Braemar Shipping Services plc

Interim results

Six months ended 31 August 2015

October 2015
Agenda

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

- To continue to build a diversified global portfolio of businesses in medium and long term growth sectors
- To continue to develop service provision to 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 room for continuing 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
- Improving profit 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 only
Group Highlights

Financial Highlights

- Revenue up to £79.6m (from £64.5m)
- Underlying* Pre-tax Profit almost doubled to £7.0m (from £3.6m)
- Basic Underlying* EPS up to 18.6p (from 11.7p)
- Interim dividend maintained at 9.0p

*Excluding acquisition related expenses and non-recurring items

Operational Highlights

- Shipbroking showing strong growth arising from Braemar ACM merger
- Technical division profit up by 34% led by a strong performance in Braemar Engineering.
- Logistics division unchanged and well set for further growth.
## Group Financial Results

<table>
<thead>
<tr>
<th></th>
<th>H1 2015/16</th>
<th>H1 2014/15</th>
<th>FY 2014/15</th>
<th>FY 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>£79.6m</td>
<td>£64.5m</td>
<td>£145.8m</td>
<td>£125.5m</td>
</tr>
<tr>
<td><em><em>Underlying</em> Pre-Tax Profit</em>*</td>
<td>£7.0m</td>
<td>£3.6m</td>
<td>£11.3m</td>
<td>£9.3m</td>
</tr>
<tr>
<td><em><em>Underlying</em> EPS</em>*</td>
<td>18.62p</td>
<td>11.68p</td>
<td>31.27p</td>
<td>33.51p</td>
</tr>
</tbody>
</table>
WHAT WE DO

- Tanker chartering
  - Crude Oil
  - Clean Petroleum Products
  - LPG
  - LNG
  - Specialised tankers
  - FFAs
  - Projects
- Sale and Purchase
  - Second hand
  - Newbuilding
  - Recycling
  - Valuation
- Dry Bulk Chartering
- Offshore
  - Chartering
  - Sale & Purchase
- Research & Consultancy

BUSINESS GROWTH DRIVERS

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

<table>
<thead>
<tr>
<th></th>
<th>H1 2015/16</th>
<th>H1 2014/15</th>
<th>FY 2014/15</th>
<th>FY 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>£33.3m</td>
<td>£21.0m</td>
<td>£53.6m</td>
<td>£40.9m</td>
</tr>
<tr>
<td><em><em>Underlying</em> Operating Profit</em>*</td>
<td>£4.6m</td>
<td>£1.4m</td>
<td>£5.6m</td>
<td>£2.6m</td>
</tr>
</tbody>
</table>

- Fully integrated Braemar ACM division is delivering more than we expected
- Underlying profit increased by over 200% following merger
- Desks are well managed and flexible to exploit market changes
- Forward order book holding steady at $56m
- Diversity of shipbroking activity has provided ability to grow in volatile market
Shipbroking Division - Operating Review

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

- Bottom of periodic 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

Revenue split based on H1 2015/16

Tankers 61%

- Dry Cargo 15%
- S&P 11%
- Offshore 13%
Tanker and Dry Bulk Carrier Earnings

Capesize Bulk Carrier: Average of 4 TCs
VLCC Tanker: Mid. East to Japan Spot voyage

$ k/Day

-10
10
30
50
70
90
110

Five year old yearly average vessel prices ($m)
Technical Division- Operating Review

WHAT WE DO

- Vessel surveys
- LNG vessel 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
- 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>H1 2015/16</th>
<th>H1 2014/15</th>
<th>FY 2014/15</th>
<th>FY 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£28.6m</td>
<td>£22.9m</td>
<td>£49.9m</td>
<td>£45.7m</td>
</tr>
<tr>
<td>Underlying* Operating Profit</td>
<td>£3.1m</td>
<td>£2.3m</td>
<td>£6.0m</td>
<td>£6.9m</td>
</tr>
</tbody>
</table>

- Improved performance across Technical portfolio
- Braemar Engineering delivering strong growth in LNG vessel engineering sector
- Braemar Offshore continuing to deliver solid performance despite challenging market
- Environmental business successfully integrated into the division
- Opportunities for high quality recruitment in niche sectors
Diversified portfolio allows growth in variable market conditions

Revenue - H2 2014/15
- Offshore: 30%
- Salvage Association: 26%
- Engineering: 16%
- Adjusting: 19%
- Environmental: 9%

Revenue - H1 2015/16
- Offshore: 23%
- Salvage Association: 24%
- Engineering: 28%
- Adjusting: 16%
- Environmental: 9%
Logistics Division- Operating Review

WHAT WE DO

- Port & Liner Agency
- Hub Agency
- Freight Forwarding
- Project cargoes
- Customs clearance

KEY BUSINESS DRIVERS

- Key long term client relationships
- Geographical presence
- Bespoke project management capability
- Brand recognition – “Cory Brothers”
## Logistics Division - Operating Review

<table>
<thead>
<tr>
<th></th>
<th>H1 2015/16</th>
<th>H1 2014/15</th>
<th>FY 2014/15</th>
<th>FY 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>£17.6m</td>
<td>£20.6m</td>
<td>£42.4m</td>
<td>£38.9m</td>
</tr>
<tr>
<td><em><em>Underlying</em> Operating Profit</em>*</td>
<td>£1.0m</td>
<td>£1.0m</td>
<td>£2.3m</td>
<td>£2.0m</td>
</tr>
</tbody>
</table>

