

## **NMDC Group 3Q24 results call transcript – hosted by International Securities**

**28<sup>th</sup> October 2024**

### **Afaq Nathani, CFA – International Securities**

Hello and welcome everyone to NMDC Group third quarter 2024 results conference call hosted by International Securities.

My name is Afaq Nathani, senior research analyst at International Securities, and today I have the distinct pleasure of introducing the group CEO of NMDC, Mr. Yasser Zaghloul, the CEO of NMDC, Mr. Neils De Brunjin, the Group CFO, Mr. Sreemont Barua, the executive director for business Growth and value creation, Mr. Ashish Khandelwal, the senior director for Project Control and Risk, Mr. Amjad Abdul Shakur, the senior strategy Manager Mr. Sjoed Van Den Brand and the Investor Relations manager Miss Sharma Ali.

NMDC Group team, I thank you all for joining the call today.

Following a presentation of NMDC Group's quarterly performance by their team, the floor will then be open to Q&A session. Participants in order to ask a question, please tap the raise hand button. Once it is your turn, your name will be announced, and your mic will be enabled. You will then be able to unmute locally and speak directly with the company's management. Before you ask your question, we request you to please mention the name of the organization you are representing.

I'll now give the floor to the NMDC Group CEO, Mr. Yasser Zaghloul. Sir, please go ahead.

### **Yasser Zaghloul – Group CEO NMDC**

Salam alaikum. Salam everyone.

I would like to begin by welcoming everyone here in today's call as we discuss our performance for the nine months of 2024.

The achievement of the nine months has been announced as you can see it on the market but before I talk about the achievement, I would like to talk about the strong foundation and the strengths behind this achievement. Actually, this achievement is achievement of 25,000 person working into an efficient operation operating model, right assets model with the strengths of robust governance and control and monitoring system. Coping with the future needs and even we are proactive and

ahead for the future need to maintain our growth and to make sure that we always have the capabilities to keep our sustainable growth going up.

By achieving MSCI rating of AA rating means that we are highest on our standard for sustainability in our sector as well as to be ranked by Forbes #1 region wide in the Middle East for as a sustainability leader as well as #17 on the top 100 companies, for Forbes that encourage us to increase our platform from the region to the globe and expand diversifying our portfolio vertical wise for different activity as well as geographical wise for different market and that encourage us to build up several units/verticals under NMDC Group as you can see include a presentation.

All of that lead to the achievement of the first nine months of 2024 of revenue for the three months of 18.5 billion dirhams, with net profit of 2.2 billion and, earning per share 2.6. And as you can see the margin and profitability in our achievement is quite far above the industry and as well by this way, we are crossing \$5 billion revenue on the 9M24, that mean by far we are #1 into our sector global wise.

We will continue our diversification strategy because this is very strong growth strategy and today inshallah we are going to announce an example for this diversified strategy, MOU with the biggest group in Vietnam and inshallah to be announced this afternoon to have the right foundation in the Far East after we have finished successfully great project in Taiwan for offshore oil.

So, our strategy is clear, diversify the strategy with strong liquid balance sheet profile for the group that allow us really to diversify and grow without any limitation.

Here, I believe our Group CFO can take you through the figures and the numbers.

**Sreemont Barua – Group CFO NMDC**

So, thank you, engineer Yasser, for the introduction on NMDC Group and our main focus areas and good afternoon, everyone. Let me start with a few financial highlights from our 3Q24 performance. As you can observe, we have achieved outstanding financial results during the first nine months of the year with significant growth across all financial parameters.

Our revenues grew by 68%, EBITDA by 61% and net profit by 45% when compared to the corresponding prior year period. We maintain healthy margins with a gross profit of about 14% and a net profit margins of almost 12% during the nine months. And we continue to create value for our shareholders with a 42% increase in our earnings per share, which in the nine months period alone was about AED 2.6 per share.

Yesterday, we also announced the distribution of special interim cash dividends of AED2.37 per share for total amount of AED 2 billion.

