EDISON

Braemar

FY26 results and FY27 outlook

Potential rewards on the voyage to 2030

General industrials

8 June 2026

Braemar's FY26 results were in line with company expectations against a challenging market backdrop. Trading in the first two months of FY27 has been strong. The company's 2030 targets, including £200m of revenue (FY26: £135.6m) and a 15% underlying operating margin (FY26: 9.2%), remain unchanged. The revenue target appears well-supported by organic growth, potential new hires and anticipated M&A, for which there is sufficient headroom. Operating leverage and efficiencies are expected to drive margin improvement. Our 370p earnings-based valuation offers c 50% upside, with additional upside potential from a re-rating driven by successful achievement of 15% underlying operating margins.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
2/25	141.9	9.2	28.03	7.00	8.2	3.0
2/26	135.6	4.6	21.12	7.00	10.9	3.0
2/27e	141.7	10.8	26.72	7.50	8.6	3.3
2/28e	148.8	15.3	34.97	8.50	6.6	3.7

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

FY26 in line, FY27 started with good momentum

Braemar's FY26 results were in line with its 25 March FY26 trading statement. Revenues of £135.6m were down 4% y-o-y and underlying operating profit (pre acquisition-related expenditure of c £1m) was £13.2m, a decline of 21% y-o-y. The weakness in FY26 was primarily related to weaker market conditions in Chartering in H1. Notably, H2 underlying operating profit of £7.6m was up 36% versus the £5.6m achieved in H1, supported by cost discipline. The company views FY26 as a robust performance given the challenging market backdrop. Trading in the first two months of FY27 has been strong and the forward order book stands at $77.9m, up 7% compared to $72.5m at the end of February.

Charting a path to 2030 targets

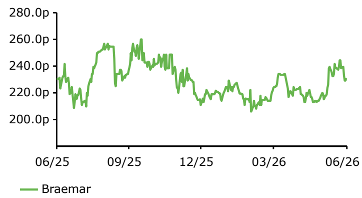
We believe the key elements of Braemar's strategic framework are achievable. Risk Advisory is likely to generate revenues above the £30m target before 2030 and the group's £200m revenue target is supported by organic growth, anticipated hiring of new brokers and M&A. Enough firepower is available for acquisitions to support growth given the solid balance sheet and the headroom provided by net debt/EBITDA being kept below 1.5x. Revenue growth, operational efficiency and inherent operating leverage provide the group with the potential to do the heavy lifting and achieve its underlying operating margin target of 15% (FY26: 9.2%).

Updated 370p valuation offers c 50% upside

We continue to value Braemar on an earnings basis, showing that the path to 2030 has the potential to create value for shareholders. Our updated 370p valuation is based on Braemar achieving revenue and underlying operating profit at the midpoint of our FY27 estimates and the company's 2030 targets. We then apply the five-year average 12-month forward P/E of 9x (12.5x historical P/E previously). Successful execution provides scope for the shares to re-rate, with a 2030 blue-sky valuation of c 770p. Risks include execution, M&A, movements in chartering rates, macro and geopolitical risks, and the impact of market volatility on trading activities.

Price	**230.00p**
Market cap	**£76m**
Net cash/(debt) at FY26	£(2.96)m
Shares in issue	33.1m
Code	BMS
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	4.5	3.8	1.9
52-week high/low		257.2p	205.0p

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.

Analyst

Jonathan Day +44 (0)20 3077 5700

industrials@edisongroup.com

Edison profile page

Braemar is a research client of Edison Investment Research Limited

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 organised trading facilities (OTFs) such as its UK 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 good 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 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.

FY26 results in line, FY27 started with strong momentum

Braemar's FY26 results were in line with its March trading statement. Revenues of £135.6m were down 4% y-o-y (FY25: £141.9m) and underlying operating profit (pre acquisition-related expenditure of c £1m) was £13.2m (FY25: £16.7m), a decline of 21% y-o-y, or £12.2m if the expenditure is included. The weakness in FY26 was primarily related to weaker market conditions in Chartering in H1, with group revenues in H2 of £71.7m up 12% versus £63.9m in H1 reflecting building momentum in the second half. Geopolitical uncertainty and volatile energy markets created a challenging market backdrop such that the company views FY26 as a robust performance. Management highlighted that the results for the year reflect the diversification and resilience of the business. This diversification is visible in Exhibits 1 and 2 below, which show the split of revenues and profits as well as the divisional revenue performance. FY26 revenues in Chartering were down 16% y-o-y while Investment Advisory revenues were up 6% y-o-y and Risk Advisory revenues were up 29%.

