



CLARKSON PLC

Results Presentation

30 June 2023

Andi Case & Jeff Woyda

7th August 2023

Financial results



Jeff Woyda
Chief Operating Officer &
Chief Financial Officer

Results summary

To 30 June

	2023 £m	2022 £m	
Revenue	321.1	266.7	+20.4%
Underlying profit before taxation (Before acquisition related costs)	53.1	42.2	+25.8%
Acquisition related costs	(0.9)	(0.2)	
Profit before taxation (after acquisition related costs)	52.2	42.0	+24.3%
Underlying earnings per share (Before acquisition related costs)	133.5p	98.9p	+35.0%

Segmental performance

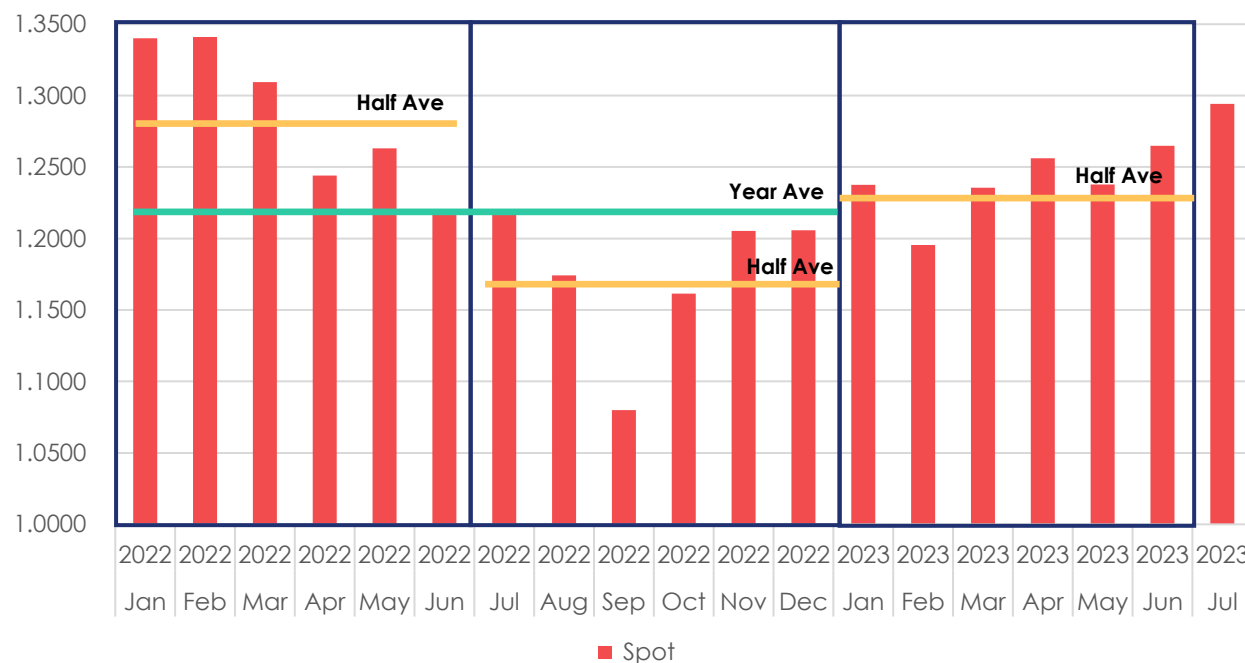
Revenue, profit and margin

	Revenue 2023 £m	Revenue 2022 £m	Profit 2023 £m	Profit 2022 £m	Margin 2023	Margin 2022
Broking	257.2	211.2	58.2	47.0	22.6%	22.3%
Financial	26.5	27.6	5.0	5.7	18.9%	20.7%
Support	27.2	18.3	3.4	2.0	12.5%	10.9%
Research	10.2	9.6	3.7	3.4	36.3%	35.4%

USD v GBP Exchange Rate

GBP 1 is worth the following in USD

	June 2023	June 2022
Arithmetic average for the period January to June	1.2379	1.2858
Spot rate as at 30 June	1.2648	1.2172



	December 2022
Arithmetic average for the period June to December	1.1741
Arithmetic average for the period January to December	1.2300
Spot rate as at 31 December	1.2057

Sea related IT costs

At the period end

	Jun 2023 £m	Jun 2022 £m
Items taken to income statement		
Non capitalized items (Sea/ only)	(4.9)	(4.0)
Amortisation	(2.1)	(1.9)

	2023 £m	Dec 2022 £m	Jun 2022 £m
Software-related intangible assets as at 1 January	15.1	17.1	17.1
Additions	1.1	2.0	1.2
Amortisation	(2.1)	(4.0)	(1.9)
Software-related intangible asset as at period end	14.1	15.1	16.4



The intelligent marketplace for fixing freight

Key areas of progress H1 2023

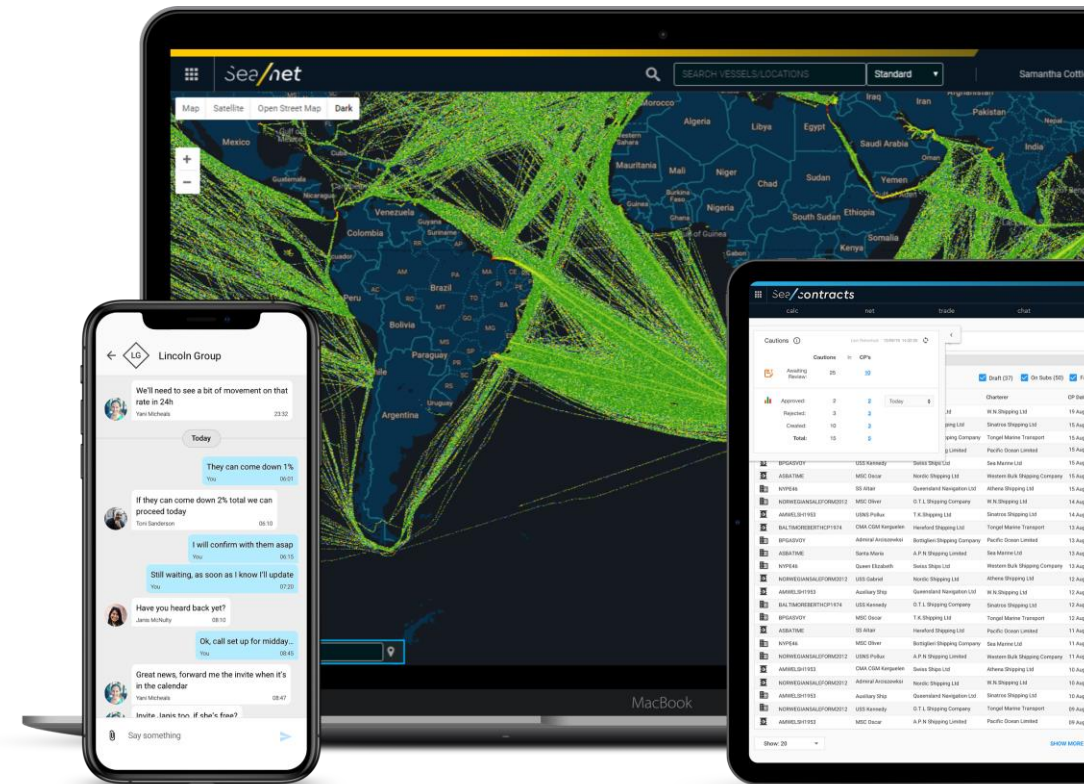
- 30% of estimated fixture volume in Dry & Wet recaps & CP's
- > 40,000 fixtures annually, market volumes impacted by economic backdrop
- Over 550 broker clients
- Additional 70 clients signed up in H1 across Sea products
- Further focus on carbon data use in system
- 80% of seaborne iron ore volumes

M&A Completed

- Mardocs – acquired the contracts platform for the tanker market
- Recap Manager – brought the marketing and product in house

Targets for remainder of 2023

- Launch trading solution for
 - Coal, Grains and other dry bulk markets
 - One additional major trading segment



Balance sheet

At 30 June (comparatives are at December year-end)

