

Braemar

Update shows successful execution

Braemar issued a positive H127 trading update and confirmed it is on track to meet company consensus expectations for FY27 supported by strong H127 revenue growth of 16%, 7% growth in underlying operating profit and ongoing investment in the business and its people. The forward order book remains strong and net debt has been reduced to zero. We believe the trading update and recent initiatives reflect successful execution of the 2030 growth strategy and value the company accordingly. Based on the mid-point of FY27 and 2030 targets, our unchanged 370p target offers 59% upside.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
2/25	141.9	9.2	28.03	7.00	8.3	3.0
2/26	135.6	4.6	21.12	7.00	11.0	3.0
2/27e	147.6	10.8	26.70	7.50	8.7	3.2
2/28e	155.0	16.2	36.96	8.50	6.3	3.6

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

Strong H127 sales, on track to meet FY expectations

Braemar announced a positive trading update for the six months ending 31 August 2026 (H127). Financial performance has been healthy with revenue up 16% to £74.3m (H126 £63.9m) driven by higher average rates in Braemar's chartering business, which have benefited from volatility in energy and [shipping markets](#). FY27 consensus revenues of £139.5m imply only £65.2m in H227, and, therefore, we think consensus is likely to rise. H127's underlying operating profit of £6.0m (8.1% margin, H126 8.0%) is up 7% y-o-y (H126 £5.6m) after £1.4m of strategic investments to drive future growth. The company has confirmed that it expects to meet FY27 consensus expectations of £14.2m. The forward order book remains strong at \$73.4m (FY26 \$72.5m), and net debt has been reduced to zero.

Strategic execution remains the focus

We have shown that Braemar's priorities and [growth strategy to 2030](#) have been clearly articulated, and investment in the platform and people to support the strategy is ongoing. Organic growth, new hires, operating leverage and efficiencies are key drivers of margin improvement. Braemar's recent [Power desk launch](#) is evidence of execution with this new team of brokers expected to bring additional volume, and this update is further evidence of successful execution. Management expects recent initiatives to convert to profitable growth in H227 and stated its confidence in H2 delivery.

Small positive revisions, 370p valuation unchanged

We increase our FY27 revenue by 4% to £147.6m (Exhibit 1), which assumes that H2 is similar to H1, with FY28 estimates rising to reflect the higher FY27 base. We believe Braemar's strategy has the potential to create value for shareholders and reflect this in our valuation. Our unchanged 370p valuation (Exhibit 2) is based on Braemar achieving revenue and underlying operating profit at the midpoint of our FY27 estimates and the company's 2030 targets, combined with a five-year average 12-month forward P/E of 9x. The main risks are execution, movements in chartering rates and macro/geopolitical risks.

H127 trading update

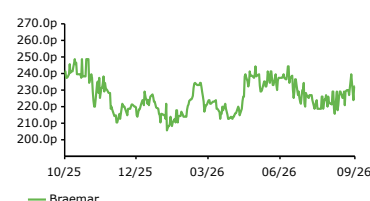
General industrials

30 September 2026

Price 233.00p
Market cap £77m

Net cash/(debt) as at 31 August 2026 £0.0m
Shares in issue 33.1m
Code BMS
Primary exchange LSE
Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	4.7	(0.1)	(1.0)
52-week high/low		242.0p	200.8p

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.

Next events

HY27 results mid- November 2026

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Braemar: Investment overview

Braemar is a leading global shipbroker and advisory business that provides expert investment, chartering and risk management advice to the shipping and energy markets. Headquartered in London, the company has offices in major locations across the globe including Singapore, Beijing, Perth, Melbourne, Dubai, Houston, Athens, Madrid, Hamburg and Geneva. Operations are diversified across Chartering (Tankers, Specialised Tankers, Dry Cargo, Offshore), Investment Advisory (Sale and Purchase, Corporate Finance) and Risk Advisory (Securities including a UK organised trading facility (OTF)). A strategic framework updated in May 2025 is built on three pillars: diversification, consolidation and operational excellence. These pillars support Braemar's 2030 targets, including revenue of £200m (FY26: £135.6m) and a 15% underlying operating margin (FY26: 9.2%). We see these targets as achievable. Revenue growth is supported by organic drivers including global GDP growth (80% of the world's goods are moved by shipping), higher chartering rates and hiring of new brokers. The company expects an element of inorganic growth from acquisitions that fit its rigorous and disciplined capital allocation process. Operating leverage is likely to do the heavy lifting and act as the main driver of underlying operating margin improvement, supported by operational excellence from investment in technology and infrastructure. Successful execution on the voyage to 2030 drives our unchanged 370p earnings-based valuation using the midpoint of our FY27 forecasts, Braemar's 2030 targets and the five-year average 12-month forward P/E of 9x, with significant additional upside available in the longer term from a [potential re-rating](#) commensurate with improved underlying operating margins.

