



Still expect a mid-2021 inflection point, but a new wave of COVID-19 pushes out an expected massive upside

Oil Tankers

SELL

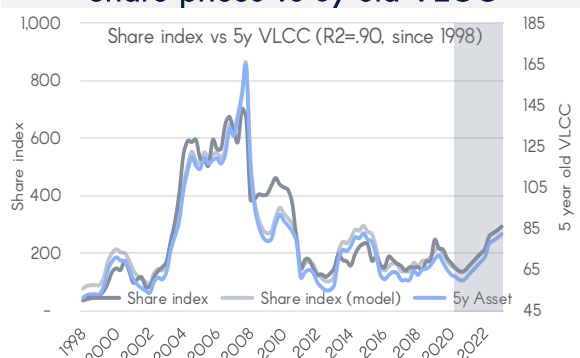
More Covid Weakens Recovery

Segment share prices



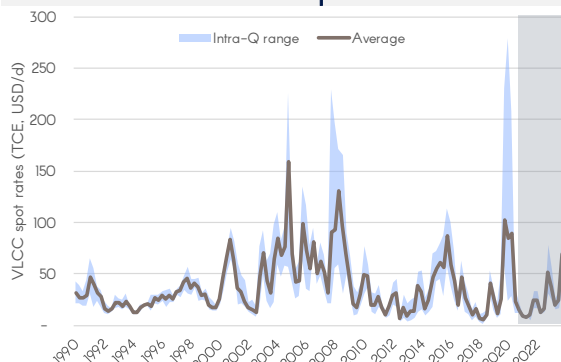
A recent surge in COVID-19 cases has led many countries to re-enter lockdown, leading us to revise down our oil tanker estimates. Global oil supply will have to stay lower for longer in order to rebalance the market and draw down inventories. We see downside to almost all our covered oil tanker companies, but still expect that mid-2021E could be the inflection point. We advise investors to opportunistically use any potential weakness during 1H21 to build positions.

Share prices vs 5y old VLCC



Market: A recent surge in COVID-19 cases has led many countries to re-enter lockdown. Hence, we reduce our global petroleum demand forecast for 1H21 and subsequently global petroleum supply to rebalance our market model. The impact on our oil tanker demand forecast is profound, with a subsequent reduction in expected earnings, asset and share prices. We still forecast a mid-2021E inflection point, with gradually improving fortunes for oil tankers thereafter. Newbuild contracting is still depressed, and we expect an elevated level of scrapping in the coming years due to a low earnings environment and vintage tonnage valuations approaching scrap value. A low orderbook of only 9% of the fleet means that an expected strong recovery in oil tanker demand from 2022E could quickly improve market fundamentals.

Oil Tanker spot rates



Investments: We reiterate our SELL rating on the oil tanker segment, and see our oil tanker share index 23% lower by mid-2021E, before a potential 113% increase by year-end 2023E. We reduce most of our TPs due to 1] lowered earnings forecast and 2] a lower USDNOK. We now have two HOLDs and the rest on SELL: **Teekay Tankers (HOLD/\$12)** is too cheap despite our negative outlook. At a P/NAV of 0.45 (peer avg 0.88), Teekay is priced as it would need new equity, but actually has an adjusted equity ratio of 52%. **ADS Crude Carriers (HOLD /N20)** is expected to distribute USD 51m shortly, similar to current market capitalization.

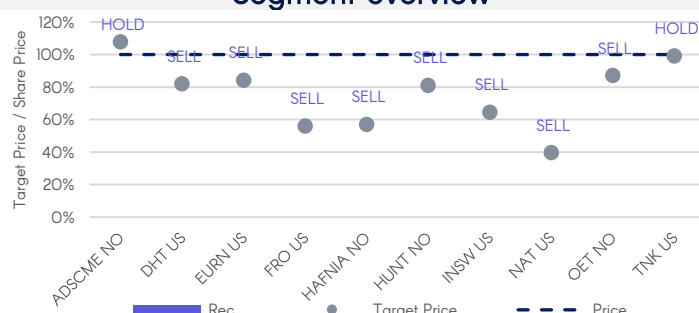
Cleaves Securities / Analysts

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

Segment overview

			New		Old		Pricing/Upside		P/NAV	
	M.cap	Turnover	Rec.	TP	Rec.	TP	P	+/-	Now	1y fwd
ADSCME NO	52	0.3	HOLD	20	HOLD	22	19	8%	0.84	0.87
DHT US	979	12.6	SELL	4.7	HOLD	4.6	5.7	-18%	0.92	0.91
EURN US	1,956	12.2	SELL	7.5	HOLD	7.5	8.9	-16%	0.88	0.95
FRO US	1,305	12.8	SELL	3.7	SELL	4.0	6.6	-44%	1.15	1.60
HAFNIA NO	693	0.4	SELL	9	SELL	12	16	-43%	0.74	1.01
HUNT NO	253	0.9	SELL	3.0	HOLD	3.5	3.7	-19%	0.85	0.92
INSW US	520	3.0	SELL	12	SELL	14	19	-35%	0.65	0.92
NAT US	457	7.7	SELL	1.2	SELL	1.3	3.0	-60%	1.29	1.95
OET NO	219	0.2	SELL	49	SELL	40	56	-13%	0.58	0.69
TNK US	407	5.3	HOLD	12	BUY	14	12	-1%	0.45	0.66
Average	715	6						-27%	0.88	1.09
Median	520	3						-19%	0.85	0.92

Segment overview



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



Table of Contents

More Covid Weakens Recovery	1
Market Fundamentals	3
The quarter in review	3
The year in review	4
Market outlook.....	5
Supply.....	5
Demand.....	8
Fleet utilization	11
Asset & share prices	12
Asset Valuation.....	16
Oil Tanker Storage Economics.....	17
IMO 2020 Sulphur Regulations.....	18
Generic Shipping Accounting.....	20
Market Fundamentals & Forecasts.....	21
Seasonality	22
Product Tanker Dynamics	24
Econometric Overview	26
Oil Tanker Companies.....	27
Peer Group.....	28
Company Financials (annually).....	30
Company Financials (quarterly estimates).....	31
ADS Crude Carriers	32
DHT Holdings	40
Euronav.....	49
Frontline	58
Hafnia.....	67
Hunter Group.....	76
International Seaways.....	85
Nordic American Tankers	94
Okeanis Eco Tankers.....	103
Teekay Tankers	113
Important Disclosures & Certifications	122



Market Fundamentals

The quarter in review

Net **supply** growth of 0.4% q/q in 4Q20 was slightly below our 0.8% [forecast from October](#), with y/y growth at 3.8%. Gross deliveries of 3.5m dwt was below our forecast (6.6m), mainly due to higher than expected slippage into 1Q21. Deliveries below our forecast was partly offset by lower scrapping, with 1.3m dwt scrapped versus our 2.9m dwt forecast. The quarter saw 9.2m dwt ordered, the largest quarterly number since 1Q 2018 as 20 VLCCs (6.0m dwt) were contracted at Hyundai, mainly by domestic owners. Newbuild contracting thus came in 167% above our 3.4m dwt forecast and led to an increase in the orderbook which now stands at 9.0% of the fleet, still low comparative to the historical average of 21%.

We estimate a -4.0% **demand** growth q/q in 4Q20 (vs our +1.5% forecast), with growth -16.7% y/y. The reason behind our miss was an expected slight increase in cargoes during the seasonally strong winter market, which did not materialize. The net effect was a **fleet utilization** of 76.3% (80.4% forecast), -3.5%p q/q and -18.8%p y/y. Thus, oil tanker **earnings** averaged \$7,672/d in the quarter (-30% q/q, -83% y/y), below our \$11,656 [forecast from October](#). VLCCs averaged \$15,404 (-35% q/q, -85% y/y) in 4Q20, Suezmaxes \$6,455 (-47% q/q, -91% y/y) and MRs \$6,432 (-29% q/q, -68% y/y).

			New	Old		
mDWT	2019-Q4	2020-Q3	2020-Q4	2020-Q4	Δ	Δ %
Deliveries ¹	5.1	4.9	3.5	6.6	(3.1)	-48%
Scrapping ¹	(0.7)	(0.9)	(1.3)	(2.9)	1.6	-54%
Contracting ¹	7.5	4.3	9.2	3.4	5.8	167%
Other ¹	(2.0)	2.4	0.5	0.2	0.3	136%
Supply²	575	594	597	599	(1.9)	-0.3%
Δ q/q			0.4%	0.8%	-0.3%p	
Δ y/y			3.8%	4.1%	-0.3%p	
Demand²	547	475	456	482	(25.9)	-5.4%
Δ q/q			-4.0%	1.5%	-5.5%p	
Δ y/y			-16.7%	-11.9%	-4.7%p	
Utilization²	95.1%	79.9%	76.3%	80.4%	-4.1%p	
Oil Tankers ² (TCE/d)	44,496	11,006	7,672	11,656	(3,984)	-34%
VLCC, spot ² (TCE/d)	102,761	23,711	15,404	19,186	(3,782)	-20%
Suezmax, spot ² (TCE/d)	72,822	12,229	6,455	14,816	(8,361)	-56%
Aframax, spot ² (TCE/d)	52,853	8,698	5,713	13,030	(7,317)	-56%
MR, spot ² (TCE/d)	20,022	9,062	6,432	9,910	(3,478)	-35%
Asset prices ² (Index)	138	130	125	125	-	0%
VLCC, 5y ² (USDm)	70	65	63	63	-	0%
Suezmax, 5y ² (USDm)	49	45	43	43	-	0%
Aframax, 5y ² (USDm)	38	36	35	35	-	0%
MR, 5y ² (USDm)	29	27	26	26	-	0%
OB ²	52	50	50	47	3.0	6%
Share Index ²	247	183	166	181	(15)	-8%

¹Sum during period ²Average during period



Second-hand values continued to slide, with our oil tanker **asset price** index down 13% since 1Q20 to 124 at present. In example, we now assess a VLCC resale at \$88m (-15% since the peak in April), a 5y old at \$61.5m (-15%), a 10y old \$41m (-19%) and a 15y old at \$29m (-19%). We see another 6% downside to our asset price index towards the expected trough in 3Q21E. Please see [Asset Valuation](#) for further details

Our oil tanker **share index** averaged 166 in the quarter (-9% q/q, -33% y/y), below our 181 [forecast from October](#) as our aforementioned demand forecast did not come into fruition. The oil tanker share index currently stands at 179.

The year in review

For the full year 2020, net **supply** growth of 3.5% y/y was similar our 3.8% [forecast from January 2020](#). Gross deliveries of 18m dwt were lower than our 23m dwt forecast (mainly due to slippage), while scrapping at 3m dwt came in below our forecast of 9m dwt. With less impact from vessels returning from scrubber retrofitting than expected, we estimate the effective carrying capacity of the oil tanker fleet in 2020 at 590m dwt vs our 592m dwt forecast. Despite the 24m dwt newbuildings contracted in 2020 (32m forecast) against the 18m dwt delivered, the orderbook ended the year flat y/y at 54m dwt due to cancellations and other adjustments.

We estimate **demand** growth y/y in 2020 at +3.5% (vs our +5.7% forecast). The oil tanker demand side during 2020 has been an unprecedented rollercoaster ride with OPEC+ price war, COVID-19 and oil contango. It is quite random that our demand forecast was relatively close to actuals.

			Actual		Forecast	
mDWT	2018	2019	2020	2020	Δ	Δ %
Deliveries ¹	24	32	18	23	(5)	-21%
Scrapping ¹	(20)	(3)	(3)	(9)	7	-70%
Contracting ¹	27	26	24	32	(8)	-25%
Other ¹	1	(5)	4	8	(3)	-43%
Supply²	548	570	590	592	(2)	0%
Δ y/y	1.3%	4.0%	3.5%	3.8%	-0.3%	-7%
Demand²	435	489	506	517	(11)	-2%
Δ y/y	0.1%	12.5%	3.5%	5.7%	-2.3%	-39%
Utilization²	79.3%	85.8%	85.8%	87.4%	-1.6%p	-2%
Oil Tankers ² (TCE/d)	11,216	22,168	24,249	25,111	(862)	-3%
VLCC, spot ² (TCE/d)	15,561	41,364	53,145	53,075	70	0%
Suezmax, spot ² (TCE/d)	16,466	31,560	30,240	36,805	(6,565)	-18%
Aframax, spot ² (TCE/d)	16,175	26,225	22,161	28,382	(6,221)	-22%
MR, spot ² (TCE/d)	8,750	13,740	15,251	16,960	(1,708)	-10%
Asset prices ² (Index)	120	132	134	153	(19)	-12%
VLCC, 5y ² (USDm)	62	67	67	78	(11)	-14%
Suezmax, 5y ² (USDm)	41	46	46	54	(7)	-14%
Aframax, 5y ² (USDm)	31	36	37	43	(6)	-14%
MR, 5y ² (USDm)	25	27	27	29	(2)	-8%
OB ²	71	58	51	54	(3)	-5%
Share Index ²	149	185	195	264	(69)	-26%

¹Sum during period ²Average during period



Against the weaker than expected demand growth, we estimate an average **fleet utilization** in 2020 of 85.8% (87.4% forecast), unchanged y/y. Oil tanker **earnings** averaged \$24,249/d in 2020 (vs our \$25,111 forecast), similar to 2019. VLCCs averaged \$53,145 (+28 y/y) in 2020, Suezmaxes \$30,240 (-4% y/y) and MRs \$15,251 (+11% y/y).

Our oil tanker **asset price** index averaged 1% higher y/y in 2020, but has been highly volatile in concert with the rapidly shifting market fundamentals. In example, a 5y old VLCC started the year at a \$62.5m valuation, reaching \$72m at the peak in April before ending the year around \$61.5m. Although our earnings forecast was quite close to actuals, our asset price index forecast of a 153 average during 2020 was far above actuals at 134 as the short-lived nature of the earnings increase meant it wasn't fully reflected in asset prices.

The lower than expected asset prices also impacted our oil tanker **share index**, which averaged 195 in 2020 (+6% y/y), far below our 264 [forecast from January 2020](#). With actual asset prices inserted into our share index forecast model, we get 186 for 2020E in a back-test. Thus, the lower than expected asset prices fully explains our miss on share prices.

We forecast that our share index could fall towards 138 by the middle of 2021E, 23% below current pricing, before potentially ending the year around 161 and year end 2022E at 237.

Market outlook

Supply

With a sobering level of newbuild contracting over the past year despite intermittently stellar earnings, the **orderbook** has remained at low levels. The orderbook currently constitutes 9.0% of the fleet vs the historical average of 21.3%.

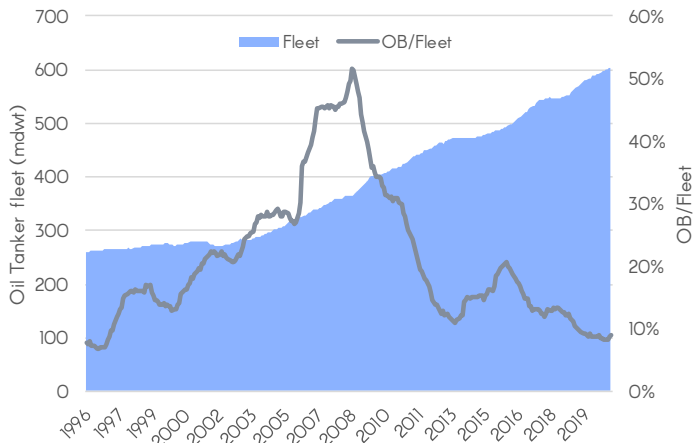
We expect that a low earnings environment, in addition to uncertainty over future regulations and technology, could keep **ordering** low going forward as well. We forecast that only 18m dwt would be contracted annually during 2021 and 2022 vs the 28m dwt average from 2017 to 2020.

Scrap prices are currently at \$415/lwt, close to levels back in 2017/'18 when we saw an annualized **scrapping** rate of 15m dwt. Back then, a 15y old VLCC was quoted by brokers as low as \$21m, leading to a valuation just \$4m above scrap value. Our forecast is for 15y old VLCC asset prices to fall to \$25m, which is just \$8m above the

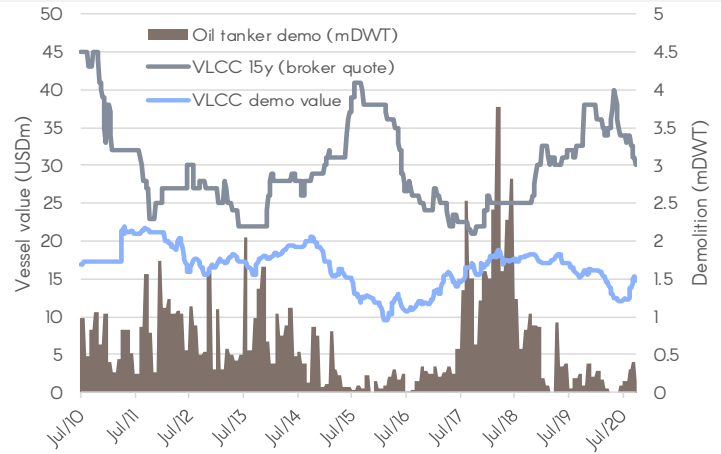


current scrap value and should significantly induce scrapping. For comparison, we currently value a 15y old VLCC at \$29m, \$12m above its scrap value. We forecast an elevated level of scrapping in the coming years at 13m dwt in 2021 and 11m dwt in 2022, vs just 3m dwt in both 2019 and 2020.

Orderbook vs fleet



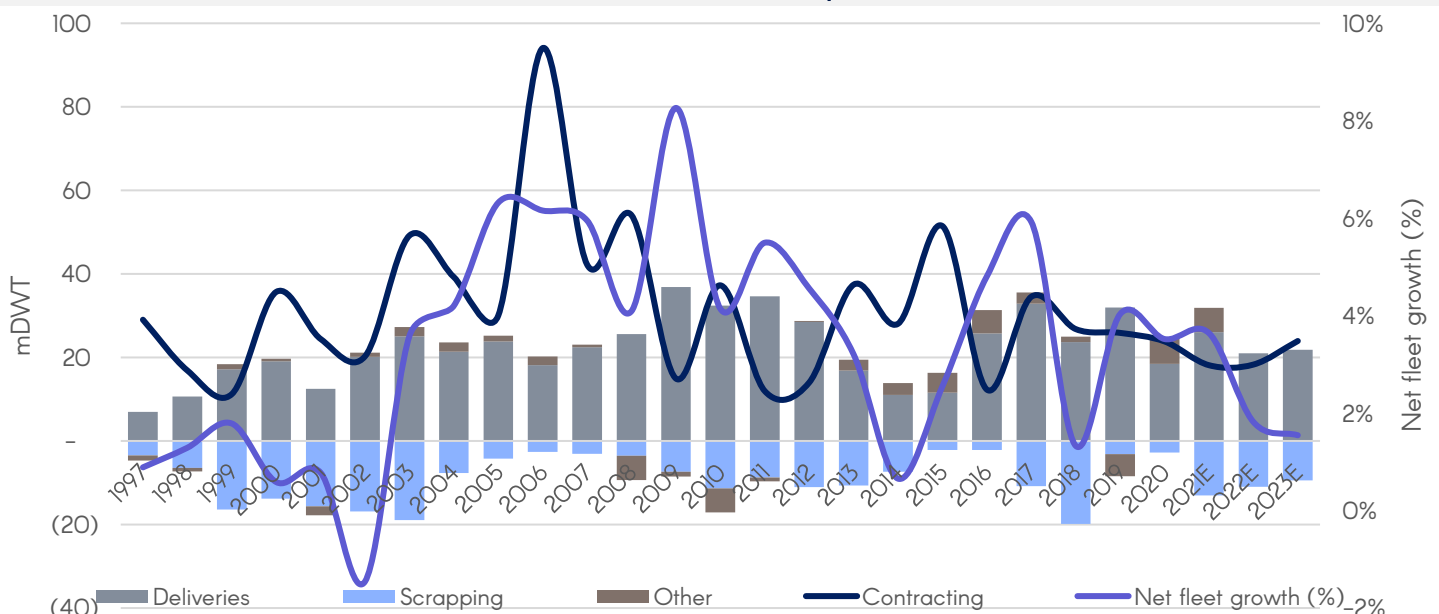
VLCC scrapping vs scrap value



In sum, we forecast net supply growth of 3.6% in 2021E, 1.8% in 2022E and 1.5% in 2023E.

Looking at 2021E in detail, 35% of the gross fleet growth is expected for 1Q and 18% for 4Q. Gross deliveries for VLCCs is the largest at 7.6% of the current fleet, with Suezmaxes at 4.6%, Aframax/LR2s at 6.0% and MR/Handy (30k dwt+) at 4.2%. Thus, we expect this delivery profile to have a profound negative effect on the tanker market balance during 1Q21 as newbuilding VLCCs are also able to carry clean oil products.

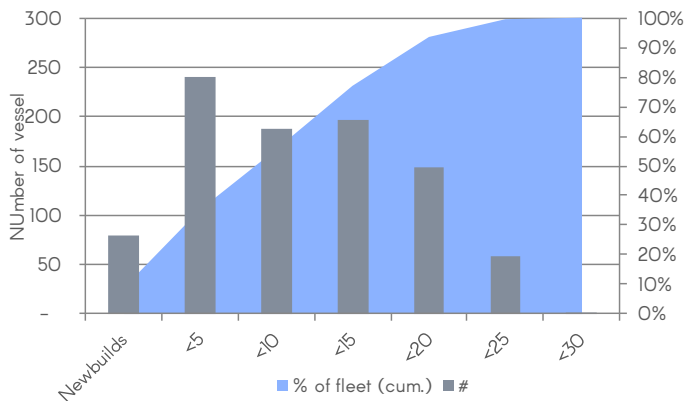
Oil tanker fleet developments



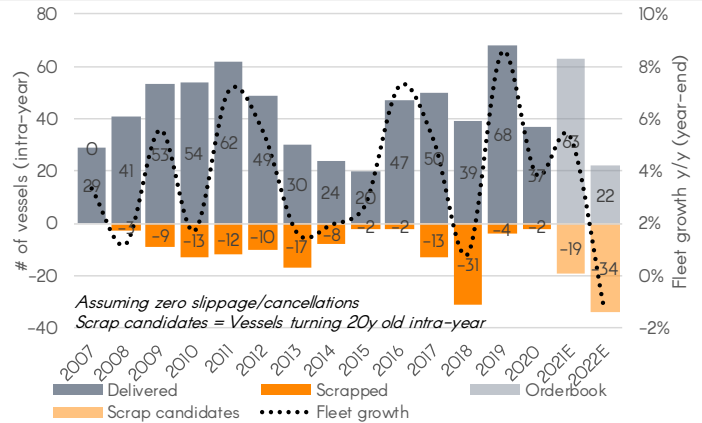


Detailed Supply Side

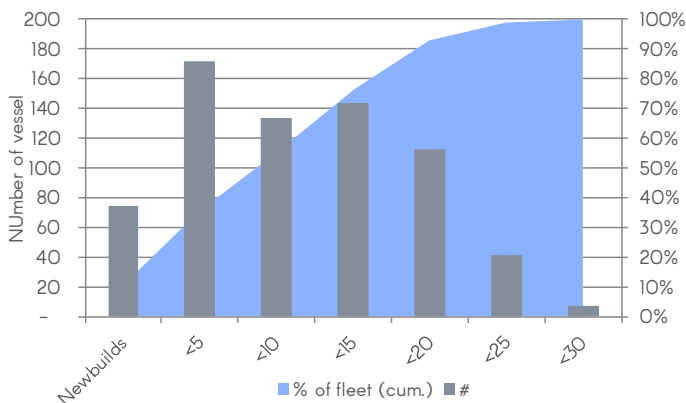
VLCC: Fleet profile



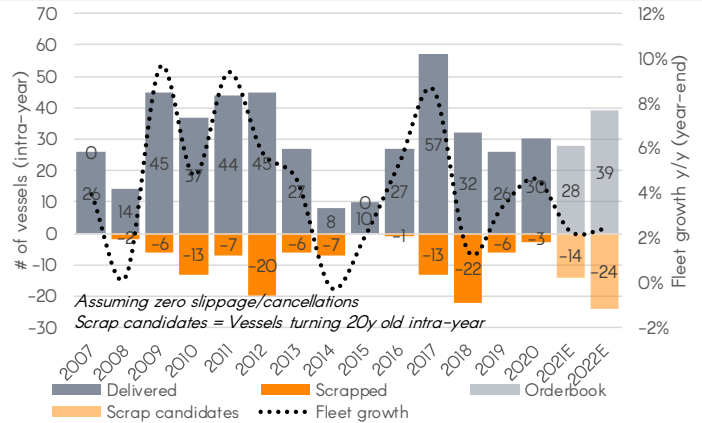
VLCC: Fleet evolution



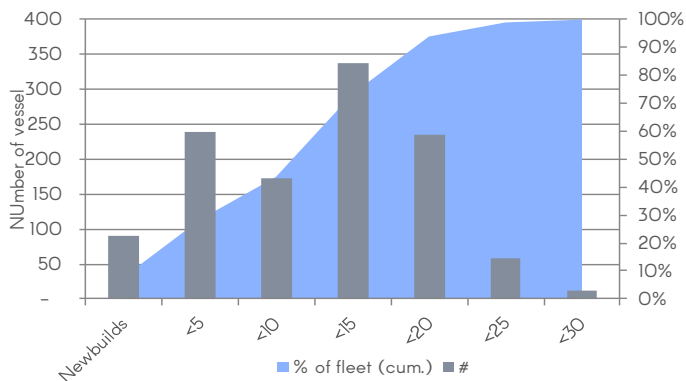
Suezmax: Fleet profile



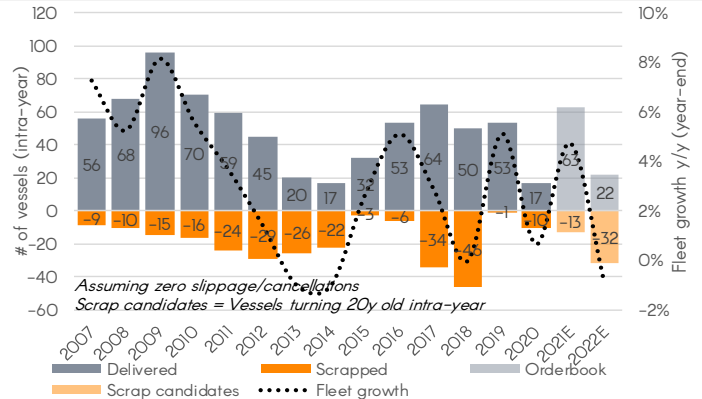
Suezmax: Fleet evolution



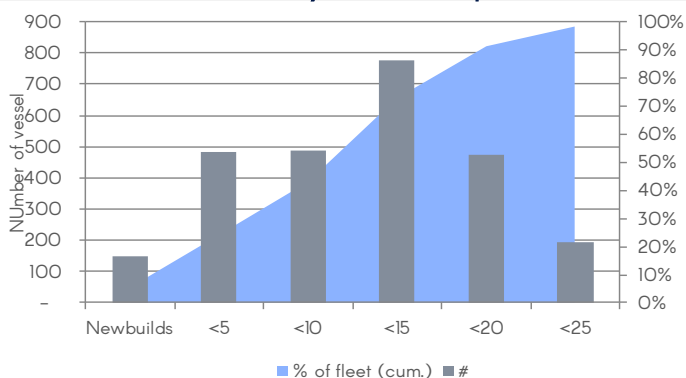
Aframax/LR2: Fleet profile



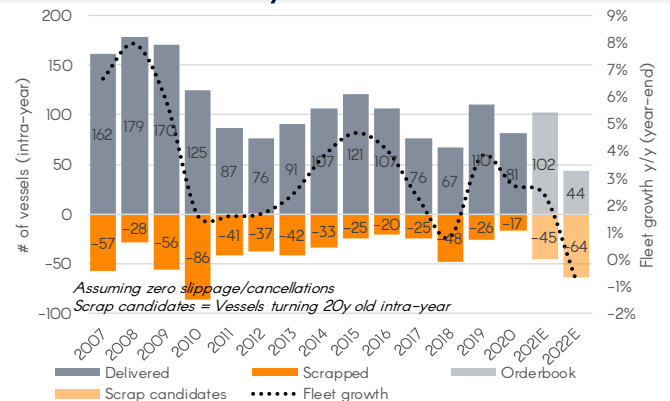
Aframax/LR2: Fleet evolution



MR & Handysize: Fleet profile



MR & Handysize: Fleet evolution





Demand

After correctly predicting the collapse in oil tanker demand after OPEC+ came to an agreement in April (link [1](#), [2](#), [3](#)), we are now well into the expected petroleum inventory destocking period with coinciding low petroleum supply. This has led to oil tanker spot rates around operational costs, as expected.

With a recent surge in COVID-19 cases and countries re-entering lockdowns, we revise down our global petroleum demand forecast and subsequently global petroleum supply in order to balance our market model. The latter is already confirmed by Saudi Arabia's unilateral 1mbpd cut announcement during an OPEC+ meeting 6 January. The cut will be effective in February and March.

As the new stringent COVID-measures take effect, we now forecast global petroleum demand to average only 93.5m bpd in 1Q21E (vs our 97.5m bpd [forecast from October](#)) with petroleum supply forecast to average 92.3m bpd (vs 95.3m bpd). We expect the roll-out of vaccines to slowly improve the situation towards mid-2021, and leave our global petroleum demand forecast close to unchanged for 2H21 at 99.4m bpd. The temporary deterioration of petroleum inventory drawdowns is however unfortunate, and we significantly reduce our global petroleum supply forecast up until end-2021E in order to rebalance the market. This has a profound negative impact on our oil tanker earnings forecast covered in more detail [below](#).

For the whole year 2021E, we now forecast world petroleum demand to average 97.1m bpd (vs our [previous forecast](#) of 99.1m bpd) and petroleum supply to average 95.7m bpd (vs 97.2m bpd). This leads to a gradual net destocking of inventories to 2019-levels by year-end 2021E. For 2022E, we forecast both world petroleum demand and supply to average around 101.5m bpd.

Floating storage peaked in May at 12% of the global petroleum tanker fleet. At the time of writing, 84 VLCCs, 20 Suezmaxes, 19 Aframaxs in addition to 87 other vessels are tied up in floating storage, according to Shipping Intelligence Network. This represents 6% of the global oil tanker fleet. We expect a continued unwinding of floating storage back to normalized levels around 3% of the fleet during 1H21E.

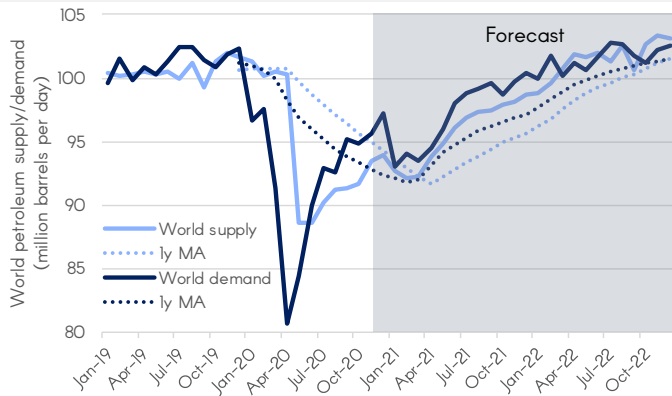


Cleaves Securities

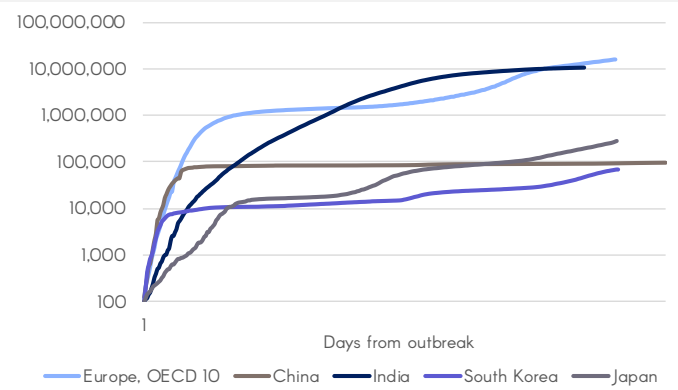
Oil Tankers SELL

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

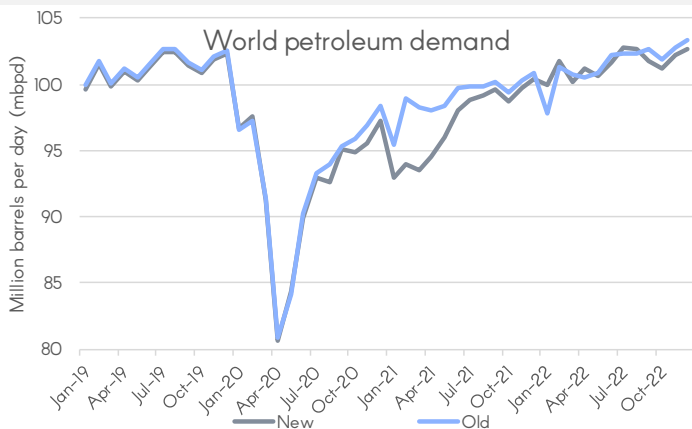
World petroleum supply & demand



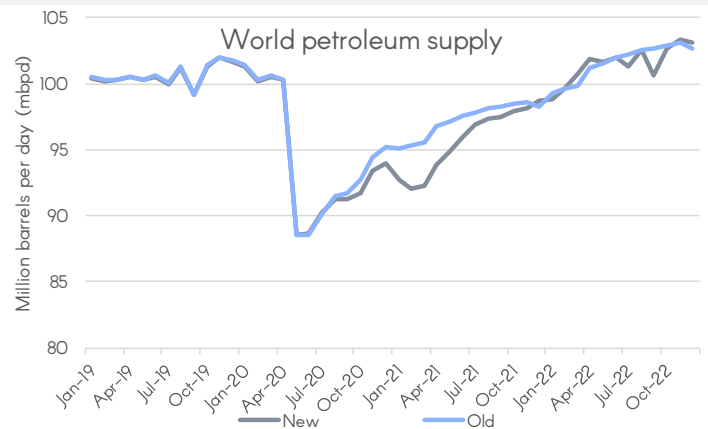
COVID-19 cases at major crude oil importers



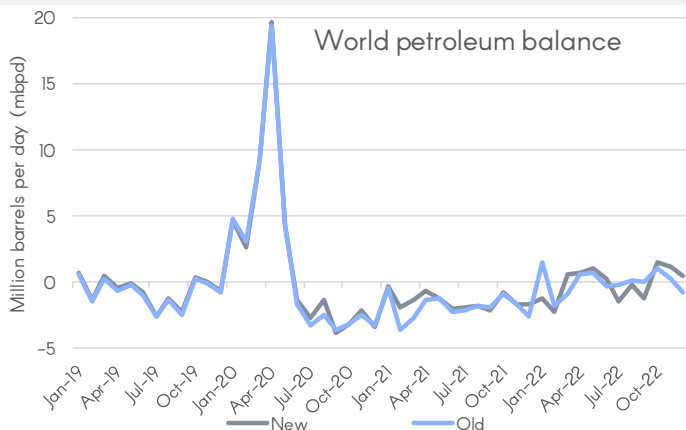
Petroleum demand: Changes to our forecast



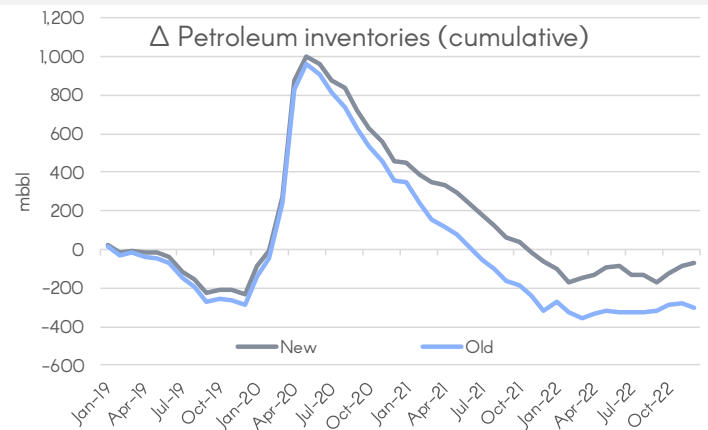
Petroleum supply: Changes to our forecast



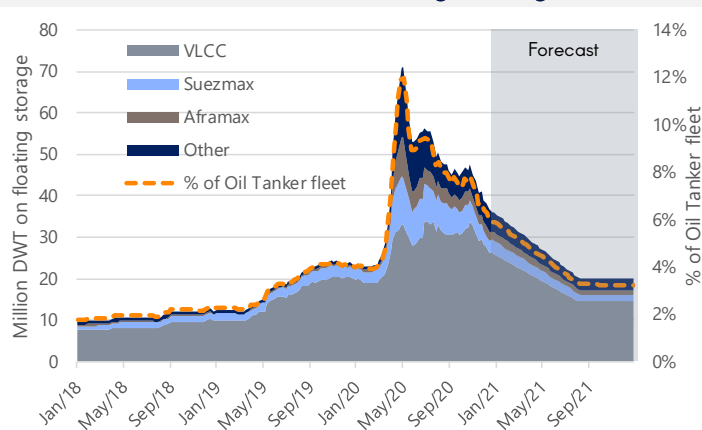
Petroleum balance: Changes to our forecast



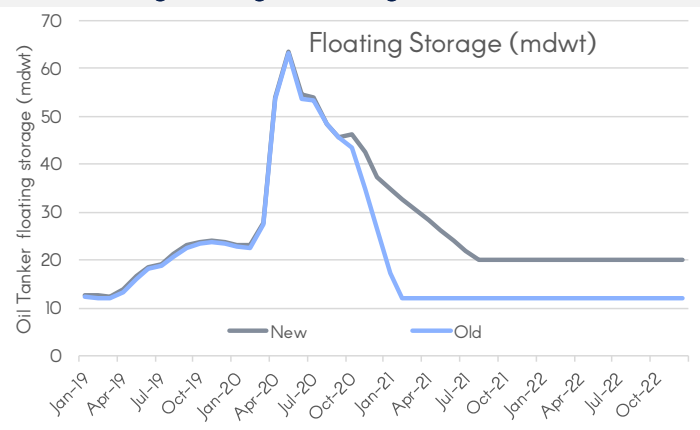
Petroleum inventories: Changes to our forecast



Oil tankers on floating storage



Floating storage: Changes to our forecast





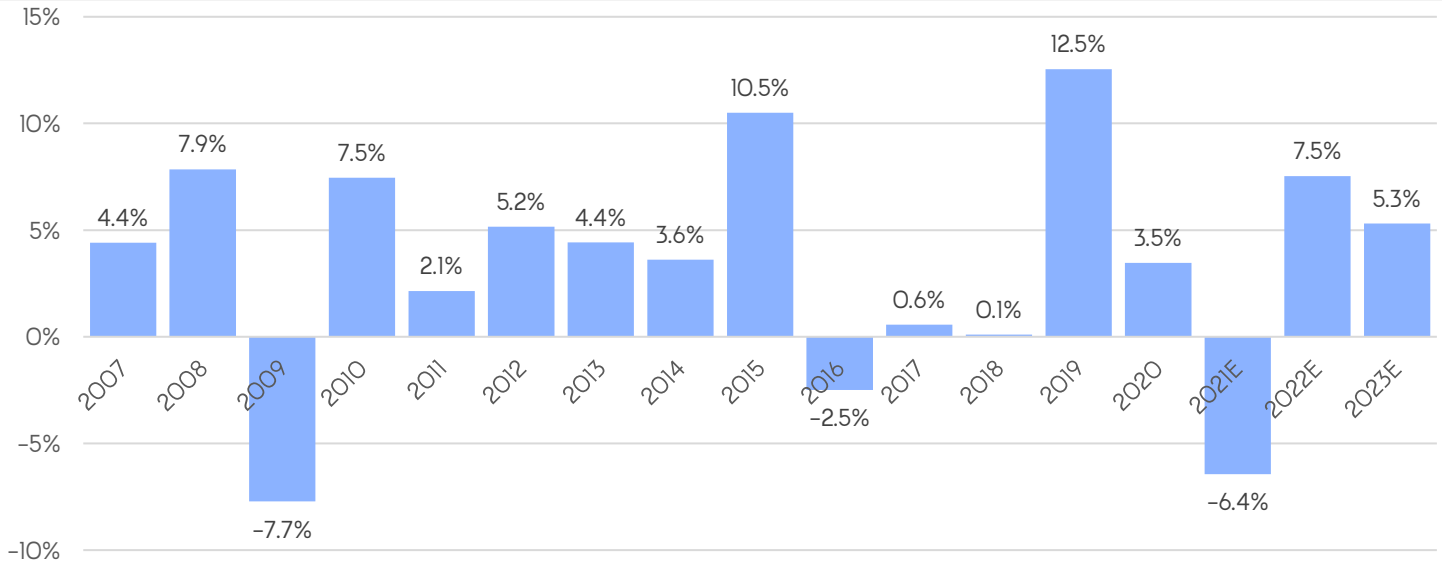
Cleaves Securities

Oil Tankers SELL

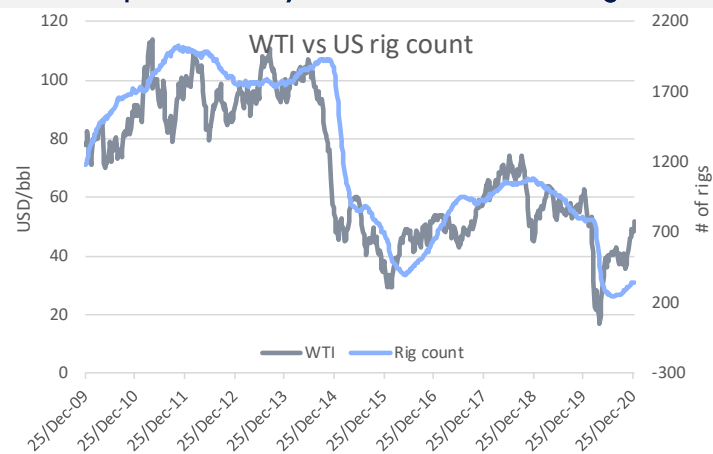
$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$

Looking at the holistic picture, we forecast oil tanker demand to contract 6.4% in 2021E as the need for seaborne oil transportation is negatively affected by lower petroleum supply and destocking of petroleum inventories. However, we forecast a massive 7.5% demand growth in 2022E as oil supply increases rapidly against the destocking cycle potentially unwinding towards the end of 2021E.

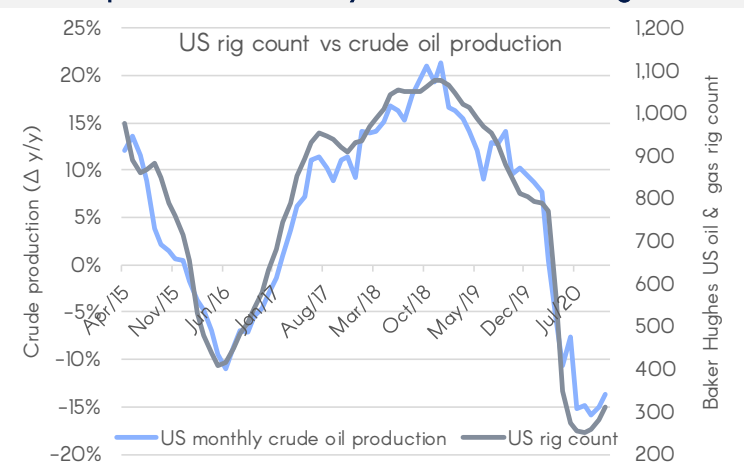
Oil Tanker demand growth (intra-year averages)



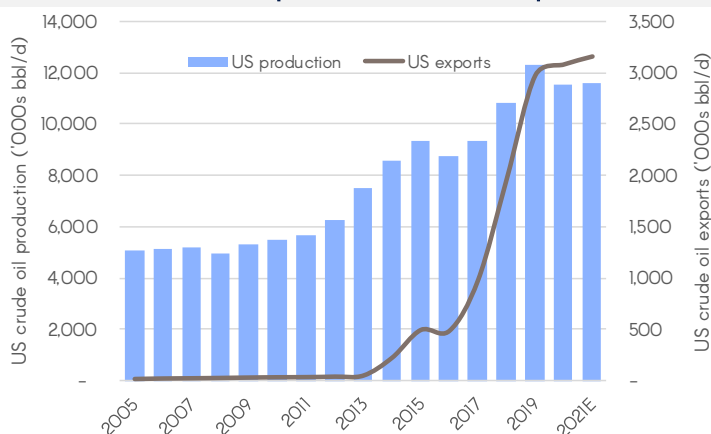
WTI oil price closely correlated with US rig count



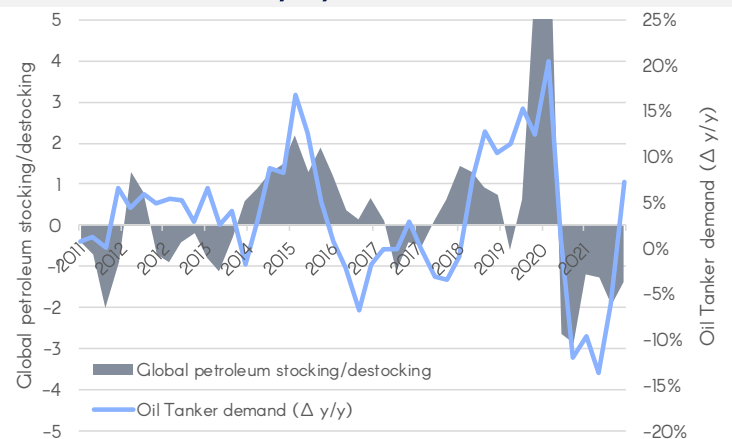
US oil production closely correlated with rig count



US crude oil production and exports



Petroleum inventory cycles vs oil tanker demand





Fleet utilization

Combining the supply and demand sides of the equation leads us to forecast fleet utilization of 77.4% in 2021E (-8.3%p y/y), 81.8% in 2022E and 84.8% in 2023E

Our fleet utilization forecast implies that VLCCs could average \$13k/d in 2021E (-76% y/y) and \$26k/d in 2022E, Suezmaxes to average \$11k/d (-65% y/y) and \$19k/d, and MRs to average \$9k/d (-44% y/y) and \$11k/d, respectively.

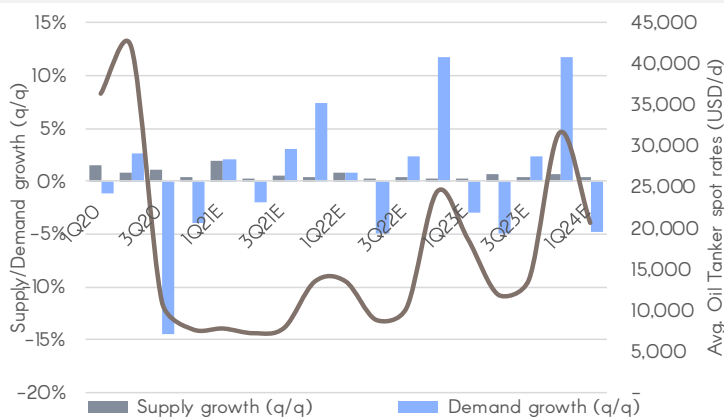
Overview of our estimate changes

Delta table: Oil Tanker forecast summary

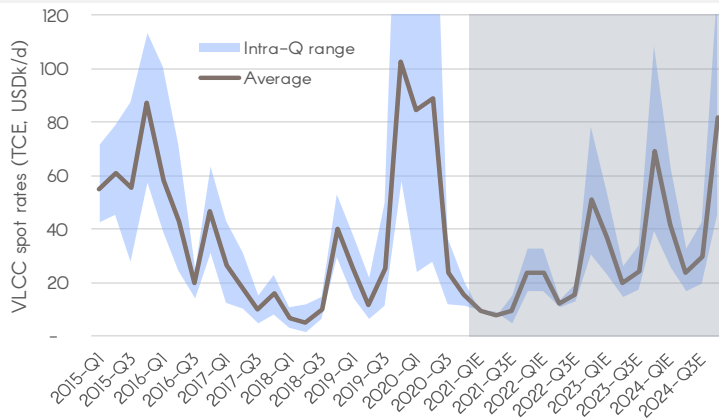
Δ y/y	2020	2021E	2022E	2023E	Average spot rate	2020	2021E	2022E	2023E
Supply	3.5%	3.6%	1.8%	1.5%	VLCC, base case	53,145	12,689	25,758	37,595
Supply, old	3.6%	2.2%	1.4%	1.2%	old	54,090	20,353	42,842	51,821
Δ	-0.1%p	1.4%p	0.4%p	0.4%p	Δ	(945)	(7,665)	(17,084)	(14,226)
Demand	3.5%	-6.4%	7.5%	5.3%	Suezmax, base case	30,240	10,600	19,080	26,761
Demand, old	4.8%	-5.9%	8.8%	3.3%	old	32,330	15,573	30,165	35,991
Δ	-1.3%p	-0.5%p	-1.3%p	2.0%p	Δ	(2,090)	(4,973)	(11,085)	(9,230)
Utilization	85.8%	77.4%	81.8%	84.8%	MR, base case	15,251	8,558	11,277	13,740
Utilization, old	86.8%	79.9%	85.7%	87.5%	old	16,121	10,153	14,831	16,699
Δ	-1.0%p	-2.4%p	-3.9%p	-2.7%p	Δ	(870)	(1,594)	(3,554)	(2,959)
Asset Index	134	120	128	148	Share Index	195	144	192	276
Asset Index, old	134	121	155	184	Share Index, old	199	160	296	413
Δ	0%	-2%	-18%	-19%	Δ	-2%	-10%	-35%	-33%

¹Sum during period ²Average during period

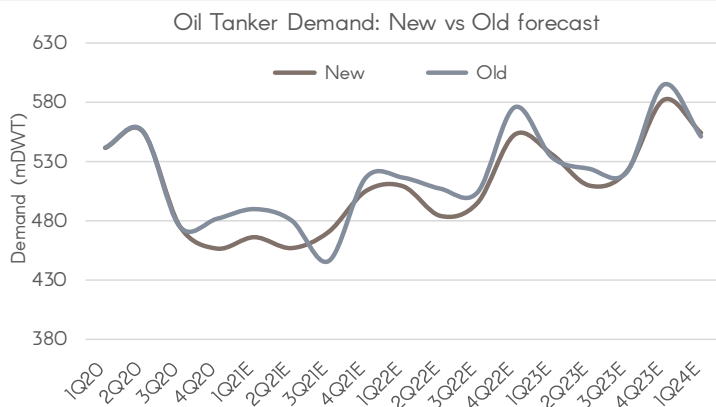
Oil tanker supply/demand & spot rates (quarterly)



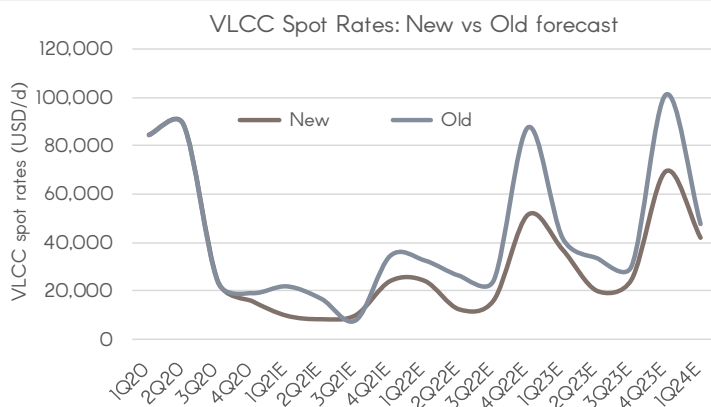
VLCC spot rates: Historical & forecast (quarterly)



Oil tanker demand forecast: New vs old (quarterly)



VLCC spot rate forecast: New vs old (quarterly)



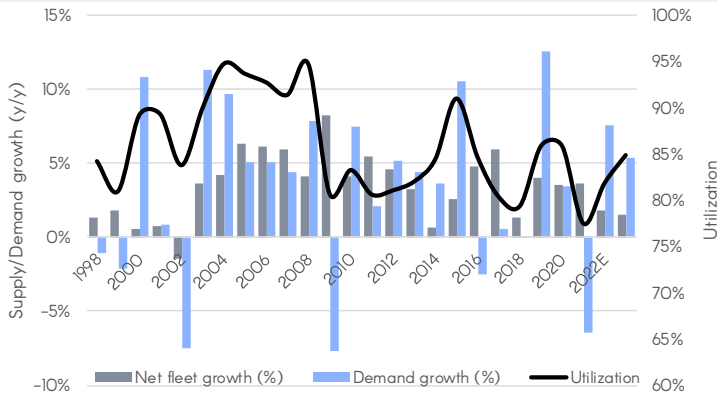


Cleaves Securities

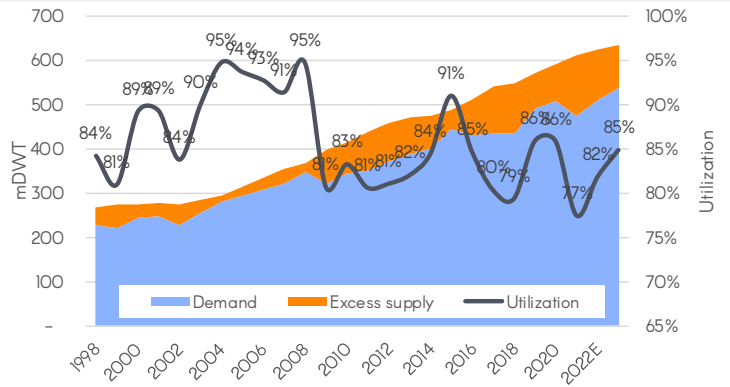
Oil Tankers SELL

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

Oil tanker supply/demand & utilization (annually)



Oil tanker supply/demand & utilization (annually)



Asset & share prices

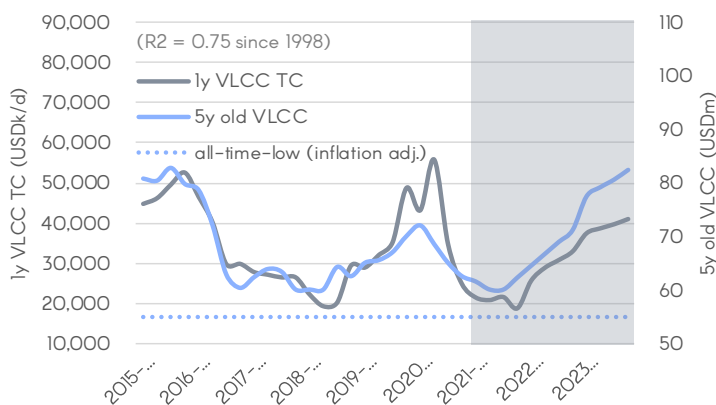
Asset values troughed in 2018 and our oil tanker asset price index rose 25% to the peak in 1Q20. Since then, our asset value index is down 14%, and we see the potential for another 6% downside to the expected mid-2021E through before potentially rising 32% by year-end 2023E.

Given the forward-looking nature of share and asset prices, and the historically significant relationship between the two;

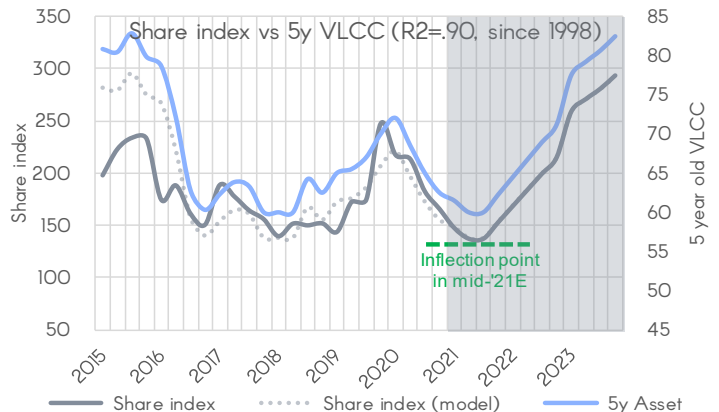
$$P_{\text{shares}} = f[P_{5y \text{ VLCC}}] = f[1y \text{ TC}_{5y \text{ VLCC}}] = f[E(1y \text{ fwd spot revenue}_{5y \text{ VLCC}})], R^2 = 0.90 \text{ since 1998}$$

we believe that our oil tanker share index could decline 23% from current levels by mid-2021E before potentially rising 113% by year-end 2023E from the mid-2021E trough.

VLCC: 1y timecharter vs 5y asset price

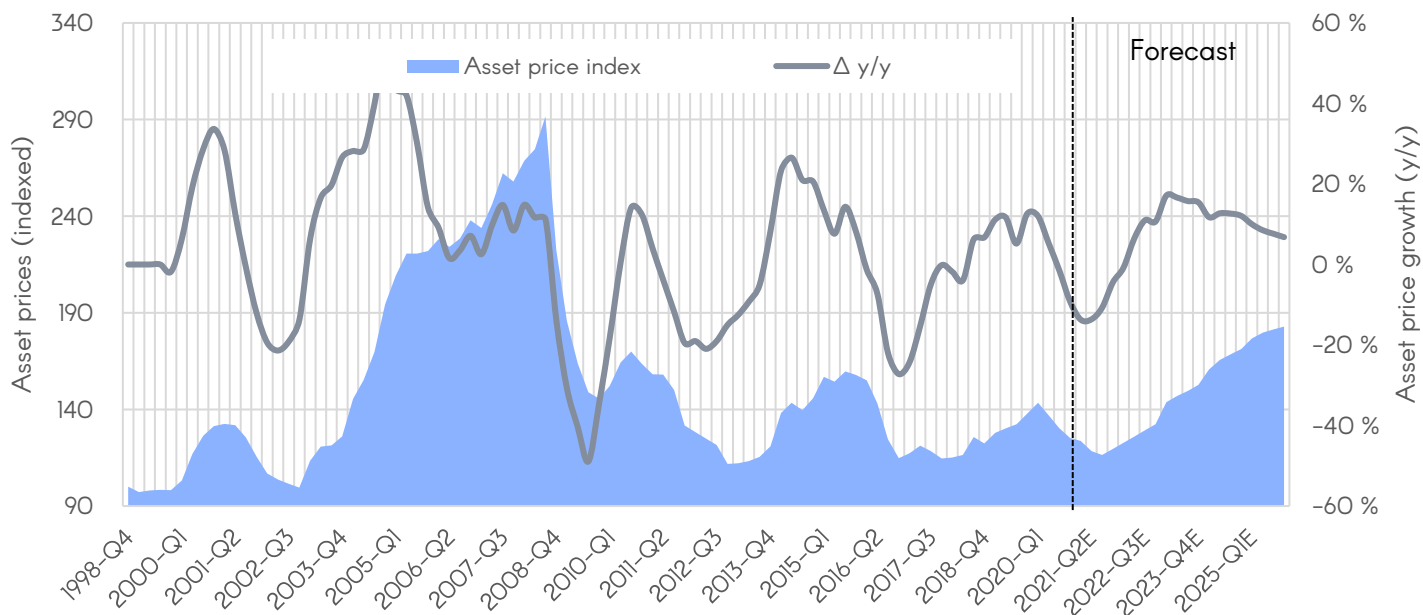


Cleaves' oil tanker share index vs 5y VLCC



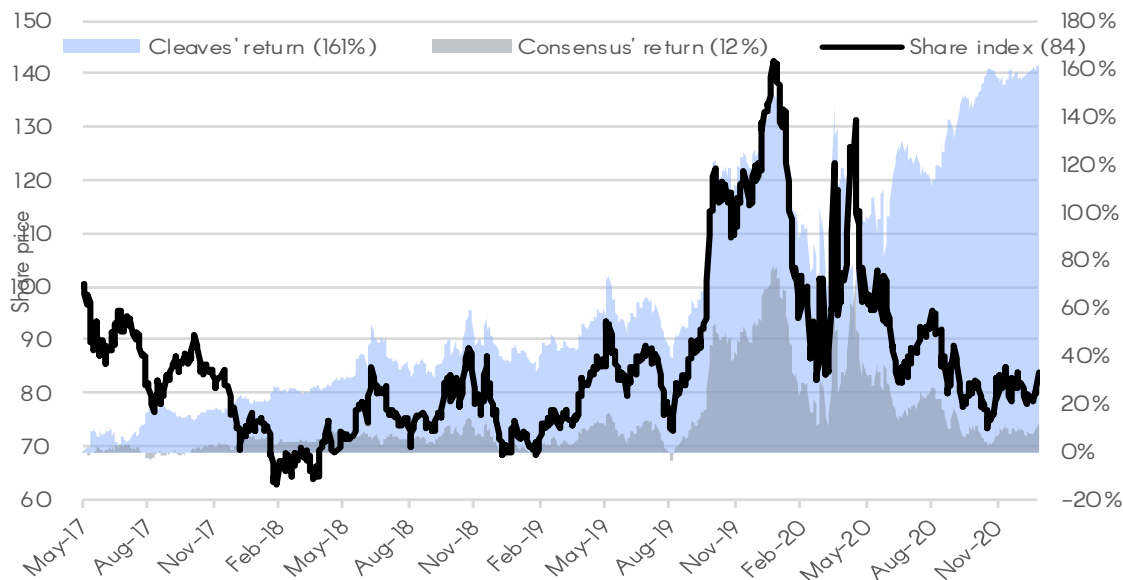


Cleaves' oil tanker asset price index



Since we reinitiated coverage on Oil Tankers in May 2017, we have a 161% return on our recommendations vs the market at -16% and consensus at +12%.

