Asyad Shipping Company
9M 2026 Results
Earnings Call

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Transcript

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Sharan Dhami:

A very warm welcome to everyone joining the nine month results presentation. Please take note of the disclaimer. The presentation is available to download on our website now. 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, and then we will open the line for questions. With that, I'll hand over to our CEO, Dr. Ibrahim.

Dr. Ibrahim Al Nadhairi:

Thank you, Sharan, and good morning everyone. Thank you for joining us for our nine month 2026 results. And of course, a warm welcome to our new investors who have joined us recently. Well, if there's any one thing to take away today, it's that our strategy is delivering and it's showing up in our numbers. Our revenue is up by 10%, EBITDA is up by 21%, and of course our net profit has more than doubled, up to 107% to around OMR 68 million or more than $175 million. Our EBITDA margin has also expanded to more than 66%.

As you can see from the screen here, our strategy continues to be based on four main pillars, stability, the first one, and of course everything starts with safe operations. We've had zero lost time injuries, zero major incidents, and zero ship detentions. This of course shows how reliable our technical management team and as well as our commercial and finance and the rest of the company. With our fleet utilisation has reached up to 98.1%, the remaining 1.9% is mainly dry docking. We're also capitalising on Oman's neutrality, stability, and strategic location. As trade routes in the region are shifting, customers have increasingly relied on us as gateway, especially on the lineup business.

When it comes to resilience, our earnings are spread across five segments as you all know. So this basically means that we are not dependent on one or on any one market by itself. We've also built a strong base of contracted revenue now up to $2.7 billion, up from $2.2 billion last time when we give our update and also more than $1 billion more than the time when we went public 18 months ago. This gives us a long-term earning visibility and clearly demonstrates the capabilities of our team in capturing opportunities. We've also broadened our customer base, of course, given the opportunities in the market, welcoming new customers who have chosen Asyad Shipping for their first time with of course a great feedback coming from them. When it comes to the growth, our strategy of course is working nicely in this one. Most importantly, our revenue has grown in every quarter this year, starting from OMR 77 million in Q1 all the way to OMR 105 million for Q3.

And of course we are going for more ships. So five more vessels will arrive in the fourth quarter of this year. Four of them already contracted and we believe that 2027 will be the first full year with all of this year's deliveries contributing. And our contracted new built pipeline runs to 2029.

Last but not least is basically the discipline. As you see from the screen, we continue to renew and expand our fleet with discipline. All vessels were disposed and divested and new investments and modern efficient tonnage was made. 10 vessels have joined us this year and nine other ones have been sold. We've done this while keeping leverage under control at around 3.1 times net debt EBITDA. This is in maybe nutshell, I will hand over now to Ahmed to take you through the numbers in more details.

Ahmed Al Shukaili:

Thank you. Thank you Dr. Ibrahim. Very happy of course to present this quarter results, which is amazing and it is the best quarter for Asyad Shipping during the year. So as explained, our revenue year-on-year increased by 10% as well also quarter to quarter is increased by 11% reaching to 105 million in Q3. This was mostly coming also from spot by 24% and contracted revenue by 76% as shown in the bar chart. Of course also that's translated in the TCE revenue, which is also increased year-on-year by 9% and quarter-on-quarter also by 12% reaching to 91 million. And of course, as you know, Asyad Shipping is not only dependent on own fleet, but also having a chartered investor. So the chartered-in vessels make 40% of our revenue and 60% was done from owned fleet. This quarter was also seeing the highest spot exposure, which explain about 30% of our revenue were coming from spot and the contracted revenue coming was only 70% this quarter.

So that's improve our numbers of course, and translated to better and better revenue in such a strong market. If we go to next slide where we explain also the direct cost and the net profit as well also the EBITDA, we can see also the direct cost, which of course linked to the revenue while we have increased the revenue. So there is some of the direct costs will increase, but it was in a controlled manner. So it's increased by 4% year-on-year as well also in quarter by 4%. So that's explain also why we have improved the EBITDA to more than 20% during this year and 18% compared to the last quarter. So our EBITDA reaching to OMR 183 million, this is much higher than last year and the quarter also OMR 71 million and we are looking for the Q4 with a very positive note.

