

## ADNOC Logistics & Services PLC

Strong profitability supported by shipping and services growth, along with margin expansion

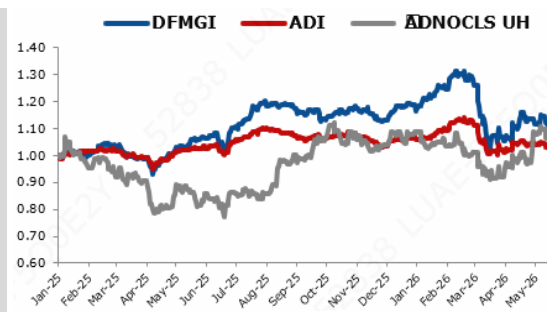
**Current Price**  
AED 5.80

**Target Price**  
AED 6.70

**Upside/Downside (%)**  
+16%

**Rating**  
BUY

- Revenue declined 8.4% YOY to USD 1.1 Bn in 1Q26, primarily due to the scheduled run-off of offshore project revenues following the completion of the Al Omairah Island mega project.
- Maintains a strong contracted revenue backlog of USD 25 Bn, providing high earnings visibility and long-term cash flow stability.
- The company expects consolidated revenue to decline at a low-to-mid single-digit rate in 2026, while EBITDA is projected to grow at a mid-to-high single-digit rate and net profit at a mid-to-high teens rate.
- The Company targets a USD 341 Mn dividend for 2026, implying a 5% annual increase through 2030, with dividends expected to be distributed on a quarterly basis subject to approvals.



### 1Q26 Net Profit in line with our estimate

ADNOC Logistics & Services Plc's (ADNOCLS/the Company) net profit increased 12.3% YOY to USD 203 Mn in 1Q26, in line with our estimate of USD 198 Mn. The increase in net profit was primarily driven by higher other income and increased share of profit from joint ventures, coupled with lower direct costs, G&A expenses, finance costs, and tax expense, partially offset by higher other expenses, increased provision for expected credit losses, and higher NCI charges, along with lower revenue and finance income.

### P&L Highlights

ADNOCLS revenue declined 8.4% YOY to USD 1,083 Mn in 1Q26, primarily due to lower revenue from the Integrated Logistics segment following the completion of major offshore projects, partially offset by growth across the shipping and services segments. Revenue from Integrated Logistics segment declined 23.3% YOY to USD 481 Mn in 1Q26, due to lower offshore project revenues following the completion of G-Island EPC project, partially offset by higher revenue from the offshore contracting and services segments. Offshore Contracting revenue grew 4.0% YOY to USD 312 Mn in 1Q26, supported by the commercial deployment of three additional JUBs, partially offset by lower utilization and rates from JUBs, while Offshore Services increased 22.2% YOY to USD 166 Mn in 1Q26, driven by OSV fleet expansion, improved utilization and higher chartering activity. In contrast, Offshore Projects revenue declined sharply from USD 192 Mn in 1Q25 to USD 4 Mn in 1Q26, due to completion of G-Island EPC project in 4Q25. Shipping revenue increased 4% YOY to USD 512 Mn in 1Q26, mainly driven by revenue growth across all segments, including tankers, gas carriers and dry bulk and containers segments. Meanwhile, services segment revenue increased 5.3% YOY to

### Stock Information

Market Cap (AED, mm)	43,429.19
Paid Up Capital (mm)	3,994.29
52 Week High	6.22
52 Week Low	4.12
3M Avg. daily value (AED)	42,747,310

### 1Q26 Result Review (USD, Mn)

Total Assets	10,282
Total Liabilities	2,957
Total Equity	7,325
EBITDA	368
Net Profit	203

### Financial Ratios

Dividend Yield (12m)	2.79
Dividend Pay-out (%)	142.21
Price-Earnings Ratio(x)	13.28
Price-to-Book Ratio (x)	1.67
Book Value (AED)	0.95
Return-on Equity (%)	13.47

