



BRAEMAR

Preliminary Results

Year ended 28 February 2021

Braemar Refocused

A NEW STRATEGY CENTRED ON SHIPBROKING

1



Braemar has a new leadership team & new direction
CEO James Gundy



Refocusing on core Shipbroking
– **Strong track record of growth over last five years**



Streamlined business structure set for future growth



Balance Sheet Strengthened
– **Net bank debt down 56%**



FY2021 – An unprecedented year

Robust performance in face of Covid disruption and global trade slow down

Results ahead of upgraded expectations

Net debt down by 56%

Reinstatement of dividend and progressive dividend policy

Continued investment in future growth

- New hires and offices in Geneva and Athens
- Technology partnership with Zuma Labs

Strategy refocused on Shipbroking

Strategic Progress Since year end

Appointment of new Chairman, Nigel Payne

Disposal of remaining AqualisBraemar shares

- Further balance sheet strengthening

Rescheduling of Naves acquisition liabilities provides additional short term liquidity

- Planned integration of Financial and Shipbroking divisions
- Combined expertise in shipping investment and risk management

Joint venture planned between Logistics division (“Cory”) and Vertom

- Prospects of faster growth as combined business

Wavespec disposal completed

Encouraging start to current year trading

Summary Results

Continuing Operations

£m	FY 2020/21	%	FY 2019/20
Revenue	111.8	(5)%	117.7
Underlying Operating Profit	8.9	(19)%	11.0
Underlying Profit before tax	8.1	(14)%	9.4
Reported Profit/(loss) before tax	9.4	49%	6.3
Underlying EPS	19.40	(34)%	29.45
Dividend per share	5p	-	5p
Operating cash flow	14.7	39%	10.6
Net bank debt	8.9	(56%)	20.0

- Revenue and profits higher than adjusted pre-Covid expectations
 - showing resilience in face of Covid
- Reported profit includes £2.2m from disposal of AqualisBraemar shares
- Strong operating cash flow and reinstatement of dividends
- Reduction of net bank debt – reduced down further to ~£6m net debt at end of May

Divisional Revenue and Underlying Operating Profit

	FY 20/21					FY 19/20		
	Revenue £m	Rev. Growth	Profit £m	Profit Growth	Margin %	Revenue £m	Profit £m	Margin %
Shipbroking	77.7	(5.6)%	10.1	(14.4)%	13.0%	82.4	11.8	14.3%
Financial	6.0	0.6%	1.0	(6.1)%	17.3%	5.9	1.1	18.6%
Logistics	28.1	(4.3)%	1.2	16.4%	4.2%	29.3	1.0	3.5%
Central	-	-	(3.4)	-	-	-	(2.9)	-
	111.8	(5.0)%	8.9	(19.2)%	8.0%	117.7	11.0	9.4%

- Resilient revenue performance in face of declines in global trade
- Margins held up well especially in Logistics
- Investment in new teams continued
- Some impact of bad debt charges in Financial division and FX in central cost comparison

Shipbroking Division – Braemar ACM

	FY 2020/21	FY2019/20
Revenue	£77.7m	£82.4m
Underlying operating profit	£10.1m	£11.8m
Margin	13.0%	14.3%
Forward order book	\$43.3m	\$49.7m

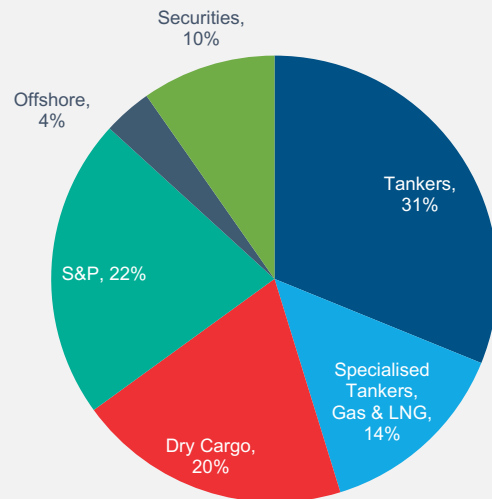
- Benefits of diversified broking desks:
 - Strong tanker markets in first half but tailing off in second half due to reduced oil demand
 - Dry Cargo and S&P strong second half to the year
 - Derivatives markets strong throughout due to volatility
- Investment in key new teams and offices in Geneva and Athens
 - Short term impact on operating margin
- Forward order book grown to \$50.5m post year end

