NOVEMBER 13, 2026

NATIONAL CENTRAL COOLING COMPANY PJSC

(DFM: TABREED)

EARNINGS CONFERENCE CALL TRANSCRIPT

9M 2026

Tabreed Participants:

Adel Salem Al Wahedi, Chief Financial Officer

Salik Malik, Senior Vice President – Finance

Yugesh Suneja, Head of Investor Relations

Presentation

Yugesh Suneja

Good afternoon, everyone, and sorry for this technical interruption.

Welcome to Tabreed's nine-month 2026 results call. I am Yugesh, Head of Investor Relations at Tabreed.

Our agenda for today's call is outlined on the next slide. Joining me today are our CFO, Adel Al Wahedi, and our SVP Finance, Salik Malik. Adel will start with an overview of the period and key business developments. Salik will then take us through financial and operational performance. Adel will come back to talk about capital allocation, guidance, and outlook.

Before we start, please note the forward-looking statement disclaimer on this slide. Some comments today may be forward-looking and are subject to risks and uncertainties described here.

We can now move to our first section. Adel, over to you.

Adel Al Wahedi

Thank you, Yugesh, and good afternoon, everyone. Let me start with a few highlights from the first nine months and the progress we have made across the business.

From an operating perspective, performance remained strong, availability was above 99.9%, HSE performance remained good, and we continued to focus on efficiency across the portfolio.

On growth, we continued adding capacity within our existing connections. We are also making good progress with PAL Cooling, both on integration and the new customer connections, while Palm Jebel Ali remains in the early development phase.

So, there are several things happening across the portfolio, but our focus remains quite straightforward: maintain strong operations, execute the growth pipeline, and gradually convert the expanded asset base into higher utilization and cash flows. We are doing this while maintaining strong operational performance and investment-grade discipline.

Moving to the next slide. With that context, let me briefly take you through the key nine-month highlights before Salik takes you through the more detailed financial results.

Connected capacity reached 1.59 million RTs, up 15% year on year, mainly reflecting PAL Cooling acquisition. Organic growth was 1.4%.

Revenue increased 3% to AED 1.9 billion. EBITDA at AED 955 million with a 50% margin, and this is in line with our current outlook.

Cash generation remained strong. Net operating cash flow increased 20% to AED 882 million.

On the balance sheet, net debt is slightly lower year to date and leverage remains stable at around 4.6 times.

So overall, operations and cash generation remain healthy, while we continue investing in the next phase of growth.
I will now hand over to Salik to take you through the numbers in more detail.

Salik Malik

Thank you, Adel, and good afternoon, everyone.

Let me take you through our financial and operational performance for the first nine months of 2026.

Revenue increased by 3% to AED 1.91 billion, with Q3 revenue growing by 4%. Gross profit increased by 1% for the nine-month period and by 3% in Q3. EBITDA was AED 955 million, 2% below last year, while Q3 EBITDA was broadly stable year on year. This reflects continued revenue growth and resilient operating performance, partly offset by the normalization of our cost base and the current revenue mix.

Net profit attributable to the parent was reported at AED 320 million, which is 24% below the prior year. Importantly, the year-on-year decline narrowed to 11% in Q3. Normalized net profit followed a similar pattern.

The main factors remain consistent with those discussed earlier in the year: higher finance costs, the normalized operating cost base, and a lower contribution from joint ventures and associates. As the comparative base becomes more aligned, the year-on-year impact of some of these factors is beginning to moderate, which I will be explaining these movements in more detail over the next few slides.

Starting with operations.

Total connected capacity reached 1.587 million RT, an increase of 15% year on year. Over the last twelve months, we added approximately 20 thousand RT organically and around 190 thousand RT through the acquisition of PAL Cooling assets.

Organic additions were slower in the first half, mainly reflecting the timing of customer construction, handover and connection schedules. We saw improved pace of additions in Q3, as shown in the quarterly chart.

The capacity mix also highlights the two principal sources of growth: continued customer connections within our existing concessions and new connections across the PAL Cooling portfolio.

On consumption, the weather and hospitality-related softness experienced in Q2 improved during the third quarter. Q3 consumption reached 1.03 billion RTh, approximately 3% higher year on year, bringing nine-month volumes slightly above the prior-year period.

Overall, the operating indicators remain resilient. The expanded capacity base provides a strong platform for future revenue and cash-flow growth as customer connections and utilization build progressively.

Moving to revenue.

For the first nine months, capacity revenue remained the principal structural driver of growth. This was supported by new customer connections and contractual CPI indexation.

We also benefited from a higher contribution from the value-chain business and a modest increase in consumption volumes. These positive movements were partly offset by the accounting impact of finance-lease amortization across the relevant part of our asset portfolio.

The Q3 revenue mix was somewhat different. Consumption provided the largest year-on-year uplift, supported by more favorable weather during our peak seasonal quarter.

The value-chain business also contributed to growth, reflecting an expanding customer portfolio across billing and collection services, together with the delivery of certain project-based contracts during the period.

Overall, the revenue profile continues to be underpinned by capacity growth, contractual indexation, and the predominantly contracted nature of the chilled-water business.

