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Operator: Thank you for standing by. Hello, and welcome to Milaha Conference Call. Please note that this call is being recorded.

I will now hand our call to the moderator, Bobby Sarkar. Please go ahead.

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 2026 Results Conference Call.

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

I will now like to turn the call over to Sami. Sami, please go ahead.

Sami Shtayyeh: Thank you, Bobby, and thank you, everyone, for joining Milaha's first nine months of 2026 earnings call and your interest in the company.

Milaha really had a remarkable Q3 with quite possibly the highest net profit ever at the group level, or at least a minimum in the last 10-15 years. Our diversity sustained us through what is undoubtedly one of the most challenging periods for not just Qatar, but also the broader region. We fell behind in some areas, and we also came out ahead in others, demonstrating the strength and resilience of the group's diversified portfolio. A couple of cases in point, we saw Q3 in Maritime & Logistics power through a difficult operating environment to offer clients supply chain solutions others simply could not, all while making record profits. In our Offshore business, things are definitely still not back to normal, but in Q3, we saw the first signs of a rebound. Q2-Q3 growth was up a remarkable 358% at the bottom line. We still face headwinds and uncertainty, but what we are seeing today offers a sign of good things to come once the regional conflict ends. We mentioned strong fundamentals and pent-up demand during last quarter's call, and that view remains unchanged.

And now on to our first nine months results. I will start by going over our consolidated financial results and then move on to the various individual business segments before getting into 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 2.619 billion for the nine months ended September 30th, 2026, compared to QR 2.458 billion for the same period in 2025, for an increase of 7%. Operating profit came in at QR 546 million for the nine months ended September 30th, 2026, compared with QR 516 million for the same period in 2025, for an increase of 6%. Net profit for the nine months ended September 30th, 2026, was QR 958 million, compared with QR 1.058 billion for the same period in 2025, for a decrease of 9%. And lastly, our earnings per share was QR 0.84 for the nine months ended September 30th, 2026, compared with QR 0.93 for the same period in 2025.

Now on to our business segments. Starting with Maritime & Logistics, we reported operating revenue of QR 773 million, up QR 380 million or 97% from QR 393 million in 2025, driven almost equally by our logistics and container shipping units. Higher project and specialized cargo move, along with the opening of land bridge corridors, boosted our logistics business. And in container shipping, the strategic redeployment of our container vessels to higher demand routes, along with increased freight rates, drove the growth there. Operating expenses similarly increased by QR 119 million, with most of that reflecting variable costs associated with the higher revenue. And on the non-operating income level, it decreased by QR 85 million due to lower contribution from our QTerminals joint arrangement, coming from reduced port volumes due to the regional conflict. Overall net profit for Maritime & Logistics increased by QR 175 million compared to 2025.

In Offshore & Marine, operating revenues dropped by QR 146 million, or 11%, primarily due to the impact of the regional conflict and lower engineering services. Overall expenses increased by QR 5 million, with reduced variable costs associated with the drop in revenue more than offset by regional conflict-related expenses such as war risk insurance coverage and war risk allowances paid to crew, along with the use of higher-cost chartered vessels. At the non-operating profit level, a QR 46 million reduction in tax expense, driven by the true-up of deferred tax liability provisions, partially offset the drop in operating profit, with overall net income for the segment ending down 50% or QR 104 million versus 2025.

In Gas & Petrochem, revenues dropped by QR 63 million or 26%, going from QR 240 million in 2025 to QR 177 million in 2026, primarily due to the divestment of the VLGC vessels in 2025 and the non-recurrence of dividend income received from our partially owned LNG vessels in the prior year. On the expense side, savings resulting from the VLGC divestment offset higher war risk insurance costs and the non-recurrence of one-off items recorded in 2025, with total expenses decreasing by QR 14 million. Non-operating income decreased by QR 93 million, going from QR 543 million in 2025 to QR 450 million in 2026, with QR 84 million of the decrease coming from the one-time gain on the sale of the two VLGCs sold and recorded in 2025.

Altogether, net profit for the segment decreased by QR 142 million, going from QR 652 million in 2025 to QR 511 million in 2026.

