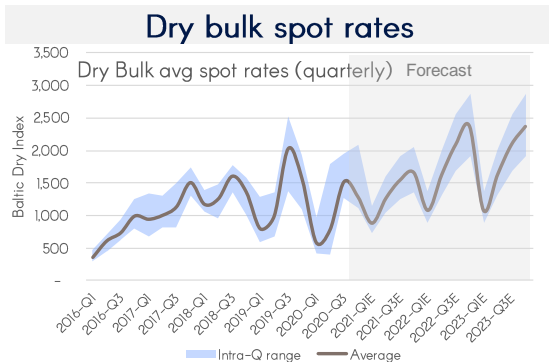
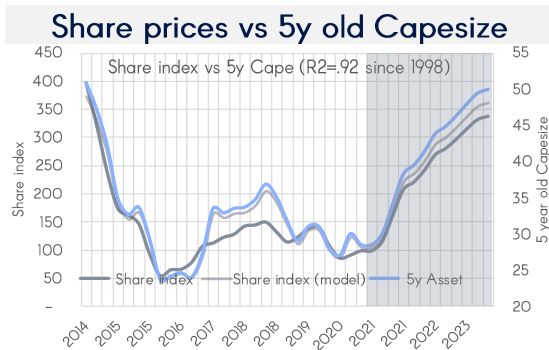
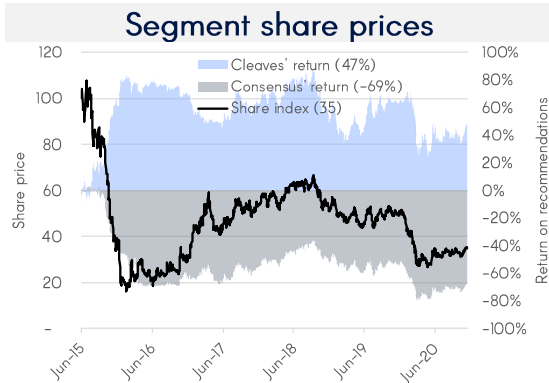




Some negative revisions with seasonal weakness adding woe, but shares should see through seasonality & the outlook looks bright

Dry Bulk BUY 'Tis the Season



Cleaves Securities / Analysts

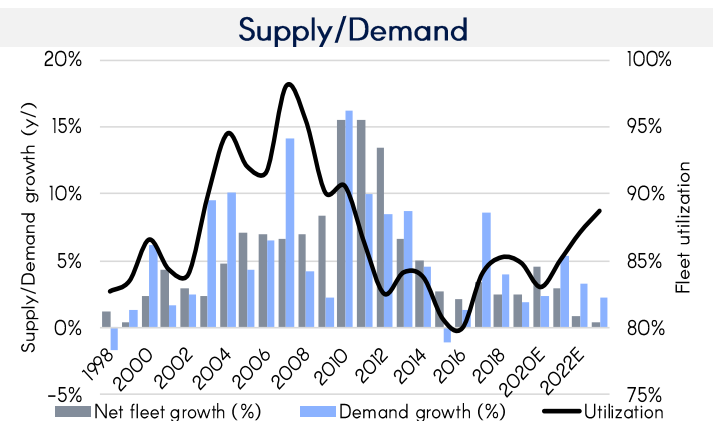
Joakim Hannisdahl
 Head of Research
 jh@cleaves.no
 +47 21 04 00 59

As we are soon entering the weakest period of the year for dry bulk earnings, we see limited upside and expect rates to extend recent losses into February. Share prices are however uncorrelated with season, and could hold up quite well. We revise our target prices down in light of lower asset prices and our revised iron ore export forecast, but maintain our very positive stance on dry bulk shipping.

Market: Vale released an updated iron ore production guidance [2 December](#), reducing its guidance for 2021 by 16%. Although we had already assumed Vale would not reach its targets, we do reduce our forecast for Brazilian iron ore exports by 5%, thus reducing the growth rate of our positive earnings, asset and share price forecasts. While we also reduce our current asset price assessment and see seasonal headwinds ahead, we maintain our view of slow and steady improvements ahead against the lowest orderbook on record (6.5% of the fleet). We see our dry bulk asset price index +26% over the next year, with our dry bulk share index potentially rising 102%.

Investments: The recent fall in asset prices, primarily Capesizes and Kamsarmaxes, has a negative impact on the NAVs within our coverage. And although we still remain highly positive towards improving fortunes for dry bulk owners, the reduced steepness in our growth forecasts also impacts our valuation negatively through earnings multiples. Somewhat offset by rolling our weighted valuation matrix into 2021E, we reduce our dry bulk target prices by 21% on average. Still, we see massive upside in most of our covered companies, with our top picks being **Genco Shipping (BUY/\$13)** and **Golden Ocean (BUY/\$6.6)**. Our dry bulk recommendations have returned 47% since 2015 (-10% past 1y) vs the market at -69% (-29%) & consensus at -65% (-33%).

	Segment overview				Pricing/Upside			
	M.cap	Turnover	New	Old	Rec.	TP	P	+/-
2020 NO	149	0.2	BUY	84	BUY	111	59	43%
BULK NO	408	-	HOLD	109	BUY	147	119	-8%
DSX US	154	0.4	BUY	2.6	BUY	3.0	1.7	51%
EGLE US	218	1.1	HOLD	18	BUY	26	19.8	-9%
GNK US	312	1.1	BUY	13	BUY	15	7.5	74%
GOGL US	610	4.5	BUY	6.6	BUY	8.1	4.2	56%
SBLK US	796	3.7	BUY	11	BUY	14	8.3	33%
Average	378	1.6						34%
Median	312	1.1						43%



Source: Cleaves, Bloomberg, Shipping Intelligence Network, company data

Disclaimer: The analyst currently has investments in some of the companies covered in this report. More disclaimers at the end of the document



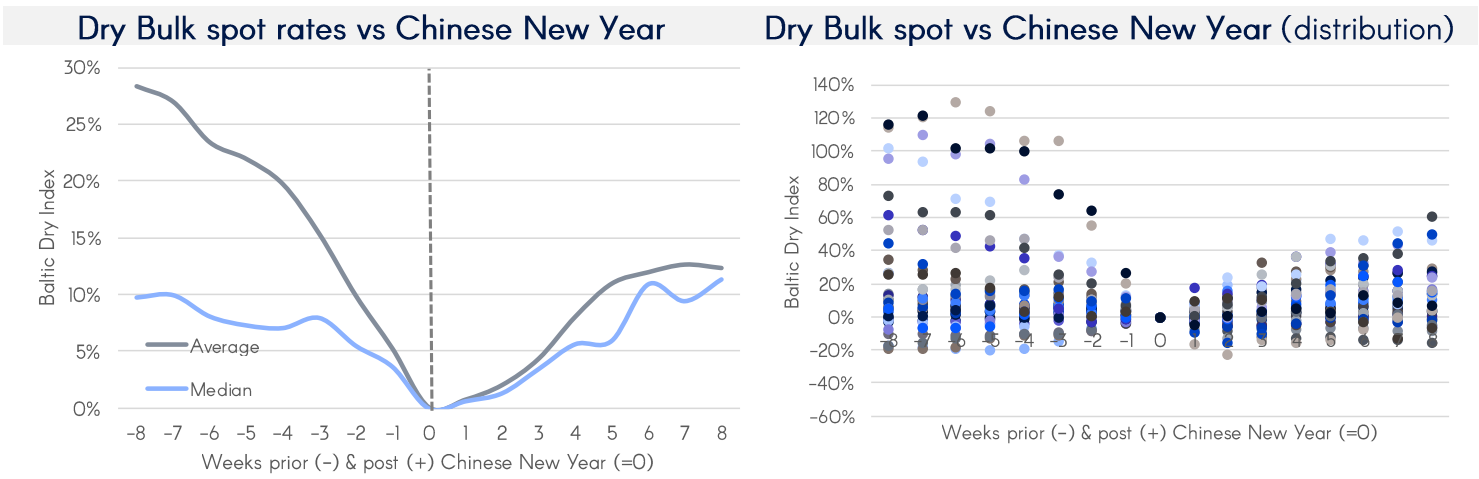
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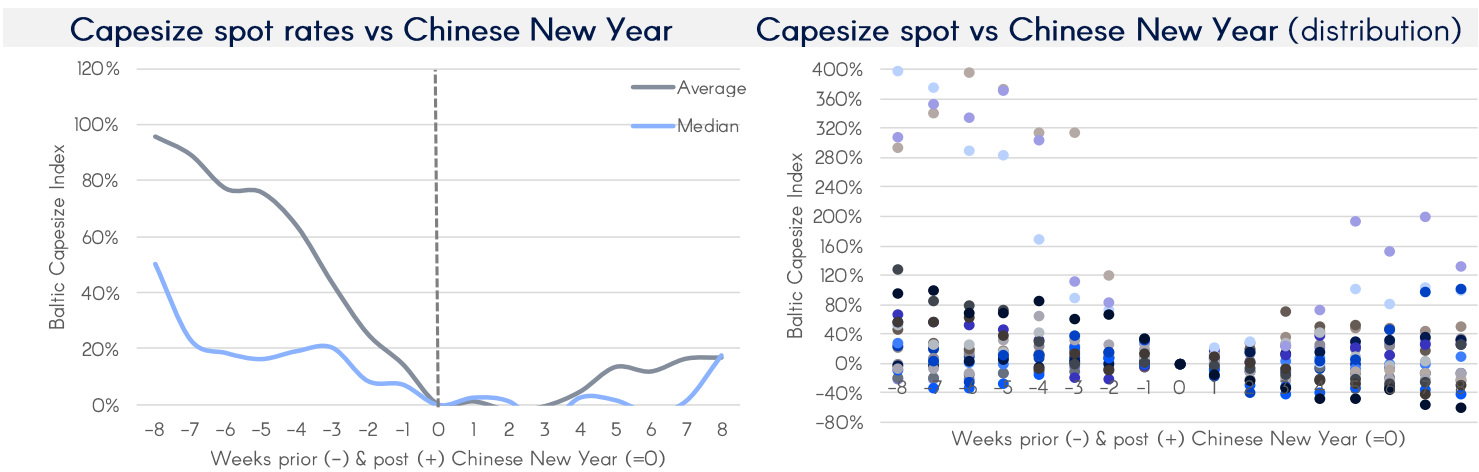
Seasonality

Our research shows that dry bulk spot rates usually collapses into 1Q: Negatively impacted by Chinese New Year (12 February 2021), Brazilian rainy season (October–March) and Australian cyclone season (November–April). The decline usually starts around eight weeks prior to Chinese New Year, similar to 18 December this year.



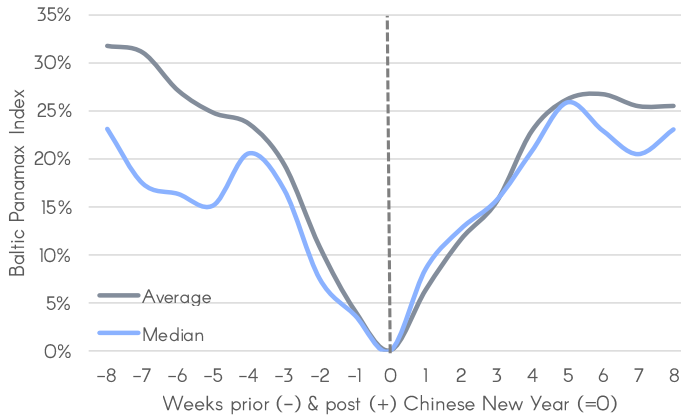
Looking at the specific vessel segments, we clearly see that Capesize vessels exhibits the largest volatility.

While Panamax and Supramax spot rates tend to recover by week eight after Chinese New Year, Capesize spot rates remain at low levels both on average and on median.

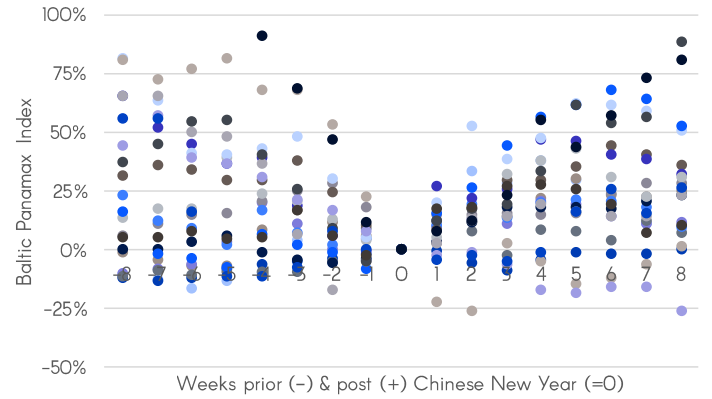




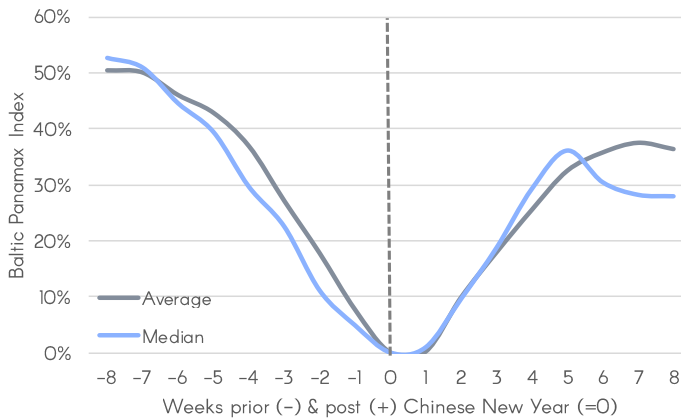
Panamax spot rates vs Chinese New Year



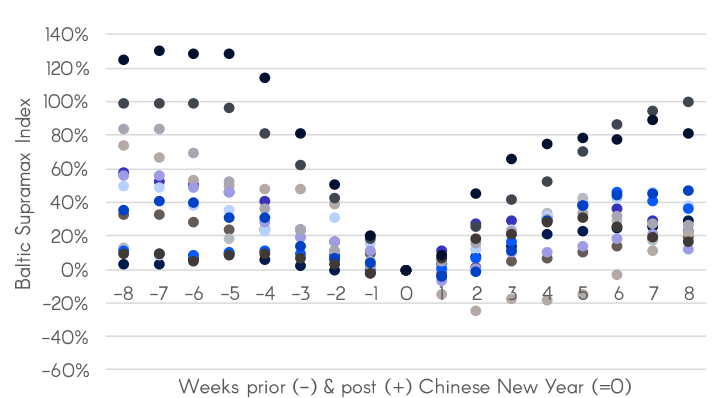
Panamax spot vs Chinese New Year (distribution)



Supramax spot rates vs Chinese New Year

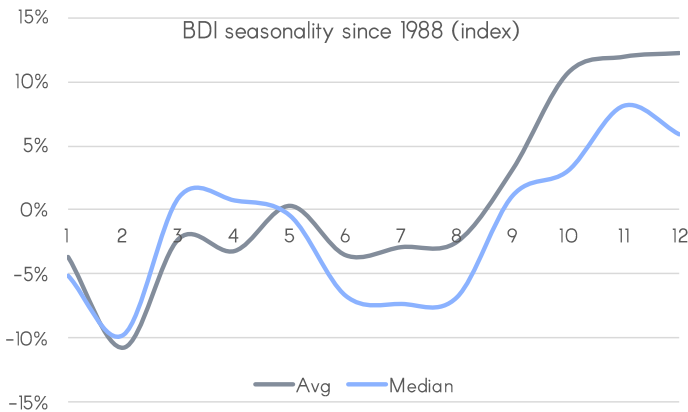


Supramax spot vs Chinese New Year

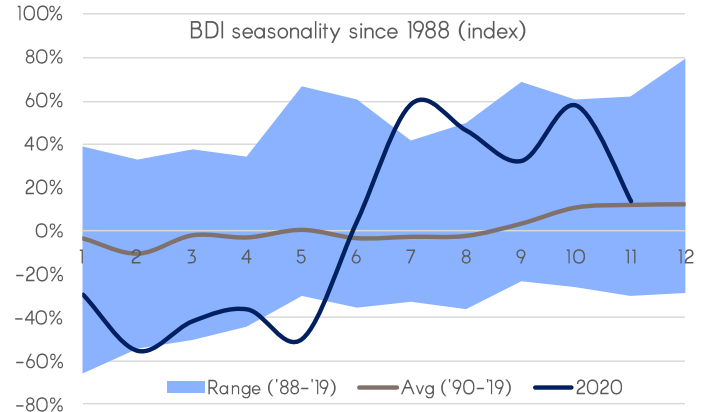


Helping to explain the recovery after Chinese New Year, for the full year we see that both Panamax and Supramax spot rates tend to recover from March, supported by agricultural products. As Capesizes primarily are carrying iron ore and coal, spot rates for this vessel class traditionally remains subdued until around September. This is further explained by Brazil and Australia being the major exporters of both iron ore and coal, where negative seasonal weather patterns usually last until March/April. This year could be even more profound, with the La Niña weather system typically leading to a more active Australian cyclone season.

Historical Baltic Dry Index seasonality



Historical Baltic Dry Index seasonality





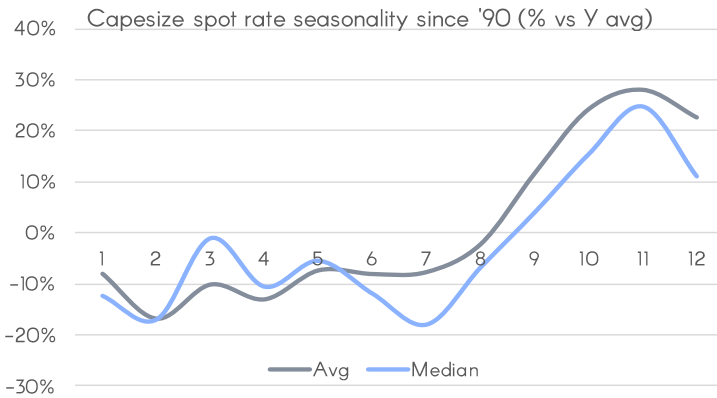
Cleaves Securities

Dry Bulk

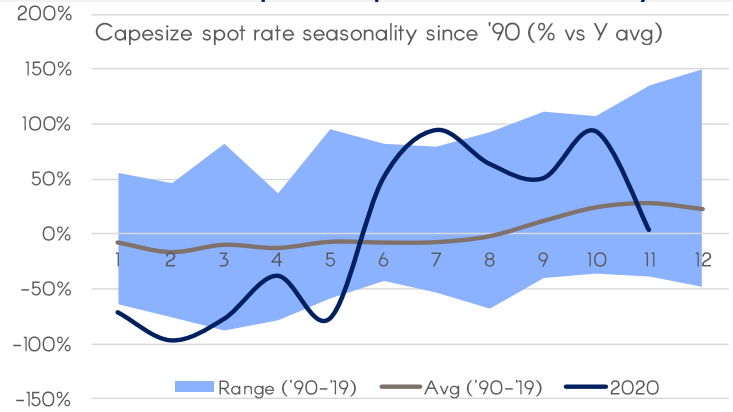
BUY

$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

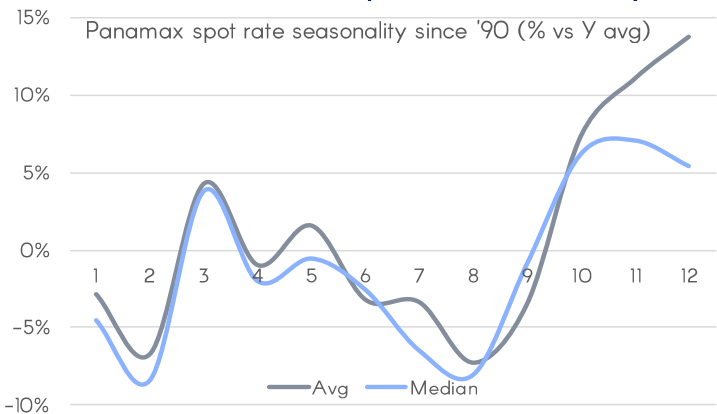
Historical Capesize spot rate seasonality



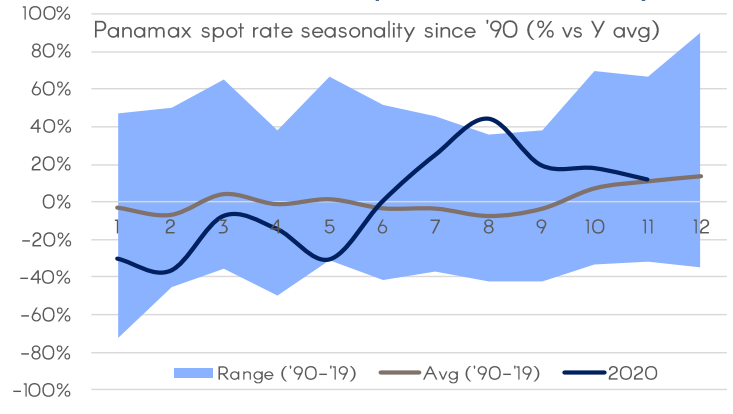
Historical Capesize spot rate seasonality



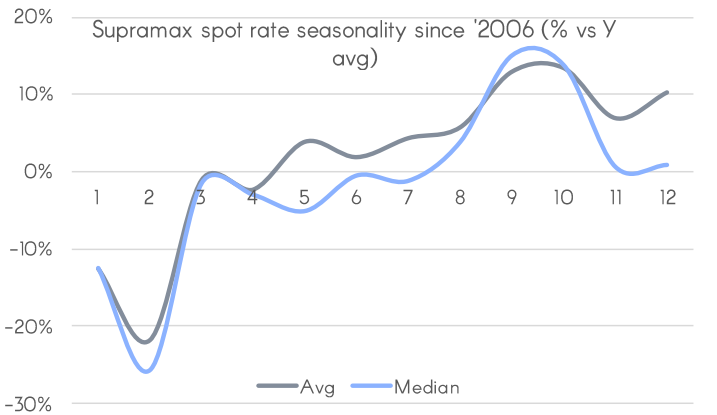
Historical Panamax spot rate seasonality



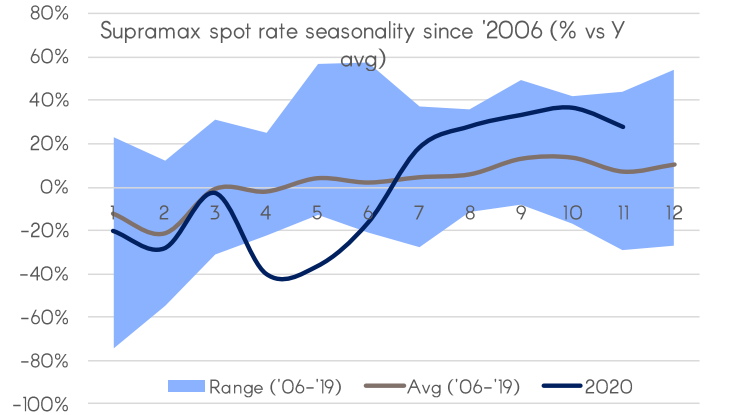
Historical Panamax spot rate seasonality



Historical Supramax spot rate seasonality



Historical Supramax spot rate seasonality



Having established a clear seasonal pattern for each dry bulk vessel class, the natural question is whether dry bulk share prices exhibit similar seasonality or if investors are able to see through it. Fortunately, the equity market is efficient and we find zero correlation between season and share price developments.

First looking towards +/- eight weeks around Chinese New Year (CNY), we find that our dry bulk share index on average and median has already discounted the seasonal fall in spot rates ahead of CNY, but rises on average 5% six weeks post-CNY and similarly 3% on median. However, the distribution is close to symmetric around zero (adjusting for outliers), and thus appears statistically insignificant.

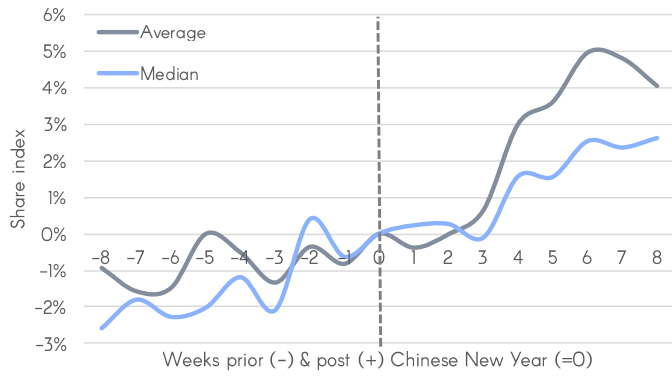


Cleaves Securities

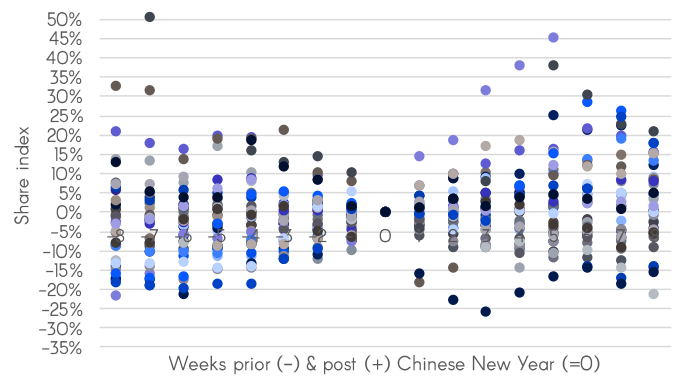
Dry Bulk BUY

$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

Dry Bulk share index vs Chinese New Year



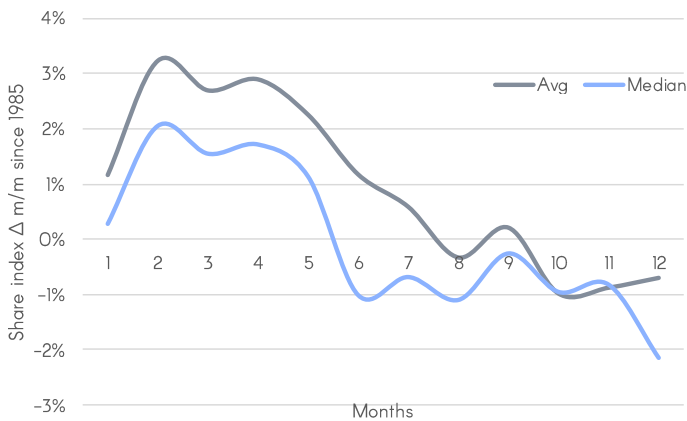
Dry Bulk share index vs Chinese New Year



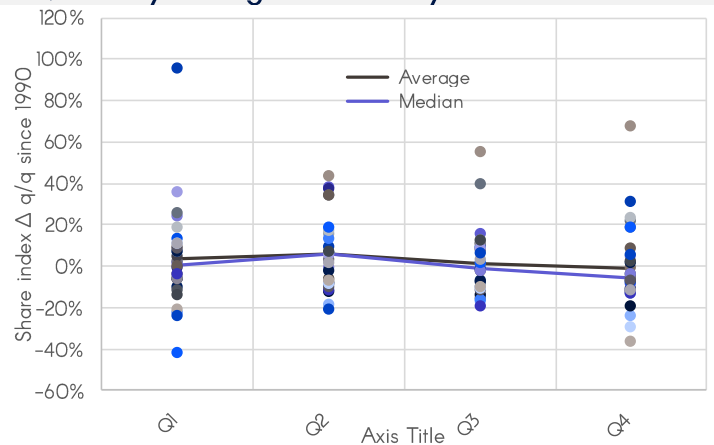
This appearance is further evident when we run a multivariate regression analysis, where our dry bulk share price movements exhibits an adjusted R^2 of 0.00 on a m/m basis and an adjusted R^2 of 0.02 on a q/q basis. The only p-values ≤ 0.05 are February in our monthly model and Q2 in our quarterly model, with corresponding β -coefficients at +0.0324 and +0.0691 on our binary dummy variables, respectively.

Although overall statistical insignificant, it is nevertheless interesting to note that our dry bulk share index has on average and median risen during the first half and fallen during the second half of the year since 1985, in stark contrast to earnings seasonality and popular belief.

Monthly changes to our dry bulk share index



Quarterly changes to our dry bulk share index





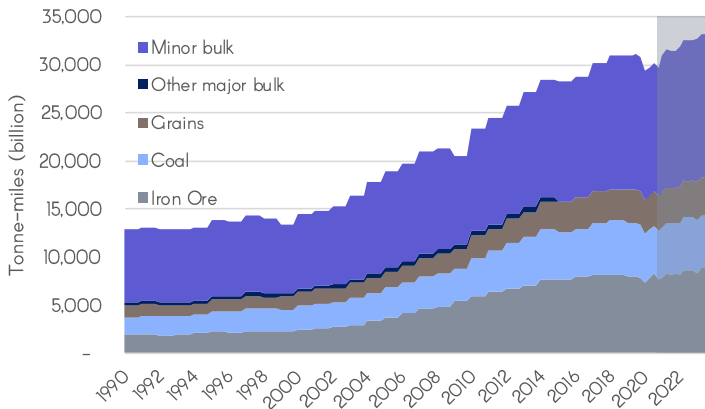
Market Fundamentals

Brief overview

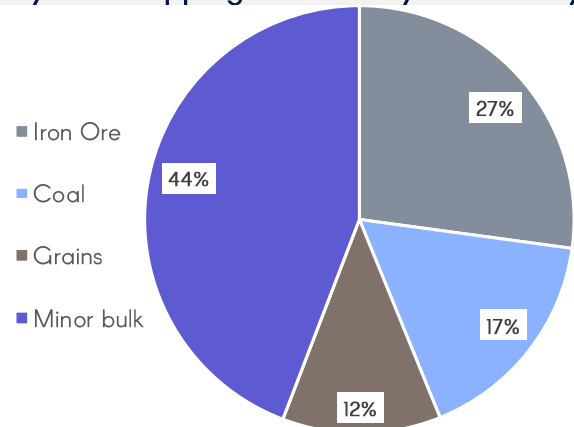
We forecast overall dry bulk demand growth of 2.4% y/y in 2020E, 5.4% in 2021E, 3.3% in 2022E and 2.2% in 2023E. This compares with 1.9% in 2019 and is largely below the historical average growth rate of 5.1% as the immense historical growth in Chinese demand abates. However, despite China moving towards cleaner fuel and an expected plateauing of steel production, we still see demand growth for iron ore and coal from substitution of domestic produce to superior quality imports. Higher FE-grade iron ore and coal with a higher calorific content is an important tool for local authorities to achieve better air quality in the medium term.

Please see our [Shipping Quarterly](#) from October for a more detailed walkthrough of the dry bulk supply & demand side

Historical dry bulk shipping demand

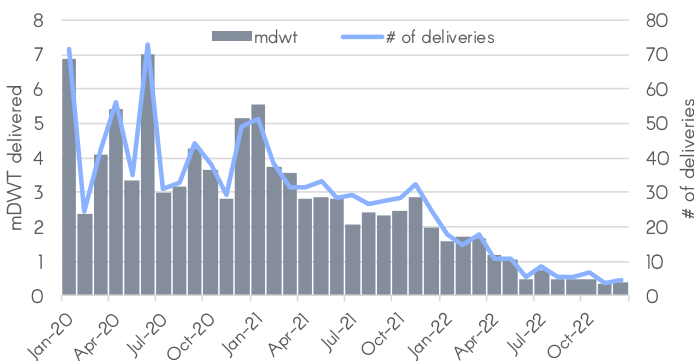


Dry bulk shipping demand by commodity (2020E)

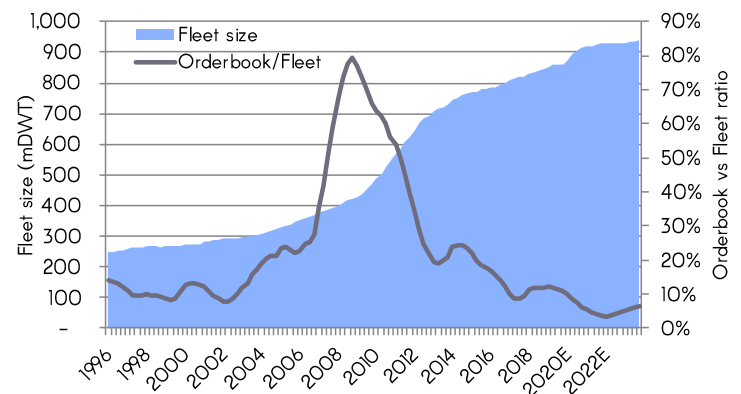


Dry bulk vessel deliveries

Monthly overview of dry bulk deliveries



Orderbook vs fleet



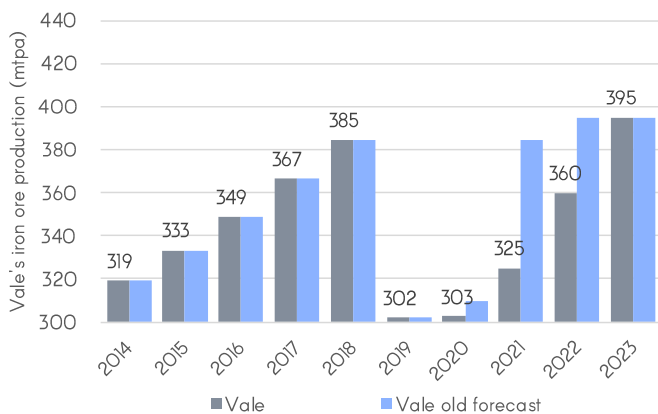


Estimate revisions

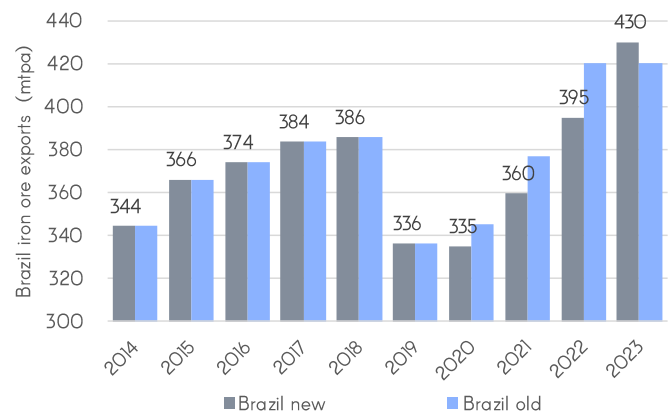
Vale published an updated iron ore production forecast [2 December](#), guiding for 300–305mt for 2020 and 315–335mt for 2021. The guiding for 2020 comes as little surprise given that we have already seen export numbers up until end-November, but the guiding for 2021 is a big negative change from the previous guidance of 375–395mt (–16%). Although we had already assumed that Vale would not meet its guidance, we still reduce our forecast for overall Brazilian iron ore exports in 2021 by 30mt (–5%), from 377mt to 357mt.

Brazilian iron ore exports are pivotal for dry bulk shipping demand, as most of it is shipped to China which is a tonne-mile intensive trade. As this trade grows, it will absorb Capesize vessels with a higher fleet utilization cascading down through all the vessel classes. Such, the negative growth revision has a negative earnings and asset price impact on all our vessel classes. Please see below for further details and deltas.

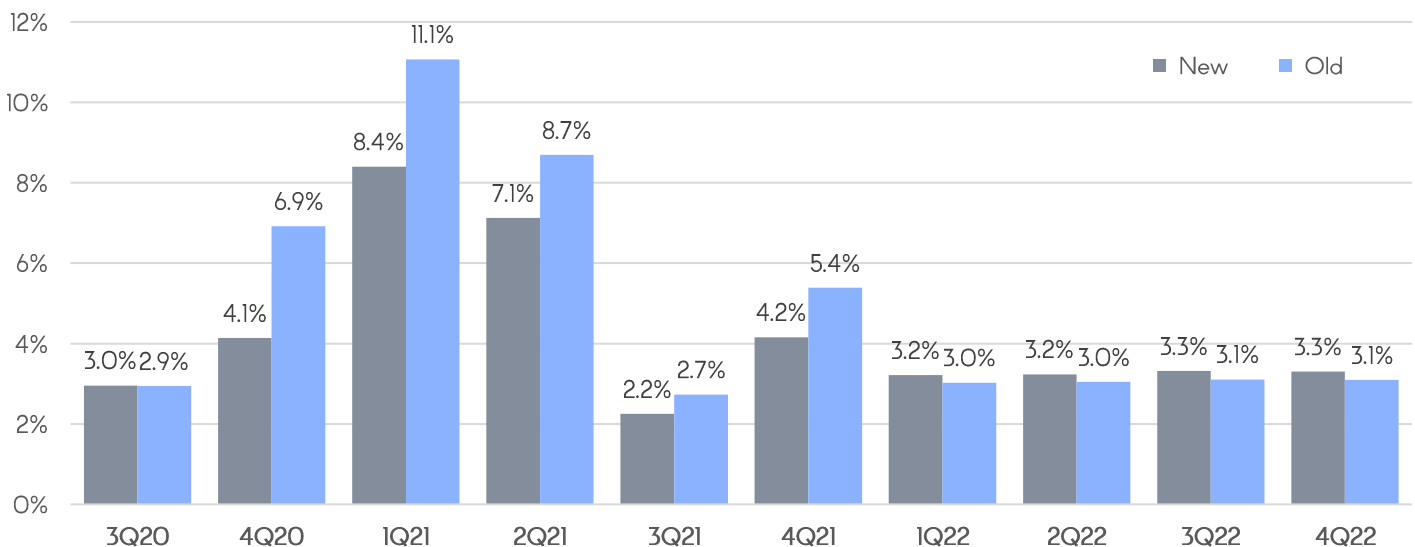
Vale's iron ore production: Actuals & guidance



Brazil iron ore exports: Cleaves' forecast



Dry bulk demand growth (y/y) forecast per quarter: New vs old





Fleet utilization

Combining the supply and demand sides of the equation leads us to forecast fleet utilization of 83.0% in 2020E (-1.8%p y/y), 85.1% in 2021E and 87.1% in 2022E.

Our fleet utilization forecast implies the Baltic Dry Index to average 1,047 in 2020E (-22% y/y), Capesizes to average \$12.7k/d (-29% y/y), Panamaxes to average \$8.9k/d (-20% y/y) and Supramaxes to average \$8.2k/d (-18% y/y).

The dry bulk fleet utilization is seemingly very close to an inflection point, exemplified by recent multi-year high spikes in Capesize spot rates in both 3Q19 and now in October. With the lowest orderbook on record, very little demand growth is needed to push dry bulk earnings into super-cycle territory. We remain highly optimistic for the coming years.