So now let me delve a little bit into the numbers itself, which are presented on the screen. We reported revenue of about AED18.5 billion, which is a 68% increase compared to AED11 billion in the previous corresponding period. This increase was driven by the execution of our significant project backlog with good progress on our projects with clients such as ADNOC, Aramco, Suez Canal and Modon. This increase in revenue of course had a flow through effect on the EBITDA and net profit as well. So, we had an EBITDA of about AED2.9 billion, which is a 61% increase compared to AED1.8 billion in the previous period and almost AED2.2 billion net profit as compared to AED1.5 billion in the previous year.

In terms of the Q3 alone numbers, also we have a good result. We have about AED6.3 billion revenue, which is a 50% increase compared to the previous period where we had about AED4.2 billion. EBITDA increased to AED977 million which is up from AED750 million in the previous quarter and net profit of AED731 million compared to AED632 million in the previous corresponding quarter.

In terms of free cash flows, we significantly enhanced our free cash flows by about AED1.4 billion in the Q3. This was a result of significant collections during the quarter. However, our during the nine months we had some negative free cash flows, which was largely due to higher working capital investments due to the substantial growth of almost 60% in the business there was some buildup of retrievals and work in progress in Q2 which a large part of which was connected in Q3 and beyond and therefore we have a positive free cash flow in the quarter.

In terms of return on equity, we maintained it at about a 20%, 21% level. Earnings per share as I mentioned earlier, increased by about 42% to AED2.6 and Net Debt to EBITDA ratio continued to be strong and demonstrating healthy cash and leverage position. This is because of our strong cash position and the low levels of debt but I note here that this cash position is pre-dividend which we have just declared.

So, these are the key highlights of the financials, and I will hand over to our senior director business growth and value creation, Ashish, to take you through some more of the core operations.

**Ashish Khandelwal – Senior Executive Director for business growth & value creation**

Thank you, Sreemont.

So I would like to talk about where we currently stand in terms of our backlog. So, as you can see, our backlog as of end of September stands at AED71.3 billion and effectively, we can see how the estimated phasing of the backlog is expected. It is to be noted that the backlog or when we talk about the backlog, these are secured. Of course, these are some of them, or most of them are ongoing and some of them are yet to start.

And just in terms of the first nine months of 2024, we have been able to win or convert about AED35 billion of awards, which effectively is quite significant and has helped us maintain a very healthy backlog as of September 2020.

For some of the key projects that we basically continue to work with the clients that Sreemont mentioned include Hail & Gasha project, which is one of the largest projects being delivered for ADNOC. In addition to that, we are also doing a fairly large project with Saudi Aramco, which is on the Zuluf project. And in addition to that, there we are also currently working on a fairly large dredging, marine and development work in Abu Dhabi which is being conducted for Modon. We also continue to work on the development of the Hudairiyat island in Abu Dhabi and last but not the least, we are continuing the work on the on the Ruwais LNG growth project which was announced by ADNOC earlier.

So, this is a snapshot of our backlog. So, we remain quite positive about our position from a backlog perspective. On just one last point that I would like to add on this is

we also have a fairly healthy pipeline. And when I say pipeline, these are projects which are currently at various stages of tendering. The number is, if I'm not mistaken, the last number was AED78 billion, where we effectively continue to tender for projects or participate in tender for projects for our clients. Some of them include projects where we have already submitted our tenders and some of them include ongoing tenders, which are currently in the process of being put together for submission to clients. So, we do see a healthy pipeline of projects which should help us maintain our backlog as we progress further.

That's really a summary of, you know, the earnings or the performance of the business in this quarter in the first nine months. I would now like to hand it over back to Afaq from international securities to perhaps open the floor for the Q&A session and we'll be very happy to respond to questions that we received from the participants.

**Afaq Nathani, CFA – International Securities**

Thank you, Ashish, and thank you, NMDC Group's team for comprehensive review of the group's third quarter 2024 and nine month 2024 financial performance and the key strategic objectives. We will now open the floor to questions. As a reminder, please tap the raise hand button to ask a question. Once it is your turn, your mic will be enabled, and your name will be announced. You will then be able to unmute locally and ask your question. Again, we request participants to please mention the name of the organization you are representing before you ask your question.

