

ADNOC Gas



ADNOC GAS plc

First Quarter 2025 Results

Management Discussion & Analysis Report

May 5, 2025



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Financial Highlights¹

Q1 2025

For the first quarter of 2025, ADNOC Gas plc (“ADNOC Gas” or the “Company”) delivered revenue of \$6,099 million, EBITDA of \$2,159 million, and net income of \$1,270 million.

The Company has continued to showcase the strength and resilience of its business model. By steadfastly executing its growth strategy, the Company has successfully enabled the export of higher-margin liquids and maintained a sharp focus on increasing efficiency. Despite the challenging market conditions, characterized by consumer and geopolitical pressures, the Company achieved an impressive 99.7% reliability across its assets. Furthermore, it sustained a robust EBITDA margin of 35.4%, underscoring its ability to navigate volatility and maintain strong financial performance. This resilience highlights the Company's commitment to operational excellence and strategic growth, even in the face of global uncertainties.

In the first quarter of 2025, the Company reported notable sales figures, reflecting its steady performance amidst global challenges. Domestic Gas sales, including C1 (Sales & Re-injection) and C2, reached 580 TBTU, while Export Traded Liquids, comprising C3, C4, C5, and Condensate, totaled 251 TBTU. This represents an increase from Q1 2024, where Domestic Gas sales were 573 TBTU and Export Traded Liquids were 241 TBTU.

Brent crude prices were 9% lower year-on-year, decreasing from \$83/bbl to \$76/bbl. Conversely, JKM prices saw a significant increase of 23%, rising from \$12/mmbtu to \$15/mmbtu. Propane and Butane prices were slightly down, with Propane falling from \$627/tonne to \$625/tonne and Butane down 3% from \$637/tonne to \$615/tonne. Naphtha prices were flat YoY. These price changes reflect the varied dynamics within the global energy market.

In the first quarter of 2025, the Company reported a total revenue of \$ 6,099 million, reflecting a slight increase from the \$ 6,011 million reported in Q1 2024. For Q1 2025, Domestic Gas revenue amounted to \$ 1,764 million, compared to \$ 1,722 million in Q1 2024. Export Traded Liquids revenue increased to \$ 3,440 million from \$ 3,414 million in the previous year. Additionally, Sulphur revenue rose significantly to \$ 55 million from \$ 20 million, while ALNG JV Products (70%) revenue saw a slight decrease to \$ 826 million from \$ 841 million. The Cost of Goods Sold (COGS) for Q1 2025 was \$ 3,455 million, up from \$ 3,410 million in Q1 2024.

These results reflect the higher profit share under the Gas Supply and Payment Agreement (GSPA) with ADNOC Upstream. This 25-year contract, which started at the time of the IPO, is well designed to enable ADNOC Gas to share in any price upside while also providing downside protection in a less favorable macro environment. This agreement has been instrumental in maintaining the Company's strong financial performance amidst a challenging market environment.

EBITDA in Q1 2025 was \$2,159 million. Domestic Gas EBITDA amounted to \$752 million, a 4% increase from Q1 2024, driven by sales volume growth and improved commercial terms. Export & Traded Liquids EBITDA increased by 1%, from \$1,026 million a year ago to \$1,038 million in the current period, driven by 4% volume growth. Sulphur EBITDA saw a significant rise from \$14

¹ See Glossary for definition of the financial data presented.

million to \$45 million year-on-year. ADNOC Gas' share of LNG EBITDA increased by 5%, from \$307 million to \$323 million, due to higher margins.

Net Income for Q1 2025 was \$1,270 million, a 7% increase from \$1,187 million in Q1 2024. The Net Income Margin for Q1 2025 was 20.8%, up from 19.7% in Q1 2024.

Capital expenditure (CapEx) for Q1 2025 totaled \$555 million, primarily driven by our growth projects such as IGD-E2, MERAM and ongoing maintenance/shutdown programs, compared to \$387 million in Q1 2024.

The comprehensive shutdown program and solid asset management systems continue to demonstrate the effectiveness of our maintenance activities.

