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ADNOC DRILLING

Media Release:

ADNOC Drilling Delivers Record 3Q and 9M 2025 Results, Upgrades Guidance, Reinforces Transformational Growth

Revenue up 27% to $3.63bn, net profit up 17% to $1.06 billion, free cash flow up 174% to $1.2 billion

Board of Directors approves $250mn 3Q 2025 dividend distribution; endorses enhanced dividend policy targets at least $6.8bn through 2030

Unconventionals and IDS planned expansion cement ADNOC Drilling as the region's premier growth engine

Abu Dhabi, UAE – October 28, 2025: ADNOC Drilling Company PJSC ("ADNOC Drilling" or the "Company") (ADX symbol: ADNOCDRILL / ISIN: AEA007301012) announced today record financial results for the third quarter (3Q) and first nine months (9M) of 2025, reinforcing its position as ADNOC's upstream growth engine and a cornerstone of Abu Dhabi's long-term energy security.

9M 2025 Highlights: Unmatched Growth, Resilience and Momentum

- Revenue: $3.63 billion, +27% year-on-year
- EBITDA: $1.64 billion, +15% year-on-year
- Net Profit: $1.06 billion, +17% year-on-year
- Free Cash Flow: $1.2 billion, +174% year-on-year
- Return on Equity (ROE): 36%
- Return on Capital Employed (ROCE): 25%

Abdulla Ateya Al Messabi, ADNOC Drilling CEO, said: "Our record performance in 2025 showcases the strength and resilience of our business model and disciplined execution. The true story is the transformational growth ahead; we are scaling unconventionals to a potential of 300+ wells annually, expanding our Integrated Drilling Services (IDS) fleet to 70 rigs and preparing for new offshore island operations by the end of the decade. These milestones can add billions in new revenue streams, de-risked by our in-house expertise and powered by our ambition to become AI-native. With our enhanced dividend policy targeting at least $6.8 billion through 2030, ADNOC Drilling is setting a new global standard for reliable, growing shareholder returns."

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Record Financial Performance

For 9M 2025, ADNOC Drilling achieved revenue of $3.63 billion, up 27% year-on-year; net profit of $1.06 billion, up 17%; and free cash flow of $1.2 billion, up 174%. Third-quarter results delivered record profitability and cash generation, driven by strong operational execution, resilient long-term contracts, and accelerated adoption of AI-powered technologies across the fleet.

Dividend Delivers on Progressive Policy

The Board of Directors approved a 3Q 2025 dividend of $250 million (approximately 5.7 fils per share), payable in the second half of November 2025 to shareholders of record as of November 6, 2025. This reflects ADNOC Drilling's commitment to progressive, reliable income for investors.

The Company's enhanced dividend framework, announced at the ADNOC Investor Majlis, which will be presented for approval at the next Annual General Assembly, targets at least $6.8 billion in distributions from 2025 to 2030, providing long-term visibility and confidence for shareholders.

Segmental Performance: Broad-Based Strength

- **Onshore:** $1.52 billion revenue (+13% YoY), driven by the contribution of rigs commencing operations, coupled with higher contribution from the unconventional business

- **Offshore (Jack-up & Islands):** $1.04 billion revenue (+3% YoY), mainly due to the reactivation of island rigs, along with the positive impact from jack-ups commencing operations at the end of the second quarter 2025

- **Oilfield Services (OFS)**: $1.07 billion revenue (+114% YoY), driven by $385 million contribution from unconventional business, increased integrated drilling services (IDS) activity, and additional discrete services

Key Financial Metrics

USD Millions	3Q 25	3Q 24	% Change	9M 25	9M 24	% Change
Revenue	1,260	1,026	23%	3,626	2,847	27%
EBITDA	560	510	10%	1,638	1,419	15%
Net Profit	368	335	10%	1,060	905	17%
Earnings per Share (USD/ share)	0.023	0.021	10%	0.066	0.057	17%
Capital Expenditure (ex. accruals)	(174)	(197)	-12%	(509)	(546)	-7%
Cash from Operations	667	315	112%	1,837	1,180	56%
Free Cash Flow	477	4	NM	1,204	439	174%
EBITDA Margin	44%	50%	-6%	45%	50%	-5%
EBITDA Margin Conventional	*50%*	*51%*	*-1%*	*51%*	*50%*	*1%*
Net Profit Margin	29%	33%	-4%	29%	32%	-3%
Net Profit Margin Conventional	*32%*	*33%*	*-1%*	*33%*	*32%*	*1%*

Strategic Progress: Leading the Industry's Transformation
ADNOC Drilling is advancing multiple initiatives to redefine performance and efficiency:

