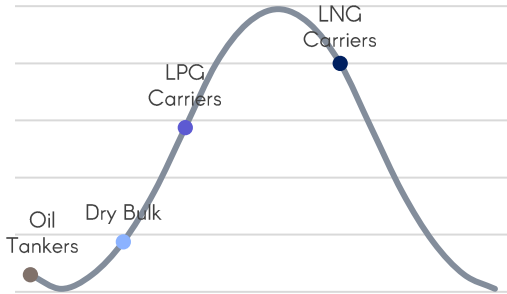




This year could be the year when shipping equities finally pivot. Fortunes can be made for the savvy investors

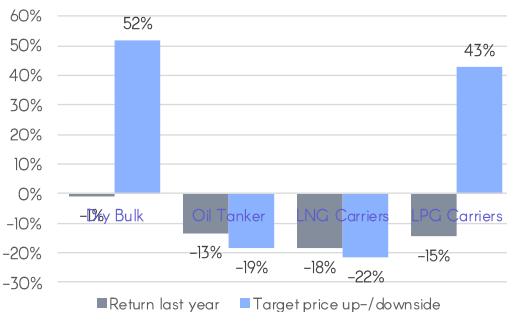
Positioning for a Post-Pandemic Party

Shipping cycles



Last year was a year to forget. As investors are positioning themselves for an economic rebound post-COVID, we have already seen an increasing interest for shipping, especially in dry bulk. We share this optimism, and also see improving fortunes for oil tanker shipping during 2021E. We upgrade VLGCs to BUY after the recent fall in share prices, but remain frosty towards LNG Carriers.

Past return vs expected return



Dry Bulk (BUY) – Retreat, Hell! We Just Got Here: An unseasonal high earnings environment and a sudden influx of capital into dry bulk shipping equities have propelled our dry bulk share index. Although we see some minor downside in the near-term, we believe any potential share price retreat is just temporary. Still our top pick within our shipping universe.

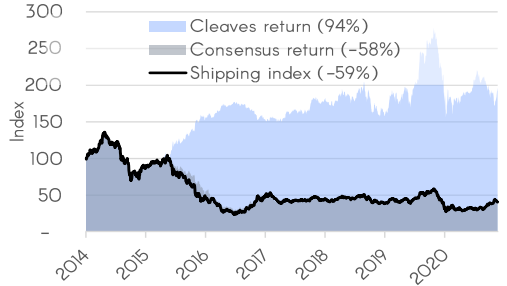
Oil Tankers (SELL) – More Covid Weakens Recovery: A recent surge in COVID-19 cases has led many countries to re-enter lockdown, leading us to revise down our oil tanker estimates. Global oil supply will have to stay lower for longer in order to rebalance the market and draw down inventories. We still expect that mid-2021E could be the inflection point and advise investors to opportunistically use any potential weakness during 1H21 to build positions.

LNG Carriers (SELL) – All-Time-High in All-Time-Highs: Although we raise our LNGC demand forecast for 2021E based on inventory replenishments, we see the same downside concerns as in our [November](#) report. We reiterate our SELL and look towards 2024 for better times.

LPG Carriers (BUY) – Icarus Has Learned: After having warned of the tale of Icarus in our [December](#) report, VLGC spot rates have plummeted and our target prices have been met. In concert with an improving outlook for earnings, asset and share prices, we now raise our target prices and upgrade ([28 January](#)) the VLGC segment to BUY (from SELL).

Capital allocation: We do some changes to our target portfolio, now allocating 40% towards dry bulk, 10% towards oil tankers, 0% towards LNG Carriers & 20% towards VLGCs. Our recommendations have generated +94% since 2014, outperforming the market & consensus by ~370%.

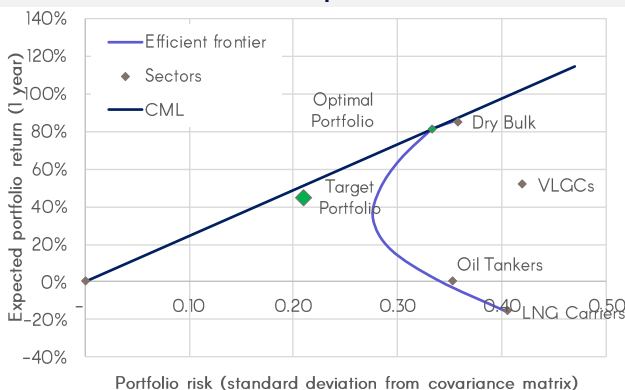
Cleaves' comparative performance



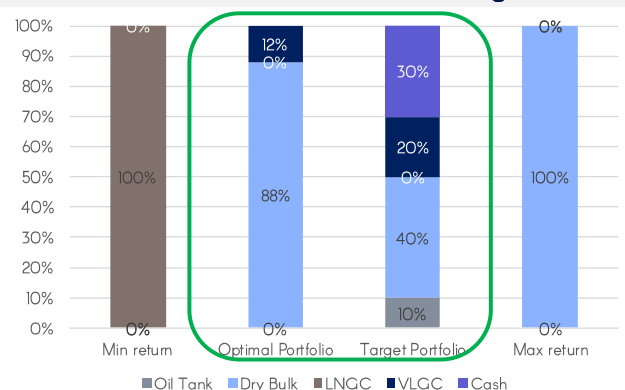
Analysts

Joakim Hannisdahl Managing Director Head of Research jh@cleaves.no +47 21040059	Peter Michael E Christensen Analyst pmc@cleaves.no +47 21040041
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Portfolio optimization



Portfolio allocation between segments



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

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



Table of Contents

Positioning for a Post-Pandemic Party.....	1
Our Universe at a Glance.....	5
Indicative Reporting Schedule.....	5
Cleaves' Scorecard.....	6
Investment Bank Ranking in Shipping Equity Research.....	7
Capital Flows in Shipping Equities.....	9
Dry Bulk: Retreat, Hell! We Just Got Here	10
Market Fundamentals.....	11
Supply.....	14
Demand.....	17
Fleet utilization	22
Asset & share prices	24
Seasonality.....	28
Asset Valuation.....	32
Econometric Overview	33
Dry Bulk Shipping Companies	34
Peer Group.....	35
GoodBulk.....	48
Diana Shipping.....	57
Eagle Bulk.....	66
Genco Shipping.....	75
Golden Ocean.....	84
Star Bulk.....	93
Oil Tankers: Covid Weakens Recovery	102
Market Fundamentals.....	103
Supply.....	105
Demand.....	108
Fleet utilization	111
Asset & share prices	112
Asset Valuation.....	116
Oil Tanker Storage Economics.....	117
IMO 2020 Sulphur Regulations.....	118
Seasonality	122



Product Tanker Dynamics.....	124
Econometric Overview.....	126
Oil Tanker Companies.....	127
Peer Group.....	128
ADS Crude Carriers.....	132
DHT Holdings.....	140
Euronav.....	149
Frontline.....	158
Hafnia.....	167
Hunter Group.....	176
International Seaways.....	186
Nordic American Tankers.....	195
Okeanis Eco Tankers.....	204
Teekay Tankers.....	214
LNG Carriers: All-Time-High in All-Time-Highs.....	223
Market Fundamentals.....	224
Supply.....	226
Demand.....	227
Market Fundamentals & Forecasts.....	237
Econometric Overview.....	238
LNG Carrier Companies.....	246
Peer Group.....	247
Awilco LNG.....	251
Flex LNG.....	260
GasLog.....	269
LPG Carriers: Icarus Has Learned.....	278
Market Fundamentals.....	279
Supply.....	283
Demand.....	286
Seasonality.....	291
Fleet utilization.....	294
Asset Valuation.....	298
Econometric Overview.....	300
VLGC Companies.....	301
Peer Group.....	302



Avance Gas.....	305
BW LPG.....	314
Dorian LPG.....	323
Portfolio Allocation.....	331
Method.....	331
Portfolio optimization.....	331
Coronavirus Monitor (COVID-19).....	335
Important Disclosures & Certifications.....	339



Our Universe at a Glance

Company	Sector	Return ly	Rec.	Target Price	Last Price	Target/Price	P/NAV			EV/GAV	adj. equity	EV/EBITDA			Dividend yield		
							Now	ly fwd	ε			2020	2021	2022	2020	2021	2022
ADSCME NO	Oil	6%	HOLD	20.0	19.4	3%	0.87	0.89	0.00	(1.39)	164%				32%	95%	0%
DHT US	Oil	20%	SELL	4.7	5.4	-12%	0.86	0.85	1.27	0.91	70%	2.6	8.2	4.4	23%	3%	2%
EURN US	Oil	-5%	SELL	7.5	7.9	-5%	0.78	0.84	1.43	0.90	57%	3.1	31.9	7.6	22%	2%	2%
FRO US	Oil	-18%	SELL	3.7	5.9	-37%	1.03	1.43	2.70	1.01	31%	4.7	24.5	9.2	27%	0%	1%
HAFNIA NO	Oil	-24%	SELL	9.0	14.5	-38%	0.67	0.92	2.01	0.86	39%	5.3	38.2	12.1	15%	0%	0%
HUNT NO	Oil	-23%	SELL	3.0	3.6	-15%	0.80	0.86	1.98	0.90	48%	4.3	10.4	8.5	0%	28%	2%
INSW US	Oil	-27%	SELL	12.0	16.0	-25%	0.56	0.79	1.25	0.73	56%	4.2		9.2	2%	1%	1%
NAT US	Oil	-2%	SELL	1.2	3.0	-59%	1.26	1.91	2.00	1.13	43%	5.0		10.9	15%	1%	1%
OET NO	Oil	-24%	SELL	49.0	56.0	-13%	0.57	0.68	2.90	0.87	33%	5.5	9.0	6.8	20%	0%	2%
TNK US	Oil	-37%	HOLD	12.0	10.3	17%	0.39	0.56	1.54	0.68	52%	3.0	69.5	6.5	0%	0%	0%
Average, Oil Tankers		-13%					0.78	0.97	1.71	0.66	59%	4.2	27.4	8.4	16%	13%	1%
2020 NO	Dry	-17%	BUY	98	62	58%	1.01	0.70	2.49	1.00	38%	12.3	6.6	3.5	4%	15%	36%
BULK NO	Dry		BUY	141	119	18%	1.83	1.12	1.75	1.47	50%	11.2	5.2	2.6	8%	14%	28%
DSX US	Dry	-17%	BUY	3.3	2.2	51%	1.01	0.61	3.13	1.00	25%		6.6	1.9	0%	0%	14%
EGLE US	Dry	-14%	SELL	18.0	19.6	-8%	1.25	0.99	3.26	1.07	24%	14.9	7.5	3.9	0%	0%	5%
GNK US	Dry	4%	BUY	15.0	7.9	90%	0.84	0.59	1.64	0.91	44%		3.3	1.4	3%	6%	17%
GOGL US	Dry	7%	BUY	9.2	4.7	94%	1.23	0.71	2.71	1.07	29%	27.3	5.1	2.7	1%	15%	28%
SBLK US	Dry	32%	BUY	17.0	10.6	60%	1.53	0.87	3.16	1.16	27%	10.1	4.6	2.8	3%	12%	39%
Average, Dry Bulk		-1%				52%	1.24	0.80	2.59	1.10	34%	15.2	5.6	2.7	3%	9%	24%
ALNG NO	LNG	-18%	SELL	1.3	2.0	-33%	-2.44		18.66	1.18	-5%	14.3	7.7	15.3	0%	0%	0%
FLNG NO	LNG	-5%	SELL	54	69	-22%	0.60		3.21	0.88	30%	13.2	7.7	15.5	2%	14%	5%
GLOG US	LNG	-32%	SELL	3.7	4.1	-10%	1.70		12.92	1.16	7%	9.2	7.3	8.3	5%	5%	5%
Average, LNG Carriers		-18%					-0.05		11.60	1.07	11%	12.2	7.6	13.1	2%	6%	3%
AVANCE NO	LPG	-23%	BUY	55	36	52%	0.63	0.48	2.51	0.85	36%	5.7	4.9	2.4	7%	6%	24%
BWLPG NO	LPG	-9%	BUY	78	56	39%	0.67	0.51	1.47	0.80	54%	4.2	4.5	2.1	14%	11%	18%
LPG US	LPG	-12%	BUY	16.0	11.6	38%	0.57	0.41	1.43	0.72	59%	5.5	4.0	1.8	0%	5%	18%
Average, LPG Carriers		-15%				43%	0.62	0.47	1.81	0.79	50%	5.1	4.5	2.1	7%	7%	20%
Average of all segments		-12%				14%	0.65	0.75	4.43	0.91	38%	9.2	11.2	6.5	7%	9%	12%

Indicative Reporting Schedule

Company	Indicative* Reporting Schedule	Sector	TCE Revenue				Cleaves vs Cons.		EBITDA			Cleaves vs Cons.		Net Profit			Cleaves vs Cons.	
			Cleaves	Consensus	Last year		Cleaves	Cons.	Cleaves	Consensus	Last year	Cleaves	Cons.	Cleaves	Consensus	Last year	Cleaves	Cons.
LPG US	02-Feb/21	LPG																
EURN US	04-Feb/21	Oil	126	123	n.a.	3%	60	51	256	19%	-32	-41	—	9				
DHT US	05-Feb/21	Oil	83	86	142	-3%	59	62	116	-4%	22	24	76	-1				
GLOG US	05-Feb/21	LNG	202	183	n.a.	11%	150	128	-38	17%	45	21	-50	24				
OET NO	12-Feb/21	Oil	43	42	50	3%	31	29	39	5%	11	10	18	1				
SBLK US	17-Feb/21	Dry	143	140	185	2%	83	76	79	9%	30	24	23	7				
FLNG NO	17-Feb/21	LNG	66	66	52	1%	53	51	42	4%	26	25	24	1				
NAT US	18-Feb/21	Oil	14	22	n.a.	-37%	-7	1	38	-684%	-32	-23	13	-9				
ALNG NO	19-Feb/21	LNG	11	10	16	13%	8	6	13	28%	2	1	5	1				
BULK NO	19-Feb/21	Dry	31	32	46	-3%	18	19	25	-5%	5	7	11	-1				
DSX US	22-Feb/21	Dry	40	41	47	-1%	9	11	6	-18%	-6	-4	-14	-2				
GNK US	25-Feb/21	Dry	58	53	63	8%	27	25	26	7%	6	4	1	2				
HUNT NO	25-Feb/21	Oil	23	22	22	6%	19	17	21	12%	11	10	16	1				
AVANCE NO	26-Feb/21	LPG	43	42	65	1%	31	31	54	2%	17	18	37	-1				
FRO US	26-Feb/21	Oil	117	124	224	-5%	55	48	166	16%	3	-6	109	9				
GOGL US	26-Feb/21	Dry	134	131	184	2%	68	68	69	0%	30	33	41	-4				
ADSCME NO	26-Feb/21	Oil	0	1	7	-51%	-1	-1	4	-50%	-2	-3	0	1				
TNK US	26-Feb/21	Oil	68	87	201	-22%	5	16	122	-70%	-35	-26	63	-9				
BWLPG NO	26-Feb/21	LPG	136	142	192	-4%	100	99	197	1%	55	51	154	3				
INSW US	03-Mar/21	Oil	45	64	118	-30%	3	21	70	-84%	-18	-3	16	-14				
EGLE US	04-Mar/21	Dry	54	51	50	6%	16	18	13	-11%	-5	-2	-11	-3				
HAFNIA NO	08-Mar/21	Oil	89	104	n.a.	-14%	22	36	95	-39%	-27	-14	—	-13				
2020 NO	28-Apr/21	Dry																

* Extracted from Bloomberg. Not always up-to-date. Please see company websites to validate actual reporting dates



Cleaves' Scorecard

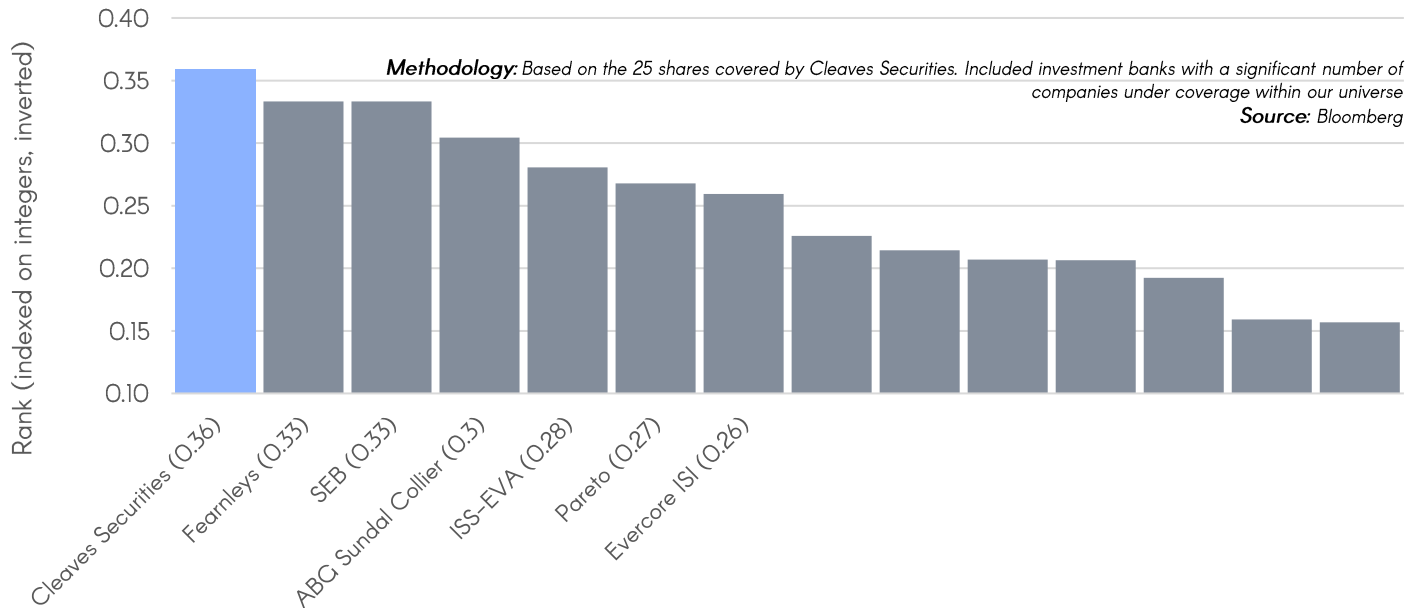
What did we forecast, and what happened?

Actual		Cleaves'		Actual		Cleaves'		Comment
2020-Q4	value	$\Delta q/q$	Δ -forecast	2020	value	$\Delta y/y$	Δ -forecast	
Dry Bulk ✖				Dry Bulk ✔				<p>Weak 1H was offset by strong 2H</p> <p>Dry bulk demand was significantly impacted by COVID-19 during 2020. Especially in 1H20, but as this is a seasonal weak period, the implications were not that large on earnings which is an exponential function of fleet utilization. A catch-up in 2H20 demand offset the weaker 1H</p>
Supply	912	0.5%	0.5% ✔	Supply	898	4.6%	4.4% ✔	
Demand	779	-0.4%	1.8% ✖	Demand	747	2.6%	2.5% ✔	
Fleet utilization	85.4%	-0.8%p	1.1%p ✖	Fleet utilization	83.1%	-1.7%p	-1.5%p ✔	
Spot rates	1,361	-11%	16% ✖	Spot rates	1,065	-21%	-19% ✔	
Asset prices	120	-2%	9% ✖	Asset prices	121	-7%	-4% ✔	
Share index	60	-12%	-17% ✔	Share index	74	-26%	-31% ✔	
Oil Tankers !				Oil Tankers !				
Supply	597	0.4%	0.8% ✔	Supply	590	3.5%	3.8% ✔	
Demand	456	-4.0%	1.5% ✖	Demand	506	3.5%	5.7% ✔	
Fleet utilization	76.3%	-3.5%p	0.6%p ✖	Fleet utilization	85.8%	0.0%p	1.6%p !	
Spot rates	7,672	-30%	6% ✖	Spot rates	24,249	9%	13% ✔	
Asset prices	125	-4%	-4% ✔	Asset prices	134	1%	16% ✖	
Share index	166	-9%	-1% !	Share index	195	6%	43% ✖	
LNG Carriers ✔				LNG Carriers ✖				<p>COVID-implications for demand</p> <p>Demand growth in 2020 came in below our forecast from January due to implications from COVID-19. In example, a large number of cargoes was cancelled ex US during the summer months as demand at major importers was unusually low</p>
Supply	93,508	1.3%	1.9% ✔	Supply	91,414	5.5%	6.5% !	
Demand	85,340	21.5%	14.5% ✔	Demand	73,653	1.6%	9.0% ✖	
Fleet utilization	91.3%	15.2%p	9.4%p ✔	Fleet utilization	80.6%	-3.1%p	2.0%p ✖	
Spot rates	104,423	154%	82% !	Spot rates	59,269	-15%	14% ✖	
LPG Carriers ✖				LPG Carriers !				<p>Right for the wrong reasons</p> <p>Our demand forecast hit the mark quite well, but not for the right reasons. We had not foreseen COVID-19 and massive fleet inefficiencies. This is reflected in our big miss on the share index, where the market was not willing to fully price a very volatile market</p>
Supply	24,651	1.0%	0.7% ✔	Supply	24,257	8.3%	7.3% !	
Demand	21,711	7.8%	-0.1% ✖	Demand	21,937	9.9%	11.7% ✔	
Fleet utilization	88.1%	5.9%p	-0.7%p ✖	Fleet utilization	90.4%	1.3%p	3.7%p ✔	
Spot rates	37,361	69%	-6% ✖	Spot rates	47,657	4%	25% !	
Asset prices	67	8%	0% ✖	Asset prices	71	3%	11% !	
Share index	51	42%	5% ✖	Share index	59	5%	81% ✖	
All Shipping !				All Shipping !				Impacted by COVID-19



Investment Bank Ranking in Shipping Equity Research

Investment Bank Ranking in our Shipping Universe



Detailed Ranking

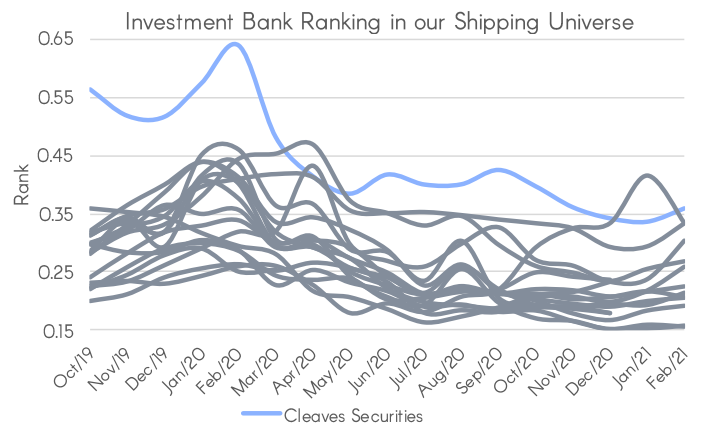
Ticker	Rating	Cleaves' Ranking (1y)			Consensus (1y)		
		Stock ¹	Global ²	Return ³	Best	Avg	Worst
2020 NO	BUY	#2 of 8	#2 of 8	1%	27%	-6%	-17%
BULK NO	BUY						
DSX US	BUY	#2 of 7	#2 of 7	2%	30%	-3%	-20%
EGLE US	SELL	#3 of 9	#1 of 9	-3%	42%	-7%	-31%
GNK US	BUY	#3 of 9	#1 of 9	0%	9%	-6%	-39%
GOGL US	BUY	#4 of 14	#2 of 14	-3%	30%	0%	-17%
SBLK US	BUY	#3 of 10	#1 of 10	29%	100%	36%	17%
Dry Bulk		#3 of 9	#2 of 9	4%	22%	7%	-5%
ADSCME NO	HOLD	#1 of 3	#1 of 3	34%	9%	9%	9%
DHT US	SELL	#1 of 14	#2 of 14	60%	25%	13%	1%
EURN US	SELL	#1 of 19	#1 of 19	22%	6%	-9%	-18%
FRO US	SELL	#1 of 18	#2 of 18	19%	13%	-8%	-24%
HAFNIA NO	SELL	#1 of 6	#1 of 6	4%	-16%	-22%	-24%
HUNT NO	SELL	#2 of 9	#2 of 9	-1%	10%	-20%	-31%
INSW US	SELL	#2 of 11	#1 of 11	30%	34%	-20%	-36%
NAT US	SELL	#2 of 8	#1 of 8	45%	47%	-1%	-34%
OET NO	SELL	#1 of 5	#1 of 5	-18%	-24%	-25%	-26%
TNK US	HOLD	#1 of 7	#1 of 7	31%	16%	-22%	-41%
Oil Tankers		#1 of 10	#1 of 10	24%	6%	-9%	-21%
ALNG NO	SELL	#3 of 4	#1 of 4	-46%	-17%	-31%	-46%
FLNG NO	SELL	#2 of 13	#1 of 13	-3%	87%	-8%	-82%
GLOG US	SELL	#9 of 11	#2 of 11	-54%	69%	-14%	-54%
LNG Carriers		#5 of 9	#1 of 9	-35%	58%	0%	-26%
AVANCE NO	BUY	#7 of 13	#2 of 13	-54%	84%	-10%	-32%
BWLPG NO	BUY	#7 of 12	#2 of 12	-41%	106%	18%	-23%
LPG US	BUY	#5 of 8	#3 of 8	-28%	16%	-6%	-15%
LPG Carriers		#6 of 11	#2 of 11	-41%	73%	2%	-27%
All Shipping		#1 of 9		3%	12%	-5%	-15%

¹ Bloomberg's analyst ranking for each stock: "The best total returns based solely on the performance of the security over the past year"

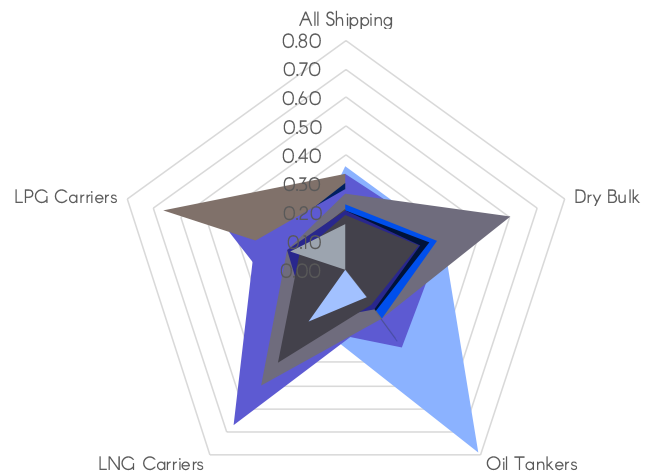
² Bloomberg's global ranking for all analysts covering each stock: "Highlights the analysts whose recommendations produced the best relative returns based on the performance of all the securities they covered over the past year"

³ Bloomberg's measure of return for each stock: "Total return over the last year to an investor who followed the analyst's recommendation"

Historical Ranking (monthly averages)



