GROUP

NMDC Group
Management Discussion & Analysis

2Q/1H 2026 Earnings Release

NMDC Group reports strong 1H26 results with Group Revenues increasing 6% Y-o-Y to reach AED 14.1 billion and Net Profit of AED1.6 billion

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Key Highlights

REVENUES
AED **14.1** billion
1H26 6% Y-o-Y

EBITDA
AED **2.4** billion
1H26 -2% Y-o-Y

NET PROFIT
AED **1.6** billion
1H26 -8% Y-o-Y

BACKLOG
AED **56.1** billion
Jun-26

EPS
AED **1.83**
1H26 -5% Y-o-Y

RoAE
25.5%

AWARDED PROJECTS
AED **7.8** billion
1H26

TOTAL ASSETS
AED **39.4** billion
-1% YTD

TOTAL EQUITY
AED **16.5** billion
4% YTD

CASH & BANKS
AED **5.6** billion
12% YTD

FREE CASH FLOW
AED **2.0** billion
1H26

CAPEX
AED **673** million
1H26

NET WORKING CAPITAL
AED **1.8** billion
Jun-26

NMDC Group Stock Data

Closing Price	Market Cap.	Price/ Earnings	Target Price	Upside to TP
AED 21.52	AED 18.2 bn	5.1 x	AED 32.03	49%

*Calculation based on 28th 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	7,488	6,645	7,149	5%	13%	14,133	13,372	6%
EBITDA*	1,735	684	1,361	27%	154%	2,419	2,457	-2%
EBITDA Margin	***23.2%***	***10.3%***	***19.0%***			***17.1%***	***18.4%***	
Net Profit Before Tax	1,455	404	1,105	32%	260%	1,860	2,005	-7%
Net Profit after Tax	1,219	387	971	26%	215%	1,606	1,755	-8%
Net Profit Margin	***16.3%***	***5.8%***	***13.6%***			***11.4%***	***13.1%***	
Net Profit Attributable to Shareholders	1,180	365	885	33%	223%	1,544	1,618	-5%
Minorities	39	22	86	-54%	74%	62	136	-55%

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

2Q2026

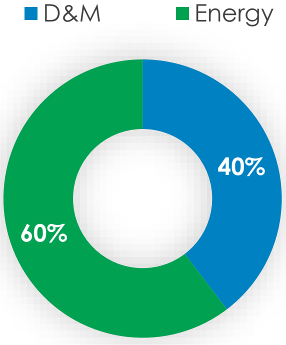
- NMDC Group reported a very strong set of results in 2Q26, supported by the resilient performance posted by the different verticals of the Group. The Group revenues reached AED7.5 billion in 2Q26, up 5% Y-o-Y; with local operations representing 80% of revenues, while international operations accounted for the remaining 20%

- The Group's EBITDA rose to AED1.7 billion in 2Q26, up 27% Y-o-Y to reflect an EBITDA margin surpassing the twenty percent to reach 23.2% in 2Q26. This was fueled by NMDC D&M's higher profitability and margins, with NMDC D&M's EBITDA reaching AED1.4 billion in 2Q26, up 57% Y-o-Y; and representing an EBITDA margin of 46%. This buoyant performance was underpinned by operational savings due to efficiencies and release of contingencies on projects nearing completion during the quarter, which improved the overall margins and lifted revenues higher.

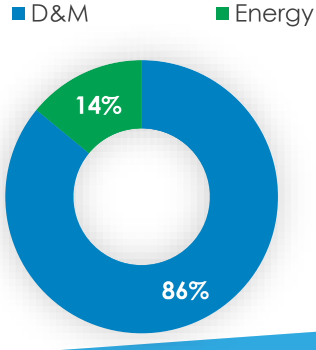
- Net profit after tax for the Group reached AED1.2 billion, up 26% Y-o-Y, with a NPAT margin of 16.3% in 2Q26. NMDC D&M accounted for 40% of the Group's revenues and translated into 86% of its net profits; highlighting the business segment's enhanced margin and profitability profile**.**

Group Breakdown

Revenue



Net Profit After Tax



* Based on 2Q26 figures

Financial Results

INCOME STATEMENT CON'T.

