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Executives:

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Operator:

Hello, and welcome to Milaha. Please note that this call is being recorded. You will have the opportunity to ask questions to our speakers later on during the Q&A session. If you would like to ask a question by that time, please press star followed by the number one on your telephone keypad.

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

Bobby Sarkar:

Thank you, Gail. Hi. Hello, everyone. This is Bobby Sarkar, Head of Research at QNB Financial Services. I wanted to welcome everyone to Milaha's First Quarter 2026 Results Conference Call.

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

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

Akram Iswaisi:

Thank you very much, Bobby. Thank you, everyone, for joining Milaha's Q1 2026 earnings call and your interest in the company. Before I get into the details of our Q1 results, I want to go over two topics that I suspect most of you are interested in. The first has to do with last week's press release about our realignment of business segments, and the second has to do with the regional conflict and its impact on our business.

Regarding Milaha's realignment, for those of you who are unaware or who have not seen the recent press release, Milaha announced that it reorganized two of its five business segments. Those two that were reorganized are Maritime & Logistics and Trading, basically.



Maritime & Logistics now comprises container shipping, ports, and logistics operations. These three units form the foundation for seamless end-to-end, door-to-door supply chain solutions, which is what we have been trying to build, and it was a natural step to bring them under one focused and unified segment.

We also formed the MTS unit (Marine Technical Services), and under that unit, we put our shipyard, ship management, and shipping agency operations, and combined them with our trading activities and renamed the segment Marine & Technical Services. Historically, the trading segment included heavy equipment sales as well as bunker and marine-related sales and services. The marine-related activities serve the same customer base, vessel owners, as our shipyard, ship management, and shipping agency businesses. They all serve one client, the vessel owners.

By bringing all of these operations under one umbrella and focusing on serving the customer, we have created a dedicated segment that delivers a true one-stop-shop solution for vessel owners and operators. This realignment did not happen in isolation and has been in the works for some time, with some synergies already delivered in recent quarters. We are now formally closing the loop on this effort following the appointment of an Executive EVP to oversee the Marine & Technical Services segment, as well as the recent sale and divestment of the Hino dealership, which happened a few weeks ago, and which we owned since 1982. While relatively small in terms of contributions to the group, the exit of the Hino dealership reinforces our long-term strategy of concentrating on core business activities and exiting non-core activities.

Milaha's remaining three business segments will remain structurally unchanged. You will have seen that we started reporting financials under this new structure starting this quarter.

In terms of the regional conflict. From the start of the war, the safety of our people was our top priority, with operations spread across multiple locations, ensuring that every employee returned home safely each day was our top priority. In parallel, we focused on maintaining and supporting supply chains, the State of Qatar, and to our clients. We quickly diverted container ships to support supply lines, established new trade routes, and plugged into our agency network to keep cargo moving. And we came up with creative ways to do this in the midst of a very disruptive environment. That's operationally.

But financially, we also took some preemptive actions. We prudently implemented cost control measures and delayed some non-essential spend. But let me be clear, we have not stopped investments. We're still focused on growth and growing the top line. The operational teams and assets are on standby to support our clients once our clients



resume normal operations, and this is our commitment. And we firmly believe that our investments and our clients and relationships in our people, and assets, and in our growth initiatives will pay off post-conflict resolution.

So how has this war impacted our various segments? Each one really needs to be looked at on its own, and Sami will go through our view in the outlook section, but in short, much of the impact is contained within our offshore segment. This segment caters to the energy sector with a concentration in Qatar, so the oil and gas production limited or on hold, we have had vessel suspensions impacted revenue. But also increased costs such as insurance, war risk bonus to crew, demobilization, etc. All of which negatively impacted our results. Ironically, while our offshore segment was most impacted, we also are still most bullish on this segment once things settle down. The fundamentals are strong. We have a phenomenal strong platform. We've invested in assets, and we believe we are primed to be beneficiaries of the work to come.

Now on to our Q1 results. I'll start by going over our consolidated financial results and then move on to our various individual business segments before turning it over to Sami to go over our outlook. As usual, we will end the call with Q&A.

