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Executives:

Akram Iswaisi - Executive Vice President, Finance & Investments

Operator: Hello, and welcome to Milaha Qatar Navigation Conference Call. Please note that this call is being recorded.

I would now like to turn the call over to our moderator, Bobby Sarkar. Please go ahead, Sir.

Bobby Sarkar: Thank you, Dustin. Hi. Hello, everyone. This is Bobby Sarkar, Head of Research at QNB Financial Services. I wanted to welcome everyone to Milaha's Third Quarter and Nine Months 2025 Results Conference Call.

So on this call, we have Akram Iswaisi, who is the EVP of Finance and Investments. So we will conduct this conference with Akram going over the company's results, followed by a Q&A session.

Akram, please go ahead.

Akram Iswaisi: Thank you very much, Bobby. Thank you, everyone, for joining Milaha's year-to-date Q3 2025 earnings call and for your interest in the company. As usual, I will start by going over our consolidated financial results, then move on to the key financial highlights of our various business segments, and finally go over our outlook. We will then end the call with Q&A.

The key highlights of our financial results. Milaha's operating revenues came in at QR 2.46 billion for the nine-month ended September 30th, 2025, compared with QR 2.13 billion for the same period in 2024, for an increase of 15%. Operating profit came in at QR 516 million for the nine months ended September 30th, 2025, compared with QR 445 million for the same period in 2024, for an increase of 16%. Net profit for the nine months ended September 30th, 2025, was QR 1.058 billion compared with QR 917 million for the same period in 2024 or an increase of 15%. And lastly, our earnings per share was QR 0.93 for the nine months ended September 30th, 2025, compared with QR 0.81 for the same period in 2024.



Now moving on to our segments, starting with Maritime & Logistics. Operating revenue for Maritime & Logistics increased by QR 41 million, going from QR 620 million in 2024 to QR 661 million in 2025, led by our container shipping unit, which was primarily the result of higher freight rates from the China services that picked up in the second half of 2024. In simple terms, the longer the geographical distance, the higher the cost and thus the revenue.

Operating expenses increased by QR 56 million, broken out as follows:

- QR 13 million of the increase being variable in nature and tied to the revenue growth
- QR 34 million of the increase coming from the right-of-use accounting for two chartered-in container vessels that joined our fleet in Q4 2024
- QR 17 million increase in salaries and wages due to increased crewing costs in our Offshore segment
- QR 20 million increase in other operating expenses, mainly attributable to a one-off excise tax payment
- And lastly, we had a positive QR 29 million in increased fleet and technical cost transfer to our Offshore segment due to additional expenses related to new vessel additions

Non-operating income increased by QR 22 million, with better performance coming from our QTerminal joint arrangement, more than offsetting lower gains on the sale of assets that were recorded in 2024, and that brings us to an overall bottom-line increase of QR 6 million versus last year.

In Offshore, we had another tremendous quarter of growth. Our operating revenue grew by QR 320 million or 30% versus 2024, increased project work, and in specific EPC-related and the addition as well of three vessels from mid-2024, drove that growth for this year. Overall expenses increased by QR 232 million, with QR 139 million of operating supplies and expenses being directly variable in nature and tied to the growth in revenue. There was also a QR 33 million increase in salaries and wages, and QR 24 million increase in depreciation, and a QR 30 million increase in vessel technical expenses, all primarily driven by fleet additions. At the non-operating level, there was a QR 27 million increase in tax expense tied to recently enacted tax regulations in Qatar associated with the global minimum tax. The net income result was a year-over-year growth of QR 61 million or 41%.

In Gas & Petrochem, operating revenue increased by QR 57 million, going from QR 183 million in 2024 to QR 240 million in 2025, for an increase of 31%. QR 7 million of that increase is related to additional dividends from our LNG joint ventures, but the bulk of the increase had to do with us taking full ownership of two VLGCs that were



previously part of the Gulf LPG joint venture that we had with Nakilat, as discussed on our half-year call.

