NMDC Group
Management Discussion & Analysis



1Q2026 Earnings Release

NMDC Group reports 1Q26 results with Group Revenues increasing 7% Y-o-Y to reach AED 6.6 billion and Net Profit reaching AED 387 million

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1 Key Highlights
Page 3

2 Financial Results
Page 4

3 Awarded Projects & Backlog
Page 6

4 Business Development
Page 7

5 Crisis Management & HSE
Page 8

6 Sustainability & HSE
Page 9

Key Highlights

REVENUES
AED **6.6** billion
1Q26 7% Y-o-Y

EBITDA
AED **684** million
1Q26 -38% Y-o-Y

NET PROFIT
AED **387** million
1Q26 -51% Y-o-Y

BACKLOG
AED **55.4** billion
Mar-26

EPS
AED **0.43**
1Q26 -51% Y-o-Y

RoAE
26.0%
Trailing earnings

AWARDED PROJECTS
AED **1.8** billion
1Q26

TOTAL ASSETS
AED **39.7** billion
-0.1% YTD

TOTAL EQUITY
AED **15.2** billion
-4% YTD

CASH & BANKS
AED **6.9** billion
38% YTD

FREE CASH FLOW
AED **2.3** billion
1Q26

CAPEX
AED **196** million
1Q26

NET WORKING CAPITAL
AED **720** million
Mar-26

NMDC Group Stock Data

Closing Price	Market Cap.	Price/ Earnings	Av. Target Price	Upside to TP
AED **19.68** -3% YTD	AED **16.6** bn	**5.1** X	AED **29.6**	**50%**

*Calculation based on 20th April 2026 closing price

Financial Results

INCOME STATEMENT

AED (million)	1Q26	4Q25	1Q25	Y-o-Y	Q-o-Q
Revenue	6,645	8,266	6,223	7%	-20%
EBITDA*	684	1,764	1,096	-38%	-61%
EBITDA Margin	***10.3%***	***21.3%***	***17.6%***	-42%	-52%
Net Profit Before Tax	404	1,443	900	-55%	-72%
Net Profit after Tax	387	1,238	784	-51%	-69%
Net Profit Margin	***5.8%***	***15.0%***	***12.6%***	-54%	-61%
Net Profit Attributable to Shareholders	365	1,086	733	-50%	-66%
Minorities	22	152	51	-56%	-85%

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

1Q2026

- The Group reported 7% Y-o-Y increase in revenues to reach AED6.6 billion, supported by NMDC Energy's strong revenue growth, with its revenues contributing 75% of the Group revenues. Moreover, 81% of the Group's revenues was generated from the UAE and 19% from International markets.

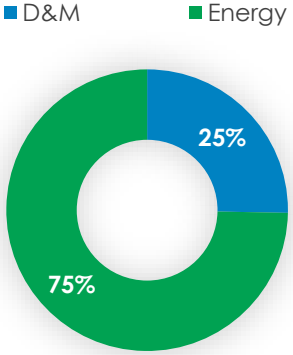
- It is important to note, that given the geopolitical situation in the region several reasons adversely impacted the Group profitability and profit margin, these include costs related logistics, insurance and fuel prices which were fully recognized during 1Q26 together with an increase in the forecasted cost of completion (EAC). Moreover, costs overruns and idle hours of operations delayed revenue recognition and extended projects timeline.

- Group EBITDA and EBITDA margin declined to AED684 million and 10.3%, respectively; on the back of slim margins reported by Energy business unit and lower revenues reported by Dredging & Marine (D&M) business unit.

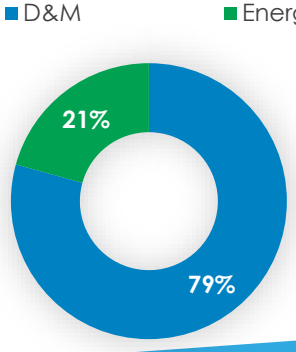
- Consequently, net profit after tax came at AED387 million, and net profit margin stood at 5.8% in 1Q26. With NMDC D&M enjoying higher margins, 79% of the Group's net profit was generated by NMDC D&M and the remaining 21% by NMDC Energy.

