



# **ALEC Holdings' FY 2025 Net Profit Nearly Doubles Driven by Disciplined Execution**



# ALEC Holdings' FY 2025 Net Profit Nearly Doubles Driven by Disciplined Execution

<b>Strong full-year results, post listing, highlight the resilience of ALEC's integrated platform and the strength of its execution-led model.</b>	<b>Record Revenue of AED 12 billion, supported by strong conversion of a high-quality order book across all business segments.</b>	<b>Net profit surged 89% YoY, driven by disciplined project selection, tighter delivery control and continued cost efficiency.</b>	<b>Strong cash generation and low leverage</b> provide flexibility to fund growth, manage working-capital cycles and remain aligned with the dividend policy.	<b>Approved dividend payout of AED 250 million</b> (distributable in April 2026), up from the planned AED 200 million on the back of strong results and commitment to rewarding shareholders.
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**Dubai, United Arab Emirates – 11 February 2026 –** ALEC Holdings PJSC (“ALEC” or the “Company”), the market-leading diversified engineering and construction group with operations focused on large-scale, complex and iconic buildings and energy projects in the UAE and the KSA, announced today its financial results for the fourth quarter (“Q4”) and Full Year (“FY”) ended 31 December 2025. ALEC’s first full-year results announced since its listing on DFM in October 2025, reflect continued execution against a high-quality backlog, disciplined project selection, and operating leverage across the business. The Board of Directors approved a cash dividend distribution of AED 250 million, payable in April 2026 - up from the previously announced AED 200 million – reflecting strong results and the Company’s commitment to rewarding shareholders.

## Key Highlights

	Revenue	EBITDA <sup>1</sup>	EBITDA Margin <sup>2</sup>	Net Profit	Net Profit Margin <sup>3</sup>
<b>FY 2025</b>	<b>AED 12,604 million +56% YoY</b>	<b>AED 1,106 million +76% YoY</b>	<b>8.8% vs. 7.8% FY 2024</b>	<b>AED 687 million +89% YoY</b>	<b>5.5% vs. 4.5% FY 2024</b>
<b>Q4 2025</b>	<b>AED 3,698 million +36% YoY</b>	<b>AED 400 million +65% YoY</b>	<b>10.8% vs. 8.9% Q4 2024</b>	<b>AED 256 million +57% YoY</b>	<b>6.9% vs. 6.0% Q4 2024</b>

**As at 31 December 2025**

Backlog <sup>4</sup>	Backlog Coverage <sup>5</sup>	Free Cash Flow to Firm <sup>6</sup>	Net Cash / EBITDA <sup>7</sup>
AED 30.4 billion	2.4x	AED 813 million	0.6x

<sup>1</sup> EBITDA is calculated as profit for the period before income tax, net finance costs, depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets.

<sup>2</sup> EBITDA divided by revenue

<sup>3</sup> Profit for the period after-tax divided by revenue.

<sup>4</sup> Backlog is the estimated revenue yet to be delivered from secured projects.

<sup>5</sup> Backlog divided by the last twelve months' revenue.

<sup>6</sup> Calculated cash from operations minus capital expenditures (payment for purchases of property, plant and equipment, and purchase of property, plant and equipment which is right-of-use asset with corresponding lease liability).

<sup>7</sup> Net Cash divided by trailing twelve months EBITDA



**Barry Lewis,**  
**Chief Executive Officer of**  
**ALEC Holdings, said:**

“2025 was a monumental year for ALEC. Alongside record performance, we became a listed company, a milestone that reflects the trust the investment community has placed in ALEC, the UAE and the wider region’s construction sector.

We delivered strong execution across complex projects, with growing contribution from our specialist capabilities and continued momentum across the UAE and Saudi Arabia.

What differentiates ALEC is our ability to bring together scale, engineering depth and end-to-end delivery. Clients choose us for certainty of outcomes, from construction and fit-out through to energy, industrial and specialist services. This integrated model is increasingly valued as projects become more complex and schedule-critical.

Looking ahead, we see a healthy pipeline of mega and nationally significant opportunities moving into execution, particularly in energy infrastructure and data centres. Our priorities remain clear: stay selective, focus on high-value work where we have a clear competitive advantage, drive delivery excellence through our people and processes, and scale responsibly while maintaining a strong safety culture and disciplined risk management. With these foundations, we are confident in delivering sustainable, long-term value for shareholders.”



**John Deeb,**  
**Chief Financial Officer of**  
**ALEC Holdings, said**

“Over the past year, we demonstrated how scale, selectivity and disciplined execution translate into stronger profitability and cash generation. As the business grew, we delivered meaningful operating leverage and improved returns, reflecting tighter project control, a more favourable mix, and continued focus on cost optimisation.