Ranking by Segment



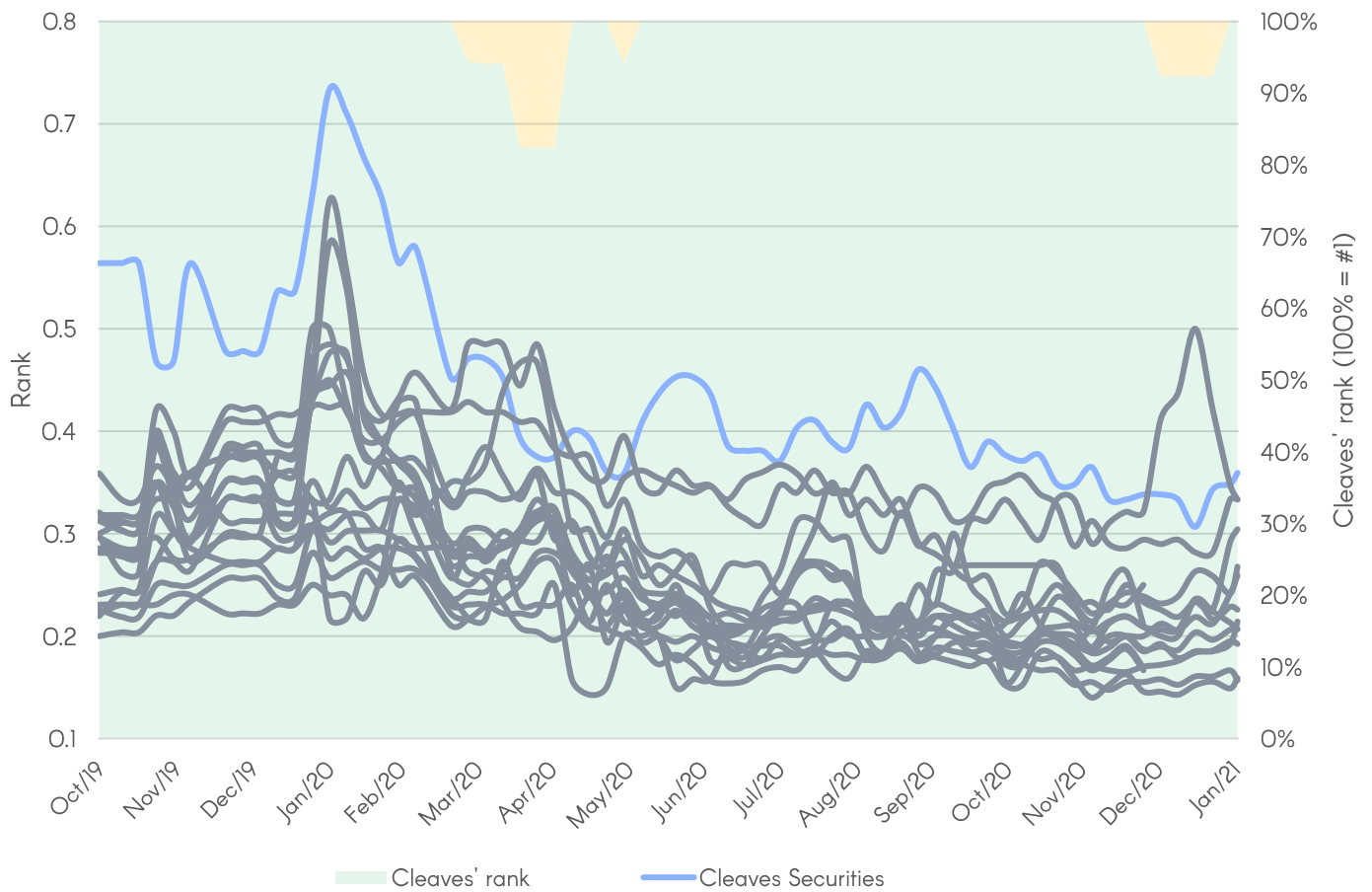
Source: Bloomberg

■ Cleaves Securities (0.36)
 ■ Fearnleys (0.33)
 ■ SEB (0.33)

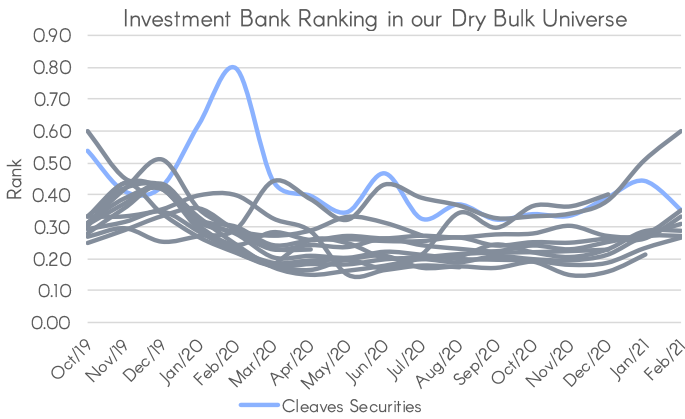
■ ABC Sundal Collier (0.3)
 ■ ISS-EVA (0.28)
 ■ Pareto (0.27)



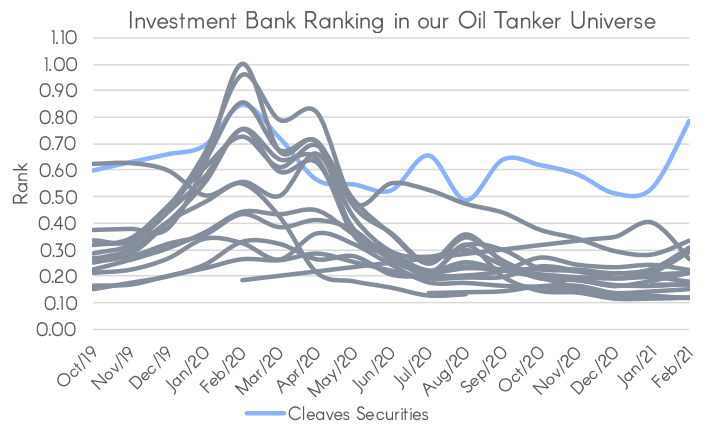
Historical Ranking (weekly)



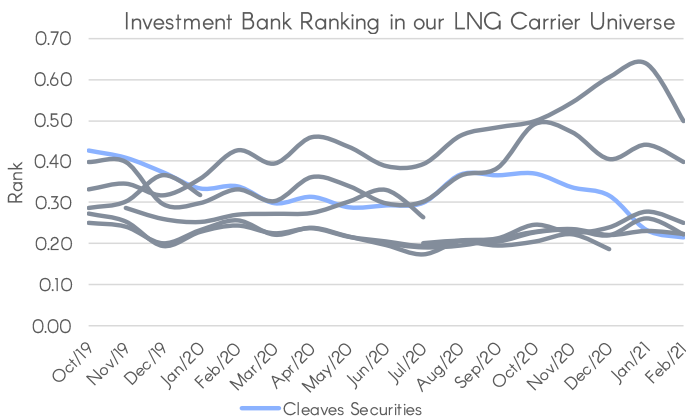
Ranking in our Dry Bulk Universe (monthly)



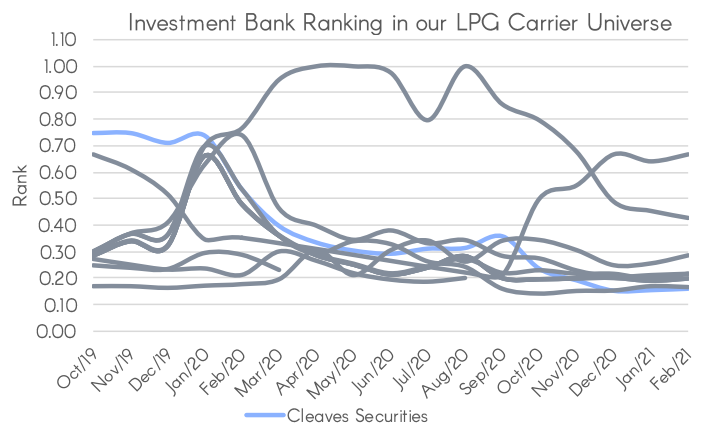
Ranking in our Oil Tanker Universe (monthly)



Ranking in our LNG Carrier Universe (monthly)



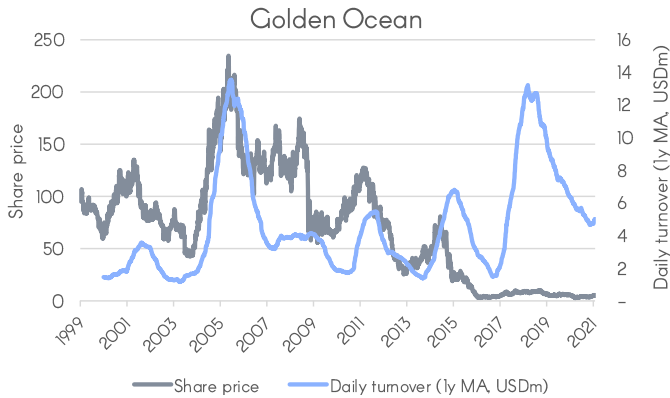
Ranking in our LPG Carrier Universe (monthly)



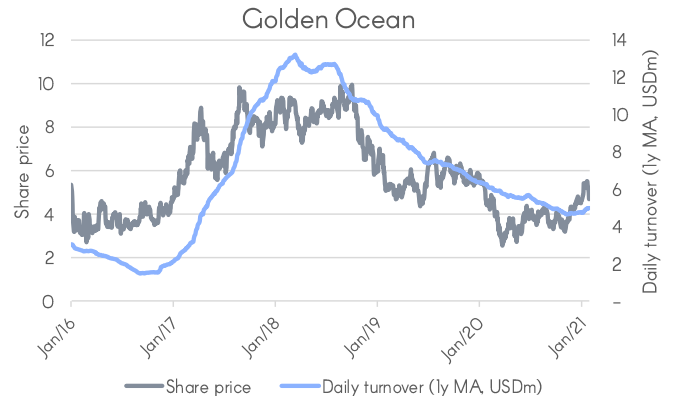


Capital Flows in Shipping Equities

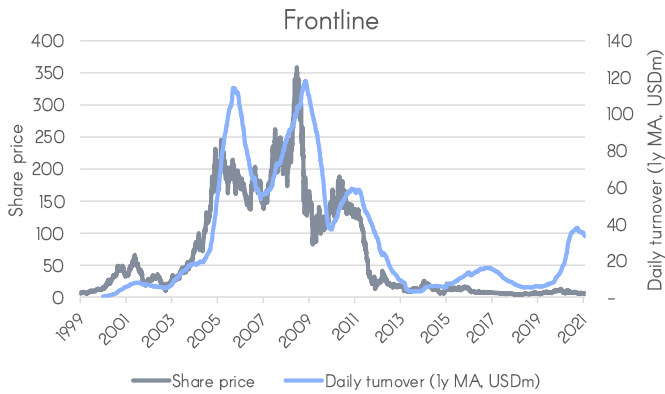
Golden Ocean long-term turnover vs share price



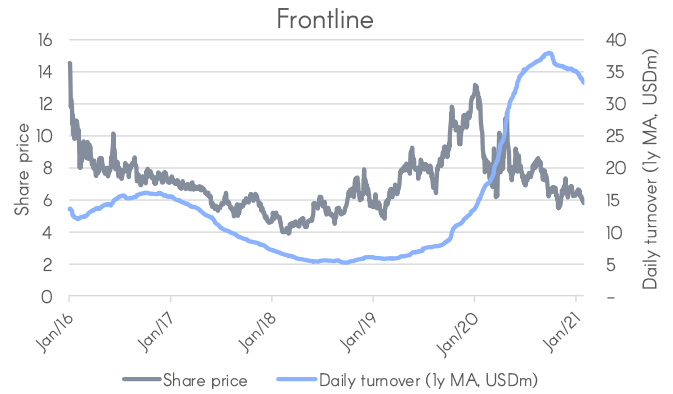
Golden Ocean medium-term turnover vs share price



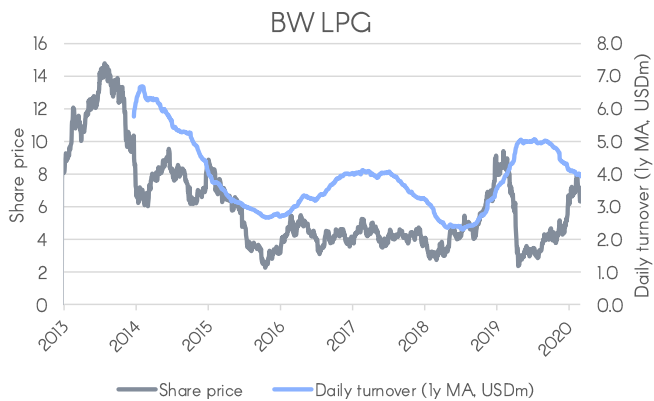
Frontline long-term turnover vs share price



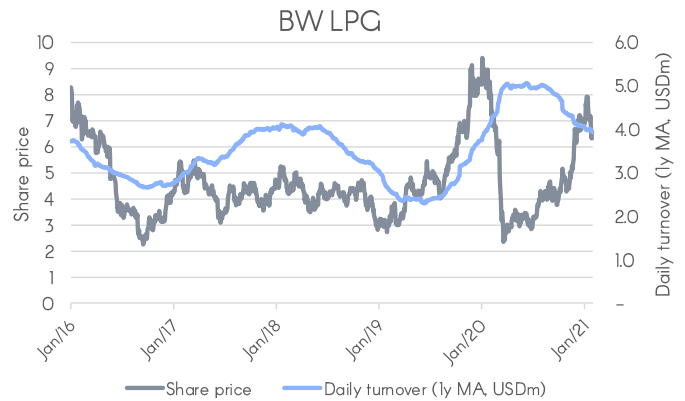
Frontline medium-term turnover vs share price



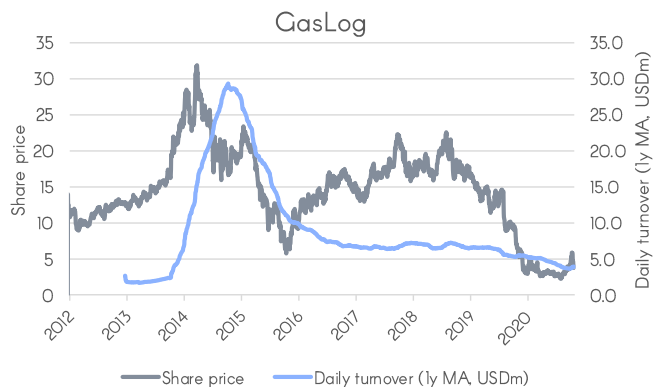
BW LPG long-term turnover vs share price



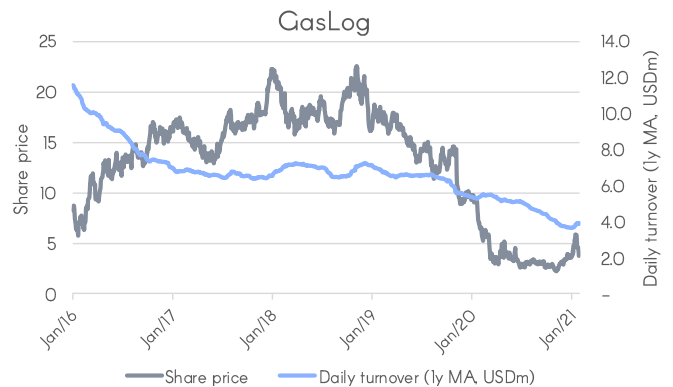
BW LPG medium-term turnover vs share price



GasLog long-term turnover vs share price



GasLog medium-term turnover vs share price

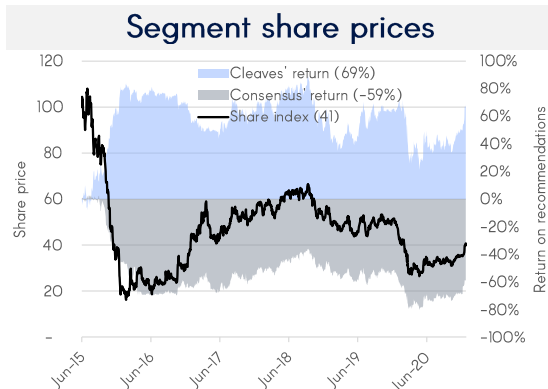




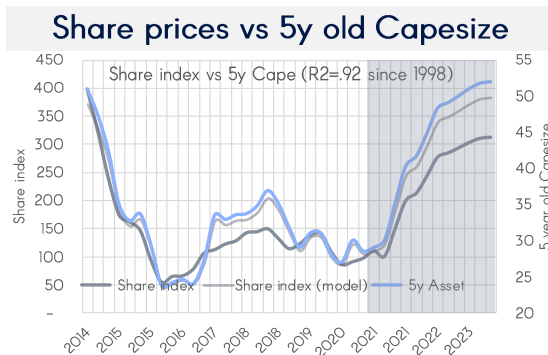
With demand growth set to significantly outpace the lowest orderbook on record, we see further upside in the years ahead

Dry Bulk BUY

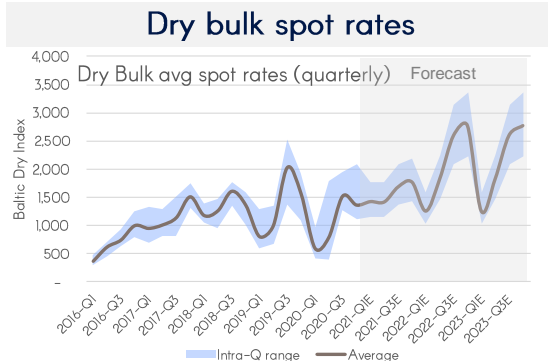
Retreat, Hell! We Just Got Here



An unseasonal high earnings environment and a sudden influx of capital into dry bulk shipping equities have propelled our dry bulk share index 59% since early November. Although we see some minor downside in the near-term, we believe any potential share price retreat is just temporary. We reiterate our BUY on dry bulk shipping, still our top pick within our shipping universe.



Market: We believe the current lull in seasonal headwinds will abate, and see near-term downside to spot rates. That said, we are positive towards the outlook for dry bulk shipping against the lowest orderbook vs fleet on our record going back to the 1990s. With very limited demand growth needed to outpace supply growth, an expected post-COVID resurgence in coal and minor bulks during 2021E and a normalization of Brazilian iron ore exports during 2022E is more than enough to potentially catapult earnings, asset and share prices to decade-highs. We see our dry bulk asset price index +65% over the next two years, with our dry bulk share index potentially rising 129%.



Investments: A recent influx of capital into dry bulk shipping has elevated the most liquid names far above NAV. Still believers of NAV, we predict that cash flow generation and rising asset prices will soon close the gap to current share prices. With so many names priced at P>NAV, we wouldn't be surprised to see NAV-accretive ships-for-shares deals emerging, meaning P/NAVs>1 would become a self-fulfilling prophecy. Our current top picks are Genco Shipping (BUY/\$15), Golden Ocean (BUY/\$9.2) and 2020 Bulkers (BUY/N98). Our dry bulk recommendations have returned 69% since 2015 (+3% past ly) vs the market at -59% (-17%) & consensus at -59% (-9%). Our earnings forecast is currently 11% above consensus for 2021E and 44% for 2022E.

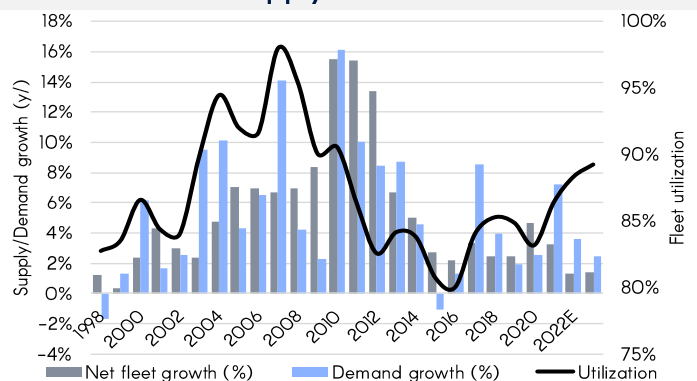
Cleaves Securities / Analysts

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Segment overview

	M.cap		New		Old		Pricing/Upside		P/NAV	
	Turnover	Rec.	TP	Rec.	TP	P	+/-	Now	1y fwd	
2020 NO	170	0.3	BUY	98	BUY	84	65	51%	1.07	0.74
BULK NO	422	-	BUY	141	HOLD	109	119	18%	1.85	1.13
DSX US	211	0.7	BUY	3.3	BUY	2.6	2.4	40%	1.09	0.65
EGLE US	298	1.1	SELL	18	HOLD	18	24.1	-25%	1.53	1.21
GNK US	342	3.2	BUY	15	BUY	13	8.2	84%	0.87	0.60
GOGL US	768	5.3	BUY	9.2	BUY	6.6	5.3	73%	1.38	0.80
SBLK US	1,156	6.0	BUY	17	BUY	11	12.0	41%	1.73	0.99
Average	481	2.4						40%	1.36	0.88
Median	342	1.1						41%	1.38	0.80

Supply/Demand



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



Market Fundamentals

The quarter in review

Net supply growth of 0.5% q/q in 4Q20 was spot-on our [forecast from October](#), with y/y growth at 5.8%. Gross deliveries of 8.8m dwt was slightly below our forecast (9.6m), mainly due to higher than expected slippage into 1Q21. Deliveries below our forecast was offset by marginally higher scrapping, with 3.9m dwt scrapped versus our 3.1m dwt forecast. The quarter saw only 3.6m dwt ordered, thus reducing the orderbook to 6.1% of the fleet. This is the lowest on our record going back to 1996 and compares with the historical average of 24%.

We estimate a -0.4% demand growth q/q in 4Q20 (vs our +1.8% forecast), with growth +4.6% y/y. The reasons behind our demand miss were mainly the Chinese ban on Australian coal imports and Brazilian iron ore exports at only 87mt in 4Q vs our 102mt forecast (103mt in 3Q20). The net effect was a fleet utilization of 85.4% (87.3% forecast), -0.8%p q/q and -1.0%p y/y. Thus, the Baltic Dry Index averaged 1,361 in the quarter (-11% q/q, -13% y/y), below our 1,768 [forecast from October](#). Capesizes averaged \$16,944/d (-18% q/q, -24% y/y) in 4Q20, Panamaxes \$12,045 (-8% q/q, -5% y/y) and Supramaxes \$10,749 (+8% q/q, 0% y/y).

			New	Old		
mDWT	2019-Q4	2020-Q3	2020-Q4	2020-Q4	Δ	Δ %
Deliveries ¹	11.8	10.7	8.8	9.6	(0.8)	-8%
Scrapping ¹	(2.6)	(3.4)	(3.9)	(3.1)	(0.8)	24%
Contracting ¹	6.7	1.6	3.6	5.6	(2.1)	-37%
Other ¹	(5.3)	3.9	(0.0)	(0.0)	0.0	-23%
Supply²	862	907	912	912	0.3	0.0%
Δ q/q			0.5%	0.5%		
Δ y/y			5.8%	5.8%		
Demand²	745	782	779	796	(17.3)	-2.2%
Δ q/q			-0.4%	1.8%		
Δ y/y			4.6%	6.9%		
Utilization²	86.4%	86.2%	85.4%	87.3%	-1.9%	
BDI ² (Index)	1,562	1,522	1,361	1,768	(406)	-23%
Cape, spot ² (TCE/d)	22,184	20,761	16,944	23,623	(6,679)	-28%
Pana, spot ² (TCE/d)	12,684	13,108	12,045	13,765	(1,720)	-12%
Supra, spot ² (TCE/d)	10,764	9,931	10,749	12,365	(1,616)	-13%
Handy, spot ² (TCE/d)	10,338	9,136	11,142	10,199	944	9%
Asset prices ² (Index)	132	122	120	133	(13)	-10%
Cape, 5y ² (USDm)	31	30	29	33	(4.5)	-14%
Pana, 5y ² (USDm)	20	18	18	19	(1.2)	-6%
Supra, 5y ² (USDm)	18	16	16	18	(1.6)	-9%
Handy, 5y ² (USDm)	16	15	15	16	(1)	-7%
Orderbook ²	94	68	60	56	3	5%
Share Index ²	141	91	97	117	(20)	-17%

¹Sum during period ²Average during period



Second-hand values softened slightly in 4Q20 amidst a disappointing earnings environment. With, in example, one-year timecharter rates for a Capesize averaging \$15,173 vs our \$22,418 [October](#) forecast, our dry bulk asset price index fell 1.9% q/q (-8.9% y/y) to 120, 10% below our forecast for the quarter. We see our asset price index slightly up during 1H21E (+2%) before potentially ending the year at 165 (+38% y/y).

Our dry bulk share index averaged 97 in the quarter (+7% q/q, -31% y/y), below our 117 [forecast from October](#) as our aforementioned demand and asset price forecasts did not come into fruition. Our dry bulk share index currently stands at 128.

The year in review

For the full year 2020, net supply growth of 4.6% y/y was very close to our 4.4% [forecast from January 2020](#). Gross deliveries of 49m dwt were similar to our 48m dwt forecast, while scrapping at 15m dwt came in below our forecast of 20m dwt. Adjusting for other minor impacts, we estimate the effective carrying capacity of the dry bulk fleet in 2020 at 898m dwt vs our 896m dwt forecast. The year saw only 14m dwt ordered (17m dwt forecast), thus reducing the orderbook by 39% y/y, from 92m dwt to 56m dwt by year-end.

We estimate demand growth y/y in 2020 at +2.6%, similar to our +2.4% [forecast from January 2020](#). Despite weakness during 1H20 due to COVID-19, especially in China, 2H20 fared much better as the Chinese economy recovered. Please see the [demand](#) section for more details.

			Actual	Forecast		
mDWT	2018	2019	2020	2020	Δ	Δ %
Deliveries ¹	29	42	49	48	1	2%
Scrapping ¹	(4)	(8)	(15)	(20)	5	-25%
Contracting ¹	44	32	14	17	(4)	-21%
Other ¹	(0)	(17)	16	16	0	0%
Supply²	837	858	898	896	2	0%
Δ y/y	2.4%	2.5%	4.6%	4.4%	0.3%	6%
Demand²	714	728	747	746	0	0%
Δ y/y	3.9%	2.0%	2.6%	2.4%	0.2%	8%
Utilization²	85.3%	84.8%	83.1%	83.3%	-0.2%	-0.2%
BDI ² (Index)	1,351	1,346	1,065	1,096	(32)	-3%
Cape, spot ² (TCE/d)	16,494	17,915	13,051	12,495	556	4%
Pana, spot ² (TCE/d)	13,009	12,383	9,906	8,700	1,206	14%
Supra, spot ² (TCE/d)	11,488	9,923	8,180	9,642	(1,461)	-15%
Handy, spot ² (TCE/d)	10,482	9,274	8,003	7,443	559	8%
Asset prices ² (Index)	139	130	121	125	(4)	-3%
Cape, 5y ² (USDm)	35	30.7	28.4	28.9	(0.5)	-2%
Pana, 5y ² (USDm)	21	19.3	17.6	18.2	(0.6)	-3%
Supra, 5y ² (USDm)	18	17.0	16.3	17.3	(1.1)	-6%
Handy, 5y ² (USDm)	15	16.3	14.8	15.1	(0)	-2%
Orderbook ²	99	99	74	68	6	8%
Share Index ²	142	129	95	120	(25)	-21%

¹Sum during period ²Average during period



Cleaves Securities

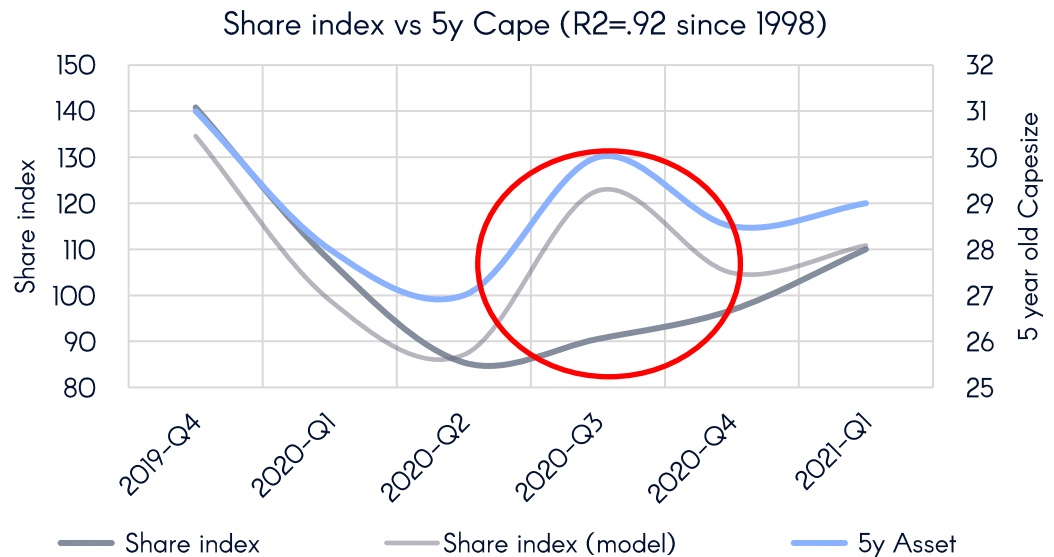
Dry Bulk BUY

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

In sum, we estimate an average fleet utilization in 2020 of 83.1% (83.3% forecast), -1.7% y/y. The Baltic Dry Bulk index averaged 1,065 in 2020 (vs our 1,096 forecast), -21% y/y. Capesizes averaged \$13,051/d (-27% y/y) in 2020, Panamaxes \$9,906 (-20% y/y) and Supramaxes \$8,180 (-18% y/y).

Our dry bulk asset price index averaged -7% y/y in 2020, close to our -4% forecast. In example, a 5y old Capesize averaged -8% y/y at \$28.4m (vs our \$28.9m forecast), a 5y old Panamax averaged -8% y/y at \$17.6m (\$18.2m forecast) while a 5y old Supramax averaged -4% y/y at \$16.3m (\$17.3m forecast).

