

NMDC Energy

Management Discussion & Analysis



FY2025 Earnings Release

NMDC Energy reports FY25 results, with revenues increasing 29% Y-o-Y to reach AED18.7 billion and net profit up 14% Y-o-Y to AED1.6 billion

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Key Highlights



NMDC Energy Stock Data*

Closing Price	Market Cap.	Price/Earnings	Average Target Price	Upside to TP
AED 2.33 -17% Y-o-Y	AED 11.7 bn	7.3 x	AED 3.55	52%

*Calculation based on 31st December 2025 closing price

Financial Results

INCOME STATEMENT

AED (million)	4Q25	3Q25	4Q24	Y-o-Y	Q-o-Q	FY25	FY24	Y-o-Y
Revenue	5,650	4,846	4,657	21%	17%	18,662	14,440	29%
EBITDA*	895	472	580	54%	90%	2,160	1,776	22%
<i>EBITDA Margin</i>	<i>15.8%</i>	9.7%	12.4%			<i>11.6%</i>	12.3%	
Net Profit Before Tax	772	392	530	46%	97%	1,803	1,581	14%
Net Profit after Tax	651	368	502	30%	77%	1,602	1,406	14%
<i>Net Profit Margin</i>	<i>11.5%</i>	7.6%	10.8%			<i>8.6%</i>	9.7%	
Net Profit Attributable to Shareholders	651	367	503	30%	77%	1,601	1,404	14%
Minorities	(0.0)	0.3	(0.4)	-99%	N/M	1.6	2.1	-25%

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

FY 2025

- ✓ The year 2025 ended on a strong note, with revenues up 29% Y-o-Y to reach AED18.6 billion. This buoyant performance came on the back of strong backlog execution.
- ✓ Stronger execution and higher margins achieved in 4Q25, supported FY25's EBITDA, which reached AED2.2 billion, up 22% Y-o-Y. Moreover, EBITDA margin reached 11.6% in FY25, a reflection of the strong operational resilience.
- ✓ Net profit after tax came at AED1.6 billion, up 14% Y-o-Y; with this reflecting a net profit margin of 8.6%.

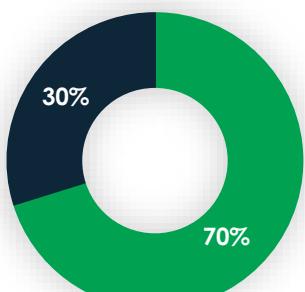
4Q 2025

- ✓ For another quarter, NMDC Energy revenues grew 21% Y-o-Y to AED5.6 billion in 4Q25, on the back of strong backlog execution.
- ✓ EBITDA leaped to AED895 million, up 54% Y-o-Y, thus lifting EBITDA margin up to 15.8%. This improvement reflect strong project execution and operational excellence.
- ✓ This filtered into a net profit after tax of AED651 million, up 30% Y-o-Y. And a net profit margin of 11.5%.

Revenue Breakdown

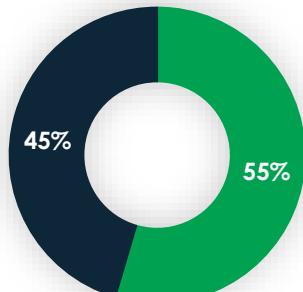
Local Vs. International

■ Local ■ International



Off-shore Vs. On-shore

■ Off-shore ■ On-shore



* Calculations based on FY2025 revenues

Financial Results

BALANCE SHEET

AED (million)	Dec 25	Dec 24	Y-o-Y
Current Assets	16,027	12,617	27%
Non-current Assets	4,389	3,918	12%
Total Asset	20,416	16,535	23%
Current Liabilities	13,449	10,318	30%
Non-current Liabilities	815	998	-18%
Total Liabilities	14,264	11,316	26%
Total Equity	6,153	5,219	18%
Cash	4,486	4,215	6%
Net Cash	4,170	3,635	15%

Cash and bank balances increased to AED4.5 billion at the end of FY25, up from AED4.2 billion a year earlier, on advance payments from clients, strong collections of receivables, and higher profitability; which overshadowed payments to suppliers to expedite material delivery, loan repayments, tax payments and the AED700 million of dividends distribution.

