

CKN Clarkson PLC

Clarkson lifts its 2026 profit floor to £135m on record freight rates

Following the Trading Statement · 6 October 2026

FY26 UNDERLYING PBT FLOOR	H1 2026 UNDERLYING PBT	FREE CASH RESOURCES	SHARE PRICE
not less than £135m	£61.5m	£154.6m	5,045p
▲ against £90.6m underlying pre-tax profit in 2025	▲ up from £39.4m in H1 2025	▼ at 30 June 2026, against £232m at end-2025	6 October 2026; 52-week range 3,365p to 5,485p

Share price, past 12 months

Daily close; latest price as at 09:12 on 6 October 2026 · Ticker Data API



Clarkson's trading statement today raised the floor for 2026 underlying pre-tax profit to not less than £135m, after what the Board called very strong trading in August and September. Record freight rates in some markets, driven by geopolitical disruption, pushed Broking revenue significantly ahead of previous expectations and added to the forward order book, while the Financial division executed enough transactions to finish significantly up on expectations too. The new floor is 49% above 2025's £90.6m and follows an upgrade already given with the interim results on 3 August.

The arithmetic is demanding but plausible: after £61.5m in the first half, the floor needs at least £73.5m in the second. Clarkson has a good recent record on its own guidance, landing at £90.6m against an £85m to £95m range for 2025. The harder question is 2027. The announcement gives no value or timing for the enlarged order book, no breakdown by vessel market and no cash figures, and it stresses that conditions remain very volatile. At 5,045p on 6 October the £1.56bn market value is about 11.6 times the new pre-tax floor, a modest multiple for 2026 and a fuller one if profit falls back towards 2025 levels. The shares had already risen strongly over the summer, so the debate now turns on whether this year's disruption premium carries into next year.

“The ongoing geopolitical complexity has created further volatility across commodity and freight markets, accordingly in some areas we have seen record freight rates and this has also then passed through to asset prices.”

The Board of Clarkson PLC · Trading Statement, 6 October 2026

Broking and Financial both beat expectations in two months

Zuma Labs acquisition, H1 2026	The Link Group acquisition, H1 2026	Serpac International acquisition, H1 2026
£7.5m	£48.1m	£0.9m

Clarkson is the world's largest shipbroker, with over 2,250 people in more than 70 offices across four divisions: Broking, Financial (investment banking for shipping and offshore), Support and Research. Broking earns commission on charter and vessel-sale deals, so its revenue rises with freight rates and asset prices. That link explains today's upgrade. The Board reports record freight rates in some areas during August and September, feeding through to asset prices, and Broking revenue significantly ahead of previous expectations.

Two details matter beyond the headline. Broking also added to the forward order book, which is commission already agreed on deals that pay out later, often as vessels are delivered. The Financial division executed a number of transactions, which made its performance significantly up on expectations as well. There is nothing new on Support, which in May was facing a harder market because of UK oil and gas policy and delayed offshore projects, or on Research, which was then growing revenue and profit.

The Board credits two decades of investment in teams, tools for trade and technology. This year that has included three acquisitions: Zuma Labs for £7.5m, The Link Group for £48.1m and Serpac International for £0.9m. How much of the upgrade those businesses contributed is not disclosed.

FIGURE	VALUE	CHANGE
Employees	over 2,250	

Sources: Trading Statement RNS, 6 Oct 2026; Interim Results, 3 Aug 2026

Second half must beat a record first half

The £135m floor sits on a first half that was already exceptional. Revenue rose to £413.5m from £297.8m and underlying pre-tax profit to £61.5m from £39.4m, a 56% increase on 39% more revenue. Underlying pre-tax margin therefore widened to 14.9% from 13.2%, though the interim figures do not separate higher fees from acquisitions, cost control or provisions.

