# ADNOC LOGISTICS& SERVICES

INTEGRATED LOGISTICS | SHIPPING | SERVICES

# Agenda

# Our Journey

## 2016

**CREATION OF ADNOC L&S VIA INTEGRATION OF ADNATCO, ESNAAD AND IRSHAD**

### Realized merger synergies
- Operations efficiency and unified solutions for the combined entity

### Delivered accretive Shipping growth plan
- Established AW Shipping JV[4] now operating 6 VLGCs with long-term contracts
- Added VLCC,VLGC, LNG new builds and Ultramax

### Expanded Integrated Logistics
- Launched ILSP
- Expanded into Jack-Up Barges (JUBs) and new markets
- Acquired largest warehouse in UAE for Borouge
- Acquired assets and resources of Speedy Abu Dhabi
- Entered a 25-year contract with Borouge UAE gateway
- Secured a 10-year contract with ADNOC to provide marine and logistics services for H&G

### Secured future for Marine Services
- Entered 25-year contract with PPA
- Secured 20-year oil spill contracts for ADNOC Group
- Agreed 10-year marine services contract with AON

### Built robust platform for further expansion
- Cost rationalization
- Readiness for capital transaction
- Transformative acquisition of ZMI

### Record-Breaking IPO
- Oversubscribed by 168X
- +100% rise in share price in 2023

### Internationalization of Operations & Further Fleet expansion
- 8 LNGC, 4 VLACs and 9 VLECs new build vessels order
- 20 offshore assets added in Integrated Logistics business
- Acquisition announcement of Navig8 for US$999 million

**GLOBAL ENERGY MARITIME LOGISTICS LEADER**

## 2024

**Revenue 2017A: $0.9bn** → **+21% CAGR in 2017A–2024A** → **Revenue 2024A: $3.55bn**

# Investment Thesis

**A global Integrated Logistics and Shipping platform: Delivering resilient earnings growth backed by long-term contracts, supported by a strong balance sheet to enable highly value accretive growth against ADNOC and third-party demand, regionally and internationally**

## Long-term contracted activity

- >US$25bn of long-term contracted income at 1-Jan-25
- Strong earnings visibility with high quality counterparties such as ADNOC Offshore, ADNOC Gas and Wanhua Chemicals
- Significant long-term fixed income provides resilient profit outlook

## Platform for international growth

- Global expansion of our Integrated Logistics and Shipping
- High-quality international platforms enable rapid profitable growth
- Extensive financial capacity of additional US$3bn CAPEX to deliver further value accretive growth

## Solid financial capacity

- Financially positioned for growth– net debt to EBITDA ratio at 0.8x
- Proven capacity to delivery high-quality low-cost financing from leading names
- Strong track record of value-accretive investment
- Progressive dividend policy growing 5% p.a

## Growth opportunities

- Leading beneficiary of ADNOC’s extensive growth history & outlook
- Demonstrated success in extending services to top-tier international clientele
- Major pipeline of relevant growth opportunities
- Proven track record in delivery value accretive platform M&A

**Underpinned by**

**320+** owned vessels | Strong cash flow + earnings visibility | Financing capacity | Experienced Management

**65%** Q2-Q4 ‘25 revenues contracted | **>$10bn** growth funding over 5 yrs

# Strategic Growth Investments

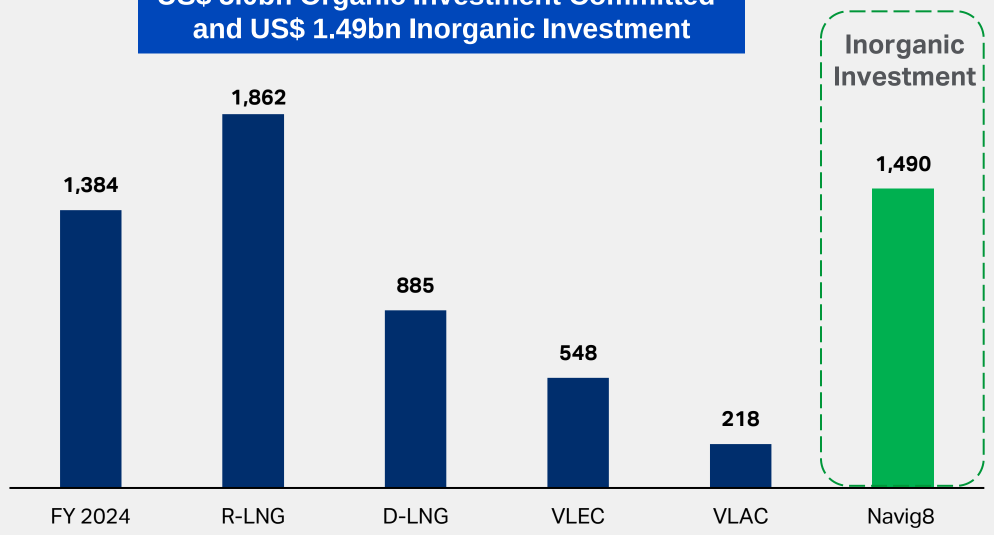
| 2022 | 2023 | 2024 | 2025 YTD |
|---|---|---|---|
| • ZMI Acquisition<br>• 6x LNG Carriers ordered; 5x contracted<br>• 28x Offshore support vessels[2]<br>• 4x VLGCs delivered[3] | • 4x VLCCs delivered<br>• 8x JUBs delivered (6x owned; 2x chartered-in)<br>• G-Island EPC contract awarded ($975m)<br>• 9x Offshore support vessels[2]<br>• 1x VLGC delivered[3] | • 8 – 10x LNG Carriers ordered; all contracted<br>• 9x VLECs ordered; all contracted<br>• 4x VLACs ordered<br>• 1 Accommodation Barge & 3 DPII offshore vessels<br>• 3x Jack-up Barges | • Navig8 Acquisition Closed (Jan) including:<br>  ◦ 15x MR + 1x MR newbuild<br>  ◦ 5x LR1<br>  ◦ 9x LR2<br>  ◦ 1x VLCC<br>  ◦ 1x Bunker Tanker<br>• 1 OSV<br>• 1 Flat Top Barge |

[1] Significant strategic growth investments. [2]Including Integrated Logistics and Marine Services. [3]VLGC delivered to ADNOC L&S joint venture AWS Shipping.

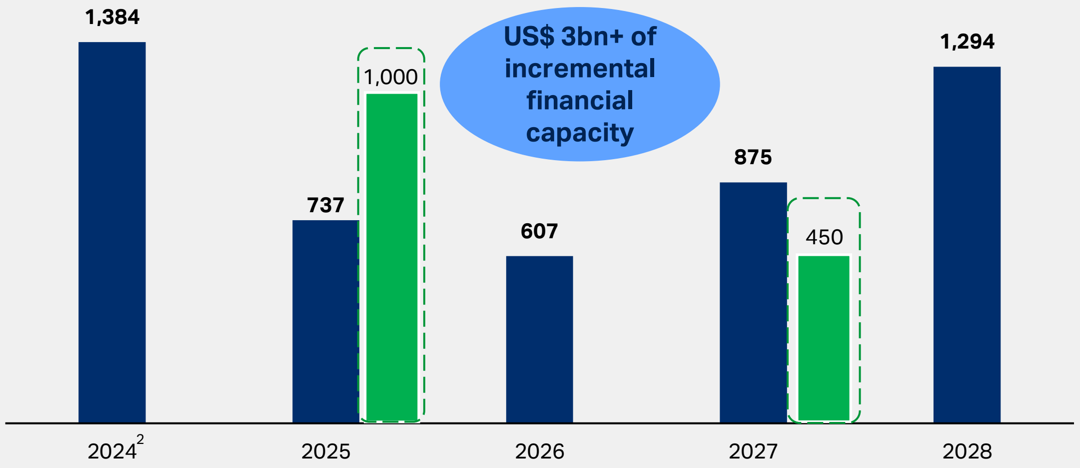
# Growth Investment Outlook & Funding Plan

## Delivering a transformational growth strategy to benefit all stakeholders

**US$ 5.0bn Organic Investment Committed[1] and US$ 1.49bn Inorganic Investment**




**Approx. US$ 7.0bn CAPEX Evolution**




## CAPEX and Funding Sources

| US$ M | 2024[3] | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|
| CAPEX | 1,384 | 1,737 | 607 | 1,325 | 1,294 |
| HCI | | 1,300 | 2,000 | 2,000 | 2,000 |
| Off-BS Debt | | 251 | 436 | 854 | 929 |

