Director and chairman buy shares after profit warning

Constantin Cotzias has become the second Clarksons board member to buy shares in the company as the price dropped following a profit warning.

A filing reveals the non-executive director, who is a Bloomberg executive, acquired 1,299 shares on 1 May at £29.86 each, for a total outlay of £39,000 ($52,000).

The stock was up nearly 3% in London on Friday at £30.08 after a 10% drop the day before.

The shares had closed at £32.85 on Wednesday, the day before the shipbroker revealed a potential drop in 2025 earnings due to trade wars and a fall in the US dollar.

Cotzias was appointed in August last year.

TradeWinds has no record of any other share purchases by the director.

Chairman Laurence Hollingworth bought 6,000 shares at £29.65 each on Thursday.

Speaking at the annual general meeting, he said that US dollar spot negotiations in broking are running 7% below expectations so far this year.

There has also been a decline in the value of the US dollar against most currencies, it noted.

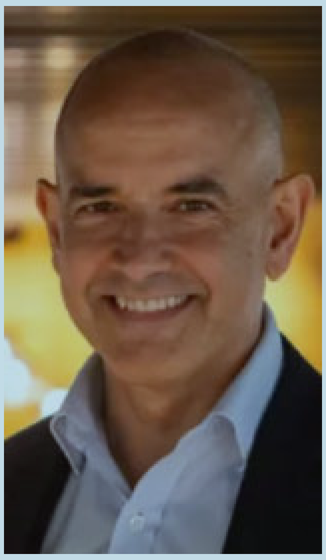
The London-based shop earns most of its broking revenue in dollars.

It said that if exchange rates remain at current levels to the end of 2025, the average for the year would be $1.32 to one British pound.

Profits would be reduced by £9.5m, compared with the board's previous expectations.

Cotzias serves as Bloomberg's European director and global head of external affairs, and also chairs Bloomberg Tradebook.

He is also a director of the Mayor of London's business advisory board.



CONSTANTIN COTZIAS: Clarksons director
Photo: Clarksons

ANDI CASE: Clarksons CEO
Photo: Clarksons

Case banks $16m despite shareholder showdown

Clarksons says engagement on thorny issue of executive rewards will continue

Gary Dixon
London

Shipbroker Clarksons has survived its latest annual showdown, with some shareholders unhappy at the level of pay awarded to boss Andi Case and finance and operations chief Jeff Woyda.

The London-listed company said the remuneration report received backing from 52.67% of the votes, down from 57% last year, at its annual general meeting in London last week.

This is the second-closest result on the issue, following a narrow 51% victory in 2019.

Remuneration committee chairman Tim Miller was re-elected with only 61% of the votes, down 1% from last year, while chairman Laurence Hollingworth received 80%, up from 78%.

Most other agenda items gained near-unanimous approval.

The debate centres on chief executive Case and second-in-command Woyda being paid big bonuses for their dual roles. Case is a major fee-earning broker as well as the chief executive.

Last month, London investment fund Lindsell Train emerged as Clarksons' second-biggest shareholder with a 5.08% stake.

Clarksons said it noted the votes on pay and Miller's re-election.

"We appreciate the support from most of our shareholders and will continue our engagement over the year ahead," it added.

Miller himself said: "The management team has delivered another highly successful year."

He noted record earnings and an increased dividend for the 22nd consecutive year.

"2024's performance has been driven by two decades of strategic investment in people, technology and data together with corporate acquisitions to broaden our product, sector and global offer," the director said.

"Andi Case is the company's leading star broker, and our executive pay arrangements are consistent with other leading executives in the shipbroking market. It is essential that we retain and attract the best colleagues and leaders in a highly competitive market."

Case was rewarded for another record year with a rise in his total pay to £12.56m ($16.28m).

He received a salary of £550,000 and a bonus of £11.1m.

The world's biggest shipbroker said Case has direct responsibility for a significant proportion of the company's revenue.

Woyda received pay of £350,000 and a bonus of £2.9m last year.

Case took home £12.3m in 2023. Woyda's total was £3.9m.

The top two's basic pay has remained unchanged since 2008 in the CEO's case, and since 2015 for Woyda.