Cash conversion remained a priority throughout the year. While working-capital movements are inherent in our sector, our approach is consistent and conservative: structure contracts prudently, actively manage collections and payment cycles, and invest in delivery capacity only where it supports sustainable growth. This discipline enabled us to fund expansion while maintaining a resilient liquidity position and low leverage.

As we enter 2026, our capital allocation priorities are straightforward: support backlog execution and strategic growth areas, keep the balance sheet strong, and remain aligned with our dividend policy. We are well-positioned to capture opportunities in our pipeline without compromising financial prudence.”

## Financial Overview

### Revenue

ALEC delivered a record set of results in FY 2025, with revenue rising **56% YoY to AED 12.6 billion**, underpinned by strong conversion of the order book and disciplined execution across the Group's diversified platform. Momentum remained solid into Q4 2025, with revenue increasing 36% YoY to **AED 3.7 billion**, reflecting continued project ramp-up and sustained delivery across the UAE and Saudi Arabia.

### Segmental Overview

- **Building & Construction** revenue increased **68% YoY to AED 6.8 billion**, remaining the largest contributor as several large-scale projects progressed through peak execution phases.
- **Energy Services** revenue grew **64% YoY to AED 4.6 billion**, reflecting continued traction in major infrastructure awards and deepening capability in strategic energy-related delivery.
- **Related Businesses** revenue increased **53% YoY to AED 3.0 billion**, supported by higher attach rates across the Group's project portfolio and continued demand for integrated specialist offerings. In Q4 2025 specifically, Related Businesses' growth accelerated, up **69% YoY**, contributing to a more favourable quarterly mix.

### Profitability

Profitability experienced robust growth, with FY 2025 gross profit rising **58% YoY to AED 1.3 billion**, with gross margin edging slightly higher to **10.5%**. This reflects a combination of improved delivery performance and scale benefits in the core segments, offset in part by normalised margins in Related Businesses as volumes scaled and project mix evolved. Q4 2025 gross margin expanded significantly to **12.5%**, up from **10.5%** in Q4 2024, reflecting stronger performance and a higher contribution from value-added activities during the period.

FY 2025 EBITDA increased **76% YoY to AED 1.1 billion**, and EBITDA margin expanded to **8.8%**, from 7.8% in the previous period, driven by operating leverage and disciplined cost control. Revenue growth outpaced the expansion in overheads as the Company continued investing in its execution capacity. In Q4 2025, EBITDA increased **65% YoY to AED 400 million**, with EBITDA margin expanding to **10.8%** from 8.9% in Q4 2024, supported by strong revenue growth and a step-up in gross margin.

FY 2025 net profit increased by **89% YoY to AED 687 million**, equating to a net profit margin of **5.5%**, supported by higher operating earnings and a meaningful reduction in net finance costs, partly offset by higher tax expense following the introduction of new global minimum tax rules in certain jurisdictions, per the OECD Pillar II Framework. In Q4 2025, net profit increased **57% YoY to AED 256 million**, with net profit margin improving to **6.9%** from 6.0% in Q4 2024.

### Balance Sheet Analysis

ALEC ended FY 2025 with a robust balance sheet that reflects the step-up in delivery scale. Total assets increased to **AED 10.6 billion** as at 31 December 2025, up from AED 7.7 billion as at 31 December 2024, on the back of higher investments into operational capabilities to maintain the growing volume of works as evident by the Company's expanding receivables.

On the liabilities side, as of 31 December 2025, total liabilities increased in line with business scale and project phasing, with contract and other payables and customer advances reflecting higher activity levels.

Importantly, the Group maintained a conservative capital structure and strong liquidity as of 31 December 2025: cash and bank balances rose to **AED 1.6 billion**, while total borrowings and lease liabilities decreased to **AED 937 million**, yielding a strengthened net cash position of **AED 637 million** yielding a favorable net cash to EBITDA of 0.6x

ALEC's balance sheet remains positioned to support both growth and resilience with net working capital at **AED 856 million** as of 31 December 2025.

### **Cash Flow Analysis**

ALEC generated strong operating cash flows in FY 2025, reflecting a disciplined approach to cash management through periods of elevated execution. Cash generated from operating activities was **AED 1.4 billion** in FY 2025, supported by increased operating earnings and effective management of project cash cycles.

The Group continued investing to support growth in FY 2025, with net cash used in investing activities of **AED 377 million**, largely reflecting capital expenditure and targeted investment aligned with growing delivery needs. The Company recorded a capex of **AED 387 million** with a **10.6% YoY increase**. Despite this elevated investment in FY 2025, ALEC generated Free Cash Flow to Firm of **AED 813 million**, underscoring the underlying strength of the operating model.