## Key Highlights

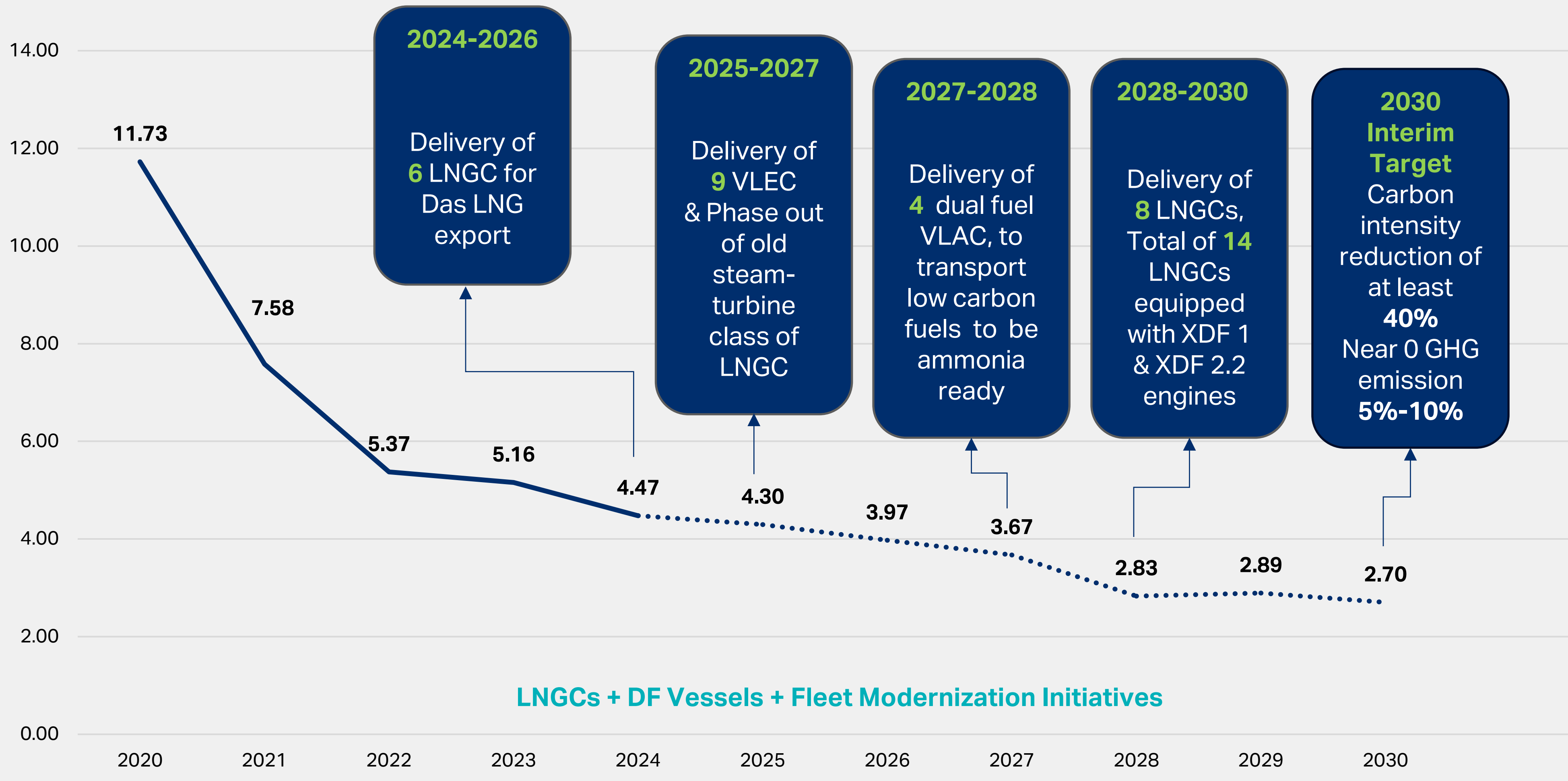
- For investment plans, ADNOC L&S targets low double digit unlevered IRRs. Meanwhile, for long-term contracts the target is high single digit IRRs
- At least US$ 3bn+ are anticipated to be additionally mobilized to new value accretive growth projects which are not yet factored into ADNOC L&S's P&L projections
- Despite robust investment plans, ADNOC L&S's financial position offers adequate financing capacity to deliver its investment plan within targeted Net Debt/EBITDA of 2.0x-2.5x.
- HCI to result in financial payments deductions from retained earnings with no P&L impact

[1] VLEC & VLAC captured at 50% and considered off-balance sheet in AWS JV
[2] FY2024 CAPEX includes 50% AWS investments for VLECs and VLACs plus accrued CAPEX
[3] 2024 On-balance sheet debt USD739 m (including leases) and in 2025 Navig8's additional debt amount

# Sustainability Strategy

## Lowering fleet carbon intensity through dual-fuel vessels and fleet modernization

### ADNOC L&S Shipping Fleet Carbon Intensity (AER[1])




An alignment with ADNOC Group's 2030 sustainability strategy and supports ADNOC Group's Net Zero by 2045 ambition and the UAE's 2050 target

Our decarbonization efforts are centered around modernizing our fleet so as the fleet ages we will continue to pursue asset renewal strategy

**2019-2024**
**57%**
**Actual reduction in carbon intensity**

**2019-2030**
**74%**
**Actual and projected reduction in carbon intensity**

[1]Annual efficiency ratio (gCO2/dwt.nm)

# ADNOC L&S Financial Performance & Guidance

# Overview of Financial Performance Q1 2025

## Q1 2025 Key Financial Highlights

- **$1,181m** Revenue ↑ 41% YoY
- **$344m** EBITDA ↑ 20% YoY
- **$185m** Net profit ↓ 5% YoY
- **$154m[1]** CAPEX
- **$202m** FCF ↑ 29% YoY

## Q1 2025 Key Business Highlights & Milestones

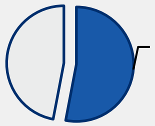
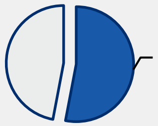
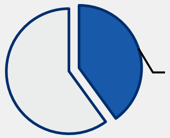
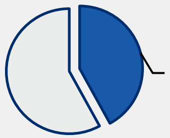
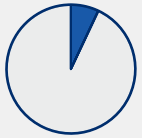
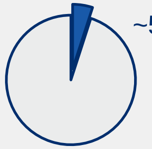
- **Integrated Logistics** profitable growth propelled by high utilization and charter rates of Jack-Up Barges (JUBs), strengthened by additional acquisitions of two JUBs in Q4 2024; chartering of additional 12 OSVs to support our expanding logistics operations and accelerated EPC project execution
- Through international investments such as **XRG**, ADNOC has mandated global investments in chemicals, gas, and low-carbon energy, offering us **significant and diverse value opportunities**
- **CAPEX investment ongoing** into 14 LNGCs[2], four VLACs[3] and nine VLECs[3] all scheduled for delivery between 2025-2028, with the majority of them being contracted up to 20-years upon delivery and completion of Navig8 acquisition

[1]Q1 2025 CAPEX includes 50% AWS investments in VLECs and VLACs plus accrued CAPEX, [2]Additional two options potentially to be exercised, [3]JV with AW Shipping,

# First Quarter 2025 Results Highlights

## Integrated Logistics & Shipping segments delivered ~30% EBITDA margins

- **Revenue US$1,181 million up 41% YoY** underpinning the resilience of the company's diversified business model where growth from the Integrated Logistics offset lower seasonal shipping rates. Navig8's contribution of US$303 million constitutes 26% of total revenue.
- **EBITDA up 20% YoY to US$344 million, with EBITDA margins to 29%**, lower YoY due to:
  - *Accelerated completion of G-island EPC project; at single digit EBITDA margins*
  - *Positive gas segment performance, early LNGC contract termination and timely medium gas carrier sale mitigate weaker YoY TCE rates in Tanker and Dry Bulk Subsegments*
- **Net profit down 5% YoY to US$185 million due to higher depreciation including fair value uplift depreciation on Navig8 and interest expense**
- **Approval of 2024 final dividend of US$136.5 million** (AED501.3 million), equivalent to 6.78 Fils per share **bringing ADNOC L&S's annual dividend to US$273 million, equivalent to 13.56 Fils per share.**

| Business Segments | Revenue | EBITDA | Commentary |
|---|---|---|---|
| **Integrated Logistics** |   US$628m 23% YoY |   US$182m 15% YoY | ▪ Higher Daily Charter Rates (DCRs) for JUB fleet, deployment of two additional JUBs acquired in Q4 2024, chartered-in 12 additional OSVs, accelerated completion of G-Island and Hail & Ghasha projects |
| **Shipping** |   US$469m 87% YoY |   US$143m 26% YoY | ▪ Revenues up by 87% YoY, mainly due to US$290 million Navig8 revenue contribution, also lifting Tankers revenue up by 154% YoY<br>▪ EBITDA growth up 26% YoY due to Navig8 integration and one-off items associated with LNG Carrier early contract termination benefits and gain on sale of MGC 'Yas' |
| **Services** |   US$84m 9% YoY |   US$18m 52% YoY | ▪ Revenue grew 9% YoY due to consolidation of Navig8's commercial pooling of US$14 million within Services segment, offsetting lower volumes handled at KIZAD port |

# Financial Summary & KPIs

ADNOC

**Strong growth metrics supported by value-adding investments and continuous efficiency enhancements**

| (US$ millions) | Q1 24 | Q1 25 | YoY % | Q4 24 | QoQ % |
|---|---|---|---|---|---|
| Revenue | 840 | **1,181** | 41% | **881** | 34% |
| EBITDA | 286 | **344** | 20% | **282** | 22% |
| EBITDA Margin | 34% | **29%** | -5pp | **32%** | -3pp |
| Net Profit | 194 | **185** | -5% | **180** | 3% |
| EPS ($ / share)[1] | 0.10 | **0.09** | -5% | **0.02** | 3% |

| | Q1 24 | Q1 25 | YoY % | Q4 24 | QoQ % |
|---|---|---|---|---|---|
| Net Debt (US$m) | (54) | **1,104** | 2157% | 540 | **104%** |
| Net Debt/EBITDA (x) | (0.05) | **0.8** | n/a | 0.48 | **68%** |
| OFCF[2] | 283 | **272** | -4% | 288 | **-5%** |
| CAPEX (US$m) | (125) | **(70)** | -44% | (450) | **-84%** |
| Free Cash Flow (US$m) | 157 | **202** | 29% | (162) | **225%** |

## Q1 2025 Financial Highlights

### Income Statements:

- Revenue increased by 41% YoY to US$1,181 million, backed by the strong performance across all segments.
- EBITDA up by 20% YoY to US$344 million due to increased JUB growth and rates, Navig8 tankers fleet consolidation and accelerated EPC project completion
- One-off P&L items include US$12 million bargain gain on Navig8[3] acquisition and US$26.5 million early contract termination of LNGC coupled with sale of a medium gas carrier.
- Depreciation expense increased by 75% YoY to US$127 million due to growth of our portfolio of assets and consolidation of Navig8's tankers fleet in addition to higher depreciation expense due to fair value uplift
- Interest expense increased to US$26 million due to bridging finance associated with the Navig8 acquisition

### Balance Sheet:

- Net debt to EBITDA increased to 0.8x compared to 0.48x at YE 2024, driven by bridging finance associated with the Navig8 acquisition
- Sufficient debt financing capacity available to support committed and future transformational growth

### Cash Flow:

- Strong free cash flow of US$202 million up 29% YoY

[1] Number of shares authorized, issued and fully paid as of 31 March 2025 equated to 7.4 billion ordinary shares of USD 0.54 each. [2]Operating Free Cash Flow [3] Bargain purchase gain captures additional 7 days in Jan 2025 from proforma balance sheet to actual transaction closure date.

