

In 2024, Bahri recorded an 8% year-on-year increase in revenue, reaching ₺ 9.48 billion, supported by increased cargo volumes across all business units on the back of the expansion of the operated fleet, as well as generally favorable freight rates.

3

Financial Review

CFO's Message	32
Earnings	33
Cash Flows	36
Financial Position	38

CFO's Message



2024 has been a landmark year of growth and strategic progress for Bahri. For the first time in our history, we broke through the ₪ 2 billion profit mark, achieving a net profit of ₪ 2.17 billion.

This milestone underscores the exceptional skills and dedication of our team in seizing market opportunities, balancing our revenue streams, increasing cargo volumes, optimizing voyage planning, and investing in our fleet modernization and expansion program. Additionally, we had a strong income contribution from our associated company Petredec, propelled by growth in its profits and the increase in our equity stake in the company during the fourth quarter of 2023. All these efforts leveraged our 8% growth in revenues to a 34% surge in net profit.

We also laid a robust foundation for sustained growth through significant investments in 2024. These included the acquisition of 15 vessels as part of our fleet modernization and expansion program, partially funded with capital recycled from the divestment of six older ships. As a result, our capital expenditure reached ₪ 5.48 billion, funded mainly by cash generated from operations during the year, and partly with new borrowings. We ended the year with a healthy net debt-to-EBITDA multiple of 1.68x, with the increase in net debt partially but significantly offset by the strong earnings of the year.

To further strengthen our financial position, we expanded our funding pool with a USD 756 million secured Murabaha financing agreement in October 2024, as well as a USD 800 million revolving credit facility which was secured in January 2025 to support working capital and capital expenditures, as needed.

These actions and achievements reflect our confidence in Bahri's resilient fundamentals, substantial growth potential and the capabilities of our people to drive sustained value creation for our shareholders. We remain committed to delivering long-term growth and reinforcing Bahri's position as a global leader in logistics and shipping.

Mr. Basil A. Abulhamayel
Chief Financial Officer



Earnings

Income statement summary

(₪ million)	2024	2023	% YoY	2022	2021	2020
Revenue	9,482	8,778	8%	8,583	5,351	8,393
Net operating costs	(6,782)	(6,704)	1%	(7,111)	(4,795)	(6,271)
General and administrative expenses, and provisions	(342)	(244)	40%	(175)	(168)	(235)
Other income	245	340	-28%	187	36	(20)
Operating profit	2,604	2,170	20%	1,483	425	1,866
Operating margin	27%	25%	3%pt	17%	8%	22%
Income from associates	433	266	63%	60	47	97
Net finance cost	(536)	(542)	-1%	(287)	(180)	(254)
Zakat and income tax	(115)	(101)	14%	(93)	(58)	(94)
Net profit	2,386	1,793	33%	1,163	234	1,615
Net profit attributable to Bahri shareholders	2,169	1,613	34%	1,041	192	1,571
EBITDA	4,707	3,841	23%	2,875	1,670	3,136
Return on beginning equity	18%	15%	3%pt	11%	2%	17%

Notes: Numbers presented may not add up precisely to the totals provided due to rounding. Refer to the Non-IFRS Financial Measures section for the definitions of these measures. Return on beginning equity is the ratio of net profit attributable to Bahri shareholders over the end-2023 balance of equity attributable to Bahri shareholders.

Revenue

In 2024, Bahri recorded an 8% year-on-year (YoY) increase in revenue, reaching ₪ 9.48 billion, supported by increased cargo volumes across all business units (BUs) on the back of the expansion of the operated fleet, as well as generally favorable freight rates.

Oil and chemical freight rates were generally favorable during the year, while dry bulk rates were weaker than a year ago. Across all three markets, however, our fleet consistently achieved time charter equivalent (TCE) rates that outperformed market benchmarks. This outperformance was driven by proactive balancing of our revenue mix, effective voyage optimization, and enhanced cost efficiencies from the modernization of the fleet.

