

Q2 pain but long-term gain

While the coronavirus now could result in an oil demand contraction this year, we also see longer term positive effects as the orderbooks will remain near all-time low levels and the fleet continues to age. We revise our 2020 estimate significantly, and while we expect the trend through Q2 to be negative we argue that this is more than priced into the stocks. We see some extremely attractive opportunities for the patient value-investor and highlight Hafnia Ltd. as a clear top pick – with superior operations that lead to outsized returns vs. peers. With strong balance sheets and outspoken shareholder return policies DHT and EURN offer best risk/reward in the crude tanker space in our view

Brutal start to 2020...

The IMO 2020 effects were seen in Q4, but so far 2020 has been a coronavirus rollercoaster as global oil demand growth rapidly moves towards zero this year. OPEC+ will now take measures and coupled with 'forced storage' unwinding in Q2 the spot rate environment should soften into Q3. From thereon we expect a significant rebound though, as Asian refiners gear up again and even more Atlantic crude moves East. We are now finally seeing substantial inventory draws within middle distillates, and elevated volatility and surplus inventories in Asia are boosting product tanker tonne-miles. While fuel-spreads have narrowed the IMO 2020 story is in our view very much alive, and we continue to expect a positive trend for product tankers this year.

Medium-term story still very appealing as the fleet grows older

While the last two months have been disappointing, the one positive consequence of all the mess is that fleet growth will remain low. With about as many VLCCs on order as there are ships above 20 years old we see net fleet growth below 2% across the segments in 2020 – 22. The current uncertainty is clearly putting an abrupt halt to any speculative ordering activity, which increases visibility. Older ships will struggle in Q2, with the cost differential between a 20Y old and a brand-new ship (with scrubber) huge – even as spreads have narrowed significantly.

Significant estimate reductions – far below consensus this year

We reduce our 2020 spot rate estimates by 5 – 30%, with VLCCs hurt the most. We also reduce our scrubber-saving assumption from Q2, as fuel spreads have narrowed, and we expect oil prices to remain relatively flat. This then results in 20 – 57% reductions in EPS-estimates this year, with 2021 more unchanged. We are ~30% below consensus this year on average, but clearly the market does not believe in current analyst estimates,

Hafnia, DHT and Euronav best risk/reward now

Hafnia managed a ~10% ROE last year, when all its main peers delivered huge negative numbers. Stellar operations and a low-cost base implies superior returns, and the dividend policy also creates pay-out visibility. The company is our overall top pick, with YE'20 NAV derived TP of NOK 32. While we see significant upside across the board, we highlight DHT and EURN as the top crude tanker picks, with established shareholder return policies and strong balance sheets through these uncertain times.

Sector

Shipping

| | 2020e | | Change | | 2021e | 2022e |
|-----------|--------|--------|--------|---------|--------|--------|
| | Old | New | % | USD/day | | |
| VLCC | 56 250 | 40 625 | -28 % | -15 625 | 40 000 | 42 000 |
| Suezmax | 40 000 | 33 750 | -16 % | -6 250 | 30 000 | 31 500 |
| Aframax | 30 000 | 26 875 | -10 % | -3 125 | 22 500 | 24 000 |
| LR2 | 30 000 | 24 250 | -19 % | -5 750 | 25 000 | 26 000 |
| LR1 | 25 000 | 21 375 | -15 % | -3 625 | 21 500 | 22 500 |
| MR | 20 000 | 19 250 | -4 % | -750 | 19 500 | 20 500 |
| Handysize | 18 500 | 16 750 | -9 % | -1 750 | 16 750 | 18 000 |

| Crude | Target price (local) | | | Recommendation | | |
|------------|----------------------|----------|--------|----------------|----------|--------|
| | New | Previous | Upside | New | Previous | Change |
| DHT | 8.3 | 10.0 | 52 % | BUY | BUY | = |
| Euronav | 14.5 | 14.2 | 54 % | BUY | BUY | = |
| Frontline | 101 | 121 | 33 % | BUY | BUY | = |
| Hunter | 4.8 | 6.9 | 24 % | BUY | BUY | = |
| Int. Seaw. | 28 | 34.0 | 36 % | BUY | BUY | = |
| Okeanis | 111 | 147 | 65 % | BUY | BUY | = |
| Clean | Target price (local) | | | Recommendation | | |
| | New | Previous | Upside | New | Previous | Change |
| Ardmore | 7.7 | 9.0 | 48 % | BUY | BUY | = |
| Diamond S | 18.4 | 18.4 | 81 % | BUY | BUY | = |
| Hafnia | 32.3 | 36.0 | 62 % | BUY | BUY | = |
| Scorpio T. | 29.0 | 40.0 | 64 % | BUY | BUY | = |

| Crude | PAS EPS 2020 | | | PAS EPS 2021 | | |
|------------|--------------|----------|--------|--------------|----------|--------|
| | New | Previous | Change | New | Previous | Change |
| DHT | 1.14 | 2.12 | -46 % | 1.06 | 1.24 | -15 % |
| Euronav | 1.69 | 2.35 | -28 % | 1.10 | 1.04 | 6 % |
| Frontline | 1.87 | 2.83 | -34 % | 1.80 | 1.64 | 10 % |
| Hunter | 0.08 | 0.14 | -42 % | 0.10 | 0.12 | -17 % |
| Int. Seaw. | 3.46 | 8.01 | -57 % | 5.27 | 3.24 | 63 % |
| Okeanis | 2.69 | 3.41 | -21 % | 3.32 | 2.10 | 58 % |
| Product | PAS EPS 2020 | | | PAS EPS 2021 | | |
| | New | Previous | Change | New | Previous | Change |
| Ardmore | 0.74 | 1.15 | -36 % | 0.89 | 1.10 | -19 % |
| Diamond S | 3.73 | 5.31 | -30 % | 3.84 | 3.95 | -3 % |
| Hafnia | 0.53 | 0.85 | -37 % | 0.71 | 0.78 | -8 % |
| Scorpio T. | 3.66 | 6.39 | -43 % | 4.48 | 4.81 | -7 % |

| Crude | EPS 2020- PAS vs. Cons | | | EPS 2021- PAS vs. Cons | | |
|------------|------------------------|------|-------|------------------------|------|-------|
| | PAS | Cons | Diff | PAS | Cons | Diff |
| DHT | 1.14 | 1.76 | -35 % | 1.1 | 1.62 | -35 % |
| Euronav | 1.69 | 2.20 | -23 % | 1.1 | 1.53 | -28 % |
| Frontline | 1.87 | 2.73 | -31 % | 1.8 | 2.20 | -18 % |
| Hunter | 0.08 | 0.13 | -37 % | 0.10 | 0.12 | -17 % |
| Int. Seaw. | 3.46 | 6.87 | -50 % | 5.3 | 6.10 | -14 % |
| Okeanis | 2.69 | 3.83 | -30 % | 3.3 | 2.90 | 14 % |
| Product | EPS 2020- PAS vs. Cons | | | EPS 2021- PAS vs. Cons | | |
| | PAS | Cons | Diff | PAS | Cons | Diff |
| Ardmore | 0.74 | 0.84 | -12 % | 0.89 | 0.80 | 11 % |
| Diamond S | 3.73 | 3.92 | -5 % | 3.84 | 3.40 | 13 % |
| Hafnia | 0.53 | 0.66 | -19 % | 0.71 | 0.61 | 17 % |
| Scorpio T. | 3.66 | 4.14 | -12 % | 4.48 | 4.88 | -8 % |

Analysts

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

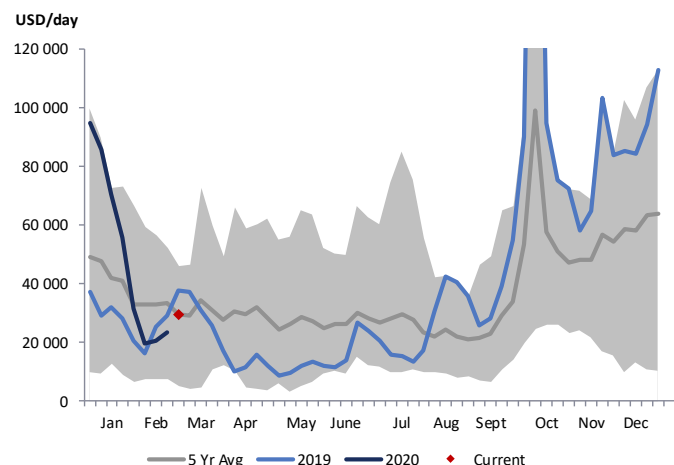
Wilhelm Flinder
+47 22 87 88 09, wilhelm.flinder@paretosec.com

Estimates down – but rates are still decent

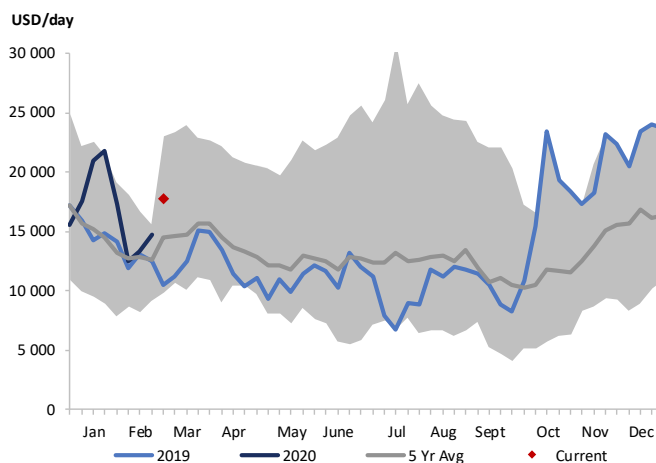
Sharp corona-correction in freight markets in early 2020 – but still hanging on above cash break-even

While tanker rates surged in Q4'19, we have seen a sharp correction downwards so far this year. The coronavirus is mostly to blame, however refinery margins did also drop ahead of the outbreak - and reports of reduced throughput from refiners in Asia did arrive. Thus, it can be concluded that part of the Q4 strength was due to stockpiling ahead of the IMO 2020 regime.

VLCC spot rates per week



MR spot rates per week



Source: Pareto, Shipping Intelligence

Most segments are posting decent gains year-over-year

However, after a few weeks of distress and negative trends, we have now started to see the usual 'post-Chinese New Year' effects in the broader tanker markets. Activity is rebounding, and product tanker markets are also experiencing more long-haul trade as surplus Asian cargoes are transported to the Atlantic. We have for example seen an increase in Asian jet fuel shipped as far as to the US. Thus, the Q1/Q2 estimate revisions are not becoming as brutal as thought only a few weeks ago. And to put things in perspective; except for VLCCs (which are the most directly exposed to China), all segments are experiencing higher rates than a year ago:

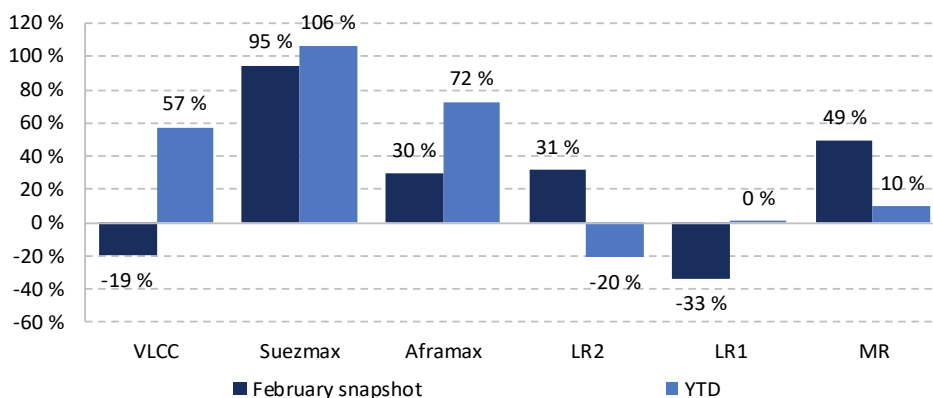
MRs up ~50% vs. last year

Non-scrubber earnings for eco-tankers last day of February 2020 vs. 2019

- ▶ VLCC: ~USD 37,900 vs. 46,990/day
- ▶ Suezmax: USD 29,200 vs. 15,000/day
- ▶ Crude aframax: USD 23,650 vs. 18,250/day
- ▶ LR2s: USD 25,500 vs. 19,400/day
- ▶ LR1s: USD 11,300 vs. 16,950/day
- ▶ MRs: USD 19,800 vs. 13,250/day

Y/Y development tanker segments February 2020 vs. 2019

y/y development



Source: Pareto, Howe Robinson

Negative 2020 revisions, 2021 kept flat

In this report, we have nevertheless made some sizeable negative revisions, mostly related to Q1 and Q2. We have kept 2021 flat. As one would expect, the largest ships have experienced the largest changes to estimates, with MRs (in particular) so far performing decently vs. previous estimates.

Tankers: Spot rate assumptions

| | 2020e | | Change | | | 2021e | | | 2022e | |
|-----------|--------|--------|--------|---------|-----------|--------|--------|--|-------|--------|
| | Old | New | % | USD/day | | Old | New | | Old | New |
| VLCC | 56 250 | 40 625 | -28 % | -15 625 | VLCC | 40 000 | 40 000 | | na | 42 000 |
| Suezmax | 40 000 | 33 750 | -16 % | -6 250 | Suezmax | 30 000 | 30 000 | | na | 31 500 |
| Aframax | 30 000 | 26 875 | -10 % | -3 125 | Aframax | 22 500 | 22 500 | | na | 24 000 |
| LR2 | 30 000 | 24 250 | -19 % | -5 750 | LR2 | 25 000 | 25 000 | | na | 26 000 |
| LR1 | 25 000 | 21 375 | -15 % | -3 625 | LR1 | 21 500 | 21 500 | | na | 22 500 |
| MR | 20 000 | 19 250 | -4 % | -750 | MR | 19 500 | 19 500 | | na | 20 500 |
| Handysize | 18 500 | 16 750 | -9 % | -1 750 | Handysize | 16 750 | 16 750 | | na | 18 000 |

Source: Pareto

This also leads to significant estimate reductions for 2020

Naturally, negative revenue revisions of 5 – 28% have significant impact on our estimates. Our 2020 EPS numbers are down between 21 – 57%, with no real difference between the crude or product guys. Okeanis is experiencing the lowest negative revision, due to their stellar Q1 performance. For 2021 the revisions are purely related to vessel purchases or other adjustments after the Q4 release.

| Crude | PAS EPS 2020 | | | PAS EPS 2021 | | |
|------------|--------------|----------|--------|--------------|----------|--------|
| | New | Previous | Change | New | Previous | Change |
| DHT | 1.14 | 2.12 | -46 % | 1.06 | 1.24 | -15 % |
| Euronav | 1.69 | 2.35 | -28 % | 1.10 | 1.04 | 6 % |
| Frontline | 1.87 | 2.83 | -34 % | 1.80 | 1.64 | 10 % |
| Hunter | 0.08 | 0.14 | -42 % | 0.10 | 0.12 | -17 % |
| Int. Seaw. | 3.46 | 8.01 | -57 % | 5.27 | 3.24 | 63 % |
| Okeanis | 2.69 | 3.41 | -21 % | 3.32 | 2.10 | 58 % |
| Product | New | Previous | Change | New | Previous | Change |
| | | | | | | |
| Ardmore | 0.74 | 1.15 | -36 % | 0.89 | 1.10 | -19 % |
| Diamond S | 3.73 | 5.31 | -30 % | 3.84 | 3.95 | -3 % |
| Hafnia | 0.53 | 0.85 | -37 % | 0.71 | 0.78 | -8 % |
| Scorpio T. | 3.66 | 6.39 | -43 % | 4.48 | 4.81 | -7 % |

Leaving us far below consensus at this point – but market is clearly pricing in revisions

With this, we are far below consensus for 2020, and also below for 2021. Here the difference seems mostly related to VLCC rates, with DHT, EURN, FRO and HUNT the names we are furthest away from consensus. For the product tanker names (except STNG, probably due to scrubber assumptions) we are slightly above consensus for 2021.

| Crude | EPS 2020- PAS vs. Cons | | | EPS 2021 - PAS vs. Cons | | |
|------------|------------------------|------|-------|-------------------------|------|-------|
| | PAS | Cons | Diff | PAS | Cons | Diff |
| DHT | 1.14 | 1.76 | -35 % | 1.1 | 1.62 | -35 % |
| Euronav | 1.69 | 2.20 | -23 % | 1.1 | 1.53 | -28 % |
| Frontline | 1.87 | 2.73 | -31 % | 1.8 | 2.20 | -18 % |
| Hunter | 0.08 | 0.13 | -37 % | 0.10 | 0.12 | -17 % |
| Int. Seaw. | 3.46 | 6.87 | -50 % | 5.3 | 6.10 | -14 % |
| Okeanis | 2.69 | 3.83 | -30 % | 3.3 | 2.90 | 14 % |
| Product | PAS | Cons | Diff | PAS | Cons | Diff |
| | | | | | | |
| Ardmore | 0.74 | 0.84 | -12 % | 0.89 | 0.80 | 11 % |
| Diamond S | 3.73 | 3.92 | -5 % | 3.84 | 3.40 | 13 % |
| Hafnia | 0.53 | 0.66 | -19 % | 0.71 | 0.61 | 17 % |
| Scorpio T. | 3.66 | 4.14 | -12 % | 4.48 | 4.88 | -8 % |

We see significant upside in all our names...

We continue to use our YE'20 NAV metric as basis for our target prices, and these are thus revised downwards as earnings estimates have fallen. We have not

made any significant fleet value reductions. We assume premium pricing for FRO (1.25x) and DHT (1.1x), while believe EURN and HAFNIA both should trade at NAV (still some scrubber scepticism, but this will vanish). Other than that we apply discounts to very levered STNG, and the other less liquid names.

...however Hafnia, DHT and Euronav offer the best near-term risk/reward

We see the most upside in Hafnia, which is a clear top pick for us at the moment. The newcomer outperformed its peers in 2019, and has a strong balance sheet with the most efficient operations. DHT and Euronav both offer solid balance sheet, clear dividend policies and steady operations, and are our near term top picks within crude tankers.