Net Cash rose 15% Y-o-Y to AED4.2 billion, as the total outstanding debt declined to AED316 million by December 2025.

Total equity rose 18% Y-o-Y to stand at AED6.2 billion at the end of FY25; mainly reflecting the increase in retained earnings on the back of FY25 net profits, and despite the AED700 million of cash dividends paid during the year.

NET WORKING CAPITAL

AED (million)	Dec- 25	Sep- 25	Jun- 25	Mar- 25	Dec- 24
Inventories	278	279	243	245	250
Trade and other receivables	6,829	6,582	5,669	5,736	5,033
Contract Assets	4,412	4,011	3,443	3,352	3,106
Other Current Assets	22	461	33	9	12
Trade & Other Payables	(11,874)	(11,454)	(10,806)	(9,212)	(8,745)
Contract Liabilities	(840)	(766)	(866)	(798)	(937)
Other Current Liabilities	(470)	(328)	(522)	(357)	(372)
Net Working Capital*	(1,643)	(1,216)	(2,805)	(1,025)	(1,653)

* Excludes cash and borrowings and includes financial assets

FREE CASH FLOW

AED (million)	4Q25	3Q25	2Q25	1Q25	FY25	FY24
Cash Flow from Operations	1,172	(1,168)	2,259	(369)	1,894	2,836
Capital Expenditures	(158)	(191)	(104)	(101)	(553)	(610)
Free Cash Flow	1,015	(1,359)	2,155	(470)	1,341	2,227

Net working capital remained broadly stable at AED(1.64) billion at the end of December 2025, compared to AED (1.65) billion as of December 2024; reflecting disciplined working capital management amid higher project execution. With higher receivables, advances to suppliers and contract assets were offset by an increase in trade and other payables.

NMDC Energy delivered positive operating cash flow of AED1.9 billion, driven by improved collections, and steady project execution. Moreover, this reflects stronger cash conversion from core operations, which came at 0.9x in FY25.

Capex spending came at AED553 million in FY25, largely related to KSA yard construction and UAE yards upgrade, equipment purchase and maintenance capex.

Project Awards and Backlog

Awarded Projects

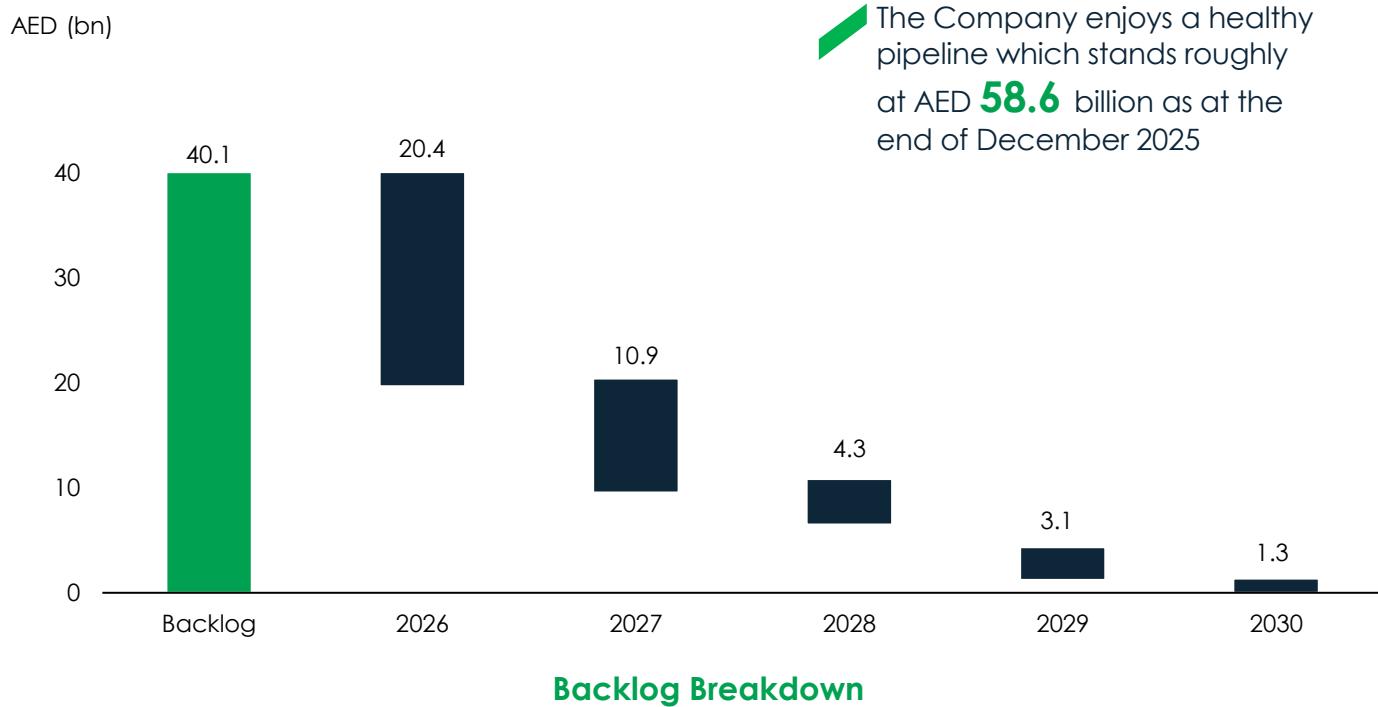
EPC work off-shore project UAE AED 9.7 billion

