

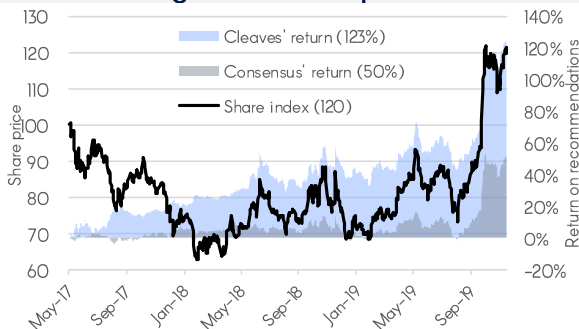


All stars are aligning for Oil Tankers

Oil Tankers BUY

Rising Asset Prices

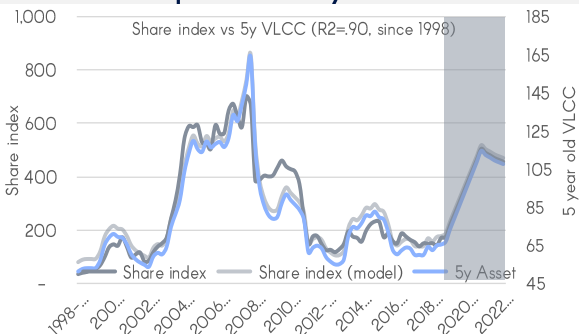
Segment share prices



Oil Tanker earnings have already reached peak-levels, with the expansionary phase of this cycle just having begun. We revise our asset prices further up, in what is likely one in many positive revisions over the coming years. We reiterate our BUY rating on Oil Tankers and see our Oil Tanker share index +55% in one year and +88% in two years.

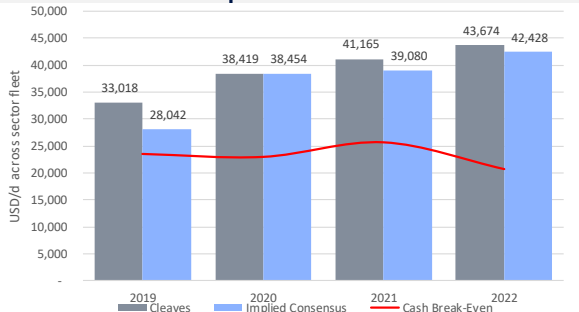
Changes to valuation: We have long argued that asset prices would rise, & we now increase our valuations between 1% & 31% depending on vessel class & vintage. This raises our NAVs by 16% on average, but we keep our Target Prices close to unchanged as we had already accounted for rising asset prices. Our top picks are: 1) **Tsakos Energy Navigation (BUY/9.6)** which despite an unfavourable capital structure is grossly undervalued & which share price has significantly underperformed peers, 2) **Teekay Tankers (BUY/39)** for its strong earnings capacity & sober pricing to NAV & 3) **Okeanis Eco Tankers (BUY/178)** for its top-notch fleet & investor-friendly policies.

Share prices vs 5y old VLCC



Market: Spot rates have surged in 4Q19 & have exhibited the high degree of volatility one would expect as fleet utilization nears 95%. Compared with October, when a myriad of short-term impacts pushed spot rates up to unsustainable levels, owners are now enjoying peak-level earnings mainly based on strong fundamentals which we believe will be even more profound in the coming years. The orderbook is at its lowest level since 1997, US exports continue to surge & the IMO'20 sulphur regulations should positively impact the market balance in a myriad of different ways. Current VLCC by timecharter rates gives a 50% FCF-yield & implies a fair value at \$93m ($R^2=0.76$) for a 5y old vessel, & \$72m ($R^2=0.82$) for a 10y old. Something must give: Either a reduction in earnings or an increase in asset prices. We see even higher earnings ahead, & we thus forecast another ~40-50% upside to our asset values in one to two years.

TCE/d across peers: CS vs consensus



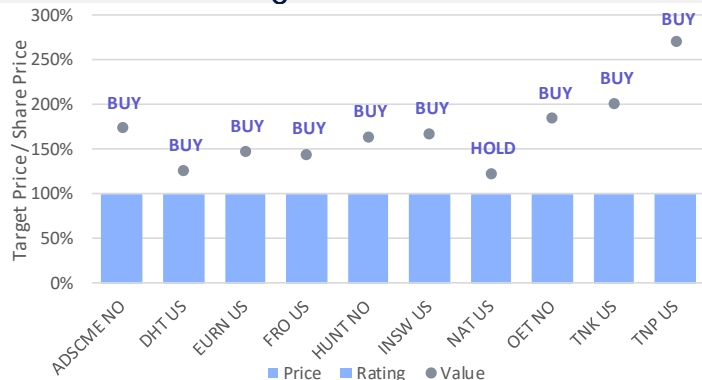
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Segment overview

	Mcap	Turnover	Recommendations & upside				old	
			Rec.	P	TP	+/-	Rec.	TP
ADSCME NO	69	0.2	BUY	27.2	47	73%	BUY	54
DHT US	1,083	15.6	BUY	7.4	9.3	26%	BUY	9.1
EURN US	2,403	24.7	BUY	10.9	16	47%	BUY	16
FRO US	2,187	23.9	BUY	11.1	16	44%	BUY	16
HUNT NO	307	1.1	BUY	4.9	8.0	63%	BUY	8.0
INSW US	774	5.8	BUY	26.4	44	66%	BUY	39
NAT US	512	11.1	HOLD	3.6	4.4	23%	HOLD	4.1
OET NO	347	0.4	BUY	97	178	84%	BUY	172
TNK US	656	7.0	BUY	19.5	39	100%	BUY	36
TNP US	318	0.9	BUY	3.6	9.6	170%	BUY	8.3
Average	866	9.1				70%		
Median	584	6.4				65%		

Segment overview



Source: Cleaves, Bloomberg, Clarksons SIN, company data

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



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Asset Valuation Revised Up

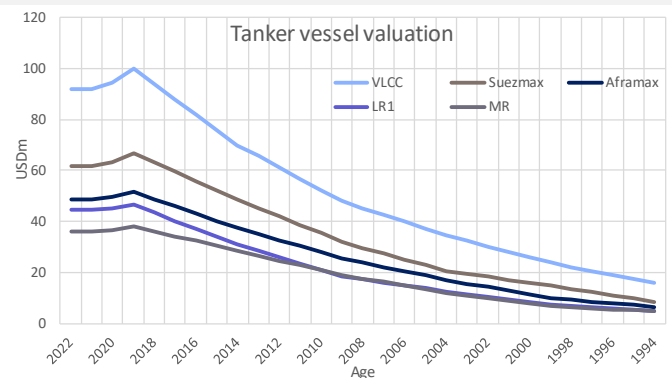
Considering the recent surge in spot rates and subsequent surge in timecharter rates, our longstanding view that asset prices would rise is playing out in front of our eyes. In addition to the upwards revision we did in our [Shipping Quarterly](#), we now further raise our oil tanker vessel second-hand valuation between 1% and 31% depending on vintage and asset class (please see tables below). Our updated valuations are based on a balanced approach between last done and brokers' ask in a rising market.

Asset valuation overview

Summary	VLCC	Suezmax	Aframax	LR2	LRI	MR	SR
NB	92.0	61.5	48.5	50.5	44.5	36.0	34.0
resale	100.0	67.0	51.5	53.5	46.5	38.0	36.5
5y	70.0	48.5	37.5	39.0	31.0	28.5	26.5
10y	48.0	32.0	25.5	26.5	18.5	19.0	16.0
15y	34.5	20.5	17.0	18.0	12.5	12.0	10.0
20y	23.8	14.8	9.9	10.4	7.5	7.0	4.6
scrap	15.8	8.5	6.5	6.5	5.0	4.6	3.1

All prices are excluding scrubbers

Asset valuation overview



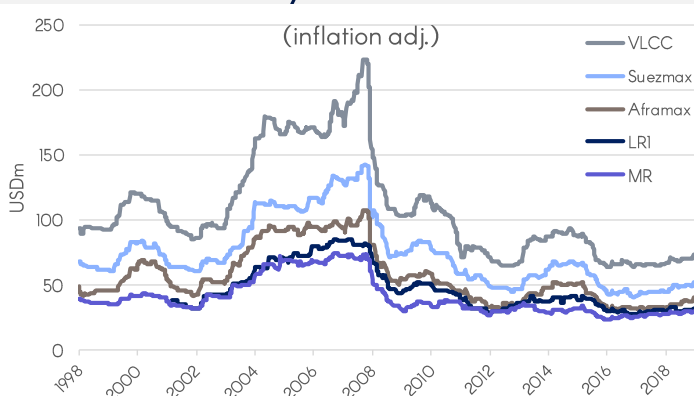
Changes to our asset valuation (USDm)

Changes	VLCC	Suezmax	Aframax	LR2	LRI	MR	SR
NB	-1.0	0.0	0.0	0.0	0.0	-0.5	0.0
resale	4.0	2.5	1.5	1.5	1.5	1.0	0.5
5y	3.0	2.0	1.5	1.5	1.5	1.5	0.5
10y	3.0	2.0	1.5	1.5	1.5	2.0	1.5
15y	2.0	2.0	2.0	2.0	1.5	1.5	1.0
20y	2.8	3.5	1.1	1.1	0.9	0.8	0.5
scrap	-1.2	-0.7	-0.5	-0.5	-0.4	-0.4	-0.2

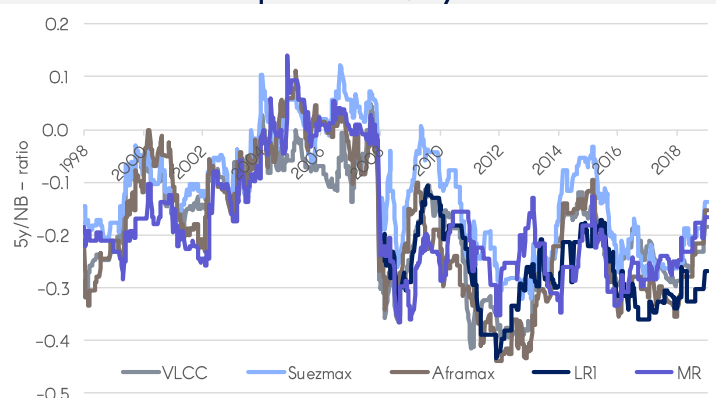
Changes to our asset valuation (%)

Changes	VLCC	Suezmax	Aframax	LR2	LR1	MR	SR
NB	-1%	0%	0%	0%	0%	-1%	0%
resale	4%	4%	3%	3%	3%	3%	1%
5y	4%	4%	4%	4%	5%	6%	2%
10y	7%	7%	6%	6%	9%	12%	10%
15y	6%	11%	13%	13%	14%	14%	11%
20y	13%	31%	13%	12%	13%	13%	13%
scrap	-7%	-7%	-7%	-7%	-7%	-7%	-7%

Historical 5y old vessel valuation

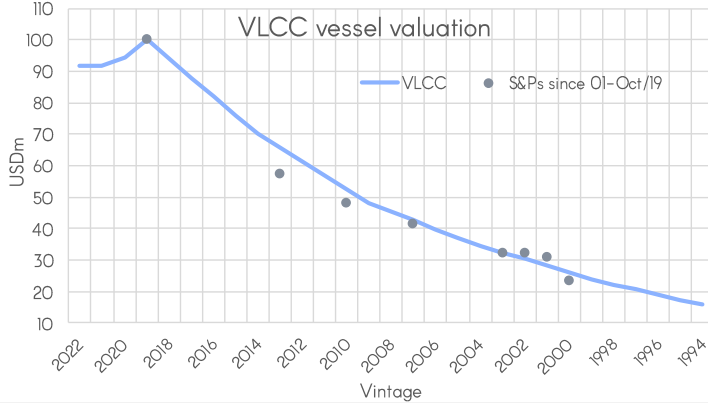


Historical price ratio, 5y / newbuild

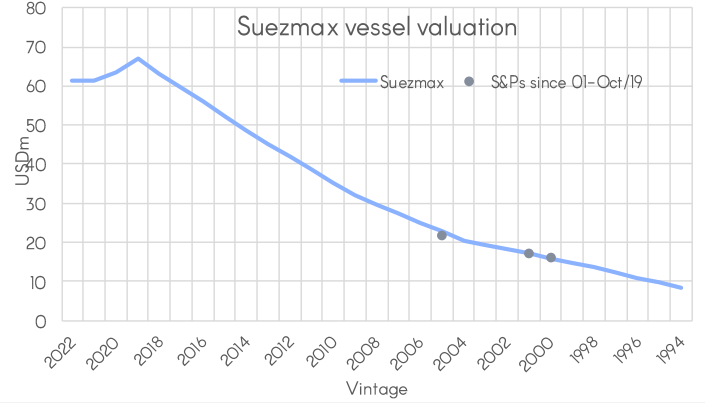




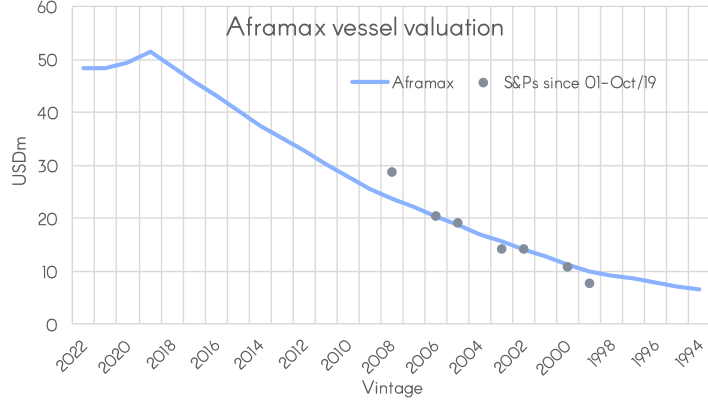
VLCC valuation vs recent S&P



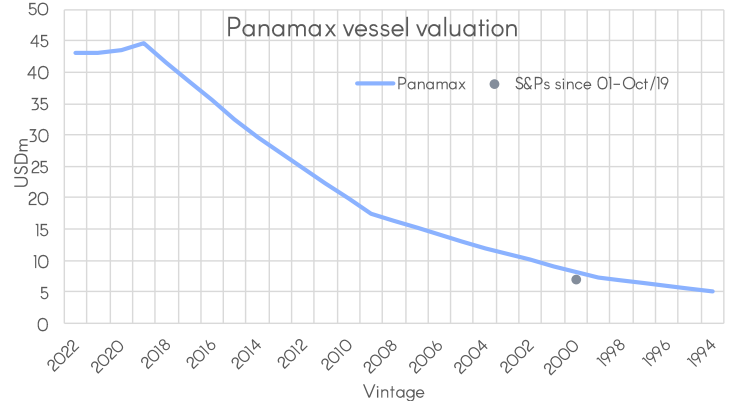
Suezmax valuation vs recent S&P



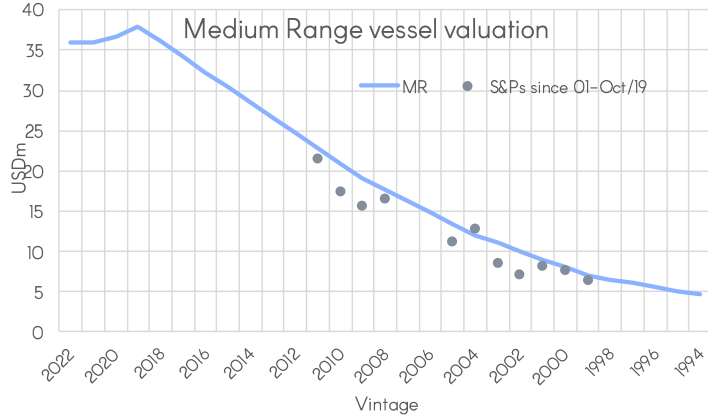
Aframax valuation vs recent S&P



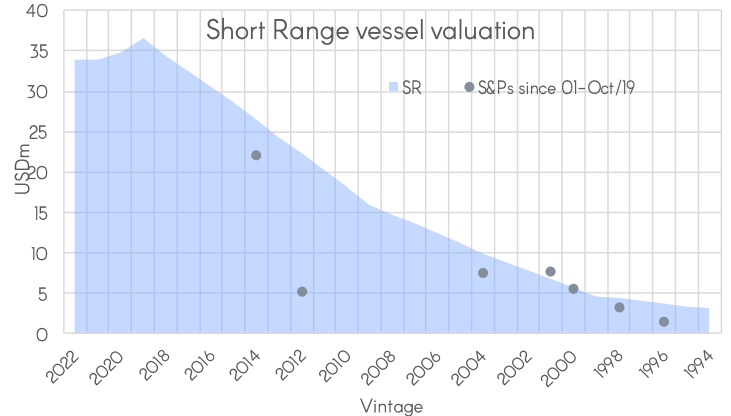
Panamax valuation vs recent S&P



MR valuation vs recent S&P



SR valuation vs recent S&P





Impact on Oil Tanker Companies

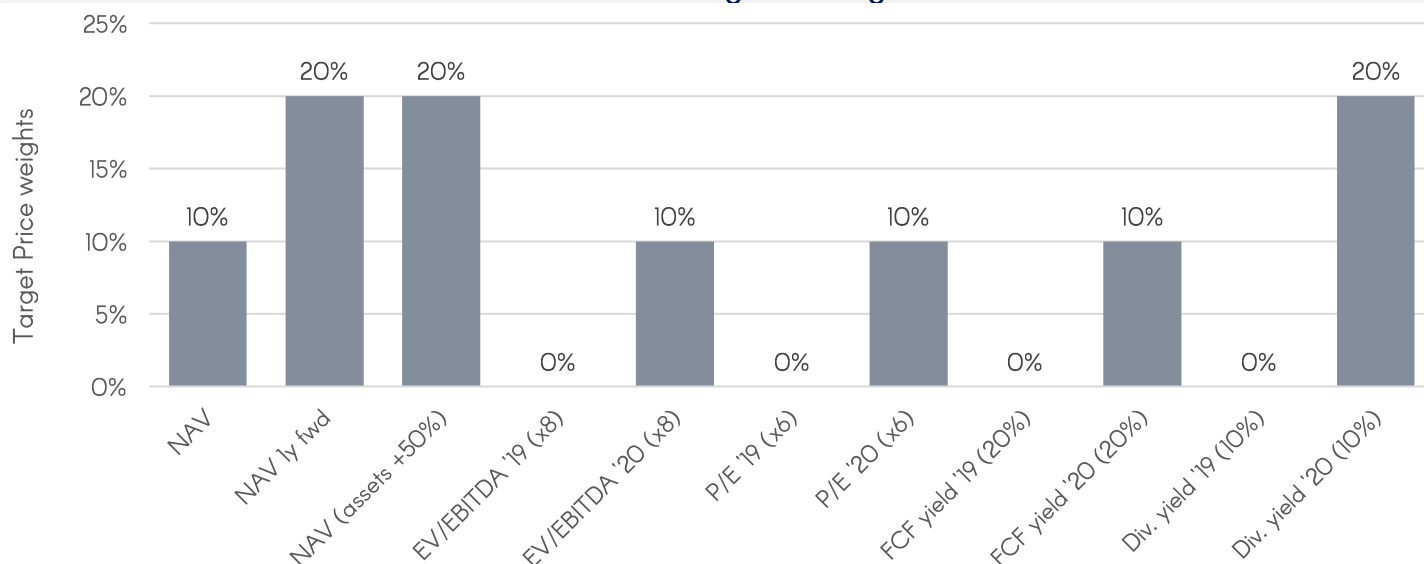
The table below shows the impact on our covered oil tanker companies. The change in NAV is primarily due to changes in our asset valuations as discussed above, but also impacted by 3Q19 reports which have been published since our [Shipping Quarterly](#).

Overview : Impact on our covered oil tanker companies

	Mcap Turnover		Recommendations & upside				old		NAV (new)		NAV (old)		Δ NAV
			Rec.	P	TP	+/-	Rec.	TP	NAV	P/NAV	NAV	P/NAV	
ADSCME NO	70	0.2	BUY	27.6	47	70%	BUY	54	25	1.09	25	1.11	2%
DHT US	1,083	15.6	BUY	7.4	9.3	26%	BUY	9.1	5.7	1.29	5.2	1.43	11%
EURN US	2,403	24.7	BUY	10.9	16	47%	BUY	16	9.6	1.14	9.9	1.10	-4%
FRO US	2,187	23.9	BUY	11.1	16	44%	BUY	16	7.8	1.42	6.3	1.78	25%
HUNT NO	309	1.1	BUY	4.9	8.0	62%	BUY	8.0	4.9	1.01	4.6	1.08	7%
INSW US	774	5.8	BUY	26.4	44	66%	BUY	39	32	0.82	30	0.89	8%
NAT US	512	11.1	HOLD	3.6	4.4	23%	HOLD	4.1	2.7	1.35	2.3	1.57	16%
OET NO	349	0.4	BUY	98	178	83%	BUY	172	93	1.05	81	1.21	15%
TNK US	656	7.0	BUY	19.5	39	100%	BUY	36	18	1.06	15	1.27	20%
TNP US	318	0.9	BUY	3.6	9.6	170%	BUY	8.3	7.5	0.47	4.8	0.74	57%
Average	866	9.1				69%				1.07		1.22	16%
Median	584	6.4				64%				1.08		1.16	13%

Even though we raise our NAV on average by 16%, the impact on our Target Prices is relatively muted as we had already priced in much of this upside given our earlier firm belief in an imminent increase in asset prices. The dynamics behind our Target Prices is a weighted average between NAV metrics and earning multiples, where our current weighting is 10% towards NAV, 20% towards one-year forward NAV & 20% towards NAV based on our forecast of asset prices rising 50% in one to two years. Please see details below.

Oil Tankers: Generic weighted Target Price model





Peer Group

USDm	M.cap	Turnover	P/sh	TP	+/-	P/NAV					EV/GAV	adj. Equity
						NAV	Now	1y fwd	+50%	ε		
ADSCME NO	70	0.2	27.6	47.0	70%	25.3	1.09	0.68	0.61	1.6	1.06	54%
DHT US	1,083	15.6	7.4	9.3	26%	5.7	1.29	0.83	0.70	1.7	1.04	54%
EURN US	2,403	24.7	10.9	16.0	47%	9.6	1.14	0.70	0.64	1.6	1.08	53%
FRO US	2,187	23.9	11.1	16.0	44%	7.8	1.42	0.87	0.66	2.3	1.15	34%
HUNT NO	309	1.1	4.9	8.0	62%	4.9	1.01	0.73	0.44	2.5	1.00	37%
INSW US	774	5.8	26.4	44.0	66%	32.1	0.82	0.60	0.50	1.3	0.90	52%
NAT US	512	11.1	3.6	4.4	23%	2.7	1.35	0.93	0.69	1.9	1.18	46%
OET NO	349	0.4	97.5	178	83%	93.0	1.05	0.59	0.35	3.9	1.01	25%
TNK US	656	7.0	19.5	39.0	100%	18.3	1.06	0.59	0.47	2.5	1.02	33%
TNP US	318	0.9	3.6	9.6	170%	7.5	0.47	0.29	0.20	3.4	0.85	25%
Average	927	10.0			58%		1.14	0.72	0.56	2.1	1.05	43%

USDm	EV/EBITDA				+/-	P/E (adj.)				Liquidity/(GIBD + eq. capex)			
	2019	2020	2021	2022		2019	2020	2021	2022	2019	2020	2021	2022
ADSCME NO	12.6	1.5	1.3	1.3		2.0	1.9	1.8		8%	25%	30%	32%
DHT US	7.9	4.5	3.7	3.0	15.1	5.5	4.8	4.2		10%	15%	17%	24%
EURN US	6.9	3.6	2.7	2.0	19.6	5.2	4.5	4.1		7%	17%	28%	37%
FRO US	10.3	6.1	5.5	4.6	10.1	5.0	4.7	4.2		6%	4%	4%	4%
HUNT NO	26.3	6.8	4.5	3.8		6.5	4.4	4.0		15%	12%	17%	22%
INSW US	7.9	3.4	2.7	1.9	16.4	3.6	3.2	2.8		7%	13%	19%	28%
NAT US	7.1	3.5	2.7	2.0	52.8	4.8	3.9	3.4		8%	16%	24%	32%
OET NO		6.5	5.3	4.2		3.9	3.1	2.4		2%	6%	6%	7%
TNK US	5.4	2.9	2.0	1.1	7.1	2.7	2.3	2.0		8%	15%	22%	31%
TNP US	6.4	3.5	2.1	1.3		2.1	1.3	1.1		7%	9%	12%	16%
Average	10.4	4.4	3.4	2.7	18.6	4.1	3.4	3.0		8%	13%	17%	22%

USDm	FCF yield				+/-	Dividend yield			
	2019	2020	2021	2022		2019	2020	2021	2022
ADSCME NO	-14%	58%	65%	67%	2%	16%	58%	70%	
DHT US	12%	26%	29%	32%	2%	10%	13%	16%	
EURN US	15%	32%	36%	37%	3%	5%	10%	13%	
FRO US	-22%	21%	25%	30%	0%	12%	8%	10%	
HUNT NO				34%				13%	
INSW US	30%	33%	38%	45%	0%	12%	14%	15%	
NAT US	18%	31%	38%	42%	3%	11%	15%	19%	
OET NO			42%	52%		4%	22%	23%	
TNK US	30%	55%	62%	69%	0%	10%	12%	16%	
TNP US	33%	61%	138%	150%	1%	9%	22%	29%	
Average	11%	25%	49%	54%	1%	10%	18%	22%	

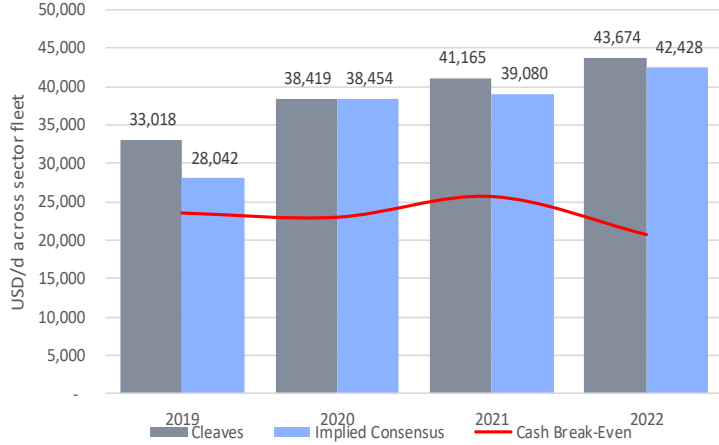


Cleaves Securities

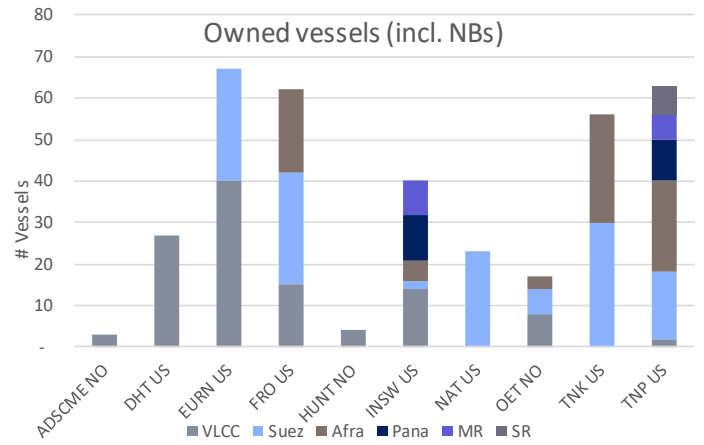
Oil Tankers BUY

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

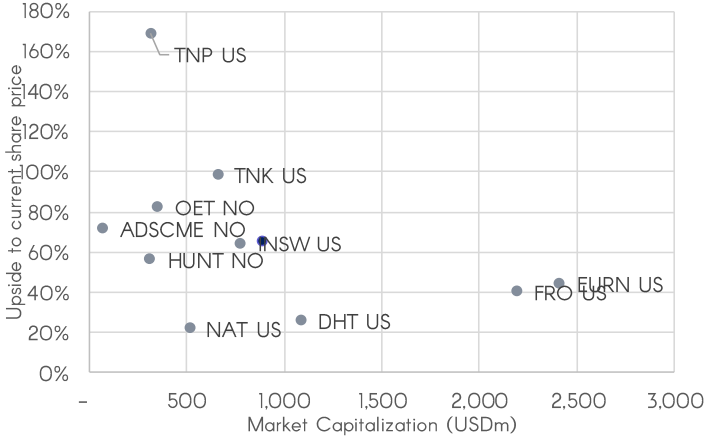
Cleaves' average TCE/d forecast vs consensus



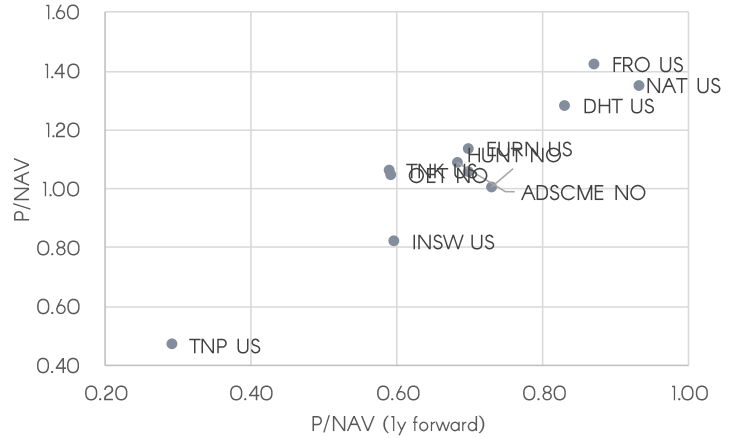
Fleet composition by company



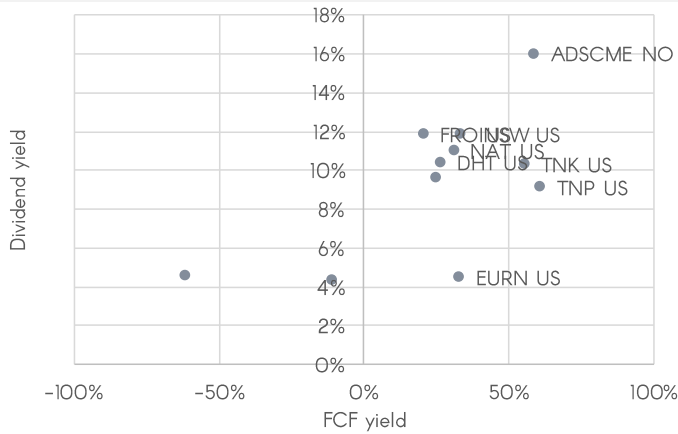
Upside to share price vs current market cap.



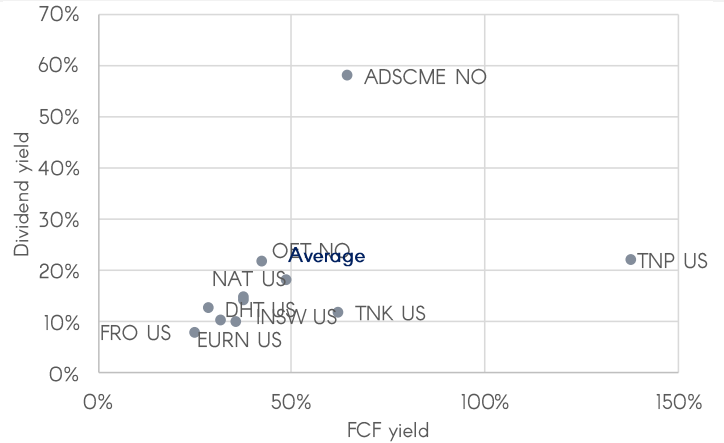
P/NAV vs 1y forward P/NAV



Dividend yield vs FCF yield (2019 estimate)



Dividend yield vs FCF yield (2020 estimate)



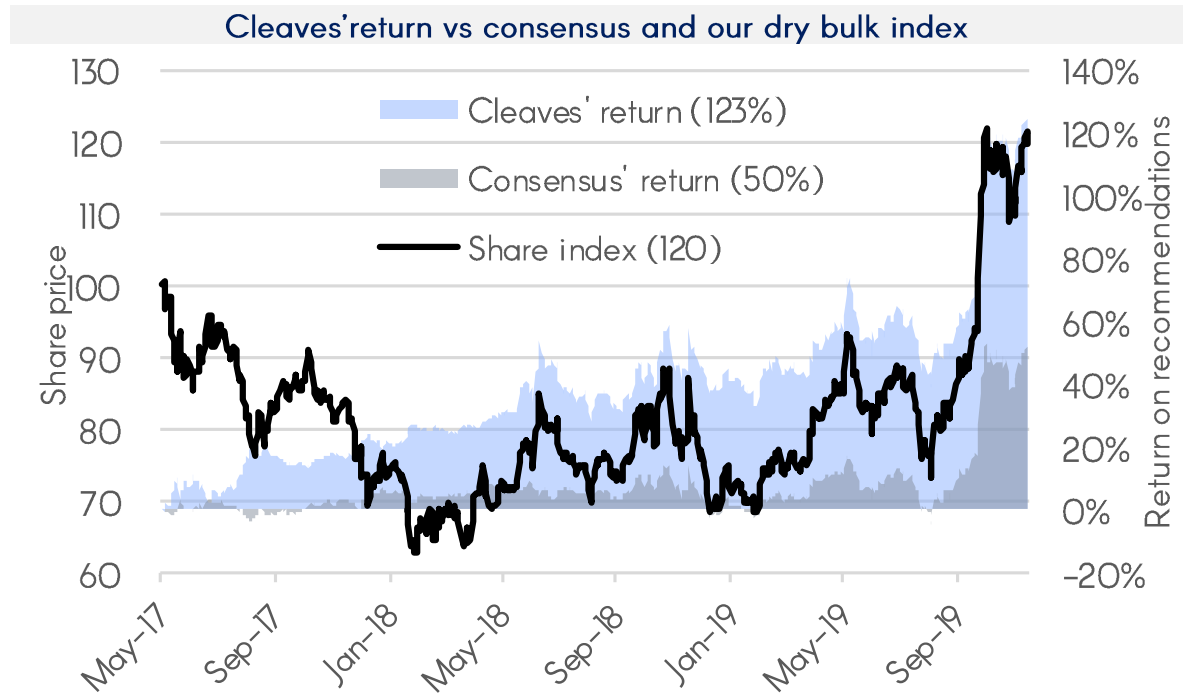


Cleaves Securities

Oil Tankers BUY

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

Since we reinitiated coverage on Oil Tankers in May 2017, we have a 123% return on our recommendations vs the market at 20% and consensus at 50%.



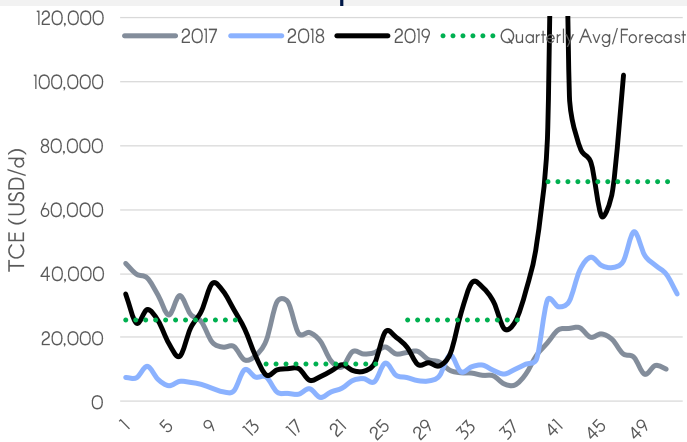


Oil Tankers

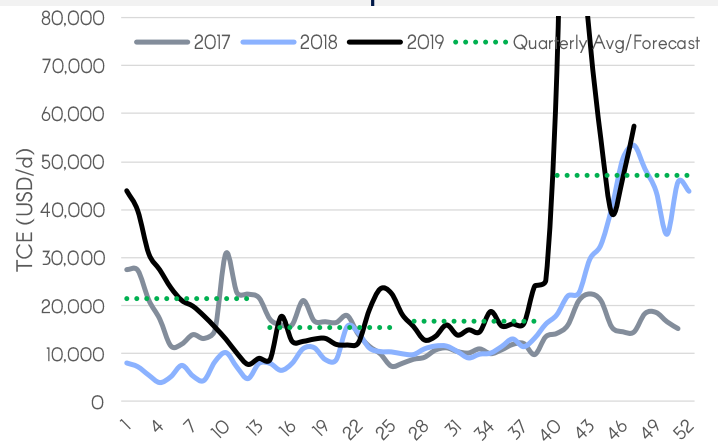


Earnings

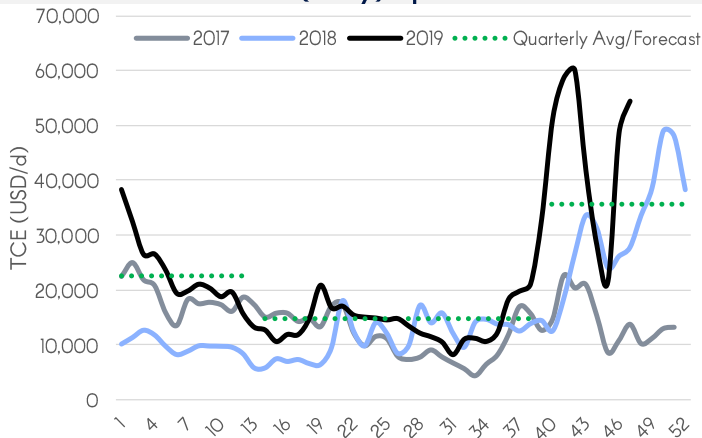
VLCC spot rates



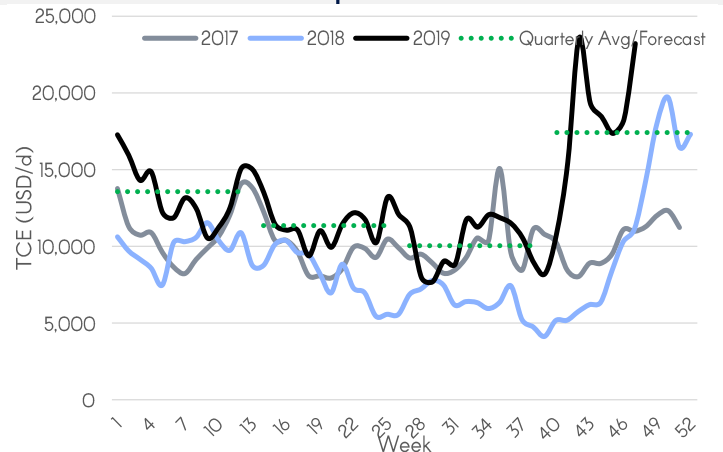
Suezmax spot rates



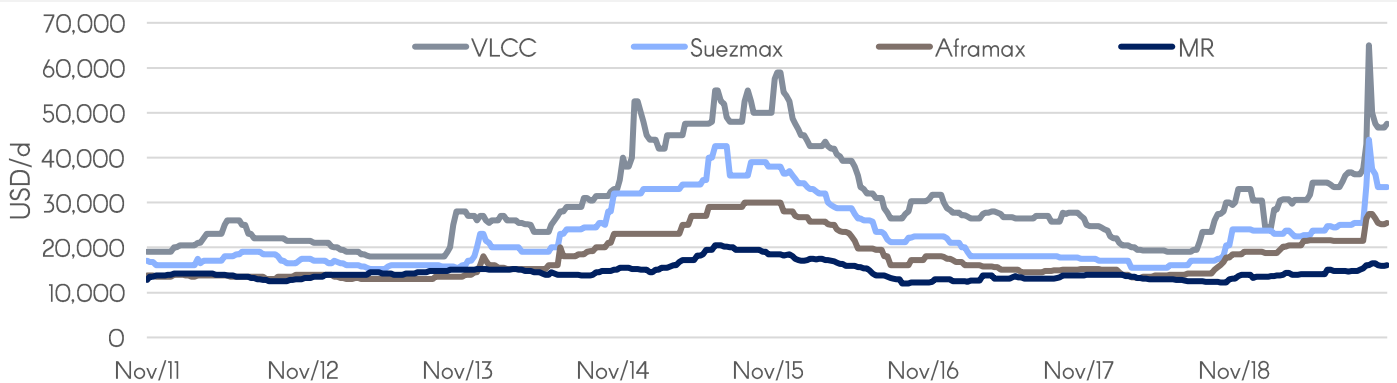
Aframax (dirty) spot rates



MR spot rates



Timecharter rates



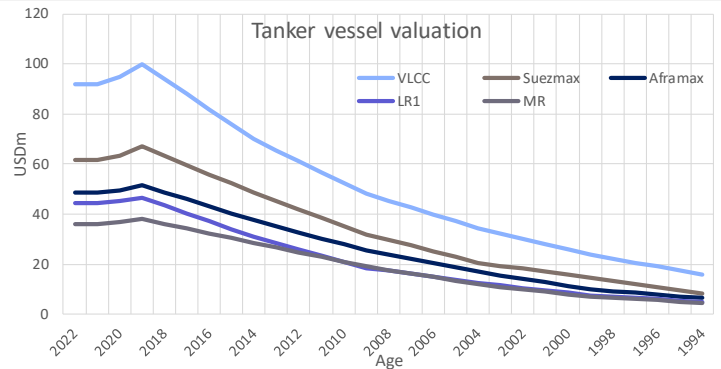


Asset Valuation

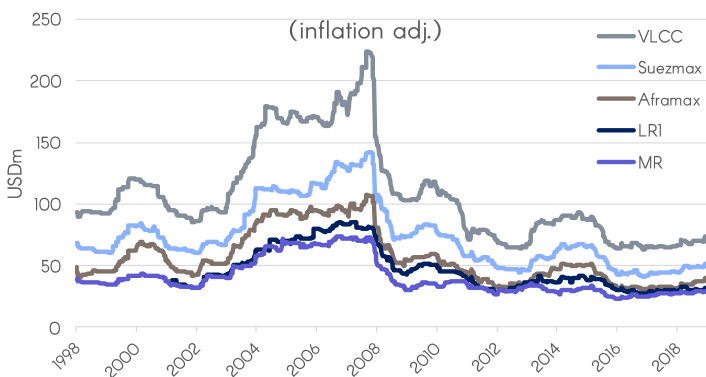
Asset valuation overview

Summary	VLCC	Suezmax	Aframax	LR2	LRI	MR	SR
NB	92.0	61.5	48.5	50.5	44.5	36.0	34.0
resale	100.0	67.0	51.5	53.5	46.5	38.0	36.5
5y	70.0	48.5	37.5	39.0	31.0	28.5	26.5
10y	48.0	32.0	25.5	26.5	18.5	19.0	16.0
15y	34.5	20.5	17.0	18.0	12.5	12.0	10.0
20y	23.8	14.8	9.9	10.4	7.5	7.0	4.6
scrap	15.8	8.5	6.5	6.5	5.0	4.6	3.1
<i>All prices are excluding scrubbers</i>							
NB parity	31,980	23,677	19,281	19,810	17,767	15,275	14,032

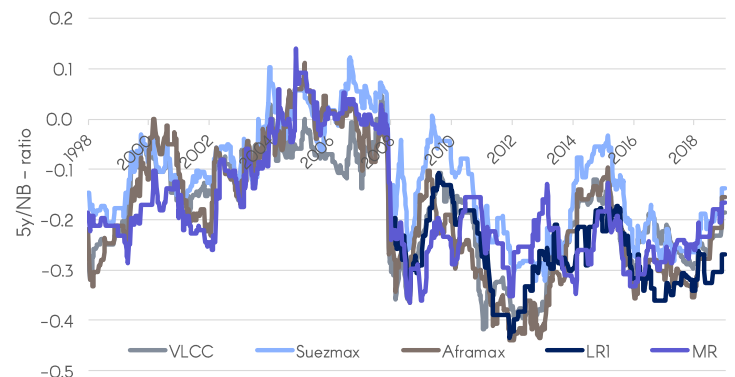
Asset valuation overview



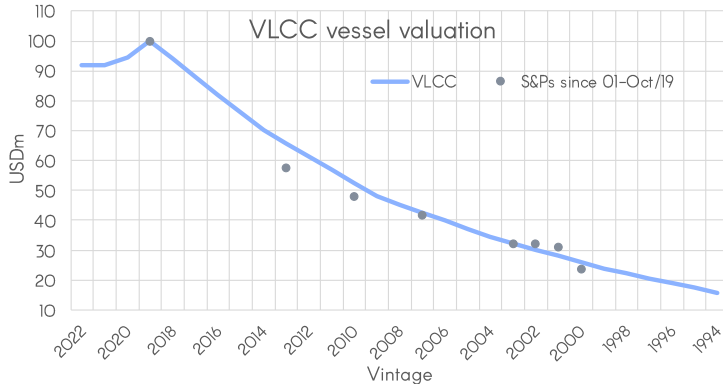
Historical 5y old vessel values



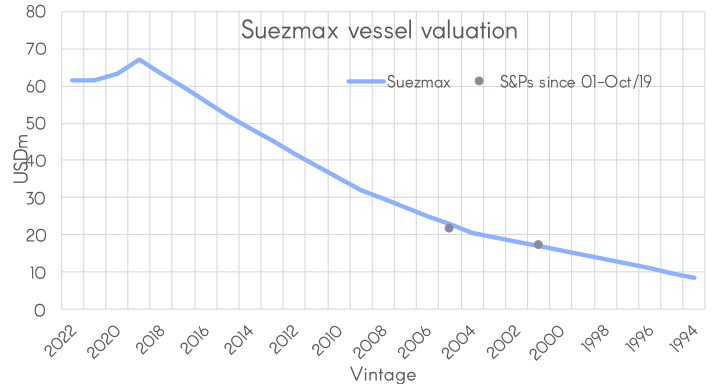
Historical price ratio, 5y/newbuild



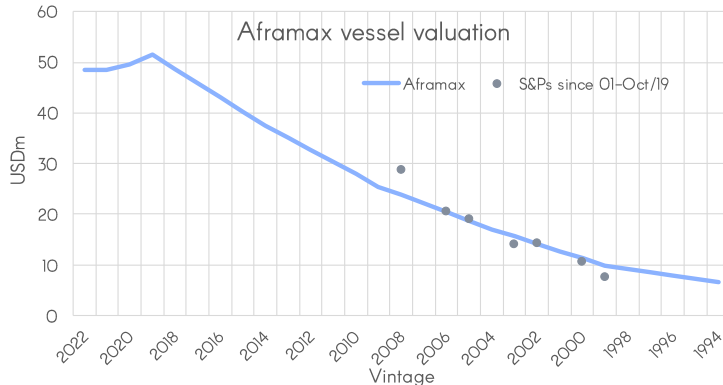
VLCC valuation vs recent S&P



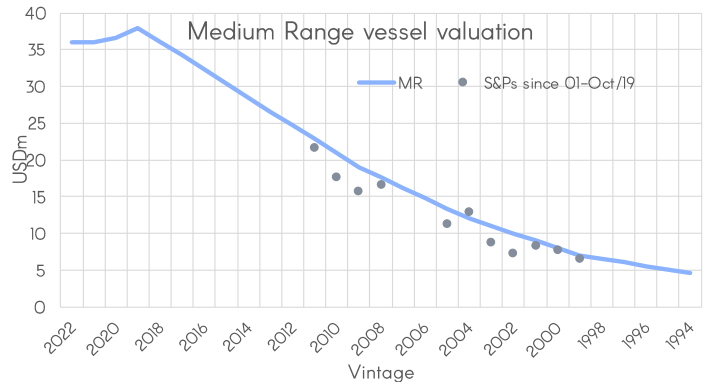
Suezmax valuation vs recent S&P



Aframax valuation vs recent S&P



MR valuation vs recent S&P





Generic Shipping Accounting

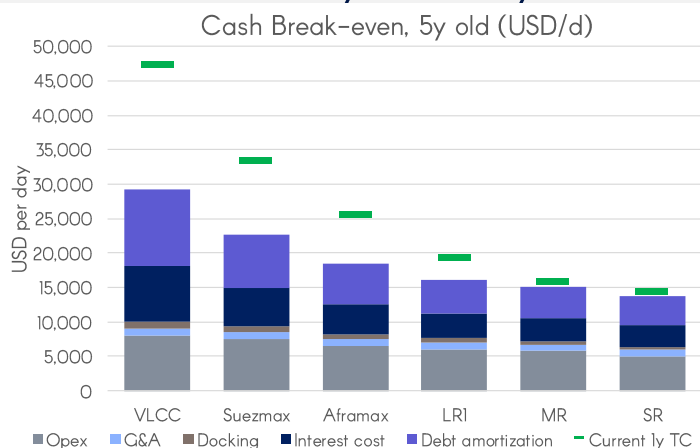
Current vessel economics (5y old)

Current vessel economics (5y old)						
Profit & Loss (USDm)	VLCC	Suezmax	Aframax	LRI	MR	SR
Revenue	17.1	12.1	9.2	6.9	5.8	5.2
Opex/G&A	-3.3	-3.1	-2.7	-2.6	-2.5	-2.2
EBITDA	13.8	9.0	6.4	4.4	3.3	3.0
Depreciation	-2.7	-2.0	-1.5	-1.3	-1.2	-1.2
EBIT	11.1	7.0	4.9	3.1	2.1	1.9
Financials (6% pa)	-2.9	-2.0	-1.6	-1.3	-1.2	-1.1
Net profit	8.2	4.9	3.3	1.8	0.9	0.7
Balance (USDm)	VLCC	Suezmax	Aframax	LRI	MR	SR
Asset (5y)	70.0	48.5	37.5	31.0	28.5	26.5
Equity (30%)	21.0	14.6	11.3	9.3	8.6	8.0
Debt (70%)	49.0	34.0	26.3	21.7	20.0	18.6
Cash Flow (USDm)	VLCC	Suezmax	Aframax	LRI	MR	SR
Net profit	8.2	4.9	3.3	1.8	0.9	0.7
Depreciation	2.7	2.0	1.5	1.3	1.2	1.2
Operational CF	10.9	6.9	4.9	3.1	2.1	1.9
Docking accruals	-0.4	-0.3	-0.3	-0.2	-0.2	-0.1
Debt repayments	-4.1	-2.8	-2.2	-1.8	-1.7	-1.5
Net Cash Flow	6.4	3.8	2.4	1.0	0.3	0.2
Key Ratios	VLCC	Suezmax	Aframax	LRI	MR	SR
EV/EBITDA	5.1	5.4	5.8	7.1	8.6	8.7
EV/EBIT	6.3	7.0	7.7	10.1	13.6	14.3
P/E	2.6	3.0	3.4	5.2	9.4	10.7
ROE	39%	34%	30%	19%	11%	9%
ROCE	16%	14%	13%	10%	7%	7%
FCF yield	50%	46%	41%	31%	22%	22%
Variables	VLCC	Suezmax	Aframax	LRI	MR	SR
1y TC (USD/d)	47,500	33,500	25,500	19,250	16,000	14,500
Opex (USD/d)	-8,000	-7,500	-6,500	-6,000	-5,750	-5,000
G&A (USD/d)	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000
Docking (USD/d)	-1,000	-800	-700	-600	-500	-400

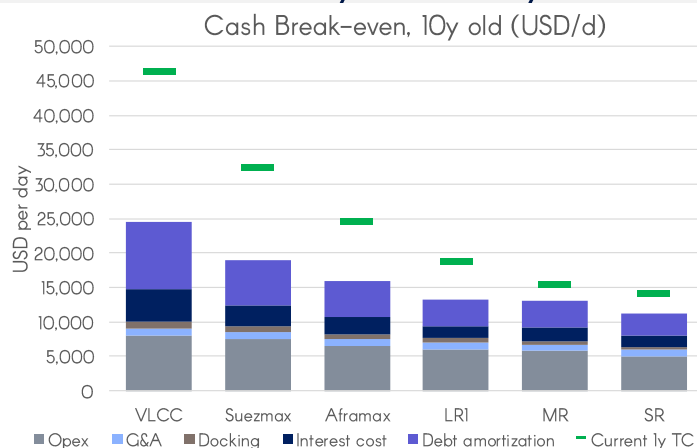
Assumptions: 25 years life, depreciated to scrap, 360 revenue days, 365 opex days, 12 years debt amortization

Cash Break-even, 5y old (USD/d)	VLCC	Suezmax	Aframax	LRI	MR	SR
Opex	8,000	7,500	6,500	6,000	5,750	5,000
G&A	1,000	1,000	1,000	1,000	1,000	1,000
Docking	1,000	800	700	600	500	400
Interest cost	8,055	5,581	4,315	3,567	3,279	3,049
Debt amortization	11,187	7,751	5,993	4,954	4,555	4,235
Cash Break-even	29,242	22,632	18,508	16,121	15,084	13,684
Current 1y TC	47,500	33,500	25,500	19,250	16,000	14,500
NB parity rate	31,980	23,677	19,281	19,810	17,370	17,767