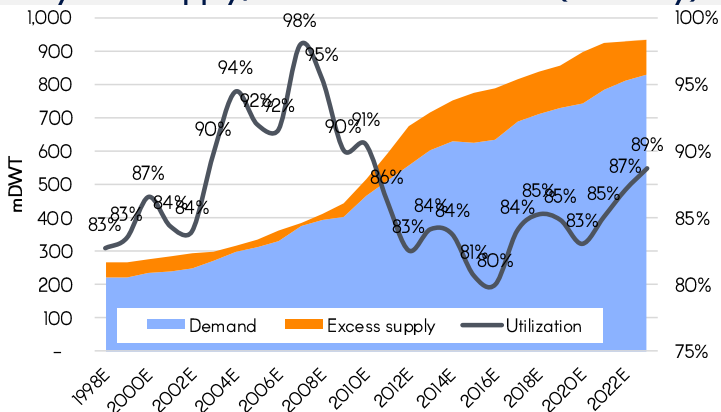
Overview of our estimate changes

Delta table: Dry bulk shipping forecast summary

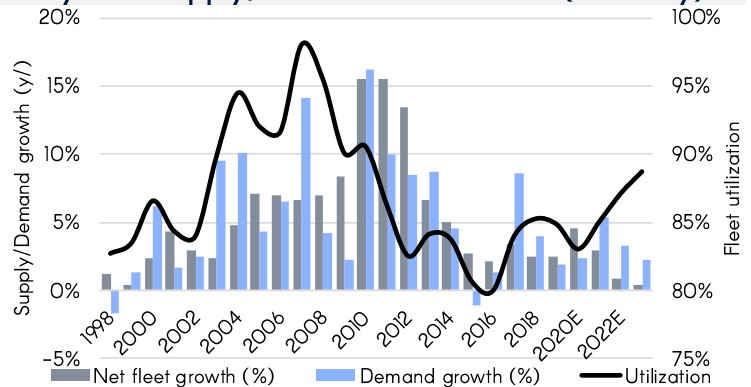
Δ y/y	2020E	2021E	2022E	2023E	Average	2020E	2021E	2022E	2023E
Supply	4.6%	2.9%	0.8%	0.4%	Baltic Dry Index	1,047	1,340	1,794	2,205
Supply, old	4.6%	3.0%	1.1%	0.9%	BDI, old	1,166	1,700	2,165	2,434
Δ	0.0%p	-0.1%p	-0.3%p	-0.5%p	Δ	(119)	(360)	(371)	(229)
Demand	2.4%	5.4%	3.3%	2.2%	Capesize spot	12,735	16,157	24,082	31,244
Demand, old	3.1%	6.8%	3.1%	2.0%	Capesize spot, old	14,708	22,440	30,544	35,238
Δ	-0.7%p	-1.4%p	0.2%p	0.2%p	Δ	(1,973)	(6,283)	(6,462)	(3,994)
Utilization	83.0%	85.1%	87.1%	88.7%	Capesize 5y	28.4	32.7	42.4	48.5
Utilization, old	83.6%	86.7%	88.4%	89.4%	Capesize 5y, old	29.5	40.5	47.3	52.0
Δ	-0.6%p	-1.7%p	-1.3%p	-0.7%p	Δ	(1.1)	(7.8)	(4.8)	(3.5)
					Share Index	95	145	253	320
					Share Index, old	100	183	241	283
					Δ	-5%	-20%	5%	13%

¹Sum during period ²Average during period

Dry bulk supply/demand & utilization (annually)

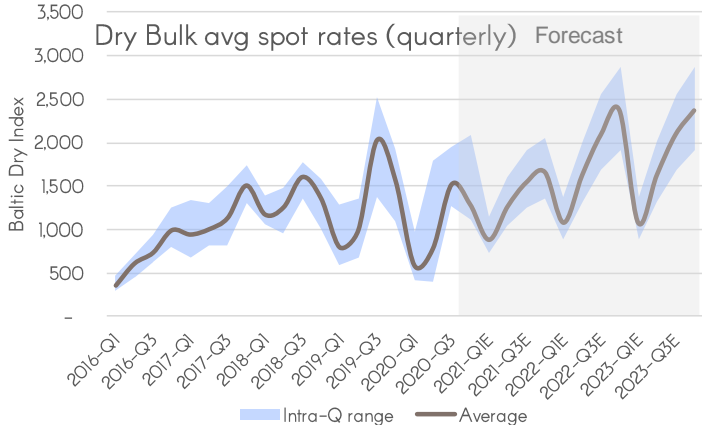


Dry bulk supply/demand & utilization (annually)

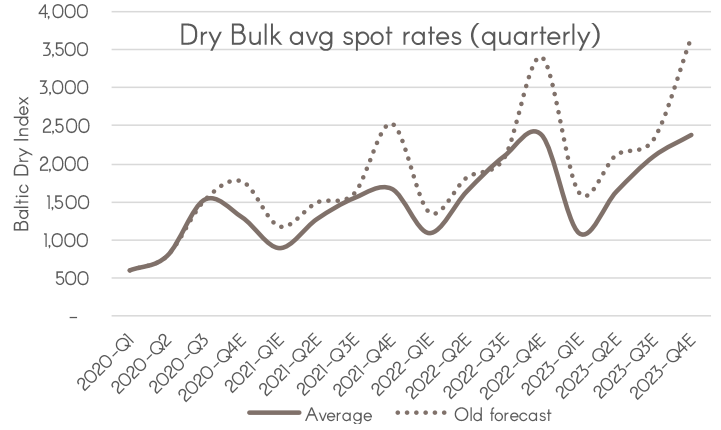




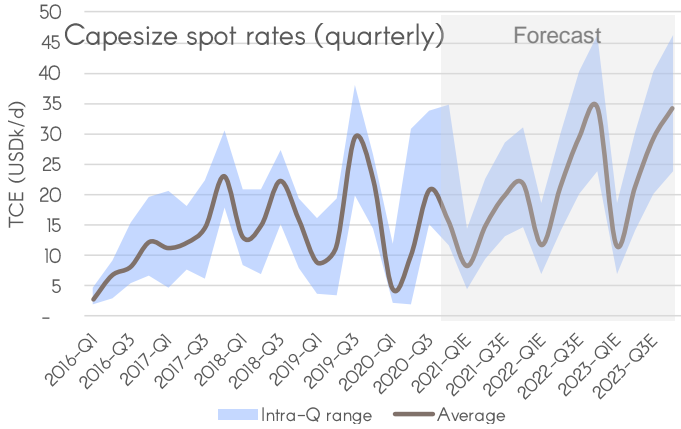
Baltic Dry Index: Historical & forecast (quarterly)



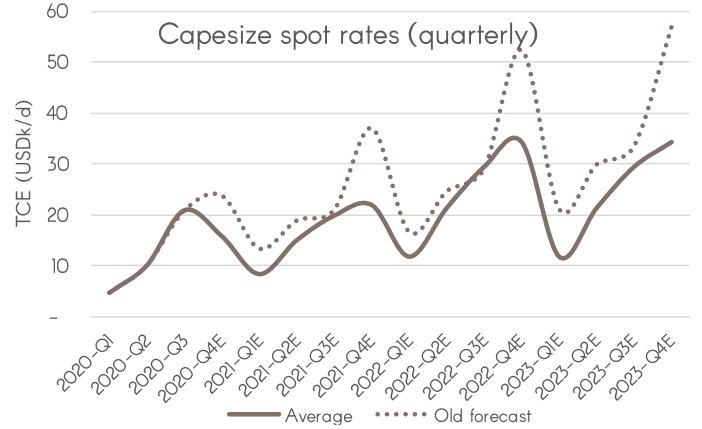
Baltic Dry Index: New vs old forecast



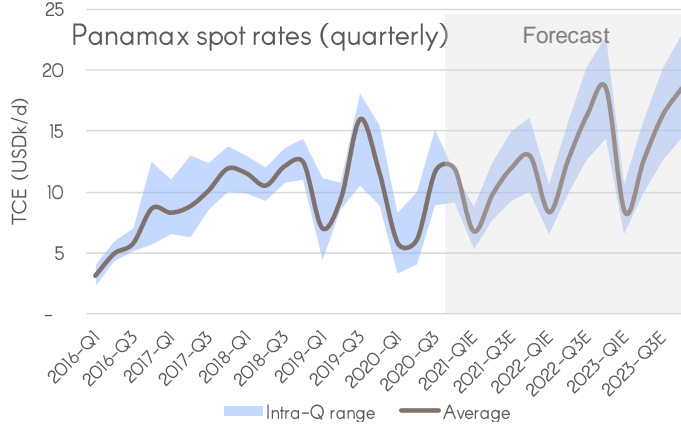
Capesize: Historical & forecast (quarterly)



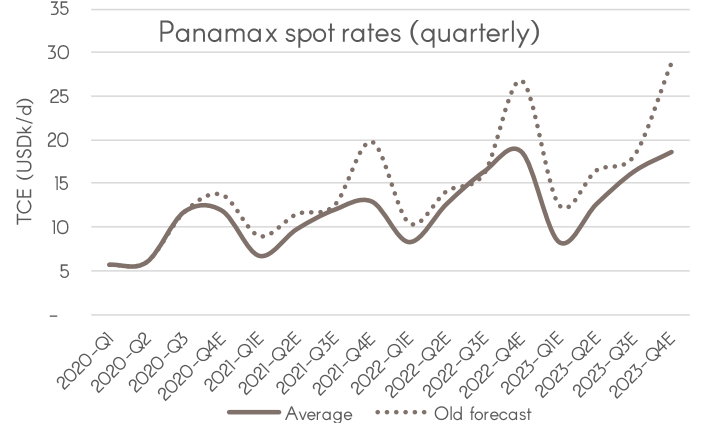
Capesize: New vs old forecast



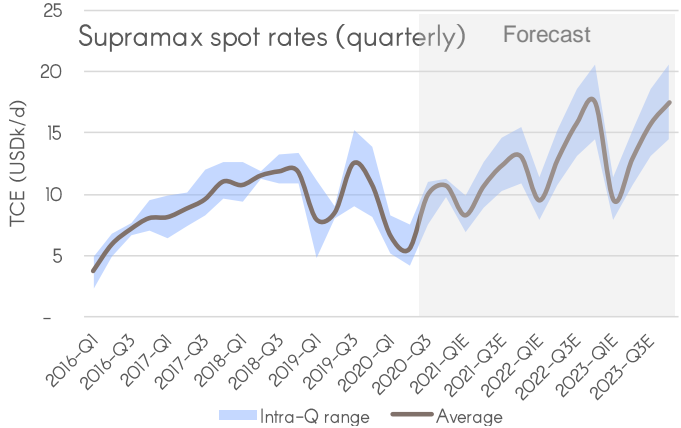
Panamax: Historical & forecast (quarterly)



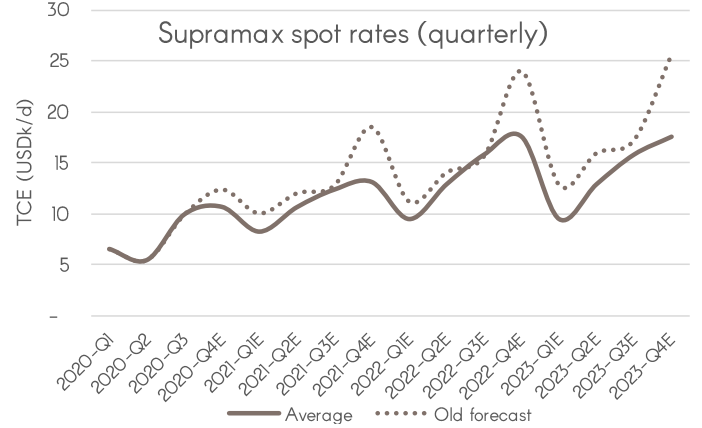
Panamax: New vs old forecast



Supramax: Historical & forecast (quarterly)



Supramax: New vs old forecast





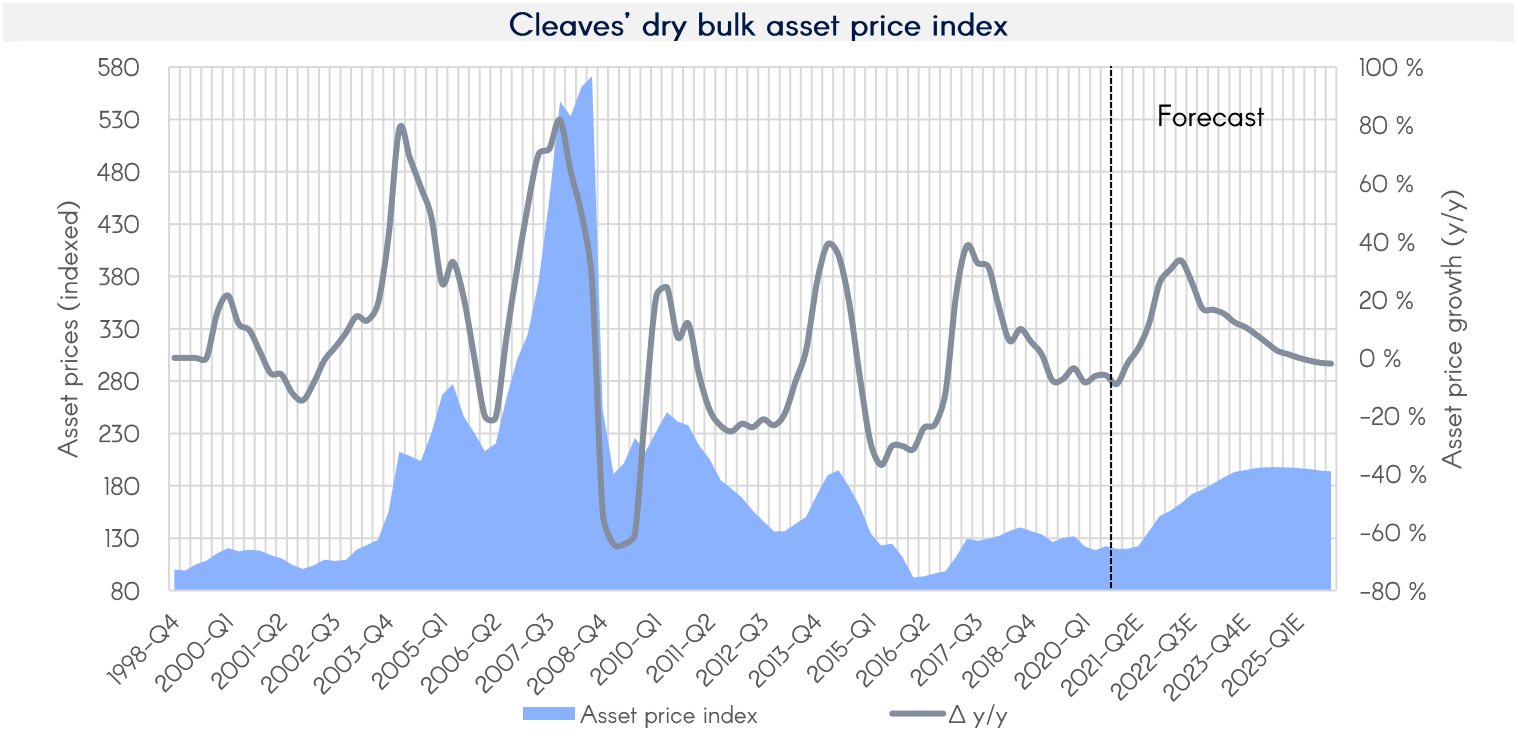
Asset & share prices

Asset values troughed in 2016 and our dry bulk asset price index rose 52% until 3Q18, before retreating some 16% by 2Q20. The majority of the latest decline came around the turn of the year, in-line with our [November 2019](#) forecast. In light of recent improvements and our positive view on the future, we see our dry bulk asset price index +26% in one year and +47% in two years. Given the forward-looking nature of share and asset prices, and the historically relationship between the two;

$$P_{shares} = f[P_{5y\ Cape}] = f[1y\ TC_{5y\ Cape}] = f[E(1y\ fwd\ spot\ revenue_{5y\ Cape})], R^2 = 0.92\ since\ 1998$$

we believe that our dry bulk share index could rally +102% in one year and +174% in two years from current levels.

After two Black Swan events represented by Vale's dam collapse in January 2019 and the COVID-19 outbreak in 2020, we believe the time is finally here for a substantial recovery in dry bulk fortunes.



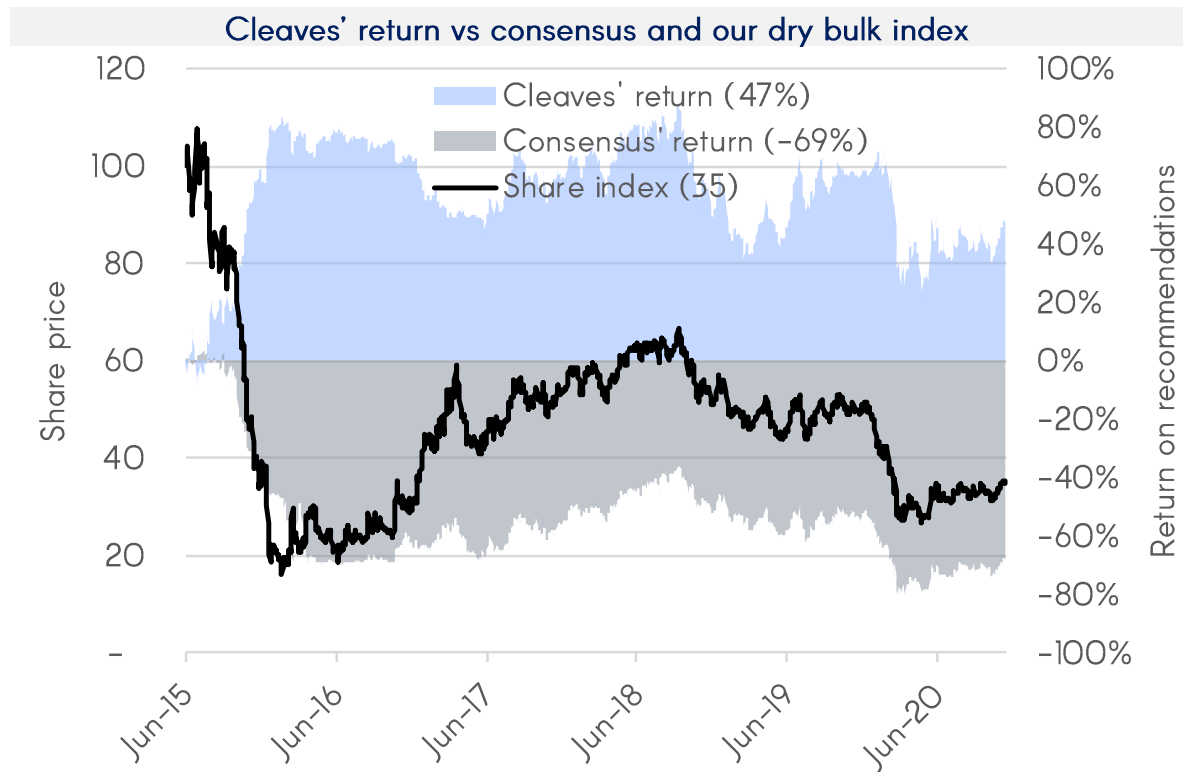


Cleaves Securities

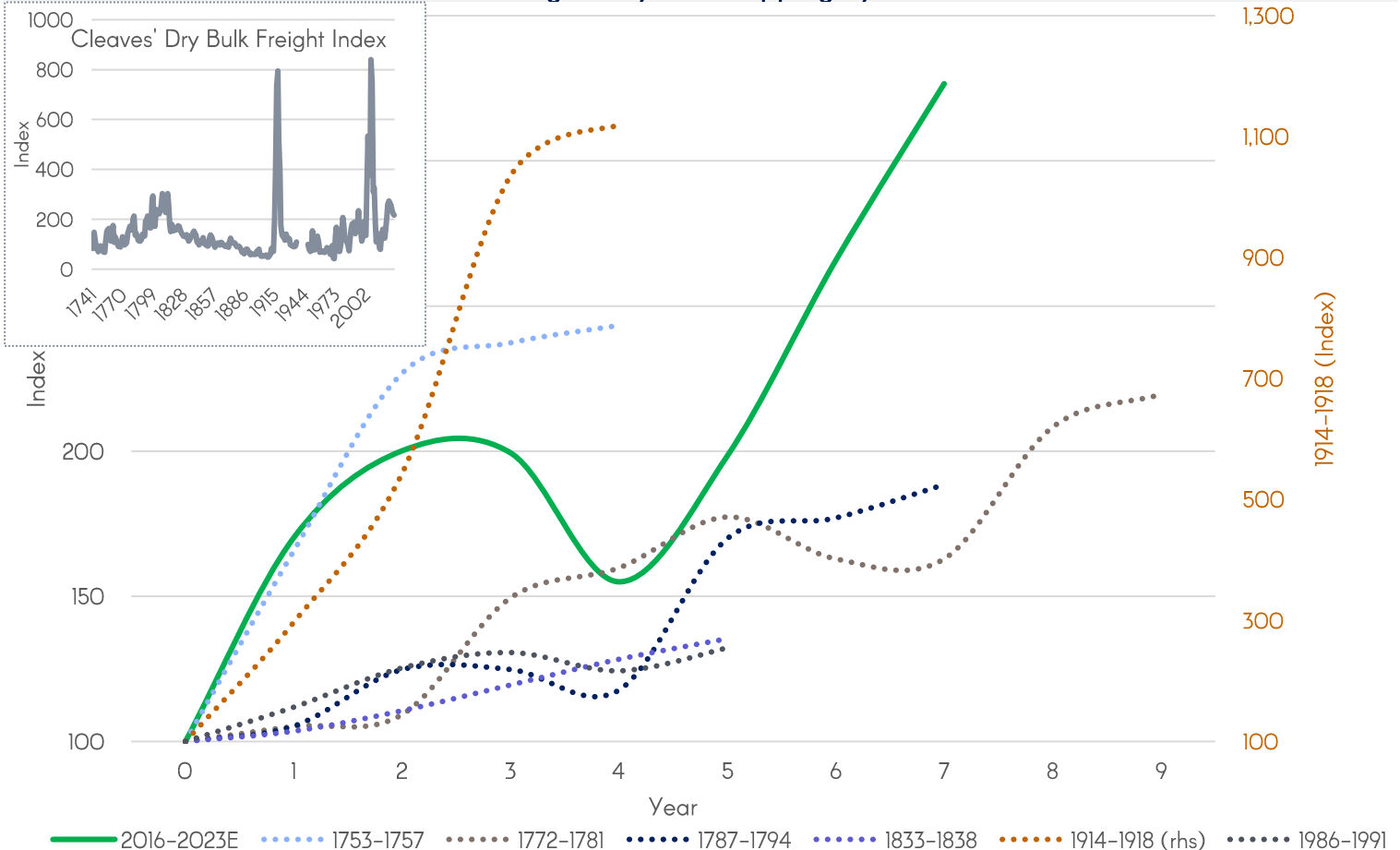
Dry Bulk BUY

$$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$$

Since we resumed coverage of dry bulk shipping shares in 2014, we have had a 47% return on our recommendations vs the market at -65% & consensus at -69%.

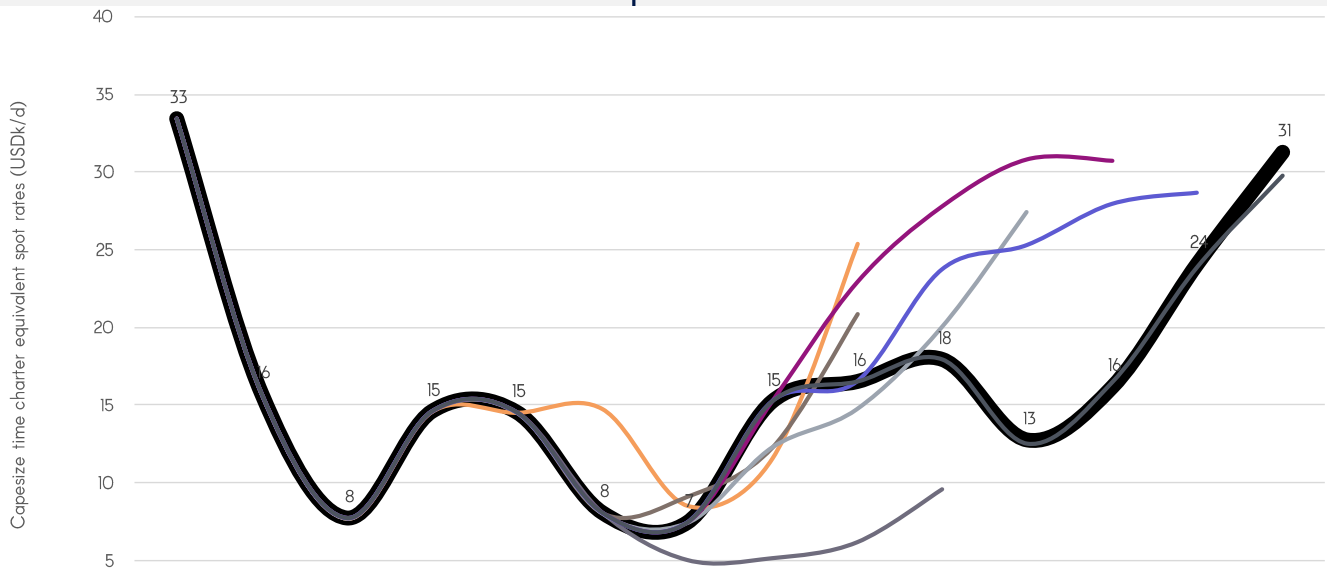


Some of the longest dry bulk shipping cycles since 1741





Cleaves' historical Capesize forecasts vs actuals



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Actuals/Forecast	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	17,915	12,735	16,157	24,082	31,244
Dec-14	33,406	15,699	7,717	14,578	14,515	14,759	8,541	11,589	25,364					
Jun-15	33,406	15,699	7,717	14,578	14,515	8,068	9,121	12,287	20,852					
Apr-16	33,406	15,699	7,717	14,578	14,515	8,074	5,007	5,120	6,146	9,555				
Jun-17	33,406	15,699	7,717	14,578	14,515	8,074	7,421	12,266	14,732	19,997	27,406			
Jan-18	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	22,882	27,767	30,789	30,694		
Jan-19	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	23,703	25,274	27,919	28,642	
Jan-20	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	17,915	12,495	16,467	23,885	29,739



Cleaves Securities

Dry Bulk BUY

$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

Changes to our econometric model

Dry Bulk, base case	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	26	46	82	101	101	63	48	49	47	38	28	42	48	32	14	16
Scrapping ¹	(6)	(11)	(6)	(23)	(33)	(23)	(16)	(31)	(29)	(15)	(4)	(8)	(14)	(15)	(12)	(9)
Other ¹	7	9	4	4	(1)	(0)	(0)	(1)	(1)	(0)	(0)	(17)	16	0	(0)	0
Contracting ¹	102	37	103	42	24	104	63	30	11	43	44	30	11	16	29	34
Supply ²	411	445	514	594	674	718	754	774	791	817	837	858	897	923	931	935
Δ y/y	7.0%	8.4%	15.5%	15.5%	13.4%	6.7%	5.0%	2.7%	2.1%	3.3%	2.4%	2.5%	4.6%	2.9%	0.8%	0.4%
Demand ²	392	401	466	512	556	604	632	625	633	687	714	728	745	785	811	829
Δ y/y	4.2%	2.3%	16.2%	10.0%	8.5%	8.7%	4.5%	-1.1%	1.3%	8.5%	3.9%	1.9%	2.4%	5.4%	3.3%	2.2%
Utilization ²	95%	90%	91%	86%	83%	84%	84%	81%	80%	84%	85%	85%	83%	85%	87%	89%
BDI ² (Index)	6,347	2,622	2,762	1,551	922	1,207	1,106	715	675	1,149	1,351	1,346	1,047	1,340	1,794	2,205
Cape, spot ² (TCE)	105,214	42,774	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	17,915	12,735	16,157	24,082	31,244
Pana, spot ² (TCE)	48,682	19,332	25,059	14,016	7,701	9,497	7,726	5,534	5,588	9,789	11,654	11,065	8,869	10,367	13,974	17,233
Supra, spot ² (TCE)	41,290	17,351	22,477	14,409	9,459	10,296	9,819	6,941	6,168	9,365	11,488	9,923	8,160	11,079	13,902	16,454
Handy, spot ² (TCE)	29,100	11,359	16,437	10,560	7,636	8,190	7,687	5,366	5,222	7,659	8,707	7,178	6,456	8,415	10,309	12,020
Cape, 5y ² (USDm)	128	52	57	43	34	36	47	33	24	32	35	31	28	33	42	48
Pana, 5y ² (USDm)	73	32	39	31	22	21	24	17	14	18	19	19	18	19	24	28
Supra, 5y ² (USDm)	61	27	32	28	22	21	25	16	13	16	18	17	16	18	22	25
Handy, 5y ² (USDm)	44	21	26	23	18	18	20	13	10	14	15	16	15	15	18	20
OB ²	306	319	311	279	184	142	182	151	115	75	99	98	71	41	36	54
OB/Fleet ²	75%	72%	60%	47%	27%	20%	24%	19%	15%	9%	12%	11%	8%	4%	4%	6%
Share Index ²	1,125	512	581	381	258	297	354	144	65	117	142	129	95	145	253	320

¹Sum during period ²Average during period

Old Demand/Supply (mDWT)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	26	46	82	101	101	63	48	49	47	38	28	42	48	32	14	21
Scrapping ¹	(6)	(11)	(6)	(23)	(33)	(23)	(16)	(31)	(29)	(15)	(4)	(8)	(14)	(12)	(10)	(8)
Other ¹	7	9	4	4	(1)	(0)	(0)	(1)	(1)	(0)	(0)	(17)	16	(0)	0	0
Contracting ¹	102	37	103	42	24	104	63	30	11	43	44	30	14	20	34	36
Supply ²	411	445	514	594	674	718	754	774	791	817	837	858	897	924	935	943
Δ y/y	7.0%	8.4%	15.5%	15.5%	13.4%	6.7%	5.0%	2.7%	2.1%	3.3%	2.4%	2.5%	4.6%	3.0%	1.1%	0.9%
Demand ²	392	401	466	512	556	604	632	625	633	687	714	728	750	802	826	843
Δ y/y	4.2%	2.3%	16.2%	10.0%	8.5%	8.7%	4.5%	-1.1%	1.3%	8.5%	3.9%	1.9%	3.1%	6.8%	3.1%	2.0%
Utilization ²	95%	90%	91%	86%	83%	84%	84%	81%	80%	84%	85%	85%	84%	87%	88%	89%
BDI ² (Index)	6,347	2,622	2,762	1,551	922	1,207	1,106	715	675	1,149	1,351	1,346	1,166	1,700	2,165	2,434
Cape, spot ² (TCE)	105,214	42,774	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	17,915	14,708	22,440	30,544	35,238
Pana, spot ² (TCE)	48,682	19,332	25,059	14,016	7,701	9,497	7,726	5,534	5,588	9,789	11,654	11,065	9,337	13,227	16,915	19,051
Supra, spot ² (TCE)	41,290	17,351	22,477	14,409	9,459	10,296	9,819	6,941	6,168	9,365	11,488	9,923	8,580	13,317	16,205	17,877
Handy, spot ² (TCE)	29,100	11,359	16,437	10,560	7,636	8,190	7,687	5,366	5,222	7,659	8,707	7,178	6,287	9,916	11,853	12,974
Cape, 5y ² (USDm)	128	52	57	43	34	36	47	33	24	32	35	31	30	41	47	52
Pana, 5y ² (USDm)	73	32	39	31	22	21	24	17	14	18	19	19	18	23	27	31
Supra, 5y ² (USDm)	61	27	32	28	22	21	25	16	13	16	18	17	17	21	24	26
Handy, 5y ² (USDm)	44	21	26	23	18	18	20	13	10	14	15	16	15	17	20	20
OB ²	306	319	311	279	184	142	182	151	115	75	99	98	71	45	45	64
OB/Fleet ²	75%	72%	60%	47%	27%	20%	24%	19%	15%	9%	12%	11%	8%	5%	5%	7%
Share Index ²	1,125	512	581	381	258	297	354	144	65	117	142	129	100	183	241	283

¹Sum during period ²Average during period

Δ Demand/Supply (mDWT)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(4)
Scrapping ¹	-	-	-	-	-	-	-	-	-	-	-	-	1	(3)	(2)	(1)
Other ¹	-	-	-	-	-	-	-	-	-	-	-	-	0	0	(0)	0
Contracting ¹	-	-	-	-	-	-	-	-	-	-	-	-	(3)	(4)	(5)	(3)
Supply ²	-	-	-	-	-	-	-	-	-	-	-	-	0	(1)	(3)	(8)
Δ y/y	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.3%	-0.5%
Demand ²	-	-	-	-	-	-	-	-	-	-	-	-	(5)	(16)	(15)	(14)
Δ y/y	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.7%	-1.4%	0.2%	0.2%
Utilization ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-2%	-1%	-1%
BDI ² (Index)	-	-	-	-	-	-	-	-	-	-	-	-	(119)	(360)	(371)	(229)
Cape, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	(1,973)	(6,283)	(6,462)	(3,994)
Pana, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	(468)	(2,860)	(2,941)	(1,818)
Supra, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	(421)	(2,239)	(2,303)	(1,423)
Handy, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	170	(1,501)	(1,544)	(954)
Cape, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(8)	(5)	(4)
Pana, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	(0)	(4)	(3)	(2)
Supra, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	(0)	(3)	(2)	(2)
Handy, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	(0)	(2)	(2)	(1)
OB ²	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)	(8)	(10)
OB/Fleet ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-1%
Share Index ²	-	-	-	-	-	-	-	-	-	-	-	-	(5)	(37)	12	38

¹Sum during period ²Average during period

$\Delta\%$ Demand/Supply (mDWT)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-5%	-21%
Scrapping ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-4%	22%	21%	13%
Other ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-438%	-160%	256%
Contracting ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-19%	-19%	-15%	-7%
Supply ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%
Δ y/y	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-4%	-24%	-58%
Demand ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-2%	-2%	-2%
Δ y/y	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-23%	-21%	6%	11%
Utilization ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-2%	-1%	-1%
BDI ² (Index)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-10%	-21%	-17%	-9%
Cape, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-13%	-28%	-21%	-11%
Pana, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-5%	-22%	-17%	-10%
Supra, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-5%	-17%	-14%	-8%
Handy, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	-15%	-13%	-7%
Cape, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-4%	-19%	-10%	-7%
Pana, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-17%	-12%	-8%
Supra, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-2%	-16%	-9%	-6%
Handy, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-2%	-12%	-8%	-4%
OB ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-8%	-19%	-15%
OB/Fleet ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Share Index ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-5%	-20%	5%	13%



Asset Valuation

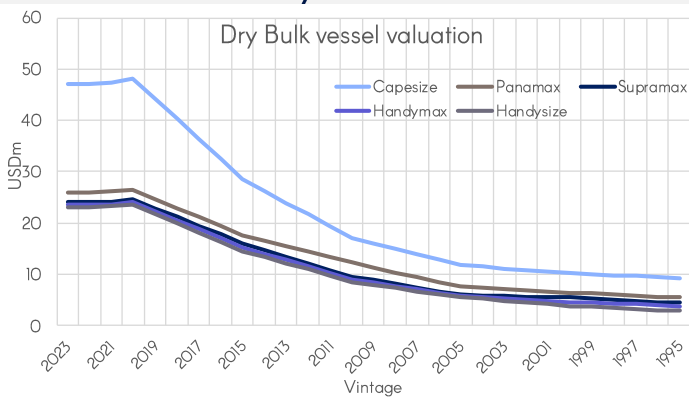
Asset valuation overview

Summary	Capesize	Panamax	Supramax	Handymax	Handysize
NB	47.0	26.0	24.0	23.5	23.0
resale	48.0	26.5	24.5	24.0	23.5
5y	28.5	17.5	16.0	15.3	14.5
10y	17.0	12.3	9.5	9.0	8.5
15y	11.8	7.5	6.0	5.8	5.5
20y	10.2	6.4	5.4	4.6	3.8
scrap	9.2	5.4	4.4	3.8	2.8
<i>All prices are excluding scrubbers</i>					
NB parity	19,297	12,856	11,850	11,226	10,617

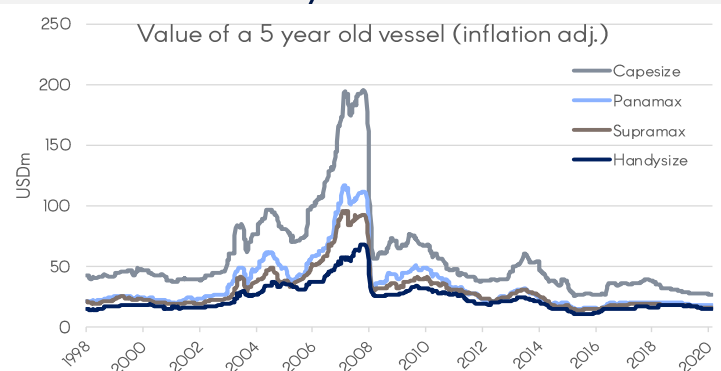
Changes to our asset valuation

Changes	Capesize	Panamax	Supramax	Handymax	Handysize
NB	0.0	0.0	0.0	0.0	0.0
resale	-2.0	-1.0	-1.0	-0.5	0.0
5y	-1.5	-2.0	0.0	0.0	0.0
10y	-2.0	0.0	0.0	0.0	0.0
15y	0.3	0.0	0.0	0.0	0.0
20y	2.2	0.9	1.1	0.7	0.3
scrap	2.3	1.4	1.1	1.0	0.7

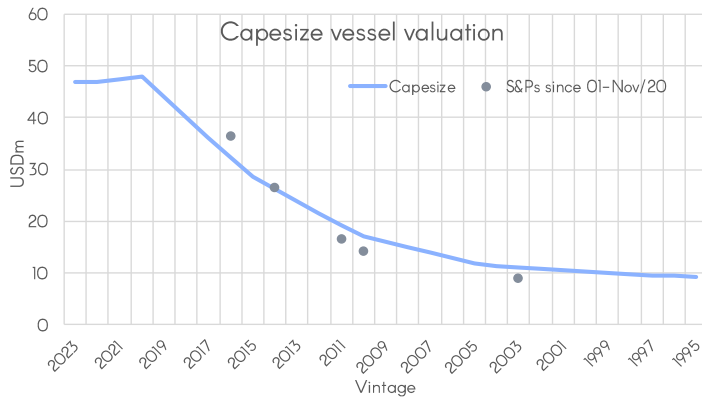
Historical 5y old vessel values



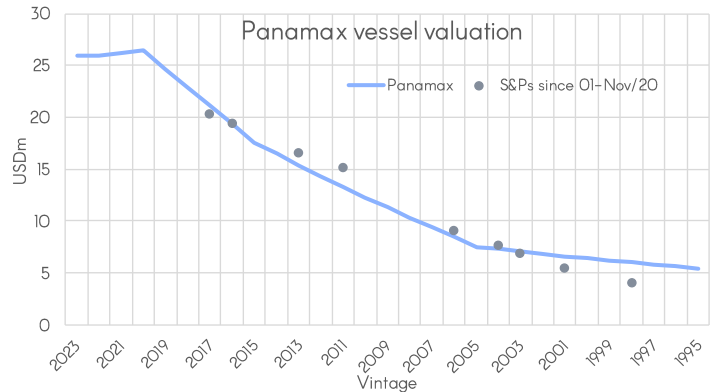
Historical 5y old vessel values



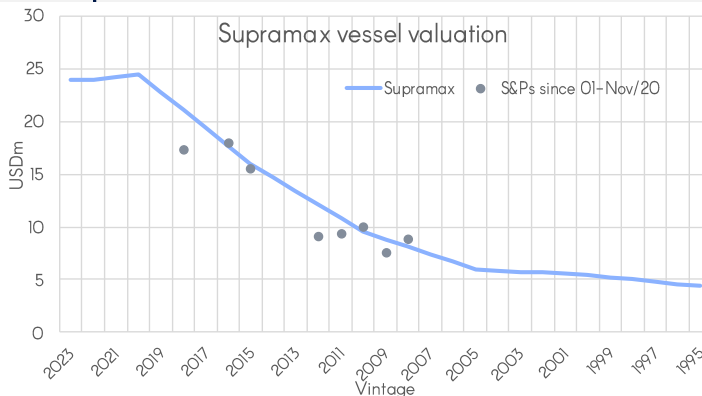
Capesize valuation vs recent S&Ps



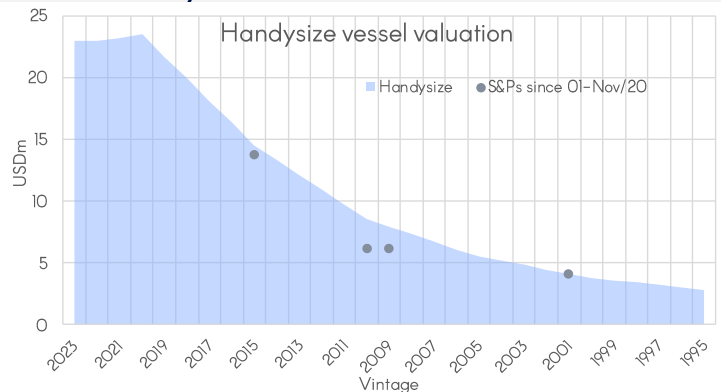
Pana-/Kamsarmax valuation vs recent S&Ps



Supra-/Ultramax valuation vs recent S&Ps



Handysize valuation vs recent S&Ps





Econometric Overview

Category	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
Deliveries	10	6	5	8	8	12	15	17	18	12	13	13	14	14	14	21	21	28	28	28	28	28	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Scrapped	(2)	(1)	(4)	(4)	(3)	(2)	(7)	(8)	(12)	(9)	(5)	(8)	(6)	(4)	(1)	(2)	(5)	(6)	(6)	(6)	(6)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Supply	209	214	205	218	224	239	251	262	266	267	273	285	293	300	314	337	360	384	411	445	514	594	674	774	754	774	791	817	837	858	897	925	931	935	951	974	974	
Demand	178	185	181	187	193	210	213	224	220	223	226	240	246	240	257	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	
Utilization	85%	86%	84%	86%	86%	88%	85%	85%	85%	83%	82%	84%	84%	84%	84%	89%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	
Case seat	1354	1392	1201	1401	1475	1982	1316	1317	947	1065	1408	1246	1159	2430	5335	9324	45320	7097	4347	2422	2742	1581	922	1207	1026	715	675	1149	1351	1346	1047	1340	2205	3224	3306	2247		
Hand seat	10	6	5	8	8	12	15	17	18	12	13	13	14	14	14	21	21	28	28	28	28	28	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	
Hand seat	10	6	5	8	8	12	15	17	18	12	13	13	14	14	14	21	21	28	28	28	28	28	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	
Hand seat	10	6	5	8	8	12	15	17	18	12	13	13	14	14	14	21	21	28	28	28	28	28	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	

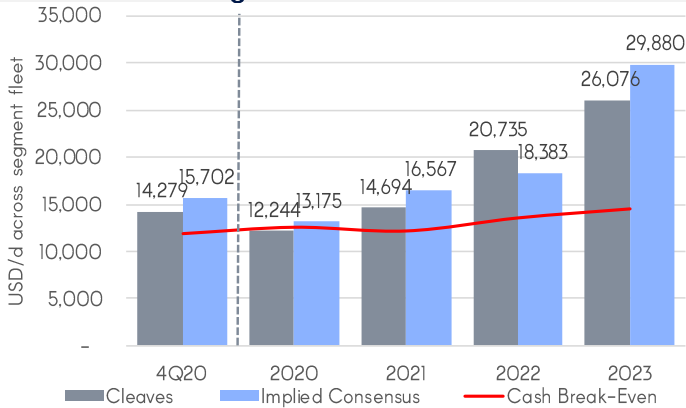


Peer Group

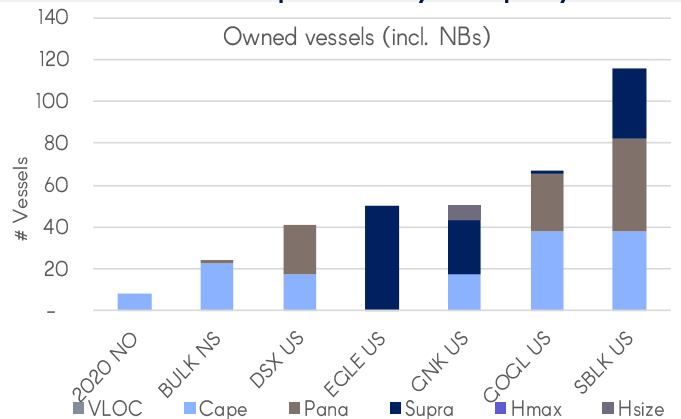
Company	M.cap	Turnover	Return ly	Rec.	Target Price	Last Price	Target/Price	NAV /sh	P/NAV Now	P/NAV ly fwd	EV/ GAV	adj. equity	τ	
2020 NO	149	0.2	-26%	BUY	84	58.8	43%	66	0.90	0.68	2.41	0.96	39%	1.00
BULK NO	408			HOLD	109	119.0	-8%	66	1.82	1.24	1.73	1.45	50%	0.67
DSX US	154	0.4	-48%	BUY	2.6	1.7	51%	2.7	0.65	0.49	2.56	0.87	31%	0.89
EGL US	218	1.1	-38%	HOLD	18	19.8	-9%	18.3	1.08	0.94	2.94	1.03	27%	1.00
GNK US	312	1.1	-23%	BUY	13.0	7.5	74%	9.6	0.78	0.59	1.62	0.88	44%	1.00
GOGL US	610	4.5	-21%	BUY	6.6	4.2	56%	4.0	1.06	0.73	2.64	1.02	30%	0.98
SBLK US	796	3.7	-22%	BUY	11	8.3	33%	6.6	1.25	0.85	3.26	1.07	26%	1.00
Average	378		-30%				34%		1.08	0.79	2.45	1.04	35%	0.93
Median	312		-30%				34%		1.08	0.79	2.45	1.04	35%	0.93