Changes to estimates

Following the trading update we increase our FY27 revenue forecasts by c 4% based on our assumption that the run-rate in H2 is consistent with H1. Our underlying operating profit estimate of £14.2m is unchanged. While net debt reached zero at the half-year stage, we expect this to lead to higher short-term compensation with these additional costs taking net debt marginally back into the red to £2.7m at year end. Our FY28 estimates rise to reflect the higher FY27 base.

Exhibit 1: Changes to estimates

Year end February	FY26	FY27e			FY28e		
£m		Old	New	% chg	Old	New	% chg
Revenue	135.6	141.7	147.6	4.1%	148.8	155.0	4.1%
Year-on-year % change	-4.4%	4.5%	8.8%	-	5.0%	5.0%	-
EBITDA – Edison basis	16.5	18.3	18.3	-0.1%	21.5	22.4	4.3%
Year-on-year % change	-14.8%	10.8%	10.7%	-	17.1%	22.2%	-
Underlying operating profit	12.4	14.2	14.2	-0.1%	17.3	18.3	5.3%
Year-on-year % change	-20.4%	14.4%	14.3%	-	22.1%	28.7%	-
Normalised operating profit	12.4	14.2	14.2	-0.1%	17.3	18.3	5.3%
Year-on-year % change	-20.4%	14.4%	14.3%	-	22.1%	28.7%	-
PBT (reported, pre-exceptionals)	4.6	10.8	10.8	-0.1%	15.3	16.2	6.0%
Year-on-year % change	-49.8%	133.4%	133.1%	-	41.3%	50.0%	-
EPS – diluted, normalised (p)	21.7	26.7	26.7	-0.1%	35.0	37.0	5.7%
Year-on-year % change	-22.5%	23.0%	22.9%	-	30.9%	38.4%	-
DPS (p)	7.0	7.5	7.5	0.0%	8.5	8.5	0.0%
Year-on-year % change	0.0%	7.1%	7.1%	-	13.3%	13.3%	-
Net cash/(debt), (pre IFRS 16)	(3.0)	3.3	(2.7)	-183.3%	11.7	6.6	-43.7%
Year-on-year % change	20.4%	-211.1%	-7.5%	-	256.0%	-340.6%	-

Source: Edison Investment Research, company data

370p/share valuation unchanged

We continue to value Braemar on an earnings basis. The reason for the unchanged valuation is that our FY27 underlying operating profit estimate remains the same, and there are no changes to Braemar's 2030 targets.

In Exhibit 2 below, we have laid out the FY26 revenue and underlying operating profit along with our updated FY27 estimates. We have then included Braemar's 2030 targets and added a 'mid-target', which is the midpoint between our FY27 revenue and profit estimates and the 2030 target revenue and implied profit given the 15% operating margin target. In both the mid-target column and the 2030 target, we have applied interest costs that are similar to FY27e and a

25% corporation tax charge.

In the 'mid-target' scenario we arrive at EPS of 41.0p, which implies a value per share of c 370p when we apply Braemar's average 12-month forward P/E multiple of 9x. If a 9x 12-month forward P/E is maintained, and assuming successful execution and achievement of the 2030 targets, in FY29 this valuation would result in a c 520p share price.

