



## Key Investment Highlights:

We initiate coverage on NMDC Energy ("NMDC" or "the Company") with a valuation of **AED 4.00 per share**. NMDC Energy is listed on the ADX and is a leading EPC solutions provider in the UAE, harnessing the power of innovation to address the energy sector's evolving needs. With vast capacity and technical insight, the Company provides EPC solutions to both onshore and offshore oil and gas, as well as the wider energy industry.

### Our investment view is supported by:

- NMDC Energy is one of the Leading EPC Companies in the UAE EPC Industry
- Resilient Hydrocarbon Demand & Energy Investment to Drive EPC Opportunities
- Resilient Business Strategy Supporting Expansion and Operational Efficiency
- Strong Project Backlog and Pipeline Ensures Long-term Visibility

### NMDC Energy is one of the Leading EPC Companies in the UAE EPC Industry

NMDC Energy is a leading, vertically integrated EPC contractor across offshore and onshore oil & gas, backed by NMDC Group's five-decade legacy and execution of over 1,200 projects. The end-to-end in-house capabilities ensure execution certainty, cost efficiency, and strong client retention. A substantial asset base, including four fabrication yards across the UAE and Saudi Arabia spanning over 2 Mn sqm, supports scalable project delivery. With c. cc of revenues from the UAE and Saudi Arabia being a key growth market, the Company benefits from long-term energy investments, while selective international expansion and an owned marine fleet enhance revenue visibility and margin resilience.

### Resilient Hydrocarbon Demand & Energy investment to Drive EPC Opportunities

NMDC Energy is well-positioned to benefit from structurally resilient global energy demand and sustained capital investment across offshore oil & gas and energy infrastructure. Demand growth led by emerging markets in Asia and the Middle East is expected to support continued investment, even as growth moderates in developed economies. Oil and gas are likely to remain central to the global energy mix over the medium to long term, sustaining upstream and offshore activity. These dynamics are driving robust capex, with upstream oil & gas spending exceeding USD 600 Bn annually alongside accelerating clean energy investment, particularly in the Middle East. Supported by strong offshore indicators and alignment with national oil companies, NMDC Energy is well placed to deliver long-term revenue visibility and growth.

### Resilient Business Strategy Supporting Expansion and Operational Efficiency

NMDC Energy's strategy focuses on balanced growth through geographic expansion, sector diversification, and capability enhancement to deliver resilient earnings. The Company is evolving from a pure EPC contractor into a diversified energy infrastructure player with exposure to offshore and onshore EPC, renewables, energy transition, and O&M. Strategic investments in Saudi Arabia, Asia, Africa, and offshore wind broaden the revenue base and reduce cyclicalities. Entry into energy transition, decommissioning, and O&M supports long-term growth and earnings visibility. Selective M&A, capacity expansion, and technology-led execution further strengthen competitiveness and margin resilience.

### Strong Project Backlog and Pipeline Ensures Long-term Visibility

NMDC Energy maintains a strong and diversified project backlog of c. AED 45.6 Bn as at 30 September 2025, providing multi-year revenue visibility and supporting high utilisation of fabrication, offshore, and engineering assets. The backlog spans the UAE, Saudi Arabia, Kuwait, and Taiwan and is well balanced across offshore oil & gas developments, gas processing, subsea pipelines, and long-duration brownfield and greenfield projects. Large, strategic awards such as Hail & Ghasha, MERAM, Zuluf, and Lower Zakum reinforce the Company's positioning with national oil companies and underpin earnings visibility into the next decade. Recent order wins and the extension of the Saudi Aramco LTA further enhance revenue predictability and reduce cash flow volatility.

## Initiating Coverage

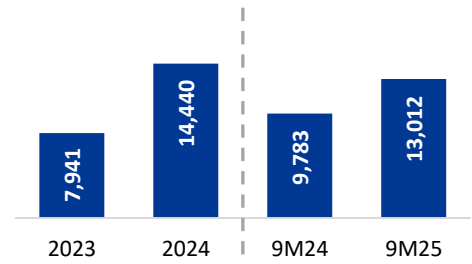
### Sector: Energy

Analyst Name: Ahmad Banihani

### Rating: BUY

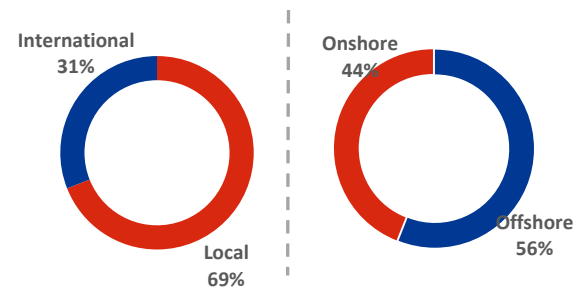
Current Price (AED)	2.36
Target Price (AED)	4.00
Upside/(Downside)	+69.5%
Market Cap (AED, Bn)	11.80

### Total Revenue (AED, Mn)



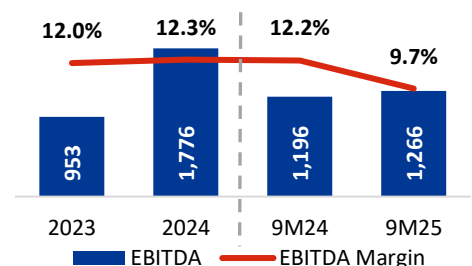
Source: Company Information

### Revenue by Region and Type (As of 9M25)



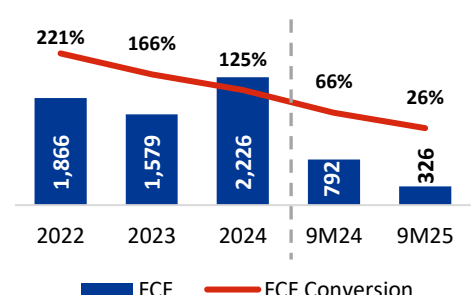
Source: Company Information

### EBITDA (AED, Mn) and Margin (%)



Source: Company Information

### FCF and FCF Conversion (AED, Mn)



Source: Company Information, FCF = Operating free cash flows + Addition to PP&E FCF Conversion = FCF/ EBITDA.

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## Introduction to NMDC Energy

### Delivering Complex Energy Infrastructure with Five Decades of Excellence

**NMDC Energy is a leading global provider of Engineering, Procurement and Construction (EPC) solutions for the offshore and onshore oil & gas sectors**

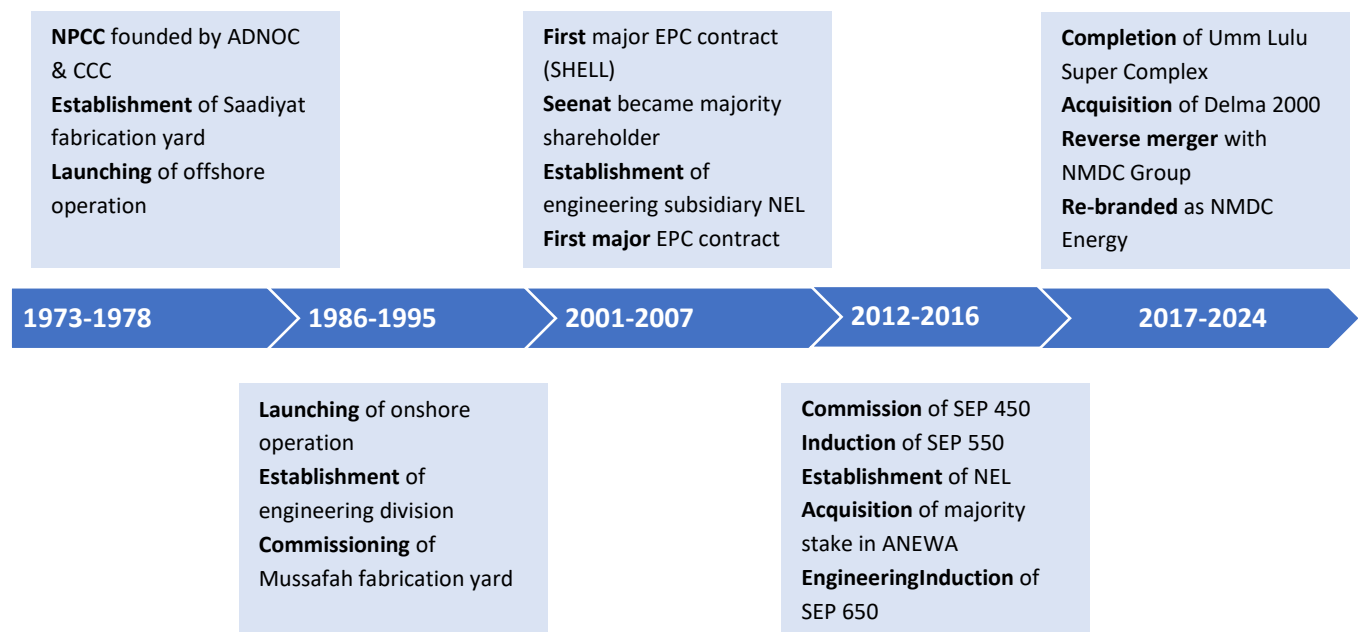
**NPCC merged with the NMDC Group in 2021 and was subsequently rebranded as NMDC Energy**

**NMDC Energy ("The Company")** is a leading global provider of Engineering, Procurement and Construction (EPC) solutions for the offshore and onshore oil & gas sectors, distinguished by its broad technical expertise, integrated service capabilities, and extensive project execution track record of more than five decades. The Company delivers end-to-end EPC services, including engineering and design, procurement, fabrication, pipe laying, project management, installation, and commissioning, enabling comprehensive support to project owners and operators across the energy value chain. NMDC Energy is headquartered in Abu Dhabi, United Arab Emirates, and is listed on the Abu Dhabi Securities Exchange (ADX).

The Company was established in 1973 as the National Petroleum Construction Company (NPCC), founded by Abu Dhabi National Oil Company (ADNOC) and CCC. The Company has progressively expanded the capabilities over the decades, beginning with the establishment of Saadiyat fabrication yard in 1974 and the launch of offshore operations in 1978, followed by the development of the onshore construction division in 1986. In 1995, NMDC Energy started the commissioning of Mussafah fabrication yard and got the first major EPC contract (SHELL) in 2001. Since then, NMDC Energy has successfully executed several major and mega projects, demonstrating a consistent ability to deliver complex EPC solutions in demanding operating environments.

NMDC Energy's evolution accelerated significantly from the mid-2000s, beginning in 2004 when SENAAT became the majority shareholder, strengthening long-term strategic direction. In 2007, the engineering subsidiary NEL was established, alongside the award of the first major EPC contract with Maersk and participation in the first mega FEED competition. Asset expansion followed with the commissioning of SEP 450 in 2012, the induction of DLS 4200 in 2013, and SEP 550 in 2014.

**Figure 01: NMDC Energy Timeline**



Source: Company Information

**The Company's proven ability to execute complex and fast-track projects in challenging environments reinforces the reputation as a trusted EPC contractor**

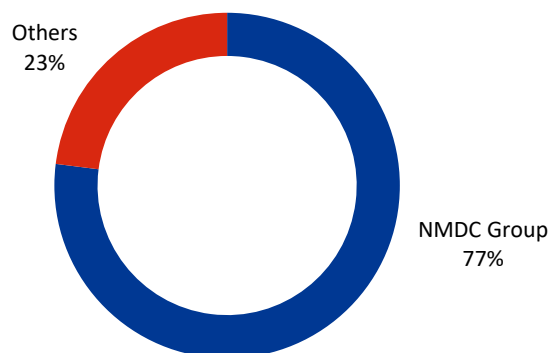
In 2015, NMDC Energy established NEL, which further acquired 80% of ANEWA enhancing in-house engineering capabilities. The year 2016 marked further scale-up with the acquisition of equity in Principia Engineering and the induction of SEP 650 and SEP 750. By 2018, the workforce expanded to 1,400 engineers across four international centres. In 2019, the Umm Lulu Super Complex was completed, Delma 2000 was acquired, and FEED activities expanded.

NMDC Energy operates four state-of-the-art fabrication yards, comprising three facilities in the UAE and one in Saudi Arabia, with a combined fabrication area exceeding 2 Mn SQM. The Company's operational footprint spans the UAE, the wider MENA region, and South Asia, positioning NMDC Energy as a leading EPC platform across key regional and international energy markets. Following the merger of NPCC with NMDC Group in 2021, the business was rebranded as NMDC Energy and now operates as part of NMDC Group PJSC, a diversified industrial group focused on EPC, marine construction, and related services.

The Company provides end-to-end EPC solutions across both onshore and offshore segments. The onshore portfolio includes greenfield and brownfield developments such as process facilities, pipelines, tank farms and storage spheres. In offshore, NMDC Energy delivers a full suite of EPC services encompassing transportation and installation, pipelay, jackets, topsides, bridge installations, and pre-commissioning and commissioning works. NMDC Energy also offers comprehensive project management services, ensuring high-quality, cost-efficient and on-schedule project delivery under a single point of accountability.

NMDC Energy successfully completed its Initial Public Offering (IPO) in 2024, marking a key milestone in the Company's growth and capital markets journey. The IPO was launched by NMDC Group, offering 1.15 Bn shares, representing 23% of NMDC Energy's issued share capital, at an offer price of AED 2.8 per share. The offering witnessed exceptionally strong investor demand, generating total gross demand of c. AED 88 Bn and resulting in an overall oversubscription of 31.3 times across retail and professional tranches. Following the completion of the offering, NMDC Energy's shares were listed and commenced trading on the Abu Dhabi Securities Exchange (ADX) in September 2024. The IPO proceeds strengthened the Company's balance sheet and are intended to support NMDC Energy's long-term growth strategy, including expansion of its project portfolio, investment in core capabilities, and pursuit of opportunities across conventional and energy transition segments. Following the IPO, 77% of shares are owned by NMDC Group and the remaining 23% as free float.

**Figure 02: NMDC Energy Shareholding Structure**



Source: Company Information



The Company maintains domestic market at the core of operations, while expanding across the MEA region, with a strong presence in Saudi Arabia, Kuwait, India, and Taiwan

## Balanced Presence in Core and Emerging Energy Markets

NMDC Energy's global footprint reflects the strategically diversified operating presence across key energy markets, supporting both near-term project execution and long-term growth objectives. The UAE remains at the core of operations, while NMDC Energy has progressively expanded across the Middle East and Asia (MEA), with an established presence in Saudi Arabia, Kuwait, India and Taiwan. In parallel, the Company continues to assess emerging markets and new geographies to broaden the project pipeline and deepen strategic partnerships, enhancing the ability to deliver integrated energy solutions across diverse regions.

The UAE serves as NMDC Energy's primary operational base and headquarters, hosting three construction yards with a combined area of c. 1.8 Mn SQM. NMDC Energy's international platform is supported by a network of engineering, procurement and client interface offices that enhance the global execution capabilities. Engineering is provided through the Company's extensive teams of engineers in the UAE and the Indian subsidiaries, to support from Principia office in France, while procurement operations are anchored in Spain, Italy and China to enable efficient sourcing and supply chain management. A client interface office in Malaysia further strengthens engagement across Asian markets. Collectively, this geographic footprint reflects a balanced mix of mature core markets and targeted growth regions, supporting revenue diversification, execution resilience and NMDC Energy's ambition to strengthen the position as a globally competitive EPC player in the energy sector.

NMDC Energy has established a strong track record of strategic partnerships and consortium led project execution across conventional and low-carbon energy segments. The Company forged a pivotal long-term alliance with ARAMCO to deliver world class offshore development projects, under which 22 contracts have been awarded to date, with a cumulative value exceeding AED 28 Bn. In 2022, NMDC Energy signed a memorandum of understanding with Masdar to jointly explore renewable energy developments, reinforcing its commitment to sustainable growth.

Figure 03: NMDC Energy Selected Clients and Partners



Source: Company Information

**During 2023, NMDC Energy expanded its collaboration ecosystem through multiple high-value agreements**

The Company also partnered with Technip Energies to form NT Energies in 2022, a joint venture focused on energy transition solutions, including blue and green hydrogen, decarbonisation initiatives and carbon capture. Additionally, NMDC Energy led a consortium with Technip Energies to secure a front-end engineering design (FEED) contract for the Kasawari Carbon Capture and Storage (CCS) project in Malaysia, one of the world's largest offshore CCS developments at the time.

During 2023, NMDC Energy expanded its collaboration ecosystem through multiple high-value agreements. The Company signed an MoU with Borouge to supply critical materials for UAE energy projects, valued at c. AED 60 Mn, and entered into a strategic arrangement with ADNOC for steel fabrication works to enhance operational efficiency and profitability. NMDC Energy also led major international consortia, including with Saipem for the Hail & Ghasha gas field development (exceeding AED 30 Bn), with Técnicas Reunidas for the MERAM project awarded by ADNOC Gas (over AED 13 Bn), and with C.A.T for the Estidama Package 3 project valued at more than AED 1.3 Bn. In 2024, NMDC Energy further strengthened the low-carbon credentials through a partnership with Technip Energies and JGC under the TJN Ruwais Joint Venture, securing the Ruwais Low-Carbon LNG project from ADNOC, with a contract value exceeding AED 20 Bn.

## Integrated Subsidiaries Delivering Innovation and Scale

NMDC Energy holds controlling interests in several subsidiaries and affiliates focused on specific geographies and specialized energy services, which operate under a unified strategic and governance framework to optimize execution and value creation

NMDC Energy P.J.S.C. is the primary legal entity of the Company and the cornerstone of the operations. NMDC Energy holds controlling interests in several subsidiaries and affiliates focused on specific geographies and specialised energy services, which operate under a unified strategic and governance framework to optimise execution and value creation.

