NMDC Energy
Management Discussion & Analysis



2Q/1H 2025 Earnings Release

NMDC Energy reports strong first half 2025 results, with revenues increasing 41% to reach AED8.2 billion and net profit up 16% to AED583 million

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Key Highlights

REVENUES
AED **8.2** billion
1H25 41% Y-o-Y

EBITDA
AED **794** million
1H25 22% Y-o-Y

NET PROFIT
AED **583** million
1H25 16% Y-o-Y

BACKLOG
AED **49.9** billion
June-25

EPS
AED **0.12**
1H25 16% Y-o-Y

RoAE
28.7%
*Trailing Earnings

AWARDED PROJECTS
AED **13.9** billion
1H25

TOTAL ASSETS
AED **18.5** billion
12% YTD

TOTAL EQUITY
AED **5.2** billion
-1% YTD

CASH & BANKS
AED **5.0** billion
19% YTD

FREE CASH FLOW
AED **1.7** billion

CAPEX
AED **205** million

NET WORKING CAPITAL
AED **(2.8)** billion

NMDC Energy Stock Data

Closing Price	Market Cap.	Price/ Earnings	Average Target Price	Upside to TP
AED **2.39**	AED **12.0** bn	**8.0** x	AED **3.48**	**46%**
-15% YTD		*Trailing Earnings		

*Calculation based on 30th June 2025 closing price

Financial Results

INCOME STATEMENT

AED (million)	2Q25	1Q25	2Q24	Y-o-Y	Q-o-Q	1H25	1H24	Y-o-Y
Revenue	4,431	3,735	3,673	21%	19%	8,166	5,808	41%
EBITDA*	485	309	424	14%	57%	794	653	22%
EBITDA Margin	*10.9%*	*8.3%*	*11.5%*			*9.7%*	*11.3%*	
Net Profit Before Tax	408	231	349	17%	76%	639	538	19%
Net Profit after Tax	366	217	328	12%	69%	583	502	16%
Net Profit Margin	*8.3%*	*5.8%*	*8.9%*			*7.1%*	*8.7%*	
Net Profit Attributable to Shareholders	366	216	327	12%	69%	582	501	16%
Minorities	0.5	1	1	-52%	-38%	1	1	27%

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

1H2025

- NMDC Energy reports a strong growth in its 1H25 revenues; rising 41% Y-o-Y to AED8.2 billion. This was underpinned by buoyant revenue growth seen in the first two quarter of the year and despite challenging operating environment. This reiterates on the resilience of its business model and continuous strong execution of its backlog.

- EBITDA reached AED794 million, up 22% Y-o-Y in 1H25; with EBITDA margin coming at 9.7% in 1H25, lower than 11.3% in 1H24, albeit the 34% Y-o-Y decline in G&A expense in 1H25. This decline reflects early stages of some projects executed in 1H25; where margins stand lower.

- Net profit after tax came at AED583 million, up 16% Y-o-Y; despite higher depreciation and amortization charges and higher taxes as the UAE tax rate increased to 15% in 2025 from 9% in 2024.

2Q2025

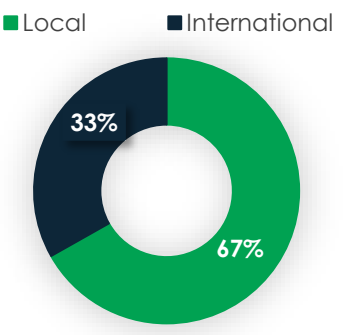
- Driven by higher backlog executions, NMDC Energy reported revenues of AED4.4 billion in 2Q25, higher 21% Y-o-Y and 19% Q-o-Q. This notable performance underscores the company's disciplined executions and on-going growth.

- Moreover, EBITDA reported for 2Q25 came at AED485 million, with an EBITDA margin of 10.9%; with EBITDA showing an improvement compared to 1Q25 and 2Q24.

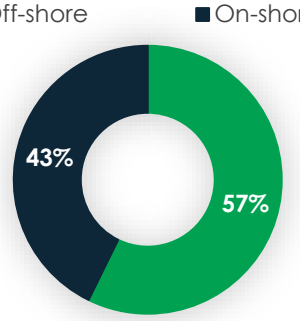
- NMDC Energy reported net profit of AED366 million in 2Q25, higher 69% sequential, and 12% Y-o-Y despite higher tax rate Y-o-Y.