1H2026

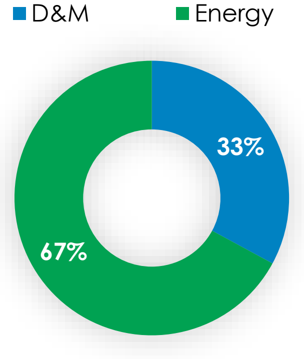
- The Group revenues reached AED14.1 billion in 1H26, up 6% Y-o-Y, driven by NMDC Energy's revenue growth, which increased 16% Y-o-Y in 1H26. The Group local operations represented 80% of revenues, while international operations accounted for the remaining 20%

- NMDC Group reported an EBITDA of AED2.4 billion, roughly flat (-2% Y-o-Y) and an EBITDA margin 17.1% in 1H26. This muted performance mirrors a softer first quarter that reflect challenging operating environment and offset the strong earnings and margin expansion delivered in the second quarter.

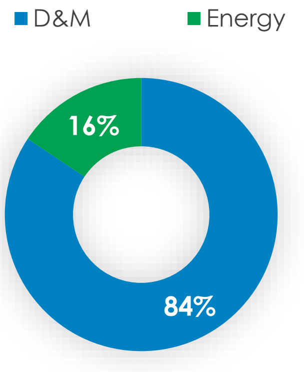
- NMDC Group recorded a net profit after tax of AED1.6 billion, supported by NMDC D&M's net profits, which rose 16% Y-o-Y in 1H26. The Group's net profit margin came at 11.4%, as NMDC D&M's NPAT margin reached 29.1% in 1H26.

Group Breakdown

Revenue



Net Profit After Tax



* Based on 1H26 figures

Financial Results

BALANCE SHEET

AED (million)	Jun-26	Mar-26	Dec-25	YTD
Current Assets	28,518	29,370	29,398	-3%
Non-current Assets	10,914	10,293	10,286	6%
Total Assets	**39,432**	**39,663**	**39,684**	**-1%**
Current Liabilities	21,466	23,040	22,268	-4%
Non-current Liabilities	1,438	1,435	1,535	-6%
Total Liabilities	**22,904**	**24,475**	**23,803**	**-4%**
Total Equity	**16,528**	**15,188**	**15,881**	**4%**
Cash	5,596	6,887	4,980	12%
Net Cash	4,837	5,215	4,030	20%

- Cash and Bank balances rose 12% YTD to stand at AED5.6 billion at the end of June 2026; underpinned by strong collections of receivables, and albeit dividends payment of AED1,028 million, payments to suppliers, repayments of loans and payments of lease liabilities.

- Net cash increased 20% YTD To AED4.8 billion, on loan repayments of AED198 million and debt declining to AED753 million by the end of June 2026.

- Current assets declined 3% YTD to stand at AED28.5 billion at the end of 1H26, on the back of a decease in trade receivables, as collection were strong during the period reaching AED15.8 billion in 1H26 (representing 113% of 1H26 revenues), lower advances to suppliers, lower retention receivables, which overshadowed the increase in contract assets or unbilled revenues, the increase in inventory required for smooth execution and an increase in cash position on strong collections.

- Current liabilities declined 4% Y-o-Y to AED21.5 billion, mainly on a decline in job accruals which outweighed the increase in trade payables, advances from customers and taxes payable.

- Total equity added 4% YTD to AED16.5 billion, on the back of an increase in retained earnings which increased by 1H26 net profits of AED1.6 billion, less dividends payment of AED1,028 million.

Financial Results

NET WORKING CAPITAL

AED (million)	Jun-26	Mar-26	Dec-25
Inventories	1,144	884	886
Trade and other receivables	13,975	13,908	16,750
Contract assets	7,083	7,070	6,062
Other current assets	720	622	720
Trade and other payables	(15,751)	(15,856)	(16,515)
Contract liabilities	(4,310)	(5,034)	(4,417)
Other current liabilities	(1,019)	(873)	(855)
Net working capital*	**1,843**	**720**	**2,631**

*Excludes cash and borrowings and includes financial assets

- Net working capital came at AED1.8 billion at the end of June 2026, down from AED2.6 billion at the end of December 2025, largely on lower trade receivables on strong collections during the first half of the year, lower job/project accruals and despite the increase in unbilled revenues.