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



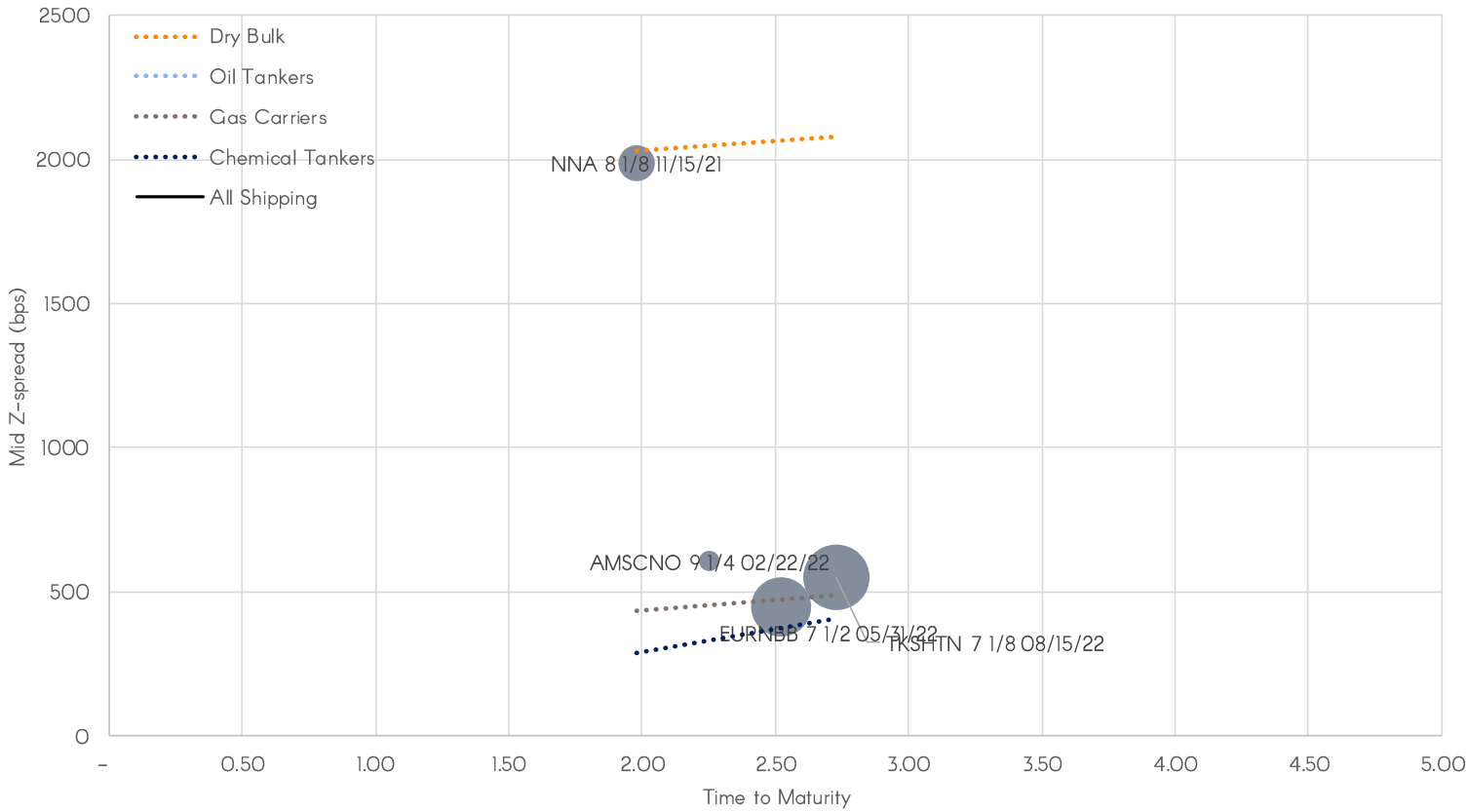
Cash break-even vs 1y TC on a 10y old vessel





The Credit Market

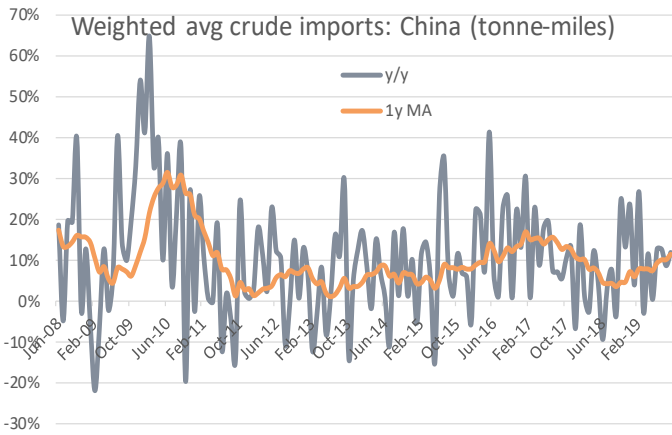
Oil Tanker bond pricing (by amount outstanding)



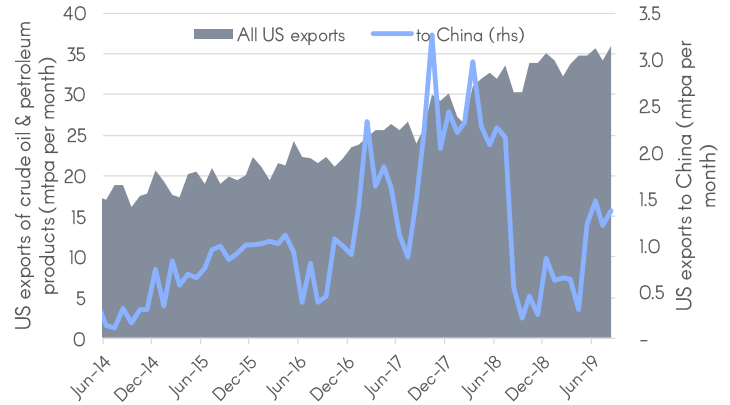


Market Snapshots

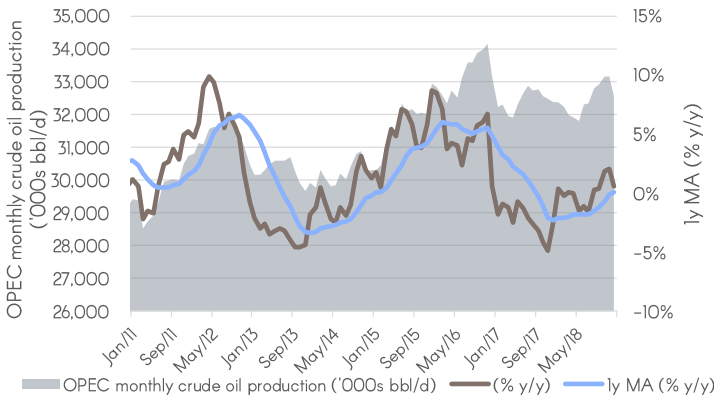
Chinese imports remain strong



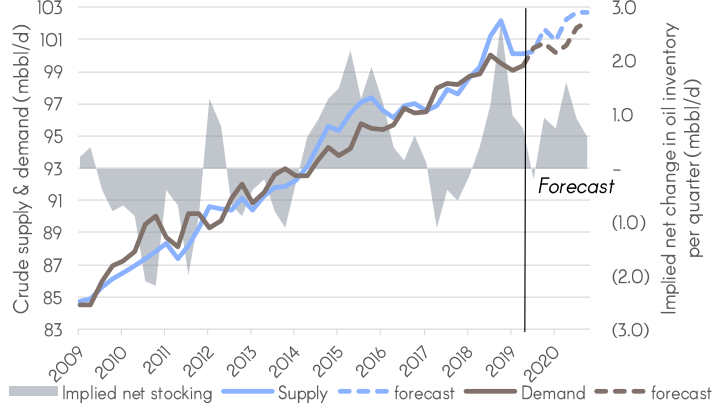
US exports rising rapidly



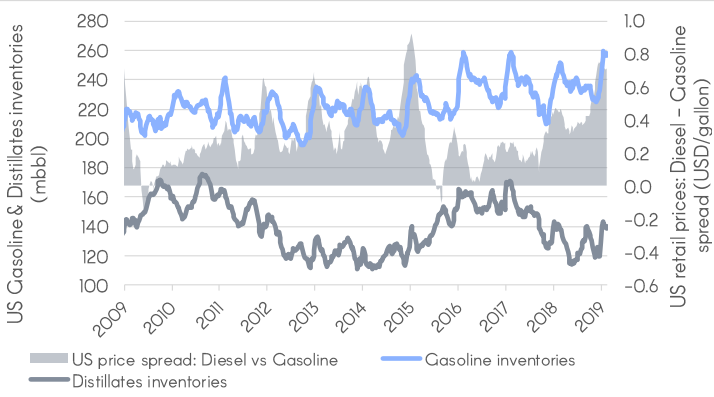
OPEC monthly crude oil production



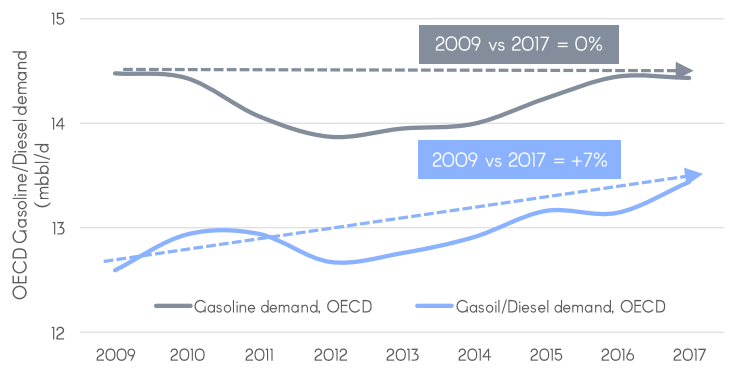
Global oil supply/demand & implied net stocking



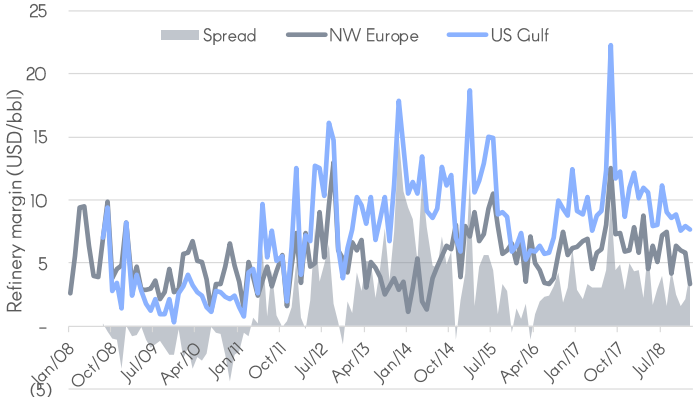
US light/sweet crude => less diesel



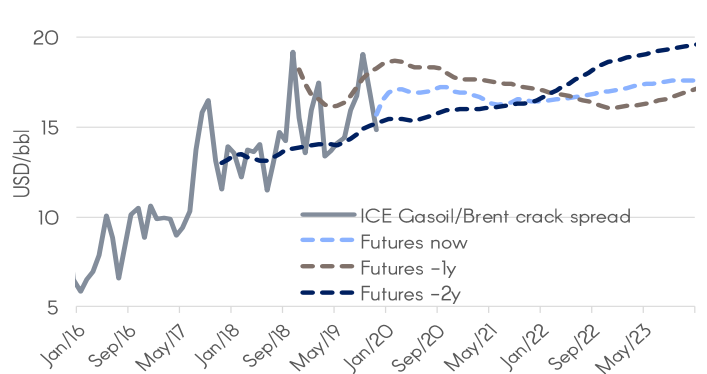
OECD demand for diesel outpacing gasoline



Refinery margins (FCC), US Gulf vs NW Europe



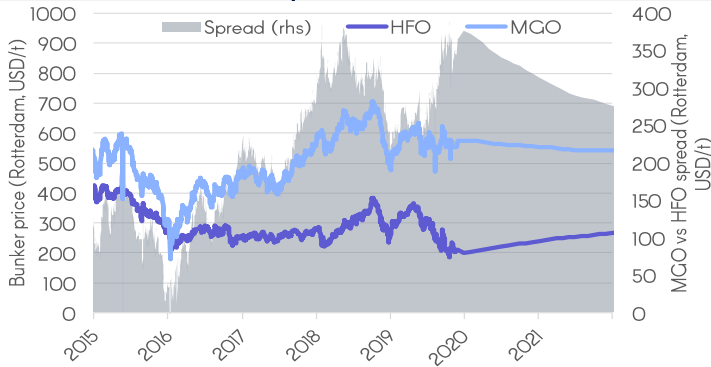
Gasoil crack spread futures



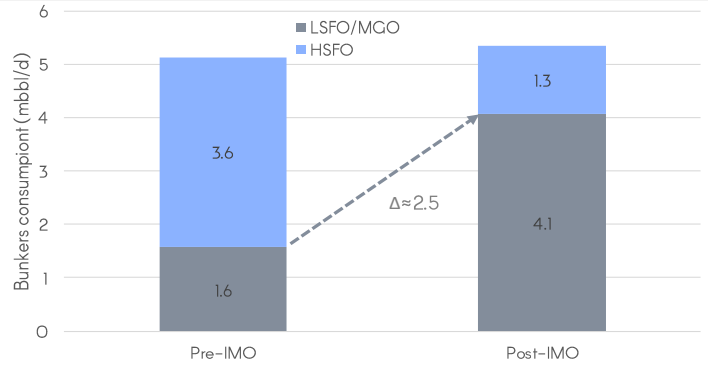


IMO 2020 Sulphur Regulations

HFO/MGO spread ahead of 2020



Demand for LSFO/MGO forecast to double¹



¹Consensus is based on: IEA, Platts, Ardmore, Scorpio Tankers, EnSys/Navigatorics, Fearnleys

Scrubber economics

Dry bulk scrubber economics (2010-built)

(USDm)	Capesize	Kamsarmax	Supramax
Cost of scrubber installation	-2.8	-2.6	-2.6
Annual savings	1.6	0.8	0.6
Payback time	1.7	3.4	4.0
ROI pa	58%	30%	25%
LSFO/HSFO spread from futures market	193		
Fuel consumption per day at sea, 2010-built (t)	43	24	22
Voyage days per annum	250	225	200
Scrubber running costs* (USD per calendar day)	-1,274	-675	-578
Savings per day at sea (USD/d)	6,418	3,428	3,180
Savings per calendar day (USD/d)	4,396	2,113	1,742

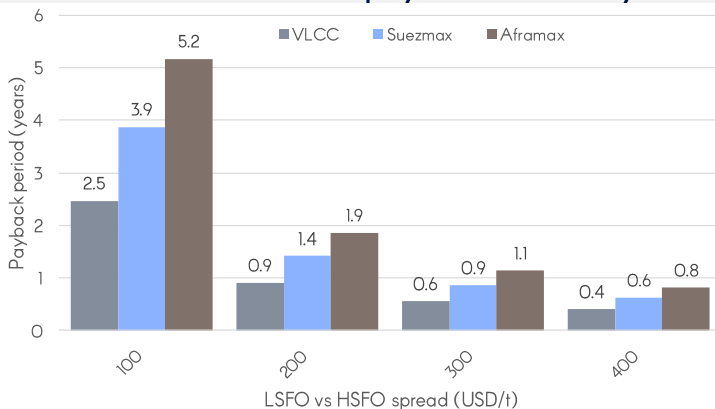
* Reflects added energy consumption & maintenance capex

Oil tanker scrubber economics (2010-built)

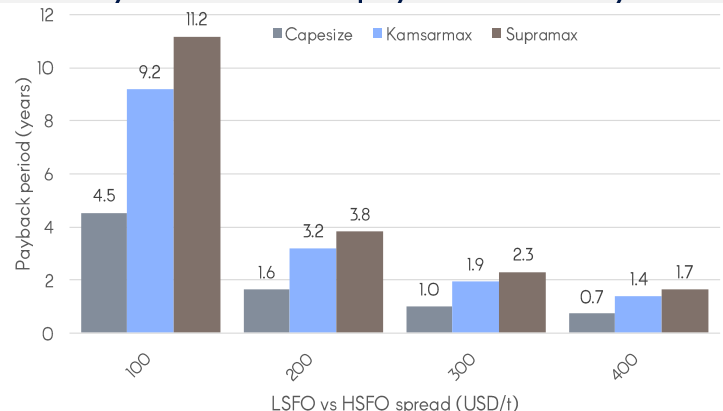
(USDm)	VLCC	Suezmax	Aframax
Cost of scrubber installation	-3.2	-3.1	-2.9
Annual savings	3.3	2.1	1.5
Payback time	1.0	1.5	2.0
ROI pa	105%	67%	51%
LSFO/HSFO spread from futures market	193		
Fuel consumption per day at sea (t)	65	45	35
Voyage days per annum	341	305	285
Scrubber running costs* (USD per calendar day)	-2,525	-1,600	-1,189
Savings per day at sea (USD/d)	9,810	6,748	5,215
Savings per calendar day (USD/d)	9,165	5,639	4,072

* Reflects added energy consumption & maintenance capex

Oil tankers: Scrubber payback sensitivity



Dry bulk: Scrubber payback sensitivity





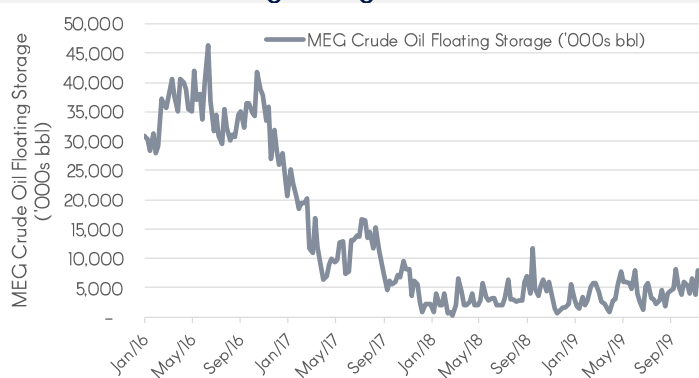
Oil Tanker Storage Economics

VLCC & Suezmax floating storage economics

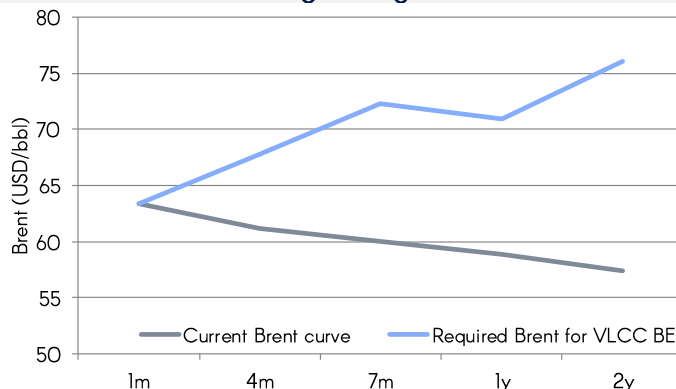
Crude tanker storage arbitrage (excl. cost of carry)

	1m	4m	7m	1y	2y
Brent (USD/bbl)	63.4	61.1	60.0	58.8	57.4
Time-spread against 1m		-2.3	-3.4	-4.6	-6.0
Profit/loss from storage at current rates (USDm)					
VLCC		-14.1	-25.7	-25.5	-39.3
Suezmax		-7.5	-13.8	-15.8	-27.1
Required Brent fwd price for VLCC break-even					
Brent (USD/bbl)	63.4	67.8	72.3	71.0	76.1
Time-spread against 1m		4.4	8.9	7.6	12.7
Required tanker rates for storage to break-even					
VLCC		(52,039)	(38,684)	(28,762)	(18,051)
Suezmax		(24,781)	(18,421)	(13,696)	(8,596)

Crude oil floating storage in the Middle East

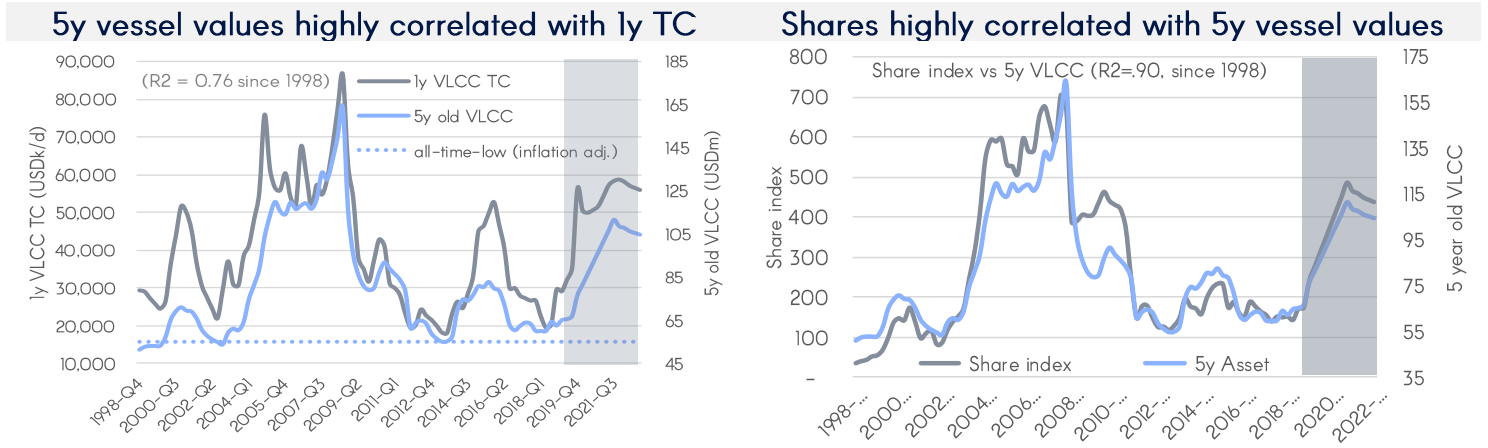
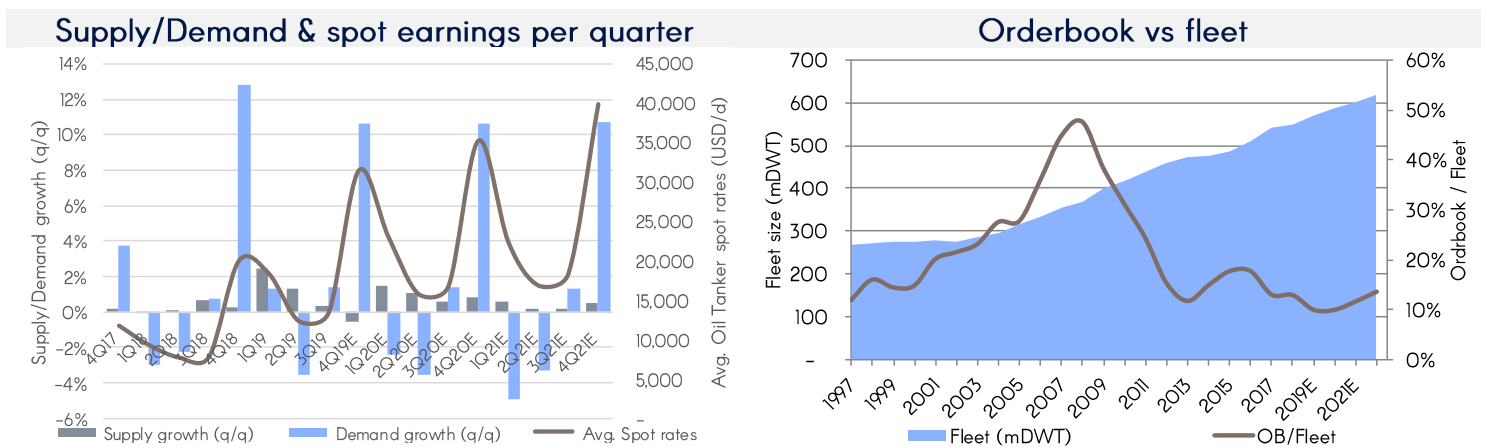
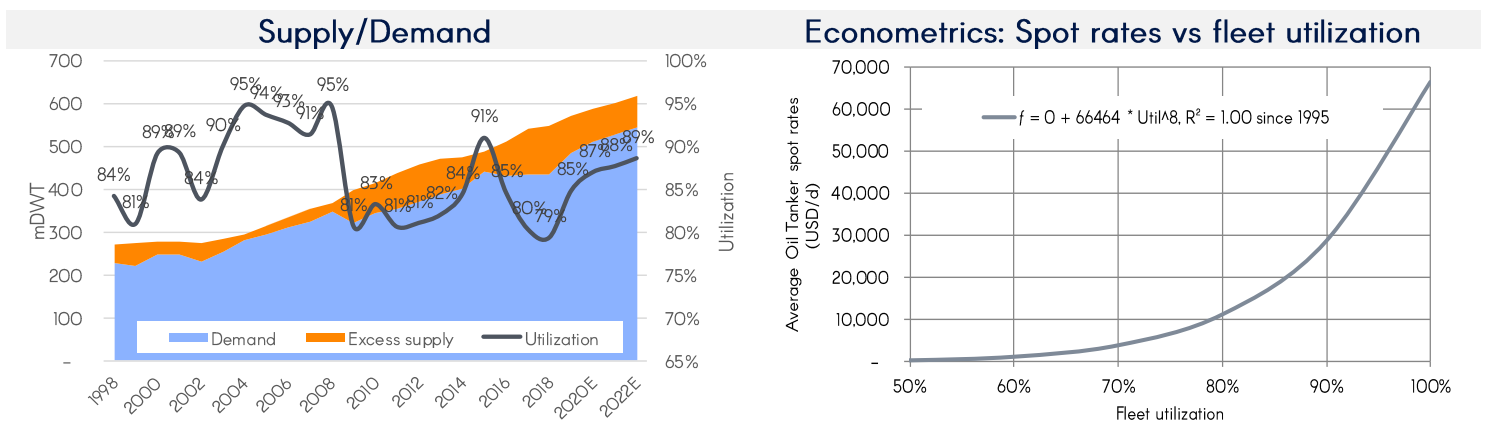
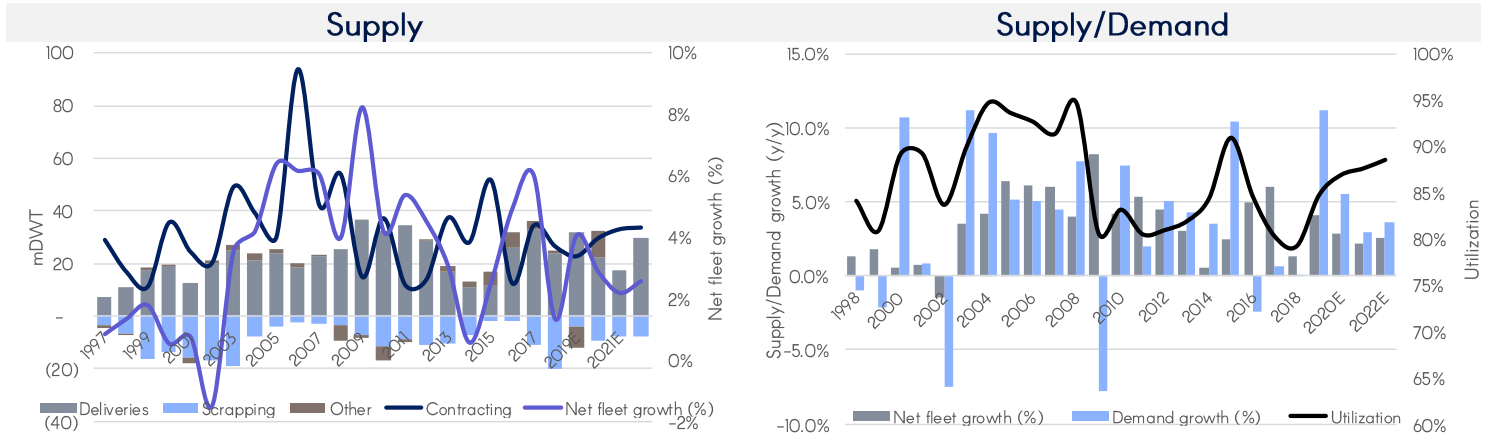


VLCC floating storage economics





Market Fundamentals & Forecasts





Econometric Overview

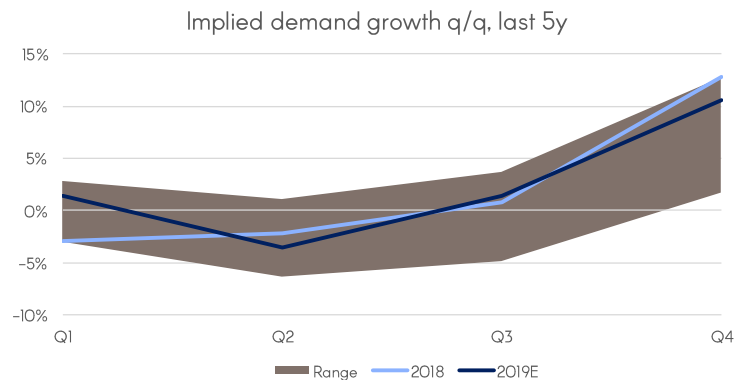
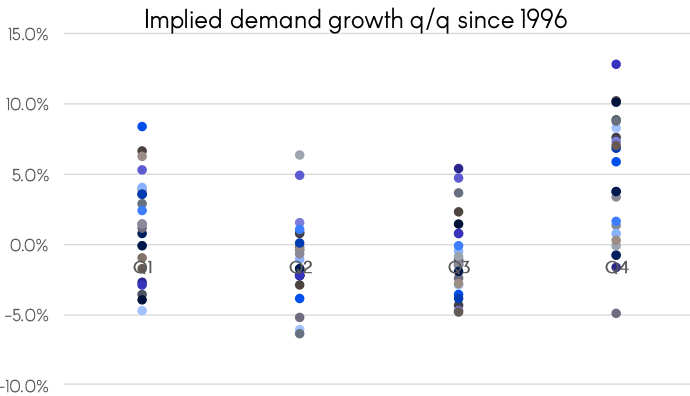
Supply/Demand (mbwt)		Oil Tankers: High case																						Oil Tankers: Low case																					
		1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022								
Deliveries ¹	7	11	17	19	19	12	20	20	21	24	18	22	22	26	37	32	32	35	28	28	28	28	28	28	32	35	28	28	17	11	12	26	33	24	32	23	17	29							
Scraping ²	(3)	(6)	(16)	(14)	(6)	(17)	(17)	(19)	(6)	(4)	(3)	(3)	(4)	(7)	(11)	(9)	(9)	(8)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(3)	(3)	(4)	(4)	(8)	(9)						
Other ³	(1)	(1)	1	1	1	(2)	1	2	2	1	2	1	2	6	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)						
Contracting ⁴	29	29	24	36	24	20	20	49	39	30	94	42	54	15	37	12	14	37	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28						
Supply ⁵	267	270	275	277	277	279	274	284	296	315	334	355	369	399	416	438	458	472	487	511	542	549	571	588	600	616	630	646	672	698	724	750	776	802	828	854	880	906							
Δ % / Yr	0.9%	1.3%	1.8%	0.5%	0.3%	0.2%	-1.5%	3.5%	4.2%	6.4%	6.2%	6.0%	4.0%	4.0%	4.2%	4.0%	4.0%	4.2%	4.5%	4.7%	4.9%	5.1%	5.3%	5.5%	5.7%	5.9%	6.1%	6.3%	6.5%	6.7%	6.9%	7.1%	7.3%	7.5%	7.7%	7.9%	8.1%								
Demand ⁶	230	227	223	223	226	249	230	256	280	295	310	324	349	322	346	353	371	387	401	413	432	435	454	471	484	511	526	545	564	583	602	621	640	659	678	697	716								
Δ % / Yr	-1.0%	-2.1%	-2.1%	10.7%	10.7%	-7.5%	-7.5%	11.2%	9.7%	5.2%	5.1%	4.5%	7.7%	-7.7%	7.5%	2.0%	5.1%	4.3%	3.5%	3.5%	4.0%	4.5%	5.0%	5.5%	6.0%	6.5%	7.0%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%									
Utilization ⁷	86%	84%	81%	89%	89%	89%	84%	90%	95%	94%	96%	91%	91%	99%	81%	83%	81%	81%	82%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%	100%								
Oil Tankers (TCE)	20,175	16,736	12,326	27,563	27,802	16,397	29,047	29,453	44,444	40,162	36,391	32,769	43,115	12,734	15,537	12,007	12,558	13,626	17,930	31,036	18,047	11,655	11,216	16,593	15,874	20,611	24,345	26,161	28,977	31,793	34,609	37,425	40,241	43,057	45,873	48,689									
V.L.C.C. spot (TCE)	21,280	16,334	12,326	55,440	38,829	23,293	52,433	41,648	69,389	63,054	64,914	58,795	97,152	28,434	34,080	18,596	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621									
Aramex spot (TCE)	21,280	16,334	12,326	55,440	38,829	23,293	52,433	41,648	69,389	63,054	64,914	58,795	97,152	28,434	34,080	18,596	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621									
M.R. spot (TCE)	21,280	16,334	12,326	55,440	38,829	23,293	52,433	41,648	69,389	63,054	64,914	58,795	97,152	28,434	34,080	18,596	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621									
Aramex 5yr (USDm)	21,280	16,334	12,326	55,440	38,829	23,293	52,433	41,648	69,389	63,054	64,914	58,795	97,152	28,434	34,080	18,596	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621									
M.R. 5yr (USDm)	21,280	16,334	12,326	55,440	38,829	23,293	52,433	41,648	69,389	63,054	64,914	58,795	97,152	28,434	34,080	18,596	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621	18,621									
OB ⁸	32	43	40	41	56	59	66	66	82	88	120	159	176	153	130	107	70	56	71	86	91	91	71	71	57	57	67	80	80	80	80	80	80	80	80	80	80								
OB/Fleet ⁹	25	16	15	15	139	139	100	100	378	576	548	630	567	401	442	298	158	131	156	176	222	189	172	149	139	106	106	110	110	110	110	110	110	110	110	110	110								
Share Index ¹⁰	25	16	15	15	139	139	100	100	378	576	548	630	567	401	442	298	158	131	156	176	222	189	172	149	139	106	106	110	110	110	110	110	110	110	110	110	110								
Sum during period %Average during period																																													
Oil Tankers: High case		1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022								
Oil Tankers: Low case		1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022								



Seasonality

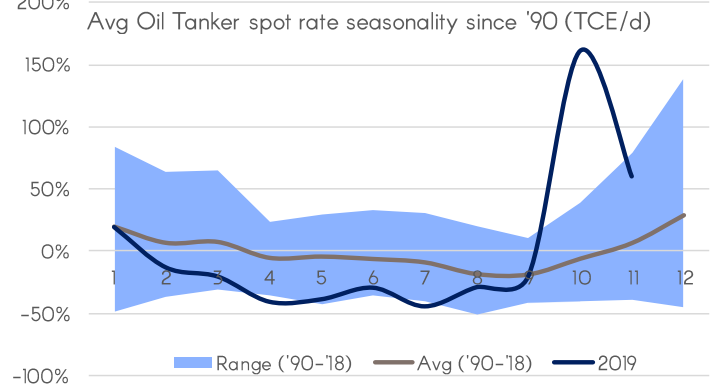
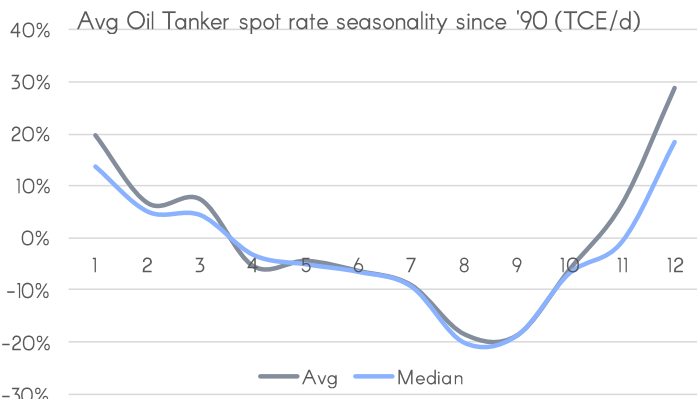
Historically strong demand growth in 4Q

Historic demand growth vs 2018E



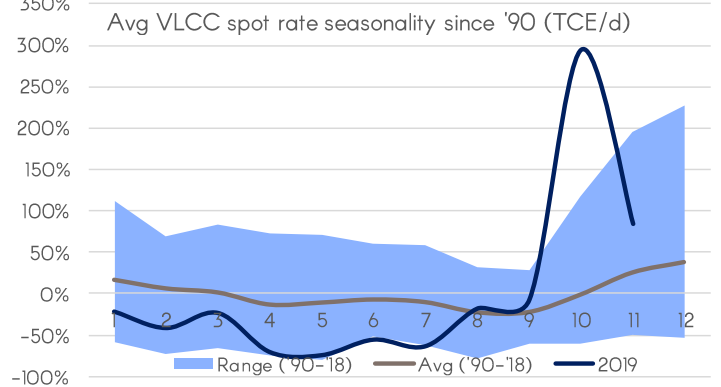
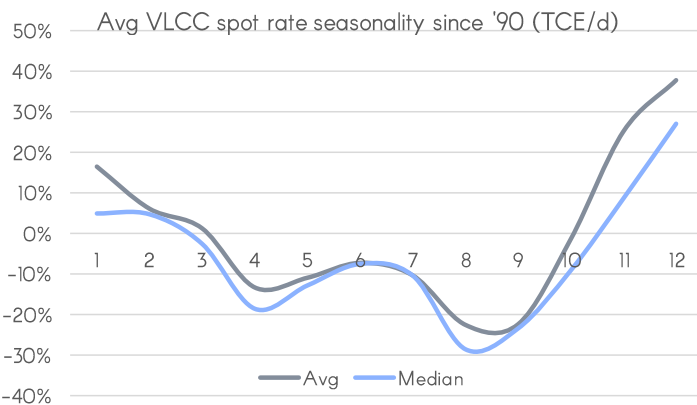
Historical Oil Tanker avg. spot rate seasonality

Historical Oil Tanker avg. spot rate seasonality



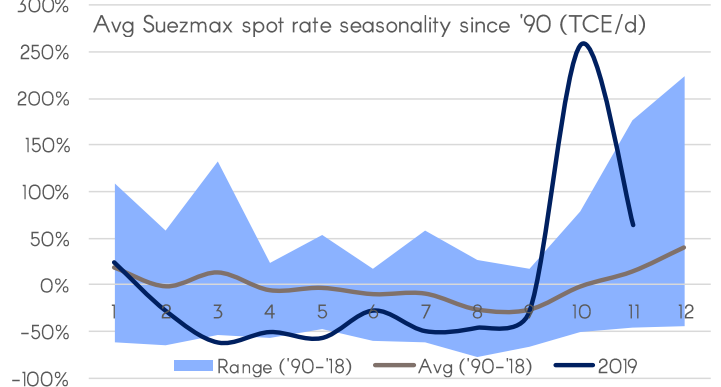
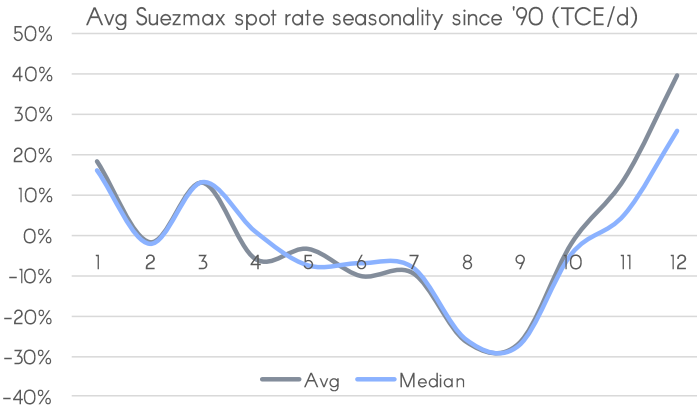
Historical VLCC spot rate seasonality

Historical VLCC spot rate seasonality



Historical Suezmax spot rate seasonality

Historical Suezmax spot rate seasonality



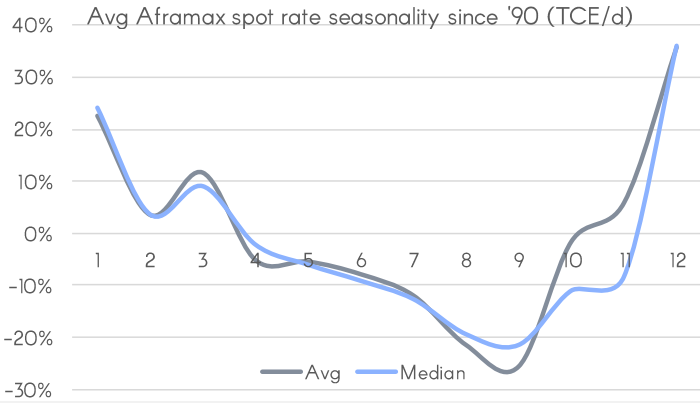


Cleaves Securities

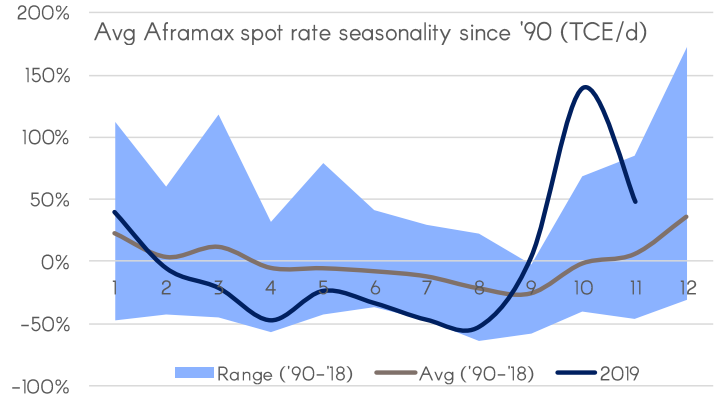
Oil Tankers BUY

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

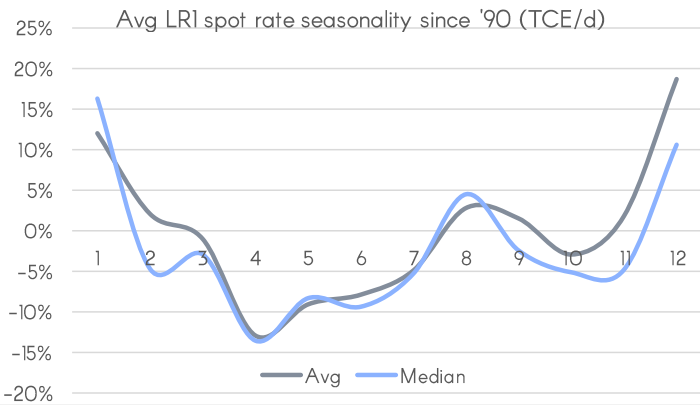
Historical Aframax spot rate seasonality



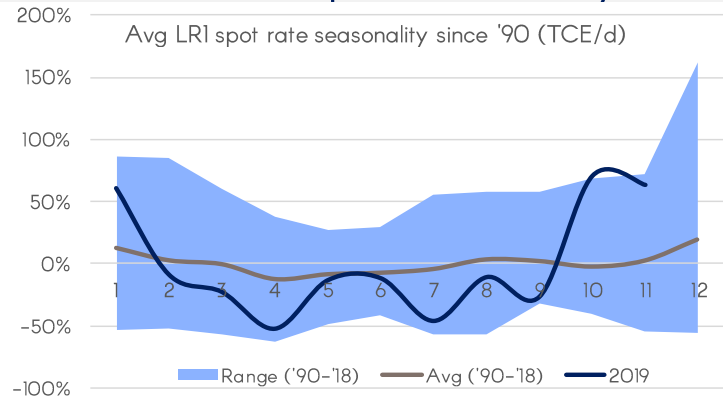
Historical Aframax spot rate seasonality



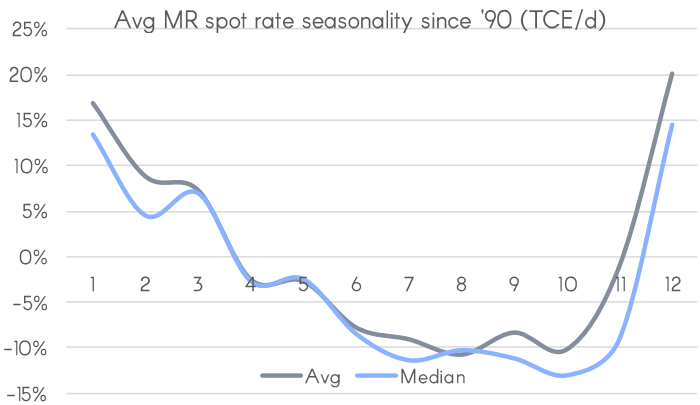
Historical LRI spot rate seasonality



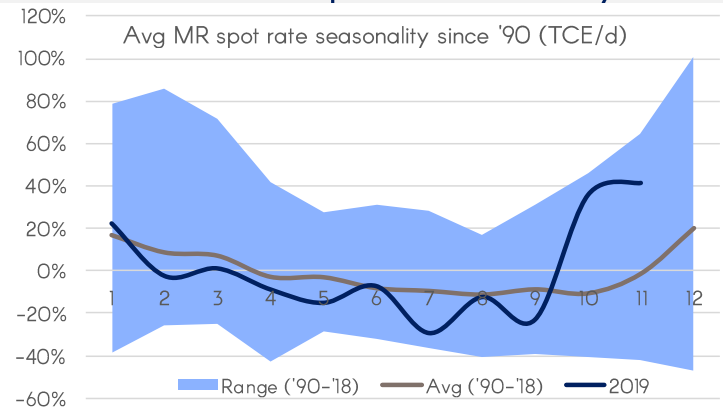
Historical LRI spot rate seasonality



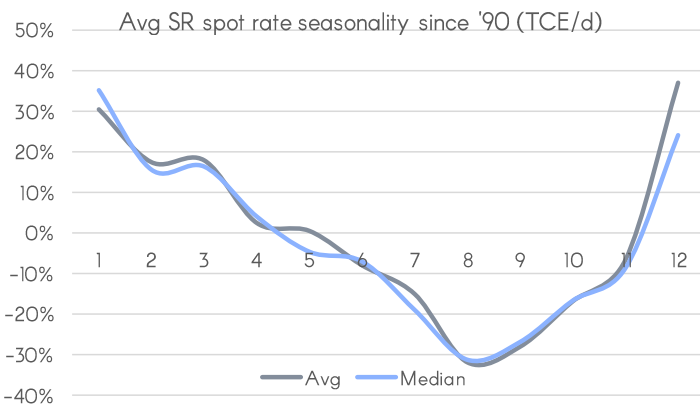
Historical MR spot rate seasonality



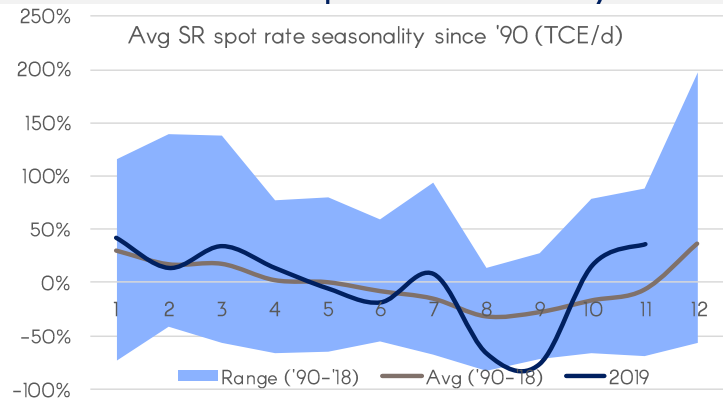
Historical MR spot rate seasonality



Historical SR spot rate seasonality



Historical SR spot rate seasonality



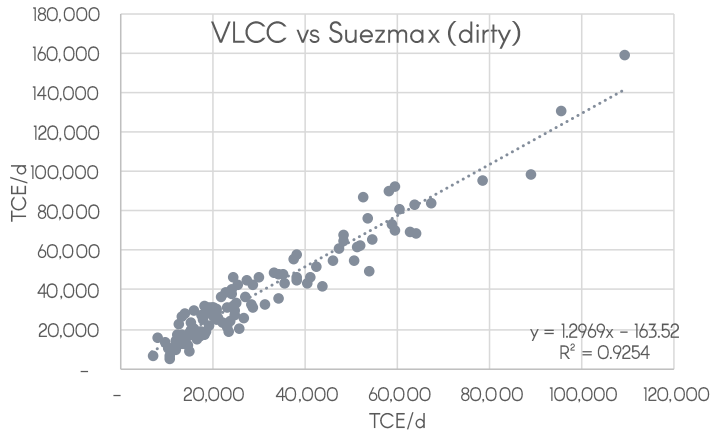


Product Tanker Dynamics

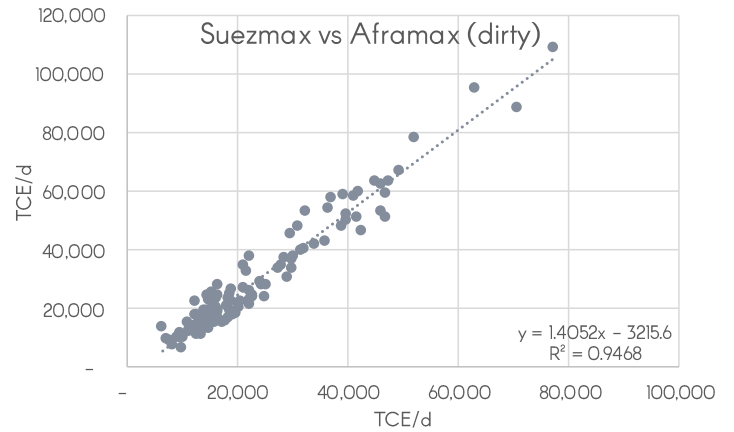
Oil Tanker spot earnings correlation matrix (quarterly since 1990)

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

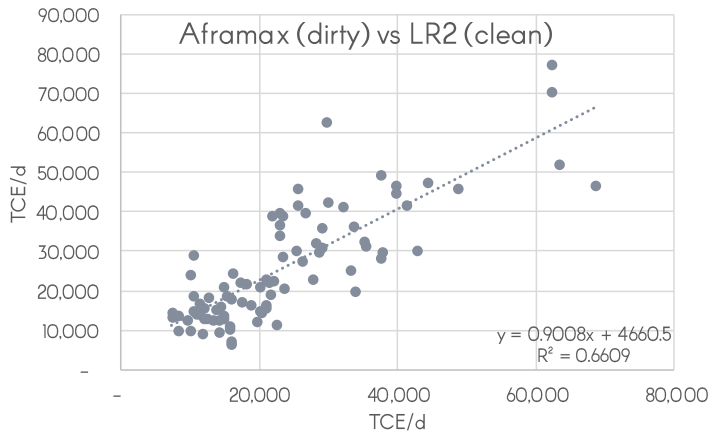
Spot rate correlation: VLCC vs Suezmax



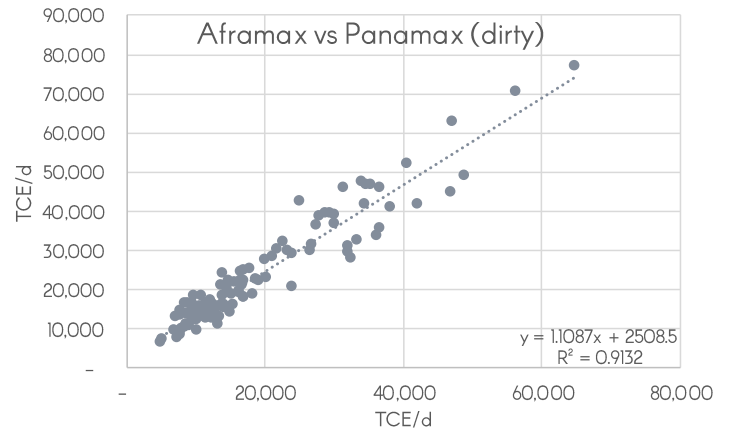
Spot rate correlation: Suezmax vs Aframax



Spot rate correlation: Aframax vs LR2



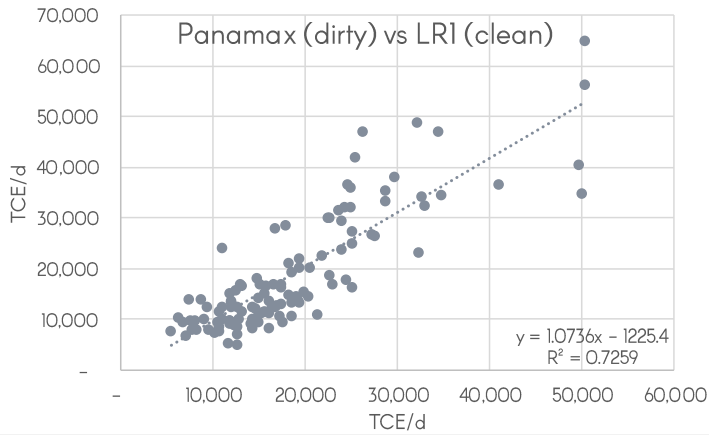
Spot rate correlation: Aframax vs Panamax



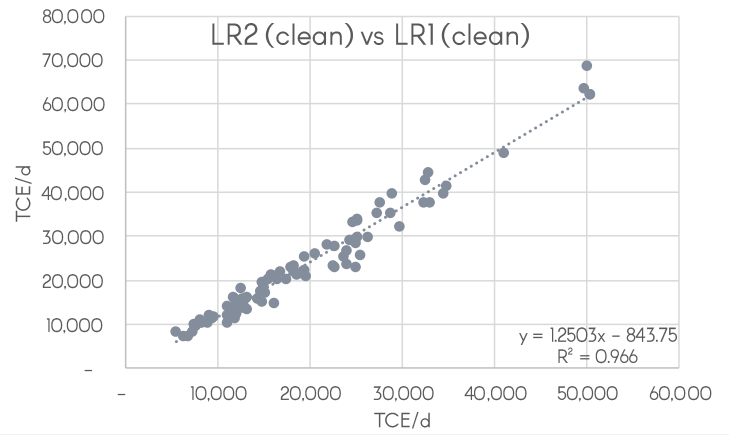


Product Tanker Dynamics (continued)