Company	EV/EBITDA				P/E				Dividend yield				FCF yield			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
2020 NO	11.9	7.8	4.3	2.9	13.1	6.2	2.7	1.8	3%	12%	28%	44%	-69%	22%	44%	64%
BULK NO	10.9	6.8	3.4	2.2		13.3	4.2	2.7	9%	8%	20%	33%	15%	16%	31%	46%
DSX US		7.7	2.7	1.2			2.0	1.1	0%	0%	11%	42%	20%	22%	66%	120%
EGL US	14.7	8.5	4.3	2.6			5.3	2.5	0%	0%	4%	16%	1%	9%	40%	59%
GNK US		4.0	1.8	0.7		7.1	2.4	1.5	3%	5%	15%	29%	26%	28%	57%	83%
GOGL US	25.8	6.8	3.6	2.1	40.0	7.1	2.5	1.6	1%	11%	22%	40%	18%	30%	55%	82%
SBLK US	9.2	5.8	3.2	2.2	39.4	5.9	2.4	1.6	7%	7%	26%	61%	15%	33%	58%	79%
Average	14.5	6.8	3.3	2.0	30.8	7.9	3.1	1.8	3%	6%	18%	38%	4%	23%	50%	76%
Median	14.5	6.8	3.3	2.0	30.8	7.9	3.1	1.8	3%	6%	18%	38%	4%	23%	50%	76%

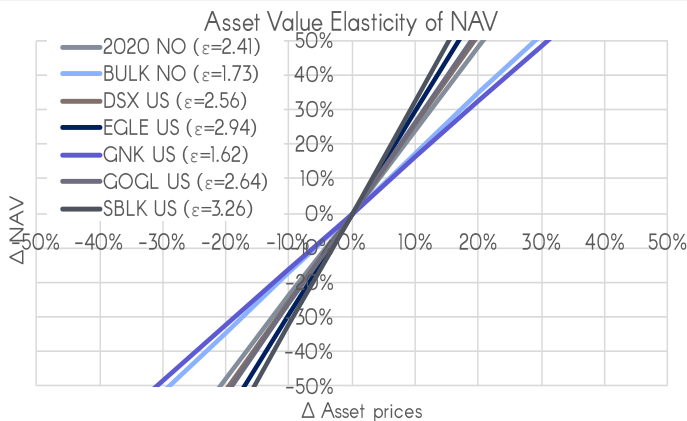
Cleaves' average TCE/d forecast vs consensus



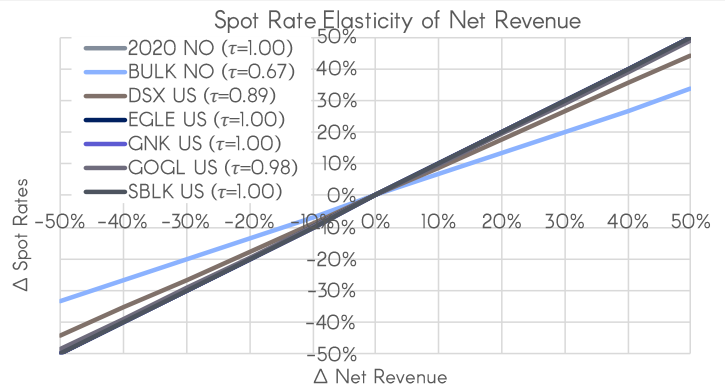
Fleet composition by company



Financial leverage (ϵ)

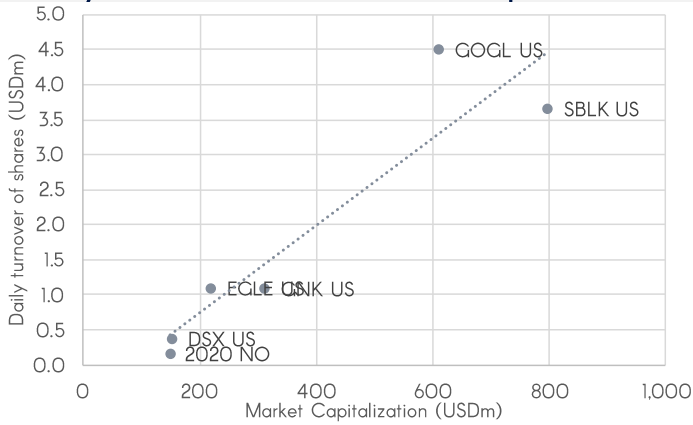


Operational leverage (τ)

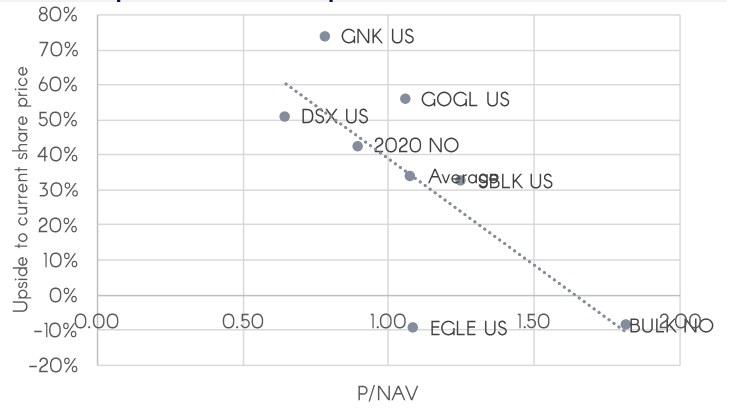




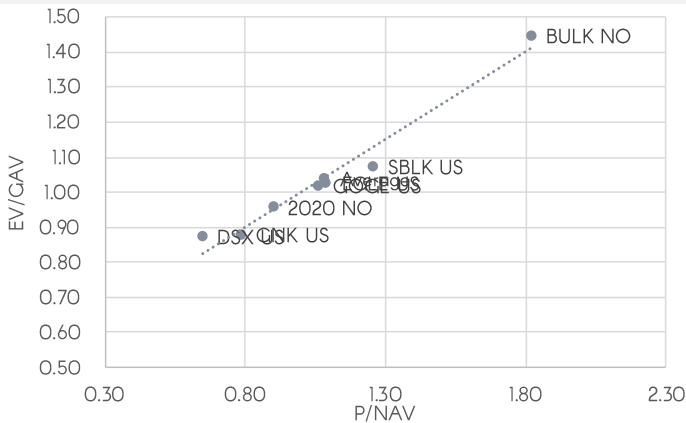
Daily share turnover vs market capitalization



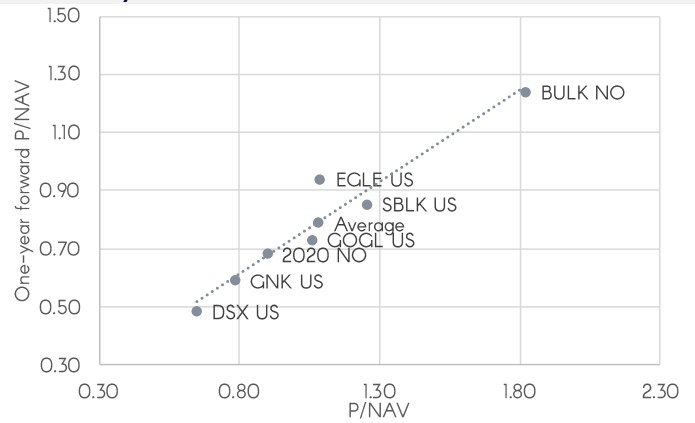
Upside to share price current P/NAV



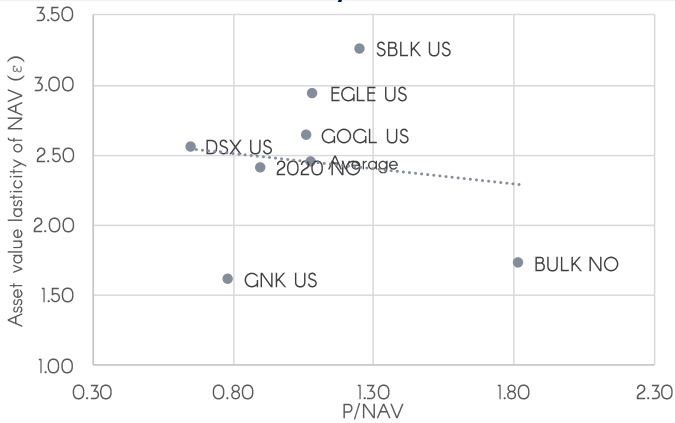
EV/GAV vs P/NAV



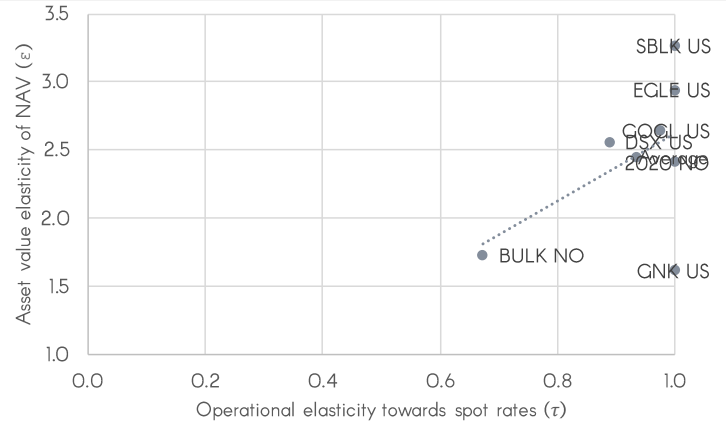
One-year forward P/NAV vs current P/NAV



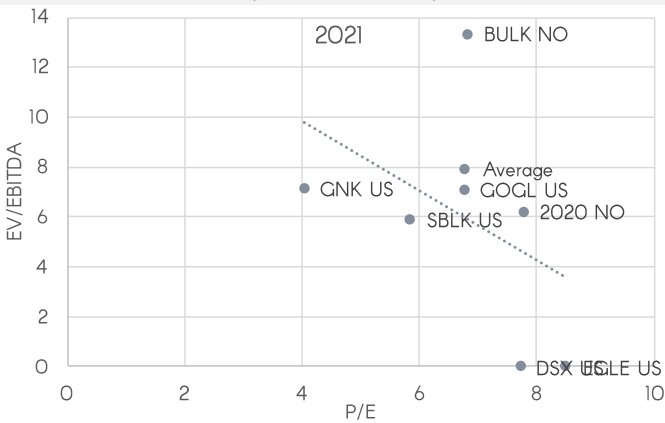
Asset value elasticity of NAV vs P/NAV



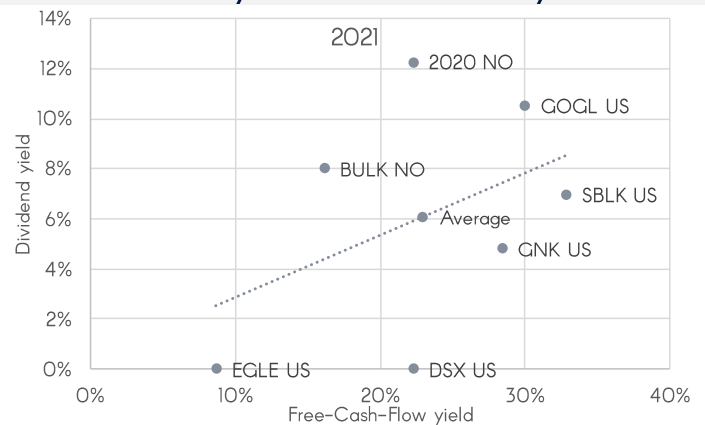
Elasticities: NAV vs net revenue



EV/EBITDA vs P/E



Dividend yield vs free cash flow yield





Company Financials (annually)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
USDm																
2020 NO	47	64	95	123	31	46	77	105	22	35	66	93	11	24	56	84
BULK NO	100	129	194	250	48	78	143	200	8	39	105	160	-6	31	97	154
DSX US	157	173	249	315	35	58	134	199	-7	21	97	161	-32	-2	75	141
EGLE US	184	201	234	274	42	69	120	159	-8	19	69	109	-45	-14	39	81
GNK US	194	239	309	378	70	121	202	271	5	60	140	209	-18	43	126	198
GOGL US	424	468	637	792	175	232	384	531	63	122	275	422	15	86	241	391
SBLK US	486	586	801	982	233	343	550	725	91	199	406	580	20	139	352	530
Average	227	266	360	445	91	135	230	313	25	71	165	248	-8	44	141	226
Median	184	201	249	315	48	78	143	200	8	39	105	161	-6	31	97	154

Balance Sheet

BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
USDm																
2020 NO	372	363	355	343	20	20	28	45	396	387	386	390	143	149	163	182
BULK NO	492	457	428	396	39	50	71	99	561	537	528	524	343	341	355	373
DSX US	720	689	669	632	86	78	131	220	873	834	866	919	432	436	500	582
EGLE US	807	775	727	680	98	82	124	166	981	932	927	922	441	428	458	504
GNK US	1,017	970	918	857	192	193	249	359	1,303	1,257	1,262	1,311	817	844	922	1,031
GOGL US	2,275	2,178	2,084	1,974	164	178	274	422	2,725	2,642	2,643	2,682	1,376	1,398	1,505	1,649
SBLK US	2,879	2,751	2,623	2,500	236	250	400	445	3,244	3,130	3,153	3,074	1,499	1,581	1,720	1,748
Average	1,223	1,169	1,115	1,054	119	122	182	251	1,440	1,388	1,395	1,403	722	739	803	867
Median	807	775	727	680	98	82	131	220	981	932	927	922	441	436	500	582

Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2021	2022	2021	2022
USDm																
2020 NO	22	36	67	96	-102	33	65	96	0	0	8	16	22,403	33,408	14,694	14,487
BULK NO	39	69	136	193	61	66	126	186	-8	11	21	28	15,414	23,040	9,738	9,618
DSX US	16	41	119	184	30	34	101	184	-42	-8	52	90		18,244	16,434	16,201
EGLE US	5	37	89	132	1	19	86	129	39	-16	42	42	11,133	14,236	11,019	23,023
GNK US	38	103	187	259	81	89	178	259	30	0	56	110	12,983	17,577	11,006	10,902
GOGL US	130	196	351	501	108	183	336	501	59	14	96	148	14,737	20,208	10,804	11,249
SBLK US	180	283	496	675	118	266	479	654	113	14	150	45	13,493	18,432	11,398	9,615
Average	61	109	207	291	42	99	196	287	27	2	61	68	15,027	20,735	12,156	13,585
Median	38	69	136	193	61	66	126	186	30	0	52	45	14,115	18,432	11,019	11,249



Company Financials (quarterly)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21
USDm																
2020 NO	14	9	14	19	10	4	10	15	7	2	7	12	4	-1	5	9
BULK NO	31	19	30	38	18	6	17	26	8	-3	7	16	5	-6	5	14
DSX US	41	33	39	47	10	5	11	19	0	-4	1	10		-10	-5	4
EGLE US	54	38	49	58	16	5	16	24	4	-8	3	12	-5	-16	-5	3
GNK US	58	39	56	69	27	10	27	39	12	-5	12	24	7	-10	7	20
GOGL US	134	78	103	137	69	25	48	74	41	-2	20	46	30	-11	11	37
SBLK US	144	91	136	172	84	33	76	110	48	-4	40	74	32	-19	24	59
Average	68	44	61	77	33	13	29	44	17	-3	13	28	12	-10	6	21
Median	54	38	49	58	18	6	17	26	8	-4	7	16	6	-10	5	14

Balance Sheet

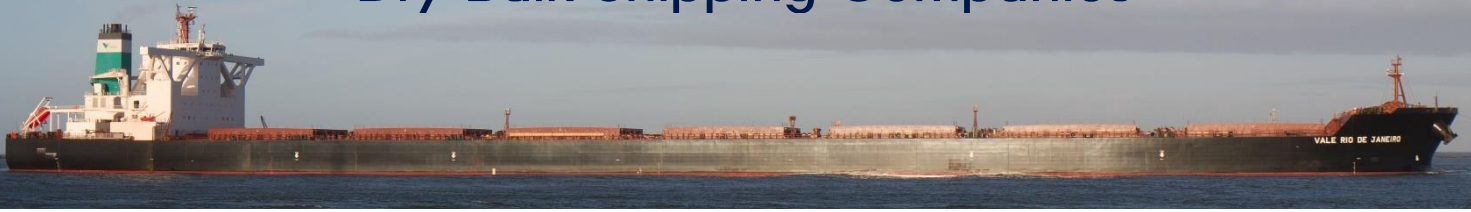
BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21
USDm																
2020 NO	372	370	368	366	20	18	18	19	396	391	389	388	143	142	144	146
BULK NO	492	483	475	466	39	37	45	50	561	550	550	546	343	337	342	344
DSX US	720	704	699	694	86	82	74	74	873	853	839	834	432	423	420	426
EGLE US	807	800	791	784	98	80	75	77	981	957	943	937	441	425	420	424
GNK US	1,017	1,005	994	982	192	175	174	184	1,303	1,274	1,262	1,260	817	806	813	829
GOGL US	2,275	2,251	2,227	2,203	164	126	129	156	2,725	2,664	2,642	2,645	1,376	1,342	1,345	1,375
SBLK US	2,879	2,847	2,815	2,783	236	144	143	176	3,244	3,120	3,087	3,089	1,499	1,429	1,451	1,508
Average	1,223	1,209	1,195	1,182	119	95	94	105	1,440	1,401	1,387	1,385	722	701	705	722
Median	807	800	791	784	98	82	75	77	981	957	943	937	441	425	420	426

Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	1Q21	2Q21	1Q21	2Q21
USDm																
2020 NO	7	2	7	12	7	1	7	12	1	-3	0	1	12,417	20,454	14,832	14,719
BULK NO	18	4	15	23	24	3	14	22	13	-2	8	5	9,156	14,286	9,829	9,753
DSX US	5	1	6	15	7	7	2	10	-4	-4	-9	0	9,874	11,426	26,894	12,400
EGLE US	8	-3	7	16	21	-9	3	11	13	-18	-5	2	8,315	10,586	10,954	10,881
GNK US	22	5	22	35	53	2	18	31	32	-18	-1	10	8,607	12,231	11,109	11,031
GOGL US	61	16	38	65	59	12	36	61	33	-37	2	27	10,092	13,366	10,477	10,791
SBLK US	68	17	61	95	63	13	56	91	17	-92	-1	34	8,482	12,611	11,874	12,032
Average	27	6	22	37	33	4	20	34	15	-25	-1	11	9,563	13,566	13,710	11,658
Median	18	4	15	23	24	3	14	22	13	-18	-1	5	9,156	12,611	11,109	11,031

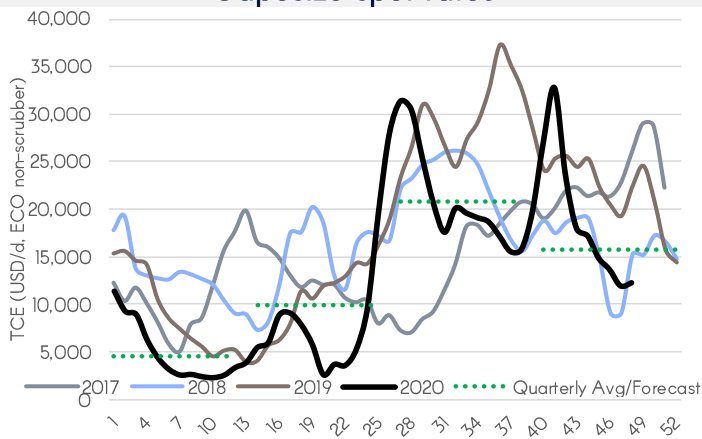


Dry Bulk Shipping Companies

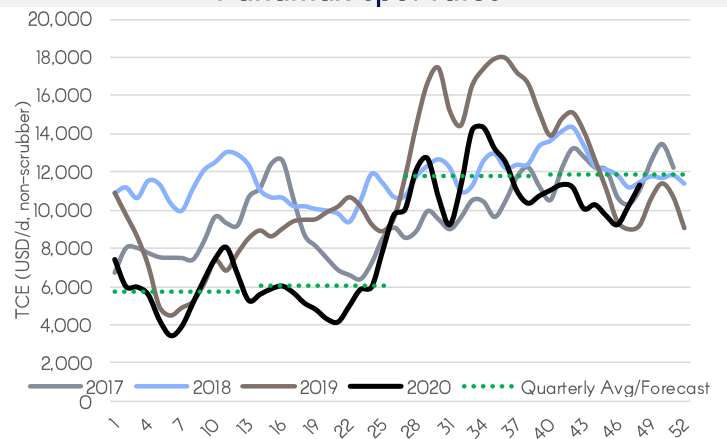


Earnings

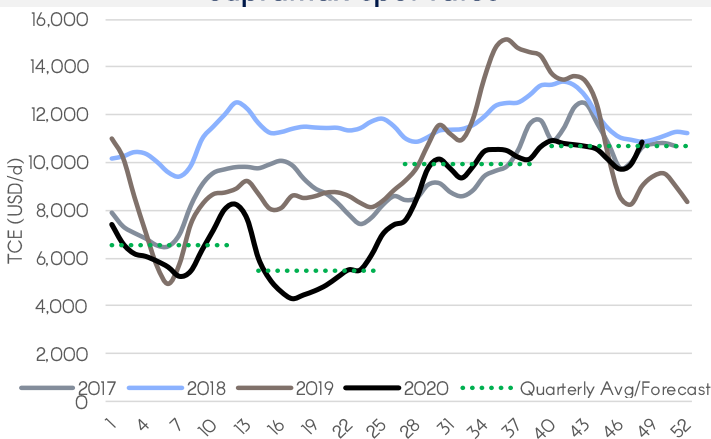
Capesize spot rates



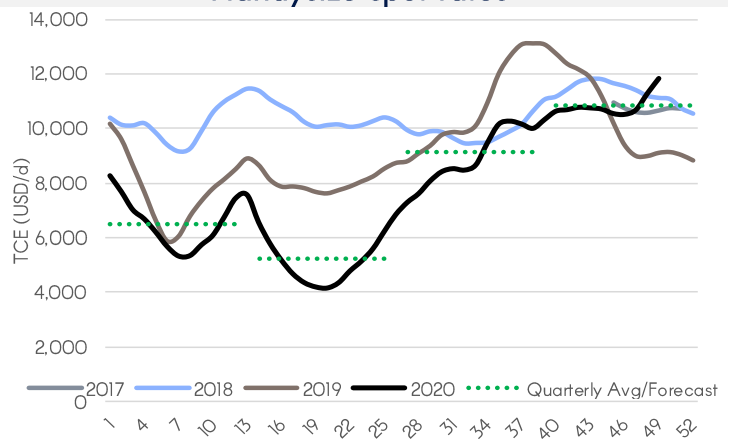
Panamax spot rates



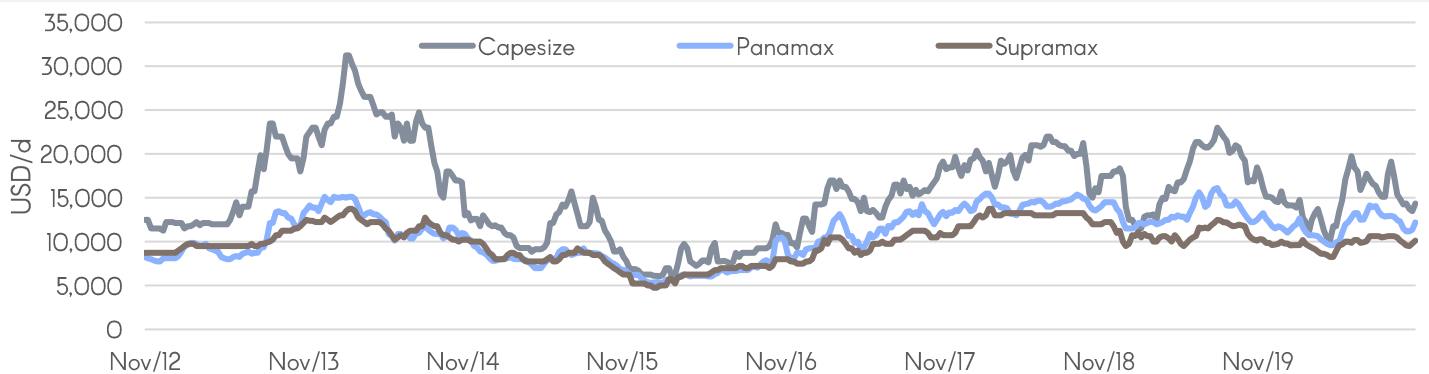
Supramax spot rates



Handysize spot rates



Timecharter rates

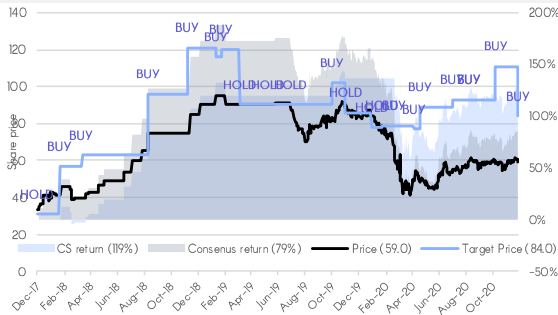


Top-notch fleet and investor-friendly policies amidst improving fundamentals

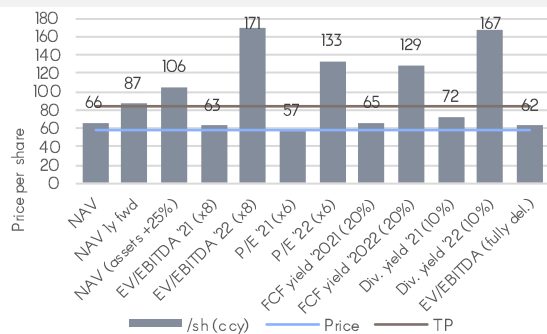
2020-NO BUY/N84

2020 Bulkers

Share price vs target price

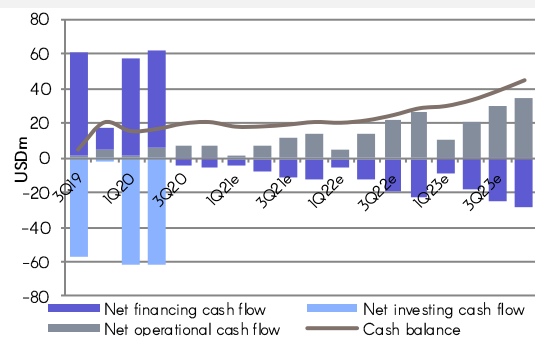


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	47	64	95	123
EBITDA (adj.)	31	46	77	105
EBIT (adj.)	22	35	66	93
PTP (adj.)	11	24	56	84
Net earnings (adj.)	11	24	56	84
EPS (adj.)	0.51	1.08	2.52	3.79
DPS	0.21	0.82	1.90	2.92
USDm	2020E	2021E	2022E	2023E
Fwd NAV	150	274	373	470
Adj. equity ratio	37%	54%	63%	69%
FCF yield	-69%	22%	44%	64%
Dividend yield	3%	12%	28%	43%
EV/EBITDA	11.9	7.8	4.4	2.9
P/E (adj.)	13.1	6.2	2.7	1.8

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	22	36	67	96
Free cash flow	-102	33	65	96
Net cash flow	0	0	8	16
TCE/day	18,194	22,403	33,408	43,141
Cash break-even	14,679	14,694	14,487	14,274
Liquidity	20	20	28	45
Property & Equip. (incl. NBs)	372	363	355	343
Total equity	143	149	163	182
Total assets	396	387	386	390
Interest bearing debt	246	231	216	201
Net interest bearing debt	225	210	188	157
Market Cap.	149	149	149	149
Enterprise value	374	359	337	306

Source: Cleaves, Bloomberg, Shipping Intelligence Network, company data

Disclaimer: The analyst currently has investments in some of the companies covered in this report. More disclaimers at the end of this document

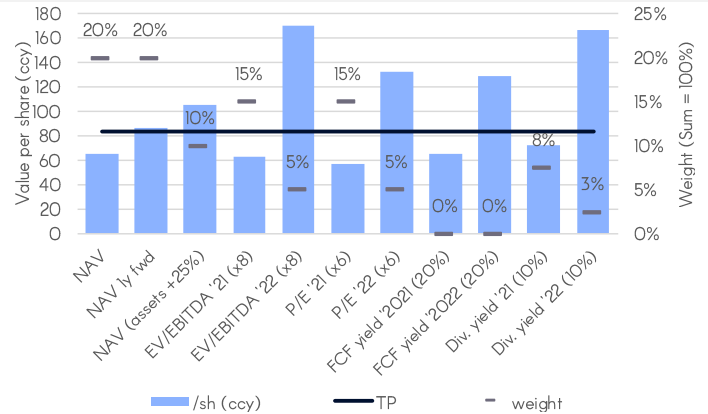


Company Valuation

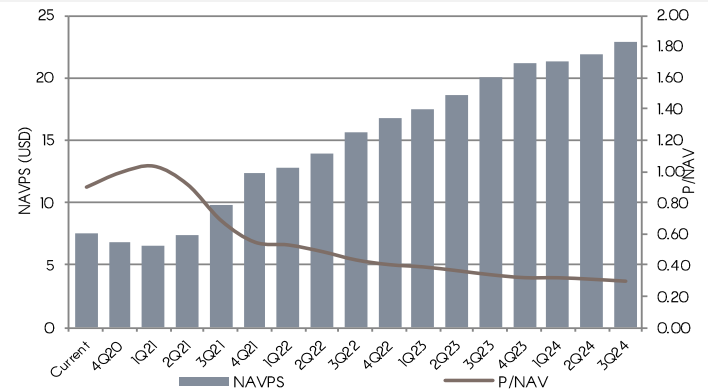
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	375	400	383
Contract value	0	0	0
Other	2	2	2
GAV	378	402	385
Net debt	-230	-230	-230
Capex	0	0	0
Other	-6	-6	-6
Equity	141	166	149
Shares	22	22	22
Equity/sh	6.38	7.49	6.71
lcl CCY	56.07	65.84	59.00
USDNOK		8.79	
P/Equity	1.05	0.90	1.00
EV/GAV	1.02	0.96	1.00
Adj. Total Assets	398	423	405
Adj. Equity Ratio	36%	39%	37%
Fair Value	NOK	84	42%
	USD	9.5	

Weighted valuation matrix



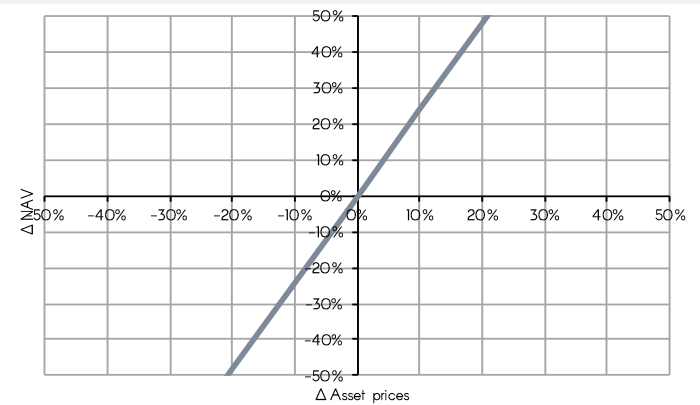
Quarterly forward NAV & P/NAV



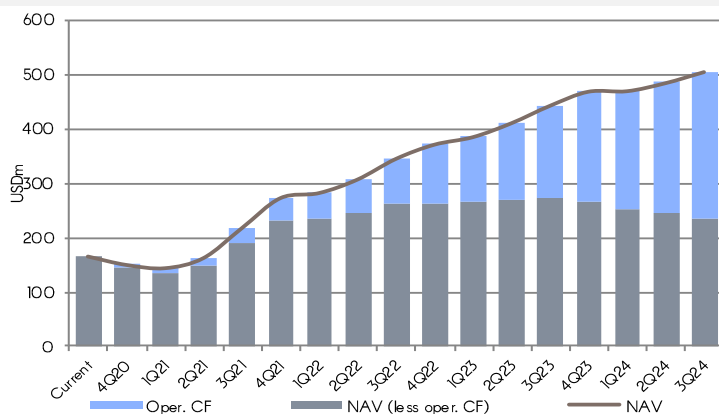
Impact on NAV/sh from % change in asset prices



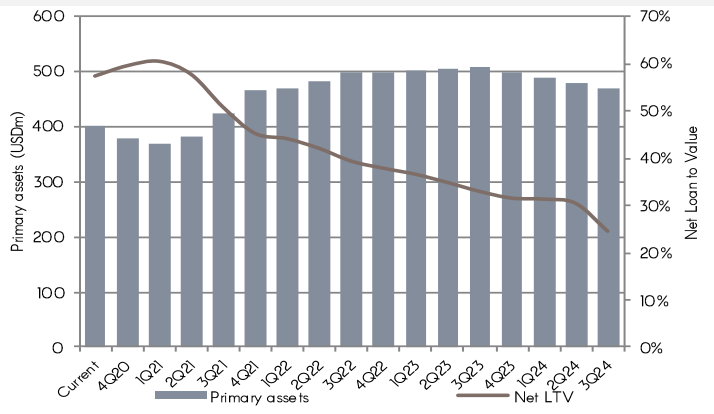
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

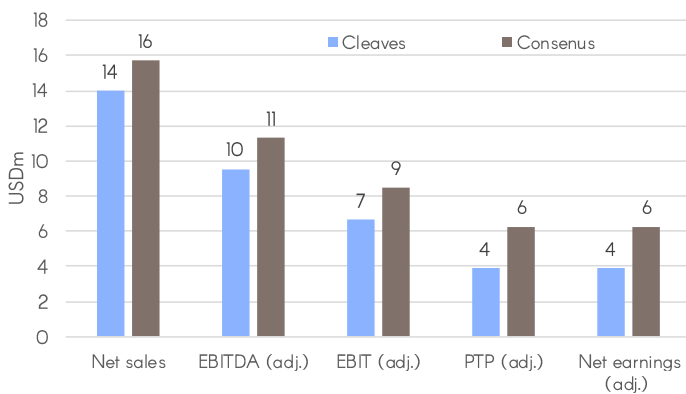
P&L

4Q20 Preview USDm	4Q19		3Q20		4Q20		Actuals vs		Actuals vs	
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
Net sales	6.7	15.4	14.0	15.7						
EBITDA (adj.)	3.5	10.6	9.6	11.3						
EBIT (adj.)	2.5	7.7	6.7	8.5						
PTP (adj.)	1.2	4.8	3.9	6.3						
Net earnings (adj.)	1.2	4.8	3.9	6.3						
EPS (adj.)	0.06	0.22	0.18	0.29						
DPS	0.07	0.13	0.13							
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	6.7	15.4	14.0	15.7						
Opex & G&A	3.2	4.8	4.4	4.4						
Depreciation	1.0	2.9	2.9	2.8						
Net finance	1.3	2.9	2.8	2.3						
Taxes & Minorities	-	-	-	-						

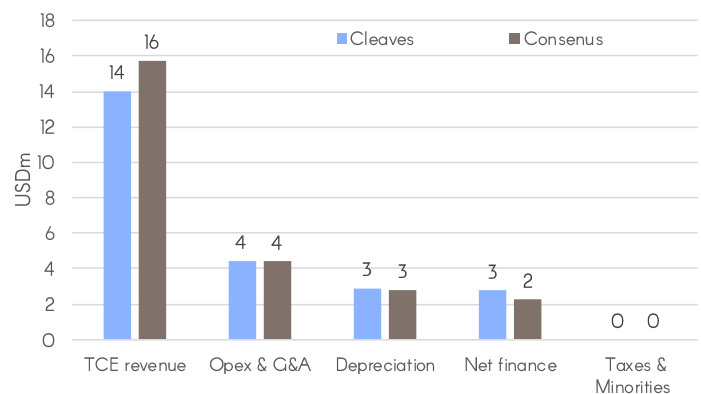
CF & BS

4Q20 Preview USDm	4Q19		3Q20		4Q20		Actuals vs		Actuals vs	
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	5	7	7							
Free cash flow	3	7	7							
Net cash flow	16	3	1							
TCE/day	22,483	20,924	19,572	21,991						
Fleet days	298	736	736							
Cash break-even	31,980	15,489	14,776							
Liquidity	20	20	20							
Interest bearing debt	140	249	246							

Quarterly Pre-/Review



Quarterly Pre-/Review: Line by line





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	47	64	95	123	51	87	120	138	-3	-24	-25	-16	
EBITDA (adj.)	31	46	77	105	36	70	103	121	-4	-24	-26	-17	
EBIT (adj.)	22	35	66	93	26	59	92	110	-4	-25	-26	-17	
PTP (adj.)	11	24	56	84	17	52	85	104	-6	-28	-29	-20	
Net earnings (adj.)	11	24	56	84	17	52	85	104	-6	-28	-29	-20	
EPS (adj.)	0.51	1.08	2.52	3.79	0.77	2.35	3.85	4.70	-0.26	-1.27	-1.33	-0.91	
DPS	0.21	0.82	1.90	2.92	0.46	1.75	2.94	3.62	-0.25	-0.93	-1.05	-0.71	
DPS (NOK)	1.84	7.21	16.69	25.64	4.22	16.14	27.21	33.49					
									2020E	2021E	2022E	2023E	
									TCE revenue	-3	-24	-25	-16
									Opex & G&A	1	1	1	1
									Depreciation	0	1	1	1
									Net finance	1	3	3	3
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	22	36	67	96	27	63	96	115	-6	-28	-29	-20
Free cash flow	-102	33	65	96	-96	63	96	115	-6	-30	-32	-20
Net cash flow	0	0	8	16	-2	10	16	20	2	-10	-8	-4
TCE/day	18,194	22,403	33,408	43,141	19,517	30,684	42,212	48,717	-1,323	-8,281	#####	-5,576
Cash break-even	14,679	14,694	14,487	14,274	13,941	13,265	13,125	12,983	737	1,429	1,362	1,291
Liquidity	20	20	28	45	19	28	45	65	2	-8	-16	-20
Property & Equip. (incl. NBs)	372	363	355	343	372	361	350	339	-0	2	4	4
Total equity	143	149	163	182	142	156	176	199	1	-6	-13	-17
Total assets	396	387	386	390	395	394	399	408	0	-7	-14	-18
Interest bearing debt	246	231	216	201	246	231	216	201	0	0	0	0
Net interest bearing debt	225	210	188	157	227	202	171	136	-2	8	16	20
Market Cap.	149	149	149	149	141	141	141	141	8	8	8	8
Enterprise value	374	359	337	306	367	343	312	277	7	16	25	29

Valuation

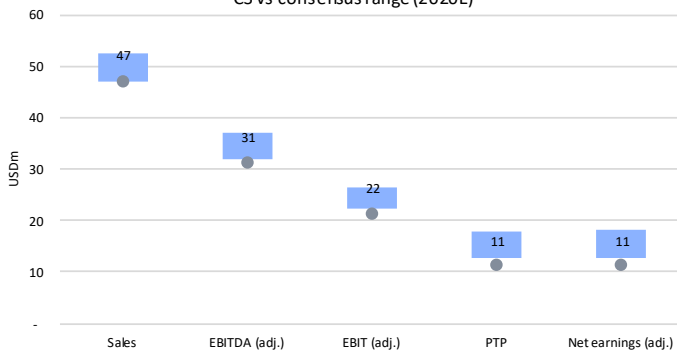
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	150	274	373	470	202	353	476	568	-52	-79	-104	-97
Adj. equity ratio	37%	54%	63%	69%	44%	60%	68%	73%	-7%	-6%	-5%	-4%
FCF yield	-69%	22%	44%	64%	-69%	45%	69%	82%	0%	-23%	-25%	-18%
Dividend yield	3%	12%	28%	43%	8%	28%	46%	57%	-6%	-15%	-18%	-14%
EV/EBITDA	11.9	7.8	4.4	2.9	10.3	4.9	3.0	2.3	1.5	2.9	1.3	0.6
P/E (adj.)	13.1	6.2	2.7	1.8	8.2	2.7	1.6	1.3	4.9	3.5	1.0	0.4



Our Estimates vs Consensus

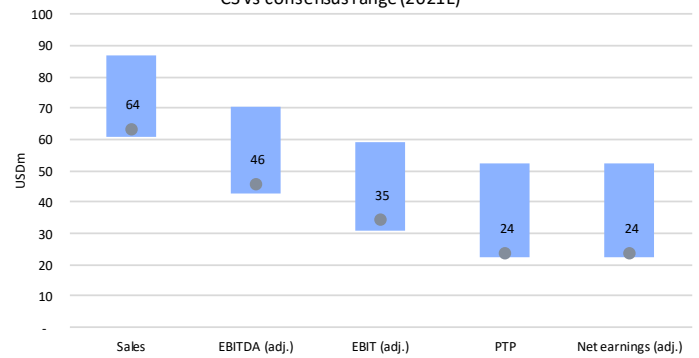
Profit & Loss, year I

CS vs consensus range (2020E)

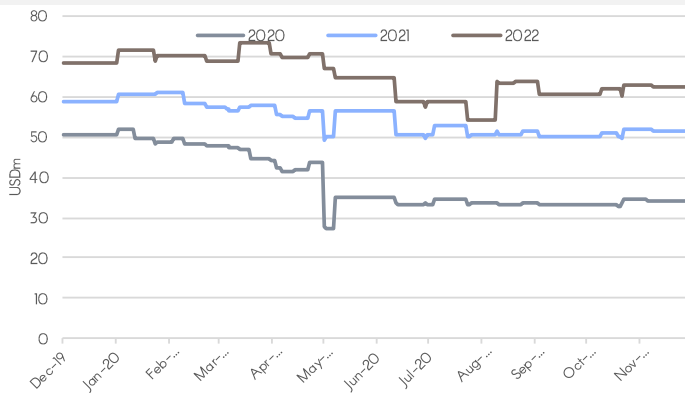


Profit & Loss, year II

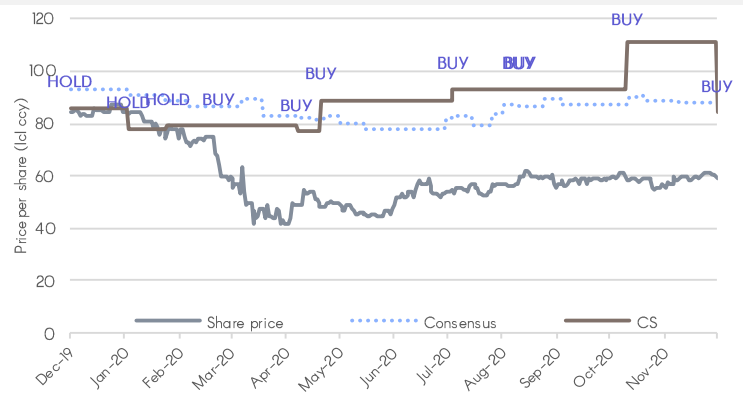
CS vs consensus range (2021E)



Consensus EBITDA development



Fair value vs share price

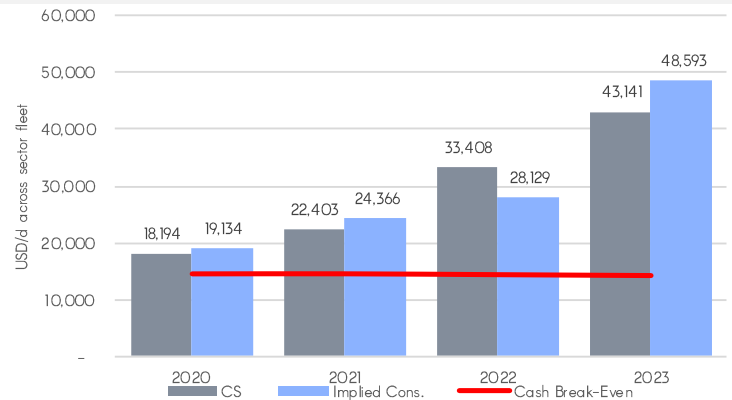


Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	47	50	-2	-5%	
Opex + G&A	16	16	0	2%	
Depreciation	10	10	0	4%	
Net finance	10	10	1	6%	
Taxes & Minorities	0	-0	0	-100%	

	2021	CS	Consensus	Diff.	Diff.
TCE revenue	64	69	-6	-8%	
Opex + G&A	18	17	0	1%	
Depreciation	12	11	0	3%	
Net finance	11	9	2	18%	
Taxes & Minorities	0	0	0	#DIV/O!	

