Asyad Shipping Company
H1 2026 Results
Earnings Call

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Transcript



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Sharan Dhami:

Very warm welcome, and thank you for joining us today for Asyad Shipping's H1 2026 results call. Please take a note of the disclaimer. We are joined today by our executive management team, Chief Executive Officer Dr. Ibrahim Al-Nadhairi, Chief Commercial Officer Imad Al-Khaduri, and Senior Vice President of Finance, Ahmed Al-Shukaili. Today's call will begin with a presentation from the management team covering our first half performance. We will then open the line for questions. With that, I'll hand over to our CEO, Dr. Ibrahim.

Dr. Ibrahim Al-Nadhairi:

Well, thank you. Thank you very much, Sharan, and good morning everyone, and thank you for joining us. Of course, as you can see, our first half of the year, of course, demonstrate the resilience of Asyad shipping business model, of course, despite all the challenges in the market and mainly this side of the world. And more importantly, our continued ability to execute our long-term strategy. We've seen this as shipping has always been cyclical industry and market conditions will continue to evolve throughout, but our focus will always remain firmly on the areas we can control.

For example, operating our fleet safely, serving our customers, reliably allocating capital with discipline, and investing in modern fleet that strengthen our long-term earning capacity. During the first half of 2026, we'll continue to execute against each of these priorities. And as you can see, the results in front of you here, we maintain safe and reliable operation across all five business segments. But before we go into that one, just looking at our financial part of the business, our revenue has gone up by 5% and year-on-year. Our EBITDA also, we experienced a very good growth, an excellent one by about 15%. And our net profit also went up to 92% year-on-year, which basically that one doesn't demonstrate the resilience in dynamic market condition. The operational resilience of Asyad shipping goes beyond just maintaining a good fleet, but also a reliable fleet. And you can see that from our utilisation, which is close to 100%.

There's a slight 0.6% of non-utilisation, and that is mainly because of the maintenance that the fleet goes on, including dry docking. But however, well, we did not incur or waste our experience any of hires during this period. We continue to maintain an excellent and outstanding safety recourse. And that is mainly, as we see in here, we had zero LTIs, major incidents, zero as well, and there was zero

detentions as of end of June 2026. Of course, this goes on to maintain the relationship with our customers and our clients and basically who recognise us as reliable partners to major carriers. And we are being reliable partners to major cargo owners. And we've seen this from the feedback that we keep receiving from our clients, and it shows how disciplined and well, Asyad Shipping team is. And to do that, of course, we have to work this by having a new fleet, a new tonnage, or a young fleet, I would say, rather than a new fleet.

It's a young fleet that keeps us on the top of the market in terms of competitiveness and attractiveness. We had nine additional ships due in H2 2026. We had ships that were delivered in beginning of the year. And then we are also expecting new ships in 2028 with the same number of about nine as of today. And of course, the result of that is for us is basically having a good contracted revenue secure over the years. As of today, we stand on $2.2 billion as a revenue backlog, which is a guaranteed revenue that is secured for the near future. And this of course includes $400 million already locked for H2 2026. If you remember when we started the year with $2.2 billion as a revenue backlog. And now after six months, we are maintaining the same which basically means that our commercial team is doing a great job in securing more long-term contracts.

And for any shipping company to be on top of the market, as I said before, that we need to also invest in terms of our future capacity. And that is mainly for us, we have allocated a good capital focused on return and of course long-term value. And this goes up for about OMR 260 million that been invested in ships and equipment. This one, of course, will modernise our feet and will increase our operational scalability as well as our long-term competitiveness and attractiveness to the market. In terms of our shareholder returns, which is a very important and integral part of our business, for this year, our board recommends a 2026 interim dividend of about OMR 29 million. And this is based on company's H1 for 2026 performance. And this, again, it demonstrates how strong the company is. Of course, while being an Omani company with international presence, we have to also look into our building into our national capacity and capabilities.

