



Clarksons

Interim Results

Clarkson PLC

30 June 2015



Clarksons

Agenda

Headline results

Divisional performance

The Markets

Outlook



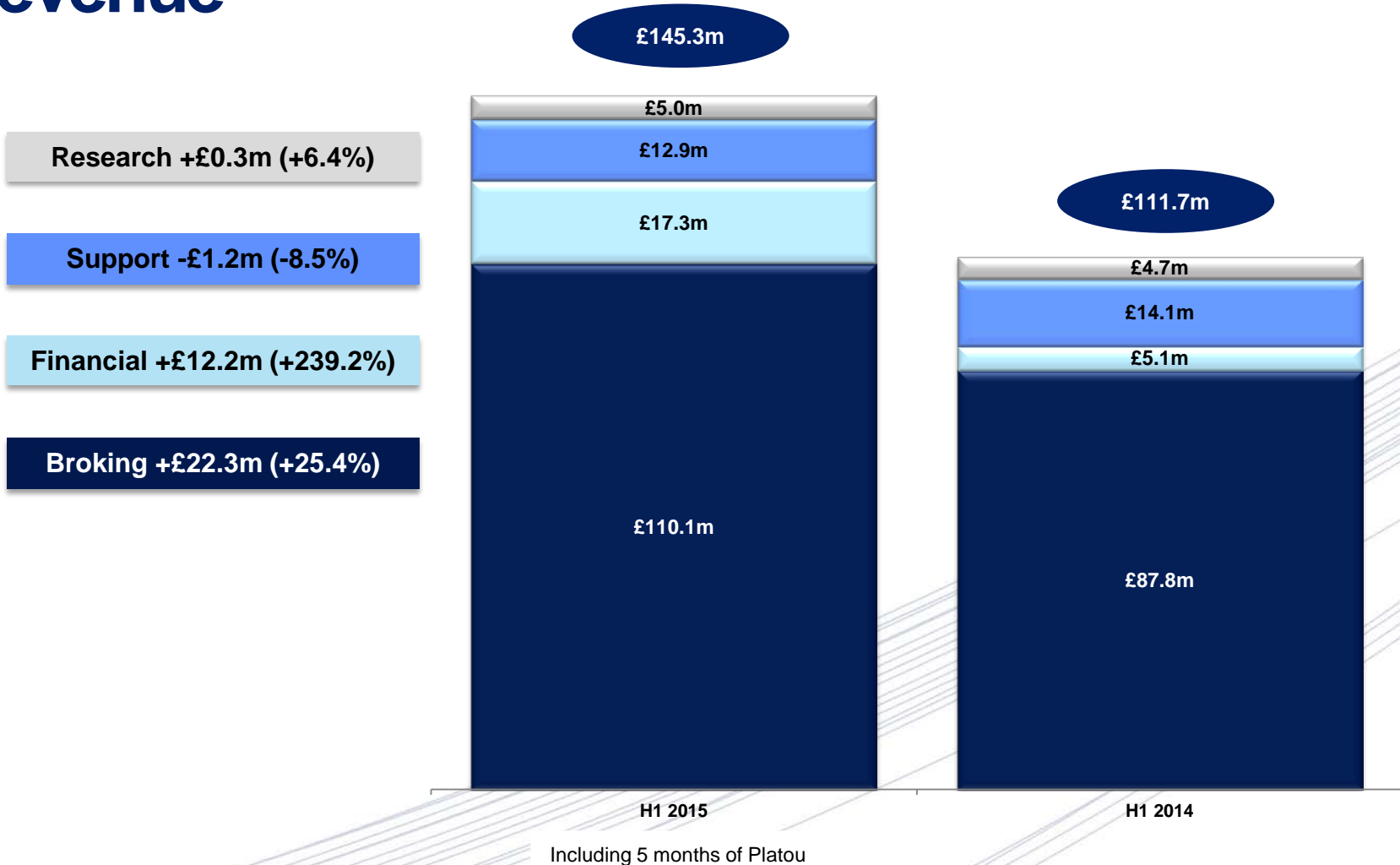


Results Summary

	June 2015 £m	June 2014 £m	
Revenue	145.3	111.7	+30%
Profit before taxation (Before exceptional items and acquisition costs)	23.6	15.8	+49%
Exceptional items	(3.7)	-	
Acquisition costs	(9.1)	(1.7)	
Profit before taxation (After exceptional items and acquisition costs)	10.8	14.1	
Earnings per share (Before exceptional items and acquisition costs)	54.3p	62.2p	



Revenue





Divisional Performance - Profit

	2015 H1 £m	2014 H1 £m
Broking	22.0	15.1
Financial	2.2	0.1
Support	2.0	2.5
Research	1.5	1.4



Forward Order Book**

	Clarksons US\$m	Platou US\$m	Total US\$m
Opening FOB for invoicing in 2015	110	60	170
Billed in the first half	(46)	(27)	(73)
Remaining opening FOB due second half	64	33	97
% remaining excluding new 2015 business			57%

***Directors best estimates*



Exceptional Items

Double rent and service charge (CQ)**

Onerous lease (Singapore)**

Reorganisation costs**

** *Non recurring items*

2015 £m	2014 £m
1.9	-
0.3	-
1.5	-
3.7	-



Integration

- Rebranding of Broking and Financial as 'Clarksons Platou'
- Repaid bank loans
- Integrated teams in new offices in Oslo and London
- Singapore and Dubai to be fully integrated in 2nd half
- Annualised £4m of synergies achieved
- Revenue synergies already proven in integrated business plan



Acquisition Costs

Cash & share-based payment charges

Legal & professional fees**

Loan note interest

Amortisation: Platou

Amortisation: Boxtou**

** *Non recurring items*

	2015 £m	2014 £m
	1.3	1.5
	3.0	0.1
	0.4	-
	4.4	-
	-	0.1
	9.1	1.7



Platou Acquisition Consideration

	£m
Consideration per circular (€22.15 per share)	281.2
Fair value adjustment: shares	(31.0)
Fair value adjustment: loan notes	(0.3)
Consideration on acquisition (€18.90 per share)	249.9
Cash	23.5
Loan notes	46.5
Shares	179.9
	249.9



Platou Acquisition Intangibles

	£m		£m
Consideration on acquisition	249.9	Intangible assets	21.9
		Amortised:	
		Year to 31 Dec 15	9.6
		Year to 31 Dec 16	6.4
Intangible assets	21.9	Year to 31 Dec 17	3.3
Goodwill	231.1	Year to 31 Dec 18	1.6
Fair value of net liabilities	(3.1)	Year to 31 Dec 19	1.0
	249.9		21.9



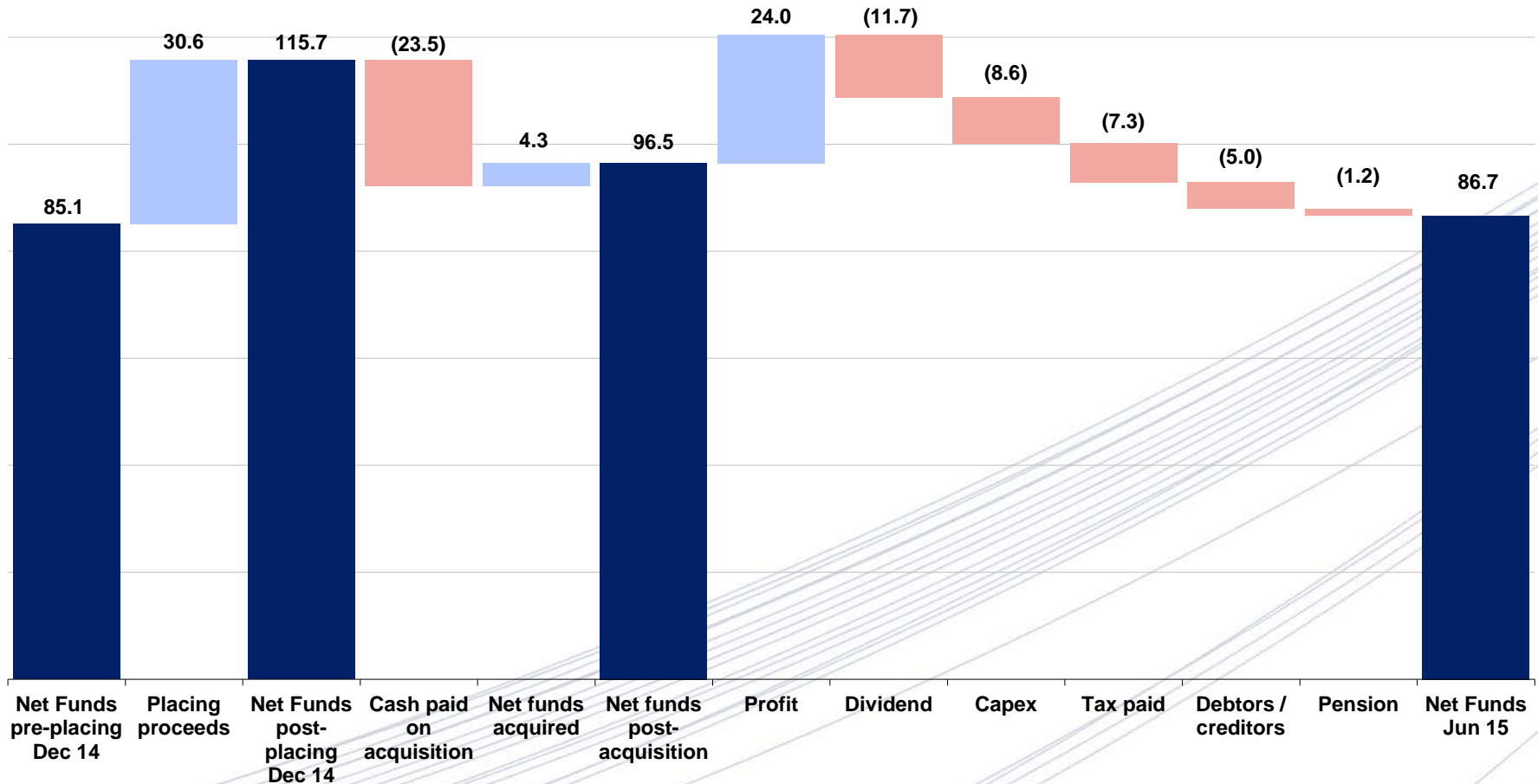
Net Funds

	Jun 2015 £m	Dec 2014 £m
Cash and cash equivalents*	130.3	152.9
Current investments	5.3	25.3
Overdraft	(7.7)	-
Net cash equivalents	127.9	178.2
Reserved for bonus (full cost)	(41.2)	(62.5)
Net available funds*	86.7	115.7
Cash consideration on acquisition	-	(23.4)
Net available funds	86.7	92.3
Reserved for dividend	(6.6)	(11.7)