Tanker recommendations

| Tankers | Ticker | Volume (USDm/day) | Currency | Share price | Target price | Upside/downside | Pareto Rec. | Last updated |
|------------------------|--------|-------------------|----------|-------------|--------------|-----------------|-------------|--------------|
| Ardmore Shipping Corp. | ASC | 2.2 | USD | 5.2 | 7.7 | 48 % | Buy | Mar-20 |
| DHT Holdings | DHT | 23.1 | USD | 5.5 | 8.3 | 52 % | Buy | Mar-20 |
| Diamond S | DSSI | 4.7 | USD | 10.2 | 18.4 | 81 % | Buy | Mar-20 |
| Euronav | EURN | 35.6 | USD | 9.4 | 14.5 | 54 % | Buy | Mar-20 |
| Frontline | FRO | 31.3 | NOK | 76 | 101 | 33 % | Buy | Mar-20 |
| Hafnia Limited | HAFNIA | 0.3 | NOK | 19.9 | 32 | 62 % | Buy | Mar-20 |
| Hunter Group | HUNT | 2.0 | NOK | 3.90 | 4.8 | 24 % | Buy | Mar-20 |
| International Seaways | INSW | 8.1 | USD | 20.6 | 28.0 | 36 % | Buy | Mar-20 |
| Okeanis Eco Tankers | OET | 0.6 | NOK | 67 | 111 | 65 % | Buy | Mar-20 |
| Scorpio Tankers | STNG | 29.0 | USD | 17.6 | 29.0 | 64 % | Buy | Mar-20 |
| Sector ave | | | | | | 52 % | | |

Tanker peer overview

| | | Ardmore | DHT | Diamond S | Euronav | Frontline | Hafnia Ltd. | Hunter | Intern. Seaways | Okeanis | Scorpio |
|---------------------------------|------|---------|-------|-----------|---------|-----------|-------------|--------|-----------------|---------|---------|
| Net asset value | USDm | 269 | 1 024 | 864 | 2 748 | 1 402 | 1 158 | 317 | 887 | 370 | 1 840 |
| Net interest bearing debt | " | 373 | 799 | 738 | 1 415 | 1 783 | 1 318 | 128 | 511 | 719 | 2 899 |
| Remaining capex, net | " | - | 9 | - | 281 | 578 | 35 | 270 | 15 | 185 | - |
| Estimated remaining equity need | " | - | - | - | - | - | - | - | - | - | - |
| Fully invested GAV | " | 641 | 1 878 | 1 601 | 4 444 | 3 764 | 2 511 | 715 | 1 413 | 1 275 | 4 739 |
| Free cashflow 2020 | " | 58 | 285 | 232 | 498 | 359 | 294 | 79 | 150 | 149 | 283 |

| Fleet details: | | ASC | DHT | DSSI | EURN | FRO | HAFNIA | HUNT | INSW | OET | STNG |
|-------------------------------------|----------|------------|------------|------------|------------|------------|------------|-----------|------------|------------|-------------|
| VLCC | # | - | 27x | - | 44x | 15x | - | 7x | 13x | 8x | - |
| Suezmax | # | - | - | 15x | 25x | 27x | - | - | 2x | 6x | - |
| Aframax/LR2 | # | - | - | 1x | - | 22x | 6x | - | 2x | 3x | 42x |
| Panamax/LR1 | # | - | - | - | - | - | 28x | - | 12x | - | 12x |
| MR/Handysize product | # | 25x | - | 50x | - | - | 54x | - | 4x | - | 74x |
| Total fleet size | # | 25x | 27x | 66x | 69x | 64x | 88x | 7x | 33x | 17x | 128x |
| Ave. delivery year (value adjusted) | year | 2013 | 2011 | 2010 | 2012 | 2015 | 2013 | 2019 | 2010 | 2018 | 2016 |
| Ave fleet age | years | 6 | 8 | 9 | 7 | 4 | 6 | 0 | 9 | 1 | 3 |
| Total estimated fleet value | USDm | 617 | 1 751 | 1 559 | 3 942 | 3 668 | 2 368 | 707 | 1 290 | 1 317 | 4 703 |
| Loan-to-value | % | 60 % | 46 % | 47 % | 43 % | 64 % | 57 % | 56 % | 41 % | 69 % | 62 % |

| 2020 multiples: | | ASC | DHT | DSSI | EURN | FRO | HAFNIA | HUNT | INSW | OET | STNG |
|---------------------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| EV/EBITDA | x | 5.6x | 4.1x | 2.9x | 4.0x | 5.6x | 4.7x | 7.4x | 4.7x | 5.7x | 5.8x |
| P/E | x | 7.1x | 4.8x | 2.7x | 5.5x | 4.4x | 4.0x | 5.2x | 5.9x | 2.7x | 4.8x |
| FCF-yield | % | 12.8 % | 23.7 % | 34.8 % | 16.8 % | 10.1 % | 17.7 % | na | 16.5 % | na | 8.6 % |
| NAV-yield (20e EPS/current NAV) | % | 9.1 % | 16.4 % | 17.2 % | 13.2 % | 26.4 % | 17.1 % | 14.8 % | 11.3 % | 23.8 % | 11.5 % |

| Share details | | ASC | DHT | DSSI | EURN | FRO | HAFNIA | HUNT | INSW | OET | STNG |
|----------------------------|-------|------|-----|------|------|------|--------|------|------|-------|------|
| Share price | local | 5.2 | 5.5 | 10.2 | 9.4 | 76.2 | 19.9 | 3.9 | 20.6 | 67.0 | 17.6 |
| NAV per share | " | 8.1 | 7.0 | 21.7 | 12.8 | 65.3 | 28.8 | 5.1 | 30.5 | 104.3 | 31.8 |
| NAV with values +10% | " | 10.0 | 8.2 | 25.6 | 14.6 | 82.4 | 32.6 | 6.2 | 34.9 | 141.3 | 40.0 |
| YE'20 NAV with flat values | " | 8.5 | 7.6 | 25.1 | 14.5 | 81.9 | 33.0 | 5.4 | 29.4 | 124 | 34.0 |

| Share price valuation: | | ASC | DHT | DSSI | EURN | FRO | HAFNIA | HUNT | INSW | OET | STNG |
|------------------------------|----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| P/NAV current | x | 0.64x | 0.78x | 0.47x | 0.73x | 1.17x | 0.69x | 0.77x | 0.67x | 0.64x | 0.55x |
| P/NAV with 10% higher values | x | 0.52x | 0.67x | 0.40x | 0.64x | 0.93x | 0.61x | 0.63x | 0.59x | 0.47x | 0.44x |
| P/NAV with YE'20 NAV | x | 0.61x | 0.72x | 0.41x | 0.65x | 0.93x | 0.60x | 0.72x | 0.70x | 0.54x | 0.52x |
| EV/GAV | x | 0.85x | 0.86x | 0.71x | 0.84x | 1.06x | 0.86x | 0.90x | 0.80x | 0.90x | 0.83x |
| Target price | local | \$7.70 | \$8.3 | \$18.4 | \$14.5 | kr 101 | kr 32 | kr 4.8 | \$28.0 | kr 111 | \$29.0 |
| Upside to target | % | 48 % | 52 % | 81 % | 54 % | 33 % | 62 % | 24 % | 36 % | 65 % | 64 % |

Source: Pareto

Oil demand growth towards zero...

Underlying oil demand growth falling rapidly in 2020

Oil prices have been in free fall in 2020, as the COVID-19 (coronavirus) has spread across the globe. Demand-estimates have been revised sharply downwards, and we are quickly headed towards a consensus of zero growth this year.

Global oil demand growth y/y

| mbd y/y | Q1'20 | Q2'20 | Q3'20 | Q4'20 | 2020 |
|-------------------|--------------|------------|------------|------------|------------|
| FGE late February | (2.1) | 0.1 | 0.8 | 1.4 | 0.1 |
| FGE mid February | (1.5) | 0.4 | 0.8 | 1.7 | 0.4 |
| IEA mid February | (0.4) | 1.2 | 1.5 | 1.0 | 0.8 |
| EIA mid February | 0.3 | 1.0 | 1.3 | 1.6 | 1.0 |
| OPEC mid February | 0.8 | 0.8 | 1.1 | 1.3 | 1.0 |
| PAS latest | (0.6) | 0.5 | 1.3 | 1.1 | 0.5 |

Source: Pareto, FGE Energy, IEA, EIA, OPEC

GDP growth down, various stimulus measures going to be announced

The downward revisions follow the virus outbreaks in South Korea and Italy, with the WHO seeing a 'high' global level of risk. Additionally, OECD this week revised Chinese GDP growth down to 4.9% in 2020 (-0.8%), and global GDP growth down to 2.4% (-0.5%). However, as is the case in our tanker forecast, this also means that 2021 growth will be higher than before – as fiscal stimulus and a lower base impact positively.

OPEC+ possibly needing to reduce production by ~1mbd+ in Q2 – depending on what Libya is able to produce this will have negative implications

This week, the focus is on the OPEC+ meeting that will be held Thursday/Friday. While the group initially proposed an additional cut of 0.6mbd for Q2'20, current consensus is expecting a cut around 0.75mbd. Up to 1mb has been proposed though, which would be more supportive of oil prices in these uncertain times. The wording around the cuts will be key, as Libya remains out. We expect Libya's output to have been 0.155mbd in February, down from 1.27mbd in Q4'19. Additionally, Venezuela only loaded around 75% of their planned allocations during February, following US sanctions on Rosneft trading. **If Libya stays out and OPEC+ then does reduce its production by up to 1mbd, we will see a drop in seaborne demand in Q2 – which in total can mean an annualized reduction of ~25x VLCCs in Q2.** If Libya returns the impact will be less.

Late Q2 set to be a trough for tankers – if virus situation then calms down we can see a huge H2 swingback

When looking at call-on-OPEC we see an average increase of 1.1mbd in H2'20 vs. H1, with the trough to be in Q2. Floating storage (forced/strategic, not contango-driven) as particularly Chinese buyers take advantage of the low prices looks like it can peak in May. This is clearly helping the market now, but returns here means that the seasonal spring-drop in rates will be augmented.

Call-on-OPEC

| mbd | Q1'20 | Q2'20 | Q3'20 | Q4'20 | 2020 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| PAS call-on-OPEC | 27.7 | 27.2 | 29.3 | 29.1 | 28.3 |
| IEA call-on OPEC | 27.2 | 28.3 | 29.2 | 29.0 | 28.4 |
| EIA call-on-OPEC | 28.3 | 27.9 | 29.1 | 29.5 | 28.7 |
| OPEC call-on-OPEC | 28.9 | 28.3 | 30.0 | 29.9 | 29.3 |

Source: Pareto, FGE Energy, IEA, EIA, OPEC

Norway and Brazil with major production increases – good for tonne-miles

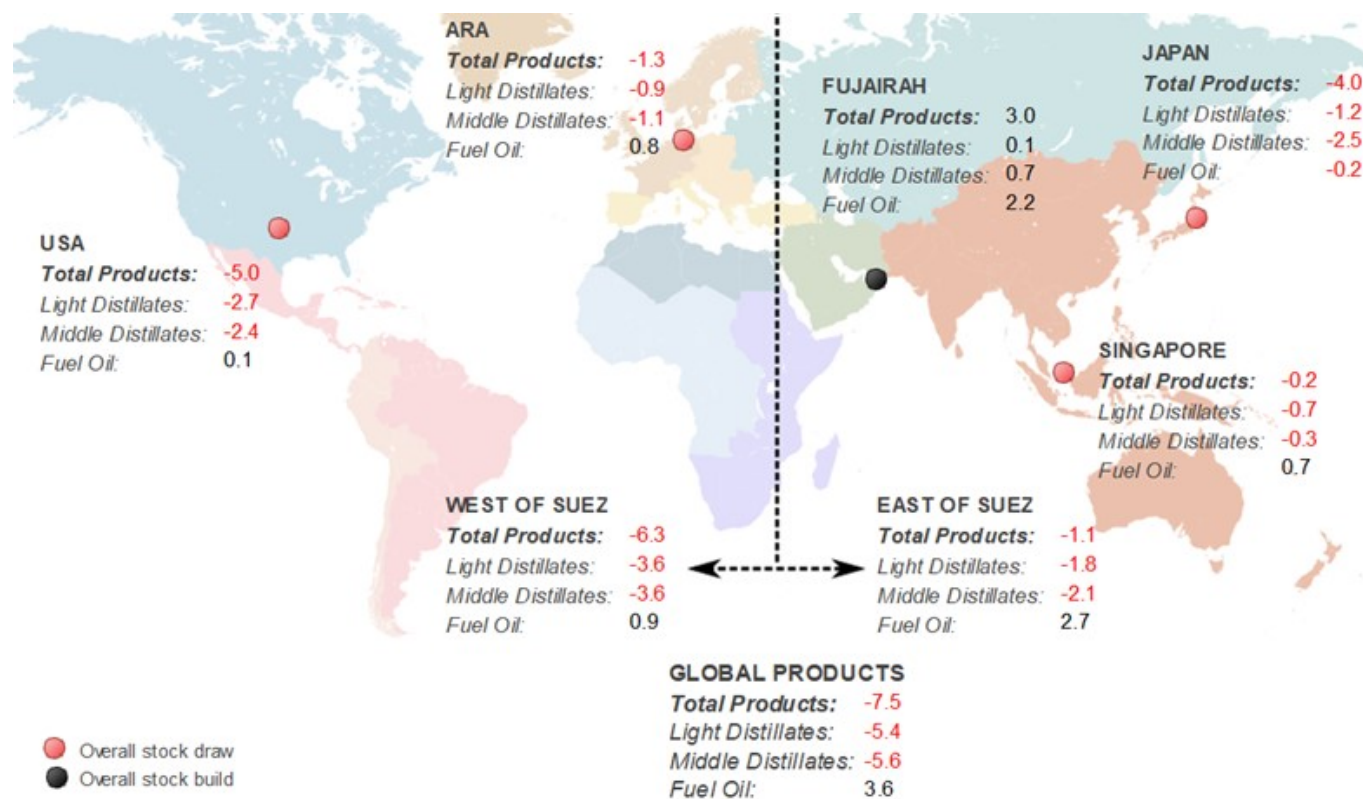
An important aspect of this is that the oversupply of crude oil is mostly due to significant production increases in Norway, Brazil and higher USGoM exports. As most of these volumes end up in Asia, the tonne-mile impact is not as negative as it could have been.

Refined product inventories drawing

Initial IMO 2020 effects somewhat disappointing, but things are happening now

While the initial IMO 2020 effects in early January were disappointing, this was explained by heavy stockpiling in Q4 – thus also explaining a lot of that significant strength. However – just before the coronavirus started to spread and cause panic, the initial signs of inventory draws were seen. And we continue to see these, with refineries reducing runs and particularly middle distillate (diesel...) being strong. As the map below shows, we are now seeing heavy draws across the globe. This is surely a contributing factor to the strength we now see in the MR segment.

Product inventory changes final week of February, w/w development



Source: FGE Energy

Middle distillate inventories falling rapidly

The main four major OECD hubs (US, ARA, Singapore and Japan) now have significantly lower inventories than a year ago (and even more vs. the 5Y average). This is occurring ahead of normal refinery maintenance, which will increase in magnitude over the coming weeks and months. **Consequently, with the coronavirus on top of refinery maintenance and drawdowns ahead of schedule, we would expect continued underlying price volatility. Product tankers are likely to benefit from this, as they have been doing over the past two weeks.**

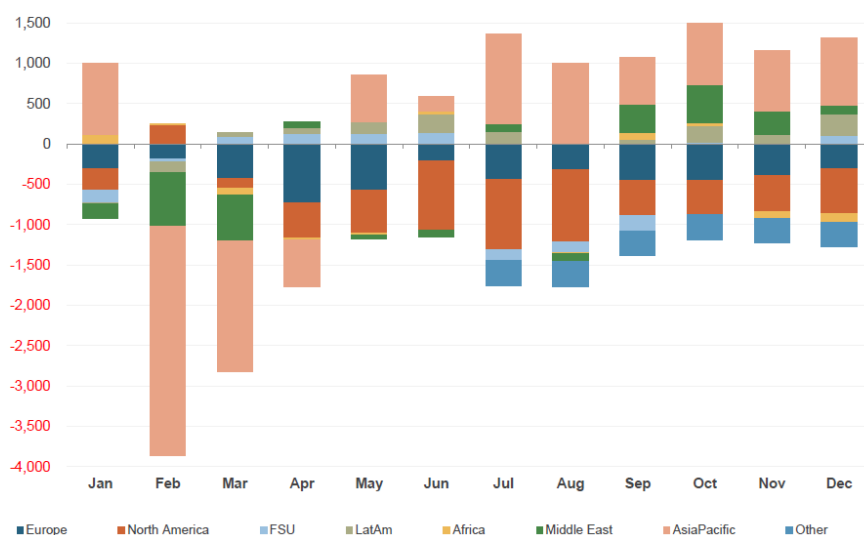
When we then look at refinery throughput, the y/y development continues to look depressing in the near term:

- Chinese cuts now possibly as much as 3-4mbd
- Regional demand-weakness there impacting other Asian countries as well

Expect more Asian throughput in H2 – to lead to more long-haul cargoes into the Atlantic

Interestingly though, we could end up with a scenario in H2 where the return of these Chinese refineries will force run-cuts in the Atlantic; particularly Europe and the USGoM (in order to protect margins). Again, this can lead to a positive net effect for the tanker market; with more crude oil supplies shipped to Asia and refined products going the other way.

2020 refinery throughput vs. 2019 by region

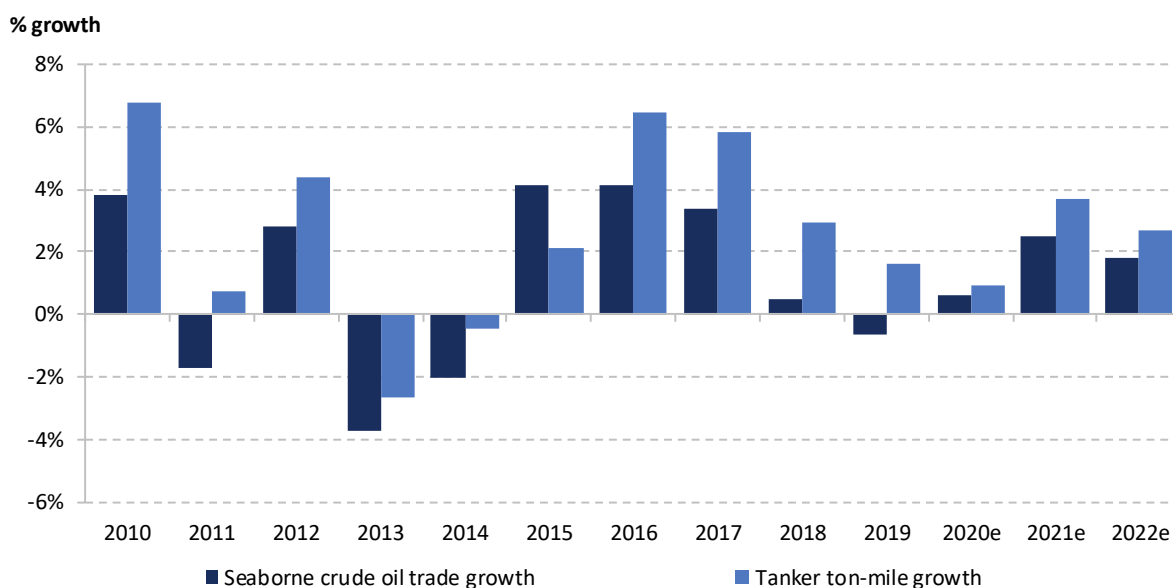


Source: FGE Energy

Expect negative trend through Q2, but rebound in all segments in mid/late Q3

To sum up, we expect the usual Q2 softness to impact the tanker markets negatively this year as well, and thus see rates trending downwards from mid-March as usual. Provided that the coronavirus effects are temporary and that Atlantic oil production continues as usual, we expect strong Asian refinery demand to positively impact the markets from Q3. We have kept our 2021 estimates flat in order to remain conservative.

Tanker demand: Seaborne crude oil trade growth vs. tonne-mile growth



Source: FGE Energy, VesselsValue, Shipping Intelligence

Tanker estimates per quarter 2020e

| | 2020e | | | |
|-----------|--------|--------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 |
| VLCC | 50 000 | 22 500 | 30 000 | 60 000 |
| Suezmax | 40 000 | 20 000 | 25 000 | 50 000 |
| Aframax | 35 000 | 17 500 | 20 000 | 35 000 |
| LR2 | 22 500 | 19 500 | 22 500 | 32 500 |
| LR1 | 20 000 | 18 000 | 20 000 | 27 500 |
| MR | 19 500 | 16 500 | 19 000 | 22 000 |
| Handysize | 21 000 | 12 000 | 11 000 | 23 000 |

Source: FGE Energy, VesselsValue, Shipping Intelligence

...but so does fleet growth

Massive fleet growth last year, but inefficiencies helped to mitigate actual vessel supply

Orderbooks for 2021 and 2022 are very low – unlikely to see a lot of orders in the near term

In 2019, the newbuild influx was massive across the tanker segments. From this year on, the situation is a lot more encouraging though. So far in 2020, 11x VLCCs, 1x suezmax and 3x aframaxes have been delivered (as of February), and with virtually nothing in terms of new orders the orderbooks thus keep shrinking. Compared to 2019, the amount of new deliveries in the crude tanker space will fall by ~50% this year, and the coronavirus is now likely to lead to higher slippage than normal. A similar development is seen for the product tankers, with a ~40% decline in dwt-terms compared to 2019.