Net cash used in financing activities was **AED 609 million** in FY 2025, reflecting a combination of debt servicing and repayments, lease payments and dividends, consistent with maintaining a prudent balance sheet while returning value to shareholders.

### **Key Operational Highlights**

- **Robust backlog supporting multi-year visibility:** Backlog stood at **AED 30.4 billion** as of 31 December 2025, providing **2.4x** coverage of trailing twelve-month revenue. The movement versus 30 September 2025 reflects accelerated conversion of the order book through FY 2025,
- **Diverse backlog:** The company maintains a diversified backlog across its platform, with exposure across Building & Construction (50%), Energy (48%) and Related Businesses (2%). Geographically, the company continues to be very selective about the work taken on in KSA, with backlog primarily weighted to the UAE (88%) and KSA (12%).
- **Momentum in strategic sectors:** ALEC continued to build traction in sectors witnessing structural growth, including energy infrastructure and data centres, supported by the Group's integrated, one-stop delivery model spanning construction and specialist solutions.
- **Milestone delivery on a landmark regional tourism project:** During Q4 2025, the Company celebrated the topping out of the Wynn Al Marjan Resort in Ras Al Khaima.
- **Progress on strategic data centre delivery:** Progress continues with the first 200 megawatts of the Stargate Data Centre project, with building structures erected and MEP works well underway.
- **Successful project completion in KSA:** The main works on the Qiddiya Waterpark have been completed, marking ALEC first successful closing of a project in the Kingdom.
- **World-class HSE performance:** ALEC maintained its focus on world-class HSE performance, with an LTIFR of 0.097 as of 31 December 2025.

## Guidance

- **Visibility underpinned by backlog:** ALEC enters 2026 with **AED 30.4 billion** backlog and **2.4x** coverage, supporting continued growth driven predominantly by already secured projects converting through execution phases.
- **Revenue growth in 2026** expected in the range of **50-55%** with a medium-term growth at an implied CAGR of **7-8%**.
- **Gross Profit and EBITDA Margins** expected to **improve by 100 bps and 150 bps** respectively in the medium term.
- **Capex** is expected to decline gradually to **c. 1%** of revenue, in line with the Company's capex-light operating model.
- **Gross leverage** to remain below **1x** as the Company maintains healthy cash positions and efficient working capital.
- **Dividends:** In line with ALEC's dividend policy of distributing 50% of net profit, the Board has approved the distribution of AED 250 million cash dividend payable in April 2026, up from the previously announced AED 200 million. This dividend is in addition to the AED 85 million which was approved and distributed to the Investment Corporation of Dubai in August 2025. This brings total dividends for 2025 to AED 335 million. The Company is also planning to distribute AED 500 million dividend for FY 2026 (payable in October 2026 and April 2027).

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## Note to Readers:

### Revenue Recognition

ALEC allocates revenue over time as conditions are met, using the percentage of completion as the input method, according to IFRS 15. Of note, project execution is slower during Ramadan and summer resulting in lower revenue and profits being recognised in those periods.

### Net Working Capital

Given the nature of the sector and ALEC's focus on large projects, resulting in sizeable periodic payments, there might be volatility in working capital depending on the exact timing of such payments and the phase of the project.

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### About ALEC

ALEC, part of the Investment Corporation of Dubai, is a leading diversified engineering and construction group operating in the UAE and KSA. The company builds and provides construction solutions that set industry benchmarks for innovation, quality, reliability and operational excellence.

ALEC offers its clients complete turnkey solutions in construction, MEP, fitout, marine, oil & gas, data centre solutions, modular construction, energy efficiency and solar projects, heavy equipment rental, technology systems and asset maintenance. With these capabilities, the company successfully serves a diverse range of sectors, including airports, retail, hotels & resorts, high-rise buildings, and themed projects.

For more information, please visit <https://alec.ae/>.

## **Disclaimer**

This document contains statements reflecting management's current expectations, views and intentions regarding capital allocation priorities, pipeline, strategic focus and outlook for the period ahead that are deemed to be "forward-looking." These statements are based on current assumptions and expectations, including management's review of historical trends, internal data, and third-party information. Forward-looking statements are inherently subject to risks, uncertainties, and contingencies, many of which are beyond the Company's control. Actual results may differ materially from those expressed or implied due to a range of factors, including market conditions, project execution, regulatory developments and other risks and uncertainties. Forward-looking statements speak only as at the date of this announcement and no statement herein should be construed as a profit forecast or guarantee of future performance.

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