FREE CASH FLOW

AED (million)	2Q26	1Q26	2Q25	1Q25	1H26	1H25
Cash Flow from Operations	172	2,489	334	1,276	2,660	1,609
Capex	(477)	(196)	(195)	(499)	(673)	(693)
Free Cash Flow	**(305)**	**2,293**	**139**	**777**	**1,988**	**916**

- Cash generated from operations before changes in working capital amounted to AED2.4 billion. However, after accounting for working capital movements, net cash from operations amounted to AED2.7 billion. With the positive change in working capital coming from trade and other receivables which more than off-set change in job accruals and payables.

- Capex spending stood at AED673 million in 1H26, mainly on the back of advance payment for the purchase of a CSD dredger for D&M, NMDC Energy's KSA yard and UAE yards upgrade, together with maintenance capex and additions of equipment including barges, pipelines, and technical equipment.

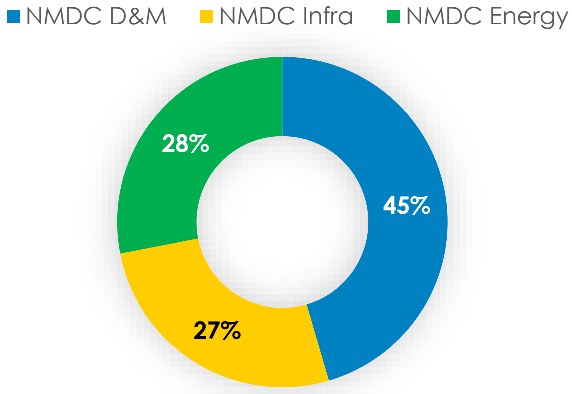
Awarded Projects

Client	Business Unit	Country	Award Date	Contract Value	Scope/Project
Multiple Clients	NMDC D&M	UAE	1Q26	AED 1.5 billion	Dredging, Reclamation, Enabling work, etc
Multiple Clients	NMDC INFRA	UAE	1Q26	AED 0.3 billion	Misc. Infra Projects
Abu Dhabi Clients	NMDC D&M	UAE	2Q26	AED 1.5 billion	Additional Work
Multiple Clients (D&M)	NMDC D&M	UAE	2Q26	AED 0.5 billion	Multiple Jobs/Projects
ETIHADWE	NMDC INFRA	UAE	2Q26	AED 1.0 billion	Fujairah Desalination 60MIGD Project
TAQA Water Solutions	NMDC INFRA	UAE	2Q26	AED 0.3 billion	Emergency Lagoon Abu Dhabi Region
Multiple Clients (INFRA)	NMDC INFRA	UAE	2Q26	AED 0.4 billion	Multiple Jobs/Projects
Undisclosed Client	NMDC Energy	UAE	2Q26	AED 2.2 billion	EPC Off-Shore Work
Total Awarded Projects in 1H26					**AED 7.8 billion**

Project Awards in 1H26

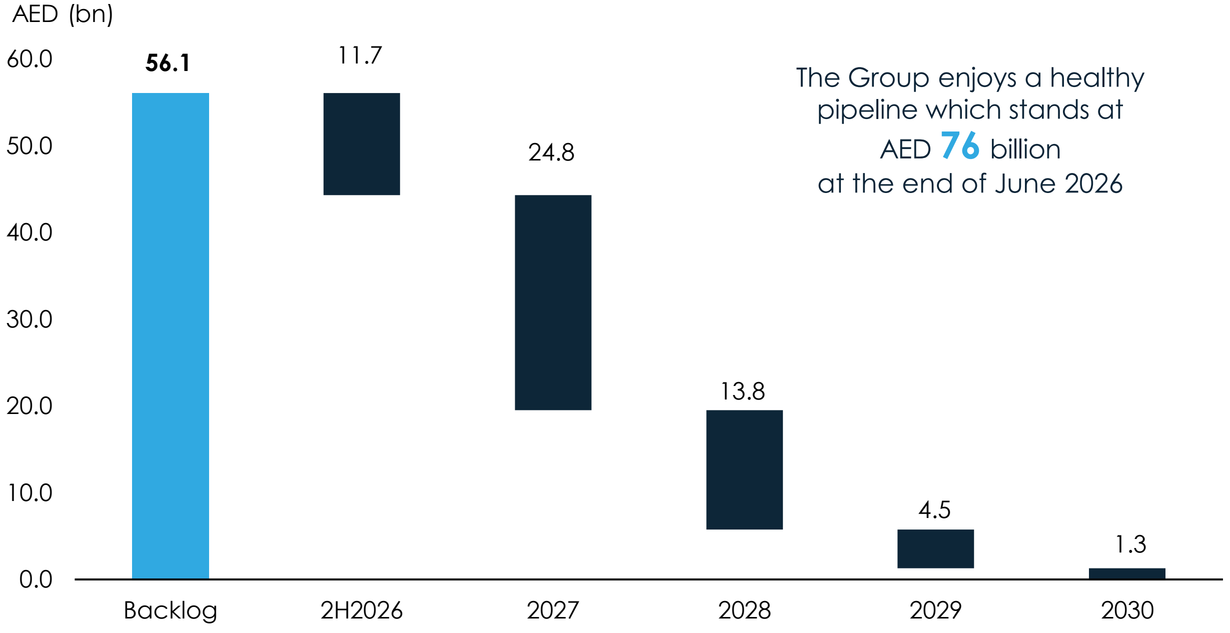
AED (mn)	**Awarded Projects**
NMDC D&M	3,553
NMDC Infra	2,070
NMDC Energy	2,193
Group	**7,816**