* Includes placing proceeds of £30.6m



Movement in Net Funds



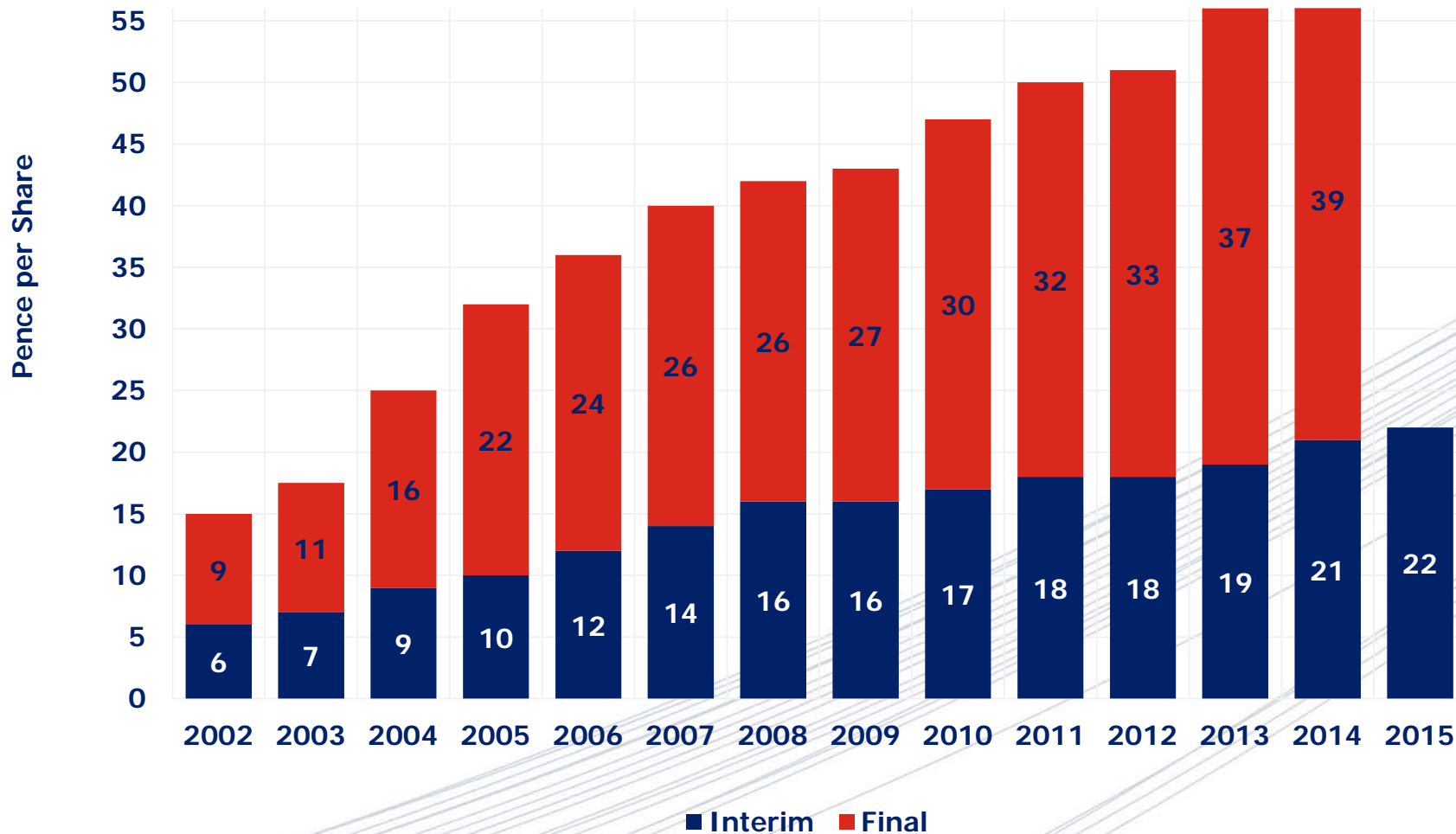


Balance Sheet

	2011 £m	2012 £m	2013 £m	2014 £m	2015 £m
Tangible fixed assets	9.2	8.8	9.4	8.4	20.7
Investments	1.9	1.9	1.8	1.9	1.9
	11.1	10.7	11.2	10.3	22.6
Working capital	(2.8)	(2.8)	3.1	(1.8)	(3.3)
Net funds	71.1	75.2	75.0	115.7	86.7
	68.3	72.4	78.1	113.9	83.4
Pensions	(6.6)	(9.4)	(1.8)	(10.3)	(8.9)
Deferred tax	10.2	12.5	10.0	13.0	7.2
	71.9	75.5	86.3	116.6	81.7
Net assets before loan notes and intangibles	83.0	86.2	97.5	126.9	104.3
Loan notes (incl. accrued interest)	-	-	-	-	(45.5)
Net assets before intangibles	83.0	86.2	99.3	126.9	58.8
Intangibles	40.3	39.8	40.2	40.4	288.6
Net assets	123.3	126.0	139.5	167.3	347.4



