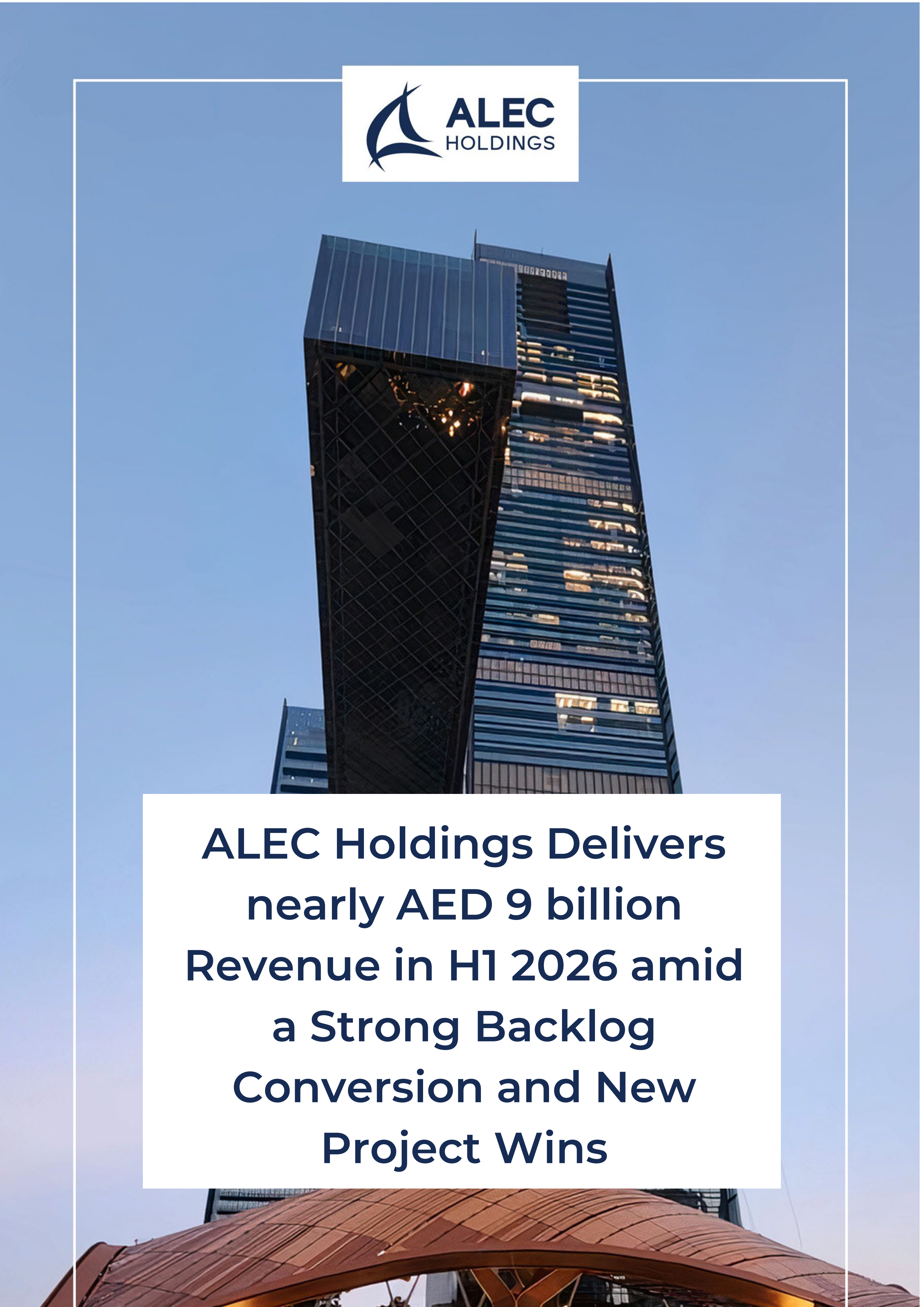

ALEC Holdings Delivers nearly AED 9 billion Revenue in H1 2026 amid a Strong Backlog Conversion and New Project Wins

