

## ADNOC Drilling Announces Exceptional 2022 Results, Beating Market Expectations, Net Profit Hits Record \$802 Million, Up 33% Year-on-Year

*Outstanding operational growth drives FY22 revenue to \$2.67 billion, up 18% year-on-year*

*Powerful revenue momentum, coupled with excellent progress on cost efficiency, drives EBITDA to \$1.23 billion*

*Highest-ever quarterly revenue of \$733 million recorded in 4Q22, supported by new rigs joining the operational fleet*

*Company initiates full year 2023 guidance as a result of accelerated activity*

**Abu Dhabi, UAE – February 13, 2023:** ADNOC Drilling Company PJSC (“ADNOC Drilling” or the “Company”) (ADX symbol: ADNOCDRILL / ISIN: AEA007301012) today announced its financial results for the fourth quarter and full year ending December 31, 2022.

ADNOC Drilling’s revenue for the year increased to \$2.67 billion, up a robust 18% compared to 2021. Year-on-year revenue growth was led by the Onshore and Oilfield Services (OFS) segments, while all segments achieved positive year-on-year performance as the Company enables ADNOC’s accelerated production capacity target of 5 million barrels per day by 2027.

The Company achieved record revenue, EBITDA and net profit during the fourth quarter of 2022, while its bold fleet expansion program delivered the highest-ever number of operational rigs – bolstering growth and charting a clear course for further expansion in 2023 and beyond. The Company’s accelerated rig acquisition program added 16 new drilling units in 2022, establishing one of the world’s largest drilling and well completion fleets consisting of 115 rigs.

Full year EBITDA was \$1.23 billion, with a margin of over 46%, as ADNOC Drilling made excellent progress on the delivery of further cost efficiencies. Net profit for the twelve-month period was a record \$802 million, up 33% year-on-year. During the fourth quarter of 2022, ADNOC Drilling delivered its highest-ever quarterly revenue of \$733 million, up 27% year-on-year, EBITDA of \$353 million, up 35%, and net profit of \$234 million, up 61%. This significant growth was driven primarily by new rigs entering the operational fleet.

- **Onshore:** Revenue for the full year was \$1.45 billion, up 27% over 2021, principally driven by new fleet additions. Year-on-year, 4Q22 revenue was up 29% to \$379 million, largely driven by the resultant increase in drilling activity.
- **Offshore Jack-up:** Revenue for the full year was \$611 million, a 3% increase compared to 2021. The growth of the segment started accelerating towards the end of



the year, with 4Q22 revenue of \$180 million and EBITDA of \$108 million, an increase of 23% and 30% respectively, reflecting new jack-up rigs joining the operational fleet.

- **Offshore Island:** Revenue for the full year versus 2021 was flat at \$204 million. 4Q22 revenue was \$51 million, up 34% compared to 4Q21. EBITDA decreased marginally, down 5% year-on-year due to one-off revenue claims in 2021 for standby Island Rigs.
- **Oilfield Services (OFS):** Revenue was \$405 million for the full year, an increase of 23% compared to 2021. Record quarterly revenue of \$123 million was achieved in 4Q22 due to additional offshore unconventional activity during the quarter.

ADNOC Drilling reported a fleet utilization rate of 95%<sup>1</sup> for the year ending December 31, 2022, delivering exceptional revenue efficiency. Cash from operations<sup>2</sup> increased 29% year-on-year to \$1.52 billion supporting a free cash flow of \$588 million. Full year 2022 capital expenditure<sup>3</sup> increased by 62% to \$942 million, as the Company delivered on its ambitious plans to expand its fleet to meet customer demand.

ADNOC Drilling initiates its first ever year-ahead guidance. The Company expects total revenue between \$3.0 to \$3.2 billion, which represents year-on-year growth of up to 20%. EBITDA in a range between \$1.35 to \$1.5 billion, with a very healthy margin of 45% to 47%. We also anticipate a new record net profit of \$850 million to \$1 billion, again continuing the growth from \$600 million in 2021 to \$800 million in 2022 and now to this new level in 2023. Capital expenditure<sup>3</sup> is forecast to be in a range of \$1.3 to \$1.75 billion this year, while we plan to maintain our leverage ratio target below 2.0x. In light of the strong performance in 2022 and our progressive dividend policy, the final dividend for 2022 is expected to increase by a minimum of 5%, in line with the highly competitive and progressive 5-for-5 dividend policy demonstrating a commitment to sustained value creation for shareholders.

**Abdulrahman Abdulla Al Seiri, Chief Executive Officer of ADNOC Drilling**, commented: “I am proud of the outstanding results that ADNOC Drilling has delivered over the past 12 months. In addition to record net profit of \$802 million for the year, I am particularly pleased with the over \$10 billion of contract backlog we were awarded in the year by our long-term, highly supportive customers. These record results were enabled by our clear strategic objectives, the hard work of our highly-skilled and dedicated workforce, and our commitment to industry-leading health and safety standards. We are excited about the year ahead as we accelerate our business growth and build out our assets to enable ADNOC to realize its 2027 capacity targets, and we have released updated guidance accordingly.”

<sup>1</sup> Utilization 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).

<sup>2</sup> Cash from operations – Net cash generated from operating activities

<sup>3</sup> Capital expenditure – Additions to property and equipment including prepayments

### Key Financial Metrics

USD Millions	4Q22	4Q21	% Change	FY22	FY21	% Change
Revenue	733	575	27%	2,673	2,269	18%
EBITDA	353	262	35%	1,232	1,047	18%
Net Profit	234	145	61%	802	604	33%
Earnings per share (USD/share)	0.015	0.009	63%	0.050	0.038	33%
Capital Expenditure <sup>4</sup>	(434)	(129)	236%	(942)	(583)	62%
Cash from Operations <sup>5</sup>	389	458	(15%)	1,524	1,179	29%

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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 accelerates its 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 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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<sup>5</sup> Cash from operations – Net cash generated from operating activities