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Clarkson PLC
05 August 2024

CLARKSON PLC

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Clarkson PLC ('Clarksons') is the world's leading provider of integrated shipping services. From offices in 24 countries on six continents, we play a vital intermediary role in the movement of the majority of commodities around the world.

Interim results

Clarkson PLC today announces unaudited Interim results for the six months ended 30 June 2024.

Summary

- Underlying profit before taxation* of £51.5m (2023: £53.1m)
- Underlying earnings per share* of 129.1p (2023: 133.5p)
- Both spot and forward business transacted in H1 ahead of the same period last year in the Broking division
- Robust balance sheet, with £178.4m of free cash resources* (31 December 2023: £175.4m)
- Interim dividend of 32p per share (2023: 30p per share) - 22nd consecutive year of dividend increases
- As previously announced, second half weighting expected given invoicing profile of the forward order book ('FOB')
- Board's expectations for the year unchanged with continued confidence in the outlook

	Six months ended 30 June 2024	Six months ended 30 June 2023
Revenue	**£310.1m**	£321.1m
Underlying profit before taxation*	**£51.5m**	£53.1m
Reported profit before taxation	**£50.1m**	£52.2m
Underlying earnings per share*	**129.1p**	133.5p
Reported earnings per share	**124.6p**	130.5p
Interim dividend per share	**32p**	30p

* Classed as an Alternative Performance Measure ('APM'). See 'Other information' at the end of this announcement for further information.

Andi Case, Chief Executive Officer, commented:

"I am immensely proud of everyone within the Clarksons team for delivering this strong set of results for the first half of 2024. The profile and further development of the forward order book, level of new business being transacted and pipeline for the second half, means that we have confidence that we will be second half weighted and deliver full year results in line with the Board's expectations. This confidence has enabled the Board to increase the interim dividend by 2p to 32p, continuing the progressive dividend policy into the 22nd year."

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Forward-looking statements

Certain statements in these interim results are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Alternative performance measures ('APMs')

Clarksons uses APMs as key financial indicators to assess the underlying performance of the Group. Management considers the APMs used by the Group to better reflect business performance and provide useful information. Our APMs include underlying profit before taxation and underlying earnings per share. An explanation and reconciliation of the term 'underlying' and related calculations are included within the 'Other information' section at the end of this announcement for further information. All APMs used within this announcement are denoted by an asterisk (*).

About Clarkson PLC

Clarkson PLC is the world's leading provider of integrated services and investment banking capabilities to the shipping and offshore markets, facilitating global trade.

Founded in 1852, Clarksons offers its diverse and growing client base an unrivalled range of shipbroking services, sector research, on-hand logistical support and full investment banking capabilities in all key shipping and offshore sectors. Clarksons continues to drive innovation across its business, developing digital solutions which underpin the Group's unrivalled expertise and knowledge with leading technology.

The Group employs over 2,000 people in over 60 different offices across its four divisions and is number one or two in all its market segments.

The Company has delivered 21 years of consecutive dividend growth. The highly cash-generative nature of the business, supported by a strong balance sheet, has enabled Clarksons to continue to invest to position the business to capitalise on opportunities in its markets.

Clarksons is listed on the main market of the London Stock Exchange under the ticker CKN and is a member of the FTSE 250 Index.

For more information, visit www.clarksons.com

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (together, 'MAR'). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Chair's review

2024 has started strongly with momentum building in the business. We are benefiting from the strategic decisions made over the last 20 years which have created a broad and deep market-leading business with a global footprint. The Group continues to invest in the best people, technology and market intelligence to provide all of our teams with best-in-class tools for trade to service our clients' needs.

Against a complex geo-political and economic backdrop in the first half of the year, the encouraging fundamentals of shipping markets have endured. Seaborne trade continues to grow, driven by both economic consumption and an increase in tonne-miles caused by disruption to key shipping routes. At the same time, the supply side of the industry is not keeping pace with this demand dynamic.

The green transition continues to be a long-term trend which drives the business as our clients look to us for insight and advice to navigate the complex regulatory changes ahead. We continue to leverage our expertise in this area and are proud to be playing a proactive role in the decarbonisation of the industry.

The Board is committed to the Group's long-term progressive dividend policy, which is now in its 22nd year. I am pleased to announce that the Group's strong financial position, and view on the outlook for the business, has enabled the Board to declare an increased interim dividend of 32p per share (2023: 30p per share).

We are delighted to announce the appointment of Constantin Cotzias as an independent Non-Executive Director. Constantin is European Director at Bloomberg LP where he is the Global Head of External Affairs, the Chair of Bloomberg Tradebook and a Director of Bloomberg Multilateral Trading Facility. I would like to again take this opportunity to thank Birger Nergaard, who stepped down from the Board earlier this year following the Company's Annual General Meeting, for his nine years of contribution to the Group.

Clarksons is a unique UK success story. Over the past 20 years, our strategy has propelled us to become a global market leader in our industry. I would like to thank everyone throughout the Clarksons Group for their hard work and dedication, which has enabled our business to thrive and positioned us well for the future.

With favourable supply/demand dynamics and Clarksons' strong market position, the Board looks ahead with confidence.

Laurence Hollingworth
Chair
2 August 2024

Chief Executive Officer's review

I am pleased to report a strong set of results for Clarksons in the first half of 2024. Underpinned by the breadth of talent in our teams, the depth of our innovation and the power of our market-leading data, analysis and insights, Clarksons remains best placed to help our clients navigate the ever-increasing complexities of the global shipping market.

During the last 12 months we have made significant investment in new hires to further enhance our market-leading teams, expand the products that we broker and strengthen our global presence. Key hires include both revenue-generating staff and operational and support roles, all of which will enable us to further scale the business and better service our clients. The impact of these hires will evolve in the coming months as many join from senior positions following long periods of notice and garden leave.

The green transition remains a key focus for our business as we support the industry across all verticals in its drive towards decarbonisation, providing clients with the support, services and information required to make the best decisions for their business.

I am extremely proud to work alongside the best people in our industry and, on behalf of the Board, I would like to thank every member of the team for their dedication, contribution, unstinting hard work and commitment to Clarksons' success.

Market backdrop

Against a challenging geo-political backdrop and global economic uncertainty, the encouraging fundamentals of the shipping markets continue with global supply and demand dynamics remaining positive. Supply-side constraints have resulted in relatively low order books in many sectors, most notably bulkers and tankers. Limited berth availability at shipyards creating long lead times for new orders, high newbuild prices from increased commodity and labour costs and uncertainty around fuelling technologies, all continue to constrain the building of new vessels.

On the demand side, growth in trade and economic consumption has led to a projected 2.3% underlying increase in seaborne trade compared to 2023. Disruptions to shipping routes and other complexities mean that the tonne-mile impact of this enhanced demand is forecast to increase by 5.4% as ships travel further to avoid challenges such as the disruption in the Red Sea and lower water levels in the Panama Canal.

Against this backdrop, freight rates have exceeded the 10-year average during the first half of the year across many segments, which in turn has limited the recycling of older vessels despite an ageing global fleet.

Broking

The Broking division has had another successful first half, with strong performances across all major segments. Both spot and forward business transacted is ahead of the same period last year. Whilst reported divisional profit is slightly lower compared to the first half of 2023, performance is expected to be second half weighted owing to the invoicing profile of the forward order book ('FOB').

Energy-related markets, including tankers, gases and specialised products, continued to perform well, supported by both concerns around energy security and an increase in tonne-miles caused by disruption through key shipping routes. This disruption also supported freight rates in the dry bulk and container segments, as market conditions continued to tighten, despite ongoing fleet supply growth in containers. The sale and purchase team also saw good activity in both newbuilding despite ongoing fleet supply growth in containers. The sale and purchase team also saw good activity in both newbuilding and secondhand transactions as clients reviewed their fleet requirements. Offshore markets strengthened in the first half of 2024 with both drilling and field development activities increasing further from levels seen during 2023.

Throughout the period, we continued to invest in our people, making significant hires to broaden our teams' coverage across all areas of the market. Within the financial derivatives segment, we established a new desk focused on broking base and battery metals in the futures and physical markets.

Divisional profit from Broking in the first six months of the year amounted to £53.4m (2023: £58.2m), reflecting a margin of 21.6% (2023: 22.6%).

Financial

Our Financial division continues to face a challenging market backdrop.

Despite these conditions, the investment banking team was busy with enquiries and mandates, and executed a number of deals over the period. Revenue from both commissions on secondary trading and corporate finance, was lower than in the first half of last year, driven mainly by weaker activity in the equity capital markets. There was however strength in the debt capital markets, where revenues on transactions executed increased, and some consistency in the M&A markets. We go into the second half with a solid and encouraging pipeline, which as ever is subject to market conditions.

Within the project finance segment, shipping and offshore activities performed well, although our real estate project finance activities continue to be significantly impacted by the higher interest rate environment.

The Financial division reported a profit of £1.2m on revenue of £18.3m in the first half compared with a profit of £5.0m on revenue of £26.5m in the same period last year.