Financial Summary²

Q1 2025 unaudited results

\$ Million	Q1 24	Q4 24	Q1 25	YoY % Q1 25 vs. Q1 24	QoQ % Q1 25 vs. Q4 24
Revenue	6,011	6,060	6,099	1%	1%
COGS	-3,410	-3,299	-3,455	1%	5%
Opex	-525	-479	-485	8%	1%
EBITDA	2,076	2,282	2,159	4%	-5%
Net Income	1,187	1,381	1,270	7%	-8%
EBITDA Margin	34.5%	37.7%	35.4%	87 bps	-226 bps
Net Income Margin	19.7%	22.8%	20.8%	107 bps	-197 bps
Capital Expenditure	-387	-514	-555	43%	8%
Free Cash Flow (ex-working capital)	1,144	965	1,214	6%	26%

Q1 2025 Product Prices

Product	Unit	Q1 24	Q4 24	Q1 25	YoY % Q1 25 vs. Q1 24	QoQ % Q1 25 vs. Q4 24
Brent crude (Europe Brent FOB)	\$/bbl	83	75	76	-9%	2%
JKM	\$/mmbtu	12	13	15	23%	9%
Propane (FOB Saudi Arabia CP)	\$/T	627	632	625	0%	-1%
Butane (FOB Saudi Arabia CP)	\$/T	637	627	615	-3%	-2%
Naphtha (Arab Gulf)	\$/T	617	622	618	0%	-1%

² See Glossary for definition of the financial data presented.

Q1 2025 Revenue reconciliation

	\$ Million
Total Revenue (As reported in Consolidated Statement of Profit or Loss)	4,670
Revenue from ADNOC LNG JV proportionate Share (Equity Accounted)	826
Revenue from Re-injection Gas	601
Revenue from IG (intercompany elimination & Other Income)	2
ADNOC Gas revenue (incl. proportionate ADNOC Gas consolidation of JVs)	6,099

Q1 2025 EBITDA reconciliation

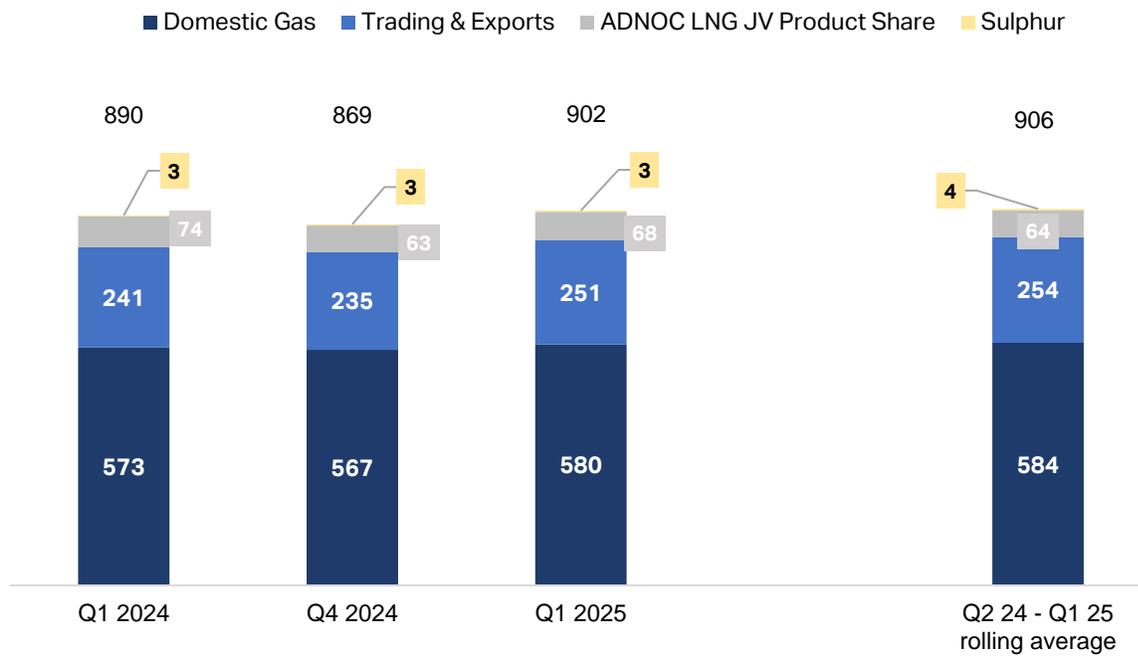
	\$ Million
Total EBITDA (As reported in Consolidated Statement of Profit or Loss)	1,978
Adjustment related to AGP (mostly depreciation)	13
Adjustment related to ALNG (mostly tax and depreciation)	183
Others	(16)
ADNOC Gas EBITDA (incl. proportionate ADNOC Gas consolidation of JVs)	2,159