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Major new awards signed in H1 2026, led by The Sphere Abu Dhabi, with backlog reaching AED 32.5 billion	**Revenue increase of 68% YoY** to c. AED 9.0 billion reflecting sustained execution momentum across the UAE and KSA	**EBITDA increased 3% YoY to AED 440 million, with Net Profit of AED 214 million,** despite lingering effects from added costs related to regional geopolitical developments	**Strong balance sheet** with a net cash position of AED 1.0 billion provides financial flexibility to execute capital allocation priorities	**In line with its dividend policy**, the Company will distribute an H1 2026 interim cash dividend of AED 100 million, payable in October 2026

Dubai, United Arab Emirates – 13 August 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 three-month and six-month periods ended 30 June 2026 ("Q2 2026" and "H1 2026"). ALEC delivered strong topline growth, with revenue increasing 67.6% Year-on-Year ("YoY") to nearly AED 9.0 billion in H1 2026 and 51.3% YoY to AED 4.4 billion in Q2 2026, supported by sustained project execution and a closing backlog of AED 32.5 billion.

Key Highlights

	Revenue	EBITDA[1]	EBITDA Margin[2]	Net Profit	Net Profit Margin[3]
H1 2026	**AED 8,990 million** +68% YoY	**AED 440 million** +3% YoY	**4.9%** vs. 8.0% H1 2025	**AED 214 million** -11% YoY	**2.4%** vs. 4.5% H1 2025
Q2 2026	**AED 4,380 million** +51% YoY	**AED 79 million** -65% YoY	**1.8%** vs. 7.8% Q2 2025	**AED (17) million** -113% YoY	**-0.4%** vs. 4.3% Q2 2025

As at 30 June 2026

Backlog[4]	Backlog Coverage[5]	Free Cash Flow to Firm[6]	Net Cash / EBITDA[7]
AED 32.5 billion	2.0x	AED 545 million	0.9x

[1] 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.
[2] EBITDA divided by revenue
[3] Profit for the period after-tax divided *by* revenue.
[4] Backlog is the estimated revenue yet to be delivered from secured projects.
[5] Backlog divided by the last twelve months' revenue.
[6] 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).
[7] Net Cash divided by trailing twelve months EBITDA

Chief Executive Officer, Barry Lewis said:

"H1 2026 was a period of strong growth, with revenue increasing 67.6% year-on-year to AED 9.0 billion, reflecting the scale of activity and strength of delivery across our portfolio. We also secured significant new work, including our appointment to deliver Sphere Abu Dhabi and three EPC awards on Das Island for our Energy Services subsidiary, TARGET, with a combined value exceeding AED 1.8 billion.

At the height of the regional conflict, extended stoppages to offshore work temporarily curtailed activity within our Energy Services business, limiting its potential revenue contribution while the Group continued to carry the cost of idled manpower. We actively managed these pressures through disciplined cost control and project and workforce planning, while maintaining execution momentum across the wider portfolio.

The demand backdrop across the UAE and Saudi Arabia remains constructive, supported by continued investment in large-scale urban development, aviation, energy, hospitality and digital infrastructure. Our AED 32.5 billion backlog provides strong visibility over future activity, and we continue to deploy our capacity selectively, prioritising complex, large-scale projects that align with our capabilities and where our integrated platform delivers the greatest value to clients."

Chief Financial Officer, John Deeb commented:

"The first half of 2026 demonstrated the scale and resilience of our operating model, with revenue increasing 67.6% year-on-year to AED 9.0 billion. EBITDA increased 2.7% to AED 440.4 million, while Net Profit reached AED 213.8 million, with Q2 profitability impacted by operational disruptions in Energy Services related to regional geopolitical developments and the associated absorption of fixed costs, partially mitigated by disciplined cost management.

Cash generation remains a key strength, with net cash from operating activities of AED 694.6 million and Free Cash Flow to Firm increasing 49.8% year-on-year to AED 544.8 million. Capital expenditure remained below 2% of revenue, demonstrating our commitment to our capex-light model and preserving the financial flexibility to execute our capital allocation priorities.

We ended June with AED 2.4 billion in cash and a net cash position of AED 1.0 billion. Together with our AED 32.5 billion backlog, our strong financial position provides the visibility and capacity to deliver against our revised 2026 guidance. In that regard, we are pleased to announce AED 100 million interim dividend for our H1 2026 results, payable in October 2026.

Financial Overview

Revenue

ALEC recorded strong topline growth in H1 2026, with revenue **reaching AED 9.0 billion, up 67.6% YoY**, reflecting the ramp-up of major projects and increased activity across all operating segments.

