



FY24 Results

*'Robust trading performance
with a platform for growth'*

23 May 2024



Management team



James Gundy - CEO



James has worked in shipbroking for over 35 years, specialising in Tankers and Sale & Purchase projects. He became the Chief Executive Officer of Braemar's Shipbroking Division after the acquisition of ACM Shipping Group PLC, where he had also served as CEO. James was appointed Group CEO in January 2021 and remains an active broker



Grant Foley FCA - CFO



Grant joined in August 2023 with over 25 years of experience in leading public and private companies in the financial services and technology sectors, including a number of broking businesses. As Group Chief Financial Officer and Chief Operating Officer of CMC Markets Plc, he was instrumental in the company's successful IPO



Tris Simmonds - COO



Tris has over 30 years of experience in the commodities industry. He worked at GFI Group for 14 years before founding Atlantic Brokers in 2013, which was sold to Braemar in 2018 to create its derivative brokerage business. He joined the Board of Braemar Shipping Services PLC in August 2021

Business Update

‘Our strategy is delivering a more diversified and resilient business’

James Gundy, CEO

Highlights

£152.8m

Revenue (FY23: £152.9m)

Revenue sustained following
51% growth in the prior year
(FY22: £101.4m)

£18.1m

Underlying operating profit¹
(FY23: £20.1m)

Performance in line with
market expectations

£1.0m

Net cash (FY23: £6.9m)

Positive cash position
maintained

+8%

Growth in total fixtures²

Group continues to gain
market share

\$82.6m

Forward Order Book³
(FY23: \$56.2m)

Increased by 47% from prior
year

13p

Total Dividends (FY23: 12p)

Up 8% in line with progressive
dividend policy

Notes:

1. Underlying operating profit before acquisition-related expenditure
2. A fixture is a completed agreement between ship owner and charterer
3. Forward Order Book – Estimated commissions that will be invoiced in future periods based on agreed deals

Our business

400+ people in 16 offices across 12 countries with 3 divisions providing a fully integrated Shipbroking and Securities offering for our clients



Chartering

Working with our clients to meet their short and long-term chartering requirements using our expertise and market intelligence

Commission revenue earned. Generated as a percentage of the total freight or time charter cost, in USD



Chartering Desks

- █ Tankers
- █ Dry Cargo
- █ Specialised Tankers
- █ Offshore
- █ Liquified Natural Gas (LNG)
- █ Liquified Petroleum Gas (LPG)



Investment Advisory

Sales and purchase of new and second-hand vessels as well as Corporate Finance to support clients' needs

Revenues earned on a deal-by-deal basis. Typically, a percentage of transaction value in USD



Corporate Finance

Sale & Purchase Desks

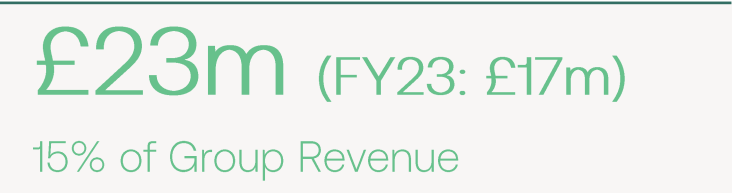
- █ New Build
- █ Second Hand
- █ Valuations
- █ Offshore
- █ Recycling/End of Life



Risk Advisory

Execution services in energy and shipping products used for hedging and speculation

Brokerage revenues earned. The Group does not take balance sheet risk



Securities Desks

- █ Forward Freight Agreements ("FFAs")
- █ Coal
- █ Natural Gas
- █ Oil

Building resilience

Over recent years the Group has been simplified and focused on successfully building a more diversified revenue mix in Shipbroking and Securities

2014	2018	2021	2022–2023	2024 on
Braemar acquires ACM Growing the overall coverage of the Group, particularly in Tankers	Acquisition of Atlantic Brokers Expansion into the energy securities markets and provides a vehicle to add additional products	Simplify and refocus Management and Board change. James Gundy becomes CEO and starts to simplify the business, focusing on Shipbroking and Securities Disposals of non-core businesses	Tanker acquisitions and further expansion of Securities offering Group starts to execute its growth strategy. Acquires Southport Maritime Inc giving a strong footprint in the USA, acquires a Tanker Desk in Spain and hires a Natural Gas Securities team	A platform for growth The Group has built a strong platform that will support its growth ambitions, enabling it to scale and improve operating margins going forward
FY14 Revenue ¹ £41m	FY18 Revenue ¹ £66m	FY21 Revenue ¹ £84m	FY22 Revenue ¹ £101m	FY24 Revenue ¹ £153m

Investment case

The Group has a clear investment case led by a strong and experienced management team

Growth Strategy

Clear growth strategy; hiring talent, geographic expansion and M&A

The Group is a consolidator in a fragmented market, providing opportunities to build teams as well as grow through selective M&A

Scale

400+ staff in 16 offices to meet our clients' needs

The Group has built a platform for growth. As the business continues to grow, operating margins will improve

Positive Market Drivers

Global trade continues to increase and ship supply remains constrained

Global Seabourne trade continues to grow, and the overall global fleet remains low by historic standards presenting attractive fundamentals

Dividend

Progressive dividend policy

FY24 total dividends of 13p, up 8% on prior year

Growth Strategy

'We have a very clear growth strategy that we will continue to execute'

Tris Simmonds, COO

Growth strategy

Three clear areas for growth



Organic Expansion

- Opportunities to expand capabilities with new desks and grow existing teams
- Geographic expansion
- Product expansion
- Investment in training and retention

Actions taken

- Opened Corporate Finance offices in Singapore and Athens
- Launched Natural Gas and Oil derivatives desks



M&A

- Market remains fragmented, presenting acquisition opportunities
- Global reach and reputation make Braemar an attractive acquirer
- Business has a platform to support acquisitions and increase margins

