Asyad Shipping Company
Q1 2026 Results
Earnings Call

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Transcript

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Dr. Ibrahim Al Nadhairi:

Thank you very much. So today here I have myself, Ibrahim Al Nadhairi. And with me is Imad Al Khaduri, chief commercial officer and Ahmed Al Shukaili is our senior vice president for finance and to present the Q1 performance for this year. We move to the next slide and we'll see yes. So what we've done basically over the last few, well in the first few months of the year the company has done quite well proven that we are a very resilient business. We do it despite all the volatility in the market. Also we had built up a good experience over the past few years including the Red Sea issues, the US tariffs and COVID-19. Well, right now we do have two ships in the strait of Hormuz, but they are basically operating within the gulf itself. These ships are meant to be there. At the very beginning of the crisis, we had five ships and we managed to bring out the three ships that are actually operating mainly outside the strait of Hormuz

We've done quite good in terms of maintaining our profitability, though we did experience a little bit of reduction in revenue, but that is mainly attributed to compared to last year, Q1 last year, where we had four energy ships in long-term charter that expired. The ship was real end. And this is why you can see there's a slide drop in our revenue saying that our EBITDA has gone up compared to last year with almost about $2 OMR, and the same across those in terms of our net profit where there's an increase of about 41% compared to first quarter of 2025. And you can see also that our EBITDA margin has also grown by about 8% and that is basically shows that yes, despite selling these old ships, but we've also made good money mainly because of the reduction in our operating costs as we are operating fairly young fleet, which is averaging about seven years as of now.

Our business model, of course, it goes beyond just only having long-term charters, but we also increase our sport exposure and this is mainly to capture market upside and ensures that we can make the best of the market and capture opportunities when they arise. We've recently also acquired three Newcastlemax vessels. They were delivered in Q1 and they are basically attached to a 10-year contract with value. And in terms of order two Kamsarmax, these are second hand, but they are also fairly new. And we completed the sale of our, as I said, the four LNGs that they came out of their long-term contract, has expire. And we had also an old VLCC that we also sold in this quarter. So when we look into our fleet, we basically have a diversified portfolio across five segments and that is mainly the crude, the product, LNGs, and the same with bulk and containers.

And we try to manage a good balance between online charter ships where we have mainly about 66% of our fleet is owned and the remaining 33% or 34% is charter. And we also do a long-term contracts as well as spot market deals, this is how we create the balance between our business. Moving to the next slide.

When we move to the next slide, we basically see that when it comes to our long-term earning visibility, we do have a good revenue backlog. Last year during this time, we had $1.7 billion as a revenue backlog. As we speak for end of Q1 this year, we've actually increased that to $2.2 billion. And so we had around a growth of about $0.5 billion over the first 12 months between last year and this year. And when it comes to our operational excellence, of course, for a company like us, we are audited by oil majors. We deal a lot with tier one clients and they are actually the only clients that we go for. And for that, we also believe in maintaining a very good operational excellence. That includes

high quality ships as well as good records when it comes to our safety. So we maintained a zero LTI record for the last 12 months.

The same thing goes for when it comes to major incidents, we had run our fleet with zero major incident and then 12 months and that of course resulted in zero ship detentions. Our ships are basically operating between 200 ports around the world in more than 65 countries, yet we've maintained a clean records when it comes to ship detention. Us being also an Omani company, though international company, but with Omani, of course origin, we invest in our local businesses. And for the last 12 months, we did also do a good investment in terms of basically having our local suppliers. We post the local businesses and local economies and commerce. That is maybe in brief when we move to the financial side. Next one, please. I leave this to Ahmed to take you through.

Ahmed Al Shukaili:

Thank you, Doctor. In the financial review for the first quarter, we are proud to say that we have performed very well. And also while we can see a little deep in the gross revenue and as explained, they were expiry of four LNG contracts, which was there last year. And in this quarter, we hardly get small revenue from them until we complete the delivery of those to the new buyer. However, we still manage to maintain our TCE revenue by offsetting those reduction and bringing higher revenue to the business and better margin. Of course, as we change a lot compared to last year, moving more to TCE compared to spot in the first quarter so that we can see the TCE hardly 1% on the reduction, which maintain at OMR 70.1 million. Also, actually the margin we make from those revenues compared to last year due to the market improvement and also a lot of good contracts in place.