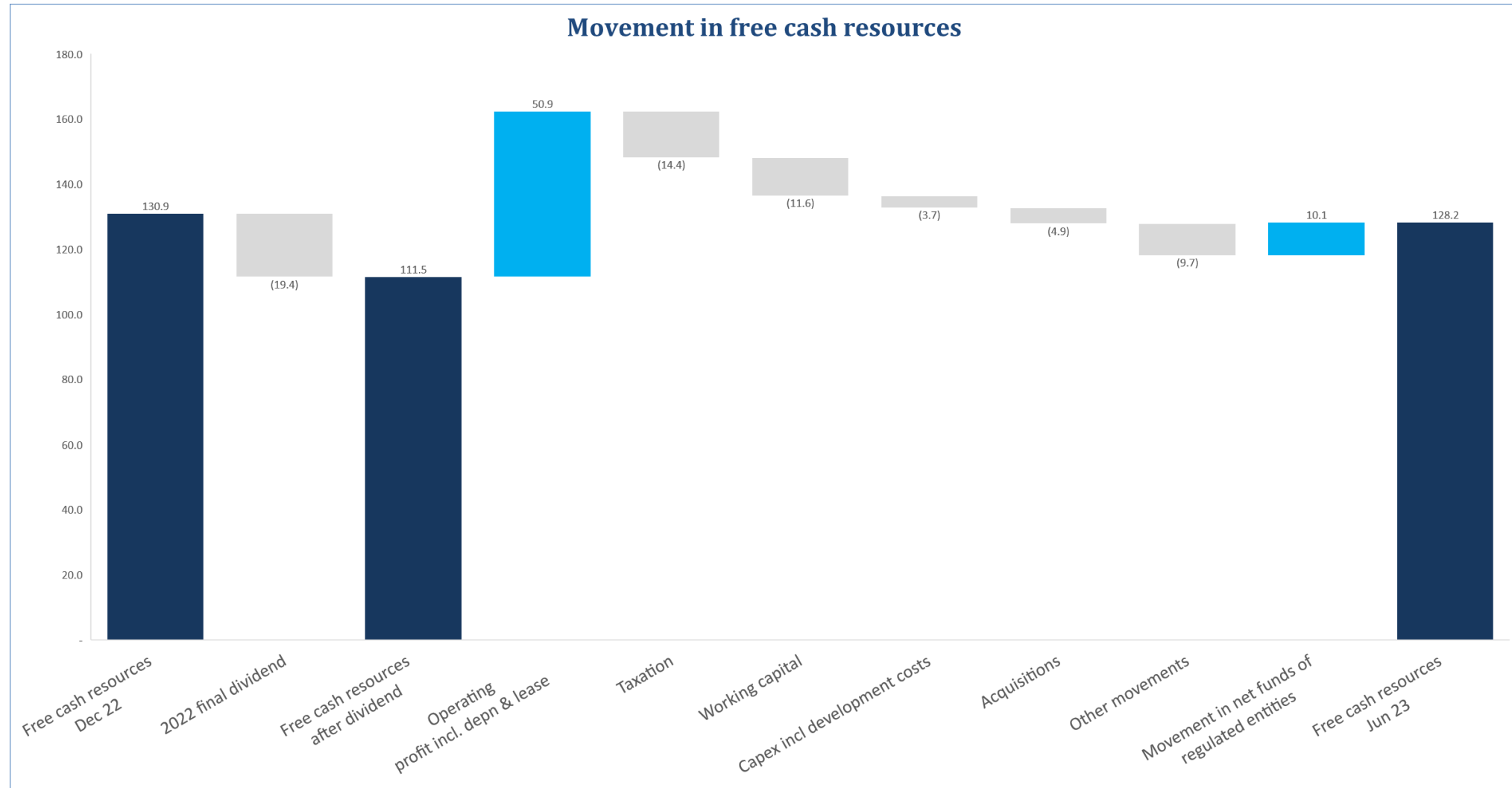
	Dec 2019 £m	Dec 2020 £m	Dec 2021 £m	Dec 2022 £m	Jun 2023 £m
Tangible fixed assets	28.9	28.6	24.7	29.1	30.0
Intangible fixed assets (software only)	9.9	15.6	17.1	15.1	14.1
Investments (relating to convertible bonds)	6.7	5.5	0.7	0.4	0.2
Investments (other)	4.8	2.9	1.0	1.2	1.1
	50.3	52.6	43.5	45.8	45.4
Working capital	14.0	10.4	19.1	19.8	40.2
Net available funds	84.7	95.4	122.3	161.7	148.9
	98.7	105.8	141.4	181.5	189.1
Pensions	11.0	12.0	22.0	15.4	13.6
Deferred tax	3.1	1.8	(0.5)	7.5	6.9
Leases	(10.8)	(11.1)	(10.9)	(10.8)	(10.2)
Net assets before intangibles	152.3	161.1	195.5	239.4	244.8
Intangibles (excluding software above)	228.3	167.3	166.1	173.8	163.7
Net assets	380.6	328.4	361.6	413.2	408.5

Net available funds and free cash resource

	30 June 2023 £m	31 Dec 2022 £m	30 June 2022 £m
Cash and cash equivalents	275.7	384.4	231.6
Interest-bearing loans and borrowing	-	-	-
Current investment deposits	9.9	3.1	5.4
Net cash equivalents	285.6	387.5	237.0
Reserved for bonus (full cost)	(136.7)	(225.8)	(111.2)
Net available funds	148.9	161.7	125.8
Held by regulatory businesses	(20.7)	(30.8)	(23.3)
Free cash resources	128.2	130.9	102.5

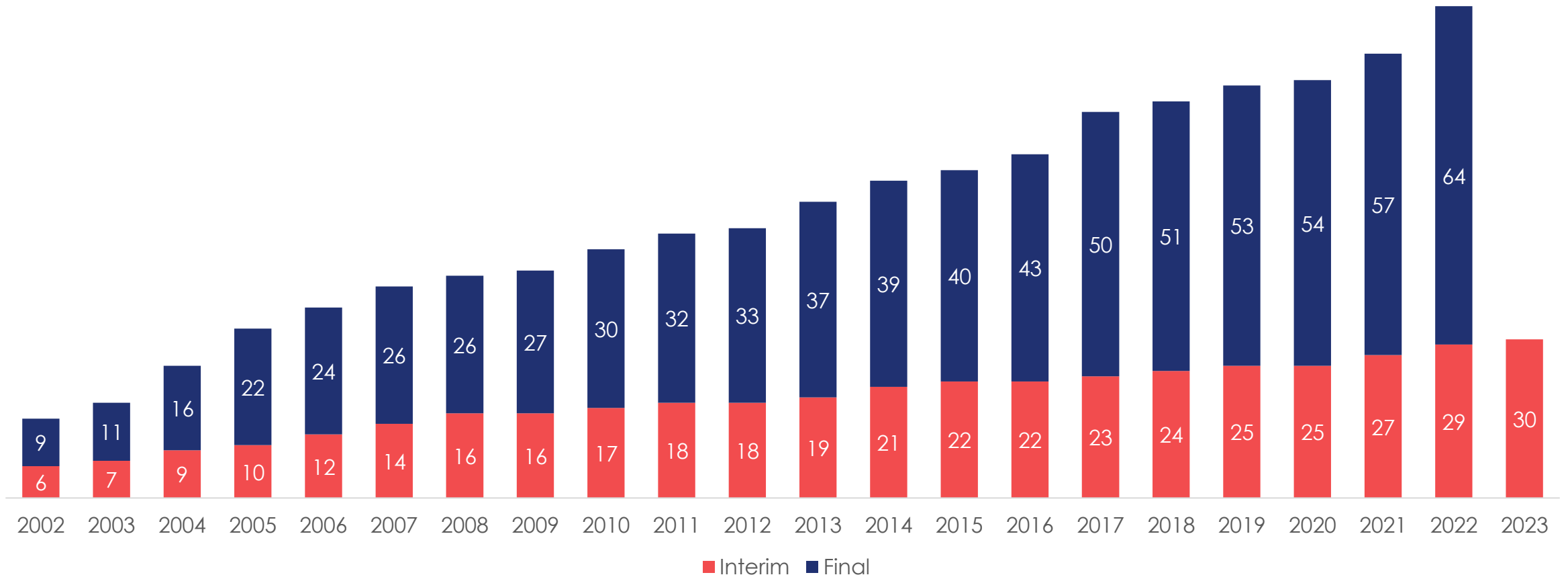
Movement in free cash resources

1 January 2023 to 30 June 2023



Dividend history

21 years of progressive dividend



Note: During Covid 2019 final dividend was paid as an additional interim dividend in 2020

Our markets



Andi Case
Chief Executive Officer

Key market dynamics

First Half 2023

Most shipping sectors remain in positive territory

Freight rates and activity

- Strong day rates across “energy” shipping sectors including tankers, gas and offshore
- Softer market conditions across container and bulk carrier markets.
- Strong S&P activity continues

Seaborne trade

- Moderate growth in seaborne trade as global economic weakness impacts
- Geo-politics driven changes in trading patterns remain supportive
- Energy security focus supporting investment in LNG and offshore oil and gas

Supply of shipping

- Supply side constraints continue in some segments with record low orderbooks in bulkers and tankers
- Impacts of decarbonisation policies evident in accelerating regulation, alternative fuel newbuilding orders, growing fleet renewal requirements and continued impact on speed of ships