Segmental Overview

- **Building & Construction** revenue more than doubled to **AED 5.8 billion** in H1 2026, increasing **105.6% YoY** and remaining the Group's largest revenue contributor. Growth was supported by the accelerated execution of major projects including Stargate Data Centre, Wynn Al Marjan Resort and the ilmi Science and Discovery Center. Gross profit margin improved by 47 basis points YoY to 7.0%, reflecting a more favourable project mix and the increasing contribution from more recent projects with higher margins.

  In addition, Q2 2026 revenue increased 96.9% YoY to nearly AED 3.0 billion, while gross profit margin improved to 7.1% from 6.3% in Q2 2025.

- **Energy Services** revenue increased **36.9% YoY to AED 2.8 billion** in H1 2026, as work advanced across client-related EPC contracts and the wider energy infrastructure portfolio. The segment recorded a gross loss of AED 157.5 million, yielding a negative gross margin of 5.7%, compared to a positive margin of 9.4% in H1 2025.

  Q2 2026 revenue increased by 8.9% YoY to AED 1.3 billion, while the segment recorded a gross loss of AED 201.5 million and a negative gross margin of 16.1%, largely reflecting the recognition of fixed costs against disruptions related to regional geopolitical developments.

- **Related Businesses** generated revenue of **AED 2.6 billion** in H1 2026, an increase of **123.7% YoY**, supported by greater integration, increased cross-selling and a higher contribution from internally generated work. Gross profit margin expanded by 80 basis points to 12.4% YoY.

  Q2 2026 revenue increased 98.8% YoY to AED 1.3 billion, while gross profit margin improved to 12.1% from 11.2% in Q2 2025, reflecting accelerated delivery of specialist, value-added services across ALEC's project portfolio. This included MEP and fit-out works at Wynn Al Marjan Island Resort and façade works at the ilmi Science Discovery and Innovation Center, alongside progress across other ongoing projects.

Profitability

Gross profit declined **4.4% YoY to AED 513.1 million** in H1 2026, as higher contract costs from Energy Services more than offset strong revenue growth, resulting in a 430-basis point decline in **gross profit margin to 5.7%.**

Q2 2026 gross profit was AED 103.3 million, with the margin declining by 720 basis points YoY to 2.4%, primarily reflecting constrained activity within Energy Services and higher costs associated with regional disruptions.

H1 2026 EBITDA increased 2.7% YoY to AED 440.4 million, with EBITDA margin at 4.9% compared with 8.0% in H1 2025.

Q2 2026 EBITDA was AED 78.5 million, down 65.3% YoY, with the margin narrowing to 1.8% from 7.8% in Q2 2025. The decline primarily reflected costs recognised during the quarter within Energy Services in connection with regional geopolitical developments, rather than a broader expansion of the underlying cost base. Administrative expenses increased 1.7% YoY, well below revenue growth of 51.3%, reflecting ALEC's measured approach to scaling overheads.

Net Profit for the half posted a decline of 10.5% YoY to AED 213.8 million, representing a Net Profit margin of 2.4%, down from 4.5% in H1 2025. The decline primarily reflected lower operating profit following operational disruptions within Energy Services. Higher income tax expense following the implementation of OECD Pillar II rules in certain jurisdictions during the period also weighed on net profit, while a relatively stable overhead cost and higher finance and other income provided a partial offset.

Q2 2026 recorded a Net Loss of AED 16.6 million, compared with Net Profit of AED 124.5 million in Q2 2025, as regional developments negatively impacted the profitability of the Energy Services segment, partially offset by lower overhead and lower finance costs, higher finance and other income, and an income tax credit.

In line with the Company's dividend policy, the Board of Directors approved an interim cash dividend of AED 100 million for H1 2026, payable in October 2026.

Balance Sheet Analysis

ALEC's balance sheet continues to expand in line with the increased scale of operations, with total assets rising 15.3% to AED 12.2 billion as at 30 June 2026, from AED 10.6 billion at year-end 2025.

Net working capital increased to AED 1.1 billion as at 30 June 2026, from AED 856.2 million at year-end 2025, and represented 6.9% of trailing-twelve-month revenue. The movement primarily reflected higher contract and other receivables and gross amounts due from customers on construction contracts, in line with increased project activity, partially offset by a corresponding rise in contract and other payables.