So they were generating very high EBITDA. Of course, also just to elaborate that 34% is mainly coming from crude segments and 30% in the gross revenue coming from the product segment, 16% from the dry bulk. Those are the major contributor to the company during first quarter. And again, the same almost percentage with a slight increase in the TCE level as well. So we maintain a very good margin and good TCE from those main segments. You can see that mainly in the container business because we do a lot of freight and containers. It was 15% from gross revenue point of view, dropped to 9% after we pay the bunker, the voyage costs, and the contribution to the TCE level.

EBITDA as mentioned by Dr. Ibrahim, I think we have improved a lot during this quarter. Of course, this is due to market improvement and the contracts in place as well also the revenue we make, managed to generate. Also, there were a lot of cost reduction. Of course, we sold the LNGs, we sold one VLCC, so there were a lot of cost saving in those vessels, as well also the existing fleet. We managed to also have a good operational excellence and cost optimization. So we can see that 67% EBITDA margin has been achieved during first quarter, which consider very competitive margin in this industry. And that reflect in our net profit where we have achieved 21% profit margin reaching to OMR 16.1 million compared to last year quarter by 11.4. Of course, this is driven mainly by the crude segments as well also the LNGs because of also some saving there and after the sale, as well also also recovery of the selling of some spare parts of the old LNGs and improvement in the existing vessels.

So I think the net profit in a comfortable position for the first quarter, looking forward this to keep improving the revenue split in the right hand of the slide gets to be showing that contracted revenue was 87% during the quarter and spot revenue was 13%. Of course, this spot revenue was also very

generous to us during this quarter, and we can see maybe more in the coming quarters. Of course, as explained, we have 33% of our revenue coming from the chartered in ships and the remaining revenue, 67% coming from our own fleet. So it really depends a lot also from the charter in charter out vessels, not only depending on our own fleet because that's the model we are working on. Moving to the next slide. Yes, here, of course as usual, as you had sea achieving generate has very good cash from operations. While we see some drop in the cash generation, this is mainly because of a lot of working capital was not ... We paid a lot of our suppliers and there is also spot revenue were not received because of still the voyage is going on.

Of course, this is a cut off period, we would see that those revenue are coming as a working capital, we don't really have any concern on the cash from operations as well also the interest coming from those money in the bank. Of course, direct cost, we can see there is also improvement there. We have reduced it because of a lot of vessels were on TC compared to last year quarter. So there were 15% reduction in the direct cost mainly in the bunker and voyage expenses, that was reflected in the TCE to be in a better shape. We invested a lot during this quarter. So we have spent almost OMR 81.3 million in our expansion plan, compared to almost OMR 20 million last year quarter. And of course, due to those investments, we can see our net debt also increased because we utilise most of our cash and we get some also extra debt by the end of last year and still the 7% increase happened in the first quarter.

Of course, the balance sheet remains strong and also the assets almost same like last year, only 200 million different, as well as liability almost remained same like last year. We didn't take much loan in the first quarter, and that's why you can see if there is a drop in cash.

The equity side, why we have paid very good dividends during quarter one, but we are still in almost a hundred thousand, so we have set that by good profit coming to the equity. Of course, the net debt to EBITDA will start increasing because we are taking more debt for our expansion plan. Last year it was 2.1x. End of 2025 reached to 2.7x. This quarter is 2.9x, but we still believe this is in a comfortable deposition. And based on our plan, we still can afford more because the revenue coming from those expansion and a lot of also new build vessels we just expand in terms of the debt. However, the revenue not yet kicked in. So once those revenue coming by second half of this year, we can see that there will be improvement in the EBITDA, which may reduce a little bit the leverage. Moving to next slide.

