

# Taylor Maritime Investments Limited

## Q2 Factsheet – 30 September 2023

Ticker

**TMI / TMIP**

### The Company

Taylor Maritime Investments Limited (“TMI/Company”) is an internally managed closed ended investment company with a diversified portfolio comprising 42 vessels (including owned and chartered-in vessels with purchase options at Grindrod but excluding vessels contracted to sell during the period) 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 investment in Grindrod Shipping. 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 at the end of the quarter was \$1.31 (\$1.56 as at 30 June 2023). The main driver of NAV performance, accounting for c.87% of the decrease in NAV, was a decrease in Fair Value of \$72.7m, resulting from softer asset values given a weaker charter market
- The fleet Market Value was \$726.7 million (TMI \$288.4 million and Grindrod \$438.3 million excluding chartered-in ships without purchase options and two vessels contracted to sell during the period), a decrease of c.8.0% on a like-for-like basis
- The Company agreed the sale of two ships to Grindrod on an arms-length basis: a 2011 built 38k dwt Handysize vessel for net proceeds of \$15 million and a 40k dwt Handysize newbuild vessel due for delivery in Q1 of calendar year 2024 for net proceeds of \$33.75 million. Grindrod completed three ship sales: a 2011 built Handysize bulk carrier for gross proceeds of \$10.8 million, a 2015 built Ultramax bulk carrier and a 2016 built Ultramax bulk carrier for aggregate gross proceeds of \$46.5 million (all previously announced)
- Grindrod further agreed the sale of two 2013 Chinese built Handysize bulk carriers expected to complete in Q3 of the current financial year for aggregate gross proceeds of \$23.2 million
- Post period, TMI agreed a further asset sale: a 2007 built 33k dwt Handysize vessel expected to complete this quarter for gross proceeds of \$9.0 million, generating an IRR of c.19% and MOIC of c.1.4x
- Overall, there have been fourteen asset disposals (agreed and completed) across the Company and Grindrod since the acquisition in December 2022 at an average discount to carrying value of -3.9%. These disposals have resulted in an improved fleet profile – on average younger, more efficient Japanese bulk carriers with a larger carrying capacity
- During the quarter, the Company’s outstanding debt decreased by \$42.4 million to \$167.6 million (versus \$210.1 million as at 30 June). The Company’s debt-to-gross assets ratio was 26.9% based on Fair Market Values as at 30 September (versus 28.5% as at 30 June 2023) and was impacted by a decrease in asset values
- Grindrod debt including lease liabilities reduced by \$7.7 million, to \$168.9 million at quarter end (versus \$176.6 million as at 30 June) with estimated ‘look through’ debt to gross assets of 38.5% (versus 38.7% at 30 June 2023<sup>1</sup>)
- Ship management of the two fleets was brought together under one entity as a result of Grindrod’s acquisition of the TMI commercial and technical managers which should make benefits of scale more fully realisable
- Grindrod announced the effective date of the capital reduction, payable in two tranches during Q3 of the current financial year. Of the total \$32.4 million cash distribution, US\$26.7 million is payable to TMI in line with its 82.3% ownership; this will be used to further reduce debt and for general corporate purposes
- The average net time charter rate for the TMI fleet was \$10,299 per day at quarter end, slightly above the adjusted BHSI (Baltic Handysize Index) Time Charter Average (net) which increased c.74% from its recent low point in early August to finish the period at \$10,214 per day. The average charter duration for the TMI fleet stands at three months, with a large portion of the fleet poised to capture recent improvements in market conditions as they roll off current charters. The average annualised unlevered gross cash yield was 7.8% at quarter end
- The blended time charter equivalent (TCE) across the TMI and Grindrod fleet was \$10,695 per day at quarter end (including Handysize and Supra/Ultramax vessels); the combined TMI and Grindrod fleet has covered 29% of remaining fleet days for the Financial Year ending 31 March 2024 at a blended TCE rate of c.\$12,100 per day

### Fleet

Ship type	# of Vessels	Average Age	Deadweight Tonnage (DWT)	Portfolio Weighting (DWT)	Portfolio Weighting (FMV \$)
TMI Handysize <sup>2</sup>	21	13 yrs	702,200	40%	40%
GRIN Handysize <sup>3</sup>	13	11 yrs	437,700	25%	23%
GRIN Supra/Ultra	7	6 yrs	420,6300	24%	25%
GRIN Chartered-in <sup>4</sup>	3	5 yrs	185,700	11%	12%
<b>Total</b>	<b>44</b>	<b>10 yrs</b>	<b>1,745,900</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Debt to Gross Assets on a consolidated basis as at 30 June 2023 was previously mis-stated as 37.8%

<sup>2</sup> Includes one vessel held for sale post period

<sup>3</sup> Includes two vessels held for sale

<sup>4</sup> Excludes four chartered-in vessels without purchase options

### Overview at 30 September 2023

Market cap (at closing, 30 September 2023)

**\$297m / £241m**

Unaudited NAV (at closing, 30 September 2023)

**\$433m / £355m**

Unaudited NAV per share

**\$1.31 / 107.00p**

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 Shipping where limit raised to 40% with commitment to reduce to 25% within 18 months

Current gearing:

- Debt to gross assets 26.9%
- Look-through debt to gross assets 38.5%<sup>1</sup>

Latest share price (at closing, 24 October 2023)

**\$0.88/ 72.50p**

Share price (at closing, 30 September 2023)

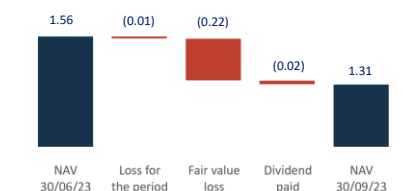
**\$0.90 / 73.00p**

Ordinary shares in issue

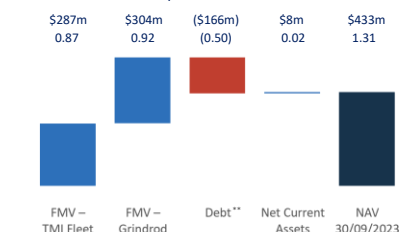
**330,215,878**

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

Unaudited NAV Bridge



Unaudited NAV Components\*



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

\*\* Net of loan financing fee

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### Investment Outlook

- After a soft start, the charter market firmed significantly from early August with the BHSI rising 74% and BSI rising 82% driven by strong corn and soybean exports from Brazil meeting firm seasonal demand from key regions
- Benchmark secondhand Handysize and Supra/Ultramax values lagged the sharp recovery in charter rates from early August but have since reached end of June levels
- Strong grain exports from East Coast South America and improving sentiment in China driven by encouraging consumption and industrial output figures and new policy measures targeting construction and infrastructure investment, should see charter rates remain stable before the onset of the seasonally softer market over the holiday period, including Chinese New Year
- Looking to 2024, deliveries of new Handysize and Supra/Ultramax vessels are scheduled to peak, the combined fleet growing by 3.3% net, before fleet growth slows in 2025 and 2026, when 4.5% of the current geared fleet, including vessels scheduled to be delivered, will be 28 years or older. High newbuilding costs, constrained shipyard capacity, regulatory and technological uncertainty and higher costs of capital continues to discourage new orders of dry bulk vessels. Meanwhile, pressure to comply with emissions regulations will encourage slower operating speeds and increased demolition of older, less efficient tonnage
- Given the above supply side pressures and forecasts of 3.2% combined minor bulk and grain tonne-mile growth in 2024, according to Clarksons, we maintain a positive outlook for valuations and charter rates for the geared dry bulk segment

Clarksons Research

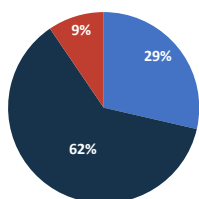
### Environmental, Social & Governance



- TMI has released its second annual ESG report covering the financial year 1 April 2022 to 31 March 2023. TMI's disclosure is in line with the Task Force on Climate-related Disclosure, the Global Reporting Initiative and the Sustainability Accounting Standards Board
- During the reporting period, measurable progress was made towards the Group's decarbonisation targets; fleet carbon intensity improved, as measured by EEOI ("Energy Efficiency Operational Index") and AER ("Average Efficiency Ratio"), by 18% and 1.4% respectively, remaining on track with the IMO's decarbonisation trajectory
- TMI continues to work closely with Grindrod Shipping on ESG strategy and alignment

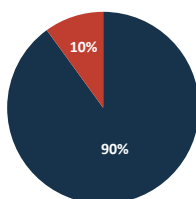
### TMI Fleet Charter Profile\*

Net Time Charter Rates Per Day (\$)



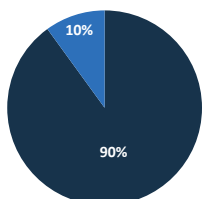
■ Less than 9k ■ 9 - 12k ■ 12 - 15k  
■ 15 - 18k ■ 18 - 21k ■ 21k or more

Vessel Charterers



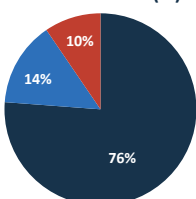
■ Charterers with 1 vessel ■ Charterers >2 vessels

Average Charter Cover<sup>1</sup>



■ 0-6 months ■ 6-12 months  
■ 12-24 months ■ 24 months+

Annualized Unlevered Gross Cash Yield (%)<sup>2</sup>



■ Less than 10% ■ 10% - 20%  
■ 20% - 30% ■ 30% - 40%

\*Includes TMI fleet data only; excludes Grindrod fleet

<sup>1</sup> Includes onward fixtures

<sup>2</sup> Based on 30 September 2023 Fair Market Value

### Overview at 30 September 2023

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 Pierreport

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

Frank Dunne

Senior Independent Director

Helen Tveitan

Independent Non-Executive Director

Trudi Clark

Independent Non-Executive Director

Sandra Platts

Independent Non-Executive Director

Christopher Buttery

Non-Executive Director

### 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

**Website** www.taylormaritimeinvestments.com

### Company Information

**Secretary & Administrator** Sanne Fund Services  
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Contact: Stuart Klein  
T: +44 (0)20 7029 8000

**Financial PR** Montfort Communications  
Contact: Alison Allfrey  
E: tmi@montfort.london

**Registrar** Computershare  
Contact: Sophie De Freitas  
T: +44 (0)1534 281 800

### Disclaimer

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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.

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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.