Shipbroking Division

- Diversifying revenues

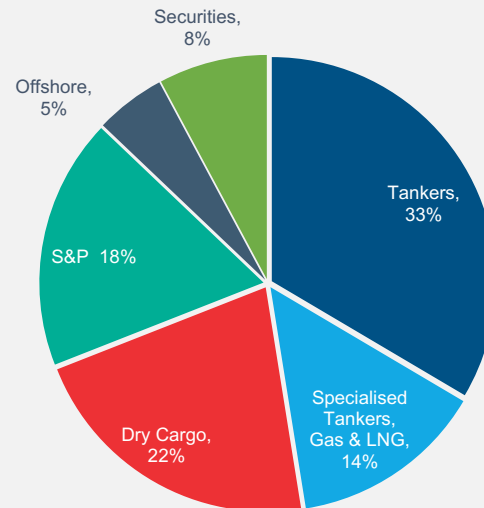
£77.7m

FY21 – Revenue



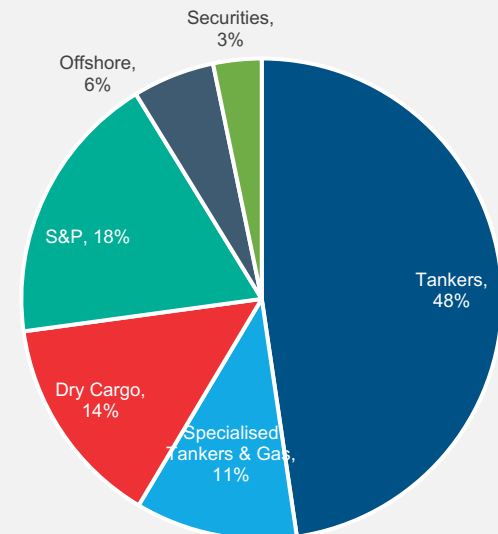
£82.4m

FY20 – Revenue



£70.7m

FY16 – Revenue



Financial Division – Braemar Naves

	FY 2020/21	FY 2019/20
Revenue	£6.0m	£5.9m
Underlying Operating Profit	£1.0m	£1.1m
Operating Margin	17.3%	18.6%

- Significant increase in mandates
- Higher success fees
- Activity driven by M&A market in container vessels and boxes
- Restructuring activity picking up in Europe
- Margins impacted by bad debt charges

	FY 2020/21	FY 2019/20
Retainer only	2	5
Retainer + success fee	12	12
Success fee only	32	19
Number of mandates	46	36
Retainer income	£2.7m	£3.7m
Success fees	£3.3m	£2.2m
Income	£6.0m	£5.9m

Logistics Division – Cory Brothers

Port Agency

	FY 2020/21	FY 2019/20
Revenue	£8.1m	£8.4m
Underlying operating profit	£0.9m	£0.8m
Margin	11.1%	9.5%