Our dry bulk share index averaged 95 in 2020 (-26% y/y), 21% below our 120 forecast from [January 2020](#). Dry bulk share prices have been depressed during 2020 due to sentiment surrounding COVID-19 and stayed subdued despite an uptick in asset prices in the middle of the year. With actual asset prices inserted into our share index forecast model, we get 103 for 2020E in a back-test.





Market outlook

Supply

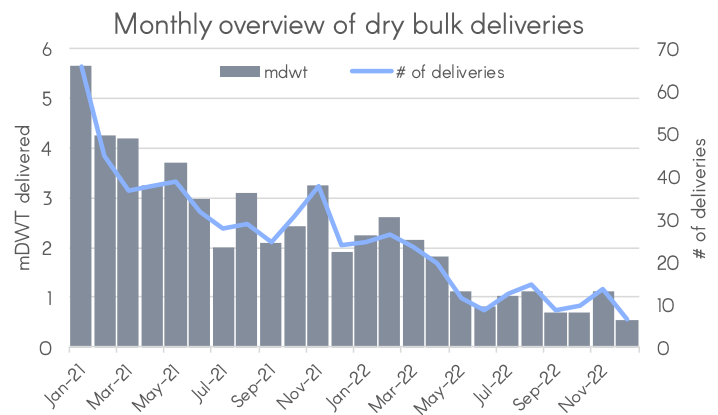
The dry bulk orderbook continues to contract, now at only 6.1% of the fleet. This is the lowest on our record going back to 1996 and compares with the 24.4% historical average. For comparison, the second lowest level was reached in April 2002 at 7.2% of the fleet. Looking at the newbuilding delivery schedule leads to an expected 3.2% growth in the dry bulk fleet's carrying capacity during 2021 and an expected 2.3% net fleet growth y/y at year-end 2021. This is most welcomed news after 2020 which saw net fleet supply growth of 5.8% y/y at year-end, the highest growth number since 2012.

Looking at the vessel **delivery schedule**, deliveries is highly skewed towards 1H21, with 36% of the gross fleet growth for 2021 expected during 1Q and 26% in 2Q. Gross deliveries of Panamaxes are the largest during 2021E at 4.5% of the current fleet, with Capesizes at 3.5%, Supramaxes at 2.7% and Handysizes at 2.5%. Thus, we expect this delivery profile to have a significant negative effect on the dry bulk market balance during 1Q21. With some vessels ordered during December 2020 with delivery as early as in August 2022, there is obviously room for more vessels to be added with delivery times as low as 1.7 years given shipyards' very low orderbooks.

Annualized dry bulk net fleet growth



Dry bulk vessel deliveries



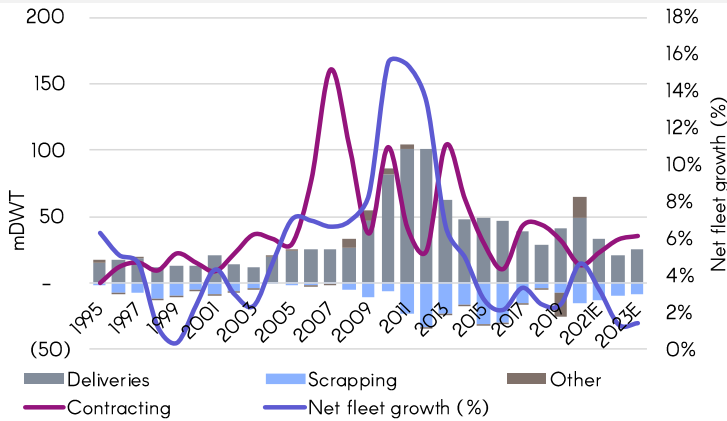
Although we expect that uncertainty over future regulations and technology could keep ordering unusually low going forward as well, we do forecast an increase from the very low levels of 2020 at 14m dwt. We forecast **newbuild contracting** at 23m dwt for 2021E, 33m dwt for 2022E and 36m dwt for 2023E, spurred on by an improving earnings environment.



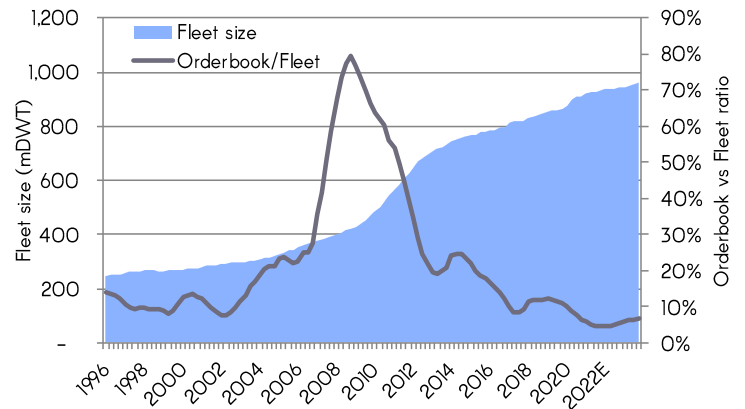
Higher earnings are also expected to impact **scrapping**, where we forecast 13m dwt scrapped in 2021E, 10m dwt in 2022E and 8m dwt during 2023E. This compares with 15m dwt in 2020.

In sum, we forecast **net supply growth** of 3.2% for the full year 2020E, only 1.3% in 2021E and 1.4% in 2022E. Given the historically low orderbook, very limited demand growth is needed in order to significantly improve fleet utilization, earnings and asset prices going forward.

Dry bulk fleet developments



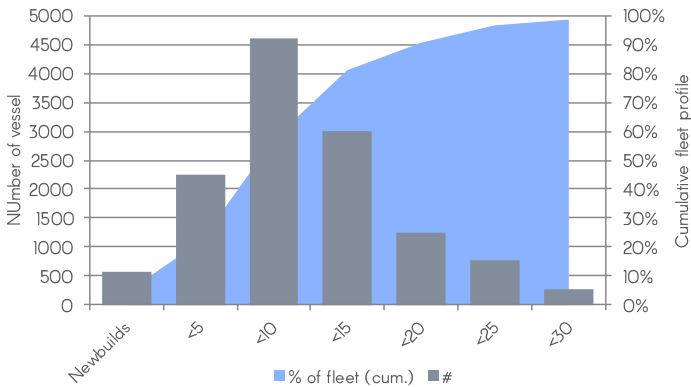
Orderbook vs fleet



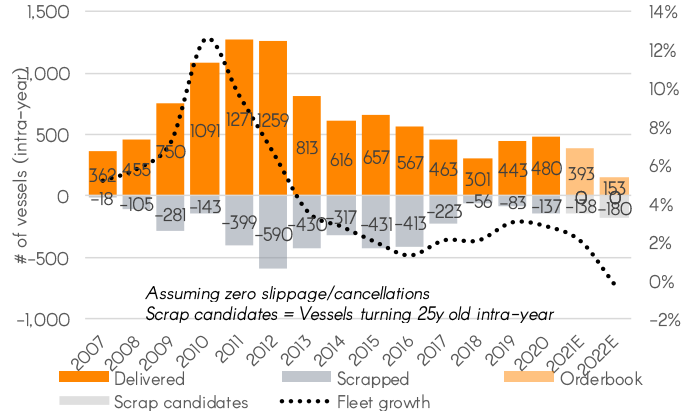


Detailed Supply Side

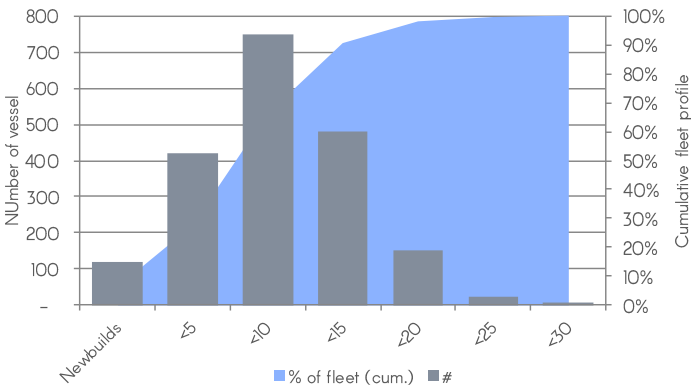
Dry Bulk: Fleet profile



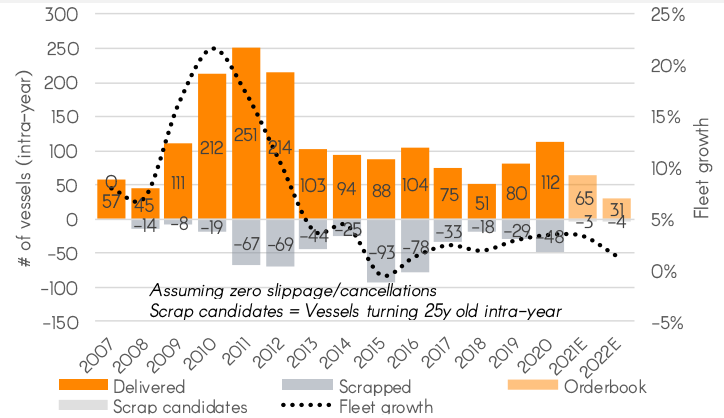
Dry Bulk: Fleet evolution



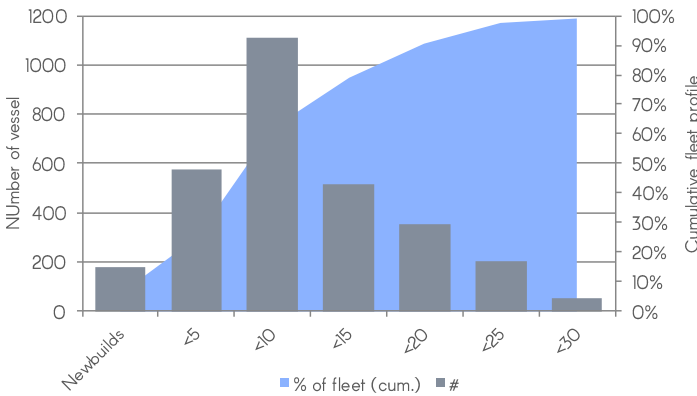
Capesize: Fleet profile



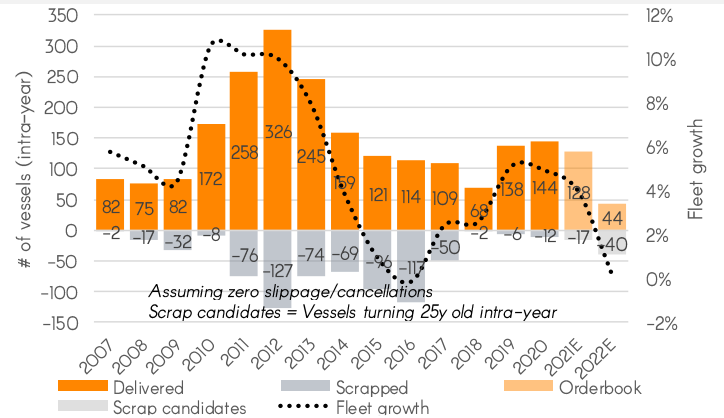
Capesize: Fleet evolution



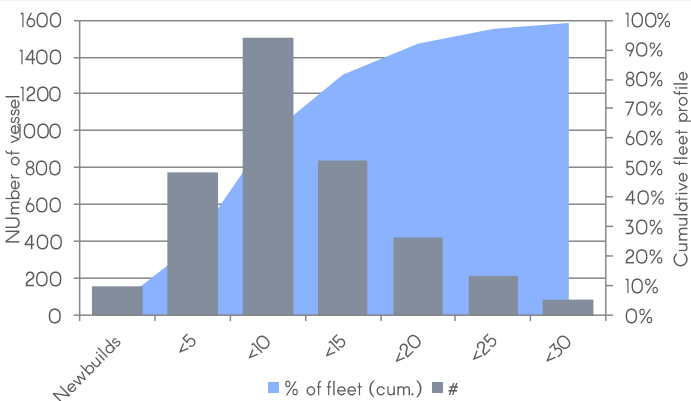
Panamax: Fleet profile



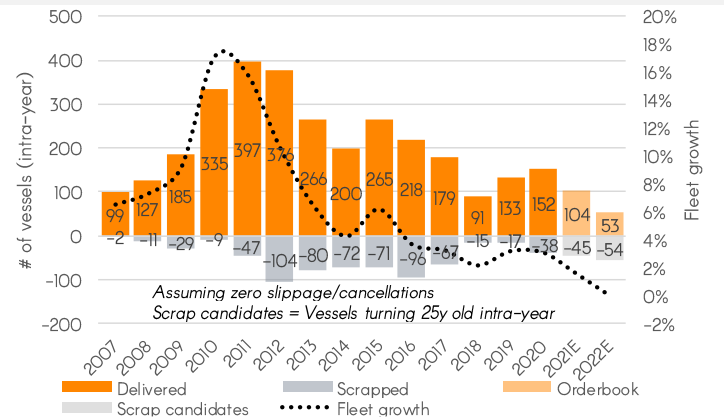
Panamax: Fleet evolution



Supramax: Fleet profile



Supramax: Fleet evolution





Demand

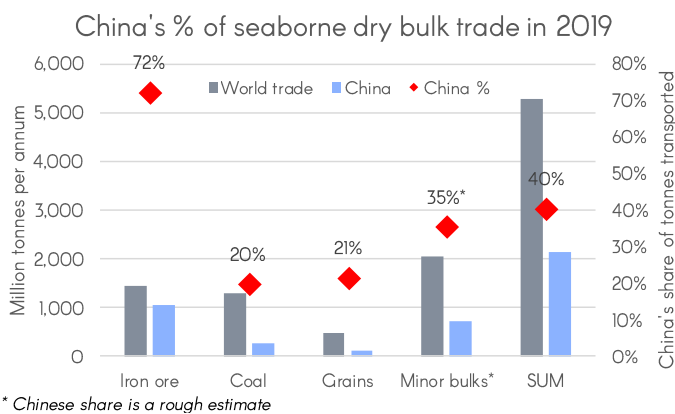
China

Constituting approximately 40% of all demand for seaborne transportation of dry bulk commodities, China is pivotal for demand growth going forward.

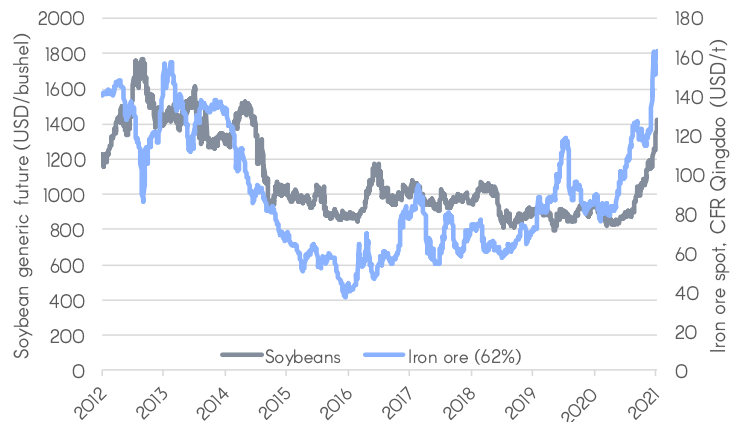
After a weak 1H20, impacted by Chinese New Year and the COVID-19 outbreak, activity has picked up significantly in China. Our [Base Case scenario from April 2020](#) is playing out before our eyes, with all-time-high Chinese steel production and a significant draw on domestic commodity inventories as the global market has been undersupplied. This is exemplified by iron ore prices (62% FE, CFR Qingdao) at an all-time-high, and soybean prices (CBT generic 1st future) at a five-year-high.

Chinese steel production reached 92mt in May and 95mt in August, beating the previous all-time-high of 89mt from May 2019. Iron ore inventories in Chinese ports are currently around 124mt, -24% since the highs in 2018. The ratio between steel output and port inventories are now -36% since the 2018 highs and at levels similar to the lows of 2013 and 2015.

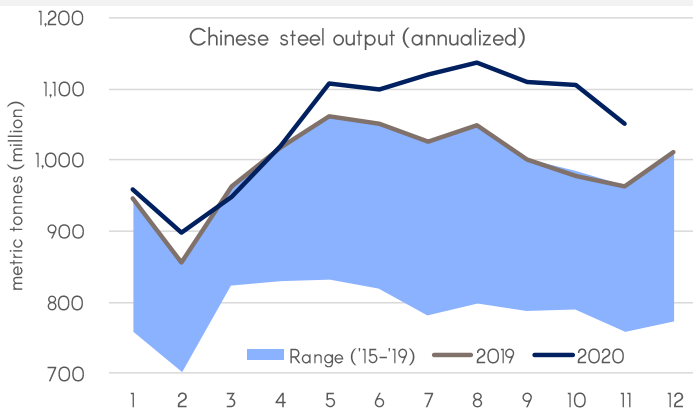
World seaborne dry bulk trade 2019E



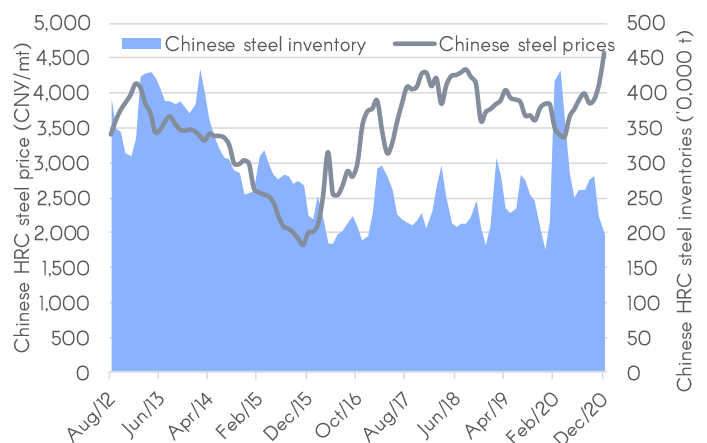
Iron ore & soybean spot prices



Chinese steel production

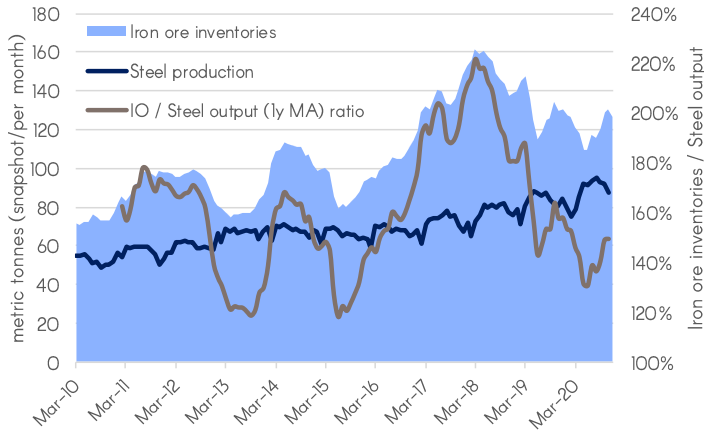


Chinese steel inventories & prices

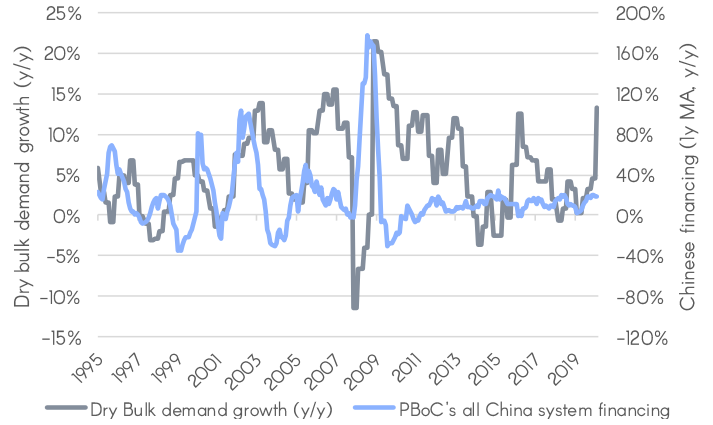




Chinese iron ore stockpiles



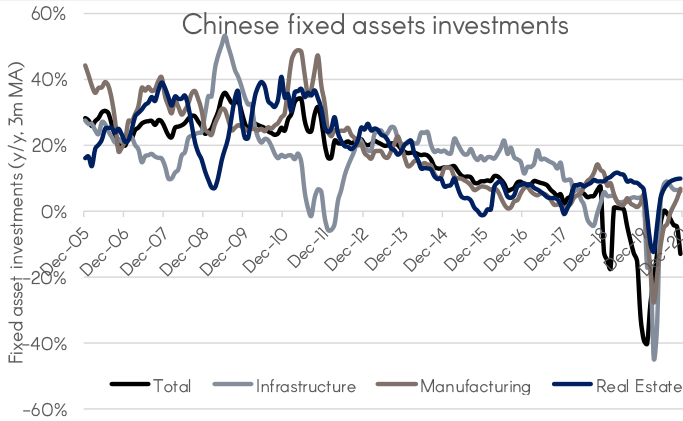
Dry bulk demand vs Chinese finance growth



We expect that Chinese authorities' stimuli efforts will continue into 2021E and believe that a net restocking cycle will follow as soon as the global commodity markets finds a new equilibrium at a higher supply level. This could be highly supportive for dry bulk shipping.

Our main concern is if the COVID-19 outbreak again takes hold in China and disrupts the economy.

Chinese fixed assets investments



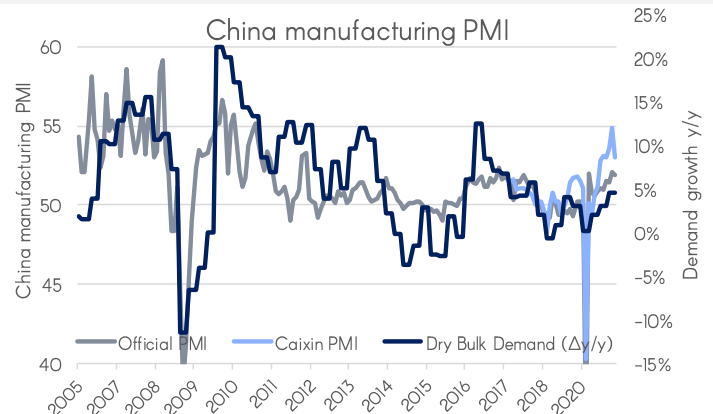
Chinese fixed assets investments



Chinese new export orders PMI



Chinese manufacturing PMI



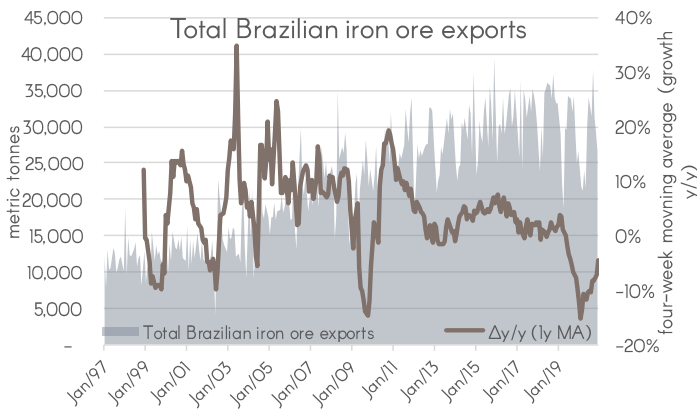


Iron ore

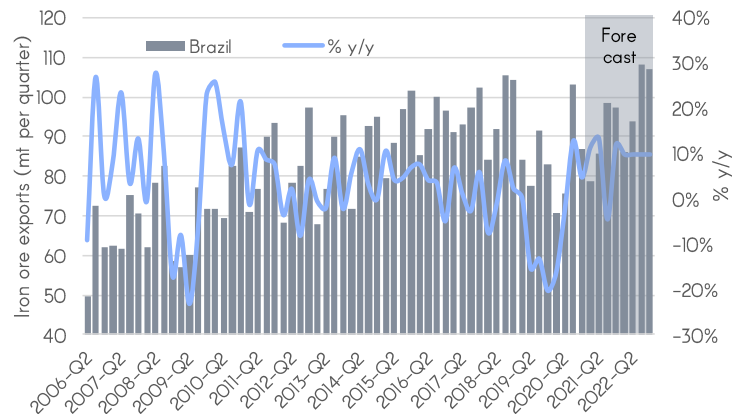
Last year was very volatile for seaborne iron ore transportation, impacted by COVID-19, but also Vale's challenges to normalize production after the January 2019 dam collapse. Iron ore exports averaged -1.3% in 1H20 vs 1H18, with similar numbers for 2H20E vs 2H18 +3.3%

After exporting a mere 71mt in 1Q20 and 76mt in 2Q20, Brazilian iron ore exports in 3Q20 reached 103mt. Against our [forecast from October](#) of 102mt of Brazilian iron ore exports during 4Q20, actual exports of 87mt were highly disappointing and one the main reasons our October spot rate forecasts undershot actuals. Looking further afield, we forecast Brazil to increase iron ore exports to 360mt in 2021E (+7.0% y/y) and 395mt in 2022E (+9.8% y/y) as the industry normalizes in the aftermath of the January 2019 dam collapse and COVID-19 related disruptions in 2020.

Brazilian iron ore exports (monthly)

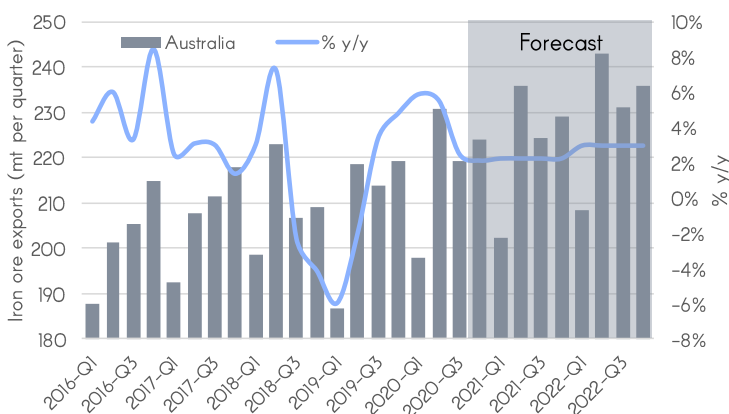


Brazilian iron ore exports (quarterly)

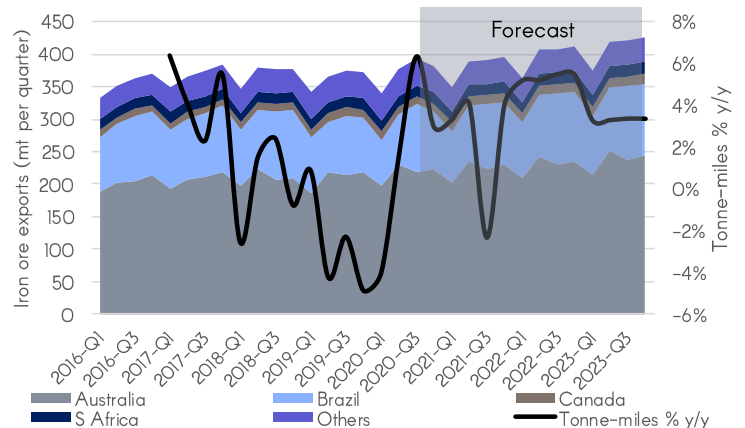


Looking towards **Australia**, iron ore exports amounted to 198mt in 1Q20 and 231mt in 2Q20, leaving 1H20 6% higher than 1H19 which was more negatively affect by the cyclone season. We nudge down our 4Q20E export forecast from 226mt to 224mt with data up until November, and thus expect total iron ore exports of 872mt (+4.0% y/y) for 2020E. Amidst strong demand from China, we forecast that Australian iron ore exports could reach 892mt in 2021E (+2.3% y/y) and 919mt in 2022E (+3.0% y/y).

Australian iron ore exports (quarterly)



Seaborne iron ore exports (quarterly)





Together with smaller seaborne exporters like Canada, India and South Africa, we forecast the global seaborne iron ore trade to rise 2.5% in 2020E, 2.1% in 2021E and 4.4% in 2022E in terms of volume transported. In terms of tonne-miles, the respective numbers are +1.8%, +2.2% and +5.3%.