And we've done that by investing in the local market. We've done about four million Omani rial invested with our local suppliers and boosting local economies and commerce and also introducing the shipping as one of the major pillars to the local economy. And on top of it, we maintain developing our Omani capabilities in terms of the soft power or the people working in the office as well as onboard. As of today, we stand on a very good Omanisation rate of around 91%, and we intend to maintain such percentage throughout the years. And we do that, of course, because we believe in it and we believe in our

ability to develop these Omani capabilities. And all in all, so these actions, of course, they basically reinforce our confidence that the company is well positioned to create sustainable value for shareholders over the long term, as well as providing a safe and reliable business, as well as maintaining a good relationship with our clients.

With that, I think I will close and move to Ahmed to tell us more about the financial performance.

Ahmed Al-Shukaili:

Thank you Doctor. Yeah, I think it is a nice moment to present nice results, of course, for us here achieving for the first half, which we are proud about, and we have achieved very good results for this year. We exceeded the gross revenue from last year by 5%, and we didn't stop at that. We even beat our last quarter by 23% in the revenue. So from last year to this year, we are better. And also from Q1 to Q2, we are much, much better by 23%. So achieving 95 million this quarter 77 million in Q1. Then the TCE revenue as well year-on-year also increased by 6%, which is a really nice margin we are getting in the TCE revenue. And that's also leaving us with a 16% higher in Q2 this quarter compared to last quarter. How we achieved that, of course, we have increased our spot exposure.

And then quarter two, you can notice that the spot exposure increased from 13% to 26% this quarter. And it was a very competitive rates we managed to achieve mainly in the container business as well also the crude shipping, which we'll explain in more details later. Overall in the H1 spot versus contracted is 20% versus 80%. We have also increased our chartered in activities reaching to 42%. So our team is increasing a lot of activities, not only depending on the existing fleet or the owned fleet. So they also bring a lot of vessels from the market and make sure they get the best out of current good market. And that's of course having the all in H1 charter and vessels compromise about 42% compared to 58% in the old. We are talking last quarter that we have lost the contract of LNGs when we sold them.

However, we didn't only offset those lost contracts compared to last year. We have managed to have additional revenue on top of those contracts that were in place.

Moving to next slide. Here also the direct cost explanation, which also increased because we have increased in our spot exposure and that's normal. So we are doing more activities in the spot market. That's

increased by about 5% compared to last year. And then compared to last quarter, it was also increased by 17%. But this was healthy increase because we offset that increase in the direct cost by having much marginal revenue, which improved our EBITDA to 112 compared to 97 or 98 last year, first half. So that's an increase of 15% in the EBITDA, as you can see here. Also from quarter to quarter, we have again beat our EBITDA last quarter by 16%, reaching to 61.6 million this quarter alone, which really maintain our EBITDA margin of 65%, which is very outstanding EBITDA margin compared to last year it was only 59%.

Of course, that add a lot of value to our net profit. This quarter alone was higher than the whole first half last year. So if you can notice that our Q2 2026 net profit alone is about 23 million compared the whole H1 last year was 20 million. So that's leave us with a OMR 39 million, which means about 92% year-on-year increase compared to last year. And the net profit margin is also almost doubled 23%, the net profit margin has been achieved this first half, and we are expecting things to be in the good shape for this year. Moving to our next slide. This is a high level also explanation about what happened in the balance sheet. Of course, this expansion and also the growth will also have a lot of impact on our balance sheet, which show that our growth in Capex increased to reach OMR 260 million compared to OMR 103 million we have spent last half year.

And then that's an increase of 151%. We will see those vessels already as explained by Dr. Ibrahim. A lot of those vessels already delivered in the first half and many more nine vessels will be delivered in the second half. So that would be additional Capex also to have it in the second half. The total debt of course will increase because we are getting more and more fleet in and the new additions of the Capex. So it has increased by 7% compared to last year. So OMR 780 as a total debt now compared to OMR 726 million last half. Then now, of course, net debt to EBITDA was also in an increasing which is about 29% higher. Of course, we have used a lot of our internal cash to pay this debt, and also we get short-term debt during this period. This will be converted, of course, to after we finalise our facility agreement, which is already taking place even the second half, beginning of second half already, we draw down some of the long-term debt for our LNG ships and more to come during the second half.

