ADNOC Gas

ADNOC GAS Q2 2024 RESULTS

12 AUGUST 2024



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Q2 2024 RESULTS PRESENTATION

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Financial results as presented are unaudited figures.

SPEAKERS



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CHIEF OPERATIONS OFFICER



PETER VAN DRIEL
CHIEF FINANCIAL OFFICER

Q2 2024 KEY HIGHLIGHTS

PERFORMANCE



$1.19 billion
Net Income, +21% YoY

$1.0 billion
Free Cash Flow

- 21% YoY increase in Net Income
- 18% YoY increase in EBITDA with a margin of 34%
- Free cash flow of $1Bn as growth capex starts to ramp up
- Interim dividend of $1,706 million to be paid in Sep 2024, +5% YoY as per policy

GROWTH



20%+ capacity
increase by 2028[1]

Up to 40% EBITDA[1]
Growth by 2028

- $400+ million in capex incurred during the quarter, primarily on growth projects
- Enhanced capital efficiency with ESTIDAMA ownership transfer
- Ruwais LNG FID announced by ADNOC with EPC contract awarded

OPERATIONS



908 TBTU
Sales Volumes

99.7%
Reliability

- 1% YoY increase in sales volumes - significant uplift in LPG, Naphtha offset by LNG
- Continued focus on operational efficiency and cost optimization
- Excellent safety performance with zero TRIR in Q2 24

1. Assuming an oil price of $80/bbl
*MMBTU: Metric Million British Thermal Unit

CORE GROWTH PROJECTS DRIVEN BY ROBUST DEMAND

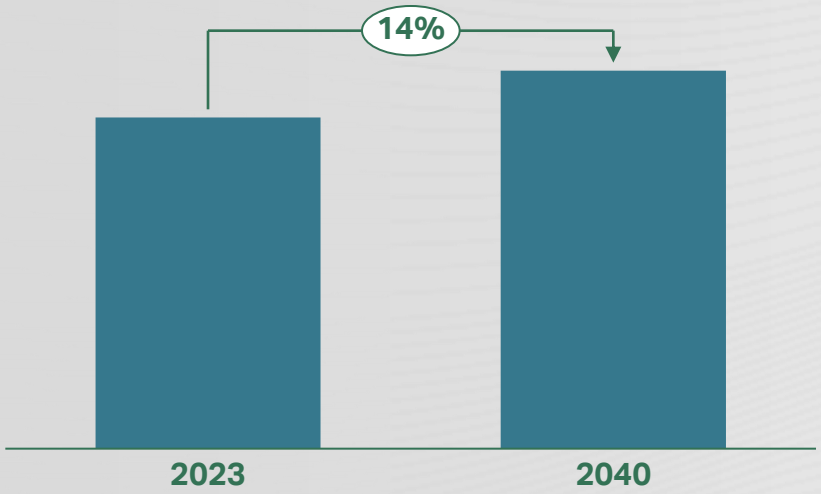
Average Forecast Real GDP Growth (2024 – 2029)

Advanced Economies **2.3%**

Emerging Economies **2.6%**

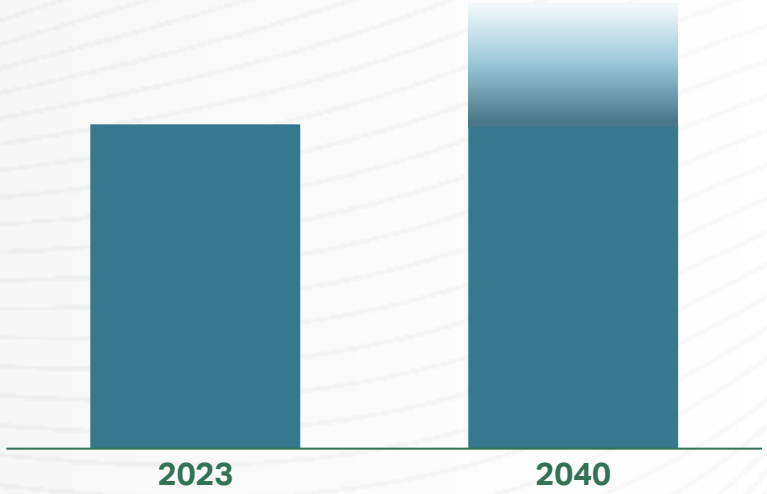
UAE **3.6%**

Global Gas Demand by Sector



- **Global gas demand** is expected to see a **~14%** increase by 2040
- **UAE Domestic gas demand** growth to exceed global growth significantly, driven by:
  - **GDP and population growth**
  - **UAE Government** initiatives to attract new industries to the UAE including AI data centres

UAE Gas Demand Growth



Source: International Monetary Fund, Shell, Wood Mackenzie

CORE GROWTH PROJECTS

Growth projects with 20% capacity increase potential in the next 5 years



	ADNOC GAS PROJECTS		EXPECTED COMPLETION
FID	IGD-E2	A	Q1 2025
FID	MERAM	C	Q4 2025
	P 5.0	E	2027
	Bab Gas Cap	F	2028
	LNG 2.0	G	2028

Driven by **UAE's current plan** to grow oil production from

3 to 5

million bbl/d

FID	ESTIDAMA	B	Q3 2025	Transferred to ADNOC
FID	Habshan CO2 Recovery & Injection	D	Q1 2026	ADNOC project managed by ADNOC Gas
FID	Ruwais LNG*	H	2028	ADNOC project *

* Ruwais LNG has been developed by ADNOC outside ADNOC Gas perimeter. ADNOC Gas intends to acquire the project.

