NMDC Energy
Management Discussion & Analysis

2Q/1H 2026 Earnings Release

NMDC Energy reports first half 2026 results, with revenues increasing 16% Y-o-Y to reach AED9.5 billion and net profit of AED251 million

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Key Highlights

REVENUES
AED **9.5** billion
1H26 16% Y-o-Y

EBITDA
AED **549** million
1H26 -31% Y-o-Y

NET PROFIT
AED **251** million
1H26 -57% Y-o-Y

BACKLOG
AED **33.3** billion
Jun-26

EPS
AED **0.05**
1H26 -57% Y-o-Y

RoAE
23.7%
*Trailing earnings

AWARDED PROJECTS
AED **2.2** billion
1H26

TOTAL ASSETS
AED **19.8** billion
-3% YTD

TOTAL EQUITY
AED **5.6** billion
-9% YTD

CASH & BANKS
AED **3.3** billion
-27% YTD

FREE CASH FLOW
AED **(200)** million
1H26

CAPEX
AED **225** million
1H26

NET WORKING CAPITAL
AED **(1.2)** billion
Jun-26

NMDC Energy Stock Data*

Closing Price	Market Cap.	Price/ Earnings	Average Target Price	Upside to TP
AED 2.82	AED 14.1 bn	11.1 x	AED 3.55	21%

*Calculations based on 24th July 2026 closing price

Financial Results

INCOME STATEMENT

AED (million)	2Q26	1Q26	2Q25	Y-o-Y	Q-o-Q	1H26	1H25	Y-o-Y
Revenue	4,519	4,964	4,432	2%	-9%	9,483	8,166	16%
EBITDA*	351	197	485	-28%	78%	549	794	-31%
EBITDA Margin	*7.8%*	*4.0%*	*10.9%*			*5.8%*	*9.7%*	
Net Profit before Tax	235	92	408	-42%	155%	327	639	-49%
Net Profit after Tax	171	80	366	-53%	113%	251	583	-57%
Net Profit Margin	*3.8%*	*1.6%*	*8.3%*			*2.6%*	*7.1%*	
Net Profit Attributable to Shareholders	170	80	366	-53%	114%	250	582	-57%
Minorities	0.6	0.6	0.5	23%	-5%	1.2	1.3	-4%

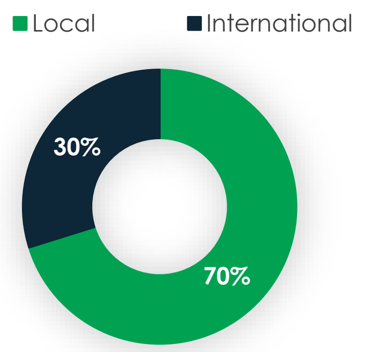
* Calculated by adding back net finance cost (income) and Depreciation & Amortization to net profit before tax

2Q2026

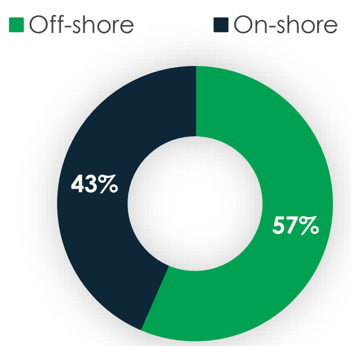
- NMDC Energy continued to execute its backlog despite operational challenges and cost overruns, with its revenues coming at AED4.5 billion in 2Q26, inching up 2% Y-o-Y; yet down 9% Q-o-Q.
- EBITDA for 2Q26 reached AED351 million, representing a 78% Q-o-Q increase. This improvement was also reflected in the EBITDA margin, which more than doubled to 7.8% in 2Q26 from 4.0% in 1Q26. The stronger profitability was primarily driven by efficient resource deployment and enhanced operational adaptability.
- On a Y-o-Y basis, however; EBITDA and EBITDA margin declined, reflecting the ongoing operational challenges and cost overruns experienced during the period.
- Net profit after tax reached AED171 million with a net profit margin of 3.8%, higher Q-o-Q; yet lower Y-o-Y.