Of course, that's make us with the EBITDA margin of 66%, which is the highest I think we have achieved ever. And we hope that that number also will be maintained and/or even improved. You can see also the net profit, which is about 24% profit margin, which I believe is very strong profit margin for the company performance, which increased from last year about 107. So more than double of our profit has been achieved in the nine months and also increased from last quarter by 26%. So of course this showed the capturing of the market, the improvement in all elements when it's coming to revenue as well also the cost and also the interest cost, which was all translated to higher net profit. If you go to next slide, just to also remind everyone that the gain we have announced earlier and also recently is not yet included, which will all come in Q4.

It was only the small gains from the last year sale was only included in the first three quarters. So we are looking for more gain from the sale of assets in the Q4. So that's of course we are expecting our numbers to be improved also in the quarter.

From the financial overview also, we want to explain that the expansion plan, of course, as mentioned by Dr. Ibrahim, we have received about 10 vessels in the first three quarters, which explain about OMR 317 million being bid to bring these vessels in. And of course that's linked to our total debt which increased because the vessels increased. So we need debt to finance those vessels, which is a very healthy increase. And we managed to close a very important long-term loan for our LNGs vessels from reputed lenders, international lenders. And that show that there is an increase in the debt by 28% and the net debt also increased by 29%, which explain actually the expansion plan we are going through. However, the net debt to EBITDA is still in a very healthy level, which in range of 3.1 times. Yes, it is increased by 15%, but compared to the increase in the CapEx and in the debt, I think this is still very, very competitive and very healthy for us to control.

The balance sheet, of course, also our assets increased to OMR 1.5 billion compared to OMR 1.24 last nine months or last year. The total liability also reached to OMR 1 billion compared to OMR 770 million last year. And of course, our equity after paying also the dividends for the last two times in September and in March, we are still having higher equity or net worth of the company. Moving to the next slide. Yes, I think here is also important slide to show that the healthy of our cash flow and the generation we are going through during the year. Of course, we start the year with OMR 164 million, but we are closing the nine months with a positive and higher amount of OMR 198 million, almost OMR 200 million. And that's mainly coming from our operation of OMR 156. While we paid OMR 316 to the CapEx, we have increased. However, from the selling of assets and also proceeds we get from the joint venture companies and also the other activities also in the investing side.

So we have collected about OMR 93 million. Of course, we have also get some loans to fund all this expansion plan. So OMR 262 million were received as a new funding for the company while we also reduce our debt in terms of repayment and also some of the short-term debt by OMR 103 million. And of course we have paid twice as dividends this year in March and also in September. So that's translated to about 57, almost 58 million dollar. And that's close the year with OMR 198 million, higher than when we start the year. And we are looking forward to receiving the proceeds from the selling of assets which will come in Q4 and also maybe more loans to come for the company. And we believe the operation also will gain more actually cash because the market is becoming stronger while we are going. Moving to next slide, Sharan.

Here also, I think the note we want to address that almost all segments perform very well compared to last year, including the gas, which was expected internally to be lower because we sold almost five LNGs during the year, but still performing very well. While it is less than last year, but compared to the selling of five of the LNGs, this is still very good performance and the new vessels only started in Q3. So we believe the Q4 will be also progressing well in the gas segments. The star, of course, this year is crude shipping and liner business, which performed very well. So the crude shipping more than double of performance as a net profit this year compared to last year. And of course the revenue has also expanded higher while the fleet were slightly less

compared to last year. So that show that the market is really healthy and we capture very, very strong contract in this segment.

The product as well also improved a lot compared to last year more than three times. It's reaching to about 11.3. Last year was a very bad market for product while we still make a profit overall. However, this year is performing extremely well and the fixtures we have done end of the last year to capture and improve our margin in many vessels, it's translated to very good deals we have done during the last year and beginning of this year. And when the market pick up at the second half of this year, we are already there and we have a good fleet with the competitive rates. So that's also improved the performance of product shipping. And I think similar to the dry bulk also, which was also not performing very well last year, it was 11.7 million in nine months last year. Over this year is also progressing very well.

