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The Case-Study of an International Service Maritime Company Managed by a Board (2025)

Alexandros M. Goulielmos[1,2]

[1]Department of Maritime Studies, Faculty of Maritime & Industrial Studies, University of Piraeus, Piraeus, Greece
[2]Business College of Athens, Athens, Greece
Email: am.goulielmos@hotmail.com

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Abstract

We showed the performance of an international—based in UK—maritime Service Company, named "Clarkson PLC", which is alleged to help, for a fee, its clients—and shipowners—in making *smarter* decisions. Company's strategies are designed so that the company can be more globally present, to deepen its relationships, and to offer services, underpinned by *research,* enabled by *technology* and implemented by the *best people*. The company has 4 divisions: Broking, Finance, Support, and Research. It employed about 2299 employees in 25 countries in 68 offices. In early 2025, the company achieved ~£631m revenue and £78m «operating» profit (i.e. ~12%). Deducting: the 'cost of sales' (~£39m), the 'administrative expenses' (~£514m) (81.5%) and taxation (~£20m), we arrive at its «profit» of ~£58m (~9% on revenue). The high % of the administrative expenses of the company led us to analyze this case deeper, where we found that the company was *rigid* i.e. non *adaptive*, due to its *irreducible fixed cost*. The company reduced its yearly expenses by suspending its payable bonuses (~£12m) in 2025. We proposed a "new organizing" and a "new division" so that the company can increase its profitability in future, now that the "Hormuz Strait" is also going to open.

Keywords

The Economic Performance of Clarkson PLC, The Performance of Each of Its 4 Divisions, A New Division Proposed, Suggestions to a "Rigid" Company—Non Adaptive and Incapable to Reduce Its Fixed Cost, Company's Reorganizing Suggested

1. Introduction

The case-study company—CS Co thereafter—aimed at achieving an increasing global presence—meaning to expand further what it was doing so far, i.e. *to sell mainly broking services*—and at the same time to attain a greater depth in its global relationships and to attract more clients selling to them its services.

The CS Co specialized heavily in "broking", as mentioned, by obtaining 75% of its Revenue from it. Moreover, it has been argued, that the company is supported by *research*, enabled by *technology* and implemented by the *best worldwide staff*: a triptych of success, we believe.

Before we proceed, we will present: (a) the world position of the Greek-owned shipping, (b) the effect of the closure of the "Hormuz strait" on the Brent oil price, (c) the "Hellenic Maritime international exhibition of Poseidonia in Athens" and (d) certain other maritime issues.

(a) The world position of the Greek-owned shipping

Greeks, by May 2026, owned ~19% of the world fleet (in dwt and *for* >1000 *GT vessels*), by owning 5798 units. This means also 61% of the EU's fleet. Moreover, 2 types of Greek ships dominate: the tankers, 1064 units, and the dry cargo ships, 2766 units (66% of total fleet in numbers). More important than the existing fleet, is the 725 ships ordered by Greeks, of a total value of 70m dwt (of 96,552 dwt average size, indicating "economies of scale").

Table 1 indicates the 3 pioneer Greek shipowners that have ordered vessels.

Table 1. The 3 pioneer Greek shipowners ordering vessels, 2025 May.

Shipowner/ Ship-manager	Order	Yard	Remarks
"Navios Maritime"—Mrs. Angeliki Frangou	4 + 4 = 8 VLCCs 319,000 dwt each; $120m each; 2.55m dwt total	Wuhu (Nantong), China	Scrubber-fitted; to be delivered: 2028
"Minerva"—And. Martinos	3 of 113,000 dwt tankers, 339,000 dwt total	Hengli SB, Dalian, China	Scrubber-fitted; to be delivered: 2028-2029
"Eurodry"—A Pittas	2 Kamsarmax, 82,000 dwt each; $37m each; 164,000 dwt total	Hengli SB, Dalian, China	To be delivered: 2029
Total	=3,055,000 dwt		

Source: "Naftika Chronica", May, 2026.

More important than the number of ships on order, and their dwt, is naturally their value: this was equal to ~$40b. Second worth noting is the value of the existing fleet of the Greek tankers, valued at ~$66b[1] out of $167b for the 1st 5 global top nations (i.e. ~40% owned by Greeks).

Worth noting is the fact that the banks financed Greeks with about $60b and provided almost the 60% financing for their new-buildings and for their 2nd hand acquisitions. Greeks ordered in 2026 139 VLCCs, 100 Suezmax tankers and 46 Aframax (=285), *believing in a better future for oil*.

(b) Greeks organized once again, in 01/06/2026, in Athens, the international exhibition[2], lasting one week, named "Poseidonia". This is, however, mis-

[1]Followed by China with ~40b$; China ordered ships worth ~15b$.

[2]2227 exhibitors, from 83 nations, to make deals of more than 100m Euro, were expected.

named, we reckon, named after Poseidon. A more proper name for this exhibition it should be "Odyssey", we believe, so that to honor King Odysseus, someone who existed, and was, at the same time, a Captain, a shipbuilder and a shipowner, coming from the present Ionian island of "Lefkas" (meaning white), not well known worldwide as the ancient Ithaca...

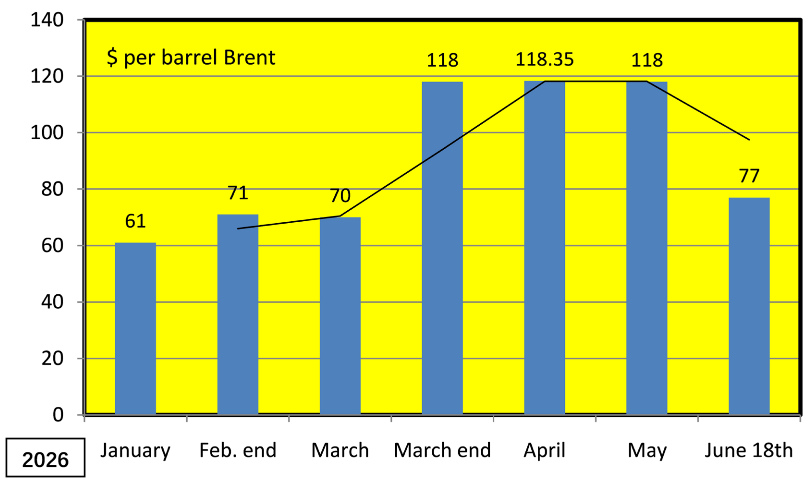
(c) Various maritime issues concerning Greek shipowners

(1) Greeks examine, moreover, the possibility to install small "nuclear energy reactors" on board. The decarbonization of shipping is also a current open issue at IMO (within the "EU ETS" & "FuelEU Maritime" ones). Moreover, Greeks pioneered worldwide by adopting the "technologies of economizing energy" (EST) (52% of their ships > 1000 gt, 2026 Jan.), followed by "eco modern engines" and "so_x scrubbers" as shown in **Table 1** above.

