

ARABIAN DRILLING REPORTS 9M 2025 RESULTS WITH SAR 11 BILLION BACKLOG

RIG RESUMPTIONS SPUR OPTIMISM FOR 2026

- **Backlog up 6.8% year-on-year, supporting future revenue visibility**
- **EBITDA margin resilient at 35.1% despite modest QoQ revenue decline of 3.1%,**
- **100% offshore utilization expected in Q2 2026, driven by international expansion and two rig resumptions**
- **3 land rig resumptions announced today, driving optimism for 2026**

AlKhubar, Kingdom of Saudi Arabia – 2 November 2025: Arabian Drilling, or the “Company”, (Tadawul symbol: 2381), Saudi Arabia’s largest drilling contractor by fleet size, today announced its financial results for the three / nine months ended 30 September 2025 (“**Q3 2025**” and “**9M 2025**”).

During the third quarter, revenue declined modestly by 3.1% quarter-on-quarter to SAR 835 million, while EBITDA margin remained stable at 35.1%. Net income for the quarter decreased by SAR 16 million, resulting in a net loss of SAR 9.4 million due to realizing the full impact of rig suspensions and higher deferred taxes resulting from an increased asset base. Nevertheless, the Company’s backlog stood close to SAR 11 billion as of September 2025, up 6.8% year-on-year, underscoring the resilience of Arabian Drilling’s business model and the enduring demand for its services. Cost optimization initiatives remain under focus with ongoing SG&A and CAPEX discipline aimed at reinforcing margin resilience and long-term cash flow stability.

Arabian Drilling recently announced receiving notices of resumption for 2 offshore and 3 land rigs. With the renewal / extension of 22 out of 24 rig contracts in 2025, including eleven gas land rigs, and the successful contracting of the Company’s first international operation, Arabian Drilling is set for a solid start in 2026. Renewal for the remaining 2 rigs will be announced soon.

Ghassan Mirdad, Chief Executive Officer of Arabian Drilling, commented on the results: *“While 2025 has presented significant challenges, we were able to safely navigate these tough times thanks to the dedication of our team and its commitment to safeguarding our core strengths. The renewal of almost all expiring rig contracts and our robust backlog are testaments to the trust our clients place in us. We are actively managing our fleet and prioritizing getting recalled rigs ready for resumption in time. We are looking forward to reaching 100% utilization in the offshore segment, and 80% for the total fleet, in Q2 2026 as one rig has already reached its destination and is currently preparing to commence our first international contract in the GCC region. This is in addition to two rigs set to resume operations in Q1 2026.”*

Farid Mustafayev, Chief Financial Officer of Arabian Drilling, commented: *“The stability of our EBITDA margin at 35.1% for Q3 2025 reflects the resilience of our operations. We ended the quarter with a solid SAR 11 billion backlog on the back of successful renewal of most rig contracts, providing strong revenue visibility. With a healthy leverage ratio of 2.0x, we continue to manage our balance sheet conservatively. Looking ahead, and with rig resumption notices now in place, we remain focused on cost discipline to restore profitability momentum, boost cash flow performance and drive long-term value for our shareholders.”*

Rig Contract Renewal

In 2025, Arabian Drilling successfully renewed 22 out of 24 rig contracts scheduled for expiry, including eleven unconventional gas land with SLB, and one offshore rig with KJO announced in Q3 2025. This highlights the Company's strong client relationships and the continued demand for its services.

Short-term Guidance

For the fourth quarter of 2025, we anticipate that revenue will remain largely unchanged from Q3 2025, though there is a risk of a decline of up to 5% as the full impact of Q3 2025 temporarily suspended rigs, is realized. This potential decrease may be partially offset by an expected uptick in rig move activity. CAPEX for the full year 2025 is projected to be SAR 800 million, including the majority of capital expenditures for recently announced rig resumptions.