As a recap, we had a 50% stake in that JV with Nakilat, having the other 50%. The JV consisted of four VLGC vessels, and the financial results of that JV were recorded below the line as part of share of results of joint arrangements. After we took ownership of the two vessels, we started recording results line by line. Operating expenses increased by \$40 million, with QR 16 million of that increase coming from higher depreciation expense related to that change in useful life of our wholly owned LNG vessels, which occurred in Q4 in 2024. And most of the remaining balance related to OpEx of the two VLGCs we took full ownership of.

Non-operating profit increased by QR 98 million, driven by better results from our associate companies, but much more so from a QR 83 million gain on the sale of the two VLGC vessels that I just spoke about. The sale of these two vessels completes our strategic divestments and exit from the LPG transport business. Net profit for the segment came in at QR 652 million versus QR 537 million in 2024, for an increase of 21%.

With respect to Trading, the segment recorded a slight increase in revenue, going from QR 152 million in 2024 to QR 154 million in 2025, driven by higher marine-related and bunker sales. That increase, however, was more than offset by higher cost of goods sold, with the end result being a QR 1 million drop in the bottom line versus the same period last year.

Lastly, Capital. Revenues dropped by 10% of QR 34 million versus the same period in 2024. With a QR 80 million drop coming from lower Qatar Quarries sales, and a QR 20 million drop coming from our investment unit. Investments were impacted by QR 33 million in lower local equities dividend income due to a one-time additional mid-year distribution in 2024, which did not recur this year. The lower dividends were partially offset by higher returns from the rest of our investment portfolio.

On the cost side, total expenses came down by QR 17 million, with QR 7 million related to the successful recovery of outstanding accounts receivables that were previously provisioned for, and the balance mainly related to lower Qatar Quarries cost of goods sold. There was a QR 24 million decrease in non-operating income from a QR 5 million tax provision, a QR 8 million real estate impairment, and lower interest income. All in all, capital recorded a net profit decrease of QR 41 million compared to 2024.

And that wraps up the segments, and now I will move on to the outlook for the rest of the year.



Starting with Maritime & Logistics, on the container shipping side, there remains industry-wide uncertainty over ship and rates, given the political and economic trade and fair climate.

In Logistics, the environment remains very competitive and challenging, but we're optimistic for new products and service offerings, and the turnaround efforts will improve results.

In Offshore, on the support vessels and service side, we expect to see continued growth, particularly longer term. With the expansion work in Qatar's oil & gas industry.

For the harbor and industrial logistics operations, we expect stable revenue given the long-term nature of most contracts.

In Gas & Petrochem, overall, we expect limited volatility due to the long-term nature of contracts we have in most business units, particularly after exiting the VLGC business.

In Trading, we will be focused on optimizing the segment and continuing our focus on profitable growth and margin improvement.

And lastly, Capital, where we will continue to focus on yield enhancement.

With that, we will now open it up for questions. Thank you.

Operator:

Thank you. Now, if you'd like to ask a question, please press star and the number one on your telephone keypad. Again, that is star and the number one on your telephone keypad. We'll pause for just a moment to gather the queue.

And we have not received any questions from the audience at this time. I'll turn the call back over to our moderator, Bobby, for closing remarks.

I'd like to apologize. We have one question. This is coming from the line of Rabih Moussa from QIC. Please go ahead.

Rabih Moussa:

Hello. Thank you, gentlemen, for the call. Can you throw some light on the Capital segment? You specifically mentioned your focus will be on yield enhancement. How are you planning to achieve that?

Akram Iswaisi:

Well, I mean, the portfolio over the past three to four years has been implementing a new strategy focused on diversifying into new geographies and new strategies. Historically, it's been primarily focused on local equities. But the new strategy entails a substantial portion of that portfolio geared towards income generation strategy. So we have been executing on that strategy the past three years. And when you look at our numbers, you begin to see a pickup in yield, and that's coming from focus on yield

enhancement. So if you look at sort of what the portfolio has generated could be anywhere from 3 to 4% dividend income. And so we've been working towards growing that income or yield through diversification. Again, new geographies and new strategies.

