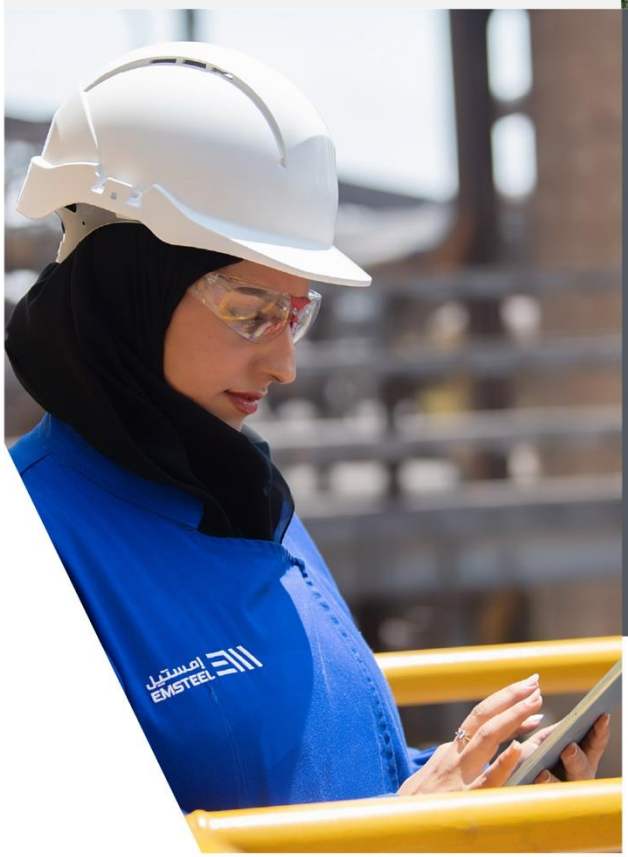
Management Discussion & Analysis Report





Q3 & 9M 2026

12th November 2026

Table of Contents

Financial & Strategic Highlights 2
Financial & Operational Performance by Division 6
About EMSTEEL 8
Share Price & Ownership 8
Legal Disclaimer 8
Earnings Webcast and Conference Call 9
IR Contacts & Investor Feedback 9

Financial & Strategic Highlights

Abu Dhabi, United Arab Emirates, 12th November 2026: EMSTEEL (ADX: EMSTEEL) ("the Group"), one of the largest publicly traded steel and building materials manufacturers in the region, announced today its financial results for the third quarter of 2026. During the reporting period, EMSTEEL continued to strengthen its position as the UAE's leading and reliable domestic producer of steel and building materials, ensuring supply continuity and supporting national demand. These developments, supported by Group-wide measures to enhance operational efficiency and maintain cost discipline, helped deliver resilient financial results and stronger profitability margins.

Condensed Consolidated Statement of Profit or Loss

AED m	Q3'26	Q3'25	YoY	Q2'26	QoQ*	9M'26	9M'25	YoY
Revenue	2,490	2,169	**+15%**	2,390	**+4%**	7,047	6,469	**+9%**
EBITDA	381	283	**+35%**	457	-17%	1,322	823	**+61%**
EBITDA Margin, %	*15.3%*	*13.1%*	***+2.2 p.p.***	*19.1%*	*-3.8 p.p.*	*18.7%*	*12.7%*	***+6.0 p.p.***
Profit after tax	190	95	**+99%**	262	-27%	751	283	**+165%**
Net profit Margin, %	*7.6%*	*4.4%*	***+3.2 p.p.***	*11.0%*	*-3.4 p.p.*	*10.7%*	*4.4%*	***+6.3 p.p.***
Reported EPS (AED)	0.028	0.014	**+99%**	0.038	-27%	0.110	0.041	**+165%**

** Throughout this document, QoQ refers to the comparison of Q3 2026 with Q2 2026.*

In Q3 2026 EMSTEEL reported revenue of AED 2,490 million, up 15% year-on-year (YoY) from AED 2,169 million in Q3 2025. Revenue growth was supported by domestic demand and higher average selling prices for finished steel and cement products. For the first nine months of 2026 (9M 2026), revenue rose 9% YoY to AED 7,047 million from AED 6,469 million.

EMSTEEL reported EBITDA of AED 381 million in Q3 2026, up 35% YoY from AED 283 million, while the EBITDA margin expanded by 2.2 percentage points to 15.3% from 13.1%. The YoY improvement was driven by disciplined SG&A cost control measures, and a 17% YoY increase in average selling prices for finished steel products. At the same time EBITDA margin declined from 19.1% in Q2 2026 to 15.3% in Q3 2026, primarily reflecting the impact of higher costs associated with the regional geopolitical situation. Inventories of raw materials acquired earlier in the year at lower landed costs were gradually replaced by new raw materials delivered through more expensive alternative logistics routes. In 9M 2026, EBITDA increased by 61% YoY to AED 1,322 million from AED 823 million, with the EBITDA margin rising by 6.0 percentage points to 18.7% from 12.7%.