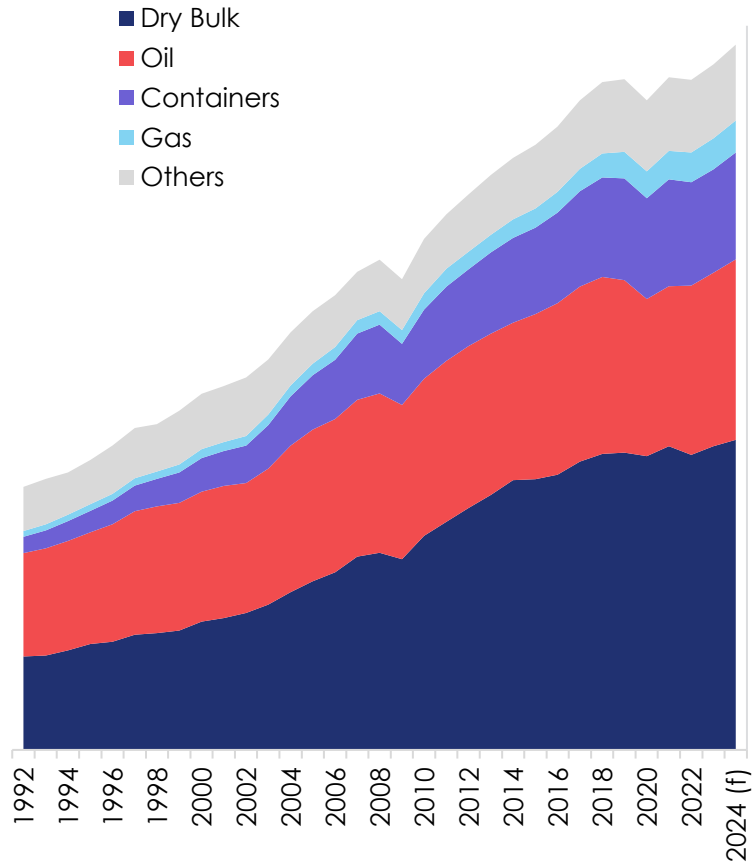
Energy transition

- Offshore wind markets playing vital role in energy transition

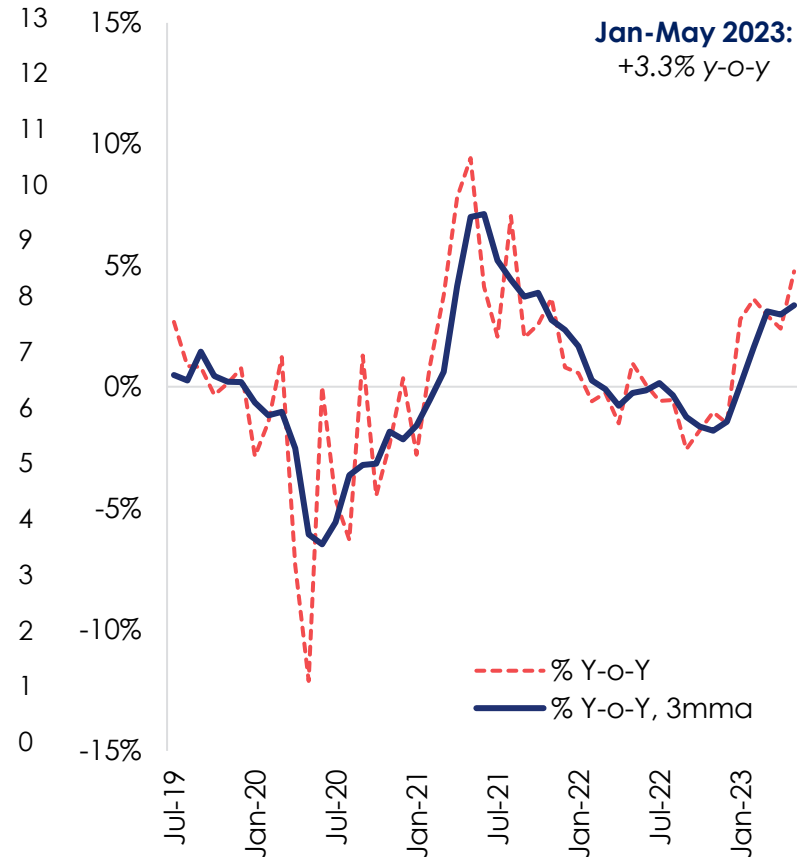
Seaborne Trade

Containers aside, volume growth expected in 2023 despite global economic weakness

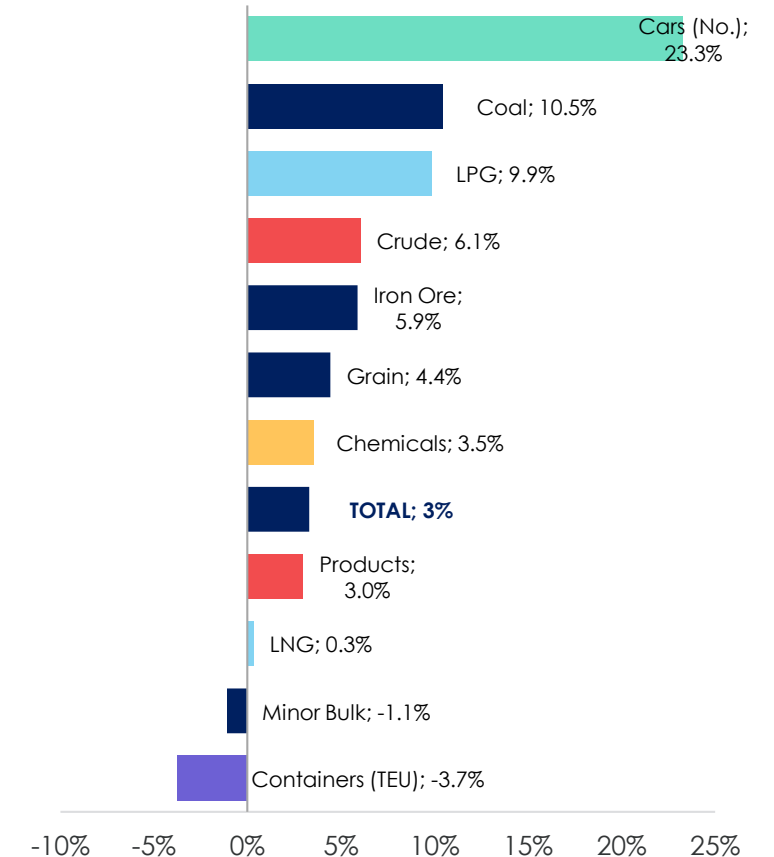
Global Seaborne Trade, bn tonnes



Monthly Seaborne Trade Growth^Δ



2023 YTD Trade Volumes, y-o-y growth

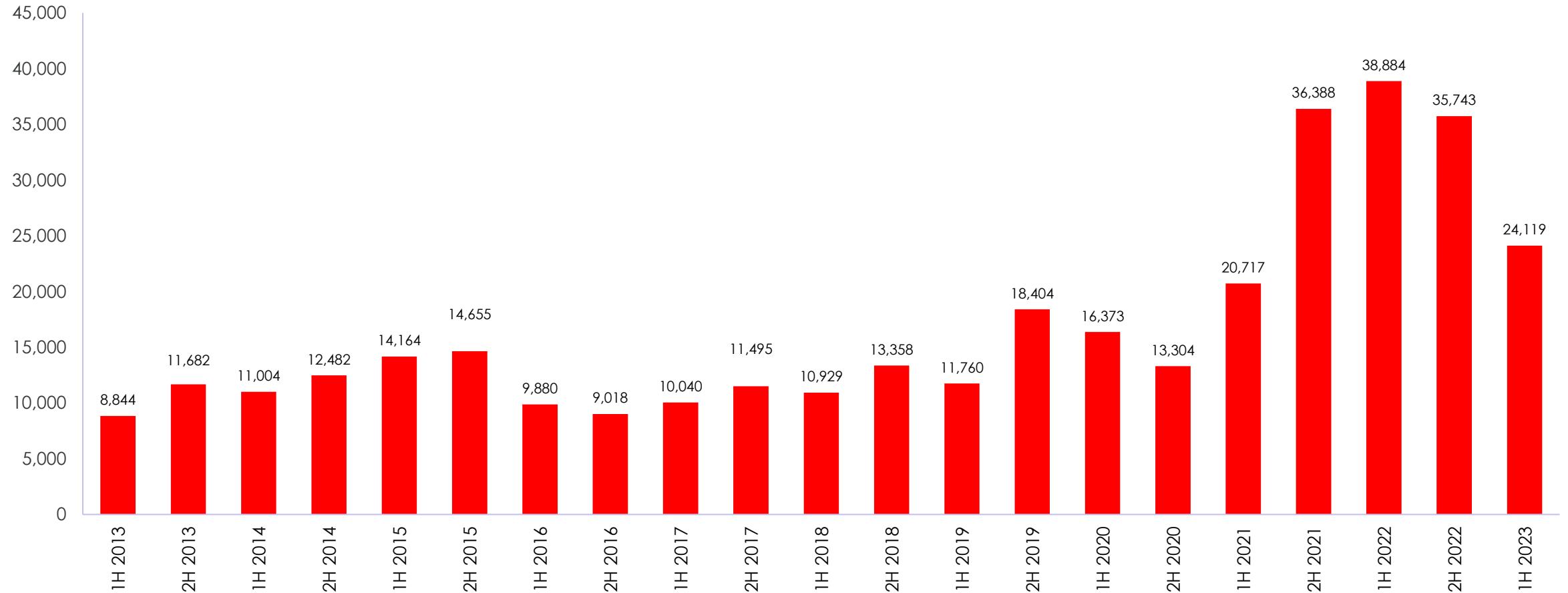


Source: Clarksons Research, July 2023. ^ΔMonthly seaborne trade series based on 'basket' of dry bulk, oil, container, gas, chemical and car trades, representing c.80% of global seaborne trade.

ClarkSea Index: Still in Positive Territory

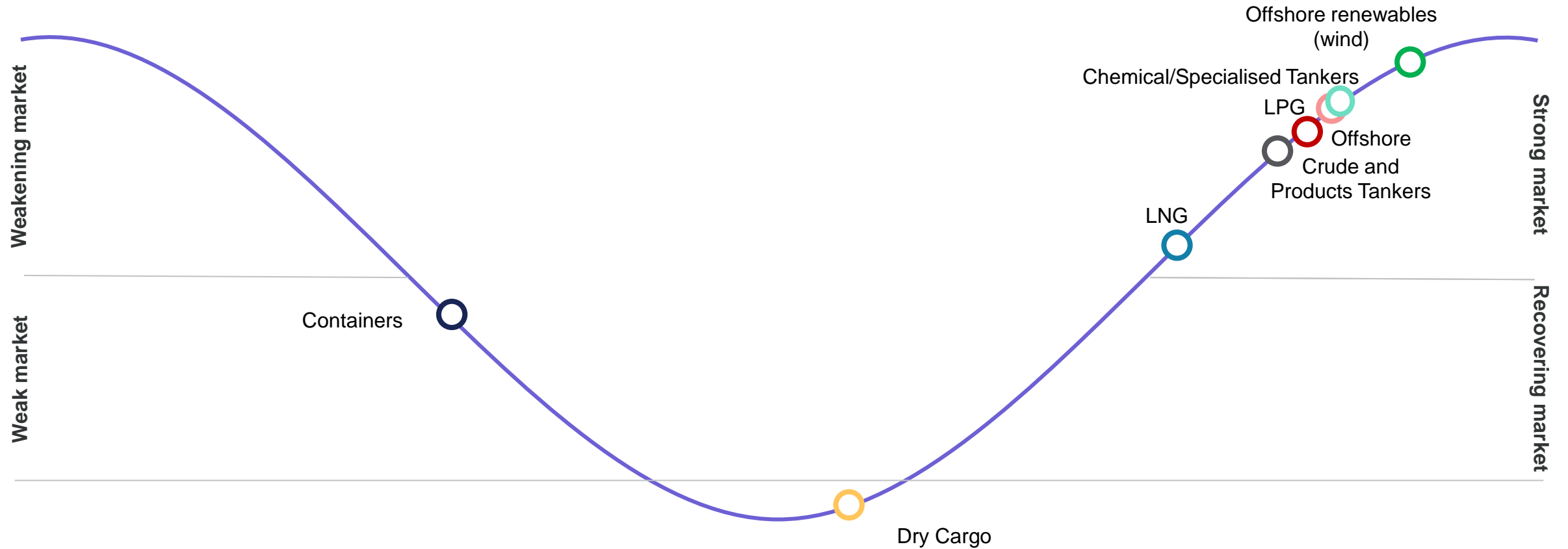
Most shipping sectors remain in positive territory, despite an easing of overall conditions

Half Yearly Averages, \$/day



Where are we in the cycle?

Timeline of each cycle not defined and varies



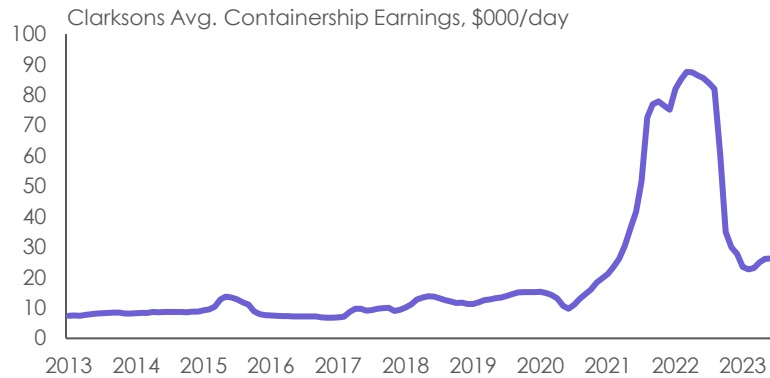
Trends By Sector & Impact on Clarksons

Strong rates in “energy” shipping tankers, gas and offshore: softer conditions in container and bulk carrier.

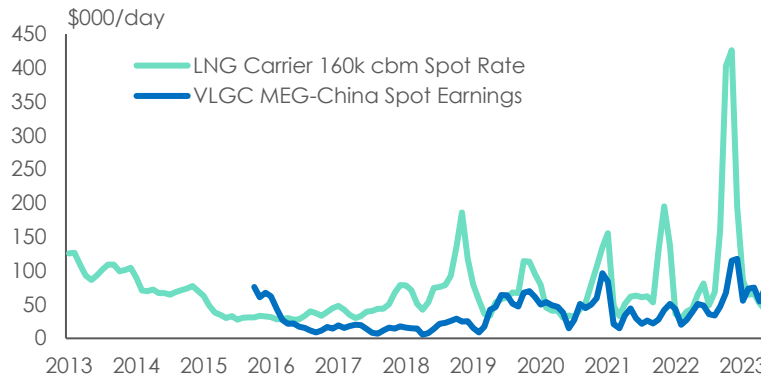
← Softer markets in 2023

Stronger markets in 2023 →

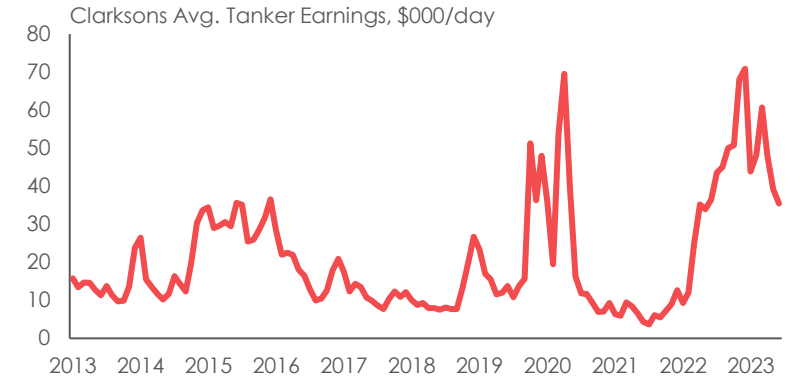
Containerships: normalised



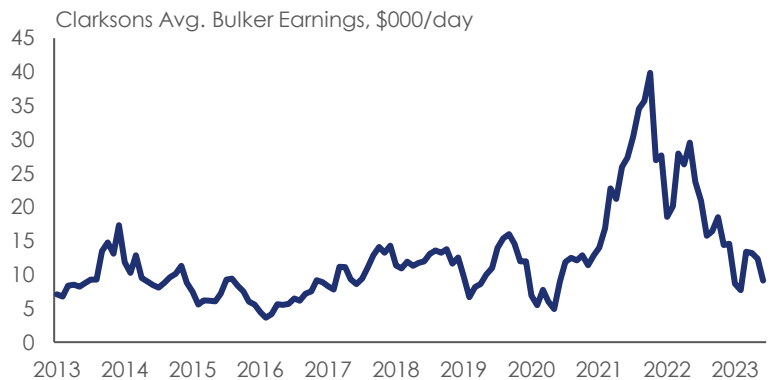
Gas Carriers: positive



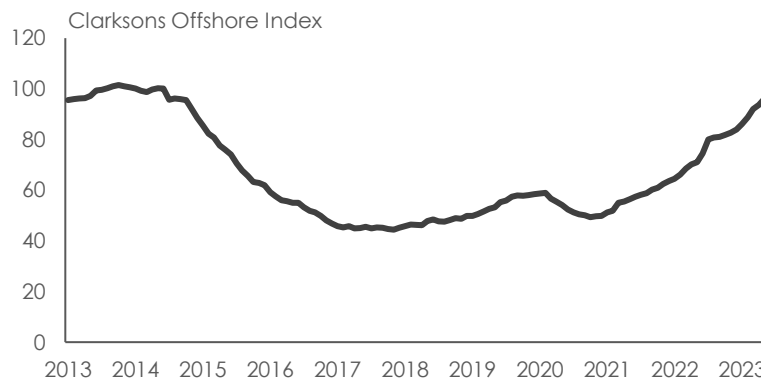
Tankers: strong



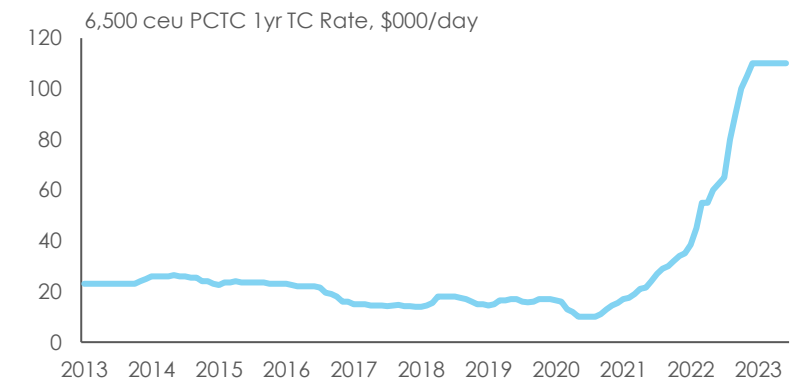
Bulkcarriers: softer



Offshore: strengthening



Car Carriers: record highs

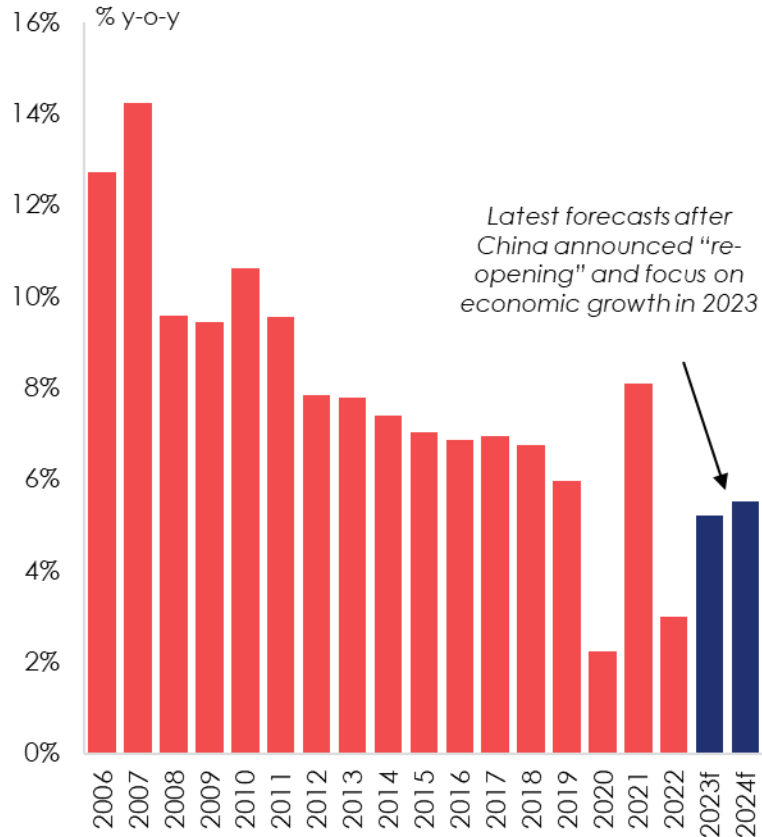


Source: Clarksons Research

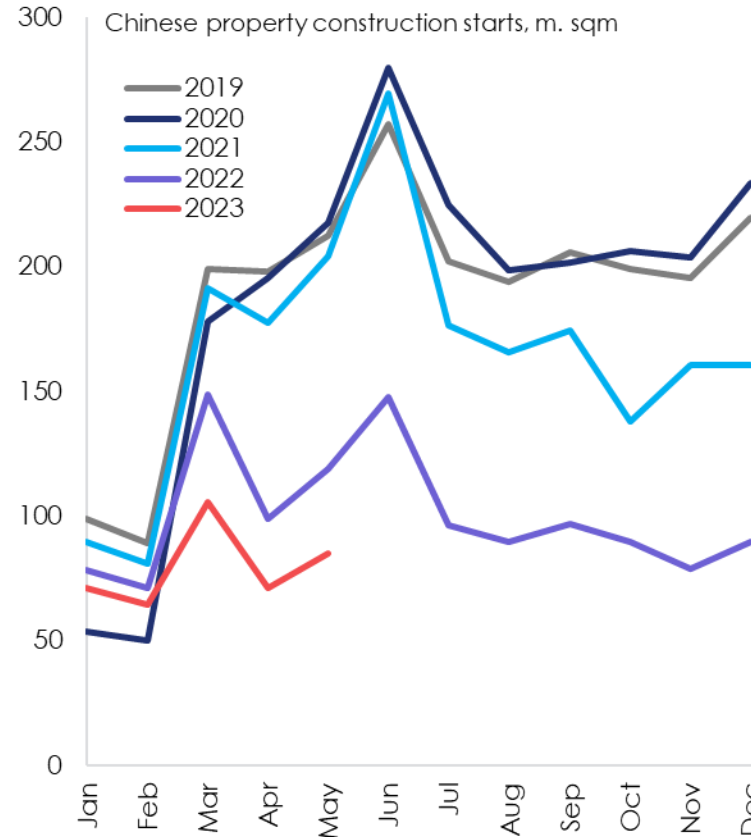
Chinese Economy: 'Re-Opening' With Headwinds But Focus On Growth

Weak trends in 2022, but end to 'zero-Covid' policy driving some improvements in 2023 despite property pressures

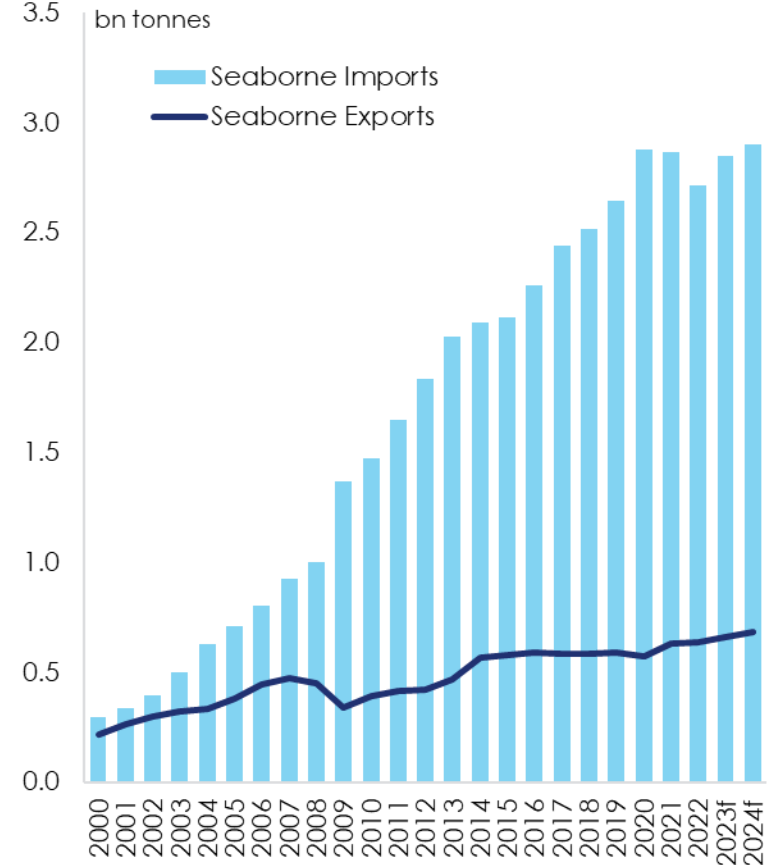
Chinese GDP growth slowed sharply in 2022 on Covid disruption; expected rebound in 2023 as economy 're-opens'



Some support from infrastructure projects but the vital property sector remains under clear pressure



Chinese seaborne imports fell in 2022 for a second consecutive year; on track to rebound firmly in 2023

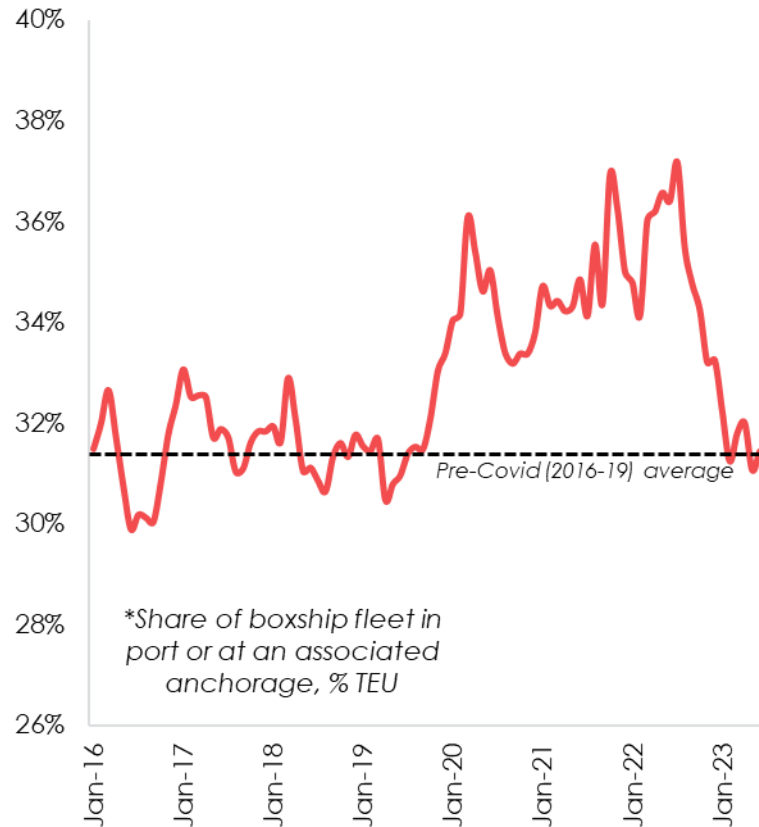


Source: Clarksons Research

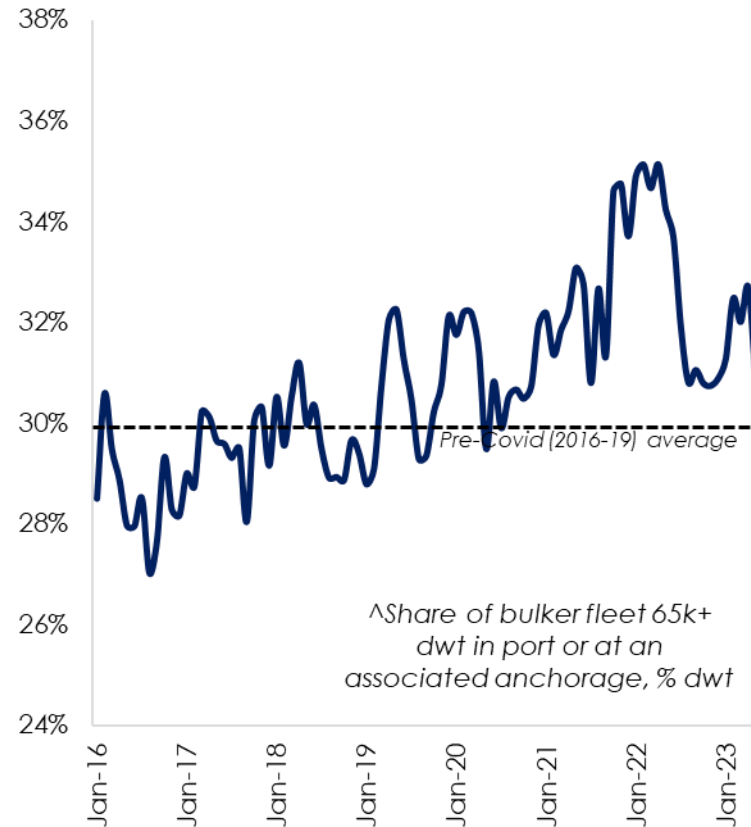
Port Congestion Normalising

Congestion 'back to normal' in containers & bulkcarriers; some pockets of disruption remain e.g. car carriers...

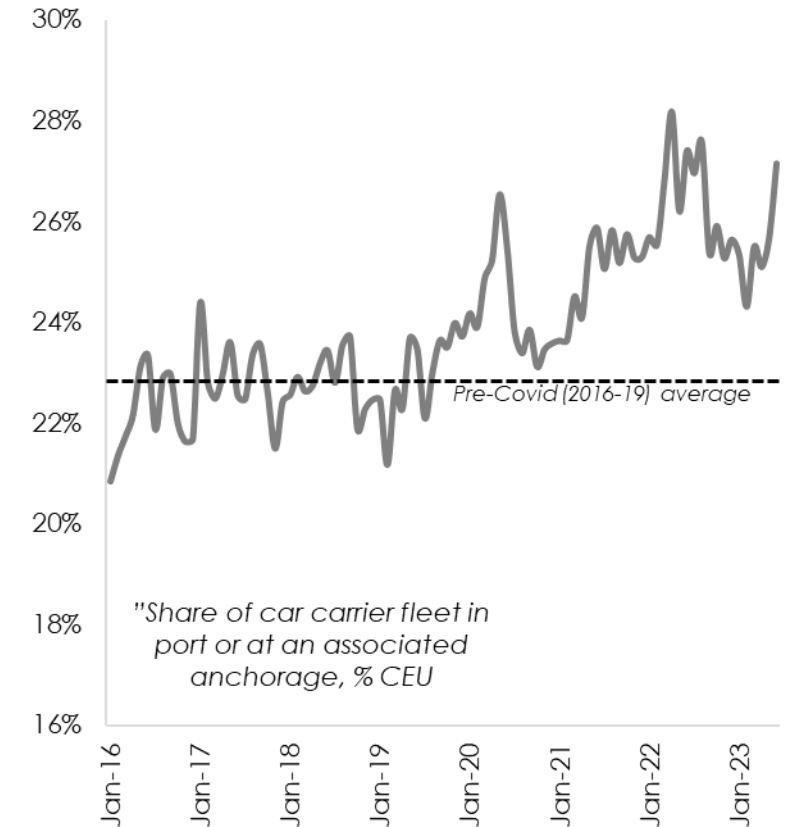
Containership Congestion Index*, % TEU



Bulkcarrier Congestion Index^, % dwt



Car Carrier Congestion Index", % CEU

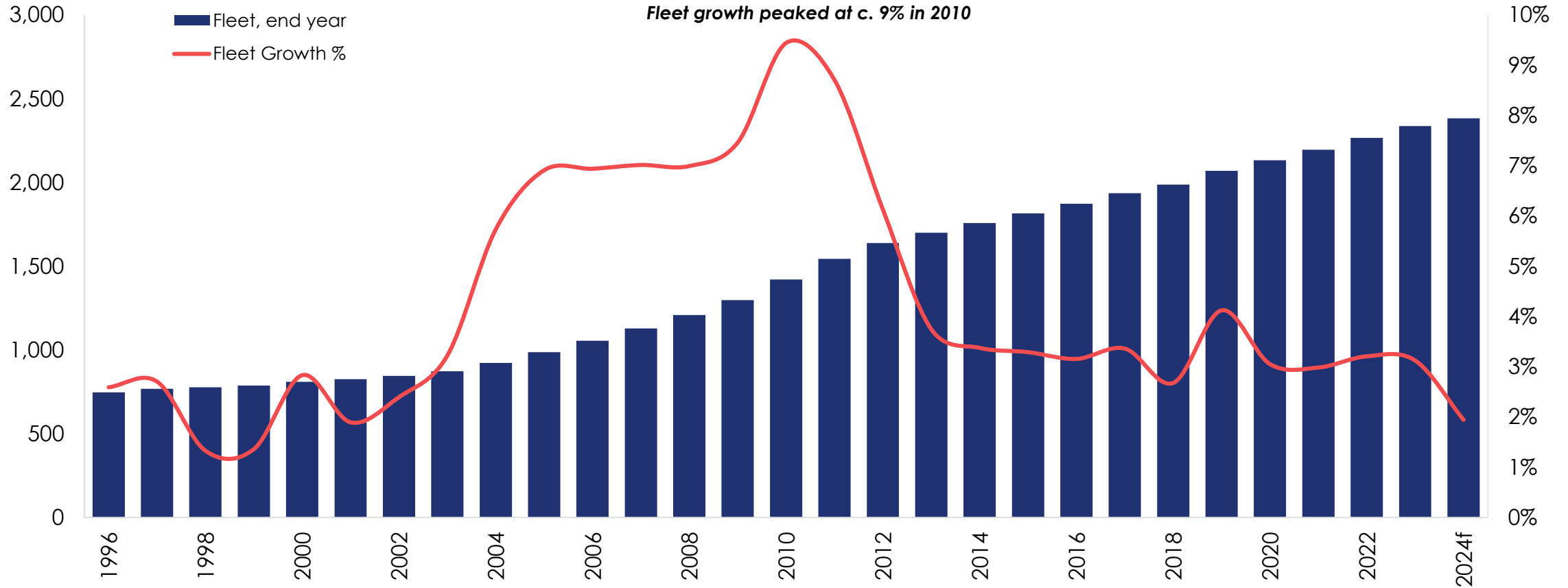


Source: Clarksons Research. Data based on the proportion of vessels in the fleet in a defined port or anchorage location based on vessel's closest to midday AIS signal on the date specified. Where a vessel has not transmitted on a particular day, the last position transmitted within the previous 30 days is used. Excludes vessels last seen 30 or more days ago from the date specified.

Supply side constraints developing in key markets

Supply outlook appears manageable; orderbook remains historically low at ~10% of fleet DWT...

Global Fleet Development, m dwt

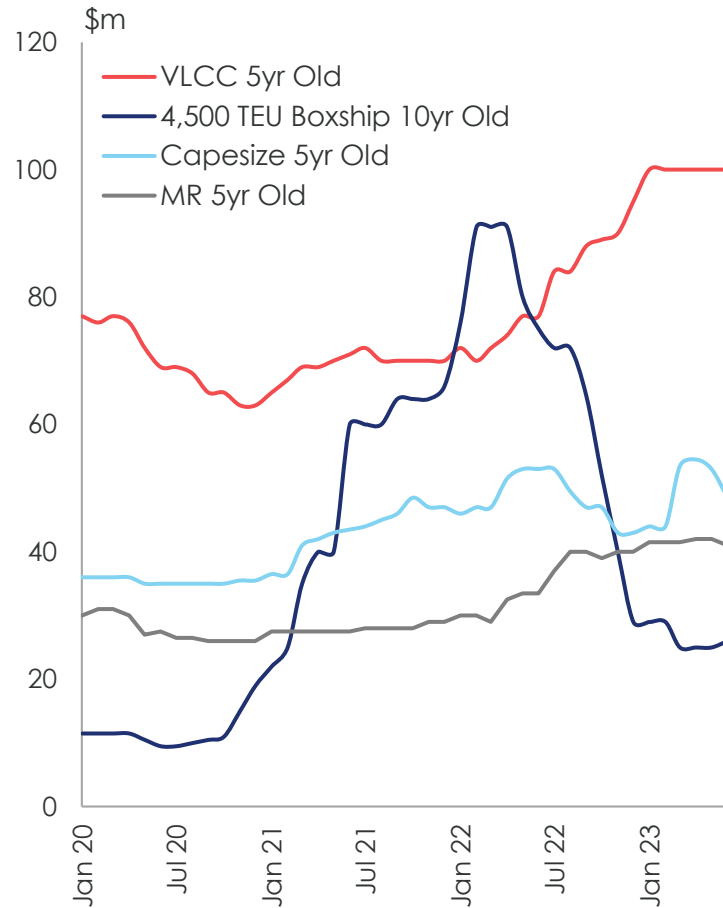


Source: Clarksons Research, July 2023. Orderbook as a percentage of the fleet in terms of dwt.