Turning to profitability.

Gross profit increased to AED 821 million for the first nine months, and in Q3 alone, AED 293 million. EBITDA similarly had AED 955 million for the first nine months, while the Q3 EBITDA was broadly stable year over year. The reduction in margin primarily reflects the normalized expense base, higher personnel and operating costs, and changes in the revenue mix. These factors were partly offset by continued revenue growth and benefits from our operational efficiency initiatives.

Encouragingly, we began to see some improvements in our operating cost performance during the last quarter. The year-on-year comparison for the G&A and certain other expenses is also becoming more comparable as we progress through the year. Overall, operating margins remained resilient and broadly aligned with our medium-term guidance of approximately 50%. The normalization of comparative base becomes more evident below EBITDA, particularly in the movement of net profit, which I will be covering in the next slide.

This slide provides a clearer view of the factors affecting the net profit. For the first nine months, the net profit was down by 24% compared to the same period last year. In Q3, however, the year-on-year decline narrowed to 11%. The same direction is visible in our normalized net profit as well, where the Q3 differences declined or narrowed to 15%.

Higher financing costs remain a significant factor. However, their incremental year-over-year impact is beginning to moderate as the comparative base becomes more aligned. The refinancing was completed at the end of the first quarter of 2025, while the acquisition funding was raised towards the end of the third quarter. Consequently, an increasing proportion of these financing costs is now included in both the reporting periods.

A similar normalization is also taking place across the operating cost base. The other important factor is the contribution from the joint ventures and associates. Although the nine-month contribution remained below the last year, Q3 performance was broadly in line with the prior year period. This materially reduced the negative year- over-year impact and reflects improving contributions across the portfolio, including PAL Cooling. The key point is that the nine-month results still carries the cumulative impact of earlier comparative differences, while the standalone Q3 performance shows that the earning gap is beginning to narrow.

Turning to the balance sheet.

The main working capital movements during Q3 relate to receivables and payables. This is normal for our business at this point in the year, as the peak summer consumption period results in higher customer billing and correspondingly higher utility cost and its associated payables. There was also a balance sheet reclassification relating to our 50% interest in one of our joint ventures, which is the Tabreed Parks and Investments. Following the exercise of call option by our partner, the investment has now been classified as held for sale, with completion currently expected by the year-end.

Net debt stood at AED 5.8 billion, slightly below the year-end level, which is primarily due to the amortizing factor of one of our debts. Net debt to EBITDA was 4.6 times and remained broadly stable year to date. We have approximately AED 1.7 billion of available cash and liquidity. Our average cost of debt is around 4.7%, and approximately 99% of our interest rate exposure is hedged. The debt maturity profile remains manageable. The principal near-term maturity is the USD 500 million bond, which is due in Q4 next year, with most of the remaining maturities extending beyond 2029 onwards. Both Moody's and Fitch continue to rate Tabreed as an investment-grade company, while maintaining the profile remains a core financial priority as we fund the company's secured growth program.

Now, I will turn to the cash flows and its flexibility when providing the capital allocation.

Cash generation remained a key strength for the first nine months. Operating cash flow before working capital movements and taxes was at AED 957 million. After these movements, net operating cash flow reached AED 882 million, an increase of 20% year over year. This represented a cash conversion of 92% to our EBITDA.

Organic capital expenditure was close to AED 200 million, primarily supporting new plants, network expansion, and customer connections. Net investments in JVs and movements were relatively modest during the same period.

Financing cash flows, which includes the interest payments and scheduled debt amortization under our existing facilities. We also paid the second half 2025 and the first half 2026 dividends during the period. After capital expenditure, the free cash flows were reported at AED 651 million, and we closed the period with AED 530 million in cash and short-term deposits. This strong cash generation gives us the flexibility to fund growth, manage the balance sheet, deliver sustainable shareholder returns while maintaining our investment-grade financial profile.

With this, I will hand it back to Adel Al Wahedi to cover our capital allocation and outlook.

Adel Al Wahedi

Thank you, Salik.

Let me take you about capital allocation now. We continue to see opportunities within our existing concessions, greenfield projects, and potential acquisitions, but growth is not pursued in isolation. We look at each investment over its full life cycle and against the return we expect from the capital deployed. At the same time, we need to preserve financial strength and investment-grade credit metrics. Where appropriate, we use project financing, partnerships, and phased capital deployment rather than funding everything at corporate level.

And the third part is shareholders' return. We want to maintain sustainable dividends, but always in the context of cash generation, leverage, and future investment requirements. So, there is no single priority in isolation. We aim to balance all three priorities.

Moving to the next slide.

Moving to guidance, our 2026 organic capacity growth expectation remains around 1%. For 2027 and 2028, we continue to expect growth in the range of 3% to 5% per annum. This is supported by opportunities within our existing concessions and customer projects. As we discussed earlier, capacity additions can move between periods depending on customer construction, handover, and connections schedules. So, 3% to 5% should be viewed as a medium-term range rather than necessarily the outcome in each individual year.