E P 5.0: Enhancement in different locations

RUWAIS LNG – DERISKED OPPORTUNITY FOR ADNOC GAS

July 2024 → **2028 Completion**

A Landmark Energy Project

- Two LNG liquefaction trains with a total export capacity of 9.6mmtpa
- Deliveries are expected to start in 2028
- Will leverage AI, digitalization, and the most cutting-edge technology to boost efficiency and safety throughout the plant
- ADNOC Gas has ample financial flexibility to execute the project



World Leading Partners Confirmed

10%	10%
10%	10%

Three Heads of Agreements Secured

70% of Ruwais LNG production capacity secured through sales commitments

Track-record

- More than 50 years operational and marketing experience in LNG
- Access to an expanding fleet of LNG carriers

EPC Contract

- $5.5bn contracted awarded for two LNG trains

ESG

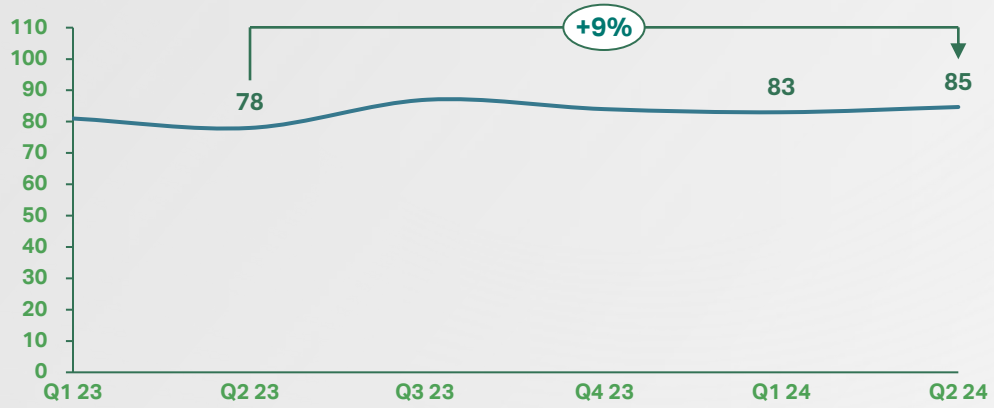
- First LNG export facility in the MENA region to run on clean power