To reach £135m, the second half must deliver at least £73.5m, around 20% above the first half and about 44% above the roughly £51m earned in the second half of 2025. Strong August and September trading makes that achievable. The comparison with 2025 shows how far conditions have swung: that year revenue slipped to £631m and underlying pre-tax profit fell to £90.6m from £115m.

Underlying profit has been running above the statutory figure. In the first half, statutory pre-tax profit was £55.6m, £5.9m below the underlying number. The gap is not large, but the adjustments, including any acquisition-related costs, deserve a look before the £135m floor is treated as the profit shareholders actually keep.

H1 2026 against the prior period



FIGURE	VALUE	CHANGE
Revenue H1 2026	£413.5m	+39% from £297.8m
Underlying pre-tax profit H1 2026	£61.5m	+56% from £39.4m
Statutory pre-tax profit H1 2026	£55.6m	+48% from £37.5m
Underlying EPS H1 2026	147.6p	+50% from 98.6p
Revenue FY2025	£631m	-4.5% from £661m
Underlying pre-tax profit FY2025	£90.6m	-21% from £115m

Sources: Interim Results, 3 Aug 2026; Preliminary results, 9 Mar 2026

Plenty of cash, but conversion slipped in 2025

Gross cash, 31 Dec 2025	Borrowings, 31 Dec 2025	Lease liabilities, 31 Dec 2025
£401m	£9.9m	£92.2m

Solvency is not in question. Clarkson ended 2025 with £401m of gross cash against £9.9m of borrowings, all due within a year, and £92.2m of lease liabilities. At 30 June 2026 it reported net cash of £179m and free cash resources of £154.6m. Free cash resources is the company's own measure of cash it can actually deploy after money held for client and regulatory needs, which is why it sits well below gross cash.

That measure fell from £232m at end-2025 over a half that included about £56.5m of acquisitions and the final dividend. A full bridge between the two figures has not been given, so £154.6m should not be read as a war chest for further deals. Cash conversion also weakened in the softer year. Operating cash flow was £64.4m in 2025 against £70.3m of after-tax profit, compared with £115m against £86.3m in 2024.

The dividend remains well covered. After £5.5m of capital spending, 2025 operating cash flow still paid for £34.9m of dividends, and the interim dividend rose to 35p from 33p, extending a run of 23

consecutive years of growth. With no receivables or cash figures given today, whether the August and September uplift has turned into cash will not be visible until the full-year accounts.

FIGURE	VALUE	CHANGE
Net cash 30 Jun 2026	£179m	
Free cash resources 30 Jun 2026	£154.6m	 -33% from £232m at end-2025
Operating cash flow FY2025	£64.4m	 -44% from £115m
Dividends paid FY2025	£34.9m	
Interim dividend H1 2026	35p	 +6.1% from 33p

Sources: Interim Results, 3 Aug 2026; Cash flow (tagged accounts), 2025-12-31; Balance sheet (tagged accounts), 2025-12-31; Annual Financial Report, 2025-12-31

“Consequently, whilst this trading environment remains very volatile the Board now expects underlying profit before tax for the full year to 31 December 2026 to be not less than £135m.”

The Board of Clarkson PLC · Trading Statement, 6 October 2026

Recent floors have been met, not smashed

Clarkson's guidance record lends weight to the £135m floor. In January 2025 it said 2024 underlying pre-tax profit would be not less than £115m, and the outturn was £115m. For 2025 it cut guidance in May to £85m to £95m, then said in January 2026 it expected at least £90m, and reported £90.6m. Floors have been delivered, usually close to the floor. That supports treating £135m as a solid minimum, and argues against reading "not less than" as a sign of large hidden upside.

The May 2025 cut is the other half of the record. Within weeks of the March 2025 results, US dollar spot negotiations in broking were running 7% below what had been expected, and guidance came down. Visibility in this business rarely stretches far beyond the current year, and the Board's warning that conditions remain very volatile applies in both directions.