The key highlights of our financial results. Milaha's operating revenues came in at QR 874 million for the three months ended March 31st, 2026, compared with QR 759 million for the same period in 2025, or an increase of 15%. Operating profit came in at QR 150 million for the three months ended March 31st, 2026, compared with QR 212 million for the same period in 2025, or a decrease of 29%. Net profit for the three months ended March 31st, 2026, was QR 297 million, compared with QR 374 million for the same period in 2025, or a decrease of 21%. And lastly, our earnings per share was QR 0.26 for the three months ended March 31st, 2026, compared with QR 0.33 for the same period in 2025.

Now moving on to the business segments. Starting with Maritime & Logistics. Operating revenue for Maritime and Logistics decreased by 15% or QR 26 million, going from QR 181 million in 2025 to QR 154 million in 2026, driven by our container shipping unit, which saw volumes drop and thus revenue by QR 38 million due to the regional conflict. In our logistics unit, higher project cargo movement, particularly in January and February, helped drive the QR 11 million increase versus 2025. But then operating expenses decreased by QR 17 million, with most of that being variable in nature and tied to the revenue drop. Non-operating income decreased by QR 6 million, coming primarily from our QTerminals joint arrangement, largely due to reduced volumes at Hamad Port as a result of the regional conflict. And that brings us to an overall bottom-line decrease of QR 15 million versus 2025.



With respect to Offshore. Now, offshore continued showing top-line growth with the revenue up 25% or QR 102 million, despite vessel and work interruptions and suspensions faced in the month of March due to the regional conflict. The growth came from additional work and the inclusion of a new vessel in Q2 of 2025. Overall expenses increased by QR 132 million with reduced margins on EPCIC work as that nears completion, and war-related expenses driving the misalignment with revenue and thus impacted margins.

Expenses for war risk insurance coverage, war risk bonus paid to accrue, demobilization and remobilization costs all drove expenses upwards. QR 3 million of increased tax provisions drove non-operating expenses up, and overall profit for the segment ended 51% or QR 36 million down versus 2025.

Gas and Petrochem. There was some modest growth in revenue versus 2025, totaling QR 5 million, going from QR 58 million to QR 63 million in 2026. However, the non-recurrence of a favorable one-time item recorded in 2025, along with the loss of income from our VLGC divestment last year, reduced net profit for the segment by QR 5 million, going from QR 187 million to QR 182 million in 2026.

Our newly reported Marine & Technical Services. This segment recorded a slight increase in revenue, going from QR 89 million in 2025 to QR 95 million in 2026. Driven by proceeds from the sale of our Hino dealership, primarily, which I spoke about earlier, further revenue growth was hampered by the regional conflict, obviously, in this segment. Increased provisions for bad debt, added war-related costs, and other miscellaneous expenses reduced net profit by QR 9 million versus last year, going from QR 11 million to QR 2 million in 2026.

Lastly, in Capital. There are some revenue expense moving parts, but in short, investments was impacted by QR 4 million in lower dividends and QR 6 million from the non-reoccurrence of a favorable one-off adjustment recorded in 2025. Those drove capital's net profit decrease of QR 13 million compared to 2025.

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

Sami Shtayyeh:

Thank you, Akram.

Starting with Maritime & Logistics. In container shipping, most of our vessels are actually outside of the Strait of Hormuz and are working on moving cargo, mainly from China and India to Oman. Surcharges have offset increased expenses, such as insurance. The vessels in the Arabian Gulf are operating coastal routes and intra-Gulf with similar dynamics, where surcharges are largely offsetting increased costs.



In Logistics, we can do what others cannot simply because of, amongst other things, linkages with our container shipping arm. We believe we're well-positioned for growth as clients are seeing how we're able to move their cargo. Our QTerminals joint arrangement is financially exposed during the Strait of Hormuz closure. With limited ships calling Hamad port, volumes are similarly limited, and that affects profitability.

In Offshore, once the conflict is resolved, we expect to see a strong recovery across the board. However, up until that happens, the segment is expected to underperform.

In Gas and Petrochem. Overall, we expect limited volatility due to the long-term nature of contracts we have in most business units. There is some exposure during the conflict period, and particularly on the OpEx side with additional insurance and crew pay, but nothing material.

