

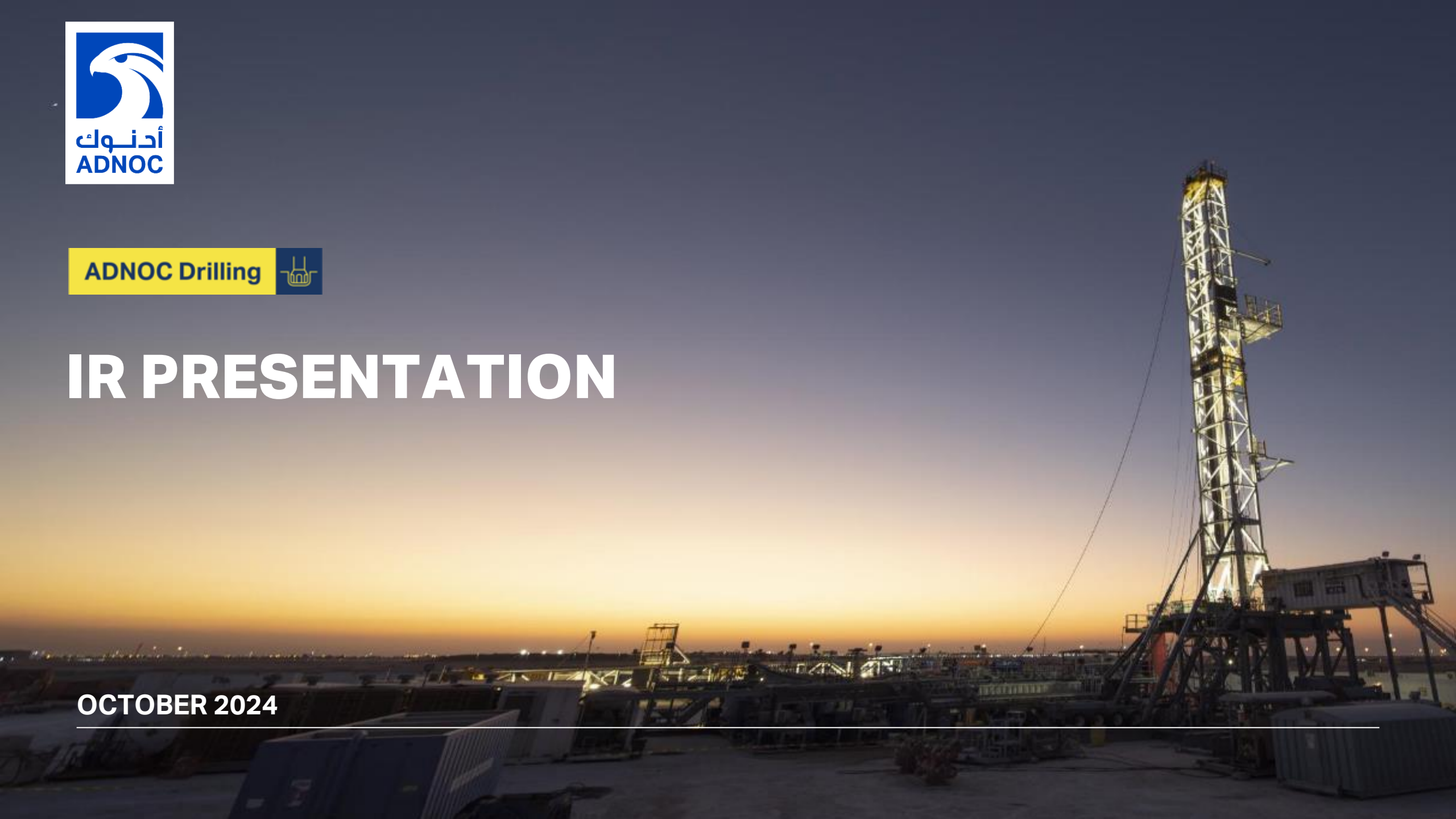


ADNOC Drilling



IR PRESENTATION

OCTOBER 2024



MIDDLE EAST'S LARGEST FLEET

140 RIGS IN 1H24 AND GROWING, WHILE ALSO PROVIDING INTEGRATED DRILLING SERVICES



Overview



- Established in 1972 as the national drilling company of Abu Dhabi
- Largest drilling services providers in the Middle East
- Providing full suite of Integrated Drilling Services (IDS)
- Owns all required ancillary facilities and infrastructure
- Sole provider of drilling rig hire services to ADNOC Upstream

