

# Taylor Maritime Investments Limited

## Q2 Factsheet – 30 September 2024

Ticker

**TMI / TMIP**

### The Company

Taylor Maritime Investments Limited ("TMI/Company") is an internally managed closed ended investment company with a diversified portfolio comprising 34 vessels (including owned and chartered-in vessels with purchase options and three vessels contracted to sell) in the geared dry bulk segment of the global shipping sector. TMI's strategy is to acquire vessels, primarily second-hand, at valuations below long-term average prices and depreciated replacement cost. The Company has a selective growth

strategy focusing on accretive opportunities to increase shareholder returns, such as its acquisition of Grindrod Shipping Holdings Limited ("Grindrod"). The Company listed on the premium segment of the London Stock Exchange in May 2021 and its investment objective is to deliver strong cashflow, stable income growth and potential for capital growth. The Company is committed to paying quarterly dividends of 2 cents per ordinary share, with a targeted NAV return of 10-12% per annum.

### Core Strengths

- Management experience – successful track record, proven strategy and aligned interests with investors
- High quality fleet, with scale and global reach, shipping necessity goods with delivery of defensive earnings
- Attractive, sustainable yield thanks to a commitment to prudent leverage, financial discipline, balance of charter rates and durations, effective recycling of capital



### Key Highlights

- The Company's unaudited NAV per ordinary share as at 30 September 2024 was \$1.48 (\$1.52 as at 30 June 2024). NAV total return for the quarter was -1.7%
- On 16 August 2024, Grindrod became a wholly owned subsidiary of TMI through its subsidiary Good Falkirk (MI) Limited following a successful Selective Capital Reduction ("SCR"). The SCR was accretive to TMI NAV per share with a positive impact of 7 cents
- Corporate synergies enabled by the SCR, combined with completed and in-process cost rationalization activities will reduce the consolidated Group's net overhead by c.\$16 million on an annualized basis once fully implemented
- The Market Value of the fleet<sup>1</sup> decreased by approximately 3.9%, on a like-for-like basis, to \$646.5 million. Despite softening slightly over the period, asset values remain near their highest levels since 2010, supporting the Company's strategy of disposals to protect against downside asset valuation risk. Elevated vessel prices are underpinned by expectations of firm trading conditions given a favourable supply outlook and historically high newbuild pricing
- The fleet generated average time charter equivalent ("TCE") earnings of \$14,211 per day for the quarter (versus \$13,264 per day for the quarter ended 30 June 2024)
- Charter market conditions were firm relative to the same time last year resulting in strong chartering performance for the period with earnings up c.37% year on year. Relative to benchmark indices, the combined Handysize fleet outperformed by \$1,303 per day (c.11%) and the Supra/Ultramax fleet outperformed by \$2,630 per day (c.18%)
- Covered fleet ship days remaining for FY2024 stands at 31% with an average TCE rate of \$13,876 per day
- Three previously announced vessel sales completed during the period at an average 0.5% discount to Fair Market Value
- The Company agreed to sell four further vessels at an average 3.2% discount to Fair Market Value: a 2020 built 38k dwt Handysize vessel for gross proceeds of \$28.55 million (which completed during the quarter), a 2009 built 32k dwt Handysize vessel, a 2012 built 28k dwt Handysize vessel, and a 2008 built 33k dwt Handysize vessel for combined gross proceeds of \$37.0 million
- During the period, an in-the-money purchase option was exercised at \$23.2 million on a 2020 built 63k dwt Ultramax vessel. The vessel was subsequently sold for gross proceeds of \$31.4 million and delivered into a JV arrangement, of which the Company owns 50%, and time chartered back into the fleet
- The fleet comprised 34<sup>2</sup> Japanese-built vessels at quarter end. After agreed sales complete, the Fleet will reduce to 31<sup>3</sup> vessels with an average age of 10.6 years and an average carrying capacity of c.42.8k dwt. This compares favourably to the pre-Grindrod acquisition fleet's average age of 14.0 years and average carrying capacity of c.33.5k dwt
- As a result of \$55.6 million in debt repayments, look-through debt-to-gross assets (including Grindrod-level debt) reduced to 35.1%<sup>4</sup> at 30 September 2024 (versus 35.4% at 30 June 2024) despite softer asset values. Outstanding debt was \$282.7 million on a look-through basis<sup>4</sup> (versus \$338.3 million at 30 June 2024)
- The Company's debt-to-gross assets (excluding Grindrod-level debt) improved to 18.1% at 30 September 2024 (versus 21.7% at 30 June 2024). The Company's outstanding debt was \$108.95 million at the quarter end (versus \$140.3 million at 30 June 2024)
- Ms. Rebecca Brosnan and Mr. Gordon French were appointed as non-executive Directors of the Company. Mr. Chris Buttery and Mr. Frank Dunne retired from the TMI Board having agreed not to stand for re-election at the 2024 Annual General Meeting. Mrs. Trudi Clark was appointed as the Company's Senior Independent Director with effect from 24 October 2024
- Post period, the Company entered an agreement to exercise an in-the-money purchase option on a 2020 built 63k dwt Ultramax vessel. Delivery is expected to take place in December 2024