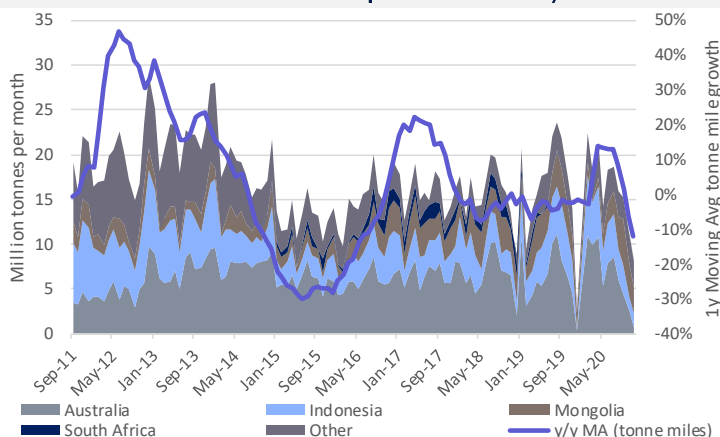
Coal

We continue to see headwinds for global coal consumption but expect that the demand for higher calorific coal could offset the lower consumption somewhat in terms of demand for seaborne transportation.

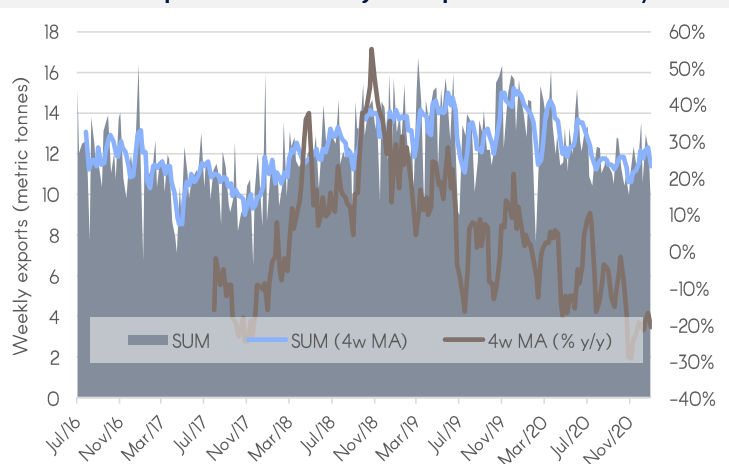
With continued pressure from cleaner energy sources, and also COVID-19, the global seaborne coal trade fell an estimated 9.7% y/y in 2020 in terms of volumes and -10.2% in terms of tonne-miles. We expect this to be partly recouped during 2021 and 2022 as the implications from COVID-19 recedes, but not fully as we expect that the underlying trend away from coal will continue. For 2021, we forecast seaborne coal transportation to rise 3.6% on a tonne-mile basis, and another 3.0% during 2022. Thereafter, we forecast zero growth for the foreseeable future. Although we expect less global consumption of coal, we still forecast for flat growth on a tonne-mile basis as in example China substitutes inferior domestic produce with superior quality foreign imports to reduce emissions and improve local environments.

Looking more detailed at 2020 statistics, we can see that China imported around 182m of thermal coal (-16% y/y) and 44mt coking coal (+4% y/y), according to a December forecast from Shipping Intelligence Network. An increase in coking coal imports coincides well with Chinese steel production reaching a new all-time-high, while the stark decline in Chinese thermal coal imports contrasts with an estimated 4% y/y increase in Chinese thermal coal power generation. However, it is important to remember that only ~7% of Chinese thermal coal consumption is imported with the same number ~12% for coking coal. Thus, small changes in consumption and/or domestic production can have large implications for Chinese coal imports.

Chinese coal imports (monthly)



Coal exports from major exporters (weekly)





Other commodities

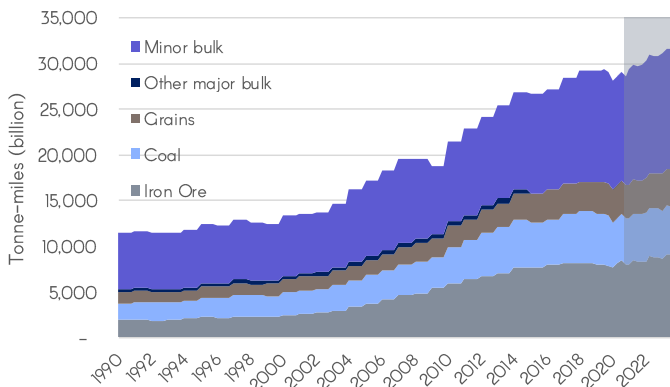
For major agricultural products, we forecast a seaborne trade growth of 5.0% in 2020E and 2.3% in 2021E, similar to Shipping Intelligence Network. Especially soybeans are having a stellar year, with Chinese imports +13% y/y in 2020 to exceed 100mt for the first time. Brazil is by far the major supplier with exports expected +17% y/y to 87mt, but a thawing US-Sino relationship has also led US soybean exports +3% y/y to 49mt. These are very tonne-mile intensive trades.

For other minor dry bulk commodities, we expect -3.1% demand growth in 2020E and +5.4% in 2021E, similar to Shipping Intelligence Networks' forecast. Steel products have been particularly hard hit this year in the wake of COVID-19 and high prices in China, expected -9% y/y in 2020. Nickel ore exports are also expected down in 2020E to 48mt (-28% y/y), mainly due to Indonesia's export ban.

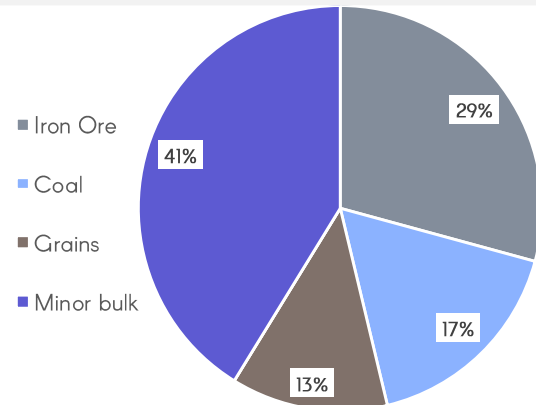
Total dry bulk demand

We forecast overall dry bulk demand growth of 2.6% y/y in 2020E, 7.3% in 2021E, 3.6% in 2022E and 2.5% in 2023E. This compares with 2.0% in 2019 and is largely below the historical average growth rate of 5.1% as the immense historical growth in Chinese demand abates. However, despite China moving towards cleaner fuel and an expected plateauing of steel production, we still see demand growth for iron ore and coal from substitution of domestic produce to superior quality imports. Higher FE-grade iron ore and coal with a higher calorific content is an important tool for authorities to achieve better air quality in the medium term.

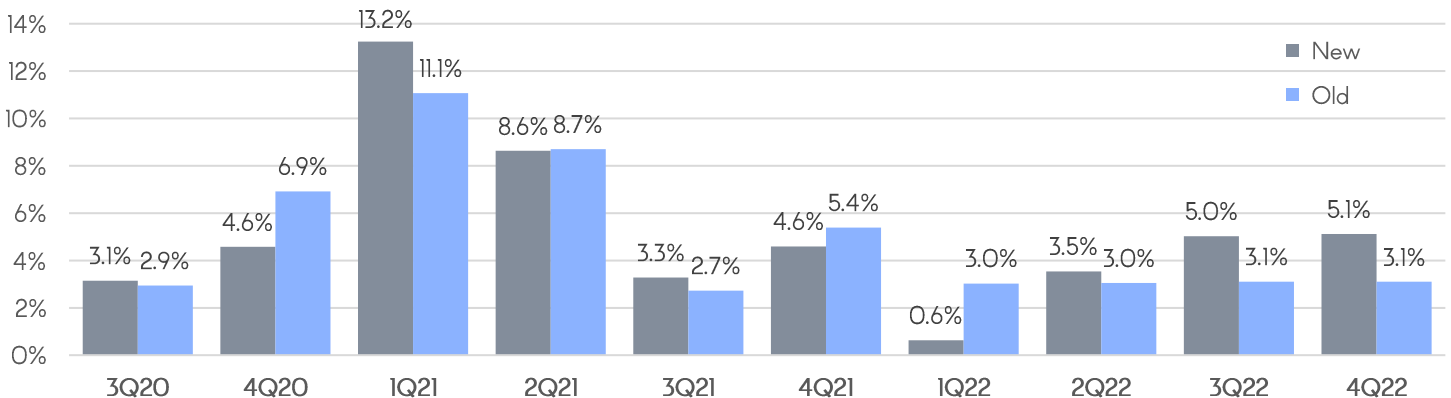
Historical dry bulk shipping demand



Dry bulk shipping demand by commodity (2020E)



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





Fleet utilization

Combining the supply and demand sides of the equation leads us to forecast fleet utilization 86.4% in 2021E (+3.3%p y/y), 88.3% in 2022E and 89.2% in 2023E.

Our fleet utilization forecast implies the Baltic Dry Index to average 1,575 in 2021E (+48% y/y), Capesizes to average \$20.3k/d (+55% y/y), Panamaxes to average \$13.9k/d (+40% y/y) and Supramaxes to average \$11.5k/d (+41% y/y).

The dry bulk fleet utilization is seemingly very close to an inflection point, exemplified by recent multi-year high spikes in Capesize spot rates in both 3Q19 and in 2H20. With the lowest orderbook on record, very little demand growth is needed to push dry bulk earnings into super-cycle territory. We remain highly optimistic for the coming years and retain the dry bulk segment as our top pick within our shipping universe.

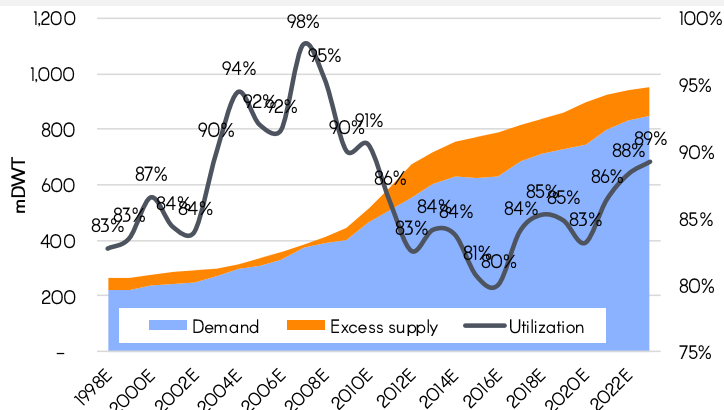
Overview of our estimate changes

Delta table: Dry bulk shipping forecast summary

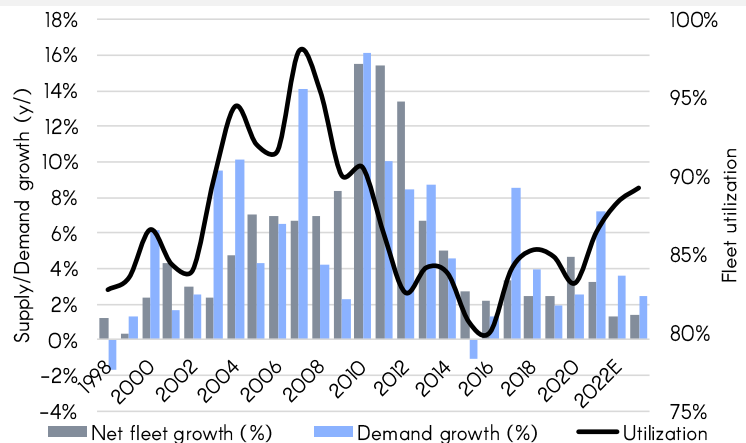
Δ y/y	2020	2021E	2022E	2023E	Average	2020	2021E	2022E	2023E
Supply	4.6%	3.2%	1.3%	1.4%	Baltic Dry Index	1,065	1,575	2,117	2,369
Supply, old	4.6%	2.9%	0.8%	0.4%	BDI, old	1,047	1,340	1,794	2,205
Δ	0.0%p	0.3%p	0.5%p	1.1%p	Δ	18	235	323	165
Demand	2.6%	7.3%	3.6%	2.5%	Capesize spot	13,051	20,259	29,715	34,117
Demand, old	2.4%	5.4%	3.3%	2.2%	Capesize spot, old	12,735	16,157	24,082	31,244
Δ	0.2%p	1.9%p	0.3%p	0.3%p	Δ	317	4,102	5,633	2,873
Utilization	83.1%	86.4%	88.3%	89.2%	Capesize 5y	28.4	33.5	46.0	51.2
Utilization, old	83.0%	85.1%	87.1%	88.7%	Capesize 5y, old	28.4	32.7	42.4	48.5
Δ	0.1%p	1.3%p	1.2%p	0.5%p	Δ	-	0.7	3.5	2.7
					Share Index	95	140	255	305
					Share Index, old	95	145	253	320
					Δ	0%	-4%	1%	-5%

¹Sum during period ²Average during period

Dry bulk supply/demand & utilization (annually)

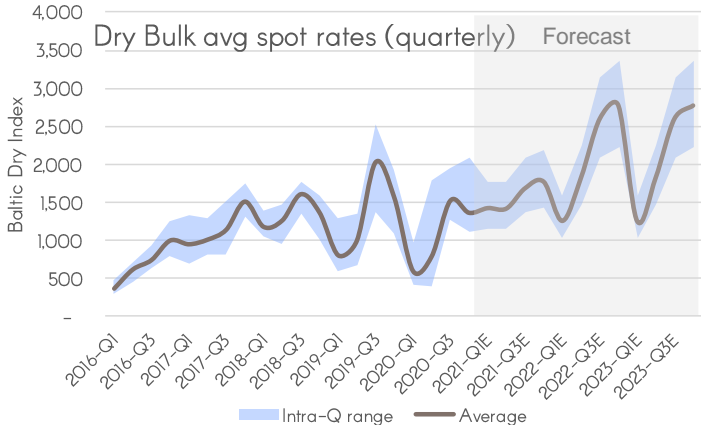


Dry bulk supply/demand & utilization (annually)

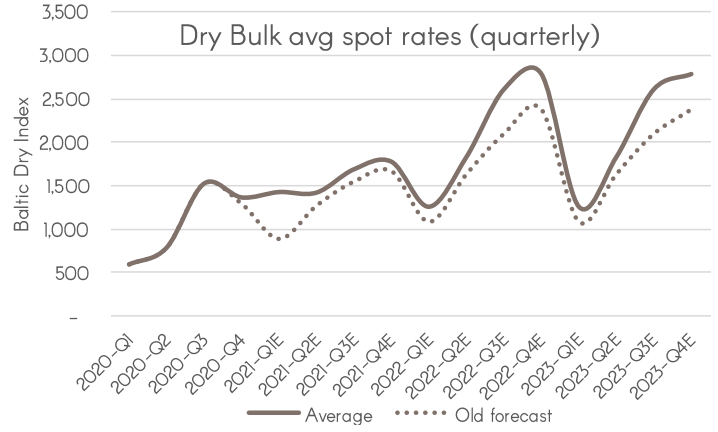




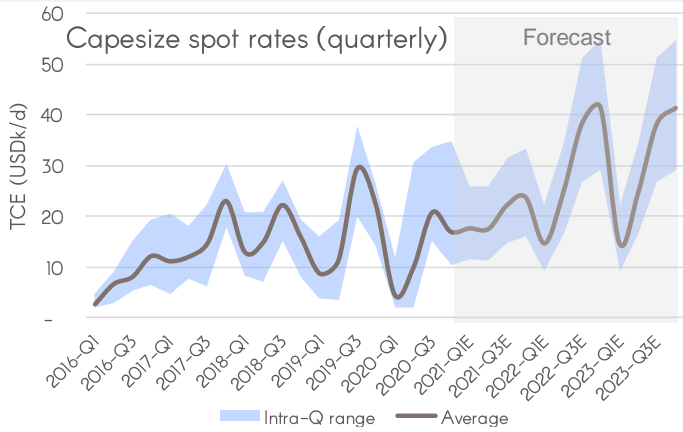
Baltic Dry Index: Historical & forecast (quarterly)



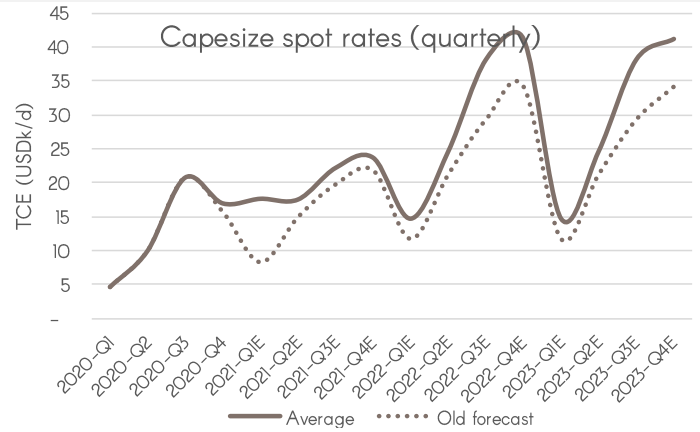
Baltic Dry Index: New vs old forecast



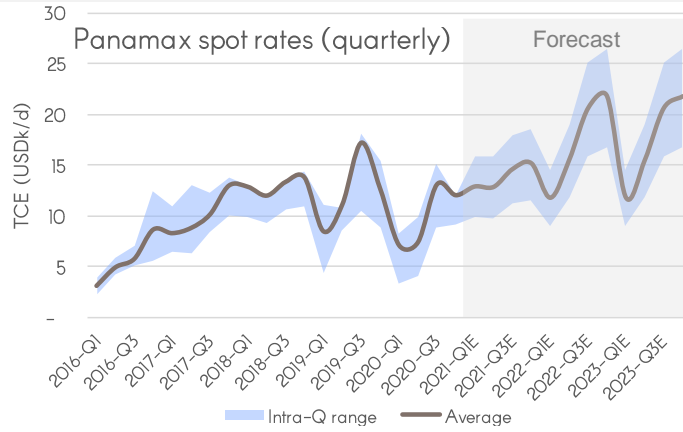
Capesize: Historical & forecast (quarterly)



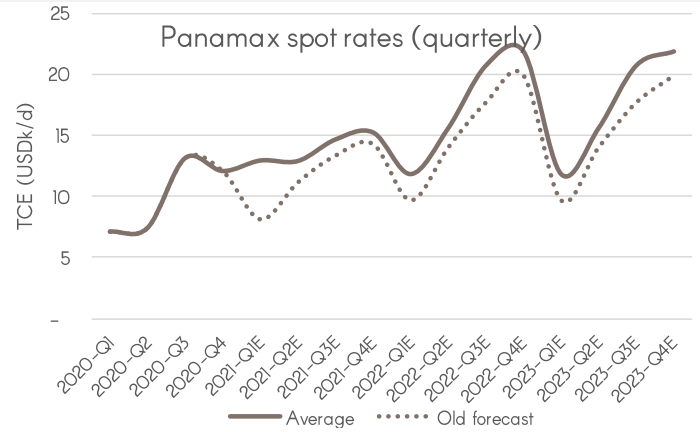
Capesize: New vs old forecast



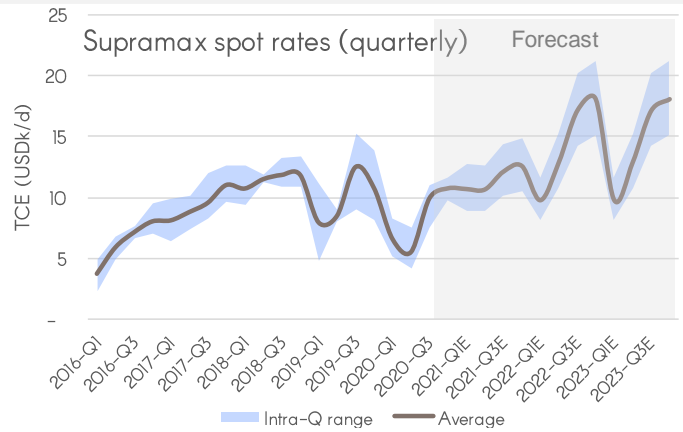
Panamax: Historical & forecast (quarterly)



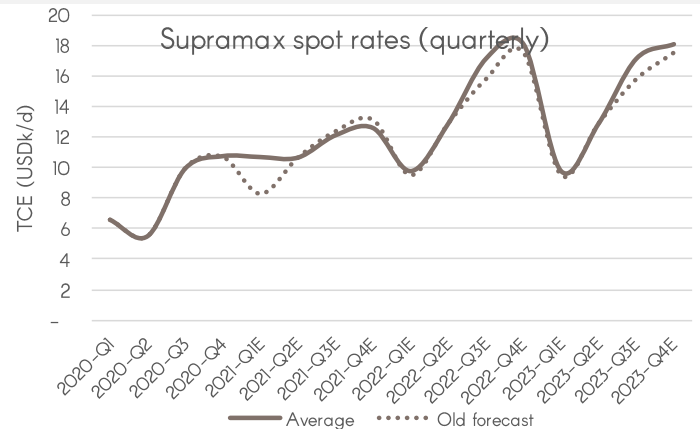
Panamax: New vs old forecast



Supramax: Historical & forecast (quarterly)



Supramax: New vs old forecast





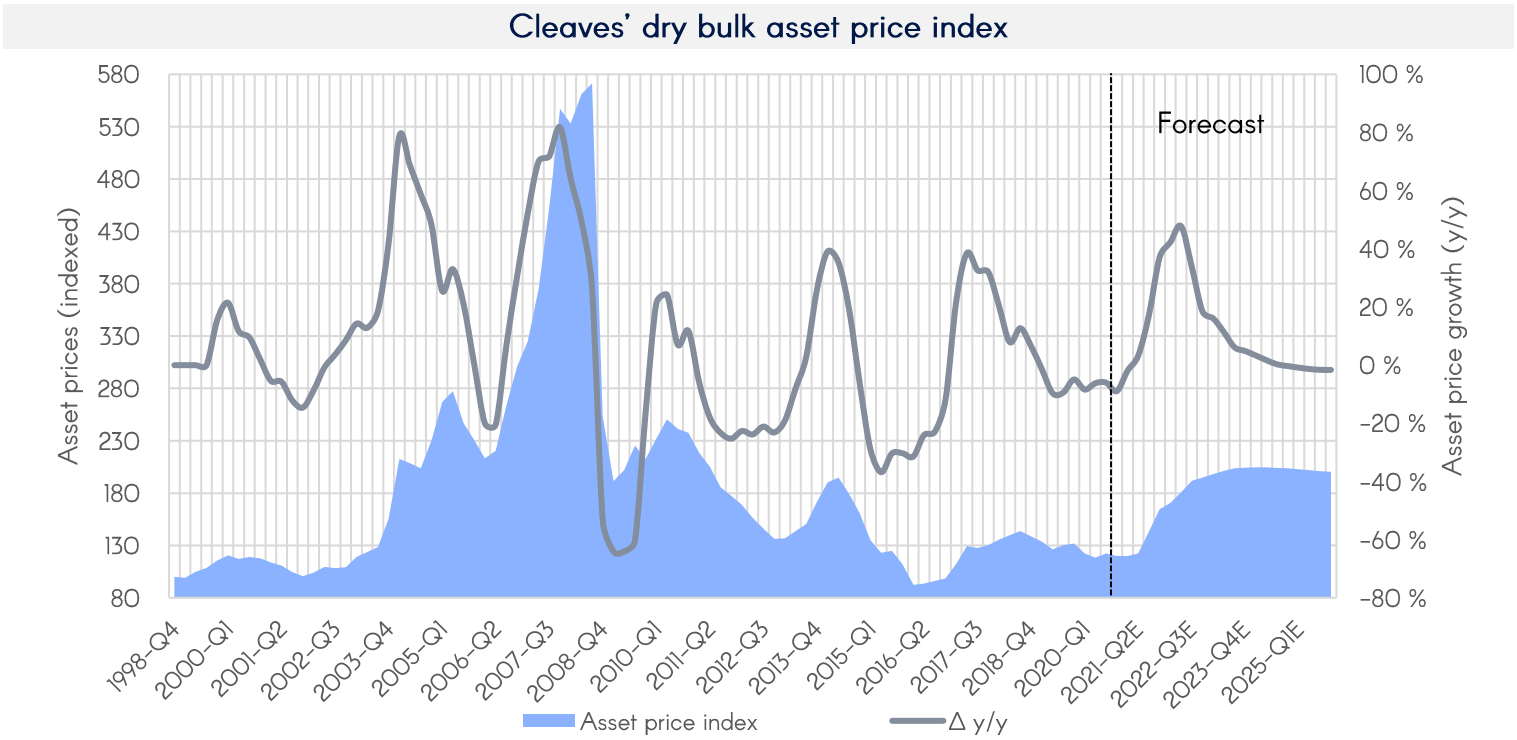
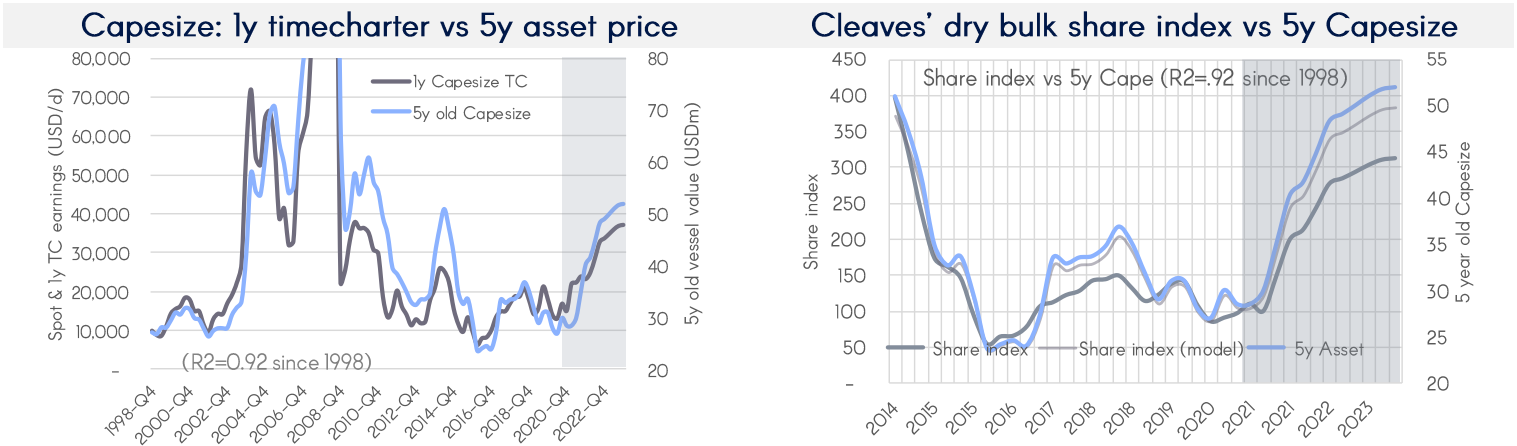
Asset & share prices

Asset values troughed in 2016 and our dry bulk asset price index rose 52% until 3Q18, before retreating some 16% by 2Q20. In light of recent improvements and our positive view on the future, we see our dry bulk asset price index potentially +42% in one year and +65% in two years. Given the forward-looking nature of share and asset prices, and the historically relationship between the two;

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

we believe that our dry bulk share index could rally +66% in one year and +129% in two years from current levels.