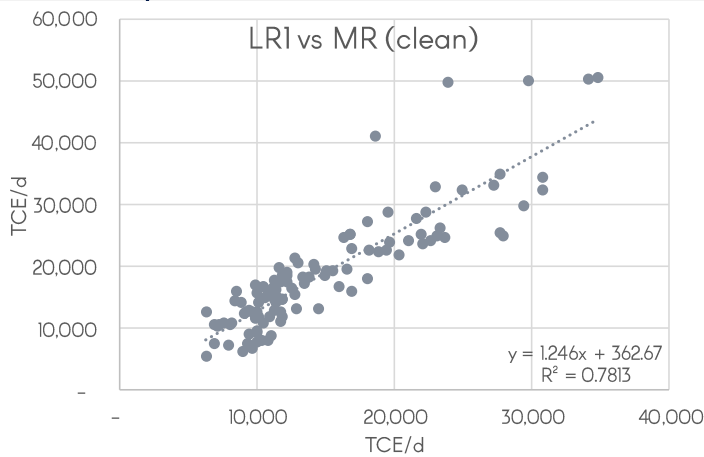
Spot rate correlation: Panamax vs LRI



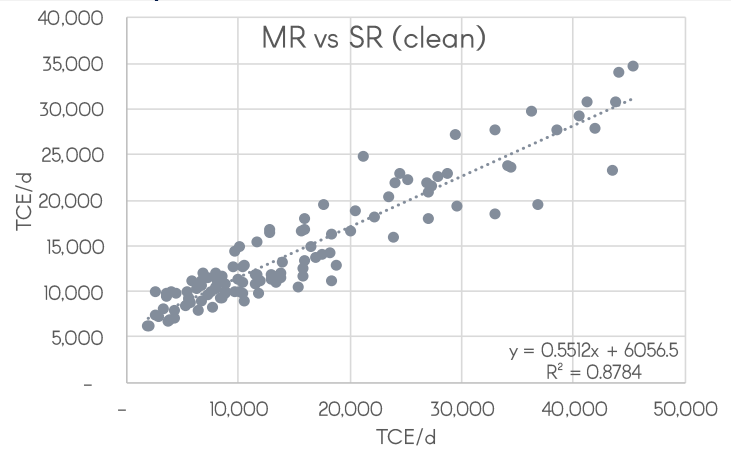
Spot rate correlation: LR2 vs LRI



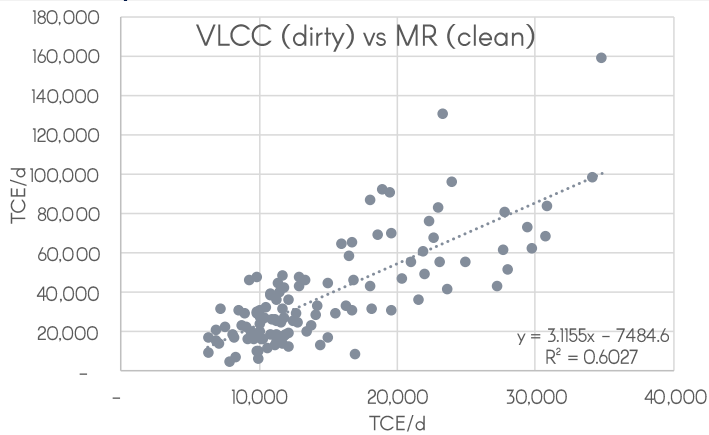
Spot rate correlation: LRI vs MR



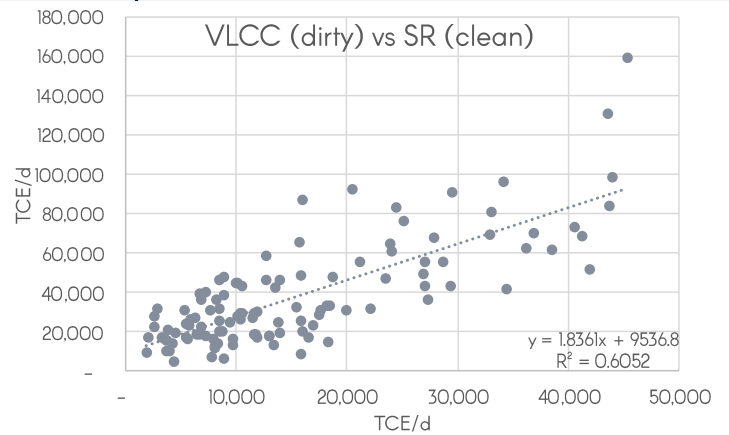
Spot rate correlation: MR vs SR



Spot rate correlation: VLCC vs MR



Spot rate correlation: VLCC vs SR





Company Financials (annual estimates)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
ADSCME NO	19	58	60	61	8	46	48	49	2	38	40	41	0	35	37	39
DHT US	348	504	530	563	258	413	439	471	143	291	317	349	87	240	274	312
EURN US	821	1,161	1,243	1,241	540	878	960	970	202	535	617	656	123	460	535	581
FRO US	647	933	921	955	422	698	711	749	303	545	558	596	216	435	464	520
HUNT NO	19	109	147	152	16	94	128	133	14	71	100	105	12	49	72	80
INSW US	362	507	525	549	163	344	368	396	88	269	293	320	47	212	241	272
NAT US	195	286	306	326	116	206	227	246	52	143	163	183	10	107	130	152
OET NO	97	221	247	275	67	175	198	225	43	135	158	185	10	89	111	143
TNP US	472	643	742	765	253	414	509	532	115	270	359	382	-6	153	252	290
TNK US	573	708	715	752	283	424	458	498	159	296	330	370	93	244	290	336
Average	355	513	544	564	213	369	404	427	112	259	293	319	59	202	241	272

Balance Sheet

BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
ADSCME NO	86	80	72	64	8	29	34	33	99	114	111	102	54	78	76	67
DHT US	1,610	1,508	1,407	1,305	187	286	308	450	1,890	1,887	1,808	1,849	930	1,033	1,140	1,243
EURN US	3,292	2,972	2,652	2,338	302	739	1,231	1,709	4,143	4,260	4,433	4,596	2,282	2,633	2,928	3,203
FRO US	3,289	3,273	3,194	3,049	288	160	167	178	4,431	4,288	4,216	4,082	1,785	1,960	2,251	2,549
HUNT NO	317	562	534	506	71	89	128	165	388	651	662	671	208	242	281	319
INSW US	1,281	1,235	1,184	1,109	135	249	380	568	1,785	1,854	1,933	2,046	1,051	1,172	1,302	1,463
NAT US	895	845	781	718	88	168	263	358	1,036	1,066	1,098	1,130	599	649	702	756
OET NO	1,067	1,194	1,157	1,117	21	79	81	93	1,111	1,297	1,261	1,234	340	414	449	510
TNP US	2,707	2,704	2,554	2,404	221	299	381	521	3,161	3,236	3,168	3,158	1,491	1,651	1,869	2,102
TNK US	1,807	1,691	1,574	1,458	179	333	508	766	2,241	2,279	2,337	2,478	1,040	1,216	1,427	1,661
Average	1,635	1,606	1,511	1,407	150	243	348	484	2,029	2,093	2,103	2,135	978	1,105	1,243	1,387

Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2020	2021	2020	2021
ADSCME NO	9	43	45	47	-10	41	45	47	-7	21	5	-1	54,640	56,148	13,478	13,109
DHT US	212	362	396	434	159	341	375	413	92	99	22	142	52,746	55,438	25,106	32,489
EURN US	312	803	878	895	353	780	855	895	129	437	493	477	45,403	48,719	23,317	18,723
FRO US	380	587	616	673	-479	450	543	665	220	-128	7	11	39,656	40,490	33,057	32,382
HUNT NO	14	72	100	108	-223	-197	100	108	36	18	39	37	57,187	59,309	24,085	29,324
INSW US	131	287	316	348	235	258	292	348	73	114	130	188	37,682	40,460	19,541	19,442
NAT US	95	171	193	215	93	158	193	215	38	80	95	96	34,953	37,583	16,156	15,960
OET NO	33	129	151	183	-419	-38	148	183	3	58	2	12	39,740	41,083	24,163	26,819
TNP US	191	334	439	476	105	193	439	476	-10	79	82	140	28,052	31,892	21,693	24,150
TNK US	208	372	418	464	198	361	406	452	122	154	174	258	33,226	35,722	21,949	36,520
Average	158	316	355	384	1	235	340	380	70	93	105	136	42,329	44,685	22,254	24,892



Company Financials (quarterly estimates)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
	3Q19	4Q19	1Q20	2Q20	3Q19	4Q19	1Q20	2Q20	3Q19	4Q19	1Q20	2Q20	3Q19	4Q19	1Q20	2Q20
ADSCME NO		5	16	10		2	13	7		1	11	5		0	11	4
DHT US		143	140	90		120	117	67		90	86	37		76	73	24
EURN US		351	325	201		280	254	131		195	168	45		174	148	26
FRO US		310	254	166		237	197	107		203	158	69		177	130	41
HUNT NO	0	19	17	14	0	17	15	11	0	15	11	6	-1	12	7	1
INSW US		140	141	96		96	99	54		78	81	35		62	66	21
NAT US		78	80	49		58	60	29		42	44	14		33	35	5
OET NO		46	55	40		35	44	29		27	34	19		16	23	8
TNP US		147	147	132		91	91	76		56	55	40		26	25	11
TNK US		233	197	127		159	127	57		127	95	25		113	82	11
Average	0	147	137	93	0	110	102	57	0	83	74	29	-1	69	60	15

Balance Sheet

BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
	3Q19	4Q19	1Q20	2Q20	3Q19	4Q19	1Q20	2Q20	3Q19	4Q19	1Q20	2Q20	3Q19	4Q19	1Q20	2Q20
ADSCME NO		86	86	84		8	16	16		99	108	105		54	64	66
DHT US		1,610	1,584	1,559		187	208	182		1,890	1,886	1,835		930	953	928
EURN US		3,292	3,212	3,132		302	465	427		4,143	4,226	4,108		2,282	2,430	2,381
FRO US		3,289	3,262	3,336		288	160	105		4,431	4,277	4,296		1,785	1,738	1,752
HUNT NO	297	317	399	470	19	71	50	34	316	388	449	505	196	208	209	206
INSW US		1,281	1,269	1,258		135	165	151		1,785	1,803	1,779		1,051	1,083	1,071
NAT US		895	882	870		88	109	100		1,036	1,045	1,023		599	613	596
OET NO		1,067	1,095	1,085		21	36	39		1,111	1,155	1,148		340	360	365
TNP US		2,707	2,698	2,689		221	247	206		3,161	3,178	3,128		1,491	1,525	1,528
TNK US		1,807	1,778	1,749		179	221	202		2,241	2,254	2,206		1,040	1,087	1,073
Average	297	1,635	1,627	1,623	19	150	168	146	316	2,029	2,038	2,013	196	978	1,006	997

Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
	3Q19	4Q19	1Q20	2Q20	3Q19	4Q19	1Q20	2Q20	3Q19	4Q19	1Q20	2Q20	4Q19	1Q20	4Q19	1Q20
ADSCME NO		2	13	6		-6	10	6		-6	8	0	27,000	61,981	13,764	13,871
DHT US		106	104	55		86	99	50		71	21	-26	59,803	59,271	34,703	25,422
EURN US		259	234	111		214	228	106		118	163	-38	55,053	51,098	24,054	24,655
FRO US		211	168	79		-487	157	-34		179	-128	-55	53,445	44,346	35,315	33,828
HUNT NO	-1	14	11	7	-146	-8	-75	-70	-26	52	-21	-16	69,942	64,528	17,500	21,345
INSW US		88	85	40		180	77	32		67	30	-14	40,822	40,994	46,735	19,528
NAT US		49	51	21		48	48	17		40	21	-9	38,025	39,212	16,395	16,259
OET NO		25	33	18		-52	-5	18		9	15	3	39,720	42,822	24,628	24,654
TNP US		70	70	56		44	44	29		34	26	-40	26,217	26,154	20,114	21,979
TNK US		145	114	43		142	111	40		100	42	-19	42,090	37,282	23,298	22,119
Average	-1	97	88	44	-146	16	69	19	-26	66	18	-21	45,212	46,769	25,650	22,366

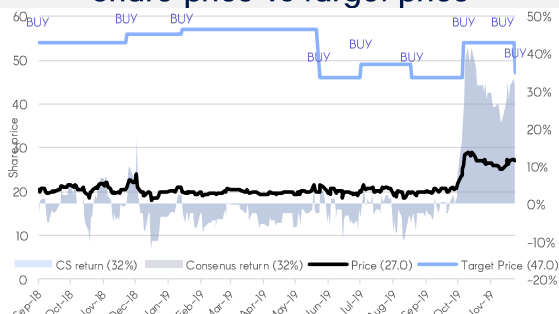


ADS-NO

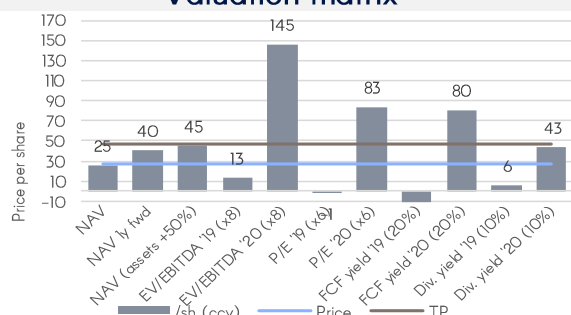
BUY/N47

ADS Crude Carriers

Share price vs target price

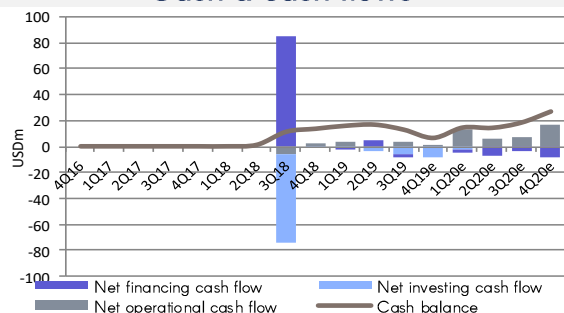


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	19	58	60	61
EBITDA (adj.)	8	46	48	49
EBIT (adj.)	2	38	40	41
PTP (adj.)	-0	35	37	39
Net earnings (adj.)	-0	35	37	39
EPS (adj.)	-0.02	1.51	1.60	1.66
DPS	0.06	0.47	1.71	2.06
USDm	2019E	2020E	2021E	2022E
Fwd NAV	69	124	177	208
Adj. equity ratio	60%	78%	83%	85%
FCF yield	-14%	60%	66%	68%
Dividend yield	2%	16%	58%	70%
EV/EBITDA	12.6	1.5	1.3	1.3
P/E (adj.)		1.9	1.8	1.8

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	9	43	45	47
Free cash flow	-10	41	45	47
Net cash flow	-7	21	5	-1
TCE/day	21,339	54,640	56,148	57,685
Cash break-even	12,585	13,478	13,109	13,117
Liquidity	8	29	34	33
Property & Equip. (incl. NBs)	86	80	72	64
Total equity	54	78	76	67
Total assets	99	114	111	102
Interest bearing debt	36	27	27	27
Net interest bearing debt	28	-2	-7	-6
Market Cap.	69	69	69	69

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

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

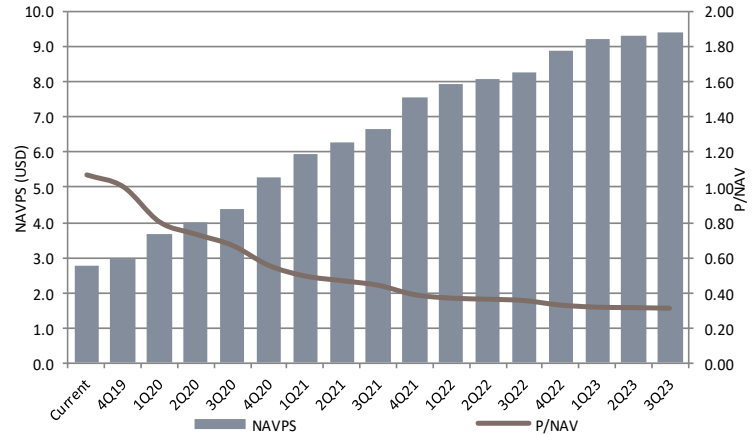


Company Valuation

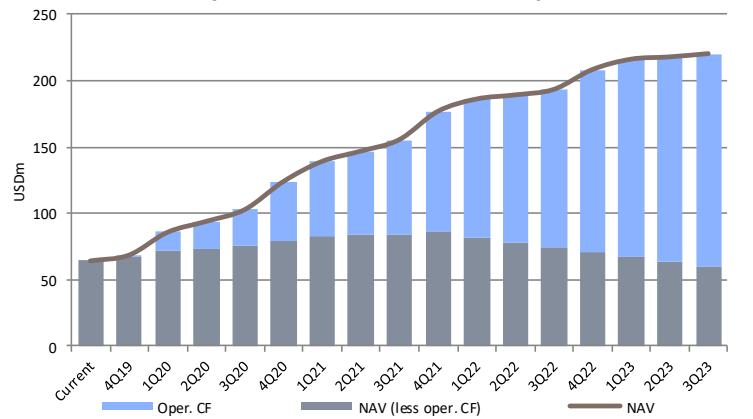
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	79	100	104
Contract value	0	0	0
Other	4	4	4
GAV	83	104	108
Net debt	-22	-22	-22
Capex	0	-10	-10
Other	-7	-7	-7
Equity	54	64	69
Shares	23	23	23
Equity/sh	2.31	2.76	2.95
lcl CCY	21.1	25.2	27.0
P/Equity	1.28	1.07	1.00
EV/GAV	1.30	1.04	1.00
Adj. Total Assets	99	120	124
Adj. Equity Ratio	55%	54%	56%
Fair Value	NOK	47	75%
	USD	5.2	

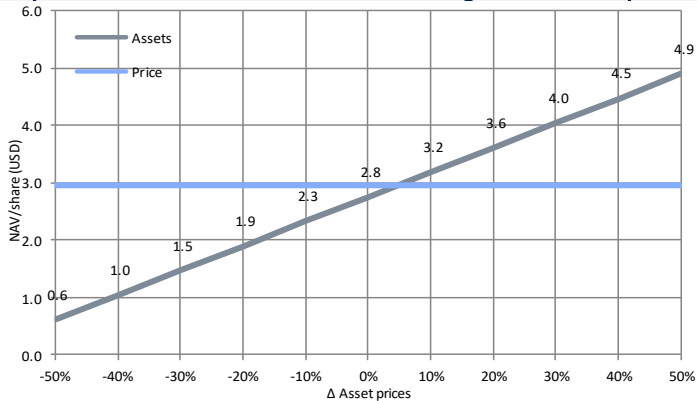
Quarterly forward NAV & P/NAV



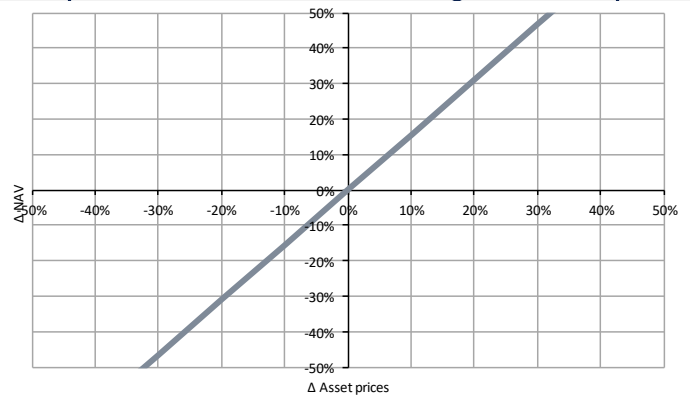
Quarterly forward NAV decomposition



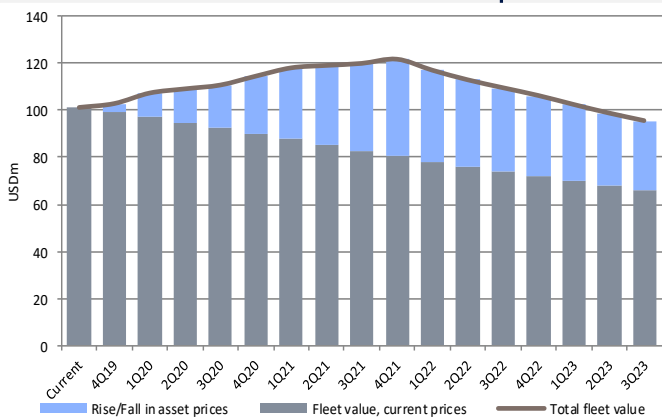
Impact on NAV/sh from % change in asset prices



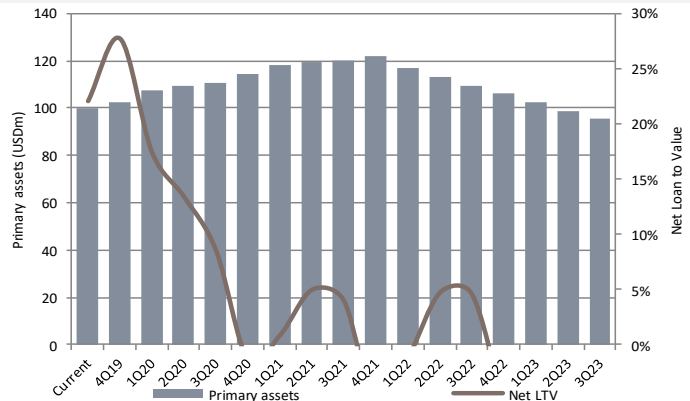
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	6.8	2.1	5.4	12.0				
EBITDA (adj.)	3.9	-0.8	2.4	9.0				
EBIT (adj.)	2.6	-2.1	0.9	8.0				
PTP (adj.)	2.2	-2.9	0.1	7.0				
Net earnings (adj.)	2.2	-2.9	0.1	7.0				
EPS (adj.)	0.09	-0.12	0.00	0.30				
DPS	-	-	0.02	0.13				
Implied, line by line	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	6.8	2.1	5.4	12.0				
Opex & G&A	2.9	2.9	3.0	3.0				
Depreciation	1.3	1.3	1.5	1.0				
Net finance	0.5	0.8	0.8	1.0				
Taxes & Minorities	-	-	-	-				

CF & BS

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	3	4	2					
Free cash flow	2	-3	-6					
Net cash flow	2	-4	-6					
TCE/day	24,699	16,803	27,000	59,764				
Utilization	100.0%	46.0%	72.8%					
Fleet days	276	276	276					
Cash break-even	12,272	13,438	13,764					
Liquidity	14	14	8					
Interest bearing debt	30	36	36					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E	
Net sales	19	58	60	61	27	58	60	61	-8	-	-	-	
EBITDA (adj.)	8	46	48	49	16	46	47	49	-8	0	0	0	
EBIT (adj.)	2	38	40	41	10	38	39	41	-8	0	0	0	
PTP (adj.)	-0	35	37	39	8	36	38	39	-9	-1	-0	-0	
Net earnings (adj.)	-0	35	37	39	8	36	38	39	-9	-1	-0	-0	
EPS (adj.)	-0.02	1.51	1.60	1.66	0.35	1.54	1.61	1.68	-0.37	-0.02	-0.02	-0.02	
DPS	0.06	0.47	1.71	2.06	0.19	0.61	1.41	2.08	-0.13	-0.13	0.30	-0.02	
DPS (NOK)	0.59	4.33	15.66	18.85	1.75	5.51	12.81	18.88					
									2019E	2020E	2021E	2022E	
									TCE revenue	-8	-	-	-
									Opex & G&A	-0	-0	-0	-0
									Depreciation	0	-	-	-
									Net finance	0	1	1	1
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net operational cash flow	9	43	45	47	12	44	46	47	-3	-1	-0	-0
Free cash flow	-10	41	45	47	-6	38	46	47	-4	3	-0	-0
Net cash flow	-7	21	5	-1	-5	15	12	-1	-2	5	-7	0
TCE/day	21,339	54,640	56,148	57,685	30,253	54,640	56,148	57,685	-8,913	-	-	-
Cash break-even	12,585	13,478	13,109	13,117	12,245	12,990	12,711	12,719	340	489	398	397
Liquidity	8	29	34	33	10	25	37	36	-2	4	-4	-4
Property & Equip. (incl. NBs)	86	80	72	64	79	77	69	61	7	3	3	3
Total equity	54	78	76	67	60	81	86	77	-6	-3	-10	-10
Total assets	99	114	111	102	101	114	119	109	-2	-0	-7	-7
Interest bearing debt	36	27	27	27	36	27	27	27	0	-0	-	-
Net interest bearing debt	28	-2	-7	-6	26	2	-10	-9	2	-4	4	4
Market Cap.	69	69	69	69	64	64	64	64	5	5	5	5
Enterprise value	97	67	62	63	91	67	54	55	7	1	8	8
Capex	19	2	-	-	17	6	-	-	1	-3	-	-
Utilization	80%	97%	97%	97%	83%	97%	97%	97%	-3%	0%	0%	0%
Fleet days	1,095	1,098	1,095	1,095	1,095	1,098	1,095	1,095	-	-	-	-

Valuation

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	69	124	177	208	77	131	182	215	-9	-7	-5	-7
Adj. equity ratio	60%	78%	83%	85%	65%	80%	85%	87%	-5%	-2%	-2%	-2%
FCF yield	-14%	60%	66%	68%	-9%	60%	71%	74%	-5%	0%	-5%	-6%
Dividend yield	2%	16%	58%	70%	7%	22%	51%	76%	-5%	-6%	7%	-6%
EV/EBITDA	12.6	1.5	1.3	1.3	5.8	1.4	1.1	1.1	6.8	0.0	0.2	0.2
P/E (adj.)		1.9	1.8	1.8	7.9	1.8	1.7	1.6	#VALUE!	0.2	0.1	0.1



Cleaves Securities

ADS-NO BUY/N47

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

	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
Profit & Loss (USDm)									
Net sales	7	7	5	2	5	16	10	11	21
Operational costs	-3	-3	-2	-3	-3	-3	-3	-3	-3
EBITDA	4	4	2	-1	2	13	7	8	18
Depreciation/Amortization	-1	-1	-1	-1	-2	-2	-2	-2	-2
EBIT	3	2	1	-2	1	11	5	6	16
Net financials	0	-1	-1	-1	-1	-1	-1	-1	-1
PTP	2	2	1	-3	0	11	4	5	15
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	2	2	1	-3	0	11	4	5	15
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	2	2	1	-3	0	11	4	5	15
EPS	0.09	0.08	0.03	-0.12	0.00	0.45	0.19	0.22	0.65
EPS (adj.)	0.09	0.08	0.03	-0.12	0.00	0.45	0.19	0.22	0.65
DPS	0.00	0.00	0.04	0.02	0.00	0.02	0.10	0.09	0.26
Balance Sheet (USDm)									
Cash & short-term investments	14	16	17	13	7	15	14	18	27
Other current assets	11	7	14	7	7	7	7	7	7
Total current assets	24	23	31	20	13	21	21	25	34
Property & equip. (incl. NBs)	68	66	68	79	86	86	84	82	80
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	68	66	68	79	86	86	84	82	80
TOTAL ASSETS	92	90	99	99	99	108	105	107	114
Total equity	56	58	57	54	54	64	66	69	78
Short-term debt	0	0	0	0	0	0	0	0	0
Other current liabilities	6	2	5	9	9	9	9	9	9
Total current liabilities	6	2	5	9	9	9	9	9	9
Long-term debt	30	30	36	36	36	35	30	29	27
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	30	30	36	36	36	35	30	29	27
TOTAL EQUITY & LIABILITIES	92	90	99	99	99	108	105	107	114
Working capital, receivables	5	0	6	0	0	0	0	0	0
Working capital, payables	5	1	4	2	2	2	2	2	2
Net working capital	0	-1	2	-2	-2	-2	-2	-2	-2
Interest bearing debt	30	30	36	36	36	35	30	29	27
Liquidity	14	16	18	14	8	16	16	20	29
Net interest bearing debt	16	13	18	22	28	19	15	9	-2
Cash Flow (USDm)									
Net income	2	2	1	-3	0	11	4	5	15
Depreciation	1	1	1	1	2	2	2	2	2
Other	0	1	0	1	0	0	0	0	0
Cash earnings	4	4	2	-1	2	13	6	7	17
Changes in working capital	-1	0	-3	5	0	0	0	0	0
Net operational cash flow	3	4	-1	4	2	13	6	7	17
Capex	-1	-1	-3	-7	-8	-2	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-1	-1	-3	-7	-8	-2	0	0	0
Repayment of debt	0	0	-30	0	0	-2	-4	-1	-3
Proceeds from debt	0	0	38	0	0	0	0	0	1
Dividends paid	0	0	-1	-1	0	-1	-2	-2	-6
New equity	0	0	0	0	0	0	0	0	0
Other	0	-1	-2	-1	0	0	0	0	0
Net financing cash flow	0	-1	4	-1	0	-2	-7	-3	-9
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	2	2	1	-4	-6	8	0	4	9
Cash balance	14	16	17	13	7	15	14	18	27
Free cash flow	2	3	-4	-3	-6	10	6	7	17



Cleaves Securities

ADS-NO BUY/N47

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

Profit & Loss (USDm)	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E
Net sales					8	19	58	60	61
Operational costs					-5	-11	-12	-12	-12
EBITDA					3	8	46	48	49
Depreciation/Amortization					-2	-5	-8	-8	-8
EBIT	—	—	—	—	1	2	38	40	41
Net financials					-1	-3	-3	-2	-2
PTP	—	—	—	—	0	0	35	37	39
Taxes/Minorities					0	0	0	0	0
Net earnings	—	—	—	—	0	0	35	37	39
Non-recurring items					0	0	0	0	0
Net earnings (adj.)	—	—	—	—	0	0	35	37	39
EPS					0.00	-0.02	1.51	1.60	1.66
EPS (adj.)					0.00	-0.02	1.51	1.60	1.66
DPS					0.00	0.06	0.47	1.71	2.06
Balance Sheet (USDm)	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E
Cash & short-term investments	—	—	—	—	14	7	27	32	31
Other current assets					11	7	7	7	7
Total current assets	—	—	—	—	24	13	34	39	38
Property & equip. (incl. NBs)	—	—	—	—	68	86	80	72	64
Other non-current assets					0	0	0	0	0
Total non-current assets	—	—	—	—	68	86	80	72	64
TOTAL ASSETS	—	—	—	—	92	99	114	111	102
Total equity	—	—	—	—	56	54	78	76	67
Short-term debt	—	—	—	—	0	0	0	0	0
Other current liabilities					6	9	9	9	9
Total current liabilities	—	—	—	—	6	9	9	9	9
Long-term debt	—	—	—	—	30	36	27	27	27
Other non-current liabilities					0	0	0	0	0
Total non-current liabilities	—	—	—	—	30	36	27	27	27
TOTAL EQUITY & LIABILITIES	—	—	—	—	92	99	114	111	102
Working capital, receivables					5	0	0	0	0
Working capital, payables	—	—	—	—	5	2	2	2	2
Net working capital					0	-2	-2	-2	-2
Interest bearing debt					30	36	27	27	27
Liquidity					14	8	29	34	33
Net interest bearing debt					16	28	-2	-7	-6
Cash Flow (USDm)	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E
Net income	—	—	—	—	0	0	35	37	39
Depreciation					2	5	8	8	8
Other					0	2	0	0	0
Cash earnings					2	7	43	45	47
Changes in working capital	—	—	—	—	-5	2	0	0	0
Net operational cash flow	—	—	—	—	-3	9	43	45	47
Capex	—	—	—	—	-68	-19	-2	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	—	—	—	—	0	0	0	0	0
Other					0	0	0	0	0
Net investing cash flow	—	—	—	—	-68	-18	-2	0	0
Repayment of debt	—	—	—	—	0	-30	-10	0	0
Proceeds from debt	—	—	—	—	30	38	1	0	0
Dividends paid	—	—	—	—	0	-2	-11	-40	-48
New equity	—	—	—	—	57	0	0	0	0
Other					0	0	0	0	0
Net financing cash flow	—	—	—	—	85	3	-21	-40	-48
Currency effect	—	—	—	—	0	0	0	0	0
Net cash flow					14	-7	21	5	-1
Cash balance				0	14	7	27	32	31
Free cash flow					-71	-10	41	45	47



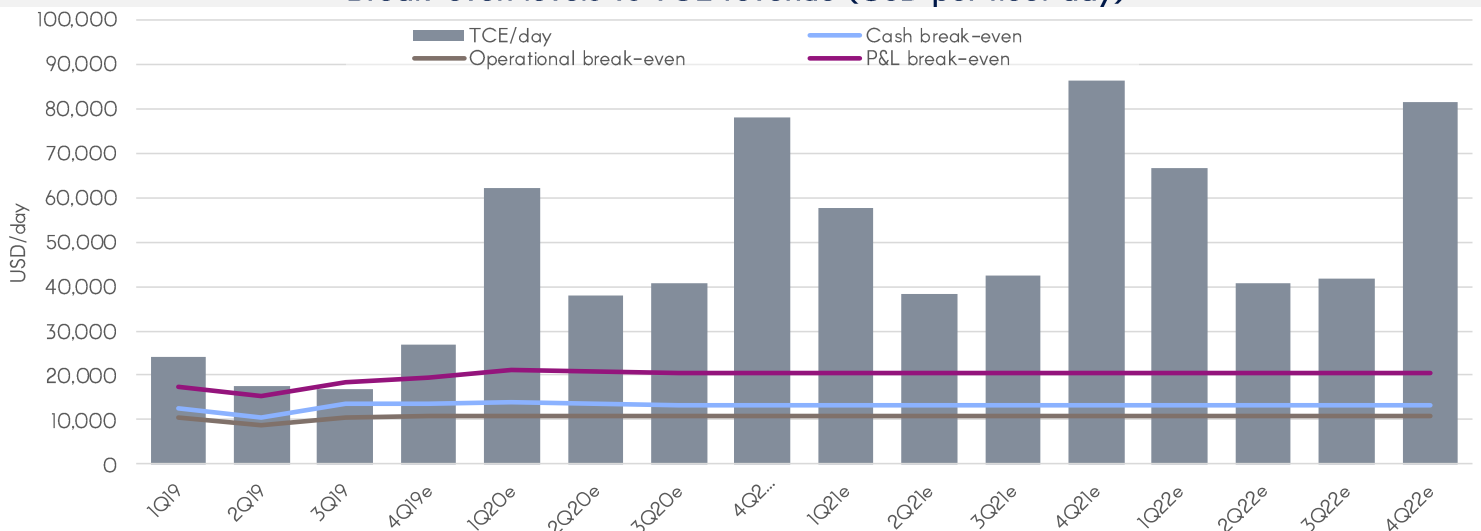
Cleaves Securities

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

	ADS-NO				BUY/N47				
	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E
Share Data & Valuation (USDm)									
Shares outstanding, end	—	—	—	—	23	23	23	23	23
Share price, avg (USD)						2	3	3	3
Share price, end (USD)	—	—	—	—	2	3	3	3	3
Market Cap.					53	69	69	69	69
NIBD					16	28	-2	-7	-6
Minorities	—	—	—	—	0	0	0	0	0
Enterprise value					69	97	67	62	63
Key Figures & Ratios									
P/E (reported)							1.9	1.8	1.8
P/E (adj.)							1.9	1.8	1.8
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales					6.7	3.7	1.2	1.2	1.1
EV/Sales					8.7	5.2	1.2	1.0	1.0
EV/EBITDA					25.0	12.6	1.5	1.3	1.3
EV/EBIT					75.9	42.7	1.8	1.6	1.5
P/B					0.9	1.3	0.9	0.9	1.0
FCF yield					-134%	-14%	60%	66%	68%
Dividend yield					0.0%	2.2%	16.0%	58.0%	69.8%
Return on equity (ROE)					0.2%	-0.7%	45.2%	49.3%	58.5%
Return on capital employed (ROCE)					1.3%	2.8%	49.7%	57.7%	67.8%
Return on assets (ROA)					0.1%	-0.4%	31.1%	33.5%	38.1%
Sales growth						138%	209%	3%	3%
EBITDA margin					35%	41%	79%	80%	80%
EBIT margin					11%	12%	66%	67%	67%
Net margin					1%	-2%	61%	63%	63%
Net interest rate					5.2%	9.4%	-177.5%	-34.5%	-42.1%
Tax rate					0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio					61%	55%	69%	68%	65%
Leverage ratio					39%	45%	31%	32%	35%
NIBD / EBITDA (past 1y)					5.7	3.7	0.0	-0.1	-0.1
Operating cash flow/NIBD					-0.2	0.3	-27.5	-6.6	-8.3
Net interest coverage ratio (EBITDA)					3.4	2.9	16.5	20.0	20.6
Current ratio					3.8	1.6	4.0	4.6	4.4
Adj. equity ratio						60%	78%	83%	85%
Operating assets					78	91	85	77	69
Operating liabilities					6	9	9	9	9
Net operating assets					72	83	77	69	61

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

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





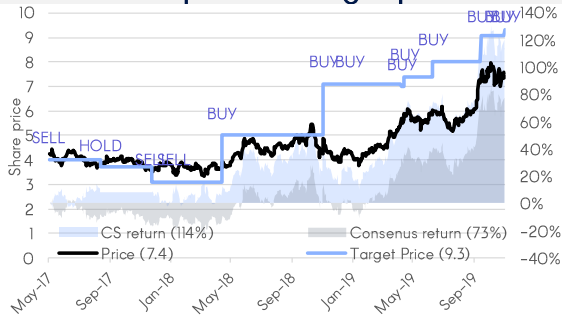
🐦 \$DHT (BUY/\$8.3): VLCC pure-play with a large fleet on the water. Scrubbers planned on most of the fleet. Top pick amongst Oil Tanker peers

DHT-US

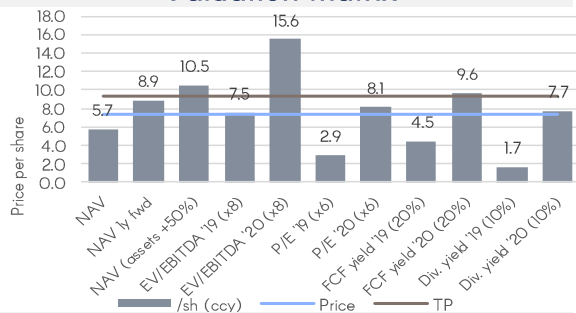
BUY/\$9.3

DHT Holdings

Share price vs target price

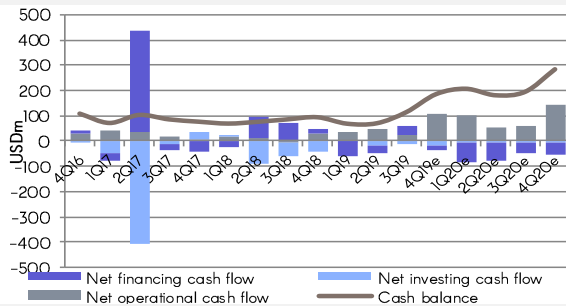


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	348	504	530	563
EBITDA (adj.)	258	413	439	471
EBIT (adj.)	143	291	317	349
PTP (adj.)	87	240	274	312
Net earnings (adj.)	87	240	274	312
EPS (adj.)	0.50	1.35	1.54	1.76
DPS	0.20	0.77	0.94	1.18
USDm	2019E	2020E	2021E	2022E
Fwd NAV	1,177	1,803	2,395	2,592
Adj. equity ratio	1	1	1	1
FCF yield	12%	26%	29%	32%
Dividend yield	2%	10%	13%	16%
EV/EBITDA	7.9	4.5	3.7	3.0
P/E (adj.)	15.1	5.5	4.8	4.2

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	212	362	396	434
Free cash flow	159	341	375	413
Net cash flow	92	99	22	142
TCE/day	36,910	52,746	55,438	58,888
Cash break-even	28,251	25,106	32,489	19,352
Liquidity	187	286	308	450
Property & Equip. (incl. NBs)	1,610	1,508	1,407	1,305
Total equity	930	1,033	1,140	1,243
Total assets	1,890	1,887	1,808	1,849
Interest bearing debt	917	811	624	563
Net interest bearing debt	730	525	317	113
Market Cap.	1,311	1,311	1,311	1,311

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

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



Quarterly Preview

P&L

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	85.2	58.9	142.6	158.7				
EBITDA (adj.)	61.3	36.0	119.8	134.6				
EBIT (adj.)	33.1	6.3	89.7	103.0				
PTP (adj.)	12.0	-7.9	75.9	86.2				
Net earnings (adj.)	12.0	-7.9	75.9	88.4				
EPS (adj.)	0.08	-0.06	0.43	0.61				
DPS	0.05	0.05	0.29	0.28				
Implied, line by line	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	85.2	58.9	142.6	158.7				
Opex & G&A	23.9	22.9	22.9	24.1				
Depreciation	28.3	29.7	30.1	31.7				
Net finance	21.1	14.2	13.8	16.8				
Taxes & Minorities	-0.0	0.0	-	-2.3				

CF & BS

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	28	22	106					
Free cash flow	-14	8	86					
Net cash flow	8	44	71					
TCE/day	33,459	25,904	59,803	66,549				
Utilization	96.9%	93.2%	96.0%					
Fleet days	2,629	2,484	2,484					
Cash break-even	26,009	20,966	34,703					
Liquidity	95	115	187					
Interest bearing debt	967	949	917					
Net interest bearing debt	872	833	730					

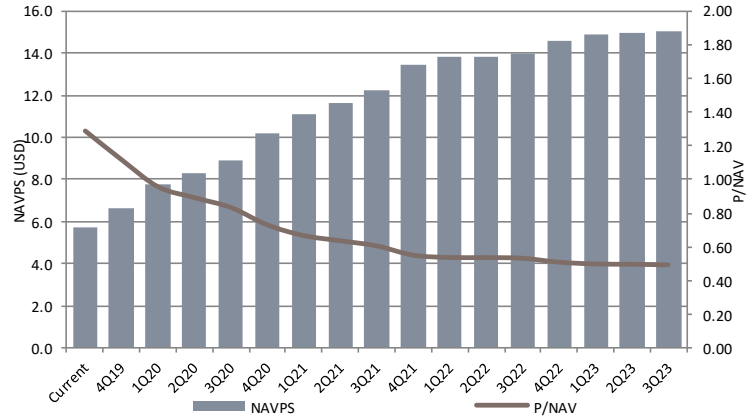


Company Valuation

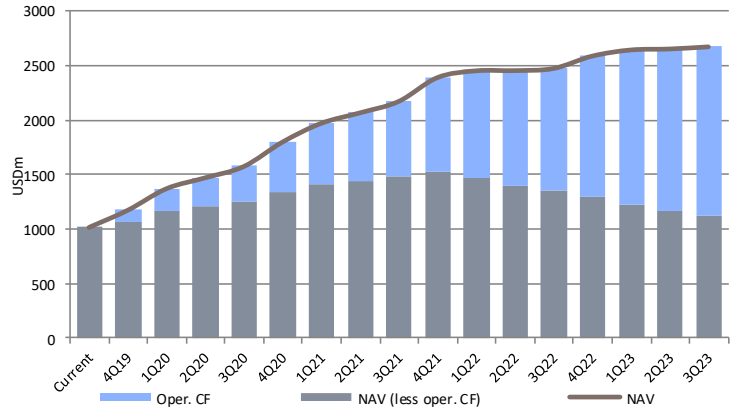
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,620	1,687	1,967
Contract value	0	0	0
Other	69	69	81
GAV	1,689	1,757	2,047
Net debt	-833	-682	-682
Capex	0	-36	-36
Other	-19	-19	-19
Equity	837	1,020	1,311
Shares	178	178	178
Equity/sh	4.71	5.74	7.38
lcl CCY	4.71	5.74	7.38
P/Equity	1.57	1.29	1.00
EV/GAV	1.21	1.17	1.00
Adj. Total Assets	1,828	1,896	2,175
Adj. Equity Ratio	46%	54%	60%
Fair Value	USD	9.3	26%

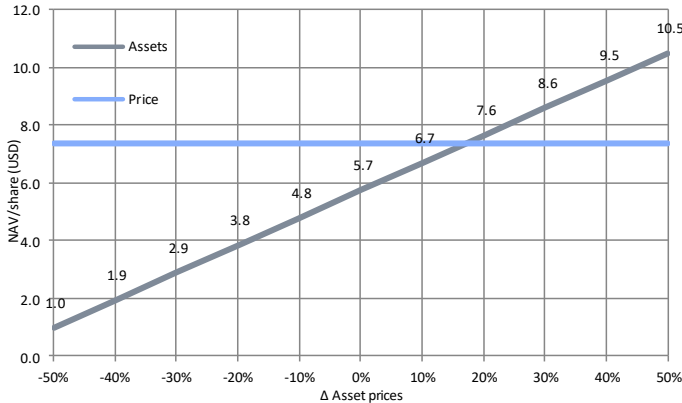
Quarterly forward NAV & P/NAV



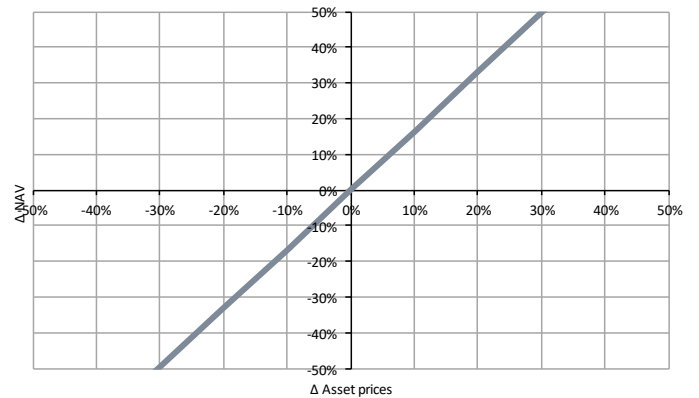
Quarterly forward NAV decomposition



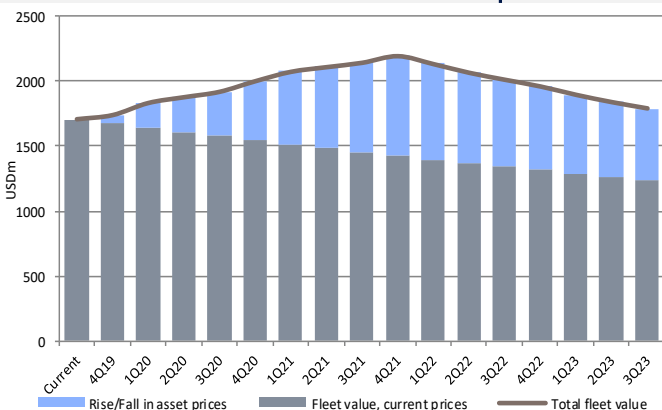
Impact on NAV/sh from % change in asset prices



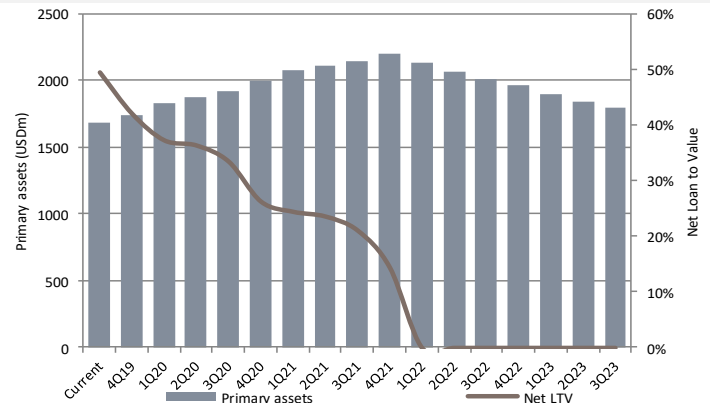
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E	
Net sales	348	504	530	563	331	481	505	550	17	23	25	13	
EBITDA (adj.)	258	413	439	471	240	389	414	458	17	23	25	13	
EBIT (adj.)	143	291	317	349	125	267	292	336	17	23	25	13	
PTP (adj.)	87	240	274	312	69	218	250	303	17	22	24	9	
Net earnings (adj.)	87	240	274	312	69	218	250	303	17	22	24	9	
EPS (adj.)	0.50	1.35	1.54	1.76	0.48	1.48	1.70	2.06	0.03	-0.13	-0.16	-0.30	
DPS	0.20	0.77	0.94	1.18	0.32	0.81	1.03	1.34	-0.12	-0.03	-0.09	-0.17	
									2019E	2020E	2021E	2022E	
									TCE revenue	17	23	25	13
									Opex & G&A	-	-	0	-
									Depreciation	-	-	-	-
									Net finance	0	1	1	4
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net operational cash flow	212	362	396	434	193	339	372	424	19	22	24	9
Free cash flow	159	341	375	413	124	322	355	424	35	19	21	-11
Net cash flow	92	99	22	142	14	98	17	165	78	1	5	-23
TCE/day	36,910	52,746	55,438	58,888	35,433	50,145	52,835	57,498	1,477	2,601	2,603	1,390
Cash break-even	28,251	25,106	32,489	19,352	28,211	24,992	32,365	18,955	40	114	125	396
Liquidity	187	286	308	450	109	207	223	389	78	79	84	61
Property & Equip. (incl. NBs)	1,610	1,508	1,407	1,305	1,621	1,517	1,412	1,290	-11	-8	-5	15
Total equity	930	1,033	1,140	1,243	896	996	1,095	1,200	34	37	46	43
Total assets	1,890	1,887	1,808	1,849	1,821	1,814	1,727	1,770	69	73	81	78
Interest bearing debt	917	811	624	563	886	780	594	532	31	31	31	31
Net interest bearing debt	730	525	317	113	777	573	370	143	-47	-48	-53	-30
Market Cap.	1,311	1,311	1,311	1,311	1,133	1,133	1,133	1,133	178	178	178	178
Enterprise value	2,041	1,836	1,628	1,424	1,910	1,707	1,503	1,276	130	130	124	148

Valuation

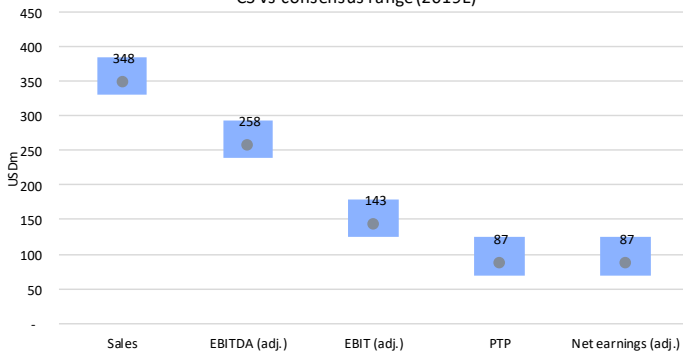
Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	1,177	1,803	2,395	2,592	971	1,573	2,136	2,315	206	230	259	277
Adj. equity ratio	1	1	1	1	51%	66%	77%	80%	4%	2%	1%	1%
FCF yield	12%	26%	29%	32%	11%	28%	31%	37%	1%	-2%	-3%	-6%
Dividend yield	2%	10%	13%	16%	4%	10%	13%	17%	-2%	0%	-1%	-1%
EV/EBITDA	7.9	4.5	3.7	3.0	7.9	4.4	3.6	2.8	-0.0	0.1	0.1	0.2
P/E (adj.)	15.1	5.5	4.8	4.2	16.3	5.2	4.5	3.7	-1.2	0.3	0.3	0.5



Our Estimates vs Consensus

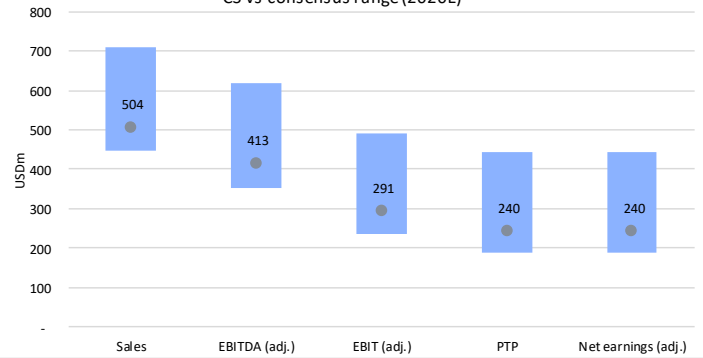
Profit & Loss, year I

CS vs consensus range (2019E)

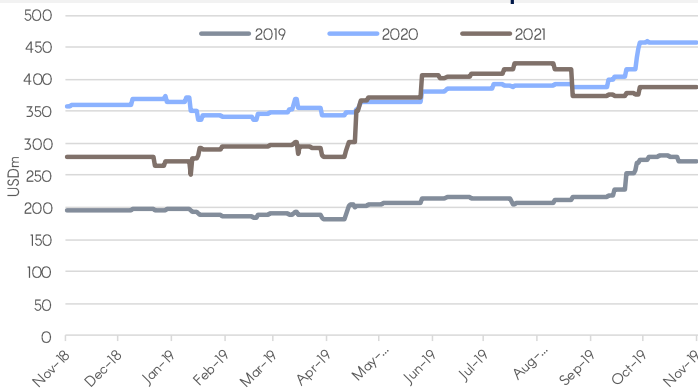


Profit & Loss, year II

CS vs consensus range (2020E)



Consensus EBITDA development



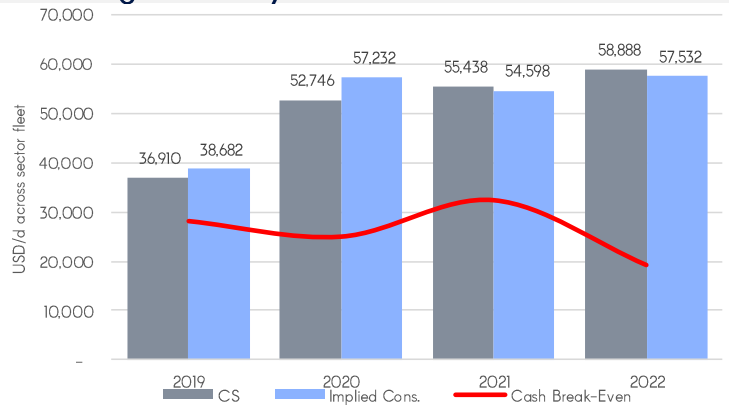
Target price vs share price (past ly)



Cleaves vs consensus: P&L break-down

	2019	CS	Consensus	Diff.	Diff.
TCE revenue	348	365	-17	-5%	
Opex + G&A	91	92	-2	-2%	
Depreciation	115	116	-1	-1%	
Net finance	56	66	-10	-15%	
Taxes & Minorities	0	-8	8	-101%	
	2020	CS	Consensus	Diff.	Diff.
TCE revenue	504	547	-43	-8%	
Opex + G&A	92	90	2	2%	
Depreciation	122	116	6	5%	
Net finance	51	33	18	55%	
Taxes & Minorities	0	26	-26	-100%	