(2) Greeks dislike the peripheral (regional) maritime measures, i.e. those taken by a nation or a number of nations, outside IMO.

(3) Moreover, Greece improved its position by owning an increased number of containerships, chemical tankers, LNGs & LPGs. Greeks, as they used to do, they sold their older/smaller vessels, which happened to have also higher prices collecting more than 1b$.

(a) The opening of the "Hormuz Strait" will, no doubt, boost the Supply of oil and gas, and lower their prices, and will compensate the owners of tankers and gas carriers, who anticipated this outcome by ordering tankers and gas carriers. The effect of the closure of the Hormuz strait on oil price is shown below (**Diagram 1**).



Source: "Kathimerini" journal, 21 June 2026.

Diagram 1. The price of Crude oil (Brent), 2026 ($ per barrel).

As shown in **Diagram 1**, during the 2nd Jan. 2026, the price of Brent oil reached ~$61 per barrel; in 28th Feb., Iran and USA started hostilities, and the Hormuz strait closed-up, while the price of oil increased by $10 to reach the $71 mark. In March, the price of oil increased gradually from 70$ to ~$118 (31st March). Following a temporary fall to $90, the price re-increased to $118. Then it fell to $100 and $92, while in 18th June it fell to $77, when an intermediate agreement signed in 17th June 2026 between Iran and USA. The above development, however, is threatened to end if Iran and Oman are going to demand tolls from the vessels passing through the Ormuz strait.

2. The Purpose of This Work

This is to examine the economic performance of an international public company servicing shipowners, listed in LSE, managed by a board of Directors in the name of "Clarkson PLC". This has been done exclusively by studying-out critically its 2025 Annual Report[3] (Clarkson PLC, 2026) sent to us.

3. The Structure of This Work

This work is carried-out in 9 parts, after a literature review, as follows: Part I, dealt with the Revenue & Profit of the CS Co (2021-2025); Part II, dealt with the Review of the CS Co's *Revenue & Profit from each division* (2025); Part III, dealt with CS Co's future, provided it created a "ship-owning/ship-management" division or department; Part IV, dealt with the issue whether a company has to maximize its Revenue and/or its Profit; Part V, dealt with the importance of Expenses vis-à-vis Profitability in business; Part VI, dealt with the need to re-organize the CS Co; Part VII, dealt with the "bonus policy" of the CS Co; Part VIII, dealt with the role of the Board of company's directors; Part IX, dealt with an interview from two Greek giant shipowners. Finally, we concluded.

4. Literature Review

Lorange (2009: p. 43) argued that "Marsoft"—M thereafter—is, by many considered "world leader" among the ship-freight-rate-forecasters. M provided a "future tanker market simulation". M—like the CS Co—sells "methods" for a better understanding of the shipping markets so that shipowners to make better—in & out & short & long-term—decisions (Lorange).

Can M predict markets' turning points (Lorange, 2009: p. 53)? If M can do this, it means that it can help not only shipping companies, but also the banks[4]. The banks thus could help when a shipping company comes to "risk management", and in particular to obtain a better estimate of a shipping client's likelihood of default.

M can help banks—as alleged—to develop also a relationship, in particular, with shipping companies, which had rather hard times. Potential losses then may be recovered, at least in part, through patience, cooperation and problem-solving (Lorange). In 2009, M issued a "new dry bulk base case"—assuming a long depressed period—like the one of 1981-1987.

[3]The report has 17 pages in double printing.

[4]The Greek and foreign banks, in 2024, financed the Greek-owned shipping with $53.5b, and in 2025 (May) with $60b.

In forecasting, one can find also, by 2025, 4 additional companies: (1) the "Jefferies & Co Inc." (est. 1966), (2) "China Ship Economy Research Center" (est. 1951), (3) "Drewry's" and (4) "Maritime Strategies International" (est. 1986).

5. Part I: The Revenue & Profit of the CS Co (2021-2025)

5.1. CS Co's Revenue

In the CS Co each employee contributed £274,641 in group's annual revenue, in early 2025 (Table 2).

Table 2. The Case-study company's Revenue in m£ (2021-2025).

2021	2022	2023	2024	2025
443.3m£	603.8	639.4	661.4	631.4
	+36.2%	+5.9%	+3.4%	**−4.75%**
				274,641£ per employee

Source: author; data from company's 2025 annual report; company's ~39% of its staff works in UK (23 offices); 11 offices operated in Pacific & Asia with 500 employees.

As shown in Table 2, only 2022 provided a substantial increase in revenue, while 2025 brought-in a reduction (~5%). The CS Co established 4 divisions, 3 of which used to bring-in a rather steady source of increasing revenue for a number of years, except for 2025 for broking. The revenue-bringing-in 3 divisions were: "Broking"[5], "Finance"[6] and Research[7].

5.2. The Revenue from the Broking Division

Broking destined to bring-in the lion's share in company's revenue (2021-2025). One wonders, at first sight, if this is wise, i.e. "to put all company's eggs in one large basket". "Broking & finance", in 2025, provided ~85% of company's revenue. Adding also the revenue collected by Research division (4.3%), we reach the ~89% mark. We identify, therefore, in this company, *a very high specialization.*

Thus the prime company's risk is for broking to become *less active* as time elapses. We may ask: has the CS Co imagined that one day—if not even today—the international shipowners will contact global shippers directly, and vice versa, and they will fix a charter without the need of a broker?

We will talk below about company's "satellite activity", meaning "company's

[5]This division helps its clients to negotiate the terms of a voyage, or of a time charter hire, or of a contract of affreightment; to contract newbuildings, to buy and sell 2nd hand vessels and to arrange scrapping; also to provide, par excellence, broking services.

[6]This division provides full investment banking services, project finance & bespoke asset finance solutions (in *shipping*, *offshore*, and *natural resources*). It helps in managing risk, arranging funding for transactions & in concluding deals.

[7]This division provides & sells data, offers analysis & intelligence, covering every aspect of shipping, trade, offshore, ports & shipyards. It uses information for a shipowner to be more effective. It provides digital offerings, data feeds, consultancy, valuations and market reports.

activity to make an *impact* on its community". We, personally, are against this kind of activity as being fruitless and against shareholders' interests, we believe.

It is clear that the CS Co will increase in future its specialization in broking, because this is one of company's 6 stated strategies[8] in 2025. This led also the company to spend £3.9m in 2025 to acquire the "Euro-America Shipping & Trade Inc.[9]" in March 2025, dealing also with broking. It also established further the "Shortsea broking".