The forward order book is the best available guide to 2027. It stood at \$244m at end-2025, up from \$231m, and has since grown, though no number or delivery dates were given today. Clarkson issued pre-close updates in January in both 2025 and 2026, and full-year results are provisionally expected around 8 March 2027. Those are the points at which the 2026 outturn and the size of the book carrying into 2027 should become clear. The full-year results will also be the first under the new chief financial officer, Niamh Staunton, who joins from BP to succeed Jeff Woyda.

FIGURE	VALUE	CHANGE
FY26 underlying pre-tax profit guidance FY2026	not less than £135m	
FY25 guidance after May 2025 cut FY2025	£85m to £95m	

FIGURE	VALUE	CHANGE
Spot broking negotiations versus plan YTD to May 2025	7% lower	 -7%
Forward order book 31 Dec 2025	\$244m	 +5.6% from \$231m
Next results expected FY2026	8 Mar 2027	

Sources: Trading Statement RNS, 6 Oct 2026; Trading update, 1 May 2025; Preliminary results, 9 Mar 2026; Ticker research database (low confidence)

Cheap on 2026, ordinary on a normal year

Market capitalisation, 6 Oct 2026

£1.56bn

Director sale (Jeff Woyda), 14 May 2026

**60,000 shares at
4,778p**

Director purchase (Constantin Cotzias),
17 Jun 2026

**1,127 shares at
4,412p**

At 5,045p on 6 October, Clarkson's 31 million shares give a market value of £1.56bn. It equals 11.6 times the new minimum underlying pre-tax profit. Because that is a pre-tax multiple, the equivalent earnings multiple after tax is higher. On 2026 alone it does not look demanding for a business with net cash and a long record of dividend growth.

The multiple rests on how much of 2026 survives. If profit fell back to 2025's £90.6m, the same market value would be about 17 times pre-tax profit, which offers far less cushion. The valuation debate therefore reduces to a judgement about how much of this year's disruption premium is permanent, a question the announcement cannot settle.

Positioning is unremarkable. Eight disclosed short positions total 2.19% of the shares as of 24 September. On the insider side, the outgoing chief financial officer sold 81,813 shares in May at around 4,780p, after his retirement had been announced in September 2025, while independent director Constantin Cotzias bought 1,127 shares at 4,412p in June, his fifth purchase since May 2025.

FIGURE	VALUE	CHANGE
Shares in issue 1 Oct 2026	30,960,880	
Disclosed short positions latest 24 Sep 2026	2.19%	

Sources: Total Voting Rights RNS, 1 Oct 2026; Disclosed short positions; Market data, 6 Oct 2026; Director/PDMR Shareholding RNS, 15 May 2026; Director/PDMR Shareholding RNS, 18 Jun 2026

The shares went sideways into the upgrade

52-week high

5,485p

52-week low

3,365p

Day range, 6 Oct 2026

5,015p to 5,090p

The big repricing came in the summer. The shares reached their 52-week high of 5,485p on 3 August, the day of the interim results, and rose about 12.9% over three months. They then drifted, losing about 1%

over the month before today's statement. At 5,045p on 6 October they sat roughly 8% below that high, though well above the 52-week low of 3,365p and barely changed since the start of the year.

The longer trend is still up, with the price above its main moving averages and the 50-day average above the 200-day since November 2025. Momentum has faded, though. On 24 September the price set a higher high at 5,220p while the relative strength index, a gauge of buying momentum, made a lower high, a pattern that often precedes a pause. Volume was thin into the announcement, at about half the 20-day average on the latest session, which suggests a further upgrade was at least partly expected.

Two levels frame the chart. Support around 4,792p has held on eleven occasions, most recently on 16 September, and an unfilled price gap from 3 August lies between 4,732p and 4,934p. Resistance sits at 5,190p. A close above 5,190p on strong volume would extend the summer move, while a decisive break below 4,792p would confirm the momentum warning.