Operational Highlights

ADNOC Gas Plants Efficiency

Efficiency (YTD)	Q1 24	Q4 24	Q1 25
Asset Utilization (%)	85.5%	80.7%	85.8%
Asset Availability (%)	97.6%	91.7%	97.8%
Asset Reliability (%)	99.4%	99.8%	99.7%

ADNOC Gas Sales Volumes (TBTU)



Note: ADNOC Gas' proportionate 70% share of volumes in ALNG.

Outlook

We expect total sales volumes (excluding Sulphur) to be between 3,555 and 3,605 TBTU in 2025. As with prior years, sales volumes should follow a seasonal pattern with an uptick over the summer period. Furthermore, it is also important to note that in 2025 our shutdown activity will be higher than normal and will continue through the remainder of the year.

In terms of net profit unit margins, we anticipate Domestic Gas Products to be slightly below with 2024.

For Export and Traded Liquids and ALNG JV products our guidance ranges are based upon a Brent price band of US\$60 - 70/bbl. While these products are typically closely correlated with Brent it is important to remember that, from time to time, individual product prices may decouple from oil prices in line with the prevailing supply demand evolution of the respective markets. In addition, mainly Sulphur is expected to generate a further \$200-220 million net income.

Total investments are expected to be around \$3,000 million in 2025 representing a substantial increase against the prior year as the MERAM project reaches peak activity ahead of start-up.

ADNOC Gas' fiscal year 2025 financial guidance

2025 CAPITAL MARKET GUIDANCE



		2025 original guidance	Q1 2025 actual	2025 updated guidance	
Financial	EBITDA Margin %	~35%	35.4%	~35%	
Sales volume¹	<i>(in TBTU)</i>	2025 original guidance	Q1 2025 actual	2025 updated guidance	
	Domestic Gas Products	2,320 - 2,390	580	2,340 - 2,370	Planned shutdowns in 2025 mostly affect LNG, ETL
	Exports & Traded Liquids	920 - 965	251	965 - 975	
	LNG JV Products	220 - 230	68	250 - 260	
Net Profit Unit Margins	<i>(in \$/MMBTU)</i>	2025 original guidance	Q1 2025 actual	2025 updated guidance	
	Domestic Gas Products	1.01 - 1.05	1.09	1.04 - 1.06	ETL, LNG margins consistent with 60-70\$/bbl oil price range
	Exports & Traded Liquids	1.50 - 1.60	1.70	1.35 - 1.50	
	LNG JV Products	1.65 - 1.75	2.09	1.60 - 1.70	
	Sulphur (\$ Millions)	130 - 150	44	200 - 220	
Investments	<i>(\$ Million)</i>	2025 original guidance	Q1 2025 actual	2025 updated guidance	Optimized CAPEX budget reflects capital discipline, however no impact to growth projects
	CAPEX	3,000-3,500	555	~3,000	

1. ADNOC Gas' proportionate 70% share of volumes includes LNG, LPG, Naptha and Sulphur

Q1 2025 RESULTS



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Unaudited Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025

	\$ Million
Revenue	4,670
Gas costs:	
Minimum price	(878)
Profit sharing	(1,874)
Fuel gas payment	(45)
Other operating income	297
Employee costs	(275)
Depreciation and amortization	(285)
Inventory consumption	(17)
Other operating costs	(68)
Other expenses	(47)
Recharge of operating costs by AGP JV	(60)
Share of results of equity accounted investee	129
Recharges to related parties	146
Operating profit	1,693
Finance income	40
Finance costs	(45)
Profit before tax for the year	1,687
Current income tax expense	(435)
Deferred tax credit	18
Profit for the year	1,270
Re-measurement gain on employees' end of service benefit obligations	0
Total comprehensive income	1,270