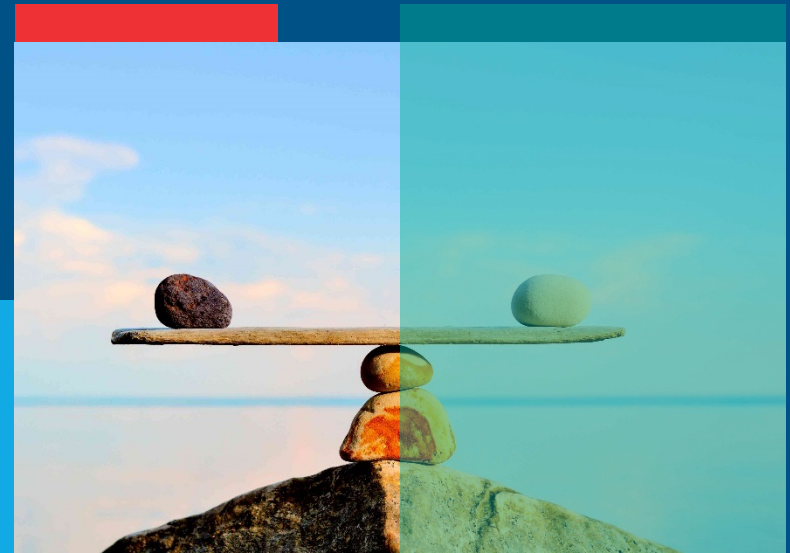
Freight Forwarding

	FY 2020/21	FY 2019/20
Revenue	£20.0m	£21.0m
Underlying operating profit	£0.3m	£0.2m
Margin	1.5%	1.0%

- Freight forwarding gained new business post Covid
- Brexit related activity strong toward end of the year
- Margin improvement
- Strong recovery in UK Hub agency business after initial Covid slow down
- Growth in overseas agency business – particularly in the US
- Discussions with Vertom ongoing

Cory Vertom Joint Venture potential

- ✓ Joint port agency and freight forwarding operations
- ✓ Two existing JVs together for ~10 years
- ✓ Complementary cultures and values
- ✓ Initially working together on profit sharing basis
- ✓ Cost and operational synergies
- ✓ Broader European and Global coverage
- ✓ A stronger business together promoting quicker growth



Vertom Agencies Group BV is part of a privately owned ship owning, charterer and agency business based in the Netherlands, established in 1974

AqualisBraemar



Disposal of shares

	FY 2020/21	FY 2021/22
Number of shares	9,600,000	9,640,261
Sale proceeds	NOK 7.5 per share	NOK 9.0 per share
Profit on disposal of shares	£2.2m	£3.9m
Net cash proceeds	£6.0m	£7.2m

Income statement movement

	FY 2020/21	FY 2019/20
Sale of shares	£3.5m	-
Movement in fair value of warrants	£(0.4)m	£0.4m
Included in specific items	£3.1m	£0.4m
Share of trading profit	£0.3m	£0.4m

Included in acquisition and disposal related items is a gain of £3.1m in respect of the disposal during the year and other movement valuation of the investment (2020: gain of £0.4m)

Included in share of profit is a gain of £0.3m in respect of our share of AQB's results (2020: gain £0.4m)

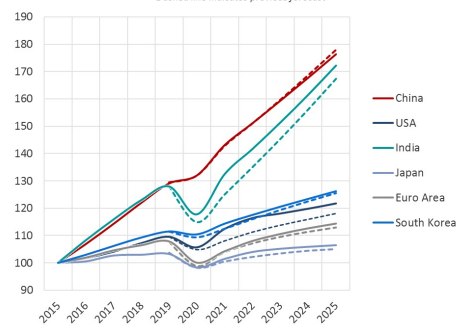
Remaining shares sold in May 2021 - interest now limited to 1m warrants to vest in June 2021

Shipping market drivers

Economic recovery underway

IMF GDP Forecast (April 2021)

Dashed line indicates previous forecast



Chinese economic growth has barely missed a beat

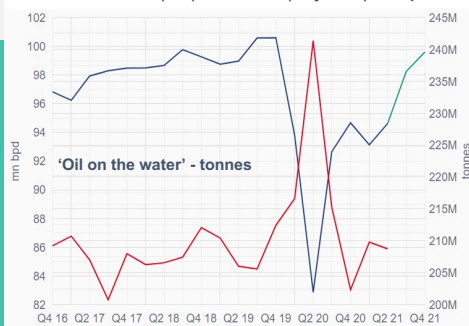
Chinese and other East Asian imports are the key drivers of tanker and bulk demand

IMF Growth forecasts for 2021 and beyond seemingly unaffected by Covid

Tanker market weakness today is expected to be short-lived as oil demand recovers and OPEC opens its taps