In Marine & Technical Services. Focus on this new segment will be on cross-selling services to existing and potential clients and extracting further synergies from the reorganization. While the conflict is ongoing, ship services are impacted due to fewer vessel calls to Qatari waters. On the flip side, however, the shipyard is active and operations are ongoing. So it's really a mixed bag on performance up until the conflict is resolved for this segment.

And lastly, Capital, where the focus will continue to be on yield enhancement, the ongoing conflict is not expected to have much, if any, impact on this segment.

With that, we'll now open it up for questions and answers, operator.

Operator:

At this time, I would like to remind everyone that in order to ask a question, please press star followed by the number one on your telephone keypad. We will just pause for a moment to compile the Q&A roster.

Okay, so your first question comes from the line of Mohammed Al-Thunayan with Jadwa Investment. Please go ahead, your line is open.

**Mohammed
Al-Thunayan:**

Yes, hi. Thank you for having us on the call. Congratulations on the great set of results, given the current critical situation. One question from my side, which is related to the offshore and marine segment. So despite the conflict, the segment managed to grow revenues by approximately QR 102 million. While, as you mentioned, EBIT went down due to some bonuses and costs that was incurred during the month of March. So, can you shed some light on what was... I mean, the EBIT during the month of January and February, the additional cost incurred? Because it seems that it was really strong before the conflict, impacting the cost structure of the segment.

Akram Iswaisi:

Yes, thank you for the question. Listen, I think... I mean, you highlighted, of course, an excellent point that we've been articulating, which was we were in a good growth trajectory the first couple of months until we got sucker punched, right? And that's what I call it in March, we got sucker punched, and so, we're in a good growth trajectory. We had a new vessel deployed, and there was plenty of work. And so come March, we had to deal with a difficult situation where we're effectively, in a defensive position, trying to first of all ensure that we protect our people, protect our assets and ensure that we support our clients, right?

Obviously, because we consider ourselves an anchor. It's part of the key Qatar infrastructure, the anchor supporter of a lot of our clients and oil and gas clients in Qatar, so we've been busy supporting our clients with a lot of different things, obviously, during March. And so, as you've alluded to, January and February were good months, and then March, we've had to incur additional costs. And those costs include a significant increase in insurance premiums. And obviously, as you're probably well aware, additional bonuses, additional crew costs that we had to incur.

Usually, our crew they are mobilized on vessels and then demobilized. And there were some delays on that because of the difficulty in evacuating people. And so there's significant costs that we have to incur in the month of March to be able to deal with this situation. I can tell you that post-March, we're much more focused on managing these costs. much more focused on replacing the revenue that we've lost. But again, March was more of a, when you get sucker punched, you're trying to recover from that punch and figure out what was the damage, how was I impacted and then coming up with plans on how to deal with it. And this is exactly what we've done.

**Mohammed
Al-Thunayan:**

Okay. So just a follow-up on that. So I mean, if it wasn't for the conflict, is it reasonable to assume an EBIT margin of around 20%, 19%, which is similar to the previous year for the first quarter if things were normal? Or that might even be slightly higher, given the revenue increase that has been witnessed during the month of January and February?

Akram Iswaisi:

Honestly, we've never given guidance on those margins. But again, our growth trajectory, we've said that again, historically... we've invested, we've announced, and we've mentioned the market how much CapEx we're investing in offshore. And again, we've seen March and February, the result of the acquisition of the new vessel and there's plenty of work in Qatar. I mean everybody knows that in the market it's still a growing market and has significant potential obviously, before the war, and so we were at a good growth trajectory. And we got primarily impacted because of the war. That's really all I can comment at this point. I cannot disclose much about margins because we've never discussed that publicly, but again, we were a good growth trajectory. And

again, our view, and as management, that once the conflict is over, we will come back. I mean, this business will come back roaring, and it's going to be plenty of work locally and as well as regionally. So we're quite optimistic that once this conflict is over, and hopefully it's over soon, we will see significant recovery in this business.

Mohammed

Al-Thunayan: Thank you. Thank you so much.

Operator:

Your next question comes from the line of Hussam Moatassem with Ashmore Group. Please go ahead.

Hussam Moatassem: Hello.

Akram Iswaisi: Hello.

Hussam Moatassem: Hi. So just a quick question, kind of in the same segment of offshore and marines. When we're looking at utilizations across vessel chartering and services, I mean, where did utilization come in for the first quarter?