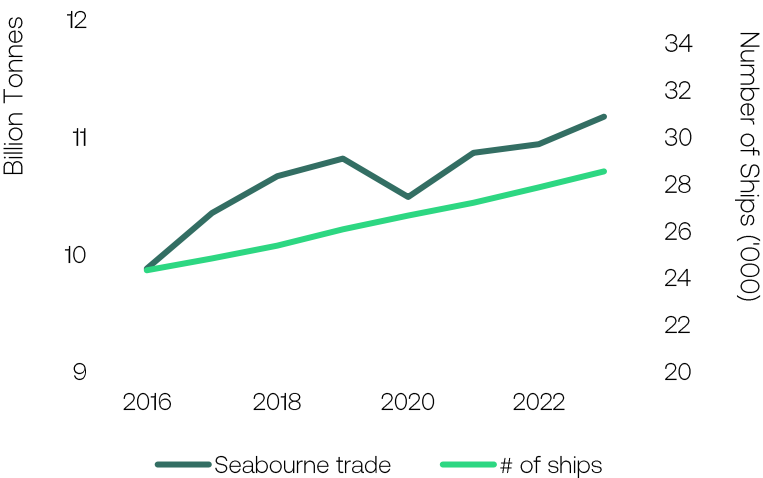
Actions taken

- Self-funded acquisitions of Southport Maritime Inc. and Madrid Tanker Desk



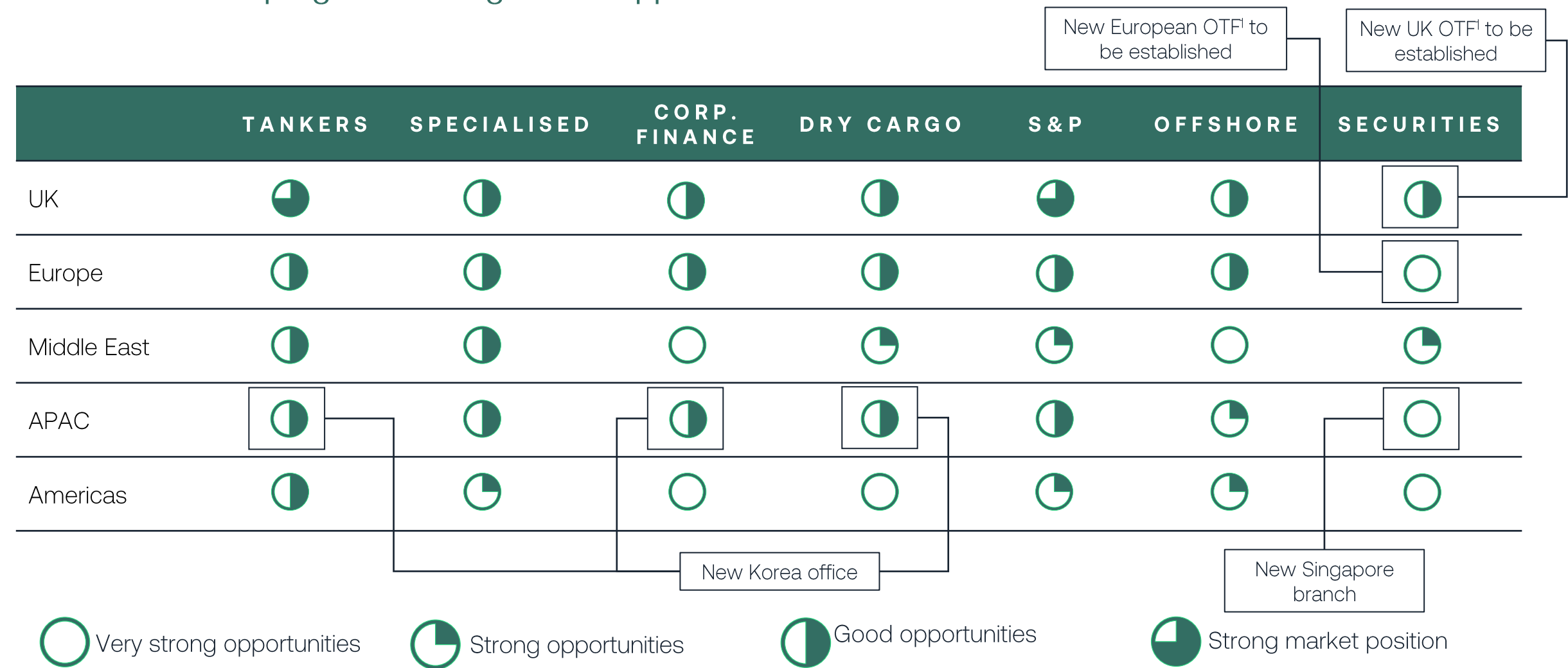
Market Growth

- Global trade continues to grow
- The size of the global fleet remains low by historic standard, presenting strong demand
- Increasing regulation and environmental concerns are creating new opportunities



Growth opportunities

Continue to make progress and significant opportunities remain



Our people

Our people are critical to our ongoing success

Headcount

409

Average over the financial year

No. of Brokers

250

Average over the financial year

Diversity

25%

Percentage of female staff

Trainee Brokers

35

Strong pipeline of future brokers to support growth

Development

6

Number of promotions from within to desk heads

Revenue Per Head

£373k

Average revenue per head, based on total headcount

Financial Performance

‘Diverse revenue mix delivering a resilient performance’

Grant Foley, CFO

Income Statement

Underlying operating profit in line with expectations and double that of FY21

	F Y 2 4	F Y 2 3	V A R
Revenue	£152.8m	£152.9m	-
Operating expenses (excluding acquisition related expenditure)	(£134.7m)	(£132.8m)	(1%)
Underlying operating profit	£18.1m	£20.1m	(10%)
<i>Margin</i>	<i>12%</i>	<i>13%</i>	
Acquisition-related expenditure	(£1.5m)	-	(100%)
Reported underlying operating profit	£16.5m	£20.1m	(18%)
Profit before tax (statutory)	£7.5m	£9.5m	(20%)
Underlying EPS	36.62p	46.22p	(21%)
Dividend	13p	12p	8%

Revenue maintained. Strong performance in Tankers and Securities offset weaker performance in Dry Cargo (rates driven) and lower Investment Advisory revenues. Demonstrating the value of the Group's diversified revenue mix.

Operating expenses increased mainly due to negative foreign exchange swing.

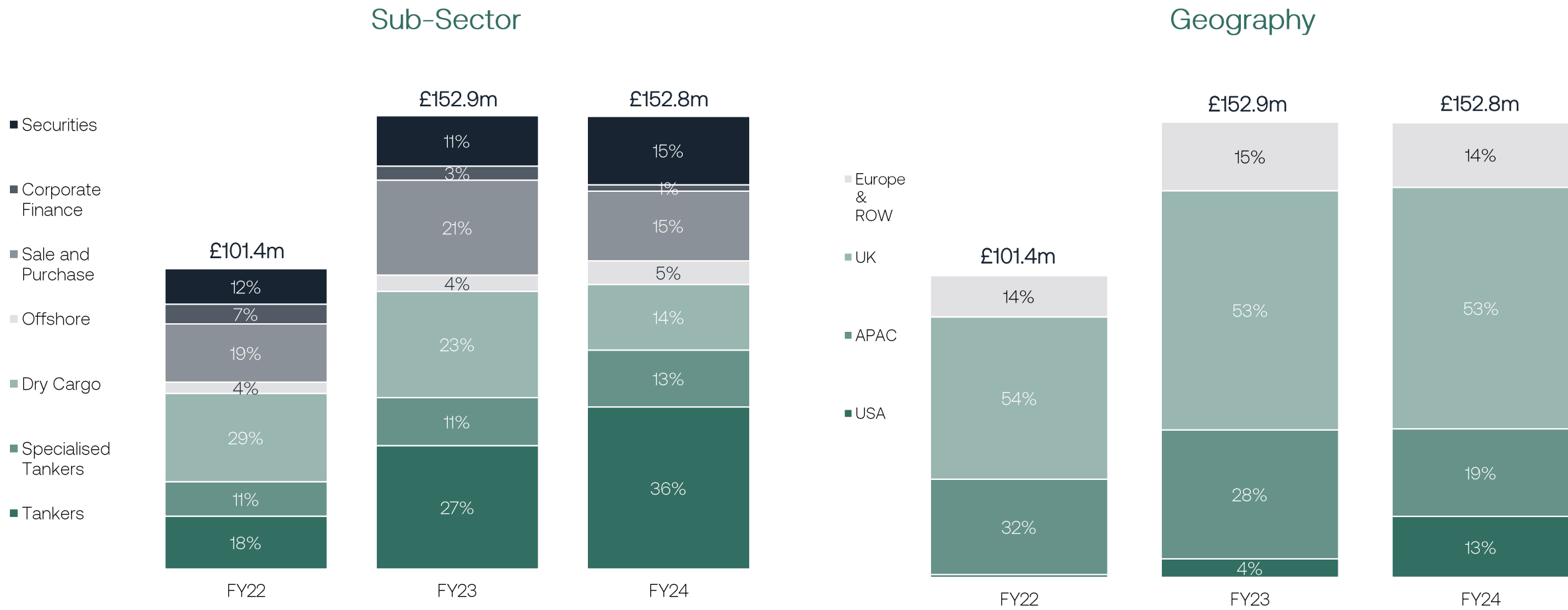
Underlying operating profit before acquisition related expenditure in line with expectations and double that of FY21.