And this is mainly because of delivery of three Newcastlemax, which started from April onward. So those are contributing a lot to our performance. We have also recently received two Babymax and one Kamsarmax. Those guests started in mostly end of Q3 and we'll see more performance of those vessels in Q4 because they will be fully operation. We are looking forward also to receive one more in Q4. Maybe Imad will explain more details on these things. And then of course we closed the nine months with a very positive performance in the dry bulk segments. Liner, which was the most, I think, performing segments during the year as Oman become a strategic location and the gateway for the GCC and also of course very important performance we have done here for also Oman itself. So we have that rotation of weekly vessels rotating from India to Oman and also our fleet were performing in very high TC.

And I think that translated to very strong profit compared to last year of OMR 3.7 during the nine months to more than OMR 17.9, almost 18 million net profit from four ships only. So that's really showed I think the benefits of being a diversified portfolio. So a small number of ships managed to really perform very well and add a lot of value to the bottom line for the company during the year and offset any shortage of any other segments. So that's also show the balanced portfolio and also the importance of being always operating in five segment to capture any opportunities in any of those segments. The next slide, Sharan. I think here gets to show where is the focus between spot and contracted. So I think the spot performance mainly coming from the crude shipping as well also container business. The rest are mostly fixed, but still adding a lot of value also from that small percentage, specifically the product segment.

When we have a small number of vessels are in the spot, they're still contributing also to the bottom line. But we have a very, very strong contract also, so we don't dismiss that, that the contracted revenue which we have also secured during the year and last year, we're also adding a lot of value. So yes, they are contracted, but they are really performing very well and also adding a lot of secured and bottom line and visibility for the future revenue and current revenue. So the contracts in place give us a very good position of visibility where we are heading to and also sustainable and continuous maybe performance during the quarters and future years. And we can see also the capacity days or the revenue days we have achieved. It was very similar except maybe

the gas, it was in line with last year, maybe 100 only days and most of the segment less than last year because of the chartering activities, the market is really booming too much.

So we could not secure more vessels in the chartering because the market is very expensive and that's why only we see small reduction in the capacity days. Overall, I think we have done extremely well in securing vessels and also maintaining a higher number of fleet in the operation and capturing the upside of the market. I leave you to Imad to explain more on the operational and commercial side.

Imad Al Khudhuri:

Okay, thank you very much. In terms of the nine months result for 2026, what we have is a fleet size of 97 ships under our operations between owned and chartered in. As you can see from the bar chart that they're segmented between gas to liner, whereby we see our emphasis more on the chartering in comes from the product side and also mainly driven by the strong market that we are seeing in the tanker side, be it on the crude or be it on the product. In terms of the overall operational aspects of the business, we have zero LTIs. Our utilisation is about 98% and our revenue days is 20,000 days plus given the number of ships that we have. From a maintenance perspective, we have two ships that have gone into dry dock. And of course this is a routine thing that we have to comply with in order to make sure that our ships are efficient.

So this is the schedule that we follow in order to make sure that our utilisation is guaranteed as we move forward. Next, looking at the overview of the ships from an operational perspective, you can see that our utilisation, as I mentioned earlier, is in the 90s range, and this is primarily because of the contracted and also the spot operations that we go on. We ensure that we have our ships continuously utilised in the market, especially given the strong sentiment that we have. And what we're witnessing in this part of the year is that it is a very strong quarter that we have and we're experiencing it now where there's a lot of demand for all of the ships, especially on the container side because of the geopolitical situation that we have where we have gone and we are looking at more ships to bring in into our fleet in order to make sure that we can maximise our profits.

From a delivery perspective, we have three VLCCs that would be coming into our fleet. We have one MR tanker that will be coming in and we have one Kamsarmax ship that will be coming in into our fleet before the end of this year. Next. From a time charter perspective, what we can see is that this is a breakup of all the ships that we have within our portfolio. And we can see that the contracts that we have within our portfolio as mentioned by Ahmed are within a very good range in terms of earning capacity. And also as we look ahead, we look at ships that will be coming into our fleet, coming out of time charter and then going into spot business in order to make sure that we can increase our revenue moving forward to next year, '27-'28. Next.