Of course, we tried here to capture as much as we can to help you guys to analyse the company. So we try to explain how many vessels we have, what is the capacity we are making from those ships, and what is the EBITDA pair segments and the net profit. So from Gas point of view, as we said, we have sold the vessels, so it is now three vessels and all of them are owned on the operation and two are to come this year by mid-year. Of course, this make OMR 3.9 million as revenue for the first quarter, almost 240 days of all were owned ships, it's about TCE level, it's about OMR 3.7 million. EBITDA remain strong because of course saving in the depreciation of those vessels, which is OMR 4.1 million and as EBITDA and the net profit is OMR 3.6 million because we get some gain as we explain in the sale of the spare parts of the old LNG.

So that's why we can see there is improvement in the EBITDA.

Crude shipping is 14 vessels in operation. Three of them are chartered in vessels as well. The order book is seven. So we managed to make a very good revenue from this segment is almost OMR 26 million and mostly coming from our own fleet of the 14 vessels. So 1,258 days for revenue days of those own ships making OMR 21.5 million. Of course, we have also chartered in Swissmax and Aframax, which is 270 days, making also TCE level of OMR 3.6 million. So the EBITDA from this segments, which is very strong, it's about OMR 20.5 million net profit as well as OMR 8.7 million from crude segment. Of course, this is the largest contributor during the first quarter. And of course, everyone knows that the crude segment is in the high side now as a market, we can also see the reflection on that in our Q1 result. The product, of course, also we depends a lot on the chartered end ships in addition to our own.

So we have 14 vessels owned and 21 vessels chartered in. We have also in order two vessels revenue we make from this vessels, 23.5 million. Of course, this is distributed as a TCE level, 1,053 days of the owned vessels to make 6.9 and 1,860 days. That's making 16.5. So we can see that most of our revenue in the product segment is coming from the chartered-in ships because we are very active in this and we have also our Singapore office, which we charter a lot of ships on this segment. Of course, EBITDA make also in a good shape OMR 18.6. The net profit, you can see that it's OMR 2.3. Maybe a question will come why that there is a big gap between OMR 8.6 and OMR 2.3. Of course, we charter a lot of those ships in the lease more than one year, there were a lot of lease calculation behind it, that's why we see the net profit in range of OMR 2.3.

In addition, of course, to the depreciation and also interest also of our own fleet. The dry bulk segments, we are also very active in the charter in and also owned vessels in this segment. We have 13 owned vessels and four chartered end vessels. There is one vessel in order we already as explained, which happened after Q1, there is another two also coming in as order book, two Kamsarmax.

Total revenue in this segment is about OMR 12 million, mostly coming from our own fleet almost 1,000 days, making OMR 8.4 million and 380 days from the chartered in ships making about three million. Of course, EBITDA is seven million and the net profit also OMR 4.6 million. So it is the second also strong contributor to Q1 as a net profit. Liner was in a very good situation during Q1 from two owned vessels and three chartered in ships. We make a revenue of OMR 11.8 million, mostly coming from our chartered inships, 270 days, making OMR 3.3 million and also 180 days, OMR 3.1, leaving us with EBITDA of OMR 5.6 million and net profit of OMR 2.4 million. In such a small business or a small number of fleet, I think this was a very good quarter for container business.

Moving to next slide. Here, just to show the movement in cash, of course we were at OMR 140 during 2025, we started the year and we closed at OMR 164 because we get a lot of new debt and of course we paid very good dividends and the operation as a whole year was very strong.

Also, OMR 197 million cash was generated from operation. However, this quarter, of course, there were a good amount of cash coming from operation. However, we invested a lot of payment, you can see OMR 81 million almost paid for our Capex from our own cash from generation. Hardly we get only OMR 8.8 new debt during the quarter. And of course we sold the LNGs and we completed the sale, so we received money also from those sale during the quarter so we can see there is OMR 47. So from the operation and from the proceed from sale, we managed to pay of course the Capex plan

as well paying our debt and dividends, of course, leaving the quarter to close at OMR 123 million, which is for us still very comfortable position. And of course we are expecting the second half of the year to receive a lot of good debt for the expansion plan of many deliveries we will have during the year.