We have received some questions via e-mail, but we will pause for a moment here to allow participants to tap the raise hand button and then we can begin the session.

Our first question comes from the line of Ramia Faraj. Your mic has now been enabled. Please unmute locally and you may proceed.

**Ramia Farrage– Forbes Middle East**

Hello. Congratulations on what really are outstanding results. I'd like to know how you will build on these numbers and progress on your diversification and your growth strategy in the upcoming period. And thank you so much for the introduction and didn't need to introduce myself.

**Ashish Khandelwal – Senior Executive Director for business growth & value creation**

Sure. Thank you. I think from a growth momentum perspective as you have observed, we continue to have fairly robust growth in the first nine months. In terms of our strategy and going forward of course as Engineer Yasser mentioned earlier on the call that we are looking to towards internationalization of the group and therefore the opportunities open up quite well for us given the robust platform that we have in the Middle East at this point in time. So, we're looking at opportunities in Southeast Asia, India and Africa from an internationalization perspective. This is on the geographical spread.

From a service line perspective, we continue to look at new service lines and one of the new service lines that we've kind of adopted is on the marine logistics side where we have set up an entity where we will focus on logistics and services business. We made an announcement in the third quarter about a submission of a binding offer to acquire operations and maintenance business in the energy sector in the UAE. So that is something which is currently in progress. In addition to that, we are also looking at opportunities from specialized construction perspective, be it tunnelling, be it piling, ground improvements. So, these are certain additional specialized construction services that we plan to focus on to expand our share of wallet in the market.

And last but not the least, you know we closely work with clients on our energy transition on their energy transition agenda which includes offshore wind whereas mentioned earlier, we executed a fairly large project in Taiwan in 2023 and 2024 and we see the market opening up for us in relation to offshore wind work and we also are looking at Decommissioning as something which is an opportunity for us. It's currently at an early stage, but we're looking at decommissioning opportunities in terms of how we can engage with clients predominantly in the North Sea at this stage to understand, you know, what are the market opportunities that we can. Capture. So, this is really, you know some of the areas where we are looking at from a future expansion perspective.

Having said that, you know we would still want to keep a very key focus on our core markets, which continue to be quite rewarding for us. And there are a number of

opportunities, as I mentioned, which are currently in the pipeline where we continue to engage with clients in the region and also in a number of other countries.

**Afaq Nathani, CFA – International Securities**

Thank you, Ramia. Our next question comes from the line of Samarth Shah. Samarth you can unmute locally and please proceed with your question.

**Samarth Shah – Falcon Investments**

Thank you for the good result. The results have been extraordinary. Congratulations. On the free cash flow for the current year and the next year, maybe it'll be in the range of AED 4 billion to 5 billion for the next year. Where do you see the utilization of this cash flow up? So of course, as Ramia mentioned, the geography expansion you'll do, and you'll also look at adding more services. But in terms of cash flows, how do you plan it for next year?

**Ashish Khandelwal – Senior Executive Director for business growth & value creation**

Yeah. So, I think as I mentioned. So of course, we continue to basically improve our cash from operations and of course the plan is to grow both organically and inorganically. Now of course, as we grow inorganically, we have a pipeline of opportunities which currently we are assessing and these again are at various stages. Where we would plan to either, you know, acquire businesses to grow or expand our service offerings, get new capabilities, enhance our geographical footprint. So, some of that cash is expected to of course be used for inorganic expansion as we move into the into the future. In addition to that, of course, you know, we continue to grow organically and for a business to grow organically, you know you would always Need investment in working capital and that is something that we feel that you know would be we believe that you know the liquidity on our balance sheet actually helps us quite significantly in terms of, you know, making that investment and expanding on our growth journey in years to come.

**Samarth Shah – Falcon Investments**

OK. Yeah, fair enough. So, it will not be a cash drag as such, right? That's the point I wanted to understand.