# Group 2025 and Medium-Term Outlook

| | FY 2025 Growth[1] | Medium-term CAGR Growth[2] |
|---|---|---|
| **Consolidated Revenue** | Mid to high 20% YoY growth[3] | Low single-digit growth |
| **Consolidated EBITDA** | High teens YoY growth | High single-digit growth |
| **Consolidated Net Profit** | Low double-digit YoY growth | High single-digit growth |

**CAPEX**

Medium-term: Projected an additional US$3bn+ by 2029, beyond the projects already announced, achieving the targeted unlevered IRR.

**Capital Structure**

- Medium-term: Target 2.0-2.5x Net Debt to EBITDA
- Projected average all-in cost of debt finance including HCI <6.0%
- HCI financing costs are paid out of subsidiary retained earnings, hence no P&L impact

**Others**

- ADNOC L&S effective tax rate (ETR) decreased to 6% from 9% during 2025
- Navig8 acquisition accounting results in an incremental depreciation of $54m in FY 2025 on fair value uplift, reducing in subsequent years – refer to appendix
- Dividends: Targeted annual dividend per share growing by 5% annually from the 2024 dividend of US$273 million plus PCS distributions

[1]Compared to FY2024 actuals which exclude Navig8 [2] 2026-2029 CAGR [3] On consolidation & review of accounting treatment, ADNOC L&S determined accounting for commercial pooling on a net basis not recognizing revenue attributable to 3rd parties contrary to Navig8's previous treatment; partially offset by gross reporting of subchartering. This is IFRS compliant, as a result revenue decreases while EBITDA and Net Income remain unchanged.

# Segmental 2025 & Medium-Term Outlook

| | Revenue Guidance | EBITDA Guidance |
|---|---|---|
| **Integrated Logistics** | **2025:** Low to mid single-digit YoY growth<br>**MT:** Low single-digit reduction | **2025**: Mid to high teens YoY growth<br>**MT:** Low single-digit growth |
| Offshore Contracting | **2025:** Higher material handling volumes, deployment of new JUBs with high utilization, Hail & Ghasha project acceleration<br>**MT:** Sustainable volume growth enhancing operational efficiency to manage higher volumes effectively with continued high utilization | |
| Offshore Services | **2025:** Increasing the fleet of both owned and third-party offshore chartered vessels to enhance operational capacity and flexibility<br>**MT:** Expanding the number of managed vessels to improve service offerings and operational efficiency | |
| Offshore Projects | **2025**: Completion of G-Island and other EPC Projects in 2025<br>**MT:** Continue to enhance EPC capabilities in the marine sector to support maritime logistics projects | |
| **Shipping** | **2025:** Low 80%s YoY growth<br>**MT:** High single-digit growth | **2025**: Mid to high 20%s YoY growth<br>**MT:** Mid teens growth |
| **Tankers** | **2025:** Expansion in tankers fleet with Navig8 acquisition adding 32 tankers<br>**MT**: A weaker start to 2025 tanker rates followed by anticipated market tightening | |
| **Gas Carriers** | **2025:** Continued softness in LNG rates gradually abates with new products coming online, driven by a high number of vessel deliveries and limited additional liquefaction capacity<br>**MT:** High growth in 2026-29 due to 5x new LNGCs then another 8x LNGCs less 2x aged vessels targeted for disposal | |
| **Dry-bulk & Containers** | **2025**: Vessel demand for Sulphur cargoes in 2025 likely at a slower pace compared to the previous year<br>**MT**: Sentiment remains mixed with every market trying to assess the tariff impact | |
| **Services** | **2025:** Low double-digit YoY growth<br>**MT:** Mid single-digit growth | **2025**: High teens YoY growth<br>**MT:** Mid teens growth |

Note: MT = Medium Term 2026-2029 CAGR

# ADNOC L&S Value Efficiency Initiatives

**Driving further profitability through continual value improvement initiatives across the platforms**

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**Value Efficiency Initiatives**

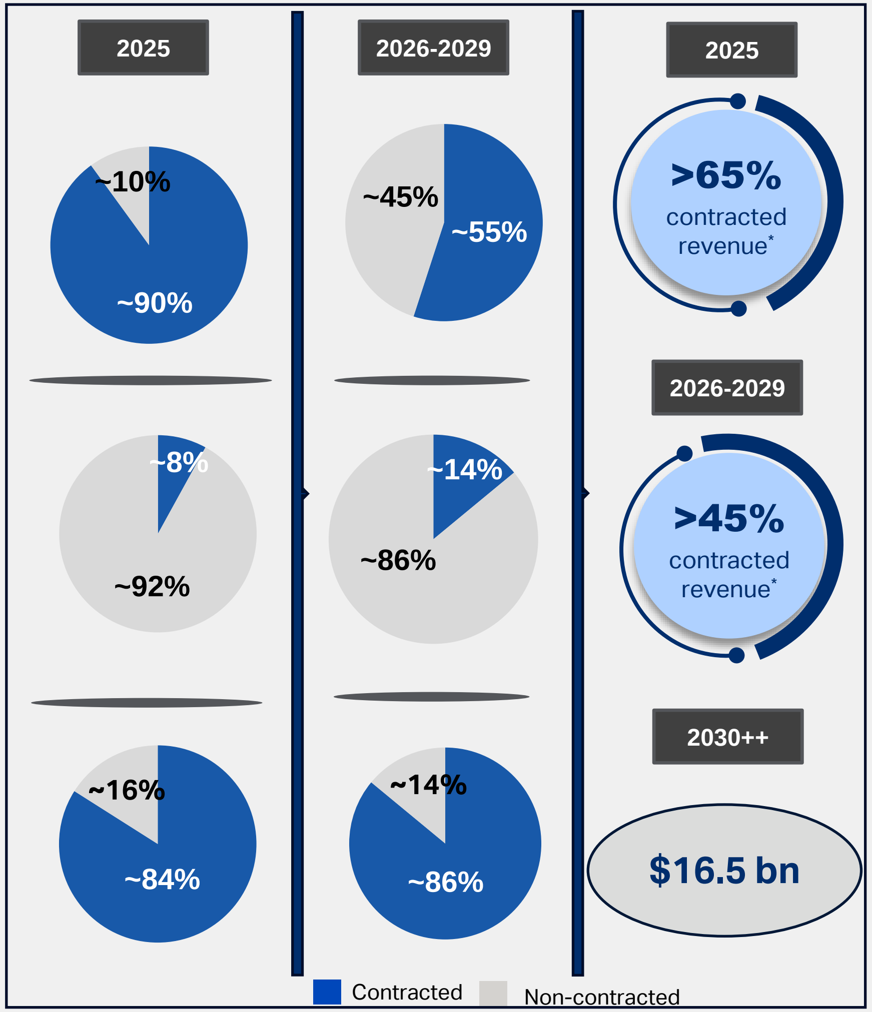
- Integrated Logistics revenue enhancements
- EPC + Project delivery optimization
- Opex cost saving initiatives e.g. bunkers, crewing, manpower, repair & maintenance
- Accelerate growth opportunities
- Financing cost optimization
- ILSP value optimization including AI delivering cost saving

# ADNOC L&S Total Contracted Revenue

## Anchored by long-term contracts, securing 65% of projected revenue for the remainder of 2025

| Segment | 2025 | 2026-29 | 2030++ |
|---|---|---|---|
| Integrated Logistics | *$1.6 bn* | *$4.7 bn* | *$2.3 bn* |
| | **Integrated Logistics**: Mainly consists of:<br>• Offshore contracting : ILSP, Jack up barges, H&G, property leasing<br>• Offshore Services – Market typical logistics chartering of DPII, PSVs & Ferry Boats<br>• Offshore projects – various EPC projects and ADNOC Gas LNG Berth upgrade | | |
| Shipping | *$142 m* | *$1.8 bn** | *$11.0 bn** |
| | **Shipping**: Mainly consists of long-term contracts for Gas Carriers; Dry Bulk, Containers and Tankers are generally generating revenue at spot rates | | |
| Services | *$225 m* | *$1.4 bn* | *$3.3 bn* |
| | **Services**: Mainly consists of long-term service contracts of Ruwais packaging, gateway operations at Khalifa and Kizad, OSRC contract with ADNOC and contracted diving services all of which are 100% contracted. Non secured part is Navig8 income fees.* | | |

### % OF REVENUE UNDER LONG-TERM CONTRACTS





Note: 50% of AWS contracted revenue included in revenue numbers. Shipping 2025 Pie Chart includes Navig8 Revenue, excl. Navig8 it will be 24% contracted revenue for existing fleet. *Navig8 Commercial Pooling fee & Technical Management & Agency included in Services

# Q1 2025 Segmental Financial Performance Review

# Integrated Logistics – Financials

Performance during the quarter supported by acceleration of EPC projects and two additional JUBs deployed

## Revenue (US$ Million)

| US$m | Q1 24 | Q1 25 | YoY % |
|---|---|---|---|
| Offshore Contracting | 262 | **300** | +14% |
| Offshore Services | 125 | **136** | +8% |
| Offshore Projects | 125 | **192** | +54% |
| **TOTAL** | 512 | **628** | +23% |

## EBITDA (US$ Million)

| US$m | Q1 24 | Q1 25 | YoY % |
|---|---|---|---|
| Offshore Contracting | 119 | **132** | 11% |
| Offshore Services | 28 | **35** | 21% |
| Offshore Projects | 11 | **16** | 40% |
| **TOTAL** | 159 | **182** | **15%** |
| **Margin %** | 31% | **29%** | -2pp |

## Net Profit (US$ Million)

| US$m | Q1 24 | Q1 25 | YoY % |
|---|---|---|---|
| Offshore Contracting | 80 | **86** | 8% |
| Offshore Services | 16 | **19** | 19% |
| Offshore Projects | 9 | **13** | 57% |
| **TOTAL** | 104 | **119** | 14% |
| **Margin %** | 20% | 19% | -1pp |

