

Chairman’s statement Q3 2025

On behalf of the Board of Directors, I present the unaudited financial statements for Renaissance Services SAOG for the nine months ended September 30, 2025.

The first three quarters of 2025 were characterised by mixed economic conditions both in Oman and across the wider region. The Omani government’s continued focus on fiscal discipline and infrastructure investment sustained underlying momentum, though delayed project commencements and slower tender cycles tempered growth in certain sectors.

Regional energy prices stabilised after earlier volatility, contributing to more predictable but tighter government expenditure cycles. Neighbouring markets experienced similar trends of moderated growth amid cautious public spending and project delays.

Against this backdrop, Renaissance delivered steady operational performance supported by disciplined cost management, strong client relationships and a consistent focus on service quality and compliance.

Financial Performance

RS Consolidated

	RO mn		USD mn	
	9-month period ended		9-month period ended	
	Sep 2025	Sep 2024	Sep 2025	Sep 2024
Revenue	83.49	77.71	216.86	201.84
EBITDA	14.32	17.61	37.19	45.74
Operating profit	7.50	10.77	19.48	27.97

Net profit after tax	3.98	6.17	10.34	16.03
Net profit after non-controlling interest	5.15	7.47	13.38	19.40

Performance

Demonstrating continued resilience, the company recorded a **7.4% increase in revenue** to **RO 83.49mn** for the nine months ended September 2025, driven by new contract wins in health, energy and integrated tourism projects as well as stable performance across core operations. Though profitability was lower over the previous year corresponding period, there was an improvement in the Q3 bottomline compared to the first two quarters of 2025.

The company maintained a strong financial discipline throughout the period: Collections remained healthy, overheads were tightly managed and financing costs reduced year on year. Investment in carefully selected areas of innovation and process improvement, including digitalisation, automation and data-driven management, helped strengthen long-term competitiveness.

Our Contract Services business benefited from strong delivery and improved operational efficiency across key contracts in the energy, healthcare and infrastructure sectors highlighting the trust placed in Renaissance as a reliable partner in essential, nation-building services.

At the same time, across much of the public and private/semi-government sectors, tendering and contract renewals have been delayed, with many clients extending existing agreements or re-tendering later than planned. Heightened competition and price sensitivity have also shifted emphasis toward lowest-cost awards rather than value-based evaluation, compressing margins across the industry.

The general business environment continues to experience rising operating costs, driven by inflationary pressures, tighter labour markets and increased regulatory and compliance requirements. These factors, combined with a more competitive tendering landscape, have placed additional strain on margins.

The broader trends in the current contracting landscape, particularly affect our accommodation solutions business, at Renaissance Village Duqm (RSVD) and the Permanent Accommodation for Contractors (PACs) in the oil & gas fields. Though announcements of major projects or new contract awards signal future opportunity, actual mobilisation has been slow, temporarily limiting demand for accommodation solutions.

However, this sector continues to be a strategic platform for growth. Building on the strength of our existing assets in Duqm and the oilfields, we are exploring opportunities to leverage these investments to support regional expansion and new client requirements. This business model, proven in Oman, represents a unique value proposition, positioning Renaissance to pursue long-term partnerships with local and international private and public sector clients seeking reliable and sustainable solutions.

M & A

The company continues to pursue acquisition opportunities in Oman and the region. Several potential targets are under evaluation where the combination of strategic fit, earnings potential and cultural alignment could deliver meaningful scale and capability enhancement. Synergies with our existing business will be central to any potential transaction, whether through operating leverage, access to high-growth sectors, or an expanded range of integrated services.

ESG

Renaissance continues to advance its sustainability agenda through innovation, technology and the responsible management of precious natural resources. The company's efforts remain aligned with Oman's Net Zero commitments and focused on driving measurable progress across its operations.

Continuing the digitalisation journey, a Facilities Management (FM) app has been deployed at a flagship mixed-use waterfront development in Muscat, where comprehensive Integrated Facilities Management (IFM) services are being provided. This digital platform streamlines maintenance activities, eliminates paper-based work orders, and enhances overall efficiencies through process automation.

Transformation and growth

2025 marked an important phase of transformation and growth for Renaissance. A clear strategic direction was reinforced, focused on strengthening competitiveness, embedding a growth-oriented culture, and pursuing both service and geographic diversification through a combination of organic expansion and selective mergers and acquisitions.

Earlier this year, Renaissance began a company-wide review of its **service delivery processes, workforce deployment and cost structures**, with the goal of improving productivity and delivering better value to clients. This will be supported by the increased use of automation, robotics and digital tools to reduce manual processes in food, cleaning, and accommodation services.

Decades of proven experience in healthcare FM services positions the company to expand into new integrated solutions, including asset and energy management for hospitals and clinics. In parallel, the development of advanced energy-based predictive maintenance systems will allow Renaissance to reduce clients' operating costs and carbon footprint while differentiating its Hard FM offerings through data, AI and sustainability performance.

We will continue to strengthen participation in the waste management and utilities sectors, leveraging joint ventures and partnerships to drive innovation and efficiency in these sectors. These initiatives align directly with Oman Vision 2040 priorities and reinforce Renaissance's position as a trusted Omani company contributing to national development, business continuity and economic resilience.

The macro view

Oman’s economic outlook remains positive, supported by continued fiscal discipline and accelerated diversification. The latest data indicate that foreign direct investment (FDI) rose by about 18% to reach RO 30.3bn by mid-2025, nearly double the level recorded in 2020. Private-sector investment accounted for about 17 per cent of GDP, reflecting an 8.4 per cent annual growth rate, and in line with the goals of Oman Vision 2040. A current account surplus for the third consecutive year underscores continued fiscal discipline and a strengthening financial position.

While the oil and gas sector continues to account for around 80 per cent of total FDI inflows into the country, diversification is gradually expanding the investment base, with almost 9 per cent directed to manufacturing by mid-2025 and rising inflows now expected in renewable energy, tourism and technology-enabled services in line with ongoing announcements.

Redefining value

As we look ahead, Renaissance aims to engage clients and partners in a broader conversation around value - one that moves beyond price to focus on total cost, performance and long-term outcomes. As organisations face rising cost pressures, sustainability requirements and the need for reliable asset performance, the importance of understanding the total cost of ownership is becoming increasingly evident.

IFM aligns the management of physical assets, infrastructure and workplace services directly to business outcomes like productivity, safety, cost efficiency and sustainability. Over time, greater awareness of these benefits will help shift the market toward value-based partnerships that deliver stronger outcomes for both clients and service providers.

Tribute

Renaissance extends its congratulations to His Majesty Sultan Haitham bin Tarik and the people of Oman. Under His Majesty’s leadership, Oman continues to advance its economic diversification and sustainability agenda with clarity and purpose. The company remains committed to supporting this vision by enhancing In-Country Value (ICV) and contributing to national progress through efficient, high-quality and sustainable services.