Avg. TCE/day across fleet vs consensus





Cleaves Securities

$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	7	8	10	15	14	9	14	19	21
Operational costs	-3	-3	-3	-5	-4	-4	-4	-4	-4
EBITDA	4	4	7	11	10	4	10	15	17
Depreciation/Amortization	-1	-2	-2	-3	-3	-3	-3	-3	-3
EBIT	3	3	5	8	7	2	7	12	14
Net financials	-1	-2	-2	-3	-3	-3	-3	-3	-3
PTP	1	0	2	5	4	-1	5	9	11
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	1	0	2	5	4	-1	5	9	11
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	1	0	2	5	4	-1	5	9	11
EPS	0.06	0.01	0.11	0.22	0.18	-0.05	0.21	0.42	0.51
EPS (adj.)	0.06	0.01	0.11	0.22	0.18	-0.05	0.21	0.42	0.51
DPS	0.14	0.07	0.00	0.01	0.13	0.00	0.13	0.30	0.38
Balance Sheet (USDm)									
Cash & short-term investments	20	15	16	19	20	18	18	19	20
Other current assets	3	3	4	3	3	3	3	3	3
Total current assets	23	18	20	22	23	20	21	22	23
Property & equip. (incl. NBs)	258	319	378	375	372	370	368	366	363
Other non-current assets	2	1	0	0	0	0	0	0	0
Total non-current assets	260	320	378	376	373	370	368	366	364
TOTAL ASSETS	283	338	399	398	396	391	389	388	387
Total equity	138	137	138	142	143	142	144	146	149
Short-term debt	8	12	15	15	12	13	14	14	13
Other current liabilities	5	4	5	5	5	5	5	5	5
Total current liabilities	13	15	20	20	17	18	19	19	18
Long-term debt	132	186	238	235	233	229	224	221	218
Other non-current liabilities	0	0	2	2	2	2	2	2	2
Total non-current liabilities	132	186	241	236	235	230	226	223	219
TOTAL EQUITY & LIABILITIES	283	338	399	398	396	391	389	388	387
Working capital, receivables	1	0	0	0	0	0	0	0	0
Working capital, payables	3	1	1	1	1	1	1	1	1
Net working capital	-3	-1	-1	-1	-1	-1	-1	-1	-1
Interest bearing debt	140	197	253	249	246	242	238	235	231
Liquidity	20	15	16	20	20	18	18	19	20
Net interest bearing debt	120	182	237	230	225	224	220	216	210
Cash Flow (USDm)									
Net income	1	0	2	5	4	-1	5	9	11
Depreciation	1	2	2	3	3	3	3	3	3
Other	1	-2	0	0	0	0	0	0	0
Cash earnings	3	0	5	8	7	2	7	12	14
Changes in working capital	2	1	1	-1	0	0	0	0	0
Net operational cash flow	5	2	6	7	7	2	7	12	14
Capex	-2	-62	-62	0	0	-1	-1	-1	-1
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-2	-62	-62	0	0	-1	-1	-1	-1
Repayment of debt	-6	-2	-3	-4	-4	-4	-4	-4	-4
Proceeds from debt	22	59	60	0	0	0	0	0	0
Dividends paid	-3	-2	0	0	-2	0	-3	-7	-8
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net financing cash flow	13	56	57	-4	-6	-4	-7	-10	-12
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	16	-5	1	3	1	-3	0	1	1
Cash balance	20	15	16	19	20	18	18	19	20
Free cash flow	3	-61	-56	7	7	1	7	12	14



Cleaves Securities

$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales			0	0	9	47	64	95	123
Operational costs			0	-1	-7	-16	-18	-18	-18
EBITDA			0	-1	2	31	46	77	105
Depreciation/Amortization			0	0	-1	-10	-12	-12	-12
EBIT	—	—	0	-1	1	22	35	66	93
Net financials			0	0	-1	-10	-11	-10	-9
PTP	—	—	0	-1	0	11	24	56	84
Taxes/Minorities			0	0	0	0	0	0	0
Net earnings	—	—	0	-1	0	11	24	56	84
Non-recurring items			0	0	0	0	0	0	0
Net earnings (adj.)	—	—	0	-1	0	11	24	56	84
EPS				-0.05	-0.02	0.51	1.08	2.52	3.79
EPS (adj.)				-0.05	-0.02	0.51	1.08	2.52	3.79
DPS				0.00	0.14	0.21	0.82	1.90	2.92
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	—	—	6	0	20	20	20	28	44
Other current assets			0	0	3	3	3	3	3
Total current assets	—	—	6	0	23	23	23	31	47
Property & equip. (incl. NBs)	—	—	9	68	258	372	363	355	343
Other non-current assets			0	0	2	0	0	0	0
Total non-current assets	—	—	9	68	260	373	364	355	343
TOTAL ASSETS	—	—	15	69	283	396	387	386	390
Total equity	—	—	15	68	138	143	149	163	182
Short-term debt	—	—	0	0	8	12	10	10	10
Other current liabilities			0	0	5	5	5	5	5
Total current liabilities	—	—	0	0	13	17	15	15	15
Long-term debt	—	—	0	0	132	233	221	206	191
Other non-current liabilities			0	0	0	2	2	2	2
Total non-current liabilities	—	—	0	0	132	235	223	208	193
TOTAL EQUITY & LIABILITIES	—	—	15	69	283	396	387	386	391
Working capital, receivables			0	0	1	0	0	0	0
Working capital, payables	—	—	0	0	3	1	1	1	1
Net working capital			0	0	-3	-1	-1	-1	-1
Interest bearing debt			0	0	140	246	231	216	201
Liquidity			6	0	20	20	20	28	45
Net interest bearing debt			-6	0	120	225	210	188	157
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	—	—	0	-1	0	11	24	56	84
Depreciation			0	0	1	10	12	12	12
Other			0	0	2	-2	0	0	0
Cash earnings			0	-1	3	20	36	67	96
Changes in working capital	—	—	0	0	2	2	0	0	0
Net operational cash flow	—	—	0	-1	5	22	36	67	96
Capex	—	—	-9	-59	-125	-124	-3	-3	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	—	—	0	0	0	0	0	0	0
Other			0	0	-1	0	0	0	0
Net investing cash flow	—	—	-9	-59	-126	-124	-3	-3	0
Repayment of debt	—	—	0	0	81	-12	-15	-15	-15
Proceeds from debt	—	—	0	0	86	119	0	0	0
Dividends paid	—	—	0	0	-3	-4	-18	-42	-65
New equity	—	—	15	54	64	0	0	0	0
Other			0	0	-86	0	0	0	0
Net financing cash flow	—	—	15	54	141	103	-33	-57	-79
Currency effect	—	—	0	0	0	0	0	0	0
Net cash flow			6	-6	20	0	0	8	16
Cash balance			6	0	20	20	20	28	44
Free cash flow			-9	-60	-121	-102	33	65	96



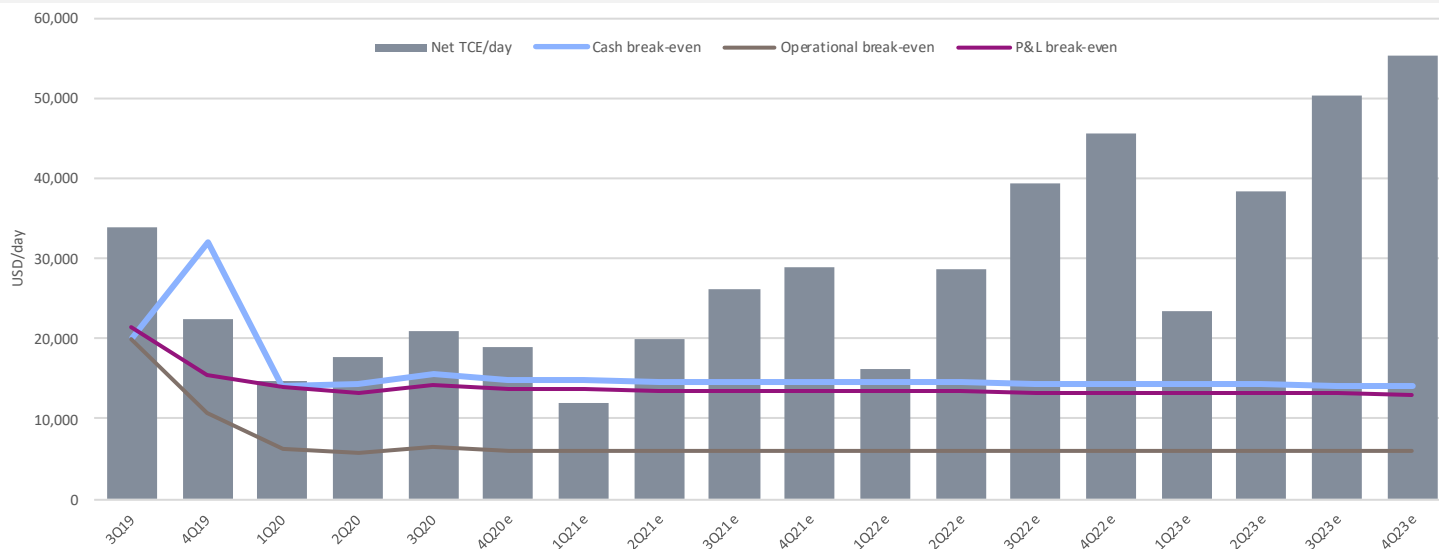
Cleaves Securities

$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

	Dry Bulk			BUY						
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
Shares outstanding, end	—	—	—	14	22	22	22	22	22	
Share price, avg (USD)			4	6	9	6	7	7	7	
Share price, end (USD)	—	—	—	10	10	7	7	7	7	
Market Cap.				139	221	149	149	149	149	
NIBD			-6	0	120	225	210	188	157	
Minorities	—	—	0	0	0	0	0	0	0	
Enterprise value				139	341	374	359	337	306	
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
P/E (reported)						13.1	6.2	2.7	1.8	
P/E (adj.)						13.1	6.2	2.7	1.8	
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
P/Sales					24.8	3.1	2.3	1.6	1.2	
EV/Sales					38.3	7.9	5.6	3.5	2.5	
EV/EBITDA						11.9	7.8	4.4	2.9	
EV/EBIT						17.4	10.4	5.1	3.3	
P/B				2.0	1.6	1.0	1.0	0.9	0.8	
FCF yield				-43%	-55%	-69%	22%	44%	64%	
Dividend yield				0.0%	1.4%	2.6%	12.2%	28.3%	43.5%	
Return on equity (ROE)			-0.7%	-1.0%	-0.3%	8.0%	16.1%	34.3%	46.1%	
Return on capital employed (ROCE)			-1.2%	-1.0%	0.3%	5.9%	9.6%	18.8%	27.5%	
Return on assets (ROA)			-0.7%	-1.0%	-0.1%	2.9%	6.2%	14.5%	21.5%	
Sales growth						431%	35%	49%	29%	
EBITDA margin					24%	67%	72%	81%	86%	
EBIT margin					10%	46%	54%	69%	76%	
Net margin					-4%	24%	38%	59%	69%	
Net interest rate			0.0%	0.0%	0.4%	4.3%	5.0%	5.3%	5.9%	
Tax rate			0.0%	-0.5%	-33.3%	0.0%	0.0%	0.0%	0.0%	
Equity ratio			99%	99%	49%	36%	39%	42%	47%	
Leverage ratio			1%	1%	51%	64%	61%	58%	53%	
NIBD / EBITDA (past 1y)			57.8	0.4	57.1	7.2	4.6	2.4	1.5	
Operating cash flow/NIBD			0.0	2.1	0.0	0.1	0.2	0.4	0.6	
Net interest coverage ratio (EBIT)					4.2	3.2	4.4	7.8	11.4	
Current ratio			56.7	1.2	1.8	1.3	1.5	2.0	3.1	
Adj. equity ratio						37%	54%	63%	69%	
Operating assets			9	69	263	375	366	357	346	
Operating liabilities			0	0	5	7	7	7	7	
Net operating assets			9	68	258	368	359	351	339	

Source for financial items: Historical numbers primarily gathered from Bloomberg and company data. Forecast from Cleaves Securities

Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
03/12/2020 15:42 CET





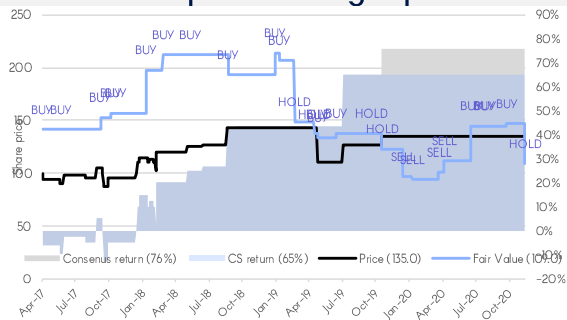
GoodBulk is a well-run company with low debt and massive cash distributions. No share liquidity means our TP is important, our rating less so

BULK-NO

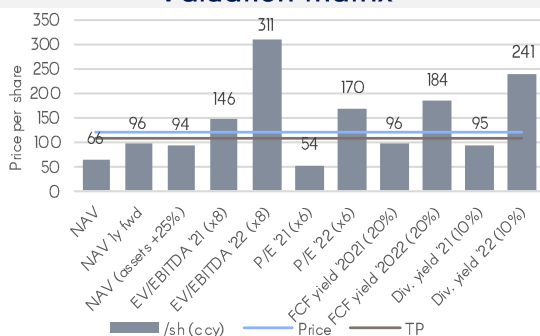
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GoodBulk

Share price vs target price

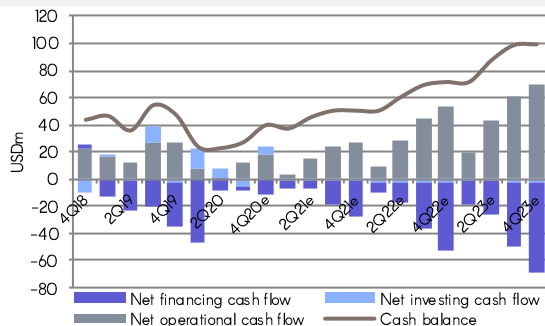


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	100	129	194	250
EBITDA (adj.)	48	78	143	200
EBIT (adj.)	8	39	105	160
PTP (adj.)	-6	31	97	154
Net earnings (adj.)	-6	31	97	154
EPS (adj.)	-0.21	1.02	3.23	5.13
DPS	1.18	1.09	2.76	4.52
USDm	2020E	2021E	2022E	2023E
Fwd NAV	240	399	578	796
Adj. equity ratio	52%	67%	77%	84%
FCF yield	15%	16%	31%	46%
Dividend yield	9%	8%	20%	33%
EV/EBITDA	10.9	6.8	3.4	2.2
P/E (adj.)		13.3	4.2	2.7

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	39	69	136	193
Free cash flow	61	66	126	186
Net cash flow	-8	11	21	28
TCE/day	11,986	15,414	23,040	29,738
Cash break-even	11,073	9,738	9,618	9,497
Liquidity	39	50	71	99
Property & Equip. (incl. NBs)	492	457	428	396
Total equity	343	341	355	373
Total assets	561	537	528	524
Interest bearing debt	198	176	153	131
Net interest bearing debt	159	126	82	32
Market Cap.	408	408	408	408

Source: Cleaves, Bloomberg, Shipping Intelligence Network, company data

Disclaimer: The analyst currently has investments in some of the companies covered in this report. More disclaimers at the end of the document

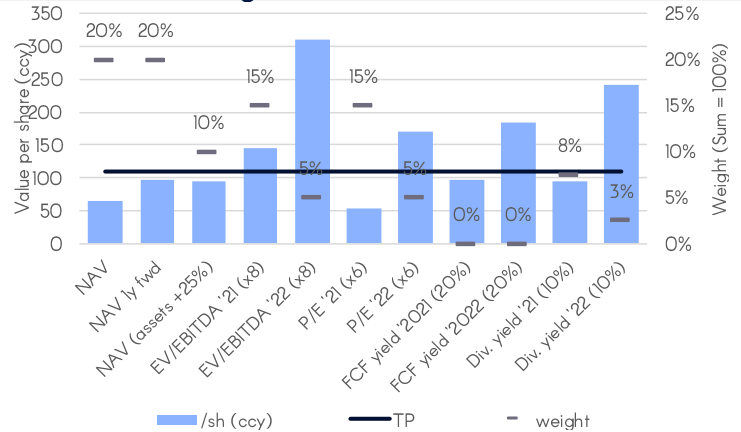


Company Valuation

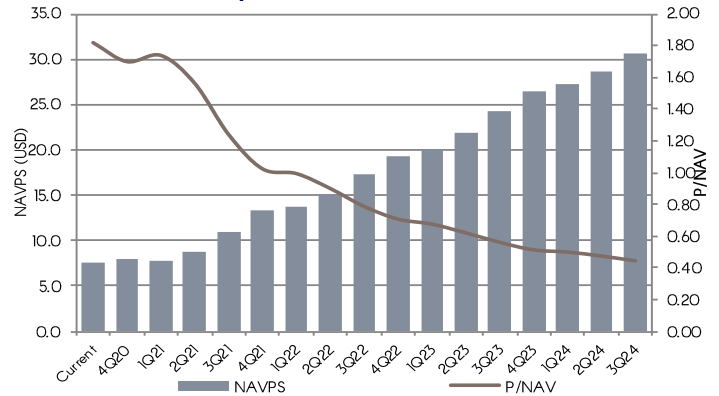
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	507	389	562
Contract value	0	2	4
Other	20	20	29
GAV	527	411	594
Net debt	-177	-177	-177
Capex	0	0	0
Other	-10	-10	-10
Equity	341	225	408
Shares	30	30	30
Equity/sh	11.4	7.5	13.6
lcl CCY	99.5	65.6	119.0
USDNOK		8.76	
P/Equity	1.20	1.82	1.00
EV/GAV	1.13	1.45	1.00
Adj. Total Assets	564	445	619
Adj. Equity Ratio	60%	50%	66%
Fair Value	NOK	109	-9%
	USD	12	

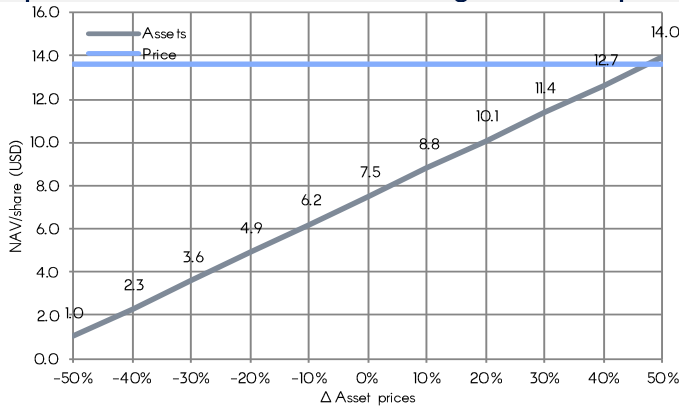
Weighted valuation Matrix



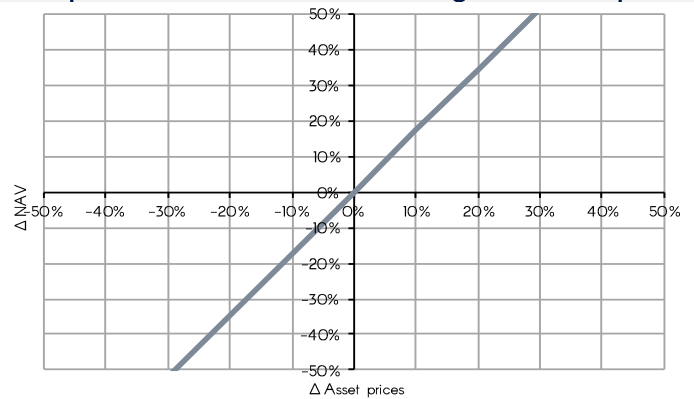
Quarterly forward NAV & P/NAV



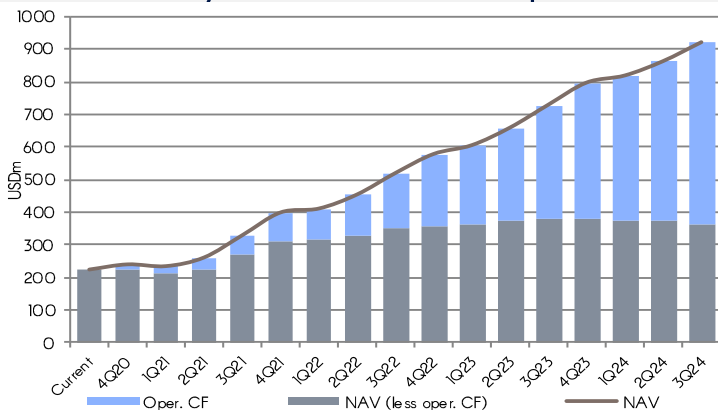
Impact on NAV/sh from % change in asset prices



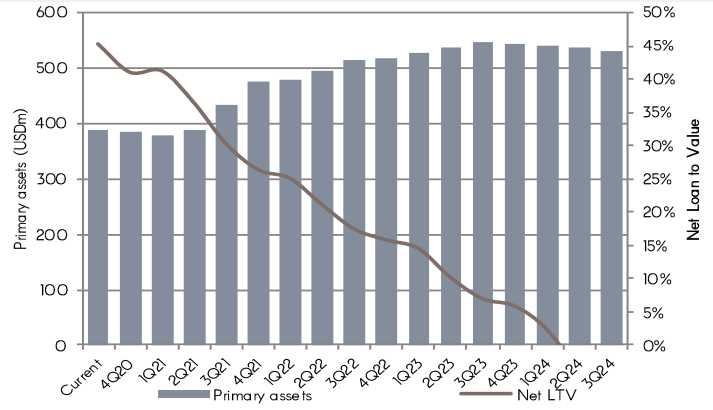
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	45.5	29.2	30.7	37.7				
EBITDA (adj.)	31.3	16.7	17.8	24.8				
EBIT (adj.)	20.5	6.5	7.9	14.8				
PTP (adj.)	17.3	1.3	5.5	12.7				
Net earnings (adj.)	17.3	1.3	5.5	12.7				
EPS (adj.)	0.58	0.04	0.18	0.58				
DPS	0.98	0.20	-	n.a.				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	45.5	29.2	30.7	37.7				
Opex & G&A	14.2	12.4	12.9	13.0				
Depreciation	10.8	10.2	9.9	9.9				
Net finance	3.2	5.3	2.4	2.1				
Taxes & Minorities	-	-	-	-				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	27	12	18					
Free cash flow	25	7	24					
Net cash flow	-8	4	13					
TCE/day	19,018	13,784	15,791	19,378				
Fleet days	2,392	2,208	2,144					
Cash break-even	10,462	9,275	9,468					
Liquidity	47	27	39					
Interest bearing debt	226	203	198					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	100	129	194	250	120	186	255	295	-20	-57	-61	-44	
EBITDA (adj.)	48	78	143	200	67	133	202	242	-19	-55	-59	-42	
EBIT (adj.)	8	39	105	160	27	93	162	202	-19	-54	-58	-41	
PTP (adj.)	-6	31	97	154	14	82	153	193	-21	-52	-56	-39	
Net earnings (adj.)	-6	31	97	154	14	82	153	193	-21	-52	-56	-39	
EPS (adj.)	-0.21	1.02	3.23	5.13	0.48	2.75	5.08	6.43	-0.69	-1.73	-1.85	-1.31	
DPS	1.18	1.09	2.76	4.52	1.27	2.25	3.63	5.01	-0.08	-1.16	-0.87	-0.49	
									2020E	2021E	2022E	2023E	
									TCE revenue	-20	-57	-61	-44
									Opex & G&A	-1	-2	-2	-2
									Depreciation	0	-1	-1	-1
									Net finance	2	-2	-2	-2
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	39	69	136	193	56	122	192	233	-18	-53	-57	-40
Free cash flow	61	66	126	186	69	119	183	226	-8	-53	-57	-41
Net cash flow	-8	11	21	28	12	29	52	54	-19	-18	-31	-26
TCE/day	11,986	15,414	23,040	29,738	14,065	21,347	29,028	33,550	#####	-5,933	-5,989	-3,812
Cash break-even	11,073	9,738	9,618	9,497	10,070	9,854	9,714	9,573	1,003	-116	-96	-76
Liquidity	39	50	71	99	58	87	139	193	-19	-37	-68	-94
Property & Equip. (incl. NBs)	492	457	428	396	499	463	432	399	-7	-6	-5	-3
Total equity	343	341	355	373	359	374	417	460	-16	-33	-62	-87
Total assets	561	537	528	524	584	576	597	618	-23	-40	-69	-94
Interest bearing debt	198	176	153	131	207	184	162	140	-9	-9	-9	-9
Net interest bearing debt	159	126	82	32	148	97	23	-53	11	29	60	86
Market Cap.	408	408	408	408	386	386	386	386	21	21	21	21
Enterprise value	567	534	490	440	535	484	409	333	32	50	81	107

Valuation

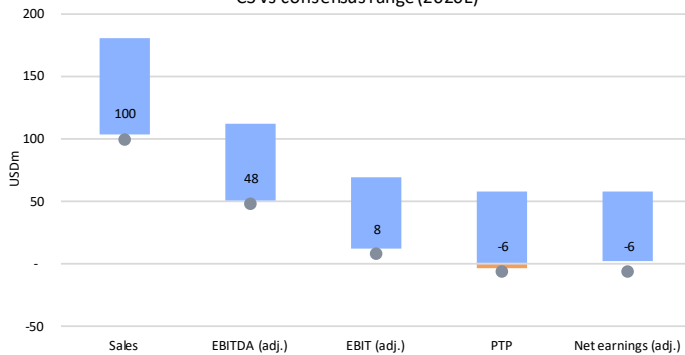
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	240	399	578	796	323	531	752	968	-82	-132	-174	-172
Adj. equity ratio	52%	67%	77%	84%	59%	72%	81%	86%	-6%	-5%	-4%	-2%
FCF yield	15%	16%	31%	46%	18%	31%	47%	59%	-3%	-15%	-17%	-13%
Dividend yield	9%	8%	20%	33%	10%	17%	28%	39%	-1%	-9%	-8%	-6%
EV/EBITDA	10.9	6.8	3.4	2.2	7.7	3.6	2.0	1.4	3.2	3.2	1.4	0.8
P/E (adj.)		13.3	4.2	2.7	26.7	4.7	2.5	2.0	#####	8.6	1.7	0.6



Our Estimates vs Consensus

Profit & Loss, year I

CS vs consensus range (2020E)

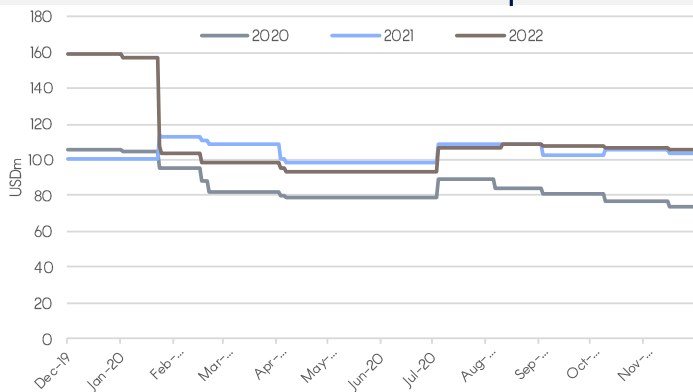


Profit & Loss, year II

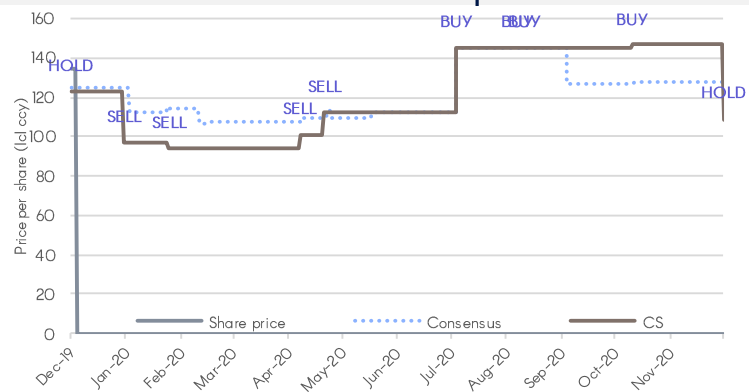
CS vs consensus range (2021E)



Consensus EBITDA development



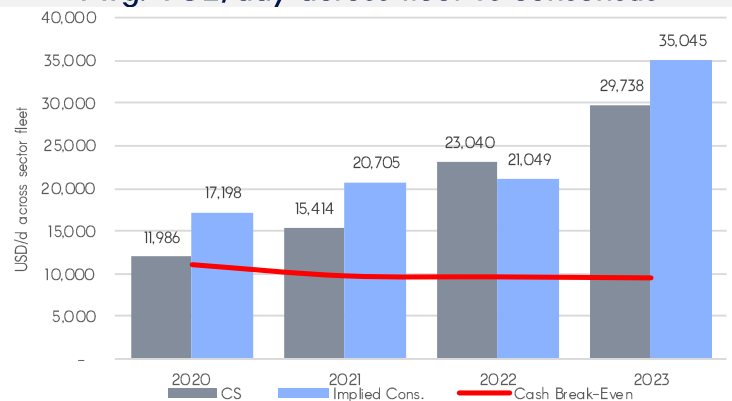
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	100		144	-43	-30%
Opex + G&A	52		69	-17	-25%
Depreciation	40		41	-0	-1%
Net finance	14		12	2	17%
Taxes & Minorities	0		-1	1	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	129		173	-44	-26%
Opex + G&A	51		69	-19	-27%
Depreciation	39		40	-1	-4%
Net finance	9		10	-1	-14%
Taxes & Minorities	0		0	0	#DIV/0!

Avg. TCE/day across fleet vs consensus





Cleaves Securities

$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	45	22	18	29	31	19	30	38	42
Operational costs	-21	-14	-11	-13	-10	-12	-13	-13	-13
EBITDA	25	8	7	16	20	6	17	26	29
Depreciation/Amortization	-11	-10	-10	-10	-10	-10	-10	-10	-10
EBIT	14	-2	-3	6	10	-3	7	16	19
Net financials	-3	-3	-3	-7	-2	-2	-2	-2	-2
PTP	11	-5	-6	-1	8	-6	5	14	17
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	11	-5	-6	-1	8	-6	5	14	17
Non-recurring items	6	0	-2	2	-3	0	0	0	0
Net earnings (adj.)	17	-5	-8	1	5	-6	5	14	17
EPS	0.36	-0.17	-0.19	-0.04	0.27	-0.18	0.17	0.45	0.58
EPS (adj.)	0.58	-0.17	-0.26	0.04	0.18	-0.18	0.17	0.45	0.58
DPS	0.83	0.98	0.00	0.00	0.20	0.00	0.00	0.40	0.68
Balance Sheet (USDm)									
Cash & short-term investments	47	23	23	27	39	37	45	50	50
Other current assets	27	33	26	30	30	30	30	30	30
Total current assets	74	56	49	57	69	67	75	80	80
Property & equip. (incl. NBs)	552	516	510	507	492	483	475	466	457
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	552	516	510	507	492	483	475	466	457
TOTAL ASSETS	626	572	559	564	561	550	550	546	537
Total equity	384	346	340	341	343	337	342	344	341
Short-term debt	38	32	32	20	31	29	28	27	28
Other current liabilities	13	12	13	15	15	15	15	15	15
Total current liabilities	51	44	45	35	45	43	42	41	43
Long-term debt	187	177	169	183	168	164	159	155	147
Other non-current liabilities	3	6	5	5	5	5	5	5	5
Total non-current liabilities	191	183	175	188	173	170	165	160	153
TOTAL EQUITY & LIABILITIES	626	572	559	564	561	550	550	546	537
Working capital, receivables	24	22	15	16	16	16	16	16	16
Working capital, payables	8	5	6	10	10	10	10	10	10
Net working capital	16	17	9	7	7	7	7	7	7
Interest bearing debt	226	209	201	203	198	193	187	182	176
Liquidity	47	23	23	27	39	37	45	50	50
Net interest bearing debt	179	186	178	177	159	156	142	132	126
Cash Flow (USDm)									
Net income	11	-5	-6	-1	8	-6	5	14	17
Depreciation	11	10	10	10	10	10	10	10	10
Other	6	0	-2	6	0	0	0	0	0
Cash earnings	28	5	2	15	18	4	15	23	27
Changes in working capital	-1	3	-2	-3	0	0	0	0	0
Net operational cash flow	27	8	0	12	18	4	15	23	27
Capex	-2	-3	-4	-5	-5	-1	-1	-1	-1
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	18	11	0	11	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-2	15	7	-5	5	-1	-1	-1	-1
Repayment of debt	-8	-17	-8	-197	-5	-6	-6	-6	-6
Proceeds from debt	0	0	0	200	0	0	0	0	0
Dividends paid	-25	-30	0	0	-6	0	0	-12	-21
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	-6	0	0	0	0	0
Net financing cash flow	-32	-46	-8	-3	-11	-6	-6	-18	-26
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-8	-24	-1	4	13	-2	8	5	0
Cash balance	47	23	23	27	39	37	45	50	50
Free cash flow	25	23	7	7	24	3	14	22	26



Cleaves Securities

$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales				132	144	100	129	194	250
Operational costs				-45	-54	-48	-51	-51	-51
EBITDA			13	87	90	52	78	143	200
Depreciation/Amortization			-8	-36	-43	-40	-39	-39	-39
EBIT	—	—	5	51	47	11	39	105	160
Net financials			-2	-13	-13	-16	-9	-8	-7
PTP	—	—	3	38	34	-4	31	97	154
Taxes/Minorities			0	0	0	0	0	0	0
Net earnings	—	—	3	38	34	-4	31	97	154
Non-recurring items			0	0	0	-2	0	0	0
Net earnings (adj.)	—	—	3	38	34	-6	31	97	154
EPS			0.18	1.26	1.12	-0.14	1.02	3.23	5.13
EPS (adj.)			0.18	1.26	1.12	-0.21	1.02	3.23	5.13
DPS			0.00	0.52	1.92	1.18	1.09	2.76	4.52
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	—	—	20	43	47	39	50	71	99
Other current assets			21	31	27	30	30	30	30
Total current assets	—	—	41	74	74	69	80	101	128
Property & equip. (incl. NBs)	—	—	—	—	—	492	457	428	396
Other non-current assets						0	0	0	0
Total non-current assets	—	—	245	603	552	492	457	428	396
TOTAL ASSETS	—	—	286	677	626	561	537	528	524
Total equity	—	—	194	417	384	343	341	355	373
Short-term debt	—	—	0	23	38	31	23	29	30
Other current liabilities			7	9	13	15	15	15	15
Total current liabilities	—	—	7	33	51	45	38	43	45
Long-term debt	—	—	85	226	187	168	153	125	101
Other non-current liabilities			0	2	3	5	5	5	5
Total non-current liabilities	—	—	85	227	191	173	158	130	106
TOTAL EQUITY & LIABILITIES	—	—	286	677	626	561	537	528	524
Working capital, receivables			18	29	25	16	16	16	16
Working capital, payables	—	—	2	9	3	10	10	10	10
Net working capital			16	21	22	7	7	7	7
Interest bearing debt			85	249	226	198	176	153	131
Liquidity			20	43	47	39	50	71	99
Net interest bearing debt			65	206	179	159	126	82	32
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	—	—	3	38	34	-4	31	97	154
Depreciation			8	36	43	40	39	39	39
Other			1	-5	3	4	0	0	0
Cash earnings			12	68	80	40	69	136	193
Changes in working capital	—	—	-14	-9	3	-2	0	0	0
Net operational cash flow	—	—	-2	60	83	39	69	136	193
Capex	—	—	-161	-256	-4	-17	-4	-10	-7
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	—	—	—	35	12	39	0	0	0
Other			-4	0	1	4	0	0	0
Net investing cash flow	—	—	-165	-221	9	22	-4	-10	-7
Repayment of debt	—	—	86	162	-24	-227	-22	-22	-22
Proceeds from debt	—	—	86	—	—	200	0	0	0
Dividends paid	—	—	0	-16	-58	-36	-33	-83	-136
New equity	—	—	83	42	0	0	0	0	0
Other			-90	-4	-6	4	0	0	0
Net financing cash flow	—	—	165	185	-88	-68	-55	-105	-158
Currency effect	—	—	0	0	0	0	0	0	0
Net cash flow			-3	24	4	-8	11	21	28
Cash balance		23	20	43	47	39	50	71	99
Free cash flow			-168	-161	92	61	66	126	186



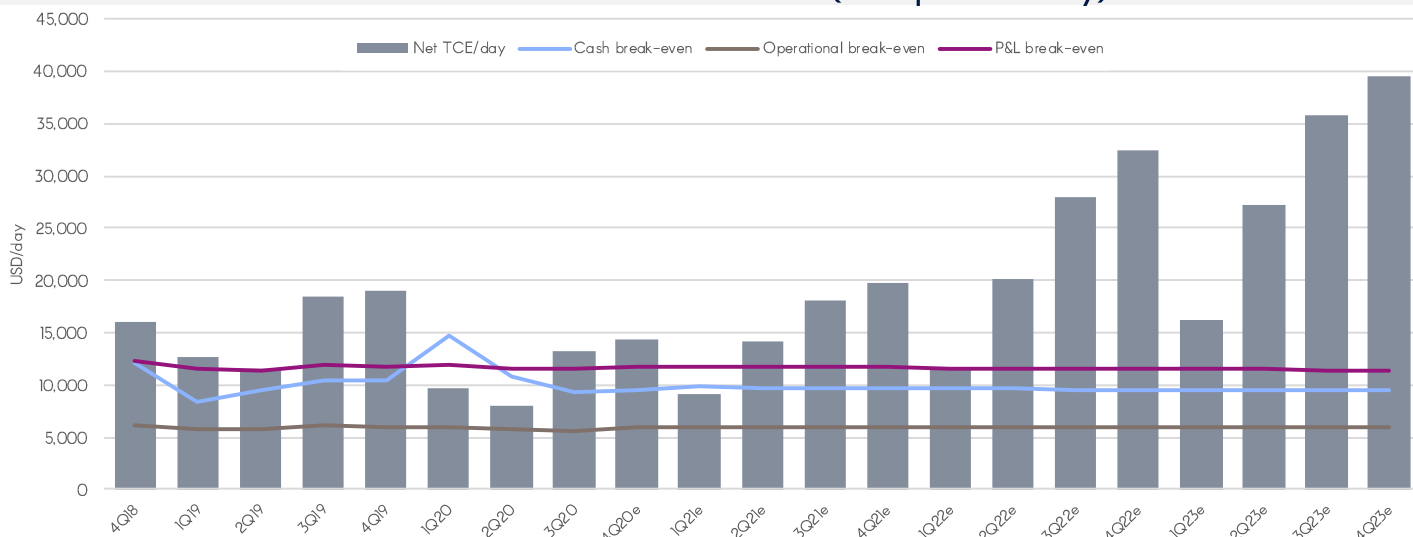
Cleaves Securities

$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

	Dry Bulk			BUY						
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
Shares outstanding, end	—	—	17	30	30	30	30	30	30	
Share price, avg (USD)			10	13	13	14	14	14	14	
Share price, end (USD)	—	—	11	17	15	14	14	14	14	
Market Cap.			195	522	442	408	408	408	408	
NIBD			65	206	179	159	126	82	32	
Minorities	—	—	0	0	0	0	0	0	0	
Enterprise value			261	727	620	567	534	490	440	
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
P/E (reported)			62.1	13.8	13.1		13.3	4.2	2.7	
P/E (adj.)			62.1	13.8	13.1		13.3	4.2	2.7	
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
P/Sales				3.9	3.1	4.1	3.2	2.1	1.6	
EV/Sales				5.5	4.3	5.7	4.1	2.5	1.8	
EV/EBITDA			20.0	8.4	6.9	10.9	6.8	3.4	2.2	
EV/EBIT			53.7	14.3	13.3	49.5	13.6	4.7	2.7	
P/B			1.0	1.2	1.1	1.2	1.2	1.1	1.1	
FCF yield			-86%	-31%	21%	15%	16%	31%	46%	
Dividend yield			0.0%	3.0%	13.0%	8.7%	8.0%	20.3%	33.3%	
Return on equity (ROE)			1.6%	9.1%	8.8%	-1.2%	9.0%	27.3%	41.2%	
Return on capital employed (ROCE)			1.9%	8.1%	8.3%	2.3%	8.4%	23.9%	39.6%	
Return on assets (ROA)			1.1%	5.6%	5.4%	-0.7%	5.7%	18.3%	29.4%	
Sales growth					9%	-31%	29%	51%	29%	
EBITDA margin				66%	62%	52%	61%	74%	80%	
EBIT margin				38%	32%	11%	31%	54%	64%	
Net margin				29%	23%	-4%	24%	50%	61%	
Net interest rate			0.0%	0.0%	0.0%	7.2%	6.9%	9.3%	20.6%	
Tax rate			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Equity ratio			68%	62%	61%	61%	64%	67%	71%	
Leverage ratio			32%	38%	39%	39%	36%	33%	29%	
NIBD / EBITDA (past 1y)			5.0	2.4	2.0	3.1	1.6	0.6	0.2	
Operating cash flow/NIBD			0.0	0.3	0.5	0.2	0.6	1.6	6.0	
Net interest coverage ratio (EBIT)						4.5	8.9	18.6	30.0	
Current ratio			5.5	2.3	1.5	1.5	2.1	2.3	2.9	
Adj. equity ratio						52%	67%	77%	84%	
Operating assets			266	634	579	522	487	457	425	
Operating liabilities			7	11	16	20	20	20	20	
Net operating assets			259	623	563	502	467	437	405	