H226 an improvement over H1

Notably, H2 underlying operating profit of £7.6m was up 36% versus the £5.6m achieved in H1, supported by cost discipline. Underlying FY26 PBT of £10.1m was down 25% y-o-y, primarily reflecting the H1 weakness in Chartering where the Tanker sector remained volatile due to the impact of sanctions, shifting oil trade flows and supply dynamics. In the Dry Cargo sector earnings were affected by uneven demand and pressure from vessel supply, but, as in Chartering, H2 improved over H1. The smaller Specialised Products segment (Specialised Tankers, LPG and Petrochemicals, and LNG) saw a challenging and complex backdrop in FY26, while Offshore Energy Services revenues were down 1% y-o-y.

Investment Advisory FY26 revenue growth of 6.5% y-o-y was supported by healthy second-hand activity reflected in both volumes and prices, which resulted in Sale and Purchase revenue growth of 9% y-o-y, while the much smaller Corporate Finance business suffered from the impact of the uncertain market backdrop on decision timelines and transaction volumes with revenues down 27% y-o-y.

Risk Advisory benefited from the more volatile market backdrop and client demand for risk management solutions, with revenues rising 29% y-o-y to £28.8m. The strong performance in this division contrasts with the weakness in Chartering and shows the benefits of the more diversified revenue base that the company has built in recent years.

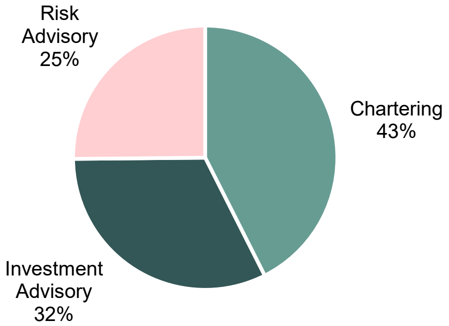
Strategic progress continued in FY26 with the opening of a Cape Town office, which further diversifies the company's geographic footprint in emerging markets and should support the opening of new routes. Hiring continued during the year, which is a key component of Braemar's strategic plan.

Exhibit 1: Revenue breakdown (£m)

Revenue by division	FY25	FY26	FY26 % total	% division	y-o-y%
Chartering	**89.4**	**74.7**	**55%**		**-16.4%**
Dry Cargo	21.0	17.6	13%	24%	-16.1%
Deep-sea Tankers	42.9	33.4	25%	45%	-22.3%
Specialised Tankers (Chemical, LPG, LNG Gas etc)	16.5	14.9	11%	20%	-9.9%
Offshore and renewables	9.0	8.9	7%	12%	-0.7%
Investment Advisory	**30.2**	**32.1**	**24%**		**6.5%**
Sale and Purchase	27.9	30.5	22%	95%	9.2%
Corporate Finance	2.3	1.7	1%	5%	-26.6%
Risk Advisory	**22.3**	**28.8**	**21%**		**28.8%**
Total Revenue	**141.9**	**135.6**	**100%**		**-4.4%**

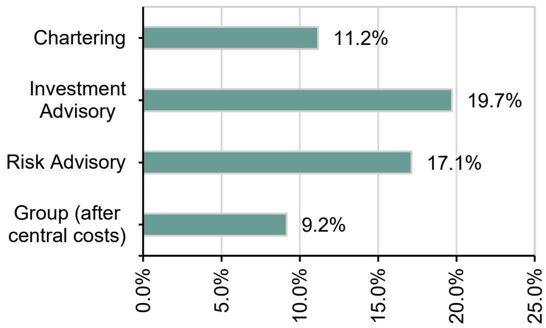
Source: Edison Investment Research, company data

Exhibit 2: FY26 operating profit split



Source: Edison Investment Research, company data

Exhibit 3: FY26 operating profit margins



Source: Edison Investment Research, company data

Underlying operating costs of £121.4m were 2% lower year-on-year mainly due to lower bonus costs, while the much smaller central cost category increased to £7.2m from £5.6m due to a combination of previously sublet office space and investment in both senior hires and compliance and control infrastructure. This latter point is seen by management as a competitive advantage relative to smaller peers. Underlying EPS of 24.2p fell by 23% y-o-y with the company completing a £2m buyback in FY26, reflecting the board's confidence in Braemar's intrinsic value. Net debt for the year ending February 2026 was £2.96m and the company has since moved to a net cash position of £6.8m as at the end of April 2026. Braemar has declared an FY26 final dividend of 4.5p, which is due to be paid on 7 September 2026 subject to approval at the 2 July AGM.