The IEA expects oil demand to recover quickly compared to post financial crisis

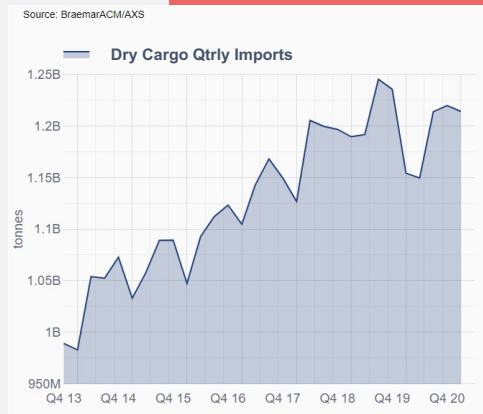
Oil demand (IEA) + Forecast (May 2021) – mbpd



Source: BraemarMarkets

Shipping market drivers

Dry Cargo demand has proved more stable through the Covid pandemic



Dry bulk demand has been shielded from the pandemic thanks to stimulus spending – particularly on infrastructure projects

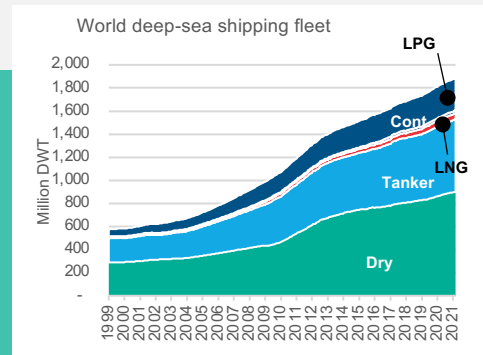
Strong Chinese economic growth and population expansion are key supports to bulk demand

Shipping demand has doubled since the financial crisis

Demand for shipping has doubled in the past decade

Larger fleets increase opportunities for shipbroking sector

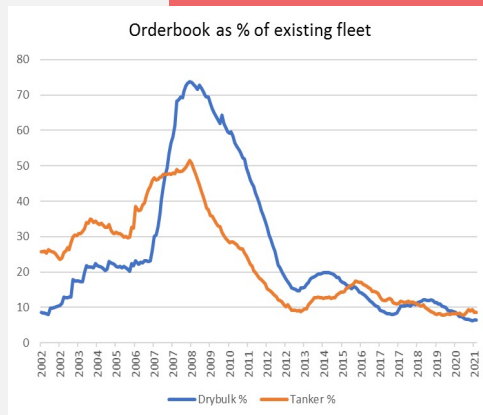
Trade growth broadly follows the economic growth of key importing nations



Source: BraemarMarkets

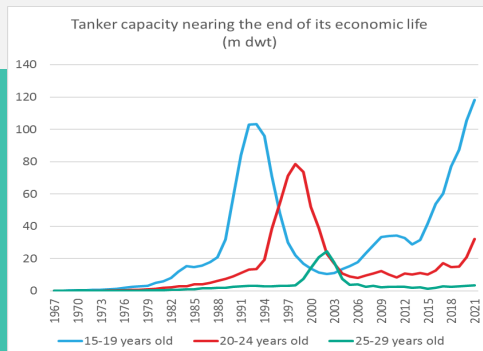
Shipping market drivers

Historically limited ordering of new ships bodes well for stronger markets



Strong freight markets rely on demand for shipping outpacing its supply
Today's small inventory of newbuilding projects is a strong market signal

New building orders at 20-year low



Many charterers are looking for younger, more efficient vessels – hastening the exit of older units
ESG increasingly influential in ship finance and chartering markets

Older vessels becoming obsolete

Source: BraemarMarkets

Future Direction

Growth Opportunities

Grow Shipbroking capability and breadth by

- strategic acquisitions of talent and new desks
- increasing our market share
- technology driven innovation

Closer integration of Braemar Naves

- extend advisory services

Grow Cory in conjunction with Vertom in new JV

Widen derivatives capability

- in support of physical desks

Offshore renewables

- growing current capability
- replacement for declining offshore oil industry

Supporting the industry wide drive for cleaner shipping

- alternative fuels

Future Direction

Growth Opportunities

Infilling gaps, geographies and markets and increasing market share:

- Increase US presence
- Develop European offices
- Build on recent expansion in Singapore
- Expand derivatives coverage
- Grow renewables capability

	Tankers	Specialised	Derivatives	Dry Cargo	Sale and Purchase	Offshore & Renewables	Finance			
London										Very Strong
Europe										Strong
Middle East										Moderate
Apac										Opportunities
Americas										