**Ashish Khandelwal – Senior Executive Director for business growth & value creation**

We don't expect that to be the case, and of course, as you know, we've just

announced a dividend of AED 2 billion perhaps. So you know, I think the board and the management team will continue to closely look into, you know, what's the cash which is available, what is the cash which is required to fund future growth operations and then effectively you know decide on what is the optimal dividend policy for the group.

**Samarth Shah – Falcon Investments**

OK. And when would we expect to hear something on formal policy?

**Yasser Zaghloul – Group CEO NMDC**

Yeah Insha'Allah the discussion is going on now and the outcome of this discussion would be announced at Q1 inshallah.

**Afaq Nathani, CFA – International Securities**

Thank you. That was Samarth from Falcon Investments. Our next question is from the line of Amir Badran. Amer, you can unmute locally please, and you may go ahead.

**Amir Badran – NBK Wealth**

Hello. Thank you for taking my question. Yes, hi, this is Amir Badran from NBK wealth. Thank you for taking my question. In the slides you mentioned you have a pipeline of opportunities of close to AED76 billion. Is it possible to share with us like the timeline of that bidding process? When should we expect to hear about the success of these bids. Also, if you can share with us the company's historical success rate for similar opportunities, that would be really helpful.

**Yasser Zaghloul – Group CEO NMDC**

Yeah, it's of course, we are working actively on the tenders now. Majority of these AED76 billion has been already submitted and we are working for the rest. Of course, the starting date is related to the It's client decision. However, we make sure that our curve of the backlog is always going up. So, we make sure that we refill the curve all the time to make sure that we are going up.

**Sreemont Barua – Group CFO NMDC**

I think it's important to add here that a significant part of this backlog is already secured.

**Yasser Zaghloul – Group CEO NMDC**



Yeah, you can see over 70 already. Yeah. And from the distribution of the backlog, you can see for example next year it's fully already committed work now for next year and even for the year after. So, it's very healthy backlog anyway.

**Ashish Khandelwal – Senior Executive Director for business growth & value creation**

Yeah. And I think to your point on, you know the timeline as mentioned, you know, I mean of course you know our business is dynamic in the way that you know we get the opportunity and from the time that the opportunity comes in or from the time we start early engagement with our clients, you know it takes anywhere between 3- 9 months in some cases for the opportunity to basically convert so you know the fact that we are working on a fairly robust pipeline gives us the confidence that you know we should have a conversion which is in line with what historically we have seen, In terms of your historical win rate, I would say that you know we believe that our performance on the historical win rate which effectively you know is a reflection of our backlog is definitely better than peers that you see in the market.

**Amir Badran – NBK Wealth**

Yeah, but can, can you quantify it? Like is it 40-50%?

**Yasser Zaghloul – Group CEO NMDC**

It depends on the region and the client itself. But what you can see it exactly that we are for #1 worldwide, but of course win rate here is different than others and with one client different than one client and one sector different than one sector, we have 5 verticals. So overall, win rates is healthy than anybody else, however, it depends on the clients and project and geographical and everything.

**Amir Badran – NBK Wealth**

OK. Thank you so much.

**Afaq Nathani, CFA – International Securities**

Thank you, Amir. As a reminder, if you would like to ask a question, please tap the raise hand button. We'll take the question from the line of Muhammad Haider. Haider, your mic has now been enabled, you may go ahead.

**Mohamad Haidar – Arqaam Capital**

Yes, hello. Yeah. So hi, this is Mohammed Haidar from Arqaam Capital. Thank you for

hosting the call. Hopefully you continue to do that on a quarterly basis. So, this is the first time we interact. I have a number of questions starting with the dividends, AED 2 billion will be paid and a little bit over a AED1 billion will be retained by the company, will the company spend it on expansions, or will it be put on working capital? Especially that it will be used by the parent entity. That's my first question.

My second question is on the backlog of the dredging and construction business, given that we have enough information on the energy business through the prospectus. The other part of the business, which is also a big chunk of the revenues and net profit. How confident are you in replenishing the existing backlog of the dredging business and out of the AED76 billion in potential opportunities, can you provide the split between energy and non-energy? Thank you.