**NPCC Engineering Private Limited (NEL)**, incorporated in February 2007 and headquartered in Mumbai, is a wholly owned subsidiary providing design and engineering services to the energy sector. Over the past 16 years, NEL has built a strong reputation across India and the GCC, supported by an engineering workforce of c. 500 professionals. As part of the expansion strategy, NEL acquired a majority stake in **ANEWA Engineering Private Limited (ANEWA)** in August 2015. Together, NEL and ANEWA employ c. 1,200 engineers, enabling the execution of medium to large and complex onshore and offshore projects for clients including NMDC Energy, AFCONS Infrastructure Limited, Larsen & Toubro, and ADNOC.

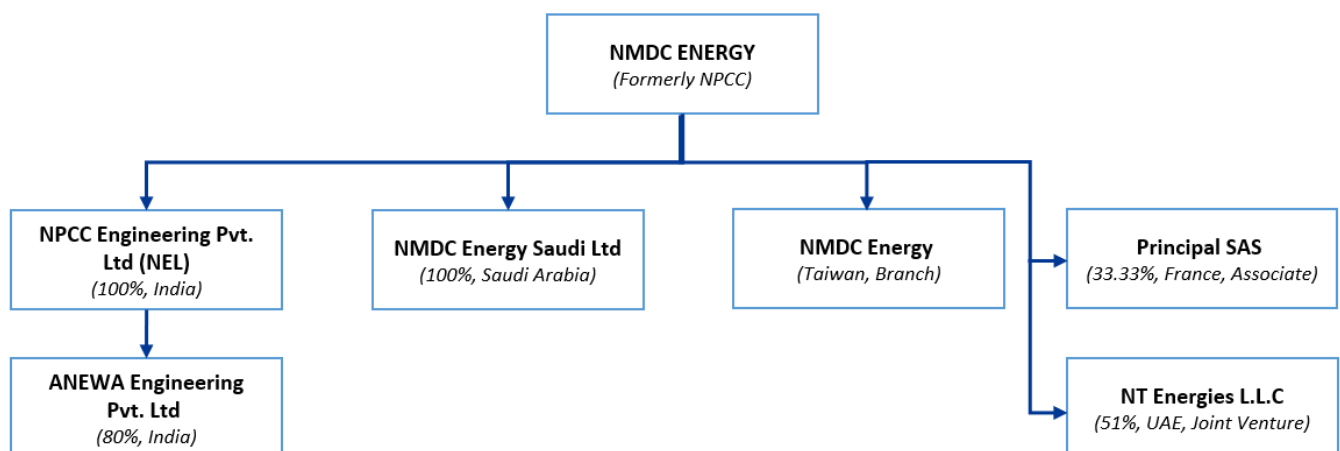
**ANEWA**, founded in 2007 and based in Hyderabad, specialises in advanced design and engineering services for onshore and offshore energy projects, while also serving other industrial sectors using innovative technologies and software platforms.

**National Petroleum Construction Co. (Saudi) Ltd**, established in 1981, is central to NMDC Energy's presence in the Kingdom of Saudi Arabia. The subsidiary enables local project tendering and execution, strengthens relationships with key clients such as Saudi Aramco, and supports efficient delivery through local suppliers and workforce.

**NT Energies JV**, a joint venture between NMDC Energy and Technip Energies, is headquartered in Abu Dhabi and focuses on energy transition initiatives across the UAE, the Middle East and North Africa, including blue and green hydrogen, carbon capture, decarbonisation, waste-to-energy and biorefining projects.

**Principia SAS**, jointly owned by NMDC Energy, Artelia Global and Naval Group S.A., is a France based engineering firm specialising in offshore, maritime and nuclear industries, with operations in La Ciotat, Nantes and Kuala Lumpur. With a workforce of c. 100 professionals, Principia enhances the Group's advanced engineering capabilities through innovative value engineering solutions and proprietary design software.

Figure 04: NMDC Energy Corporate Structure



Source: Company Information



## Advanced Engineering and EPC Services Driving Project Success

Core engineering capabilities span process, safety, materials and corrosion, mechanical, structural, electrical, instrumentation and control, telecommunications, pipelines, naval architecture and installation, piping, civil and architectural disciplines

The onshore capabilities include the design and construction of process facilities, pipelines, storage infrastructure and downstream assets such as refineries, liquefaction facilities and LNG infrastructure

**Engineering-** NMDC Energy's engineering function is supported by a combined team of c. 1,900 skilled professionals across four engineering centres in Abu Dhabi, Mumbai, Hyderabad and France. Operating through NMDC Energy, NEL, ANEWA and Principia, the division delivers integrated onshore and offshore engineering solutions using advanced design and analysis software. Engineering manpower is primarily based in the UAE (c. 700 engineers) and India (c. 1,200 engineers), providing scale, cost efficiency and technical depth. Core engineering capabilities span process, safety, materials and corrosion, mechanical, structural, electrical, instrumentation and control, telecommunications, pipelines, naval architecture and installation, piping, civil and architectural disciplines. To ensure long term talent availability, NMDC Energy has also established a structured graduate development programme in the UAE.

**Procurement-** The procurement function is centrally managed from Abu Dhabi under a hub and spoke model and supported by a global network of offices in Europe, India and China, along with expeditors and inspectors. A team of over 300 qualified professionals manages transparent and compliant tendering and sourcing processes in line with local and international regulations and client requirements. State of the art digital platforms enable global market access, tender issuance, supplier database management, progress tracking, inspections, logistics monitoring and real-time information sharing, supporting efficient and timely project execution.

**Construction and Fabrication-** NMDC Energy operates fabrication yards in Abu Dhabi with a total area exceeding 1.8 Mn sqm and a fabrication capacity of c. 100,000 MT. The yards are capable of load out of topsides weighing up to 32,000 MT and the manufacture of certified pressure vessels with wall thicknesses of up to 200 mm and a production capacity of c. 9,000T. Supported by specialised teams covering electrical, instrumentation and commissioning activities, the facilities are designed to execute a wide range of offshore and onshore EPC works, from wellheads to large process platforms. The Company also has dedicated capabilities for complex sour gas projects and onshore and offshore pipeline coating, employing advanced anti-corrosion technologies.

**Offshore EPC-** With over five decades of experience, NMDC Energy provides comprehensive EPC solutions for offshore greenfield and brownfield projects, including offshore wind foundation installation. The Company's offshore scope includes transportation and installation, pipelay, subsea works, risers, tie ins, cable and umbilical laying, jackets, bridges and topsides installation using lifting and float over techniques, as well as pre-commissioning, hook-up, commissioning and decommissioning services. The Company's modern offshore fleet and marine equipment enable efficient execution across shallow and deepwater environments. Key offshore capabilities include transport and installation, pipelay, lifting, offshore wind installation, float-over, hook-up, surveying, diving and monopile installation.

**Onshore EPC-** NMDC Energy has a strong track record in executing large-scale greenfield and brownfield onshore projects, offering end to end EPC and turnkey solutions. The onshore capabilities include the design and construction of process facilities, pipelines, storage infrastructure and downstream assets such as refineries, liquefaction facilities and LNG infrastructure. The Company consistently delivers complex onshore projects within defined timelines and budgets. As part of the growth strategy, NMDC Energy plans to collaborate with proprietary technology providers and experienced EPC partners in selected target markets to expand the onshore and downstream project portfolio.

**Construction Yards-** The Company operates four construction yards, comprising three facilities in the UAE and one in the Kingdom of Saudi Arabia, which together provide a broad range of

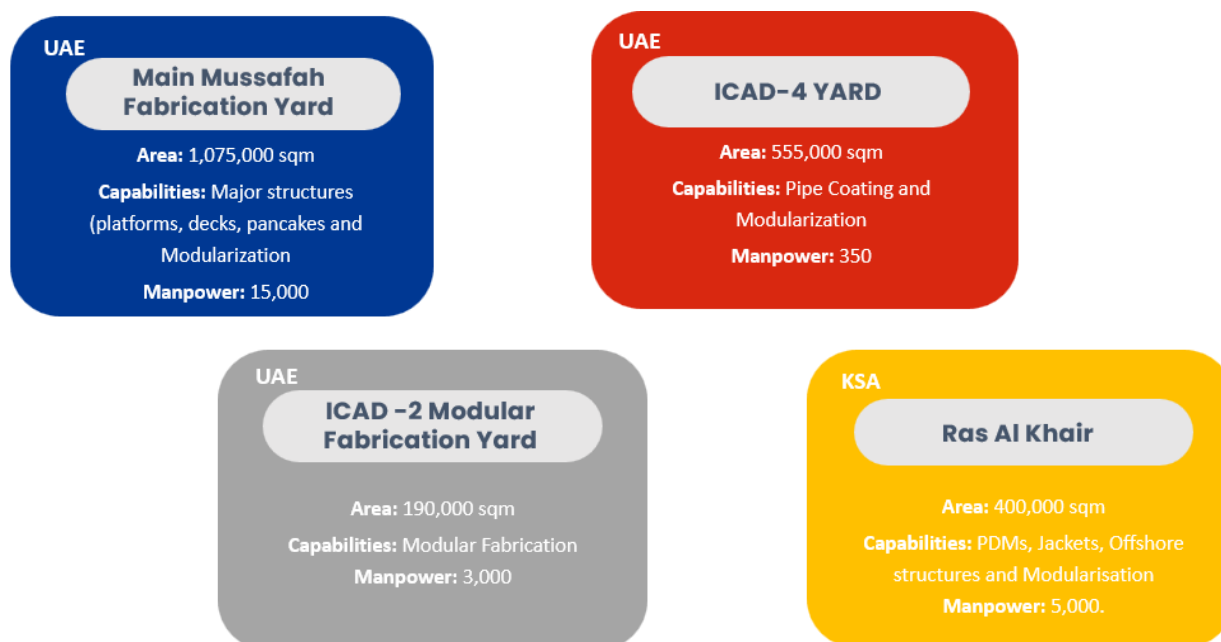
NMDC Energy operates a state-of-the-art pipe coating facility in Mussafah occupying c. 140K SQM, enabling the delivery of specialised pipeline coating solutions

fabrication and construction capabilities, including pipe coating and pressure vessel manufacturing. These yards form a critical part of NMDC Energy's integrated EPC platform, supporting both onshore and offshore project execution.

**Pipe Coating-** NMDC Energy operates a state-of-the-art pipe coating facility in Mussafah occupying c. 140K SQM, enabling the delivery of specialised pipeline coating solutions. The Company was the first in the region to adopt advanced onshore pipeline coating technologies, having commissioned the region's first three-layer coating plant in 1994, capable of handling pipe diameters ranging from 3 inches to 52 inches. Across both facilities, NMDC Energy offers single layer and dual layer fusion bonded epoxy (FBE) coatings. The Group also provides reinforced concrete and other specialised pipeline coating solutions.

**Pressure Vessels-** NMDC Energy's fabrication yards are equipped to manufacture pressure vessels in carbon steel and corrosion resistant alloys, with the capability to produce vessels with wall thicknesses of up to 200 mm, supporting complex and high-specification energy infrastructure requirements.

**Figure 05: NMDC Energy Construction Yards**



Source: Company Information

NMDC Energy operates a world-class fleet of 20 specialised offshore vessels

NMDC Energy operates a world-class fleet of 20 offshore vessels that forms a core pillar of project execution across the offshore and onshore energy value chain. The fleet includes specialised assets such as heavy-lift, pipe-laying and cable-laying vessels, cargo barges, multipurpose diving support vessels, and anchor-handling tugs. This purpose-built fleet ensures the right equipment is available at every project stage, enabling efficient execution of complex off-shore and on-shore projects, while enhancing operational flexibility and execution certainty.

**Figure 06: NMDC Energy Fleet (as of 3Q25)**

Vessel Type	Number of Vessels
Floating Construction Vessels	8
Jack-up Barges	4
Tugs & Transportation Cargo Barges	7
Other*	1
<b>Total</b>	<b>20</b>

Source: Company Information, \*Not specified

## Driving Impactful Projects Across Global Markets

**Figure 07: NMDC Energy Ongoing Projects**

Project Theme	Client	Country	Scope of Work
Offshore	ADNOC	UAE	Construction of new gas pipelines and associated facilities from the Habshan Complex to the Habshan Gas Compression Plant (HGCP) and from HGCP to Sweihan, including a variation for seven additional jackets under the USLTDP-1 project
Renewable Energy	Yunneng Wind Power Co	Taiwan	Charter of the DLS-4200 for transportation and installation of monopiles at the Yunlin Offshore Wind Farm, covering the second campaign with additional works in 2022 and the offshore installation campaign in 2023
Offshore	Saudi Aramco	Saudi Arabia	The scope comprises EPC works for subsea pipeline networks and offshore facilities, including platforms, jackets, wellhead topsides, subsea pipelines, valve skids, cables, umbilicals and SPM/PLEM installations, as well as drilling jackets, trunkline pipelines, and upgrades to existing offshore production and auxiliary platforms with associated pre-commissioning and commissioning support
Offshore	ADNOC Offshore	UAE	The scope covers EPC works for offshore and onshore facilities, including wellhead towers, pipelines, umbilicals, riser and processing platforms, power distribution, bridges, flare stacks, anchor installations, brownfield modifications, and subsea cable works across the Ghasha, Zakum, and Al Ghallan fields.
Renewable Energy	Skyborn Renewables GmbH (WPD)	Taiwan	Charter of the DLS-4200 for the 2024 campaign, covering transportation and installation works at the Yunlin Offshore Wind Farm, Taiwan.
Onshore	Al Yasat	UAE	The scope includes offshore EPC works for three wellhead towers with jackets and topsides, 99 km of pipelines, 50 km of cables, and 50 km of umbilicals, along with onshore EPS and FFD facilities at Zirku, including substations, water injection, PWT plant, and gas compressors.

Source: Company Information

## Driving Shareholder Value through Strong Financial Execution

**NMDC Energy maintained a strong and diversified project backlog, providing clear revenue visibility and supporting sustained execution momentum across FY2024 and 9M25**

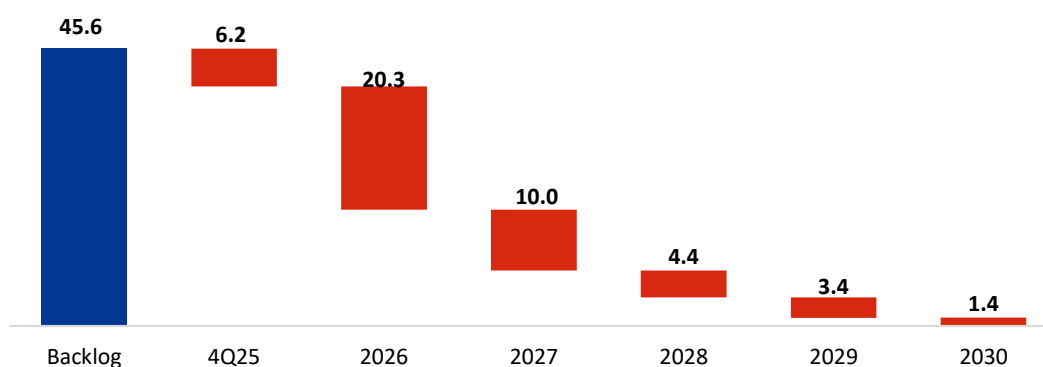
**In FY2024, NMDC Energy delivered a step-change in financial performance, reflecting strong execution momentum and accelerated project activity**

### Robust Backlog Providing Strong Revenue Visibility

NMDC Energy maintained a strong and diversified project backlog, providing clear revenue visibility and supporting sustained execution momentum across FY2024 and 9M25. In FY2024, the secured backlog stood at c. AED 50.4 Bn, driven by new project awards of c. AED 16.0 Bn during FY2024, reflecting robust demand across both offshore and onshore EPC segments. Backlog unwinding accelerated in 2024, translating into a sharp increase in revenue as several large offshore EPC projects progressed into advanced execution phases. The awarded portfolio remained well balanced, with a dominant offshore component, complemented by selective onshore oil & gas projects. Geographically, the backlog was anchored by the UAE as the core market, while international exposure increased across Saudi Arabia and Asia, enhancing earnings diversification. During 9M25, NMDC Energy secured c. AED 13.9 Bn of new awards, including major UAE offshore contracts and international subsea and pipeline projects, resulting in a backlog of around AED 45.6 Bn. Newly awarded projects in 9M25 include AED 9.7 Bn EPC work offshore project in the UAE and AED 4.2 Bn EPC contract for subsea gas cable from TaiPower (Taiwan). Local projects accounted for 79% of total backlog, while international projects contributed 21%, highlighting a home-market centric execution profile supported by selective international diversification. From a project-type perspective, the backlog was 62% offshore, while, remaining 38% comprised onshore projects, providing balance and diversification across the EPC value chain in 9M25.

In FY2024, NMDC Energy delivered a step-change in financial performance, reflecting strong execution momentum and accelerated project activity. Revenue grew 81.9% YOY to AED 14.4 Bn, compared with AED 7.9 Bn in FY2023 and AED 5.4 Bn in FY2022. Performance momentum extended into 9M25, albeit at a more normalised growth rate following the exceptional FY2024 base. Revenue increased 33.0% YOY to AED 13.0 Bn in 9M25, compared with AED 9.8 Bn in 9M24, supported by strong offshore EPC project execution. This was underpinned by strong execution of backlog that reflects strong execution capabilities. NMDC Energy also recorded solid profitability growth, reporting EBITDA of AED 1.8 Bn in FY2024, up from AED 1.0 Bn in FY2023. In 9M25, EBITDA increased to AED 1.3 Bn, representing a 5.9% YOY growth compared to 9M24, supported by steady execution of offshore EPC projects. NMDC Energy delivered solid earnings growth, reporting net profit of AED 1.4 Bn in FY2024, up from AED 780 Mn in FY2023. In 9M25, the Company recorded net profit attributable to equity shareholders of AED 949 Mn, marginally higher than AED 901 Mn in 9M24, reflecting stable execution and sustained profitability.