The Group's profit after tax reached AED 190 million in Q3 2026, up 99% YoY from AED 95 million in Q3 2025. EMSTEEL's profit after tax for 9M 2026 rose by 165% YoY to AED 751 million from AED 283 million, and the net profit margin expanded by 6.3 percentage points to 10.7%.

Condensed Consolidated Statement of Financial Position

AED m	30 Sep 26	30 Jun 26	QoQ	31 Dec 25	YTD
Total Assets	12,166	11,761	+3%	11,177	+9%
Total Liabilities	2,171	1,956	+11%	1,933	+12%
Total Equity	9,995	9,804	+2%	9,244	+8%
Net Cash Position	1,782	1,639	+9%	1,165	+53%

As of 30 September 2026, the Group maintained a strong balance sheet, with total assets of AED 12,166 million, up 9% from AED 11,177 million as of 31 December 2025. The increase in total assets primarily reflected higher cash and bank balances and a build-up in inventories of AED 459 million, driven by a more prudent approach to maintaining raw materials reserves amid the regional geopolitical situation.

Total equity grew to AED 9,995 million, by 8% year-to-date (YTD), due to accumulation of retained earnings, while total liabilities rose 12% to AED 2,171 million.

As of 30 September 2026, EMSTEEL maintained a robust net cash position of AED 1,782 million, representing an increase of AED 617 million from year-end and AED 143 million from 30 June 2026. The 53% improvement in the net cash position YTD continues the Group's efforts to build foundation for future growth projects and to enhance financial flexibility.

Condensed Consolidated Statements of Cash Flows

AED m	Q3'26	Q3'25	YoY	Q2'26	QoQ	9M'26	9M'25	YoY
Operating Cash Flows before movements in working capital	389	305	**+28%**	474	-18%	1,348	873	**+54%**
- (Increase) / decrease in Inventories	(340)	(90)	n/a	60	n/a	(459)	(559)	n/a
- (Increase) / decrease in trade and other receivables	35	480	-93%	(47)	n/a	(104)	527	n/a
- Increase / (decrease) in trade and other payables	270	(144)	n/a	(50)	n/a	296	(66)	n/a
- Decrease in due to related party	(25)	-	n/a	(26)	n/a	(76)	-	n/a
Cash Flow generated from Operations	328	550	-40%	411	-20%	1,005	776	+30%
Employees' end of service benefits paid	(3)	(2)	n/a	(4)	n/a	(11)	(13)	n/a
Corporate tax paid	(50)	(18)	n/a	-	n/a	(50)	(18)	**+175%**
Net Cash Flow from Operations	275	530	-48%	407	-32%	944	744	**+27%**
Net Cash Flow from Investing activities	(120)	(175)	-31%	(53)	n/a	(291)	(315)	n/a
Free Cash Flow	155	355	-56%	354	-56%	653	429	**+52%**

During Q3 2026, the Group's operating cash flow before movements in working capital increased by 28% YoY to AED 389 million, reflecting the stronger underlying earnings performance.

In Q3 2026 net cash flow from operations decreased by 48% YoY and by 32% QoQ, to AED 275 million. This was primarily driven by AED 340 million build-up in inventories and corporate tax payment of AED 50 million, partially offset by an increase in trade and other payables of AED 270 million.

EMSTEEL's net cash flow from operations for 9M 2026 rose 27% YoY to AED 944 million, supported by improved operating profitability reflected in a 54% YoY increase in operating cash flow before movements in working capital.

Net cash used in investing activities was AED 291 million in 9M 2026, compared with AED 315 million in 9M 2025, with purchases of property, plant and equipment representing the largest component. Although total capital expenditure remained broadly stable, its composition shifted towards growth capital expenditure linked to accelerated investment in upgrading existing steel production capacity under EMSTEEL's Asset Enhancement Programme.

Overall, during 9M 2026 free cash flow increased by 52% YoY to AED 653 million from AED 429 million in 9M 2025. Q3 2026 free cash flow amounted to AED 155 million, compared with AED 355 million in Q3 2025. The quarterly YoY reduction primarily reflected working-capital absorption rather than weaker performance results, with EBITDA and operating cash flow before working-capital movements both higher YoY.

Strategic highlights for Q3 2026

EMSTEEL was reappointed for a second term as Co-Chair of the Alliance for Industry Decarbonization (AFID), led by the International Renewable Energy Agency (IRENA), alongside BASF. The role positions EMSTEEL at the centre of international collaboration across industry, energy and finance to advance practical and scalable decarbonisation solutions, particularly across hard-to-abate sectors.