**Yasser Zaghloul – Group CEO NMDC**

Thank you, Mohammed. It's really great question. Thanks a lot for that and we promise you to keep in communication with you in quarter basis. It's our pleasure always to hear to your questions and we of course we learn from these kinds of questions. So, thanks for this question.

For IPO money, actually the cash was one AED2.8 billion, so AED 2 billion will be distributed for our shareholders as a dividend and AED800 million we are going to utilizing it as per we discuss as we discuss now and our strategy for expansion. And we believe in our strategy that for the safe expansion with less risk to go through M&A because normally in in our strategy, we believe to bring in our know how to strong partner in their market or bring you know how to our strong position our market so definitely the AED 800million will be utilized with the finance from our partners from different financial institutes, from banks to get the right finance scheme for our acquisition and expansion. So, in short that will be utilised in major acquisition for active companies related to our business, but as well to develop our fleet to suit the future needs. And as well if we talk about sustainability and offshore, that needs very heavy assets, so we need to make sure about our capability for that and we are more than capable.

The other things for backlog, yes, because of energy we announce it or raise a backlog is about AED50 billion. But normally energy sector is different than other

sectors because the project life of energy is quite much longer than the project life of other sector. And that's why you always see to feel safe and confident about what we are doing to see that much higher backlog and energy than other sectors. But the curve of the other sectors comes refilled very quick than energy as well. So, if you if we, if you feel that you are in the group while 60/40 or even 65/35 percentage, so we are more than confident that the curve will stay up all the time and that's what we are working for.

**Mohamad Haidar – Arqaam Capital**

That's excellent. Thank you very much. One follow up question on that.

Hypothetically speaking, if you wanted to expand the dredging business outside of the UAE, is it easy for you to mobilise the equipment or will you have to like purchase new equipment for new countries?

**Yasser Zaghloul – Group CEO NMDC**

It's easy. We are working now in Egypt. We are working in India. We work it in Taiwan, and we keep moving so it's easy for us, but as well we just ordered now new equipment, mega equipment for dredging as well and that will give more strength for expansion as we are really quite busy here. And as well, we believe in joint forces and NMDC record and profile qualified NMDC by far to lead others. And if you look in our projects and our portfolio, we have a lot of partners working under our umbrella because we believe in two things, right asset model, which we have as well as partnership with others which we have a strong relationship with others and that's why we reach it over \$5 billion only in nine months, compared by others by far is #1.

**Mohamad Haidar – Arqaam Capital**

That's very clear. And also, my last question, do you see a room for NMDC dredging to engage in giga projects in Egypt?

**Yasser Zaghloul – Group CEO NMDC**

Yes, we have already done the mega project in Egypt like Suez Canal project. That was that time was by far the biggest projector, right. And we have at the moment by far as well, big dredging project worldwide in Abu Dhabi, but as well in Egypt, who are still active there, and by the recent development for Modon in Egypt, Modon is our strategic clients and Egypt is our strategic market as well. So, to have your

strategic client working in strategic markets, this is definitely giving us great opportunity to work.

**Mohamad Haidar – Arqaam Capital**

Excellent. And I wish you all the best. Thank you.

**Yasser Zaghloul – Group CEO NMDC**

Shukran.

**Afaq Nathani, CFA – International Securities**

Thank you, Haidar. Our next question is from the line of Alok Nawani. We've enabled your mic now you may unmute locally and please proceed.

**Alok Nawani – Ghobash Trading and Investment Company**

Thank you very much gents for hosting the call and the opportunity to ask questions. Two questions from my side please. How can you, you know, define your total addressable market, whether it's on the EPC side or the dredging side. Just so that we can better understand the scale of the opportunity set that you're looking at. That's the first one. 2nd, if I may ask, you know who do you view as major competitors and how do you see your competitive landscape? Thank you.