EPC Work - subsea gas pipeline Taipower - Taiwan AED 4.2 billion

Total Awarded Projects in FY25 AED 13.9 billion

*No awarded projects in 4Q25

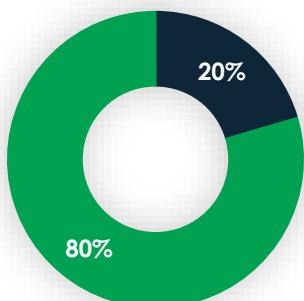
Expected Backlog Unwinding



Backlog Breakdown

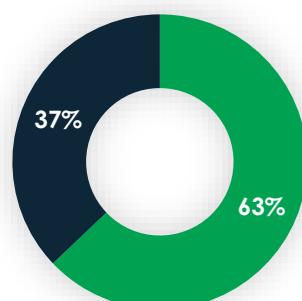
Local Vs. International

■ International ■ Local



Off-shore Vs. On-shore

■ Off-shore ■ On-shore



FY2025 Business Development

NMDC Energy Expands into Asia with Taiwan Branch and Shanghai Commercial Office

NMDC Energy inaugurated its Taiwan Branch and its Shanghai Commercial Office. This comes in line with NMDC Energy's international expansion strategy, improving supply chain reliability, building strategic vendor relationships, increasing proximity to key projects, and enhancing its access to future opportunities across Southeast Asia.



NMDC Energy & CITIC Steel – China MOU signing

NMDC Energy signed a memorandum of understanding with CITIC Steel, China's second-largest steel producer. This partnership underscores the Company's commitment to securing high-quality and reliable supply channels to support its major energy projects.



Abu Dhabi International Petroleum Exhibition & Conference – ADIPEC 2025

NMDC Energy & Baker Hughes Sign 2 MoUs

NMDC Energy signed a Memorandum of Understanding (MoU) with Baker Hughes to explore potential collaboration opportunities with regards to further increasing the localization of some Baker Hughes products and solutions in the Middle East, North Africa, Turkey, and India (MENATI) region by leveraging NMDC's state-of-the-art facilities and capabilities. Moreover, NMDC Energy has signed another strategic MoU with Baker Hughes in Saudi Arabia to localize some of Baker Hughes key products and solutions in Saudi Arabia.



NMDC Energy and Hyundai Heavy Industries Strategic Cooperation Framework

NMDC Energy and Hyundai Heavy Industries (HHI), signed a strategic cooperation framework in the offshore energy and adjacent sectors, with the intent to leverage NMDC's regional presence and HHI's EPCI and fabrication capabilities. The entities will cooperate on a non-exclusive basis and may jointly pursue opportunities on a case-by-case basis within the Middle East, Africa, Europe and Southeast Asia.