Specific charges of £7m include Southport acquisition costs of £4m and £3m in relation to the internal independent investigation.

Full year dividend of 13p, up 8% on prior year.

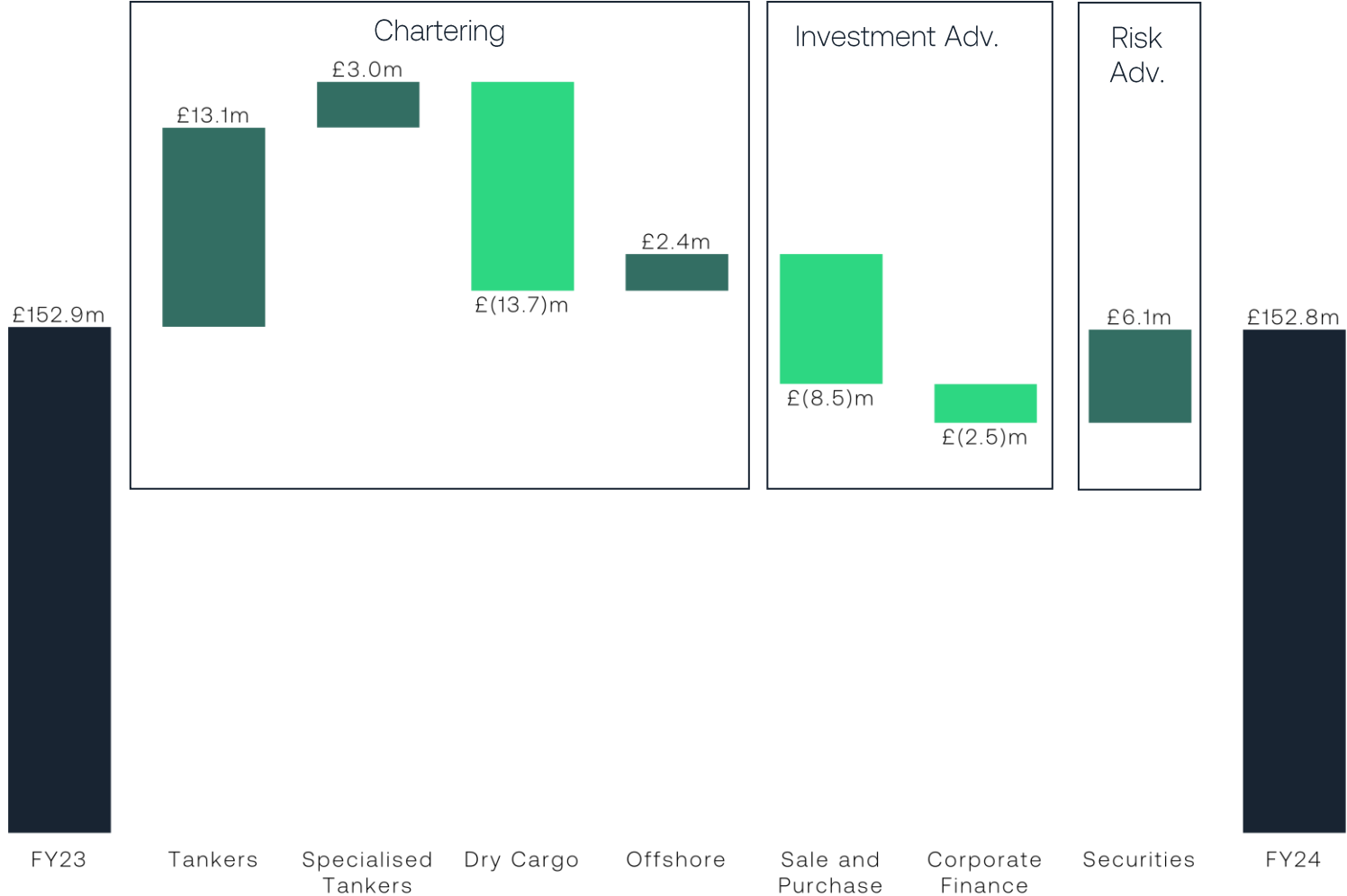
Well Balanced Revenue Mix

The Group is delivering a more diversified revenue mix by sector and geography



Increasingly resilient

The Group achieved £153m revenue, despite mixed market conditions



Improved Tanker performance was driven by acquisitions.

Dry cargo revenue was £14m lower than the prior year, primarily due to lower rates.

Investment advisory segment saw weaker market activity than the prior year, but the outlook is positive, with a strong forward order book.

Securities business continued to grow strongly, increasing 36% from the prior year, following the introduction of the Natural Gas desk.

Chartering Volumes and Rates

Chartering revenue grew 5%. Growth in overall fixture volumes of 8% offset lower Dry Cargo rates