Revenue Breakdown

Local Vs. International



Off-shore Vs. On-shore



The above charts represent 2Q26 revenues

Financial Results

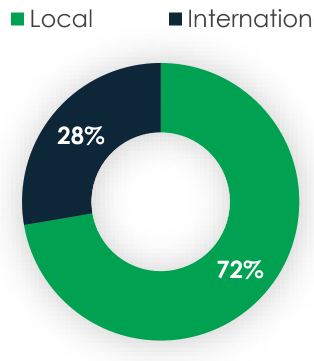
INCOME STATEMENT

1H2026

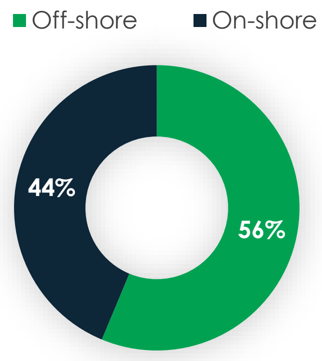
- NMDC Energy revenues increased 16% Y-o-Y to reach AED9.5 billion in 1H26, on the back of strong backlog execution and despite the on-going regional unrest.
- EBITDA came at AED549 million, down 31% Y-o-Y, with EBITDA margin slipping to 5.8% in 1H26 versus 9.7% in 1H25, reflecting costs overruns and operational challenges that were seen since the beginning of the regional geopolitical situation in March of the current year.
- This filtered into a net profit after tax of AED251 million, and a net profit margin of 2.6%.

Revenue Breakdown

Local Vs. International



Off-shore Vs. On-shore



The above charts represent 1H26 revenues

Financial Results

BALANCE SHEET

AED (million)	Jun-26	Mar- 26	Dec- 25	YTD
Current Assets	15,422	14,987	16,027	-4%
Non-current Assets	4,372	4,394	4,389	0%
Total Asset	**19,794**	**19,382**	**20,416**	**-3%**
Current Liabilities	13,471	13,221	13,449	0%
Non-current Liabilities	743	747	815	-9%
Total Liabilities	**14,213**	**13,968**	**14,264**	**0%**
Total Equity	**5,581**	**5,414**	**6,153**	**-9%**
Cash	3,290	3,472	4,486	-27%
Net Cash	3,107	3,222	4,170	-25%

- Cash and bank balances decreased 27% YTD to AED3.3 billion at the end of 2Q26, on dividends distribution amounting to AED800 million, lease payments, payments to suppliers to expedite material delivery, and loan repayment. And despite, strong collections of AED9.1 billion (96% of revenues) during the period.

- Net Cash declined 25% YTD to AED3.1 billion, as the total outstanding debt declined to AED184 million by end of June 2026.

- Total equity declined 9% YTD to stand at AED5.6 billion at the end of June 2026, primarily reflecting the payment of AED800 million in cash dividends during the period, which exceeded the AED251 million in net profit generated during 1H26.

NET WORKING CAPITAL

AED (million)	Jun-26	Mar-26	Dec-25
Inventories	404	259	278
Trade and other receivables	6,838	5,987	6,829
Contract Assets	4,887	5,265	4,412
Other Current Assets	3	4	22
Trade & Other Payables	(10,500)	(11,053)	(11,874)
Contract Liabilities	(1,518)	(1,146)	(840)
Other Current Liabilities	(1,269)	(773)	(470)
Net Working Capital*	**(1,155)**	**(1,456)**	**(1,643)**

* Excludes cash and borrowings and includes financial assets

- Net working capital stood at AED (1.2) billion at the end of June 2026, compared to AED (1.6) billion as at the end of December 2025. The movement was primarily driven by an increase in contract assets, together with lower job accruals and advances from clients, which were partially offset by higher contract liabilities and an increase in due to related parties balance.

Financial Results

FREE CASH FLOW

AED (million)	2Q26	1Q26	2Q25	1Q25	1H26	1H25
Cash Flow from Operations	24	0	2,259	(369)	25	1,890
Capital Expenditures	(104)	(121)	(104)	(101)	(225)	(205)
Free Cash Flow	**(80)**	**(120)**	**2,155**	**(470)**	**(200)**	**1,685**

- Cash generated from operations before changes in working capital came at AED539 million. However, negative change in working capital was primarily due to lower advances from clients and lower job accruals, resulted in cash flow from operations coming at AED25 million.