From a revenue perspective, what we have is a guaranteed revenue of 2.7 billion coming in. So the revenue contracted for us in 2026 Q4 is about 280 million. As you can see that it's broken up into all the different segments. Of course, it's the dynamic of the segment. For example, if you look at

the gas side, the business model is basically going for the long term. However, on the crude side, we can mix between the time charter and the spot business. Also with the product on the dry bulk segment, we have our bigger ships that we contract out, but on the smaller size ships, the Ultramax and the Kamsarmax, we play in the market from chartered in ships and also from the ships that we own. On the liner side, we expand on as much containers we can have coming into the ports, especially into the Omani ports because of the high demand given the geopolitical aspect of things.

So we want to bring in as many containers as we can into the business. In addition to that, we have two ships that are on time charter with very good earnings, which help us also boost the revenue coming into the line of business. Next. Yes, so with that, we open the floor to the Q&A.

Moderator:

Thank you very much. And any analysts or investors who would like to ask a question should join the queue by clicking the raise hand button in the bar at the bottom of your screen. Please ensure that you unmute your microphone when you're introduced. And if you no longer wish to ask a question, you can click the lower hand icon also in the bar at the bottom of the screen. We'll just pause for a moment now whilst we wait for the analysts to raise their hand and form a queue. Okay, so we'll take our first question from Boris Sinitsyn from Oman Investment Bank. Please unmute and go ahead.

Boris Sinitsin:

Hello, gentlemen. Thanks for presentation. I have just one question for the beginning. So I think you mentioned that going forward with your existing charter out contracts, you would expect that some of them would expire and you would come to spot markets. So the question is, over the next six months period or maybe one 12 months period, would you expect your share of voyages, i.e. through spot in your revenue increase or you would rather try to maintain the share low as we see right now for crude and products and rather to negotiate time charter rates at a bit higher level than they were concluded, I don't know, two years ago? That's the question.

Imad Al Khudhuri:

Okay. Thanks, Boris, for your question. Firstly, we always survey the market and always look into what our strategy dictates in order for us to ensure we can expand on our revenue. But from what we see now in the market is that the strong sentiment at least for another two years. So we have a direction now that we will be increasing our exposure in the spot market, especially that the demand for crude and for clean petroleum products is increasing. So the way forward is to increase our presence in the spot market in the tanker business.

Boris Sinitsin:

This is clear.

Ahmed Al Shukaili:

I just want to add I think you will see more of the exposure in the Q4 in the spot side because we have run few voyage specifically in the crude, which you don't see it in the first three quarters, but you'll see it more in the last quarter. And I think that will also translate that we are, as Imad mentioned, we are targeting to capture the spot market.

Moderator:

Thank you. We'll take our next question from Mohamed Al-Zadjali from Jabal. Please go ahead.

Mohamed Al Zadjali:

Thank you for the presentation and congrats on the strong Q3 results, successful secondary offering as well as the launch of the new website. Forquestions from my side. The first is regarding the CapEx and fleet expansion. With CapEx reaching around 347.7 million during the nine months of 2026, how much additional investment is required to complete the current fleet expansion programme through 2027 and 2028?

Ahmed Al Shukaili:

Yeah. I think of course in '27 we will have only as of the committed vessels now, we have only the instalments to be made, which is about 10% of each ship. So not much to be invested in '27 because we are also looking for additional capture in the market. So we cannot maybe confirm a specific number in 2027. However, for '26, which as explained, we are expecting three VLCC to be delivered, so 60% remaining of the payment of those three VLCC, which is about 88 million each. And then we have one MR, which we have to pay also another 80%, so about 37 million there also to be paid. And one Kamsarmax, which is also the 90% we have to pay also for that, which is already committed and to be delivered soon. So that's another maybe less than 30 million to be paid in that vessel.

I think that's overall what is committed for '26. And for '27, as of date, there is no other than this committed except the instalment in the eight MRs and also the three VLCC already committed to be delivered in '28 and '29. But of course, management is very active and our pipeline is very strong and we see a lot of opportunities. Of course, once we identify those opportunities, we'll update immediately the market.

Dr. Ibrahim Al Nadhairi:

Mohamed made for us to get through in addition to what Ahmed just said, our fleet renewal and fleet expansions, though it's disciplined, but it goes over across the business cycle, which is of five

years. So it could come and some of it might come in first year, some would be in the second or maybe we skip a year and we go to the third year and so on and so forth. But we will close everything within the five-year cycle as per the business strategy.