Breakdown By Business Unit



Backlog

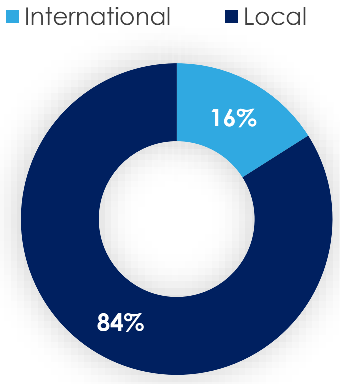
Expected Backlog Unwinding



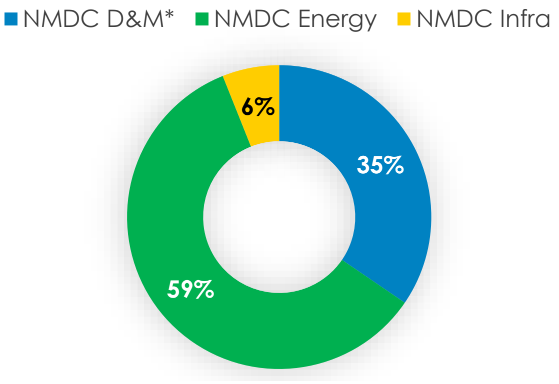
The Group enjoys a healthy pipeline which stands at AED **76** billion at the end of June 2026

Backlog Breakdown

Local Vs. International



Business Units



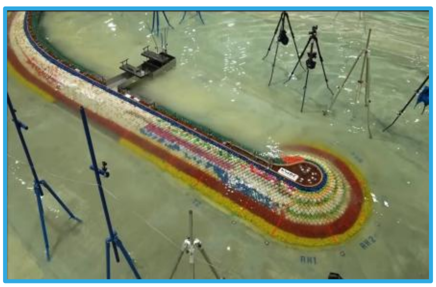
*Includes NMDC LTS

Business Development

“NMDC D&M” launches the Region’s First Commercial Hydraulic Modeling Facility

NMDC Dredging & Marine launched the NMDC Coastal & Hydrodynamic Center, the region’s first hydraulic physical modeling test facility, reinforcing innovation in marine engineering and research alongside the presentation of locally built marine vessels and advanced shipbuilding capabilities.

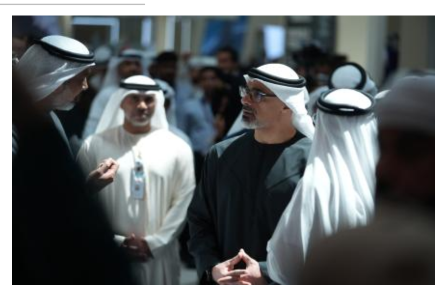




MIITE

NMDC Group advances industrial localization and strategic partnerships at Make it in the Emirates 2026







Business Development Con't

"NMDC Infra" signed an EPC agreement with EtihadWE & Lantania Aguas

NMDC Infra signed an EPC agreement with EtihadWE & Lantania Aguas to build the Fujairah Independent Water Producer (IWP) project. The 60 MIGD seawater reverse osmosis desalination plant, with a total project value of AED 1.046 billion, marks a key milestone ahead of the launch of Lantania NMDC Water and reinforces the Group's contribution to the UAE's long-term water security agenda.