Moving to next slide. Yes, of course we just want to explain that our access to low cost of debt that has shown its improvement in our effective interest rate. So last year it was 4.3% 2024. If you recall, it was on range of 8%, we guessed almost reduce it by half. By end of last year, we are still on the same journey, so it is now 3.8% as effective interest rate while maintaining almost similar total assets and very close total equity and liability. So this for us, we believe in that the effective interest rate and also the access to low cost of debt is really helping our expansion plan in addition to the good assets coming to the trend. Of course, strong financial position with net debt to EBITDA of 2.9x, we believe this is still okay and very comparable position. We are planning also now to change some of our medium-term loan because we changed most of our short-term loans to medium-term last time.

And now we are targeting because we are getting high better debt profile for the new assets to change those medium-term loan also to long-term loan, which will leave us with a very comfortable position in terms of the payment to the bank. Of course, net debt increased, which is natural with the increase in our expansion, OMR 604 or go to OMR 560 to last year. Moving to next slide.

As explained also in the beginning by Dr. Ibrahim, we have increased our contract revenue thanks to our commercial team. Almost half a billion was done during the last 12 months, reaching to $2.2 billion revenue contracted until later until more than 2030. Almost $447 million out of this is for the coming three quarters. It was $532 for the beginning of the year. Now it is $447 and we believe there are more to come in the coming period. Of course, the major contributor and this year will be crew chiefing to the revenue backlog as well as dry bulk. There are a lot of good contracts and product segments. LNG will be only half of the year the new contracts, which we believe in 2027, it'll be higher contributor as well. Moving to next slide, of course, and now we'll leave you to Imad to explain also the commercial side.

Imad Al Khaduri:

Yeah, thanks, Ahmed. So on the commercial side, what we have is that we have a total of 89 ships within our fleet, which are broken down into 46 owned, 12 on the order book and 31 charted in. Our average age is about 7.1 years. Our dead weight capacity is 12.3 million. From the operation point of view, you can see that our utilisation is at 99.7% and with regards to spills, LTIs, ship retentions, it's all at zero, which gives us a strong momentum and a strong standing with all the major companies that we deal with from commodity traders to companies in the oil and gas sector. Moving on to the next slide.

Here we're indicating segment by segment the movement in terms of the number of ships from Q1 2025 to Q1 2026. So you can see within the movement we've got a decrease in the number of energies as we sold some ships, but at the same time we have two coming in this year and then we're looking forward to more contracts of new ships coming within the next period. In terms of the crude side, again, it was a sale that we had last year compared to this year. And then again, we look at taking deliveries of four ships within 2026 and three ships in the coming period of 28, 29. On the

product side, again, heavy dependency on the charted in ships. And also we have two ships joining our fleet this year, which will be chartered out to major oil players. In terms of the dry bulk, we have three ships that have joined our fleet this year and we will be having two ships joining in this year, two Kamsarmax ships that are coming in.

On the liner side, we have three chartered in ships and two own and we're looking at some movement in that within the upcoming year. Overall, we have contracted ships in the LNG segment. Two on the VLCCs, we're holding onto the two new builds to put them in the spot market to take advantage of that, plus others coming out of time charters. On the product side, we have two ships joining us, one already contracted and one will be announced soon that it is in place to be contracted. On the dry bulk ships, we have two Kamsarmax, which will be going on some COAs coming within this year. Next slide.

Again, looking at our fleet from the utilisation perspective, so what you can see is on the gas side, we're 100% on the crude side, 99, nearly 100% on the product side, also dry bulk and also on the liner side. So what we want to give the confidence to investors that our ships are highly utilised on different contracts, be it on the short-term or be it on the long-term. For example, we have taken opportunity of the situation that we're in within the Arabian Gulf. For example, on the liner side, we have increased our frequency between India and Oman as we're having a bridge between Oman and the rest of the Gulf with bringing in cargo from India as many MLOs called India, and we are shuttling back and forth to bring in cargo. On the dry bulk side, again, we have strong movements of cargo. For example, given now that the dependency on coal as opposed to oil and gas, we see ourselves positioning ourselves transporting coal and also iron ore, high in paying cargo . There's obviously good utilisation.