## Key Highlights

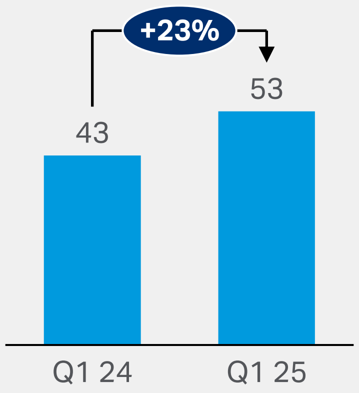
- Revenues up 23% YoY due to good progress on JUB fleet growth, utilization and rates; and the acceleration of the G-Island and Hail & Ghasha projects.
- EBITDA up 15% YoY to US$182 million, while margins lower due to accelerated completion of lower margin EPC projects
- Net Profit increased by 14% YoY to US$119 million as operations across the segment improved

# Integrated Logistics: Offshore Contracting

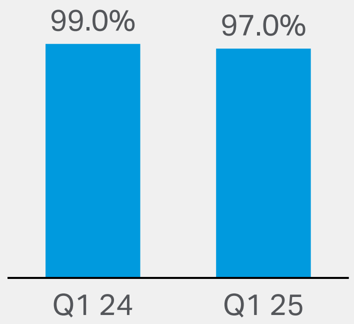
**Offshore contracting segment delivered strong growth, supported by sustained demand and robust project support**

## Number of Vessels & Utilization (%)

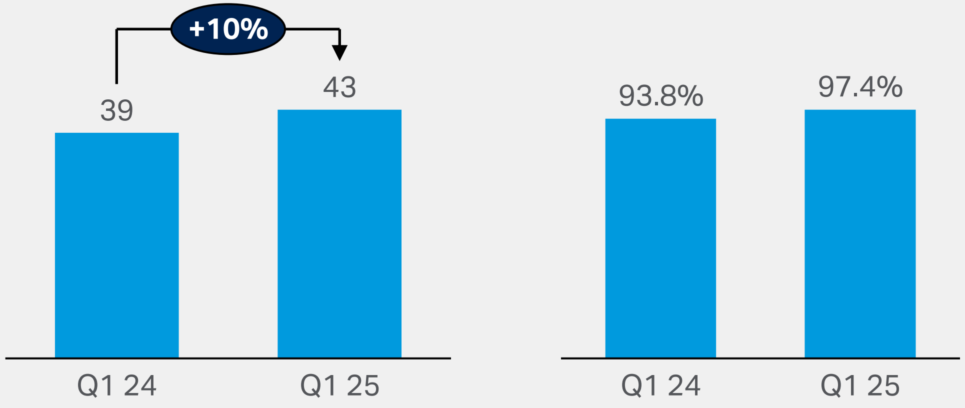
**Number of Vessels**



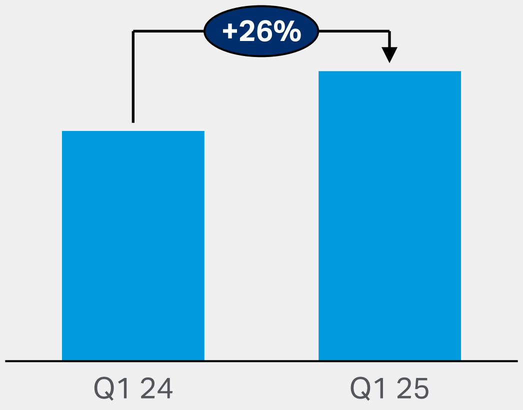

**Utilization Rate**




## Number of Jack-Up Barges[3] & Utilization (%)




## Material Handling Volume (KMT[1])




## Key Highlights

- Continued strong market demand drove increased investment, resulting in the acquisition of 10 additional offshore support vessels in 2024
- Utilization remained strong at 97%, slightly down from 99%, due to planned maintenance and dry-docking
- JUB[2] fleet expansion has solidified our position as the world's largest owner and operator of self-elevating, self-propelled JUBs[2]. Utilization remains elevated across the JUB portfolio
- Growing demand drove a 26% increase in handled volumes across both ILSP and Non-ILSP sub segments in Q1 2025

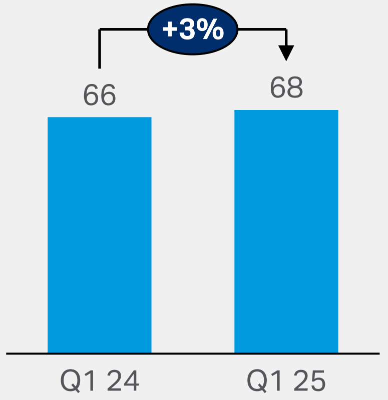
[1] Kilo-Metric Ton. [2] Jack-Up Barges. [3] JUB fleet of 33 owned and 10 chartered.

# Integrated Logistics: Offshore Service & Projects

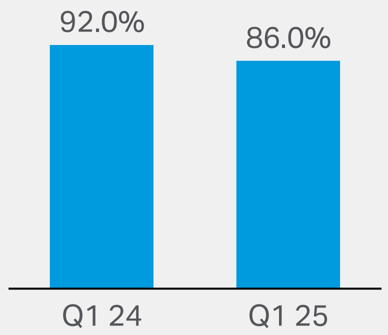
**Driving growth through excellence in marine logistics and project activity**

## Offshore Services: Number of Vessels and Utilization Rate

### Number of Vessels

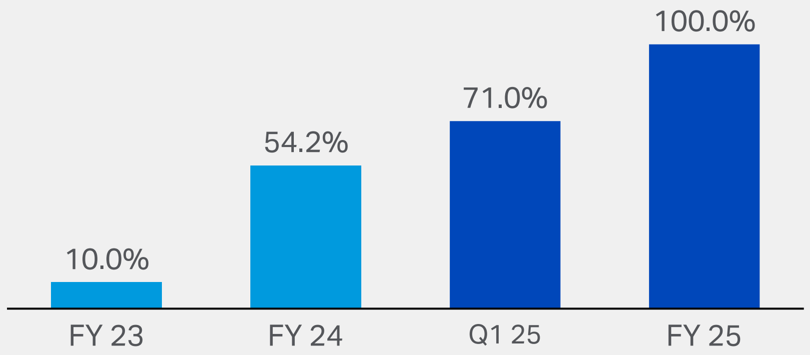



### Utilization Rate




## Offshore projects: EPC[1] contract update

### G-Island Project Completion Rate




## Projects Progress

**Mooring System Project**

Mooring Systems Hail & Ghasha (subcontractor to NPCC-SAIPEM JV): 96% completed activities during Q1 2025

**EPC G-Island Construction Project**

Project $975m scheduled for completion in 2025

## Key Highlights

### Update on Offshore Service & Projects

- Acquired one OSV and received the delivery of the first flat-top barge; remaining five barges scheduled for delivery within 2025
- Utilization rates impacted vessel off-hire due to dry docks and maintenance activities
- G-Island construction reached 71% completion by Q1 2025, with full completion on track during 2025
- Mooring Systems Hail & Ghasha (subcontractor to NPCC-SAIPEM JV): 96% completed
- Continued progress in EPC BU Haseer project to be finalized during 2025

[1] Engineering, Procurement and Construction

# Shipping - Financials

Softer charter rates in Tankers and Dry Bulk

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## Revenue (US$ Million)

| US$m | Q1 24 | Q1 25 | YoY % |
|---|---|---|---|
| Tankers | 150 | **382** | 154% |
| Gas Carriers | 33 | **39** | 19% |
| Dry Bulk & Container | 68 | **47** | -30% |
| **TOTAL** | 251 | **469** | +87% |

## EBITDA (US$ Million)

| US$m | Q1 24 | Q1 25 | YoY % |
|---|---|---|---|
| Tankers | 81 | **90** | 12% |
| Gas Carriers | 15 | **48** | 220% |
| Dry Bulk & Container | 18 | **6** | -68% |
| **TOTAL** | 114 | **143** | +26% |
| **Margin %** | 45% | **31%** | -15pp |

## Net Profit (US$ Million)

| US$m | Q1 24 | Q1 25 | YoY % |
|---|---|---|---|
| Tankers | 62 | **25** | -59% |
| Gas Carriers | 7 | **37** | 447% |
| Dry Bulk & Container | 14 | **(0.4)** | -103% |
| **TOTAL** | 82 | **61** | -25% |
| **Margin %** | 33% | **13%** | -20pp |

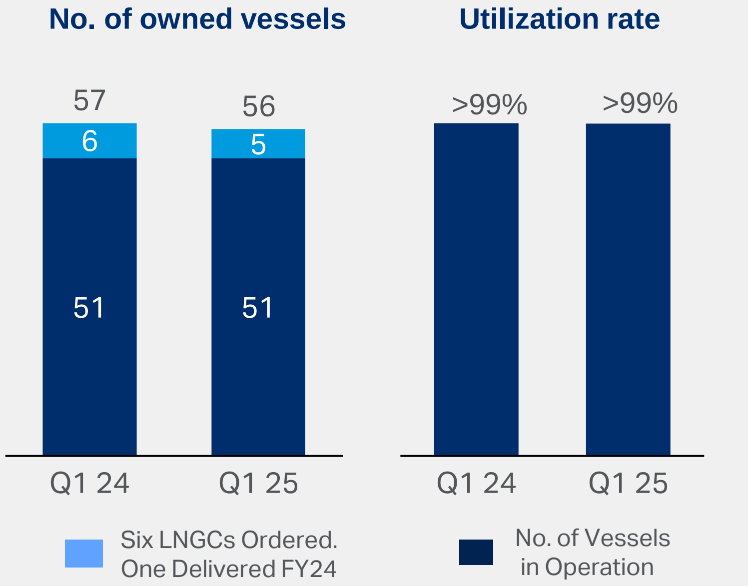
## Highlights

- Revenues up by 87% YoY, mainly due to US$290 million Navig8 revenue contribution, also lifting Tankers revenue up 154% YoY
- Gas Carriers revenues up by 19% YoY, due to resumption of one off-hire LNGC and the full impact of VLGC Al Maryah delivered in Q1 24 and the charter-out of two VLGC vessels to ADNOC Global Trading
- EBITDA increased by 26% YoY to US$143 million due to Navig8 integration and one-off items associated with LNG Carrier early contract termination benefits and gain on sale of MGC 'Yas'
- Net Profit lower by 25% YoY to US$61 million due to acquisition accounting impact of depreciation on the high value of the Navig8 acquisition