PRICING ENVIRONMENT 2023-2024

Strong growth in key ETL product prices in Q2 24 versus Q2 23

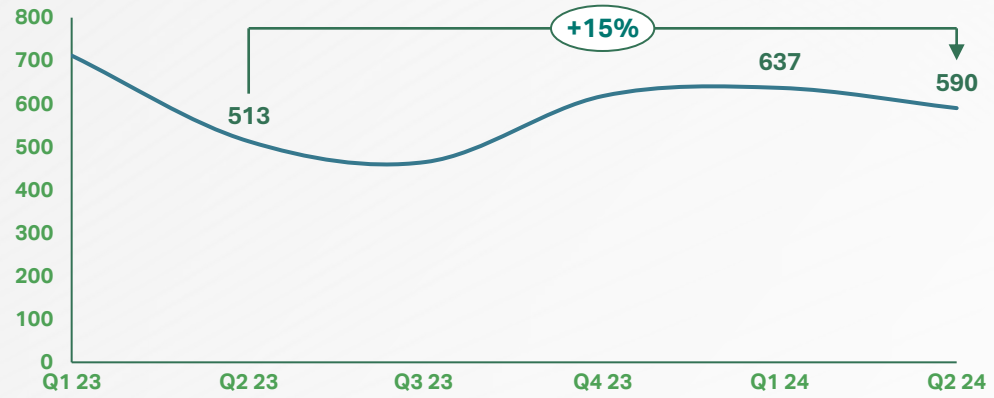
Brent Oil

$/bbl



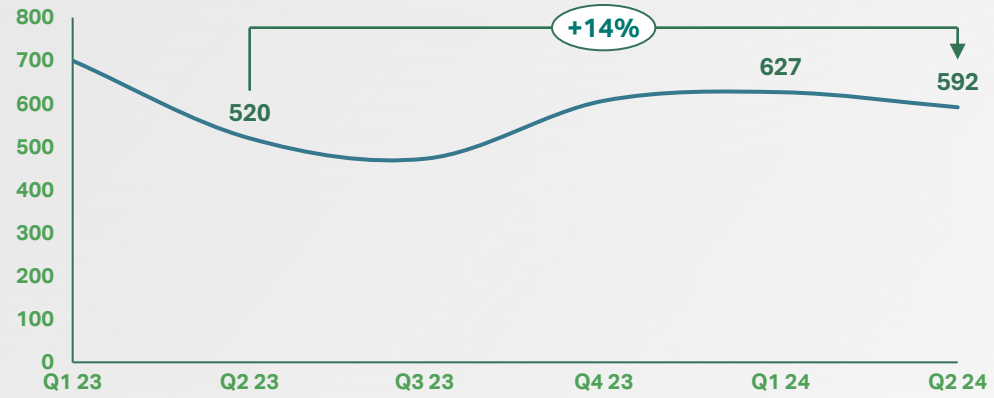
Butane

$/MMBtu



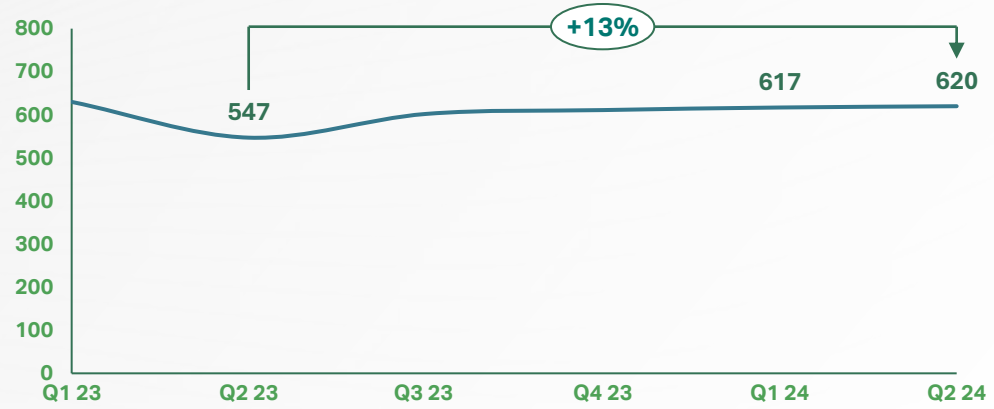
Propane

$/ton



NAPHTHA

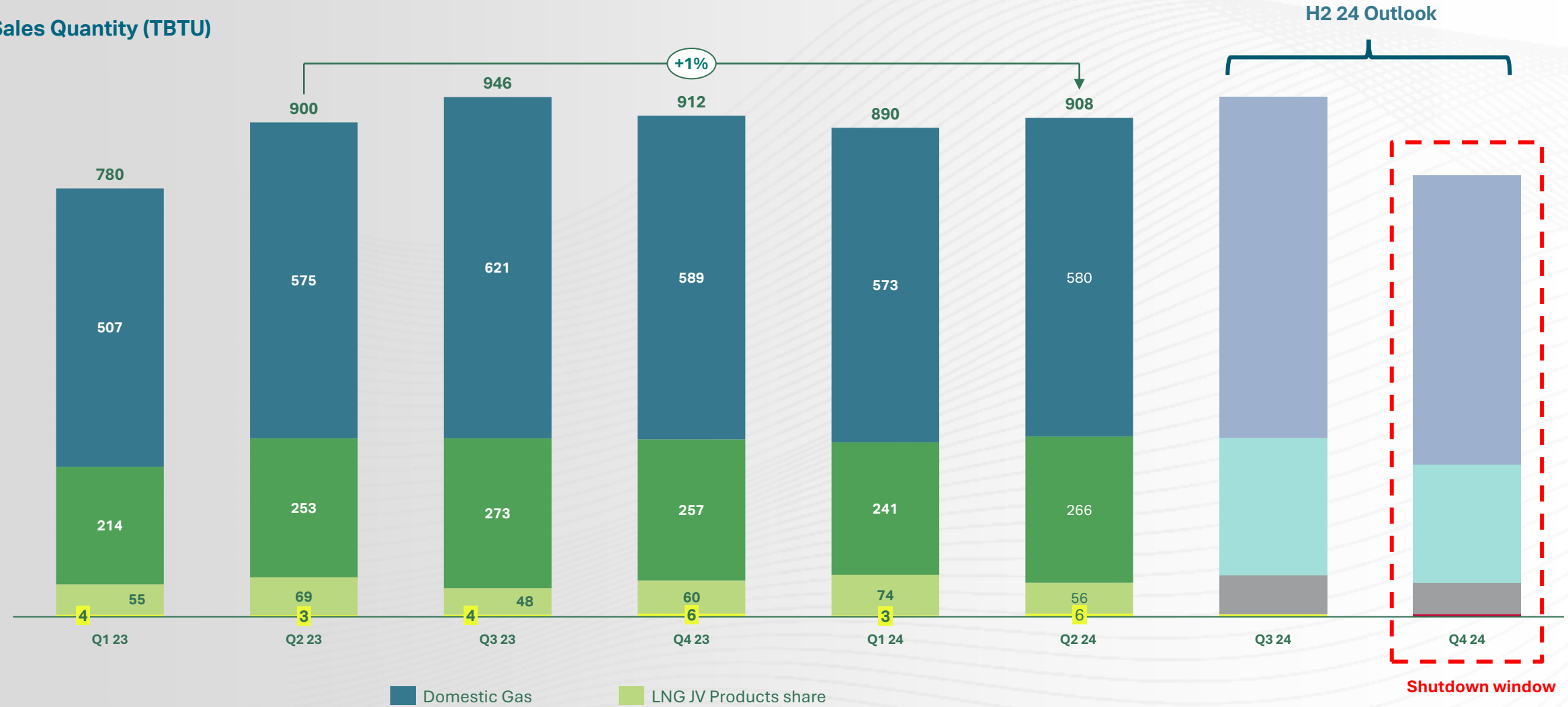
$/ton



IMPROVED SALES VOLUME

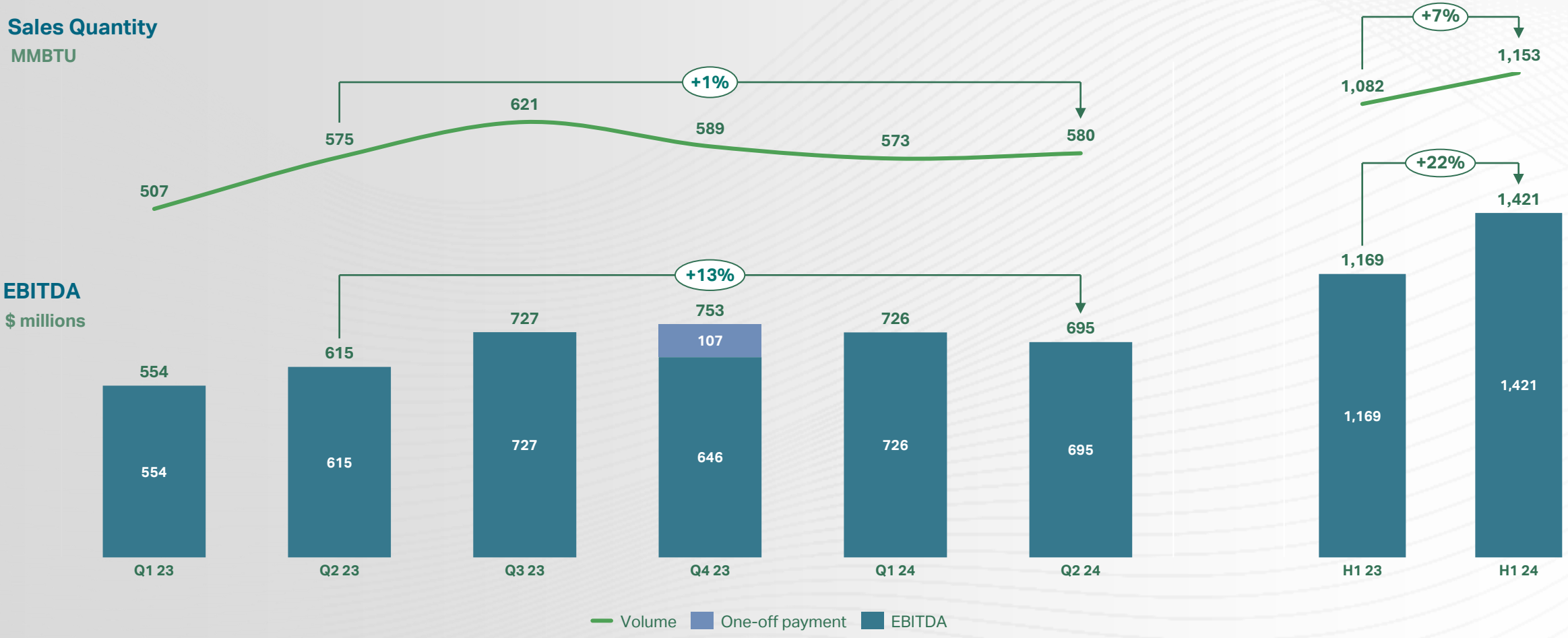
