



Media Release:

ADNOC L&S Plc Announces Q1 2024 Financial Results

Revenue increases 42% year-on-year with EBITDA up 44%

Net profit increases 34% year-on-year to \$194 million

Earnings guidance is revised upwards

Shareholders approve cash dividend of \$130 million (AED477 million), equivalent to 6.45 fils per share for H2 2023

Company continues to deliver on transformational growth strategy and leveraging AI technologies

Abu Dhabi, UAE – May 08, 2024: ADNOC Logistics and Services plc (ADNOC L&S / the Company) (ADX symbol ADNOCLS / ISIN AEE01268A239), a global energy maritime logistics leader, today announced its Q1 2024 financial results.

For the first quarter of 2024, ADNOC L&S delivered a net profit of \$194 million (AED712 million), or \$0.03 (AED 0.10) per share, representing a 34% increase over a net profit of \$145 million (AED 533 million) in Q1 2023. The Company generated revenues of \$840 million (AED 3,085 million) in Q1 2024, marking a 42% increase over Q1 2023. EBITDA increased 44% to \$286 million (AED1,050 million) over the same comparable quarters as all business segments continued to perform strongly. Following these strong Q1 results and continuing growth in activities across all business segments, the Company has revised its guidance upwards.

This strong financial performance has been powered by ADNOC L&S' ambitious transformational growth strategy whereby the Company intends to invest in excess of \$5 billion (AED18.4 billion) in value-accretive growth in energy-related maritime logistics over the medium term, to meet growing demand in and beyond the UAE.



Commenting on the Company's results, Captain Abdulkareem Al Masabi, CEO of ADNOC L&S, said: "ADNOC L&S has started 2024 by delivering another set of strong financial results, building on our record-breaking public listing and the robust growth we achieved in 2023. Continuing substantial increases in net profit and revenue clearly demonstrate that our transformational growth strategy is working. We are continuing to expand our market-leading fleet while growing our geographic reach, service offerings, and global customer base to unlock increased value for our shareholders. Moving forward, the Company remains steadfast in its commitment to deploying more than \$5 billion in value-accretive growth investment over the medium term and leveraging AI technologies to support our operational efficiency, safety, and sustainability goals."

Segmental Financial Performance for Q1 2024

Revenues from the **Integrated Logistics** segment increased to \$546 million (AED2,005 million) in Q1 2024, up 55% from Q1 2023. This exceptional performance is attributable to continued growth in revenues driven by higher volumes across all business lines, increased contribution from Jack Up Barges (JUBs) driven by increased fleet size, higher rates and increased utilization; coupled with expansion in overall Integrated Logistics activities and owned fleet; and new business activities such as Engineering, Procurement and Construction (EPC). EBITDA increased 59% to \$160 million (AED588 million) over the same period.

Revenues from the **Shipping** segment grew by 25% to \$251 million (AED922 million) over the comparable period, driven by strong charter rates for Tankers, Dry Bulk and Containers, in addition to the incremental earnings from four new Very Large Crude Carriers (VLCC) added to the fleet. This was slightly offset by Gas Carriers with reduced earnings due to lower charter-in activity and lower LNG Carrier time charter equivalent rates compared to Q1 2023. EBITDA increased 37% to \$114 million (AED419 million) over the comparable period, driving a 4-percentage point EBITDA margin expansion to 45%.

Revenues from the **Marine Services** segment grew 7% to \$43 million (AED158 million). This generated an EBITDA of \$10 million (AED37 million), an increase of 28%, driven by higher volumes in petroleum ports operations coupled with execution of a Marine Terminal Operations contract with ADNOC Offshore.



Technology and AI Adoption

ADNOC L&S continued to deliver on the execution of its transformational growth strategy in Q1 2024, leveraging AI technologies to improve operational efficiencies and the safety of its people and assets. In 2023, the Company strengthened its use of the “Smart Ship” system, an AI-based maritime predictive maintenance solution for planning optimization and operational efficiency of ocean-going vessels, improving overall fleet performance and asset reliability. Separately, the Company’s AI-based “Smart Vessel” system is now running on more than 80 vessels to bolster maritime health and safety by acting as an early warning system in the prevention of harm and injury to seafarers. These AI systems have played a critical role in the Company’s market-leading HSE success including a 30% decrease in the carbon emissions intensity of fleet operations since 2020 and a 71% reduction in the Lost Time Incident Frequency rate between 2018 and 2023.

Sustainability and Decarbonization

ADNOC L&S serves as a critical custodian of the UAE’s maritime legacy and continues to accelerate its sustainability journey in line with ADNOC Group’s 2045 Net Zero target, the UAE’s 2050 Net Zero strategy, and the International Maritime Organization’s 2050 Net Zero target and goal to reduce carbon emissions intensity by 40% by 2030.

The Company continues to make major progress in this journey including a 24% improvement in energy efficiency across the Company’s shipping fleet since 2020; approximately \$2 billion (AED7 billion) committed to building environmentally efficient vessels; and with 13 vessels running on biofuels since 2020.

Distribution of Cash Dividends

ADNOC L&S remains committed to delivering sustainable, profitable growth and attractive shareholder returns. In line with its approved dividend policy, the Shareholders approved at the Annual General Assembly Meeting a cash dividend distribution of \$130 million (AED477 million), equivalent to 6.45 fils per share, for the second half of 2023. The total dividend for Q2 and H2 2023 is \$195 million (AED716 million), equivalent to 9.68 fils per share. The \$65 million (AED239 million) dividend for Q2 2023 was paid in November 2023. Payment of the dividend for H2 2023 is expected to be paid in May 2024.

In line with the Board-approved progressive dividend policy, the Company aims to increase annual dividends by at least 5% over the medium term, taking the 2023 annualized dividend (\$260 million, AED955 million) as a base.



Financial Summary

USD Million	Q1 24	Q1 23	YoY %	Q4 23	QoQ %
Revenue	840	592	42%	828	1%
EBITDA ⁽¹⁾	286	199	44%	242	18%
Net Profit	194	145	34%	165	17%
Net cash from Operating Activities	305	217	41%	177	73%

⁽¹⁾ EBITDA is calculated as earnings before income tax, finance costs, finance income, depreciation and amortisation

Outlook

The Company revised its 2024 guidance upwards:

- **Group Revenues:** We expect revenue growth upwards to low 30% range in 2024 (previously high teens percentage). Over the medium term, we expect high single-digit percentage growth year-on-year (previously mid-to-high single-digit percentage growth).
- **Group EBITDA:** We anticipate EBITDA growth guidance for 2024 in the low 30%s range. Over the medium term, we target average annual EBITDA growth in the mid-teens percentage wise (previously low teens).
- **Group Net Income:** We expect net income growth in the low 20%s range in 2024. Over the medium term, we target average annual net income growth in the low percentage teens.
- **Capital Structure:** We target a 2.0-2.5x net debt / EBITDA ratio over the medium term, with debt and free cash flows after dividends as the primary funding sources for growth investments.



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About ADNOC Logistics & Services

ADNOC Logistics & Services Plc, 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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