Key Financial and Operational Metrics

SAR Million	Q3'25	Q2'25	QoQ %	9M'25	9M'24	YoY %
Revenue	835	862	-3.1%	2,609	2,769	-5.8%
EBITDA	293	303	-3.0%	977	1,150	-15.1%
EBITDA Margin	35.1%	35.1%	0.0pp	37.4%	41.5%	-4.1pp
Adjusted Operating Profit	55	67	-17.5%	259	538	-51.8%
Adjusted Net Profit	-9	7	-225.8%	73	356	-79.4%
Net Profit / Loss	-9	7	-225.8%	73	251	-70.8%
Adjusted EPS (SAR)	-0.11	0.1	-225.8%	0.82	4.0	-79.4%
Capital Expenditures	98	196	-50.0%	584	1,467	-60.2%
Cash flow from operations ¹	276	292	-5.5%	929	1,121	-17.1%
Net debt / TTM EBITDA	2.0x	1.9x	0.1x	2.0x	1.8x	0.2x
Active Rigs (EoP) ²	45	48	-6.3%	45	49	-8.2%
Utilization Rate (EoP) ³	73.8%	78.7%	-4.9pp	73.8%	86.0%	-12.2pp

Notes:

- 1 Before working capital changes.
- 2 Active rigs at the end of the period include rigs operating and generating revenue
- 3 Utilization rate refers to the percentage of revenue-generating rigs relative to total available fleet of 61 rigs.

Results by Segment

Land Segment¹

SAR Million	Q3 '25	Q2 '25	QoQ %	9M '25	9M '24 ³	YoY %
Revenue	585	617	-5.2%	1,863	1,597	16.7%
Gross profit margin ²	6.2%	11.0%	-4.8pp	12.2%	9.0%	3.2pp

Offshore Segment

SAR Million	Q2 '25	Q1 '25	QoQ %	9M '25	9M '24 ³	YoY %
Revenue	250	246	2.0%	746	1,172	-36.4%
Gross profit margin ²	25.9%	22.7%	3.2pp	23.7%	37.4%	-13.7pp

1 Includes OFSAT results

2 Includes depreciation, excluding G&A, interest and tax

3 Excludes impact of non-cash asset impairment

Conference Call Information

The Company will hold a virtual conference to discuss the nine-months results of 2025 and future outlook on November 3, 2025. The conference will be hosted by Arabian Drilling and is scheduled to start at 3:00 PM Saudi Arabian time, corresponding to 12:00 PM London, and 7:00 AM New York City time.

To register in the call, please use this [link](#). To access the conference call by phone, please dial United States: +1 718 866 4614, United Kingdom: +44 203 984 9844 (Numbers for other countries are available [here](#)).

Please note: This call is not available to media representatives.

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About Arabian Drilling

Arabian Drilling is an award winning onshore and offshore gas and oil rig drilling company in Saudi Arabia with an extensive track record of operational excellence and a history of innovation that has brought tremendous safety and efficiency gains to the drilling process.

Established in 1964, Arabian Drilling is the leader in the drilling sector in Saudi Arabia, with founders and majority shareholders being the Industrialization & Energy Services Company (TAQA), a Saudi Joint Stock company and SLB (previously known as Schlumberger), a global leader in oilfield services.

Arabian Drilling serves clients including Aramco, AlKhafji Joint Operations (KJO), SLB, as well as Baker Hughes, and has a large fleet of onshore and offshore rigs operated by a highly skilled, qualified, and professional staff, that are built to withstand the harsh weather conditions found in the Middle East region.

Arabian Drilling has adapted to meet the needs of a changing industry and world, integrating sustainable practices throughout the business and contributing to sustainable global energy demand. Arabian Drilling's sustainability Roadmap is aligned with the United Nations Sustainable Development Goals (UN SDGs) and Saudi Arabia's Vision 2030, with initiatives and business practices that empower employees, local suppliers, and the communities and economies in which the company operates and serves, while responsibly managing the impacts of the growing business on the planet.

Arabian Drilling – IR website: <https://www.arabdrill.com/investor-home>

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