Strong start to FY27, Braemar comfortable with FY27 consensus

Trading in the first two months of FY27 has been strong according to management and the forward order book stands at $77.9m, up 7% compared to $72.5m at the end of February (FY25: $82.2m). For FY27 the company intends to support growth by hiring 10 new brokers, implementing AI, establishing one new Risk Advisory desk and completing one complementary M&A transaction. Although almost no ships are transiting the Strait of Hormuz, Braemar has a strong US presence that is mitigating Middle East-related weakness. In the longer term, Braemar highlights that the structural demand drivers for its services remain compelling and management remains confident of further progress and of delivering on its 2030 targets, including annual revenue of £200m and a 15% underlying operating profit margin.

CFO Grant Foley to take the helm as CEO from July 2026

As announced in February 2026, James Gundy intends to step down as CEO at the 2 July AGM. He will remain at Braemar and focus on shipbroking activities. Current chief financial and operating officer Grant Foley has been appointed as CEO and will take the helm following the AGM. The continuity of this process is positive with the pair having worked together for the past three years, including setting the current 2030 targets in May 2025. That Gundy has decided to stay with the company is another positive, allowing Braemar to continue to benefit from his more than 40 years of experience. The company described the search for a replacement CFO as progressing well with an update expected in due course. An announcement confirming that the post has been filled with a respected candidate could be a positive catalyst for the stock.

We direct readers to our July 2025 executive interview with Foley, which includes discussion of Braemar's repositioning, diversification, 2030 targets and capital allocation policy, as well as our November 2025 Investor Q&A with Foley, which includes additional colour on Braemar's strategy.

The voyage to 2030: Braemar's strategic framework

The company's 2030 strategic framework has four key targets:

- £200m group revenue by FY30;
- £30m Risk Advisory revenue by FY30;
- 15% underlying operating profit margin by FY30; and
- net debt/EBITDA to be maintained below 1.5x.

Risk Advisory could achieve FY30 revenue target in FY27

Starting with the Risk Advisory target, we believe this should be achievable sooner rather than later. Exhibit 4 below shows the track record of revenue growth for this division, which has generally been in the strong double-digit range, apart from a small decline of c 3% in FY25. The FY19–26 revenue CAGR has been c 27%. The division consists of Dry Cargo Derivatives, Coal, Natural Gas Derivatives, Tanker Derivatives and Cross Commodities. Braemar has an integrated physical and financial model for this business, which, combined with its leading market positions, leaves the division well-placed for future growth. Growth drivers include market complexity, hedging/risk management requirements and market volatility, which seems unlikely to dissipate given the geopolitical backdrop and global concerns around security of energy supply. Another important revenue growth driver is the now live UK OTF and the anticipated EU OTF based in Madrid, which management expects to be approved in H127 and to provide a further boost to growth. The OTFs act as a trading facility/venue that is similar to a recognised investment exchange, establishing a multilateral system that enables multiple third-parties to either buy or sell interests in the instruments supported by the exchange such as derivatives. As such they provide a venue for Braemar to increase its trading exposure and support Risk Advisory revenue growth.

One of Braemar's FY27 growth targets is to establish one new Risk Advisory desk, which should support growth. Our 7% FY27 revenue growth forecast for Risk Advisory is conservative given this target and the division's track record, but nevertheless equates to revenues of £30.8m, which exceeds Braemar's 2030 target.

Exhibit 4: Risk Advisory revenue (£m) and revenue growth (%)

Risk Advisory	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27e
Revenue (£m)	5.3	6.6	7.6	12.0	17.0	23.1	22.3	28.8	30.8
Revenue growth %	-	24.4%	14.6%	58.8%	41.7%	36.0%	-3.3%	28.8%	7.0%
2019–26 revenue growth CAGR %								27.3%	

