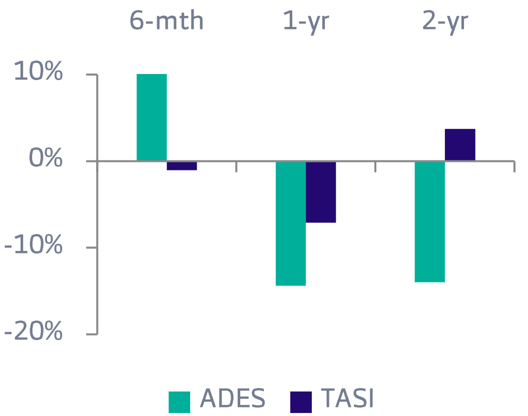
Growth After Suspensions, Growth After Resumptions

November 10, 2025

Upside to Target Price	24.9%	Rating	Buy
Expected Dividend Yield	2.6%	Last Price	SAR 16.82
Expected Total Return	27.5%	12-mth target	SAR 21.00

Market Data	
52-week high/low	SAR 20.1 / 12.2
Market Cap	SAR 18,991 mln
Shares Outstanding	1,129 mln
Free-float	39.31%
12-month ADTV	2,327,824
Bloomberg Code	ADES AB



ADES	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	1,654	1,573	5%	1,579	5%	1,619
Gross Profit	605	616	(2%)	593	2%	625
Gross Margins	37%	39%		38%		39%
Operating Profit	498	513	(3%)	487	2%	519
Net Profit	215	200	7%	189	14%	205

(All figures are in SAR mln)

- ADES reported a topline of SAR 1,654 mln (+5% Y/Y and +5% Q/Q), in-line with our estimate of SAR 1,619 mln. Management commented on utilization rates of the group for 3Q2025, which were 98%, while the group continued to increase geographical diversification. Management also highlighted EBITDA performance in 3Q25, as ADES generated SAR 861 mln vs. SAR 797 mln in 3Q24, an +8% increase Y/Y; continuing ADES' momentum from the previous quarter. Much of this growth is driven by the progressive deployment of offshore rigs to new geographic markets. However, on October 29, 2025, ADES received resumption notices for one of its offshore contracts and several onshore ones in KSA. In our view, this announcement will serve as an additional catalyst that is congruent with the Shelf Drilling acquisition and ADES' growth track.
- ADES' operating profit came in at SAR 498 mln, down -3% Y/Y and up +2% Q/Q, in-line with our estimate of SAR 519 mln. ADES also reported net profits of SAR 215 mln, increasing +7% Y/Y and +14% Q/Q, in-line with our estimate of SAR 205 mln. We also highlight, given the acquisition of Shelf and recent announcements from Aramco regarding other drilling contract resumptions, the coming few quarters will be positive, but noisy.
- Management reiterated its guidance for FY2025 EBITDA, of between SAR 3.28 bln and SAR 3.39 bln; leaning towards the higher end. Based on steady guidance, the Shelf announcement, and now, the resumption notices from Aramco for one offshore and several onshore contracts, we maintain our high conviction thesis. We also maintain our target price, and rating.

Brennan Eatough
brennan.eatough@riyadcapital.com
+966-11-203-6808

الرياض المالية
Riyad Capital

Disclaimer

Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

For any feedback on our reports, please contact research@riyadcapital.com

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.

الرياض المالية
Riyad Capital