ARABIAN DRILLING REPORTS 9M AND Q3 2026 RESULTS

ARABIAN DRILLING DELIVERS STRONG Q3 RECOVERY, WITH REVENUE GROWTH AT TOP END OF GUIDANCE AND RECORD SAR 17.6 BILLION BACKLOG

HIGHLIGHTS

- **Record backlog reached SAR 17.6 billion, approximately** 42% higher than year-end 2025, supported by major land and offshore contract awards
- **Q3 revenue increased 6% quarter-on-quarter to SAR 811 million,** reaching the top end of the company's previous 4–6% guidance
- **Q3 EBITDA increased by 27% quarter-on-quarter to SAR 319 million,** with EBITDA margin improving to 39%, reflecting higher activity and continued benefits from operational efficiencies and cost optimization
- **Net income recovered to SAR 31 million from a SAR 32 million loss in Q2 2026**
- **9M EBITDA remained resilient at SAR 859 million,** maintaining a healthy margin of 36% despite revenue being lower by SAR 212 million year-on-year

Al Khobar, Kingdom of Saudi Arabia – 8 November 2026: Arabian Drilling (Tadawul: 2381) ("**Arabian Drilling**" or the "**Company**"), Saudi Arabia's largest drilling contractor by fleet size, today announced its financial results for the three and nine months ended 30 September 2026 ("**Q3 2026**" and "**9M 2026**").

Arabian Drilling delivered a strong sequential recovery in Q3 2026. Revenue increased 6% quarter-on-quarter to SAR 811 million, reaching the top end of the company's previously communicated guidance of 4–6%, primarily supported by the resumption of offshore rigs during the quarter.

EBITDA increased 27% quarter-on-quarter to SAR 319 million, with EBITDA margin improving to 39% from 33% in Q2 2026, reflecting higher operating activity and continued benefits from operational efficiencies and cost optimization. Net income recovered to SAR 31 million from a net loss of SAR 32 million in Q2 2026.

For the first nine months of 2026, revenue was SAR 2.40 billion, down SAR 212 million year-on-year. EBITDA was SAR 859 million, representing a resilient margin of approximately 36% despite the lower revenue. This demonstrates the strength of the underlying operating performance and the benefits of actions taken to align the cost base with lower activity levels.

Net cash generated from operating activities including working capital changes increased to SAR 626 million in 9M 2026, compared with SAR 571 million in the corresponding period of 2025, demonstrating resilient cash generation despite lower year-on-year activity.

Record Backlog and Strengthening Activity Outlook

Arabian Drilling's backlog reached an all-time high of SAR 17.6 billion, approximately 42% higher than SAR 12.4 billion at year-end 2025, significantly strengthening the company's long-term revenue visibility.

The increase reflects strong contracting momentum during the year, including the previously announced gas LSTK award covering 11 land rigs, a further gas LSTK award covering 8 land rigs, and the KJO Dorra award covering 4 offshore rigs. Together, these awards provide a strong foundation for future fleet deployment and growth as the company progresses mobilization and commencement of the contracted operations.

Operational Highlights

The total fleet utilization rate improved 500 bps QoQ and 290 bps year-on-year, supported by the resumption of offshore rig operations during the periods. This was the primary driver of the company's sequential recovery, restoring activity and lifting revenue to the top end of guidance. Operational efficiencies and cost-optimization initiatives implemented across the business enabled this higher activity to translate into stronger margins and a return to profitability. In parallel, Arabian Drilling is progressing the deployment of rigs under its recently awarded gas LSTK and KJO Dorra contracts, with the start-up of these projects expected to support further revenue growth in Q4 2026.

Short-term Guidance

The company expects Q4.2026 revenue to increase by approximately 8-10% quarter-on-quarter, primarily supported by the start-up of the recently awarded gas LSTK and KJO Dorra projects.

2026 capital expenditure is expected at SAR 750–800 million, compared with previous guidance of approximately SAR 700 million, reflecting accelerated rig reactivation and onboarding to meet contracted start-up schedules and support secured growth.