Avg. TCE/day across fleet vs consensus





Cleaves Securities

DHT-US

BUY/\$9.3

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

	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
Profit & Loss (USDm)									
Net sales	85	86	61	59	143	140	90	97	177
Operational costs	-24	-22	-23	-23	-23	-23	-23	-23	-23
EBITDA	61	64	38	36	120	117	67	74	154
Depreciation/Amortization	-28	-28	-28	-30	-30	-30	-30	-30	-30
EBIT	33	37	10	6	90	86	37	44	123
Net financials	-21	-19	-21	-16	-14	-13	-13	-13	-12
PTP	12	18	-10	-9	76	73	24	31	111
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	12	18	-11	-9	76	73	24	31	111
Non-recurring items	0	4	7	2	0	0	0	0	0
Net earnings (adj.)	12	22	-4	-8	76	73	24	31	111
EPS	0.08	0.12	-0.07	-0.07	0.43	0.41	0.14	0.18	0.63
EPS (adj.)	0.08	0.16	-0.02	-0.06	0.43	0.41	0.14	0.18	0.63
DPS	0.02	0.05	0.08	0.02	0.05	0.29	0.28	0.09	0.12
Balance Sheet (USDm)									
Cash & short-term investments	95	69	71	115	187	208	182	196	286
Other current assets	98	114	86	88	88	88	88	88	88
Total current assets	193	184	157	204	275	297	271	285	374
Property & equip. (incl. NBs)	1,666	1,638	1,631	1,620	1,610	1,584	1,559	1,534	1,508
Other non-current assets	4	6	5	5	5	5	5	5	5
Total non-current assets	1,671	1,645	1,635	1,625	1,615	1,589	1,564	1,539	1,513
TOTAL ASSETS	1,864	1,828	1,793	1,828	1,890	1,886	1,835	1,823	1,887
Total equity	862	870	849	837	930	953	928	943	1,033
Short-term debt	94	94	97	100	106	95	84	198	187
Other current liabilities	30	30	25	29	29	29	29	29	29
Total current liabilities	124	125	122	129	134	123	112	226	215
Long-term debt	873	825	808	848	811	796	780	640	624
Other non-current liabilities	5	10	14	14	14	14	14	14	14
Total non-current liabilities	878	834	822	863	825	810	795	654	639
TOTAL EQUITY & LIABILITIES	1,864	1,828	1,793	1,828	1,890	1,886	1,835	1,823	1,887
Working capital, receivables	60	66	42	55	55	55	55	55	55
Working capital, payables	23	28	21	24	24	24	24	24	24
Net working capital	38	39	21	31	31	31	31	31	31
Interest bearing debt	967	919	906	949	917	890	864	837	811
Liquidity	95	69	71	115	187	208	182	196	286
Net interest bearing debt	872	850	835	833	730	682	682	641	525
Cash Flow (USDm)									
Net income	12	18	-11	-9	76	73	24	31	111
Depreciation	28	28	28	30	30	30	30	30	30
Other	8	7	11	4	0	0	0	0	0
Cash earnings	48	52	28	24	106	104	55	62	142
Changes in working capital	-20	-15	19	-3	0	0	0	0	0
Net operational cash flow	28	37	48	22	106	104	55	62	142
Capex	-68	-2	-18	-14	-20	-5	-5	-5	-5
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	26	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-42	-2	-18	-14	-20	-5	-5	-5	-5
Repayment of debt	-25	-50	-17	-16	-50	-26	-26	-26	-26
Proceeds from debt	55	0	0	55	18	0	0	0	0
Dividends paid	-3	-7	-11	-3	-9	-51	-49	-16	-21
New equity	0	0	0	0	26	0	0	0	0
Other	-5	-3	0	0	0	0	0	0	0
Net financing cash flow	22	-61	-28	37	-15	-77	-75	-43	-47
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	8	-26	2	44	71	21	-26	14	89
Cash balance	95	69	71	115	187	208	182	196	286
Free cash flow	-14	35	30	8	86	99	50	57	137



Cleaves Securities

DHT-US

BUY/\$9.3

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

	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Profit & Loss (USDm)									
Net sales	101	296	291	242	214	348	504	530	563
Operational costs	-29	-82	-166	-102	-94	-91	-92	-92	-92
EBITDA	73	214	125	140	120	258	413	439	471
Depreciation/Amortization	-45	-79	-84	-97	-103	-115	-122	-122	-122
EBIT	27	135	41	43	16	143	291	317	349
Net financials	-14	-30	-31	-37	-63	-69	-51	-43	-37
PTP	13	105	9	7	-47	74	240	274	312
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	13	105	9	7	-47	74	240	274	312
Non-recurring items	0	0	0	0	0	13	0	0	0
Net earnings (adj.)	13	105	9	7	-47	87	240	274	312
EPS	0.14	1.13	0.10	0.05	-0.33	0.41	1.35	1.54	1.76
EPS (adj.)	0.14	1.13	0.10	0.05	-0.33	0.50	1.35	1.54	1.76
DPS	0.06	0.53	0.71	0.16	0.08	0.20	0.77	0.94	1.18
Balance Sheet (USDm)									
Cash & short-term investments	167	167	109	77	95	187	286	308	450
Other current assets	46	51	69	90	98	88	88	88	88
Total current assets	212	218	179	167	193	275	374	396	538
Property & equip. (incl. NBs)	1,163	1,203	1,222	1,559	1,666	1,610	1,508	1,407	1,305
Other non-current assets	3	3	3	4	4	5	5	5	5
Total non-current assets	1,166	1,206	1,225	1,563	1,671	1,615	1,513	1,412	1,310
TOTAL ASSETS	1,378	1,424	1,404	1,730	1,864	1,890	1,887	1,808	1,849
Total equity	675	738	685	926	862	930	1,033	1,140	1,243
Short-term debt	32	32	58	65	94	106	80	86	92
Other current liabilities	36	21	17	18	30	29	29	29	29
Total current liabilities	68	53	74	83	124	134	109	115	120
Long-term debt	629	630	644	721	873	811	730	538	471
Other non-current liabilities	6	3	0	0	5	14	14	14	14
Total non-current liabilities	635	633	644	722	878	825	745	553	486
TOTAL EQUITY & LIABILITIES	1,378	1,424	1,404	1,730	1,864	1,890	1,887	1,808	1,849
Working capital, receivables	29	40	34	42	60	55	55	55	55
Working capital, payables	30	12	12	17	23	24	24	24	24
Net working capital	-1	28	23	25	38	31	31	31	31
Interest bearing debt	661	662	701	786	967	917	811	624	563
Liquidity	167	167	109	77	95	187	286	308	450
Net interest bearing debt	495	496	592	709	872	730	525	317	113
Cash Flow (USDm)									
Net income	13	105	9	7	-47	74	240	274	312
Depreciation	45	79	84	97	103	115	122	122	122
Other	-29	11	96	20	26	22	0	0	0
Cash earnings	29	195	189	124	82	211	362	396	434
Changes in working capital	2	-14	5	-22	-28	1	0	0	0
Net operational cash flow	31	182	194	102	54	212	362	396	434
Capex	-295	-145	-236	-298	-235	-53	-21	-21	-21
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	27	22	111	46	0	0	0	0
Other	-256	-7	0	0	0	0	0	0	0
Net investing cash flow	-551	-126	-213	-187	-188	-53	-21	-21	-21
Repayment of debt	207	-6	55	93	168	-132	-106	-187	-62
Proceeds from debt	489	99	219	200	617	72	0	0	0
Dividends paid	-6	-49	-66	-23	-11	-30	-137	-166	-210
New equity	360	0	0	0	0	26	0	0	0
Other	-489	-99	-247	-218	-622	0	0	0	0
Net financing cash flow	561	-56	-38	53	152	-67	-243	-353	-271
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	41	0	-57	-32	18	92	99	22	142
Cash balance	167	167	109	77	95	187	286	308	450
Free cash flow	-521	56	-19	-85	-134	159	341	375	413



Cleaves Securities

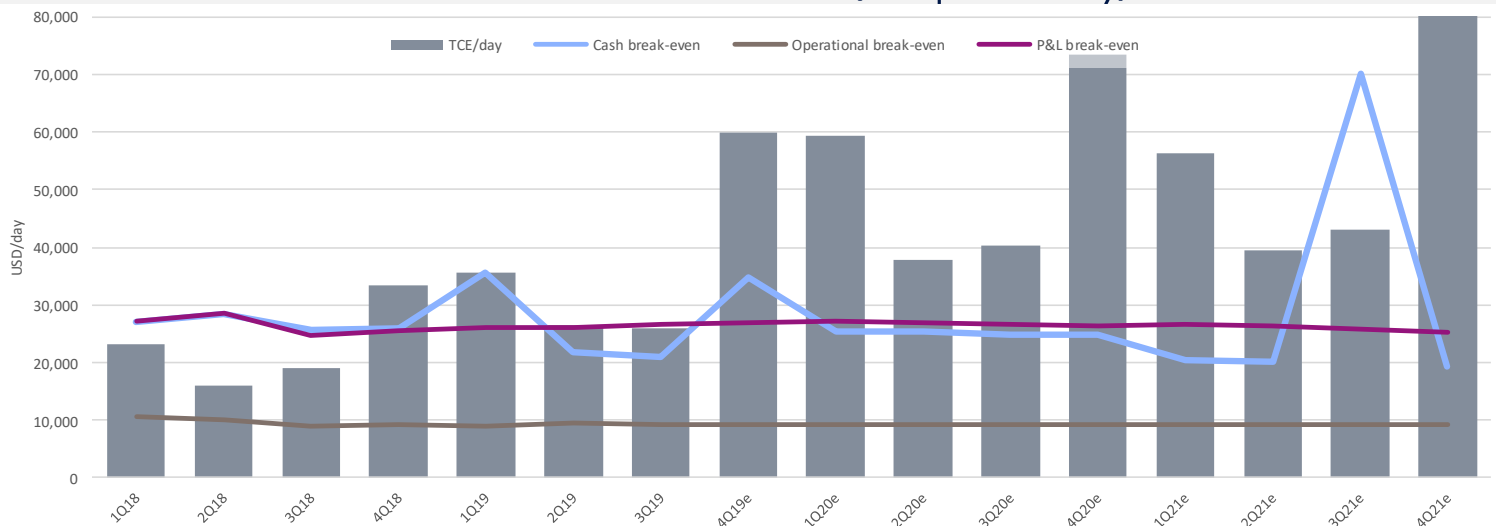
DHT-US BUY/\$9.3

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

Share Data & Valuation (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Shares outstanding, end	93	93	93	142	143	178	178	178	178
Share price, avg (USD)	7	8	5	4	4	6	7	7	7
Share price, end (USD)	7	8	4	4	4	7	7	7	7
Market Cap.	676	752	387	511	559	1,311	1,311	1,311	1,311
NIBD	495	496	592	709	872	730	525	317	113
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	1,171	1,247	979	1,220	1,432	2,041	1,836	1,628	1,424
Key Figures & Ratios	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
P/E (reported)	52.5	7.1	41.8	77.4		17.8	5.5	4.8	4.2
P/E (adj.)	52.5	7.1	41.8	77.4		15.1	5.5	4.8	4.2
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	6.7	2.5	1.3	2.1	2.6	3.8	2.6	2.5	2.3
EV/Sales	11.5	4.2	3.4	5.0	6.7	5.9	3.6	3.1	2.5
EV/EBITDA	16.1	5.8	7.8	8.7	12.0	7.9	4.5	3.7	3.0
EV/EBIT	42.7	9.2	24.2	28.2	87.9	14.3	6.3	5.1	4.1
P/B	1.0	1.0	0.6	0.6	0.6	1.4	1.3	1.1	1.1
FCF yield	-77%	7%	-5%	-17%	-24%	12%	26%	29%	32%
Dividend yield	0.9%	6.5%	17.2%	4.6%	2.1%	2.3%	10.4%	12.7%	16.0%
Return on equity (ROE)	1.9%	14.3%	1.4%	0.7%	-5.4%	7.9%	23.2%	24.0%	25.1%
Return on capital employed (ROCE)	2.3%	11.0%	3.2%	2.6%	0.9%	8.6%	18.6%	21.7%	25.8%
Return on assets (ROA)	0.9%	7.4%	0.7%	0.4%	-2.5%	3.9%	12.7%	15.1%	16.9%
Sales growth	65%	192%	-2%	-17%	-11%	63%	45%	5%	6%
EBITDA margin	71%	72%	43%	58%	56%	74%	82%	83%	84%
EBIT margin	27%	46%	14%	18%	8%	41%	58%	60%	62%
Net margin	13%	36%	3%	3%	-22%	21%	48%	52%	55%
Net interest rate	2.9%	6.8%	5.9%	5.7%	6.2%	7.6%	9.7%	13.6%	33.1%
Tax rate	0.7%	0.1%	1.0%	1.9%	-0.2%	0.2%	0.0%	0.0%	0.0%
Equity ratio	49%	52%	49%	54%	46%	49%	55%	63%	67%
Leverage ratio	51%	48%	51%	46%	54%	51%	45%	37%	33%
NIBD / EBITDA (past 1y)	6.8	2.3	4.7	5.1	7.3	2.8	1.3	0.7	0.2
Operating cash flow/NIBD	0.1	0.4	0.3	0.1	0.1	0.3	0.7	1.2	3.8
Net interest coverage ratio (EBITDA)	5.1	6.4	3.6	3.5	2.2	4.7	8.1	10.2	12.6
Current ratio	3.1	4.1	2.4	2.0	1.6	2.0	3.4	3.4	4.5
Adj. equity ratio						55%	68%	78%	81%
Operating assets	1,211	1,257	1,294	1,653	1,769	1,703	1,602	1,500	1,399
Operating liabilities	42	23	17	18	35	43	43	43	43
Net operating assets	1,169	1,234	1,277	1,635	1,734	1,660	1,558	1,457	1,356

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

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



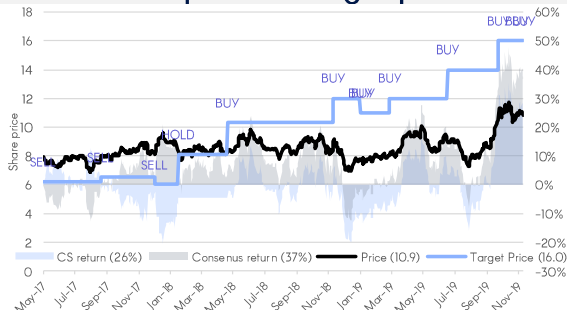


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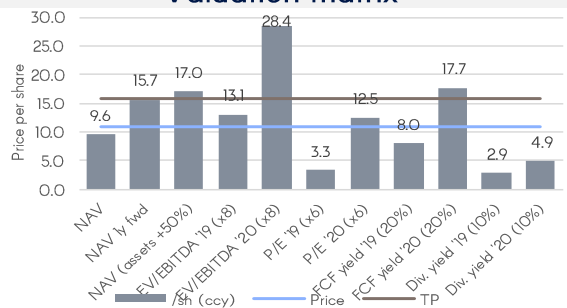
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Share price vs target price

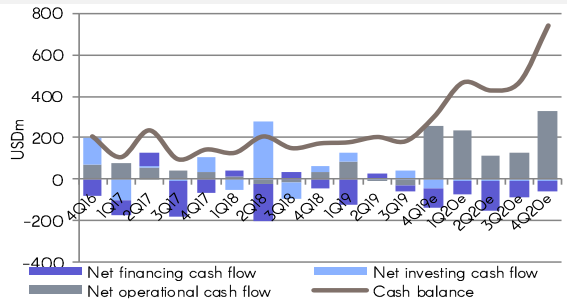


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	821	1,161	1,243	1,241
EBITDA (adj.)	540	878	960	970
EBIT (adj.)	202	535	617	656
PTP (adj.)	122	460	535	581
Net earnings (adj.)	123	460	535	581
EPS (adj.)	0.56	2.09	2.43	2.64
DPS	0.29	0.49	1.09	1.39
USDm	2019E	2020E	2021E	2022E
Fwd NAV	2,610	3,952	5,227	5,665
Adj. equity ratio	58%	71%	78%	80%
FCF yield	15%	33%	36%	37%
Dividend yield	3%	5%	10%	13%
EV/EBITDA	6.9	3.6	2.7	2.0
P/E (adj.)	19.4	5.2	4.5	4.1

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	312	803	878	895
Free cash flow	353	780	855	895
Net cash flow	129	437	493	477
TCE/day	33,116	45,403	48,719	51,558
Cash break-even	23,898	23,317	18,723	18,689
Liquidity	302	739	1,231	1,709
Property & Equip. (incl. NBs)	3,292	2,972	2,652	2,338
Total equity	2,282	2,633	2,928	3,203
Total assets	4,143	4,260	4,433	4,596
Interest bearing debt	1,748	1,513	1,391	1,279
Net interest bearing debt	1,446	774	160	-430
Market Cap.	2,387	2,387	2,387	2,387

Source: Cleaves, Bloomberg, Clarksons SIN, company data

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



Quarterly Preview

P&L

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	191.6	140.0	351.3	356.4				
EBITDA (adj.)	114.0	74.1	280.4	265.3				
EBIT (adj.)	35.5	-10.5	195.2	155.1				
PTP (adj.)	15.2	-30.4	174.0	172.9				
Net earnings (adj.)	15.3	-31.8	174.0	149.6				
EPS (adj.)	0.07	-0.14	0.79	0.80				
DPS	0.06	-	0.34	0.30				
Implied, line by line	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	191.6	140.0	351.3	356.4				
Opex & G&A	77.7	65.9	70.9	91.1				
Depreciation	78.5	84.6	85.2	110.1				
Net finance	20.3	19.9	21.2	-17.7				
Taxes & Minorities	-0.1	1.4	-	23.3				

CF & BS

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	31	-33	259					
Free cash flow	66	7	214					
Net cash flow	23	-20	118					
TCE/day	30,242	22,094	55,053	55,851				
Fleet days	6,532	6,532	6,578					
Cash break-even	24,805	23,255	24,054					
Liquidity	173	184	302					
Interest bearing debt	1,769	1,793	1,748					
Net interest bearing debt	1,595	1,610	1,446					

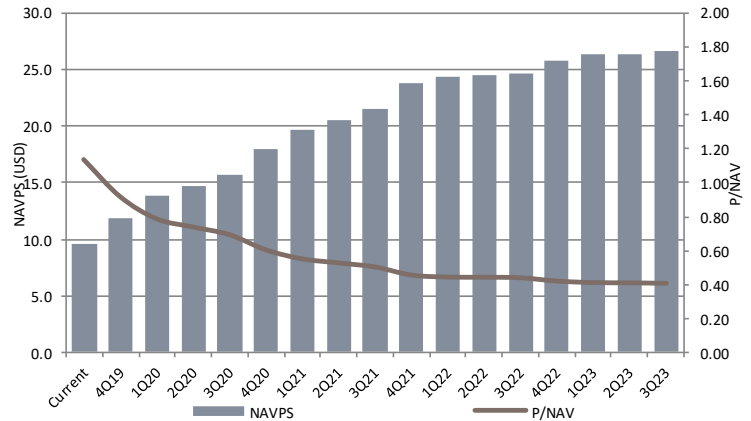


Company Valuation

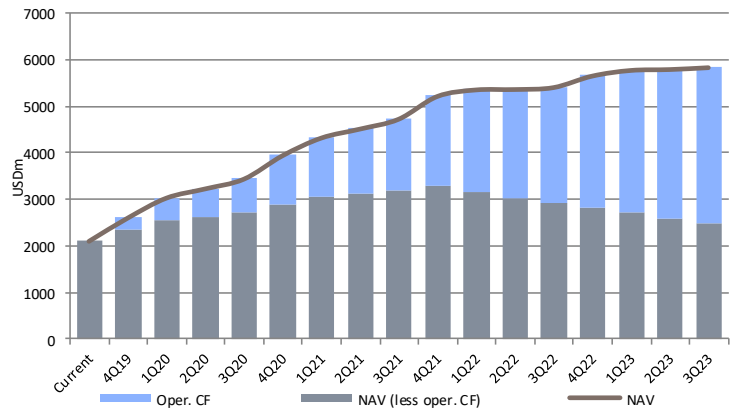
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	3,332	3,277	3,518
Contract value	0	88	95
Other	447	407	437
GAV	3,779	3,771	4,049
Net debt	-1,610	-1,610	-1,610
Capex	0	-41	-41
Other	-12	-12	-12
Equity	2,157	2,110	2,387
Shares	220	220	220
Equity/sh	9.81	9.59	10.85
lcl CCY	9.81	9.59	10.85
P/Equity	1.11	1.13	1.00
EV/GAV	1.07	1.07	1.00
Adj. Total Assets	4,065	4,010	4,251
Adj. Equity Ratio	53%	53%	56%
Fair Value	USD	15.8	45%

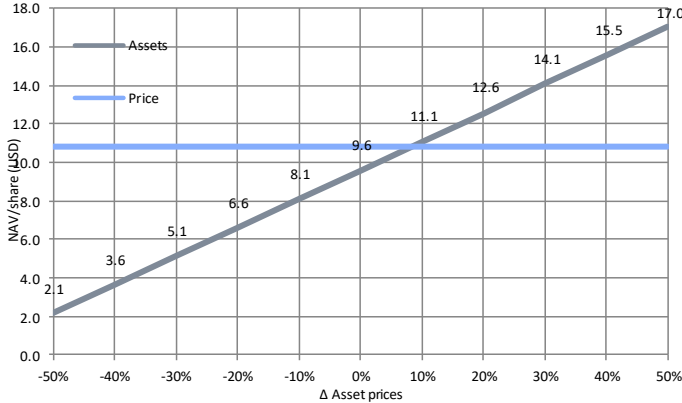
Quarterly forward NAV & P/NAV



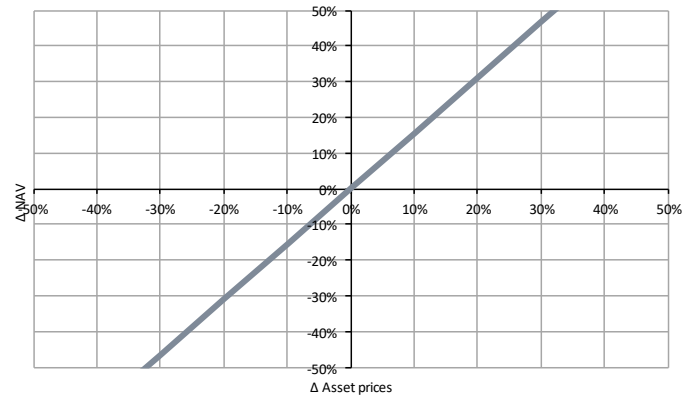
Quarterly forward NAV decomposition



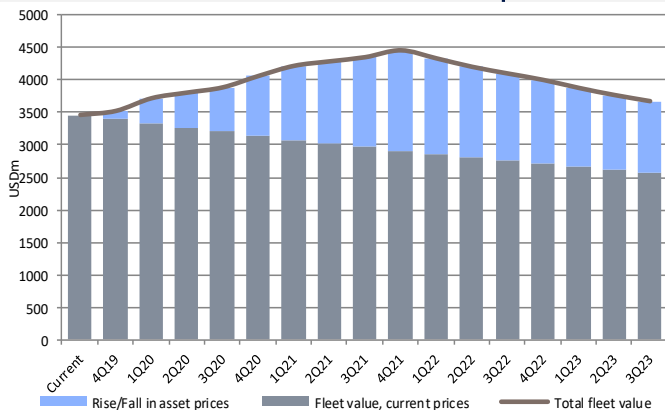
Impact on NAV/sh from % change in asset prices



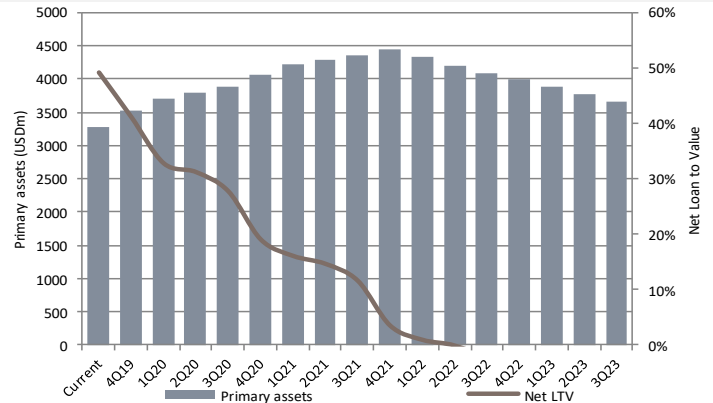
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E	
Net sales	821	1,161	1,243	1,241	819	1,149	1,229	1,227	2	13	13	14	
EBITDA (adj.)	540	878	960	970	538	864	945	954	2	14	15	16	
EBIT (adj.)	202	535	617	656	200	525	606	640	2	10	11	16	
PTP (adj.)	122	460	535	581	122	456	530	570	0	3	5	11	
Net earnings (adj.)	123	460	535	581	123	456	530	570	0	3	5	11	
EPS (adj.)	0.56	2.09	2.43	2.64	0.56	2.07	2.41	2.59	0.00	0.02	0.02	0.05	
DPS	0.29	0.49	1.09	1.39	0.29	0.49	1.08	1.37	-	0.00	0.01	0.02	
									2019E	2020E	2021E	2022E	
									TCE revenue	2	13	13	14
									Opex & G&A	-0	-2	-2	-2
									Depreciation	1	5	5	0
									Net finance	2	6	6	5
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net operational cash flow	312	803	878	895	312	795	869	884	1	8	10	11
Free cash flow	353	780	855	895	393	773	848	884	-40	7	7	11
Net cash flow	129	437	493	477	153	431	488	472	-25	6	4	5
TCE/day	33,116	45,403	48,719	51,558	33,635	45,545	48,874	51,727	-519	-143	-155	-169
Cash break-even	23,898	23,317	18,723	18,689	18,874	23,465	18,803	18,797	5,024	-148	-80	-109
Liquidity	302	739	1,231	1,709	327	758	1,246	1,718	-25	-19	-15	-9
Property & Equip. (incl. NBs)	3,292	2,972	2,652	2,338	3,252	2,935	2,618	2,304	40	37	34	34
Total equity	2,282	2,633	2,928	3,203	2,282	2,630	2,922	3,191	0	3	6	12
Total assets	4,143	4,260	4,433	4,596	4,128	4,242	4,413	4,571	15	18	20	24
Interest bearing debt	1,748	1,513	1,391	1,279	1,733	1,498	1,377	1,266	15	15	14	13
Net interest bearing debt	1,446	774	160	-430	1,406	741	131	-452	40	34	28	22
Market Cap.	2,387	2,387	2,387	2,387	2,420	2,420	2,420	2,420	-33	-33	-33	-33
Enterprise value	3,833	3,162	2,547	1,957	3,826	3,161	2,551	1,968	7	1	-5	-11

Valuation

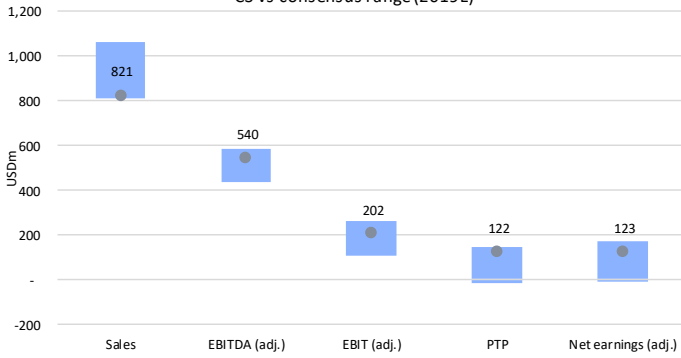
Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	2,610	3,952	5,227	5,665	2,565	3,879	5,123	5,546	45	72	104	119
Adj. equity ratio	58%	71%	78%	80%	58%	71%	77%	80%	0%	0%	0%	0%
FCF yield	15%	33%	36%	37%	16%	32%	35%	37%	-1%	1%	1%	1%
Dividend yield	3%	5%	10%	13%	3%	4%	10%	12%	0%	0%	0%	0%
EV/EBITDA	6.9	3.6	2.7	2.0	6.9	3.7	2.7	2.1	-0.0	-0.1	-0.0	-0.0
P/E (adj.)	19.4	5.2	4.5	4.1	19.7	5.3	4.6	4.2	-0.3	-0.1	-0.1	-0.1



Our Estimates vs Consensus

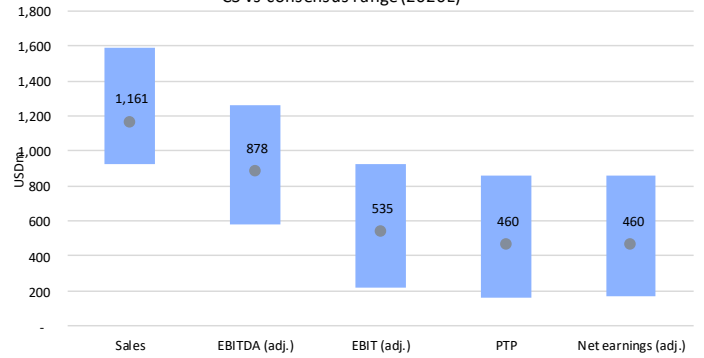
Profit & Loss, year I

CS vs consensus range (2019E)

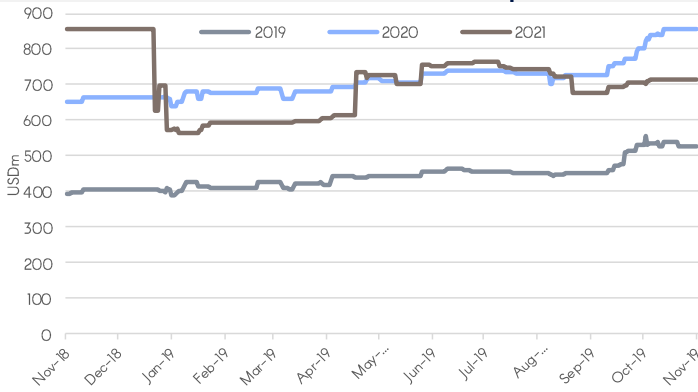


Profit & Loss, year II

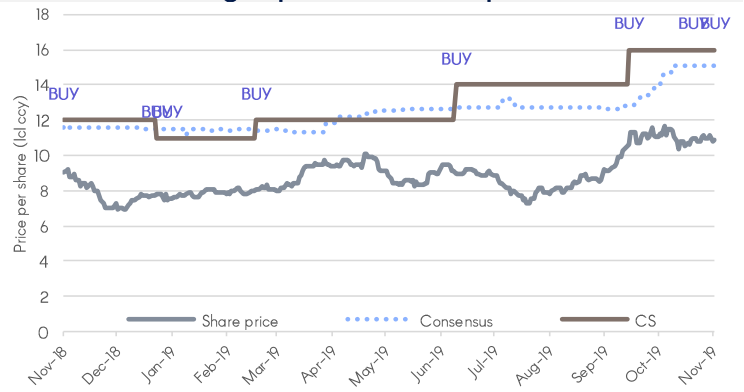
CS vs consensus range (2020E)



Consensus EBITDA development



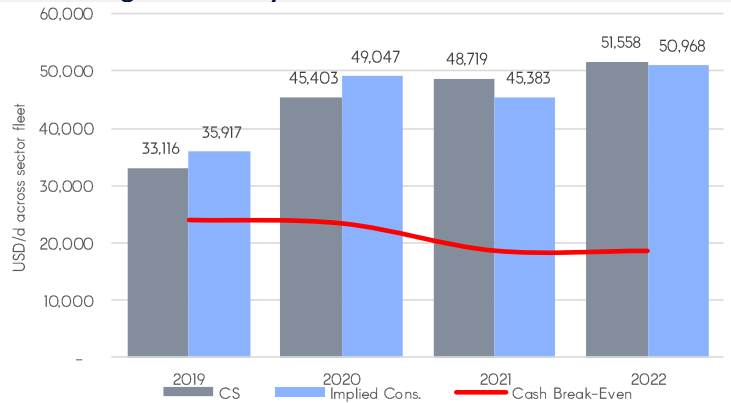
Target price vs share price



Cleaves vs consensus: P&L break-down

	2019	CS	Consensus	Diff.	Diff.
TCE revenue	821	890	-69	-8%	
Opex + G&A	281	365	-84	-23%	
Depreciation	338	336	2	1%	
Net finance	80	89	-9	-10%	
Taxes & Minorities	-1	-7	6	-91%	
	2020	CS	Consensus	Diff.	Diff.
TCE revenue	1,161	1,254	-93	-7%	
Opex + G&A	283	398	-115	-29%	
Depreciation	343	351	-8	-2%	
Net finance	75	72	3	4%	
Taxes & Minorities	0	-28	28	-100%	

Avg. TCE/day across fleet vs consensus





Cleaves Securities

EURN-US

BUY/\$16

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

	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
Profit & Loss (USDm)									
Net sales	192	197	132	140	351	325	201	217	418
Operational costs	-93	-74	-68	-50	-71	-71	-70	-71	-71
EBITDA	99	123	64	90	280	254	131	147	347
Depreciation/Amortization	-78	-84	-85	-85	-85	-86	-86	-86	-86
EBIT	20	39	-20	5	195	168	45	61	261
Net financials	-20	-20	-20	-27	-21	-20	-19	-18	-18
PTP	0	19	-40	-22	174	148	26	42	244
Taxes/Minorities	0	0	2	-1	0	0	0	0	0
Net earnings	0	20	-39	-23	174	148	26	42	244
Non-recurring items	15	0	0	-9	0	0	0	0	0
Net earnings (adj.)	15	20	-39	-32	174	148	26	42	244
EPS	0.00	0.09	-0.18	-0.10	0.79	0.67	0.12	0.19	1.11
EPS (adj.)	0.07	0.09	-0.18	-0.14	0.79	0.67	0.12	0.19	1.11
DPS	0.06	0.00	0.06	0.00	0.23	0.00	0.34	0.06	0.10
Balance Sheet (USDm)									
Cash & short-term investments	173	178	204	184	302	465	427	468	739
Other current assets	352	360	413	468	468	468	468	468	468
Total current assets	525	539	617	651	770	932	895	936	1,206
Property & equip. (incl. NBs)	3,520	3,523	3,416	3,332	3,292	3,212	3,132	3,052	2,972
Other non-current assets	82	87	83	82	82	82	82	82	82
Total non-current assets	3,602	3,610	3,499	3,414	3,374	3,294	3,214	3,134	3,053
TOTAL ASSETS	4,127	4,148	4,116	4,065	4,143	4,226	4,108	4,070	4,260
Total equity	2,260	2,260	2,195	2,158	2,282	2,430	2,381	2,410	2,633
Short-term debt	194	307	299	244	261	278	271	263	268
Other current liabilities	88	109	104	103	103	103	103	103	103
Total current liabilities	283	417	403	347	364	381	373	366	371
Long-term debt	1,574	1,463	1,507	1,550	1,487	1,405	1,342	1,282	1,245
Other non-current liabilities	10	8	10	11	11	11	11	11	11
Total non-current liabilities	1,584	1,471	1,518	1,561	1,498	1,416	1,354	1,293	1,256
TOTAL EQUITY & LIABILITIES	4,127	4,148	4,116	4,065	4,143	4,226	4,108	4,070	4,260
Working capital, receivables	310	354	390	222	222	222	222	222	222
Working capital, payables	87	109	88	102	102	102	102	102	102
Net working capital	222	245	301	120	120	120	120	120	120
Interest bearing debt	1,769	1,770	1,807	1,793	1,748	1,683	1,613	1,545	1,513
Liquidity	173	178	204	184	302	465	427	468	739
Net interest bearing debt	1,595	1,592	1,603	1,610	1,446	1,218	1,186	1,077	774
Cash Flow (USDm)									
Net income	0	20	-39	-23	174	148	26	42	244
Depreciation	78	84	85	85	85	86	86	86	86
Other	13	6	-2	-11	0	0	0	0	0
Cash earnings	91	110	44	51	259	234	111	128	329
Changes in working capital	-61	-23	-45	-83	0	0	0	0	0
Net operational cash flow	31	87	-1	-33	259	234	111	128	329
Capex	-1	-3	-1	0	-45	-6	-6	-6	-6
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	6	42	7	38	0	0	0	0	0
Other	30	0	3	2	0	0	0	0	0
Net investing cash flow	35	39	8	39	-45	-6	-6	-6	-6
Repayment of debt	-28	-104	34	-14	-61	-65	-69	-68	-32
Proceeds from debt	0	0	0	0	15	0	0	0	0
Dividends paid	-13	0	-13	0	-50	0	-74	-13	-21
New equity	0	0	0	0	0	0	0	0	0
Other	-2	-17	-3	-11	0	0	0	0	0
Net financing cash flow	-43	-120	18	-26	-96	-65	-144	-81	-53
Currency effect	0	0	0	-1	0	0	0	0	0
Net cash flow	23	5	25	-20	118	163	-38	42	270
Cash balance	173	178	204	184	302	465	427	468	739
Free cash flow	66	126	7	7	214	228	106	122	324



Cleaves Securities

EURN-US

BUY/\$16

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

	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Profit & Loss (USDm)									
Net sales	592	918	744	575	741	821	1,161	1,243	1,241
Operational costs						-263	-283	-283	-271
EBITDA						558	878	960	970
Depreciation/Amortization						-338	-343	-343	-314
EBIT	12	352	208	13	-75	219	535	617	656
Net financials	-63	4	-4	-13	-35	-88	-75	-81	-75
PTP	-52	356	204	0	-110	131	460	535	581
Taxes/Minorities	6	-6	0	1	0	1	0	0	0
Net earnings	-46	350	204	1	-110	132	460	535	581
Non-recurring items	0	0	0	0	0	-9	0	0	0
Net earnings (adj.)	-46	350	204	1	-110	123	460	535	581
EPS	-0.35	2.20	1.28	0.01	-0.50	0.60	2.09	2.43	2.64
EPS (adj.)	-0.35	2.20	1.28	0.01	-0.50	0.56	2.09	2.43	2.64
DPS	0.00	0.87	1.36	0.28	0.10	0.29	0.49	1.09	1.39
Balance Sheet (USDm)									
Cash & short-term investments	254	132	207	144	173	302	739	1,231	1,709
Other current assets	284	243	167	137	348	468	468	468	468
Total current assets	538	375	373	281	521	770	1,206	1,699	2,176
Property & equip. (incl. NBs)	2,276	2,383	2,470	2,337	3,522	3,292	2,972	2,652	2,338
Other non-current assets	282	283	203	194	84	82	82	82	82
Total non-current assets	2,559	2,666	2,674	2,530	3,606	3,374	3,053	2,734	2,419
TOTAL ASSETS	3,096	3,041	3,047	2,811	4,127	4,143	4,260	4,433	4,596
Total equity	1,473	1,906	1,888	1,846	2,261	2,282	2,633	2,928	3,203
Short-term debt	169	100	119	97	199	261	169	182	203
Other current liabilities	126	79	70	61	88	103	103	103	103
Total current liabilities	295	180	189	159	287	364	272	284	306
Long-term debt	1,319	952	966	801	1,570	1,487	1,344	1,209	1,076
Other non-current liabilities	9	3	3	5	10	11	11	11	11
Total non-current liabilities	1,328	955	970	806	1,580	1,498	1,355	1,221	1,087
TOTAL EQUITY & LIABILITIES	3,096	3,041	3,047	2,811	4,127	4,143	4,260	4,433	4,596
Working capital, receivables	48	36	39	33	65	222	222	222	222
Working capital, payables	85	62	56	51	80	102	102	102	102
Net working capital	-37	-26	-17	-19	-15	120	120	120	120
Interest bearing debt	1,489	1,052	1,086	899	1,769	1,748	1,513	1,391	1,279
Liquidity	254	132	207	144	173	302	739	1,231	1,709
Net interest bearing debt	1,235	921	879	755	1,595	1,446	774	160	-430
Cash Flow (USDm)									
Net income	-46	350	204	1	-110	132	460	535	581
Depreciation						338	343	343	314
Other						-7	0	0	0
Cash earnings	127	508	400	189	115	464	803	878	895
Changes in working capital	-112	-58	38	22	-115	-151	0	0	0
Net operational cash flow	15	451	438	211	1	312	803	878	895
Capex	-1,177	-360	-343	-178	-238	-50	-23	-23	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	124	113	223	97	27	86	0	0	0
Other	31	41	19	41	401	17	0	0	0
Net investing cash flow	-1,023	-206	-101	-40	190	41	-23	-23	0
Repayment of debt	580	-445	-38	-191	-136	-145	-235	-122	-112
Proceeds from debt	1,395	931	—	—	—	15	0	0	0
Dividends paid	0	-138	-217	-44	-23	-63	-108	-240	-306
New equity	475	237	—	—	—	0	0	0	0
Other	-1,262	-951	-6	0	-2	17	0	0	0
Net financing cash flow	1,189	-365	-261	-235	-160	-223	-343	-363	-418
Currency effect	-1	-2	-1	1	-1	-1	0	0	0
Net cash flow	180	-122	75	-63	29	129	437	493	477
Cash balance	254	132	207	144	173	302	739	1,231	1,709
Free cash flow	-1,008	245	338	171	191	353	780	855	895



Cleaves Securities

EURN-US

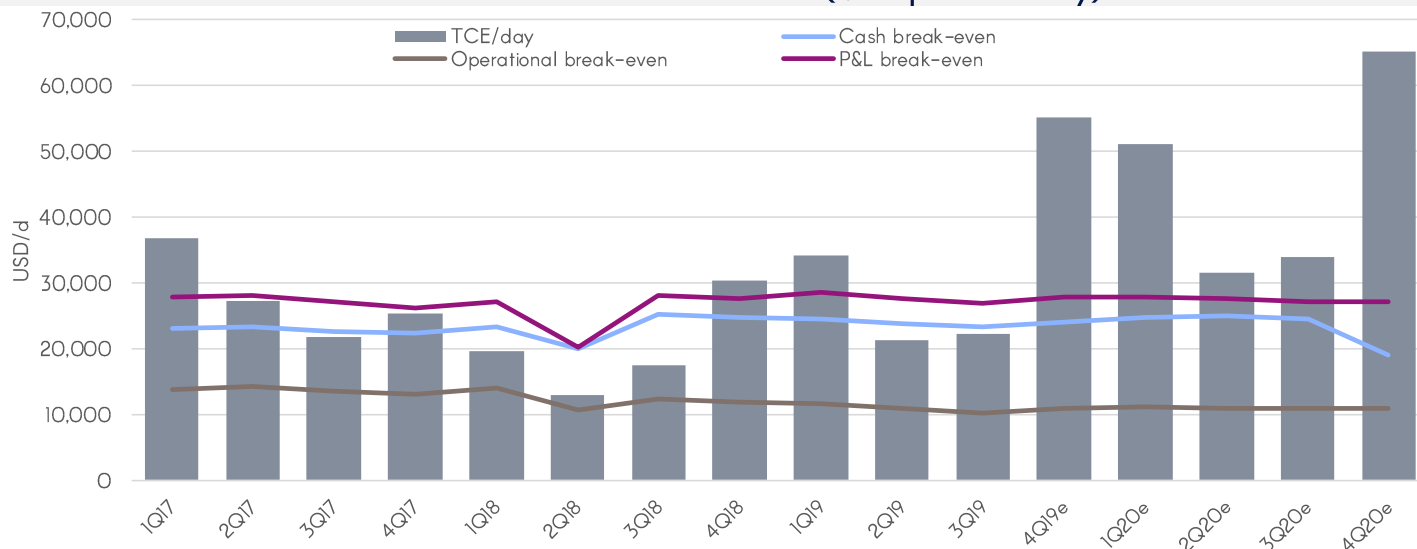
BUY/\$16

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

Share Data & Valuation (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Shares outstanding, end	131	159	159	159	220	220	220	220	220
Share price, avg (USD)		14	9	8	9	10	11	11	11
Share price, end (USD)	—	14	8	9	7	11	11	11	11
Market Cap.		2,183	1,266	1,473	1,525	2,387	2,387	2,387	2,387
NIBD	1,235	921	879	755	1,595	1,446	774	160	-430
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value		3,103	2,145	2,228	3,120	3,833	3,162	2,547	1,957
Key Figures & Ratios	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
P/E (reported)		6.2	6.2			18.1	5.2	4.5	4.1
P/E (adj.)		6.2	6.2			19.4	5.2	4.5	4.1
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales		2.4	1.7	2.6	2.1	2.9	2.1	1.9	1.9
EV/Sales		3.4	2.9	3.9	4.2	4.7	2.7	2.0	1.6
EV/EBITDA						6.9	3.6	2.7	2.0
EV/EBIT		8.8	10.3			17.5	5.9	4.1	3.0
P/B		1.1	0.7	0.8	0.7	1.0	0.9	0.8	0.7
FCF yield		11%	27%	12%	13%	15%	33%	36%	37%
Dividend yield		6.3%	17.1%	3.0%	1.5%	2.6%	4.5%	10.1%	12.8%
Return on equity (ROE)	-3.1%	18.4%	10.8%	0.1%	-4.9%	5.8%	17.5%	18.3%	18.1%
Return on capital employed (ROCE)	0.4%	12.5%	7.5%	0.5%	-1.9%	5.9%	15.9%	20.3%	24.0%
Return on assets (ROA)	-1.5%	11.5%	6.7%	0.0%	-2.7%	3.2%	10.8%	12.1%	12.6%
Sales growth	54%	55%	-19%	-23%	29%	11%	41%	7%	0%
EBITDA margin						68%	76%	77%	78%
EBIT margin	2%	38%	28%	2%	-10%	27%	46%	50%	53%
Net margin	-8%	38%	27%	0%	-15%	16%	40%	43%	47%
Net interest rate	0.0%	0.0%	0.0%	0.0%	0.0%	6.8%	11.7%	51.0%	-17.4%
Tax rate	11.1%	1.6%	-0.1%	-5432.0%	-0.2%	-0.5%	0.0%	0.0%	0.0%
Equity ratio	48%	63%	62%	66%	55%	55%	62%	66%	70%
Leverage ratio	52%	37%	38%	34%	45%	45%	38%	34%	30%
NIBD / EBITDA (past 1y)						2.6	0.9	0.2	-0.4
Operating cash flow/NIBD	0.0	0.5	0.5	0.3	0.0	0.2	1.0	5.5	-2.1
Net interest coverage ratio (EBITDA)						5.7	9.7	11.8	13.0
Current ratio	1.8	2.1	2.0	1.8	1.8	2.1	4.4	6.0	7.1
Adj. equity ratio						58%	71%	78%	80%
Operating assets	2,842	2,909	2,840	2,667	3,954	3,799	3,478	3,159	2,844
Operating liabilities	135	83	73	66	98	114	114	114	114
Net operating assets	2,707	2,827	2,767	2,601	3,856	3,685	3,364	3,044	2,730

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

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





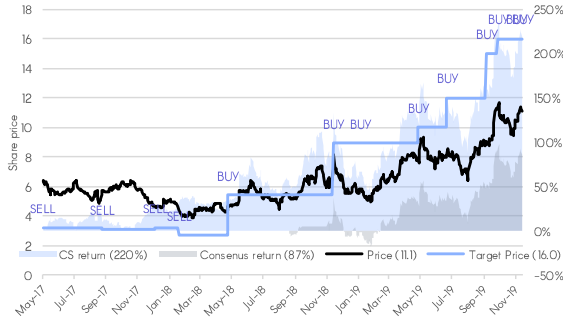
Stock listed since 1989 & with Fredriksen as main sponsor, this large oil tanker play is the most tradable name amongst peers

FRO-US

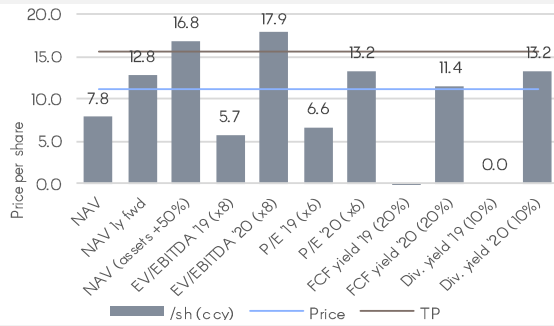
BUY/\$16

Frontline

Share price vs target price

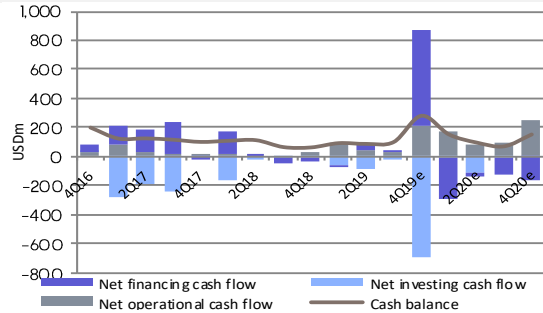


Valuation matrix



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Cash & cash flows



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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	647	933	921	955
EBITDA (adj.)	422	698	711	749
EBIT (adj.)	303	545	558	596
PTP (adj.)	217	435	464	521
Net earnings (adj.)	216	435	464	520
EPS (adj.)	1.14	2.21	2.35	2.64
DPS	-	1.32	0.88	1.13
USDm	2019E	2020E	2021E	2022E
Fwd NAV	1,819	2,951	3,945	4,150
Adj. equity ratio	41%	56%	67%	73%
FCF yield	-22%	21%	25%	30%
Dividend yield	0%	12%	8%	10%
EV/EBITDA	10.3	6.1	5.5	4.6
P/E (adj.)	10.1	5.0	4.7	4.2

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	380	587	616	673
Free cash flow	-479	450	543	665
Net cash flow	220	-128	7	11
TCE/day	30,776	39,656	40,490	42,214
Cash break-even	24,680	33,057	32,382	31,539
Liquidity	288	160	167	178
Property & Equip. (incl. NBs)	3,289	3,273	3,194	3,049
Total equity	1,785	1,960	2,251	2,549
Total assets	4,431	4,288	4,216	4,082
Interest bearing debt	2,543	2,225	1,861	1,429
Net interest bearing debt	2,255	2,064	1,694	1,251
Market Cap.	2,187	2,187	2,187	2,187

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

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

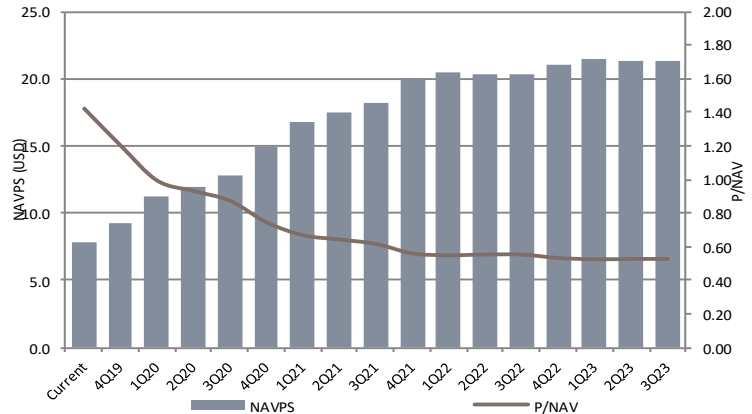


Company Valuation

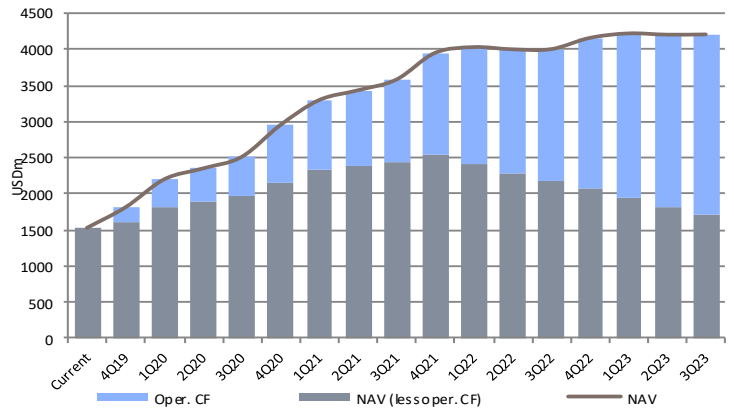
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	2,625	3,532	4,067
Contract value	0	25	29
Other	742	742	855
GAV	3,367	4,299	4,951
Net debt	-1,996	-1,768	-1,768
Capex	0	-892	-892
Other	-104	-104	-104
Equity	1,267	1,535	2,187
Shares	197	197	197
Equity/sh	6.44	7.80	11.11
lcl CCY	6.44	7.80	11.11
P/Equity	1.73	1.42	1.00
EV/GAV	1.47	1.15	1.00
Adj. Total Assets	3,588	4,495	5,031
Adj. Equity Ratio	35%	34%	43%
Fair Value	USD	15.6	41%
	NOK	143	

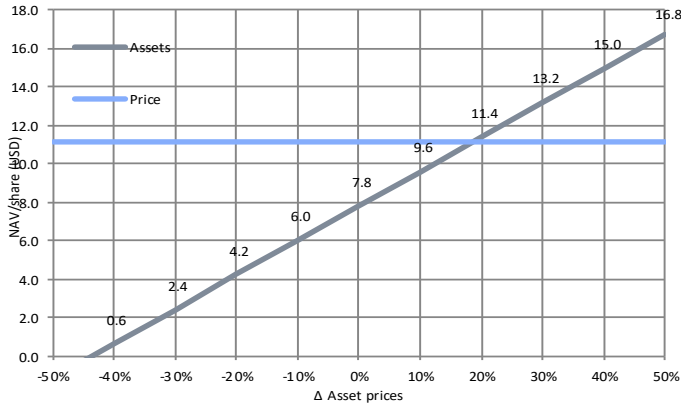
Quarterly forward NAV & P/NAV



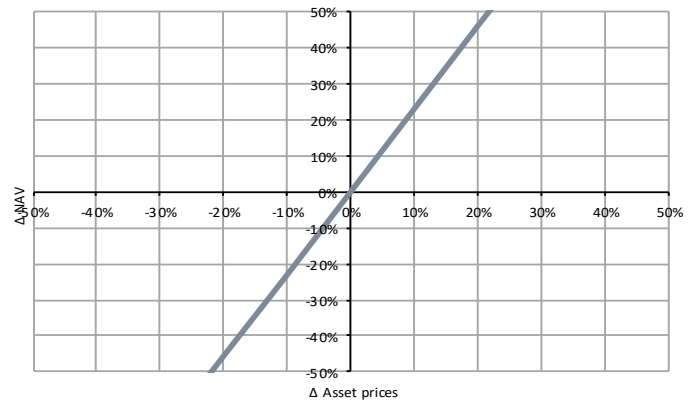
Quarterly forward NAV decomposition



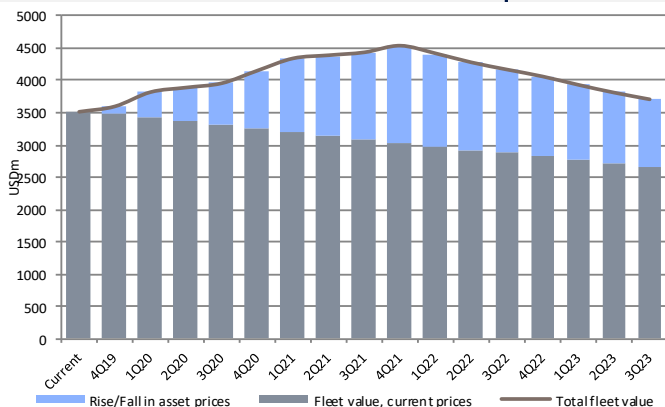
Impact on NAV/sh from % change in asset prices