Cleaves' return vs consensus and our oil tanker index



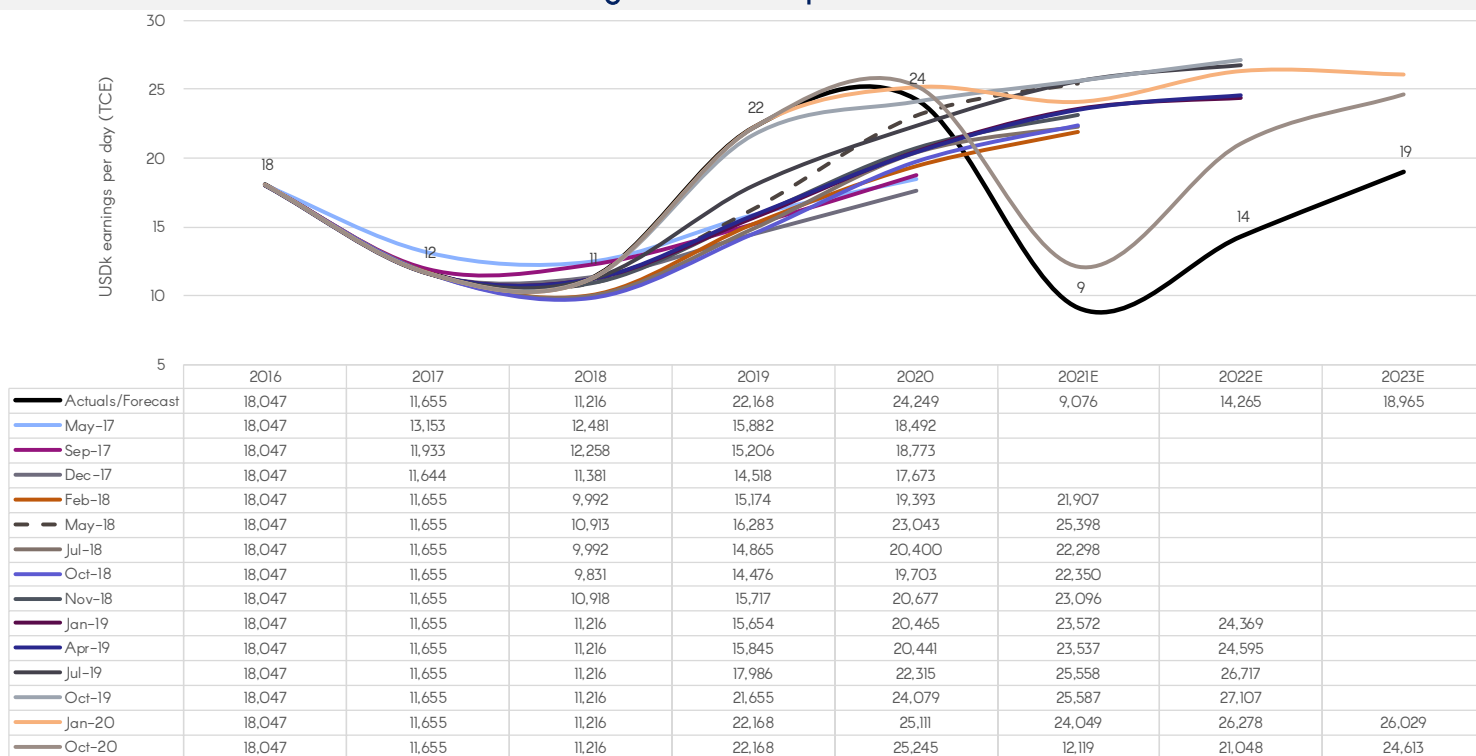


Cleaves Securities

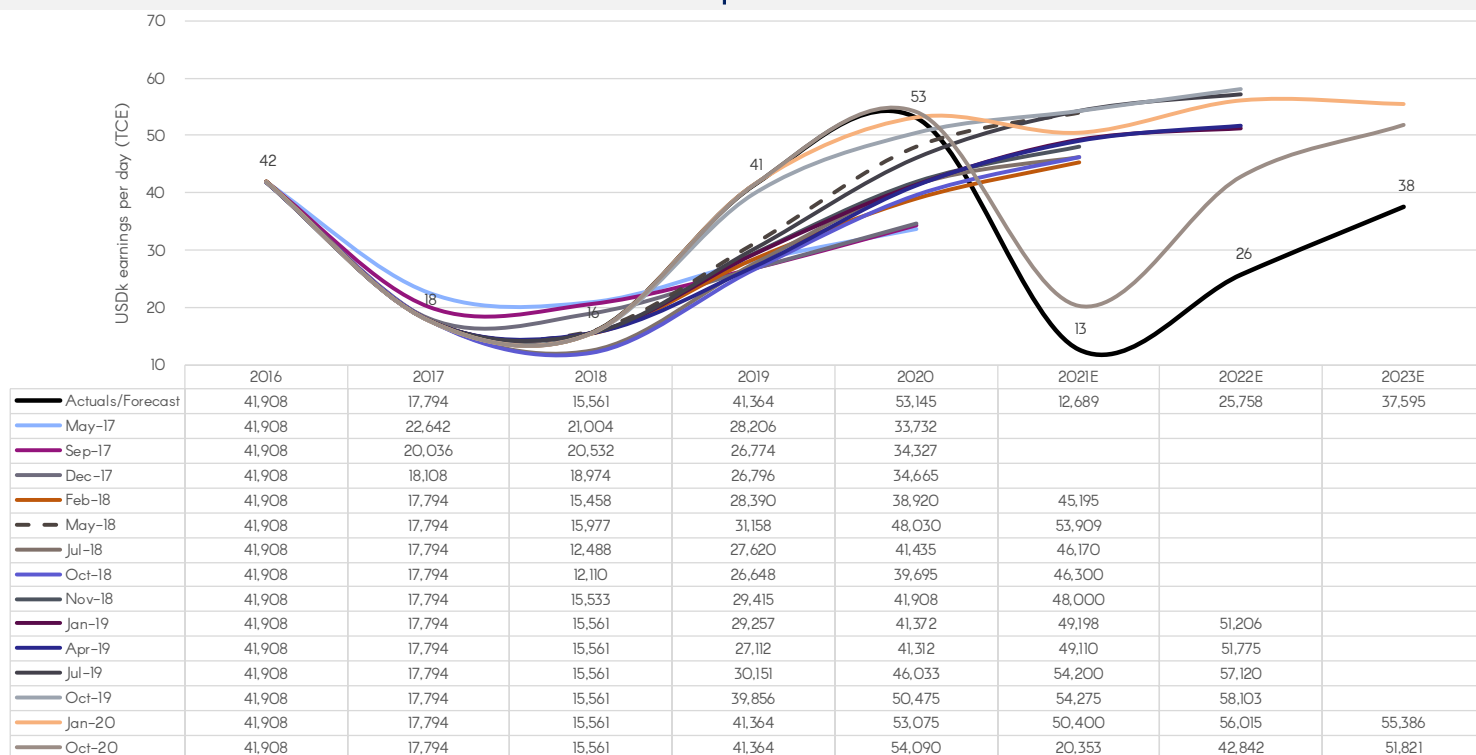
Oil Tankers SELL

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

Cleaves' historical average oil tanker spot rate forecasts vs actuals



Cleaves' historical VLCC spot rate forecasts vs actuals





Cleaves Securities

Oil Tankers SELL

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

Changes to our econometric model

New Demand/Supply (mDWT)																	
Oil Tankers, base case																	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	22	26	37	32	35	28	17	11	12	26	33	24	32	18	26	21	22
Scrapping ¹	(3)	(4)	(7)	(11)	(9)	(11)	(11)	(7)	(2)	(2)	(11)	(20)	(3)	(3)	(13)	(11)	(9)
Other ¹	1	(6)	(1)	(6)	(1)	0	3	3	5	6	3	1	(5)	6	6	(0)	(0)
Contracting ¹	42	54	15	37	12	14	37	28	51	12	35	27	26	24	18	18	24
Supply ²	353	368	398	415	438	457	472	475	487	511	541	548	570	590	612	623	633
Δ y/y	6.0%	4.1%	8.3%	4.1%	5.5%	4.6%	3.2%	0.7%	2.6%	4.8%	5.9%	1.3%	4.0%	3.5%	3.6%	1.8%	1.5%
Demand ²	323	348	321	345	352	371	387	401	443	432	434	435	489	506	474	510	537
Δ y/y	4.4%	7.9%	-7.7%	7.5%	2.1%	5.2%	4.4%	3.6%	10.5%	-2.5%	0.6%	0.1%	12.5%	3.5%	-6.4%	7.5%	5.3%
Utilization ²	91%	95%	81%	83%	81%	81%	82%	84%	91%	85%	80%	79%	86%	86%	77%	82%	85%
Oil Tankers ² (TCE)	32,769	43,115	12,734	15,537	12,007	12,558	13,626	17,930	31,036	18,047	11,655	11,216	22,168	24,249	9,076	14,265	18,965
VLCC, spot ² (TCE)	58,795	97,152	28,434	34,060	18,596	21,187	18,621	30,015	64,846	41,908	17,794	15,561	41,364	53,145	12,689	25,758	37,595
Suezmax, spot ² (TCE)	43,437	73,863	25,733	27,864	18,432	16,908	15,511	27,791	46,713	27,799	15,436	16,466	31,560	30,240	10,600	19,080	26,761
Aframax, spot ² (TCE)	33,311	50,010	14,370	17,690	12,378	12,541	14,131	24,705	37,977	23,142	13,873	16,175	26,225	22,161	10,087	16,007	21,370
MR, spot ² (TCE)	23,669	21,168	9,176	10,692	10,638	10,589	13,277	12,360	21,405	12,166	10,220	8,750	13,740	15,251	8,558	11,277	13,740
VLCC, 5y ² (USDm)	126	142	85	87	77	63	56	74	81	68	62	62	67	67	61	68	80
Suezmax, 5y ² (USDm)	90	95	61	62	54	45	40	50	60	49	41	41	46	46	40	45	53
Aframax, 5y ² (USDm)	68	71	44	44	39	31	29	39	46	36	30	31	36	37	32	35	41
MR, 5y ² (USDm)	50	50	29	27	29	25	26	27	28	25	24	25	27	27	24	23	25
OB ²	159	176	153	130	107	70	56	71	86	90	70	71	58	51	51	45	46
OB/Fleet ²	45%	48%	38%	31%	24%	15%	12%	15%	18%	18%	13%	13%	10%	9%	8%	7%	7%
Share Index ²	630	587	401	442	298	158	131	176	222	169	172	149	185	195	144	192	276
*Sum during period *Average during period																	

Old Demand/Supply (mDWT)																	
Oil Tankers, base case																	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	22	26	37	32	35	28	17	11	12	26	33	24	32	21	22	16	18
Scrapping ¹	(3)	(4)	(7)	(11)	(9)	(11)	(11)	(7)	(2)	(2)	(11)	(20)	(3)	(4)	(12)	(9)	(8)
Other ¹	1	(6)	(1)	(6)	(1)	0	2	3	5	6	3	1	(5)	6	(0)	0	0
Contracting ¹	42	54	15	37	12	14	37	28	51	12	35	27	25	16	18	29	33
Supply ²	354	369	399	416	439	458	473	475	488	511	542	549	571	591	605	613	621
Δ y/y	5.9%	4.1%	8.2%	4.1%	5.5%	4.5%	3.1%	0.6%	2.6%	4.8%	6.0%	1.3%	4.0%	3.6%	2.2%	1.4%	1.2%
Demand ²	324	349	322	346	353	371	387	401	443	432	435	435	490	513	483	526	543
Δ y/y	4.4%	7.8%	-7.7%	7.4%	2.1%	5.1%	4.3%	3.6%	10.5%	-2.5%	0.6%	0.1%	12.5%	4.8%	-5.9%	8.8%	3.3%
Utilization ²	91%	95%	81%	83%	81%	81%	82%	84%	91%	85%	80%	79%	86%	87%	80%	86%	87%
Oil Tankers ² (TCE)	32,769	43,115	12,734	15,537	12,007	12,558	13,626	17,930	31,036	18,047	11,655	11,216	22,168	25,245	12,119	21,048	24,613
VLCC, spot ² (TCE)	58,795	97,152	28,434	34,060	18,596	21,187	18,621	30,015	64,846	41,908	17,794	15,561	41,364	54,090	20,353	42,842	51,821
Suezmax, spot ² (TCE)	43,437	73,863	25,733	27,864	18,432	16,908	15,511	27,791	46,713	27,799	15,436	16,466	31,560	32,330	15,573	30,165	35,991
Aframax, spot ² (TCE)	33,311	50,010	14,370	17,690	12,378	12,541	14,131	24,705	37,977	23,142	13,873	16,175	26,225	23,991	13,559	23,747	27,814
MR, spot ² (TCE)	23,669	21,168	9,176	10,692	10,638	10,589	13,277	12,360	21,405	12,166	10,220	8,750	13,740	16,121	10,153	14,831	16,699
VLCC, 5y ² (USDm)	126	142	85	87	77	63	56	74	81	68	62	62	67	67	62	83	100
Suezmax, 5y ² (USDm)	90	95	61	62	54	45	40	50	60	49	41	41	46	46	41	54	65
Aframax, 5y ² (USDm)	68	71	44	44	39	31	29	39	46	36	30	31	36	37	32	42	51
MR, 5y ² (USDm)	50	50	29	27	29	25	26	27	28	25	24	25	27	27	24	27	30
OB ²	159	176	153	130	107	70	56	71	86	90	70	71	58	50	42	44	59
OB/Fleet ²	45%	48%	38%	31%	24%	15%	12%	15%	18%	18%	13%	13%	10%	8%	7%	7%	10%
Share Index ²	630	587	401	442	298	158	131	176	222	169	172	149	185	195	160	296	413
*Sum during period *Average during period																	

Δ Demand/Supply (mDWT)																	
Oil Tankers, base case																	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	(3.0)	4.3	5.4	3.6
Scrapping ¹	-	-	-	-	-	-	-	-	-	-	-	0.1	0.0	1.6	(1.4)	(1.9)	(1.3)
Other ¹	0.0	(0.0)	(0.0)	0.0	0.3	(0.0)	0.6	0.2	(0.3)	0.0	(0.3)	0.0	0.0	0.1	5.8	(0.0)	(0.0)
Contracting ¹	(0.0)	0.0	(0.0)	-	-	-	(0.0)	0.0	0.0	0.0	(0.1)	(0.1)	0.6	7.7	0.2	(10.6)	(8.9)
Supply ²	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(0.8)	(0.4)	(0.1)	(0.2)	(0.3)	(0.5)	(0.5)	(0.5)	(1.0)	7.2	9.6	12.0
Δ y/y	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	1.4%	0.4%	0.4%
Demand ²	(0.9)	(1.0)	(0.8)	(0.9)	(0.8)	(0.6)	(0.3)	(0.1)	(0.1)	(0.3)	(0.4)	(0.4)	(0.5)	(7.0)	(9.2)	(16.0)	(6.3)
Δ y/y	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.3%	-0.5%	-1.3%	2.0%
Utilization ²	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%	-2.4%	-3.9%	-2.7%
Oil Tankers ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	-	(996)	(3,043)	(6,783)	(5,648)
VLCC, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	-	(945)	(7,665)	(17,084)	(14,226)
Suezmax, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,090)	(4,973)	(11,085)	(9,230)
Aframax, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,829)	(3,472)	(7,739)	(6,445)
MR, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	-	(870)	(1,594)	(3,554)	(2,959)
VLCC, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15)	(20)	(20)
Suezmax, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(9)	(12)
Aframax, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	(8)	(10)
MR, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	(4)	(5)
OB ²	0	0	0	0	0	0	(0)	0	0	0	(0)	(0)	0	2	9	1	(13)
OB/Fleet ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	-2%
Share Index ²	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)	(16)	(104)	(137)
*Sum during period *Average during period																	

Demand/Supply (mDWT)																		
Oil Tankers, base case																		
	2007	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%	-14%	20%	35%	20%	
Scrapping ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-36%	12%	21%	16%	
Other ¹	1%	0%	0%	0%	0%	-23%	-1%	30%	6%	-6%	0%	-11%	0%	0%	1%	#####	-145%	-200%
Contracting ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	2%	48%	1%	-37%	-27%	
Supply ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	2%	2%
Δ y/y	0%	0%	0%	0%	1%	1%	3%	9%	0%	-1%	0%	-1%	0%	-2%	62%	27%	30%	
Demand ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-2%	-3%	-1%	
Δ y/y	1%	0%	0%	0%	1%	1%	2%	2%	0%	1%	-4%	-13%	0%	-28%	9%	-15%	61%	
Utilization ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-1%	-3%	-5%	-3%	
Oil Tankers ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-4%	-25%	-32%	-23%	
VLCC, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-2%	-38%	-40%	-27%	
Suezmax, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-6%	-32%	-37%	-26%	
Aframax, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-8%	-26%	-33%	-23%	
MR, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-5%	-16%	-24%	-18%	
VLCC, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-2%	-18%	-20%	
Suezmax, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-2%	-17%	-19%	
Aframax, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	-18%	-19%	
MR, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-14%	-17%	
OB ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	21%	2%	-22%	
OB/Fleet ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Share Index ²																		
¹ Sum during period ² Average during period																		



Asset Valuation

Asset valuation overview

Summary	VLCC	Suezmax	Aframax	LR2	LRI	MR	SR
NB	86.0	56.5	47.0	49.0	42.5	34.0	32.0
resale	88.0	57.5	48.0	50.0	43.5	35.0	33.0
5y	61.5	41.5	34.5	36.0	30.0	25.5	23.0
10y	41.0	29.0	22.5	23.5	19.0	16.5	14.0
15y	29.0	20.0	15.0	16.0	12.0	10.5	8.5
20y	21.0	12.8	9.7	10.2	7.7	7.2	5.1
scrap	17.0	9.1	7.1	7.1	5.4	5.0	3.3

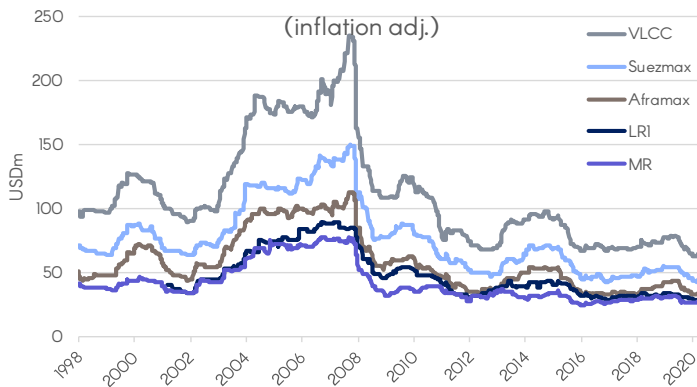
All prices are excluding scrubbers

NB parity 30,345 22,329 18,864 19,393 17,222 14,732 13,493

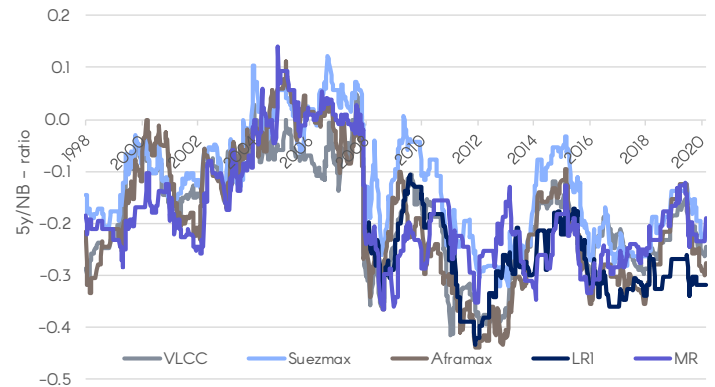
Changes to asset valuation overview

Changes	VLCC	Suezmax	Aframax	LR2	LRI	MR	SR
NB	0.5	0.5	0.5	0.5	0.0	0.0	0.0
resale	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5y	-1.0	-1.5	0.0	0.0	0.0	0.0	0.0
10y	0.5	0.0	0.0	0.0	0.0	0.0	0.0
15y	1.0	-0.5	0.0	0.0	0.0	0.0	0.0
20y	0.3	-0.4	0.1	0.1	0.1	0.1	0.0
scrap	2.3	1.2	0.9	0.9	0.7	0.7	0.4

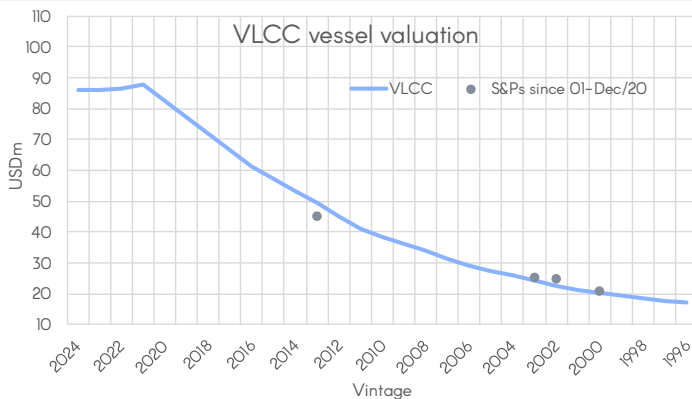
Historical 5y old vessel values



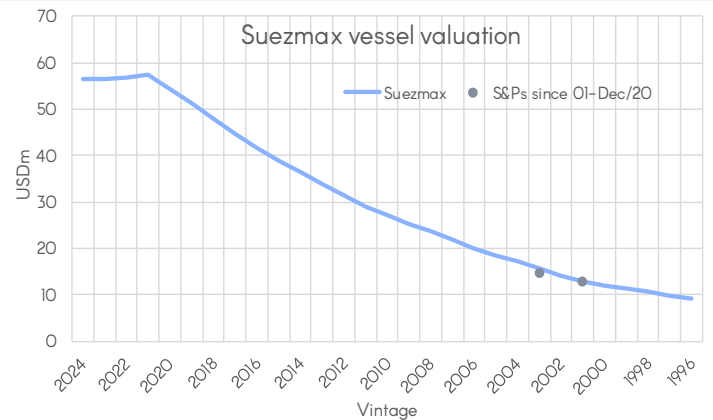
Historical price ratio, 5y/newbuild



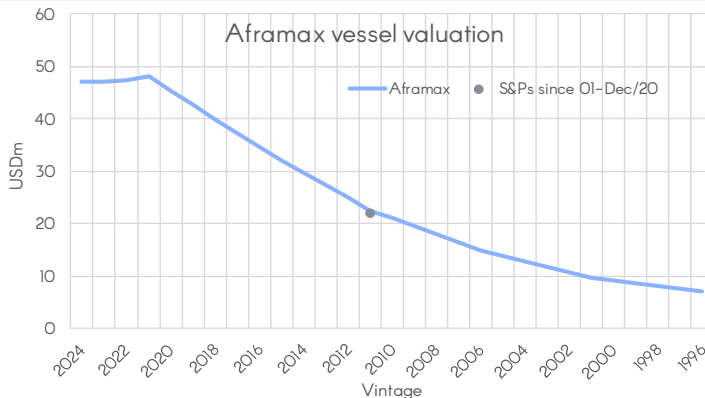
VLCC valuation vs recent S&P



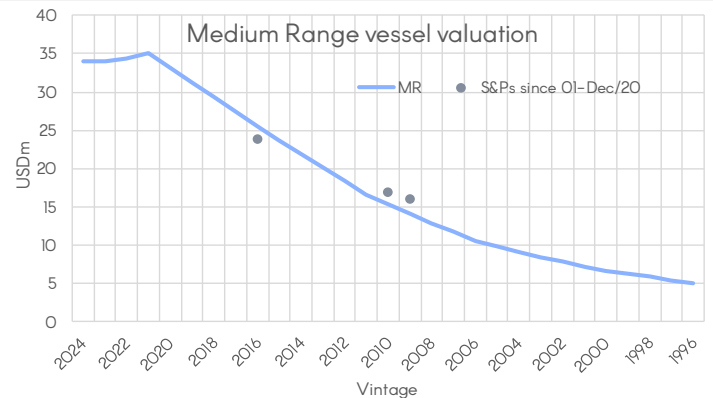
Suezmax valuation vs recent S&P



Aframax valuation vs recent S&P



MR valuation vs recent S&P





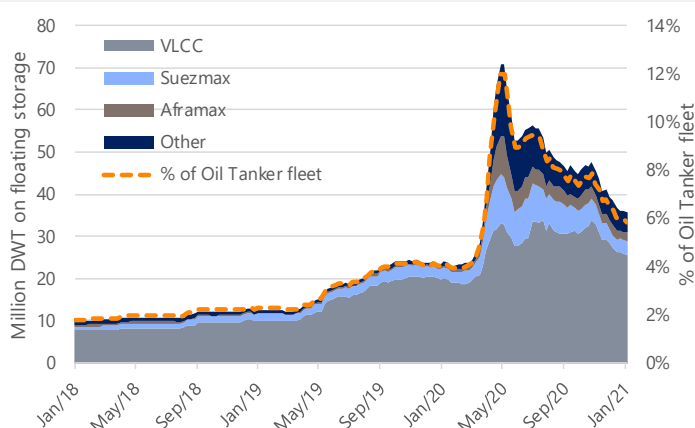
Oil Tanker Storage Economics

VLCC & Suezmax floating storage economics

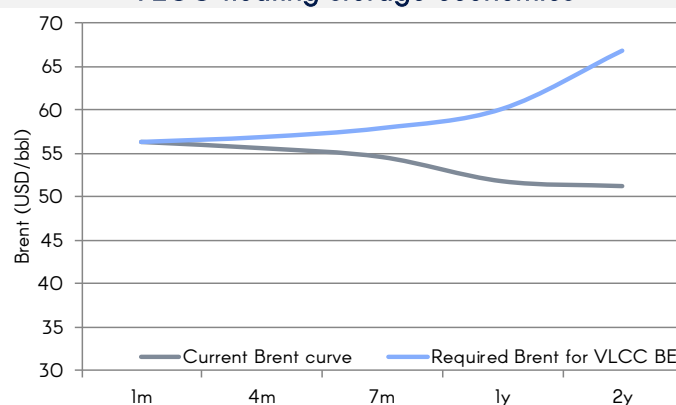
Crude tanker storage arbitrage (excl. cost of carry)

	1m	4m	7m	1y	2y
Brent (USD/bbl)	56.3	55.6	54.6	51.8	51.2
Time-spread against 1m		-0.7	-1.7	-4.5	-5.1
Profit/loss from storage at current rates (USDm)					
VLCC		-2.7	-7.0	-17.5	-32.9
Suezmax		-0.9	-3.4	-10.0	-21.6
Required Brent fwd price for VLCC break-even					
Brent (USD/bbl)	56.3	56.8	57.9	60.1	66.9
Time-spread against 1m		0.6	1.6	3.8	10.6
Required tanker rates for storage to break-even					
VLCC		(16,349)	(19,860)	(28,228)	(15,182)
Suezmax		(7,785)	(9,457)	(13,442)	(7,230)

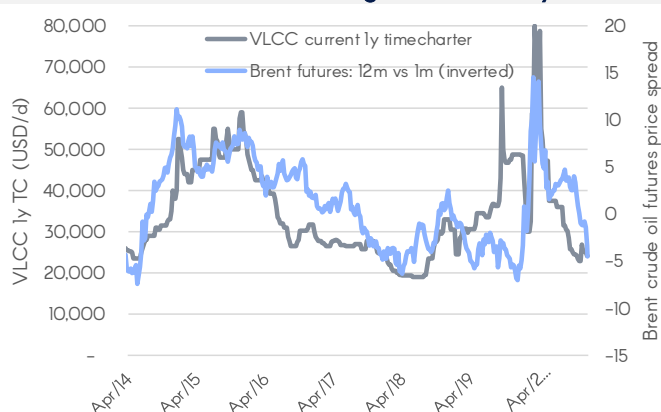
Oil Tanker floating storage



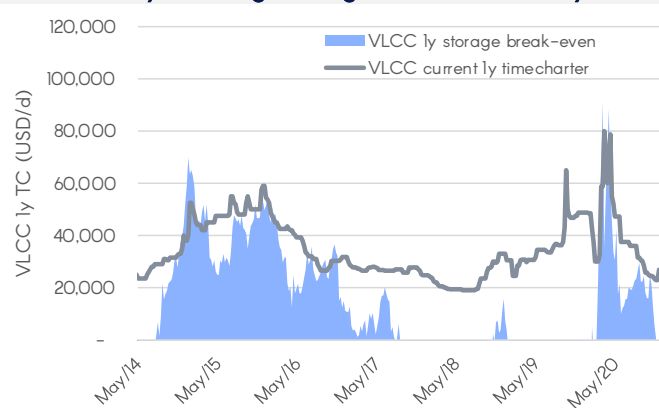
VLCC floating storage economics



Brent oil futures contango vs VLCC 1y TC



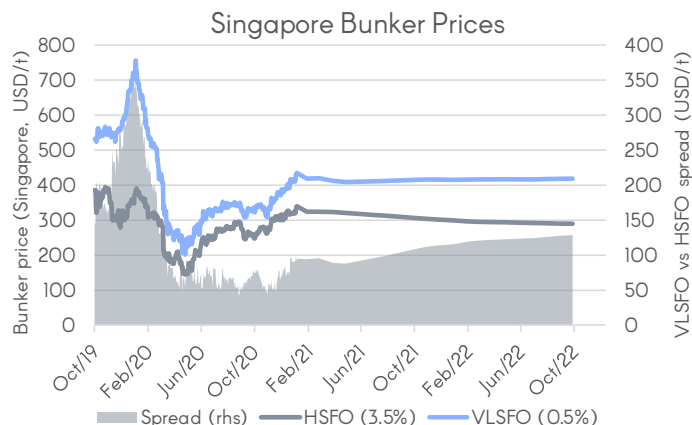
VLCC 1y floating storage breakeven vs 1y TC



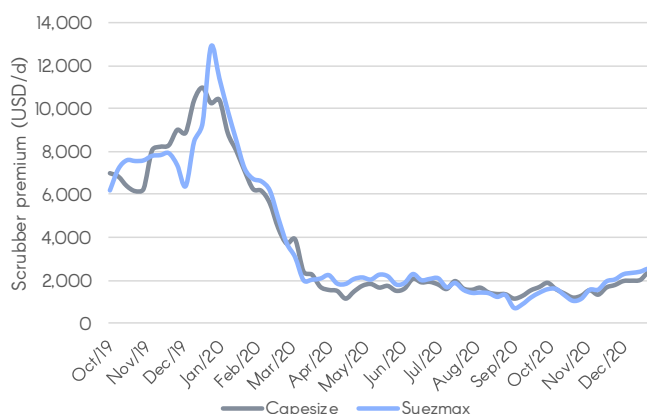


IMO 2020 Sulphur Regulations

VLSFO vs HSFO in Singapore: Spot & futures



Scrubber premium for selected vessel classes



Scrubber economics

Dry bulk scrubber economics (2010-built)

(USDm)	Capesize	Kamsarmax	Supramax
Cost of scrubber installation	-2.8	-2.6	-2.6
Offhire "cost"	-0.7	-0.6	-0.5
Annual savings	0.6	0.3	0.2
Payback time (years)	5.6	11.0	13.0
VLSFO/HSFO spread from futures market	101		
Fuel consumption per day at sea, 2010-built (t)	43	24	22
Voyage days per annum	250	225	200
Scrubber running costs* (USD per calendar day)	-1,274	-675	-578
Savings per day at sea (USD/d)	2,471	1,271	1,161
Savings per calendar day (USD/d)	1,692	784	636

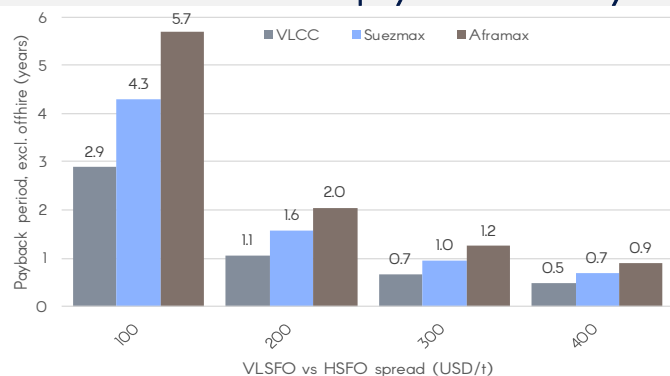
* Reflects added energy consumption & maintenance capex

Oil tanker scrubber economics (2010-built)

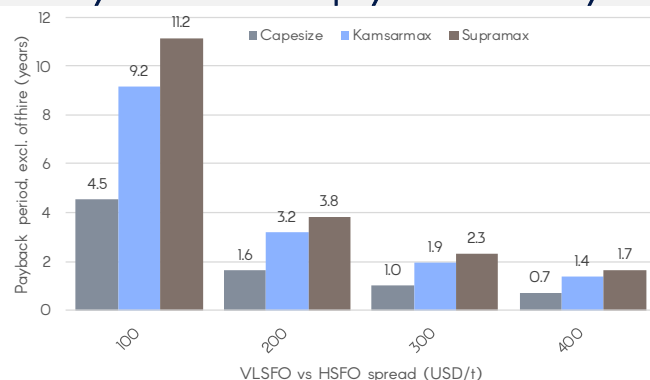
(USDm)	VLCC	Suezmax	Aframax
Cost of scrubber installation	-3.2	-3.1	-2.9
Offhire "cost"	-0.4	0.1	-0.2
Annual savings	1.1	0.7	0.5
Payback time (years)	3.2	4.1	6.0
VLSFO/HSFO spread from futures market	101		
Fuel consumption per day at sea, 2010-built (t)	65	45	35
Voyage days per annum	292	276	260
Scrubber running costs* (USD per calendar day)	-2,176	-1,457	-1,093
Savings per day at sea (USD/d)	3,827	2,605	1,990
Savings per calendar day (USD/d)	3,061	1,970	1,418

* Reflects added energy consumption & maintenance capex

Oil tankers: Scrubber payback sensitivity



Dry bulk: Scrubber payback sensitivity



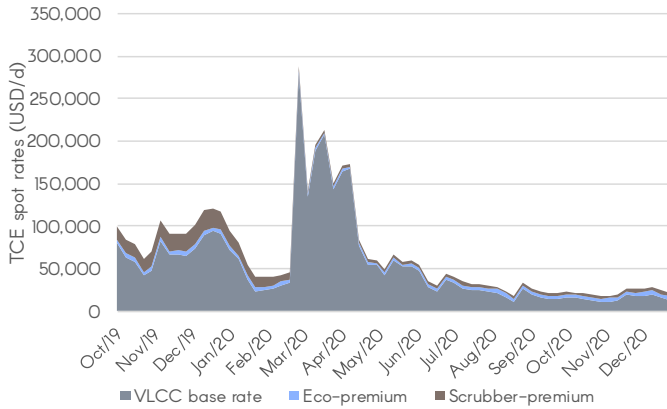


Cleaves Securities

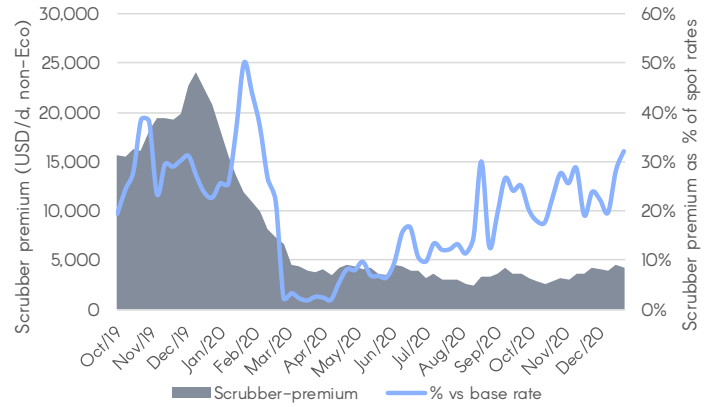
Oil Tankers SELL

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

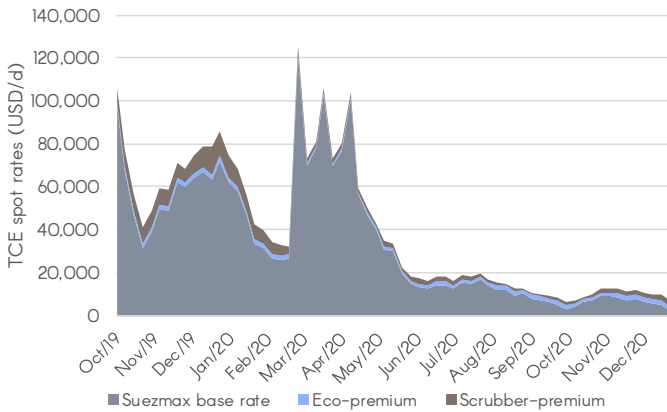
VLCC spot rate breakdown



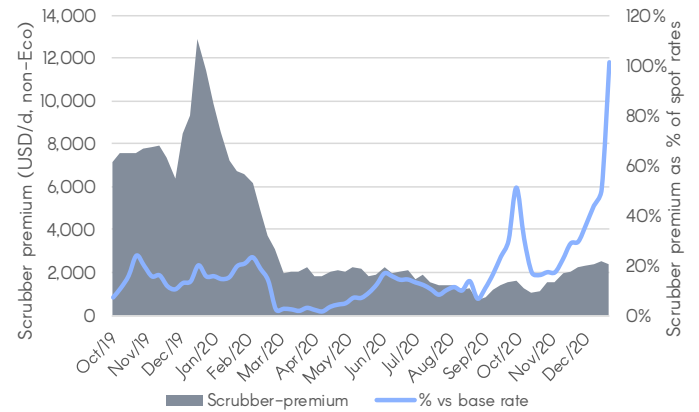
VLCC spot rate scrubber premium



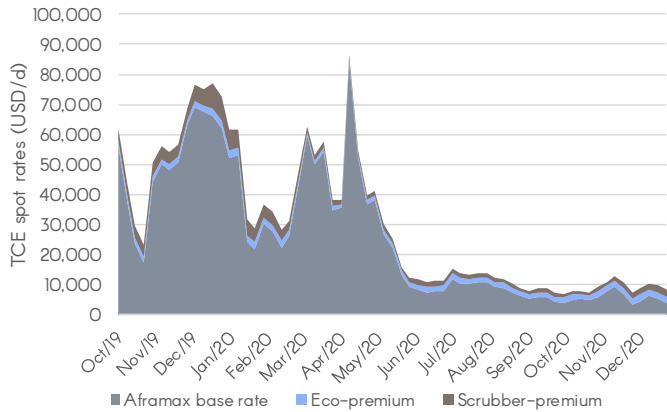
Suezmax spot rate breakdown



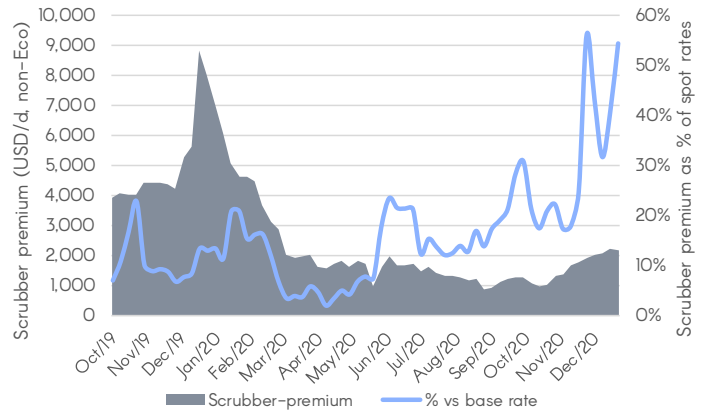
Suezmax spot rate scrubber premium



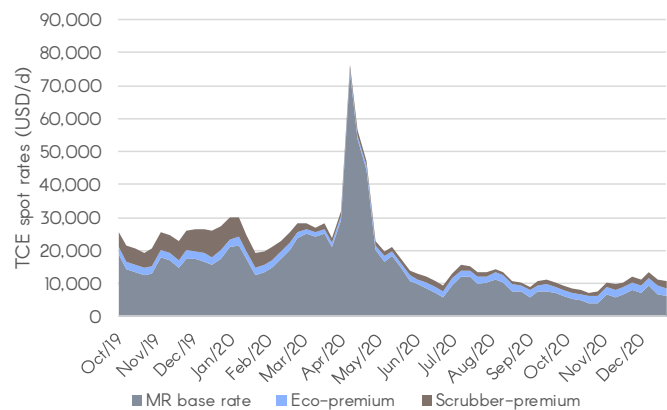
Aframax spot rate breakdown



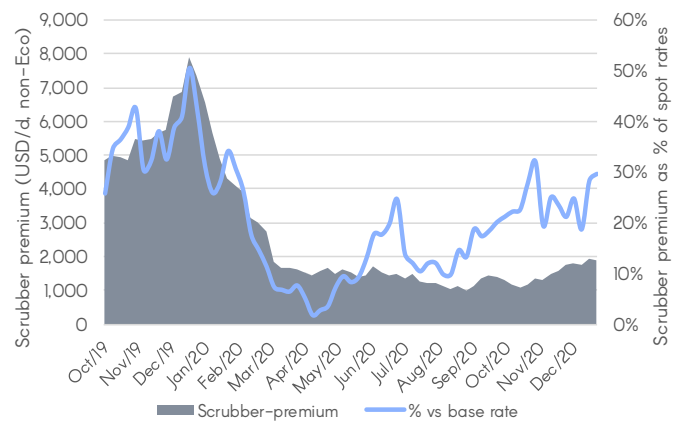
Aframax spot rate scrubber premium



MR spot rate breakdown



MR spot rate scrubber premium





Generic Shipping Accounting

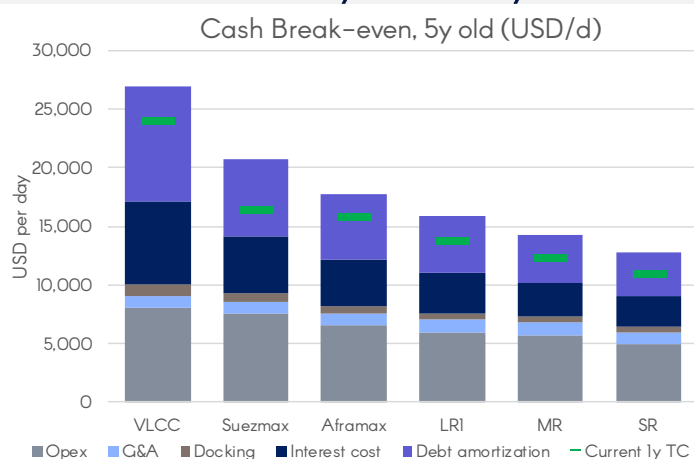
Current vessel economics (5y old)

Current vessel economics (5y old)						
Profit & Loss (USDm)	VLCC	Suezmax	Aframax	LRI	MR	SR
Revenue	8.7	5.9	5.7	5.0	4.5	4.0
Opex/G&A	-3.3	-3.1	-2.7	-2.6	-2.5	-2.2
EBITDA	5.4	2.8	3.0	2.4	2.0	1.8
Depreciation	-2.2	-1.6	-1.4	-1.2	-1.0	-1.0
EBIT	3.2	1.2	1.6	1.2	1.0	0.8
Financials (6% pa)	-2.6	-1.7	-1.4	-1.3	-1.1	-1.0
Net profit	0.6	-0.5	0.2	-0.1	-0.1	-0.2
Balance (USDm)	VLCC	Suezmax	Aframax	LRI	MR	SR
Asset (5y)	61.5	41.5	34.5	30.0	25.5	23.0
Equity (30%)	18.5	12.5	10.4	9.0	7.7	6.9
Debt (70%)	43.1	29.1	24.2	21.0	17.9	16.1
Cash Flow (USDm)	VLCC	Suezmax	Aframax	LRI	MR	SR
Net profit	0.6	-0.5	0.2	-0.1	-0.1	-0.2
Depreciation	2.2	1.6	1.4	1.2	1.0	1.0
Operational CF	2.8	1.1	1.5	1.2	0.9	0.8
Docking accruals	-0.4	-0.3	-0.3	-0.2	-0.2	-0.1
Debt repayments	-3.6	-2.4	-2.0	-1.8	-1.5	-1.3
Net Cash Flow	-1.1	-1.6	-0.7	-0.8	-0.7	-0.7
Key Ratios	VLCC	Suezmax	Aframax	LRI	MR	SR
EV/EBITDA	11.4	14.6	11.6	12.3	12.8	13.0
EV/EBIT	19.4	34.0	21.5	24.8	26.4	29.3
P/E	31.1	-23.8	66.2	-179.1	-72.3	-38.3
ROE	3%	-4%	2%	-1%	-1%	-3%
ROCE	5%	3%	5%	4%	4%	3%
FCF yield	13%	6%	12%	11%	10%	10%
Variables	VLCC	Suezmax	Aframax	LRI	MR	SR
1y TC (USD/d)	24,125	16,500	15,875	13,875	12,375	11,000
Opex (USD/d)	-8,000	-7,500	-6,500	-6,000	-5,750	-5,000
G&A (USD/d)	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000
Docking (USD/d)	-1,000	-800	-700	-600	-500	-400

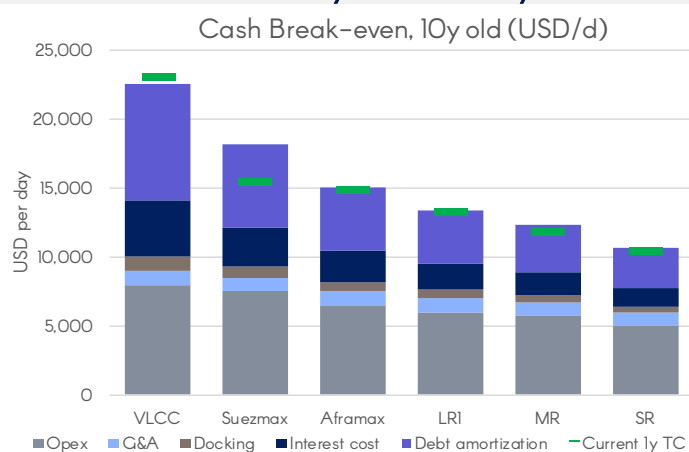
Assumptions: 25 years life, depreciated to scrap, 360 revenue days,
365 opex days, 12 years debt amortization

Cash Break-even, 5y old (USD/d)	VLCC	Suezmax	Aframax	LRI	MR	SR
Opex	8,000	7,500	6,500	6,000	5,750	5,000
G&A	1,000	1,000	1,000	1,000	1,000	1,000
Docking	1,000	800	700	600	500	400
Interest cost	7,077	4,775	3,970	3,452	2,934	2,647
Debt amortization	9,829	6,632	5,514	4,795	4,075	3,676
Cash Break-even	26,905	20,708	17,684	15,847	14,260	12,722
Current 1y TC	24,125	16,500	15,875	13,875	12,375	11,000
NB parity rate	30,345	22,329	18,864	17,222	14,732	13,493

Cash break-even vs 1y TC on a 5y old vessel

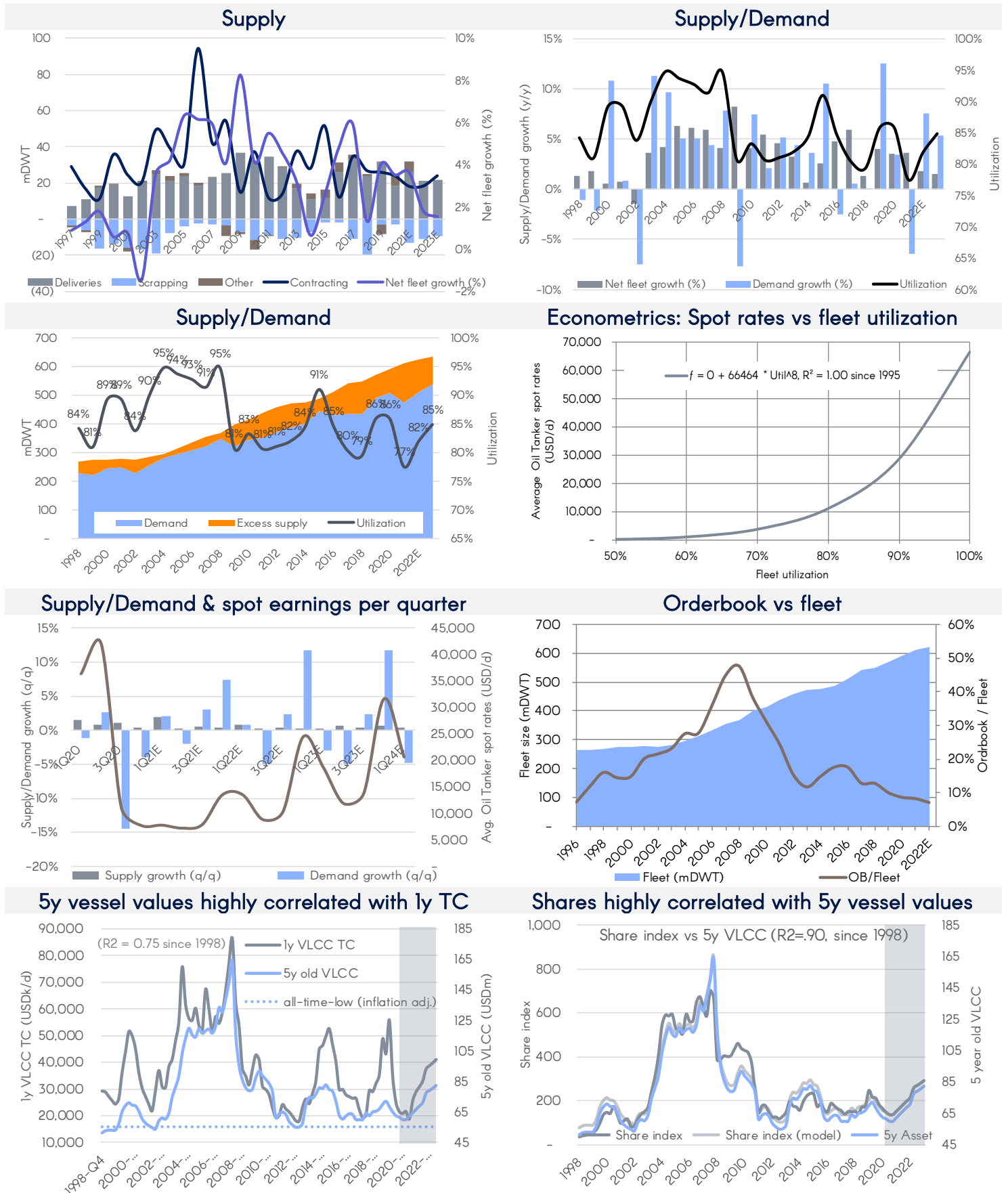


Cash break-even vs 1y TC on a 10y old vessel





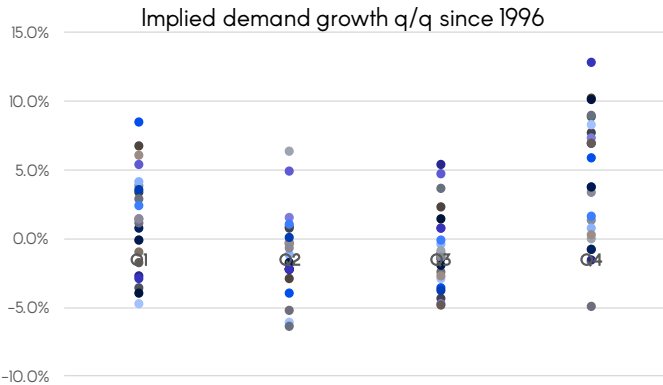
Market Fundamentals & Forecasts



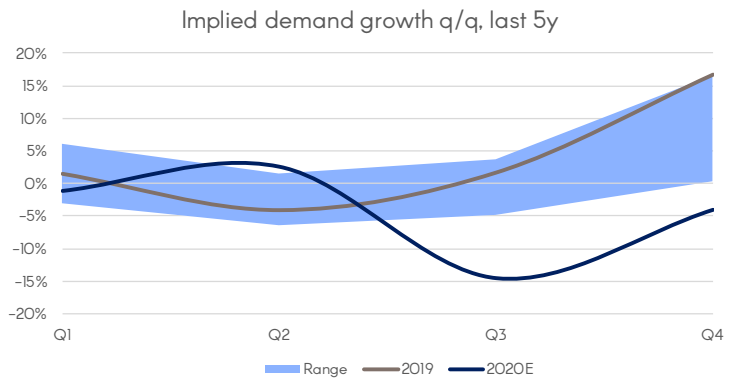


Seasonality

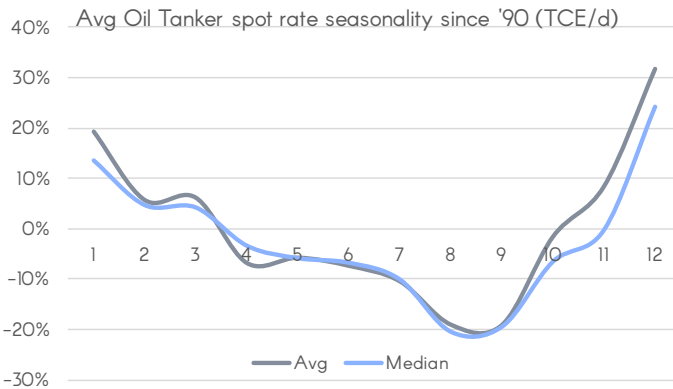
Historically strong demand growth in 4Q



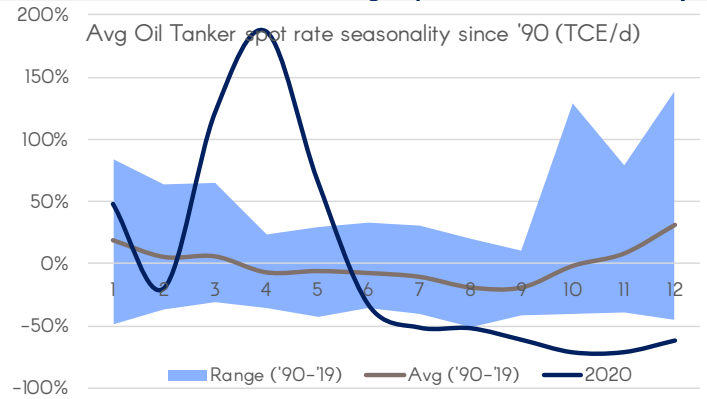
Historic demand growth vs 2019E



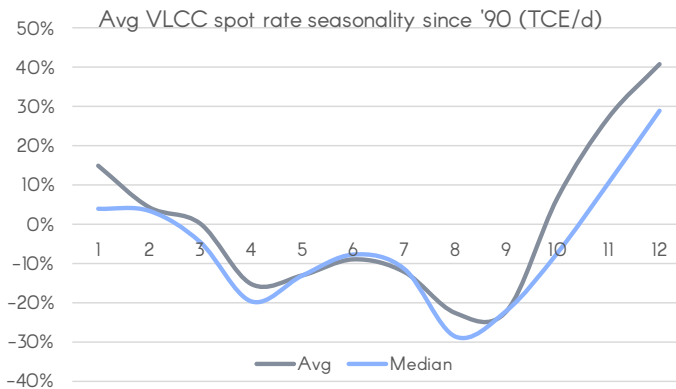
Historical Oil Tanker avg. spot rate seasonality



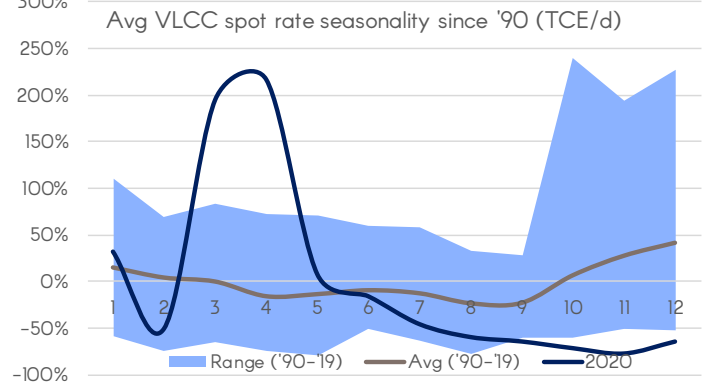
Historical Oil Tanker avg. spot rate seasonality



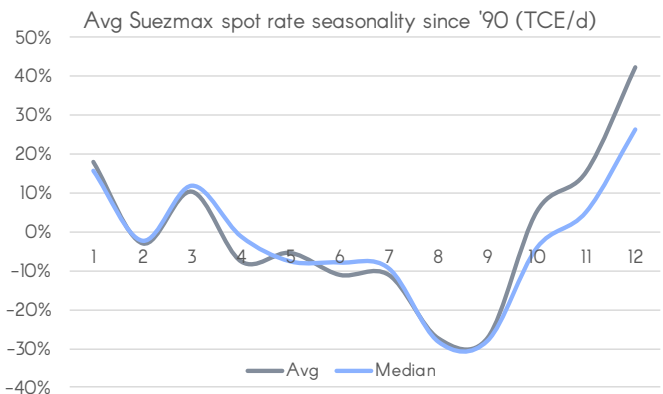
Historical VLCC spot rate seasonality



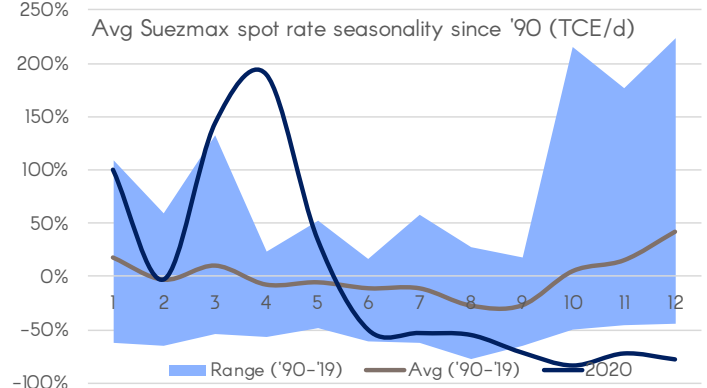
Historical VLCC spot rate seasonality



Historical Suezmax spot rate seasonality

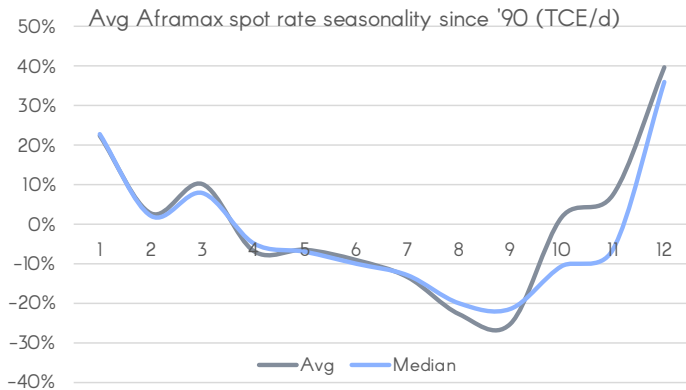


Historical Suezmax spot rate seasonality

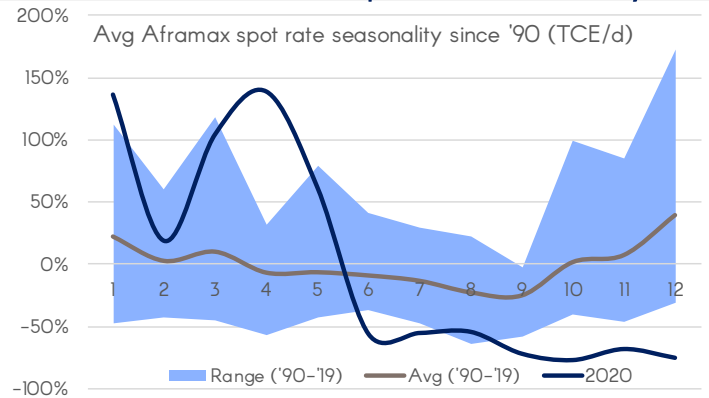




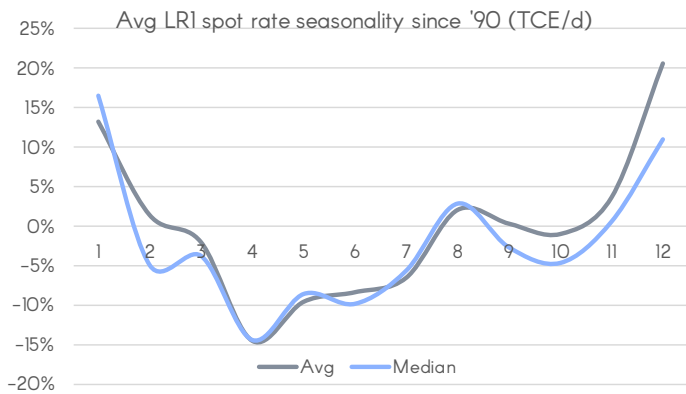
Historical Aframax spot rate seasonality



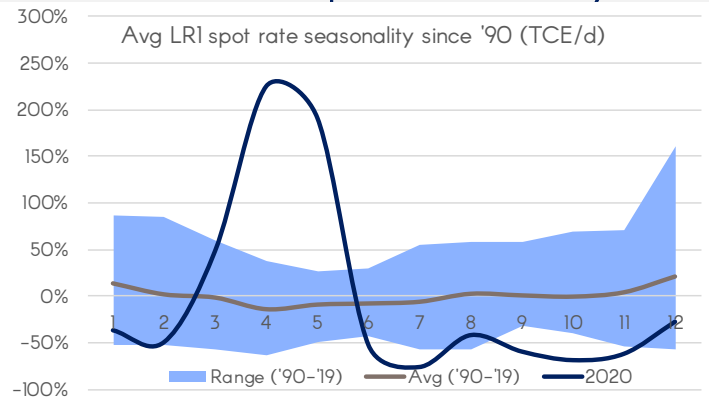
Historical Aframax spot rate seasonality