Key Financial and Operational Metrics

SAR Million	Q3 '26	Q2 '26	QoQ %	9M '26	9M '25	YoY %
Revenue	810.7	764.7	+6.0%	2,397.0	2,609.0	-8.1%
EBITDA	319.5	250.6	+27.5%	859.1	976.8	-12.0%
EBITDA (% of Revenue)	39.4%	32.8%	+660 bps	35.8%	37.4%	-160 bps
Operational Profit	82.2	18.8	+337.2%	160.8	259.2	-38.0%
Net Profit	31.4	(31.5)	nm	6.9	73.3	-90.6%
EPS (SAR)	0.35	(0.35)	nm	0.08	0.82	-90.2%
Capital Expenditure	130.0	180.9	-28.1%	485.9	584.2	-16.8%
Cash flow from operations [1]	323.6	243.3	+33.0%	847.5	928.6	-8.7%
Net debt / LTM EBITDA	2.3x	2.2x	+0.1x	2.3x	2.0x	+0.3x
Active Rigs (EoP) [2]	46	43	+7.0%	46	45	+2.2%
Utilization Rate (EoP) [2]	76.7%	71.7%	+500 bps	76.7%	73.8%	+290 bps

Notes:

1. Cash flow from operations before working capital changes.
2. EoP: End of period.

Results by Segment

Land Segment [1]

SAR Million	Q3 '26	Q2 '26	QoQ %	9M '26	9M '25	YoY %
Revenue	582.6	593.4	-1.8 %	1,724.6	1,863.2	-7.4%
Cost of Revenue[2]	(485.9)	(512.9)	-5.3%	(1,535.4)	(1,635.8)	- 6.1%
Gross Profit	96.7	80.5	+20.1%	189.2	227.4	-16.8%

Offshore Segment

SAR Million	Q3 '26	Q2 '26	QoQ %	9M '26	9M '25	YoY %
Revenue	228.1	171.3	+33.2%	672.4	745.7	-9.8%
Cost of Revenue [2]	(191.7)	(181.5)	+5.6%	(557.6)	(569.3)	-2.1%
Gross Profit	36.4	(10.2)	nm	114.8	176.4	-34.9%

1. Includes OFSAT results.
2. Includes depreciation, excluding G&A, interest and tax.

Management Commentary

CEO Commentary – Eng. Fahad Albani

"Our third-quarter results demonstrate a strong recovery in the business, with revenue increasing 6% quarter-on-quarter to reach the top end of our guidance, alongside a return to profitability following the loss recorded in the previous quarter. The recovery reflects both improving activity and the benefits of the operational efficiency and cost optimization initiatives implemented across the business. At the same time, the contract awards announced during the year have increased our backlog to a record SAR 17.6 billion, approximately 42% higher than at the end of 2025. These awards strengthen our long-term revenue visibility, broaden our customer base and provide a strong platform for future growth and maintaining disciplined execution, successfully deploying the recently awarded rigs and converting this strong backlog into sustainable earnings, cash generation and long-term value for our shareholders"

CFO Commentary – Farid Mustafayev

"Our performance demonstrates the tangible benefits of the operational efficiency and cost optimization measures implemented across the business. 9M EBITDA remained strong at SAR 859 million despite revenue being SAR 212 million lower year-on-year, Net cash generated from operating activities increased to SAR 324 million from SAR 243 million in the prior quarter. We are increasing our 2026 capital expenditure guidance to SAR 750–800 million, primarily to support acceleration and onboarding of the rigs for recently awarded contracts. This represents disciplined investment in our potential growth as we prepare the fleet for higher activity in 2027"

Conference Call Information

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

Arabian Drilling will host a virtual conference call to discuss the results and outlook on 9 November 2026 at 15:00 Saudi Arabian time, corresponding to 12:00 London and 07:00 New York City time. To register for 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.

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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, a global energy technology company.

Arabian Drilling serves clients including Saudi 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

Contacts

Investor Relations contact: **ir@arabdrill.com**

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