Again, on the product side due to the lack of food coming into the market, the dependency on clinical controlling products where we see our ships being utilised in different areas in the world, for example, transporting clean petroleum products from countries with high utilisation of refineries to countries where there's low utilisation of refineries or no refineries in order to support their requirements on diesel, jet fuel, et cetera. So overall, from the point of view of revenue date, we see ourselves increasing our revenue days as we move on, especially with taking deliveries during this year and also in terms of having our ships in the spot market or contracted out, whereby we see a high yield of increased revenue coming up. And also on the crude side, we're quite optimistic as the freight rates are quite high and we are quite optimistic also that things will get resolved and there will be more requirements for good carriers coming forward.

Next slide. Okay.

Dr. Ibrahim Al Nadhairi:

Yeah, so let me conclude maybe the presentation of this slide where we basically want to reassure the market that we will continue our effort, of course, to capitalise on Oman's strategic location where we can of course finance opportunities. And Oman now is becoming a getway to the Gulf. And we've seen this over the last few months. We've started new services between Oman and India to capture more opportunities as well as to ensure that we maintain to be the gateway for the medium and long term. We do also that we understand that the market is looking at Asyad shipping as one of

the recognised and cost reliable patterns. And that is mainly, of course, we have our own commercial management as well as the technical management of our own ships. So we do maintain a high quality that basically meets out the requirements of the charters.

Our intention to maintain the fleet as young as possible through a clear growth expansion and the capital strategy as of today, we do have about OMR 1.4 billion set up for our expansion between now and 2030. Of course, we did commit already half of that to renew of the Amex and expanding it. However, we do have also the remaining OMR 700 million to be utilised. We expect for this year, though we did receive three ships the first quarter of the year during the first quarter of the year, we expect delivery of 10 vessels as explained earlier and eight of the 10 vessels are new build where the other two comes in vessels, these are new secondhand ships. And that also shows that we are basically trying to balance when it comes to our fleet itself. So the balance of the field becomes between new builds where applicable and of course if we had to go to secondhand ships to capture some market opportunities and also to capture the market upside, we do a spot exposure as well as when it comes to ensuring the cashflow visibility where we have, as I said earlier, $2.2 billion as a revenue backlog that is coming from our long-term contracts, which we will continue also to enhance.

And we will as a company, the strategy is to maintain that focused segment and future readiness of our fleet, of course, to comply also with the international requirements and to ensure that our fleet is decently or as decent young fleet that can also be attractive to the charters and can also be seen that we are one of the good companies within the region, not only having the presence here, but also an international presence that gives the confidence and the trust with the partners to use us for the time. With that, I think we conclude our presentation and then we are open for any questions and answers.

Q&A moderator:

That's great. Thank you very much for the presentation. Just as a reminder for any investors or analysts who are on the line, if you'd like to ask a question, please do raise your hand by clicking the raise hand button in the bar at the bottom of your screen. And if you can unmute your microphone only when you are invited to speak in the presentation. So we just pause for a moment whilst people join the queue and then we'll start the introductions. So we'll start with our first question from Mana Thomas. Mana, please unmute and ask your question. If you can't speak right now, Mana, we'll go on to Boris. Boris, if you'd like to ask your question.

Boris Sinitsyn - OIB:

Yes. Hi, thank you for presentation. Sorry if the line is not clear, I'll repeat if anything. I have two questions. Firstly, could you please maybe add a bit more colour on the market situation because we also probably two major stages of the market of the last two months when the spot rates spike, then first stage probably time charge rates also chased that then it was some cool down. But at the moment, as we see in the end of April in May, it looks like both spot rate, I mean voyage rates and time charge rates starts to go up pretty much broadly over VLCC product segment and also LNG. I'm just curious of management outlook, well, feeling of the current situation and the outlook for the rest of the year. So first question, and I'll ask the second one after the first one, if I may.