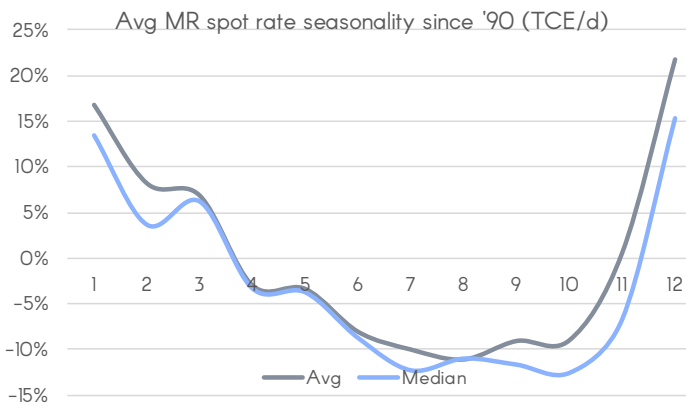
Historical LRI spot rate seasonality



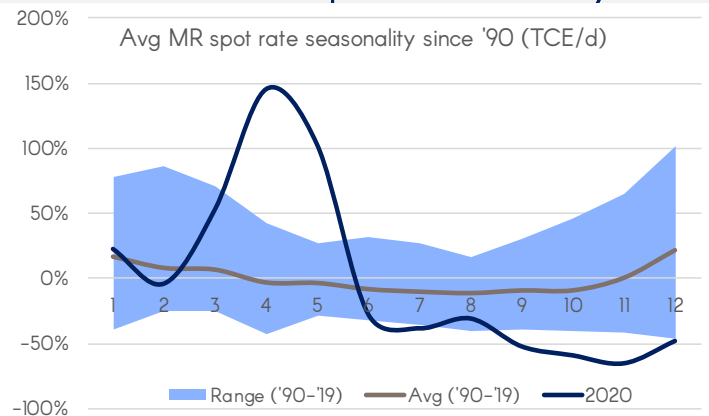
Historical LRI spot rate seasonality



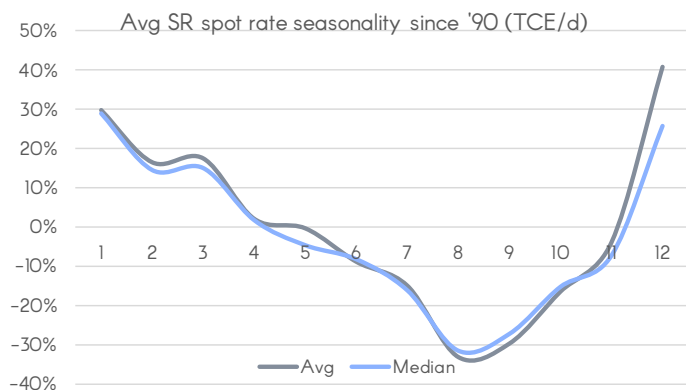
Historical MR spot rate seasonality



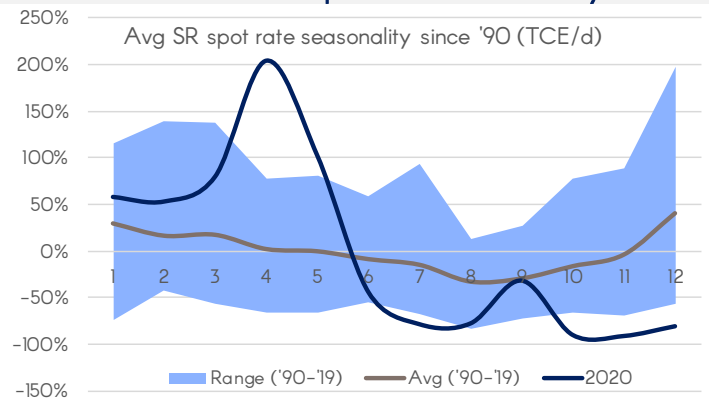
Historical MR spot rate seasonality



Historical SR spot rate seasonality



Historical SR spot rate seasonality



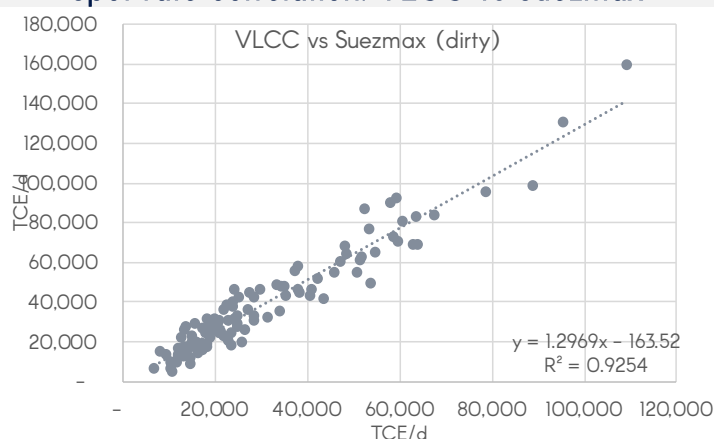


Product Tanker Dynamics

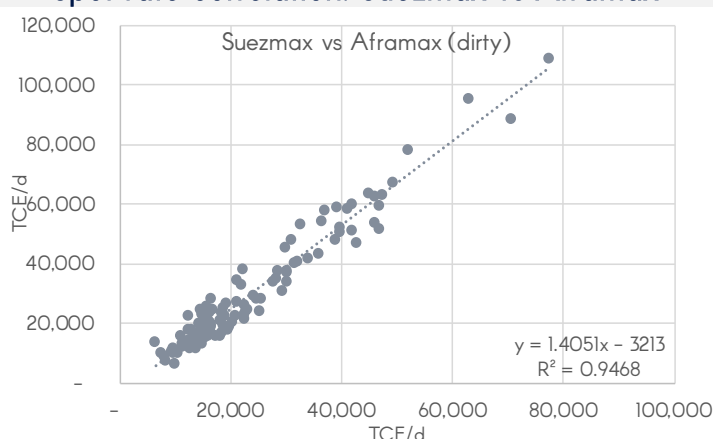
Oil Tanker spot earnings correlation matrix (quarterly since 1990)

Correlation matrix (R^2)								
	Crude/dirty tanker spot rates				Product/clean tanker spot rates			
	VLCC	Suezmax	Aframax	Panamax	LR2	LRI	MR	SR
VLCC		0.93	0.86	0.80	0.52	0.57	0.60	0.61
Suezmax	0.93		0.95	0.89	0.61	0.64	0.69	0.73
Aframax	0.86	0.95		0.91	0.66	0.70	0.74	0.78
Panamax	0.80	0.89	0.91		0.65	0.73	0.85	0.87
LR2	0.52	0.61	0.66	0.65		0.97	0.69	0.62
LRI	0.57	0.64	0.70	0.73	0.97		0.78	0.70
MR	0.60	0.69	0.74	0.85	0.69	0.78		0.88
SR	0.61	0.73	0.78	0.87	0.62	0.70	0.88	

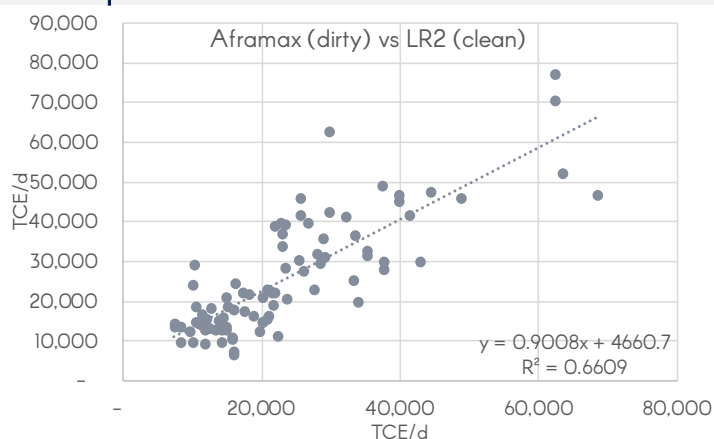
Spot rate correlation: VLCC vs Suezmax



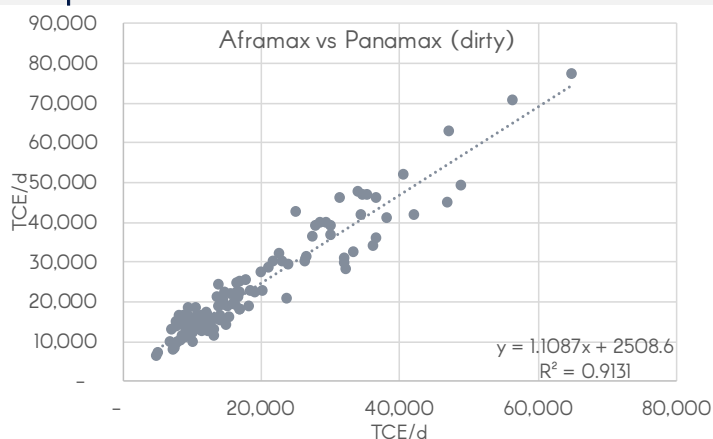
Spot rate correlation: Suezmax vs Aframax



Spot rate correlation: Aframax vs LR2



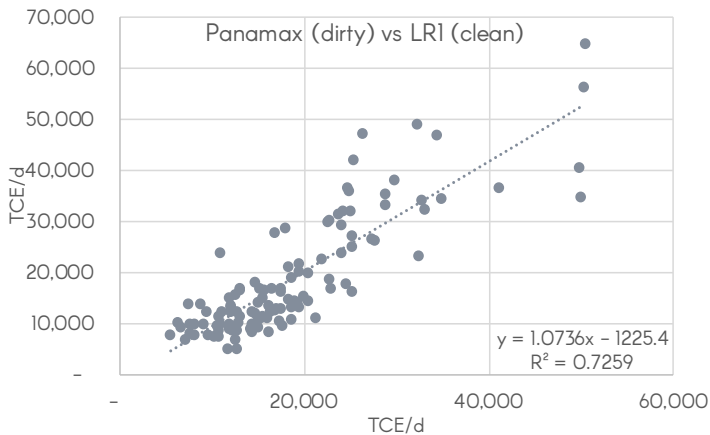
Spot rate correlation: Aframax vs Panamax



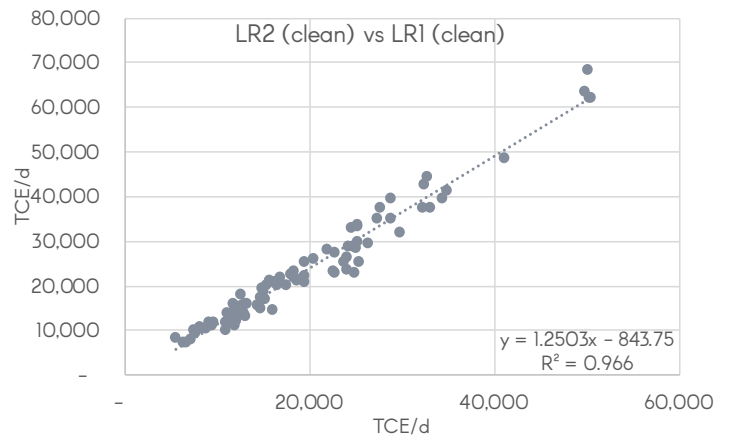


Product Tanker Dynamics (continued)

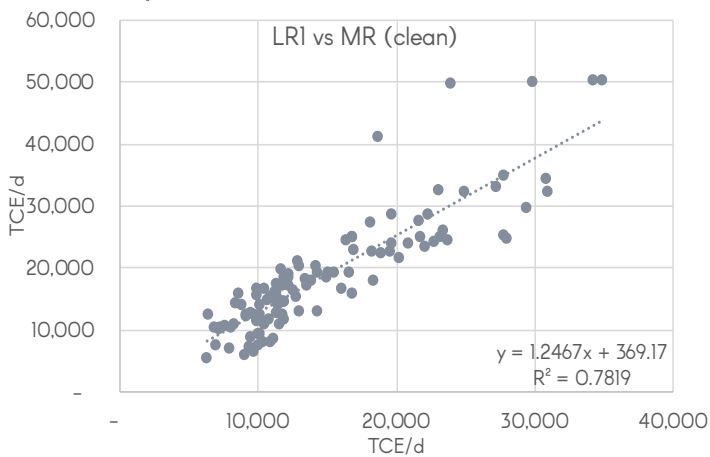
Spot rate correlation: Panamax vs LR1



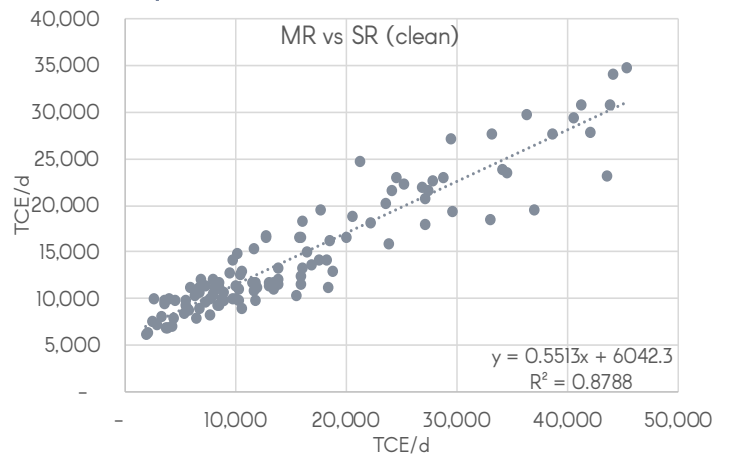
Spot rate correlation: LR2 vs LR1



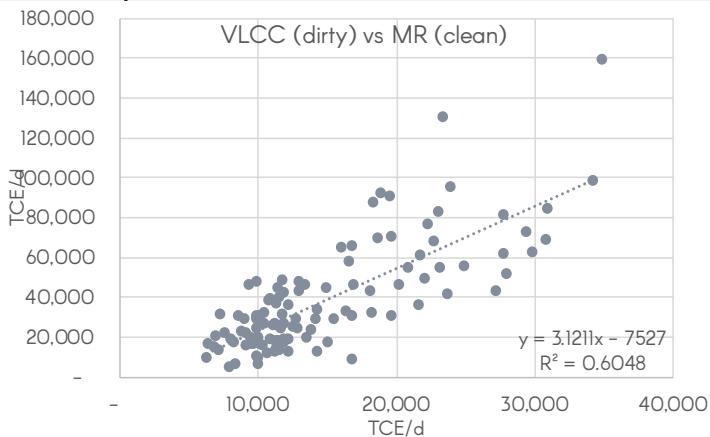
Spot rate correlation: LR1 vs MR



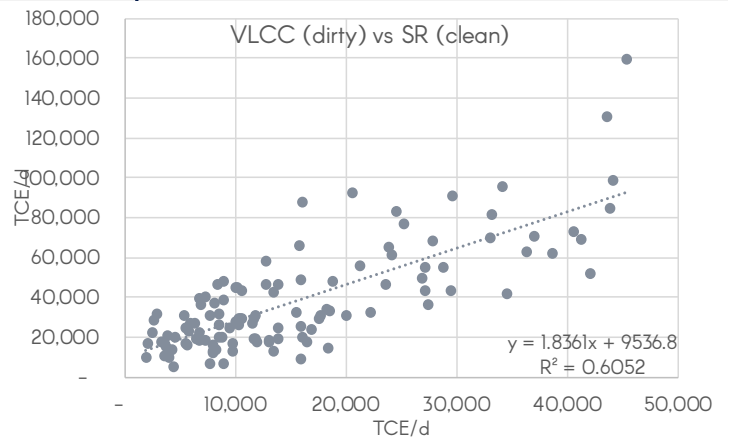
Spot rate correlation: MR vs SR



Spot rate correlation: VLCC vs MR



Spot rate correlation: VLCC vs SR



Econometric Overview

[illegible]

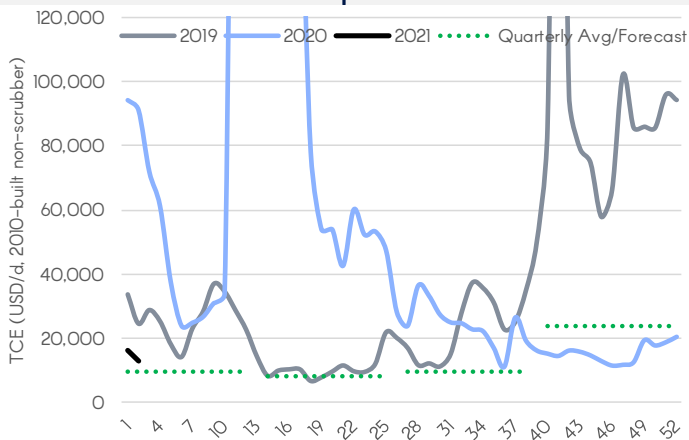


Oil Tanker Companies

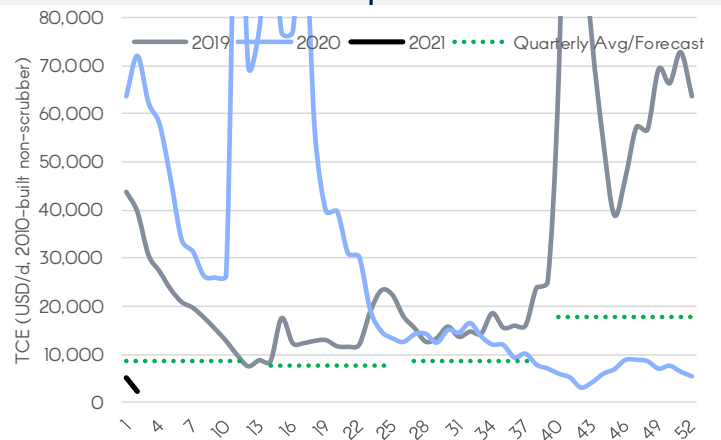


Earnings

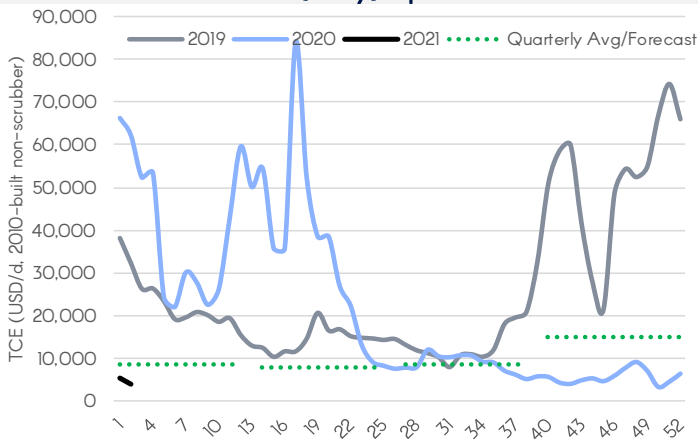
VLCC spot rates



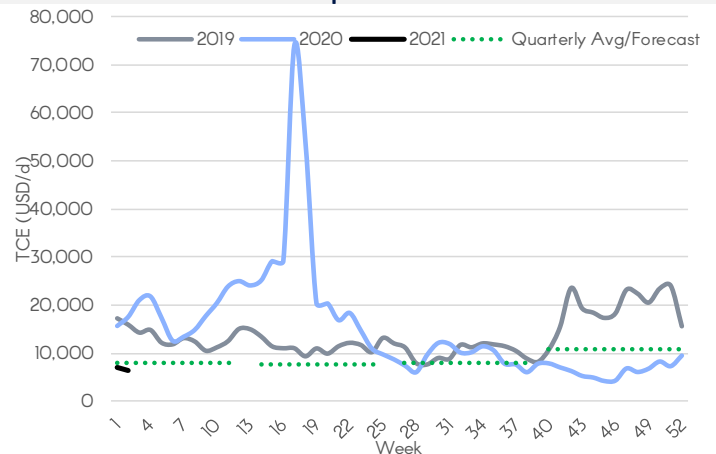
Suezmax spot rates



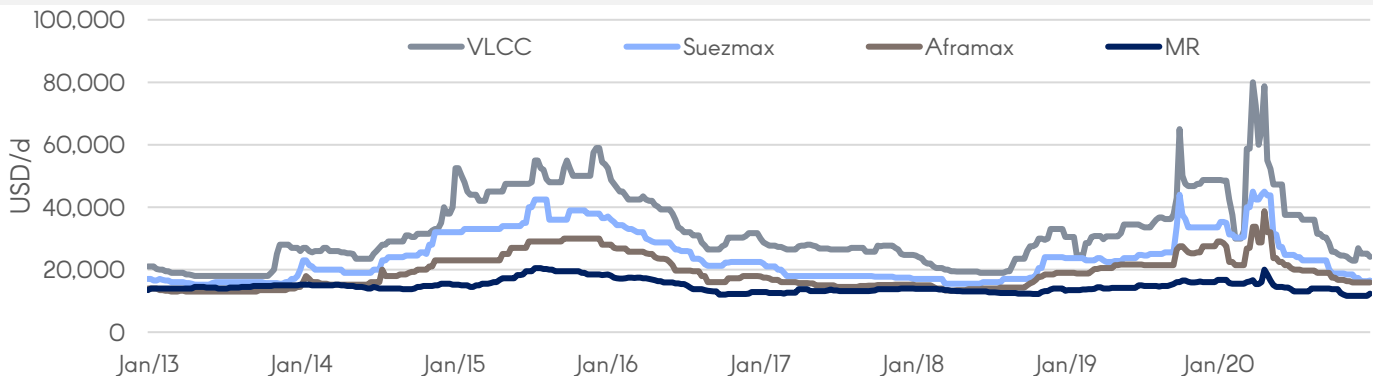
Aframax (dirty) spot rates



MR spot rates



Timecharter rates



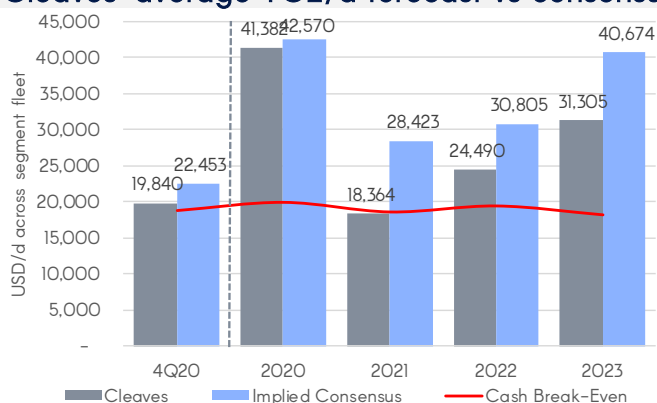


Peer Group

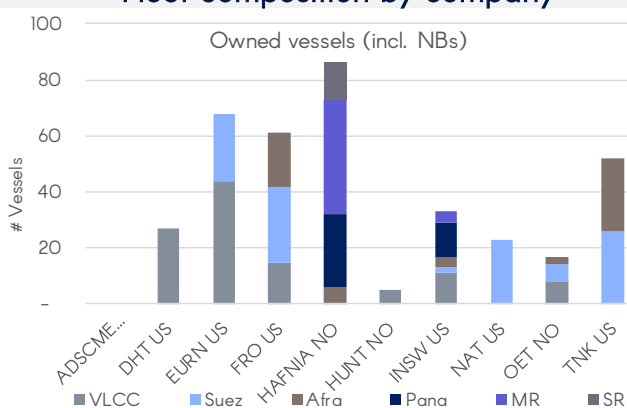
Company	M.cap	Turnover	Return ly	Rec.	Target Price	Last Price	Target/Price	NAV /sh	Now	P/NAV ly fwd	ϵ	EV/GAV	adj. equity	τ
ADSCME NO	52	0.3	-19%	HOLD	20	18.6	8%	22	0.84	0.87	0.00		164%	
DHT US	979	12.6	-8%	SELL	4.7	5.7	-18%	6.2	0.92	0.91	1.27	0.95	70%	0.84
EURN US	1,956	12.2	-15%	SELL	7.5	8.9	-16%	10.1	0.88	0.95	1.43	0.97	57%	0.80
FRO US	1,305	12.8	-36%	SELL	3.7	6.6	-44%	5.7	1.15	1.60	2.70	1.05	31%	0.93
HAFNIA NO	693	0.4	-36%	SELL	9	15.8	-43%	21	0.74	1.01	2.01	0.89	39%	0.98
HUNT NO	253	0.9	-37%	SELL	3.0	3.7	-19%	4	0.85	0.92	1.98	0.92	48%	1.00
INSW US	520	3.0	-35%	SELL	12.0	18.6	-35%	28.6	0.65	0.92	1.25	0.78	56%	0.97
NAT US	457	7.7	-27%	SELL	1.2	3.0	-60%	2.3	1.29	1.95	2.00	1.14	43%	1.00
OET NO	219	0.2	-38%	SELL	49	56.2	-13%	96	0.58	0.69	2.90	0.87	33%	0.70
TNK US	407	5.3	-49%	HOLD	12.0	12.1	-1%	26.6	0.45	0.66	1.54	0.72	52%	0.91
Average	684		-30%				-24%		0.83	1.05	1.71	0.92	59%	0.91
Median	488		-36%				-18%		0.85	0.92	1.76	0.92	50%	0.93

Company	EV/EBITDA			P/E			Dividend yield			FCF yield		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
ADSCME NO				3.1			33%	99%	0%	212%	-2%	-2%
DHT US	2.8	8.5	4.6	3.2		12.5	22%	3%	2%	50%	11%	19%
EURN US	3.3	34.1	8.2	3.7			19%	1%	1%	45%	-9%	16%
FRO US	4.9	25.5	9.6	2.8		10.8	24%	0%	1%	-6%	-5%	20%
HAFNIA NO	5.5	39.3	12.4	5.2			14%	0%	0%	42%	0%	9%
HUNT NO	4.4	10.6	8.7	4.2	13.7	10.3	0%	27%	2%	-8%	14%	16%
INSW US	4.5		10.0	4.3			1%	1%	1%	39%	0%	14%
NAT US	5.0		11.0	11.4			15%	1%	1%	23%	-15%	-6%
OET NO	5.5	9.0	6.8	2.1	7.5	4.1	20%	0%	2%	-16%	34%	45%
TNK US	3.1	73.8	6.9	2.2			0%	0%	0%	119%	-12%	20%
Average	4.3	28.7	8.7	4.2	10.6	9.4	15%	13%	1%	50%	1%	15%
Median	4.3	28.7	8.7	4.2	10.6	9.4	15%	13%	1%	50%	1%	15%

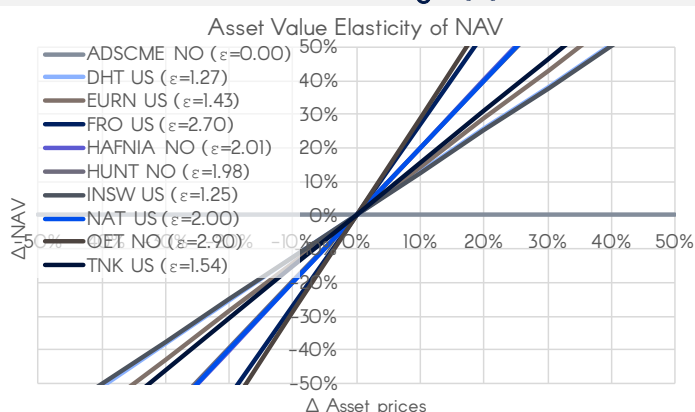
Cleaves' average TCE/d forecast vs consensus



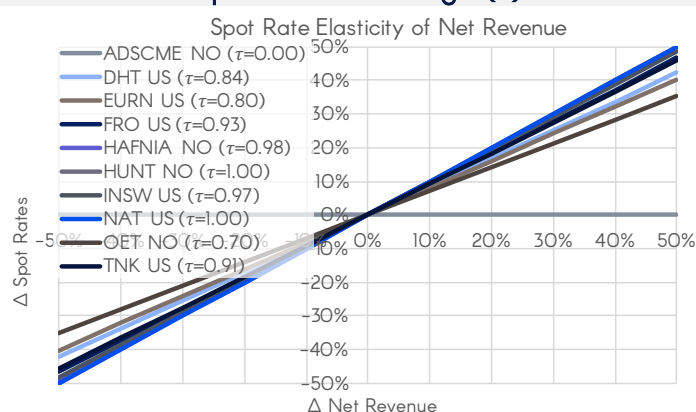
Fleet composition by company



Financial leverage (ϵ)

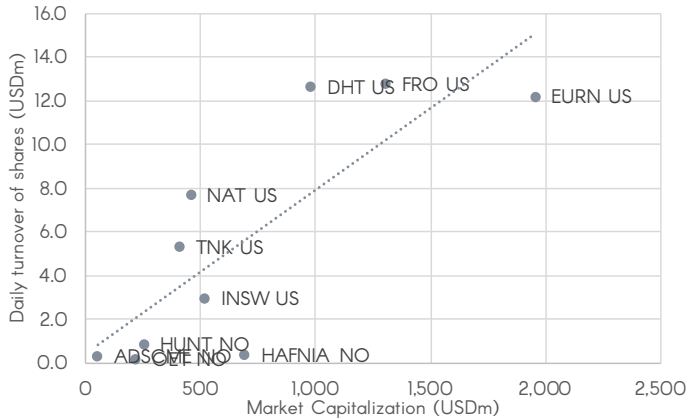


Operational leverage (τ)

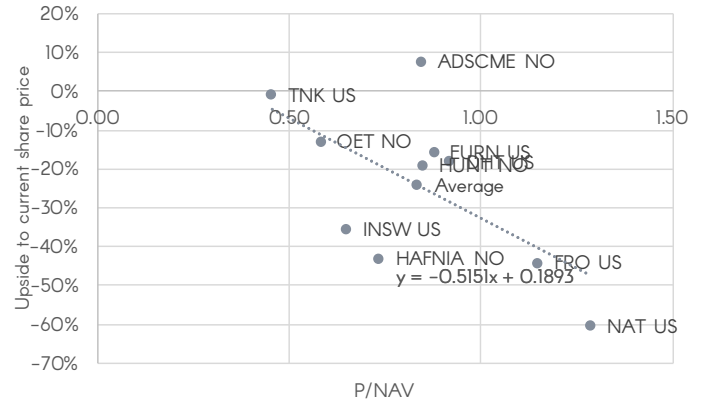




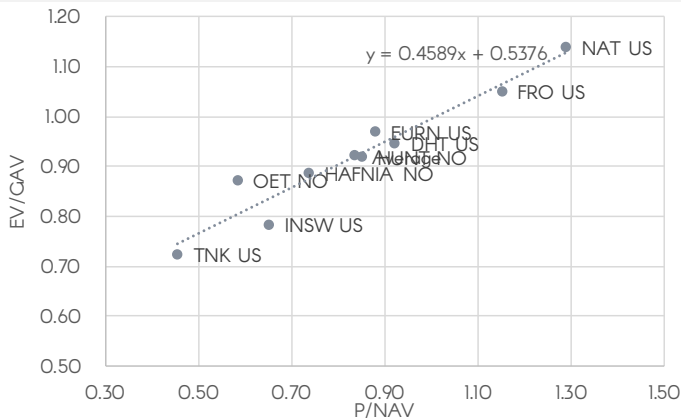
Daily share turnover vs market capitalization



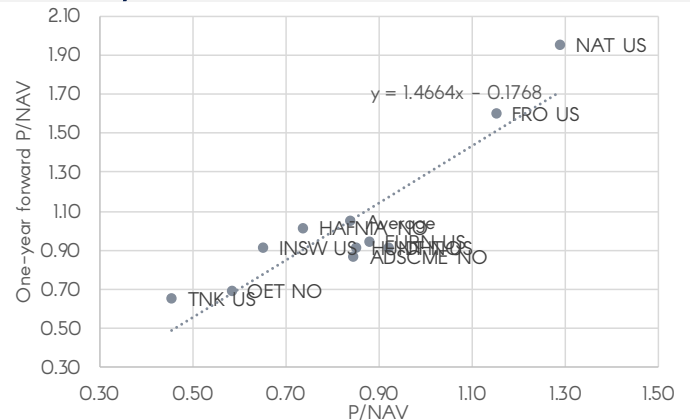
Upside to share price current P/NAV



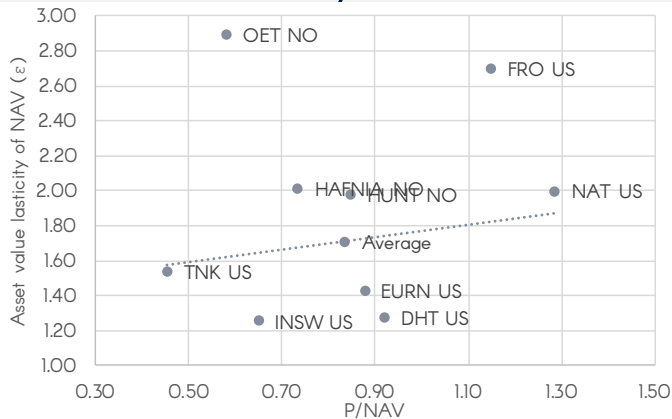
EV/GAV vs P/NAV



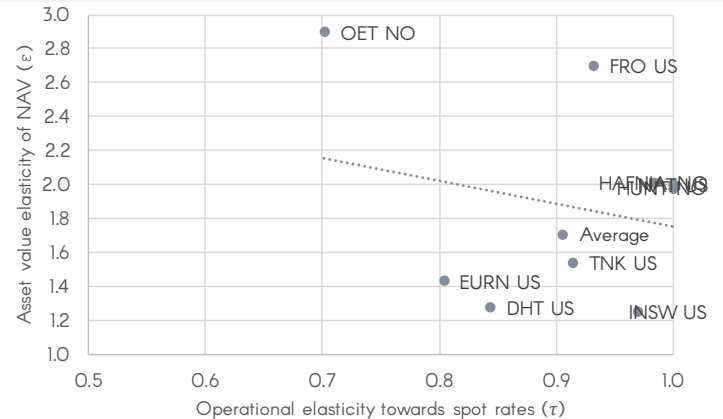
One-year forward P/NAV vs current P/NAV



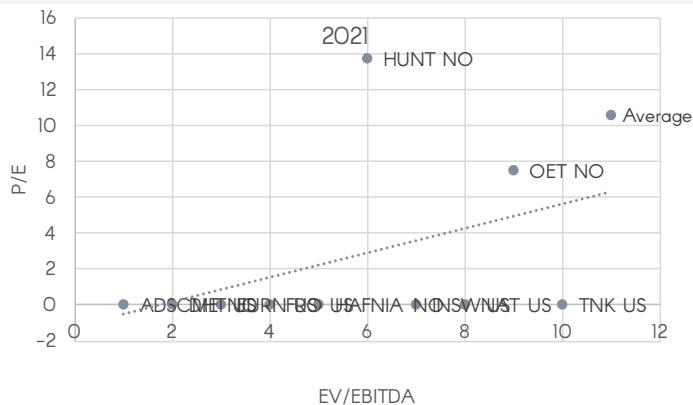
Asset value elasticity of NAV vs P/NAV



Elasticities: NAV vs net revenue



P/E vs EV/EBITDA



Dividend yield vs free cash flow yield





Company Financials (annually)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
USDm	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
ADSCME NO	44	0	0	0	33	-1	-1	-1	20	-1	-1	-1	17	-1	-1	-1
DHT US	556	234	313	406	458	137	216	309	335	13	92	185	296	-6	76	172
EURN US	1,122	360	605	841	844	90	345	580	522	-230	54	289	477	-284	-2	234
FRO US	885	345	536	694	652	131	322	480	513	-17	171	328	453	-77	119	289
HAFNIA NO	608	316	414	510	326	28	129	224	168	-132	-32	61	133	-147	-45	54
HUNT NO	107	56	62	82	94	43	48	68	77	27	32	52	62	19	25	46
INSW US	394	159	235	309	212	4	84	158	137	-72	8	82	121	-78	-1	72
NAT US	231	86	168	237	147	2	77	146	79	-68	3	71	47	-99	-36	33
OET NO	233	156	177	212	186	106	128	163	144	61	83	118	105	29	53	91
TNK US	588	246	348	465	324	12	123	240	206	-104	7	124	161	-147	-35	86
Average	477	196	286	376	328	55	147	237	220	-52	42	131	187	-79	15	108

Balance Sheet

BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
USDm	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
ADSCME NO	-6	-6	-6	-6	59	7	6	5	57	5	4	3	54	2	1	0
DHT US	1,492	1,378	1,265	1,151	75	150	253	395	1,657	1,619	1,608	1,636	1,248	1,215	1,268	1,360
EURN US	3,001	2,886	2,594	2,303	112	57	215	557	3,648	3,477	3,343	3,394	2,356	2,048	2,022	2,171
FRO US	3,341	3,330	3,187	3,044	222	104	232	428	3,963	3,834	3,819	3,872	1,632	1,555	1,664	1,842
HAFNIA NO	2,081	1,932	1,826	1,663	97	75	112	128	2,553	2,381	2,312	2,165	1,146	999	954	981
HUNT NO	423	407	391	375	94	35	47	66	529	454	450	453	274	223	242	269
INSW US	1,238	1,162	1,086	1,010	132	111	118	173	1,653	1,557	1,488	1,466	1,067	982	975	1,015
NAT US	858	830	823	748	47	24	50	107	949	898	916	899	595	490	449	452
OET NO	1,198	1,153	1,107	1,062	22	52	56	91	1,264	1,249	1,208	1,198	401	430	478	508
TNK US	1,597	1,492	1,388	1,283	108	78	134	222	1,868	1,734	1,685	1,669	1,117	969	934	991
Average	1,522	1,456	1,366	1,263	97	69	122	217	1,814	1,721	1,683	1,676	989	891	899	959

Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
USDm	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2021	2022	2021	2022
ADSCME NO	42	-1	-1	-1	109	-1	-1	-1	53	-52	-1	-1			#DIV/O!	#DIV/O!
DHT US	502	118	199	295	483	108	189	286	8	75	103	142	24,473	32,706	12,415	18,228
EURN US	897	37	290	526	819	-168	290	526	-185	-55	158	342	14,604	25,852	20,801	18,245
FRO US	624	71	270	441	-73	-67	262	433	45	-118	128	196	14,913	22,922	17,363	17,045
HAFNIA NO	339	13	116	216	291	2	61	216	6	-23	37	16	9,385	12,439	14,418	14,461
HUNT NO	85	35	41	62	-21	35	41	62	41	-59	12	20	30,817	33,664	24,466	23,981
INSW US	200	-2	75	148	203	-2	75	148	-2	-20	7	55	13,490	20,083	19,765	19,755
NAT US	111	-29	39	108	106	-71	-28	108	-15	-23	26	58	10,600	19,080	16,308	17,519
OET NO	153	75	99	136	-35	74	99	136	7	29	5	35	25,833	29,367	22,636	26,872
TNK US	342	-31	81	202	420	-43	70	191	15	-30	56	89	13,396	18,890	16,271	16,268
Average	329	28	121	213	230	-13	106	210	-3	-27	53	95	17,501	23,889	#DIV/O!	#DIV/O!



Company Financials (quarterly estimates)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
USDm	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21
ADSCME NO	0	0	0	0	-1	0	0	0	-2	0	0	0	-2	0	0	0
DHT US	83	71	44	46	59	47	19	22	28	17	-12	-9	22	12	-16	-14
EURN US	126	72	64	74	60	7	-4	5	-20	-73	-84	-75	-32	-86	-98	-89
FRO US	117	77	66	76	55	22	14	22	19	-14	-22	-15	3	-29	-38	-29
HAFNIA NO	89	72	70	72	22	6	3	5	-18	-34	-37	-35	-27	-43	-46	-44
HUNT NO	23	18	13	11	19	14	10	8	14	10	6	4	11	8	4	2
INSW US	45	36	34	33	3	-2	-5	-6	-16	-21	-24	-25	-18	-23	-25	-27
NAT US	14	17	15	18	-7	-4	-6	-4	-25	-21	-23	-21	-32	-28	-30	-29
OET NO	43	37	37	38	31	25	25	26	19	14	13	14	11	6	6	6
TNK US	68	66	48	49	5	6	-10	-10	-24	-23	-39	-39	-35	-34	-50	-50
Average	61	47	39	42	25	12	5	7	-2	-15	-22	-20	-10	-22	-29	-27

Balance Sheet

BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
USDm	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21
ADSCME NO	-6	-6	-6	-6	59	8	8	7	57	6	6	6	54	3	3	2
DHT US	1,492	1,464	1,435	1,407	75	101	104	114	1,657	1,655	1,630	1,611	1,248	1,247	1,223	1,206
EURN US	3,001	3,126	3,046	2,966	112	63	37	23	3,648	3,723	3,618	3,523	2,356	2,264	2,160	2,065
FRO US	3,341	3,341	3,339	3,369	222	135	102	78	3,963	3,876	3,840	3,847	1,632	1,603	1,565	1,536
HAFNIA NO	2,081	2,041	2,006	1,966	97	100	45	47	2,553	2,516	2,426	2,388	1,146	1,103	1,058	1,014
HUNT NO	423	419	415	411	94	30	32	32	529	461	459	455	274	212	216	218
INSW US	1,238	1,219	1,200	1,181	132	111	88	113	1,653	1,613	1,571	1,577	1,067	1,043	1,016	988
NAT US	858	860	843	836	47	10	15	36	949	914	901	915	595	565	533	503
OET NO	1,198	1,187	1,176	1,164	22	25	43	46	1,264	1,256	1,263	1,255	401	407	412	419
TNK US	1,597	1,570	1,544	1,518	108	91	58	50	1,868	1,825	1,766	1,732	1,117	1,083	1,033	983
Average	1,522	1,522	1,500	1,481	97	67	53	55	1,814	1,785	1,748	1,731	989	953	922	893

Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
USDm	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	1Q21	2Q21	1Q21	2Q21
ADSCME NO	-1	0	0	0	50	0	0	0	27	-51	0	0				
DHT US	53	43	15	17	51	40	12	15	0	26	3	10	30,282	18,268	12,469	12,451
EURN US	48	-6	-18	-8	17	-211	-18	-8	-49	-50	-26	-14	12,179	10,315	22,207	21,742
FRO US	46	7	-1	8	43	-30	-35	-59	12	-88	-33	-24	13,603	11,752	17,878	17,416
HAFNIA NO	13	-3	-6	-4	4	-3	-11	-4	-25	3	-55	2	8,717	8,367	14,590	14,500
HUNT NO	16	12	8	6	184	12	8	6	68	-64	2	0	38,957	28,769	25,054	24,462
INSW US	1	-4	-6	-8	36	-4	-6	-8	-6	-21	-23	25	12,315	11,531	19,844	19,680
NAT US	-14	-11	-13	-12	-14	-30	-13	-23	-23	-37	5	20	8,454	7,523	16,120	16,110
OET NO	22	17	17	18	20	17	17	18	3	3	18	4	25,219	24,791	22,320	22,235
TNK US	-6	-5	-21	-21	-9	-8	-24	-24	-18	-17	-33	-8	14,317	10,493	16,485	16,225
Average	18	5	-3	0	38	-22	-7	-9	-1	-30	-14	2	18,227	14,646	18,552	18,313



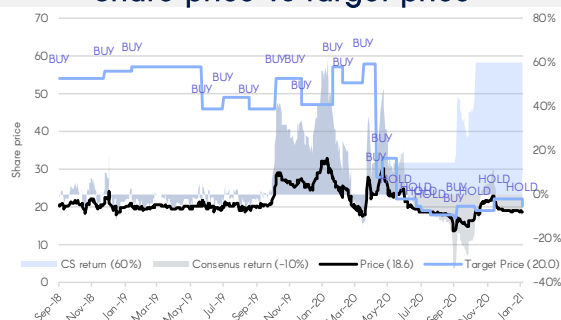
USD 51m in distributions expected shortly. Market cap tracks this closely, adjusted for changes in USDNOK

ADS-NO

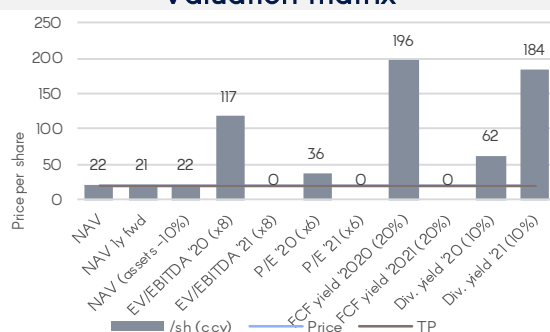
HOLD/N20

ADS Crude Carriers

Share price vs target price

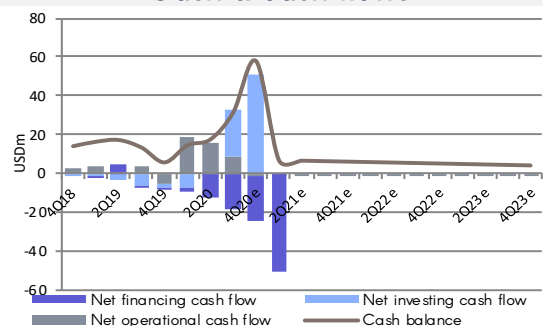


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
jh@cleaves.no

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	44	-	-	-
EBITDA (adj.)	33	-1	-1	-1
EBIT (adj.)	20	-1	-1	-1
PTP (adj.)	17	-1	-1	-1
Net earnings (adj.)	17	-1	-1	-1
EPS (adj.)	0.72	-0.04	-0.04	-0.04
DPS	0.74	2.18	-	-
USDm	2020E	2021E	2022E	2023E
Fwd NAV	60	59	58	57
Adj. equity ratio	95%	95%	95%	95%
FCF yield	212%	-2%	-2%	-2%
Dividend yield	33%	99%	0%	0%
EV/EBITDA				
P/E (adj.)	3.1			

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	42	-1	-1	-1
Free cash flow	109	-1	-1	-1
Net cash flow	53	-52	-1	-1
TCE/day	44,217	#DIV/O!	#DIV/O!	#DIV/O!
Cash break-even	16,428	#DIV/O!	#DIV/O!	#DIV/O!
Liquidity	59	7	6	5
Property & Equip. (incl. NBs)	-6	-6	-6	-6
Total equity	54	2	1	0
Total assets	57	5	4	3
Interest bearing debt	-	-	-	-
Net interest bearing debt	-59	-7	-6	-5
Market Cap.	52	52	52	52

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

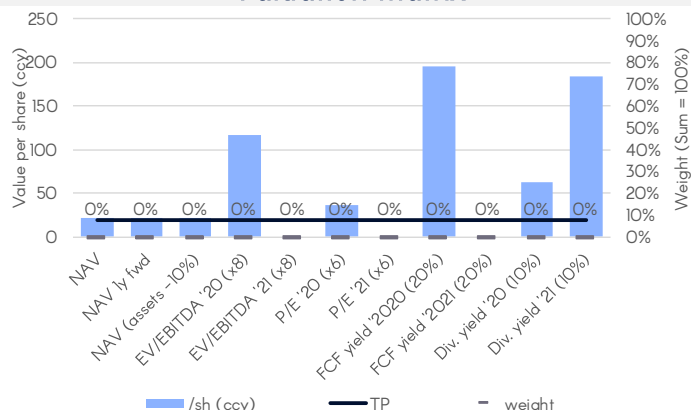


Company Valuation

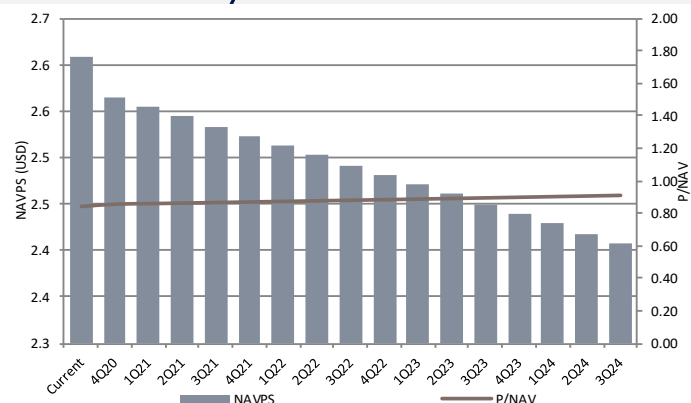
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	46	0	0
Contract value	0	0	0
Other	3	3	-6
GAV	49	3	-6
Net debt	13	60	60
Capex	0	0	0
Other	-2	-2	-2
Equity	60	61	52
Shares	23	23	23
Equity/sh	2.57	2.61	2.20
Inc CCY	21.7	22.0	18.6
USDNOK		8.4	
P/Equity	0.86	0.84	1.00
EV/GAV	-0.12	-1.83	1.00
Adj. Total Assets	83	37	37
Adj. Equity Ratio	73%	164%	139%
Fair Value	NOK	20	7%
	USD	2.4	

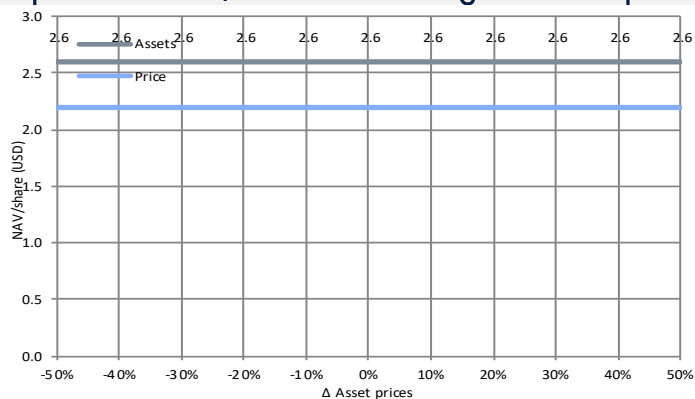
Valuation matrix



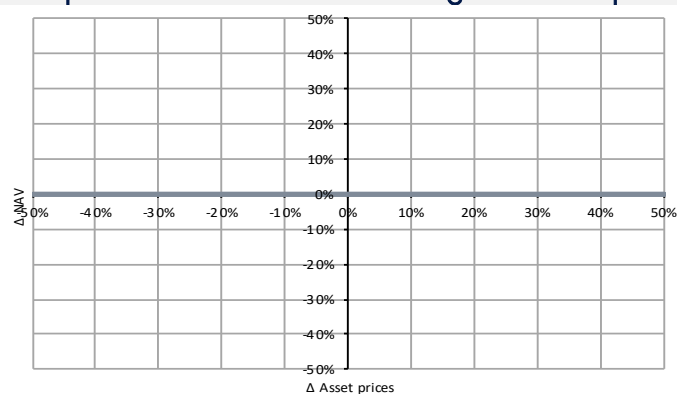
Quarterly forward NAV & P/NAV



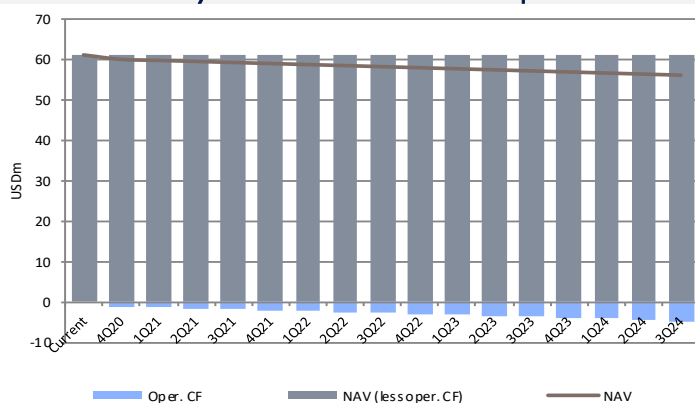
Impact on NAV/sh from % change in asset prices



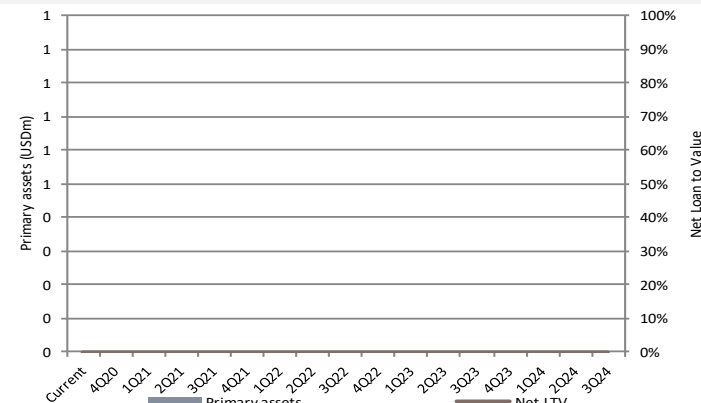
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net sales	6.6	8.3	0.3	0.6				
EBITDA (adj.)	3.8	4.7	-0.6	-1.3				
EBIT (adj.)	0.3	0.6	-1.7	-2.5				
PTP (adj.)	-0.5	-0.5	-2.1	-3.2				
Net earnings (adj.)	-0.5	-0.5	-2.1	-3.2				
EPS (adj.)	-0.02	-0.02	-0.09	-0.14				
DPS	0.09	0.17	2.18	0.17				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	6.6	8.3	0.3	0.6				
Opex & G&A	2.9	3.7	0.9	1.8				
Depreciation	3.5	4.1	1.1	1.2				
Net finance	0.8	1.1	0.4	0.8				
Taxes & Minorities	-	-	-	-				

Other

4Q20 Preview USDm	4Q19	3Q20	Cleaves	Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net operational cash flow	-5	9	-1					
Free cash flow	-8	33	50					
Net cash flow	-8	15	27					
TCE/day	30,888	37,344	69,000	141,250				
Utilization	77.9%	87.9%	6.0%					
Fleet days	276	254	67					
Cash break-even	13,196	18,606	19,494					
Liquidity	7	33	59					
Interest bearing debt	37	19	-					

Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	44	-	-	-	44	-	-	-	-	-	-	-
EBITDA (adj.)	33	-1	-1	-1	33	-1	-1	-1	-	-	-	-
EBIT (adj.)	20	-1	-1	-1	20	-1	-1	-1	-	-	-	-
PTP (adj.)	17	-1	-1	-1	17	-1	-1	-1	-	-	-	-
Net earnings (adj.)	17	-1	-1	-1	17	-1	-1	-1	-	-	-	-
EPS (adj.)	0.72	-0.04	-0.04	-0.04	0.72	-0.04	-0.04	-0.04	-	-	-	-
DPS	0.74	2.18	-	-	0.74	2.18	-	-	-	-	-	-
DPS (NOK)	6.21	18.36	-	-	6.65	19.66	-	-	2020E	2021E	2022E	2023E
							TCE revenue		-	-	-	-
							Opex & G&A		-	-	-	-
							Depreciation		-	-	-	-
							Net finance		-	-	-	-
							Taxes & Minorities		-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	42	-1	-1	-1	42	-1	-1	-1	-	-	-	-
Free cash flow	109	-1	-1	-1	109	-1	-1	-1	-	-	-	-
Net cash flow	53	-52	-1	-1	53	-52	-1	-1	-	-	-	-
TCE/day	44,217	#DIV/O!	#DIV/O!	#DIV/O!	44,217	#DIV/O!	#DIV/O!	#DIV/O!	-	#DIV/O!	#DIV/O!	#DIV/O!
Cash break-even	16,428	#DIV/O!	#DIV/O!	#DIV/O!	16,428	#DIV/O!	#DIV/O!	#DIV/O!	-	#DIV/O!	#DIV/O!	#DIV/O!
Liquidity	59	7	6	5	59	7	6	5	-	-	-	-
Property & Equip. (incl. NBs)	-6	-6	-6	-6	-6	-6	-6	-6	-	-	-	-
Total equity	54	2	1	0	54	2	1	0	-	-	-	-
Total assets	57	5	4	3	57	5	4	3	-	-	-	-
Interest bearing debt	-	-	-	-	-	-	-	-	-	-	-	-
Net interest bearing debt	-59	-7	-6	-5	-59	-7	-6	-5	-	-	-	-
Market Cap.	52	52	52	52	55	55	55	55	-3	-3	-3	-3
Enterprise value	-8	44	45	46	-4	48	49	50	-3	-3	-3	-3
Capex	8	-	-	-	8	-	-	-	-	-	-	-
Utilization	94%	97%	97%	97%	94%	97%	97%	97%	0%	0%	0%	0%
Fleet days	867	-	-	-	867	-	-	-	-	-	-	-

Valuation

Estimate changes									Change			
USDm	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	60	59	58	57	60	59	58	57	-	-	-	-
Adj. equity ratio	95%	95%	95%	95%	95%	95%	95%	95%	0%	0%	0%	0%
FCF yield	212%	-2%	-2%	-2%	198%	-2%	-2%	-2%	13%	0%	0%	0%
Dividend yield	33%	99%	0%	0%	31%	93%	0%	0%	2%	6%	0%	0%
EV/EBITDA									#####	#####	#####	#####
P/E (adj.)	3.1				3.3				-0.2	#####	#####	#####



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	7	19	17	8	0	0	0	0	0
Operational costs	-3	-3	-3	-3	-1	0	0	0	0
EBITDA	4	16	14	6	-1	0	0	0	0
Depreciation/Amortization	-3	-4	-4	-4	-1	0	0	0	0
EBIT	0	12	9	2	-2	0	0	0	0
Net financials	-1	-1	-1	-1	0	0	0	0	0
PTP	0	11	9	0	-2	0	0	0	0
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	0	11	9	0	-2	0	0	0	0
Non-recurring items	0	0	0	-1	0	0	0	0	0
Net earnings (adj.)	0	11	9	0	-2	0	0	0	0
EPS	-0.02	0.46	0.37	0.02	-0.09	-0.01	-0.01	-0.01	-0.01
EPS (adj.)	-0.02	0.46	0.37	-0.02	-0.09	-0.01	-0.01	-0.01	-0.01
DPS	0.00	0.09	0.30	0.18	0.17	2.18	0.00	0.00	0.00
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	5	14	17	31	58	6	6	6	6
Other current assets	16	12	10	6	6	6	6	6	6
Total current assets	21	26	27	37	64	13	12	12	12
Property & equip. (incl. NBs)	82	77	73	46	-6	-6	-6	-6	-6
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	82	77	73	46	-6	-6	-6	-6	-6
TOTAL ASSETS	103	104	101	83	57	6	6	6	5
Total equity	54	62	64	60	54	3	3	2	2
Short-term debt	0	0	0	0	0	0	0	0	0
Other current liabilities	13	5	4	3	3	3	3	3	3
Total current liabilities	13	5	4	3	3	3	3	3	3
Long-term debt	37	37	33	19	0	0	0	0	0
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	37	37	33	19	0	0	0	0	0
TOTAL EQUITY & LIABILITIES	103	104	101	83	57	6	6	6	5
Working capital, receivables	13	0	6	1	1	1	1	1	1
Working capital, payables	12	3	1	1	1	1	1	1	1
Net working capital	2	-3	5	0	0	0	0	0	0
Interest bearing debt	37	37	33	19	0	0	0	0	0
Liquidity	7	16	19	33	59	8	8	7	7
Net interest bearing debt	30	21	14	-13	-59	-8	-8	-7	-7
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	0	11	9	0	-2	0	0	0	0
Depreciation	3	4	4	4	1	0	0	0	0
Other	0	0	1	0	0	0	0	0	0
Cash earnings	3	15	13	4	-1	0	0	0	0
Changes in working capital	-8	4	2	5	0	0	0	0	0
Net operational cash flow	-5	19	15	9	-1	0	0	0	0
Capex	-2	-8	0	0	0	0	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	24	51	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-2	-8	0	24	51	0	0	0	0
Repayment of debt	0	0	-4	-13	-19	0	0	0	0
Proceeds from debt	0	0	0	0	0	0	0	0	0
Dividends paid	0	-2	-7	-4	-4	-51	0	0	0
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	-1	-1	0	0	0	0	0
Net financing cash flow	0	-2	-12	-18	-23	-51	0	0	0
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-8	9	3	15	27	-51	0	0	0
Cash balance	5	14	17	31	58	6	6	6	6
Free cash flow	-8	11	15	33	50	0	0	0	0



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales				8	20	44	0	0	0
Operational costs				-5	-11	-10	-1	-1	-1
EBITDA				3	9	34	-1	-1	-1
Depreciation/Amortization				-2	-7	-13	0	0	0
EBIT	—	—	—	1	2	21	-1	-1	-1
Net financials				-1	-3	-3	0	0	0
PTP	—	—	—	0	-1	18	-1	-1	-1
Taxes/Minorities				0	0	0	0	0	0
Net earnings	—	—	—	0	-1	18	-1	-1	-1
Non-recurring items				0	0	-1	0	0	0
Net earnings (adj.)	—	—	—	0	-1	17	-1	-1	-1
EPS				0.00	-0.04	0.76	-0.04	-0.04	-0.04
EPS (adj.)				0.00	-0.04	0.72	-0.04	-0.04	-0.04
DPS				0.00	0.06	0.74	2.18	0.00	0.00
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	—	—	—	14	5	58	6	5	4
Other current assets				11	16	6	6	6	6
Total current assets	—	—	—	24	21	64	12	11	10
Property & equip. (incl. NBs)	—	—	—	68	82	-6	-6	-6	-6
Other non-current assets				0	0	0	0	0	0
Total non-current assets	—	—	—	68	82	-6	-6	-6	-6
TOTAL ASSETS	—	—	—	92	103	57	5	4	3
Total equity	—	—	—	56	54	54	2	1	0
Short-term debt	—	—	—	0	0	0	0	0	0
Other current liabilities				6	13	3	3	3	3
Total current liabilities	—	—	—	6	13	3	3	3	3
Long-term debt	—	—	—	30	37	0	0	0	0
Other non-current liabilities				0	0	0	0	0	0
Total non-current liabilities	—	—	—	30	37	0	0	0	0
TOTAL EQUITY & LIABILITIES	—	—	—	92	103	57	5	4	3
Working capital, receivables				4	13	1	1	1	1
Working capital, payables	—	—	—	6	12	1	1	1	1
Net working capital				-2	2	0	0	0	0
Interest bearing debt				30	37	0	0	0	0
Liquidity				14	7	59	7	6	5
Net interest bearing debt				16	30	-59	-7	-6	-5
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	—	—	—	0	-1	18	-1	-1	-1
Depreciation				2	7	13	0	0	0
Other				0	0	0	0	0	0
Cash earnings				2	7	31	-1	-1	-1
Changes in working capital	—	—	—	-5	-6	10	0	0	0
Net operational cash flow	—	—	—	-3	0	42	-1	-1	-1
Capex	—	—	—	-68	-13	-8	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	—	—	—	0	0	75	0	0	0
Other				0	0	1	0	0	0
Net investing cash flow	—	—	—	-68	-13	67	0	0	0
Repayment of debt	—	—	—	30	8	-37	0	0	0
Proceeds from debt	—	—	—	—	—	0	0	0	0
Dividends paid	—	—	—	0	-2	-17	-51	0	0
New equity	—	—	—	57	0	0	0	0	0
Other				-2	-2	1	0	0	0
Net financing cash flow	—	—	—	85	4	-56	-51	0	0
Currency effect	—	—	—	0	0	0	0	0	0
Net cash flow				14	-8	53	-52	-1	-1
Cash balance				14	5	58	6	5	4
Free cash flow				-71	-13	109	-1	-1	-1