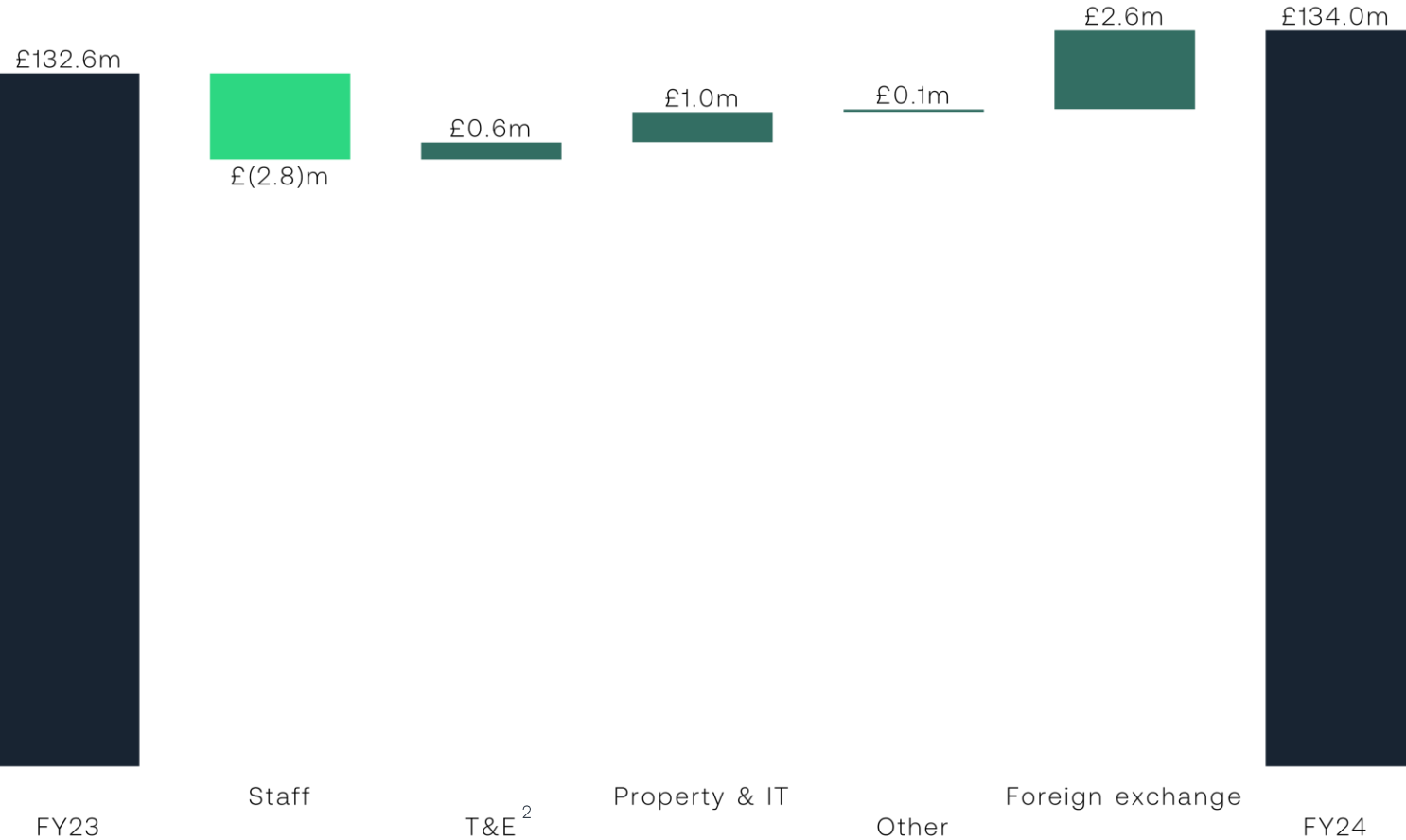


Chartering fixture volumes grew by 8%, driven by the acquisitions in Tankers and the growth of the offshore business.

This was offset by significantly weaker rates in Dry Cargo (c.35% from prior year) offset by improved rates in Specialised Tankers and Offshore.

Operating costs¹

Operating costs up just 1% on the prior year, mainly driven by foreign exchange movements.



Staff cost decreased due to a reduction in bonuses payable, partly offset by the increase in headcount

Travel & Entertainment cost increased mostly due to an increase in headcount

Property & IT cost increased through acquisitions

Foreign exchange translation was a £1.5m gain in the prior year, swinging to a loss of £1.1m in the current year

Notes:
1. This does not include acquisition-related expenditure or impairment of financial assets
2. Travel & Entertainment costs

Liquidity

Positive cash position maintained

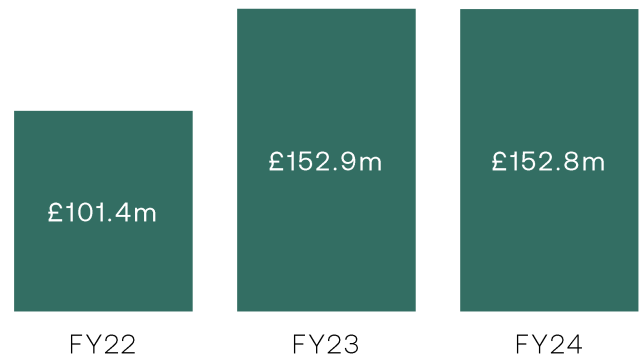
	FY 24	FY 23	VARIANCE
Cash and cash equivalents	£27.9m	£34.7m	(£6.7m)
Borrowings	(£26.9m)	(£27.8m)	£0.9m
Net cash	£1.0m	£6.9m	(£5.9m)

Year-end cash position lower than prior year due to payments of tax on account (£1m), cost of internal independent investigation (£2.6m) as well as some bonus payments paid before the year end (£2m)

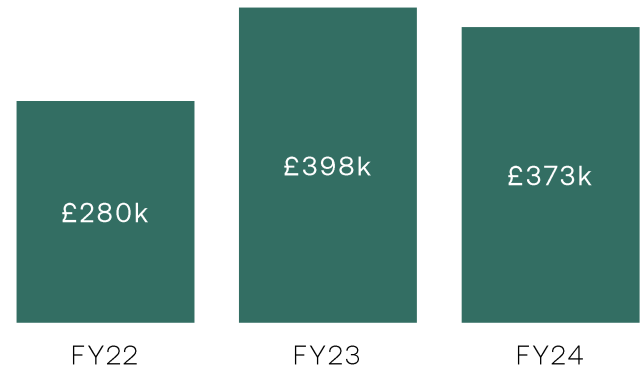
The Group has a £30m RCF plus an accordion limit of £10m.