Source for financial items: Historical numbers primarily gathered from Bloomberg and company data. Forecast from Cleaves Securities

Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
03/12/2020 16:57 CET





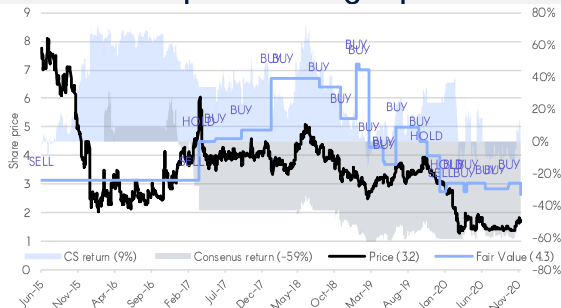
Low operational risk from extensive charter backlog. Strong cash flow potential despite high G&A

DSX-US

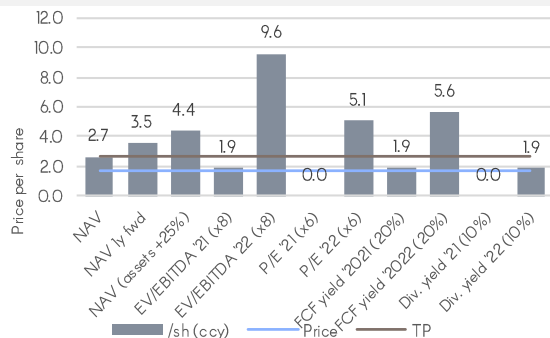
BUY/\$2.6

Diana Shipping

Share price vs target price

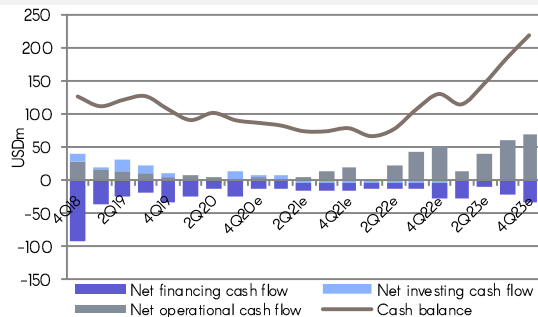


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	157	173	249	315
EBITDA (adj.)	35	58	134	199
EBIT (adj.)	-7	21	97	161
PTP (adj.)	-32	-2	75	141
Net earnings (adj.)	-32	-2	75	141
EPS (adj.)	-0.36	-0.02	0.84	1.58
DPS	-	-	0.19	0.72
USDm	2020E	2021E	2022E	2023E
Fwd NAV	241	393	584	801
Adj. equity ratio	35%	50%	61%	70%
FCF yield	20%	23%	66%	122%
Dividend yield	0%	0%	11%	43%
EV/EBITDA		7.7	2.7	1.2
P/E (adj.)			2.0	1.1

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	16	41	119	184
Free cash flow	30	34	101	184
Net cash flow	-42	-8	52	90
TCE/day	11,453	12,692	18,244	23,132
Cash break-even	15,041	16,434	16,201	21,312
Liquidity	86	78	131	220
Property & Equip. (incl. NBs)	720	689	669	632
Total equity	432	436	500	582
Total assets	873	834	866	919
Interest bearing debt	420	377	345	315
Net interest bearing debt	333	299	215	95
Market Cap.	151	151	151	151

Source: Cleaves, Bloomberg, Shipping Intelligence Network, company data

Disclaimer: The analyst currently has investments in some of the companies covered in this report. More disclaimers at the end of this document

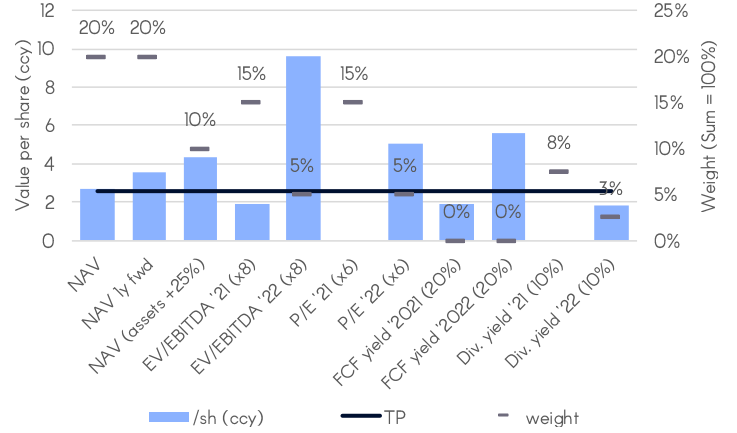


Company Valuation

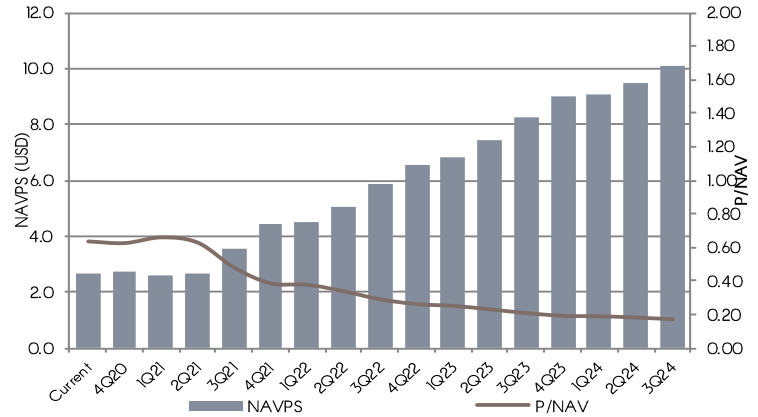
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	731	608	529
Contract value	0	-10	-9
Other	67	67	58
GAV	798	664	578
Net debt	-341	-341	-341
Capex	0	0	0
Other	-21	-86	-86
Equity	436	237	151
Shares	89	89	89
Equity/sh	4.89	2.66	1.70
1cl CCY	4.89	2.66	1.70
P/Equity	0.35	0.64	1.00
EV/GAV	0.72	0.87	1.00
Adj. Total Assets	888	765	686
Adj. Equity Ratio	49%	31%	22%
Fair Value	USD	2.6	54%

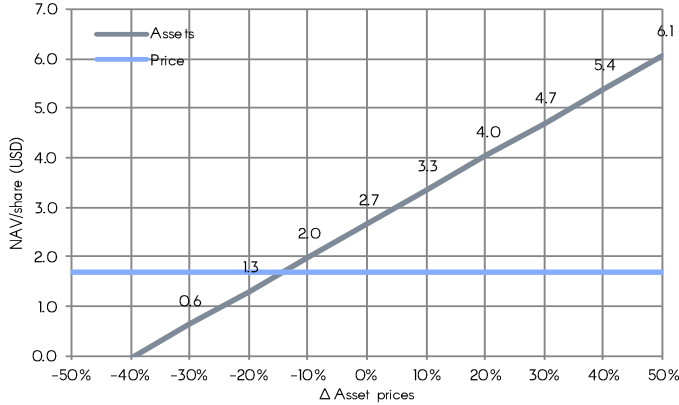
Valuation Matrix



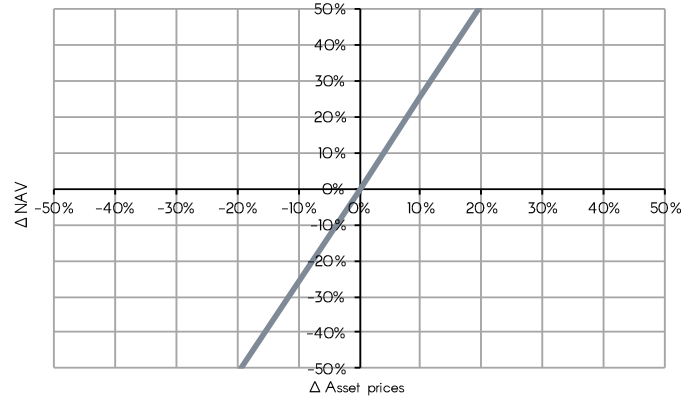
Quarterly forward NAV & P/NAV



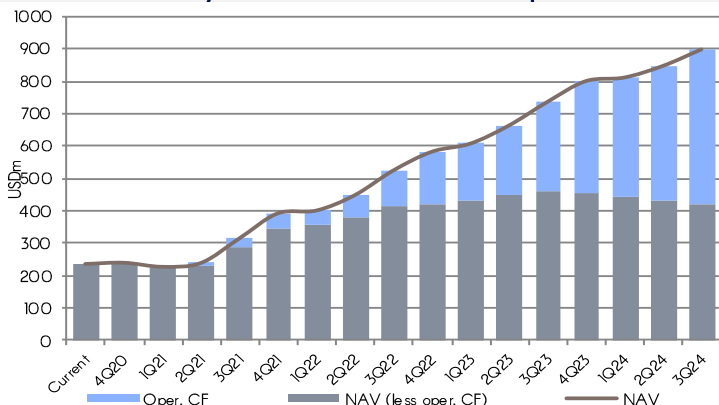
Impact on NAV/sh from % change in asset prices



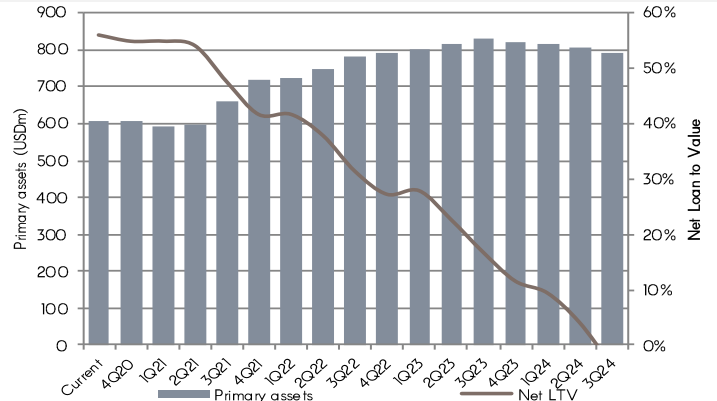
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	47.0	39.4	40.7	41.4				
EBITDA (adj.)	15.2	8.1	9.6	12.1				
EBIT (adj.)	3.2	-1.3	0.2	1.8				
PTP (adj.)	-4.4	-6.1	-5.9	-4.9				
Net earnings (adj.)	-4.4	-6.1	-5.9	-4.3				
EPS (adj.)	-0.05	-0.07	-0.07	-0.05				
DPS	-	-	-	-				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	47.0	39.4	40.7	41.4				
Opex & G&A	31.8	31.3	31.1	29.3				
Depreciation	12.1	9.4	9.4	10.3				
Net finance	7.6	4.8	6.1	6.6				
Taxes & Minorities	-	-	-	-0.6				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	5	-0	5					
Free cash flow	11	13	7					
Net cash flow	-21	-11	-4					
TCE/day	13,476	11,140	11,287	11,466				
Utilization	94.9%	96.0%	98.0%					
Fleet days	3,915	3,719	3,680					
Cash break-even	15,968	15,994	12,806					
Liquidity	107	90	86					
Interest bearing debt	475	431	420					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	157	173	249	315	163	217	309	352	-6	-44	-60	-37	
EBITDA (adj.)	35	58	134	199	45	106	199	242	-10	-47	-64	-43	
EBIT (adj.)	-7	21	97	161	-1	59	152	195	-5	-38	-55	-34	
PTP (adj.)	-32	-2	75	141	-29	34	129	173	-3	-36	-54	-32	
Net earnings (adj.)	-32	-2	75	141	-29	34	129	173	-3	-36	-54	-32	
EPS (adj.)	-0.36	-0.02	0.84	1.58	-0.33	0.38	1.44	1.94	-0.03	-0.40	-0.60	-0.36	
DPS	-	-	0.19	0.72	-	-	0.51	0.94	-	-	-0.32	-0.22	
									2020E	2021E	2022E	2023E	
									TCE revenue	-6	-44	-60	-37
									Opex & G&A	4	3	4	6
									Depreciation	-5	-9	-9	-9
									Net finance	-2	-2	-2	-1
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	16	41	119	184	29	87	181	226	-13	-45	-63	-41
Free cash flow	30	34	101	184	30	86	163	226	-0	-52	-63	-41
Net cash flow	-42	-8	52	90	-40	44	86	112	-2	-52	-34	-22
TCE/day	11,453	12,692	18,244	23,132	11,790	15,756	22,654	25,866	-337	-3,063	-4,410	-2,734
Cash break-even	15,041	16,434	16,201	21,312	14,699	15,987	16,003	21,010	342	447	198	302
Liquidity	86	78	131	220	89	133	219	331	-2	-54	-88	-110
Property & Equip. (incl. NBs)	720	689	669	632	758	712	683	636	-39	-23	-13	-4
Total equity	432	436	500	582	441	481	570	665	-9	-45	-69	-82
Total assets	873	834	866	919	885	882	940	1,005	-13	-49	-73	-86
Interest bearing debt	420	377	345	315	420	378	346	316	-1	-1	-1	-1
Net interest bearing debt	333	299	215	95	332	245	127	-15	1	53	87	110
Market Cap.	151	151	151	151	127	127	127	127	25	25	25	25
Enterprise value	484	450	366	246	458	372	254	112	26	78	112	134

Valuation

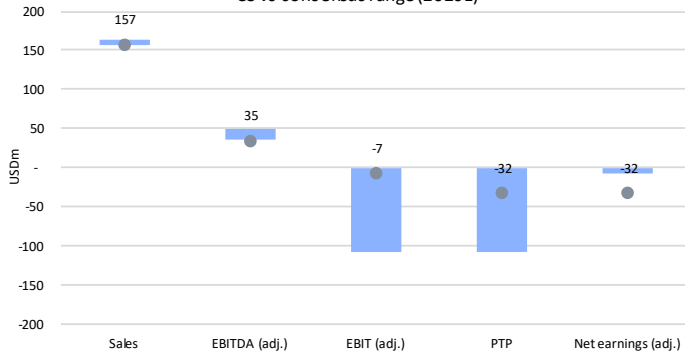
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	241	393	584	801	233	449	681	884	8	-55	-98	-83
Adj. equity ratio	35%	50%	61%	70%	34%	53%	65%	72%	1%	-3%	-3%	-2%
FCF yield	20%	23%	66%	122%	24%	68%	129%	178%	-4%	-45%	-62%	-56%
Dividend yield	0%	0%	11%	43%	0%	0%	36%	66%	0%	0%	-25%	-23%
EV/EBITDA		7.7	2.7	1.2		3.5	1.3	0.5	#####	4.2	1.4	0.8
P/E (adj.)			2.0	1.1		3.7	1.0	0.7	#####	#####	1.0	0.3



Our Estimates vs Consensus

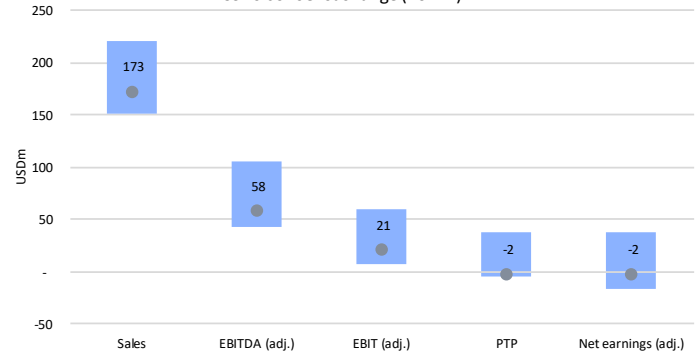
Profit & Loss, year I

CS vs consensus range (2020E)

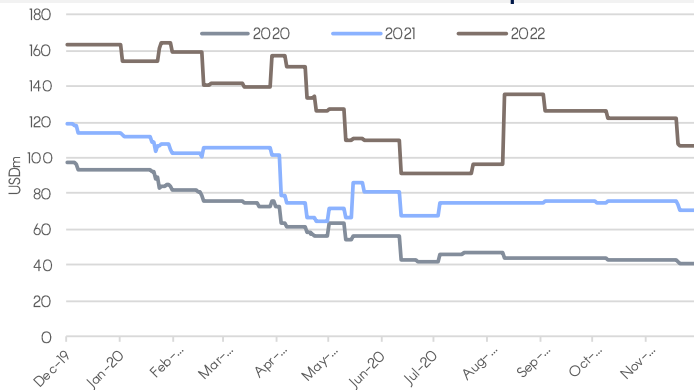


Profit & Loss, year II

CS vs consensus range (2021E)



Consensus EBITDA development



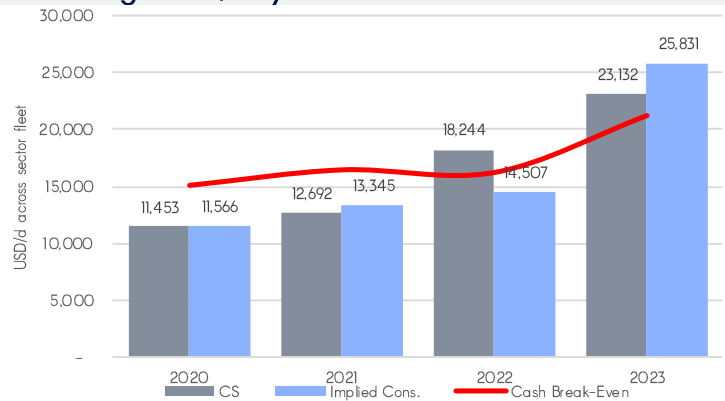
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	157	159	159	-2	-1%
Opex + G&A	122	118	118	4	3%
Depreciation	42	66	66	-24	-36%
Net finance	25	72	72	-47	-65%
Taxes & Minorities	0	-67	-67	67	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	173	182	182	-9	-5%
Opex + G&A	114	111	111	3	3%
Depreciation	38	38	38	-0	-1%
Net finance	23	11	11	12	109%
Taxes & Minorities	0	17	17	-17	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	47	40	37	39	41	33	39	47	54
Operational costs	-41	-125	-31	-38	-31	-28	-28	-28	-30
EBITDA	6	-85	6	1	10	5	11	19	23
Depreciation/Amortization	-12	-12	-12	-9	-9	-9	-9	-9	-9
EBIT	-6	-97	-5	-8	0	-4	1	10	14
Net financials	-8	-6	-6	-6	-5	-4	-4	-4	-4
PTP	-14	-103	-11	-15	-4	-9	-3	5	10
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-14	-103	-11	-15	-4	-9	-3	5	10
Non-recurring items	10	93	1	8	-1	-1	-1	-1	-1
Net earnings (adj.)	-4	-10	-10	-6	-6	-10	-5	4	8
EPS	-0.15	-1.15	-0.12	-0.16	-0.05	-0.10	-0.03	0.06	0.11
EPS (adj.)	-0.05	-0.12	-0.11	-0.07	-0.07	-0.11	-0.05	0.04	0.09
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance Sheet (USDm)									
Cash & short-term investments	107	91	102	90	86	82	74	74	78
Other current assets	30	24	29	35	35	35	35	35	35
Total current assets	137	114	130	126	122	118	109	109	114
Property & equip. (incl. NBs)	904	804	785	731	720	704	699	694	689
Other non-current assets	30	26	9	31	31	31	31	31	31
Total non-current assets	934	830	795	762	751	735	730	725	720
TOTAL ASSETS	1,071	944	925	888	873	853	839	834	834
Total equity	570	458	447	436	432	423	420	426	436
Short-term debt	40	0	0	0	13	4	6	8	8
Other current liabilities	25	0	0	0	0	0	0	0	0
Total current liabilities	65	0	0	0	13	4	6	8	8
Long-term debt	435	465	454	431	406	404	392	379	369
Other non-current liabilities	1	21	24	21	21	21	21	21	21
Total non-current liabilities	436	487	478	452	427	425	413	400	390
TOTAL EQUITY & LIABILITIES	1,071	944	925	888	873	853	839	834	834
Working capital, receivables	13	0	0	0	0	0	0	0	0
Working capital, payables	23	0	0	0	0	0	0	0	0
Net working capital	-9	0	0	0	0	0	0	0	0
Interest bearing debt	475	465	454	431	420	408	398	387	377
Liquidity	107	91	102	90	86	82	74	74	78
Net interest bearing debt	368	375	353	341	333	326	324	314	299
Cash Flow (USDm)									
Net income	-14	-103	-11	-15	-4	-9	-3	5	10
Depreciation	12	12	12	9	9	9	9	9	9
Other	7	99	4	5	0	0	0	0	0
Cash earnings	5	7	4	0	5	1	6	15	19
Changes in working capital	0	0	0	0	0	0	0	0	0
Net operational cash flow	5	7	4	0	5	1	6	15	19
Capex	0	0	0	0	-4	-5	-5	-5	-5
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	7	7	11	0	0	0
Other	6	-1	-1	6	0	0	0	0	0
Net investing cash flow	6	-1	-1	14	3	6	-5	-5	-5
Repayment of debt	0	0	0	-23	-11	-60	-10	-15	-10
Proceeds from debt	0	0	0	0	0	48	0	5	0
Dividends paid	0	0	0	0	0	0	0	0	0
New equity	0	0	0	0	0	0	0	0	0
Other	-32	-23	-13	-1	0	0	0	0	0
Net financing cash flow	-32	-23	-13	-25	-11	-11	-10	-10	-10
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-21	-17	-10	-11	-4	-4	-9	0	5
Cash balance	107	91	102	90	86	82	74	74	78
Free cash flow	11	6	3	13	7	7	2	10	15



Cleaves Securities

$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	142	100	153	219	207	157	173	249	315
Operational costs	-114	-107	-550	-128	-141	-226	-114	-115	-117
EBITDA	28	-7	-397	90	67	-68	58	134	199
Depreciation/Amortization	-76	-82	-87	-52	-49	-42	-38	-38	-38
EBIT	-48	-89	-484	38	18	-110	21	97	161
Net financials	-15	-76	-28	-22	-28	-22	-17	-16	-14
PTP	-63	-164	-512	17	-11	-133	4	81	147
Taxes/Minorities	-2	0	0	0	0	0	0	0	0
Net earnings	-65	-164	-512	17	-11	-133	4	81	147
Non-recurring items	-4	-6	-6	-6	-6	101	-6	-6	-6
Net earnings (adj.)	-69	-170	-517	11	-16	-32	-2	75	141
EPS	-0.78	-1.94	-4.82	0.16	-0.12	-1.49	0.04	0.91	1.64
EPS (adj.)	-0.83	-2.01	-4.88	0.10	-0.18	-0.36	-0.02	0.84	1.58
DPS	0.07	0.07	0.05	0.06	0.06	0.00	0.00	0.19	0.72
Balance Sheet (USDm)									
Cash & short-term investments	172	98	40	127	107	86	78	131	220
Other current assets	22	17	99	15	30	35	35	35	35
Total current assets	194	115	139	142	137	122	114	166	256
Property & equip. (incl. NBs)	1,441	1,404	1,076	1,014	904	720	689	669	632
Other non-current assets	203	149	32	32	30	31	31	31	31
Total non-current assets	1,643	1,553	1,108	1,046	934	751	720	700	663
TOTAL ASSETS	1,837	1,669	1,247	1,188	1,071	873	834	866	919
Total equity	1,218	1,057	625	628	570	432	436	500	582
Short-term debt	41	65	61	96	40	13	53	51	39
Other current liabilities	18	13	20	29	25	0	0	0	0
Total current liabilities	59	78	80	125	65	13	53	51	39
Long-term debt	559	533	541	434	435	406	324	295	276
Other non-current liabilities	1	1	1	1	1	21	21	21	21
Total non-current liabilities	560	534	542	435	436	427	345	316	297
TOTAL EQUITY & LIABILITIES	1,837	1,669	1,247	1,188	1,071	873	834	866	919
Working capital, receivables	11	12	11	9	13	0	0	0	0
Working capital, payables	15	12	16	24	23	0	0	0	0
Net working capital	-5	-1	-5	-16	-9	0	0	0	0
Interest bearing debt	600	598	601	531	475	420	377	345	315
Liquidity	172	98	40	127	107	86	78	131	220
Net interest bearing debt	428	500	561	404	368	333	299	215	95
Cash Flow (USDm)									
Net income	-65	-164	-512	17	-11	-133	4	81	147
Depreciation	76	82	87	52	49	42	38	38	38
Other	17	69	447	6	28	107	0	0	0
Cash earnings	29	-13	22	74	66	16	41	119	184
Changes in working capital	-5	-8	1	6	-16	0	0	0	0
Net operational cash flow	24	-21	23	80	50	16	41	119	184
Capex	-156	-51	-126	-3	-3	-4	-18	-18	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	13	15	41	14	11	0	0
Other	0	10	-40	88	0	-104	0	0	0
Net investing cash flow	-156	-42	-152	99	38	14	-7	-18	0
Repayment of debt	120	-3	2	-70	-57	-35	-96	-94	-166
Proceeds from debt	441	39	57	100	44	0	53	63	136
Dividends paid	-6	-6	-6	-6	-6	0	0	-17	-64
New equity	—	0	77	0	1	0	0	0	0
Other	-451	-40	-57	-118	-94	-104	0	0	0
Net financing cash flow	104	-9	74	-94	-111	-72	-42	-48	-95
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-28	-72	-55	86	-23	-42	-8	52	90
Cash balance	172	98	40	127	107	65	57	110	199
Free cash flow	-132	-63	-129	179	88	30	34	101	184



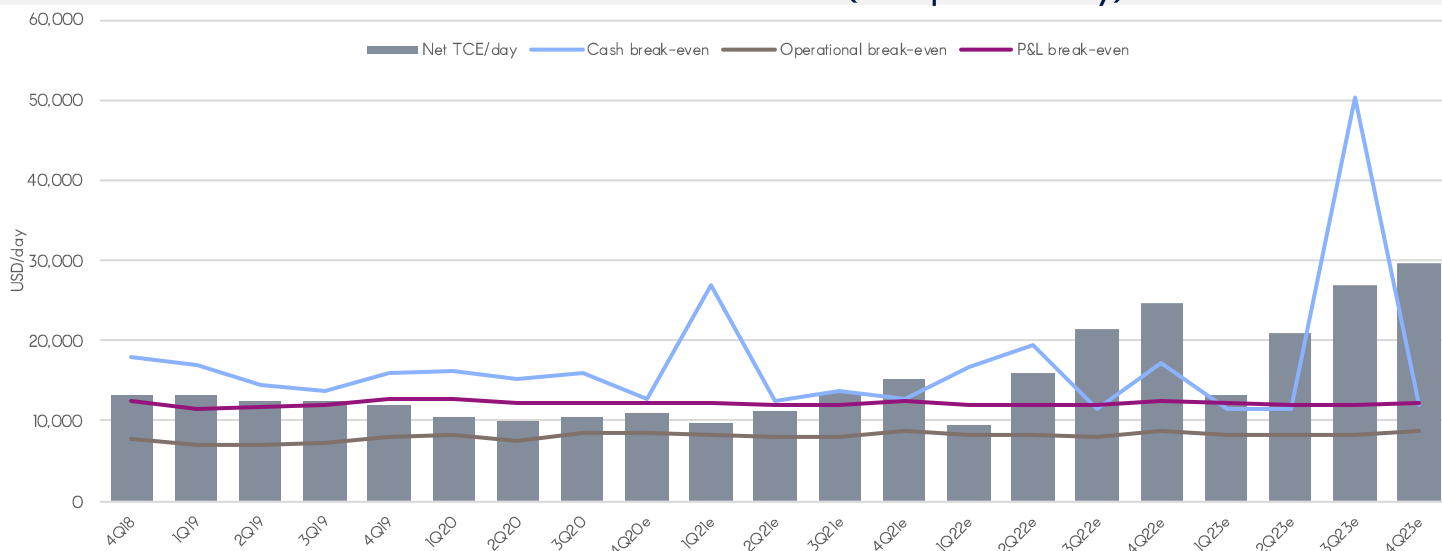
Cleaves Securities

$$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$$

	Dry Bulk			BUY					
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	83	85	106	104	91	89	89	89	89
Share price, avg (USD)	6	3	4	4	3	2	2	2	2
Share price, end (USD)	4	3	4	3	3	2	2	2	2
Market Cap.	359	256	432	330	284	151	151	151	151
NIBD	428	500	561	404	368	333	299	215	95
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	787	756	993	734	651	484	450	366	246
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)				19.9			40.8	1.9	1.0
P/E (adj.)				30.5				2.0	1.1
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	2.5	2.5	2.8	1.5	1.4	1.0	0.9	0.6	0.5
EV/Sales	5.5	7.5	6.5	3.4	3.1	3.1	2.6	1.5	0.8
EV/EBITDA	28.0			8.1	9.8		7.7	2.7	1.2
EV/EBIT				19.2	37.0		21.6	3.8	1.5
P/B	0.3	0.2	0.7	0.5	0.5	0.4	0.3	0.3	0.3
FCF yield	-37%	-24%	-30%	54%	31%	20%	23%	66%	122%
Dividend yield	1.6%	2.3%	1.3%	1.7%	2.0%	0.0%	0.0%	10.9%	42.6%
Return on equity (ROE)	-5.3%	-15.5%	-81.9%	2.6%	-1.8%	-30.7%	0.9%	16.2%	25.2%
Return on capital employed (ROCE)	-2.9%	-5.7%	-40.8%	3.7%	1.9%	-14.4%	2.8%	13.5%	23.8%
Return on assets (ROA)	-3.5%	-9.8%	-41.0%	1.4%	-1.0%	-15.2%	0.4%	9.3%	16.0%
Sales growth	-14%	-29%	53%	43%	-5%	-24%	10%	44%	27%
EBITDA margin	20%	-7%	-259%	41%	32%	-43%	34%	54%	63%
EBIT margin	-34%	-88%	-316%	17%	9%	-70%	12%	39%	51%
Net margin	-46%	-164%	-334%	8%	-5%	-84%	2%	33%	47%
Net interest rate	3.6%	4.4%	4.7%	7.6%	8.0%	6.3%	5.7%	7.3%	15.0%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	66%	63%	50%	53%	53%	50%	52%	58%	63%
Leverage ratio	34%	37%	50%	47%	47%	50%	48%	42%	37%
NIBD / EBITDA (past 1y)	15.2	-71.5	-1.4	4.5	5.5	-4.9	5.1	1.6	0.5
Operating cash flow/NIBD	0.1	0.0	0.0	0.2	0.1	0.0	0.1	0.6	1.9
Net interest coverage ratio (EBIT)	1.8	-0.3	-14.9	3.0	2.3	-3.3	3.4	8.6	13.9
Current ratio	3.3	1.5	1.7	1.1	2.1	9.1	2.2	3.3	6.5
Adj. equity ratio						35%	50%	61%	70%
Operating assets	1,665	1,571	1,206	1,061	943	786	755	736	698
Operating liabilities	19	14	21	30	26	21	21	21	21
Net operating assets	1,647	1,557	1,186	1,031	917	765	735	715	677

Source for financial items: Historical numbers primarily gathered from Bloomberg and company data. Forecast from Cleaves Securities

Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
03/12/2020 17:53 CET





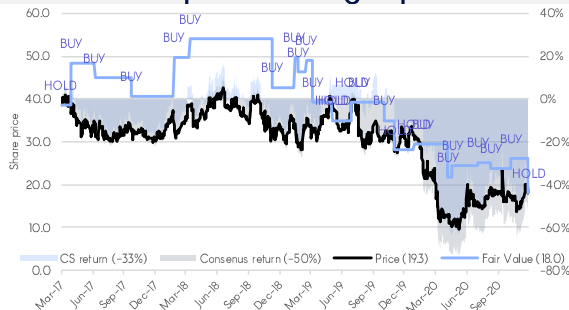
Pure-play on Supramaxes with large scrubber penetration. Lower operational elasticity and higher financial elasticity than many peers

EGLE-US

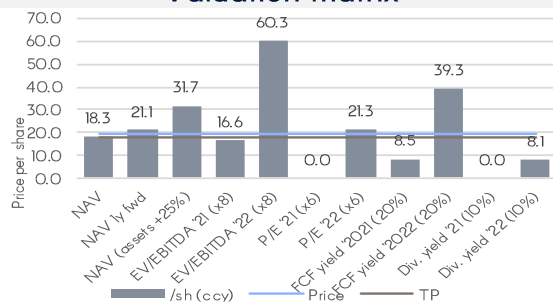
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Eagle Bulk

Share price vs target price

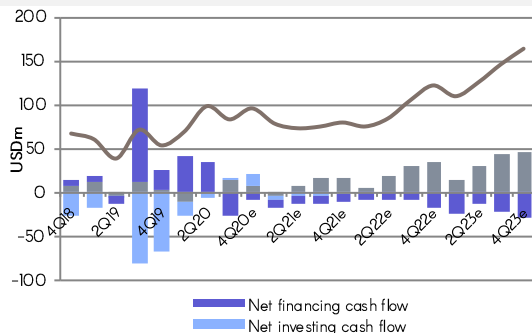


Valuation matrix



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Cash & cash flows



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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	184	201	234	274
EBITDA (adj.)	42	69	120	159
EBIT (adj.)	-8	19	69	109
PTP (adj.)	-45	-14	39	81
Net earnings (adj.)	-45	-14	39	81
EPS (adj.)	-3.31	-1.26	3.54	7.39
DPS	-	-	0.81	3.18
USDm	2020E	2021E	2022E	2023E
Fwd NAV	197	294	392	506
Adj. equity ratio	27%	37%	45%	55%
FCF yield	1%	9%	41%	61%
Dividend yield	0%	0%	4%	16%
EV/EBITDA	14.6	8.4	4.2	2.6
P/E (adj.)			5.4	2.6

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	5	37	89	132
Free cash flow	1	19	86	129
Net cash flow	39	-16	42	42
TCE/day	9,062	11,133	14,236	16,627
Cash break-even	11,369	11,019	23,023	11,778
Liquidity	98	82	124	166
Property & Equip. (incl. NBs)	807	775	727	680
Total equity	441	428	458	504
Total assets	981	932	927	922
Interest bearing debt	489	453	418	367
Net interest bearing debt	391	372	294	200
Market Cap.	212	212	212	212

Source: Cleaves, Bloomberg, Shipping Intelligence Network, company data

Disclaimer: The analyst currently has no investments in the company covered in this report. More disclaimers at the end of this document

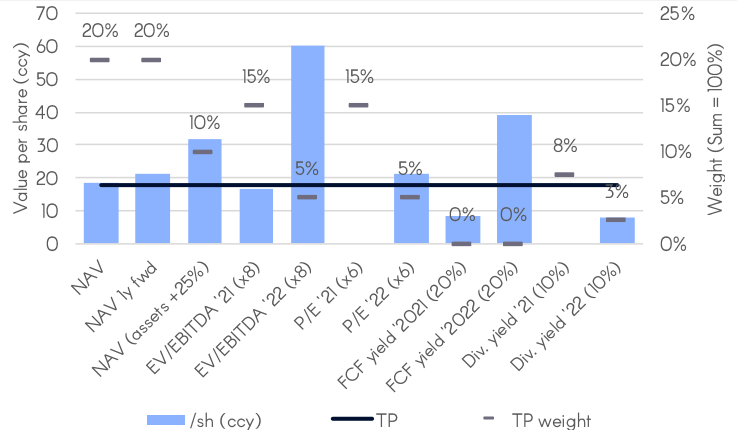


Company Valuation

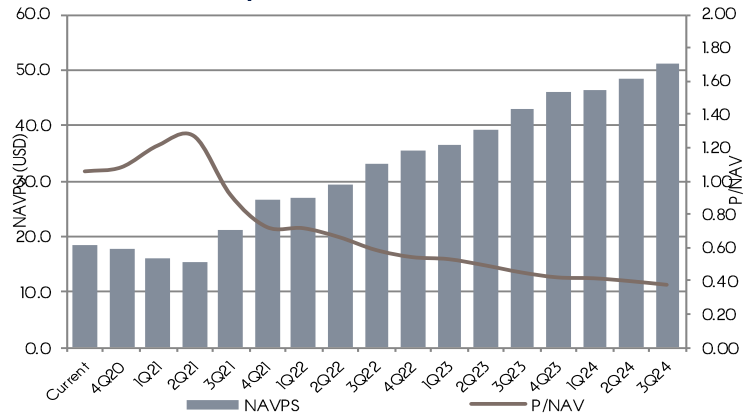
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	834	592	602
Contract value	0	-1	-1
Other	47	47	48
GAV	881	638	649
Net debt	-412	-412	-412
Capex	0	-3	-3
Other	-22	-22	-22
Equity	446	201	212
Shares	11	11	11
Equity/sh	40.52	18.28	19.29
Incl CCY	40.52	18.28	19.29
P/Equity	0.48	1.06	1.00
EV/GAV	0.74	1.02	1.00
Adj. Total Assets	995	753	763
Adj. Equity Ratio	45%	27%	28%
Fair Value	USD	17.8	-8%

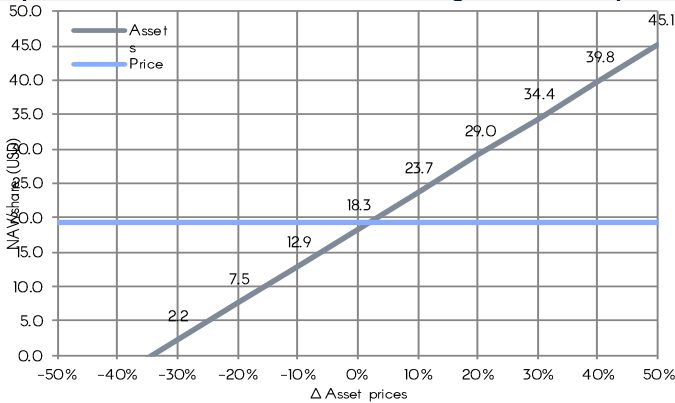
Valuation Matrix



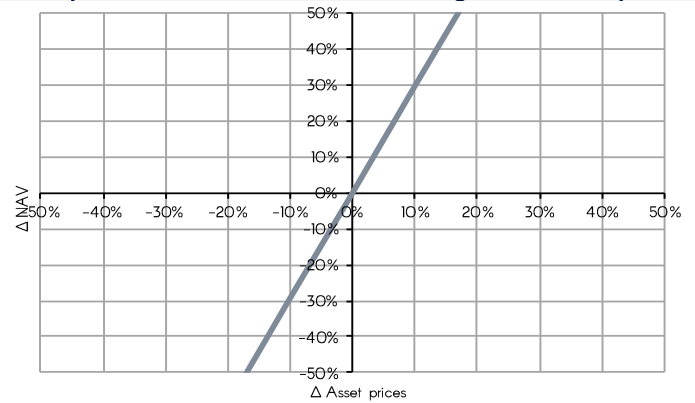
Quarterly forward NAV & P/NAV



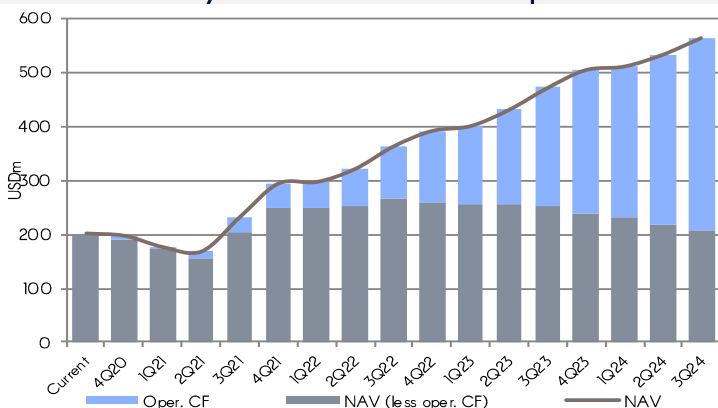
Impact on NAV/sh from % change in asset prices



