# 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


### Investor Relations Contacts

**Hanzada Nessim**
Group Head of Investor Relations
& Financial Communications
**Email:** hanzada.nessim@nmdc-group.com

**IR Contacts**
**Email:** ir@nmdc-group.com
**Phone:** +971 2 6990000
**Website:** www.nmdc-group.com

1 Key Highlights
Page 3

2 Financial Results
Page 4

3 Awarded Projects & Backlog
Page 6

4 Business Development
Page 7

5 Sustainability & HSE
Page 10

6 Achievements & Recognitions
Page 11

## Key Highlights

**REVENUES**
AED **18.7** billion
FY25 29% Y-o-Y

**EBITDA**
AED **2.2** billion
FY25 22% Y-o-Y

**NET PROFIT**
AED **1.6** billion
FY25 14% Y-o-Y

**BACKLOG**
AED **40.1** billion
Dec-25

**EPS**
AED **0.32**
FY25 14% Y-o-Y

**RoAE**
**28.2%**

**AWARDED PROJECTS**
AED **13.9** billion
FY25

**TOTAL ASSETS**
AED **20.4** billion
23% Y-o-Y

**TOTAL EQUITY**
AED **6.2** billion
18% Y-o-Y

**CASH & BANKS**
AED **4.5** billion
6% Y-o-Y

**FREE CASH FLOW**
AED **1.3** billion
FY25

**CAPEX**
AED **553** million
FY25

**NET WORKING CAPITAL**
AED **(1.6)** billion
Dec-25

### NMDC Energy Stock Data*

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

*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% |
| *EBITDA Margin* | *15.8%* | *9.7%* | *12.4%* | | | *11.6%* | *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% |
| *Net Profit Margin* | *11.5%* | *7.6%* | *10.8%* | | | *8.6%* | *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

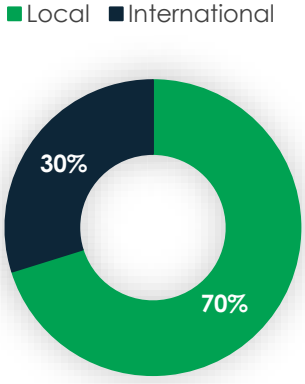
- The year 2025 ended on a strong note, with revenues up 29% Y-o-Y to reach AED18.6 billion. This buoyant performance came on the back of strong backlog execution.
- Stronger execution and higher margins achieved in 4Q25, supported FY25's EBITDA, which reached AED2.2 billion, up 22% Y-o-Y. Moreover, 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

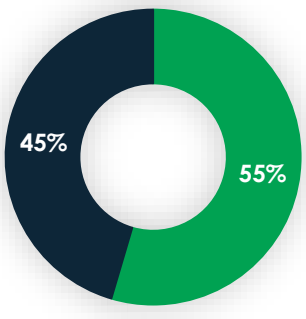
- For another quarter, NMDC Energy revenues grew 21% Y-o-Y to AED5.6 billion in 4Q25, on the back of strong backlog execution.
- EBITDA leaped to AED895 million, up 54% Y-o-Y, thus lifting EBITDA margin up to 15.8%. This improvement reflect strong project execution and operational excellence.
- This 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




Off-shore Vs. 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.

