

ARABIAN DRILLING REPORTS 1H AND Q2 2025 RESULTS WITH STRATEGIC EXPANSION AND A ROBUST BACKLOG OF SAR 11.1 BILLION

- Backlog reaches SAR 11.1 billion with a substantial SAR 2.4 billion intake in Q2 '25
- 1H '25 land segment revenues jump by 23.7% YoY on full impact of unconventional rigs
- Total revenues, EBITDA, and net income decline, reflecting current market challenges
- Cost reduction plan actioned, annual CAPEX down by SAR 200m

AlKhobar, Kingdom of Saudi Arabia – 29 July 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 first half and second quarter of 2025 (“**1H 2025 and Q2 2025**” or “**1H '25 and Q2 '25**”).

In the second quarter of 2025, Arabian Drilling has demonstrated resilience and strategic foresight. Second quarter’s revenues showed quarterly decline due to normalized rig move activities in Q2 2025 and higher offshore rig maintenance compared to Q1 2025. On the other hand, the robust contract backlog, which significantly increased to reach SAR 11.1 billion on 30 June 2025, underlines contractual future growth. Q2 2025 financial indicators reflect the temporary impact of current market challenges which have coincided with implementing important strategic investments intended to enhance long-term profitability.

Due to the recent decline in revenue, EBITDA, and net income, the Company is proactively implementing cost rationalization measures by reducing capital expenditures and SG&A expenses. Arabian Drilling remains committed to maintaining financial stability and enhancing long-term profit margins.

Ghassan Mirdad, Chief Executive Officer of Arabian Drilling, commented on the results: *“Despite facing a challenging environment, our strategic actions have been crucial in setting the stage for a robust and more resilient future. Our initiative to deploy 13 unconventional land rigs is now bearing fruit as we record 23.7% jump in land segment’s revenues year-on-year, more than offsetting land rig suspensions and terminations.*

He added: *I am particularly excited for announcing our first international contract today, which marks a milestone achievement in our journey. This contract is the first step towards expanding our operational footprint globally. We have started delivering on our promise to the market to take our operations outside Saudi Arabia. I am confident that we will be delivering exceptional value to our client.”*

Hubert Lafeuille, Chief Financial Officer of Arabian Drilling, commented: *“Our backlog intake of SAR 2.4Bn this quarter was the highest since 2023. It demonstrates our competitive edge and secures a stable revenue stream for the coming periods. We are also making strides in optimizing our capital expenditures and operational costs, which are vital for strengthening our long-term financial health. Following significant CAPEX investments in the last few years to acquire strategic assets, we are now heading towards a more normalized spending enabling higher periodical free cash flow generation. Concurrently, we are implementing an SG&A cost optimization plan to achieve additional sustainable*

cost efficiencies. The financial outcomes of 1H 2025 still show a resilient margin profile, despite missing a substantial amount of revenues on an annual basis as a result of lower rig activity and day rate discounts.

He added: Moving into 2H 2025, we expect the financial performance to remain challenging due to the impact of suspensions. However, our robust contract backlog clearly demonstrates our capacity for future earnings. With our cost optimization efforts underway, we are building the foundation for a leaner and more profitable operation fit for the current market environment.”

Rig Contract Renewal

As of January 1, 2025, Arabian Drilling had twenty-four rigs due for contract renewal in 2025. By the end of June 2025, the Company has already secured renewal for almost half of the twenty-four rigs and is on good track to renew the remaining rigs rolling off contract this year. During this Quarter, the Company announced renewal for six Aramco rigs securing a total of 39 rigs years with associated backlog in excess of SAR 2.4 billion. Combined, these contract extensions constitute the single largest quarterly backlog intake since Q3 2023.

Short-term Guidance

For the third quarter of 2025, we project our revenue to reflect a potential decline of up to 10% from Q2 2025 due to ongoing suspensions impacting the upcoming quarters. This guidance is a continuation of Arabian Drilling's cautious approach due to heightened market uncertainties. We continue to advise vigilance and caution in forecasting future financial performance.

Key Financial and Operational Metrics

SAR Million	Q2 '25	Q1 '25	QoQ %	H1 '25	H1 '24	YoY %
Revenue	862	911	-5%	1,774	1,906	-7%
EBITDA	303	381	-21%	683	791	-14%
EBITDA margin	35.1%	41.8%	-6.7pp	38.5%	41.5%	-3.0pp
Operating profit (EBIT)	67	137	-51%	204	289	-30%
Net income	7	75	-90%	83	166	-50%
EPS (SAR)	0.08	0.84	-90%	0.93	1.87	-50%
Capital expenditures	196	290	-32%	486	919	-47%
Cash flow from operations ³	292	361	-19%	653	778	-16%
Net debt / TTM EBITDA	1.9x	1.8x	+0.07x	1.9x	1.5x	0.41x
Active rigs ¹	48	50	-4%	48	48	-
Utilization rate ²	78.7%	83.3%	-4.6pp	78.7%	90.6%	-11.9pp

Notes:

1 Active rigs at the end of the period include rigs operating and generating revenue.

2 Utilization rate refers to the percentage of revenue-generating rigs relative to total available fleet of sixty rigs.

3 Excludes working capital changes.

Results by Segment

Land Segment¹

SAR Million	Q2 '25	Q1 '25	QoQ %	H1 '25	H1 '24	YoY %
Revenue	617	661	-6.7%	1,278	1,034	23.7%
Gross profit margin	10.9%	18.8%	-7.9pp	15.0%	5.0%	10.0pp

Offshore Segment

SAR Million	Q2 '25	Q1 '25	QoQ %	H1 '25	H1 '24	YoY %
Revenue	246	250	-1.6%	495	872	-43.2%
Gross profit margin	22.7%	22.3%	0.4pp	22.5%	39.7%	-17.2pp

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 first half and second quarter results of 2025 and future outlooks on July 31, 2025. The conference will be hosted by Morgan Stanley and is scheduled to start at 3:00 PM Saudi Arabian time, corresponding to 4:00 PM UAE time, 1:00 PM UK time, and 8:00 AM New York City time in the USA.

To participate in the conference, please register your attendance by clicking on the [link](#) at least 24 hours prior to the scheduled conference call. Investors are requested to provide the following information: a) Name; b) Company; c) Telephone; d) E-mail. It should be noted that this conference is intended for investors and is not accessible to the media."

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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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