In the Marine & Technical Services segment, reduced work in our shipyard and ship services units due to the impact of the war, along with a favorable one-off claim reimbursement in ship management last year, drove revenues down 5%, going from QR 277 million in 2025 to QR 262 million in 2026. Operating expenses went up by QR 12 million, partially due to increased provisions for bad debt. And net profit for the segment declined by QR 30 million, going from QR 12 million in 2025 to a loss of QR 18 million in 2026.

Lastly, in Capital, on the revenue side, reduced real estate income following the internal transfer of warehouse assets to our Maritime & Logistics segment drove a 3% year-over-year decline, going from QR 314 million to QR 305 million. Overall expenses were broadly flat as cost reductions associated with the warehouse transfer were offset by the non-recurrence of a favorable bad debt adjustment recorded in 2025. Overall, Capital's net profit increased by QR 1 million, going from QR 211 million in 2025 to QR 212 million in 2026.

Now on to our outlook. Starting with Maritime & Logistics and our container shipping business. Networks were disrupted early on due to the regional conflict, but we quickly redeployed vessels to maintain supply chains. We had an outstanding third quarter, but the outlook is uncertain given unpredictable regional conflict developments.

In Logistics, we will continue to support Qatar's supply chain during the regional conflict by providing creative solutions to move cargo for existing and new clients. The outlook is similarly uncertain given unpredictable project cargo flows, which played a large role in our Q3 performance. Our QTerminals joint arrangement is financially exposed during the Strait of Hormuz closure. With limited ships calling at Hamad Port, volumes are limited, and that affects profitability.

In Offshore, once the conflict is resolved, we expect to see a strong recovery across the board.

In Gas & Petrochem, we expect limited volatility due to the long-term nature of contracts at Nakilat, our FSO, and our wholly owned LNG vessels.

In Marine & Technical Services, our focus remains on cross-selling services to existing and potential clients. But while the conflict is ongoing, fewer vessel calls to Qatari waters impacts performance. Once the conflict ends and the Strait is open, we expect a strong recovery.

And lastly, Capital, where we will continue to focus on yield enhancement of the financial portfolio.

With that, operator, we will now open it up for Q&A.

Operator: Thank you. Before we start the Q&A, if you would 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 will wait for just a moment to compile the roster.

Our first question comes from the line of Mohammed Al-Thunayan from Jadwa Investment. Please go ahead.

Mohammed Al-Thunayan: Yes. Hello, management. Congratulations on the great set of results despite the difficult situation. I have one question which is related to the Maritime & Logistics segment. We noticed that container shipping revenues increased significantly. And is it fair to assume that most of the net margin improvement during this quarter, compared to the previous one, is coming from the enhancement of container shipping rates and utilization versus the increase in freight logistics revenues? Because, I mean, in the previous quarter, the uptick in freight logistics revenues was there, but margins were significantly lower, at around 7% versus 38% during this quarter.

Akram Iswaisi: I can take that question. You are correct in that, and obviously the container shipping rates have increased as compared to pre-war levels. We saw a substantial pickup in rates, as well as, let's say, an increase in utilization and optimization of the network. But at the same time, we saw a substantial pickup in logistics services, and you see that across the region. A big part of that is our ability to… by being a container shipping business as well as a logistics business, we are able to deliver now door-to-door solutions to clients. And so we have been able to capitalize on our platform today to be able to deliver solutions. And obviously, in these tough times, the fact that we can deliver cargo door-to-door is a substantial competitive advantage. So there is a much better integration as well today between container shipping and logistics. And therefore, we have been able to increase revenue on the logistics side as well as on the freight side, or let's call it the… sorry, the container shipping side. But the majority of what you see there is correct; it is container shipping.

Mohammed Al-Thunayan: Just a follow-up on that. Is it fair to assume that this momentum will most likely be there during Q4 as well?

Akram Iswaisi: Yes. We don't foresee that this momentum or this growth will wind down slowly. So again, the container shipping business is a spot business. So it's subject to market rates, if you will. But again, it depends on your view on the geopolitics and when this war will end. But even if it ends, I think there's going to be a normalization period. So, we suspect that the momentum will continue through the end of Q4. But again, we don't know how long this war is going to take. But usually, to normalize back to original supply chain routes, it just takes some time.

