Braemar Shipping Services plc
Preliminary Results Presentation
May 2016
Agenda

- Group Strategy and Business Model
- Group Financial Highlights
- Shipbroking Division
- Technical Services Division
- Logistics Division
- Group Results
- Outlook
Group Strategy

- To continue to build our diversified global portfolio of businesses in growth sectors
- To continue to develop service provision to shipping, marine, energy, offshore and insurance markets
- To continue to grow our global, integrated geographic footprint
- Shipbroking division to maintain its strong position in a global market with opportunity for further organic and acquisitive growth
- Technical division is a blend of complementary businesses with opportunities for organic and acquisitive growth
- Logistics division capable of operational improvement and geographic expansion
- Build dividend cover and cash generation to deliver sustainable shareholder returns
Successful Execution of Strategy

Long-term growth in volatile markets

Group Revenue

Note that 2014/15 includes 7 months of ACM revenue within the Shipbroking section.
### Group Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16</th>
<th>FY 2014/15</th>
<th>FY 2013/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£159.1m</td>
<td>£145.6m</td>
<td>£125.5m</td>
</tr>
<tr>
<td>Underlying* Pre-Tax Profit</td>
<td>£13.8m</td>
<td>£11.5m</td>
<td>£9.3m</td>
</tr>
<tr>
<td>Underlying* EPS</td>
<td>34.70p</td>
<td>32.28p</td>
<td>33.51p</td>
</tr>
</tbody>
</table>

* Excluding acquisition related expenses and non-recurring items

△ Restated following closure of Brazil operations

### Financial Highlights

- Revenue from underlying operations up by over 9%
- 20% increase in underlying operating profit
- 7.5% increase in underlying EPS
- Strong free cashflow of £13.5m and closing net cash of £9.2m
- Proposed full year dividend maintained at 26p per share
WHAT WE DO

- Tanker chartering
  - Crude Oil
  - Clean Petroleum Products
  - Liquefied Petroleum Gas (“LPG”)
  - Liquefied Natural Gas (“LNG”)
  - Specialised tankers
  - Forward Freight Agreements (“FFA”)
  - Projects
- Sale and Purchase
  - Second hand
  - Newbuilding
  - Recycling
  - Valuations
- Dry Bulk Chartering
- Offshore
  - Chartering
  - Sale & Purchase
- Research & Consultancy

BUSINESS GROWTH DRIVERS

- Seaborne Trade
- Transaction volumes
- Freight rates
- Vessel values
- Quality and number of brokers
- Geographic presence
Shipbroking Division - Operating Review

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16</th>
<th>FY 2014/15</th>
<th>FY 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£70.7m</td>
<td>£53.6m</td>
<td>£40.9m</td>
</tr>
<tr>
<td>Underlying* Operating Profit</td>
<td>£9.7m</td>
<td>£5.6m</td>
<td>£2.6m</td>
</tr>
</tbody>
</table>

- Underlying operating profit increased by over 70%, following our 2014 merger to form Braemar ACM Shipbroking
- Diversity of Shipbroking activity has ensured growth in volatile markets. Currently responding to strength in the tanker market
- Desks are well managed and flexible to exploit market changes, including selective recruitment in Offshore and Dry Cargo
- Strong forward order book consistent at $49m, of which $26 million relates to 2016/17
Shipbroking Division – 2015/16 Revenue

- Bottom of cycle
- Long term growth opportunity
- Strength in Asia/Australia

- Major player
- Synergy with Tankers project team

- Offshore activity led
- Short-term challenge
- Long-term opportunity

- Strong current market
- Oil production driven
- Leader in market sector

- Tankers 62%
- Offshore 6%
- Dry Cargo 14%
- S&P 18%
Tanker Rates

Tankers - VLCC Spot vs Time Charter (1 year)
Dry Bulk Carrier Rates

Dry Cargo - Capesize Spot vs Time Charter (1 Year)
Five year old yearly average vessel prices ($m)
WHAT WE DO

- Vessel surveys
- Liquefied Natural Gas consulting
- Marine engineering
- Ship construction – supervision
- Marine warranty surveys
- Energy loss adjusting
- Incident response and pollution control
- Environmental consultancy

KEY BUSINESS DRIVERS

- Number and scale of assignments
- Staff utilisation
- Diversity and depth of knowledge and skill base
- Volume of activity in Offshore and LNG industry sectors
- Geographic presence
**Technical Division – Operating Review**