Operational highlights 1H24

>10,000 employees

95 Land rigs¹

94% rig availability

35 Jack-up rigs

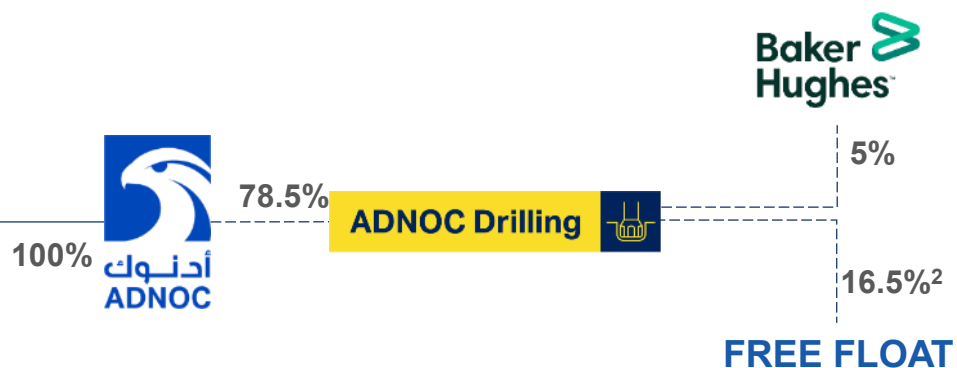
287 wells drilled

10 Island rigs



Shareholding structure

Government of
Abu Dhabi



FY2024 Guidance

Revenue

\$3.70 – 3.85 bn

EBITDA

\$1.80 – 1.95 bn
(49 – 51% margin)

Net Profit

\$1.15 – 1.30 bn
31% – 34%

CapEx

\$0.75 - \$0.95 bn

Rig Count

142 rigs by end of 2024
148 rigs by end of 2026

(1) Includes 4 lease-to-own land rigs.

(2) Post sale of 1% of shares outstanding by HP Falcon Investments, LLC, a wholly owned subsidiary of Helmerich & Payne ("H&P"), Inc. in October 2024.

STRATEGY OVERVIEW

STRATEGIC PILLARS UNDERPINNING LONG-TERM VALUE CREATION



Profitable Growth

Seeking to increase profitability through value-enhancing opportunities, inside and outside of Abu Dhabi for rigs, services and technology.

GCC regional leader in unconventional development, by producing at the most affordable cost, while establishing strategic partnerships

- ▶ Efficiently develop hydrocarbon resources
- ▶ Enable production at lowest costs



National Champion

Maximizing benefits of the UAE resources through maximizing in country value (ICV) and attracting, retaining, and upskilling the best talent with a focus on locals.

Developing local capabilities for key supply chain functions in the oil and gas industry diversifying GDP and spending more on a range of local goods and services.

- ▶ Develop local supply chain
- ▶ Attract & nurture top talent



Operational Excellence

Utilizing technology and digitalization to improve operational performance and enhance efficiency to ensure business continuity.

Further integration of services by increasing OFS offering to increase customer satisfaction and grow share of the wallet

- ▶ Best-in-class operational capabilities
- ▶ Prioritize beyond 100% HSE



Decarbonization

Operating sustainably and responsibly, through low carbon footprint, reduced GHG emissions and optimizing energy efficiency.

Becoming an integral part of ADNOC's 2045 net zero journey by undertaking a variety of initiatives and driving an ambitious ESG agenda

