ADNOC Classification: Public

ADNOC Logistics & Services

First Half 2025 Earnings

Management Discussion & Analysis Report
12 August 2025

ADNOC Logistics & Services PLC
Part of Level 28, 28, Al Sarab Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, UAE

أدنوك للإمداد والخدمات بي أل سي
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ADNOC Logistics & Services

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

Financial Highlights

ADNOC Logistics & Services plc ("ADNOC L&S" or the "Company") reported strong financial results for the first half of 2025, showcasing continuing significant growth. This persisting profitable growth is driven by early realization of the Company's strategic growth initiatives announced at IPO and since, and robust demand for energy field logistics services; and is enhanced by the recent Navig8 acquisition.

The value of the Company's strategy of entering into long-term contracts on the majority of its activities has been demonstrated in the resilience of financial performance in the face of weaker shipping markets. This resilience grows significantly going forward, with around USD 26 billion of forward-contracted income on the Company's books.

Operational efficiencies driven by value enhancement program initiated early in the year to address the prospect of weaker shipping rates has driven margin improvement and boosted operating cash flows. Many of these improvements are sustainable and will continue to drive improved margins beyond 2025. Each business segment contributed robustly to the financial success of H1 2025.

Integrated Logistics: achieved profitable growth driven by improved utilization and strengthening charter rates on Jack-Up Barges (JUBs), further enhanced by the acquisition of three additional JUBs in Q4 2024. Execution of the Hail & Ghasha project progressed ahead of schedule, and the Company saw increased chartering activity on OSVs. Contracted logistics volumes continued to rise and margin generation was improved . Our EPC portfolio advanced steadily, particularly with notable progress on G-island, reinforcing our operational excellence and growth trajectory.

Shipping: delivered strong top-line growth, supported by the first-time consolidation of Navig8 Tankers' revenues, sale of the MGC 'Yas,' and the proceeds of the early termination of the LNGC 'Al Khaznah' contract. The highly accretive Navig8 acquisition contributed a bargain gain on acquisition. This acquisition has proven to be strategically transformative, not only significantly strengthening our asset and revenue base, but enhancing market positioning and global access, and unlocking new earnings streams such as commercial pooling and bunkering. The first quarter of 2025 saw soft charter rates in the Tankers, Gas and Dry-Bulk sub-segments, and reduced activity in Dry-Bulk. Nevertheless, EBITDA showed robust growth driven by fleet growth, with Net Income lower due to impacted by higher depreciation, reflecting the prudent accounting treatment of the Navig8 acquisition.

Services: saw strong earnings growth driven by the first-time inclusion of Navig8's commercial pooling operations and profit share from Integr8 (bunkering), with a slight moderation due to lower Kizad volumes for Borouge.

ADNOC L&S's well-timed and strategically accretive acquisitions, combined with forward-looking strategies and operational excellence, have significantly expanded our global footprint. These initiatives continue to deliver exceptional financial performance and reinforce our leadership in the maritime logistics sector. The company recorded outstanding revenue growth for the period soaring 40% to $2,439 million. EBITDA grew 26% year-on-year to $744 million with EBITDA margin 30%, notwithstanding the margin-dampening impact of the near-complete G-Island project. Net profit increased 5% against H1 2024 to $420 million.

USD Million	H1 25	H1 24	YoY %	Q2 25	Q2 24	YoY %	Q1 25	QoQ %
Revenue	2,439	1,740	40%	1,258	899	40%	1,181	6%
Direct Costs	(1,901)	(1,241)	53%	(949)	(641)	48%	(952)	0%
EBITDA [1]	744	591	26%	400	306	31%	344	16%
Margin	30%	34%	-4%	32%	34%	-2%	29%	3%
Net Profit	420	401	5%	236	208	14%	185	28%
EPS ($ /share)	0.06	0.05	5%	0.03	0.03	14%	0.02	28%
EPS (AED /share)	0.21	0.20	5%	0.12	0.10	14%	0.09	28%
Capital expenditures	(340)	(225)	51%	(270)	(100)	170%	(70)	286%
Free Cash Flow [2]	265	308	-14%	62	150	-59%	202	69%

USD Million	H1 25	H1 24	YoY %	Q2 25	Q2 24	YoY %	Q1 25	QoQ %
Total Equity	6,200	4,677	33%	6,200	4,677	33%	5,982	4%
Net Debt [3]	1,260	(55)	100%	1,260	(55)	100%	1,104	14%
Net Debt / EBITDA	0.85	(0.05)		0.79	(0.04)		0.80	

[1] EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization

[2] Free Cash Flow is calculated as EBITDA less working capital adjustments less income tax expense less capital expenditure

[3] Net Debt and Cash is calculated as debt and debt-like items consisting of shareholder loan and current and non-current lease liabilities less cash and cash equivalents

H1 2025 financial highlights:

Revenue for H1 2025 was $2,439 million, up $699 million, (40%) against $1,740 million in H1 2024.