**Yasser Zaghloul – Group CEO NMDC**

OK, OK. So, our geographical project, our home market, we call it the GCC and almost Middle East, yeah, as you can see now, and we are expanding actively now in Africa and in Far East. We have one small project in Europe, but it was good start for our engineering capability to penetrate and start to establish ourselves in Europe. As well as our eyes on to on top of the most active market worldwide. So, we don't have limitation, geographical rights and Alhumdulilah UAE and our relationship as well that encourage us and support us for our diversification. So home market is GCC and around us Middle East area, but of course our future market, which I can mention it that I mentioned it I believe already that for example today we are going to sign MoU in Vietnam for new opportunities in Vietnam with the biggest group there.

Competitive layout and mapping. We believe more in partnership and by what we have now, it's a great example of how we manage and how we deal with our competitors, because we believe in joint forces, if you will see now how much project,

how many projects we have it in partnership with our partners, not competitors, in ADNOC as well as in Aramco as well as in dredging, all of our partners worldwide working under NMDC, so we believe more in partnership and joint forces and of course once it comes to competition, I believe we are so competitive otherwise we cannot achieve the level we are here now. So, in short, we are highly qualified to lead and to partner with different partners worldwide.

**Alok Nawani – Ghobash Trading and Investment Company**

Would it be possible to quantify your market share in your in in some of your key market? I understand you're obviously there in a lot of different geographies, but in the key markets, would it be possible to quantify that market share?

**Yasser Zaghloul – Group CEO NMDC**

I can say we are well above 35%, which is very healthy. It looks like everybody wants a figure, so I can just say it's above 35%, which is really healthy market share.

**Alok Nawani – Ghobash Trading and Investment Company**

Is that on the on the EPC side or the dredging side?

**Yasser Zaghloul – Group CEO NMDC**

On EPC side it's around 30% but in dredging its quite more and that's why average wise in the globe on the market you will find us more than just above 35 to 40% which is great market share of course.

**Alok Nawani – Ghobash Trading and Investment Company**

Thank you very much. I look forward to future interactions. All the best.

**Yasser Zaghloul – Group CEO NMDC**

Thank you.

**Afaq Nathani, CFA – International Securities**

Thank you. That was Alok from Ghobash. We don't have any more questions online, but we've received a few via e-mail, so we'll start with those. And meanwhile if any participants would like to ask a question, you can raise your hand, and we'll come back to you. One of the questions we received was, looking at the backlog numbers,

is it fair to assume the revenue for 2025 would be around 29 to 30 billion dirhams?  
What are some of the execution risks in relation to this estimate?

**Yasser Zaghloul – Group CEO NMDC**

Execution risk is of course under control. Any business has a risk of course, I'm not saying risk free, of course, but we are well above that, and we have very robust system in project control and risk portfolio management on the group. And that's why Alhumdulillah we give great examples by delivering major mega projects without real impact from the risk which was when managed. The expectation what you have said it's you did it rightly, but we might be more a little bit more clever and it comes little bit above what you said hopefully.

**Afaq Nathani, CFA – International Securities**

Wonderful. That's very clear. The other question is more on the latest results. They've asked. we have witnessed a QoQ decline in revenue and profits for NMDC Group. Although the result is up YoY, we were expecting slightly higher because of higher revenues for NMDC Energy. What is the reason for the decline for the group and what should we expect in fourth quarter 2024 and full year 2025?

**Sreemont Barua – Group CFO NMDC**

So this is Sreemont. So, as you are aware, we are a project-based company and at any given point in time we have a number of projects going on and our results are sum total of each of those projects. Each of those projects has some unique characteristics like different margins, different progress, stage of completion, geographies, et cetera. There are variations, claims and things going on which timing of recognition is also you know, it's varied from time to time. So as a result, it is not unusual for our business to see fluctuations in the revenue and profit in terms of projects and also the, we have a thing called project lifecycle where you know at different times of the project there might be more revenue or less revenue. And all these factors come into play in our results. So, it is quite common to see these fluctuations quarter on quarter, but we can say that on an overall basis from for the nine months 2024, we have maintained a net profit margin of over 11% and we also gross profit margin of about almost 14%. And we expect to continue to maintain such healthy margins going forward in 24 and 25.

**Afaq Nathani, CFA – International Securities**

Thank you, Sreemont. We have a few more questions on the backlog and dividends, but I believe the management has spoken in in depth about those. So, I'll just mention one more. Can you breakdown the backlog, the backlog of AED70 billion plus by geography?

