

## ADNOC Drilling Delivers Robust Growth in Third Quarter, with Net Profit Up 36% Year-on-Year to \$257 million

*Strong revenue growth of 16% year-on-year to \$776 million, enabled by new rigs entering the operational fleet*

*Additional activity and effective cost management initiatives deliver EBITDA of \$381 million, leading to 49% margin*

*Oilfield Services continues its exceptional growth as integrated drilling services delivers on customer expectations of high performance, low cost, lower carbon operations*

*Company positively updates full year 2023 guidance, driven by increased earnings visibility*

**Abu Dhabi, UAE – November 14, 2023:** ADNOC Drilling Company PJSC (“ADNOC Drilling” or “the Company”) (ADX symbol: ADNOCDRILL / ISIN: AEA007301012) today announced its financial results for the third quarter and first nine months of 2023.

Third quarter revenue increased to \$776 million, up 16% year-on-year with growth across all segments. Third quarter EBITDA increased by an impressive 27% year-on-year to \$381 million as a result of strong top line growth and effective cost management initiatives, delivering an EBITDA margin of 49%. Net profit for the quarter reached \$257 million, up 36% year-on-year.

For the first nine months of 2023, revenue grew 14% year-on-year to \$2.2 billion, driven by increased activity and the expansion of Oilfield Services (OFS). During the same period net profit grew 24% year-on-year to \$704 million and EBITDA grew 20% year-on-year to \$1,058 million.

**Abdulrahman Abdulla Al Seiri, Chief Executive Officer, ADNOC Drilling,** commented: “Our positive third quarter results clearly demonstrate the effective execution of our comprehensive strategy to grow earnings by expanding our fleet and our service offering. These results demonstrate the Company’s ability to continue to deliver profitable growth as we maintain our safe, efficient and sustainable operations. Long-term shareholder value creation remains central to our strategy and future development.”

ADNOC Drilling’s sequential growth comes on the back of its two-pronged strategy of expanding its fleet and service offering. The Company now has a total fleet of 134 operational rigs. The accelerated fleet expansion since IPO underpins our growth targets, while boosting revenue as incoming rigs commence operations.

At the same time, OFS revenue reached \$145 million in the third quarter 2023, up 41% year-on-year. Through OFS, ADNOC Drilling is delivering improved well delivery times and an associated emissions reduction, as a result of the adoption of advanced technologies and greater efficiencies.

### Strong growth across all segments

- **Onshore:** Third quarter revenue grew 2% compared to the prior year, the overall increase in activity more than offset the lower year-on-year recovery of fuel costs.
- **Offshore Jack-up:** Third quarter revenue increased 39% year-on-year, mainly attributable to higher activity and lower major maintenance. First nine months revenue stood at \$575 million, up 33% year-on-year.
- **Offshore Island:** Third quarter revenue grew 4% compared to the prior year, driven by increased activity. First nine months revenue stood at \$157 million, up 3% year-on-year.
- **Oilfield Services (OFS):** Third quarter revenue grew 41% year-on-year, driven by increased activity from pressure pumping, drilling fluids, directional drilling, and one-off sale of certain materials. First nine months revenue stood at \$405 million, up 44% year-on-year.

### Updated FY 2023 guidance

Driven by increased visibility on earnings and profitability, ADNOC Drilling updated its fiscal year 2023 guidance on EBITDA, Net Profit and CapEx, while it confirms the guidance on other metrics. The Company now expects total revenue between \$3.0 to \$3.2 billion, EBITDA of \$1.4 - \$1.5 billion (previously \$1.35 - \$1.5 billion), with a margin range of 47% - 49% (previously 45% - 47%) and Net Profit of \$0.9 - \$1.0 billion (previously \$0.85 - \$1.0 billion), with a margin range of 29% - 32% (previously 28% - 31%). Moreover, ADNOC Drilling now expects CapEx to be around \$1.3 billion for 2023 (previously \$1.30 - \$1.75 billion).

### Update on decarbonization initiatives

ADNOC Drilling has also continued its investment in various decarbonization initiatives across its operations, supporting ADNOC's target to reduce carbon intensity by 25% by 2030.

During the first half of the year the Company announced the acquisition of 16 newbuild hybrid land rigs that are expected to join the operational fleet in 2024. Each hybrid rig can deliver an emissions reduction of up to 15%.

Additionally, two of ADNOC Drilling's central camps will be connected to the grid by year-end, reducing the need for traditional diesel generators and the associated emissions, with two more connected in early 2024. At the same time, the company is progressively rolling out solar power across its mobile camps.

### Events Subsequent to the Third Quarter

ADNOC Drilling entered into a joint venture agreement with Alpha Dhabi Holdings to invest up to \$1.5 billion in the acquisition of technology-enabled companies in the OFS and energy sectors, spurring significant future growth in ADNOC Drilling's OFS offering.

ADNOC Drilling will embark on its international growth journey, providing integrated drilling services in Jordan, with economics in line with existing returns achieved in Abu Dhabi.

### Key Financial Metrics

USD Millions	3Q23	3Q22	YoY%	2Q23	QoQ%	9M23	9M22	YoY%
Revenue	776	670	16%	724	7%	2,216	1,940	14%
EBITDA	381	299	27%	344	11%	1,058	879	20%
Net Profit	257	189	36%	228	13%	704	568	24%
Earnings per share (USD/share)	0.016	0.012	36%	0.014	13%	0.044	0.036	24%
Capital Expenditure	592	223	165%	181	227%	849	508	67%
Cash from Operating Activities	337	317	9%	395	-15%	958	1,135	-16%

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### About ADNOC Drilling

ADNOC Drilling, listed on the Abu Dhabi Securities Exchange (ADX symbol "ADNOCDRILL"; ISIN AEA007301012), is the largest drilling and well completions company in the Middle East by fleet size, owning and operating one of the largest multi-discipline drilling fleets in the world. The Company is a critical link in ADNOC's upstream business, as ADNOC responsibly accelerates its production capacity targets in light of globally increasing demand for energy and enables gas self-sufficiency for the UAE. ADNOC Drilling incorporated Integrated Drilling Services into its portfolio in 2018 and now offers a total solution of start-to-finish wells and associated services that encompass the entire drilling value chain. To find out more, visit: [www.adnocdrilling.ae](http://www.adnocdrilling.ae)

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