



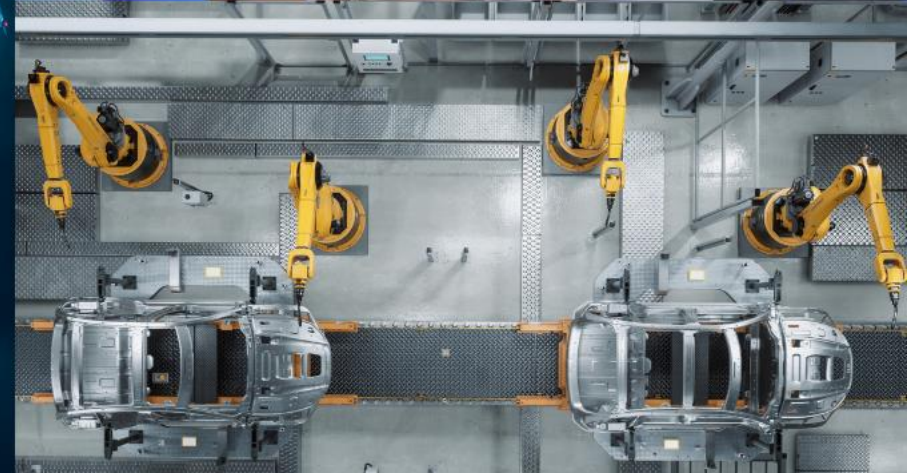
CLARKSON PLC

Results Presentation

31 December 2023

Andi Case & Jeff Woyda

4 March 2024





CLARKSON PLC

Financial Results



Jeff Woyda

Chief Financial Officer &
Chief Operating Officer

Another year of record financial performance.

Increased Profit and EPS

Free Cash Flow

Healthy FOB

21st year of progressive dividend



Results summary

To 31 December

	2023 £m	2022 £m	
Revenue	639.4	603.8	+5.9%
Underlying profit before taxation (Before acquisition related costs)	109.2	100.9	+8.2%
Acquisition related costs	(2.6)	(0.8)	
Exceptional items	2.2	-	
Profit before taxation (after acquisition related costs)	108.8	100.1	+8.7%
Underlying earnings per share (Before acquisition related costs)	275.0p	250.3p	+9.9%

Segmental performance

Revenue, profit and margin

	Revenue 2023 £m	Revenue 2022 £m	Profit 2023 £m	Profit 2022 £m	Margin 2023	Margin 2022
Broking	516.8	495.5	121.2	117.6	23.5%	23.7%
Financial	44.1	49.8	6.6	7.8	15.0%	15.7%
Support	56.6	39.0	6.4	5.0	11.3%	12.8%
Research	21.9	19.5	8.4	7.0	38.4%	35.9%

USD v GBP Exchange Rate

GBP 1 is worth the following in USD

	2023	2022
Arithmetic average for the year	1.2459	1.2300
Spot rate at year end	1.2746	1.2057



At 31 December, the Group had the following US\$/GBP forward contracts for settlement:

	2023		2022	
	US\$m	Average rate US\$/£	US\$m	Average rate US\$/£
For settlement in 2023	-	-	80.0	1.28
For settlement in 2024	90.0	1.27	70.0	1.28
For settlement in 2025	65.0	1.23	25.0	1.23
For settlement in 2026	10.0	1.26	-	-

USD v NOK Exchange Rate

USD 1 is worth the following in NOK

	2023	2022
Arithmetic average for the year	10.56	9.59
Spot rate at year end	10.15	9.86



At 31 December, the Group had the following US\$/NOK forward contracts for settlement:

	2023		2022	
	US\$m	Average rate NOK/US\$	US\$m	Average rate NOK/US\$
For settlement in 2023	-	-	24.0	9.81
For settlement in 2024	21.0	10.53	5.0	9.76
For settlement in 2025	10.0	10.48	-	-
For settlement in 2026	5.0	10.97	-	-

The foundation to deliver the intelligent marketplace for fixing freight



46k+

Ended year with 46k annualised contracts managed in platform

100+

Charterers & operators adopted the Sea platform

600+

Network of broker entities enabling streamlined collaboration

\$2.75bn

Iron Ore Freight traded through Sea trade

Iron Ore	Coal	Grains	Minor Bulks	Operators	Oil
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All Sea Trade customers have renewed contracts with increase in revenue

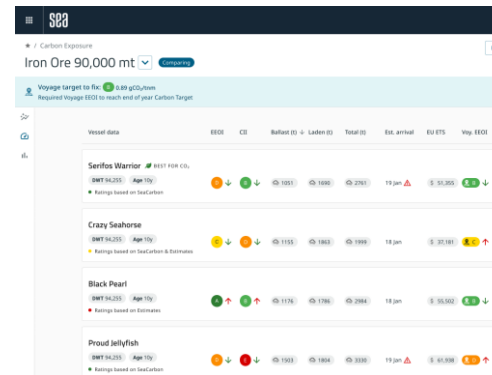
The intelligence marketplace for fixing freight

2023 achievements and 2024 roll out



Freight Planner

Sea ID	Intr.	Customer	Discharge Loc.	Cargo Type	Quantity	Cargo Laycan	Vessel Laycan	Contract	ETA
1720	CFR	Endemien	Dinghai	Iron Ore	170,000	1 - 10 Oct	29 - 30 Sep	Soleway COA 1	3 Oct
1721	CFR	China Steel	Dinghai	Iron Ore	180,000	1 - 10 Oct	3 - 10 Oct	SPOT	3 Oct
1722	CFR	Hyundai	Dinghai	Iron Ore	170,000	7 - 18 Oct	25 Sep - 3 Oct	Odeanoff SPOT	6 Oct
1723	CFR	Kinhal	Dinghai	Iron Ore	170,000	5 - 18 Oct	7 - 14 Oct	Soleway 1 COA	8 Oct
1724	CFR	POSCO	Dinghai	Iron Ore	180,000	8 - 20 Oct	15 - 22 Oct	SPOT	8 Oct
1725	CFR	Ansteel	Dinghai	Iron Ore	170,000	12 - 24 Oct	18 - 24 Oct	NYK COA 1	8 Oct
1726	CFR	Jiangsu Shengping	Dinghai	Iron Ore	170,000	15 - 28 Oct	20 - 28 Oct	TSC	8 Oct
1727	CFR	Valin	Caoheidian	Iron Ore	170,000	18 - 27 Oct	22 - 30 Oct	NYK COA 2	8 Oct
1728	CFR	Shougang	Caoheidian	Iron Ore	180,000	20 - 28 Oct	24 - 30 Oct	SPOT	8 Oct
1729	CFR	Hebel	Dinghai	Iron Ore	170,000	22 - 31 Oct	28 Oct - 3 Nov		8 Oct



Trading desk

Party	Period	Issue	Freight rate	Demurrage
Owning Company 1	3 Jun 2023 - 18 Jul 2023	Star Line	\$ 21 per MT	\$ 23,000 per day
Owning Company 2	3 Jun 2023 - 18 Jul 2023	Nicoxia Progress	\$ 19.50 per MT	\$ 22,000 per day
Owning Company 3	3 Jun 2023 - 18 Jul 2023	Lemnos Castle	\$ 22 per MT	\$ 24,500 per day
Owning Company 4	3 Jun 2023 - 18 Jul 2023	Aklimos	\$ 21.50 per MT	\$ 22,500 per day

Contract management 2.0

Integrated contracts platform across all sectors now **The** market leader in wet and dry

Freight Planning

A single view digital solution to optimise the allocation of cargoes and vessels

Carbon Exposure

Predict, capture, calculate, monitor and report on your voyage CO₂ footprint in one place

Trade 2.0

Upgraded design, functionality and flexibility to deliver 2 new commodity flows

Balance sheet

At 31 December

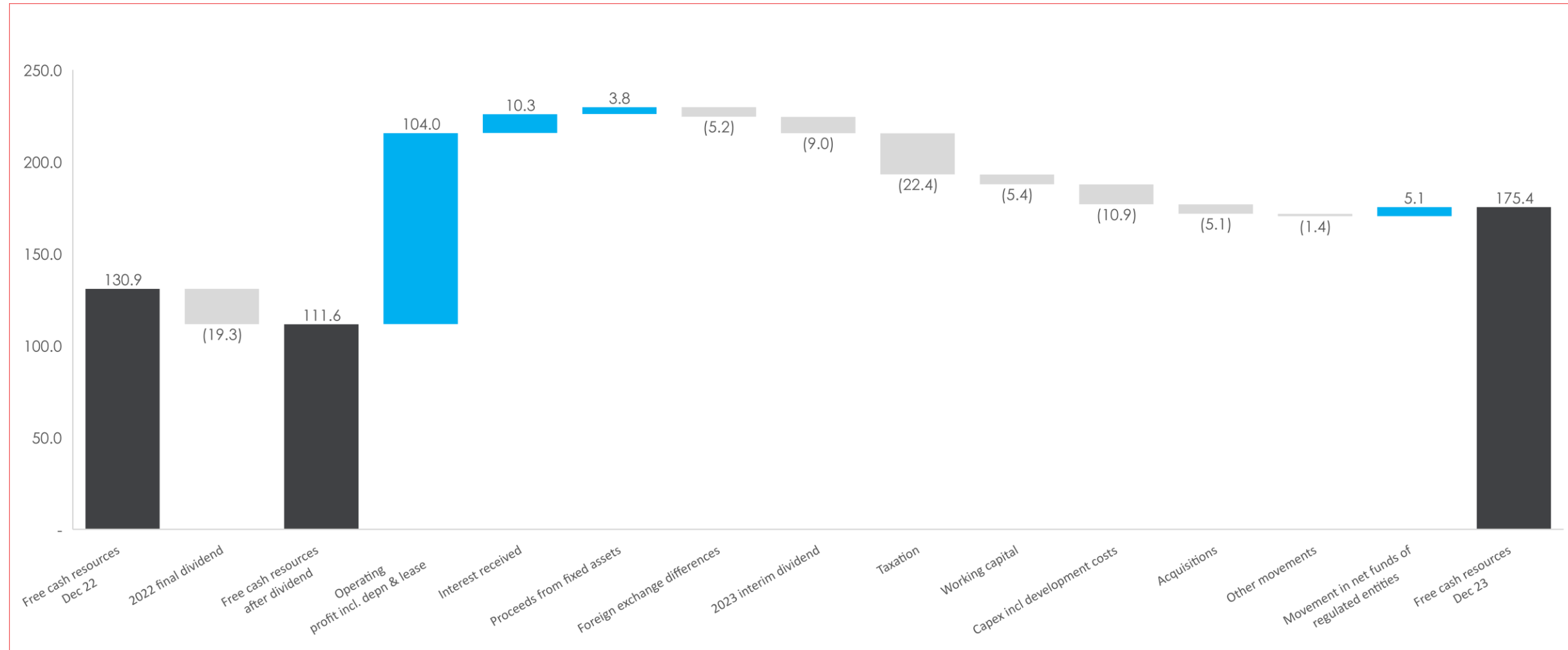
	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m
Tangible fixed assets	28.9	28.6	24.7	29.1	33.9
Intangible fixed assets (software only)	9.9	15.6	17.1	15.1	14.9
Investments (relating to convertible bonds)	6.7	5.5	0.7	0.4	0.2
Investments (other)	4.8	2.9	1.0	1.2	1.3
	50.3	52.6	43.5	45.8	50.3
Working capital	14.0	10.4	19.1	19.8	26.0
Net available funds	84.7	95.4	122.3	161.7	201.3
	98.7	105.8	141.4	181.5	227.3
Pensions	11.0	12.0	22.0	15.4	13.4
Deferred tax	3.1	1.8	(0.5)	7.5	7.4
Leases	(10.8)	(11.1)	(10.9)	(10.8)	(9.8)
Net assets before intangibles	152.3	161.1	195.5	239.4	288.6
Intangibles (excluding software above)	228.3	167.3	166.1	173.8	168.0
Net assets	380.6	328.4	361.6	413.2	456.6

Net available funds and free cash resource

	31 December 2023 £m	31 December 2022 £m
Cash and cash equivalents	398.9	384.4
Interest-bearing loans and borrowing	-	-
Current investment deposits	39.9	3.1
Net cash equivalents	438.7	387.5
Reserved for bonus (full cost)	(237.7)	(225.8)
Net available funds	201.1	161.7
Held by regulatory businesses	(25.7)	(30.8)
Free cash resources	175.4	130.9

Movement in free cash resources

1 January 2023 to 31 December 2023

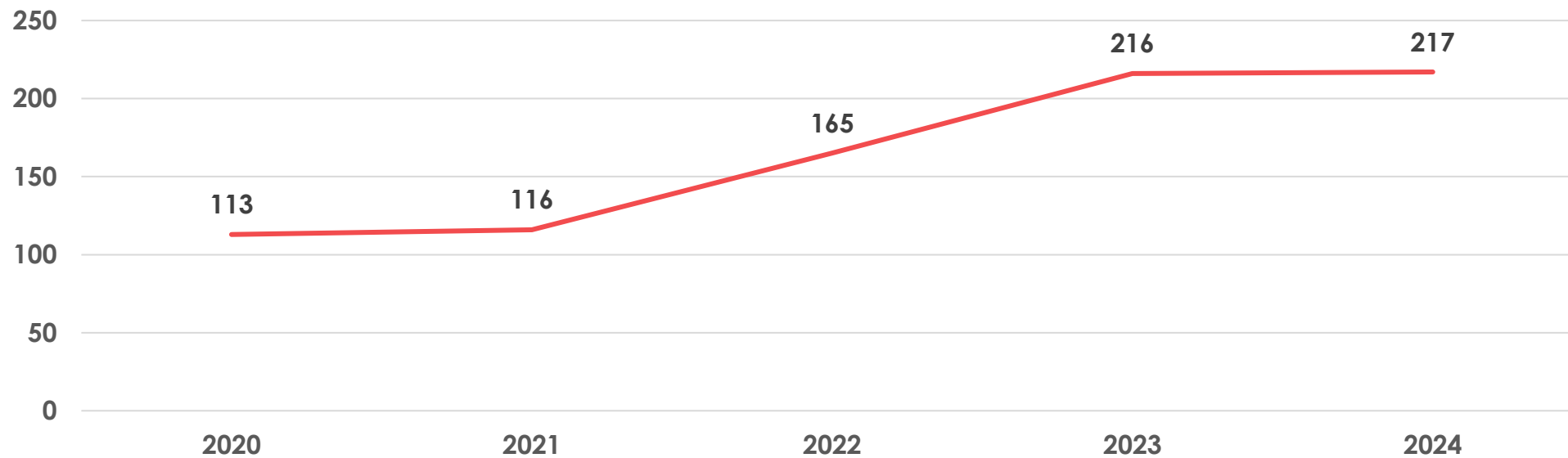


Forward Order Book (FOB)

For invoicing in the following year only

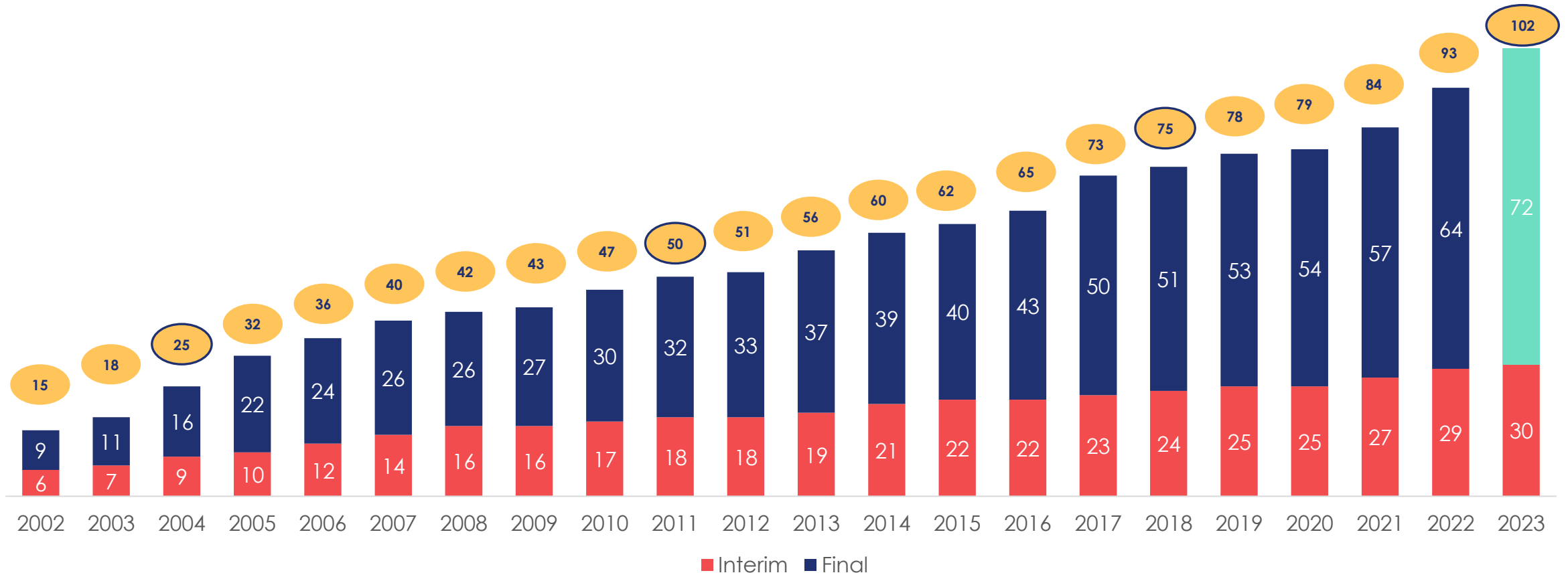
	2023 for 2024 US \$m	2022 for 2023 US \$m
Directors' best estimate of deliverable FOB	217	216

FOB @ 1st January for invoicing that year



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

Complexity is influencing rapid change.

