



**Event ID:** 8080155

**Event Title:** Milaha/Qatar Navigation Fourth Quarter and Year-End 2025 Financial Results Conference Call

**Date:** January 28, 2026

**Audio Duration:** 00:25:30

**Executives:**

Akram Iswaisi - Executive Vice President of Finance & Investments

Sami Shtayyeh - Vice President of Financial Planning & Analysis

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

I'd now like to hand the call over to Bobby Sarkar. Please go ahead.

**Bobby Sarkar:** Thank you, operator. Hi. Hello, everyone. This is Bobby Sarkar, Head of Research at QNB Financial Services. I wanted to welcome everyone to Milaha's Fourth Quarter and Fiscal Year 2025 Results Conference Call.

So on this call, we have Akram Iswaisi, who is the EVP of Finance & Investments, and Sami Shtayyeh, VP of Financial Planning & Analysis. So we will conduct this conference with management first, going over the company's results, followed by a Q&A.

I would now like to turn the call over to Akram. Akram, please go ahead.

**Akram Iswaisi:** Thank you so much, Bobby. Thank you, everyone, for joining Milaha's full-year 2025 earnings call and for your interest in the company.

2025 was a remarkable and record-breaking year for us, with all our segments posting year-over-year growth, with the exception of only one. In our core marine-related segments, offshore continues to shine with over 50% net income growth and consistent yearly gains in operating profit margins. We remain committed and bullish on this segment, and we continue to invest in new vessels and capabilities to ensure continued success.

In Gas & Petrochem, there were several moving parts impacting our financials, which will come into in a few minutes, but aside from net profit growth in our largest segment, we strategically divested from the historically volatile VLGC business, much work behind the scenes went into that and is another example of us enhancing what fits in strategically and cutting loose of what doesn't.

Our Maritime & Logistics business faced headwinds that we've been talking about for quite some time. Container shipping rates remained well below levels of 2024, with geopolitical issues, additional vessel capacity coming online, and basic supply and demand economics, each impacting our business in a negative way. In Logistics, the competitive landscape is intense, with margins remaining razor-thin and under pressure, but with the addition of new products and service offerings, such as pharma and chemicals, we're confident that things will move in the right direction. Overall, a good year that we're very proud of, and now on to the results.

I'll start by discussing our consolidated financial results and move into our segments. The key highlights of our financial results, Milaha's operating revenues came in at QR 3.3 billion for the year 2025, compared with QR 2.8 billion for the same period in 2024, for an increase of 17%. Operating profit came in at QR 669 million for the full year 2025, compared with QR 536 million for the same period in 2024, or an increase of 25%. Net profit for the full year of 2025 was QR 1.27 billion, compared with QR 1.12 billion for the same period in 2024, for an increase of 13%. And lastly, our earnings per share was QR 1.12 for the full year of 2025, compared with QR 0.99 for the same period in 2024.

Now, digging deeper into our segments, starting with Maritime & Logistics. Operating revenue for Maritime & Logistics increased by QR 36 million, going from QR 828 million in 2024 to QR 864 million in 2025, led by our container shipping unit, and this was largely the result of the full-year benefit of our China routes that picked up in the second half of 2024.

Operating expenses increased by QR 70 million and broken as follows:

- QR 19 million of the increase being variable in nature and tied to the revenue growth
- QR 38 million of the increase coming mainly from the right-of-use accounting for two chartered and container vessels that joined our fleet in Q4 of 2024
- QR 31 million increase in salaries and wages due to increased screwing costs in our offshore segment, along with additional staffing in our other units
- QR 15 million increase in other operating expenses, mainly attributable to a one-off excise tax payment recorded in 2025
- And lastly, we had a QR 38 million in increased fleet and technical costs transferred to our offshore segment due to additional fleet expenses related to new vessel additions

Non-operating income increased by QR 27 million with better performance from our QTerminals 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 decrease of QR 7 million versus last year.

In Offshore, our operating revenue grew by QR 471 million, or 32%, versus last year. Increased project work and specific EPCI-related work, and the addition of three

vessels from mid-year 2024, drove that growth. Overall expenses increased by QR 328 million. QR 173 million are due to operating supplies and expenses being directly variable in nature and tied to the growth in revenue. QR 52 million increase in salaries and wages from increased staffing to support current and expected future expansion. And lastly, a QR 45 million increase in depreciation and a QR 39 million increase in vessel technical expenses, both primarily driven by fleet additions and fleet growth. At the non-operating level, there was a QR 35 million increase in expenses, primarily driven by increased tax provision tied to the recently enacted global minimum tax, which was implemented in Qatar in 2025. The net income result was year-over-year growth of QR 107 million or 52%.