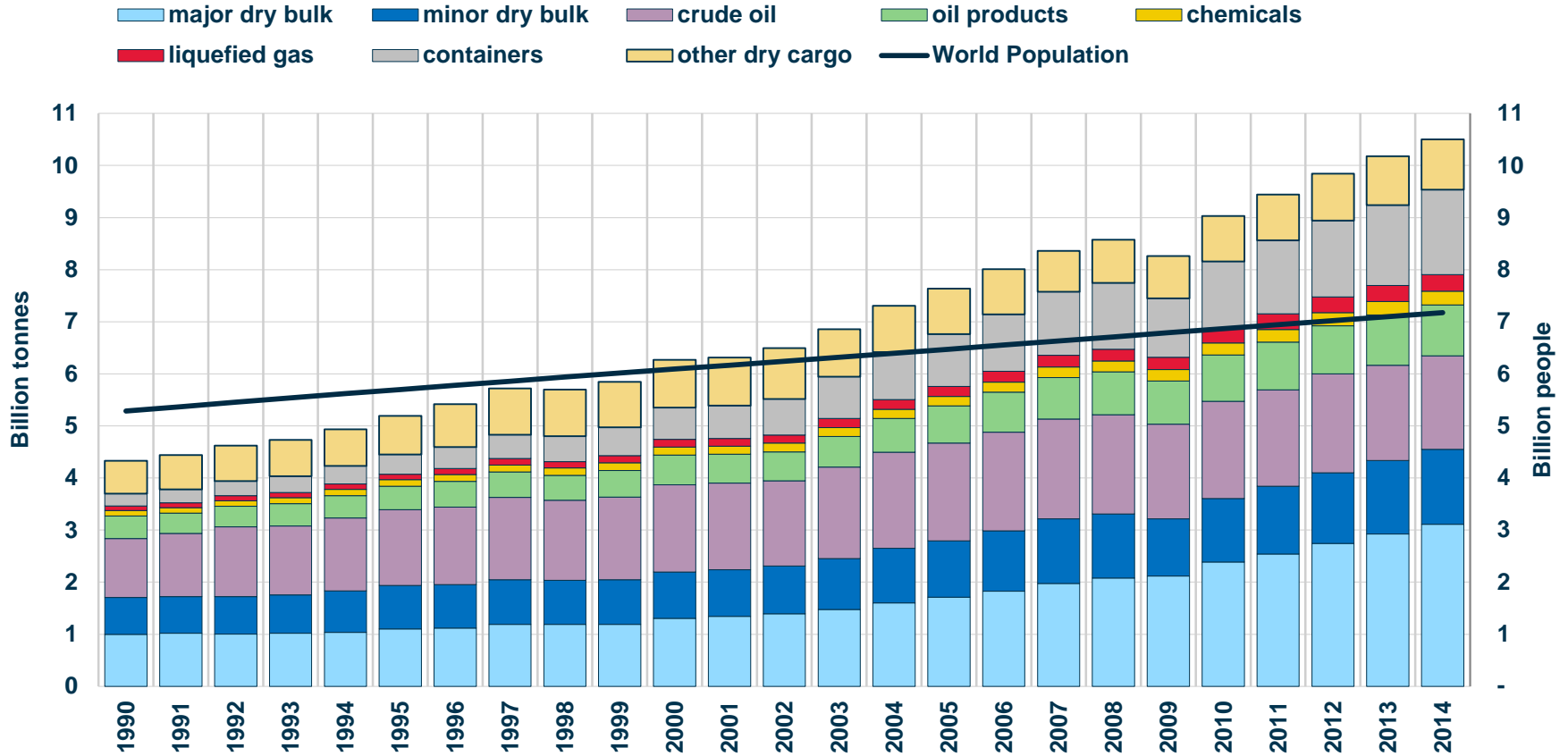
Dividends



The Markets



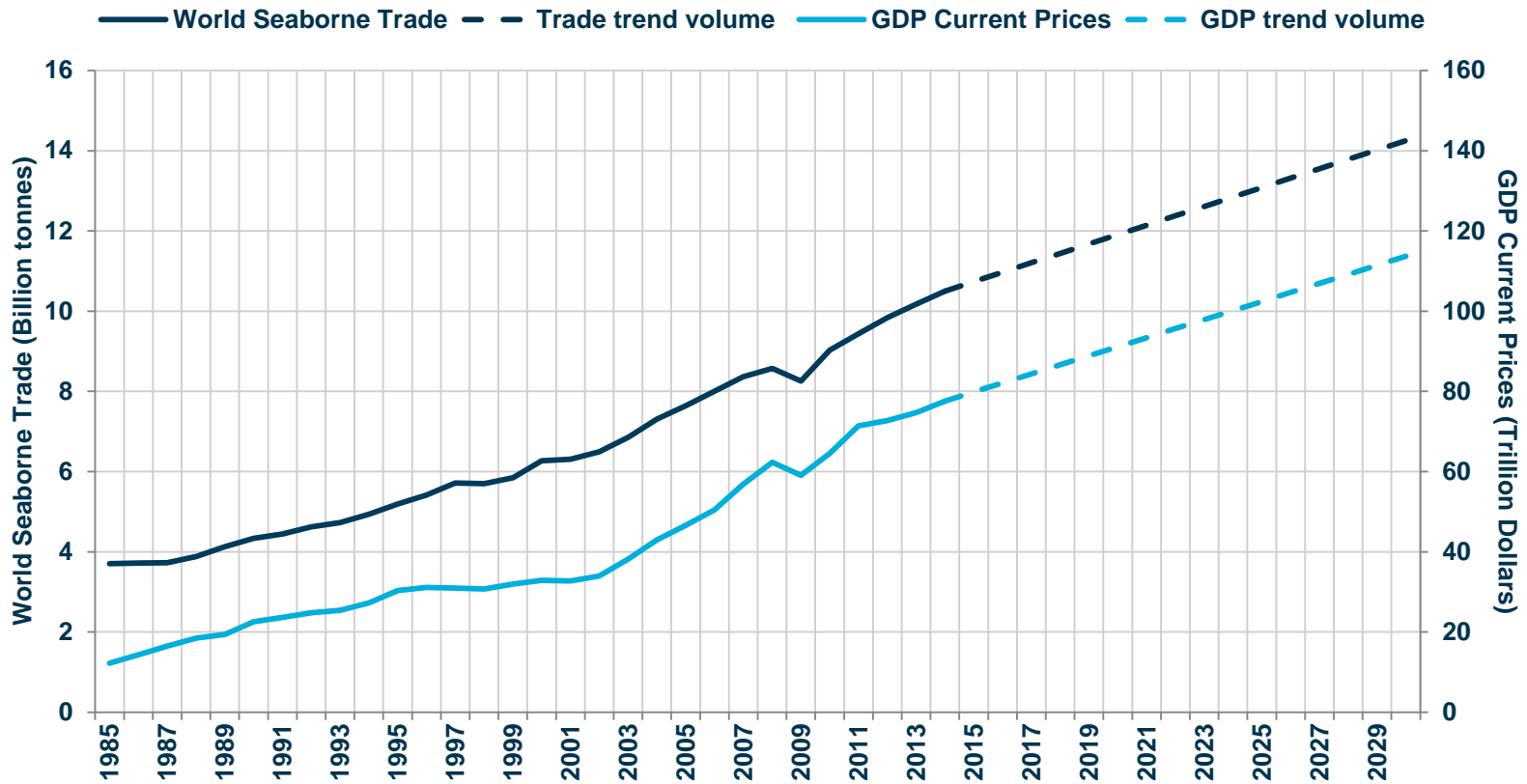
World Seaborne Trade



Data Source: Clarksons / US Census Bureau



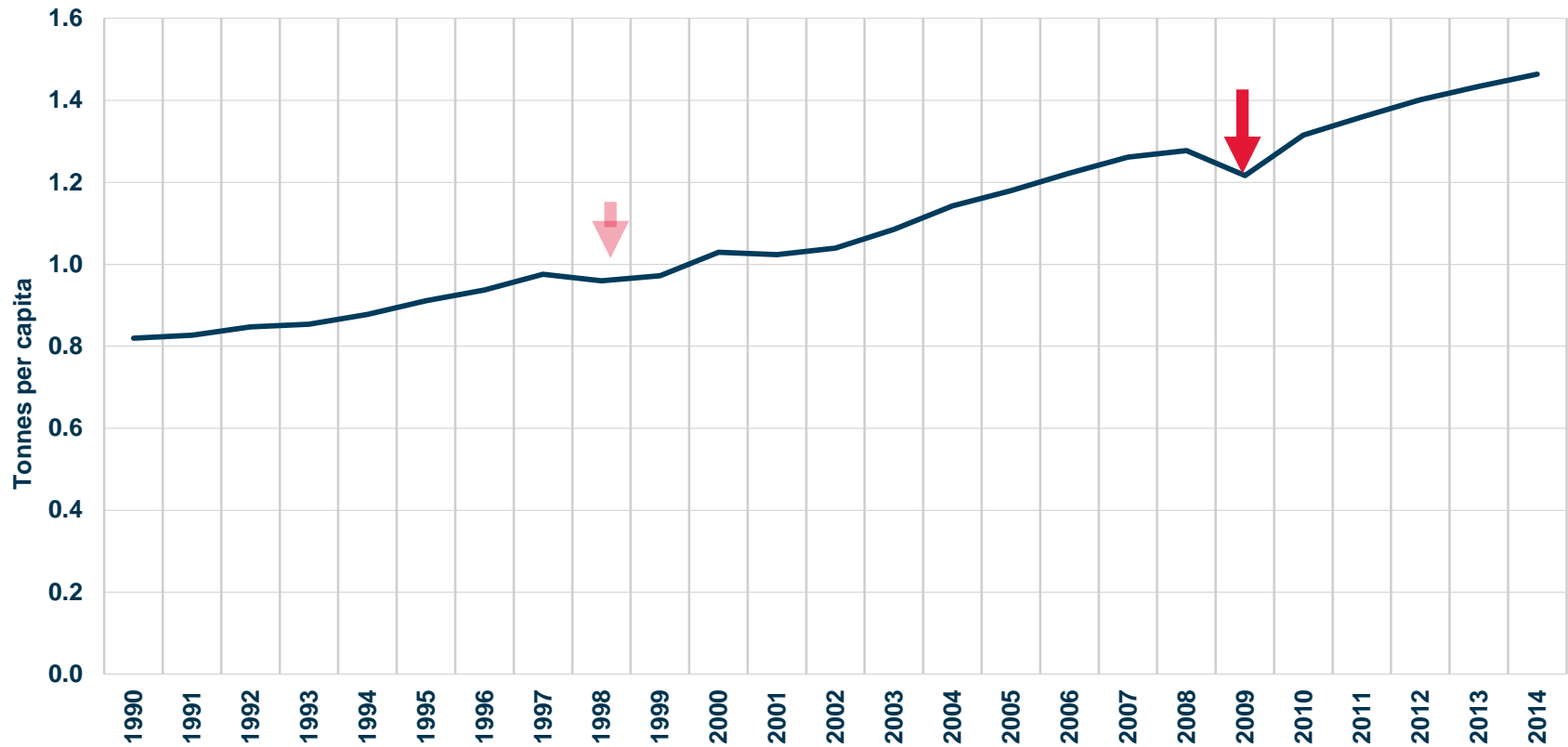
World Seaborne Trade vs. GDP



Data Source: Clarksons / World Bank



World Seaborne Trade per Capita

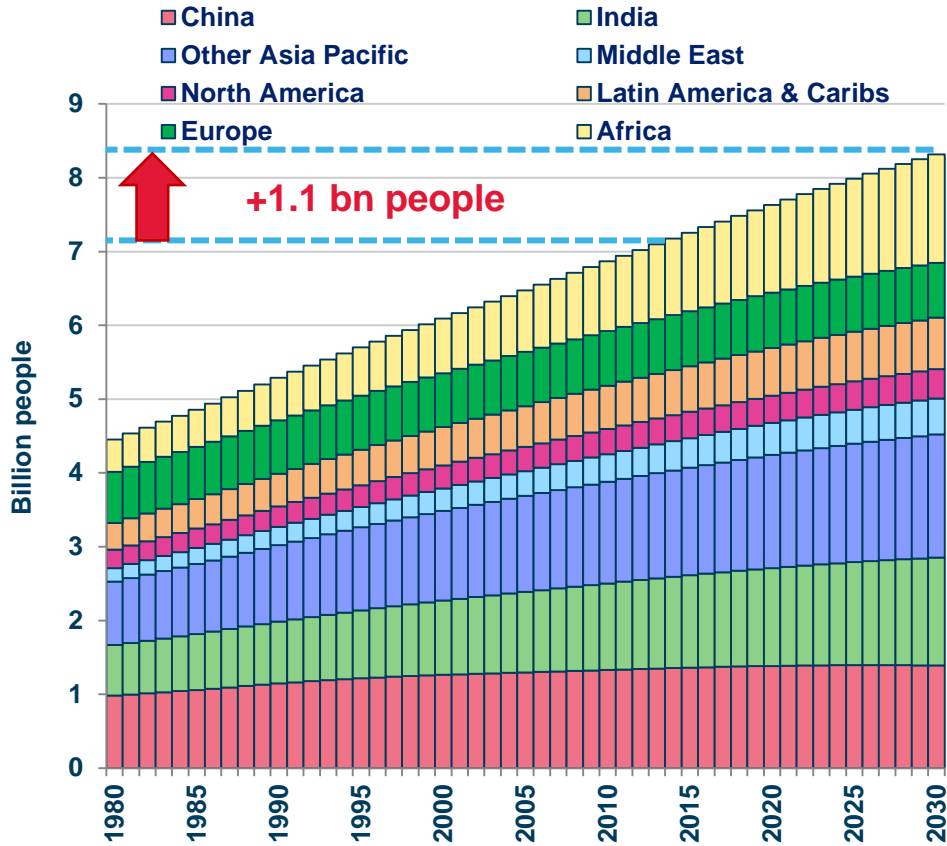


Data Source: Clarksons / US Census Bureau



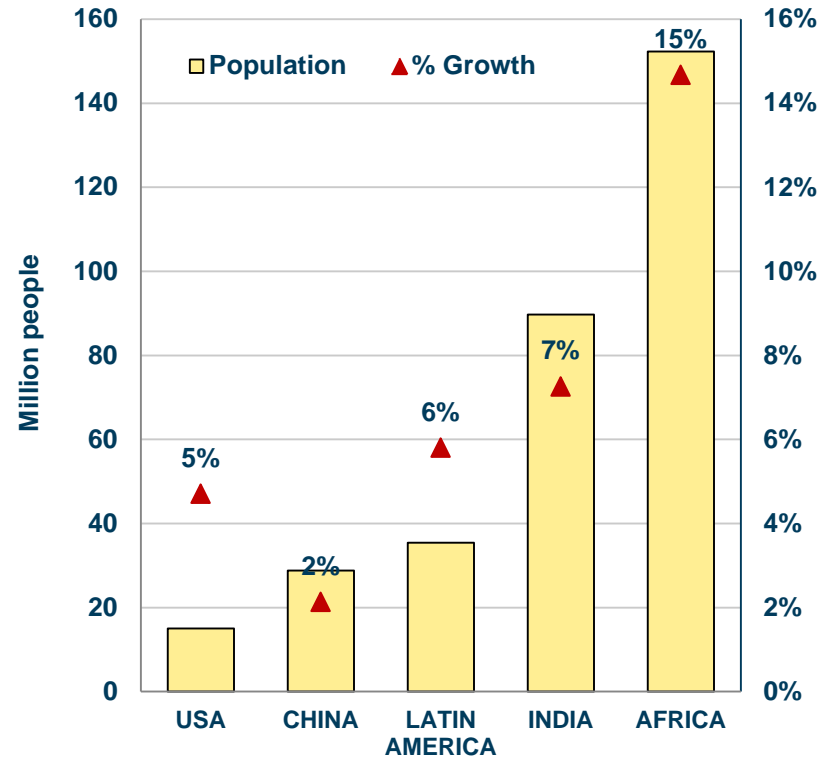
Growing World Population