NMDC Energy signed MoU with Energy Masters Enterprises (EM)

NMDC Energy signed an MoU with local UAE Company, Energy Masters Enterprises (EM) to cooperate in areas related to Electrical Submersible Pumps and adjacent sectors, leveraging NMDC's regional presence and EME's Electrical Submersible Pumps (ESP) supply, installation, commission and repair capabilities. Both companies intend to cooperate on a non-exclusive basis and may jointly pursue opportunities on a case-by-case basis within the Middle East, Africa, Europe and Southeast Asia.



NMDC Energy signed an MoU with Engineers India Limited (EIL)

NMDC Energy signed an MoU with Engineers India Limited (EIL) to collaborate for the joint tendering and, if successful in award, extend the collaboration to the execution of onshore projects in KSA across sectors such as Oil and Gas Processing, Refineries, Petrochemicals, Pipelines, Storage Terminals and Energy Transition. The collaboration is for the delivery of Onshore EPC projects in Saudi Arabia across the full spectrum oil & gas segments, leveraging the fabrication facilities owned by NMDC in Ras Al Khair in Saudi Arabia and the design center established by EIL in Al Khobar.



FY2025 Business Development Cont.

USD 2.6 billion Local Project Award

NMDC Energy was awarded a AED9.7 billion local project in March 2025. The project involves off-shore EPC work and is expected to be completed within 57 months commencing 31st March 2025. This comes as a testament for NMDC Energy's operational excellence and resilient long-standing relationship with our clients.

First steel cut ceremony- Ras Al Khair Fabrication Yard in KSA [More Info](#)

In July, NMDC Energy officially commenced fabrication activities at its newly developed yard in Ras Al-Khair, Saudi Arabia — a major milestone in its regional expansion. The first steel cut at the 400,000 sqm facility marks the start of operations, reinforcing the company's commitment to supporting Saudi Arabia's industrial growth and energy ambitions. Featuring advanced automation and digital systems, the yard provides fabrication, rigging, maintenance, and modularization services for complex energy infrastructure. It supports both offshore and onshore projects with an annual production capacity of 40,000 tons. This development marks a new chapter in NMDC Energy's journey, expanding its footprint and enabling innovation across the region's energy and manufacturing sectors.



Taiwan Pipeline Awarded Project

In January 2025, NMDC Energy has been awarded a contract by Taiwan Power Company (Taipower) for the installation of subsea gas pipelines, for the second-phase renewal project of the Tung-Hsiao Power Plant in Taiwan. NMDC Energy will be responsible for the design, construction, and installation of marine pipelines at depths ranging from 10 to 55 meters, extending between Taichung and Tung-Hsiao on Taiwan's west coast. This massive project, valued at \$1.136 billion, enhances NMDC Energy's presence in Taiwan and actively supports its contributions to renewable energy initiatives.



A 3-year extension for the Long-Term Agreement with Aramco

NMDC Energy continues to strengthen its long-lasting relationship with Aramco, with a 3-year extension to its Long-Term Agreement ("LTA") and an option for an additional 3 years. NMDC Energy has been involved in multiple projects with Aramco since their previous LTA was signed in 2016. The services provided by NMDC Energy under the LTA cover detailed engineering, material procurement, fabrication, transportation, installation, and pre-commissioning of offshore facilities in connection with projects to be executed within Saudi Arabian territorial waters.



FY2025 Business Development Cont.

Make It In The Emirates (MIITE) 2025

NMDC Energy awarded ICV Excellence Award

NMDC Energy received the ICV Excellence Award in the category of Semi-Governmental Manufacturers at the Make it in Emirates forum in Abu Dhabi. The ICV Excellence Award recognizes manufacturers that have obtained the In Country Value certification and it celebrates their efforts to support the growth and development of local industries, businesses, communities, and talent in the UAE.



NMDC Energy and Al Gharbia Sign an MoU

NMDC Energy signed a strategic Memorandum of Understanding (MoU) with Al Gharbia, the Abu Dhabi based advanced pipeline manufacturer, to explore ways to accelerate pipe production in the UAE to meet local and regional demand. The partnership forms part of the MIITE mandate to drive industrial growth in the UAE, and it serves as another example of the increasing level of synergy between key local players in the UAE's industrial and energy landscape.