EMSTEEL achieved the highest level of EcoVadis sustainability recognition, strengthening EMSTEEL's position as a responsible global supplier. EMSTEEL advanced from Bronze in 2025 to Platinum in 2026, achieving a score of 95 out of 100 and placing in the 99th percentile, among the top 1% of companies assessed globally during the previous 12 months.

EMSTEEL secured five honours at the Gulf Sustainability Awards 2026, comprising four Gold Awards and one Bronze Award across sustainable products, circular economy, ESG reporting, environmental sustainability and sustainable technology innovation. The recognised initiatives included ES600 high-strength rebar, industrial by-product utilisation, independently verified ESG reporting, hydrogen-based steel, clean energy and industrial decarbonisation technologies.



Financial & Operational Performance by Division

Steel Division

Financial Performance (AED m)	Q3'26	Q3'25	YoY	Q2'26	QoQ	9M'26	9M'25	YoY
Revenue	2,238	1,945	+15%	2,103	+6%	6,240	5,817	+7%
EBITDA	306	231	+34%	382	-20%	1,092	680	+61%
EBITDA Margin, %	*13.7%*	*11.9%*	***+1.8 p.p.***	*18.2%*	*-4.5 p.p.*	*17.5%*	*11.7%*	***+5.8 p.p.***

Operational Results	Q3'26	Q3'25	YoY	Q2'26	QoQ	9M'26	9M'25	YoY
Sales (kt)								
Finished Steel Products + Billets	770	812	-5%	806	-4%	2,344	2,428	-3%
Billets	-	-	n/a	-	n/a	28	-	n/a
Finished Steel Products, including:	770	812	-5%	806	-4%	2,316	2,428	-5%
- *Rebar*	*547*	*539*	***+1%***	*580*	*-6%*	*1,618*	*1,638*	*-1%*
- *Wire Rod and Rebar in Coil*	*159*	*144*	***+10%***	*140*	***+14%***	*444*	*380*	***+17%***
- *Heavy Sections and Sheet Piles*	*64*	*129*	*-50%*	*86*	*-25%*	*253*	*410*	*-38%*

In Q3 2026 EMSTEEL's Steel division generated revenue of AED 2,238 million, up 15% YoY, despite a 5% decline in sales volumes to 770,000 tonnes. Revenue growth was primarily driven by a 17% YoY increase of the average selling price for finished steel products.

The decline in quarterly sales volumes was concentrated in heavy sections and sheet piles primarily due to export delivery disruptions arising from the regional geopolitical situation and related logistics constraints. This was partly offset by higher sales volumes in the other steel product segments.

Steel division Q3 2026 EBITDA increased by 34% YoY to AED 306 million and the EBITDA margin expanded by 1.8 percentage points to 13.7%, with improvement in pricing and cost discipline offsetting lower volumes. At the same time EBITDA margin declined from 18.2% in Q2 2026 to 13.7% in Q3 2026, primarily reflecting the impact of higher costs associated with the regional geopolitical situation. Inventories of raw materials, primarily of iron-ore-pellets, acquired earlier in the year at lower landed costs were gradually replaced by new raw materials delivered through more expensive alternative logistics routes.

For 9M 2026, Steel division revenue increased by 7% YoY to AED 6,240 million. 9M 2026 EBITDA rose 61% YoY to AED 1,091 million, with the EBITDA margin expanding by 5.8 percentage points to 17.5%.

Cement Division

Financial Performance (AED m)	Q3'26	Q3'25	YoY	Q2'26	QoQ	9M'26	9M'25	YoY
Revenue	252	224	+12%	287	-12%	808	652	+24%
EBITDA	75	52	+44%	75	-	230	143	+61%
EBITDA Margin, %	*29.7%*	*23.3%*	***+6.5 p.p.***	*26.1%*	***+3.6 p.p.***	*28.4%*	*21.9%*	***+6.5 p.p.***

Operational Results	Q3'26	Q3'25	YoY	Q2'26	QoQ	9M'26	9M'25	YoY
Sales (kt)								
Clinker*	309	330	-6%	420	-26%	1,228	1,053	+17%
Cement products**	612	489	+25%	719	-15%	1,980	1,529	+29%

** Clinker constitutes: Clinker OPC and Clinker SRC;*
***Cement products: Ordinary Portland and Sulphate Resistant Cement (OPC, SRC), Limestone Cement, Slag and Dry Mortar*

In Q3 2026 EMSTEEL's Cement division recorded revenue of AED 252 million, up 12% YoY. Revenue growth was supported by a 25% increase in cement products sales, which more than offset a 6% decline in clinker volumes. The 12% QoQ decline in Q3 2026 revenue was driven by lower sales volumes, reflecting the typical seasonal slowdown in construction activity during the summer months.

