Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)
(Stock Code: 2343)

Press Release

Pacific Basin Announces 2024 Annual Results

Stable financial results with a net profit of US$131.7m in an unusually flat freight market

Final dividend of HK5.1 cents per share for a 50% payout of distributable profit for the full year

Debt free on a net basis with available committed liquidity of US$547.6m

Good progress made in delivering on the Company's strategy and priorities

Hong Kong, 28 February 2025 – Pacific Basin Shipping Limited ("Pacific Basin" or the "Company", 2343.HK), one of the world's leading dry bulk shipping companies, today announced the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2024.

Stable Financial Results

Mr. Martin Fruergaard, CEO of Pacific Basin, said:

"In 2024, we generated an underlying profit of US$114.1 million, a net profit of US$131.7 million and EBITDA of US$333.4 million, yielding a return on equity of 7% and basic EPS of HK19.9 cents.

The seasonal ups and downs that typically characterise the dry bulk market were largely flattened out by geopolitical and climate-related events, making it challenging to capture the full value of the market.

Our large **core business** generated a contribution of US$178.4 million before overheads. Our average Handysize and Supramax daily TCE earnings outperformed average Handysize (BHSI 38k dwt tonnage-adjusted) and Supramax (BSI 58k dwt) indices by US$1,720 per day and US$710 per day respectively, illustrating the challenges we had in 2024 to optimally position our Supramax fleet and maintain a high Supramax outperformance.

Financial Highlights

US$ Million	Year Ended 31 December 2024	2023
Revenue	**2,581.6**	2,296.6
EBITDA #	**333.4**	347.2
Underlying Profit	**114.1**	119.2
Profit Attributable to Shareholders	**131.7**	109.4
Basic Earnings per share *(HK cents)*	**19.9**	16.5
Full Year Dividends per share *(HK cents)*	**9.2**	12.2

\# *EBITDA (earnings before interest, tax, depreciation and amortisation) is gross profit less indirect general and administrative overheads, excluding: depreciation and amortisation; exchange differences; share-based compensation and unrealised derivative income and expenses*

Our **operating activity** contributed US$17.4 million before overheads, generating a margin of US$630 per day over 27,610 operating days, with Supramax particularly undermined by the impact of geopolitical events on the freight market. Our operating activity continued to grow with operating days increasing 18% year on year.

Our overheads and vessel operating expenses remain well controlled and sector leading – and are back to pre-Covid levels. Reducing our debt and utilising interest rate swaps to limit our exposure to variable interest rate debt has helped us to mitigate increases in finance costs in a higher interest rate environment.

We are alert and prepared for geopolitical uncertainties and dry bulk market challenges in 2025, we remain positive overall about our sector's fundamentals in the longer term, we continue to generate a healthy cash flow and remain financially strong, and we can be proud of the good progress we have been making in delivering on our strategy and priorities."

Delivering Sound Shareholder Value

Mr. Martin Fruergaard continued:

"In view of our sound cash generation, the Board recommends a final dividend of HK5.1 cents per share which, combined with the HK4.1 cents per share interim dividend distributed in August 2024, represents 50% of our net profit for the full year excluding vessel disposal gains, which is in line with our dividend policy.

In April 2024, we announced a share buyback programme which we completed in December 2024 following our repurchase and cancellation of 138 million shares over seven months for an aggregate consideration of about US$40 million. Through dividends and the share buyback programme, we have committed to distribute an aggregate amount of about US$101 million in value to our shareholders for 2024, equivalent to about 83% of our 2024 net profit, excluding vessel disposal gains.

In view of the continued share discount to the market value of our assets, the Board has approved a new share buyback programme of up to US$40 million in 2025.