Imad Al Khaduri:

Okay. Thanks, Boris, for the question. I think that look, we've seen some changes within the market from the spot rates, especially on the crude side. And this is mainly because initially what happened was that we had a disproportionate requirement between cargo and VLCCs. So you had cargo in the market and you didn't have enough ships. And then now what you see is that softening in the market because there is less cargo and more ships. And then the expectations of shipping companies is that they adjust themselves in order to make sure that they're aligned to where the cargo is being exported. For example, you have a lot of ships positioning themselves in the US, West Coast Africa, Red Sea, Caribbeans in order to pick up cargo, especially on the crude, in order to transport it. So this adjustment is what we saw there in the market.

From our point of view, we see, and we're quite hopeful that in the short term, at least we would see that the straight would be opening. Hopefully we're quite optimistic on that and that would have a big surge on ship rates, especially on the freight side because there would be a lot of requirements for crude carriers coming into the Gulf to carry cargo. Of course, we are also aware that this will have a bit of a ramp-up period until the oil exporters are ready to export at the same levels they were exporting before. So we are taking this into consideration at this point in time for us at Asyad shipping company, we have many of our ships on time charter, so that sort of helps us. However, we have even taken advantage of that because we've had some loadings within the Gulf and we've charged some premiums on that.

So that brought in some good earnings for us during this period. So this is our outlook on the crude side. On the product side, what you have is that you have a huge demand for clean petroleum products, especially on the diesel and the jet fuel. And this is something where refineries that have access to crude are pumping as much as they can and pumping clean portroleum products out for export. On the other hand, you had some that have come down a little bit, for example, in Singapore where they reduced their production and the demand for clean petroleum product has increased, i.e. The increase in product tankers to deliver to those locations. We have taken advantage of that from the ships that we have chartered in and chartered out, but at the same time also we have had some ships that we have on charter that we put on the spot for a very short period of time and we're taking advantage of this during this period.

So it is a bit dynamic, especially on the crude and product side and we are taking advantage of this as much as we can wherever possible.

Boris Sinitsyn - OIB:

Okay, that's clear. Thank you so much. So actually my second question is a follow-up on your product segment. I think on the last slide you shared your plans to add ships which are going to own this year, but we'll also notice that oil product segment is the segment where we have the number of chartered in ships. Actually the largest one and I think it increased in the first quarter this year. Could you please share your plans for chartered in ships number for this year, both in terms of your thinking about environment, whether it's appropriate or not to increase the number or decrease and basically your ...

Imad Al Khaduri:

Well, see, the thing is that we'll only charter in. We'll only charter in if the number makes sense. As of now, as you can see on the standing, it's 21 ships. We aim to take more ships in, but then again, we want to make sure that the number that we get, the charter in rate that we get is feasible for us to operate or charter out because we don't want to charter ships in at an expensive rate and then have some volatility in the market where we'll have to compensate any loss. So that's the position that we're in now and hopefully we will be able to charter more ships in the coming months.

Boris Sinitsyn - OIB:

Can I please clarify? So you expect a number of chartered in ships to increase?

Imad Al Khaduri:

Hopefully, yes.

Boris Sinitsyn - OIB:

Thank you. That's it on my side. Thank you so much.

Q&A moderator:

Thank you. We'll go for our next question from Sandeesh Shetty. Please go ahead, Sandeesh.

Sandeesh Shetty - UC:

Yeah. Hi, am I audible?

Q&A moderator:

Yeah.

Sandeesh Shetty - UC:

Thank you for the presentation. I have one question. Could you share your fleet divestment strategy specifically after approximately how many years of the ship being built? Does the company decide to divest it? If you can share some insight on that.

Imad Al Khaduri:

So on the divestment side of it, if you look at the oil and gas side of our business on the crude, for example, we push our ships to the 15-year range and then that's when the divestment takes place a year or two before or after, depending on the charter, whether it is on the spot or whether it's on TCE, depending on where the market is. So that's the indication on the crude side. But on the product

side, we can go as much as 18 years, if not more. On the dry bulk side, the ships can continue going and it can even reach up to 20 years. LNG, it will depend on the contract. So you look at a minimum of 15 to 20 years depending on what you can get for a contract on LNG. So it depends on which segment you are. On the container side, you can go 20 years maybe above depending on the performance of the ship.