Mohammed Al-Thunayan: Thank you.

Akram Iswaisi: Welcome.

Operator: Thank you. Our next question comes from the line of Ejayan Al-ahbabi from Al Rayan Investment. Please go ahead.

Ejayan Al-ahbabi: Salam Alaikum, can you hear me?

Akram Iswaisi: Alaikum Salam, we can, yes.

Ejayan Al-ahbabi: Okay, excellent. First of all, congratulations on the set of results, and thank you for allowing me to ask my question. I just have a follow-up question with regards to the Maritime & Logistics segment. So I am just trying to understand: is the cargo activity that you are seeing is within the Gulf, or is it from outside of the Gulf area?

Akram Iswaisi: It's both.

Ejayan Al-ahbabi: I'm trying to understand if things are passing… It's both. Okay.

Akram Iswaisi: It's both. But you got to remember, the supply chain was reconfigured. So you see a lot of… Well, before, you might see cargo coming in by sea, but now you see sea, land, and so the configuration changes, right? So you end up having an additional leg. So that's basically how it's working today. But you also see cargo movement within the Gulf as well, right? There is some activity there.

Ejayan Al-ahbabi: Is any cargo moving through the Strait?

Akram Iswaisi: If you're talking about container shipping, no. A lot of majority of the container shipping cargo comes primarily via land.

Ejayan Al-ahbabi: Thank you.

Akram Iswaisi: Okay.

Operator: There are no further questions. I will now turn the call back over to... I would like to apologize.

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

Nikhil Phutane: Yes. Good afternoon, gentlemen. Again, nice set of results. My question is related with Gas & Petrochem. This has got to do with your overall decrease in your operating expenses; suppose we look at it on a quarter-on-quarter basis, while your revenues has increased. So overall looks like margin has expanded when compared on the quarter-on-quarter basis. Can I know the understanding about the reason behind the decrease in the operating expenses?

Akram Iswaisi: Can you say the question again, please, louder? I am sorry. I could not hear you.

Nikhil Phutane: Yes. In your Gas & Petrochem segment, what we are seeing is that your revenues are increased. But likewise, we are expecting operating expenses also could have increased. But it looks like overall there has been a decrease on a quarter-on-quarter basis. So your margins have expanded. So, I mean, what has been the reason behind the decrease in the operating expenses?

Akram Iswaisi: Well, I mean, the reality is, I mean, if you look at… if you're talking about compared to the same period last year, right?

Nikhil Phutane: No, I'm talking about q-on-q, sir.

Akram Iswaisi: If there's a specific line that you were looking at, but…. you saw that because if you look at effectively… here, give me a second here. Let me pull it up. If you compare against Q2, let's see here.

I mean, some of the things that we've been doing effectively is we've gone through a cost optimization exercise. So when the war broke out there are a few things we started working on. The first thing is we said, "Okay, how do we rationalize expenses?" Because in times of war, we need to look at how do we where do we cut costs? How do we cut back? There are things that we deferred until next year. So part of it is really our cost optimization program because, again, we delayed some of the hiring. We basically deferred certain expenses until next year. So there are a lot of actually cost optimizations that we have started doing. And so some of the results that you see are also not only a result of us hustling to grow the top line. So a big part of two things. We said, let's go out and look at how we can increase the top line. Let's look for new customers because everybody today needs logistics services. Everybody is looking for shipping. What can we do? We have a platform. Let's talk to our clients. So we went out there and started a very strong sales campaign to grow the pipeline. So there's a good pipeline of revenue right now as a result of this strong sales initiative. At the same time, we went back and looked at our costs, and like I said, we cut costs; we delayed costs.

And I think the one thing that I wanted to mention as well that I mentioned at a previous call is that Milaha has invested heavily in building a digital team, so digitization has become a key theme across the organization where we are deploying a lot of new technologies inside Milaha. Again, the business of logistics and shipping is a thin-margin business. And as you grow, you want to build scalability into your processes. And so the only way you can do this- yes, you can do the traditional cost-cutting approach and defer costs- but really, you realize benefits through digitization investment in technology. And we've made a concerted effort to invest in technology. And we actually now have a much bigger technology team, guys that actually have AI expertise, transformation expertise, and that's a big focus for us. So you'll see more of those benefits being realized over time.