Mohamed Al Zadjali:

Clear. The second is regarding the dividend outlook, given that the net profit more than doubled and Q4 results are expected to be strong as well. Should investors expect higher dividend distributions going forward or the management will prioritise retaining cash to finance the remaining fleet expansion programme?

Ahmed Al Shukaili:

Yeah. I think now there is no plan to increase dividends because our investment pipeline is very strong and also we want to allocate this mostly to fund our project and looking for more opportunities in this hot market, which we believe will add more value to the investors in the gain maybe and securing a good future for the company compared to the dividends payout. However, that's not the final, let's say, decision because once we close the year of 2026 and then we close with the board in February, so that time will be the last decision to be made.

Mohamed Al Zadjali:

Clear. The third is regarding the net debt EBIT and leverage. How does management expect the net debt and net debt EBITDA to evolve through 2027 as the remaining vessels will be delivered? And what leverage level or ratio does the management consider sustainable over the medium to long term?

Ahmed Al Shukaili:

Yeah. I think of course we are watching this very carefully and it is still in control manner. As we mentioned, we have secured about 2.7 billion revenue backlog, so that give us a good visibility to always satisfy our debt services and also to expand further. We believe that ratio and it will be still healthy will increase slightly because of course the expansion plan will need the debt automatically. And of course with the good EBITDA we are making also that will make it also in a very controlled manner. So we of course prioritised that we secure better assets in the fleet because once those assets are fully operation, so you will see it maybe in a short term it'll be spiking. However, because until those vessels are fully operation and having full year maybe EBITDA, then they will reduce also the leverage. So we are watching it.

However, we believe the short term height of it is not very risky for us because we have a very secured, a very good amount of cash generation as well also very competitive debt added to the expansion plan. Our target also is not to be more than 4X, so we are still way to reach that level.

Mohamed Al Zadjali:

Clear. My final question is regarding the refinancing and finance costs. The 90.3 million long-term financing facility that was secured in July, could management clarify whether the refinancing of borrowing has been completed? And given that finance costs reached 24.3 million in nine months 2026, what impact should investors expect from the refinancing on the average cost of debt going forward?

Ahmed Al Shukaili:

Yeah. I think the additional debt we have added to the balance sheet is very competitive. So that's really adding very good value compared to the old loan in place. It's also attached as a project finance to a specific project which has a very good cash flow. So we expect that to improve our, let's say the all in cost compared to the debt, what we have. We are also reducing some of the expensive debt which we have earlier. So we are reducing those expensive debt. We are keeping some vessels unencumbered, looking for all alternative options to improve our debt profile. So we believe that will add a lot of good value let's say for the investors and for the balance sheet. Yes, maybe as explained, the leverage will be hiking for a short term. However, as overall cost, it should not have any negative impact let's say for the performance of the company.

And for July debt we have added and maybe in September, so we added another one which was mainly for the two LNGs vessels, very competitive rate and we managed to get also very high leverage for those ships, better than our plan.

Mohamed Al Zadjali:

That's it from my side. Thank you for your answers. Wishing you and the entire team continued success and all the best going forward.

Dr. Ibrahim Al Nadhairi:

Thank you. Thank you.

Moderator:

Thank you very much. We'll now take our next question from Rahul Shah at Kepler Cheuvreux. Please go ahead.

Rahul Shah:

Hi, good morning. Thank you for the presentation and the opportunity for questions. Just following on from the last two analysts that asked questions, if we were to see a rapid deescalation of geopolitical tensions, how long do you think it would take for shipping rates to normalise? And

do you think there would be any differences across the segments in terms of that normalisation process? And in terms of gearing multiples and things like this, would you still be in a comfortable position under that kind of scenario? So that's my first question.

Imad Al Khudhuri:

Okay. So on the trading route aspect of things, what we see is that even if the geopolitical situation was to normalise to a certain extent, we don't expect it to go back to the same levels as it was before. And this is the indication that we got from different sources. So from traders, from insurance companies, they all don't foresee a hundred percent normalisation as it was before. So that's one aspect of things which adds to the freight rate. On the other side of things also, what we see is that the lack of modern ships is still there. Even though that you have a high order book that would be coming up, you still have an ageing fleet, especially on the tanker side. And that's where we see that the rates, even if they were to normalise, they will not go back to the levels that they were before.