Cleaves Securities

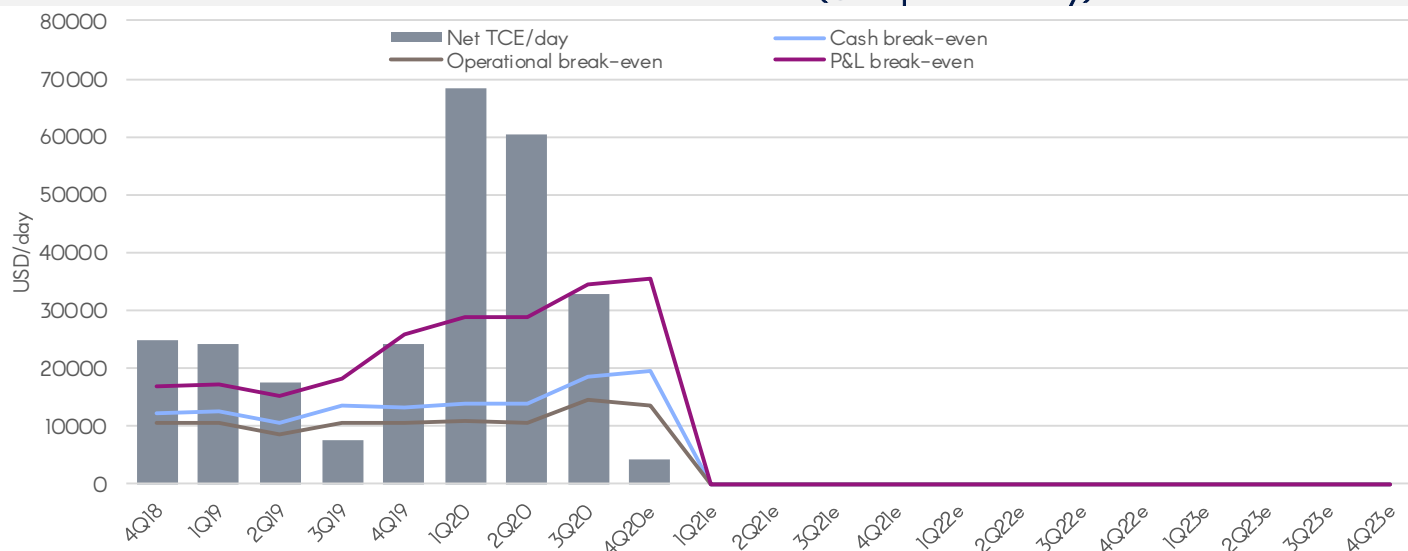
Oil Tankers SELL

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

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	—	—	—	23	23	23	23	23	23
Share price, avg (USD)				2	2	2	2	2	2
Share price, end (USD)	—	—	—	2	3	2	2	2	2
Market Cap.				53	77	52	52	52	52
NIBD				16	30	-59	-7	-6	-5
Minorities	—	—	—	0	0	0	0	0	0
Enterprise value				69	106	-8	44	45	46
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)						2.9			
P/E (adj.)						3.1			
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales				6.7	3.8	1.2			
EV/Sales				8.7	5.3				
EV/EBITDA				25.0	11.8				
EV/EBIT				75.9	63.5				
P/B				0.9	1.4	1.0	24.1	44.2	
FCF yield				-135%	-16%	212%	-2%	-2%	-2%
Dividend yield				0.0%	2.0%	33.5%	99.0%	0.0%	0.0%
Return on equity (ROE)				0.2%	-1.8%	32.9%	-44.8%	-83.5%	-539.8%
Return on capital employed (ROCE)				1.3%	2.0%	-411.0%	18.9%	19.2%	19.4%
Return on assets (ROA)				0.1%	-0.9%	31.0%	-17.8%	-22.1%	-28.7%
Sales growth					154%	119%	-100%		
EBITDA margin				35%	45%	78%			
EBIT margin				11%	8%	48%			
Net margin				1%	-5%	41%			
Net interest rate				0.0%	0.0%	-5.2%	0.0%	0.0%	0.0%
Tax rate				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio				61%	52%	94%	40%	26%	5%
Leverage ratio				39%	48%	6%	60%	74%	95%
NIBD / EBITDA (past 1y)				5.7	3.3	-1.7	7.5	6.4	5.3
Operating cash flow/NIBD				-0.2	0.0	-0.7	0.1	0.2	0.2
Net interest coverage ratio (EBITDA)						11.1			
Current ratio				3.8	1.7	19.7	3.6	3.3	3.0
Adj. equity ratio						95%	95%	95%	95%
Operating assets				78	96	-2	-2	-2	-2
Operating liabilities				6	13	3	3	3	3
Net operating assets				72	83	-5	-5	-5	-5

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

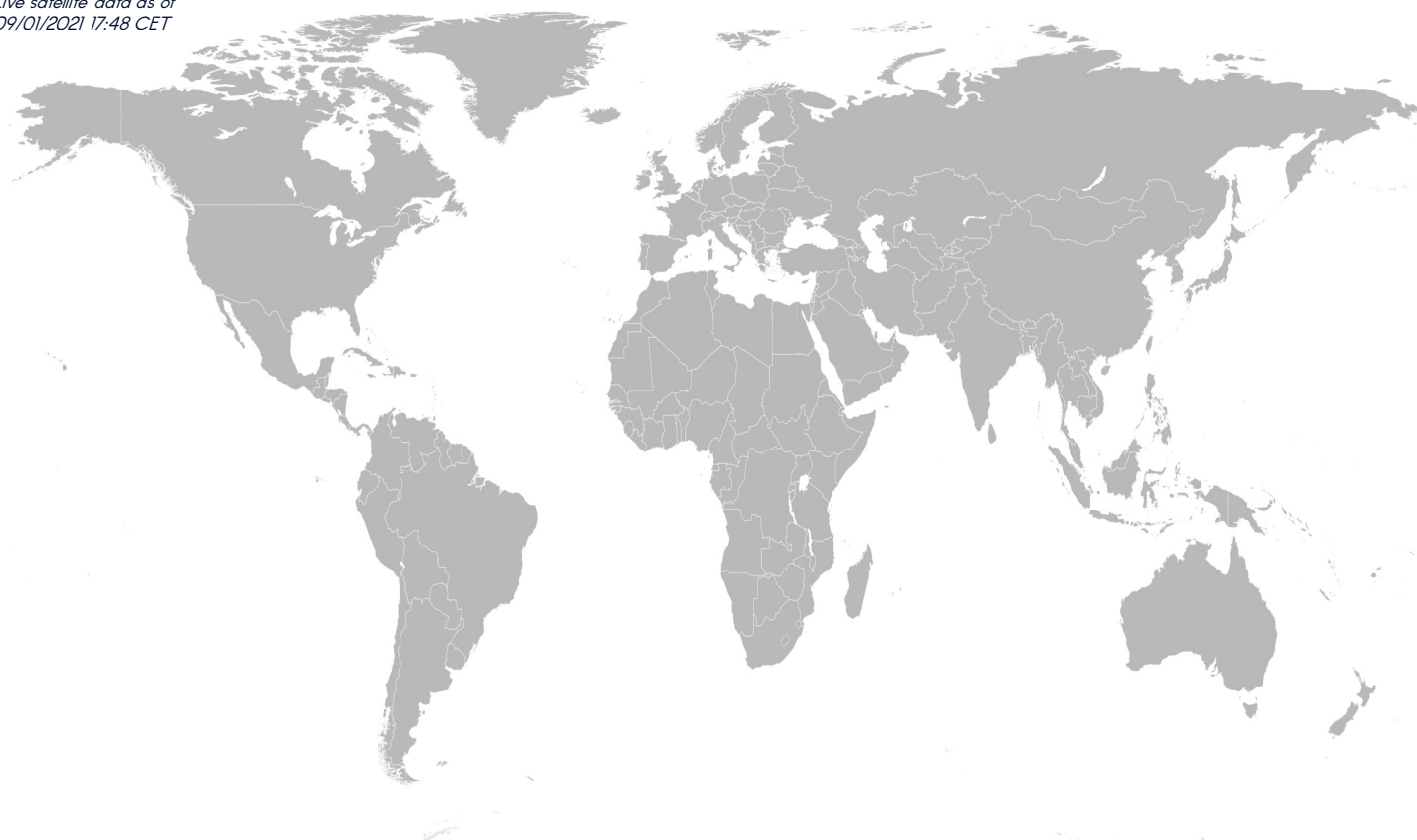
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
09/01/2021 17:48 CET





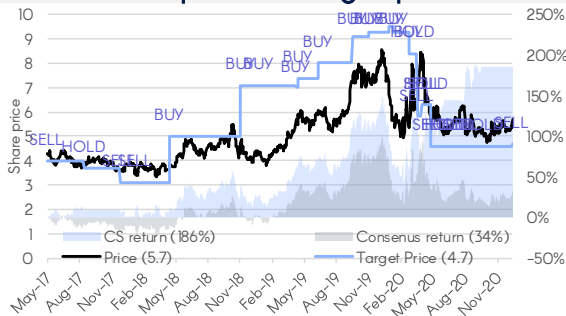
VLCC pure-play with a large fleet on the water. Very strong balance sheet. Well positioned ahead of next cyclical expansion

DHT-US

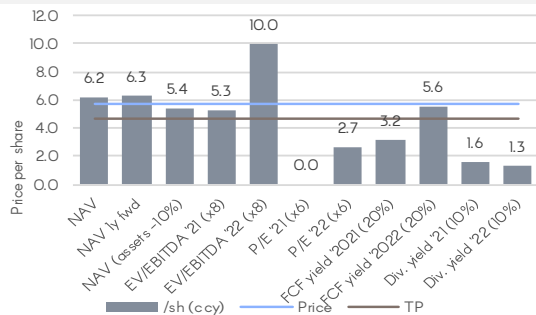
SELL/\$4.7

DHT Holdings

Share price vs target price

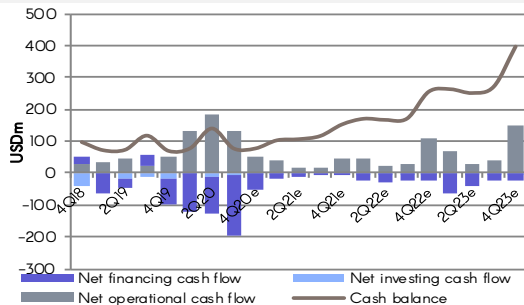


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
jh@cleaves.no

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	556	234	313	406
EBITDA (adj.)	458	137	216	309
EBIT (adj.)	335	13	92	185
PTP (adj.)	297	-6	76	172
Net earnings (adj.)	296	-6	76	172
EPS (adj.)	1.99	-0.03	0.44	1.01
DPS	1.43	0.16	0.13	0.47
USDm	2020E	2021E	2022E	2023E
Fwd NAV	1,130	1,131	1,394	1,778
Adj. equity ratio	73%	74%	80%	87%
FCF yield	50%	11%	19%	29%
Dividend yield	22%	3%	2%	8%
EV/EBITDA	2.8	8.6	4.6	2.6
P/E (adj.)	3.3		12.9	5.7

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	502	118	199	295
Free cash flow	483	108	189	286
Net cash flow	8	75	103	142
TCE/day	57,577	24,473	32,706	42,415
Cash break-even	20,457	12,415	18,228	17,867
Liquidity	75	150	253	395
Property & Equip. (incl. NBs)	1,492	1,378	1,265	1,151
Total equity	1,248	1,215	1,268	1,360
Total assets	1,657	1,619	1,608	1,636
Interest bearing debt	351	345	281	217
Net interest bearing debt	276	195	28	-178
Market Cap.	975	975	975	975

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



Quarterly Preview

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	Consensus	Actuals vs Cleaves	Cons.	Actuals vs Cleaves	Cons.
Net sales	141.7	117.5	83	88				
EBITDA (adj.)	116.3	92.9	59	64				
EBIT (adj.)	85.6	61.8	28	33				
PTP (adj.)	75.9	53.1	22	25				
Net earnings (adj.)	75.9	53.0	22	24				
EPS (adj.)	0.52	0.36	0.13	0.15				
DPS	0.32	0.20	0.08	0.12				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	141.7	117.5	83.4	88.1				
Opex & G&A	25.4	24.6	24.3	24.5				
Depreciation	30.7	31.1	31.1	30.9				
Net finance	9.8	8.7	5.9	7.3				
Taxes & Minorities	0.0	0.1	0.1	1.0				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	Cleaves	Consensus	Actuals vs Cleaves	Cons.	Actuals vs Cleaves	Cons.
Net operational cash flow	50	131	53					
Free cash flow	30	128	51					
Net cash flow	-48	-63	-0					
TCE/day	58,467	48,061	34,609	36,570				
Utilization	97.6%	98.4%	97.0%					
Fleet days	2,484	2,484	2,484					
Cash break-even	22,041	20,684	18,867					
Liquidity	67	75	75					
Interest bearing debt	851	492	351					
Net interest bearing debt	784	417	276					

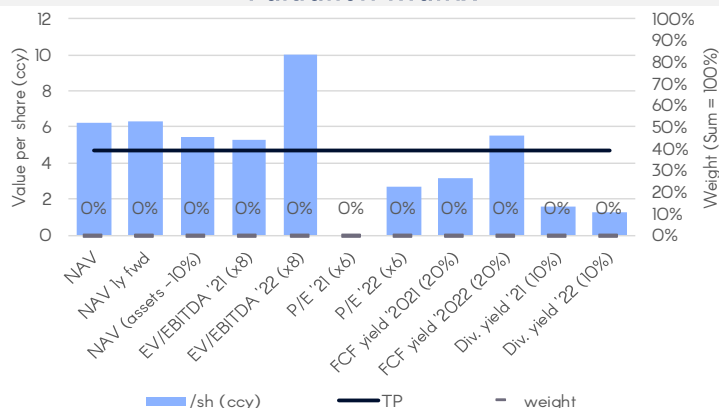


Company Valuation

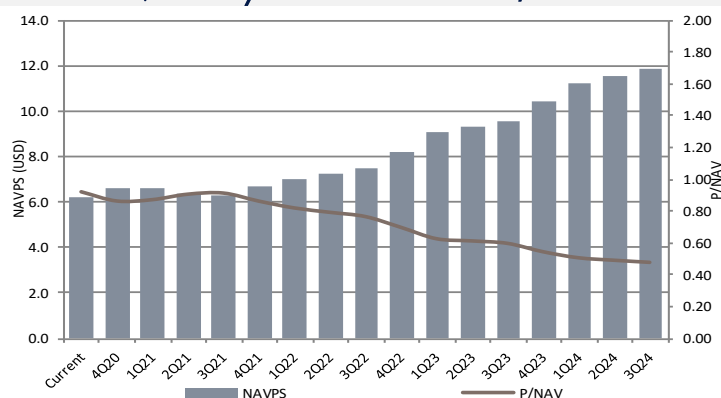
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,520	1,351	1,276
Contract value	0	95	90
Other	80	80	76
GAV	1,600	1,526	1,441
Net debt	-417	-417	-417
Capex	0	0	0
Other	-49	-49	-49
Equity	1,135	1,060	975
Shares (diluted)	170	170	170
Equity/sh	6.67	6.23	5.73
lcl CCY	6.67	6.23	5.73
P/Equity	0.86	0.92	1.00
EV/GAV	0.90	0.94	1.00
Adj. Total Assets	1,686	1,517	1,441
Adj. Equity Ratio	67%	70%	68%
Fair Value	USD	4.7	-18%

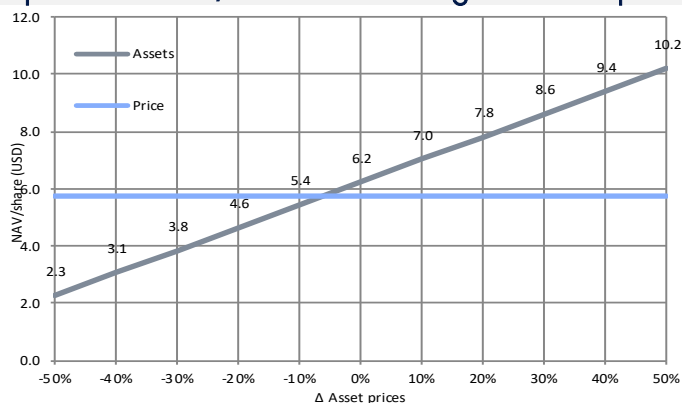
Valuation Matrix



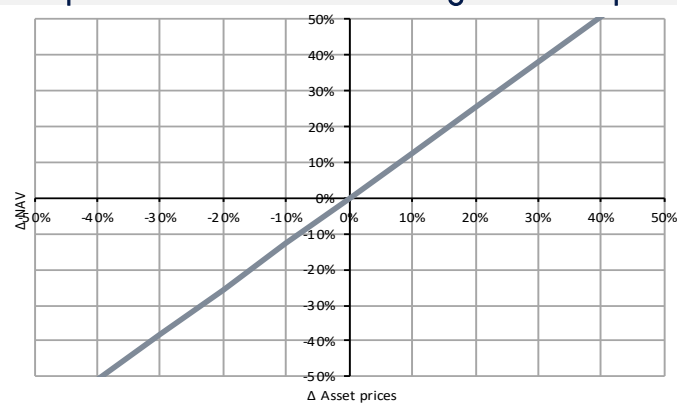
Quarterly forward NAV & P/NAV



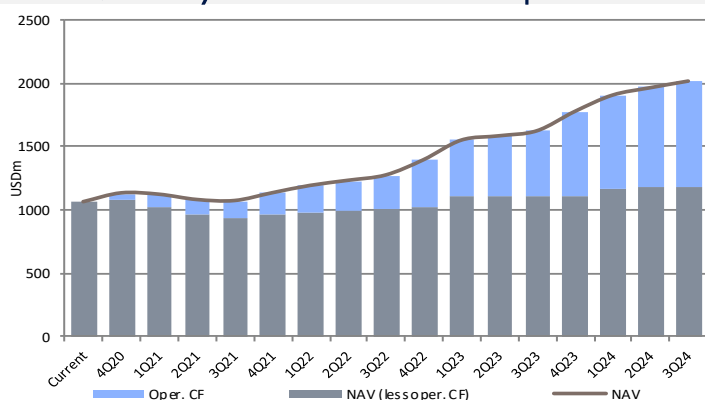
Impact on NAV/sh from % change in asset prices



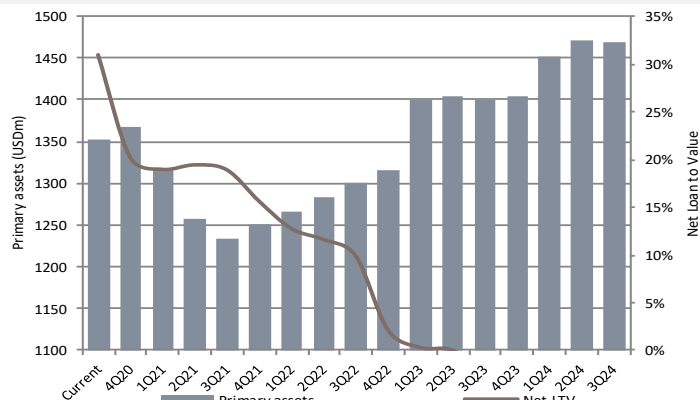
% Impact on NAV from % change in asset prices



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	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	556	234	313	406	545	256	441	524	11	-22	-128	-118
EBITDA (adj.)	458	137	216	309	448	158	343	427	10	-22	-127	-118
EBIT (adj.)	335	13	92	185	326	37	222	305	9	-23	-129	-120
PTP (adj.)	297	-6	76	172	285	8	195	282	12	-13	-119	-110
Net earnings (adj.)	296	-6	76	172	284	8	195	282	12	-13	-119	-110
EPS (adj.)	1.99	-0.03	0.44	1.01	1.87	0.04	1.14	1.66	0.12	-0.08	-0.70	-0.65
DPS	1.43	0.16	0.13	0.47	1.34	0.18	0.28	0.96	0.09	-0.01	-0.15	-0.49
									2020E	2021E	2022E	2023E
TCE revenue									11	-22	-128	-118
Opex & G&A									0	-0	-0	-0
Depreciation									1	2	2	2
Net finance									-3	-10	-10	-10
Taxes & Minorities									0	0	-0	-0

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	502	118	199	295	442	129	316	403	60	-11	-117	-108
Free cash flow	483	108	189	286	424	119	306	394	59	-11	-117	-108
Net cash flow	8	75	103	142	6	83	193	164	2	-7	-90	-23
TCE/day	57,577	24,473	32,706	42,415	56,639	26,753	45,993	54,730	938	#####	#####	-12,315
Cash break-even	20,457	12,415	18,228	17,867	20,676	13,605	19,409	19,036	-219	-1,190	-1,180	-1,169
Liquidity	75	150	253	395	73	156	349	513	2	-6	-95	-118
Property & Equip. (incl. NBs)	1,492	1,378	1,265	1,151	1,497	1,385	1,273	1,161	-5	-7	-8	-10
Total equity	1,248	1,215	1,268	1,360	1,120	1,097	1,244	1,362	128	117	24	-2
Total assets	1,657	1,619	1,608	1,636	1,703	1,674	1,755	1,807	-46	-55	-147	-171
Interest bearing debt	351	345	281	217	524	517	451	385	-173	-172	-170	-169
Net interest bearing debt	276	195	28	-178	450	361	103	-127	-175	-166	-75	-51
Market Cap.	975	975	975	975	875	875	875	875	100	100	100	100
Enterprise value	1,251	1,170	1,003	797	1,325	1,236	977	747	-74	-66	26	50

Valuation

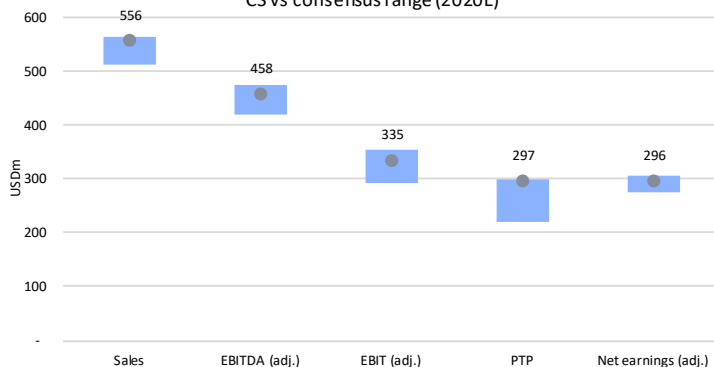
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	1,130	1,131	1,394	1,778	1,101	1,197	1,874	2,295	29	-65	-480	-517
Adj. equity ratio	73%	74%	80%	87%	65%	67%	79%	84%	8%	6%	2%	3%
FCF yield	50%	11%	19%	29%	48%	14%	35%	45%	1%	-3%	-16%	-16%
Dividend yield	22%	3%	2%	8%	24%	3%	5%	19%	-2%	-1%	-3%	-11%
EV/EBITDA	2.8	8.6	4.6	2.6	3.0	7.8	2.8	1.8	-0.2	0.8	1.8	0.8
P/E (adj.)	3.3		12.9	5.7	3.1		4.5	3.1	0.2	#####	8.4	2.6



Our Estimates vs Consensus

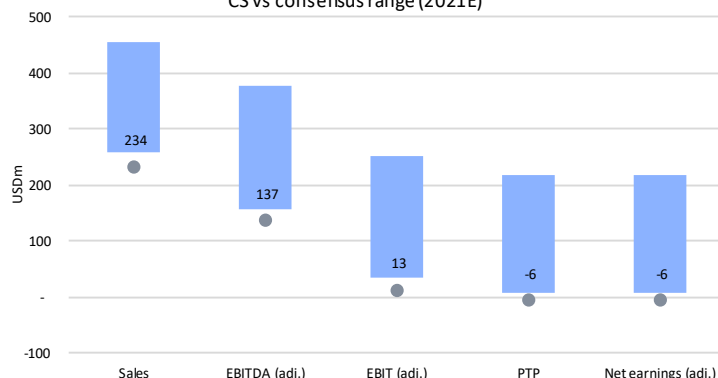
Profit & Loss, year I

CS vs consensus range (2020E)

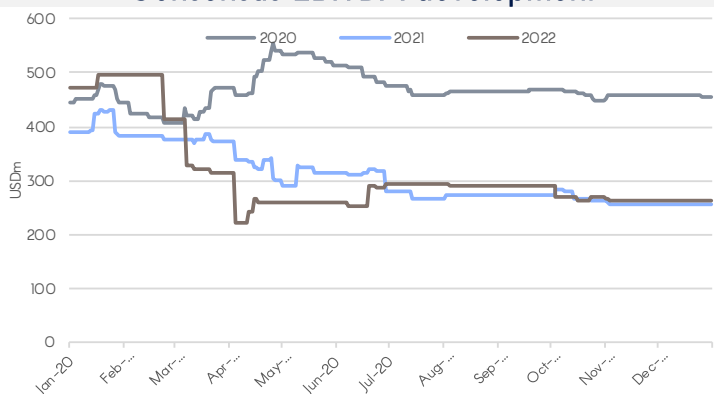


Profit & Loss, year II

CS vs consensus range (2021E)



Consensus EBITDA development



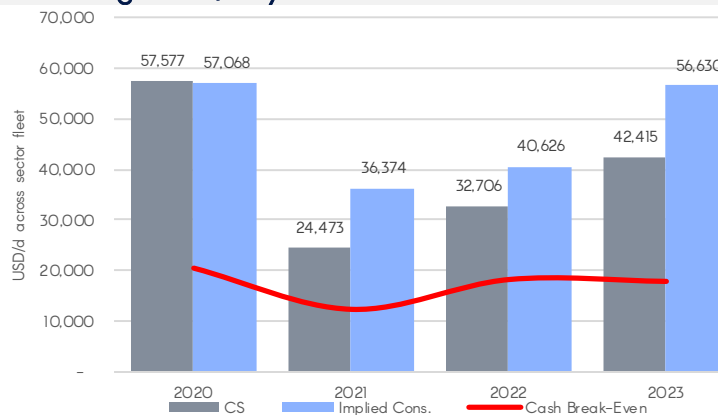
Target price vs share price (past 1y)



Cleaves vs consensus: P&L break-down

2020	CS	Consensus	Diff.	Diff.
TCE revenue	556	551	5	1%
Opex + G&A	98	95	3	3%
Depreciation	123	125	-2	-2%
Net finance	38	53	-15	-28%
Taxes & Minorities	1	-17	18	-105%
2021	CS	Consensus	Diff.	Diff.
TCE revenue	234	348	-114	-33%
Opex + G&A	97	93	5	5%
Depreciation	123	111	13	11%
Net finance	19	34	-15	-45%
Taxes & Minorities	0	6	-6	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	142	153	203	118	83	71	44	46	73
Operational costs	-25	-24	-25	-29	-24	-24	-24	-24	-24
EBITDA	116	128	178	88	59	47	19	22	48
Depreciation/Amortization	-31	-30	-31	-31	-31	-30	-31	-31	-31
EBIT	86	98	147	57	28	17	-12	-9	17
Net financials	-10	-25	-11	-6	-6	-5	-5	-5	-5
PTP	76	73	136	51	22	12	-16	-14	12
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	76	72	136	51	22	12	-16	-14	12
Non-recurring items	0	13	1	2	0	0	0	0	0
Net earnings (adj.)	76	85	136	53	22	12	-16	-14	12
EPS	0.52	0.49	0.52	0.34	0.13	0.07	-0.10	-0.08	0.07
EPS (adj.)	0.52	0.58	0.93	0.36	0.13	0.07	-0.10	-0.08	0.07
DPS	0.05	0.32	0.35	0.56	0.20	0.08	0.04	0.02	0.02
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	67	76	138	75	75	101	104	114	150
Other current assets	151	131	124	80	80	80	80	80	80
Total current assets	218	207	261	155	155	181	184	194	231
Property & equip. (incl. NBs)	1,601	1,575	1,553	1,520	1,492	1,464	1,435	1,407	1,378
Other non-current assets	8	8	10	10	10	10	10	10	10
Total non-current assets	1,609	1,583	1,563	1,531	1,502	1,474	1,446	1,417	1,388
TOTAL ASSETS	1,827	1,790	1,824	1,686	1,657	1,655	1,630	1,611	1,619
Total equity	932	959	1,045	1,135	1,248	1,247	1,223	1,206	1,215
Short-term debt	100	103	72	18	5	20	35	50	64
Other current liabilities	30	29	37	38	38	38	38	38	38
Total current liabilities	130	131	109	57	44	58	73	88	103
Long-term debt	751	678	647	474	345	329	313	297	281
Other non-current liabilities	14	22	23	21	21	21	21	21	21
Total non-current liabilities	765	700	670	495	366	350	334	318	302
TOTAL EQUITY & LIABILITIES	1,827	1,790	1,824	1,686	1,657	1,655	1,630	1,611	1,619
Working capital, receivables	108	122	117	75	75	75	75	75	75
Working capital, payables	24	20	17	10	10	10	10	10	10
Net working capital	84	103	100	65	65	65	65	65	65
Interest bearing debt	851	781	719	492	351	349	348	347	345
Liquidity	67	76	138	75	75	101	104	114	150
Net interest bearing debt	784	705	582	417	276	249	244	232	195
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	76	72	136	51	22	12	-16	-14	12
Depreciation	31	30	31	31	31	30	31	31	31
Other	-1	15	4	4	0	0	0	0	0
Cash earnings	106	118	170	86	53	43	15	17	43
Changes in working capital	-56	13	16	45	0	0	0	0	0
Net operational cash flow	50	131	187	131	53	43	15	17	43
Capex	-20	-3	-10	-3	-2	-2	-2	-2	-2
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	-20	-3	-10	-3	-2	-2	-2	-2	-2
Repayment of debt	-80	-72	-77	-166	-142	-1	-1	-1	-1
Proceeds from debt	10	0	14	58	0	0	0	0	0
Dividends paid	-7	-47	-52	-82	-34	-13	-7	-3	-3
New equity	0	0	0	0	125	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net financing cash flow	-78	-119	-115	-190	-51	-15	-9	-5	-5
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-48	8	62	-63	0	26	3	10	36
Cash balance	67	76	138	75	75	101	104	114	150
Free cash flow	30	128	177	128	51	40	12	15	41



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	296	291	242	214	348	556	234	313	406
Operational costs	-82	-166	-102	-94	-93	-103	-97	-97	-97
EBITDA	214	125	140	120	254	454	137	216	309
Depreciation/Amortization	-79	-84	-97	-103	-116	-123	-123	-123	-123
EBIT	135	41	43	16	139	330	13	92	185
Net financials	-30	-31	-37	-63	-65	-49	-19	-17	-13
PTP	105	9	7	-47	74	282	-6	76	172
Taxes/Minorities	0	0	0	0	0	-1	0	0	0
Net earnings	105	9	7	-47	74	281	-6	76	172
Non-recurring items	0	0	0	0	0	16	0	0	0
Net earnings (adj.)	105	9	7	-47	74	296	-6	76	172
EPS	1.13	0.10	0.05	-0.33	0.50	1.48	-0.03	0.44	1.01
EPS (adj.)	1.13	0.10	0.05	-0.33	0.50	1.99	-0.03	0.44	1.01
DPS	0.53	0.71	0.16	0.08	0.20	1.43	0.16	0.13	0.47
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	167	109	77	95	67	75	150	253	395
Other current assets	51	69	90	98	151	80	80	80	80
Total current assets	218	179	167	193	218	155	231	333	475
Property & equip. (incl. NBs)	1,203	1,222	1,559	1,666	1,604	1,492	1,378	1,265	1,151
Other non-current assets	3	3	4	4	5	10	10	10	10
Total non-current assets	1,206	1,225	1,563	1,671	1,609	1,502	1,388	1,275	1,161
TOTAL ASSETS	1,424	1,404	1,730	1,864	1,827	1,657	1,619	1,608	1,636
Total equity	738	685	926	862	932	1,248	1,215	1,268	1,360
Short-term debt	32	58	65	94	101	5	66	67	60
Other current liabilities	21	17	18	30	29	38	38	38	38
Total current liabilities	53	74	83	124	130	44	105	105	98
Long-term debt	630	644	721	873	753	345	279	215	157
Other non-current liabilities	3	0	0	5	12	21	21	21	21
Total non-current liabilities	633	644	722	878	765	366	300	235	178
TOTAL EQUITY & LIABILITIES	1,424	1,404	1,730	1,864	1,827	1,657	1,619	1,608	1,636
Working capital, receivables	40	34	42	60	108	75	75	75	75
Working capital, payables	12	12	17	23	23	10	10	10	10
Net working capital	28	23	25	38	85	65	65	65	65
Interest bearing debt	662	701	786	967	854	351	345	281	217
Liquidity	167	109	77	95	67	75	150	253	395
Net interest bearing debt	496	592	709	872	786	276	195	28	-178
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	105	9	7	-47	74	281	-6	76	172
Depreciation	79	84	97	103	116	123	123	123	123
Other	11	96	20	26	20	24	0	0	0
Cash earnings	195	189	124	82	210	428	118	199	295
Changes in working capital	-14	5	-22	-28	-54	74	0	0	0
Net operational cash flow	182	194	102	54	156	502	118	199	295
Capex	-145	-236	-298	-235	-54	-19	-10	-10	-10
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	27	22	111	46	0	0	0	0	0
Other	-7	0	0	0	1	-5	0	0	0
Net investing cash flow	-126	-213	-187	-188	-53	-19	-10	-10	-10
Repayment of debt	-6	55	93	168	-98	-457	-5	-64	-64
Proceeds from debt	99	219	200	617	65	71	0	0	0
Dividends paid	-49	-66	-23	-11	-29	-215	-27	-22	-80
New equity	0	0	0	0	0	125	0	0	0
Other	-99	-247	-218	-622	-68	-5	0	0	0
Net financing cash flow	-56	-38	53	152	-130	-475	-33	-86	-144
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	0	-57	-32	18	-28	8	75	103	142
Cash balance	167	109	77	95	67	75	150	253	395
Free cash flow	56	-19	-85	-134	103	483	108	189	286



Cleaves Securities

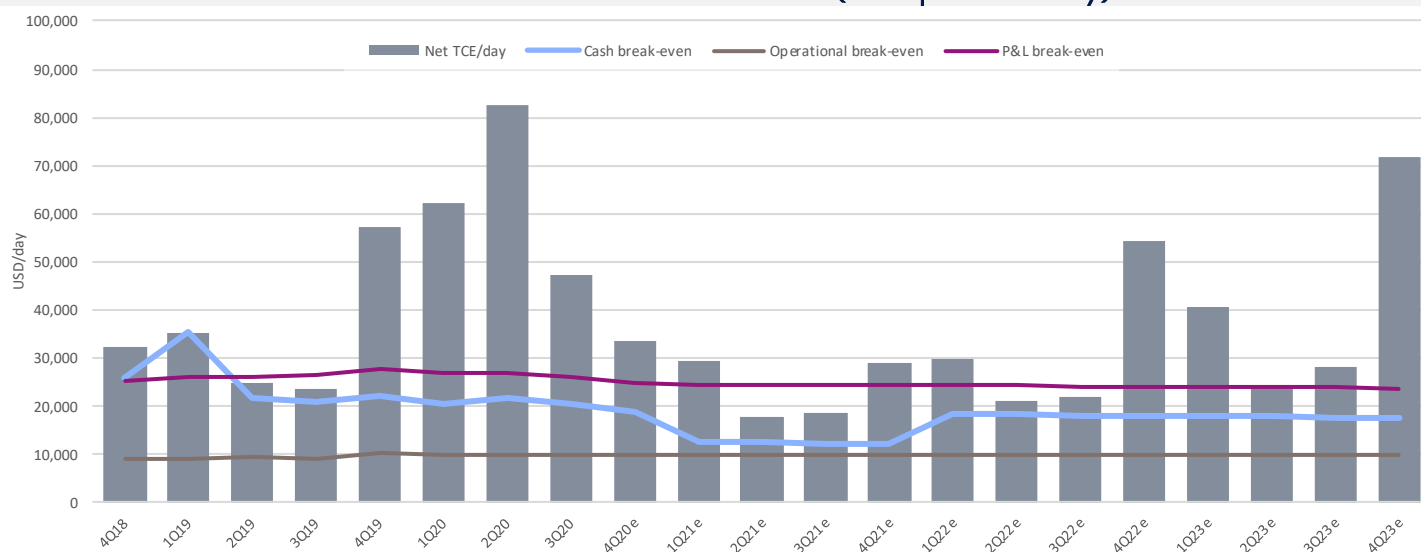
Oil Tankers SELL

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

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	93	93	142	143	147	170	170	170	170
Share price, avg (USD)	8	5	4	4	6	6	6	6	6
Share price, end (USD)	8	4	4	4	8	6	6	6	6
Market Cap.	752	387	511	559	1,216	975	975	975	975
NIBD	496	592	709	872	786	276	195	28	-178
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	1,247	979	1,220	1,432	2,002	1,251	1,170	1,003	797
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)	7.1	41.8	77.4		16.5	3.5		12.9	5.7
P/E (adj.)	7.1	41.8	77.4		16.5	3.3		12.9	5.7
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	2.5	1.3	2.1	2.6	3.5	1.8	4.2	3.1	2.4
EV/Sales	4.2	3.4	5.0	6.7	5.8	2.2	5.0	3.2	2.0
EV/EBITDA	5.8	7.8	8.7	12.0	7.9	2.8	8.6	4.6	2.6
EV/EBIT	9.2	24.2	28.2	87.9	14.4	3.8	87.8	10.9	4.3
P/B	1.0	0.6	0.6	0.6	1.3	0.8	0.8	0.8	0.7
FCF yield	7%	-5%	-17%	-24%	8%	50%	11%	19%	29%
Dividend yield	6.5%	17.2%	4.6%	2.1%	2.4%	22.0%	2.8%	2.3%	8.2%
Return on equity (ROE)	14.3%	1.4%	0.7%	-5.4%	7.9%	22.5%	-0.5%	6.0%	12.6%
Return on capital employed (ROCE)	11.0%	3.2%	2.6%	0.9%	8.1%	21.8%	0.9%	7.2%	15.7%
Return on assets (ROA)	7.4%	0.7%	0.4%	-2.5%	4.0%	16.9%	-0.3%	4.7%	10.5%
Sales growth	192%	-2%	-17%	-11%	62%	60%	-58%	34%	30%
EBITDA margin	72%	43%	58%	56%	73%	82%	59%	69%	76%
EBIT margin	46%	14%	18%	8%	40%	59%	6%	30%	46%
Net margin	36%	3%	3%	-22%	21%	50%	-2%	24%	42%
Net interest rate	6.8%	5.9%	5.7%	6.2%	7.0%	13.8%	10.4%	65.1%	-8.1%
Tax rate	0.1%	1.0%	1.9%	-0.2%	0.2%	0.3%	-0.5%	0.0%	0.0%
Equity ratio	52%	49%	54%	46%	51%	75%	75%	79%	83%
Leverage ratio	48%	51%	46%	54%	49%	25%	25%	21%	17%
NIBD / EBITDA (past 1y)	2.3	4.7	5.1	7.3	3.1	0.6	1.4	0.1	-0.6
Operating cash flow/NIBD	0.4	0.3	0.1	0.1	0.2	1.8	0.6	7.1	-1.7
Net interest coverage ratio (EBIT)	6.4	3.6	3.5	2.2	4.6	11.9	6.8	11.9	21.4
Current ratio	4.1	2.4	2.0	1.6	1.7	3.6	2.2	3.2	4.8
Adj. equity ratio						73%	74%	80%	87%
Operating assets	1,257	1,294	1,653	1,769	1,760	1,577	1,463	1,349	1,236
Operating liabilities	23	17	18	35	41	59	59	59	59
Net operating assets	1,234	1,277	1,635	1,734	1,719	1,518	1,404	1,290	1,177

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

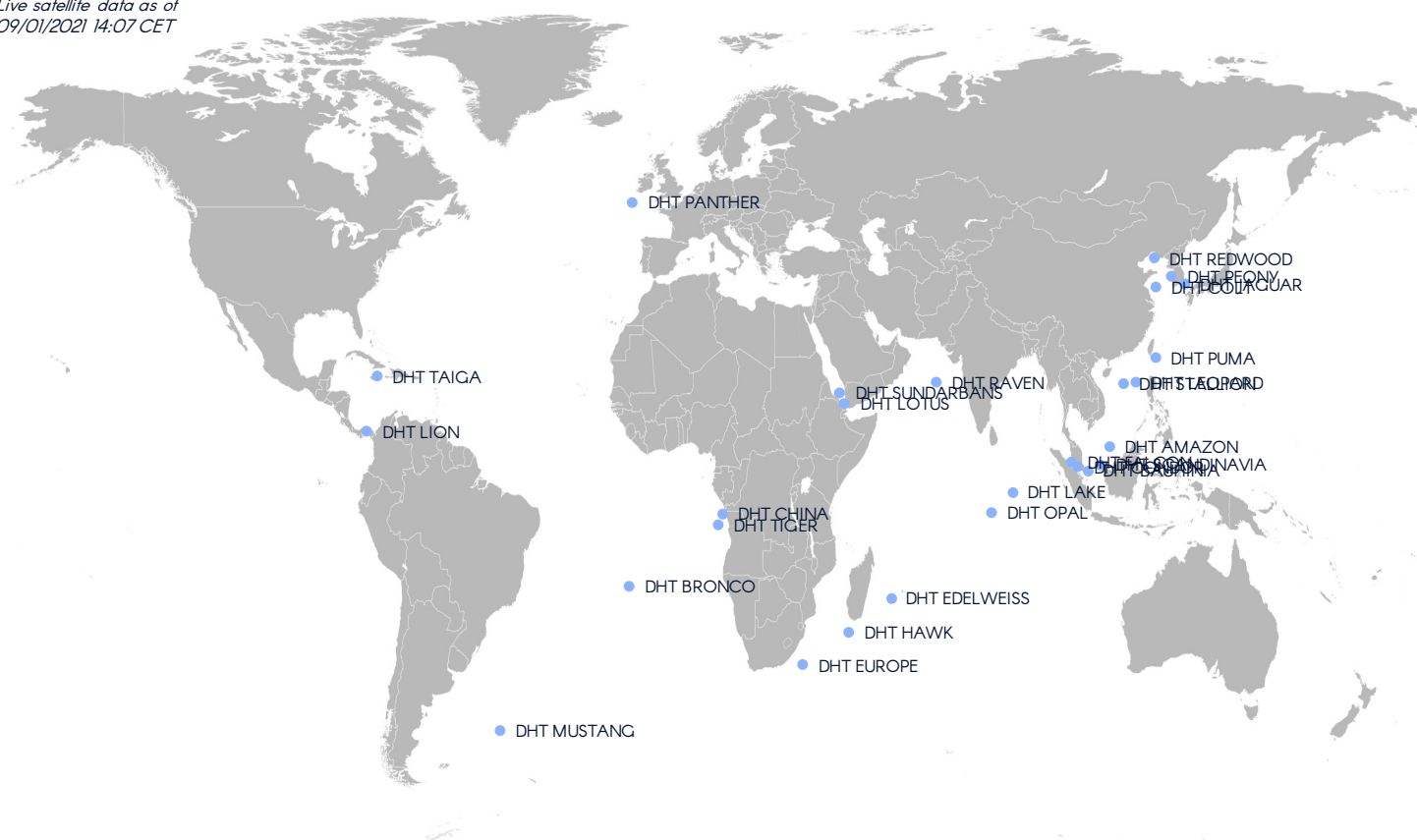
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
09/01/2021 14:07 CET



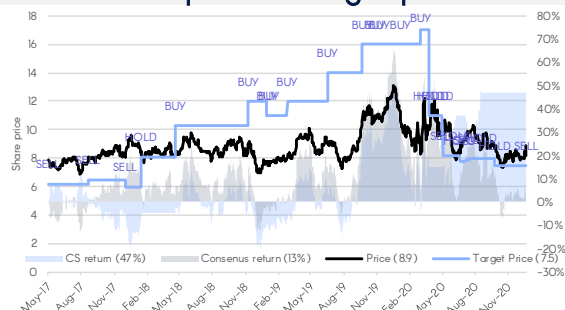


EURN-US

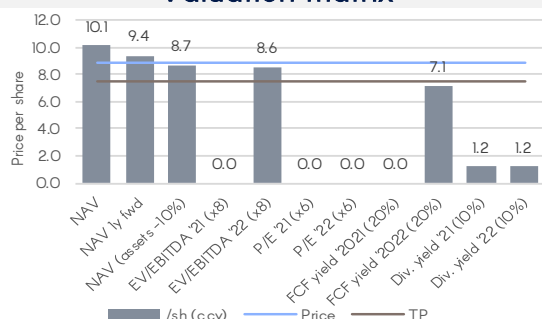
SELL/\$7.5

Euronav

Share price vs target price

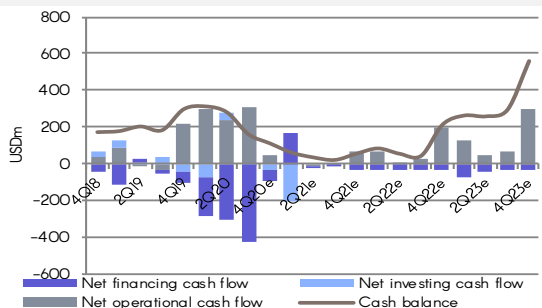


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
jh@cleaves.no

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	1,122	360	605	841
EBITDA (adj.)	844	90	345	580
EBIT (adj.)	522	-230	54	289
PTP (adj.)	478	-284	-2	234
Net earnings (adj.)	477	-284	-2	234
EPS (adj.)	2.20	-1.40	-0.01	1.15
DPS	1.68	0.12	0.12	0.42
USDm	2020E	2021E	2022E	2023E
Fwd NAV	2,256	2,040	2,525	3,279
Adj. equity ratio	64%	59%	66%	73%
FCF yield	45%	-9%	16%	29%
Dividend yield	19%	1%	1%	5%
EV/EBITDA	3.3	34.1	8.2	4.1
P/E (adj.)	3.8			7.7

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	897	37	290	526
Free cash flow	819	-168	290	526
Net cash flow	-185	-55	158	342
TCE/day	49,831	14,604	25,852	35,943
Cash break-even	22,261	20,801	18,245	17,689
Liquidity	112	57	215	557
Property & Equip. (incl. NBs)	3,001	2,886	2,594	2,303
Total equity	2,356	2,048	2,022	2,171
Total assets	3,648	3,477	3,343	3,394
Interest bearing debt	1,198	1,336	1,228	1,129
Net interest bearing debt	1,086	1,279	1,014	572
Market Cap.	1,807	1,807	1,807	1,807

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



Quarterly Preview

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	4Q20 Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net sales	320.3	207.3	126.0	123.2				
EBITDA (adj.)	247.4	137.9	60.3	51.8				
EBIT (adj.)	168.5	57.8	-19.8	-27.8				
PTP (adj.)	151.7	46.4	-32.0	-43.6				
Net earnings (adj.)	151.4	46.2	-32.0	-40.8				
EPS (adj.)	0.69	0.23	-0.16	-0.20				
DPS	0.00	0.09	0.03	0.03				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	320.3	207.3	126.0	123.2				
Opex & G&A	72.9	69.4	65.7	71.4				
Depreciation	78.9	80.1	80.1	79.6				
Net finance	16.9	11.4	12.2	15.8				
Taxes & Minorities	0.2	0.2	-	-2.8				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	Cleaves	Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net operational cash flow	219	306	48					
Free cash flow	176	298	17					
Net cash flow	113	-120	-49					
TCE/day	53,566	38,486	21,393	20,914				
Utilization		88.7%	97.0%					
Fleet days	6,164	6,072	6,072					
Cash break-even	23,193	21,974	21,629					
Liquidity	297	162	112					
Interest bearing debt	1,745	1,247	1,198					
Net interest bearing debt	1,448	1,085	1,086					

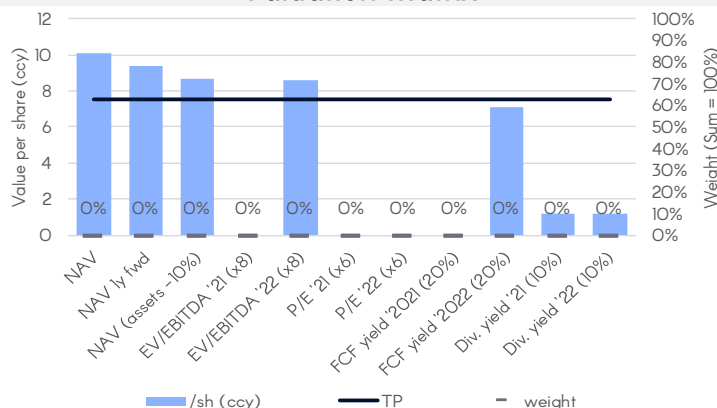


Company Valuation

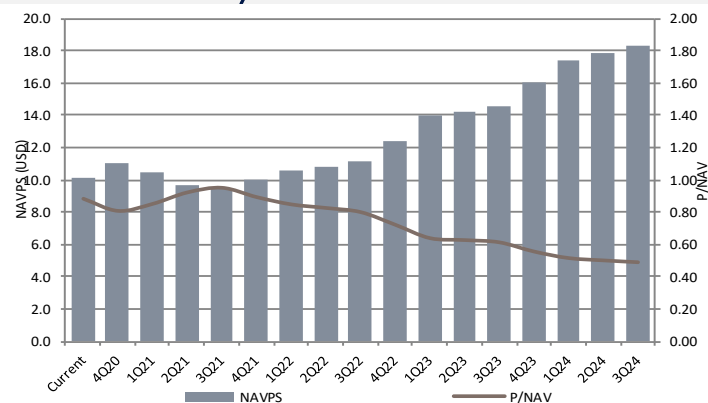
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	3,050	2,952	2,734
Contract value	0	48	45
Other	455	387	358
GAV	3,506	3,387	3,137
Net debt	-1,085	-1,085	-1,085
Capex	0	-222	-222
Other	-16	-16	-16
Equity	2,404	2,064	1,813
Shares	204	204	204
Equity/sh	11.79	10.12	8.89
ICL CCY	11.79	10.12	8.89
P/Equity	0.75	0.88	1.00
EV/GAV	0.89	0.93	1.00
Adj. Total Assets	3,746	3,648	3,430
Adj. Equity Ratio	64%	57%	53%
Fair Value	USD	7.5	-15%

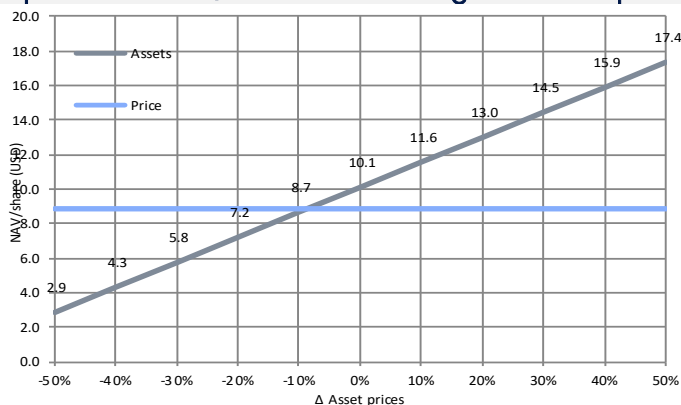
Valuation Matrix



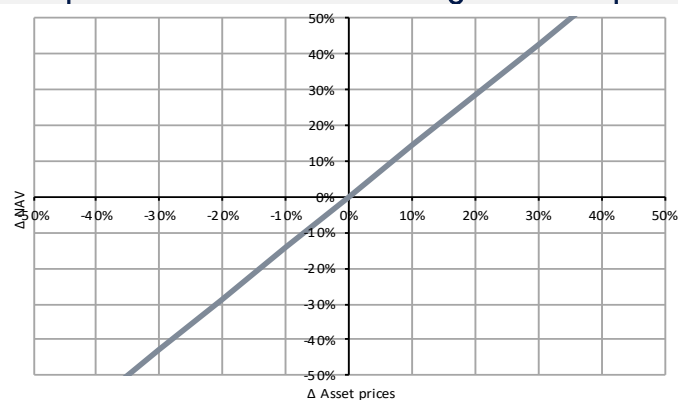
Quarterly forward NAV & P/NAV



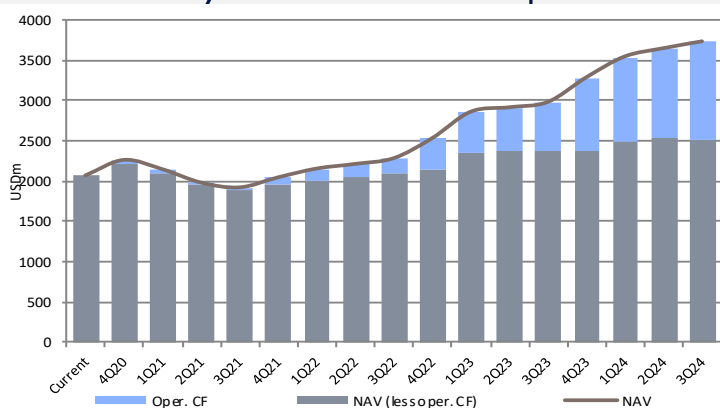
Impact on NAV/sh from % change in asset prices



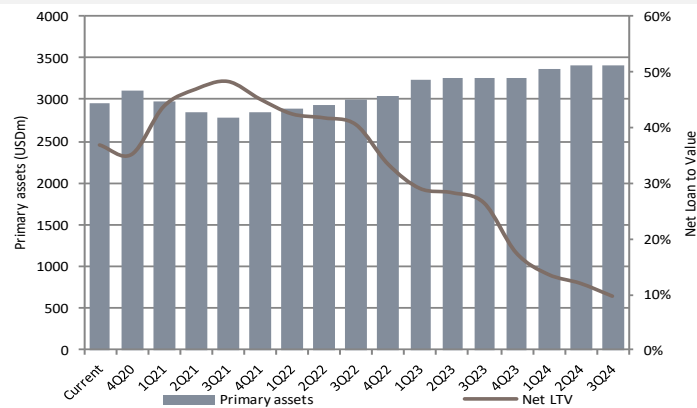
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	2020E	New 2021E	2022E	2023E	2020	Old 2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	1,122	360	605	841	1,151	518	944	1,122	-30	-158	-339	-282
EBITDA (adj.)	844	90	345	580	873	241	676	854	-29	-151	-331	-274
EBIT (adj.)	522	-230	54	289	552	-77	387	565	-31	-153	-334	-276
PTP (adj.)	478	-284	-2	234	505	-136	333	516	-27	-148	-335	-282
Net earnings (adj.)	477	-284	-2	234	503	-136	333	516	-27	-148	-335	-282
EPS (adj.)	2.20	-1.40	-0.01	1.15	2.33	-0.67	1.63	2.53	-0.13	-0.73	-1.64	-1.38
DPS	1.68	0.12	0.12	0.42	1.81	0.12	0.35	1.75	-0.13	-	-0.23	-1.34
									2020E	2021E	2022E	2023E
TCE revenue									-30	-158	-339	-282
Opex & G&A									-0	-8	-8	-8
Depreciation									1	3	3	3
Net finance									-4	-5	1	6
Taxes & Minorities									0	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm	2020E	2021E	2022E	2023E	2020	2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	897	37	290	526	810	182	622	805	87	-145	-333	-279
Free cash flow	819	-168	290	526	721	-23	622	805	98	-145	-333	-279
Net cash flow	-185	-55	158	342	35	28	433	339	-220	-83	-275	3
TCE/day	49,831	14,604	25,852	35,943	48,966	20,782	39,701	47,232	865	-6,177	#####	-11,289
Cash break-even	22,261	20,801	18,245	17,689	23,229	20,626	18,950	18,349	-968	175	-704	-660
Liquidity	112	57	215	557	255	282	715	1,054	-142	-225	-500	-498
Property & Equip. (incl. NBs)	3,001	2,886	2,594	2,303	3,043	2,930	2,641	2,352	-41	-44	-47	-49
Total equity	2,356	2,048	2,022	2,171	2,446	2,286	2,547	2,706	-90	-238	-526	-535
Total assets	3,648	3,477	3,343	3,394	3,992	3,907	4,051	4,101	-344	-430	-707	-707
Interest bearing debt	1,198	1,336	1,228	1,129	1,385	1,461	1,343	1,234	-187	-125	-115	-105
Net interest bearing debt	1,086	1,279	1,014	572	1,131	1,178	628	180	-44	101	386	392
Market Cap.	1,807	1,807	1,807	1,807	1,766	1,766	1,766	1,766	41	41	41	41
Enterprise value	2,894	3,087	2,821	2,380	2,897	2,945	2,394	1,946	-3	142	427	433

Valuation

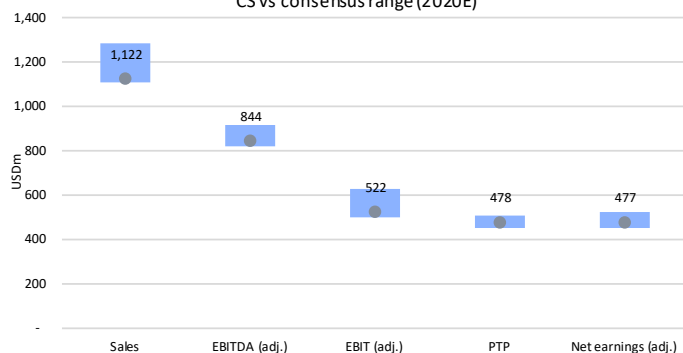
Estimate changes USDm	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	2,256	2,040	2,525	3,279	2,150	2,268	3,769	4,634	106	-228	-1,244	-1,355
Adj. equity ratio	64%	59%	66%	73%	58%	58%	71%	77%	5%	0%	-6%	-4%
FCF yield	45%	-9%	16%	29%	41%	-1%	35%	46%	4%	-8%	-19%	-16%
Dividend yield	19%	1%	1%	5%	22%	1%	4%	20%	-2%	0%	-3%	-16%
EV/EBITDA	3.3	34.1	8.2	4.1	3.2	12.2	3.5	2.3	0.1	21.9	4.6	1.8
P/E (adj.)	3.8			7.7	3.5		5.3	3.4	0.3	#####	#####	4.3



Our Estimates vs Consensus

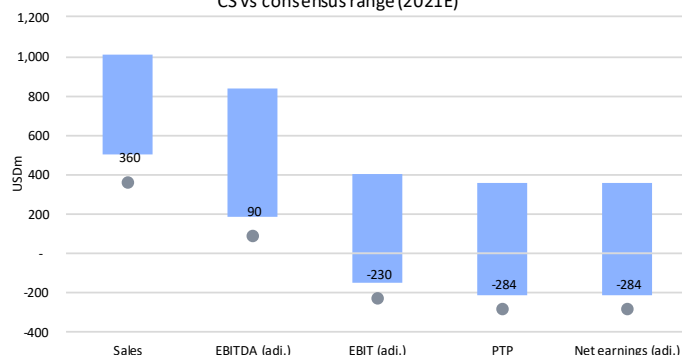
Profit & Loss, year I

CS vs consensus range (2020E)

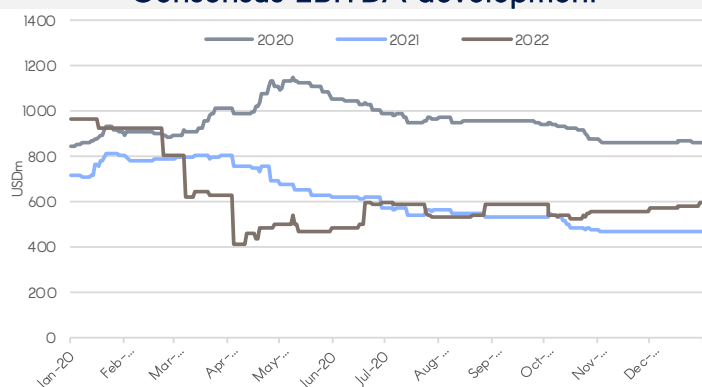


Profit & Loss, year II

CS vs consensus range (2021E)



Consensus EBITDA development



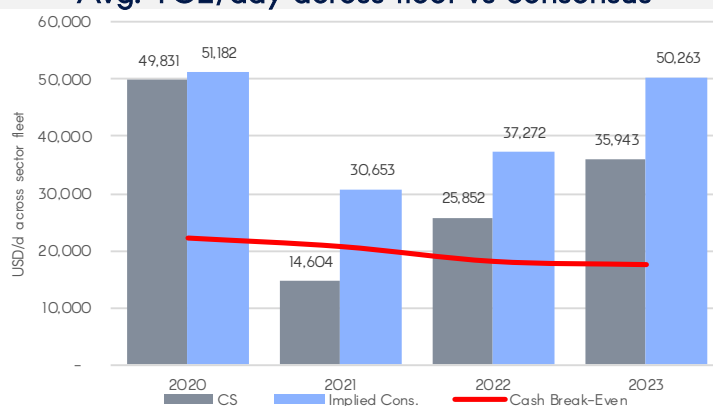
Target price vs share price



Cleaves vs consensus: P&L break-down

2020	CS	Consensus	Diff.	Diff.
TCE revenue	1,122	1,152	-30	-3%
Opex + G&A	278	294	-16	-5%
Depreciation	322	323	-1	0%
Net finance	43	58	-14	-24%
Taxes & Minorities	2	8	-7	-82%
2021	CS	Consensus	Diff.	Diff.
TCE revenue	360	757	-396	-52%
Opex + G&A	270	285	-15	-5%
Depreciation	320	347	-27	-8%
Net finance	54	64	-10	-16%
Taxes & Minorities	0	0	-0	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	320	384	404	207	126	72	64	74	151
Operational costs	-58	-59	-55	-69	-66	-66	-68	-68	-69
EBITDA	262	325	350	138	60	7	-4	5	82
Depreciation/Amortization	-84	-82	-79	-80	-80	-80	-80	-80	-80
EBIT	178	242	270	58	-20	-73	-84	-75	2
Net financials	-17	-16	-10	-11	-12	-12	-14	-14	-14
PTP	161	226	260	46	-32	-86	-98	-89	-12
Taxes/Minorities	0	-1	-1	0	0	0	0	0	0
Net earnings	161	226	260	46	-32	-86	-98	-89	-12
Non-recurring items	-9	-8	-14	0	0	0	0	0	0
Net earnings (adj.)	151	217	245	46	-32	-86	-98	-89	-12
EPS	0.73	1.03	1.03	1.03	-0.16	-0.42	-0.48	-0.44	-0.06
EPS (adj.)	0.69	0.99	1.14	0.23	-0.16	-0.42	-0.48	-0.44	-0.06
DPS	0.06	0.00	0.86	0.73	0.09	0.03	0.03	0.03	0.03
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	297	312	280	162	112	63	37	23	57
Other current assets	505	500	568	371	371	371	371	371	371
Total current assets	802	812	849	533	483	434	408	394	428
Property & equip. (incl. NBs)	3,238	3,196	3,157	3,050	3,001	3,126	3,046	2,966	2,886
Other non-current assets	124	180	126	163	163	163	163	163	163
Total non-current assets	3,363	3,376	3,283	3,214	3,165	3,290	3,210	3,129	3,049
TOTAL ASSETS	4,165	4,188	4,132	3,746	3,648	3,723	3,618	3,523	3,477
Total equity	2,312	2,533	2,551	2,406	2,356	2,264	2,160	2,065	2,048
Short-term debt	221	247	180	193	210	208	198	202	204
Other current liabilities	95	100	146	78	78	78	78	78	78
Total current liabilities	316	348	325	271	289	286	276	280	283
Long-term debt	1,524	1,292	1,241	1,054	988	1,158	1,166	1,162	1,132
Other non-current liabilities	13	15	15	15	15	15	15	15	15
Total non-current liabilities	1,537	1,307	1,256	1,069	1,003	1,174	1,182	1,178	1,147
TOTAL EQUITY & LIABILITIES	4,165	4,188	4,132	3,746	3,648	3,723	3,618	3,523	3,477
Working capital, receivables	289	492	568	371	371	371	371	371	371
Working capital, payables	76	99	145	77	77	77	77	77	77
Net working capital	213	393	424	294	294	294	294	294	294
Interest bearing debt	1,745	1,540	1,420	1,247	1,198	1,366	1,364	1,364	1,336
Liquidity	297	312	280	162	112	63	37	23	57
Net interest bearing debt	1,448	1,227	1,140	1,085	1,086	1,303	1,327	1,341	1,279
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	161	226	260	46	-32	-86	-98	-89	-12
Depreciation	84	82	79	80	80	80	80	80	80
Other	-12	-6	-17	-3	0	0	0	0	0
Cash earnings	233	302	322	123	48	-6	-18	-8	68
Changes in working capital	-14	0	-81	182	0	0	0	0	0
Net operational cash flow	219	302	241	306	48	-6	-18	-8	68
Capex	-3	-101	-24	-11	-31	-205	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	21	57	0	0	0	0	0	0
Other	-39	0	7	3	0	0	0	0	0
Net investing cash flow	-43	-79	40	-8	-31	-205	0	0	0
Repayment of debt	-175	-362	-463	-361	-48	-53	-52	-49	-28
Proceeds from debt	0	155	343	179	0	220	50	50	0
Dividends paid	-13	0	-185	-149	-18	-6	-6	-6	-6
New equity	0	0	0	0	0	0	0	0	0
Other	124	0	-6	-94	0	0	0	0	0
Net financing cash flow	-63	-207	-311	-425	-67	161	-8	-6	-35
Currency effect	0	0	-2	7	0	0	0	0	0
Net cash flow	113	15	-31	-120	-49	-50	-26	-14	34
Cash balance	297	312	280	162	112	63	37	23	57
Free cash flow	176	222	281	298	17	-211	-18	-8	68