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	\$ million
Total non-current assets	24,585
Total current assets	7,680
Total assets	32,265
Total equity	23,522
Total non-current liabilities	3,005
Total current liabilities	5,738
Total liabilities	8,743
Total equity and liabilities	32,265

UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS

For the three-month period ended 31 March 2025

	\$ Million
Profits after tax for the period	1,270
Adjustments for:	
Depreciation of property, plant and equipment	271
Depreciation of right-of-use assets	2
Amortization of intangible assets	12
Allowance for slow moving and obsolete inventories	(15)
Share of results of equity accounted investees	(129)
Share of operating costs of equity accounted investees	60
Deferred tax credits	(18)
Current income tax expense	435
Charge for the end of service benefits	3
Finance income	(40)
Finance cost	45
Net cash flows from operating activities before changes in working capital	1,897
Changes in working capital:	
Inventories	(26)
Trade receivables and contract assets	(120)
Prepayments and other receivables	(9)
Amounts due from related parties	(319)
Trade and other payables	(129)
Amounts due to related parties	210
Cash flows from operating activities	1,504
Benefits paid	(4)
Taxes paid	(235)
Net cash flows generated from operating activities	1,265
Payments for purchase of property, plant and equipment	(599)
Advances paid	(20)
Dividends received	136
Finance income	40
Net cash flows used in investing activities	(443)
Repayment of Shareholder Loan	(250)
Repayment of lease liabilities	(10)
Finance costs paid	(13)
Advance paid to Market maker	(12)
Purchase of treasury shares	(50)
Sale of treasury shares	43
Net cash flows used in financing activities	(292)
NET INCREASE IN CASH	530
Cash And Cash Equivalents, At the Beginning of the period	4,531
Cash And Cash Equivalents, At the End of the period	5,061

Dividend Policy

Our dividend policy remains subject to factors such as distributable reserves and future profits, with payments at the discretion of our Board of Directors and requiring shareholder approval.

In line with our commitment to shareholder returns, the Company distributed in September 2024 an interim cash dividend of \$1.706 billion for the first half of fiscal year 2024, and a further final cash dividend of \$1.706 billion was paid on April 18, 2025, following final AGM approval, underpinning our strong financial position and visible future cash flows.

Further to our commitment at the IPO in March 2023, we expect to grow the annual dividend at 5% per annum over 2024-2027, reflecting our expectations of strong cash flow and long-term earning potential, while maintaining flexibility for future growth opportunities.

Earnings Webcast and Conference Call

ADNOC Gas will host an earnings webcast and conference call followed by a Q&A session for investors and analysts on Monday, May 5, 2025, at 1:00 pm UAE time / 9:00am GMT time.

The call will be hosted by Fatema Mohamed Al Nuaimi (CEO) and Peter van Driel (CFO). Interested parties are invited to join the call by clicking [here](#)

Second Quarter 2025 Results

We expect to announce our results for the second quarter of 2025 on Tuesday, August 5, 2025.

Contacts

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May 5, 2025
ADNOC Gas plc

Appendix: Glossary

Alternative performance measures:

Financial data presented in this document contains data including proportionate consolidation of JVs (unless otherwise stated) and consists of “non-IFRS financial measures”. These non-IFRS financial measures may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. You are cautioned not to place undue reliance on any non-IFRS financial measures and ratios included herein.

Revenues include proportionate consolidation of JVs sales.

EBITDA includes proportionate consolidation of JVs and represents Earnings Before Interest, Tax, Depreciation and Amortization.

Free cash flow (excluding working capital) as presented is based on the IFRS financial statements.

Opex represents Operating expenditure that includes direct cost and general and administrative expenses excluding depreciation, amortization and impairment as stated in the statement of profit or loss and other comprehensive income.

Capital Expenditure is total capital expenditure for purchase of property and equipment.

The reconciliation between the financial data as presented and the IFRS financial statements is presented on page 5 of this document.

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