

BAHRI REPORTS THIRD QUARTER 2024 RESULTS WITH NET PROFIT UP 127%

- **Q3 2024 net profit surged 127% YoY** to SAR 509 million, while 9M 2024 net profit rose 40% to SAR 1.70 billion, driven by sustained revenue growth and profit margin improvement supported by fleet modernization and expansion.
- **Net debt-to-EBITDA improved 6% YoY** to 1.45x on the back of higher earnings, with Q3 2024 EBITDA increasing 50% YoY, partially offset by an 8% increase in net debt.
- **9M 2024 capital expenditures reached SAR 2.82 billion**, reflecting increased investment aimed at value accretive growth.
- **Advancing fleet modernization and expansion** in 9M 2024 with the acquisition of five modern vessels and chartering of six chemical tankers, alongside the phase-out of five older vessels.

Riyadh, Kingdom of Saudi Arabia – 31 October 2024: The National Shipping Company of Saudi Arabia (“Bahri” or the “Company”, 4030 on the Saudi Exchange), the Kingdom’s leading shipping and logistics provider, announced its financial results for the third quarter and first nine months of 2024 showing a 127% and a 40% increase in net profit, compared to the third quarter and first nine months of 2023 respectively, propelled by higher shipping rates, growth of shipped volumes and of its operating fleet, and improved cost efficiencies.

Eng. Ahmed Ali Al Subaey, Chief Executive Officer of Bahri, commented:

“Bahri’s strong performance in the third quarter and the first nine months of 2024 underscores our commitment to delivering value across our businesses. The Company’s profit growth was driven by renewed revenue expansion built on the trust and reputation for reliability we have established with our customers, coupled with our employees’ sustained focus on revenue and cost optimization to consistently outperform the market.

“We are increasing our investments to modernize and expand our fleet, with 17 vessels expected to be added over the next two quarters, in addition to the five we acquired earlier this year. These vessels will support our market expansion efforts and facilitate the phase-out of older ships, further modernizing our fleet. At the same time, we will remain agile and responsive to changing market dynamics, while maintaining capital discipline to ensure value-accretive growth. This strategy is in support of the shipping and logistics transformation outlined in Saudi Arabia’s Vision 2030, and reinforces our role as a vital and responsible contributor to the global supply chain.”

FINANCIAL SUMMARY

SAR million	Q3 2024	Q3 2023	Variance (YoY)	9M 2024	9M 2023	Variance (YoY)
Revenue	2,241	2,027	+11%	7,266	6,754	+8%
EBITDA	1,171	783	+50%	3,591	2,857	+26%
EBITDA margin	52%	39%	+13pp	49%	42%	+7pp
Net Profit ¹	509	224	+127%	1,695	1,212	+40%
Net profit margin	23%	11%	+12pp	23%	18%	+5pp
EPS (SAR)	0.69	0.30	+127%	2.30	1.64	+40%
Net Operating Cash Flow	642	925	-31%	2,408	2,922	-18%
Capital Expenditures	1,279	97	+1,221%	2,818	1,472	+91%
Free Cash Flow	(638)	829	n/a	(411)	1,450	n/a
Net Debt	6,653	6,153	+8%	6,653	6,153	+8%
Net Debt / Equity	47%	50%	-3pp	47%	50%	-3pp
Net Debt / EBITDA	1.45x	1.55x	-6%	1.45x	1.55x	-6%

¹: Attributable to Parent Company equity holders

Note: Refer to the Glossary of Terms for definitions of non-IFRS financial measures

COMPANY HIGHLIGHTS

Bahri reported a net profit of SAR 509 million in the third quarter of 2024 (Q3 2024), more than double the SAR 224 million earned in Q3 2023. Profit growth was driven by an 11% year-on-year (YoY) increase in revenue to SAR 2.24 billion and improvement in its net profit margin to 23%, up from 11%.

YoY revenue growth was primarily supported by the Chemicals business unit (BU), followed by Dry Bulk and Integrated Logistics, which benefited from increased shipping volumes enabled by the expansion of Bahri's fleet of owned and chartered vessels, as well as higher shipping rates across most segments. Company revenue growth was partially constrained by lower revenue from Bahri Oil due to decreased charter-in requirements in Q3 2024 and its exit from the non-VLCC (Very Large Crude Carrier) shipping segment in Q1 2024.