Domestic gas production volumes stable; slight increase in Exports & Traded Liquids volumes

Sales Quantity (TBTU)



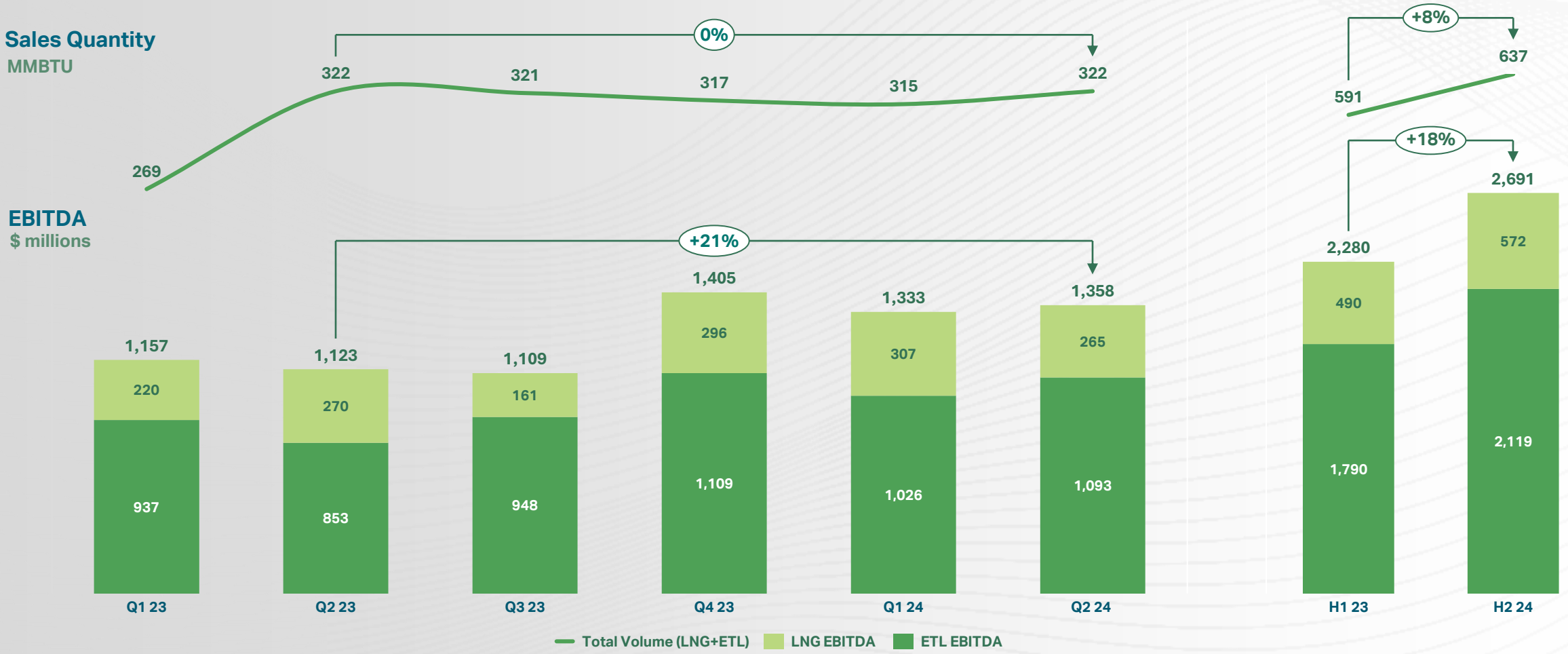
STRONG Y-O-Y DOMESTIC GAS EBITDA GROWTH

Domestic Gas EBITDA improved to $695 million, up 13% due to favorable contract prices



21% EBITDA EXPANSION DRIVEN BY ETL

Significant EBITDA expansion for Export Traded Liquids supported by improved prices