Nikhil Phutane: Thank you. So this could be part of the reason why, at the group level, your salaries and other benefits have actually slightly decreased. I mean, your headcount necessarily could have decreased; you could be seeing that on a q-on-q basis?

Akram Iswaisi: Well, I understand. I mean, as I mentioned, when the war broke out, we looked at all the levers that we can pull to try to maintain our profitability to preserve cash flow as well, and that's key. Exactly, in times of war, you want to look at how much cash you have, how do you sustain yourself. So again, we looked at how do we preserve cash, how do we grow the top line. So we didn't just sit there and say, "Listen, we'll just ride this through and not really take action." I can tell you that everybody in the organization is really focused on top line growth. It's a priority for everybody. So we're looking at domestic growth, and we're looking at international growth. I don't want to say it's a hustle, but everybody is hustling. Everybody is working 200% on how we grow the top line because, again, in times like these, clients need us; there are opportunities. And what we should be doing is creating creative solutions to serve our clients, and that's exactly what we've done. But at the same time, controlling costs, managing costs, and so that's what we've done. We looked at our headcount; we said, "Okay, what is priority, what can be deferred?" And so we focused on headcount where it's tied to revenue generation. So if we have contracts, we need to execute; we need these people. So that's really what we've done, and that's served us as well.

Nikhil Phutane: Thank you, sir. Godspeed to you in the fourth quarter. Thank you.

Akram Iswaisi: Thank you. Appreciate it.

Operator: Thank you. Our next question comes back from the line of Ejayan Al-ahbabi from Al Rayan Investments. Please go ahead.

Ejayan Al-ahbabi: Hello, guys. So I have a follow-up question, if you don't mind. So my follow-up question is first, with regards to the guidance for the full year- maybe not necessarily hard line numbers, but just where you see the direction is going. And my second question is: with the offshore business, we can see that Q3 is much better than Q2. And do we expect the current run rate to continue to Q4, Inshallah?

Akram Iswaisi: In terms of the guidance, it is whatever we shared. And to be frank with you, if you look at a lot of our businesses, as I mentioned, container shipping and logistics, they're doing quite well; results have been fantastic, and that's on the back of rate increases, obviously, in container shipping. But a lot of it is also our initiative to optimize our network, serve our clients with new supply chain solutions. So when I say supply chain solutions, I mean container shipping and logistics, and you see better integration today between the two. So the momentum is there, and we have also been picking up a lot of new clients in logistics. Our ability to develop solutions in these tough times was evident to a lot of our existing clients and a lot of our new clients, and that momentum will continue. And so if you look at offshore, the results are much, much better. But obviously our vessels, some of our vessels are still not back to full capacity. And given the geopolitical situation, there are some projects that have been deferred or delayed.

And from our perspective, we are very well positioned for a strong recovery once this war is over. As an organization, we have proven that we are a very, very reliable and resilient partner to our clients, and that bodes well for our future. So hopefully that answers your question.

You know, some of the other businesses are impacted obviously by movement, you know, by the geopolitical situation. And so, look at Marine & Technical Services, you know. Again, Marine & Technical Services have provided a tremendous amount of solutions to clients that needed us during these tough times. But we've also built a very strong pipeline that will be evident in the future. You know, a simple example that we've announced in the past is our JV with Fincantieri. So our priority and our focus is really on top line growth. So again, we are not going to sit here and take the punches. We're going to go out and swing as hard as we can. And everybody is focused on growing the top line, meaning acquiring new customers, looking at geographic expansion, increasing our share of the wallet to existing customers. So this is really a top priority for the entire organization. And at the same time, efficiency. And when I say efficiency, I mentioned that earlier, we are very focused on controlling costs. But at the same time, I would call it what I call smart cost cutting, which is really investment in technology and digitization, or our ability to do more with less use in technology tools, which we have a strong platform. We've made investments in infrastructure, but what we're doing right now is investing more in actual solutions. And we've built a dedicated team just focused on that. And so these are the two things that I would say are the strategic priorities for Milaha going forward. I think that sets us up for a very strong growth potential.