Source: Edison Investment Research, company data

£200m group revenue in 2030 seen as very achievable

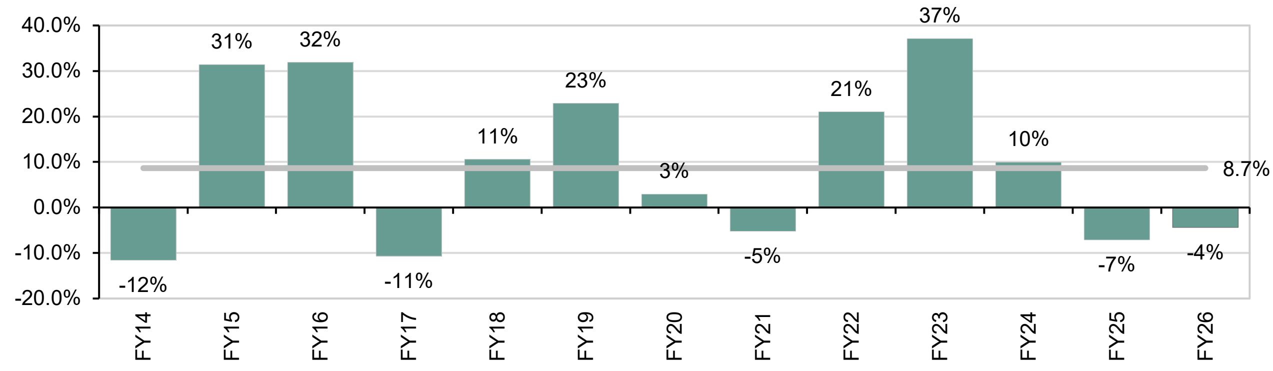
We see three main drivers supporting Braemar's 2030 group revenue target:

1. Organic/underlying growth.
2. Hiring 10 new brokers each year.
3. Acquisitions.

We estimate that underlying revenues grew by around 9% per year between 2013 and 2026, albeit annual growth has been volatile (see Exhibit 5). In our scenario analysis to 2030 below we conservatively assume 5% revenue growth from FY28 onwards, which is lower than the long-term average, to reflect this historical volatility.

Braemar targets hiring around 10 new brokers a year. According to the company, a good broker should be able to generate revenue of c £500k per year. Assuming that the company can hire 10 new brokers per year until FY30, and that revenues compound at 5% per year, this should generate almost £22m of additional revenue by 2030. This process adds c 3% to revenue growth each year, which, on top of our 5% organic/underlying growth, brings revenue growth to a level broadly consistent with the long-term average.

Exhibit 5: Estimated annual underlying revenue growth (%) and 2013–26 CAGR (grey line)



Source: Edison Investment Research, company data

We assume the remaining c £14m of revenue comes from acquisitions, as shown in the exhibit below, with the company currently targeting one complementary transaction. See our June 2025 note for the company's matrix of growth opportunities by geography and activity. Assuming it acquires at between 1.0x and 1.5x sales, this would equate to a price of £14–21m. FY26 EBITDA was £16.5m, giving the company c £25m of firepower at its maximum of 1.5x EBITDA debt ratio. However, it may have more firepower if the end April 2026 £6.8m net cash position driven by the normal working capital cycle can be fully or partially sustained. We would also expect the company to generate net cash in the coming years given its revenue and margin targets. Management has emphasised that it is being a prudent capital allocator when assessing acquisitions, stating that while a number of deals have been assessed with rigour and discipline over the last year to gauge the potential for value creation, so far no transaction has met its criteria. That the company is not prepared to drop its standards is the reason why there were no transactions in FY26. However, Braemar remains confident in its ability to complete a transaction, as the market remains fragmented and factors including higher costs of compliance support opportunities to acquire smaller firms.

Exhibit 6: Braemar's 2030 £200m revenue target – scenario analysis

£m	FY26	FY27e	FY28e	FY29e	FY30e
Group revenue	135.6	141.7	148.8	156.3	164.1
Organic growth %		4.5%	5.0%	5.0%	5.0%
New brokers (hire 10 per year with revenue of £500k per head)		5.0	10.3	15.8	21.6
Subtotal					185.6
Revenue required from M&A					14.4
Braemar 2030 group revenue target					200.0