Key Market Dynamics

Full Year 2023: positive conditions for most sectors

Rates & Activity

- Strong day rates across “energy” shipping sectors including tankers, gas and offshore
- Softer market conditions across container and bulk carrier but strong finish to year
- Strong S&P activity continues, good flow of newbuild orders

Seaborne Trade

- Good growth in seaborne trade with robust Chinese imports and extra distances
- Geo-politics driven changes in trading patterns remain supportive despite disruption (e.g. Russian oil flows, Red Sea)
- Energy security focus supporting investment in LNG and offshore oil and gas

Supply of Shipping

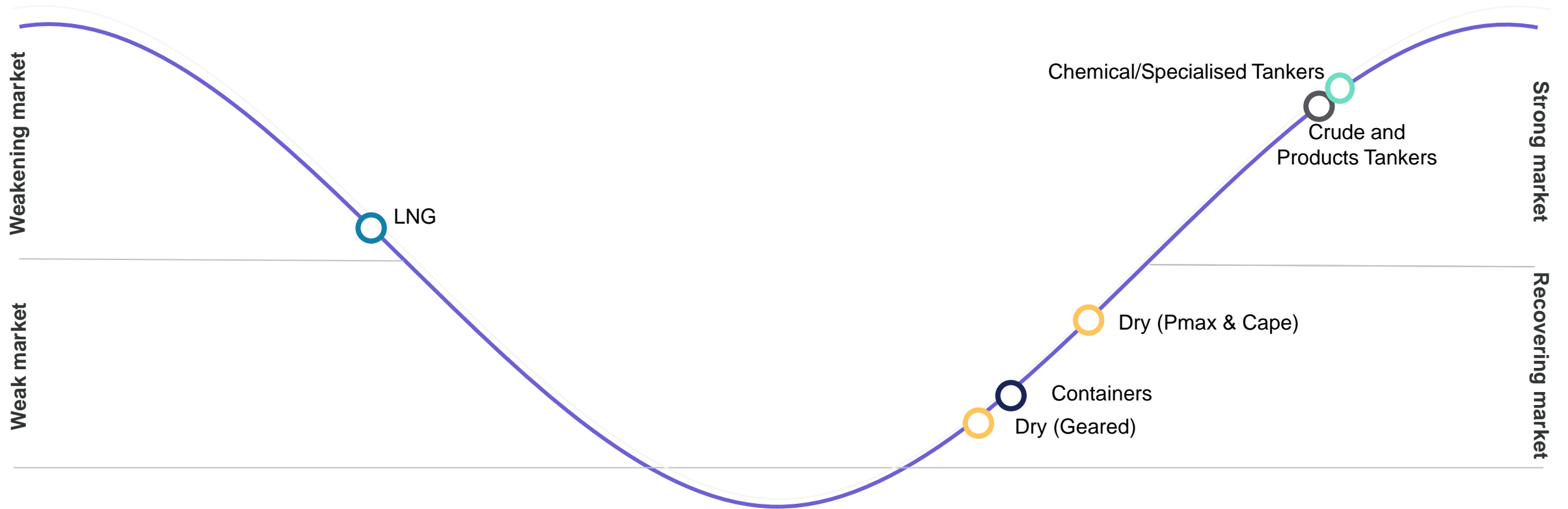
- Supply side constraints continue in some segments with low orderbooks in bulkers and tankers
- Impacts of decarbonisation policies evident in accelerating regulation, alternative fuel newbuilding orders, growing fleet renewal requirements and speed of ships

Energy Transition

- Offshore wind markets playing vital role in energy transition
- Emerging gas trades including Ammonia and CO2

Where are we in the cycle?

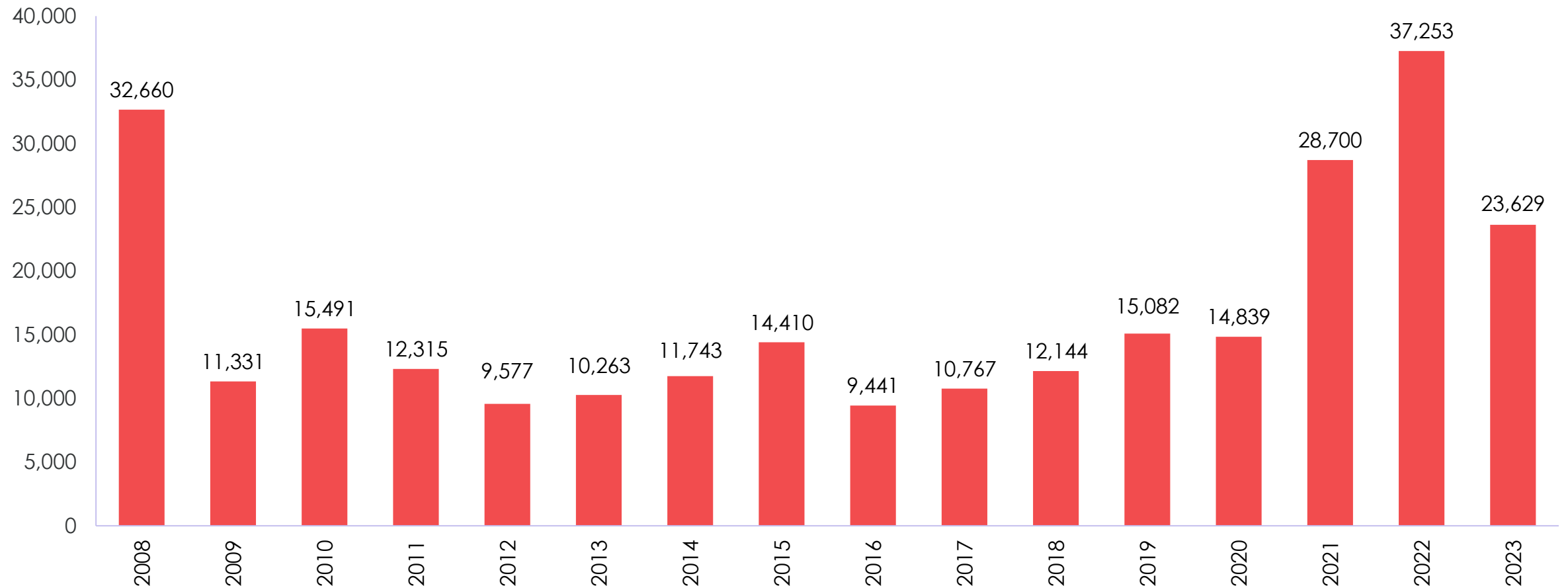
Timeline of each cycle not defined and varies



ClarkSea Index: Another Positive Year

ClarkSea index down y-o-y but still 33% above ten-year trend; earnings in most sectors remained positive...

Averages, \$/day



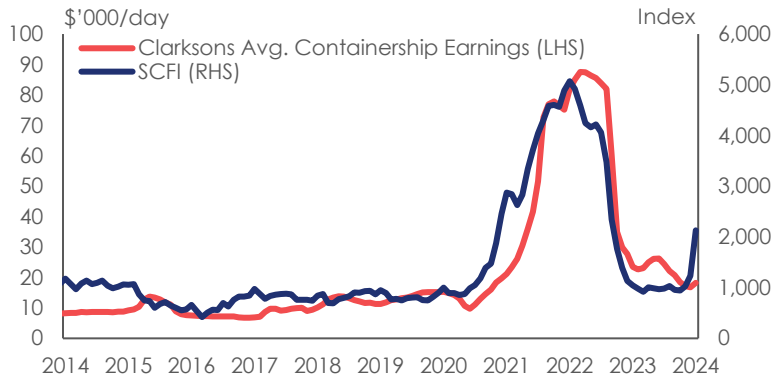
Vessel Earnings Trends By Sector

Strong “energy” shipping markets; softer conditions in bulkcarriers and containers but stronger ends

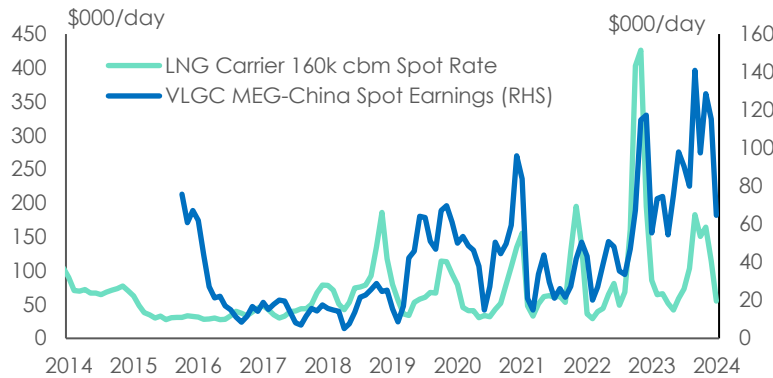
← Softer markets in 2023

Stronger markets in 2023 →

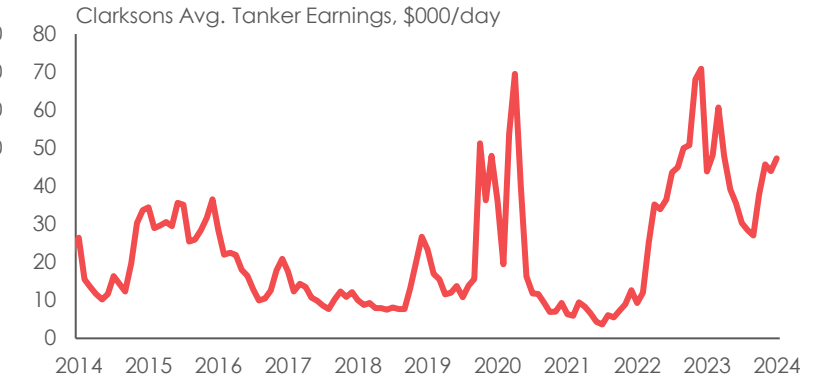
Containerships: normalised but late spike



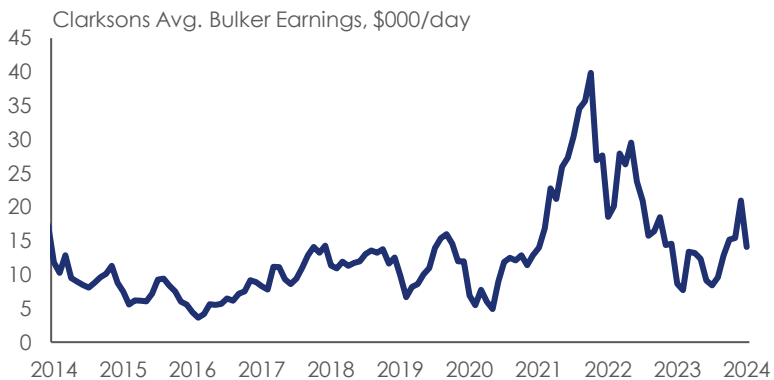
Gas Carriers: positive, new LPG records



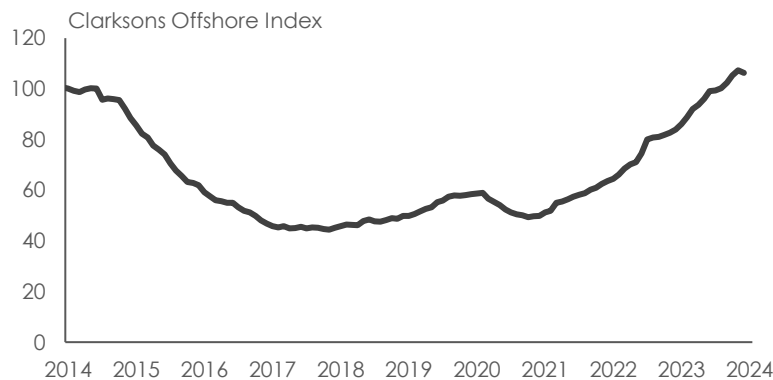
Tankers: still going strong



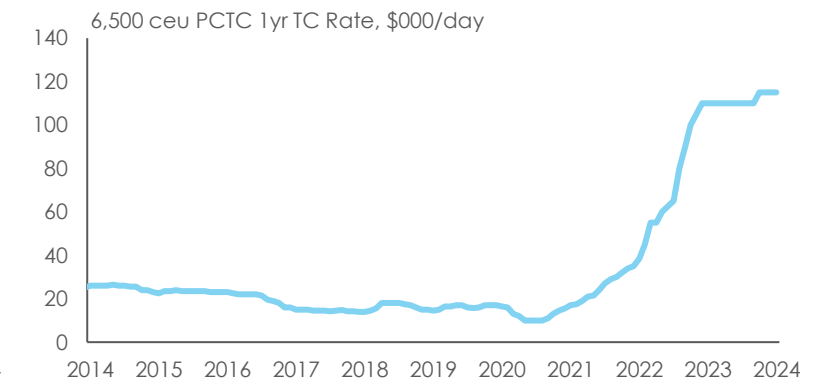
Bulkcarriers: softer, but ending strong



Offshore: 10-year highs



Car Carriers: new record highs

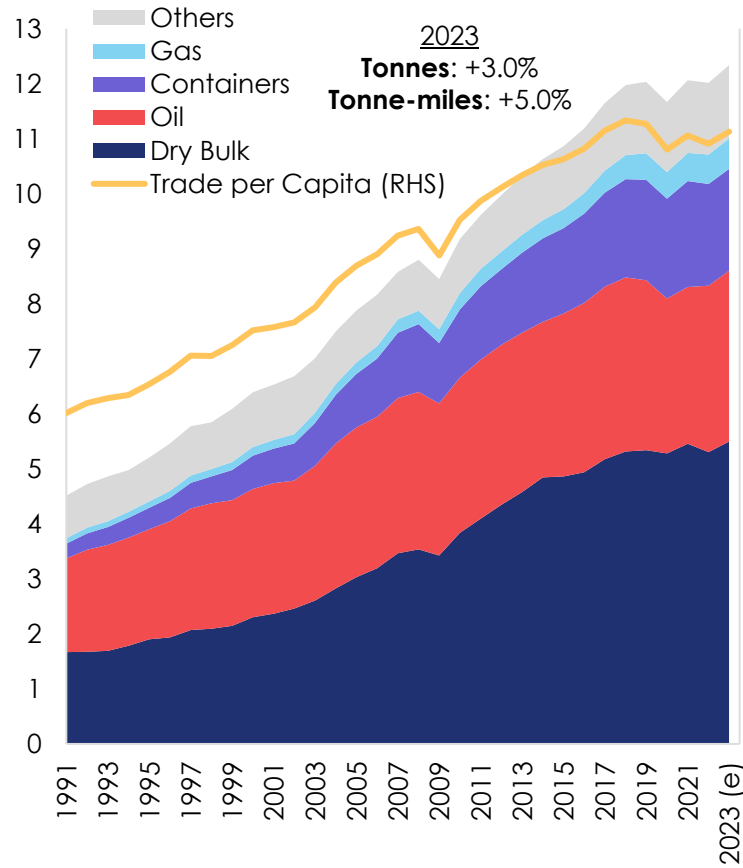


Source: Clarksons Research

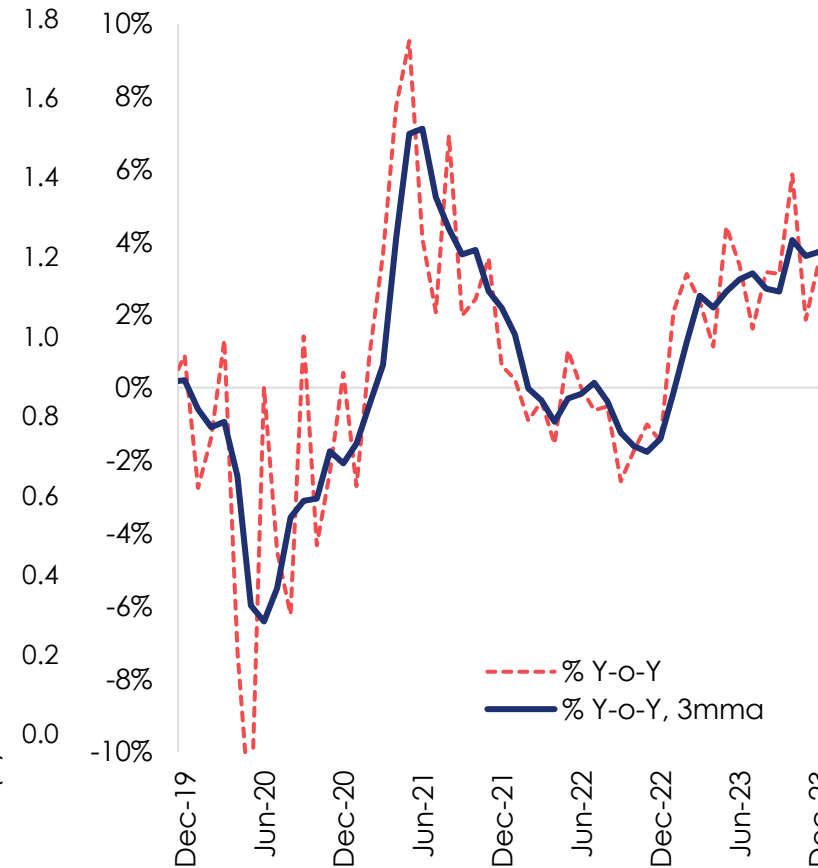
Seaborne Trade: Strong Volume Growth & Extra Distance

Trade volumes rebounded with additional tonne mile; cars, 'energy' and major bulks lead the way

