Braemar

Meeting the new CFO

CFO meeting

General industrials

3 August 2026

We recently met with Richard Heading, who joined Braemar as CFO on 29 June 2026. He fills the vacancy created when former CFO Grant Foley stepped up to become CEO on 2 July 2026. Our first meeting with Mr Heading was positive. We believe his experience is highly complementary, and his views and messaging entirely consistent with the strategic plan, further supporting execution. Following the 2 July positive trading update, the next catalyst for the company is the half-year results in November. Our earnings-based 370p valuation implies almost 70% upside, supported by a clear strategic plan to 2030. The main risk is execution, with additional risks including changes in the macroeconomic and geopolitical backdrop and movement in chartering rates.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
2/25	141.9	9.2	28.03	7.00	7.9	3.2
2/26	135.6	4.6	21.12	7.00	10.5	3.2
2/27e	141.7	10.8	26.72	7.50	8.3	3.4
2/28e	148.8	15.3	34.97	8.50	6.3	3.8

Note: PBT is on a company reported basis. EPS is on a continuing and diluted basis.

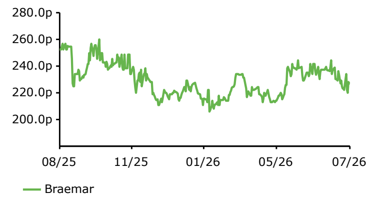
Until 31 March 2026, Mr Heading held the roles of CFO and chief risk officer at Record, the LSE-listed specialist currency and asset manager. Prior to Record, Mr Heading spent more than five years at IG Group Holdings, in the senior managerial role of group finance director, and 15 years at Willis Towers Watson, where he progressed to CFO roles. We believe Mr Heading's experience is complementary for Braemar, with Record and IG both providing overlap with Braemar's growing securities business, while his time at Willis provided exposure to insurance, which, similar to marine insurance and shipbroking, is a relationship-driven broking business. Mr Heading met the Braemar leadership team prior to joining and is impressed with the enthusiasm within the company, the strong support for Mr Foley's transition to CEO and the generally positive internal atmosphere.

Braemar's priorities and growth strategy to 2030 have been clearly articulated, and the messaging from Mr Heading was entirely consistent. Hiring teams of brokers who are expected to bring additional volume is a key revenue growth driver, with due diligence on potential deals critical to ensuring Braemar acquires the right people. His remarks about M&A opportunities are also consistent: Braemar knows the market and, given its fragmentation, expects consolidation over time. The company has proved its patience in the deal-making process: rigorous and disciplined deal assessment has meant that no transactions have recently met its criteria. More headcount should improve operating leverage and bring benefits of scale, such as greater expertise and additional market data, increasing the potential to further monetise Braemar's market knowledge and research.

Regarding the chartering business, Mr Heading noted that new trade patterns and routes are emerging to improve the flow of products in response to the conflict in the Middle East. While he expects charter rates may fluctuate, the messaging was again consistent, with the long-term backdrop seen as supportive given expected increased demand and a backlog of new ships. In the meantime, the company reiterated on 2 July 2026 that it remains confident in its ability to deliver profitable growth in line with market expectations for FY27 revenue of £139.7m and underlying operating profit before acquisition-related expenditure of £14.2m.

Price	**221.00p**
Market cap	**£73m**
Net cash/(debt) at FY26	£(2.9)m
Shares in issue	33.1m
Code	BMS
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



Business description

Braemar is the second-largest shipbroker in the world, providing broking services to the dry cargo, deep sea tanker, specialised tanker and sale and purchase markets. It also addresses the fast-growing areas of offshore and renewables, securities and financial markets.

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