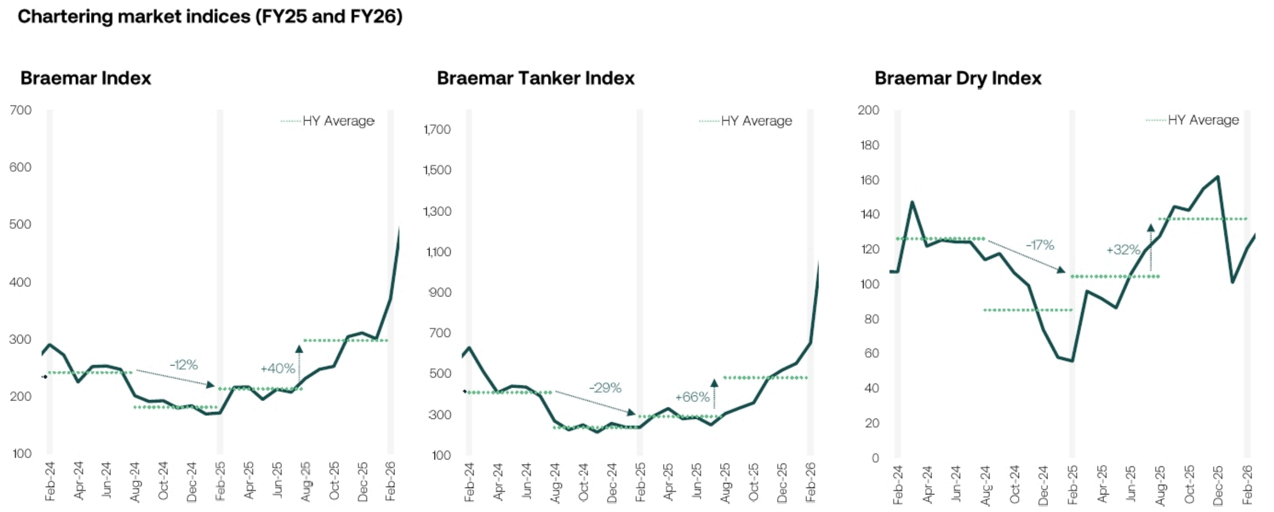
Source: Edison Investment Research

Based on our analysis, the 2030 revenue target of £200m appears well-supported assuming Braemar can deliver the expected M&A before we consider additional potential revenue drivers, such as further hiring and chartering rates. In FY26 the group hired 16 brokers and at the FY26 results meeting management suggested there may be additional hiring opportunities as it has 45 desks globally. The group also has a graduate programme with junior brokers expected to start generating revenue after 18 months. Consequently, at the results meeting management was upbeat, seeing 'at least' £200m of revenue in FY30 as being 'very achievable'.

Chartering rates appear supportive

Chartering rates are another potential source of revenue upside. While the company pointed out that higher rates since the start of the Middle East conflict and the opening of new routes have been offset by lower volumes with many ships stuck in the Strait of Hormuz making it difficult to fix a charter, it suggested that there are potential opportunities ahead if the Strait of Hormuz reopens. These include new trade routes and pent-up demand from the need to replenish energy reserves, which is likely to happen gradually and perhaps on a larger scale than previous reserves, given increased concerns regarding security of supply. The company suggested that new routes are likely to be longer, which should positively affect rates. Meanwhile, the company expects vessel supply growth to be around 4% but concentrated in LNG and containers, with limited yard capacity and an ageing fleet both acting as constraints.

Exhibit 7: Chartering market indices



Source: Braemar FY26 results presentation, 21 May 2026

15% underlying margin in 2030 likely driven by efficiency and operating leverage

Exhibits 8 and 9 below show Braemar's margin history and our FY27 margin forecasts. On the H126 results call management referred to the high level of operating leverage in the business. We think this is likely to be the main driver of the underlying operating margin improvement and will provide the heavy lifting required for the company to achieve its 2030 margin target of 15%. Revenue growth to 2030 as outlined above is a key driver, and while the step up from the 9.2% FY26 margin to 15% in 2030 is large, the company was able to deliver a 13.1% underlying operating margin in FY23.

Based on the historical composition of margins across the group we would expect the majority of the margin improvement to come from the Chartering division. Exhibit 8 illustrates how the group margin has followed the Chartering margin, with both margins peaking in FY23 for the period shown. Chartering margins rose by almost 600bp from FY22 to FY23, driven by c 57% divisional revenue growth, which illustrates the operating leverage in this division. We note that Braemar's London-listed peer, Clarkson, makes margins of 20–23% in its broking division and delivered adjusted operating margins at group level of 15–16% between 2021 and 2024. If Braemar were to achieve a 20% underlying operating margin in its Chartering division in 2030, the group should be able to achieve a c 15% margin, assuming margins in the other divisions remain broadly stable.