Future Direction

Growth Opportunities

Technology Innovation

- A Strategic Investment in technology via our joint venture with Zuma Labs
- A comprehensive solution for all our broking desks
- An improved workflow with better access to markets
- A complete set of data and market information that is easily accessible for our brokers and clients

Projects completed so far -

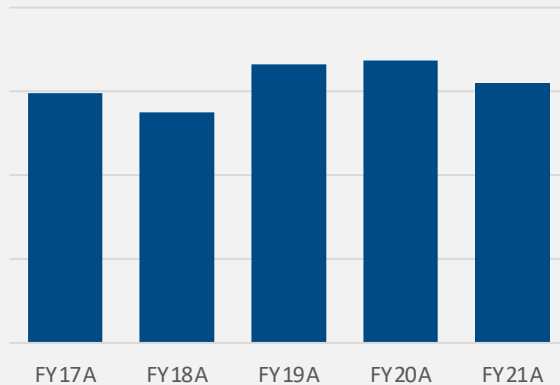
- The successful launch of a bespoke platform for Dry FFA
- The 'Venetian' platform an access point for external and internal price sharing across desks



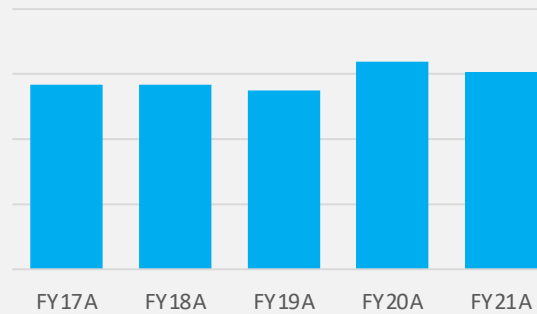
Key Performance Indicators

- *for future measurement of growth plans*
- *targets to be set later in the year*

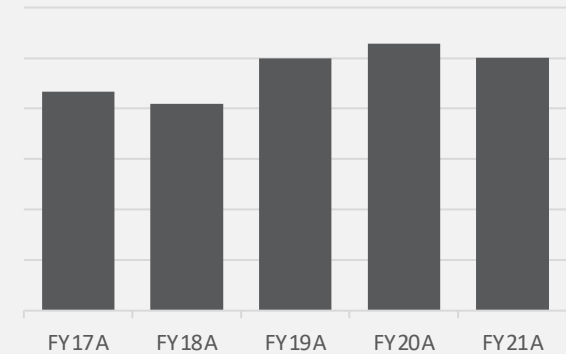
Revenue Per Head (\$'m)



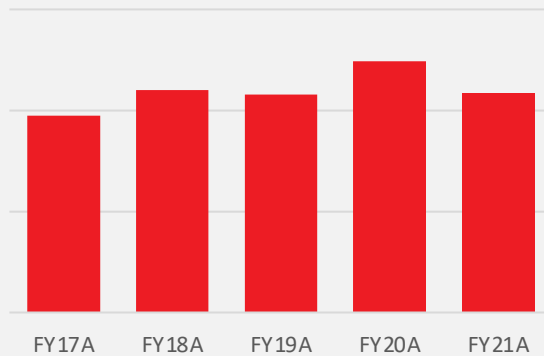
Underlying Operating Profit Margin (%)



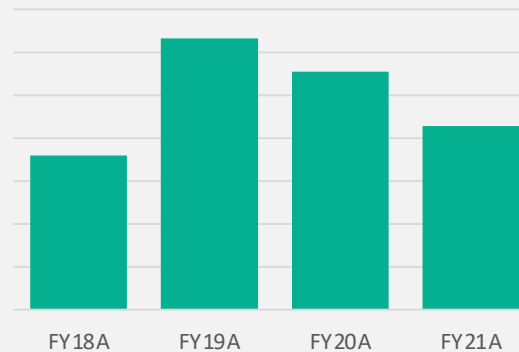
Revenue (\$'m)



Forward Order Book (\$'m)



Total Leverage Debt Ratio Annual Average



Note:

Shipbroking data only apart from leverage ratio

Current Trading and Outlook

- Shipbroking started ahead of expectations – forward order book up to \$51m
- Naves expecting much stronger 21/22
- Cory benefitting from new business wins and Brexit driven increase in demand
- USD revenue growth expected in 21/22 but will be affected by current exchange rates
- Net Debt reduced further post year end with further AQB share sale - £6m at end of May
- Management focus on ESG with formation of CSR committee led by COO
- Shipping industry set for rebound and period of change
- Braemar is well positioned to take advantage of favourable market conditions

Summary

New CEO and Chairman

Balance sheet strengthened

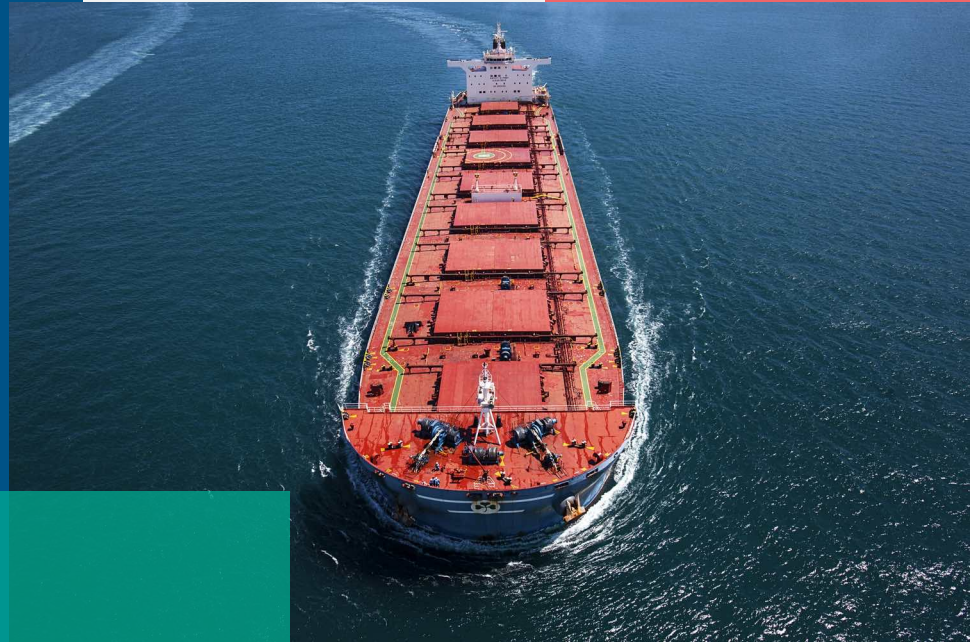
Dividend restored

Integration
of Financial and Shipbroking divisions

Potential joint venture between
Cory and Vertom

Recent actions enable management to
focus on growth

Looking to the future with confidence



Q&A



Shipbroking Business Model

Chartering

- Commission on freight paid for single voyages and longer-term charter-hire
- Income rises as freight market improves

Sale & Purchase

- Commission on value of assets bought or sold (second hand, newbuilding and recycling)
- Income rises as asset values rise

Valuation

- Fees for valuing ships / fleets
- Income rises as more ships are valued

Securities

- Commission on volume of paper contracts traded (freight, coal etc.)
- Income rises as volume of paper traded increases – often in tandem with market volatility

Corporate Finance

- Commissions are earned for arranging vessel finance with suitable lenders and can be paid by lenders or owners
- Fees for providing advisory and restructuring services

Structured deals – single deals combine several elements of commission and fee-generating business

Timeline

A streamlined and focused Group with stronger balance sheet

2019

Shipbroking

Logistics

Financial

Technical
Services

June 2019 – **Disposal of Technical Services**



February 2020 – **Total debt £30m**



January 2021 – **Sale of 50% of AQB** shares for £6m



February 2021 – Agreement to integrate **Naves into Shipbroking**



Q1 2021 - **Disposal of Wavespec**



2021 - **Cory/Vertom JV**



May 2021 – **Sale of remaining AQB** shares for £7.2m

2021

Shipbroking
(inc Naves)