NMDC Energy and Hilong Sign an MoU

NMDC Energy signed a Memorandum of Understanding (MoU) to explore collaboration with Shanghai Hilong Shine New Materials Co. LTD (Hilong), a company committed to R&D and manufacturing related to high-end coating and new materials for industrial heavy-duty anti corrosion, at the Make it in Emirates forum in Abu Dhabi. Both entities will explore the possibility of establishing Joint Venture agreements to conduct operations together in the UAE and the Kingdom of Saudi Arabia.



FY2025 - Sustainability & HSE

AI ecosystem

Expansion of the AI ecosystem to 70+ agents across key functions, including AMAN 24/7 for HSE hazards and Yard Scan AI for real-time tracking, with the NMDC 4.0 Platform supporting analysis, summarization, and discrepancy detection

Climate Action

Accelerated the transition to a lower-carbon fleet, with 15% of heavy equipment replaced with electric or hybrid models.

Resource efficiency (Waste/Emissions)

The implementation of a static waste compactor at the H&G Project led to a 40% reduction in waste and a reduction of approximately 3.3 tons of CO₂ emissions.

HSE Performance

Delivered 107.3 million workhours with zero fatalities, underscoring a strong safety culture and operational discipline.

Emergency Preparedness & HSE Drills

Carried out drills to assess operational readiness and response capabilities, including H₂S Exposure, Rescue at Height, Abandon Ship, Fire, Spill Response, Heat Stress, Medivac, and Environmental Spill Simulations.

GHG Emissions Management

Achieved a 6% reduction in Scope 1 and 2 GHG emissions intensity compared to the 2024 baseline, largely driven by the adoption of lower-carbon fleet models and efficiency gains from the Digital Operations Hub (DOH).

Risk & Compliance (IRC)

Implementation of an Integrated Risk & Compliance (IRC) Platform to centralize internal audit findings, compliance monitoring, and incident reporting, significantly improving oversight efficiency.

Resource Efficiency (Energy)

NMDC Energy Launched an Energy Efficiency Program focusing on optimizing power systems in sites, leading to an estimated 5% reduction in fuel consumption intensity.

Mangrove Ecosystem

Expanded the Mangrove Ecosystem Restoration Project. A new Biodiversity Impact Assessment Protocol was introduced, making assessment mandatory for all new major projects.

FY2025 Achievements & Recognitions

MSCI ESG Rating of "A"

NMDC Energy achieved its first-ever MSCI ESG Rating of "A" marking a major milestone in its sustainability journey and reflecting strong ESG governance, responsible operations, and proactive management of environmental and social risks.

The company's ESG Committee is driving the Sustainability Strategy (2025–2027) to further enhance Scope 3 data accuracy, integrate low-carbon technologies, strengthen disclosure transparency, and reinforce HSE culture — all aimed at advancing toward an upgraded "AA" rating in the coming years.

MSCI PROVISIONAL ESG RATINGS

(p) CCC (p) B (p) BB (p) BBB (p) A (p) AA (p) AAA

(p) A

As of Nov 2025

NMDC Energy Inclusion in MSCI EM Small Cap. Index

NMDC Energy was successfully qualified and included in MSCI Emerging Markets Small Cap. Index and MSCI UAE Small Cap. Index (the Global provider of equity, fixed income, real estate indices) during their rebalancing event in February 2025. This resulted in passive funds flowing into NMDC Energy during first quarter of 2025. The inclusion comes post NMDC Energy's listing on ADX in September 2024.

Oil & Gas Middle East Awards 2025

EPC Contractor of the Year (2022-2025)



Yard Modernization Company of the Year (2024-2025)

**MEED Energy Project of the Year
MEED Projects Award**



**NMDC Energy
Forbes Middle East
Top 100 Listed
Companies**

**Forbes Middle East
Top 100 Listed
Companies 2025**

**Energy Company of the Year
The 2025 Sustainability
Innovation Awards
(Construction Business News)**



**Asian Oil & Gas
Awards
Hail & Ghasha & AI
Safety**

ASIAN OIL & GAS AWARDS

The 2025 IPLOCA New Technologies Award

NMDC Energy received The 2025 IPLOCA New Technologies Award for the **AI – Powered Site Safety Monitoring System** – New Technology Category



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.

