MSX Corporate Earnings Estimates: 1Q26e - FY26e

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Research
Ubhar Capital

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Banking | Outlook:

Oman's banking sector delivered a resilient performance in FY25, with aggregate net profit (post-perpetual) for the seven listed banks rising 11% YoY. Capitalization levels remain robust, with the sector's combined capital adequacy ratio at ~19% in 2025, comfortably above regulatory thresholds. Looking ahead to 1Q25, we expect profitability to remain on a steady growth trajectory, supported by continued expansion in net loans and advances. Strong capital buffers position banks well to accelerate lending, while a relatively softer interest rate environment should further underpin credit growth. However, evolving geopolitical tensions in the Middle East, particularly those driving higher oil prices, pose a potential upside risk to inflation. A sustained escalation could prompt major central banks to tighten monetary policy, which, in turn, could weigh on near-term borrowing demand. Despite these risks, we maintain a positive outlook on the Oman banking sector, supported by a favorable domestic macroeconomic environment and consistent credit momentum. Banks are well-placed to capitalize on Oman's economic diversification strategy, with incremental lending opportunities emerging across infrastructure, healthcare, education, and FDI-linked projects. We expect earnings to remain intact over the coming quarters, driven by healthy loan growth and strategic exposure to non-oil sectors.

Leasing | Outlook:

Oman's leasing sector is expected to have a moderate impact on balance-sheet growth in 1Q26; disbursement momentum could soften slightly amid a slower macro backdrop and heightened regional uncertainty. The ongoing Middle East conflict is unlikely to materially disrupt sector growth, but it may weigh on credit demand through FY26 as corporates and SMEs adopt a more cautious approach to expansion and borrowing. Companies with a higher retail mix are expected to remain relatively better placed, as consumer financing demand is typically more resilient and less sensitive to short-term geopolitical developments, while players with greater exposure to SME and commercial segments could see some moderation in origination activity.

Insurance | Outlook:

Oman Qatar Insurance Company – Oman Qatar Insurance Company (OQIC) reported YoY growth in net profit for FY25, primarily driven by stronger investment income. Looking ahead to FY26e, we anticipate an uptick in claims during 1H26, reflecting the impact of ongoing geopolitical tensions in the Middle East and elevated weather-related events, including heavy rainfall in Oman. Claims are expected to normalize in 2H26, which should support a subsequent recovery in profitability.

LIVA Group – LIVA Group delivered a strong turnaround in FY25, reporting a net profit compared to a net loss in the prior year, reflecting sustained positive momentum since 2H24. Looking ahead to FY26e, we expect claims to rise in 1H26, driven by ongoing geopolitical tensions in the Middle East and elevated weather-related events, including heavy rainfall in Oman and the UAE. Claims are projected to normalize in 2H26, supporting a recovery in profitability. We maintain a positive outlook on LIVA, with a Dec'26 target price of OMR 0.424/share.

Oman United Insurance Company – Oman United Insurance Company (OUIC) reported YoY growth in net profit for FY25, primarily supported by stronger investment income. For FY26e, we anticipate a near-term increase in claims during 1H26 due to geopolitical and weather-related factors. However, claims are expected to normalize in 2H26, which should support earnings recovery.

Madina Takaful – **Madina Takaful** posted strong YoY growth in net profit, driven by higher wakala fees and improved investment income. We expect this positive trajectory to continue into 2026, supported by further expansion in wakala fees. However, elevated claims in 1Q26e stemming from regional geopolitical tensions and heavy rainfall in Oman are likely to result in a QoQ decline in profitability. From 2H26e onwards, claims are expected to normalize, leading to an improvement in earnings.

Telecommunications | Outlook:

Omantel – Omantel delivered strong FY25 results following the restatement of its financials related to operations in Iraq and Sudan. Looking ahead, we expect margin expansion from FY26e onwards, supported by lower royalty rates. The company is also progressing in its strategic transition from a traditional telecom operator to a diversified technology group, with growing exposure to ICT, cloud, IoT, fintech, and digital platforms such as OmPay and Xhawi, which should support top-line growth. However, despite these positives, we see limited upside from current levels and therefore maintain our Hold rating, with a target price of OMR 1.583/share.

Ooredoo Oman – Ooredoo Oman reported a sharp decline in FY25 net profit, largely attributable to costs associated with its ongoing transformation program. This initiative is expected to generate annual savings of ~OMR 8mn starting FY26e. In addition, lower royalty rates are likely to support margin expansion. From 1Q26e onwards, we anticipate a reduction in costs, which will improve net margins. We maintain a positive outlook on the stock, with a Dec'26 target price of OMR 0.479/share.

Ceramics | Outlook:

Al Anwar Ceramics – Al Anwar Ceramics reported a strong rebound in FY25 following a challenging performance in 2024. Looking ahead to FY26e, we expect capacity utilization to improve gradually, supported by the implementation of anti-dumping duties and stricter quality control measures. This should drive top-line growth and support margin expansion. Coupled with increasing construction activity in Oman, which is likely to underpin demand, we expect revenue and profitability to witness a YoY in FY26e.

Al Maha Ceramics – Al Maha Ceramics, after reporting consecutive losses through FY24 due to pressure from low-cost imports from India and China and subdued capacity utilization, returned to profitability in FY25. We expect this recovery trajectory to continue into FY26e. The imposition of anti-dumping duties is likely to create a more balanced competitive environment, while a strengthening construction sector in Oman should provide sustained support for demand. These factors are expected to drive revenue growth and margin recovery in the near term. We maintain a positive outlook on the stock, with a Dec'26 target price of OMR 0.313/share.

Cement | Outlook:

	Oman Cement – Oman Cement reported a YoY decline in both revenue and net profit for FY25, driven by weaker volumes and elevated fuel costs. We expect these headwinds to persist into 1H26e, primarily due to continued pressure on volumes. Margins are likely to remain constrained amid the influx of low-cost imports, which, in the absence of anti-dumping measures, should limit any meaningful recovery in gross margins. Additionally, elevated input costs continue to weigh on profitability. Management is exploring alternative fuel sources that could reduce the overall cost base by ~5%, with clearer visibility expected in 2H26e.

Oil & Gas | Outlook:

	Abraj Energy (ABRJ) – Abraj Energy delivered strong FY25 results, with net profit rising YoY. During the year, the company secured a key contract from PDO for four land drilling rigs in Block 6, with two rigs expected to commence operations in 1Q26 and the remaining two in 2Q26. This follows several contract wins during the year, including extensions and new awards from Oxy (four rigs), PDO (six rigs), and ARA Petroleum (one rig). Abraj also received a variation order to deploy a third drilling rig and related services for joint operations in Kuwait (Wafra) and signed a term sheet with Sonatrach in Algeria. These developments are expected to strengthen Abraj's integrated oilfield services capabilities, improve fleet utilization, and support earnings visibility and operational efficiency, reinforcing its long-term growth outlook. We maintain a positive view on Abraj Energy with a Dec'26 target price of OMR 0.535/share.
	OQ Gas Networks (OQGN) – OQ Gas Network (OQGN) continues to benefit from its position as Oman's sole owner, developer, and operator of the national gas transmission network, operating under a Regulated Asset Base (RAB) model that provides long-term revenue visibility. During 2025, OQGN entered a partnership to co-develop Oman's hydrogen transportation infrastructure, supporting the country's energy transition objectives. The company also awarded the EPC contract for the Fahud–Suhar Loop Line to Petrojet and Partners LLC. Additionally, OQGN acquired the 36" gas transportation pipeline for Block-61 for OMR 40mn, which will be added to the RAB, expanding its network footprint by 65 km and strengthening its long-term infrastructure base. These strategic initiatives are expected to enhance growth prospects and further cement OQGN's role in Oman's evolving energy landscape. We retain a positive outlook on OQGN with a Dec'26 target price of OMR 0.306/share.
	OQ Exploration & Production (OQEP) – OQEP delivered a stable performance in FY25 despite lower oil prices during the year. With ongoing geopolitical tensions in the Middle East driving a rebound in oil prices, we expect revenue and net profit to increase in 1Q26e and remain strong through 1H26e. Beyond mid-2026, we expect market conditions to stabilize, with oil prices gradually moderating in the latter half of the year. Given the current oil price environment, we anticipate the company may distribute a performance-linked dividend in addition to its base dividend for FY26e, resulting in a higher dividend yield. We maintain a positive outlook for OQEP with a Dec'26 target price of OMR 0.541/share.

Utilities | Outlook:

Phoenix	**Phoenix Power -** Due to seasonal factors, Phoenix Power typically reports a negative bottom line in the first quarter, and we expect a similar outcome for 1Q26. Despite this, we forecast mid-single-digit revenue growth as power dispatch units increase. Notably, rising utilization rates over the last three years signal strengthening demand during this traditionally weak period of the year.
	Musandam Power – Musandam Power (MSPW) is expected to report a net loss for 1Q26, as the company typically encounters seasonal headwinds during the first quarter. However, we anticipate slight revenue growth, supported by a stable plant utilization. Notably, MSPW has successfully increased its first-quarter utilization in four of the last five years, signaling resilient demand despite seasonal fluctuations.
Sharqiyah Desalination	**Sharqiyah Desalination –** Sharqiyah Desalination's (SHRQ) plant utilization dipped significantly in FY25 due to lower dispatch instructions by the regulator. Expecting this lower plant utilization to be the new normal, we project nominal improvement in utilization, driving revenue from the water segment higher in 1Q26, though the declining finance income from the lease is expected to drag down the overall topline. However, we anticipate net profit registering growth YoY in 1Q26, driven in part by a reduction in finance expenses.
	Sembcorp Salalah – Sembcorp Salalah (SSPW) continues to see improved utilization at its power and water facilities, signaling robust demand and increased dispatch orders from the regulator. Maintaining this momentum, we forecast low-to-mid single-digit revenue growth for 1Q26. We expect even stronger bottom-line performance, driven primarily by reduced finance expenses as the company deleverages. We estimate SSPW will repay its entire outstanding debt (~SAR 25.5mn at FY26-end) this year.

Consumer | Outlook:

	Oman Flour Mills – Oman Flour Mills (OFMI) delivered a strong performance in FY25, with net profit registering healthy year-on-year growth. We expect this momentum to carry into FY26E, supported by the company's strategic expansion into high-growth segments such as bakery products and adjacent food verticals. Additionally, increasing contributions from associates and joint ventures are likely to enhance earnings visibility and provide further support to margin expansion. The company's diversified product portfolio and expanding presence across the broader food value chain reinforce its growth outlook. Accordingly, we maintain a positive stance on Oman Flour Mills and assign a Dec'26 target price of OMR 0.595/share.
A'SAFFA FOODS	**A'saffa Foods –** A'Saffa Foods operates Oman's largest fully integrated broiler chicken facility. The company's planned capacity expansion from 46,000 metric tons to ~55,000 metric tons by mid-2026 is likely to strengthen its market leadership. We expect this scale-up to drive both revenue growth and margin expansion through FY26e, supported by improved operating leverage. Margins are expected to remain resilient, underpinned by economies of scale and continued operational efficiencies. Overall, we maintain a positive outlook on A'Saffa Foods and assign a target price of OMR 1.020/share.

Miscellaneous | Outlook:

	Galfar Engineering – Galfar Engineering demonstrated disciplined cost control in FY25, enabling stable operational performance despite competitive intensity and project-specific headwinds. The company's order backlog remains strong at OMR 745mn, providing solid visibility on future revenue streams. Additionally, subsidiaries and associates continued their recovery trajectory, contributing positively to consolidated performance. Backed by a robust backlog, sustained cost discipline, and improving profitability trends, Galfar is well-positioned to deliver further operational and financial gains through FY26. We maintain a positive outlook on the stock, with a Dec'26 target price of OMR 0.216/share.
	Renaissance Services – Renaissance Services reported a YoY decline in FY25 net income, primarily due to elevated operating expenses. However, the company secured two key contracts during the year: a four-year OMR 22mn facilities management contract with PDO and a four-year OMR 17mn catering services agreement with Sultan Qaboos University. These wins are expected to support medium-term revenue growth and margin expansion, with initial contributions from the PDO contract likely to materialize in 2026e. We anticipate margin recovery beginning 1Q26e, supporting earnings growth in FY26e.
	Jazeera Steel – Jazeera Steel delivered a strong performance in FY25, driven by robust demand across key GCC infrastructure markets. Looking ahead, we expect this momentum to continue, supported by strategic capacity and capability enhancements. The recent upgrade of its Tube mills strengthens the company's positioning in the Omani oil and gas segment while reducing reliance on commoditized pipe products. In parallel, the modernization of its Merchant bar mill expands its product portfolio into higher-margin construction segments. These initiatives are expected to drive incremental margin expansion and further reinforce Jazeera Steel's competitive positioning across core markets. We maintain a positive outlook with a Dec'26 target price of OMR 0.967/share.
	OQBI – OQBI delivered strong operational performance in FY25, with higher production volumes and revenue reflecting solid execution. In 1Q26e, LPG production is expected to be temporarily impacted by scheduled maintenance at its plant, which is expected to impact the LPG revenue. However, this impact is expected to be mitigated by elevated Methanol and Ammonia prices, supported by ongoing geopolitical tensions in the Middle East. From 2Q26e onwards, production is expected to normalize. We expect Methanol and Ammonia prices to remain elevated through 1H26e, driving a meaningful uplift in revenue and profitability over this period. Thereafter, prices are projected to gradually moderate towards the latter part of 2026e. Overall, we maintain a positive stance on the stock, supported by strong near-term earnings visibility, with a Dec'26 target price of OMR 0.339/share
	Voltamp Energy - Voltamp Energy remains a leading power transformer manufacturer in the GCC, with exposure to renewable energy, oil and gas, substation, and distribution segments. Its planned capacity expansions are strategically aligned with the objective of achieving OMR 100mn in annual revenue by FY30e. This growth outlook is supported by favorable demand dynamics and the company's positioning to capture incremental market share, particularly in Saudi Arabia. While margins may see a modest dip in 1Q26e, we expect improvement thereafter, driving a marginal YoY increase in profitability in FY26e. We maintain a positive outlook, with a Dec'26 target price of OMR 2.281/share.

	Asyad Shipping – Asyad Shipping delivered robust YoY growth in net profit, despite a decline in revenue, indicating margin resilience and operational efficiency. We anticipate this positive trajectory to extend into 1Q26, supported by an expected uptick in shipping rates. Fleet utilization is likely to remain elevated, while the addition of 11 vessels between 2026 and 2027 should further underpin revenue growth and enhance profitability. The company benefits from a strong contracted revenue backlog of approximately OMR 0.85bn extending through 2030, providing solid earnings visibility. Although insurance premiums have increased amid ongoing geopolitical tensions in the Middle East, the impact is expected to be mitigated by more sailing days, which should support an improvement in freight rates in FY26e.

MSX Corporate Earnings Estimates FY26e/1Q26e

Company Name	CMP (OMR)	YTD Chg. (%)	Market Cap (OMR mn)	Revenue/ Op. income* FY26e (OMR mn)	YoY %	Revenue/ Op. income* 1Q26e (OMR mn)	YoY%	QoQ%	Net Profit FY26e (OMR mn)	YoY%	Net Profit 1Q26e (OMR mn)	YoY%	QoQ%	P/E'26e (x)	P/B'26e (x)	Dividend Yield'26e (%)	RoE'26e (%)	Target Price, OMR
BANKS																		
Bank Muscat	0.479	44%	3,595.6	609.5	4%	**154.6**	10%	1%	265.9	4%	**68.0**	16%	6%	13.5	1.4	4%	10%	0.504
Sohar International Bank	0.224	42%	1,482.3	313.2	24%	**74.4**	35%	4%	127.0	26%	**30.1**	40%	1%	11.7	1.2	4%	10%	0.251
Bank Dhofar	0.200	35%	608.0	180.0	6%	**44.1**	7%	2%	54.9	8%	**14.7**	21%	-2%	11.1	0.8	4%	7%	0.211
National Bank of Oman	0.390	2%	634.1	178.2	9%	**43.6**	9%	3%	78.9	12%	**19.3**	13%	5%	8.0	0.7	3%	8%	0.461
Ahil Bank	0.192	0%	519.7	130.3	11%	**32.7**	16%	6%	51.8	12%	**13.1**	35%	-5%	10.0	0.8	4%	8%	0.237
Bank Nizwa	0.152	43%	340.0	65.1	4%	**16.0**	11%	-8%	21.2	6%	**5.2**	15%	-1%	16.0	1.2	4%	7%	0.170
LEASING																		
National Finance	0.237	62%	154.2	79.1	9%	**19.5**	15%	0%	16.9	11%	**4.1**	24%	-2%	9.1	1.0	7%	11%	0.285
Taageer Finance	0.123	-4%	34.9	38.5	6%	**9.6**	18%	0%	5.7	36%	**1.3**	1%	n.m	6.1	0.4	6%	7%	0.148
Al Omaniya Fin Service	0.171	20%	53.9	16.3	8%	**4.1**	10%	5%	4.6	16%	**1.2**	30%	-14%	11.7	0.8	6%	7%	0.198
United Finance	0.087	28%	31.0	12.7	12%	**3.2**	27%	2%	3.4	14%	**0.9**	68%	-8%	9.1	0.6	6%	7%	0.096
INSURANCE																		
Oman Qatar Insurance	0.187	-3%	30.1	71.3	2%	**18.6**	28%	-13%	2.3	-33%	**0.8**	0%	199%	13.2	0.7	2%	5%	0.198
LIVA Group	0.370	12%	147.4	413.6	1%	**104.4**	11%	-4%	13.5	6%	**4.2**	-6%	n.m	10.9	1.2	5%	11%	0.424
Oman United Insurance	0.355	10%	37.3	35.4	5%	**8.5**	5%	-7%	2.0	-62%	**0.8**	136%	-38%	19.0	1.1	3%	6%	0.383
Al Madina Takaful**	0.128	33%	22.4	11.0	-6%	**2.5**	15%	-39%	3.1	-22%	**0.6**	100%	-65%	7.2	0.8	7%	12%	0.140
TELECOMMUNICATIONS																		
Omantel	1.550	49%	1,162.5	3,416.7	0%	**828.4**	3%	-10%	101.9	15%	**20.6**	31%	-44%	11.4	1.5	4%	13%	1.583
Ooredoo Oman	0.371	30%	241.5	245.9	2%	**61.1**	-1%	1%	18.4	21x	**4.5**	145%	n.m	13.1	0.9	5%	7%	0.479

Source: Company Reports, Bloomberg, U-Capital estimates, Price as of Apr 8, 2026 n.m = Not Meaningful.
** Operating income for banks.*
*** Wakala fees recorded for revenue*

Company Name	CMP (OMR)	YTD Chg. (%)	Market Cap (OMR mn)	Revenue/ Op. income* FY26e (OMR mn)	YoY %	Revenue/ Op. income* 1Q26e (OMR mn)	YoY%	QoQ%	Net Profit FY26e (OMR mn)	YoY%	Net Profit 1Q26e (OMR mn)	YoY%	QoQ%	P/E'26e (x)	P/B'26e (x)	Dividend Yield'26e (%)	RoE'26e (%)	Target Price, OMR
CERAMICS																		
Al Anwar Ceramic	0.221	19%	48.6	21.0	14%	**5.1**	-14%	17%	0.7	19%	**0.2**	-58%	81%	73.5	1.6	1%	2%	0.237
Al Maha Ceramic	0.284	3%	15.6	7.8	11%	**1.9**	-6%	11%	0.5	77%	**0.1**	-15%	n.m	29.7	2.0	3%	7%	0.313
CONSUMER																		
Oman Flour Mills	0.519	15%	90.1	139.8	4%	**36.0**	5%	4%	10.9	26%	**2.8**	1%	62%	8.3	0.9	6%	11%	0.595
A'saffa Foods	0.895	77%	107.4	70.0	23%	**15.0**	4%	8%	9.5	32%	**1.9**	12%	-16%	11.4	1.9	4%	17%	1.020
CEMENT																		
Oman Cement	0.540	14%	178.7	73.3	5%	**17.4**	-3%	-11%	8.9	8%	**2.1**	-31%	-15%	20.0	1.9	4%	9%	0.577
OIL & GAS																		
Abraj Energy	0.469	38%	361.2	151.9	3%	**37.0**	1%	-4%	18.7	6%	**4.5**	-8%	22%	19.3	2.4	4%	12%	0.535
OQ Gas Networks	0.275	42%	1,190.9	216.1	4%	**55.7**	51%	-8%	55.3	8%	**13.7**	9%	13%	21.5	1.9	4%	9%	0.306
OQ Exploration & Production	0.473	31%	3,784.0	1,272.1	10%	**321.3**	56%	-39%	362.6	30%	**91.0**	22%	121%	10.4	3.6	6%	35%	0.541
OMAN UTILITIES																		
Phoenix Power	0.223	44%	326.2	173.5	0%	**26.3**	-3%	-13%	27.0	4%	**-2.6**	n.m	n.m	12.1	1.1	3%	9%	0.225
Sembcorp Salalah	0.231	12%	220.5	82.9	-1%	**19.3**	1%	-7%	22.4	-4%	**5.4**	9%	-14%	9.8	1.1	7%	11%	0.242
Sharqiyah Desalination	0.174	13%	17.0	10.7	-1%	**2.7**	-3%	2%	0.7	33%	**0.1**	20%	3%	25.5	1.2	9%	5%	0.164
Musandam Power	0.339	3%	23.9	23.4	20%	**3.7**	46%	20%	2.8	19%	**-1.0**	n.m	n.m	8.5	1.8	8%	21%	0.353
OTHER																		
Renaissance Services	0.411	33%	97.2	110.6	2%	**25.7**	-5%	2%	7.1	9%	**1.4**	-6%	-1%	13.7	1.1	4%	8%	0.425
Galfar Engineering & Contracting	0.199	206%	110.8	282.2	5%	**65.2**	11%	-23%	6.2	20%	**1.3**	n.m	-70%	17.8	3.7	2%	21%	0.216
Al Jazeera Steel Products	0.790	20%	98.7	152.0	1%	**39.2**	-3%	8%	10.3	6%	**2.7**	26%	-15%	9.6	1.5	5%	15%	0.967
OQ Base Industries	0.293	59%	1,013.6	243.5	8%	**56.4**	2%	2%	65.1	37%	**14.9**	16%	-4%	15.6	2.9	3%	18%	0.339
Voltamp Energy	1.866	86%	186.6	76.0	4%	**17.8**	-4%	-16%	12.3	1%	**2.8**	-9%	-33%	15.1	5.1	4%	34%	2.281
Asyad Shipping	0.313	NA	1,630.3	383.2	14%	**89.3**	7%	7%	59.6	4%	**13.4**	31%	-52%	27.4	3.6	4%	13%	0.338

Source: Company Reports, Bloomberg, U-Capital estimates, Price as of Apr 8, 2026 n.m = Not Meaningful.

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Recommendation

Buy	Greater than 10%
Hold	Between +10% and -10%
Sell	Lower than -10%

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