- Division refocussing on higher value added projects resulting in increased margin
- Business development includes expansion of US & Singapore based activities
# Group Income statement

<table>
<thead>
<tr>
<th></th>
<th>H1 2015/16 £m</th>
<th>H1 2014/15 £m</th>
<th>FY 2014/15 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>79.6</td>
<td>64.5</td>
<td>145.8</td>
</tr>
<tr>
<td>Underlying profit</td>
<td>7.1</td>
<td>3.6</td>
<td>11.3</td>
</tr>
<tr>
<td>Exceptional Items</td>
<td>(1.8)</td>
<td>(3.3)</td>
<td>(6.0)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>5.3</td>
<td>0.3</td>
<td>5.2</td>
</tr>
<tr>
<td>Net finance expense</td>
<td>(0.1)</td>
<td>0.1</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>5.2</td>
<td>0.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Tax</td>
<td>(1.3)</td>
<td>(0.3)</td>
<td>(2.2)</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>3.9</td>
<td>0.1</td>
<td>2.6</td>
</tr>
<tr>
<td>EPS – Underlying</td>
<td>18.6p</td>
<td>11.7p</td>
<td>31.3p</td>
</tr>
</tbody>
</table>

Performance improvement from acquired business and organic growth

Exceptional items relate to ACM Merger

Effective tax of 25% (2014: 25.2%) reflecting disallowed business costs and share based payments
## Group Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>H1 2015/16 £m</th>
<th>H1 2014/15 £m</th>
<th>FY 2014/15 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill and other intangibles</td>
<td>78.8</td>
<td>80.6</td>
<td>79.4</td>
</tr>
<tr>
<td>Fixed assets and investments</td>
<td>7.7</td>
<td>12.4</td>
<td>8.2</td>
</tr>
<tr>
<td>Current assets</td>
<td>63.0</td>
<td>57.2</td>
<td>57.4</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(40.0)</td>
<td>(37.5)</td>
<td>(42.9)</td>
</tr>
<tr>
<td>Pension</td>
<td>(1.3)</td>
<td>(1.4)</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Provisions / Other</td>
<td>(1.7)</td>
<td>(3.5)</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Net Cash / (debt)</td>
<td>(3.1)</td>
<td>(4.9)</td>
<td>7.2</td>
</tr>
<tr>
<td>Net Assets</td>
<td><strong>103.3</strong></td>
<td><strong>104.3</strong></td>
<td><strong>102.9</strong></td>
</tr>
</tbody>
</table>

Intangibles reducing as ACM forward order book earns out

Increased working capital due to business growth

Modest net debt position
# Group Cashflow Statement

<table>
<thead>
<tr>
<th></th>
<th>H1 2015/16 £m</th>
<th>H1 2014/15 £m</th>
<th>FY 2014/15 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashflow from operations</td>
<td>(4.1)</td>
<td>(4.0)</td>
<td>3.4</td>
</tr>
<tr>
<td>Acquisitions (net)</td>
<td>-</td>
<td>(10.2)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>(0.6)</td>
<td>(1.1)</td>
<td>(4.9)</td>
</tr>
<tr>
<td>Net Borrowings</td>
<td>1.9</td>
<td>14.8</td>
<td>9.1</td>
</tr>
<tr>
<td>Dividends/purchase of own shares</td>
<td>(4.9)</td>
<td>(3.5)</td>
<td>(5.8)</td>
</tr>
<tr>
<td>Movements in cash</td>
<td>(7.7)</td>
<td>(4.0)</td>
<td>1.4</td>
</tr>
<tr>
<td>Cash at period end</td>
<td>7.9</td>
<td>9.9</td>
<td>16.3</td>
</tr>
<tr>
<td>Net (debt)/cash</td>
<td>(3.1)</td>
<td>(4.9)</td>
<td>7.2</td>
</tr>
</tbody>
</table>

- **Increased working capital to support business growth**
- **Prior year capital expenditure for move to One Strand**
- **Dividend increase following issue of shares for ACM acquisition**
- **Normal business cycle indicates that H2 will be more cash generative than H1**
Strong and consistent dividend yield

Proposed interim dividend of 9p remains unchanged

Objective to rebuild cover to 1.5 x

Purchase of own shares equivalent to 1p on dividend during H1

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

Fleet growth indicates strong future for the marine sector
Projected population growth and energy consumption indicate medium and long term growth in related sectors.
Braemar Outlook

<table>
<thead>
<tr>
<th>Analyst</th>
<th>Report Issued</th>
<th>Underlying Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westhouse</td>
<td>19/5/15</td>
<td>£13.9m</td>
</tr>
<tr>
<td>Cenkos</td>
<td>20/5/15</td>
<td>£13.8m</td>
</tr>
<tr>
<td>Edison</td>
<td>28/5/15</td>
<td>£13.6m</td>
</tr>
<tr>
<td>Charles Stanley (now Panmure Gordon)</td>
<td>6/7/15</td>
<td>£13.0m</td>
</tr>
<tr>
<td><strong>Consensus (mean)</strong></td>
<td></td>
<td><strong>£13.6m</strong></td>
</tr>
</tbody>
</table>

- No significant changes in outlook since results for 2014/15 were issued in May 2015
Summary

- Diversified portfolio of businesses allowing Braemar to respond to market volatility
- Strong and consistent dividend yield
- Results and outlook in line with expectations
- Opportunity for medium and long term organic growth
- Strong balance sheet offers potential to take advantage of external growth opportunities
# Board of Directors

## Executive Directors

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</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>

## Non-Executive Directors

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</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>
</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