

CEO's Message

Driving sustainable growth.

Bahri delivered outstanding financial and strategic achievements in 2023, including record revenues, expansion into new territories, and growth of our fleet. These milestones were all the more impressive considering the significant logistics and shipping industry challenges, driven largely by a reduction in global shipping rates and an increase in interest rates.

Eng. Ahmed Ali Al Subaey
Chief Executive Officer

We entered into mutually-beneficial strategic partnerships, forged important new relationships, and signed significant long-term contracts, which support our strategic progress while remaining well-aligned with our ambition to meaningfully contribute to the ambitions of the Kingdom of Saudi Arabia and the goals of Vision 2030.

We exceeded our net income of SAR 1 Bn. for the second year in a row, a reflection of our operational successes and our growth and diversification strategies. Our Oil, Chemical, Logistics, and Dry Bulk shipping, as well as Bahri Marine and Bahri Ship Management added outstanding value both individually and collectively. With an annual revenue of SAR 8,778 Mn. and net income of SAR 1,613 Mn., 2023 delivered not only impressive returns but also a broader customer base with new verticals, a larger fleet, and additional business segments.

Expansion and Exploration

Despite the economic headwinds, our business segments were both reactive and proactive in their attitudes and actions. The Company-wide expertise needed to assess global change and anticipate market volatility has proved, year after year, that Bahri is an evolving, intelligent business with flexibility and adaptability focused on sustainable expansion.

As part of that evolution, Bahri embarked on its key long-term strategic objectives of fleet renewal and growth targets, by building at International Maritime Industries, supporting the development of the Kingdom of Saudi Arabia's maritime ecosystem.

With innovation at its core, Bahri Logistics echoes our progressive practices and in 2023 reinforced its status as one of the most inspirational logistics experts in the greater Middle East. As the Company's most established business unit and a global top 10 breakbulk carrier, Bahri Logistics focused on its diversification strategy, strengthening new verticals in aerospace, perishables, and oil and gas.

Similarly, as part of that ingrained expansion strategy, the teams at Bahri Dry Bulk consistently identified strategically advantageous markets and subsequently entered into its first Contract of Affreightment with SABIC, to carry 400,000 mt of dry bulk freight from the Kingdom of Saudi Arabia to New Orleans, USA.

As we look ahead to enlarging the fleet even further, Bahri Oil continued discussions with the International Maritime Industries, the largest shipyard in the Middle East, to establish a timeline for new builds, with the potential of fresh contracts for several additional cargo shipments for Saudi Aramco in 2024 and beyond.

Our Greatest Resource

We have more than 3,000 colleagues at Bahri who drive the Company engine in every aspect of its operations at all levels. As a professional family with a common belief in our ongoing industry leadership and our aspirations for growth, they are committed to our collective vision. Their diligence and work ethic are pivotal to our business and, as our primary asset, their welfare and safety is our primary concern.

In 2023, Bahri's organizational structure, business model, and strategic direction underwent changes as part of its HR transformation journey to achieve several HR Strategic Pillars, including improving performance culture, enhancing employee experience, and becoming an employer of choice in the industry.

We have created a working environment which appreciates the unwavering efforts of our colleagues and treats them with equality, dignity, and respect. We provide the resources and the opportunities to advance their personal development and support them in realizing their own ambitions. Working in a single community with mutual respect and a shared passion for success have culminated, once again, in our collective results being outstanding.

Eco-Friendly Ethos

Our commitment to sustainability is uppermost in our contribution to Saudi Vision 2030. Not only do we play a major role in the Kingdom of Saudi Arabia's logistical capacity but also in our efforts as a guardian of the environment.

We continue to operate towards a carbon-neutral future, investing heavily in eco-ships and in 2023, as part of our growth plans to enter the geared-vessel segment, Bahri Dry Bulk acquired 2 environmentally-friendly Ultramax bulk carriers.

Furthermore, aligning itself further to the Company's environmental pledge, Bahri Chemical, which achieved record revenues of SAR 2,732 Mn. and a net income of SAR 798 Mn. in 2023, added 3 green vessels with DF capability to its fleet.

In our commitment towards a circular economy, Bahri Oil's capital recycling program garnered pace during 2023 as 5 ships, 2 VLCCs and 3 MR tankers, were divested, realizing best value for the Company.

In addition, Bahri achieved its key objectives of modernizing the fleet, by replacing 2 older vessels with modern eco-friendly tonnage and enhanced market competitiveness, almost tripling scrubber fitted ships.

Driving Digital Solutions

Technology and innovation continue to dominate the efficiency and effectiveness of all logistics organizations, in terms of both internal and external processes and practices. As a leader in its acquisition and implementation, we continually optimize the value of digital transformation in every area of our operations.

Bahri Chemical's newly constructed platforms for intelligence gathering, agile decision-making, and enhanced reporting have proved invaluable, as has Bahri Logistics' technology, whose Transport Management System and Warehouse Management System have proved both time-efficient and cost-effective.

Maximizing its use of innovation, Bahri Dry Bulk has digitized most of the business unit's key metrics, covering commercial, operational, and financial KPIs, as well as a supply and demand forecasting tool.

Looking Forward

As we look to the future, Bahri will forge ahead with its sustainable expansion strategies, including the launch of its new office in Singapore and strengthening our presence in the USA.

In addition, next year is a critical time for our floating desalination project. The 3 plants are expected to reach their commercial operation date by mid-2024 as we enter the world's largest desalination market.

Bahri has just completed a year characterized by prosperous leadership and success and I would like to express my gratitude to my fellow members of the Executive management team and all of our employees for their ongoing support and commitment in making Bahri a world-class shipping and logistics company.

I also wish to extend my thanks to the Board of Directors for their wisdom and guidance during an outstanding year of growth for the Company. Finally, I extend my sincere appreciation to our customers, who have played a pivotal role in the continuation of our operations and the further development of Bahri at all levels.