The YoY improvement in Bahri's Q3 2024 net profit margin was driven by higher shipping rates, along with value added from fleet modernization and cost savings from voyage schedule optimization across all BUs, as well as increased earnings contributions from equity-accounted affiliates.

For the first nine months of 2024 (9M 2024), the Company recorded a net profit of SAR 1.70 billion, up 40% compared to 9M 2023, driven by an 8% YoY increase in revenue to SAR 7.27 billion and improvement in net profit margin to 23%, up from 18%. Earnings growth was supported by favorable demand-supply conditions in the Chemicals and Oil shipping segments, and profit margin improvement from fleet modernization and expansion, voyage schedule optimization and sustained cost discipline.

In 9M 2024, the Company acquired five vessels (three VLCCs, one dry bulk carrier and one multipurpose vessel), phased out five older vessels (one VLCC, three chemical tankers and one product tanker), and chartered 6 chemical tankers on long-term leases to modernize and expand its operating fleet. As a result, Bahri's fleet grew to 104 owned and operated vessels by end-September 2024 compared to 98 at end-December 2023 and 99 at end-September 2023.

Due in large part to the vessel acquisitions, 9M 2024 capital expenditures reached SAR 2.82 billion, up 91% YoY. Proceeds of SAR 409 million from the sale of the older vessels partly offset this investment.

In addition to the five vessels acquired, 17 more have been ordered and partially paid for. Delivery of these vessels is expected in the next two quarters. Of these, the largest order was for nine VLCCs from Capital Maritime and Trading Corporation for approximately SAR 3.75 billion, with 10% already paid in Q3 2024. To partially fund this purchase, the Company signed in October 2024 a 10-year Murabaha financing agreement with Alinma Bank for SAR 2.8 billion.

The Company's net debt balance at end-September 2024 stood at SAR 6.65 billion, up 8% YoY, mainly to partially fund fleet modernization and expansion. Despite the rise in net debt, Bahri's net debt-to-equity improved to 47% from 50% at end-September 2023, while net debt-to-EBITDA ratio declined to 1.45 from 1.55, supported by higher profitability.

As of end-September 2024, Bahri achieved a Lost Time Injury Frequency Rate of 0.46 injuries per million hours worked, down 5% from 0.48 in the prior year. During 9M 2024, there were no fatalities across the Company's operations, and no oil spills occurred from vessels owned by the Company.

BUSINESS UNITS' HIGHLIGHTS

Bahri Oil

SAR million	Q3 2024	Q3 2023	Variance (YoY)	9M 2024	9M 2023	Variance (YoY)
Revenue	1,005	1,112	-10%	3,580	3,856	-7%
EBITDA	501	477	+5%	1,752	1,584	+11%
EBITDA margin	50%	43%	+7pp	49%	41%	+8pp

Bahri Oil reported EBITDA of SAR 501 million in Q3 2024, a 5% increase YoY, despite a 10% decline in revenues to SAR 1.01 billion. The decrease in revenue was largely attributed to lower charter-in requirements, as well as the BU's exit from non-VLCC shipping in Q1 2024. This was partially offset by higher shipping rates, driven by favorable demand-supply conditions in the oil transport sector. The EBITDA margin expansion to 50% from 43% in Q3 2023 was further supported by efficient management of voyage-related costs and a larger share of cargo carried by Bahri-owned vessels, which yielded better margins.

For 9M 2024, the BU achieved an 11% YoY growth in EBITDA to SAR 1.75 billion on the back of a higher profit margin despite a 7% decline in revenue. Higher shipping rates, along with cost effective operations, supported EBITDA margin expansion to 49% from 41%.

One VLCC was added to the fleet in Q3 2024, bringing the total fleet size to 40 VLCCs. Additionally, scrubbers were installed on six VLCCs to enhance fleet competitiveness while ensuring compliance with emissions regulations. This raised the number of scrubber-fitted VLCCs to 21, half of the fleet.

As part of its fleet modernization program, twelve modern scrubber-fitted VLCCs, including the nine VLCCs purchased recently from Capital Maritime, are expected to join the fleet over the next two quarters.