So each segment has its own dynamic, but the range of the ships can go 15 years plus in summary.

Ahmed Al Shukaili:

If I may add to you Imad, this is a natural divestment. This is our plans, but of course sometimes market gives us a lot of opportunities. When we did our evaluation either to operate or to sell. So that also could be we use that opportunity. So not necessarily we stick with those years of divestment. As Ahmad said, it is the natural direction for us unless the market is showing some more better opportunities for the company and for the shareholders.

Sandeesh Shetty - UC:

Okay, understood. Thank you. Thank you so much.

Q&A moderator:

Thank you, Sandeesh. Just as a quick reminder, if anyone else would like to ask a question, please just click the raise hand button at the bottom of your screens and wait to be introduced. We'll just see whether Manna Thomas indeed would like to ask a question from United Securities. If you would like to, please go ahead.

Manna Thomas - US:

Hello, am I audible?

Q&A moderator:

Yes, you are. Yes.

Manna Thomas - US:

Okay. Good morning. Thank you for your presentation. I just have two questions. One is that when I look at the net cash from operations, for the first quarter, which is OMR 38 million, you mentioned the cash CapEx was at OMR 81 million. So how much of the expansion phase will be funded by the external debt or will it be fully internal?

Ahmed Al Shukaili:

As you see, it's only OMR 8.8 million was in Q1 as external debt. The remaining was all from internal cash. Of course, that cash coming as you see from operation as well also from proceeds of selling some of the vessels.

Manna Thomas - US:

Okay. Also on the TCE- But we are working. Okay, thank you. Go ahead. Also on the TCE revenue, when I look at the TCE revenue, which is OMR 70 million, it is close to the gross revenue of OMR 77 million. So the voyage cost is relatively low. Is this sustainable as you integrate the new vessels arriving later this year?

Ahmed Al Shukaili:

Yeah, I think of course it depends on how much we do on the freight and spot as a voyage cost. So once you charter out your vessels as a time charter, of course you are not responsible for those direct costs like voyage bunker So that's sustainable. It depends on the strategy. But also when we do spots and do freight, we always assess if we are going to make the same TCE, if we charter it out or better, then that's always the case in our operation. So for us, this banker and direct cost, it's passed through at the end, not hitting us directly.

Manna Thomas - US:

Okay, thank you. That's it.

Q&A moderator:

Thanks, Mana. We'll go back to Sandeesh who has got a follow-up question. Please go ahead if you'd like to ask.

Sandeesh Shetty - UC:

Yes, thank you. In the presentation, you mentioned two new gas shipping are going to add to the fleet by second half of the year. So I wanted to ask, is it contracted to LNG areas? Are they contracted? And if you can share some insights on the contract as well. Also, if they'll be start adding to the revenue as well from second half, can you share some insight on that as well?

Imad Al Khaduri:

Yeah, so the two gas carriers are contracted out. The deal is already done. In fact, the deal was done during giving the order for the ship. So that was done deep from before. What was the other part of the question?

Sandeesh Shetty - UC:

If you can share some insights on the contract, which region is it?

Imad Al Khaduri:

It's on a longer period with Oman LNG. It's a secure contract for nearly 10 years. That's what we have on the LNG side for these two ships.

Sandeesh Shetty - UC:

And will this start adding to the revenue from second half?

Dr. Ibrahim Al Nadhairi:

Yes.

Sandeesh Shetty - UC:

Okay. Okay. Thank you.

Q&A moderator:

Thank you. We'll take the next question from Rahul Shah from Kepler Chevreux. Please go ahead. You just need to unmute yourself.