Key performance indicators

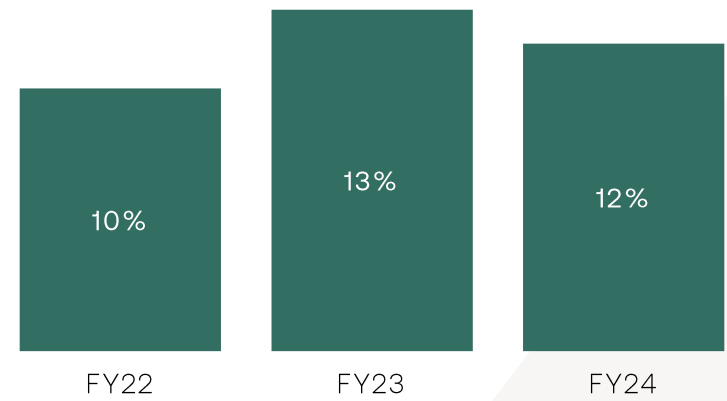
Revenue



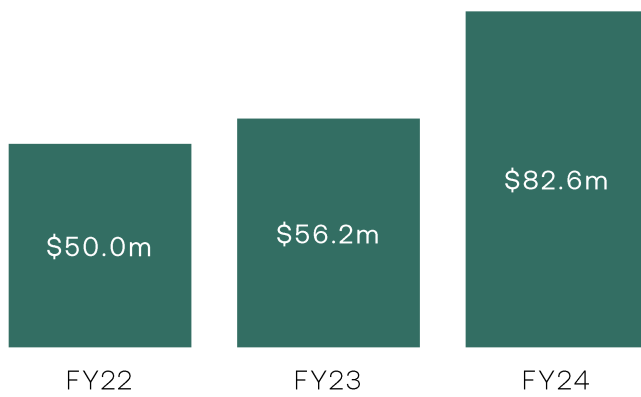
Revenue Per Head¹



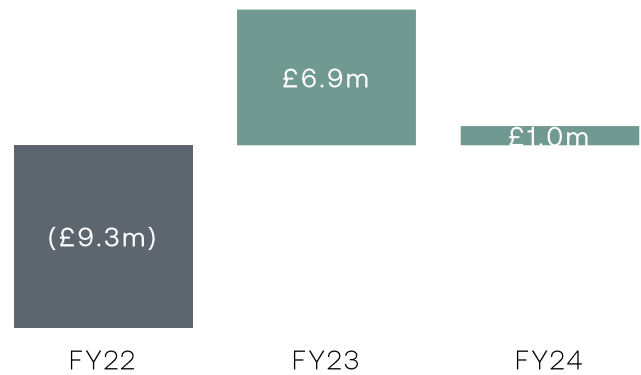
Operating Profit Margin²



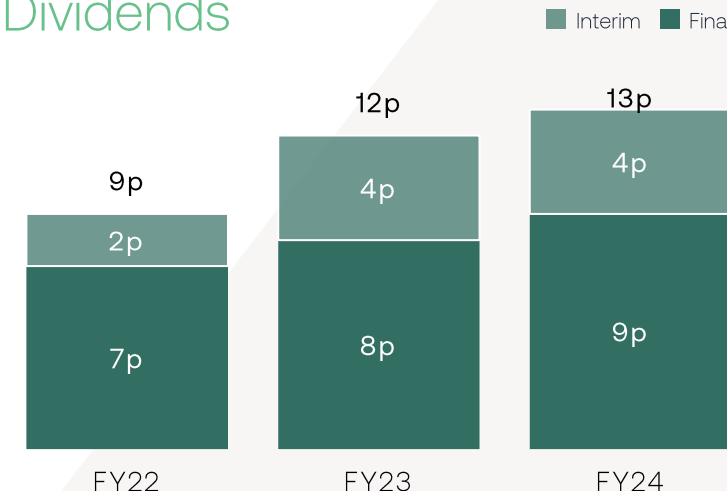
Forward Order Book



Net (Debt) / Cash



Dividends



Notes:
1. Total revenue divided by the total number of heads
2. Underlying Operating Profit before acquisition-related items

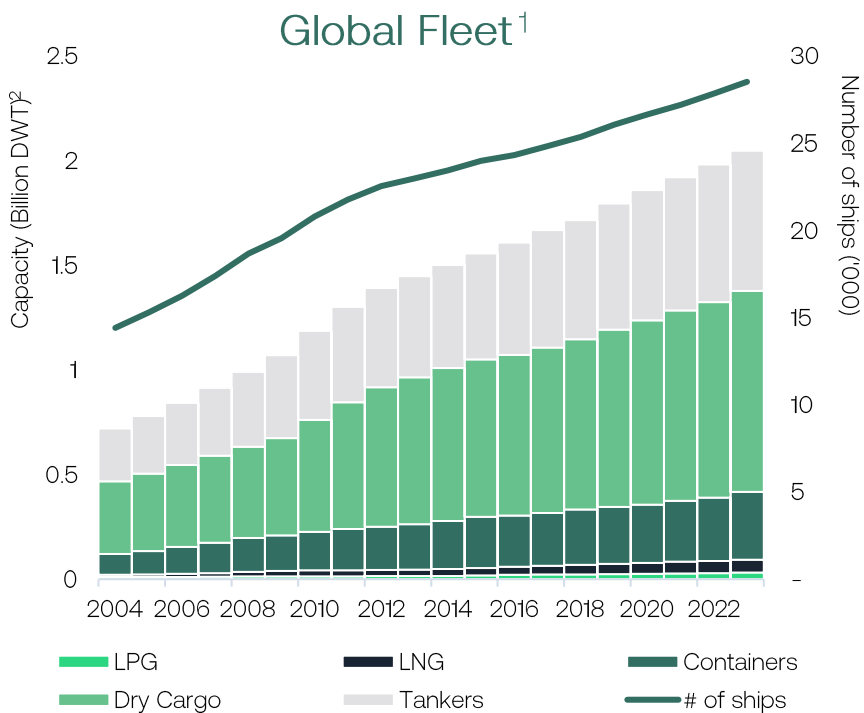
Market & Outlook

‘Outlook for the shipping industry remains positive’

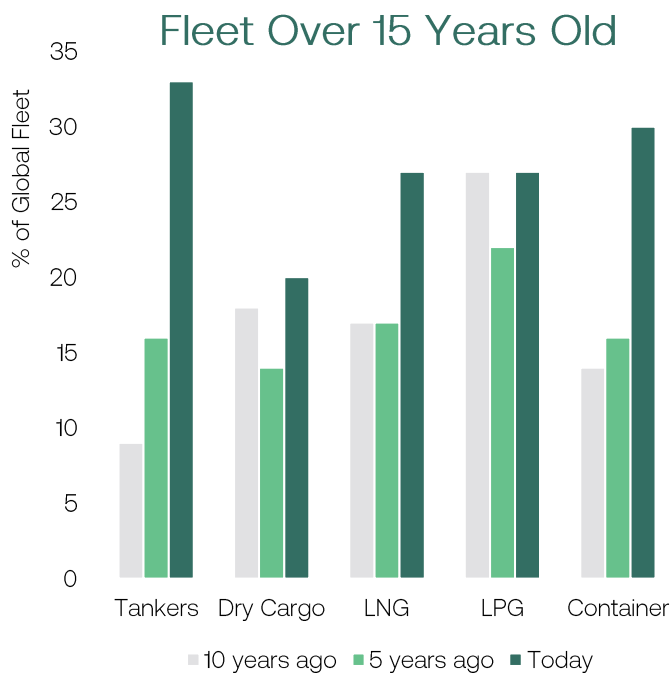
James Gundy, CEO

Global fleet

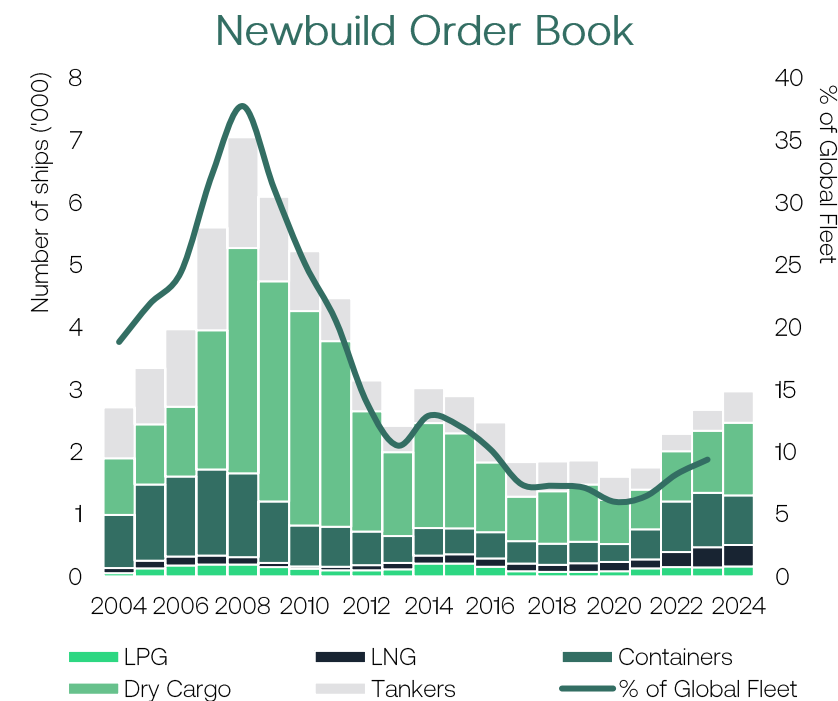
Ageing fleet with an increasing, albeit relatively low, newbuild order book underpinning rates



