



# HY25 Interim Results

*'Positive performance, illustrating  
the benefits of diversification'*

6 November 2024



# Today's presenters



## 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.

# Business Update

*'Focus on diversification in shipbroking, delivering sustainable revenue and profits'*

James Gundy, CEO

# Highlights

£76.0m

Revenue (HY24: £74.9m)

Improved revenue highlighting benefits of diversification

£7.9m

Underlying operating profit<sup>1</sup>  
(HY24: £7.6m)

Improved revenue delivering higher profit and operational leverage evident

£3.3m

Net cash (HY24: £3.1m)

Positive cash position maintained

£181k / \$227k

Revenue per head  
(HY24: £184k / \$228k)

Strong revenue per head maintained

\$80.9m

Forward order book<sup>2</sup>  
(HY24: \$67.2m)

Increased by 20% from prior year

4.5p

Interim dividend (HY24: 4.0p)

Up 13% in line with progressive dividend policy, reflecting confidence in future outlook

Notes:

1. Underlying operating profit before acquisition-related expenditure
2. Forward Order Book – Estimated commissions that will be invoiced in future periods based on agreed fixtures

# Investment case

Strategy implemented in 2021 is being delivered

## Growth Strategy

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

Pipeline of highly complementary acquisitions being considered. Hires being made against the backdrop of a competitive market for talent

## Increasing Scale

415 staff in 17 offices to meet our clients' needs

Growing geographic footprint with a platform to support future growth

## Positive Market Drivers

Strong global demand for freight and reduced fleet size

Outlook for the shipping industry remains positive

## Dividend

Progressive dividend policy introduced in FY22



# Financial Performance

*‘Continued good financial performance’*

Grant Foley, CFO

# Income Statement

Increased revenue and profit driven by successful execution of strategy

	HY25	HY24	VAR.
Revenue	£76.0m	£74.9m	1%
Operating expenses (excluding acquisition related expenditure)	(£68.1m)	(£67.3m)	(1%)
<b>Underlying operating profit</b>	<b>£7.9m</b>	<b>£7.6m</b>	<b>5%</b>
<i>Margin</i>	<i>10%</i>	<i>10%</i>	
Acquisition-related expenditure	(£0.6m)	(£0.9m)	27%
<b>Reported underlying operating profit</b>	<b>£7.3m</b>	<b>£6.7m</b>	<b>9%</b>
<b>Profit before tax (statutory)</b>	<b>£3.6m</b>	<b>£1.9m</b>	<b>89%</b>
Underlying EPS	14.55p	17.43p	(17%)
Dividend	4.5p	4.0p	13%

Revenue increased by 1%

- Chartering -5%
- Investment Advisory +19%
- Risk Advisory +16%

Operating expenses increased by only 1%, mainly due to staff costs

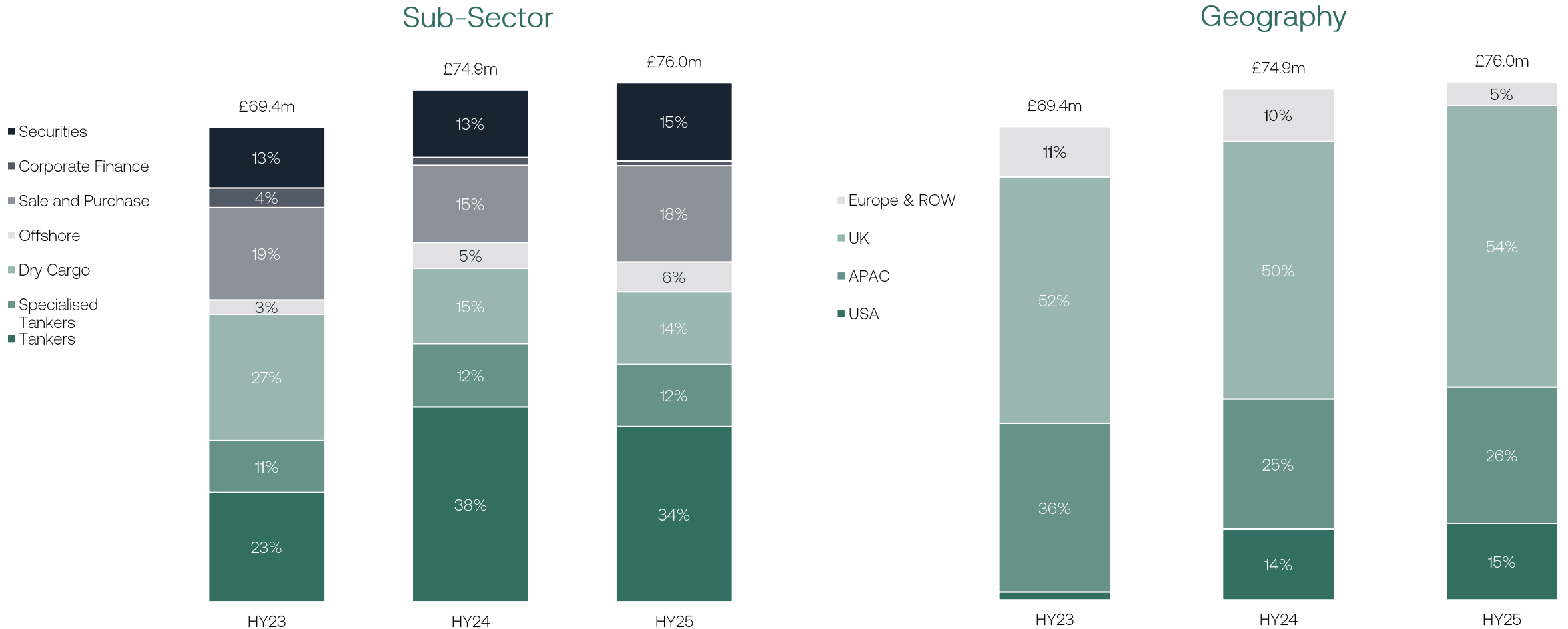
Underlying operating profit before acquisition related expenditure up 5%

Statutory profit before tax up £1.7m due to lower exceptional items

Interim dividend of 4.5p, up 13% on prior period

# Revenue Mix

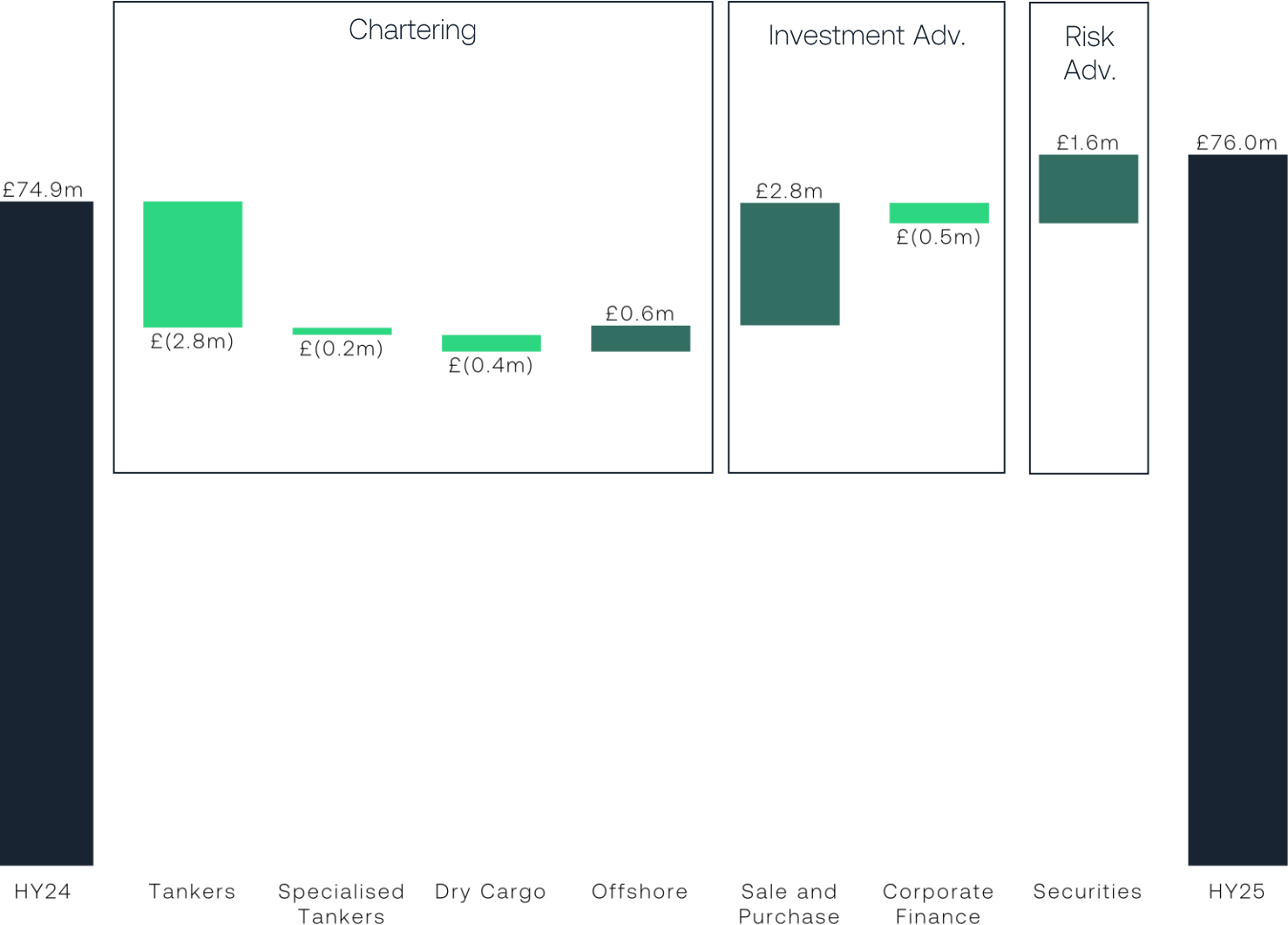
Revenue mix continues to be well balanced and diversified





# Diversified revenue

Revenue growth despite mixed market conditions, illustrating the importance of diversification



Chartering revenue -5%

- Weaker Tanker performance, 10% decrease due to longer voyages driving reduced fixture numbers

Investment Advisory +19%

- Strong performance from Sale & Purchase with growing forward order book

Risk Advisory +16%

- Continuing growth driven by Dry FFAs and Natural Gas desks

# Operating costs<sup>1</sup>

Operating costs well controlled and up only 1% on the prior period, mainly driven by staff costs



Costs continue to be well controlled

Staff costs +2 %

- Increased investment in headcount

Professional fees +24%

- Expected cost as part of OTF<sup>3</sup> application process

Notes:

1. Excludes acquisition-related expenditure
2. Travel & Entertainment costs
3. Organised Trading Facility

# Liquidity

Positive cash position increased slightly

	HY 25	HY 24	VARIANCE
Cash and cash equivalents	£26.0m	£29.0m	(£3.0m)
Borrowings	(£22.7m)	(£25.9m)	£3.2m
<b>Net cash</b>	<b>£3.3m</b>	<b>£3.1m</b>	<b>£0.2m</b>

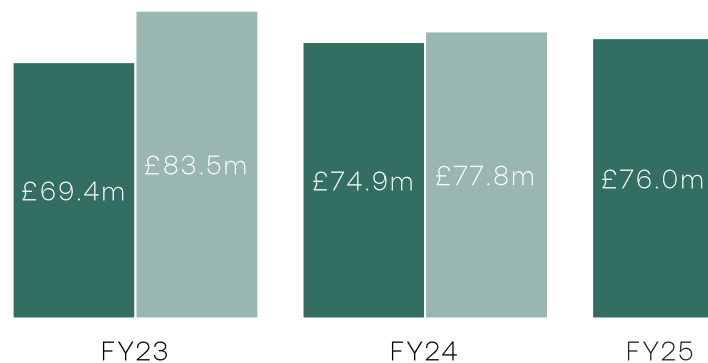
Interim cash position is slightly higher than prior year with reduced overall borrowings

The Group has a £30m RCF (£6.9m of headroom at 31 August 2024) plus an accordion limit of £10m

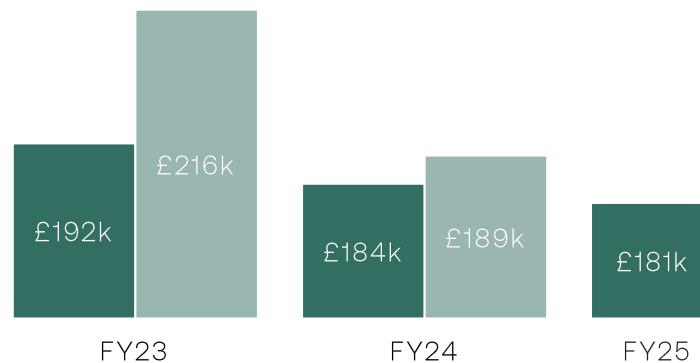
# Key performance indicators

**Key:** ■ H1 ■ H2

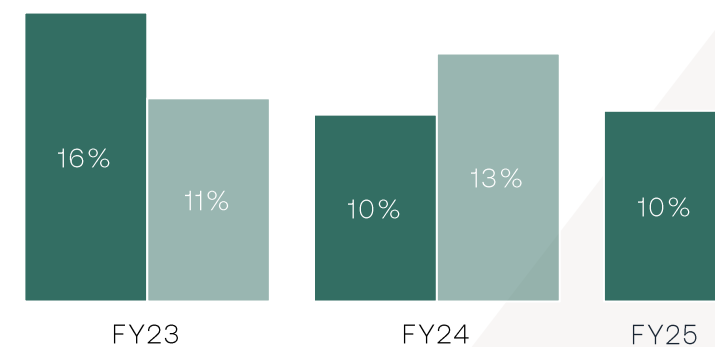
## Revenue



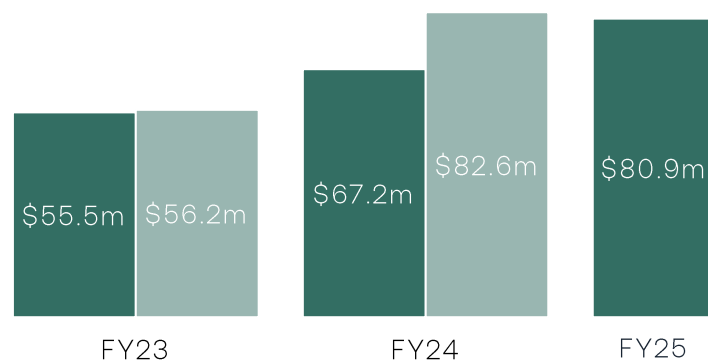
## Revenue Per Head<sup>1</sup>



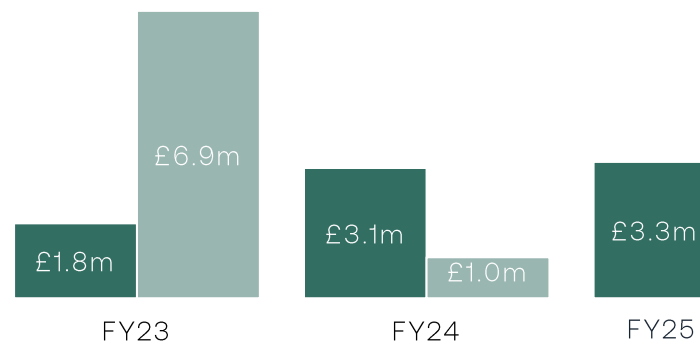
## Operating Profit Margin<sup>2</sup>



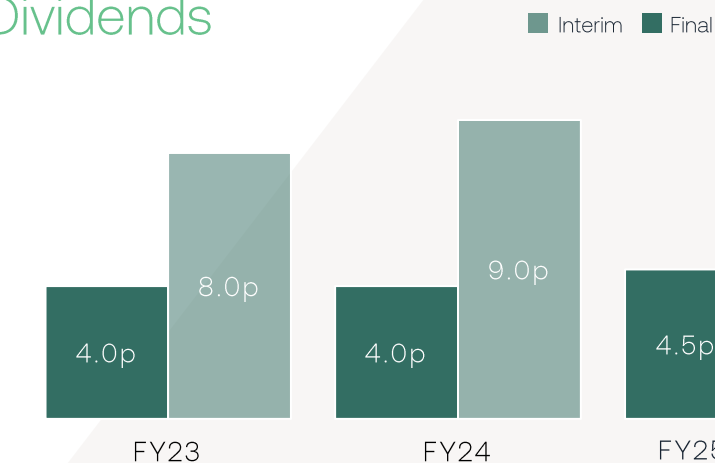
## Forward Order Book



## Net Cash



## Dividends



Notes:

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

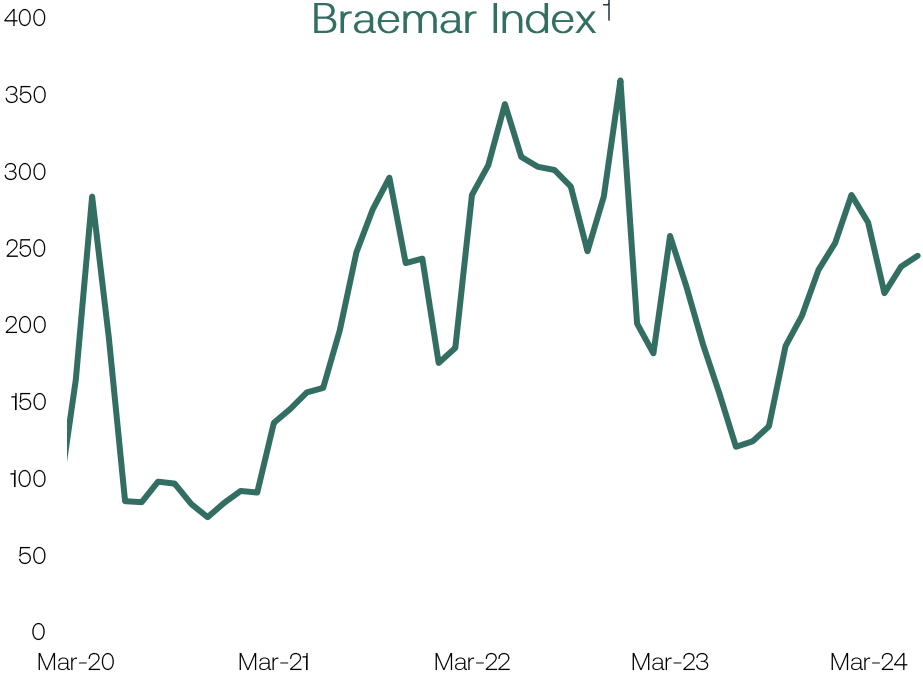
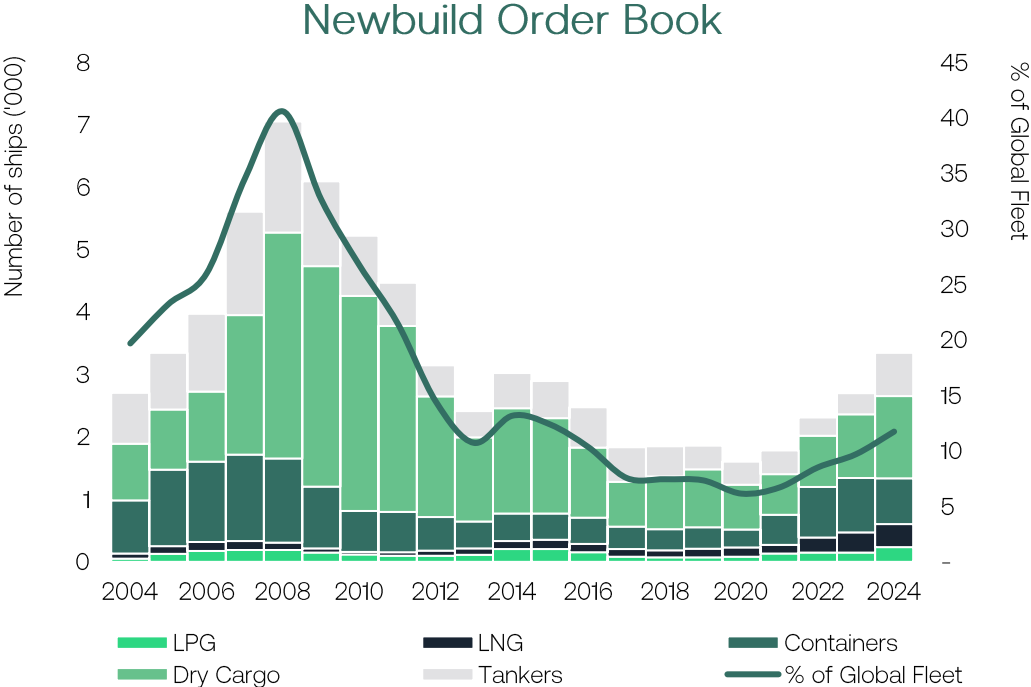
# Market & Outlook

*‘Overall outlook continues to be positive’*

James Gundy, CEO

# Market and Rates

Global fleet continues to age, newbuild numbers continue to grow



Newbuild orderbook has increased further

Recent dip driven by Tanker rates

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

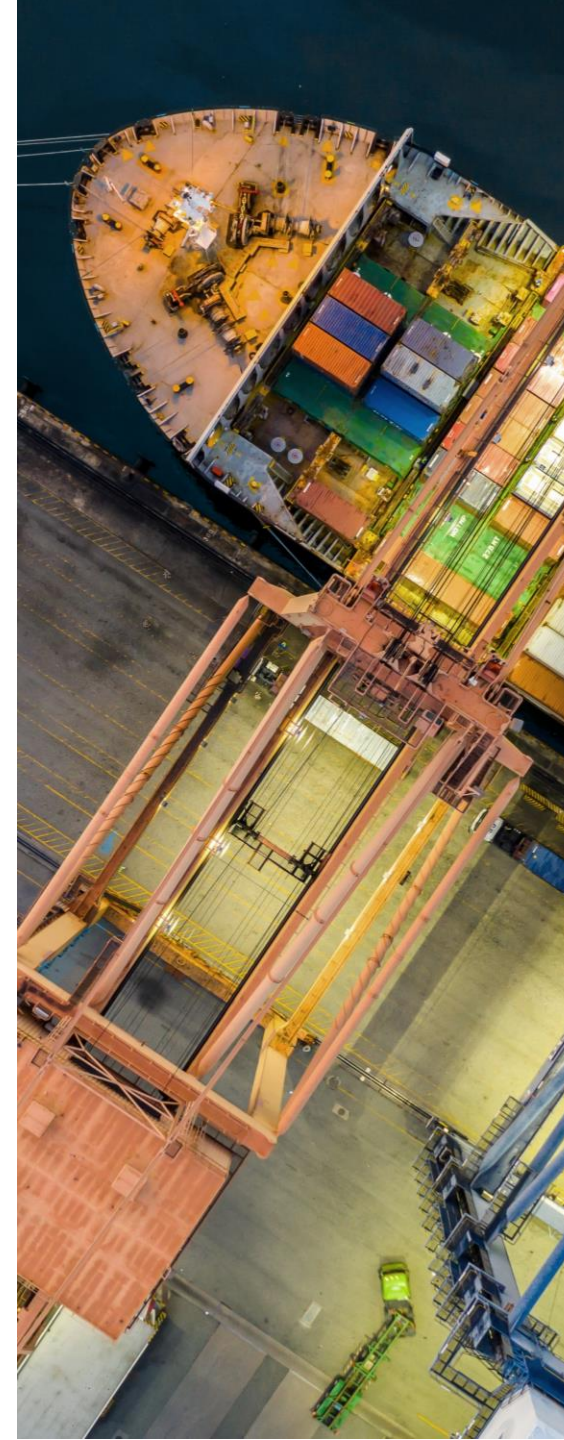
# Summary and Outlook

## Summary

- Good revenue performance clearly demonstrating diversification benefits
- Average commissions up offsetting weaker fixture numbers
- Maintained net cash position
- Interim dividend 4.5p, up 13%

## Outlook

- Outlook for the shipping industry continues to be positive
- Strong forward order book maintained at \$80.9m, a 20% increase on HY24
- Pipeline of complimentary acquisition opportunities being actively considered
- FY25 expected to be in line with market expectations



# Q & A





# Appendix

# Underlying and statutory performance

	UNDERLYING			STATUTORY		
	HY25	HY24	VARIANCE	HY25	HY24	VARIANCE
Revenue	£76.0m	£74.9m	1%	£76.0m	£74.9m	1%
Operating profit	£7.3m	£6.7m	9%	£4.6m	£2.2m	108%
Profit before tax	£6.2m	£6.0m	3%	£3.6m	£1.9m	89%
Profit after tax	£4.6m	£5.1m	(10%)	£2.1m	£1.6m	37%
Underlying earnings per share (basic)	14.55p	17.43p	(17%)	6.83p	5.37p	27%
Dividend per share	4.5p	4.0p	13%	4.5p	4.0p	13%
Net cash	£3.3m	£3.1m	5%	£3.3m	£3.1m	5%

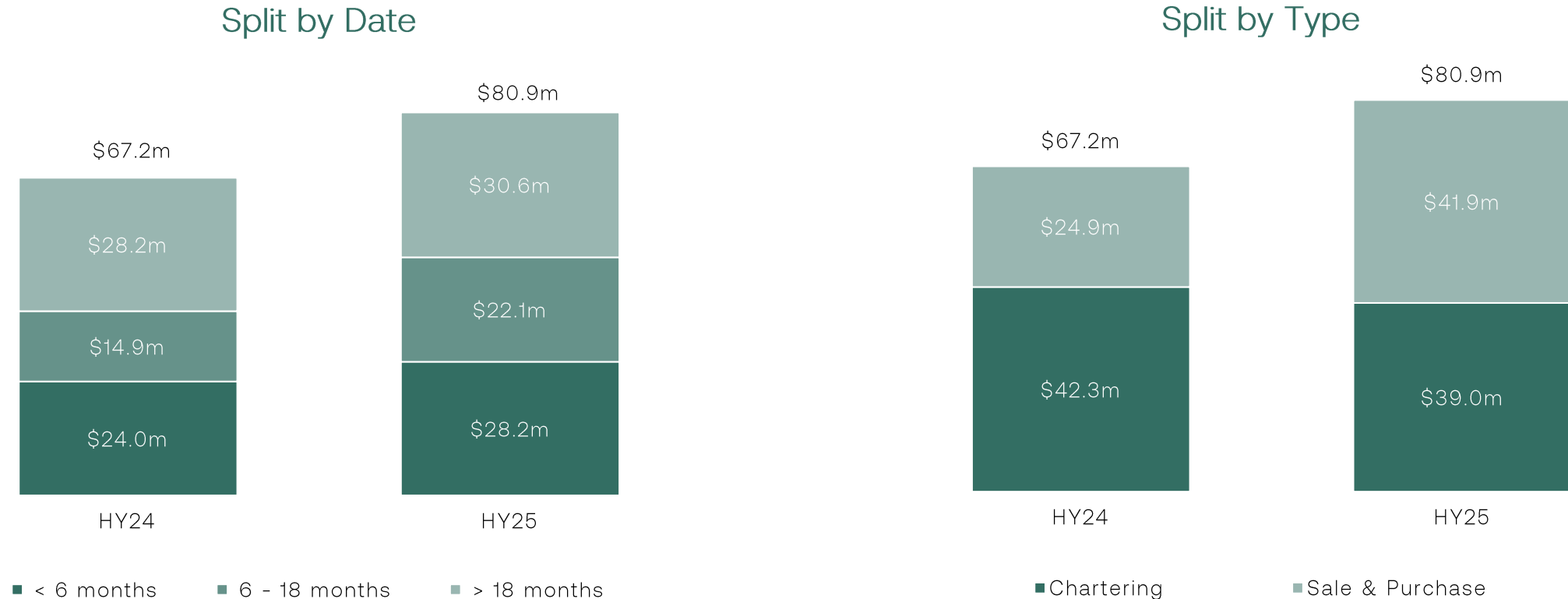
# Revenue Split

Growth in Investment advisory and Risk advisory drives overall revenue growth, offsetting lower Chartering volumes

	HY25	HY24	VARIANCE
Chartering	£49.8m	£52.6m	(5%)
Investment advisory	£14.7m	£12.4m	19%
Risk advisory	£11.5m	£9.9m	16%
<b>Total</b>	<b>£76.0m</b>	<b>£74.9m</b>	<b>1%</b>

# Forward order book (USD)

Forward order book up 20% from prior year with strong growth in Sale & Purchase



# Growth opportunities

Further expansion through geographic footprint

Awaiting regulatory approval for OTF<sup>1</sup> applications. Madrid office set to expand

Container Chartering launched

	TANKERS	SPECIALISED	CORP. FINANCE	DRY CARGO	S & P	OFFSHORE	SECURITIES
UK							
Europe							
Middle East							
APAC							
Americas							

Further growth in Dubai office (S&P, Securities, Specialised)

Additional US office to open in Connecticut

Korea office opened



# GBP-USD rates

GBP-USD FX rates over time



	HY25	HY24
Average rate	1.28	1.25
Spot rate (29-Feb 2024/28-Feb 2023)	1.31	1.27
Forward currency contracts:		
Notional value	£111m	£150m
Average rate	1.26	1.24

# EPSG

## Making a positive impact



### Goal

- Net zero by 2050
- Protect 10,000km<sup>2</sup> of marine biodiversity area by 2030
- Facilitate responsible and sustainable shipping

### Actions

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

### Goal

- Activate global programmes for bringing diverse talent into the workforce

### Actions

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

### Goal

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

### Actions

- Strengthening charity partnerships

### Goal

- Collect data and report on ESG metrics aligned to strategy

### 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 ESG 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



# Disclaimer

The information contained within this presentation is given in good faith based on the current market situation at the time of preparing this report and as such is specific to that point only. While all reasonable care has been taken in the preparation and collation of information in this report Braemar Plc (and all associated and affiliated companies) does not accept any liability whatsoever for any errors of fact or opinion based on such facts.

Some industry information relating to the shipping industry can be difficult to find or establish. Some data may not be available and may need to be estimated or assessed and where such data may be limited or unavailable, subjective assessment may have to be used.

No market analysis can guarantee accuracy. The usual fundamentals may not always govern the markets, for example psychology, market cycles, and external events (such as acts of god or developments in future technologies) could cause markets to depart from their natural/usual course. Such external events have not been considered as part of this analysis. Historical market behaviour does not predict future market behaviour and shipping is an inherently high-risk business. You should therefore consider a variety of information and potential outcomes when making decisions based on the information contained in this presentation.

All information provided by Braemar Plc is without any guarantee whatsoever. Braemar Plc or any of its subsidiaries or affiliates will not be liable for any consequences thereof.

This presentation is intended solely for the information of the recipient and must not be passed or divulged to any third parties whatsoever without the written permission of Braemar Plc. Braemar Plc accepts no liability to any third parties whatsoever. If permission is granted, you must disclose the full report including all disclaimers, and not selected excerpts which may be taken out of context.



# Thank You