### Stock Performance

5 Days	1.56%
1 Months	10.13%
3 Months	7.71%
6 Months	4.45%
1 Year	32.21%
Month to Date (MTD%)	0.00%
Quarter to Date (QTD%)	13.54%
Year to Date (YTD%)	-0.84%

USD 89 Mn in 1Q26, supported by the inclusion of warehouse revenue following the reclassification of this activity from the Integrated Logistics segment to the Services segment, partially offset by lower volumes at the Petroleum Port Operations and Borouge Container Terminal. Direct costs decreased 15.8% YOY to USD 802 Mn in 1Q26. Consequently, gross profit increased 22.5% YOY to USD 281 Mn in 1Q26, with gross profit margin expanding from 19.4% in 1Q25 to 25.9% in 1Q26. G&A expenses declined 4.1% YOY to USD 54 Mn in 1Q26, while other expenses increased from nil in 1Q25 to USD 18 Mn in 1Q26. Other income grew 36.8% YOY to USD 39 Mn in 1Q26. The Company recorded a provision for expected credit losses of USD 22 Mn in 1Q26, compared to USD 2 Mn in 1Q25. EBITDA from the Integrated Logistics segment declined 17.2% YOY to USD 151 Mn in 1Q26, with EBITDA margin of 31.3% in 1Q26. Meanwhile, Shipping segment EBITDA increased 37.2% YOY to USD 197 Mn in 1Q26, with EBITDA Margin improving from 30.6% in 1Q25 to 38.4% in 1Q26. Services segment EBITDA increased 13.1% YOY to USD 20 Mn in 1Q26, with EBITDA margin improving to 22.9%, driven by the same factors affecting revenue, alongside incremental contributions from profit share from Integr8. As a result, total EBITDA rose 7.2% YOY to USD 368 Mn in 1Q26, while EBITDA margin expanded from 28.5% in 1Q25 to 34.0% in 1Q26. Operating profit increased 13.1% YOY to USD 226 Mn in 1Q26. Share of profit from joint ventures increased from USD 8 Mn in 1Q25 to USD 14 Mn in 1Q26. Furthermore, finance income declined from USD 6 Mn in 1Q25 to USD 2 Mn in 1Q26, while finance costs decreased significantly from USD 26 Mn in 1Q25 to USD 10 Mn in 1Q26. Additionally, tax expense declined 7.1% YOY to USD 11 Mn in 1Q26. NCI contribution increased from USD 4 Mn in 1Q25 to USD 19 Mn in 1Q26.

### Balance Sheet Highlights

ADNOCLS' cash and cash equivalents increased from USD 338 Mn in 4Q25 to USD 695 Mn in 1Q26. Net debt declined from USD 694 Mn in 4Q25 to USD 420 Mn in 1Q26. Consequently, the net debt to EBITDA ratio improved from 0.44x in 4Q25 to 0.28x in 1Q26. ADNOCLS' total capex decreased from USD 471 Mn in 4Q25 to USD 264 Mn in 1Q26. Moreover, the Company's free cash flow turned positive to USD 130 Mn in 1Q26, compared to an outflow of USD 26 Mn in 4Q25.