Group Breakdown

Revenue



Net Profit After Tax



* Based on 1Q26 figures

Financial Results

BALANCE SHEET

AED (million)	Mar-26	Dec-25	Y-o-Y
Current Assets	29,370	29,398	0%
Non-current Assets	10,293	10,286	0%
Total Assets	**39,663**	**39,684**	**0%**
Current Liabilities	23,040	22,268	3%
Non-current Liabilities	1,435	1,535	-7%
Total Liabilities	**24,475**	**23,803**	**3%**
Total Equity	**15,188**	**15,881**	**-4%**
Cash	6,887	4,980	38%
Net Cash	5,215	4,030	29%

- Cash and Bank balances rose 38% YTD to stand at AED6.9 billion at the end of 1Q26; mainly attributed to strong collections of AED9.1 billion during the quarter, and despite dividends payment of AED1,028 million, payments to suppliers, repayments of loan and lease liabilities.

- Total equity inched down 4% YTD to AED15.2 billion, as dividends payment of AED1,028 million overshadowed the increase from 1Q26 net profit of AED387 million.

NET WORKING CAPITAL

AED (million)	Mar-26	Dec-25	Sept- 25	June- 25	Mar- 25
Inventories	884	886	902	838	759
Trade and other receivables	13,908	16,750	19,022	14,536	12,170
Contract assets	7,070	6,062	5,395	5,724	4,836
Other current assets	622	720	708	598	596
Trade and other payables	(15,856)	(16,515)	(16,534)	(15,700)	(14,751)
Contract liabilities	(5,034)	(4,417)	(4,605)	(3,911)	(2,864)
Other current liabilities	(873)	(855)	(637)	(771)	(624)
Net working capital*	**720**	**2,631**	**4,251**	**1,314**	**123**

*Excludes cash and borrowings and includes financial assets

- Net working capital declined to AED720 million at the end of 1Q26, reflecting mainly the decline in trade receivables on the back of strong collection during the quarter, and higher contract liabilities.

FREE CASH FLOW

AED (million)	1Q26	4Q25	3Q25	2Q25	1Q25
Cash Flow from Operations	2,489	2,934	(1,789)	334	1,276
Capex	(196)	(440)	(283)	(195)	(499)
Free Cash Flow	**2,293**	**2,494**	**(2,072)**	**139**	**777**

- Cash generated from operations before changes in working capital amounted to AED720 million, with positive change in working capital largely attributed to strong collection, which lifted cash flow generated from operations to AED2.5 billion.

- Capex spending stood at AED196 million in 1Q26, mainly related to maintenance capex: drydocking, new equipment, and yard development.

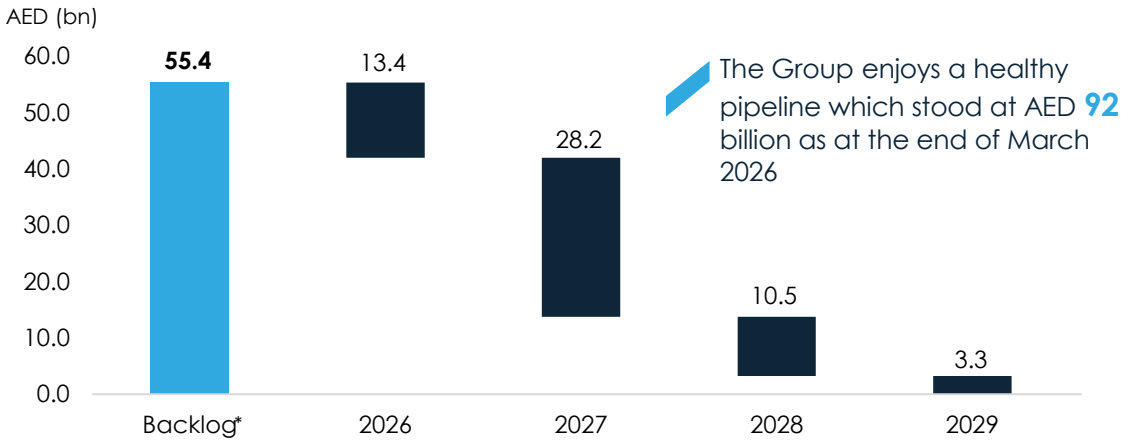
Awarded Projects & Backlog

Awarded Projects

Client	Scope	Business Unit	Country	Project Value
Department of Municipalities and Transport	Dredging & Reclamation Works	D&M	UAE	AED 0.2 billion
Local client	Marine Works Enhancement Project	D&M	UAE	AED 0.2 billion
ORA Development	Enabling Work	D&M	UAE	AED 0.3 billion
AD Ports	Development of Marine And Landside Infrastructure	D&M	UAE	AED 0.1 billion
Eagle Hills	Marine Work	D&M	UAE	AED 0.1 billion
Other D&M Projects*	Multiple Projects	D&M	UAE	AED 0.6 billion
NMDC Infra Projects	Multiple Projects	Infra	UAE	AED 0.3 billion
Total Awarded Projects in 1Q26				**AED 1.8 billion**