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16</th>
<th>FY 2014/15</th>
<th>FY 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>£54.3m</td>
<td>£49.6m</td>
<td>£45.7m</td>
</tr>
<tr>
<td><em><em>Underlying</em> Operating Profit</em>*</td>
<td>£5.2m</td>
<td>£6.3m</td>
<td>£6.9m</td>
</tr>
</tbody>
</table>

*Restated following closure of Brazil operations*

- Profitability reduced by exploration and production expenditures reductions in energy sector but we are maintaining/increasing our market share in key markets
- LNG focused Engineering business had a strong year
- Restructured divisional management focused on long term organic and acquisitive growth opportunities
- Target staff utilisation and key client engagement to improve margins
- Opportunities for high quality recruitment to expand service offering
Diversified portfolio allows revenue growth in variable market conditions.

Revenue - FY 2014/15
- Offshore: 24%
- Engineering: 21%
- Adjusting: 18%
- Salvage Association: 26%
- Environmental: 11%

Revenue - FY 2015/16
- Offshore: 20%
- Engineering: 29%
- Adjusting: 17%
- Salvage Association: 25%
- Environmental: 9%
What we do:
- Port & Liner Agency
- Hub Agency
- Freight Forwarding
- Customs clearance

Key business drivers:
- Key long term client relationships
- Geographical presence
- Bespoke project management capability
- Brand recognition – “Cory Brothers”
- Integration with Braemar’s other services
## Logistics Division - Operating Review

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16</th>
<th>FY 2014/15</th>
<th>FY 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£34.1m</td>
<td>£42.4m</td>
<td>£38.9m</td>
</tr>
<tr>
<td>Underlying* Operating Profit</td>
<td>£1.6m</td>
<td>£2.3m</td>
<td>£2.0m</td>
</tr>
</tbody>
</table>

- Challenging year as management repositioned business to focus on higher value work
- Key client relationships targeted for long term growth
- Investment in geographic expansion, particularly in USA and Europe
- Business development activity has generated new work for 2016/17
<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16 £m</th>
<th>FY 2014/15 £m</th>
<th>FY 2013/14 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>159.1</td>
<td>145.6</td>
<td>125.5</td>
</tr>
<tr>
<td><strong>Underlying profit</strong></td>
<td>13.8</td>
<td>11.5</td>
<td>9.3</td>
</tr>
<tr>
<td><strong>Exceptional Items</strong></td>
<td>(3.4)</td>
<td>(5.9)</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>10.3</td>
<td>5.6</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Net finance Income/(expense)</strong></td>
<td>(0.4)</td>
<td>(0.5)</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>9.9</td>
<td>5.1</td>
<td>9.0</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>(2.8)</td>
<td>(2.2)</td>
<td>(2.3)</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>7.1</td>
<td>2.9</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Performance improvement from acquired businesses and organic growth

Exceptional items relate to ACM Merger

Effective tax of 23.9% (2015: 25.9%) reflecting disallowed business costs and overseas repatriation tax charges

Restated following closure of Brazil operations
## Group Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16 £m</th>
<th>FY 2014/15 £m</th>
<th>FY 2013/14 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill and other intangibles</td>
<td>79.6</td>
<td>79.4</td>
<td>31.5</td>
</tr>
<tr>
<td>Fixed assets and investments</td>
<td>9.2</td>
<td>8.2</td>
<td>9.5</td>
</tr>
<tr>
<td>Current assets</td>
<td>58.1</td>
<td>57.4</td>
<td>48.0</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(44.7)</td>
<td>(43.0)</td>
<td>(35.0)</td>
</tr>
<tr>
<td>Pension</td>
<td>(1.2)</td>
<td>(1.5)</td>
<td>-</td>
</tr>
<tr>
<td>Provisions / Other</td>
<td>(2.9)</td>
<td>(3.5)</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Net Cash</td>
<td>9.2</td>
<td>7.2</td>
<td>13.7</td>
</tr>
<tr>
<td>Net Assets</td>
<td><strong>107.3</strong></td>
<td><strong>104.3</strong></td>
<td><strong>65.3</strong></td>
</tr>
</tbody>
</table>