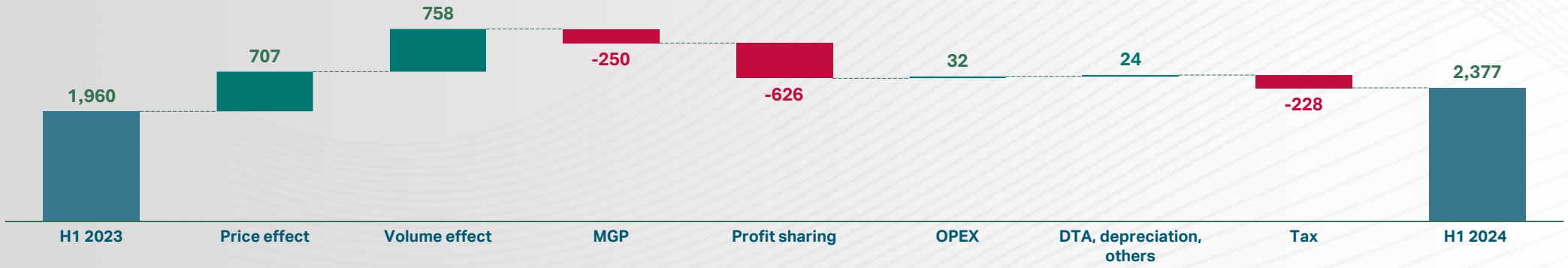
Note: Sales Quantity includes the combined quantity for Export & Traded Liquids and LNG.