Global fleet continues to grow due to demand



The age of the fleet is at historic highs

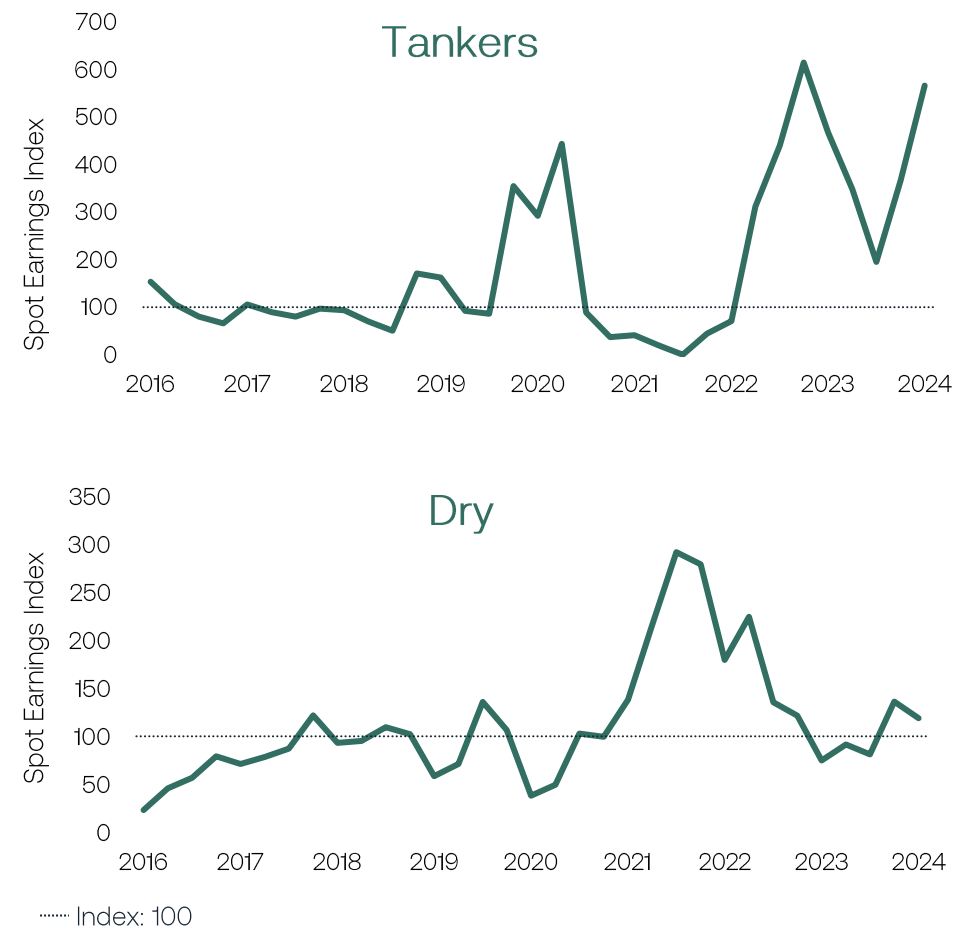
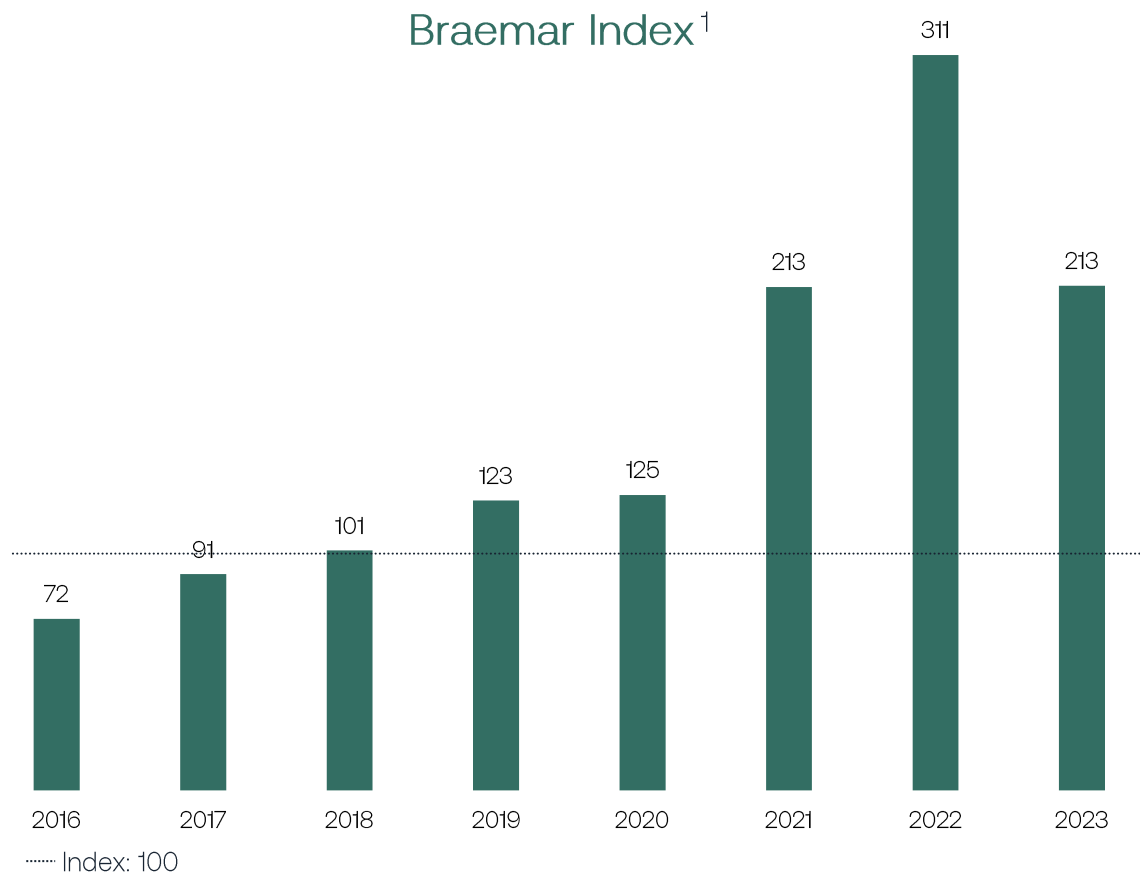


