

NMDC Energy

Management Discussion & Analysis



3Q/9M 2026 Earnings Release

NMDC Energy reports 9M26 results, with revenues increasing 9% Y-o-Y to reach AED14.2 billion and net profit of AED420 million



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Key Highlights

REVENUES

AED **14.2** billion

9M26 9% Y-o-Y

EBITDA

AED **840** million

9M26 -34% Y-o-Y

NET PROFIT

AED **420** million

9M26 -56% Y-o-Y

BACKLOG

AED **33.0** billion

Current Backlog

EPS

AED **0.084**

9M26 -56% Y-o-Y

AWARDED PROJECTS

AED **2.6** billion

9M26

RoAE

19.0%

*Trailing earnings

TOTAL ASSETS

AED **19.5** billion

-4% YTD

TOTAL EQUITY

AED **5.7** billion

-7% YTD

CASH & BANKS

AED **3.0** billion

-34% YTD

FREE CASH FLOW

AED **(418)** million

9M26

CAPEX

AED **314** million

9M26

NET WORKING CAPITAL

AED **(714)** million

Sep-26

NMDC Energy Stock Data*

Closing Price

AED **2.57**

Market Cap.

AED **12.9** bn

Price/ Earnings

12.0 x

Average Target Price

AED **3.58**

Upside to TP

39%

*Calculations based on 23rd October 2026 closing price

Financial Results

INCOME STATEMENT

AED (million)	3Q26	2Q26	3Q25	Y-o-Y	Q-o-Q	9M26	9M25	Y-o-Y
Revenue	4,732	4,519	4,846	-2%	5%	14,215	13,012	9%
EBITDA*	291	351	472	-38%	-17%	840	1,266	-34%
EBITDA Margin	6.2%	7.8%	9.7%			5.9%	9.7%	
Net Profit before Tax	179	235	392	-54%	-24%	506	1,031	-51%
Net Profit after Tax	169	171	368	-54%	-1%	420	951	-56%
Net Profit Margin	3.6%	3.8%	7.6%			3.0%	7.3%	
Net Profit Attributable to Shareholders	168	170	367	-54%	-1%	418	949	-56%
Minorities	0.6	0.6	0.3	70%	-2%	1.8	1.6	12%

* Calculated by adding back net finance cost (income) and Depreciation & Amortization to net profit before tax

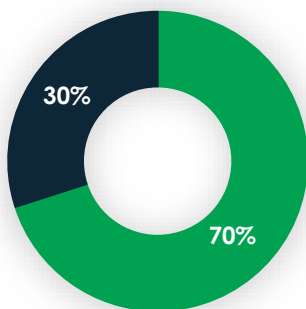
3Q2026

- NMDC Energy continued to execute against its backlog despite operational challenges with its revenues coming at AED4.7 billion in 3Q26, inching down 2% Y-o-Y; and up 5% Q-o-Q.
- EBITDA came at AED291 million in 3Q26, lower 38% Y-o-Y; and reflects an EBITDA margin of 6.2%. The decline in profitability mirrors primarily cost overruns related to logistics, insurance, and fuel prices amid the on-going regional situation.
- Net profit after tax reached AED169 million with a net profit margin of 3.6%, slightly lower Q-o-Q.

Revenue Breakdown

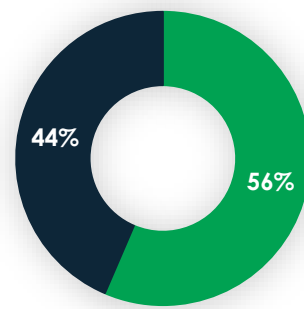
Local Vs. International

■ Local ■ International



Off-shore Vs. On-shore

■ Off-shore ■ On-shore



The above charts represent 3Q26 revenues

Financial Results

INCOME STATEMENT

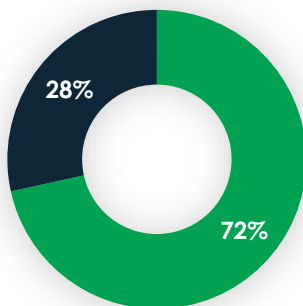
9M2026

- ✓ NMDC Energy revenues increased 9% Y-o-Y to reach AED14.2 billion in 9M26, on the back of strong backlog execution and despite the on-going regional unrest.
- ✓ EBITDA came at AED840 million, down 34% Y-o-Y, with EBITDA margin slipping to 5.9% in 9M26 versus 9.7% in 9M25, reflecting costs overruns and operational challenges that were seen since the beginning of the regional geopolitical situation in March of the current year.
- ✓ This filtered into a net profit after tax of AED420 million, and a net profit margin of 3.0%.