They sooner or later could be reducing, but they are still higher than what we anticipated previously. And what we can see now is that the crude carriers, the product carriers are very much in demand, especially with increase of the refined product requirements globally. And also you have a fleet which is called the dark fleet, which is very much aged and the utilisation of that capacity would need to be compensated. So overall we see at least for another two to three years a healthy requirement on the tanker side. In addition to that, on the dry bulk side, we see different commodity requirements that have surged, like the transportation of coal because of the lack of crude reaching certain destinations. So that also increased the requirement for dry bulk carriers, especially on the bigger size. And that dynamic has also increased freight rates and other smaller sizes of ships because the demand on them has increased, especially for the trade of grains and things like sulphur, aggregates, et cetera. So overall we see a strong shipping market at least for the next two years.

Ahmed Al Shukaili:

And from the year in point of view, I think as explained, we are very confident of the company performance and also the additions of very strong EBITDA for the coming this year and maybe the coming two years as explained by Imad. We are also capturing very good deals for selling some of our assets, the old fleet, much better than what we planned before. So that's all these proceeds and most of those vessels are unencumbered, so they're adding a lot of good cash to the company. So that will maybe manage to control our gearing and also our debt level. In addition, also, of course, we are looking for alternative also options to improve also the cash flow requirement because the market is changing and the requirement for expansion and to remain competitive. Also, the vessels, if you acquire vessels, the delivery of the vessels in the yards is becoming very long period, two to three years time.

So that's changing all the sentiments. And this is of course applicable to most of other shipping companies, not only us. So we are taking all this in consideration and we believe this will make sure that will keep us in line with our target to be less than 4X as a net debt to EBITDA and also adding very good fleet to ensure better future and better profitability for the company.

Dr. Ibrahim Al Nadhairi:

Maybe also one last point, which is when it comes to the insurance, despite any potential deescalation, the insurance cost will continue on the higher side and it'll take about 12 to 24 months for the insurance companies and the PNI clubs to basically reconsider their strategy, which means the cost will remain there. Also, there's one important point, which is the repositioning of the international tonnage. It's going to take time since there has been shift in trading routes and the crisis took longer than what was expected. And a lot of the international tonnage has been now employed in different routes and some of them they go for long term. So to bring them back to the region is going to take some time.

Rahul Shah:

Thank you. That's really helpful. My second question was just a smaller point, but I see that your trade receivables are climbing this year. Can you just give a bit of colour on why that might be and whether this trend is likely to continue?

Ahmed Al Shukaili:

Yeah. I think once you do more voyage and you have higher spot revenue and the difference between the TC and the voyage, the TC will receive your money in advance, so you collect the cash. However, once it's voyage, once you finish the voyage in seven days time, then you collect the cash. So that's why you see the revenue is increasing and of course the receivables will be increasing until you collect the cash. So that's the trend. I think while we are doing more spots, so this will be maybe more.

Rahul Shah:

Thank you. Very clear.

Moderator:

Thank you very much. We'll now take our next question from Fahad Shaikh at EFG Hermes. Please go ahead.

Fahad Shaikh:

Hi. Good morning everyone. I just have a follow-up on the very first question where you indicated a bit more spot exposure going into the fourth quarter and maybe even in 2027, just to get a feel for how much of your tanker fleet reprices over the next, let's say two quarters in the sense how much of it is coming off contract, giving you the opportunity to either go to spot or even lock in higher TCE rates, which are also very elevated at this point, time charter rates, which are also very elevated at this point in time.

Imad Al Khudhuri:

Yeah. So on the crude side, at least four to five would be coming out within that time span. And on the tanker side, more or less... On the product side, more or less the same.

Fahad Shaikh:

Perfect. Thank you.

Moderator:

Thank you. We'll now take our next question from Abbas Muslemi from U Capital.

Abbas Muslemi:

Thank you. Thank you very much. The first one is actually a comment. Someone who's been tracking these markets from 2008, I think Asyad is a fantastic example of a very good management and quality of disclosure and IR team. So much appreciated, guys. Thank you very much, Dr. Ibrahim, Imad, and Ahmed. I think you guys are a great example for the market in my opinion, just what you guys are doing.