Moving on to Gas & Petrochem. Operating revenue increased by QR 57 million, going from QR 246 million in 2024 to QR 304 million in 2025, for an increase of 23%. That increase was driven by two VLGCs that were primarily part of the Gulf LPG joint venture that we had with Nakilat, which we took full ownership of in early 2025. After we took ownership of the vessels, we started recording results line by line in the operating revenue as opposed to recording below the operating profit level as our share of results of JV's, which was done previously. Operating expenses increased by QR 20 million, driven mainly by the full consolidation of the two VLGCs we acquired.

At the non-operating level, profits decreased by QR 6 million, driven by the following:

- QR 84 million gain on the sale of the two VLGCs that I just referred to above
- QR 119 million lower results from our joint ventures, this is mainly Gulf LPG, and it's due to us consolidating line-for-line in 2025, along with us divesting from the business
- QR 31 million impairment
- And lastly, a QR 12 million increase in our tax provision

Net profit for the segment came in at QR 575 million versus QR 726 million in 2024, for an increase of 4%.

Our Trading business units recorded a slight increase in revenue going from QR 196 million in 2024 to QR 201 million in 2025, mainly from higher marine-related and bunker sales. Operating expenses came in lower by QR 5 million, driven by reduced provisions for obsolete and slow-moving items, with the end result being a QR 10 million upward swing in the bottom line versus last year.

Lastly, in Capital. Revenues dropped by 9% or QR 38 million versus the same period last year, with QR 19 million dropped from lower Qatar Quarries sales and QR 24 million dropped coming from an investment unit. Investments was impacted by QR 33 million in lower local equities dividend income due to a one-time additional mid-year distribution in 2024. The lower dividends were partially offset by higher returns from the rest of the investment portfolio. On the cost side, total expenses came down by QR 16 million, with QR 15 million that related to lower Qatar Quarries cost of goods sold tied to the reduced sales.



And at the non-operating income level, there was QR 29 million pickup versus 2024. We had QR 54 million in lower real estate impairments, partially offset by QR 13 million in higher tax provision and QR 10 million in lower interest income. All in all, capital recorded a net profit increase of QR 7 million compared to the same period last year.

And that wraps up the segments, and I will turn this over to Sami to discuss our outlook for the rest of the year.

**Sami Shtayyeh:**

Thank you, Akram. Starting with Maritime & Logistics. On the container shipping side, we expect rates to remain volatile given political and economic trade and tariff issues.

In Logistics, pretty much the same story as before. The environment remains very competitive and challenging, but we're optimistic that new product and service offerings and turnaround efforts will improve results.

In Offshore, on the support vessels and services side, we expect to see continued growth, particularly longer term, with all 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, our focus remains on optimizing the segment and continuing our focus on profitable growth and margin improvement.

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

And with that, operator, we'll now open up for the questions.

**Operator:**

We are now opening the floor for a question-and-answer session. If you'd like to ask a question, please press star followed by one on your telephone keypad.

Your first question comes from the line of Mohammed Al-Thunayan of Jadwa Investments. Your line is now open.

**Mohammed  
Al-Thunayan:**

Yes, hi. Thank you for having us on the call and congratulations on the great set of results. Two questions from my side. The first one is related to the significant improvement in the offshore segment and more specifically toward during the fourth quarter of 2025. So the segment reported a revenues of 560 and a bps of 118. So should we expect this improvement to continue, I mean, with us during 2026, or was there any one-off positives or faster execution to some of the company's EPCI contracts during the fourth quarter of this year? That's the first question.

**Akram Iswaisi:**

Okay. Thank you for the question. I mean, if you look at our business and our revenue mix, we have a mix of largely contracted revenue. So you have visibility on long-term cash flow, essentially. And we also have a percentage of our revenue that's also tied to contracts. So there's going to be some volatility all in all. But for the next two to five years, We are... in our plan, we're expecting a significant number of service contracts, EPCI work, and so, the momentum will continue, for the next few years. We're very optimistic, and we have... and I've mentioned that in previous calls, we have a large CapEx program with a big chunk of that actually going offshore to continue to invest in new vessels and new capabilities, and equipment, because we're very optimistic on offshore. Offshore is going to be a major driving engine for Milaha for the next two to five years, at least.

**Mohammed  
Al-Thunayan:**

Yes, that's clear. And the second question is related, I mean, again, to the significant improvement in QTerminals. So the company reported direct income of QR 52 million up from QR 23 million last year due to higher revenues, which were up by 7% approximately. So should we expect this momentum to continue as well? And also, what's the reason behind the decline in depreciation amortization for QTerminals? So it dropped from QR 120 million last year to QR 112 million this year.