During that, we bridge it by a short-term loan or using our internal cash to pay our expansion plan. Accordingly, we maintain higher assets portfolio, about 1.32 billion. Total liability increase naturally because of the increase in the expansion plan while equity or net worth of the company maintain to be the same level like last year. And net debt to EBITDA also increased from 2.7 to 3.3, which is of course

an explanation of the reduction in the increase in the net debt. And also while the EBITDA is also increasing, but still there is increase in that. But for us, this is still healthy position. We are trying to maintain and we keep watching this and we are bringing very competitive debt while you can see there is an increase in net debt to EBITDA. However, the debt we have today is a much competitive rate compared to before and very committed to covenants also we can achieve for the company.

So the cashflow last year we are closed about OMR 164 million. We started there by OMR 140, and then we closed by OMR 164. And then this year in 2026, the first half, we have used this cash coming from the first half as an operation of OMR 83 million. OMR 260 million were already spent on the Capex growth, which is a higher amount compared to last whole year was OMR 186 million. This year in the first half, only OMR 260 million being spent in our Capex expansion. This being funded by our operating cash as well also selling some of the assets, about OMR 73 million. And also we get not a big amount so far from the new loans as a short term to cover until we get the longer term debt in place. So about OMR 77 million only the proceeds from the loan.

Of course, also we paid off a good amount of loans during the first half, about OMR 51 million being repaid, and there is liability as well. While we have maintained paying dividends in the first half for the last year performance, about OMR 29 million dividends being paid. So we closed the cash balance at the end of the first half by OMR 57 million. Moving to the next slide.

Of course, here also explanation about the segment performance. As explained, gas being reduced now. We have sold and delivered some of our ships. So in the first half, we are back to four ships after receiving two new ships, but at the end of the first half, so they didn't really contribute much to the revenue, which is about OMR 6.6 million. That's a big drop for us, which been of course offset by the other segments. And this number will be, of course, now the two vessels is in place, so they would be fully contributed to the second half. We will see this number is growing. So at about 9% we are on spot of these ships until we deliver to the new owners. The remaining are still contracted. And now all the vessels are contracted in the LNGs.

The revenue of TCE from the gas segment is about OMR 6 million, leaving us with a profit of OMR 3.7 million. So with all of this, we are still making a good profit from gas shipping while only two vessels were operating during the whole second quarter. Then the crude shipping, which performed very well compared to the other segments. As you know now, the crude and specifically the VLCC segment is

making a strong performance. So about OMR 56 million is coming from the crude shipping from about 17 ships were in the fleet during this first half. 13% were on spot and contracted 87%. The revenue from TCE ended up to be OMR 47 million and a very strong net profit of OMR 21 million out of the OMR 47 million was as a revenue TCE. So that's really contributed a lot to the result of the first half. And I think this is the main contributor to the first half with the container business second also major contributor with a small number of ships during the first half.

Of course, the product and crude shipping almost 60% of our revenue is coming from these two segments. OMR 48 million revenue coming from product shipping, only 1% in spot. The revenue of TCE is about OMR 14.4, closing the period of OMR 5.7 million. If we recall last year, product shipping was making a very low number. It is recovered now. The segment is performing very well. We see the second half also will be performing in a better shape for the product shipping. Dry bulk, similarly, I think the new vessels being delivered in the second quarter, the Newcastlemax. And there are four more to be delivered in the end of the year, the fourth quarter, third and fourth quarter. So we will see more performance from the dry bulk shipping. It's already reaching OMR 29 million from 18 ships as a revenue, 4% in spot and 96% contracted, closing the first half of OMR 9.7 million net profit.