Revenue Breakdown

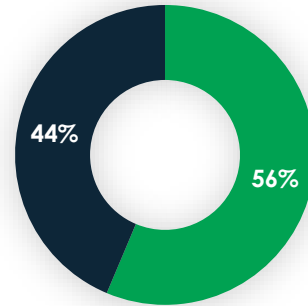
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The above charts represent 9M26 revenues

Financial Results

BALANCE SHEET

AED (million)	Sep-26	Jun-26	Mar- 26	Dec- 25	YTD
Current Assets	15,199	15,422	14,987	16,027	-5%
Non-current Assets	4,350	4,372	4,394	4,389	-1%
Total Asset	19,549	19,794	19,382	20,416	-4%
Current Liabilities	13,072	13,471	13,221	13,449	-3%
Non-current Liabilities	731	743	747	815	-10%
Total Liabilities	13,803	14,213	13,968	14,264	-3%
Total Equity	5,747	5,581	5,414	6,153	-7%
Cash	2,958	3,290	3,472	4,486	-34%
Net Cash*	2,841	3,107	3,222	4,170	-32%

* Net cash is calculated as cash and cash equivalents less debt, excluding lease liabilities

- ✓ Cash and bank balances decreased 34% YTD to AED3.0 billion at the end of 3Q26, largely on dividends distribution amounting to AED800 million, lease payments, tax payments, payments to suppliers to expedite material delivery, and loan repayment. And despite, strong collections of AED13.4 billion (95% of revenues) during 9M26.
- ✓ Net Cash declined 32% YTD to AED2.8 billion, reflecting the decline in total cash position. Total outstanding debt declined to AED118 million by end of September 2026.
- ✓ Total equity declined 7% YTD to stand at AED5.7 billion at the end of September 2026, primarily reflecting the payment of AED800 million in cash dividends during the period, which exceeded the AED420 million in net profit generated during 9M26.

NET WORKING CAPITAL

AED (million)	Sep-26	Jun-26	Mar- 26	Dec- 25
Inventories	336	404	259	278
Trade and other receivables	6,160	6,838	5,987	6,829
Contract Assets	5,744	4,887	5,265	4,412
Other Current Assets	1	3	4	22
Trade & Other Payables	(10,259)	(10,500)	(11,053)	(11,874)
Contract Liabilities	(1,132)	(1,518)	(1,146)	(840)
Other Current Liabilities	(1,564)	(1,269)	(773)	(470)
Net Working Capital*	(714)	(1,155)	(1,456)	(1,643)

* Excludes cash and borrowings and includes financial assets

- ✓ Net working capital stood at AED (714) million at the end of September 2026, compared to AED (1.6) billion as at the end of December 2025. The movement was primarily driven by an increase in contract assets (revenues yet to be invoiced), together with lower job accruals and advances from clients, which were partially offset by higher contract liabilities and an increase in due to related party balance (NMDC Group).

Financial Results

FREE CASH FLOW

AED (million)	3Q26	1H26	3Q25	1H25	9M26	9M25
Cash Flow from Operations	(129)	25	(1,168)	1,890	(105)	722
Capital Expenditures	(89)	(225)	(191)	(205)	(314)	(396)
Free Cash Flow	(218)	(200)	(1,359)	1,685	(418)	326

Cash generated from operations before changes in working capital came at AED731 million. However, negative change in working capital was primarily due to lower advances from clients, lower job accruals, increase in contract assets resulted in cash flow from operations coming at AED(105) million.

Capex spending came at AED314 million in 9M26, largely related to KSA yard construction and UAE yards upgrade, equipment purchase and maintenance capex.