Ejayan Al-ahbabi: Thank you. That's great to hear. Thank you very much.

Akram Iswaisi: You're welcome.

Operator: Thank you. Our next question comes from back the line of Nikhil Phutane from CBFS. Please go ahead.

Nikhil Phutane: Sorry, just a follow-up question. When you were discussing about offshore and marine, I just noticed that in terms of your depreciation and amortization, on a quarter-to-quarter basis, it has been showing a decrease, and in fact, quite a marked decrease in the third quarter over the second quarter. Yes, you did mention about dry docking costs, which was there in 2025. So just wanted to understand: is this tr going to continue? I mean, what is the reason, and will this trend continue in the fourth quarter?

Akram Iswaisi: You're talking about depreciation and amortization. Go ahead, Sami, take that.

Sami Shtayyeh: So what goes into that fleet and technical line that you're talking about has to do with all of the costs related to the fleet, so maintenance along with the crew costs. And in the crew costs, we have something called the walrus bonuses paid to the crew. So there was some true-up in the third quarter.

Depending on how things materialize over the next couple of weeks, the next quarter, and the level of which we have to pay those walrus bonuses to the crew, it might cause the number to go up slightly, but I think Q3 is a pretty good run rate to use.

Nikhil Phutane: Okay. Thank you, sir.

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

Bobby Sarkar: Hey, this is Bobby again. I have a question, if I can, please. This offshore, the sequential growth from the second quarter to the third quarter- what exactly drove that? What sorts of projects are you guys working on, and what has incrementally changed from the lull we saw in the second quarter versus the pick-up in the third quarter?

And then secondly, on the CapEx front, I see the CapEx is up roughly QR 200 million. Again, sequentially, is most of this stuff is being deployed offshore, and what is your kind of guidance or budget for this year in terms of CapEx, and where will that be deployed? Thank you so much.

Akram Iswaisi: Well, I mean, if you look at offshore, as I mentioned earlier…. Listen, Q2 was the shock for us and for everybody else. And so our operation got impacted in Q2 and essentially, Q3 as well, somewhat, but then we started recovering from that. So, you know, we've had some vessels that were off higher as a result, and that makes a lot of sense given the war situation. But these vessels are started working back again. So a big part of this is, you know, vessels that were essentially suspended temporarily, and they started working again. And then the projects are resuming. But some projects are being delayed, again, for obvious reasons, but some projects are happening. But generally speaking, I would say that off -hires or suspensions, not off-hires, where vessels had to be on standby and then now they're working again. So that was a big part of the reason of our numbers beginning to pick up again and effectively normalizing.

And if you look at CapEx in general, as I mentioned, we're focused on top line growth, so we are going to continue to invest. We're looking at a mix of opportunities today, organic and inorganic, so it will be difficult right now to give you a sense of the CapEx, but we are going to continue to invest. And a key part of what we're doing right now is offshore, there's a lot of momentum there, there's still a lot of projects. But we are looking at growing some of the other businesses. Logistics is going to be a core area of growth that we want to focus on going forward. As I mentioned earlier, Marine & Technical Services, we are building some very interesting and attractive joint ventures and opportunities that you will see in the near future. So the CapEx momentum will continue. But I can't give you guidance right now on what that's going to look like next year. We do have some committed CapEx that will continue to show up in the numbers in Q4. But again, I'd prefer to not give guidance right now on the sub-CapEx that you guys are going to see the next 12 months.

Potentially maybe in Q1 we could discuss a little bit more, and hopefully at that point in time, the war is over, and we have a little bit more clarity on what 2027 will look like. Hopefully that gives you a sense or answers the question and gives you what you want.

Bobby Sarkar: Yes, sure. Thanks, Akram. Dustin, do we have any other questions from the outside?

Operator: No, sir.

Bobby Sarkar: Okay, then in that case, we can end the call for today. I want to thank Akram and Sami for going over the presentation and answering our questions, and we will again pick this up next quarter. Thanks, everyone. Stay safe.

Akram Iswaisi: Thank you very much.

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