Investing in our Future Fleet

In November 2024, we contracted for four dual-fuel Ultramax newbuilding low-emission vessels (LEVs) that are expected to deliver in 2028 and 2029 and will be able to operate on green methanol as well as sustainable biodiesel and conventional fuel oil, offering the fuel flexibility to comply, optimise and compete in what will be an increasingly challenging regulatory environment and market. They are also of the most fuel-efficient design, which will be a critical benefit given the higher fuel costs ahead.

With this newbuilding order, we are also enhancing growth optionality for Pacific Basin, enabling fleet renewal and growth through additional LEV newbuilding orders and/or long-term charters of newbuildings with purchase options, and/or acquiring high-quality modern second-hand vessels, while selling older and less efficient vessels.

Our Fleet

As at 31 December 2024	Vessels in operation Owned	Long-term Chartered	Short-term Chartered[1]	Total	Total Capacity (Million DWT) Owned	Average Age Owned
Handysize	60	13	54	127	2.1	14
Supramax/ Ultramax[2]	51	4	94	149	3.0	13
Capesize[3]	1	-	-	1	0.1	14
Total	112	17	148	277	5.2	13

1 Average number of short-term and index-linked vessels operated in December 2024
2 Supramax vessels in excess of 60,000 dwt are generally referred to as Ultramaxes
3 The Company owns one Capsize vessel which is chartered out on a long-term bareboat charter

Shipping Market Volatility Expected to Return in 2025

Oceanbolt data shows global seaborne tonne-mile trade in dry bulk commodities grew by approximately 6% year on year in 2024, supported by robust Chinese demand for iron ore, coal and minor bulks, as well as global demand for Chinese steel. China sourcing from further distances, coupled with disruptions in the Panama and Suez canals, also contributed to the increase in overall tonne-mile demand. Global minor bulk demand increased by about 9% in 2024, supported most notably by robust Chinese imports of bauxite and forest products, as well as Chinese exports of steel products.

Global dry bulk net fleet growth remained steady at 3% in 2024. Net fleet growth in the minor bulk vessel segments accelerated to 4.1%, driven by an 18% increase year on year in Handysize and Supramax newbuilding deliveries, whereas Capesize and Panamax deliveries decreased. Scrapping of the total dry bulk fleet decreased by almost a third year on year on the back of improved and steady freight rates, with deletions (mainly in the Supramax and Panamax segments) totalling only 3.8 million dwt or 0.4% of the existing global dry bulk fleet.

Global economic growth is expected to remain at a stable yet underwhelming 3.3% in 2025 and 2026 amid divergent growth paths and elevated policy uncertainty, according to the International Monetary Fund. Inflation, interest rates and tariffs are also all likely to continue to undermine dry bulk trade growth, which Clarkson's forecasts at 1.3% for the year. The geopolitical turbulence of last year will continue in 2025, amplified by the uncertainty of what may come out of the new US administration. But while more tariffs and protectionist policies may undermine trade, unforeseen shocks, disruption and other changes in the geopolitical landscape can equally support tonne-mile demand for shipping. We expect to see some volatility return to the dry bulk shipping market in 2025.

We are prepared for the unexpected, are watching closely for evolving geopolitical and shipping market developments, and will leverage the agility of our business model to react accordingly. We will continue to take a disciplined approach to our fleet renewal investments and disposals, and hope that increased volatility in 2025 will create opportunities for us to invest in our business.

In the longer term, we remain positive about our dry bulk sector due to a steady demand outlook for dry bulk commodities, the age profile of the global Handysize/Supramax fleet, the increasing pressure (and cost) of decarbonisation regulations on conventionally-fuelled vessels and the tight availability of newbuilding shipyard capacity.

Strategic Priorities for 2025

We wish to continue to renew and grow our owned fleet in a disciplined way that prepares us for a low-carbon future. Turbulent global developments will likely drive volatility in our market and, in turn, present opportunities for us to grow through the disciplined acquisition of high-quality modern second-hand vessels, while also selling older and less efficient vessels. We intend also to renew our fleet through additional LEV newbuilding orders and/or long-term charters of newbuildings with purchase options. We are also continuously looking for accretive M&A opportunities where the strategic and cultural fit is compelling. The growth optionality we enjoy is a valuable advantage.