On EBITDA margin, our outlook remains around 50%, reflecting the current portfolio mix and normalized cost base.

Organic Capital Expenditure guidance remains AED 200 to 300 million per year. This reflects our currently identified investment program. We continue to evaluate additional opportunities, but uncommitted projects are not included in this guidance. If any of these become sufficiently progressed and materially change our investment requirements, we would update the market and our guidance accordingly.

As always, we would assess these opportunities against long-term value creation and our commitment to maintaining investment-grade credit quality. Overall, the guidance reflects the business that we can see today while retaining flexibility to pursue additional value-accretive opportunities.

Moving to the next slide.

Looking ahead, our priorities are quite straightforward. First, execute the secured pipeline and convert concession capacity into customer connections. Second, optimize the expanded portfolio, particularly PAL Cooling, and increase utilization across our assets. Third, maintain capital discipline while continue to evaluate value-accretive opportunities. And finally, continue investing in the platform itself, our people, technology, customer relationships, safety, and reliability.

Let me close with four points, please.

The contracted core business remains resilient.
Cash generation remains strong.
We have a visible pipeline of secured capacity growth, and we will continue to allocate capital with a focus on long-term value while protecting our investment-grade profile.
Our focus is executing, converting capacity into connections, connections into cash flows, and doing this while maintaining financial discipline.

Thank you.

We can now open the line for questions.

Questions & Answers

Moderator

Thank you very much. So, we will now move on to the question-and-answer section. If you would like to ask a question, please press *2 on your phone and wait to be prompted. If you are dialed in by the web, you can type your question in the box provided or request to ask a voice question. We will just wait a moment or two for the questions to come in.

Priyanshi Mishra (ABI Analytics)

Q. Share of associates and JVs remained flat at AED 9 million in the third quarter of 2026 compared to the third quarter of 2025. When do you expect PAL Cooling to reach break-even and then contribute meaningfully?

Adel Al Wahedi:

A. Hi. PAL Cooling is very important, very strategic asset. It doesn't mean if it is strategic that it won't be making any return or value for shareholders. So, it will be between two to three years at maximum.

Priyanshi Mishra (ABI Analytics)

Q. Value chain revenue grew 45% year over year in 3Q 2026. How much of that came from one-off projects, and how much is recurring? What is expected level going forward?

Adel Al Wahedi:

A. Hi. It is sustainable growth, and there is no one-off about it. This is a short answer. Our VCB business is doing well, and we are looking to continue that strong performance. Thank you.

Priyanshi Mishra (ABI Analytics)

Q. The EBITDA margin was 49.9% over nine months 2026 compared to 52.1% in nine months 2025, and only 43.2% in 3Q 2026. Do you still expect about 50% for full year 2026, and does that imply a fourth quarter 2026 margin of around 50%?

Adel Al Wahedi:

A. Yeah. Thank you. The nature of our business and industry is very strong with healthy margins, and steady and strong cash flows. Yes, our expectation that it will continue around 50% EBITDA margin.

Soha Saniour (Arqaam Capital)

Q. Can you guide us on how much of the consumption recovery in Q3 is due to more favorable weather conditions versus actual underlying consumption recovery?

Adel Al Wahedi:

A. Yeah. Hi. The sole reason of the weather condition is around 2% out of the total 3% growth in Q3.

Moderator:

Thank you very much. So again, if you would like to ask a question, please press *2 on your phone and wait to be prompted. If you are dialed in by the web, you can either type your question in the box provided or request to ask a voice question. We will just wait a few more minutes for more questions to come in. Thank you very much.

So, our next question comes from Ahmed from EFG. Sir, your line is now open. You can go ahead. Ahmed from EFG Hermes, your line is now open. You can go ahead. Sir, we are unable to hear you. If you can hear us, please try to ask a text question by joining through the web.

Another reminder, if you would like to ask a voice question, you could press star-two on your keypad and wait for your name to be prompted. And if you would like to ask a text question, you can simply just type it in the box provided. Okay, looks like there are no more questions. I am not seeing any other questions. So, perhaps I can hand it back to the Tabreed team for their closing remarks

Yugesh Suneja:
We can see one more text question coming in, and it says:

Q. Any M&A opportunity you are evaluating?

Adel Al Wahedi:
A. Yeah, definitely. The strategy of the company is to pursue growth, whether organically or inorganically. And this is the case, so we will continue to do that. If there is any change to that strategy, we will communicate that to the market.

Yugesh Suneja:
All right. Thank you, Adel.

If there are no further questions, then that will conclude our call. And thank you, everyone, for joining and asking your questions. This concludes our Q3 and 9M conference call. Our investor relations team is available for you if you have any follow-up questions. Thank you once again and have a good day.

Note: This transcript has been edited to improve readability.

For further information, please contact:

Tabreed Investor Relations
Email: ir@tabreed.ae

Salik Malik
Senior Vice President, Finance
Tel: +971 2 202 0397
Email: smalik@tabreed.ae

Yugesh Suneja
Head of Investor Relations
Tel: +971 2 202 0479
Email: ysuneja@tabreed.ae