### Fleet

Ship type	# of Vessels	Average Age	Deadweight Tonnage (DWT)	Portfolio Weighting (DWT)	Portfolio Weighting (FMV \$)
Handysize <sup>5</sup>	24	13.6 yrs	504,235	57.4%	54.3%
Supra/Ultramax <sup>6</sup>	8	6.6 yrs	482,903	33.9%	36.6%
Chartered-in <sup>7</sup>	2	6.8 yrs	122,978	8.6%	9.1%
<b>Total</b>	<b>34</b>	<b>10.9 yrs</b>	<b>1,423,089</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Excluding one vessel under JV agreement

<sup>2</sup> Including two chartered-in vessels with purchase options, three vessels held for sale and one vessel under JV arrangement

<sup>3</sup> Including two chartered-in vessels with purchase options and one vessel under JV arrangement

<sup>4</sup> Excluding lease liabilities

<sup>5</sup> Including three vessels held for sale

<sup>6</sup> Including one vessel under JV arrangement

<sup>7</sup> Excludes four long-term chartered-in vessels without purchase options

### Overview at 30 September 2024

Market cap (at closing, 30 September 2024)

**\$330.2m / £246.0m**

Unaudited NAV (at closing, 30 September 2024)

**\$486.4m / £362.6m**

Unaudited NAV per share

**\$1.48 / 110.2p**

Target dividend per share

**8 cents p.a.**

Total NAV return target (set at IPO)

**10-12% net total return per annum**

Gearing

25% of gross assets limit save for the purchase of Grindrod where limit raised to 40% with commitment to reduce to 25% within 18 months

Current gearing:

- Debt to gross assets 18.1%
- Look-through debt to gross assets 35.1%<sup>1</sup>

Latest share price (at closing, 24 October 2024)

**\$1.015 / 77.60p**

Share price (at closing, 30 September 2024)

**\$1.00 / 74.5p**

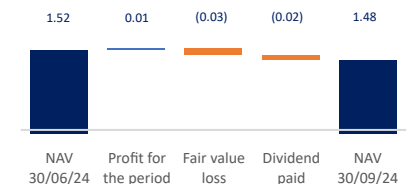
Ordinary shares in issue

**330,215,878**

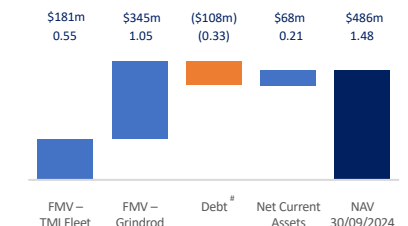
<sup>1</sup> Excluding lease liabilities

### NAV Bridge and Components (\$ per share)

Unaudited NAV Bridge\*



Unaudited NAV Components\*\*



\* Shares held in Employee Benefit Trust are excluded from both net assets and the number of shares in the calculation of NAV/share

\*\* NAV components presented on a look-through basis to the Group SPVs

<sup>†</sup> Net of loan financing fee

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### Investment Outlook

- The usual summer lull was offset by ongoing disruptions at the Panama Canal and Suez Canals and in the Red Sea. Charter rates remained at elevated and steady levels through the summer, with the BSI TCA and BHSI TCA at levels c.45% and c.50% higher, on average, when compared to the same period last year
- While Panama Canal transits are now approaching pre-drought levels, bulk carrier transits through the Suez Canal are expected to remain at lower levels with the escalation of tensions in the Middle East, which should continue to support tonne-mile demand and contributes to a firm outlook for calendar Q4 which typically sees seasonal commodity demand strength
- Dry bulk trade volumes could be further bolstered by increased economic activity in China following the introduction of both monetary and fiscal stimulus measures and the US Fed's September interest rate cut decision has also provided grounds for optimism, although clear risks remain
- Newbuild prices and second-hand asset values remain well above historical levels, buoyed by favourable supply side dynamics. Supply growth forecasts remain modest, with the geared dry bulk fleet to grow by 4.3% and 4.2% in dwt terms in 2024 and 2025, respectively, which follows several years of limited ordering and newbuilding activity
- Growth beyond those levels will be limited with shipyards operating near capacity resulting in a heavily backdated orderbook. New orders from top tier shipyards are not available for delivery until end of 2027 and early 2028
- Recent expansion of shipbuilding capacity is not expected to disrupt supply forecasts for geared dry bulk tonnage as shipyards continue to prioritise orders from other, higher margin, segments
- Tightening environmental regulations will further impact effective supply, through recycling of older, less efficient tonnage and speed reduction, while also enhancing the value of efficient and eco-friendly vessels