**Akram Iswaisi:**

Well, I mean, let's... I don't want to comment too much about, again, it's a company that we're invested in, but let me tell you, let's start off. We hired a new CEO for QTerminals. A very capable and seasoned executive, who right off the bat already started restructuring the organization, cleaning up the balance sheet, cleaning up the P&L, and you begin to see the results of that in the performance of QTerminals. That's number one. Number two, in the past, QTerminals was impacted by various geopolitical issues, not only outside of Qatar; effectively, we have investments outside of Qatar. So there was an impact there, and that had an impact on volumes. So in general, there is a growth strategy for that company, and we're very optimistic on the, let's say, growth plans for that business here for that entity. Okay?

And if you look at, and what was your last... I mean, aside from that, I don't want to comment too much on the P&L. But again, there's been cost cutting, there's been exiting of, let's say, selling of non-performing assets. So you see that reflected in potentially lower depreciation, improvement in existing asset utilization, so that's basically what's happening.

So there's a good amount of optimization that's happening, not only across QTerminals, but a lot of the business units that we are invested in.

**Mohammed  
Al-Thunayan:**

Yes. And just a couple of questions, maybe on the first question. You mentioned that there is a significant profit that will be basically invested in the offshore segment. So by looking at the capital commitments from the financials, it seems that's around QR 2 billion up from QR 1.7 billion last year. So is it clear to assume that the majority of those capital commitments would go toward the offshore segment?

**Akram Iswaisi:**

Not all of them. I mean, we as an organization, if you look at recently, we've announced our joint venture with Fincantieri. So what we've done is we have a new strategy for the organization that we will share more in the future, but part of that is focusing on defense and defense services. Milaha, as the oldest shipping company in Qatar, has the platform and the capabilities and the depth to continue to serve the various Qatari, let's say, pillars. Qatar entities, including the defense sector or different sectors between oil and gas, we're already invested in the oil and gas sector, and we are a major supporter of the oil and gas sector of Qatar. And so the defense is another area where we will continue to grow. We're already doing work in that space on a minor scale, but that's going to be a key area of our strategy going forward. Because again, we do have the capability to serve our stakeholders. And so if you look at Milaha as an organization, it's an integrated platform. And we have the ability to serve, trade, oil and gas, and defense.

**Mohammed  
Al-Thunayan:**

That's very clear. Thank you very much.

**Operator:**

Your next question comes from the line of Nikhil Phutane of CBFS. Your line is now open.

**Nikhil Phutane:**

Hi. Thank you for taking my questions. Well, regarding your first of all, the gas and petrochem division. I mean the additional of your VLGC, which took place in the second quarter. Yes, I mean the initial bump up was there in the second and the third quarter. I mean second quarter, but from the third quarter, fourth quarter, we have seen a downturn. Am I right to assume that has got to do with some loss of contracts, because largely it looks like a stable revenue stream for you?

**Akram Iswaisi:**

You're talking about gas and petchem, right?

**Nikhil Phutane:**

Yes.

**Akram Iswaisi:**

Well, if you look at gas and petchem, right? If you talk about... you're looking at... you're comparing Q3 to Q4?

**Nikhil Phutane:**

Right.



- Akram Iswaisi:** Okay. Well, if you look at Q3 to Q4, Q3 had a huge pickup, primarily because we booked again on the sale of the VLGC vessels, right? QR 84 million. And there's also Nakilat. If you look at Nakilat's numbers, which get reported in gas and petchem, Q4 was lower than Q3. So it's just, again, a function of timing, and again, Nakilat's results and the timing related to the gain on the sale of the VLGC. Because gas and petchem, essentially, most of our vessels are contracted. So the only variability you will have would be Nakilat. and then one-off items like the gain on the VLGC sale, which was recorded in Q3 and obviously will not recur in Q4.
- Nikhil Phutane:** Okay. Coming to your other things in terms of maritime and logistics. Container shipping, for example, again, we are seeing dipping down. You mentioned about China, a factor. No doubt, it has improved initially in 2024 and later half and the first half of 2025. But of late, we are seeing a downturn in that also in terms of container shipping revenues. I mean, there has been a substantial downturn, actually, in the fourth quarter. So what has been the reason behind that?
- Akram Iswaisi:** Well, I mean, that business is tied to... It's a flat business, right? So rates are not fixed. They're tied to the market itself. So that spot business, in general, any spot business and shipping will experience volatility. And so if you look at tankers in general, if you look at CPP, clean petroleum products, extremely volatile. Container shipping is also volatile. And if you look at the Shanghai Containerized Freight Index, you will see that last year, freight rates were extremely high and close to, let's say, if you're talking about maybe 3,800 to 4,000, and December 30th, 2025, to about 1,500. So again, if you look at that index, that will tell you exactly what happened in the market. And again, that's a function of a lot of different things, right? Extra vessels in the market, deliveries of vessels, geopolitics, right? So geopolitics can increase rates. Things normalize, rates come down, and that's primarily what has impacted container shipping. And you'll see that when you look at the container, if you look at the Shanghai Containerized Freight Index, you'll see that volatility, you'll understand that.
- Nikhil Phutane:** I mean, how do you see it right now currently going on in the first quarter? I mean, how we can assume going forward in 2026?
- Akram Iswaisi:** I can't give you a forecast. Again, it's driven by the market, and what we continue to focus on is how do we manage our costs, how do we react to that. That business is volatile, but what matters is how you react to the market and how you position yourself. What goes down? I mean, again, rates come down, eventually they're going to have to come up again. You have to look at the fundamentals of the market, understand how you position yourself. Do you buy vessels when the market goes down? Do you position yourself for the recovery of the market and the pickup in the market? And that's how we operate that business.