Revenue Breakdown (1H2025)

Local Vs. International



Off-shore Vs. On-shore



Financial Results

BALANCE SHEET

AED (million)	Jun-25	Dec-24	YTD
Current Assets	14,410	12,617	14%
Non-current Assets	4,096	3,918	5%
Total Assets	**18,506**	**16,535**	**12%**
Current Liabilities	12,457	10,318	21%
Non-current Liabilities	894	998	-10%
Total Liabilities	**13,352**	**11,316**	**18%**
Total Equity	**5,154**	**5,219**	**-1%**
Cash	5,022	4,215	19%
Net Cash	4,574	3,635	26%

- Cash and cash balances increased to AED5.0 billion by the end of 1H25, up from AED4.2 billion at the end of FY24, to reflect predominately collections (including advance payments) which reached AED9.2 billion, and which overshadowed dividends payment, loan repayments and payments to suppliers.

- Total equity was broadly flat, edging down 1% to AED5.2 billion as compared to year end FY24; mainly as the increase in retained earnings for 1H25 was overshadowed by dividends distribution in 1Q25.

FREE CASH FLOW

AED (million)	2Q25	1Q25	2Q24	1H254	1H24
Cash Flow from Operations	2,259	(369)	225	1,890	681
Capital Expenditures	(104)	(101)	(97)	(205)	(205)
Free Cash Flow	**2,155**	**(470)**	**128**	**1,685**	**476**

NET WORKING CAPITAL

AED (million)	June- 25	Mar- 25	Dec- 24
Inventories	243	245	250
Trade and other receivables	5,669	5,736	5,033
Contract Assets	3,443	3,352	3,106
Other Current Assets	33	9	12
Trade & Other Payables	(10,806)	(9,212)	(8,745)
Contract Liabilities	(866)	(798)	(937)
Other Current Liabilities	(522)	(357)	(372)
Net Working Capital	**(2,805)**	**(1,025)**	**(1,653)**

- Free cash flow improved in 2Q25 to reach AED2.2 billion, thus taking FCF in 1H25 to AED1.7 billion. This mirrors the improvement in collection and the advance payments received from customers.

- Capex spending came at AED205 million in 1H25, with the majority related to KSA yard and UAE yards upgrade.

- Net working capital stood at AED(2.8) billion at June 2025, largely on higher advance payments received from customers on newly awarded projects, and higher trade & payables to reflect the increase in operations.