Furthermore, 2021 and 2022 have even lower orderbooks than this year, and with Q4'21 now the likely new delivery date we have decent visibility for the next two years.

Tanker deliveries/orderbooks

| CRUDE TANKERS | | Total fleet | Delivered this year | Orderbook | | | Total orderbook | % of existing fleet | | |
|---------------|------------|-------------|---------------------|-----------|------|-------|-----------------|---------------------|-------|--------|
| | | | | 2020 | 2021 | Later | | Orderbook | 20Y+ | 15Y+ |
| VLCC | # of ships | 815 | 11 | 30 | 27 | 3 | 60 | 7.4 % | 7.6 % | 26.4 % |
| | mdwt | 251.3 | 3.3 | 9.2 | 8.3 | 0.9 | 18.4 | 7.3 % | 7.4 % | 26.1 % |
| Suezmax | # of ships | 518 | 1 | 19 | 19 | 8 | 46 | 8.9 % | 7.9 % | 26.3 % |
| | mdwt | 81.2 | 0.2 | 3.0 | 3.0 | 1.3 | 7.3 | 8.9 % | 7.8 % | 26.2 % |
| Aframax | # of ships | 641 | 3 | 8 | 30 | 8 | 46 | 7.2 % | 8.6 % | 38.1 % |
| | mdwt | 70.2 | 0.3 | 0.9 | 3.4 | 0.9 | 5.2 | 7.4 % | 8.1 % | 37.2 % |
| Total fleet | # of ships | 1 974 | 15 | 57 | 76 | 19 | 152 | 7.7 % | 8.0 % | 30.1 % |
| | mdwt | 402.7 | 3.8 | 13.1 | 14.7 | 3.1 | 30.9 | 7.7 % | 7.6 % | 28.1 % |

| CLEAN TANKERS | | Total fleet | Delivered 2020 | Orderbook | | | Total orderbook | % of existing fleet | | |
|---------------|------------|-------------|----------------|-----------|------|-------|-----------------|---------------------|--------|--------|
| | | | | 2020 | 2021 | Later | | Orderbook | 20Y+ | 15Y+ |
| LR2 | # of ships | 376 | 2 | 11 | 20 | 5 | 36 | 9.6 % | 5.9 % | 16.2 % |
| 85 - 120k dwt | mdwt | 41.2 | 0.2 | 1.2 | 2.3 | 0.6 | 4.1 | 9.9 % | 5.4 % | 15.5 % |
| LR1 | # of ships | 379 | 2 | 5 | 1 | 0 | 6 | 1.6 % | 2.4 % | 23.2 % |
| 55 - 85k dwt | mdwt | 27.9 | 0.1 | 0.4 | 0.1 | 0.0 | 0.5 | 1.7 % | 2.4 % | 22.8 % |
| MR | # of ships | 1 522 | 12 | 63 | 50 | 8 | 121 | 8.0 % | 7.2 % | 24.6 % |
| 40 - 55k dwt | mdwt | 73.2 | 0.6 | 3.1 | 2.5 | 0.4 | 6.0 | 8.2 % | 6.8 % | 23.4 % |
| Handy | # of ships | 413 | 3 | 13 | 10 | 5 | 28 | 6.8 % | 12.8 % | 48.2 % |
| 20 - 40k dwt | mdwt | 15.2 | 0.4 | 0.4 | 0.3 | 0.2 | 0.9 | 5.8 % | 12.0 % | 47.3 % |
| Total fleet | # of ships | 2 690 | 16 | 79 | 71 | 13 | 191 | 7.1 % | 7.2 % | 26.8 % |
| 20 - 120k dwt | mdwt | 157.5 | 1.0 | 4.8 | 4.9 | 1.0 | 11.5 | 7.3 % | 6.2 % | 23.5 % |

Source: Pareto Securities, VesselsValue, Shipping Intelligence

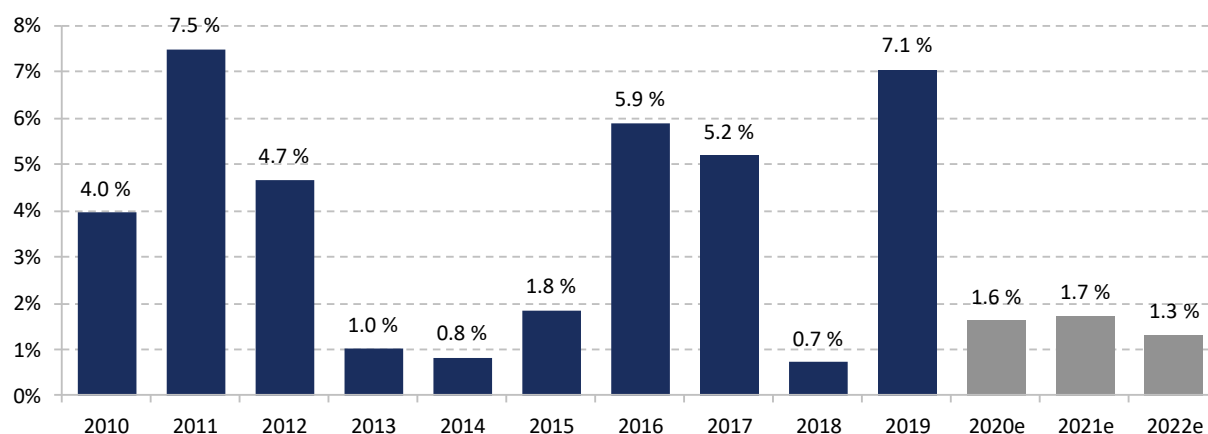
In addition to this declining pace of newbuilds, we continue to expect that the new regulations should push the older vessels out of the market. Currently, more than 26% of the VLCCs are older than 15 years, while for the total crude fleet more than 30% is above this threshold. With effectively two thirds of the fleet at opex-levels when a modern scrubber ship earns cash break-even, we would expect the weaker Q2 environment to result in increased scrapping.

Fleet is also ageing, and we expect less than 2% growth over the coming three years

All in all, we see net crude tanker fleet growth of 1.6% for 2020, and 1.7% for 2021. For product tankers we estimate 0.9% fleet growth for 2020, and 2.3% for 2021. Even including a certain amount of new orders for both 2021 and 2022, we believe 2022 growth could even turn negative for the product tanker space. Please note that we never expected the COSCO-fleet to be offline for a long period of time, and the ships here are included in our fleet overview.

Fleet growth – Crude tankers

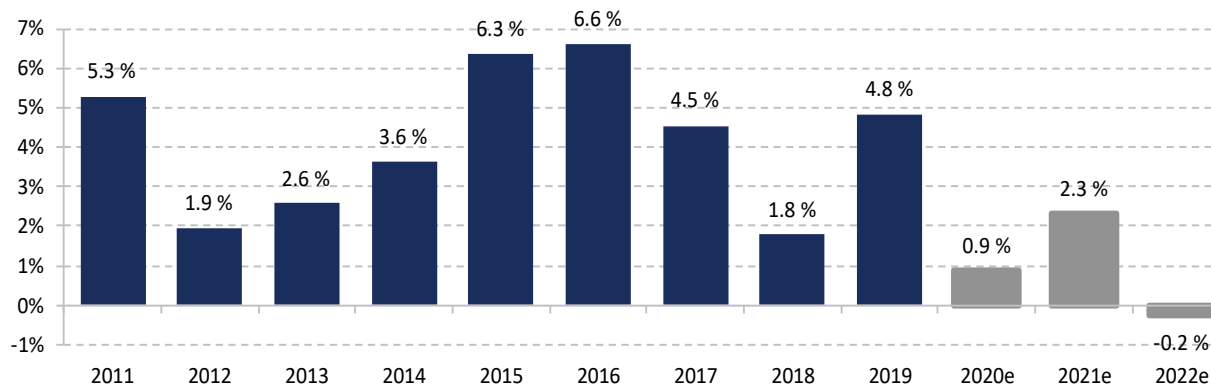
Fleet growth (%)



Source: Pareto Securities, VesselsValue, Shipping Intelligence

Fleet growth – Product tankers

Fleet growth (%)



Source: Pareto Securities, VesselsValue, Shipping Intelligence

Fleet utilization to slowly tighten in 2021

Adding this together with our demand growth assumptions we see fleet utilization staying relatively flat this year, before demand growth once again exceeds supply growth in 2021. As scrubber installations are going to absorb ~1% of the tanker fleet this year, we still model 2021 on par/slightly softer than 2020, though we expect a steady increase in rates after Q2 of this year.

| Rate estimates | | | | | | | |
|----------------|--------|--------|--------|--------|--------|--------|--------|
| USD/day | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| VLCC | 44 000 | 22 250 | 16 000 | 37 500 | 40 625 | 40 000 | 42 000 |
| Suez | 28 750 | 17 500 | 15 000 | 25 000 | 33 750 | 30 000 | 31 500 |
| Afra | 24 000 | 15 000 | 13 500 | 24 000 | 26 875 | 22 500 | 24 000 |
| LR2 | 16 500 | 10 000 | 11 000 | 22 000 | 24 250 | 25 000 | 26 000 |
| LR1 | 13 000 | 8 500 | 8 500 | 15 150 | 21 375 | 21 500 | 22 500 |
| MR | 12 000 | 10 250 | 9 000 | 14 000 | 19 250 | 19 500 | 20 500 |
| Hsize product | 8 750 | 7 500 | 6 750 | 14 500 | 16 750 | 16 750 | 18 000 |

Source: FGE Energy, VesselsValue, Shipping Intelligence

Fuel spreads widened massively in December/January...

...but increased VLSFO availability and lower oil prices have led to a narrower spread now

Q4 numbers also showing the downtime-implications that scrubber installations have

Scrubber benefits are shrinking with volatile oil markets

The market expectation was that a sharp reduction in HSFO demand combined with a surge in VLSFO/MGO demand would lead to widening fuel spreads and benefit those with scrubbers installed. This proved correct, with spreads around USD 350 – 400/ton at in early January. Theoretically, this mean that a long US Gulf – Far East voyage would pay back most of the investment.

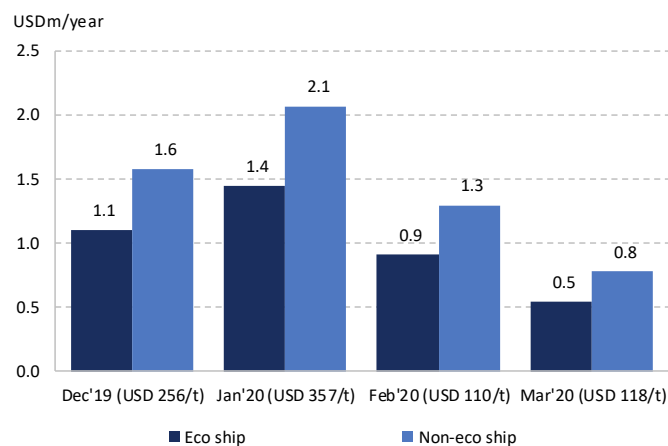
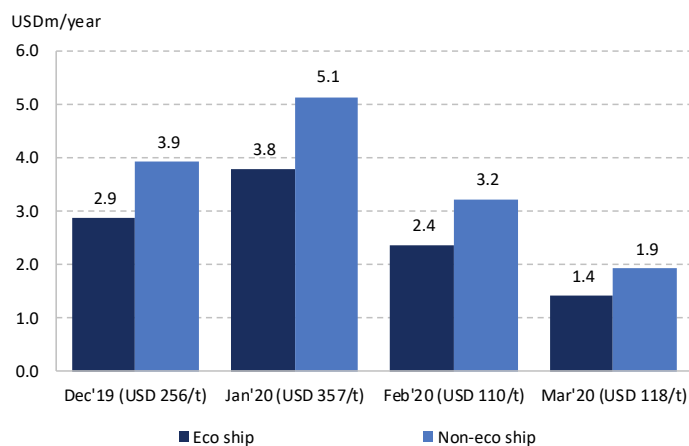
However, as VLSFO availability has increased and oil prices fallen, spreads have narrowed considerably again. We are now in the USD 100 – 150/ton range depending on region, which means that for a VLCC the daily benefit has fallen to less than USD 10,000/day. While this still makes scrubbers attractive for the larger asset classes on a simple calculation basis, the opportunity cost associated with the installations makes things more complicated.

International Seaways will for example have ~30% of its VLCC days 'lost' in Q1, which means more than USD 20m of lost revenue. Granted, the company is unfortunate to have the coronavirus prolonging the yard stay, but had they been able to arrange their drydockings in Q2/Q3 instead of Q1, the impact would have been far less. Similarly, Scorpio Tankers is seeing 10 – 15% of its fleet days lost in Q4 and Q1, which theoretically means lost revenue of at least USD 50m. Again, the company would have had normal drydockings anyway, but surely the scrubber installations are causing additional downtime.

As the chart below shows, the fuel savings from a scrubber has vaporized since early 2020. The oil price drop has some of that blame, but at the same time there is little that suggest any oil price positivity until we get into Q3. As such, we have lowered our scrubber-savings in our estimates.

Scrubber savings per year: VLCCs

Scrubber savings per year: MRs



Source: FGE Energy, Howe Robinson, Shipping Intelligence

Only ~40% of VLCC fleet now scheduled to have scrubbers installed – we would expect more announcements (but not yet)

Still, scrubber installations are likely to continue for the larger ships. This will boost fleet utilization somewhat this year. As of February, we still see more than 80 VLCCs and near 50 suezmaxes that have not yet installed the scrubbers. And when these are completed, only about 40% of the VLCC fleet and 30% of the suezmax fleet will have scrubbers installed.

Buy - Target USD 7.7 / Share price USD 5.5

Forecast changes

| % | 2020e | 2021e | 2022e | 1Q'20e |
|--------------|-------|-------|-------|--------|
| Revenues | (5) | (0) | NM | NM |
| EBITDA | (13) | (6) | NM | NM |
| EBIT adj | (22) | (10) | NM | NM |
| EPS reported | (36) | (19) | NM | NM |
| EPS adj | (36) | (19) | NM | NM |

Chemical tankers now generating cashflow again

Q4'19 was the first quarter since 2016 with profitable numbers, and ASC was able to once more pay dividends to its shareholders. With MR- and chemical tanker rates still holding up well, we expect a decent Q1 as well. Still, the earnings potential in Ardmore is lower than for most of its peers, even though the chemical tanker fleet now shows greater potential. The company is now generating cash that could be used for growth purposes. We estimate a current NAV of USD 8.1, increasing to 8.5 by YE'20. Our TP of USD 7.7 is based on a 10% liquidity-discount. Maintain BUY.

| Income statement (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
|---------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Revenues | 35 | 32 | 29 | 38 | 40 | 37 | 43 | 49 |
| EBITDA | 7 | 6 | 10 | 18 | 20 | 17 | 22 | 29 |
| EBITDA adjusted | 14 | 12 | 10 | 18 | 20 | 17 | 22 | 29 |
| EBIT | (2) | (3) | 0 | 8 | 10 | 7 | 13 | 20 |
| EBIT adjusted | 4 | 3 | 0 | 8 | 10 | 7 | 13 | 20 |
| Profit before taxes | (9) | (10) | (6) | 2 | 4 | 1 | 7 | 13 |
| Net profit | (9) | (10) | (6) | 2 | 4 | 1 | 7 | 13 |
| EPS reported | (0.28) | (0.30) | (0.17) | 0.06 | 0.12 | 0.02 | 0.20 | 0.40 |
| EPS adjusted | (0.08) | (0.10) | (0.17) | 0.08 | 0.12 | 0.02 | 0.20 | 0.40 |
| BALANCE SHEET (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Tangible non current assets | 710 | 687 | 679 | 673 | 665 | 657 | 648 | 640 |
| Other non-current assets | 4 | 4 | 4 | 1 | 1 | 1 | 1 | 1 |
| Other current assets | 44 | 38 | 38 | 46 | 46 | 46 | 46 | 46 |
| Cash & equivalents | 52 | 55 | 46 | 52 | 61 | 66 | 79 | 94 |
| Total assets | 810 | 783 | 767 | 772 | 773 | 770 | 774 | 782 |
| Total equity | 338 | 328 | 323 | 326 | 328 | 327 | 334 | 343 |
| Interest-bearing non-current debt | 410 | 396 | 387 | 386 | 384 | 382 | 380 | 378 |
| Interest-bearing current debt | 39 | 38 | 38 | 38 | 38 | 38 | 38 | 38 |
| Other Debt | 23 | 20 | 18 | 22 | 22 | 22 | 22 | 22 |
| Total liabilities & equity | 810 | 783 | 767 | 772 | 773 | 770 | 774 | 782 |
| CASH FLOW (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Cash earnings | (2) | 6 | 4 | 11 | 13 | 10 | 16 | 23 |
| Change in working capital | 4 | 4 | (2) | (5) | - | - | - | - |
| Cash flow from investments | 15 | 10 | (1) | (1) | (1) | (1) | (1) | (1) |
| Cash flow from financing | (21) | (17) | (9) | (0) | (3) | (4) | (2) | (6) |
| Net cash flow | (5) | 3 | (9) | 5 | 9 | 5 | 13 | 16 |

