG as a transitional fuel and underscores ADNOC Gas' position as a global export partner of choice.

Annual 2023 dividend of $3.25 billion paid following AGM approval

At the recent Annual General Meeting (AGM), the Board of Directors approved ADNOC Gas' proposal to distribute a full-year 2023 dividend of $3.25 billion. This included an inaugural interim cash dividend of $1.625 billion paid in December 2023, with the remaining $1.625 billion paid on 26 April 2024.

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US $ Million	Q1 23	Q4 23	Q1 24	*YoY %* *Q1 24 vs. Q1 23*	*QoQ %* *Q1 24 vs. Q4 23*
Revenue	5,226	6,301	6,011	15%	-5%
COGS	-2,938	-3,598	-3,410	16%	-5%
Opex	-514	-491	-525	2%	7%
EBITDA	1,774	2,212	2,076	17%	-6%
Adjusted Net Income[1]	977	1,345	1,187	21%	-12%
EBITDA Margin	33.9%	35.1%	34.5%	1%	-1%
Capital Expenditure	-174	-521	-387	122%	-26%
Free cash-flow	806	834	1,183	47%	42%

[1] Excluding non-recurring deferred tax impact recorded in Q1 2023

About ADNOC Gas

ADNOC Gas, listed on the ADX (ADX symbol: "ADNOCGAS" / ISIN: "AEE01195A234"), is a world-class, large-scale integrated gas processing company operating across the gas value chain, from receipt of feedstock from ADNOC through large, long-life operations for gas processing and fractionation to the sale of products to domestic and international customers. ADNOC Gas supplies approximately 60% of the UAE's sales gas needs and supplies end-customers in over 20 countries. To find out more, visit: www.adnocgas.ae

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