# Shipping: Operational Highlights

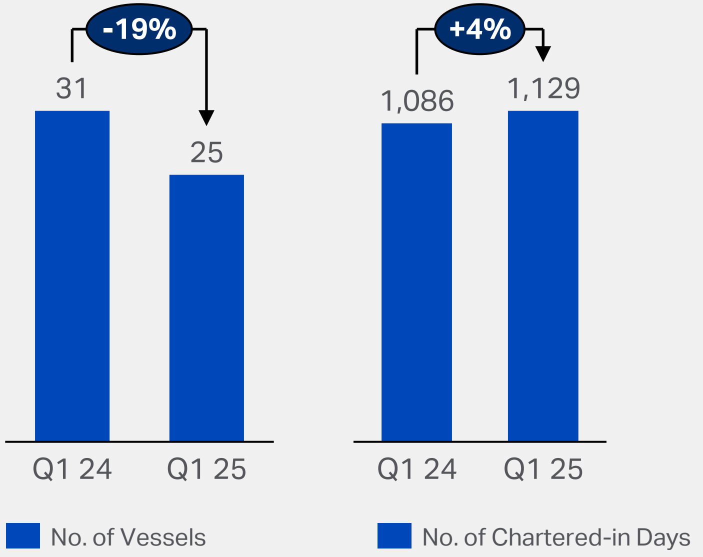
**Navigating the challenges of softer TCE rates and dry-bulk volume fluctuations in the shipping segment**

## NUMBER OF SHIPPING VESSELS[1]



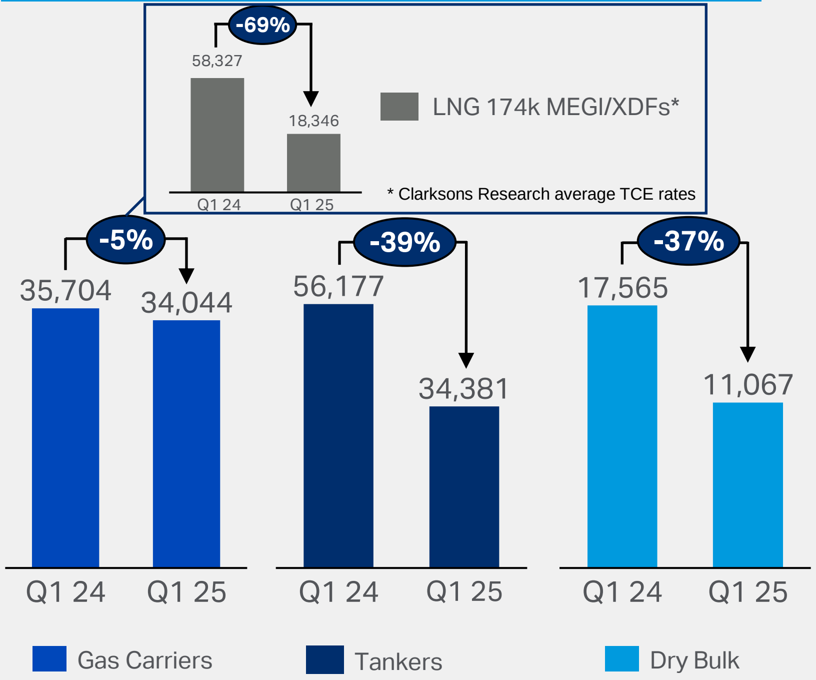

- Took delivery of 1st New build LNG - Al Shelila Nov 2024. Remaining 5 LNGs construction in progress scheduled for delivery in 2025 and 2026 as per plan
- Sale of MGC – YAS completed in January 2025

## NUMBER OF CHARTERED-IN VESSELS




- Chartered-in fleet primarily focused on Dry - Bulk shipping activities
- Reduced number of chartered-in vessel due to lower seasonal Dry Bulk demand

## TIME CHARTER EQUIVALENT (USD)[2]



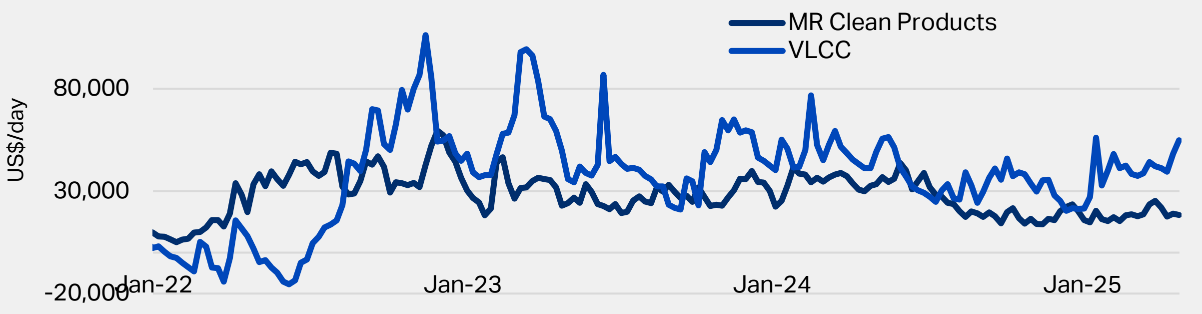

- TCE rates down across Tankers and Dry-Bulk reflecting lower seasonal demand in Q1 2025
- VLCC TCE rates recovering in Q2 2025, with operations focused on modern, eco-friendly, and dual-fuel VLCCs
- LNG short-term rates are under pressure from fleet growth and startup delays to new export projects

[1] Number of owned deep-sea vessels. Gas Carriers: Including VLGCs owned by AW Shipping Limited
[2] Time Charter Equivalent earnings related to owned vessels

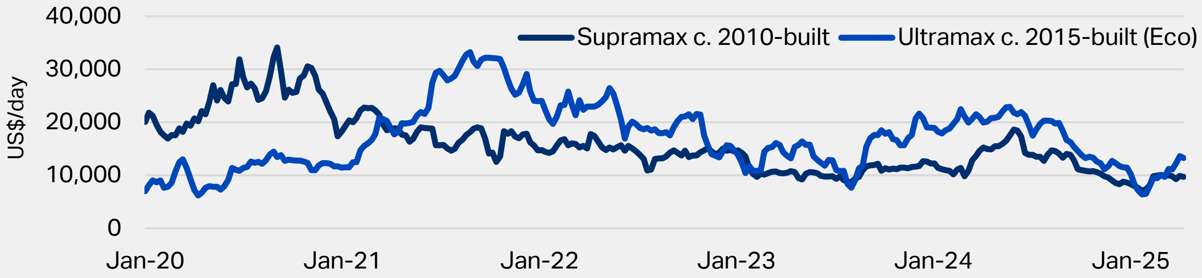
# Shipping: Benchmark TCE rates & Outlook

**Positive long-term tanker demand supported by increased ton-mile demand and limited newbuild deliveries**

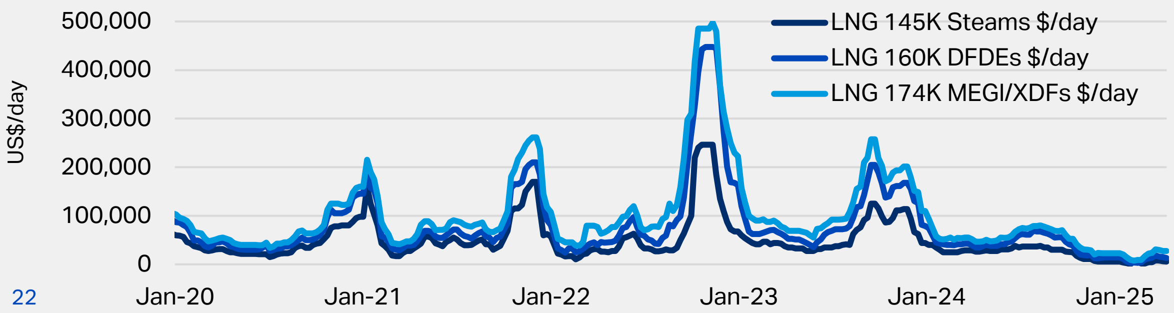
## Tanker TCE Rates (US$/day)




## Dry Bulk TCE Rates (US$/day)




## LNG Carrier TCE Rates (US$/day)




Source: Clarksons Research, data as of 25 April 2025

| | Orderbook as % of existing fleet | Average Age | % of Fleet 15-19 Years | % of Fleet 20+ years |
|---|---|---|---|---|
| MR (40,000 – 54,999 dwt) | 16% | 13 | 30% | 14% |
| LR1 (55,000 – 84,999 dwt) | 18% | 15 | 46% | 16% |
| LR2 (85,000 – 124,999 dwt) | 38% | 11 | 24% | 8% |
| Aframax (85,000 – 124,999 dwt) | 6% | 14 | 30% | 24% |
| Suezmax (125,000 – 199,999 dwt) | 17% | 13 | 21% | 17% |
| VL/ULCC (200,000 – 320,000+ dwt) | 10% | 13 | 19% | 17% |

Source: Clarksons Research, data as of March 2025

## Outlook

- Supportive long-term tanker vessel demand and supply fundamentals underpinned by increased ton-mile demand, limited newbuild vessel deliveries and an increasing number of scrapping candidates (vessels 20+ years)
- Sanctioning of crude tanker fleet has benefited sentiment and reduced vessel supply
- Continue to expect relative softness in Dry Bulk TCE rates in 2025. Potential for new China stimulus packages to support economic growth
- Despite improvement in LNG freight rates, current TCE rates will encourage scrapping of older tonnage, providing further comfort to our positive long-term view on LNG fundamentals
- Suez Canal rerouting continues to support ton-mile demand

