

ADNOC Drilling Significantly Grows First Half Net Profit by 34% to \$379 Million and Announces Increase of 5% for Interim Dividend to \$341 Million

Industry-leading fleet utilization of 98% and exceptional progress on cost performance results in H1 22 EBITDA of \$580 million, up 16% year-on-year

Margin enabling fleet expansion program accelerates, with eight new rigs added in H1 22

Board of Directors announces increased interim dividend of \$341 million, 7.83 fils per share, for the 2022 financial year, increasing by 5% in line with progressive dividend policy

Abu Dhabi, UAE – August 9, 2022: ADNOC Drilling Company PJSC (ADNOC Drilling or the Company) (ADX symbol: ADNOC DRILL / ISIN: AEA007301012) today announced its financial results for the half year and second quarter ending June 30, 2022.

ADNOC Drilling's net profit for the first half significantly grew by 34% to \$379 million, while revenue increased 13% to \$1.27 billion compared to the same period last year. First half EBITDA was \$580 million, up 16% year-on-year, with a market-leading margin of 45.7%, as the Company made exceptional progress on delivering further cost savings.

Year-on-year revenue growth was led by the Onshore segment, as ADNOC Drilling continues to enable ADNOC's program to significantly grow production capacity. The company's Oilfield Services ("OFS") segment also achieved strong year-on-year gains.

Second quarter revenue grew 11% year-on-year to \$669 million, driven primarily by the Onshore and OFS segments. Q2 22 EBITDA increased by 7% from the previous quarter as it climbed to \$300 million for the period. Q2 22 net profit grew 17% from the previous quarter and by 19% year-on-year, to \$204 million.

- **Onshore:** Revenue for the first half was \$702 million, up 24% on 1H 21, largely driven by new rigs joining the fleet. Second quarter revenue was \$383 million, up 33% on Q2 21. Overall operating rig days and underlying revenue in Q2 22 was higher than in the prior corresponding period.
- **Offshore Jackup:** Revenue for the first half was \$288 million, broadly flat vs. the prior year. Q2 22 revenue was \$144 million, down 8% vs Q2 21 due to the activity mix and delays in the replacement of rented rigs with owned units.



- **Offshore Island:** Revenue for the first half was \$101 million, similar to 1H 21. Q2 22 revenue of \$51 million was down 26% year-on-year due to accounting movements in the prior period.
- **Oilfield Services (OFS):** The OFS segment performed well in the first half with revenue of \$179 million, up 14% on 1H 21, driven by higher activity from continued expansion, with healthy margin development. Q2 22 revenue was \$91 million, up 5% year-on-year.

ADNOC Drilling reported a fleet utilization rate of 98%¹ for the half year to June 30, 2022.

The Company's bold rig fleet expansion program gained further momentum in H1 22, with eight rigs added to the fleet. Five Helmerick & Payne FlexRigs were added in Q1 22 and sale and purchase agreements were signed for three premium offshore jack-ups in Q2 22. The total value of these acquisitions forms part of the Company's three-year capital expenditure guidance of \$2.5-3 billion, as well as its strategic roadmap to grow the fleet to 122 rigs by the end of 2024.

In line with ADNOC Drilling's sustainable and progressive dividend policy, the Board of Directors announced an increase in the interim, half-year dividend of 5% to \$341 million, 7.83 fils per ordinary share, in respect of the 2022 financial year, payable in the fourth quarter. The growth in dividend reflects ADNOC Drilling's strong and visible future cash flow, while providing ample headroom to invest in long-term future growth.

His Excellency Dr. Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology, ADNOC Managing Director and Group CEO, and Chairman of ADNOC Drilling, commented: "ADNOC Drilling has continued to make strong progress in 2022 delivering on its promises to continue growing the business and maximizing returns for our shareholders. Excellent half year results and successful strategic execution are testament to the vital role that the Company is playing in enabling significant production capacity growth for ADNOC as well as the UAE's objective to achieve gas self sufficiency. As part of the previously announced dividend policy, the Board is pleased to confirm the interim dividend per share will reflect a 5% increase to 7.83 fils, bringing the first payment of fiscal year 2022 to \$341 million."

Abdulrahman Abdullah Al Seiari, Chief Executive Officer of ADNOC Drilling, commented: "These results were enabled by our clear strategic objectives, the commitment of our highly-skilled and dedicated workforce and our unwavering commitment to industry-leading health and safety standards. Our fleet expansion program has gained real momentum and is central to our dynamic growth strategy. The rigs we have added to our fleet in H1 22 will support us in delivering on our resolute commitments to our shareholders, including ADNOC, as it works towards its production capacity targets and gas self-sufficiency for the UAE."

¹Utilization rate based on rig availability - Cumulative of (Rig days less actual maintenance days less rig related non-productive time less actual rig move days) divided by Cumulative of (Rig days less planned maintenance days less planned rig move days).

²Capital expenditure – Payments for purchase of property and equipment as per cash flow statement.

³Cash from Operating Activities – Net profit for the period adjusted for non cash items and working capital changes as per cash flow statement.

ADNOC Drilling's bold fleet expansion program enables the Company to support a growing number of world-scale projects in the UAE, as evidenced by a number of significant contract awards in recent weeks. On July 27, ADNOC Drilling was awarded \$2 billion in contracts for offshore drilling units and Integrated Drilling Services ("IDS") to support the delivery of ADNOC's Ghasha offshore gas mega project. On August 5, the company confirmed the agreement of contracts to the value of an additional \$3.4 billion for 8 high-specification premium jack-up rigs to support ADNOC Offshore drilling operations.

Key Financial Metrics

USD Millions	Q2 2022	Q2 2021	% Change	HY22	HY21	% Change
Revenue	669	601	11%	1,270	1,123	13%
EBITDA	300	292	3%	580	500	16%
Net Profit	204	172	19%	379	282	34%
Earnings per share (USD/share)	0.013	0.011	18%	0.024	0.018	33%
Capital Expenditure ²	(207)	(148)	40%	(285)	(283)	1%
Cash from Operating Activities ³	205	291	-30%	818	479	71%

-ENDS-

About ADNOC Drilling

ADNOC Drilling, listed on the Abu Dhabi Securities Exchange (ADX symbol "ADNOCDRILL"; ISIN AEA007301012), is the largest national drilling company in the Middle East by rig fleet size, as well as the sole provider of drilling rig hire services and certain associated rig-related services to ADNOC Group. The company is a critical link in ADNOC's upstream business, as ADNOC continues to move towards its oil production capacity targets enables gas self-sufficiency for the UAE. ADNOC Drilling is also the first national Integrated Drilling Services (IDS) company in the region, offering start-to-finish wells and services that encompass the entire drilling value chain. To find out more, visit: www.adnocdrilling.ae

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