

**Media Release:**

## **ADNOC Drilling's Exceptional First Quarter Performance Sets the Stage for a Year of Growth**

*Revenue increases 32% year-on-year to \$1.17 billion, EBITDA grows 22% to \$533 million and net profit rises 24% to \$341 million reflecting resilient financial performance*

*Conventional business delivers record 51% EBITDA margin and 32% net income margin, driving global industry-best 37% RoE and 24% ROCE*

*Acquisition of DWS by ADNOC Drilling's Enersol accelerates AI-driven energy services, and breakthrough in unconventional well delivery times by ADNOC Drilling's Turnwell enhances resource recovery*

*Robust multi-billion-dollar revenue pipeline and new contract wins secure unmatched multi-year earnings visibility*

*Board of Directors approves quarterly dividend distributions, resulting in \$217 million 1Q 2025 payment*

**Abu Dhabi, UAE – May 08, 2025:** ADNOC Drilling Company PJSC ("ADNOC Drilling" or the "Company") (ADX symbol: ADNOCDRILL / ISIN: AEA007301012) announced today strong financial results for the first quarter of 2025 (1Q 2025), building on its growth trajectory, demonstrating its financial resilience and laying the foundation for another year of growth and success.

### **Key First Quarter Highlights**

- Revenue: \$1.17 billion, +32% year-on-year
- EBITDA: \$533 million, +22% year-on-year
- Net Profit: \$341 million, +24% year-on-year

ADNOC Drilling's growth momentum continues in 2025, fueled by sustained strong demand for its services, a relentless focus on operational excellence and strategic investments in fleet expansion, integrated services, artificial intelligence (AI), advanced technologies and international expansion.

**Abdulrahman Abdulla Al Seiari, ADNOC Drilling CEO**, said: "The first quarter of 2025 has been more than just a strong start for ADNOC Drilling, it has demonstrated our financial resilience and laid the foundation for another year of significant growth. We are progressing at pace on our strategic priorities, expanding our rig fleet, scaling our oilfield services offering and advancing our AI and digital capabilities.

"As we secure new contracts and expand into strategic markets, our scale and commitment to innovation continue to enhance efficiency and performance across the business. With a robust revenue pipeline, sustained demand, growing international interest and unparalleled visibility of future earnings, ADNOC Drilling is well positioned to deliver sustainable growth and value for our shareholders. We remain committed to playing a leading role in the advancement of energy services in our domestic market and beyond."

### Strong Segmental Growth

- **Onshore:** Revenue increased 20% year-on-year to \$494 million, mainly due to new rigs commencing operations and a \$30 million contribution from our unconventional business
- **Offshore (Jack-up and Islands):** Revenue increased 2% year-on-year to \$334 million, mainly due to higher activity island rigs
- **Oilfield Services (OFS):** Revenue increased 134% year-on-year to \$342 million, mainly driven by \$122 million in revenue from the unconventional business, coupled with increased integrated drilling services (IDS) activity and provision of more discrete services

### Key Financial Metrics

| USD Millions                   | 1Q 25 | 1Q 24 | % Change |
|--------------------------------|-------|-------|----------|
| Revenue                        | 1,170 | 886   | 32%      |
| EBITDA                         | 533   | 437   | 22%      |
| Net Profit                     | 341   | 275   | 24%      |
| Earnings per share (USD/share) | 0.021 | 0.017 | 24%      |
| Capital Expenditure            | -91   | -110  | -17%     |
| Cash from Operations           | 521   | 347   | 50%      |

|                                       |     |     |     |
|---------------------------------------|-----|-----|-----|
| EBITDA Margin                         | 46% | 49% | -3% |
| <i>EBITDA Margin Conventional</i>     | 51% | 49% | 2%  |
| Net Profit Margin                     | 29% | 31% | -2% |
| <i>Net Profit Margin Conventional</i> | 32% | 31% | 1%  |

### Final 2024 Dividend Distribution and Transition to Quarterly Dividend Distributions

On March 18, 2025, at the Annual General Meeting, Company shareholders approved all the agenda items, including the distribution of the final cash dividend payment for the year ended December 31, 2024. The final shareholder-approved cash dividend payment for 2024 amounted to \$394 million (c.9.05 fils per share) and has been made in April 2025. This has brought the total 2024 dividend to \$788 million (c.18.1 fils per share), representing a 10% year-on-year increase versus 2023.