5.3. CS Co's Revenue & Profit in a Closer Analysis

We believe that in business the profit % had to be much higher than the revenue %, so that a company to be efficient. This further means that the cost of providing "broking", "finance" and "research" services, had to have a *more effective control,* so that the company to achieve a better revenue/profit relationship. There is no point, we believe, to expand a division, if one has to increase faster its cost. In this last case, the company works for those who the expenses are their incomes, and not for its shareholders.

Of course both "Research" and "Finance" are activities that a better organizing of them can always bring-in a number of greater benefits, we believe. E.g. by avoiding the time-consuming small deals, one may improve results. Technology here can achieve miracles in providing faster loan agreements.

In research, one should buy-out smaller competitors, where as we have mentioned, there are few anyway. As shown, the revenue from research division per head was excellent. Finance division has also good prospects, especially among shipowners who were *excluded* by the large banks for various reasons, we believe, according to our empirical experience as bank financier. The spread may be increased when one finances smaller, but healthier, shipowners, rejected by the big banks. This means that in finance there are many niche markets, we believe, which the CS Company has to discover and serve.

We will insist next in our analysis of company's relationship between Revenue and Profit per division.

6. Part II: A Review of CS Co's Revenue & Profit from Each Division (2025)

As shown in **Table 3**, the CS Co derived its revenue, by majority, from Broking, in 2025, as mentioned. In 2025, the company reduced its revenue by 30m£ vis-à-vis 2024.

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[8]The CS Co, in Jan. 2026, acquired also the "Zuma Labs Ltd" for £7.5m. This is a, as alleged, leading, provider of FFAs, dealing also with the commodities market. We believe that the company will continue to acquire "related" companies.

[9]A Washington DC-based ship brokerage firm, specializing in freight contracts with US governmental agencies. The CS Co concentrated its attention also in Brazil for dry cargo & oil products, and for offshore *wind* projects in S America. A business COO added to company's staff. In broking, "digital tools, and expertise, and a digital empowerment team", established (the so called "Group of the chief technology officers").

Table 3. Revenue & profit from each division, the CS Co, 2025.

Division	Broking	Finance	Support	Research	Total
Revenue 2025	476m£	60.1	68.1	27.2	631.4m£
%	~75%	9.5%	11%	4.5%	=100%
Profit (*)	93.9m£	12.9	4.8	10.6	122.2m£
% (segmental operating)	~76%	11	4	9	=100
Employees	1543	125	459	172	2299 (**)
%	67	5.5	20	7.5	=100
Revenue per head	308,490£	480,000	148,366	158,139.5	274,641
Profit per head	60,855.5	103,200	10,457.5	61,628	53,153.5

Source: author; data from company's 2025 annual report. (*) The CS Co uses several definitions of Profit. The "trading profit" comes from revenue less the cost of sales; "operating profit" comes if administration expenses are deducted from the previous figure; "profit before tax" less tax equals the "profit for the year" £70.3m. for 2025. (**) In reading company's 2025 report we encountered at least 5 different numbers concerning company's total employees...

As shown, the CS Co derived its profit per head mainly from the finance division, as far as the contribution of each employee to profit is concerned. So, the company has to promote further this division and consider reducing that of Support, so that to improve its future profitability, which in 2025 has declined. We come now to see this Support division.

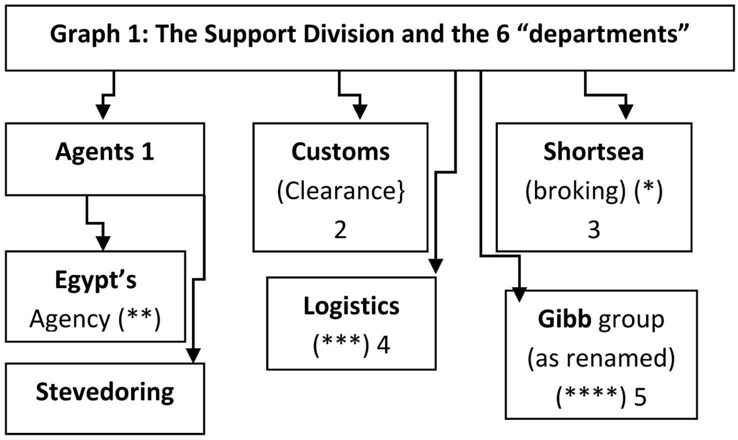
The "Support division"

The "Support division" in particular contributed *the smallest* revenue and profit. This division is made-up, in our opinion, by 5 "departments" (Graph 1) and two sections:

A portion of company's yearly profits—before taxation—could then be devoted to a number of maritime *scholarships,* in specialties needed by company's divisions on top of what is done so far. Private firms are not destined to perform community's obligations effectively, we believe. In this endeavor, the more you spend, the more is needed, and there is no end. Moreover, a number of vacancies may be filled-out by the company, out of the scholarships proposed. The impact of the scholarships and the subsequent employments will be greater, we believe, on the community, than the present impacts.

Moreover, the "support division", with its low performance, drove Company's overall one downwards and thus this is an additional reason to reconsider it. This usually happens when early, perhaps ambitious, but premature, projects, are called to out-perform *together* with the rest, and very experienced, grown-up already, divisions. In a family, to use a metaphor, not all children come up to their parents, or their elder brother, as far as their ability to bring-in profits is concerned.

Thus the "support" division, before it was promoted to a division, it had to be a "*project", managed by an independent daughter company, we believe*. To become a division within a mature Parent company, one has to pass a kind of examinations first.



Source: author.

(*) The "shortsea broking" should be transferred-over to the Broking division. (**) The "Egypt Agency" surely brought-in certain risk to the company as this area is explosive, depending on the activity of the Suez Canal[10], the volatility of the freight markets and the inflation in costs. (***) This "department" is interesting, but we do not have enough information about it. (****) As far as the "Clarkson Foundation" is concerned, our firm opinion is first that these similar endeavors have to be financed out of profits, and not out of company's expenses. This will perhaps motivate managers to create profit. Although, the company is proud for its, so called, 5 years "impact", we believe that the company *has to consider to abandon this activity altogether.* Thus the support division may specialize into only *3 departments:* Agents—Customs and Logistics.

Graph 1. The support division and the 6 "departments".

All "projects", we believe, have to be "watched" first out in daughter companies, before they are embodied to the Parent Company as equals. We saw this to happen in maritime affairs when well established companies offered full equality, to, as far as company's shares is concerned, rather ambitious projects, which eventually failed, and drove-down the Parent company as well.

Alternatively, the Support division could retain only the "agency" activities—which is a new service provided to company's clients, including stevedoring, but to rethink the "Egypt case" for stopping it. The provision of agency services normally is a profitable activity though under competitive pressure.

Company's teams in their "Support" activity in UK, have experienced several headwinds in 2025: slower dry bulk volumes, project delays and cancellations in offshore oil, gas and wind. The "Medical & Rescue business", ex Gibb, "delivered", should be also *stopped,* and the company to devote £4.3m to "Clarkson's Scholarships", as proposed.