Support

Our strategy to expand our port services capabilities has maintained positive momentum in the first half of the year. Recent acquisitions have contributed to the positive performance as we evolve our offering and increase our coverage across this segment, maintaining our focus on the offshore renewables sector. In February, we completed the acquisition of Trauma & Resuscitation Services Limited, which expanded the division's offering to the oil and gas, marine and renewable energy sectors through the provision of market-leading advanced first aid training. The division also reached an agreement with Norway-based Peak Group to combine expertise in port agency logistics, expanding our reach across the expanse of the North Sea.

The Support division reported £4.0m profit and a 12.4% margin in the first half of 2024 (2023: £3.4m and 12.5% margin).

Research

The Research division performed strongly in the first half of 2024. We are constantly innovating and investing in the capabilities of our team, our products and the data and insights we provide. Demand for this expertise continues to grow as clients turn to us for our best-in-class insights to stay informed across the industry, accessing our extensive and market-leading databases across shipping, seaborne trade, offshore oil and gas and offshore renewables, and our high-quality valuation services. 89% of our total sales in Research represents recurring revenue.

The Research division reported a profit of £4.6m on revenue of £11.8m in the first half compared with a profit of £3.7m on revenue of £10.2m in the same period last year.

Green Transition

Shipping has a crucial role to play in the global energy transition. Responsible for transporting over 80% of goods globally, the shipping industry's ability to adapt is pivotal to the transition. The industry aims to reduce its share of global CO_2 emissions by adopting cleaner fuels, improving vessel efficiency and investing in innovative technologies.

In this context, the Green Transition team at Clarksons has had a very active first half of the year, working together with our other divisions to lead positive change, through insights and guidance on decarbonisation strategies, operational emissions reduction, fleet renewal and policy coherence at the heart of our clients' ability to evaluate and execute strategies to meet their obligations.

Following a significant increase in demand for specialised green offshore vessels, particularly in the offshore wind and renewables sector interest is also increasing in the oil and gas sector. As a result, the team is actively engaging with clients regarding technical green solutions and initiatives.

Digitalisation

Sea's end-to-end digital solution for sustainable, data-driven decision-making continues to grow. Sea Trade 2.0, our

Sea's end-to-end digital solution for sustainable, data-driven decision making continues to grow. Sea/Trade 2.0, our upgraded pre-fixture platform, was delivered to enable us to ensure future developments can be rapid, fully structured, cross multiple markets and delivered as a truly SaaS solution. It is now being rolled out across our existing client base and our focus for the remainder of this year is on the expansion of our markets and the regular and continuous evolution of our 'at-trade' and 'pre-trade' product sets. We are continuing to see increased adoption of the Sea platform among our clients, and we expect this to continue as we expand our offering and roll out Sea across new products and markets.

Results

Total revenue in the first half was £310.1m (2023: £321.1m) with underlying administrative expenses* of £248.2m (2023: £256.7m). Underlying profit before taxation* was £51.5m (2023: £53.1m), resulting in reported profit before taxation of £50.1m (2023: £52.2m). Underlying earnings per share* were 129.1p (2023: 133.5p). Reported earnings per share were 124.6p (2023: 130.5p).

While our underlying performance remains extremely robust, a stronger pound in the first half of 2024, with an average GBP/USD rate of US$1.26 compared to US$1.24 for the same period last year, has proven a headwind, which is likely to continue into the second half of the year.

Cash and dividends

Clarksons has reported cash balances at 30 June 2024 of £276.3m (31 December 2023: £398.9m). Net cash and available funds*, after deducting amounts accrued for performance-related bonuses but including short-term investments, amounted to £201.5m (31 December 2023: £201.1m). Free cash resources*, after deducting monies held by regulated entities, amounted to £178.4m (31 December 2023: £175.4m).

I am pleased to confirm that, following another very strong first half performance, the Board has declared an increased interim dividend, continuing the progressive dividend policy into the 22nd year. An interim dividend of 32p per share (2023: 30p per share) will be paid on 13 September 2024 to shareholders on the register at the close of business on 30 August 2024.

Outlook

We are confident in the outlook for the second half, which has already started well, and our expectations for the full year are unchanged. Supply and demand dynamics both remain favourable, and we expect to start seeing a positive impact from our recent hires in the second half of the year and into 2025. The geo-political landscape is highly complex, with elections, conflicts, sanctions and climate-related change all causing uncertainty and increasing client demand for advice, data and experience to help them negotiate these challenges.

The breadth and diversity of Clarksons' ecosystem enables us to take a truly client-centric approach, tailoring solutions to address specific client requirements and offering complete solutions to their needs. In times of highly complex global trade dynamics, our integrated, full-service offering sets us apart.

Andi Case
Chief Executive Officer
2 August 2024

Business Review

Broking

Revenue: £247.7m (2023: £257.2m)
Segmental split of underlying profit before taxation*: £53.4m (2023: £58.2m)

Dry cargo

The dry cargo sector supports a range of important industrial sectors including construction, energy and agriculture. The sector is expected to move over 5.6 billion tonnes of cargo in 2024, and our chartering teams have a leading broking position across much of this cargo base.

Dry bulk markets improved significantly in the first half of 2024, with the Clarksons Weighted Average Bulk Carrier Earnings series averaging US$15,828 per day, up 47% year on year and standing 25% above the 10-year average. The Capesize sector experienced the most notable gains, with the Clarksons Capesize spot earnings series up 166% year on year.

Firm volume and tonne-mile growth was seen in the first six months of the year, with iron ore and coal shipments again reaching record levels supported by Chinese demand. Drier than expected weather also allowed for a period of uninterrupted iron ore loadings in Brazil, while strong exports of bauxite from Guinea were also supportive. Coal import demand in the Pacific was also firm, fuelled by both economic growth and strong cooling demand from hot weather conditions. Chinese imports remained strong amid plentiful seaborne supply, attractive pricing and some disruption to domestic output.

While newbuilding deliveries and vessel demolition levels generally developed as expected, rates were also supported by two major areas of disruption in the first half of 2024. Low water levels led to restricted transit slots on the Panama Canal, with bulker transits down by circa 70% year on year in the first half of 2024. In addition, attacks on vessels in the Red Sea led to a dramatic drop in Suez Canal transits, which were down by about 50% from 'normal' levels by the end of the second quarter of 2024. These two disruption factors led to more ships rerouting via the Cape of Good Hope for voyages between the Atlantic and Indian/Pacific Oceans, boosting tonne-mile demand.

Across the second half of the year, the dry bulk demand outlook appears generally supportive with volumes expected to improve seasonally after a summer dip and the rerouting of vessels away from the Red Sea for now continuing to add to vessel demand despite a steady normalisation of Panama Canal transits. Overall fleet growth looks set to remain moderate into 2025 and especially limited in the Capesize sector, although there is uncertainty around the outlook for Chinese demand after the recent record pace of imports, while any unwinding of Red Sea disruption could impact tonne-mile demand.

Containers

The container sector facilitates transportation of a wide range of typically manufactured goods, including consumer and industrial goods, foodstuffs, chemicals and other products.

Container shipping markets experienced an unexpectedly strong first half in 2024, with a significant tightening of market conditions following rerouting away from the Red Sea and underlying volume increases. Against this backdrop, container freight markets and charter earnings ended the first half at their highest levels outside of the COVID-19 period with the SCFI Spot Box Freight Index standing at 3,714 points, 267% higher than at the start of December 2023, while the Clarksons Containership Timecharter Rate Index stood at 172 points, up 156% versus the end of 2023.

Additional vessel capacity requirements from the rerouting of containerships have been significant, outweighing impacts from strong fleet growth. By mid-year, around 700 vessels (33% of overall fleet capacity) were being rerouted, increasing vessel demand by approximately 12%. Underlying global trade has also been increasing, with volumes up 7% year on year across January to May and with May 2024 representing a record month amid an early peak season as shippers frontloaded volumes to mitigate against supply chain delays.

Strong exports from Asia to a range of developing economies have also been a notable demand driver. Red Sea diversions have sparked areas of 'hub' port congestion as some ports came under pressure from additional transhipment moves and strong underlying trade volumes, constraining vessel supply and amplifying impacts. Overall, an additional 2-4% of containership capacity has been tied up in areas of congestion globally at points during the first half of the year.

The development of Red Sea disruption is central to the outlook. Continued diversions through the second half of 2024 would keep markets tight, though strong supply growth (10% forecast for 2024) could erode some of the freight market spike once the peak season is passed. An eventual return to normal Red Sea sailings would see trading distances reduced and potential pressure emerge as underlying supply/demand fundamentals come into play. Initial projections for 2025 suggest a further year of strong fleet growth and moderate increases in trade volumes but with uncertainty around the duration of Red Sea disruption.

Tankers

The tanker sector plays a crucial role in global energy supply chains, moving crude oil and refined oil products to facilitate their eventual use as transportation fuels, for heating and electricity generation, and as industrial feedstocks. Our market-leading chartering teams performed exceptionally well across this market in the first half of the year.

The tanker market remained strong in the first half of 2024, with the Clarksons average tanker earnings index averaging US$44,431 per day. However, earnings for crude and products tankers followed diverging paths. In the crude sector, VLCC earnings softened, down 18% year on year for a non-eco, non-scrubber fitted unit, amid OPEC+ production cuts and lower Chinese crude imports despite higher Atlantic exports being a supportive factor. The Suezmax and Aframax markets remained very strong, continuing to be influenced by the longer transport distances for Russian crude oil exports and European crude oil imports. Earnings did drop back for Suezmax and Aframax, down 19% and 23% year on year respectively.

