

Daily Bulletin

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Bahri finalizes SAR 3.75 bn purchase of 9 VLCCs

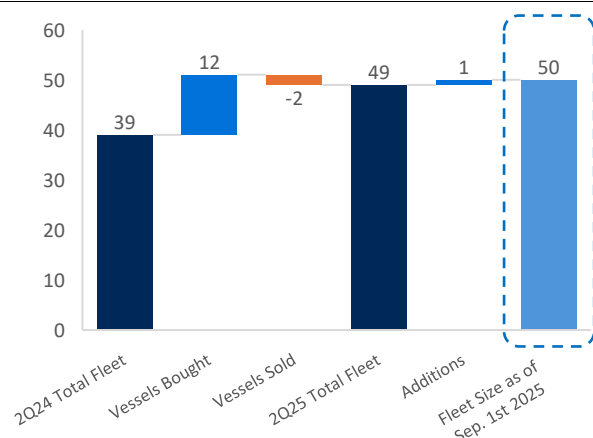
After completing the delivery of the last vessel, Burgan, Bahri has concluded the SAR 3.75 bn (USD 1 bn) acquisition of nine VLCCs from Athens-based Capital Maritime & Trading Corp. The addition lifts Bahri's owned VLCC fleet to 50, the largest globally. The newly added nine vessels, with an average age of 5.9 years were built primarily in South Korea and equipped with fuel-efficiency technologies supporting cost optimization.

The acquisition will support Bahri's fleet modernization strategy, enhance competitiveness, and reduce operating costs by phasing out older vessels in favor of eco-friendly carriers. Bahri originally signed the agreement in Aug-24, committing to pay 10% of the deal value upon signing, with the balance due on delivery. The acquisition was financed through a mix of bank facilities and internal cash.

During 2Q25, the company's oil segment EBITDA margins improved to 51% from 49% in 2Q24. This margin expansion was primarily driven by a higher share of cargo transported on owned VLCCs, which yield higher margins, compared to chartered-in-tonnage. The company's VLCC fleet increased from 39 vessels as of Jun-24, to 49 vessels in Jun-25.

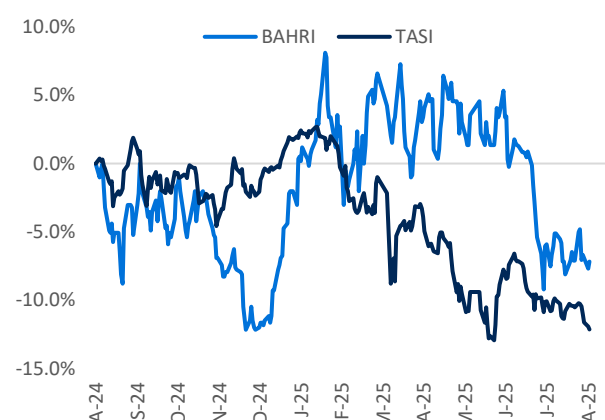
Bahri aims to capitalize on its larger and younger fleet to drive cost efficiencies and maintain margins. For its oil segment, the company maintains a cautiously optimistic outlook, supported by potential tailwinds such as stronger VLCC demand amid a possible increase in oil exports following higher OPEC+ production quotas. The stock is currently trading at SAR 21.98/sh (TTM P/E 10.6x), down 7.2% since 29th Aug-24, outperforming TASI's 12.1% decline over the same period.

Bahri VLCC fleet size



Source: Earnings presentation, anbc research

Relative price chart



Source: Company financials, anbc research

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