

# Taylor Maritime Investments Limited

## Q4 Factsheet – 31 March 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 39 vessels (including owned and chartered-in vessels with purchase options at Grindrod and one vessel 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 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 as at 31 March 2024 was \$1.48 (\$1.36 as at 31 December 2023)
- The Market Value of the combined fleet increased by approximately 6.7%, on a like for like basis, to \$793 million (TMI \$290 million and Grindrod \$503 million excluding chartered-in ships without purchase options but including two vessels held for sale post period) as asset values strengthened considerably owing to relatively firm market conditions and positive forward sentiment
- The combined TMI and Grindrod Shipping Holdings Limited ("Grindrod") fleet generated average time charter equivalent ("TCE") earnings of \$12,430 per day for the quarter (versus \$11,977 per day for the quarter ending 31 December 2023). At quarter end, the combined average TCE was \$13,132 per day (versus \$11,996 at 31 December 2023; an increase of c.9.5%)
- Period charters fixed in December to straddle the typically softer Chinese New Year holiday period saw the fleet outperform its benchmark indices by US\$1,148 per day (11%) for the combined Handysize fleet and US\$2,116 per day (16%) for the Supra/Ultramax fleet
- The number of combined fleet ship days remaining for the 2024 calendar year which are covered stands at 34% at an average TCE rate of \$13,484 per day
- Grindrod completed the sale of two Handysize vessels; a 2007-built c.32.5k dwt Handysize vessel, the oldest in the combined fleet, for gross proceeds of \$10.4 million (as previously announced) and a 2012-built c.28k dwt Handysize vessel, the smallest in the combined fleet, for gross proceeds of \$11.7 million. Grindrod also agreed the sale of a 2014-built c.60k dwt Ultramax vessel for gross proceeds of \$22.4 million with a charter-back and a purchase option<sup>1</sup>. The three sales achieved an average discount of -2.5% to Fair Market Value<sup>2</sup>
- Grindrod took delivery of a 40k dwt Handysize newbuild vessel. As previously announced, the vessel was agreed for sale to Grindrod from TMI in July 2023 on an arms-length basis for gross proceeds of \$33.75 million
- Following Grindrod's strategic fleet divestments, the combined owned fleet comprised 39 Japanese-built vessels<sup>3</sup> at quarter end with an attractive average age of 10.3 years and a larger average carrying capacity of c.41k dwt, with commensurate increased earnings capacity
- The Company's debt-to-gross assets ratio decreased to 23.5% at the end of March (versus 24.9% at 31 December 2023) owing to a strengthening in asset values and further reduction in debt through repayment. The Company's outstanding debt was \$149.4 million net of loan financing fees at the quarter end
- Excluding lease liabilities and so taking interest bearing debt only, look-through group (TMI & GRIN) debt-to-gross assets was 35.8% at 31 March 2024 (versus 35% at 31 December 2023) with newbuild financing and Grindrod refinancing (ensuring liquidity in the event of a successful Selective Capital Reduction) offsetting increased asset values. Outstanding debt was \$328.1 million net of loan financing fees on a look-through basis
- As previously announced, Helen Tveitan retired as a non-executive Director on 31 March 2024
- Post period, Grindrod announced its proposal to implement a Selective Capital Reduction. If successful, Grindrod minority shareholders will be given cash in return for their shares, enabling Grindrod to cancel those shares (3,479,225) not held by TMI. This would result in TMI owning 100% of the shares in Grindrod
- Post period, TMI agreed the sale of a 2008 built 33k dwt Handysize vessel, the oldest in the combined fleet after Grindrod's sales during the period, for gross proceeds of \$12.3 million, a c.2.4% discount to Fair Market Value<sup>4</sup>

### Fleet

Ship type	# of Vessels	Average Age	Deadweight Tonnage (DWT)	Portfolio Weighting (DWT)	Portfolio Weighting (FMV \$)
TMI Handysize <sup>5</sup>	19	12.8 yrs	635,800	40%	36%
GRIN Handysize	10	9.7 yrs	352,500	22%	25%
GRIN Supra/Ultra	7	6.4 yrs	420,300	26%	27%
GRIN Chartered-in <sup>6</sup>	3	5.4 yrs	185,700	12%	12%
<b>Total</b>	<b>39</b>	<b>10.3 yrs</b>	<b>1,594,300</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Grindrod has agreed to Time Charter-in the vessel for 11 to 13 months at an attractive rate with the option to extend for two years. There is a Purchase Option available at the end of the second year

<sup>2</sup> As at 31 December 2023

<sup>3</sup> Including three chartered-in vessels with purchase options, the TMI vessel held for sale post period and the GRIN vessel sold post period with a charter-back and a purchase option

<sup>4</sup> As at 31 March 2024

<sup>5</sup> Including one vessel held for sale post period

<sup>6</sup> Excludes four chartered-in vessels without purchase options

### Overview at 31 March 2024

Market cap (at closing, 31 March 2024)

**\$328.6m / £254.3m**

Unaudited NAV (at closing, 31 March 2024)