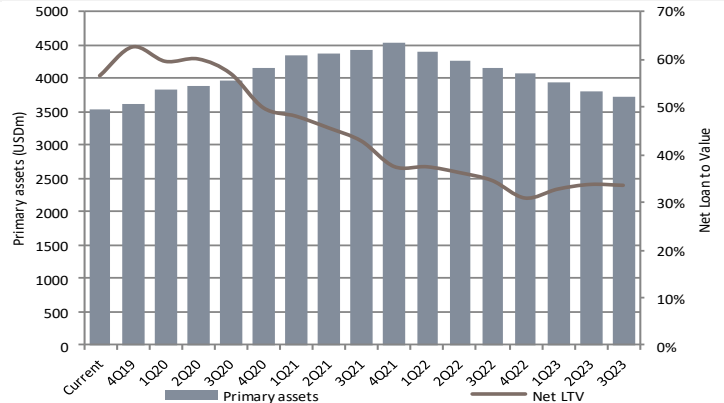
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	122.3	94.2	309.8	261.3				
EBITDA (adj.)	75.5	41.9	237.5	168.9				
EBIT (adj.)	47.2	12.1	203.5	144.9				
PTP (adj.)	24.5	-10.6	176.8	118.1				
Net earnings (adj.)	24.2	-10.6	176.5	120.0				
EPS (adj.)	0.14	-0.06	0.90	0.66				
DPS	-	-	0.90					
Implied, line by line	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	122.3	94.2	309.8	261.3				
Opex & G&A	46.9	52.2	72.3	92.3				
Depreciation	28.3	29.8	34.0	24.1				
Net finance	22.7	22.7	26.6	26.8				
Taxes & Minorities	0.3	0.0	0.3	-1.9				

CF & BS

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE/day	26,074	18,276	53,445	45,074				
Fleet days	4,692	5,152	5,796					
Cash break-even	20,961	21,567	35,315					
Liquidity	68	109	288					
Interest bearing debt	1,831	2,105	2,543					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E	
Net sales	647	933	921	955	619	933	921	955	29	-	-	-	
EBITDA (adj.)	422	698	711	749	403	720	733	771	20	-22	-22	-22	
EBIT (adj.)	303	545	558	596	284	569	583	620	18	-25	-25	-25	
PTP (adj.)	217	435	464	521	194	454	470	514	23	-18	-6	7	
Net earnings (adj.)	216	435	464	520	193	453	469	514	23	-18	-6	6	
EPS (adj.)	1.14	2.21	2.35	2.64	1.02	2.30	2.38	2.61	0.12	-0.09	-0.03	0.03	
DPS	-	1.32	0.88	1.13	-	1.95	2.29	2.66	-	-0.63	-1.42	-1.53	
									2019E	2020E	2021E	2022E	
									TCE revenue	29	-	-	-
									Opex & G&A	9	22	22	22
									Depreciation	1	2	2	2
									Net finance	-5	-6	-19	-31
									Taxes & Minorities	0	0	0	0

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net operational cash flow	380	587	616	673	346	603	620	664	33	-16	-3	9
Free cash flow	-479	450	543	665	-506	466	546	656	27	-16	-3	9
Net cash flow	220	-128	7	11	223	42	11	-20	-2	-170	-4	31
TCE/day	30,776	39,656	40,490	42,214	29,600	39,656	40,490	42,214	1,176	-	-	-
Cash break-even	24,680	33,057	32,382	31,539	22,094	20,457	19,902	19,541	2,586	12,601	12,480	11,998
Liquidity	288	160	167	178	291	332	343	324	-2	-172	-176	-145
Property & Equip. (incl. NBs)	3,289	3,273	3,194	3,049	3,279	3,266	3,189	3,047	10	7	5	3
Total equity	1,785	1,960	2,251	2,549	1,586	1,655	1,672	1,662	199	305	579	888
Total assets	4,431	4,288	4,216	4,082	4,015	4,044	3,977	3,815	417	245	239	267
Interest bearing debt	2,543	2,225	1,861	1,429	2,337	2,298	2,214	2,063	205	-73	-353	-634
Net interest bearing debt	2,255	2,064	1,694	1,251	2,047	1,966	1,871	1,739	208	99	-177	-488
Market Cap.	2,187	2,187	2,187	2,187	2,077	2,077	2,077	2,077	110	110	110	110
Enterprise value	4,442	4,251	3,879	3,435	4,124	4,042	3,947	3,814	318	209	-68	-379

Valuation

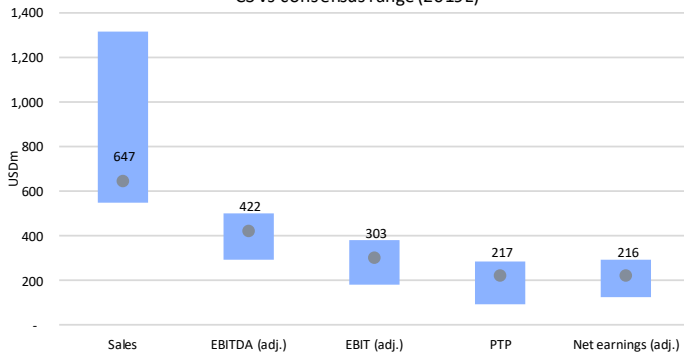
Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	1,819	2,951	3,945	4,150	1,645	2,783	3,773	3,963	174	167	172	187
Adj. equity ratio	41%	56%	67%	73%	40%	54%	62%	65%	0%	2%	5%	8%
FCF yield	-22%	21%	25%	30%	-24%	22%	26%	32%	2%	-2%	-1%	-1%
Dividend yield	0%	12%	8%	10%	0%	19%	22%	25%	0%	-7%	-14%	-15%
EV/EBITDA	10.3	6.1	5.5	4.6	10.1	5.6	5.4	4.9	0.2	0.5	0.1	-0.4
P/E (adj.)	10.1	5.0	4.7	4.2	10.7	4.6	4.4	4.0	-0.6	0.4	0.3	0.2



Our Estimates vs Consensus

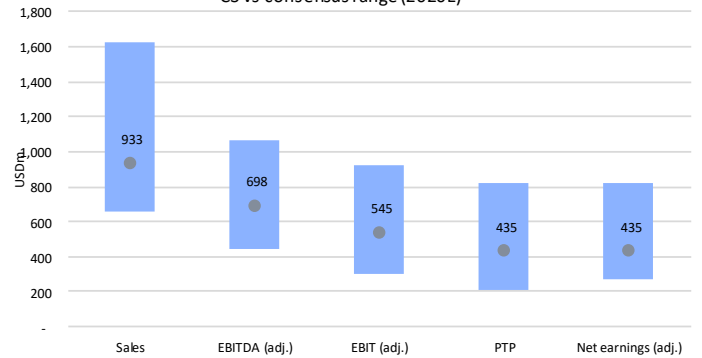
Profit & Loss, year I

CS vs consensus range (2019E)

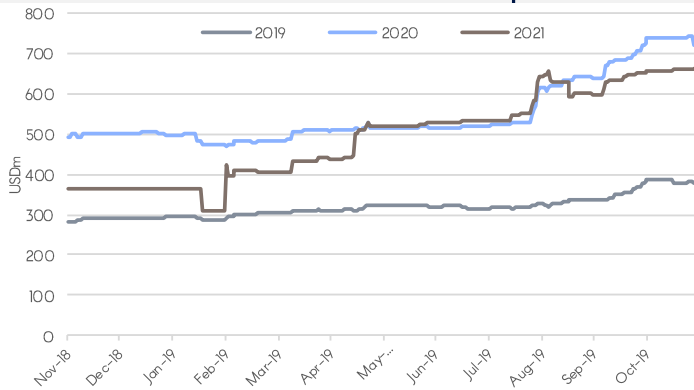


Profit & Loss, year II

CS vs consensus range (2020E)



Consensus EBITDA development



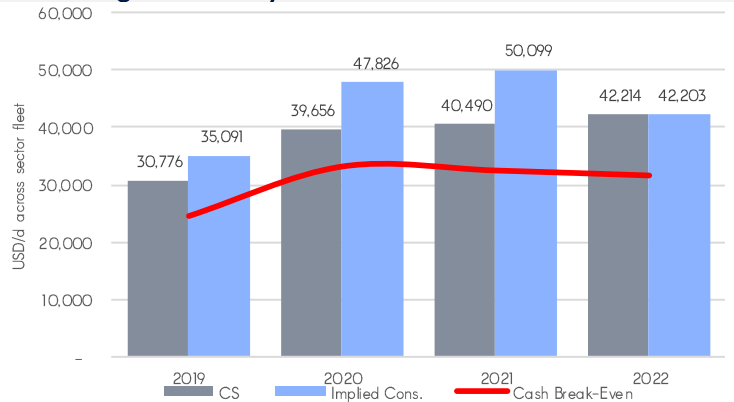
Target price vs share price



Cleaves vs consensus: P&L break-down

	2019	CS	Consensus	Diff.	Diff.
TCE revenue	647	738	-91	-12%	
Opex + G&A	225	361	-136	-38%	
Depreciation	120	115	4	4%	
Net finance	86	97	-11	-11%	
Taxes & Minorities	0	-7	7	-105%	
	2020	CS	Consensus	Diff.	Diff.
TCE revenue	933	1,125	-192	-17%	
Opex + G&A	236	387	-151	-39%	
Depreciation	153	132	21	16%	
Net finance	109	105	5	4%	
Taxes & Minorities	1	-9	10	-108%	

Avg. TCE/day across fleet vs consensus





Cleaves Securities

FRO-US

BUY/\$16

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

	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
Profit & Loss (USDm)									
Net sales	122	141	103	94	310	254	166	181	333
Operational costs	-36	-44	-48	-52	-72	-58	-59	-60	-60
EBITDA	86	97	55	42	237	197	107	121	273
Depreciation/Amortization	-28	-27	-28	-30	-34	-38	-38	-38	-38
EBIT	58	70	27	12	203	158	69	83	235
Net financials	-32	-29	-26	-22	-27	-28	-28	-27	-26
PTP	26	41	1	-10	177	130	41	55	209
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	25	41	1	-10	177	130	41	55	208
Non-recurring items	-1	6	3	-1	0	0	0	0	0
Net earnings (adj.)	24	46	4	-11	177	130	41	55	208
EPS	0.15	0.24	0.01	-0.05	0.90	0.66	0.21	0.28	1.06
EPS (adj.)	0.14	0.27	0.02	-0.06	0.90	0.66	0.21	0.28	1.06
DPS	0.00	0.00	0.00	0.00	0.00	0.90	0.14	0.00	0.28
Balance Sheet (USDm)									
Cash & short-term investments	66	96	91	104	283	155	100	74	155
Other current assets	242	216	203	213	213	213	213	213	213
Total current assets	308	312	294	317	496	368	313	287	368
Property & equip. (incl. NBs)	2,620	2,666	2,632	2,625	3,289	3,262	3,336	3,310	3,273
Other non-current assets	150	145	244	647	647	647	647	647	647
Total non-current assets	2,770	2,810	2,875	3,271	3,935	3,908	3,983	3,956	3,920
TOTAL ASSETS	3,078	3,122	3,169	3,588	4,431	4,277	4,296	4,243	4,288
Total equity	1,164	1,204	1,215	1,380	1,785	1,738	1,752	1,807	1,960
Short-term debt	132	144	148	423	432	432	432	432	432
Other current liabilities	82	83	90	103	103	103	103	103	103
Total current liabilities	214	226	238	526	535	535	535	535	535
Long-term debt	1,698	1,690	1,715	1,682	2,111	2,003	2,009	1,901	1,793
Other non-current liabilities	1	1	1	1	1	1	1	1	1
Total non-current liabilities	1,699	1,692	1,716	1,683	2,112	2,004	2,010	1,902	1,794
TOTAL EQUITY & LIABILITIES	3,078	3,122	3,169	3,588	4,431	4,277	4,296	4,243	4,288
Working capital, receivables	141	0	0	0	0	0	0	0	0
Working capital, payables	78	0	0	0	0	0	0	0	0
Net working capital	63	0	0	0	0	0	0	0	0
Interest bearing debt	1,831	1,834	1,863	2,105	2,543	2,435	2,441	2,333	2,225
Liquidity	68	97	92	109	288	160	105	79	160
Net interest bearing debt	1,763	1,737	1,771	1,996	2,255	2,274	2,336	2,254	2,064
Cash Flow (USDm)									
Net income	25	41	1	-10	177	130	41	55	208
Depreciation	28	27	28	30	34	38	38	38	38
Other	-2	6	3	10	0	0	0	0	0
Cash earnings	51	74	32	30	211	168	79	94	247
Changes in working capital	-17	24	11	-2	0	0	0	0	0
Net operational cash flow	35	98	43	28	211	168	79	94	247
Capex	-12	-60	-88	-19	-698	-11	-113	-11	-2
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	3	3	2	0	0	0	0	0	0
Net investing cash flow	-9	-57	-86	-19	-698	-11	-113	-11	-2
Repayment of debt	-29	-11	28	-31	-106	-108	-108	-108	-108
Proceeds from debt	0	0	0	0	544	0	114	0	0
Dividends paid	0	0	0	0	0	-177	-28	0	-55
New equity	0	0	9	42	228	0	0	0	0
Other	0	0	0	-3	0	0	0	0	0
Net financing cash flow	-29	-11	37	7	667	-285	-22	-108	-163
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-3	29	-5	17	179	-128	-55	-26	81
Cash balance	66	96	91	104	283	155	100	74	155
Free cash flow	25	41	-42	10	-487	157	-34	82	245



Cleaves Securities

FRO-US BUY/\$16

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

	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Profit & Loss (USDm)									
Net sales	346	569	916	906	1,120	647	933	921	955
Operational costs	-193	-229	-597	-960	-915	-216	-236	-209	-207
EBITDA	153	340	319	-55	205	432	698	711	749
Depreciation/Amortization	-32	-53	-141	-142	-123	-120	-153	-153	-153
EBIT	121	287	177	-196	83	312	545	558	596
Net financials	17	-32	-60	-68	-91	-103	-109	-94	-75
PTP	137	256	118	-264	-8	209	435	464	521
Taxes/Minorities	12	-101	-1	-1	-1	0	-1	-1	-1
Net earnings	149	155	117	-265	-9	208	435	464	520
Non-recurring items	0	0	0	0	0	8	0	0	0
Net earnings (adj.)	149	155	117	-265	-9	216	435	464	520
EPS	6.65	0.99	0.69	-1.56	-0.05	1.09	2.21	2.35	2.64
EPS (adj.)	6.65	0.99	0.69	-1.56	-0.05	1.14	2.21	2.35	2.64
DPS	1.65	0.25	0.97	0.30	0.00	0.00	1.32	0.88	1.13
Balance Sheet (USDm)									
Cash & short-term investments	236	265	202	104	66	283	155	162	173
Other current assets	201	203	181	217	242	213	213	213	213
Total current assets	437	467	384	322	308	496	368	375	386
Property & equip. (incl. NBs)	1,089	2,150	2,322	2,673	2,620	3,289	3,273	3,194	3,049
Other non-current assets	976	266	261	139	150	647	647	647	647
Total non-current assets	2,065	2,416	2,583	2,812	2,770	3,935	3,920	3,841	3,696
TOTAL ASSETS	2,502	2,883	2,966	3,134	3,078	4,431	4,288	4,216	4,082
Total equity	1,447	1,446	1,500	1,188	1,164	1,785	1,960	2,251	2,549
Short-term debt	44	147	124	156	132	432	211	233	252
Other current liabilities	193	95	59	66	82	103	103	103	103
Total current liabilities	237	242	183	222	214	535	314	336	355
Long-term debt	474	1,192	1,281	1,723	1,698	2,111	2,014	1,628	1,177
Other non-current liabilities	344	3	3	1	1	1	1	1	1
Total non-current liabilities	817	1,195	1,284	1,724	1,699	2,112	2,015	1,629	1,178
TOTAL EQUITY & LIABILITIES	2,502	2,883	2,966	3,134	3,078	4,431	4,288	4,216	4,082
Working capital, receivables	36	103	102	125	141	0	0	0	0
Working capital, payables	18	68	49	60	78	0	0	0	0
Net working capital	18	35	53	66	63	0	0	0	0
Interest bearing debt	518	1,340	1,405	1,879	1,831	2,543	2,225	1,861	1,429
Liquidity	272	265	203	105	68	288	160	167	178
Net interest bearing debt	246	1,075	1,201	1,774	1,763	2,255	2,064	1,694	1,251
Cash Flow (USDm)									
Net income	149	155	117	-265	-9	208	435	464	520
Depreciation	32	53	141	142	123	120	153	153	153
Other	-99	5	43	252	-29	19	0	0	0
Cash earnings	82	212	302	129	85	347	587	616	673
Changes in working capital	-23	-5	-16	2	-39	33	0	0	0
Net operational cash flow	59	207	286	130	46	380	587	616	673
Capex	-202	-787	-622	-714	-216	-864	-138	-73	-8
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	174	515	217	0	0	0	0	0	0
Other	-35	-188	9	-9	17	9	0	0	0
Net investing cash flow	-64	-459	-396	-723	-199	-859	-138	-73	-8
Repayment of debt	-75	114	125	568	116	-120	-432	-432	-432
Proceeds from debt	—	—	—	—	—	544	114	68	0
Dividends paid	-37	-39	-165	-51	0	0	-259	-172	-222
New equity	0	0	98	0	0	279	0	0	0
Other	66	145	-10	-23	0	9	0	0	0
Net financing cash flow	-46	220	49	494	116	700	-578	-536	-654
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-51	-32	-62	-98	-37	220	-128	7	11
Cash balance	236	265	202	104	66	287	159	166	177
Free cash flow	-5	-252	-110	-592	-153	-479	450	543	665



Cleaves Securities

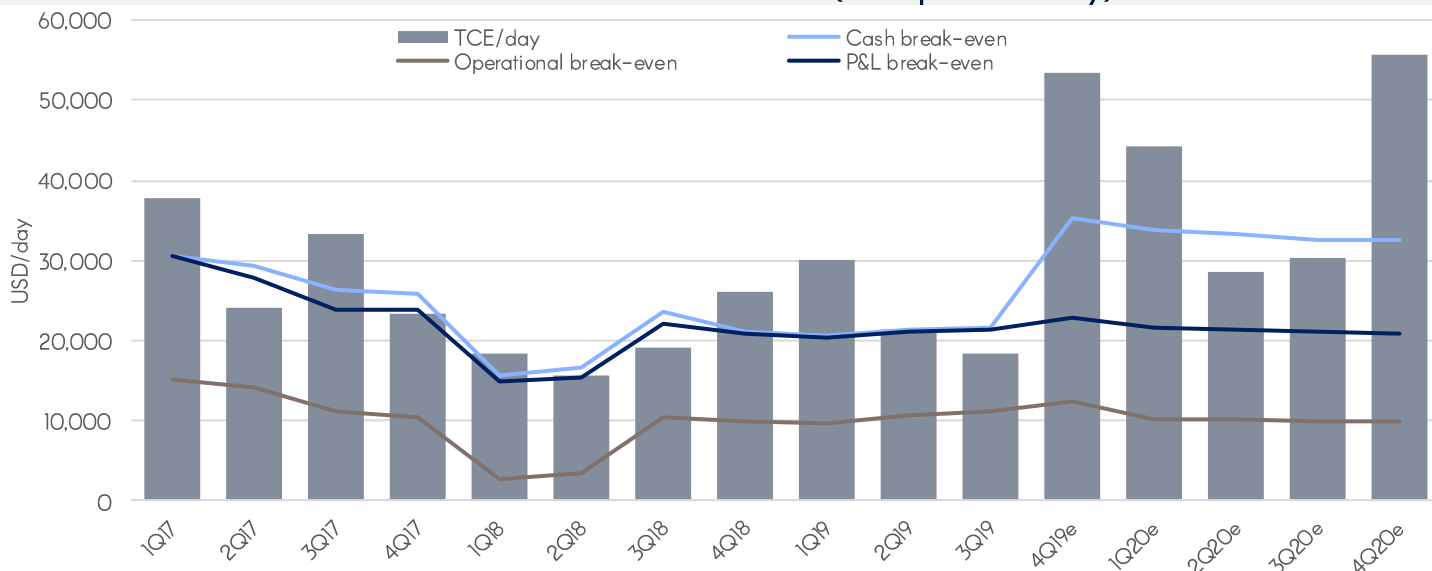
FRO-US BUY/\$16

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

Share Data & Valuation (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Shares outstanding, end	22	156	170	170	170	197	197	197	197
Share price, avg (USD)	14	14	8	6	5	8	11	11	11
Share price, end (USD)	13	15	7	5	6	11	11	11	11
Market Cap.	282	2,338	1,207	779	939	2,187	2,187	2,187	2,187
NIBD	246	1,075	1,201	1,774	1,763	2,255	2,064	1,694	1,251
Minorities	324	0	0	0	0	1	1	2	3
Enterprise value	204	3,413	2,409	2,553	2,701	4,442	4,251	3,879	3,435
Key Figures & Ratios	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
P/E (reported)	1.9	15.1	10.3			10.5	5.0	4.7	4.2
P/E (adj.)	1.9	15.1	10.3			10.1	5.0	4.7	4.2
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	0.8	4.1	1.3	0.9	0.8	3.4	2.3	2.4	2.3
EV/Sales	0.6	6.0	2.6	2.8	2.4	6.9	4.6	4.2	3.6
EV/EBITDA	1.3	10.0	7.6	13.2	10.3	6.1	5.5	5.5	4.6
EV/EBIT	1.7	11.9	13.6	32.7	14.2	7.8	6.9	6.9	5.8
P/B	0.3	1.6	0.8	0.7	0.8	1.2	1.1	1.0	0.9
FCF yield	-2%	-11%	-9%	-76%	-16%	-22%	21%	25%	30%
Dividend yield	13.1%	1.7%	13.6%	6.6%	0.0%	0.0%	11.9%	7.9%	10.1%
Return on equity (ROE)	13.3%	10.7%	7.8%	-22.3%	-0.8%	11.7%	22.2%	20.6%	20.4%
Return on capital employed (ROCE)	7.1%	11.4%	6.6%	-6.6%	2.8%	7.7%	13.5%	14.2%	15.7%
Return on assets (ROA)	6.0%	5.4%	3.9%	-8.5%	-0.3%	4.7%	10.1%	11.0%	12.7%
Sales growth	-58%	65%	61%	-1%	24%	-42%	44%	-1%	4%
EBITDA margin	44%	60%	35%	-6%	18%	67%	75%	77%	78%
EBIT margin	35%	51%	19%	-22%	7%	48%	58%	61%	62%
Net margin	43%	27%	13%	-29%	-1%	32%	47%	50%	54%
Net interest rate	3.0%	1.6%	4.7%	3.9%	5.3%	4.2%	5.3%	5.6%	6.0%
Tax rate	0.0%	0.1%	0.3%	-0.1%	-3.9%	0.0%	0.0%	0.0%	0.0%
Equity ratio	58%	50%	51%	38%	38%	40%	46%	53%	62%
Leverage ratio	42%	50%	49%	62%	62%	60%	54%	47%	38%
NIBD / EBITDA (past 1y)	1.6	3.2	3.8	-32.5	8.6	5.2	3.0	2.4	1.7
Operating cash flow/NIBD	0.2	0.2	0.2	0.1	0.0	0.2	0.3	0.4	0.5
Net interest coverage ratio (EBITDA)	20.6	19.3	5.6	-0.8	2.2	4.5	6.4	7.6	10.0
Current ratio	1.8	1.9	2.1	1.4	1.4	0.9	1.2	1.1	1.1
Adj. equity ratio						41%	56%	67%	73%
Operating assets	2,230	2,619	2,763	3,029	3,010	4,143	4,128	4,049	3,904
Operating liabilities	537	98	62	67	83	104	104	104	104
Net operating assets	1,693	2,521	2,701	2,962	2,927	4,039	4,024	3,945	3,800

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

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





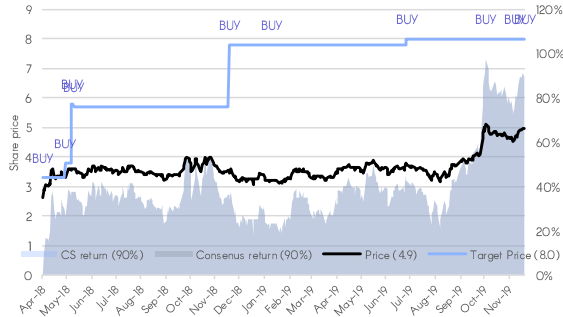
Eight VLCC newbuildings (+3 options) & 100% scrubber installation makes Hunter a top-pick ahead of booming 2020E

HUNT-NO

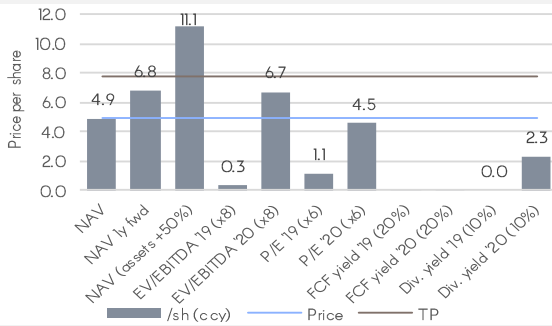
BUY/N8

Hunter Group

Share price vs target price

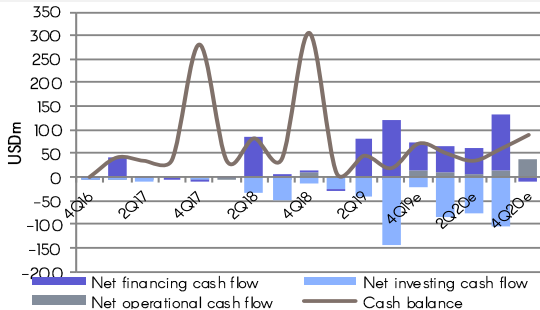


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	19	109	147	152
EBITDA (adj.)	16	94	128	133
EBIT (adj.)	14	71	100	105
PTP (adj.)	12	49	72	80
Net earnings (adj.)	12	49	72	80
EPS (adj.)	0.02	0.08	0.12	0.13
DPS	-	0.02	0.06	0.07
USDm	2019E	2020E	2021E	2022E
Fwd NAV	330	580	794	790
Adj. equity ratio	65%	59%	68%	69%
FCF yield	-70%	-62%	32%	34%
Dividend yield	0%	5%	10%	13%
EV/EBITDA	26.3	6.8	4.5	3.8
P/E (adj.)	26.1	6.5	4.4	4.0

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	14	72	100	108
Free cash flow	-223	-197	100	108
Net cash flow	36	18	39	37
TCE/day	#DIV/O!	57,187	59,309	61,459
Cash break-even	#DIV/O!	24,085	29,324	29,257
Liquidity	71	89	128	165
Property & Equip. (incl. NBs)	317	562	534	506
Total equity	208	242	281	319
Total assets	388	651	662	671
Interest bearing debt	180	410	382	352
Net interest bearing debt	109	321	254	187
Market Cap.	317	317	317	317

Source: Cleaves, Bloomberg, Clarksons SIN, company data

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

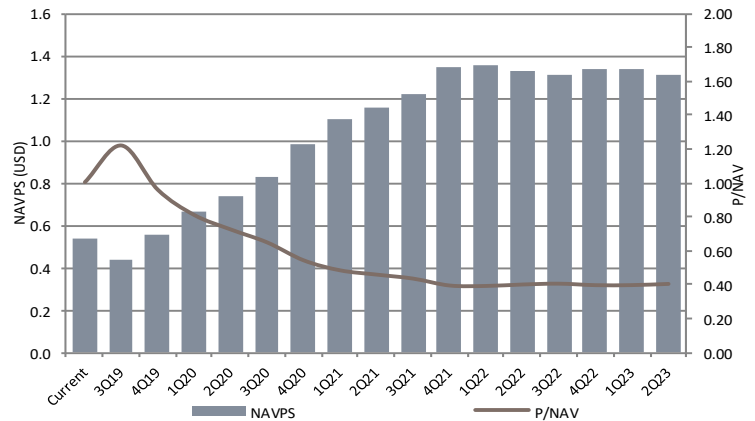


Company Valuation

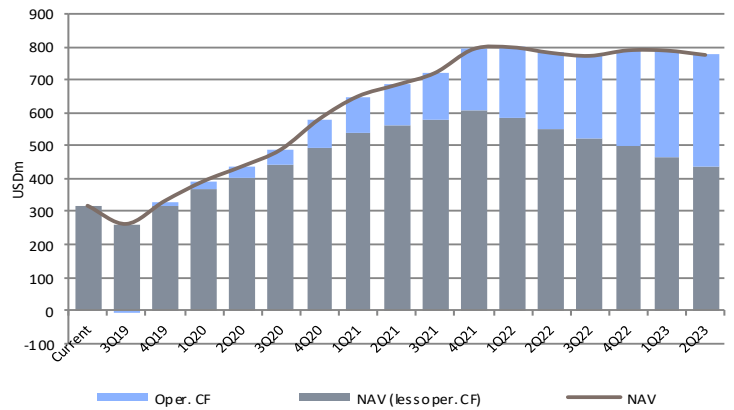
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	152	800	801
Contract value	0	0	0
Other	0	0	0
GAV	152	800	801
Net debt	45	50	50
Capex	0	-534	-534
Other	0	0	0
Equity	197	315	317
Shares	590	590	590
Equity/sh	0.33	0.53	0.54
lcl CCY	3.06	4.90	4.93
P/Equity	1.61	1.01	1.00
EV/GAV	5.28	1.00	1.00
Adj. Total Assets	197	845	847
Adj. Equity Ratio	100%	37%	37%
Fair Value	NOK	7.7	57%
	USD	0.84	

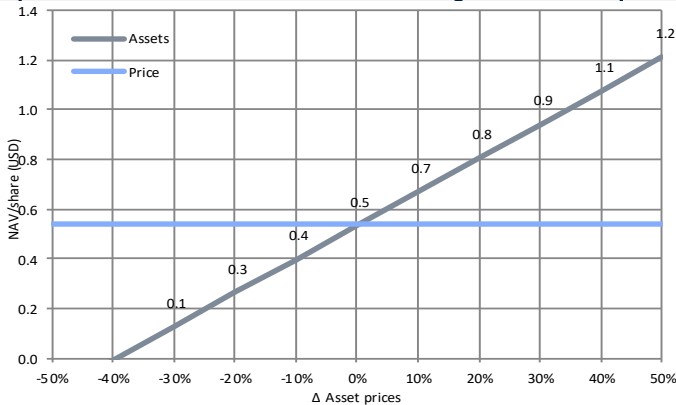
Quarterly forward NAV & P/NAV



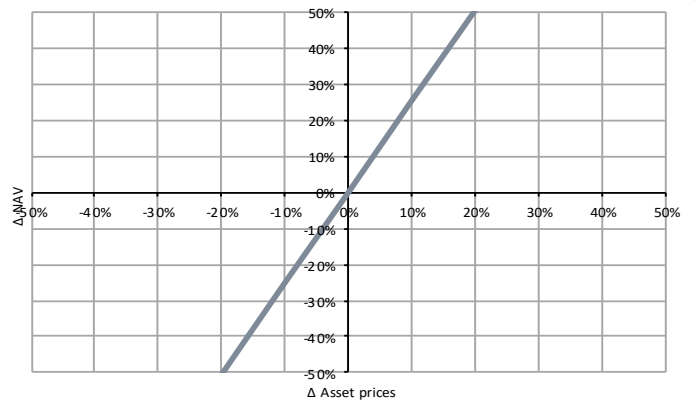
Quarterly forward NAV decomposition



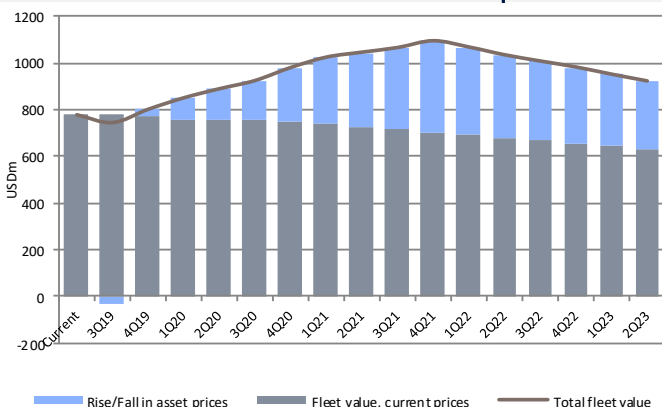
Impact on NAV/sh from % change in asset prices



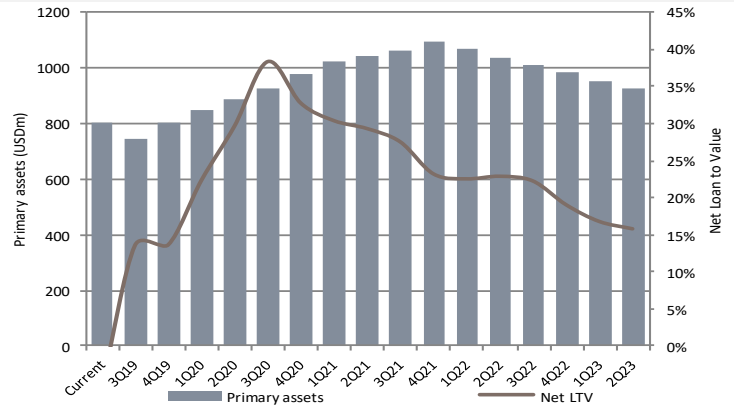
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net sales	19	109	147	152	17	109	147	152	2	-	-	-
EBITDA (adj.)	16	94	128	133	14	94	128	133	2	-	-	-
EBIT (adj.)	14	71	100	105	12	71	101	106	2	-1	-1	-1
PTP (adj.)	12	49	72	80	10	49	73	80	2	-1	-1	-1
Net earnings (adj.)	12	49	72	80	10	49	73	80	2	-1	-1	-1
EPS (adj.)	0.02	0.08	0.12	0.13	0.02	0.08	0.12	0.14	0.00	-0.00	-0.00	-0.00
DPS	-	0.02	0.06	0.07	-	0.02	0.06	0.07	-	0.00	-0.00	-0.00
									2019E	2020E	2021E	2022E
								TCE revenue	2	-	-	-
								Opex & G&A	-	-	-	-
								Depreciation	0	1	1	1
								Net finance	-	-	-	-
								Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net operational cash flow	14	72	100	108	12	72	100	108	2	-	-	-
Free cash flow	-223	-197	100	108	-225	-197	100	108	2	-	-	-
Net cash flow	36	18	39	37	33	19	39	36	2	-1	0	0
TCE/day	#DIV/O!	57,187	59,309	61,459	#DIV/O!	57,187	59,309	61,459	#DIV/O!	-	-	-
Cash break-even	#DIV/O!	24,085	29,324	29,257	#DIV/O!	24,085	29,324	29,257	#DIV/O!	-	-	-
Liquidity	71	89	128	165	68	88	126	163	2	1	2	2
Property & Equip. (incl. NBs)	317	562	534	506	317	563	536	508	-0	-1	-1	-2
Total equity	208	242	281	319	205	241	280	319	2	1	0	-0
Total assets	388	651	662	671	385	651	662	671	2	1	0	-0
Interest bearing debt	180	410	382	352	180	410	382	352	-	-	-	-
Net interest bearing debt	109	321	254	187	112	322	255	189	-2	-1	-2	-2
Market Cap.	317	317	317	317	296	296	296	296	21	21	21	21
Enterprise value	426	638	570	504	408	618	552	485	18	19	19	19

Valuation

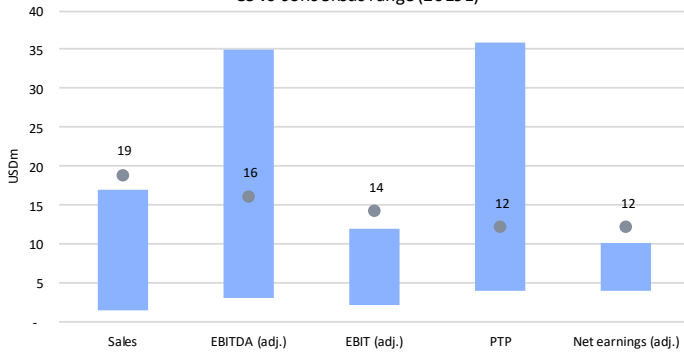
Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	330	580	794	790	341	580	794	789	-11	-0	0	1
Adj. equity ratio	65%	59%	68%	69%	65%	59%	68%	69%	-1%	0%	0%	0%
FCF yield	-70%	-62%	32%	34%	-76%	-66%	34%	36%	6%	4%	-2%	-2%
Dividend yield	0%	5%	10%	13%	0%	5%	11%	14%	0%	0%	-1%	-1%
EV/EBITDA	26.3	6.8	4.5	3.8	29.4	6.6	4.3	3.6	-3.1	0.2	0.1	0.1
P/E (adj.)	26.1	6.5	4.4	4.0	30.0	6.0	4.1	3.7	-3.9	0.5	0.3	0.3



Our Estimates vs Consensus

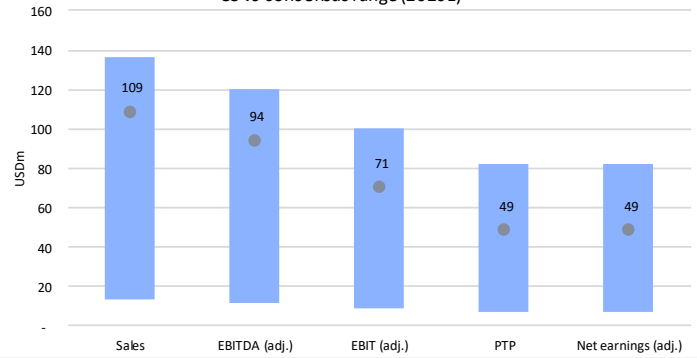
Profit & Loss, year I

CS vs consensus range (2019E)

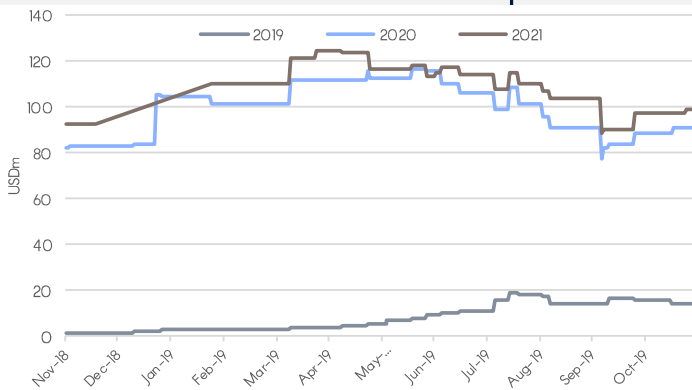


Profit & Loss, year II

CS vs consensus range (2020E)



Consensus EBITDA development



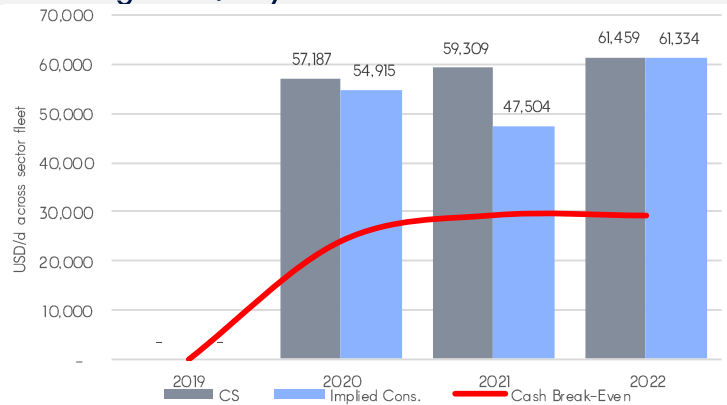
Target price vs share price



Cleaves vs consensus: P&L break-down

	2019	CS	Consensus	Diff.	Diff.
TCE revenue	19	11	11	8	79%
Opex + G&A	3	-3	0	6	-183%
Depreciation	2	6	6	-4	-64%
Net finance	2	-4	0	6	-153%
Taxes & Minorities	0	5	5	-5	-99%
	2020	CS	Consensus	Diff.	Diff.
TCE revenue	109	104	104	4	4%
Opex + G&A	15	14	14	1	8%
Depreciation	23	19	19	4	23%
Net finance	22	14	14	8	55%
Taxes & Minorities	0	-1	0	1	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

HUNT-NO BUY/N8

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

	3Q18	4Q18	1Q19	2Q19	3Q19E	4Q19E	1Q20E	2Q20E	3Q20E
Profit & Loss (USDm)									
Net sales	0	0	0	0	0	19	17	14	27
Operational costs	0	-4	0	0	0	-2	-2	-3	-5
EBITDA	0	-4	0	0	0	17	15	11	22
Depreciation/Amortization	0	0	0	0	0	-2	-4	-5	-7
EBIT	0	-4	0	0	0	15	11	6	15
Net financials	1	14	1	1	-1	-3	-4	-5	-6
PTP	1	10	0	1	-1	12	7	1	9
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	1	10	0	1	-1	12	7	1	9
Non-recurring items	0	-1	0	0	0	0	0	0	0
Net earnings (adj.)	1	9	0	1	-1	12	7	1	9
EPS	0.00	0.03	0.00	0.00	0.00	0.02	0.01	0.00	0.02
EPS (adj.)	0.00	0.02	0.00	0.00	0.00	0.02	0.01	0.00	0.02
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00
Balance Sheet (USDm)									
Cash & short-term investments	38	304	8	45	19	71	50	34	60
Other current assets	51	217	0	0	0	0	0	0	0
Total current assets	88	521	9	45	19	71	50	35	60
Property & equip. (incl. NBs)	35	493	109	152	297	317	399	470	569
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	35	493	109	152	297	317	399	470	569
TOTAL ASSETS	123	1,014	117	197	316	388	449	505	629
Total equity	123	1,012	117	197	196	208	209	206	215
Short-term debt	0	0	0	0	6	10	16	22	25
Other current liabilities	0	2	0	0	0	0	0	0	0
Total current liabilities	0	2	0	0	6	10	16	22	25
Long-term debt	0	0	0	0	114	170	224	277	389
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	0	0	114	170	224	277	389
TOTAL EQUITY & LIABILITIES	123	1,014	117	197	316	388	449	505	629
Working capital, receivables	0	1	0	0	0	0	0	0	0
Working capital, payables	0	1	0	0	0	0	0	0	0
Net working capital	0	0	0	0	0	0	0	0	0
Interest bearing debt	0	0	0	0	120	180	240	298	414
Liquidity	38	304	8	45	19	71	50	34	60
Net interest bearing debt	-38	-304	-8	-45	101	109	190	264	355
Cash Flow (USDm)									
Net income	1	10	0	1	-1	12	7	1	9
Depreciation	0	0	0	0	0	2	4	5	7
Other	0	0	0	0	0	0	0	0	0
Cash earnings	1	10	0	1	-1	14	11	7	16
Changes in working capital	-1	-2	0	0	0	0	0	0	0
Net operational cash flow	0	8	0	1	-1	14	11	7	16
Capex	-26	-210	-52	-43	-145	-120	-86	-77	-106
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	98	0	0	0
Other	-24	196	25	0	0	0	0	0	0
Net investing cash flow	-50	-13	-27	-43	-145	-22	-86	-77	-106
Repayment of debt	0	0	0	0	0	0	0	-2	-4
Proceeds from debt	0	0	0	0	120	60	60	60	120
Dividends paid	0	0	0	0	0	0	-6	-4	-1
New equity	6	0	0	79	0	0	0	0	0
Other	0	3	0	0	0	0	0	0	0
Net financing cash flow	6	3	0	79	120	60	54	54	116
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-44	-2	-27	37	-26	52	-21	-16	26
Cash balance	38	304	8	45	19	71	50	34	60
Free cash flow	-50	-5	-27	-42	-146	-8	-75	-70	-90



Cleaves Securities

HUNT-NO BUY/N8

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

Profit & Loss (USDm)	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E
Net sales					1	19	109	147	152
Operational costs					-11	-3	-15	-19	-19
EBITDA			-1	-93	-11	16	94	128	133
Depreciation/Amortization			0	0	0	-2	-23	-28	-28
EBIT	-3	-2	-1	-93	-11	14	71	100	105
Net financials	0	0	0	2	3	-2	-22	-28	-26
PTP	-4	-2	-1	-91	-7	12	49	72	80
Taxes/Minorities	0	0	0	-6	0	0	0	0	0
Net earnings	-4	-2	-1	-96	-8	12	49	72	80
Non-recurring items	0	0	0	0	2	0	0	0	0
Net earnings (adj.)	-4	-2	-1	-96	-6	12	49	72	80
EPS	-0.48	-0.21	-0.39	-0.73	-0.02	0.02	0.08	0.12	0.13
EPS (adj.)	-0.48	-0.21	-0.39	-0.73	-0.02	0.02	0.08	0.12	0.13
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.06	0.07
Balance Sheet (USDm)	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E
Cash & short-term investments	1	0	0	279	304	71	89	128	165
Other current assets	1	0	0	46	217	0	0	0	0
Total current assets	1	0	0	326	521	71	89	128	165
Property & equip. (incl. NBs)	0	0	0	28	493	317	562	534	506
Other non-current assets	19	17	17	95	0	0	0	0	0
Total non-current assets	19	17	17	123	493	317	562	534	506
TOTAL ASSETS	20	17	18	449	1,014	388	651	662	671
Total equity	11	7	7	415	1,012	208	242	281	319
Short-term debt	0	1	1	4	0	10	4	4	5
Other current liabilities	1	1	0	19	2	0	0	0	0
Total current liabilities	1	1	1	22	2	10	4	4	5
Long-term debt	0	0	0	12	0	170	406	377	347
Other non-current liabilities	9	8	9	0	0	0	0	0	0
Total non-current liabilities	9	8	9	12	0	170	406	377	347
TOTAL EQUITY & LIABILITIES	20	17	18	449	1,014	388	651	662	671
Working capital, receivables			0	41	1	0	0	0	0
Working capital, payables	0	0	0	12	1	0	0	0	0
Net working capital			0	30	0	0	0	0	0
Interest bearing debt	0	1	1	15	0	180	410	382	352
Liquidity	1	0	0	279	304	71	89	128	165
Net interest bearing debt	-1	1	1	-264	-304	109	321	254	187
Cash Flow (USDm)	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E
Net income	-4	-2	-1	-96	-8	12	49	72	80
Depreciation			0	0	0	2	23	28	28
Other			0	64	4	0	0	0	0
Cash earnings	-3	-2	-1	-32	-4	14	72	100	108
Changes in working capital	-1	0	0	6	-2	0	0	0	0
Net operational cash flow	-4	-2	-1	-26	-6	14	72	100	108
Capex	—	—	0	-6	-269	-360	-269	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	98	0	0	0
Other	-4	-2	0	-51	-5	0	0	0	0
Net investing cash flow	-4	-2	0	-56	-97	-237	-269	0	0
Repayment of debt	0	1	0	-10	0	0	-10	-28	-30
Proceeds from debt	—	—	0	0	0	180	240	0	0
Dividends paid	0	0	0	0	0	0	-15	-33	-41
New equity	—	—	—	385	93	79	0	0	0
Other	4	2	1	-14	-5	0	0	0	0
Net financing cash flow	4	3	1	361	94	259	215	-61	-71
Currency effect	—	—	0	0	0	0	0	0	0
Net cash flow			0	279	-10	36	18	39	37
Cash balance	1	0	0	279	270	305	324	363	399
Free cash flow	-7	-3	-1	-82	-103	-223	-197	100	108



Cleaves Securities

HUNT-NO

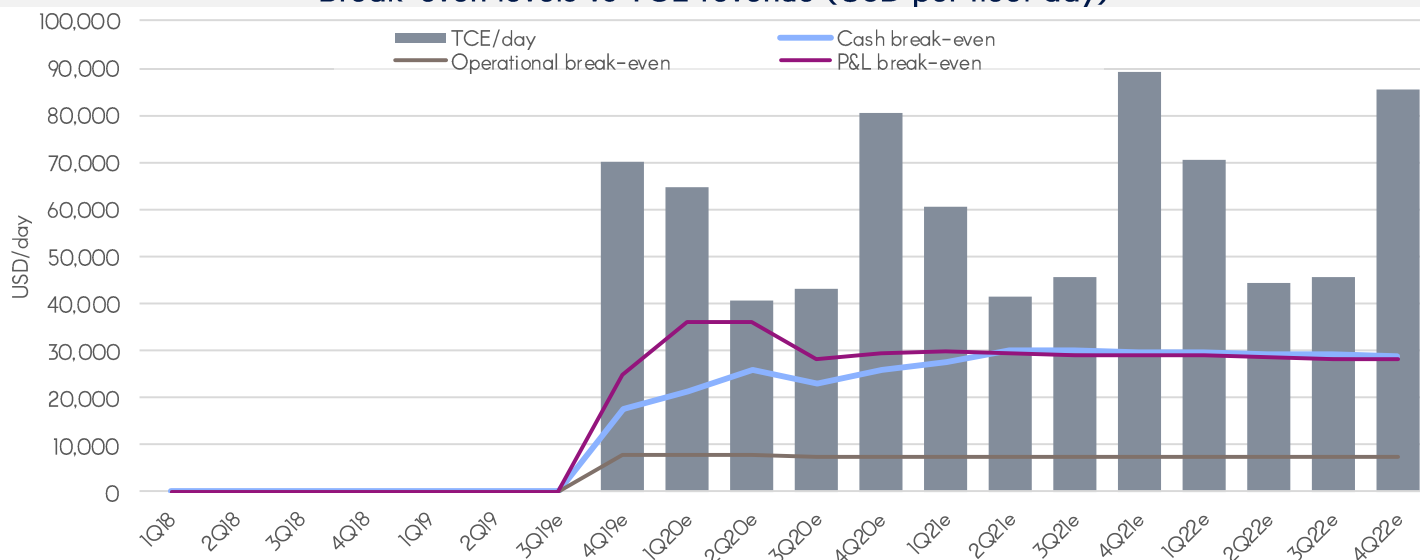
BUY/N8

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

Share Data & Valuation (USDm)	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E
Shares outstanding, end	8	8	2	131	385	590	590	590	590
Share price, avg (USD)	2	1	0	0	0	0	1	1	1
Share price, end (USD)	1	0	1	0	0	1	1	1	1
Market Cap.	10	2	2	37	143	317	317	317	317
NIBD	-1	1	1	-264	-304	109	321	254	187
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	9	3	2	-227	-161	426	638	570	504
Key Figures & Ratios	2014	2015	2016	2017	2018E	2019E	2020E	2021E	2022E
P/E (reported)					0.0	26.1	6.5	4.4	4.0
P/E (adj.)					0.0	26.1	6.5	4.4	4.0
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales					0.0	16.7	2.9	2.2	2.1
EV/Sales					0.0	22.5	5.9	3.9	3.3
EV/EBITDA				2.4	0.0	26.3	6.8	4.5	3.8
EV/EBIT				2.4	0.0	30.0	9.0	5.7	4.8
P/B	0.9	0.3	0.2	0.1	0.0	1.5	1.3	1.1	1.0
FCF yield	-79%	-170%	-90%	-221%	0%	-70%	-62%	32%	34%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.6%	10.5%	12.9%
Return on equity (ROE)	-35.3%	-22.0%	-12.3%	-23.2%	0.0%	5.8%	20.1%	25.8%	24.9%
Return on capital employed (ROCE)	-34.2%	-19.5%	-10.4%	-61.7%	0.0%	4.5%	12.5%	18.7%	20.8%
Return on assets (ROA)	-18.5%	-9.6%	-4.8%	-21.5%	0.0%	3.1%	7.5%	10.9%	11.9%
Sales growth					0%	2298%	474%	35%	4%
EBITDA margin					0%	86%	87%	87%	87%
EBIT margin					0%	75%	65%	68%	69%
Net margin					0%	64%	45%	49%	52%
Net interest rate	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%	6.8%	10.9%	13.7%
Tax rate	0.0%	0.0%	0.0%	-4.8%	0.0%	0.6%	0.0%	0.0%	0.0%
Equity ratio	52%	43%	39%	92%	0%	54%	37%	42%	48%
Leverage ratio	48%	57%	61%	8%	0%	46%	63%	58%	52%
NIBD / EBITDA (past 1y)			-1.0	2.8	0.0	6.7	3.4	2.0	1.4
Operating cash flow/NIBD	6.3	-2.3	-1.3	0.1	0.0	0.1	0.2	0.4	0.6
Net interest coverage ratio (EBITDA)					0.0	4.4	4.3	4.6	5.2
Current ratio	1.9	0.4	0.1	14.7	0.0	6.8	23.6	28.5	35.1
Adj. equity ratio					0%	65%	59%	68%	69%
Operating assets	20	17	17	170	0	317	562	534	506
Operating liabilities	10	9	10	19	0	0	0	0	0
Net operating assets	10	8	8	151	0	317	562	534	506

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

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





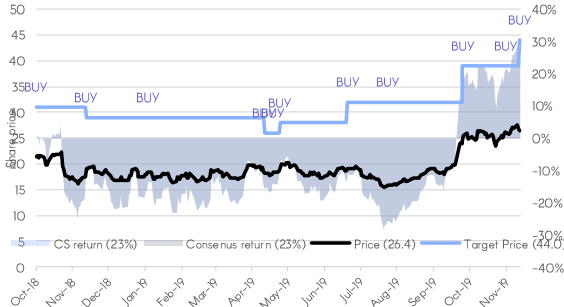
Significantly undervalued vs NAV, multiples & peers, with the cyclical expansion expected to surge in the near term

INSW-US

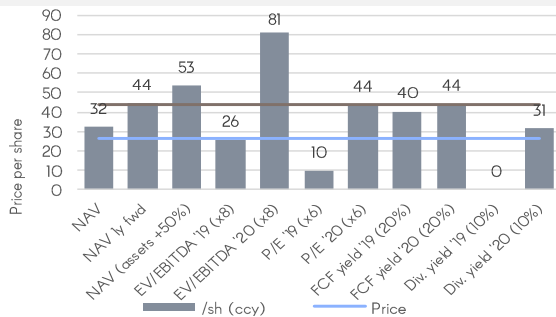
BUY/\$44

International Seaways

Share price vs target price

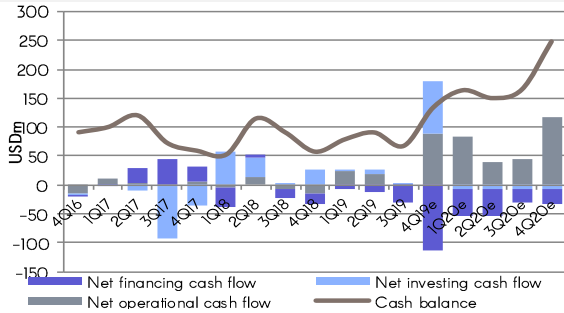


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	362	507	525	549
EBITDA (adj.)	163	344	368	396
EBIT (adj.)	88	269	293	320
PTP (adj.)	47	212	241	272
Net earnings (adj.)	47	212	241	272
EPS (adj.)	1.61	7.25	8.22	9.31
DPS	-	3.13	3.77	3.83

USDm	2019E	2020E	2021E	2022E
Fwd NAV	1,027	1,475	1,904	2,092
Adj. equity ratio	58%	68%	75%	78%
FCF yield	31%	33%	38%	45%
Dividend yield	0%	12%	14%	15%
EV/EBITDA	7.9	3.4	2.7	1.9
P/E (adj.)	16.4	3.6	3.2	2.8

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	131	287	316	348
Free cash flow	235	258	292	348
Net cash flow	73	114	130	188
TCE/day	25,057	37,682	40,460	43,055
Cash break-even	28,351	19,541	19,442	18,901
Liquidity	135	249	380	568
Property & Equip. (incl. NB)	1,281	1,235	1,184	1,109
Total equity	1,051	1,172	1,302	1,463
Total assets	1,785	1,854	1,933	2,046
Interest bearing debt	689	637	586	538
Net interest bearing debt	554	388	206	-30
Market Cap.	771	771	771	771

Source: Cleaves, Bloomberg, Clarksons SIN, company data

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



Quarterly Review

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	93.0	65.8	140.0	138.7				
EBITDA (adj.)	39.0	14.6	96.5	80.9				
EBIT (adj.)	20.4	-4.3	77.7	74.6				
PTP (adj.)	9.3	-12.2	62.1	60.7				
Net earnings (adj.)	9.5	-12.2	62.1	56.4				
EPS (adj.)	0.32	-0.42	2.12	1.83				
DPS	-	-	1.18	0.50				
Implied, line by line	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	93.0	65.8	140.0	138.7				
Opex & G&A	54.0	51.2	43.5	57.9				
Depreciation	18.7	19.0	18.8	6.3				
Net finance	11.0	7.8	15.5	13.9				
Taxes & Minorities	-0.1	-	-	4.2				

CF & BS

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	-14	-0	88					
Free cash flow	13	3	180					
Net cash flow	-6	-26	67					
TCE/day	21,582	17,530	40,822	40,441				
Cash break-even	20,556	24,902	46,735					
Liquidity	58	68	135					
Interest bearing debt	811	802	689					

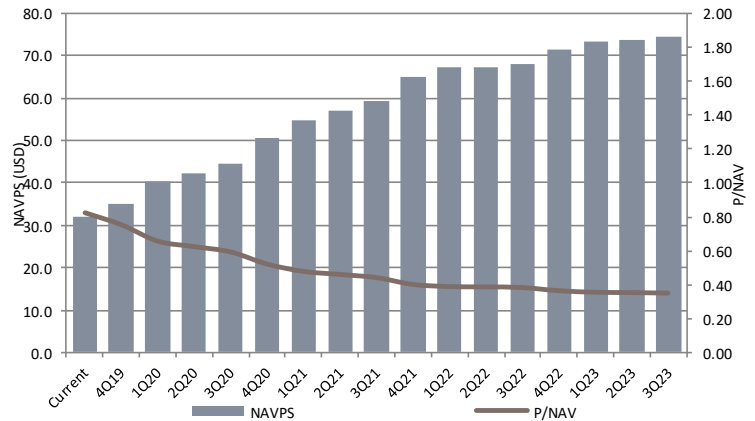


Company Valuation

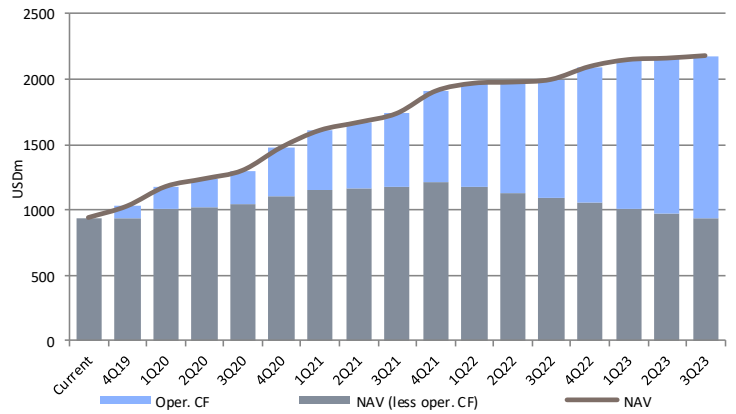
Valuation

Valuation	Book Value	Net Asset Value	Market cap.
USDm			
Primary assets	1,268	1,242	1,120
Contract value	0	23	20
Other	462	462	417
GAV	1,730	1,727	1,558
Net debt	-733	-733	-733
Capex	0	-39	-39
Other	-15	-15	-15
Equity	982	940	771
Shares	29	29	29
Equity/sh	33.5	32.1	26.3
lcl CCY	33.5	32.1	26.3
P/Equity	0.78	0.82	1.00
EV/GAV	0.90	0.90	1.00
Adj. Total Assets	1,829	1,802	1,681
Adj. Equity Ratio	54%	52%	46%
Fair Value	USD	44	65%

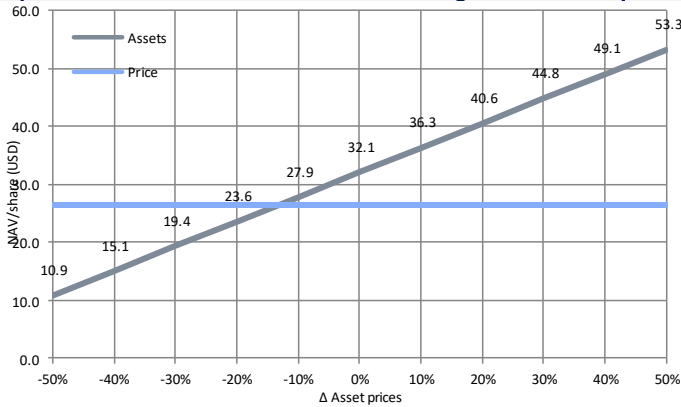
Quarterly forward NAV & P/NAV



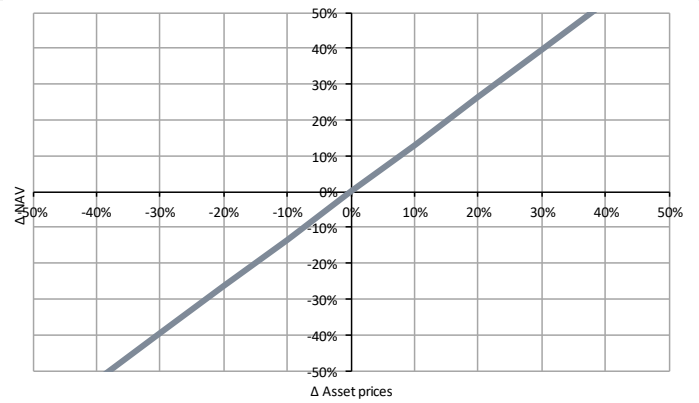
Quarterly forward NAV decomposition



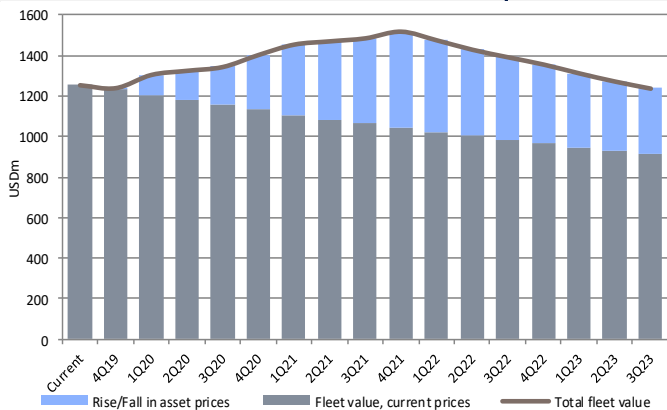
Impact on NAV/sh from % change in asset prices



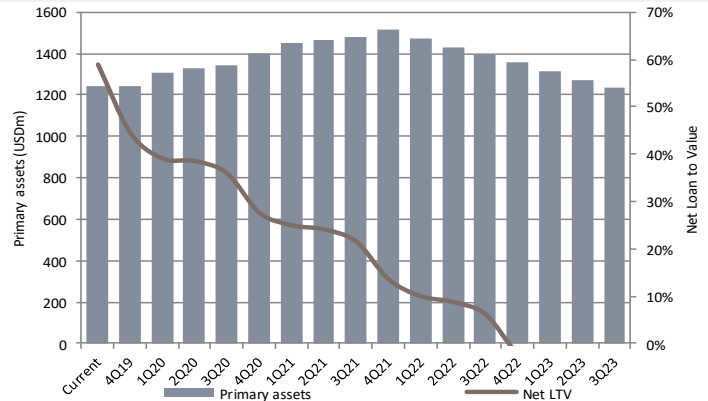
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E	
Net sales	362	507	525	549	372	539	528	549	-10	-31	-2	-	
EBITDA (adj.)	163	344	368	396	165	346	371	396	-2	-2	-3	-0	
EBIT (adj.)	88	269	293	320	90	271	296	321	-3	-2	-3	-0	
PTP (adj.)	47	212	241	272	48	214	243	272	-1	-1	-2	1	
Net earnings (adj.)	47	212	241	272	48	214	243	272	-1	-1	-2	1	
EPS (adj.)	1.61	7.25	8.22	9.31	1.63	7.30	8.30	9.28	-0.02	-0.04	-0.08	0.02	
DPS	-	3.13	3.77	3.83	0.50	3.04	3.86	3.89	-0.50	0.09	-0.09	-0.07	
									2019E	2020E	2021E	2022E	
									TCE revenue	-10	-31	-2	-
									Opex & G&A	-7	-29	1	0
									Depreciation	0	-	-	-
									Net finance	-2	-1	-1	-1
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net operational cash flow	131	287	316	348	139	289	318	347	-8	-1	-2	1
Free cash flow	235	258	292	348	232	259	294	347	3	-1	-2	1
Net cash flow	73	114	130	188	71	118	130	185	2	-4	0	4
TCE/day	25,057	37,682	40,460	43,055	25,165	37,663	40,871	43,055	-108	19	-411	-
Cash break-even	28,351	19,541	19,442	18,901	27,325	20,489	19,591	19,018	1,026	-949	-149	-117
Liquidity	135	249	380	568	130	248	378	563	5	1	1	5
Property & Equip. (incl. NB)	1,281	1,235	1,184	1,109	1,293	1,248	1,197	1,122	-13	-13	-13	-13
Total equity	1,051	1,172	1,302	1,463	1,038	1,163	1,293	1,451	13	9	10	12
Total assets	1,785	1,854	1,933	2,046	1,782	1,855	1,934	2,043	2	-1	-1	3
Interest bearing debt	689	637	586	538	699	648	596	548	-10	-10	-10	-10
Net interest bearing debt	554	388	206	-30	569	399	218	-15	-15	-11	-12	-14
Market Cap.	771	771	771	771	765	765	765	765	6	6	6	6
Enterprise value	1,325	1,159	977	741	1,334	1,164	983	750	-9	-5	-6	-9

Valuation

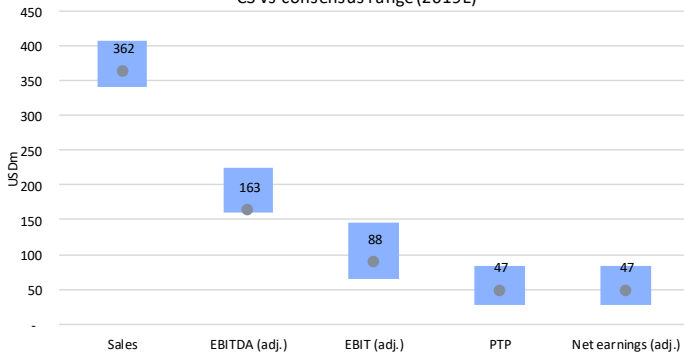
Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	1,027	1,475	1,904	2,092	1,013	1,456	1,882	2,070	14	19	23	22
Adj. equity ratio	58%	68%	75%	78%	58%	68%	75%	78%	1%	1%	1%	0%
FCF yield	31%	33%	38%	45%	30%	34%	38%	45%	0%	0%	-1%	0%
Dividend yield	0%	12%	14%	15%	2%	12%	15%	15%	-2%	0%	0%	0%
EV/EBITDA	7.9	3.4	2.7	1.9	7.9	3.4	2.6	1.9	-0.0	0.0	0.0	-0.0
P/E (adj.)	16.4	3.6	3.2	2.8	16.0	3.6	3.1	2.8	0.4	0.0	0.1	0.0



Our Estimates vs Consensus

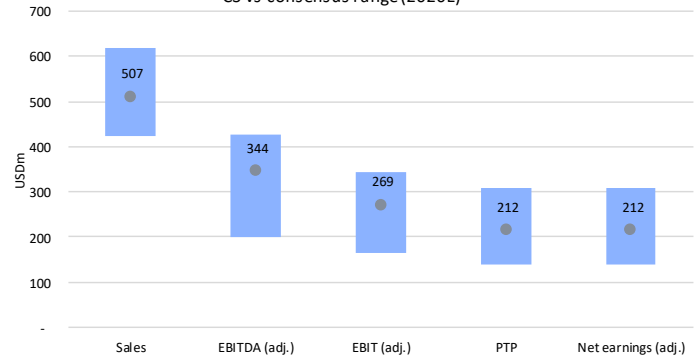
Profit & Loss, year I

CS vs consensus range (2019E)

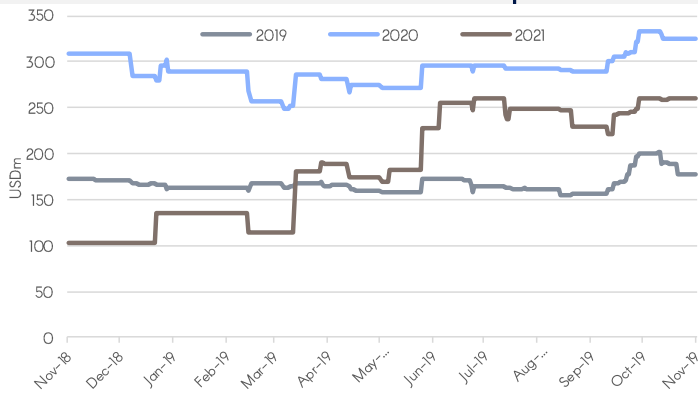


Profit & Loss, year II

CS vs consensus range (2020E)



Consensus EBITDA development



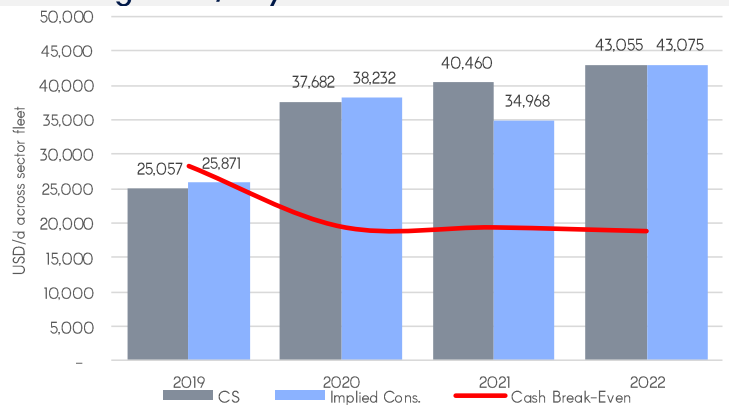
Target price vs share price



Cleaves vs consensus: P&L break-down

	2019	CS	Consensus	Diff.	Diff.
TCE revenue	362	374	374	-12	-3%
Opex + G&A	199	196	196	3	1%
Depreciation	76	73	73	2	3%
Net finance	40	52	52	-12	-22%
Taxes & Minorities	0	5	5	-5	-100%
	2020	CS	Consensus	Diff.	Diff.
TCE revenue	507	515	515	-7	-1%
Opex + G&A	163	190	190	-26	-14%
Depreciation	75	51	51	24	48%
Net finance	57	45	45	12	26%
Taxes & Minorities	0	9	9	-9	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

INSW-US

BUY/\$44

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

Balance Sheet (USDm)	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
Cash & short-term investments	58	80	92	68	135	165	151	166	249
Other current assets	109	113	91	88	88	88	88	88	88
Total current assets	168	193	183	157	223	253	239	254	338
Property & equip. (incl. NBs)	1,331	1,321	1,292	1,268	1,281	1,269	1,258	1,247	1,235
Other non-current assets	350	378	391	404	281	281	281	281	281
Total non-current assets	1,681	1,699	1,682	1,672	1,561	1,550	1,539	1,528	1,516
TOTAL ASSETS	1,849	1,891	1,865	1,829	1,785	1,803	1,779	1,782	1,854
Total equity	1,010	1,018	995	982	1,051	1,083	1,071	1,087	1,172
Short-term debt	52	66	69	64	63	66	66	65	65
Other current liabilities	24	34	36	33	33	33	33	33	33
Total current liabilities	75	100	106	98	96	99	99	98	98
Long-term debt	759	767	756	737	626	610	598	586	573
Other non-current liabilities	4	5	9	11	11	11	11	11	11
Total non-current liabilities	763	773	764	749	637	622	609	597	584
TOTAL EQUITY & LIABILITIES	1,849	1,891	1,865	1,829	1,785	1,803	1,779	1,782	1,854
Working capital, receivables	98	104	84	79	79	79	79	79	79
Working capital, payables	10	33	34	30	30	30	30	30	30
Net working capital	88	71	50	49	49	49	49	49	49
Interest bearing debt	811	833	825	802	689	676	663	650	637
Liquidity	58	80	92	68	135	165	151	166	249
Net interest bearing debt	752	754	733	733	554	511	512	484	388
Cash Flow (USDm)	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
Net income	7	11	-17	-11	69	66	21	27	98
Depreciation	19	19	19	19	19	19	19	19	19
Other	-19	-8	-5	-7	0	0	0	0	0
Cash earnings	6	22	-3	1	88	85	40	46	117
Changes in working capital	-21	2	23	-1	0	0	0	0	0
Net operational cash flow	-14	24	20	0	88	85	40	46	117
Capex	-14	-3	-2	-5	-31	-7	-7	-7	-7
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	36	0	9	7	123	0	0	0	0
Other	6	6	0	1	0	0	0	0	0
Net investing cash flow	27	3	6	3	92	-7	-7	-7	-7
Repayment of debt	-19	-7	-13	-29	-113	-13	-13	-13	-13
Proceeds from debt	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	-35	-33	-11	-14
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net financing cash flow	-19	-7	-13	-29	-113	-47	-46	-23	-26
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-6	20	13	-26	67	30	-14	15	83
Cash balance	58	80	92	68	135	165	151	166	249
Free cash flow	13	27	26	3	180	77	32	38	110



Cleaves Securities

INSW-US

BUY/\$44

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

	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Profit & Loss (USDm)									
Net sales	347	476	385	275	243	362	507	525	549
Operational costs						-194	-163	-157	-153
EBITDA						169	344	368	396
Depreciation/Amortization						-76	-75	-75	-75
EBIT	5	176	6	-108	-55	93	269	293	320
Net financials	-123	-3	-24	2	-35	-41	-57	-52	-48
PTP	-118	173	-18	-106	-89	52	212	241	272
Taxes/Minorities	-1	0	0	0	0	0	0	0	0
Net earnings	-119	173	-18	-106	-89	52	212	241	272
Non-recurring items	0	0	0	0	0	-5	0	0	0
Net earnings (adj.)	-119	173	-18	-106	-89	47	212	241	272
EPS			-0.62	-3.65	-3.05	1.79	7.25	8.22	9.31
EPS (adj.)			-0.62	-3.65	-3.05	1.61	7.25	8.22	9.31
DPS			6.92	0.00	0.00	0.00	3.13	3.77	3.83
Balance Sheet (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Cash & short-term investments	178	309	92	60	58	135	249	380	568
Other current assets	107	88	79	72	109	88	88	88	88
Total current assets	285	397	171	132	168	223	338	468	656
Property & equip. (incl. NBs)	1,317	1,240	1,100	1,105	1,331	1,281	1,235	1,184	1,109
Other non-current assets	433	393	392	428	350	281	281	281	281
Total non-current assets	1,750	1,633	1,492	1,533	1,681	1,561	1,516	1,465	1,390
TOTAL ASSETS	2,035	2,030	1,663	1,664	1,849	1,785	1,854	1,933	2,046
Total equity	1,391	1,384	1,180	1,086	1,010	1,051	1,172	1,302	1,463
Short-term debt	6	6	6	24	52	63	36	44	49
Other current liabilities	31	42	39	23	24	33	33	33	33
Total current liabilities	37	48	45	47	75	96	69	77	82
Long-term debt	595	589	433	529	759	626	601	542	490
Other non-current liabilities	12	9	4	3	4	11	11	11	11
Total non-current liabilities	607	598	438	532	763	637	613	553	501
TOTAL EQUITY & LIABILITIES	2,035	2,030	1,663	1,664	1,849	1,785	1,854	1,933	2,046
Working capital, receivables	95	78	68	61	98	79	79	79	79
Working capital, payables	10	19	16	9	10	30	30	30	30
Net working capital	85	59	52	53	88	49	49	49	49
Interest bearing debt	601	595	440	553	811	689	637	586	538
Liquidity	178	309	92	60	58	135	249	380	568
Net interest bearing debt	423	286	348	493	752	554	388	206	-30
Cash Flow (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Net income	-119	173	-18	-106	-89	52	212	241	272
Depreciation						76	75	75	75
Other						-20	0	0	0
Cash earnings	-271	204	109	14	25	108	287	316	348
Changes in working capital	18	19	8	4	-38	24	0	0	0
Net operational cash flow	-253	223	117	17	-12	131	287	316	348
Capex	-21	-1	-3	-174	-150	-41	-30	-24	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	78	17	0	18	169	139	0	0	0
Other	-41	98	27	19	104	6	0	0	0
Net investing cash flow	16	114	24	-137	124	104	-30	-24	0
Repayment of debt	288	-6	-155	102	-64	-162	-52	-52	-47
Proceeds from debt	—	—	—	—	—	0	0	0	0
Dividends paid	0	-200	-202	0	0	0	-92	-110	-112
New equity	0	0	0	0	0	0	0	0	0
Other	-47	0	0	-4	-1	6	0	0	0
Net financing cash flow	241	-206	-357	98	-64	-162	-143	-162	-159
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	4	131	-217	-21	47	73	114	130	188
Cash balance			92	60	58	132	246	376	564
Free cash flow	-237	337	140	-119	111	235	258	292	348



Cleaves Securities

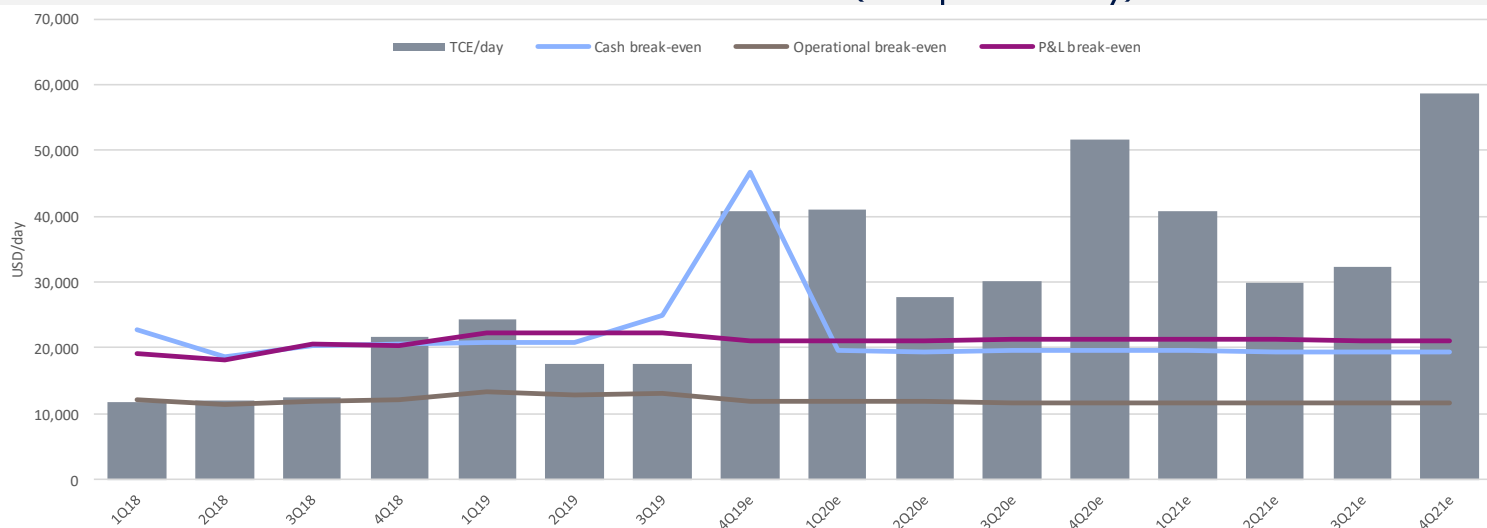
INSW-US BUY/\$44

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

Share Data & Valuation (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Shares outstanding, end	—	—	29	29	29	29	29	29	29
Share price, avg (USD)			14	19	19	20	26	26	26
Share price, end (USD)	—	—	14	18	17	26	26	26	26
Market Cap.			410	537	491	771	771	771	771
NIBD	423	286	348	493	752	554	388	206	-30
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value			758	1,030	1,244	1,325	1,159	977	741
Key Figures & Ratios	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
P/E (reported)						14.7	3.6	3.2	2.8
P/E (adj.)						16.4	3.6	3.2	2.8
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales			1.1	2.0	2.0	2.1	1.5	1.5	1.4
EV/Sales			2.0	3.7	5.1	3.7	2.3	1.9	1.4
EV/EBITDA						7.9	3.4	2.7	1.9
EV/EBIT						14.2	4.3	3.3	2.3
P/B			0.3	0.5	0.5	0.7	0.7	0.6	0.5
FCF yield			34%	-22%	23%	31%	33%	38%	45%
Dividend yield			49.3%	0.0%	0.0%	0.0%	11.9%	14.3%	14.5%
Return on equity (ROE)	-8.6%	12.5%	-1.5%	-9.8%	-8.8%	5.0%	18.1%	18.5%	18.6%
Return on capital employed (ROCE)	0.3%	10.6%	0.4%	-6.9%	-3.2%	6.0%	17.9%	20.2%	23.3%
Return on assets (ROA)	-5.9%	8.5%	-1.1%	-6.4%	-4.8%	2.9%	11.5%	12.5%	13.3%
Sales growth	-4%	37%	-19%	-29%	-12%	49%	40%	4%	4%
EBITDA margin						47%	68%	70%	72%
EBIT margin	1%	37%	2%	-39%	-22%	26%	53%	56%	58%
Net margin	-34%	36%	-5%	-39%	-37%	14%	42%	46%	50%
Net interest rate	13.3%	15.0%	11.4%	8.4%	8.0%	12.2%	14.6%	25.3%	-161.8%
Tax rate	-0.6%	0.1%	-2.5%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Equity ratio	68%	68%	71%	65%	55%	59%	63%	67%	72%
Leverage ratio	32%	32%	29%	35%	45%	41%	37%	33%	28%
NIBD / EBITDA (past 1y)						3.3	1.1	0.6	-0.1
Operating cash flow/NIBD	-0.6	0.8	0.3	0.0	0.0	0.2	0.7	1.5	-11.7
Net interest coverage ratio (EBITDA)						2.5	6.1	7.1	8.3
Current ratio	7.7	8.2	3.8	2.8	2.2	2.3	4.9	6.1	8.0
Adj. equity ratio						58%	68%	75%	78%
Operating assets	1,787	1,712	1,571	1,594	1,731	1,594	1,549	1,497	1,422
Operating liabilities	43	51	43	26	28	45	45	45	45
Net operating assets	1,744	1,661	1,527	1,568	1,703	1,549	1,504	1,453	1,377

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

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





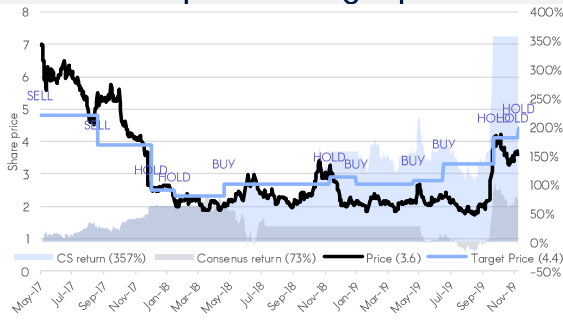
\$NAT (BUY/\$3.3): Perfectly position to take advantage of the cycle, with the aging fleet exhibiting a higher elasticity towards rising asset prices

NAT-US

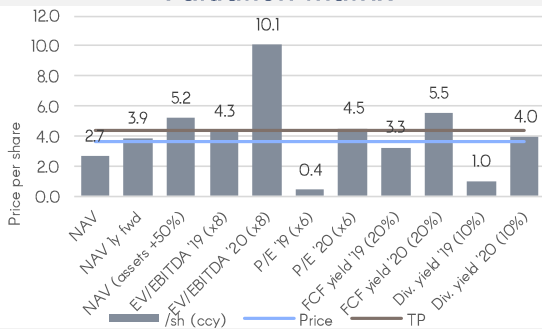
HOLD/\$4.4

Nordic American Tankers

Share price vs target price

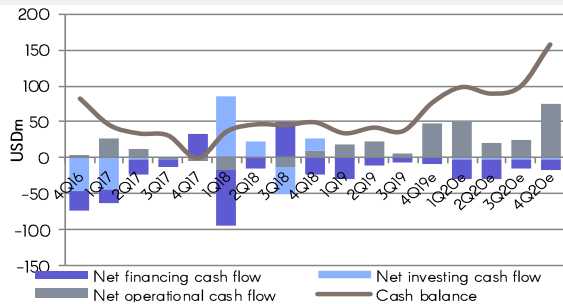


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	195	286	306	326
EBITDA (adj.)	116	206	227	246
EBIT (adj.)	52	143	163	183
PTP (adj.)	10	107	130	152
Net earnings (adj.)	10	107	130	152
EPS (adj.)	0.07	0.75	0.91	1.06
DPS	0.10	0.40	0.54	0.69
USDm	2019E	2020E	2021E	2022E
Fwd NAV	444	653	836	859
Adj. equity ratio	50%	61%	68%	70%
FCF yield	18%	31%	38%	42%
Dividend yield	3%	11%	15%	19%
EV/EBITDA	7.1	3.5	2.7	2.0
P/E (adj.)	52.8	4.8	3.9	3.4

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	95	171	193	215
Free cash flow	93	158	193	215
Net cash flow	38	80	95	96
TCE/day	23,693	34,953	37,583	40,067
Cash break-even	16,682	16,156	15,960	15,753
Liquidity	88	168	263	358
Property & Equip. (incl. NBs)	895	845	781	718
Total equity	599	649	702	756
Total assets	1,036	1,066	1,098	1,130
Interest bearing debt	400	379	358	337
Net interest bearing debt	312	211	95	-22
Market Cap.	513	513	513	513

Source: Cleaves, Bloomberg, Clarksons SIN, company data

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

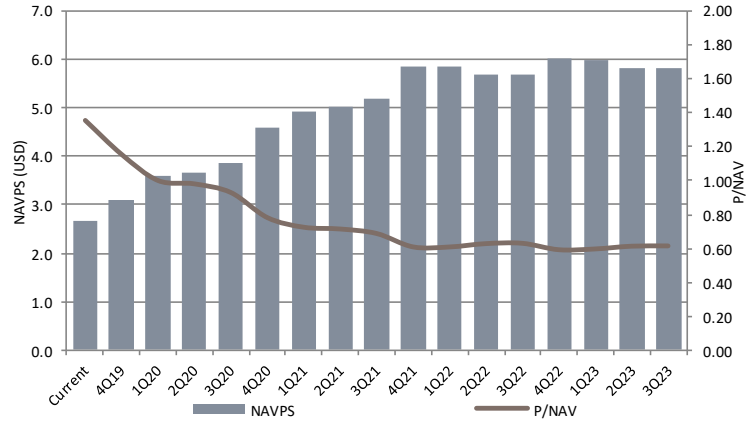


Company Valuation

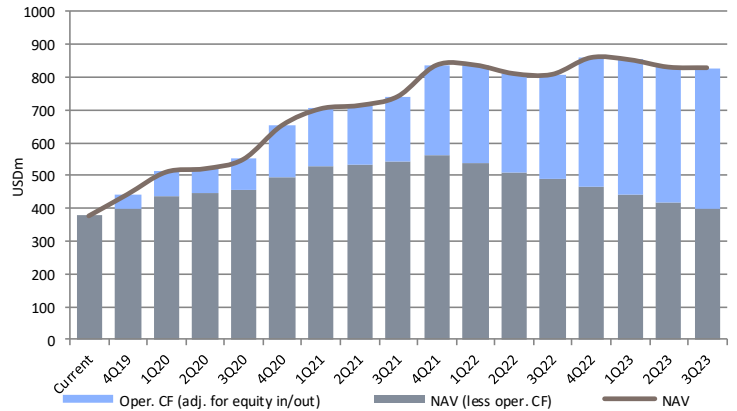
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	910	723	851
Contract value	0	-2	-2
Other	38	37	43
GAV	948	758	892
Net debt	-357	-357	-357
Capex	0	-1	-1
Other	-22	-22	-22
Equity	569	378	513
Shares	143	143	143
Equity/sh	3.99	2.65	3.60
Idl CCY	3.99	2.65	3.60
P/Equity	0.90	1.36	1.00
EV/GAV	0.94	1.18	1.00
Adj. Total Assets	1,012	825	953
Adj. Equity Ratio	56%	46%	54%
Fair Value	USD	4.4	22%

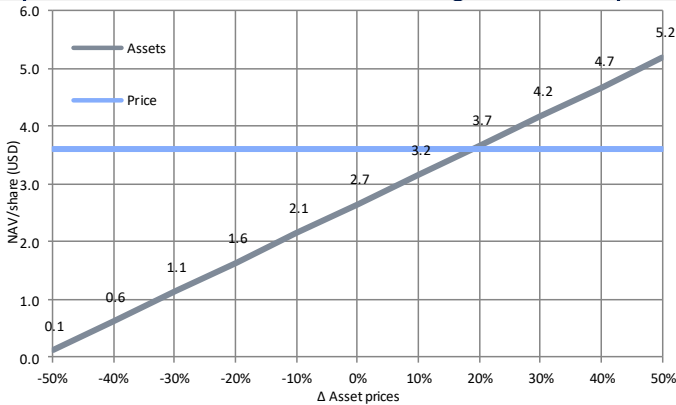
Quarterly forward NAV & P/NAV



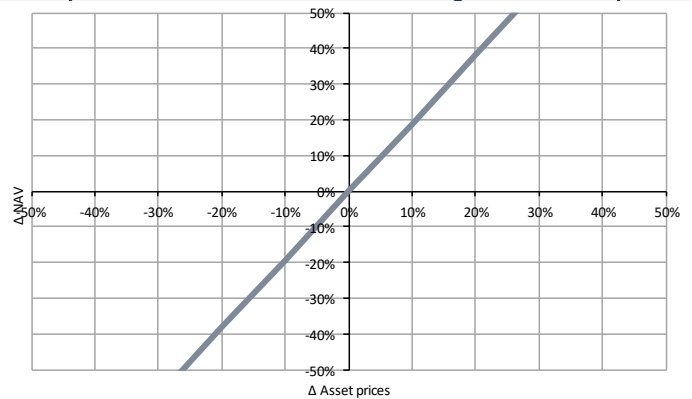
Quarterly forward NAV decomposition



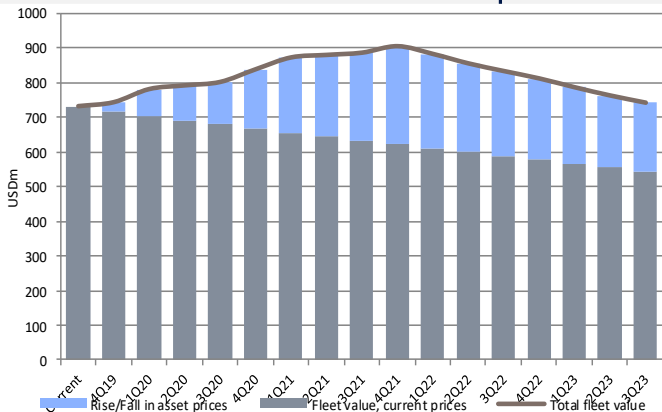
Impact on NAV/sh from % change in asset prices



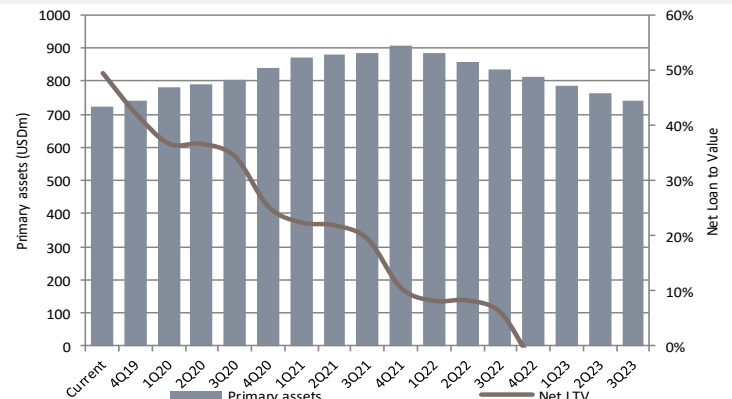
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





Quarterly Preview

3Q19 Review USDm	3Q18	2Q19	3Q19			Actuals vs		Actuals vs	
			Actuals	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	23.2	30.7	32.3	33.8	32.8	-1.5	-0.4	-4%	-1%
EBITDA (adj.)	1.6	10.8	13.1	13.6	15.3	-0.4	-2.2	-3%	-14%
EBIT (adj.)	-13.7	-4.9	-2.9	-2.2	-2.0	-0.7	-0.9	-30%	-44%
PTP (adj.)	#VALUE!	-15.0	-13.7	-11.7	-13.2	-2.1	-0.5	-18%	-4%
Net earnings (adj.)	—	-15.0	-13.7	-11.7	-10.1	-2.1	-3.6	-18%	-36%
EPS (adj.)	#VALUE!	-0.11	-0.10	-0.08	-0.08	-0.01	-0.02	-18%	-21%
DPS	0.01	0.01	0.02	0.14	0.01	-0.12	0.01	-86%	100%
Implied, line by line	3Q18	2Q19	Actuals	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	23.2	30.7	32.3	33.8	32.8	-1.5	-0.4	-4%	-1%
Opex & G&A	21.6	19.8	19.2	20.3	17.5	-1.1	1.8	-5%	10%
Depreciation	15.3	15.7	16.0	15.8	17.3	0.2	-1.3	1%	-7%
Net finance	#VALUE!	10.1	10.9	9.5	11.2	1.4	-0.3	15%	-3%
Taxes & Minorities	#VALUE!	-	-	-	-3.1	-	3.1		100%

CF & BS

3Q19 Review USDm	3Q18	2Q19	3Q19			Actuals vs		Actuals vs	
			Actuals	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE/day	12,000	14,823	15,900	16,838	16,292	-938	-392	-6%	-2%
Utilization	87.5%	98.8%	96.1%	95.0%		1.1%		1%	
Fleet days	2,208	2,093	2,116	2,116		-		0%	
Cash break-even	27,715	16,689	16,307	16,535		-228		-1%	
Liquidity	46	49	48	46		2		4%	
Interest bearing debt	419	410	405	405		-0		0%	



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E	
Net sales	195	286	306	326	210	280	300	320	-16	6	6	7	
EBITDA (adj.)	116	206	227	246	131	199	219	239	-15	7	7	8	
EBIT (adj.)	52	143	163	183	67	136	156	176	-15	7	7	8	
PTP (adj.)	10	107	130	152	26	100	122	144	-16	7	8	8	
Net earnings (adj.)	10	107	130	152	26	100	122	144	-16	7	8	8	
EPS (adj.)	0.07	0.75	0.91	1.06	0.18	0.70	0.86	1.01	-0.11	0.05	0.05	0.06	
DPS	0.10	0.40	0.54	0.69	0.22	0.44	0.52	0.66	-0.12	-0.04	0.02	0.03	
									2019E	2020E	2021E	2022E	
									TCE revenue	-16	6	6	7
									Opex & G&A	-1	-1	-1	-1
									Depreciation	0	0	0	0
									Net finance	1	-1	-1	-1
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net operational cash flow	95	171	193	215	108	163	185	207	-13	8	8	8
Free cash flow	93	158	193	215	106	153	185	207	-13	4	8	8
Net cash flow	38	80	95	96	34	70	90	92	4	10	5	4
TCE/day	23,693	34,953	37,583	40,067	25,902	34,953	37,583	40,067	-2,208	-	-	-
Cash break-even	16,682	16,156	15,960	15,753	16,759	16,355	16,159	15,948	-78	-199	-198	-195
Liquidity	88	168	263	358	83	153	243	335	5	15	19	24
Property & Equip. (incl. NBs)	895	845	781	718	893	840	776	713	2	5	5	5
Total equity	599	649	702	756	597	634	683	732	2	15	19	23
Total assets	1,036	1,066	1,098	1,130	1,032	1,048	1,075	1,104	5	18	22	26
Interest bearing debt	400	379	358	337	400	379	358	337	-0	-0	-0	-0
Net interest bearing debt	312	211	95	-22	317	226	115	2	-5	-15	-20	-24
Market Cap.	513	513	513	513	511	511	511	511	2	2	2	2
Enterprise value	825	724	608	491	827	737	625	513	-3	-13	-18	-22

Valuation

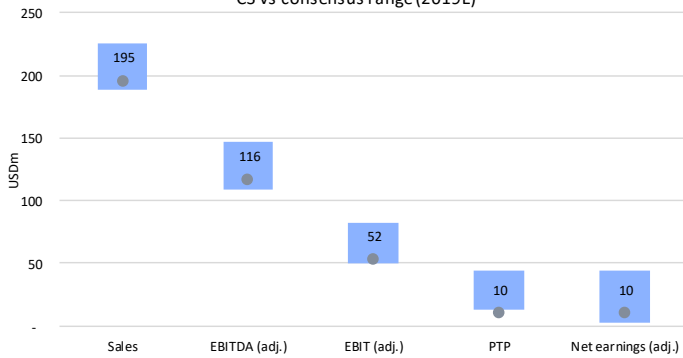
Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	444	653	836	859	418	602	769	786	26	51	68	73
Adj. equity ratio	50%	61%	68%	70%	49%	59%	66%	68%	1%	2%	2%	2%
FCF yield	18%	31%	38%	42%	21%	30%	36%	40%	-3%	1%	1%	1%
Dividend yield	3%	11%	15%	19%	6%	12%	14%	18%	-3%	-1%	1%	1%
EV/EBITDA	7.1	3.5	2.7	2.0	6.3	3.7	2.9	2.1	0.8	-0.2	-0.2	-0.2
P/E (adj.)	52.8	4.8	3.9	3.4	19.7	5.1	4.2	3.6	33.1	-0.3	-0.2	-0.2



Our Estimates vs Consensus

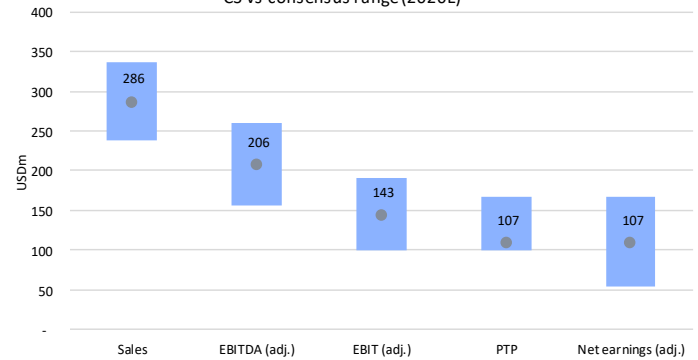
Profit & Loss, year I

CS vs consensus range (2019E)

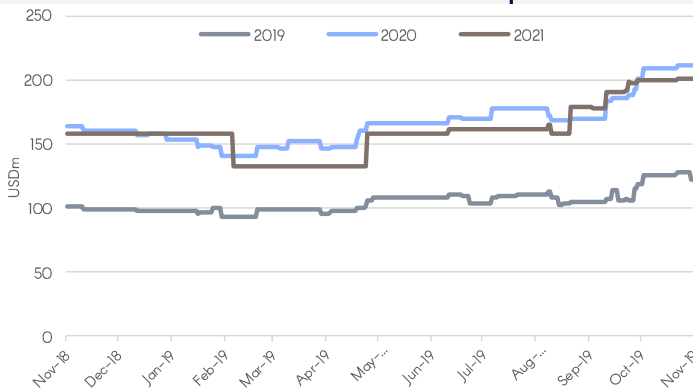


Profit & Loss, year II

CS vs consensus range (2020E)



Consensus EBITDA development



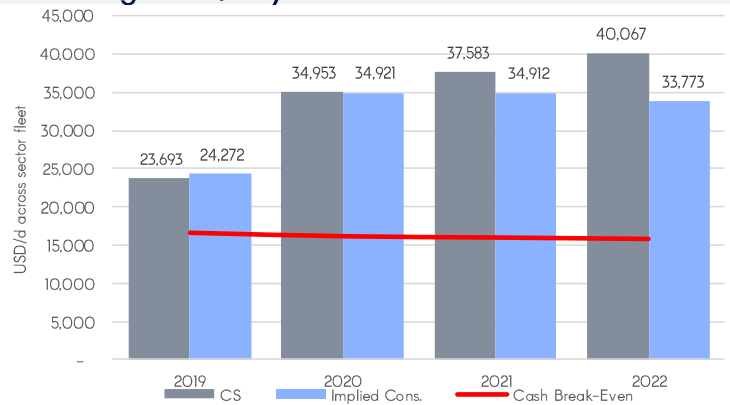
Target price vs share price



Cleaves vs consensus: P&L break-down

	2019	CS	Consensus	Diff.	Diff.
TCE revenue	195	199	199	-5	-2%
Opex + G&A	79	77	77	2	3%
Depreciation	63	56	56	7	13%
Net finance	43	39	39	4	10%
Taxes & Minorities	0	9	9	-9	-100%
	2020	CS	Consensus	Diff.	Diff.
TCE revenue	286	285	285	0	0%
Opex + G&A	80	74	74	6	8%
Depreciation	63	69	69	-6	-9%
Net finance	35	19	19	16	82%
Taxes & Minorities	0	7	7	-7	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

NAT-US HOLD/\$4.4

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

	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E
Profit & Loss (USDm)									
Net sales	23	44	54	31	32	78	80	49	54
Operational costs	-23	-23	-20	-20	-19	-20	-20	-20	-20
EBITDA	0	21	34	11	13	58	60	29	34
Depreciation/Amortization	-15	-16	-16	-16	-16	-16	-16	-16	-16
EBIT	-15	5	18	-5	-3	42	44	14	18
Net financials	-23	-16	-13	-10	-11	-9	-9	-9	-9
PTP	-38	-10	6	-15	-14	33	35	5	9
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-38	-10	6	-15	-14	33	35	5	9
Non-recurring items		3	0	0	0	0	0	0	0
Net earnings (adj.)	—	-8	6	-15	-14	33	35	5	9
EPS	-0.27	-0.07	0.04	-0.11	-0.10	0.23	0.25	0.03	0.06
EPS (adj.)		-0.06	0.04	-0.11	-0.10	0.23	0.25	0.03	0.06
DPS	0.02	0.01	0.04	0.03	0.01	0.02	0.15	0.15	0.04
Balance Sheet (USDm)									
Cash & short-term investments	46	49	34	42	37	77	98	89	99
Other current assets	65	64	74	58	62	62	62	62	62
Total current assets	110	113	108	100	99	139	160	151	161
Property & equip. (incl. NBs)	951	954	938	923	910	895	882	870	857
Other non-current assets	9	4	5	5	3	3	3	3	3
Total non-current assets	960	958	943	928	913	898	885	873	860
TOTAL ASSETS	1,070	1,071	1,051	1,028	1,012	1,036	1,045	1,023	1,021
Total equity	614	602	602	583	569	599	613	596	599
Short-term debt	5	19	20	20	20	20	20	20	20
Other current liabilities	21	18	19	19	23	23	23	23	23
Total current liabilities	26	36	39	39	43	42	42	42	42
Long-term debt	414	418	396	390	385	380	374	369	364
Other non-current liabilities	16	15	15	15	15	15	15	15	15
Total non-current liabilities	430	433	411	406	400	395	390	385	379
TOTAL EQUITY & LIABILITIES	1,070	1,071	1,051	1,028	1,012	1,036	1,045	1,023	1,021
Working capital, receivables	41	42	46	38	35	35	35	35	35
Working capital, payables	12	9	11	13	16	16	16	16	16
Net working capital	30	34	35	25	19	19	19	19	19
Interest bearing debt	419	437	416	410	405	400	394	389	384
Liquidity	46	49	37	49	48	88	109	100	110
Net interest bearing debt	373	387	379	361	357	312	286	289	274
Cash Flow (USDm)									
Net income	-38	-10	6	-15	-14	33	35	5	9
Depreciation	15	16	16	16	16	16	16	16	16
Other	10	4	-3	22	3	0	0	0	0
Cash earnings	-13	9	18	23	5	49	51	21	25
Changes in working capital	0	0	0	0	0	0	0	0	0
Net operational cash flow	-13	9	18	23	5	49	51	21	25
Capex	-84	-1	0	0	0	-1	-3	-3	-3
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	46	18	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-37	17	0	0	0	-1	-3	-3	-3
Repayment of debt	-31	-26	-325	-6	-6	-5	-5	-5	-5
Proceeds from debt	83	4	300	0	0	0	0	0	0
Dividends paid	-3	-1	-6	-4	-1	-3	-21	-21	-6
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	1	0	0	0	0
Net financing cash flow	49	-23	-30	-10	-6	-8	-26	-26	-11
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-1	4	-12	13	-1	40	21	-9	10
Cash balance	46	49	34	42	37	77	98	89	99
Free cash flow	-50	27	18	22	5	48	48	17	22



Cleaves Securities

NAT-US HOLD/\$4.4

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

	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Profit & Loss (USDm)									
Net sales	550	604	231	155	124	195	286	306	326
Operational costs	-475	-394	-87	-230	-102	-79	-80	-80	-80
EBITDA	76	211	144	-75	22	116	206	227	246
Depreciation/Amortization	-81	-83	-91	-101	-61	-63	-63	-63	-63
EBIT	-5	128	53	-176	-39	52	143	163	183
Net financials	-10	-11	-11	-21	-49	-43	-35	-33	-31
PTP	-15	117	42	-196	-88	10	107	130	152
Taxes/Minorities	2	-3	-47	-9	-8	0	0	0	0
Net earnings	-13	115	-4	-205	-95	10	107	130	152
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	-13	115	-4	-205	-95	10	107	130	152
EPS	-0.15	1.29	-0.04	-1.44	-0.67	0.07	0.75	0.91	1.06
EPS (adj.)	-0.15	1.29	-0.04	-1.44	-0.67	0.07	0.75	0.91	1.06
DPS	0.61	1.38	1.23	0.38	0.07	0.10	0.40	0.54	0.69
Balance Sheet (USDm)									
Cash & short-term investments	101	30	82	58	49	77	157	252	348
Other current assets	76	88	82	69	64	62	62	62	62
Total current assets	176	118	164	127	113	139	219	314	409
Property & equip. (incl. NBs)	910	963	1,058	936	954	895	845	781	718
Other non-current assets	89	164	128	78	4	3	3	3	3
Total non-current assets	999	1,126	1,186	1,014	958	898	847	784	721
TOTAL ASSETS	1,176	1,245	1,350	1,141	1,071	1,036	1,066	1,098	1,130
Total equity	889	881	871	711	602	599	649	702	756
Short-term debt	0	0	0	0	19	20	10	12	15
Other current liabilities	24	21	22	25	18	23	23	23	23
Total current liabilities	24	21	22	25	36	42	32	35	38
Long-term debt	250	330	443	389	418	380	369	346	322
Other non-current liabilities	13	13	15	16	15	15	15	15	15
Total non-current liabilities	263	343	457	405	433	395	385	361	337
TOTAL EQUITY & LIABILITIES	1,176	1,245	1,350	1,141	1,071	1,036	1,066	1,098	1,130
Working capital, receivables	38	43	38	45	42	35	35	35	35
Working capital, payables	24	21	22	14	9	16	16	16	16
Net working capital	14	22	17	31	34	19	19	19	19
Interest bearing debt	250	330	443	389	437	400	379	358	337
Liquidity	101	30	82	58	49	88	168	263	358
Net interest bearing debt	149	300	361	330	387	312	211	95	-22
Cash Flow (USDm)									
Net income	-13	115	-4	-205	-95	10	107	130	152
Depreciation	81	83	91	101	61	63	63	63	63
Other	-4	-7	34	122	26	22	0	0	0
Cash earnings	63	190	121	18	-8	95	171	193	215
Changes in working capital	-6	-16	7	14	-8	0	0	0	0
Net operational cash flow	57	174	128	32	-16	95	171	193	215
Capex	-74	-123	-138	-38	-5	-2	-13	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	90	0	0	0	0
Other	-8	-74	-49	-9	0	0	0	0	0
Net investing cash flow	-82	-197	-187	-47	85	-2	-13	0	0
Repayment of debt	0	80	117	-55	-78	-341	-21	-21	-21
Proceeds from debt	0	80	117	0	0	300	0	0	0
Dividends paid	-54	-123	-126	-54	-10	-14	-57	-77	-98
New equity	113	0	120	104	13	0	0	0	0
Other	0	-85	-117	-13	-2	0	0	0	0
Net financing cash flow	59	-48	111	-19	-78	-54	-78	-98	-119
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	35	-71	52	-34	-9	38	80	95	96
Cash balance	101	30	82	48	49	88	168	263	358
Free cash flow	-24	-23	-59	-15	69	93	158	193	215