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	775	625	451	459	788	1,122	360	605	841
Operational costs	-213	-189	-209	-262	-255	-249	-270	-260	-260
EBITDA	562	436	242	196	533	872	90	345	580
Depreciation/Amortization	-210	-228	-229	-271	-338	-322	-320	-292	-292
EBIT	352	208	13	-75	196	550	-230	54	289
Net financials	4	-4	-13	-35	-83	-49	-54	-55	-55
PTP	356	204	0	-110	113	501	-284	-2	234
Taxes/Minorities	-6	0	1	0	-1	-2	0	0	0
Net earnings	350	204	1	-110	112	499	-284	-2	234
Non-recurring items	0	0	0	0	0	-23	0	0	0
Net earnings (adj.)	350	204	1	-110	112	477	-284	-2	234
EPS	2.20	1.28	0.01	-0.50	0.51	2.92	-1.40	-0.01	1.15
EPS (adj.)	2.20	1.28	0.01	-0.50	0.51	2.20	-1.40	-0.01	1.15
DPS	0.87	1.36	0.28	0.10	0.12	1.68	0.12	0.12	0.42
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	132	207	144	173	297	112	57	215	557
Other current assets	243	167	137	348	505	371	371	371	371
Total current assets	375	373	281	521	802	483	428	586	928
Property & equip. (incl. NBs)	2,383	2,470	2,337	3,522	3,238	3,001	2,886	2,594	2,303
Other non-current assets	283	203	194	84	124	163	163	163	163
Total non-current assets	2,666	2,674	2,530	3,606	3,363	3,165	3,049	2,758	2,466
TOTAL ASSETS	3,041	3,047	2,811	4,127	4,165	3,648	3,477	3,343	3,394
Total equity	1,906	1,888	1,846	2,261	2,312	2,356	2,048	2,022	2,171
Short-term debt	100	119	97	199	221	210	182	203	204
Other current liabilities	79	70	61	88	95	78	78	78	78
Total current liabilities	180	189	159	287	316	289	260	281	282
Long-term debt	952	966	801	1,570	1,524	988	1,154	1,025	925
Other non-current liabilities	3	3	5	10	13	15	15	15	15
Total non-current liabilities	955	970	806	1,580	1,537	1,003	1,169	1,040	940
TOTAL EQUITY & LIABILITIES	3,041	3,047	2,811	4,127	4,165	3,648	3,477	3,343	3,394
Working capital, receivables	36	39	33	65	289	371	371	371	371
Working capital, payables	62	56	51	80	76	77	77	77	77
Net working capital	-26	-17	-19	-15	213	294	294	294	294
Interest bearing debt	1,052	1,086	899	1,769	1,745	1,198	1,336	1,228	1,129
Liquidity	132	207	144	173	297	112	57	215	557
Net interest bearing debt	921	879	755	1,595	1,448	1,086	1,279	1,014	572
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	350	204	1	-110	112	499	-284	-2	234
Depreciation	210	228	229	271	338	322	320	292	292
Other	-52	-32	-41	-45	-12	-26	0	0	0
Cash earnings	508	400	189	115	437	795	37	290	526
Changes in working capital	-58	38	22	-115	-165	101	0	0	0
Net operational cash flow	451	438	211	1	272	897	37	290	526
Capex	-360	-343	-178	-238	-8	-166	-205	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	113	223	97	27	86	78	0	0	0
Other	41	19	41	401	-34	29	0	0	0
Net investing cash flow	-206	-101	-40	190	44	-78	-205	0	0
Repayment of debt	-445	-38	-191	-136	-259	-1,234	-182	-108	-99
Proceeds from debt	931	—	—	—	—	677	320	0	0
Dividends paid	-138	-217	-44	-23	-26	-352	-24	-24	-85
New equity	237	—	—	—	—	0	0	0	0
Other	-951	-6	0	-2	93	29	0	0	0
Net financing cash flow	-365	-261	-235	-160	-191	-1,009	113	-132	-184
Currency effect	-2	-1	1	-1	-1	5	0	0	0
Net cash flow	-122	75	-63	29	124	-185	-55	158	342
Cash balance	132	207	144	173	297	112	57	215	557
Free cash flow	245	338	171	191	316	819	-168	290	526



Cleaves Securities

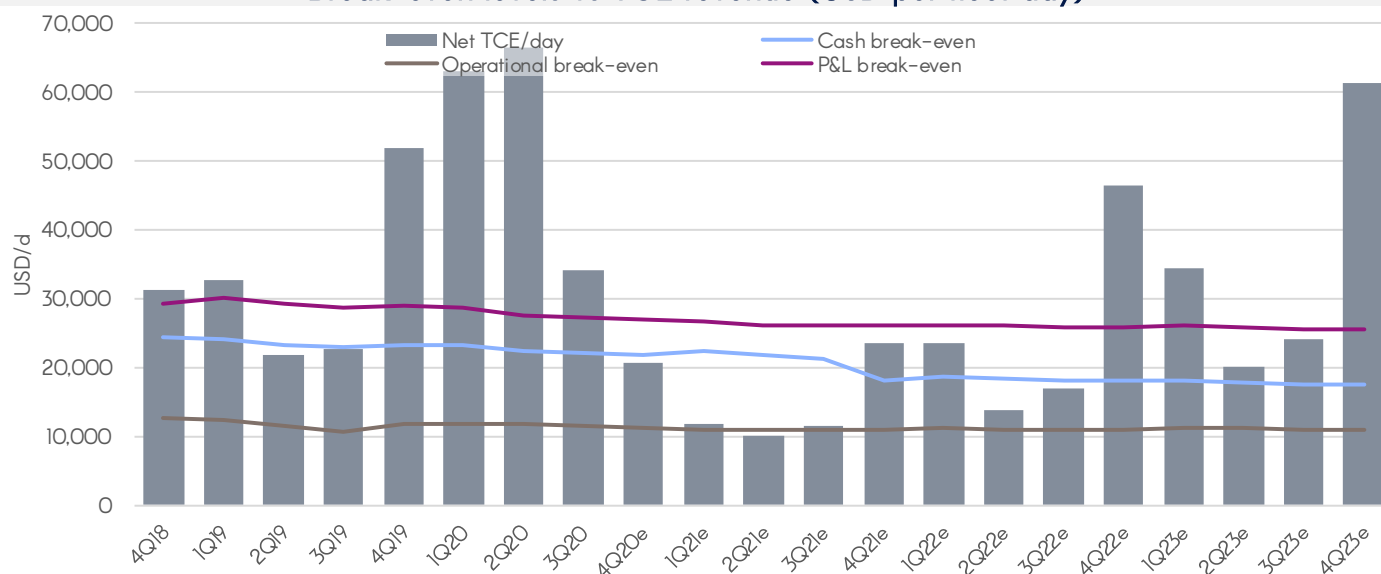
Oil Tankers SELL

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

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	159	159	159	220	220	203	203	203	203
Share price, avg (USD)	14	9	8	9	9	10	9	9	9
Share price, end (USD)	14	8	9	7	13	9	9	9	9
Market Cap.	2,183	1,266	1,473	1,525	2,759	1,807	1,807	1,807	1,807
NIBD	921	879	755	1,595	1,448	1,086	1,279	1,014	572
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	3,103	2,145	2,228	3,120	4,207	2,894	3,087	2,821	2,380
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)	6.2	6.2			24.6	3.6			7.7
P/E (adj.)	6.2	6.2			24.6	3.8			7.7
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	2.8	2.0	3.3	3.3	3.5	1.6	5.0	3.0	2.1
EV/Sales	4.0	3.4	4.9	6.8	5.3	2.6	8.6	4.7	2.8
EV/EBITDA	5.5	4.9	9.2	15.9	7.9	3.3	34.1	8.2	4.1
EV/EBIT	8.8	10.3			21.5	5.3		52.6	8.2
P/B	1.1	0.7	0.8	0.7	1.2	0.8	0.9	0.9	0.8
FCF yield	11%	27%	12%	13%	11%	45%	-9%	16%	29%
Dividend yield	6.3%	17.1%	3.0%	1.5%	0.9%	19.5%	1.3%	1.3%	4.7%
Return on equity (ROE)	18.4%	10.8%	0.1%	-4.9%	4.9%	21.2%	-13.9%	-0.1%	10.8%
Return on capital employed (ROCE)	12.5%	7.5%	0.5%	-1.9%	5.2%	16.3%	-7.0%	1.8%	10.8%
Return on assets (ROA)	11.5%	6.7%	0.0%	-2.7%	2.7%	13.7%	-8.2%	-0.1%	6.9%
Sales growth	118%	-19%	-28%	2%	72%	42%	-68%	68%	39%
EBITDA margin	73%	70%	54%	43%	68%	78%	25%	57%	69%
EBIT margin	45%	33%	3%	-16%	25%	49%	-64%	9%	34%
Net margin	45%	33%	0%	-24%	14%	45%	-79%	0%	28%
Net interest rate	0.0%	0.0%	0.0%	0.0%	0.0%	6.3%	5.4%	6.5%	10.7%
Tax rate	1.6%	-0.1%	-5432.0%	-0.2%	0.5%	0.3%	0.0%	0.0%	0.0%
Equity ratio	63%	62%	66%	55%	56%	65%	59%	60%	64%
Leverage ratio	37%	38%	34%	45%	44%	35%	41%	40%	36%
NIBD / EBITDA (past 1y)	1.6	2.0	3.1	8.1	2.7	1.2	14.1	2.9	1.0
Operating cash flow/NIBD	0.5	0.5	0.3	0.0	0.2	0.8	0.0	0.3	0.9
Net interest coverage ratio (EBITDA)						12.7	1.3	5.2	9.5
Current ratio	2.1	2.0	1.8	1.8	2.5	1.7	1.6	2.1	3.3
Adj. equity ratio						64%	59%	66%	73%
Operating assets	2,909	2,840	2,667	3,954	3,868	3,474	3,359	3,067	2,775
Operating liabilities	83	73	66	98	108	94	94	94	94
Net operating assets	2,827	2,767	2,601	3,856	3,760	3,381	3,265	2,974	2,682

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
09/01/2021 14:24 CET





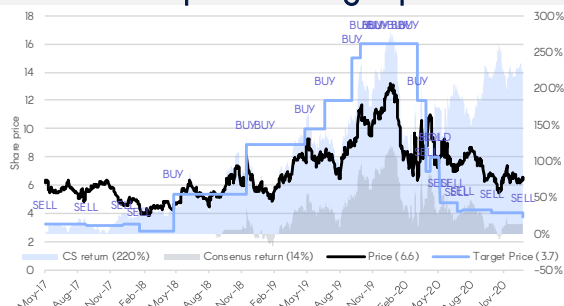
Stock listed since 1989 & with Fredriksen as main sponsor, this large oil tanker play is on of the most tradable name amongst peers

FRO-US

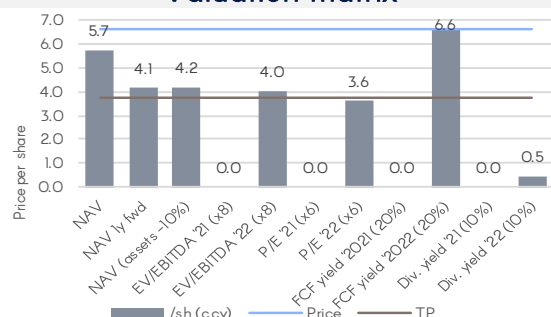
SELL/\$3.7

Frontline

Share price vs target price

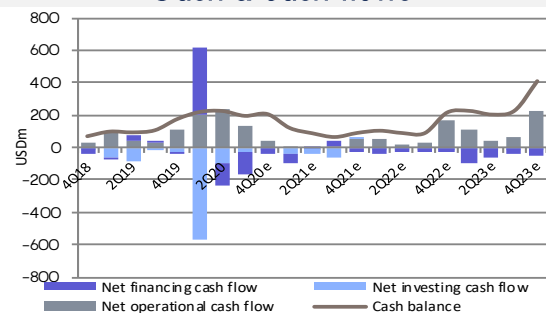


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

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

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	885	345	536	694
EBITDA (adj.)	652	131	322	480
EBIT (adj.)	513	-17	171	328
PTP (adj.)	453	-79	112	273
Net earnings (adj.)	453	-77	119	289
EPS (adj.)	2.27	-0.39	0.60	1.46
DPS	1.58	-	0.05	0.56
USDm	2020E	2021E	2022E	2023E
Fwd NAV	1,223	938	1,433	2,063
Adj. equity ratio	34%	29%	40%	50%
FCF yield	-6%	-5%	20%	33%
Dividend yield	24%	0%	1%	9%
EV/EBITDA	4.9	25.5	9.6	5.8
P/E (adj.)	2.9		11.0	4.5

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	624	71	270	441
Free cash flow	-73	-67	262	433
Net cash flow	45	-118	128	196
TCE/day	38,037	14,913	22,922	29,681
Cash break-even	19,308	17,363	17,045	16,912
Liquidity	222	104	232	428
Property & Equip. (incl. NBs)	3,341	3,330	3,187	3,044
Total equity	1,632	1,555	1,664	1,842
Total assets	3,963	3,834	3,819	3,872
Interest bearing debt	2,184	2,133	2,008	1,883
Net interest bearing debt	1,962	2,029	1,776	1,455
Market Cap.	1,305	1,305	1,305	1,305

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 report

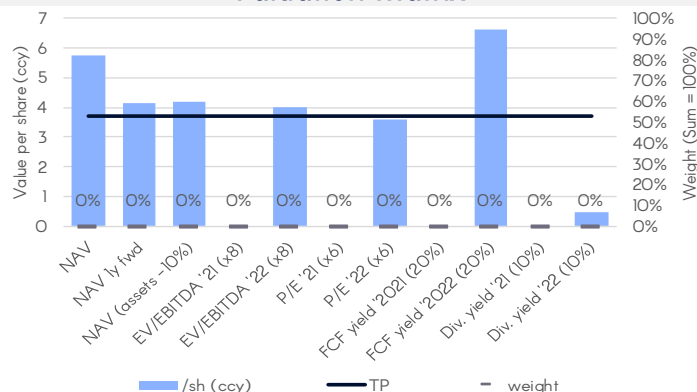


Company Valuation

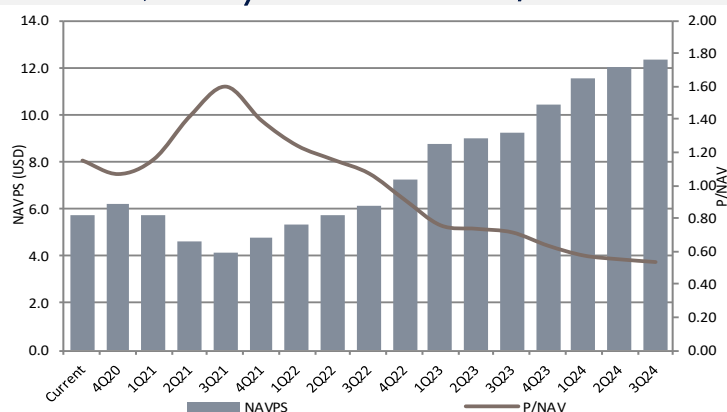
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	3,373	3,064	3,216
Contract value	0	78	82
Other	287	287	302
GAV	3,661	3,429	3,599
Net debt	-2,005	-2,005	-2,005
Capex	0	-142	-142
Other	-147	-147	-147
Equity	1,509	1,135	1,305
Shares	198	198	198
Equity/sh	7.63	5.74	6.60
lcl CCY	7.63	5.74	6.60
P/Equity	0.86	1.15	1.00
EV/GAV	0.98	1.05	1.00
Adj. Total Assets	3,984	3,675	3,826
Adj. Equity Ratio	38%	31%	34%
Fair Value	USD	3.7	-44%
	NOK	31.3	

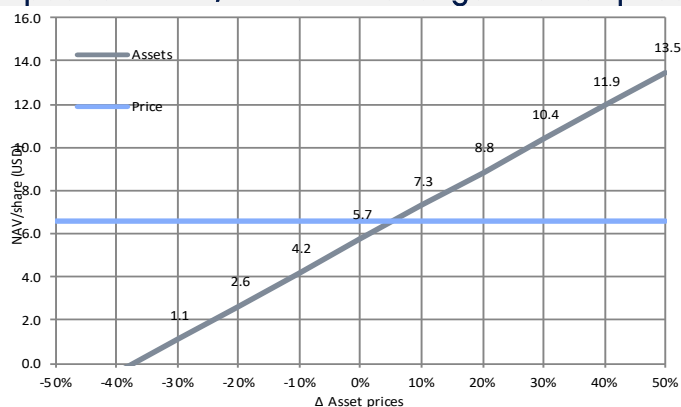
Valuation Matrix



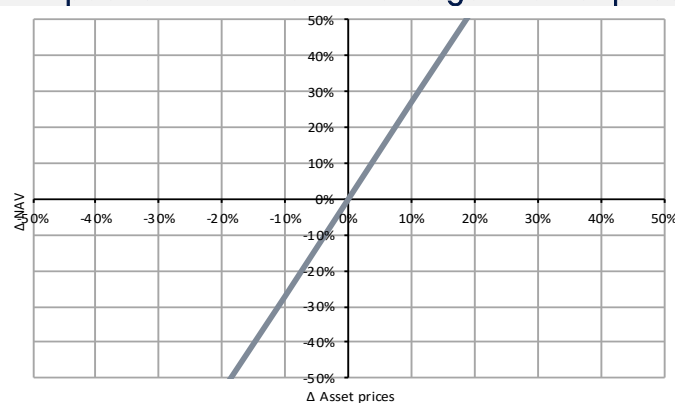
Quarterly forward NAV & P/NAV



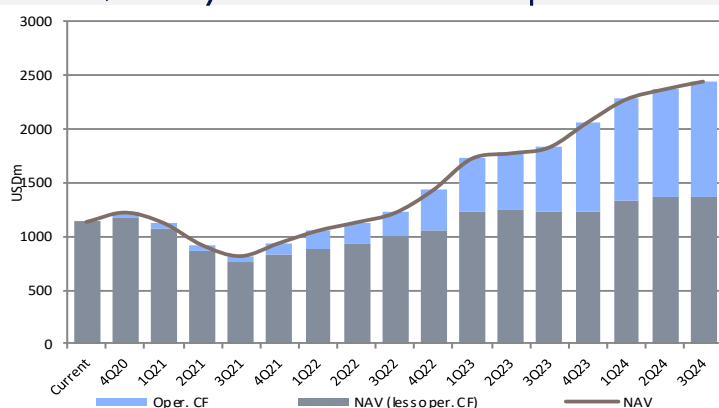
Impact on NAV/sh from % change in asset prices



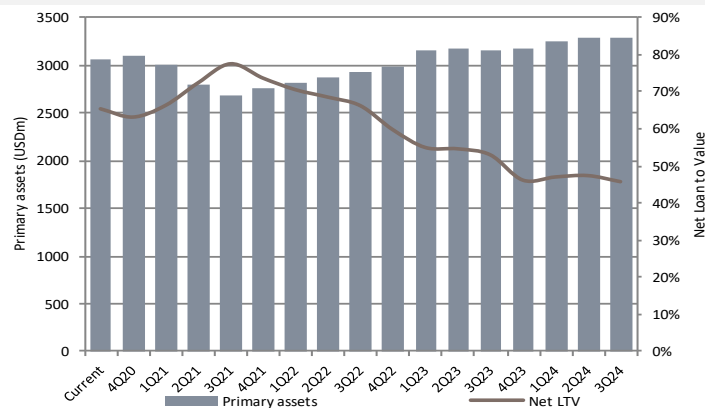
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	4Q20 Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net sales	224.2	177.8	117.3	124.6				
EBITDA (adj.)	172.6	112.0	55.1	46.9				
EBIT (adj.)	140.3	76.1	19.2	8.3				
PTP (adj.)	116.1	63.9	3.4	-4.3				
Net earnings (adj.)	115.9	63.8	3.4	-7.1				
EPS (adj.)	0.59	0.32	0.02	-0.04				
DPS	0.39	-	-	0.02				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	224.2	177.8	117.3	124.6				
Opex & G&A	51.5	65.8	62.2	77.7				
Depreciation	32.3	35.9	35.9	38.7				
Net finance	24.2	12.2	15.8	12.5				
Taxes & Minorities	0.3	0.0	0.0	2.8				

Other

4Q20 Preview USDm	4Q19	3Q20	Cleaves	Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net operational cash flow	111	132	46					
Free cash flow	82	101	43					
Net cash flow	69	-30	12					
TCE/day	41,299	30,200	19,919	21,166				
Fleet days	5,428	5,888	5,888					
Cash break-even	23,276	19,204	18,552					
Liquidity	177	211	222					
Interest bearing debt	2,066	2,215	2,184					



Estimate changes

Profit & Loss

Estimate changes USDm	2020E	New 2021E	2022E	2023E	2020	Old 2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	885	345	536	694	920	440	753	871	-35	-94	-217	-177
EBITDA (adj.)	652	131	322	480	701	224	538	655	-49	-93	-216	-176
EBIT (adj.)	513	-17	171	328	561	73	384	502	-48	-90	-213	-173
PTP (adj.)	453	-79	112	273	493	2	316	439	-40	-81	-204	-166
Net earnings (adj.)	453	-77	119	289	493	2	316	438	-40	-80	-197	-149
EPS (adj.)	2.27	-0.39	0.60	1.46	2.47	0.01	1.60	2.22	-0.20	-0.40	-0.99	-0.75
DPS	1.58	-	0.05	0.56	1.79	0.08	0.32	1.37	-0.21	-0.08	-0.27	-0.81
DPS (NOK)	13.30	-	0.39	4.74	16.81	0.779	2.968	12.9				
									2020E	2021E	2022E	2023E
							TCE revenue		-35	-94	-217	-177
							Opex & G&A		13	-1	-1	-1
							Depreciation		-1	-2	-2	-2
							Net finance		-8	-10	-9	-8
							Taxes & Minorities		0	-1	-7	-17

Cash Flows & Balance Sheet

Estimate changes USDm	2020E	2021E	2022E	2023E	2020	2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	624	71	270	441	625	153	469	592	-2	-82	-199	-151
Free cash flow	-73	-67	262	433	-60	12	461	584	-13	-79	-199	-151
Net cash flow	45	-118	128	196	-22	7	291	105	67	-125	-163	91
TCE/day	38,037	14,913	22,922	29,681	39,542	19,027	32,183	37,227	-1,505	-4,114	-9,261	-7,546
Cash break-even	19,308	17,363	17,045	16,912	21,534	21,388	21,029	20,816	-2,227	#####	-3,984	-3,903
Liquidity	222	104	232	428	155	162	453	559	67	-58	-221	-130
Property & Equip. (incl. NBs)	3,341	3,330	3,187	3,044	3,325	3,315	3,170	3,024	16	15	18	20
Total equity	1,632	1,555	1,664	1,842	1,633	1,619	1,872	2,039	-1	-64	-207	-196
Total assets	3,963	3,834	3,819	3,872	3,915	3,913	4,059	4,018	48	-79	-239	-146
Interest bearing debt	2,184	2,133	2,008	1,883	2,160	2,171	2,064	1,857	24	-39	-57	26
Net interest bearing debt	1,962	2,029	1,776	1,455	2,005	2,010	1,611	1,298	-43	19	165	156
Market Cap.	1,305	1,305	1,305	1,305	1,319	1,319	1,319	1,319	-14	-14	-14	-14
Enterprise value	3,266	3,334	3,089	2,784	3,323	3,328	2,929	2,617	-57	7	159	167

Valuation

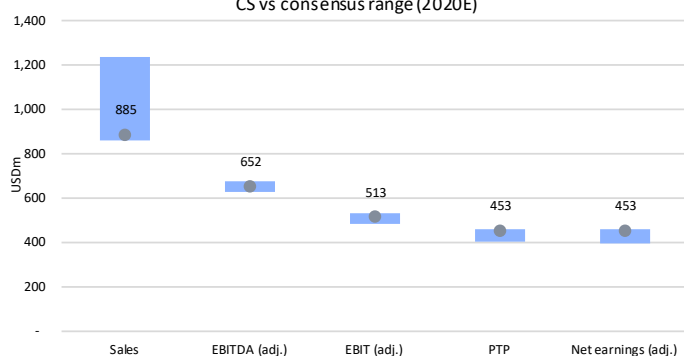
Estimate changes USDm	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	1,223	938	1,433	2,063	1,232	1,218	2,571	3,206	-9	-280	-1,138	-1,143
Adj. equity ratio	34%	29%	40%	50%	35%	35%	54%	62%	-1%	-6%	-14%	-11%
FCF yield	-6%	-5%	20%	33%	-5%	1%	35%	44%	-1%	-6%	-15%	-11%
Dividend yield	24%	0%	1%	9%	27%	1%	5%	21%	-3%	-1%	-4%	-12%
EV/EBITDA	4.9	25.5	9.6	5.8	4.6	14.9	5.4	4.0	0.2	10.6	4.1	1.8
P/E (adj.)	2.9		11.0	4.5	2.7		4.2	3.0	0.2	#####	6.8	1.5



Our Estimates vs Consensus

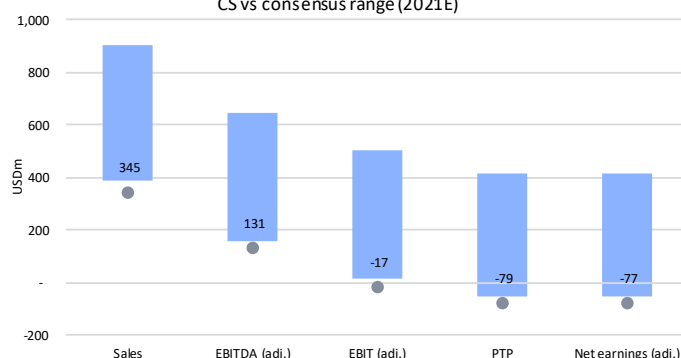
Profit & Loss, year I

CS vs consensus range (2020E)

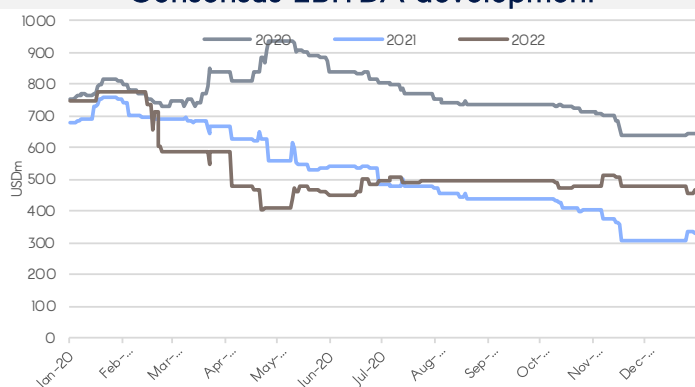


Profit & Loss, year II

CS vs consensus range (2021E)



Consensus EBITDA development



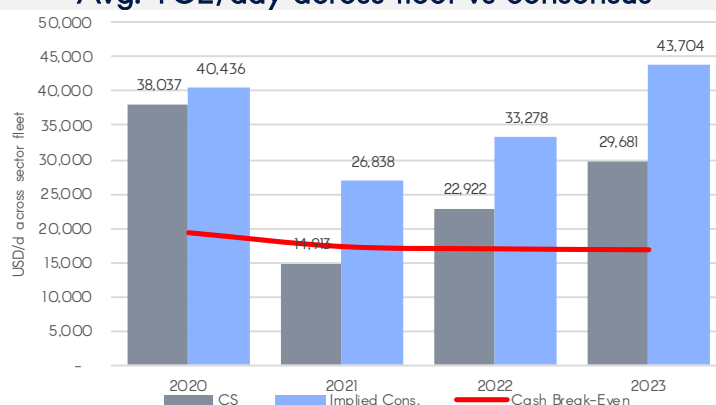
Target price vs share price



Cleaves vs consensus: P&L break-down

2020	CS	Consensus	Diff.	Diff.
TCE revenue	885	941	-56	-6%
Opex + G&A	233	295	-62	-21%
Depreciation	139	141	-2	-1%
Net finance	60	84	-24	-29%
Taxes & Minorities	0	3	-3	-98%
2021	CS	Consensus	Diff.	Diff.
TCE revenue	345	622	-276	-44%
Opex + G&A	214	290	-75	-26%
Depreciation	148	132	16	12%
Net finance	61	88	-27	-31%
Taxes & Minorities	-1	1	-2	-197%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	224	289	301	178	117	77	66	76	126
Operational costs	-60	-48	-41	-71	-55	-55	-52	-54	-54
EBITDA	164	241	260	107	62	22	14	22	72
Depreciation/Amortization	-32	-32	-34	-36	-36	-36	-37	-37	-38
EBIT	132	208	226	71	26	-14	-22	-15	34
Net financials	-23	-43	-26	-14	-16	-15	-15	-15	-15
PTP	109	165	200	57	10	-29	-38	-31	19
Taxes/Minorities	0	0	0	0	0	0	0	2	0
Net earnings	109	165	200	57	10	-29	-38	-29	18
Non-recurring items	7	19	2	7	-7	0	0	0	0
Net earnings (adj.)	116	184	202	64	3	-29	-38	-29	18
EPS	0.55	0.84	1.01	0.29	0.05	-0.15	-0.19	-0.15	0.09
EPS (adj.)	0.59	0.91	1.02	0.32	0.02	-0.15	-0.19	-0.15	0.09
DPS	0.10	0.39	0.70	0.49	0.00	0.00	0.00	0.00	0.00
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	174	219	225	194	206	118	85	62	87
Other current assets	274	281	244	210	210	210	210	210	210
Total current assets	448	500	468	404	416	328	295	272	298
Property & equip. (incl. NBs)	2,626	3,286	3,375	3,373	3,341	3,341	3,339	3,369	3,330
Other non-current assets	623	213	208	206	206	206	206	206	206
Total non-current assets	3,249	3,498	3,583	3,579	3,547	3,548	3,545	3,575	3,537
TOTAL ASSETS	3,698	3,998	4,052	3,984	3,963	3,876	3,840	3,847	3,834
Total equity	1,510	1,604	1,666	1,622	1,632	1,603	1,565	1,536	1,555
Short-term debt	727	505	540	229	500	443	428	400	443
Other current liabilities	121	136	127	135	135	135	135	135	135
Total current liabilities	848	640	666	363	635	578	563	535	578
Long-term debt	1,338	1,745	1,706	1,987	1,684	1,683	1,700	1,764	1,690
Other non-current liabilities	1	9	14	12	12	12	12	12	12
Total non-current liabilities	1,339	1,753	1,720	1,999	1,696	1,695	1,712	1,776	1,702
TOTAL EQUITY & LIABILITIES	3,698	3,998	4,052	3,984	3,963	3,876	3,840	3,847	3,834
Working capital, receivables	146	0	0	0	0	0	0	0	0
Working capital, payables	109	0	0	0	0	0	0	0	0
Net working capital	37	0	0	0	0	0	0	0	0
Interest bearing debt	2,066	2,249	2,246	2,215	2,184	2,126	2,128	2,164	2,133
Liquidity	177	231	241	211	222	135	102	78	104
Net interest bearing debt	1,888	2,018	2,005	2,005	1,962	1,992	2,027	2,086	2,029
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	109	165	200	57	10	-29	-38	-29	18
Depreciation	32	32	34	36	36	36	37	37	38
Other	7	18	-1	-1	0	0	0	0	0
Cash earnings	148	216	233	92	46	7	-1	8	56
Changes in working capital	-37	-11	8	40	0	0	0	0	0
Net operational cash flow	111	205	241	132	46	7	-1	8	56
Capex	-30	-561	-126	-29	-9	-37	-37	-67	-2
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	27	-2	5	0	3	0	3
Other	0	-2	0	0	0	0	0	0	0
Net investing cash flow	-29	-563	-99	-31	-4	-37	-34	-67	1
Repayment of debt	-45	-59	-99	-31	-31	-443	-31	-31	-31
Proceeds from debt	0	544	106	3	0	385	33	67	0
Dividends paid	-20	-77	-138	-97	0	0	0	0	0
New equity	47	6	0	0	0	0	0	0	0
Other	3	-2	-1	-6	0	0	0	0	0
Net financing cash flow	-13	412	-132	-132	-31	-58	2	36	-31
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	69	54	10	-30	12	-88	-33	-24	26
Cash balance	174	219	225	194	206	118	85	62	87
Free cash flow	82	-358	142	101	43	-30	-35	-59	57



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	349	593	387	364	562	885	345	536	694
Operational costs	-9	-274	-442	-159	-204	-215	-214	-214	-215
EBITDA	340	319	-55	205	357	670	131	322	480
Depreciation/Amortization	-53	-141	-142	-123	-118	-139	-148	-151	-151
EBIT	287	177	-196	83	240	531	-17	171	328
Net financials	-32	-60	-68	-91	-99	-99	-61	-59	-56
PTP	256	118	-264	-8	140	432	-79	112	273
Taxes/Minorities	-101	-1	-1	-1	0	0	1	7	17
Net earnings	155	117	-265	-9	140	432	-77	119	289
Non-recurring items	0	0	0	0	0	21	0	0	0
Net earnings (adj.)	155	117	-265	-9	140	453	-77	119	289
EPS	0.99	0.69	-1.56	-0.05	0.71	2.19	-0.39	0.60	1.46
EPS (adj.)	0.99	0.69	-1.56	-0.05	0.71	2.27	-0.39	0.60	1.46
DPS	0.25	0.97	0.30	0.00	0.10	1.58	0.00	0.05	0.56
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	265	202	104	66	174	206	87	215	412
Other current assets	203	181	217	242	274	210	210	210	210
Total current assets	467	384	322	308	448	416	298	426	622
Property & equip. (incl. NBs)	2,150	2,322	2,673	2,620	3,056	3,341	3,330	3,187	3,044
Other non-current assets	266	261	139	150	193	206	206	206	206
Total non-current assets	2,416	2,583	2,812	2,770	3,249	3,547	3,537	3,393	3,250
TOTAL ASSETS	2,883	2,966	3,134	3,078	3,698	3,963	3,834	3,819	3,872
Total equity	1,446	1,500	1,188	1,164	1,510	1,632	1,555	1,664	1,842
Short-term debt	147	124	156	132	727	500	379	435	510
Other current liabilities	95	59	66	82	121	135	135	135	135
Total current liabilities	242	183	222	214	848	635	514	570	645
Long-term debt	1,192	1,281	1,723	1,698	1,338	1,684	1,754	1,573	1,372
Other non-current liabilities	3	3	1	1	1	12	12	12	12
Total non-current liabilities	1,195	1,284	1,724	1,699	1,339	1,696	1,766	1,585	1,385
TOTAL EQUITY & LIABILITIES	2,883	2,966	3,134	3,078	3,698	3,963	3,834	3,819	3,872
Working capital, receivables	103	102	125	141	146	0	0	0	0
Working capital, payables	68	49	60	78	109	0	0	0	0
Net working capital	35	53	66	63	37	0	0	0	0
Interest bearing debt	1,340	1,405	1,879	1,831	2,066	2,184	2,133	2,008	1,883
Liquidity	265	203	105	68	177	222	104	232	428
Net interest bearing debt	1,075	1,201	1,774	1,763	1,888	1,962	2,029	1,776	1,455
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	155	117	-265	-9	140	432	-77	119	289
Depreciation	53	141	142	123	118	139	148	151	151
Other	5	43	252	-29	26	16	0	0	0
Cash earnings	212	302	129	85	284	587	71	270	441
Changes in working capital	-5	-16	2	-39	-4	37	0	0	0
Net operational cash flow	207	286	130	46	280	624	71	270	441
Capex	-787	-622	-714	-216	-196	-725	-143	-8	-8
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	515	217	0	0	0	30	5	0	0
Other	-188	9	-9	17	5	18	0	0	0
Net investing cash flow	-459	-396	-723	-199	-191	-697	-138	-8	-8
Repayment of debt	114	125	568	116	-59	-220	-536	-125	-125
Proceeds from debt	—	—	—	—	—	653	485	0	0
Dividends paid	-39	-165	-51	0	-20	-312	0	-9	-111
New equity	0	98	0	0	98	6	0	0	0
Other	145	-10	-23	0	0	18	0	0	0
Net financing cash flow	220	49	494	116	20	118	-51	-134	-236
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-32	-62	-98	-37	109	45	-118	128	196
Cash balance	265	202	104	66	174	219	101	229	425
Free cash flow	-252	-110	-592	-153	90	-73	-67	262	433



Cleaves Securities

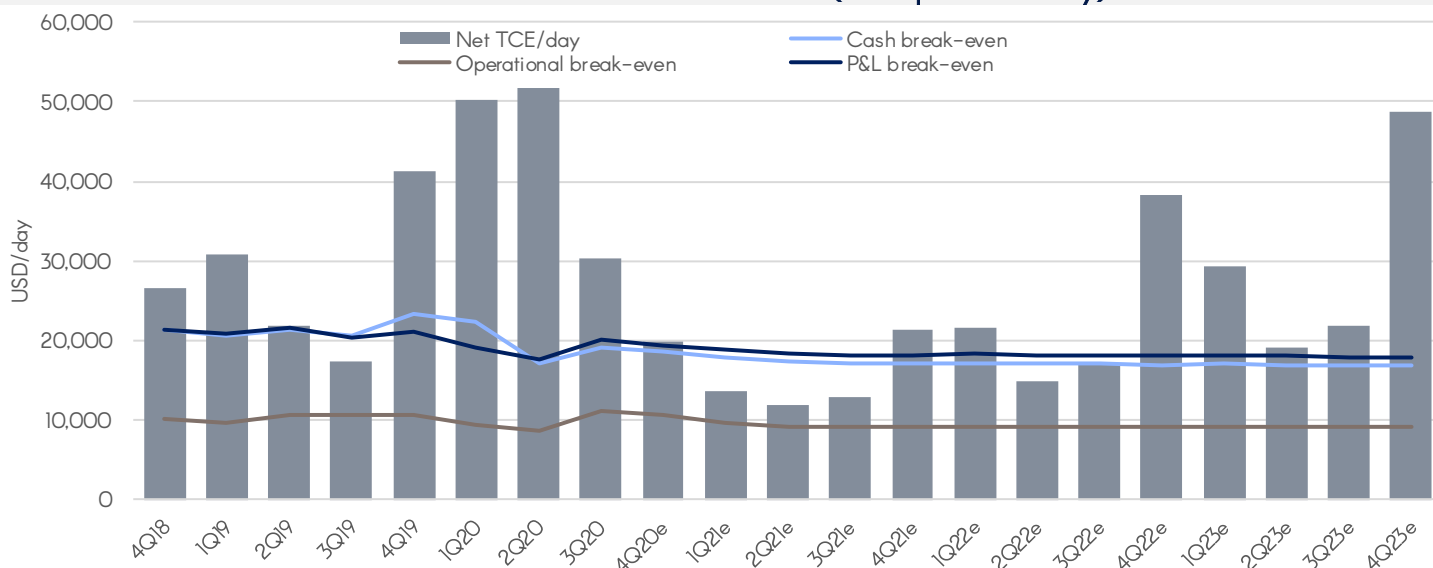
Oil Tankers SELL

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

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	156	170	170	170	197	198	198	198	198
Share price, avg (USD)	14	8	6	5	8	8	7	7	7
Share price, end (USD)	15	7	5	6	13	7	7	7	7
Market Cap.	2,338	1,207	779	939	2,532	1,305	1,305	1,305	1,305
NIBD	1,075	1,201	1,774	1,763	1,888	1,962	2,029	1,776	1,455
Minorities	0	0	0	0	0	0	-1	-8	-25
Enterprise value	3,413	2,409	2,553	2,701	4,420	3,266	3,334	3,089	2,784
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)	15.1	10.3			18.1	3.0		11.0	4.5
P/E (adj.)	15.1	10.3			18.1	2.9		11.0	4.5
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	6.7	2.0	2.0	2.6	4.5	1.5	3.8	2.4	1.9
EV/Sales	9.8	4.1	6.6	7.4	7.9	3.7	9.7	5.8	4.0
EV/EBITDA	10.0	7.6		13.2	12.4	4.9	25.5	9.6	5.8
EV/EBIT	11.9	13.6		32.7	18.5	6.1		18.1	8.5
P/B	1.6	0.8	0.7	0.8	1.7	0.8	0.8	0.8	0.7
FCF yield	-11%	-9%	-76%	-16%	4%	-6%	-5%	20%	33%
Dividend yield	1.7%	13.6%	6.6%	0.0%	0.8%	23.9%	0.0%	0.7%	8.5%
Return on equity (ROE)	10.7%	7.8%	-22.3%	-0.8%	9.3%	26.5%	-5.0%	7.1%	15.5%
Return on capital employed (ROCE)	11.4%	6.6%	-6.6%	2.8%	7.0%	14.8%	-0.5%	5.0%	10.0%
Return on assets (ROA)	5.4%	3.9%	-8.5%	-0.3%	3.8%	10.9%	-2.0%	3.1%	7.5%
Sales growth	153%	70%	-35%	-6%	54%	57%	-61%	55%	29%
EBITDA margin	97%	54%	-14%	56%	64%	76%	38%	60%	69%
EBIT margin	82%	30%	-51%	23%	43%	60%	-5%	32%	47%
Net margin	44%	20%	-68%	-2%	25%	49%	-22%	22%	42%
Net interest rate	1.6%	4.7%	3.9%	5.3%	5.0%	3.7%	3.0%	3.3%	3.8%
Tax rate	0.1%	0.3%	-0.1%	-3.9%	0.2%	0.0%	0.0%	0.0%	0.0%
Equity ratio	50%	51%	38%	38%	41%	41%	41%	44%	48%
Leverage ratio	50%	49%	62%	62%	59%	59%	59%	56%	52%
NIBD / EBITDA (past 1y)	3.2	3.8	-32.5	8.6	5.3	2.9	15.5	5.5	3.0
Operating cash flow/NIBD	0.2	0.2	0.1	0.0	0.1	0.3	0.0	0.2	0.3
Net interest coverage ratio (EBIT)	19.3	5.6	-0.8	2.2	3.8	9.3	2.1	5.5	8.6
Current ratio	1.9	2.1	1.4	1.4	0.5	0.7	0.6	0.7	1.0
Adj. equity ratio						34%	29%	40%	51%
Operating assets	2,619	2,763	3,029	3,010	3,520	3,738	3,727	3,584	3,441
Operating liabilities	98	62	67	83	122	147	147	147	147
Net operating assets	2,521	2,701	2,962	2,927	3,399	3,591	3,580	3,437	3,294

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
09/01/2021 14:41 CET





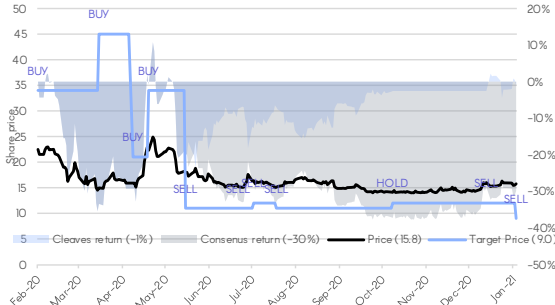
An oil product tanker behemoth, but elastic towards falling earnings and asset prices

HAFNIA-
NO

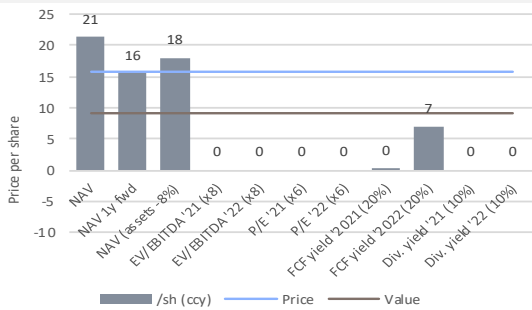
SELL/N9

Hafnia

Share price vs target price

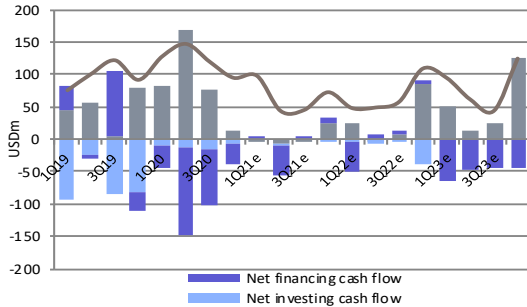


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
jh@cleaves.no

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	608	316	414	510
EBITDA (adj.)	326	28	129	224
EBIT (adj.)	168	-132	-32	61
PTP (adj.)	135	-145	-43	56
Net earnings (adj.)	133	-147	-45	54
EPS (adj.)	0.36	-0.40	-0.12	0.14
DPS	0.27	-	-	0.07
USDm	2020E	2021E	2022E	2023E
Fwd NAV	951	688	725	1,012
Adj. equity ratio	40%	33%	35%	46%
FCF yield	42%	0%	9%	31%
Dividend yield	14%	0%	0%	4%
EV/EBITDA	5.5	39.3	12.4	6.8
P/E (adj.)	5.2			12.9

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	339	13	116	216
Free cash flow	291	2	61	216
Net cash flow	6	-23	37	16
TCE/day	17,570	9,385	12,439	15,305
Cash break-even	17,374	14,418	14,461	14,401
Liquidity	97	75	112	128
Property & Equip. (incl. NBs)	2,081	1,932	1,826	1,663
Total equity	1,146	999	954	981
Total assets	2,553	2,381	2,312	2,165
Interest bearing debt	1,319	1,294	1,270	1,097
Net interest bearing debt	1,221	1,219	1,158	969
Market Cap.	693	693	693	693

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

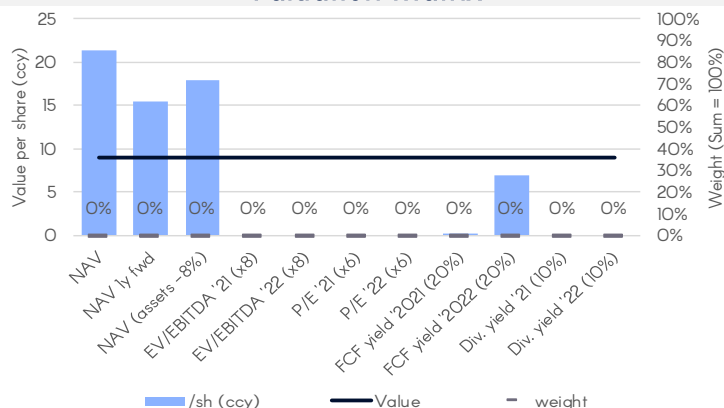


Company Valuation

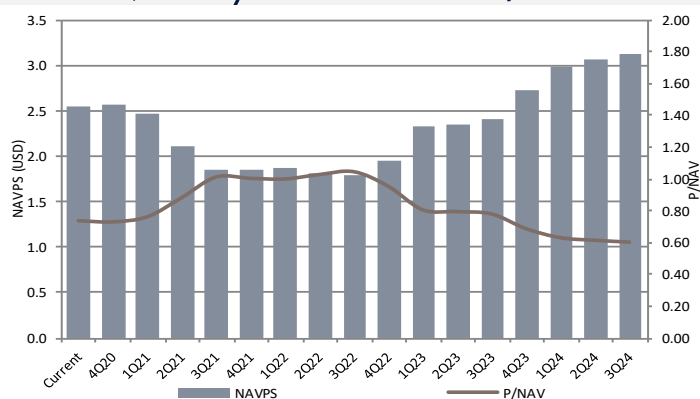
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	2,112	1,893	1,678
Contract value	0	-9	-8
Other	307	307	272
GAV	2,419	2,191	1,942
Net debt	-1,226	-1,226	-1,226
Capex	0	0	0
Other	-24	-24	-24
Equity	1,170	942	693
Shares	370	370	370
Equity/sh	3.16	2.54	1.87
Idl CCY	26.60	21.42	15.76
USDNOK		8.42	
P/Equity	0.59	0.74	1.00
EV/GAV	0.80	0.89	1.00
Adj. Total Assets	2,609	2,391	2,176
Adj. Equity Ratio	45%	39%	32%
Fair Value	NOK	9.0	-43%
	USD	1.1	

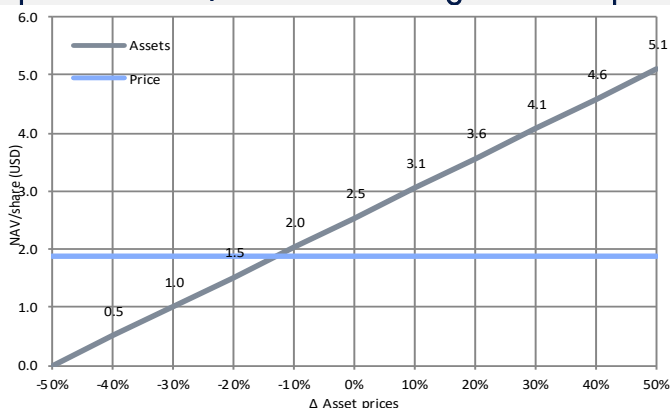
Valuation Matrix



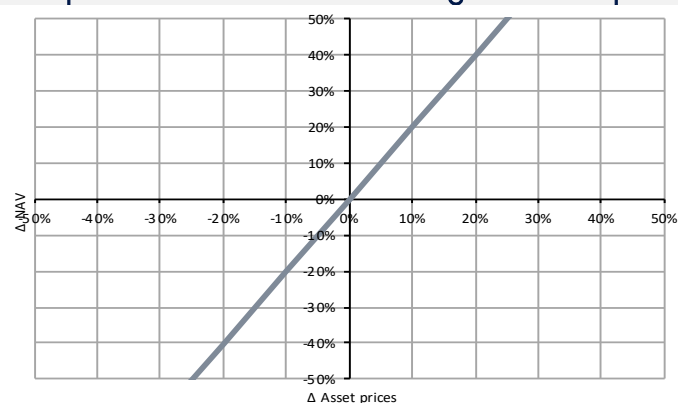
Quarterly forward NAV & P/NAV



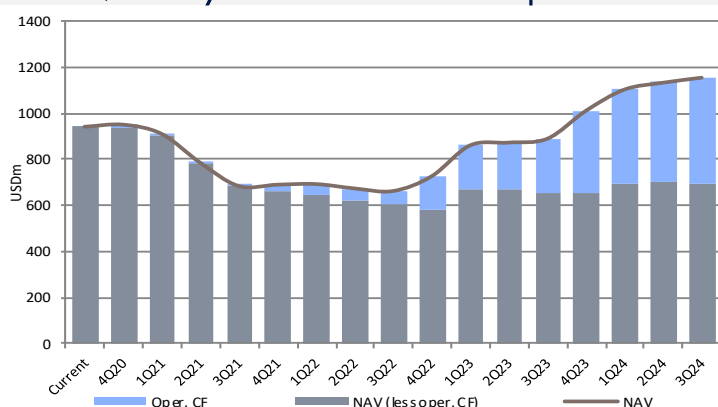
Impact on NAV/sh from % change in asset prices



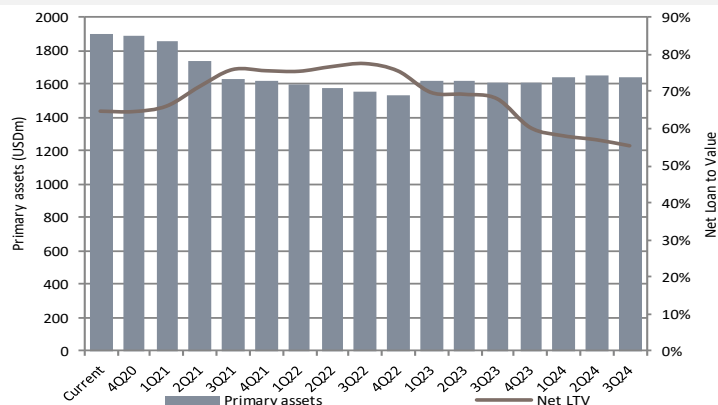
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	4Q20 Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net sales	157.1	118.5	89.2	107.3				
EBITDA (adj.)	94.7	51.7	22.1	38.0				
EBIT (adj.)	57.6	11.8	-17.9	-1.4				
PTP (adj.)	43.1	-2.2	-26.8	-14.9				
Net earnings (adj.)	42.6	-2.7	-27.3	-12.0				
EPS (adj.)	0.12	-0.01	-0.07	-0.04				
DPS	0.06	-	-	0.00				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	157.1	118.5	89.2	107.3				
Opex & G&A	62.5	66.8	67.1	69.3				
Depreciation	37.0	39.9	39.9	39.4				
Net finance	14.5	14.0	8.9	13.5				
Taxes & Minorities	0.5	0.5	0.5	-3.0				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	Cleaves	Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net operational cash flow	81	75	13					
Free cash flow	-2	58	4					
Net cash flow	-31	-25	-25					
TCE/day	19,009	13,672	10,466	12,584				
Cash break-even	20,703	15,445	13,634					
Liquidity	92	123	97					
Interest bearing debt	1,448	1,348	1,319					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net sales	608	316	414	510	611	388	580	655	-3	-72	-166	-146
EBITDA (adj.)	326	28	129	224	326	95	286	361	-1	-66	-158	-138
EBIT (adj.)	168	-132	-32	61	171	-62	130	205	-2	-70	-162	-144
PTP (adj.)	135	-145	-43	56	127	-105	89	168	8	-40	-132	-113
Net earnings (adj.)	133	-147	-45	54	125	-107	87	166	8	-40	-132	-112
EPS (adj.)	0.36	-0.40	-0.12	0.14	0.34	-0.29	0.24	0.45	0.02	-0.11	-0.36	-0.30
DPS	0.27	-	-	0.07	0.27	-	0.00	0.19	0.00	-	-0.00	-0.12
									2020E	2021E	2022E	2023E
TCE revenue									-3	-72	-166	-146
Opex & G&A									-2	-6	-8	-8
Depreciation									2	3	5	6
Net finance									-10	-30	-30	-31
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	339	13	116	216	291	49	244	323	47	-36	-128	-107
Free cash flow	291	2	61	216	243	49	244	323	47	-47	-183	-107
Net cash flow	6	-23	37	16	-14	-20	173	83	20	-3	-136	-67
TCE/day	17,570	9,385	12,439	15,305	17,664	11,298	16,862	19,058	-94	-1,913	-4,423	-3,753
Cash break-even	17,374	14,418	14,461	14,401	16,814	14,283	14,216	14,119	560	135	245	282
Liquidity	97	75	112	128	-70	-90	83	166	168	165	29	-39
Property & Equip. (incl. NBs)	2,081	1,932	1,826	1,663	2,089	1,933	1,777	1,620	-9	-1	49	43
Total equity	1,146	999	954	981	1,138	1,031	1,116	1,212	8	-32	-163	-231
Total assets	2,553	2,381	2,312	2,165	2,421	2,245	2,261	2,188	132	136	51	-23
Interest bearing debt	1,319	1,294	1,270	1,097	1,335	1,266	1,197	1,028	-17	28	73	69
Net interest bearing debt	1,221	1,219	1,158	969	1,405	1,356	1,114	862	-184	-137	44	107
Market Cap.	693	693	693	693	565	565	565	565	128	128	128	128
Enterprise value	1,914	1,912	1,851	1,662	1,970	1,921	1,679	1,426	-56	-8	173	236

Valuation

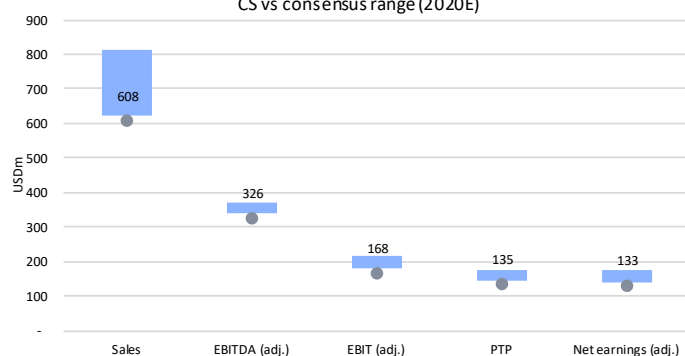
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	951	688	725	1,012	921	762	1,281	1,597	30	-74	-556	-585
Adj. equity ratio	40%	33%	35%	46%	42%	39%	53%	62%	-1%	-5%	-18%	-16%
FCF yield	42%	0%	9%	31%	43%	9%	43%	57%	-1%	-8%	-34%	-26%
Dividend yield	14%	0%	0%	4%	17%	0%	0%	12%	-3%	0%	0%	-9%
EV/EBITDA	5.5	39.3	12.4	6.8	5.8	20.3	5.9	3.9	-0.3	19.1	6.6	2.9
P/E (adj.)	5.2			12.9	4.5		6.5	3.4	0.7	#####	#####	9.5



Our Estimates vs Consensus

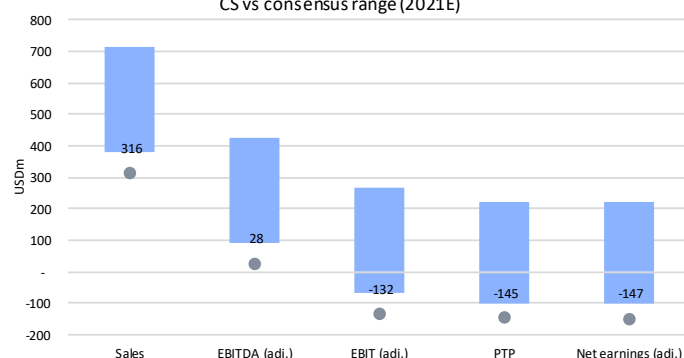
Profit & Loss, year I

CS vs consensus range (2020E)

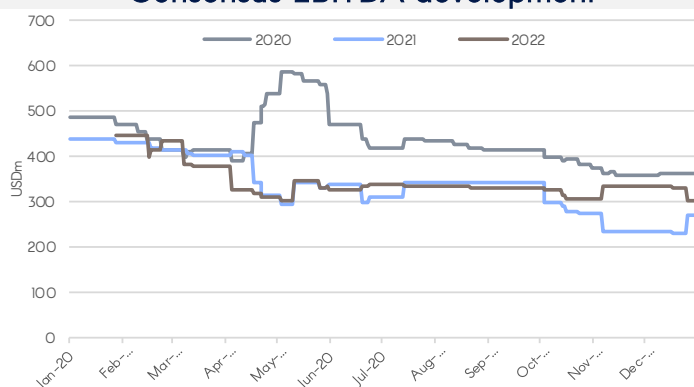


Profit & Loss, year II

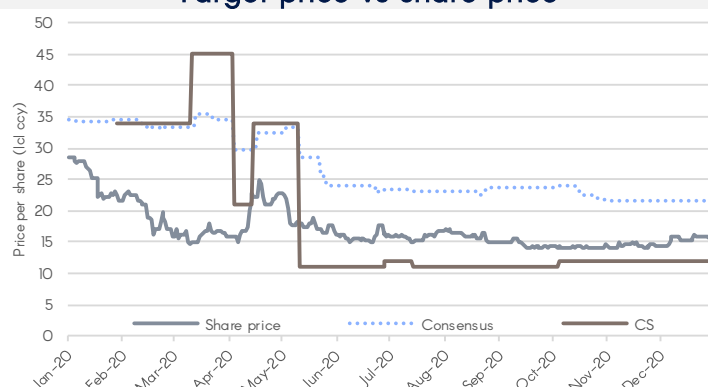
CS vs consensus range (2021E)