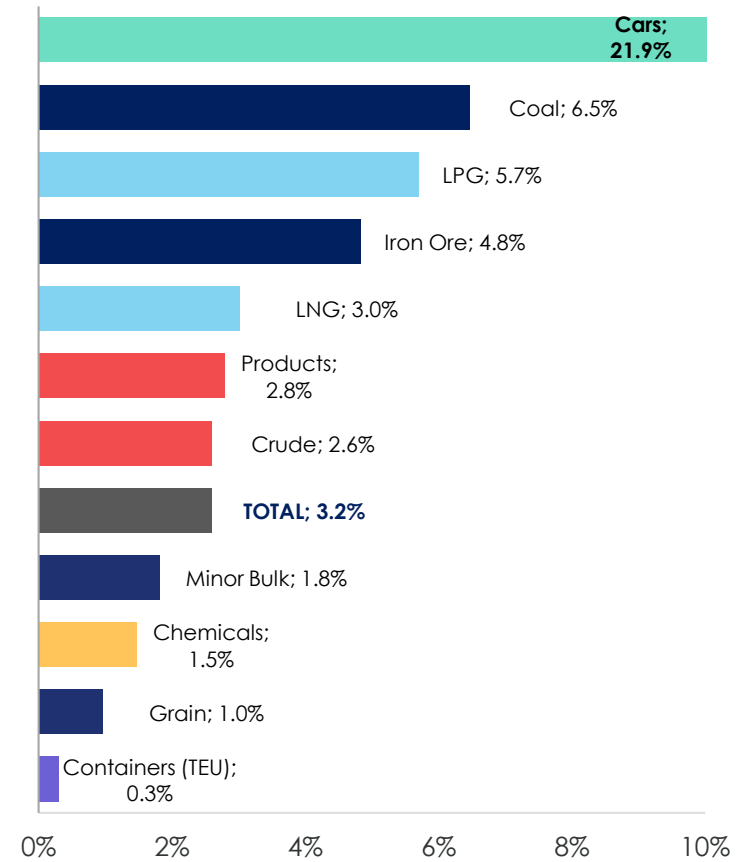
Global Seaborne Trade, bn tonnes



Monthly Seaborne Trade Growth[^]



2023 Estimated Trade Volume Growth

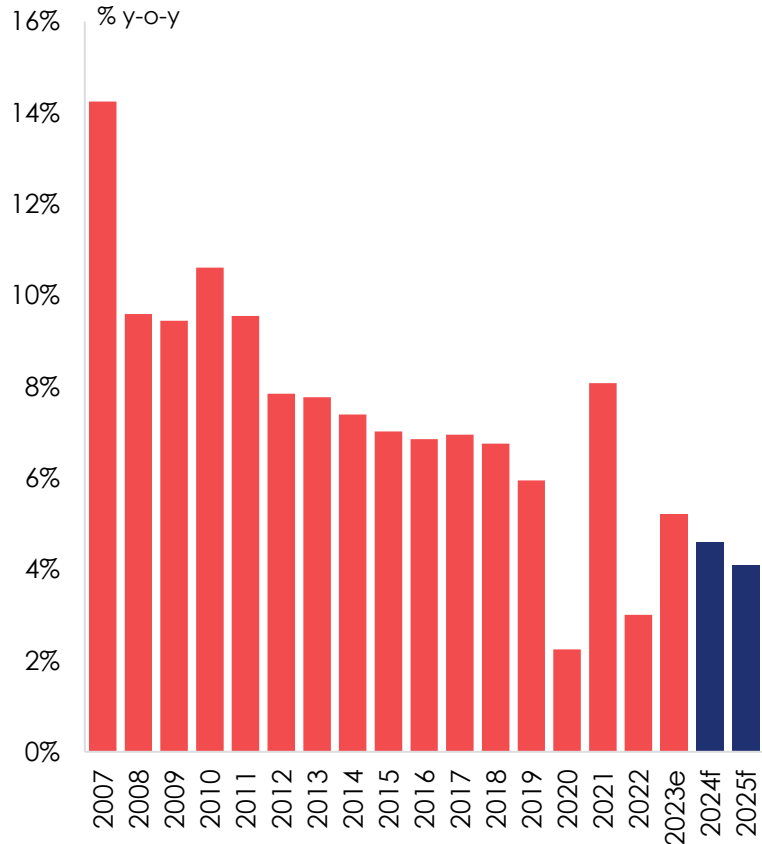


Source: Clarksons Research, Jan 2024. [^]Monthly seaborne trade series based on 'basket' of dry bulk, oil, container, gas, chemical and car trades, representing c.80% of global seaborne trade.

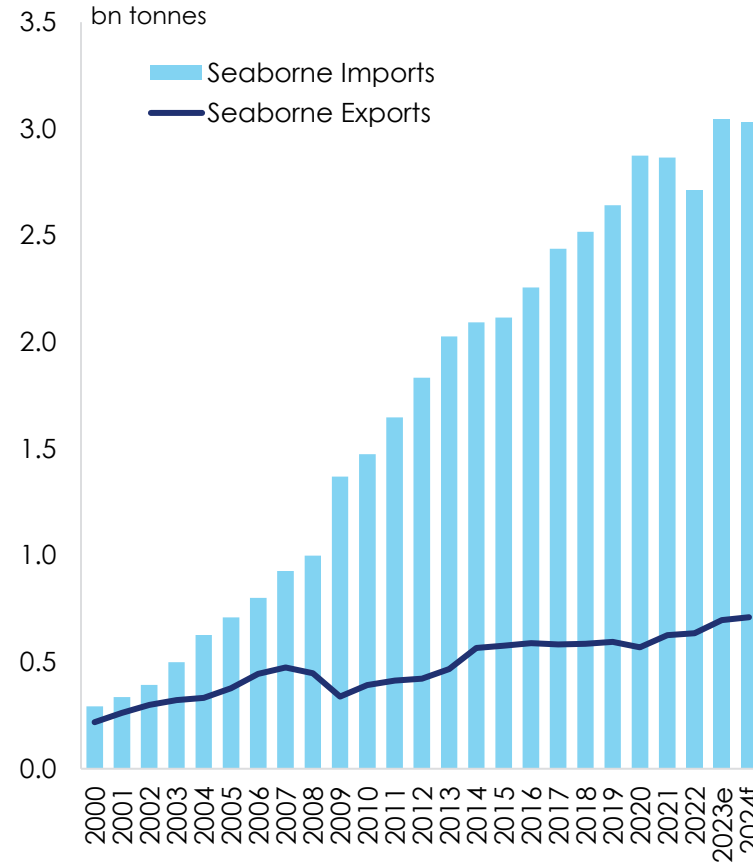
Chinese Economy: Record Imports in 2023 Despite Economic Headwinds

End of Covid restrictions and firm demand saw Chinese raw materials imports grow despite mixed economic signals

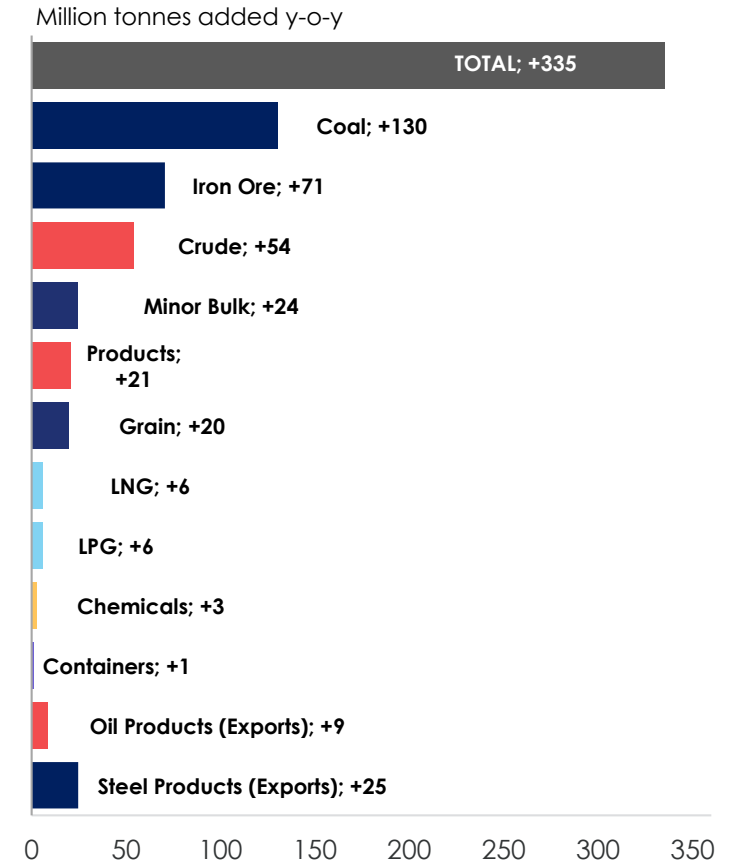
Chinese GDP growth rebounded in 2023 as economy 'reopened', but growth rates are trending lower...



Seaborne imports hit a record 3 billion tonnes in 2023 though on strong demand across a range of industrial goods...



Imports of iron ore, coal and crude oil were amongst the major drivers of imports growth...



Source: Clarksons Research.

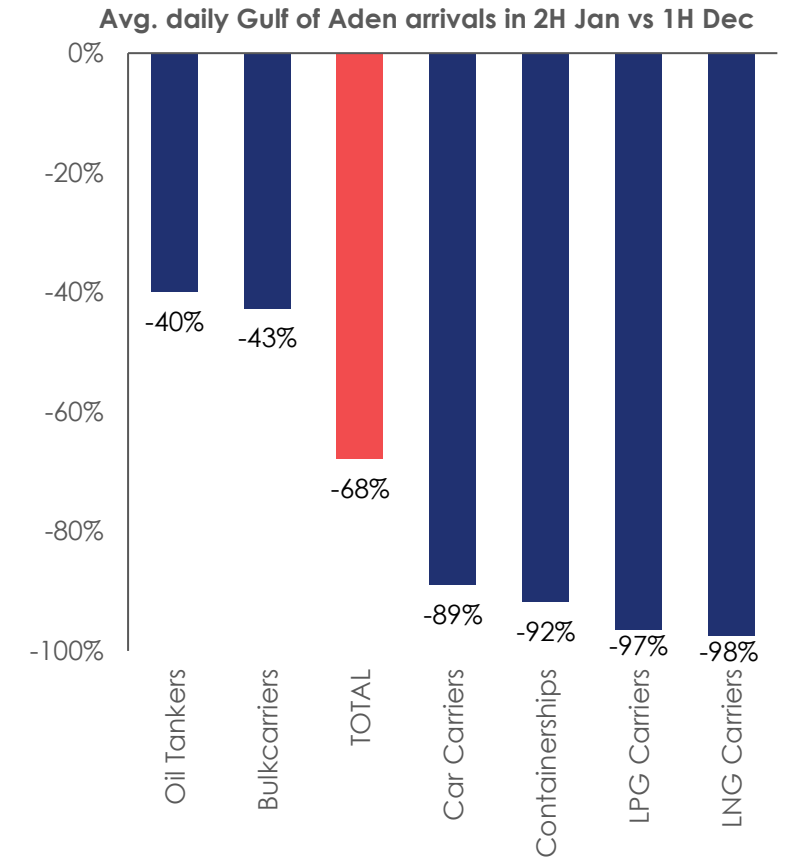
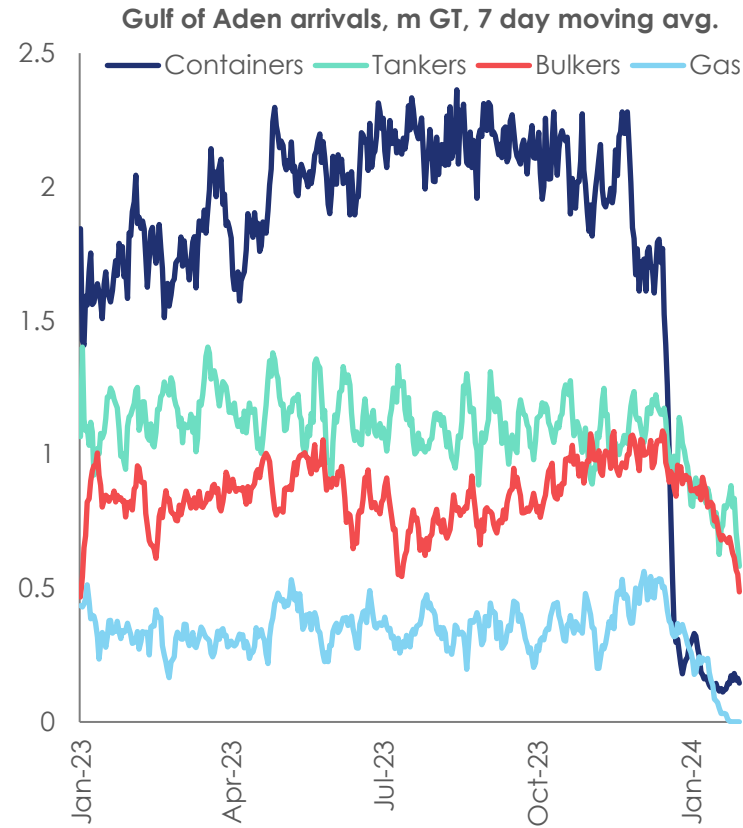
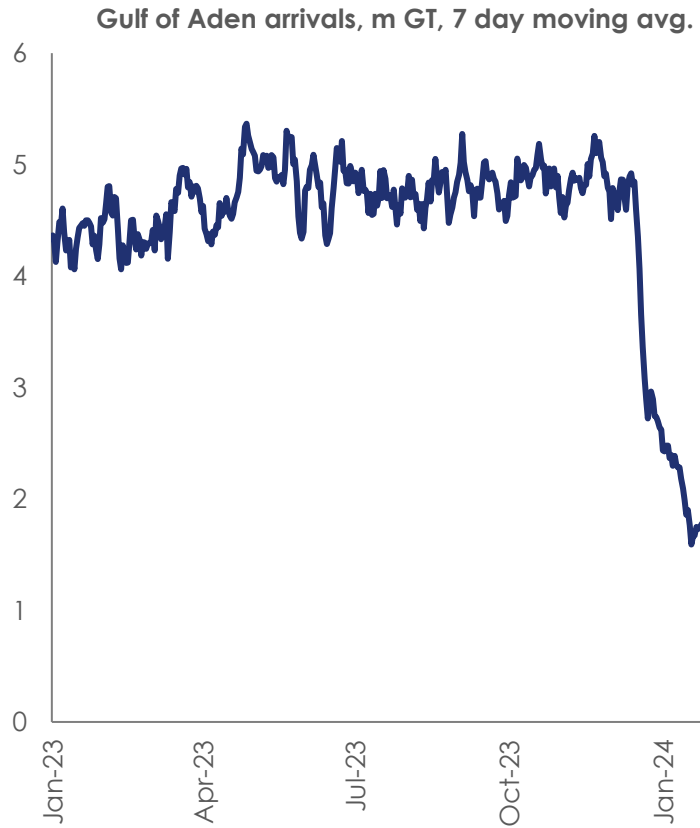
Disruption: Red Sea Impacts

Red Sea disruption increasing tonne miles; re-routing pronounced in containership, PCC, gas and tanker sectors

Gulf of Aden arrivals have fallen sharply since mid-December...

Containerships have seen the sharpest fall, tankers & bulkers more 'mixed' trends...

Total arrivals down sharply; some variation across sectors...



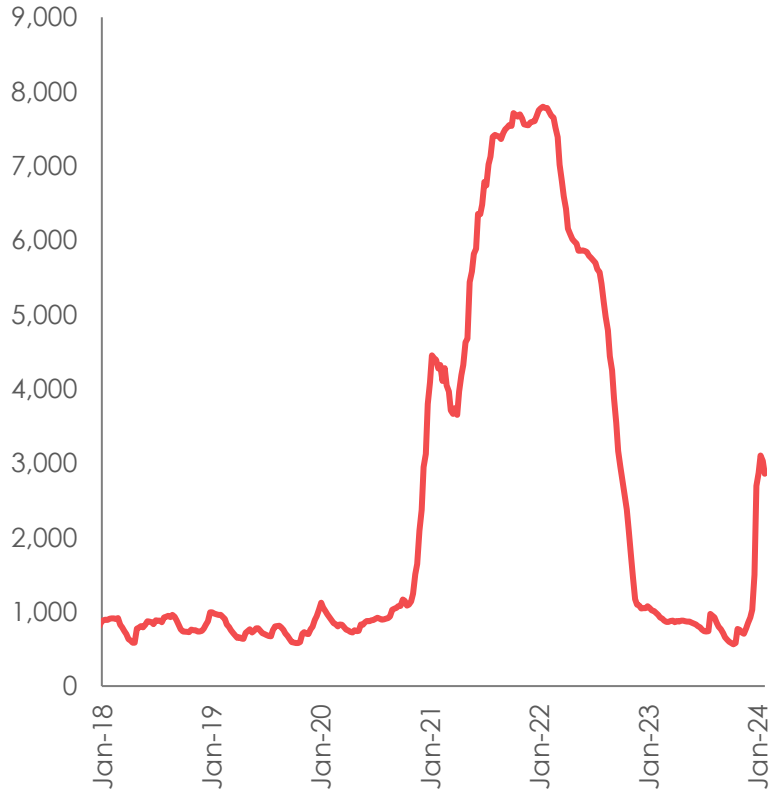
Source: Clarksons Research

Disruption: Red Sea Freight Market Impacts

Rerouting of capacity 'the long way round' and risk premia are driving up freight rates in some sectors