In March, Clarksons posted a profit record following a strong finish to 2024.

Underlying earnings were £115.3m ($148m), beating the £109.2m achieved in 2023.

Miller added that company outperformance was shown through the continued delivery of superior total shareholder returns of 177% over 10 years, against the FTSE 250 average of 68%.

"We understand that our pay arrangements have not accorded with standard FTSE 250 practice for many years, and we were pleased to see the leading shareholder bodies update their guidance in the year to recognise the need for companies to pay competitively," he said in the annual report in March.

"At Clarksons, our pay arrangements are embedded across the company as a whole and, consistent with all forms of brokerage businesses, include a substantial component of annual bonus, linked to individual contribution to overall profitability."

The pay of the executive directors reflects these norms, he added.

But Miller noted that this is balanced through the "very significant" shareholdings that Case and Woyda have built up over many years.

"In the view of the committee, this has been instrumental in delivering outstanding shareholder value, and incentivising and retaining our highly effective and long-serving executive directors," he said.

The vote means the broker will remain on the Investment Association's "list of shame", where a vote of more than 20% against management wins a company the dubious honour of inclusion.

The trade body and industry voice for UK investment managers maintains this public register following a request by the government to highlight shareholder unease.

The Investment Association does not comment on individual cases.

But it says in its guidelines that following a big vote against, companies should explain what actions they intend to take to consult shareholders — and then publish an update on views received and actions taken within six months.

Arrow broker-less in Miami as pair jump shop to Mid-Ship

New hires will help firm expand its business

Holly Birkett
London

American shipbroker Mid-Ship Group has hired two brokers from Arrow Shipping & Energy in the US as its expansion plans gather momentum.

Nevada Burchardt and Doug Donnellan have resigned.

Burchardt will join Mid-Ship's existing three-strong team in Miami, which is led by Jeremy Flores, one of the group's eight international partners. Donnellan will remain in Seattle.

Flores told TradeWinds: "Their way of broking and their commitment to customer satisfaction is key to what we want at Mid-Ship."

Both are experienced in the handysize and supramax segments, and Donnellan has covered panamaxes.

They will also support Mid-Ship's parcelling and mining services.

Arrow CEO Jeremy Palin confirmed the departures, alongside that of a trainee, who is understood to have left to join a principal.

They leave Arrow's Miami office ostensibly staffless.

Flores said Miami is a good base for covering US markets and a stepping stone to South America.

MID-SHIP: The company is looking to expand its Miami office Photo: Mid-Ship

The plan is for Burchardt to create new opportunities for Mid-Ship as vice president of business development in North America.

Flores said: "Nevada can create new business for us. He did some very creative deals when he was a shipowner."

Burchardt has experience in logistics, particularly mine-to-barge services for US customers, and has spent time at MUR Shipping and Western Bulk Chartering.

Donnellan will stay on the US West Coast and open a new office in Seattle, focusing on time-charter and voyage business within the Pacific.

Flores said Donnellan has good connections with cargo clients in the region, as well as with owners and operators in the Pacific and Far East.

He worked for brokers Ifchor Galbraiths and OceanLand Global before joining Arrow last year.

GROWTH PLAN

"Our growth cycle is not done yet," Flores said, adding that Mid-Ship aims to expand further in Miami but sees a shortage of available talent.

Brokers and trainable newbies are not always easy to find, he said.

Chartering broker Lilian Lucero Cardenas joined Mid-Ship's Miami office in early January.

The group also wants to add more brokers and possibly operations staff in Seattle.

Mid-Ship partner Robert Heath, a third-generation shipbroker, said: "We want that growth to continue also outside of the US, if we see something strategic that complements our existing business."

The group was founded in New York in 1974 by shipbroker and ex-marine Matthew DeLuca Jr, who passed away last year aged 86, a few months after the company's 50th anniversary celebrations.

Mid-Ship added four partners to the business in July 2023, including Flores and Heath.

The firm is headquartered in New York and has offices in Miami and Pittsburgh; Belo Horizonte in Brazil; Genoa; Seoul; Cartagena in Colombia; Sydney; Istanbul and Dubai.