21% Y-O-Y INCREASE IN NET INCOME

Net income improvement enabled by positive price movement and efficiency gains

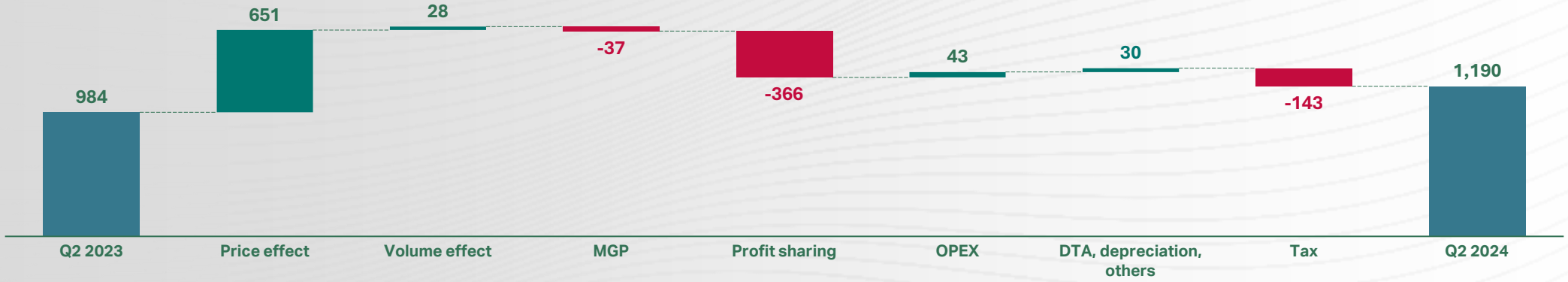
Net Income – H1 2024 vs. H1 2023

$, millions



Net Income – Q2 2024 vs. Q2 2023

$, millions



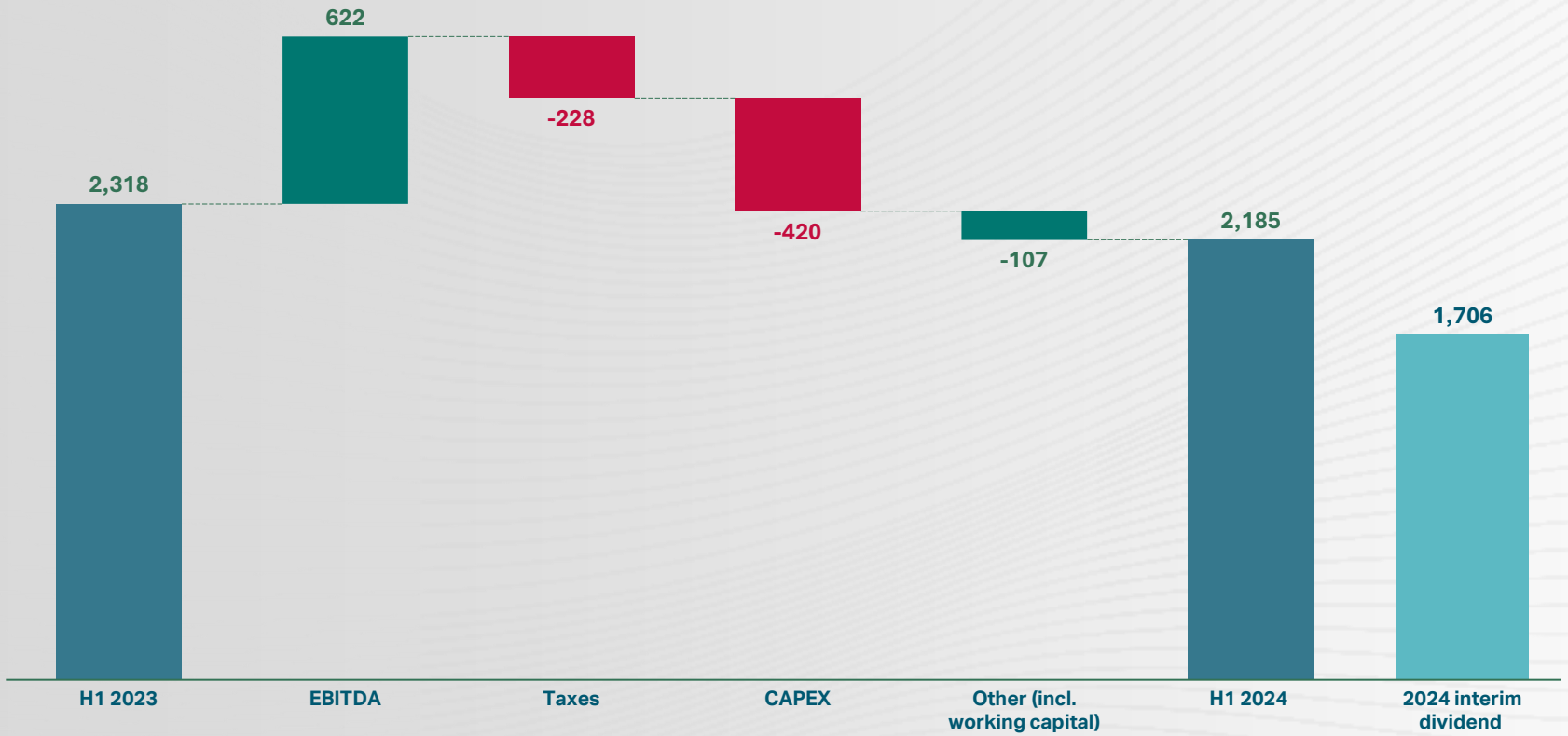
MGP: Minimum Gas Payment

STRONG FREE CASH FLOW OF $2.2 BILLION

Exceeding H1 2024 interim dividend by 28%

Free Cash Flow – H1 2024 vs. H1 2023

$, millions



Interim dividend timeline

Board approval	9 Aug
Entitlement Date	15 Aug
Ex-Div Date	16 Aug
Record Date	19 Aug
Expected Payment	2-4 Sep

OUTLOOK

2024 CAPITAL MARKET GUIDANCE

		2024 guidance	H1 2024 actual	2024 updated guidance
Financial	EBITDA Margin %	34%	34%	34%

	(in TBTU)	2024 guidance	H1 2024 actual	2024 updated guidance
Sales volume	Domestic Gas Products	2,215 – 2,300	1,153	**2,240 – 2,280**
	Exports & Traded Liquids	940 – 960	507	940 – 960
	LNG JV Products	240 - 260	130	240 – 260

Lower volumes expected in H2 due to Q4 shutdown activity

	(in $/MMBTU)	2024 guidance	H1 2024 actual	2024 updated guidance
Net Profit Unit Margins	Domestic Gas Products	1.05 – 1.07	1.01	**1.01 – 1.05**
	Exports & Traded Liquids	1.75 – 1.85	1.76	**1.75 – 1.80**
	LNG JV Products	1.75 – 1.85	1.91	1.75 – 1.85
	Sulphur ($ Millions)	55 -75	41	**60 – 80**

	($ Million)	2024 guidance	H1 2024 actual	2024 updated guidance
Investments	CAPEX	2,000-2,500	819	**2,000 – 2,300**

CAPEX guidance revised due to transfer of ESTIDAMA project to ADNOC

Note: Assuming an oil price of 80 - 90 $/bbl

2024 CAPITAL MARKET GUIDANCE (CONT'D)

Capital Structure	• Company expects to gradually increase leverage to fund growth capex requirements • Conservative long-term leverage target of up to 1.5x net debt / EBITDA
Growth Capex	• $13.2Bn over 2024 - 28 (peak Capex in 2025-26)
Maintenance Capex	• $300-400m p.a.
Dividends	• Interim dividend of $1,706 million in September 2024 and the final dividend for 2024 of $1,706 million expected to be paid in Q2 2025 • Target dividend growth rate of 5% per annum on a dividend per share basis over the period 2024-2027

AN INTEGRATED GLOBAL GAS PLAYER

Q2 2024 EBITDA up 18%
$2,086 million

Q2 2024 Net Income up 21%
$1,190 million

$1,706 million Interim dividend
5% growth over 2023

99.7% asset reliability
Focus on operational efficiency and cost optimization

Enhanced Capital Efficiency
Ownership transfer of ESTIDAMA to ADNOC

Progress on Ruwais LNG
3 Heads of Agreements and EPC contracts signed by ADNOC

APPENDIX



AI AT THE CORE OF OUR GROWTH STRATEGY

Operational excellence driven by embracing AI and technology

Our strong operational performance is underpinned by a firm belief in the transformative potential of AI, digitalization and technology, which is evident in our strategic deployment of AI solutions in predictive analytics and real-time optimization.

Achievements

Significant enhancements to plant availability and output gains:

- CPAD : (Centralized Predictive, Analytic & Diagnostic)
- iRTO (Integrated Real Time Optimization)
- Drone Inspection.

Creation of up to $1 billion in value since 2016

Future goals – 2024 and beyond

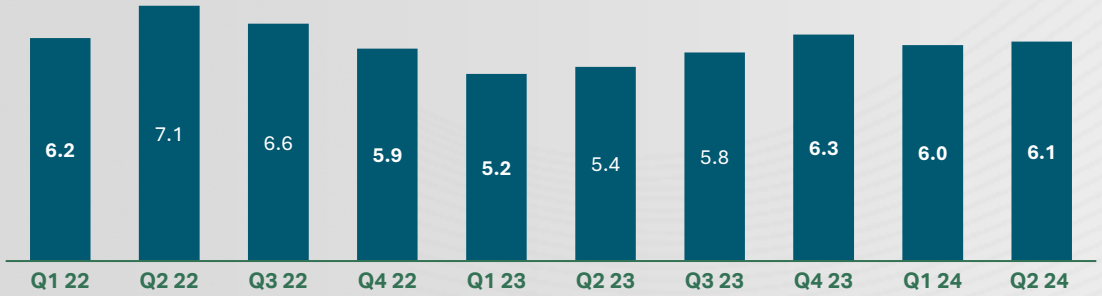
- Pioneer AI in the gas industry
- Continued exploration of Autonomous Operations, 3D Printing & AI Copilot
- Benefits up to $2 billion expected over the next 5 years

