



ADNOC Gas



ADNOC GAS plc **Q4 and FY 2024 Results**

Management Discussion & Analysis Report
February 6, 2025



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Financial Highlights¹

Full Year 2024

For the full year 2024 ADNOC Gas plc (“ADNOC Gas” or the “Company”) delivered revenue of \$24,428 million, EBITDA of \$8,648 million and net income of \$5,001 million.

The Company continued to demonstrate its resilient business model, delivering on its growth strategy, enabling the export of higher-margin liquids and a focus on increased efficiency. High levels of reliability across its assets were maintained at 99.6% as well as maintaining a robust EBITDA margin of 35% in a volatile market environment coupled with consumer and geo-political pressures.

During 2024, Domestic Gas sales volumes were 2,330 TBTU up 2% compared to 2,293 TBTU for the full year 2023. Export & Traded liquids volumes increased by 1% to 1,007 TBTU from 997 TBTU in the previous year. ADNOC Gas’ share of LNG sales volumes increased by 13% year-on-year to 264 TBTU from 232 TBTU.

Brent crude prices and Spot Asian LNG in 2024 were 2% and 27% lower, respectively year-on-year. By contrast, LPG and Naphtha prices were 6% and 4% higher, respectively, versus the prior year period.

Despite the mixed pricing environment in 2024, revenues increased 7% to \$24,428 million versus \$22,731 million in 2023. The cost of goods sold increased 5% from \$13,079 million to \$13,770 million, reflecting the higher profit share under the Gas Supply and Payment Agreement (GSPA) with ADNOC Upstream. This 25-year contract (starting at the time of IPO) is well designed and enables ADNOC Gas to share in any price upside while also providing downside protection in a less favorable macro environment.

EBITDA in the period was \$8,648 million, 14% higher than in 2023. Domestic Gas EBITDA amounted to \$3,080 million, 16% higher due to sales volume growth and improved commercial terms after the successful negotiation of a new 10-year contract with EWEC. Export & Traded Liquids EBITDA increased 9%, from \$3,847 million a year ago to \$4,209 million in the current period, mainly on the back of better pricing. ADNOC Gas’ share of LNG EBITDA increased from \$946 million to \$1,227 million year-on-year, due to a 14% increase in volumes and a 12% increase in margins.

Full year 2024 adjusted net income was \$5,001 million. This represents 13% increase from \$4,421 million recorded in 2023.

The capital expenditure (CapEx) outlay totaling \$1,835 million during 2024 primarily stemming from our growth projects such as Meram, in addition to funding our ongoing maintenance/shutdown program.

The comprehensive shutdown program and solid asset management systems continue to demonstrate the effectiveness of our maintenance activities. Of the total CapEx spend, \$742 million was spent in 2024 on sustaining our assets and turnaround activities enhancing technical life.

¹ See Glossary for definition of the financial data presented.

Q4 2024

ADNOC Gas plc delivered quarterly revenue of \$6,060 million, EBITDA of \$2,282 million and net income of \$1,381 million.

During the quarter, the Company successfully negotiated a new 10-year contract with EWEC that included a one-off item in Q4, for the full year 2024, that amounted to an incremental EBITDA of \$188 million.

Domestic Gas sales volumes were 4% lower YoY at 567 TBTU, compared to 589 TBTU in the fourth quarter of 2023. Export & Traded liquids volumes also decreased by 9% to 235 TBTU versus 257 TBTU in the year-ago period. ADNOC Gas' share of LNG sales volumes improved 6% year on year to 63 TBTU from 60 TBTU.

Brent crude prices in the fourth quarter of 2024 were 11% lower year-on-year and spot Asian LNG prices also declined 10% versus the prior period. LPG and Naphtha prices were slightly better year-on-year by 3% and 2%, respectively.

Hence, revenue of \$6,060 million in the fourth quarter of 2024 dropped 4% versus the fourth quarter of 2023, mainly as a result of lower volumes due to planned shutdowns. At the same time, the feedstock cost declined by 8% from \$3,598 million to \$3,299 million.