The crude tanker sector did not see clear upside from the disruption in the Gulf of Aden and the Red Sea, which in some cases curtailed inter-regional shipments. Nevertheless, earnings in all crude tanker sectors remained above long-run average levels. Product tanker earnings rose substantially in the first half of 2024, influenced by large-scale rerouting of vessels away from the Gulf of Aden and via the Cape of Good Hope. Clarksons' published earnings for LR2s on the Middle East to Far East route were up 42% year on year, while average earnings for MRs were up 21%.

Looking ahead, while there is uncertainty about the duration of disruption in the Gulf of Aden, the increases in trade distances that have resulted from the Russia/Ukraine conflict are expected to persist for the foreseeable future. Tanker fleet growth is expected to remain limited in the second half of the year, with relatively few newbuilding deliveries expected. The strong products tanker market has led to more crude oil tankers transporting clean products, which may put some supply-side pressure on clean tanker earnings and tighten the available supply of tonnage in the crude segments. Seasonal factors may also support earnings later in the year.

In 2025, tanker deliveries are set to increase, but remain well below long-run average levels. While geo-political developments, the economic outlook and other unpredictable events will continue to influence the markets, the age profile of the tanker fleet and influence of emissions regulations look set to create some supply-side constraints to the market moving through the second half of the decade.

Specialised products

The chemical tanker fleet consists of vessels able to transport a wide range of specialised liquid chemicals, contributing to a diverse range of sectors, including manufacturing and agriculture. The specialised products shipping market saw very strong conditions again in the first half of 2024, supported by underlying fundamentals and amplified by geo-political events leading vessels to deviate away from the Gulf of Aden, extending voyage distances and tightening supply.

Our global specialised broking team experienced a successful first half, with the teams in Asia in particular growing volumes and fixture numbers. Our Dubai team continues to make good progress, and although Suez disruption has brought a range of challenges, strong client support has been maintained. The European veg oil desks had a strong first half, supported by good volumes and some trade flow shifts, while the European short sea Clean Petroleum Products market continues to show firm volumes. In the US, a growing team saw steady volumes across the Contract of Affreightment base despite trading volumes being more volatile. Across our network, there has been a focus on targeted headcount growth and maximising synergies between teams.

Fallout from Red Sea disruption seems to have now normalised to an extent in terms of re-freighting, voyage frequency and charter party discussions. Charterers that withdrew from the Asia/Europe trade are starting to reinvestigate volumes, whilst westbound volumes from the Red Sea have grown at the expense of eastbound. Rerouting has also allowed some new opportunities to be explored. Although the market has softened slightly into the summer, a sign that normal seasonal patterns are returning, the outlook for the second half of the year remains generally positive. The tight supply-side outlook continues which, coupled with consistent volume growth and the present increased tonne-mile demand, points to promising conditions in the months ahead.

Gas

The gas shipping markets move liquefied petroleum and other gases, supporting a wide range of sectors, from plastics and rubber production to industrial and domestic energy markets. We expect around 135mt of LPG to be moved in 2024, as well as smaller quantities of ammonia, ethane and petrochemical gases.

LPG/PCG

While LPG carrier markets normalised in the first half of the year, following exceptional conditions in 2023, the sector remains in a relatively strong position. Very Large Gas Carrier ('VLGC') earnings remain healthy, averaging US$49,985 per day across the first half, slightly above the 10-year average. While a narrowed US-Asia LPG arbitrage and some signs of easing disruption at the Panama Canal saw vessel earnings ease back in the early months of the year, rates then experienced some improvements and demand-side indicators have remained positive, with Asian imports of US volumes continuing to grow strongly. The generally positive market backdrop has continued to support strong newbuild ordering activity. A total of 76 newbuild LPG carrier orders were placed in the first half of 2024, including 26 Very Large Ammonia Carriers ('VLACs').

Looking towards the second half of the year, the LPG carrier market sentiment remains relatively firm. Whilst growth in Middle Eastern exports appears likely to slow against the backdrop of continued OPEC+ cuts, the US is still expected to export approximately 4m additional tonnes across the full year. It is likely that, given the expected easing of canal throughput restrictions across the remainder of 2024, US-Asia trade via Panama will increase. Therefore, while we expect a further uplift in LPG tonne-mile trade, the rate of increase may be shallower than in 2023.

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In the petrochemical gas sector, strong US ethylene export growth has continued to be a key driver of the market. Disruption at both the Suez and Panama Canals supported elevated rates across the first half of the year, although with disruption at the Panama Canal starting to ease and the US-Asia arbitrage narrowing, markets may now be starting to normalise. There has been some regional weakness in the European markets. On the supply side, the order book remains limited which, combined with an ageing fleet, should lend some underlying support to freight markets going forward. Meanwhile, the pressurised market remained steady in the first half of the year with tonnage mostly held on longer-term contracts, although a limited order book is also supportive in this segment.

LNG

LNG carrier short-term rates softened in the first half of 2024, with rates in the spot market for a 174,000 cbm 2-stroke vessel averaging US$55,000 per day in the first half of the year, down 35% year on year. Newbuild deliveries arriving before project expansion, as well as a mild winter and high gas inventories in Europe which have reduced regional import demand and softened global gas prices, have impacted rates. This has been despite an increase in trade volumes overall and significant disruption at the Panama and Suez Canals. LNG carrier transits were down 84% and 93% year on year respectively in the first half, which led to longer voyages and boosted vessel demand.

Overall, while a period of softer markets has been experienced as ships were delivered ahead of projects, the LNG sector is also at the start of a major growth phase. Vessel demand is expected to see strong gains going forward as new terminals come online in the coming years. Further ahead, energy transition dynamics and Asian gas demand are expected to remain supportive underlying growth drivers in the coming decades. These trends have been reflected in a continued active period of newbuild ordering for LNG carriers at shipyards in Asia, with over 60 newbuild orders confirmed in the first half.

Sale and purchase ('S&P')

Secondhand

The first half of the year saw continued elevated activity in the global secondhand vessel S&P market, following the very strong volumes across 2021-2023. Over 66m dwt and US$26bn of tonnage was reported transacted in the first half of 2024. Bulk carrier sales volumes were very strong, especially in the Capesize sector, with total bulk carrier sales reaching the highest volumes on record. Meanwhile, sales activity in the tanker sector remained strong, and containership sales volumes increased to one of the highest levels outside of the COVID-19 era. Asset prices remain elevated and generally firmed further across the major shipping sectors in the first half, with secondhand prices in the tanker and bulk carriers sectors at a decade high while containership prices have firmed as shipping market conditions have tightened significantly. Our S&P team has remained very active, seeing a strong flow of business through the first half.

Newbuilding

There was a healthy flow of newbuild contracts placed during the first half of the year, with global orders totalling over 24m CGT and US$80bn. Ordering has been particularly strong in the LNG and LPG carrier sectors, as well as in the crude and product tanker segments. Containership ordering also began to pick up around mid-year. Newbuild prices continued to rise across the first half, with the Clarksons Newbuilding Price Index increasing to 188 points, only 2% below the 2008 peak in nominal terms. Shipping's fuelling transition remains in focus; 41% of tonnage contracted in the first half and around half of tonnage on order overall is set to be alternative fuel capable. LNG remains the most popular alternative fuelling choice, followed by methanol, with some ammonia capable orders now confirmed. Some owners are pursuing fuel optionality by ordering vessels with 'ready' notation. Our global newbuilding broking team remained very active in the first half, utilising market-leading expertise to support owners and cargo players with fleet renewal programmes, including orders for vessels with alternative fuel capability and a range of Energy Saving Technologies.

Offshore and offshore renewables

The offshore oil and gas sector supports the development, production and support of offshore oil and gas fields, with over 13,000 mobile vessels and rigs playing a vital role in supporting operations across the lifecycle of offshore energy projects. Our offshore broking team remined very active as the offshore sector continued to strengthen in the first half of 2024. Global offshore Exploration & Production ('E&P') spending remains strong, with offshore oil and gas project capex commitments projected to remain close to 2023's 10-year high. Continued strong investment is boosting demand further for offshore vessels and rigs and this has supported utilisation and day rates, from already elevated levels. While demand for offshore assets in general continues to increase, much of the market improvement seen in recent years has been driven by the significant reduction in vessel supply seen across 2014-2020. Although interest in newbuild ordering has now started to increase, volumes are expected to remain moderate and, given the ageing fleet profile, future supply growth may remain limited. While demand continues to strengthen, the outlook for rates and asset values remains optimistic.

Drilling

The floater drilling segment remains tight, with UDW floater rates currently ranging between US$450,000 and US$500,000 per day. The jack-up sector faced some challenges when Saudi Aramco suspended around 22 rigs in April as a result of its pull-back in investment. However, some drillers have reported cautious optimism about their ability to re-fix units, with the global market still tight at 88% utilisation. The outlook for the offshore drilling sector remains generally positive, with high E&P activity expected to boost demand further, while supply remains constrained.