Newbuilding is recovering from historic lows

Notes:
1. Including ships greater than the following sizes: Tankers > 3k DWT, Dry > 10k DWT, LPG > 2.5k cubic metres
2. DWT = Deadweight Tonnes
All years are calendar years

Rates

Lower Dry Cargo rates in 2023 but expected to stabilise, the outlook for Tankers remains positive



Notes:
1. The Braemar Index is based on the spot earnings of a 'basket' of voyages from Tanker, Dry Cargo, LNG, LPG and Containers
All years are calendar years

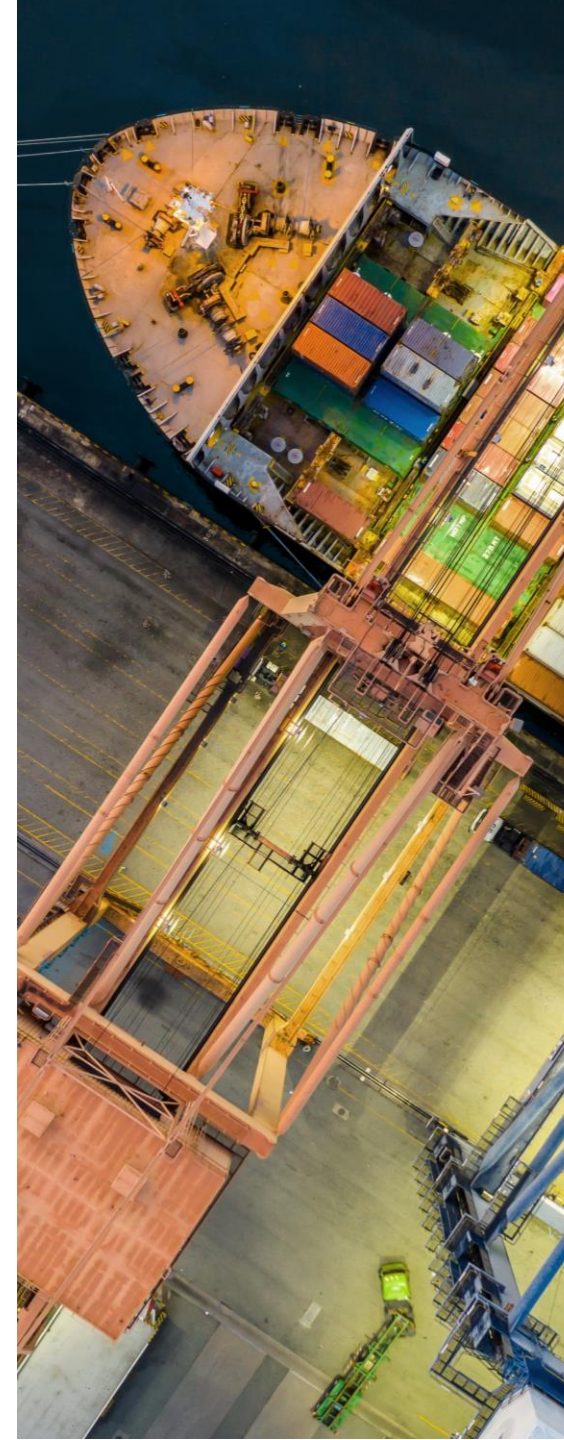
Summary and Outlook

Summary

- █ Robust revenue performance following on from very strong prior year, with clear strategy delivering
- █ Fixture volumes up 8%
- █ Acquisitions performing well
- █ Maintained net cash position
- █ Total dividend 13p, up 8%

Outlook

- █ Outlook for the shipping industry remains positive, with strong market fundamentals
- █ Strong forward order book at \$82.6m
- █ FY25 to be in line with market expectations
- █ Fragmented market presents opportunities for further growth
- █ Platform in place to support growth

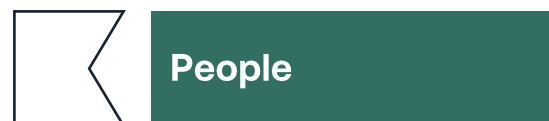


Q & A

Appendix

EPSG

Making a positive impact



Goal

- Net zero by 2050
- Protect 10,000km² of marine biodiversity area by 2030
- Facilitate responsible and sustainable shipping

Goal

- Activate global programmes for bringing diverse talent into the workforce

Goal

- Think globally, act locally to drive benefit to our communities

Goal

- Collect data and report on EPSG metrics aligned to strategy

Actions

- Focus on reducing our carbon footprint
- Offset our carbon footprint through the purchase of carbon credits

Actions

- Develop diverse talent through recruitment
- Focus on employee engagement
- Improve our gender diversity

Actions

- Strengthening charity partnerships

Actions

- Board oversight
- Frameworks and policies in place

Facilitating climate-smart shipping

We incorporate climate-smart expertise into our client services, taking the lead and collaborating with the maritime industry to achieve shared EPSG goals

OFFER CARBON OFFSETS

Braemar's Carbon Offsets platform was launched in April 2022. We are the first shipping service company to offer a service that allows clients to offset their chartering activities online through globally accredited projects

ENABLE EU-ETS COMPLIANCE

Ships calling at EU ports become subject to the European Union's Emissions Trading System (ETS) in 2024. Through Braemar you can ensure your vessels' compliance via physically delivered, and exchange cleared EU Allowances (EUAs)

STRATEGIC ADVISORY

To enable clients to futureproof their businesses, Braemar provides comprehensive guidance on the challenges and opportunities posed by new environmental legislation, future fuels, and green technologies