- ▶ Operate sustainably & responsibly
- ▶ Execute on ambitious ESG agenda

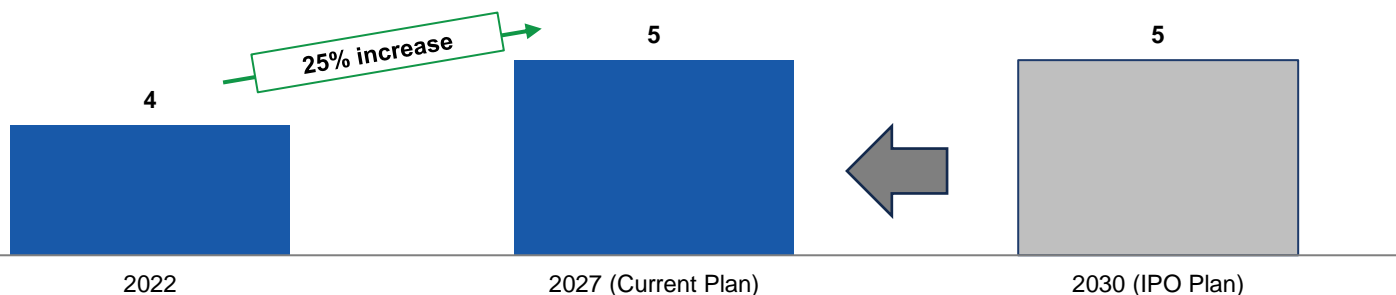
PRODUCTION CAPACITY INCREASE

A CRITICAL ENABLER OF ADNOC'S ACCELERATED PRODUCTION CAPACITY TARGETS



Accelerated Growth Targets

Production Capacity Targets (mm barrels / day)



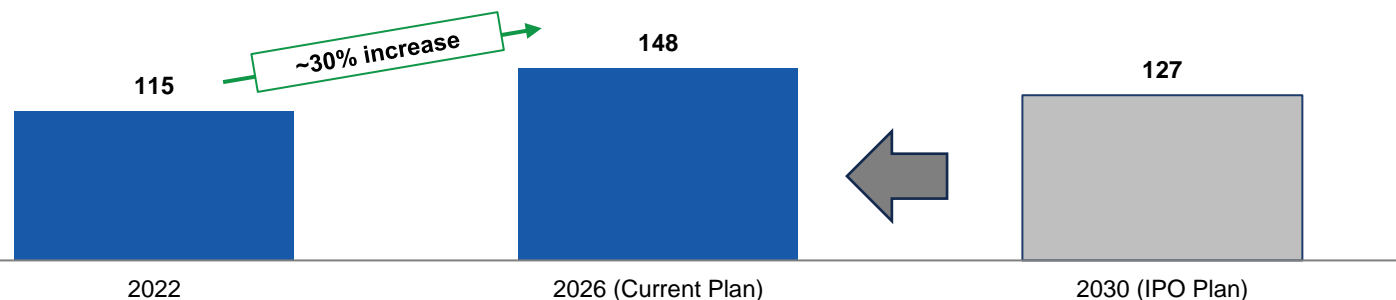
Commentary

- ADNOC Drilling has accelerated its own growth plans to enable ADNOC's strategic imperative of expanding production capacity from four to five million barrels per day by 2027.
- Owned rig count of 148 by the end of 2026, compared to IPO guidance of 127 rigs by the end of 2030.

Long-term growth drivers:

- Development of unconventional resources and supporting UAE's goal to achieve gas self-sufficiency
- Continued expansion Enersol and OFS segment's Integrated Drilling Solutions
- Pursuit of regional expansion opportunities
- Maintenance of production capacity
- New revenue streams such as complimentary services, manufacturing and technology opportunities

Current Rig Count Requirement (Required Rigs Already Acquired or Spoken For)



NEW GROWTH VENUES GAINING MOMENTUM

ENERSOL ACCELERATION, TURNWELL STARTED OPERATIONS & REGIONAL EXPANSION CONTINUES

Enersol



- **Acquired three companies**, cumulative total investment of **over \$0.5 billion**, or around a third of the committed amount.
 - Gordon Technologies, 67.2% stake
 - NTS Amega Global, 51% stake
 - EV, 100% stake
- Acquisition aligned with Enersol's strategic vision to **become a diversified tech-centric OFS investment platform**.
- **ADNOC Drilling benefits** from Enersol's OFS tech-enabled acquisitions to further develop its integrated offering and tech ecosystem.

Unconventional Resources



- **Turnwell started operations**, drilling its first well in Abu Dhabi's Al Dhafra region, marking a **major milestone** for Abu Dhabi's energy industry.
- In May, ADNOC Drilling was awarded a **transformational \$1.7 billion contract** to unlock the **UAE's world-class unconventional energy resources**.
- **The contract award was to drill 144 oil and gas wells** over 2+ years; currently 6 rigs for unconventional.
- **Fully-fledged unconventional program will need thousands of wells to be delivered.**

Regional Expansion



- **ADNOC Drilling received an extension** to the contract that will see **the rig in Jordan deliver further wells** and stay in the country **to at least the end of 2024**.
- ADNOC Drilling has been **pre-qualified by the Kuwait Oil Company (KOC)** to be included in approved contractors list for provision of drilling, rig and ancillary services.
- Supports the Company's ambitions to **expand its drilling and OFS activities regionally** and opens the door to **expand activities into Kuwait**.
- **Oman** pre-qualification in final stage.

