

## ARABIAN DRILLING REPORTS FY 2025 RESULTS; BACKLOG REACHES RECORD HIGH OF SAR 12.4 BILLION

- **FY 2025 revenue of SAR 3,433 million, down 5.1% year-on-year, as lower offshore activity was largely offset by resilient performance in the unconventional segment**
- **Backlog reaches all-time high of SAR 12.4 billion, up 20% year-on-year, supporting future revenue strength and visibility**
- **Offshore utilization expected to reach 100% early Q2 2026, supported by rig resumptions**

**AlKhubar, Kingdom of Saudi Arabia – 1 March 2026:** Arabian Drilling, or the “**Company**”, (Tadawul symbol: 2381), Saudi Arabia’s largest drilling contractor by fleet size, today announced its financial results for the fourth quarter and full year ended 31 December 2025 (“**Q4 2025**” and “**FY 2025**”).

Arabian Drilling delivered a resilient fourth quarter, with revenue declining only 1.3% quarter-on-quarter, to SAR 824.3 million, consistent with Company guidance. FY 2025 revenue recorded SAR 3,433 million, a 5.1% decrease year-on-year, primarily driven by lower offshore activity, largely offset by continued strength in the unconventional segment.

Q4 2025 EBITDA of 263 million or 31.9% was down 10% quarter-on-quarter due to one-off demobilization cost related to returned chartered offshore rig and reactivation costs for rigs commencing operations in Q1 2026. FY 2025 EBITDA amounted to SAR 1,240 million, with a 36.1% margin, reflecting the shift in activity mix, including lower offshore contributions.

Adjusted Net Income for Q4 2025 was SAR -34 million, reflecting lower activity and non-recurring offshore demobilization and reactivation expenses. FY 2025 Adjusted Net Income was SAR 39 million, impacted by the mix shift toward unconventional drilling.

Q4 2025 Adjusted Net Income excludes a one-off non-cash impairment charge of SAR 114 million, related to an adjustment to the carrying value of three idle land rigs.

Despite margin pressures, Arabian Drilling ended the year with a solid balance sheet position. The Company ended the year with SAR 595.3 million in cash and maintained a healthy leverage ratio below 2.0x, underscoring disciplined working capital management and financial resilience.

The Company also sustained strong commercial momentum, achieving a record backlog of SAR 12.4 billion as of December 2025, up 20% year-on-year, reflecting robust customer demand and reinforcing multi-year revenue visibility.

**Fahad Albani, Chief Executive Officer of Arabian Drilling**, commented: It is an honor to lead Arabian Drilling as Chief Executive Officer. I am grateful to the Board of Directors for their confidence and for their support throughout this transition.

*We continued to maintain a positive momentum in 2025 despite the challenges faced. Building and maintaining strong client relationships is essential to our continued success, as demonstrated by our positive contract renewal rates and commitment to exceptional service standards. Our plan to reactivate recalled rigs is progressing well, with full financial impact expected in the second quarter*

of 2026. In addition, we commenced our first international contract, marking an important strategic milestone for our company.

Looking ahead to 2026, I am optimistic that we are entering a period of recovery and renewed growth potential. Arabian Drilling is well positioned to capture new prospects and continue delivering sustainable value to all our stakeholders.”

**Farid Mustafayev, Chief Financial Officer of Arabian Drilling**, commented: “This year’s results underscore the importance of our unconventional fleet, which helped offset the broader industry challenges experienced in 2024 and 2025. As a result, our land segment delivered a solid 13.8% revenue increase year-on-year. While EBITDA margin moderated due to the significant shift in activity mix, it remained at a healthy level at 36.1%. We expect margins to improve as the reactivated rigs reach full operational impact in the first half of 2026. Through disciplined cost management, we achieved sustainable annualized savings of SAR 30 million. During the fourth quarter, we recognized a non-cash impairment adjustment of SAR 114 million related to 3 idle land rigs following a reassessment of their long-term deployment outlook. This had no impact on our liquidity, and our cash position remains robust, supported by a leverage ratio of 2.0x. Our financial strength positions us well for recovery and stability in 2026.”

### Rig Contract Renewal

In 2025, Arabian Drilling successfully renewed all 24 rig contracts that were set to expire. This included eleven conventional gas land rigs with SLB and one offshore rig with KJO. Additionally, among the contracts renewed in the fourth quarter, three were originally scheduled to expire in 2026. These achievements demonstrate the company’s strong relationships with clients and ongoing demand for its services.

### Short-term Guidance

For the first quarter of 2026, we anticipate slightly improved revenue due to rig resumptions compared to Q4 2025. CAPEX for the full year 2026 is projected to be in the range of SAR 750 million, including reactivation CAPEX for announced rig resumptions.

### Key Financial and Operational Metrics

SAR Million	Q4'25	Q3'25	QoQ %	FY'25	FY'24	YoY %
Revenue	824	835	-1.3%	3,433	3,619	-5.1%
EBITDA	263	293	-10.2%	1,240	1,508	-17.8%
EBITDA Margin	31.9%	35.1%	-315bps	36.1%	41.7%	-560bps
Adjusted Operating Profit	23	55	-57.6%	283	671	-57.8%
Adjusted Net (Loss) / Profit	(34)	(9)	263.2%	39	426	-90.8%
Net (Loss) / Profit	(149)	(9)	nm.	(75)	321	-123.4%
EPS (SAR)	(1.67)	(0.11)	nm.	(0.85)	3.61	-123.4%

<b>Capital Expenditures</b>	161.7	98	64.9%	746	1,910	-61.0%
<b>Cash flow from operations<sup>1</sup></b>	257.5	276	-6.6%	1,186	1,440	-17.7%
<b>Net debt / TTM EBITDA</b>	2.0x	2.0x	0%	2.0x	1.6x	25%
<b>Active Rigs (EoP)<sup>2</sup></b>	45	45	0%	45	49	-8.2%
<b>Utilization Rate (EoP)<sup>3</sup></b>	75.0%	73.8%	+1.2%	75.0%	83.1%	-8.1%

**Notes:**

- 1 Before working capital changes.
- 2 Active rigs at the end of the period include rigs operating and generating revenue.
- 3 Utilization rate refers to the percentage of revenue-generating rigs relative to total available fleet of 60 rigs.
- 4 Nm: Not meaningful.

