



ADNOC L&S Reports 162% Year-on-Year Increase in Net Profit for the First Nine Months of 2023

Company delivers an outstanding performance for the first nine months of 2023, with year-on-year revenue growth of 49% and EBITDA increase of 124%

Strong growth and profitability underpinned by expansion of Integrated Logistics services activities, Zakher Marine International Holdings' acquisition and robust charter rates for Tankers and Gas Carriers

ADNOC L&S continues to deliver on its smart growth strategy and expand its environmentally efficient fleet with dual-fuel engines

Company reaffirms its commitment to deliver attractive shareholder returns with an interim dividend payment of \$65 million for Q2 2023

Abu Dhabi, UAE – November 13, 2023: ADNOC Logistics and Services plc (ADNOC L&S) (ADX symbol ADNOCLS / ISIN AEE01268A239), a global energy maritime logistics leader, today announced exceptional financial results for the first nine months of 2023.

In the first nine months of 2023, ADNOC L&S delivered a net profit of \$455 million, or \$0.06 per share. This represents a 162% year-on-year (y-o-y) increase over the net profit of \$173 million for the first nine months of 2022.

The Company generated revenues of \$1,927 million in the first nine months of 2023, marking an increase of 49% over the same period in 2022. The Company reported an EBITDA of \$635 million in the first nine months of 2023, representing a 124% y-o-y increase due to a strong performance from all business segments. This was driven in part by an EBITDA margin



expansion of 11 percentage points to 33% in the first nine months of 2023 over the same period of last year, resulting from strength in the Shipping and Jack-Up Barges (JUB) markets, and targeted improvements in operating costs and efficiencies.

Third quarter revenue increased by 30% y-o-y to \$702 million mainly driven by strong growth in the Integrated Logistics segment. EBITDA increased by 57% y-o-y to \$218 million in the third quarter. Net profit for the third quarter grew by 46% y-o-y to \$148 million.

Commenting on the Company's results, **Captain Abdulkareem Al Masabi, CEO of ADNOC L&S**, said: "We are pleased to report another set of outstanding results driven by substantiated progress towards our smart growth strategy. Our continued profitable growth coupled with strong positive cash delivery positions us to continue financing our transformational investment program whilst rewarding our shareholders for their support and trust in ADNOC L&S. Looking ahead, we continue to actively seek smart well-timed growth opportunities that are in-line with our sustainability priorities to cement our position as a global energy maritime logistics leader."

Segmental Financial Performance in 9M 2023

The **Integrated Logistics** segment reported revenues of \$1,185 million, an increase of 108% y-o-y. This performance follows the successful acquisition of Zakher Marine International Holdings (ZMI) and an expanded Integrated Logistics service offering. Integrated Logistics reported EBITDA of \$371 million, an increase of 320% y-o-y. The EBITDA margin increased to 31% (9M 2022: 16%).

The **Shipping** segment reported revenues of \$608 million, a slight increase of 1% y-o-y. Shipping EBITDA increased 30% y-o-y to \$239 million while EBITDA margin expanded to 39% (9M 2022: 30%) supported by healthy charter rates for Tankers and Gas Carriers.

Revenues from the **Marine Services** segment grew 9% y-o-y to \$134 million. This generated an EBITDA of \$27 million, an increase of 8% y-o-y.

ADNOC L&S is progressing positively in executing its smart growth strategy. During Q3 2023, the Company took delivery of eight self-propelled JUBs, six owned and two chartered-in. With this expansion, the fleet of JUBs owned and/or operated by ADNOC L&S has increased by 25% from 31 to 39, reinforcing the Company's status as the owner/operator of the world's largest fleet of self-elevating, self-propelled JUBs. During the quarter, the Company took



delivery of two additional newbuild LNG dual-fuel Very Large Crude Carriers (VLCCs), increasing the total delivered year-to-date to three. Their dual-fuel capability allows them to run on the transitional fuel LNG, as the Company works towards meeting ADNOC Group's 2045 net zero target. The fourth vessel is set to join the ADNOC L&S fleet later this year.

Following its successful IPO in June 2023, the Board of Directors last month approved the distribution of an interim cash dividend of \$65 million for Q2 2023, equivalent to 3.2 fils per share, reaffirming the Company's commitment to deliver attractive returns to its shareholders.

Financial Summary

USD Million	Q3 23	Q2 23	QoQ %	Q3 22	YoY %	9M 2023	9M 2022	YoY %
Revenue	702	632	11%	539	30%	1927	1295	49%
EBITDA ⁽¹⁾	218	219	0%	139	57%	635	284	124%
Net Profit	148	162	-9%	101	46%	455	173	162%
Net cash from Operating Activities	345	85	305%	49	608%	647	107	506%

⁽¹⁾ EBITDA is defined as profit before income tax, finance costs, finance income, depreciation and amortisation

Outlook

The Company reiterates medium-term targets which are as follows:

- Group Revenues: We target mid-to-high single-digit growth year-on-year in the medium term.
- Group EBITDA: We target an EBITDA margin of above 30% in 2023. Over the medium term, we target average annual EBITDA growth in the low teens towards an EBITDA margin of 35%.
- Capital Structure: We target 2.0-2.5x net debt / EBITDA over the medium term.

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About ADNOC Logistics & Services

ADNOC Logistics & Services, listed on the Abu Dhabi Securities Exchange (ADX symbol ADNOCLS / ISIN “AEE01268A239”) is a global energy maritime logistics company based in Abu Dhabi. Through its three business units; integrated logistics, shipping and marine services, ADNOC L&S delivers energy products to more than 100 customers in over 50 countries.

To find out more, visit: www.adnocls.ae

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