Impact on Energy, Food & Transportation



Data Source: US Census Bureau

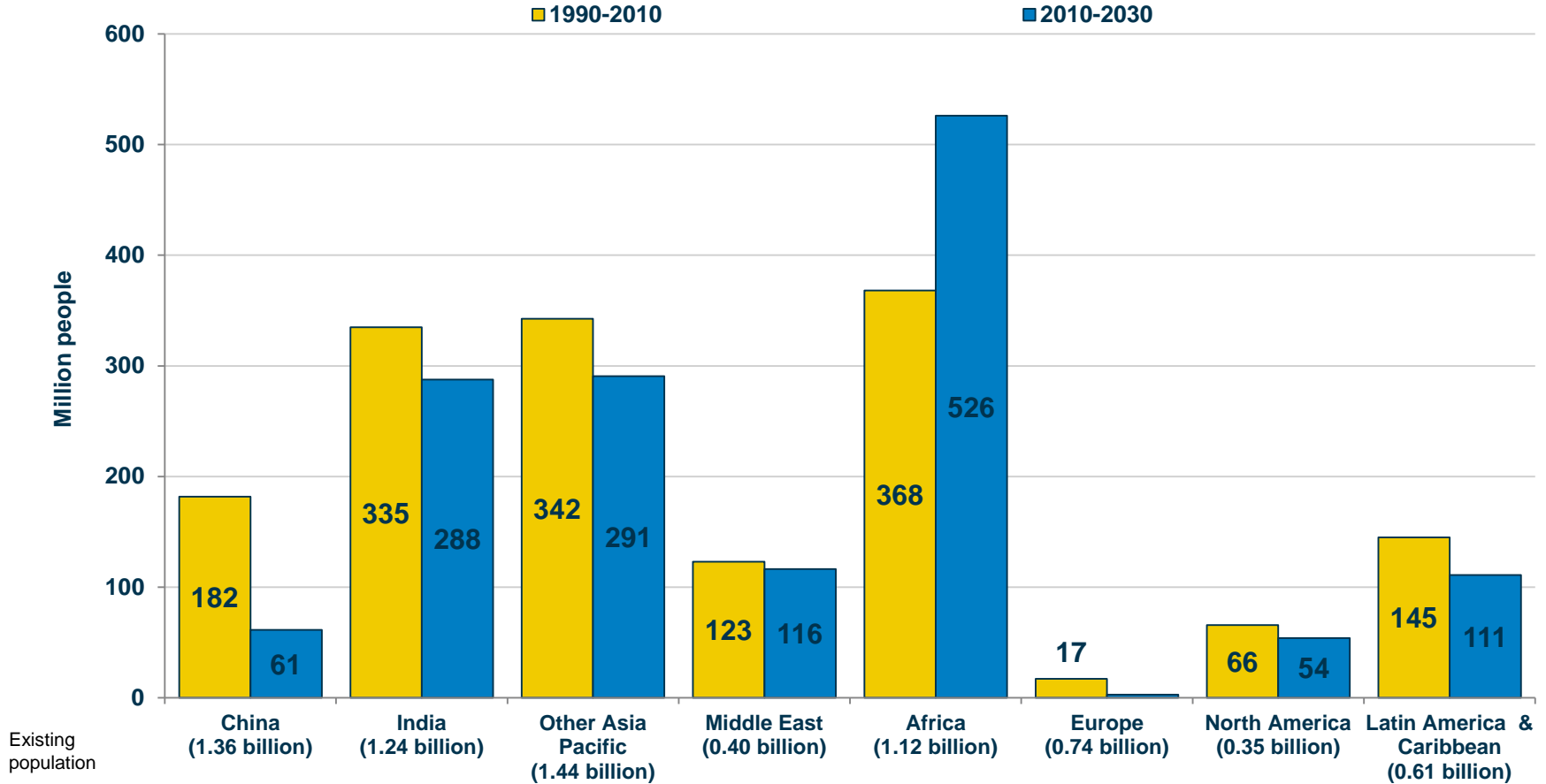
Population Dynamics 2014-2020





World Population Growth

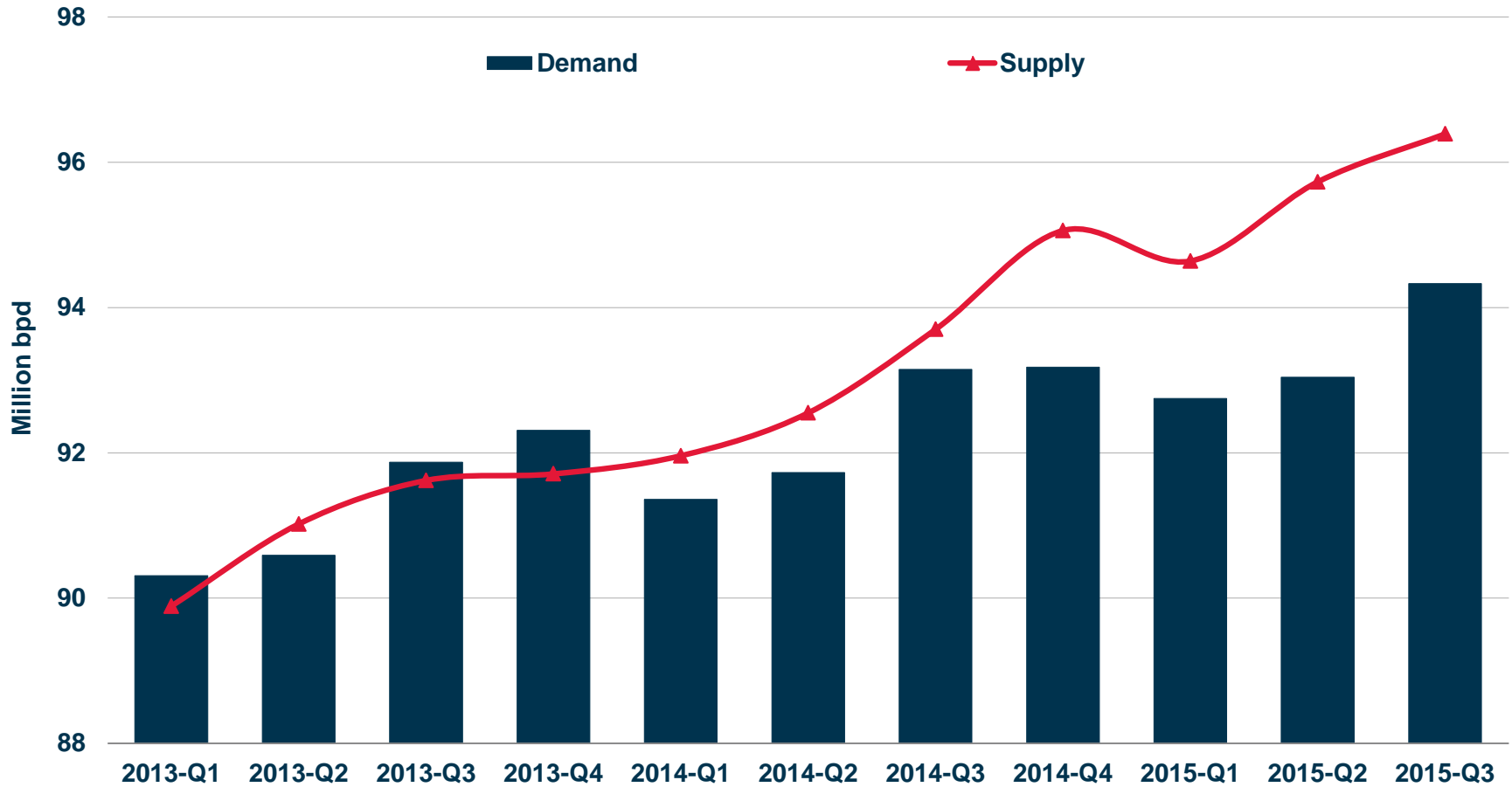
2030 (Projected) 8.32 billion
 2014 (Estimated) 7.2 billion



Data Source: US Census Bureau



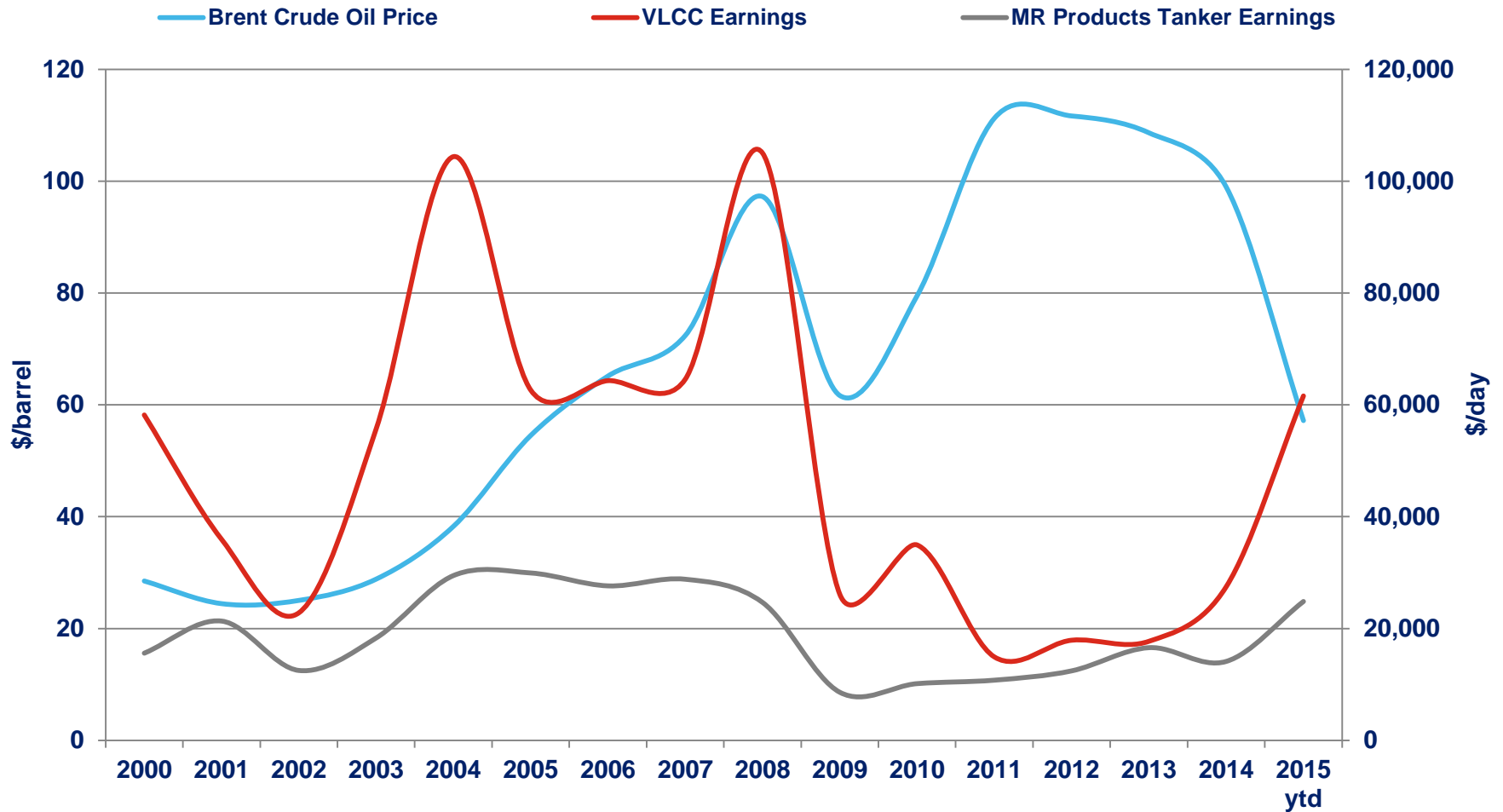
Global Oil Demand / Supply Balances



Data source: EIA



Oil Prices and Tanker Earnings

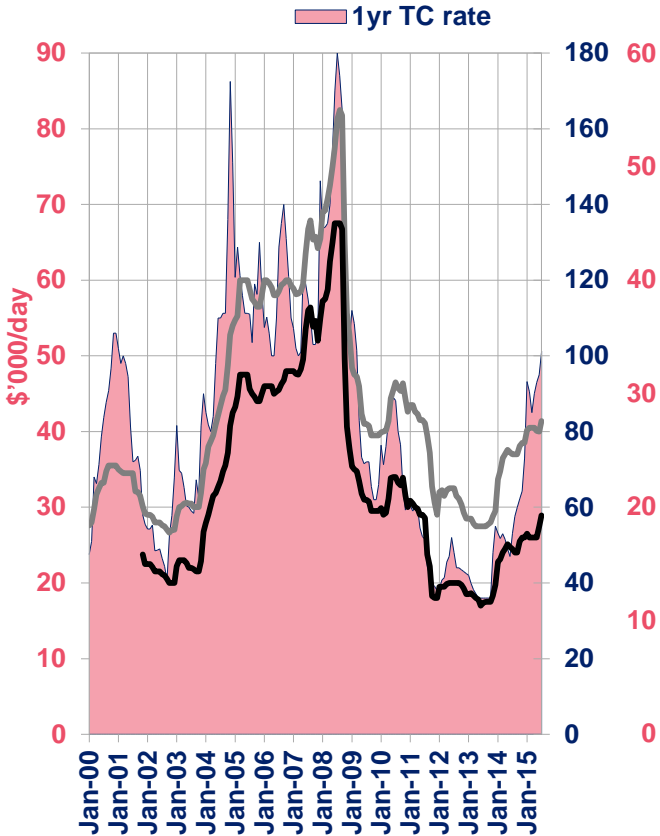


Data source: Clarksons.