Subsea

The outlook for the subsea sector remains positive. The combined backlog of the three leading subsea Engineering, Procurement and Construction ('EPC') contractors was above the US$40bn mark in early 2024, close to all-time highs. This is expected to strengthen demand further for subsea construction units for both offshore oil and gas and wind work. In turn, Multipurpose Supply Vessel ('MSV') rates have increased significantly, driven by strong growth in subsea field development and offshore wind activity as well as steady underlying growth in subsea Inspection Maintenance and Repair ('IMR') requirements. With increasing decommissioning activity also expected to contribute to further demand growth, the subsea support vessel outlook remains positive. In turn, newbuild ordering activity has started to pick up and it is possible that further contracts will be placed going forward.

Offshore support vessels ('OSV')

The OSV market strengthened further in the first half of 2024, with the Clarksons OSV Rate Index closing on prior record levels. Demand increased across most regions and tonnage availability remains constrained, with the stacked pool now standing close to exhausted, and with few newbuilds remaining at shipyards. Rates are expected to continue to move higher due to the lack of available capacity and further gains in demand.

Offshore renewables

The offshore renewables industry continues to expand, and is expected to account for a growing share of the global energy mix supported by the increased focus on decarbonisation and energy security. Following a mixed 2023 which saw cost pressures delay some high-profile projects, the offshore wind industry gradually began to regain some momentum in the first half of 2024. Offshore wind project capex is projected to total a strong US$58bn in 2024, which would be a record in capacity terms.

In the wind vessel markets, the peak summer season has seen very high utilisation in key vessel segments, driven by strong demand from the offshore wind and offshore oil and gas sectors. This is driving further gains in wind vessel day rates, with unit availability limited. As a result, developers are locking units into longer-term charters to secure contract coverage. Moreover, given the material project pipeline, it seems that the 2025 peak season will see a further step-up in vessel demand.

Following a significant increase in demand for specialised green vessels in the offshore renewables sector, interest is also increasing in the offshore oil and gas sector, and the team are actively engaging in discussions with clients regarding technical green solutions and initiatives.

Looking ahead, with the energy mix shifting towards renewables, offshore wind and renewables is becoming an increasingly larger share of our offshore department. Nonetheless, we do not expect the transition to be smooth and barriers surrounding the availability/costs of low-carbon energy sources will have to be overcome. Despite these challenges, the team continues to leverage its expertise and forge partnerships, which will help stakeholders navigate the evolving landscape and contribute to the successful green transition in the sector.

Futures

Our Futures business is a leading provider of freight derivative products, helping shipping companies, banks, investment houses and other institutions seeking to manage freight exposure by increasing or reducing risk.

The tanker FFA desk saw a strong start to 2024, with the disruption in the Red Sea and associated volatility leading to increased trading and new entrants in the space, though volumes eased going into summer. In the dry FFA market, volumes of cleared dry FFAs were lower in the first half but revenues have improved amid a stronger rate environment. In May 2024, the team established a new desk focused on broking base and battery metals in both the futures and physical markets. Following growth in both the production of electric vehicles and green energy storage, the demand for these metals continues to increase.

Financial

Revenue: £18.3m (2023: £26.5m)

Segmental split of underlying profit before taxation*: £1.2m (2023: £5.0m)

Securities

Clarksons Securities is a sector-focused investment bank for the shipping, offshore energy, renewables, exploration and production, and minerals industries, with deep sector knowledge and global reach driven by research and relationships.

Financial performance has been driven by debt capital markets, with all sectors contributing to the results. There is a good pipeline of opportunities for the second half of the year.

Secondary trading

Investor appetite and trading activity in the secondary trading market for both offshore and shipping has remained high in the first half of the year, with the flow of contract announcements in the offshore services space and high day rates in shipping resulting in strong share price performances. Block trading remains a key focus area amid high investor risk appetite, whilst the credit market has been very strong.

Shipping

The conventional shipping sectors experienced a strong stock performance in the first half of 2024, with the average shipping stock price gaining 30%. Listed shipping companies have remained disciplined and focused on returning capital to shareholders and deleveraging balance sheets. Despite muted overall capital markets activity, Clarksons has been involved in various equity and debt block trades. The outlook for shipping capital markets activity is attractive in the medium to long term.

Energy services

Capital markets activity within offshore energy services sustained strong momentum into the first half of 2024. Investors were eager to allocate capital into oil services investments, both in equity and debt, enticed by the sector's promising outlook and attractive pricing. Offshore drilling has continued to be the key driver of capital markets activity. The team has been active, including listing and raising finance for a Brazilian offshore drilling company on the Euronext Growth Oslo stock exchange, exemplifying a trend towards increased interest in Brazil's rapidly growing deepwater market. There has also been more activity across M&A and capital markets within the OSV/Subsea segments. Looking ahead, high capital markets and M&A activity is anticipated for the remainder of 2024, with strong markets for refinancing and growth financing for oil services companies in both public and private debt markets.

Metals and minerals

In our metals and mining vertical, the bulk commodities market saw more positive developments in the first half of 2024, while battery metals also showed some signs of recovery after a softer 2023. Clarksons was actively engaged in several transactions during the first half, particularly within the strong credit market and M&A segment in the mining industry. We remain committed to the metals and mineral sectors and, while the short to mid-term outlook for various minerals remains mixed, the business is expected to benefit from positive developments in the industrial minerals segment. The credit market remains constructive, and there is potential for an uptick in future-facing commodities.

Renewable energies

Similarly to 2023, the first half of 2024 experienced slower transaction sentiment across the renewable energy sectors in which the team is active, driven by macro trends and investor appetite. However, underlying fundamentals are positive and rapid growth continues. M&A and private equity markets have remained strong. The renewables coverage team completed various private M&A and equity transactions in the first half and there is a healthy pipeline of transactions into the second half, with potential for increased public capital markets activity.

Exploration and Production ('E&P')

In the E&P market, oil prices are still strong, but longer term are expected to moderate as the market balances, while gas prices have weakened and face a softer long-term outlook due to increased LNG capacity and strong renewables growth. Clarksons seeks to work with high-quality assets and operators to finance oil and gas fields and companies fit for the future. 2024 has seen the first fruits from our renewed E&P focus, and the forward pipeline is promising.

Debt capital markets

Positive momentum has continued into 2024 for debt capital markets. Both existing bond issuers and new entrants have been capitalising on the current window, benefiting from considerable investor liquidity and risk appetite driven by substantial fund inflows. Consequently, new deals have experienced robust investor demand, often pricing at the lower end of their target ranges. In the secondary market, outstanding bonds have been well bid, resulting in tightening spreads as investors have struggled to find supply. Clarksons concluded seven transactions in the first half and several further transactions are currently in progress.

Project finance

The project finance business is a leading Nordic player within shipping and real estate project finance, which has in recent years offered investment opportunities in modern fuel (and carbon) efficient shipping and offshore assets, with an overall focus on assisting the shipping and offshore industry in transitioning to more sustainable and less carbon-intensive transportation.

The first half of 2024 has been an active period in the Norwegian project finance market, with strong investor interest in both shipping and offshore projects. The team structured and placed projects across a range of segments, and there is a good pipeline of projects ahead. There is also growing interest in project finance structures from shipowners abroad attracted by the Norwegian partnership model as an interesting way to co-invest and grow their fleet. There is good availability of bank finance for non-recourse projects, and teams are becoming more competitive.

In the commercial real estate market in Norway, the team increased transaction volumes in the first quarter of 2024 compared to the previous year, driven by larger individual transactions. Overall optimism in the transaction market has been dampened by a persistently volatile bond market and fewer interest rate cuts than initially expected. Making new construction projects financially viable has been challenging given current construction and rental prices, which combined with low office vacancy rates and a relatively strong labour market, points to rising rental prices ahead. While interest rates look to be heading toward a 'higher for longer' scenario, the transaction market generally appears to be in a better position than in the second half of 2023, with activity expected to pick up throughout 2024.

Structured asset finance

The structured asset finance business maintains relationships with asset financiers globally including around their activities and headline terms, with a view to helping our broking clients understand the sources of finance available to them and providing introductions where relevant. It acts as an exclusive mandated financial advisor, structurer and arranger working closely with the newbuilding, strategy and structuring teams on large long-term strategic procurement projects for end-users and cargo interests.

Improved earnings and cash reserves have seen many companies repaying asset finance leverage and refinancing existing facilities, generally at lower margins with competition rife. The market remains tiered, with mainstream banks preferring newer, more fuel-efficient vessels; top-tier leasing companies seeing success in refinancing 5-7-year old vessels out of bank facilities; and second-tier leasing companies, non-mainstream banks and alternative lenders increasingly active with older tonnage and more niche sectors.

The industrial companies and cargo owners who form the main client base continue to evaluate options and develop financing and procurement strategies. Demand for financial advisory mandates to assist in this validation process is growing, and Clarksons Structured Asset Finance has a healthy pipeline of such projects, though for now most execution is between mainstream banks and large owners.

Support

Revenue: £32.3m (2023: £27.2m)
Segmental split of underlying profit before taxation*: £4.0m (2023: £3.4m)

Our port services team is active across stevedoring, agency, supplies, logistics services and shortsea shipbroking, principally in the UK but also in Northern Europe and Egypt.

Agency - UK

Through exceptional port agency and first-class logistics services, our business provides a range of agency and customs clearance solutions for clients in the marine and energy sectors. Results in the first half of 2024 reached a record, with some notable new business concluded. Although grain export income was down, the team continued to win and retain offshore energy project incomes.