**Figure 08: Expected Backlog Unwinding (AED Bn)**



Source: Company Information

## Highly Experienced Management Team

### Experienced Leadership Team with a Long Track Record

#### Chairman – Mr. Mohamed Hamad Almehairi



Mr. Mohamed Almehairi is a seasoned executive with over 25 years of experience in the UAE's investment and business sectors. He holds a Bachelor of Science in Business Administration from Suffolk University, Boston, USA. His career began at ADNOC in market analysis and sales, before progressing into senior leadership roles across leading investment institutions, including CEO at Aabar Investments, Executive Director – Financial Institutions at Mubadala, and Director of Investments at IPIC, where he managed and expanded diversified investment portfolios. He currently serves as Chief Executive Officer of the Emirates Investment Authority (EIA), overseeing the management and long-term investment of the UAE's strategic assets, and has also served on the boards of Emarat Petroleum, Borealis, Nova Chemicals, Al Hilal Bank, Cosmo Oil, and Etihad Airways.

#### Vice Chairman – Eng. Yasser Zaghloul



Eng. Yasser Zaghloul is the Group Chief Executive Officer of NMDC Group and holds a bachelor's degree in engineering from the University of Helwan, Egypt, two master's degrees in management, including Strategic Management from Cambridge College Global and an MBA from Swiss Business School, and is currently pursuing his PhD. He has led NMDC's growth across the marine and energy sectors in the Middle East, North Africa, and South Asia, with a focus on global expansion and sustainability. Having joined NMDC in 1998, he has held various managerial roles and previously served as Head of Operations (2006–2009), driving operational efficiencies; earlier in his career, he worked at the Suez Canal Authority and in engineering R&D in Egypt. His leadership has been recognized through multiple accolades, including Forbes Middle East's Top 100 CEOs (2022–2024) and "Personality of the Year" at the 19<sup>th</sup> ShipTek International Awards 2024. He also serves as Chairman of The Challenge which is the Egyptian Emirates Marine Dredging Company and recently concluded his tenure as a board member of the Abu Dhabi Chamber of Commerce and Industry.

#### Board Member – Mr. Talal Shaffique Al Dhiyebi



Mr. Talal Al Dhiyebi holds a degree in Electrical Engineering from the University of Melbourne, Australia, and currently serves as Group Chief Executive Officer of Aldar Properties, the UAE's leading real estate developer, investor, and manager. Under his leadership, Aldar has expanded beyond Abu Dhabi into Dubai and Ras Al Khaimah, as well as internationally into Egypt and Europe, while building a diversified recurring income portfolio exceeding USD 10 Bn, a development backlog of over USD 20 Bn, and a strategic land bank of 69 Mn sqm. He has also positioned Aldar as a regional ESG leader through the launch of its Net Zero Action Plan, targeting net-zero Scope 1, 2, and 3 emissions by 2050. Mr. Al Dhiyebi chairs the boards of several Aldar subsidiaries, including Aldar Estates, SODIC, and London Square, serves as Vice Chairman of Aldar Education, and holds board and committee roles across multiple public and private institutions in the UAE and the wider region.





**Board Member – Mr. Nasser Mohamed Almheiri**

Mr. Nasser Almheiri holds a bachelor's degree in Chemical Engineering from the American University of Sharjah and an MBA from the Higher Colleges of Technology. He currently serves as Senior Vice President, Business Transformation, Excellence and Performance at ADNOC, bringing over 15 years of experience in strategy and transformation, with a strong track record in driving the Company's long-term growth initiatives. While he does not hold external board memberships, he serves in several leadership roles across ADNOC Group entities, including ADNOC Distribution, ADNOC Gas, ADNOC Global Trading, and the Ta'ziz joint venture with ADQ.



**Board Member – Ms. Marwa Ahmed Almarzooqi**

Ms. Marwa Almarzooqi holds a Bachelor of Science in Electrical Engineering from Khalifa University, Abu Dhabi, and currently serves as Senior Director, Special Projects at the Abu Dhabi Executive Office (ADEO), having previously held the role of Vice President, Special Projects at the Executive Office of ADNOC. She has over 10 years of experience in strategic planning and transformation, with a strong track record in driving long-term strategy and growth initiatives across the ADNOC Group. Her prior roles include Business Development Advisor at ADNOC, Acting Planning Manager and Senior Corporate Planning Analyst at ADNOC Sour Gas, and Contracts Engineer at ADNOC Sour Gas. She does not hold any external board memberships.

## Experienced Management Driving Strategic Execution



**Chief Executive Officer - Eng. Ahmed Al Dhaher**

Eng. Ahmed Al Dhaheri has been the CEO of NMDC Energy P.J.S.C. since 2018, having joined the Company as a board member in 2009. He leads the Company's transformation and growth strategy, with over 22 years of experience in the industrial and projects sector. He also serves as Chairman of NTS Group, Vice Chairman of Enersol (a JV between Alpha Dhabi Holding and ADNOC Drilling), and is a board member of Abu Dhabi Aviation. Previously, he held senior roles at Emirates Steel, including Chief Commercial Officer and Vice President Projects, where he played a key role in the Company's expansion. Eng. Al Dhaheri holds a BSc in Industrial Engineering from the University of Miami, a Master's Certificate in Project Management from George Washington University, and an Executive MBA (Hons.) from UAE University.



**Chief Operating Officer (Offshore) - Eng. Hesham Awda**

Eng. Hesham Awda has been the Chief Operating Officer – Offshore at NMDC Energy P.J.S.C. since 2021. He also serves as General Manager of NPCC KSA and is a board member of Safeen, NEL, and ANEWA. He brings over 25 years of experience in project management, engineering, and execution within the oil and gas sector, having led major greenfield and brownfield projects. He currently oversees a project portfolio exceeding AED 25 Bn, managing offshore operations, fabrication yards, and end to end project delivery across multiple geographies. Eng. Awda holds a Bachelor's degree in Mechanical Engineering from UAE University and a Postgraduate Certificate in Engineering Systems and Management from the American University of Sharjah.

## Environment, Social, and Corporate Governance

### Sustainability and ESG Integration Across Operations

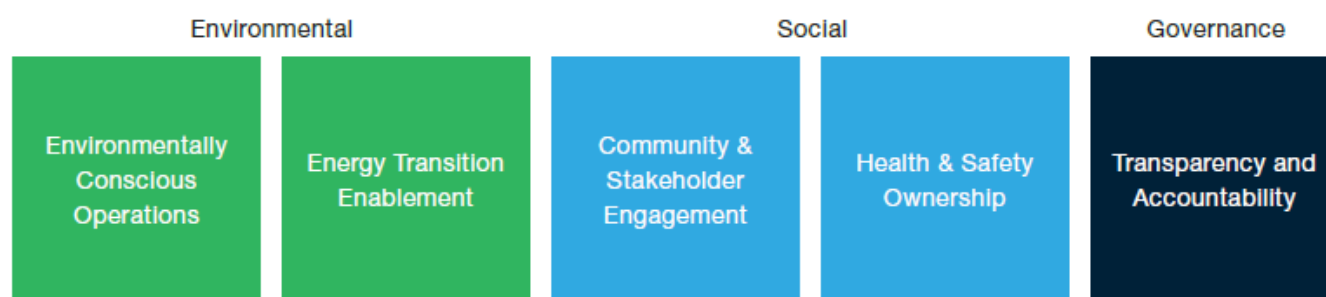
**NMDC Energy contributed to the identification of 11 material ESG topics, reflecting evolving sector risks and opportunities**

NMDC Energy's sustainability strategy is focused on achieving operational excellence while creating long-term value for stakeholders and supporting sustainable development. The strategy is built on two key pillars, embedding ESG principles across operations to manage risks and minimise environmental and social impacts, and expanding services and solutions that support the clean energy transition and climate-related projects. This approach is aligned with UAE Vision 2031 and the country's Net Zero ambitions, reflecting the Company's contribution to broader national sustainability goals. ESG integration at NMDC Energy is comprehensive and closely aligned with strategic and operational priorities. In 2024, the Company played an active role in the Group's six-month sustainability programme, which involved cross-business collaboration and extensive stakeholder engagement. As part of this initiative, NMDC Energy contributed to the identification of 11 material ESG topics, reflecting evolving sector risks and opportunities. These outcomes informed the NMDC Group sustainability framework, structured around five pillars, eight objectives, and 25 initiatives, which NMDC Energy has fully adopted to enhance ESG impact, strengthen risk management, and support sustainable long-term growth.

**The Company is committed to embedding ESG principles across operations, recognising the importance of sustainable practices to minimise environmental impact, support community development**

The Company is committed to embedding Environmental, Social, and Governance (ESG) principles across its operations, recognising the importance of sustainable practices in minimising environmental impact, supporting community development, and upholding strong governance standards. As a leading energy EPC player, the Company's ESG initiatives address key challenges such as climate change, ethical conduct, and responsible project execution, while contributing to the global energy transition and long-term stakeholder value creation. In line with these objectives, the Company continues to deliver major EPC projects for ADNOC, including the Lower Zakum HURLK + 20 project, the Lower Zakum LTDP-1 EPC works for EPS-2 and PDP, and the Ruwais LNG facilities. These projects demonstrate the integration of ESG considerations into large-scale energy infrastructure development, reinforcing the Company's role in supporting energy security while advancing more sustainable and responsible industry practices.

**Figure 09: NMDC Energy ESG**



Source: Company Information

## Integrated ESG Framework Supporting Long-Term Growth

NMDC Energy is committed to maintaining a strong health and safety culture aligned with international standards through rigorous QHSE systems and continuous training

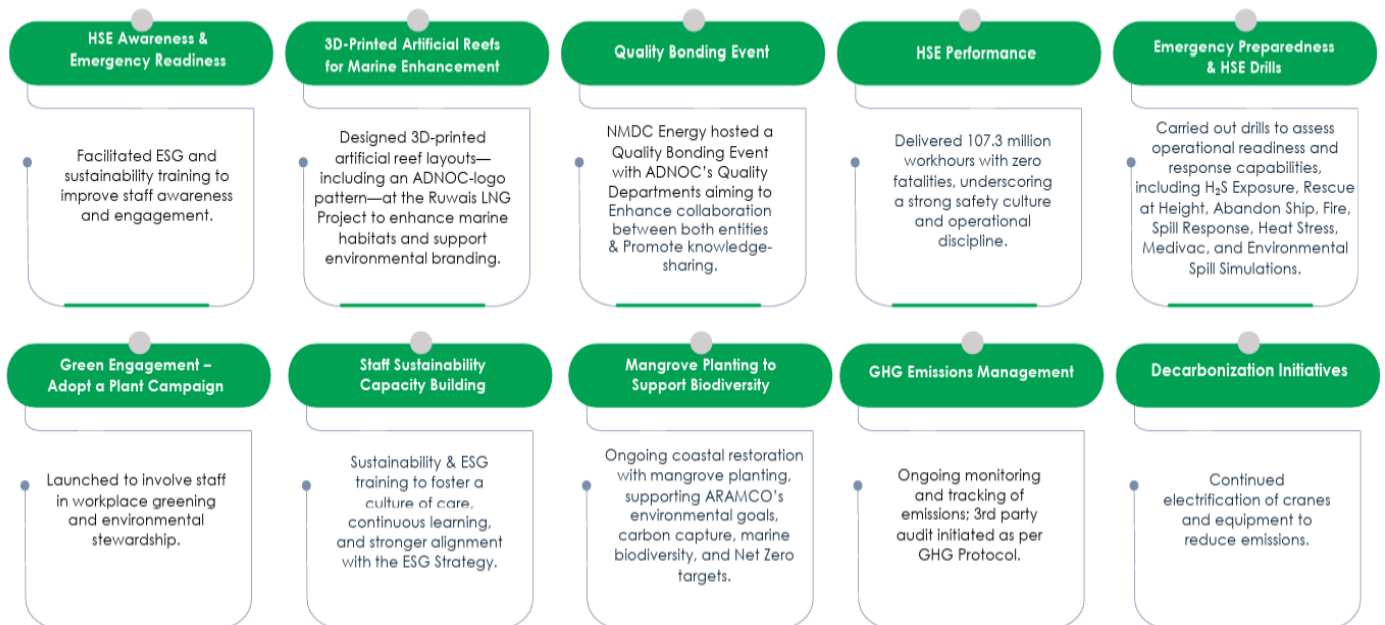
The Company has built renewable energy capabilities through partnerships such as with Masdar and has successfully delivered large-scale offshore wind projects

**Minimising Environmental Impact and Enhancing Resource Efficiency** - NMDC Energy actively manages environmental risks through biodiversity protection, pollution control, and responsible operational practices. Initiatives include mangrove rehabilitation, installation of bird nesting platforms, and safeguarding sensitive habitats such as turtle nesting areas. The Company has strengthened emissions management by updating its emissions inventory in line with the GHG Protocol, enabling improved monitoring and reduction of Scope 1, 2, and 3 emissions. Resource efficiency is driven through yard electrification and energy optimisation under the Energy Savings Action Plan, targeting 25-30% energy savings by 2027, supported by infrastructure upgrades that reduce emissions while delivering cost efficiencies.

**Promoting Workforce Wellbeing and Socioeconomic Development** - NMDC Energy is committed to maintaining a strong health and safety culture aligned with international standards through rigorous QHSE systems and continuous training. The Company also supports local economic development by prioritising local procurement across its core markets, strengthening regional supply chains and contributing to sustainable socioeconomic growth.

**Strategic Expansion Aligned with the Energy Transition** - NMDC Energy's strategic expansion is focused on capturing opportunities arising from the global energy transition and sustainable infrastructure development. The Company has built renewable energy capabilities through partnerships such as with Masdar and has successfully delivered large-scale offshore wind projects, including in Taiwan, while targeting further subsea and offshore wind-related infrastructure opportunities. Energy transition exposure is further strengthened through NT Energies, a joint venture with Technip Energies, which positions the Company to participate in hydrogen, decarbonisation, and low-carbon projects across the GCC. In parallel, NMDC Energy is exploring entry into decommissioning and lifecycle management, supporting responsible asset retirement and reinforcing its commitment to environmental stewardship and sustainable long-term growth.

Figure 10: NMDC Energy ESG Initiatives



Source: Company Information

## Investment Thesis

### NMDC Energy is one of the Leading EPC Companies in the UAE EPC Industry

#### Specialising in Comprehensive EPC Services for the Offshore and Onshore Oil & Gas Sector

**NMDC Energy is a leading, vertically integrated EPC contractor with a strong competitive position across offshore and onshore oil & gas and the broader energy value chain**

NMDC Energy is a leading, vertically integrated EPC contractor with a strong competitive position across offshore and onshore oil & gas and the broader energy value chain. As a majority-owned subsidiary of NMDC Group, the Company benefits from over five decades of operating experience and a proven execution track record of more than 1,200 projects, positioning it as a preferred contractor for large, complex EPC contracts. The Company's end-to-end service offering, spanning engineering, procurement, fabrication, installation, and commissioning provide a single point solution that enhances project efficiency, execution certainty, and client retention. The Company's substantial asset base underpins the scale and execution capability. NMDC Energy operates four strategically located fabrication yards across the UAE and Saudi Arabia, covering over 2 Mn sqm, which supports high-volume project delivery and reinforces its competitive advantage in the Middle East. This infrastructure, combined with strong project management capabilities and technical expertise, has enabled the Company to consistently win large scale contracts and maintain high operational reliability.

The Company maintains a strong project pipeline, with c. 70% of revenues generated from the UAE region, providing geographical proximity to core clients and stable demand. Saudi Arabia remains a key growth market, supported by long-term energy investments and NMDC Energy's dedicated fabrication yard in Ras Al Khair with an annual capacity of 40K tonnes. Key projects across the UAE and KSA, including gas development and offshore oilfield upgrades, enhance revenue visibility and backlog sustainability. Beyond the core markets, NMDC Energy is selectively expanding its international footprint, as evidenced by its USD 1.14 Bn EPC contract in Taiwan and growing exposure to North Africa and Southeast Asia. The establishment of a procurement office in China further strengthens cost competitiveness and supply chain resilience, supporting margin sustainability amid volatile input costs.

**The Company maintains a strong project pipeline, with over 70% of revenues generated from the MENA region, providing geographical proximity to core clients and stable demand**

NMDC Energy operates a strategically located and scalable fabrication network that underpins the ability to execute complex, large-scale EPC projects efficiently. The Main Mussafah Fabrication Yard, spanning c. 1.1 Mn sqm, is the Group's flagship facility with capabilities covering major offshore structures, including platforms, decks, and modularized components, supported by a workforce of up to 15,000 personnel. This is complemented by the ICAD-4 yard (c. 0.6 Mn sqm), which specializes in pipe coating and modularization, and the ICAD-2 modular fabrication yard (c. 0.2 Mn sqm), focused on high-throughput modular fabrication, collectively enhancing execution flexibility and throughput. Internationally, the Ras Al Khair yard in Saudi Arabia (c. 0.4 Mn sqm) strengthens NMDC Energy's regional presence, enabling in-country fabrication of PDMs, jackets, offshore structures, and modules with a workforce capacity of c. 5,000. Together, this diversified fabrication base provides capacity depth, geographic proximity to key clients, cost efficiency, and execution resilience, which are the key enablers for backlog conversion, margin sustainability, and long-term growth.



Figure 11: Construction Yards



Source: Company Information

## Scaled, Vertically Integrated EPC Platform with Strong Execution Credentials

**Procurement is centralized in Abu Dhabi and supported by a team of over 300 experienced professionals, complemented by global sourcing offices and a network of expeditors and inspectors**

NMDC Energy is a vertically integrated EPC platform with a core competitive advantage, underpinning execution control, cost efficiency, and delivery certainty across offshore and onshore energy projects. The Company's fully in-house engineering capability, comprising c. 1,900 professionals across four specialised entities, enables coverage from FEED through detailed engineering, reducing reliance on third-party consultants. Such integration enhances competitiveness, protects margins during execution, and improves schedule discipline.