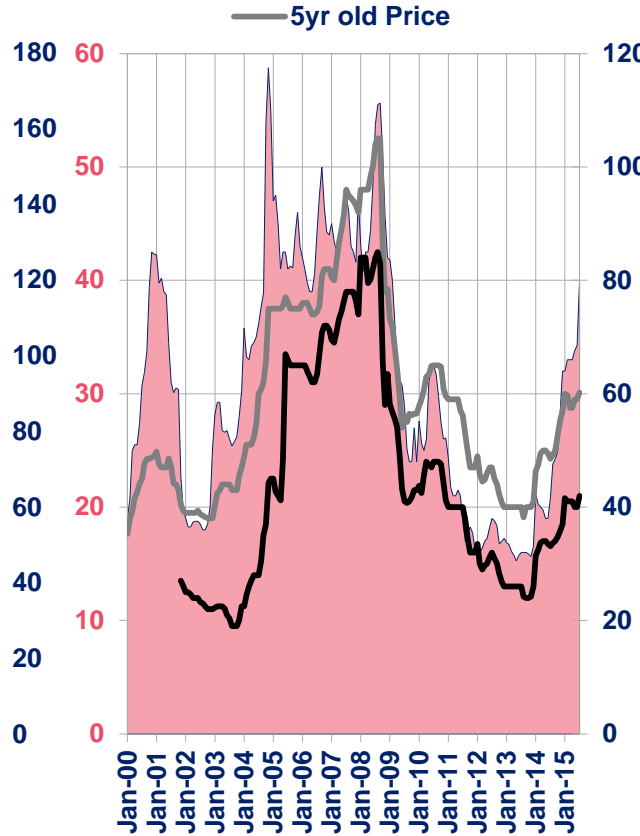


Timecharter Rates vs. Prices

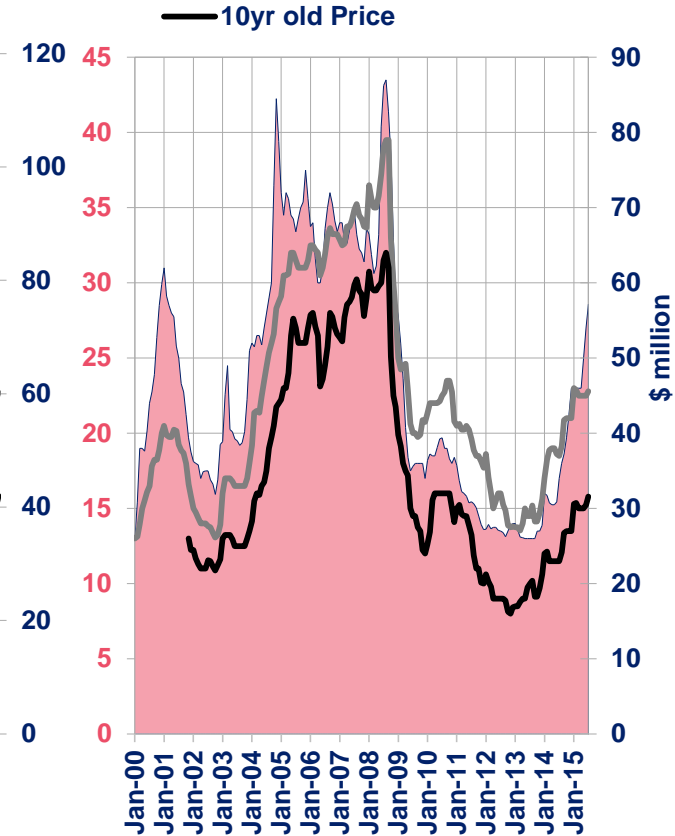
VLCC



Suezmax



Aframax



Data Source: Clarksons

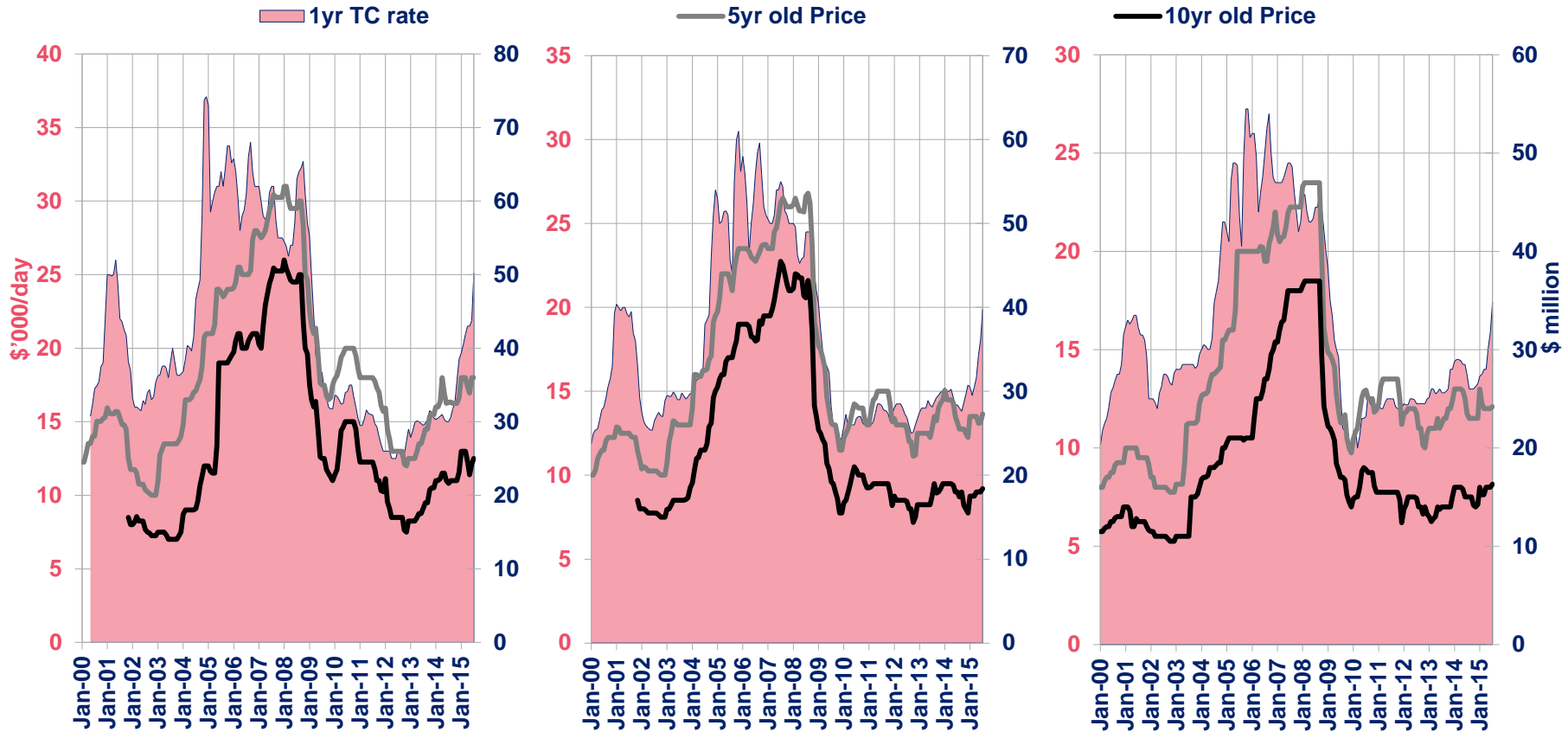


Timecharter Rates vs. Prices

Panamax/LR1

MR

Handysize

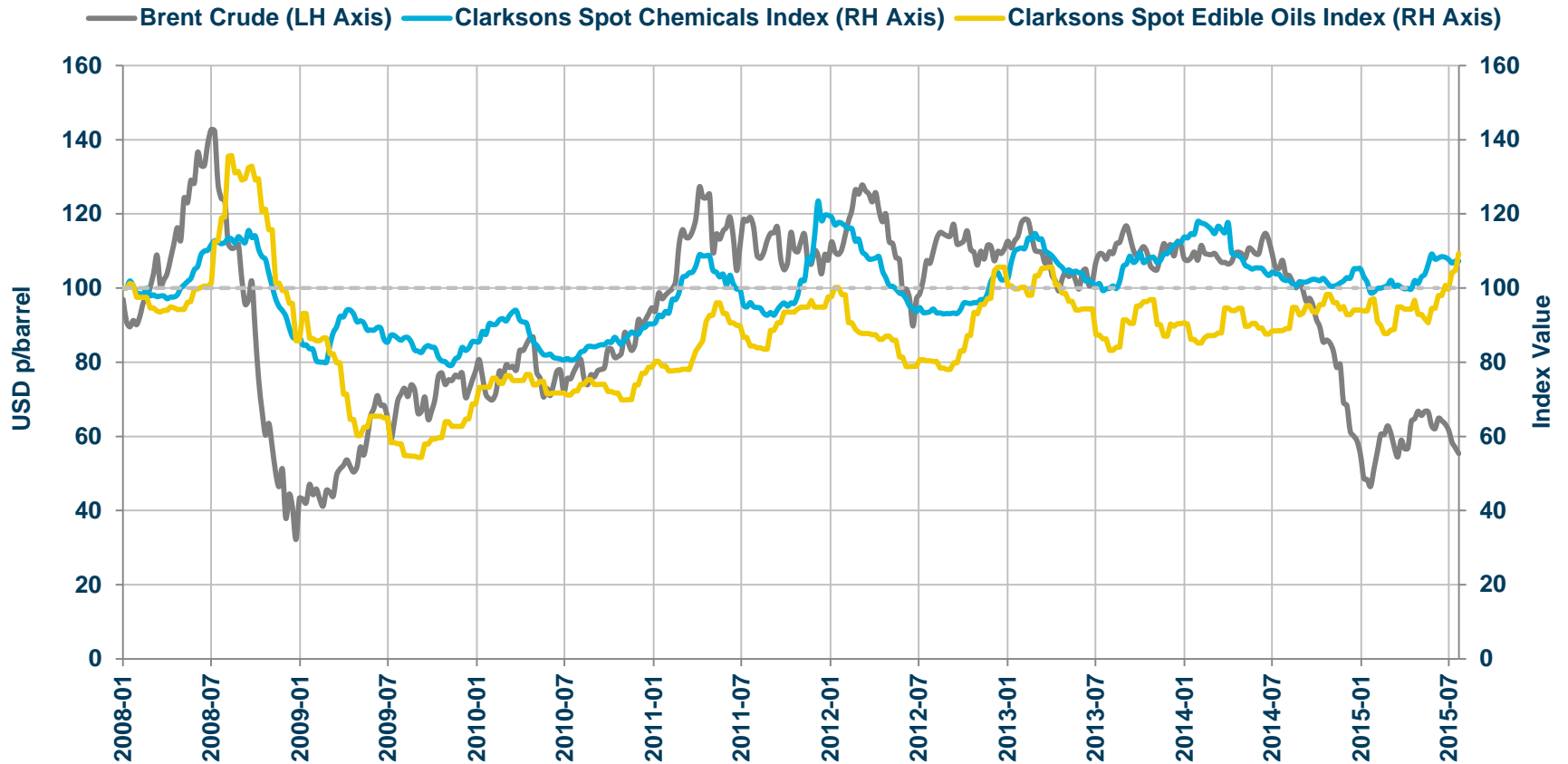


Data Source: Clarksons



Specialised Products Spot Indices

Robust Freight Markets & Encouraging Trade

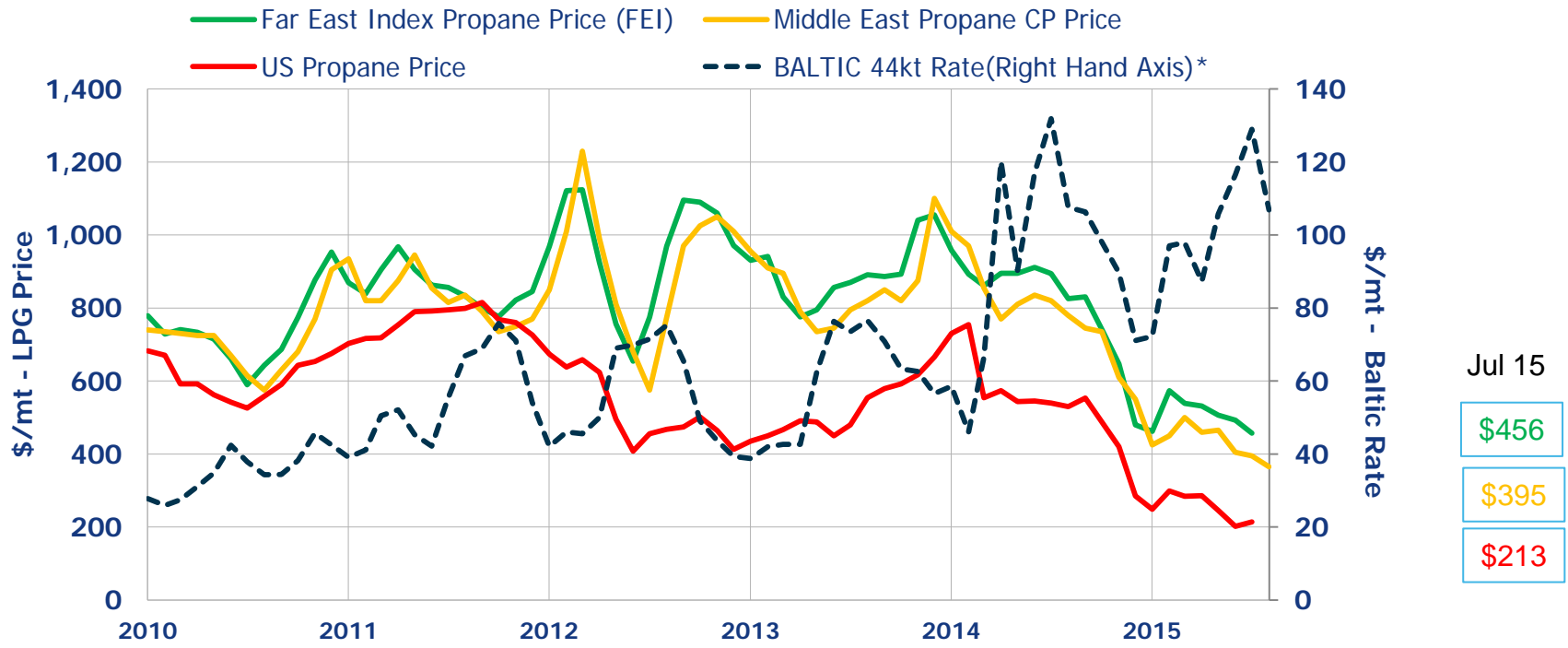


Data Source: Clarksons



Benchmark Propane Prices v Baltic Freight Assessment

- US propane prices have been receding since mid April mostly due to increasing inventories