Bahri Chemicals

<i>SAR million</i>	Q3 2024	Q3 2023	<i>Variance (YoY)</i>	9M 2024	9M 2023	<i>Variance (YoY)</i>
Revenue	785	621	+26%	2,506	2,004	+25%
EBITDA	494	327	+51%	1,517	1,027	+48%
<i>EBITDA margin</i>	63%	53%	+10pp	61%	51%	+10pp

In Q3 2024, Bahri Chemicals achieved a 51% YoY increase in EBITDA, reaching SAR 494 million, propelled by a 26% rise in revenue to SAR 785 million and 10pp improvement in EBITDA margin to 63%. For 9M 2024, EBITDA grew 48% YoY to SAR 1.52 billion, supported by a 25% increase in revenue to SAR 2.51 billion and a 10%-point expansion in EBITDA margin to 61%.

EBITDA YoY growth for both Q3 2024 and 9M 2024 was driven by higher shipping rates, increased volumes shipped on the back of a larger operating fleet (45 vessels compared to 43 at end-September 2023), cost savings from voyage optimization, and higher income from the sale of older vessels.

The BU phased out two older chemical tankers in Q3 2024, with replacements for these plus two additional tankers scheduled for delivery in Q4 2024.

Bahri Integrated Logistics

<i>SAR million</i>	Q3 2024	Q3 2023	<i>Variance (YoY)</i>	9M 2024	9M 2023	<i>Variance (YoY)</i>
Revenue	272	220	+24%	772	671	+15%
EBITDA	65	(16)	n/a	115	79	+44%
<i>EBITDA margin</i>	24%	-7%	+31pp	13%	12%	+1pp

Bahri Integrated Logistics reported EBITDA of SAR 65 million in Q3 2024, marking a turnaround from a loss of SAR 16 million in Q3 2023. This improvement was mainly driven by strong revenue and EBITDA margin growth in the BU's break bulk shipping segment, which benefited from higher shipping rates and the addition in Q2 2024 of a multipurpose vessel to its fleet of six RoCon vessels.

For 9M 2024, the BU achieved a 44% YoY increase in EBITDA, reaching SAR 115 million, supported by a 15% rise in revenue to SAR 772 million, mainly attributed to stronger performance in break bulk shipping.

Meanwhile, the BU's non-shipping logistics segment – comprising of freight forwarding, contract logistics and other supply chain services – showed quarter-on-quarter improvements in profitability as it continues its business transformation, expanding its asset and client base while upgrading its capabilities.

Bahri Dry Bulk

SAR million	Q3 2024	Q3 2023	Variance (YoY)	9M 2024	9M 2023	Variance (YoY)
Revenue	163	71	+129%	374	213	+76%
EBITDA	36	35	+1%	92	104	-12%
EBITDA margin	22%	50%	-28pp	25%	49%	-24pp

In Q3 2024, Bahri Dry Bulk reported EBITDA of SAR 36 million, reflecting a 1% YoY increase, while revenue more than doubled to SAR 163 million. Revenue growth resulted from increased volumes from existing customers, as well as the addition of a dry bulk carrier to its fleet of 11 vessels.

EBITDA margin declined to 22% mainly because higher volume requirements were partly met by deploying lower-margin chartered vessels to capture long-term business opportunities with major customers. The BU intends to continue fleet expansion so it can increasingly deploy its owned tonnage in response to rising market demand.

For 9M 2024, EBITDA declined 12% YoY to SAR 92 million, despite a 76% increase in revenue to SAR 374 million. This was influenced by lower margins resulting from a higher share of revenue derived from chartered vessels, and generally weaker shipping rates compared to the prior year.

In addition to the dry bulk carrier added to the fleet in Q3 2024, the BU anticipates the delivery of a second vessel in Q1 2025.

ABOUT BAHRI

Bahri, established in 1978 as the National Shipping Company of Saudi Arabia, is the Kingdom's premier shipping and logistics company and a global leader in maritime transportation. Headquartered in Riyadh, Saudi Arabia, the company operates a fleet of 88 owned vessels, 16 vessels under long-term lease contracts, and one floating desalination barge as of end-September 2024. It is one of the largest owners and operators of VLCCs worldwide.