Other strategic priorities in 2025 are to increase our focus on fuel procurement including developing our priority access to green fuels (green methanol and sustainable biodiesel), to accelerate our optimisation drive, and to enhance our performance management approach and culture.

Through these strategic priorities, we will strive to enhance our platform for sustainable growth and delivery of attractive and market-leading total shareholder returns.

We are alert and prepared for uncertainties, challenges and opportunities in 2025. Fortunately, we remain financially strong and can weather periods of uncertainty and lower earnings while still making disciplined counter-cyclical investments that will underpin our growth and competitiveness for many years to come."

For further details, please see our 2024 Annual Results Announcement in the Investor section of our website at www.pacificbasin.com. Our full 2024 Annual Report will be published on or around 14 March 2025.

About Pacific Basin

Pacific Basin Shipping Limited (www.pacificbasin.com) is one of the world's leading owners and operators of modern Handysize and Supramax dry bulk vessels. Enhanced by a world class in-house fleet management team, the Company is committed to sustainable shipping with a keen focus on seafarer safety, health and wellbeing, responsible environmental practice, performance optimisation for best fuel and carbon efficiency, and best-in-class service delivery. The Company operates approximately 277 dry bulk ships of which 112 are owned and the rest chartered. Pacific Basin is listed and headquartered in Hong Kong and provides quality services to over 600 customers, with over 4,600 seafarers and about 400 shore-based staff in 14 offices in key locations around the world.

For further information, please contact:

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Consolidated Income Statement

	For the year ended 31 December	
	2024	2023
	US$'000	US$'000
Revenue	**2,581,552**	2,296,622
Cost of services	**(2,446,312)**	(2,165,671)
Gross profit	**135,240**	130,951
Indirect general and administrative overheads	**(6,009)**	(6,745)
Other income and gains	**13,763**	10,846
Other expenses	**(803)**	(17,489)
Finance income	**13,693**	14,187
Finance costs	**(23,503)**	(22,650)
Profit before taxation	**132,381**	109,100
Tax (charges)/credits	**(684)**	279
Profit attributable to shareholders	**131,697**	109,379
Earnings per share for profit attributable to shareholders (in US cents)		
Basic earnings per share	**2.54**	2.10
Diluted earnings per share	**2.47**	2.05

Consolidated Balance Sheet

	As at 31 December	
	2024 US$'000	2023 US$'000
ASSETS		
Non-current assets		
Property, plant and equipment	**1,698,666**	1,796,678
Right-of-use assets	**80,060**	63,190
Goodwill	**25,256**	25,256
Derivative assets	**1,995**	3,831
Trade and other receivables	**42,250**	4,292
Restricted cash	**-**	54
	1,848,227	1,893,301
Current assets		
Inventories	**126,391**	134,729
Derivative assets	**2,281**	2,043
Trade and other receivables	**155,017**	140,044
Cash and deposits	**282,037**	261,399
Tax recoverable	**82**	946
	565,808	539,161
Total assets	**2,414,035**	2,432,462
EQUITY		
Capital and reserves attributable to shareholders		
Share capital	**50,710**	52,638
Retained profits	**662,986**	597,075
Other reserves	**1,112,948**	1,148,216
Total equity	**1,826,644**	1,797,929
LIABILITIES		
Non-current liabilities		
Borrowings	**185,776**	254,139
Lease liabilities	**52,149**	26,603
Derivative liabilities	**499**	791
	238,424	281,533
Current liabilities		
Borrowings	**76,542**	46,261
Lease liabilities	**29,891**	39,249
Derivative liabilities	**3,014**	6,559
Trade and other payables	**239,520**	260,931
	348,967	353,000
Total liabilities	**587,391**	634,533

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