**Amjad Shakoor – Senior director for project control and risk**

It's like the two third of the backlog is within the UAE and the 1/3 of the backlog is outside UAE. That's what I would say.

**Afaq Nathani, CFA – International Securities**

We have a follow up question from Amir Badran. Amir, I've enabled your mic. Please go ahead.

**Amir Badran – NBK Wealth**

Thank you. Can you please provide forward guidance for Capex and margins?

**Ashish Khandelwal – Senior Executive Director for business growth & value creation**

This is Ashish here. So, in terms of forward guidance, you know I think at this stage, you know we do not have a policy to provide forward-looking guidance as an organization or as a group. Having said that, we can certainly provide a bit more colour now. If I were to provide a bit more colour in terms of you know what, what do we see ahead of us? You know you have the revenues which effectively is a function of the backlog which goes into the into the income statement. So, I think we've given some level of guidance to you or to the analyst community around that.

In terms of the margins, if you look at, you know, our performance over the last 7-8 quarters, we've kind of been fairly stable. Yes, as Sreemont mentioned, you know there could be some minor fluctuations from one quarter to another depending on the S curve of the project and the project life cycle, but effectively, you know, we kind of our kind of remit is effectively to ensure that we are in the same zip code when it comes to the margin profile of our business.

Coming on to the Capex. I think yes, you know there will be some Capex as and I would characterize this into two kinds of buckets. One would be the maintenance

Capex and the other would be expansion Capex. Now I don't think so that we can provide specific numbers around maintenance and expansion Capex, but our guidance would be that it should be in line with what you would see in what you would have seen in 2024 in terms of our Capex budgets. I hope that answers your question.

**Amir Badran – NBK Wealth**

Great. Thank you so much. So, in line with 2024 as a percentage of revenue maybe or as an absolute number?

**Ashish Khandelwal – Senior Executive Director for business growth & value creation**

It will be as a percentage of revenue.

**Amir Badran – NBK Wealth**

Great. Thanks so much.

**Ashish Khandelwal – Senior Executive Director for business growth & value creation**

Any further questions that we can answer?

**Mohamad Haidar – Arqaam Capital**

One follow up from my side, Haidar from Arqaam capital. It's a general question. So what's the ultimate strategy for the NMDC Group? One of your major subsidiaries is now listed. You still have one other business segment with four subsidiaries as well, which are still not listed. Do you ultimately would like to do the same with the other business that you still have? That's the ultimate goal for the parent entity?

**Yasser Zaghloul – Group CEO NMDC**

Yeah. Our strategy is really growing strategy and IPO strengthens our foundation and routes to grow and that gives a lot of strength to our reputation as well as to our foundation on different market and it's our obligation as well to share our success with the investment community, so definitely we are always thinking to build up companies under the group, verticals, to make sure that we have the right product for the investors to share our success together and on time, yes, we would have the next step Inshallah.



**Afaq Nathani, CFA – International Securities**

Thank you. Thank you, Haidar. This was an interactive session. Thank you, all the participants, and a special thank you to the NMDC Group's management team for a comprehensive review and for taking the questions today. I also would like to thank all the participants for joining the call. A recording of this call will be available. You may get in touch with either your contact person or international securities, or NMDC for access to the recording. Thank you so much NMDC team and back to you, Mr. Yasser if you have any closing remarks.

**Yasser Zaghloul – Group CEO NMDC**

Thank you so much. It was our pleasure to be with you all and we learned, of course from your questions and we are considering a lot of what you said and we hope that we answered you on clear matters and anytime we are here to listen and answer your questions and we look forward inshallah to the end of the year result which Inshallah you will be happy with it. As well as we will, we will have our discussion based on the outcome. Thank you so much and have a great day.

**Afaq Nathani, CFA – International Securities**

Thank you. Participants, if you have any further questions, you can see the investor relations e-mail addresses on your screen and please feel free to reach out to them. Have a nice day everyone. This concludes the call. You may now disconnect. Goodbye.