Exhibit 2: Braemar valuation table

£m	FY26	FY27e	Mid-target	2030 target
Revenue	135.6	147.6	173.8	200.0
Underlying operating costs	(123.2)	(133.4)	(151.7)	(170.0)
Underlying operating profit	12.4	14.2	22.1	30.0
Add back acquisition-related costs	1.0	0.0	0.0	0.0
'Real' underlying operating profit	13.4	14.2	22.1	30.0
Interest	-	-	(2.5)	(2.5)
Pre-tax profit (ex exceptionals)	-	-	19.6	27.5
Tax (@ 25%)	-	-	(4.9)	(6.9)
Post tax profit	-	-	14.7	20.6
EPS, ex exceptionals, diluted (p)	-	-	41.0	57.6
P/E ratio target multiple (x)	9.0	-	-	-
Implied value per share (p)	-	-	369.2	518.1

Source: Edison Investment Research

Risks

Braemar is subject to a number of risks, including execution risk related to the strategic plan, acquisition risk, movements in chartering rates, macroeconomic and geopolitical risks and the risk of market volatility negatively affecting its trading activities.

Exhibit 3: Financial summary

	£'m	2019	2020	2021	2022	2023	2024	2025	2026	2027e	2028e
Year end 28 February		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT											
Revenue		117.9	117.7	83.7	101.3	152.9	152.8	141.9	135.6	147.6	155.0
EBITDA		10.4	14.4	11.4	13.5	23.4	20.4	19.4	16.5	18.3	22.4
Normalised operating profit		9.1	11.0	7.7	10.1	20.1	16.5	15.6	12.4	14.2	18.3
Exceptionals		(12.5)	(3.8)	(1.5)	(0.3)	(2.5)	(7.2)	(4.4)	(5.5)	(1.2)	(0.7)
Impairment		0.0	0.0	0.0	0.0	(9.1)	0.0	0.0	0.0	0.0	0.0
Other		0.5	0.7	0.0	0.0	3.0	0.1	0.2	0.0	0.0	0.0
Reported operating profit		(2.9)	7.9	6.2	9.7	11.5	9.4	11.2	6.9	13.0	17.6
Net Interest		(0.2)	(1.4)	(1.1)	(1.2)	(2.0)	(2.0)	(2.2)	(2.5)	(2.2)	(1.4)
Joint ventures & associates (post tax)		0.0	(0.3)	0.0	(0.0)	(0.0)	0.0	0.0	0.2	0.0	0.0
Profit Before Tax (norm)		8.9	9.4	6.7	8.9	18.0	14.6	13.4	10.1	12.0	16.9
Profit Before Tax (reported)		(3.1)	6.3	5.1	8.5	9.5	7.5	9.2	4.6	10.8	16.2
Reported tax		(1.5)	0.0	(1.6)	(1.8)	(4.9)	(2.9)	(3.1)	(2.4)	(2.7)	(4.0)
Profit After Tax (norm)		7.3	9.4	5.1	7.0	13.2	11.7	10.3	7.8	9.3	12.8
Profit After Tax (reported)		(4.7)	6.3	3.6	6.7	4.6	4.6	6.1	2.3	8.1	12.1
Discontinued operations		(22.7)	(2.3)	1.0	7.2	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)		7.3	9.4	5.1	7.0	13.2	11.7	10.3	7.8	9.3	12.8
Net income (reported)		(27.4)	4.0	4.5	13.9	4.6	4.6	6.1	2.3	8.1	12.1
Basic average number of shares outstanding (m)		30.9	31.2	31.4	30.6	29.0	29.5	31.4	31.5	31.4	31.3
EPS - basic normalised (p)		23.8	30.2	16.2	23.1	45.5	39.6	32.8	24.7	29.6	41.0
EPS - diluted normalised (p)		21.8	27.3	13.4	18.8	37.8	32.4	28.0	21.7	26.7	37.0
EPS - basic reported (p)		(88.6)	12.9	14.4	45.6	15.9	15.6	19.4	7.2	25.8	38.8
Dividend (p)		5.0	5.0	5.0	9.0	12.0	13.0	7.0	7.0	7.5	8.5
Revenue growth (%)		14.4%	-0.2%	-28.9%	21.0%	50.9%	-0.1%	-7.1%	-4.4%	8.8%	5.0%
