



## ADNOC L&S Announces Q4 and Full Year 2023 Financial Results

*Net Profit increases 138% year-on-year*

*Revenue increases year-on-year by 41% with EBITDA up 93%*

*Board recommends 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*

**Abu Dhabi, UAE – February 14, 2024:** ADNOC Logistics and Services plc (ADNOC L&S) (ADX symbol ADNOCLS / ISIN AEE01268A239), a global energy maritime logistics leader, today announced its Q4 and full year 2023 financial results.

On a full-year basis, ADNOC L&S delivered a net profit of \$620 million, or \$0.08 per share, representing a 138% year-on-year (Y-o-Y) increase over a net profit of \$261 million in 2022. The Company generated revenues of \$2,755 million in 2023, marking a 41% increase over 2022. EBITDA increased 93% Y-o-Y to \$876 million as all business segments continued to perform strongly. This was driven by a 9 percentage point EBITDA margin expansion to 32% in 2023 against the same period last year, resulting mainly from the growth in the Integrated Logistics segment in addition to continued strong performance in the Shipping and Marine Services segments.

On a quarterly basis, fourth-quarter net profit grew by 89% Y-o-Y to \$165 million while revenue increased by 26% Y-o-Y to \$828 million mainly driven by continued momentum in the Integrated Logistics segment. Q4 EBITDA increased by 43% Y-o-Y to \$242 million.



Commenting on the Company's results, Captain Abdulkareem Al Masabi, CEO of ADNOC L&S, said: "In 2023, our first year as a publicly listed entity, ADNOC L&S achieved significant milestones, including a 91% increase in share price, nearly doubling EBITDA, and a 138% rise in net profit. Our strong balance sheet and cash position will enable us to unlock additional growth opportunities, reinforcing our commitment to delivering attractive shareholder returns. We remain confident in our medium-term guidance and the potential to further strengthen our position as a global energy maritime logistics leader."

### **Segmental Financial Performance for Full-Year 2023**

Revenues from the **Integrated Logistics** segment increased 88% Y-o-Y to \$1,739 million. This exceptional performance is attributable to continued growth in revenues and margins on core business lines, the successful acquisition of ZMI Holdings and new business activities such as Engineering, Procurement and Construction (EPC). EBITDA increased 225% Y-o-Y to \$532 million whilst EBITDA margin expanded to 31% (full-year 2022 EBITDA margin: 18%).

Revenues from the **Shipping** segment softened by 3% Y-o-Y to \$839 million. However, strong charter rates for Tankers and Gas Carriers contributed to an increase in EBITDA of 16% Y-o-Y to \$321 million and a 6-percentage point EBITDA margin expansion to 38%.

Revenues from the **Marine Services** segment grew 6% Y-o-Y to \$177 million. This generated an EBITDA of \$40 million, an increase of 47% Y-o-Y driven by higher volumes in petroleum ports operations.

ADNOC L&S continued to deliver on the execution of its transformational growth strategy in 2023. During the fourth quarter, the Company took delivery of a fourth newbuild Liquefied Natural Gas (LNG) dual-fuel Very Large Crude Carrier (VLCC), bringing the total delivered VLCCs to four in 2023. VLCCs run on the transitional LNG fuel, at the leading end of environmental efficiency, as the Company continues to progress towards meeting the ADNOC Group's 2045 net zero target.

In Q3 2023, the Company took delivery of eight self-elevating self-propelled Jack Up Barges (JUBs), six of which are owned, with 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.



In Q2 2023, ADNOC L&S entered the EPC market and secured a \$975 million contract for dredging, land reclamation and marine construction of an artificial island for the Lower Zakum offshore field. The award of this contract marked a significant milestone in the Company's strategy to pursue new growth opportunities.

### **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 Company's Board of Directors has recommended distributing a cash dividend of \$130 million (AED477 million), equivalent to 6.45 fils per share, for the second half of 2023. This recommendation will be submitted for shareholders' approval at the Annual General Assembly Meeting. Subject to shareholders' approval, the total dividend for Q2 and H2 2023 is expected to be \$195 million, equivalent to 9.68 fils per share. The \$65 million dividend for Q2 2023 was paid in November 2023. Payment of the dividend for H2 2023 is expected in Q2 2024, subject to shareholders' approval.

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) as a base. This dividend policy will be reviewed on a regular basis taking into account value-accretive growth opportunities.

Demonstrating its commitment to reducing the carbon intensity of its shipping fleet, the majority of ADNOC L&Ss' dual-fuel VLCCs have been recently rated A for their carbon intensity indicator (CII). Mandated by the International Maritime Organization, the CII rating entered into effect on January 1, 2023, with the assignment of ratings from A to E. Achieving the highest possible rating exemplifies both the environmental credentials of the newest vessels and the Company's excellence through operational means to ensure reduced shipping carbon intensity.



## Financial Summary

USD Million	Q4 23	Q3 23	QoQ %	Q4 22	YoY %	YE 2023	YE 2022	YoY %
Revenue	828	702	18%	657	26%	2,755	1,952	41%
EBITDA <sup>(1)</sup>	242	218	11%	169	43%	876	453	93%
Net Profit	165	148	12%	87	89%	620	261	138%
Net cash from Operating Activities	177	345	(49%)	175	1%	823	281	192%

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

## Outlook

The Company's medium-term targets are as follows:

- Group Revenues: We target high teens percentage growth in 2024 and mid-to-high single-digit percentage growth year-on-year in the medium term.
- Group EBITDA: Over the medium term, we target average annual EBITDA growth in the low teens.
- 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](http://www.adnocls.ae)

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