Revenue growth was also underpinned by the expansion and modernization program of our operated fleet. Under this program, we acquired 15 modern, cost-efficient and environmentally sustainable second-hand vessels in 2024, of which 11 became operational and were commercially deployed before year-end. The vessels deployed in 2024 included five Very Large Crude Carriers (VLCCs), four chemical tankers, one dry bulk carrier, and one multipurpose vessel. During the year, we also sold six older vessels - two VLCCs and a product tanker owned by the Oil BU, and three chemical tankers belonging to the Chemicals BU - with the goal of maintaining an optimal average age for the fleet. With these, our owned vessels in operation increased to 93 vessels from 88 at the start of the year.

Earnings continued

2024 owned fleet movement

Business Units	End-2023	Additions	Divestments	End-2024	Delivered in 2024 but operational only in 2025	Ordered for delivery in 2025
Oil	39	+5	-3	41	3	7
Chemicals	32	+4	-3	33	-	-
Integrated Logistics	6	+1	-	7	-	-
Dry Bulk	11	+1	-	12	1	-
Total	88	+11	-6	93	4	7

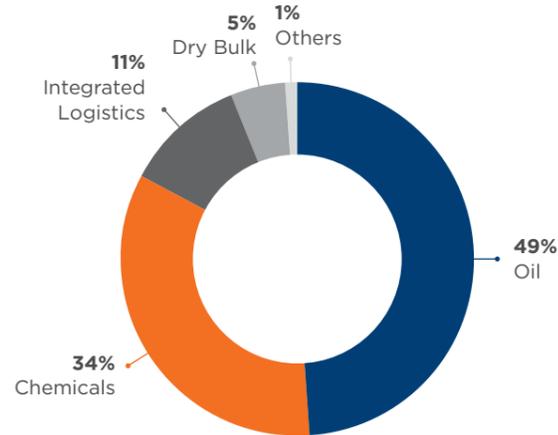
We expanded our chartered fleet to 16 chemical tankers on long-term leases, up from 10 at the beginning of the year to further meet increased demand from renewed Contracts of Affreightment (COAs).

In total, we ended 2024 with a significantly expanded and modernized fleet of 103 vessels from 98 a year ago, enabling us to handle increased cargo volumes across all of our BUs. Fleet expansion supported cargo growth in 2024 - 17% YoY in chemicals and clean petroleum products, 5% in crude oil, 65% in dry bulk and 29% in breakbulk and roll-on/roll-off (RoRo) cargo.

Four of the 15 vessels we acquired in 2024 were commercially deployed in January 2025, having been delivered only in December 2024. These consisted of three VLCCs and one dry bulk carrier. In addition, we have ordered seven VLCCs and expect delivery of these during the first half of 2025.

Chemicals led revenue growth with a 19% YoY increase, comprising a third of Group revenue. Dry Bulk and Integrated Logistics grew 74% and 13%, respectively, while Oil revenue declined 4% but remained the largest contributor at nearly half of Group revenue.

BU contribution to Group revenue



Operating profit

Operating profit rose 20% YoY to ₪ 2.60 billion, driven by revenue growth and effective cost efficiency measures. Net operating costs - operating cost less bunker subsidy - grew marginally by 1% to ₪ 6.78 billion, with operating costs rising by 4%, slower than the 7% revenue growth, while income from bunker subsidy increased two-fold. Bunker subsidy is a benefit provided by the Saudi Government to Saudi-flagged vessels fueling within the Kingdom. Our strong operating cost performance reflected effective cost containment, agile voyage planning and savings from fleet modernization.

General and administrative expenses and provisions grew 40% YoY to ₪ 342 million, primarily attributed to increased employee compensation, and higher spending for digitalization and sustainability initiatives, as well as special projects.

Other income declined 28% YoY to ₪ 245 million, largely because we had an ₪ 88 million one-off income in 2023 from a settlement with a supplier relating to our tanker coating claims.

The Oil and Chemicals BUs were the major contributors to operating profit. The Oil BU contributed an operating profit of ₪ 1.52 billion, up 17% YoY, as a 6%-point increase in its operating margin offset its 4% revenue decline. The Chemicals BU added another ₪ 1.20 billion, a 25% increase, on the back of an 18% revenue growth and a 2%-point operating margin expansion.

Net profit

2024 net profit attributable to Bahri shareholders increased by 34% YoY to ₪ 2.17 billion, driven by the 20% growth in operating profit, a 63% surge in income from associates, and a 1% decline in net finance cost. The growth in net profit boosted Bahri's return on equity to 18% from 15% in 2023.