Procurement is another key value driver, with centralised sourcing in Abu Dhabi supported by a team of over 300 professionals and a global network of sourcing offices, expeditors, and inspectors. This scale and structure allow NMDC Energy to manage supplier risk, optimise lead times, and maintain cost discipline amid volatile input markets, supporting predictable project economics. The Company's fabrication capabilities are anchored by the Mussafah yard, the largest in the MENA region, alongside four strategically located fabrication facilities, providing significant capacity, execution flexibility, and the ability to manage multiple large projects concurrently. With average execution of c. 1.6 Mn man-hours per month and delivery of over 1,360 offshore and onshore structures to date, NMDC Energy has demonstrated its ability to consistently execute high-volume, technically complex projects.

**Onshore, NMDC Energy maintains a strong project pipeline, including high value LNG and industrial infrastructure projects, reinforcing earnings visibility**

Offshore execution is further strengthened by the Company's owned marine fleet, with a book value exceeding AED 2.5 Bn. Ownership of critical installation and heavy-lift assets provides meaningful competitive advantages through assured vessel availability, flexible scheduling, and reduced dependence on third-party charter markets. These assets enable NMDC Energy to execute a broad scope of offshore activities, including jacket and topside installation, subsea intervention, pipeline laying and pre-commissioning, while also supporting emerging opportunities in offshore renewables such as wind monopile installation. Onshore, the Company maintains a robust project pipeline across LNG and industrial infrastructure, enhancing revenue visibility and portfolio diversification.

Collectively, NMDC Energy's long operating history, execution track record of over 1,200 projects, and delivery of more than 10K km of pipelines and cables underscore its scale, technical



depth, and entrenched positioning within the regional energy infrastructure value chain. We view the Company's integrated EPC model, asset ownership, and proven execution capability as structural strengths that support sustainable earnings generation and revenue visibility.

**Figure 12: NMDC Energy's offerings**



Source: Company Information

## Resilient Hydrocarbon Demand & Energy Investment to Drive EPC Opportunities

**Oil and gas together are expected to retain a share exceeding 50% of total energy demand by 2050, emphasising the continued relevance of fossil fuels under current policy scenarios**

NMDC Energy is well positioned to benefit from structurally resilient global energy demand and sustained capital investment across offshore oil & gas and broader energy infrastructure. Global energy consumption is expected to rise steadily through 2050, driven by population growth, urbanisation, and improving living standards across emerging economies, particularly in Asia and the Middle East. While demand growth in developed markets is likely to stabilise or moderate, emerging economies will remain the primary engine of incremental energy consumption, sustaining long-term investment requirements across the energy value chain.

Despite the accelerating energy transition, oil and natural gas are expected to remain central to the global energy mix over the medium to long term. OPEC's long-term outlook projects oil demand to increase by more than 18 Mn bpd and natural gas demand by nearly 20 Mn bpd by 2050, while coal demand declines and renewables expand materially. Importantly, oil and gas are expected to retain a combined share of over 50% of total energy demand by 2050 under current policy scenarios, highlighting continued relevance in ensuring energy security, meeting industrial demand, and supporting baseload power requirements. IEA also expects global oil demand to continue growing through the end of this decade, reaching c. 105.5 Mn bpd by 2030, before only gradually declining thereafter in the absence of more aggressive climate policies.

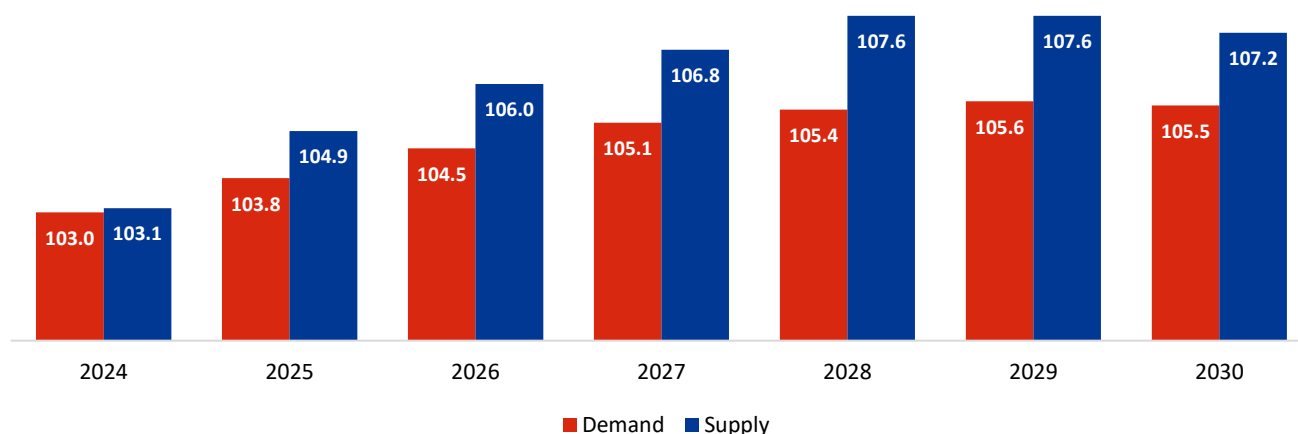
These demand fundamentals are translating into sustained capital expenditure across upstream and offshore infrastructure. According to the International Energy Agency, global upstream investment in oil is projected at USD 535 Bn in 2025, while natural gas investment is estimated at USD 365 Bn, underscoring the continued capital commitment to hydrocarbons despite the ongoing energy transition. Fossil fuel investment in the Middle East is expected to reach USD 144 Bn in 2025, reflecting the region's strategic focus on capacity expansion, upstream resilience, and its role as a low cost, long cycle supplier to global energy markets, and will need to increase further through the 2030s to offset natural field declines, support brownfield expansions, and ensure supply adequacy. While renewables and low-carbon technologies are expected to command a larger share of investment by 2030, hydrocarbons will continue to

Rig utilisation for both jackup and floater fleets is above 80% globally, driven by robust offshore development and brownfield activity across the Middle East and Asia, NMDC Energy's core markets

attract significant capital, creating a dual investment cycle that supports both traditional offshore EPC work and adjacent energy infrastructure.

Within offshore markets, leading indicators remain constructive. Rig utilisation for both jackup and floater fleets is above 80% globally, driven by robust offshore development and brownfield activity across the Middle East and Asia, NMDC Energy's core markets. In addition, industry forecasts point to continued growth in offshore logistics, marine support vessels, reservoir services, and operations & maintenance activity, while equipment and materials investment is expected to peak in the latter half of the decade. These trends collectively support sustained demand for integrated EPC contractors with offshore execution capabilities, scale, and technical expertise. Against this backdrop, NMDC Energy is expected to benefit from the regional offshore investment cycle. The strong positioning of the Company in offshore & onshore EPC and exposure to long-duration projects provide revenue visibility and earnings resilience. Moreover, the Company's alignment with national oil companies in MEA, which continue to undertake capacity expansion and offshore development alongside energy transition initiatives, supports a robust medium-term order pipeline. These structural tailwinds are expected to underpin NMDC Energy's long-term growth outlook and reinforce position as a leading offshore EPC player in a capital-intensive and demand-resilient energy environment.

Figure 13: World Oil Demand and Supply (Mn bpd)



Source: International Energy Agency

## Resilient Business Strategy Supporting Expansion and Operational Efficiency

Management continues to actively invest in new growth vectors to broaden revenue streams, enhance competitiveness, and strengthen the Company's positioning across both traditional and emerging energy segments

### Strategic Initiatives for Vertical & Horizontal Business Expansion

NMDC Energy's business strategy is anchored in sustained expansion, operational capability enhancement, and strategic diversification across geographies and energy verticals, positioning the Company to deliver resilient earnings growth. Management's approach reflects a deliberate shift from a predominantly Energy EPC contractor to a diversified energy infrastructure player with exposure across offshore, onshore, renewables, O&M, and energy transition-related opportunities. This strategy is underpinned by proactive capital allocation, partnerships, and targeted inorganic growth, enabling NMDC Energy to mitigate market volatility while capitalising on long-term structural demand in global energy markets.

**Energy transition** - NMDC Energy's strategy is centred on sustainable long-term growth, earnings diversification, and resilience to market cyclicality, while aligning the business model with global energy transition and tightening environmental regulations. Management continues to actively invest in new growth vectors to broaden revenue streams, enhance competitiveness, and

The Company is seeking to enter the decommissioning market either organically or via acquisitions, targeting a global expenditure opportunity estimated at USD 500 Bn through 2050, with USD 128 Bn expected between 2022 and 2030

Looking ahead, NMDC Energy's strategy focuses on balanced growth and selective diversification into clean and transitional energy, while continuing to build on its core EPC strengths

strengthen the Company's positioning across both traditional and emerging energy segments. A key pillar of this strategy is energy transition exposure, notably through NT Energies, which positions the Company to participate in hydrogen, carbon capture, and low-carbon energy opportunities. The addressable market for such projects in the GCC is estimated to exceed AED 50 Bn over the next five years, providing meaningful medium-term growth optionality beyond conventional oil and gas EPC activity.

**Renewables** - In renewables, the Company is targeting scale up in offshore wind, with Taiwan serving as a strategic entry point. Investment in specialised DP vessels is expected to materially enhance execution capability, supporting the potential to generate annual renewable-related revenues in excess of AED 1 Bn and strengthening the Company's foothold in the fast-growing offshore wind segment.

**International Expansion** - A core pillar of NMDC Energy's strategy is geographic expansion, particularly into high-growth and underpenetrated markets. The Company's entry into Saudi Arabia through the establishment of a new fabrication yard, backed by an investment exceeding AED 200 Mn, represents a significant strategic commitment to the Kingdom's expanding energy and infrastructure pipeline. Similarly, NMDC Energy's planned expansion into Southeast Asia (SEA) through partnerships with established regional players opens access to a dynamic offshore and subsea project market, broadening the Company's global footprint and reducing reliance on any single geography.

The Company is also targeting Africa as a long-term growth frontier, recognising the continent's substantial upstream oil and gas development pipeline. With total project values in Africa estimated to exceed AED 100 Bn over the next five years, management views the region as a strategic opportunity to deploy NMDC Energy's offshore EPC expertise while benefiting from limited competition and increasing energy investment. Further, the expansion of its engineering office in India allows the Company to undertake small and mid-sized EPC projects more efficiently, supporting margin optimisation and portfolio diversification.

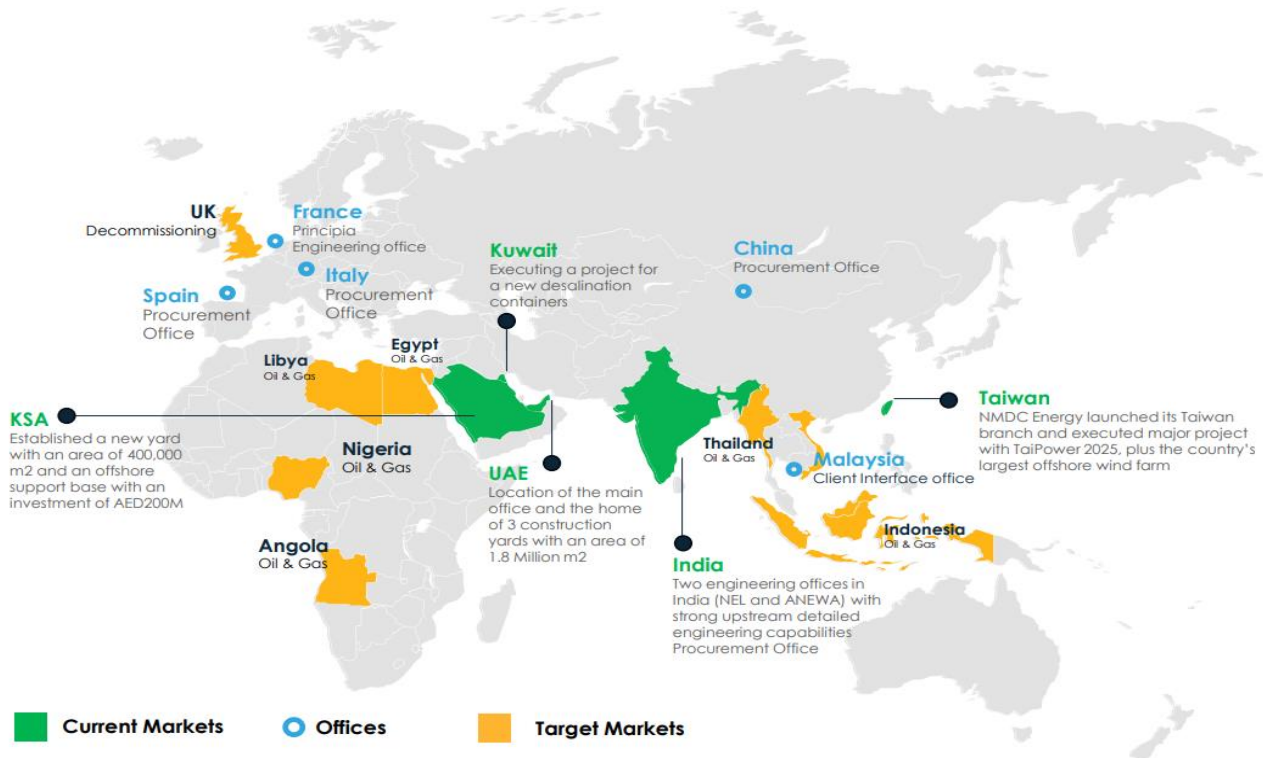
**Sector Expansion** - Sector diversification further underpins earnings stability. The Company is seeking to enter the decommissioning market either organically or via acquisitions, targeting a global expenditure opportunity estimated at USD 500 Bn through 2050, with USD 128 Bn expected between 2022 and 2030. In addition, the Company has expanded the onshore EPC footprint, with multiple ongoing projects aggregating c. AED 25.4 Bn, supporting revenue visibility and reducing reliance on offshore-only activity. To improve cash flow stability and margin predictability, the Company is exploring entry into operations and maintenance (O&M) services, which are typically governed by long-term contracts and provide more recurring revenue characteristics. This is expected to enhance the overall business risk profile by smoothing earnings across cycles.

**Merger and Acquisition (M&A)** - Complementing organic initiatives, the Company's strategy includes selective M&A, aimed at acquiring capabilities, expanding project capacity, and accelerating entry into adjacent services. Capacity enhancement initiatives, such as the development of an additional module fabrication yard in Mussafah and the expansion of the engineering office in India are expected to support higher project throughput, cost efficiency, and access to small and mid-sized EPC opportunities.

**Operations & Maintenance (O&M)** - A notable growth vector is the planned entry into the O&M segment. O&M contracts typically offer long-term tenure, recurring revenues, and lower margin volatility compared to EPC projects. By expanding along the upstream value chain into O&M, NMDC Energy aims to build a more predictable earnings base while deepening relationships with existing clients.

Looking ahead, NMDC Energy's strategy focuses on balanced growth and selective diversification into clean and transitional energy, while continuing to build on its core EPC strengths. The Company is pursuing opportunities that support the energy transition and energy security, including landmark projects such as the UAE's first green hydrogen facility and an offshore wind project in Taiwan, which provide exposure to emerging energy segments aligned with its execution capabilities. These initiatives are closely aligned with the broader NMDC Group Sustainability Strategy, embedding ESG considerations across operations to manage environmental impact, enhance resilience, and address climate related risks. By combining investments in traditional oil and gas EPC activities with targeted expansion into renewables and low carbon solutions, NMDC Energy aims to maintain market leadership.

**Figure 14: Geographic Expansion**



Source: Company Information

## Technology Transformation Improving Operational Efficiency

**The Company has embedded Digital Twin capabilities across the project lifecycle, integrating design, procurement, construction, and commissioning processes**

Technology transformation is a core strategic pillar underpinning the Company's operational excellence, cost competitiveness, and execution reliability. Continuous investment in advanced digital and engineering technologies enhances productivity, optimises resource utilisation, and supports consistent on time and on budget project delivery, critical differentiators in the energy EPC sector. These initiatives also strengthen the Company's ability to adapt to evolving client requirements, manage complex projects at scale, and attract and retain high calibre technical talent. The Company has embedded Digital Twin capabilities across the project lifecycle, integrating design, procurement, construction, and commissioning processes. The use of virtual and augmented reality, alongside 4D and 5D scheduling tools, improves planning accuracy, enhances collaboration, reduces rework, and supports more effective cost and schedule control, contributing to margin protection and risk mitigation.

Workforce productivity and safety are further enhanced through Connected Worker technologies, which enable real time tracking, communication, and data-driven decision making on project sites. These tools improve coordination across large and complex worksites, reduce



Operational reliability is strengthened through predictive maintenance systems, which leverage advanced analytics to monitor equipment health and anticipate failures before they occur

downtime, and support higher labour efficiency. Complementing this, the Company's AI-enabled HSE Site Safety Analyzer provides continuous monitoring of site conditions, identifies potential hazards in real time, and proactively alerts personnel, reinforcing the Company's strong safety culture while reducing incident-related delays and liabilities. Operational reliability is strengthened through predictive maintenance systems, which leverage advanced analytics to monitor equipment health and anticipate failures before they occur. This proactive approach improves asset uptime, lowers maintenance costs, and reduces unplanned disruptions, supporting stable project execution and cash flow generation.

Innovation is also fostered through structured internal programmes such as Challenge Me, which encourages employees to develop and submit innovative solutions to operational and strategic challenges, embedding a culture of continuous improvement across the organisation. In addition, the Company is deploying 3D printing capabilities to accelerate fabrication timelines, enable complex design geometries, reduce material waste, and improve cost efficiency particularly relevant in modular construction and specialised component manufacturing. Collectively, these technology and innovation initiatives enhance execution certainty, cost efficiency, safety performance, and scalability. From an investment perspective, they support sustainable margin resilience, strengthen competitive positioning, and improve the Company's ability to deliver long-term value in an increasingly complex and technology-driven energy infrastructure market.