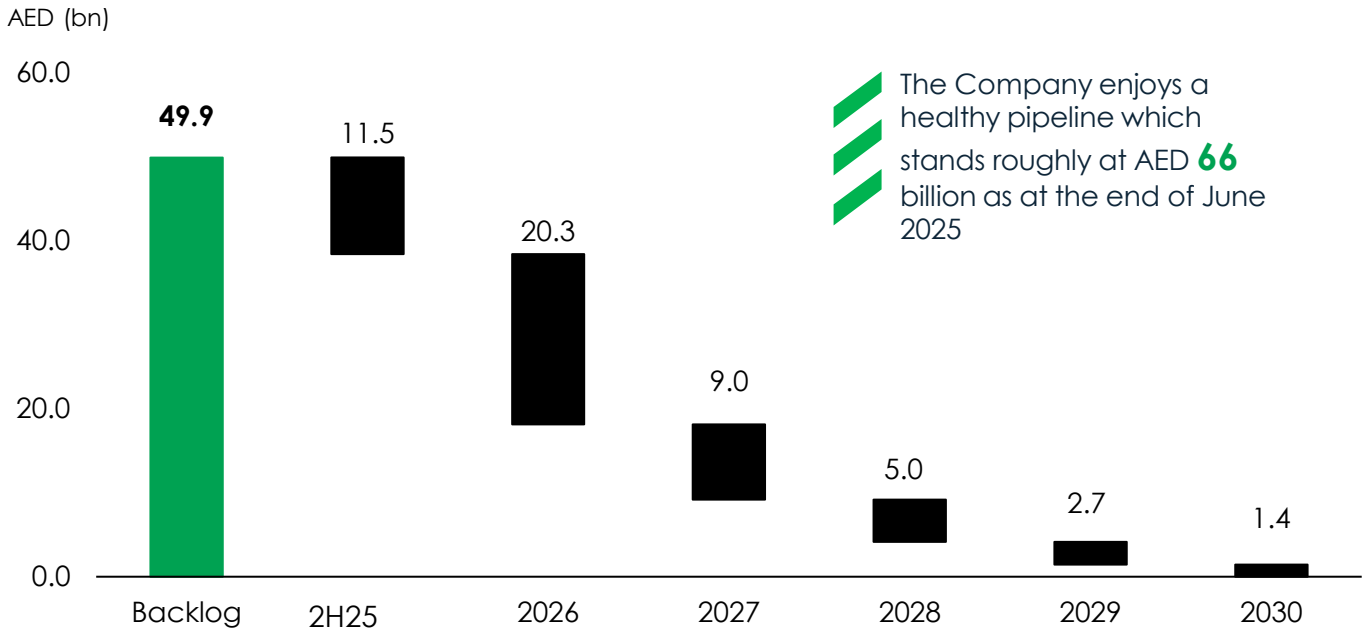
Project Awards and Backlog

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 1H25		**AED 13.9 billion**

*No awarded projects in 2Q25

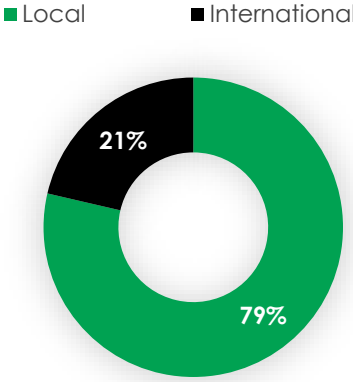
Expected Backlog Unwinding



The Company enjoys a healthy pipeline which stands roughly at AED **66** billion as at the end of June 2025

Backlog Breakdown

Local Vs. International



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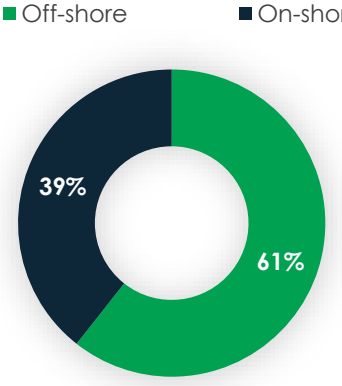

Business Development & Achievements in 1H25

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 Saudia Arabia.



NMDC Energy included in Forbes Middle East Top 100 Listed Companies

Forbes Middle East
THE MIDDLE EAST'S
Top 100 Listed Companies 2025

Awarded EPC Contractor of the Year for the fourth consecutive year and Yard Modernization Company of the Year for the second year in a row at the Oil & Gas Middle East Awards 2025



Business Development & Achievements in 1H25 Con't

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.

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.



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.

NMDC Energy Inaugurated KSA Yard

In January 2025, NMDC Energy inaugurated its state-of-the-art fabrication yard in Ras Al Khair Special Economic Zone in Saudi Arabia, with investment value of AED 200 million. The 400,000 sqm yard will provide off-shore facilities fabrication as well as on-shore modularization. This includes the construction of off-shore facilities, structures, design and assembly of modular (pre-fabricated) units on-shore.



Sustainability & HSE

HSE Awareness & Emergency Readiness

- Conducted multiple sessions and drills on fire safety, heat stress, housekeeping, and site safety to promote a safer work environment.

Green Engagement – Adopt a Plant Campaign

- Launched to involve staff in workplace greening and environmental stewardship.

Decarbonization Initiatives

- Continued electrification of cranes and equipment to reduce emissions.

GHG Emissions Management

- Ongoing monitoring and tracking of emissions; 3rd party audit initiated as per GHG Protocol.

Marine Biodiversity Protection

- Sustained efforts in sea turtle rescue and conservation at Hail & Gasha.

Waste Reduction

- Installed three waste converters to minimize environmental impact.

Carbon Sequestration – Mangrove Plantations

- Continued planting to support CO_2 absorption and climate action.

Staff Sustainability Capacity Building

- Facilitated ESG and sustainability training to improve staff awareness and engagement.

Sustainability Integration

- Issued Sustainability Policy to reinforce integration into core business operations.

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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