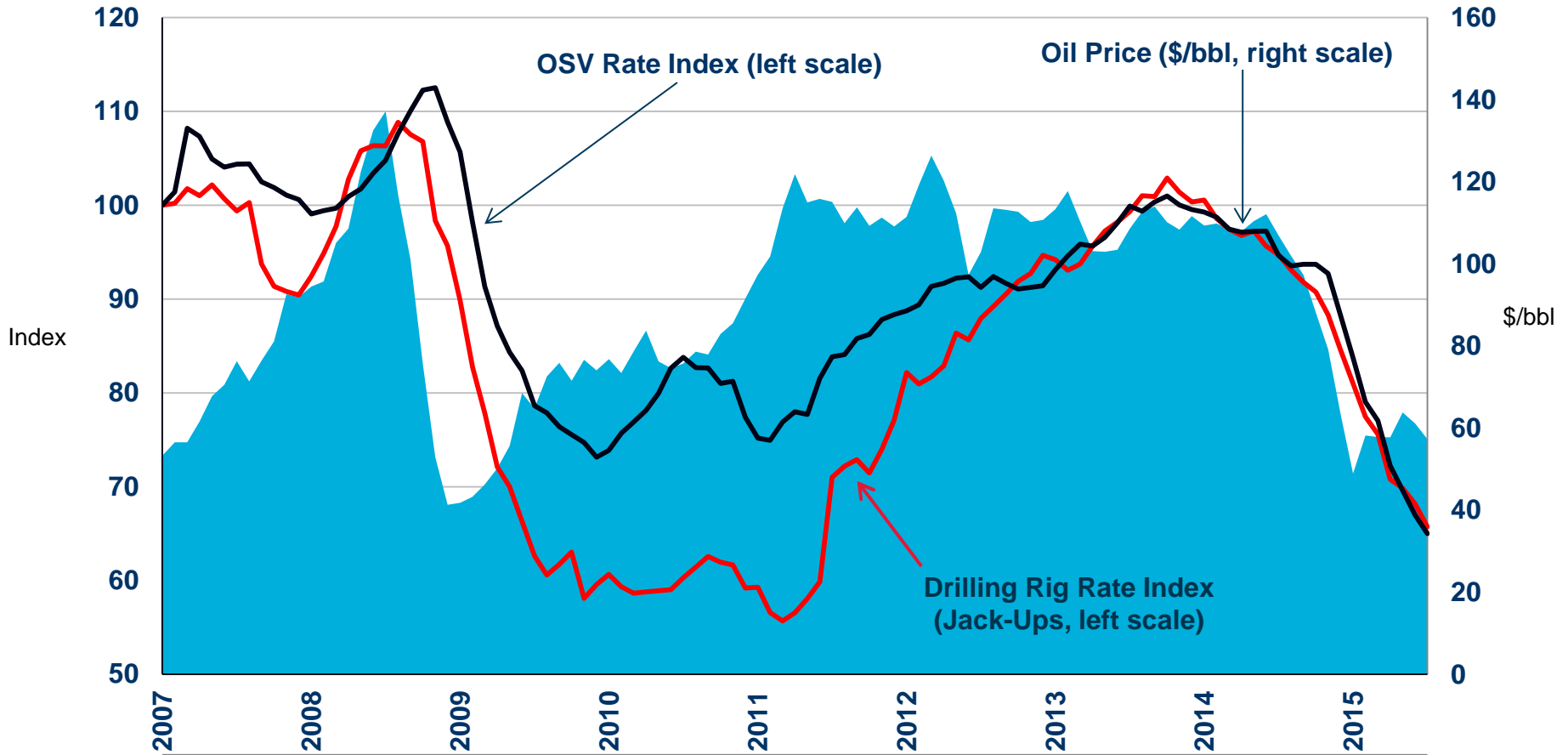


Source: Clarksons

* Monthly Average Rate



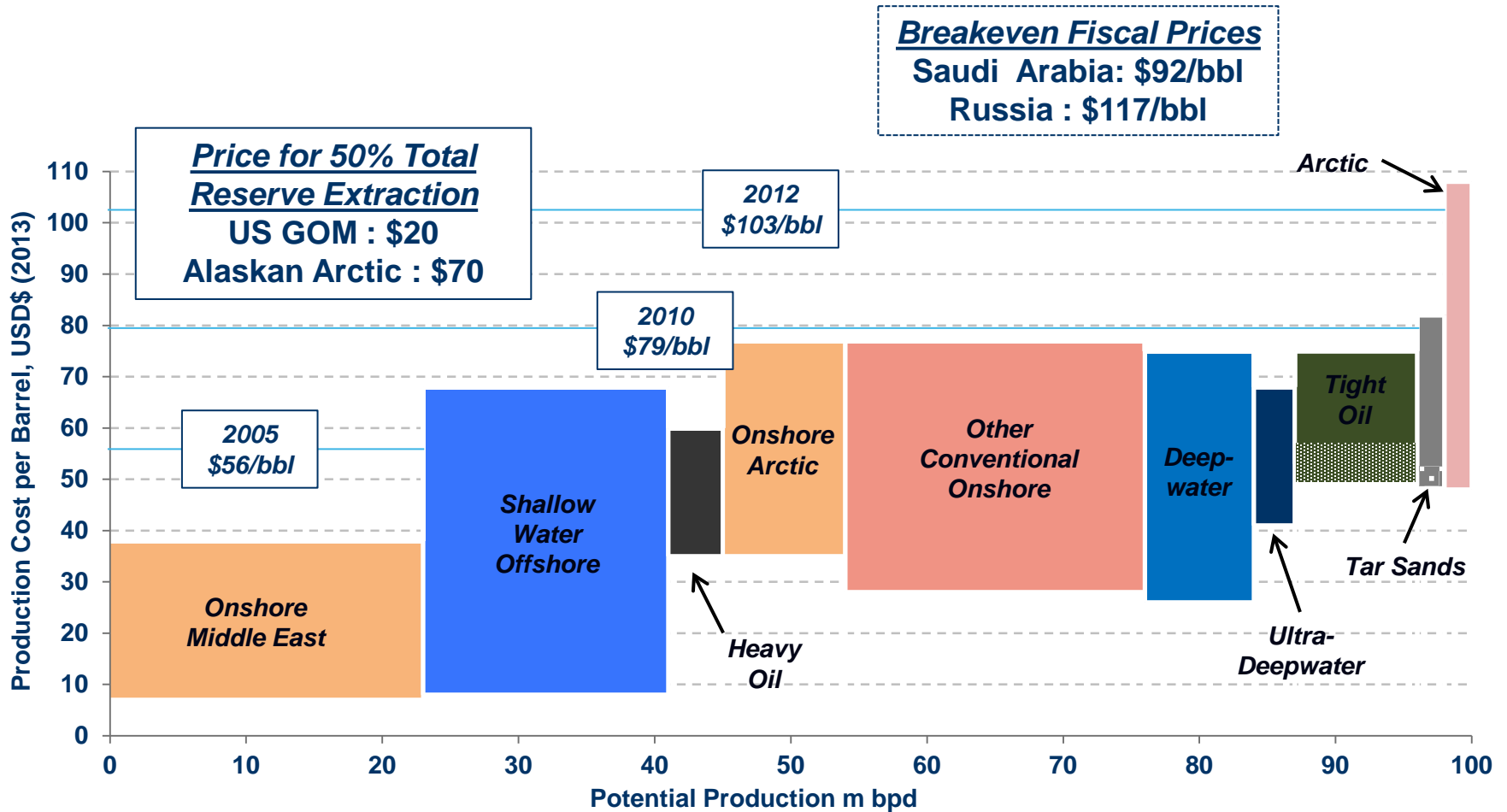
Offshore Rates





Future of Offshore...

Remaining Reserves Production Costs



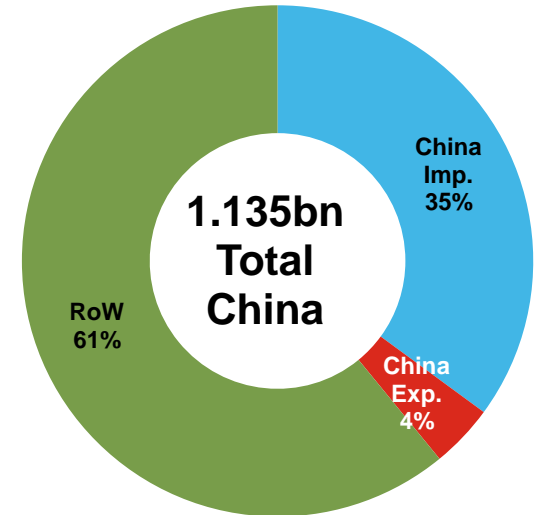
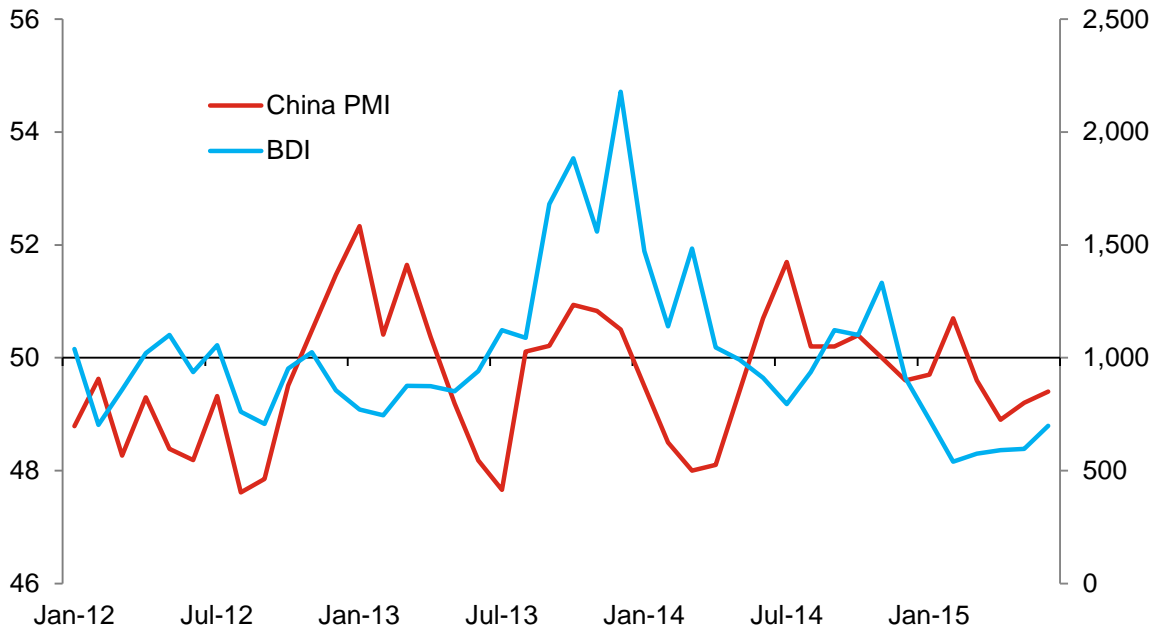
Data Source: IEA, EIA, APICORP, BOEM, IMF, CITI, Reuters