Clarkson Port Services B.V. ('CPS BV')

Our business unit offering integrated logistics services to the offshore energy sector, CPS BV (formerly DHSS), completed the building of new terminal facilities in Eemshaven. A new office is also being opened in Vlissingen, expanding the team's geographical reach and ability to service clients. Whilst customer demand was down slightly on last year, 2025 is expected to be busier on the back of new projects as the division continues to actively support the offshore energy sector.

Gibb Group

Gibb Group is the industry's leading provider of PPE, MRO products and services as well as one of the offshore renewable energy sector's most experienced, qualified suppliers. The first half of the year saw continued investment for the future in the UK, Netherlands and US, and a new office and warehouse opened in Immingham. However, overall performance was held back somewhat by lower activity in the local offshore energy market.

The recently acquired Trauma & Resuscitation Services, which provides first aid equipment, training, compliance and emergency response services in the renewable energy sector, has been performing ahead of expectations since acquisition. The business will be incorporated into Gibb Group in the second half of the year.

Stevedoring

The stevedoring business, highly experienced in loading and discharging bulk cargoes, saw a profitable first half, although results were impacted by lower UK grain exports following a weak 2023 harvest. The outlook is for another weak UK harvest this year due to wet weather, and high import volumes across grain and animal feeds in the coming 12 months.

Shortsea broking

The shortsea shipbroking business saw a very busy first half with freight rates a little below 2023 levels but still above long-term averages. Currency rates and higher UK import volumes were supportive, and the current outlook is for more of the same.

Agency - Egypt

The Egypt agency business provides a range of market-leading services including local consultancy, navigational information updates, rebate handling, tariff advice and port call support. While transits through the Suez Canal have been significantly reduced by the Houthi attacks, the business has seen some diversification. Support has been provided to more Egyptian port calls than last year, with grain cargoes driving much of the increase. Strategic partnerships and projects offered more opportunities, and chartering volumes increased.

Research

Revenue: £11.8m (2023: £10.2m)
Segmental split of underlying profit before taxation*: £4.6m (2023: £3.7m)

Clarksons Research, the data and analytics arm of Clarksons, has a market-leading position as a trusted provider of maritime data and intelligence while also providing differentiating research and profile to the Broking, Financial, Support and Technology business units of Clarksons. Research performed robustly across the first half of the year, maintaining its long-term track record of growing recurring revenues while continuing to make significant investments across its offering.

Growth across the platform was very encouraging in the first half, with increases in sales and user numbers across all major products. The team has invested to ensure a constant flow of high-quality and market-relevant analysis alongside an expansion of the depth and breadth of the wide-ranging proprietary database. This supports individual product development programmes for each of the intelligence platforms. The Shipping Intelligence Network ('SIN') platform has monitored the growth, complexity and disruption that is building across the 12.6bn tonnes of global seaborne trade we project this year. Utilising work from both the data analytics and market analysis teams, this has included a widely respected impact assessment and tracker around Red Sea rerouting and disruption. Our intelligence flow has also tracked many of the major themes in the shipping markets today: cross-market strength in day rates, an energy security and energy transition focus, growth in the gases, additional tonne-mile demand from geo-political disruption, active S&P markets, a good flow of newbuild orders and continued supply-side constraints despite some reactivation of shipyard capacity.

The division's strategy to provide leading data, intelligence and insights around the energy transition and green transition remains a focus. Sales of our World Fleet Register ('WFR') platform, which covers intelligence around emissions, decarbonisation regulation and green technology uptake across the world fleet, grew by 16% in the first half. The offshore transition strategy, investing in both our offshore oil and gas research and our offshore wind research, is being realised in strong sales. Following an investment programme, we have also released new data on green investments at ports, improved our vessel activity analytics dashboards and published new data on liner services.

The division's dedicated services and consultancy activities had a successful first half, including a focus on multi-year data API contracts that become embedded in the workflows of our clients. Clarksons Valuations, our market-leading provider of valuation services to shipowners and financiers, has started to gain traction with its analysis and technology tools developed to support financial institutions, including analytics to meet new European Banking Authority ('EBA') guidelines, data to support understanding of the emissions profile of debt portfolios and data needed specifically by Asian leasing institutions.

support understanding of the emissions profile of debt portfolios and data needed specifically by Asian lending institutions.

Recurring revenue represented 89% of total sales in the first half, with consistently high renewal rates and an expanding global client base across all aspects of the maritime ecosystem, particularly in Asian markets. There has been headcount growth within our key teams and global network during the first half, including a strong build-out of our India presence. Our teams now process and analyse millions of data points each day to provide the trusted and insightful intelligence that supports the workflows and decision-making of thousands of organisations across the increasingly complex and dynamic maritime industry.

Sea

Enhancing the way shipping professionals work

During the first half of 2024, the Group's technology business unit, Sea, delivered significant client adoption and revenue growth across all three of our business units: (i) The Intelligent Marketplace for Fixing Freight, (ii) ICP Commodities and (iii) Custom Software Development. Sea is becoming an integral part of the pre- and at-fixture workflow of fixing freight, with more than 100 charterers and 700 broker entities now onboarded to our platform.

By June 2024, Sea achieved fixture volume growth in both the dry and wet markets. This was achieved through notable growth of new customers joining the Sea platform, while the migration of the remaining MarDocs customer base also contributed to continued growth. With all clients having migrated over to Recap Manager, the tanker market now has a single, significant contract management platform, benefiting all users.

Our new freight trading platform, launched in the first half of the year, serves as the foundation for our future development roadmap and allows for greater flexibility and adaptability to client needs, with daily releases and a mobile friendly experience now included. Significant efforts have gone into launching the solution and the second half will focus on migrating all existing customers, as well as acquiring and onboarding new customers across iron ore and other commodity classes.

An integral part of what Sea now delivers to our customers is the ability to include compliance management throughout their workflow. During the first half, Sea launched Compliance Manager which enables customers to undertake sanctions checking quickly, allowing them to streamline internal processes and ensure compliance is at the centre of their fixture workflow.

During the second half of 2024, the team will focus on launching functionalities to support additional commodities on the new freight trading platform while also delivering structured contracts data through APIs and expanding the ecosystems of participants on the platform.

Risk management

Full details of our principal risks and how we manage them are included in the risk management section of the 2023 Annual Report, together with our viability and going concern statements.

Our principal risks are:

- Macro-economic and geo-political factors
- Changes in the broking industry
- Adverse movements in foreign exchange
- Financial loss arising from failure of a client to meet its obligations
- Cyber risk and data security
- Breaches in rules and regulations
- Loss of key personnel - normal course of business
- Loss of key personnel - Board members

Since the year end, the risk factor associated with macro-economic and geo-political factors has increased.

Whilst not a principal risk for the Group at this time, we consider climate change to be a thematic risk which potentially impacts a number of our principal risks.

There are no significant known emerging risks which could materially impact on the achievement of the Group's strategic objectives in the near term.

Directors' responsibilities statement

Directors' responsibilities statement

The Directors confirm that:

- these condensed consolidated interim financial statements (the 'interim financial statements') have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by DTR 4.2.4R; and

- the interim financial statements include a fair review of the information required by:

  (a) DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year ending 31 December 2024, and their impact on the interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

  (b) DTR 4.2.8R, being material related party transactions that have taken place in the first six months of the financial year ending 31 December 2024, and any material changes in the related party transactions described in the 2023 Annual Report.

A list of the current Directors is maintained on the Clarkson PLC website: www.clarksons.com.

The maintenance and integrity of the Clarkson PLC website is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Laurence Hollingworth
Chair
2 August 2024

Independent review report to Clarkson PLC
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Clarkson PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Interim results of Clarkson PLC for the six-month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Consolidated balance sheet as at 30 June 2024;
- the Consolidated income statement and Consolidated statement of comprehensive income for the period then ended;
- the Consolidated cash flow statement for the period then ended;
- the Consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim results of Clarkson PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The Interim results, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim results, including the interim financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
2 August 2024

Consolidated income statement

for the half year to 30 June

		+	+	+	+	+	+
				2024			2023
	Note	**Before acquisition-related costs £m+**	**Acquisition-related costs (note 4) £m+**	**After acquisition-related costs £m+**	Before acquisition-related costs £m+	Acquisition-related costs (note 4) £m+	After acquisition-related costs £m+
Revenue	3	**310.1**	**-**	**310.1**	321.1	-	321.1
Cost of sales		**(16.9)**	**-**	**(16.9)**	(14.8)	-	(14.8)
Trading profit		**293.2**	**-**	**293.2**	306.3	-	306.3
Administrative expenses		**(248.2)**	**(1.4)**	**(249.6)**	(256.7)	(0.9)	(257.6)
Operating profit/(loss)	3	**45.0**	**(1.4)**	**43.6**	49.6	(0.9)	48.7
Finance income		**7.1**	**-**	**7.1**	3.9	-	3.9
Finance costs		**(0.9)**	**-**	**(0.9)**	(0.8)	-	(0.8)
Other finance income - pensions	9	**0.3**	**-**	**0.3**	0.4	-	0.4
Profit/(loss) before taxation		**51.5**	**(1.4)**	**50.1**	53.1	(0.9)	52.2
Taxation	5	**(11.6)**	**0.1**	**(11.5)**	(11.4)	-	(11.4)
Profit/(loss) for the period		**39.9**	**(1.3)**	**38.6**	41.7	(0.9)	40.8