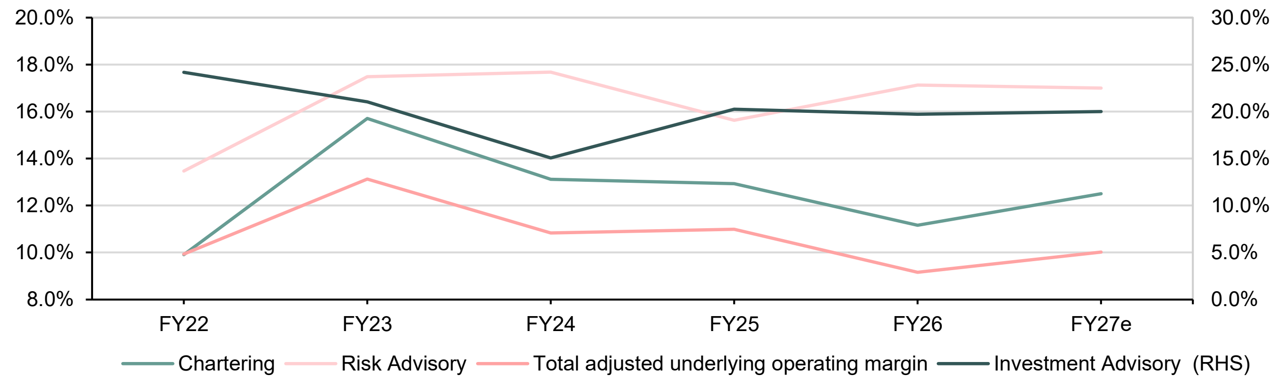
Margin improvement at Braemar is also likely to be supported by operational efficiency initiatives, which for FY27 include embedding AI across the business. At its FY25 strategy update Braemar also highlighted operational improvements from ongoing investment in technology, data and infrastructure, which it expects will increase workflow automation and improve productivity.

Exhibit 8: Underlying operating margins

Underlying operating margins	FY22	FY23	FY24	FY25	FY26	FY27e
Chartering	9.9%	15.7%	13.1%	12.9%	11.2%	12.5%
Investment Advisory	24.2%	21.1%	15.1%	20.2%	19.7%	20.0%
Risk Advisory	13.5%	17.5%	17.7%	15.6%	17.1%	17.0%
Total adjusted underlying operating margin	**9.9%**	**13.1%**	**10.8%**	**11.0%**	**9.2%**	**10.0%**

Source: Edison Investment Research, company data

Exhibit 9: Underlying operating margins



Source: Edison Investment Research, company data

In summary, the key elements of Braemar's strategic framework appear achievable. Risk Advisory is likely to generate revenues above the £30m target before 2030 and the group's £200m revenue target is supported by organic growth, anticipated hiring of new brokers and M&A. Enough firepower is available for acquisitions to support growth given the solid balance sheet and the headroom provided by net debt/EBITDA being kept below 1.5x. Revenue growth, operational efficiency and inherent operating leverage provide the group with the potential to achieve its 15% underlying operating margin target. Consequently, the company appears to be charting a sensible course to 2030, which has the potential to create value for shareholders, as we show in the next section.

Valuation

We continue to value Braemar on an earnings basis. In Exhibit 10 below, we have laid out the FY26 revenue and underlying operating profit along with our 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.

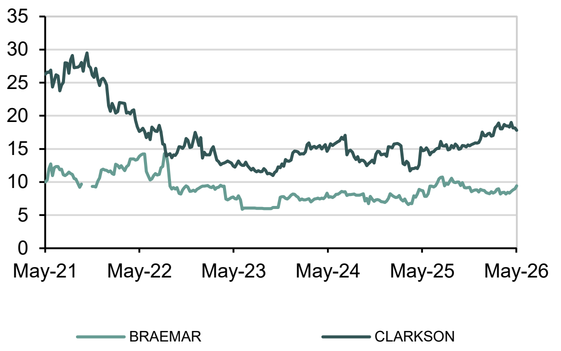
Exhibit 10: Valuation table

£m		FY26	FY27e	Mid-target	2030 target
Revenue		135.6	141.7	170.9	200.0
Underlying operating costs		(123.2)	(127.5)	(148.8)	(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)		-	-	369.3	518.1