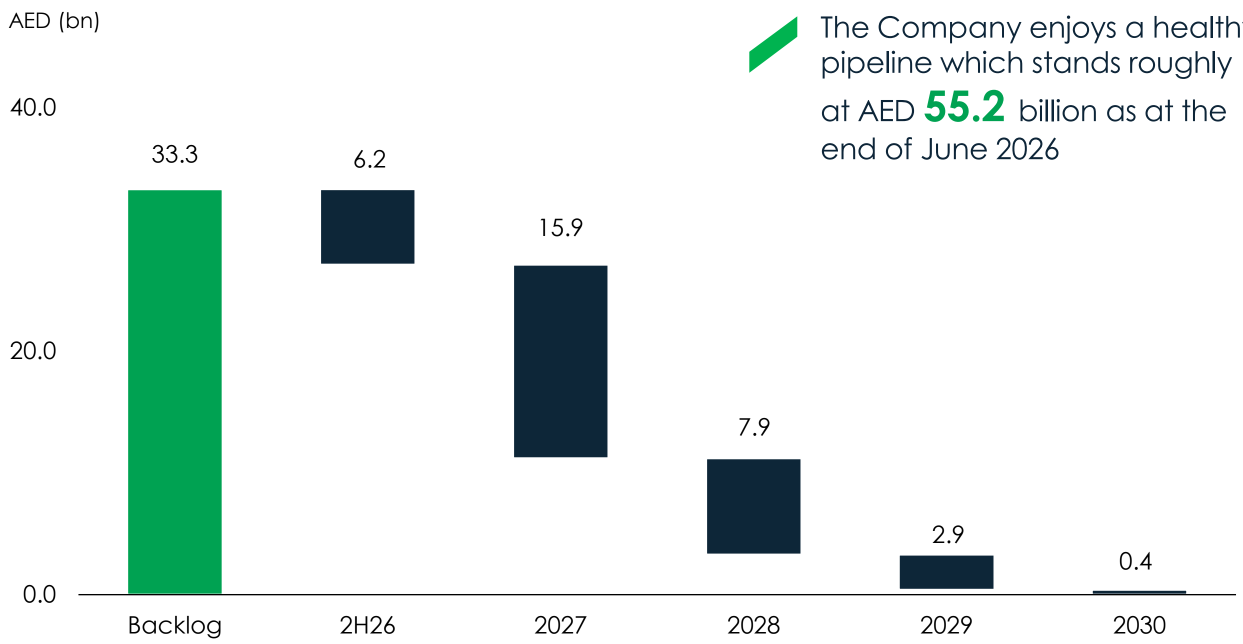
- Capex spending came at AED225 million in 1H26, largely related to KSA yard construction and UAE yards upgrade, equipment purchase and maintenance capex.

Awarded Projects and Backlog

Awarded Projects

Client	Country	Award Date	Contract Value	Scope
Undisclosed Client	UAE	2Q26	AED 2.2 billion	EPC off-shore work
Total Awarded Projects in 1H26			**AED 2.2 billion**	

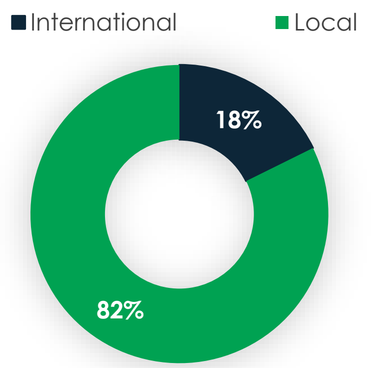
Expected Backlog Unwinding



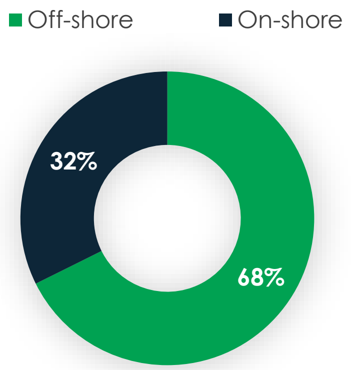
The Company enjoys a healthy pipeline which stands roughly at AED **55.2** billion as at the end of June 2026

Backlog Breakdown

Local Vs. International



Off-shore Vs. On-shore



Business Development

Make It In The Emirates (MIITE) 2026

NMDC Energy signed an MoU with Energy Masters

NMDC Energy signed a Memorandum of Understanding (MoU) with Energy Masters to establish the UAE's first manufacturing facility for Electro Submersible Pumps (ESPs), supporting technology transfer and reducing reliance on imported oilfield equipment.