Attributable to:

Equity holders of the Parent Company		39.5	(1.3)	38.2	40.6	(0.9)	39.7
Non-controlling interests		0.4	-	0.4	1.1	-	1.1
Profit/(loss) for the period		39.9	(1.3)	38.6	41.7	(0.9)	40.8
Earnings per share							
Basic	6	129.1p		124.6p	133.5p		130.5p
Diluted	6	128.4p		124.0p	132.8p		129.8p

+ *Unaudited*

Included in the consolidated income statement are net impairment losses on financial assets amounting to £5.0m (2023: £3.9m)

Consolidated statement of comprehensive income

for the half year to 30 June

	2024 £m+	2023 £m+
Profit for the period	38.6	40.8
Other comprehensive loss:		
Items that will not be reclassified to profit or loss:		
Actuarial loss on employee benefit schemes - net of tax	(1.2)	(1.5)
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange differences on retranslation of foreign operations	(5.8)	(23.3)
Foreign currency hedges recycled to profit or loss - net of tax	0.4	0.3
Foreign currency hedge revaluations - net of tax	(2.2)	3.5
Other comprehensive loss	(8.8)	(21.0)
Total comprehensive income for the period	29.8	19.8
Attributable to:		
Equity holders of the Parent Company	29.4	19.1
Non-controlling interests	0.4	0.7
Total comprehensive income for the period	29.8	19.8

+ *Unaudited*

Consolidated balance sheet

as at 30 June

	Notes	2024 £m+	2023 £m+	31 December 2023 £m#
Non-current assets				
Property, plant and equipment		28.4	26.3	28.5
Investment properties		1.0	1.0	1.0
Right-of-use assets		32.7	37.0	35.9
Intangible assets	8	179.6	177.8	182.9
Trade and other receivables		1.8	2.7	4.4
Investments		1.7	1.1	1.3
Employee benefits	9	12.2	14.1	13.8
Deferred tax assets		20.8	12.6	16.8
		278.2	272.6	284.6
Current assets				
Inventories		3.7	2.9	3.3
Trade and other receivables	10	202.0	164.1	147.5
Income tax receivable		3.6	1.0	1.2
Investments	11	45.5	10.1	40.1
Cash and cash equivalents	12	276.3	275.7	398.9
		531.1	453.8	591.0
Current liabilities				
Trade and other payables		(269.9)	(245.9)	(339.4)
Lease liabilities		(10.3)	(9.9)	(10.4)
Income tax payable		(15.8)	(16.0)	(20.9)
Provisions		(0.4)	(0.6)	(0.6)
		(296.4)	(272.4)	(371.3)

Net current assets		**234.7**	181.4	219.7
Non-current liabilities				
Trade and other payables		**(4.6)**	(2.6)	(3.2)
Lease liabilities		**(28.9)**	(34.9)	(32.8)
Provisions		**(2.6)**	(1.8)	(1.9)
Employee benefits	9	**(0.3)**	(0.5)	(0.4)
Deferred tax liabilities		**(9.0)**	(5.7)	(9.4)
		(45.4)	(45.5)	(47.7)
Net assets		**467.5**	408.5	456.6
Capital and reserves				
Share capital	13	**7.7**	7.7	7.7
Other reserves		**96.6**	93.3	104.9
Retained earnings		**359.8**	304.0	340.0
Equity attributable to shareholders of the Parent Company		**464.1**	405.0	452.6
Non-controlling interests		**3.4**	3.5	4.0
Total equity		**467.5**	408.5	456.6

+ *Unaudited* # *Audited*

Consolidated statement of changes in equity

for the half year to 30 June

	Notes	Attributable to equity holders of the Parent Company					
		Share capital £m+	Other reserves £m+	Retained earnings £m+	Total £m+	Non-controlling interests £m+	Total equity £m+
Balance at 1 January 2024		**7.7**	**104.9**	**340.0**	**452.6**	**4.0**	**456.6**
Profit for the period		-	-	**38.2**	**38.2**	**0.4**	**38.6**
Other comprehensive loss		-	**(7.6)**	**(1.2)**	**(8.8)**	-	**(8.8)**
Total comprehensive (loss)/income for the period		-	**(7.6)**	**37.0**	**29.4**	**0.4**	**29.8**
Transactions with owners:							
Share issues		-	**0.6**	-	**0.6**	-	**0.6**
Employee share schemes		-	**(1.3)**	**(0.8)**	**(2.1)**	-	**(2.1)**
Tax on other employee benefits		-	-	**5.5**	**5.5**	-	**5.5**
Dividend paid	7	-	-	**(21.8)**	**(21.8)**	**(1.0)**	**(22.8)**
Acquisition of non-controlling interests		-	-	**(0.1)**	**(0.1)**	-	**(0.1)**
Total transactions with owners		-	**(0.7)**	**(17.2)**	**(17.9)**	**(1.0)**	**(18.9)**
Balance at 30 June 2024		**7.7**	**96.6**	**359.8**	**464.1**	**3.4**	**467.5**

	Notes	Attributable to equity holders of the Parent Company					
		Share capital £m+	Other reserves £m+	Retained earnings £m+	Total £m+	Non-controlling interests £m+	Total equity £m+
Balance at 1 January 2023		7.7	114.8	287.2	409.7	3.5	413.2
Profit for the period		-	-	39.7	39.7	1.1	40.8
Other comprehensive loss		-	(19.1)	(1.5)	(20.6)	(0.4)	(21.0)
Total comprehensive (loss)/income for the period		-	(19.1)	38.2	19.1	0.7	19.8
Transactions with owners:							
Share issues		-	0.7	-	0.7	-	0.7
Employee share schemes		-	(3.1)	(1.5)	(4.6)	-	(4.6)
Tax on other employee benefits		-	-	(0.5)	(0.5)	-	(0.5)
Dividend paid	7	-	-	(19.4)	(19.4)	(0.7)	(20.1)
Total transactions with owners		-	(2.4)	(21.4)	(23.8)	(0.7)	(24.5)
Balance at 30 June 2023		7.7	93.3	304.0	405.0	3.5	408.5

+ *Unaudited*

Consolidated cash flow statement

for the half year to 30 June

	Notes	2024 £m+	2023 £m+
Cash flows from operating activities			
Profit before taxation		50.1	52.2
Adjustments for:			
Foreign exchange differences		(2.5)	1.2
Depreciation		7.1	7.2
Share-based payment expense		1.1	1.0
Gain on sale of property, plant and equipment		(0.1)	-
Amortisation of intangibles		2.4	2.2
Difference between pension contributions paid and amount recognised in the income statement		0.4	0.3
Finance income		(7.1)	(3.9)
Finance costs		0.9	0.8
Other finance income - pensions		(0.3)	(0.4)
Increase in inventories		(0.3)	(0.5)
Increase in trade and other receivables		(56.4)	(11.9)
Decrease in bonus accrual		(94.7)	(54.4)
Increase in trade and other payables		54.2	0.3
Increase in provisions		0.7	-
Cash utilised from operations		(44.5)	(5.9)
Income tax paid		(16.6)	(14.4)
Net cash flow from operating activities		(61.1)	(20.3)
Cash flows from investing activities			
Interest received		7.0	3.8
Purchase of property, plant and equipment		(2.6)	(2.5)
Purchase of intangible assets		(1.5)	(1.1)
Purchase of investments		(0.5)	-
Proceeds from sale of investments		0.1	0.4
Proceeds from sale of property, plant and equipment		0.2	-
Transfer from current investments (cash on deposit and government bonds)		-	1.2
Transfer to current investments (cash on deposit and government bonds)		(5.4)	(8.0)
Acquisition of subsidiaries, net of cash acquired	8	(1.8)	(4.8)
Dividends received from investments		-	0.2
Net cash flow from investing activities		(4.5)	(10.8)
Cash flows from financing activities			
Interest paid and other charges		(0.9)	(0.9)
Dividend paid	7	(21.8)	(19.4)
Dividend paid to non-controlling interests		(1.0)	(0.7)
Repayment of borrowings		-	(0.5)
Principal elements of lease liabilities		(5.3)	(5.1)
Proceeds from shares issued		0.6	0.7
Acquisition of non-controlling interests		(0.1)	-
ESOP shares acquired		(26.6)	(38.5)
Net cash flow from financing activities		(55.1)	(64.4)
Net decrease in cash and cash equivalents		(120.7)	(95.5)
Cash and cash equivalents at 1 January		398.9	384.4
Net foreign exchange differences		(1.9)	(13.2)
Cash and cash equivalents at 30 June	12	276.3	275.7

\+ *Unaudited*

Notes to the interim financial statements

1 Corporate information

The condensed consolidated interim financial statements (the 'interim financial statements') of Clarkson PLC for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 2 August 2024. Clarkson PLC is a public limited company, listed on the London Stock Exchange, incorporated and registered in England and Wales and domiciled in the UK.