EBITDA for H1 2025 was $744 million, up $152 million, (26%) against $591 million in H1 2024.

Net Profit for H1 2025 was $420 million, up $19 million, (5%) against $401 million in H1 2024.

Total Shareholder Returns since IPO were 144% as of 30 June 2025.

Q2 2025 financial highlights:

Revenue for Q2 2025 was $1,258 million, up $358 million, (40%) against $899 million in Q2 2024; and an increase of $76 million, (6%) against $1,181 million for Q1 2025.

EBITDA for Q2 2025 was $400 million, up $94 million, (31%) against $306 million in Q2 2024; and an increase of $57 million, (16%) against $344 million for Q1 2025.

Net Profit for Q2 2025 was $236 million, up $28 million, (14%) against $208 million in Q2 2024; and an increase of $51 million, (28%) against $185 million for Q1 2025.

Segmental Results

INTEGRATED LOGISTICS

USD Million	H1 25	H1 24	YoY %	Q2 25	Q2 24	YoY %	Q1 25	QoQ %
Revenue	**1293**	**1062**	**22%**	**665**	**550**	**21%**	**628**	**6%**
Offshore Contracting	659	543	21%	359	280	28%	300	20%
Offshore Services	285	268	6%	149	142	5%	136	10%
Offshore Projects	349	252	39%	157	127	23%	192	-18%
Direct Costs	**(946)**	**(781)**	**21%**	**(465)**	**(403)**	**16%**	**(481)**	**-3%**
Offshore Contracting	(391)	(331)	18%	(199)	(171)	16%	(192)	3%
Offshore Services	(230)	(217)	6%	(119)	(113)	5%	(111)	7%
Offshore Projects	(325)	(233)	39%	(147)	(119)	24%	(177)	-17%
EBITDA [(1)]	**420**	**331**	**27%**	**238**	**172**	**38%**	**182**	**31%**
Offshore Contracting	315	243	29%	183	124	47%	132	39%
Offshore Services	77	66	17%	42	37	13%	35	23%
Offshore Projects	28	22	31%	13	10	20%	16	-19%
Margin	**32%**	**31%**	**1%**	**36%**	**31%**	**5%**	**29%**	**7%**
Offshore Contracting	48%	45%	3%	51%	44%	7%	44%	7%
Offshore Services	27%	25%	2%	28%	26%	2%	25%	3%
Offshore Projects	8%	9%	-1%	8%	8%	0%	8%	0%
Net Profit	**285**	**218**	**31%**	**167**	**114**	**47%**	**119**	**41%**
Offshore Contracting	222	162	37%	136	83	64%	86	57%
Offshore Services	42	39	6%	23	23	-2%	19	22%
Offshore Projects	22	16	34%	8	8	9%	13	-37%

[(1)] EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization

Offshore Contracting

Year-on-Year Performance

Revenue from Offshore Contracting increased 21% to $659 million in H1 2025, compared to $543 million in H1 2024. Revenue increased 28% to $359 million for Q2 2025, from $280 million in Q2 2024. This growth was further strengthened by higher utilization and earnings from JUBs, supported by strategic acquisition of three JUBs; and further complemented by rising contracted logistics volumes; and the accelerated execution of the Hail & Ghasha project, driving significant period-on-period expansion.

EBITDA increased 29% to $315 million in H1 2025 compared to H1 2024. EBITDA increased 47% to $183 million in Q2 2025 compared to Q2 2024, due to the same underlying drivers influencing revenue.

Quarter-on-Quarter Performance

Revenue increased 20% to $359 million in Q2 2025, from $300 million in the previous quarter, mainly driven by earnings from one new JUB addition; the accelerated execution of the Hail & Ghasha project;

and higher material handling volumes. ILSP contract profitability was further improved, reflecting our commitment to proactive engagement and value-driven outcomes.

Accordingly, EBITDA of $183 million in Q2 2025 was 39% higher than the $132 million achieved in Q1 2025.

Offshore Services

Year-on-Year Performance

Revenue from Offshore Services increased 6% to $285 million in H1 2025, compared to $268 million in H1 2024, driven by the increase in vessel chartering activity for OSVs. Revenue increased 5% to $149 million for Q2 2025, from $142 million in Q2 2024.