NEW DIVIDEND POLICY IN ACTION

2024 INTERIM DIVIDEND +10% YEAR-ON-YEAR



New Dividend Policy Approved By Shareholders

- › At its General Shareholder Meeting held on 24 June 2024, ADNOC Drilling shareholders approved a progressive dividend policy that will see dividends grow by at least 10% per annum on a dividend per share basis over the next five years (2024-2028).
- › The Board of Directors, at its discretion, may approve additional dividends over and above the policy after considering free cash flow and accretive growth opportunities.



Interim 2024 Dividend Distribution

- › The Board of Directors approved an interim dividend payment of \$394 million, or 9.05 fils per share for 1H2024.
- › This represents a 10% year-on-year increase, in-line with the Company's new progressive dividend policy.
- › The interim dividend distribution was paid to shareholders at the end of August.

INCREASE IN FREE FLOAT

ADNOC 5.5% SECONDARY SALE TO BOOST LIQUIDITY & INDEXATION



- › During the second quarter, ADNOC offered ADNOC Drilling shares through a bookbuild offering to professional investors in the UAE and institutional investors elsewhere.
- › The successful institutional placement constituted a sale of 880 million shares, representing 5.5% of ADNOC Drilling's total share capital. ADNOC still retains a majority 78.5% stake.
- › The transaction witnessed strong investor demand and was largest-ever accelerated bookbuild of a publicly listed company in the UAE.
- › The successful offering increased ADNOC Drilling's free float by 50%, enhancing liquidity and providing a pathway for broader indexation.

DECARBONIZATION INITIATIVES DRIVING ESG AGENDA

PURSUING AMBITIOUS GOALS



Camps Emission Abatement

Base Camp Grid Connectivity



- Madinat Zayed camp powered by the grid since February 2024
- Tarif camp & Habshan: scheduled to be connected in 3Q24
- Bu Hasa camps: set to be connected in 4Q24

Solar for Mobile Camps



- First solar camp installation completed



Rigs Emission Abatement

Green Rig



- Acquired a total of 16 newbuild hybrid rigs in FY2023
- Nine of the newbuild hybrid rigs already in operations
- Remaining rigs will be deployed later this year

Battery Energy Storage System



- BESS to be installed on new-build rigs and select existing rigs



Sustainability Initiatives

Rigs Energy Optimization



- Monitoring consumption to identify gaps and areas of development
- Optimize diesel consumption to meet reduction target
- Further electrification initiatives for our operations are under evaluation