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel
+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|--|-------------|-------------|---------------|---------------|---------------|--------------|--------------|--------------|
| Revenues | 128 | 128 | 123 | 112 | 134 | 169 | 175 | 176 |
| EBITDA | 71 | 53 | 46 | 23 | 40 | 88 | 92 | 92 |
| Depreciation & amortisation | (26) | (31) | (37) | (39) | (37) | (38) | (38) | (38) |
| EBIT | 44 | 21 | 9 | (16) | 3 | 50 | 54 | 55 |
| Net interest | (12) | (18) | (21) | (27) | (26) | (26) | (25) | (22) |
| Other financial items | - | - | - | - | - | - | - | - |
| Profit before taxes | 32 | 4 | (12) | (43) | (23) | 24 | 29 | 33 |
| Taxes | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| Minority interest | - | - | - | - | - | - | - | - |
| Net profit | 32 | 4 | (12) | (43) | (23) | 24 | 29 | 33 |
| EPS reported | 1.22 | 0.12 | (0.37) | (1.33) | (0.69) | 0.74 | 0.89 | 0.98 |
| EPS adjusted | 1.22 | 0.23 | (0.37) | (1.13) | (0.28) | 0.74 | 0.89 | 0.98 |
| DPS | 0.63 | 0.14 | - | - | 0.05 | 0.43 | 0.53 | 0.59 |
| BALANCE SHEET (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Tangible non current assets | 659 | 785 | 758 | 732 | 673 | 640 | 606 | 573 |
| Other non-current assets | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1 |
| Other current assets | 75 | 38 | 44 | 53 | 46 | 46 | 46 | 46 |
| Cash & equivalents | 40 | 56 | 39 | 57 | 52 | 94 | 94 | 101 |
| Total assets | 778 | 884 | 846 | 845 | 772 | 782 | 747 | 721 |
| Total equity | 348 | 404 | 381 | 347 | 326 | 343 | 351 | 364 |
| Interest-bearing non-current debt | 361 | 420 | 406 | 423 | 386 | 378 | 336 | 297 |
| Interest-bearing current debt | 54 | 42 | 41 | 48 | 38 | 38 | 38 | 38 |
| Other Debt | 16 | 17 | 18 | 27 | 22 | 22 | 22 | 22 |
| Total liabilities & equity | 778 | 884 | 846 | 845 | 772 | 782 | 747 | 721 |
| CASH FLOW (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Cash earnings | 60 | 41 | 24 | 8 | 19 | 62 | 67 | 70 |
| Change in working capital | (23) | 2 | (6) | 2 | 1 | - | - | - |
| Cash flow from investments | (225) | (129) | (18) | (23) | 23 | (4) | (4) | (4) |
| Cash flow from financing | 168 | 102 | (17) | 31 | (48) | (15) | (64) | (59) |
| Net cash flow | (20) | 16 | (16) | 17 | (5) | 43 | (1) | 8 |
| CAPITALIZATION & VALUATION (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Share price (USD end) | 12.7 | 7.4 | 8.0 | 4.67 | 9.1 | 5.5 | 5.5 | 5.5 |
| Number of shares end period | 26 | 34 | 32 | 33 | 33 | 33 | 33 | 33 |
| Net interest bearing debt | 375 | 406 | 407 | 414 | 373 | 322 | 281 | 234 |
| Enterprise value | 707 | 655 | 665 | 568 | 672 | 505 | 463 | 416 |
| EV/Sales | 5.5 | 5.1 | 5.4 | 5.1 | 5.0 | 3.0 | 2.6 | 2.4 |
| EV/EBITDA | 10.0 | 12.4 | 14.5 | 25.0 | 16.8 | 5.8 | 5.1 | 4.5 |
| EV/EBIT | 16.0 | 30.6 | 78.1 | - | - | 10.1 | 8.6 | 7.6 |
| P/E reported | 10.4 | 60.1 | - | - | - | 7.5 | 6.2 | 5.6 |
| P/E adjusted | 10.4 | 31.6 | - | - | - | 7.5 | 6.2 | 5.6 |
| P/B | 1.0 | 0.6 | 0.7 | 0.4 | 0.9 | 0.5 | 0.5 | 0.5 |
| FINANCIAL ANALYSIS & CREDIT METRICS | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| ROE adjusted (%) | 9.5 | 1.9 | - | - | - | 7.3 | 8.5 | 9.1 |
| Dividend yield (%) | 5.0 | 1.9 | - | - | 0.5 | 7.8 | 9.7 | 10.7 |
| EBITDA margin (%) | 55.3 | 41.3 | 37.1 | 20.3 | 30.0 | 51.8 | 52.4 | 52.6 |
| EBIT margin (%) | 34.7 | 16.8 | 6.9 | - | 2.2 | 29.7 | 31.0 | 31.2 |
| NIBD/EBITDA | 5.31 | 7.70 | 8.91 | 18.19 | 9.29 | 3.67 | 3.06 | 2.53 |
| EBITDA/Net interest | 5.75 | 3.19 | 2.18 | 1.09 | 2.07 | 3.41 | 3.71 | 4.15 |

Buy - Target USD 8.3 / Share price USD 5.5

Forecast changes

| % | 2020e | 2021e | 2022e | 1Q'20e |
|--------------|-------|-------|-------|--------|
| Revenues | (23) | (4) | NM | NM |
| EBITDA | (29) | (6) | NM | NM |
| EBIT adj | (41) | (12) | NM | NM |
| EPS reported | (46) | (14) | NM | NM |
| EPS adj | (46) | (14) | NM | NM |

Still a 12-13% yield and cash build

Even under our revised and well below consensus estimates, we see DHT generating and EPS of around USD 1.1 over the coming three years. This will imply ~40% of the current share price paid out, and still ample to de-lever and eventually grow the fleet as asset values come down. DHT has now demonstrated a consistent track record of cycle-timing, and we believe the stated strategy of really 'doing nothing' over the coming year makes a lot of sense. At a FCF-yield of 20 -25% and at 0.73x our YE'20 NAV of USD 7.6 we keep DHT as a top pick. Maintain BUY, TP down to USD 8.3 (1.1x YE'20 NAV).

| Income statement (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
|---------------------------------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|--------------|
| Revenues | 86 | 61 | 59 | 142 | 131 | 65 | 85 | 159 |
| EBITDA | 64 | 38 | 36 | 116 | 105 | 40 | 60 | 133 |
| EBITDA adjusted | 64 | 38 | 36 | 116 | 105 | 40 | 60 | 133 |
| EBIT | 37 | 10 | 6 | 86 | 74 | 8 | 29 | 102 |
| EBIT adjusted | 37 | 10 | 6 | 86 | 74 | 8 | 29 | 102 |
| Profit before taxes | 18 | (10) | (9) | 76 | 63 | (3) | 18 | 91 |
| Net profit | 18 | (11) | (9) | 76 | 63 | (3) | 18 | 91 |
| EPS reported | 0.12 | (0.07) | (0.07) | 0.52 | 0.43 | (0.02) | 0.12 | 0.62 |
| EPS adjusted | 0.16 | (0.02) | (0.05) | 0.50 | 0.43 | (0.02) | 0.12 | 0.62 |
| BALANCE SHEET (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Tangible non current assets | 1 640 | 1 631 | 1 620 | 1 604 | 1 573 | 1 546 | 1 519 | 1 487 |
| Other non-current assets | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Other current assets | 114 | 86 | 88 | 151 | 151 | 151 | 151 | 151 |
| Cash & equivalents | 69 | 71 | 115 | 67 | 97 | 64 | 92 | 186 |
| Total assets | 1 828 | 1 793 | 1 828 | 1 827 | 1 826 | 1 765 | 1 767 | 1 829 |
| Total equity | 870 | 849 | 837 | 932 | 954 | 951 | 957 | 989 |
| Interest-bearing non-current debt | 825 | 807 | 846 | 751 | 734 | 717 | 701 | 684 |
| Interest-bearing current debt | 94 | 97 | 100 | 100 | 100 | 100 | 100 | 100 |
| Other Debt | 40 | 40 | 46 | 44 | 37 | (3) | 8 | 56 |
| Total liabilities & equity | 1 828 | 1 793 | 1 828 | 1 827 | 1 826 | 1 765 | 1 767 | 1 829 |
| CASH FLOW (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Cash earnings | 52 | 27 | 20 | 112 | 94 | 28 | 49 | 123 |
| Change in working capital | (15) | 21 | 2 | (62) | - | - | - | - |
| Cash flow from investments | (2) | (20) | (16) | (20) | - | (5) | (5) | - |
| Cash flow from financing | (60) | (26) | 39 | (78) | (64) | (57) | (17) | (28) |
| Net cash flow | (26) | 2 | 44 | (48) | 30 | (33) | 28 | 94 |

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel
+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|--|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|
| Revenues | 296 | 295 | 242 | 214 | 348 | 440 | 417 | 427 |
| EBITDA | 214 | 214 | 149 | 123 | 254 | 338 | 324 | 334 |
| Depreciation & amortisation | (79) | (169) | (105) | (107) | (116) | (126) | (127) | (128) |
| EBIT | 135 | 45 | 43 | 16 | 139 | 212 | 197 | 206 |
| Net interest | (33) | (35) | (40) | (54) | (53) | (44) | (42) | (39) |
| Other financial items | 4 | 4 | 3 | (9) | (12) | - | - | - |
| Profit before taxes | 105 | 13 | 7 | (47) | 74 | 168 | 155 | 167 |
| Taxes | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| Minority interest | - | - | - | - | - | - | - | - |
| Net profit | 105 | 13 | 7 | (47) | 74 | 168 | 155 | 167 |
| EPS reported | 1.14 | 0.14 | 0.05 | (0.33) | 0.51 | 1.14 | 1.06 | 1.14 |
| EPS adjusted | 1.11 | 1.01 | 0.13 | (0.21) | 0.59 | 1.14 | 1.06 | 1.14 |
| DPS | 0.69 | 0.58 | 0.14 | 0.11 | 0.47 | 0.76 | 0.69 | 0.74 |
| BALANCE SHEET (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Tangible non current assets | 1 203 | 1 222 | 1 559 | 1 666 | 1 604 | 1 487 | 1 370 | 1 252 |
| Other non-current assets | 3 | 3 | 4 | 5 | 5 | 5 | 5 | 5 |
| Other current assets | 51 | 69 | 90 | 98 | 151 | 151 | 151 | 151 |
| Cash & equivalents | 167 | 109 | 77 | 95 | 67 | 186 | 322 | 412 |
| Total assets | 1 424 | 1 404 | 1 730 | 1 864 | 1 827 | 1 829 | 1 847 | 1 819 |
| Total equity | 738 | 685 | 926 | 862 | 932 | 989 | 1 043 | 1 102 |
| Interest-bearing non-current debt | 630 | 644 | 721 | 873 | 751 | 684 | 622 | 561 |
| Interest-bearing current debt | 32 | 58 | 65 | 94 | 100 | 100 | 100 | 100 |
| Other Debt | 23 | 17 | 18 | 35 | 44 | 56 | 81 | 56 |
| Total liabilities & equity | 1 424 | 1 404 | 1 730 | 1 864 | 1 827 | 1 829 | 1 847 | 1 819 |
| CASH FLOW (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Cash earnings | 195 | 172 | 124 | 71 | 211 | 294 | 282 | 295 |
| Change in working capital | (21) | 22 | (22) | (17) | (55) | - | - | - |
| Cash flow from investments | (126) | (223) | (450) | (223) | (58) | (9) | (10) | (10) |
| Cash flow from financing | (48) | (28) | 316 | 187 | (125) | (166) | (137) | (195) |
| Net cash flow | 0 | (57) | (32) | 18 | (28) | 119 | 135 | 90 |
| CAPITALIZATION & VALUATION (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Share price (USD end) | 8.1 | 4.14 | 3.59 | 3.92 | 8.3 | 5.5 | 5.5 | 5.5 |
| Number of shares end period | 93 | 93 | 142 | 143 | 147 | 147 | 147 | 147 |
| Net interest bearing debt | 496 | 592 | 709 | 872 | 784 | 598 | 401 | 250 |
| Enterprise value | 1 247 | 979 | 1 220 | 1 432 | 1 998 | 1 400 | 1 203 | 1 052 |
| EV/Sales | 4.2 | 3.3 | 5.0 | 6.7 | 5.7 | 3.2 | 2.9 | 2.5 |
| EV/EBITDA | 5.8 | 4.6 | 8.2 | 11.6 | 7.9 | 4.1 | 3.7 | 3.2 |
| EV/EBIT | 9.2 | 22.0 | 28.2 | 87.9 | 14.4 | 6.6 | 6.1 | 5.1 |
| P/E reported | 7.1 | 29.5 | 67.6 | - | 16.1 | 4.8 | 5.2 | 4.8 |
| P/E adjusted | 7.3 | 4.1 | 27.8 | - | 14.0 | 4.8 | 5.2 | 4.8 |
| P/B | 1.0 | 0.6 | 0.6 | 0.6 | 1.3 | 0.8 | 0.8 | 0.7 |
| FINANCIAL ANALYSIS & CREDIT METRICS | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| ROE adjusted (%) | 14.5 | 13.2 | 2.0 | - | 9.5 | 17.5 | 15.3 | 15.6 |
| Dividend yield (%) | 8.5 | 14.0 | 3.9 | 2.8 | 5.7 | 13.9 | 12.6 | 13.5 |
| EBITDA margin (%) | 72.3 | 72.5 | 61.5 | 57.6 | 73.2 | 76.9 | 77.7 | 78.2 |
| EBIT margin (%) | 45.7 | 15.1 | 17.9 | 7.6 | 40.0 | 48.2 | 47.2 | 48.2 |
| NIBD/EBITDA | 2.32 | 2.77 | 4.77 | 7.08 | 3.08 | 1.77 | 1.24 | 0.75 |
| EBITDA/Net interest | 6.41 | 6.12 | 3.83 | 2.29 | 4.76 | 7.64 | 7.79 | 8.64 |

Buy - Target USD 18.4 / Share price USD 10.2

Forecast changes

| % | 2019e | 2020e | 2021e | 4Q'19e |
|--------------|-------|-------|-------|--------|
| Revenues | (10) | (12) | (1) | (21) |
| EBITDA | (18) | (17) | 1 | (30) |
| EBIT adj | (55) | (25) | (1) | (40) |
| EPS reported | NM | (30) | (3) | (47) |
| EPS adj | NM | (30) | (3) | (47) |

The tests are coming up

[At ~3x our revised EPS-estimates, Diamond S is strikingly cheap vs. peers. The company needs to develop its track record, and we expect the Q4'19 numbers later this week to be the first steps of this. We estimate a NAV for the suez- and MR owner, with the large fleet of ~10 year old tankers. Our current NAV exceeds USD 20, which implies a P/NAV of ~0.5x. This is not sustainable, and will be addressed by the company either through buybacks or asset sales if the situation lingers on. We will address our target price after the Q4 report tomorrow, but maintain BUY.

| Income statement (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19e | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | 61 | 83 | 82 | 125 | 137 | 97 | 114 | 165 |
| EBITDA | 30 | 34 | 32 | 76 | 87 | 47 | 63 | 115 |
| EBITDA adjusted | 30 | 34 | 32 | 76 | 87 | 47 | 63 | 115 |
| EBIT | 8 | 4 | (15) | 47 | 58 | 17 | 33 | 84 |
| EBIT adjusted | 8 | 4 | 3 | 47 | 58 | 17 | 33 | 84 |
| Profit before taxes | (1) | (9) | (27) | 35 | 46 | 6 | 22 | 74 |
| Net profit | (1) | (9) | (26) | 35 | 46 | 6 | 22 | 74 |
| EPS reported | (0.02) | (0.21) | (0.65) | 0.87 | 1.16 | 0.14 | 0.56 | 1.86 |
| EPS adjusted | (0.02) | (0.21) | (0.19) | 0.87 | 1.16 | 0.14 | 0.56 | 1.86 |
| BALANCE SHEET (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19e | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Tangible non current assets | 2 012 | 1 989 | 1 928 | 1 902 | 1 883 | 1 862 | 1 832 | 1 803 |
| Other non-current assets | 18 | 20 | 16 | 16 | 16 | 16 | 16 | 16 |
| Other current assets | 91 | 109 | 98 | 100 | 104 | 108 | 112 | 116 |
| Cash & equivalents | 76 | 64 | 76 | 104 | 135 | 126 | 143 | 212 |
| Total assets | 2 197 | 2 182 | 2 117 | 2 121 | 2 137 | 2 112 | 2 103 | 2 147 |
| Total equity | 1 212 | 1 203 | 1 177 | 1 212 | 1 258 | 1 264 | 1 286 | 1 360 |
| Interest-bearing non-current debt | 828 | 803 | 761 | 803 | 772 | 741 | 710 | 680 |
| Interest-bearing current debt | 119 | 126 | 123 | 50 | 50 | 50 | 50 | 50 |
| Other Debt | 38 | 50 | 57 | 57 | 57 | 57 | 57 | 57 |
| Total liabilities & equity | 2 197 | 2 182 | 2 117 | 2 121 | 2 137 | 2 112 | 2 103 | 2 147 |
| CASH FLOW (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19e | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Cash earnings | 21 | 8 | 38 | 64 | 76 | 36 | 53 | 105 |
| Change in working capital | (11) | (6) | (8) | (2) | (4) | (4) | (4) | (4) |
| Cash flow from investments | (306) | 5 | 27 | (3) | (10) | (10) | (1) | (1) |
| Cash flow from financing | 300 | (19) | (45) | (31) | (31) | (31) | (31) | (31) |
| Net cash flow | 5 | (12) | 11 | 28 | 31 | (9) | 17 | 69 |

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel
+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2018 | 2019e | 2020e | 2021e | 2022e |
|--|---------------|---------------|--------------|--------------|--------------|
| Revenues | 308 | 352 | 513 | 532 | 496 |
| EBITDA | 106 | 172 | 313 | 314 | 277 |
| Depreciation & amortisation | (138) | (127) | (121) | (124) | (125) |
| EBIT | (32) | 44 | 191 | 189 | 152 |
| Net interest | (51) | (47) | (43) | (36) | (30) |
| Other financial items | - | - | - | - | - |
| Profit before taxes | (84) | (2) | 149 | 153 | 122 |
| Taxes | - | - | - | - | - |
| Minority interest | - | 2 | - | - | - |
| Net profit | (84) | (0) | 149 | 153 | 122 |
| EPS reported | (2.10) | (0.01) | 3.73 | 3.84 | 3.06 |
| EPS adjusted | (1.60) | (0.01) | 3.73 | 3.84 | 3.06 |
| DPS | - | - | - | - | - |
| BALANCE SHEET (USDm) | 2018 | 2019e | 2020e | 2021e | 2022e |
| Tangible non current assets | 2 027 | 1 902 | 1 803 | 1 705 | 1 604 |
| Other non-current assets | 20 | 16 | 16 | 16 | 16 |
| Other current assets | 76 | 100 | 116 | 121 | 126 |
| Cash & equivalents | 71 | 104 | 212 | 355 | 432 |
| Total assets | 2 194 | 2 121 | 2 147 | 2 197 | 2 178 |
| Total equity | 1 214 | 1 212 | 1 360 | 1 513 | 1 635 |
| Interest-bearing non-current debt | 838 | 803 | 680 | 576 | 436 |
| Interest-bearing current debt | 110 | 50 | 50 | 50 | 50 |
| Other Debt | 32 | 57 | 57 | 57 | 57 |
| Total liabilities & equity | 2 194 | 2 121 | 2 147 | 2 197 | 2 178 |
| CASH FLOW (USDm) | 2018 | 2019e | 2020e | 2021e | 2022e |
| Cash earnings | - | 130 | 270 | 277 | 248 |
| Change in working capital | - | (26) | (16) | (5) | (5) |
| Cash flow from investments | - | (277) | (22) | (26) | (25) |
| Cash flow from financing | - | 206 | (123) | (103) | (141) |
| Net cash flow | - | 33 | 109 | 143 | 77 |
| CAPITALIZATION & VALUATION (USDm) | 2018 | 2019e | 2020e | 2021e | 2022e |
| Share price (USD end) | | 16.7 | 10.2 | 10.2 | 10.2 |
| Number of shares end period | 40 | 40 | 40 | 40 | 40 |
| Net interest bearing debt | 877 | 749 | 506 | 260 | 42 |
| Enterprise value | | 1 451 | 946 | 700 | 482 |
| EV/Sales | | 4.1 | 1.8 | 1.3 | 1.0 |
| EV/EBITDA | | 8.5 | 3.0 | 2.2 | 1.7 |
| EV/EBIT | | 32.6 | 4.9 | 3.7 | 3.2 |
| P/E reported | | - | 2.7 | 2.7 | 3.3 |
| P/E adjusted | | - | 2.7 | 2.7 | 3.3 |
| P/B | | 0.6 | 0.3 | 0.3 | 0.3 |
| FINANCIAL ANALYSIS & CREDIT METRICS | 2018 | 2019e | 2020e | 2021e | 2022e |
| ROE adjusted (%) | | - | 11.6 | 10.7 | 7.8 |
| Dividend yield (%) | | - | - | - | - |
| EBITDA margin (%) | 34.5 | 48.8 | 60.9 | 59.0 | 55.9 |
| EBIT margin (%) | - | 12.7 | 37.3 | 35.6 | 30.7 |
| NIBD/EBITDA | 8.25 | 4.37 | 1.62 | 0.83 | 0.15 |
| EBITDA/Net interest | 2.06 | 3.69 | 7.31 | 8.61 | 9.34 |

Buy - Target USD 14.5 / Share price USD 9.4

Forecast changes

| % | 2020e | 2021e | 2022e | 1Q'20e |
|--------------|-------|-------|-------|--------|
| Revenues | (13) | 3 | NM | (7) |
| EBITDA | (17) | 3 | NM | (8) |
| EBIT adj | (26) | 2 | NM | (11) |
| EPS reported | (28) | 6 | NM | (10) |
| EPS adj | (28) | 6 | NM | (10) |

