

ARABIAN DRILLING REPORTS Q1 2026 RESULTS; BACK TO POSITIVE NET INCOME BACKLOG REACHES SAR 12.5 BILLION, UP 31% YEAR-ON-YEAR

- **Q1 2026 revenue of SAR 821.6 million, broadly flat quarter-on-quarter (-0.3%), in line with guidance, despite offshore suspensions in late March**
- **Q1 2026 EBITDA margin increases to 35.2% quarter-on-quarter, supported by higher utilization and operational efficiency**
- **Fleet utilization improves to 81.7% following rig reactivations during the quarter**

Al Khobar, Kingdom of Saudi Arabia – 10 May 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 first quarter ended 31 March 2026 (“**Q1 2026**”).

Arabian Drilling delivered Q1 2026 revenue of SAR 821.6 million, broadly flat quarter-on-quarter (-0.3% QoQ) in line with company guidance. Despite the temporary suspension of some offshore rigs in late March 2026, the Company reported EBITDA of SAR 289.0 million with an EBITDA margin of 35.2%, reflecting improved utilization and operational efficiency.

Net income for Q1 2026 recorded SAR 7.1 million, compared to a net loss of SAR 34.2 million in Q4 2025, excluding one-off impairment charge of SAR 114.3 million. Cash flow from operations (before working capital changes) increased to SAR 280.6 million. The Company maintained a healthy leverage profile with net debt / LTM EBITDA at 2.0x.

Backlog reached SAR 12.5 billion as of 31 March 2026, representing 31% growth year-on-year. The quarter-on-quarter increase reflects three land rig contract extensions with a total value of SAR 1.4 billion, announced 13 January 2026. In April 2026, the Company also received a three-month contract extension for eleven LSTK gas rigs with SLB. This contract is currently under retender, with results expected during the current quarter.

Fleet utilization improved to 81.7% in Q1 2026, with 49 active rigs out of 60 available rigs. As announced on 26 March 2026, certain offshore rigs were temporarily suspended. The active land fleet remained unaffected. The suspensions had a limited impact on Q1 2026 performance.

Offshore performance strengthened in Q1 2026 on both quarter-on-quarter and year-on-year basis, driven primarily by higher offshore utilization, which supported higher activity and improved margin delivery. Revenue increased to SAR 273.0 million (vs. SAR 252 million in Q4 2025 and SAR 249.7 million in Q1 2025), while adjusted gross profit margin expanded to 32.4% (from 19.9% in Q4 2025 and 22.3% in Q1 2025), underscoring the offshore segment’s inherently high-margin profile when rigs are operating at normal utilization levels. With some offshore suspensions currently in place, near-term results will be constrained until activity normalizes; however, the Company remains operationally prepared to resume offshore activity promptly once conditions improve.

Fahad Albani, Chief Executive Officer of Arabian Drilling, commented: “Safety remains our absolute priority. The offshore suspensions reflect a disciplined and precautionary approach taken in close coordination with our clients, with the wellbeing of our people and the integrity of our assets at the forefront. We maintained strong visibility with a record backlog of SAR 12.5 billion as of 31

March 2026, supported by long contract durations and sustained customer demand. We remain operationally prepared to return suspended offshore rigs to service promptly once recalled and expect utilization to improve as activity resumes. 23 April 2026 marks a historic first for Arabian Drilling by starting the first drilling operation outside Saudi Arabia. We are proud of this important step, and I would like to recognize the teams whose efforts made it possible as we continue to selectively expand our operational footprint during 2026.”

Farid Mustafayev, Chief Financial Officer of Arabian Drilling, commented: “Our Q1 2026 results reflect continued progress in profitability and financial discipline. EBITDA margin expanded by approximately 320 basis points quarter-on-quarter, driven by improved fleet utilization and the impact of cost and operational efficiency initiatives implemented in recent months. These measures will be further expanded supporting a structurally better margin profile. While near-term dynamics related to offshore suspensions may temporarily constrain performance, we expect margin progression to resume as activity levels normalize. At the same time, we maintained a strong balance sheet, ending the quarter with cash of approximately SAR 566.3 million, net debt to LTM EBITDA at 2.0x, and improved liquidity driven by working capital efficiencies, providing flexibility as we navigate the current operating environment.”

Rig Contract Renewal

Arabian Drilling secured three major land contract extensions in Q1 2026 as announced on 13 January 2026. The Company is also awaiting the outcome of the 11-rig gas LSTK tender with SLB, with results expected in Q2 2026. The company received a three-month extension for these rigs.

Short-term Guidance

For the second quarter of 2026, the Company expects revenues to decline by up to 12.0% on a sequential basis due to the suspension of some offshore rigs. Full-year 2026 CAPEX has been revised slightly downward to approximately SAR 700 million, reflecting disciplined capital allocation in the current operational environment.

Key Financial and Operational Metrics

SAR Million	Q1 '26	Q4 '25	QoQ % / ▲	Q1 '25	YoY % / ▲
Backlog (EoP)	12.5 bn	12.4 bn	1.0%	9.5 bn	31.0%
Active Rigs (EoP)²	49	45	8.9%	50	-2.0%
Utilization Rate (EoP)³	81.7%	75.0%	7.0 ppts	83.3%	(1.3) ppts
Revenue	821.6	824.3	-0.3%	911.1	-9.8%
EBITDA	289.0	263.5	9.7%	380.9	-24.1%
EBITDA Margin	35.2%	32.0%	3.2 ppts	41.8%	(6.6) ppts
Adjusted Operating Profit	59.9	23.5	155.2%	136.8	-56.2%
Adjusted Net (Loss) / Profit	7.1	(34.2)	120.6%	75.2	-90.6%

Net (Loss) / Profit	7.1	(148.5)	104.7%	75.2	-90.6%
EPS (SAR)	0.08	(1.67)	104.7%	0.84	-90.6%
Capital Expenditures	175.0	161.7	8.2%	289.9	-39.6%
Cash flow from operations¹	280.6	257.5	9.0%	361.0	-22.3%
Net debt / TTM EBITDA (x)	2.0	2.0	0.0	1.8	0.2

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 60 rigs.
- 4 EOP: End of period.

Results by Segment**Land Segment¹**

<i>SAR Million</i>	Q1 '26	Q4 '25³	QoQ % / ▲	Q1 '25	YoY % / ▲
Revenue	548.6	571.2	-4.0%	661.4	-17.1%
Gross profit margin²	2.2%	5.8%	-3.6 <i>ppts</i>	18.8%	-16.6 <i>ppts</i>

Offshore Segment

<i>SAR Million</i>	Q1 '26	Q4 '25	QoQ % / ▲	Q1 '25	YoY % / ▲
Revenue	273.0	252.1	8.3%	249.7	9.3%
Gross profit margin²	32.4%	19.9%	12.5 <i>ppts</i>	22.3%	10.1 <i>ppts</i>

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

Conference Call Information

Arabian Drilling will host a virtual conference to discuss the results and future outlook on 11 May 2026 at 3:00 PM Saudi Arabian time, corresponding to 01:00 PM London, and 08:00 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 Closed 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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