### Target Price and Rating

We maintain our BUY rating on ADNOC L&S with a target price of AED 6.70. ADNOC L&S delivered robust financial performance in 1Q26, with strong growth in EBITDA and net profit, supported by sustained demand, strategic initiatives, business diversification, and a resilient operating model. Performance was aided by strong shipping demand amid geopolitical volatility, while Integrated Logistics saw expected normalization following completion of the Al Omairah Island mega project in 4Q25. The Company continues to maintain a strong contracted revenue backlog of USD 25 Bn, ensuring high earnings visibility and long-term cash flow stability. The Shipping segment delivered solid growth during the quarter and is expected to achieve mid-to-high teens revenue growth and mid-to-high 50% EBITDA growth in 2026, with medium-term growth of low-to-mid single-digit revenue and high single-to-low double-digit EBITDA growth. Tankers are expected to benefit from elevated VLCC and product tanker rates supported by strong demand and geopolitical factors, with medium-term fundamentals underpinned by steady oil demand, refinery shifts, and balanced fleet supply. In Gas Carriers, most of the fleet remains secured under long-term charters at strong rates. Medium-term growth is expected to be supported by the commencement of contracts for five LNG carriers from 2Q26, including four vessels on 15-year contracts and one vessel on a seven-year contract, and the addition of eight LNG carriers currently under construction for delivery during 2027–2028 under long-term contracts. Dry-bulk & Containers remain supported by resilient fundamentals, with rates moderating from seasonal highs but staying above historical levels, and long-term stability supported by improving tonne-mile trends and balanced supply-demand dynamics. The Container feeder fleet continues to operate under a USD 531 Mn, 15-year contract supporting Borouge Container Terminal operations, providing stable long-term visibility. The segment outlook is further supported by structural tailwinds including rising tonne-mile demand, limited fleet growth, ageing global fleet, sanctions-related capacity removal, and longer trade routes driven by rerouting and evolving global trade flows. Integrated Logistics is expected to decline mid-to-high 20% in both revenue and EBITDA in 2026, with medium-term revenue projected to decline at a low single-digit rate and EBITDA expected to deliver low single-digit growth. Within Offshore Contracting, the segment reflects a conservative 2026 outlook due to lower volumes and reduced JUB utilization, with recovery expected as activity normalizes and medium-term improvement

supported by strategic initiatives and sustained utilization. Offshore Services is expected to benefit from fleet optimization, subsea inspection activities, and improved cross-utilization in 2026, with medium-term growth driven by fleet expansion and rising offshore demand. Meanwhile, Offshore Projects remains impacted in 2026 due to the absence of major EPC opportunities in the marine logistics market, while the medium-term focus remains on delivering marine EPC scopes with predictable returns. The Services segment is expected to deliver low-to-mid single-digit YOY revenue and EBITDA growth in 2026, with medium term revenue growth at a low double-digit and EBITDA growth at mid-to-high teens. On a consolidated basis, ADNOC L&S expects a low-to-mid single-digit revenue decline in 2026, while EBITDA is projected to grow at a mid-to-high single-digit rate and net profit at a mid-to-high teens rate, with an effective tax rate expected to be c. 6% during the period. Meanwhile for the medium term (2026-2029), the company expects the consolidated revenue of Low single-digit growth, consolidated EBITDA of Mid to high single-digit growth, consolidated net profit of Mid to high single-digit growth and Net Debt to EBITDA target of 2.0-2.5x. The Company retains c. USD 3.3 Bn of committed capex obligations as of 1Q26 and continues to target low double-digit unlevered IRRs for growth investments, with long-term contracted assets targeting high single-digit unlevered IRRs. It also plans asset-backed financing in 2026, targeting an LTV of 65% upon commencement of LNG vessel contracts. Furthermore, the Company secured a USD 2.0 Bn revolving credit facility with an additional USD 600 Mn accordion option at SOFR +80bps. From a financial capacity perspective, average cost of debt is expected to be c.5%, with HCI financing costs funded through retained earnings. ADNOC L&S maintains strong incremental investment capacity through 2029, beyond currently announced projects. The Company continues to enhance shareholder returns, targeting a USD 341 Mn dividend for 2026, implying a 5% increase through 2030, to be distributed quarterly subject to approvals. These factors collectively support our BUY rating on the stock.