Rare ability to both grow and reward shareholders

While its scrubber-strategy now ensures full utilization through the strong Q4 and Q1, EURN also retains the benefits of having acquired significant volumes of VLSFO last summer. We expect near USD 1 of dividends to be paid out for H2'19 and Q1'20, and another USD 0.75 per share in H2'20. Thanks to its strong balance sheet (LTV <50%) EURN can both grow (as it recently did) and pay dividends at the same time, and we expect them to continue to do a bit of both going forward. At a 2020 dividend yield of 15% the name remains one of our top picks, with current NAV of USD 12.5 increasing to USD 14.5 by YE.

| Income statement (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
|---------------------------------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Revenues | 197 | 134 | 156 | 335 | 355 | 161 | 203 | 352 |
| EBITDA | 123 | 64 | 90 | 263 | 280 | 85 | 126 | 274 |
| EBITDA adjusted | 127 | 68 | 75 | 258 | 284 | 90 | 130 | 279 |
| EBIT | 43 | (17) | 10 | 183 | 200 | 6 | 47 | 194 |
| EBIT adjusted | 43 | (17) | (5) | 173 | 200 | 6 | 47 | 194 |
| Profit before taxes | 19 | (40) | (21) | 162 | 180 | (14) | 27 | 175 |
| Net profit | 20 | (39) | (23) | 161 | 179 | (15) | 27 | 174 |
| EPS reported | 0.09 | (0.18) | (0.11) | 0.75 | 0.83 | (0.07) | 0.12 | 0.81 |
| EPS adjusted | 0.09 | (0.18) | (0.14) | 0.70 | 0.83 | (0.07) | 0.12 | 0.81 |
| BALANCE SHEET (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Tangible non current assets | 3 523 | 3 416 | 3 330 | 3 214 | 3 135 | 3 057 | 2 979 | 3 083 |
| Other non-current assets | 87 | 83 | 84 | 126 | 130 | 134 | 138 | 143 |
| Other current assets | 360 | 413 | 468 | 503 | 483 | 483 | 483 | 483 |
| Cash & equivalents | 178 | 204 | 184 | 297 | 519 | 328 | 384 | 381 |
| Total assets | 4 148 | 4 116 | 4 065 | 4 140 | 4 268 | 4 003 | 3 984 | 4 091 |
| Total equity | 2 260 | 2 195 | 2 158 | 2 318 | 2 354 | 2 134 | 2 139 | 2 153 |
| Interest-bearing non-current debt | 1 463 | 1 507 | 1 550 | 1 484 | 1 434 | 1 388 | 1 343 | 1 298 |
| Interest-bearing current debt | 307 | 299 | 244 | 228 | 228 | 228 | 228 | 228 |
| Other Debt | 118 | 114 | 113 | 109 | 252 | 252 | 274 | 413 |
| Total liabilities & equity | 4 148 | 4 116 | 4 064 | 4 140 | 4 268 | 4 003 | 3 984 | 4 091 |
| CASH FLOW (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Cash earnings | 110 | 44 | 51 | 232 | 258 | 64 | 106 | 254 |
| Change in working capital | (23) | (45) | (83) | (12) | 20 | - | - | - |
| Cash flow from investments | (57) | 13 | 30 | (12) | (5) | (5) | (5) | (189) |
| Cash flow from financing | (24) | 13 | (18) | (94) | (50) | (251) | (45) | (67) |
| Net cash flow | 5 | 25 | (20) | 113 | 222 | (192) | 56 | (2) |

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel
+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|--|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Revenues | 775 | 628 | 489 | 482 | 822 | 1 071 | 955 | 1 003 |
| EBITDA | 562 | 436 | 243 | 196 | 540 | 765 | 642 | 687 |
| Depreciation & amortisation | (210) | (228) | (230) | (271) | (338) | (335) | (353) | (353) |
| EBIT | 403 | 248 | 43 | (36) | 219 | 447 | 305 | 350 |
| Net interest | (48) | (45) | (43) | (74) | (93) | (78) | (68) | (50) |
| Other financial items | - | - | - | - | (7) | - | - | - |
| Profit before taxes | 356 | 203 | (0) | (110) | 119 | 369 | 238 | 300 |
| Taxes | (6) | 0 | 1 | (0) | (0) | (5) | (1) | (1) |
| Minority interest | - | - | - | - | - | - | - | - |
| Net profit | 350 | 203 | 1 | (110) | 119 | 364 | 237 | 300 |
| EPS reported | 2.24 | 1.29 | 0.01 | (0.57) | 0.55 | 1.69 | 1.10 | 1.39 |
| EPS adjusted | 2.21 | 1.12 | (0.09) | (0.78) | 0.47 | 1.69 | 1.10 | 1.39 |
| DPS | 1.74 | 0.77 | 0.12 | 0.12 | 0.35 | 1.41 | 0.99 | 1.25 |
| BALANCE SHEET (USDm) | | | | | | | | |
| Tangible non current assets | 2 382 | 2 469 | 2 337 | 3 520 | 3 214 | 3 083 | 2 844 | 2 512 |
| Other non-current assets | 284 | 204 | 193 | 82 | 126 | 143 | 159 | 175 |
| Other current assets | 243 | 167 | 137 | 352 | 503 | 483 | 453 | 433 |
| Cash & equivalents | 132 | 207 | 144 | 173 | 297 | 381 | 336 | 401 |
| Total assets | 3 041 | 3 047 | 2 811 | 4 127 | 4 140 | 4 091 | 3 792 | 3 520 |
| Total equity | 1 906 | 1 888 | 1 846 | 2 260 | 2 318 | 2 153 | 1 877 | 1 705 |
| Interest-bearing non-current debt | 950 | 966 | 801 | 1 574 | 1 484 | 1 298 | 1 061 | 692 |
| Interest-bearing current debt | 102 | 119 | 97 | 194 | 228 | 228 | 228 | 228 |
| Other Debt | 83 | 73 | 66 | 98 | 109 | 413 | 626 | 896 |
| Total liabilities & equity | 3 041 | 3 047 | 2 811 | 4 127 | 4 140 | 4 091 | 3 792 | 3 520 |
| CASH FLOW (USDm) | | | | | | | | |
| Cash earnings | 532 | 371 | 190 | 115 | 437 | 682 | 574 | 636 |
| Change in working capital | (82) | 67 | 21 | 167 | (164) | 20 | 30 | 20 |
| Cash flow from investments | (219) | (173) | (43) | (88) | (26) | (204) | (114) | (20) |
| Cash flow from financing | (354) | (190) | (231) | (165) | (123) | (413) | (536) | (571) |
| Net cash flow | (122) | 75 | (63) | 29 | 124 | 85 | (45) | 65 |
| CAPITALIZATION & VALUATION (USDm) | | | | | | | | |
| Share price (USD end) | 13.8 | 8.0 | 9.2 | 7.1 | 12.3 | 9.4 | 9.4 | 9.4 |
| Number of shares end period | 159 | 158 | 158 | 218 | 215 | 215 | 215 | 215 |
| Net interest bearing debt | 921 | 879 | 755 | 1 595 | 1 415 | 1 144 | 953 | 519 |
| Enterprise value | 3 114 | 2 143 | 2 214 | 3 149 | 4 066 | 3 155 | 2 964 | 2 530 |
| EV/Sales | 4.0 | 3.4 | 4.5 | 6.5 | 4.9 | 2.9 | 3.1 | 2.5 |
| EV/EBITDA | 5.5 | 4.9 | 9.1 | 16.1 | 7.5 | 4.1 | 4.6 | 3.7 |
| EV/EBIT | 7.7 | 8.6 | 51.1 | - | 18.6 | 7.1 | 9.7 | 7.2 |
| P/E reported | 6.1 | 6.2 | - | - | 22.4 | 5.5 | 8.5 | 6.7 |
| P/E adjusted | 6.2 | 7.1 | - | - | 26.4 | 5.5 | 8.5 | 6.7 |
| P/B | 1.2 | 0.7 | 0.8 | 0.7 | 1.1 | 0.9 | 1.1 | 1.2 |
| FINANCIAL ANALYSIS & CREDIT METRICS | | | | | | | | |
| ROE adjusted (%) | 20.4 | 9.3 | - | - | 4.4 | 16.3 | 11.8 | 16.7 |
| Dividend yield (%) | 12.6 | 9.7 | 1.3 | 1.7 | 2.8 | 15.1 | 10.6 | 13.4 |
| EBITDA margin (%) | 72.5 | 69.4 | 49.8 | 40.6 | 65.7 | 71.5 | 67.2 | 68.5 |
| EBIT margin (%) | 52.0 | 39.5 | 8.9 | - | 26.6 | 41.8 | 32.0 | 34.9 |
| NIBD/EBITDA | 1.64 | 2.02 | 3.10 | 8.14 | 2.62 | 1.49 | 1.48 | 0.76 |
| EBITDA/Net interest | 11.69 | 9.13 | 5.25 | 2.52 | 5.69 | 9.97 | 9.74 | 14.08 |

Buy - Target USD 11.0 / Share price USD 7.7

Forecast changes

| % | 2020e | 2021e | 2022e | 1Q'20e |
|--------------|-------|-------|-------|--------|
| Revenues | (14) | 10 | NM | (6) |
| EBITDA | (20) | 8 | NM | (9) |
| EBIT adj | (25) | 11 | NM | (11) |
| EPS reported | (34) | 10 | NM | (14) |
| EPS adj | (34) | 10 | NM | (15) |

Strong Q4 performance – still on the look-out

Frontline remains the only company with any share-currency of some sort, and even after the very successful Trafigura-transaction we believe the company is on the look-out for more. With 1/3 each within VLCC, suezmax and aframax FRO is less exposed to our estimate revisions, but leverage is none-the-less high. We expect a sharp dividend focus this year, where the potential also is strong. With EPS just below USD 2, FRO is now cheap from an historical point of view, with our current NAV of NOK 66 moving to NOK 82 by YE. The historical 1.25x NAV premium then implies NOK 102 per share – our new TP.

| Income statement (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
|---------------------------------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Revenues | 140 | 104 | 98 | 223 | 312 | 121 | 156 | 294 |
| EBITDA | 96 | 55 | 42 | 164 | 254 | 64 | 99 | 236 |
| EBITDA adjusted | 96 | 55 | 42 | 164 | 252 | 64 | 99 | 236 |
| EBIT | 69 | 28 | 12 | 132 | 218 | 26 | 59 | 196 |
| EBIT adjusted | 69 | 28 | 12 | 132 | 216 | 26 | 59 | 196 |
| Profit before taxes | 40 | 1 | (10) | 109 | 187 | (5) | 27 | 166 |
| Net profit | 40 | 1 | (10) | 109 | 186 | (6) | 27 | 166 |
| EPS reported | 0.24 | 0.01 | (0.05) | 0.55 | 0.94 | (0.03) | 0.13 | 0.84 |
| EPS adjusted | 0.27 | 0.02 | (0.05) | 0.54 | 0.93 | (0.03) | 0.13 | 0.84 |
| BALANCE SHEET (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Tangible non current assets | 2 680 | 2 749 | 3 077 | 3 067 | 3 308 | 3 426 | 3 391 | 3 356 |
| Other non-current assets | 131 | 127 | 194 | 182 | 182 | 182 | 182 | 182 |
| Other current assets | 216 | 201 | 207 | 270 | 270 | 270 | 270 | 270 |
| Cash & equivalents | 96 | 93 | 110 | 179 | 271 | 23 | 29 | 99 |
| Total assets | 3 122 | 3 169 | 3 588 | 3 698 | 4 031 | 3 901 | 3 872 | 3 907 |
| Total equity | 1 204 | 1 215 | 1 380 | 1 510 | 1 568 | 1 552 | 1 569 | 1 636 |
| Interest-bearing non-current debt | 1 690 | 1 715 | 1 674 | 1 338 | 1 565 | 1 569 | 1 523 | 1 402 |
| Interest-bearing current debt | 144 | 148 | 416 | 722 | 722 | 722 | 722 | 722 |
| Other Debt | 84 | 91 | 119 | 127 | 176 | 57 | 57 | 147 |
| Total liabilities & equity | 3 122 | 3 169 | 3 588 | 3 698 | 4 031 | 3 901 | 3 872 | 3 907 |
| CASH FLOW (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Cash earnings | 71 | 20 | 22 | 156 | 220 | 32 | 67 | 205 |
| Change in working capital | 26 | 23 | 7 | (47) | - | - | - | - |
| Cash flow from investments | (57) | (84) | (19) | (30) | (275) | (155) | (5) | (5) |
| Cash flow from financing | (11) | 38 | 7 | (10) | 147 | (124) | (56) | (131) |
| Net cash flow | 29 | (3) | 17 | 69 | 92 | (248) | 6 | 70 |

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel
+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|--|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Revenues | 545 | 590 | 408 | 364 | 565 | 882 | 853 | 771 |
| EBITDA | 320 | 384 | 201 | 205 | 357 | 653 | 621 | 528 |
| Depreciation & amortisation | (82) | (207) | (398) | (123) | (118) | (153) | (160) | (164) |
| EBIT | 240 | 177 | (196) | 83 | 240 | 500 | 460 | 364 |
| Net interest | (47) | (56) | (69) | (92) | (93) | (126) | (103) | (97) |
| Other financial items | (12) | (3) | 1 | 1 | (7) | - | - | - |
| Profit before taxes | 180 | 118 | (264) | (8) | 140 | 374 | 357 | 267 |
| Taxes | (0) | (0) | (0) | (0) | (0) | (1) | (1) | (1) |
| Minority interest | (0) | (1) | (1) | (0) | (0) | (0) | (0) | (0) |
| Net profit | 180 | 117 | (265) | (9) | 140 | 373 | 356 | 266 |
| EPS reported | 1.15 | 0.75 | (1.56) | (0.05) | 0.78 | 1.88 | 1.80 | 1.34 |
| EPS adjusted | 0.92 | 1.20 | (0.01) | (0.12) | 0.81 | 1.87 | 1.80 | 1.34 |
| DPS | 0.60 | 0.85 | 0.15 | - | 0.50 | 1.25 | 0.90 | 0.65 |
| BALANCE SHEET (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Tangible non current assets | 2 150 | 2 322 | 2 673 | 2 631 | 3 067 | 3 356 | 3 369 | 3 401 |
| Other non-current assets | 270 | 261 | 139 | 139 | 182 | 182 | 182 | 182 |
| Other current assets | 189 | 181 | 217 | 242 | 270 | 270 | 270 | 270 |
| Cash & equivalents | 279 | 202 | 105 | 66 | 179 | 99 | 36 | 53 |
| Total assets | 2 887 | 2 966 | 3 134 | 3 078 | 3 698 | 3 907 | 3 858 | 3 907 |
| Total equity | 1 446 | 1 500 | 1 188 | 1 164 | 1 510 | 1 636 | 1 814 | 1 951 |
| Interest-bearing non-current debt | 1 195 | 1 281 | 1 723 | 1 698 | 1 338 | 1 402 | 1 229 | 1 109 |
| Interest-bearing current debt | 147 | 124 | 156 | 132 | 722 | 722 | 722 | 722 |
| Other Debt | 98 | 62 | 67 | 83 | 127 | 147 | 92 | 124 |
| Total liabilities & equity | 2 887 | 2 966 | 3 134 | 3 078 | 3 698 | 3 907 | 3 858 | 3 907 |
| CASH FLOW (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Cash earnings | 273 | 314 | 154 | 96 | 269 | 524 | 517 | 430 |
| Change in working capital | (21) | (28) | (29) | (50) | 9 | - | - | - |
| Cash flow from investments | (109) | (358) | (646) | (168) | (190) | (440) | (173) | (196) |
| Cash flow from financing | (166) | (5) | 423 | 83 | 24 | (164) | (406) | (217) |
| Net cash flow | 303 | (76) | (98) | (38) | 112 | (80) | (63) | 17 |
| CAPITALIZATION & VALUATION (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Share price (USD end) | 14.5 | 7.2 | 4.66 | 5.6 | 12.6 | 7.7 | 7.7 | 7.7 |
| Number of shares end period | 156 | 170 | 170 | 170 | 198 | 198 | 198 | 198 |
| Net interest bearing debt | 1 064 | 1 202 | 1 774 | 1 764 | 1 882 | 2 026 | 1 915 | 1 778 |
| Enterprise value | 3 335 | 2 425 | 2 566 | 2 713 | 4 384 | 3 555 | 3 444 | 3 307 |
| EV/Sales | 6.1 | 4.1 | 6.3 | 7.5 | 7.8 | 4.0 | 4.0 | 4.3 |
| EV/EBITDA | 10.4 | 6.3 | 12.7 | 13.2 | 12.3 | 5.4 | 5.6 | 6.3 |
| EV/EBIT | 13.9 | 13.7 | - | 32.7 | 18.2 | 7.1 | 7.5 | 9.1 |
| P/E reported | 12.6 | 9.7 | - | - | 16.3 | 4.1 | 4.3 | 5.8 |
| P/E adjusted | 15.8 | 6.0 | - | - | 15.6 | 4.1 | 4.3 | 5.8 |
| P/B | 1.6 | 0.8 | 0.7 | 0.8 | 1.7 | 0.9 | 0.8 | 0.8 |
| FINANCIAL ANALYSIS & CREDIT METRICS | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| ROE adjusted (%) | 20.8 | 12.8 | - | - | 11.0 | 23.6 | 20.7 | 14.1 |
| Dividend yield (%) | 4.1 | 11.8 | 3.2 | - | 4.0 | 16.2 | 11.7 | 8.4 |
| EBITDA margin (%) | 58.6 | 65.1 | 49.4 | 56.4 | 63.2 | 74.1 | 72.8 | 68.4 |
| EBIT margin (%) | 44.0 | 30.1 | - | 22.8 | 42.5 | 56.7 | 54.0 | 47.1 |
| NIBD/EBITDA | 3.33 | 3.13 | 8.82 | 8.59 | 5.27 | 3.10 | 3.09 | 3.37 |
| EBITDA/Net interest | 5.72 | 6.87 | 3.01 | 2.10 | 3.84 | 5.17 | 6.04 | 5.45 |

Buy - Target USD 3.5 / Share price USD 2.2

Forecast changes

| % | 2020e | 2021e | 2022e | 1Q'20e |
|--------------|-------|-------|-------|--------|
| Revenues | (14) | (2) | NM | (22) |
| EBITDA | (22) | (5) | NM | (33) |
| EBIT adj | (32) | (8) | NM | (45) |
| EPS reported | (37) | (9) | NM | (50) |
| EPS adj | (37) | (9) | NM | (50) |