# Services

**EBITDA and Net Profit growth driven by Navig8 commercial pooling fees and share of profit from Integr8**

## Financials (US$ Million)

| US$m | Q1 24 | Q1 25 | YoY % |
|---|---|---|---|
| Revenue | 77 | **84** | +9% |
| EBITDA | 12 | **18** | +52% |
| EBITDA Margin % | 15% | **21%** | +6pp |
| Net Profit | 4 | **11** | +138% |
| Net Profit Margin % | 6 | **12** | +6pp |

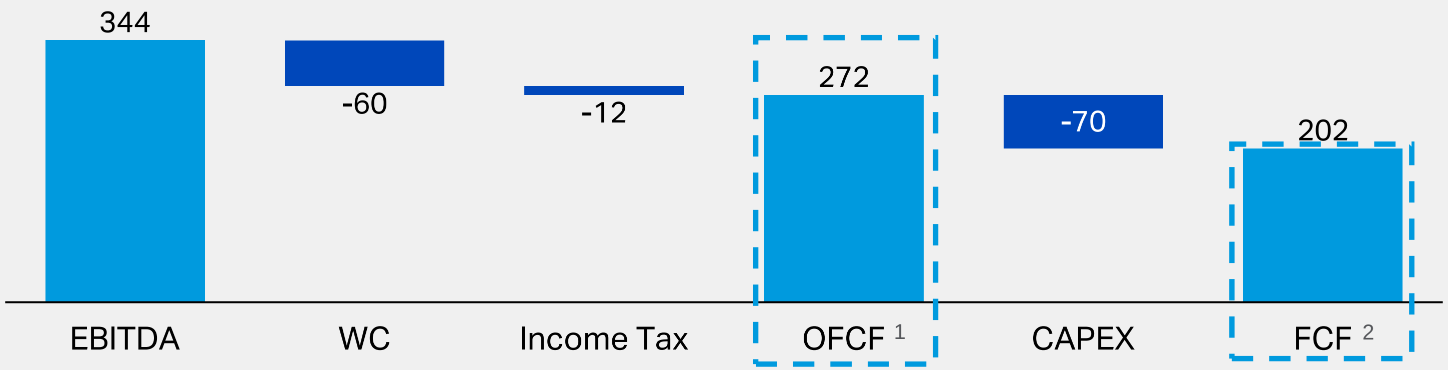
## Highlights

- Revenues increased by 9% YoY to US$84 million due to the consolidation of Navig8's commercial pooling fees US$14 million
- EBITDA up by 52% YoY now capturing Integr8's share of profit
- EBITDA margin expanded by 6 pp YoY to 21%
- Net income accordingly up by 138% to US$11 million

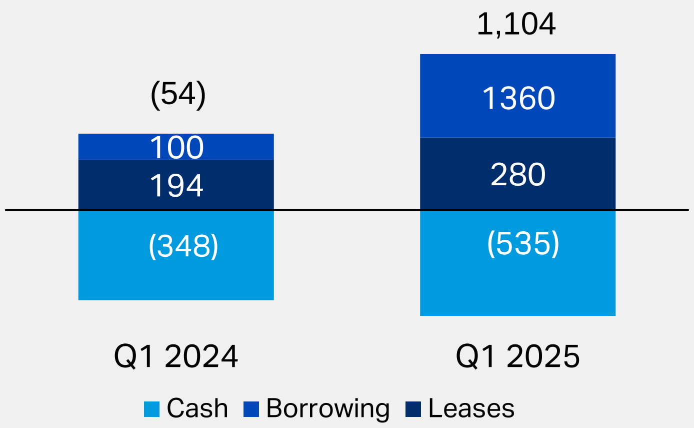
# Cash Flow Profile

**Continued strong free cash flows boost financial strength for future expansion**

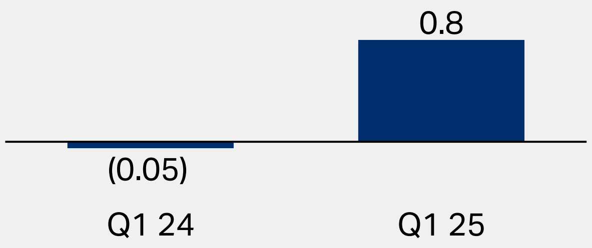
## Free Cash Flow Evolution (US$M)




## Net Debt (US$M)




## Net Debt / EBITDA (X)




## Commentary

### CASH FLOW

- Strong free cash flow driven by strong growth in core businesses and profitability
- Value accretive investments continued to be primarily funded through free cash flows leaving considerable debt financing capacity
- CAPEX of US$150m during the quarter capturing AWS share and other accruals
- Working Capital was impacted by the increase in accounts receivable due to the nature of EPC projects

### NET DEBT

- Continuous strong financial position with a net debt to EBITDA ratio of 0.8x.
- High flexibility and capacity to finance value accretive growth opportunities at efficient cost of debt

### OTHERS

- Effective tax rate (ETR) reduced to <1% on international shipping from November 2024
- ADNOC L&S effective tax rate (ETR) therefore projected to decrease to 6% from 9% in 2025
- HCI financing costs are paid out of subsidiary retained earnings hence no P&L impact

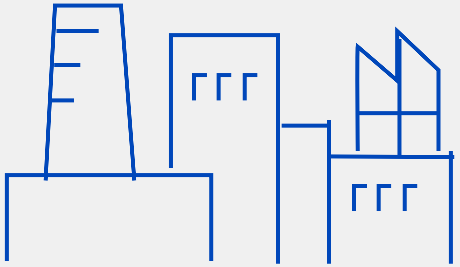
[1] Operating Free Cash Flow. [2] Free Cash Flow

# Compelling Reasons to Invest in ADNOC L&S

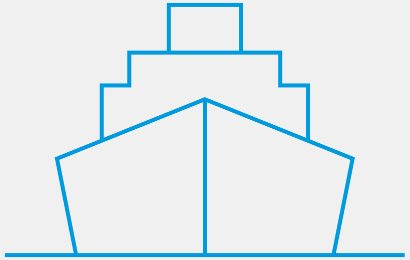
Resilient domestic and international logistics and shipping growth platform providing strong earnings visibility

أدنوك ADNOC

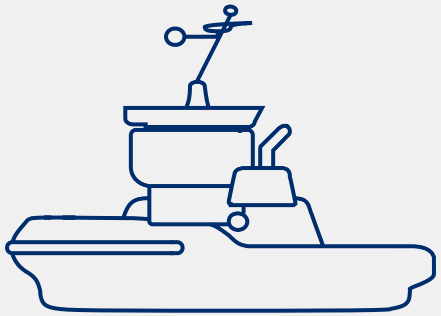
- Unique **opportunities** to provide logistics and shipping solutions to the fast-growing **ADNOC ecosystem**
- **Low leverage** - net debt to EBITDA ratio of 0.8x, ensuring stability, reducing risk and **ample financial capacity**
- **Strong track record** of value accretive M&A — MARINE MONEY Deal of the Year Award Winner 2024 M&A
- **Diverse segments** bolster our earnings stability and provide high visibility of future earnings
- **High share of annuity income** from long-term contracts with blue-chip customers (US$25bn), showcasing our resilience and stability
- **Global logistics and shipping platforms** are well-positioned to seize both **organic and inorganic growth opportunities**



Integrated Logistics



Shipping

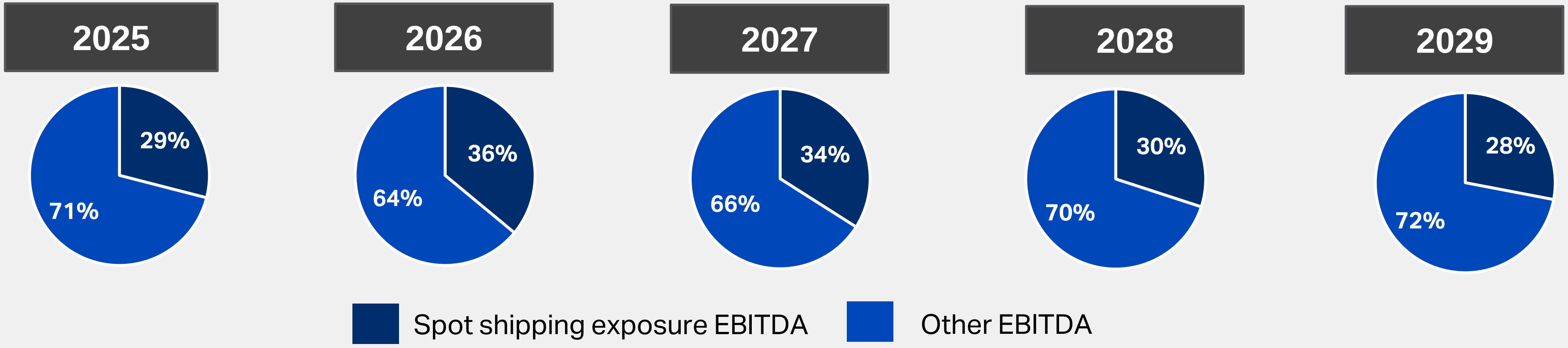


Services

# Additional Materials

# Shipping Analysis

**Spot shipping rate exposure represents an average of 32% of ADNOC L&S's Total EBITDA in the medium-term period**




## Timeline of Confirmed Newbuilding Contract Years

| No. of Vessels in Fleet | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 8 LNGC | | | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| 6 LNGC | 5 | 5 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | | | | | | | |
| 6 VLGC (AWS)[1] | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 1 | | | | | | | | | | | | | | | |
| 9 VLEC (AWS)[1] | 1 | 2 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 7 | |

No. of Contracted Vessels

Spot
Contracted



Note: Spot exposure including Navig8 [1] VLGC & VLEC JV AW Shipping

# Business Segments Structure Post Navig8 Integration

**Commercial pooling fee only captured under the Services revenue segment; while Subchartering included under the Shipping Tankers revenue segment**

أدنـوك
ADNOC

**Segments** / **Sub-segments**

## Integrated Logistics

- Offshore Contracting[1]
- Offshore Services[2]
- Offshore Projects[3]