*Goodwill on acquisition of ACM in 2014*

*Increased working capital due to business growth*

*ACM DB Scheme closed to future accrual*
# Group Cashflow Statement

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16 £m</th>
<th>FY 2014/15 £m</th>
<th>FY 2013/14 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashflow from operations</td>
<td>10.4</td>
<td>3.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Acquisitions (net)</td>
<td>-</td>
<td>(0.5)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>(2.2)</td>
<td>(4.9)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Net Borrowings</td>
<td>(6.8)</td>
<td>9.1</td>
<td>-</td>
</tr>
<tr>
<td>Dividends/purchase of own shares</td>
<td>(7.7)</td>
<td>(5.8)</td>
<td>(5.6)</td>
</tr>
<tr>
<td>Movements in cash</td>
<td>(6.3)</td>
<td>1.4</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Cash at period end</td>
<td>11.5</td>
<td>16.3</td>
<td>13.7</td>
</tr>
<tr>
<td>Net cash</td>
<td>9.2</td>
<td>7.2</td>
<td>13.7</td>
</tr>
</tbody>
</table>
Dividend

- Strong and consistent dividend yield of c.5.7%
- Proposed final dividend of 17p remains unchanged (Full Year: 26p)
- Objective remains to build cover to 1.5x
- Purchase of own shares of £0.4m during year

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half year</td>
<td>9.0</td>
<td>9.0</td>
<td>9.0</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Full year</td>
<td>17.0</td>
<td>17.0</td>
<td>17.0</td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>Total (pence)</td>
<td>26.0</td>
<td>26.0</td>
<td>26.0</td>
<td>26.0</td>
<td>26.0</td>
</tr>
<tr>
<td>EPS* (pence)</td>
<td>33.8</td>
<td>32.8</td>
<td>32.3</td>
<td>31.3</td>
<td>34.7</td>
</tr>
<tr>
<td>Cover</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
<td>1.2</td>
<td>1.3</td>
</tr>
</tbody>
</table>

* Based on earnings before acquisition expenses and non-recurring costs

Restated following closure of Brazil operations
Braemar Outlook

- Similar market conditions expected to continue during 2016/17
- Diversified portfolio of businesses enables Braemar to handle market volatility so we expect to maintain current activity levels
- Opportunity for medium and long term organic growth
- Strong balance sheet offers potential to take advantage of opportunities for acquisitive growth in Technical and Shipbroking divisions
# Board of Directors

<table>
<thead>
<tr>
<th>Executive Directors</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>James Kidwell</td>
</tr>
<tr>
<td>Finance Director</td>
<td>Louise Evans</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Executive Directors</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>David Moorhouse CBE</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td>Jurgen Breuer</td>
</tr>
<tr>
<td></td>
<td>Alastair Farley</td>
</tr>
<tr>
<td></td>
<td>Mark Tracey</td>
</tr>
<tr>
<td></td>
<td>Senior Independent Director</td>
</tr>
</tbody>
</table>
Disclaimer

This presentation (this "presentation") is for general information only and is the property of Braemar Shipping Services Plc ("Braemar"). Making this presentation available in no circumstances whatsoever implies the existence of a commitment or contract by or with Braemar, or any of its affiliated entities, or any of its or their respective subsidiaries, directors, officers, representatives, employees, advisers or agents ("Affiliates") for any purpose. This presentation as well as any other related documents or information do not purport to be all inclusive or to contain all the information that you may need. There is no obligation of any kind on Braemar or its Affiliates to update this presentation. No representation or warranty, express or implied, is or will be made in relation to, and no responsibility or liability is or will be accepted by Braemar or its Affiliates as to, or in relation to, the accuracy, reliability, or completeness of any information contained in this presentation and Braemar (for itself and on behalf of its Affiliates) hereby expressly disclaims any and all responsibility or liability (other than in respect of a fraudulent misrepresentation) for the accuracy, reliability and completeness of such information. All projections, estimations, forecasts, budgets and the like in this presentation are illustrative exercises involving significant elements of judgement and analysis and using assumptions, which assumptions, judgements and analyses may or may not prove to be correct. The actual outcome may be materially affected by changes in, for example, economic and/or other circumstances. Therefore, in particular, but without prejudice to the generality of the foregoing, no representation or warranty is given as to the achievability or reasonableness or any projection of the future, budgets, forecasts, management targets or estimates, prospects or returns. You should not do anything (including entry into any transaction of any kind) or forebear to do anything on the basis of this presentation. Before entering into any arrangement, commitment or transaction you should take steps to ensure that you understand the arrangement, commitment or transaction and have made an independent assessment of the appropriateness of the arrangement, commitment or transaction in light of your own objectives and circumstances, including the possible risks and benefits of entering into such an arrangement, commitment or transaction. No information, representations or opinions set out or expressed in this presentation will form the basis of any contract. This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice.
James Kidwell
E: james.kidwell@braemar.com
T: 020 3142 4100

Louise Evans
E: louise.evans@braemar.com
T: 020 3142 4100