Akram Iswaisi: Well, I mean, listen. It's difficult to give you an accurate utilization. I'll tell you why. Utilization was high for the first couple of months. And then in the month of March, we had some vessels that were temporarily suspended. But again, those vessels are being called in and out. So it's not a number that I want to disclose right now in the market, just simply because of the fluidity of the situation and because of the fact that some vessels were suspended temporarily, but then they were brought back to support the business. So it's really one of those situations where it's a really fluid number. So the month of March was a tough month for us. Some vessels were suspended, but some vessels were still working. So that number continues to evolve on a daily basis, to be frank with you.

Hussam Moatassem: Okay. Thank you.

Operator:

Your next question comes from the line of Nikhil Phutane. Please go ahead.

Nikhil Phutane:

Thank you, gentlemen, for taking the call. Actually, good to know that you guys are taking Q&A and you're not afraid to hide the bullet. Okay, coming back to your... in terms of your operating expenses, which has gone on a high. But on the other flip side, I wanted to understand in terms of managing your cargoes between Doha and Oman. How is it going on right now, and maybe on the other side of the UAE also, the port? So what is the current scenario right now? Can you tell us?

Akram Iswaisi:

Well, listen, I mean, I think you probably are well aware that when the situation happened, we had to react quickly to come up with solutions to serve our clients. I mean, at the end of the day, we worked with our clients as well as suppliers to find

alternative logistics routes through Saudi and Oman. And so we've been able to... Let's put it this way, we've been able to create trade corridors through Oman and through Saudi to serve our clients, and that's been very successful. So the fact that we already have a large platform with strong capabilities, and we were nimble enough to jump in great solutions and execute, so we are moving cargo from Oman into Qatar as well as Saudi. The other thing as well is that today, we have some vessels, Milaha vessels, that were basically stuck outside of the Strait of Hormuz, and we are leveraging those container ships to be able to complete the supply chain. So that's the other thing that we've done.

Again, we remobilize our vessels. We will be able to use those vessels to support creating a supply chain that can serve Qatar today.

So this is an area that we've done very well on. We're able to come up with creative solutions to support the country, to support our clients. And we believe that even those relationships that we were able to develop during this crisis and our ability to show what we can deliver is going to actually translate into long-term relationships, which could help grow this logistics business.

Nikhil Phutane: Okay. So just a few words on in terms of your insurance premiums, which you mentioned, you know, have increased. So, how you are seeing it evolving right now in the month of April and March? Are you seeing...

Akram Iswaisi: I mean, it's really, it's still more or less at the same level. And again, I think you know how insurance premiums are. So, for some, on average, I would tell you, we have increased in March by a couple of million dollars. In April, it could go up a little bit more. So it's still an evolving, you know, an evolving thing, but more or less it should be within that range.

Nikhil Phutane: Okay, thank you, sir. Thank you.

Operator: Your next question comes from the line of Ahmed Es'haqi with SICO. Please go ahead.

Ahmed Es'haqi: Hi, am I audible?

Akram Iswaisi: Hello, yes. How are you?

Ahmed Es'haqi: I'm good. How are you? I have a couple of questions following up to the previous questions related to offshore. So one question is related to the CapEx program. Do you expect any delays in the CapEx that is expected to be deployed? I think you've mentioned QR 3 billion of CapEx. And is the timeline changed?

Akram Iswaisi: Right now, it's very difficult to tell you. I mean, we already have some new bills in the process that we've already contracted, and that will be deliverable throughout the year.

But the rest of the CapEx, it's very difficult to really opine on how we're going to handle that. We are looking at the situation month by month, and we have plans. So if we reach the end of April, there are certain plans that will be triggered and executed. If we reach the end of May, there are certain plans that are going to be triggered and executed. So in general, we've got a plan, a month-by-month plan of how to deal with CapEx items, OpEx items. And on top of that, to be frank with you, even revenue, I can tell you, coming out of the gates, we are pushing hard right now on growth. So this is an area that we really focus on because, again, we're not going to sit here and continue to take punches, and we did in the month of March. But we are actually right now on the offensive trying to grow the business within Qatar and outside of Qatar, to be frank with you. And you will see from this over the next six months. But realistically speaking, it's difficult for me to come and tell you right now how this is going to play out in terms of CapEx, so we need to see how the situation evolves. We're optimistic this conflict will get resolved soon.