On May 7, 2025, the Board of Directors approved dividends to be paid quarterly. The first quarterly dividend payment of 2025 will be for an amount of \$217 million (approx. 5 fils per share) and is expected to be paid on or around May 28, 2025, to all shareholders of record as of May 19, 2025. For each of the following three quarterly distributions for 2025, the amount of \$217 million will be a floor.

As per dividend policy, the Board of Directors, at its discretion, may approve additional dividends over and above the progressive dividend floor after considering free cash flow accretive growth opportunities.

### Technology and Innovation: Enersol and Turnwell Set the Pace

ADNOC Drilling's growth is underpinned by its bold innovation strategy, executed through its two next-generation joint ventures:

- **Enersol**, ADNOC Drilling's advanced energy technology platform, successfully completed the acquisition of DWS, further scaling its portfolio of AI-driven, performance-enhancing technologies that power smarter, more sustainable drilling solutions. Enersol published its 2024 operational report for all four portfolio companies that [can be viewed here](#). Gordon Technologies Abu Dhabi facility is now fully operational and EV, a longtime regional operator, is preparing to transfer their Middle East base to Abu Dhabi
- **Turnwell**, ADNOC Drilling's joint venture with SLB and Patterson UTI, has delivered a step-change in UAE unconventional energy development, achieving a significant reduction in well delivery times through the deployment of DrillOps™, Advisory and Neuro advanced AI and digital tools, which utilize AI planner-enabled workflows and insights to react to real-time conditions and



optimize processes based on the actual operational environment. As a result, well delivery times have been reduced to approximately 20 days with multiple wells being delivered in less than 15 days. To the end of 1Q 2025, 34 wells of the 144 well program for Phase 1 have already been drilled. Turnwell has helped ADNOC deliver a major milestone in the UAE's energy industry with the production and treatment of the nation's first gas produced from an "unconventional" gas reservoir at the Ruwais Diyah Concession, located 200 kilometers from Abu Dhabi

### **Regional Expansion and Market Growth**

ADNOC Drilling is expanding its operational reach beyond the United Arab Emirates (UAE), through pre-qualification and ongoing tenders in Oman and Kuwait, both strategic and key growth markets with strong and increasing demand for world-class drilling and energy services. These new frontiers offer diversified revenue streams and reinforce ADNOC Drilling's leading position across the region.

### **Unparalleled Future Earnings Visibility**

As ADNOC Drilling accelerates its growth and continues to scale, 2025 is set to be a pivotal year, defined by innovation, international growth and strong shareholder returns. With industry-leading capabilities and expertise, a strong strategic vision and a future-focused mindset, the Company is shaping not only the future of drilling services in the UAE, but the future of global energy services.

Despite recent volatility in global markets, the Company's previously announced full year 2025 and medium-term guidance remains unchanged and is further supported by recent contract awards. Among the key guidance metrics, in 2025 the Company expects total revenue to be between \$4.6 to \$4.8 billion and EBITDA between \$2.15 to \$2.3 billion with a margin range of 46%-48%. Net profit is expected to be between \$1.35 to \$1.45 billion, with a margin range of 28%-30%.

Moreover, ADNOC Drilling expects CapEx of between \$0.35 to \$0.55 billion, free cash flow (excluding M&A) between \$1.3 to \$1.6 billion, and a dividend floor of \$0.87 billion, while maintaining a conservative leverage target of up to 2.0x Net Debt / EBITDA.