Consensus EBITDA development



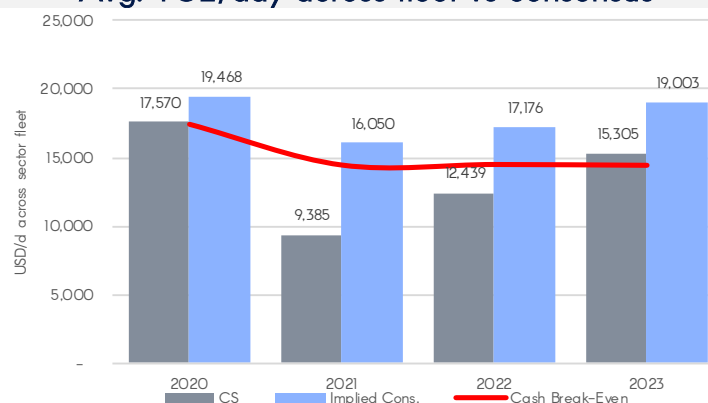
Target price vs share price



Cleaves vs consensus: P&L break-down

2020	CS	Consensus	Diff.	Diff.
TCE revenue	608	674	-66	-10%
Opex + G&A	282	311	-29	-9%
Depreciation	157	161	-4	-2%
Net finance	34	43	-9	-22%
Taxes & Minorities	2	1	1	233%
2021	CS	Consensus	Diff.	Diff.
TCE revenue	316	540	-224	-42%
Opex + G&A	287	270	17	6%
Depreciation	160	158	2	1%
Net finance	13	37	-23	-63%
Taxes & Minorities	2	1	1	145%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	157	193	207	118	89	72	70	72	101
Operational costs	-62	-64	-61	-67	-67	-66	-67	-67	-67
EBITDA	95	130	146	52	22	6	3	5	34
Depreciation/Amortization	-37	-39	-39	-40	-40	-40	-40	-40	-40
EBIT	58	91	107	12	-18	-34	-37	-35	-6
Net financials	-15	-13	-9	-11	-9	-9	-9	-8	-8
PTP	43	78	98	1	-27	-42	-45	-44	-14
Taxes/Minorities	-1	0	-1	0	0	-1	-1	-1	-1
Net earnings	42	77	98	0	-27	-43	-46	-44	-15
Non-recurring items	0	-5	-7	-3	0	0	0	0	0
Net earnings (adj.)	43	72	91	-3	-27	-43	-46	-44	-15
EPS	0.11	0.21	0.21	0.00	-0.07	-0.12	-0.12	-0.12	-0.04
EPS (adj.)	0.12	0.19	0.25	-0.01	-0.07	-0.12	-0.12	-0.12	-0.04
DPS	0.00	0.06	0.10	0.11	0.00	0.00	0.00	0.00	0.00
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	92	128	148	120	95	98	43	44	72
Other current assets	243	257	229	208	208	208	208	208	208
Total current assets	335	385	377	328	303	306	251	252	280
Property & equip. (incl. NBs)	2,182	2,163	2,142	2,112	2,081	2,041	2,006	1,966	1,932
Other non-current assets	164	174	173	169	169	169	169	169	169
Total non-current assets	2,346	2,337	2,315	2,281	2,250	2,210	2,175	2,135	2,101
TOTAL ASSETS	2,681	2,722	2,692	2,609	2,553	2,516	2,426	2,388	2,381
Total equity	1,119	1,140	1,215	1,173	1,146	1,103	1,058	1,014	999
Short-term debt	213	189	217	208	207	205	209	207	207
Other current liabilities	107	93	73	70	70	70	70	70	70
Total current liabilities	320	282	290	278	276	275	279	277	277
Long-term debt	1,235	1,278	1,165	1,140	1,112	1,119	1,071	1,079	1,087
Other non-current liabilities	8	21	23	18	18	18	18	18	18
Total non-current liabilities	1,243	1,299	1,188	1,158	1,130	1,138	1,090	1,097	1,105
TOTAL EQUITY & LIABILITIES	2,681	2,722	2,692	2,609	2,553	2,516	2,426	2,388	2,381
Working capital, receivables	240	257	223	192	192	192	192	192	192
Working capital, payables	107	85	71	64	64	64	64	64	64
Net working capital	134	172	151	128	128	128	128	128	128
Interest bearing debt	1,448	1,467	1,382	1,348	1,319	1,325	1,280	1,286	1,294
Liquidity	92	128	148	123	97	100	45	47	75
Net interest bearing debt	1,357	1,338	1,234	1,226	1,221	1,224	1,235	1,239	1,219
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	42	77	98	0	-27	-43	-46	-44	-15
Depreciation	37	39	39	40	40	40	40	40	40
Other	3	2	10	12	0	0	0	0	0
Cash earnings	82	118	146	52	13	-3	-6	-4	26
Changes in working capital	-2	-36	22	23	0	0	0	0	0
Net operational cash flow	81	82	169	75	13	-3	-6	-4	26
Capex	-82	-10	-9	-13	-8	0	-6	0	-6
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	-1	-1	-4	-4	0	0	0	0	0
Net investing cash flow	-82	-10	-13	-17	-8	0	-6	0	-6
Repayment of debt	-121	-79	-98	-57	-38	-44	-44	-44	-42
Proceeds from debt	21	78	0	20	8	50	0	50	50
Dividends paid	0	-21	-39	-39	0	0	0	0	0
New equity	72	0	0	0	0	0	0	0	0
Other	0	-13	0	-9	0	0	0	0	0
Net financing cash flow	-29	-35	-136	-84	-29	6	-44	6	8
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-31	37	20	-25	-25	3	-55	2	28
Cash balance	92	128	148	120	95	98	43	44	72
Free cash flow	-2	72	156	58	4	-3	-11	-4	20



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales		302	346	368	514	608	316	414	510
Operational costs		-409	-262	-299	-237	-259	-267	-265	-266
EBITDA		-107	84	69	277	349	49	149	244
Depreciation/Amortization		-60	-54	-57	-132	-157	-160	-161	-162
EBIT	—	-166	30	12	146	192	-111	-12	82
Net financials		-20	-27	-32	-73	-42	-34	-31	-26
PTP	—	-187	3	-20	73	150	-145	-43	56
Taxes/Minorities		0	0	0	-1	-2	-2	-2	-2
Net earnings	—	-187	3	-20	72	148	-147	-45	54
Non-recurring items		0	0	0	0	-15	0	0	0
Net earnings (adj.)	—	-187	3	-20	72	133	-147	-45	54
EPS					0.19	0.34	-0.40	-0.12	0.14
EPS (adj.)					0.19	0.36	-0.40	-0.12	0.14
DPS					0.00	0.27	0.00	0.00	0.07
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	—	37	41	52	92	95	72	109	125
Other current assets		64	72	87	243	208	208	208	208
Total current assets	—	101	113	139	335	303	280	317	333
Property & equip. (incl. NBs)	—	1,042	1,106	1,172	2,312	2,081	1,932	1,826	1,663
Other non-current assets		0	1	3	34	169	169	169	169
Total non-current assets	—	1,042	1,107	1,175	2,346	2,250	2,101	1,995	1,832
TOTAL ASSETS	—	1,142	1,220	1,314	2,681	2,553	2,381	2,312	2,165
Total equity	—	367	398	571	1,119	1,146	999	954	981
Short-term debt	—	69	158	77	213	207	164	165	187
Other current liabilities		39	45	49	107	70	70	70	70
Total current liabilities	—	108	203	126	320	276	233	235	257
Long-term debt	—	661	614	613	1,235	1,112	1,130	1,105	909
Other non-current liabilities		6	5	4	8	18	18	18	18
Total non-current liabilities	—	667	619	617	1,243	1,130	1,149	1,123	928
TOTAL EQUITY & LIABILITIES	—	1,142	1,220	1,314	2,681	2,553	2,381	2,312	2,165
Working capital, receivables		64	72	87	240	192	192	192	192
Working capital, payables	—	39	45	49	107	64	64	64	64
Net working capital		24	27	38	134	128	128	128	128
Interest bearing debt		730	772	690	1,448	1,319	1,294	1,270	1,097
Liquidity		37	41	52	92	97	75	112	128
Net interest bearing debt		693	731	638	1,357	1,221	1,219	1,158	969
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	—	-187	3	-20	72	148	-147	-45	54
Depreciation		60	54	57	132	157	160	161	162
Other		196	0	8	22	24	0	0	0
Cash earnings		69	57	45	225	329	13	116	216
Changes in working capital	—	13	-1	-15	-36	10	0	0	0
Net operational cash flow	—	81	56	30	189	339	13	116	216
Capex	—	-112	-118	-17	-279	-40	-11	-55	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	—	0	0	0	10	0	0	0	0
Other		60	0	0	-17	24	20	20	20
Net investing cash flow	—	-52	-118	-17	-285	-48	-11	-55	0
Repayment of debt	—	-15	41	-47	60	-271	-175	-174	-174
Proceeds from debt	—	—	—	—	—	106	150	150	0
Dividends paid	—	0	0	0	0	-98	0	0	-27
New equity	—	0	0	0	0	0	0	0	0
Other		-2	25	45	42	24	20	20	20
Net financing cash flow	—	-17	66	-2	102	-285	-25	-24	-200
Currency effect	—	0	0	0	0	0	0	0	0
Net cash flow		12	4	11	6	6	-23	37	16
Cash balance					92	97	75	112	128
Free cash flow		30	-62	13	-97	291	2	61	216



Cleaves Securities

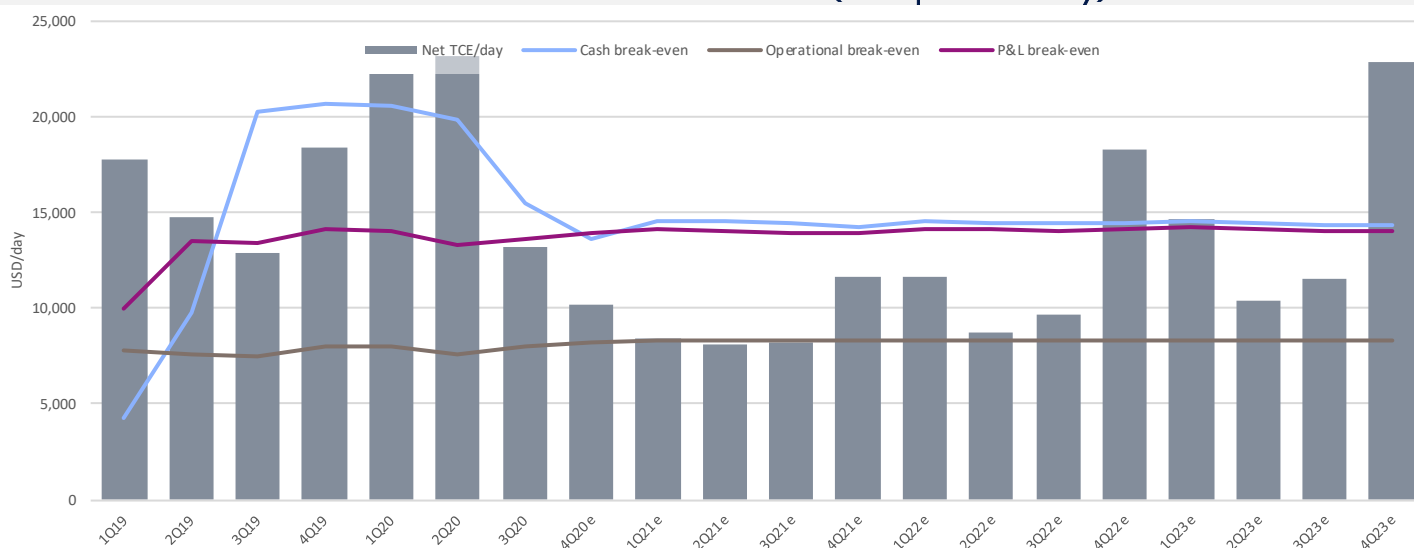
Oil Tankers SELL

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

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	—	—	—	—	370	370	370	370	370
Share price, avg (USD)	—	—	—	—	3	2	2	2	2
Share price, end (USD)	—	—	—	—	3	2	2	2	2
Market Cap.					1,149	693	693	693	693
NIBD		693	731	638	1,357	1,221	1,219	1,158	969
Minorities	—	0	0	0	0	0	0	0	0
Enterprise value					2,505	1,914	1,912	1,851	1,662
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)					16.0	4.7			12.9
P/E (adj.)					16.0	5.2			12.9
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales					2.2	1.1	2.2	1.7	1.4
EV/Sales					4.9	3.1	6.1	4.5	3.3
EV/EBITDA					9.0	5.5	39.3	12.4	6.8
EV/EBIT					17.2	10.0			20.4
P/B					1.0	0.6	0.7	0.7	0.7
FCF yield					-8%	42%	0%	9%	31%
Dividend yield					0.0%	14.2%	0.0%	0.0%	3.8%
Return on equity (ROE)		-50.9%	0.7%	-3.5%	6.4%	12.9%	-14.7%	-4.7%	5.5%
Return on capital employed (ROCE)		-15.7%	2.6%	1.0%	5.9%	8.1%	-5.0%	-0.6%	4.2%
Return on assets (ROA)		-16.3%	0.2%	-1.5%	2.7%	5.8%	-6.2%	-2.0%	2.5%
Sales growth			15%	6%	40%	18%	-48%	31%	23%
EBITDA margin		-35%	24%	19%	54%	57%	15%	36%	48%
EBIT margin		-55%	9%	3%	28%	32%	-35%	-3%	16%
Net margin		-62%	1%	-5%	14%	24%	-47%	-11%	11%
Net interest rate		2.7%	3.6%	4.9%	4.9%	3.7%	3.1%	3.2%	3.6%
Tax rate		0.0%	0.7%	-0.1%	1.4%	1.3%	-1.4%	-4.7%	3.7%
Equity ratio		32%	33%	43%	42%	45%	42%	41%	45%
Leverage ratio		68%	67%	57%	58%	55%	58%	59%	55%
NIBD / EBITDA (past 1y)		-6.5	8.7	9.2	4.9	3.5	25.1	7.8	4.0
Operating cash flow/NIBD		0.1	0.1	0.0	0.1	0.3	0.0	0.1	0.2
Net interest coverage ratio (EBIT/Interest)		-5.6	3.2	2.2	4.1	7.7	1.3	4.1	7.1
Current ratio		0.9	0.6	1.1	1.0	1.1	1.2	1.4	1.3
Adj. equity ratio						40%	33%	35%	46%
Operating assets		1,105	1,178	1,262	2,590	2,448	2,299	2,193	2,030
Operating liabilities		45	50	53	115	88	88	88	88
Net operating assets		1,060	1,128	1,209	2,475	2,360	2,211	2,105	1,942

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

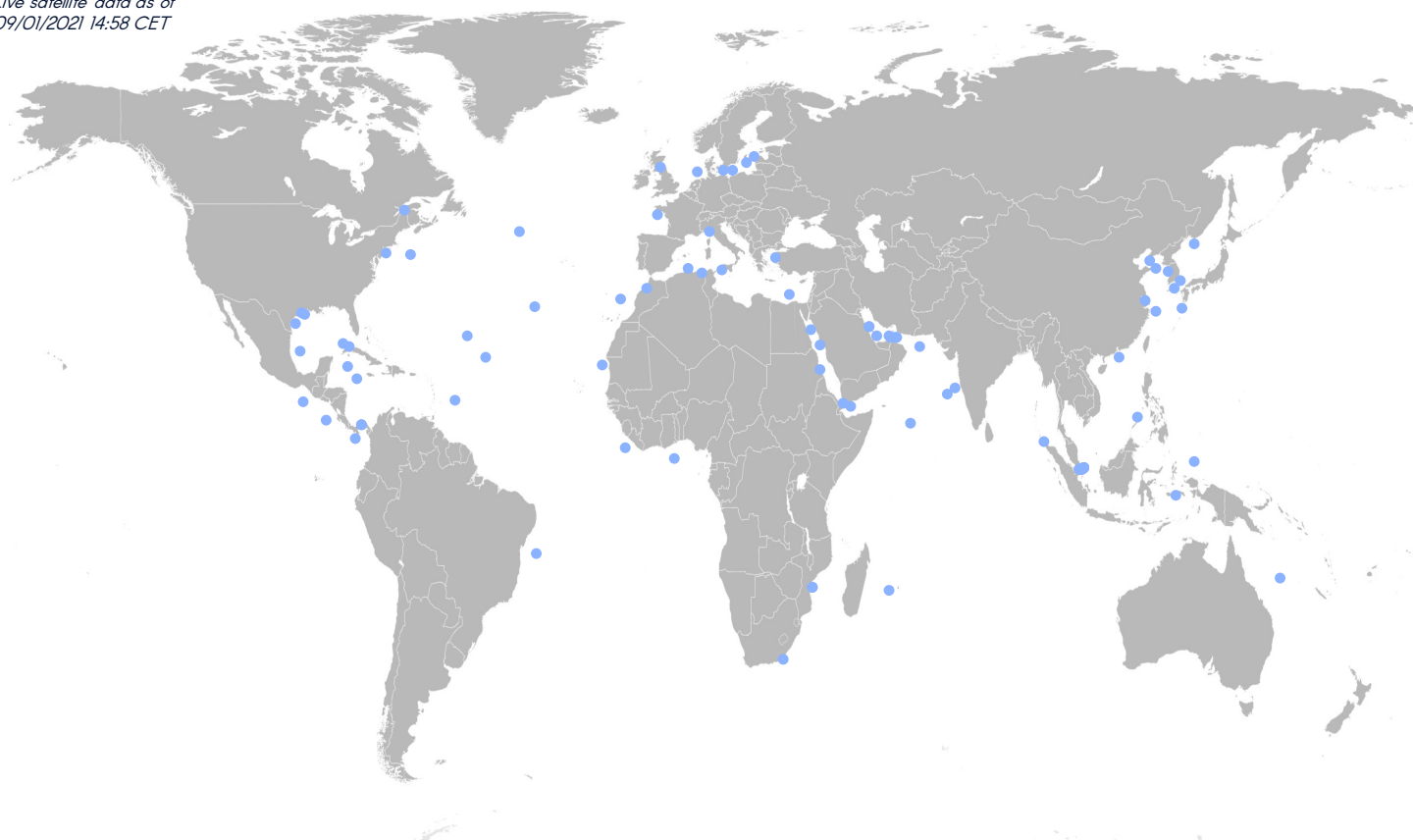
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
09/01/2021 14:58 CET





VLCC pure-play with full scrubber coverage. Well positioned for the future, but faces the same short-term headwinds as peers

HUNT-NO

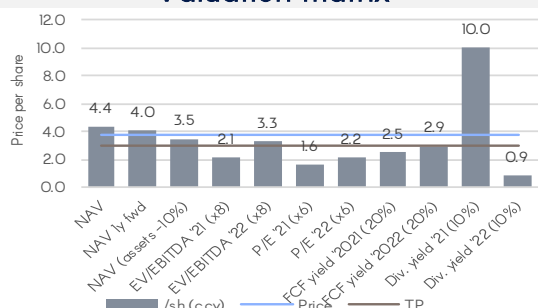
SELL/N3

Hunter Group

Share price vs target price

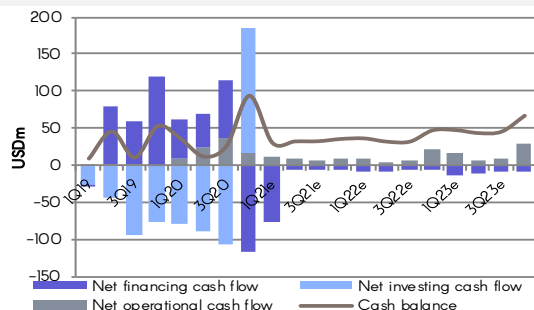


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
jh@cleaves.no

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	107	56	62	82
EBITDA (adj.)	94	43	48	68
EBIT (adj.)	77	27	32	52
PTP (adj.)	62	19	25	46
Net earnings (adj.)	62	19	25	46
EPS (adj.)	0.11	0.03	0.04	0.08
DPS	-	0.12	0.01	0.03
USDm	2020E	2021E	2022E	2023E
Fwd NAV	308	303	380	486
Adj. equity ratio	55%	57%	65%	73%
FCF yield	-8%	14%	16%	24%
Dividend yield	0%	27%	2%	7%
EV/EBITDA	4.4	10.6	8.7	5.4
P/E (adj.)	4.2	13.7	10.3	5.6

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	85	35	41	62
Free cash flow	-21	35	41	62
Net cash flow	41	-59	12	20
TCE/day	60,657	30,817	33,664	44,824
Cash break-even	17,980	24,466	23,981	23,586
Liquidity	94	35	47	66
Property & Equip. (incl. NBs)	423	407	391	375
Total equity	274	223	242	269
Total assets	529	454	450	453
Interest bearing debt	251	227	203	180
Net interest bearing debt	157	192	157	113
Market Cap.	259	259	259	259

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



Quarterly Pre-/Review

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	4Q20 Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net sales	10.1	34.5	23.5	22.0				
EBITDA (adj.)	8.2	29.9	19.2	16.6				
EBIT (adj.)	6.3	24.6	13.7	12.5				
PTP (adj.)	3.7	21.1	10.6	9.2				
Net earnings (adj.)	3.7	21.1	10.6	9.2				
EPS (adj.)	0.006	0.037	0.018	0.010				
DPS	-	-	0.12	0.07				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	10.1	34.5	23.5	22.0				
Opex & G&A	1.9	4.5	4.3	5.4				
Depreciation	1.9	5.3	5.4	4.1				
Net finance	2.6	3.6	3.1	3.3				
Taxes & Minorities	-	-	-	-				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	Cleaves	Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net operational cash flow	-1	37	16					
Free cash flow	-78	-71	184					
Net cash flow	43	8	68					
TCE/day	55,569	58,513	38,749	36,221				
Utilization	78.4%	100.0%	100.0%					
Fleet days	231	589	606					
Cash break-even	19,095	13,788	20,027					
Liquidity	52	25	94					
Interest bearing debt	180	367	251					

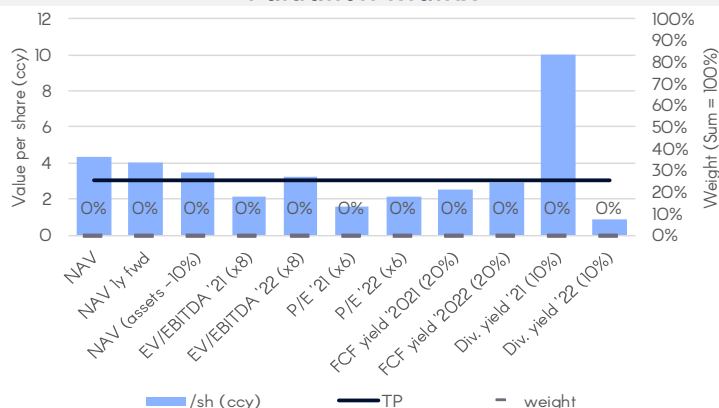


Company Valuation

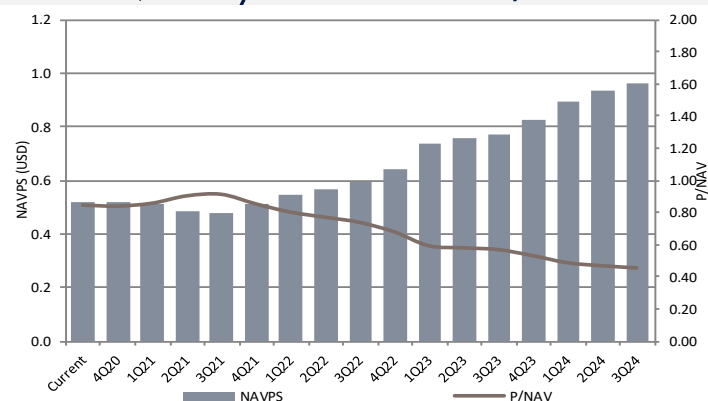
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	597	605	561
Contract value	0	29	27
Other	9	9	8
GAV	606	643	597
Net debt	-342	-336	-336
Capex	0	0	0
Other	-1	-1	-1
Equity	264	306	259
Shares	590	590	590
Equity/sh	0.45	0.52	0.44
lcl CCY	3.76	4.36	3.70
USDNOK		8.4	
P/Equity	0.98	0.85	1.00
EV/GAV	0.98	0.93	1.00
Adj. Total Assets	635	642	599
Adj. Equity Ratio	42%	48%	43%
Fair Value	NOK	3.0	-18%
	USD	0.36	

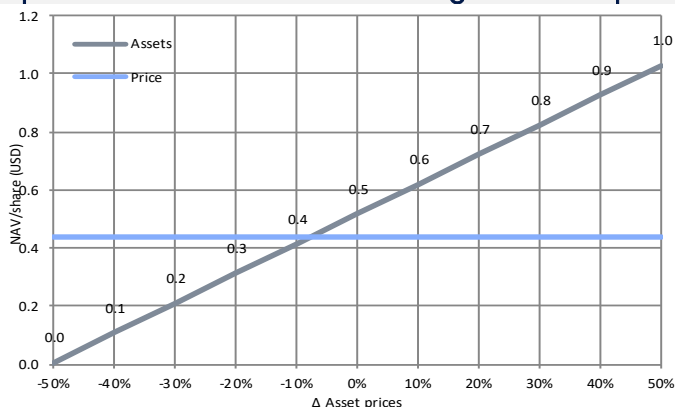
Valuation Matrix



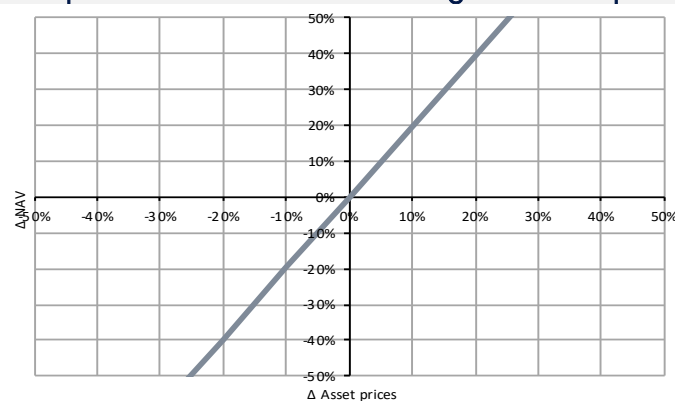
Quarterly forward NAV & P/NAV



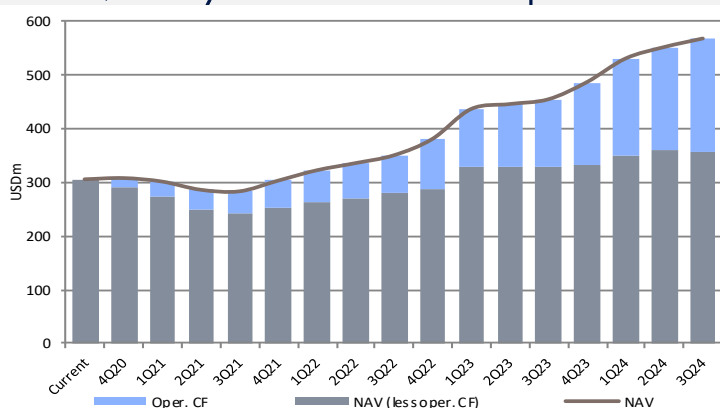
Impact on NAV/sh from % change in asset prices



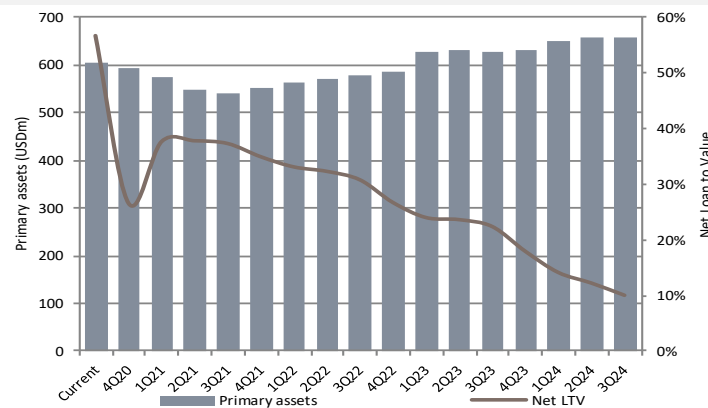
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	2020E	New 2021E	2022E	2023E	2020	Old 2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	107	56	62	82	110	59	86	102	-3	-3	-25	-20
EBITDA (adj.)	94	43	48	68	97	46	73	88	-3	-3	-25	-20
EBIT (adj.)	77	27	32	52	81	27	53	68	-4	-0	-21	-16
PTP (adj.)	62	19	25	46	65	19	46	62	-3	0	-21	-16
Net earnings (adj.)	62	19	25	46	65	19	46	62	-3	0	-21	-16
EPS (adj.)	0.11	0.03	0.04	0.08	0.11	0.03	0.08	0.11	-0.00	0.00	-0.04	-0.03
DPS	-	0.12	0.01	0.03	0.11	-	0.02	0.05	-0.11	0.12	-0.01	-0.01
									2020E	2021E	2022E	2023E
TCE revenue									-3	-3	-25	-20
Opex & G&A									1	0	0	0
Depreciation									0	-3	-4	-4
Net finance									-1	-0	-0	-0
Taxes & Minorities									-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm	2020E	2021E	2022E	2023E	2020	2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	85	35	41	62	77	38	66	82	8	-3	-25	-20
Free cash flow	-21	35	41	62	-27	38	66	82	6	-3	-25	-20
Net cash flow	41	-59	12	20	-14	14	32	30	56	-73	-20	-11
TCE/day	60,657	30,817	33,664	44,824	61,498	32,307	47,136	55,533	-841	-1,489	#####	#####
Cash break-even	17,980	24,466	23,981	23,586	22,341	24,525	24,031	23,634	-4,362	-59	-50	-48
Liquidity	94	35	47	66	38	52	84	114	56	-17	-37	-48
Property & Equip. (incl. NBs)	423	407	391	375	422	403	383	363	1	4	8	12
Total equity	274	223	242	269	213	232	267	301	61	-9	-25	-32
Total assets	529	454	450	453	477	473	484	495	52	-18	-34	-41
Interest bearing debt	251	227	203	180	261	237	214	190	-10	-10	-10	-10
Net interest bearing debt	157	192	157	113	223	185	130	76	-66	7	27	37
Market Cap.	259	259	259	259	210	210	210	210	49	49	49	49
Enterprise value	417	452	416	373	434	396	341	287	-17	56	76	86

Valuation

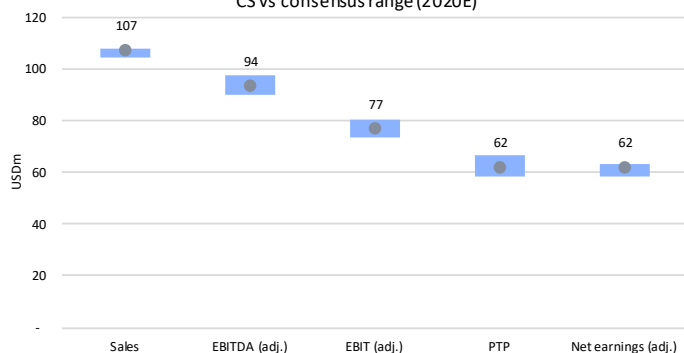
Estimate changes USDm	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	308	303	380	486	315	352	593	689	-7	-49	-213	-203
Adj. equity ratio	55%	57%	65%	73%	54%	59%	73%	78%	0%	-3%	-9%	-6%
FCF yield	-8%	14%	16%	24%	-13%	18%	31%	39%	5%	-4%	-15%	-15%
Dividend yield	0%	27%	2%	7%	30%	0%	5%	13%	-30%	27%	-3%	-6%
EV/EBITDA	4.4	10.6	8.7	5.4	4.5	8.7	4.7	3.2	-0.0	1.9	4.0	2.2
P/E (adj.)	4.2	13.7	10.3	5.6	3.2	11.1	4.6	3.4	0.9	2.6	5.7	2.2



Our Estimates vs Consensus

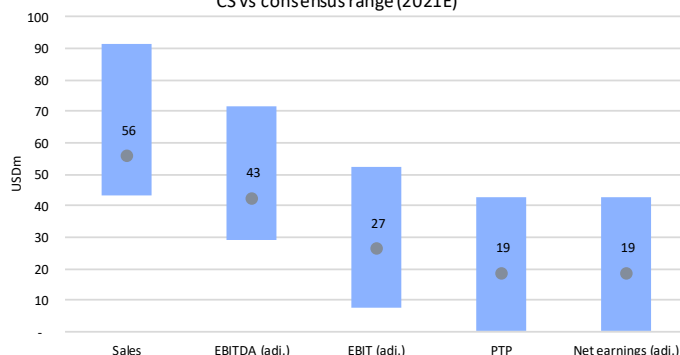
Profit & Loss, year I

CS vs consensus range (2020E)

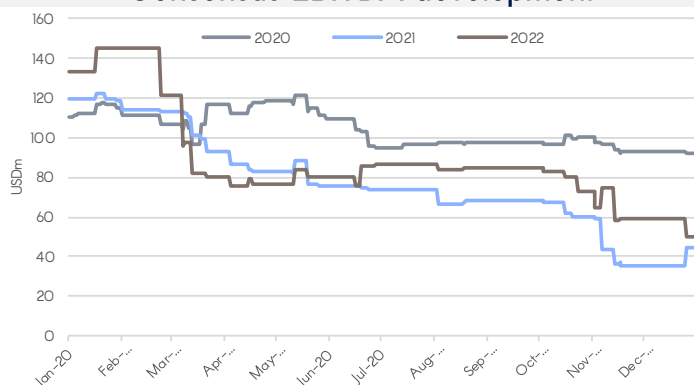


Profit & Loss, year II

CS vs consensus range (2021E)



Consensus EBITDA development



Target price vs share price



Cleaves vs consensus: P&L break-down

2020	CS	Consensus	Diff.	Diff.
TCE revenue	107	107	1	1%
Opex + G&A	14	14	-0	-2%
Depreciation	17	16	1	4%
Net finance	15	15	-0	-2%
Taxes & Minorities	0	1	-1	-100%
2021	CS	Consensus	Diff.	Diff.
TCE revenue	56	61	-5	-8%
Opex + G&A	13	16	-3	-18%
Depreciation	16	18	-2	-12%
Net finance	8	11	-3	-28%
Taxes & Minorities	0	0	0	#DIV/O!

Avg. TCE/day across fleet vs consensus





Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	10	20	29	34	23	18	13	11	14
Operational costs	11	-2	-3	-4	-4	-3	-3	-3	-3
EBITDA	21	18	26	31	19	14	10	8	11
Depreciation/Amortization	-2	-3	-3	-5	-5	-4	-4	-4	-4
EBIT	19	15	23	25	14	10	6	4	7
Net financials	-3	-4	-4	-4	-3	-2	-2	-2	-2
PTP	16	12	19	22	11	8	4	2	5
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	16	12	19	22	11	8	4	2	5
Non-recurring items	-12	0	0	-1	0	0	0	0	0
Net earnings (adj.)	4	12	19	21	11	8	4	2	5
EPS	0.03	0.02	0.03	0.04	0.02	0.01	0.01	0.00	0.01
EPS (adj.)	0.01	0.02	0.03	0.04	0.02	0.01	0.01	0.00	0.01
DPS	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	52	35	11	25	94	30	32	32	35
Other current assets	8	16	23	12	12	12	12	12	12
Total current assets	61	51	34	37	105	41	43	44	47
Property & equip. (incl. NBs)	334	410	495	597	423	419	415	411	407
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	334	410	495	597	424	420	416	412	407
TOTAL ASSETS	395	461	529	635	529	461	459	455	454
Total equity	211	223	242	264	274	212	216	218	223
Short-term debt	6	8	15	22	24	24	24	24	24
Other current liabilities	3	5	3	4	4	4	4	4	4
Total current liabilities	9	13	18	26	28	28	28	28	28
Long-term debt	174	225	269	345	227	221	215	209	203
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	174	225	269	345	227	221	215	209	203
TOTAL EQUITY & LIABILITIES	395	461	529	635	529	461	459	455	454
Working capital, receivables	7	0	12	8	8	8	8	8	8
Working capital, payables	3	5	3	3	3	3	3	3	3
Net working capital	4	-5	9	5	5	5	5	5	5
Interest bearing debt	180	233	284	367	251	245	239	233	227
Liquidity	52	35	17	25	94	30	32	32	35
Net interest bearing debt	128	198	267	342	157	215	207	201	192
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	16	12	19	22	11	8	4	2	5
Depreciation	2	3	3	5	5	4	4	4	4
Other	-13	0	4	4	0	0	0	0	0
Cash earnings	5	14	27	31	16	12	8	6	9
Changes in working capital	-7	-6	-3	6	0	0	0	0	0
Net operational cash flow	-1	8	24	37	16	12	8	6	9
Capex	-122	-79	-88	-107	0	0	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	46	0	0	0	168	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-76	-79	-88	-107	168	0	0	0	0
Repayment of debt	0	0	0	0	-169	-6	-6	-6	-6
Proceeds from debt	120	53	51	83	53	0	0	0	0
Dividends paid	0	0	0	0	0	-70	0	0	0
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	-4	-4	0	0	0	0	0
Net financing cash flow	120	53	47	79	-116	-76	-6	-6	-6
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	43	-17	-18	8	68	-64	2	0	3
Cash balance	52	35	11	25	94	30	32	32	35
Free cash flow	-78	-70	-65	-71	184	12	8	6	9



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales		0	0	0	23	107	56	62	82
Operational costs		-1	-93	-23	-3	-13	-13	-13	-13
EBITDA		-1	-93	-22	20	94	43	48	68
Depreciation/Amortization		0	0	0	-2	-17	-16	-16	-16
EBIT	-2	-1	-93	-22	18	78	27	32	52
Net financials	0	0	2	27	-2	-15	-8	-7	-6
PTP	-2	-1	-91	5	16	63	19	25	46
Taxes/Minorities	0	0	-6	-38	0	0	0	0	0
Net earnings	-2	-1	-96	-33	16	63	19	25	46
Non-recurring items	0	0	0	0	0	-1	0	0	0
Net earnings (adj.)	-2	-1	-96	-33	16	62	19	25	46
EPS	-0.21	-0.39	-0.73	-0.08	0.03	0.11	0.03	0.04	0.08
EPS (adj.)	-0.21	-0.39	-0.73	-0.08	0.03	0.11	0.03	0.04	0.08
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.01	0.03
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	0	0	279	304	52	94	35	47	66
Other current assets	0	0	46	217	8	12	12	12	12
Total current assets	0	0	326	521	61	105	47	59	78
Property & equip. (incl. NBs)	0	0	28	493	334	423	407	391	375
Other non-current assets	17	17	95	0	0	0	0	0	0
Total non-current assets	17	17	123	493	334	424	407	391	375
TOTAL ASSETS	17	18	449	1,014	395	529	454	450	453
Total equity	7	7	415	1,012	211	274	223	242	269
Short-term debt	1	1	4	0	6	24	8	9	12
Other current liabilities	1	0	19	2	3	4	4	4	4
Total current liabilities	1	1	22	2	9	28	12	14	16
Long-term debt	0	0	12	0	174	227	219	194	168
Other non-current liabilities	8	9	0	0	0	0	0	0	0
Total non-current liabilities	8	9	12	0	174	227	219	194	168
TOTAL EQUITY & LIABILITIES	17	18	449	1,014	395	529	454	450	453
Working capital, receivables		0	41	1	7	8	8	8	8
Working capital, payables	0	0	12	1	3	3	3	3	3
Net working capital		0	30	0	4	5	5	5	5
Interest bearing debt	1	1	15	0	180	251	227	203	180
Liquidity	0	0	279	304	52	94	35	47	66
Net interest bearing debt	1	1	-264	-304	128	157	192	157	113
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	-2	-1	-96	-33	16	63	19	25	46
Depreciation		0	0	0	2	17	16	16	16
Other		0	64	29	-13	8	0	0	0
Cash earnings	-2	-1	-32	-3	5	87	35	41	62
Changes in working capital	0	0	6	-5	-5	-3	0	0	0
Net operational cash flow	-2	-1	-26	-8	0	85	35	41	62
Capex	—	0	-6	-483	-313	-274	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	46	168	0	0	0
Other	-2	0	-51	-215	25	1	0	0	0
Net investing cash flow	-2	0	-56	-698	-242	-106	0	0	0
Repayment of debt	1	0	-10	-1	180	-169	-24	-24	-24
Proceeds from debt	—	0	0	0	—	239	0	0	0
Dividends paid	0	0	0	0	0	0	-70	-6	-19
New equity	—	—	385	745	79	0	0	0	0
Other	2	1	-14	-13	0	1	0	0	0
Net financing cash flow	3	1	361	731	259	62	-94	-30	-43
Currency effect	—	0	0	0	0	0	0	0	0
Net cash flow		0	279	25	17	41	-59	12	20
Cash balance	0	0	279	304	52	94	35	47	66
Free cash flow	-3	-1	-82	-706	-242	-21	35	41	62



Cleaves Securities

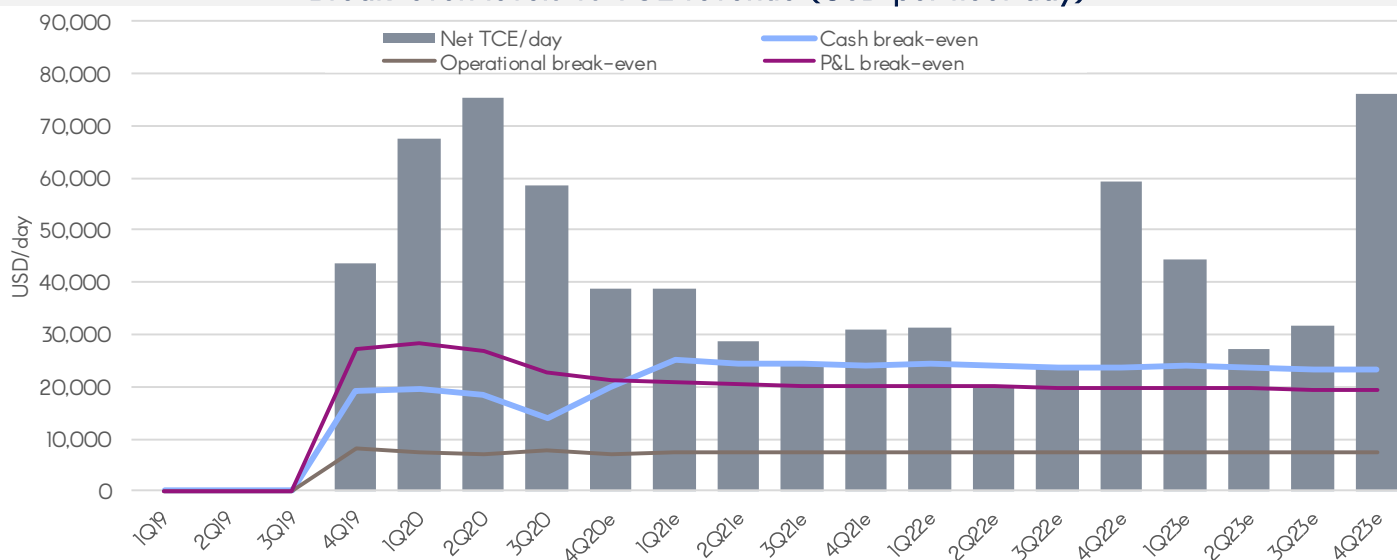
Oil Tankers SELL

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

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	8	2	131	385	575	590	590	590	590
Share price, avg (USD)	1	0	0	0	0	0	0	0	0
Share price, end (USD)	0	1	0	0	1	0	0	0	0
Market Cap.	2	2	37	143	358	259	259	259	259
NIBD	1	1	-264	-304	128	157	192	157	113
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	3	2	-227	-161	486	417	452	416	373
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)					22.5	4.1	13.7	10.3	5.6
P/E (adj.)					22.5	4.2	13.7	10.3	5.6
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales					15.8	2.4	4.6	4.2	3.2
EV/Sales					21.4	3.9	8.0	6.8	4.6
EV/EBITDA			2.4	7.2	24.1	4.4	10.6	8.7	5.4
EV/EBIT			2.4	7.2	26.6	5.4	17.0	13.0	7.1
P/B	0.3	0.2	0.1	0.1	1.7	0.9	1.2	1.1	1.0
FCF yield	-170%	-90%	-221%	-493%	-67%	-8%	14%	16%	24%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.0%	2.3%	7.4%
Return on equity (ROE)	-22.0%	-12.3%	-23.2%	-3.2%	7.6%	22.9%	8.5%	10.4%	17.2%
Return on capital employed (ROCE)	-19.5%	-10.4%	-61.7%	-3.1%	5.4%	18.0%	6.4%	8.0%	13.7%
Return on assets (ROA)	-9.6%	-4.8%	-21.5%	-3.2%	4.0%	11.9%	4.2%	5.6%	10.2%
Sales growth			1067%	378%	5129%	372%	-48%	10%	33%
EBITDA margin		-9946%	-102385%	-5103%	89%	88%	76%	78%	84%
EBIT margin		-10097%	-102392%	-5103%	80%	72%	47%	52%	64%
Net margin		-10777%	-105855%	-7474%	70%	59%	34%	41%	57%
Net interest rate	0.0%	0.0%	0.0%	0.0%	3.1%	9.4%	4.0%	4.3%	5.3%
Tax rate	0.0%	0.0%	-4.8%	59.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	43%	39%	92%	100%	54%	52%	49%	54%	59%
Leverage ratio	57%	61%	8%	0%	46%	48%	51%	46%	41%
NIBD / EBITDA (past 1y)		-1.0	2.8	13.7	6.3	1.7	4.5	3.3	1.7
Operating cash flow/NIBD	-2.3	-1.3	0.1	0.0	0.0	0.5	0.2	0.3	0.6
Net interest coverage ratio (EBIT/Net interest)					5.2	6.4	5.6	7.1	11.4
Current ratio	0.4	0.1	14.7	329.5	6.7	3.8	3.8	4.3	4.9
Adj. equity ratio						55%	57%	65%	73%
Operating assets	17	17	170	710	342	435	419	403	387
Operating liabilities	9	10	19	2	3	4	4	4	4
Net operating assets	8	8	151	708	339	431	415	399	383

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
09/01/2021 15:16 CET



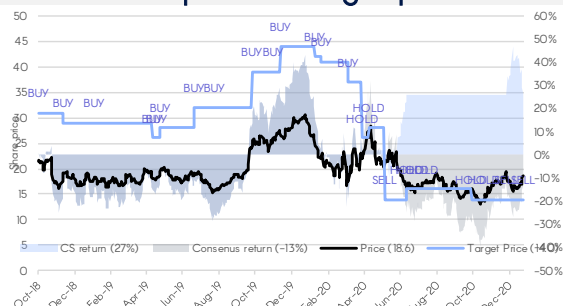


INSW-US

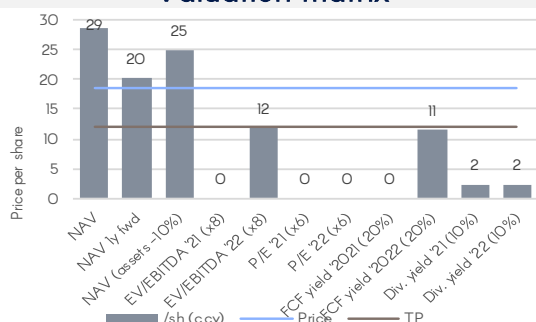
SELL/\$12

International Seaways

Share price vs target price

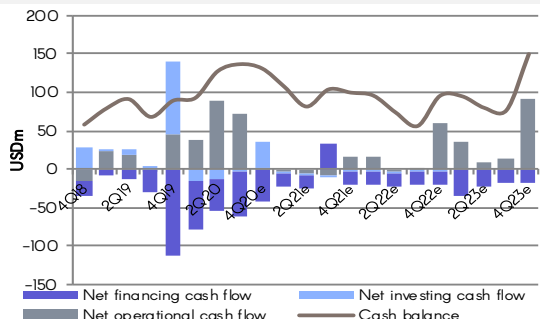


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
jh@cleaves.no

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	394	159	235	309
EBITDA (adj.)	212	4	84	158
EBIT (adj.)	137	-72	8	82
PTP (adj.)	121	-78	-1	72
Net earnings (adj.)	121	-78	-1	72
EPS (adj.)	4.28	-2.79	-0.03	2.56
DPS	0.24	0.24	0.24	1.12
USDm	2020E	2021E	2022E	2023E
Fwd NAV	680	593	705	909
Adj. equity ratio	54%	51%	58%	67%
FCF yield	39%	-3%	12%	28%
Dividend yield	1%	1%	1%	6%
EV/EBITDA	4.5		10.2	4.7
P/E (adj.)	4.3			7.3

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	200	-2	75	148
Free cash flow	203	-13	64	148
Net cash flow	-2	-32	-4	55
TCE/day	31,933	13,490	20,083	26,418
Cash break-even	22,171	19,765	19,755	19,499
Liquidity	132	100	96	151
Property & Equip. (incl. NBs)	1,238	1,173	1,108	1,032
Total equity	1,067	982	975	1,015
Total assets	1,653	1,557	1,488	1,466
Interest bearing debt	511	499	438	376
Net interest bearing debt	379	399	342	226
Market Cap.	520	520	520	520

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

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



Quarterly Review

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	4Q20 Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net sales	117.6	94.0	44.9	64.0				
EBITDA (adj.)	72.2	48.7	3.5	22.1				
EBIT (adj.)	52.3	29.7	-15.5	3.0				
PTP (adj.)	39.0	26.8	-17.6	-0.9				
Net earnings (adj.)	39.0	26.8	-17.6	0.7				
EPS (adj.)	1.33	0.96	-0.63	0.02				
DPS	0.06	0.06	0.06	0.06				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	117.6	94.0	44.9	64.0				
Opex & G&A	45.4	45.4	41.4	41.9				
Depreciation	19.9	19.0	19.0	19.1				
Net finance	13.3	2.8	2.1	3.9				
Taxes & Minorities	0.0	-	-	-1.6				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	4Q20 Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
TCE/day	35,176	30,110	18,275	26,041				
Utilization	91.3%	94.1%	78.5%					
Fleet days	3,663	3,318	3,128					
Cash break-even	26,518	21,116	20,616					
Liquidity	90	137	132					
Interest bearing debt	692	551	511					

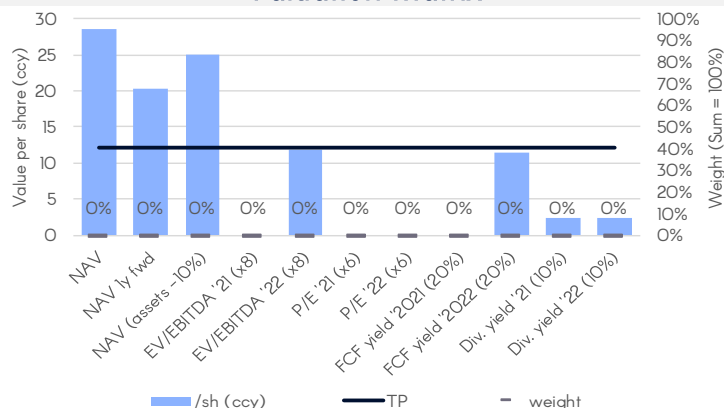


Company Valuation

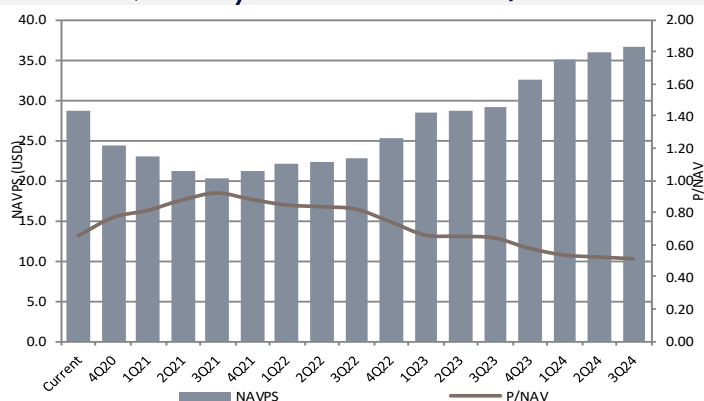
Valuation

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,291	1,002	785
Contract value	0	33	26
Other	256	256	201
GAV	1,548	1,291	1,012
Net debt	-413	-413	-413
Capex	0	-6	-6
Other	-48	-73	-73
Equity	1,087	800	520
Shares	28	28	28
Equity/sh	38.8	28.6	18.6
ICL CCY	38.8	28.6	18.6
P/Equity	0.48	0.65	1.00
EV/GAV	0.65	0.78	1.00
Adj. Total Assets	1,712	1,423	1,206
Adj. Equity Ratio	63%	56%	43%
Fair Value	USD	12	-35%

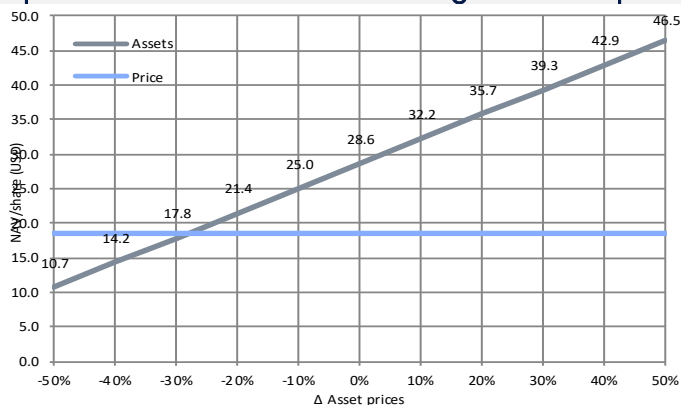
Valuation Matrix



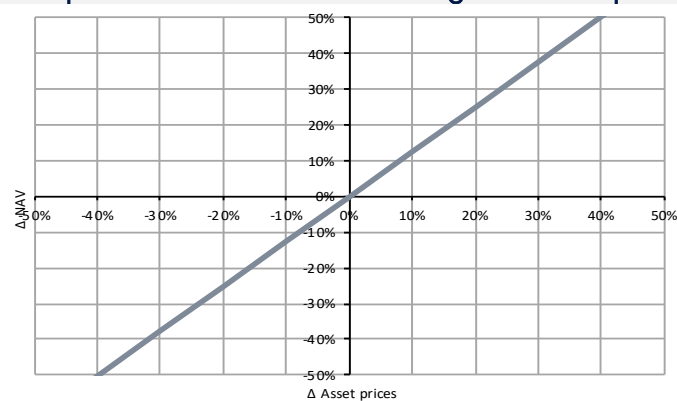
Quarterly forward NAV & P/NAV



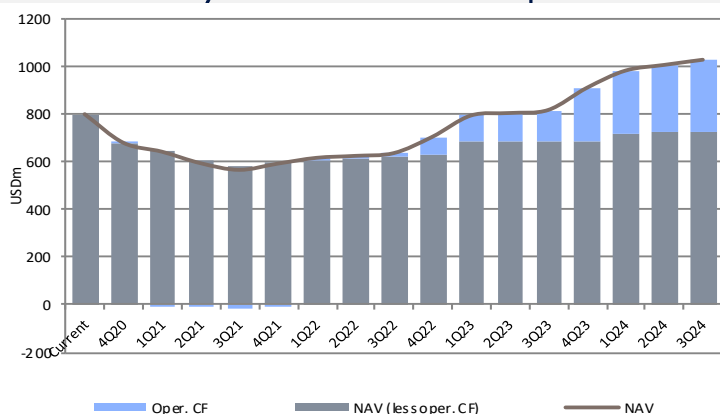
Impact on NAV/sh from % change in asset prices



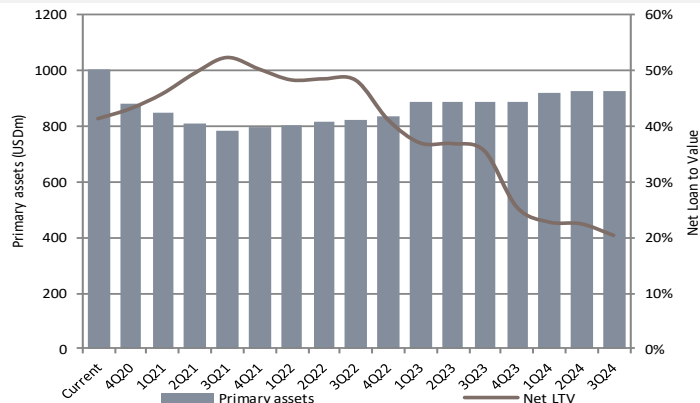
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	2020E	New 2021E	2022E	2023E	2020	Old 2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	394	159	235	309	396	200	335	395	-2	-41	-100	-86
EBITDA (adj.)	212	4	84	158	218	51	190	249	-6	-46	-105	-91
EBIT (adj.)	137	-72	8	82	143	-26	113	172	-6	-46	-105	-90
PTP (adj.)	121	-78	-1	72	127	-34	108	171	-5	-44	-109	-99
Net earnings (adj.)	121	-78	-1	72	127	-34	108	171	-5	-44	-109	-99
EPS (adj.)	4.28	-2.79	-0.03	2.56	4.48	-1.21	3.85	6.12	-0.19	-1.59	-3.88	-3.55
DPS	0.24	0.24	0.24	1.12	0.24	0.24	0.54	2.57	-0.00	-	-0.30	-1.44
									2020E	2021E	2022E	2023E
TCE revenue									-2	-41	-100	-86
Opex & G&A									4	5	5	5
Depreciation									0	-1	-1	-1
Net finance									-1	-1	4	9
Taxes & Minorities									-0	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm	2020E	2021E	2022E	2023E	2020	2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	200	-2	75	148	180	43	185	248	20	-45	-109	-100
Free cash flow	203	-13	64	148	173	20	173	248	30	-33	-109	-100
Net cash flow	-2	-32	-4	55	-35	-17	88	94	33	-15	-92	-39
TCE/day	31,933	13,490	20,083	26,418	31,649	16,776	28,625	33,710	284	-3,286	-8,542	-7,292
Cash break-even	22,171	19,765	19,755	19,499	22,637	20,905	20,025	20,694	-466	-1,140	-270	-1,195
Liquidity	132	100	96	151	99	82	170	264	33	18	-74	-113
Property & Equip. (incl. NBs)	1,238	1,173	1,108	1,032	1,257	1,203	1,138	1,061	-19	-30	-30	-29
Total equity	1,067	982	975	1,015	1,083	1,043	1,136	1,235	-16	-60	-161	-220
Total assets	1,653	1,557	1,488	1,466	1,671	1,601	1,623	1,641	-18	-44	-135	-174
Interest bearing debt	511	499	438	376	530	500	430	348	-19	-0	8	29
Net interest bearing debt	379	399	342	226	431	418	260	84	-51	-18	82	142
Market Cap.	520	520	520	520	388	388	388	388	132	132	132	132
Enterprise value	899	919	862	746	819	806	648	472	80	113	214	274

Valuation

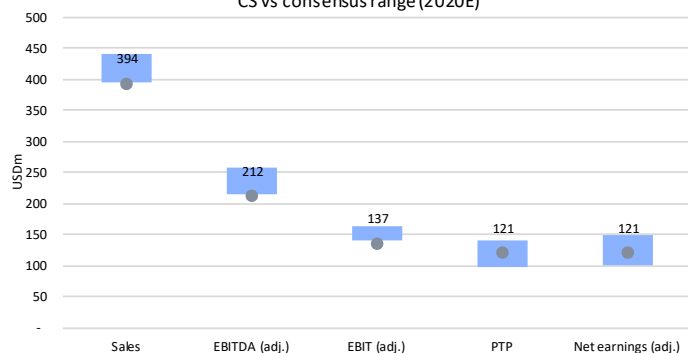
Estimate changes USDm	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	680	593	705	909	702	712	1,118	1,373	-22	-118	-413	-464
Adj. equity ratio	54%	51%	58%	67%	54%	56%	70%	77%	-1%	-5%	-12%	-10%
FCF yield	39%	-3%	12%	28%	45%	5%	45%	64%	-6%	-8%	-32%	-35%
Dividend yield	1%	1%	1%	6%	2%	2%	4%	18%	0%	0%	-3%	-12%
EV/EBITDA	4.5		10.2	4.7	3.8	15.9	3.4	1.9	0.8	#####	6.8	2.8
P/E (adj.)	4.3			7.3	3.1		3.6	2.3	1.2	#####	#####	5.0



Our Estimates vs Consensus

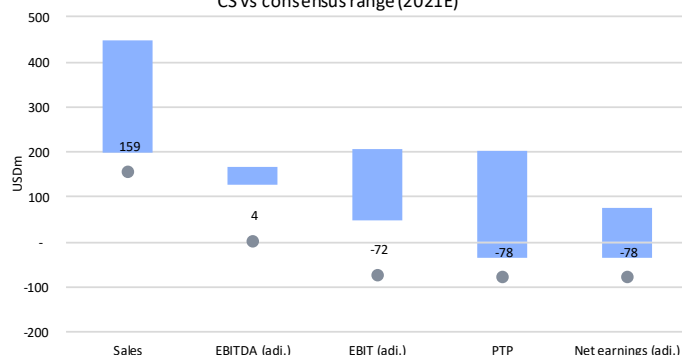
Profit & Loss, year I

CS vs consensus range (2020E)

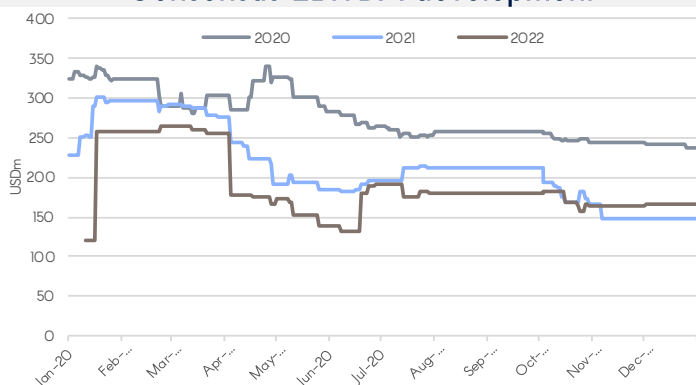


Profit & Loss, year II

CS vs consensus range (2021E)



Consensus EBITDA development



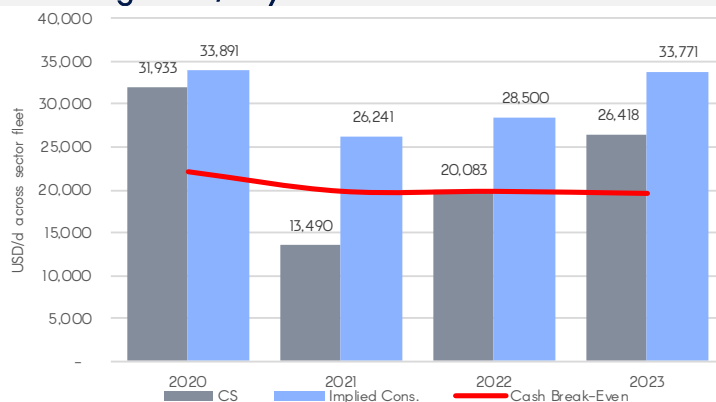
Target price vs share price



Cleaves vs consensus: P&L break-down

2020	CS	Consensus	Diff.	Diff.
TCE revenue	394	418	-24	-6%
Opex + G&A	182	182	0	0%
Depreciation	75	81	-6	-7%
Net finance	16	36	-20	-56%
Taxes & Minorities	0	-9	9	-100%
2021	CS	Consensus	Diff.	Diff.
TCE revenue	159	308	-150	-49%
Opex + G&A	154	161	-6	-4%
Depreciation	76	49	27	54%
Net finance	6	45	-39	-86%
Taxes & Minorities	0	19	-19	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