Superior operations

Hafnia achieved a ROE of ~10% last year, where all of its peers posted negative numbers. Its low cost operations, pool revenue, stellar financing terms and superior commercial operations enables the company to extract far better returns than its peers – and this has already translated into a sizeable dividend for Q4. Another one will be delivered in three months time (expect similar for Q1 as for Q4), and we have HAFNIA at a 12 – 19% yield over the coming years – and still only paying out 50% of earnings. As such, the NAV-discount of 27% is far to big. We estimate a YE'20 NAV of NOK 32, and see no reason why Hafnia should not trade there. BUY reiterated, our top pick

| Income statement (USDm) | 1Q'18 | 2Q'18 | 3Q'18 | 4Q'18 | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Revenues | - | - | - | - | 133 | 119 | 112 | 163 |
| EBITDA | - | - | - | - | 74 | 59 | 50 | 95 |
| EBITDA adjusted | - | - | - | - | 74 | 59 | 50 | 95 |
| EBIT | - | - | - | - | 45 | 28 | 15 | 58 |
| EBIT adjusted | - | - | - | - | 45 | 28 | 15 | 58 |
| Profit before taxes | - | - | - | - | 28 | 12 | (10) | 43 |
| Net profit | - | - | - | - | 28 | 12 | (11) | 42 |
| EPS reported | - | - | - | - | 0.08 | 0.03 | (0.03) | 0.12 |
| EPS adjusted | - | - | - | - | 0.08 | 0.03 | (0.00) | 0.12 |
| BALANCE SHEET (USDm) | 1Q'18 | 2Q'18 | 3Q'18 | 4Q'18 | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 |
| Tangible non current assets | - | - | - | 1 172 | 2 136 | 2 164 | 2 250 | 2 312 |
| Other non-current assets | - | - | - | 3 | 49 | 29 | 33 | 34 |
| Other current assets | - | - | - | 87 | 190 | 188 | 218 | 243 |
| Cash & equivalents | - | - | - | 52 | 75 | 101 | 122 | 92 |
| Total assets | - | - | - | 1 314 | 2 450 | 2 483 | 2 624 | 2 681 |
| Total equity | - | - | - | 571 | 1 006 | 1 014 | 1 003 | 1 119 |
| Interest-bearing non-current debt | - | - | - | 613 | 1 171 | 1 149 | 1 289 | 1 238 |
| Interest-bearing current debt | - | - | - | 77 | 195 | 231 | 240 | 213 |
| Other Debt | - | - | - | 53 | 79 | 88 | 93 | 115 |
| Total liabilities & equity | - | - | - | 1 314 | 2 450 | 2 483 | 2 624 | 2 684 |
| CASH FLOW (USDm) | 1Q'18 | 2Q'18 | 3Q'18 | 4Q'18 | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 |
| Cash earnings | - | - | - | - | 57 | 45 | 32 | 79 |
| Change in working capital | - | - | - | - | (17) | 8 | (27) | (2) |
| Cash flow from investments | - | - | - | - | (90) | (19) | (98) | (89) |
| Cash flow from financing | - | - | - | - | 38 | (8) | 115 | (18) |
| Net cash flow | - | - | - | - | (11) | 26 | 21 | (31) |

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel
+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|-------------|--------------|--------------|--------------|---------------|--------------|
| Revenues | 30 | 119 | 212 | 203 | 208 | 203 | 527 |
| EBITDA | 20 | 33 | 105 | 85 | 84 | 76 | 278 |
| Depreciation & amortisation | (9) | (22) | (34) | (43) | (54) | (64) | (132) |
| EBIT | 11 | 11 | 77 | 48 | 30 | 12 | 146 |
| Net interest | (2) | (8) | (17) | (21) | (26) | (31) | (63) |
| Other financial items | - | - | - | - | (1) | (1) | (10) |
| Profit before taxes | 9 | 2 | 60 | 28 | 3 | (20) | 73 |
| Taxes | (0) | (1) | - | (1) | (0) | (0) | (1) |
| Minority interest | - | - | - | - | - | - | - |
| Net profit | 9 | 1 | 60 | 27 | 3 | (20) | 72 |
| EPS reported | 0.18 | 0.03 | 1.18 | 0.51 | | (0.07) | 0.21 |
| EPS adjusted | 0.18 | 0.03 | 1.18 | 0.51 | | (0.04) | 0.23 |
| DPS | - | - | - | 0.59 | - | - | 0.06 |
| | | | | | | | |
| BALANCE SHEET (USDm) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Tangible non current assets | 350 | 627 | 942 | 1 006 | 1 106 | 1 172 | 2 312 |
| Other non-current assets | 89 | 61 | 44 | 35 | 1 | 3 | 34 |
| Other current assets | 17 | 22 | 31 | 25 | 72 | 87 | 243 |
| Cash & equivalents | 137 | 74 | 123 | 95 | 41 | 52 | 92 |
| Total assets | 593 | 784 | 1 139 | 1 162 | 1 220 | 1 314 | 2 681 |
| Total equity | 525 | 525 | 617 | 604 | 398 | 571 | 1 119 |
| Interest-bearing non-current debt | 48 | 204 | 463 | 497 | 614 | 613 | 1 238 |
| Interest-bearing current debt | 15 | 49 | 41 | 48 | 158 | 77 | 213 |
| Other Debt | 5 | 6 | 18 | 13 | 50 | 53 | 115 |
| Total liabilities & equity | 593 | 784 | 1 139 | 1 162 | 1 220 | 1 314 | 2 684 |
| | | | | | | | |
| CASH FLOW (USDm) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Cash earnings | 18 | 20 | 96 | 64 | 83 | 26 | 213 |
| Change in working capital | (14) | (5) | 1 | 3 | (1) | 34 | (38) |
| Cash flow from investments | 133 | (264) | (334) | (102) | (143) | (12) | (296) |
| Cash flow from financing | (8) | 189 | 286 | 8 | 66 | (37) | 126 |
| Net cash flow | 129 | (59) | 49 | (27) | 4 | 11 | 6 |
| | | | | | | | |
| CAPITALIZATION & VALUATION (USDm) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Share price (USD end) | 10.2 | 7.6 | 9.6 | 9.3 | 6.3 | 5.7 | 3.11 |
| Number of shares end period | 48 | 48 | 52 | 52 | - | 343 | 370 |
| Net interest bearing debt | (74) | 179 | 381 | 449 | - | 638 | 1 360 |
| Enterprise value | 589 | 717 | 1 097 | 1 143 | - | 2 602 | 2 511 |
| EV/Sales | 19.4 | 6.0 | 5.2 | 5.6 | - | 12.8 | 4.8 |
| EV/EBITDA | 29.1 | 21.9 | 10.4 | 13.5 | - | 34.0 | 9.0 |
| EV/EBIT | 54.7 | 67.7 | 14.2 | 23.6 | - | - | 17.2 |
| P/E reported | 56.9 | - | 8.2 | 18.2 | - | - | 15.1 |
| P/E adjusted | 56.9 | - | 8.2 | 18.2 | - | - | 13.3 |
| P/B | 1.4 | 1.0 | 1.2 | 1.2 | - | 3.4 | 1.0 |
| | | | | | | | |
| FINANCIAL ANALYSIS & CREDIT METRICS | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| ROE adjusted (%) | | 0.3 | 10.5 | 4.4 | 0.7 | - | 9.6 |
| Dividend yield (%) | - | - | - | 6.4 | - | - | 1.8 |
| EBITDA margin (%) | 66.5 | 27.7 | 49.6 | 41.7 | 40.4 | 37.7 | 52.7 |
| EBIT margin (%) | 35.4 | 8.9 | 36.4 | 23.8 | 14.4 | 6.0 | 27.6 |
| NIBD/EBITDA | (3.68) | 5.45 | 3.63 | 5.30 | - | 8.34 | 4.89 |
| EBITDA/Net interest | 9.60 | 3.90 | 6.22 | 4.10 | 3.21 | 2.45 | 4.39 |

Buy - Target USD 0.53 / Share price USD 0.42

Forecast changes

| % | 2020e | 2021e | 2022e | 1Q'20e |
|--------------|-------|-------|-------|--------|
| Revenues | (25) | (5) | NM | (25) |
| EBITDA | (29) | (6) | NM | (28) |
| EBIT adj | (34) | (8) | NM | (31) |
| EPS reported | (42) | (14) | NM | (36) |
| EPS adj | (42) | (14) | NM | (36) |

A little late to the party

With still only three of seven ships in the water, HUNT is the company that is losing out the most (in our peer group) on the market rout we have witnessed this year. With high leverage towards resale values and limited earnings until H2, the uncertainty is higher here than in other names. Still, we expect an EPS of NOK 0.7 this year, and see current NAV of NOK 5 trending up to NOK 5.4 assuming an average resale value of USD 95m by year end. We maintain BUY on HUNT, with revised 0.9x YE'20 NAV target price of NOK 4.9.

| Income statement (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
|---------------------------------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
| Revenues | 0 | 0 | 0 | 24 | 21 | 13 | 23 | 42 |
| EBITDA | (0) | 0 | (0) | 21 | 18 | 9 | 17 | 36 |
| EBITDA adjusted | (0) | 0 | (0) | 8 | 18 | 9 | 17 | 36 |
| EBIT | (0) | 0 | (0) | 19 | 16 | 5 | 11 | 31 |
| EBIT adjusted | (0) | 0 | (0) | 6 | 16 | 5 | 11 | 31 |
| Profit before taxes | 0 | 1 | (2) | 16 | 13 | 2 | 7 | 25 |
| Net profit | 0 | 1 | (2) | 16 | 13 | 2 | 7 | 25 |
| EPS reported | 0.00 | 0.00 | (0.00) | 0.03 | 0.02 | 0.00 | 0.01 | 0.04 |
| EPS adjusted | 0.00 | 0.00 | (0.00) | 0.01 | 0.02 | 0.00 | 0.01 | 0.04 |
| BALANCE SHEET (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Tangible non current assets | 109 | 152 | 247 | 334 | 418 | 492 | 592 | 587 |
| Other non-current assets | - | - | - | - | - | - | - | - |
| Other current assets | 0 | 0 | 1 | 8 | 8 | 12 | 14 | 14 |
| Cash & equivalents | 8 | 45 | 10 | 52 | 30 | 6 | 11 | 27 |
| Total assets | 117 | 197 | 258 | 395 | 456 | 511 | 618 | 628 |
| Total equity | 117 | 197 | 195 | 211 | 224 | 226 | 233 | 252 |
| Interest-bearing non-current debt | 0 | 0 | 59 | 174 | 229 | 281 | 382 | 372 |
| Interest-bearing current debt | - | - | 1 | 6 | - | - | - | - |
| Other Debt | 0 | 0 | 3 | 3 | 3 | 3 | 3 | 3 |
| Total liabilities & equity | 117 | 197 | 258 | 395 | 456 | 511 | 618 | 628 |
| CASH FLOW (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Cash earnings | 0 | 1 | 1 | 6 | 15 | 6 | 12 | 31 |
| Change in working capital | 0 | (0) | (1) | (7) | - | (4) | (2) | - |
| Cash flow from investments | (52) | (43) | (96) | (77) | (87) | (77) | (106) | - |
| Cash flow from financing | (0) | 79 | 60 | 120 | 49 | 53 | 101 | (15) |
| Net cash flow | (51) | 37 | (35) | 43 | (23) | (23) | 5 | 15 |

Eirik Haavaldsen, Head of research

+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel

+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2018 | 2019 | 2020e | 2021e | 2022e |
|-------------------------------------|-------|-------|-------|-------|-------|
| Revenues | 0 | 25 | 98 | 121 | 120 |
| EBITDA | (13) | 20 | 80 | 99 | 98 |
| Depreciation & amortisation | - | (2) | (17) | (21) | (21) |
| EBIT | (13) | 18 | 63 | 77 | 76 |
| Net interest | 27 | (1) | (16) | (20) | (18) |
| Other financial items | (4) | (2) | - | - | - |
| Profit before taxes | 10 | 16 | 47 | 57 | 58 |
| Taxes | (3) | - | - | - | - |
| Minority interest | - | - | - | - | - |
| Net profit | 7 | 16 | 47 | 57 | 58 |
| EPS reported | 0.02 | 0.03 | 0.08 | 0.10 | 0.10 |
| EPS adjusted | 0.03 | 0.01 | 0.08 | 0.10 | 0.10 |
| DPS | - | - | 0.06 | 0.10 | 0.10 |
| BALANCE SHEET (USDm) | 2018 | 2019 | 2020e | 2021e | 2022e |
| Tangible non current assets | 57 | 334 | 587 | 566 | 544 |
| Other non-current assets | - | - | - | - | - |
| Other current assets | 0 | 8 | 14 | 14 | 14 |
| Cash & equivalents | 60 | 52 | 27 | (1) | 0 |
| Total assets | 117 | 395 | 628 | 578 | 558 |
| Total equity | 116 | 211 | 252 | 252 | 253 |
| Interest-bearing non-current debt | - | 174 | 372 | 337 | 302 |
| Interest-bearing current debt | - | 6 | - | - | - |
| Other Debt | 0 | 3 | 3 | (11) | 3 |
| Total liabilities & equity | 117 | 395 | 628 | 578 | 558 |
| CASH FLOW (USDm) | 2018 | 2019 | 2020e | 2021e | 2022e |
| Cash earnings | (6) | 8 | 64 | 79 | 80 |
| Change in working capital | 0 | (7) | (6) | - | - |
| Cash flow from investments | (242) | (267) | (270) | - | - |
| Cash flow from financing | 182 | 259 | 186 | (107) | (78) |
| Net cash flow | 60 | (7) | (26) | (28) | 1 |
| CAPITALIZATION & VALUATION (USDm) | 2018 | 2019 | 2020e | 2021e | 2022e |
| Share price (USD end) | 0.37 | 0.62 | 0.42 | 0.42 | 0.42 |
| Number of shares end period | 385 | 575 | 575 | 575 | 575 |
| Net interest bearing debt | (60) | 128 | 346 | 339 | 302 |
| Enterprise value | 83 | 487 | 589 | 582 | 546 |
| EV/Sales | - | 19.7 | 6.0 | 4.8 | 4.5 |
| EV/EBITDA | - | 24.1 | 7.4 | 5.9 | 5.6 |
| EV/EBIT | - | 26.7 | 9.3 | 7.5 | 7.2 |
| P/E reported | 21.8 | 18.9 | 5.2 | 4.2 | 4.2 |
| P/E adjusted | 13.0 | 57.4 | 5.2 | 4.2 | 4.2 |
| P/B | 1.2 | 1.7 | 1.0 | 1.0 | 1.0 |
| FINANCIAL ANALYSIS & CREDIT METRICS | 2018 | 2019 | 2020e | 2021e | 2022e |
| ROE adjusted (%) | - | 3.2 | 20.2 | 22.8 | 23.0 |
| Dividend yield (%) | - | - | 14.2 | 23.6 | 23.6 |
| EBITDA margin (%) | - | 81.7 | 81.5 | 81.5 | 81.3 |
| EBIT margin (%) | - | 73.9 | 64.3 | 63.8 | 63.4 |
| NIBD/EBITDA | 4.45 | 6.34 | 4.33 | 3.43 | 3.10 |
| EBITDA/Net interest | 0.49 | 12.03 | 4.94 | 4.93 | 5.41 |

Buy - Target USD 28 / Share price USD 21

Forecast changes

| % | 2020e | 2021e | 2022e | 1Q'20e |
|--------------|-------|-------|-------|--------|
| Revenues | (29) | 5 | NM | NM |
| EBITDA | (37) | 33 | NM | NM |
| EBIT adj | (46) | 45 | NM | NM |
| EPS reported | (57) | 63 | NM | NM |
| EPS adj | (57) | 63 | NM | NM |

Hurt by scrubber-retrofits in stellar Q1

International Seaways reported underlying Q4 numbers as expected yesterday, as it continues to enhance its fleet. The company spent 2019 very wisely, capitalizing on its LNGC JV that the market failed to give any praise. They are now selling older aframaxs and expanding their stellar LR1/panamax fleet, where they outperform the market by a mile. Still, we make significant 2020 revisions both due to lower rates and the fact that ~20-30% of VLCC days are lost in H1 due to scrubber retrofits (more than we expected). With NAV of ~USD 30, INSW is attractive, but earnings support is lower than for comparable names in 2020. Reiterate BUY. TP to 0.95x YF'20 NAV: USD 28

| Income statement (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
|---------------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Revenues | 102 | 69 | 71 | 124 | 123 | 66 | 87 | 146 |
| EBITDA | 38 | 11 | 16 | 66 | 72 | 15 | 34 | 92 |
| EBITDA adjusted | 40 | 20 | 23 | 49 | 75 | 18 | 37 | 95 |
| EBIT | 27 | 0 | 6 | 33 | 56 | (1) | 18 | 76 |
| EBIT adjusted | 29 | 2 | 4 | 31 | 56 | (1) | 18 | 76 |
| Profit before taxes | 11 | (17) | (11) | 16 | 40 | (12) | 7 | 66 |
| Net profit | 11 | (17) | (11) | 16 | 40 | (12) | 7 | 66 |
| EPS reported | 0.37 | (0.57) | (0.38) | 0.54 | 1.38 | (0.42) | 0.25 | 2.25 |
| EPS adjusted | 0.42 | (0.54) | (0.44) | 1.33 | 1.35 | (0.49) | 0.15 | 2.11 |
| BALANCE SHEET (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Tangible non current assets | 1 370 | 1 355 | 1 305 | 1 316 | 1 305 | 1 297 | 1 287 | 1 271 |
| Other non-current assets | 328 | 327 | 367 | 251 | 252 | 254 | 255 | 257 |
| Other current assets | 113 | 91 | 88 | 98 | 98 | 98 | 98 | 98 |
| Cash & equivalents | 80 | 92 | 68 | 90 | 127 | 95 | 87 | 143 |
| Total assets | 1 891 | 1 865 | 1 829 | 1 754 | 1 782 | 1 744 | 1 727 | 1 769 |
| Total equity | 1 018 | 995 | 982 | 1 022 | 1 061 | 1 047 | 1 053 | 1 116 |
| Interest-bearing non-current debt | 767 | 756 | 737 | 609 | 597 | 571 | 545 | 520 |
| Interest-bearing current debt | 66 | 69 | 64 | 83 | 83 | 83 | 83 | 83 |
| Other Debt | 40 | 45 | 45 | 39 | 40 | 42 | 45 | 49 |
| Total liabilities & equity | 1 891 | 1 865 | 1 829 | 1 754 | 1 782 | 1 744 | 1 727 | 1 769 |
| CASH FLOW (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Cash earnings | 17 | (4) | (0) | 56 | 60 | 9 | 31 | 91 |
| Change in working capital | 7 | 24 | (0) | (11) | - | - | - | - |
| Cash flow from investments | (27) | 2 | (2) | 94 | (9) | (13) | (12) | (7) |
| Cash flow from financing | 23 | (9) | (23) | (113) | (13) | (28) | (28) | (28) |
| Net cash flow | 20 | 13 | (26) | 26 | 38 | (32) | (9) | 56 |