Liner was the star of the first half with a small number of ships, managed to contribute about OMR 31.5 million revenue. Of course, it was contracted some of the ships on TCE while some ships during the geopolitical issues was in continuous operation to Oman and as a gateway for the whole GCC. And that's contributed a lot as a very healthy and strong revenue coming from the segment. So from four ships, they are almost OMR 10.6 million as a net profit during the first half. And this of course will continue. And moving to next slide. Yeah, I think this one has also, as mentioned by Dr. Ibrahim, the contracted revenue, our commercial team is doing great job. While we have closed the year with contracted revenue of US$ 2.2 billion, used six months contracted revenue during the first half, we managed to maintain the same level by end of first half. And we see this number also in a growing because more contracts are being done/

So we see there's a huge improvement in this as well. Also, the second half already has $400 million, about OMR 154 secured from the first half in term of other activities that the team is doing. I think that's from my side. Now we'll hand over to Imad.

Imad Al-Khaduri:

Thanks Ahmad. So on the commercial side, what we have is 97 ships basically dissected into 48 ships owned. On our order book, we have 18 and we have 31 ships charted in. Our average age is 7.3 years, which denotes that it's a young fleet within our operations. Our utilisation, as you can see, is at 99.4%, which shows how efficient the business is and how we utilise our ships to maximise our earnings. As of June 2026, we have 79 ships in operations, and this could be increased towards the end of the year as we have our ships coming into the fleet. From a maintenance perspective, we had four successful dry bulk that have taken place in order to ensure the sustainability of the ships. From the point of view of Oman and the Asyad shipping contribution towards Oman import-export, I think it's worth noting that on the dry bulk side, we have been a reliable partner to the entities established in Sohar, for example, where we bring in commodities, be it iron or alumina to the facilities within the Sohar industrial complex.

In addition, Oman crude being transported from Mina al-Fahal to Duqm is something that we are currently progressing on with OQ to make sure that the sustainable production of refined products is taking place within the Duqm Refinery. And also in terms of the containerized business, we have a shuttle service between India and Sohar. So this is an example of what we are doing as Asyad shipping company towards the support of the Omani economy, especially with this geopolitical issue that we're facing currently in the region and how us as a reliable partner in shipping is supporting this business and making sure that things are moving in a smooth manner. Next slide.

So here we're looking at things from an operational point of view. So on the crude side, what we have is an increase of six ships coming into our fleet. What we have is contracted ships in the VLCC's segments to make sure that we have good sustainable income coming in. On the gas side, we have two ships that have joined our fleet . On the dry bulk side, we have contracted three dry bulk carriers, Newcastlemax's. So these are big sizes of ships that are currently being utilised to bring in iron ore from Vale, whether to Oman or to other parts of the world. In terms of deliveries for the second half of 2026, so it is three VLCCs that we are expecting to have towards the end of the year, two methanol carriers and four dry bulk ships to join our fleet.

Vessels due for delivery 2028 plus. As of now, it is nine ships, but we expect that to grow in the upcoming couple of years. Next slide. So here, just to shed light on the utilisation of the ships as mentioned earlier. So as you can see that the divide is segment-wise, that the utilisation of the different segments is quite high, ensuring a good cash flow coming into the company. Currently, we're in a strong

market in all the different segments, and we have top-notch customers that we work with, be it oil majors or other traders globally. In terms of our year-to-date, what we can see is that we have Muscat LNG on a contract and Musandam LNG for eight and a half years. We have Bidbid, which is a VLCC in our fleet with a good time charter attached to it in addition to new MRs that are coming in with TCs attached to them.

We have also announced to the market that we have acquired six MRs that will be coming in 2029 with TC contract attached to them. So we can see from our investments that we have invested in ships with TCs attached to them. Of course, we have other ships that are within our pool that are working in the spot. And also on the dry bulk side, we have a series of ships with Kamsarmax, baby-Capesize joining our fleet. And of course on the liner side, we have ships that are currently, as I mentioned earlier bringing in containers into the region and also for other parts of the GCC. And also we will be taking ships on charter to increase our contribution and bringing in more volumes into Oman. With that, you can see that our revenue days compared to 2025 is moving in the right direction where we have started in ships and also own ships, and that supports our top line in a positive manner and hopefully that we are expecting a good positive year towards the end of 2026.