The term 'Parent Company' refers to Clarkson PLC and 'Group' refers to the Company, its consolidated subsidiaries and the relevant assets and liabilities of the share purchase trusts.

The interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 were approved by the Board of Directors on 1 March 2024 and delivered to the Registrar of Companies. The Auditors' report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The interim financial statements have been reviewed, not audited.

2 Statement of accounting policies

2.1 Basis of preparation

The interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with UK-adopted International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34') and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023, which were prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The interim consolidated income statement is shown in columnar format to assist with understanding the Group's results by presenting profit for the period before acquisition-related costs; this is referred to as 'underlying profit'*. The column 'acquisition-related costs' includes the amortisation of acquired intangible assets, the costs of acquiring new businesses and the expensing of the cash and share-based elements of consideration linked to ongoing employment obligations on acquisitions.

Going concern

The Group has considerable financial resources available to it, a strong balance sheet and has consistently generated an underlying profit and good cash inflows. As a result of this, the Directors believe that the Group is well placed to manage its business risks successfully, despite the complex market backdrop and geo-political tensions.

Management has stress tested a range of scenarios using the board approved budget and monthly cash flows to 31 December 2025, modelling different assumptions with respect to the Group's cash resources. Three different scenarios were considered:

- Management modelled the impact of a reduction in profitability to £30m (a level of profit the Group has exceeded in every year since 2013), whilst taking no mitigating actions.

- Management assessed the impact of a significant reduction in world seaborne trade similar to that experienced in the global financial crisis in 2008, the pandemic in 2020 and the Ukraine conflict in 2023: seaborne trade recovered in 2009, 2021 and 2023 along with the profitability of the Group. Since 1990 no two consecutive years have seen reductions in world seaborne trade.

- Management undertook a reverse stress test over a period of three years to determine what it might take for the Group to encounter financial difficulties. This test was based on current levels of overheads, the net cash and available funds* position at 30 June 2024, the collection of debts and the invoicing and collection of the forward order book. This determined that, in the absence of any mitigating action which would be applied in these circumstances, no new business would be required to remain cash positive for at least the next 12 months.

Under the first two scenarios, the Group is able to generate profits and cash, and has positive net cash and available funds* available to it throughout the next 12 months. In the third scenario, current net cash and available funds* together with the collection of debts and the forward order book and no new business would leave sufficient cash resources to cover at least the next 12 months without any new business.

Accordingly, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation for at least the next 12 months. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.2 Accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023, except as described below:

- Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual profit or loss.

A number of amended standards are effective for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

As at the date of authorisation of these interim financial statements, a number of amendments to standards and interpretations were in issue but not yet effective. The Group has not applied these standards and interpretations in the preparation of these financial statements and does not expect these to have a material impact on the Group.

2.3 Accounting judgements and estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023, with the exception of changes in estimates that are required in determining the provision for income taxes.

2.4 Seasonality

The Group's activities are not subject to significant seasonal variation.

2.5 Forward-looking statements

Certain statements in this announcement are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. The Group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

3 Segmental information

	Revenue		Results	
	2024	2023	**2024**	2023
Business segments	**£m+**	£m+	**£m+**	£m+
Broking	**247.7**	257.2	**53.4**	58.2
Financial	**18.3**	26.5	**1.2**	5.0
Support	**32.3**	27.2	**4.0**	3.4
Research	**11.8**	10.2	**4.6**	3.7
Segment revenue/profit	**310.1**	321.1	**63.2**	70.3
Head office costs			**(18.2)**	(20.7)
Operating profit before acquisition-related costs			**45.0**	49.6
Acquisition-related costs			**(1.4)**	(0.9)
Operating profit after acquisition-related costs			**43.6**	48.7
Finance income			**7.1**	3.9
Finance costs			**(0.9)**	(0.8)
Other finance income - pensions			**0.3**	0.4
Profit before taxation			**50.1**	52.2
Taxation			**(11.5)**	(11.4)
Profit for the period			**38.6**	40.8

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All revenue is generated externally.

4 Acquisition-related costs

Included in acquisition-related costs is £0.2m (2023: £nil) relating to amortisation of intangibles acquired and £0.7m (2023: £nil) of cash and share-based payment charges relating to previous acquisitions.

£nil) of cash and share-based payment charges relating to previous acquisitions.

Also included is £nil (2023: £0.1m) relating to amortisation of intangibles acquired and £0.4m (2023: £0.7m) of cash and share-based payment charges relating to current year acquisitions.

Included in administrative expenses is £0.1m (2023: £0.1m) of transaction costs relating to acquisitions in the current year.

5 Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated annual tax rate, excluding acquisition-related costs, used for the year to 31 December 2024 is 22.5% (the estimated annual tax rate used for the six months ended 30 June 2023 was 21.5%). The effective tax rate, after acquisition-related costs, is 23.0%. The rise in the estimated effective tax rate is a result of increased statutory tax rates in the countries in which the Group operates.

6 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2024 £m	2023 £m
Underlying profit for the period attributable to equity holders of the Parent Company*	39.5	40.6
Reported profit for the period attributable to equity holders of the Parent Company	38.2	39.7

	2024 Million	2023 Million
Weighted average number of ordinary shares - basic	30.6	30.4
Weighted average number of ordinary shares - diluted	30.8	30.5

7 Dividends

	2024 £m	2023 £m
Declared and paid during the period:		
Final dividend for 2023 of 72p per share (Final dividend for 2022 of 64p per share)	21.8	19.4
Payable (not recognised as a liability at 30 June):		
Interim dividend for 2024 of 32p per share (2023: 30p per share)	9.8	9.2

8 Intangible assets

The movement in the net book value of intangible assets is as follows:

	Goodwill £m+	Development costs £m+	Other intangible assets £m+	Total £m+
At 1 January 2024	164.5	14.9	3.5	182.9
Additions	-	1.5	-	1.5
Arising on acquisitions	1.4	-	-	1.4
Amortisation charge	-	(2.2)	(0.2)	(2.4)
Foreign exchange differences	(3.7)	-	(0.1)	(3.8)
At 30 June 2024	162.2	14.2	3.2	179.6
At 1 January 2023	171.6	15.1	2.2	188.9
Additions	-	1.1	-	1.1
Arising on acquisitions	3.3	-	-	3.3
Amortisation charge	-	(2.1)	(0.1)	(2.2)
Foreign exchange differences	(13.2)	-	(0.1)	(13.3)
At 30 June 2023	161.7	14.1	2.0	177.8

	Goodwill £m#	Development costs £m#	Other intangible assets £m#	Total £m#
At 1 January 2023	171.6	15.1	2.2	188.9
Additions	-	2.8	-	2.8
Arising on acquisitions	1.2	-	3.1	4.3
Amortisation charge	-	(4.2)	(0.6)	(4.8)
Other (reclassification)	-	1.2	(1.2)	-
Foreign exchange differences	(8.3)	-	-	(8.3)
At 31 December 2023	164.5	14.9	3.5	182.9

+ *Unaudited* # *Audited*

In light of continuing macro-economic and geo-political uncertainty, the Board keeps the carrying value of goodwill under constant review. The Board has considered and not identified any indication of impairment of these assets at 30 June 2024. However, in the event that any of the markets in which we operate has a sustained downturn, an impairment of the relevant Cash-Generating Unit's ('CGU') goodwill may be required. See note 14 on page 182 of the 2023 Annual Report for specific sensitivity disclosures, in particular in relation to the Offshore broking and Securities CGUs.

Acquisitions

On 5 February 2024, the Group acquired 100% of the share capital of Trauma & Resuscitation Services Limited for initial consideration of £2.0m. Additional consideration of £0.3m was paid in May 2024. Amounts of up to £3.3m may also be payable depending on the achievement of earnings targets. As these are linked to employees remaining in service these amounts are spread in the income statement and shown within the column 'Acquisition-related costs'. The investment increases our service offering to the oil and gas, marine and renewable energy sectors through the provision of market-leading advanced first aid training for the offshore wind sector.

On 31 May 2024, the Group completed an asset purchase agreement with Independent Shipping Agencies Limited to acquire selected assets for an initial consideration of £0.1m. Amounts of up to £0.2m may also be payable depending on the achievement of earnings targets. As these are linked to employees remaining in service these amounts are spread in the income statement and shown within the column 'Acquisition-related costs'. The investment increases our service offering to the dry cargo sector through the provision of superintending services.

The provisional assets and liabilities recognised as a result of the acquisitions are as follows:

Provisional fair value of identifiable assets and liabilities assumed:	Trauma & Resuscitation Services Limited £m	Independent Shipping Agencies Limited £m	Total £m
Property, plant and equipment	0.1	-	0.1
Trade and other receivables	1.2	-	1.2
Inventories	0.1	-	0.1
Cash and cash equivalents	0.6	-	0.6
Total assets	2.0	-	2.0
Trade and other payables	(0.8)	-	(0.8)
Income tax payable	(0.2)	-	(0.2)
Total liabilities	(1.0)	-	(1.0)
Net identifiable assets acquired	1.0	-	1.0
Goodwill	1.3	0.1	1.4
Total consideration paid in cash	2.3	0.1	2.4

	2024
Outflow of cash to acquire subsidiaries, net of cash acquired	£m
Trauma & Resuscitation Services Limited cash consideration	2.3
Independent Shipping Agencies Limited cash consideration	0.1
	2.4
Less: cash acquired	(0.6)
Net outflow of cash - investing activities	1.8

The excess of consideration over the net identifiable assets has provisionally been attributed to goodwill. Subject to the completion of a purchase price allocation exercise, some of this value may be attributed to identifiable intangible assets.