Diesel optimization



- Fuel additive to improve combustion efficiency, trial under preparation



Enersol to support decarbonization agenda

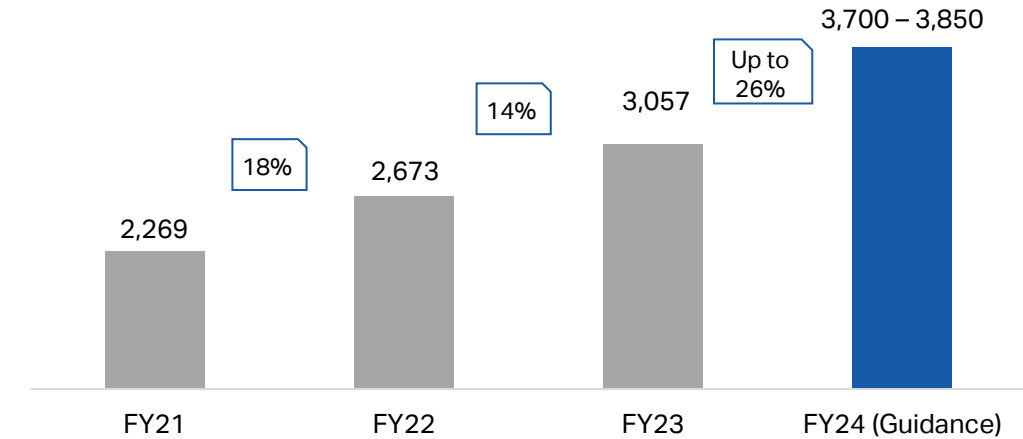
FINANCIAL HIGHLIGHTS

STRONG GROWTH WITH MARKET LEADING MARGINS



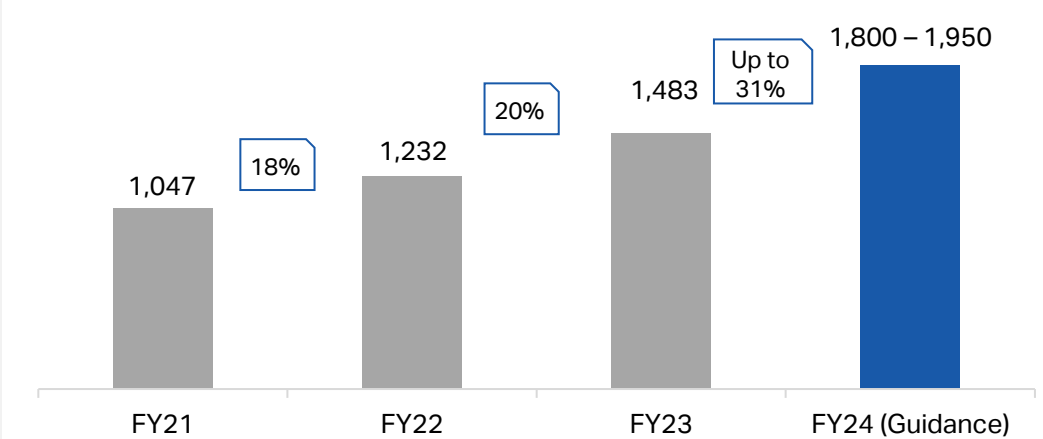
Revenue (\$ Million)

% growth



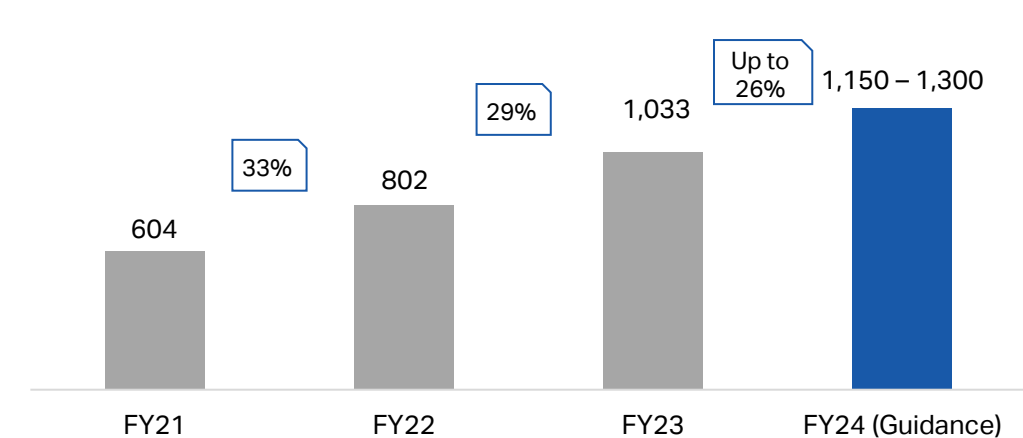
EBITDA (\$ Million)

% growth



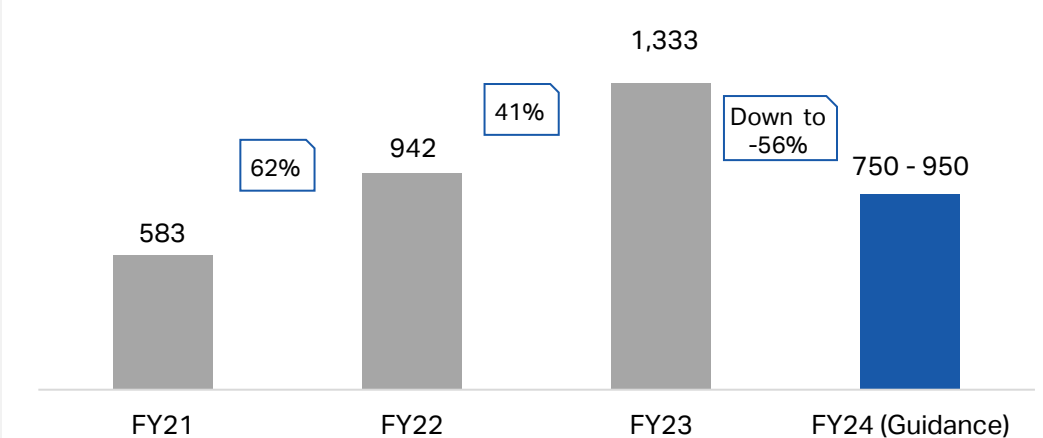
Net Income (\$ Million)