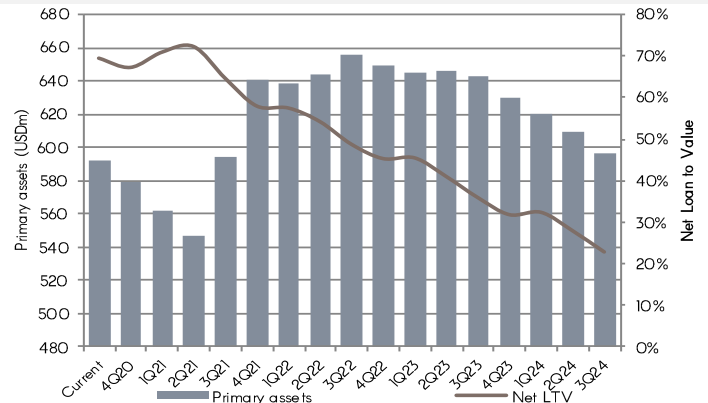
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net sales	184	201	234	274	197	270	302	329	-13	-68	-67	-56
EBITDA (adj.)	42	69	120	159	52	127	178	206	-10	-58	-58	-47
EBIT (adj.)	-8	19	69	109	2	77	128	156	-10	-58	-59	-47
PTP (adj.)	-45	-14	39	81	-35	44	97	128	-10	-57	-58	-46
Net earnings (adj.)	-45	-14	39	81	-35	44	97	128	-10	-57	-58	-46
EPS (adj.)	-3.31	-1.26	3.54	7.39	-2.43	3.96	8.81	11.59	-0.88	-5.22	-5.27	-4.20
DPS	-	-	0.81	3.18	-	-	3.28	5.45	-	-	-2.46	-2.27
									2020E	2021E	2022E	2023E
								TCE revenue	-13	-68	-67	-56
								Opex & G&A	-3	-11	-9	-9
								Depreciation	0	0	0	0
								Net finance	-0	-1	-1	-1
								Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	5	37	89	132	7	94	147	178	-1	-57	-57	-46
Free cash flow	1	19	86	129	-27	76	141	171	28	-58	-54	-43
Net cash flow	39	-16	42	42	30	41	70	60	9	-58	-27	-18
TCE/day	9,062	11,133	14,236	16,627	9,467	13,447	16,490	18,009	-405	-2,313	-2,254	-1,382
Cash break-even	11,369	11,019	23,023	11,778	10,375	10,445	21,258	11,143	994	574	1,766	635
Liquidity	98	82	124	166	89	130	200	260	9	-48	-76	-93
Property & Equip. (incl. NBs)	807	775	727	680	857	824	780	736	-50	-50	-53	-57
Total equity	441	428	458	504	454	498	558	626	-13	-70	-101	-122
Total assets	981	932	927	922	1,012	1,020	1,046	1,062	-30	-88	-119	-140
Interest bearing debt	489	453	418	367	519	483	448	397	-30	-30	-30	-30
Net interest bearing debt	391	372	294	200	430	353	249	137	-39	18	46	63
Market Cap.	212	212	212	212	186	186	186	186	27	27	27	27
Enterprise value	603	584	507	413	616	539	435	323	-13	45	72	90

Valuation

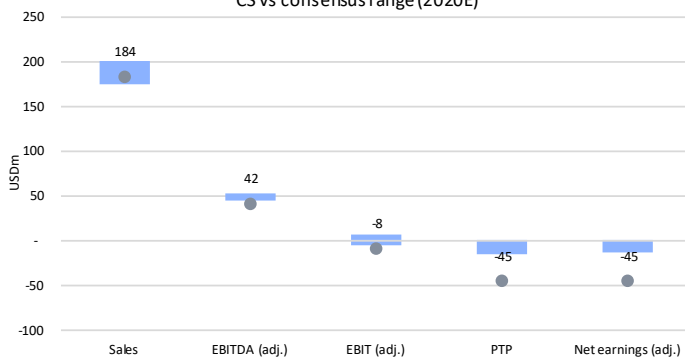
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	197	294	392	506	251	418	567	695	-54	-124	-175	-190
Adj. equity ratio	27%	37%	45%	55%	31%	44%	54%	61%	-4%	-8%	-8%	-7%
FCF yield	1%	9%	41%	61%	-14%	41%	76%	92%	15%	-32%	-35%	-32%
Dividend yield	0%	0%	4%	16%	0%	0%	19%	32%	0%	0%	-15%	-16%
EV/EBITDA	14.6	8.4	4.2	2.6	12.0	4.2	2.4	1.6	2.6	4.2	1.8	1.0
P/E (adj.)			5.4	2.6		4.3	1.9	1.5	#####	#####	3.5	1.2



Our Estimates vs Consensus

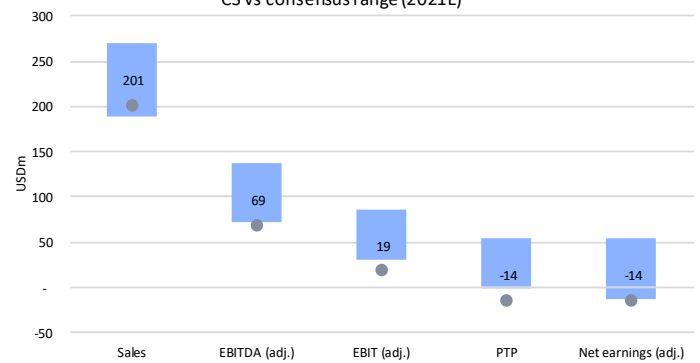
Profit & Loss, year I

CS vs consensus range (2020E)

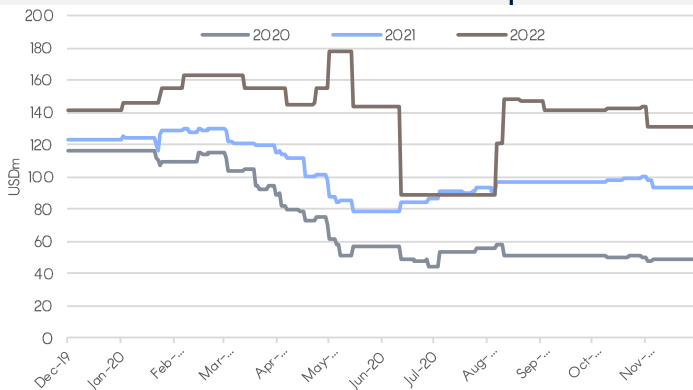


Profit & Loss, year II

CS vs consensus range (2021E)



Consensus EBITDA development



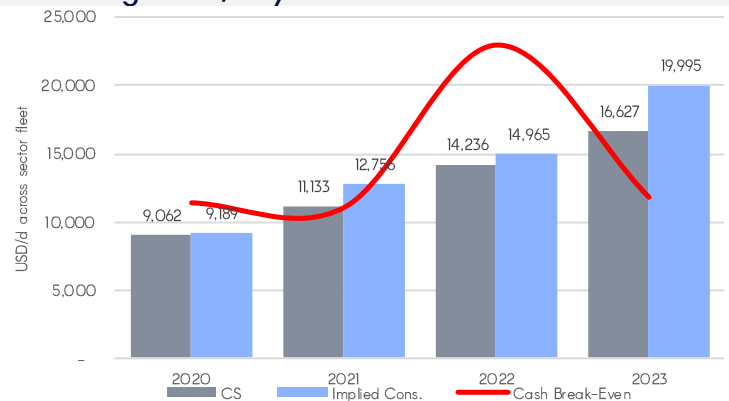
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	184	186	186	-3	-1%
Opex + G&A	142	137	137	4	3%
Depreciation	50	48	48	2	5%
Net finance	36	35	35	2	5%
Taxes & Minorities	0	2	2	-2	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	201	231	231	-29	-13%
Opex + G&A	132	137	137	-5	-4%
Depreciation	50	34	34	17	50%
Net finance	33	27	27	6	20%
Taxes & Minorities	0	20	20	-20	-100%

Avg. TCE/day across fleet vs consensus





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	50.0	48.6	53.6	54.1				
EBITDA (adj.)	9.4	13.7	16.3	20.6				
EBIT (adj.)	-1.9	1.1	3.7	10.7				
PTP (adj.)	-11.1	-7.8	-5.0	2.4				
Net earnings (adj.)	-11.1	-7.8	-5.0	0.2				
EPS (adj.)	-0.16	-0.71	-0.45	-0.05				
DPS	-	-	-	-				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	50.0	48.6	53.6	54.1				
Opex & G&A	40.6	34.8	37.3	33.5				
Depreciation	11.3	12.6	12.6	9.9				
Net finance	9.2	8.9	8.6	8.3				
Taxes & Minorities	-	-	-	2.2				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	3	13	8					
Free cash flow	-65	15	21					
Net cash flow	-42	-13	13					
TCE/day	9,801	9,556	10,788	10,886				
Utilization	84.5%	96.5%	95.4%					
Fleet days	5,106	5,081	4,968					
Cash break-even	11,406	14,081	11,012					
Liquidity	59	85	98					
Interest bearing debt	467	497	489					



Cleaves Securities

$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	50	48	34	49	54	38	49	58	56
Operational costs	-42	-38	-32	-35	-37	-33	-34	-34	-32
EBITDA	8	10	2	13	16	5	16	24	25
Depreciation/Amortization	-11	-12	-13	-13	-13	-13	-13	-13	-13
EBIT	-3	-2	-11	1	4	-8	3	12	12
Net financials	-8	-1	-10	-12	-9	-8	-8	-8	-8
PTP	-11	-4	-20	-11	-5	-16	-5	3	4
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-11	-4	-20	-11	-5	-16	-5	3	4
Non-recurring items	0	-8	0	3	0	0	0	0	0
Net earnings (adj.)	-11	-11	-20	-8	-5	-16	-5	3	4
EPS	-0.16	-0.05	-1.99	-1.01	-0.45	-1.45	-0.47	0.31	0.35
EPS (adj.)	-0.16	-0.16	-1.99	-0.71	-0.45	-1.45	-0.47	0.31	0.35
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance Sheet (USDm)									
Cash & short-term investments	54	69	99	83	96	79	73	75	80
Other current assets	47	55	42	41	41	41	41	41	41
Total current assets	101	124	140	125	137	120	115	116	121
Property & equip. (incl. NBs)	856	876	854	834	807	800	791	784	775
Other non-current assets	45	26	38	37	37	37	37	37	37
Total non-current assets	902	902	892	870	844	837	828	821	811
TOTAL ASSETS	1,002	1,026	1,032	995	981	957	943	937	932
Total equity	482	477	457	446	441	425	420	424	428
Short-term debt	49	51	39	39	44	43	42	42	43
Other current liabilities	53	42	49	50	50	50	50	50	50
Total current liabilities	102	92	88	89	94	93	92	92	93
Long-term debt	418	456	484	458	444	436	429	420	411
Other non-current liabilities	0	0	3	1	1	1	1	1	1
Total non-current liabilities	418	457	487	459	445	438	431	422	412
TOTAL EQUITY & LIABILITIES	1,002	1,026	1,032	995	981	957	943	937	932
Working capital, receivables	36	34	29	25	25	25	25	25	25
Working capital, payables	48	35	28	29	29	29	29	29	29
Net working capital	-12	-2	1	-4	-4	-4	-4	-4	-4
Interest bearing debt	467	507	524	497	489	480	471	462	453
Liquidity	59	72	99	85	98	80	75	77	82
Net interest bearing debt	408	435	425	412	391	399	396	385	372
Cash Flow (USDm)									
Net income	-11	-4	-20	-11	-5	-16	-5	3	4
Depreciation	11	12	13	13	13	13	13	13	13
Other	-1	-7	12	3	0	0	0	0	0
Cash earnings	-1	2	4	5	8	-3	7	16	17
Changes in working capital	4	-14	-7	8	0	0	0	0	0
Net operational cash flow	3	-12	-3	13	8	-3	7	16	17
Capex	-70	-19	-4	-3	-5	-5	-4	-5	-3
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	5	19	0	0	0	0
Other	2	4	0	0	0	0	0	0	0
Net investing cash flow	-68	-15	-4	2	14	-5	-4	-5	-3
Repayment of debt	-9	-6	-11	-28	-9	-9	-9	-9	-9
Proceeds from debt	34	48	45	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
New equity	0	0	0	0	0	0	0	0	0
Other	-2	-1	0	0	0	0	0	0	0
Net financing cash flow	24	41	33	-28	-9	-9	-9	-9	-9
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-42	13	26	-13	13	-18	-5	2	5
Cash balance	54	69	99	83	96	79	73	75	80
Free cash flow	-65	-27	-7	15	21	-9	3	11	13



Cleaves Securities

$f(\lambda) = a_0 + \beta_1 \lambda^2, R^2 \approx 1$

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	80	82	174	231	205	184	201	234	274
Operational costs	-173	-245	-141	-155	-155	-142	-132	-115	-115
EBITDA	-93	-162	34	75	50	41	69	120	159
Depreciation/Amortization	-43	-39	-34	-38	-41	-50	-50	-50	-50
EBIT	-136	-201	0	38	9	-9	19	69	109
Net financials	-13	-22	-44	-25	-31	-31	-33	-30	-27
PTP	-148	-224	-44	13	-22	-40	-14	39	81
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-148	-224	-44	13	-22	-40	-14	39	81
Non-recurring items	0	0	0	0	0	-5	0	0	0
Net earnings (adj.)	-148	-224	-44	13	-22	-45	-14	39	81
EPS	-78.76	-4.65	-0.62	0.18	-0.30	-3.51	-1.26	3.54	7.39
EPS (adj.)	-78.76	-4.65	-0.62	0.18	-0.30	-3.31	-1.26	3.54	7.39
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.81	3.18
Balance Sheet (USDm)									
Cash & short-term investments	25	77	56	67	54	96	80	122	164
Other current assets	16	28	49	51	47	41	41	41	41
Total current assets	41	104	105	118	101	137	121	164	206
Property & equip. (incl. NBs)	734	568	690	683	836	807	775	727	680
Other non-current assets	12	15	13	45	66	37	37	37	37
Total non-current assets	746	582	703	728	902	844	811	764	716
TOTAL ASSETS	787	686	808	846	1,002	981	932	927	922
Total equity	518	400	461	480	482	441	428	458	504
Short-term debt	16	0	4	29	49	44	32	39	41
Other current liabilities	22	26	27	34	53	50	50	50	50
Total current liabilities	38	26	31	63	102	94	82	89	91
Long-term debt	226	256	314	302	302	444	422	380	326
Other non-current liabilities	5	4	3	2	117	1	1	1	1
Total non-current liabilities	230	260	316	304	418	445	423	381	327
TOTAL EQUITY & LIABILITIES	787	686	808	846	1,002	981	932	927	922
Working capital, receivables	13	16	31	36	36	25	25	25	25
Working capital, payables	19	19	21	26	48	29	29	29	29
Net working capital	-7	-3	10	10	-12	-4	-4	-4	-4
Interest bearing debt	241	256	318	331	351	489	453	418	367
Liquidity	25	77	56	67	59	98	82	124	166
Net interest bearing debt	216	179	261	264	291	391	372	294	200
Cash Flow (USDm)									
Net income	-148	-224	-44	13	-22	-40	-14	39	81
Depreciation	43	39	34	38	41	50	50	50	50
Other	56	139	32	2	-6	9	0	0	0
Cash earnings	-50	-46	22	52	13	19	37	89	132
Changes in working capital	6	0	-15	-7	9	-14	0	0	0
Net operational cash flow	-44	-45	7	45	22	5	37	89	132
Capex	-2	-22	-177	-44	-202	-31	-18	-3	-3
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	4	13	26	21	30	24	0	0	0
Other	8	0	-5	-8	4	-1	0	0	0
Net investing cash flow	10	-9	-155	-31	-169	-4	-18	-3	-3
Repayment of debt	20	24	36	12	131	-54	-35	-235	-52
Proceeds from debt	40	75	324	16	—	93	0	200	0
Dividends paid	0	0	0	0	0	0	0	-9	-35
New equity	—	86	96	0	0	0	0	0	0
Other	-41	-78	-328	-21	-3	-1	0	0	0
Net financing cash flow	18	106	128	7	128	37	-35	-44	-87
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-15	52	-20	22	-19	39	-16	42	42
Cash balance	25	77	56	67	54	92	76	119	161
Free cash flow	-34	-55	-148	14	-147	1	19	86	129



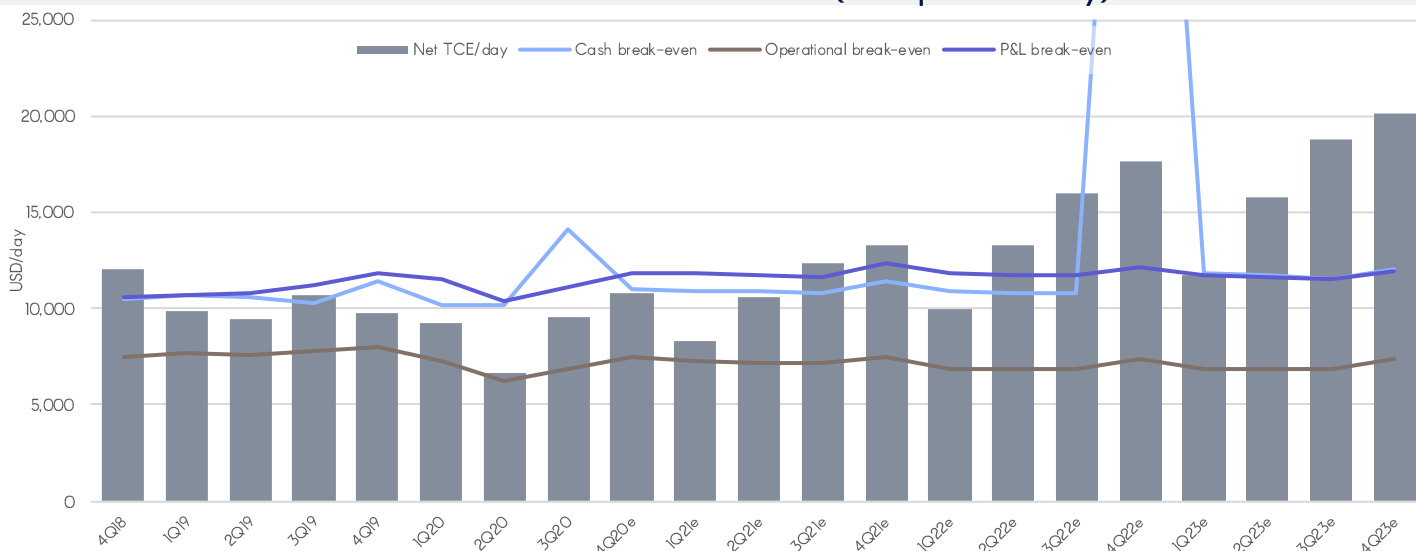
Cleaves Securities

$$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$$

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Share Data & Valuation (USDm)									
Shares outstanding, end	2	48	70	71	72	11	11	11	11
Share price, avg (USD)	156	12	5	5	5	10	19	19	19
Share price, end (USD)	70	6	4	5	5	19	19	19	19
Market Cap.	133	281	315	328	329	212	212	212	212
NIBD	216	179	261	264	291	391	372	294	200
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	349	461	577	591	620	603	584	507	413
Key Figures & Ratios									
P/E (reported)				26.0				5.4	2.6
P/E (adj.)				26.0				5.4	2.6
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	1.7	3.4	1.8	1.4	1.6	1.2	1.1	0.9	0.8
EV/Sales	4.4	5.6	3.3	2.6	3.0	3.3	2.9	2.2	1.5
EV/EBITDA			17.2	7.8	12.4	14.6	8.4	4.2	2.6
EV/EBIT				15.7	65.8		31.0	7.3	3.8
P/B	0.3	0.7	0.7	0.7	0.7	0.5	0.5	0.5	0.4
FCF yield	-25%	-19%	-47%	4%	-45%	1%	9%	41%	61%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.2%	16.5%
Return on equity (ROE)	-28.6%	-55.8%	-9.5%	2.6%	-4.5%	-9.1%	-3.2%	8.5%	16.1%
Return on capital employed (ROCE)	-18.5%	-34.7%	0.0%	5.1%	1.2%	-1.1%	2.4%	9.2%	15.4%
Return on assets (ROA)	-18.9%	-32.6%	-5.4%	1.5%	-2.2%	-4.1%	-1.5%	4.2%	8.8%
Sales growth	-40%	3%	112%	32%	-11%	-10%	10%	16%	17%
EBITDA margin	-116%	-197%	19%	33%	24%	22%	34%	51%	58%
EBIT margin	-169%	-244%	0%	16%	5%	-5%	9%	30%	40%
Net margin	-185%	-271%	-25%	5%	-11%	-22%	-7%	17%	30%
Net interest rate	5.5%	12.1%	11.2%	9.8%	10.5%	9.0%	8.8%	10.3%	13.6%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	66%	58%	57%	57%	48%	45%	46%	49%	55%
Leverage ratio	34%	42%	43%	43%	52%	55%	54%	51%	45%
NIBD / EBITDA (past 1y)	-2.3	-1.1	7.8	3.5	5.8	9.5	5.4	2.5	1.3
Operating cash flow/NIBD	-0.2	-0.3	0.0	0.2	0.1	0.0	0.1	0.3	0.7
Net interest coverage ratio (EBIT)	-7.8	-7.4	1.1	2.9	1.6	1.2	2.1	4.0	5.8
Current ratio	1.1	4.1	3.4	1.9	1.0	1.5	1.5	1.8	2.3
Adj. equity ratio						27%	37%	45%	55%
Operating assets	762	610	752	768	943	883	851	803	756
Operating liabilities	27	30	30	36	170	51	51	51	51
Net operating assets	735	580	723	732	773	832	799	752	704

Source for financial items: Historical numbers primarily gathered from Bloomberg and company data. Forecast from Cleaves Securities

Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
03/12/2020 19:38 CET



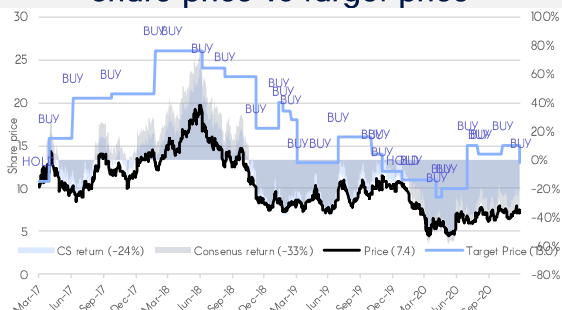


GNK-US

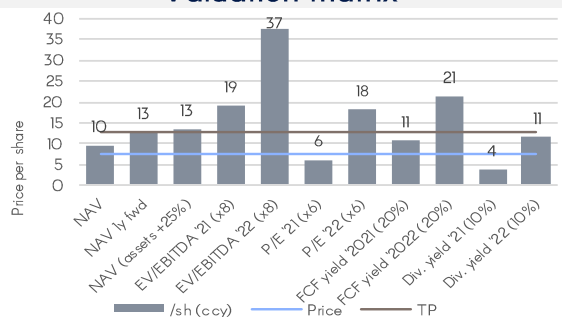
BUY/\$13

Genco Shipping

Share price vs target price

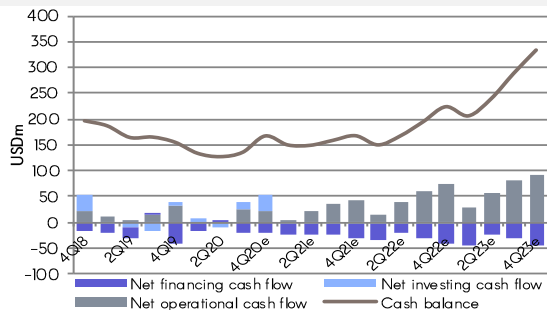


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	194	239	309	378
EBITDA (adj.)	70	121	202	271
EBIT (adj.)	5	60	140	209
PTP (adj.)	-18	43	126	198
Net earnings (adj.)	-18	43	126	198
EPS (adj.)	-0.43	1.02	3.01	4.73
DPS	0.23	0.36	1.15	2.14
USDm	2020E	2021E	2022E	2023E
Fwd NAV	419	629	859	1,123
Adj. equity ratio	46%	60%	72%	80%
FCF yield	26%	29%	58%	84%
Dividend yield	3%	5%	16%	29%
EV/EBITDA		4.0	1.8	0.7
P/E (adj.)		7.2	2.5	1.6

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	38	103	187	259
Free cash flow	81	89	178	259
Net cash flow	30	0	56	110
TCE/day	10,182	12,983	17,577	21,519
Cash break-even	11,174	11,006	10,902	24,009
Liquidity	192	193	249	359
Property & Equip. (incl. NBs)	1,017	970	918	857
Total equity	817	844	922	1,031
Total assets	1,303	1,257	1,262	1,311
Interest bearing debt	445	371	298	238
Net interest bearing debt	252	179	49	-121
Market Cap.	308	308	308	308

Source: Cleaves, Bloomberg, Shipping Intelligence Network, company data

Disclaimer: The analyst currently has investments in some of the companies covered in this report. More disclaimers at the end of this document

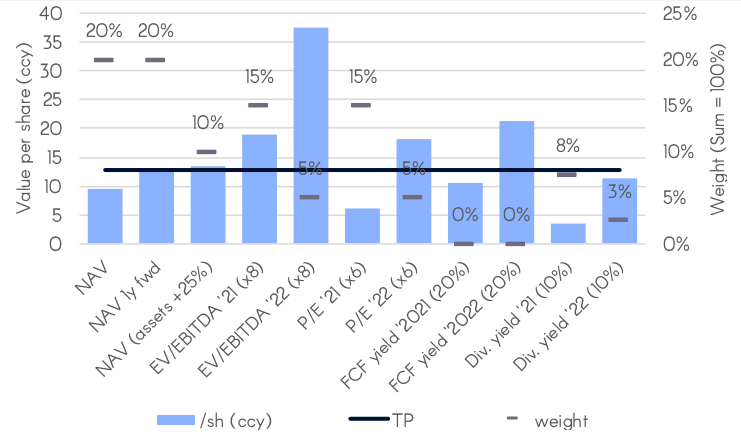


Company Valuation

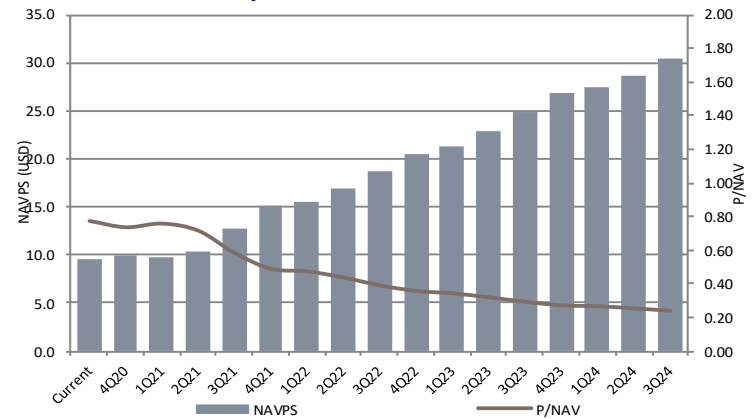
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,063	646	565
Contract value	0	5	4
Other	71	71	62
GAV	1,134	722	631
Net debt	-304	-304	-304
Capex	0	0	0
Other	-19	-19	-19
Equity	811	399	308
Shares	42	42	42
Equity/sh	19.41	9.55	7.37
lcl CCY	19.41	9.55	7.37
P/Equity	0.38	0.77	1.00
EV/GAV	0.56	0.87	1.00
Adj. Total Assets	1,318	901	819
Adj. Equity Ratio	62%	44%	38%
Fair Value	USD	12.9	75%

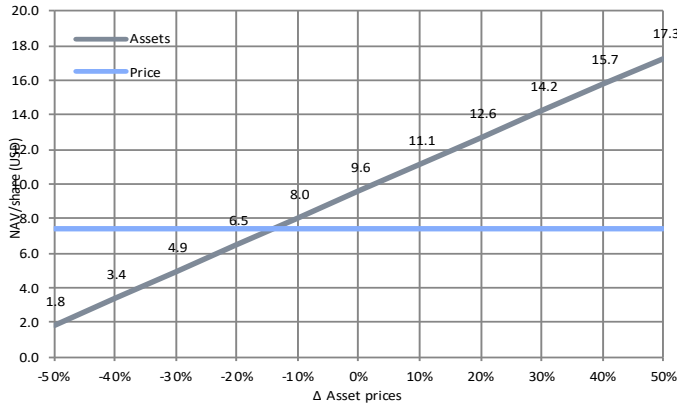
Valuation Matrix



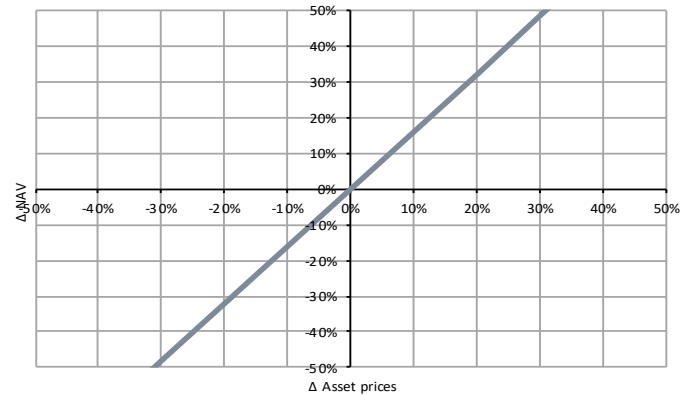
Quarterly forward NAV & P/NAV



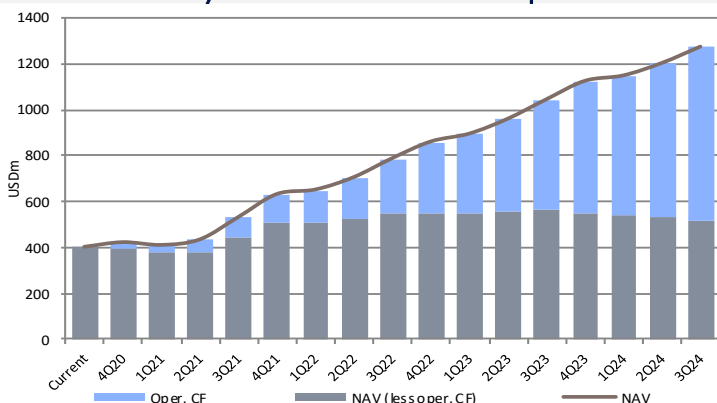
Impact on NAV/sh from % change in asset prices



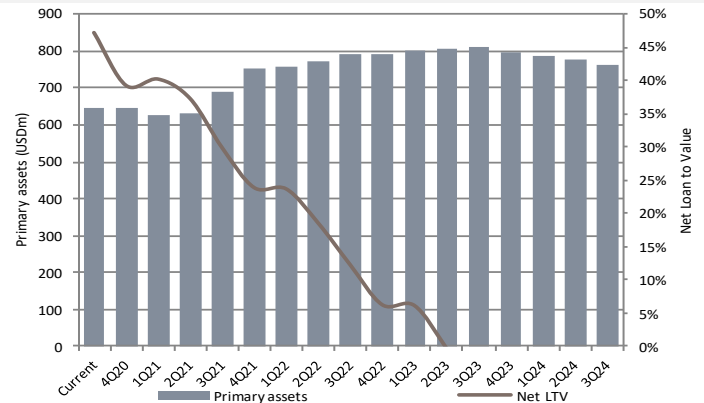
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	63.5	54.0	57.5	67.1				
EBITDA (adj.)	27.9	22.7	26.8	29.0				
EBIT (adj.)	9.7	6.6	11.6	19.4				
PTP (adj.)	3.0	0.8	6.6	15.5				
Net earnings (adj.)	3.0	0.8	6.6	6.3				
EPS (adj.)	0.07	0.02	0.16	0.11				
DPS	0.17	0.02	0.02	0.02				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	63.5	54.0	57.5	67.1				
Opex & G&A	35.5	31.3	30.7	38.1				
Depreciation	18.3	16.1	15.2	9.7				
Net finance	6.7	5.8	5.0	3.9				
Taxes & Minorities	-	-	-	9.1				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	31	25	22					
Free cash flow	40	37	53					
Net cash flow	-4	17	32					
TCE/day	13,047	11,677	12,656	14,774				
Utilization	89.8%	94.9%	96.0%					
Fleet days	5,416	4,874	4,735					
Cash break-even	11,991	11,711	11,803					
Liquidity	162	160	192					
Interest bearing debt	494	465	445					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	194	239	309	378	219	314	380	426	-25	-75	-72	-48	
EBITDA (adj.)	70	121	202	271	94	190	272	316	-24	-68	-70	-46	
EBIT (adj.)	5	60	140	209	29	128	210	255	-24	-67	-70	-45	
PTP (adj.)	-18	43	126	198	8	111	196	244	-26	-68	-70	-46	
Net earnings (adj.)	-18	43	126	198	8	111	196	244	-26	-68	-70	-46	
EPS (adj.)	-0.43	1.02	3.01	4.73	0.18	2.65	4.69	5.83	-0.61	-1.64	-1.68	-1.10	
DPS	0.23	0.36	1.15	2.14	0.28	0.70	1.89	2.78	-0.05	-0.34	-0.75	-0.64	
									2020E	2021E	2022E	2023E	
									TCE revenue	-25	-75	-72	-48
									Opex & G&A	-1	-7	-2	-2
									Depreciation	0	-1	-0	-0
									Net finance	1	1	1	1
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	38	103	187	259	55	173	258	305	-17	-69	-71	-46
Free cash flow	81	89	178	259	71	158	248	305	10	-69	-71	-46
Net cash flow	30	0	56	110	7	55	96	130	23	-55	-39	-20
TCE/day	10,182	12,983	17,577	21,519	11,187	16,429	21,222	23,742	-1,005	-3,446	-3,645	-2,223
Cash break-even	11,174	11,006	10,902	24,009	10,793	10,907	10,743	23,595	380	99	159	414
Liquidity	192	193	249	359	169	224	320	450	24	-31	-71	-90
Property & Equip. (incl. NBs)	1,017	970	918	857	1,081	1,034	982	920	-64	-64	-63	-63
Total equity	817	844	922	1,031	862	944	1,061	1,188	-45	-99	-138	-158
Total assets	1,303	1,257	1,262	1,311	1,333	1,341	1,385	1,453	-30	-84	-123	-143
Interest bearing debt	445	371	298	238	441	368	294	235	4	4	4	4
Net interest bearing debt	252	179	49	-121	272	144	-26	-215	-20	35	74	94
Market Cap.	308	308	308	308	306	306	306	306	3	3	3	3
Enterprise value	560	487	357	187	578	449	280	91	-17	38	77	97

Valuation

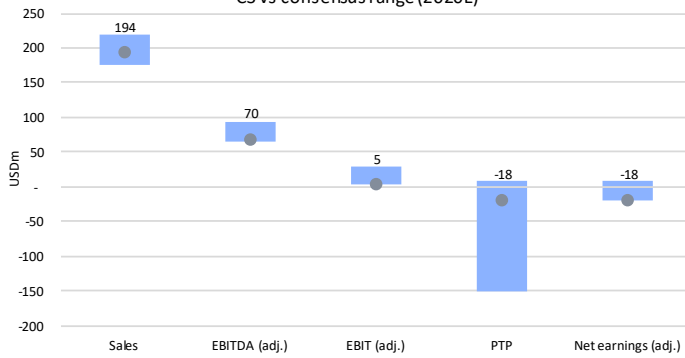
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	419	629	859	1,123	505	789	1,073	1,334	-86	-159	-214	-211
Adj. equity ratio	46%	60%	72%	80%	52%	66%	77%	83%	-5%	-6%	-5%	-3%
FCF yield	26%	29%	58%	84%	23%	52%	81%	100%	3%	-23%	-24%	-16%
Dividend yield	3%	5%	16%	29%	4%	10%	26%	38%	-1%	-5%	-10%	-9%
EV/EBITDA		4.0	1.8	0.7		2.4	1.0	0.3	#####	1.6	0.7	0.4
P/E (adj.)		7.2	2.5	1.6	39.9	2.8	1.6	1.3	#####	4.5	0.9	0.3



Our Estimates vs Consensus

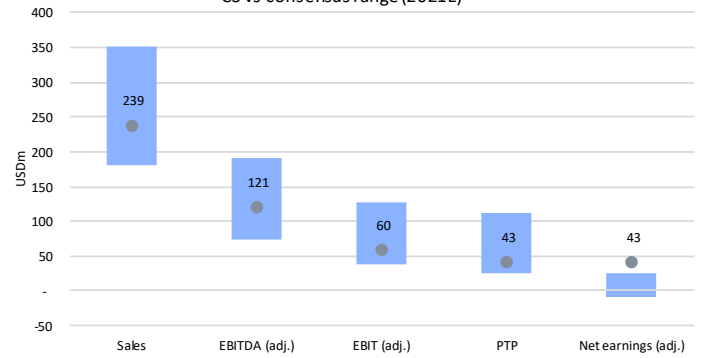
Profit & Loss, year I

CS vs consensus range (2020E)

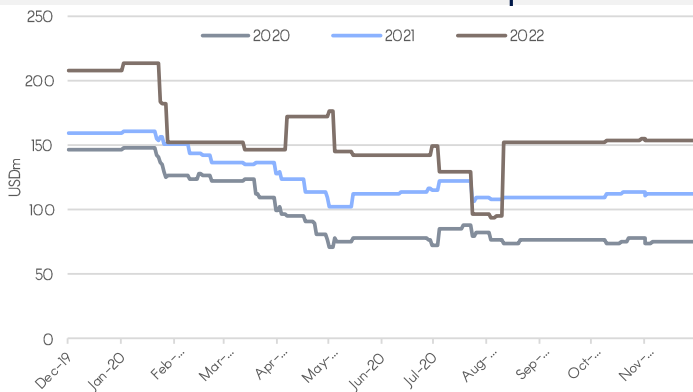


Profit & Loss, year II

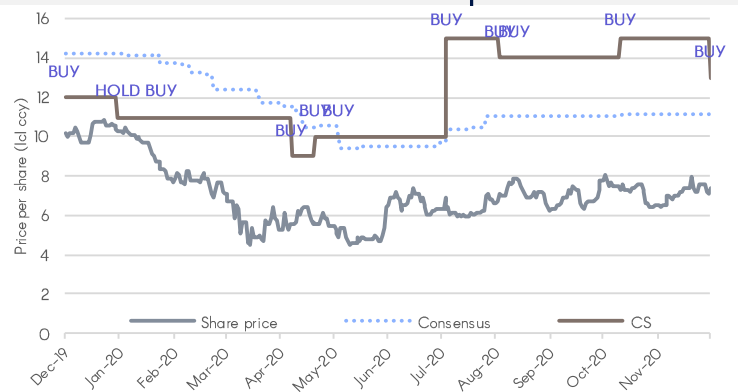
CS vs consensus range (2021E)



Consensus EBITDA development



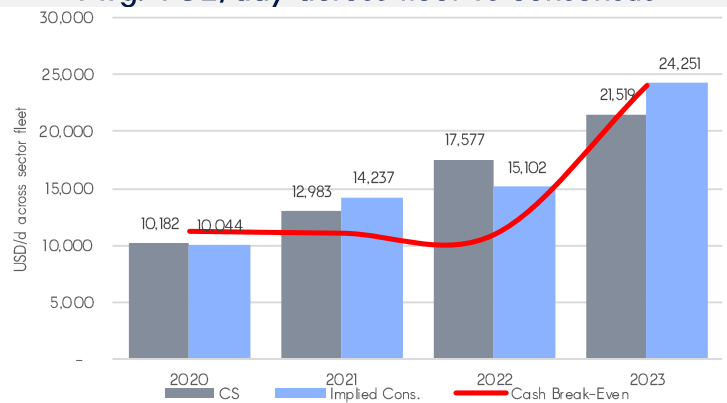
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	194	191	191	3	1%
Opex + G&A	124	116	116	9	8%
Depreciation	65	62	62	3	5%
Net finance	23	66	66	-44	-66%
Taxes & Minorities	0	-44	-44	44	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	239	262	262	-23	-9%
Opex + G&A	118	150	150	-32	-22%
Depreciation	61	42	42	19	46%
Net finance	18	8	8	10	132%
Taxes & Minorities	0	53	53	-53	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

	Dry Bulk				BUY				
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	63	50	33	54	58	39	56	69	75
Operational costs	-38	-146	-30	-54	-31	-29	-29	-30	-30
EBITDA	26	-96	3	0	27	10	27	39	45
Depreciation/Amortization	-18	-18	-16	-16	-15	-15	-15	-15	-15
EBIT	8	-113	-13	-16	12	-5	12	24	30
Net financials	-7	-7	-5	-5	-5	-5	-5	-4	-4
PTP	1	-120	-18	-21	7	-10	7	20	26
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	1	-120	-18	-21	7	-10	7	20	26
Non-recurring items	2	113	0	22	0	0	0	0	0
Net earnings (adj.)	3	-7	-18	1	7	-10	7	20	26
EPS	0.02	-2.88	-0.44	-0.50	0.16	-0.23	0.17	0.47	0.61
EPS (adj.)	0.07	-0.17	-0.44	0.02	0.16	-0.23	0.17	0.47	0.61
DPS	0.50	0.17	0.02	0.02	0.02	0.02	0.02	0.08	0.24
Balance Sheet (USDm)									
Cash & short-term investments	156	134	128	136	168	151	150	159	168
Other current assets	67	93	83	86	86	86	86	86	86
Total current assets	223	228	211	222	254	237	236	246	255
Property & equip. (incl. NBs)	1,305	1,139	1,129	1,063	1,017	1,005	994	982	970
Other non-current assets	0	14	15	32	32	32	32	32	32
Total non-current assets	1,306	1,153	1,144	1,095	1,049	1,038	1,026	1,014	1,003
TOTAL ASSETS	1,529	1,381	1,355	1,318	1,303	1,274	1,262	1,260	1,257
Total equity	978	851	833	811	817	806	813	829	844
Short-term debt	71	75	80	81	77	78	79	78	78
Other current liabilities	56	42	30	33	33	33	33	33	33
Total current liabilities	128	117	110	114	110	111	112	111	111
Long-term debt	423	413	412	384	368	348	329	311	293
Other non-current liabilities	0	0	0	9	9	9	9	9	9
Total non-current liabilities	423	413	412	393	377	357	338	320	302
TOTAL EQUITY & LIABILITIES	1,529	1,381	1,355	1,318	1,303	1,274	1,262	1,260	1,257
Working capital, receivables	41	44	36	32	32	32	32	32	32
Working capital, payables	50	34	24	23	23	23	23	23	23
Net working capital	-9	10	12	9	9	9	9	9	9
Interest bearing debt	494	488	492	465	445	426	408	390	371
Liquidity	162	149	143	160	192	175	174	184	193
Net interest bearing debt	332	338	349	304	252	252	234	206	179
Cash Flow (USDm)									
Net income	1	-120	-18	-21	7	-10	7	20	26
Depreciation	18	18	16	16	15	15	15	15	15
Other	1	115	2	24	0	0	0	0	0
Cash earnings	20	12	0	19	22	5	22	35	41
Changes in working capital	11	-16	-5	6	0	0	0	0	0
Net operational cash flow	31	-4	-5	25	22	5	22	35	41
Capex	-12	-9	-7	-2	-4	-4	-4	-4	-4
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	21	15	0	15	35	0	0	0	0
Other	0	0	0	-1	0	0	0	0	0
Net investing cash flow	9	6	-6	12	31	-4	-4	-4	-4
Repayment of debt	-23	-18	-19	-19	-20	-18	-18	-18	-18
Proceeds from debt	0	11	24	0	0	0	0	0	0
Dividends paid	-21	-7	-1	-1	-1	-1	-1	-3	-10
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net financing cash flow	-44	-14	5	-20	-21	-19	-19	-22	-28
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-4	-13	-7	17	32	-18	-1	10	9
Cash balance	156	134	128	136	168	151	150	159	168
Free cash flow	40	2	-11	37	53	2	18	31	37