Source: Edison Investment Research

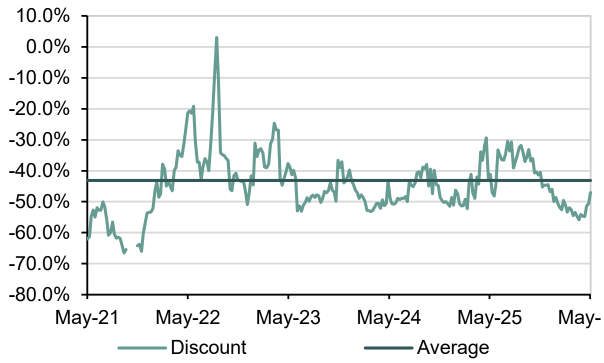
Braemar has traded at an average P/E discount to Clarkson of 43% over the past five years, as illustrated in Exhibits 11 and 12 below. We believe this can be explained by the margin difference between the two companies, which has on average been 4.5%, as shown in Exhibit 14, with Exhibit 13 showing Braemar's lower underlying operating margin compared to Clarkson's adjusted operated margin. Exhibit 13 also shows that the margin gap between Braemar and Clarkson appears to have started to narrow, and Braemar's 15% underlying operating margin target for 2030 implies that this margin gap could continue to contract. That Clarkson does not appear to have comparable strategic targets helps support the thesis that the margin gap between the companies should narrow if Braemar successfully raises its underlying operating margin. A narrower margin gap driven by increased profitability at Braemar could help drive a re-rating of the shares, assuming successful execution along the path to 2030.

Exhibit 11: Braemar and Clarkson, 12-month forward P/E



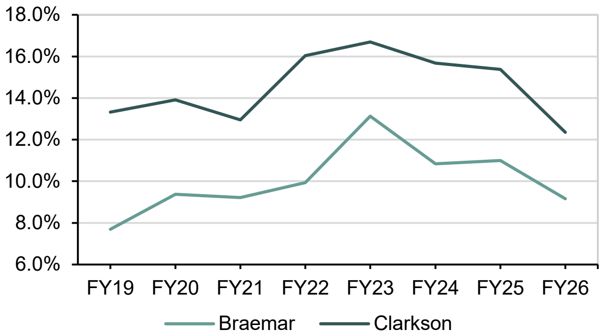
Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 12: Braemar: 12-month forward P/E discount versus Clarkson with five-year average



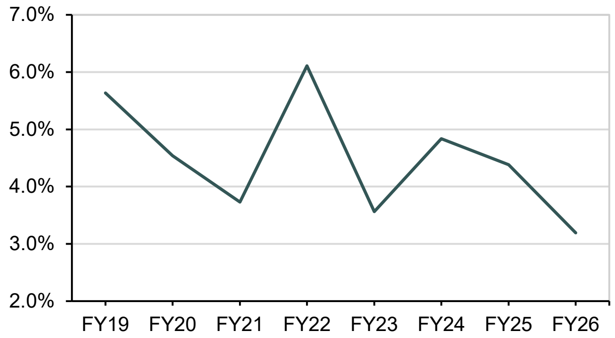
Source: Edison Investment Research, LSEG Data & Analytics

Exhibit 13: Braemar and Clarkson, underlying/ adjusted operating margin



Source: Edison Investment Research, company data, Bloomberg

Exhibit 14: Difference in Braemar operating margin versus Clarkson



Source: Edison Investment Research, company data, Bloomberg

Positive risk-reward profile given blue-sky scenario

A blue-sky scenario where Braemar re-rates and achieves its 2030 targets could offer significant upside. Clarkson's five-year average 12-month forward P/E has been c 16.8x. Applying a 20% discount to this to account for Braemar's smaller size and the possibility that an element of margin gap between the two companies continues, given that both should be positively affected by higher chartering rates, results in a 12-month forward P/E of c 13.4x. Applying this to the 2030 EPS in our scenario analysis gives a blue-sky valuation of c 770p in FY29, indicating what Braemar could be worth in three to four years' time or if the market decided to recognise this potential and re-rate the company. However, unsuccessful execution could see earnings stagnate and the stock de-rate to around 6x P/E, which would result in a valuation of c 120p. We see the latter scenario as less likely given the clear strategic framework, operational progress and successful hiring of new brokers, which results in a positive risk-reward profile, especially over the longer term given potential 2030 valuations.

Changes to forecasts

Following the results, we have increased our revenue estimates by c 3%, largely reflecting the improved reported FY26 result, with our FY27 revenue growth assumption little changed at 4.5% from 5% previously. We have increased our underlying operating profit forecast to £14.2m, driven by c 30bp higher margin assumptions applied to our higher revenue estimate. Our EPS estimate rises due to a lower share count following the completion of the buyback.

Our FY28 forecasts have been increased to reflect the higher revenue base and progress towards Braemar's 15% underlying operating margin target, with our margin forecast now 11.7%, up from 9.9% previously.

We have not included the potential impact from acquisitions in our forecasts.