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



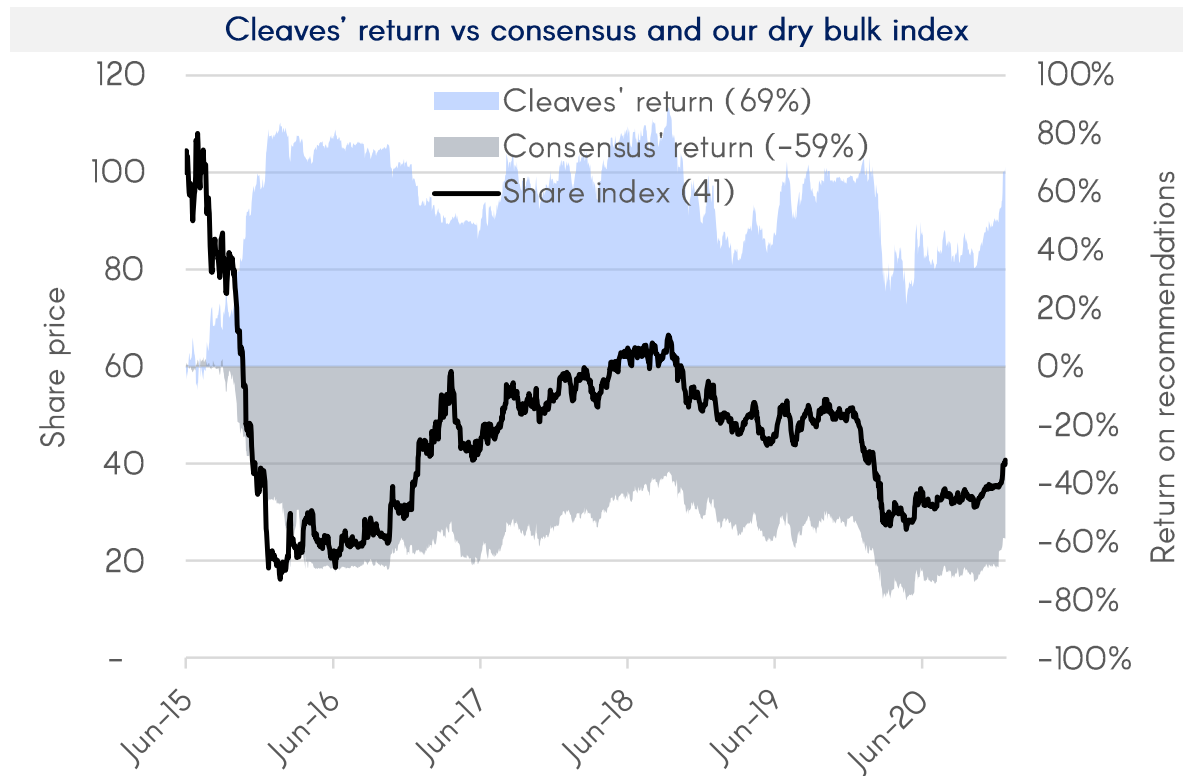


Cleaves Securities

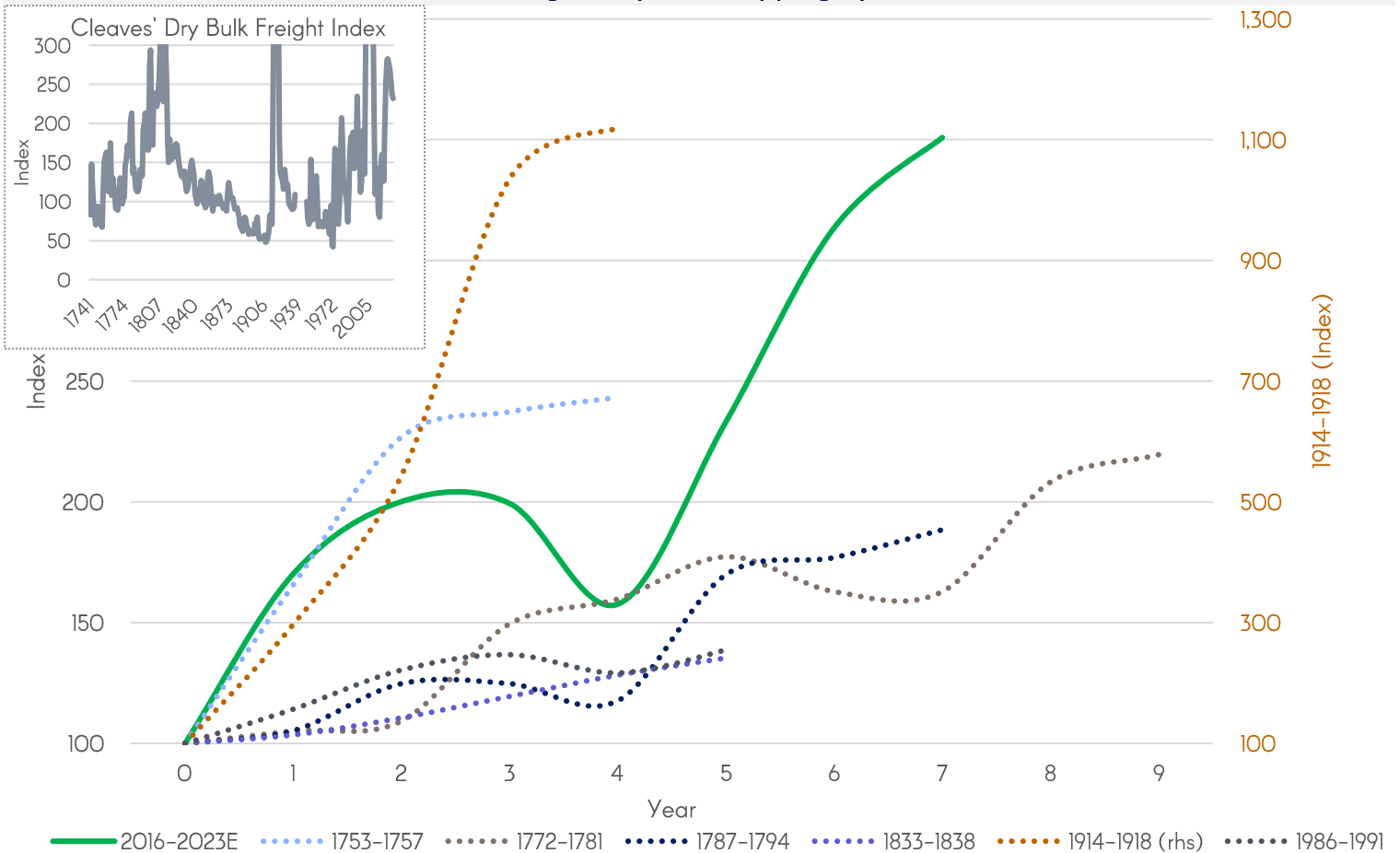
Dry Bulk BUY

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

Since we resumed coverage of dry bulk shipping shares in 2014, we have had a 69% return on our recommendations vs the market & consensus at -59%.

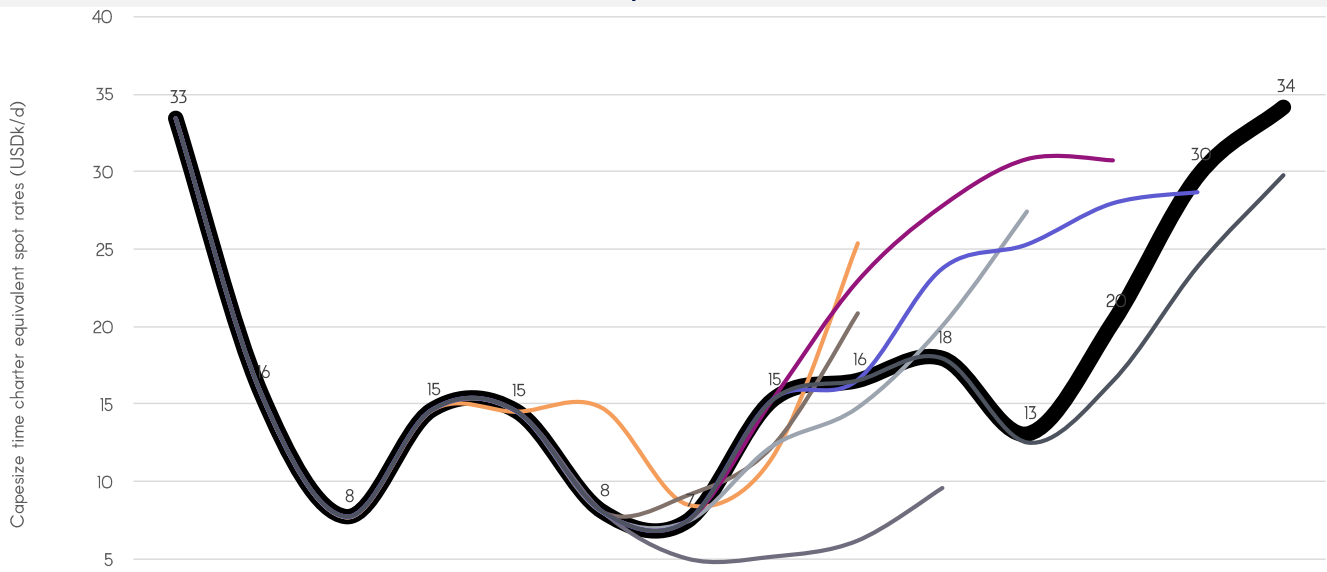


Some of the longest dry bulk shipping cycles since 1741





Cleaves' historical Capesize forecasts vs actuals



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Actuals/Forecast	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	17,915	13,051	20,259	29,715	34,117
Dec-14	33,406	15,699	7,717	14,578	14,515	14,759	8,541	11,589	25,364					
Jun-15	33,406	15,699	7,717	14,578	14,515	8,068	9,121	12,287	20,852					
Apr-16	33,406	15,699	7,717	14,578	14,515	8,074	5,007	5,120	6,146	9,555				
Jun-17	33,406	15,699	7,717	14,578	14,515	8,074	7,421	12,266	14,732	19,997	27,406			
Jan-18	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	22,882	27,767	30,789	30,694		
Jan-19	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	23,703	25,274	27,919	28,642	
Jan-20	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	17,915	12,495	16,467	23,885	29,739



Cleaves Securities

Dry Bulk BUY

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

Changes to our econometric model

Dry Bulk, base case	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	26	46	82	100	101	63	48	49	47	38	29	42	49	33	20	26
Scrapping ¹	(6)	(11)	(6)	(23)	(33)	(23)	(16)	(31)	(29)	(15)	(4)	(8)	(15)	(13)	(10)	(8)
Other ¹	7	9	4	3	(1)	(0)	(0)	(1)	(1)	(0)	(0)	(17)	16	(0)	0	(0)
Contracting ¹	102	37	103	42	24	104	63	30	11	43	44	32	14	23	33	36
Supply ²	411	445	515	594	674	718	754	774	791	817	837	858	898	927	939	953
Δ y/y	7.0%	8.4%	15.5%	15.4%	13.4%	6.7%	5.0%	2.7%	2.1%	3.3%	2.4%	2.5%	4.6%	3.2%	1.3%	1.4%
Demand ²	392	401	466	513	556	604	632	625	633	687	714	728	747	801	830	850
Δ y/y	4.2%	2.3%	16.2%	10.0%	8.5%	8.7%	4.5%	-1.1%	1.3%	8.5%	3.9%	2.0%	2.6%	7.3%	3.6%	2.5%
Utilization ²	95%	90%	91%	86%	83%	84%	84%	81%	80%	84%	85%	85%	83%	86%	88%	89%
BDI ² (Index)	6,347	2,622	2,762	1,551	922	1,207	1,106	715	675	1,149	1,351	1,346	1,065	1,575	2,117	2,369
Cape, spot ² (TCE)	105,214	42,774	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	17,915	13,051	20,259	29,715	34,117
Pana, spot ² (TCE)	48,682	19,332	25,059	14,016	7,701	9,497	7,726	5,534	5,588	10,053	13,009	12,383	9,906	13,901	17,472	19,134
Supra, spot ² (TCE)	41,290	17,351	22,477	14,409	9,459	10,296	9,819	6,941	6,168	9,365	11,488	9,923	8,180	11,515	14,483	15,865
Handy, spot ² (TCE)	29,100	11,359	16,437	10,560	7,636	8,190	7,687	5,366	5,222	7,659	10,482	9,274	8,003	11,272	13,486	14,517
Cape, 5y ² (USDm)	128	52	57	43	34	36	47	33	24	32	35	31	28	33	46	51
Pana, 5y ² (USDm)	73	32	39	31	22	21	24	17	14	18	21	19	18	20	28	31
Supra, 5y ² (USDm)	61	27	32	28	22	21	25	16	13	16	18	17	16	18	22	24
Handy, 5y ² (USDm)	44	21	26	23	18	18	20	13	10	14	15	16	15	17	22	22
OB ²	306	319	311	279	184	142	182	151	115	75	99	99	74	47	46	60
OB/Fleet ²	75%	72%	60%	47%	27%	20%	24%	19%	15%	9%	12%	12%	8%	5%	5%	6%
Share Index ²	1,125	512	581	381	258	297	354	144	65	117	142	129	95	140	255	305

¹Sum during period ²Average during period

Old Demand/Supply (mDWT)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	26	46	82	101	101	63	48	49	47	38	28	42	48	32	14	16
Scrapping ¹	(6)	(11)	(6)	(23)	(33)	(23)	(16)	(31)	(29)	(15)	(4)	(8)	(14)	(15)	(12)	(9)
Other ¹	7	9	4	4	(1)	(0)	(0)	(1)	(1)	(0)	(0)	(17)	16	0	(0)	0
Contracting ¹	102	37	103	42	24	104	63	30	11	43	44	30	11	16	29	34
Supply ²	411	445	514	594	674	718	754	774	791	817	837	858	897	923	931	935
Δ y/y	7.0%	8.4%	15.5%	15.5%	13.4%	6.7%	5.0%	2.7%	2.1%	3.3%	2.4%	2.5%	4.6%	2.9%	0.8%	0.4%
Demand ²	392	401	466	512	556	604	632	625	633	687	714	728	745	785	811	829
Δ y/y	4.2%	2.3%	16.2%	10.0%	8.5%	8.7%	4.5%	-1.1%	1.3%	8.5%	3.9%	1.9%	2.4%	5.4%	3.3%	2.2%
Utilization ²	95%	90%	91%	86%	83%	84%	84%	81%	80%	84%	85%	85%	83%	85%	87%	89%
BDI ² (Index)	6,347	2,622	2,762	1,551	922	1,207	1,106	715	675	1,149	1,351	1,346	1,047	1,340	1,794	2,205
Cape, spot ² (TCE)	105,214	42,774	33,406	15,699	7,717	14,578	14,515	8,074	7,421	15,215	16,494	17,915	12,735	16,157	24,082	31,244
Pana, spot ² (TCE)	48,682	19,332	25,059	14,016	7,701	9,497	7,726	5,534	5,588	9,789	11,654	11,065	8,869	10,367	13,974	17,233
Supra, spot ² (TCE)	41,290	17,351	22,477	14,409	9,459	10,296	9,819	6,941	6,168	9,365	11,488	9,923	8,160	11,079	13,902	16,454
Handy, spot ² (TCE)	29,100	11,359	16,437	10,560	7,636	8,190	7,687	5,366	5,222	7,659	10,482	9,274	7,931	8,415	10,309	12,020
Cape, 5y ² (USDm)	128	52	57	43	34	36	47	33	24	32	35	31	28	33	42	48
Pana, 5y ² (USDm)	73	32	39	31	22	21	24	17	14	18	19	19	18	19	24	28
Supra, 5y ² (USDm)	61	27	32	28	22	21	25	16	13	16	18	17	16	18	22	25
Handy, 5y ² (USDm)	44	21	26	23	18	18	20	13	10	14	15	16	15	15	18	20
OB ²	306	319	311	279	184	142	182	151	115	75	99	98	71	41	36	54
OB/Fleet ²	75%	72%	60%	47%	27%	20%	24%	19%	15%	9%	12%	11%	8%	4%	4%	6%
Share Index ²	1,125	512	581	381	258	297	354	144	65	117	142	129	95	145	253	320

¹Sum during period ²Average during period

Δ Demand/Supply (mDWT)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	0	0	0	(0)	(0)	0	(0)	(0)	(0)	(0)	0	0	1	1	7	9
Scrapping ¹	0	(0)	0	0	0	0	0	(0)	(0)	(0)	(0)	0	(1)	2	2	1
Other ¹	0	0	(0)	(0)	(0)	(0)	0	0	0	0	0	0	0	(0)	0	(0)
Contracting ¹	0	-	-	-	(0)	(0)	0	(0)	0	0	0	2	2	7	4	2
Supply ²	0	0	0	0	0	0	0	0	0	0	0	0	0	4	8	18
Δ y/y	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.5%	1.1%
Demand ²	0	0	0	0	0	0	0	0	0	0	0	0	1	15	19	21
Δ y/y	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	1.9%	0.3%	0.3%
Utilization ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%
BDI ² (Index)	-	-	-	-	-	-	-	-	-	-	-	-	18	235	323	165
Cape, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	317	4,102	5,633	2,873
Pana, spot ² (TCE)	-	-	-	-	-	-	-	-	-	265	1,355	1,318	1,037	3,534	3,498	1,901
Supra, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	21	436	580	(590)
Handy, spot ² (TCE)	-	-	-	-	-	-	-	-	-	-	-	-	72	2,857	3,177	2,497
Cape, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	-	1	4	3
Pana, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	0	2	-	-	1	4	3
Supra, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	0	(0)
Handy, 5y ² (USDm)	-	-	-	-	-	-	-	-	-	-	-	-	-	1	3	3
OB ²	0	0	0	0	(0)	(0)	0	(0)	0	0	0	1	3	6	10	5
OB/Fleet ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	0%
Share Index ²	-	-	-	-	-	-	-	-	-	-	-	-	(0)	(5)	2	(15)

¹Sum during period ²Average during period

Δ% Demand/Supply (mDWT)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	3%	50%	56%
Scrapping ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%	-15%	-16%	-9%
Other ¹	0%	0%	-1%	-1%	0%	3%	-26%	-3%	-1%	-2%	0%	0%	-398%	-528%	-128%	
Contracting ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%	22%	46%	14%	6%
Supply ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	2%
Δ y/y	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	12%	60%	285%
Demand ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	2%	3%
Δ y/y	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	35%	10%	12%
Utilization ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	1%	1%
Utilization ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	18%	18%	7%
BDI ² (Index)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	25%	23%	9%
Cape, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	12%	12%	12%	34%	25%	11%
Pana, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	4%	-4%
Supra, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	34%	31%	21%
Handy, spot ² (TCE)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	8%	6%
Cape, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	10%	0%	0%	7%	16%	10%
Pana, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	-1%
Supra, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%	19%	14%
Handy, 5y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	14%	10%
OB ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	4%	14%	28%	10%
OB/Fleet ²	0%															

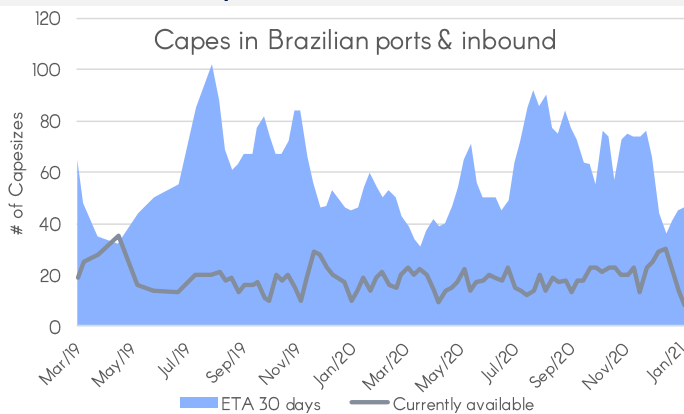


Seasonality

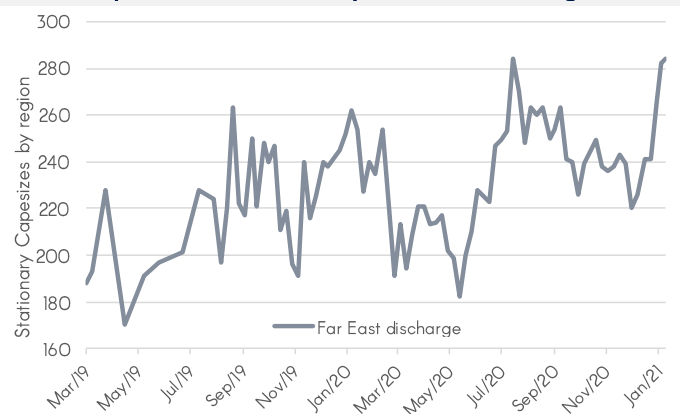
Our research shows that dry bulk spot rates usually collapse into 1Q: Negatively impacted by Chinese New Year (12 February 2021), Brazilian rainy season (October–March) and Australian cyclone season (November–April). The decline usually starts around eight weeks prior to Chinese New Year, similar to 18 December 2020.

Given the high realized rates over the past month, the usual seasonality has so far not played out. We credit this mainly to a dry weather in Brazil at the peak of the rainy season, a thin tonnage list in the Atlantic, discharge delays in the Far East and only one mild cyclone in Australia so far this cyclone-season. We don't expect that this lull in seasonal headwinds will persist, and still see spot rates lower as we approach Chinese New Year.

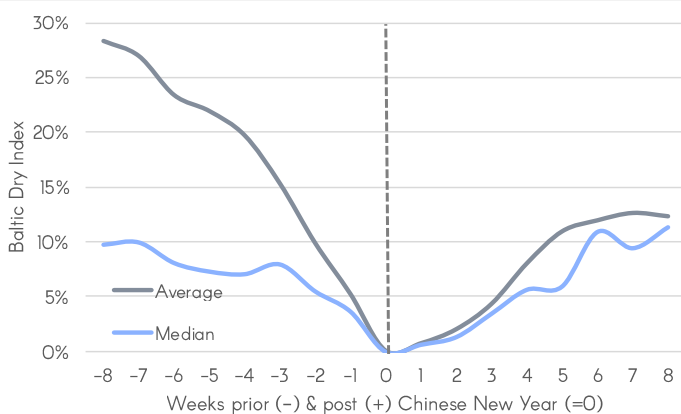
of Capesizes inbound for Brazil



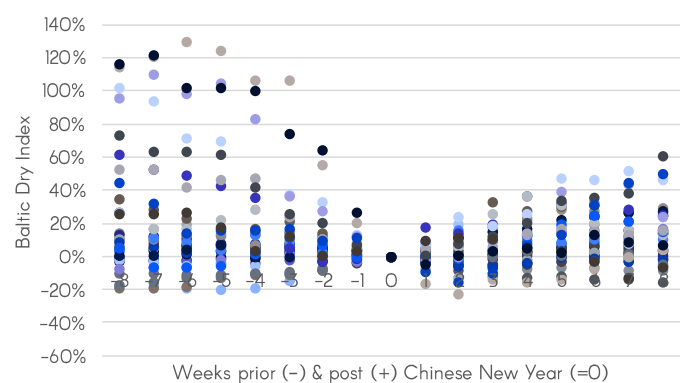
of Capesizes stationary in FE discharge areas



Dry Bulk spot rates vs Chinese New Year



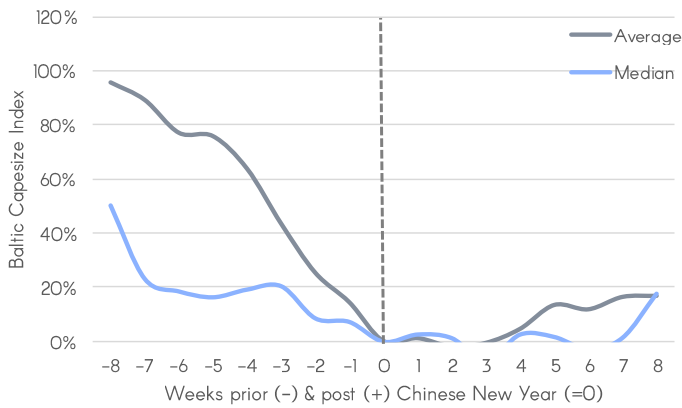
Dry Bulk spot vs Chinese New Year (distribution)



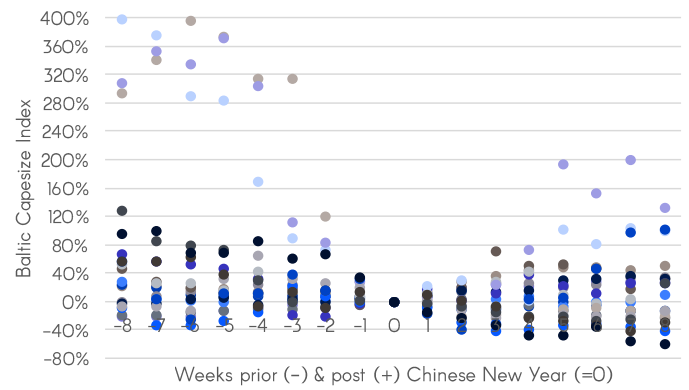
Looking at the specific vessel segments, we clearly see that Capesize vessels exhibits the largest seasonal volatility. While Panamax and Supramax spot rates tend to recover by week eight after Chinese New Year, Capesize spot rates remain at low levels both on average and on median.



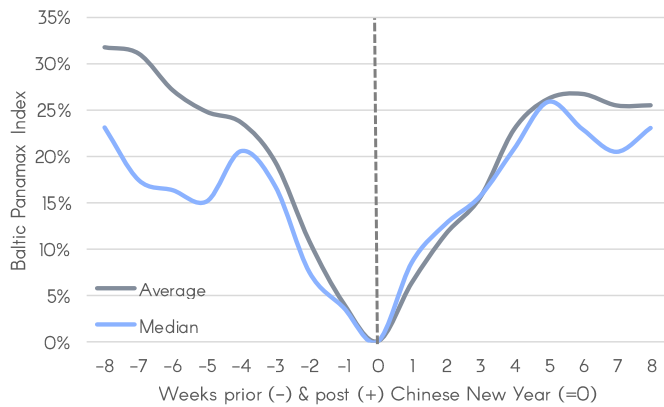
Capesize spot rates vs Chinese New Year



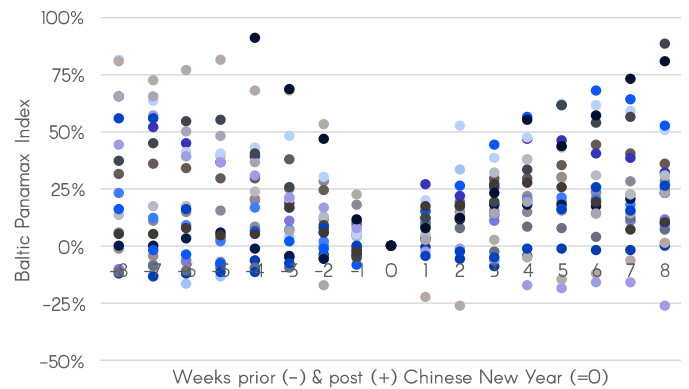
Capesize spot vs Chinese New Year (distribution)



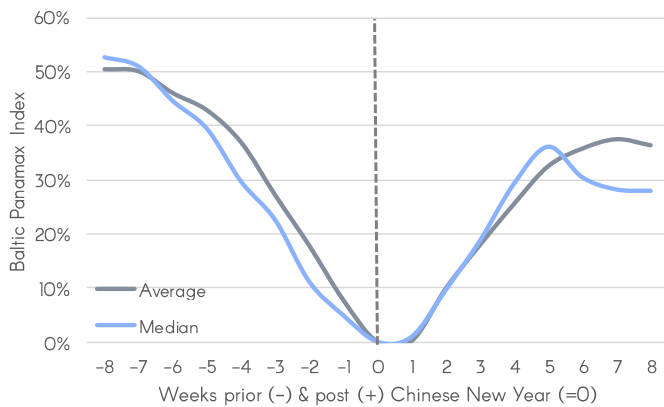
Panamax spot rates vs Chinese New Year



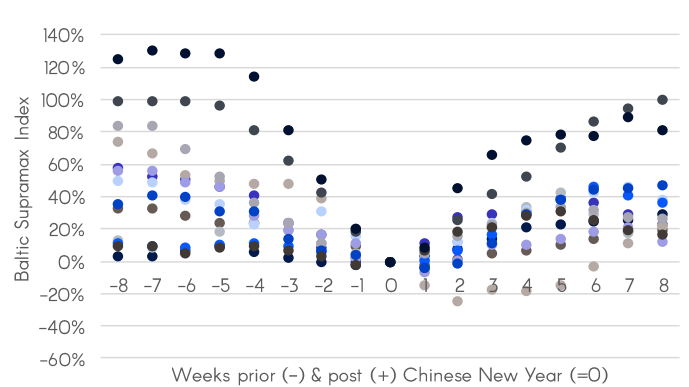
Panamax spot vs Chinese New Year (distribution)



Supramax spot rates vs Chinese New Year



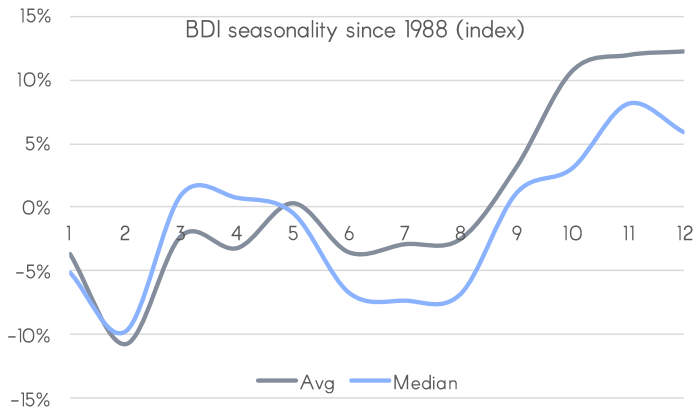
Supramax spot vs Chinese New Year



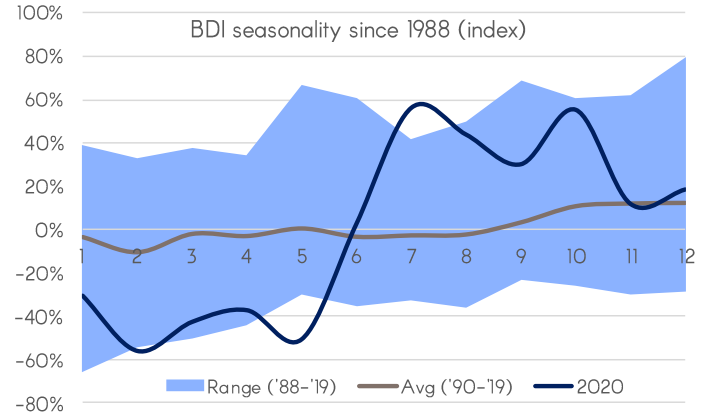
Helping to explain the movements after Chinese New Year, we see that both Panamax and Supramax spot rates tend to recover from March, supported by the agricultural harvest season. As Capesizes primarily are carrying iron ore and coal, spot rates for this vessel class traditionally remains subdued until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