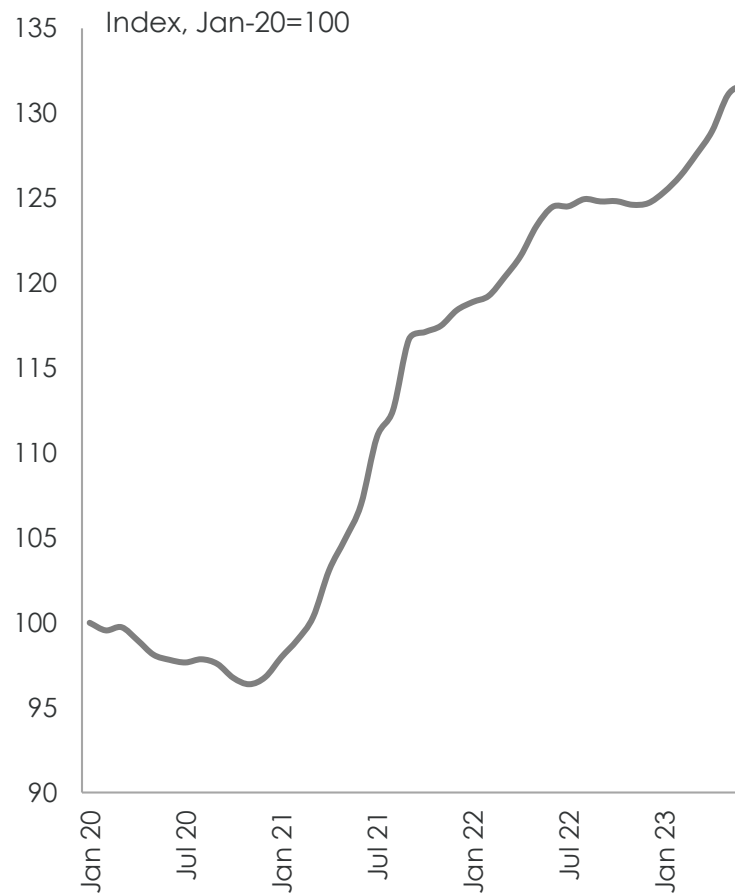
Asset Price Trends: S&P Markets Still Active

Secondhand prices in tankers still rising; newbuilding and scrap prices remain firm

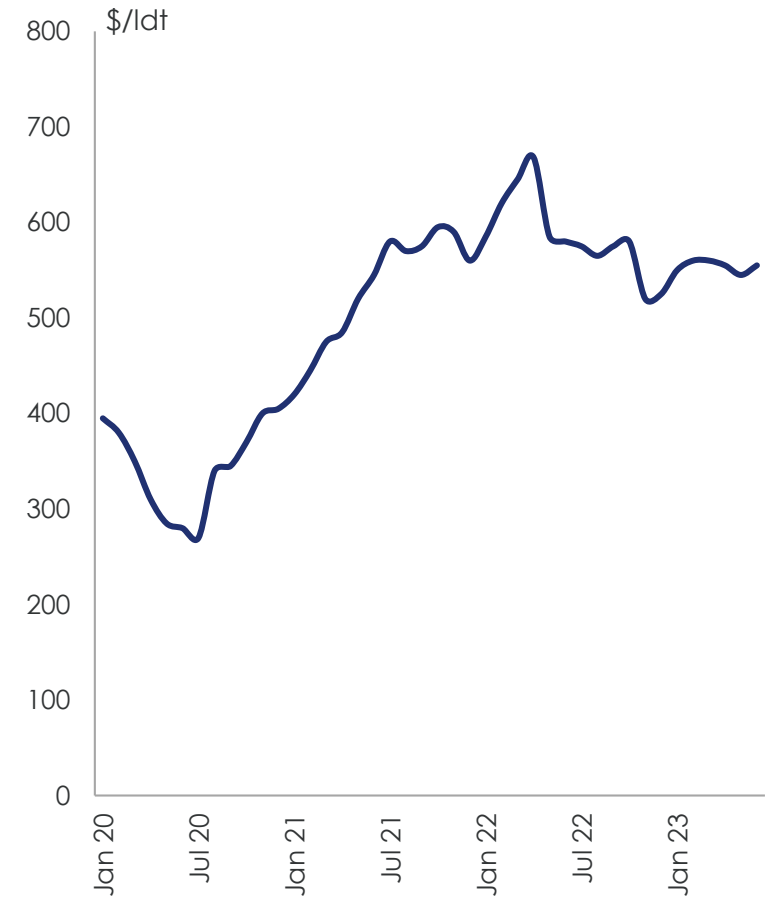
Secondhand Prices



Newbuilding Price Index



Indian Recycle/Scrap Price

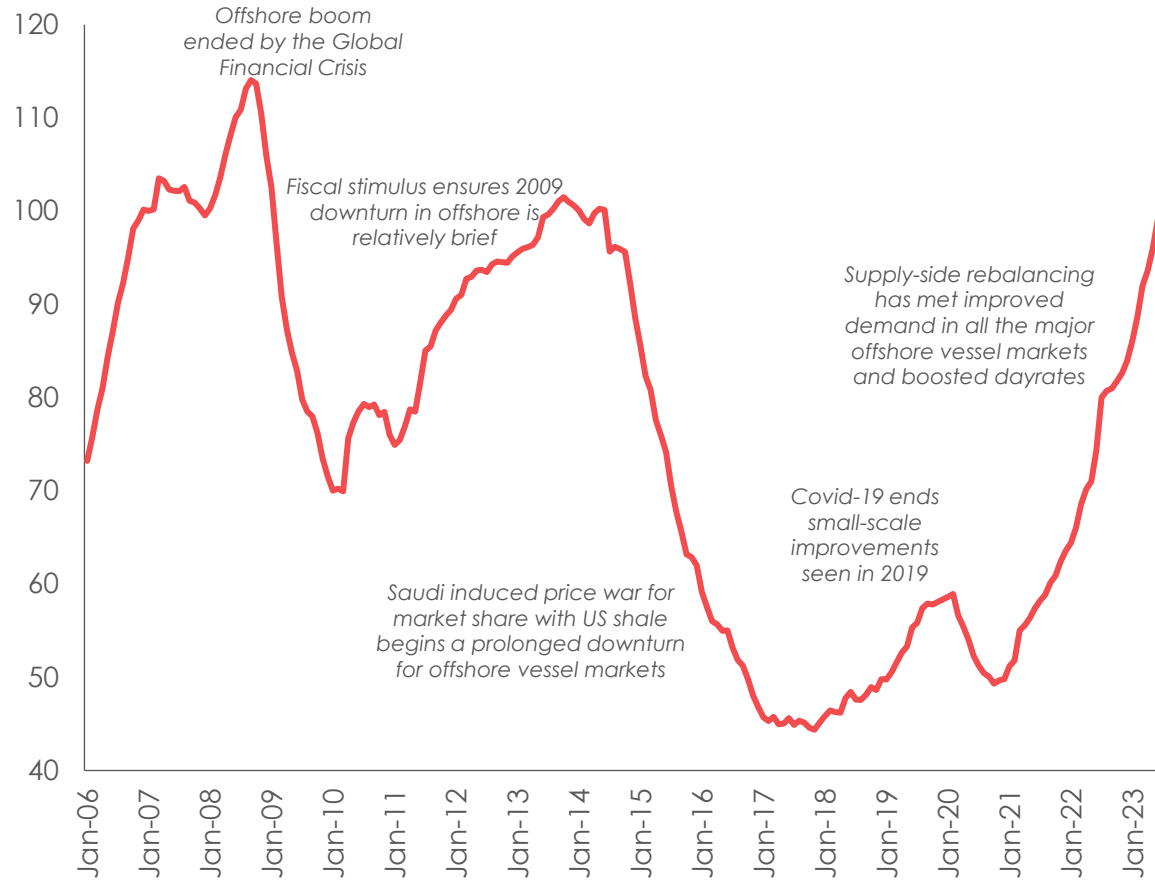


Source: Clarksons Research. Prices as at end month. Scrap price basis Capesize bulker.

Energy Security: Offshore Oil & Gas Still 16% Of Global Energy Supply

Offshore Dayrates have made a strong recovery across through 2022/23 on improved project CAPEX

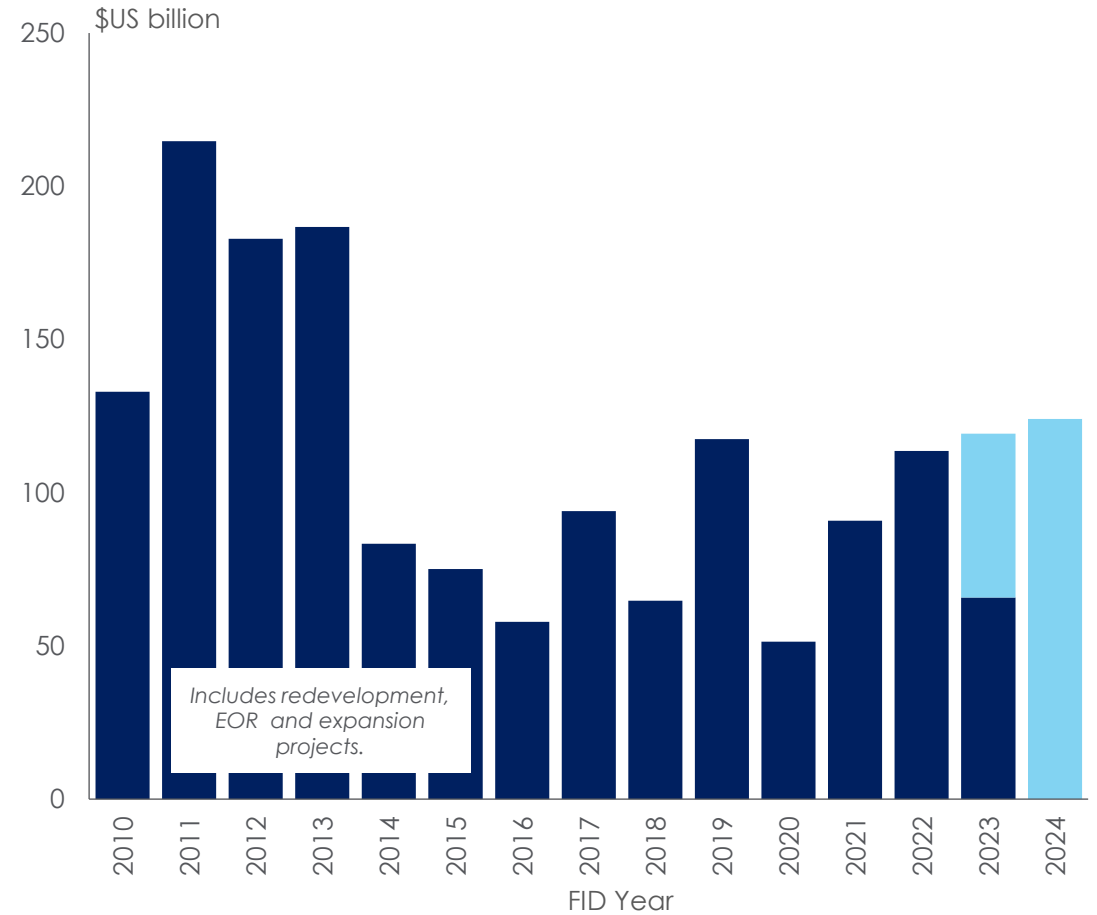
Clarksons Offshore Index (dayrate index for AHTS, PSV, jack-ups, floaters and subsea MSVs)



