

ARABIAN DRILLING ANNOUNCES RESILIENT FY 2024 FINANCIAL PERFORMANCE WITH THE SUCCESSFUL DEPLOYMENT OF 13 UNCONVENTIONAL LAND RIGS

- **FY 2024 revenue increased by 4.1%, reaching SAR 3,619 million in line with guidance**
- **Strong EBITDA margin of 41.7% maintained**
- **Successful deployment of 13 new unconventional land rigs**
- **Increased total rig count to 59, reinforcing market leadership**

AlKhubar, Kingdom of Saudi Arabia – 12 March 2025: Arabian Drilling, or the “Company”, (Tadawul symbol: 2381), Saudi Arabia’s largest onshore and offshore drilling contractor by fleet size, announced today its financial results for the fourth quarter of 2024 (“Q4 2024”) and the full year ended 31 December 2024 (“FY 2024”), highlighting growth in annual revenue and a robust EBITDA margin. FY 2024 Revenue recorded SAR 3,619 million, marking a 4.1% year-on-year increase and EBITDA reached SAR 1,508 million with a strong EBITDA margin of 41.7%. Cashflow from operating activities balance recoding SAR 1,750, 28.6% higher than FY 2023.

Arabian Drilling ended the year 2024, with a healthy backlog of SAR 10.3 billion with an addition of SAR 795 million in Q4 2024. Backlog growth was driven by contract extensions for two land rigs and one offshore barge, adding 17 active rig years.

Arabian Drilling successfully deployed 13 new unconventional land rigs in Saudi Arabia, bringing its land fleet size to 47 rigs and the total fleet to 59 rigs by the end of 2024 reflecting an increase of 20.4% year on year and 31.1% since its listing in Tadawul in November 2022.

This focused strategic expansion reinforces the Company’s position as the leading drilling company in Saudi Arabia by fleet size, and positions Arabian Drilling’s as a national leader in the Kingdom.

The newly deployed unconventional land rigs were swiftly constructed and mobilized to support Saudi Arabia’s dynamic energy needs as it advances to increase the share of natural gas in the energy mix. A key enabler of this shift is the Jafurah gas field, the largest unconventional gas development in the region.

In a post-period event on 17 February 2025, the Company announced signing a Memorandum of Understanding with Shelf Drilling, a leading international shallow water offshore contractor with rig operations across the Middle East, Southeast Asia, India, West Africa, the Mediterranean and the North Sea. This strategic alliance aims to enhance Arabian Drilling’s ability to expand its offshore drilling operations globally, facilitating the international deployment, through of premium jack-up rigs utilizing Shelf Drilling’s extensive global footprint. The Alliance allows the Company to leverage Shelf Drilling’s diverse network of international customers, expanding the reach and capabilities of both companies.

Ghassan Mirdad, Chief Executive Officer of Arabian Drilling, commented on FY 2024 results: *“We have demonstrated strong and resilient performance in FY 2024, successfully delivering on revenue guidance with a 4.1% increase to reach SAR 3,619 million and an EBITDA of SAR 1,508*

which marks a 41.7% margin. Our competitiveness is underscored by the successful penetration of the unconventional gas market with 13 new rigs, which have significantly expanded our ability to drive sustainable future growth of the company.

Now that we are witnessing an influx of drilling tenders internationally, the alliance with Shelf Drilling comes at an opportune time as we are currently marketing 3 available rigs with the alliance. This partnership will provide us with a license to operate globally to expand our presence in international regions with high demand for offshore rigs.

Hubert Lafeuille, Chief Financial Officer of Arabian Drilling, commented: *"We are delighted to report that we have achieved revenue growth for the fiscal year despite the challenges faced in 2024. Our EBITDA remains strong, reflecting solid profitability and operational efficiency. We have made notable improvements in our financial position, demonstrated by improved net working capital and a robust debt profile. Furthermore, our ability to maintain a healthy backlog of SAR 10.3 billion was supported by our ability to secure strategic contract extensions. This highlights our adaptability and strategic foresight in a Saudi Arabia's dynamic market. Our strong balance sheet enables us to pursue geographical expansion, enhancing our ability to swiftly reposition ourselves to capture targeted growth opportunities that require our expertise. "*

While Arabian Drilling generated a strong EBITDA in 2024, higher net financing expenses and increased depreciation costs that comes expanding in the unconventional market in the Kingdom, impacted the year's adjusted net income, which, after accounting for a *one-time* non-cash impairment charge of SAR 105 million recognized in Q2, declined by 29.5% year-on-year to SAR 426 million. This decline includes the impact of interest charges on loans, as well as the impact of capitalized interest in 2023. The increase in depreciation and amortization expenses is primarily attributed to the expanded asset base. This includes the addition of three offshore rigs in the latter half of 2023 and thirteen unconventional land rigs in 2024.