Awarded Projects and Backlog

Awarded Projects

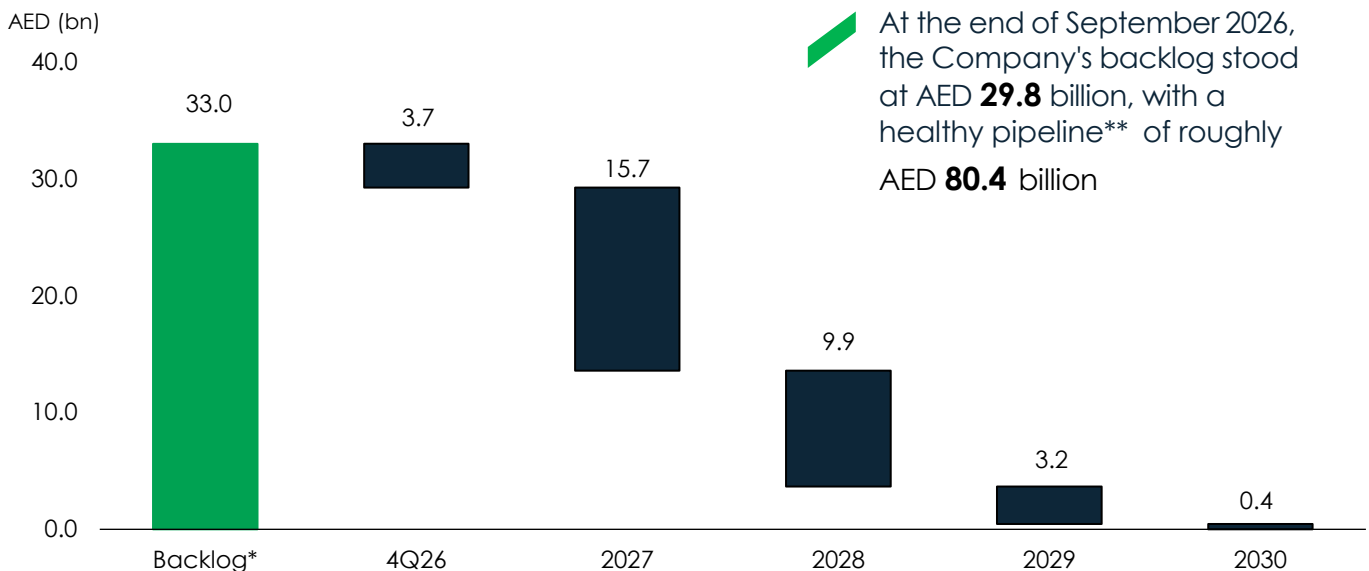
Client	Country	Award Date	Contract Value	Scope
Undisclosed client	UAE	2Q26	AED 2.3 billion	EPC off-shore work
EWEC*	UAE	3Q26	AED 0.3 billion	EPC work - Diesel pipeline

Total Awarded Projects in 9M26

AED 2.6 billion

* Project values are indicative, as contractual terms remain under negotiation. Work on the respective projects has commenced

Expected Backlog Unwinding*



*Backlog value includes projects awarded up to 25 October 2026

**Pipeline calculation includes tenders submitted, tenders to be submitted, EOI, and future prospects

Backlog Breakdown

Local Vs. International

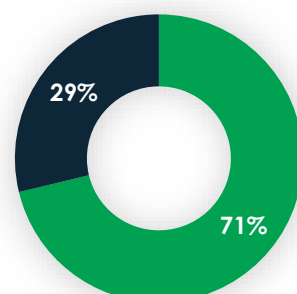
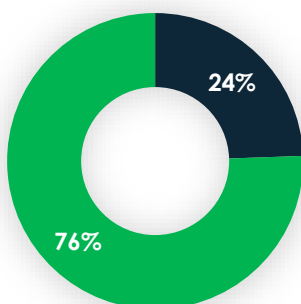
Off-shore Vs. On-shore

■ International

■ Local

■ Off-shore

■ On-shore



Business Development

Make It In The Emirates (MIITE) 2026

NMDC Energy signed an MoU with Energy Masters

NMDC Energy signed a Memorandum of Understanding (MoU) with Energy Masters to establish the UAE's first manufacturing facility for Electro Submersible Pumps (ESPs), supporting technology transfer and reducing reliance on imported oilfield equipment.



NMDC Energy signed an MoU with Borouge

NMDC Energy signed a Memorandum of Understanding (MoU) with Borouge for potential steel pipe coating solutions for infrastructure and energy projects. The MoU builds on the partnership between both entities and their success in supporting major projects locally and internationally.



NMDC Energy signed an agreement with Neway Valve (Suzhou) Co., Ltd.

NMDC Energy has signed an agreement with Neway Valve (Suzhou) Co., Ltd to focus on the localization of valve manufacturing operations in the UAE. This agreement aims to support in-country value creation by strengthening domestic manufacturing capabilities and reducing reliance on imported equipment.



NMDC Energy signed an agreement with Wasco Energy Ltd.

NMDC Energy signed an agreement with Wasco Energy Ltd. to support the development of advanced industrial infrastructure within the UAE. The agreement focuses on modular fabrication for data centers, contributing to the localization of critical industrial and engineering capabilities.



