ARABIAN DRILLING REPORTS H1 AND Q2 2026 RESULTS

Q2 REVENUE DECLINE LIMITED TO 7%, OUTPERFROMING PRIOR GUIDANCE, SUPPORTED BY SUSTAINED LAND SEGMENT PERFORMANCE

- **H1 2026 revenue reached SAR 1,586 million, while Q2 revenue declined by only 7.0% QoQ, outperforming prior guidance of up to 12.0% despite some offshore rig suspensions.**
- **Land segment delivered sustained operational and financial improvement, with Q2 revenue up 8.2% QoQ with a significant increase in margins, partially mitigating the temporary impact of offshore operations.**
- **H1 2026 EBITDA margin resilient at 34.0%, despite low offshore utilization levels, demonstrating disciplined cost management and the strength of the operating model.**
- **Post-period: Three offshore rigs have resumed operations as of 1 August 2026.**

Al Khobar, Kingdom of Saudi Arabia – 10 August 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 half and second quarter of 2026 ("H1 2026 and Q2 2026" or "H1 '26 and **Q2 '26**").

Arabian Drilling delivered a resilient Q2 2026 performance, limiting the sequential revenue decline to 7.0%, materially ahead of prior guidance of up to 12.0% despite the temporary suspension of some offshore rigs. Revenue decreased by SAR 57 million quarter-on-quarter to SAR 765 million, mainly reflecting a SAR 122 million impact from offshore suspensions. This was partially offset by SAR 47 million of operational improvements in the land segment and an SAR 18 million full quarter contribution from the international GCC operation.

Despite the lower offshore contribution, profitability remained resilient, supported by operational efficiencies and early benefits from the cost optimization program launched in April 2026. The program is focused on delivering sustainable reductions to the Company's cost base and has already contributed positively to margins during the quarter, with a stronger impact expected in H2 2026. For H1 2026, revenue decreased by 10.6% YoY to SAR 1,586 million, while EBITDA decreased by 21.0% YoY to SAR 540 million, reflecting the temporary offshore suspensions as well as the absence of a high-margin rig move that contributed to the prior-year period. Despite these headwinds, EBITDA margin remained resilient at 34.0%, supported by operational efficiencies and the successful implementation of the Company's cost optimization initiatives.

Backlog stood at SAR 11.83 billion as of 30 June 2026, supported by long contract durations and strong customer relationships. The Company continues to maintain strong visibility over future activity levels while actively managing contract renewals across both land and offshore fleets.

Post-period, further to the Company's announcement on 12 July 2026 regarding the clearance of three previously suspended offshore rigs to resume operations, all three rigs have now successfully returned to service. This supports a significant recovery in offshore activity levels during the second half of 2026, with the remaining suspended rigs expected to return to operation by year-end.

Fahad Albani, Chief Executive Officer of Arabian Drilling, commented: “The second quarter tested our operational flexibility, but it also demonstrated the strength of our operating model. The sustainable improvement in land activity, together with the post-period clearance of three offshore rigs to resume operations, reinforces our focus on operational excellence, client delivery and readiness as activity levels recover. I am also encouraged by the early benefits of the cost optimization program launched in Q2 2026, which extends across the organization and is designed to establish a structurally lower cost base, enhancing profitability and resilience through the cycle. Our priority remains safe and efficient execution while positioning the business to capture the expected recovery in offshore utilization during the second half of the year.”

Farid Mustafayev, Chief Financial Officer of Arabian Drilling, commented: “The temporary offshore suspensions created a significant headwind for our second-quarter financial performance, particularly given the high-margin nature of the affected offshore activity. However, through timely execution of our company-wide cost optimization program, we were able to mitigate a meaningful portion of the impact. More importantly, improvements in our land business are driven by structural enhancements that we believe are sustainable over the long term. We maintain a strong liquidity position and remain focused on disciplined working capital management and cash generation. Net leverage reached 2.2x during the period and is expected to represent the peak level for the year. As earnings recover and the benefits of our operational and cost initiatives build, we expect leverage to decline to below 2.0x by year-end.”

Short-term Guidance

Arabian Drilling expects Q3 2026 revenue to increase by approximately 4% to 6% quarter-on-quarter. Following the return to service of three previously suspended offshore rigs, activity levels are expected to improve during Q3, although the revenue contribution will be only partially reflected due to the timing of reactivation. Full financial benefit is expected in Q4 2026, supporting a more pronounced recovery in offshore activity and earnings.

The Company's full-year capital expenditure guidance remains unchanged. Expected growth-related investments associated with rig reactivations are being accommodated through disciplined capital allocation.

Key Financial and Operational Metrics

SAR Million	Q2 '26	Q1 '26	QoQ % / Change	H1 '26	H1 '25	YoY % / Change
Backlog (EoP)[1]	11.83 bn	12.52 bn	(5.5) %	11.83 bn	11.05 bn	7.1 %
Active Rigs (EoP)[2]	43	49	(12.2) %	43	48	(10.4) %
Utilization Rate (EoP)[3]	71.7%	81.7%	(10.0) ppts	71.7%	78.7%	(7.0) ppts
Revenue	764.7	821.6	(6.9) %	1,586.3	1,773.6	(10.6) %
EBITDA	250.6	289.0	(13.3) %	539.7	683.4	(21.0) %
EBITDA Margin	32.8%	35.2%	(2.4) ppts	34.0%	38.5%	(4.5) ppts
Operating Profit	18.8	59.9	(68.6) %	78.7	203.9	(61.4) %
Net (Loss) / Profit	(31.5)	7.1	n.m.	(24.5)	82.7	n.m.
EPS (SAR)[4]	(0.35)	0.08	n.m.	(0.27)	0.93	n.m.
Capital Expenditures	180.9	175.0	3.4%	355.9	486.1	(26.8) %
Cash flow from operations[5]	243.3	280.6	(13.3) %	523.9	652.8	(19.7) %
Net debt / TTM EBITDA (x)	2.2x	2.0x	0.2x	2.2x	1.9x	0.3x

Notes:

1.EoP: End of period.
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.
4.EPS for Q2 2026 and H1 2026 is calculated using 89.0 million shares, consistent with the Company's historical EPS presentation.
5.Cash flow from operations before working capital changes.

Results by Segment

Land Segment[1]

SAR Million	Q2 '26	Q1 '26	QoQ % / Change	H1 '26	H1 '25	YoY % / Change
Revenue	593.4	548.6	8.2%	1,142.0	1,278.2	(10.7) %
Gross profit margin[2]	13.6%	2.2%	11.4 ppts	8.1%	15.0%	(6.9) ppts

Offshore Segment

SAR Million	Q2 '26	Q1 '26	QoQ % / Change	H1 '26	H1 '25	YoY % / Change
Revenue	**171.3**	**273.0**	**(37.3) %**	**444.3**	**495.3**	**(10.3) %**
Gross profit margin[2]	**(6.0) %**	**32.4%**	**(38.4) ppts**	**17.6%**	**22.5%**	**(4.9) ppts**

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

Conference Call Information

Arabian Drilling will host a virtual conference to discuss the results and future outlook on 11 Aug 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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