[10]Minus 89% were the containerships, which passed the Canal in 2025, vis-à-vis 2023 in TEUs.

7. Part III: CS Co's Future by Creating a Proposed "Ship-Owning/Ship-Management" Division or Department

Our most important proposal so far for Clarkson PLC, we believe, is for the company to establish a "ship-owning-ship-management" modern division. For this, we believe that most of the required ingredients pre-exist: broking, finance, research, agencies etc. Only few have to be added, we believe.

"Economies of scope[11]" e.g. will work in favor of the proposed new division. Economies of scope exist, if the CS Co achieves savings as it increases the variety of its services. More explicitly: let the cost of the CS Co, *producing only* Q_1 units of broking services, being C_1, and let the cost of *producing only* Q_2 units of ship-management services, being C_2, then scope economies exist if: the total cost of broking + shipmanagement together is < than $C_1 + C_2$. This means that the CS Co achieved a lower total cost from its two divisions together, than its competitors, which produce each one of the services perhaps in a separate firm each. Firms usually apply also economies of scale by ordering or buying larger ships vis-à-vis those owned hitherto.

The crucial target is, for the company, by passing to the state of having a ship-management/ship-owning division, *to control carefully all costs that will emerge*. This new division will be also naturally a "client" of all other 4 divisions. The ships to be bought by the company—according to our experience—need not to be new-buildings, or younger than 5 years of age or older than 15 years. This division we believe can bring-in a profit of £60m p.a. for 250 employees and 30 vessels. This is an arbitrary estimation or illustrative scenario based on author's experience from a Greek-owned ship-management company.

Next, we will insist in suggesting an improvement in the relationship between Profit and Revenue, which we consider to be the weak point of the CS Co.

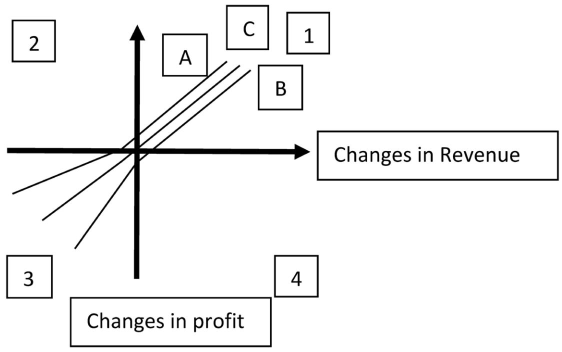
8. Part IV: Maximizing Revenue and/or Profit

We will use a methodology to analyze the profitability of the CS Co, due to Priesmeyer (1992: p. 104 and thereafter). In the vertical axis we will measure the changes in company's Profit, and in the horizontal axis we will measure company's changes in its Revenue, in a 4-quadrant Descartes "phase plane" (**Graph 2**).

We proposed this methodology because from our previous analysis we saw that the CS Co needs an immediate improvement in the "Revenue-Profit relationship" so that to derive a greater profit instead of an increasing loss.

If company's trajectories visit quadrants 1 and 2, means that the rate of change of net profit has *increased*. If they visit 3 and 4, it reflects a fall in net profit. Quadrants 1 and 4 reflect a rise in Revenue and quadrants 2 and 3 reflect a reduction in it. An oscillation between quadrants 1 and 3 is to be expected in practice.

[11]Achieving cost savings by increasing company's activities. This means that by producing a greater quantity of services (Besanko et al., 2017), we obtain a lower cost per activity vis-à-vis previously.



Source: author; inspired by Priesmeyer.

Graph 2. Changes in profit versus changes in revenue in a company's phase plane.

As Revenue increases at times, and declines at others, as the cyclical freight market does, *we have to expect some changes in company's "net profit margin"*—NPM. This reaction may be also buffered or accentuated. If e.g. a company is able to accommodate revenue's reduction by diminishing certain expenses, a *buffering* effect will be revealed by a trajectory like that on line A. A trajectory, like on line A, shows that the company can avoid a proportional *reduction* in its profit, *when its Revenue has declined.*

The CS Co had £53.3m less revenue in 2025, *but at the same time had* £22.8m less profit. Thus, it could not be on line A. This outcome indicates that when revenue declines, *profit declines in a much greater proportion. The CS Co has to know why this happened, and if possible, to prevent it so that the next years not to re-happen.*

Further, the CS Co proved to be non-*adaptive. This means a company which is suffering greater losses when its revenue declines, due to its fixed cost. This company has a "rigid" structure.* These two company's above weak points have to be rectified, we believe.

Table 4. Revenue & profit of the CS Company, 2024-2025, £m.

Division	2024m£ Revenue	2025	Change in 2025
Broking revenue	529.3	476.0	Less £53.3m
	122.6 profit	93.9	Less £28.7m
Finance	42.6	60.1	Plus £17.5m
	5.2	12.9	Plus £7.7m (excellent)
Support	65.0	68.1	Plus £3.1m
	7.7	4.8	Less £2.9m
Research	24.5	27.2	Plus £2.7m
	9.5	10.6	plus £1.1m (very good)
Results 2024-25			Less 30m£ in revenue; less 22.8m£ in segmental operating profit

Source: author; company's annual report, 2025.

As a result, the company is recommended to use its "retained earnings" of ~£395m (attributable to equity holders of the Parent Company) so that to face a rainy day, like that in 2025, and to examine which fixed expenses should be reduced, when revenue declines. In 2025 the company reduced easily, not its expenses, but its bonuses of £12m, so that to lower its reduction in revenue.

Table 4 indicates what happened in company's Revenue and Profit in 2024 and in 2025 per division.

As shown in Table 4, 2025 brought-in reductions in both company's Revenue and its segmental operating Profit.

Let us present the behavior of the profit of the CS Co between 2021 and 2025.

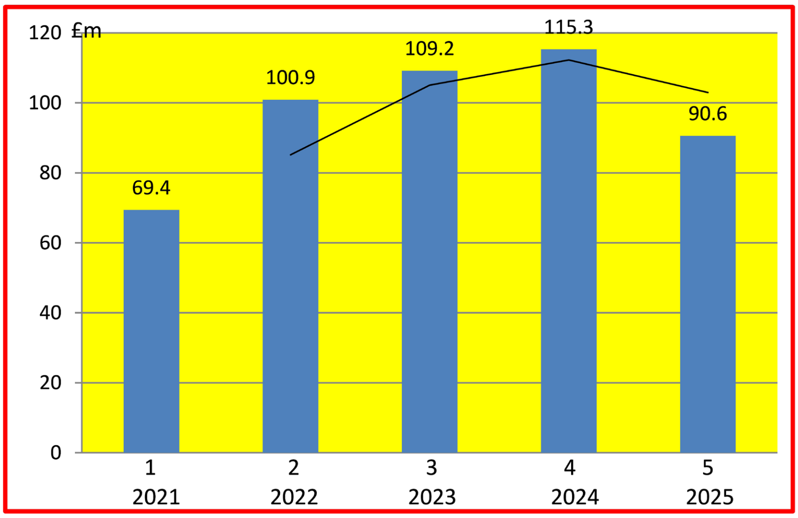


Figure 1. Profit before taxation or CS Co's underlying profit (before taxation), 2021-2025.