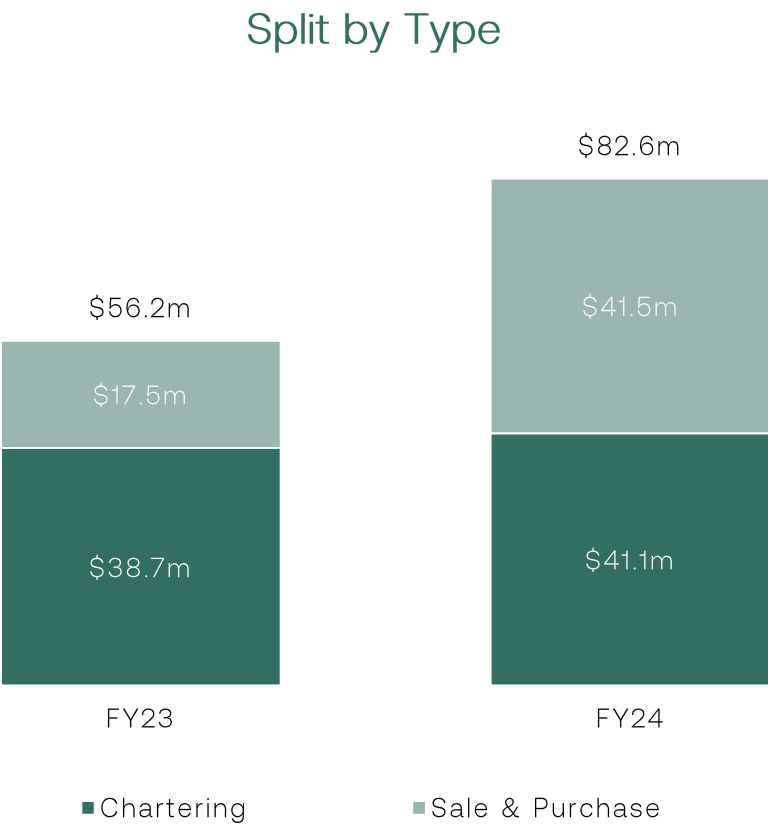
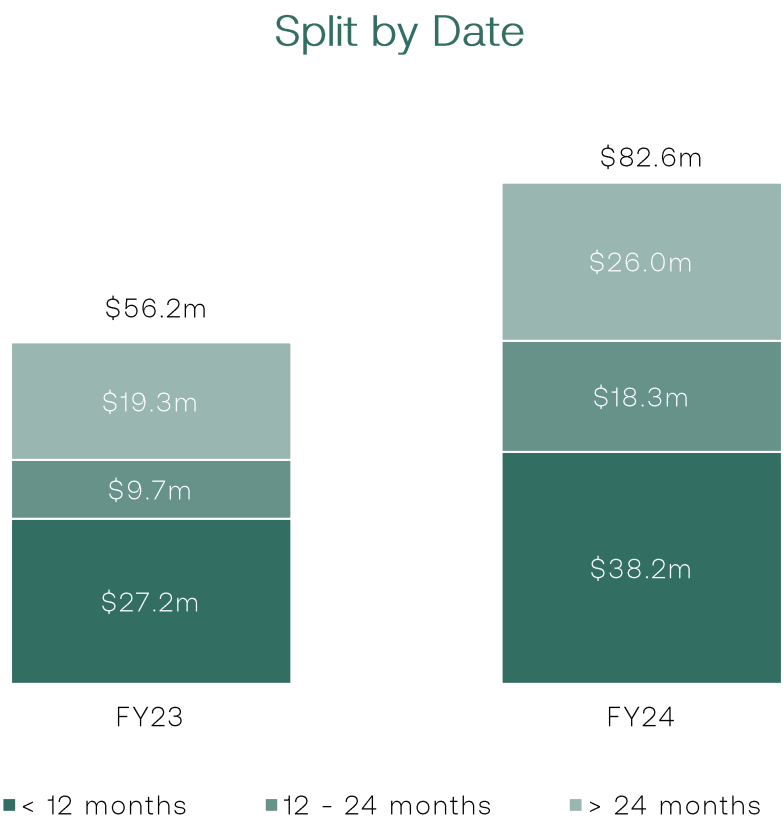
Revenue Split

Overall Growth in Chartering and Risk advisory offsetting weaker Investment Advisory revenues

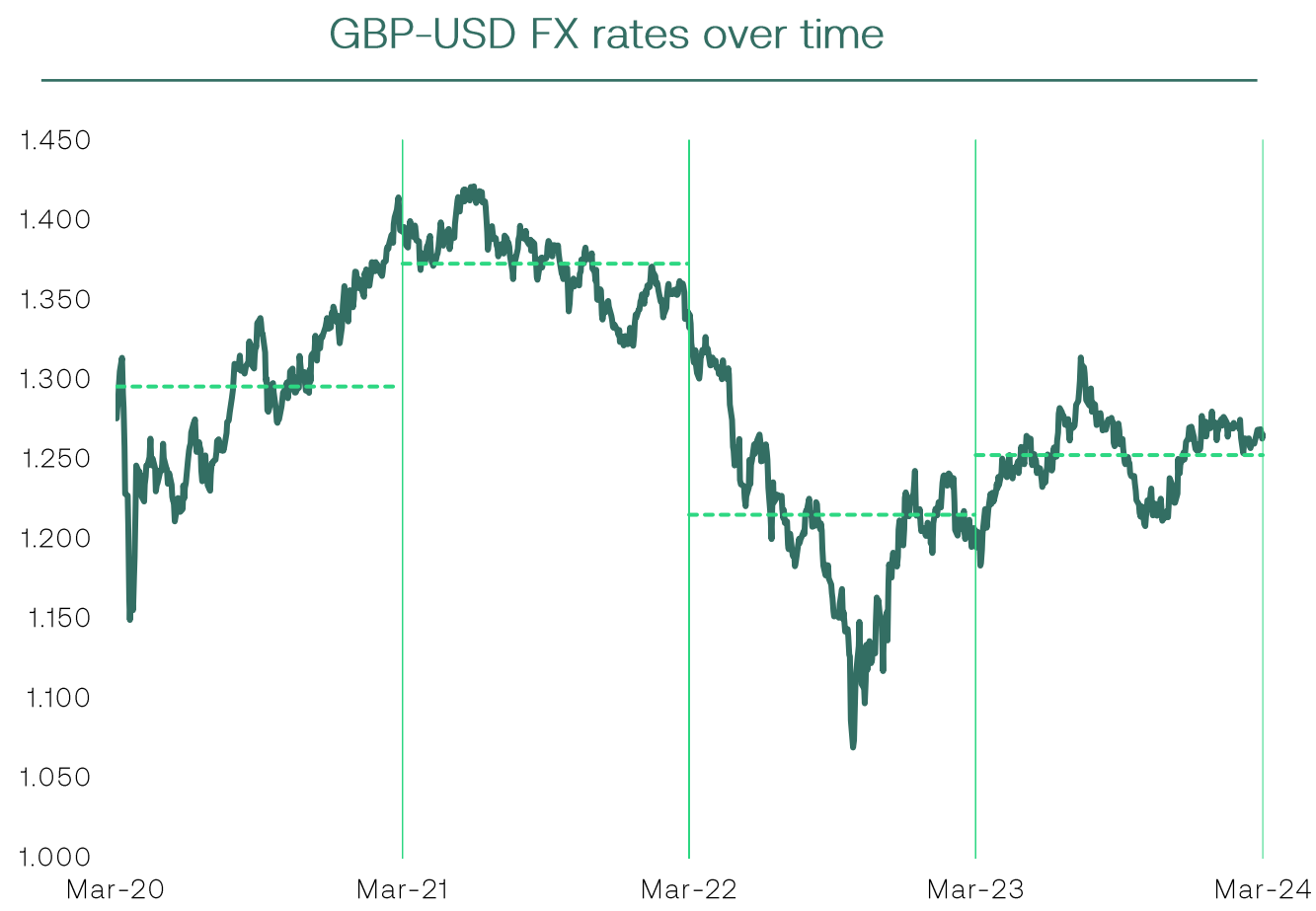
	F Y 2 4	F Y 2 3	V A R %
Chartering	£104.0m	£99.1m	5%
Investment advisory	£25.7m	£36.8m	(30%)
Risk advisory	£23.1m	£17.0m	36%
Total	£152.8m	£152.9m	(0.1%)

Forward order book (USD)

Forward order book up 47% from prior year with strong growth in Sale & Purchase



GBP-USD rates



	FY 24	FY 23
Average rate	1.25	1.21
Spot rate (29-Feb 2024/28-Feb 2023)	1.26	1.20
Forward currency contracts:		
Notional value	\$119m	\$123m
Average rate	1.25	1.22

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