



Media Release:

ADNOC Drilling Delivers Record-Breaking Third Quarter Results

*Record-breaking quarterly revenue above \$1 billion,
rising 32% year-on-year*

*Exceptional results exceed market expectations,
company further updates 2024 guidance*

*Fastest growing drilling company globally, integrating
over 20 operational rigs in 2024*

*Enersol's strategic technology-centric acquisitions
continue, driving additional value creation*

Abu Dhabi, UAE – October 30, 2024: ADNOC Drilling Company PJSC (“ADNOC Drilling” or the “Company”) (ADX symbol: ADNOCDRILL / ISIN: AEA007301012) today announced record financial results for the third quarter and first nine months of 2024.

Commenting on the record third quarter results for 2024, **Abdulrahman Abdulla Al Seiri, Chief Executive Officer, ADNOC Drilling**, said: “ADNOC Drilling has once again delivered record-breaking quarterly results, driven by our commitment to strong, sustained strategic growth. This exceptional performance, alongside our pursuit of operational excellence, is reshaping our earnings potential. Key milestones, such as the positive progress of Enersol and the successful launch of Turnwell, demonstrate our ability to execute on multiple fronts.

“Our results reflect a committed focus on efficiency and expansion, thanks to the dedication of our team whose efforts ensure we consistently provide exceptional service to our customers. We remain well on-track to deliver continued accelerated growth and maximise shareholder returns.”

ADNOC Drilling’s third quarter revenue increased significantly to \$1.026 billion, rising by 32% year-on-year. The Company’s remarkable growth has been fueled by the expansion of onshore and offshore fleets, as well as the continued growth of the oilfield services (OFS) segment. This momentum has been further bolstered by the initial contributions from the Turnwell and the Enersol joint ventures.



The strong top-line performance coupled with the Company's continued and effective cost management initiatives translated into record EBITDA of \$510 million in the third quarter, up 34% year-on-year, yielding a 50% EBITDA margin. Net profit for the quarter grew by 30% year-on-year to \$335 million.

For the nine months period, revenue grew 28% year-on-year to \$2.85 billion, driven by increased activity and the expansion of OFS. Meanwhile EBITDA grew 34% year-on-year to \$1.42 billion and net profit grew 29% year-on-year to \$905 million.

At the end of the third quarter, the fleet consisted of 140 owned rigs, including four lease-to-own land rigs. In 2024 the Company has operationalized 21 rigs, including reactivations, with a further two jack-up rigs scheduled to join the fleet in the fourth quarter. The Company expects the owned fleet to be 142 by year end.

Strong Cross Segment Growth

- **Onshore:** Revenue in the third quarter increased 29% year-on-year to \$487 million, mainly due to new rigs commencing operations.
- **Offshore Jack-up:** Revenue for the quarter grew 46% year-on-year to \$290 million, due to higher activity from jack-ups compared to last year, as the offshore operations expanded.
- **Offshore Island:** Revenue stood at \$52 million during the quarter, with EBITDA at \$32 million and net profit at \$22 million.
- **Oilfield Services (OFS):** Revenue increased 36% year-on-year to \$197 million, mainly driven by increased activity in directional drilling and drilling fluids. The overall volume of activity of the segment is expected to increase in the final part of the year, in-line with planned phasing and driven by a ramp-up in IDS rigs and the unconventional business.

Key Financial Metrics

USD Millions	3Q 24	3Q 23	% Change	2Q 24	% Change	9M 24	9M 23	% Change
Revenue	1026	776	32%	935	10%	2847	2216	28%
EBITDA	510	381	34%	472	8%	1419	1058	34%
Net Profit	335	257	30%	295	14%	905	704	29%

Earnings per share (USD/share)	0.021	0.016	30%	0.018	14%	0.057	0.044	29%
Capital Expenditure	-197	-592	-67%	-239	-18%	-544	-849	-36%
Cash from Operations	315	337	-7%	518	-39%	1180	958	23%
EBITDA Margin	50%	49%	1%	50%	0%	50%	48%	2%
Net Profit Margin	33%	33%	0%	32%	1%	32%	32%	0%

Updated Guidance

Driven by increased visibility and the strong first nine-month results, ADNOC Drilling positively updated its guidance for full year 2024.