#### ADNOC L&S - Relative valuation

(at CMP)	2024	2025	2026F
PE (x)	15.29	13.78	12.75
PB (x)	2.36	2.32	2.07
EV/EBITDA	10.37	8.12	7.56
EPS (AED)	0.375	0.417	0.455
BVPS (AED)	2.430	2.475	2.801
DPS (AED)	0.136	0.161	0.169
Dividend yield (%)	2.3%	2.8%	2.9%

*FABS Estimates & Co Data*

Note – ADNOC Logistics & Services listed on ADX in 2023. Thus, the financial multiple for the prior period is unavailable

**ADNOC L&S – P&L**

USD Mn	1Q25	4Q25	1Q26	1Q26F	Var	YOY Ch	QOQ Ch	2025	2026F	Change
Revenue	1,181	1,187	1,083	1,134	-4.5%	-8.4%	-8.8%	5,016	4,727	-5.8%
Direct cost	-952	-895	-802	-868	-7.6%	-15.8%	-10.4%	-3,908	-3,594	-8.0%
<b>Gross profit</b>	<b>229</b>	<b>292</b>	<b>281</b>	<b>265</b>	<b>5.8%</b>	<b>22.5%</b>	<b>-3.9%</b>	<b>1,108</b>	<b>1,133</b>	<b>2.3%</b>
G&A expenses	-56	-55	-54	-54	-1.1%	-4.1%	-2.7%	-205	-216	5.2%
Other expenses	0	0	-18	0	NM	NM	NM	0	-18	NM
Other income	29	14	39	12	NM	36.8%	NM	50	95	87.4%
Provision for ECL, net	-2	-4	-22	-2	NM	NM	NM	-10	-9	-1.4%
<b>EBITDA</b>	<b>344</b>	<b>391</b>	<b>368</b>	<b>375</b>	<b>-1.7%</b>	<b>7.2%</b>	<b>-5.9%</b>	<b>1,515</b>	<b>1,635</b>	<b>8.0%</b>
<b>EBIT</b>	<b>200</b>	<b>247</b>	<b>226</b>	<b>221</b>	<b>2.2%</b>	<b>13.1%</b>	<b>-8.3%</b>	<b>944</b>	<b>985</b>	<b>4.3%</b>
Share of profit from JV	8	10	14	7	NM	72.3%	42.1%	37	65	73.8%
Finance income	6	3	2	2	35.1%	-55.9%	-24.7%	19	7	-61.3%
Finance costs	-26	-14	-10	-15	-33.6%	-63.0%	-32.9%	-87	-55	-37.2%
<b>Profit before tax</b>	<b>196</b>	<b>245</b>	<b>233</b>	<b>215</b>	<b>8.2%</b>	<b>18.8%</b>	<b>-5.1%</b>	<b>922</b>	<b>1,002</b>	<b>8.7%</b>
Income tax expense	-12	-14	-11	-14	-21.8%	-7.1%	-20.4%	-59	-60	2.3%
NCI	4	8	19	4	NM	NM	NM	24	19	-22.5%
<b>Net Profit</b>	<b>181</b>	<b>224</b>	<b>203</b>	<b>198</b>	<b>2.6%</b>	<b>12.3%</b>	<b>-9.4%</b>	<b>839</b>	<b>923</b>	<b>10.1%</b>

FABS estimate & Co Data

**ADNOC L&S - Margins**

	1Q25	4Q25	1Q26	YOY Ch	QOQ Ch	2025	2026F	YOY Ch
Gross margin	19.4%	24.6%	25.9%	653	133	22.1%	24.0%	188
EBITDA margin	29.1%	33.0%	34.0%	494	105	30.2%	34.6%	439
Operating margin	16.9%	20.8%	20.9%	396	10	18.8%	20.8%	201
Net profit margin	15.3%	18.9%	18.7%	345	-13	16.7%	19.5%	281