Oil Tankers SELL

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

Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	90	93	128	137	132	108	82	104	100
Other current assets	98	122	114	83	83	83	83	83	83
Total current assets	187	216	242	220	215	191	165	187	183
Property & equip. (incl. NBs)	1,316	1,324	1,316	1,291	1,238	1,222	1,206	1,189	1,173
Other non-current assets	251	201	201	201	201	201	201	201	201
Total non-current assets	1,566	1,525	1,517	1,492	1,439	1,423	1,406	1,390	1,374
TOTAL ASSETS	1,754	1,741	1,759	1,712	1,653	1,613	1,571	1,577	1,557
Total equity	1,022	1,030	1,072	1,087	1,067	1,043	1,016	988	982
Short-term debt	83	92	81	61	80	79	75	74	77
Other current liabilities	31	40	49	41	41	41	41	41	41
Total current liabilities	114	133	131	103	121	120	117	115	118
Long-term debt	609	559	523	489	431	417	405	441	423
Other non-current liabilities	8	20	33	34	34	34	34	34	34
Total non-current liabilities	617	578	556	523	465	451	439	475	456
TOTAL EQUITY & LIABILITIES	1,754	1,741	1,759	1,712	1,653	1,613	1,571	1,577	1,557
Working capital, receivables	88	108	103	73	73	73	73	73	73
Working capital, payables	15	33	29	27	27	27	27	27	27
Net working capital	73	75	73	45	45	45	45	45	45
Interest bearing debt	692	651	605	551	511	496	480	515	499
Liquidity	90	93	128	137	132	108	82	104	100
Net interest bearing debt	602	558	477	413	379	388	398	410	399
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	16	33	64	14	-18	-23	-25	-27	-3
Depreciation	19	18	19	19	19	19	19	19	19
Other	18	7	-3	15	0	0	0	0	0
Cash earnings	53	59	80	48	1	-4	-6	-8	16
Changes in working capital	-8	-20	9	23	0	0	0	0	0
Net operational cash flow	44	38	89	71	1	-4	-6	-8	16
Capex	-27	-16	-25	-6	-14	-3	-3	-3	-3
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	14	0	49	0	0	0	0
Other	122	0	-1	2	0	0	0	0	0
Net investing cash flow	95	-15	-13	-3	34	-3	-3	-3	-3
Repayment of debt	-113	-31	-20	-438	-40	-15	-15	-15	-15
Proceeds from debt	0	0	0	363	0	0	0	50	0
Dividends paid	0	-2	-2	-2	-2	-2	-2	-2	-2
New equity	0	0	0	0	0	0	0	0	0
Other	0	-30	-21	18	0	0	0	0	0
Net financing cash flow	-113	-63	-43	-59	-41	-17	-17	33	-17
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	26	-40	34	9	-6	-24	-26	23	-4
Cash balance	90	93	128	137	132	108	82	104	100
Free cash flow	140	23	77	68	36	-7	-9	-10	13



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	476	385	275	243	340	394	159	235	309
Operational costs						-196	-154	-151	-151
EBITDA						198	4	84	158
Depreciation/Amortization						-75	-76	-76	-76
EBIT	176	6	-108	-55	55	123	-72	8	82
Net financials	-3	-24	2	-35	-56	-29	-6	-9	-10
PTP	173	-18	-106	-89	-1	94	-78	-1	72
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	173	-18	-106	-89	-1	94	-78	-1	72
Non-recurring items	0	0	0	0	0	27	0	0	0
Net earnings (adj.)	173	-18	-106	-89	-1	121	-78	-1	72
EPS		-0.62	-3.65	-3.05	-0.03	3.32	-2.79	-0.03	2.56
EPS (adj.)		-0.62	-3.65	-3.05	-0.03	4.28	-2.79	-0.03	2.56
DPS		6.92	0.00	0.00	0.00	0.24	0.24	0.24	1.12
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	309	92	60	58	90	132	100	96	151
Other current assets	88	79	72	109	98	83	83	83	83
Total current assets	397	171	132	168	187	215	183	179	233
Property & equip. (incl. NBs)	1,240	1,100	1,105	1,331	1,326	1,238	1,173	1,108	1,032
Other non-current assets	393	392	428	350	240	201	201	201	201
Total non-current assets	1,633	1,492	1,533	1,681	1,566	1,439	1,374	1,309	1,233
TOTAL ASSETS	2,030	1,663	1,664	1,849	1,754	1,653	1,557	1,488	1,466
Total equity	1,384	1,180	1,086	1,010	1,022	1,067	982	975	1,015
Short-term debt	6	6	24	52	83	80	60	69	73
Other current liabilities	42	39	23	24	31	41	41	41	41
Total current liabilities	48	45	47	75	114	121	101	110	114
Long-term debt	589	433	529	759	609	431	440	369	303
Other non-current liabilities	9	4	3	4	8	34	34	34	34
Total non-current liabilities	598	438	532	763	617	465	474	403	337
TOTAL EQUITY & LIABILITIES	2,030	1,663	1,664	1,849	1,754	1,653	1,557	1,488	1,466
Working capital, receivables	78	68	61	98	88	73	73	73	73
Working capital, payables	19	16	9	10	15	27	27	27	27
Net working capital	59	52	53	88	73	45	45	45	45
Interest bearing debt	595	440	553	811	692	511	499	438	376
Liquidity	309	92	60	58	90	132	100	96	151
Net interest bearing debt	286	348	493	752	602	379	399	342	226
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	173	-18	-106	-89	-1	94	-78	-1	72
Depreciation						75	76	76	76
Other						19	0	0	0
Cash earnings	204	109	14	25	77	188	-2	75	148
Changes in working capital	19	8	4	-38	11	13	0	0	0
Net operational cash flow	223	117	17	-12	87	200	-2	75	148
Capex	-1	-3	-174	-150	-37	-61	-11	-11	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	17	0	18	169	16	62	0	0	0
Other	98	27	19	104	129	-14	0	0	0
Net investing cash flow	114	24	-137	124	108	3	-11	-11	0
Repayment of debt	-6	-155	102	-64	-162	-529	-62	-62	-62
Proceeds from debt	—	—	—	—	—	363	50	0	0
Dividends paid	-200	-202	0	0	0	-7	-7	-7	-31
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	-4	-1	-1	-14	0	0	0
Net financing cash flow	-206	-357	98	-64	-163	-206	-18	-68	-93
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	131	-217	-21	47	33	-2	-32	-4	55
Cash balance		92	60	58	90	87	56	52	106
Free cash flow	337	140	-119	111	195	203	-13	64	148



Cleaves Securities

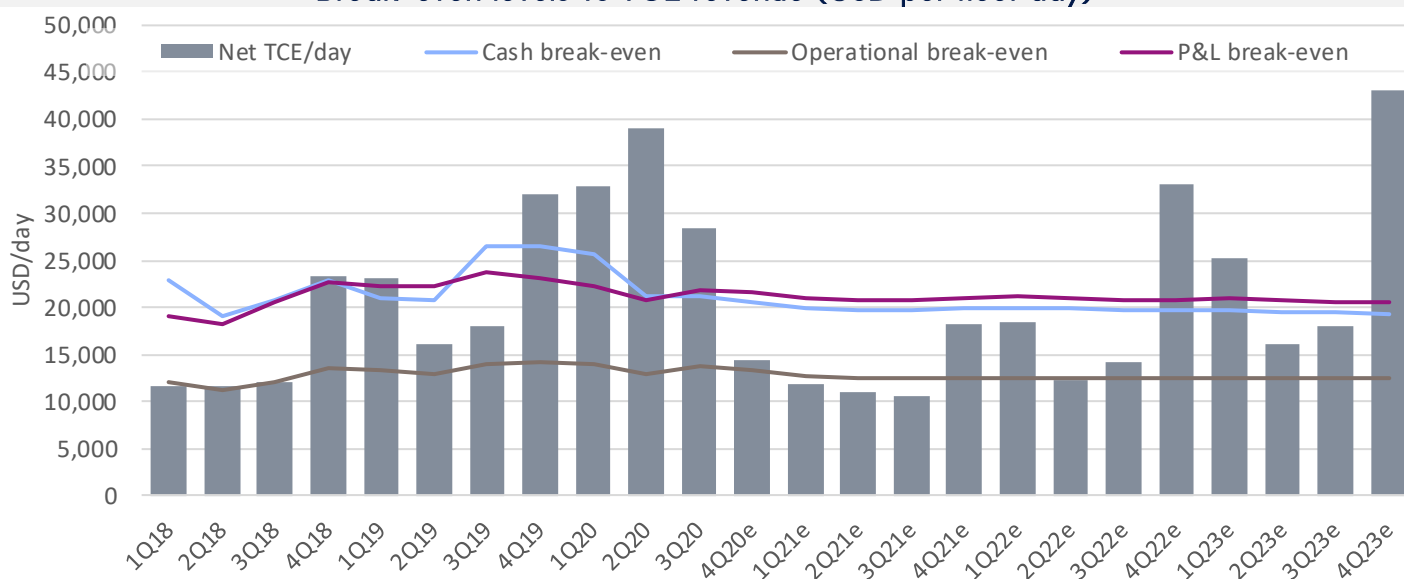
$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

Oil Tankers SELL

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	—	29	29	29	29	28	28	28	28
Share price, avg (USD)		14	19	19	20	20	19	19	19
Share price, end (USD)	—	14	18	17	30	19	19	19	19
Market Cap.		410	537	491	871	520	520	520	520
NIBD	286	348	493	752	602	379	399	342	226
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value		758	1,030	1,244	1,474	899	919	862	746
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)						5.5			7.3
P/E (adj.)						4.3			7.3
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales		1.1	2.0	2.0	2.6	1.3	3.3	2.2	1.7
EV/Sales		2.0	3.7	5.1	4.3	2.3	5.8	3.7	2.4
EV/EBITDA						4.5		10.2	4.7
EV/EBIT					26.7	7.3			9.1
P/B		0.3	0.5	0.5	0.9	0.5	0.5	0.5	0.5
FCF yield		34%	-22%	23%	22%	39%	-3%	12%	28%
Dividend yield		49.3%	0.0%	0.0%	0.0%	1.3%	1.3%	1.3%	6.0%
Return on equity (ROE)	12.5%	-1.5%	-9.8%	-8.8%	-0.1%	8.8%	-8.0%	-0.1%	7.1%
Return on capital employed (ROCE)	10.6%	0.4%	-6.9%	-3.2%	3.5%	8.6%	-5.3%	0.6%	6.7%
Return on assets (ROA)	8.5%	-1.1%	-6.4%	-4.8%	0.0%	5.7%	-5.0%	-0.1%	4.9%
Sales growth	37%	-19%	-29%	-12%	40%	16%	-60%	48%	32%
EBITDA margin						50%	3%	36%	51%
EBIT margin	37%	2%	-39%	-22%	16%	31%	-45%	4%	27%
Net margin	36%	-5%	-39%	-37%	0%	24%	-49%	0%	23%
Net interest rate	15.0%	11.4%	8.4%	8.0%	11.0%	9.6%	6.9%	7.5%	9.9%
Tax rate	0.1%	-2.5%	0.0%	0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Equity ratio	68%	71%	65%	55%	58%	65%	63%	66%	69%
Leverage ratio	32%	29%	35%	45%	42%	35%	37%	34%	31%
NIBD / EBITDA (past 1y)						1.9	97.7	4.1	1.4
Operating cash flow/NIBD	0.8	0.3	0.0	0.0	0.1	0.5	0.0	0.2	0.7
Net interest coverage ratio (EBIT/Net interest)						5.5	0.1	3.3	7.1
Current ratio	8.2	3.8	2.8	2.2	1.6	1.8	1.8	1.6	2.0
Adj. equity ratio						54%	51%	58%	67%
Operating assets	1,712	1,571	1,594	1,731	1,603	1,505	1,440	1,376	1,300
Operating liabilities	51	43	26	28	39	75	75	75	75
Net operating assets	1,661	1,527	1,568	1,703	1,564	1,430	1,365	1,301	1,224

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

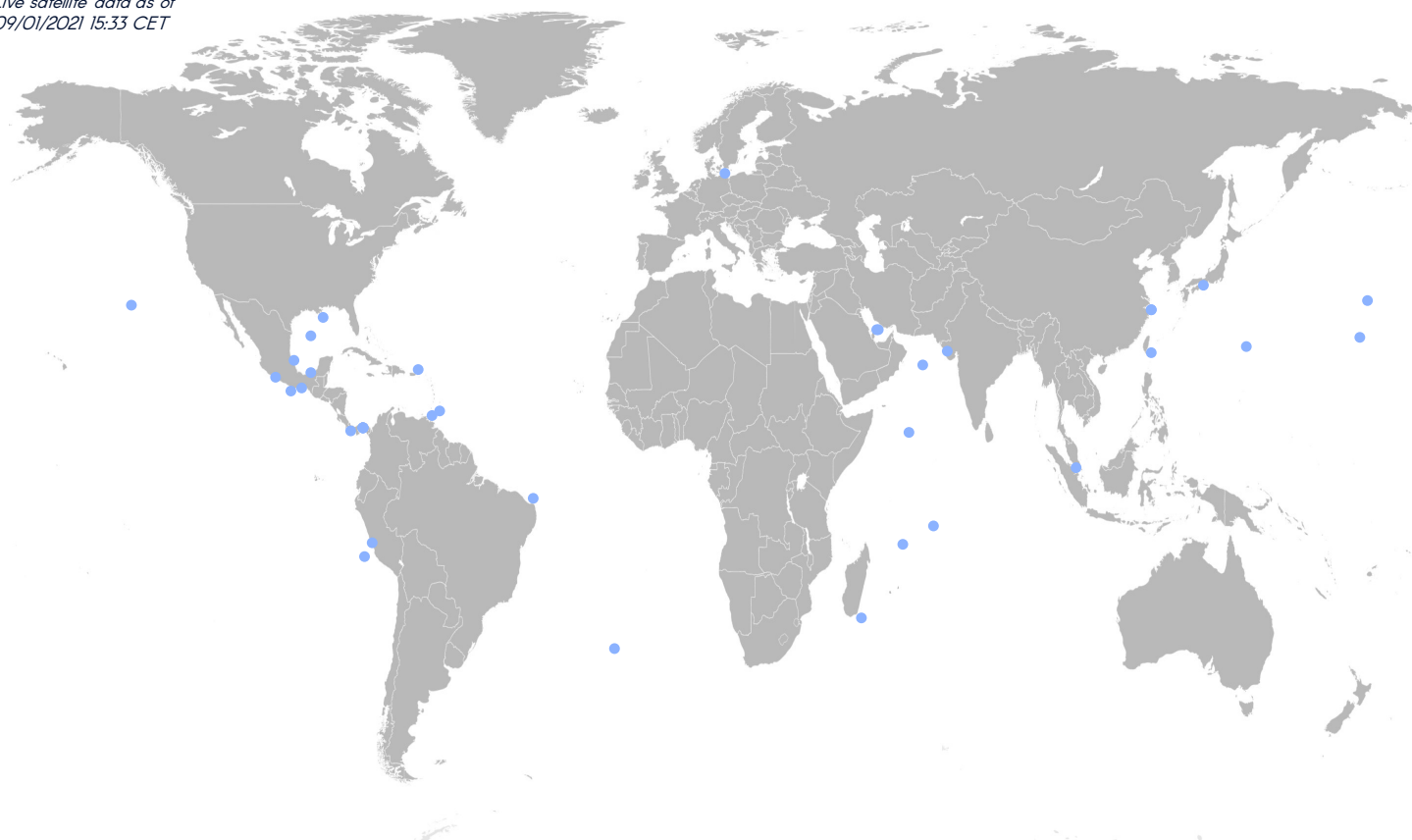
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
09/01/2021 15:33 CET





Significantly overpriced vs peers and NAV. Historically priced on dividend yield, but unsustainable without exponential share growth

NAT-US

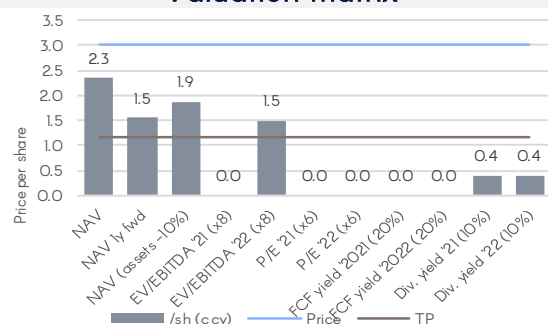
SELL/\$1.2

Nordic American Tankers

Share price vs target price

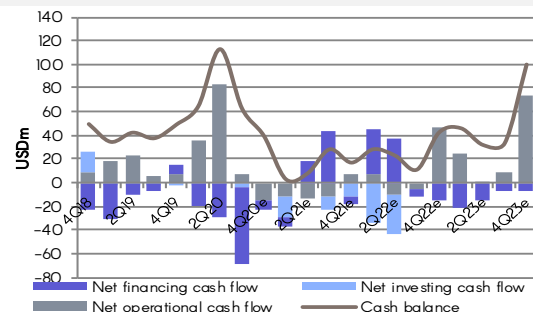


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
jh@cleaves.no

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	231	86	168	237
EBITDA (adj.)	147	2	77	146
EBIT (adj.)	79	-68	3	71
PTP (adj.)	47	-99	-36	33
Net earnings (adj.)	47	-99	-36	33
EPS (adj.)	0.32	-0.65	-0.24	0.22
DPS	0.45	0.04	0.04	0.20
USDm	2020E	2021E	2022E	2023E
Fwd NAV	368	259	361	517
Adj. equity ratio	51%	39%	44%	54%
FCF yield	23%	-15%	-6%	24%
Dividend yield	15%	1%	1%	6%
EV/EBITDA	5.0		11.0	5.3
P/E (adj.)	9.7			13.9

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	111	-29	39	108
Free cash flow	106	-71	-28	108
Net cash flow	-15	-23	26	58
TCE/day	31,096	10,600	19,080	26,761
Cash break-even	16,766	16,308	17,519	16,450
Liquidity	47	24	50	107
Property & Equip. (incl. NBs)	858	830	823	748
Total equity	595	490	449	452
Total assets	949	898	916	899
Interest bearing debt	329	383	443	422
Net interest bearing debt	282	359	393	314
Market Cap.	457	457	457	457

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

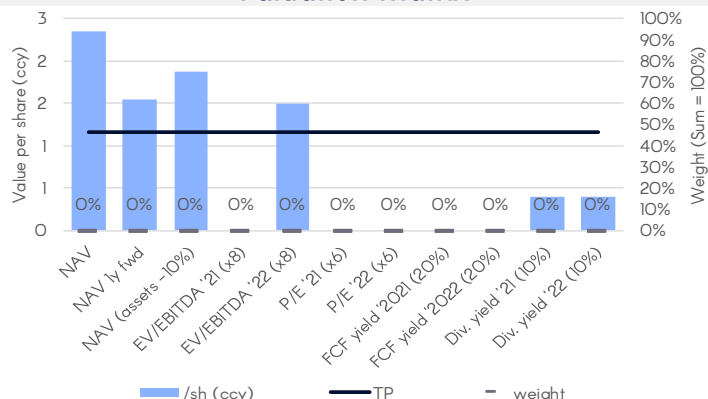


Company Valuation

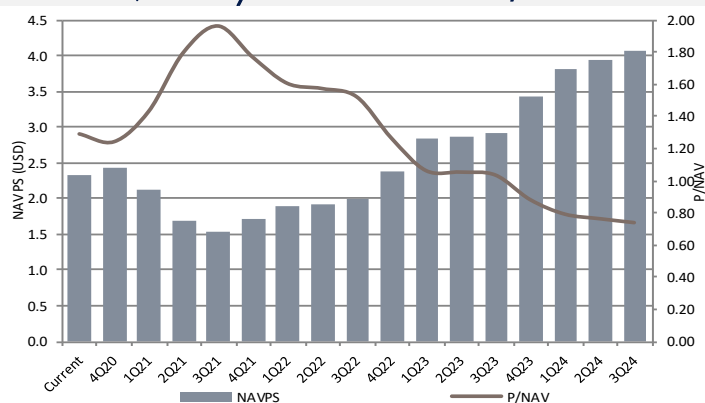
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	876	708	805
Contract value	0	0	0
Other	38	38	44
GAV	914	746	849
Net debt	-264	-264	-264
Capex	0	-108	-108
Other	-20	-20	-20
Equity	630	354	457
Shares	151	151	151
Equity/sh	4.17	2.34	3.02
lcl CCY	4.17	2.34	3.02
P/Equity	0.72	1.29	1.00
EV/GAV	0.93	1.14	1.00
Adj. Total Assets	989	821	918
Adj. Equity Ratio	64%	43%	50%
Fair Value	USD	1.2	-62%

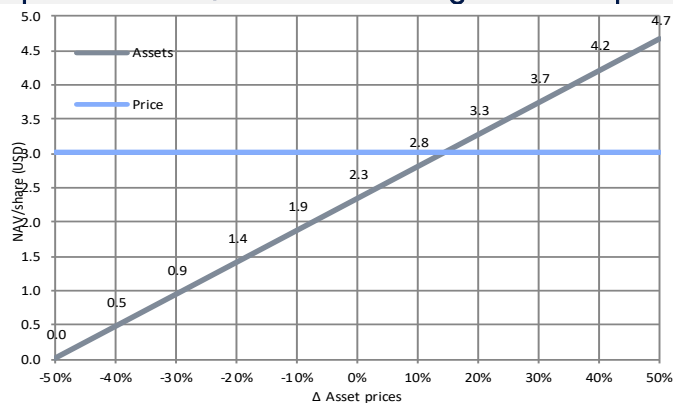
Valuation Matrix



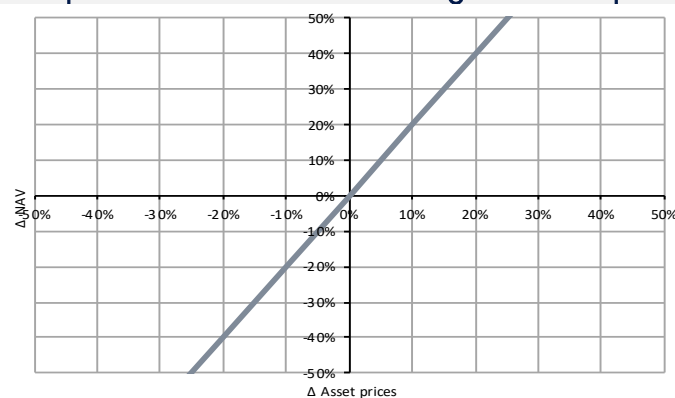
Quarterly forward NAV & P/NAV



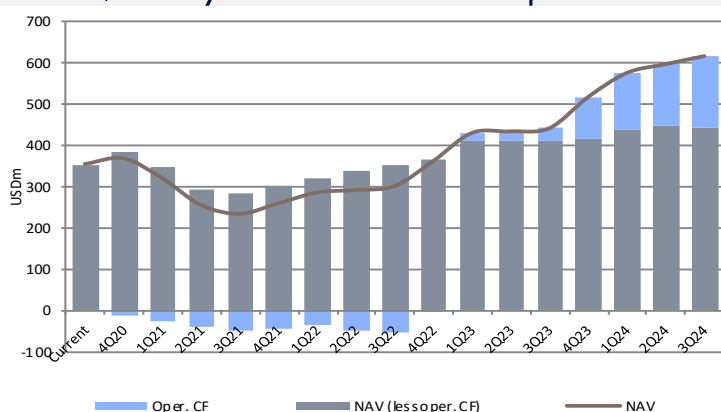
Impact on NAV/sh from % change in asset prices



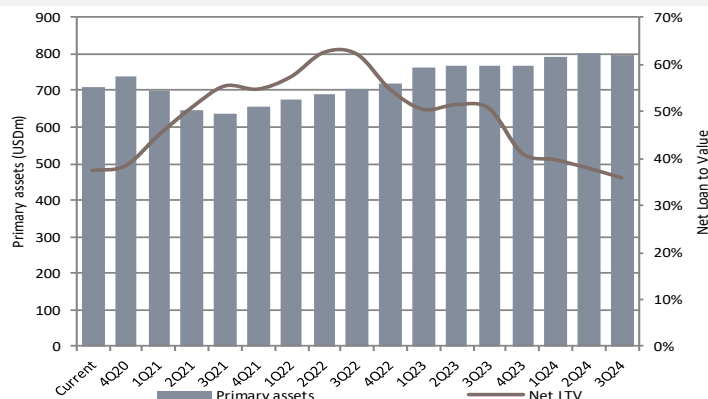
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Preview

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net sales	58.8	37.3	14.1	30.7				
EBITDA (adj.)	37.9	15.7	-7.1	10.9				
EBIT (adj.)	21.5	-1.7	-24.5	#N/A N/A				
PTP (adj.)	12.7	-10.0	-31.8	-13.4				
Net earnings (adj.)	12.7	-10.0	-31.8	-13.4				
EPS (adj.)	0.09	-0.07	-0.21	-0.09				
DPS	0.07	0.04	0.01	0.01				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	58.8	37.3	14.1	30.7				
Opex & G&A	20.9	21.6	21.2	19.8				
Depreciation	16.5	17.4	17.4	#VALUE!				
Net finance	8.7	8.3	7.3	#VALUE!				
Taxes & Minorities	-	-	-	-				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	Cleaves	Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net operational cash flow	7	7	-14					
Free cash flow	5	4	-14					
Net cash flow	13	-62	-23					
TCE/day	31,698	25,000	6,884	14,957				
Utilization	87.7%	70.5%	97.0%					
Fleet days	2,116	2,116	2,116					
Liquidity	62	70	47					
Interest bearing debt	400	334	329					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	231	86	168	237	248	127	266	319	-16	-40	-98	-82
EBITDA (adj.)	147	2	77	146	164	42	175	228	-16	-40	-98	-82
EBIT (adj.)	79	-68	3	71	95	-27	101	153	-16	-40	-98	-82
PTP (adj.)	47	-99	-36	33	63	-56	69	123	-16	-43	-104	-91
Net earnings (adj.)	47	-99	-36	33	63	-56	69	123	-16	-43	-104	-91
EPS (adj.)	0.32	-0.65	-0.24	0.22	0.43	-0.37	0.45	0.82	-0.11	-0.28	-0.69	-0.60
DPS	0.45	0.04	0.04	0.20	0.45	0.04	0.13	0.21	-	-	-0.09	-0.02
									2020E	2021E	2022E	2023E
TCE revenue									-16	-40	-98	-82
Opex & G&A									-0	-	-	-
Depreciation									-	-	-	-
Net finance									-	3	6	9
Taxes & Minorities									-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	111	-29	39	108	127	13	143	199	-16	-43	-104	-91
Free cash flow	106	-71	-28	108	122	-28	20	199	-16	-42	-49	-91
Net cash flow	-15	-23	26	58	1	-40	22	146	-16	18	3	-88
TCE/day	31,096	10,600	19,080	26,761	33,079	15,573	30,165	35,991	-1,983	-4,973	#####	-9,230
Cash break-even	16,766	16,308	17,519	16,450	24,430	16,007	19,792	15,505	-7,665	301	-2,273	945
Liquidity	47	24	50	107	63	22	44	190	-16	2	5	-83
Property & Equip. (incl. NBs)	858	830	823	748	859	832	880	805	-1	-1	-57	-57
Total equity	595	490	449	452	611	550	598	690	-16	-59	-150	-238
Total assets	949	898	916	899	965	897	968	1,038	-16	1	-51	-140
Interest bearing debt	329	383	443	422	329	323	345	324	-	60	98	98
Net interest bearing debt	282	359	393	314	266	301	300	133	16	58	93	181
Market Cap.	457	457	457	457	493	492	492	492	-36	-35	-35	-35
Enterprise value	739	815	850	771	759	792	792	625	-21	23	58	146

Valuation

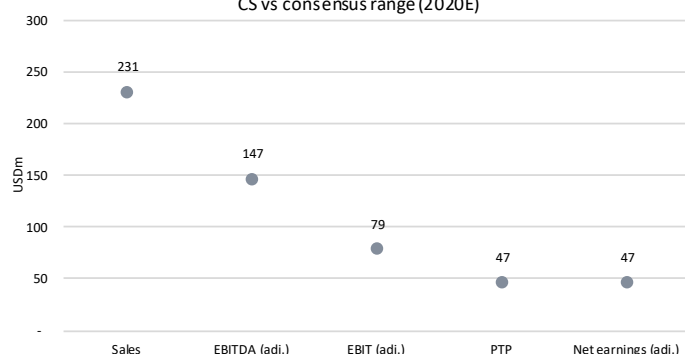
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	368	259	361	517	366	344	705	915	2	-86	-344	-399
Adj. equity ratio	51%	39%	44%	54%	51%	50%	66%	72%	0%	-11%	-22%	-19%
FCF yield	23%	-15%	-6%	24%	25%	-6%	4%	40%	-1%	-10%	-10%	-17%
Dividend yield	15%	1%	1%	6%	14%	1%	4%	7%	1%	0%	-3%	0%
EV/EBITDA	5.0		11.0	5.3	4.6	18.9	4.5	2.7	0.4	#####	6.5	2.5
P/E (adj.)	9.7			13.9	7.8		7.2	4.0	1.9	#####	#####	9.9



Our Estimates vs Consensus

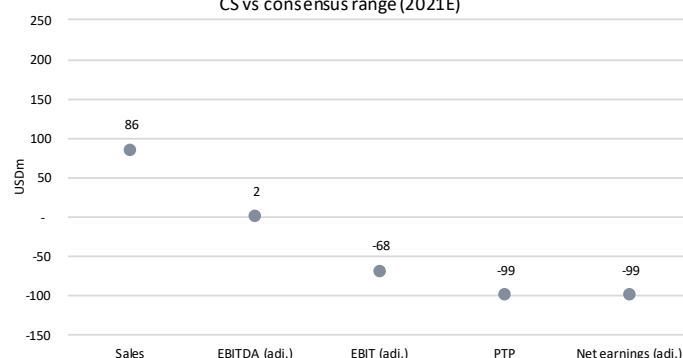
Profit & Loss, year I

CS vs consensus range (2020E)

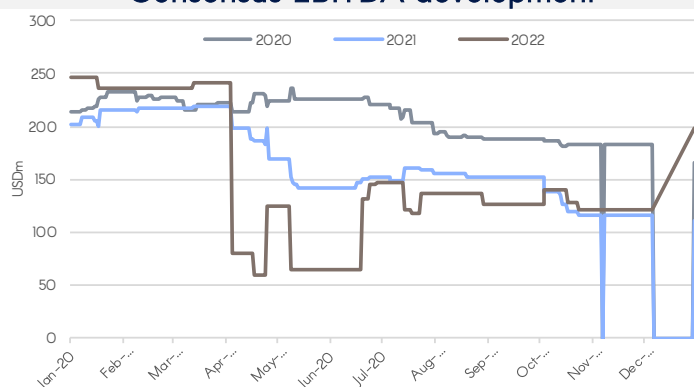


Profit & Loss, year II

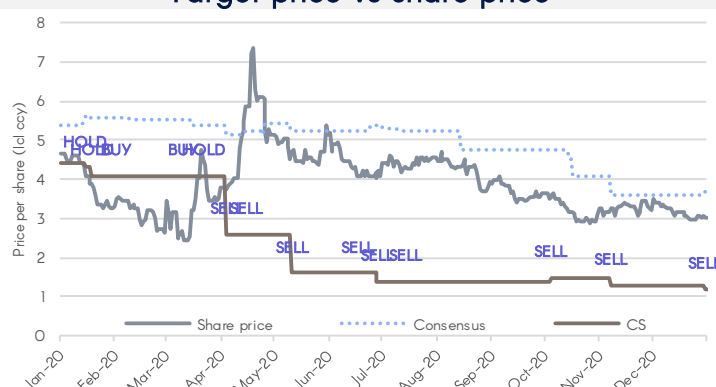
CS vs consensus range (2021E)



Consensus EBITDA development



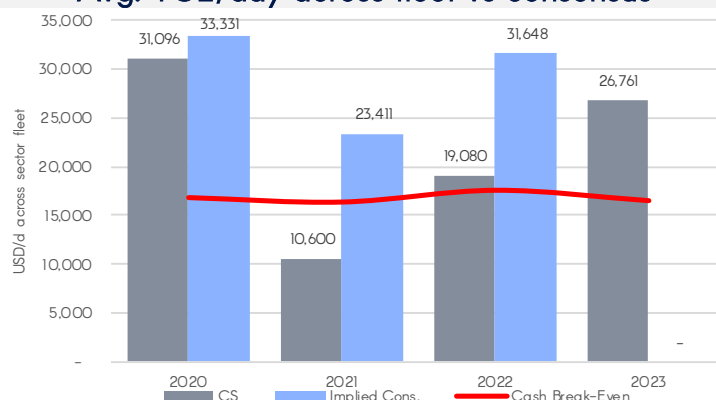
Target price vs share price



Cleaves vs consensus: P&L break-down

2020	CS	Consensus	Diff.	Diff.
TCE revenue	231	248	-17	-7%
Opex + G&A	84	83	1	1%
Depreciation	68	#VALUE!	#VALUE!	#VALUE!
Net finance	32	#VALUE!	#VALUE!	#VALUE!
Taxes & Minorities	0	0	0	#DIV/O!
2021	CS	Consensus	Diff.	Diff.
TCE revenue	86	191	-105	-55%
Opex + G&A	85	80	5	6%
Depreciation	69	#VALUE!	#VALUE!	#VALUE!
Net finance	31	#VALUE!	#VALUE!	#VALUE!
Taxes & Minorities	0	0	0	#DIV/O!

Avg. TCE/day across fleet vs consensus





Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	59	86	94	37	14	17	15	18	37
Operational costs	-21	-21	-20	-22	-21	-21	-21	-21	-21
EBITDA	38	65	74	16	-7	-4	-6	-4	15
Depreciation/Amortization	-16	-17	-16	-17	-17	-17	-17	-17	-17
EBIT	21	48	58	-2	-25	-21	-23	-21	-2
Net financials	-9	-8	-8	-8	-7	-7	-7	-8	-9
PTP	13	40	49	-10	-32	-28	-30	-29	-11
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	13	40	49	-10	-32	-28	-30	-29	-11
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	13	40	49	-10	-32	-28	-30	-29	-11
EPS	0.09	0.27	0.33	-0.07	-0.21	-0.19	-0.20	-0.19	-0.07
EPS (adj.)	0.09	0.27	0.33	-0.07	-0.21	-0.19	-0.20	-0.19	-0.07
DPS	0.02	0.07	0.14	0.20	0.04	0.01	0.01	0.01	0.01
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	49	64	113	62	39	3	8	28	17
Other current assets	81	85	70	49	49	49	49	49	49
Total current assets	129	149	182	111	88	51	56	76	65
Property & equip. (incl. NBs)	900	887	873	876	858	860	843	836	830
Other non-current assets	2	1	3	3	3	3	3	3	3
Total non-current assets	902	889	875	878	861	862	845	839	833
TOTAL ASSETS	1,031	1,038	1,058	989	949	914	901	915	898
Total equity	595	604	637	630	595	565	533	503	490
Short-term debt	24	36	52	22	33	36	36	32	34
Other current liabilities	35	43	49	24	24	24	24	24	24
Total current liabilities	59	79	101	45	57	60	60	55	58
Long-term debt	376	355	318	312	295	288	307	356	349
Other non-current liabilities	0	1	1	1	1	1	1	1	1
Total non-current liabilities	376	355	319	313	296	289	308	357	350
TOTAL EQUITY & LIABILITIES	1,031	1,038	1,058	989	949	914	901	915	898
Working capital, receivables	47	51	33	26	26	26	26	26	26
Working capital, payables	20	4	2	5	5	5	5	5	5
Net working capital	27	47	32	21	21	21	21	21	21
Interest bearing debt	400	391	370	334	329	324	343	388	383
Liquidity	62	78	131	70	47	10	15	36	24
Net interest bearing debt	338	313	239	264	282	313	328	352	359
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	13	40	49	-10	-32	-28	-30	-29	-11
Depreciation	16	17	16	17	17	17	17	17	17
Other	-22	-1	2	-11	0	0	0	0	0
Cash earnings	7	56	67	-3	-14	-11	-13	-12	7
Changes in working capital	0	-20	15	11	0	0	0	0	0
Net operational cash flow	7	36	82	7	-14	-11	-13	-12	7
Capex	-2	-1	-1	-4	0	-19	0	-11	-11
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	-1	0	-1	-4	0	-19	0	-11	-11
Repayment of debt	-6	-9	-22	-38	-5	-5	-5	-5	-5
Proceeds from debt	0	0	0	0	0	0	25	50	0
Dividends paid	-3	-10	-21	-30	-6	-2	-2	-2	-2
New equity	0	0	15	3	3	0	0	0	0
Other	17	0	0	0	0	0	0	0	0
Net financing cash flow	8	-19	-28	-65	-9	-7	18	43	-7
Currency effect	0	0	0	-1	0	0	0	0	0
Net cash flow	13	16	54	-62	-23	-37	5	20	-11
Cash balance	49	64	113	62	39	3	8	28	17
Free cash flow	5	35	82	4	-14	-30	-13	-23	-5



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	287	231	155	124	175	231	86	168	237
Operational costs	-76	-87	-230	-102	-80	-84	-85	-90	-91
EBITDA	211	144	-75	22	96	147	2	77	146
Depreciation/Amortization	-83	-91	-101	-61	-64	-68	-69	-74	-75
EBIT	128	53	-176	-39	32	79	-68	3	71
Net financials	-11	-11	-21	-49	-42	-32	-31	-39	-38
PTP	117	42	-196	-88	-10	47	-99	-36	33
Taxes/Minorities	-3	-47	-9	-8	0	0	0	0	0
Net earnings	115	-4	-205	-95	-10	47	-99	-36	33
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	115	-4	-205	-95	-10	47	-99	-36	33
EPS	1.29	-0.04	-1.44	-0.67	-0.07	0.32	-0.65	-0.24	0.22
EPS (adj.)	1.29	-0.04	-1.44	-0.67	-0.07	0.32	-0.65	-0.24	0.22
DPS	1.38	1.23	0.38	0.07	0.10	0.45	0.04	0.04	0.20
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	30	82	58	49	49	39	17	42	100
Other current assets	88	82	69	64	81	49	49	49	49
Total current assets	118	164	127	113	129	88	65	91	148
Property & equip. (incl. NBs)	963	1,058	936	954	900	858	830	823	748
Other non-current assets	164	128	78	4	2	3	3	3	3
Total non-current assets	1,126	1,186	1,014	958	902	861	833	825	750
TOTAL ASSETS	1,245	1,350	1,141	1,071	1,031	949	898	916	899
Total equity	881	871	711	602	595	595	490	449	452
Short-term debt	0	0	0	19	24	33	19	24	25
Other current liabilities	21	22	25	18	35	24	24	24	24
Total current liabilities	21	22	25	36	59	57	43	47	49
Long-term debt	330	443	389	418	376	295	364	419	397
Other non-current liabilities	13	15	16	15	0	1	1	1	1
Total non-current liabilities	343	457	405	433	376	296	365	420	398
TOTAL EQUITY & LIABILITIES	1,245	1,350	1,141	1,071	1,031	949	898	916	899
Working capital, receivables	43	38	45	42	47	26	26	26	26
Working capital, payables	21	22	14	9	20	5	5	5	5
Net working capital	22	17	31	34	27	21	21	21	21
Interest bearing debt	330	443	389	437	400	329	383	443	422
Liquidity	30	82	58	49	62	47	24	50	107
Net interest bearing debt	300	361	330	387	338	282	359	393	314
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	115	-4	-205	-95	-10	47	-99	-36	33
Depreciation	83	91	101	61	64	68	69	74	75
Other	-7	34	122	26	-8	-10	0	0	0
Cash earnings	190	121	18	-8	46	105	-29	39	108
Changes in working capital	-16	7	14	-8	7	6	0	0	0
Net operational cash flow	174	128	32	-16	53	111	-29	39	108
Capex	-123	-138	-38	-5	-3	-5	-41	-67	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	90	0	1	0	0	0
Other	-74	-49	-9	0	0	0	0	0	0
Net investing cash flow	-197	-187	-47	85	-2	-5	-41	-67	0
Repayment of debt	80	117	-55	-78	-35	-74	-21	-30	-21
Proceeds from debt	80	117	0	0	300	0	75	90	0
Dividends paid	-123	-126	-54	-10	-14	-67	-6	-6	-29
New equity	0	120	104	13	18	20	0	0	0
Other	-85	-117	-13	-2	-307	0	0	0	0
Net financing cash flow	-48	111	-19	-78	-38	-121	48	54	-50
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-71	52	-34	-9	12	-15	-23	26	58
Cash balance	30	82	48	49	49	34	12	37	95
Free cash flow	-23	-59	-15	69	51	106	-71	-28	108



Cleaves Securities

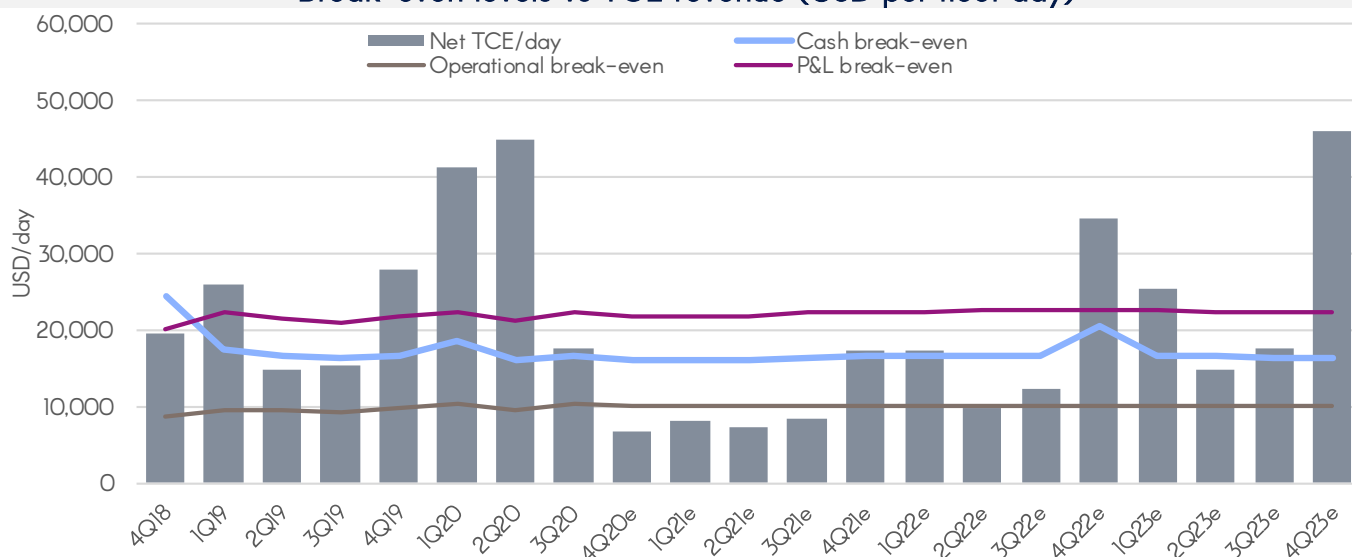
Oil Tankers SELL

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

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	89	102	142	142	147	151	151	151	151
Share price, avg (USD)	13	12	6	2	3	4	3	3	3
Share price, end (USD)	15	8	2	2	5	3	3	3	3
Market Cap.	1,374	849	349	284	724	457	457	457	457
NIBD	300	361	330	387	338	282	359	393	314
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	1,674	1,210	680	671	1,063	739	815	850	771
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)	12.0					9.7			13.9
P/E (adj.)	12.0					9.7			13.9
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	4.8	3.7	2.3	2.3	4.1	2.0	5.3	2.7	1.9
EV/Sales	5.8	5.2	4.4	5.4	6.1	3.2	9.4	5.1	3.3
EV/EBITDA	7.9	8.4		30.4	11.1	5.0		11.0	5.3
EV/EBIT	13.1	22.7			33.2	9.3			10.9
P/B	1.6	1.0	0.5	0.5	1.2	0.8	0.9	1.0	1.0
FCF yield	-2%	-7%	-4%	24%	7%	23%	-15%	-6%	24%
Dividend yield	9.0%	14.8%	15.5%	3.5%	2.0%	14.7%	1.3%	1.3%	6.5%
Return on equity (ROE)	13.0%	-0.5%	-28.8%	-15.8%	-1.7%	7.9%	-20.1%	-7.9%	7.3%
Return on capital employed (ROCE)	10.8%	4.3%	-16.9%	-3.9%	3.4%	9.0%	-8.0%	0.3%	9.2%
Return on assets (ROA)	9.2%	-0.3%	-18.0%	-8.9%	-1.0%	4.9%	-11.0%	-3.9%	3.7%
Sales growth	89%	-19%	-33%	-20%	41%	32%	-63%	94%	42%
EBITDA margin	73%	62%	-49%	18%	55%	64%	2%	46%	62%
EBIT margin	45%	23%	-114%	-31%	18%	34%	-78%	2%	30%
Net margin	40%	-2%	-133%	-77%	-6%	20%	-114%	-21%	14%
Net interest rate	3.6%	3.1%	6.2%	8.9%	11.4%	11.4%	8.6%	9.8%	12.1%
Tax rate	0.1%	0.2%	0.0%	-0.1%	-0.7%	0.0%	0.0%	0.0%	0.0%
Equity ratio	71%	65%	62%	56%	58%	63%	55%	49%	50%
Leverage ratio	29%	35%	38%	44%	42%	37%	45%	51%	50%
NIBD / EBITDA (past 1y)	1.4	2.5	-4.4	17.5	3.5	1.9	231.9	5.1	2.2
Operating cash flow/NIBD	0.6	0.4	0.1	0.0	0.2	0.4	-0.1	0.1	0.3
Net interest coverage ratio (EBITDA)	19.4	12.9	-3.7	0.6	2.5	4.6	0.0	2.0	3.8
Current ratio	5.7	7.6	5.0	3.1	2.2	1.5	1.5	1.9	3.1
Adj. equity ratio						51%	39%	44%	54%
Operating assets	1,215	1,268	1,083	1,022	969	902	874	866	791
Operating liabilities	34	36	41	33	36	25	25	25	25
Net operating assets	1,181	1,232	1,042	989	934	877	849	842	766

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
09/01/2021 15:50 CET



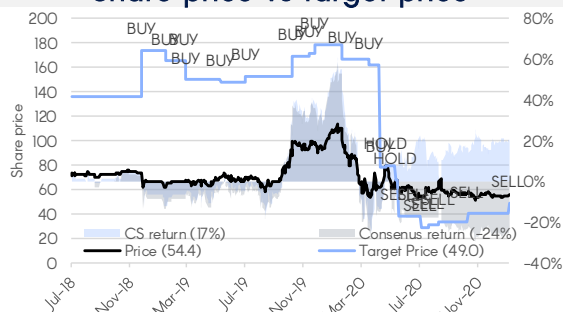


OET-NO

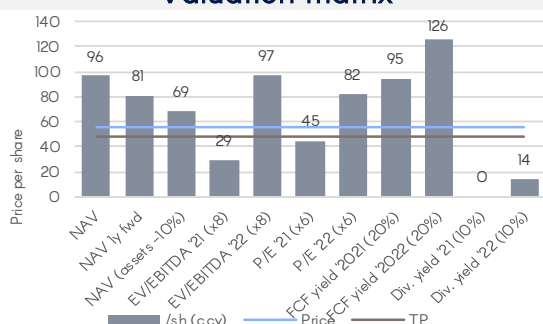
SELL/N49

Okeanis Eco Tankers

Share price vs target price

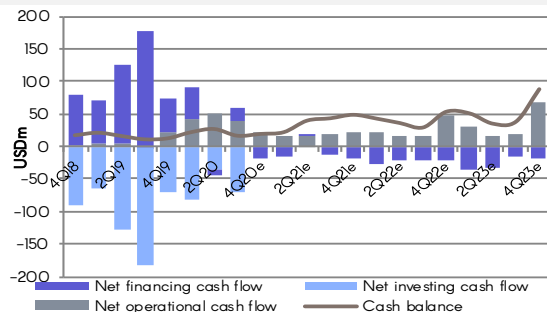


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
jh@cleaves.no

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	233	156	177	212
EBITDA (adj.)	186	106	128	163
EBIT (adj.)	144	61	83	118
PTP (adj.)	105	29	53	91
Net earnings (adj.)	105	29	53	91
EPS (adj.)	3.23	0.89	1.63	2.76
DPS	1.35	-	0.16	1.85
USDm	2020E	2021E	2022E	2023E
Fwd NAV	384	361	533	741
Adj. equity ratio	31%	31%	42%	52%
FCF yield	-16%	34%	45%	62%
Dividend yield	20%	0%	2%	28%
EV/EBITDA	5.5	9.0	6.8	4.8
P/E (adj.)	2.1	7.5	4.1	2.4

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	153	75	99	136
Free cash flow	-35	74	99	136
Net cash flow	7	29	5	35
TCE/day	43,284	25,833	29,367	35,159
Cash break-even	23,739	22,636	26,872	18,743
Liquidity	22	52	56	91
Property & Equip. (incl. NBs)	1,198	1,153	1,107	1,062
Total equity	401	430	478	508
Total assets	1,264	1,249	1,208	1,198
Interest bearing debt	835	790	701	661
Net interest bearing debt	812	738	645	570
Market Cap.	220	220	220	220

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

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



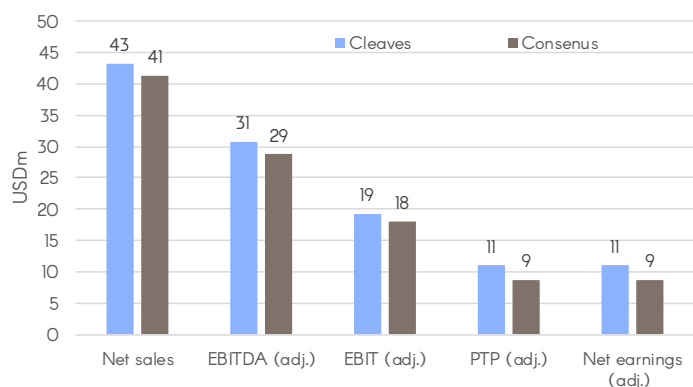
Quarterly Pre-/Review

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	4Q20 Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net sales	49.5	47.5	43.2	41.3				
EBITDA (adj.)	38.9	35.5	30.8	28.8				
EBIT (adj.)	29.6	25.2	19.4	18.0				
PTP (adj.)	17.7	16.0	11.1	8.8				
Net earnings (adj.)	17.7	16.0	11.1	8.8				
EPS (adj.)	0.54	0.50	0.34	0.27				
DPS	-	0.10	-	0.07				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	49.5	47.5	43.2	41.3				
Opex & G&A	10.6	12.1	12.4	12.5				
Depreciation	9.3	10.2	11.4	10.8				
Net finance	11.9	9.2	8.3	9.2				
Taxes & Minorities	-	-	-	-				

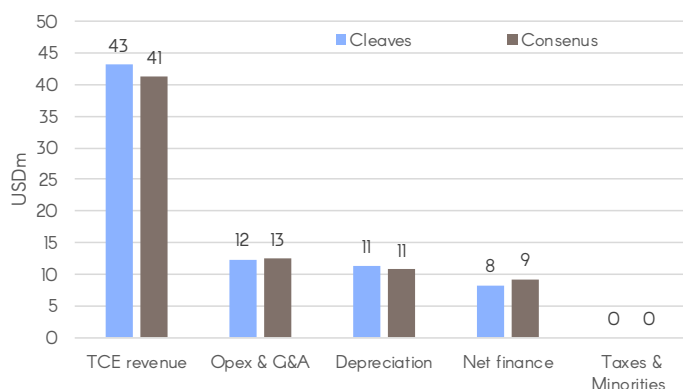
CF & BS

4Q20 Preview USDm	4Q19	3Q20	Cleaves	Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net operational cash flow	22	39	22					
Free cash flow	-48	-31	20					
Net cash flow	2	-10	3					
TCE/day	41,753	35,716	29,331	28,023				
Utilization	99.5%	98.6%	94.1%					
Fleet days	1,272	1,402	1,564					
Cash break-even	25,198	24,112	22,175					
Liquidity	13	19	22					
Interest bearing debt	733	849	835					

Quarterly Pre-/Review



Quarterly Pre-/Review: Line by line



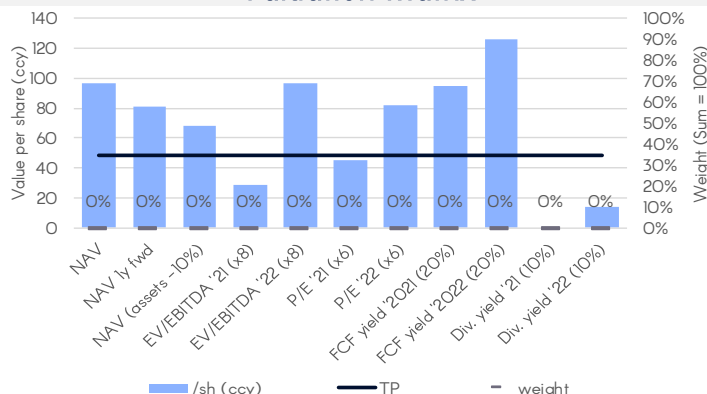


Company Valuation

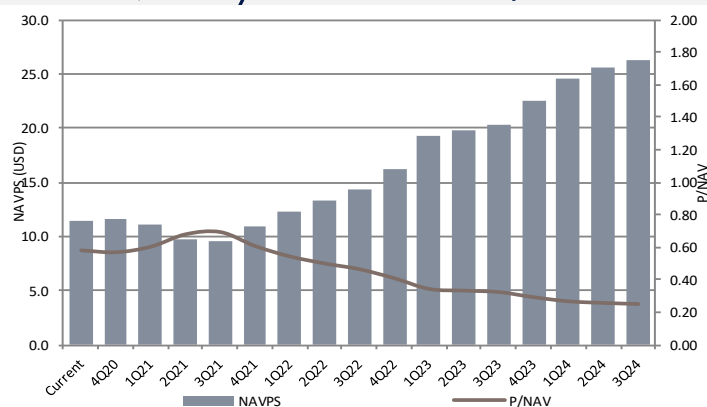
Valuation & target price

Valuation	Book Value	Net Asset Value	Market cap.
USDm			
Primary assets	1,207	1,091	950
Contract value	0	99	86
Other	27	27	24
GAV	1,234	1,218	1,060
Net debt	-829	-829	-829
Capex	0	0	0
Other	-12	-12	-12
Equity	393	377	220
Shares	33	33	33
Equity/sh	11.95	11.45	6.67
Idl CCY	100.6	96.4	56.2
USDNOK		8.4	
P/Equity	0.56	0.58	1.00
EV/GAV	0.86	0.87	1.00
Adj. Total Assets	1,270	1,155	1,014
Adj. Equity Ratio	31%	33%	22%
Fair Value	NOK	49	-14%
	USD	5.8	

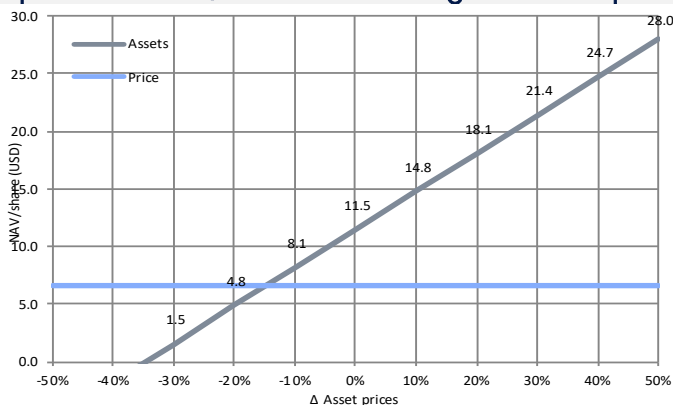
Valuation Matrix



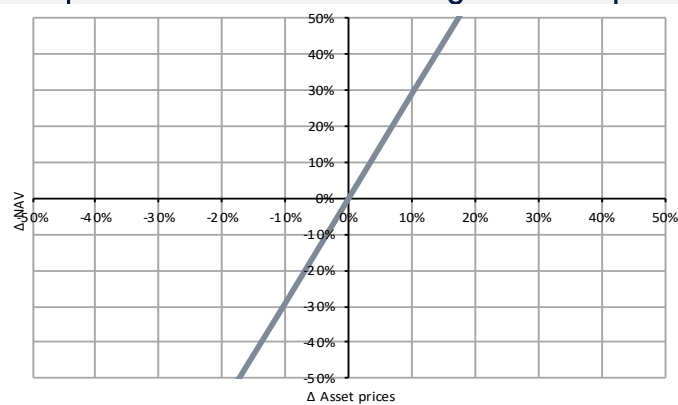
Quarterly forward NAV & P/NAV



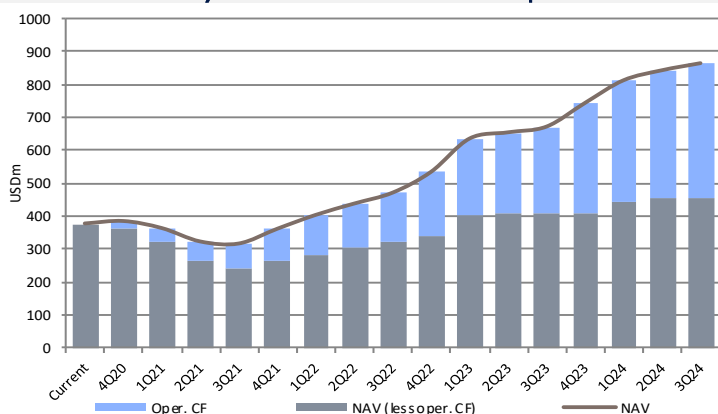
Impact on NAV/sh from % change in asset prices



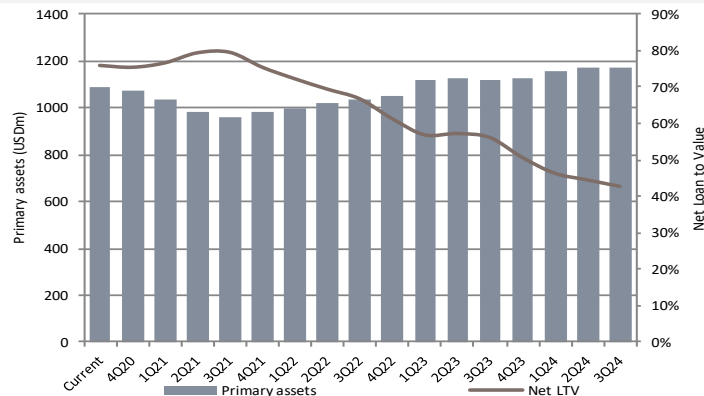
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	2020E	New 2021E	2022E	2023E	2020	Old 2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	233	156	177	212	233	156	224	265	1	-1	-47	-53
EBITDA (adj.)	186	106	128	163	186	105	173	214	0	1	-45	-51
EBIT (adj.)	144	61	83	118	144	59	127	168	0	2	-45	-50
PTP (adj.)	105	29	53	91	102	20	92	136	3	9	-38	-45
Net earnings (adj.)	105	29	53	91	102	20	92	136	3	9	-38	-45
EPS (adj.)	3.23	0.89	1.63	2.76	3.13	0.62	2.79	4.12	0.10	0.27	-1.16	-1.36
DPS	1.35	-	0.16	1.85	1.25	-	0.21	3.14	0.10	-	-0.05	-1.29
									2020E	2021E	2022E	2023E
TCE revenue									1	-1	-47	-53
Opex & G&A									1	-2	-2	-2
Depreciation									-0	-0	-0	-0
Net finance									-3	-7	-6	-6
Taxes & Minorities									-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm	2020E	2021E	2022E	2023E	2020	2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	153	75	99	136	137	66	137	181	16	8	-39	-45
Free cash flow	-35	74	99	136	-47	66	137	181	12	8	-39	-45
Net cash flow	7	29	5	35	7	11	42	38	-0	18	-37	-3
TCE/day	43,284	25,833	29,367	35,159	42,959	25,924	37,115	43,877	325	-91	-7,748	-8,718
Cash break-even	23,739	22,636	26,872	18,743	26,032	25,782	28,194	19,975	-2,294	-3,147	-1,321	-1,232
Liquidity	22	52	56	91	22	33	75	112	0	19	-18	-21
Property & Equip. (incl. NBs)	1,198	1,153	1,107	1,062	1,196	1,150	1,105	1,059	1	2	3	3
Total equity	401	430	478	508	401	421	506	539	-0	9	-28	-30
Total assets	1,264	1,249	1,208	1,198	1,266	1,231	1,227	1,219	-2	18	-19	-21
Interest bearing debt	835	790	701	661	842	787	699	658	-8	3	3	3
Net interest bearing debt	812	738	645	570	820	754	624	546	-8	-16	21	24
Market Cap.	220	220	220	220	202	202	202	202	17	17	17	17
Enterprise value	1,032	958	864	789	1,023	956	826	748	9	1	38	41

Valuation

Estimate changes USDm	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	384	361	533	741	312	350	803	1,005	73	11	-270	-264
Adj. equity ratio	31%	31%	42%	52%	26%	30%	53%	60%	4%	0%	-10%	-8%
FCF yield	-16%	34%	45%	62%	-23%	33%	68%	90%	7%	1%	-23%	-28%
Dividend yield	20%	0%	2%	28%	20%	0%	3%	51%	0%	0%	-1%	-23%
EV/EBITDA	5.5	9.0	6.8	4.8	5.5	9.1	4.8	3.5	0.0	-0.1	2.0	1.3
P/E (adj.)	2.1	7.5	4.1	2.4	2.0	9.9	2.2	1.5	0.1	-2.4	1.9	0.9

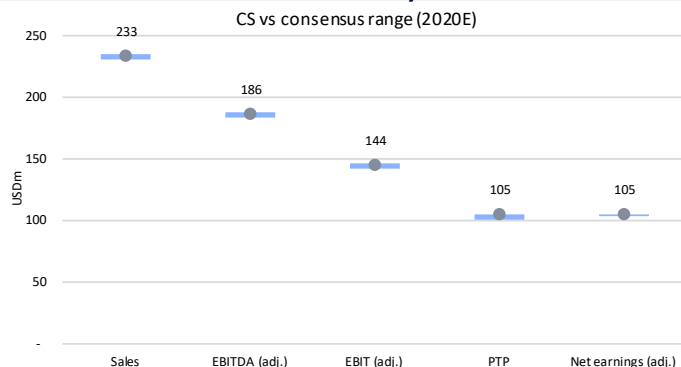
Various

Estimate changes USDm	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Opex/day (excl. TC-in)	-7,016	-6,759	-6,759	-6,759	-6,679	-6,759	-6,759	-6,759	-337	-	-	-
G&A/day	-1,301	-1,154	-1,140	-1,138	-1,568	-1,453	-1,449	-1,447	267	300	309	309
Depreciation/day	-7,328	-7,306	-7,306	-7,306	-7,358	-7,365	-7,365	-7,365	30	60	60	60
Net interest/day	-6,686	-5,132	-4,693	-4,286	-7,175	-6,272	-5,706	-5,209	489	1,140	1,013	923
Amort./day	-8,736	-9,591	-14,280	-6,560	-10,610	-11,298	-14,280	-6,560	1,874	1,707	-	-