EBITDA Margin (%)		8.8%	12.3%	13.6%	13.4%	15.3%	13.3%	13.7%	12.2%	12.4%	14.4%
Normalised Operating Margin		7.7%	9.4%	9.2%	9.9%	13.1%	10.8%	11.0%	9.2%	9.6%	11.8%
BALANCE SHEET											
Fixed Assets		91.7	114.7	106.6	99.8	97.7	91.7	94.3	90.1	87.7	85.2
Intangible Assets		86.0	86.2	86.1	80.9	75.4	74.5	73.9	73.5	74.1	74.8
Tangible Assets		2.0	11.9	9.8	7.1	5.3	5.6	10.1	8.8	5.7	2.6
Investments & other		3.7	16.5	10.7	11.9	17.0	11.6	10.3	7.8	7.8	7.8
Current Assets		71.9	68.3	50.3	49.8	80.3	69.9	63.1	65.3	65.9	77.5
Stocks		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debtors		37.1	39.5	33.4	35.8	43.3	37.7	40.9	39.2	39.6	41.8
Cash & cash equivalents		24.1	28.7	16.4	14.0	36.0	29.2	20.7	25.4	25.6	34.9
Other		10.6	0.0	0.4	0.0	1.0	2.9	1.6	0.7	0.7	0.7
Current Liabilities		92.0	78.9	54.0	43.4	65.8	49.1	41.8	39.3	41.9	45.7
Creditors		44.9	47.6	47.8	39.9	58.4	43.8	35.3	37.4	39.2	41.1
Tax and social security		1.4	1.3	1.3	1.6	4.1	1.6	1.7	1.4	1.7	3.1
Short-term borrowings		35.8	25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		9.8	4.8	4.9	1.9	3.3	3.7	4.8	0.5	1.0	1.5
Long-Term Liabilities		13.2	44.9	39.9	34.8	35.4	32.8	31.4	33.8	33.8	33.8
Long-term borrowings		4.6	2.6	2.7	2.8	2.9	2.3	0.0	0.0	0.0	0.0
Other long-term liabilities		8.6	42.2	37.3	32.0	32.6	30.5	31.4	33.8	33.8	33.8
Shareholders' equity		58.4	59.2	62.9	71.5	76.7	79.6	84.2	82.4	77.9	83.3
CASH FLOW											
Op Cash Flow before WC and tax		(1.8)	9.7	8.8	12.0	12.8	11.3	13.0	8.8	14.9	20.3
Working capital		4.6	(0.4)	4.1	5.2	4.1	(6.0)	(12.0)	2.2	1.9	0.2
Exceptional & other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax		(1.1)	1.2	(0.8)	(2.2)	(4.4)	(6.5)	(1.0)	(1.9)	(2.4)	(2.7)
Other		6.1	1.4	1.8	6.2	11.4	8.5	8.1	5.6	(1.5)	3.7
Net operating cash flow		7.8	11.8	13.9	21.3	23.9	7.4	8.1	14.6	13.0	21.4
Capex		(2.4)	(1.7)	(1.1)	(1.2)	(0.8)	(0.5)	(0.6)	(1.4)	(1.2)	(1.2)
Acquisitions/disposals		(1.7)	(6.3)	3.7	(8.1)	5.4	0.8	1.1	0.1	0.0	0.0
Net interest		(0.9)	(1.5)	(1.2)	(0.8)	(1.8)	(2.2)	(2.2)	(2.4)	(2.2)	(1.4)
Equity financing		23.0	3.9	(28.9)	(2.5)	1.4	(3.1)	(6.9)	0.6	(2.9)	(2.9)
Dividends		(4.6)	(4.6)	0.6	(2.1)	(3.2)	(2.4)	(5.5)	(1.6)	(2.3)	(2.5)
Other		(2.4)	0.0	(0.9)	(7.0)	(6.8)	(5.3)	(1.9)	(6.2)	(4.1)	(4.1)
Net Cash Flow		18.7	1.6	(13.9)	(0.5)	18.1	(5.4)	(7.8)	3.6	0.2	9.3
Opening net debt/(cash)		2.4	11.7	20.0	8.8	9.3	(6.9)	(1.0)	2.5	3.0	2.7
FX		(1.1)	(0.8)	(0.7)	0.3	2.6	(1.4)	0.3	(0.8)	0.0	0.0
Other non-cash movements		(26.9)	(9.0)	25.8	(0.3)	(4.5)	0.8	4.0	(3.4)	0.0	0.0
Closing net debt/(cash)		11.7	20.0	8.8	9.3	(6.9)	(1.0)	2.5	3.0	2.7	(6.6)

Source: Edison Investment Research, company data

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