FABS estimate & Co Data

**Key Developments:**

- 8 January 2025:** ADNOC L&S has finalized its USD 1.04 Bn acquisition of an 80% stake in Navig8 TopCo Holdings Inc., effective January 1, 2024. The company also plans to purchase the remaining 20% between 2026 and mid-2027 for USD 335 Mn to USD 450 Mn. This transaction adds 32 tankers to ADNOC L&S's fleet, broadens its service offerings, and is projected to increase earnings per share by at least 20% in 2025. Additionally, annual synergies of around USD 20 Mn are expected starting in 2026.
- 8 January 2025:** ADNOC Logistics & Services Plc announced plans to issue a Hybrid Capital Instrument (HCI) valued between USD 1.1 Bn and USD 2.0 Bn (AED 4 to 7.3 Bn). The initial USD 1.1 Bn (AED 4 Bn) will be used to finance the Navig8 acquisition, while the remaining USD 0.9 Bn (AED 3.3 Bn) is earmarked for future investments through December 31, 2026. The HCI carries a rate below SOFR + 150 bps and supports the company's target leverage ratio of 2.0 to 2.5x Net Debt to EBITDA.
- 26 May 2025:** ADNOC L&S announced the delivery of *Al Rahba*, its second newly built LNG carrier from China's Jiangnan Shipyard. The vessel is part of a six-carrier order placed in 2022 and features a capacity of 175K m<sup>3</sup>. Equipped with advanced energy-efficient technologies, including dual-fuel engines that cut methane emissions by up to 50%, the *Al Rahba* enhances ADNOC L&S's ongoing strategic fleet expansion program.

- **11 June 2025:** Borouge Plc and ADNOC Logistics & Services Plc have entered into a 15-year strategic partnership valued at USD 531 Mn to handle logistics for up to 70% of Borouge's yearly output. The agreement covers port operations, container handling, and feeder vessel services, with ADNOC L&S committing at least two dedicated ships. Borouge anticipates more than USD 50 Mn in cost savings in the next five years and aims to increase production capacity by 1.4 Mn tonnes per year by the end of 2026.
- **14 August 2025:** ADNOC L&S announced the delivery of Gas Yongjiang, the first of nine Very Large Ethane Carriers (VLECs) constructed by Jiangnan Shipyard for its joint venture, AW Shipping. The vessels will operate under 20-year charter agreements expected to generate around USD 4 Bn in revenue. ADNOC L&S also took delivery of Al Reef, the third of six LNG carriers from the same shipyard, as part of its fleet modernization program. The remaining VLECs are scheduled for delivery between 2025-2027.
- **28 August 2025:** Abu Dhabi National Oil Company (ADNOC) announced its intention to sell up to 222 Mn ordinary shares, representing roughly 3% of ADNOC L&S share capital, through a bookbuild offering targeted at professional and institutional investors. The bookbuilding process will conclude before market opening on August 29, 2025, with settlement anticipated by September 3, 2025. Any unsold shares will be subject to a six-month lock-up, with the offering expected to increase ADNOC L&S's free float to 22%.
- **29 August 2025:** ADNOC has completed a USD 317 Mn institutional placement of 222 Mn shares in ADNOC L&S, equivalent to 3% of the company's share capital. The shares were priced at AED 5.25 each, increasing ADNOC L&S's free float to 22%. The offering was oversubscribed seven times during a four-hour bookbuilding process. Following the transaction, ADNOC retains a 78% ownership stake and has committed to a six-month lock-up period before any additional share sales.
- **9 October 2025:** ADNOC L&S and TAZIZ have signed a 50-year agreement to develop a dedicated chemicals port within the TAZIZ Industrial Chemicals Zone in Ruwais. Under the deal, ADNOC L&S will construct, own, and operate the USD 300 Mn facility, which is scheduled for completion in 4Q26 and is expected to generate around USD 1.3 Bn in revenue over 27 years. TAZIZ aims to produce 4.7 Mn tons of chemicals annually by 2028, supporting the UAE's industrial and economic development objectives.
- **6 November 2025:** ADNOC L&S announced that it is expected to be added to the MSCI Emerging Markets Index, effective November 25, 2025. The inclusion follows a USD 317 Mn secondary share offering in August that increased the company's free float to c. 22%. ADNOC L&S has more than USD 26 Bn in long-term contracted revenue and plans to distribute USD 325 Mn in dividends for 2025. It becomes the fourth ADNOC Group company to join the index, enhancing its global visibility and accessibility to international investors.
- **13 November 2025:** ADNOC L&S has launched the UAE's first AI-enabled, 60 meter remotely operated offshore vessels, marking a major step in autonomous maritime logistics. Developed with SeaOwl, the crewless vessels will be operated from ADNOC L&S's remote-control center in Mussafah, enhancing safety, lowering costs, and improving operational efficiency. The design eliminates onboard accommodation and uses AI-driven route optimization, enabling up to a 30% reduction in carbon emissions. Construction of two prototype vessels has begun at the end of 2025, with delivery expected in 4Q26 for sea trials and safety validation in UAE waters.
- **10 December 2025:** ADNOC L&S has taken delivery of Al Sadaf, the fourth of six new-build 175,000 m<sup>3</sup> LNG carriers from Jiangnan Shipyard, as part of its multi-billion-dollar fleet renewal and expansion program. The vessel is 25% larger than legacy models and features dual-fuel engines designed to cut methane emissions by up to 50%, enhancing efficiency and sustainability. The addition strengthens ADNOC L&S's LNG export capacity and supports ADNOC Gas in meeting rising global demand while driving value across ADNOC's integrated value chain.