Cash and bank balances increased to AED 2.4 billion, from AED 1.6 billion at 31 December 2025, contributing to a net cash position of AED 1.0 billion and a net cash-to-trailing-twelve-month EBITDA ratio of 0.9x. The Group's low leverage and healthy liquidity continue to provide financial flexibility and support the resilience of the business.

Cash Flow Analysis

Net cash generated from operating activities increased 7.6% YoY to AED 694.6 million in H1 2026, from AED 645.7 million in H1 2025. Cash generation before working-capital movements remained broadly stable at AED 478.5 million, while a higher positive contribution from working-capital movements supported the improvement in net operating cash flow. In Q2 2026, net cash generated from operating activities reached AED 1.1 billion, reversing the Q1 outflow as collections improved and advance-payment cycles normalized.

Capital expenditure remained broadly stable at AED 170.9 million in H1 2026, compared with AED 168.4 million in H1 2025, and represented 1.9% of revenue. This remained consistent with ALEC's capex-light operating model and focus on maximizing returns on capital employed. Free Cash Flow to Firm increased 49.8% YoY to AED 544.8 million, from AED 363.6 million in H1 2025, contributing to the strengthening of the Group's net cash position during the period.

Key Operational Highlights

Opening backlog[8]	New awards / project wins	Closing backlog	Backlog coverage
AED 30.3 billion	4	AED 32.5 billion	2.0x

- **Backlog supports sustained revenue visibility:** As at 30 June 2026, ALEC's backlog stood at AED 32.5 billion, representing 2.0x coverage of trailing twelve-month revenue. Backlog increased 21.5% from AED 26.7 billion at the end of Q1 2026 and 7.1% from AED 30.2 billion at year-end 2025, reflecting new project awards and continued execution across the secured order book.
- **Diverse and high-quality backlog:** Building & Construction represented approximately 55.3% of closing backlog, followed by Energy Services at 44.1% and Related Businesses at approximately 0.6%. Geographically, the UAE accounted for 93.1% of backlog, with the remaining 6.9% attributable to KSA. This composition provides balanced exposure across ALEC's core segments and markets, while maintaining a focus on complex, large-scale projects aligned with the Group's capabilities and target returns

[8] Opening date of backlog – 31 Dec 2025

- **New Project Awards:** ALEC was awarded a number of significant new projects during H1 2026 across both core segments, including:
  - **The Sphere Abu Dhabi:** ALEC was appointed main contractor for The Sphere Abu Dhabi, awarded by the Department of Culture and Tourism, Abu Dhabi. Valued at around AED 6.4 billion and delivered through 2029, it is the largest single contract in ALEC's backlog and the world's second Sphere after Las Vegas.
  - **ALEC's subsidiary, Target Engineering Construction Company:** Secured three EPC awards on ADNOC's Das Island totaling more than AED 1.8 billion, covering crude oil storage and facilities, delivered over 10 to 36 months**.**
- **Contractor of the Year Award:** ALEC received the Contractor of the Year award at the Construction Innovation Awards KSA 2026, underscoring the Group's strong execution track record and continued recognition within the Kingdom's construction sector.
- **Industry Ranking Recognition:** ALEMCO was ranked second in the 2026 Top MEP Contractors Power List by MEP Middle East, recognising its leadership, innovation, and contribution to advancing the region's electromechanical contracting sector.
- **ESG Recognition:** ALEC Holdings was awarded the EcoVadis Silver Medal, placing the Group in the top 15% of companies assessed globally with a score of 73/100, reflecting continued progress in sustainability practices and ESG performance.
- **Health & Safety Enhanced Performance:** ALEC continues to operate to the highest international standards, certified to ISO 45001/14001/9001 and OSHAD, with a Group Lost-Time-Injury-Frequency-Rate ("LTIFR") of 0.114 per million manhours worked year-to-date reflecting the discipline of the Group's H&S management framework.
- **Growing Workforce:** ALEC's total workforce across the UAE and KSA grew 6.4% since the end of December 2025, to approximately 61,300 staff and labour as at 30 June 2026, reflecting the continued ramp-up of execution activity across the Group's expanding project portfolio.