And then at that point in time, we can give you a little bit more visibility. But I can tell you that we already have subcontracted vessels that will be delivered effectively the second half of the year.

Ahmed Es'haqi: Yes, thank you. And if I could follow up. As of today, how much of the, let's say, CapEx that's went off, hired back into operation.

Akram Iswaisi: We can't really comment on that right now, just because of the... again, due to confidentiality, we can't, and the situation is fluid, to be honest with you. It's in and out on a regular basis, but I can tell you that what we're doing is working closely with our clients, making sure that we support them, and you understand the situation and the difficulty of the situation. So what we committed to do is making sure that operationally, we're always on standby to respond to the call whenever the client calls and says we need you. So this is our commitment right now to our clients in Qatar.

Ahmed Es'haqi: Okay, and one last question about the Maritime & Logistics segment. So do you have any plans to turn around the segment in the future, because it looks like with the competitive nature of this segment, you've been facing some pressures? So what's the long-term plan for this segment?

Akram Iswaisi: Well, I mean, I've mentioned at the beginning of the call that we restructured the organization, right? And so that should sort of give you an indication that we are restructuring because we're positioning ourselves for growth. I mean, this is something that we have been working on, which is building a... if you look at logistics, container shipping, and the port business. We are looking at building an integrated platform that we can. And again, the reason for putting it together is because we want to be able to build a platform that we can grow regionally as well as internationally. So part of the

restructuring was to position the business for growth and to divest from non-core activities or distractions, but we are very keen on growing that logistics and container shipping business. And you will see, again, I think the second half of the year, we'll continue to see good results from logistics as we continue to support the country and the region in terms of dealing with this situation.

But the plans for turning around that division started already a year and a half ago, and I've mentioned that on previous calls. And I've also mentioned that we hired an executive, a seasoned executive, to lead that business division and to turn it around. And in fact, that turnaround plan has been working. And that turnaround plan including restructuring the business, refocusing, and looking at growth opportunities within Qatar as well as internationally. But again, our main focus right now is supporting the country, supporting our clients, and making sure that we support the country in maintaining its supply chain and being able to bring food and products into the country. And that's our primary goal right now.

- Ahmed Es'haqi:** Perfect. All the best for the rest of the year, and congrats on the good sets of results.
- Akram Iswaisi:** Thank you very much. Appreciate it.
- Operator:** Your next question comes from the line of [indiscernible]. Your line is open.
- Unknown Analyst:** Thank you for the call. My question is on the Gas & Petchem outlook. As a majority shareholder in Nakilat, what are your expectations for the CapEx program? And do you guys expect that QatarEnergy will be able to fulfill the payments over the long term?
- Akram Iswaisi:** Unfortunately, we really can't comment on Nakilat. That's something that I unfortunately cannot comment on this call, but we have the absolute confidence in Nakilat and QatarEnergy that they will continue to support the CapEx plans for Nakilat. But unfortunately, there's not much more I can say about that. There's nothing else I can comment on.
- Unknown Analyst:** Sure. I mean, maybe on your own LNG carriers, which you have, both the jointly and fully owned ones. I mean, you say that the outlook is stable. Do you expect the clients may default on any payments, or the payments may be delayed if they're not being used? Or are these contractually... so that contractually has to be paid?
- Akram Iswaisi:** Listen, the vessels are contracted. The LNG market today, if you look at the spot market, they're phenomenal today. So you're really in a fantastic market. The LNG market is a fantastic market to be in today. But more importantly, I'm not really worried about delay in payments or default. We're confident in our client's ability to be able to pay.



Unknown Analyst: Thank you very much. Thank you.

Operator: Thank you, everyone, and that concludes our Q&A session for today. I will now turn the call back over to Bobby for the closing remarks. Thank you.

Bobby Sarkar: Thank you, Gail. If this is all the questions we have for today, I want to thank Akram and Sami for taking the time to go over the presentation and then answering our questions. Thanks, everyone, and we'll pick this up again next quarter.

Akram Iswaisi: Thank you very much, everyone. Thank you.

Operator: Thank you all for joining. You may now all disconnect. Have a nice day ahead.