As a result, EBITDA increased 17% to $77 million in H1 2025, compared to H1 2024. EBITDA increased 13% to $42 million for Q2 2025, from $37 million for Q2 2024.

Quarter-on-Quarter Performance

Revenue increased 10% to $149 million in Q2 2025, from $136 million in the previous quarter, mainly driven by higher vessels chartering activity.

Consequently, EBITDA of $42 million in Q2 2025 was 23% higher than the $35 million achieved in Q1 2025.

Offshore Projects

Year-on-Year Performance

Revenue from Offshore Projects increased 39% to $349 million in H1 2025, compared to $252 million in H1 2024. Revenue increased 23% to $157 million for Q2 2025, from $127 million in Q2 2024. The increase was mainly driven by EPC project advancements, particularly the G-island (84.4% completion rate).

EBITDA increased 31% to $28 million in H1 2025 compared to H1 2024. EBITDA increased 20% to $13 million for Q2 2025, from $10 million for Q2 2024 driven by the same factors influencing revenue.

Quarter-on-Quarter Performance

Revenue decreased 18% to $157 million in Q2 2025, from $192 million in the previous quarter, due to higher Q1 progress towards G-island completion.

Accordingly, EBITDA of $13 million in Q2 2025 was 19% lower than the $16 million achieved in Q1 2025.

SHIPPING

USD Million	H1 25	H1 24	YoY %	Q2 25	Q2 24	YoY %	Q1 25	QoQ %
Revenue	**981**	**519**	**89%**	**512**	**268**	**91%**	**469**	**9%**
Tankers	797	303	163%	415	153	172%	382	8%
Gas Carriers	82	73	12%	43	40	6%	39	8%
Dry-Bulk and Containers	102	142	-28%	55	75	-27%	47	15%
Direct Costs	**(823)**	**(330)**	**149%**	**(418)**	**(173)**	**142%**	**(405)**	**3%**
Tankers	(670)	(167)	302%	(338)	(87)	287%	(332)	2%
Gas Carriers	(61)	(56)	9%	(32)	(28)	14%	(29)	12%
Dry-Bulk and Containers	(92)	(108)	-14%	(48)	(57)	-16%	(44)	8%
EBITDA (1)	**290**	**232**	**25%**	**147**	**119**	**24%**	**143**	**3%**
Tankers	204	157	30%	114	76	50%	90	26%
Gas Carriers	71	39	85%	24	24	1%	48	-50%
Dry-Bulk and Containers	15	37	-59%	9	19	-50%	6	65%
Margin	**30%**	**45%**	**-15%**	**29%**	**44%**	**-16%**	**31%**	**-2%**
Tankers	26%	52%	-26%	27%	50%	-22%	24%	4%
Gas Carriers	87%	53%	34%	56%	59%	-3%	121%	-65%
Dry-Bulk and Containers	15%	26%	-11%	17%	25%	-8%	12%	5%
Net Profit	**126**	**168**	**-25%**	**64**	**85**	**-25%**	**61**	**4%**
Tankers	76	120	-36%	51	58	-12%	25	102%
Gas Carriers	48	20	138%	11	13	-18%	37	-71%
Dry-Bulk and Containers	2	28	-92%	3	15	-82%	(0)	-799%

(1) EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization

Tankers

Year-on-Year Performance

Revenue from Tankers increased 163% to $797 million in H1 2025, compared to $303 million in H1 2024. Revenue increased 172% to $415 million for Q2 2025, from $153 million in Q2 2024. This growth was boosted by Navig8 Tankers revenue consolidation, partially offset by softer charter rates across Tanker asset classes.

EBITDA was up 30% to $204 million in H1 2025, from $157 million in H1 2024. EBITDA increased 50% to $114 million for Q2 2025, from $76 million in Q2 2024 due to the same drivers influencing revenue.

Quarter-on-Quarter Performance

Revenue is up by 8%, from $382 million in the previous quarter to $415 million in Q2 2025, driven by higher Tanker charter rates.

Consequently, EBITDA of $114 million in Q2 2025 was 26% higher than the $90 million achieved in Q1 2025.

Gas Carriers

Year-on-Year Performance

Revenue from Gas Carriers increased 12% to $82 million in H1 2025, compared to $73 million in H1 2024, supported by the commencement of newbuild LNGC “Al Shelila” operations in early 2025, and the contribution of VLGC 'Al Maryah,' newly commencing work post-acquisition in Q1 2024. Revenue increased 6% to $43 million in Q2 2025, from $40 million in Q2 2024.