Income from associates rose 63% YoY to ₪ 433 million, driven by increased earnings contribution from Petredec Group, a leading liquified petroleum gas shipping and trading company, which contributed ₪ 619 million, up 53%. Bahri's share of Petredec earnings was further enlarged by the increase in Bahri's equity stake in Petredec to 40% in October 2023 from 30% previously. Petredec's strong contribution was partially offset by losses incurred by Bahri's other associates - 20%-owned International Maritime Industries and 50%-owned National Grain Company. Bahri's share of their losses amounted to ₪ 187 million, 34% higher compared to 2023.

Net finance costs declined 1% YoY to ₪ 536 million, reflecting a lower average net debt balance in 2024 compared to the previous year.

2024 EBITDA reached ₪ 4.71 billion, up 23% YoY, driven by the increase in revenues due to higher cargo volume and generally favorable freight rates, operating margin expansion from successful cost containment, and higher income from associates. The Chemicals BU was the major contributor to EBITDA growth, followed by the Oil BU.

EBITDA (₪ million)



EBITDA margin



Notes: Refer to the Non-IFRS Financial Measures section for the definitions of these measures.

Cash Flows

Cash flow statement summary

(₹ million)	2024	2023	% YoY	2022	2021	2020
Operating activities						
Net profit				1,163	234	1,615
Pre-tax profit	2,501	1,894	32%			
Adjustments to cash	892	790	13%	1,194	1,157	1,103
Working capital changes	13	877	-99%	(368)	(586)	1,045
Net operating cash flow	3,406	3,561	-4%	1,990	806	3,763
Investing activities						
Capital expenditure	(5,479)	(1,647)	233%	(1,310)	(1,151)	(1,324)
Proceeds from asset sales	524	685	-24%	694	-	184
Other cash flows from investing	311	80	291%	224	(257)	(13)
Net investing cash flow	(4,643)	(882)	426%	(392)	(1,408)	(1,154)
Financing activities						
Net loan avilment/ (repayments)	1,067	(1,868)	n.m.	(91)	708	(635)
Payment of lease liabilities	(518)	(180)	188%	(113)	(112)	(25)
Dividends paid	(406)	(246)	65%	-	(788)	(772)
Other cash flows from financing	(60)	-	n.m.	(41)	(3)	-
Net financing cash flow	146	(2,294)	n.m.	(246)	(194)	(1,432)
Net cash flow	(1,092)	384	n.m.	1,351	(797)	1,177
Free cash flow	(2,073)	1,913	n.m.	679	(345)	2,438

Notes: Numbers presented may not add up precisely to the totals provided due to rounding. Refer to the Non-IFRS Financial Measures section for the definitions of these measures. n.m.: Not measurable.

Operating cash flows

We generated a net operating cash inflow of ₹ 3.41 billion, down 4% from ₹ 3.56 billion recorded in 2023 due to a lower 2024 cash inflow from changes in working capital compared to 2023. This in turn was due to the reversion in 2023 of our trade receivables and contract assets balance to a more typical level compared to a significantly high balance at end-2022, which resulted to a large cash inflow in 2023.

Investing and free cash flows

Net investing cash outflow reached ₹ 4.64 billion in 2024, compared to ₹ 882 million in the prior year. The increase was driven by our capital expenditure, which amounted to ₹ 5.48 billion in 2024 compared to ₹ 1.65 billion in 2023.

The increase in capital expenditure was primarily due to full payment for the 15 vessels we acquired during the year, as well as partial payments for the seven vessels we had ordered for delivery in 2025. These full and partial payments amounted to ₹ 4.82 billion, 88% of 2024 capital expenditure.

Because of the large 2024 capital expenditure, our free cash flow for the year was an outflow of ₹ 2.07 billion, a reversal from the ₹ 1.91 billion cash inflow recorded in 2023.

We also recycled ₹ 524 million of capital through the cash proceeds from the sale of six older vessels. This compares to proceeds of ₹ 685 million in 2023 from the divestment of nine vessels.

Financing and net cash flows

Net financing cash flow amounted to a cash inflow of ₹ 146 million in 2024, reversing the ₹ 2.29 billion outflow in 2023. The 2024 cash inflow reflected borrowings of ₹ 2.53 billion, partly offset by loan repayments of ₹ 1.46 billion, resulting in a net loan avilment of ₹ 1.07 billion. This compares to a net loan repayment of ₹ 1.87 billion during the prior year.