Clarksons Research

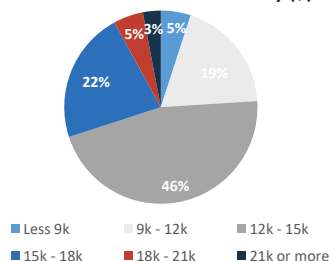
### Environmental, Social & Governance



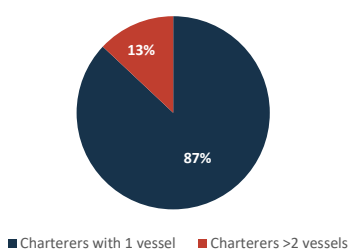
- The Company has released its third annual ESG report covering the financial year 1 April 2023 to 31 March 2024. The report can be viewed on TMI's website. The report highlights progress made on the Group's sustainability priorities including decarbonisation, social and community impact, and responsible business practices
- The Company's disclosure follows guidance from the Task Force on Climate-related Disclosure, the Global Reporting Initiative and the Sustainability Accounting Standards Board
- Measurable progress was made towards the Group's decarbonisation targets; fleet carbon intensity as measured by AER ("Average Efficiency Ratio"), improved by 7% year on year remaining on track with the IMO's decarbonisation trajectory
- The Company obtained independent assurance of both Grindrod and TMI's greenhouse gas emissions to ISO 14064-3 standards

### Combined Fleet Charter Profile as at 30 September 2024

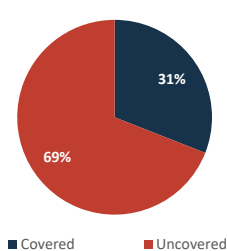
Current Charters TCE Per Day (\$)



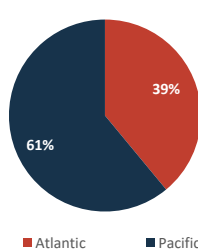
Vessel Charterers



Forward Coverage FY2024



Trading Location



### Overview at 30 September 2024

ISIN

GG00BP2NJT37

SEDOL

BP2NJT3 (TMI) / BP2NJW6 (TMIP)

### Executive Team

Edward Buttery

Chief Executive Officer

Alexander Slee

Deputy Chief Executive Officer and Head of ESG

Camilla Pierrepont

Chief Strategy Officer and Head of Investor Relations

Yam Lay Tan

Chief Financial Officer

Carl Ackerley

Chief Operating Officer

### Board of Directors

Henry Strutt

Chair, Independent Non-Executive Director

Edward Buttery

Chief Executive Officer

Trudi Clark

Independent Non-Executive Director

Sandra Platts

Independent Non-Executive Director

Charles Maltby

Independent Non-Executive Director

Rebecca Brosnan

Independent Non-Executive Director

Gordon French

Independent Non-Executive Director

### Disclaimer

This fact sheet has been prepared by Taylor Maritime Investments Limited ("TMI" or the "Company") and does not constitute an offer of securities, or any other financial product, and should not be construed as, any offer or invitation or inducement for sale, transfer or subscription of, or any solicitation of any offer or invitation to buy or subscribe for or to underwrite, any share in the Company or to engage in investment activity (as defined by the Financial Services and Markets Act 2000) in any jurisdiction nor shall it, or any part of it, or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision whatsoever, in any jurisdiction. Any investment in the securities of the Company should only be made on the basis of the Prospectus published by the Company on 7 May 2023.

You are recommended to seek financial advice or otherwise satisfy yourself of the suitability for you of an investment in TMI. Past performance cannot be relied on as a guide to future performance and, accordingly, there can be no assurance that the value of an investment in the Company will increase. The value of an investment and the income from it may go down as well as up and you may not be able to realise the full amount of your original investment on sale.

The information contained herein does not constitute or form a part of any offer to sell or issue, or the solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities in the United States or in any jurisdiction other than to any person to whom, such an offer or solicitation would be unlawful. The use and distribution of the information contained herein may be restricted by law in jurisdictions other than the United Kingdom. Potential users of the information contained herein are requested to inform themselves about and observe all applicable restrictions. The Company's shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There has been and will be no public offer of the Company's shares in the United States.

This fact sheet contains certain forward looking statements with respect to the Company. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this fact sheet should be construed as a profit forecast.

The targeted annualised dividend yield and targeted total NAV return are targets only and not profit forecasts and there can be no assurance that either will be met or that any dividend or capital growth will be achieved.

### Company Information

Registered Office	1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL Channel Islands
Listing	Premium Segment, London Stock Exchange
Dividend Frequency	Quarterly (Oct, Jan, Apr, Jul)
ISA Eligible	Yes
Contact	ir@tminvestments.com

### Company Information

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