Cleaves Securities

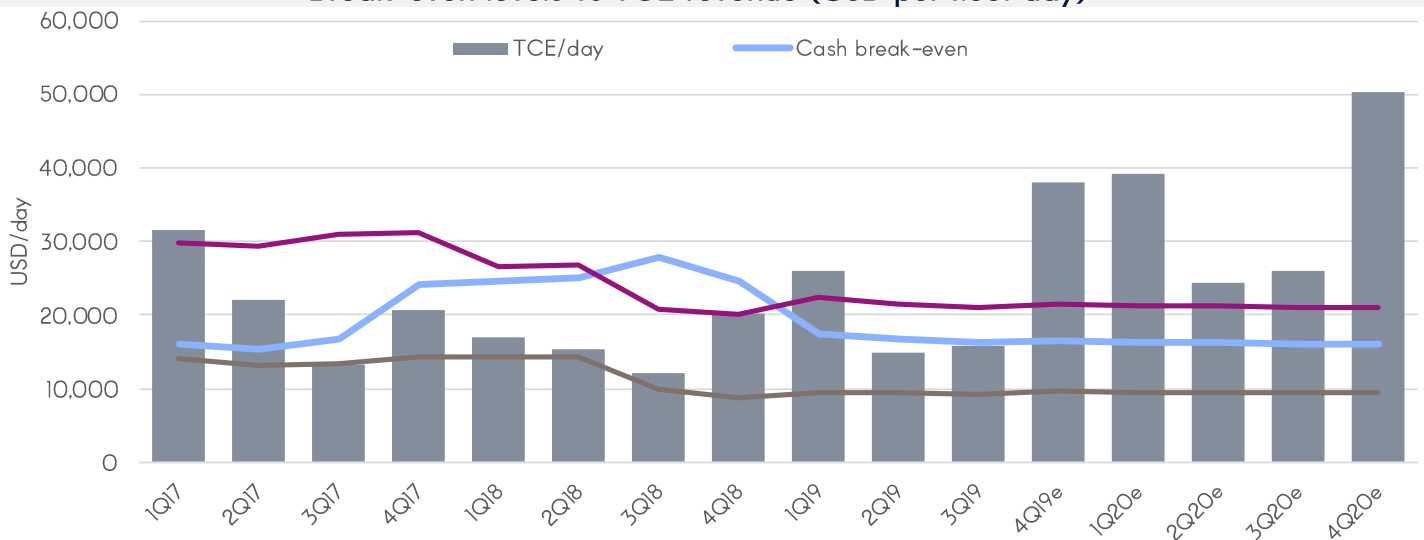
NAT-US HOLD/\$4.4

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

Share Data & Valuation (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Shares outstanding, end	89	89	102	142	142	143	143	143	143
Share price, avg (USD)	9	13	12	6	2	2	4	4	4
Share price, end (USD)	10	15	8	2	2	4	4	4	4
Market Cap.	890	1,374	849	349	284	513	513	513	513
NIBD	149	300	361	330	387	312	211	95	-22
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	1,039	1,674	1,210	680	671	825	724	608	491
Key Figures & Ratios	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
P/E (reported)		12.0				52.8	4.8	3.9	3.4
P/E (adj.)		12.0				52.8	4.8	3.9	3.4
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	1.6	2.3	3.7	2.3	2.3	2.6	1.8	1.7	1.6
EV/Sales	1.9	2.8	5.2	4.4	5.4	4.2	2.5	2.0	1.5
EV/EBITDA	13.7	7.9	8.4		30.4	7.1	3.5	2.7	2.0
EV/EBIT		13.1	22.7			15.7	5.1	3.7	2.7
P/B	1.0	1.6	1.0	0.5	0.5	0.9	0.8	0.7	0.7
FCF yield	-3%	-2%	-7%	-4%	24%	18%	31%	38%	42%
Dividend yield	6.1%	9.0%	14.8%	15.5%	3.5%	2.8%	11.0%	15.1%	19.2%
Return on equity (ROE)	-1.5%	13.0%	-0.5%	-28.8%	-15.8%	1.6%	16.5%	18.5%	20.1%
Return on capital employed (ROCE)	-0.5%	10.8%	4.3%	-16.9%	-3.9%	5.8%	16.6%	20.5%	25.0%
Return on assets (ROA)	-1.1%	9.2%	-0.3%	-18.0%	-8.9%	0.9%	10.1%	11.8%	13.4%
Sales growth	32%	10%	-62%	-33%	-20%	57%	47%	7%	7%
EBITDA margin	14%	35%	62%	-49%	18%	59%	72%	74%	76%
EBIT margin	-1%	21%	23%	-114%	-31%	27%	50%	53%	56%
Net margin	-2%	19%	-2%	-133%	-77%	5%	38%	42%	47%
Net interest rate	8.2%	3.6%	3.1%	6.2%	8.9%	12.4%	16.7%	35.0%	-143.6%
Tax rate	-0.3%	0.1%	0.2%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%
Equity ratio	76%	71%	65%	62%	56%	58%	61%	64%	67%
Leverage ratio	24%	29%	35%	38%	44%	42%	39%	36%	33%
NIBD / EBITDA (past 1y)	2.0	1.4	2.5	-4.4	17.5	2.7	1.0	0.4	-0.1
Operating cash flow/NIBD	0.4	0.6	0.4	0.1	0.0	0.3	0.8	2.0	-9.8
Net interest coverage ratio (EBITDA)	6.2	19.4	12.9	-3.7	0.6	3.0	5.8	6.8	7.9
Current ratio	7.3	5.7	7.6	5.0	3.1	3.3	6.8	9.1	10.9
Adj. equity ratio						50%	61%	68%	70%
Operating assets	1,075	1,215	1,268	1,083	1,022	949	898	835	772
Operating liabilities	37	34	36	41	33	38	38	38	38
Net operating assets	1,038	1,181	1,232	1,042	989	911	860	797	734

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

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





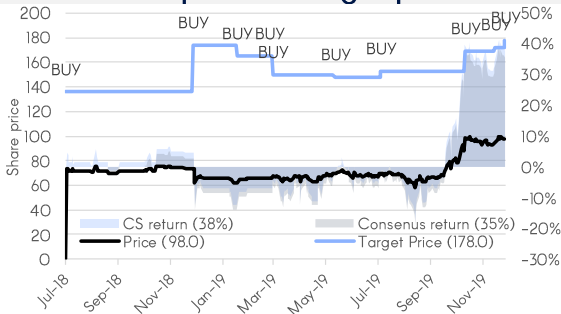
Large upside ahead with an unprecedented firm policy of maintaining P/NAV = 1

OET-NO

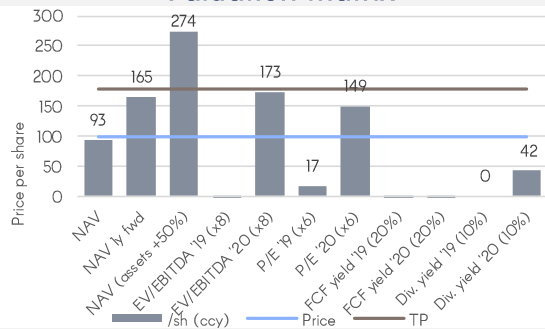
BUY/NI78

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Share price vs target price

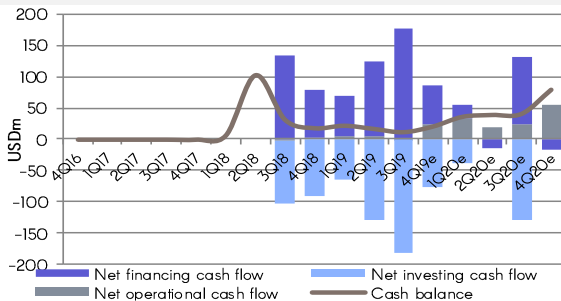


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	97	221	247	275
EBITDA (adj.)	67	175	198	225
EBIT (adj.)	43	135	158	185
PTP (adj.)	10	89	111	143
Net earnings (adj.)	10	89	111	143
EPS (adj.)	0.30	2.72	3.38	4.34
DPS	-	0.46	2.32	2.49
USDm	2019E	2020E	2021E	2022E
Fwd NAV	359	718	1,028	1,038
Adj. equity ratio	32%	45%	56%	59%
FCF yield	-120%	-11%	42%	52%
Dividend yield	0%	4%	22%	23%
EV/EBITDA	16.1	6.5	5.3	4.2
P/E (adj.)	35.2	3.9	3.2	2.5

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	33	129	151	183
Free cash flow	-419	-38	148	183
Net cash flow	3	58	2	12
TCE/day	26,799	39,740	41,083	45,602
Cash break-even	25,636	24,163	26,819	29,142
Liquidity	21	79	81	93
Property & Equip. (incl. NBs)	1,067	1,194	1,157	1,117
Total equity	340	414	449	510
Total assets	1,111	1,297	1,261	1,234
Interest bearing debt	744	856	786	697
Net interest bearing debt	723	777	705	604
Market Cap.	350	350	350	350

Source: Cleaves, Bloomberg, Clarksons SIN, company data

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



Quarterly Pre-/Review

4Q19 Preview USDm			4Q19		Actuals vs		Actuals vs	
	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	12.4	21.6	45.7	51.9				
EBITDA (adj.)	7.4	14.1	35.4	37.4				
EBIT (adj.)	3.4	7.1	27.0	28.9				
PTP (adj.)	-0.6	-3.2	16.3	18.1				
Net earnings (adj.)	-0.6	-3.2	16.3	18.1				
EPS (adj.)	-0.02	-0.10	0.49	0.55				
DPS	-	-	0.10	0.03				
Implied, line by line	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	12.4	21.6	45.7	51.9				
Opex & G&A	5.0	7.5	10.3	14.5				
Depreciation	3.9	7.0	8.4	8.5				
Net finance	4.0	10.3	10.7	10.9				
Taxes & Minorities	-	-	-	-				

CF & BS

4Q19 Preview USDm			4Q19		Actuals vs		Actuals vs	
	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	3	-1	25					
Free cash flow	-89	-181	-52					
Net cash flow	-13	-5	9					
TCE/day	20,640	23,175	39,720	45,053				
Utilization	93.0%	100.0%	91.2%					
Fleet days	644	1,022	1,262					
Cash break-even	26,017	23,702	24,628					
Liquidity	18	12	21					
Interest bearing debt	339	683	744					

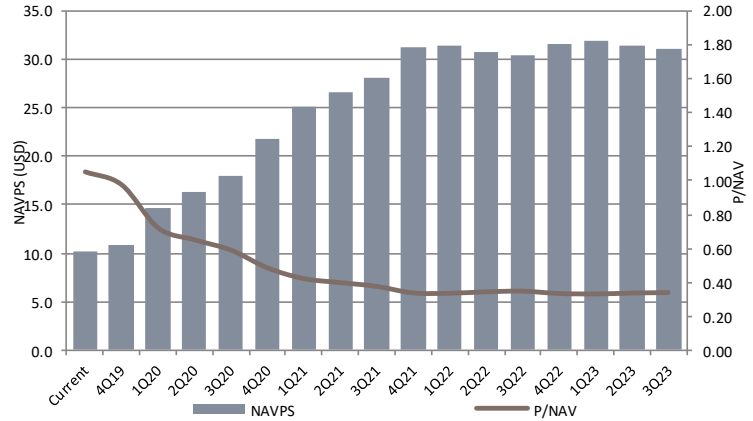


Company Valuation

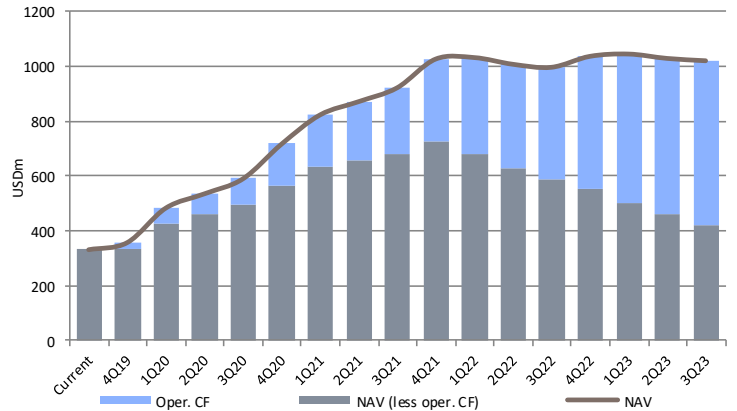
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	998	1,304	1,322
Contract value	0	-53	-53
Other	2	2	2
GAV	1,000	1,253	1,270
Net debt	-671	-671	-671
Capex	0	-245	-245
Other	-5	-5	-5
Equity	324	333	350
Shares	33	33	33
Equity/sh	9.85	10.12	10.64
lcl CCY	90.25	92.74	97.50
P/Equity	1.08	1.05	1.00
EV/GAV	1.27	1.01	1.00
Adj. Total Assets	1,033	1,339	1,357
Adj. Equity Ratio	31%	25%	26%
Fair Value	NOK	178	82%
	USD	19.4	

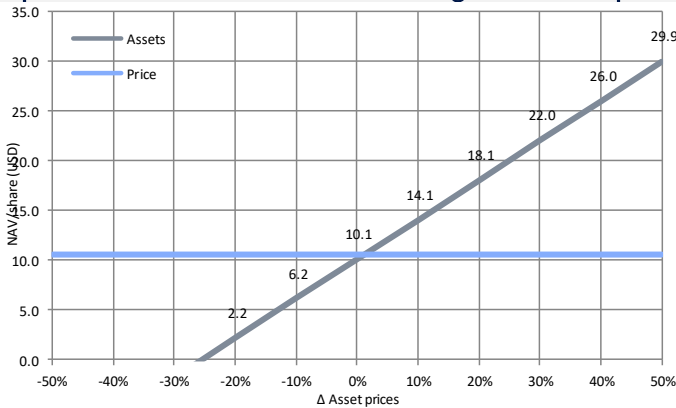
Quarterly forward NAV & P/NAV



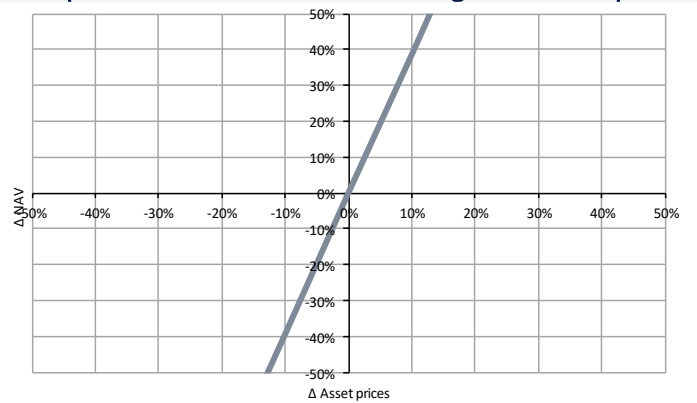
Quarterly forward NAV decomposition



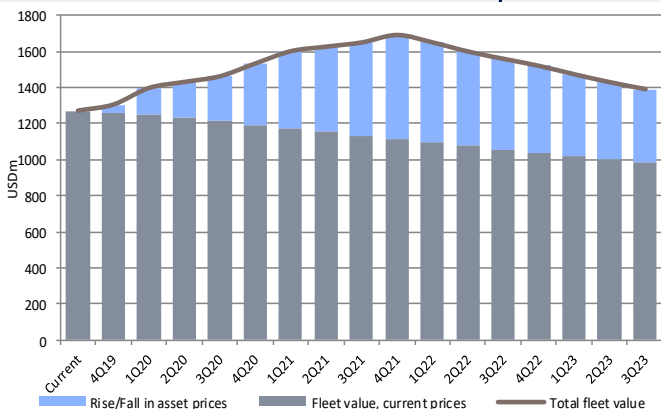
Impact on NAV/sh from % change in asset prices



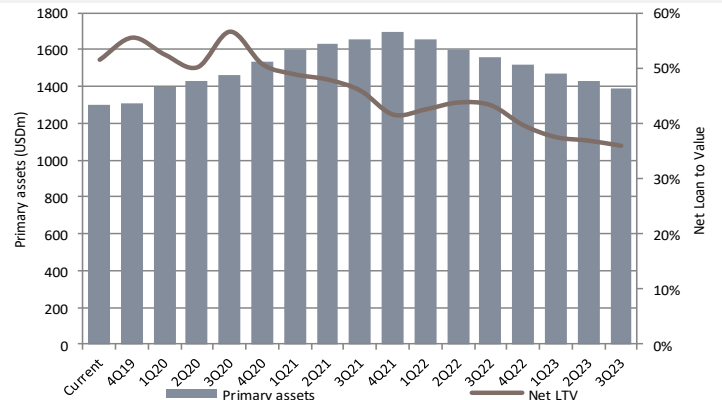
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E	
Net sales	97	221	247	275	96	221	247	275	1	-	-	-	
EBITDA (adj.)	67	175	198	225	66	175	198	225	1	-	-	-	
EBIT (adj.)	43	135	158	185	43	135	158	185	1	-	-	-	
PTP (adj.)	10	89	111	143	9	89	111	143	1	-	-	-	
Net earnings (adj.)	10	89	111	143	9	89	111	143	1	-	-	-	
EPS (adj.)	0.30	2.72	3.38	4.34	0.28	2.72	3.38	4.34	0.02	-	-	-	
DPS	-	0.46	2.32	2.49	-	0.46	2.32	2.49	-	-	-0.00	-0.00	
									2019E	2020E	2021E	2022E	
									TCE revenue	1	-	-	-
									Opex & G&A	-	-	-	-
									Depreciation	-	-	-	-
									Net finance	-	-	-	-
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net operational cash flow	33	129	151	183	32	129	151	183	1	-	-	-
Free cash flow	-419	-38	148	183	-420	-38	148	183	1	-	-0	-
Net cash flow	3	58	2	12	2	58	2	12	1	-	-0	0
TCE/day	26,799	39,740	41,083	45,602	26,660	39,740	41,083	45,602	139	-	-	-
Cash break-even	25,636	24,163	26,819	29,142	25,636	24,163	26,819	29,142	-	-	-	-
Liquidity	21	79	81	93	20	78	80	92	1	1	1	1
Property & Equip. (incl. NBs)	1,067	1,194	1,157	1,117	1,067	1,194	1,157	1,117	-	-	0	0
Total equity	340	414	449	510	340	414	449	509	1	1	1	1
Total assets	1,111	1,297	1,261	1,234	1,110	1,296	1,261	1,233	1	1	1	1
Interest bearing debt	744	856	786	697	744	856	786	697	-	-	-	-
Net interest bearing debt	723	777	705	604	724	778	706	605	-1	-1	-1	-1
Market Cap.	350	350	350	350	342	342	342	342	8	8	8	8
Enterprise value	1,073	1,127	1,055	954	1,066	1,120	1,048	947	7	7	7	7

Valuation

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	359	718	1,028	1,038	365	720	1,030	1,038	-6	-3	-1	0
Adj. equity ratio	32%	45%	56%	59%	32%	45%	56%	59%	0%	0%	0%	0%
FCF yield	-120%	-11%	42%	52%	-123%	-11%	43%	53%	3%	0%	-1%	-1%
Dividend yield	0%	4%	22%	23%	0%	4%	22%	24%	0%	0%	-1%	-1%
EV/EBITDA	16.1	6.5	5.3	4.2	16.1	6.4	5.3	4.2	-0.0	0.0	0.0	0.0
P/E (adj.)	35.2	3.9	3.2	2.5	36.8	3.8	3.1	2.4	-1.6	0.1	0.1	0.1

Various

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Opex/day (excl. TC-in)	-6,791	-7,255	-7,235	-7,235	-6,791	-7,255	-7,235	-7,235	-	-	-	-
G&A/day	-1,513	-819	-761	-768	-1,513	-819	-761	-768	-	-	-	-
Depreciation/day	-6,461	-6,914	-6,447	-6,447	-6,461	-6,914	-6,447	-6,447	-	-	-	-
Net interest/day	-9,119	-7,912	-7,540	-6,810	-9,119	-7,912	-7,540	-6,810	-	-	-	-
Amort./day	-8,212	-8,178	-11,282	-14,328	-8,212	-8,178	-11,282	-14,328	-	-	-	-



Cleaves Securities

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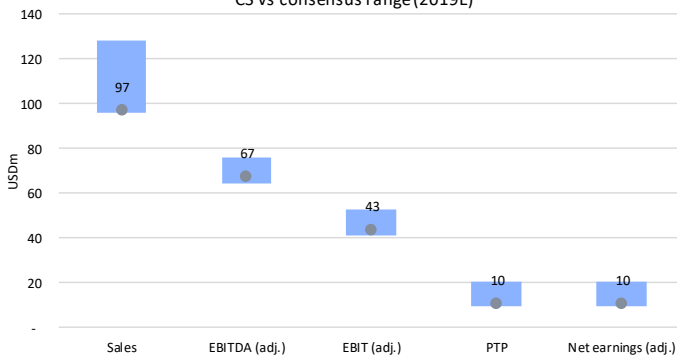
$f(\lambda) = a_0 + \beta_1 \lambda^\tau, R^2 \approx 1$



Our Estimates vs Consensus

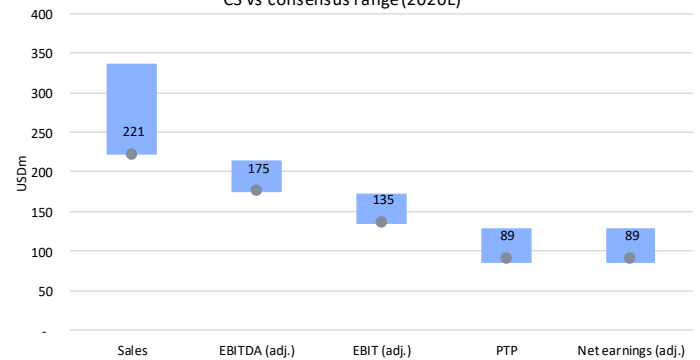
Profit & Loss, year I

CS vs consensus range (2019E)

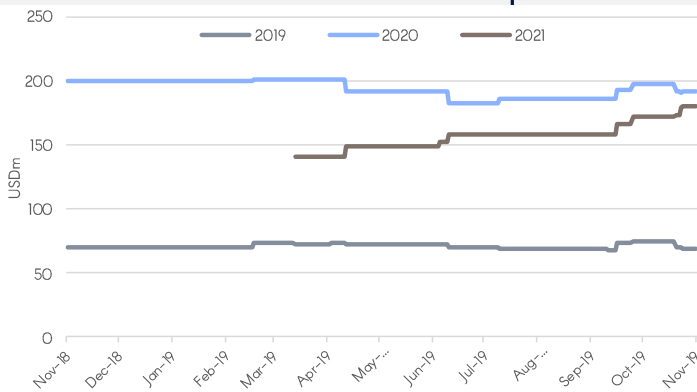


Profit & Loss, year II

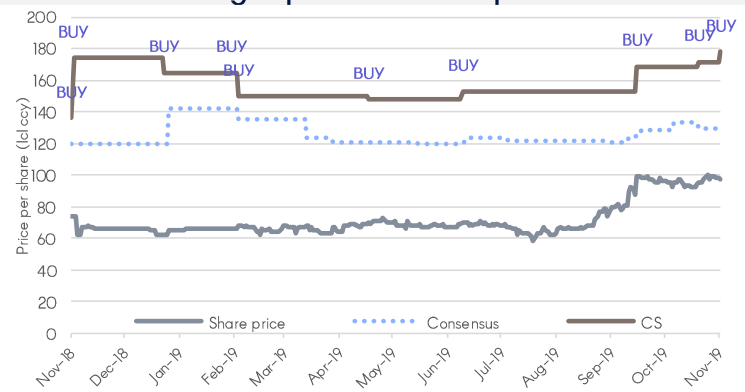
CS vs consensus range (2020E)



Consensus EBITDA development



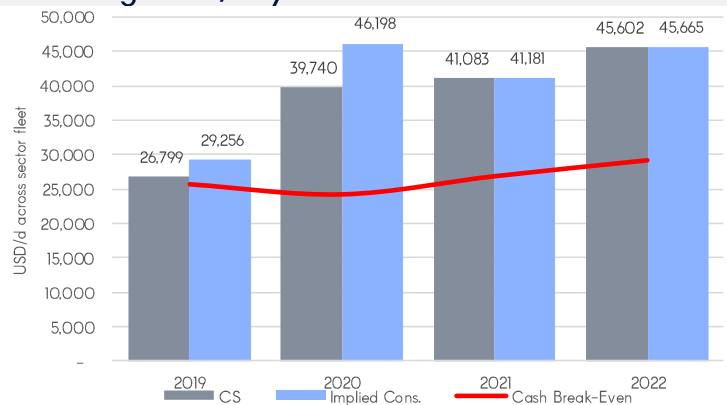
Target price vs share price



Cleaves vs consensus: P&L break-down

	2019	CS	Consensus	Diff.	Diff.
TCE revenue	97	105	105	-9	-8%
Opex + G&A	30	37	37	-7	-20%
Depreciation	24	24	24	-0	-1%
Net finance	33	33	33	0	0%
Taxes & Minorities	0	0	0	-0	-100%
	2020	CS	Consensus	Diff.	Diff.
TCE revenue	221	257	257	-36	-14%
Opex + G&A	47	66	66	-19	-29%
Depreciation	40	41	41	-1	-3%
Net finance	46	47	47	-1	-3%
Taxes & Minorities	0	0	0	0	#DIV/O!

Avg. TCE/day across fleet vs consensus





Cleaves Securities

OET-NO BUY/N178

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

	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
Profit & Loss (USDm)									
Net sales	12	15	14	22	46	55	40	46	80
Operational costs	-5	-6	-6	-7	-10	-11	-11	-12	-13
EBITDA	7	9	8	14	35	44	29	34	67
Depreciation/Amortization	-4	-4	-5	-7	-8	-10	-10	-10	-10
EBIT	3	5	4	7	27	34	19	24	57
Net financials	-4	-5	-7	-10	-11	-11	-11	-12	-12
PTP	-1	0	-4	-3	16	23	8	13	45
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-1	0	-4	-3	16	23	8	13	45
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	-1	0	-4	-3	16	23	8	13	45
EPS	-0.02	0.02	-0.11	-0.10	0.49	0.71	0.25	0.39	1.36
EPS (adj.)	-0.02	0.02	-0.11	-0.10	0.49	0.71	0.25	0.39	1.36
DPS	0.00	0.00	0.00	0.00	0.00	0.10	0.11	0.10	0.15
Balance Sheet (USDm)									
Cash & short-term investments	18	22	17	12	21	36	39	41	79
Other current assets	12	18	15	17	17	17	17	17	17
Total current assets	30	40	32	29	38	54	57	58	96
Property & equip. (incl. NBs)	635	697	824	998	1,067	1,095	1,085	1,204	1,194
Other non-current assets	3	4	4	6	6	6	6	6	6
Total non-current assets	638	701	828	1,004	1,073	1,101	1,091	1,210	1,200
TOTAL ASSETS	668	741	860	1,033	1,111	1,155	1,148	1,269	1,297
Total equity	317	317	328	324	340	360	365	375	414
Short-term debt	22	26	31	39	30	31	33	33	32
Other current liabilities	12	15	16	26	26	26	26	26	26
Total current liabilities	34	41	47	65	56	58	59	60	58
Long-term debt	317	382	485	644	715	737	724	834	824
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	317	382	485	644	715	737	724	834	824
TOTAL EQUITY & LIABILITIES	668	741	860	1,033	1,111	1,155	1,148	1,269	1,297
Working capital, receivables	10	16	9	8	8	8	8	8	8
Working capital, payables	8	14	14	22	22	22	22	22	22
Net working capital	3	2	-5	-13	-13	-13	-13	-13	-13
Interest bearing debt	339	409	516	683	744	768	756	868	856
Liquidity	18	22	17	12	21	36	39	41	79
Net interest bearing debt	321	387	499	671	723	732	717	827	777
Cash Flow (USDm)									
Net income	-1	0	-4	-3	16	23	8	13	45
Depreciation	4	4	5	7	8	10	10	10	10
Other	-1	1	0	0	0	0	0	0	0
Cash earnings	3	5	1	4	25	33	18	23	55
Changes in working capital	0	0	3	-5	0	0	0	0	0
Net operational cash flow	3	5	4	-1	25	33	18	23	55
Capex	-93	-66	-128	-176	-77	-39	0	-129	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	1	1	-1	-4	0	0	0	0	0
Net investing cash flow	-92	-65	-129	-180	-77	-39	0	-129	0
Repayment of debt	-8	-35	-5	-7	-10	-12	-12	-12	-12
Proceeds from debt	58	104	113	180	71	36	0	123	0
Dividends paid	0	0	0	0	0	-3	-4	-3	-5
New equity	29	0	15	0	0	0	0	0	0
Other	-4	-4	-4	3	0	0	0	0	0
Net financing cash flow	76	64	120	176	61	21	-15	108	-17
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-13	4	-5	-5	9	15	3	2	38
Cash balance	18	22	17	12	21	36	39	41	79
Free cash flow	-89	-60	-125	-181	-52	-5	18	-106	55



Cleaves Securities

OET-NO BUY/N178

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

Profit & Loss (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Net sales					22	97	221	247	275
Operational costs					-10	-30	-47	-50	-50
EBITDA					12	67	175	198	225
Depreciation/Amortization					-7	-24	-40	-40	-40
EBIT	—	—	—	—	4	43	135	158	185
Net financials					-7	-33	-46	-47	-42
PTP	—	—	—	—	-3	10	89	111	143
Taxes/Minorities					0	0	0	0	0
Net earnings	—	—	—	—	-3	10	89	111	143
Non-recurring items					0	0	0	0	0
Net earnings (adj.)	—	—	—	—	-3	10	89	111	143
EPS					-0.10	0.30	2.72	3.38	4.34
EPS (adj.)					-0.10	0.30	2.72	3.38	4.34
DPS					0.00	0.00	0.46	2.32	2.49
Balance Sheet (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Cash & short-term investments	—	—	—	—	18	21	79	81	93
Other current assets					12	17	17	17	17
Total current assets	—	—	—	—	30	38	96	98	110
Property & equip. (incl. NBs)	—	—	—	—	635	1,067	1,194	1,157	1,117
Other non-current assets					4	6	6	6	6
Total non-current assets	—	—	—	—	638	1,073	1,200	1,163	1,123
TOTAL ASSETS	—	—	—	—	668	1,111	1,297	1,261	1,234
Total equity	—	—	—	—	316	340	414	449	510
Short-term debt	—	—	—	—	22	30	26	26	26
Other current liabilities					12	26	26	26	26
Total current liabilities	—	—	—	—	34	56	52	52	52
Long-term debt	—	—	—	—	318	715	830	760	671
Other non-current liabilities					0	0	0	0	0
Total non-current liabilities	—	—	—	—	318	715	830	760	671
TOTAL EQUITY & LIABILITIES	—	—	—	—	668	1,111	1,297	1,261	1,234
Working capital, receivables					6	8	8	8	8
Working capital, payables	—	—	—	—	9	22	22	22	22
Net working capital					-3	-13	-13	-13	-13
Interest bearing debt					340	744	856	786	697
Liquidity					18	21	79	81	93
Net interest bearing debt					322	723	777	705	604
Cash Flow (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Net income	—	—	—	—	-3	10	89	111	143
Depreciation					7	24	40	40	40
Other					1	2	0	0	0
Cash earnings					5	35	129	151	183
Changes in working capital	—	—	—	—	-7	-2	0	0	0
Net operational cash flow	—	—	—	—	-2	33	129	151	183
Capex	—	—	—	—	-192	-448	-168	-3	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	—	—	—	—	0	0	0	0	0
Other					2	0	0	0	0
Net investing cash flow	—	—	—	—	-190	-452	-168	-3	0
Repayment of debt	—	—	—	—	84	-56	-47	-70	-89
Proceeds from debt	—	—	—	—	100	468	159	0	0
Dividends paid	—	—	—	—	0	0	-15	-76	-82
New equity	—	—	—	—	126	15	0	0	0
Other					-99	0	0	0	0
Net financing cash flow	—	—	—	—	210	422	96	-146	-171
Currency effect	—	—	—	—	—	0	0	0	0
Net cash flow						3	58	2	12
Cash balance					18	21	79	81	93
Free cash flow					-192	-419	-38	148	183



Cleaves Securities

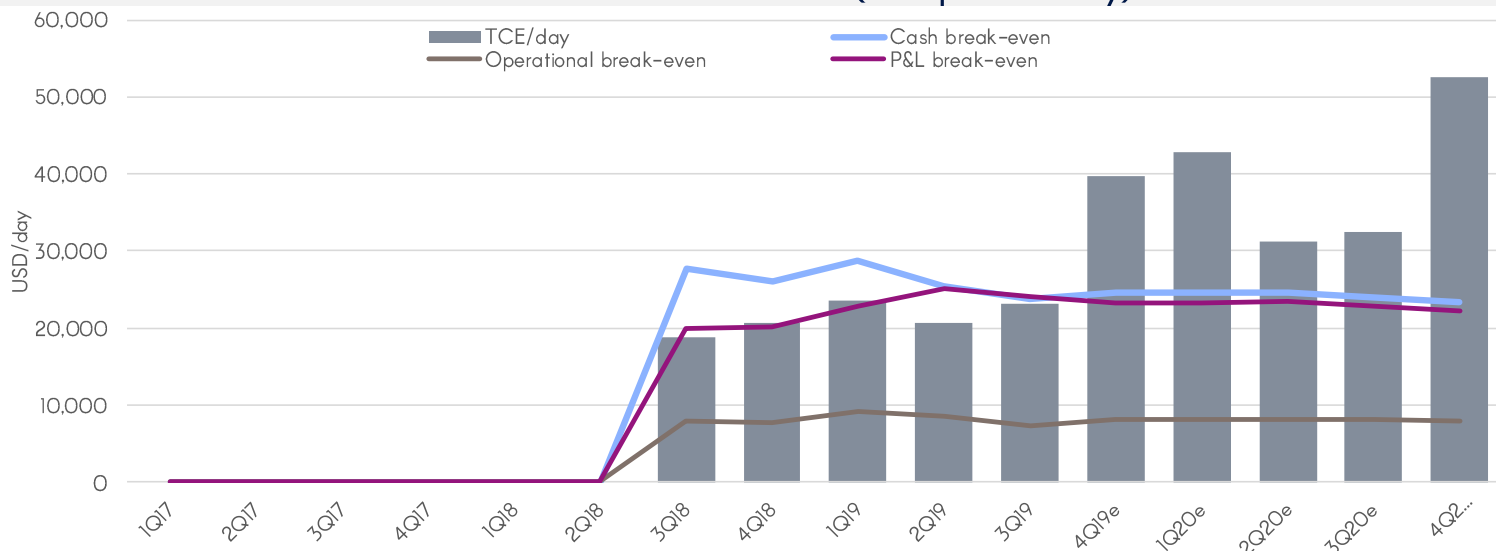
OET-NO BUY/N178

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

Share Data & Valuation (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Shares outstanding, end	—	—	—	—	31	33	33	33	33
Share price, avg (USD)	—	—	—	—	8	8	11	11	11
Share price, end (USD)	—	—	—	—	8	11	11	11	11
Market Cap.					241	350	350	350	350
NIBD					322	723	777	705	604
Minorities	—	—	—	—	0	0	0	0	0
Enterprise value					563	1,073	1,127	1,055	954
Key Figures & Ratios	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
P/E (reported)						35.2	3.9	3.2	2.5
P/E (adj.)						35.2	3.9	3.2	2.5
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales					11.2	3.6	1.6	1.4	1.3
EV/Sales					26.1	11.1	5.1	4.3	3.5
EV/EBITDA					48.3	16.1	6.5	5.3	4.2
EV/EBIT						24.9	8.4	6.7	5.2
P/B					0.8	1.0	0.8	0.8	0.7
FCF yield					-80%	-120%	-11%	42%	52%
Dividend yield					0.0%	0.0%	4.3%	21.8%	23.4%
Return on equity (ROE)					-1.0%	2.9%	21.6%	24.7%	28.0%
Return on capital employed (ROCE)					0.7%	4.1%	11.4%	13.7%	16.7%
Return on assets (ROA)					-0.5%	0.9%	6.9%	8.8%	11.6%
Sales growth						348%	129%	12%	11%
EBITDA margin					54%	69%	79%	80%	82%
EBIT margin					20%	45%	61%	64%	67%
Net margin					-14%	10%	40%	45%	52%
Net interest rate					0.0%	4.6%	5.9%	6.6%	7.0%
Tax rate					0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio					47%	31%	32%	36%	41%
Leverage ratio					53%	69%	68%	64%	59%
NIBD / EBITDA (past 1y)					27.6	10.8	4.4	3.6	2.7
Operating cash flow/NIBD					0.0	0.0	0.2	0.2	0.3
Net interest coverage ratio (EBITDA)						2.0	3.8	4.2	5.3
Current ratio					0.9	0.7	1.8	1.9	2.1
Adj. equity ratio						32%	45%	56%	59%
Operating assets					647	1,085	1,213	1,176	1,136
Operating liabilities					12	26	26	26	26
Net operating assets					635	1,059	1,187	1,149	1,109

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

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

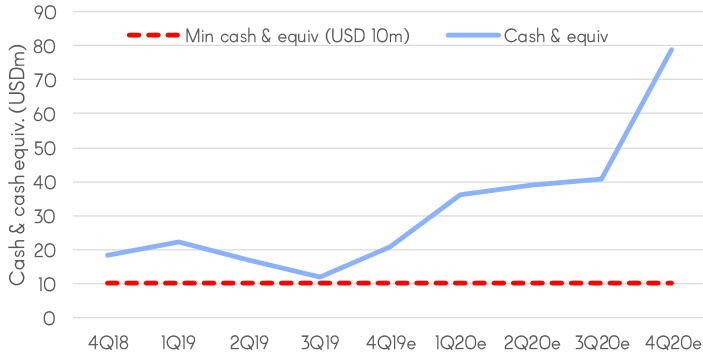




Debt Covenants Overview

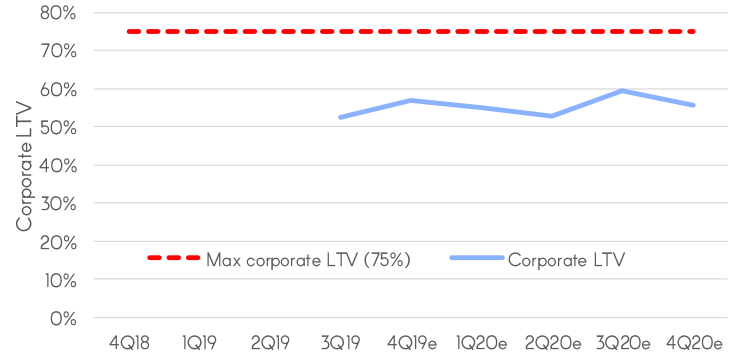
Minimum cash covenant

Min cash & equiv (USD 10m)



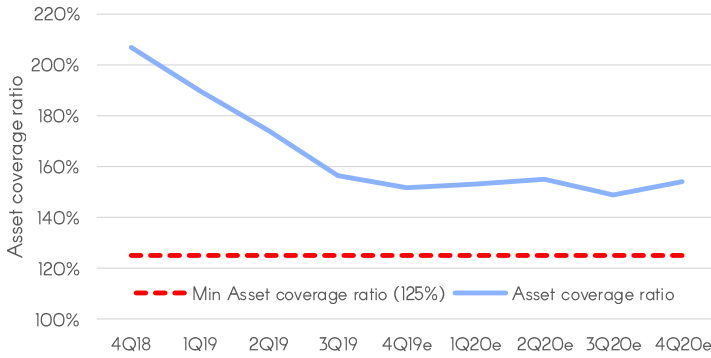
Maximum corporate LTV covenant

Max corporate LTV (75%)



Minimum asset coverage ratio covenant

Min Asset coverage ratio (125%)





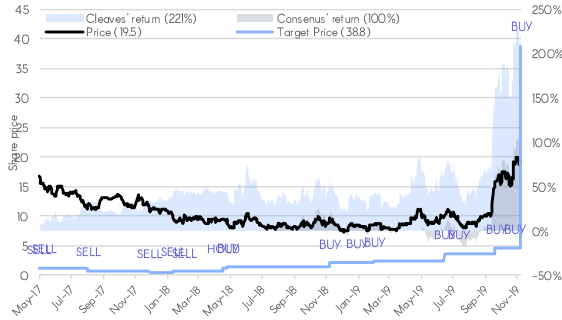
Extreme financial and operational leverage leaves this investment case a binary option on improving oil tanker fundamentals

TNK-US

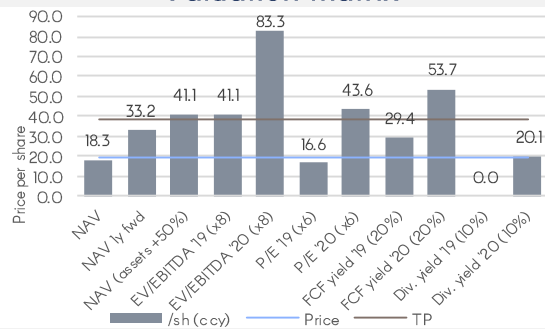
BUY/\$38.8

Teekay Tankers

Share price vs target price

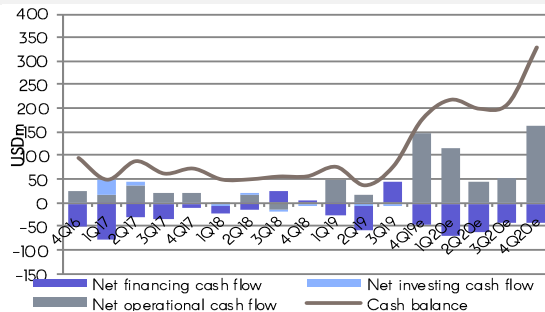


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	573	708	715	752
EBITDA (adj.)	283	424	458	498
EBIT (adj.)	159	296	330	370
PTP (adj.)	93	244	290	336
Net earnings (adj.)	93	244	290	336
EPS (adj.)	3.30	7.27	8.63	10.00
DPS	-	2.01	2.35	3.05
USDm	2019E	2020E	2021E	2022E
Fwd NAV	793	1,355	1,891	2,143
Adj. equity ratio	40%	56%	68%	72%
FCF yield	30%	55%	62%	69%
Dividend yield	0%	10%	12%	16%
EV/EBITDA	5.4	2.9	2.0	1.1
P/E (adj.)	7.1	2.7	2.3	2.0

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	208	372	418	464
Free cash flow	198	361	406	452
Net cash flow	122	154	174	258
TCE/day	26,517	33,226	35,722	37,918
Cash break-even	23,807	21,949	36,520	18,996
Liquidity	179	333	508	766
Property & Equip. (incl. NBs)	1,807	1,691	1,574	1,458
Total equity	1,040	1,216	1,427	1,661
Total assets	2,241	2,279	2,337	2,478
Interest bearing debt	1,061	922	769	677
Net interest bearing debt	882	589	262	-88
Market Cap.	655	655	655	655

Source: Cleaves, Bloomberg, Clarksons SIN, company data

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



Quarterly Review

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	129.1	94.6	233.3	217.2				
EBITDA (adj.)	61.1	26.7	158.5	125.3				
EBIT (adj.)	31.2	-4.9	126.7	99.6				
PTP (adj.)	14.2	-21.3	113.4	83.5				
Net earnings (adj.)	14.2	-21.3	113.4	78.7				
EPS (adj.)	0.42	-0.08	3.37	2.36				
DPS	-	-	1.01	0.40				
Implied, line by line	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	129.1	94.6	233.3	217.2				
Opex & G&A	68.0	67.9	74.8	91.9				
Depreciation	29.9	31.5	31.8	25.7				
Net finance	17.0	16.4	13.4	16.1				
Taxes & Minorities	-	-	-	4.8				

CF & BS

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	-2	-2	145					
Free cash flow	-4	-2	142					
Net cash flow	2	42	100					
TCE/day	23,720	17,275	42,090	39,172				
Utilization	97.0%	96.0%	97.2%					
Fleet days	5,612	5,704	5,704					
Cash break-even	22,452	24,586	23,298					
Liquidity	57	79	179					
Interest bearing debt	1,111	1,103	1,061					

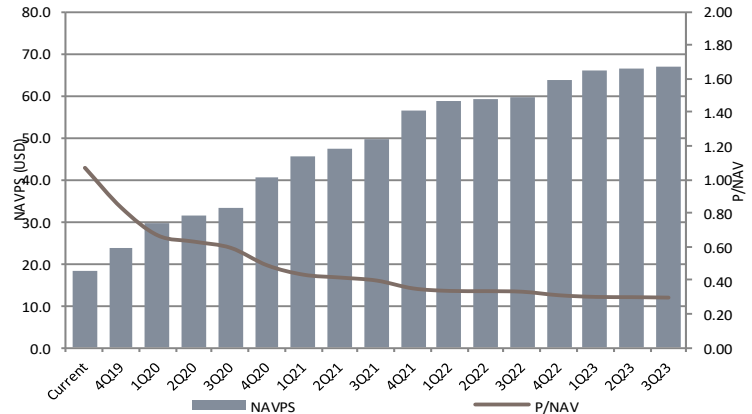


Company Valuation

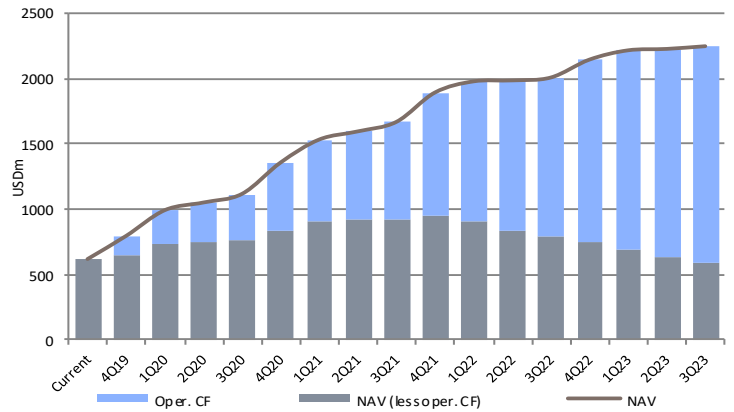
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,836	1,530	1,566
Contract value	0	13	14
Other	134	134	138
GAV	1,970	1,678	1,717
Net debt	-1,024	-1,024	-1,024
Capex	0	0	0
Other	-38	-38	-38
Equity	908	615	655
Shares	34	34	34
Equity/sh	27.03	18.31	19.50
lcl CCY	27.03	18.31	19.50
P/Equity	0.72	1.06	1.00
EV/GAV	0.87	1.02	1.00
Adj. Total Assets	2,170	1,864	1,900
Adj. Equity Ratio	42%	33%	34%
Fair Value	USD	38.8	99%

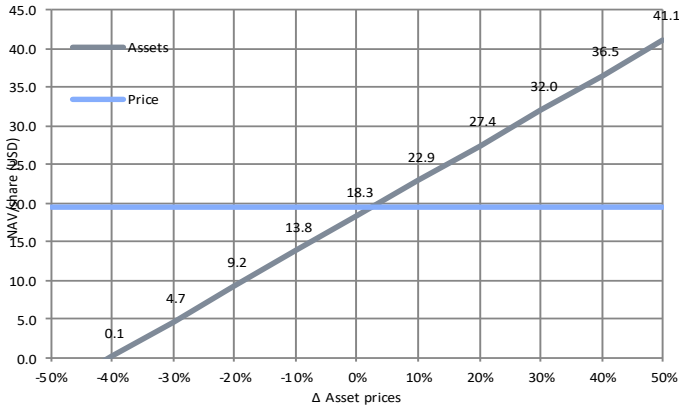
Quarterly forward NAV & P/NAV



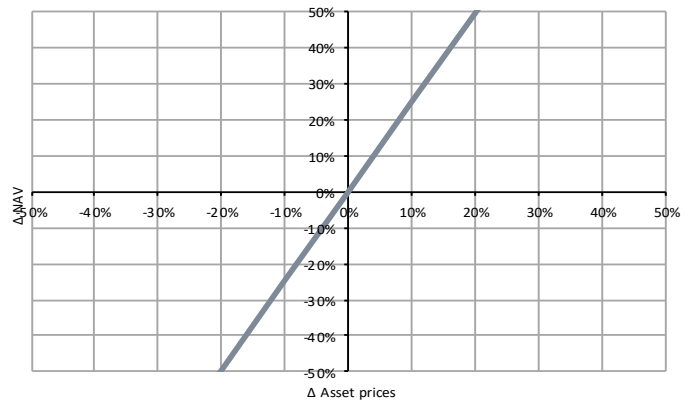
Quarterly forward NAV decomposition



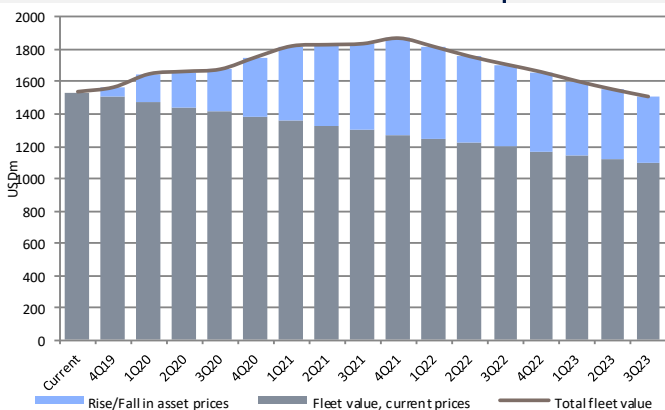
Impact on NAV/sh from % change in asset prices



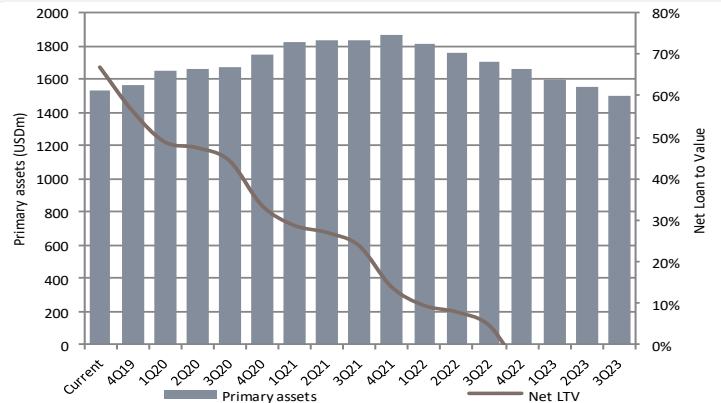
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E	
Net sales	573	708	715	752	551	708	715	752	22	-	-	-	
EBITDA (adj.)	283	424	458	498	261	424	458	498	22	-	-	-	
EBIT (adj.)	159	296	330	370	138	296	330	370	22	-	-	-	
PTP (adj.)	93	244	290	336	71	244	290	336	22	-	-	-	
Net earnings (adj.)	93	244	290	336	71	244	290	336	22	-	-	-	
EPS (adj.)	3.30	7.27	8.63	10.00	0.26	0.91	1.08	1.25	3.03	6.36	7.55	8.75	
DPS	-	2.01	2.35	3.05	-	0.23	0.29	0.38	-	1.79	2.06	2.67	
									2019E	2020E	2021E	2022E	
									TCE revenue	22	-	-	-
									Opex & G&A	-	-	-	-
									Depreciation	-	-	-	-
									Net finance	-0	-	-	-
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019	2020	2021	2022	2019E	2020E	2021E	2022E
Net operational cash flow	208	372	418	464	186	372	418	464	22	-	-	-
Free cash flow	198	361	406	452	176	361	406	452	22	-	-	-
Net cash flow	122	154	174	258	100	161	174	258	22	-7	-	-
TCE/day	26,517	33,226	35,722	37,918	25,547	33,226	35,722	37,918	970	-	-	-
Cash break-even	23,807	21,949	36,520	18,996	23,807	21,949	36,520	18,996	-	-	-	-
Liquidity	179	333	508	766	157	318	492	750	22	15	15	15
Property & Equip. (incl. NBs)	1,807	1,691	1,574	1,458	1,807	1,691	1,574	1,458	-	-	-	-
Total equity	1,040	1,216	1,427	1,661	1,018	1,201	1,412	1,645	22	15	15	15
Total assets	2,241	2,279	2,337	2,478	2,220	2,264	2,322	2,463	22	15	15	15
Interest bearing debt	1,061	922	769	677	1,061	922	769	677	-	-	-	-
Net interest bearing debt	882	589	262	-88	904	605	277	-73	-22	-15	-15	-15
Market Cap.	655	655	655	655	641	641	641	641	14	14	14	14
Enterprise value	1,537	1,244	917	567	1,545	1,246	918	568	-8	-1	-1	-1

Valuation

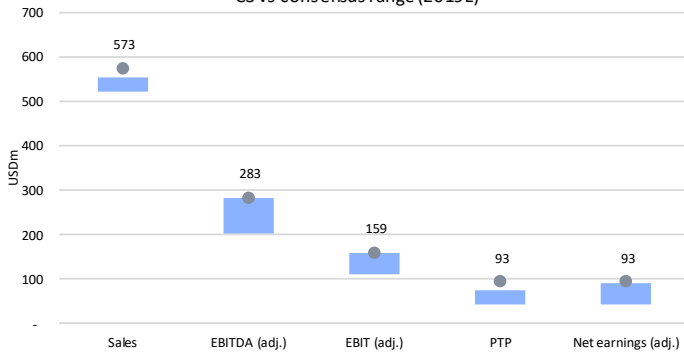
Estimate changes USDm									Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	793	1,355	1,891	2,143	721	1,264	1,780	2,026	72	91	111	117
Adj. equity ratio	40%	56%	68%	72%	37%	54%	66%	71%	2%	2%	1%	1%
FCF yield	30%	55%	62%	69%	27%	56%	63%	71%	3%	-1%	-1%	-2%
Dividend yield	0%	10%	12%	16%	0%	10%	12%	16%	0%	1%	0%	0%
EV/EBITDA	5.4	2.9	2.0	1.1	5.9	2.9	2.0	1.1	-0.5	-0.0	-0.0	-0.0
P/E (adj.)	7.1	2.7	2.3	2.0	9.0	2.6	2.2	1.9	-2.0	0.1	0.0	0.0



