

BUSINESS MODEL

At Arabian Drilling, we are dedicated to creating lasting value through excellence, innovation, and a strong commitment to sustainability. Our approach integrates operational expertise, strategic growth, and responsible practices to meet the evolving needs of our stakeholders and support broader national and industry goals.

Our Strengths

Financial



- Solid financial performance with sustainable positive cash flow and high EBITDA margin.
- Financial discipline and adequate balance sheet leverage allowing for further growth opportunities.
- Net debt profile and leverage increased in 2024 as a result of CAPEX spending to support fleet expansion and the delivery of new unconventional land rigs.

Operational



- Best-in-class operational capabilities with superior scoring on Rig Efficiency Index (REI) (i.e. Aramco KPIs for drilling contractors).
- Our average REI scoring for 2024 was 94.3%, with close to 90% of our rigs scoring in the high-performance category, with an REI of 85% or more.
- Technical in-house expertise and workshops to ensure well-maintained assets.

Human Capital



- Highly experienced Management team.
- Diverse and experienced workforce with a high Saudization representation - consolidated Saudization rate of 63%.

Customers



- Entrenched relationships with Tier 1 customers (Aramco, SLB, Baker Hughes, KJO).
- 60-year trusted partnership with Aramco.

Diversified Offering



- Stable and resilient model with balanced exposure to land and offshore.
- Contractor of choice in specific types of drilling, including unconventional gas and geothermal wells.



How We Create Value

“STRIVE for Excellence”

Our Vision

Leading sustainable drilling services.

Our Mission

Evolve our business to add value to our people, customers, and shareholders by following the highest safety, technological, and operational standards.

Our Values

S.T.R.I.V.E.

Safety, Teamwork, Reliability, Integrity, Value, and Environment.

Our Strategic Priorities

- Grow core business in Saudi Arabia and expand outside of the Kingdom.
- Deliver best-in-class operational performance.
- Upgrade our operating model.

Value Created

- Continuous expansion in 2024 with the addition of 13 new land rigs for unconventional gas (32% YoY growth in our land rig fleet).
- Achieved all-time record high revenue in 2024 of ₪ 3.6 billion (+4.1% YoY).
- Highest quarterly backlog average reported in 2024 of ₪ 10.8 billion (+8% YoY). Backlog consistently represents close to 3x the amount of the annual revenue.
- Average REI score in excess of 94%. Close to 90% of the rigs are scoring in the High Performance category.
- Total Recordable Incident Frequency (TRIF) of 0.59 (calculated over one million manhours) (vs. average of 2.3) for the International Associations of Drilling Contractors.

- 345 million in cash dividends returned to shareholders in 2024.

- Enhancing the Kingdom's energy mix transition with the decarbonization of electricity production.
- Arabian Drilling Learning Academy (ADLA), established in 1993 as the first training center in the Kingdom to deliver both Technical and HSE training and accredited by international bodies such as ISO (9001 and 29993), IADC (WellSharp and Drilling Industry Training Programs), delivered around 120,000 man-hours of training in 2024 with 1,100+ training courses of 42 different types for approximately 23,000 trainees.
- Received multiple awards and recognitions:
 - Most Improved Invertors Relations Program from Middle

Our Corporate Governance and Sustainability

Our sustainability framework focuses on 3 key areas:



People and Society

- Labor Best Practices
- CSR and Local Communities
- Occupational Health and Safety
- Workplace Diversity and Equal Opportunity



Corporate Governance

- Code of Conduct
- Enterprise Risk Management. In 2024, we implemented the SAP-GRC (Governance, Risk, and Compliance) solution, marking the Company's milestone in enhancing its Risk Management function. The SAP-GRC solution will play a vital role in fostering a culture of Risk Management best practices within Arabian Drilling.
- Compliance and Controls



Climate Action

- Water Management
- Waste Management
- Biodiversity
- Carbon Footprint Reduction

- East Investors Relations Association (MEIRA) as part of the 2024 Saudi Capital Market Forum.
- Received third place for the Leading Corporate for Investor Relations - Saudi Arabia, awarded by MEIRA at their 2024 Annual Conference.
- Best CFO - Drilling - Mr. Hubert Lafeuille - Saudi Arabia 2024 - presented by the International Finance Award.
- IKTVA Excellence Awards for Best in Saudization (Services) - presented by Aramco (February 2025)
- Investors Relations Award Mid-Cap (3rd place) - presented by Saudi Tadawul Group