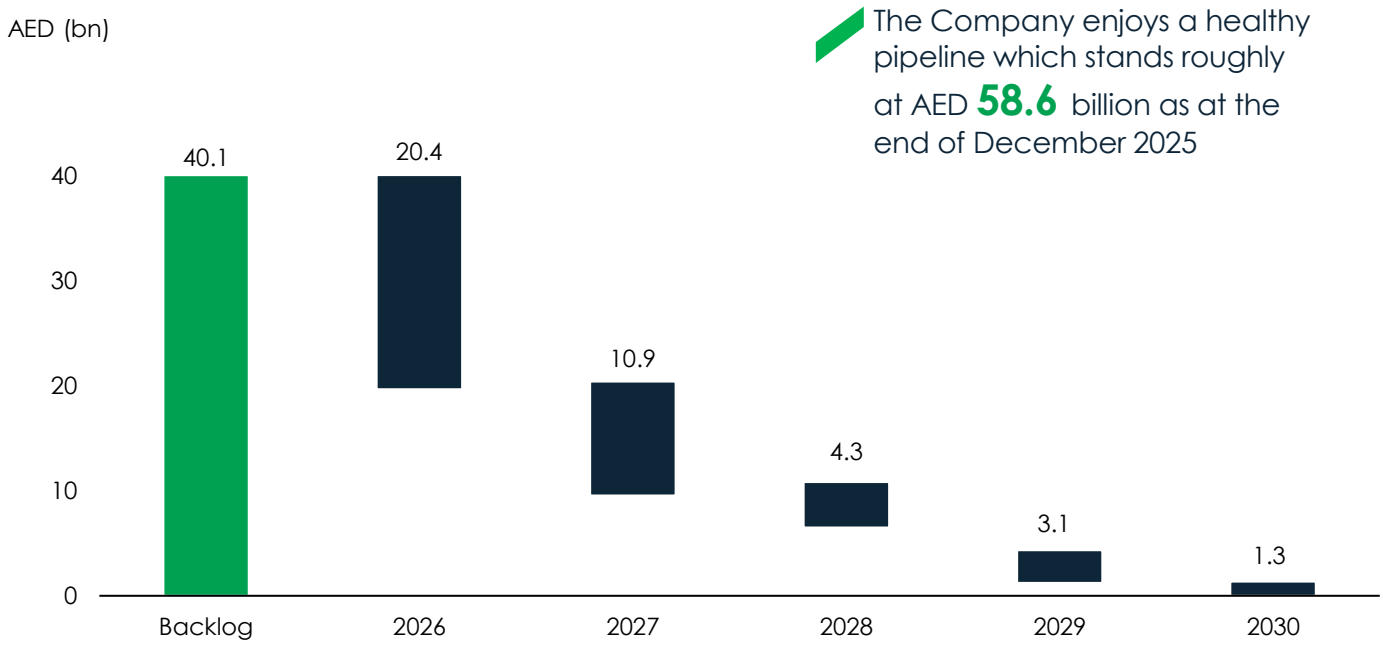
# Project Awards and Backlog

## 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

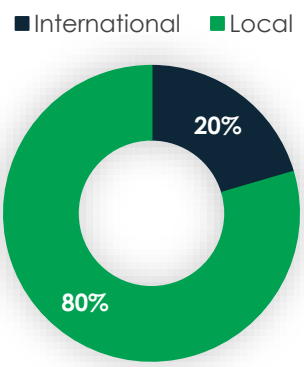
## Expected Backlog Unwinding



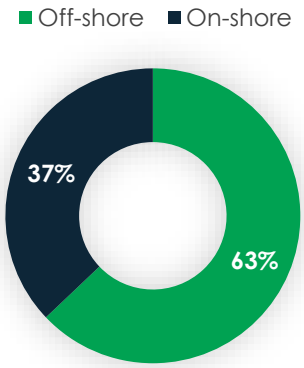

The Company enjoys a healthy pipeline which stands roughly at AED **58.6** billion as at the end of December 2025

## Backlog Breakdown

### Local Vs. International




### Off-shore Vs. On-shore



# FY2025 Business Development

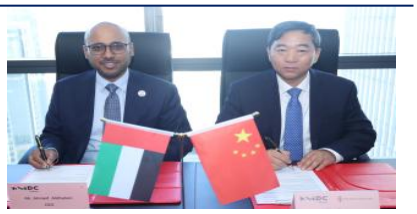
## NMDC Energy Expands into Asia with Taiwan Branch and Shanghai Commercial Office

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 Huges 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 Saudia 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 $CO_2$ 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 $H_2S$ 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.




## 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.

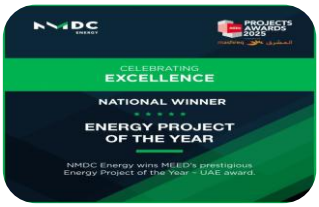
## Oil & Gas Middle East Awards 2025

**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**




**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 difer 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.

NMDC ENERGY