Exhibit 15: Estimate revisions

Year end February	FY26	FY27e			FY28e		
£m		Old	New	% chg	Old	New	% chg
Revenue	135.6	137.1	141.7	3.4%	143.9	148.8	3.4%
Year-on-year % change	-4.4%	5.0%	4.5%	-	5.0%	5.0%	-
EBITDA – Edison basis	16.5	17.1	18.3	7.0%	18.0	21.5	19.2%
Year-on-year % change	-14.8%	7.8%	10.8%	-	5.2%	17.1%	-
Underlying operating profit	12.4	13.3	14.2	6.7%	14.2	17.3	22.2%
Year-on-year % change	-20.4%	10.2%	14.4%	-	6.7%	22.1%	-
Normalised operating profit	12.4	13.3	14.2	6.7%	14.2	17.3	22.2%
Year-on-year % change	-20.4%	10.2%	14.4%	-	6.7%	22.1%	-
PBT (reported, pre-exceptionals)	4.6	10.8	10.8	0.4%	12.6	15.3	21.5%
Year-on-year % change	-49.8%	82.1%	133.4%	-	16.8%	41.3%	-
EPS – diluted, normalised (p)	21.7	22.5	26.7	18.9%	26.3	35.0	33.1%
Year-on-year % change	-22.5%	9.1%	23.0%	-	16.8%	30.9%	-
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)	7.8	3.3	-57.8%	10.9	11.7	7.5%
Year-on-year % change	20.4%	-421.9%	-211.1%	-	88.5%	256.0%	-

Source: Edison Investment Research, company data

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 16: 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**	**141.7**	**148.8**
EBITDA	**10.4**	**14.4**	**11.4**	**13.5**	**23.4**	**20.4**	**19.4**	**16.5**	**18.3**	**21.5**
Normalised operating profit	**9.1**	**11.0**	**7.7**	**10.1**	**20.1**	**16.5**	**15.6**	**12.4**	**14.2**	**17.3**
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**	**16.6**
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**	**16.0**
Profit Before Tax (reported)	**(3.1)**	**6.3**	**5.1**	**8.5**	**9.5**	**7.5**	**9.2**	**4.6**	**10.8**	**15.3**
Reported tax	(1.5)	0.0	(1.6)	(1.8)	(4.9)	(2.9)	(3.1)	(2.4)	(2.7)	(3.8)
Profit After Tax (norm)	**7.3**	**9.4**	**5.1**	**7.0**	**13.2**	**11.7**	**10.3**	**7.8**	**9.3**	**12.2**
Profit After Tax (reported)	**(4.7)**	**6.3**	**3.6**	**6.7**	**4.6**	**4.6**	**6.1**	**2.3**	**8.1**	**11.5**
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**	**12.2**
Net income (reported)	**(27.4)**	**4.0**	**4.5**	**13.9**	**4.6**	**4.6**	**6.1**	**2.3**	**8.1**	**11.5**
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	38.8
EPS - diluted normalised (p)	21.8	27.3	13.4	18.8	37.8	32.4	28.0	21.7	26.7	35.0
EPS - basic reported (p)	(88.6)	12.9	14.4	45.6	15.9	15.6	19.4	7.2	25.8	36.6
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%	4.5%	5.0%
EBITDA Margin (%)	8.8%	12.3%	13.6%	13.4%	15.3%	13.3%	13.7%	12.2%	12.9%	14.4%
Normalised Operating Margin	7.7%	9.4%	9.2%	9.9%	13.1%	10.8%	11.0%	9.2%	10.0%	11.7%
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**	**70.4**	**81.0**
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	38.0	40.2
Cash & cash equivalents	24.1	28.7	16.4	14.0	36.0	29.2	20.7	25.4	31.6	40.1
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**	**40.4**	**43.9**
Creditors	44.9	47.6	47.8	39.9	58.4	43.8	35.3	37.4	37.6	39.5
Tax and social security	1.4	1.3	1.3	1.6	4.1	1.6	1.7	1.4	1.7	2.8
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**	**83.9**	**88.6**
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	19.4
Working capital	4.6	(0.4)	4.1	5.2	4.1	(6.0)	(12.0)	2.2	2.0	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	4.5	3.7
Net operating cash flow	**7.8**	**11.8**	**13.9**	**21.3**	**23.9**	**7.4**	**8.1**	**14.6**	**19.0**	**20.5**
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	6.3	8.4
Opening net debt/(cash)	**2.4**	**11.7**	**20.0**	**8.8**	**9.3**	**(6.9)**	**(1.0)**	**2.5**	**3.0**	**(3.3)**
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**	**(3.3)**	**(11.7)**

Source: Company data, Edison Investment Research

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Australia

New Zealand

United Kingdom

United States

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom