

Management Discussion and Analysis (MD&A)

FY 2024

This Management Discussion and Analysis (MD&A) should be read in conjunction with the audited consolidated financial statements of NMDC Group for the year ended 31 December 2024.



NMDC
DREDGING & MARINE



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Financial Highlights



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Financial Highlights

FY 2024

Cash Dividend



AED 2.7 bn

Payout Ratio

91%

Dividend Yield

12.9%

*Special dividend of AED2 billion was distributed in November 2024

**AED 701 million to be approved at the Group's AGM

Revenue



AED 26,264 mn

57% increase (YOY)

Net Profit after Tax



AED 3,108 mn

44% increase (YOY)

EBITDA



AED 4,190 mn

62% increase (YOY)

Market Cap



AED 20.9 bn

As on 31st. Dec 2024
Share price AED 24.72



Total Equity



AED 12,625 mn

Free Cash Flow



AED 1,713 mn

Return on Average Equity



30%

Backlog



AED 71 bn

Net Debt / EBITDA



-0.82

Total Assets

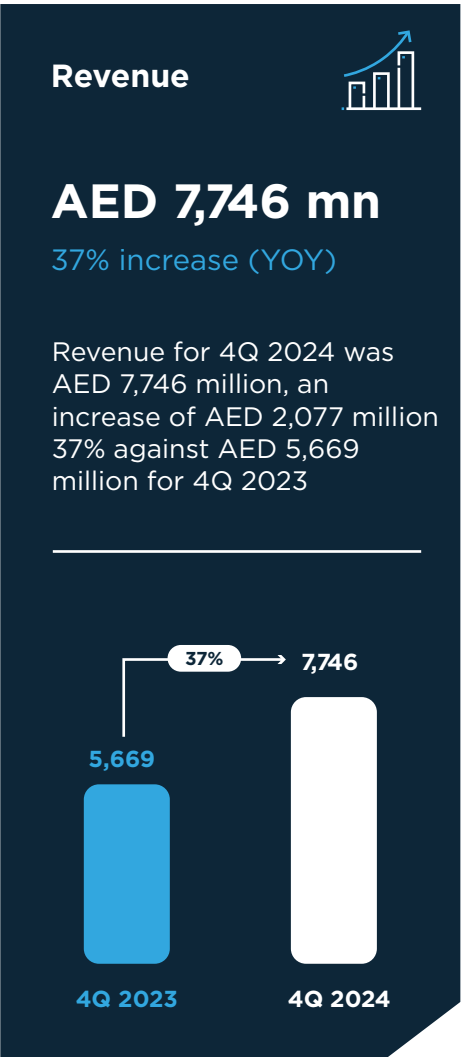


AED 33,200 mn

59% increase (YOY)

Financial Results

4Q 2024




Financial Results

FY 2024



Revenue



AED 26,264 mn

57% increase (YOY)

Revenue for the FY ended 31 December 2024 was AED 26,264 million, an increase of AED 9,556 million (57%), compared to AED 16,708 million for the FY ended 31 December 2023

16,708


FY 2023

26,264

FY 2024

57%

EBITDA



AED 4,190 mn

62% increase (YOY)

EBITDA for the FY ended 31 December 2024 was AED 4,190 million, an increase of AED 1,607 million (62%), compared to AED 2,583 million or the FY ended 31 December 2023

2,583


FY 2023

4,190

FY 2024

62%

Net Profit



AED 3,108 mn

44% increase (YOY)

Net Profit for the FY ended 31 December 2024 was AED 2,192 million, an increase of AED 954 million (44%), compared to AED 2,154 million or the FY ended 31 December 2023

2,154

FY 2023

3,108

FY 2024

44%

Earnings per share

AED 3.55

Earnings per share come at AED 3.55 in FY 2024 compared to AED 2.61 in FY 2023



Free Cash Flow



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Free Cash Flow

Free Cash Flow

The group significantly enhanced its free cash flows during 4Q 2024 to reach **AED 2.1 billion**. This was largely as a result of cash generated from operations during the quarter. Additionally free cash flow for FY 2024 reached **AED 1.7 billion**.

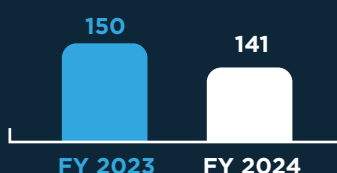


AED MILLION

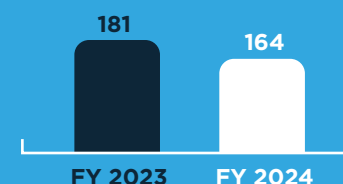
	4Q 24	4Q 23	FY 24	FY 23
Cash from Operations	2,800	1,109	3,335	2,873
Capital Expenditures	(664)	(382)	(1,622)	(1,218)
Free Cash Flow	2,136	727	1,713	1,655



Days Sales Outstanding



Days Payables Outstanding



Working Capital

AED MILLION

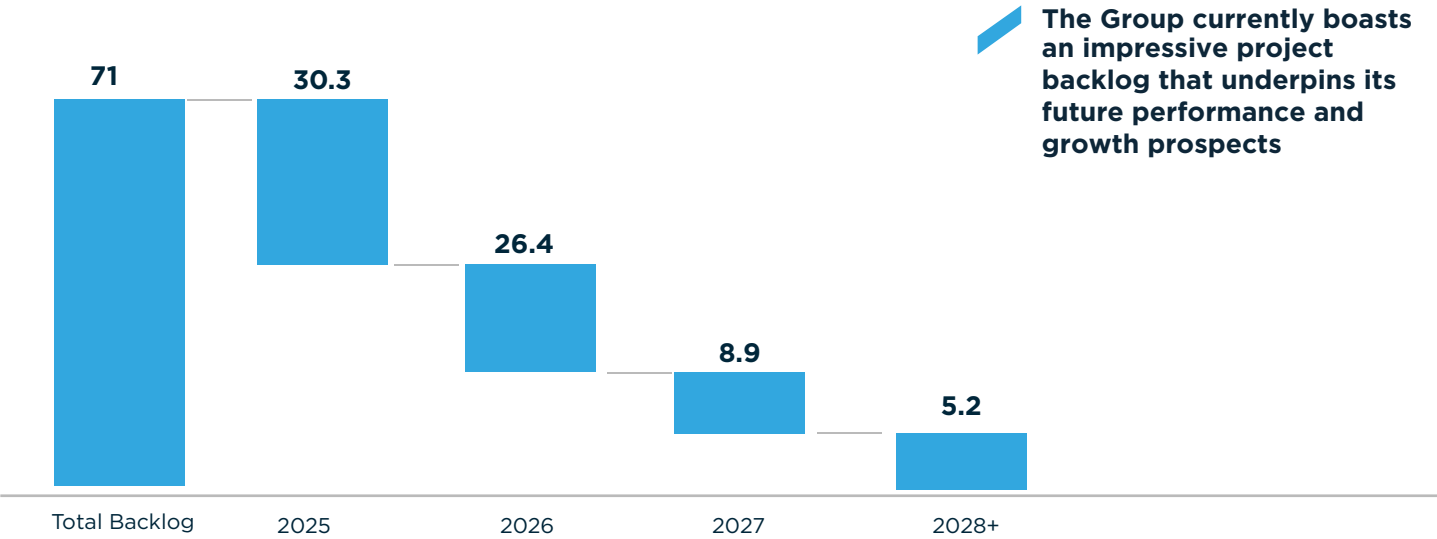
	FY 2024	FY 2023
Inventories	718	599
Trade & Receivables	13,060	5,315
Contract Assets	4,519	4,692
Other Current Assets	653	486
Trade & Other Payables	(14,045)	(9,457)
Contract Liabilities	(4,061)	(480)
Other Current Liabilities	(457)	(114)
Net Working Capital	387	1,041

Backlog

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Backlog

Expected backlog unwinding (AED billion)



The Group's project backlog represents the total value of contracted projects that are yet to be completed. This backlog is a key indicator of the future revenue potential and operational workload.

The backlog value for FY2024 stands at AED 71 billion, compared to AED 54 billion in FY2023.



AED 71 BN

Backlog

Key Developments & Events

4

67888

Key Developments and Events

IPO

11 September 2024: NMDC Energy began trading on the Abu Dhabi Securities Exchange (ADX) following an Initial Public Offering (IPO) that was oversubscribed by 31.3 times.

The offering of 1.15 billion shares in NMDC Energy, representing 23 per cent of the total share capital, was made available to eligible investors at Dh2.8 per share.

The IPO saw outstanding demand across all segments, becoming oversubscribed within hours of its launch on 30th August 2024. At the close of the subscription period, the retail tranche was oversubscribed 600 times, and the professional tranche by 16.7 times.

Following the IPO, NMDC Group announced a buoyant special dividend of AED 2 bn during 2024.

11 September 2024

Listing Date

1.15 bn (23%)

Shares

31.3 times

over-subscribed



NMDC LTS

In December 2024, NMDC Group has launched NMDC Logistics & Technical Services (NMDC LTS), expanding its capabilities beyond marine, EPC, engineering, and civil construction. This new vertical enhances NMDC's service portfolio by offering integrated logistics and technical solutions, strengthening its regional leadership.



NMDC LTS to focus on the regional demand in logistics and services. This was closely followed by the strategic announcement that NMDC would acquire a controlling stake in Emdad LLC, the acquisition should be completed during 1Q 2025.

The move aligns with NMDC's growth strategy, leveraging its expertise and operational scale to attract new stakeholders and establish itself as a key player in logistics and technical services. The company emphasizes efficiency, innovation, and service quality as core differentiators.

NMDC attributes this achievement to the collective efforts of its teams and sees NMDC LTS as a major step in its expansion, unlocking new markets and opportunities.

Key Developments

Ras Alkhair Fabrication Yard - KSA

NMDC Energy has inaugurated a 400,000 sqm advanced fabrication yard in Ras Al Khair, Saudi Arabia, during the iktva Forum & Exhibition 2025 at Dhahran Expo. The facility, located in the Ras Al Khair Special Economic Zone, features advanced automation and digital technologies to support offshore fabrication and onshore modularization.

It is part of a larger maritime and offshore cluster designed to enhance industry capabilities. The yard is built for efficiency, safety, and environmental sustainability.



Since 2016, NMDC Energy has completed 21 projects under a long-term agreement with Saudi Aramco, with a total value of AED 28 billion. This investment reinforces NMDC Energy's commitment to Saudi Vision 2030.

Over the past five years, the company has reinvested SAR 5 billion into the Saudi economy and achieved an iktva score of 39% in 2025, with a target of 51% by 2028. Saudi Arabia currently accounts for 38% of NMDC Energy's total revenue.

The Ras Al Khair yard marks a significant step in NMDC Energy's regional growth strategy. It will strengthen UAE-Saudi collaboration, support sustainable energy projects, and create skilled jobs in the region.

Emiratization

NMDC Group is committed to nurturing national talent and fostering future Emirati leaders. It has launched a number of programs that were instrumental in promoting Emiratization within one of its most strategic sectors. In 2024, NMDC Group encompassed 607 Emiratis, with an Emiratization rate of 10.2%.

Awards & Recognitions

- Environmental Recognition: Won the 2024 IPLOCA Environmental Award for planting 20,001 mangroves under the Blue Carbon Initiative, capturing 246 tons of CO2 annually.
- Forbes: 'Top' Companies in Arab World -No.1 in Service Category
- Forbes: Top 100 CEOs in the Middle East 2024 - Yasser Zaghloul



Key Projects



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Selected Awarded Projects 2024

Lower Zakum EPS-2 | Habshan | Lekhwair AED 2.4 bn

EPC Works for L TOP Project-1 Lower Zakum Habshan Upper Recovery and Lekhwair + 20 MBD Early Involvement Project.

Ruwais LNG AED 4.0 bn

Engineering, Procurement and Construction works of the lower-carbon Ruwais LNG Project.

Estidama AED 0.6 bn

Estidama - Sales Gas Pipeline Network Enhancement New Additional Gas Pipelines and Associated Facilities Inside Abu Dhabi Emirate for EPC Works Package 6 - from Sweihan to Al Shuwaib.

ADNOC AED 0.8 bn

ADNOC LNG Growth Project- Marine Dredging Work.

Ta'ziz AED 1.2 bn

Project Ta'ziz - EPC Works EPC works for the logistics project - Port Package.



Sustainability and Health, Safety & Environment



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Sustainability and Health, Safety & Environment

Sustainability

With NMDC Group recently receiving an AA ‘leader’ rating from MSCI, it continues to make significant strides in its business to build robust ESG considerations across its operations. NMDC Energy plays a prominent role in the renewable energy sector, particularly wind power, where it actively participates in the development, construction, and maintenance of wind power facilities, and facilitates the transition of energy companies to clean and renewable sources. Furthermore, the company continuously evaluates activities and programs to restore operational areas and protect natural ecosystems.

MSCI



AA

CCC

B

BB

BBB

A

AA

AAA

A company leading its industry in managing the most significant ESG risks and opportunities.



GHG Inventory

NMDC Group built its first comprehensive GHG Inventory for 2023 (baseline) and 2024 including Scopes 3 & 2,1 in accordance with the GHG protocol.



Solar Energy

The Group partnered with Byrne Equipment Rental to implement solar energy systems at the Sir Bani Yas Island residential camp, cutting CO₂ emissions by 475 tons annually and improving air quality for workers.



Artificial Reefs

Artificial Reef Deployment: NMDC Group coordinated with EAD to deploy 100 artificial reef domes as part of the Al Nouf Artificial Island Project, enhancing marine biodiversity and sustainability.



Turtle Nesting

The company launched a “Turtle Nesting” awareness campaign, where potential turtle nesting areas are identified and demarcated with appropriate signage for the protection of turtles during nesting and hatchling periods.



Mangroves

NMDC Energy has planted 20,001 mangrove seedlings, which can capture 246 tons of CO₂ annually.



Sustainability and Health, Safety & Environment

Sustainability



Collaboration

NMDC Energy collaborated with many government and private entities such as the Environment Agency of Abu Dhabi (EAD) and Abu Dhabi National Oil Company (ADNOC) to promote a sustainable environment within the UAE.



Energy Transition

NMDC Energy's involvement in NT Energies: a joint venture created by Technip Energies and NMDC Energy, represents a strategic approach to the energy transition.



Taiwan Power Project

NMDC Energy was awarded a prestigious EPC contract by Taiwan Power Company (Taipower) for pipeline installation, shore approach works and dredging for the Tung-Hsiao Power Plant 2nd Stage Renewal Project. This strategic involvement is expected to significantly boost revenue while solidifying NMDC's leadership in sustainable energy solutions.



Disclaimer

This document includes forward-looking statements. The forward-looking statements contained in this document speak only as of the date of this document. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of NMDC Group (the Company) and all of which are based on current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “may”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward- looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, results of operations, financial standing, liquidity, prospects, growth, strategies, and dividend policy and the industry in which the Company operates.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts as of the date of this document involve predictions. No assurance can be given that such future results will be achieved. There is no obligation or undertaking to update these forward-looking statements contained in this document to reflect any change in the expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this document; or (ii) by applicable laws of the UAE.

Actual events or results may differ materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.



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