Okay.

Dr. Ibrahim Al-Nadhairi:

So maybe before we move to the questions, I'd like to leave you with one final thought in here. As you could see that, well, our strategy has never been about chasing short-term market conditions. Instead, we set our strategy on building a sustainable and stronger business that can generate value throughout the shipping cycle. And we do that by maintaining discipline capital allocation and increasing our commercial flexibility, as you can see here from the screen, the slide. The investment we made, of course, over the recent years are now translating into larger, younger, and increasingly competitive fleet, which is very important because in shipping, we cannot control the shipping market cycle. But what we can do is basically to control how we position ourselves and our business to create value throughout these cycles. And we believe that for Asyad shipping, that of course we will enter the second half of 2026 from a position of strength.

And we remain focused on executing our strategy, serving our customers and delivering sustainable long-term returns for the shareholders. And of course, creating a positive impact on the society around us. And this is basically in summary, what we want to pass as

a message from Asyad Shipping Management to yourself. Thank you very much.

Moderator:

Thank you, Dr. Ibrahim. Moving to Q&A, any analysts or investors who would like to ask a question should raise their hand by clicking the raise hand button in the bar at the bottom of your screen. Please ensure that you only unmute your microphone when you're introduced. And if you no longer wish to ask a question, you can click on the letter hand icon also in the bar. We'll now take our first question from Taha Al Lawati from Jabal Asset Management.

Taha Al Lawati:

Awesome. Thank you so much to the management and congrats for a great first half. My question is on the requirement that was mentioned to the IPO. So in the IPO perspectives, it was mentioned that the exemption was given from the FSA for the first 12 months after listing, which I think expires earlier this year. And I'm not sure if you guys mentioned it in the first call, but was there an extension to the exemption? And can we get a timeline on when the additional 5% states it might have been?

Dr. Ibrahim Al-Nadhairi:

Well, thank you very much. It's actually, as you've rightly said, we did get the exemption from FSA, but we've been given actually the 12 month basically, or within two years in fact. So we will have as a management, of course, this goes back to the shareholders, but we know as per FSA requirements, there will be an additional list, well, maybe a few percentage, at least to meet the minimum requirement of the FSA between now and March 2027. So it can happen at any point of time based on the shareholder's decision.

Taha Al Lawati:

Okay, thank you.

Moderator:

We'll now move to our next question from Boris Sinitsyn from Oman Investment Bank. Boris, please go ahead.

Boris Sinitsyn:

Oh, gentlemen, thank you for presentation. Two questions from my side, please. Firstly, I think you mentioned improving market condition, and I think you also mentioned improve the charter – in activity. So the question is for the next 12 months period, what approximately share of your new charter-out contract should be expired and renewed, assuming the prevailing market conditions? And the same question basically to charter in contracts, what share roughly out of your total is going to be expired and renewed under new market conditions?

Imad Al-Khaduri:

Thanks, Boris. From that point of view, look, we're continuously looking at ships to charter in and charter out, and it's a dynamic thing. So I mean, we can't just say this is the percentage from now to the end of the year, because it depends on what rate we can charter in and what rate we can, let's say, charter out or put in the spot market and operate on. However, what I can tell you is that there are a few ships that we're in discussions with owners on in terms of taking them in and operating them in the market in order to make sure that we get a higher upside from now till the end of the year from all of our different segments. But at the same time, I think that we have to be a bit cautious because we're at a high peak of where we're standing today.

So if we are to charter in at a high rate, this puts us in a lot of risk in the upcoming months if the market was to dip because then we have a large commitment. So we are just looking and assessing the different opportunities in place. But what I can assure you is that there will be more opportunities from now till the end of the year, and this will be reflected towards the closing of 2026.