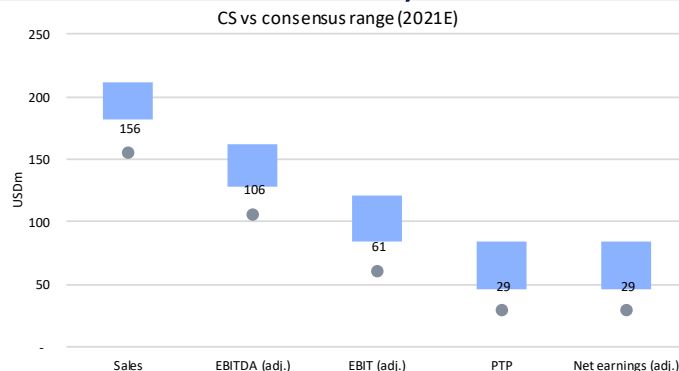


Our Estimates vs Consensus

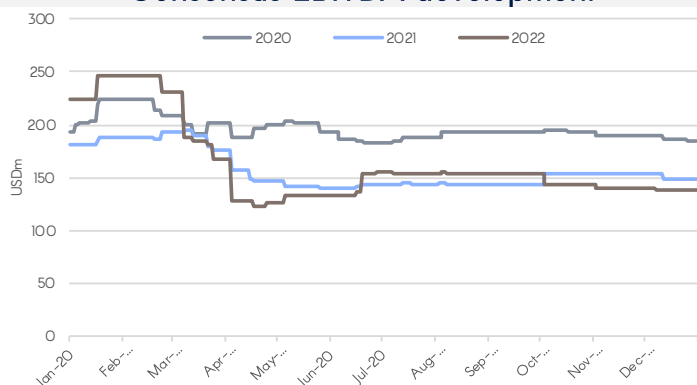
Profit & Loss, year I



Profit & Loss, year II



Consensus EBITDA development



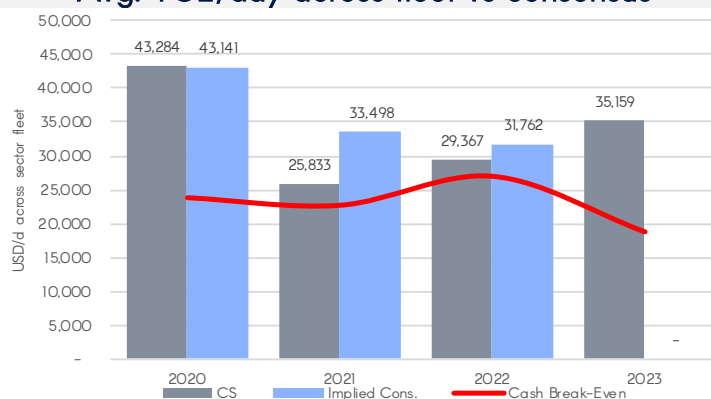
Target price vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	233	233	233	1	0%
Opex + G&A	47	48	48	-0	-1%
Depreciation	42	41	41	1	2%
Net finance	39	42	42	-3	-7%
Taxes & Minorities	0	-2	-2	2	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	156	202	202	-46	-23%
Opex + G&A	49	52	52	-3	-6%
Depreciation	45	43	43	2	5%
Net finance	32	40	40	-8	-20%
Taxes & Minorities	0	2	2	-2	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	49	73	69	48	43	37	37	38	43
Operational costs	-11	-10	-13	-12	-12	-12	-12	-12	-12
EBITDA	39	63	57	35	31	25	25	26	31
Depreciation/Amortization	-9	-10	-10	-10	-11	-11	-11	-11	-11
EBIT	30	53	47	25	19	14	13	14	19
Net financials	-12	-12	-9	-10	-8	-8	-8	-8	-8
PTP	18	41	37	16	11	6	6	6	11
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	18	41	37	16	11	6	6	6	11
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	18	41	37	16	11	6	6	6	11
EPS	0.54	1.26	1.15	0.48	0.34	0.19	0.17	0.19	0.35
EPS (adj.)	0.54	1.26	1.15	0.50	0.34	0.19	0.17	0.19	0.35
DPS	0.00	0.00	0.50	0.75	0.10	0.00	0.00	0.00	0.00
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	13	23	28	17	20	23	41	44	50
Other current assets	29	51	45	40	40	40	40	40	40
Total current assets	42	74	73	57	60	63	81	84	90
Property & equip. (incl. NBs)	1,064	1,131	1,150	1,207	1,198	1,187	1,176	1,164	1,153
Other non-current assets	4	4	4	6	6	6	6	6	6
Total non-current assets	1,068	1,135	1,154	1,213	1,204	1,193	1,182	1,171	1,159
TOTAL ASSETS	1,111	1,209	1,227	1,270	1,264	1,256	1,263	1,255	1,249
Total equity	342	382	402	393	401	407	412	419	430
Short-term debt	49	71	92	55	67	71	71	66	69
Other current liabilities	36	33	22	28	28	28	28	28	28
Total current liabilities	85	104	115	83	95	99	99	94	97
Long-term debt	684	723	711	794	768	750	751	742	721
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	684	723	711	795	768	750	751	742	722
TOTAL EQUITY & LIABILITIES	1,111	1,209	1,227	1,270	1,264	1,256	1,263	1,255	1,249
Working capital, receivables	25	42	32	29	29	29	29	29	29
Working capital, payables	18	23	17	17	17	17	17	17	17
Net working capital	6	19	15	11	11	11	11	11	11
Interest bearing debt	733	793	803	849	835	821	822	808	790
Liquidity	13	23	29	19	22	25	43	46	52
Net interest bearing debt	719	771	774	829	812	796	779	761	738
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	18	41	37	16	11	6	6	6	11
Depreciation	9	10	10	10	11	11	11	11	11
Other	1	11	9	9	0	0	0	0	0
Cash earnings	28	62	57	35	22	17	17	18	23
Changes in working capital	-6	-21	-6	4	0	0	0	0	0
Net operational cash flow	22	41	51	39	22	17	17	18	23
Capex	-73	-77	-32	-67	-2	-1	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	2	-4	-3	-3	0	0	0	0	0
Net investing cash flow	-71	-81	-35	-70	-2	-1	0	0	0
Repayment of debt	-10	-10	-13	-138	-14	-14	-14	-14	-18
Proceeds from debt	60	71	22	185	0	0	15	0	0
Dividends paid	0	0	-16	-24	-3	0	0	0	0
New equity	0	0	0	0	0	0	0	0	0
Other	0	-12	-3	-2	0	0	0	0	0
Net financing cash flow	50	49	-10	20	-17	-14	1	-14	-18
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	2	9	5	-10	3	3	18	4	5
Cash balance	13	23	28	17	20	23	41	44	50
Free cash flow	-48	-40	15	-31	20	17	17	18	23



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	0	0		22	102	233	156	177	212
Operational costs				-10	-32	-47	-49	-49	-49
EBITDA				12	70	186	106	128	163
Depreciation/Amortization				-7	-25	-42	-45	-45	-45
EBIT	—	—	—	4	46	144	61	83	118
Net financials				-7	-34	-40	-32	-29	-27
PTP	—	—	—	-3	11	105	29	53	91
Taxes/Minorities				0	0	0	0	0	0
Net earnings	—	—	—	-3	11	105	29	53	91
Non-recurring items				0	0	0	0	0	0
Net earnings (adj.)	—	—	—	-3	11	105	29	53	91
EPS				-0.10	0.35	3.22	0.89	1.63	2.76
EPS (adj.)				-0.10	0.35	3.23	0.89	1.63	2.76
DPS				0.00	0.00	1.35	0.00	0.16	1.85
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	—	—	—	18	13	20	50	54	89
Other current assets				12	29	40	40	40	40
Total current assets	—	—	—	30	42	60	90	95	129
Property & equip. (incl. NBs)	—	—	—	635	1,064	1,198	1,153	1,107	1,062
Other non-current assets				4	4	6	6	6	6
Total non-current assets	—	—	—	638	1,068	1,204	1,159	1,114	1,069
TOTAL ASSETS	—	—	—	668	1,111	1,264	1,249	1,208	1,198
Total equity	—	—	—	316	342	401	430	478	508
Short-term debt	—	—	—	22	49	67	46	46	52
Other current liabilities				12	36	28	28	28	28
Total current liabilities	—	—	—	34	85	95	74	74	80
Long-term debt	—	—	—	318	684	768	744	656	609
Other non-current liabilities				0	0	0	0	0	0
Total non-current liabilities	—	—	—	318	684	768	745	656	609
TOTAL EQUITY & LIABILITIES	—	—	—	668	1,111	1,264	1,249	1,208	1,198
Working capital, receivables				6	25	29	29	29	29
Working capital, payables	—	—	—	9	18	17	17	17	17
Net working capital				-3	6	11	11	11	11
Interest bearing debt				340	733	835	790	701	661
Liquidity				18	13	22	52	56	91
Net interest bearing debt				322	719	812	738	645	570
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	—	—	—	-3	11	105	29	53	91
Depreciation				7	25	42	45	45	45
Other				1	3	29	0	0	0
Cash earnings				5	39	176	75	99	136
Changes in working capital	—	—	—	-7	-1	-23	0	0	0
Net operational cash flow	—	—	—	-2	39	153	75	99	136
Capex	—	—	—	-192	0	-178	-1	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	—	—	—	0	0	0	0	0	0
Other				2	-446	0	0	0	0
Net investing cash flow	—	—	—	-190	-446	-188	-1	0	0
Repayment of debt	—	—	—	84	400	-175	-60	-89	-41
Proceeds from debt	—	—	—	100	456	278	15	0	0
Dividends paid	—	—	—	0	0	-44	0	-5	-61
New equity	—	—	—	126	15	0	0	0	0
Other				-99	-470	0	0	0	0
Net financing cash flow	—	—	—	210	402	42	-45	-94	-102
Currency effect	—	—	—	0	0	0	0	0	0
Net cash flow				18	-5	7	29	5	35
Cash balance				18	13	20	50	54	89
Free cash flow				-192	-407	-35	74	99	136



Cleaves Securities

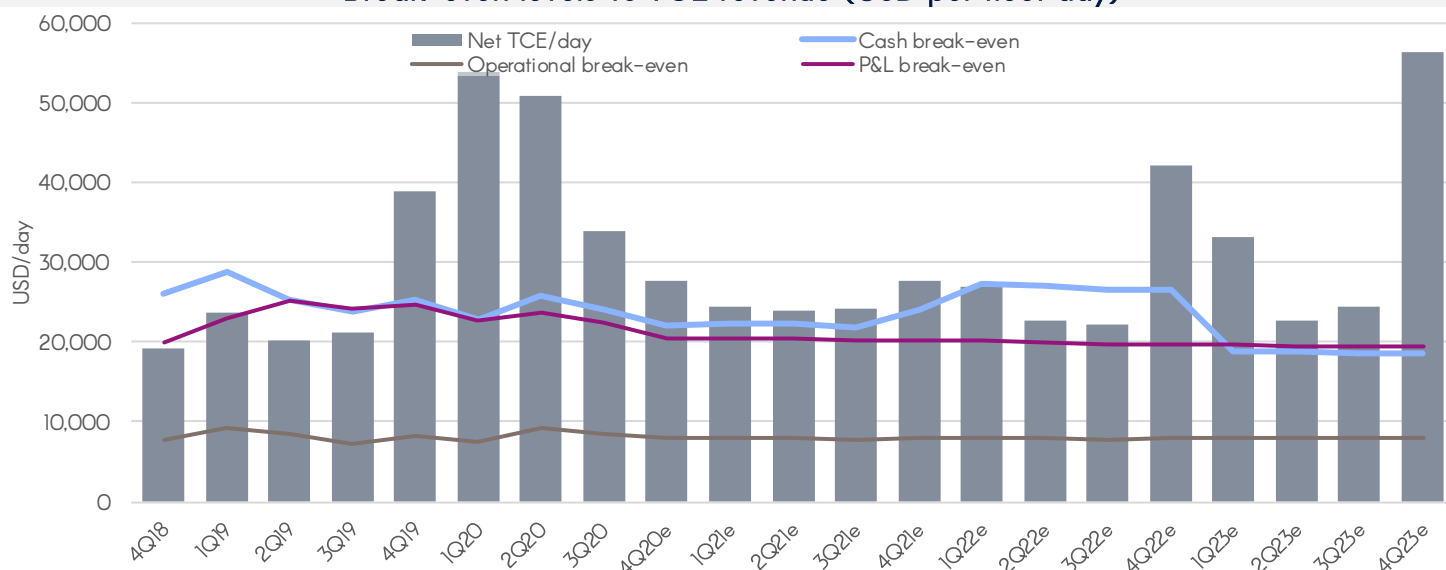
$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

Oil Tankers SELL

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	—	—	—	31	33	33	33	33	33
Share price, avg (USD)	—	—	—	8	8	7	7	7	7
Share price, end (USD)	—	—	—	8	12	7	7	7	7
Market Cap.				241	398	220	220	220	220
NIBD				322	719	812	738	645	570
Minorities	—	—	—	0	0	0	0	0	0
Enterprise value				563	1,117	1,032	958	864	789
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)					35.0	2.1	7.5	4.1	2.4
P/E (adj.)					35.0	2.1	7.5	4.1	2.4
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales				11.2	3.9	0.9	1.4	1.2	1.0
EV/Sales				26.1	11.0	4.4	6.2	4.9	3.7
EV/EBITDA				48.3	15.9	5.5	9.0	6.8	4.8
EV/EBIT					24.4	7.1	15.7	10.5	6.7
P/B				0.8	1.2	0.5	0.5	0.5	0.4
FCF yield				-80%	-102%	-16%	34%	45%	62%
Dividend yield				0.0%	0.0%	19.9%	0.0%	2.5%	27.7%
Return on equity (ROE)				-1.0%	3.3%	26.2%	6.8%	11.2%	17.9%
Return on capital employed (ROCE)				0.7%	4.3%	12.0%	5.3%	7.4%	11.0%
Return on assets (ROA)				-0.5%	1.0%	8.3%	2.3%	4.4%	7.6%
Sales growth					373%	129%	-33%	14%	20%
EBITDA margin				54%	69%	80%	68%	72%	77%
EBIT margin				20%	45%	62%	39%	47%	55%
Net margin				-14%	11%	45%	19%	30%	43%
Net interest rate				0.0%	0.0%	4.7%	4.3%	4.5%	4.7%
Tax rate				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio				47%	31%	32%	34%	40%	42%
Leverage ratio				53%	69%	68%	66%	60%	58%
NIBD / EBITDA (past 1y)				27.6	10.2	4.4	6.9	5.0	3.5
Operating cash flow/NIBD				0.0	0.1	0.2	0.1	0.2	0.2
Net interest coverage ratio (EBITDA/Net interest)						4.9	3.3	4.4	6.1
Current ratio				0.9	0.5	0.6	1.2	1.3	1.6
Adj. equity ratio						31%	31%	42%	52%
Operating assets				647	1,094	1,236	1,191	1,146	1,100
Operating liabilities				12	36	29	29	29	29
Net operating assets				635	1,058	1,207	1,162	1,117	1,071

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)

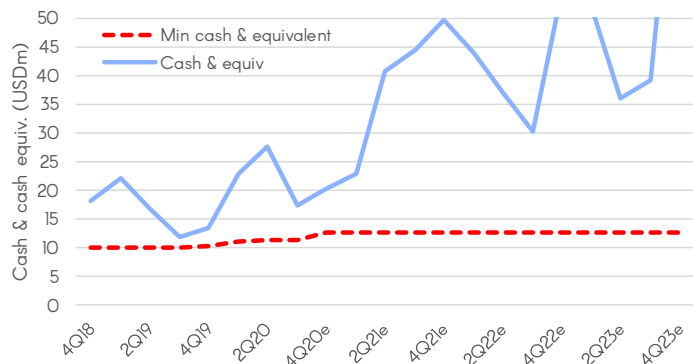




Debt Covenants Overview

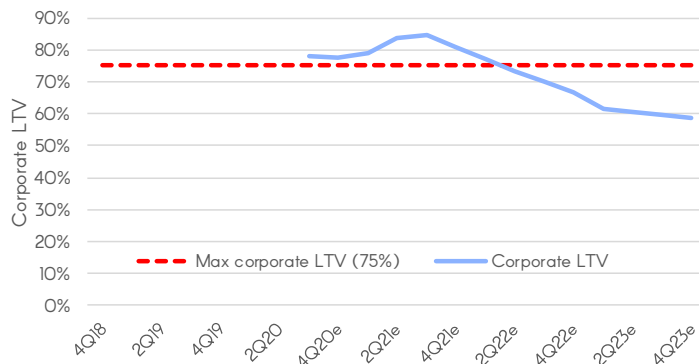
Minimum cash covenant

Min cash & equivalent



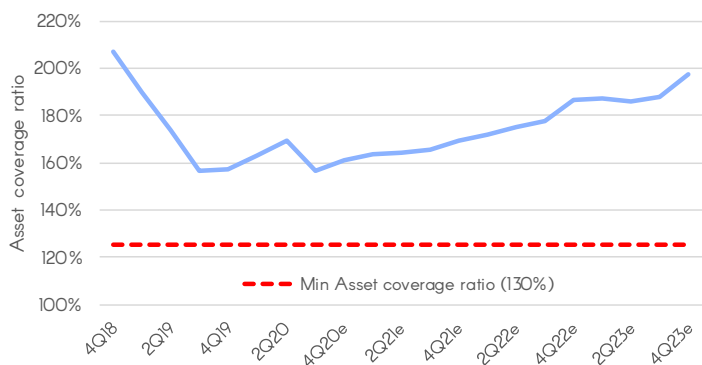
Maximum corporate LTV covenant

Max corporate LTV (75%)



Minimum asset coverage ratio covenant

Min Asset coverage ratio (130%)





Fleet Positioning

Live satellite data as of
09/01/2021 16:07 CET





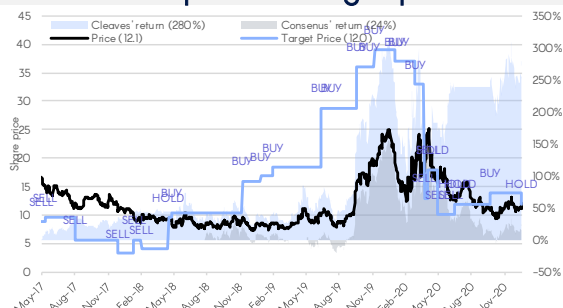
Company priced below the 2018 lows on P/NAV, but adj. equity ratio is now 52% vs 18% back then. Very robust balance sheet

TNK-US

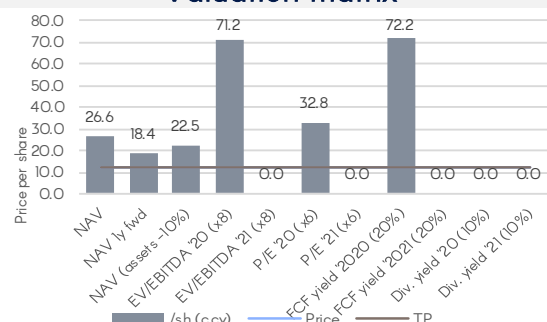
HOLD/\$12

Teekay Tankers

Share price vs target price

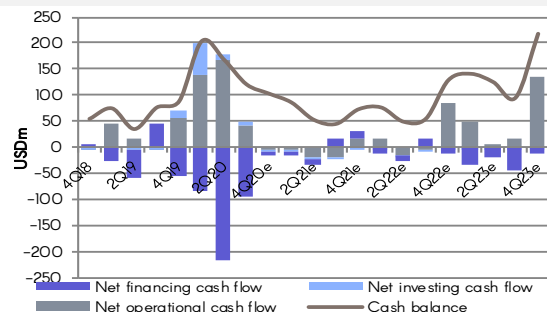


Valuation matrix



Page intentionally left blank

Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
jh@cleaves.no

Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	588	246	348	465
EBITDA (adj.)	324	12	123	240
EBIT (adj.)	206	-104	7	124
PTP (adj.)	147	-147	-35	86
Net earnings (adj.)	159	-147	-35	86
EPS (adj.)	4.94	-5.06	-1.20	2.97
DPS	-	-	-	1.04
USDm	2020E	2021E	2022E	2023E
Fwd NAV	781	579	756	1,025
Adj. equity ratio	51%	43%	50%	60%
FCF yield	119%	-12%	20%	54%
Dividend yield	0%	0%	0%	9%
EV/EBITDA	3.1	73.8	6.9	2.9
P/E (adj.)	2.2			4.1

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	342	-31	81	202
Free cash flow	420	-43	70	191
Net cash flow	15	-30	56	89
TCE/day	29,329	13,396	18,890	25,239
Cash break-even	19,021	16,271	16,268	17,880
Liquidity	108	78	134	222
Property & Equip. (incl. NBs)	1,597	1,492	1,388	1,283
Total equity	1,117	969	934	991
Total assets	1,868	1,734	1,685	1,669
Interest bearing debt	631	644	630	558
Net interest bearing debt	523	566	496	335
Market Cap.	352	352	352	352

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



Quarterly Review

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	4Q20 Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
Net sales	201.1	112.5	68.4	91.1				
EBITDA (adj.)	127.9	47.2	4.8	20.2				
EBIT (adj.)	95.9	17.2	-24.2	-2.8				
PTP (adj.)	80.4	4.5	-35.2	-11.3				
Net earnings (adj.)	80.4	2.3	-35.2	-24.3				
EPS (adj.)	0.30	0.07	-1.21	-0.72				
DPS	-	-	-	-				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	201.1	112.5	68.4	91.1				
Opex & G&A	73.2	65.3	63.6	71.0				
Depreciation	31.9	30.0	29.0	22.9				
Net finance	15.5	12.6	11.1	8.5				
Taxes & Minorities	-	2.2	-	13.0				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20 Cleaves	4Q20 Consensus	Actuals vs Cleaves	Actuals vs Cons.	Actuals vs Cleaves	Actuals vs Cons.
TCE/day	37,343	23,041	14,528	19,354				
Utilization	97.3%	95.8%	91.4%					
Fleet days	5,534	5,094	5,152					
Cash break-even	26,232	16,866	16,177					
Liquidity	92	126	108					
Interest bearing debt	1,044	639	631					

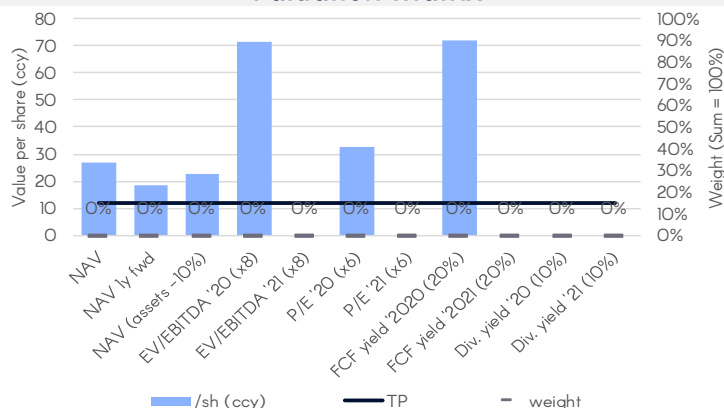


Company Valuation

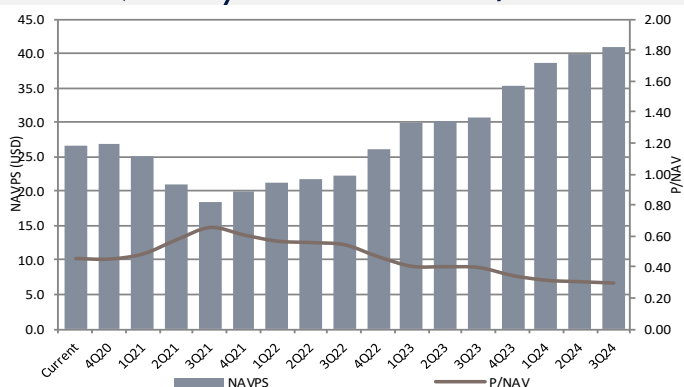
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,623	1,193	813
Contract value	0	57	39
Other	76	76	52
GAV	1,699	1,326	903
Net debt	-514	-514	-514
Capex	0	0	0
Other	-38	-38	-38
Equity	1,147	775	352
Shares	29	29	29
Equity/sh	39.42	26.62	12.09
ICL CCY	39.42	26.62	12.09
P/Equity	0.31	0.45	1.00
EV/GAV	0.53	0.68	1.00
Adj. Total Assets	1,912	1,482	1,102
Adj. Equity Ratio	60%	52%	32%
Fair Value	USD	12.0	-1%

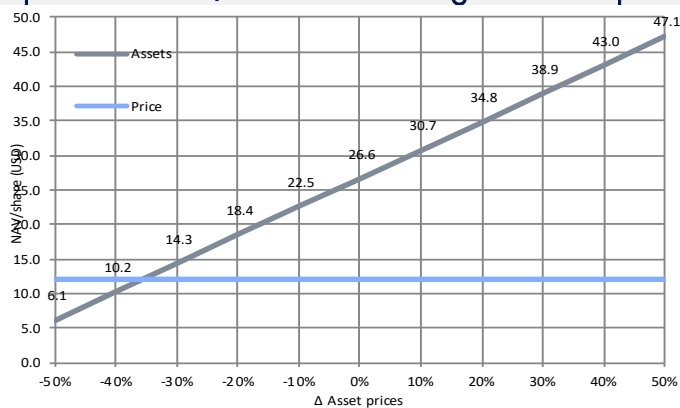
Valuation Matrix



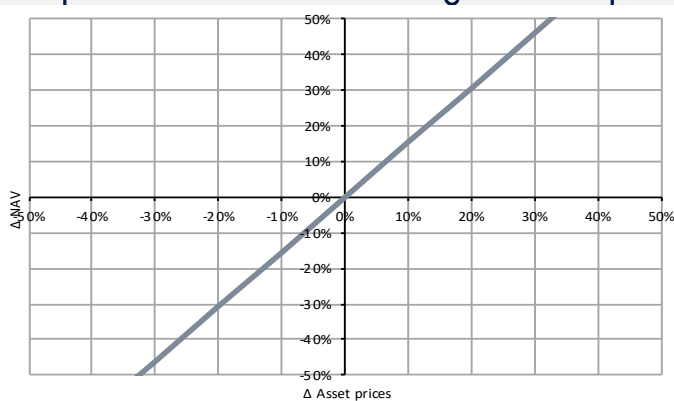
Quarterly forward NAV & P/NAV



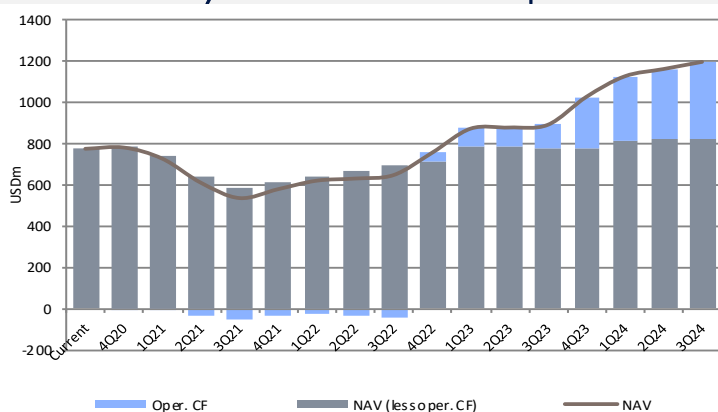
Impact on NAV/sh from % change in asset prices



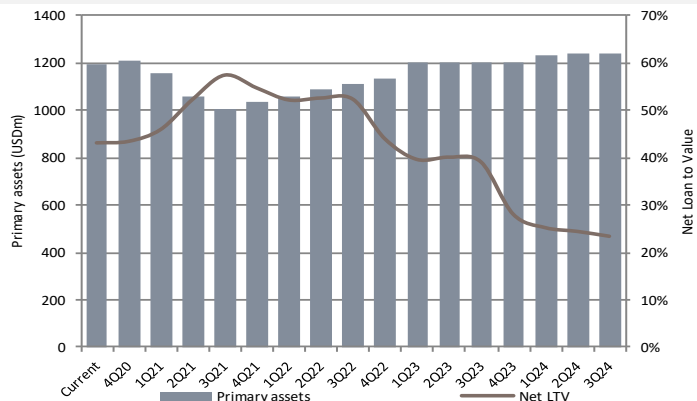
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	2020E	New 2021E	2022E	2023E	2020	Old 2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	588	246	348	465	602	319	521	610	-14	-73	-173	-145
EBITDA (adj.)	324	12	123	240	334	78	287	375	-9	-65	-163	-136
EBIT (adj.)	206	-104	7	124	216	-41	168	257	-9	-63	-161	-133
PTP (adj.)	147	-147	-35	86	158	-82	134	229	-11	-65	-168	-142
Net earnings (adj.)	159	-147	-35	86	172	-82	134	229	-13	-65	-168	-142
EPS (adj.)	4.94	-5.06	-1.20	2.97	5.40	-2.82	4.59	7.85	-0.46	-2.25	-5.79	-4.88
DPS	-	-	-	1.04	-	-	-	2.64	-	-	-	-1.60
									2020E	2021E	2022E	2023E
TCE revenue									-14	-73	-173	-145
Opex & G&A									-4	-8	-9	-9
Depreciation									-0	-2	-2	-2
Net finance									2	2	7	9
Taxes & Minorities									2	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm	2020E	2021E	2022E	2023E	2020	2021	2022	2023	Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	342	-31	81	202	344	36	252	347	-3	-68	-171	-144
Free cash flow	420	-43	70	191	414	25	240	335	6	-68	-171	-144
Net cash flow	15	-30	56	89	96	-13	196	150	-81	-17	-141	-62
TCE/day	29,329	13,396	18,890	25,239	30,019	17,045	28,232	33,076	-691	-3,649	-9,342	-7,838
Cash break-even	19,021	16,271	16,268	17,880	19,144	16,677	16,791	19,936	-124	-406	-523	#####
Liquidity	108	78	134	222	189	176	372	523	-81	-98	-238	-300
Property & Equip. (incl. NBs)	1,597	1,492	1,388	1,283	1,620	1,513	1,406	1,300	-23	-21	-19	-16
Total equity	1,117	969	934	991	1,176	1,094	1,228	1,379	-59	-125	-293	-389
Total assets	1,868	1,734	1,685	1,669	2,035	1,915	2,005	2,049	-167	-181	-320	-379
Interest bearing debt	631	644	630	558	720	682	638	530	-89	-38	-8	28
Net interest bearing debt	523	566	496	335	531	506	266	7	-8	60	230	328
Market Cap.	352	352	352	352	314	314	314	314	38	38	38	38
Enterprise value	875	917	848	687	844	820	579	321	30	98	268	366

Valuation

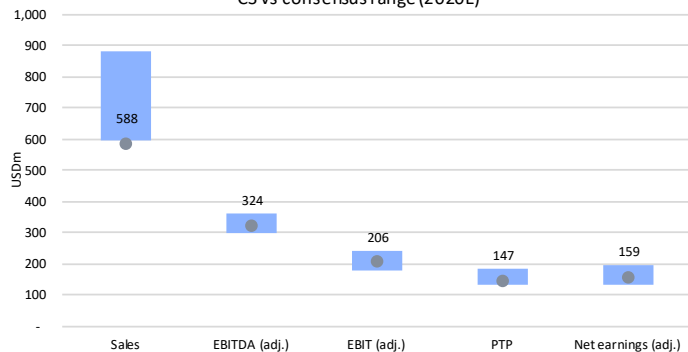
Estimate changes USDm	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	781	579	756	1,025	812	749	1,344	1,702	-32	-170	-588	-677
Adj. equity ratio	51%	43%	50%	60%	49%	48%	63%	72%	2%	-5%	-13%	-12%
FCF yield	119%	-12%	20%	54%	132%	8%	77%	107%	-12%	-20%	-57%	-53%
Dividend yield	0%	0%	0%	9%	0%	0%	0%	24%	0%	0%	0%	-16%
EV/EBITDA	3.1	73.8	6.9	2.9	2.5	10.6	2.0	0.9	0.6	63.3	4.9	2.0
P/E (adj.)	2.2			4.1	1.8		2.3	1.4	0.4	#####	#####	2.7



Our Estimates vs Consensus

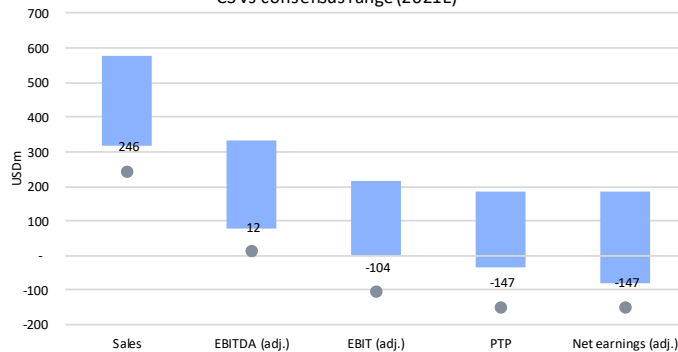
Profit & Loss, year I

CS vs consensus range (2020E)

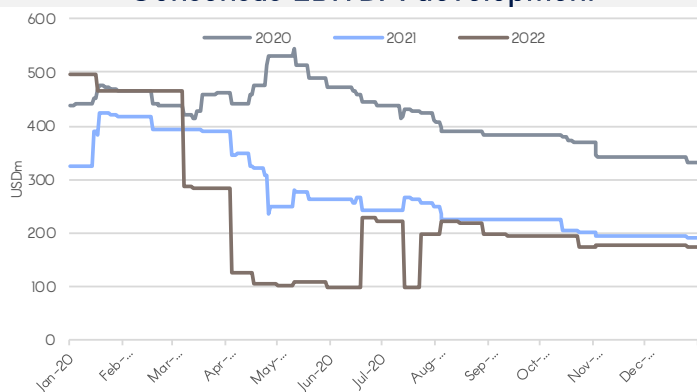


Profit & Loss, year II

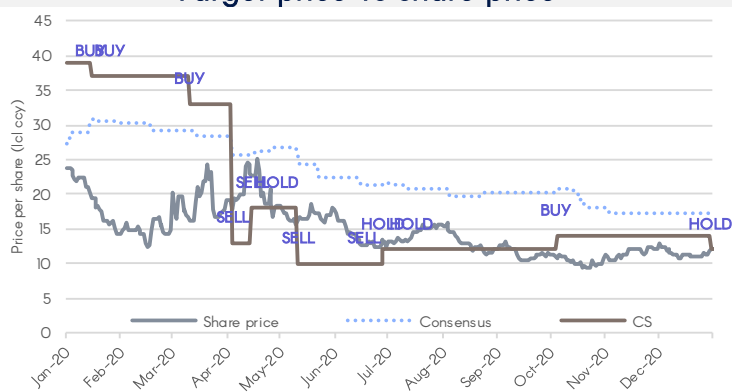
CS vs consensus range (2021E)



Consensus EBITDA development



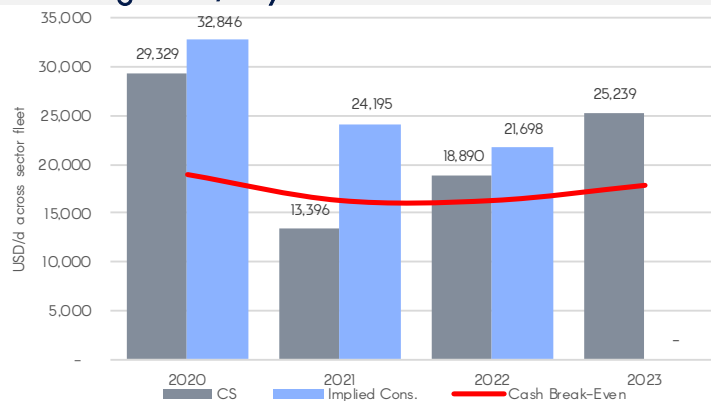
Target price vs share price



Cleaves vs consensus: P&L break-down

2020	CS	Consensus	Diff.	Diff.
TCE revenue	588	659	-71	-11%
Opex + G&A	264	326	-62	-19%
Depreciation	118	121	-2	-2%
Net finance	59	53	6	11%
Taxes & Minorities	-12	-12	-0	2%
2021	CS	Consensus	Diff.	Diff.
TCE revenue	246	445	-198	-45%
Opex + G&A	234	252	-18	-7%
Depreciation	116	107	9	9%
Net finance	44	33	10	31%
Taxes & Minorities	0	17	-17	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	201	223	185	112	68	66	48	49	82
Operational costs	-79	-73	-62	-112	-64	-60	-58	-59	-57
EBITDA	122	150	123	1	5	6	-10	-10	26
Depreciation/Amortization	-32	-30	-30	-30	-29	-29	-29	-29	-29
EBIT	90	120	93	-29	-24	-23	-39	-39	-3
Net financials	-14	-13	-9	-13	-11	-11	-11	-11	-11
PTP	76	108	84	-42	-35	-34	-50	-50	-14
Taxes/Minorities	-13	-1	15	-2	0	0	0	0	0
Net earnings	63	107	98	-44	-35	-34	-50	-50	-14
Non-recurring items	17	4	-17	47	0	0	0	0	0
Net earnings (adj.)	80	111	81	2	-35	-34	-50	-50	-14
EPS	0.23	3.17	3.17	-1.32	-1.21	-1.16	-1.72	-1.71	-0.48
EPS (adj.)	0.30	3.29	2.79	0.07	-1.21	-1.16	-1.72	-1.71	-0.48
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	89	203	168	121	103	86	53	45	73
Other current assets	332	292	181	131	131	131	131	131	131
Total current assets	421	495	349	252	234	217	184	176	204
Property & equip. (incl. NBs)	1,750	1,676	1,673	1,623	1,597	1,570	1,544	1,518	1,492
Other non-current assets	58	53	50	38	38	38	38	38	38
Total non-current assets	1,808	1,730	1,723	1,660	1,634	1,608	1,582	1,556	1,530
TOTAL ASSETS	2,229	2,225	2,072	1,912	1,868	1,825	1,766	1,732	1,734
Total equity	990	1,097	1,196	1,152	1,117	1,083	1,033	983	969
Short-term debt	135	125	75	65	100	91	83	85	90
Other current liabilities	144	120	111	91	91	91	91	91	91
Total current liabilities	280	245	186	156	191	182	174	176	180
Long-term debt	909	831	662	574	531	530	529	543	554
Other non-current liabilities	51	52	28	30	30	30	30	30	30
Total non-current liabilities	960	883	690	604	561	561	560	573	584
TOTAL EQUITY & LIABILITIES	2,229	2,225	2,072	1,912	1,868	1,825	1,766	1,732	1,734
Working capital, receivables	145	159	120	80	80	80	80	80	80
Working capital, payables	131	107	100	83	83	83	83	83	83
Net working capital	15	52	20	-4	-4	-4	-4	-4	-4
Interest bearing debt	1,044	956	737	639	631	621	612	628	644
Liquidity	92	207	173	126	108	91	58	50	78
Net interest bearing debt	952	749	564	514	523	530	554	578	566
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	63	107	98	-44	-35	-34	-50	-50	-14
Depreciation	32	30	30	30	29	29	29	29	29
Other	-25	4	-23	45	0	0	0	0	0
Cash earnings	70	140	104	31	-6	-5	-21	-21	15
Changes in working capital	-15	-1	62	12	0	0	0	0	0
Net operational cash flow	55	139	166	43	-6	-5	-21	-21	15
Capex	-4	-1	-2	-6	-3	-3	-3	-3	-3
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	20	61	14	11	0	0	0	0	0
Other	0	2	2	1	0	0	0	0	0
Net investing cash flow	16	62	14	6	-3	-3	-3	-3	-3
Repayment of debt	-56	-699	-284	-193	-9	-9	-9	-9	-9
Proceeds from debt	0	614	69	97	0	0	0	25	25
Dividends paid	0	0	0	0	0	0	0	0	0
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	-1	0	0	0	0	0	0
Net financing cash flow	-56	-85	-216	-96	-9	-9	-9	16	16
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	14	116	-36	-47	-18	-17	-33	-8	28
Cash balance	89	203	168	121	103	86	53	45	73
Free cash flow	70	201	180	49	-9	-8	-24	-24	12



Cleaves Securities

Oil Tankers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	494	497	354	395	542	588	246	348	465
Operational costs	-233	-296	-252	-269	-294	-311	-234	-225	-226
EBITDA	261	201	102	126	248	278	12	123	240
Depreciation/Amortization	-74	-104	-100	-119	-124	-118	-116	-116	-116
EBIT	187	97	1	7	124	160	-104	7	124
Net financials	-8	-29	-59	-50	-62	-46	-44	-42	-37
PTP	180	68	-58	-43	61	114	-147	-35	86
Taxes/Minorities	0	0	0	-9	-20	12	0	0	0
Net earnings	180	68	-58	-53	41	125	-147	-35	86
Non-recurring items	-3	0	0	0	0	34	0	0	0
Net earnings (adj.)	177	68	-58	-53	41	159	-147	-35	86
EPS	9.21	3.41	-1.73	-12.51	0.15	3.81	-5.06	-1.20	2.97
EPS (adj.)	9.07	3.41	-1.73	-12.51	0.15	4.94	-5.06	-1.20	2.97
DPS	0.78	2.35	0.62	1.92	0.00	0.00	0.00	0.00	1.04
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	96	94	71	55	89	103	73	129	218
Other current assets	183	164	105	171	332	131	131	131	131
Total current assets	280	258	177	226	421	234	204	260	348
Property & equip. (incl. NBs)	1,768	1,605	1,738	1,884	1,770	1,597	1,492	1,388	1,283
Other non-current assets	122	101	283	52	39	38	38	38	38
Total non-current assets	1,890	1,706	2,021	1,935	1,808	1,634	1,530	1,426	1,321
TOTAL ASSETS	2,169	1,964	2,197	2,161	2,229	1,868	1,734	1,685	1,669
Total equity	877	933	1,007	947	990	1,117	969	934	991
Short-term debt	174	171	174	127	135	100	134	124	123
Other current liabilities	116	85	63	71	144	91	91	91	91
Total current liabilities	290	256	237	198	280	191	225	215	214
Long-term debt	991	762	927	984	909	531	510	506	434
Other non-current liabilities	12	14	27	33	51	30	30	30	30
Total non-current liabilities	1,002	776	954	1,016	960	561	540	536	465
TOTAL EQUITY & LIABILITIES	2,169	1,964	2,197	2,161	2,229	1,868	1,734	1,685	1,669
Working capital, receivables	28	34	19	41	145	80	80	80	80
Working capital, payables	79	43	42	52	131	83	83	83	83
Net working capital	-50	-9	-23	-11	15	-4	-4	-4	-4
Interest bearing debt	1,165	933	1,101	1,111	1,044	631	644	630	558
Liquidity	97	95	73	57	92	108	78	134	222
Net interest bearing debt	1,067	838	1,028	1,054	952	523	566	496	335
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	180	68	-58	-53	41	125	-147	-35	86
Depreciation	74	104	100	119	124	118	116	116	116
Other	-69	5	31	-79	-52	25	0	0	0
Cash earnings	184	177	74	-13	114	269	-31	81	202
Changes in working capital	-17	30	7	6	4	73	0	0	0
Net operational cash flow	167	207	80	-7	118	342	-31	81	202
Capex	-848	-9	-5	-6	-12	-12	-12	-12	-12
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	11	28	52	1	20	86	0	0	0
Other	-45	4	31	1	0	-47	0	0	0
Net investing cash flow	-882	22	79	-4	8	79	-12	-12	-12
Repayment of debt	452	-236	-324	-237	-153	-1,185	-37	-39	-72
Proceeds from debt	689	906	233	81	57	780	50	25	0
Dividends paid	-15	-47	-21	-8	0	0	0	0	-30
New equity	242	8	14	0	0	0	0	0	0
Other	-719	-922	-80	160	7	-47	0	0	0
Net financing cash flow	649	-291	-178	-3	-90	-406	13	-14	-102
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-66	-62	-19	-15	36	15	-30	56	89
Cash balance	96	94	71	55	89	103	74	129	218
Free cash flow	-715	228	159	-12	126	420	-43	70	191



Cleaves Securities

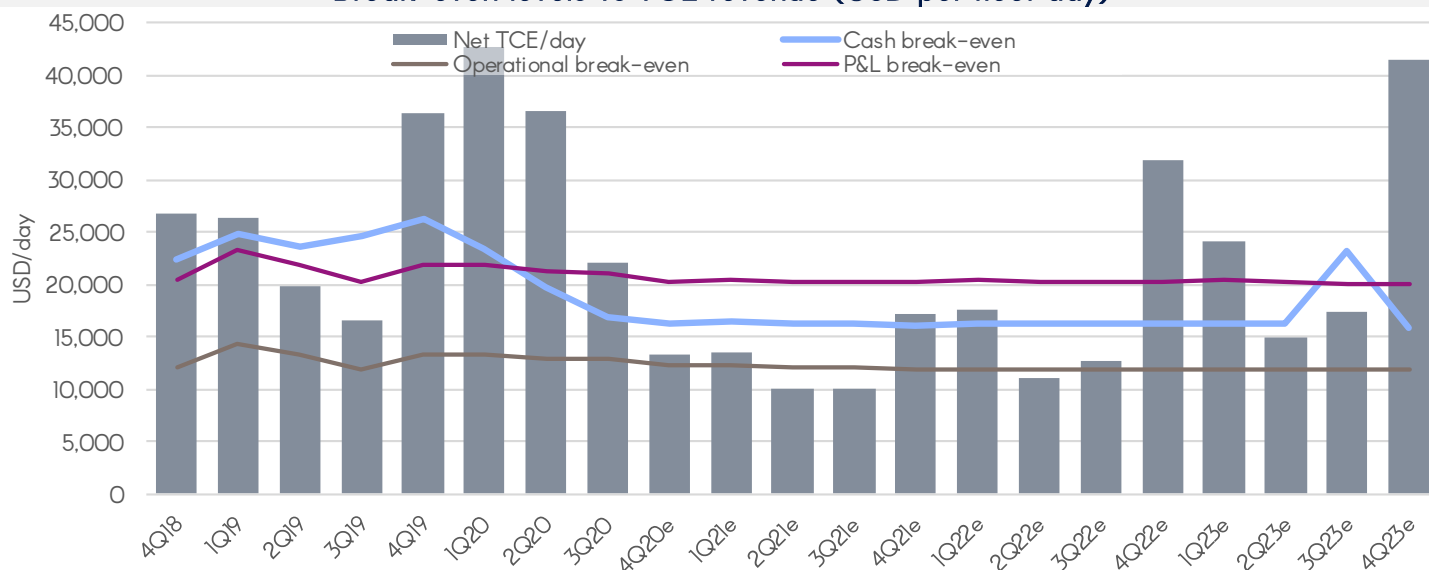
Oil Tankers SELL

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

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	20	20	34	4	269	29	29	29	29
Share price, avg (USD)	53	26	15	9	11	15	12	12	12
Share price, end (USD)	55	18	11	7	24	12	12	12	12
Market Cap.	1,073	360	375	31	6,443	352	352	352	352
NIBD	1,067	838	1,028	1,054	952	523	566	496	335
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	2,141	1,198	1,404	1,085	7,395	875	917	848	687
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)	6.0	5.3				2.8			4.1
P/E (adj.)	6.1	5.3				2.2			4.1
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	2.2	0.7	1.1	0.1	11.9	0.6	1.4	1.0	0.8
EV/Sales	4.3	2.4	4.0	2.7	13.7	1.5	3.7	2.4	1.5
EV/EBITDA	8.2	6.0	13.8	8.6	29.8	3.1	73.8	6.9	2.9
EV/EBIT	11.4	12.4			59.7	5.5			5.6
P/B	1.2	0.4	0.4	0.0	6.5	0.3	0.4	0.4	0.4
FCF yield	-67%	63%	42%	-38%	2%	119%	-12%	20%	54%
Dividend yield	1.4%	13.0%	5.5%	25.8%	0.0%	0.0%	0.0%	0.0%	8.6%
Return on equity (ROE)	20.5%	7.3%	-5.8%	-5.5%	4.2%	11.2%	-15.2%	-3.7%	8.7%
Return on capital employed (ROCE)	9.6%	5.5%	0.1%	0.4%	6.4%	9.8%	-6.8%	0.5%	9.4%
Return on assets (ROA)	8.3%	3.5%	-2.6%	-2.4%	1.9%	6.7%	-8.5%	-2.1%	5.2%
Sales growth	107%	-3%	-29%	12%	37%	9%	-58%	41%	34%
EBITDA margin	53%	40%	29%	32%	46%	47%	5%	35%	52%
EBIT margin	38%	19%	0%	2%	23%	27%	-42%	2%	27%
Net margin	36%	14%	-16%	-13%	8%	21%	-60%	-10%	19%
Net interest rate	1.6%	3.6%	3.0%	5.6%	6.9%	9.8%	7.8%	9.0%	12.6%
Tax rate	0.0%	0.0%	0.0%	-21.8%	32.7%	-10.3%	0.0%	0.0%	0.0%
Equity ratio	40%	47%	46%	44%	44%	60%	56%	55%	59%
Leverage ratio	60%	53%	54%	56%	56%	40%	44%	45%	41%
NIBD / EBITDA (past 1y)	4.1	4.2	10.1	8.4	3.8	1.9	45.5	4.0	1.4
Operating cash flow/NIBD	0.2	0.2	0.1	0.0	0.1	0.7	-0.1	0.2	0.6
Net interest coverage ratio (EBIT)	15.0	6.7	3.3	2.1	3.8	5.4	0.3	2.8	5.7
Current ratio	1.0	1.0	0.7	1.1	1.5	1.2	0.9	1.2	1.6
Adj. equity ratio						51%	43%	50%	60%
Operating assets	2,072	1,869	2,122	2,101	2,134	1,757	1,652	1,548	1,444
Operating liabilities	127	99	90	103	196	121	121	121	121
Net operating assets	1,945	1,771	2,032	1,997	1,939	1,636	1,531	1,427	1,323

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

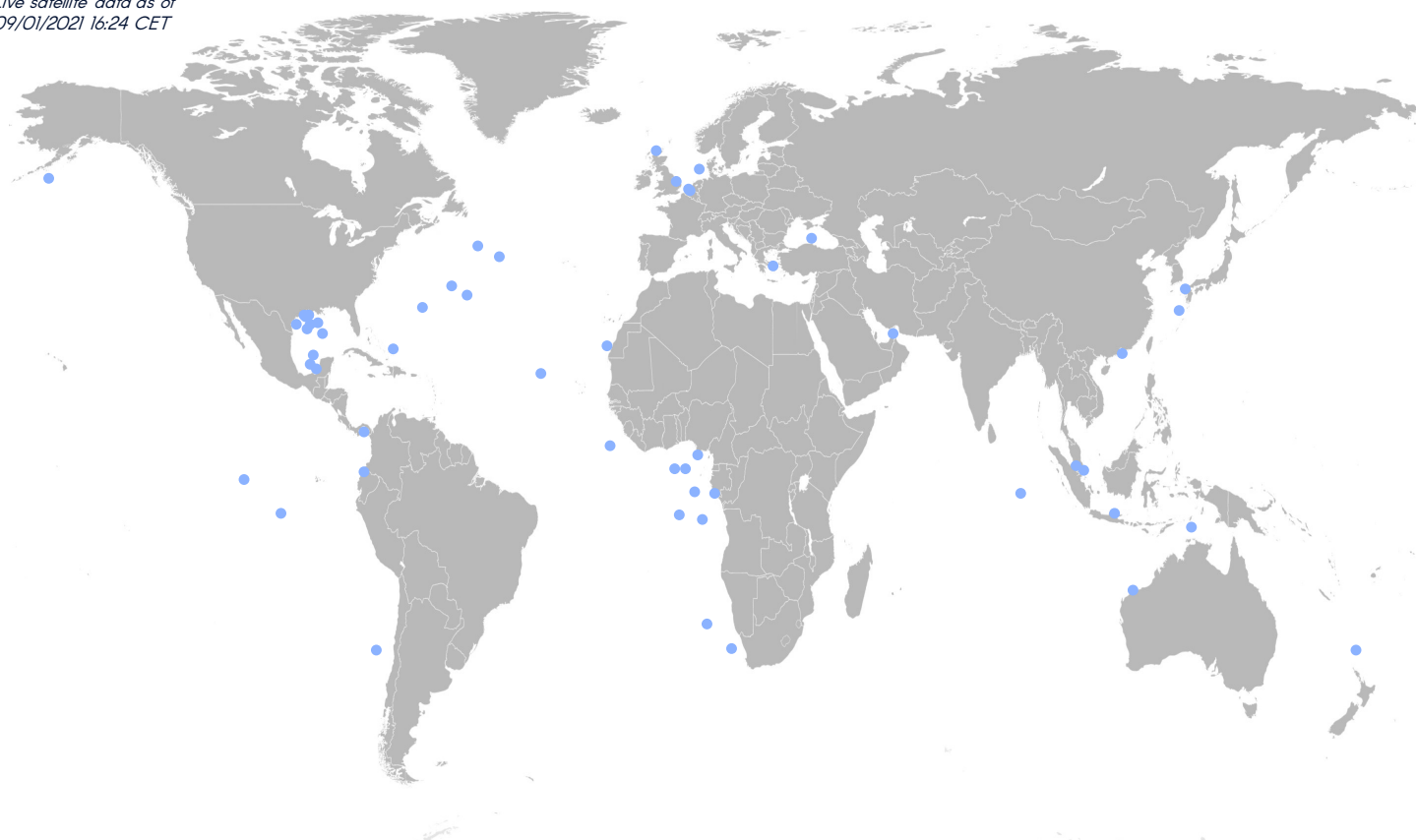
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
09/01/2021 16:24 CET





Important Disclosures & Certifications

This document provides additional disclosures and disclaimers relevant to research reports and other investment recommendations ("Recommendations") issued by Cleaves Securities AS ("Cleaves"), cf. the Norwegian Securities Trading Act section 3-10 with further regulations.

Standards and supervisory authorities

Cleaves complies with the standards for recommendations issued by the Norwegian Securities Dealers Association (www.nfmf.no) and the Norwegian Society of Financial Analysts. The lead analyst is employed by Cleaves, which is legally responsible for this report and is under the supervision of The Financial Supervisory Authority of Norway (Finanstilsynet)

Previous Recommendations

For an overview of Cleaves' research reports and other investment recommendations regarding the financial instruments of the issuer the past 12 months, including data on changes in such research reports and other investment recommendations, please see Cleaves' website, www.Cleaves.no (log-in required)

Planned updates

Unless explicitly stated otherwise in this report, Cleaves expects, but not undertake, to issue updates to this report following the publication of new figures or forecasts by the issuers covered, or upon the occurrence of other events which could potentially have a material effect on it.

Information sources

Important sources of information: the issuers, including its quarterly and annual reports, Oslo Stock Exchange, Statistics Norway (Statistisk Sentralbyrå). Sources are cited when referred to in the Recommendation. We use only sources we find reliable and accurate, unless otherwise stated. The Recommendations have not been presented to the issuer/ the issuers of the financial instrument presented before dissemination.

Cleaves' interests and disclosure of assignments and mandates

Financial instruments held by the analyst(s) and/or close associate in the issuer/ issuers herein:

Ticker	Company name
2020 NO	2020 Bulkers
DHT US	DHT
DSX US	Diana Shipping
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

Other material interest (if any): None

Cleaves does not alone or together with related companies or persons, hold a portion of the shares exceeding 5 % of the total share capital in any companies where a recommendation has been produced or distributed by Cleaves, or holds other interest likely to affect the objectivity of a recommendation, except when disclosed, cf. below.

For important disclosures, such as an overview of all financial instruments where Cleaves or related companies have been lead managers or co-lead managers over the previous 12 months, and all issuers of financial instruments to whom Cleaves or related companies have rendered investment banking services over the previous 12 months, please refer to Cleaves equity research website: www.cleaves.no (login required). Please note that agreements and services subject to confidentiality are excluded.



Cleaves Research Department

Our recommendations are based on a 12-month horizon, and on absolute performance. We apply a three-stage recommendation structure where BUY indicates a significant expected positive annualized return; HOLD an annualized return around 0%; SELL a significant expected negative annualized return.

Current recommendations of the Research Department: (refers to Recommendations published prior to this report and required disclosed in accordance with the Securities Trading ST Regulations section 3-11 (4))

Current recommendations of the Research Department (updated 10/01/2021)

Recommendation Percent

BUY	22%
HOLD	17%
SELL	61%

Standard research disclaimer

All employees of Cleaves are subject to duty of confidentiality towards clients and with respect to inside information. Cleaves operates a system of "Chinese Walls" and other organizational procedures in order to control the flow of information within the firm and minimize conflicts of interest within Cleaves and between clients. The Research Department is part of this system. The Research Analysts of Cleaves receive salary and are members of the bonus pool. However no part of the analysts' salaries or compensations relates to the performance of their recommendations, directly to investment banking services or other services provided by Cleaves or related companies to issuers.

Analyst Certification

The views expressed in this research accurately reflect(s) the personal views of the analyst(s) principally responsible for this report about the subject securities or issuers, and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. No part of the compensation of the research analyst(s) responsible for the preparation of this report was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the research analyst(s) in this report.

Risks

Generally, investments in financial instruments involve risks. For specific risks related to our various recommendations, please see the latest relevant reports. The target prices on companies in the Cleaves Research universe reflect the subjective view of the analyst about the absolute price that financial instruments should trade at, within our 12-month recommendation horizon. The fair value is based on an absolute valuation approach, which is detailed in our research reports. The fair value can differ from the absolute valuation, in accordance with the analyst's subjective view on the trading or cyclical patterns for a particular financial instrument, or a possible discount/premium to reflect factors such as market capitalization, ownership structure and/or changes in the same, and company-specific issues.

This report or summary has been prepared by Cleaves from information obtained from public sources not all of which are controlled by Cleaves. Such information is believed to be reliable and although it has not been independently verified, Cleaves has taken all reasonable care to ensure that the information is true and not misleading. Notwithstanding such reasonable efforts, Cleaves makes no guarantee, representation or warranty as to its accuracy or completeness. Cleaves assumes no obligation to update the information contained in this report or summary to the extent that it is subsequently determined to be false or inaccurate.

This document contains certain forward-looking statements relating to the business, financial performance and results of the issuer and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this document, including assumptions, opinions and views of the issuer or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

No Solicitation

This report or summary is provided for informational purposes only and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy any securities. This report or summary is prepared for general circulation and general information only. It does not have regard to the specific investment objectives, financial situation or the particular needs of any person who may receive this report or summary. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report or summary and should understand that statements regarding future prospects may not be realized.

Performance in the past is not a guide to future performance. Cleaves accepts no liability whatsoever for any direct or consequential loss arising from the use of this publication or its contents. These materials may not be reproduced, distributed or published by any recipient for any purpose. Please cite source when quoting.



Notice to U.S. Investors

In certain cases, unless prohibited by the provisions of Regulation S under the U.S. Securities Act of 1933, as amended, this report may be provided by Cleaves to a U.S. recipient (a "Cleaves U.S. recipient"), in which case each such Cleaves U.S. recipient of this report represents and agrees, by virtue of its acceptance thereof, that it is "major U.S. institutional investor" (as such term is defined in section (b)(4) of Rule 15a-6), or that it is a U.S. institutional investor (as such term is defined in section (b)(7) of Rule 15a-6), and that it understands the risks involved in executing transactions in such securities.

Any Cleaves U.S. recipient of this report that wishes to discuss or receive additional information regarding any security or issuer mentioned herein, or to engage in any transaction to purchase or sell or solicit or offer the purchase or sale of such securities, should contact a registered representative of Cleaves.

Any transaction in the securities discussed in this report by U.S. persons (other than a registered U.S. broker-dealer or bank acting in a broker-dealer capacity) must be effected with or through Cleaves.

The securities referred to in this report may not be registered under the U.S. Securities Act of 1933, as amended, and the issuer of such securities may not be subject to U.S. reporting and/or other requirements. Available information regarding the issuers of such securities may be limited, and such issuers may not be subject to the same auditing and reporting standards as U.S. issuers.

Such information is provided for informational purposes only and does not constitute a solicitation to buy or an offer to sell any securities under the Securities Act of 1933, as amended, or under any other U.S. federal or state securities laws, rules or regulations. The investment opportunities discussed in this report may be unsuitable for certain investors depending on their specific investment objectives, risk tolerance and financial position. In jurisdictions where Cleaves is not registered or licensed to trade in securities, commodities or other financial products, transactions may be executed only in accordance with applicable law and legislation, which may vary from jurisdiction to jurisdiction and which may require that a transaction be made in accordance with applicable exemptions from registration or licensing requirements.

The information in this publication is based on carefully selected sources believed to be reliable, but Cleaves does not make any representation with respect to its completeness or accuracy. All opinions expressed herein reflect the author's judgment at the original time of publication, without regard to the date on which you may receive such information, and are subject to change without notice.

The information contained herein may include forward-looking statements as described above within the meaning of U.S. federal securities laws that are subject to risks and uncertainties. Factors that could cause a company's actual results and financial condition to differ from expectations include, without limitation: political uncertainty, changes in general economic conditions that adversely affect the level of demand for the company's products or services, changes in foreign exchange markets, changes in international and domestic financial markets and in the competitive environment, and other factors relating to the foregoing. All forward-looking statements contained in this report are qualified in their entirety by this cautionary statement.



Cleaves Securities

Oil Tankers SELL

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

Cleaves Securities

Oslo

(Head Office)

Frøyas gate 15
0273 Oslo
Norway

Phone: +47 21 60 88 00
Email: marine@cleaves.no

New York

(Office)

One Stamford Plaza
9th Floor
Stamford, CT 06901
United States

Phone: +1 203 564 1444
Email: sr@cleaves.no

Singapore

(Affiliate)

8 Eu Tong Sen Street
#12-96 The Central
Singapore 059818

Phone: +65 65 78 80 41
Email: marine@cleaves.no