EBITDA increased 85% to $71 million in H1 2025, from $39 million for H1 2024, driven by that revenue growth & one-off other income items including the gain on sale of MGC “Yas” and early contract termination income of LNGC “Al Khaznah”. EBITDA is flat to $24 million for Q2 2025 compared to Q2 2024.

Quarter-on-Quarter Performance

Revenue increased 8% to $43 million in Q2 2025, from $39 million in the previous quarter driven by increase in Gas charter-in activities.

EBITDA of $24 million in Q2 2025 was 50% lower than the $48 million achieved in Q1 2025 due to the gain on sale of MGC “Yas” and early contract termination income of LNGC “Al Khaznah” recorded as one-off items in Q1 2025.

Dry-Bulk and Containers

Year-on-Year Performance

Revenue from Dry-Bulk decreased 28% to $102 million in H1 2025, compared to $142 million in H1 2024, primarily influenced by lower chartering activity and the transition to newly renegotiated long-term container feeder contracts, securing stable earnings over a 15-year horizon in return for a short term price reduction. Revenue decreased 27% to $55 million for Q2 2025, from $75 million in Q2 2024, mainly driven by lower charter rates.

Accordingly, EBITDA was down 59% to $15 million in H1 2025, from $37 million in H1 2024. EBITDA decreased 50% to $9 million for Q2 2025, from $19 million in Q2 2024, again driven by the same factors impacting revenue.

Quarter-on-Quarter Performance

Revenue was up 15% to $55 million in Q2 2025 comparing to the previous quarter driven by higher charter rates and chartering activity. EBITDA of $9 million in Q2 2025 was 65% higher than $6 million achieved in Q1 2025 due to the same drivers influencing revenue.

SERVICES

USD Million	H1 25	H1 24	YoY %	Q2 25	Q2 24	YoY %	Q1 25	QoQ %
Revenue	165	159	4%	81	82	-1%	84	-4%
Direct Costs	(131)	(130)	1%	(65)	(66)	-1%	(66)	-2%
EBITDA [1]	33	27	22%	15	15	-1%	18	-17%
Margin	20%	17%	3%	18%	19%	0%	21%	-3%
Net Profit	18	12	51%	7	7	0%	11	-30%

[1] EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization

Year-on-Year Performance

Revenue from Services increased 4% to $165 million in H1 2025, from $159 million in H1 2024. Growth was driven by the first time contributions of newly acquired Navig8 commercial pooling, partially offset by lower KIZAD volumes and lower ports operations tonnage. Revenue was slightly down 1% to $81 million for Q2 2025, from $82 million in Q2 2024.

EBITDA was up 22% to $33 million in H1 2025, from $27 million in H1 2024 driven by contribution of Navig8 commercial pooling and profit share from Integr8 (bunkering), tempered by lower petroleum ports operations tonnage. EBITDA is flat to $15 million for Q2 2025 compared to Q2 2024.

Quarter-on-Quarter Performance

Revenue decreased 4% to $81 million in Q2 2025, from $84 million in Q1 2025, due to Lower KIZAD & BCT volumes.

Consequently, EBITDA of $15 million in Q2 2025 was 17% lower than the $18 million achieved in Q1 2025.

Free Cash Flow

USD Million	H1 25	H1 24	YoY %	Q2 25	Q2 24	YoY %	Q1 25	QoQ %
EBITDA (1)	744	591	26%	400	306	31%	344	16%
Working Capital Adj.	(113)	(17)	574%	(53)	(33)	59%	(60)	11%
Income Tax	(27)	(41)	-36%	(15)	(22)	-31%	(12)	30%
Operating Free Cash Flow	604	533	13%	332	251	32%	272	22%
Capital Expenditure (2)	(340)	(225)	51%	(270)	(100)	170%	(70)	286%
Free Cash Flow	265	308	-14%	62	150	-59%	202	69%

(1) *EBITDA is calculated as profit before income tax, finance costs, finance income, depreciation and amortization.*
(2) *Refer to Note 11: Property, Plant and Equipment in Financial Statements for further details.*

For H1 2025, Operating Free Cash Flow increased by 13% ($71 million) to $604 million, driven by the increase of EBITDA and a lower effective income tax rate on commercial shipping activities.

Free Cash Flow was $265 million for H1 2025, down $43 million from $308 million due to higher CAPEX.