Dr. Ibrahim Al Nadhairi:

Yeah. That comment, that goes to Sharan, to be honest.

Abbas Muslemi:

Oh, Sharan is fantastic. I've had the pleasure of meeting her and she's fantastic, of course. Yes. I had a couple of questions. This is obviously a follow-up of all the other analysts that I've asked you. If you were to peek into 2027 and if you were to split your revenue days as percentage between the spot and the long-term contracts, what would that number look like across your fleet?

Imad Al Khudhuri:

I think maybe we'd be hitting about 30 plus percent and 30.

Ahmed Al Shukaili:

Yeah. It is difficult because of they are in five segments and a lot of fleet coming also with a very strong contract. So in one segment, it's easy once you operate in one segment, but once you are in five segments, it's slightly difficult to estimate.

Abbas Muslemi:

Sure. Yeah. No, it was just more for me to get a flavour in terms of, because you've been talking about a stronger spot market. Sorry, Imad, you're saying something.

Imad Al Khudhuri:

Yeah. So that's basically on the tanker side, but for example, some business models dictate that it goes for longer, whether you take the gas or you take the bigger sizes of the dry bulk segment, the business model more or less dictates that it's got to be a long-term contract going from one point to the other as opposed to taking spot exposure because the spot exposure doesn't really exist or it's not that healthy for you to be in the spot in those business models.

Ahmed Al Shukaili:

And obviously it's in the container because we are doing a lot of operation.

Imad Al Khudhuri:

That's different, yeah.

Ahmed Al Shukaili:

It is mostly spot.

Abbas Muslemi:

Got it. And the other question I had is with everything that went on over the last year in geopolitical situation-wise, has there been any change in terms of how even long-term contracts are looked at? Are they just fixed price contracts or is there an element of an index market-based index pricing? Have there been any changes that's going to change the structure of the long-term contracts?

Imad Al Khudhuri:

Yeah. So look, see what we're witnessing now is that with these changes in the geopolitical situation, us, like many different owners, go back to charters, even the ones that have taken ships

on long-term charters, and we go and we force them and we renegotiate these time charters that we have because we want to include some risk premiums because of where the ships are being traded. And this is where we push the charters. And so far we've succeeded to a certain extent whereby we're able to increase our income with our negotiation with the charters that we have.

Abbas Muslemi:

Okay. But it's still the nature of contracts. If it's long-term, it's fixed contracts.

Imad Al Khudhuri:

It's fixed contracts, but there is a bit of room to go and renegotiate here and there.

Yeah, yeah. So just to add onto that is that some of the contracts also that you have are based on an index. So that's really driven by the market in terms of what your revenue would be looking like.

Abbas Muslemi:

Sure. And next question I had is 2027, what's the delivery schedule looking like? I know you spoke about Q4 '26, but I don't know. In terms of '27, are there any new ships coming in that's already been ordered that's going to join your fleet?

Ahmed Al Shukaili:

They're all will be delivered this year.

Imad Al Khudhuri:

Yeah. Nothing as per the schedule for 2027.

Abbas Muslemi:

Okay. And in terms of the average age of the vessel, you're looking at seven years now.

Abbas Muslemi:

Yeah. And the next question I had is, okay, if there's no new vessel joining the fleet, in terms of you wanting to bring the age of the fleet down, are there any sort of vessels that you've identified or close to identifying where you probably want to sell out in the next year? I mean, I know once you've obviously agreed on the pricing, you declared it to the market.

Imad Al Khudhuri:

Okay. So look, there are a few deals that we're looking at and we will disclose that at the right time. So it's these maybe acquisitions that will be announced, and if it goes through, then this will bring the fleet age to a lower bracket.

Abbas Muslemi:

Got it.

Dr. Ibrahim Al Nadhairi:

Right now, we actually also believe that we have a very young fleet. So the seven years, seven to 7.5 is quite young. So we are in a very healthy position in terms of the fleet. Yes.

Abbas Muslemi:

Perfect.

Ahmed Al Shukaili:

And also just to add also, A lot of new vessels are delivered in '26 or to be delivered in Q4. So of course we see these vessels and a lot of them also with a very strong contract, which will get started in '26 and maybe at the end of '26. So those will continue with us fully in 2027.

Abbas Muslemi:

Yeah. No, of course. Absolutely. And I think I had a clarification on the dividend question. So obviously your policy was announced when you did the IPO. Now, just to clarify, based on your first half performance '27, we are going to be start looking at a 95% payout ratio for the dividend that's going to come in the second half of '27, because you announced a sort of twofold policy, right? There was an absolute amount, which I think expires in March, and then from '27, it's a performance linking dividend that's linked to your net profit. So just to be sure, based on your first half '27 performance, you're going to be paying 95% in the second half of '27, or am I missing something?

Ahmed Al Shukaili:

What we have announced recently, if you follow our disclosure that the 2026 dividends policy, we have announced that also based on the request by MSX. So we also in '27 beginning, we will announce also our 2027 dividends policy, and I think that would be the direction. And it was also up to 95%, which we also with this expansion plan and with the opportunities we are seeing in the market and also the debt target to be very well controlled, I think that maybe will be reconsidered.

Abbas Muslemi:

I think guys, the only advice I have for you guys, and of course you're a senior management, is that whenever you do announce the policy, if you can announce a two, three-year policy so the market can price the company fairly, at least when it comes to the dividend expectation. This is just feedback from my side, because otherwise it creates a bit of confusion in the market's mind. But I'm not saying you guys are... I mean, you guys are fantastic when it comes to disclosures, but I'm saying if you do announce the policy, please announce a two to three-year policy versus let's say that every year I'm going to announce a new policy. I'm not saying you're saying that, but this is just feedback from my side.

Ahmed Al Shukaili:

Sure. We'll take that in consideration.

Abbas Muslemi:

And thank you very much. Fantastic performance. Good luck. Thank you.

Ahmed Al Shukaili:

Thank you, Abbas.

Moderator:

Thank you. When I take our next question from Sandesh Shetty from Ubhar Capital, this will be our last question of the session.

Sandesh Shetty:

Yeah. Thank you for the presentation and congrats on a good set of numbers. Just one question from my side. You mentioned that the gain from sale of vessels will recorded in fourth quarter 2026. So will this include both Seeb, Samail, as well as the LR2 Tanker Haima, which was recently, there was a news on it, or will it be split across 4Q '26 and 2027? Also, if you could give an overview on how that split would be, it would be really great.

Ahmed Al Shukaili:

Yeah. I think the Samail, which already delivered, that will be Q4 for sure, because we deliver the vessels on 2nd November as we announced in our release today. Also, the Haima, the LR, is also to be delivered in November, so that will be also 2026. Seeb is targeted to be delivered in '27 January. So we'll see, depends on, of course, where the transaction will be. It would be mostly in '27 or slightly here and there. So I think that mostly you can consider now Seeb is out of '26. However, some portion will come off from Seeb also in '26. So overall, the two vessels, which are very good gain, will be in '26, and maybe Seeb will be in '27. But of course, I'm not confirming until we have

the audited financials in December, and then you will see the real gain happening from Seeb at least. The rest is very clear. Seeb and Samail and Haima is very clear to be in '26.

Sandesh Shetty:

Okay, thank you. Thank you for your answer.

Moderator:

Thank you very much. If there are any questions remaining after today, please feel free to email the IR team at ir.shipping@asyad.om. And with that, I'd like to turn it back to Dr. Ibrahim for any closing remarks.

Dr. Ibrahim Al Nadhairi:

Thank you very much. So basically to close, I would like first of all to thank everyone of you for attending this session. And as you could see that we are actually delivering on what we said we would, we continue to have strong growth in earnings. Our third quarter, of course, the results speak about themselves and we do have fleet that is younger, more efficient and increasingly on long-term contracts. However, while we say that, it is also fair to acknowledge the market that despite the market remaining uncertain, our focus stays on what we can control, and this is basically our strategy. We focus on what we can control and we keep aside things that we cannot control. And what we can control is our operating in a safe manner, allocating capital with discipline and building our contracted earning base. Looking ahead, we are entering 2027 with more vessels working, more customers, and contracted new building pipeline running all the way to 2029.

Therefore, we believe that Asyad Shipping is well positioned as a safe, reliable, and efficient partner to our customers and to continue creating sustainable long-term value for our shareholders. And once again, welcome to the new shareholders that joined us recently. Thank you very much.

ENDS