EBITDA in the period increased to \$2,282 million, 3% higher than in the fourth quarter of 2023. Domestic Gas EBITDA amounted to \$935 million, 24% higher due to favorable contract prices. However, the \$935 million for the fourth quarter of 2024 benefited from a \$188m one-off item for the full year 2024 as a result of improved commercial terms after the successful negotiation of a new 10-year contract with EWEC. The EBITDA of Export & Traded Liquids was lower due to the unfavorable price environment as well as lower volumes, falling 12% from \$1,109 million a year ago to \$978 million in the current period. ADNOC Gas' share of LNG EBITDA increased from \$296 million to \$321 million year-on-year, as stronger volumes (+6% year-on-year) offset slightly weaker margins.

In the fourth quarter of 2024, net income was \$1,381 million, a 3% increase from \$1,345 million recorded in the fourth quarter of 2023.

CapEx spend of \$514 million in the fourth quarter of 2024, down 1% year on year, was driven by growth projects. The comprehensive shutdown program and solid asset management systems continue to demonstrate the effectiveness of our maintenance activities. Of the total CapEx spend, \$377 million was spent on sustaining our assets and turnaround activities enhancing technical life.

Financial Summary²

Full Year 2024 unaudited results

\$ Million	FY 23	FY 24 ¹	YoY %
Revenue	22,731	24,428	7%
COGS	-13,079	-13,770	5%
Opex	-2,037	-2,009	-1%
EBITDA	7,614	8,648	14%
Reported Net Income	4,720	5,001	6%
Adjusted Net Income	4,421	5,001	13%
EBITDA Margin	33%	35%	191bps
Adjusted Net Income Margin	19%	20%	102bps
Capital Expenditure	-1,267	-1,835	45%
Free Cash Flow ²	4,460	4,584	3%

² See Glossary for definition of the financial data presented.

Q4 2024 unaudited results

\$ Million	Q4 23	Q3 24	Q4 24 ¹	YoY % Q4 24 vs. Q4 23	QoQ % Q4 24 vs. Q3 24
Revenue	6,301	6,281	6,060	-4%	-4%
COGS	-3,598	-3,581	-3,299	-8%	-8%
Opex	-491	-495	-479	-2%	-3%
EBITDA	2,212	2,205	2,282	3%	3%
Net Income	1,345	1,243	1,381	3%	11%
EBITDA Margin	35%	35%	38%	255bps	255bps
Net Income Margin	21%	20%	23%	143bps	299bps
Capital Expenditure	-521	-503	-514	-1%	2%
Free Cash Flow ³	834	1,184	1,215	46%	3%

³ 2024 free cash flow data as per the unaudited financial statements

Full Year 2024 Revenue reconciliation

	\$ Million
Total Revenue (As reported in Consolidated Statement of Profit or Loss)	19,065
Revenue from ADNOC LNG JV proportionate Share (Equity Accounted)	3,179
Revenue from Re-injection Gas	2,176
Revenue from IG (intercompany elimination & Other Income)	8
ADNOC Gas revenue (incl. proportionate ADNOC Gas consolidation of JVs)	24,428

