

ADNOC Drilling Announces Strong Results for the Nine Months to September 2022 with Significant Net Profit Growth of 24% to \$568 Million

Robust financial and operating performance continues into the third quarter for ADNOC Drilling as it celebrates first anniversary since listing on ADX

Industry-leading fleet utilization supports nine-month revenue growth of 15% year-on-year, to reach \$1.94 billion

Continued growth is underpinned by margin-enhancing fleet expansion program, with nine new rigs added so far in 2022

Abu Dhabi, UAE – 14 November 2022: ADNOC Drilling Company PJSC (ADNOC Drilling or the Company) (ADX symbol: ADNOCDRILL / ISIN: AEA007301012) today announced its financial results for the nine months and third quarter ended 30 September 2022.

ADNOC Drilling's net profit for the nine-month period grew significantly, by 24% to \$568 million, while revenue increased 15% to \$1.94 billion compared to the same period last year. Nine-month EBITDA was \$879 million for 2022, up 12% year-on-year, at an industry-leading EBITDA margin of 45.3%.

Year-on-year revenue growth was led by the Onshore segment, with ADNOC Drilling positioned as a key enabler of ADNOC's ambitious program to significantly boost production capacity. The Company's Oilfield Services ("OFS") segment equally achieved very strong year-on-year gains.

Third quarter revenue grew 17% year-on-year to \$671 million, driven primarily by the Onshore and OFS segments. Third quarter EBITDA increased by 5% year-on-year to \$299 million for the period. Net profit for the third quarter grew by 6% year-on-year to \$189 million.

Abdulrahman Abdullah Al Seiri, Chief Executive Officer of ADNOC Drilling, commented: *"Our strong nine-month results were underpinned by the consistent execution of our strategic priorities as we continue to prove our value as a reliable and efficient operator and fast-growing drilling leader. Our accelerating rig fleet expansion program is a prime example. Supporting the UAE's long-term production capacity targets, the program is already paying off as new rigs commence operations. A significant number of additional rigs are scheduled to come onstream in the fourth quarter, further boosting our financial and operating performance as we head towards 2023 and continued shareholder value creation."*

“Sustainability continues to be a major focus as we deliver on our commitment to reduce and, where possible, eliminate emissions from our operations. We are also partnering with our customers to support their sustainability goals. An example is the recently delivered 50,000ft extended reach well for ADNOC Offshore in the giant Zakum field, tapping into an undeveloped part of the reservoir. This well helps unlock an additional production capacity of 15,000 barrels per day and achieves this without the need for further costly infrastructure and with minimal environmental footprint, and is the world’s longest extended reach well. Such pioneering drilling engineering achievements, reinforce ADNOC Drilling’s prime position in the drilling and completion services industry.”

On 3 October 2022, ADNOC Drilling celebrated one year since listing on the Abu Dhabi Securities Exchange (ADX). At the time, the initial public offering was the largest listing in the history of the exchange and was 31 times oversubscribed. Since listing, the Company has delivered a total shareholder return of 53.7%¹ as at 30 September 2022.

Al Seiri concluded: *“As we celebrate our first anniversary as an ADX-listed company, we are proud of the value we have created for shareholders, with our progressive dividend policy having distributed \$666.25 million to investors since listing. At the same time, we have added more than \$13 billion of contract backlog, achieved strong top- and bottom-line growth, and expanded our owned rig fleet from 95 to 108. We are excited for the year ahead, and look forward to continued growth in 2023 and beyond.”*

Strong Growth for Onshore and OFS; Offshore Performance Stable

- **Onshore:** Revenue for the nine-month period was \$1,074 million, up 27% year-on-year, largely driven by new rigs joining the fleet. 3Q 2022 revenue was \$372 million, up 33% year-on-year.
- **Offshore Jackup:** Revenue for the nine-month period was \$431 million, broadly flat versus the prior year. 3Q 2022 revenue was \$143 million and, due to planned maintenance, down 9% year-on-year. During the third quarter, ADNOC Drilling was awarded two contracts at a combined value of \$3.4 billion to provide eight jack-up rigs to ADNOC Offshore.
- **Offshore Island:** Revenue for the nine-month period was \$153 million, similar to 2022. 3Q 2022 revenue of \$52 million was down 14% year-on-year due to a one-off claim concluded and recognised in 3Q 2021. During the third quarter, ADNOC Drilling was awarded a \$711 million contract for the provision of four Island Drilling Units for up to ten years for ADNOC’s Hail and Ghasha Development Project.
- **Oilfield Services (OFS):** The OFS segment performed very well in the nine-month period, with revenue of \$282 million, up 22% year-on-year, driven by higher activity from continued expansion, with healthy margin development. 3Q 2022 revenue was \$103 million, up 40% year-on-year. During the third quarter, the OFS business was

¹ Source: Bloomberg

awarded contracts totalling \$1.3 billion by ADNOC for the Hail and Ghasha Development Project, to provide integrated drilling services and fluids for up to ten years. In addition, OFS was awarded a \$23 million contract by ADNOC Onshore for up to five years' supply of production chemicals; as well as a four-year \$2 million well head maintenance contract by Al Dhafra Petroleum.

The Company has accelerated its rig fleet expansion program during the course of 2022, and in the third quarter signed two sale and purchase agreements to acquire a further three premium jack-up drilling units for \$210 million.

Key Financial Metrics

USD Millions	3Q 2022	3Q 2021	% Change	9M 2022	9M 2021	% Change
Revenue	671	571	17%	1,940	1,694	15%
EBITDA	299	285	5%	879	785	12%
Net Profit	189	178	6%	568	460	24%
Earnings per share (USD/share)	0.0118	0.0112	5%	0.0355	0.0287	24%
Capital Expenditure ²	224	171	31%	508	454	12%
Cash from Operating Activities ³	317	242	31%	1,135	721	58%

-ENDS-

About ADNOC Drilling

ADNOC Drilling, listed on the Abu Dhabi Securities Exchange (ADX symbol "ADNOCDRILL"; ISIN AEA007301012), is the largest drilling company in the Middle East Operating and owns one of the largest multi-discipline drilling fleets in the world. The Company is a critical link in ADNOC's upstream business, as ADNOC continues to move towards its oil production capacity targets and enables gas self-sufficiency for the UAE. ADNOC Drilling incorporated Integrated Drilling Services into its portfolio in 2018 and now offers start-to-finish wells and 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:

Nicolas Robert
 Vice President, Investor Relations
 +971 2 698 3499

² Cash from Operating Activities – Net profit for the period adjusted for non cash items and working capital changes as per cash flow statement.

³ Capital expenditure – Payments for purchase of property and equipment as per cash flow statement.