Rahul Shah - KC:

Hello? Yeah, just a question. Hi. Hi. Thanks very much everyone for your presentation and for taking this question. I was wondering if you could give your latest thinking on when in the remainder of the year these 10 new vessels that you're expecting should arrive and maybe also if there's any change in your thinking on the vessels that are due to arrive next year and beyond. Thank you.

Dr. Ibrahim Al Nadhairi:

Well, when it comes to the ships, yes, we are expecting to start receiving ships from the end of this month, end of May, all the way till end of November this year. These are the 10 ships that will be delivered within this period. We don't foresee any change in the plan as of now and as we speak to the shipyards and for the two secondhand ships as well as we speak to the owners. So the plan is as it is and for the remaining, we do have also other ships, the three VLCCs that being built for the future, future requirement, and they will be delivered somewhere in 2028. Maybe if you are also alluding to the constraint that might be seen in the market due to the current crisis, we believe that as of today, when it comes to delivering ships, the shipyards are maintaining their schedule.

In fact, we are going to receive two of our VLCCs this year that we are initially scheduled to be delivered in Q1 next year.

Rahul Shah - KC:

Thank you. That's very helpful. If I can ask one more question, just could you confirm whether or not any of your fleet is trapped in the Gulf?

Dr. Ibrahim Al Nadhairi:

We don't have ships as trapped. We do have two ships there. Well, at the very beginning of the crisis, we had five ships, two VLCCs and LNG and two MR2 tankers, product tankers. The product tankers, they are actually working within the Gulf. So we cannot say as of now they trapped because they are operating. The other three ships are out already. They came out within a month time from the crisis and they're operating as Europe. So two VLCCs came out and LNG as well has came out.

Rahul Shah - KC:

Thank you so much.

Q&A moderator:

Thanks, Rahul. We'll now go to Boris for a follow-up question from OIB. Please go ahead.

Boris Sinitsyn - OIB:

Thanks. Thanks. And my question actually is a follow-up to the previous one. We noticed quite high utilisation of the ships in the first quarter, but I think in the second quarter the blocade the US blocade of the Strait of Hormuz and the parts of the Omani Gulf started. So the question is, do you expect any effect of this blocade on your utilisation in second quarter?

Imad Al Khaduri:

No, I don't think we expect to have a utilisation issue for the upcoming quarter. Any ship that we have coming out, we fix it from TC, we fix it or we position it before the contract ends. So we were quite comfortable with the performance this year.

Dr. Ibrahim Al Nadhairi:

Yes. The only thing that in terms of utilisation will be the ships going to the driver. And this is the only ships that will not be utilised or the utilisation, the number of utilisation days will be less. But going to the Gulf no, we don't foresee that there'll be a direct impact on us because our ships do operate in other parts of the work as well.

Boris Sinitsyn - OIB:

Okay, thank you. So basically you don't expect any disruptions to movement on the ships, including those which allocate inside the Gulf of Oman.

Q&A moderator:

Okay. So at this stage, I don't see any further questions. I'd just like to turn it back to the management team for any final or closing remarks.

Dr. Ibrahim Al Nadhairi:

Well, thank you. Thank you very much to everyone who attended this session. And we do again apologise for the early technical issue that we had that delayed basically this session. But when it comes to the company, we'd like also to reassure the market that despite all the crisis and the crisis that it's gone on in here, Asyad Shipping will continue operating in it's full capacity and that is mainly because the company is operating globally and we are not tied up to direct business within the Gulf except for these two ships that are operating right there now and we've done saying that we did do crew change, we did provide supplies to our ships, and we are indeed almost around the clock, basically in connectivity with our ships. And we don't foresee any immediate danger of this just being operating within the Gulf as of now. Should the situation go bad, then we will deal with the… basically the local authorities here to ensure that our ships are coming out.

This this is one, number two that we expect of course, this year, I mean, the Oman will continue to be the gateway for the Gulf. And our service between Oman and India is proving that. We have a good call for Omani ports, including the Sohar, Salalah and Duqm, which shows that also is coming up in the in the maritime global maritime destination, I would say, and we will play a part in that performance on that purpose. That's all. Thank you very much, once again.

ENDS