Full Year 2024 EBITDA reconciliation

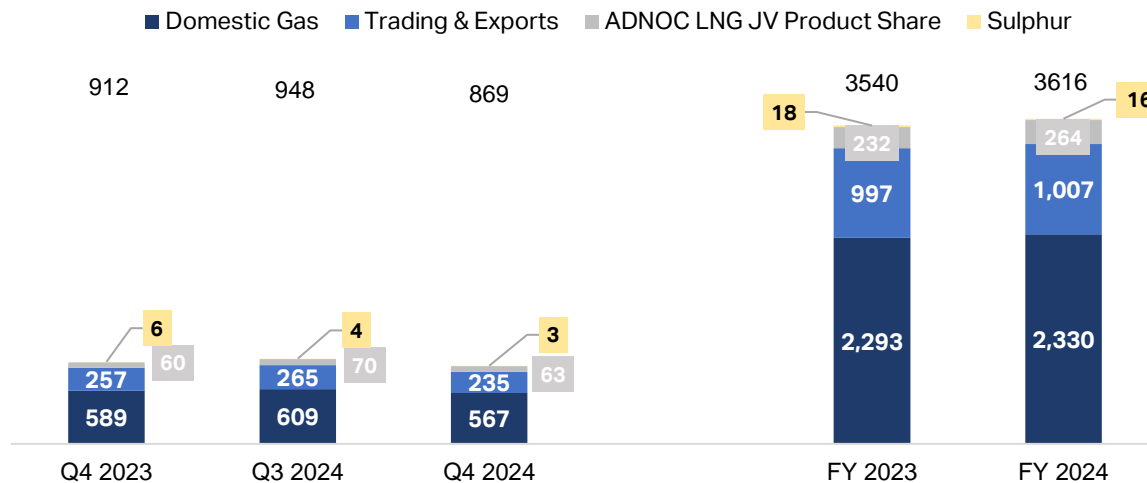
	\$ Million
Total EBITDA (As reported in Consolidated Statement of Profit or Loss)	7,881
Adjustment related to AGP (mostly depreciation)	65
Adjustment related to ALNG (mostly tax and depreciation)	704
Others	(2)
ADNOC Gas EBITDA (incl. proportionate ADNOC Gas consolidation of JVs)	8,648

Operational Highlights

ADNOC Gas Plants Efficiency

Efficiency (YTD)	Q4 23	Q3 24	Q4 24		FY 23	FY 24
Asset Utilization (%)	89.6%	87.6%	80.7%		86.4%	84.7%
Asset Availability (%)	97.5%	99.0%	91.7%		96.2%	96.6%
Asset Reliability (%)	99.8%	99.5%	99.8%		99.1%	99.6%

ADNOC Gas Sales Volumes (TBTU)



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

Outlook

We expect total sales volumes to be between 3,460 and 3,586 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 biased towards the first half 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\$70 - 80/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, other products are expected to generate a further \$130-150 million net income.

Total investments are expected to fall between \$3,000 and \$3,500 million in 2025 representing a substantial increase against the prior year as the MERAM project reaches peak activity ahead of start-up in 2026.

ADNOC Gas' fiscal year 2025 financial guidance

Financial		2024 updated guidance	FY 2024 actual	2025 guidance	
	EBITDA Margin %	34-35%	35%	~35%	
Sales volume	<i>(in TBTU)</i>	2024 guidance	FY 2024 actual	2025 guidance	Planned shutdowns in 2025 mostly affect LNG, ETL
	Domestic Gas Products	2,240 – 2,290	2,330	2,320 - 2,390	
	Exports & Traded Liquids	970 – 990	1,007	920 - 965	
	LNG JV Products	250 – 270	264	220 - 230	
Net Profit Unit Margins	<i>(in \$/MMBTU)</i>	2024 guidance	FY 2024 actual	2025 guidance	Domestic gas: 2024 included one-off events boosting margins ETL, LNG: lower commodity prices and less LNG spot cargoes
	Domestic Gas Products	1.01 – 1.05	1.09	1.01 - 1.05	
	Exports & Traded Liquids	1.65 – 1.75	1.75	1.50 - 1.60	
	LNG JV Products	1.80 – 1.90	2.02	1.65 - 1.75	
	Sulphur (\$ Millions)	80 – 100	115	130 - 150	
Investments	<i>(\$ Million)</i>	2024 guidance	FY 2024 actual	2025 guidance	CAPEX mainly driven by higher MERAM and maintenance spend
	CAPEX	1,900 – 2,200	1,835	3,000-3,500	

Note: Assuming an oil price of 70 - 80 \$/bbl

- ADNOC Gas' proportionate 70% share of volumes includes LNG, LPG, Naphtha and Sulphur