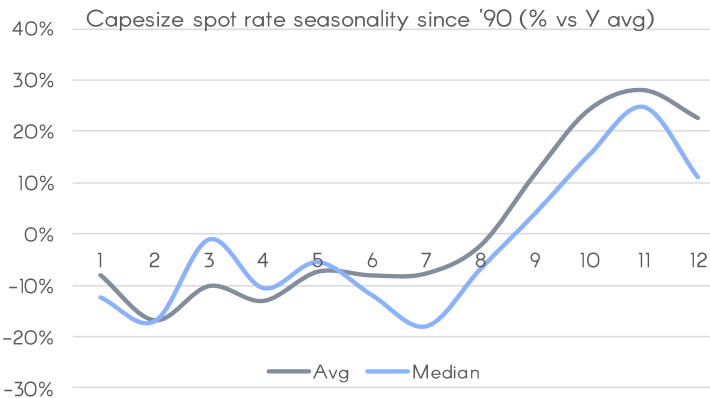
Historical Baltic Dry Index seasonality



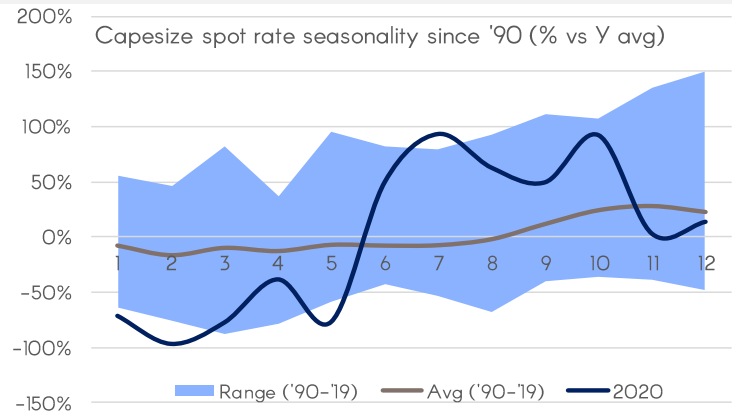
Historical Baltic Dry Index seasonality



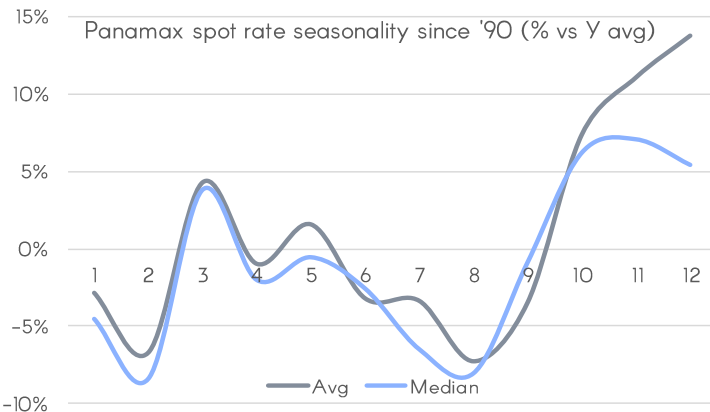
Historical Capesize spot rate seasonality



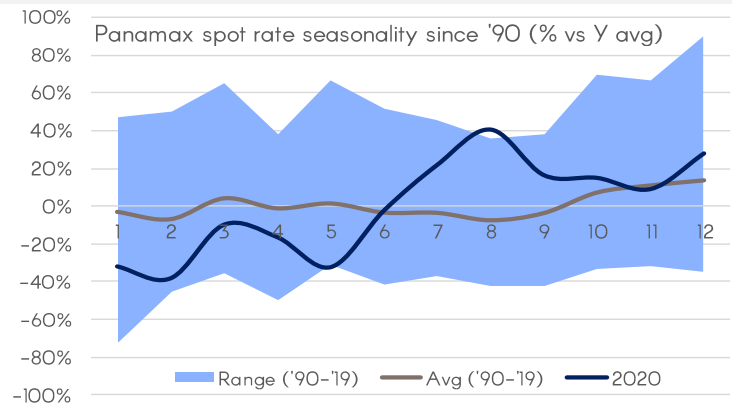
Historical Capesize spot rate seasonality



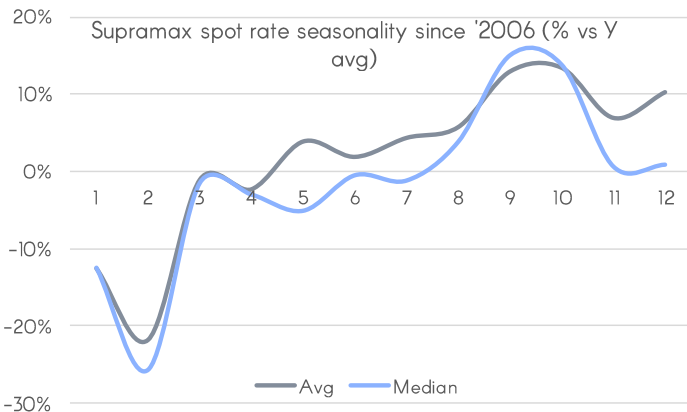
Historical Panamax spot rate seasonality



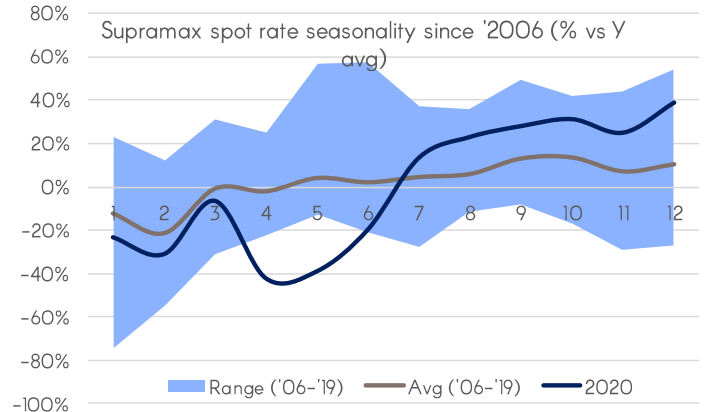
Historical Panamax spot rate seasonality



Historical Supramax spot rate seasonality



Historical Supramax spot rate seasonality

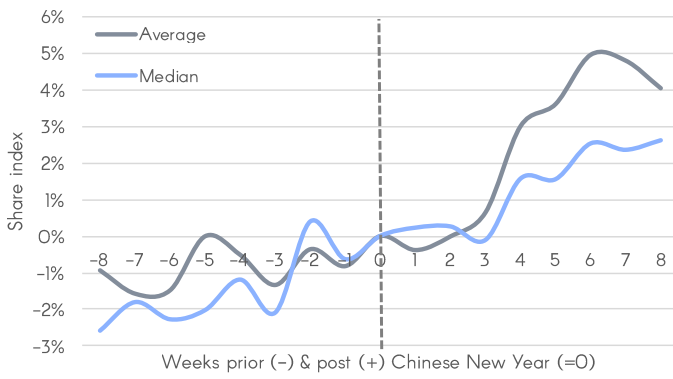




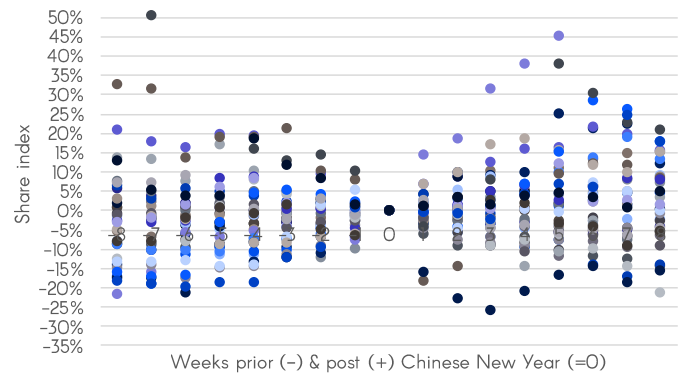
Having established a clear seasonal pattern for each dry bulk vessel class, the natural question is whether dry bulk share prices exhibit similar seasonality or if investors are able to see through it. Fortunately, the equity market is efficient, and we find zero correlation between season and share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

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

Dry Bulk share index vs Chinese New Year



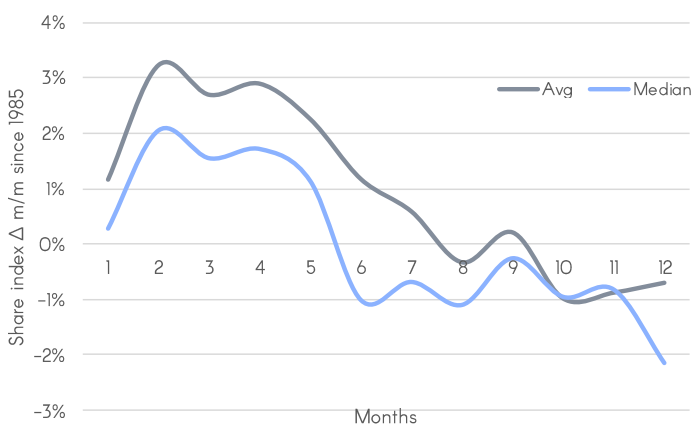
Dry Bulk share index vs Chinese New Year



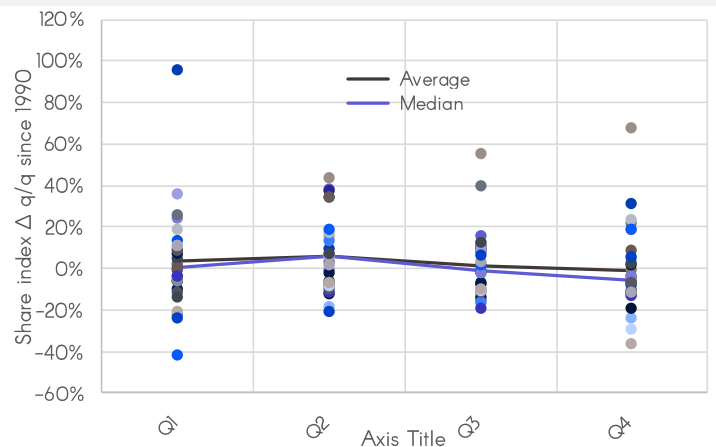
This appearance is further evident when we run a multivariate regression analysis, where our dry bulk share price movements exhibit an adjusted R^2 of 0.00 on a m/m basis and an adjusted R^2 of 0.02 on a q/q basis. The only p-values ≤ 0.05 are February in our monthly model and Q2 in our quarterly model,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

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

Monthly changes to our dry bulk share index



Quarterly changes to our dry bulk share index





Asset Valuation

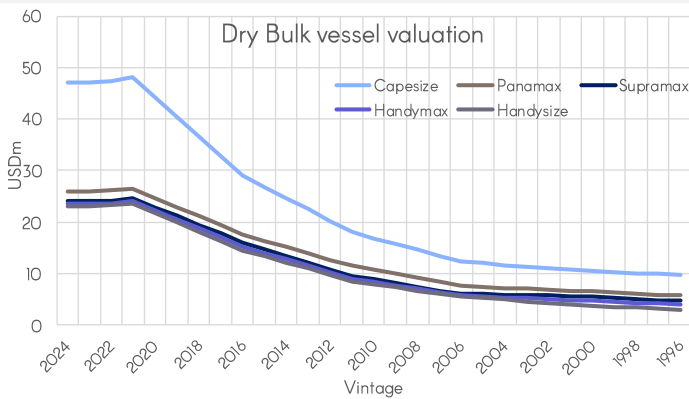
Asset valuation overview

Summary	Capesize	Panamax	Supramax	Handymax	Handysize
NB	47.0	26.0	24.0	23.5	23.0
resale	48.0	26.5	24.5	24.0	23.5
5y	29.0	17.5	16.0	15.3	14.5
10y	18.0	11.5	9.5	9.0	8.5
15y	12.3	7.5	6.0	5.8	5.5
20y	10.7	6.7	5.6	4.8	3.9
scrap	9.7	5.7	4.6	4.0	2.9
<i>All prices are excluding scrubbers</i>					
NB parity	19,279	12,846	11,842	11,218	10,611

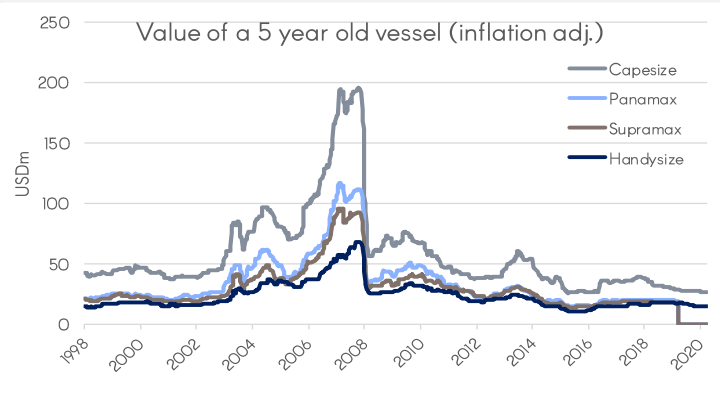
Changes to our asset valuation

Changes	Capesize	Panamax	Supramax	Handymax	Handysize
NB	0.0	0.0	0.0	0.0	0.0
resale	0.0	0.0	0.0	0.0	0.0
5y	0.5	0.0	0.0	0.0	0.0
10y	1.0	-0.8	0.0	0.0	0.0
15y	0.5	0.0	0.0	0.0	0.0
20y	0.0	0.0	0.0	0.0	0.0
scrap	0.0	0.0	0.0	0.0	0.0

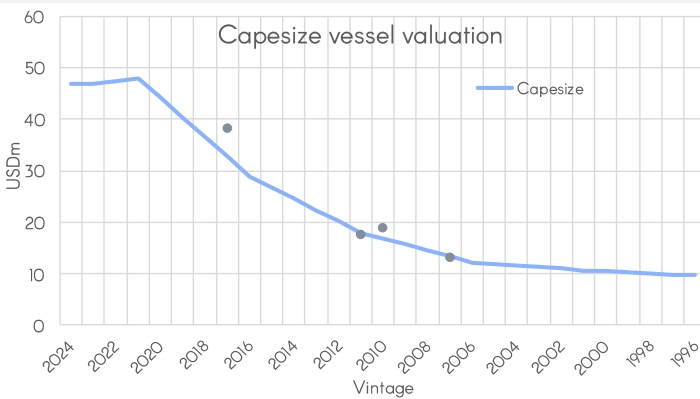
Historical 5y old vessel values



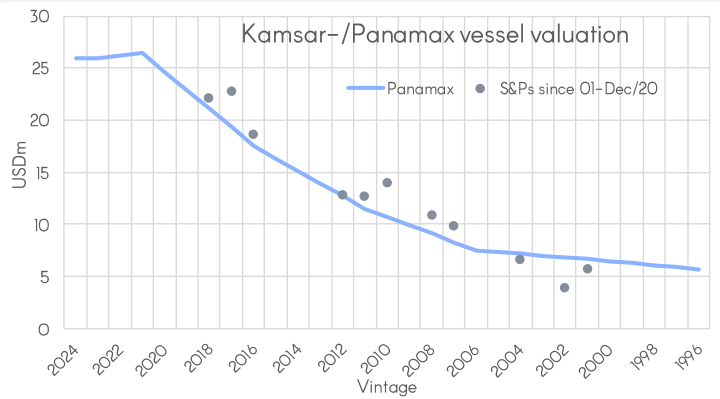
Historical 5y old vessel values



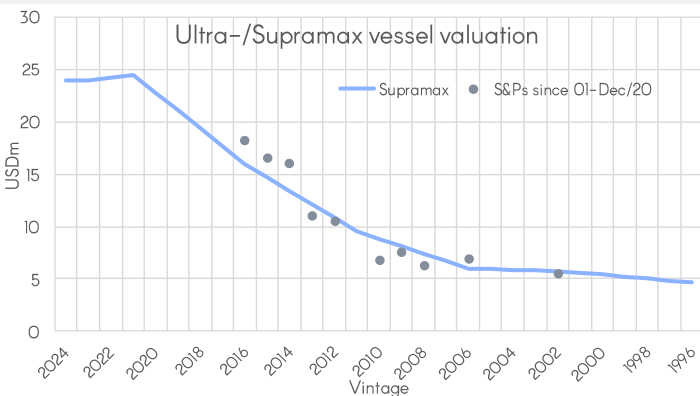
Capesize valuation vs recent S&Ps



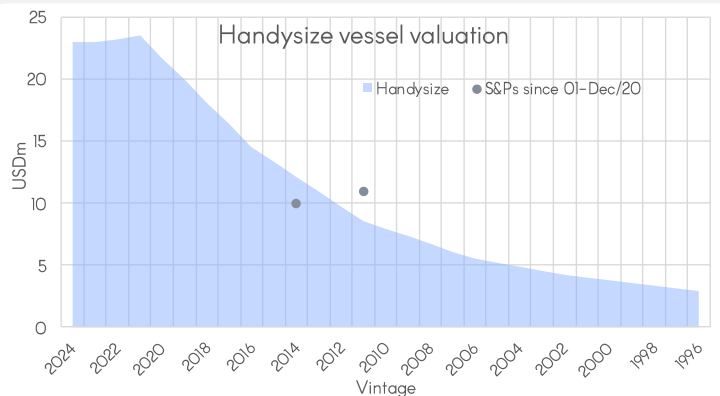
Pana-/Kamsarmax valuation vs recent S&Ps



Supra-/Ultramax valuation vs recent S&Ps



Handysize valuation vs recent S&Ps



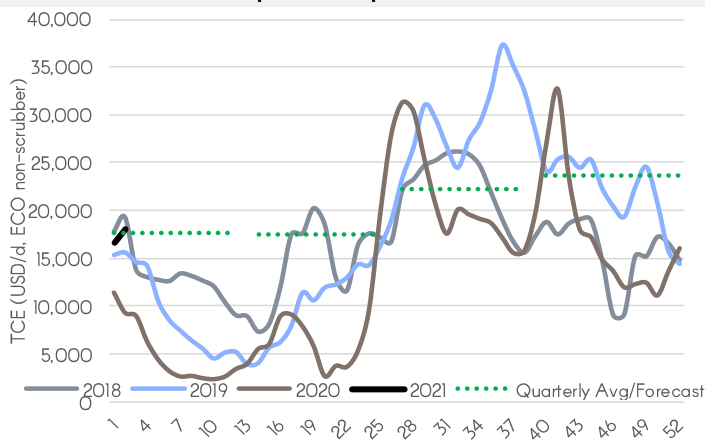


Dry Bulk Shipping Companies

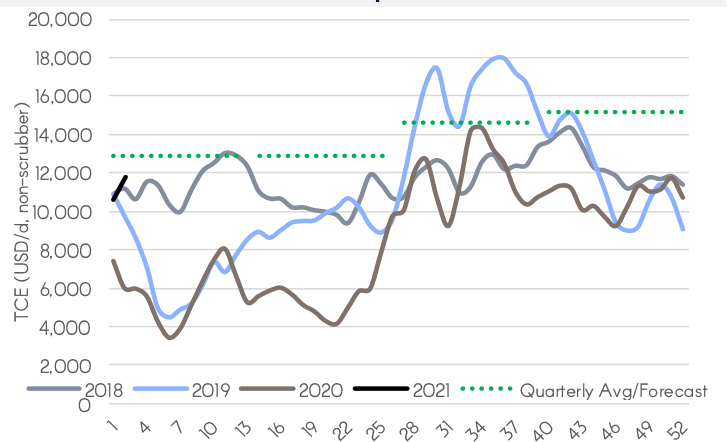


Earnings

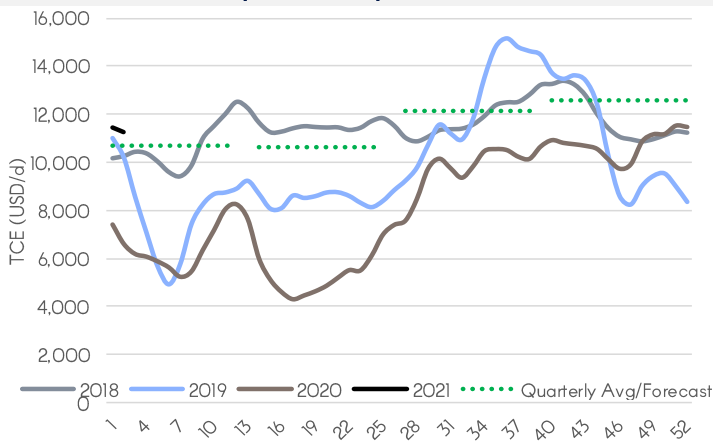
Capesize spot rates



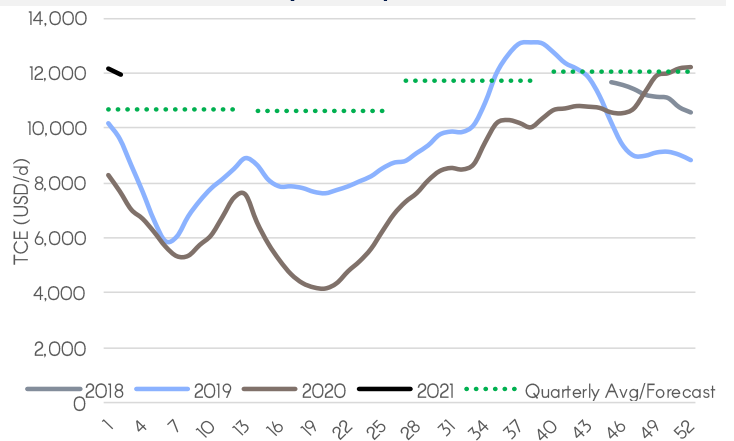
Panamax spot rates



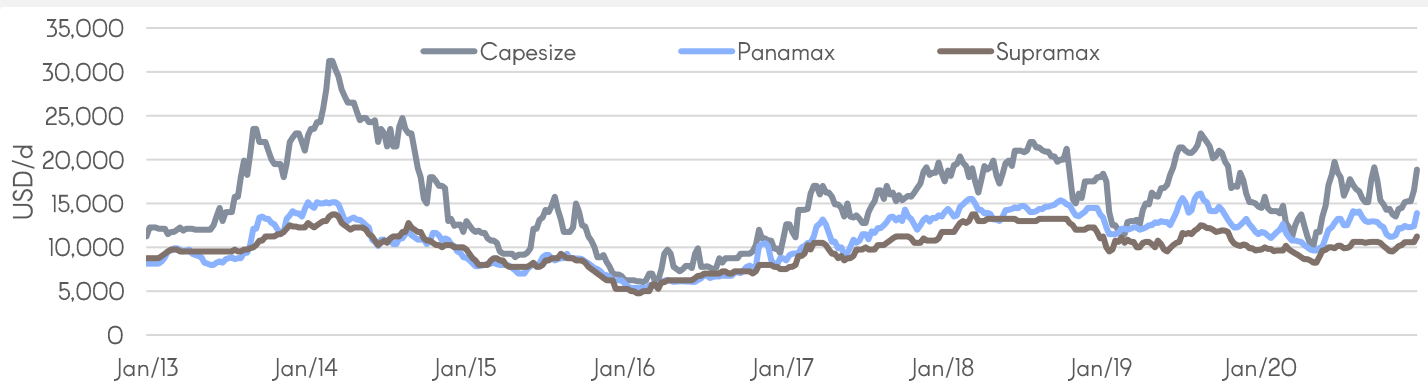
Supramax spot rates



Handysize spot rates



Timecharter rates



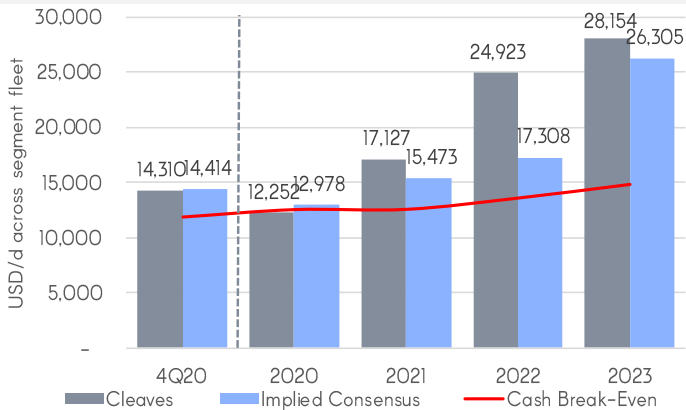


Peer Group

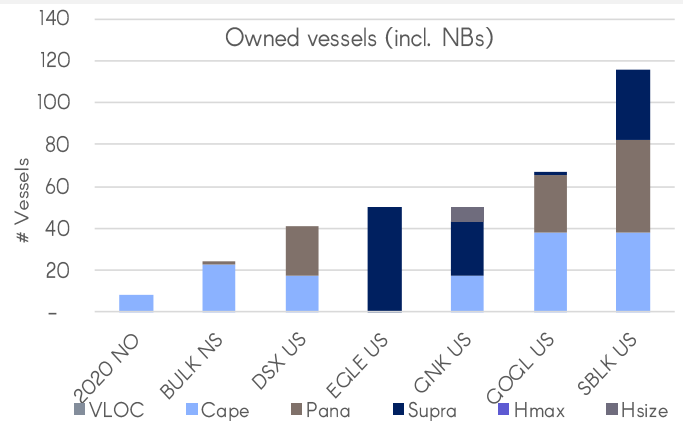
Company	M.cap	Turnover	Return ly	Rec.	Target Price	Last Price	Target/Price	NAV /sh	P/NAV Now	P/NAV 1y fwd	EV/ GAV	adj. equity	τ
2020 NO	170	0.3	-17%	BUY	98	65.0	51%	61	1.07	0.74	2.49	1.03	1.00
BULK NO	422			BUY	141	119.0	18%	64	1.85	1.13	1.75	1.47	0.67
DSX US	211	0.7	-23%	BUY	3.3	2.4	40%	2.2	1.09	0.65	3.13	1.03	0.89
EGLE US	298	1.1	-22%	SELL	18	24.1	-25%	15.8	1.53	1.21	3.25	1.15	1.00
GNK US	342	3.2	-15%	BUY	15.0	8.2	84%	9.4	0.87	0.60	1.64	0.93	1.00
GOGL US	768	5.3	-2%	BUY	9.2	5.3	73%	3.9	1.38	0.80	2.71	1.12	0.98
SBLK US	1,156	6.0	11%	BUY	17	12.0	41%	6.9	1.73	0.99	3.16	1.22	1.00
Average	481		-11%				40%		1.36	0.88	2.59	1.13	0.93
Median	342		-11%				40%		1.36	0.88	2.59	1.13	0.93

Company	EV/EBITDA				P/E				Dividend yield				FCF yield			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
2020 NO	12.5	6.8	3.6	2.8	14.5	5.0	2.2	1.8	4%	15%	35%	43%	-60%	25%	51%	63%
BULK NO	11.2	5.2	2.6	2.0		7.2	3.0	2.4	8%	14%	28%	36%	14%	22%	41%	50%
DSX US		6.8	2.0	1.1		17.3	1.7	1.3	0%	0%	13%	39%	15%	23%	74%	100%
EGLE US	16.1	8.1	4.2	3.1			5.2	3.6	0%	0%	4%	13%	1%	-6%	36%	44%
GNK US		3.4	1.4	0.6		5.4	2.2	1.7	3%	6%	17%	28%	24%	37%	62%	77%
GOGL US	28.4	5.3	2.8	1.9	52.1	4.4	2.1	1.7	1%	13%	25%	40%	14%	35%	60%	74%
SBLK US	10.7	4.9	2.9	2.4	60.7	4.3	2.3	1.9	3%	10%	35%	51%	10%	29%	54%	62%
Average	15.8	5.8	2.8	2.0	42.5	7.3	2.7	2.1	3%	8%	22%	36%	2%	24%	54%	67%
Median	15.8	5.8	2.8	2.0	42.5	7.3	2.7	2.1	3%	8%	22%	36%	2%	24%	54%	67%