As shown in Figure 1, the above primary measure. i.e. the profit before taxation—used also by the shareholders in assessing group's performance—declined in 2025 by 21.4% (less 24.7m£ in 2024).

Given that the CS Co is found on line B (Graph 2), instead of being on line A, and also given that it created lower revenue and profit in broking and in support divisions, due to company's *irreducible fixed cost*, as mentioned, it had also *a rigid structure*. This point needs further attention, so that the CS Co to be able to reduce its fixed cost in proportion to the reduction in its revenue, or even more. If the CS Co wishes to have a constant "profit margin" over time, then it had to be on line C (Graph 2).

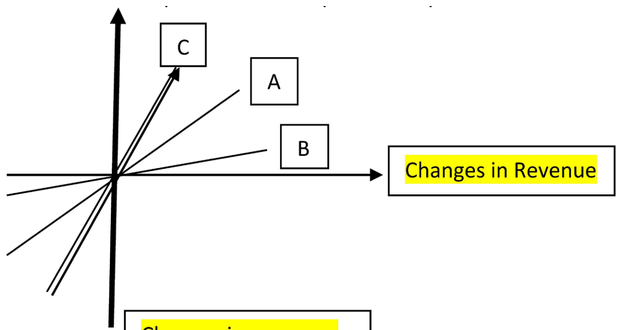
To visit quadrant 2 means an improved profitability, *even under reduced revenue*... Company has to *leave-out/closing-down costly markets.* To be on Q2, is a good action, but this is not sustainable, due exactly to the fact of the *diminishing revenue* it produces. Q4 is visited when *profit falls, though revenue rises*. For this, either lower commissions have been obtained or a rise in costs has occurred as far as the CS Co is concerned. Thus the commission policy of the CS Company has *to be decided in advance by the Board* and possible deviations to be approved by the B as well.

Let us now present the relationship between Expenses and Profit.

9. Part V: The Importance of Expenses and of Profitability in Business

Given that the net profit margin—NPM, is the difference between gross margin—GM, and operating margin—OM, *managers have to* increase the "gross margin" or reduce the "operating margin", *so that to improve company's profitability.*

The CS Co is obviously in need of a strategy to increase its profitability, as the geopolitical situations—and at least one of them (i.e. the Russia-Ukraine one)—are not going to change during the next few years, we believe, assuming that company's loss in 2025 was partly due to them. A good management has to protect its company from the geopolitical situations, we reckon (Graph 3).



Source: author, inspired by Priesmeyer.

Graph 3. A phase space of expenses versus revenue.

For a company to be on line A, means that a rise in Revenue is followed by a proportional rise in Cost, unlike quadrant 3, on line A. A more normal situation is a company to be on line B. The CS Co reported that its administrative expenses, in 2025 fell to ~£514m from £526m in 2024, i.e. they were reduced only by ~12m£.

Company's administrative expenses were as follows (Figure 2).

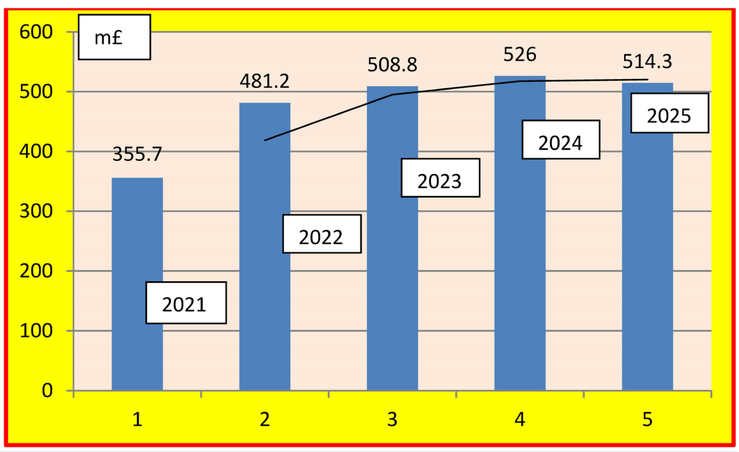


Figure 2. The administrative expenses of the CS Co, 2021-2025, in m pounds sterling.

As shown in Figure 2, the administrative expenses jumped-up by a serious ~35% from 2021 to 2022. The "Gross Profit Margin"—GPM is derived by dividing the Gross Profit by Revenue. This means ~19% for 2025 for the CS Co. Total expenses covered 81.4% of company's revenue: a %, *which we consider it to be high*. A more effective cost-control may achieve here miracles. This could be achieved by having a manual for "the authority to spend" across the 2299 employees.

The performance of the Broking division

The performance of the broking division is briefly described in Table 5, explaining why "broking" achieved £53.3m lower revenue. The causes were indeed different and varied over division's 8 activities (Table 5).

Table 5. The CS Co & the performance of its Broking & its 8 activities in 2025.