TO 6 OCT 2026	VALUE	CHANGE
Year-to-date performance		+0.4%

Sources: Market data, 6 Oct 2026

The case for and against

FOR

The case for starts with a profit floor Clarkson has every chance of clearing. August and September were very strong, the order book has grown and recent guidance has been met. A balance sheet with £179m of net cash at June and a dividend that has grown for 23 years cushions the downside, and 11.6 times pre-tax profit is not a stretching price for a market leader. The bull case then argues that disruption around the Gulf and the Red Sea may persist into 2027 without choking cargo flows, that cash-rich shipowners will keep the Financial division busy with deals and fleet financing, and that the acquired technology and research businesses add recurring income. On that reading, 2026 is closer to a new base than a one-off.

AGAINST

Against that, Broking remains a commission on freight rates and vessel values, and the Board itself attributes the upgrade to geopolitical complexity in a very volatile market, with record rates only in some areas. If routes normalise, voyages shorten, more vessels become available and the freight premium shrinks. If disruption becomes severe enough to cut cargo volumes, activity suffers by a different route. The backdrop for shipping finance is also less friendly, with Brent at \$102.25 on 2 October and the 10-year gilt yield at 5.75%. Earnings quality is unproven: 2025 cash conversion was weak, free cash resources fell in the first half, underlying profit runs above statutory, and no cash figures came with today's upgrade. The new technology businesses cost £56.5m in a £1.56bn group, too small to change the cyclical character of the whole.

WHAT TO WATCH

The evidence that will separate the two readings is specific. The January pre-close update and the full-year results, provisionally due on 8 March 2027, should show the 2026 outturn against £135m and, more importantly, the forward order book against \$244m at end-2025, ideally with delivery timing into 2027. Operating cash flow at least matching after-tax profit, and a narrower gap between underlying and statutory profit, would support the stronger reading. Lasting route normalisation through Hormuz and the Red Sea, falling tanker rates, or rising receivables and credit provisions would support the weaker one. On the chart, 5,190p and 4,792p mark the levels either way.

Risks

- ⚠ Route normalisation in the Strait of Hormuz or the Red Sea would release vessel capacity and cut the freight-rate premium that drove Broking's outperformance in August and September.
 - ⚠ Disruption severe enough to reduce cargo flows would weaken broking activity even if rates stay high.
 - ⚠ Higher energy prices, rising gilt yields and inflation could tighten shipping finance and slow the Financial division's deal flow.
 - ⚠ Profit recognised in the second half may be slower to turn into cash, a concern given 2025 operating cash flow of £64.4m against £70.3m of after-tax profit and the lack of cash figures in today's statement.
 - ⚠ Counterparty failure is a stated principal risk, and volatile freight and asset prices raise the chance that some fees prove hard to collect.
 - ⚠ Revenue is mainly in US dollars while most costs are in sterling, so a stronger pound would reduce reported profit.
 - ⚠ The finance function is changing hands, with a new chief financial officer arriving from BP as the outgoing one retires after 19 years.
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THE OTHER VIEW

The strongest alternative reading treats 2026 as a cyclical peak that the headline multiple flatters. On this view, the £135m floor is a windfall from conflict, and a low multiple of peak profit is the classic pattern in commission businesses before earnings fall. The 2025 numbers show how quickly the business can soften: spot negotiations ran 7% below plan within weeks in spring 2025 and full-year profit fell to £90.6m from £115m, on which the current market value would be 17 times pre-tax profit. The supporting evidence is circumstantial but consistent. Momentum faded into the announcement, volume was thin, cash conversion weakened last year, deployable cash fell by about a third in six months, and the enlarged order book comes with no number. The counter-argument is equally concrete. Guidance floors have been met, net cash stood at £179m in June, the outgoing finance chief's share sale followed a retirement announced a year earlier while an independent director kept buying, and there is no disclosed data showing commissions collapsing or clients defaulting. A fall from 2026's level is plausible; a fall to the extremes the peak-cycle reading implies is an assertion the accounts do not yet support.

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