Sustainability & HSE

HSE Key Performance

- 92.5 M Man-Hours
- 1.825 M Training Man-Hours
- 0.02 LTIFR
- 0.08 TRIFR
- 18,644 Safety Inspections
- 58,160 Work Permit Audits
- 2,560 Emergency Drills
- 510 Leadership Site Visit
- 14 Major Campaigns

Environmental Performance

- 62 Environmental Drills.
- 51 Environmental Campaigns.
- 901 Enviro Awareness Sessions.
- 7,632 Environmental Inspections.
- 42,506 MT Waste Generated.
- 22,129 MT Waste Recycled.
- 20,375 MT Waste Disposed
- 2.5 MT Waste Incinerated.

Key Environmental Initiatives

- Hosted ESG Reporting Framework Awareness Session.
- Showcases Decarbonization Leadership at the World ESG Summit 2026
- Grow Green Initiative: Employee-Led Plantation Turns Unused Site Office Space into Green Areas
- World Ozone Day 2026
- Beach Clean-Up Program
- Solar Parking System at MFY

HSE Updates

- Launched the SAFEST Program to streamline the HSE observation reporting process and enhance reporting efficiency and effectiveness.
- Area Safety Awards to recognize outstanding individuals, teams, and sites for excellence in HSE standards, while promoting a strong safety culture and encouraging high-performance practices.

HSE Workshop

- Facilitated the ADNOC Human Performance Workshop, supporting HSE Excellence through improved understanding of human, procedural, and organizational factors impacting safety.

Training Updates

- 4 Accreditation Bodies (IOSH, OPITO, NEBOSH, Highfield).
- 11 Accredited Training Course (H2S OPITO, NEBOSH IGC, IOSH MS, IOSH WS, Accident Investigation, Working Confined Space, COSHH, Safety for Construction Supervisor, Risk Assessment, Work at Height, First Aider & Automated External Defibrillator).

90-Day Safety Campaign

- HSE Townhall of 90-Day Life Saving Rules Critical Control Verification Program. Strengthening assurance over the controls that prevent fatalities. Based on NMDC's existing 10 Life Saving Rules

Partnership HSE Engagement

- 3Q 2026 CSP Forum, advancing three strategic taskforces: Worker Welfare, Standardization, and HSE/AI Solutions.
- Zuluf Offshore Safety Forum in collaboration with Saudi Aramco and technology partners, strengthening offshore safety engagement and knowledge sharing.

Worker Welfare

- 3 Nominated Best Camps (Granite Camp Buhasa, Ruwais Camp, GOP Island Camp).
- Upgrading from Associate Members to Board Members of Building Responsibly.
- Hosts Padel Tournament 2026

Achievements & Recognitions

Oil & Gas Middle East Awards 2026



EPC Contractor of the Year (2022-2026)



AI Excellence in Energy Award (2026)



ARAMCO Environmental Excellence Award

NMDC Energy KSA CRPO 82/83 received Saudi ARAMCO's Environmental Excellence Award for outstanding sustainability performance.

The Global Brands Awards 2026

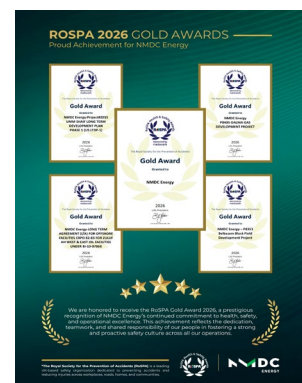
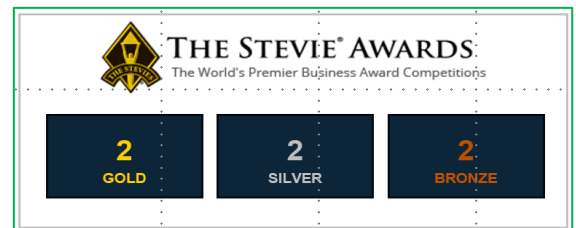


Maintain Strong MSCI ESG Ratings (A)



NMDC Energy Honored at the 2026 MENA Stevie Awards

NMDC Energy has been recognized at the 2026 Middle East & North Africa Stevie Awards, earning **six Stevie® Awards** across sustainability, innovation, growth, artificial intelligence, manufacturing, and human resources categories.



Disclaimer

This document might include forward-looking statements. The forward-looking statements contained in this document speak only as of the date of this document. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of NMDC Energy (the Company) and all of which are based on current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, results of operations, financial standing, liquidity, prospects, growth, strategies, and dividend policy and the industry in which the Company operates.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts as of the date of this document involve predictions. No assurance can be given that such future results will be achieved. There is no obligation or undertaking to update these forward-looking statements contained in this document to reflect any change in the expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this document; or (ii) by applicable laws of the UAE.

Actual events or results may differ materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