In total, Bahri recorded a net cash outflow of ₹ 1.09 billion in 2024, which decreased our end-2024 cash balance to ₹ 1.82 billion. In 2023, we had a net cash inflow of ₹ 384 million and ended the year with a cash balance of ₹ 2.91 billion.

2024 sources and uses of cash

(₹ million)	2024
Sources	
Net cash from operations	3,406
Reduction in cash balance	1,092
Net loan avilment	1,067
Proceeds from asset sales	524
Other investing cash flows	311
Total	6,400
Uses	
Capital expenditure	5,479
Lease payments	455
Dividend payments	406
Other financing cash flows	60
Total	6,400

Notes: Numbers presented may not add up precisely to the totals provided due to rounding. Refer to the Non-IFRS Financial Measures section for the definitions of these measures.

Financial Position

Balance sheet summary

(₹ million)	2024	2023	% YoY	2022	2021	2020
Assets						
Cash and cash equivalents	1,822	2,913	-37%	2,529	1,178	1,975
Receivables and other current assets	2,423	2,384	2%	3,039	2,713	1,932
Fixed and right of use assets	19,856	15,576	27%	15,316	15,763	15,294
Equity accounted investees	2,175	1,834	19%	1,575	1,498	1,343
Other non-current assets	333	399	-17%	438	497	561
Total assets	26,609	23,106	15%	22,898	21,650	21,105
Liabilities						
Current borrowings and lease liabilities	896	797	12%	1,078	5,186	890
Trade payables and other current liabilities	2,165	2,003	8%	1,742	1,479	1,482
Non-current borrowings and lease liabilities	8,829	7,559	17%	8,879	4,946	8,159
Other non-current liabilities	135	104	29%	84	79	76
Total liabilities	12,024	10,464	15%	11,783	11,690	10,607
Equity						
Shareholders' equity	13,625	11,839	15%	10,491	9,413	9,990
Non-controlling interests	960	804	19%	624	547	509
Total equity	14,585	12,642	15%	11,115	9,960	10,498
Net debt	7,903	5,443	45%	7,427	8,953	7,074
Gearing	35%	30%	5%pt	40%	47%	40%
Net debt-to-EBITDA	1.68	1.42	0.26x	2.58	5.36	2.26

Notes: Numbers presented may not add up precisely to the totals provided due to rounding. Refer to the Non-IFRS Financial Measures section for the definitions of these measures.

Financial position and funding

At the close of 2024, Bahri's total asset base expanded by 15% YoY to ₹ 26.61 billion, driven primarily by a 27% increase in fixed and right-of-use assets, which reached ₹ 19.86 billion. This was partially offset by a 37% decrease in cash and cash equivalents, which fell to ₹ 1.82 billion.

Total liabilities amounted to ₹ 12.02 billion, up 15% YoY, reflecting a 16% increase in gross debt (consisting of borrowings and lease liabilities) to ₹ 9.72 billion. This increase was primarily to support our fleet modernization and expansion program.

During the year, we secured additional funding through a USD 756 million (₹ 2.84 billion) Murabaha financing agreement with a Saudi bank. This facility was structured to finance approximately 70% of the purchase value of nine second-hand VLCCs we acquired from Capital Maritime and Trading Corporation and secured against the vessels' value.

By the end of 2024, USD 304 million (₹ 1.14 billion) of the facility had been utilized, reflecting full payment for four VLCCs already delivered and downpayments for the remaining five vessels.

As of end-2024, Bahri's net debt balance stood at ₹ 7.90 billion, compared to ₹ 5.44 billion at the end of 2023. As a result, gearing increased to 35% from 30% in the prior year. Similarly, net debt-to-EBITDA rose to 1.68x, up from 1.42x in 2023.

Following the close of 2024, Bahri further strengthened its financial position by signing a five-year Murabaha Revolving Credit Facility agreement in January 2025 for USD 800 million (₹ 3.00 billion). This facility is intended to support working capital and capital expenditure requirements as needed, providing additional flexibility for our operations and growth plans.

Net debt-to-EBITDA



Notes: Refer to the Non-IFRS Financial Measures section for the definitions of these measures.