Boris Sinitsyn:

Thank you. Maybe follow up basically on the charter in contracts. Any major contracts expiring until the year-end, which you could mention?

Imad Al-Khaduri:

Yeah, obviously there are some contracts that are ending, and these contracts that are ending, we are capitalising on the current markets to make sure that we gain as much as possible. So it's a dynamic thing, as I mentioned earlier. I can't specify exactly how much and how many numbers of that, because it's a moving target month on month.

Boris Sinitsyn:

Okay, so thank you for this. And the second question is on your Capex guidance. I think you have guidance until 2030. If you could provide any estimate of what you're going to spend for 2026 in total and whether your increased new build activity in 2026 is altering your long-term guidance or it's still intact.

Ahmed Al-Shukaili:

I think what we can highlight, we are still sticking with the previous plan, which we have announced earlier to about 1.4 billion now, Omani rial. Of course, now we are submitting a new business plan for the future, but that's not yet finalised. This would be maybe end of the year just to see, because there are a lot of potential we are seeing. This could go higher as a target, as a guidance, but until now it is not yet approved. So once we are in a good shape, we will update also our guidance. Of course, there are a lot of deliveries as mentioned in the second half. We have nine vessels to be delivered in the second half, as mentioned by Dr. Ibrahim in the beginning. So those vessels will be as a guidance. I think it is there in our earning release. All the names of those vessels are to be delivered, that type of ships are coming, and this will be what we have to pay for the second half.

Boris Sinitsyn:

Thank you. Thank you so much.

Moderator:

Okay. Thank you. We will now take our next question from Abbas Muslemi. Please go ahead.

Abbas Muslemi:

Thank you. Just a comment right at the start. The presentation is fantastic. I think Asyad is an example for the market to follow when it comes to disclosures. So thank you very much for that, Dr. Ibrahim, Imad and Ahmed. Couple of questions. One is of course on the spot market. I mean, clearly the company has benefited from what's happened over the last few months or so, more so in the liner side than any other part of the business. And of course, I mean, it's sort of a windfall. But if one were to exclude what's going on in the spot market and arrive at a normalised profitability, could you give us some indication of where that number would land at if you look at the

dislocation and how you benefited from the spot market just to understand what's the run rate we are actually looking at?

Because sooner or later, I mean, I don't know, actually more than me saying this, I should hear from you, how do you see the spot market evolve over the next few months or so?

Imad Al-Khaduri:

Okay. I think that, look, from where we see the spot market, we see that from now, at least until next year, things are looking healthy on the spot market. And the fundamental reason is because you have less amount of ships compared to the requirements that is there. Of course, you have certain anomalies now with the geopolitical situation that is kind of, let's say, maybe exaggerating things to a certain extent. But from a normalised perspective, because of the fundamental of lack of ships compared to the demand of moving cargo, I think that you have at least a good year ahead of us with a healthy return on spot market operations.

Ahmed Al-Shukaili:

Yes, to add also to Imad, if you notice our contracted ships almost 80%. So we are almost contracted regardless of the volatility of the market. So we have a lot of vessels already in contract, and we operate mainly on the TC during this period. We're taking advantage as well to secure as much as we can in this strong market to secure higher normal living for us, let's say.

Abbas Muslemi:

Actually, very interesting, Ahmed, that you mentioned that, because that was my second question. But before that, Imad, and obviously the entire management, are we able to qualify in terms of the benefit that we saw in the first half of the spot market? Because that was my question, and I'm not sure if I heard the answer to that.

Imad Al-Khaduri:

Qualify in what sense?

Abbas Muslemi:

I mean, the benefit that you got. I look at your line of business and then suddenly I see it's two ships owned, two ships chartered, and the chartered ships are running at twice the revenue run rate of the owned

ships, and the profitability is obviously higher than what I would imagine is in other lines of business. Now, obviously, it seems to me that the container business has done well and you've benefited from the anomalies in the region, but I don't see this continuing for longer. But I'm just wondering, would you be able to say that, okay, three to four million rial is a one-time benefit that's possibly not going to recur in the future? I was just trying to see and make sense of that number. And then I'm going to come back to Ahmed because what he said was very important when it comes to the contracted business.