Acquisition-related costs of £0.1m are included in administrative expenses in the income statement and in operational cash flows in the cash flow statement.

Trauma & Resuscitation Services Limited contributed revenues of £1.6m and net profit after tax of £0.4m to the Group for the period from 5 February 2024 to 30 June 2024. If the acquisition had occurred on 1 January 2024, consolidated revenue and reported profit after tax for the period ended 30 June 2024 would have been £312.2m and £39.2m respectively. The contributed revenues and net profit after tax of Independent Shipping Agencies Limited was not material.

9 Employee benefits

The Group operates three final salary defined benefit pension schemes, being the Clarkson PLC scheme, the Plowrights scheme and the Stewarts scheme.

The following tables summarise amounts recognised in the Consolidated balance sheet and the components of the net benefit charge recognised in the Consolidated income statement.

Recognised in the balance sheet

	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Fair value of schemes' assets	**124.8**	126.5	131.3
Present value of funded defined benefit obligations	**(111.0)**	(110.3)	(115.5)
	13.8	16.2	15.8
Effect of asset ceiling in relation to the Plowrights scheme	**(1.9)**	(2.6)	(2.4)
Net benefit asset recognised in the balance sheet	**11.9**	13.6	13.4

The above is recognised on the balance sheet as an asset of £12.2m (31 December 2023: £13.8m; 30 June 2023: £14.1m) and a liability of £0.3m (31 December 2023: £0.4m; 30 June 2023: £0.5m).

A deferred tax asset on the benefit liability amounting to £0.1m (31 December 2023: £nil; 30 June 2023: £0.1m) and a deferred tax liability on the benefit asset of £3.0m (31 December 2023: £3.5m; 30 June 2023: £3.5m) is also recognised on the balance sheet.

Recognised in the income statement

	2024 £m	2023 £m
Recognised in other finance income - pensions:		
Expected return on schemes' assets	**3.1**	3.3
Interest cost on benefit obligation and asset ceiling	**(2.8)**	(2.9)
Recognised in administrative expenses:		
Scheme administrative expenses	**(0.5)**	(0.5)
Net pension charge recognised in the income statement	**(0.2)**	(0.1)

10 Trade and other receivables

Trade receivables are non-interest bearing and are generally on terms payable within 90 days. As at 30 June 2024, the allowance for impairment of trade receivables was £26.4m (31 December 2023: £21.9m; 30 June 2023: £22.2m). The allowance is based on experience and ongoing market information about the creditworthiness of specific counterparties and expected credit losses in respect of the remaining balances. Included within the movements in the loss allowance were amounts which were provided at the time of invoicing for which no revenue has been recognised, because collectability was not considered probable.

11 Investments

Included within current investments are deposits totalling £41.2m (31 December 2023: £37.8m; 30 June 2023: £1.9m) with maturity periods greater than three months and government bonds of £4.1m (31 December 2023: £2.1m; 30 June 2023 £8.0m).

12 Cash and cash equivalents

	30 June 2024 £m+	30 June 2023 £m+	31 December 2023 £m#
Cash at bank and in hand	**205.9**	242.5	281.2
Short-term deposits	**70.4**	33.2	117.7
	276.3	275.7	398.9

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Net cash and available funds*, after deducting amounts accrued for performance-related bonuses but including current investments, amounted to £201.5m (31 December 2023: £201.1m; 30 June 2023: £148.9m). Free cash resources*, being net available funds less monies held by regulated entities, at 30 June 2024 were £178.4m (31 December 2023: £175.4m;

30 June 2023: £128.2m).

13 Share capital

	30 June 2024 Million	30 June 2023 Million	31 December 2023 Million	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Ordinary shares of 25p each, issued and fully paid	**30.8**	30.7	30.7	**7.7**	7.7	7.7

14 Contingencies

From time to time, the Group is engaged in litigation in the ordinary course of business. The Group carries professional indemnity insurance. There is currently no litigation expected to have a material adverse financial impact on the Group's consolidated results or net assets.

15 Principal risks and uncertainties

The Directors consider that the nature of the principal risks and uncertainties which may have a material effect on the Group's performance in the second half of the year have not changed from those identified in the risk management section of the 2023 Annual Report on pages 68 to 71 and noted above in the 'Risk management' section.

16 Financial instruments

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value.

	30 June 2024		30 June 2023		31 December 2023	
	Assets £m	**Liabilities £m**	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Investments at fair value through profit or loss ('FVPL') - Level 1	**0.4**	**-**	0.4	-	0.3	-
Investments at fair value through profit or loss ('FVPL') - Level 2	**1.5**	**-**	0.9	-	1.2	-
Foreign currency contracts - Level 2	**1.3**	**0.1**	0.7	2.4	3.5	-
	3.2	**0.1**	2.0	2.4	5.0	-

The method for determining the hierarchy and fair value is consistent with that used at the year-end (see note 29 on page 197 of the 2023 Annual Report). The fair values of financial instruments that are held at amortised cost are not materially different from their carrying amounts.

17 Related party disclosures

The Group's significant related parties are as disclosed in the 2023 Annual Report. There were no material differences in related parties or material related party transactions in the period ended 30 June 2024.

Other information

Alternative Performance Measures

The Directors believe that Alternative Performance Measures can provide users of the financial statements with a better understanding of the Group's underlying financial performance, if used properly. Directors' judgement is required as to what items qualify for this classification.

Adjusting items

The Group excludes adjusting items from its underlying earnings metrics with the aim of removing the impact of one-offs which may distort period-on-period comparisons.

The term 'underlying' excludes the impact of exceptional items and acquisition-related costs, which are shown separately on the face of the income statement. Management separates these items due to their nature and size and believes this provides further useful information, in addition to statutory measures, to assist readers of the interim financial statements to understand the results for the period.

Underlying profit before taxation

Reconciliation of reported profit before taxation to underlying profit before taxation.

	2024 £m	2023 £m
Reported profit before taxation	50.1	52.2
Add back acquisition-related costs	1.4	0.9
Underlying profit before taxation	51.5	53.1

Underlying effective tax rate

Reconciliation of reported effective tax rate to underlying effective tax rate.

	2024 %	2023 %
Reported effective tax rate	23.0	21.8
Adjustment relating to acquisition-related costs	(0.5)	(0.3)
Underlying effective tax rate	22.5	21.5

Underlying profit for the period attributable to equity holders of the Parent Company

Reconciliation of reported profit attributable to equity holders of the Parent Company to underlying profit attributable to equity holders of the Parent Company.

	2024 £m	2023 £m
Reported profit attributable to equity holders of the Parent Company	38.2	39.7
Add back acquisition-related costs	1.3	0.9
Underlying profit attributable to equity holders of the Parent Company	39.5	40.6

Underlying basic earnings per share

Reconciliation of reported basic earnings per share to underlying basic earnings per share.

	2024 Pence	2023 Pence
Reported basic earnings per share	124.6	130.5
Add back acquisition-related costs	4.5	3.0
Underlying basic earnings per share	129.1	133.5

Underlying administrative expenses

Reconciliation of reported administrative expenses to underlying administrative expenses.

	2024 £m	2023 £m
Reported administrative expenses	249.6	257.6
Less acquisition-related costs	(1.4)	(0.9)
Underlying administrative expenses	248.2	256.7

Operational metrics

The Group monitors its cash and liquidity position by adjusting gross balances to reflect the payment of obligations to staff and restricted monies held by regulated entities.

Net cash and available funds

The Board uses net cash and available funds as a better representation of the net cash available to the business, since

The Board uses net cash and available funds as a better representation of the net cash available to the business, since bonuses are typically paid after the year-end, hence an element of the year-end cash balance is earmarked for this purpose. It should be noted that accrued bonuses include amounts relating to the current year and amounts held back from previous years which will be payable in the future.

Reconciliation of reported cash and cash equivalents to net cash and available funds reported.

	30 June 2024	30 June 2023	31 December 2023
	£m	£m	£m
Cash and cash equivalents as reported	**276.3**	275.7	398.9
Add cash on deposit and government bonds included within current investments	**45.3**	9.9	39.9
Less amounts reserved for bonuses included within current trade and other payables	**(120.1)**	(136.7)	(237.7)
Net cash and available funds	**201.5**	148.9	201.1

Free cash resources

Free cash resources is a further measure used by the Board in taking decisions over capital allocation. It deducts monies held by regulated entities from the net cash and available funds figure.

Reconciliation of reported cash and cash equivalents to reported free cash resources.

	30 June 2024	30 June 2023	31 December 2023
	£m	£m	£m
Cash and cash equivalents as reported	**276.3**	275.7	398.9
Add cash on deposit and government bonds included within current investments	**45.3**	9.9	39.9
Less amounts reserved for bonuses included within current trade and other payables	**(120.1)**	(136.7)	(237.7)
Less net cash and available funds held in regulated entities	**(23.1)**	(20.7)	(25.7)
Free cash resources	**178.4**	128.2	175.4

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