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel
+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|-------------------------------------|-------|--------|---------|--------|--------|-------|-------|-------|
| Revenues | 498 | 398 | 290 | 270 | 366 | 422 | 463 | 479 |
| EBITDA | 258 | 86 | (29) | 18 | 131 | 212 | 260 | 280 |
| Depreciation & amortisation | (82) | (80) | (79) | (72) | (76) | (76) | (76) | (76) |
| EBIT | 222 | 23 | (59) | (25) | 66 | 149 | 197 | 217 |
| Net interest | (43) | (39) | (40) | (60) | (66) | (48) | (43) | (40) |
| Other financial items | (6) | (1) | (6) | (4) | (1) | - | - | - |
| Profit before taxes | 173 | (18) | (106) | (89) | (1) | 101 | 154 | 177 |
| Taxes | (0) | (0) | (0) | 0 | (0) | - | - | - |
| Minority interest | - | - | - | - | - | - | - | - |
| Net profit | 173 | (18) | (106) | (89) | (1) | 101 | 154 | 177 |
| EPS reported | | (0.62) | (3.64) | (3.05) | (0.03) | 3.46 | 5.27 | 6.06 |
| EPS adjusted | | 2.37 | (0.10) | (2.25) | 0.69 | 3.46 | 5.27 | 6.06 |
| DPS | - | - | - | - | - | 0.24 | 2.00 | 2.00 |
| BALANCE SHEET (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Tangible non current assets | 1 240 | 1 100 | 1 140 | 1 348 | 1 316 | 1 271 | 1 205 | 1 139 |
| Other non-current assets | 384 | 392 | 392 | 333 | 251 | 257 | 269 | 282 |
| Other current assets | 88 | 79 | 72 | 109 | 98 | 98 | 98 | 98 |
| Cash & equivalents | 318 | 92 | 60 | 58 | 90 | 143 | 188 | 257 |
| Total assets | 2 030 | 1 663 | 1 664 | 1 849 | 1 754 | 1 769 | 1 761 | 1 776 |
| Total equity | 1 384 | 1 180 | 1 086 | 1 010 | 1 022 | 1 116 | 1 212 | 1 331 |
| Interest-bearing non-current debt | 589 | 433 | 529 | 759 | 609 | 520 | 416 | 312 |
| Interest-bearing current debt | 6 | 6 | 24 | 52 | 83 | 83 | 83 | 83 |
| Other Debt | 51 | 43 | 26 | 28 | 39 | 49 | 49 | 49 |
| Total liabilities & equity | 2 030 | 1 663 | 1 664 | 1 849 | 1 754 | 1 769 | 1 761 | 1 776 |
| CASH FLOW (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Cash earnings | 268 | 116 | 5 | 7 | 68 | 191 | 217 | 240 |
| Change in working capital | (46) | 15 | (9) | (19) | 19 | - | - | - |
| Cash flow from investments | 114 | 26 | (138) | 96 | 67 | (41) | (10) | (10) |
| Cash flow from financing | (206) | (356) | 110 | (37) | (122) | (96) | (162) | (162) |
| Net cash flow | 318 | (226) | (32) | 47 | 33 | 54 | 45 | 68 |
| CAPITALIZATION & VALUATION (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Share price (USD end) | | 14.0 | 18.5 | 16.8 | 29.8 | 20.6 | 20.6 | 20.6 |
| Number of shares end period | | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Net interest bearing debt | | 348 | 493 | 752 | 602 | 460 | 311 | 139 |
| Enterprise value | | 757 | 1 030 | 1 243 | 1 473 | 1 062 | 913 | 741 |
| EV/Sales | | 1.9 | 3.6 | 4.6 | 4.0 | 2.5 | 2.0 | 1.5 |
| EV/EBITDA | | 8.8 | - | 69.5 | 11.3 | 5.0 | 3.5 | 2.6 |
| EV/EBIT | | 33.2 | - | - | 22.2 | 7.1 | 4.6 | 3.4 |
| P/E reported | | - | - | - | - | 5.9 | 3.9 | 3.4 |
| P/E adjusted | | 5.9 | - | - | 42.9 | 5.9 | 3.9 | 3.4 |
| P/B | | 0.3 | 0.5 | 0.5 | 0.9 | 0.5 | 0.5 | 0.5 |
| FINANCIAL ANALYSIS & CREDIT METRICS | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| ROE adjusted (%) | | 5.4 | - | - | 2.0 | 9.5 | 13.2 | 13.9 |
| Dividend yield (%) | | - | - | - | - | 1.2 | 9.7 | 9.7 |
| EBITDA margin (%) | 51.8 | 21.5 | - | 6.6 | 35.7 | 50.4 | 56.1 | 58.5 |
| EBIT margin (%) | 44.6 | 5.7 | - | - | 18.1 | 35.4 | 42.5 | 45.3 |
| NIBD/EBITDA | | 4.05 | (16.78) | 42.04 | 4.60 | 2.16 | 1.20 | 0.50 |
| EBITDA/Net interest | 5.90 | 4.35 | 1.66 | 0.62 | 2.12 | 4.69 | 6.40 | 7.37 |

Buy - Target USD 12.0 / Share price USD 7.3

Forecast changes

| % | 2020e | 2021e | 2022e | 1Q'20e |
|--------------|-------|-------|-------|--------|
| Revenues | (9) | 19 | NM | (6) |
| EBITDA | (12) | 25 | NM | (8) |
| EBIT adj | (15) | 35 | NM | (9) |
| EPS reported | (21) | 60 | NM | (11) |
| EPS adj | (21) | 60 | NM | (11) |

Stellar performance – high leverage

[Okeanis is sweeping the floor with its peers in Q1, with strong performance across the fleet. This leads to lower estimate reductions than for peers, and if the stellar track record is maintained there could be room for positive revisions here. OET is running a relatively tight shift liquidity wise though, and therefore prudently deferring the dividend in light of the more uncertain conditions. We see EPS of NOK 25 – 35 over the coming years, making the current share price of NOK 67 absurd (brand new ships). OET will either trade closer to NAV or be sold next year, and we maintain BUY. YE'20 NAV of 124, we apply a 10% liquidity/leverage discount here but still see 65% upside

| Income statement (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
|---------------------------------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Revenues | 15 | 14 | 22 | 49 | 68 | 35 | 46 | 78 |
| EBITDA | 9 | 8 | 14 | 39 | 57 | 24 | 34 | 65 |
| EBITDA adjusted | 9 | 8 | 14 | 39 | 57 | 24 | 34 | 65 |
| EBIT | 5 | 4 | 7 | 30 | 46 | 13 | 23 | 54 |
| EBIT adjusted | 5 | 4 | 7 | 30 | 46 | 13 | 23 | 54 |
| Profit before taxes | 0 | (4) | (3) | 18 | 35 | 2 | 10 | 41 |
| Net profit | 0 | (4) | (3) | 18 | 35 | 2 | 10 | 41 |
| EPS reported | 0.02 | (0.11) | (0.10) | 0.55 | 1.06 | 0.05 | 0.31 | 1.26 |
| EPS adjusted | 0.02 | (0.11) | (0.10) | 0.55 | 1.06 | 0.05 | 0.31 | 1.26 |
| BALANCE SHEET (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Tangible non current assets | 697 | 824 | 998 | 1 064 | 1 134 | 1 159 | 1 212 | 1 206 |
| Other non-current assets | 4 | 4 | 6 | 4 | 4 | 4 | 4 | 4 |
| Other current assets | 18 | 15 | 17 | 29 | 31 | 33 | 33 | 33 |
| Cash & equivalents | 22 | 17 | 12 | 13 | 34 | 39 | 23 | 48 |
| Total assets | 741 | 860 | 1 033 | 1 111 | 1 203 | 1 235 | 1 272 | 1 291 |
| Total equity | 317 | 328 | 324 | 342 | 377 | 378 | 388 | 420 |
| Interest-bearing non-current debt | 382 | 485 | 644 | 684 | 740 | 771 | 797 | 785 |
| Interest-bearing current debt | 26 | 31 | 39 | 49 | 50 | 50 | 50 | 50 |
| Other Debt | 15 | 16 | 26 | 36 | 36 | 36 | 36 | 36 |
| Total liabilities & equity | 741 | 860 | 1 033 | 1 111 | 1 203 | 1 235 | 1 272 | 1 291 |
| CASH FLOW (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Cash earnings | 7 | 1 | (0) | 28 | 45 | 12 | 22 | 53 |
| Change in working capital | (2) | 3 | 8 | (6) | (2) | (2) | - | - |
| Cash flow from investments | (65) | (131) | (179) | (70) | (80) | (35) | (65) | (5) |
| Cash flow from financing | 64 | 122 | 166 | 50 | 58 | 30 | 27 | (22) |
| Net cash flow | 4 | (5) | (5) | 2 | 21 | 4 | (16) | 25 |

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel
+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2018 | 2019 | 2020e | 2021e | 2022e |
|--|---------------|--------------|--------------|--------------|--------------|
| Revenues | 21 | 100 | 226 | 257 | 266 |
| EBITDA | 12 | 70 | 179 | 206 | 215 |
| Depreciation & amortisation | (7) | (25) | (43) | (45) | (45) |
| EBIT | 5 | 46 | 136 | 160 | 170 |
| Net interest | (7) | (34) | (48) | (52) | (49) |
| Other financial items | - | - | - | - | - |
| Profit before taxes | (3) | 12 | 88 | 109 | 121 |
| Taxes | - | - | - | - | - |
| Minority interest | - | - | - | - | - |
| Net profit | (3) | 12 | 88 | 109 | 121 |
| EPS reported | (0.10) | 0.37 | 2.69 | 3.32 | 3.71 |
| EPS adjusted | (0.10) | 0.37 | 2.69 | 3.32 | 3.71 |
| DPS | - | - | 1.30 | 2.32 | 2.60 |
| BALANCE SHEET (USDm) | 2018 | 2019 | 2020e | 2021e | 2022e |
| Tangible non current assets | 635 | 1 064 | 1 206 | 1 166 | 1 125 |
| Other non-current assets | 3 | 4 | 4 | 4 | 4 |
| Other current assets | 12 | 29 | 33 | 33 | 33 |
| Cash & equivalents | 18 | 13 | 48 | 53 | 97 |
| Total assets | 668 | 1 111 | 1 291 | 1 256 | 1 259 |
| Total equity | 317 | 342 | 420 | 452 | 489 |
| Interest-bearing non-current debt | 317 | 684 | 785 | 731 | 677 |
| Interest-bearing current debt | 22 | 49 | 50 | 50 | 50 |
| Other Debt | 12 | 36 | 36 | 23 | 44 |
| Total liabilities & equity | 668 | 1 111 | 1 291 | 1 256 | 1 259 |
| CASH FLOW (USDm) | 2018 | 2019 | 2020e | 2021e | 2022e |
| Cash earnings | 4 | 36 | 131 | 154 | 167 |
| Change in working capital | (3) | 3 | (4) | - | - |
| Cash flow from investments | (198) | (445) | (185) | (5) | (5) |
| Cash flow from financing | 206 | 402 | 92 | (144) | (118) |
| Net cash flow | 10 | (5) | 35 | 5 | 44 |
| CAPITALIZATION & VALUATION (USDm) | 2018 | 2019 | 2020e | 2021e | 2022e |
| Share price (USD end) | 7.6 | 12.2 | 7.3 | 7.3 | 7.3 |
| Number of shares end period | 31 | 33 | 33 | 33 | 33 |
| Net interest bearing debt | 321 | 719 | 786 | 727 | 629 |
| Enterprise value | 558 | 1 118 | 1 024 | 965 | 867 |
| EV/Sales | 26.2 | 11.1 | 4.5 | 3.8 | 3.3 |
| EV/EBITDA | 47.0 | 15.9 | 5.7 | 4.7 | 4.0 |
| EV/EBIT | - | 24.4 | 7.5 | 6.0 | 5.1 |
| P/E reported | - | 33.0 | 2.7 | 2.2 | 2.0 |
| P/E adjusted | - | 33.0 | 2.7 | 2.2 | 2.0 |
| P/B | 0.7 | 1.2 | 0.6 | 0.5 | 0.5 |
| FINANCIAL ANALYSIS & CREDIT METRICS | 2018 | 2019 | 2020e | 2021e | 2022e |
| ROE adjusted (%) | - | 3.6 | 23.1 | 24.9 | 25.8 |
| Dividend yield (%) | - | - | 17.9 | 31.9 | 35.7 |
| EBITDA margin (%) | 55.7 | 70.1 | 79.1 | 80.1 | 80.8 |
| EBIT margin (%) | 21.3 | 45.6 | 60.1 | 62.4 | 63.8 |
| NIBD/EBITDA | 27.05 | 10.22 | 4.39 | 3.53 | 2.92 |
| EBITDA/Net interest | 1.61 | 2.08 | 3.72 | 3.97 | 4.44 |

Buy - Target USD 29 / Share price USD 18

Forecast changes

| % | 2020e | 2021e | 2022e | 1Q'20e |
|--------------|-------|-------|-------|--------|
| Revenues | (16) | (3) | NM | NM |
| EBITDA | (24) | (7) | NM | NM |
| EBIT adj | (34) | (10) | NM | NM |
| EPS reported | (43) | (7) | NM | NM |
| EPS adj | (43) | (7) | NM | NM |

Messy start to IMO 2020

[Q4 was weaker than expected, and the whole of H1'20 is going to be impacted by the massive scrubber retrofitting programme. The decision to put scrubbers on MRs was always debated, and at the moment looks questionable. While we see massive potential in STNG once the whole fleet is back in the water and the market normalizes, the high leverage and lack of dividend potential in the near term will make the road to get there bumpy. We reiterate BUY, but lower our TP to USD 29 as we believe a 15% discount to our YE'20 NAV of USD 34 now is needed to the high financial leverage.

| Income statement (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
|---------------------------------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Revenues | 196 | 149 | 134 | 219 | 230 | 208 | 252 | 350 |
| EBITDA | 106 | 65 | 48 | 118 | 131 | 108 | 150 | 249 |
| EBITDA adjusted | 106 | 65 | 48 | 118 | 131 | 108 | 150 | 249 |
| EBIT | 60 | 15 | (4) | 59 | 71 | 47 | 89 | 187 |
| EBIT adjusted | 60 | 15 | (4) | 59 | 71 | 47 | 89 | 187 |
| Profit before taxes | 14 | (30) | (45) | 12 | 23 | (0) | 43 | 142 |
| Net profit | 14 | (30) | (45) | 12 | 23 | (0) | 43 | 142 |
| EPS reported | 0.28 | (0.58) | (0.88) | 0.21 | 0.41 | (0.00) | 0.75 | 2.50 |
| EPS adjusted | 0.22 | (0.63) | (0.91) | 0.23 | 0.41 | (0.00) | 0.75 | 2.50 |
| BALANCE SHEET (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Tangible non current assets | 3 967 | 3 955 | 4 686 | 4 706 | 4 704 | 4 699 | 4 672 | 4 626 |
| Other non-current assets | 180 | 188 | 152 | 155 | 155 | 155 | 155 | 155 |
| Other current assets | 90 | 81 | 88 | 101 | 106 | 106 | 106 | 106 |
| Cash & equivalents | 519 | 467 | 244 | 202 | 147 | 94 | 89 | 221 |
| Total assets | 4 756 | 4 692 | 5 170 | 5 164 | 5 112 | 5 053 | 5 022 | 5 108 |
| Total equity | 1 853 | 1 825 | 1 964 | 1 977 | 1 995 | 1 989 | 2 026 | 2 162 |
| Interest-bearing non-current debt | 2 490 | 2 391 | 2 718 | 2 701 | 2 631 | 2 578 | 2 510 | 2 459 |
| Interest-bearing current debt | 355 | 411 | 423 | 422 | 422 | 422 | 422 | 422 |
| Other Debt | 57 | 65 | 64 | 65 | 65 | 65 | 65 | 65 |
| Total liabilities & equity | 4 756 | 4 692 | 5 170 | 5 164 | 5 112 | 5 053 | 5 022 | 5 108 |
| CASH FLOW (USDm) | 1Q'19 | 2Q'19 | 3Q'19 | 4Q'19 | 1Q'20e | 2Q'20e | 3Q'20e | 4Q'20e |
| Cash earnings | 49 | 29 | 27 | 82 | 83 | 60 | 104 | 203 |
| Change in working capital | 25 | 18 | (8) | (13) | (5) | - | - | - |
| Cash flow from investments | (18) | (42) | (627) | (86) | (58) | (55) | (35) | (14) |
| Cash flow from financing | (131) | (57) | 385 | (25) | (75) | (59) | (74) | (56) |
| Net cash flow | (75) | (52) | (223) | (42) | (55) | (53) | (5) | 132 |

Eirik Haavaldsen, Head of research
+47 24 13 21 20, eirik.haavaldsen@paretosec.com

Jens Karvel
+47 24 13 21 54, jens.karvel@paretosec.com

| PROFIT & LOSS (fiscal year) (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
|-------------------------------------|--------|--------|---------|--------|--------|-------|-------|-------|
| Revenues | 751 | 521 | 505 | 580 | 698 | 1 040 | 1 103 | 1 128 |
| EBITDA | 414 | 198 | 96 | 187 | 337 | 638 | 696 | 721 |
| Depreciation & amortisation | (107) | (121) | (141) | (177) | (207) | (242) | (245) | (245) |
| EBIT | 307 | 77 | (45) | 11 | 130 | 395 | 452 | 476 |
| Net interest | (90) | (104) | (116) | (182) | (186) | (187) | (197) | (180) |
| Other financial items | 0 | 2 | 3 | (14) | 8 | - | - | - |
| Profit before taxes | 218 | (25) | (158) | (185) | (48) | 208 | 254 | 297 |
| Taxes | - | - | - | - | - | - | - | - |
| Minority interest | - | - | - | - | - | - | - | - |
| Net profit | 218 | (25) | (158) | (185) | (48) | 208 | 254 | 297 |
| EPS reported | 1.30 | (0.15) | (0.73) | (0.51) | (0.92) | 3.66 | 4.48 | 5.22 |
| EPS adjusted | 1.31 | (0.10) | (0.48) | (0.45) | (1.04) | 3.66 | 4.48 | 5.22 |
| DPS | 0.50 | 0.39 | 0.04 | 0.04 | 0.40 | 0.40 | 2.00 | 3.00 |
| BALANCE SHEET (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Tangible non current assets | 3 220 | 3 051 | 4 145 | 3 998 | 4 706 | 4 626 | 4 408 | 4 216 |
| Other non-current assets | 23 | 21 | 74 | 99 | 155 | 155 | 155 | 155 |
| Other current assets | 79 | 58 | 93 | 94 | 101 | 106 | 106 | 106 |
| Cash & equivalents | 201 | 100 | 186 | 594 | 202 | 221 | 361 | 370 |
| Total assets | 3 523 | 3 230 | 4 498 | 4 784 | 5 164 | 5 108 | 5 029 | 4 846 |
| Total equity | 1 414 | 1 315 | 1 685 | 1 839 | 1 977 | 2 162 | 2 303 | 2 429 |
| Interest-bearing non-current debt | 1 872 | 1 530 | 2 604 | 2 498 | 2 701 | 2 459 | 2 217 | 1 894 |
| Interest-bearing current debt | 178 | 353 | 163 | 412 | 422 | 422 | 422 | 422 |
| Other Debt | 60 | 32 | 46 | 35 | 65 | 65 | 87 | 101 |
| Total liabilities & equity | 3 523 | 3 230 | 4 498 | 4 784 | 5 164 | 5 108 | 5 029 | 4 846 |
| CASH FLOW (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Cash earnings | 389 | 184 | 36 | 70 | 187 | 450 | 499 | 541 |
| Change in working capital | 3 | (5) | 6 | (12) | 23 | (5) | - | - |
| Cash flow from investments | (767) | 1 | (1 019) | (50) | (773) | (162) | (27) | (52) |
| Cash flow from financing | 460 | (281) | 1 064 | 399 | 172 | (264) | (333) | (479) |
| Net cash flow | 85 | (101) | 87 | 407 | (391) | 19 | 139 | 9 |
| CAPITALIZATION & VALUATION (USDm) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| Share price (USD end) | 80.2 | 45.3 | 30.5 | 17.6 | 39.3 | 17.6 | 17.6 | 17.6 |
| Number of shares end period | 173 | 175 | 316 | 52 | 57 | 57 | 57 | 57 |
| Net interest bearing debt | 1 849 | 1 783 | 2 581 | 2 317 | 2 920 | 2 659 | 2 278 | 1 946 |
| Enterprise value | 15 726 | 9 694 | 12 206 | 3 225 | 5 154 | 3 660 | 3 279 | 2 947 |
| EV/Sales | 20.9 | 18.6 | 24.2 | 5.6 | 7.4 | 3.5 | 3.0 | 2.6 |
| EV/EBITDA | 37.9 | 48.9 | - | 17.2 | 15.3 | 5.7 | 4.7 | 4.1 |
| EV/EBIT | 51.2 | - | - | - | 39.7 | 9.3 | 7.3 | 6.2 |
| P/E reported | 61.6 | - | - | - | - | 4.8 | 3.9 | 3.4 |
| P/E adjusted | 61.3 | - | - | - | - | 4.8 | 3.9 | 3.4 |
| P/B | 9.8 | 6.0 | 5.7 | 0.5 | 1.1 | 0.5 | 0.4 | 0.4 |
| FINANCIAL ANALYSIS & CREDIT METRICS | 2015 | 2016 | 2017 | 2018 | 2019 | 2020e | 2021e | 2022e |
| ROE adjusted (%) | 17.0 | - | - | - | - | 10.0 | 11.4 | 12.5 |
| Dividend yield (%) | 0.6 | 0.8 | 0.1 | 0.2 | 1.0 | 2.3 | 11.3 | 17.0 |
| EBITDA margin (%) | 55.2 | 38.0 | 19.1 | 32.3 | 48.3 | 61.3 | 63.1 | 63.9 |
| EBIT margin (%) | 40.9 | 14.7 | - | 1.8 | 18.6 | 38.0 | 40.9 | 42.2 |
| NIBD/EBITDA | 4.46 | 8.99 | 26.75 | 12.37 | 8.67 | 4.17 | 3.27 | 2.70 |
| EBITDA/Net interest | 4.64 | 1.92 | 1.29 | 1.03 | 1.81 | 3.40 | 3.53 | 4.01 |