Disposal of
Wavespec

Vertom/Cory joint
Venture

Total bank debt at
end of May 2021
~£6m

Group Specific Items

Other operating costs & restructuring costs

Acquisition related items:

- Braemar ACM
- Braemar Naves
- Braemar Atlantic
- Attributed Interest
- Revaluation of AqualisBraemar warrants
- Disposal of AqualisBraemar shares

Loss from discontinued operations

Taxation

TOTAL

FY 2020/21 £m	FY 2019/20 £m
(0.3)	(1.3)
(0.1)	(0.2)
(0.8)	(1.2)
(0.3)	(1.1)
(0.4)	(0.5)
(0.3)	1.1
3.5	-
(0.8)	(0.9)
0.2	0.2
0.7	(3.8)

Discontinued Operations

Disposal of Wavespec

	FY 2020/21 £m	FY 2019/20 £m
Revenue	1.6	3.1
Costs	(3.4)	(4.5)
Specific items	(0.3)	(0.9)
Impairment to fair value less cost to sell	(0.4)	-
		-
Total loss from discontinued operations	(2.5)	(2.3)

Group Balance Sheet

	FY 2020/21 £m	FY 2019/20 £m
Goodwill and other intangibles	86.1	86.2
Non-Current Assets	16.8	21.2
Investment in AqualisBraemar	3.3	7.3
Investment in Zuma Labs	0.4	-
Current assets	37.3	39.5
Current liabilities	(47.9)	(50.1)
Convertible loan notes and deferred consideration	(10.3)	(10.4)
Net Assets held for sale (net of cash)	0.3	0.0
Provisions / Other long term liabilities	(13.3)	(16.3)
Net (debt) / Cash	(8.8)	(20.0)
Net Assets	63.6	57.4

Group cash flow

	FY 2020/21 £m	FY 2019/20 £m
Opening Cash	28.8	28.0
Cashflow from continuing trading operations	14.7	10.6
Discontinued operations & specifics	-	-
Movement on borrowings and liabilities	(31.5)	2.7
Net interest payment	(1.2)	(1.5)
Net capital expenditure	(1.1)	(1.7)
Tax paid	(0.8)	1.2
Acquisition / disposals	7.0	(5.1)
Dividends/purchase of own shares	(0.9)	(4.6)
FX Impact	(0.7)	(0.8)
Movements in cash	(14.5)	0.8
Net cash	14.2	28.8
Short term borrowings	(23.0)	(48.8)
(Net Bank Debt)	(8.9)	(20.0)

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. This document contains forward-looking statements, including, without limitation, statements containing the words "targets", "believes", "expects", "estimates", "intends", "may", "plan", "will", "anticipates" and similar expressions (including the negative of those expressions). Braemar believes that the expectations reflected in these statements are reasonable, but forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of Braemar, or industry results, to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements. Factors that might cause a difference include, but are not limited to, the risk factors set out in Braemar's latest Annual Report, which is available from its website. The forward-looking statements contained in this document are made on the date of this document, and Braemar is not under any obligation to update those forward-looking statements in this presentation to reflect actual future events or developments.

To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as Braemar is aware, no facts have been omitted which may render the reproduced information inaccurate or misleading.

You should not do anything (including entry into any transaction of any kind) or forbear 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.

Braemar uses alternative profit measures ("APMs") as key financial indicators to assess underlying performance of the Group. Management considers the APMs used by the Group to better reflect business performance and provide useful information to investors and other interested parties. Our APMs include underlying operating profit and underlying basic earnings per share. Explanations of these and their calculations are shown in details in our annual report.

BRAEMAR

An aerial photograph of a large container port. In the foreground, a massive container ship is docked, its deck covered with stacks of colorful shipping containers. Several large blue gantry cranes are positioned along the ship's length. The background shows more stacks of containers and more cranes, extending towards a body of water and distant mountains under a clear sky. The image is divided into three vertical panels with different color tints: blue on the left, purple in the middle, and teal on the right.

James Gundy
Group Chief Executive Officer

E: james.gundy@braemar.com
T: +44 (0) 20 3142 4100

Nick Stone
Group COO
& Finance Director

E: nick.stone@braemar.com
T: +44 (0) 20 3142 4100