Imad Al-Khaduri:

Yeah. Okay. Look, I think that as long as you have certain restraint in terms of, let's say on the liner side, ships going into the Gulf, the main operators going into the Gulf and discharging their cargo in India, what happens is that we benefit because companies like us are the ones bringing in this cargo. And as I mentioned earlier, we will be having more ships that we'll be chartering in order to capitalise on this from the liner side. In terms of a number that is there, yes, it is a few million that we do benefit from. And we see this from now, at least towards the end of the year, if not to quarter one, that there will be a boost in the revenue coming from this segment.

Ahmed Al-Shukaili:

Yes. Imad's point. I think what we have a few of you, as you notice in the container business, this route from India to Oman is almost fully booked and fully utilised in a continuous basis. And that's really, as you know, the market is in a very high freight rate, so that will continue as operation for us. We are adding even more fleet to Red Sea and on the container side. Also, if there is any prediction, we will maintain that from the other routes. And the VLCC, we have done a lot of good voyage and strong also spot rates. We got from there in top of what we have secured already as a good TC in place.

Abbas Muslemi:

Okay, thank you. Thank you for the clarity. You raise a very important point that you're taking advantage of the current strong environment to lock in better, longer-term contracts when it comes to the contracted capacity. Can you give a little more colour on what are we looking at? Is it a term that's longer? Obviously in terms of rates, what sort of increase have you seen? Just for us to appreciate in terms of what are we looking at for the next two, three years, and how is the company benefiting from the current environment, not just in the sport market, but even in the long-term market?

Imad Al-Khaduri:

Okay, look, see the thing is that in this situation, you have the long-term contracts also boosted up. So that also has increased. So you have at least about nearly 80% increase from what a normalised market would be for long-term. And long-term meaning that something of three years. So whatever, let's say you were chartering out for three years at example, 40,000 is now something close to 80,000 for three years. So this is where if you were to put things from a number perspective, you can see that the rationale behind having higher charter rates for long-term of a three-year tenant. So this is where things are and what we're seeing now in the market.

Abbas Muslemi:

Okay, that's very useful. You mentioned that for now, you mentioned when you were talking about the expand plan, you mentioned that we are going to get eight new ships this year and eight ships next year for now. So just to qualify that for now, are you looking at reasoning this and by how much? And just to understand which direction are you guys thinking?

Dr. Ibrahim Al-Nadhairi:

Well, it's actually nine and nine instead of eight and eight. But then yes. Yeah. Well, when it comes to, of course, we have our plan that extends all the way till 2030, and now we are talking about the one that will extend to 2031, which is yet to be finalised. And of course, throughout the year, we do basically evaluate the market and see where it actually makes sense to invest. As we said, when it comes to picking the right segment, it all depends on the market condition. We said it before that when it comes to shipping cycles, we cannot control the cycle itself. But what we can do is basically to position, control how we position ourself and our business in order to create value from these cycles. And we've seen this over the last few years where we had plans to invest in particular segments, but then we did change or alter cost a little bit.

That doesn't mean we actually leaving that segment for not to be. There's no investment in it. No. The answer is maybe it wasn't the right time. So we left it to maybe the second half of the year or maybe the year after, and we brought things forward from the next year. We do that ultimately almost every quarter we sit and discuss these kind of plans and we see where we are heading. Not on us, but also the market. What are the market sentiments that basically dictate this kind of decision?

Abbas Muslemi:

Thank you, doctor. Ahmed, what sort of interest rates are you looking at now that the interest rates in the US markets have gone up and that it talks about further hikes, especially with the big Capex plan that you have for the remainder of the year and next year? How are you seeing your conversation with bankers evolve?