| TANKERS | Share price | NAV per | P/NAV | EV/GAV | EV/EBITDA | | | P/E | | | Dividend yield | | |
|--------------------------|--------------|----------|--------------|--------------|-------------|-------------|-------------|--------------|--------------|-------------|----------------|------------|------------|
| | (last close) | share | x | x | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e |
| ARDMORE | \$5.22 | \$8.12 | 0.64x | 0.85x | 5.6x | 4.9x | 4.4x | 7.1x | 5.9x | 5.3x | 8% | 10% | 11% |
| DHT HOLDINGS | \$5.47 | \$6.98 | 0.78x | 0.86x | 4.1x | 3.7x | 3.2x | 4.8x | 5.2x | 4.8x | 14% | 13% | 14% |
| DIAMOND S | \$10.2 | \$21.7 | 0.47x | 0.71x | 2.9x | 2.1x | 1.6x | 2.7x | 2.7x | 3.3x | - | - | - |
| EURONAV | \$9.39 | \$12.8 | 0.73x | 0.84x | 4.0x | 4.5x | 3.6x | 5.5x | 8.5x | 6.7x | 15% | 11% | 13% |
| FRONTLINE | kr 76 | kr 65 | 1.17x | 1.06x | 5.6x | 5.7x | 6.5x | 4.4x | 4.6x | 6.2x | 15% | 11% | 8% |
| HAFNIA LTD. | kr 19.9 | kr 29 | 0.69x | 0.86x | 4.7x | 3.7x | 2.8x | 4.0x | 3.0x | 2.6x | 12% | 17% | 19% |
| HUNTER GROUP | kr 3.9 | kr 5.1 | 0.77x | 0.90x | 7.4x | 5.9x | 5.6x | 5.2x | 4.2x | 4.2x | 14% | 24% | 24% |
| INTERNATIONAL SEAWAYS | \$20.6 | \$30.5 | 0.67x | 0.80x | 4.7x | 3.3x | 2.5x | 5.9x | 3.9x | 3.4x | 1% | 10% | 10% |
| OKEANIS ECO TANKERS | kr 67.0 | kr 104 | 0.64x | 0.90x | 5.7x | 4.7x | 4.0x | 2.7x | 2.2x | 2.0x | 18% | 32% | 36% |
| SCORPIO TANKERS | \$17.6 | \$31.8 | 0.55x | 0.83x | 5.8x | 4.7x | 4.1x | 4.8x | 3.9x | 3.4x | 2% | 11% | 17% |
| Average Tankers | | | 0.71x | 0.86x | 5.1x | 4.3x | 3.8x | 4.7x | 4.4x | 4.2x | 10% | 14% | 15% |
| LPG SHIPPING | Share price | NAV/shr | P/NAV | EV/GAV | EV/EBITDA | | | P/E | | | Dividend yield | | |
| | | | | | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e |
| AVANCE GAS | kr 40.4 | kr 51.3 | 0.79x | 0.92x | 3.6x | 3.3x | 4.2x | 2.8x | 2.4x | 4.2x | 21% | 18% | 14% |
| BW LPG | kr 57.7 | kr 74.5 | 0.77x | 0.89x | 3.4x | 3.5x | 5.0x | 2.5x | 3.2x | 7.9x | 21% | 19% | 9% |
| DORIAN LPG | \$10.86 | \$15.0 | 0.72x | 0.83x | 3.0x | 3.4x | 4.2x | 2.9x | 4.5x | 6.6x | 13% | 11% | 8% |
| Average LPG | | | 0.76x | 0.88x | 3.3x | 3.4x | 4.5x | 2.8x | 3.4x | 6.2x | 18% | 16% | 10% |
| LNG SHIPPING / INFRASTR. | Share price | NAV/shr | P/NAV | EV/GAV | EV/EBITDA | | | P/E | | | Dividend yield | | |
| | | | | | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e |
| AWILCO LNG | kr 1.75 | kr 2.77 | 0.63x | 0.95x | 9.0x | 9.1x | 10.1x | >50x | >50x | neg. | - | - | - |
| FLEX LNG | kr 61 | kr 134 | 0.46x | 0.82x | 10.7x | 8.0x | 8.2x | 6.6x | 4.3x | 5.2x | 6% | 11% | 15% |
| GASLOG | \$5.7 | \$6.6 | 0.86x | - | 7.6x | 7.1x | 6.2x | 11.1x | 12.2x | 6.0x | 11% | 11% | 11% |
| GOLAR LNG | \$12.6 | \$ 15.7* | 0.80x* | - | 12.5x | 11.7x | 13.7x | 79.9x | 40.2x | >50x | - | 2% | 2% |
| HØEGH LNG | kr 19.0 | kr 24.3* | 0.78x* | 0.98x | 6.8x | 5.9x | 5.6x | neg. | 12.3x | 11.3x | 5% | 5% | 5% |
| Average LNG | | | 0.71x | 0.88x | 9.3x | 8.4x | 8.8x | 32.6x | 17.3x | 7.5x | 4% | 6% | 6% |
| DRY BULK | Share price | NAV/shr | P/NAV | EV/GAV | EV/EBITDA | | | P/E | | | Dividend yield | | |
| | | | | | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e |
| BELSHIPS | kr 6.0 | kr 8.2 | 0.73x | 0.83x | 8.6x | 3.9x | 4.6x | >50x | 4.3x | 8.4x | - | 0% | 7% |
| GOODBULK | kr 119 | kr 94 | 1.26x | 1.30x | 8.4x | 6.0x | 6.3x | 17.5x | 8.0x | 9.4x | 12% | 14% | 13% |
| DIANA SHIPPING | \$2.16 | \$ 3.3 | 0.66x | 0.86x | 11.2x | 4.3x | 4.2x | neg. | 4.9x | 7.8x | - | - | - |
| GOLDEN OCEAN | \$4.0 | \$5.4 | 0.73x | 0.88x | 10.7x | 5.7x | 6.0x | 36.7x | 4.4x | 5.7x | 6% | 10% | 10% |
| SCORPIO BULKERS | \$2.99 | \$ 6.8 | 0.44x | 0.77x | 10.2x | 5.4x | 6.1x | neg. | 4.1x | 10.3x | 3% | 3% | 3% |
| STAR BULK CARRIERS | \$8.5 | \$8.9 | 0.95x | 0.98x | 6.1x | 4.8x | 4.3x | 6.7x | 4.6x | 4.4x | 7% | 11% | 11% |
| Average Drybulk | | | 0.80x | 0.94x | 9.2x | 5.0x | 5.2x | 20.3x | 5.0x | 7.6x | 5% | 7% | 7% |
| LINER SHIPPING | Share price | | | | EV/EBITDA | | | P/E | | | Dividend yield | | |
| | | | | | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e |
| ODFJELL SE | kr 26.1 | - | - | - | 6.1x | 5.1x | 4.1x | 15.0x | 8.0x | 5.3x | - | - | - |
| STOLT-NIELSEN | kr 105 | - | - | - | 5.8x | 5.1x | 4.8x | 6.3x | 5.1x | 5.7x | 9% | 9% | 9% |
| WALLENIOUS WILHELMSSEN | kr 16.6 | - | - | - | 4.9x | 3.6x | 3.2x | 6.6x | 3.2x | 2.5x | 8% | 8% | 8% |
| Average Liner | | | | | 5.6x | 4.6x | 4.0x | 9.3x | 5.4x | 4.5x | 6% | 6% | 6% |
| MARITIME LEASING | Share price | | | | EV/EBITDA | | | P/E | | | Dividend yield | | |
| | | | | | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e | 2020e | 2021e | 2022e |
| AMERICAN SHIPPING CO. | kr 29.9 | - | - | - | 7.7x | 6.2x | na | 8.5x | 5.1x | na | 12% | 15% | - |
| OCEAN YIELD | kr 38.9 | - | - | - | 10.1x | 9.2x | na | 8.5x | 6.5x | na | 14% | 14% | - |
| SHIP FINANCE | \$12.4 | - | - | - | 8.1x | 10.0x | na | 11.7x | 23.2x | na | 11% | 11% | - |
| Average Leasing | | | | | 8.6x | 8.5x | na | 9.6x | 11.6x | na | 13% | 13% | - |

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| | | |
|-----------------|--------|---|
| Equity ratings: | "Buy" | Pareto Securities Research expects this financial instrument's total return to exceed 10% over the next 12 months |
| | "Hold" | Pareto Securities Research expects this financial instrument's total return to be between -10% and 10% over the next 12 months |
| | "Sell" | Pareto Securities Research expects this financial instrument's total return to be negative by more than 10% over the next 12 months |

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Appendix A

Disclosure requirements pursuant to the Norwegian Securities Trading Regulations section 3-10 (2) and section 3-11 (1), letters a-b

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons – own a portion of the shares exceeding 5 % of the total share capital in any company where a recommendation has been produced or distributed by Pareto Securities AS.

| Companies | No. of shares | Holdings in % | Companies | No. of shares | Holdings in % |
|---------------------|---------------|---------------|---------------------------|---------------|---------------|
| Helgeland Sparebank | 2 010 630 | 9.63 % | SpareBank 1Østfold Akersl | 1 140 010 | 9.20 % |
| Pareto Bank ASA | 14 903 415 | 21.34 % | Sparebanken Vest | 6 027 044 | 5.62 % |

Pareto Securities AS or its affiliates own as determined in accordance with Section 13(d) of the US Exchange Act, 1 % or more of the equity securities of:

| Companies | No. of shares | Holdings in % | Companies | No. of shares | Holdings in % |
|-----------------------|---------------|---------------|---------------------------|---------------|---------------|
| Helgeland Sparebank | 2 010 630 | 9.63 % | SpareBank 1SMN | 1 880 567 | 1.45 % |
| Pareto Bank ASA | 14 903 415 | 21.34 % | SpareBank 1Østfold Akersl | 1 140 010 | 9.20 % |
| Selvaag Bolig ASA | 2 172 117 | 2.32 % | Sparebanken Møre | 305 239 | 3.09 % |
| SpareBank 1BV | 1655 920 | 2.63 % | Sparebanken Sør | 433 249 | 2.77 % |
| SpareBank 1Nord-Norge | 3 241 705 | 3.23 % | Sparebanken Vest | 6 027 044 | 5.62 % |

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Please find below an overview of material interests in shares held by employees in Pareto Securities AS, in companies where a recommendation has been produced or distributed by Pareto Securities AS. "By material interest" means holdings exceeding a value of NOK 50 000.

| Company | Analyst holdings* | Total holdings | Company | Analyst holdings* | Total holdings | Company | Analyst holdings* | Total holdings |
|--------------------------|-------------------|----------------|-------------------------|-------------------|----------------|---------------------------|-------------------|----------------|
| AF Gruppen | 0 | 18 475 | Høegh LNG | 0 | 3 890 | Sandnes Sparebank | 0 | 27 532 |
| Aker | 0 | 1021 | Ice Group | 0 | 100 910 | Scatec Solar | 0 | 35 000 |
| Aker BP | 0 | 9 449 | Jæren Sparebank | 0 | 500 | Schibsted ASA B Aksjer | 0 | 538 |
| American Shipping Compar | 0 | 3 500 | Komplett Bank | 0 | 106 079 | Seadrill | 0 | 14 319 |
| Atlantic Sapphire | 0 | 2 105 | Kongsberg Gruppen | 0 | 34 184 | Selvaag Bolig | 0 | 3 000 |
| Avance Gas | 0 | 4 580 | KWS | 75 | 75 | SpareBank 1BV | 0 | 22 700 |
| Axactor | 0 | 8 709 | Lerøy Seafood | 0 | 8 580 | SpareBank 1Nord-Norge | 0 | 27 325 |
| BASF | 270 | 270 | Mowi | 0 | 1904 | SpareBank 1Ringerike Hadr | 0 | 500 |
| Bonheur | 0 | 48 765 | NORBIT | 0 | 18 312 | SpareBank 1SMN | 0 | 17 865 |
| BRABank | 0 | 1371000 | Nordic Semiconductor | 0 | 6 000 | SpareBank 1SR-Bank | 0 | 30 040 |
| DNB | 0 | 31425 | Norsk Hydro | 0 | 96 639 | Sparebank 1Østfold Akersl | 0 | 450 |
| DNO | 0 | 417 388 | Northern Drilling | 0 | 5 220 | SpareBank 1Østlandet | 0 | 2 161 |
| DNO Bull ETN | 0 | 7 000 | Norwegian Air Shuttle | 0 | 40 447 | Sparebanken Sør | 0 | 15 940 |
| Entra | 0 | 8 777 | Norwegian Energy Compan | 0 | 300 | Sparebanken Vest | 0 | 5 984 |
| Equinor | 0 | 6 390 | Ocean Yield | 0 | 37 537 | Sparebanken Øst | 0 | 1500 |
| Europris | 0 | 15 150 | Okeanis Eco Tankers | 0 | 2 828 | Stolt-Nielsen | 0 | 42 426 |
| Fjord1 | 0 | 50 000 | Orkla | 0 | 18 774 | Storebrand | 0 | 5 815 |
| Fjordkraft Holding | 0 | 8 000 | Panoro Energy | 0 | 6 270 | Subsea 7 | 0 | 1 139 |
| Flex LNG | 0 | 112 | Pareto Bank | 0 | 1279 805 | Telenor | 0 | 2 731 |
| Frontline | 0 | 11730 | PGS | 0 | 11656 | TGS-NOPEC | 0 | 2 035 |
| Gjensidige Forsikring | 0 | 6 739 | Pioneer Property | 0 | 2 050 | VOWASA | 0 | 3 281 |
| Golden Ocean Group | 0 | 1744 | Protector Forsikring | 0 | 14 785 | XXL | 0 | 9 279 |
| Grieg Seafood | 0 | 770 | REC Silicon | 0 | 32 708 | Yara International | 0 | 13 983 |
| Hafnia Limited | 0 | 11000 | SalMar | 0 | 250 | Zenterio | 0 | 78 865 |
| Helgeland Sparebank | 0 | 4 127 | | | | | | |

This overview is updated monthly (last updated 17.02.2020).

*Analyst holdings refer to positions held by the Pareto Securities AS analyst covering the company.

Appendix B

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letters e-f, ref the Securities Trading Act Section 3-10

Overview over issuers of financial instruments where Pareto Securities AS have prepared or distributed investment recommendation, where Pareto Securities AS have been lead manager/co-lead manager or have rendered publicly known not immaterial investment banking services over the previous 12 months:

| | | |
|-------------------------------|------------------------------------|----------------------------|
| 2020Bulkers | Genel Energy | Norwegian Air Shuttle |
| Advanzia Bank | GG. St. Kongensgade 100 og 106 | Nouveau Monde Graphite |
| Africa Energy | Hafnia Limited | Ocean Yield |
| African Petroleum Corporation | Hafslund E-CO | Odfjell SE |
| Agder Energi | HKN Energy Ltd | OKEA |
| Aker ASA | Hunter Group ASA | Otiga Group |
| American Tanker | Hörmann Industries | Pareto Bank |
| Andfjord Salmon | Ice Group | Petroleum Geo-Services |
| Belships | ICWHolding | PetroTal |
| BRABank | Kingfish Zeeland | Pinewood Laboratories |
| Cabonline Group Holding AB | Klaveness Combination Carriers ASA | Pioneer Property Group |
| CentralNic Group | LifeFit | Providences Inv. Mngmt Pty |
| DNO | Luxaviation Holding | Questerre Energy |
| Erwe Immobilien | Monobank ASA | Shamran Petroleum |
| Euromicron AG | Mutares SE & Co. KGaA | Sparebanken Vest |
| Exmar NV | Navig8 | Stolt Nielsen |
| Filo Mining Corp | Navigator Holdings | TEMPTON Dienstleistungen |
| Flex LNG | Norbit ASA | United Camping AB |
| Floatel | Northern Ocean | Vantage Drilling |

This overview is updated monthly (this overview is for the period 31.01.2019 – 31.01.2020).

Appendix C

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11(4)

Distribution of recommendations

| Recommendation | % distribution |
|----------------|----------------|
| Buy | 58 % |
| Hold | 37 % |
| Sell | 5 % |

Distribution of recommendations (transactions*)

| Recommendation | % distribution |
|----------------|----------------|
| Buy | 87 % |
| Hold | 7 % |
| Sell | 7 % |

* Companies under coverage with which Pareto Securities Group has on-going or completed public investment banking services in the previous 12 months

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Appendix D

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| | | | |
|----------|---------------------------|------------------|-------------------|
| Azelio | Green Landscaping Holding | Mentice AB | Sedana Medical |
| Bionvent | IRRAS AB | Pledpharma AB | Shamara Petroleum |
| Climeon | Jetpak Top Holding AB | QleanAir Holding | |

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| | | | |
|-------------------------------|---------------------------|-------------------|-------------------------|
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| Cibus Nordic Real Estate | Saltängen Property Invest | Shamara Petroleum | Vostok Emerging Finance |
| Isofol Medical | SciBase Holding | | |

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| | | | |
|----------------------|-------------------|-------------|----------------|
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| Bonäsudden | Delarka | Logistri | Sydsvenska Hem |

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Appendix E

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter d, ref the Securities Trading Act Section 3-10

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| | | | |
|--------------------------------|-----------------------------|------------------------|-------------------------|
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| Baywa | Heidelberg Pharma * | MOBOTIX AG | Siemens Healthineers AG |
| Biotest * | Hypoport AG | OVH Holding AG | SMT Scharf AG * |
| Brenntag | Intershop Communications AG | Procredit Holding * | Surteco Group * |
| CORESTATE Capital Holding S.A. | ISRA Vision | PSI SOFTWARE AG * | Syzygy AG * |
| Daldrup & Söhne | Leifheit | PWO * | TAKKT AG |
| Demire | Logwin * | RIB Software * | Vapiano |
| Epigenomics AG* | Manz AG * | S&T AG * | va-Q-tec * |
| Gesco * | MAX Automation SE | Schaltbau Holding AG * | Viscom * |
| GFT Technologies * | Merkur Bank | | |

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Appendix F

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter g, ref the Securities Trading Act Section 3-10

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| | | | |
|-------------------|------------------------|-----------------------------|----------------------|
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| Baywa | Dermapharm Holding SE | Leifheit | OVH Holding AG |
| BB Biotech | First Sensor | MAX Automation SE | Siegfried Holding AG |
| B.R.A.I.N. | Godewind Immobilien AG | Merkur Bank | Vapiano |
| comdirect | Hypoport AG | MOBOTIX AG | |

This overview is updated monthly (last updated 17.02.2020).