Bahri's business activities span the purchase, sale and operation of ships for the transportation of crude oil and refined products, chemicals and dry bulk, as well as freight forwarding, warehousing, cargo clearance and stowage, and other logistical services, organized through four business units – Bahri Oil, Bahri Chemicals, Bahri Dry Bulk and Bahri Integrated Logistics – as well as the Company-wide Bahri Ship Management shared service.

With its 4,000+ strong onshore and offshore team, Bahri is committed to supporting Saudi Vision 2030, and transforming Saudi Arabia into a strategic regional shipping hub and logistics gateway.

Bahri Oil

A 100%-owned subsidiary of Bahri Company, Bahri Oil is one of the world's leading owners and operators of VLCCs and is among the top five VLCC owners globally. With a fleet size of 40 VLCCs and a total capacity of about 12.5 million deadweight tonnage, the fleet represents about 4% of global VLCC capacity. While Bahri Oil's primary cargo load region is the Arabian Gulf market, the BU also caters to requirements across all major VLCC routes worldwide. Bahri Oil is the exclusive transporter of Saudi Aramco VLCC crude cargos sold on delivered basis around the world. Saudi Aramco is the world's largest crude oil producer and holds a 20% equity stake in Bahri Company.

Bahri Chemicals

Bahri Chemicals owns and operates a diverse fleet of tankers that transports a wide array of liquid cargos, including chemicals, clean petroleum products, vegetable oils and biofuels to customers worldwide. The BU's customers include chemical producers, integrated oil companies and refiners, commodity traders, and players in the vegetable oil / biofuel markets, with Saudi Aramco and Saudi Basic Industries Corporation (SABIC) as its major customers. The BU is actively involved not only in the spot market but also in contracts of affreightment and time charter arrangements, and the sale and purchase of vessels. The BU is incorporated as the National Chemical Carriers Company, and is 80% owned by Bahri Company, with the remaining 20% owned by SABIC.

Bahri Integrated Logistics

Bahri Integrated Logistics is the leading supplier of direct shipping services from the United States' eastern and Gulf coasts to Jeddah, Dubai, Dammam, and Mumbai, including moorages in the Mediterranean region and European ports en route. It is one of the top 10 break bulk carriers globally. The BU also provides land, sea and air freight forwarding, customs clearance, container services, contract logistics, warehousing, and other supply chain services for aerospace, defense, construction, perishable, pharmaceutical and healthcare, oil and gas, hotel, and automotive companies and institutions.

Bahri Dry Bulk

Established in 2010 through a 60/40 joint venture between Bahri and the Arabian Agricultural Services Company, Bahri Dry Bulk is a fully integrated shipowner and operator in the regional and global transportation of dry bulk commodities, with focus on inbound and outbound cargo to and from Saudi Arabia. Headquartered in Riyadh with a regional office in Dubai, the BU transports bulk cargoes, primarily grain, fertilizers, coal, and iron ore, along worldwide shipping routes to supply the world's food and energy needs. The BU has a diversified fleet employment strategy that includes spot market, contracts of affreightments and time charter agreements.

Bahri Ship Management

Bahri Ship Management was established in 1996 as a wholly owned subsidiary of Bahri Company to provide a full range of ship management and marine support services for all vessels owned and operated by the Company with the goal of maximizing the fleet's commercial potential. It directly operates and provides technical services for its managed vessels, and is also responsible for crewing, vessel acquisition, training, health and safety, and environmental and regulatory compliance of Bahri's ships.

GLOSSARY OF TERMS

Non-IFRS (International Financial Reporting Standards) financial measures

Capital expenditure: The sum of additions of property and equipment, projects under construction, and intangible assets as shown in the Statement of Cash Flows. Represents the amount of cash spent during the period for maintaining and expanding the long-term asset base of the Company.

Dividend pay-out ratio: The amount of cash dividends paid out to shareholders as a percentage of the Company's net profit for which the dividends pertained to (typically the net profit of the prior period). Provides an indication of the proportion of earnings returned to shareholders as cash instead of being retained by the company for reinvestment.

EBITDA: Earnings before interest, tax, depreciation and amortization. Calculated by adding back depreciation of property and equipment, depreciation of right of use assets and amortization/derecognition of intangible assets as shown in the Statement of Cash Flows to the sum of operating profit and share of results of equity accounted investees as shown in the Statement of Profit or Loss. Used by the Company to evaluate operating performance, and as a proxy for operating cash flows.