## Strong Project Backlog and Pipeline Ensures Long-term Visibility

The Company's secured project backlog represents the contracted value of projects yet to be executed and is a key indicator of forward revenue visibility and operational scale

The Company's secured project backlog represents the contracted value of projects yet to be executed and is a key indicator of forward revenue visibility and operational scale. As of 3Q25, the backlog stood at c. AED 45.6 Bn, providing strong multi year earnings visibility and supporting sustained utilisation of fabrication yards, offshore assets, and engineering resources. The backlog reflects continued client confidence in the Company's execution capabilities, technical depth, and ability to deliver large scale, complex EPC projects. The backlog is well diversified across geographies and project types, spanning the UAE, Saudi Arabia, Kuwait, and Taiwan, which mitigates concentration risk and highlights the Company's ability to operate across multiple regulatory, offshore, and operational environments. The project mix includes offshore oil and gas developments, gas processing facilities, subsea pipelines, and long-duration brownfield and greenfield projects, enhancing resilience across energy cycles.

The Company's backlog also includes the Zuluf offshore facilities and the Lower Zakum HURLK and Lower Zakum LTDP-1 projects, all of which are integral to national production optimisation and capacity expansion programmes

The quality of the backlog is underpinned by several large, strategically important, and long-duration projects. Key UAE projects include the **Hail & Ghasha offshore development** (c. AED 15 Bn, expected completion 3Q28), a flagship sour gas project involving offshore drilling centres, subsea pipelines, umbilicals, power and communication cables, seawater intake structures, and offshore processing facilities. **The MERAM Project** (c. AED 6.4 Bn, completion 3Q27) further strengthens the Company's exposure to gas processing infrastructure through the development of ethane recovery facilities from existing NGL units, aligning with regional gas monetisation and cleaner energy objectives.

Additionally, the Company's backlog also includes the **Zuluf offshore facilities project** (c. AED 8 Bn, completion 2Q26) and the **Lower Zakum HURLK** (c. AED 2.3 Bn, completion 3Q26) and **Lower Zakum LTDP-1 projects** (c. AED 8.8 Bn, completion 2Q28), all of which are integral to national production optimisation and capacity expansion programmes. These projects reinforce NMDC Energy's strong positioning with national oil companies and its growing footprint in the Kingdom. Subsequent to June 2024, NMDC Energy has continued to demonstrate strong order momentum. In March 2025, the Company was awarded a **local offshore EPC project** valued at AED 9.7 Bn, with an execution period of c. 57 months commencing 31 March 2025. The award



**NMDC Energy has further strengthened earnings visibility through a three-year extension of its Long-Term Agreement (LTA) with Saudi Aramco, with an option for a further three-year extension**

further strengthens backlog visibility into the next decade and underscores the Company's operational excellence and long-standing client relationships.

Internationally, in January 2025, NMDC Energy secured an AED 4.2 Bn contract from **Taiwan Power Company (Taipower)** for the design, construction, and installation of subsea gas pipelines as part of the second phase renewal of the Tung-Hsiao Power Plant. The project involves pipeline installation at water depths of 10–55 metres along Taiwan's west coast between Taichung and Tung-Hsiao. This award enhances the Company's international backlog, deepens the Company's presence in Taiwan, and supports its participation in energy transition and infrastructure modernisation initiatives.

In addition to project awards, NMDC Energy has further strengthened earnings visibility through a **three-year extension of its Long-Term Agreement (LTA) with Saudi Aramco**, with an option for a further three-year extension. Under the LTA, NMDC Energy provides detailed engineering, procurement, fabrication, transportation, installation, and pre-commissioning services for offshore facilities within Saudi Arabian waters. The extension reflects a long-standing relationship dating back to 2016 and provides a recurring pipeline of work, supporting baseline utilisation and reducing order volatility. Overall, the scale, duration, diversification, and quality of the backlog and recent order intake significantly enhance revenue predictability, reduce cash flow volatility, and reinforce NMDC Energy's positioning as a leading EPC contractor with strong medium to long-term growth visibility across core and international markets.

**Figure 15: Key Projects**

Name of project	Theme	Project value	Expected Completion*
Hail & Gasha	Onshore	AED 15 Bn	3Q28
Meram Project	Onshore	AED 6.4 Bn	3Q27
Zuluf	Offshore	AED 8.0 Bn	2Q26
Lower Zakum HURLK	Offshore	AED 2.3 Bn	3Q26
Lower Zakum LTDP-1	Offshore	AED 8.8 Bn	2Q28
Local Project	Offshore	AED 9.7 Bn	4Q29
Taiwan Power Company	Renewable energy	AED 4.2 Bn	NA

Source: Company Information \*The project's expected completion date may change going forward

## Strong Financial Performance with Steady Growth in Topline and Bottomline

The Company's operations are geographically diversified into UAE and International segments with exposure across Saudi Arabia, Bahrain, India, Taiwan, and Kuwait

NMDC Energy's EBITDA in FY2024 was AED 1.8 Bn, up from AED 1.0 Bn in FY2023, indicating both scale and improved project margins as larger contracts reached more profitable execution phases

### Long-Term Contracts Underpin Strong Revenue Visibility

NMDC Energy's project backlog has been a critical factor for the future revenue visibility. As of 9M25, the secured backlog stood at AED 45.6 Bn, underpinned by AED 13.9 Bn of awarded projects in 9M25, while the broader project pipeline extended to c. AED 61.4 Bn, reflecting continued efforts to win new tenders and pipeline strength. The increase in backlog over time has been driven by a combination of large strategic EPC awards, geographic diversification, and capability expansion. Key projects contributing to the backlog buildup in recent periods include an AED 9.7 Bn offshore EPC contract in the UAE and an AED 4.2 Bn subsea pipeline project in Taiwan during 9M25, marking meaningful diversification into international markets. This broadening and deepening of the backlog reflect both the Company's execution momentum and strategic focus on markets where long cycle EPC work underpins multi-year revenue visibility.

In FY2024, NMDC Energy reported AED 14.4 Bn in revenue, up from AED 7.9 Bn in FY2023. This exceptional growth was driven by backlog execution, particularly large EPC contracts progressing into full operational phases, and the ramp-up of recurring, high-value project deliveries. Geographic expansion and international contract win also contributed to this step-up in topline. In 9M25, revenues rose to AED 13.0 Bn, up 33.0% YOY from 9M24. This reflects continued robust execution of the existing backlog, particularly local and international offshore and onshore projects as well as the integration of awards secured in late 2024 and early 2025 into revenue streams. Going forward we expect the revenue to grow at a CAGR of 9.6% from AED 19.7 Bn in FY2025 to AED 31.2 Bn in FY2030 led by geographic expansion and new contract wins coupled with scaling of operating capabilities.

NMDC Energy's EBITDA in FY2024 was AED 1.8 Bn, up from AED 953 Mn in FY2023, indicating both scale and improved project margins as larger contracts reached more profitable execution phases. Growth in EBITDA outpaced revenue growth, reflecting operational efficiencies and better absorption of fixed costs as scale increased. During 9M25, EBITDA reached AED 1.3 Bn, a 5.9% YOY increase from 9M24. While growth moderated compared to prior periods, it remains positive, supported by continued backlog conversion. The moderation in margin expansion in this period also is due to the mix of new projects as onshore projects have relatively lower margins compared to higher margins from offshore projects. Going forward, we expect the EBITDA to increase at a CAGR of 12.8% from AED 2.1 Bn in FY2025 to AED 3.8 Bn in FY2030 due to better cost optimization strategies.

Figure 16: Geographic Revenue (AED Mn)

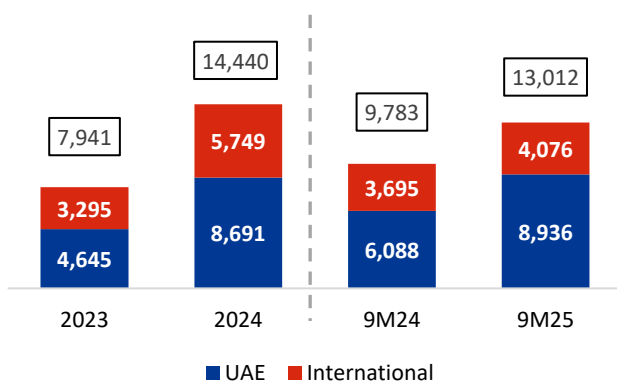
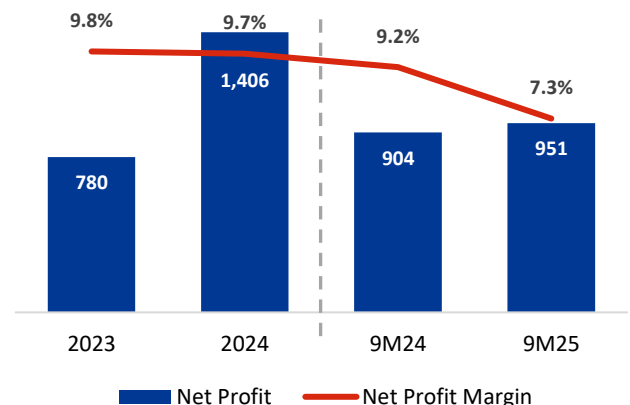


Figure 17: Net Profit (AED Mn) & Net Profit Margin (%)



Source: Company Information

Net profit in FY2024 was AED 1.4 Bn, up from AED 780 Mn in FY2023, reflecting scale of major EPC executions. In 9M25, net profit reached AED 951 Mn, up 5.2% YOY. The growth relative to revenue reflects increased costs associated with scaling operations, higher tax rates in the UAE and earlier execution stages of new contracts which put pressure on short-term margins. Going forward, we expect the Net Profit to grow at a CAGR of 11.7% from AED 1.6 Bn in FY2025 to AED 2.7 Bn in FY2030 indicating stable profitability.

## Healthy Cash Flows Create Opportunity for Business Expansion

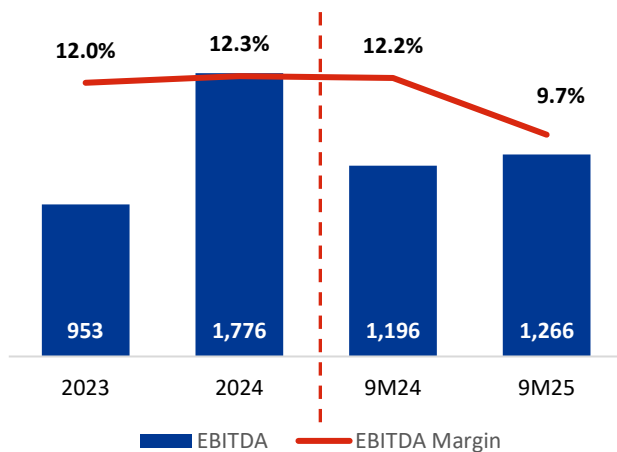
**Free cash flow increased significantly from AED 372 Mn in FY2021 to AED 2.2 Bn in FY2024, reflecting improved operating cash flows and controlled capital expenditure**

Supported by sustained revenue growth and disciplined capital allocation, NMDC Energy has demonstrated strong free cash flow (FCF) generation. Free cash flow increased significantly from AED 372 Mn in FY2021 to AED 2.2 Bn in FY2024, reflecting improved operating cash flows and controlled capital expenditure. Free cash flow amounted to AED 326 Mn in 9M25, impacted by adverse movements in net working capital and elevated capital expenditure. Capital expenditure during the period stood at AED 396 Mn, largely related to upgrades at the KSA and UAE yards, equipment purchases, and maintenance capex. Net working capital declined to negative AED 1.2 Bn as of 9M25, compared with negative AED 2.8 Bn in June 2025. The decline was driven by higher trade receivables, contract assets, related-party receivables and advances to suppliers, partially offset by an increase in trade payables and job accruals. The Company is expected to continue generating stable and healthy free cash flows over the forecast period, underpinned by revenue growth and a stable capex profile. Going forward, we expect the cumulative capital expenditure to amount to AED 4.8 Bn from FY2025 to FY2030. This capital discipline enhances cash visibility and supports shareholder distributions.

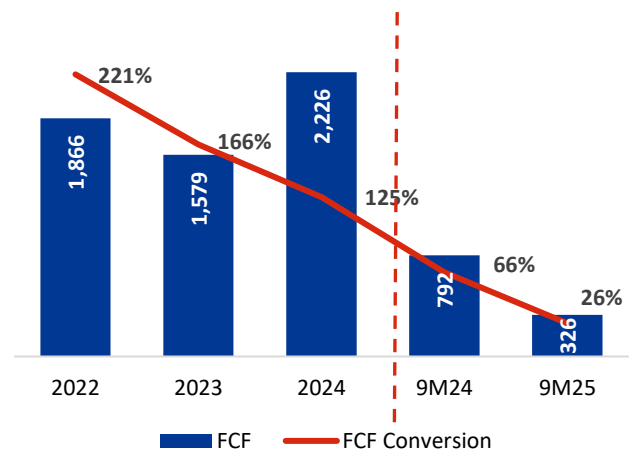
**Going forward, we expect the management to distribute a cumulative dividend of AED 4.5 Bn as dividends for the period of FY2025-30**

Cash and bank balances declined to AED 3.6 Bn, as of 9M25, primarily reflecting higher payments to suppliers to accelerate material deliveries, scheduled loan repayments, tax outflows, and cash dividend distributions of AED 700 Mn during the period. Total equity increased 16.6% YOY to AED 6.1 Bn in FY2025, supported by higher retained earnings driven by strong net profits in 9M25, despite the payout of AED 700 Mn in cash dividends. The dividend payout ratio was 49.9% in FY2024. Going forward, we expect the management to declare a cumulative dividend of AED 4.5 Bn for the period of FY2025-FY2030. Accordingly, we expect the Company to maintain an average payout ratio of 37.0% over the forecast period, supported by robust free cash flow generation and limited incremental capex requirements.

**Figure 18: EBITDA (AED Mn) & EBITDA Margin (%)**



**Figure 19: Free Cash Flow (AED Mn) & Free Cash Flow Conversion (%)**



Source: Company Information

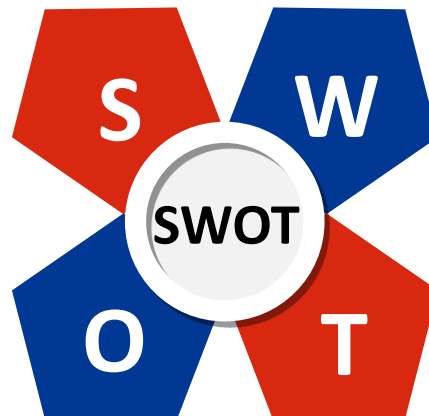
## SWOT Analysis

### STRENGTHS

- **Strong EPC execution capabilities:** Established expertise in offshore and onshore oil & gas EPC projects enhances client confidence and repeat business.
- **Robust order backlog:** Large and diversified backlog provides multi-year revenue visibility and earnings stability.
- **Strong UAE presence with diversification:** Leadership in the UAE supported by expanding operations across KSA, Bahrain, Kuwait, India, and Taiwan.
- **Strong sponsor backing:** Association with NMDC Group provides strategic alignment, operational synergies and balance-sheet support.
- **Robust Client Base:** Long-term partnerships with government-owned oil producers in the MEA region, such as ADNOC and ARAMCO, offer access to large-scale projects and create opportunities for innovation.

### WEAKNESSES

- **Revenue concentration in UAE:** High dependence on UAE projects exposes performance to domestic capex cycles.
- **Execution and cost overrun risks:** EPC contracts carry inherent risks related to delays, subcontractor performance and cost escalation.
- **Margin sensitivity to input costs:** Profitability is vulnerable to fluctuations in steel prices, logistics costs and project mix.
- **Working capital intensity:** Milestone-based billing and retention money can lead to short-term cash flow volatility.
- **Client Concentration Risk:** High revenue concentration among a few major clients increases vulnerability to market fluctuations, contract renegotiations, or client attrition, which could significantly impact financial stability and growth.



### OPPORTUNITIES

- **GCC energy capex momentum:** Continued offshore and brownfield investments in the UAE and Saudi Arabia support strong demand outlook.
- **Geographic expansion potential:** Further penetration into international markets can enhance revenue diversification.
- **Revenue Diversification:** Global shift toward renewable energy offers a chance to expand beyond traditional oil & gas EPC contracts into sustainable energy projects.
- **Digital Transformation:** Adoption of advanced technologies (AI, IoT) for project efficiency and cost optimization.

### THREATS

- **Oil & gas capex cyclicality:** Project awards remain sensitive to oil price movements and global energy spending trends.
- **Intensifying EPC competition:** Increased competition may pressure bid margins and contract terms.
- **Geopolitical and regulatory risks:** Multi-country operations expose the Company to regulatory and geopolitical uncertainties.
- **Inflation and supply chain risks:** Persistent cost inflation and supply disruptions may impact project profitability.
- **Technological Disruption:** Rapid growth of alternative energy sources reducing demand for traditional oil & gas projects.

# Valuation Methodology

## Target Fair Value Analysis

**We arrive at NMDC Energy's fair value of AED 4.00 per share using a mix of valuation methods**

### DCF AND RELATIVE VALUATION

We have used a mix of Discounted Cash Flow (DCF) and Comparable Company Method (CCM) valuation methods to arrive at the fair value of NMDC Energy. NMDC Energy is a leading, vertically integrated EPC contractor across offshore and onshore oil & gas, backed by NMDC Group's five-decade legacy and execution of over 1,200 projects. The end-to-end in-house capabilities ensure execution certainty, cost efficiency, and strong client retention. A substantial asset base, including four fabrication yards across the UAE and Saudi Arabia spanning over 2 Mn sqm, supports scalable project delivery. With c. 70% of revenues from the UAE and Saudi Arabia being a key growth market, the Company benefits from long-term energy investments, while selective international expansion and an owned marine fleet enhance revenue visibility and margin resilience. NMDC Energy maintains a strong and diversified project backlog providing multi-year revenue visibility and supporting high utilisation of fabrication, offshore, and engineering assets. The backlog spans the UAE, Saudi Arabia, Kuwait, and Taiwan and is well balanced across offshore oil & gas developments, gas processing, subsea pipelines, and long-duration brownfield and greenfield projects. We have assigned a higher weight to DCF valuation as it strengthens its reliability in capturing future cash flow projections over multiple periods as opposed to other valuation methods. In CCM valuation, the sum of EV/EBITDA and P/E multiple is used to value the Company as the P/E multiple allows for easy comparison with similar companies within the industry or sector, and EV/EBITDA multiple allows us to compare companies of various sizes with different capital structures.