Rabih Moussa: Understood. And what is any target yield in mind? Like what is the medium-term target?

Akram Iswaisi: Unfortunately, we're not disclosing that.

Rabih Moussa: Okay. My second question is on your offshore side. How do you see the activity on the offshore side? And how do you see the next few quarters shaping up?

Akram Iswaisi: Well, I mean, there's only one quarter left, right? And offshore, as a global business, continues to do well. And if you look at the macro picture, demand far exceeds supply in this space. There's still huge demand for offshore vessels, and there's a significant shortage of vessels, and specifically qualified vessels, if you will. Not all vessels are qualified to be deployed in certain parts of the world. So if you look at vessels from the North Sea, they're not going to work here in our region.

So in general, what we have is the perfect store for offshore companies. And so if you look at the region specifically, and if you look at Qatar overall, with this expansion plan of Qatar, we're very optimistic and bullish on the growth on offshore. The demand for vessels is there, and it will continue to grow. So this is a segment that we are very dedicated to growing. We are focused. And from a capital allocation, we'll continue to deploy capital to invest in new vessels, new tonnage, and capabilities as well, to complement our asset base, as I mentioned in previous calls as an organization. Historically, we used to be just a tonnage owner, but we've changed that strategy to become a strategic solutions provider to our customers, meaning that not only do we provide tonnage and vessels, but we provide services and solutions, and capabilities to complement our tonnage base. And therefore, we become a one-stop shop strategic solutions provider to our customers. And that strategy has worked well for us, and that's reflected in the numbers. So you have the market that has basically set us... basically it's a perfect store for OSV companies. It's a great market to be in. And on top of that, how we position ourselves and how we position our company as a strategic solution provider and a strategic partner to oil and gas companies, and that has served us well. So this is a market that we see as... This is a business, let's say, as a segment that we are very optimistic on, and we will continue to deploy capital in that segment.

Rabih Moussa: And on the warehouse, we see a bit of pressure in the market in terms of pricing. How do you see the warehouse performing for you, and where do you see it going?



Akram Iswaisi: Well, again, I think you've mentioned it, there's a lot of pressure on warehousing and logistics in general. And for us, again, we're going back to the drone table and say, listen, it's not about owning a warehouse, it's not about owning a truck. We are a solutions provider. So I think you've seen the new addition to our executive team. We hired recently a very seasoned logistics executive with decades of logistics experience, and we've embarked on a transformation. And that transformation begins by looking at how do we grow our existing Dubai and Qatar offices, where we believe there's still growth potential. But rather than looking at our business as... I mean, again, in some businesses, what you see is a guy who owns a truck and goes out there and tries to sell truck services. That's not what we're looking at. We're approaching this from a solutions perspective. And we've changed our model in the past few months. And we've been very successful picking up new customers.

And so the focus for us is on growing volume because logistics is a volume game. And so that's number one. And then look, within logistics, we will be focused on specific niches and specific segments that allow us to improve our margin over time. So that's what we're doing. So again, the challenges are there, but there are ways for us to change our business model, and that's what we're focused on. So the first focus, the first priority for us, is to turn that business around. So we have a plan for the next couple of years on turning logistics around and reducing losses.

Rabih Moussa: Understood. Thank you. That's it from my side.

Akram Iswaisi: Thank you.

Operator: Thank you. Again, if you have a question, please press star and the number one on your cell phone keypad. Our next question comes from the line of [indiscernible] from BPA. The line is open.

Unknown Analyst: Hi, congratulations on the wonderful set of results. My question was on the Trading segment. We see that there has not been growth in the Trading segment. And I think, if you see the history in quarter one and quarter two, do we see anything in the future, or how would that be?