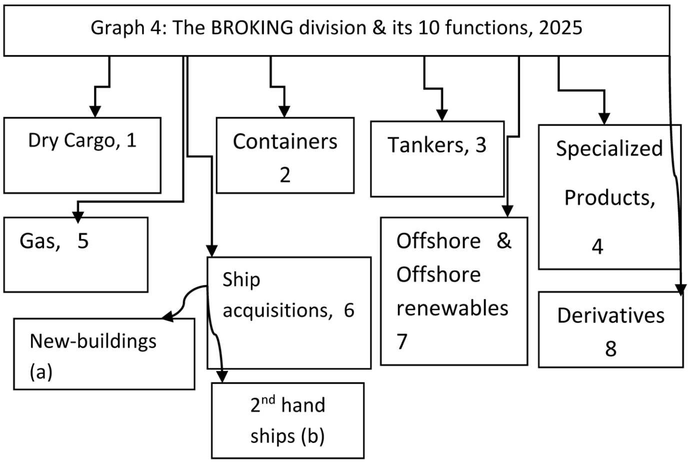
The Dry cargoes were weaker; their earnings were 8% lower than 2024; the Capesize sector only outperformed, with 40% higher earnings; Iron ore trade was weaker; West Africa outperformed in bauxite exports; Chinese coal imports slumped; trade tariffs & US port fees had a bad impact on trade (*), (**)	The Containers were stronger; their charter markets hit a new post-Covid high; indices rose by 12%, while container Trade grew by 4%; the future depends on demand, given that supply grew by ~44m TEU or 34% on existing fleet… (outperformance)	The Tankers were stronger, influenced by the geo-political developments; a VLCC earned \$58,566/d (49% up); a Suezmax \$54,313 (+15%); an Aframax \$43,806 (−3%); the tanker fleet rose by only 3%	The specialized products from liquid cargoes (natural gas, crude oil, agricultural crops & biofuel, etc.) *depressed*; in the ME-Asia route, freight rates fell 20%; the Good Hope cape traffic was only strong & the muted chemical tanker fleet grew; the CPP segment was firmer
The Sale & Purchase; the 2nd hand market sold more than 2000 vessels (>120m dwt, >\$45bn), 10% higher since 2024; the Newbuilding was stronger with 58m CGT or \$186bn, 30% above the 10-year average; the containers ordered reached 4.8m TEU; softer were the bulk carriers & the tankers orders & slower the gas ones; global orders rose 8% (CGT); the Chinese won 2/3 of them; IMO maintained the uncertainty round emissions' regulation; 1/3 of the ordered tonnage used an alternative fuel (where the LNG dual-fuel outperformed)	The trade of Gas (LPG/PCG)/LP & other gases (***) was stronger; the VLGC ME-Japan earned \$49,669/d, 18% up; the US-China had a tariff escalation; the LNG achieved 440mt liquefied n.g.; energy transition & security expanded in LNG vessels & export capacity; LNG spot trades fell, where fleet grew by 79 units; spot rates for a 174,000 cbm was \$37,188/d less 31%; 40 large LNG ordered; cuts occurred in S Arabian LPG pricing; petrochemical gas market was under pressure; China production rose; a 21,000 cbm ethylene handy sized earned less than 16%	Derivatives are considered as an area for having a high future growth; dealing with the freight derivatives; the iron ore, LNG, LPG, fuel, battery metals & carbon; Dubai is becoming a growing center	The offshore & offshore renewables deal with the vessels serving oil & gas fields; they facilitate the development, production & support of the offshore oil & gas fields with over 13.000 mobile units & rigs; the relevant index fell 6%; rig markets were softer with their relevant index to fall 13%; demand for OSV fell 3%

Source: author; data selected from "Clarkson PLC" 2025 Annual Report; (*) initial projections suggested a potential for fleet growth led by Capes (due to "Simandou" iron ore shipments); (**) The republic of Guinea will be supportive, while developments in China and the Red Sea is expected to remain in focus; (***) commonly ethane used in plastics, rubber & energy.

We come now to the need which we think the CS Company has for reorganizing.

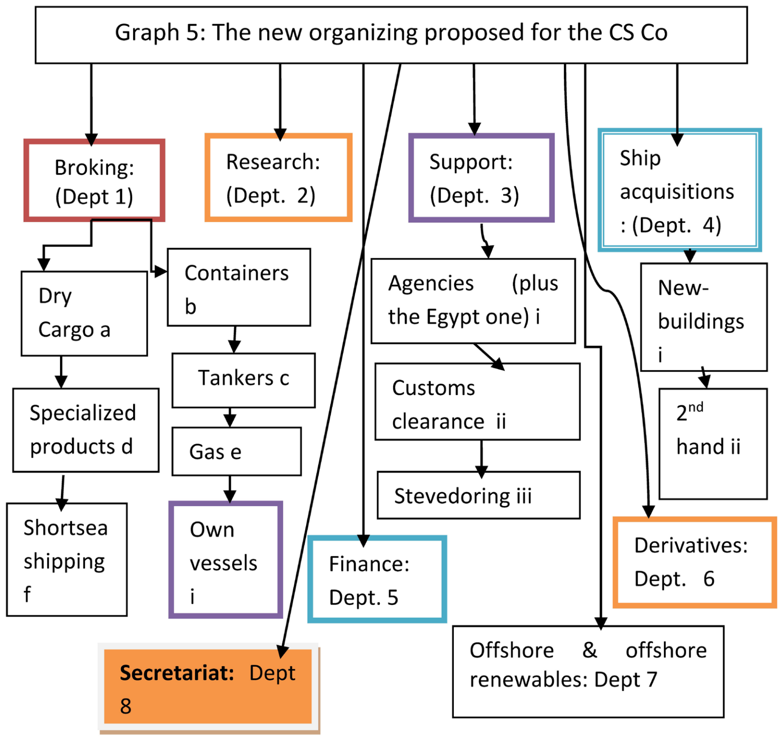
10. Part VI: The Need of Re-Organizing

In our opinion, the CS Co needs a new organizing by separating-down first the company's present 10 functions in broking to sections, and then a number of them to be promoted-up to departments with a Manager (Graph 4).



Source: author.

Graph 4. The BROKING division & its 10 functions, 2025.



Graph 5. The new organizing proposed for the CS Co.

We propose the first five of the above functions to make-up the new Broking Department, adding also the "Shortsea" function (from the Support division). The ship acquisitions dealing with the sale & purchase of ships & with the orders of newbuildings, is proposed to be a department. Derivatives also to be a department, as well the "Offshore & offshore renewables". Total 4 departments. The Secretariat department to be the 5th one.

Thus this new organizing, which is proposed, will have 8 departments and 12 sections (**Graph 5**). A new section will manage company's own ships in Broking. This last section of own ships may also become a department as the number of ships will increase above 6 - 10.

The target of our proposal is to achieve a greater focus on the services to be sold, which usually this is lost as the company becomes larger, because all run after all. Here applies the Musketeers' principle: "one for all and all for one". In shipping we apply the principle: "a team of operators caring each abut a smaller number of clients".

The Support department e.g. is now more focused by having only 3 functions to attend instead of 5. Additional departments may be established like the one concerning "Technology", which is called "SEA".

11. Part VII: The Bonus Policy

The CS Co cancelled its bonus policy in order to minimize its lower revenue in 2025. The bonus policy, we believe has to be decided by a Bonus Committee, made-up by all Divisional Managers. These have to make the proposals for their staff, even when the bonuses are suspended, if a division brought-in lower revenue, like in early 2025.

There are cases when a monetary bonus is not important (e.g. vis-à-vis a recognition). Further the bonus policy has to be known to personnel, including the amounts involved, so that to act as a motive. In addition, the bonus to be paid to someone, provided his/her actions brought-in a higher profit, as perhaps this to be the only criterion. A bonus awarded because of one doing his/her duty should not be permitted.