**\$485.0m / £383.9m**

Unaudited NAV per share

**\$1.48 / 117.18p**

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 23.5%
- Look-through debt to gross assets 35.8%<sup>1</sup>

Latest share price (at closing, 25 April 2024)

**\$0.98 / 77.00p**

Share price (at closing, 31 March 2024)

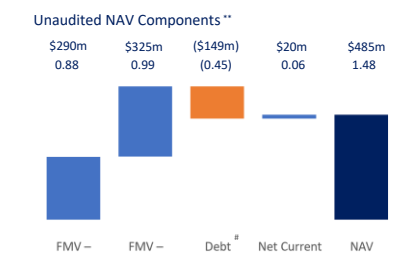
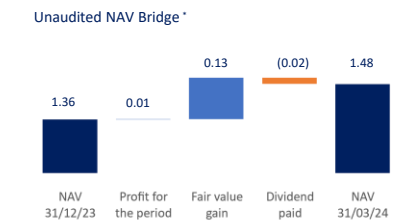
**\$0.995 / 77.0p**

Ordinary shares in issue

**330,215,878**

<sup>1</sup> Excluding lease liabilities

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



\* 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

# Net of loan financing fee

# Taylor Maritime Investments Limited

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### Investment Outlook

- Charter rates for the geared dry bulk segment remained more stable than usual through the typically softer Chinese New Year period, relative to previous years, with a steady flow of grains from Atlantic load areas and continued re-routing of some trade via longer alternative routes owing to disruptions in the Panama Canal and events in the Red Sea
- Sentiment remains positive for the months ahead with East Coast South American grain shipments accelerating and industrial metal prices rising, suggesting firming global activity
- Asset values strengthened during the quarter, reflective of positive forward sentiment, with the Clarkson's benchmark for a 10-year-old 37k dwt Handysize vessel increasing c.18% and for a 5-year-old 63.5k dwt Supra/Ultramax vessel increasing by c.11%, albeit with a portion of the uplift in values attributable to a redefinition of Clarkson's new 'eco' ship design and an increased vessel size for the Supra/Ultramax benchmark
- Current projections suggest minor bulk and grain tonne-mile demand growth of c.4.2% in 2024 with support from firm grain volumes and global macroeconomic improvements, although clear risks remain. Nonetheless, global disruption stemming from the ongoing impacts from Panama Canal transit restrictions and, to a lesser extent, events in the Red Sea should continue to positively impact tonne-mile demand, soaking up tonnage on longer duration voyages
- While there has been an uptick in new ordering activity (Handysize and Supra/Ultramax orderbooks currently c.9% and c.10% of the fleet, respectively), the medium-term outlook remains favourable with new orders not available for delivery until 2027 and early 2028. Meanwhile, greater environmental regulatory pressures are expected to lead to lower operating speeds and increased recycling of older, less efficient units, particularly for the geared dry bulk segment where c.14% of the current fleet is over 20 years old

Clarksons Research

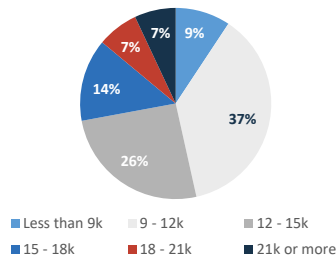
### Environmental, Social & Governance



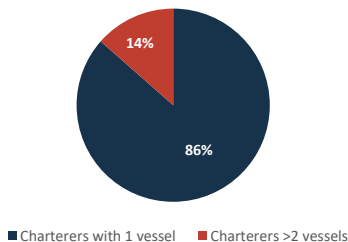
- From 1 January 2024, the European Union included the shipping industry in its Emissions Trading System. The Company has been working closely with its Commercial and Technical Managers to prepare to comply with this carbon pricing mechanism, through the preparation of verified voyage-level emissions statements and collection of European Union Allowances from Charterers where applicable
- The Company continues to roll out its fleet efficiency programme, fitting energy saving devices at scheduled maintenance events including boss-cap fins, high performance paints, pre-swirl ducts and fuel efficiency monitoring systems
- The Company continues to work closely with Grindrod on ESG strategy and alignment

### Combined Fleet Charter Profile as at 31 March 2024

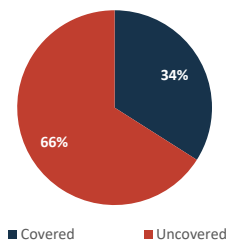
Actual Time Charter Equivalent Per Day (\$)



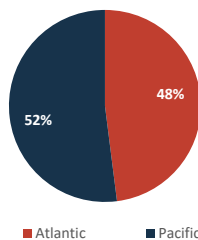
Vessel Charterers



Forward Coverage CY2024



Trading Location



### Overview at 31 March 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 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

**Trudi Clark**  
Independent Non-Executive Director

**Sandra Platts**  
Independent Non-Executive Director

**Christopher Buttery**  
Non-Executive Director

**Charles Maltby**  
Independent 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

### Company Information

**Secretary & Administrator** Apex Group  
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Contact: Stuart Klein  
T: +44 (0)20 7029 8000

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

**Website** www.taylormaritimeinvestments.com

### 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.

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 where, or 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 in 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.