Fleet-size weighted index of dayrates across AHTS, PSVs, Jack-up drilling units, floating drilling units and subsea MSVs.

Source: Clarksons Research

Offshore Oil & Gas Investment

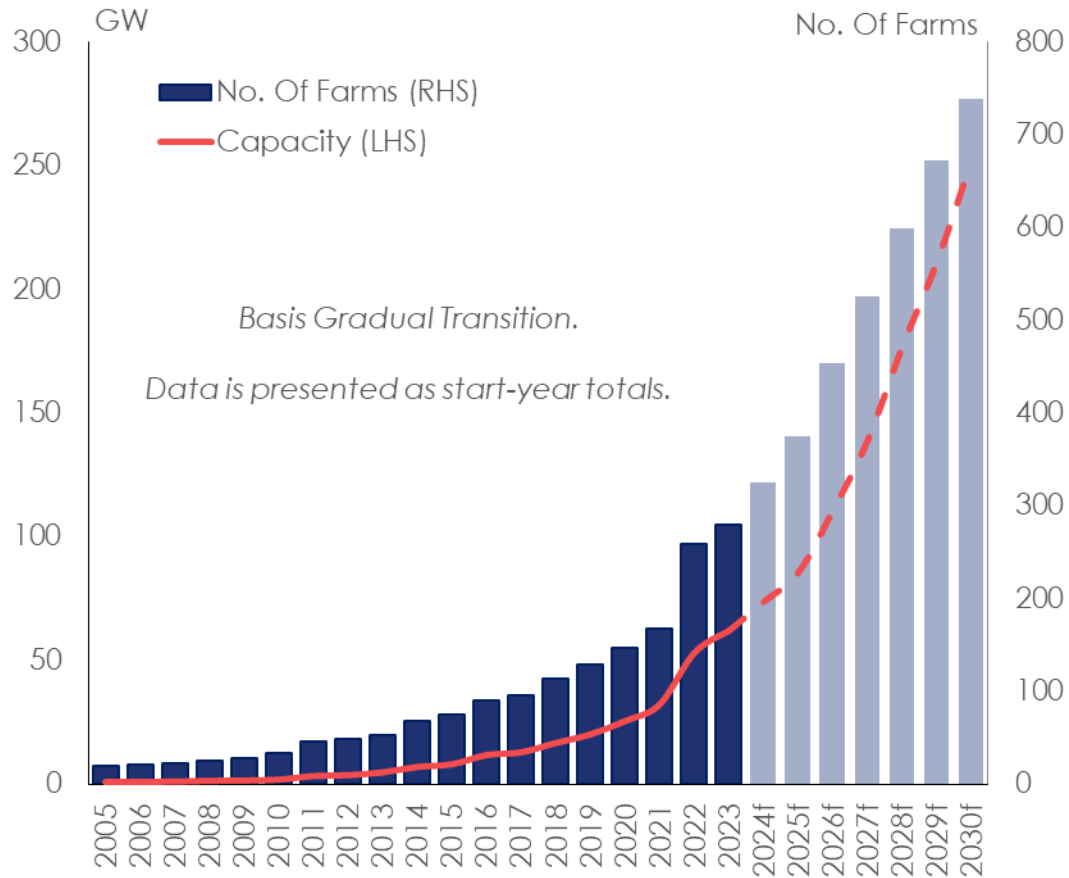


CAPEX data as specified by project operators. Where no definitive figure is given, estimates derived from assessment of comparable projects with known CAPEX.

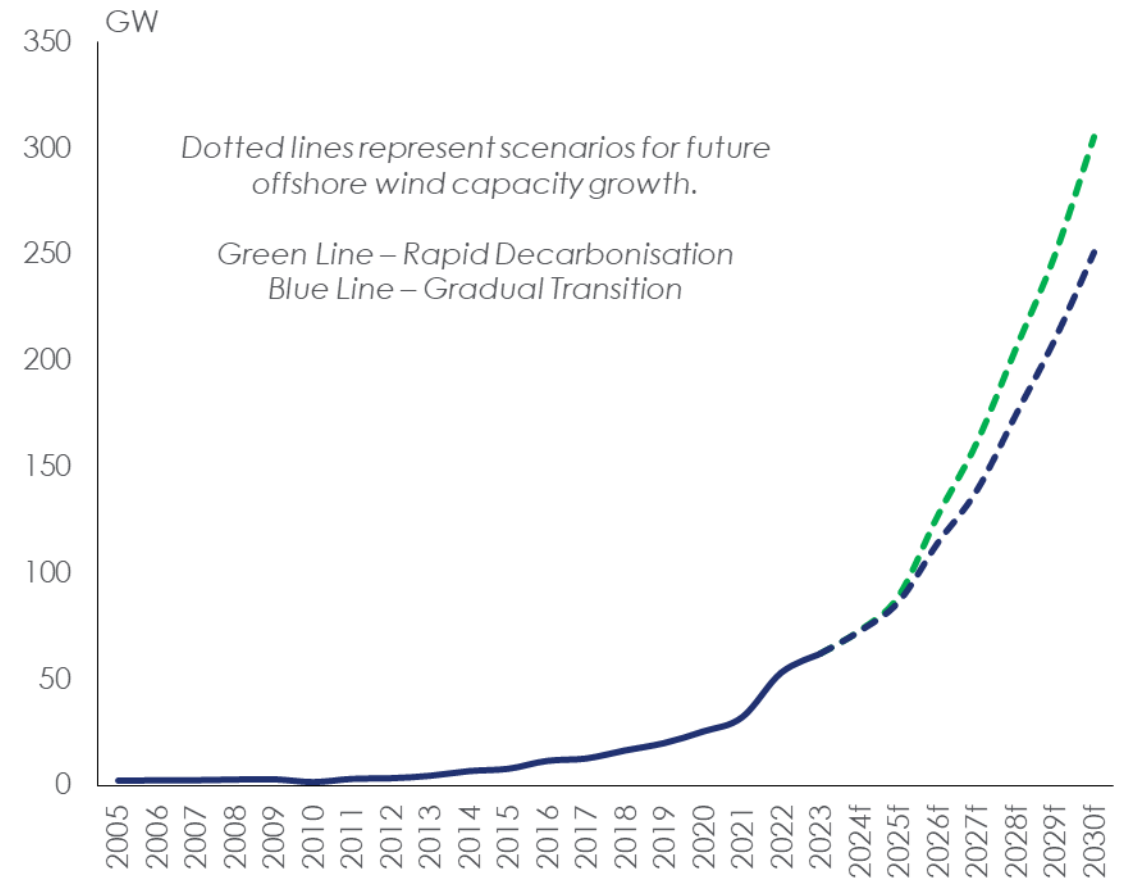
Offshore Wind Growth Accelerating: Vital Role In Energy Transition

~12,400 turbines and ~60GW of offshore wind capacity installed today; 30,000 turbines & ~250GW by 2030?

The Growth Of Offshore Wind



Offshore Wind In The Energy Transition



Source: Clarksons Research. All data available on Renewables Intelligence Network.

Outlook



Andi Case
Chief Executive Officer

Outlook

Tailwinds vs Headwinds

Headwinds / global factors

Sentiment

Global GDP contraction?
Inflation?

Geopolitical

War – how long and how deep?

Exchange rate

USD vs GBP, NOK...
Headwind?

Tailwinds

Markets

Supply side challenged

- Lack of finance
- Shipyard sustainability
- Design evolution
- Inflation

Regulation & Client GHG Focus

- 2030
- 2050

Renewables & Energy mix

Growing global market requiring maritime skills-
Energy security



Company

Forward order book

Evolving through the year

Cash generation and debt free

Progressive dividend policy in 21st year



CLARKSON PLC

Thank you