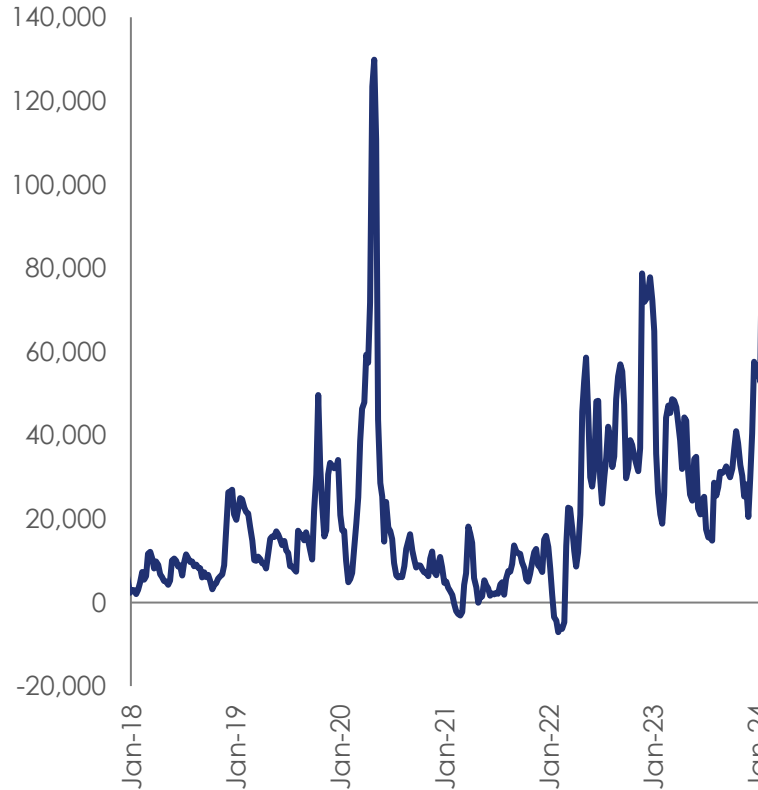
Container freight rates have jumped to the highest levels since post-Covid disruption

Shanghai-N. Europe Spot Freight Rate, \$/TEU



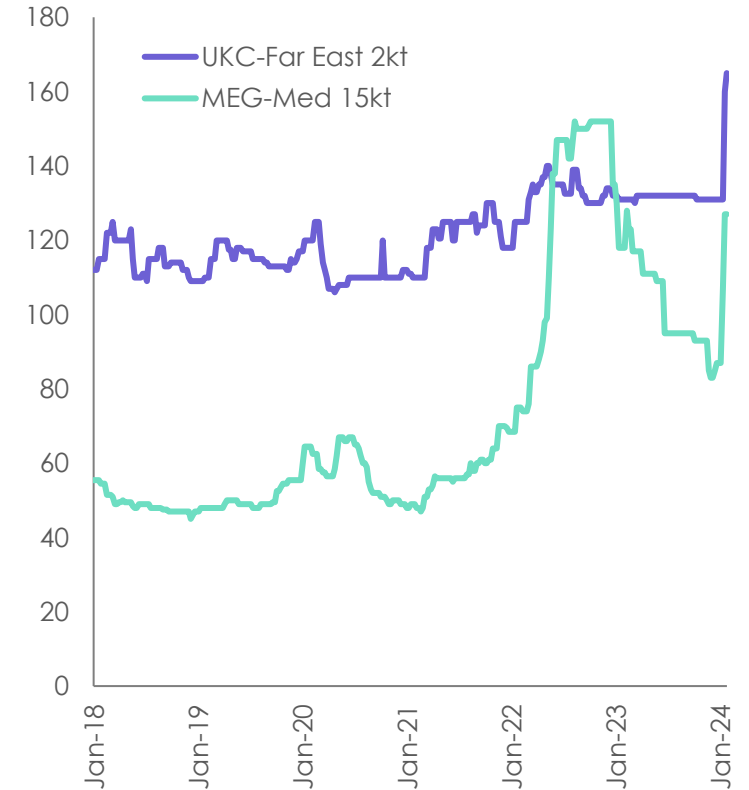
Products tanker rates in the region have also jumped sharply

MEG-Rotterdam LR2 Earnings, \$/day



Chemical parcel freight rates have also jumped on routes through the region

Chemical Parcel Rates, \$/tonne



Source: Clarksons Research

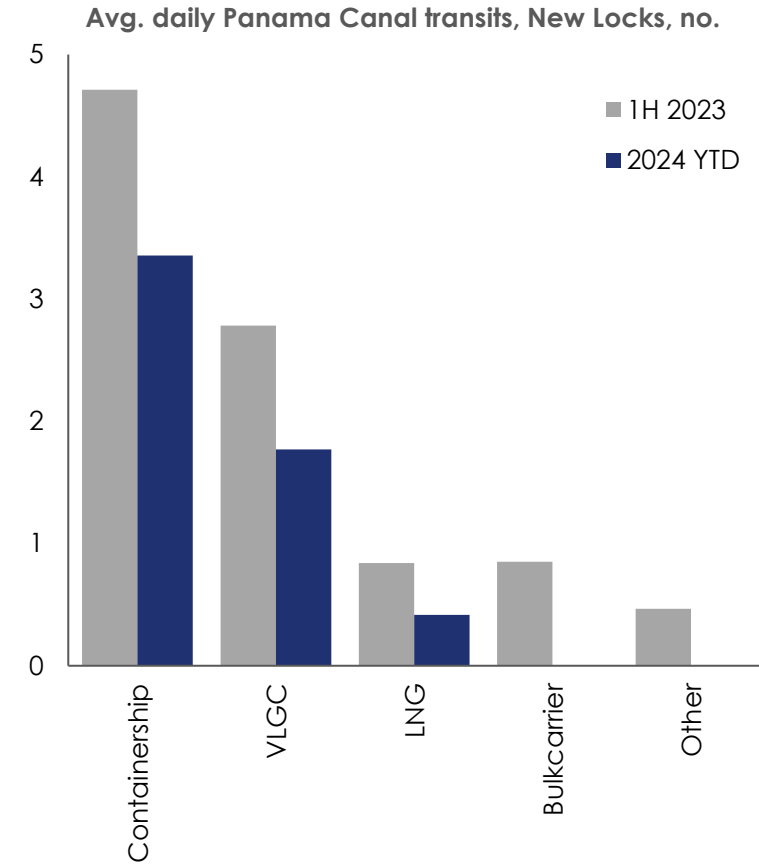
Disruption: Panama Canal Restrictions

Panama Canal transits remain limited amid ongoing drought; tonne mile implications

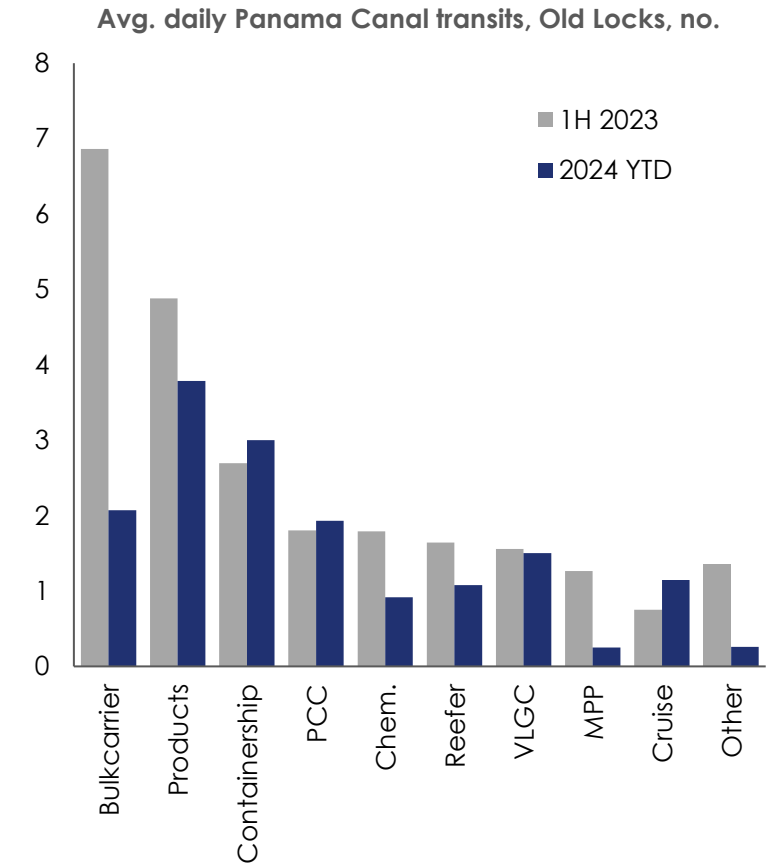
Panama Canal transits down 28% on 1H 2023 levels as limits remain in place



Transits through the New Locks down in both the containership and gas sectors



Transits through the Old Locks down sharply in the bulker sector...

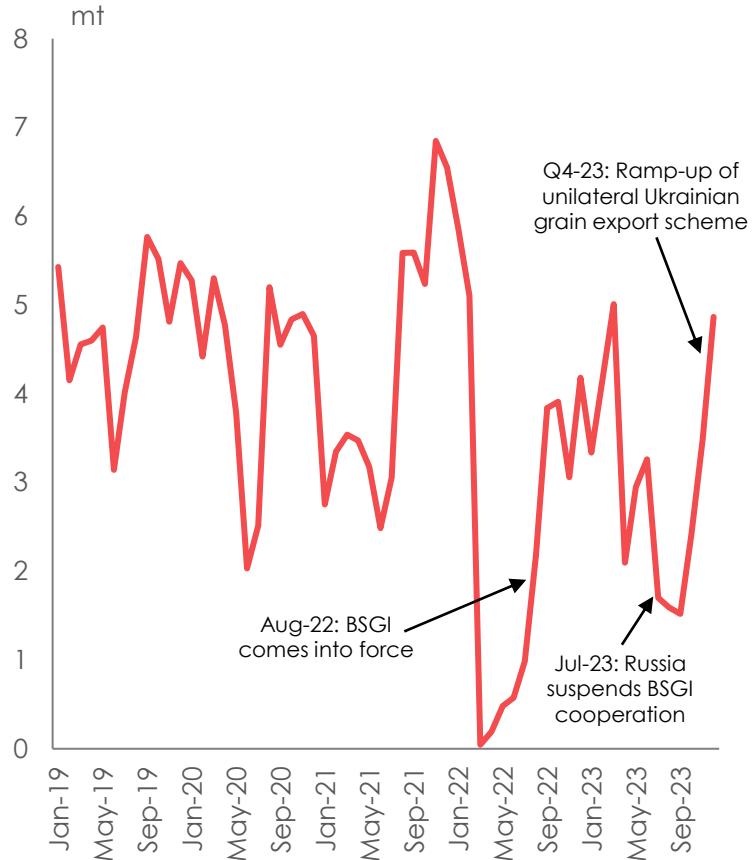


Source: Clarksons Research

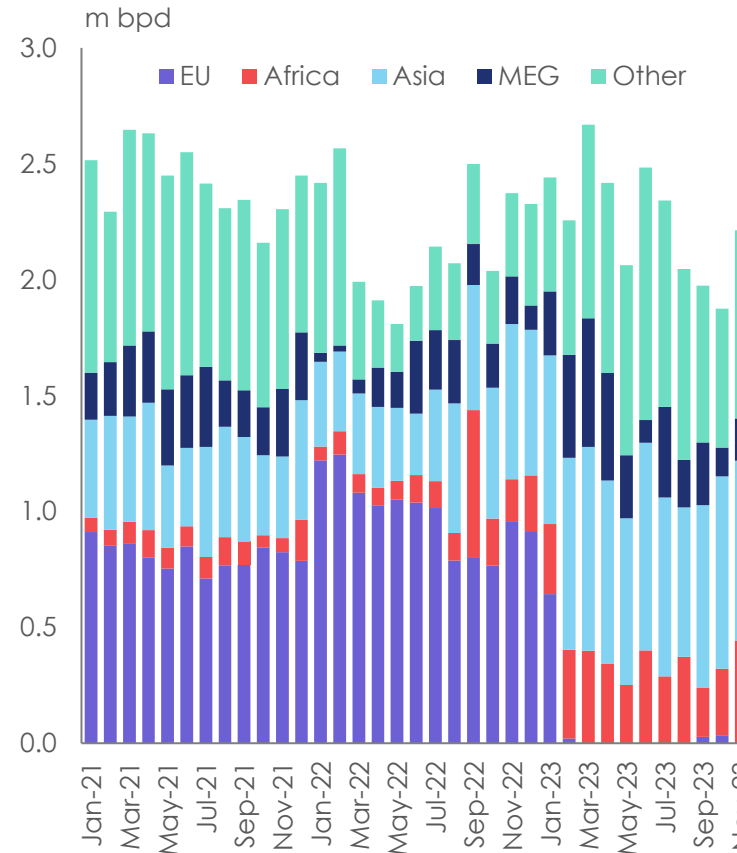
Disruption: Russia – Ukraine conflict impacting oil flows, length of haul

Ukraine grain exports back on track; Russian trade flow shifts continuing to support long-haul trade

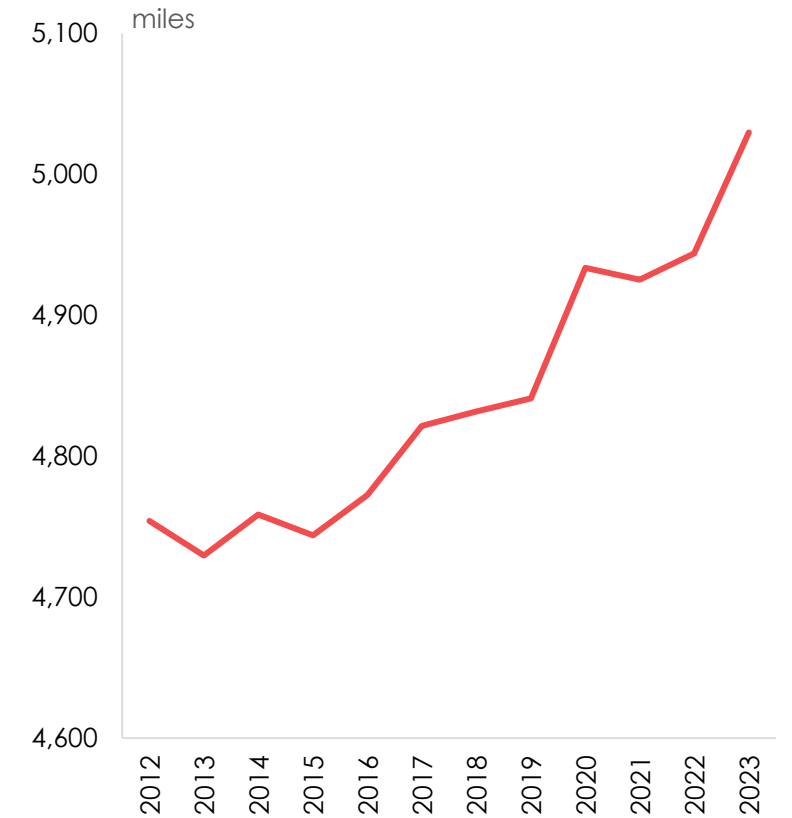
Ukraine grain exports ramping up despite end of Black Sea Grain Initiative...



Russian products exports continue to be directed towards Asia and Africa...



The average haul of global seaborne trade has increased significantly...