## Shipping

- Tankers[4]
  - **Owned vessels**
  - **TC-in vessels**
  - **Subchartering[5]**
- Gas Carriers
- Dry-bulk & Containers

## Services

- Onshore Services
- Marine Services
- Bunkering (Integr8)
- Technical Management and Agency Fee
- Commercial Pool Fee (net basis accounting)

**Navig8**

[1] ILSP, H&G, JUBs, Property Leasing & ATN (aids to navigation)
[2] Jetty Ops, Ferries Terminal, various vessel such as DPII, PSVs, Ferry Boats and spot hire of OSVs
[3] EPC (G-island and other minor Projects)
[4] Including ADNOC L&S and Navig8 Tankers
[5] Subchartering involves commercial activities in the tanker segment, generating lower margin, where gross revenues are reported under IFRS

# Navig8 Transaction Overview

**Acquisition of 80% in Navig8 TopCo Holdings Inc. with a path to full ownership in 2027**

ADNOC

### The Target

- Global maritime operator with commercial shipping pools and a fleet of 32x high quality, modern tankers
- Service offerings include bunkering, technical management, commercial pooling, environmental and digital solutions, and market analytics

### Deal Economics

- Initial acquisition of an 80% stake for c. $999mn cash consideration
- Remaining 20% stake to be acquired in June 2027 (minimum of c. $0.36bn with potential c. $0.09bn uplift subject to financial performance over 2024E-2026E) Implied Enterprise Value of c. $2.0bn (on a 100% basis) equating to a 4.9x CY23A EV/EBITDA
- Transaction expected to be at least 20% EPS accretive in 2025 and to deliver a low double-digit unlevered IRR
- Transaction price reflects the vast economic value of the deal reflected through the balance sheet; resulting in an anticipated bargain gain to be recognized in Q1 2025 for ADNOC L&S amounting to USD$8.3 million.

### Hybrid Capital Financing (HCI)

- Perpetual capital instrument allowing ADNOC L&S to achieve Net debt/EBITDA of 2.0x - 2.5x
- Approximately USD1.0 billion of the HCI will be drawn down to fund the acquisition of Navig8 with competitive pricing below all in cost SOFR + 125 bps

# Navig8 Overview

## Establishes ADNOC L&S immediately as a global force in maritime energy transportation

ADNOC

| | Shipping operations | | Shipping services | | |
|---|---|---|---|---|---|
| | **Owned vessels** | **TC-in vessels** | **Commercial pools** | **Technical Management & agency** | **Bunkering** |
| **Description / KPI's** | Young and high-quality, modern and eco-oriented fleet<br>32x vessels including:<br>➢ 16x MR<br>➢ 5x LR1<br>➢ 9x LR2<br>➢ 1x VLCC<br>➢ 1x Bunker Tanker<br>Avg. age of 5.9 years[1] and total capacity of c. 2,500k DWT | Leasing vessels to profit from operation and chartering (consistent with ADNOC L&S business activity)<br>12x vessels currently time-chartered in | 6x shipping pools: LR2, Aframax, VLCC, Chemical MR, Eco MR, LR1/Panamax<br>58x vessels incl. owned, TC-in and 3rd party vessels<br>Reduces earnings volatility through access to larger client base | Ownership interests in Suntech Ship Management (50%) and TB Marine Shipmanagement (50%)<br>Engages in technical ship and crew management services<br>Includes also a number of smaller investments in shipping agencies[3] | Bunker fuel trader to both 3rd party and owned vessels in pools<br>Back-to-back fuel sale and purchase, limiting spot exposure<br>c. 5.5m annual MT trades, +850 customers |
| **9M 2024 EBITDA** | $209m | $103m | $1m | Net income $3m[2] | $10m |
| | *Tanker fleet growth aligns with ADNOC L&S' transformational growth strategy* | | *Value-added services enhancing attractiveness of holistic offering* | | |

Source: Company information; average age computed as of end December 2024

1. Average age excluding age impact of Bunker Tanker Aurelia 1 and including the recent deliveries of 4x MRs (in September and November 2024)
2. Net income contribution consisting mainly of ownership interests in joint ventures (equity accounted) shown here
3. Port agency, logistics management, liner agency services and others

*Please refer to Appendix (slides #25 & 28) for further details on the owned and TC-in fleet*

# Navig8 Acquisition - Rationale

**Navig8 delivers ADNOC L&S' offering on a global scale, supplemented with new valuable service offerings**

**Key complementary services added:**

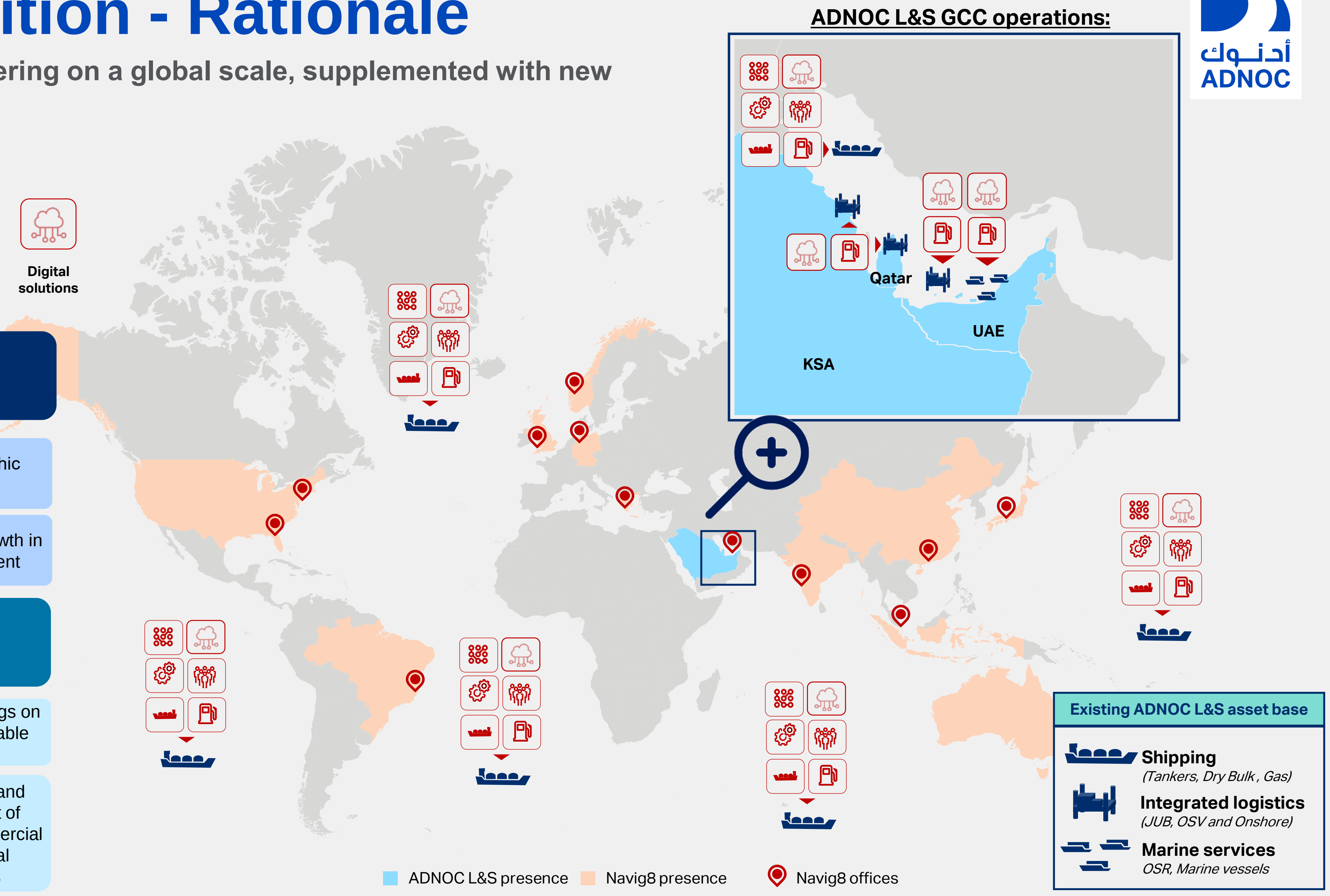
- Fleet additions
- Fuelling services
- Commercial pooling
- Technical management
- Crew services
- Additional hubs
- Digital solutions

**Platform** will **globalize** presence across major continents, providing global **24/7 execution** capabilities

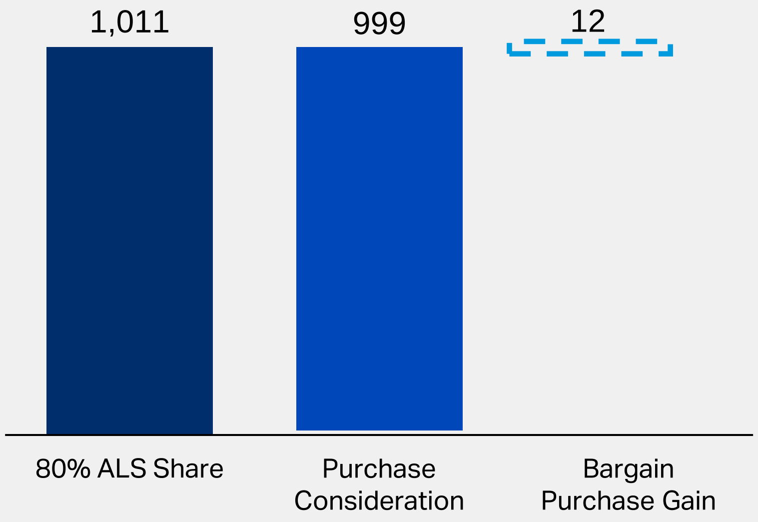
- Next major leg in L&S' transformational growth plan
- Access to opportunity sets in new markets
- Extension of international customer base
- Delivers L&S' geographic expansion strategy
- Execution of targeted growth in attractive tanker segment

**Extension of value-added services** in adjacent verticals to existing business activities catering to current and new clients