Cleaves Securities

$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	134	122	184	253	216	194	239	309	378
Operational costs	-247	-233	-142	-183	-172	-260	-118	-107	-107
EBITDA	-113	-110	42	69	44	-66	121	202	271
Depreciation/Amortization	-80	-76	-72	-69	-73	-65	-61	-61	-61
EBIT	-193	-186	-30	1	-28	-131	60	140	209
Net financials	-60	-31	-29	-33	-28	-22	-18	-15	-12
PTP	-253	-217	-59	-33	-56	-153	43	126	198
Taxes/Minorities	58	-1	0	0	0	0	0	0	0
Net earnings	-195	-218	-59	-33	-56	-153	43	126	198
Non-recurring items	0	0	0	0	0	135	0	0	0
Net earnings (adj.)	-195	-218	-59	-33	-56	-18	43	126	198
EPS	-26.74	-29.61	-1.70	-0.79	-1.34	-3.66	1.02	3.01	4.73
EPS (adj.)	-26.74	-29.61	-1.70	-0.79	-1.34	-0.43	1.02	3.01	4.73
DPS	0.00	0.00	0.00	0.00	0.50	0.23	0.36	1.15	2.14
Balance Sheet (USDm)									
Cash & short-term investments	121	133	174	197	156	168	168	225	335
Other current assets	51	39	43	73	67	86	86	86	86
Total current assets	173	173	217	270	223	254	255	311	421
Property & equip. (incl. NBs)	1,529	1,368	1,280	1,357	1,297	1,017	970	918	857
Other non-current assets	13	28	24	0	9	32	32	32	32
Total non-current assets	1,542	1,396	1,304	1,357	1,306	1,049	1,003	951	889
TOTAL ASSETS	1,715	1,569	1,521	1,627	1,529	1,303	1,257	1,262	1,311
Total equity	1,106	1,030	975	1,053	978	817	844	922	1,031
Short-term debt	579	5	24	66	71	77	60	69	69
Other current liabilities	29	24	28	36	56	33	33	33	33
Total current liabilities	608	29	52	102	128	110	93	102	102
Long-term debt	1	510	493	472	423	368	312	229	169
Other non-current liabilities	0	0	0	0	0	9	9	9	9
Total non-current liabilities	1	510	493	472	423	377	320	238	178
TOTAL EQUITY & LIABILITIES	1,715	1,569	1,521	1,627	1,529	1,303	1,257	1,262	1,311
Working capital, receivables	11	10	13	52	41	32	32	32	32
Working capital, payables	27	23	23	29	50	23	23	23	23
Net working capital	-17	-13	-10	23	-9	9	9	9	9
Interest bearing debt	580	515	518	539	494	445	371	298	238
Liquidity	141	142	182	202	162	192	193	249	359
Net interest bearing debt	440	373	336	336	332	252	179	49	-121
Cash Flow (USDm)									
Net income	-195	-218	-59	-33	-56	-153	43	126	198
Depreciation	80	76	72	69	73	65	61	61	61
Other	52	90	20	56	19	141	0	0	0
Cash earnings	-64	-52	33	92	36	53	103	187	259
Changes in working capital	8	2	-9	-26	24	-15	0	0	0
Net operational cash flow	-56	-50	24	66	60	38	103	187	259
Capex	-67	-1	-1	-243	-50	-22	-15	-9	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	13	16	44	27	65	0	0	0
Other	11	-5	2	4	1	-136	0	0	0
Net investing cash flow	-57	7	17	-195	-23	43	-15	-9	0
Repayment of debt	158	-65	-4	32	-56	-76	-73	-73	-311
Proceeds from debt	302	400	0	568	22	35	0	0	251
Dividends paid	0	0	0	0	-21	-10	-15	-48	-89
New equity	0	—	—	110	—	0	0	0	0
Other	-310	-280	-1	-583	-22	-136	0	0	0
Net financing cash flow	151	55	-6	127	-77	-51	-88	-121	-149
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	38	12	36	-2	-41	30	0	56	110
Cash balance	121	150	185	197	156	186	186	242	353
Free cash flow	-113	-43	41	-129	37	81	89	178	259



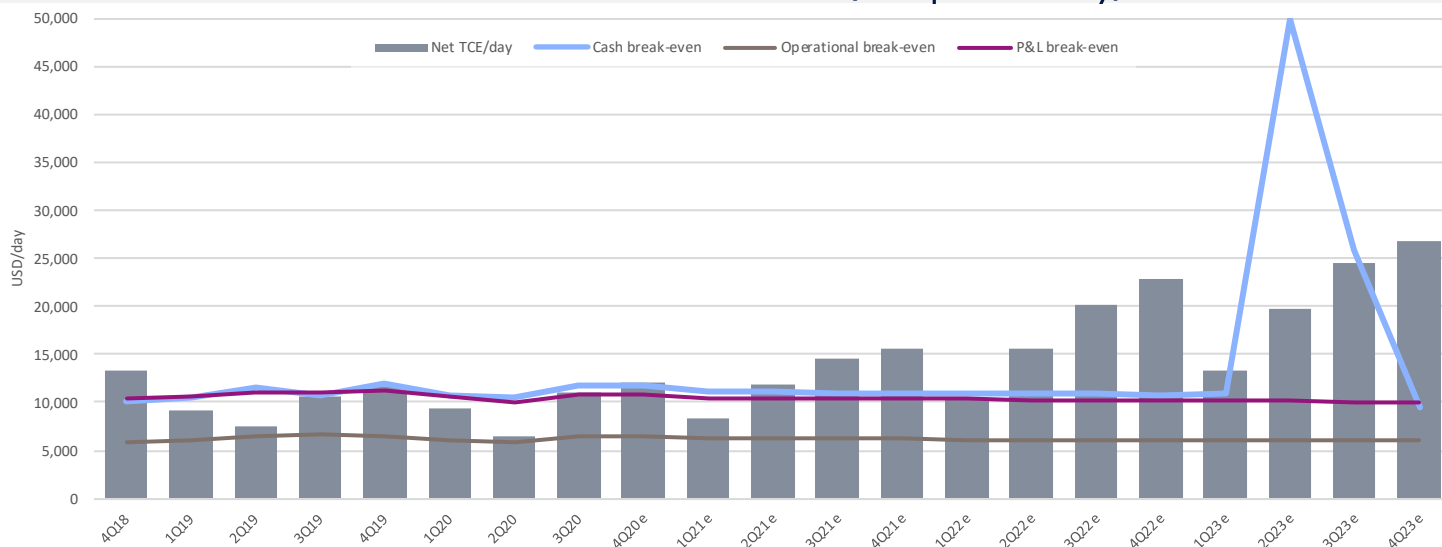
Cleaves Securities

$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

	Dry Bulk			BUY						
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
Shares outstanding, end	7	7	35	42	42	42	42	42	42	
Share price, avg (USD)	62	7	11	14	9	7	7	7	7	
Share price, end (USD)	15	7	13	8	11	7	7	7	7	
Market Cap.	109	54	460	329	443	308	308	308	308	
NIBD	440	373	336	336	332	252	179	49	-121	
Minorities	0	0	0	0	0	0	0	0	0	
Enterprise value	548	428	796	665	776	560	487	357	187	
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
P/E (reported)							7.2	2.5	1.6	
P/E (adj.)							7.2	2.5	1.6	
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
P/Sales	0.8	0.4	2.5	1.3	2.0	1.6	1.3	1.0	0.8	
EV/Sales	4.1	3.5	4.3	2.6	3.6	2.9	2.0	1.2	0.5	
EV/EBITDA			18.9	9.6	17.5		4.0	1.8	0.7	
EV/EBIT							8.1	2.5	0.9	
P/B	0.1	0.1	0.5	0.3	0.5	0.4	0.4	0.3	0.3	
FCF yield	-104%	-79%	9%	-39%	8%	26%	29%	58%	84%	
Dividend yield	0.0%	0.0%	0.0%	0.0%	4.7%	3.2%	4.9%	15.6%	29.0%	
Return on equity (ROE)	-17.6%	-21.1%	-6.0%	-3.1%	-5.7%	-18.7%	5.0%	13.6%	19.2%	
Return on capital employed (ROCE)	-12.5%	-13.6%	-2.3%	0.0%	-2.2%	-12.2%	5.9%	14.5%	23.0%	
Return on assets (ROA)	-11.4%	-13.9%	-3.9%	-2.0%	-3.7%	-11.7%	3.4%	10.0%	15.1%	
Sales growth	-36%	-8%	51%	37%	-14%	-10%	23%	29%	22%	
EBITDA margin	-85%	-90%	23%	28%	21%	-34%	51%	65%	72%	
EBIT margin	-144%	-152%	-16%	0%	-13%	-67%	25%	45%	55%	
Net margin	-146%	-178%	-32%	-13%	-26%	-79%	18%	41%	52%	
Net interest rate	4.6%	7.6%	9.1%	9.8%	9.6%	8.5%	10.0%	29.9%	-9.6%	
Tax rate	-0.7%	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Equity ratio	65%	66%	64%	65%	64%	63%	67%	73%	79%	
Leverage ratio	35%	34%	36%	35%	36%	37%	33%	27%	21%	
NIBD / EBITDA (past ly)	-3.9	-3.4	8.0	4.8	7.5	-3.8	1.5	0.2	-0.4	
Operating cash flow/NIBD	-0.1	-0.1	0.1	0.2	0.2	0.1	0.6	3.8	-2.1	
Net interest coverage ratio (EBIT)	-5.7	-3.9	1.4	2.1	1.4	-3.1	6.8	13.8	23.4	
Current ratio	0.3	6.0	4.1	2.7	1.7	2.3	2.7	3.1	4.1	
Adj. equity ratio						46%	60%	72%	80%	
Operating assets	1,574	1,400	1,316	1,425	1,367	1,111	1,064	1,012	951	
Operating liabilities	29	24	28	36	56	42	42	42	42	
Net operating assets	1,545	1,376	1,288	1,389	1,310	1,069	1,023	971	909	

Source for financial items: Historical numbers primarily gathered from Bloomberg and company data. Forecast from Cleaves Securities

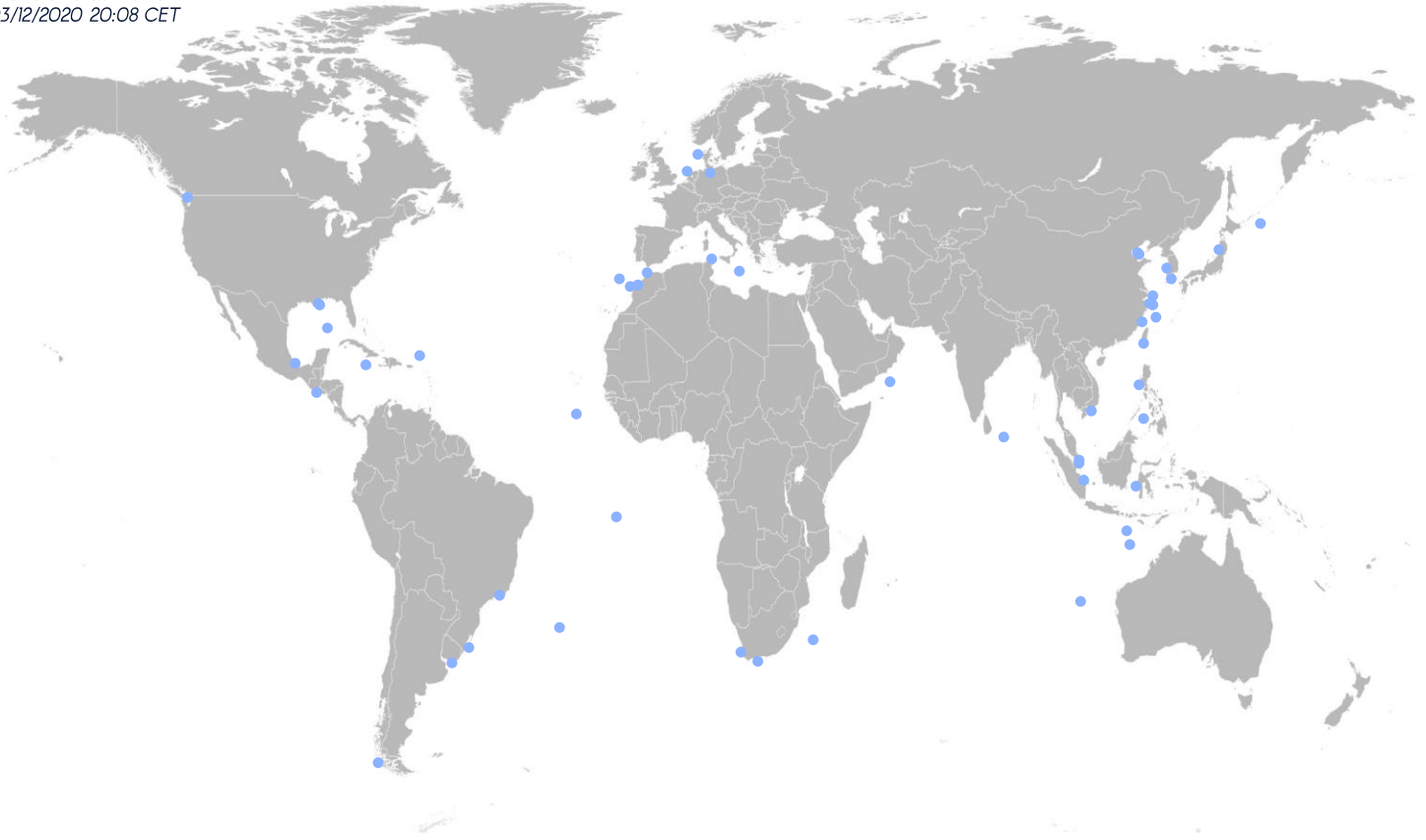
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
03/12/2020 20:08 CET



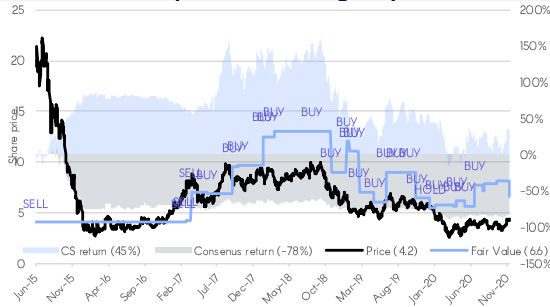


GOGL-US

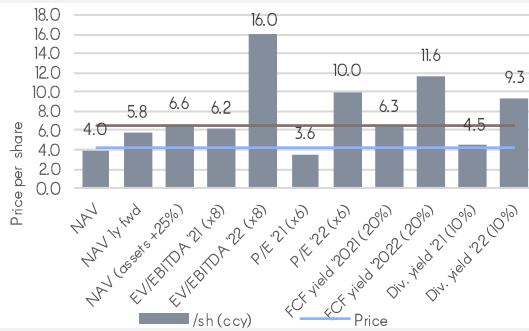
BUY/\$6.6

Golden Ocean

Share price vs target price

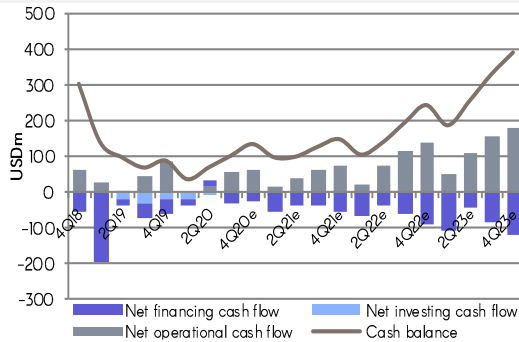


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	424	468	637	792
EBITDA (adj.)	175	232	384	531
EBIT (adj.)	63	122	275	422
PTP (adj.)	15	86	242	392
Net earnings (adj.)	15	86	241	391
EPS (adj.)	0.11	0.60	1.67	2.71
DPS	0.05	0.45	0.93	1.71
USDm	2020E	2021E	2022E	2023E
Fwd NAV	581	1,054	1,532	2,060
Adj. equity ratio	30%	46%	57%	67%
FCF yield	18%	30%	55%	82%
Dividend yield	1%	11%	22%	40%
EV/EBITDA	25.8	6.8	3.6	2.1
P/E (adj.)	40.0	7.1	2.5	1.6

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	130	196	351	501
Free cash flow	108	183	336	501
Net cash flow	59	14	96	148
TCE/day	13,287	14,737	20,208	25,768
Cash break-even	12,261	10,804	11,249	11,664
Liquidity	164	178	274	422
Property & Equip. (incl. NBs)	2,275	2,178	2,084	1,974
Total equity	1,376	1,398	1,505	1,649
Total assets	2,725	2,642	2,643	2,682
Interest bearing debt	1,241	1,136	1,032	926
Net interest bearing debt	1,078	959	758	504
Market Cap.	610	610	610	610

Source: Cleaves, Bloomberg, Shipping Intelligence Network, company data

Disclaimer: The analyst currently has investments in some of the companies covered in this report. More disclaimers at the end of the document

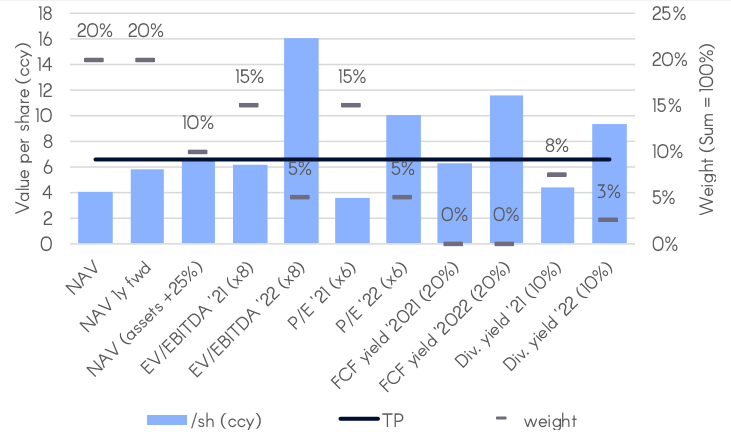


Company Valuation

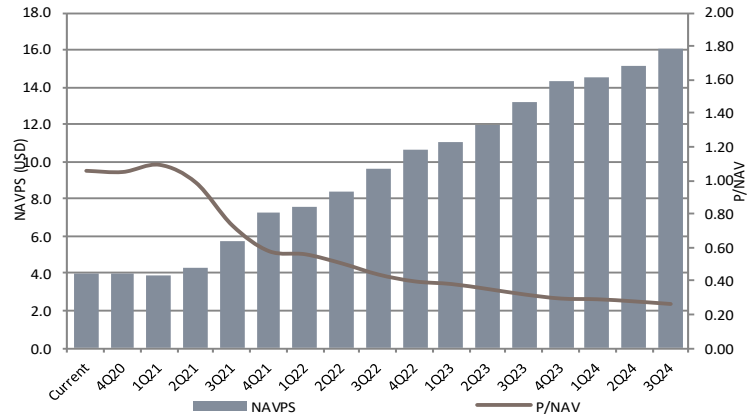
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	2,301	1,524	1,552
Contract value	0	10	11
Other	286	286	291
GAV	2,587	1,820	1,854
Net debt	-1,136	-1,136	-1,136
Capex	0	0	0
Other	-107	-107	-107
Equity	1,343	577	610
Shares	144	144	144
Equity/sh	9.31	4.00	4.23
lcl CCY	9.31	4.00	4.23
P/Equity	0.45	1.06	1.00
EV/GAV	0.72	1.02	1.00
Adj. Total Assets	2,717	1,941	1,969
Adj. Equity Ratio	49%	30%	31%
Fair Value	USD	6.6	55%
	NOK	57.4	

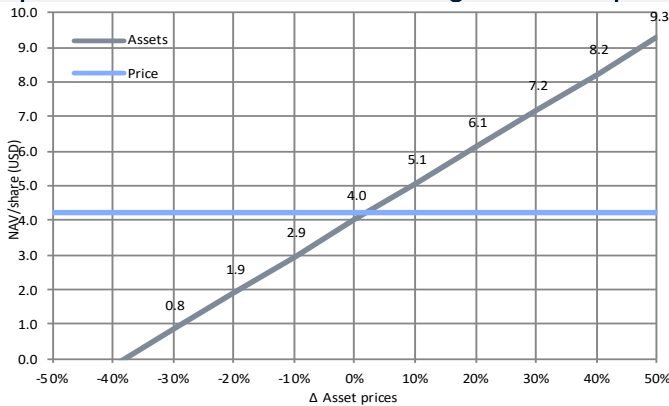
Valuation Matrix



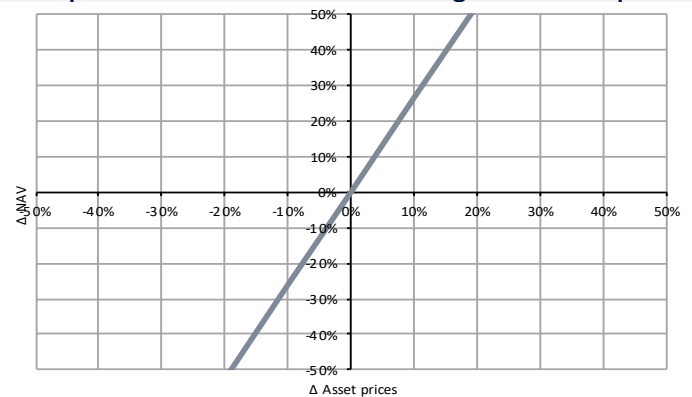
Quarterly forward NAV & P/NAV



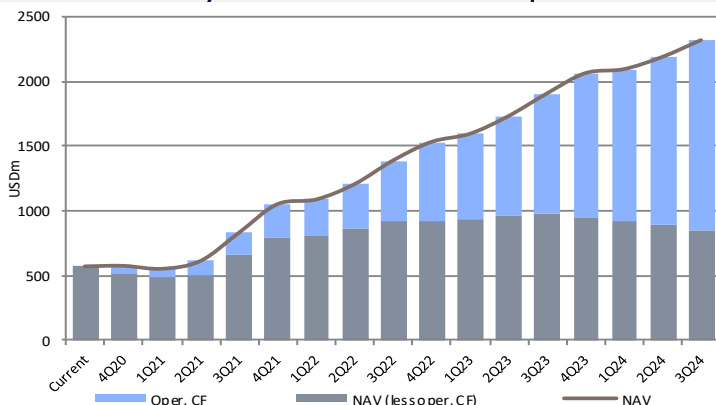
Impact on NAV/sh from % change in asset prices



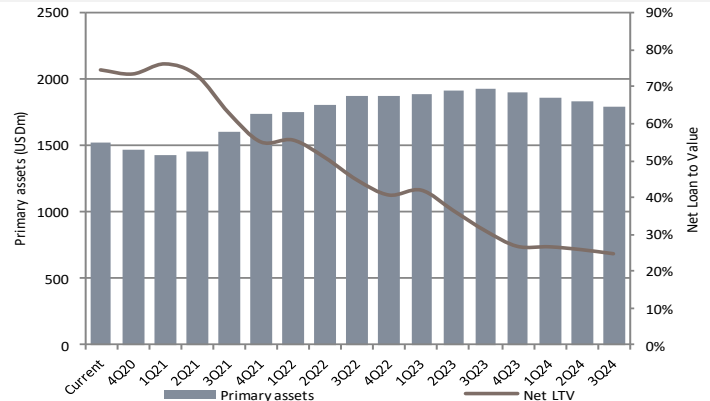
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q20		Actuals vs		Actuals vs			
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	184.3	141.6	133.6	142.4				
EBITDA (adj.)	83.0	75.2	68.8	74.9				
EBIT (adj.)	59.4	47.5	41.2	46.9				
PTP (adj.)	36.1	38.7	30.4	37.4				
Net earnings (adj.)	36.0	38.6	30.4	35.2				
EPS (adj.)	0.25	0.27	0.21	0.21				
DPS	0.05	-	0.16	0.05				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	184.3	141.6	133.6	142.4				
Opex & G&A	101.3	66.5	64.8	67.6				
Depreciation	23.7	27.6	27.6	27.9				
Net finance	23.2	8.9	10.8	9.6				
Taxes & Minorities	0.1	0.0	0.0	2.2				

CF & BS

4Q20 Preview USDm	4Q20		Actuals vs		Actuals vs			
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	84	58	61					
Free cash flow	62	58	59					
Net cash flow	24	27	33					
TCE/day	21,701	17,438	16,630					
Utilization	96.1%	98.1%	97.0%					
Fleet days	8,843	8,280	8,280					
Cash break-even	16,232	12,056	11,225					
Liquidity	104	131	164					
Interest bearing debt	1,339	1,267	1,241					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	424	468	637	792	506	590	823	876	-82	-121	-186	-84	
EBITDA (adj.)	175	232	384	531	222	296	500	555	-48	-64	-116	-24	
EBIT (adj.)	63	122	275	422	106	180	383	439	-43	-57	-109	-18	
PTP (adj.)	15	86	242	392	49	124	332	392	-33	-38	-90	-0	
Net earnings (adj.)	15	86	241	391	49	124	332	392	-33	-38	-90	-0	
EPS (adj.)	0.11	0.60	1.67	2.71	0.34	0.86	2.30	2.72	-0.23	-0.26	-0.63	-0.00	
DPS	0.05	0.45	0.93	1.71	0.14	0.77	1.22	1.89	-0.09	-0.33	-0.29	-0.17	
									2020E	2021E	2022E	2023E	
									TCE revenue	-82	-121	-186	-84
									Opex & G&A	-34	-57	-70	-60
									Depreciation	-5	-7	-7	-7
									Net finance	-9	-19	-19	-18
									Taxes & Minorities	0	0	0	0

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	130	196	351	501	159	240	448	508	-29	-45	-97	-7
Free cash flow	108	183	336	501	131	226	438	508	-22	-44	-103	-7
Net cash flow	59	14	96	148	66	65	158	132	-7	-52	-62	17
TCE/day	13,287	14,737	20,208	25,768	15,407	17,949	25,262	27,593	-2,120	-3,211	-5,053	-1,826
Cash break-even	12,261	10,804	11,249	11,664	12,556	11,774	14,321	14,499	-295	-971	-3,073	-2,835
Liquidity	164	178	274	422	186	251	409	541	-22	-74	-136	-119
Property & Equip. (incl. NBs)	2,275	2,178	2,084	1,974	2,257	2,155	2,048	1,932	18	23	35	42
Total equity	1,376	1,398	1,505	1,649	1,409	1,422	1,577	1,697	-33	-24	-72	-48
Total assets	2,725	2,642	2,643	2,682	2,827	2,790	2,842	2,857	-102	-149	-199	-175
Interest bearing debt	1,241	1,136	1,032	926	1,297	1,248	1,144	1,039	-56	-111	-112	-113
Net interest bearing debt	1,078	959	758	504	1,111	996	735	498	-34	-38	24	6
Market Cap.	610	610	610	610	597	597	597	597	13	13	13	13
Enterprise value	1,688	1,569	1,368	1,114	1,709	1,594	1,332	1,096	-21	-25	36	19

Valuation

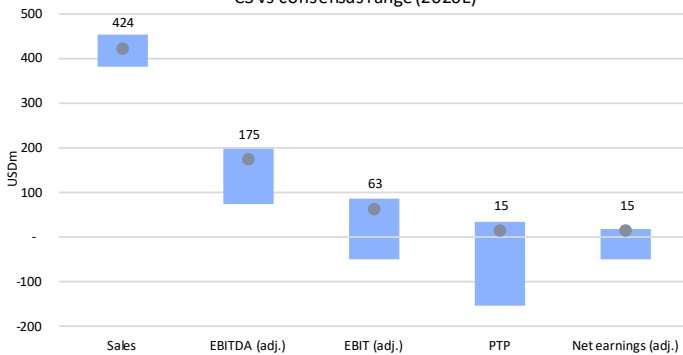
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	581	1,054	1,532	2,060	853	1,344	1,933	2,325	-272	-290	-401	-265
Adj. equity ratio	30%	46%	57%	67%	38%	50%	60%	67%	-7%	-4%	-3%	0%
FCF yield	18%	30%	55%	82%	22%	38%	73%	85%	-4%	-8%	-18%	-3%
Dividend yield	1%	11%	22%	40%	3%	19%	30%	46%	-2%	-8%	-7%	-5%
EV/EBITDA	25.8	6.8	3.6	2.1	14.5	5.4	2.7	2.0	11.2	1.4	0.9	0.1
P/E (adj.)	40.0	7.1	2.5	1.6	12.3	4.8	1.8	1.5	27.7	2.3	0.7	0.0



Our Estimates vs Consensus

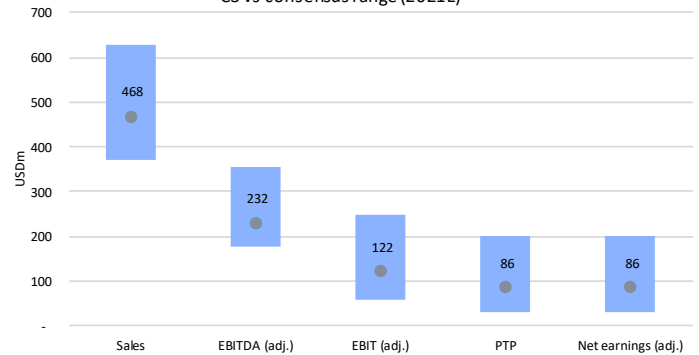
Profit & Loss, year I

CS vs consensus range (2020E)

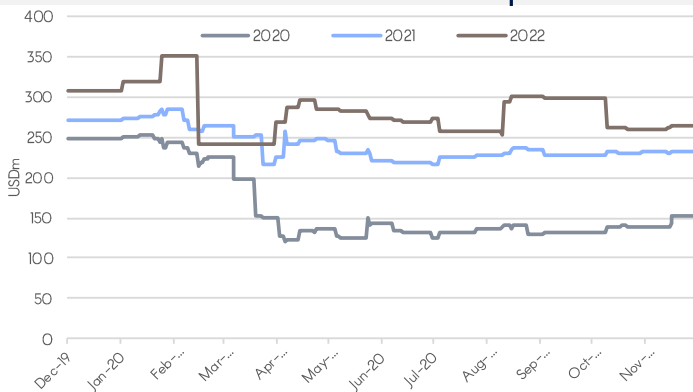


Profit & Loss, year II

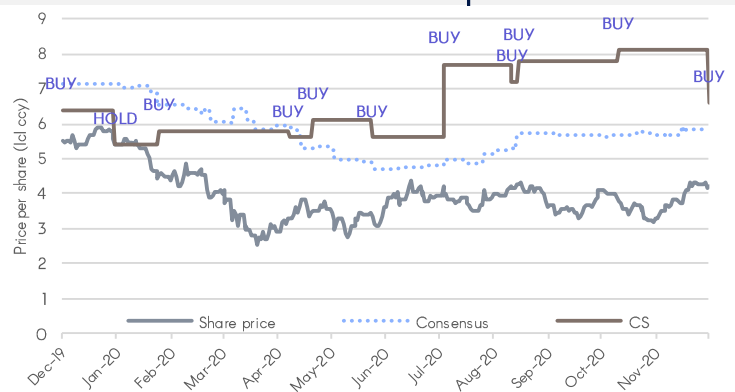
CS vs consensus range (2021E)



Consensus EBITDA development



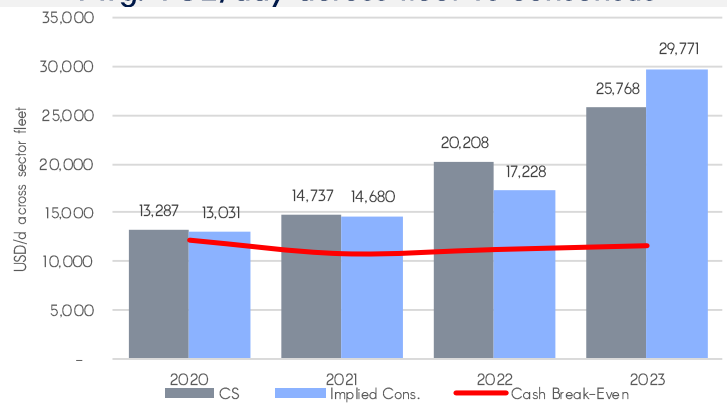
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	424	415	415	8	2%
Opex + G&A	249	264	264	-15	-6%
Depreciation	111	143	143	-32	-22%
Net finance	48	105	105	-57	-54%
Taxes & Minorities	0	-84	-84	84	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	468	467	467	2	0%
Opex + G&A	237	235	235	2	1%
Depreciation	110	111	111	-2	-2%
Net finance	36	38	38	-2	-6%
Taxes & Minorities	0	-1	-1	1	-110%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	184	81	67	142	134	78	103	137	150
Operational costs	-115	-170	-60	-66	-62	-53	-56	-63	-65
EBITDA	69	-89	7	76	71	25	48	74	86
Depreciation/Amortization	-24	-29	-27	-28	-28	-27	-27	-28	-28
EBIT	46	-118	-20	48	44	-2	20	46	58
Net financials	-5	-43	-21	-9	-11	-9	-9	-9	-9
PTP	41	-161	-41	39	33	-11	11	37	49
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	41	-161	-41	39	33	-11	11	37	49
Non-recurring items	-5	133	15	0	-3	0	0	0	0
Net earnings (adj.)	36	-27	-26	39	30	-11	11	37	49
EPS	0.28	-1.12	-0.29	0.27	0.23	-0.08	0.08	0.26	0.34
EPS (adj.)	0.25	-0.19	-0.18	0.27	0.21	-0.08	0.08	0.26	0.34
DPS	0.15	0.05	0.00	0.00	0.00	0.16	0.05	0.05	0.18
Balance Sheet (USDm)									
Cash & short-term investments	89	36	70	103	136	98	100	128	149
Other current assets	184	193	147	149	149	149	149	149	149
Total current assets	273	229	218	252	284	247	249	277	298
Property & equip. (incl. NBs)	2,341	2,334	2,324	2,301	2,275	2,251	2,227	2,203	2,178
Other non-current assets	352	240	174	165	165	165	165	165	165
Total non-current assets	2,693	2,574	2,498	2,466	2,440	2,417	2,392	2,368	2,343
TOTAL ASSETS	2,966	2,803	2,716	2,717	2,725	2,664	2,642	2,645	2,642
Total equity	1,513	1,345	1,304	1,343	1,376	1,342	1,345	1,375	1,398
Short-term debt	120	428	417	121	272	309	280	245	277
Other current liabilities	114	121	113	107	107	107	107	107	107
Total current liabilities	233	549	530	228	379	417	387	353	384
Long-term debt	1,219	909	882	1,146	970	906	909	917	860
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	1,219	909	882	1,146	970	906	909	917	860
TOTAL EQUITY & LIABILITIES	2,966	2,803	2,716	2,717	2,725	2,664	2,642	2,645	2,642
Working capital, receivables	74	0	0	0	0	0	0	0	0
Working capital, payables	57	0	0	0	0	0	0	0	0
Net working capital	17	0	0	0	0	0	0	0	0
Interest bearing debt	1,339	1,337	1,299	1,267	1,241	1,215	1,189	1,163	1,136
Liquidity	104	85	104	131	164	126	129	156	178
Net interest bearing debt	1,235	1,252	1,195	1,136	1,078	1,089	1,060	1,007	959
Cash Flow (USDm)									
Net income	41	-161	-41	39	33	-11	11	37	49
Depreciation	24	29	27	28	28	27	27	28	28
Other	-3	130	12	1	0	0	0	0	0
Cash earnings	61	-2	-2	68	61	16	38	65	77
Changes in working capital	23	-3	18	-10	0	0	0	0	0
Net operational cash flow	84	-5	16	58	61	16	38	65	77
Capex	-23	-17	-7	0	-4	-4	-4	-4	-4
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	2	0	1	0	1
Other	1	-1	5	0	0	0	0	0	0
Net investing cash flow	-22	-18	-2	0	-2	-4	-3	-4	-3
Repayment of debt	-178	-41	-39	-31	-330	-26	-26	-26	-26
Proceeds from debt	164	36	0	0	304	0	0	0	0
Dividends paid	-21	-7	0	0	0	-23	-7	-8	-26
New equity	1	0	0	0	0	0	0	0	0
Other	-4	0	58	0	0	0	0	0	0
Net financing cash flow	-38	-12	20	-31	-26	-49	-33	-34	-52
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	24	-35	34	27	33	-37	2	27	22
Cash balance	89	36	70	103	136	98	100	128	149
Free cash flow	62	-22	14	58	59	12	36	61	74



Cleaves Securities

$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	112	167	341	494	521	424	468	637	792
Operational costs	-294	-174	-213	-257	-326	-358	-237	-253	-261
EBITDA	-182	-7	128	237	195	65	232	384	531
Depreciation/Amortization	-53	-63	-78	-92	-94	-111	-110	-110	-110
EBIT	-235	-70	50	145	101	-46	122	275	422
Net financials	14	-58	-52	-60	-63	-84	-36	-33	-30
PTP	-221	-128	-2	85	37	-130	86	242	392
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-221	-128	-2	85	37	-130	86	241	391
Non-recurring items	0	0	0	0	0	145	0	0	0
Net earnings (adj.)	-221	-128	-2	85	37	15	86	241	391
EPS	-6.39	-1.21	-0.02	0.59	0.26	-0.91	0.60	1.67	2.71
EPS (adj.)	-6.39	-1.21	-0.02	0.59	0.26	0.11	0.60	1.67	2.71
DPS	0.00	0.00	0.00	0.45	0.32	0.05	0.45	0.93	1.71
Balance Sheet (USDm)									
Cash & short-term investments	103	213	309	305	89	136	149	245	394
Other current assets	101	87	135	156	184	149	149	149	149
Total current assets	204	300	445	461	273	284	298	394	543
Property & equip. (incl. NBs)	1,488	1,759	2,215	2,406	2,341	2,275	2,178	2,084	1,974
Other non-current assets	481	303	211	84	352	165	165	165	165
Total non-current assets	1,969	2,062	2,426	2,490	2,693	2,440	2,343	2,249	2,140
TOTAL ASSETS	2,173	2,362	2,870	2,951	2,966	2,725	2,642	2,643	2,682
Total equity	1,159	1,239	1,494	1,524	1,513	1,376	1,398	1,505	1,649
Short-term debt	36	5	115	477	120	272	246	279	229
Other current liabilities	44	39	67	64	114	107	107	107	107
Total current liabilities	80	44	182	542	233	379	353	386	336
Long-term debt	926	1,071	1,186	879	1,219	970	891	753	697
Other non-current liabilities	9	8	8	7	0	0	0	0	0
Total non-current liabilities	934	1,079	1,194	886	1,219	970	891	753	697
TOTAL EQUITY & LIABILITIES	2,173	2,362	2,870	2,951	2,966	2,725	2,642	2,643	2,682
Working capital, receivables	25	33	44	56	74	0	0	0	0
Working capital, payables	20	21	30	34	57	0	0	0	0
Net working capital	4	12	14	21	17	0	0	0	0
Interest bearing debt	962	1,076	1,301	1,356	1,339	1,241	1,136	1,032	926
Liquidity	103	213	317	326	104	164	178	274	422
Net interest bearing debt	859	863	984	1,031	1,235	1,078	959	758	504
Cash Flow (USDm)									
Net income	-221	-128	-2	85	37	-130	86	241	391
Depreciation	53	63	78	92	94	111	110	110	110
Other	153	40	19	34	10	143	0	0	0
Cash earnings	-15	-24	95	210	141	124	196	351	501
Changes in working capital	0	1	1	-24	18	6	0	0	0
Net operational cash flow	-15	-23	95	187	159	130	196	351	501
Capex	-519	-268	-160	-158	-44	-28	-15	-15	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	382	98	134	14	0	2	2	0	0
Other	250	-6	6	3	-29	-109	0	0	0
Net investing cash flow	113	-175	-19	-141	-73	-22	-13	-15	0
Repayment of debt	-34	104	-94	23	-237	-440	-105	-105	-350
Proceeds from debt	216	142	75	270	390	340	0	0	245
Dividends paid	0	0	0	-65	-47	-7	-64	-135	-247
New equity	0	205	123	0	1	0	0	0	0
Other	-220	-143	-75	-273	-402	-109	0	0	0
Net financing cash flow	-37	309	29	-45	-295	-50	-169	-240	-353
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	60	110	105	1	-209	59	14	96	148
Cash balance	103	213	309	305	89	148	161	257	406
Free cash flow	98	-198	76	45	85	108	183	336	501