FINANCIAL PERFORMANCE

Resilient margins in changing price environments

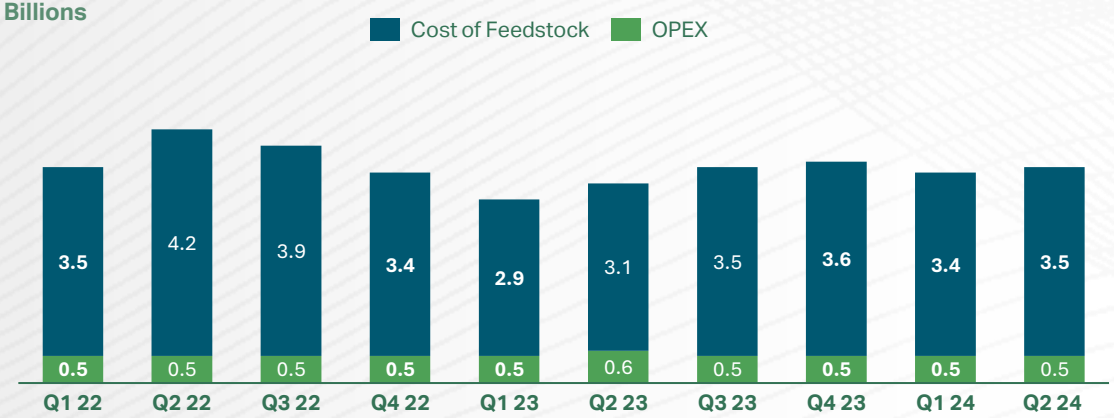
REVENUES

US$, Billions



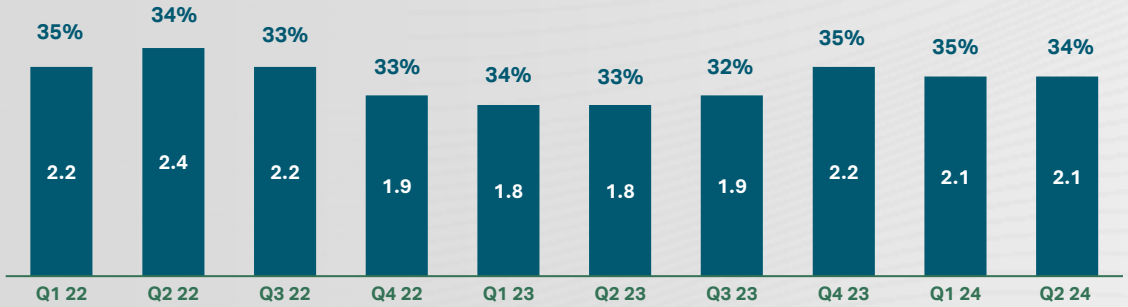
COSTS

US$, Billions



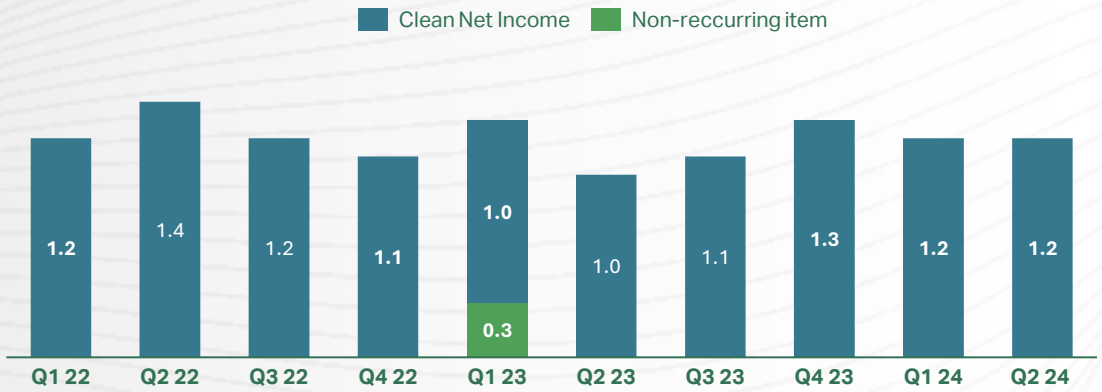
EBITDA

US$, Billions



NET INCOME

US$, Billions

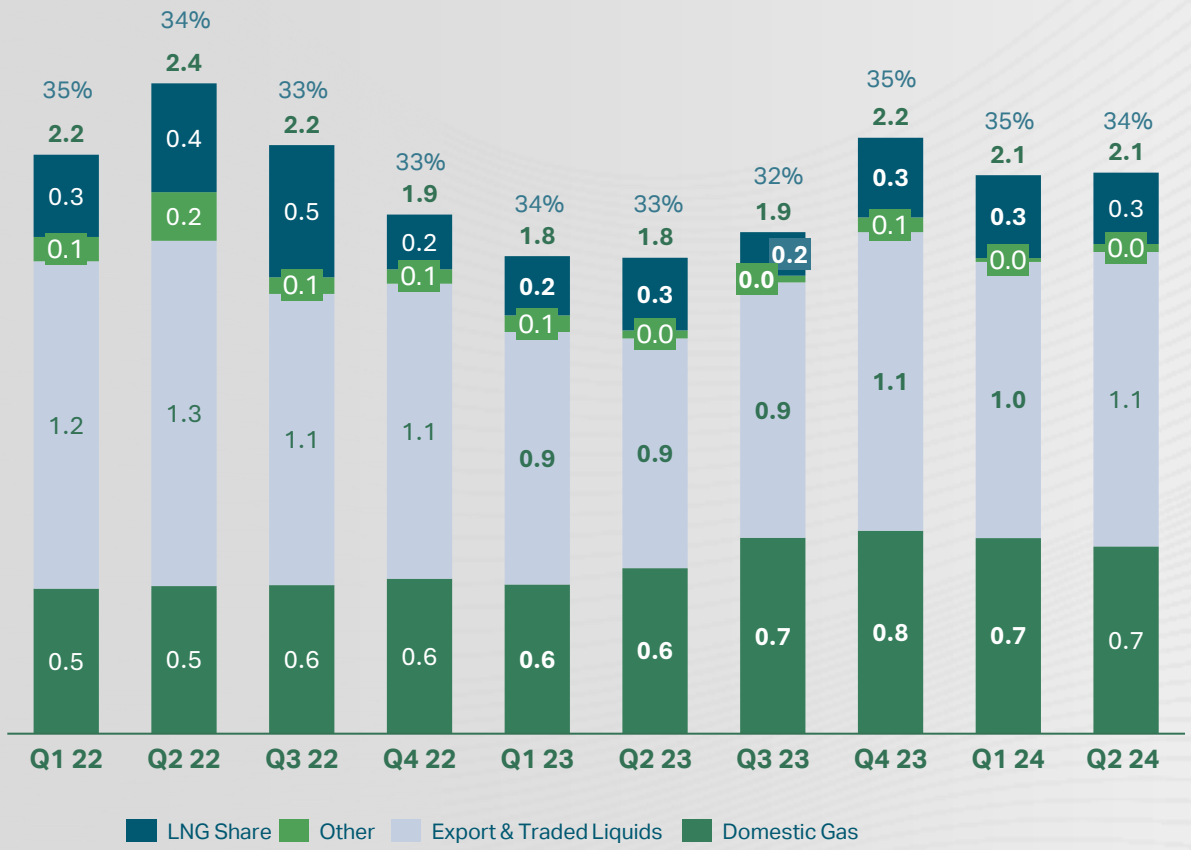


QUARTERLY COMPARISON

EBITDA

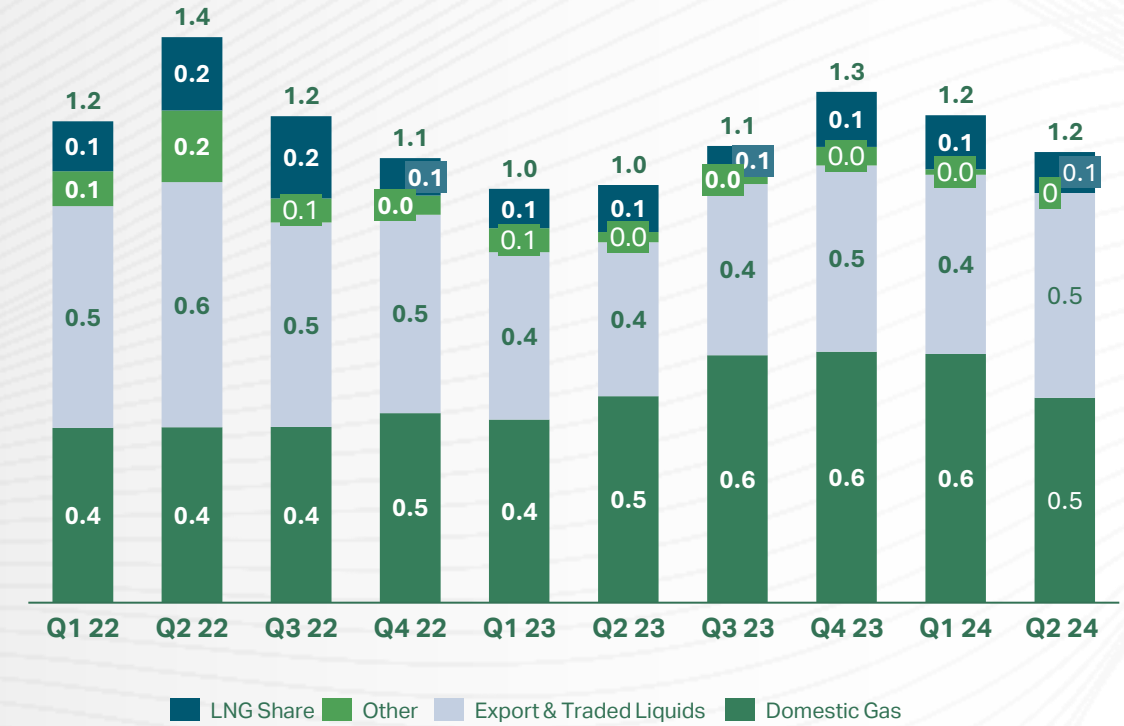
$ Billions

EBITDA Margin



NET INCOME

$ Billions



FINANCIAL SUMMARY

$ Million (unaudited figures)	Q2 23	Q1 24	Q2 24	YoY %	QoQ %
				Q2 24 vs. Q2 23	Q2 24 vs. Q1 24
Revenue	5,397	6,011	**6,076**	13%	1%
COGS	-3,078	-3,410	**-3,480**	13%	2%
Opex	-553	-525	**-510**	-8%	-3%
EBITDA	1,766	2,076	**2,086**	18%	1%
Net Income	984	1,187	**1,190**	21%	0%
EBITDA Margin	33%	35%	**34%**	2%	-1%
Capital Expenditure	-226	-387	**-431**	91%	11%
Free Cash Flow	1,600	1,183	**1,002**	-37%	-15%