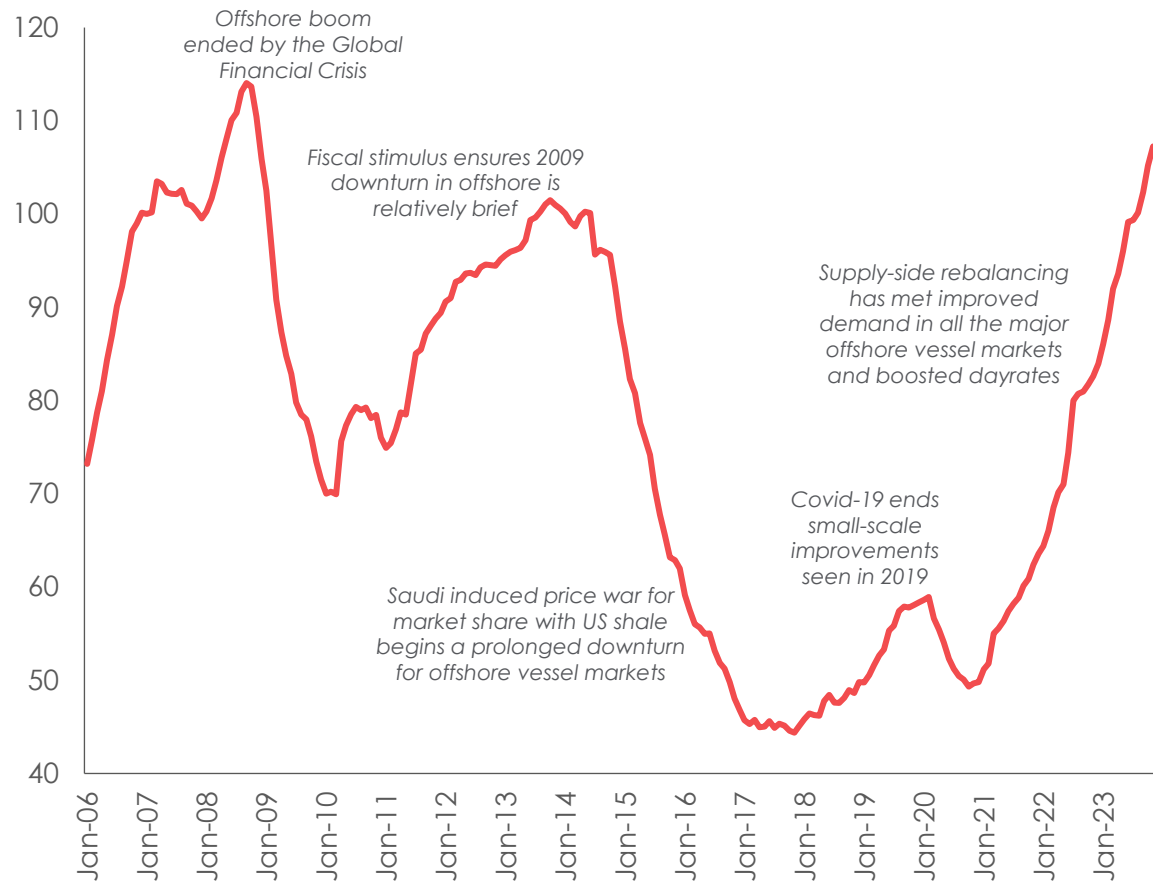


Source: Clarksons Research

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

Offshore Dayrates have made a strong recovery across, reaching ten-year highs

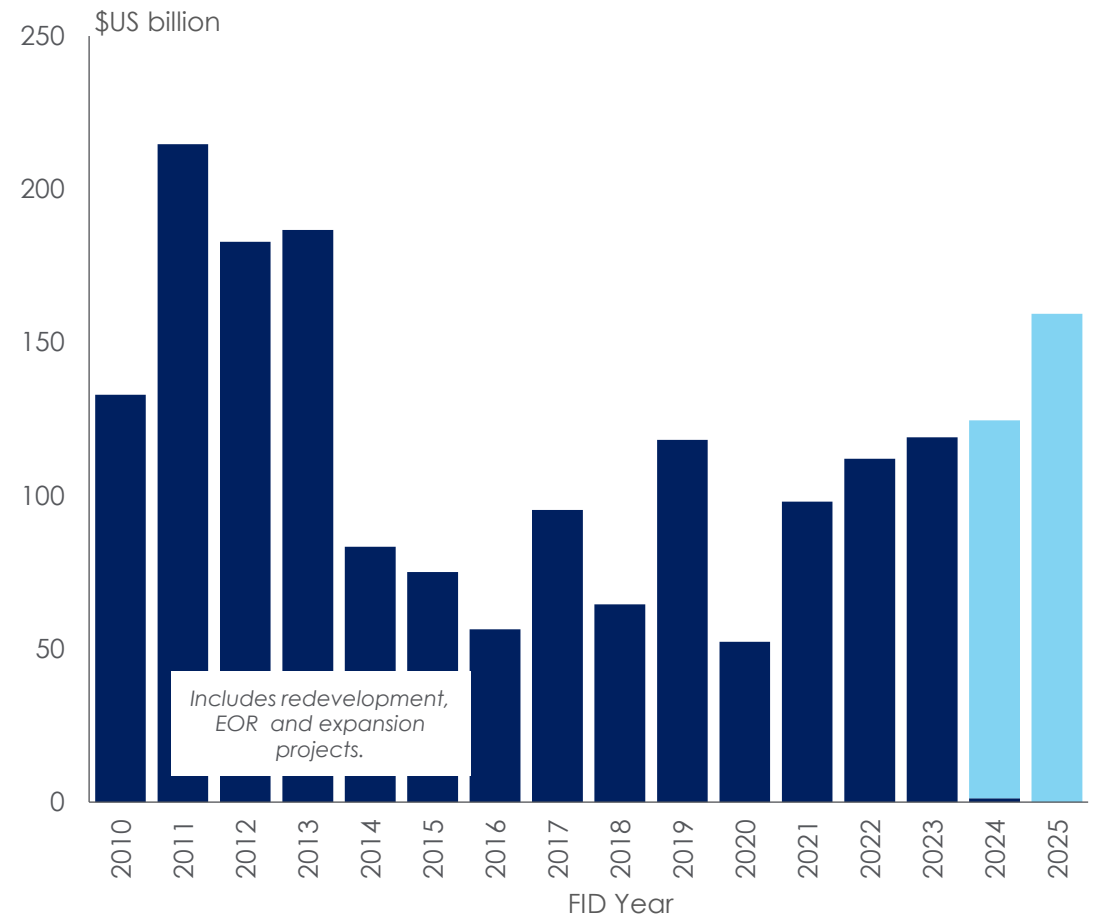
Clarksons Offshore Index (dayrate index for AHTS, PSV, jack-ups, floaters and subsea MSVs)



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

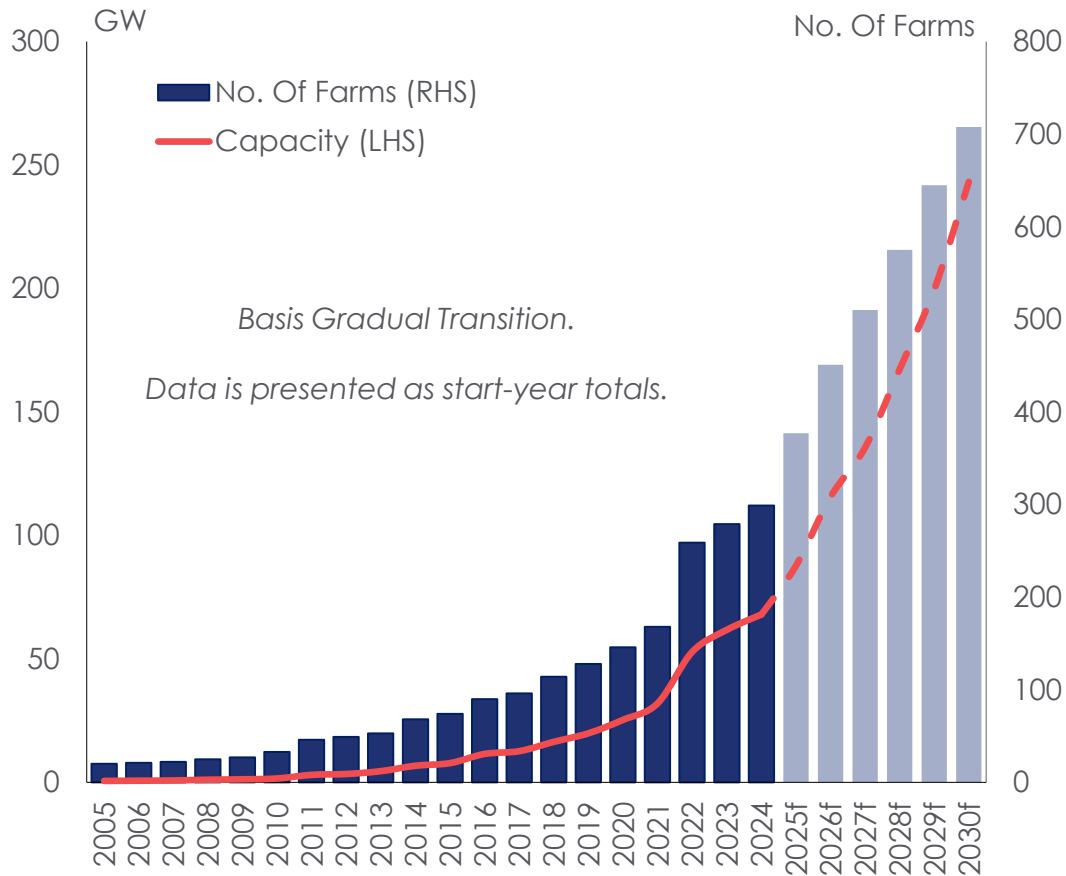


CAPEX data as specified by project operators. Where no definitive figure is given, estimates derived from assessment of comparable projects with known CAPEX.

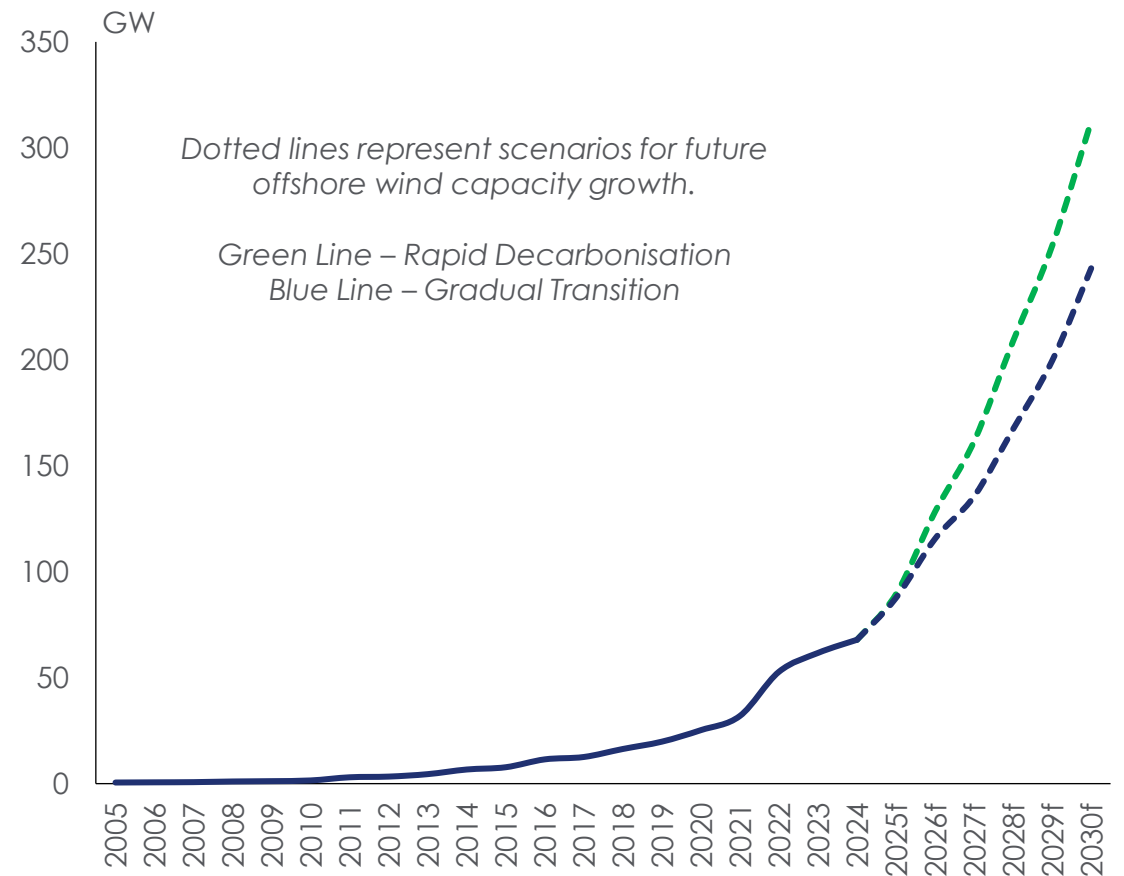
Green Transition: Offshore Wind To Play Vital Role In Energy Transition

long-term outlook positive despite recent inflationary pressures; ~245 GW projected by 2030 (68 GW today)

The Growth Of Offshore Wind



Offshore Wind In The Energy Transition

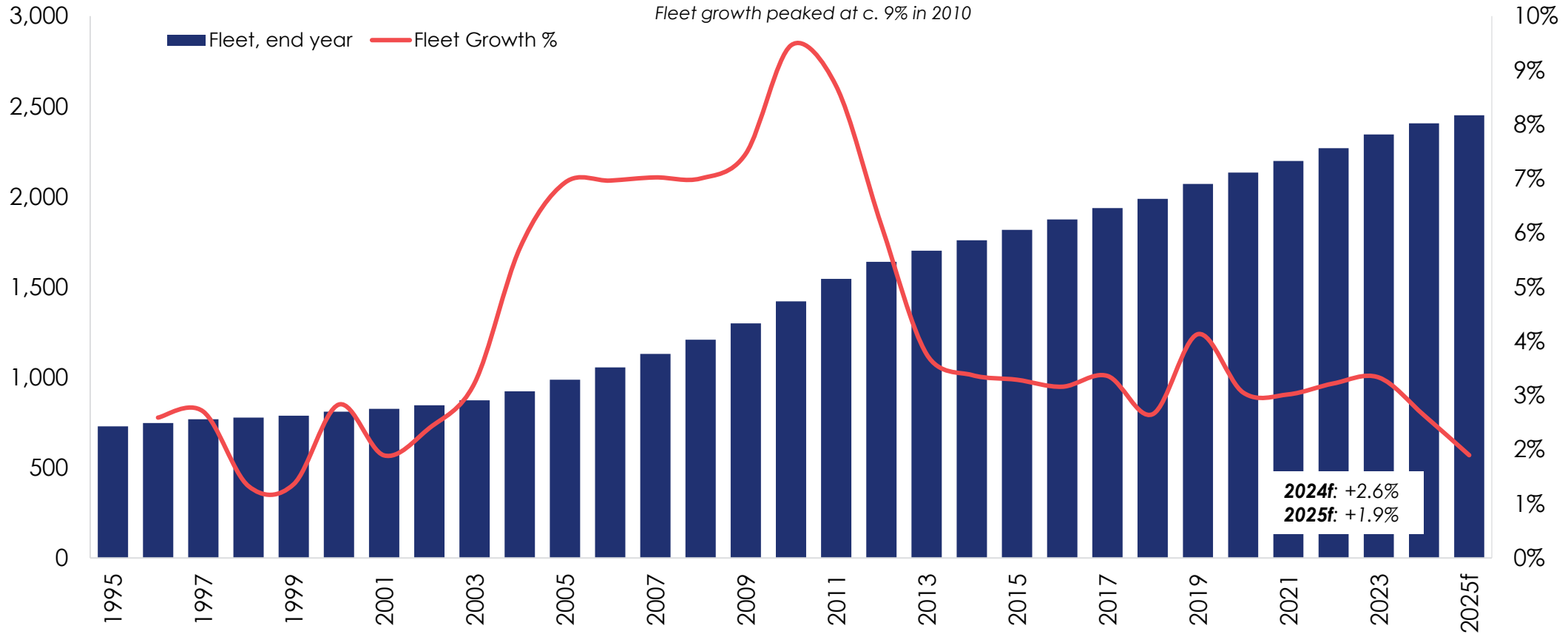


Source: Clarksons Research. All data available on Renewables Intelligence Network.

Supply side constraints developing in key markets

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

Global Fleet Development, m dwt

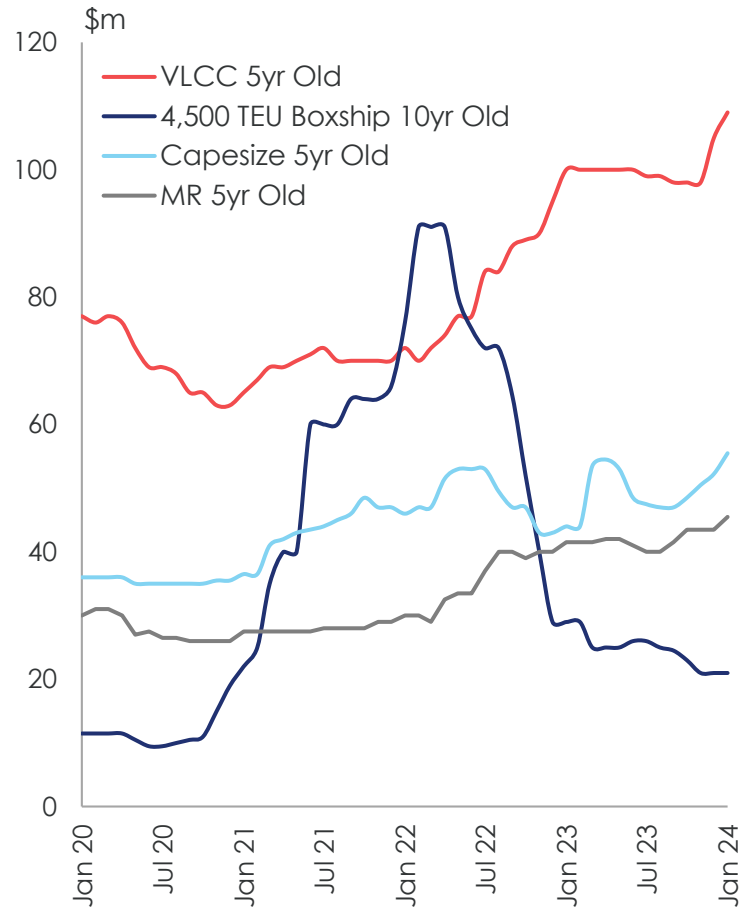


Source: Clarksons Research, January 2024. Orderbook as a percentage of the fleet in terms of spec. unit by sector and dwt for global total.