Akram Iswaisi: Listen, we have a plan for Trading, and that plan will materialize and become evident in Q1 of next year. So that business, I mean, we've strategically exited certain business lines, and our goal is to focus on where we can grow and scale up the business. So we've made... we have a divestment strategy, and you've already seen it. For example, with Gulf LPG, we've exited the LPG business. Again, we don't have scale in that business. And we're taking that capital and we're going to be deploying it where we can build scale, and we can actually become a dominant player in specific segments where we know we can add value and build... and we have a competitive advantage, but continue to capitalize on our competitive advantage in some of those segments. So



Trading is following that same model. And so in Q1, we can share more of what we've done in Trading. But fundamentally, we've already begun exiting some product lines, some businesses that we're doing where we don't see scale, and they are simply a distraction for us. And so there is a transformation happening in Trading, and we'll be happy to share more in Q1 of next year.

Unknown Analyst: Okay. And when did the sale happen, like any exact time period of the vessels, the two vessels that you sold?

Akram Iswaisi: It's in Q3 of this year.

Divia Fhh: Q3, I mean, in which month? I mean, because in this quarter, there has been margin improvement as well. So was it because the vessel was sold and there was some efficiency that the company had?

Akram Iswaisi: August of this year. It was sold in August of this year.

Divia Fhh: Okay. And the...

Akram Iswaisi: Okay, go ahead.

Divia Fhh: And the margins have also improved in this quarter. So do we see the same margins continuing forward or how do we see the growth prospects, top line and bottom line?

Akram Iswaisi: Well, I mean, listen, this quarter we did book again on the sale. But if you look at our margins continue to be healthy. I mean, if you look at the operating profit margins have been historically quite healthy. If you look at net profit margin, they're very, very healthy. Part of our strategy and what we're focused on, and you've probably seen that in the media, is a big emphasis on digitization and building scalability into our processes. We are a thin margin business, and if you look at shipping, logistics, it's a thin margin business. The only way that you can actually grow your margins and be able to hold your margins is through volume growth as well as digitization. So if you look at what we're doing today in our operations and some of that we've announced in the market, we are beginning to digitize. We are beginning to use AI to digitize basic processes. So this is a big initiative in the organization where we actually started beefing up digital capabilities to start looking at where we can automate and where we can digitize mundane processes, and then be able to build scalability. So, a big part of our view is when we look at the proven margins, continue your cost, build the scalability to your processes, Obviously, you're constrained by the market, but looking at your pricing and your pricing strategy and how that translates into margins. So these are some of the areas that we continue to look at. And obviously, we're very, very cost-conscious. But again, containing costs, it's our view that, yes, there's the discipline of containing costs through proper budgeting and planning and controls, but using



technology and digitization to do more with less, it's the smart way of controlling costs in the future. And that's really our focus.

Unknown Analyst: Okay, thank you.

Operator: Thank you. There are no further questions. I'll now turn the call back over to our moderator Bobby for closing remarks.

Bobby Sarkar: Hi. Thanks, Dustin. I have a question from... this on the Offshore side. Would you venture to give us an updated CapEx guidance over the next three years or so? Thanks.

Akram Iswaisi: Thank you, Bobby. I think we've given guidance earlier on. I think we will look at giving you more guidance potentially in Q1 of next year, as we have... we're formalizing our plans for the next couple of years. So I think Q1, we could probably share a little bit more.

Bobby Sarkar: All right. That sounds good. Dustin, are there any other questions from the external lines?

Operator: No, Sir.

Bobby Sarkar: Okay. All right. In that case, we can end the call for today. I want to thank Akram for taking the time to go over the presentation and answer our questions, and we will pick this up again next quarter. Thanks, everyone.

Akram Iswaisi: Thank you very much, everyone. I appreciate it.

Operator: The meeting has concluded. Thank you all for joining. You may now disconnect.