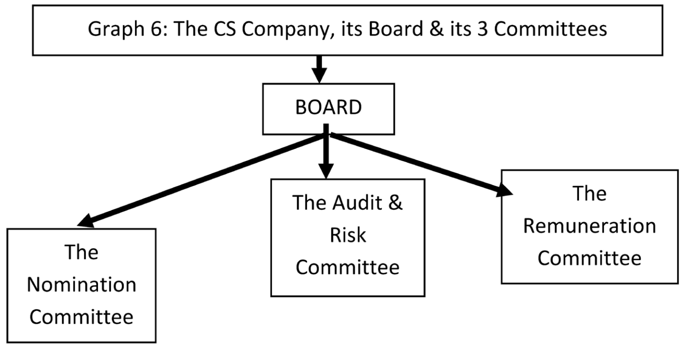
The salary should be fair for *usual* services offered according to one's job description. A bonus, then, has to be payable for "*extraordinary* services" paid. If a division brings-in a loss naturally has to be excluded from bonuses, but not also all other profitable divisions, as happened here in the CS Company in 2025. For the level of salaries the company pays, one tries to learn what its competitors pay.

We come now to see how the CS Co is managed.

12. Part VIII: The Role of CS Co's Board of Directors

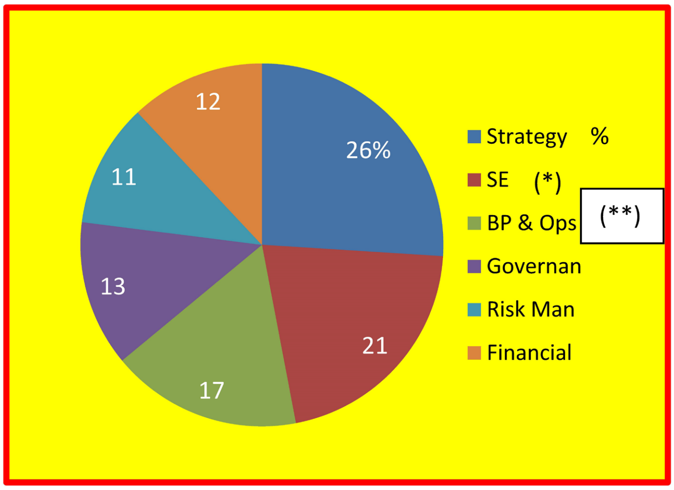
The CS Co is governed by a Board of Directors—B thereafter—acting through 3 at least committees (**Graph 6**).

The B is accountable to company's shareholders for the creation of sustainable values, and to other stakeholders for a wider impact. The B is made-up by 7 directors plus a Chairman attending 7 out of 7 meetings p.a. (**Figure 3**). The B has spent its time as follows.



Source: author.

Graph 6. The CS Company, its board & its 3 committees.



(*) Stakeholder's engagement, (**) Business performance & Ops.

Figure 3. How the B has spent its time.

The B manages the risks to protect company's operations, and to deliver its strategic opportunities. It sets company's objectives by determining the nature & the extent of the risks, which the company should take. The stress of the B for company's risks is obvious. The B maintains company's system of «internal controls» and the «risk management», and reviews the effectiveness of these systems p.a. Perhaps a shorter time review has to be considered. It establishes the "risk management policies", the "key controls & procedures", by ensuring that they continue to be effective in protecting company's stakeholders. It acts mainly through company's CEO, CFO & COO[12] (two persons).

The "audit & risk Committee" oversees the development of the internal control procedures to deliver assurance that company's material controls are sufficient. It also reviews annually company's internal controls & procedures & the adequacy

[12]The CS Co provided an *incomplete* glossary of almost all terms used in the report. We propose this to be placed in front, and not at the end. Also a "Subject Index" is recommended. Also, we propose for the CS Co to remove the double pages and to state one only number of the total staff. A company is not taken seriously if it does not know how many employees has.

& effectiveness of company's risk management systems & processes. It reviews the internal control observations carried-out by the "External Auditor". It considers all internal audit reports & oversees the implementation of their recommendations. We believe that the "External Auditor" is superfluous and has not to be hired anymore saving more than £35,000 p.a. The internal auditor had to be adequate.

The "Operational Management" committee ensures the effective risk management identification, assessment & mitigation. It embeds risk management processes & internal controls to mitigate risks. It ensures so that risk awareness & safety culture to be embodied.

From the above analysis we understand that the company is preoccupied heavily in facing "risks" out. It would be more interesting, however, to read about risk situations and how company has faced them successfully. In shipping, we believe, there are risks, but almost all can be insured. Even the loss of income can be insured.

We come now to see what the CEO, CFO and COO cost to the company.

12.1. First the Fees for the Non-Executive Directors

For the Chair: £225,000 (2025) p.a.	for a non-executive director: £64,000	For a Committee's Chair: £19,000 (*)
For a Senior independent director: £19,000 (**)	For the Employee engagement director:£15,000 (**)	For the Chair of the trustees of staff's pension schemes: £15,000 (***)
Total £357,000 p.a.		

(*) We propose no pay for such services. (**) These services we consider them to be redundant. (***) We need more information for this.

12.2. The Remuneration of the 2 Executive Directors

The CEO, the CFO & COO, earned £550,000 and £350,000 p.a. as their base salaries. Also, they earned an additional remuneration, excluding LTIP[13], in 2025, which is made-up by: fees, benefits, cash contribution to their pension & a "performance related bonus". This bonus was equal to ~£9.8m. All the above amounted to a total of £12.2m (£16.2m in 2024). We see here that the 2 executive directors got the lion's share. The CS Co stresses the fact that the 2 directors perform 3 jobs and are paid for two. But we do not know whether a 3rd director could increase company's profit.

Given that the company had a major inferior performance in 2025 in broking and support, we reckon that at least all the "performance related bonuses" had to be suspended, saving £11.3m, as the company did. In the above benefits one must take into account also the property the directors obtained by having company's shares for free. E.g. company's CEO had almost 615,000 ordinary shares in

[13]The executive directors receive certain awards, called LTIP, equivalent with 150% of their base salary in 2026, if this policy is approved, and a further grant of 100% of salary s.t. existing performance conditions, if approved in AGM.

31/Dec. 2025. The above perhaps explains why in the AGM voting the "remuneration policy" received 44% negative votes, in May 2023...

Moreover, the "current 6 directors" received £631,000 total p.a. in 2025. Comparing them with the 2 exec. Ones above, they appear to be company's poor relatives. If the average pay to the current 6 directors reflects also what these persons earn in similar companies in the market, i.e. £105,000 p.a., one understands the exceptional average pay that the 2 above exec.s have earned (i.e. £450,000 p.a. on average per head).

Concluding this part, we believe that the CS Co should refrain from increasing any remuneration, even small, if the company brings-in lower revenue or losses. The company had then to pay only the basic salary increased by the prevailing inflation. Also, it had to pay its contribution to staff's pension schemes.

We believe that by having reduced revenue and loss in one division and loss in another one, it is not *proper to pay any "performance" bonus*. But our proposed new organizing will allow maintaining bonuses in those departments that they have brought-in profits, however, something not possible with present organizing in divisions.