% growth



CapEx (\$ Million)

% growth



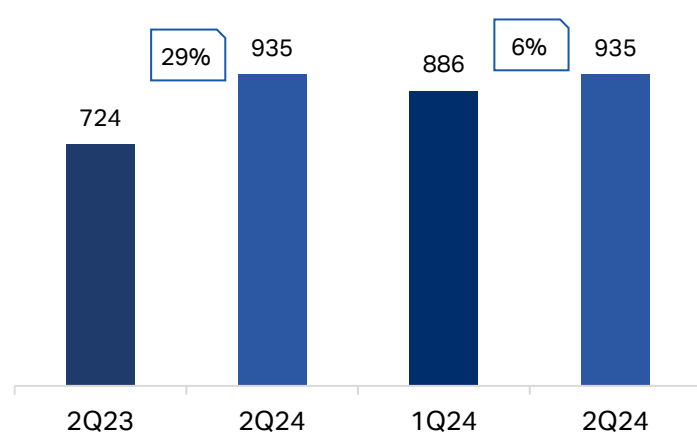
QUARTERLY HIGHLIGHTS

RECORD SECOND QUARTER RESULTS



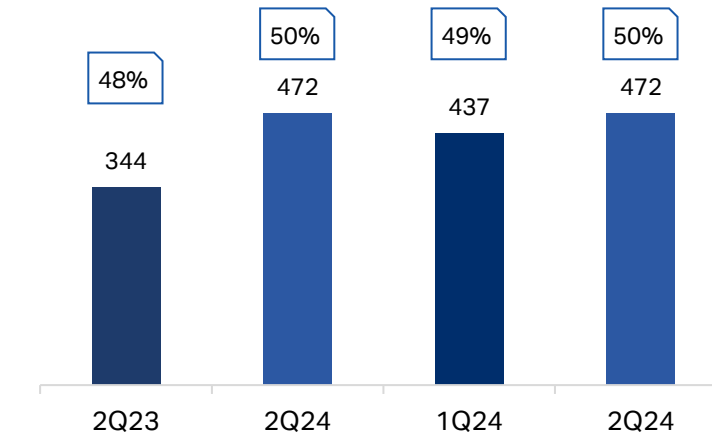
Revenue (\$ Million)

% growth



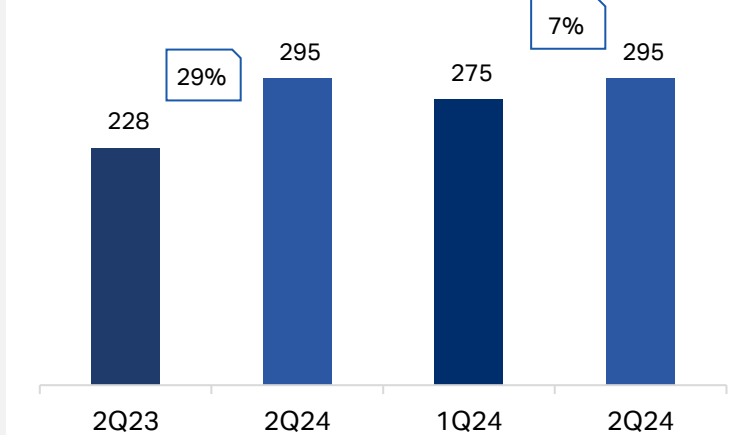
EBITDA (\$ Million)

% EBITDA margin



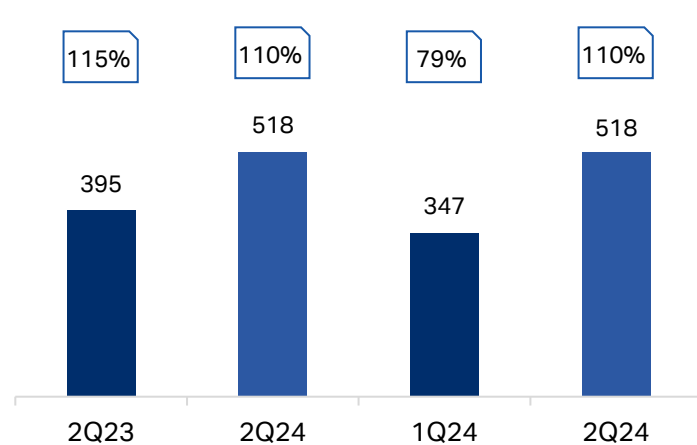
Net Income (\$ Million)