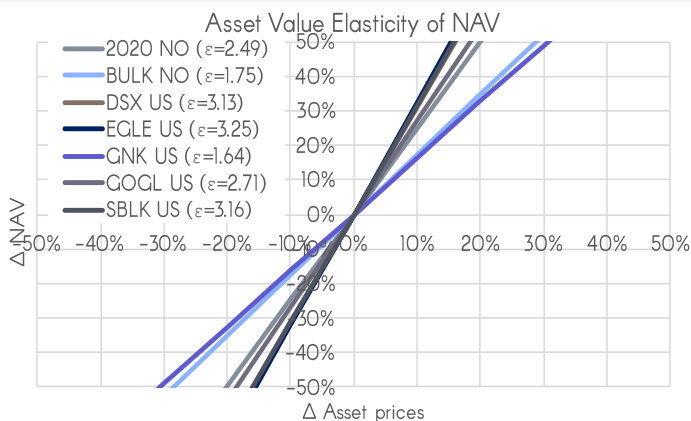
Cleaves' average TCE/d forecast vs consensus



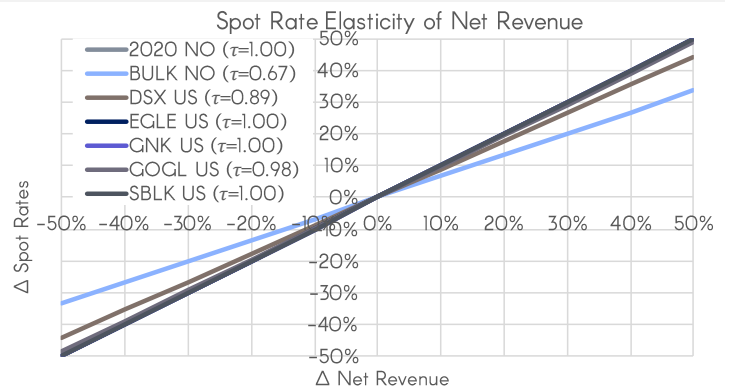
Fleet composition by company



Financial leverage (ϵ)

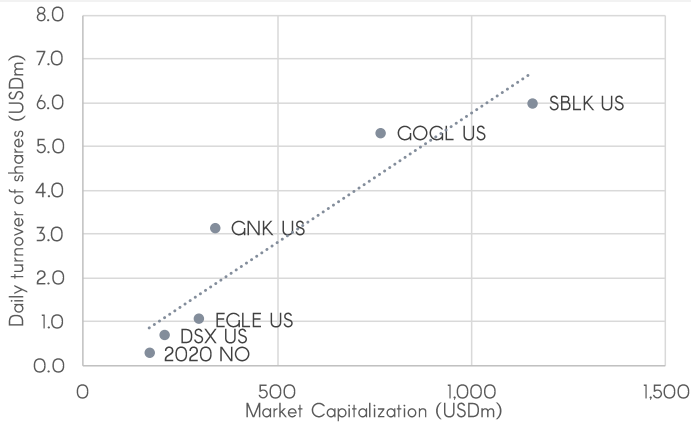


Operational leverage (τ)

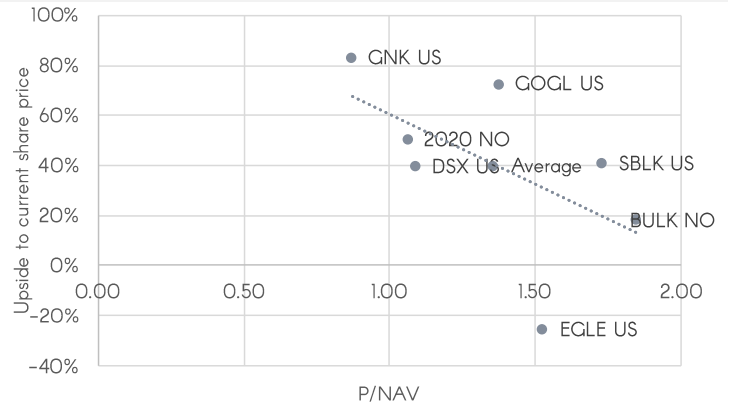




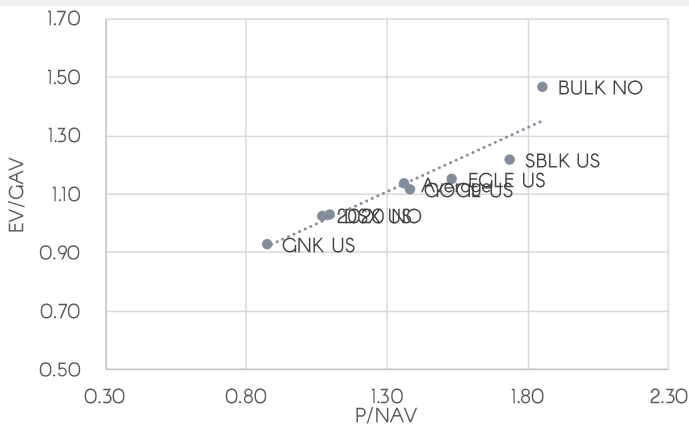
Daily share turnover vs market capitalization



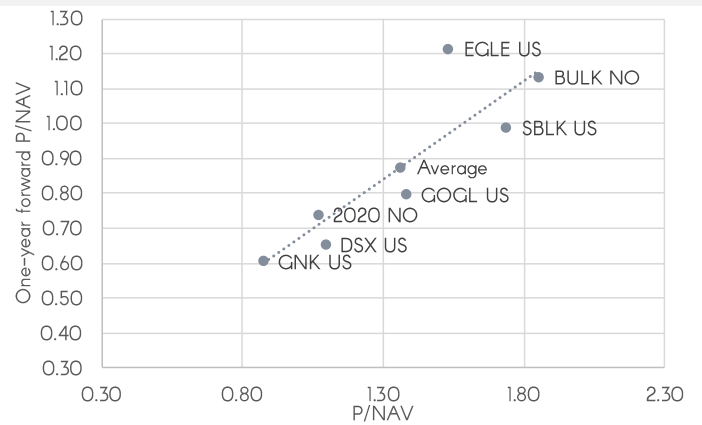
Upside to share price current P/NAV



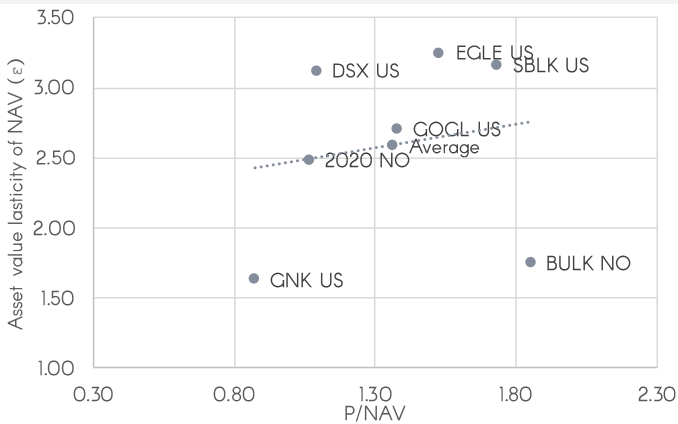
EV/GAV vs P/NAV



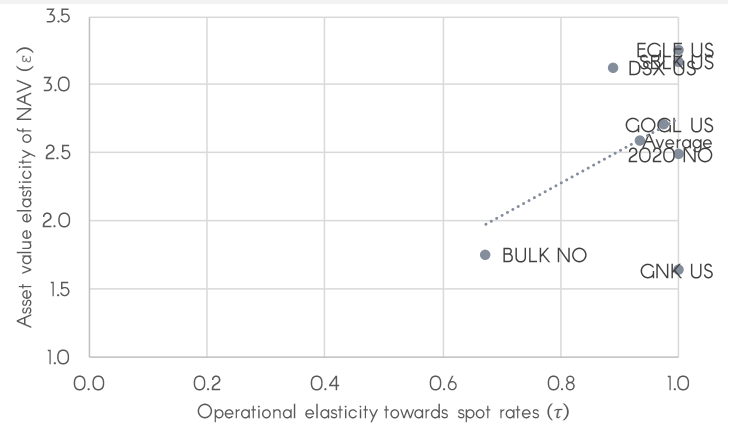
One-year forward P/NAV vs current P/NAV



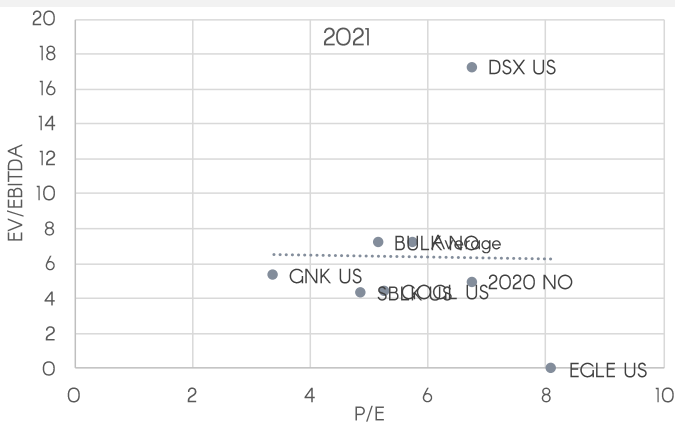
Asset value elasticity of NAV vs P/NAV



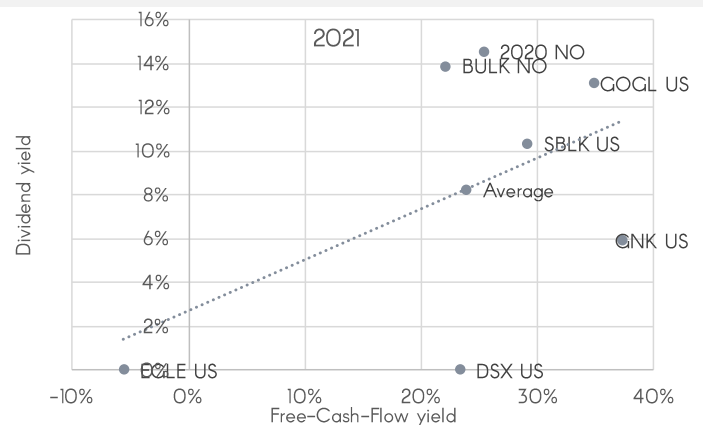
Elasticities: NAV vs net revenue



EV/EBITDA vs P/E



Dividend yield vs free cash flow yield





Company Financials (annually)

Profit & Loss

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

Balance Sheet

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

Cash Flow

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



Company Financials (quarterly)

Profit & Loss

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

Balance Sheet

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

Cash Flow

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

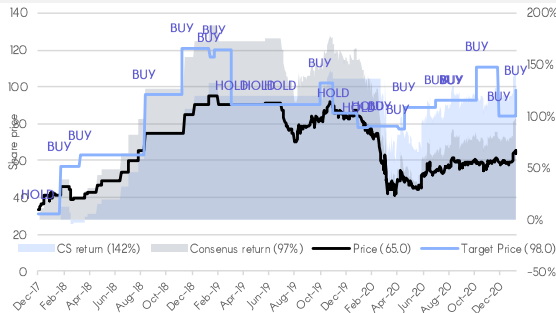


2020-NO

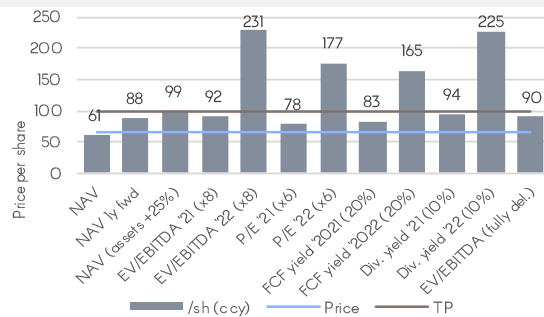
BUY/N98

2020 Bulkers

Share price vs target price

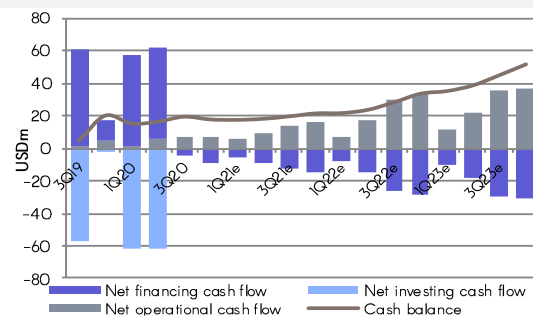


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	48	74	116	133
EBITDA (adj.)	32	56	98	116
EBIT (adj.)	22	45	87	104
PTP (adj.)	12	34	77	95
Net earnings (adj.)	12	34	77	95
EPS (adj.)	0.53	1.54	3.48	4.28
DPS	0.25	1.11	2.66	3.31
USDm	2020E	2021E	2022E	2023E
Fwd NAV	148	299	442	525
Adj. equity ratio	37%	56%	66%	72%
FCF yield	-60%	25%	51%	63%
Dividend yield	4%	15%	35%	43%
EV/EBITDA	12.5	6.8	3.6	2.8
P/E (adj.)	14.5	5.0	2.2	1.8

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	22	46	89	107
Free cash flow	-102	43	86	107
Net cash flow	-2	4	12	18
TCE/day	18,307	26,001	40,855	46,976
Cash break-even	14,679	14,694	14,487	14,274
Liquidity	18	22	34	52
Property & Equip. (incl. NBs)	372	363	354	343
Total equity	141	150	168	190
Total assets	393	388	391	398
Interest bearing debt	246	231	216	201
Net interest bearing debt	228	209	182	149
Market Cap.	170	170	170	170
Enterprise value	398	380	352	319

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

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

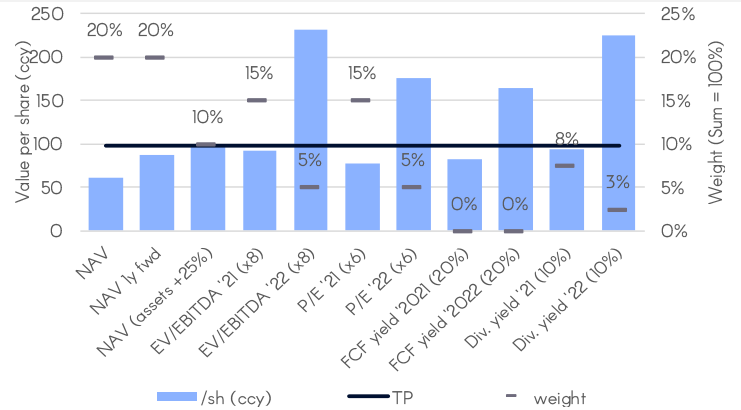


Company Valuation

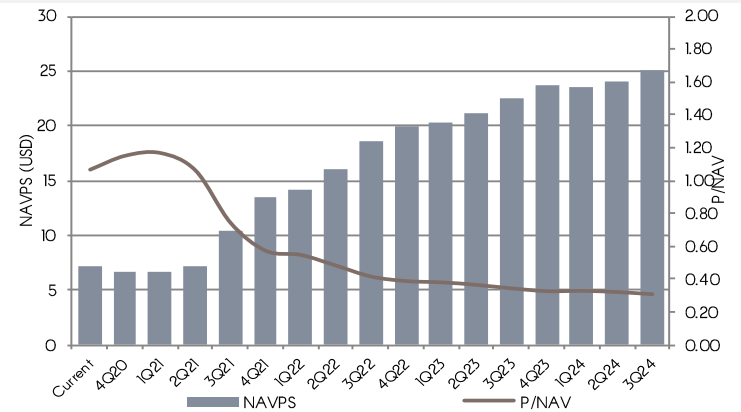
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	375	398	408
Contract value	0	-4	-4
Other	2	2	2
GAV	378	396	406
Net debt	-230	-230	-230
Capex	0	0	0
Other	-6	-6	-6
Equity	141	160	170
Shares	22	22	22
Equity/sh	6.38	7.21	7.68
lcl CCY	53.99	61.01	65.00
USDNOK		8.47	
P/Equity	1.20	1.07	1.00
EV/GAV	1.08	1.03	1.00
Adj. Total Assets	398	420	430
Adj. Equity Ratio	36%	38%	40%
Fair Value	NOK	98	51%
	USD	11.6	

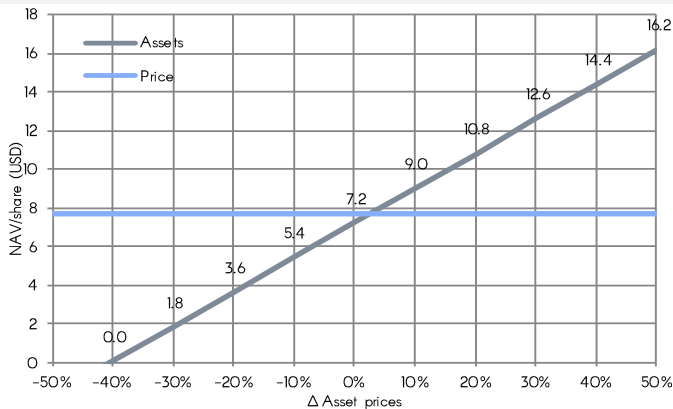
Weighted valuation matrix



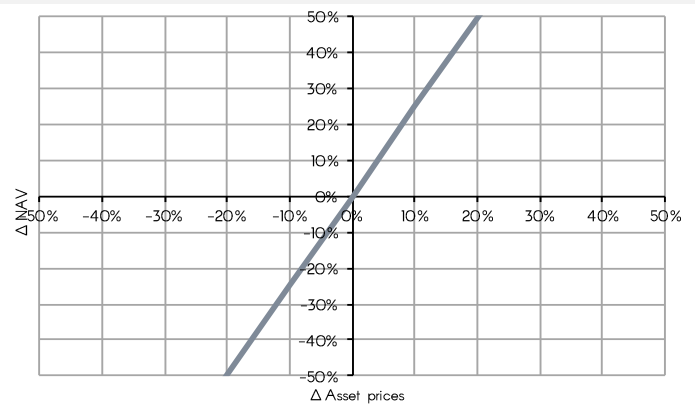
Quarterly forward NAV & P/NAV



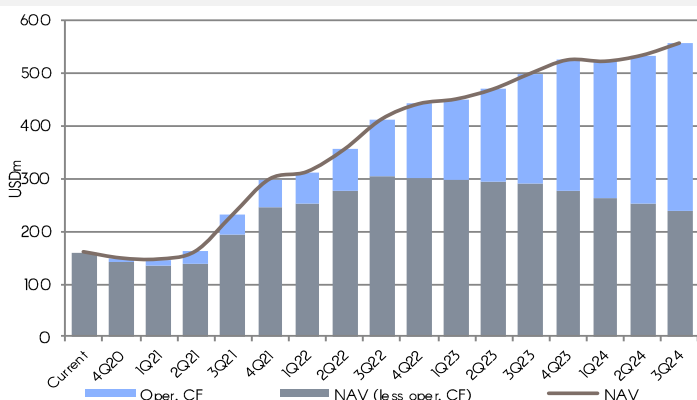
Impact on NAV/sh from % change in asset prices



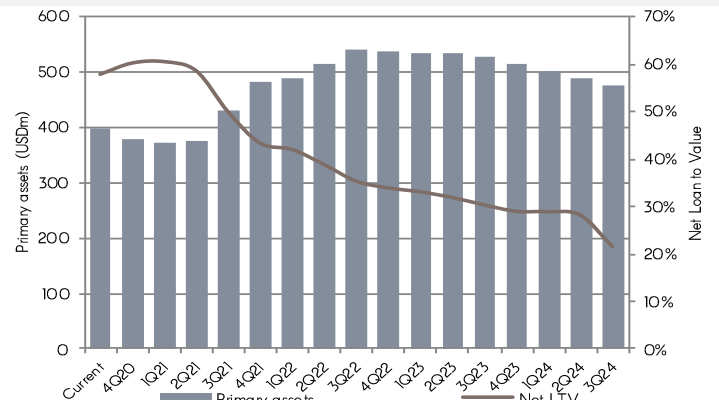
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

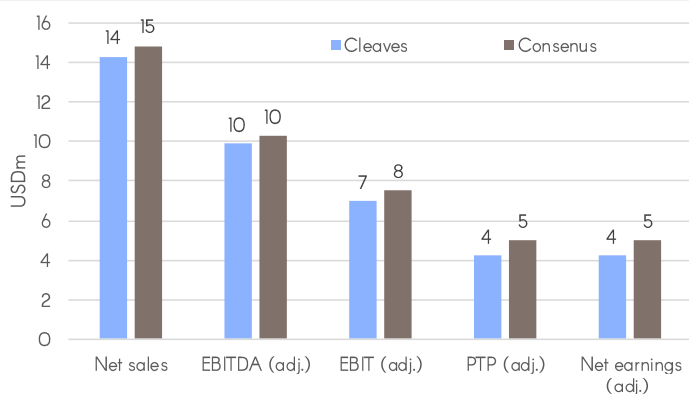
P&L

4Q20 Preview USDm	4Q20		Actuals vs		Actuals vs			
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	6.7	15.4	14.3	14.9				
EBITDA (adj.)	3.5	10.6	9.9	10.3				
EBIT (adj.)	2.5	7.7	7.0	7.5				
PTP (adj.)	1.2	4.8	4.2	5.0				
Net earnings (adj.)	1.2	4.8	4.2	5.0				
EPS (adj.)	0.06	0.22	0.19	0.23				
DPS	0.07	0.17	0.17					
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	6.7	15.4	14.3	14.9				
Opex & G&A	3.2	4.8	4.4	4.6				
Depreciation	1.0	2.9	2.9	2.8				
Net finance	1.3	2.9	2.8	2.5				
Taxes & Minorities	-	-	-	-				

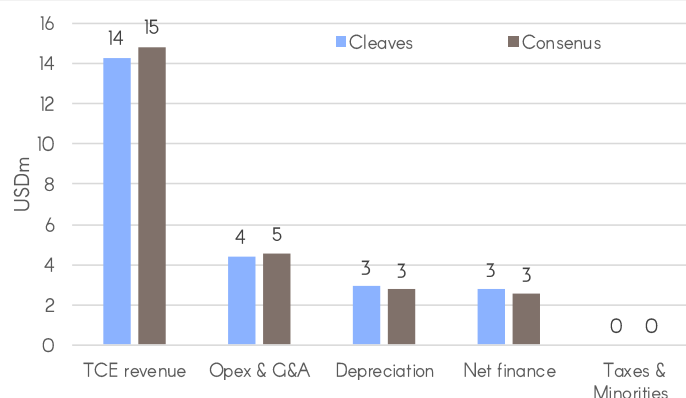
CF & BS

4Q20 Preview USDm	4Q20		Actuals vs		Actuals vs			
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	5	7	7					
Free cash flow	3	7	7					
Net cash flow	16	3	-2					
TCE/day	22,483	20,924	20,023	20,801				
Fleet days	298	736	736					
Cash break-even	31,980	15,489	14,776					
Liquidity	20	20	18					
Interest bearing debt	140	249	246					

Quarterly Pre-/Review



Quarterly Pre-/Review: Line by line





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	48	74	116	133	47	64	95	123	0	10	21	11	
EBITDA (adj.)	32	56	98	116	31	46	77	105	0	10	21	11	
EBIT (adj.)	22	45	87	104	22	35	66	93	0	10	21	11	
PTP (adj.)	12	34	77	95	11	24	56	84	0	10	21	11	
Net earnings (adj.)	12	34	77	95	11	24	56	84	0	10	21	11	
EPS (adj.)	0.53	1.54	3.48	4.28	0.51	1.08	2.52	3.79	0.01	0.46	0.95	0.49	
DPS	0.25	1.11	2.66	3.31	0.21	0.82	1.90	2.92	0.04	0.29	0.76	0.39	
DPS (NOK)	2.09	9.43	22.54	28.03	1.84	7.21	16.69	25.64					
									TCE revenue	0	10	21	11
									Opex & G&A	-	-	-	-
									Depreciation	-	-	-	-
									Net finance	-	-	-	-
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	22	46	89	107	22	36	67	96	0	10	21	11
Free cash flow	-102	43	86	107	-102	36	67	96	0	8	19	11
Net cash flow	-2	4	12	18	0	3	11	16	-3	1	2	2
TCE/day	18,307	26,001	40,855	46,976	18,194	22,403	33,408	43,141	113	3,598	7,447	3,835
Cash break-even	14,679	14,694	14,487	14,274	14,679	14,694	14,487	14,274	-	-	-	-
Liquidity	18	22	34	52	20	23	33	50	-3	-1	0	3
Property & Equip. (incl. NBs)	372	363	354	343	372	361	349	338	-	2	5	5
Total equity	141	150	168	190	143	149	163	182	-3	1	5	7
Total assets	393	388	391	398	396	387	386	390	-3	1	5	7
Interest bearing debt	246	231	216	201	246	231	216	201	-	-	-	-
Net interest bearing debt	228	209	182	149	225	208	183	152	3	1	-0	-3
Market Cap.	170	170	170	170	149	149	149	149	21	21	21	21
Enterprise value	398	380	352	319	374	357	331	300	24	23	21	19

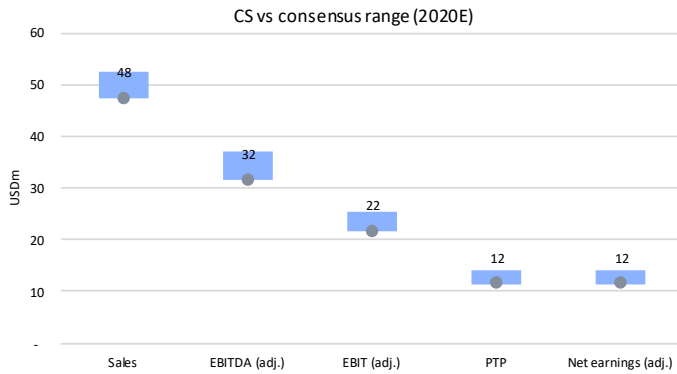
Valuation

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	148	299	442	525	150	274	373	470	-2	25	69	55
Adj. equity ratio	37%	56%	66%	72%	37%	54%	63%	69%	0%	2%	4%	2%
FCF yield	-60%	25%	51%	63%	-69%	24%	45%	64%	9%	2%	5%	-2%
Dividend yield	4%	15%	35%	43%	3%	12%	28%	43%	1%	2%	6%	0%
EV/EBITDA	12.5	6.8	3.6	2.8	11.9	7.7	4.3	2.9	0.6	-1.0	-0.7	-0.1
P/E (adj.)	14.5	5.0	2.2	1.8	13.1	6.2	2.7	1.8	1.5	-1.2	-0.5	0.0

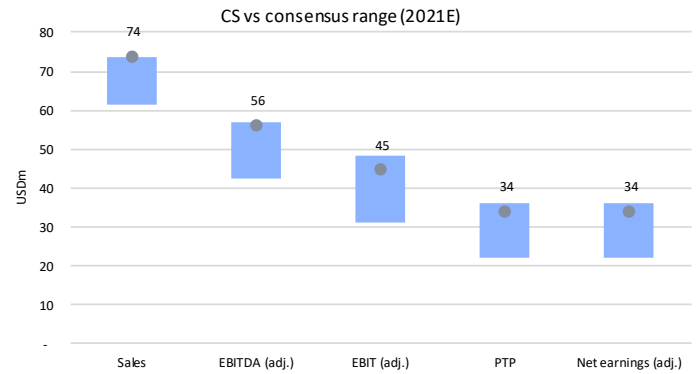


Our Estimates vs Consensus

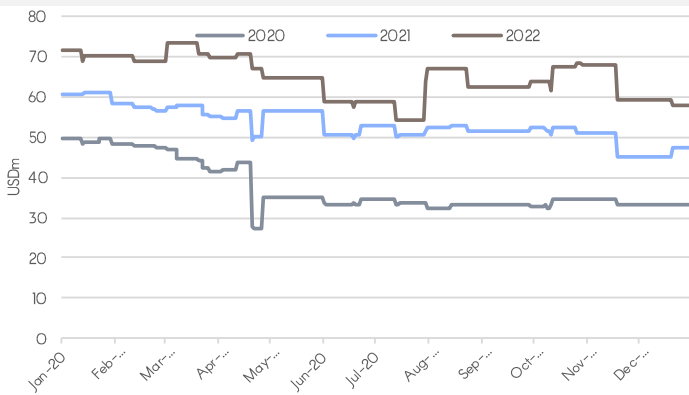
Profit & Loss, year I



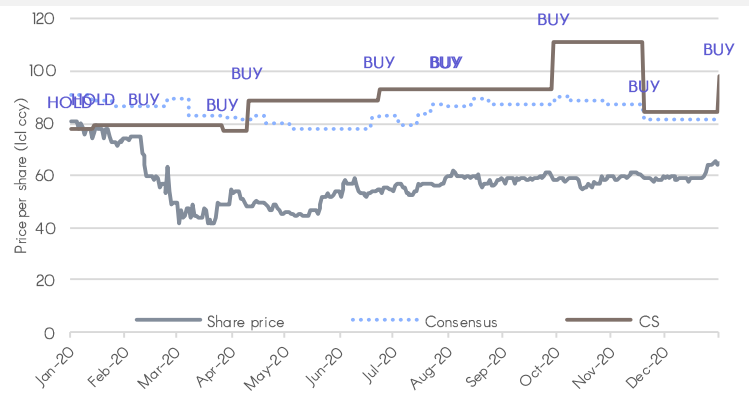
Profit & Loss, year II



Consensus EBITDA development



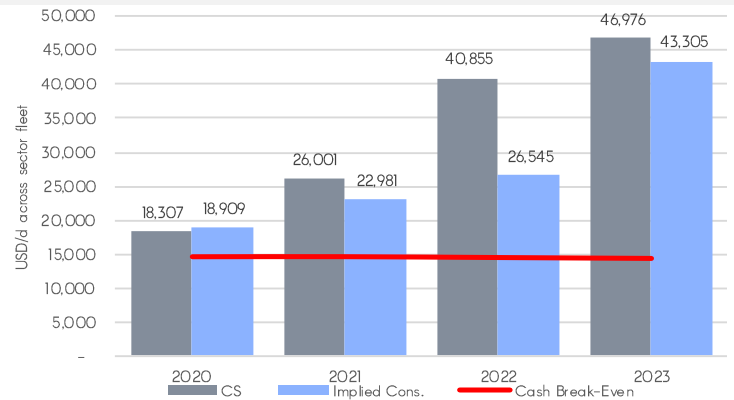
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	48	49	49	-2	-3%
Opex + G&A	16	16	16	-0	-1%
Depreciation	10	10	10	-0	-2%
Net finance	10	10	10	-0	-3%
Taxes & Minorities	0	0	-0	0	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	74	65	65	9	13%
Opex + G&A	18	18	18	-0	-1%
Depreciation	12	11	11	0	0%
Net finance	11	9	9	1	12%
Taxes & Minorities	0	0	0	0	#DIV/0!