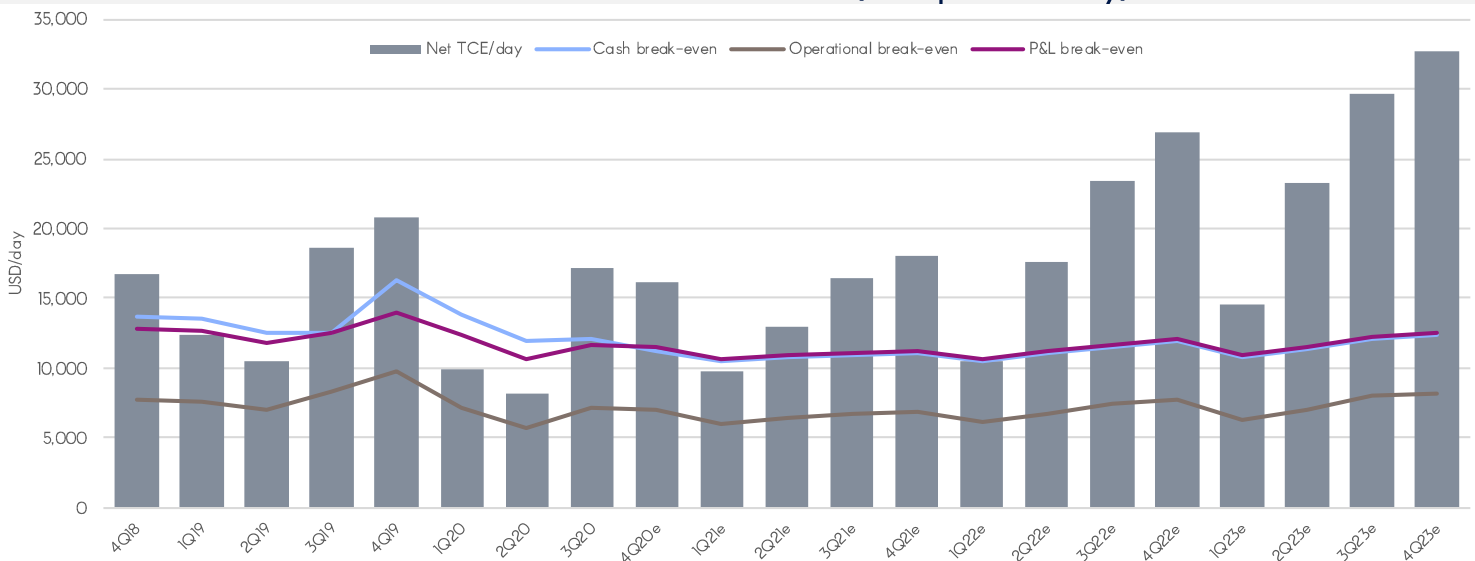
Cleaves Securities

$$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$$

	Dry Bulk			BUY					
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	35	106	142	144	144	144	144	144	144
Share price, avg (USD)	18	4	7	8	6	4	4	4	4
Share price, end (USD)	5	5	8	6	6	4	4	4	4
Market Cap.	185	499	1,159	889	838	610	610	610	610
NIBD	859	863	984	1,031	1,235	1,078	959	758	504
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	1,044	1,362	2,143	1,920	2,073	1,688	1,569	1,368	1,114
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)				10.5	22.5		7.1	2.5	1.6
P/E (adj.)				10.5	22.5	40.0	7.1	2.5	1.6
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	1.6	3.0	3.4	1.8	1.6	1.4	1.3	1.0	0.8
EV/Sales	9.3	8.2	6.3	3.9	4.0	4.0	3.3	2.1	1.4
EV/EBITDA			16.7	8.1	10.7	25.8	6.8	3.6	2.1
EV/EBIT			42.8	13.2	20.6		12.8	5.0	2.6
P/B	0.2	0.4	0.8	0.6	0.6	0.4	0.4	0.4	0.4
FCF yield	53%	-40%	7%	5%	10%	18%	30%	55%	82%
Dividend yield	0.0%	0.0%	0.0%	7.3%	5.6%	1.2%	10.5%	22.1%	40.5%
Return on equity (ROE)	-19.1%	-10.3%	-0.2%	5.5%	2.5%	-9.4%	6.2%	16.0%	23.7%
Return on capital employed (ROCE)	-11.9%	-3.4%	2.1%	5.8%	3.7%	-1.9%	5.2%	12.1%	19.6%
Return on assets (ROA)	-10.2%	-5.4%	-0.1%	2.9%	1.3%	-4.8%	3.3%	9.1%	14.6%
Sales growth	79%	49%	104%	45%	5%	-19%	11%	36%	24%
EBITDA margin	-162%	-4%	38%	48%	37%	15%	49%	60%	67%
EBIT margin	-209%	-42%	15%	29%	19%	-11%	26%	43%	53%
Net margin	-197%	-76%	-1%	17%	7%	-31%	18%	38%	49%
Net interest rate	3.3%	5.3%	6.1%	7.3%	4.8%	4.3%	3.8%	4.3%	5.9%
Tax rate	-0.1%	0.1%	-2.4%	0.3%	0.6%	-0.1%	0.1%	0.1%	0.1%
Equity ratio	53%	52%	52%	52%	51%	51%	53%	57%	61%
Leverage ratio	47%	48%	48%	48%	49%	49%	47%	43%	39%
NIBD / EBITDA (past 1y)	-4.7	-126.4	7.7	4.3	6.3	16.5	4.1	2.0	0.9
Operating cash flow/NIBD	0.0	0.0	0.1	0.2	0.1	0.1	0.2	0.5	1.0
Net interest coverage ratio (EBIT)	-6.4	-0.1	2.1	3.2	3.3	1.4	6.4	11.7	17.9
Current ratio	2.5	6.9	2.4	0.9	1.2	0.8	0.8	1.0	1.6
Adj. equity ratio						30%	46%	57%	67%
Operating assets	2,021	2,095	2,498	2,579	2,803	2,561	2,464	2,370	2,260
Operating liabilities	52	47	75	71	114	107	107	107	107
Net operating assets	1,969	2,048	2,423	2,507	2,689	2,454	2,357	2,263	2,153

Source for financial items: Historical numbers primarily gathered from Bloomberg and company data. Forecast from Cleaves Securities

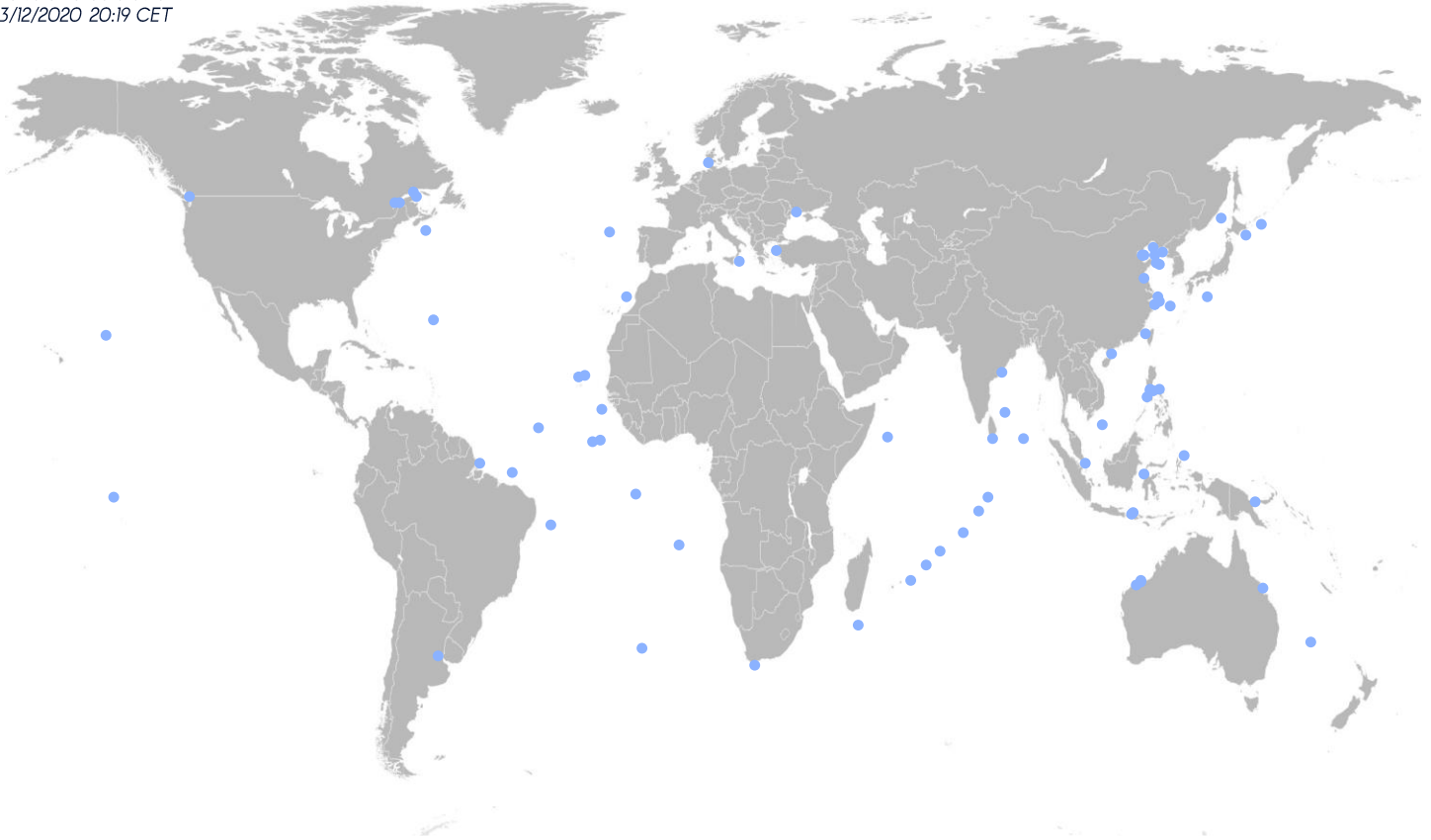
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
03/12/2020 20:19 CET





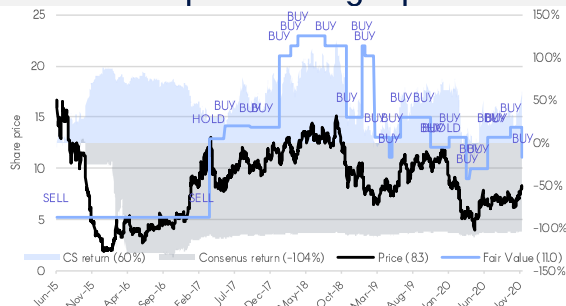
Significant earnings power makes Star Bulk a cash cow with improving fortunes

SBLK-US

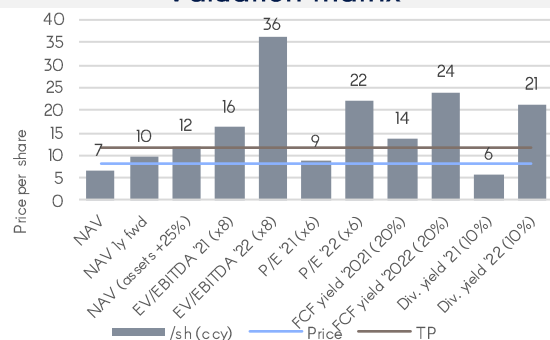
BUY/\$11

Star Bulk

Share price vs target price

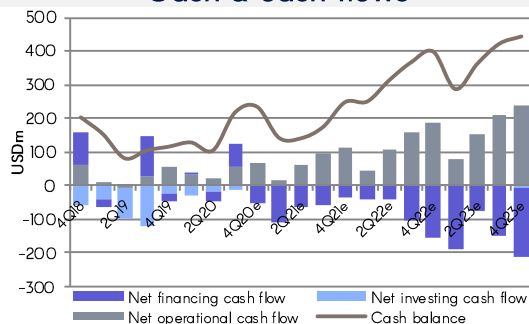


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	486	586	801	982
EBITDA (adj.)	233	343	550	725
EBIT (adj.)	91	199	406	580
PTP (adj.)	20	139	352	530
Net earnings (adj.)	20	139	352	530
EPS (adj.)	0.21	1.41	3.52	5.30
DPS	0.60	0.59	2.13	5.01
USDm	2020E	2021E	2022E	2023E
Fwd NAV	653	1,209	1,823	2,505
Adj. equity ratio	27%	44%	56%	65%
FCF yield	15%	33%	58%	79%
Dividend yield	7%	7%	26%	60%
EV/EBITDA	9.2	5.9	3.2	2.2
P/E (adj.)	39.3	5.9	2.4	1.6

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	180	283	496	675
Free cash flow	118	266	479	654
Net cash flow	113	14	150	45
TCE/day	11,546	13,493	18,432	22,607
Cash break-even	12,330	11,398	9,615	9,453
Liquidity	236	250	400	445
Property & Equip. (incl. NBs)	2,879	2,751	2,623	2,500
Total equity	1,499	1,581	1,720	1,748
Total assets	3,244	3,130	3,153	3,074
Interest bearing debt	1,639	1,443	1,327	1,219
Net interest bearing debt	1,403	1,193	926	774
Market Cap.	798	815	832	832

Source: Cleaves, Bloomberg, Shipping Intelligence Network, company data

Disclaimer: The analyst currently has investments in some of the companies covered in this report. More disclaimers at the end of this document

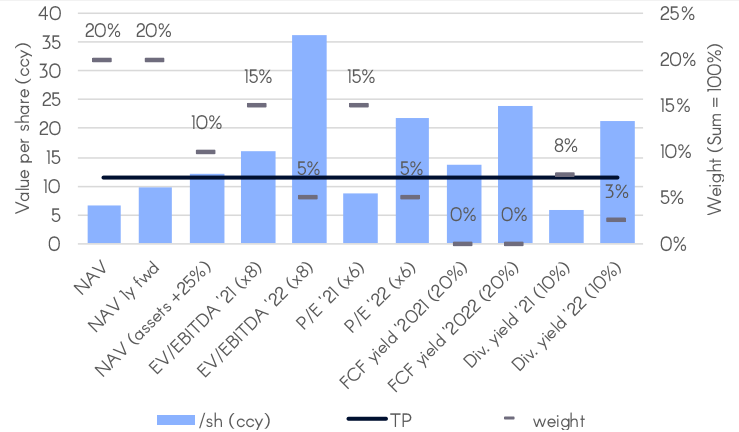


Company Valuation

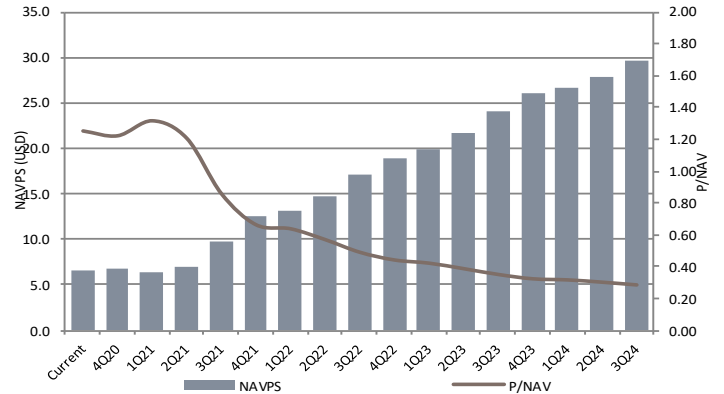
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	2,911	2,076	2,229
Contract value	0	1	1
Other	129	129	139
GAV	3,040	2,207	2,368
Net debt	-1,413	-1,413	-1,413
Capex	0	0	0
Other	-106	-156	-156
Equity	1,520	637	798
Shares	96	96	96
Equity/sh	15.82	6.63	8.31
lcl CCY	15.82	6.63	8.31
P/Equity	0.53	1.25	1.00
EV/GAV	0.78	1.07	1.00
Adj. Total Assets	3,259	2,425	2,577
Adj. Equity Ratio	47%	26%	31%
Fair Value	USD	11.5	38%

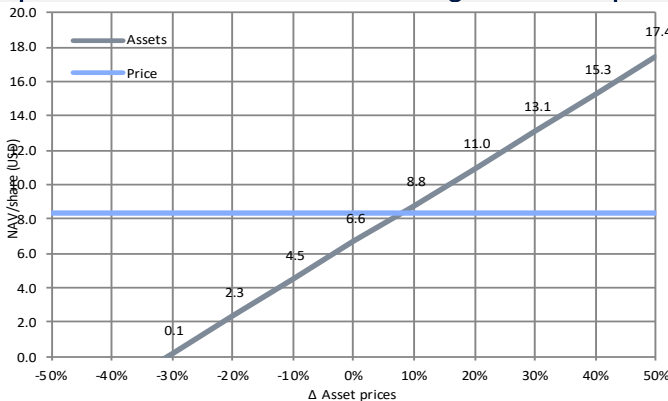
Valuation Matrix



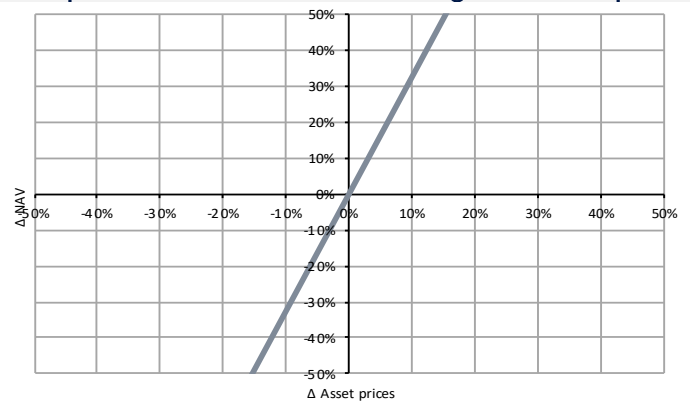
Quarterly forward NAV & P/NAV



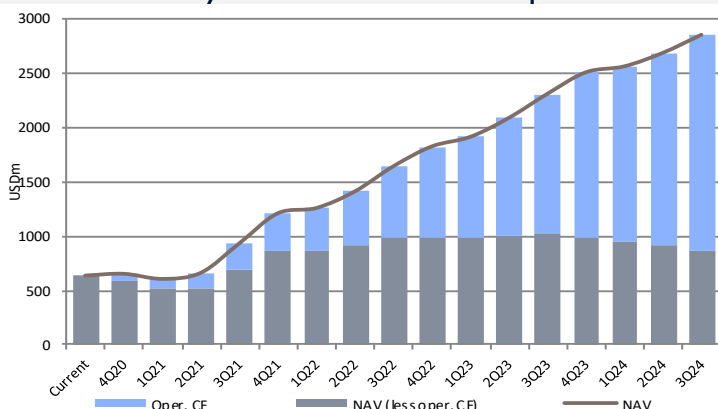
Impact on NAV/sh from % change in asset prices



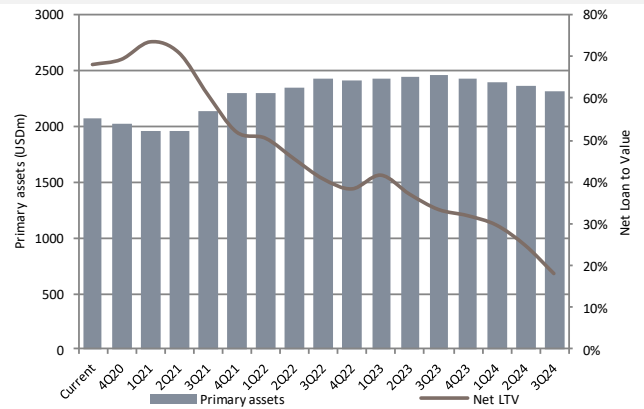
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	184.6	149.2	144.5	149.5				
EBITDA (adj.)	95.8	80.9	83.9	90.6				
EBIT (adj.)	63.6	44.7	47.7	55.1				
PTP (adj.)	42.5	28.6	31.6	38.2				
Net earnings (adj.)	42.4	28.6	31.6	38.5				
EPS (adj.)	0.44	0.30	0.33	0.40				
DPS	0.05	0.55	0.53	0.18				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	184.6	149.2	144.5	149.5				
Opex & G&A	88.8	68.3	60.6	59.0				
Depreciation	32.3	36.2	36.2	35.5				
Net finance	21.1	16.2	16.1	16.9				
Taxes & Minorities	0.0	0.0	-	-0.3				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	53	57	68					
Free cash flow	27	47	63					
Net cash flow	3	115	17					
TCE/day	17,405	13,732	13,228	13,690				
Utilization	87.8%	98.6%	99.0%					
Fleet days	12,081	11,021	11,031					
Cash break-even	14,083	12,613	11,945					
Liquidity	125	219	236					
Interest bearing debt	1,583	1,632	1,639					



Estimate Changes

Profit & Loss

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net sales	486	586	801	982	527	779	998	1,115	-41	-193	-197	-134
EBITDA (adj.)	233	343	550	725	273	518	726	836	-40	-175	-175	-111
EBIT (adj.)	91	199	406	580	132	377	584	695	-41	-179	-179	-115
PTP (adj.)	20	139	352	530	59	314	527	642	-38	-176	-176	-112
Net earnings (adj.)	20	139	352	530	59	314	527	642	-39	-176	-176	-112
EPS (adj.)	0.21	1.41	3.52	5.30	0.61	3.21	5.28	6.42	-0.40	-1.80	-1.76	-1.12
DPS	0.60	0.59	2.13	5.01	0.05	0.14	4.49	6.40	0.55	0.45	-2.37	-1.39
									2020E	2021E	2022E	2023E
								TCE revenue	-41	-193	-197	-134
								Opex & G&A	-1	-18	-22	-23
								Depreciation	2	3	3	3
								Net finance	-3	-3	-3	-3
								Taxes & Minorities	0	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	180	283	496	675	225	456	669	784	-45	-172	-172	-109
Free cash flow	118	266	479	654	163	439	652	762	-45	-172	-172	-109
Net cash flow	113	14	150	45	34	260	101	26	80	-247	49	19
TCE/day	11,546	13,493	18,432	22,607	12,261	17,594	22,537	25,193	-714	-4,101	-4,105	-2,586
Cash break-even	12,330	11,398	9,615	9,453	12,135	10,941	9,722	9,587	195	457	-107	-133
Liquidity	236	250	400	445	159	419	520	546	78	-169	-120	-101
Property & Equip. (incl. NBs)	2,879	2,751	2,623	2,500	2,883	2,759	2,634	2,514	-4	-8	-11	-14
Total equity	1,499	1,581	1,720	1,748	1,592	1,893	1,974	1,976	-94	-312	-254	-228
Total assets	3,244	3,130	3,153	3,074	3,162	3,298	3,275	3,181	82	-168	-123	-107
Interest bearing debt	1,639	1,443	1,327	1,219	1,458	1,294	1,189	1,093	181	149	137	126
Net interest bearing debt	1,403	1,193	926	774	1,299	875	669	547	103	318	257	227
Market Cap.	798	815	832	832	647	660	674	674	152	155	158	158
Enterprise value	2,201	2,008	1,758	1,606	1,946	1,535	1,343	1,221	255	473	416	385

Valuation

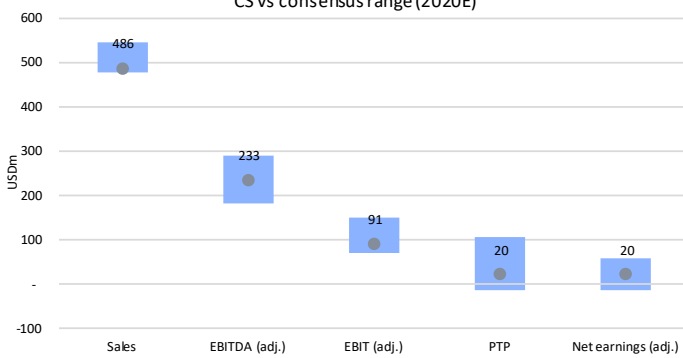
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	653	1,209	1,823	2,505	877	1,647	2,389	3,033	-224	-438	-566	-528
Adj. equity ratio	27%	44%	56%	65%	36%	54%	65%	72%	-9%	-10%	-9%	-6%
FCF yield	15%	33%	58%	79%	25%	66%	97%	113%	-10%	-34%	-39%	-35%
Dividend yield	7%	7%	26%	60%	1%	2%	66%	95%	6%	5%	-41%	-35%
EV/EBITDA	9.2	5.9	3.2	2.2	7.0	3.0	1.8	1.5	2.3	2.9	1.3	0.8
P/E (adj.)	39.3	5.9	2.4	1.6	11.0	2.1	1.3	1.0	28.3	3.8	1.1	0.5



Our Estimates vs Consensus

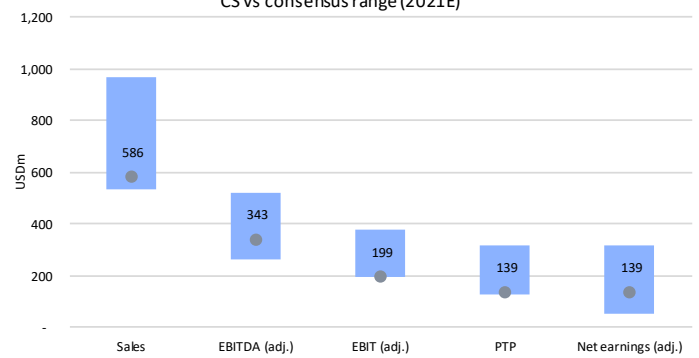
Profit & Loss, year I

CS vs consensus range (2020E)

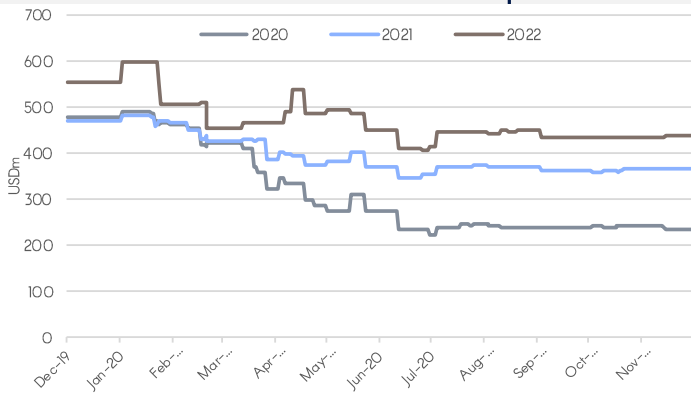


Profit & Loss, year II

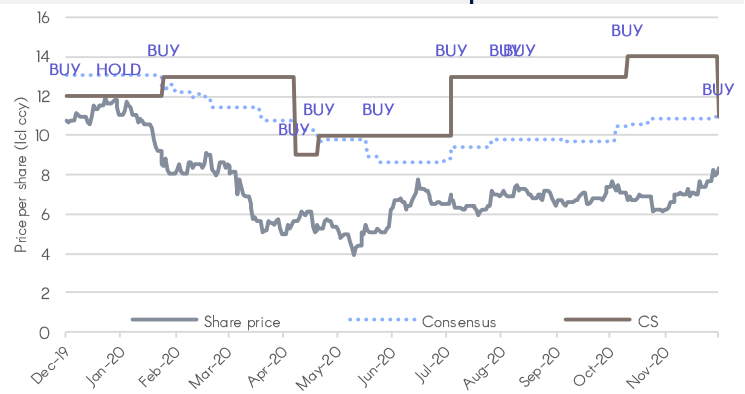
CS vs consensus range (2021E)



Consensus EBITDA development



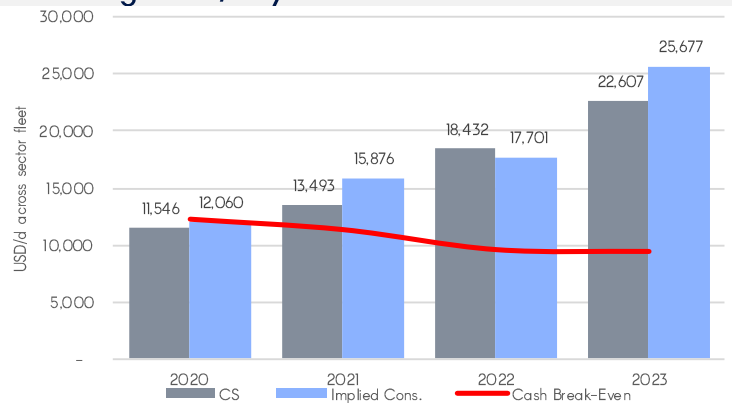
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	486	507	-22	-4%	
Opex + G&A	252	271	-18	-7%	
Depreciation	142	125	17	14%	
Net finance	71	70	1	1%	
Taxes & Minorities	0	23	-23	-100%	
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	586	689	-103	-15%	
Opex + G&A	243	321	-79	-25%	
Depreciation	145	129	16	13%	
Net finance	60	45	15	35%	
Taxes & Minorities	0	32	-32	-100%	

Avg. TCE/day across fleet vs consensus





Cleaves Securities

$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	185	106	86	149	144	91	136	172	187
Operational costs	-106	-47	-69	-70	-61	-58	-60	-62	-62
EBITDA	79	58	17	79	84	33	76	110	125
Depreciation/Amortization	-32	-35	-35	-36	-36	-36	-36	-36	-36
EBIT	46	23	-18	43	48	-4	40	74	89
Net financials	-23	-21	-26	-20	-16	-16	-15	-15	-14
PTP	24	3	-44	23	32	-19	24	59	74
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	24	3	-44	23	32	-19	24	59	74
Non-recurring items	19	-14	16	5	0	0	0	0	0
Net earnings (adj.)	42	-11	-28	29	32	-19	24	59	74
EPS	0.25	0.03	-0.46	0.24	0.33	-0.20	0.25	0.60	0.76
EPS (adj.)	0.44	-0.12	-0.30	0.30	0.33	-0.20	0.25	0.60	0.76
DPS	0.05	0.05	0.00	0.00	0.55	0.53	0.02	0.02	0.02
Balance Sheet (USDm)									
Cash & short-term investments	118	130	107	219	236	144	143	176	250
Other current assets	148	167	117	124	124	124	124	124	124
Total current assets	266	297	224	343	360	268	266	300	374
Property & equip. (incl. NBs)	2,967	2,969	2,940	2,911	2,879	2,847	2,815	2,783	2,751
Other non-current assets	6	4	4	5	5	5	5	5	5
Total non-current assets	2,973	2,972	2,943	2,916	2,884	2,852	2,820	2,789	2,757
TOTAL ASSETS	3,239	3,270	3,167	3,259	3,244	3,120	3,087	3,089	3,130
Total equity	1,544	1,539	1,494	1,520	1,499	1,429	1,451	1,508	1,581
Short-term debt	202	232	220	220	219	223	220	220	220
Other current liabilities	108	135	104	100	100	100	100	100	100
Total current liabilities	311	366	325	320	318	322	320	320	320
Long-term debt	1,380	1,359	1,341	1,412	1,421	1,362	1,309	1,253	1,223
Other non-current liabilities	3	6	7	7	7	7	7	7	7
Total non-current liabilities	1,384	1,364	1,349	1,419	1,427	1,369	1,315	1,260	1,229
TOTAL EQUITY & LIABILITIES	3,239	3,270	3,167	3,259	3,244	3,120	3,087	3,089	3,130
Working capital, receivables	110	0	0	0	0	0	0	0	0
Working capital, payables	90	0	0	0	0	0	0	0	0
Net working capital	20	0	0	0	0	0	0	0	0
Interest bearing debt	1,583	1,590	1,561	1,632	1,639	1,585	1,529	1,474	1,443
Liquidity	125	130	107	219	236	144	143	176	250
Net interest bearing debt	1,458	1,460	1,455	1,413	1,403	1,441	1,386	1,297	1,193
Cash Flow (USDm)									
Net income	24	3	-44	23	32	-19	24	59	74
Depreciation	32	35	35	36	36	36	36	36	36
Other	-3	-3	8	-9	0	0	0	0	0
Cash earnings	53	34	-1	50	68	17	61	95	111
Changes in working capital	0	-2	24	7	0	0	0	0	0
Net operational cash flow	53	32	23	57	68	17	61	95	111
Capex	-43	-34	-17	-11	-4	-4	-4	-4	-4
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	12	0	0	0	0	0	0	0	0
Other	4	2	1	1	0	0	0	0	0
Net investing cash flow	-26	-32	-16	-10	-4	-4	-4	-4	-4
Repayment of debt	-154	-97	-73	-347	-55	-55	-56	-55	-31
Proceeds from debt	148	107	42	420	62	0	0	0	0
Dividends paid	-5	-5	0	0	-53	-51	-2	-2	-2
New equity	0	0	0	0	0	0	0	0	0
Other	-13	-1	1	-6	0	0	0	0	0
Net financing cash flow	-23	5	-31	68	-46	-105	-58	-57	-33
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	3	5	-24	115	17	-92	-1	34	74
Cash balance	118	130	107	219	236	144	143	176	250
Free cash flow	27	0	7	47	63	13	56	91	106



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$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	161	156	267	530	598	486	586	801	982
Operational costs	-505	-184	-146	-295	-400	-247	-243	-250	-257
EBITDA	-344	-27	121	235	198	238	343	550	725
Depreciation/Amortization	-82	-82	-83	-103	-124	-142	-145	-145	-145
EBIT	-426	-109	39	132	74	96	199	406	580
Net financials	-33	-45	-48	-73	-90	-83	-60	-54	-50
PTP	-458	-154	-10	58	-16	13	139	352	530
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-458	-154	-10	58	-16	13	139	352	530
Non-recurring items	0	0	0	0	0	7	0	0	0
Net earnings (adj.)	-458	-154	-10	58	-16	20	139	352	530
EPS	-10.46	-2.72	-0.15	0.63	-0.17	0.14	1.41	3.52	5.30
EPS (adj.)	-10.46	-2.72	-0.15	0.63	-0.17	0.21	1.41	3.52	5.30
DPS	0.00	0.00	0.00	0.00	0.05	0.60	0.59	2.13	5.01
Balance Sheet (USDm)									
Cash & short-term investments	208	182	258	205	118	236	250	400	445
Other current assets	44	47	55	94	148	124	124	124	124
Total current assets	252	228	313	299	266	360	374	524	569
Property & equip. (incl. NBs)	1,885	1,772	1,824	2,716	2,966	2,879	2,751	2,623	2,500
Other non-current assets	27	11	9	7	7	5	5	5	5
Total non-current assets	1,913	1,783	1,833	2,723	2,973	2,884	2,757	2,629	2,505
TOTAL ASSETS	2,165	2,012	2,146	3,022	3,239	3,244	3,130	3,153	3,074
Total equity	1,135	1,037	1,088	1,520	1,544	1,499	1,581	1,720	1,748
Short-term debt	132	6	189	167	202	219	194	196	203
Other current liabilities	35	22	30	56	108	100	100	100	100
Total current liabilities	167	28	219	223	311	318	294	295	302
Long-term debt	860	945	838	1,275	1,380	1,421	1,249	1,131	1,017
Other non-current liabilities	3	1	1	4	3	7	7	7	7
Total non-current liabilities	863	946	838	1,279	1,384	1,427	1,256	1,138	1,023
TOTAL EQUITY & LIABILITIES	2,165	2,012	2,146	3,022	3,239	3,244	3,130	3,153	3,074
Working capital, receivables	25	27	38	66	110	0	0	0	0
Working capital, payables	24	17	20	38	90	0	0	0	0
Net working capital	1	10	17	28	20	0	0	0	0
Interest bearing debt	991	951	1,027	1,442	1,583	1,639	1,443	1,327	1,219
Liquidity	212	187	265	211	125	236	250	400	445
Net interest bearing debt	779	764	762	1,231	1,458	1,403	1,193	926	774
Cash Flow (USDm)									
Net income	-458	-154	-10	58	-16	13	139	352	530
Depreciation	82	82	83	103	124	142	145	145	145
Other	363	47	10	29	23	-4	0	0	0
Cash earnings	-14	-26	83	190	131	151	283	496	675
Changes in working capital	-1	-8	0	-21	-43	29	0	0	0
Net operational cash flow	-15	-33	83	169	89	180	283	496	675
Capex	-474	-396	-144	-329	-347	-66	-17	-17	-21
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	70	380	15	0	57	0	0	0	0
Other	6	3	1	3	11	5	0	0	0
Net investing cash flow	-398	-13	-127	-325	-280	-62	-17	-17	-21
Repayment of debt	129	-29	75	113	144	-572	-196	-117	-107
Proceeds from debt	374	152	161	988	768	631	0	0	0
Dividends paid	0	0	0	0	-5	-58	-57	-213	-502
New equity	418	50	50	0	0	0	0	0	0
Other	-387	-152	-164	-1,004	-804	5	0	0	0
Net financing cash flow	534	20	122	97	104	-5	-253	-329	-609
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	122	-26	78	-60	-88	113	14	150	45
Cash balance	208	182	259	205	118	231	245	395	440
Free cash flow	-412	-47	-44	-156	-191	118	266	479	654



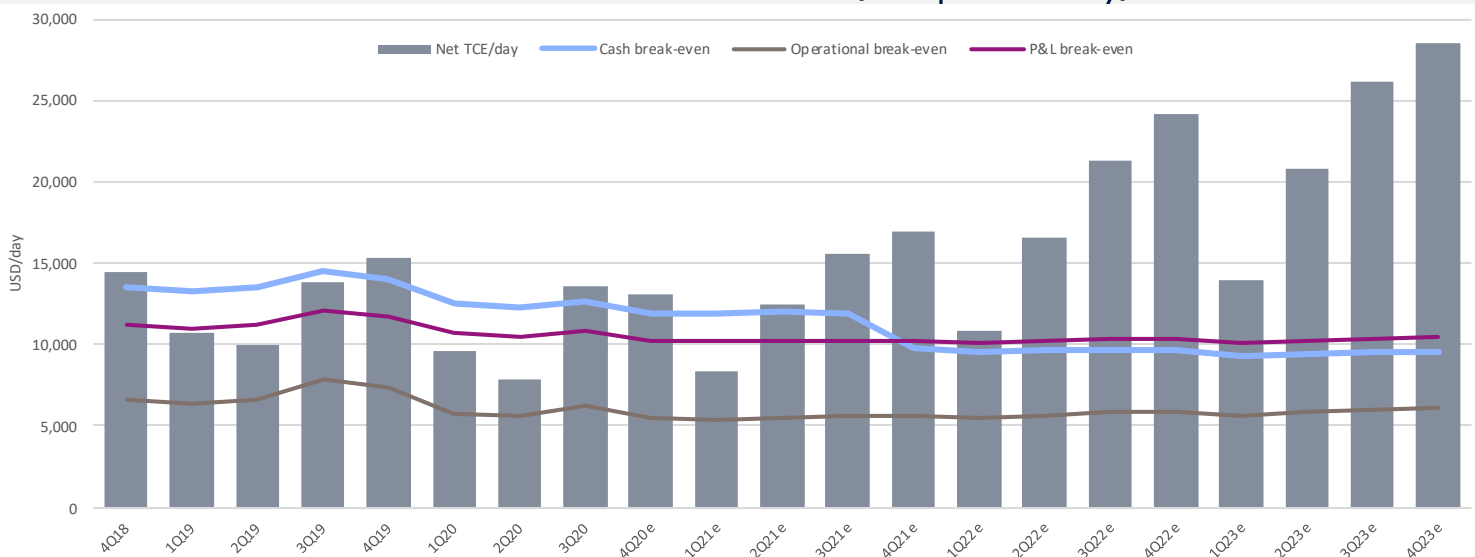
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	Dry Bulk			BUY						
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
Shares outstanding, end	44	57	64	93	96	96	98	100	100	
Share price, avg (USD)	15	4	10	12	9	7	8	8	8	
Share price, end (USD)	3	5	11	9	12	8	8	8	8	
Market Cap.	133	289	722	847	1,135	798	815	832	832	
NIBD	779	764	762	1,231	1,458	1,403	1,193	926	774	
Minorities	0	0	0	0	0	0	0	0	0	
Enterprise value	912	1,054	1,485	2,077	2,592	2,201	2,008	1,758	1,606	
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
P/E (reported)				14.5		59.3	5.9	2.4	1.6	
P/E (adj.)				14.5		39.3	5.9	2.4	1.6	
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
P/Sales	0.8	1.9	2.7	1.6	1.9	1.6	1.4	1.0	0.8	
EV/Sales	5.7	6.7	5.6	3.9	4.3	4.5	3.4	2.2	1.6	
EV/EBITDA			12.2	8.8	13.1	9.2	5.9	3.2	2.2	
EV/EBIT			38.2	15.7	35.2	22.9	10.1	4.3	2.8	
P/B	0.1	0.3	0.7	0.6	0.7	0.5	0.5	0.5	0.5	
FCF yield	-311%	-16%	-6%	-18%	-17%	15%	33%	58%	79%	
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.4%	7.2%	7.0%	25.6%	60.3%	
Return on equity (ROE)	-40.4%	-14.9%	-0.9%	3.8%	-1.0%	0.9%	8.8%	20.4%	30.3%	
Return on capital employed (ROCE)	-22.3%	-6.1%	2.1%	4.8%	2.5%	3.3%	7.2%	15.3%	23.0%	
Return on assets (ROA)	-21.2%	-7.7%	-0.5%	1.9%	-0.5%	0.4%	4.4%	11.2%	17.3%	
Sales growth	54%	-3%	71%	98%	13%	-19%	21%	37%	23%	
EBITDA margin	-213%	-17%	45%	44%	33%	49%	59%	69%	74%	
EBIT margin	-264%	-70%	15%	25%	12%	20%	34%	51%	59%	
Net margin	-284%	-99%	-4%	11%	-3%	3%	24%	44%	54%	
Net interest rate	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	5.8%	6.4%	
Tax rate	0.0%	-0.2%	-2.5%	0.1%	-0.7%	0.3%	0.0%	0.0%	0.0%	
Equity ratio	52%	52%	51%	50%	48%	46%	50%	55%	57%	
Leverage ratio	48%	48%	49%	50%	52%	54%	50%	45%	43%	
NIBD / EBITDA (past ly)	-2.3	-28.0	6.3	5.2	7.4	5.9	3.5	1.7	1.1	
Operating cash flow/NIBD	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.5	0.9	
Net interest coverage ratio (EBIT)						3.4	5.7	10.2	14.6	
Current ratio	1.5	8.1	1.4	1.3	0.9	1.1	1.3	1.8	1.9	
Adj. equity ratio						27%	44%	56%	65%	
Operating assets	1,943	1,816	1,872	2,808	3,112	3,005	2,877	2,750	2,626	
Operating liabilities	38	23	31	60	112	106	106	106	106	
Net operating assets	1,905	1,793	1,842	2,748	3,001	2,899	2,771	2,643	2,520	

Source for financial items: Historical numbers primarily gathered from Bloomberg and company data. Forecast from Cleaves Securities

Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
03/12/2020 20:41 CET





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DHT US	DHT
DSX US	Diana Shipping
EGL US	Eagle Bulk
EURN US	Euronav
FRO NO	Frontline
GNK US	Genco Shipping
GOGL NO	Golden Ocean
BULK NO	GoodBulk
SBLK US	Star Bulk
TNK US	Teekay Tankers

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SELL	35%

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