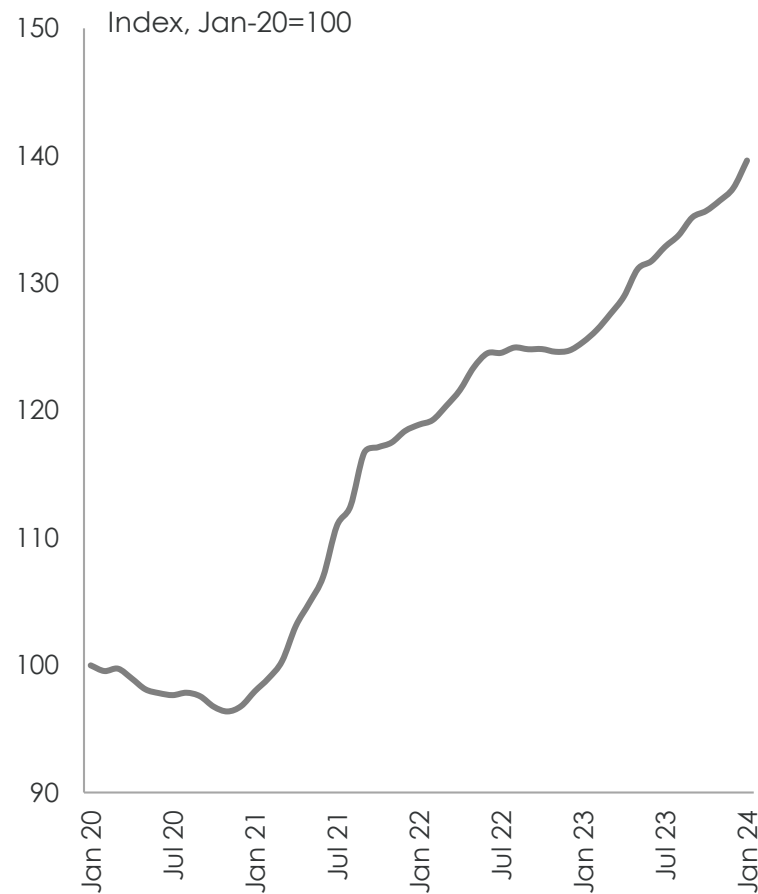
Asset Transaction Volumes: S&P very active, good flow of newbuild orders

Secondhand prices in tankers still rising; newbuilding prices remain firm, scrap prices 'healthy'

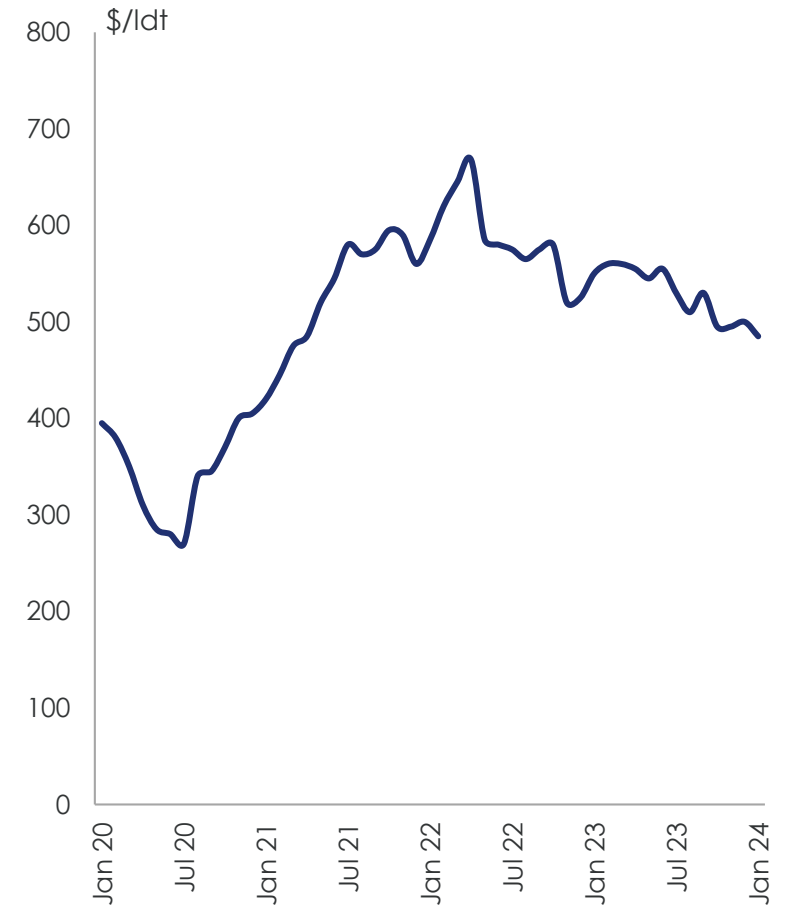
Secondhand Prices



Newbuilding Price Index



Indian Scrap Price

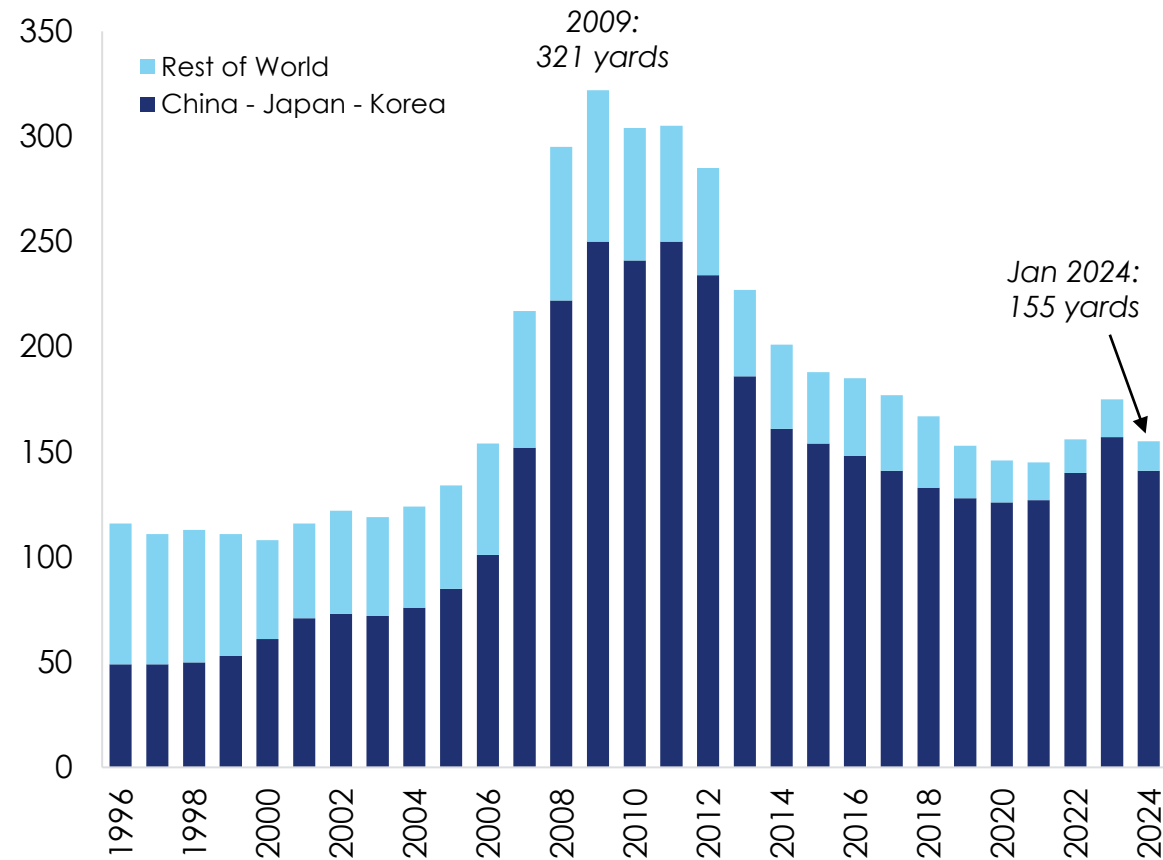


Source: Clarksons Research. Prices as at end month. Scrap price basis Capesize bulker.

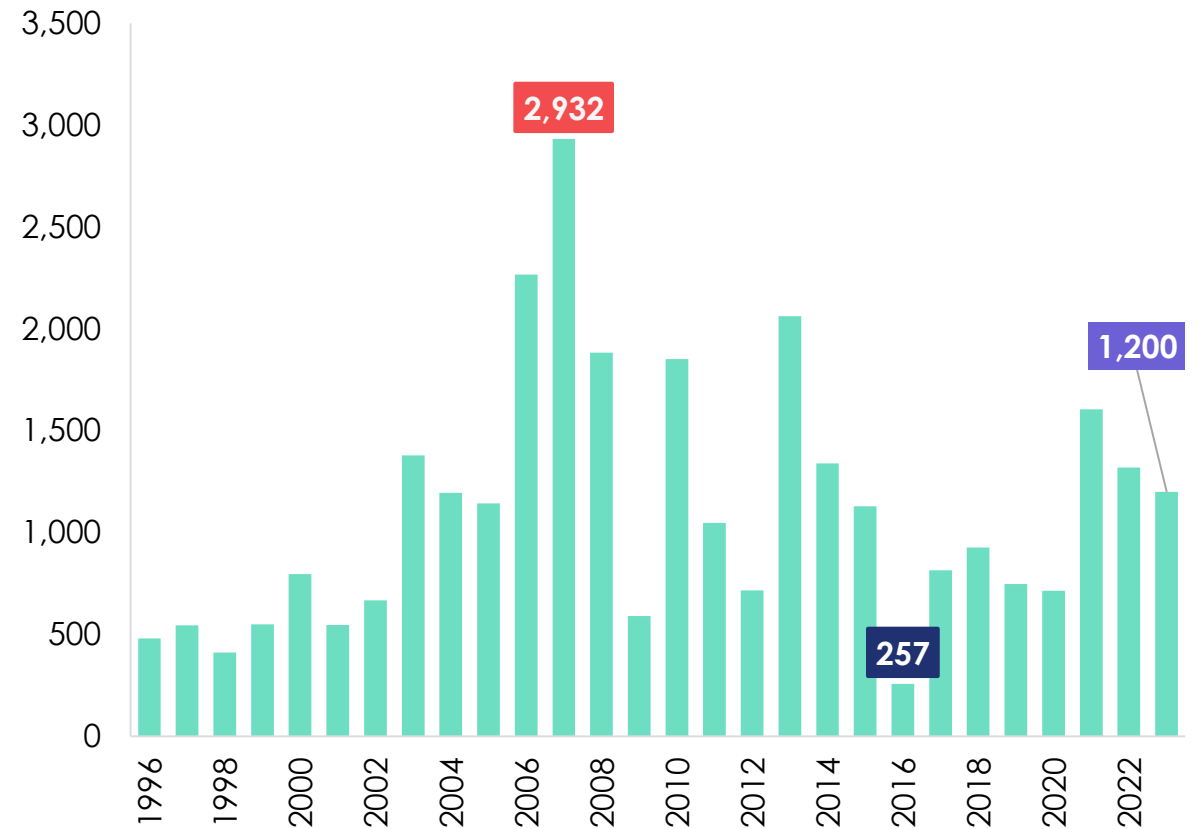
Supply side constraints: Shipyards & Orders

Capacity significantly down on 2010, modest and gradual expansion expected

No. Of Active Yards



No. Of Global Newbuilding Orders



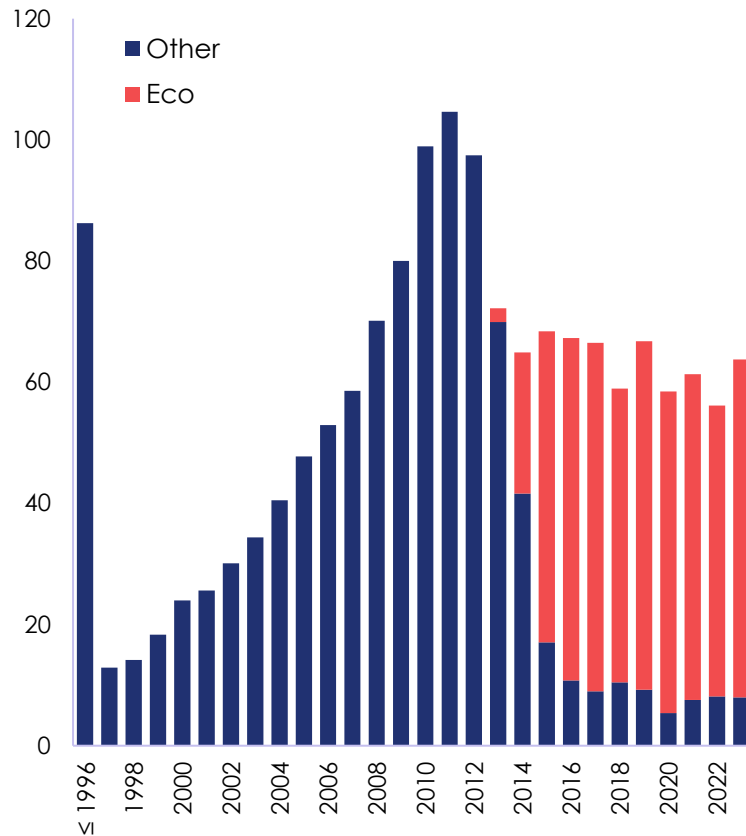
Source: Clarksons Research. Data as of January 2024. Retrospective changes to number of shipyards may occur due to late reporting and other factors. Number of yards with at least one vessel of 20,000+ dwt on order.

Source: Clarksons Research. Data as of January 2024. Retrospective changes to number of orders may occur due to late reporting and other factors. Vessels of 20,000+ dwt.

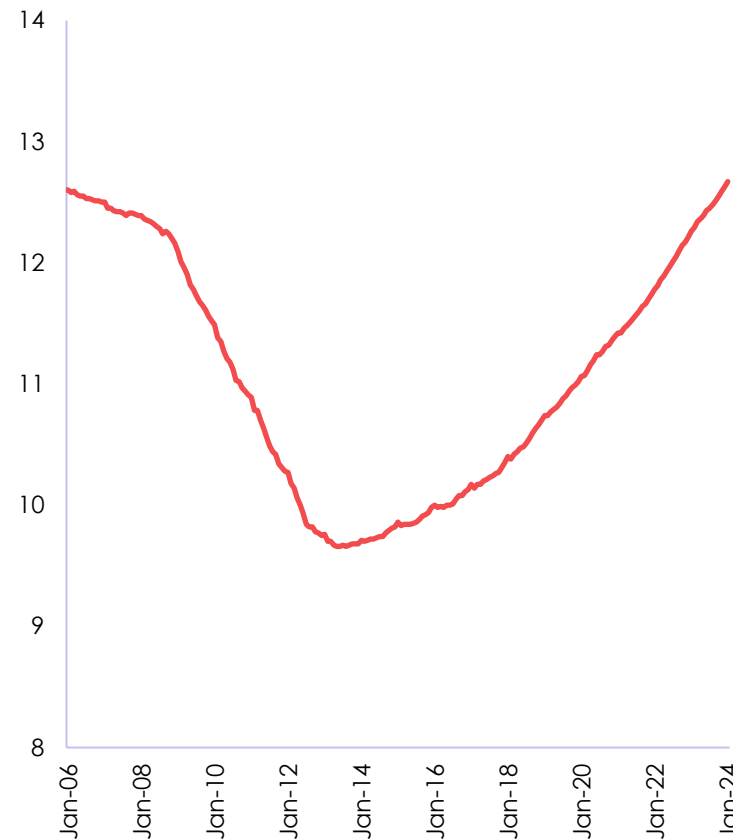
Supply Side Constraints: Fleet Renewal Requirements Building

average fleet age now 12.6 years, around a third of fleet capacity is now over 15 years old

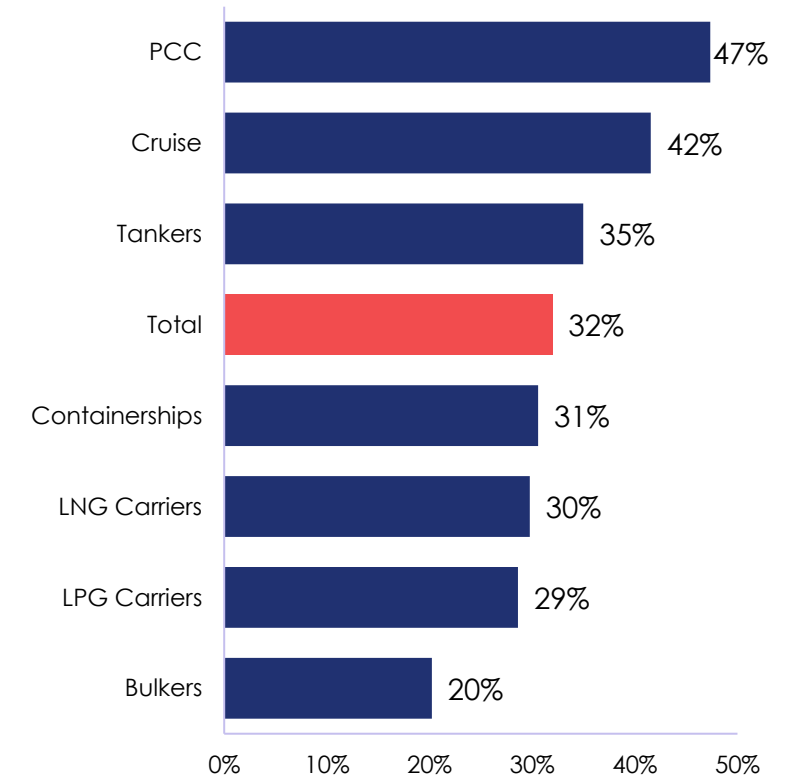
Fleet Age Profile, m GT



Global Fleet Avg. Age (GT Weighted)



Proportion Of Fleet >15 Years Old

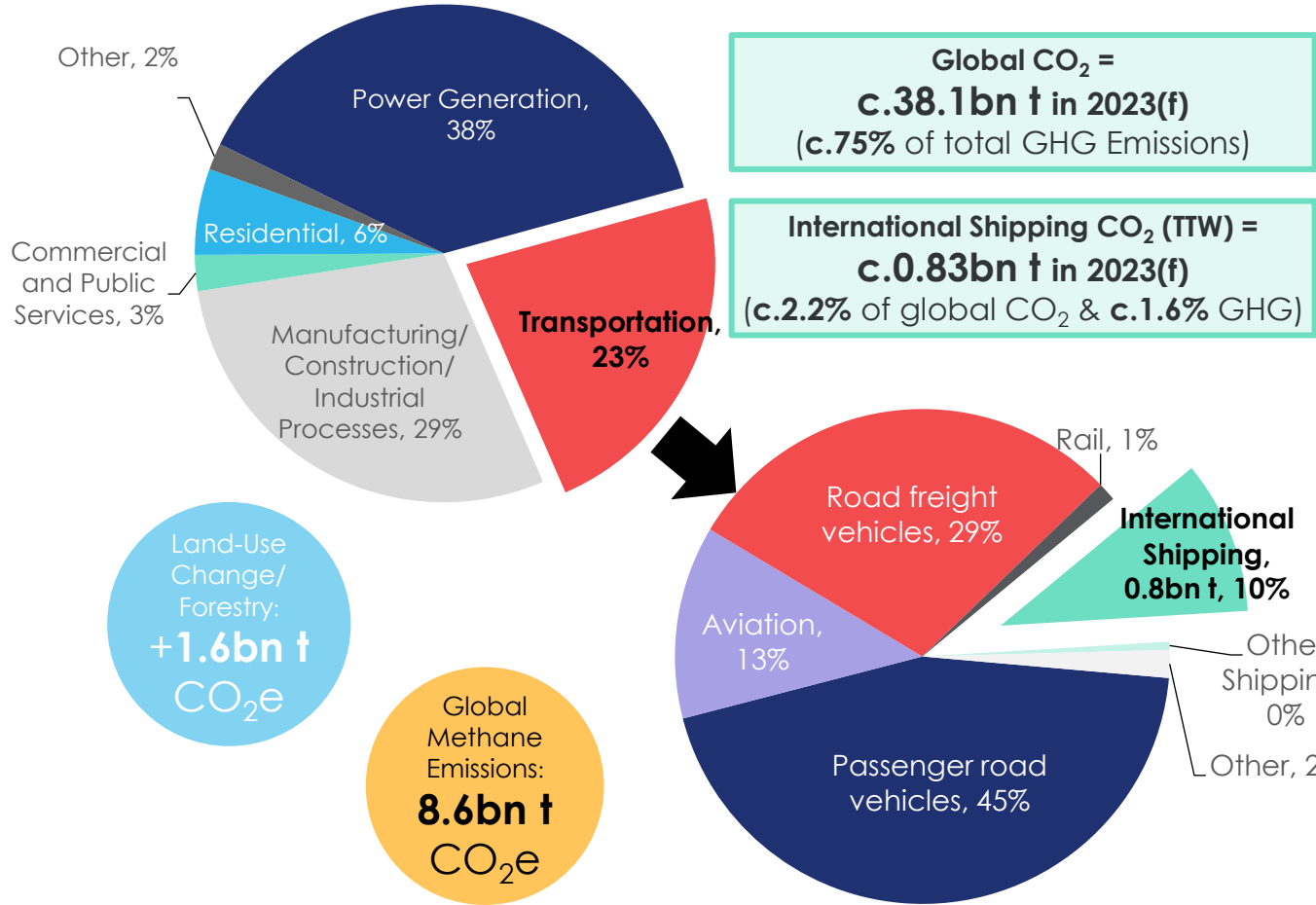


Source: Clarksons Research, January 2024. "Eco" – defined as vessel with modern electronic main engine. Average age of vessels 100+ GT. Proportion of fleet >15 years old in spec unit.