Outlook and Guidance

Demand conditions in the UAE remained robust during H1 2026, supported by continued investment across aviation, energy, hospitality and digital infrastructure. Major programmes, including the expansion of Al Maktoum International Airport, ADNOC's ongoing investment programme and growing data-centre requirements, align closely with ALEC's specialist capabilities. The award of Sphere Abu Dhabi further demonstrates demand for contractors with the capacity and expertise to deliver projects of significant scale and complexity.

In Saudi Arabia, Vision 2030 continues to generate opportunities across giga-projects, tourism, energy and urban development. ALEC remains selective in pursuing these opportunities, prioritising projects with appropriate pricing, risk allocation and return characteristics.

The Group's AED 32.5 billion backlog, net cash position and supportive demand fundamentals across both markets provide strong medium-term visibility. ALEC's revised FY 2026 guidance reflects the near-term impact of the Energy Services disruption on profitability, while the Group's broader growth outlook remains underpinned by its secured project portfolio and disciplined commercial approach.

The Company has revised its guidance for FY 2026, while its medium-term outlook remains largely unchanged, as set out below:

	2026	Medium Term
Backlog	100% of Revenue Covered	~2.0x-2.5x supported by a healthy projects pipeline and future anticipated projects
Revenue Growth	~45-50%	Grow at an implied CAGR of ~7-8%
Gross Profit Margin	~6-9%	Improve to previous guidance of ~10-11%
EBITDA Margin	~5-8%	Improve to previous guidance of ~8-10%
Capex	~2-3% of revenue	Gradually decline to ~1% of revenue
Gross Leverage	~1x	Remain below 1x

- Backlog provides **100% coverage of FY 2026** revenue and is expected to be maintained at approximately **2.0x–2.5x revenue** over the medium term, supported by a healthy pipeline of projects and anticipated future awards.
- **Revenue growth in FY 2026** is expected to be approximately **45%–50%, with medium-term growth anticipated at an implied CAGR of approximately 7%–8%.**
- **Gross Profit margin** is expected to be approximately **6%–9% in FY 2026**, improving to approximately 10%–11% over the medium term**. EBITDA margin** is expected to be approximately **5%–8% in FY 2026**, improving to approximately 8%–10% over the medium term.
- **Capex** is expected to remain at **approximately 2%–3% of revenue in FY 2026** before gradually declining to approximately 1% over the medium term, consistent with the Company's capex-light operating model.
- **Gross leverage** is expected to be approximately **1.0x in FY 2026** and to remain below 1.0x over the medium term.
- In line with its previously announced dividend policy, the Company will distribute an **interim dividend of AED 100 million in October 2026**.

Financial Summary

AED mn (unless noted otherwise)	Q2 2026	Q2 2025	% Δ YoY	H1 2026	H1 2025	% Δ YoY
Backlog	**-**	**-**	**-**	**32,453**	**35,408**	**-8.3%**
Revenue	**4,380**	**2,895**	**51.3%**	**8,990**	**5,362**	**67.6%**
Building & Construction	*2,962*	*1,504*	*96.9%*	*5,837*	*2,840*	*105.6%*
Energy	*1,255*	*1,152*	*8.9%*	*2,754*	*2,012*	*36.9%*
Related Business	*1,290*	*649*	*98.8%*	*2,586*	*1,156*	*123.7%*
Eliminations and Others	*(1,127)*	*(410)*	*174.6%*	*(2,188)*	*(646)*	*238.9%*
Gross profit	**103**	**277**	**-62.7%**	**513**	**537**	**-4.4%**
Gross Profit margin	*2.4%*	*9.6%*	*-720 bps*	*5.7%*	*10.0%*	*-430 bps*
EBITDA	**79**	**226**	**-65.3%**	**440**	**429**	**2.7%**
EBITDA margin	*1.8%*	*7.8%*	*-602 bps*	*4.9%*	*8.0%*	*-309 bps*
Net Profit after Tax	**(17)**	**125**	**-113.3%**	**214**	**239**	**-10.5%**
Net Profit margin	*-0.4%*	*4.3%*	*-468 bps*	*2.4%*	*4.5%*	*-208 bps*

- ENDS -

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 recognized 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 Holdings PJSC

ALEC Holdings PJSC, 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, 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, data centres, retail, hotels & resorts, high-rise buildings, and themed projects.

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