**Results by Segment****Land Segment<sup>1</sup>**

<i>SAR Million</i>	Q4 '25 <sup>3</sup>	Q3 '25	QoQ %	FY '25 <sup>3</sup>	FY '24 <sup>3</sup>	YoY %
<b>Revenue</b>	571	585	-2.4%	2,436	2,141	13.8%
<b>Gross profit margin<sup>2</sup></b>	5.8%	6.2%	-0.3%	10.7%	11.7%	-1.0%

**Offshore Segment**

<i>SAR Million</i>	Q4 '25	Q3 '25	QoQ %	FY '25	FY '24 <sup>3</sup>	YoY %
<b>Revenue</b>	252	250	0.6%	998	1,478	-32.5%
<b>Gross profit margin<sup>2</sup></b>	19.9%	25.9%	-6.0%	22.7%	41.5%	-18.8%

- 1 Includes OFSAT results
- 2 Includes depreciation, excluding G&A, interest and tax
- 3 Excludes impact of non-cash asset impairment

**Conference Call Information**

The Company will hold a virtual conference to discuss the results and future outlook on March 2, 2026. The conference will be hosted by Arabian Drilling and is scheduled to start at 3:00 PM Saudi Arabian time, corresponding to 12:00 PM London, and 7:00 AM New York City time.

To register in the call, please use this [link](#). To access the conference call by phone, please dial United States: +1 718 866 4614, United Kingdom: +44 203 984 9844 (Numbers for other countries are available [here](#)).

Please note: This call is not available to media representatives.

-ENDS-

**About Arabian Drilling**

Arabian Drilling is an award winning onshore and offshore gas and oil rig drilling company in Saudi Arabia with an extensive track record of operational excellence and a history of innovation that has brought tremendous safety and efficiency gains to the drilling process.

Established in 1964, Arabian Drilling is the leader in the drilling sector in Saudi Arabia, with founders and majority shareholders being the Industrialization & Energy Services Company (TAQA), a Saudi Closed Joint Stock company and SLB (previously known as Schlumberger), a global leader in oilfield services.

Arabian Drilling serves clients including Aramco, AlKhafji Joint Operations (KJO), SLB, as well as Baker Hughes, and has a large fleet of onshore and offshore rigs operated by a highly skilled, qualified, and professional staff, that are built to withstand the harsh weather conditions found in the Middle East region.

Arabian Drilling has adapted to meet the needs of a changing industry and world, integrating sustainable practices throughout the business and contributing to sustainable global energy demand. Arabian Drilling's sustainability Roadmap is aligned with the United Nations Sustainable Development Goals (UN SDGs) and Saudi Arabia's Vision 2030, with initiatives and business practices that empower employees, local suppliers, and the communities and economies in which the company operates and serves, while responsibly managing the impacts of the growing business on the planet.

Arabian Drilling – IR website: <https://www.arabdrill.com/investor-home>

## Contacts

Investor Relation contacts: [ir@arabdrill.com](mailto:ir@arabdrill.com)

Media contacts: [media@arabdrill.com](mailto:media@arabdrill.com)

## Disclaimer

This document may contain statements that are, or may be deemed to be, forward looking statements, including statements about the beliefs and expectations of Arabian Drilling (the "Company"). These statements are based on the Company's current plans, estimates and projections, as well as its expectations of external conditions and events. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward-looking statements. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements. The Company is not obliged to, and does not intend to, update, or revise any forward-looking statements made in this presentation whether as a result of new information, future events or otherwise.

This communication has been prepared by and is the sole responsibility of the Company. It has not been reviewed, approved, or endorsed by any financial advisor, lead manager, selling agent, receiving bank or underwriter retained by the Company and is provided for information purposes only. In addition, because this communication is a summary only, it may not contain all material terms and in and of itself should not form the basis for any investment decision.

The information and opinions herein are believed to be reliable and have been obtained from sources believed to be reliable, but no representation or warranty, express or implied, is made with respect to the fairness, correctness, accuracy, reasonableness, or completeness of the information and opinions. There is no obligation to update, modify or amend this communication or to otherwise notify you if any information, opinion, projection, forecast, or estimate set forth herein, changes or subsequently becomes inaccurate.

You are strongly advised to seek your own independent advice in relation to any investment, financial, legal, tax, accounting, or regulatory issues discussed herein. Analyses and opinions contained herein may be based on assumptions that if altered, can change the analyses or opinions expressed. Nothing contained herein shall constitute any representation or warranty as to the future performance of any financial instrument, credit, currency, rate, or other market or economic measure. Furthermore, past performance is not necessarily indicative of future results. The Company disclaims liability for any loss arising out of or in connection with your use of, or reliance on, this document.

These materials may not be published, distributed, or transmitted and may not be reproduced in any manner whatsoever without the explicit written consent of the Company. These materials do not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

## Non-IFRS financial measures

Some of the financial information included in this document is derived from the Company's consolidated financial statements but are not terms defined within the International Financial Reporting Standards (IFRS) as applied In the Kingdom of Saudi Arabia. Such information is provided as the Company believes they are useful measures for investors.