- Nikhil Phutane:** But then in that case, do you see, to a certain extent, let us assume first quarter could be... again, what do you call that, a volatile situation. But price and your freight logistic and your shipyard could support it, whatever downturn, then we are seeing it so that overall revenues for maritime could be stabilized. Do you see that going forward?
- Akram Iswaisi:** Again, it's very difficult to predict that. If you look at, again, you go look at the Shanghai Freight Index, it dipped in the Q4, but it picked back up again. If that trend continues, that means in Q4, rates will go up again. But again, we're impacted by a lot of geopolitical issues today, which again could mean that rates will end up going up again. It is very difficult to predict.
- Nikhil Phutane:** And lastly, any impairments which you likely see it going forward in any divisions?
- Akram Iswaisi:** We don't have a forecast of impairments. I've mentioned that in previous calls. We follow the accounting standards, we engage with the auditors, and we deal with it accordingly. You cannot forecast impairments in what they should be or should not.
- Nikhil Phutane:** Okay. Thank you, Sir.
- Akram Iswaisi:** Thank you.
- Operator:** Again, if you'd like to ask a question, please press star, followed by one on your telephone keypad. Your next question comes from the line of Hussam Moatassem of Ashmore. Your line is now open.
- Hussam Moatassem:** Hi, good afternoon. So a couple of questions from me. The first is if we can get a little bit more color when you're talking about the expansion in the offshore segment. So is that specifically in the services sector, and is that linked to North Field? And just on that, is that kind of ongoing servicing, or is that just in the expansion phase?
- Akram Iswaisi:** Well, I mean, if you look at the expansion of Qatar, there's a significant amount of work in North Field Expansion, clearly, and some of it has to do with the initial phase or construction, right? But there's a lot of work that relates to ongoing support, and that's what we're focused on. So what we're looking at is how do we continue to build resilient cash flows and resilient revenues. So when we invest in CapEx... and so we have a big budget for CapEx. I mentioned that it's going to be anywhere in the range of QR 1-1.5 billion. We're not going to invest CapEx in short-term projects. Our plan is to invest in long-term contracts, supported by resilient cash flow, and that's really what we're focused on. Repairs and maintenance is going to be an ongoing work as well, and the beauty of that work is that it doesn't involve CapEx. But because we have the platform, the vessels, the assets, and the capabilities, that would be additional work that just adds to the bottom line, and it's higher margin work.
- Hussam Moatassem:** Okay. So basically, any revenue that's going to come in or any CapEx plan is going to be linked to the long-term kind of visible revenue.





- Akram Iswaisi:** There'll always be an element of services that we'll provide [inaudible] quarter to quarter because that's, again, services could be a one-year project. It could be six months, it could be a three-month project. But most of the work or the revenue that we're targeting is recurring revenue because, again, we are investing heavy CapEx and we want to make sure that that investment is supported by contracted long-term cash flow.
- Hussam Moatassem:** Okay. That's clear. And just one more, in terms of just the gas and petchem segment, so am I right in assuming there's kind of no more spot exposure and the vessels within that are now all on long-term chargers?
- Akram Iswaisi:** That's correct.
- Hussam Moatassem:** Okay. That's great. Thank you. That's all.
- Akram Iswaisi:** Thank you very much. I appreciate it.
- Operator:** We don't have any pending questions. I'd now like to hand back to Bobby for final remarks.
- Bobby Sarkar:** Okay. Thank you. If we don't have any further questions, we can end the call for today. I want to thank Akram and Sami for taking the time to go over the presentation and answer all our questions, and we can pick this up again next quarter. Thanks, everyone.
- Akram Iswaisi:** Thank you so much, everyone. I appreciate it.
- Operator:** Thank you for attending today's session. Have a good day. Goodbye.