Free cash flow: Net cash flow generated from operating activities minus capital expenditures, as shown in the Statement of Cash Flows. Provides an indication of the cash generated during the period that can be used for dividend payments, paying down debt, increasing cash at hand, and/or for other investments.

Net debt: The sum of current and non-current loans and borrowings and lease liabilities minus cash and cash equivalents, as shown in the Statement of Financial Position; a measure of the indebtedness of the Company.

Net debt / EBITDA: The ratio of end-of-period net debt to EBITDA of the twelve months preceding the end of the period. Provides an indication of the number of years the Company would take to repay its debt from cash earnings if net debt and EBITDA are held constant. Expressed as a multiple of years.

Net debt / equity: Net debt divided by total equity as shown in the Statement of Financial Position. Measures the level of indebtedness of the Company relative to the capital provided by shareholders; used by the Company for managing its capital structure. Expressed as a percent.

Shipping and operational terms

Charter: A term used in shipping for a contract between a ship owner and a charterer that spells out the terms for the use of a vessel. The charterer is the entity that rents or leases a vessel to transport cargo. The contract can be of different types, such as a time charter which is a time-bound agreement, where a ship owner leases a vessel to a charterer for a fixed period of time, with the charterer free to sail to any port and transport any cargo, subject to legal regulations, or a voyage charter for which the charterer leases the vessel for a specific voyage from one port to another. "Charter-in" refers to Bahri being the charterer; while in a "charter-out" arrangement, Bahri is the ship owner. "Chartered vessels" in this document refers to vessels that have been leased by Bahri.

Clean petroleum products: Liquid products refined from crude oil, whose color is less than or equal to 2.5 on the National Petroleum Association scale. Clean products include naphtha, jet fuel, gasoline, and diesel/gasoil.

Contract logistics: Logistics is defined as the management of moving materials from one location to another. While Contract logistics is an arrangement where a company outsources its logistics function to a specialized logistics provider.

Contract of Affreightment: A contract between a ship owner and a cargo owner, in which the ship owner agrees to carry goods for the cargo owner in its ship or to give the cargo owner the use of the whole or part of its ship's cargo-carrying space for the carriage of goods on a specified voyage or voyages or for a specified time.

Deadweight tonnage: Carrying capacity of a vessel, measured in metric tons. Carrying capacity includes the weights of cargo, fuel, crew and supplies, and excludes the vessel's weight when empty.

Dry bulk: Refers to unpackaged goods shipped in large parcels.

Eco vessels: Ships that possess high energy efficiency and low emissions features and equipment to reduce their environmental impact, such as fuel-efficient hull and propeller designs, scrubbers, ballast water treatment system, etc.

Feeder operator: An operator of medium-size vessels that transport cargo between small and major ports.

Lost Time Injury Frequency Rate: Measures the number of lost-time injuries per million hours worked. Tracked and reported by Bahri on a trailing 12-month basis.

Multipurpose vessel: A ship built to carry a wide range of cargoes.

Murabaha financing: Murabaha financing is an Islamic financing structure wherein an intermediary buys an asset with free and clear title to it. The intermediary and prospective buyer then agree upon a sale price (including an agreed upon profit for the intermediary) that can be made through a series of installments, or as a lump sum payment.

RoCon vessel: A type of vessel that is a hybrid of a roll-on/roll-off (RoRo) ship and a container ship, with the decks used for stacking containerized freight.

Scrubbers: Exhaust gas cleaning systems that are used to remove harmful substances, such as sulfur dioxide, from the exhaust gas stream of ships, allowing continued compliance with international emissions standards while using high sulfur fuel oil as fuel.

Spot market: The online market for the exchange of shipping services at the spot rate, which is the one-time shipping price based on a real time market rate.

Very Large Crude Carrier: A crude oil tanker with a cargo carrying capacity of up to 250,000 tons. Abbreviated as VLCC.

Vision 2030: A blueprint developed by the government of Saudi Arabia for diversifying its economy, empowering its citizens, creating a vibrant environment for both local and international investors, and establishing Saudi Arabia as a global leader, by leveraging the Kingdom's unique strengths—its pivotal role in the Arab and Islamic worlds, its strong investment capabilities, and its strategic geographical position.

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