Our proposed policy, we believe, will free the "remuneration committee" from the suspicion that it cares more about the personal benefit of certain of company's directors, and not for the benefit of shareholders. The "remuneration committee" we believe is redundant, provided a simple wage policy is decided. Also, taking part in whatever committees, this should be without extra pay. The "nomination committee" is also considered by us redundant, where a simple "human resource management" department can be sufficient. When the present 2 ex. directors will retire, the CS Co has to reduce the salaries of the next 3 of them, say to £120,000 p.a., to be closer to the average salary of the current 6 directors.

13. Part IX: Private or Public?

Here we will present the interview taken during the "10th Capital Link Maritime Leaders Summit" 2026, from two Greek top shipowners having a different business philosophy: Mr. G Economou and Mr. P. Pappas. Their different business mentality has to do as to whether one has to be in favor of being listed or against it.

The two, above mentioned, shipowners, where in the past partners, and latter separated, perhaps as having the different business mentality mentioned. They started with a low level of own capital, facing difficulties and having to take-up risks.

Mr. Pappas argued that he was conservative, and after 3 years of a common course with Economou, he split up, wanting to take fewer risks vis-à-vis his partner. Mr. Economou used to take risks, and as he said he was not after money, but he wanted always to win any game he played. He said that bankruptcy means different things in USA (an educational experience) than in Europe (a stigma) given his personal experience.

Mr. Pappas was in favor of a listed company, where its shares are a kind of currency, in case of a merger and of a take-over, with no need to use money. Mr.

Pappas used the above strategy 9 - 10 times, and admitted that his company's size was due to this.

He said for a company to have a good size, this is a catalytic fact to achieve economies of scale and to be welcome by charterers. He said that to deal with company's shares, by offering a discount, provides the possibility to re-buy company's shares and make a profit.

Mr. Economou was in favor of the private companies providing absolute flexibility in deciding, away from the pressure of its investors. He was after success, buying and selling shares in a rather natural way. He was concerned with the excessive present order book of tankers. In 2007, a similar in size order book destroyed the tanker market. Pappas agreed that it is a mistake for the shipowners to order new vessels in an unstopped way at times where profits are in high levels. One must examine if the rise is permanent or not.

As far as international relations is concerned, Mr. Pappas argued that the global commercial world split in two strong blocks: the West, being the one, and its allies like China, Russia and India, being the other. In shipping the one who survived was the one, *who could adapt faster to the changes*, and not the cleverer or the stronger.

Looking at our archives, we saw Mr. Economou to be in the 5th top position, among the Greek ≥ 1m dwt owners, having in 2016, ~13m dwt and 109 vessels, and in 2018 16.22 and 132 vessels (under "Cardiff", "DryShips", "TMS", & "Ocean Rig"-2018). The value of his ships has arrived at $9.8b in 2026. He owned also 20 LNGs managed by the "TMS Cardiff Gas". He is considered as an early mover and he used to be for 14 years in NASDAQ, before becoming private.

Mr. Pappas (7th top position) is the founder of the "Star Bulk Carriers" (2006) and its CEO and director since 2014. He is also the founder and Chairman of the "Ocean-bulk Maritime SA" (1989). The "Star Bulk/Product" owned, in 2016, 8.6m dwt and 92 vessels and in 2018 13.7m dwt and 134 ships. Comparing Mr. Pappas with Mr. Economou, the 2nd outperformed the first in dwt, in both 2016 and 2018. Thus, the private company is more efficient (Goulielmos, 2026).

14. Conclusion

The CS Co established a double role activity—i.e. the in-house *research*. The findings of which are used first by group's staff—and at the next time are *sold* to interested third parties, providing ~£11m p.a. "operating profit" (2025). This is company's one competitive advantage, we believe, and it is better to expand it further, along with the faster expansion of the *finance division*. The finance division also provided a competitive advantage.

In research, company's clients pay to obtain authoritative intelligence on all aspects of shipping, after the seller has dealt with millions of data points and after processing and analyzing them every day. Given that the CS Company has *immediate* access to company's research findings, and given the principle: "the first comes, the first served", company's competitors do not obtain a time-based competitive advantage because of company's policy.

We saw that the CS Co's Support Division, employing the 20% of company's people, brought-in both low revenue of 11% and a profit of only 4%. Thus, we recommend making this division *a project*, managed by a newly established daughter company—with its own shares—till this division achieves its full maturity and is embodied to the other 3 divisions.

We saw that the company focused mainly on "broking", which brought-in revenue per head of £308,490. Finance, however, brought-in a higher amount of £480,000 per head. Managers must pursue not only company's Revenue, but also and more, company's profit (Profit = Revenue − Costs). Profit is a target pursued by planning and it should not be a random residual result. Cost control is the supreme function of management in shipping industry.

The Research division of the CS Co should be expanded further given its dual role first to support company's staff, and then to sell its findings to other companies. Research can easily maintain, or rather increase, division's profit per head.

I suggest to CS Co to promote, in particular, the two out of the 4 divisions as much as possible, by acquisitions or else (i.e. the "finance" and the "research").

A new division: i.e. that of "ship-management"/"ship-owning" should be added. We saw that ship-owning/ship-management is the piece missing in Clarkson's overall puzzle, in our opinion. This new endeavor/5th division, we believe, will help the 4 existing divisions to understand better the "business of Shipping". This new division may bring-in £60m profit in its first year of operation, we believe.

For the Support division, by bringing-in losses, and/or low revenue, we are rather skeptical. I suggest to the CS Co to adopt a rule, valid for every division, so that, say within 3 first years, each division to reach company's average contribution to total revenue per head. Then the support division had to bring-in £126m instead of only £4.8m... Further any division to be allowed to increase the number of its employees, *only* if it could increase more its profit per head. These two rules may help company to improve profitability, though these rules may put a pressure on the existing staff. Staff however has invisible powers which are not liberated under normal circumstances and a pressure may be required.

We saw that the CS Co has been unable to control its administration expenses effectively. Given the structure of CS Co's revenue, one cannot easily find a solution for the low profitability, *away from the dominant Broking activity*. The broking activity had an excellent performance in 2022. *But what happened since then?* **Table 5** has provided us certain explanations, but we are in favor of effective solutions, and not for explanations.

More important issue for a company is not to reduce expenses, slightly, as the CS Co did—and especially by not paying bonuses—but to realize what % of the revenue has the company to devote to cover expenses. Suppose company's competitors devoted only 60% of their revenue to cover their cost vis-à-vis 79.5% of the CS Co. In 2024, 81.4% of the annual revenue was required to cover the administrative expenses, and in 2025 this fell slightly to 79.5%. These percentages reveal that the CS Co is sensitive to its total cost, and a small increase in it, is able to turn the company from profitable to unprofitable.

Given that one geopolitical situation will continue, we believe, i.e. the Russia-Ukraine conflict will continue for several years, we expect the CS Co to have to *re-examine its lower profitability*.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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