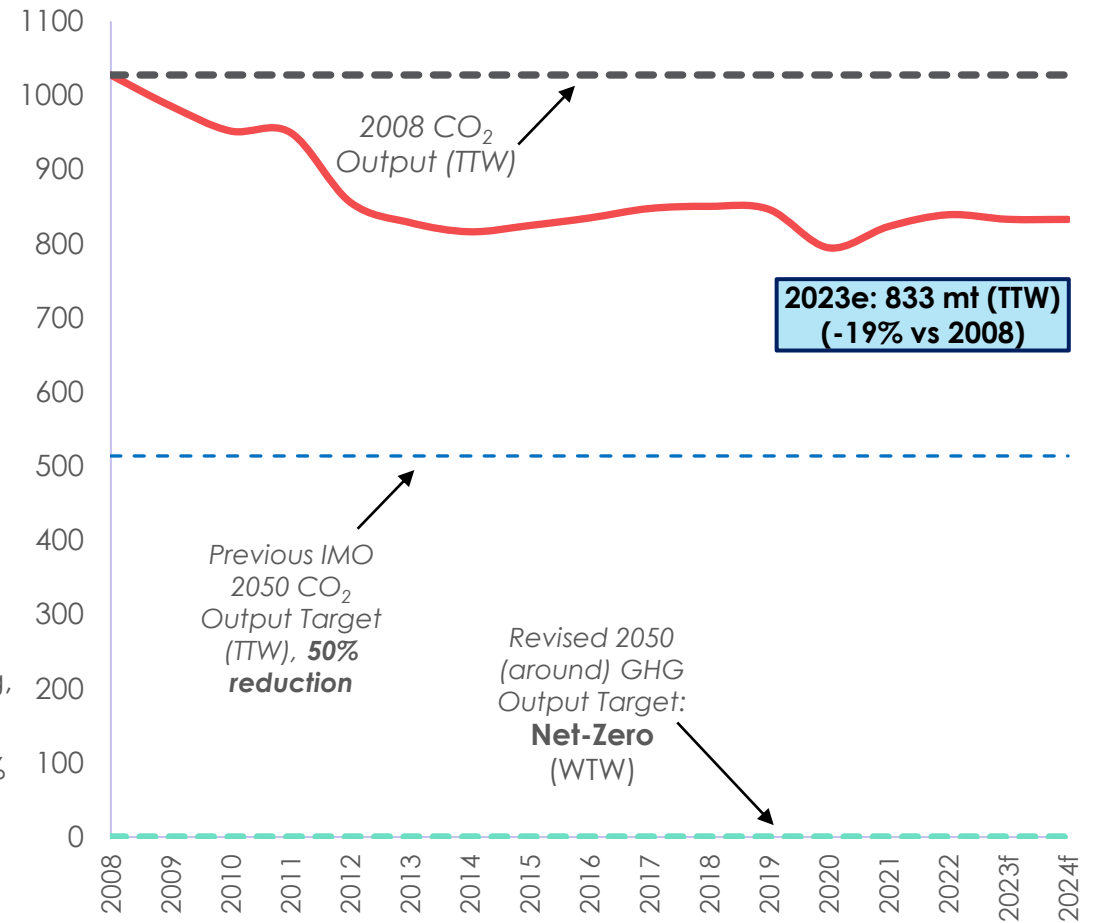
Decarbonisation - Shipping's CO₂ Emissions In Context

international shipping emissions trending down; c.2.2% of global CO₂, <2% of global GHG (on a 'tank-to-wake' basis)

Global CO₂ Emissions By Sector (2019), tonnes CO₂



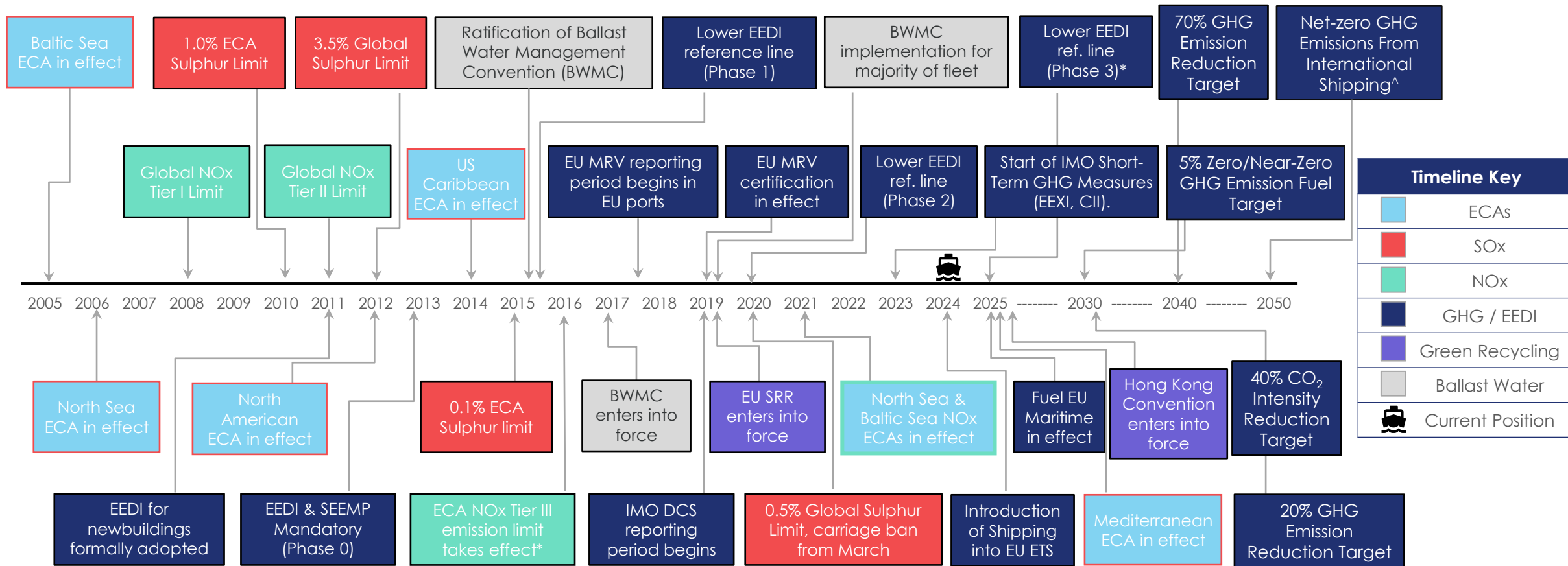
International Shipping CO₂ Emissions, tonnes CO₂



Source: Clarksons Research. World Resources Institute/Climate Watch. Global Carbon Project. IEA. Global CO₂ excluding LUCF. International Shipping CO₂ & GHG emissions basis tank-to-wake emissions.

Regulation: Accelerating with New Targets Set At Latest IMO Meeting

Regulatory timeline accelerating, net zero targets agreed at IMO, Well to Wake.

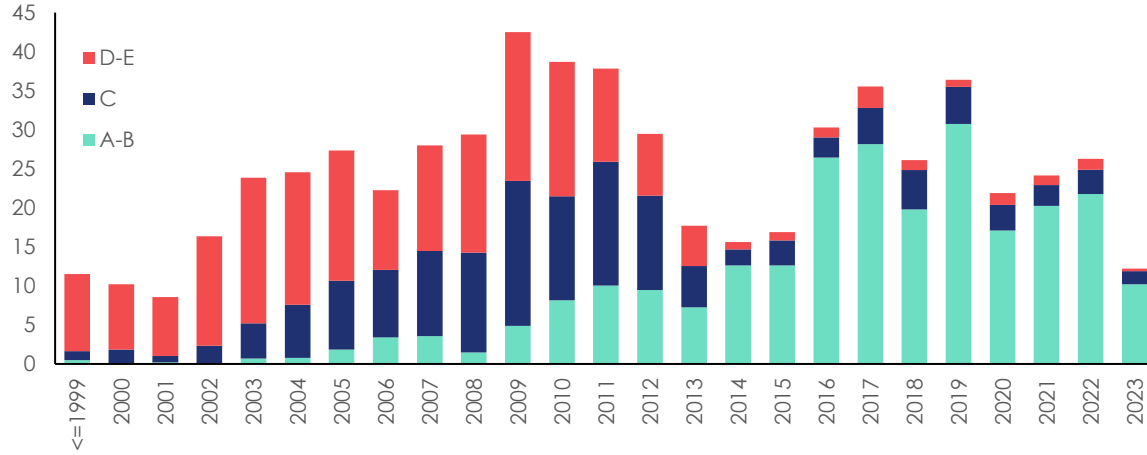


Source: Clarksons Research, January 2024. *EEDI phase 3 requirements brought forward to 2022 for gas carriers, general cargo ships and containerships. ^ Net-zero target has been defined as 'by or around, i.e. close to 2050', basis well-to-wake GHG emissions and taking into account different national circumstances.

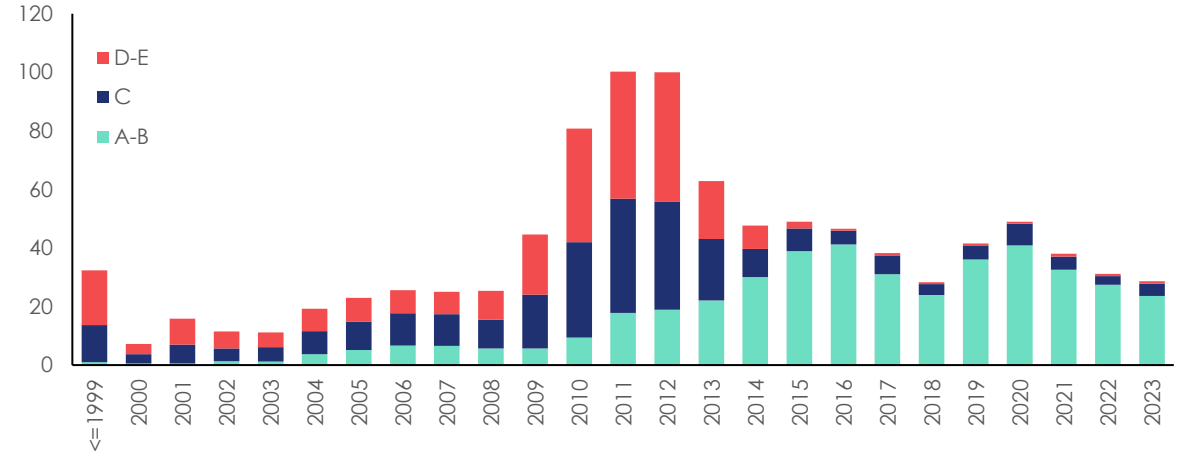
Regulation: IMO Short-Term Measures: Age Profiles By Operational 2023 CII Ratings

how have major cargo fleets performed under CII?

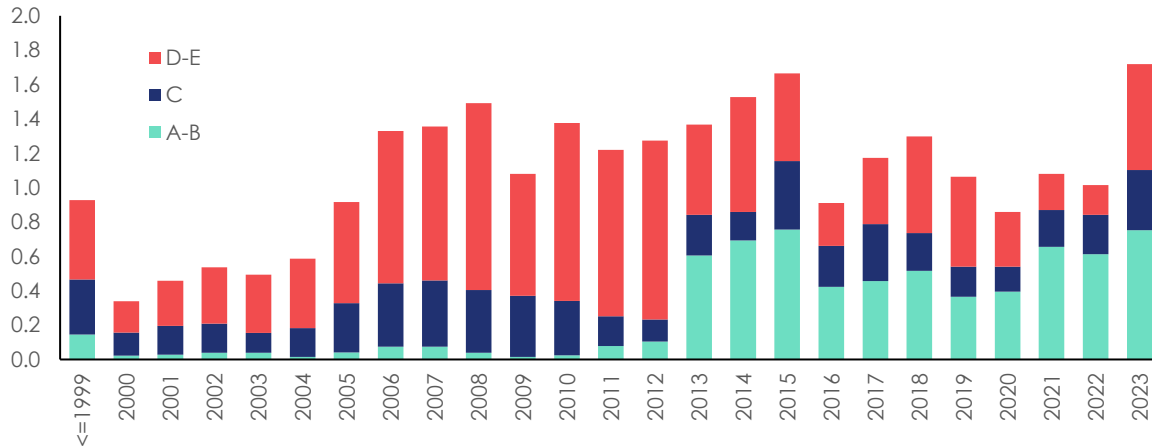
Oil Tanker 25k+ Dwt Age Profile By CII Band, m dwt



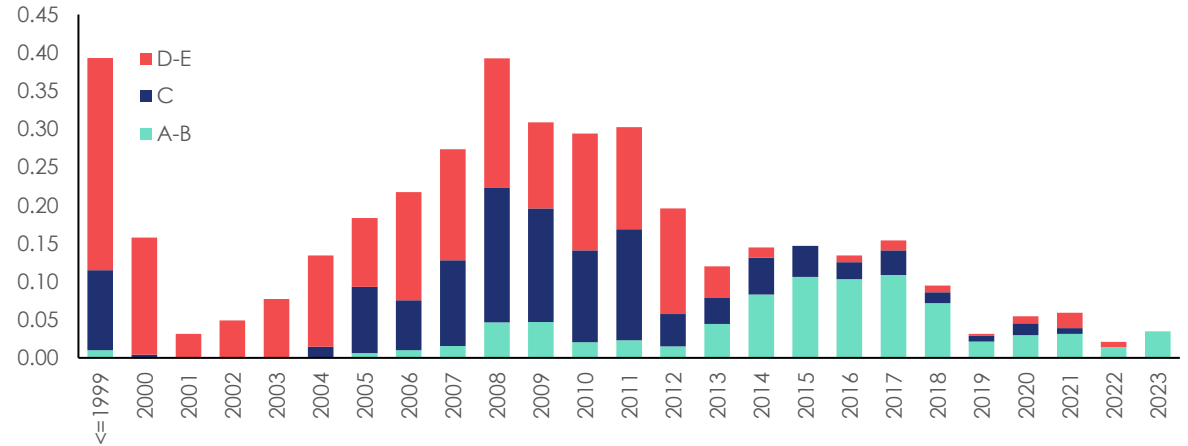
Bulkcarrier 25k+ Dwt Age Profile By CII Band, m dwt



Containership Age Profile By CII Band, m TEU



Car Carrier Age Profile By CII Band, m CEU

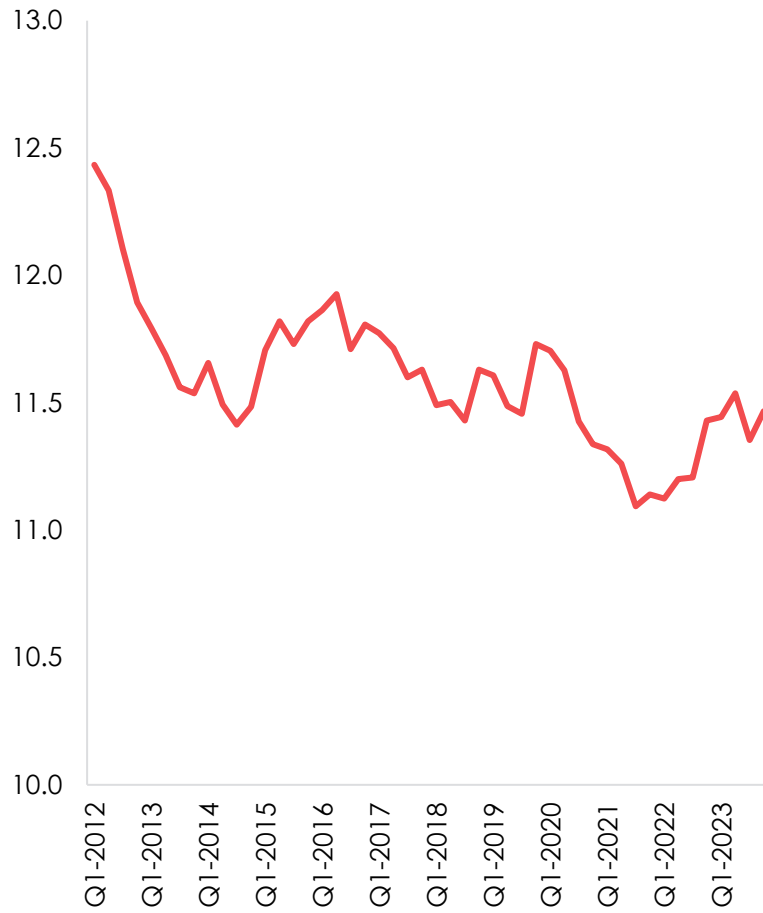


Source: Clarksons Research. Data as of January 2024. Ratings are basis full-year 2023 operational data, where AER metrics are estimated based on Clarksons Research calculations and assumptions combined with operational AIS data for the relevant period. AER estimates are subject to variations in movements data coverage. Rating assessments based on the current fleet only, and do not take into account improvements in vessel efficiency/fuelling/speed etc. going forwards.