China the leading force in the dry bulk market

China's slow down in industrial production weighted heavily on the dry bulk market

China Purchasing Manufacturing Index vs Baltic Dry Index

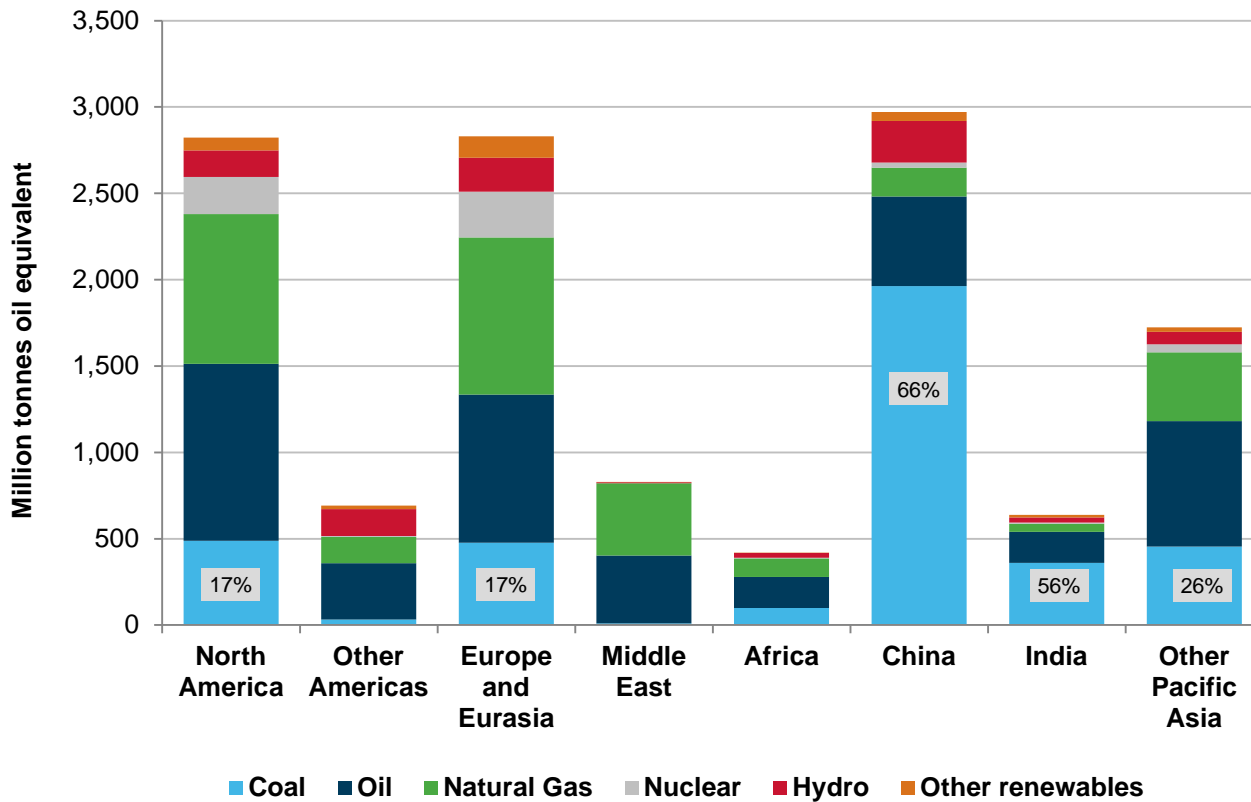




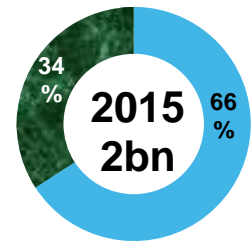
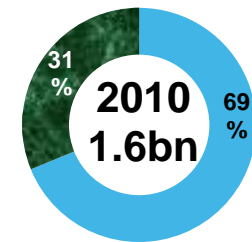
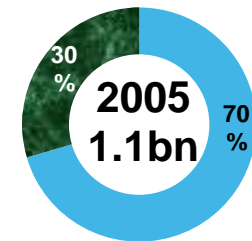
World energy mix - *World energy consumption 2014 BP statistical review*

Changes in energy mix will affect different ship asset classes. Coal loose to more greener energies.

World energy consumption by type



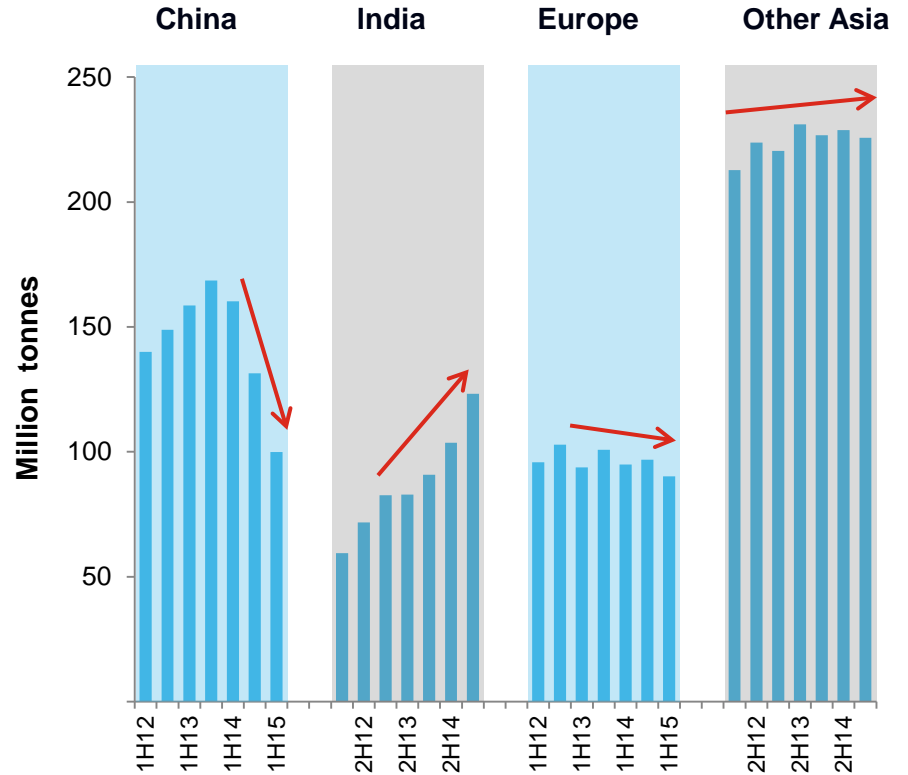
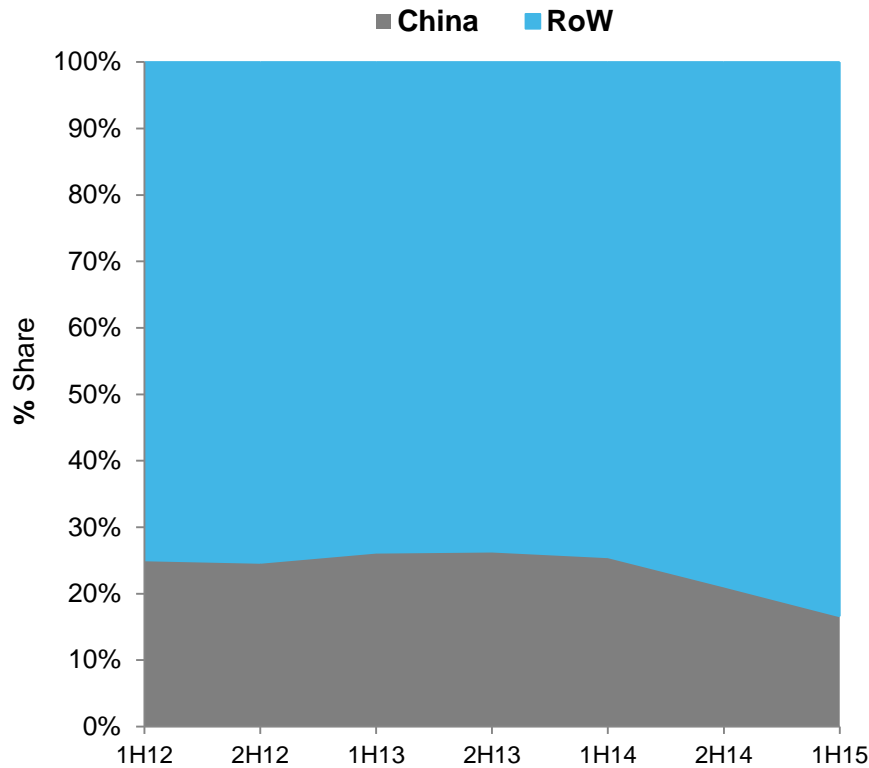
Coal consumption's market share decline





Global coal shipments

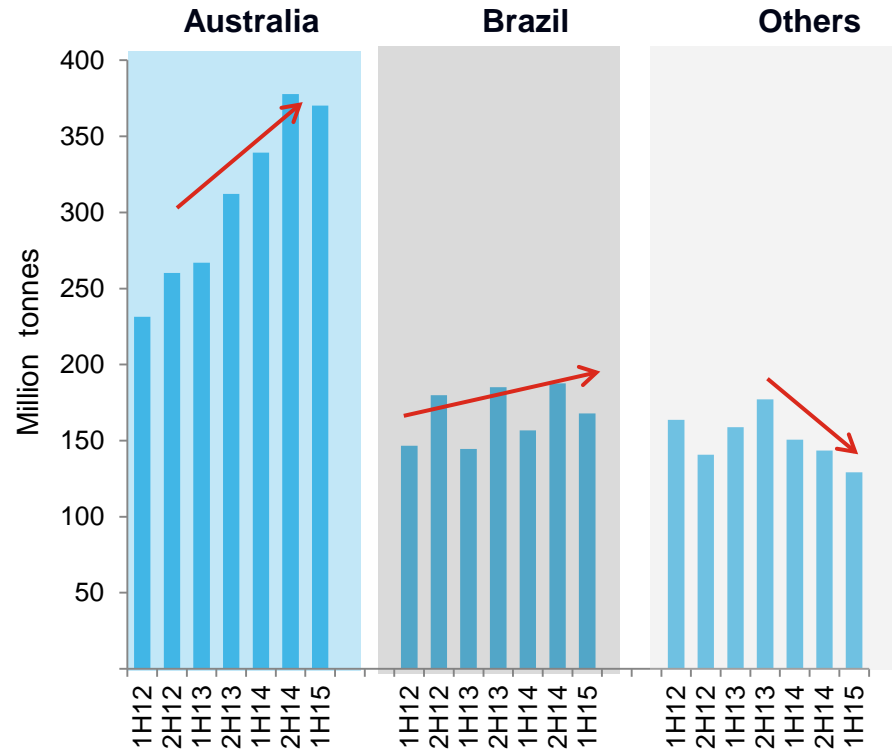
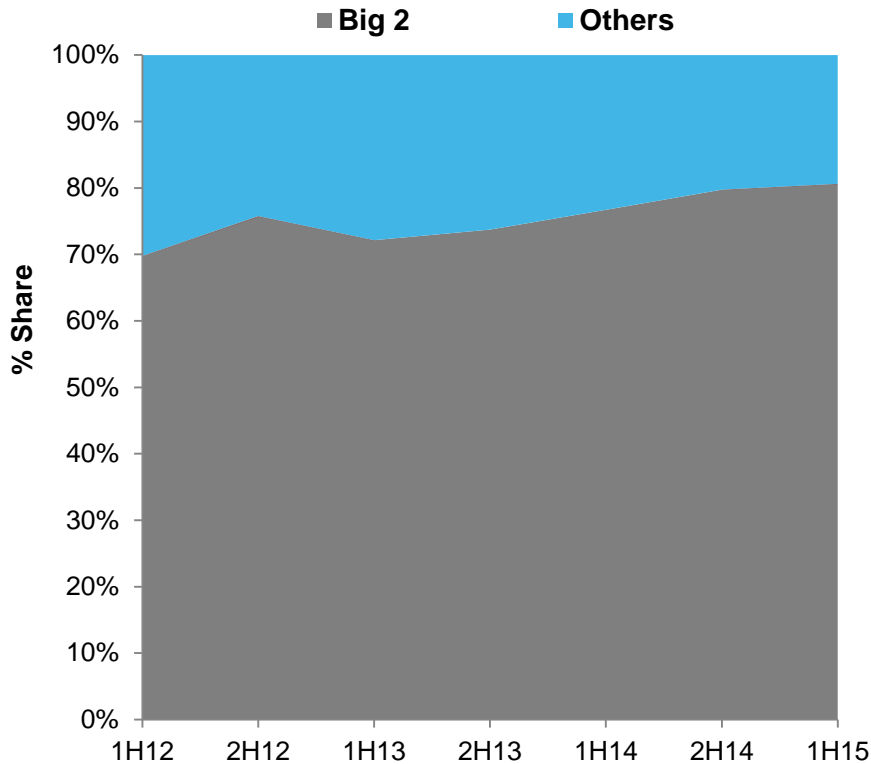
China's decline in coal imports could not be compensated before by increments in other importing countries. India's imports are set to continue to increase.