"NMDC Infra" Awarded a AED 288 million Contract by TAQA Water Solutions

NMDC Infra has been awarded a contract valued at AED 288 million by TAQA Water Solutions for the construction of an Emergency Lagoon in Abu Dhabi. The award reflects NMDC Infra's continued commitment to delivering critical infrastructure projects that support sustainable development and contribute to strengthening the resilience of essential services across the UAE.

NMDC Infra acquires 51% stake in Spain's Lantania Aguas

In January, NMDC Infra acquired 51% stake in Spain's Lantania Aguas marking NMDC Group's first European market entry. The acquisition expands NMDC Infra's offering into the water and wastewater EPC sectors and aligns with the Group's strategic diversification objectives. With a backlog of AED 2 billion across several countries, Lantania Aguas will operate under the name Lantania NMDC Water, post completion of the acquisition which is subject to customary regulatory approvals.

NMDC Infra and CCC Complete the Establishment of NMDCCC

In January NMDC Group, through its wholly owned subsidiary NMDC Infra, and Consolidated Contractors Company (CCC) have completed the establishment of NMDCCC, a new joint venture focused on delivering onshore oil and gas EPC solutions in the UAE. Operating as a subsidiary of NMDC Infra, NMDCCC combines NMDC Group's scale and resources with CCC's long-standing expertise in complex energy projects to provide full-spectrum, high-quality EPC services across the energy infrastructure lifecycle.

Sustainability & HSE

HSE Performance

Achieved Over 40 million man-hours with zero fatalities, reflecting strong safety performance across all business units, demonstrating strong safety culture and operational discipline.

AI Risk Assessment Agent

Developed an AI-powered Risk Assessment Agent to generate structured risk assessments from work scope and company requirements.

Blind Spot Detection System

Piloted Blind Spot Detection (BSD) systems on earthmoving equipment to enhance hazard awareness and reduce collision risks at NMDC D&M.

Mental Health Campaign

Expanded the Mental Health Campaign across business units with workshops, e-learning, screening, and ambassador training in partnership with RPM and Prometheus Medical International

Safe Vessels Mooring Operations

NMDC LTS; launched the Safe Mooring Operations Campaign to strengthen hazard awareness, safe work practices, and injury prevention during mooring operations across all vessels.

World Day for Safety and Health at Work

NMDC D&M; celebrated World Day for Safety and Health at Work 2026 at Lulu Island and Ramhan Island projects to reinforce HSE awareness and strengthen safety culture.

Waste Reduction & Recycling

NMDC Infra; Reduced general waste by 51.5%, concrete waste by 8.3%, increased recycling by 60%. Achieved 71% construction waste recycling, diverting 42,910 kg of waste from landfill.

Biodiversity Conservation Initiatives

NMDC D&M; installed two osprey nesting platforms at the Ruwais Bird Observatory and Bu Al Sayayeef Marine Protected Area to support bird conservation.

Mangrove Planting Initiative

NMDC D&M; Launched the Ruwais LNG Mangrove Planting Initiative, planting 100 mangroves with ADNOC and EAD. Over 200,000 mangroves are planned across approved sites.

Key Achievements & Recognitions

NMDC Group Listed on Forbes ME Top 10 Construction Companies 2026

NMDC Group Recognized in TIME's World's Growth Leaders 2026

NMDC Group Recognized in TIME's Arabia's Growth Leaders 2026

NMDC D&M & NMDC Energy Recognized with 6 RoSPA 2026 Gold Award for Excellence in HSE, Risk Management & Projects.

NMDC Energy Recognized for Excellence at Oil & Gas Middle East Awards 2026

EPC Contractor of the Year (2022-2026)

AI Excellence in Energy Award (2026)

NMDC Group received a Silver Stevie® Award for Most Innovative Corporate Sustainability Program category for its initiative, "Pioneering the Industrial Energy Transition."

NMDC Energy received six Stevie® Awards across sustainability, innovation, growth, artificial intelligence, manufacturing, and human resources categories.

Disclaimer

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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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