- **Regional Expansion:** Entry into Kuwait and Oman via the SLB joint venture (SLDC) accelerating GCC growth subject to customary closing conditions, including regulatory approvals
- **Enersol:** Scaling as a technology-driven investment platform within the ADNOC Drilling portfolio
- **Turnwell:** Delivering record-breaking unconventional well times through cluster drilling and automation
- **AI and Automation:** Accelerating ADNOC Drilling's transition to an AI-native company, with predictive maintenance, autonomous rig moves, and intelligent workflows that enhance safety and returns
- **Record Contract Wins:** Over $5 billion in new contracts during 9M 2025, extending backlog visibility through 2040 and reinforcing market confidence

Full Year 2025 Upgraded Financial Guidance
Off the back of record 3Q 2025 results, the Company upgraded its financial guidance for the full year:

USD Billions (unless otherwise stated)	Previous FY2025 Guidance	Upgraded FY2025 Guidance
Revenue	**4.65 – 4.80**	**4.75 – 4.85**
Onshore Revenue	1.95 – 2.10	1.95 – 2.10
Offshore Revenue (Jack-up & Islands)	1.35 – 1.45	1.35 – 1.45
Oilfield Services Revenue	1.20 – 1.30	1.30 – 1.40
EBITDA	**2.15 – 2.30**	**2.15 – 2.30**
EBITDA Margin	46% – 48%	46% – 48%
Net Profit	**1.375 – 1.45**	**1.40 – 1.45**
Net Profit Margin	29% – 31%	29% – 31%
CapEx (excluding M&A)	**0.35 – 0.55**	**0.45 – 0.55**
Free Cash Flow (excluding M&A)	**1.40 – 1.60**	**1.40 – 1.60**
Leverage target	**< 2.0x**	**< 2.0x**
Dividend floor	**0.87 (+10% YoY)**	**1.0 (+27% YoY)**

ADNOC Drilling's medium-term guidance is updated as follows:

- FY 2026 revenue expected at ~$5 billion
- FY 2026 EBITDA and Net Profit broadly in line with FY 2025
- Around 50% conventional EBITDA margin (conventional drilling margins exceeding 50% and OFS margin in a range of 23-26% medium-term)
- Conservative long-term leverage target of up to 2.0x Net Debt / EBITDA
- Net working capital as percentage of revenue target of around 12%
- Maintenance CapEx of ~$250 million per annum (excluding organic and inorganic growth CapEx)
- 151+ rigs by 2028, to be updated upon closing of future additional M&A transactions, and needs for unconventional
- 70 IDS rigs expected by year-end 2026

Transformational Growth Announced Following 3Q 2025 Results and Forward-Looking Strategic Growth Outlook

- **Progressive Dividend Framework:** Targets minimum $6.8 billion in shareholder distributions 2025-2030, with a 27% uplift in 2025 and minimum 5% annual increase thereafter which will be presented for approval at the next Annual General Assembly

- **Unconventionals:** ADNOC Drilling is building scalable, repeatable unconventional workflows, with the potential of 300+ wells annually. This next phase turns technology, expertise, and disciplined execution into durable, high-return revenue cycles. Combining AI-driven well planning, cluster drilling, and autonomous operations, ADNOC Drilling is transforming unconventionals from pilot activity into a sustainable growth engine for the UAE and the wider region

- **IDS Expansion:** ADNOC Drilling plans to expand its fleet to approximately reach 70 IDS rigs, establishing ADNOC Drilling as the world's foremost integrated drilling services provider. This anticipated milestone reflects the company's accelerated growth trajectory and its commitment to delivering end-to-end drilling solutions at scale, positioning ADNOC Drilling as a global benchmark in operational excellence and service integration

- **Island Rig Growth:** New offshore island rigs expected between 2029–2030, supporting long-term offshore development and earnings visibility

Together, these initiatives combine near-term record performance with long-term growth, cementing ADNOC Drilling's status as the region's premier growth engine.

Webcast and conference call

ADNOC Drilling will host the earnings webcast and conference call, followed by a Q&A session, for investors and analysts on Tuesday, October 28, 2025, at 4pm UAE time. The call will be hosted by Abdulla Ateya Al Messabi, ADNOC Drilling CEO, and Youssef Salem, ADNOC Drilling CFO. Interested parties are invited to join the call by clicking here.

The transcript will be made available following the call, accessible from the Investor Relations section of ADNOC Drilling's website here.

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About ADNOC Drilling

ADNOC Drilling, listed on the Abu Dhabi Securities Exchange (ADX symbol "ADNOCDRILL"; ISIN AEA007301012), is the largest drilling and integrated drilling services (IDS) company in the Middle East by fleet size, owning and operating one of the largest multi-discipline drilling fleets in the world.

The Company is a critical link in ADNOC's upstream business, as ADNOC responsibly accelerates its production capacity targets in light of globally increasing demand for energy and enables the UAE's gas growth. ADNOC Drilling incorporated IDS into its portfolio in 2018 and now offers a total solution of start-to-finish wells and associated services that encompass the entire drilling value chain. To find out more, visit: www.adnocdrilling.ae

For media inquiries, please contact: media.adnocdrilling@adnoc.ae

For investor inquiries, please contact: ir@adnocdrilling.ae

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