### CONSOLIDATED VALUATION NMDC Energy

Name of Entity	Valuation (AED)	Weight (%)	Total Valuation (AED)
<b>Valuation of NMDC Energy based on -</b>			
Discounted Cash Flow (DCF)	3.95	70.0%	2.77
Relative Valuation (EV/EBITDA)	4.12	15.0%	0.62
Relative Valuation (P/E)	4.10	15.0%	0.61
<b>Total Valuation (AED)</b>			<b>4.00</b>

The performance of NMDC Energy is analyzed in detail to arrive at fair value estimates. We took a fair estimate across the respective companies' income statements and financial positions to arrive at their valuation. The valuation brought forward a target value of AED 4.00 per share.

The weightage assigned to the DCF, Relative valuation methods of EV/EBITDA and P/E stood at 70%, 15%, and 15%, respectively.

#### 1) Discounted Cash Flow Valuation

**We arrived at a value of AED 3.95 per share using DCF valuation**

We relied upon the project backlog and robust project pipeline to arrive at the valuation through DCF methodology. We derived the Company's Terminal Value using the Gordon Model and extrapolated last year's free cash flows at a terminal growth rate of 2.0% to perpetuity. To arrive at Ke (Cost of Equity), we have used the 10-year government bond yield of 4.2%, 10-year



Abu Dhabi Government CDS Spread of 0.5%, Country risk premium of 5.3%, and Beta of 1.0. After applying all these, we arrived at the cost of equity of 10.0%. We have used a 10-year US Government Yield and further added a 10-year Abu Dhabi Government CDS spread to arrive at an appropriate risk-free rate. NMDC Energy has an outstanding debt of AED 382 Mn as of 9M25, originating from a syndicated facility executed on 27 February 2020, amounting to AED 1.8 Bn, with an effective interest rate of Term SOFR with a margin of 90 bps. The syndicated facility comprises two tranches: a conventional tranche of USD 167 Mn and an Islamic tranche of USD 333 Mn. The Company is likely to maintain its current debt level during the forecasted period. Therefore, we have used free cash flow to a firm (FCFF) to arrive at the valuation using the DCF methodology. The same is used to arrive at a weighted average cost of capital (WACC). We assume the cost of debt is 5.2% and adjusted the tax rate at 15.0% to arrive at the after-tax cost of debt of 4.4%. The debt-to-equity ratio of 7.2% is used to arrive at the required return ratio. We arrived at a value of AED 3.95 per share using DCF valuation.

## I. DCF Valuation of NMDC Energy

	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
<b>All figures in AED Mn, unless stated</b>						
NOPAT	1,505	1,660	1,915	2,149	2,428	2,702
(+/-) Depreciation & amortization	377	432	455	505	539	596
(+/-) CAPEX	-748	-719	-734	-802	-869	-936
(+/-) Working Capital	-1,170	-995	-1,172	-804	-914	-776
<b>Free Cash Flow to Firm</b>	<b>(37)</b>	<b>378</b>	<b>465</b>	<b>1,049</b>	<b>1,185</b>	<b>1,587</b>
Discount factor	1.00	0.92	0.84	0.76	0.70	0.64
<b>Present Value of FCFF</b>	<b>(9)</b>	<b>346</b>	<b>389</b>	<b>800</b>	<b>825</b>	<b>1,008</b>
<b>Total Present value of FCFF</b>						3,359
Terminal Value						13,566
Terminal growth rate						2.0%
Weighted average cost of capital						9.6%
<b>Enterprise Value</b>						<b>16,925</b>
Net (debt) /Cash						2,847
<b>Equity Value</b>						<b>19,772</b>
<b>Equity Value Per Share (AED)</b>						<b>3.95</b>

Source: FAB Securities Research

### a) Sensitivity of DCF to Key Assumptions

**Sensitivity analysis generates the highest valuation of AED 5.16 per share and the lowest valuation of AED 3.25 per share**

Our DCF valuation is based on a weighted average cost of capital (WACC) of 9.6%. A sensitivity analysis shows that a change of +/- 0.5% in the weighted average cost of capital and terminal growth rate will provide a valuation range of AED 3.25 to AED 5.16 per share. The table below shows the sensitivity between the change in terminal growth rate and the weighted average cost of capital.

## 1. DCF Sensitivity to Terminal Growth Rate and WACC

Terminal Growth						
WACC	19,768	1.0%	1.5%	2.0%	2.5%	3.0%
	8.6%	4.07	4.29	4.53	4.82	5.16
	9.1%	3.83	4.01	4.22	4.46	4.75
	9.6%	3.61	3.77	3.95	4.16	4.40
	10.1%	3.42	3.56	3.72	3.90	4.10
	10.6%	3.25	3.37	3.51	3.67	3.84

## 2) Relative Valuation

We are using EV/EBITDA and P/E multiple in CCM valuation to value the firm

In the CCM valuation, we have used the sum of EV/EBITDA and P/E multiple to value the Company as the P/E multiple allows for easy comparison with similar companies within the industry or sector, and EV/EBITDA multiple allows us to compare companies of various sizes with different capital structures. NMDC Energy is an EPC company with characteristics similar to those of other EPC companies, Tecnicas Reuindas SA, Maire Spa, Fluor Corp, Technip energies NV, JGC Holdings Corp, Offshore Oil Engineering Co Ltd, Subsea 7 SA, Technipfmc Plc and Great Lakes Dredge & Dock Co. As a result, we have used multiple of these companies to value NMDC Energy.

## II. Relative Valuation of NMDC Energy

(All Figures in Million AED, unless stated)

### Based on EV/EBITDA Multiple

EBITDA (FY2026)	2,385
Applicable Multiple	7.4x
Premium/(Discount to Median Multiple)	0.0%
Peer Median Valuation	7.4x

### Enterprise Value

17,729

Net (Debt)/Cash

2,847

### Equity Value

20,576

Source: Company Information, FAB Securities Research

(All Figures in Million AED, unless stated)

### Based on P/E Multiple

Net Income (FY2026)	1,691
Applicable Multiple	12.1x
Premium/ (Discount to Median Multiple)	0.0%
Peer Median Valuation	12.1x

### Equity Value

20,487

Source: Company Information, FAB Securities Research

### III. Peers Valuation

		EV/EBITDA (x)		PE (x)	
Company. Name	Market Cap (USD, mn)	2026	2027	2026	2027
Regional					
TECNICAS REUNIDAS SA	2,527	5.2	4.5	10.3	8.5
MAIRE SPA	4,785	7.4	6.6	13.4	11.8
FLUOR CORP	6,586	9.1	7.8	17.0	14.7
TECHNIP ENERGIES NV	6,636	7.5	6.8	11.2	10.1
JGC HOLDINGS CORP	3,033	5.5	4.1	15.4	14.0
Offshore Oil Engineering Co Ltd	3,460	2.5	2.4	9.2	8.6
SUBSEA 7 SA	5,684	3.8	3.7	9.3	8.7
TECHNIPFMC PLC	17,953	8.9	8.3	16.0	13.7
GREAT LAKES DREDGE & DOCK CO	903	8.3	7.7	12.1	11.3
Average		6.5x	5.8x	12.7x	11.2x
Median		7.4x	6.6x	12.1x	11.3x
Max <sup>1</sup> (Quartile 3)		8.3x	7.7x	15.4x	13.7x
Min <sup>2</sup> (Quartile 1)		5.2x	4.1x	10.3x	8.7x

Source: Bloomberg, <sup>1</sup> Values correspond to Quartile 3, <sup>2</sup> Values correspond to Quartile 1

## Key Financial Metrics

The Company classifies the operations into two geographic segments: the UAE and International

The UAE accounted for 69% of revenue during 9M25, with the remaining 31% contributed by international markets

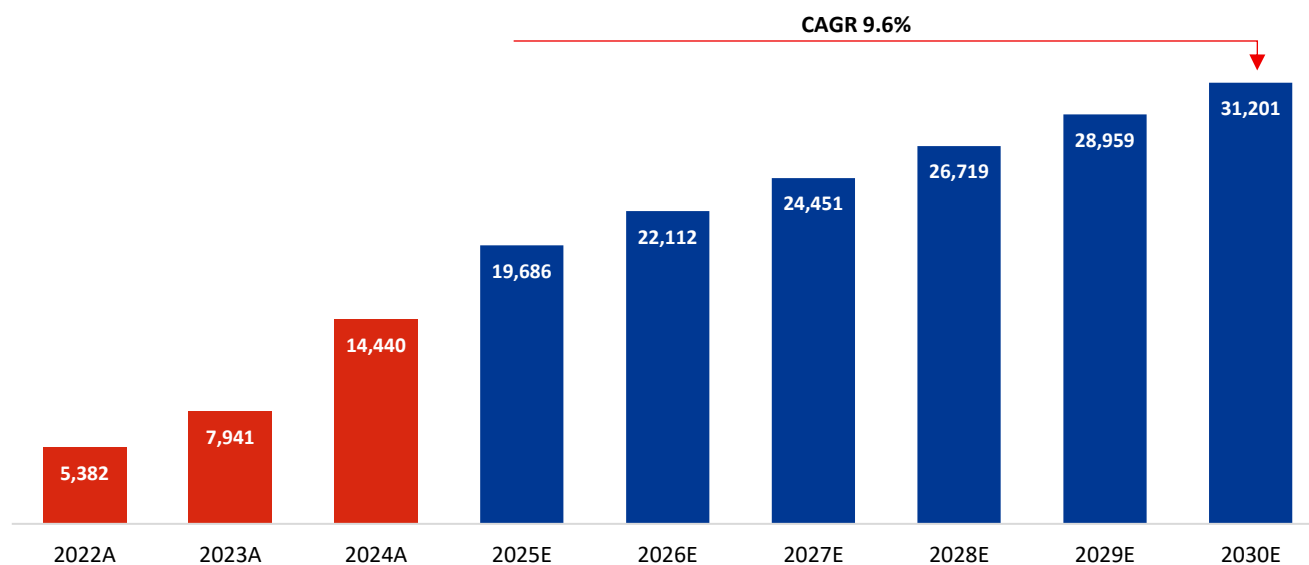
56% of revenue contribution by offshore projects during 9M25, and the remaining 44% contributed by onshore projects

### Revenue

NMDC Energy's core operations comprise engineering, procurement, and construction (EPC) services for the development of offshore and onshore oil and gas fields, primarily across the Arabian Gulf and select regional and international markets. The Company classifies the operations into two geographic segments: UAE and International. The UAE segment covers projects executed within the UAE, while the international segment includes operations in Saudi Arabia, Bahrain, India, and Kuwait. As of 9M25, the Company's total backlog stood at AED 45.6 Bn with AED 6.2 Bn to be recorded as revenue in 4Q25. The Company expects to recognize majority of the backlog of AED 20.3 Bn in FY2026 and further normalizing till FY2030.

Revenue growth has been broad-based across both segments, led by a sharp increase in activity in the UAE. UAE revenue nearly doubled from AED 4.6 Bn in FY2023 to AED 8.7 Bn in FY2024, while international revenue increased to AED 5.7 Bn in FY2024 from AED 3.3 Bn in FY2023. Consequently, total revenue rose to AED 14.4 Bn in FY2024, compared with AED 7.9 Bn in FY2023. This momentum continued into 9M25, with UAE revenue rising to AED 8.9 Bn from AED 6.1 Bn in 9M24, and international revenue increasing to AED 4.1 Bn in 9M25 from AED 3.7 Bn in 9M24, reflecting a sustained focus on expanding international exposure. Total revenue in 9M25 stood at AED 13.0 Bn, up from AED 9.8 Bn in 9M24. The UAE accounted for c. 69% of revenue during 9M25, with the remaining c. 31% contributed by international markets and 56% of revenue contribution by offshore projects during 9M25 and the remaining 44% contributed by onshore projects. As a result, we anticipate the growth of 36.3% YOY to AED 19.7 Bn in FY2025. Looking ahead, total revenue is expected to grow at a CAGR of 9.6%, increasing from AED 19.7 Bn in FY2025 to AED 31.2 Bn by FY2030. Additionally, we expect the Company to generate cumulative revenue of AED 133.4 Bn during the period of FY2026-FY2030. As of 9M25, the Company maintains a robust project pipeline of AED 61.4 Bn, supported by a project win rate of c. 20%, providing strong visibility on future order inflows.

Figure 20: Total Revenue (AED, Mn)



Source: Company Information, FAB Securities research FY2025E-30E

NMDC Energy's awarded projects stood at AED 13.9 Bn during 9M25, including a major domestic offshore EPC contract valued at AED 9.7 Bn, awarded in March 2025, with execution scheduled over 57 months commencing 31 March 2025. The award underscores the Company's strong

Looking ahead, the Company is expected to generate cumulative revenue of AED 133.4 Bn during the period of FY2026-FY2030

Going forward, direct costs are expected to grow at a CAGR of 9.3% from AED 17.6 Bn in FY2025 to AED 27.4 Bn by FY2030 reflecting accelerated project execution

EBITDA is projected to grow at a CAGR of 12.8% from AED 2.1 Bn in FY2025 to AED 3.8 Bn by FY2030

execution capabilities in complex offshore EPC projects, proven ability to secure large-scale, long-duration contracts, and the depth of the Company's long-standing client relationships. The project meaningfully enhances medium term revenue visibility and reinforces backlog strength. In addition, NMDC Energy secured a landmark international contract from Taiwan Power Company (TaiPower), valued at AED 4.2 Bn, for the installation of subsea gas pipelines under Phase II of the Tung-Hsiao Power Plant renewal project in Taiwan. The scope includes the design, construction, and installation of marine pipelines at water depths of 10 to 55 metres along the Taichung-Tung-Hsiao corridor on Taiwan's west coast. This project represents a significant international win, strengthening the Company's presence in Taiwan and reinforcing its credentials in executing technically complex subsea EPC projects. The award also supports Taiwan's energy infrastructure modernisation and evolving energy mix, enhancing NMDC Energy's backlog diversification and long-term revenue visibility.

## EBITDA

NMDC Energy's EBITDA expanded at a robust CAGR of 45.1%, increasing from AED 843 Mn in FY2022 to AED 1,776 Mn in FY2024, reflecting strong operating leverage, efficient project execution, and effective monetisation of a growing order backlog. EBITDA margins improved marginally from 12.0% in FY2023 to 12.3% in FY2024, supported by disciplined cost management, enhanced project controls, and a prudent risk management framework, enabling consistent operating profitability despite scale-up. The positive momentum continued into 9M25, with EBITDA rising to AED 1.3 Bn from AED 1.2 Bn in 9M24.

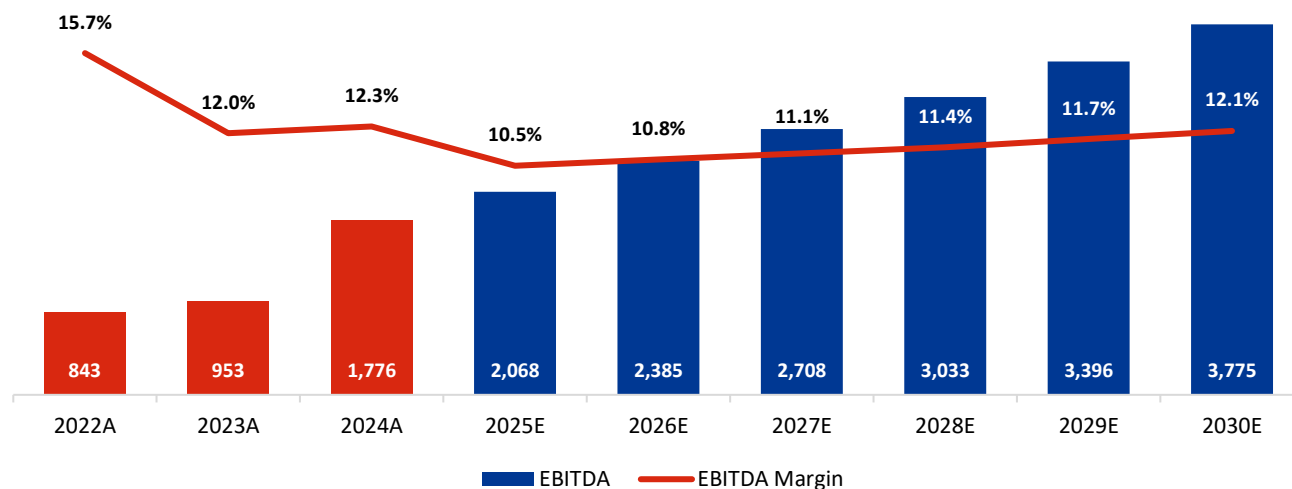
Direct costs increased at a CAGR of 63.2%, rising from AED 4.7 Bn in FY2022 to AED 12.6 Bn in FY2024, and further from AED 8.6 Bn in 9M24 to AED 11.7 Bn in 9M25, broadly in line with revenue growth and higher project execution intensity. Going forward, direct costs are expected to grow at a CAGR of 9.3% from AED 17.6 Bn in FY2025 to AED 27.4 Bn by FY2030 reflecting accelerated project execution.