*Instruction to proceed, contracts to be finalized

Expected Backlog Unwinding

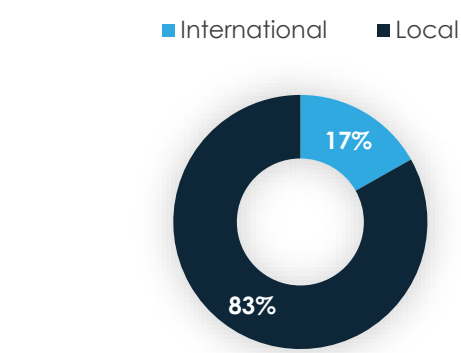


The Group enjoys a healthy pipeline which stood at AED **92** billion as at the end of March 2026

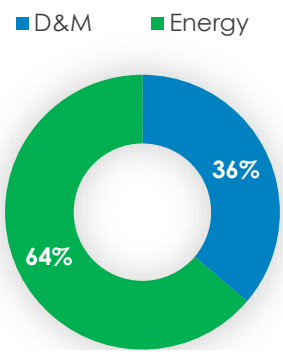
* Backlog Includes NMDC LTS (EMDAD) backlog of AED1.7 bn, and AED0.3 billion related to change in scope/variation order for existing projects

Backlog Breakdown

Local Vs. International



D&M Vs. Energy



Business Development

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.

Crisis Management & HSE

Crisis Management Plan Activation

During the first quarter, NMDC Group's Crisis Management Team (CMT) played a pivotal role in safeguarding operations and reinforcing organizational resilience amid a dynamic risk environment. The CMT maintained continuous oversight through structured governance, real-time intelligence sharing, and disciplined escalation protocols, enabling timely and well-informed decision-making across Group and Business Unit levels.

A series of scenario-based drills and simulations were conducted to validate emergency response effectiveness and strengthen coordination across entities. In parallel, the CMT enhanced communication frameworks, including the implementation of clear incident reporting and escalation channels to ensure rapid information flow during critical situations. Targeted awareness initiatives were also delivered to employees to reinforce preparedness and confidence across sites and offices. These efforts were carried out in alignment with the UAE's robust national emergency management framework and relevant authorities, ensuring a unified, effective, and well-coordinated response.

Collectively, these actions ensured the protection of personnel, continuity of operations, and sustained stakeholder confidence, reflecting NMDC Group's commitment to excellence in crisis management and operational integrity.

Sustainability & HSE

Zero Fatality Performance

Achieved 44.5 million manhours with zero fatalities, reflecting strong safety performance across all business units, demonstrating strong safety culture and operational discipline.

Crisis Mgmt. & Emergency Preparedness Enhancement

Strengthened readiness through drills, communication, and Crisis Management Team alignment

HSE Digitalization & Innovation

- Connected Worker Systems.
- Real-time HSE communication Systems.
- Dust reduction Systems.
- Electric Crane Conversion.

Mangrove planting

NMDC Energy and Aramco Launch 16,000 Mangrove Plantation Initiative

Emergency Preparedness Enhancement

NMDC Infra enhanced emergency preparedness through 31 drills, including real-threat scenarios, achieving a high level of operational readiness and resilience.

HSE Management System Implementation

NMDC LTS implementation of HSE Management System aligned with NMDC Group framework, strengthening governance, audit compliance, and operational standardization across marine units.

Hydrology Restoration

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

Reduction & Elimination of single-use plastics

Reduction and elimination of single-use plastics through using 100% scrap materials for waste-storage cages and introducing reusable bottles and refill stations.

Training & Competency Development

33,915 trainees across training centers.

Advanced programs:
- NEBOSH certifications.
- Train-the-Trainer programs.
- Practical scenario-based training.

Solar Panel Installation

Solar panel installation completed at the Sites in place of the diesel generators, considering the growing need for sustainable energy solutions in project site offices.

Hazardous Waste Recycling

In alignment with its commitment to sustainability and the UAE's circular economy vision, the company has implemented a comprehensive Hazardous Waste Recycling Initiative.

Mental Health & Workforce Resilience Program

Enhanced workforce wellbeing and crisis readiness across operations.

Disclaimer

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