NMDC Energy signed an MoU with Borouge

NMDC Energy signed a Memorandum of Understanding (MoU) with Borouge for potential steel pipe coating solutions for infrastructure and energy projects. The MoU builds on the partnership between both entities and their success in supporting major projects locally and internationally.

NMDC Energy signed an agreement with Neway Valve (Suzhou) Co., Ltd.

NMDC Energy has signed an agreement with Neway Valve (Suzhou) Co., Ltd to focus on the localization of valve manufacturing operations in the UAE. This agreement aims to support in-country value creation by strengthening domestic manufacturing capabilities and reducing reliance on imported equipment.

NMDC Energy signed an agreement with Wasco Energy Ltd.

NMDC Energy signed an agreement with Wasco Energy Ltd. to support the development of advanced industrial infrastructure within the UAE. The agreement focuses on modular fabrication for data centers, contributing to the localization of critical industrial and engineering capabilities.

Sustainability & HSE

HSE Performance

- 67.4M man-hours worked,
- 1.2M training hours,
- LTIFR 0.00, TRIFR 0.06,
- 13,300 safety inspections,
- 6,411 enviro inspections,
- 35,782 PTW audits, and
- 1,813 emergency drills.

Advanced Training Program

- Launched New Training Programs: Leadership Site Visit E-Learning, Confined Space Entry, Defensive Driving, and upgraded Fire Warden Training.
- Accreditations Achieved: Highfield Level 3 Basic First Aid and Construction Industry Scaffolders Record Scheme (CISRS)

Safety Technology Systems

- Deployed 75 BSD Systems across MFY, PCY & NEMY;
- Implemented 180 AFDD on high-risk vehicles.
- Installed 39 AI safety cams,
- 1,320 vehicles with IVMS,
- RTLS expanded to include 8,900 personnel tracking & 2,079 assets tracking devices.

Crisis Management Readiness

Achieved 100% operational coverage across offshore, island, onshore, yard, & corporate base, including:

- 339 Drills,
- 207 Stand Down,
- 3,204 HIP Talks,
- 3 global townhalls with CEO,
- 5 ICS/CMT Drills.

Key Environmental Initiatives

- World Environment Day,
- Planting of 16,000 mangrove saplings.
- Green Turtle Conservation Program,
- Seabed clean-up,
- Offshore Biosecurity Campaign
- Bird Conservation Initiative.

Solar panel installation

Solar panel installation completed at remote sites in place of the diesel generators, considering the growing need for sustainable energy solutions.

Global HSE Town Hall 2026

Global HSE Town Hall live streamed across UAE, KSA, and Taiwan, concluding with leadership signing PROTECT Safety Leadership Charter.

Hydrology Restoration

A hydrology restoration initiative has been implemented at Al-Hudariyat Island to restore and improve natural water flow.

Chinese White Dolphin Conservation

Marine Protection Awareness campaign in Taiwan promoting environmental responsibility and conservation of the endangered Chinese White Dolphin habitat.

Achievements & Recognitions

Oil & Gas Middle East Awards 2026

EPC Contractor of the Year
(2022-2026)

AI Excellence in Energy Award
(2026)

ARAMCO Environmental Excellence Award

NMDC Energy KSA CRPO 82/83 received Saudi ARAMCO's Environmental Excellence Award for outstanding sustainability performance.

NMDC Energy Recognized at Global Brands Awards 2026

The **Global Brands** Awards

2026

"Leading Offshore EPC Solutions Provider for Oil & Gas UAE"

NMDC Energy Honored at the 2026 MENA Stevie Awards

NMDC Energy has been recognized at the 2026 Middle East & North Africa Stevie Awards, earning **six Stevie® Awards** across sustainability, innovation, growth, artificial intelligence, manufacturing, and human resources categories.

ROSPA

DALMA | BELBAZEM | CRPO 82 83 | UMMSHAIF | ENERGY CORPORATE

5 ROSPA Awards for Projects – 2026

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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.

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