ADNOC Drilling's updated full year 2024 financial guidance is presented below:

USD Million	FY2024 Previous Guidance	FY2024 New Guidance
Revenue	3,700 - 3,850	3,800 - 3,900
<i>Onshore Revenue</i>	1,650 - 1,750	1,700 - 1,800
<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	1,800 - 1,950	1,850 - 1,950
EBITDA Margin	49% - 51%	49% - 51%
Net Profit	1,150 - 1,300	1,200 - 1,300
Net Profit Margin	31% - 34%	31% - 34%
CapEx	750 - 950	800 - 900
Leverage Target	< 2.0x	< 2.0x

ADNOC Drilling's medium-term guidance is updated as follows:

- Revenue CAGR in the 14% - 18% range from 2023 base.
- Around 50% conventional EBITDA Margin, with Drilling conventional margins exceeding 50% and OFS margin in the range of 22% - 26% over the 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. This CapEx excludes organic and inorganic growth capex



Activity During the Third Quarter

Three AI Enabled Island Rig Contract Award

In July, ADNOC Drilling was awarded a \$733 million contract for 3 new artificial intelligence enabled island rigs, in support of growing operations at the offshore Zakum field. The award follows existing agreements with revenue underpinned by long-term contract durations and guaranteed returns. The delivery of rigs and the commencement of operations is expected during 2026.

Enersol Strategic Acquisitions Propel Exceptional Third Quarter

In the quarter, Enersol, the technology focused investment joint venture between ADNOC Drilling and Alpha Dhabi signed an agreement to acquire a 51% stake in NTS Amega, subject to regulatory approval. NTS Amega is a leading global provider of advanced manufacturing, complex tool repair and rental solutions for the oil and gas sector. Its range of solutions for technically challenging processes have a track record of improving efficiency and reducing costs.

During the quarter, Enersol also signed an agreement to acquire 100% of EV Holdings, a leading downhole visualization company. EV Holdings is a global provider of vision-based diagnostics and analytical services in the global oil and gas sector, with 116 patents. Its technology supports well operators to make timely and informed decisions that increase operational efficiency, maximize production, and reduce costs. This third acquisition by Enersol, subject to regulatory approvals, will bring the total capital commitments to circa \$550 million since inception in January 2024.

A transaction to acquire an additional 42.2% equity stake of Gordon Technologies was closed in early September 2024, bringing Enersol's total equity stake to 67.2%. Gordon Technologies, a leading provider of measurement while drilling technology, completed the set-up of its Abu Dhabi business and started field operations in the MENA region during the quarter.

ADNOC Drilling Added to MSCI's Flagship Indexes

In September, following an announcement in mid-August by MSCI, ADNOC Drilling was added to MSCI's flagship indexes including MSCI EM, and MSCI UAE, becoming the 12th member of the MSCI UAE index.

Inclusion in MSCI indexes provides greater visibility among global investors in financial markets. Inclusion is expected to boost liquidity, given the expected passive inflows as well as potential appetite from active institutional investors tracking MSCI indexes.



Turnwell Agreements Signed and Unconventionals Program Accelerated

ADNOC Drilling also announced during the quarter the signing of the Turnwell joint venture with SLB and Patterson-UTI, as well as the acceleration of the previously awarded \$1.7 billion 144-well, unconventional oil and gas program. ADNOC Drilling through its wholly owned subsidiary ADH RSC LTD holds a 55% majority equity stake in Turnwell, SLB holds 30% and Patterson-UTI holds the remaining 15%.

Following the successful establishment of Turnwell and the completion of the initial wells, ADNOC has accelerated the campaign's completion timeline. The economic impact of the acceleration will positively support ADNOC Drilling's full year 2025 earnings as well as its long-term growth through the potential acceleration of phase two with thousands of additional wells.

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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 integrated drilling services (IDS) 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 the UAE's gas growth. ADNOC Drilling incorporated IDS 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

For media inquiries please contact:

Iain Cracknell
Vice President, Corporate Communications
+971 2 698 3614

For investor inquiries please contact:

Massimiliano Cominelli
Vice President, Investor Relations
+971 2 698 3383