- **23 March 2026:** ADNOC L&S confirmed the early delivery of Arada, its fifth newbuild LNG carrier with a capacity of 175,000 m<sup>3</sup>, built by Jiangnan Shipyard in China, as part of its fleet expansion programme. The vessel has commenced operations following delivery.
- **27 April 2026:** ADNOC L&S took delivery of its sixth 175,000 m<sup>3</sup> next-generation LNG carrier from Jiangnan Shipyard in China, completing part of its \$1.2 billion LNG fleet expansion programme launched in 2022. The vessel supports the Company's growing long-term contracted LNG transportation business, while incorporating advanced technologies designed to reduce methane emissions and improve operational efficiency.

## Valuation:

We use Discounted Free Cash Flow (DCF), Relative Valuation (RV), and Discounted Dividend Method (DDM) to value ADNOC Logistics & Services. We have assigned 70% weight to DCF, 20% to RV, and 10% to DDM.

Valuation Method	Target	Weight	Weighted Value
DCF Method	7.41	70.0%	5.19
Relative Valuation (RV)	6.04	20.0%	1.21
DDM Method	2.97	10.0%	0.30
<b>Weighted Average Valuation (AED)</b>			<b>6.70</b>
Current market price (AED)			5.80
Upside/Downside (%)			+15.5%

### 1) DCF Method:

ADNOC Logistics & Services is valued using free cash flow to the firm. We have discounted the cash flow using the weighted average cost of capital of 8.6%. It is arrived after using the cost of equity of 8.9% and the cost of debt of 4.7%. Cost of equity is calculated by using a 10-year government bond yield of 5.2%, beta of 0.9 and equity risk premium of 4.4%. Government bond yield is calculated after adding Abu Dhabi's 10-year spread over 10-year US risk-free rate. Also, assumed a terminal growth rate of 2.5%.

Sum of PV (USD, Mn)	2,787
Terminal value (USD, Mn)	14,808
Net Debt (as of Mar 2026)	-2,671
<b>FV to Common shareholders (USD, Mn)</b>	<b>14,924</b>
No. of share (Mn)	7,393
Current Market Price (AED)	5.80
<b>Fair Value per share (AED)</b>	<b>7.41</b>

### DCF Method

(All Figures in USD Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
NOPAT	1,058	1,172	1,241	1,321	1,425
Depreciation & Amortization	1,122	1,242	1,315	1,401	1,510
Capex	577	568	604	636	649
Change in Working Capital	-891	-1,416	-1,407	-922	-797
<b>Free Cash Flow to Firm (FCFF)</b>	<b>638</b>	<b>338</b>	<b>454</b>	<b>1,056</b>	<b>1,297</b>
Discounting Factor	0.95	0.88	0.81	0.74	0.68
<b>Discounted FCFF</b>	<b>455<sup>1</sup></b>	<b>296</b>	<b>366</b>	<b>784</b>	<b>886</b>

Source: FAB Securities, <sup>1</sup>Adjusted for partial year

## 2) Relative Valuation:

We have used local as well as international peers to value ADNOC Logistics & Services and it is valued using the EV/EBITDA multiple. The Integrated & Marine business is valued at EV/EBITDA multiple of 10.9x and the Shipping business is valued at EV/EBITDA multiple of 7.8x in line with peers.