Ahmed Al-Shukaili:

Yes, of course. We are receiving very competitive interest margin. Of course, so far, as you rightly said, is moving up, but moving up for five years average or 10 years average. And in a short-term, still there is no much of increase as a short-term level. For us also, we are receiving good interest margin. Of course, it would be on top of sofar and also very competitive upfront fees compared to the other industry. Of course, we don't want to announce those number to respect also those banks who's dealing with us. However, you can see that in our effective interest rate, which is dropping while we have extra debt. But our effective interest rate is slightly less than last year and previous year. That shows that the rates we are or the loans we are adding is very, very competitive.

Abbas Muslemi:

Okay. So net net, you're still obviously looking good when it comes. I guess my question was, so you continue to be opportunistic in the spot market till the market allows you and try to maximise profitability if these conditions persist. Yeah,

Imad Al-Khaduri:

Of course. Yes, absolutely.

Moderator:

Thank you very much. And just as a reminder for any other analysts or investors out there, if you'd like to ask a question, you just need to click on the raise hand button and we'll bring you in. We'll introduce you and if you can unmute at that point. We'll take our next question from Rahul Shah at Kepler Chevreux. Rahul, please go ahead.

Rahul Shah:

Hello, good morning, and thank you for today's update. A few questions. In terms of the fleet additions that you expect in H2, could

you give us a better sense of when you expect those deliveries to come through? And in terms of your Capex plans, could you give us a sense of how you see your leverage ratios evolving through the rest of this year and perhaps your outlook for next year as well? Thank you.

Ahmed Al-Shukaili:

Yeah, every month there will be some deliveries. If you noticed that we have MRs announcement delivered, next month will be another MRs to be delivered. VLCC also coming, three of them is still to be delivered during the year. We have two Kamsarmax in August and September. We have baby-Cape in - October, November.

And for the leverage, I think we are also, of course, keeping an eye on the leverage. We are adding only very competitive debt to the balance sheet. Yes, the leverage will be increasing because we are expanding, as you notice, with many ships. However, it's still a very healthy position we believe we are in. And those will be by time once those vessels are fully operation, bringing a very nice EBITDA to the company. So this will be already smooth and then going back to very healthy little bit. So this is one of the priority for the company and the management to keep an attention to this while we believe Asyad shipping and its cash generation in a very good position to maintain good covenants and no default.

Rahul Shah:

Okay, thank you. Just to follow up on that, but given that you're front loading your Capex plan, is there any change in the thought process on dividend distribution policy for the coming years? If you could just give your current thoughts on that. Thank you.

Ahmed Al-Shukaili:

I think we have announced today also our dividends policy. If you notice that yesterday it was approved by our board. So we are not changing the 2026, what we have agreed. The years after, of course, will be always subject to board approval as well also the growth and whatever is the best for shareholder. We are not intending to change dramatically. However, we are maintaining a good dividends payout.

Dr. Ibrahim Al-Nadhairi:

Just right on top, there's of course the reason why we, as I said, front loading in terms of Capex, because ships, when they are built, mainly the new build, they take sometimes, so they take between two to

three years. And that's why we want these ships to be delivered within our current business plan. So that is the main reason. If we leave it all the way to the end, then of course they will fall into the next business plan, and we will not be able to basically follow the plan that we have set to ourselves.

Rahul Shah:

Thank you.

Moderator:

Thanks very much, Rahul. At this stage, we have no further questions, so I would just like to turn it back to Dr. Ibrahim to close out the call.

Dr. Ibrahim Al-Nadhairi:

Thank you very much to everyone. Thank you first of all for joining us today, of course, to stand on our success and successful story and the excellent performance of Asyad shipping in the first half of 2026. Of course, we remain confident that we will continue this or we'll continue to follow this excellent performance trajectory, and we see that there is a good market coming up in the future. Shipping is one of the very cyclical market. Nevertheless, it's just picking the right time to invest and to strike deals are the most important factors. And I believe that we have a very good team that can do this, and this has been proven over the last few months and the years before. So with that being said, I would again say thank you once again for joining us, and I wish you a nice day.

ENDS