General and administrative expenses declined by 8.1% YOY from AED 134 Mn in FY2023 to AED 123 Mn in FY2024, highlighting effective overhead rationalisation, while remaining largely stable, increasing marginally from AED 87 Mn in 9M24 to AED 90 Mn in 9M25. Over the medium term, G&A expenses are expected to remain broadly flat, reaching AED 141 Mn by FY2030, indicating continued cost discipline despite business expansion. Other operating expenses increased 36.5% YOY to AED 273 Mn in FY2024, driven by higher activity levels, and declined marginally by 6.0% YOY to AED 182 Mn in 9M25. Further, it is expected to grow at a CAGR of 11.2%, from AED 276 Mn in FY2025 to AED 468 Mn by FY2030.

Looking ahead, EBITDA is projected to grow at a CAGR of 12.8% from AED 2.1 Bn in FY2025 to AED 3.8 Bn by FY2030, supported by steady backlog execution, stabilising cost structures, and improved operational efficiencies. EBITDA margins are expected to increase from 10.5% in FY2025 to 12.1% in FY2030, remaining broadly in line with management's guidance of maintaining 10–12% sustainable EBITDA margins over the medium term.



Figure 21: Total EBITDA (AED, Mn) and EBITDA Margin (%)



Source: Company Information, FAB Securities research FY2025E-30E

## Net Profit Attributable to Equity Holders

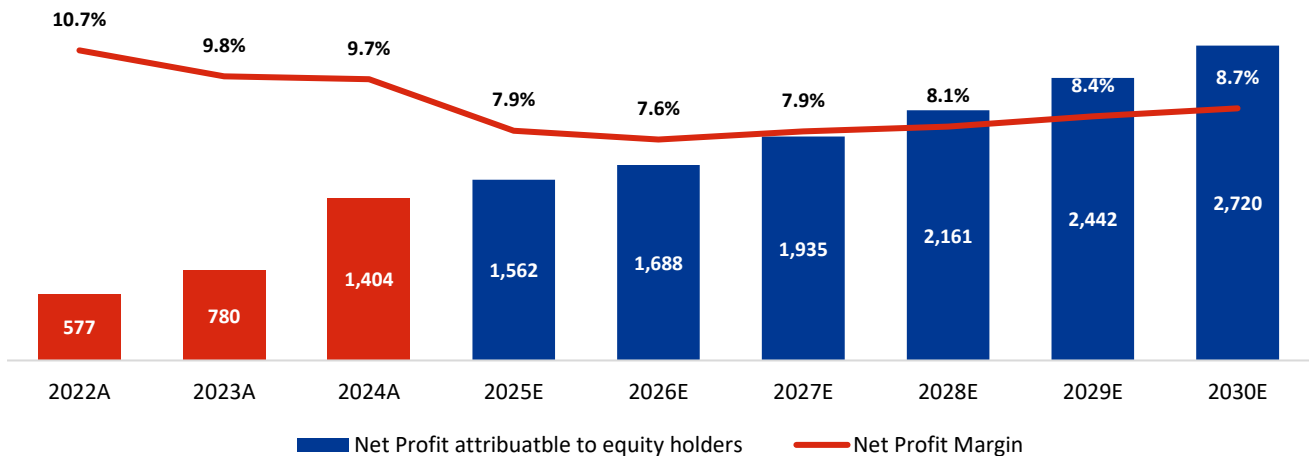
**Looking ahead, net profit attributable to equity holders is expected to grow at a CAGR of 11.7% from AED 1.6 Bn in FY2025 to AED 2.7 Bn by FY2030**

**Management has implemented targeted cost-optimization initiatives, including a comprehensive review of the overhead structure to streamline functional costs and improve cost allocation at the project level**

The Company's net profit attributable to equity holders of the Company expanded at a strong CAGR of 56.0%, rising from AED 577 Mn in FY2022 to AED 1,404 Mn in FY2024, underscoring NMDC Energy's ability to scale operations while sustaining profitability. In 9M25, net profit attributable to equity holders stood at AED 949 Mn, higher than AED 901 Mn in 9M24, reflecting continued earnings resilience despite margin pressures. However, net profit margins moderated over the period, declining from 10.7% in FY2022 to 9.7% in FY2024. The contraction was primarily driven by higher finance costs and tax expenses. Net Profit margins further moderated from 9.2% in 9M24 to 7.3% in 9M25 due to absence of high profit margin project compared to 9M24. Additionally, margins remain sensitive to project execution cycles, including stage-wise progress, timing of client approvals, and external execution challenges.

To mitigate margin volatility, management has implemented targeted cost-optimization initiatives, including a comprehensive review of the overhead structure to streamline functional costs and improve cost allocation at the project level. Further, the Company has enhanced project control and monitoring frameworks, introducing project-wise and portfolio level performance scorecards that are reviewed weekly by senior management, strengthening execution discipline and cost oversight. Net profit attributable to equity holders is expected to grow at a CAGR of 11.7% from AED 1.6 Bn in FY2025 to AED 2.7 Bn by FY2030 with net profit margins anticipated to average at 8.1% from FY2025-FY2030 supported by the unwinding of a strong order backlog and improved operational efficiency.

Figure 22: Net Profit attributable to equity holders (AED, Mn) & Net Profit attributable to equity holders Margin (%)



Source: Company Information, FAB Securities research FY2025E-30E

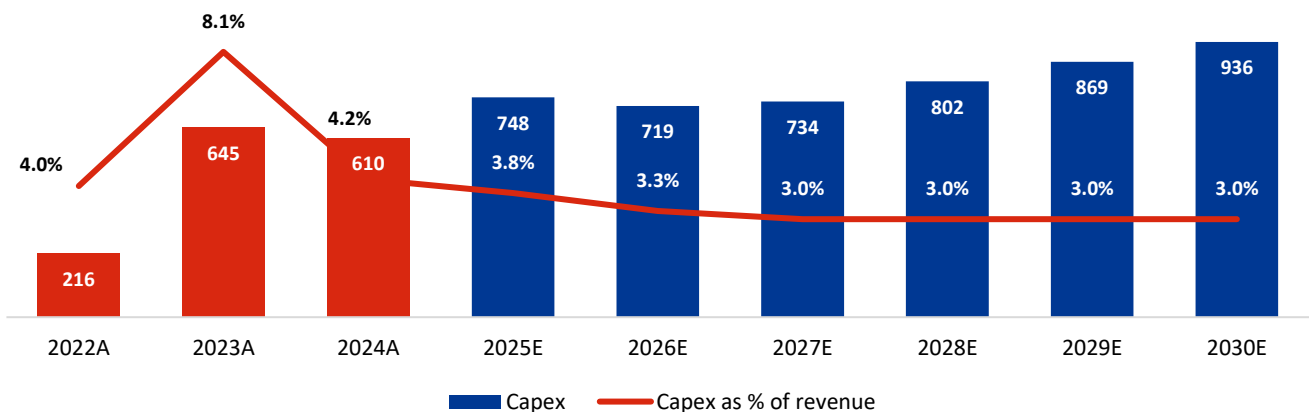
### Capital Expenditure (CAPEX)

The Company is expected to incur cumulative Capex of AED 4.8 Bn during FY2025–FY2030, directed toward sustaining execution capabilities, supporting backlog conversion, and selectively expanding into adjacent growth segments

NMDC Energy's capital expenditure increased from AED 216 Mn in FY2022 to AED 645 Mn in FY2023, before moderating slightly to AED 610 Mn in FY2024. During 9M25, the Company incurred Capex of AED 396 Mn, primarily toward the development of the KSA fabrication yard, upgrades to UAE yards, acquisition of equipment, and routine maintenance Capex. The higher Capex levels in FY2022-FY2023 reflect a planned investment phase aligned with the Company's expanding order backlog and long-term growth strategy. Key initiatives under this Capex program included modernisation of the Mussafah yard to advanced industrial standards, capacity expansion and capability enhancement at the KSA yard, acquisition of specialised equipment to support large and complex EPC projects, and upgradation of the marine fleet aimed at improving operational efficiency, productivity, and extending asset life.

Management expects steady state capex at levels broadly comparable to FY2023-FY2024, excluding any incremental investments related to offshore wind expansion. Any additional Capex for offshore wind vessels is expected to be phased over a two to two- and half-year period, thereby mitigating single year cash flow pressure. Over the forecast period, the Company is expected to incur cumulative Capex of AED 4.8 Bn during FY2025-FY2030, largely directed toward sustaining execution capabilities, supporting backlog conversion, and selectively expanding into adjacent growth segments.

Figure 23: Capex (AED, Mn)



Source: Company Information, FAB Securities research FY2025E-30E

NMDC Energy's working capital comprises inventories, trade and other receivables, contract assets and liabilities, income tax payable, lease liabilities and balances due from & due to related parties

As we advance, NMDC Energy is expected to make a cumulative investment of AED 5.8 Bn in working capital during FY2025-FY2030

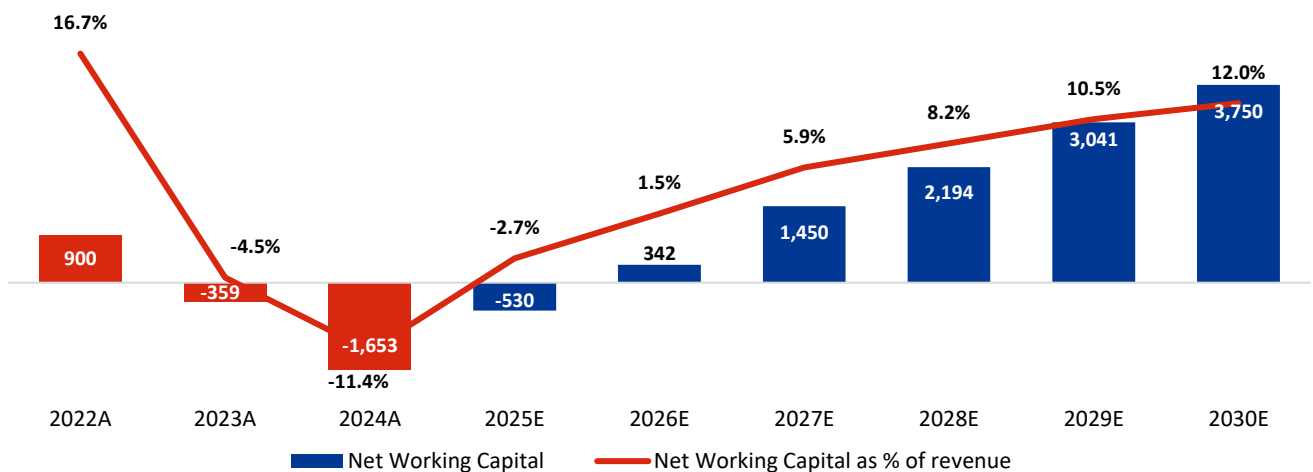
## Working Capital

NMDC Energy's working capital comprises inventories, trade and other receivables, contract assets and liabilities, income tax payable, lease liabilities and balances due from & due to related parties. The Company's net working capital remained negative at AED 1.7 Bn in FY2024, reflecting the EPC business model, characterised by advance payments from customers, milestone-based billing, and strong collections discipline. The negative working capital position was further supported by a continued focus on collections, resulting in lower debtor days and sustained customer advances, even amid a significant scale-up in operations. Overall, despite strong revenue growth, the Company continues to operate with a healthy and efficient working capital cycle.

As of September 2025, net working capital stood at negative AED 1.2 Bn, declining from negative AED 2.8 Bn in 2Q25. The sequential decline was primarily driven by an investment in trade receivables, contract assets, balances due from related parties, and advances to suppliers, partially offset by an increase in trade and other payables. Receivable days remained stable, improving marginally from 55 days in FY2023 to 53 days in FY2024, underscoring effective credit management despite higher execution intensity. Payable days declined from 324 days in FY2023 to 252 days in FY2024, reflecting normalisation of supplier payment cycles following peak execution activity. Going forward, receivable days are expected to average c. 59 days, while payable days are projected to average 230 days during FY2025-FY2030. Inventory requirements remain minimal, given the Company's project-driven procurement model, with inventory days declining from 16 days in FY2023 to 9 days in FY2024. Over the forecast period, inventory days are expected to average around 7 days, indicating continued lean inventory management.

Going forward, NMDC Energy is expected to make a cumulative investment of AED 5.8 Bn in working capital during FY2025-FY2030, primarily driven by sustained revenue growth and execution of a large order backlog, while maintaining overall working capital efficiency.

Figure 24: Net Working Capital (AED, Mn)



Source: Company Information, FAB Securities research FY2025E-30E

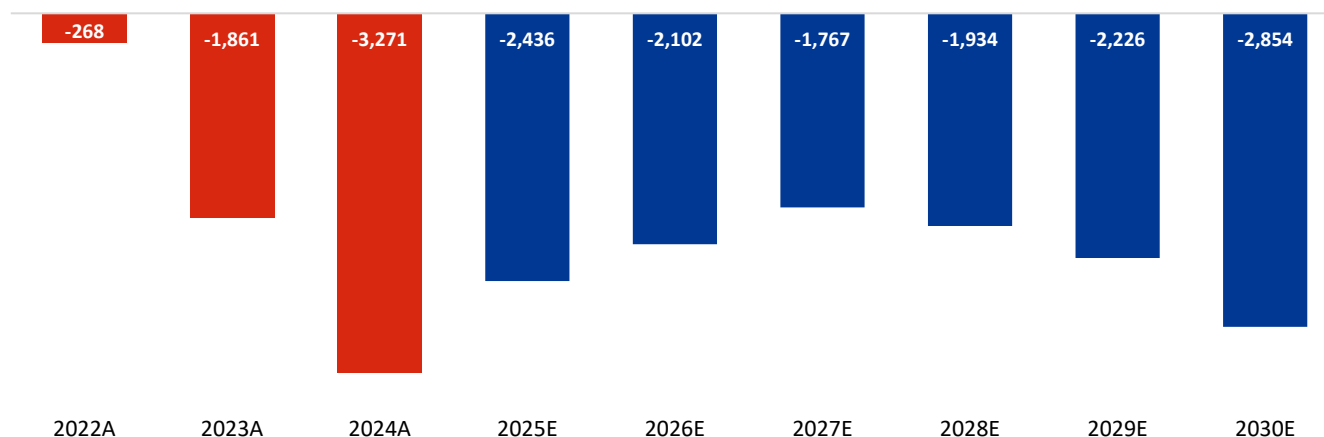
## Financial Leverage

**The Company is expected to refinance the syndicated loan agreement amounting to USD 500 Mn (AED 1.8 Bn) on expiration in FY2027**

NMDC Energy's term loan outstanding declined from AED 580 Mn in FY2024 to AED 382 Mn as of 9M25, reflecting steady scheduled repayments and improving deleveraging. The term loan originates from a syndicated facility executed on 27 February 2020, amounting to AED 1.8 Bn, with an effective interest rate of Term SOFR with a margin of 90 bps. The syndicated facility comprises two tranches: a conventional tranche of USD 167 Mn and an Islamic tranche of USD 333 Mn. According to the loan agreement, repayments are structured as quarterly instalments, commencing in June 2020, with the facility scheduled to be fully amortised by 1Q27. The loan is secured by a mortgage over five vessels owned by the Company, providing lenders with tangible asset cover.

Going forward, the Company is expected to refinance and roll over a portion of the debt, with cumulative refinancing estimated at AED 1.8 Bn on expiration in FY2027, aligned with the Company's long term capital structure and liquidity management strategy. In addition to term borrowings, NMDC Energy carries lease liabilities, which increased from AED 450 Mn in FY2024 to AED 535 Mn in 9M25, primarily reflecting higher utilisation of leased assets to support expanding project execution. Over the forecast period, we expect the Company to add net lease liabilities of AED 571 Mn from FY2025-FY2030.

**Figure 25: Net Debt including long term lease liabilities (AED, Mn)**



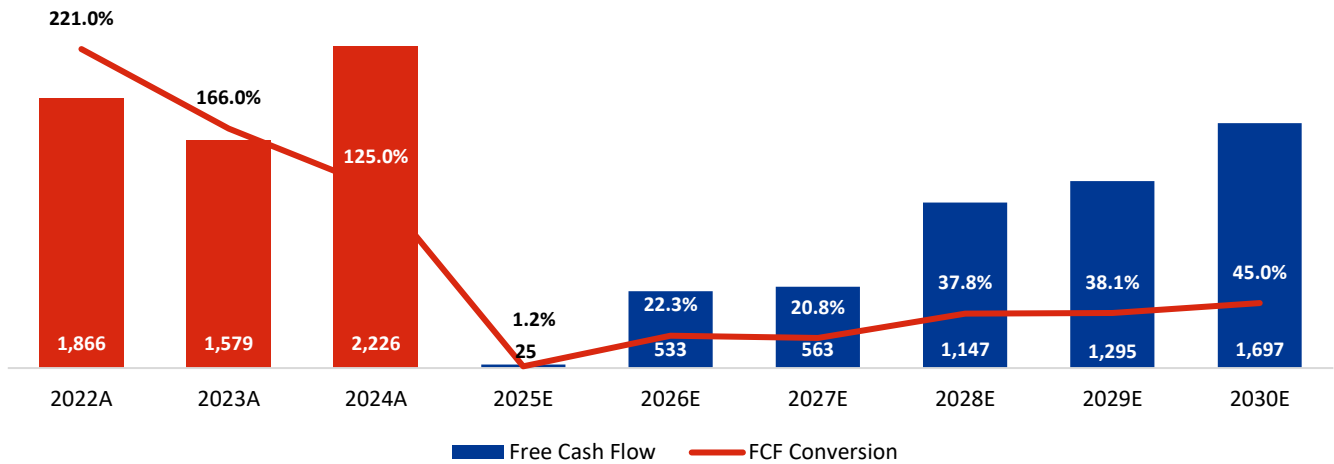
Source: Company Information, FAB Securities research FY2025E-30E

## Cash Flow Generation

**The Company is projected to generate a cumulative free cash flow of AED 5.3 Bn during FY2025-FY2030, with the FCF conversion ratio averaging 27.5%, reflecting strong cash conversion and disciplined capital allocation**

NMDC Energy generated strong positive free cash flow (FCF) of AED 1.6 Bn in FY2023 and AED 2.2 Bn in FY2024, supported by a sharp increase in business volumes, moderating capital expenditure, and favourable working capital dynamics driven by advance receipts and efficient collections. In 9M25, free cash flow moderated to AED 326 Mn, primarily due to investment in net working capital and higher capital expenditure, reflecting the timing of project execution, supplier payments, and ongoing investments in yard upgrades and equipment. Management continues to actively manage working capital through improved procurement terms with suppliers and subcontractors, enhanced billing discipline, and advance payments from clients, which is expected to mitigate volatility over the project lifecycle. Looking ahead, NMDC Energy is expected to generate robust and sustainable free cash flow over the forecast period, underpinned by healthy operating cash inflows from backlog execution, stable margin profile, and controlled capital spending. The Company is projected to generate a cumulative free cash flow of AED 5.3 Bn during FY2025-FY2030, with the FCF conversion ratio averaging 27.5%, reflecting strong cash conversion and disciplined capital allocation.