The continued growth and outperformance in operating free cash flow delivery through improved profitability sees the business well-positioned to continue delivering value-accretive with lower financing costs as free cash flows after dividends reduce debt-financing requirements.

ADNOC L&S spent $340 million on capital expenditures for H1 2025. Additionally, the acquisition of Navig8, announced in January 2025, was ultimately funded by an equity-accounted Hybrid Capital Instrument, priced at approximately SOFR+125bps. This instrument enhances the company's growth capacity within target leverage ratio of 2.0x-2.5x Net Debt/EBITDA.

The company added $401 million in property, plant and equipment in H1 2025 (refer Note 6 PPE (Additions) in Financial Statements for further details).

Outlook

ADNOC L&S raises its 2025 Revenue, EBITDA and Net Income guidance, driven by record-breaking performance in Integrated Logistics and sustained strength in the shipping market, despite ongoing global volatility.

FY 2025

- Group Revenues: The Company increases the Revenue guidance to “High 20%s YoY growth” from previously “Mid to high 20%s YoY growth”.
- Group EBITDA: The Company increases the EBITDA guidance to “Mid 20%s YoY growth” from “High teens YoY growth”.
- Group Net Income: The Company increases the Net Income guidance of “Low to mid double digit YoY growth” from “Low double digit YoY growth”.

The Company remains confident in its medium-term outlook (2026–2029), supported by long-term growth prospects, strategic expansion, and resilient income streams. Following the upgrade to FY 2025 financial outlook, ADNOC L&S has revised its medium-term CAGR expectations downward reflecting higher base year performance.

Mid-term (2026-2029)

- Group Revenues: The Company maintains the Revenue guidance of “Low single digit growth”.
- Group EBITDA: The Company decreases the EBITDA guidance to “Mid to high single digit growth” from “High single digit growth”.
- Group Net Income: The Company decreases the Net Income guidance to “Mid to high single digit growth” from “High single digit growth”.

Amid increased market volatility, ADNOC L&S is intensifying value-efficiency initiatives, leveraging portfolio diversification, and preserving the strength of long-term contracted revenues with high-quality counterparties.

Growth Investments remain on track, with capital expenditure guidance unchanged and financial capacity to fund an additional $3 billion beyond announced projects within 2.5x net debt: EBITDA by 2030. The Company maintains its progressive dividend policy, with a projected 2025 payout of $287 million (AED1,053 million), subject to approvals. ADNOC L&S targets a medium-term net debt/EBITDA ratio of 2.0–2.5x, supported by remaining debt capacity and post-dividend free cash flows.

Earnings Conference Call Details

ADNOC L&S will host the earnings webcast and conference call followed by a Q&A session for investors and analysts on Tuesday, August 12, 2025, at 3:00 pm UAE time / 12:00 pm UK time through the following link.

The call will be hosted by Abdulkareem Al Masabi (CEO) and Nicholas Gleeson (CFO).

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 Services, ADNOC L&S delivers energy products to more than 100 customers in over 50 countries.

To find out more, visit: www.adnocls.ae
For investors enquiries, please contact: IR@adnocls.ae

Cautionary Statement Regarding Forward-Looking Statements

This communication includes forward-looking statements which relate to, among other things, our plans, objectives, goals, strategies, future operational performance, and anticipated developments in markets in which we operate and in which we may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on management's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "intends", "estimates", "plans", "targets", or "anticipates" or the negative thereof, or other comparable terminology. These forward-looking statements and other statements contained in this communication regarding matters that are not historical facts involve predictions and are based on the beliefs of our management, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to: our ability to enter into strategic alliances and third party transactions; failure to successfully implement our operating initiatives and growth plans, including our cost savings initiatives, due to general economic conditions, our reliance on information technology to manage our business; laws and regulations pertaining to environmental protection, operational safety, the extent of our related party transactions with other ADNOC Group companies; the introduction of new taxes in the UAE; failure to successfully implement new policies, practices, systems and controls that we implemented in connection with or following our IPO; any inadequacy of our insurance to cover losses that we may suffer; general economic, financial and political conditions in Abu Dhabi and elsewhere in the UAE; instability and unrest in regions in which we operate; the introduction of new laws and regulations in Abu Dhabi and the UAE; and other risks and uncertainties detailed in our International Offering Memorandum dated May 16th 2023 relating to our initial public offering and the listing of our shares on the Abu Dhabi Securities Exchange, and from time to time in our other investor communications. Except as expressly required by law, we disclaim any intent or obligation to update or revise these forward-looking statements.

Absolute figures and percentages included in this document have been subject to rounding adjustments.