Vessel Speed Trends: Emissions Policy May Impact

speeds continuing to trend down; some uptick in tanker speeds amid firm market conditions

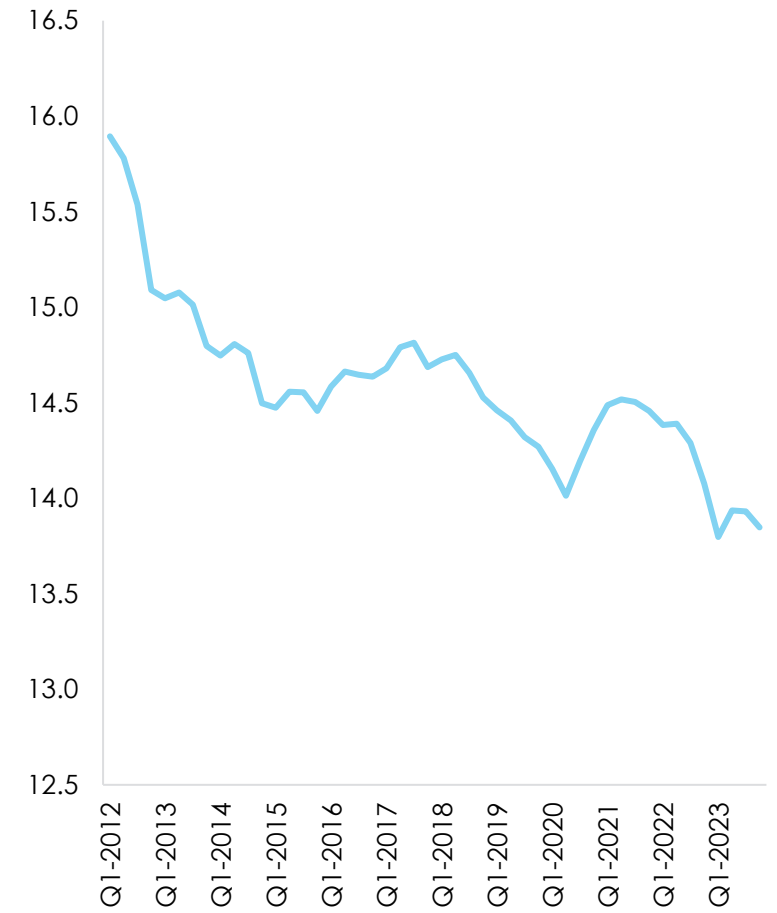
Crude Tanker Speeds, knots



Bulkcarrier Speeds, knots



Containership Speeds, knots

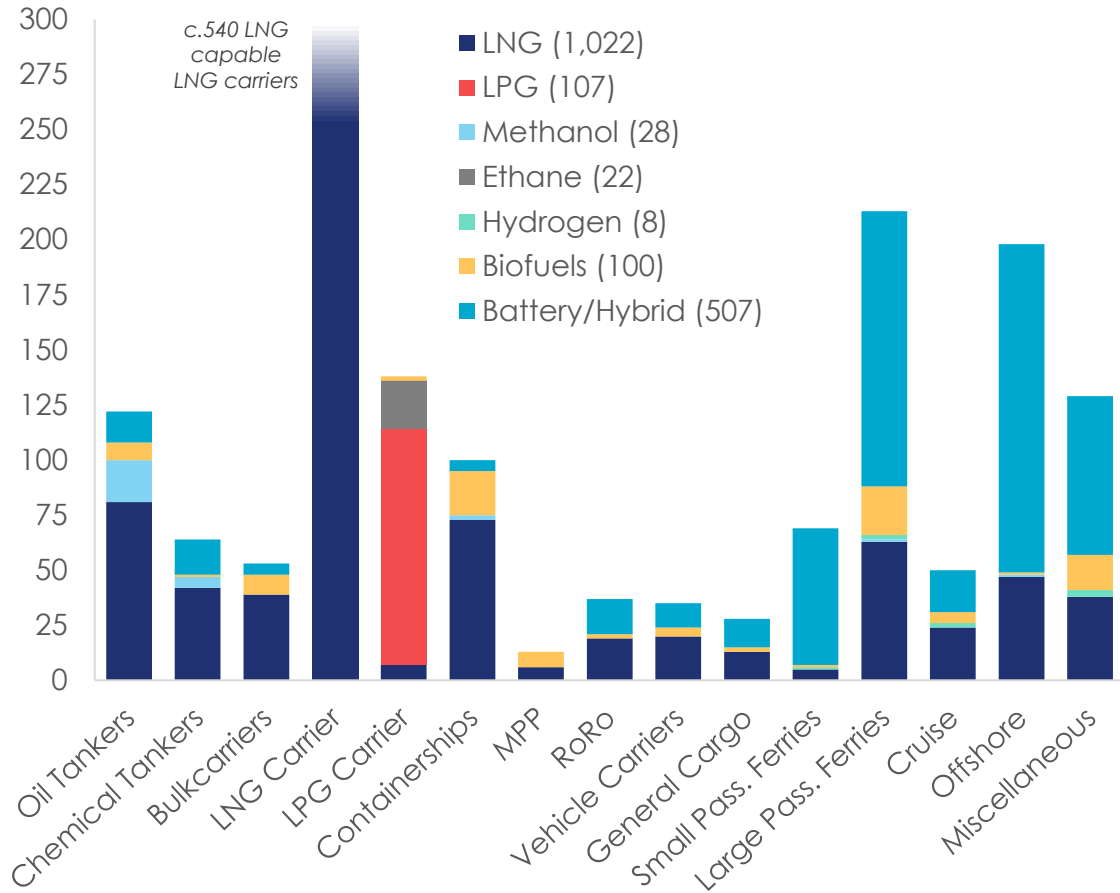


Source: Clarksons Research.

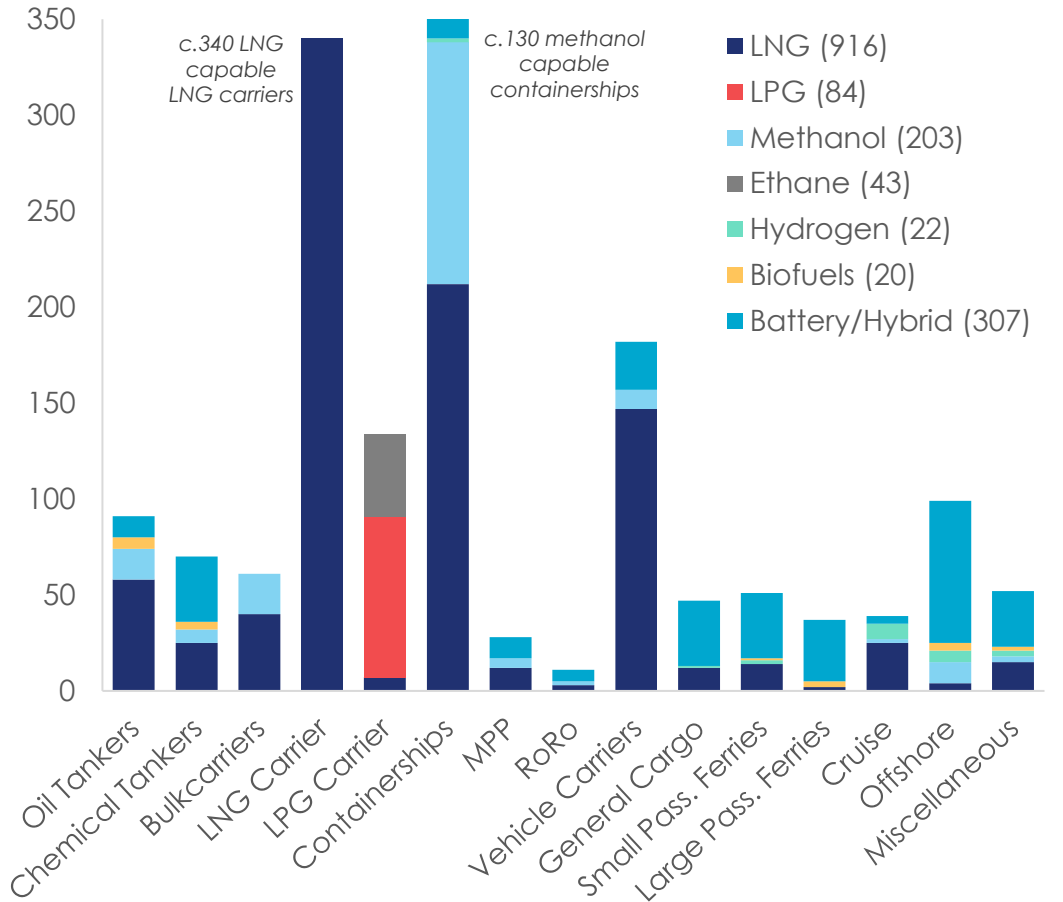
Green Transition: Alternative Fuels Uptake By Sector

LNG fuel and Methanol gaining traction but huge uncertainty over longer-term 'solution'

Fleet (100+ GT) Using Alternative Fuels – 6% of GT



Orderbook (100+ GT) Set To Use Alternative Fuels – 50% of GT

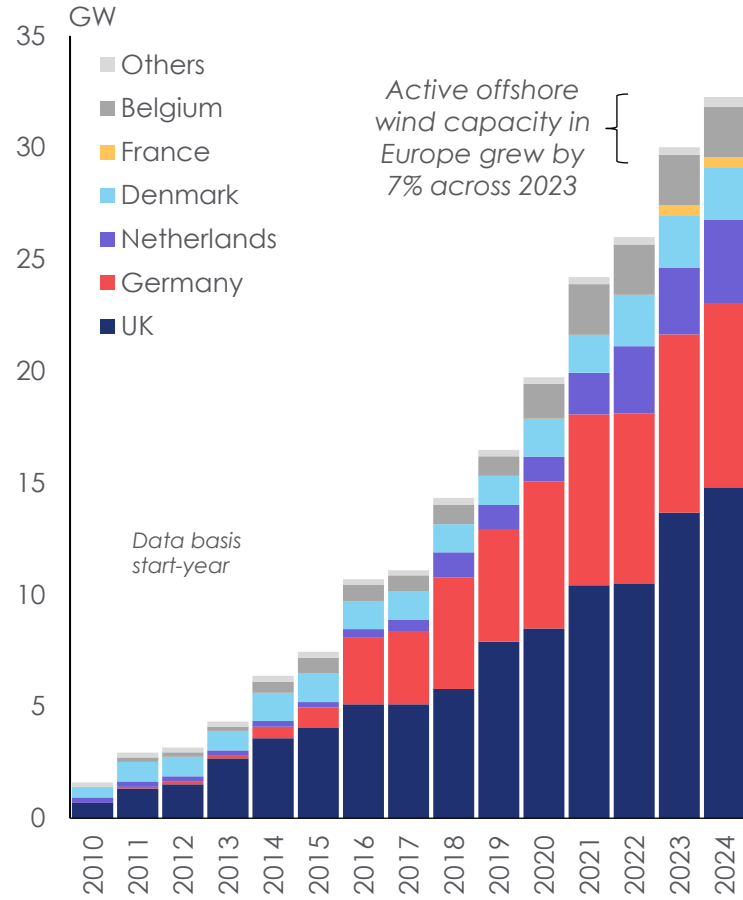


Source: Clarksons Research, Data as of January 2024. Biofuel' includes vessels reported to be using or designed for biofuels; many other vessels in the fleet are also capable of using biofuel blends. All ethane fuelled vessels are VLECs or 'multigas' carriers.

Port Services: Supportive Market Dynamics

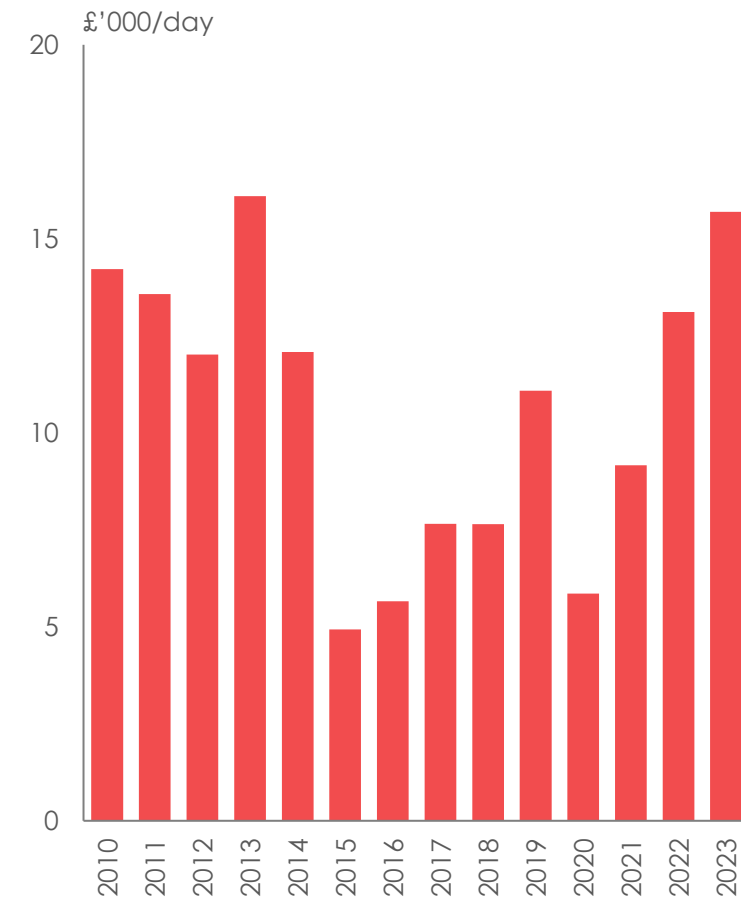
growing offshore wind market; North Sea market at ten-year highs, strong UK grain export volumes

European Offshore Wind Capacity

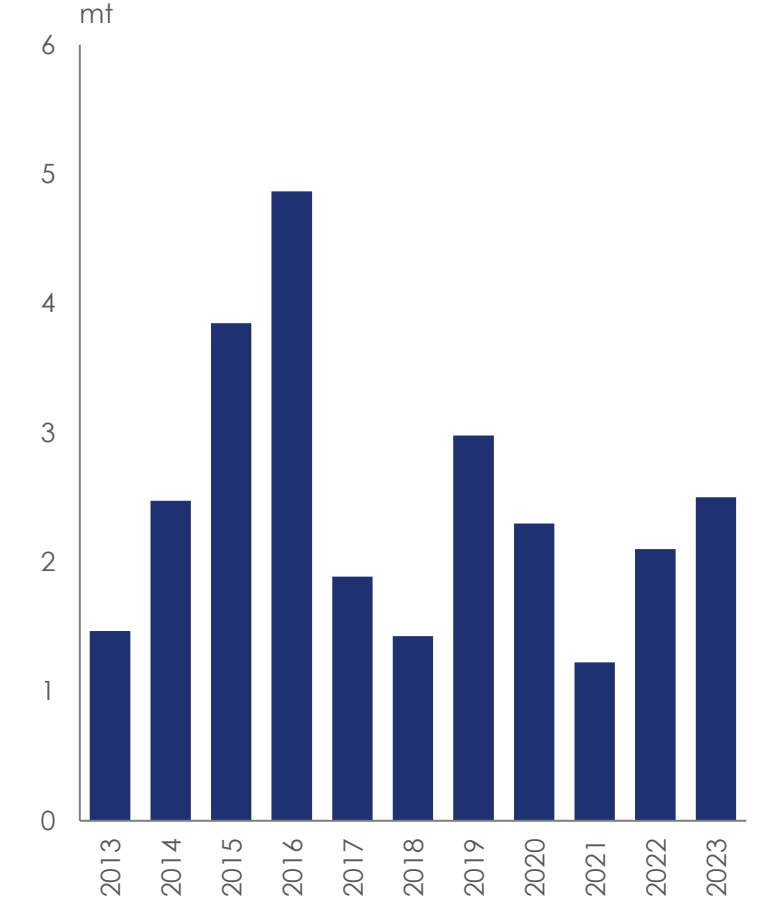


Source: Clarksons Research.

N. Sea PSV Spot Earnings, >900m²



UK Grain Exports: Strongest For Four Years



Outlook

Tailwinds vs Headwinds

Headwinds

Global factors

Sentiment

Global GDP
Contraction?

Inflation?

Geopolitical

Conflicts – how long
and how deep?

Elections

Exchange rate

USD vs GBP, NOK...
Headwind?

Tailwinds

Markets

Supply-side challenged

Lack of finance
Shipyards sustainability
Design evolution
Inflation
X Factors

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

Financial position

Cash generative
Debt free
Progressive dividend
policy in 21st year



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