Figure 26: Free Cash Flow (AED, Mn) & FCF Conversion (%)



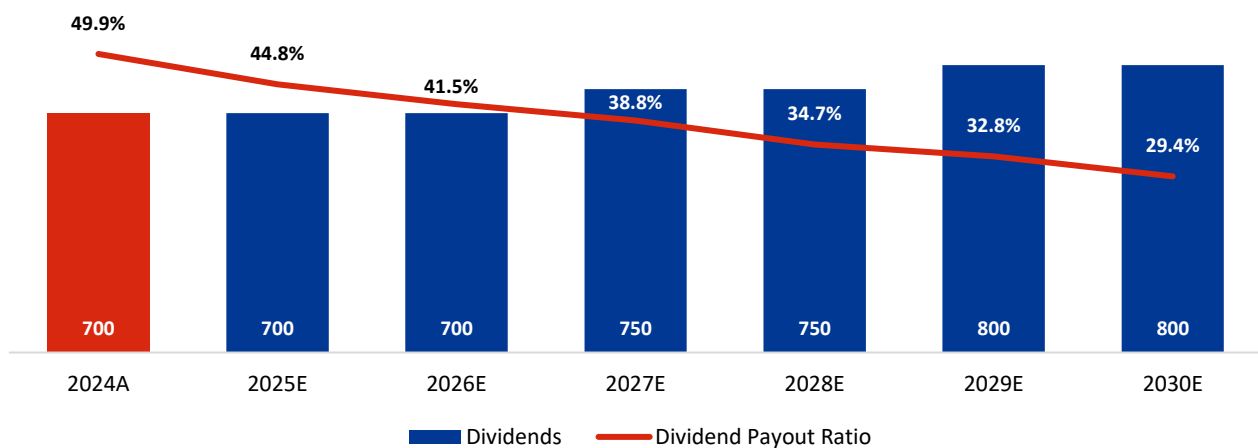
Source: Company Information, FAB Securities research FY2025E-30E

## Dividends

**We expect NMDC dividend payout ratio to average 37.0% in FY2025-30**

NMDC Energy declared dividend of AED 750 Mn in FY2023, reflecting strong earnings visibility and robust cash generation. Further, the Board of Directors has indicated the intention to maintain dividend distributions of c. AED 700 Mn annually over the medium term, underscoring management's commitment to shareholder returns while balancing growth requirements. The Company's dividend payout ratio stood at 49.9% in FY2024, reflecting the Company's operating cash flow strength and negative working capital profile. Going forward, NMDC Energy is expected to moderate its payout levels, with the average dividend payout ratio projected at 37.0% during FY2025-FY2030 which is expected to translate into cumulative dividend distributions of AED 4.5 Bn over the forecast period, while preserving adequate cash flows to fund capital expenditure, working capital needs, and debt service.

Figure 27: Dividend Declared (AED, Mn) & Dividend Payout Ratio (%)



Source: Company Information, FAB Securities research FY2025E-30E



## Financial Statements:

### Income Statement (AED, Mn)

	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
<b>Revenue</b>	5,382	7,941	14,440	19,686	22,112	24,451	26,719	28,959	31,201
Cost of sales	-4,749	-6,795	-12,643	-17,563	-19,735	-21,739	-23,670	-25,545	-27,429
<b>Gross Profit</b>	<b>632</b>	<b>1,145</b>	<b>1,797</b>	<b>2,123</b>	<b>2,377</b>	<b>2,712</b>	<b>3,049</b>	<b>3,414</b>	<b>3,772</b>
General & Administrative Expenses	-22	-134	-123	-124	-127	-131	-134	-137	-141
Operating Expenses	-251	-200	-273	-276	-310	-342	-401	-434	-468
Other Income	34	-2	141	-25	12	13	13	14	14
Share of results from equity accounted investees	0	2	1	1	1	1	1	1	2
<b>Operating Profit</b>	<b>393</b>	<b>790</b>	<b>1,525</b>	<b>1,691</b>	<b>1,953</b>	<b>2,253</b>	<b>2,529</b>	<b>2,857</b>	<b>3,179</b>
Depreciation and amortization	213	162	247	377	432	455	505	539	596
<b>EBITDA - Calculated</b>	<b>843</b>	<b>953</b>	<b>1,776</b>	<b>2,068</b>	<b>2,385</b>	<b>2,708</b>	<b>3,033</b>	<b>3,396</b>	<b>3,775</b>
Finance income	-	91	117	114	79	72	66	71	79
Finance costs	-31	-76	-62	-47	-43	-45	-48	-51	-54
<b>Profit before income tax</b>	<b>363</b>	<b>805</b>	<b>1,581</b>	<b>1,758</b>	<b>1,989</b>	<b>2,280</b>	<b>2,546</b>	<b>2,877</b>	<b>3,205</b>
Income tax expenses	-23	-25	-174	-193	-298	-342	-382	-432	-481
<b>Profit for the year</b>	<b>577</b>	<b>780</b>	<b>1,406</b>	<b>1,565</b>	<b>1,691</b>	<b>1,938</b>	<b>2,164</b>	<b>2,445</b>	<b>2,724</b>
<b>Profit attributable to -</b>									
Non-controlling interest holders	0	1	2	2	3	3	3	4	4
<b>Equity holders of the Company</b>	<b>577</b>	<b>780</b>	<b>1,404</b>	<b>1,562</b>	<b>1,688</b>	<b>1,935</b>	<b>2,161</b>	<b>2,442</b>	<b>2,720</b>
Earnings Per Share (EPS)	0.06	0.34	0.62	0.31	0.34	0.39	0.43	0.49	0.54

### Key Ratios:

	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
<b>YoY % Change</b>									
Revenue	36.5%	47.6%	81.9%	36.3%	12.3%	10.6%	9.3%	8.4%	7.7%
Gross profit	35.8%	81.1%	56.9%	18.2%	11.9%	14.1%	12.4%	12.0%	10.5%
EBITDA	117.3%	13.0%	86.4%	16.4%	15.3%	13.6%	12.0%	12.0%	11.2%
Net profit	339.1%	35.3%	80.2%	11.3%	8.1%	14.6%	11.7%	13.0%	11.4%
<b>% Margin</b>									
Gross margin	11.8%	14.4%	12.4%	10.8%	10.7%	11.1%	11.4%	11.8%	12.1%
EBITDA margin	15.7%	12.0%	12.3%	10.5%	10.8%	11.1%	11.4%	11.7%	12.1%
Operating margin	7.3%	10.0%	10.6%	8.6%	8.8%	9.2%	9.5%	9.9%	10.2%
Net profit margin	10.7%	9.8%	9.7%	7.9%	7.6%	7.9%	8.1%	8.4%	8.7%
<b>Leverage</b>									
Net Debt/Total EBITDA	-0.3	-2.0	-1.8	-1.2	-0.9	-0.7	-0.6	-0.7	-0.8
Net Debt/Equity	-0.1	-0.4	-0.6	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2
<b>Return Ratios</b>									
ROE	16.4%	18.6%	28.6%	27.7%	25.7%	25.2%	24.0%	23.1%	22.0%
ROA	7.0%	6.9%	9.5%	8.6%	8.0%	8.1%	8.2%	8.4%	8.5%
ROCE	11.1%	13.6%	22.6%	22.4%	20.9%	20.5%	19.7%	19.1%	18.4%
<b>Free Cash Flow</b>									
Free Cash Flow (FCF)	1,866	1,579	2,226	25	533	563	1,147	1,295	1,697
FCF Conversion	221%	166%	125%	1%	22%	21%	38%	38%	45%

## Balance Sheet (AED, Mn)

	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
<b>Assets</b>									
<b>Non-current Assets</b>									
Property, Plant and Equipment	2,547	3,041	3,453	3,965	4,418	4,857	5,336	5,849	6,397
Right-to-use assets	294	287	437	552	608	691	777	882	987
Investment in equity accounted investees	24	24	23	23	22	22	22	22	21
Goodwill	5	5	5	5	5	5	5	5	5
<b>Total non-current assets</b>	<b>2,870</b>	<b>3,357</b>	<b>3,918</b>	<b>4,545</b>	<b>5,053</b>	<b>5,576</b>	<b>6,139</b>	<b>6,758</b>	<b>7,410</b>
<b>Current Assets</b>									
Inventories	241	236	250	280	320	356	391	425	459
Trade and other receivables	2,978	3,175	5,033	7,378	8,425	9,370	10,405	11,458	12,539
Due from related parties	786	1,016	-	-	-	-	-	-	-
Contract assets	1,018	2,209	3,106	4,526	5,746	7,087	7,878	8,683	9,512
Derivative financial assets	-	25	12	12	12	12	12	12	12
Short term deposits	-	506	591	650	715	786	865	951	1,047
Cash and cash equivalents	1,682	2,498	3,625	2,577	2,235	1,888	2,040	2,293	2,876
<b>Total Current assets</b>	<b>6,705</b>	<b>9,663</b>	<b>12,617</b>	<b>15,422</b>	<b>17,453</b>	<b>19,500</b>	<b>21,592</b>	<b>23,822</b>	<b>26,444</b>
<b>Total assets</b>	<b>9,575</b>	<b>13,020</b>	<b>16,535</b>	<b>19,968</b>	<b>22,506</b>	<b>25,076</b>	<b>27,731</b>	<b>30,581</b>	<b>33,854</b>
<b>Equities and Liabilities</b>									
<b>Equity</b>									
Share capital	100	100	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Statutory reserve	50	50	190	190	190	190	190	190	190
Restricted reserve	1	1	1	1	1	1	1	1	1
Currency translation reserve	-12	-14	-20	-20	-20	-20	-20	-20	-20
Hedging reserve	-5	15	-15	-15	-15	-15	-15	-15	-15
Retained earnings	3,663	4,443	2,556	3,419	4,407	5,642	7,053	8,744	10,664
Non-controlling interests	3	4	6	8	11	14	17	21	25
<b>Total equity</b>	<b>3,800</b>	<b>4,599</b>	<b>5,219</b>	<b>6,084</b>	<b>7,075</b>	<b>8,313</b>	<b>9,727</b>	<b>11,422</b>	<b>13,346</b>
<b>Non-current Liabilities</b>									
Term loan	845	580	316	51	37	23	8	-	-
Provision for employees end of service benefits	239	260	303	352	407	465	525	588	653
Derivative financial liability	-	-	15	15	15	15	15	15	15
Lease liabilities	304	298	364	475	546	621	699	760	825
<b>Total non-current Liabilities</b>	<b>1,388</b>	<b>1,138</b>	<b>998</b>	<b>894</b>	<b>1,005</b>	<b>1,123</b>	<b>1,247</b>	<b>1,363</b>	<b>1,493</b>
<b>Current Liabilities</b>									
Trade and other payables	3,785	6,028	8,745	11,500	12,706	13,758	14,721	15,607	16,683
Term loan	264	264	264	264	264	264	264	258	244
Due to related parties	-	758	70	-	-	-	-	-	-
Derivative financial liability	-	10	11	11	11	11	11	11	11
Lease liabilities	7	10	86	113	130	147	166	181	196
Contract liabilities	263	141	937	878	987	1,087	1,183	1,277	1,371
Income tax payable	67	73	204	223	328	371	411	461	510
<b>Total current liabilities</b>	<b>4,387</b>	<b>7,283</b>	<b>10,318</b>	<b>12,989</b>	<b>14,426</b>	<b>15,640</b>	<b>16,757</b>	<b>17,795</b>	<b>19,015</b>
<b>Total Liabilities</b>	<b>5,775</b>	<b>8,422</b>	<b>11,316</b>	<b>13,884</b>	<b>15,431</b>	<b>16,763</b>	<b>18,004</b>	<b>19,159</b>	<b>20,508</b>
<b>Total equity and liabilities</b>	<b>9,575</b>	<b>13,020</b>	<b>16,535</b>	<b>19,968</b>	<b>22,506</b>	<b>25,076</b>	<b>27,731</b>	<b>30,581</b>	<b>33,854</b>

## Cash Flow Statement (AED, Mn)

	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
<b>Cash flow from operating activities</b>									
<b>Profit before tax (plus gain from discontinued operation)</b>	<b>600</b>	<b>805</b>	<b>1,581</b>	<b>1,758</b>	<b>1,989</b>	<b>2,280</b>	<b>2,546</b>	<b>2,877</b>	<b>3,205</b>
<i>Adjustments to reconcile profit</i>	-	-	-	-	-	-	-	-	-
Depreciation of PPE	202	150	198	235	266	294	323	355	389
Depreciation of right-of-use assets	11	12	49	141	166	161	182	184	208
Loss (gain) on disposal of property, plant and equipment	18	-1	-8	0	0	0	0	0	0
Gain on disposal of a division	-238	0	0	0	0	0	0	0	0
Allowance for expected credit losses	-1	2	0	0	0	0	0	0	0
Allowance for slow moving and obsolete inventories	3	1	1	2	2	2	2	2	2
Finance income	0	-91	-117	-114	-79	-72	-66	-71	-79
Finance cost	31	76	66	47	43	45	48	51	54
Provision for employees' end of service benefits	32	40	63	78	87	96	104	112	119
Share of profit of investment in associate	-1	-2	-1	-1	-1	-1	-1	-1	-2
Finance costs, net	0	0	0	0	0	0	0	0	0
<b>Operating cash flows before movement in working capital</b>	<b>657</b>	<b>994</b>	<b>1,831</b>	<b>2,146</b>	<b>2,473</b>	<b>2,804</b>	<b>3,138</b>	<b>3,508</b>	<b>3,895</b>
<b>Change in Working Capital</b>									
Inventories	-100	4	-16	-32	-42	-38	-37	-36	-36
Trade and other receivables	-1,085	-240	-1,857	-2,345	-1,048	-945	-1,035	-1,052	-1,081
Due from/to related parties	-65	-230	328	-70	0	0	0	0	0
Contract liabilities	249	-122	796	-59	109	100	97	94	94
Contract assets	482	-1,191	-898	-1,419	-1,221	-1,341	-791	-805	-828
Trade and other payables	1,977	3,047	2,717	2,755	1,206	1,052	962	886	1,076
<b>Cash generated from operations</b>	<b>2,114</b>	<b>2,262</b>	<b>2,901</b>	<b>976</b>	<b>1,477</b>	<b>1,633</b>	<b>2,334</b>	<b>2,595</b>	<b>3,119</b>
Employees' defined benefit obligations paid	-30	-20	-21	-28	-33	-38	-43	-49	-55
Income tax paid	-2	-19	-43	-174	-193	-298	-342	-382	-432
<b>Net Cash Inflows from Operating Activities</b>	<b>2,082</b>	<b>2,224</b>	<b>2,836</b>	<b>773</b>	<b>1,251</b>	<b>1,297</b>	<b>1,948</b>	<b>2,164</b>	<b>2,633</b>
<b>Cash Flows from Investing Activities</b>									
Additions to property, plant and equipment	-216	-645	-610	-748	-719	-734	-802	-869	-936
Movement in short-term deposits placed with bank	0	-506	-85	-59	-65	-71	-79	-86	-95
Finance income received	0	91	117	114	79	72	66	71	79
Dividend received from equity accounted investee	1	1	3	2	2	2	2	2	2
Proceeds from disposal of property, plant and equipment	39	2	8	0	0	0	0	0	0
Investment in equity accounted investee	0	0	0	0	0	0	0	0	0
<b>Net Cash Outflow from Investing Activities</b>	<b>-175</b>	<b>-1,056</b>	<b>-566</b>	<b>-692</b>	<b>-703</b>	<b>-731</b>	<b>-813</b>	<b>-882</b>	<b>-950</b>
<b>Cash Flow from Financing Activities</b>									
Addition of term loan	0	0	0	0	250	250	250	250	250
Repayments of term loan	-264	-264	-264	-264	-264	-264	-264	-264	-264
Repayment of lease liabilities	-7	-21	-73	-141	-162	-184	-207	-254	-276
Dividend paid	0	0	-750	-700	-700	-700	-750	-750	-800
Finance costs paid	-31	-64	-49	-23	-15	-13	-12	-11	-10
Funds transferred to a related party	-500	-	-	-	-	-	-	-	-

Net Cash Inflow/ Outflow from Financing Activities	-802	-349	-1,137	-1,129	-891	-912	-984	-1,029	-1,100
Net Increase/(Decrease) in Cash and Cash Equivalents	1,105	818	1,133	-1,047	(343)	(346)	152	253	583
Net foreign exchange difference	579	1,682	2,498	3,625	2,577	2,235	1,888	2,040	2,293
Cash and cash equivalents at the beginning of the year	-2	-2	-6	0	0	0	0	0	0
Cash and Cash Equivalents at the End of the Year	1,682	2,498	3,625	2,577	2,235	1,888	2,040	2,293	2,876

Source: Company Information, FAB Securities research (2025E-30E)

#### Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

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