## Full Year 2025 Financial Guidance

| USD Billions (unless otherwise stated)            | FY2025 Guidance    |
|---|--------------------|
| <b>Revenue</b>                                    | <b>4.60 – 4.80</b> |
| Onshore Revenue                                   | 1.95 – 2.10        |
| Offshore Revenue (Jack-up & Islands) <sup>1</sup> | 1.35 – 1.45        |
| Oilfield Services Revenue                         | 1.10 – 1.25        |
| <b>EBITDA</b>                                     | <b>2.15 – 2.30</b> |
| EBITDA Margin                                     | 46% – 48%          |
| <b>Net Profit</b>                                 | <b>1.35 – 1.45</b> |
| Net Profit Margin                                 | 28% – 30%          |
| <b>CapEx (excluding M&amp;A) <sup>2</sup></b>     | <b>0.35 – 0.55</b> |
| <b>FCF (excluding M&amp;A) <sup>3</sup></b>       | <b>1.30 – 1.60</b> |
| <b>Leverage target</b>                            | <b>&lt;2.0x</b>    |
| <b>Dividend floor (+10% vs 2024)</b>              | <b>0.87</b>        |

### ADNOC Drilling's medium-term guidance is as follows:

- FY2026 Revenue expected at around \$5 billion
- Around 50% conventional EBITDA margin (conventional drilling margins exceeding 50% and OFS margin in a range of 22-26% medium-term)
- Conservative long-term leverage target of up to 2.0x Net Debt / EBITDA
- Net working capital as percentage of revenue target of around 12%
- Maintenance CapEx of \$200 - \$250 million per annum (excluding organic and inorganic growth CapEx)
- 148+ rigs by 2026 and 151+ by 2028

### Activity Subsequent to the End of the First Quarter

In April 2025, ADNOC Drilling announced it has received a letter of award for a \$1.63 billion, five-year contract for Integrated Drilling Services (IDS) from ADNOC Offshore. This contract supports the growing Oilfield Services segment, and its economic impact is already included in the current 2025

<sup>1</sup> Starting from the first quarter of 2025, the Company plans to simplify its reporting structure by reducing the number of segments from four to three. The results of Offshore Jack-Up and Offshore Island will be combined under a new segment called Offshore

<sup>2</sup> Maintenance CapEx + CapEx for island rigs. It does not consider CapEx for potential additional land rigs and cash outflows associated with M&A

<sup>3</sup> Free Cash flow calculated as EBITDA – CapEx –  $\Delta$  Working Capital – taxes. It does not consider cash outflows associated with M&A



and 2026 revenue guidance, underpinning the visibility of future revenue and in support of our financial targets.

In May 2025, ADNOC Drilling was awarded an \$806 million long-term contract for three newbuild island rigs by ADNOC Offshore to support expanding operations at the offshore Zakum development project. These three rigs are in addition to three ordered in July 2024, reinforcing ADNOC Drilling's path to reach 151+ rigs by 2028.

### **Webcast and conference call**

ADNOC Drilling will host the earnings webcast and conference call, followed by a Q&A session, for investors and analysts on Thursday, May 8, 2025, at 16:00pm UAE time. The call will be hosted by Abdulrahman Abdulla Al Seiari, ADNOC Drilling CEO and Youssef Salem, ADNOC Drilling CFO. Interested parties are invited to join the call [by clicking here](#).

A replay and transcript will be made available following the call, accessible from the Investor Relations section of ADNOC Drilling's website [here](#).

###

### **About ADNOC Drilling**

ADNOC Drilling, listed on the Abu Dhabi Securities Exchange (ADX symbol "ADNOCDRILL"; ISIN AEA007301012), is the largest drilling and integrated drilling services (IDS) company in the Middle East by fleet size, owning and operating one of the largest multi-discipline drilling fleets in the world.

The Company is a critical link in ADNOC's upstream business, as ADNOC responsibly accelerates its production capacity targets in light of globally increasing demand for energy and enables the UAE's gas growth. ADNOC Drilling incorporated IDS into its portfolio in 2018 and now offers a total solution of start-to-finish wells and associated services that encompass the entire drilling value chain. To find out more, visit: [www.adnocdrilling.ae](http://www.adnocdrilling.ae)

For media inquiries, please contact: [media.adnocdrilling@adnoc.ae](mailto:media.adnocdrilling@adnoc.ae)

For investor inquiries, please contact: [ir@adnocdrilling.ae](mailto:ir@adnocdrilling.ae)