% growth



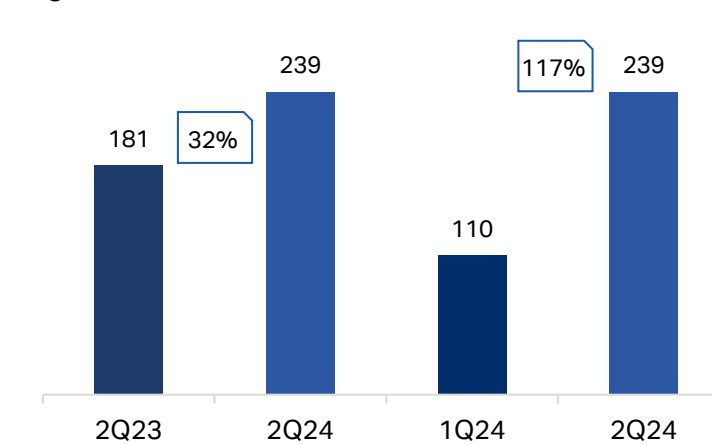
Cash from Operations (\$ Million)

% of EBITDA



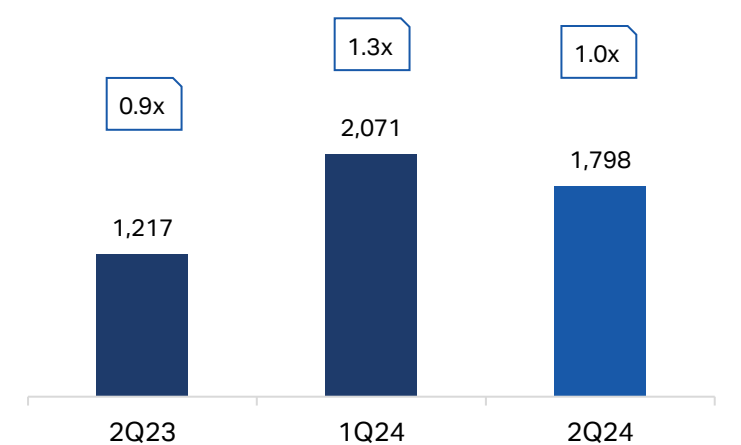
CapEx¹ (\$ Million)

% growth



Net Debt (\$ Million)

x Net Debt / LTM EBITDA



(1) Cash payments for purchase of property and equipment including prepaid delivery payments, excluding CapEx accruals.

HIGHER GROWTH TARGETS

INCREASING FULL YEAR 2024 AND MEDIUM-TERM GUIDANCE



(USD, Million)	FY2024 Previous Guidance	FY2024 New Guidance
Revenue	3,600 – 3,800	3,700 – 3,850
<i>Onshore Revenue</i>	1,600 – 1,700	1,650 – 1,750
<i>Offshore Jack-up Revenue</i>	1,000 – 1,100	1,000 – 1,100
<i>Offshore Island Revenue</i>	200 – 250	200 – 250
<i>Oilfield Services Revenue</i>	700 – 800	700 – 800
EBITDA	1,700 – 1,900	1,800 – 1,950
EBITDA Margin	48% – 50%	49% – 51%
Net Profit	1,050 – 1,250	1,150 – 1,300
Net Profit Margin	30% – 33%	31% – 34%
CapEx	750 – 950	750 – 950
Leverage Target	< 2.0x	< 2.0x

Medium-Term Guidance

- **Revenue CAGR in the 14% - 18% from 2023 base** (previous range: 12% - 16%)
- EBITDA margin around 50% with drilling margins exceeding 50% and OFS margin in a range of 22-26% medium-term
- Conservative long-term leverage target of up to 2.0x Net Debt / EBITDA
- Net working capital as percentage of revenue target of around 12%
- Maintenance CapEx post-2024 of \$200 - \$250 million per annum



أدنوك
ADNOC

To access further materials on earnings and Enersol, please click [here](#).

ADNOC Drilling



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THANK YOU

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