



Press Release

TAQA reports net profit of AED 431 million and AED 3.7 billion debt reduction in first nine months of 2018

8th November 2018

Financial highlights for the periods ending 30 September 2018:

Net income of AED 431 million in first nine months of 2018. The improved performance was driven largely by higher oil and liquids prices as well as mark-to-market gains at TAQA's U.S. power assets.

- Revenues for the first nine months of 2018 increased 8% year on year to AED 13.5 billion.
- EBITDA for the first nine months of 2018 increased 9% year on year to AED 7.4 billion
- Free cash flow in the nine-month period increased 1% year on year to reach AED 5.6 billion, mainly due to an increase in cash flow from operations partially offset by higher capital expenditures.
- TAQA continued to achieve strong liquidity at AED 13.2 billion, including AED 3.0 billion in cash and cash equivalents, and AED 10.2 billion of undrawn credit facilities.
- Across the nine-month period, the Group has reduced its total debt by AED 3.7 billion and has witnessed a reduction in interest paid of AED 231 million compared to the same period of last year.

Operational Highlights:

Power and water:

- Technical Availability for the UAE domestic assets improved to 94.4% in the first nine months of 2018, compared to 92.9% a year earlier. Additionally, international operations' availability improved substantially to 93.8% from 88.1% a year earlier, mostly driven by better performance in Africa.
- UAE power generation was 48,989 GWh during the period, compared to 49,899 GWh generated in the first nine months of 2017, while internationally, power generation reached 20,375 GWh, compared with 19,960 a year earlier.

Oil and gas:

- The Group's average daily production for the first nine months of 2018 declined slightly to 122,000 boed.
- Revenues from oil and gas business during the nine-month period reached AED 4.8 billion, compared to AED 4.1 billion a year earlier. EBITDA for the business reached AED 2.0 billion compared to AED 1.7 billion last year.



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Company commentary on group results:

ABU DHABI, 8th November 2018 – Abu Dhabi National Energy Company PJSC (TAQA), a leading global energy company with operations in 11 countries, has reported a net income of AED 431 million for the first nine months of 2018. Growth has been driven by higher global oil prices, greater efficiency at the company's power assets.

In the first nine months of 2018, TAQA recorded an 8 percent year-on-year rise in revenues to AED 13.5 billion, while EBITDA increased by 9 percent to AED 7.4 billion.

TAQA's oil and gas business is benefiting from higher oil and liquids prices, while its power and water business has also seen improved performance in the last year, mainly due to increased efficiency in TAQA's global assets.

Commenting on the results, H.E. Saeed Mubarak Al Hajeri, the Chairman, said:

"TAQA has achieved a very strong financial turnaround in the last year, which is the result of three years of hard work to strengthen our business to withstand the most volatile of business cycles. The company is now well positioned to implement our strategy for growth, which will combine attaining optimal returns from our oil and gas business, while maximising efficiency at current power and water assets and pursuing new opportunities in the utilities sector."

Saeed Hamad Al Dhaheri, Acting COO at TAQA added:

"TAQA is fully focused on creating value for all our stakeholders. We are strengthening our balance sheet, by continuing to reduce debt, and have reduced our financing costs. At the same time, we are investing in the business, with our target for capital expenditure this year at AED 2 billion, funded completely by the company's cash flow from operations. Our aim is to ensure that our assets in both the oil and gas business, and the power and water business continue to experience improving operational and financial performance in the coming years."

TAQA's power and water business continued to deliver a strong performance, with revenues stable at AED8.7 billion and EBITDA (earnings before interest, tax, depreciation and amortization) at AED5.2 billion. The business generated 69.36 GWh of power globally in the nine-month period, with technical availability standing at 94.3 percent.

The oil and gas business produced AED4.8 billion of revenue, and EBITDA of AED 2 billion. Operating netbacks per barrel increased in Europe driven by higher oil prices, while operations in North America continued to be affected by the low gas price environment in Canada.



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This year, TAQA has continued to strengthen its balance sheet. The company has reduced its debt by AED 3.7 billion since the beginning of the year, which led to a reduction of AED 231 million in cash interest paid.

In the first nine months of 2018, free cash flow increased 1 percent year on year to reach AED 5.6 billion, mainly due to an increase in cash flow from operations partially offset by higher capital expenditure.

Total liquidity remains strong at AED 13.2 billion, including AED 3.0 billion in cash and cash equivalents and AED 10.2 billion of undrawn credit facilities.

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