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F
<b><u>Integrated &amp; Marine peers</u></b>					
ADNOC DRILLING CO PJSC	25,733	12.3	11.4	17.7	16.0
EMIRATES CENTRAL COOLING SYS	4,248	11.1	10.3	15.2	13.7
DUBAI ELECTRICITY & WATER AU	35,806	9.3	8.8	16.3	15.1
ABU DHABI PORTS CO PJSC	6,123	9.1	8.1	13.3	10.8
DTC	1,359	10.9	7.4	22.1	12.1
<b>Average</b>		<b>10.5x</b>	<b>9.2x</b>	<b>16.9x</b>	<b>13.5x</b>
<b>Median</b>		<b>10.9x</b>	<b>8.8x</b>	<b>16.3x</b>	<b>13.7x</b>
<b>Max</b>		<b>11.1x</b>	<b>10.3x</b>	<b>17.7x</b>	<b>15.1x</b>
<b>Min</b>		<b>9.3x</b>	<b>8.1x</b>	<b>15.2x</b>	<b>12.1x</b>

Source: FAB Securities

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F
<b><u>Shipping peers</u></b>					
QATAR GAS TRANSPORT(NAKILAT)	6,574	18.4	12.7	20.6	12.5
CMB. TECH NV	4,905	7.4	8.4	NA	NA
STAR BULK CARRIERS CORP	2,909	6.1	6.0	7.2	7.2
DORIAN LPG LTD	1,809	7.8	8.7	9.9	11.8
GOLAR LNG LTD	5,663	29.5	26.7	71.7	62.2
FLEX LNG LTD	1761	12.0	12.1	15.3	15.5
FRONTLINE PLC	8335	5.6	8.3	6.9	12.1
<b>Average</b>		<b>12.4x</b>	<b>11.9x</b>	<b>21.9x</b>	<b>20.2x</b>
<b>Median</b>		<b>7.8x</b>	<b>8.7x</b>	<b>12.6x</b>	<b>12.3x</b>
<b>Max</b>		<b>15.2x</b>	<b>12.4x</b>	<b>19.2x</b>	<b>14.7x</b>
<b>Min</b>		<b>6.8x</b>	<b>8.4x</b>	<b>7.9x</b>	<b>11.9x</b>

Source: FAB Securities

### 3) DDM Method:

ADNOC Logistics and Services paid USD 325 Mn dividend in 2025 and expects to pay USD 341 Mn dividend for 2026 with quarterly payment and PCS distribution, supported by contracted cash flows. The dividend is discounted at the cost of equity of 8.9%.

Sum of PV (USD, Mn)	1,509
Terminal value (USD, Mn)	4,475
<b>FV to Common shareholders (USD, Mn)</b>	<b>5,983</b>
No. of share (Mn)	7,393
Current Market Price (AED)	5.80
<b>Fair Value per share (AED)</b>	<b>2.97</b>

#### DDM Method

(All Figures in USD Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
<b>Dividend Paid</b>					
H1	171	179	188	198	207
H2	171	179	188	198	207
<b>Total Dividend</b>	<b>341</b>	<b>358</b>	<b>376</b>	<b>395</b>	<b>415</b>
Discounting Factor	0.95	0.87	0.80	0.74	0.68
<b>Present Value of Dividend</b>	<b>324</b>	<b>313</b>	<b>301</b>	<b>290</b>	<b>280</b>

Source: FAB Securities

### Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

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