Unaudited Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	\$ Million
Revenue	19,065
Gas costs:	
Minimum price	(3,611)
Profit sharing	(7,592)
Fuel gas payment	(182)
Other operating income	1,097
Employee costs	(1,112)
Depreciation and amortization	(1,216)
Inventory consumption	(49)
Other operating costs	(371)
Other expenses	(189)
Recharge of operating costs by AGP JV	(268)
Share of results of equity accounted investee	519
Recharges to related parties	575
Operating profit	6,665
Finance income	127
Finance costs	(180)
Profit before tax for the year	6,612
Current income tax expense	(1,715)
Deferred tax credit	103
Profit for the year	5,001
Re-measurement gain on employees' end of service benefit obligations	3
Total comprehensive income	5,004

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 December 2024

	\$ million
Total non-current assets	24,132
Total current assets	6,694
Total assets	30,826
Total equity	23,966
Total non-current liabilities	2,955
Total current liabilities	3,905
Total liabilities	6,860
Total equity and liabilities	30,826

UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 December 2024

	\$ Million
Profits after tax for the period	5,001
Adjustments for:	
Depreciation of property, plant and equipment	1,165
Depreciation of right-of-use assets	8
Amortization of intangible assets	43
Allowance for slow moving and obsolete inventories	9
Share of results of equity accounted investees	(519)
Share of operating costs of equity accounted investees	268
Deferred tax credits	(103)
Current income tax expense	1,715
Charge for the end of service benefits	13
Finance income	(127)
Finance cost	181
Net cash flows from operating activities before changes in working capital	7,654
Changes in working capital:	
Inventories	(24)
Trade receivables	1,219
Prepayments and other receivables	29
Amounts due from related parties	(1,152)
Trade and other payables	544
Amounts due to related parties	(499)
Cash flows from operating activities	7,771
Benefits paid	(9)
Taxes paid	(1,772)
Net cash flows generated from operating activities	5,990
Payments for purchase of property, plant and equipment	(1,968)
Advances paid	(83)
Dividends received	519
Finance income	127
Net cash flows used in investing activities	(1,405)
Dividend paid	(3,331)
Repayment of lease liabilities	(10)
Finance costs paid	(42)
Net cash flows generated from financing activities	(3,383)
NET INCREASE IN CASH	1,202
Cash And Cash Equivalents, At the Beginning of the year	3,329
Cash And Cash Equivalents, At the End of the year	4,531

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 had distributed in September 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 is expected in Q2 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 Thursday, February 06, 2025, at 12:30 pm UAE time / 8:30am 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](#).

First Quarter 2025 Results

We expect to announce our first quarter 2025 results on Monday, May 12, 2024.

Contacts

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February 06, 2024
ADNOC Gas plc

Appendix: Glossary

Financial Terms

EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortization

Net debt is calculated as total interest-bearing debt less cash and bank balances (including term deposits with banks) adjusted for lease liabilities.

Net debt to EBITDA ratio is calculated as interest-bearing net debt as of the end of the period presented, divided by EBITDA for the twelve months ended on the last day of the period presented.

Capital Employed is calculated as the sum of total assets minus non-interest-bearing current liabilities.

Return on Capital Employed is calculated as operating profit for the twelve months ending on the last day of the period presented divided by capital employed on the last day of the period presented. Operating Profit is defined as profit excluding financing, tax and income and expenses from investments.

Leverage ratio is calculated as (a) interest-bearing net debt, divided by (b) the sum of interest-bearing net debt plus total equity.

Return on Equity is calculated as profit for the period for the twelve months ended on the last day of the period presented divided by total equity on the last day of the period presented.

Operating Working Capital is calculated as current assets excluding cash and bank balances minus current liabilities excluding lease liabilities.

Operating Cashflows are Net cash generated from operating activities as stated in the cash flow statement.

Free Cash Flow is calculated as net cash generated from operating activities less net cash flow used in investing activities.

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.

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. All such information is subject to change without notice. The reconciliation of key profit and loss lines between the financial data including proportionate consolidation and the IFRS financial statements is presented separately under Revenue and EBITDA reconciliation.

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