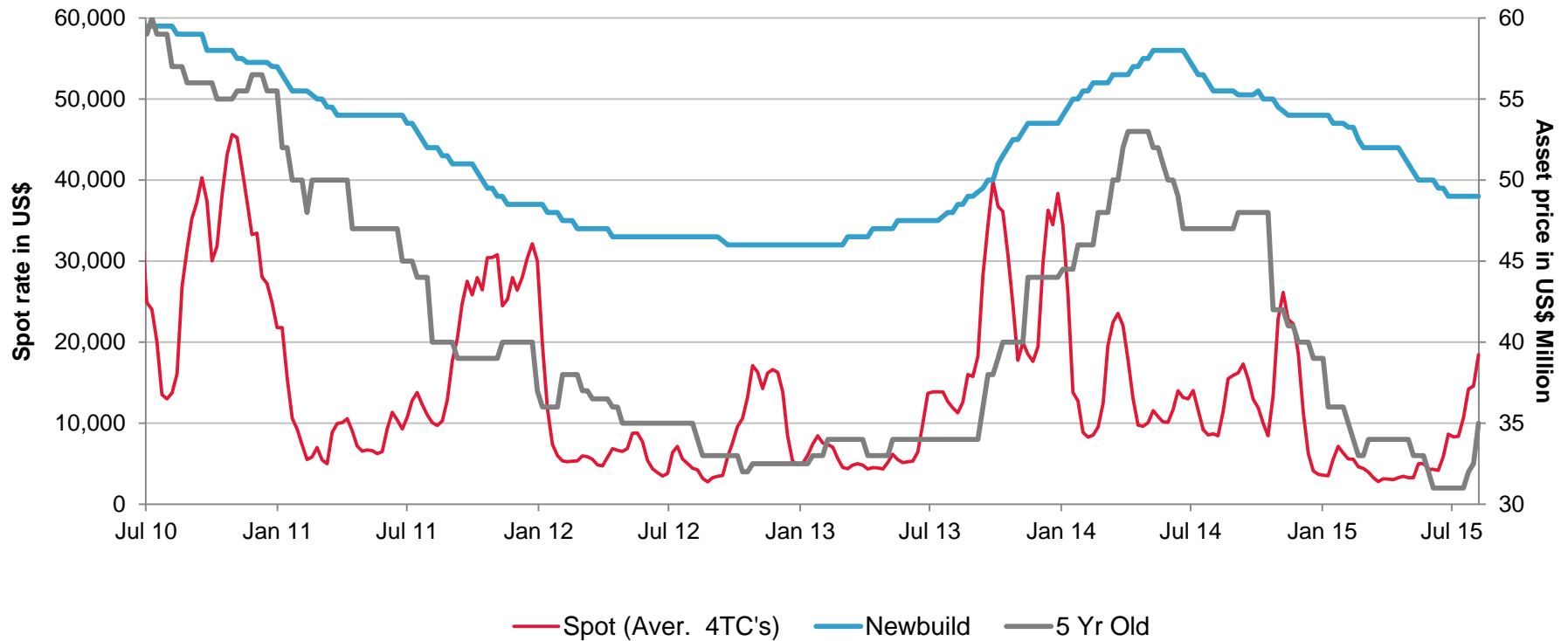
Global iron ore shipments

Low cost iron ore mines in Australia and Brazil displace high cost Chinese domestic and international supplies. The Two countries seasonally tend to have weaker first halves.



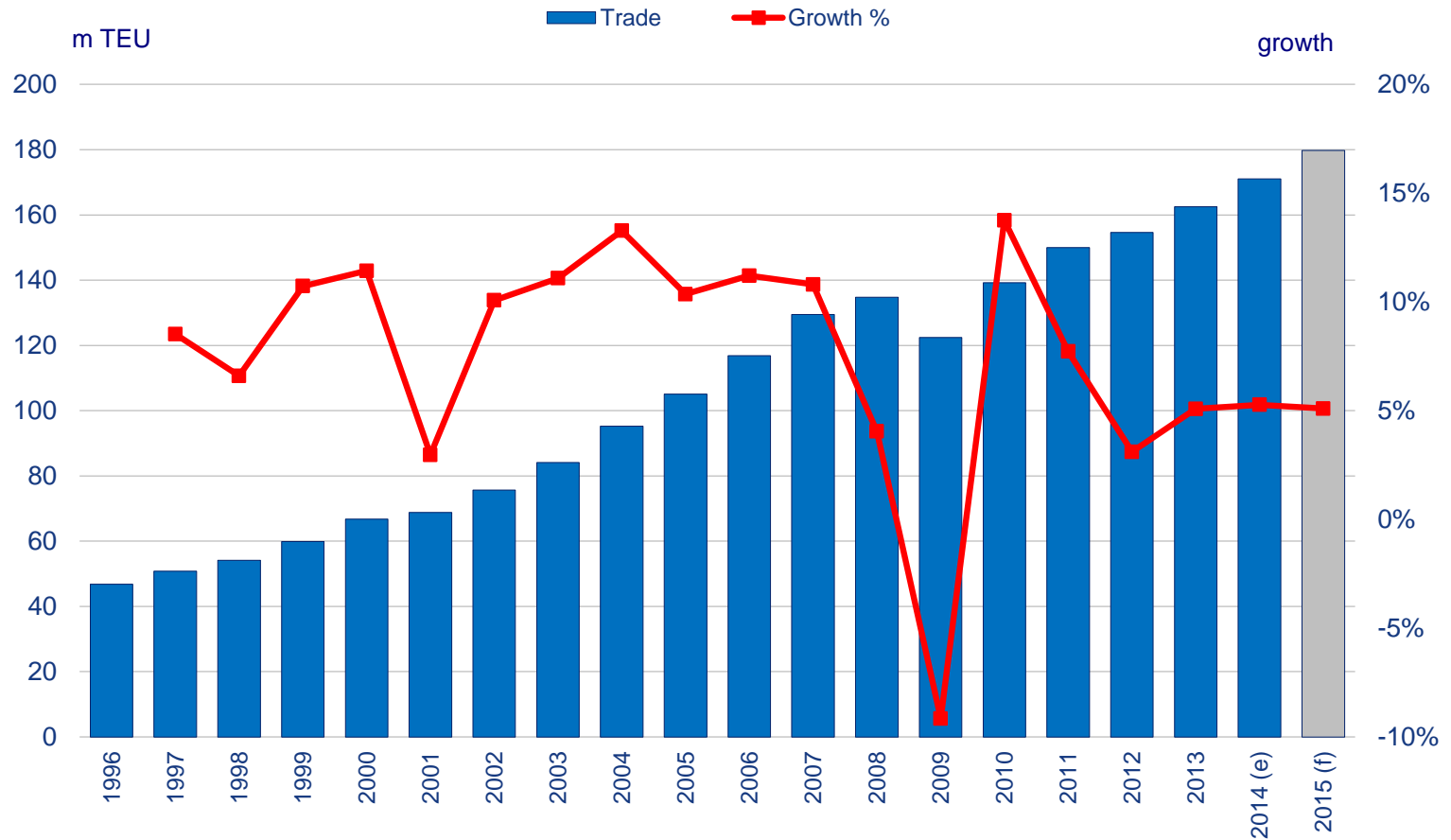


Capesize Spot rate vs Asset price





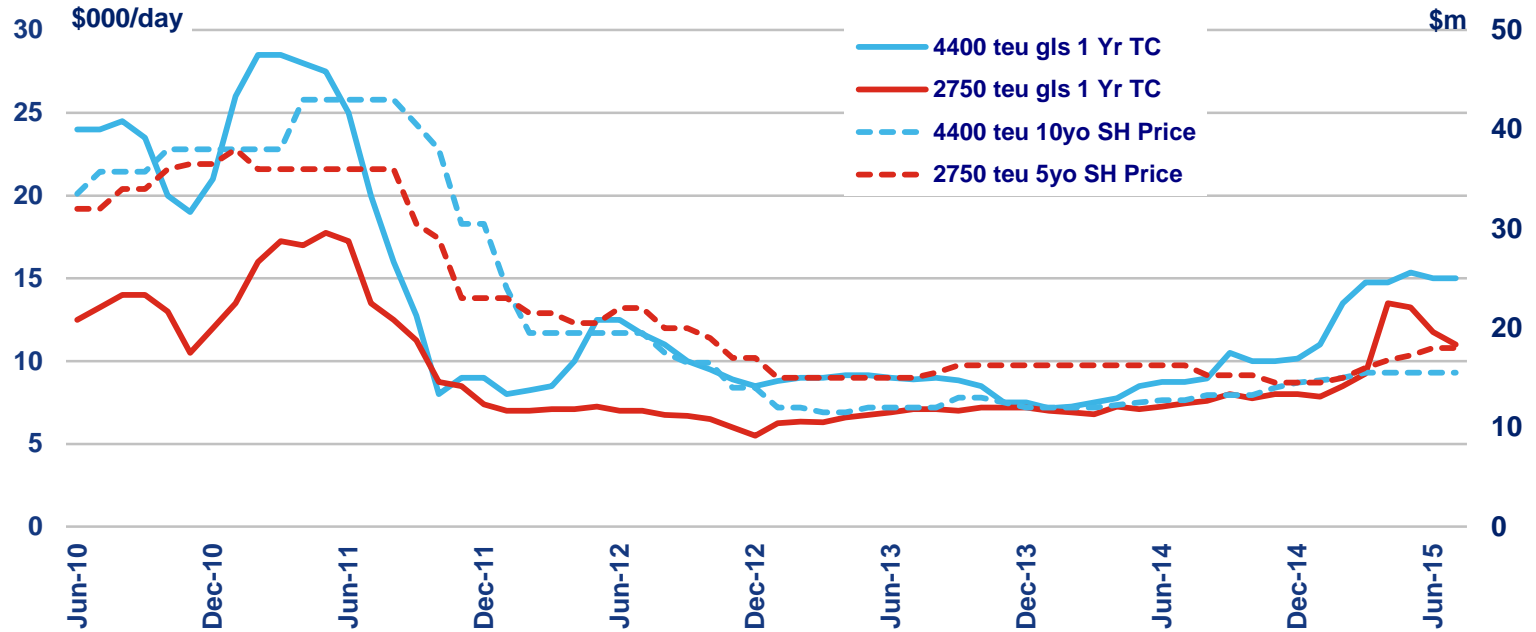
World Container Trade



Source : Clarksons Research



Containership Charter Rates & Prices



Source : Clarksons Research



Clarksons

Outlook



- Integration at an advanced stage and completed by year end
- Strong client support for Clarkson's Platou & the integrated business model
- Global seaborne trade growth set to continue despite commodity price volatility
- Challenges balanced by opportunities
- Second half weighting



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