Rig Contract Renewal

Arabian Drilling has a total of 24 rigs, which include 21 land rigs and 3 offshore rigs, with contracts set to expire in 2025. Out of the 21 land rigs, 11 are contracted with SLB for the gas Lumpsum Turnkey (LSTK) project and include a one-year extension option. Considering the significance of gas drilling in supporting Saudi Arabia's transition towards increased usage of gas for electricity generation, it is anticipated that the extension option for all 11 rigs will be exercised. Seven land rigs, primarily gas, are directly contracted with Aramco and are currently under negotiation for renewal. The remaining rigs are bearing extension options, or under negotiation for renewal.

For offshore operations, three rigs nearing contract completion, one of which is currently suspended, while one rig is contracted with KJO and is undergoing contract renewal negotiations. The final rig, which is leased, is currently contracted with Aramco and has a one-year extension option as well as a corresponding lease extension option. This arrangement grants flexibility to extend or terminate the lease based on the contract renewal status.

Strategic Priorities for 2025

For FY 2025, Arabian Drilling outlines its strategic priorities to drive growth and deliver on its core mission and values.

1. **Increase fleet utilization** – both in the land and offshore segments, locally and internationally.
2. **Supporting KSA's Energy Transition** – Arabian Drilling will continue to support Saudi Arabia's energy transition plans by providing advanced gas drilling solutions, mainly in the unconventional gas drilling sector.
3. **Global Expansion** – With the alliance with Shelf Drilling in place, the Company aims to expand its operations to lucrative international regions with high demand for drilling services at minimal cost.
4. **Health, Safety, and Environment (HSE)** – the Company continues to significantly enhance Health, Safety, and Environment activities, ensuring the highest standards are upheld while prioritizing employee welfare through comprehensive safety programs and ongoing training.

Short-term Guidance

In light of the prevailing uncertainty in the oil and gas sector, coupled with current geopolitical and economic factors that may impact operations, management has opted to provide quarterly guidance, rather than on an annual basis. This approach allows the Company to provide more realistic guidance to the market, supporting fair market valuation.

For the next quarter, the Company expects its financial performance to continue to reflect the resilience and operational efficiency demonstrated in 2024.

For Q1 2025 revenue, we expect to maintain the same level compared to Q4 2024 with a 5% upside. Our guidance reflects a cautious outlook in an unpredictable, but evolving market environment.

Dividends

The Company's Board has approved a dividend of SAR 1.35 per share for H2'24, to be paid in April 2025, bringing the total dividend for FY'24 to SAR 240.3 million. The Company will continue to assess dividends payments on a semi-annual basis, aiming to maintain a balance between supporting investments for sustainable long-term growth and returning value to shareholders.

Key Financial and Operational Metrics

SAR Millions	Q4'24	Q3'24	Change	FY'24	FY'23	Change
Revenue	850	863	-1.5%	3,619	3,477	+4.1%
EBITDA	358	358	0.0%	1,508	1,485	+1.5%
EBITDA Margin	42.1%	41.5%	+60 bps	41.7%	42.7%	-100 bps
Adjusted Operating Profit ¹	133	143	-7.0%	671	801	-16.2%
Adjusted Net Income ¹	70	85	-17.6%	426	605	-29.6%
Net Income	70	85	-17.6%	321	605	-46.9%
Adjusted EPS (SAR)	0.79	0.95	-16.8%	4.79	6.79	-29.5%
Capital Expenditure ²	443	548	-19.2%	1,910	1,847	+3.4%
CF from Operating Activities	702	478	+46.9%	1,750	1,360	+28.7%
Net Debt / EBITDA	1.6x	1.7x	-0.1x	1.6x	1.2x	+0.4x
Active Rigs ³	49	49	0%	49	47	+4%
Utilization Rate ⁴	83.1%	86.0%	-290 bps	83.1%	95.9%	-1280 bps

Notes:

- 1 Excludes a non-cash asset impairment charge of SAR 105 million recognized in Q2'24.
- 2 YTD'23 Capex included SAR 37.6 million of capitalized interest cost.
- 3 Active rigs at the end of the period include rigs operating and generating revenue.
- 4 Utilization rate refers to [the percentage of revenue-generating rigs relative to total available fleet]

Results by Segment**Land Segment¹**

SAR Millions	Q4'24	Q3'24	Change	FY'24	FY'23	Change
Revenue	544	563	-3.3%	2,141	2,009	+6.5%
Cost of Revenue²	(486)	(477)	+1.9%	(1,945)	(1,683)	+15.5%
Gross Profit	58	86	-32.5%	196	326	-39.8%
Adjusted Gross Profit³	58	86	-32.5%	251	326	-23.0%

Offshore Segment

SAR Millions	Q4'24	Q3'24	Change	FY'24	FY'23	Change
Revenue	306	300	+2.0%	1,478	1,467	+0.7%
Cost of Revenue²	(182)	(207)	-12.1%	(915)	(818)	+11.8%
Gross Profit	124	93	+33.3%	563	650	-13.3%
Adjusted Gross Profit³	124	93	+33.3%	613	650	-5.7%

- 1 Includes OFSAT results
- 2 Includes depreciation, excluding G&A, interest and tax
- 3 Excludes impact of non-cash asset impairment

-ENDS-

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.

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