Q3 2026 EBITDA increased by 44% YoY to AED 75 million and the EBITDA margin expanded by 6.5 percentage points to 29.7%, supported by continued strong market demand, a more favourable sales mix and increase of cement and clinker average selling prices, by 25% and 22% respectively. On a like-for-like basis, excluding the Q3 2025 performance of the Pipes & Other segment, which was divested in December 2025, the Cement division's EBITDA increased by 73% YoY.

During 9M 2026, Cement division revenue increased by 24% YoY to AED 808 million and EBITDA rose 61% to AED 230 million. The EBITDA margin expanded by 6.5 percentage points to 28.4%. Cement products sales increased by 29% YoY to 1,980,000 tonnes and clinker sales rose 17% to 1,228,000 tonnes. On a like-for-like basis, excluding the full 9M 2025 performance of the Pipes & Other segment, which was divested in December 2025, the Cement division's 9M 2026 EBITDA increased by 104% YoY.

About EMSTEEL

EMSTEEL is the UAE's largest steel and building materials manufacturer. The Group leverages cutting-edge technologies to supply both the local market and over 70 international markets with high-quality finished products, creating a one-stop shop for the manufacturing and construction sectors.

EMSTEEL is committed to contributing to the UAE's industrial strategy 'Operation 300 billion' by delivering market-leading products to support local industries, creating job opportunities for UAE Nationals, and enhancing its sustainable practices. The Group is a global leader in low-carbon steel production and is aligned with the UAE's Net Zero by 2050 Strategic Initiative.

Headquartered in Abu Dhabi, EMSTEEL operates 14 state-of-the-art plants, with a production capacity of 3.5 million tonnes of steel and 4.6 million tonnes of cement annually, contributing to the nation's most iconic projects.

For more information, please visit our website: www.emsteel.com

Share Price & Ownership

EMSTEEL shares are traded on the Abu Dhabi Securities Exchange (ADX) under the symbol EMSTEEL. The closing share price as of 30th September 2026, was AED 1.25. During Q3 2026 the share price traded in a range between AED 1.05 and AED 1.34. As of 30th September 2026, market capitalization was AED 8.6 billion. Average daily trading volume during Q3 2026 was 3.1 million shares.

As of 30th September 2026 EMSTEEL is majority owned by General Holding Corporation PJSC ("SENAAT") (87.5%). The remaining 12.5% is publicly owned by other institutional and retail investors.

Legal Disclaimer

These materials have been prepared by EMSTEEL Building Materials PJSC ("EMSTEEL" or the "Company"). The Company relies on information obtained from sources believed to be reliable. No representation, warranty or undertaking, stated or implied, is given as to the accuracy of the information contained herein and the Company expressly disclaims any liability for the accuracy and completeness of information contained in this presentation.

The information may be subject to change at any time without prior notice. Any reference to past performance or potential performance is not, and should not, be construed as a recommendation or as a guarantee of any specific outcome or future results. The information contained herein is not, and shall not constitute an offer to sell, a solicitation of an offer to buy, or an offer to purchase any securities.

This document may contain, or may be deemed to contain, information on future plans, objectives and goals, and the inclusion of such forward-looking information shall not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved.

The Company expressly disclaims any liability or loss incurred by any person who acts on the information, ideas or strategies discussed herein.

Earnings Webcast and Conference Call

EMSTEEL will host the earnings webcast and conference call followed by a Q&A session for investors and analysts on **Thursday, 12th November, 2026**, at **14:00 UAE time (GST) / 10:00 UK time (GMT).**

The call will be hosted by Mark Tonkens (GCFO) and Gleb Diachkov-Gertcev (Director of Investor Relations). Invitations will be sent to buy-side and sell-side representatives on our distribution list. Other buy-side and sell-side representatives who wish to attend are invited to register their interest by emailing ir@emsteel.com.

IR Contacts & Investor Feedback

Investor Feedback Hotline

Open engagement with investors and analysts is central to our approach. In partnership with Closir, we provide a quick and secure way for stakeholders to share feedback at any time, either anonymously or directly.

Please use the link below to share your feedback.

Investor & Analyst Feedback Portal

IR Contacts

Gleb Diachkov-Gertcev
Director of Investor Relations

Gleb.DG@emsteel.com

IR@emsteel.com

+971 2 507 2158

EMSTEEL Investor Relations App

Download the Investor Relations app to follow our share price and learn about investor events, stock exchange announcements, presentations, annual and quarterly reports, and interact with key data on-screen.

GET IT ON THE Apple store

GET IT ON THE Google Play