Our Estimates vs Consensus

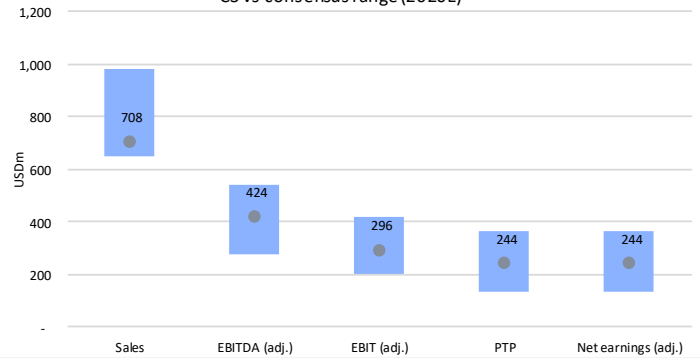
Profit & Loss, year I

CS vs consensus range (2019E)

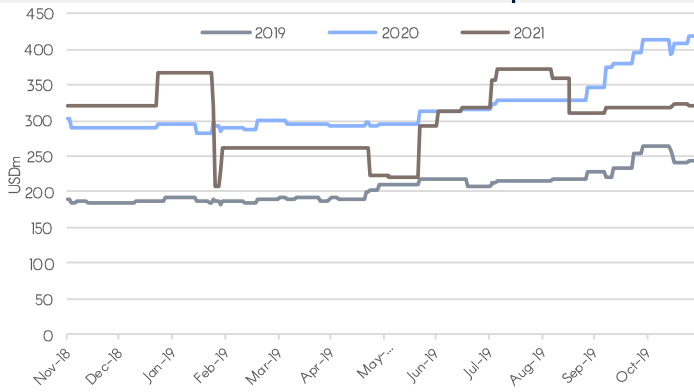


Profit & Loss, year II

CS vs consensus range (2020E)



Consensus EBITDA development



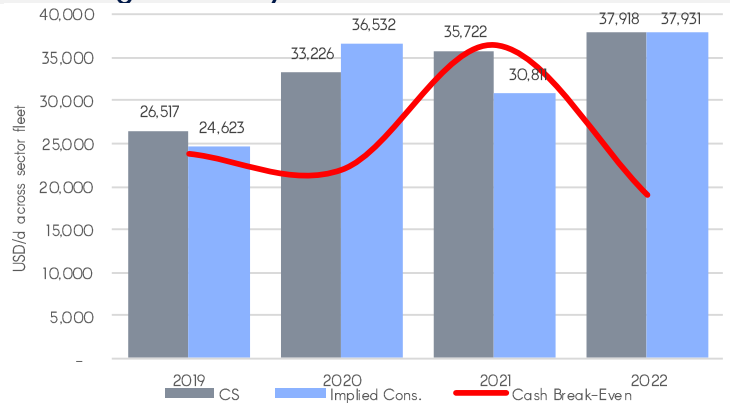
Target price vs share price



Cleaves vs consensus: P&L break-down

	2019	CS	Consensus	Diff.	Diff.
TCE revenue	573	532	532	41	8%
Opex + G&A	290	287	287	3	1%
Depreciation	124	112	112	12	10%
Net finance	66	76	76	-9	-13%
Taxes & Minorities	0	-3	-3	3	-100%
	2020	CS	Consensus	Diff.	Diff.
TCE revenue	708	779	779	-70	-9%
Opex + G&A	284	359	359	-75	-21%
Depreciation	128	128	128	0	0%
Net finance	51	57	57	-5	-9%
Taxes & Minorities	0	-22	-22	22	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

TNK-US BUY/\$38.8

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

	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
Profit & Loss (USDm)									
Net sales	129	135	110	95	233	197	127	137	247
Operational costs	-68	-73	-74	-68	-75	-71	-71	-71	-72
EBITDA	61	62	36	27	159	127	57	65	175
Depreciation/Amortization	-30	-30	-31	-32	-32	-32	-32	-32	-32
EBIT	31	32	5	-5	127	95	25	33	143
Net financials	-20	-20	-19	-15	-13	-13	-14	-13	-11
PTP	12	12	-14	-20	113	82	11	20	132
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	12	12	-14	-20	113	82	11	20	132
Non-recurring items	3	1	2	-1	0	0	0	0	0
Net earnings (adj.)	14	13	-13	-21	113	82	11	20	132
EPS	0.34	0.05	-0.05	-0.07	3.37	2.43	0.32	0.59	3.93
EPS (adj.)	0.42	0.05	-0.05	-0.08	3.37	2.43	0.32	0.59	3.93
DPS	0.00	0.00	0.00	0.00	0.00	1.01	0.73	0.10	0.18
Balance Sheet (USDm)									
Cash & short-term investments	55	75	35	77	177	219	199	211	331
Other current assets	171	189	193	185	185	185	185	185	185
Total current assets	226	264	228	262	362	404	384	395	516
Property & equip. (incl. NBs)	1,884	1,864	1,857	1,836	1,807	1,778	1,749	1,720	1,691
Other non-current assets	52	74	69	72	72	72	72	72	72
Total non-current assets	1,935	1,938	1,925	1,909	1,880	1,851	1,821	1,792	1,763
TOTAL ASSETS	2,161	2,203	2,154	2,170	2,241	2,254	2,206	2,188	2,279
Total equity	947	960	946	926	1,040	1,087	1,073	1,090	1,216
Short-term debt	127	159	153	193	158	166	167	171	165
Other current liabilities	71	98	117	103	103	103	103	103	103
Total current liabilities	198	257	270	295	261	268	270	274	268
Long-term debt	984	949	901	911	904	861	825	786	757
Other non-current liabilities	33	36	37	38	38	38	38	38	38
Total non-current liabilities	1,016	986	939	948	941	899	862	824	795
TOTAL EQUITY & LIABILITIES	2,161	2,203	2,154	2,170	2,241	2,254	2,206	2,188	2,279
Working capital, receivables	17	120	131	105	105	105	105	105	105
Working capital, payables	52	98	116	103	103	103	103	103	103
Net working capital	-35	22	15	2	2	2	2	2	2
Interest bearing debt	1,111	1,108	1,054	1,103	1,061	1,027	992	957	922
Liquidity	57	77	37	79	179	221	202	213	333
Net interest bearing debt	1,054	1,031	1,017	1,024	882	806	790	744	589
Cash Flow (USDm)									
Net income	12	12	-14	-20	113	82	11	20	132
Depreciation	30	30	31	32	32	32	32	32	32
Other	-6	-2	-15	-9	0	0	0	0	0
Cash earnings	36	40	1	3	145	114	43	52	164
Changes in working capital	-38	6	17	-5	0	0	0	0	0
Net operational cash flow	-2	46	18	-2	145	114	43	52	164
Capex	-2	-1	-6	-1	-3	-3	-3	-3	-3
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-2	-1	-6	-1	-3	-3	-3	-3	-3
Repayment of debt	-114	-56	-167	-56	-42	-35	-35	-35	-35
Proceeds from debt	35	30	115	100	0	0	0	0	0
Dividends paid	0	0	0	0	0	-34	-24	-3	-6
New equity	0	0	0	0	0	0	0	0	0
Other	85	0	0	0	0	0	0	0	0
Net financing cash flow	6	-26	-52	44	-42	-69	-59	-38	-41
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	2	20	-40	42	100	42	-19	11	120
Cash balance	55	75	35	77	177	219	199	211	331
Free cash flow	-4	46	12	-2	142	111	40	49	161



Cleaves Securities

TNK-US BUY/\$38.8

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

	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Profit & Loss (USDm)									
Net sales	261	534	604	509	1,116	573	708	715	752
Operational costs	-146	-273	-403	-407	-991	-290	-284	-257	-254
EBITDA	115	261	201	102	126	283	424	458	498
Depreciation/Amortization	-53	-74	-104	-100	-119	-124	-128	-128	-128
EBIT	62	187	97	1	7	159	296	330	370
Net financials	-2	-8	-29	-59	-60	-67	-51	-40	-34
PTP	61	180	68	-58	-53	92	244	290	336
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	61	180	68	-58	-53	92	244	290	336
Non-recurring items	-3	-3	0	0	0	1	0	0	0
Net earnings (adj.)	57	177	68	-58	-53	93	244	290	336
EPS	4.32	9.21	3.41	-1.73	-1.57	3.29	7.27	8.63	10.00
EPS (adj.)	4.08	9.07	3.41	-1.73	-1.57	3.30	7.27	8.63	10.00
DPS	0.73	0.78	2.35	0.62	0.24	0.00	2.01	2.35	3.05
Balance Sheet (USDm)									
Cash & short-term investments	163	96	94	71	55	177	331	505	763
Other current assets	99	183	164	105	171	185	185	185	185
Total current assets	262	280	258	177	226	362	516	690	948
Property & equip. (incl. NBs)	897	1,768	1,605	1,738	1,402	1,807	1,691	1,574	1,458
Other non-current assets	82	122	101	283	534	72	72	72	72
Total non-current assets	979	1,890	1,706	2,021	1,935	1,880	1,763	1,647	1,530
TOTAL ASSETS	1,241	2,169	1,964	2,197	2,161	2,241	2,279	2,337	2,478
Total equity	478	877	933	1,007	947	1,040	1,216	1,427	1,661
Short-term debt	47	174	171	174	127	158	157	154	149
Other current liabilities	39	116	85	63	71	103	103	103	103
Total current liabilities	86	290	256	237	198	261	260	257	252
Long-term debt	661	991	762	927	984	904	765	615	528
Other non-current liabilities	16	12	14	27	33	38	38	38	38
Total non-current liabilities	677	1,002	776	954	1,016	941	803	653	566
TOTAL EQUITY & LIABILITIES	1,241	2,169	1,964	2,197	2,161	2,241	2,279	2,337	2,478
Working capital, receivables	4	28	34	19	17	105	105	105	105
Working capital, payables	20	79	43	42	52	103	103	103	103
Net working capital	-16	-50	-9	-23	-35	2	2	2	2
Interest bearing debt	709	1,165	933	1,101	1,111	1,061	922	769	677
Liquidity	163	97	95	73	57	179	333	508	766
Net interest bearing debt	546	1,067	838	1,028	1,054	882	589	262	-88
Cash Flow (USDm)									
Net income	61	180	68	-58	-53	92	244	290	336
Depreciation	53	74	104	100	119	124	128	128	128
Other	-40	-69	5	31	-18	-26	0	0	0
Cash earnings	74	184	177	74	48	189	372	418	464
Changes in working capital	-53	-17	30	7	-55	19	0	0	0
Net operational cash flow	21	167	207	80	-7	208	372	418	464
Capex	-2	-848	-9	-5	-6	-10	-12	-12	-12
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	154	11	28	52	1	0	0	0	0
Other	-42	-45	4	31	1	0	0	0	0
Net investing cash flow	110	-882	22	79	-4	-10	-12	-12	-12
Repayment of debt	-82	452	-236	-324	-237	-321	-139	-453	-92
Proceeds from debt	109	689	906	233	81	246	0	300	0
Dividends paid	-10	-15	-47	-21	-8	0	-68	-79	-102
New equity	111	242	8	14	0	0	0	0	0
Other	-122	-719	-922	-80	160	0	0	0	0
Net financing cash flow	6	649	-291	-178	-3	-76	-207	-232	-194
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	137	-66	-62	-19	-15	122	154	174	258
Cash balance	163	96	94	71	55	177	331	505	763
Free cash flow	131	-715	228	159	-12	198	361	406	452



Cleaves Securities

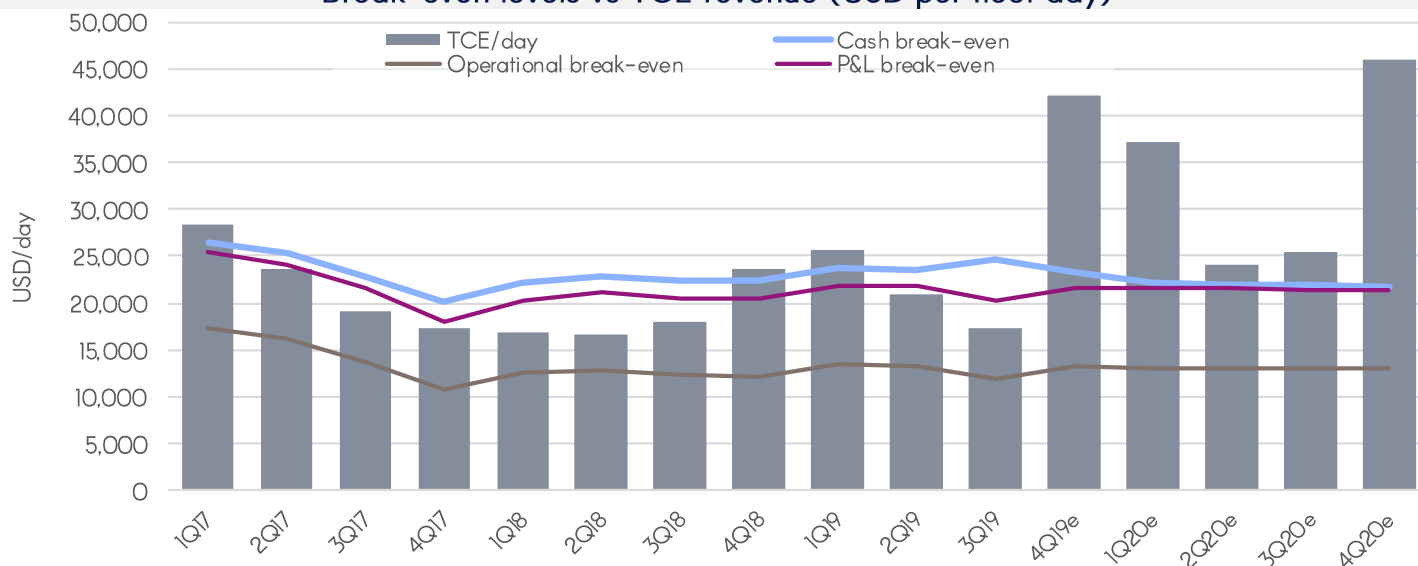
TNK-US BUY/\$38.8

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

Share Data & Valuation (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Shares outstanding, end	14	20	20	34	34	34	34	34	34
Share price, avg (USD)	32	53	26	15	9	12	20	20	20
Share price, end (USD)	40	55	18	11	7	20	20	20	20
Market Cap.	567	1,073	360	375	249	655	655	655	655
NIBD	546	1,067	838	1,028	1,054	882	589	262	-88
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	1,112	2,141	1,198	1,404	1,303	1,537	1,244	917	567
Key Figures & Ratios	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
P/E (reported)	9.4	6.0	5.3			7.1	2.7	2.3	2.0
P/E (adj.)	9.9	6.1	5.3			7.1	2.7	2.3	2.0
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	2.2	2.0	0.6	0.7	0.2	1.1	0.9	0.9	0.9
EV/Sales	4.3	4.0	2.0	2.8	1.2	2.7	1.8	1.3	0.8
EV/EBITDA	9.6	8.2	6.0	13.8	10.4	5.4	2.9	2.0	1.1
EV/EBIT	17.9	11.4	12.4			9.7	4.2	2.8	1.5
P/B	1.2	1.2	0.4	0.4	0.3	0.6	0.5	0.5	0.4
FCF yield	23%	-67%	63%	42%	-5%	30%	55%	62%	69%
Dividend yield	1.8%	1.4%	13.0%	5.5%	3.2%	0.0%	10.3%	12.1%	15.6%
Return on equity (ROE)	12.7%	20.5%	7.3%	-5.8%	-5.5%	8.8%	20.1%	20.3%	20.2%
Return on capital employed (ROCE)	6.1%	9.6%	5.5%	0.1%	0.4%	8.3%	16.4%	19.6%	23.6%
Return on assets (ROA)	4.9%	8.3%	3.5%	-2.6%	-2.4%	4.1%	10.7%	12.4%	13.6%
Sales growth	46%	104%	13%	-16%	120%	-49%	24%	1%	5%
EBITDA margin	44%	49%	33%	20%	11%	49%	60%	64%	66%
EBIT margin	24%	35%	16%	0%	1%	28%	42%	46%	49%
Net margin	23%	34%	11%	-11%	-5%	16%	34%	41%	45%
Net interest rate	1.7%	1.6%	3.6%	3.0%	5.6%	7.4%	9.9%	18.2%	-48.3%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	39%	40%	47%	46%	44%	46%	53%	61%	67%
Leverage ratio	61%	60%	53%	54%	56%	54%	47%	39%	33%
NIBD / EBITDA (past 1y)	4.7	4.1	4.2	10.1	8.4	3.1	1.4	0.6	-0.2
Operating cash flow/NIBD	0.0	0.2	0.2	0.1	0.0	0.2	0.6	1.6	-5.3
Net interest coverage ratio (EBITDA)	12.6	15.0	6.7	3.3	2.1	4.4	7.2	9.6	11.7
Current ratio	3.1	1.0	1.0	0.7	1.1	1.4	2.0	2.7	3.8
Adj. equity ratio						40%	56%	68%	72%
Operating assets	1,078	2,072	1,869	2,122	2,101	2,059	1,942	1,826	1,709
Operating liabilities	54	127	99	90	103	140	140	140	140
Net operating assets	1,024	1,945	1,771	2,032	1,997	1,918	1,802	1,685	1,569

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

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





TEN symbolizes the definition of undervaluation, amidst a cyclical expansion that in itself warrants significantly higher valuation

TNP-US

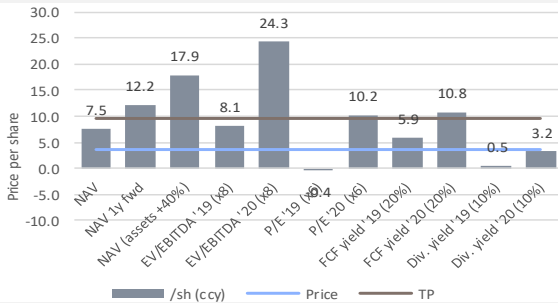
BUY/\$9.6

Tsakos Energy Navigation

Share price vs target price

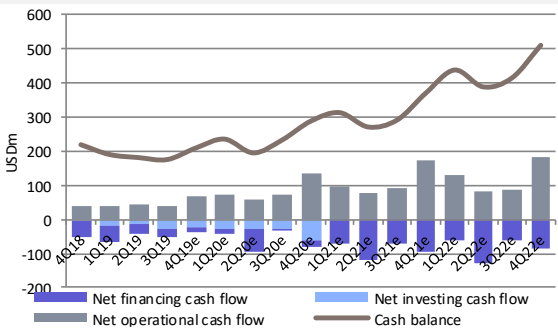


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2019E	2020E	2021E	2022E
Net sales	472	643	742	765
EBITDA (adj.)	253	414	509	532
EBIT (adj.)	115	270	359	382
PTP (adj.)	-7	151	250	288
Net earnings (adj.)	-6	153	252	290
EPS (adj.)	-0.06	1.70	2.81	3.23
DPS	0.05	0.32	0.79	1.05
USDm	2019E	2020E	2021E	2022E
Fwd NAV	721	1,334	1,952	2,189
Adj. equity ratio	30%	46%	60%	67%
FCF yield	33%	61%	138%	150%
Dividend yield	1%	9%	22%	29%
EV/EBITDA	6.4	3.5	2.1	1.3
P/E (adj.)		2.1	1.3	1.1

Key numbers

USDm	2019E	2020E	2021E	2022E
Net operational cash flow	191	334	439	476
Free cash flow	105	193	439	476
Net cash flow	-10	79	82	140
TCE/day	21,255	28,052	31,892	32,910
Cash break-even	18,987	21,693	24,150	21,780
Liquidity	221	299	381	521
Property & Equip. (incl. NBs)	2,707	2,704	2,554	2,404
Total equity	1,491	1,651	1,869	2,102
Total assets	3,161	3,236	3,168	3,158
Interest bearing debt	1,524	1,438	1,152	910
Net interest bearing debt	1,303	1,139	771	388
Market Cap.	318	318	318	318

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

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



Quarterly Pre-/Review

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	119.0	100.9	146.7	163.3				
EBITDA (adj.)	63.6	46.2	90.6	97.3				
EBIT (adj.)	26.3	11.7	56.1	63.0				
PTP (adj.)	58.4	-19.9	25.5	18.0				
Net earnings (adj.)	58.6	-19.7	25.8	33.9				
EPS (adj.)	0.67	-0.22	0.29	0.38				
DPS	-	0.05	-	0.10				
Implied, line by line	4Q18	3Q19	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	119.0	100.9	146.7	163.3				
Opex & G&A	55.4	54.6	56.1	66.0				
Depreciation	37.2	34.5	34.5	34.3				
Net finance	-32.1	31.7	30.6	45.0				
Taxes & Minorities	-0.1	-0.2	-0.4	-15.9				

CF & BS

4Q19 Preview USDm	4Q18	3Q19	4Q19		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	39	37	70					
Free cash flow	33	9	44					
Net cash flow	-12	-16	34					
TCE/day	21,772	18,401	26,217	29,191				
Utilization	94.2%	93.1%	95.0%					
Fleet days	5,798	5,888	5,890					
Cash break-even	19,920	17,150	20,114					
Liquidity	221	187	221					
Interest bearing debt	1,596	1,529	1,524					

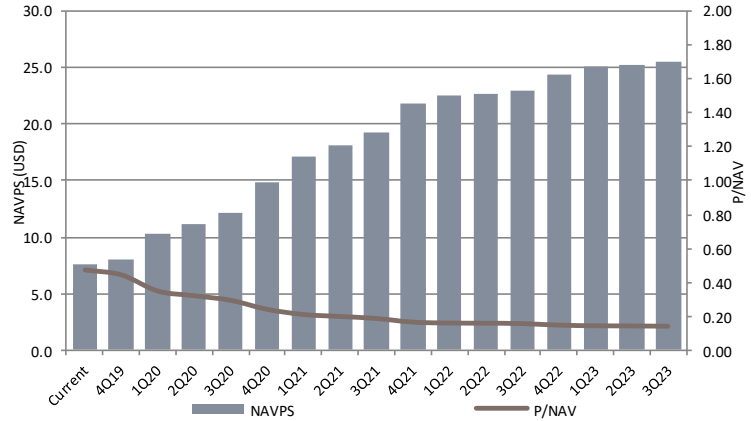


Company Valuation

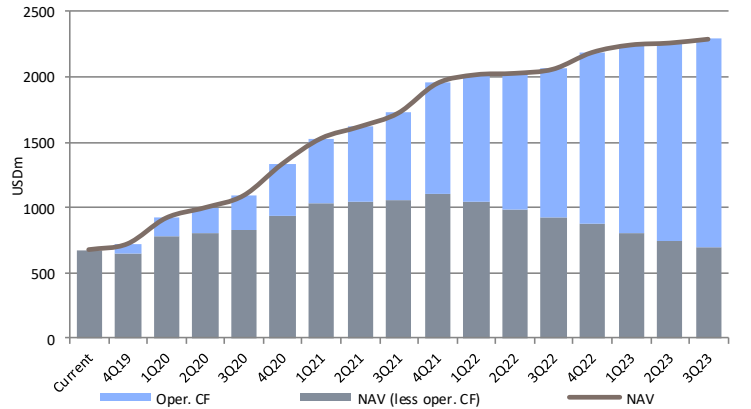
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	2,717	2,313	1,970
Contract value	0	0	0
Other	194	99	85
GAV	2,910	2,412	2,054
Net debt	-1,343	-1,343	-1,343
Capex	0	-106	-106
Other	-108	-287	-287
Equity	1,460	676	318
Shares	90	90	90
Equity/sh	16.30	7.55	3.55
1cl CCY	16.30	7.55	3.55
P/Equity	0.22	0.47	1.00
EV/GAV	0.71	0.85	1.00
Adj. Total Assets	3,136	2,733	2,389
Adj. Equity Ratio	47%	25%	13%
Fair Value	USD	9.6	169%

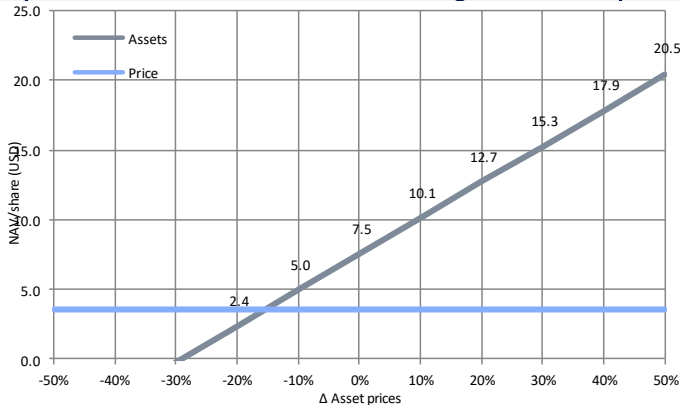
Quarterly forward NAV & P/NAV



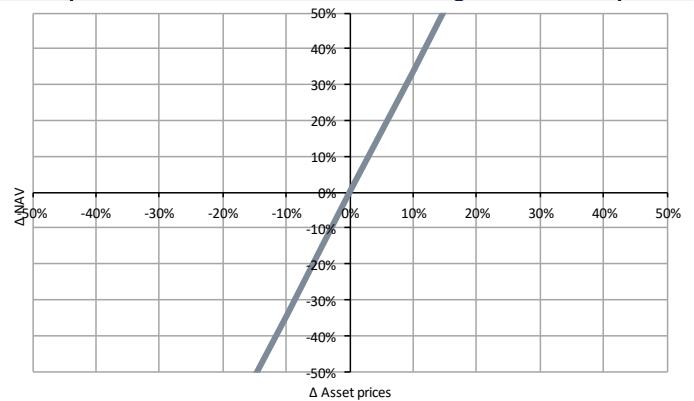
Quarterly forward NAV decomposition



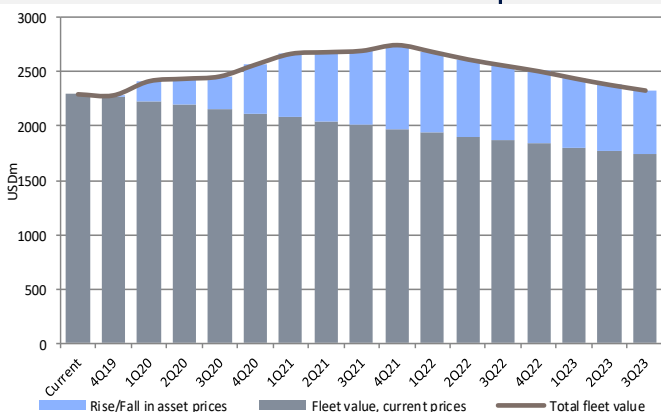
Impact on NAV/sh from % change in asset prices



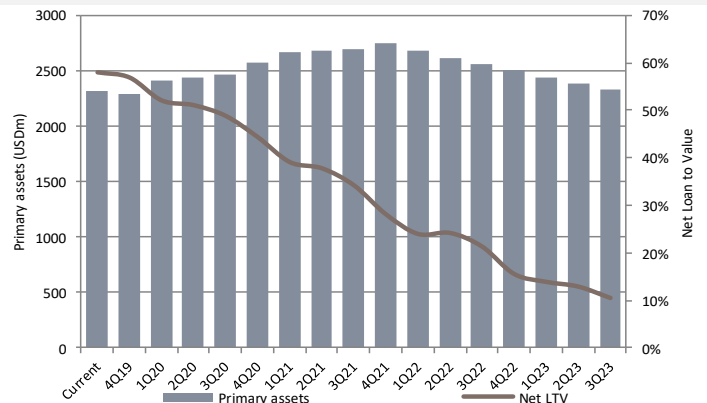
% Impact on NAV from % change in asset prices



Forward fleet valuation decomposition



Forward fleet value & net loan to value





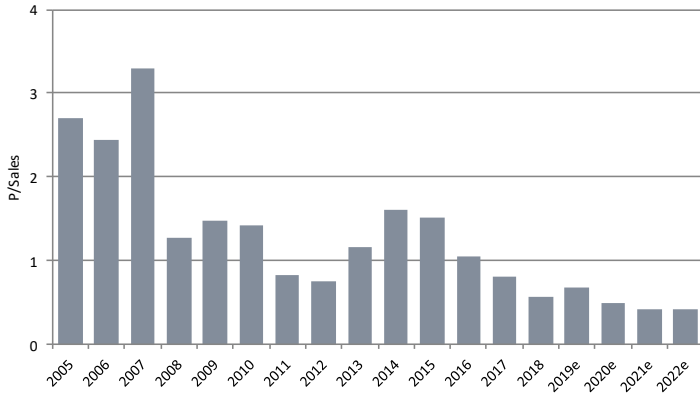
Cleaves Securities

TNP-US

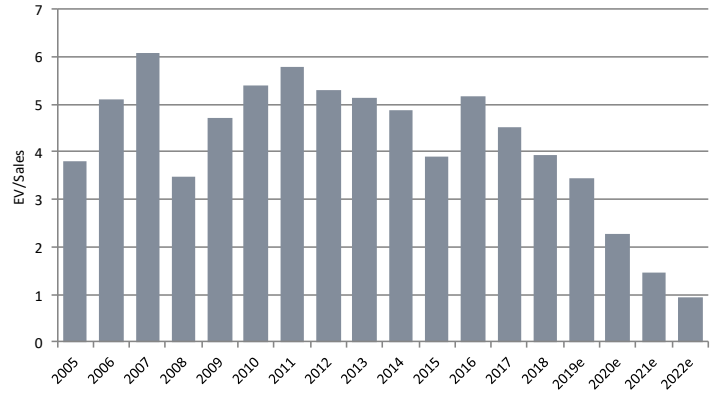
BUY/\$9.6

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

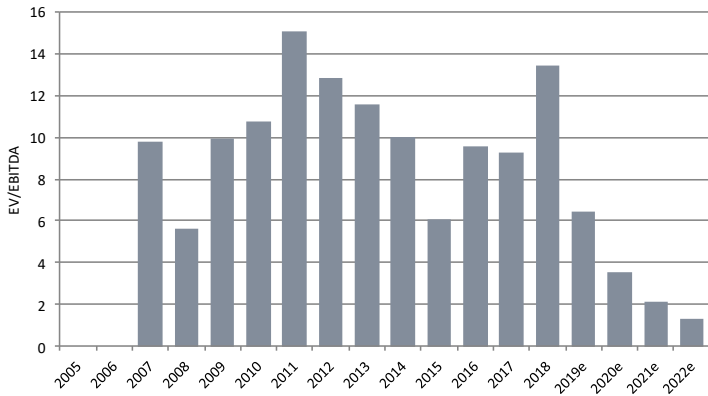
P/Sales



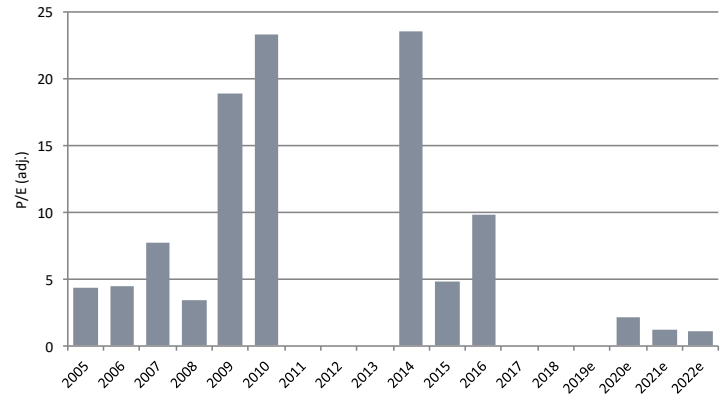
EV/Sales



EV/EBITDA



P/E (adj.)





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	
Net sales	472	643	742	765	471	643	742	765	1	-	-	-	
EBITDA (adj.)	253	414	509	532	252	415	510	533	2	-1	-1	-1	
EBIT (adj.)	115	270	359	382	114	271	360	383	1	-1	-1	-1	
PTP (adj.)	-7	151	250	288	-3	161	260	296	-5	-10	-10	-8	
Net earnings (adj.)	-6	153	252	290	-1	163	262	298	-5	-11	-10	-9	
EPS (adj.)	-0.06	1.70	2.81	3.23	-0.01	1.82	2.92	3.33	-0.05	-0.12	-0.11	-0.10	
DPS	0.05	0.32	0.79	1.05	0.10	0.33	0.83	1.08	-0.05	-0.00	-0.04	-0.03	
									2019E	2020E	2021E	2022E	
									TCE revenue	1	-	-	-
									Opex & G&A	-0	1	1	1
									Depreciation	1	0	0	0
									Net finance	6	9	9	7
									Taxes & Minorities	0	0	0	0

Cash Flows & Balance Sheet

Estimate changes USDm	New				Old				Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Net operational cash flow	191	334	439	476	182	344	448	485	8	-10	-10	-8
Free cash flow	105	193	439	476	97	203	448	485	8	-10	-10	-8
Net cash flow	-10	79	82	140	-40	86	88	145	30	-7	-6	-5
TCE/day	21,255	28,052	31,892	32,910	21,188	28,052	31,892	32,910	67	-	-	-
Cash break-even	18,987	21,693	24,150	21,780	19,566	21,272	23,768	21,452	-578	421	382	328
Liquidity	221	299	381	521	181	267	355	501	40	32	26	21
Property & Equip. (incl. NBs)	2,707	2,704	2,554	2,404	2,731	2,728	2,578	2,429	-24	-24	-24	-25
Total equity	1,491	1,651	1,869	2,102	1,463	1,634	1,859	2,097	28	17	10	5
Total assets	3,161	3,236	3,168	3,158	3,137	3,220	3,159	3,155	24	16	9	4
Interest bearing debt	1,524	1,438	1,152	910	1,484	1,396	1,110	868	39	42	42	42
Net interest bearing debt	1,303	1,139	771	388	1,303	1,129	755	367	-0	10	16	22
Market Cap.	318	318	318	318	313	313	313	313	5	5	5	5
Enterprise value	1,621	1,459	1,092	711	1,617	1,444	1,072	686	4	15	21	26

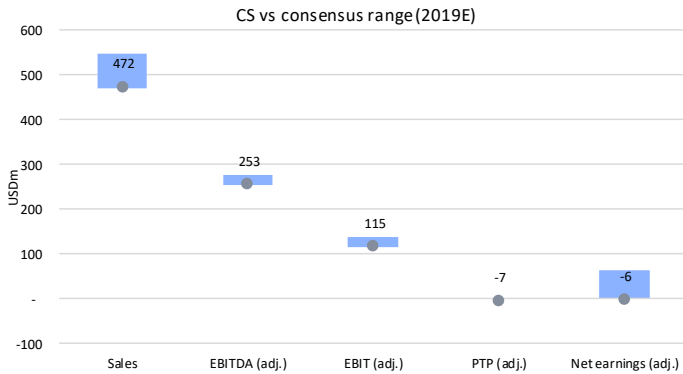
Valuation

Estimate changes USDm	New				Old				Change			
	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E	2019E	2020E	2021E	2022E
Fwd NAV	721	1,334	1,952	2,189	585	1,196	1,812	2,053	136	138	140	136
Adj. equity ratio	30%	46%	60%	67%	26%	43%	58%	66%	4%	3%	2%	1%
FCF yield	33%	61%	138%	150%	31%	65%	143%	155%	2%	-4%	-5%	-5%
Dividend yield	1%	9%	22%	29%	3%	9%	24%	31%	-1%	0%	-1%	-1%
EV/EBITDA	6.4	3.5	2.1	1.3	6.4	3.5	2.1	1.3	-0.0	0.0	0.0	0.0
P/E (adj.)		2.1	1.3	1.1		1.9	1.2	1.0	#VALUE!	0.2	0.1	0.0

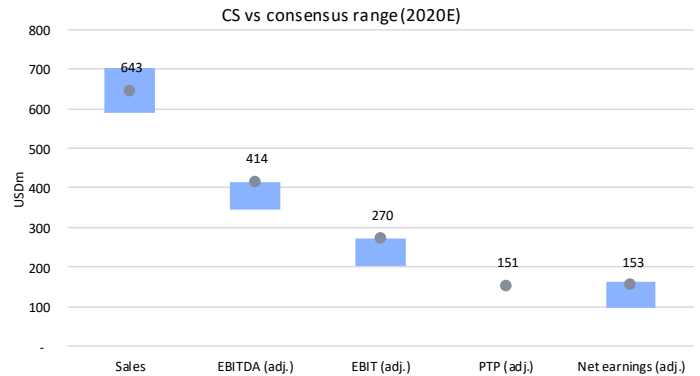


Our Estimates vs Consensus

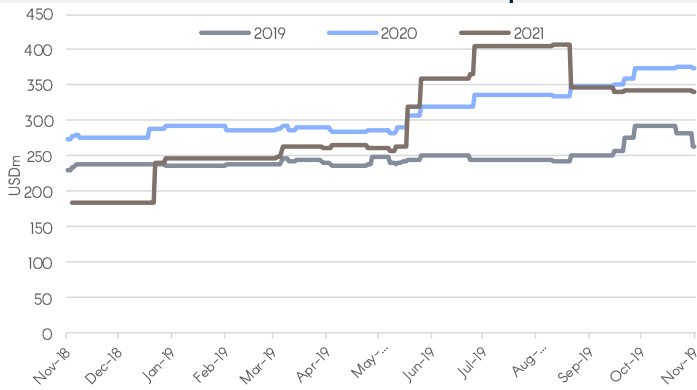
Profit & Loss, year I



Profit & Loss, year II



Consensus EBITDA development



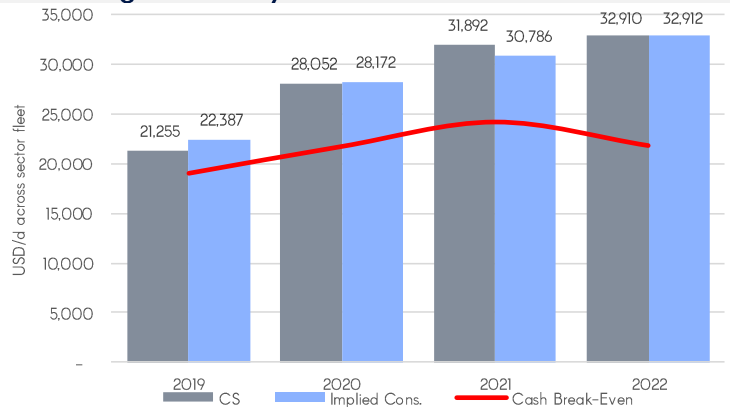
Target price vs share price (past ly)



Cleaves vs consensus: P&L break-down

	2019	CS	Consensus	Diff.	Diff.
TCE revenue	472	472	497	-25	-5%
Opex + G&A	219	219	234	-15	-6%
Depreciation	139	139	139	-0	0%
Net finance	122	122	128	-6	-5%
Taxes & Minorities	-2	-2	-24	23	-93%
	2020	CS	Consensus	Diff.	Diff.
TCE revenue	643	643	646	-3	0%
Opex + G&A	229	229	271	-42	-16%
Depreciation	145	145	141	3	2%
Net finance	119	119	72	46	64%
Taxes & Minorities	-2	-2	39	-41	-104%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

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

	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19E	1Q20E	2Q20E	3Q20E
Profit & Loss (USDm)									
Net sales	93	119	115	109	101	147	147	132	149
Operational costs	-53	-55	-52	-56	-55	-56	-56	-56	-58
EBITDA	39	64	63	53	46	91	91	76	92
Depreciation/Amortization	-37	-37	-35	-34	-35	-35	-36	-36	-36
EBIT	2	26	28	19	12	56	55	40	56
Net financials	-17	-24	-17	-19	-21	-21	-21	-21	-20
PTP	-15	3	11	0	-10	35	34	19	35
Taxes/Minorities	0	0	0	1	0	0	0	0	0
Net earnings	-15	3	11	0	-10	35	35	20	36
Non-recurring items	-10	56	-10	-13	-10	-9	-9	-9	-9
Net earnings (adj.)	-25	59	1	-13	-20	26	25	11	26
EPS	-0.17	0.03	0.13	0.00	-0.11	0.39	0.39	0.22	0.40
EPS (adj.)	-0.28	0.67	0.01	-0.14	-0.22	0.29	0.28	0.12	0.30
DPS	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.19	0.00
Balance Sheet (USDm)									
Cash & short-term investments	233	221	192	183	177	211	237	197	234
Other current assets	144	-221	-221	195	203	203	203	203	203
Total current assets	376	0	-29	378	380	414	440	400	437
Property & equip. (incl. NBs)	2,939	2,846	2,834	2,747	2,717	2,707	2,698	2,689	2,679
Other non-current assets	0	0	386	39	39	39	39	39	39
Total non-current assets	2,939	2,846	3,220	2,787	2,756	2,747	2,738	2,728	2,719
TOTAL ASSETS	3,316	3,205	3,191	3,165	3,136	3,161	3,178	3,128	3,156
Total equity	1,588	1,507	1,499	1,443	1,460	1,491	1,525	1,528	1,564
Short-term debt	0	0	151	193	193	211	230	249	267
Other current liabilities	0	0	1,727	157	114	114	114	114	114
Total current liabilities	0	0	1,878	350	306	325	343	362	381
Long-term debt	1,624	1,596	1,409	1,339	1,336	1,312	1,276	1,204	1,178
Other non-current liabilities	104	-1,596	-1,596	33	33	33	33	33	33
Total non-current liabilities	1,728	0	-187	1,372	1,370	1,346	1,309	1,238	1,212
TOTAL EQUITY & LIABILITIES	3,316	3,205	3,191	3,165	3,136	3,161	3,178	3,128	3,156
Working capital, receivables	0	0	0	70	70	70	70	70	70
Working capital, payables	0	0	0	39	39	39	39	39	39
Net working capital	0	0	0	31	31	31	31	31	31
Interest bearing debt	1,624	1,596	1,560	1,532	1,529	1,524	1,506	1,453	1,446
Liquidity	233	221	192	193	187	221	247	206	244
Net interest bearing debt	1,391	1,375	1,368	1,339	1,343	1,303	1,259	1,247	1,202
Cash Flow (USDm)									
Net income	-15	3	11	0	-10	35	35	20	36
Depreciation	37	37	35	34	35	35	36	36	36
Other	-26	-1	-7	11	12	0	0	0	0
Cash earnings	-4	39	39	45	37	70	70	56	72
Changes in working capital	0	0	0	0	0	0	0	0	0
Net operational cash flow	-4	39	39	45	37	70	70	56	72
Capex	0	0	-21	-12	-27	-25	-27	-27	-27
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	-1	-6	0	0	0	0	0	0	0
Net investing cash flow	-1	-6	-21	-12	-27	-25	-27	-27	-27
Repayment of debt	-45	-45	-47	-33	-25	-41	-53	-53	-53
Proceeds from debt	0	0	0	0	0	35	35	0	45
Dividends paid	0	0	0	0	0	-4	0	-17	0
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net financing cash flow	-45	-45	-47	-33	-25	-10	-18	-70	-7
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-50	-12	-29	1	-16	34	26	-40	38
Cash balance	233	221	192	183	177	211	237	197	234
Free cash flow	-5	33	18	33	9	44	44	29	45



Cleaves Securities

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

	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Profit & Loss (USDm)									
Net sales	366	456	375	416	405	472	643	742	765
Operational costs	-187	-162	-172	-213	-286	-219	-229	-233	-233
EBITDA	179	294	203	202	119	253	414	509	532
Depreciation/Amortization	-103	-106	-113	-139	-147	-139	-145	-150	-150
EBIT	76	188	90	63	-28	115	270	359	382
Net financials	-42	-30	-33	-54	-73	-79	-82	-72	-57
PTP	34	158	56	9	-101	35	188	287	325
Taxes/Minorities	0	0	-1	-2	2	2	2	2	2
Net earnings	34	158	56	8	-99	37	189	289	326
Non-recurring items	-8	-13	-16	-24	-34	-43	-37	-37	-37
Net earnings (adj.)	25	145	40	-16	-133	-6	153	252	290
EPS	0.40	1.81	0.67	0.09	-1.13	0.42	2.11	3.22	3.64
EPS (adj.)	0.30	1.66	0.48	-0.19	-1.52	-0.06	1.70	2.81	3.23
DPS	0.25	0.38	0.48	0.46	0.51	0.05	0.32	0.79	1.05
Balance Sheet (USDm)									
Cash & short-term investments	202	290	188	190	205	211	290	372	512
Other current assets	88	163	171	115	113	203	203	203	203
Total current assets	290	452	358	304	318	414	493	575	715
Property & equip. (incl. NBs)	2,388	2,425	2,894	3,030	2,846	2,707	2,704	2,554	2,404
Other non-current assets	21	24	26	39	42	39	39	39	39
Total non-current assets	2,409	2,448	2,919	3,069	2,888	2,747	2,743	2,593	2,443
TOTAL ASSETS	2,699	2,901	3,278	3,374	3,205	3,161	3,236	3,168	3,158
Total equity	1,178	1,415	1,417	1,508	1,507	1,491	1,651	1,869	2,102
Short-term debt	228	320	288	226	161	211	221	205	200
Other current liabilities	99	82	105	113	94	114	114	114	114
Total current liabilities	327	402	393	339	254	325	335	318	313
Long-term debt	1,190	1,081	1,466	1,526	1,435	1,312	1,217	947	710
Other non-current liabilities	4	3	1	1	9	33	33	33	33
Total non-current liabilities	1,194	1,084	1,467	1,527	1,444	1,346	1,250	981	743
TOTAL EQUITY & LIABILITIES	2,699	2,901	3,278	3,374	3,205	3,161	3,236	3,168	3,158
Working capital, receivables	58	60	57	44	56	70	70	70	70
Working capital, payables	33	63	87	91	83	39	39	39	39
Net working capital	25	-3	-30	-47	-28	31	31	31	31
Interest bearing debt	1,418	1,400	1,754	1,752	1,596	1,524	1,438	1,152	910
Liquidity	214	305	198	203	221	221	299	381	521
Net interest bearing debt	1,204	1,095	1,556	1,549	1,375	1,303	1,139	771	388
Cash Flow (USDm)									
Net income	34	158	56	8	-99	37	189	289	326
Depreciation	103	106	113	139	147	139	145	150	150
Other	0	-21	-14	3	64	15	0	0	0
Cash earnings	137	243	155	149	112	191	334	439	476
Changes in working capital	-30	-9	15	21	-38	0	0	0	0
Net operational cash flow	107	234	170	171	74	191	334	439	476
Capex	-254	-218	-576	-293	-17	-86	-141	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	43	0	52	17	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-254	-175	-576	-242	0	-86	-141	0	0
Repayment of debt	38	-15	366	-3	-156	-146	-211	-286	-243
Proceeds from debt	—	227	778	397	353	35	126	0	0
Dividends paid	-21	-33	-40	-40	-44	-4	-29	-71	-94
New equity	176	0	0	11	5	0	0	0	0
Other	-6	-151	-799	-289	-213	0	0	0	0
Net financing cash flow	187	28	304	76	-56	-115	-114	-357	-336
Currency effect	—	0	0	0	0	0	0	0	0
Net cash flow	—	88	-102	5	18	-10	79	82	140
Cash balance	202	290	188	190	221	211	290	372	512
Free cash flow	-147	60	-406	-71	74	105	193	439	476



Cleaves Securities

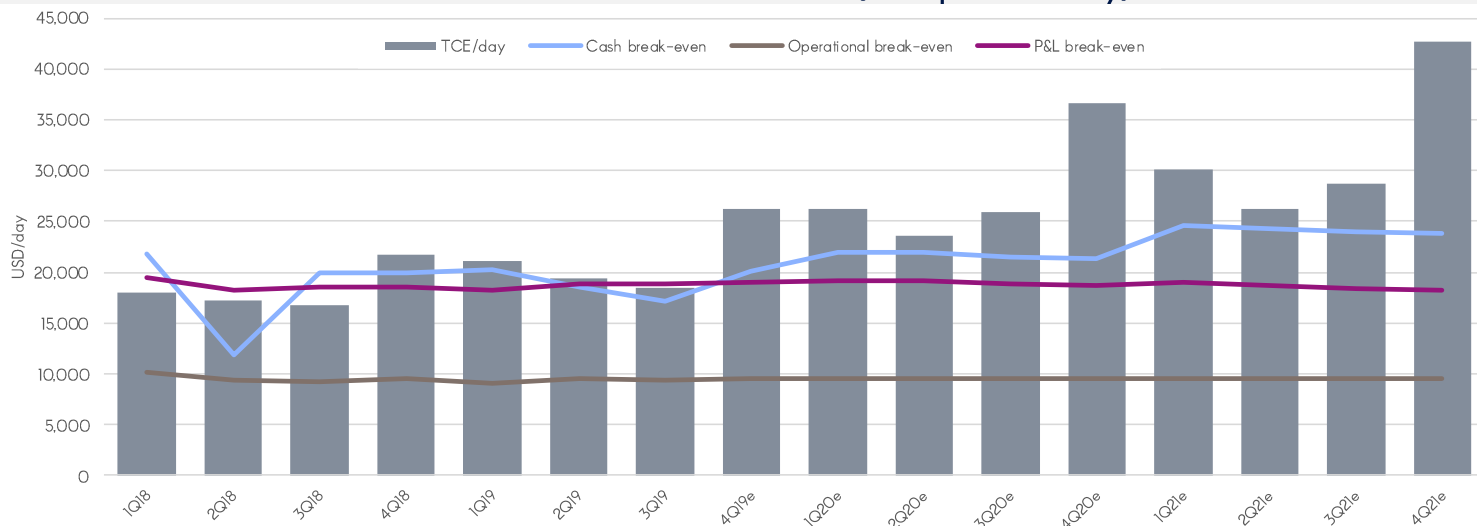
TNP-US BUY/\$9.6

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

Share Data & Valuation (USDm)	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
Shares outstanding, end	85	87	84	86	88	90	90	90	90
Share price, avg (USD)	7	8	5	5	3	3	4	4	4
Share price, end (USD)	7	8	5	4	3	4	4	4	4
Market Cap.	591	692	393	338	233	318	318	318	318
NIBD	1,204	1,095	1,556	1,549	1,375	1,303	1,139	771	388
Minorities	11	12	12	14	12	0	-2	-4	-5
Enterprise value	1,784	1,775	1,936	1,873	1,596	1,621	1,459	1,092	711
Key Figures & Ratios	2014	2015	2016	2017	2018	2019E	2020E	2021E	2022E
P/E (reported)	17.6	4.4	7.0	44.3		8.6	1.7	1.1	1.0
P/E (adj.)	23.6	4.8	9.8				2.1	1.3	1.1
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	1.6	1.5	1.0	0.8	0.6	0.7	0.5	0.4	0.4
EV/Sales	4.9	3.9	5.2	4.5	3.9	3.4	2.3	1.5	0.9
EV/EBITDA	10.0	6.0	9.5	9.2	13.5	6.4	3.5	2.1	1.3
EV/EBIT	23.6	9.4	21.6	29.5		14.2	5.4	3.0	1.9
P/B	0.5	0.5	0.3	0.2	0.2	0.2	0.2	0.2	0.2
FCF yield	-25%	9%	-103%	-21%	32%	33%	61%	138%	150%
Dividend yield	3.6%	4.8%	10.3%	11.8%	19.1%	1.4%	9.2%	22.2%	29.4%
Return on equity (ROE)	2.9%	11.3%	4.0%	0.5%	-6.6%	2.5%	11.5%	15.4%	15.5%
Return on capital employed (ROCE)	3.2%	7.5%	3.0%	2.1%	-1.0%	4.1%	9.7%	13.6%	15.3%
Return on assets (ROA)	1.2%	5.5%	1.7%	0.2%	-3.1%	1.2%	5.9%	9.1%	10.3%
Sales growth	21%	25%	-18%	11%	-3%	17%	36%	15%	3%
EBITDA margin	49%	64%	54%	49%	29%	54%	64%	69%	70%
EBIT margin	21%	41%	24%	15%	-7%	24%	42%	48%	50%
Net margin	9%	35%	15%	2%	-25%	8%	29%	39%	43%
Net interest rate	0.0%	0.0%	0.0%	0.0%	0.0%	6.1%	7.2%	9.3%	14.8%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	44%	49%	43%	45%	47%	47%	51%	59%	67%
Leverage ratio	56%	51%	57%	55%	53%	53%	49%	41%	33%
NIBD / EBITDA (past 1y)	6.7	3.7	7.7	7.7	11.6	5.1	2.7	1.5	0.7
Operating cash flow/NIBD	0.1	0.2	0.1	0.1	0.1	0.1	0.3	0.6	1.2
Net interest coverage ratio (EBITDA)						3.2	5.1	7.1	9.3
Current ratio	0.9	1.1	0.9	0.9	1.2	1.3	1.5	1.8	2.3
Adj. equity ratio						30%	46%	60%	68%
Operating assets	2,485	2,596	3,080	3,171	2,985	2,940	2,937	2,787	2,637
Operating liabilities	103	86	106	114	103	147	147	147	147
Net operating assets	2,382	2,510	2,974	3,057	2,882	2,794	2,790	2,640	2,490

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

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





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

Ticker	Company name
ADS NO	ADS Crude Carriers
AVANCE NO	Avance Gas
BWLPG NO	BW LPG
DHT US	DHT Holdings
LPG US	Dorian LPG
EURN US	Euronav
FLNG NO	Flex LNG
FRO NO	Frontline
GLOG US	GasLog
GNK US	Genco Shipping
BULK NO	GoodBulk
GOGL NO	Golden Ocean
HUNT NO	Hunter Group
INSW US	International Seaways
OET NO	Okeanis Eco Tankers
SBLK US	Star Bulk
TNK US	Teekay Tankers
TNP US	Tsakos Energy Navigation

Other material interest (if any): None

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

Current recommendations of the Research Department (updated 25 October 2019)

Recommendation Percent

BUY 68%

HOLD 28%

SELL 4%

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