- Commercial shipping pools benefit from economies of scale, risk reduction through diversified exposure, network gains and enhanced market access
- Bunkering activity enables savings on own assets in addition to profitable service offering
- Investments in carbon reduction technologies
- Globalization and enhancement of service of commercial and technical capabilities



# Navig8 Acquisition Accounting: Depreciation of Fair Value Uplift




| US$m | 2025 | 2026 | 2027 | 2028 | 2029 | 2030+ | Total |
|---|---|---|---|---|---|---|---|
| Depreciation on FV uplift of vessels | 24 | 24 | 24 | 24 | 24 | 24+ | 443 |
| Depreciation on FV uplift of excess of Time Charter Earnings | 22 | 14 | 4 | 0.43 | 0 | 0 | 40 |
| Depreciation on FV uplift on Pooling Business | 8 | 6 | 3 | 2 | 0.75 | 0.2 | 20 |
| **TOTAL** | **54** | **44** | **31** | **26** | **25** | **24** | **503** |

- **100% of Navig8's net asset value at acquisition was US$1,264 million. It includes a total fair value uplift of cUS$500 million**
- **Fair value uplift resulted in depreciation of US$54 million in FY2025**
- **Depreciation on FV uplift of vessels to continue over a period of 18 years**
- **FY26 onwards total annual depreciation uplift charge reduces as illustrated in the above table**

# ADNOC L&S Operations

**Contracted vs Non-contracted operations across all three business segments**

ADNOC

## Integrated Logistics

### Offshore Contracting

ILSP contracts up to 2032, Hail & Ghasha up to 2030 and ZMI JUB contracts up to five years

### Offshore Services

Includes DPII & ZMI conventional boats & OSVs with 1-2 year contracts.

Non ILSP: short term contracts ranging between 2-3 years

ILSP Diesel sale contract until 2032

### Offshore Projects

EPC Projects completion of G-Island, Bu Haseer and LNG Berth Upgrade in 2025

## Shipping

### Tankers

Non-contracted, spot exposure

### Gas Carriers

Contracted mid-2026 until 2033-2048

### Dry Bulk

High proportion chartered with spot exposure

## Services

### Petroleum Port operations

Contracted until 2045

### Oil spill and Hazardous Noxious Substance Response Services

Contracted until 2032-2041

### Onshore services

Contracted until 2046



Note: Navig8 Commercial Pools, Technical Management & Agency and Bunkering from 2025 part of Services.

# Sustainability

We are investing today in sustainable assets, and adopting **environmentally efficient technologies** to support ADNOC Group's Net Zero by **2045 ambition**, the UAE's Net Zero 2050 strategy, and the IMO Net Zero target.

**2045 Ambition**

# NET ZERO

## 2023 RECORDS

**24%**

**Increase** in **energy efficiency** since 2020

**$2 billion**

Invested in **environmentally-efficient vessels**

**13**

**Vessels** using **biofuels** since 2020

# Integrated Logistics Model

Our Integrated Logistics Services Platform (ILSP) reduces the complexity of our customers' vast range of logistics requirements through one system, reducing project logistics costs, with customers being invoiced in a unique, cost-per-ton format, moving away from the asset leasing model.

## Supply Chain

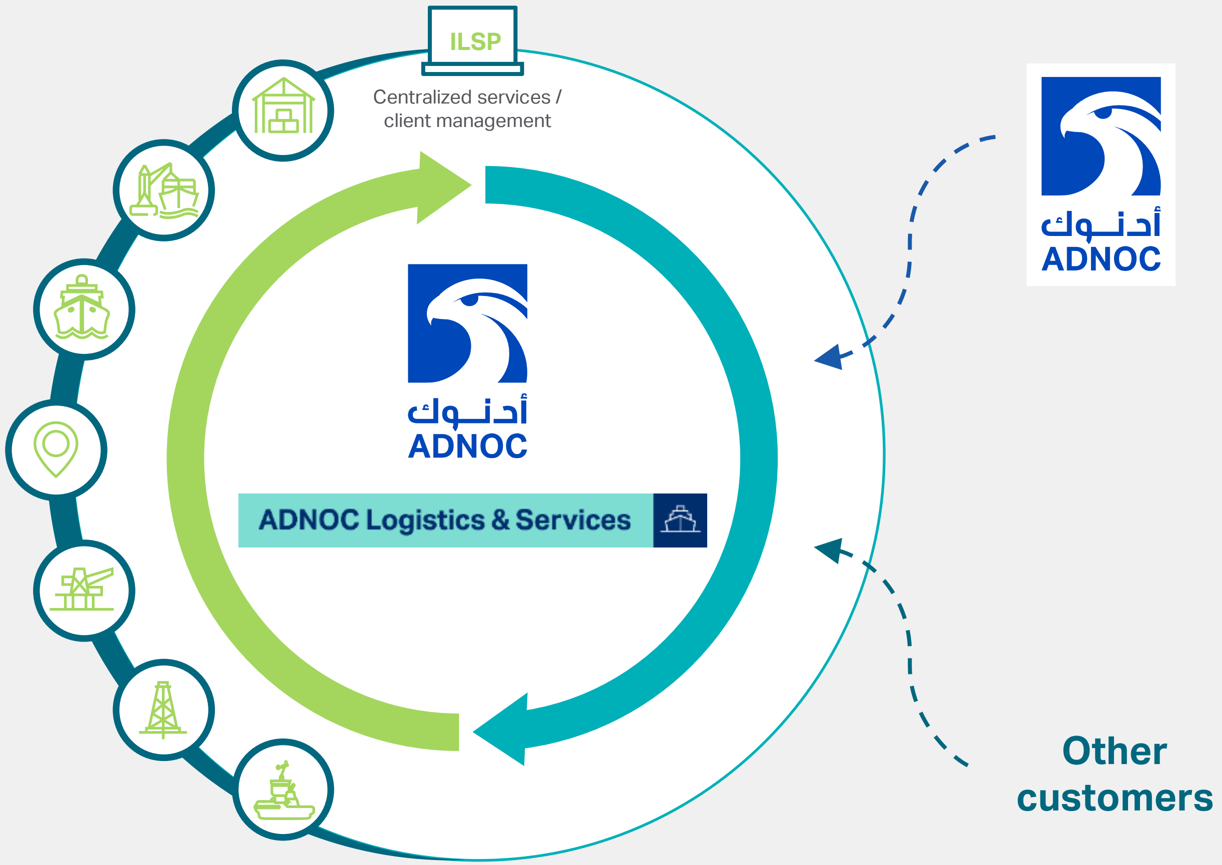
- Warehouse management
- Onshore material handling & logistics (Mussafah)
- Offshore material handling & logistics (artificial and natural islands)

## Integrated Planning

- Supply planning (drilling and production)
- Shipping logistics (OSVs performance management)

## Maritime Support Services

- Rig move operations
- Marine terminal operations
- Aids to navigation services
- Subsea diving




## Benefits

### For Clients

- ✓ Lower costs
- ✓ Better quality of service

### For Suppliers

- ✓ Single point access to market
- ✓ Simpler contract management

### For ADNOC L&S

- ✓ Larger revenue pools and customer stickiness
- ✓ Better efficiency and edge over competitors

Coordinate, cooperate, integrate

Advise, tailor, service

# Symbiotic Relationship with ADNOC as Anchor Customer

## Key player in the ADNOC eco-system and service provider of choice to ADNOC

ADNOC Offshore

### ILSP – 10 years[2]

End-to-end supply chain logistics including warehouse management, materials handling, waste management, OSVs and rig/barge move

ADNOC

### Provider to Petroleum Ports Authority contract – 25 years[3]

Provider of critical marine services in Abu Dhabi's Petroleum Ports

ADNOC L&S

ADNOC Gas

### LNG contracts – 7-15 years[1]

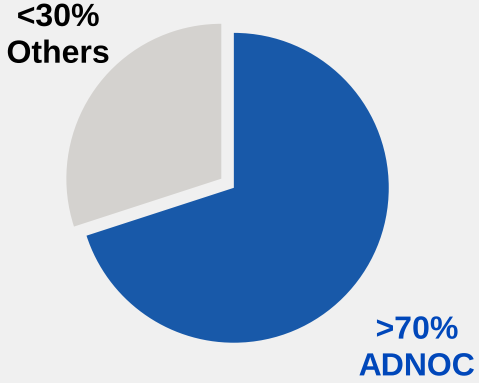
6 new build LNG carriers to be delivered 2025/2026[1]

ADNOC

### JUBs contracts – 3-5 years[4]

Contracted on a rolling basis to ADNOC

### ADNOC as anchor customer accounting for >70% of revenue




Notes: [1] 5 of these LNG carriers have been contracted to ADNOC LNG – 4 of which are for 15 years and 1 for 7 years; [2] 5-year initial term with 5-year extension option; [3] 5-year initial term with 5-year extension option (up to a maximum cumulative 25-year term ending in 2047); [4] 3-year initial term with 2-year extension option

# Innovation & Technology

ADNOC L&S leverages AI and other advanced technologies to enhance operational efficiency and safety. Initiatives like the "Smart Ship" predictive maintenance solution exemplify the company's innovation efforts. The company is committed to utilizing AI to achieve a 100% Health, Safety, and Environment (HSE) culture.

## Key 2024 Initiatives

- **AI-powered intelligent, innovative ship monitoring system** helping to reduce the carbon emissions intensity of fleet operations by approximately 30% since 2020
- **Next-generation dual-fuel engine technologies,** low-carbon fuel engines, including methanol, ammonia and hydrogen
- **Integrated new AI** and machine learning technologies to improve performance, predictive maintenance, and monitor risks
- **Contributed to decarbonizing the maritime sector** and accelerated the Company's emissions reductions to advance the Net Zero by 2045 strategy
- **Signed an agreement with the French maritime** automation and digitization specialist SeaOwl for the design of unmanned remotely operated vessels

### Smart Ship

AI based maritime predictive maintenance solution for planning optimization, operational efficiency, improving overall fleet performance and asset reliability.

### Real-time Data Analytics

For risk management and asset optimization, maintenance and cost optimization and increased equipment up time.

### Smart Vessel

Over 80 vessels have been converted using AI-based maritime solutions for health and safety.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