Avg. TCE/day across fleet vs consensus





Cleaves Securities

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

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	7	8	10	15	14	12	17	22	23
Operational costs	-3	-3	-3	-5	-4	-4	-4	-4	-4
EBITDA	4	4	7	11	10	8	12	17	19
Depreciation/Amortization	-1	-2	-2	-3	-3	-3	-3	-3	-3
EBIT	3	3	5	8	7	5	10	14	16
Net financials	-1	-2	-2	-3	-3	-3	-3	-3	-3
PTP	1	0	2	5	4	3	7	12	13
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	1	0	2	5	4	3	7	12	13
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	1	0	2	5	4	3	7	12	13
EPS	0.06	0.01	0.11	0.22	0.19	0.12	0.31	0.52	0.59
EPS (adj.)	0.06	0.01	0.11	0.22	0.19	0.12	0.31	0.52	0.59
DPS	0.14	0.07	0.00	0.01	0.17	0.06	0.22	0.39	0.44
Balance Sheet (USDm)									
Cash & short-term investments	20	15	16	19	18	17	18	20	21
Other current assets	3	3	4	3	3	3	3	3	3
Total current assets	23	18	20	22	20	20	21	22	24
Property & equip. (incl. NBs)	258	319	378	375	372	370	368	366	363
Other non-current assets	2	1	0	0	0	0	0	0	0
Total non-current assets	260	320	378	376	373	370	368	366	363
TOTAL ASSETS	283	338	399	398	393	391	389	388	388
Total equity	138	137	138	142	141	142	144	147	150
Short-term debt	8	12	15	15	15	15	15	15	15
Other current liabilities	5	4	5	5	5	5	5	5	5
Total current liabilities	13	15	20	20	20	20	20	20	20
Long-term debt	132	186	238	235	231	227	224	220	216
Other non-current liabilities	0	0	2	2	2	2	2	2	2
Total non-current liabilities	132	186	241	236	233	229	225	222	218
TOTAL EQUITY & LIABILITIES	283	338	399	398	393	391	389	388	388
Working capital, receivables	1	0	0	0	0	0	0	0	0
Working capital, payables	3	1	1	1	1	1	1	1	1
Net working capital	-3	-1	-1	-1	-1	-1	-1	-1	-1
Interest bearing debt	140	197	253	249	246	242	238	235	231
Liquidity	20	15	16	20	18	18	18	20	22
Net interest bearing debt	120	182	237	230	228	224	220	215	209
Cash Flow (USDm)									
Net income	1	0	2	5	4	3	7	12	13
Depreciation	1	2	2	3	3	3	3	3	3
Other	1	-2	0	0	0	0	0	0	0
Cash earnings	3	0	5	8	7	5	10	14	16
Changes in working capital	2	1	1	-1	0	0	0	0	0
Net operational cash flow	5	2	6	7	7	5	10	14	16
Capex	-2	-62	-62	0	0	-1	-1	-1	-1
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-2	-62	-62	0	0	-1	-1	-1	-1
Repayment of debt	-6	-2	-3	-4	-4	-4	-4	-4	-4
Proceeds from debt	22	59	60	0	0	0	0	0	0
Dividends paid	-3	-2	0	0	-5	-1	-5	-9	-10
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net financing cash flow	13	56	57	-4	-9	-5	-9	-12	-14
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	16	-5	1	3	-2	0	1	2	2
Cash balance	20	15	16	19	18	17	18	20	21
Free cash flow	3	-61	-56	7	7	5	9	14	15



Cleaves Securities

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

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales			0	0	9	48	74	116	133
Operational costs			0	-1	-7	-16	-18	-18	-18
EBITDA			0	-1	2	32	56	98	116
Depreciation/Amortization			0	0	-1	-10	-12	-12	-12
EBIT	—	—	0	-1	1	22	45	87	104
Net financials			0	0	-1	-10	-11	-10	-9
PTP	—	—	0	-1	0	12	34	77	95
Taxes/Minorities			0	0	0	0	0	0	0
Net earnings	—	—	0	-1	0	12	34	77	95
Non-recurring items			0	0	0	0	0	0	0
Net earnings (adj.)	—	—	0	-1	0	12	34	77	95
EPS				-0.05	-0.02	0.53	1.54	3.48	4.28
EPS (adj.)				-0.05	-0.02	0.53	1.54	3.48	4.28
DPS				0.00	0.14	0.25	1.11	2.66	3.31
Balance Sheet (USDm)									
Cash & short-term investments	—	—	6	0	20	18	21	34	52
Other current assets			0	0	3	3	3	3	3
Total current assets	—	—	6	0	23	20	24	37	55
Property & equip. (incl. NBs)	—	—	9	68	258	372	363	354	343
Other non-current assets			0	0	2	0	0	0	0
Total non-current assets	—	—	9	68	260	373	363	354	343
TOTAL ASSETS	—	—	15	69	283	393	388	391	398
Total equity	—	—	15	68	138	141	150	168	190
Short-term debt	—	—	0	0	8	15	11	11	11
Other current liabilities			0	0	5	5	5	5	5
Total current liabilities	—	—	0	0	13	20	17	17	17
Long-term debt	—	—	0	0	132	231	219	205	190
Other non-current liabilities			0	0	0	2	2	2	2
Total non-current liabilities	—	—	0	0	132	233	221	206	192
TOTAL EQUITY & LIABILITIES	—	—	15	69	283	393	388	391	398
Working capital, receivables			0	0	1	0	0	0	0
Working capital, payables	—	—	0	0	3	1	1	1	1
Net working capital			0	0	-3	-1	-1	-1	-1
Interest bearing debt			0	0	140	246	231	216	201
Liquidity			6	0	20	18	22	34	52
Net interest bearing debt			-6	0	120	228	209	182	149
Cash Flow (USDm)									
Net income	—	—	0	-1	0	12	34	77	95
Depreciation			0	0	1	10	12	12	12
Other			0	0	2	-2	0	0	0
Cash earnings			0	-1	3	20	46	89	107
Changes in working capital	—	—	0	0	2	2	0	0	0
Net operational cash flow	—	—	0	-1	5	22	46	89	107
Capex	—	—	-9	-59	-125	-124	-2	-2	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	—	—	0	0	0	0	0	0	0
Other			0	0	-1	0	0	0	0
Net investing cash flow	—	—	-9	-59	-126	-124	-2	-2	0
Repayment of debt	—	—	0	0	81	-12	-15	-15	-15
Proceeds from debt	—	—	0	0	86	119	0	0	0
Dividends paid	—	—	0	0	-3	-7	-25	-59	-73
New equity	—	—	15	54	64	0	0	0	0
Other			0	0	-86	0	0	0	0
Net financing cash flow	—	—	15	54	141	100	-40	-74	-88
Currency effect	—	—	0	0	0	0	0	0	0
Net cash flow			6	-6	20	-2	4	12	18
Cash balance			6	0	20	18	21	34	52
Free cash flow			-9	-60	-121	-102	43	86	107



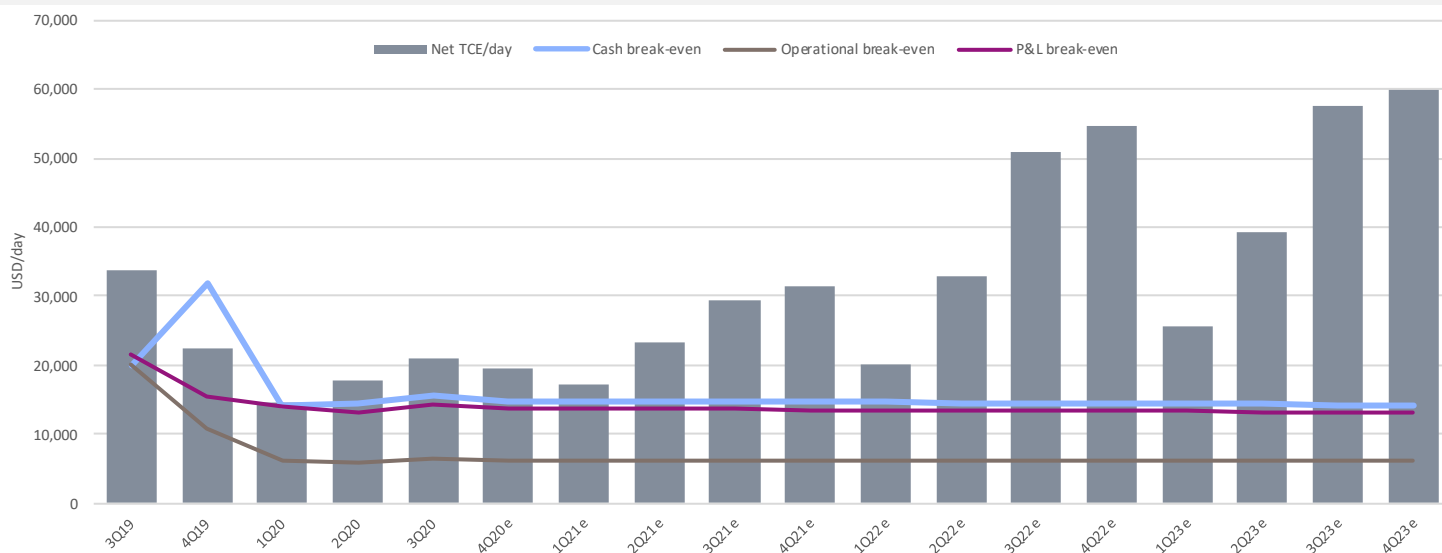
Cleaves Securities

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

	Dry Bulk			BUY						
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
Shares outstanding, end	—	—	—	14	22	22	22	22	22	
Share price, avg (USD)			4	6	9	7	8	8	8	
Share price, end (USD)	—	—	—	10	10	8	8	8	8	
Market Cap.				139	221	170	170	170	170	
NIBD			-6	0	120	228	209	182	149	
Minorities	—	—	0	0	0	0	0	0	0	
Enterprise value				139	341	398	380	352	319	
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
P/E (reported)						14.5	5.0	2.2	1.8	
P/E (adj.)						14.5	5.0	2.2	1.8	
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
P/Sales					24.8	3.6	2.3	1.5	1.3	
EV/Sales					38.3	8.4	5.1	3.0	2.4	
EV/EBITDA						12.5	6.8	3.6	2.8	
EV/EBIT						18.2	8.5	4.1	3.1	
P/B				2.0	1.6	1.2	1.1	1.0	0.9	
FCF yield				-43%	-55%	-60%	25%	51%	63%	
Dividend yield				0.0%	1.4%	4.0%	14.5%	34.7%	43.1%	
Return on equity (ROE)			-0.7%	-1.0%	-0.3%	8.3%	22.8%	45.8%	50.0%	
Return on capital employed (ROCE)			-1.2%	-1.0%	0.3%	5.9%	12.4%	24.8%	30.8%	
Return on assets (ROA)			-0.7%	-1.0%	-0.1%	3.0%	8.8%	19.7%	23.9%	
Sales growth						435%	55%	57%	15%	
EBITDA margin					24%	67%	76%	85%	87%	
EBIT margin					10%	46%	61%	75%	78%	
Net margin					-4%	25%	46%	66%	71%	
Net interest rate			0.0%	0.0%	0.4%	4.3%	5.0%	5.4%	6.2%	
Tax rate			0.0%	-0.5%	-33.3%	0.0%	0.0%	0.0%	0.0%	
Equity ratio			99%	99%	49%	36%	39%	43%	48%	
Leverage ratio			1%	1%	51%	64%	61%	57%	52%	
NIBD / EBITDA (past 1y)			57.8	0.4	57.1	7.2	3.7	1.8	1.3	
Operating cash flow/NIBD			0.0	2.1	0.0	0.1	0.2	0.5	0.7	
Net interest coverage ratio (EBITDA)					4.2	3.3	5.3	10.0	12.5	
Current ratio			56.7	1.2	1.8	1.0	1.5	2.2	3.3	
Adj. equity ratio						37%	56%	66%	72%	
Operating assets			9	69	263	375	366	357	345	
Operating liabilities			0	0	5	7	7	7	7	
Net operating assets			9	68	258	368	359	350	339	

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

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





Fleet Positioning

Live satellite data as of
14/01/2021 20:54 CET





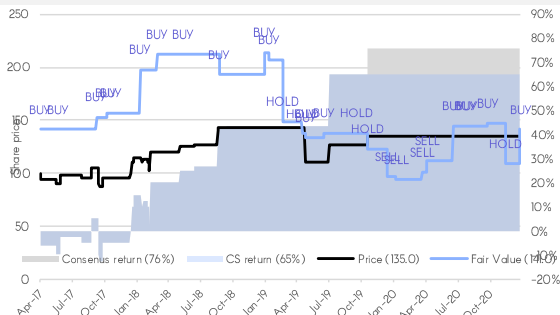
GoodBulk is a well-run company with low debt and high cash distributions. No share liquidity means our TP is important, our rating less so

BULK-NO

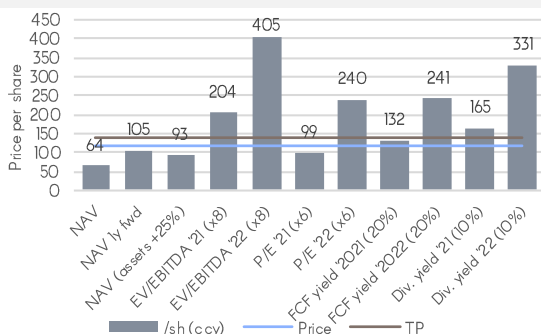
BUY/N141

GoodBulk

Share price vs target price

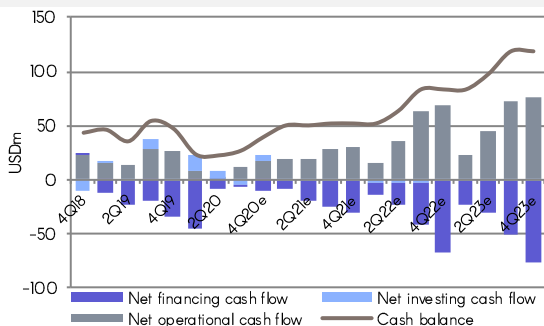


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	100	156	239	273
EBITDA (adj.)	48	106	188	223
EBIT (adj.)	8	67	149	184
PTP (adj.)	-6	58	142	177
Net earnings (adj.)	-6	58	142	177
EPS (adj.)	-0.21	1.94	4.72	5.90
DPS	1.18	1.95	3.91	5.05
USDm	2020E	2021E	2022E	2023E
Fwd NAV	250	460	710	923
Adj. equity ratio	53%	70%	80%	86%
FCF yield	14%	22%	41%	50%
Dividend yield	8%	14%	28%	36%
EV/EBITDA	11.2	5.2	2.6	2.0
P/E (adj.)		7.2	3.0	2.4

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	39	97	181	216
Free cash flow	61	93	171	209
Net cash flow	-8	12	31	35
TCE/day	11,986	18,755	28,354	32,487
Cash break-even	11,073	9,738	9,618	9,497
Liquidity	39	52	83	118
Property & Equip. (incl. NBs)	492	457	428	396
Total equity	343	343	367	392
Total assets	561	538	540	543
Interest bearing debt	198	176	153	131
Net interest bearing debt	159	124	71	13
Market Cap.	422	422	422	422

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

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

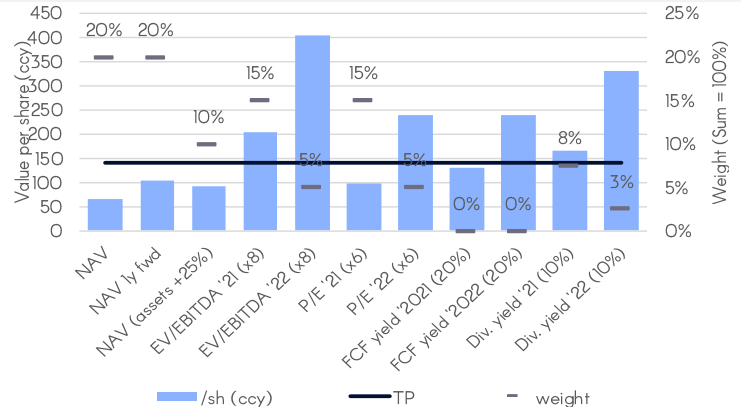


Company Valuation

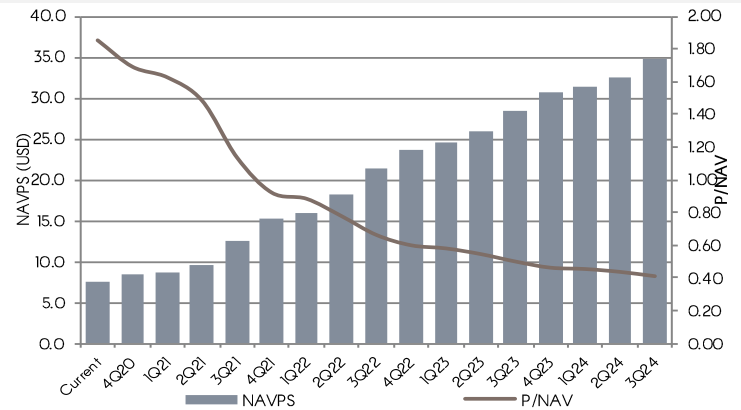
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	507	400	587
Contract value	0	-5	-7
Other	20	20	29
GAV	527	415	609
Net debt	-177	-177	-177
Capex	0	0	0
Other	-10	-10	-10
Equity	341	228	422
Shares	30	30	30
Equity/sh	11.4	7.6	14.1
ICL CCY	96.1	64.4	119.0
USDNOK		8.47	
P/Equity	1.24	1.85	1.00
EV/GAV	1.15	1.47	1.00
Adj. Total Assets	564	457	643
Adj. Equity Ratio	60%	50%	66%
Fair Value	NOK	141	19%
	USD	17	

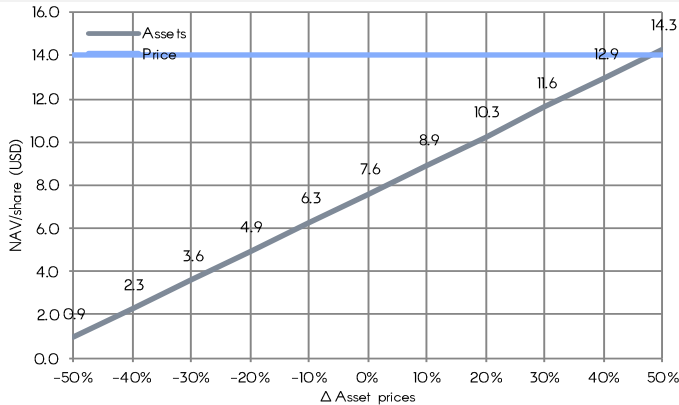
Weighted valuation Matrix



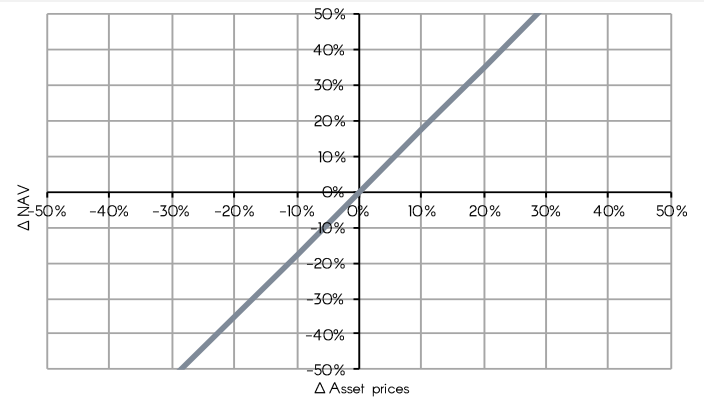
Quarterly forward NAV & P/NAV



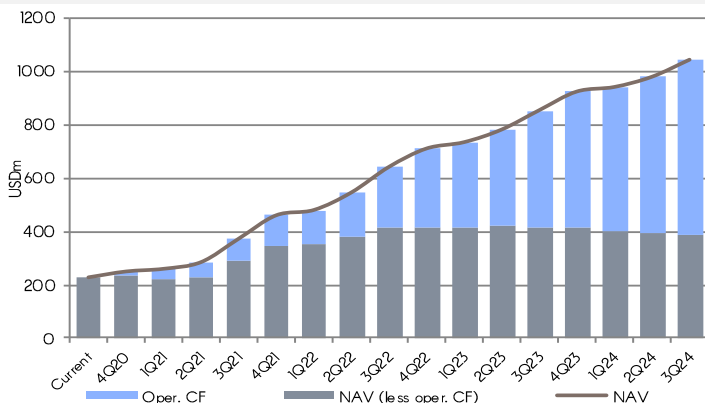
Impact on NAV/sh from % change in asset prices



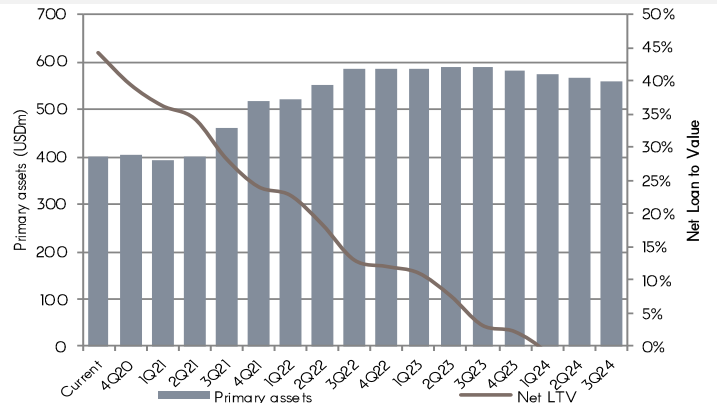
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	45.5	29.2	30.7	31.4				
EBITDA (adj.)	31.3	16.7	17.8	18.7				
EBIT (adj.)	20.5	6.5	7.9	8.8				
PTP (adj.)	17.3	1.3	5.5	7.0				
Net earnings (adj.)	17.3	1.3	5.5	7.0				
EPS (adj.)	0.58	0.04	0.18	0.45				
DPS	0.98	0.20	0.07	n.a.				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	45.5	29.2	30.7	31.4				
Opex & G&A	14.2	12.4	12.9	12.8				
Depreciation	10.8	10.2	9.9	9.8				
Net finance	3.2	5.3	2.4	1.8				
Taxes & Minorities	-	-	-	-				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	27	12	18					
Free cash flow	25	7	24					
Net cash flow	-8	4	13					
TCE/day	19,018	13,784	15,795	16,140				
Fleet days	2,392	2,208	2,144					
Cash break-even	10,462	9,275	9,468					
Liquidity	47	27	39					
Interest bearing debt	226	203	198					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	100	156	239	273	100	129	194	250	0	28	45	23	
EBITDA (adj.)	48	106	188	223	48	78	143	200	0	28	45	23	
EBIT (adj.)	8	67	149	184	8	39	105	160	0	28	45	23	
PTP (adj.)	-6	58	142	177	-6	31	97	154	0	28	45	23	
Net earnings (adj.)	-6	58	142	177	-6	31	97	154	0	28	45	23	
EPS (adj.)	-0.21	1.94	4.72	5.90	-0.21	1.02	3.23	5.13	0.00	0.92	1.49	0.77	
DPS	1.18	1.95	3.91	5.05	1.18	1.09	2.76	4.52	-	0.86	1.15	0.53	
									2020E	2021E	2022E	2023E	
									TCE revenue	0	28	45	23
									Opex & G&A	-	-	-	-
									Depreciation	-	-	-	-
									Net finance	-	-	-	-
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	39	97	181	216	39	69	136	193	0	28	45	23
Free cash flow	61	93	171	209	61	66	126	186	0	28	45	23
Net cash flow	-8	12	31	35	-8	11	21	28	0	2	10	7
TCE/day	11,986	18,755	28,354	32,487	11,986	15,414	23,040	29,738	1	3,341	5,315	2,749
Cash break-even	11,073	9,738	9,618	9,497	11,073	9,738	9,618	9,497	-	-	-	-
Liquidity	39	52	83	118	39	50	71	99	0	2	12	19
Property & Equip. (incl. NBs)	492	457	428	396	492	457	428	396	-	-	-	-
Total equity	343	343	367	392	343	341	355	373	0	2	12	19
Total assets	561	538	540	543	561	537	528	524	0	2	12	19
Interest bearing debt	198	176	153	131	198	176	153	131	-	-	-	-
Net interest bearing debt	159	124	71	13	159	126	82	32	-0	-2	-12	-19
Market Cap.	422	422	422	422	408	408	408	408	14	14	14	14
Enterprise value	581	546	492	435	567	534	490	440	14	12	2	-5

Valuation

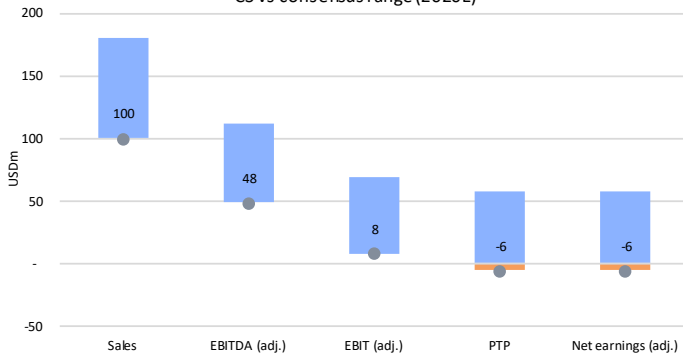
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	250	460	710	923	240	399	578	796	10	61	132	127
Adj. equity ratio	53%	70%	80%	86%	52%	67%	77%	84%	1%	3%	3%	2%
FCF yield	14%	22%	41%	50%	15%	16%	31%	46%	0%	6%	10%	4%
Dividend yield	8%	14%	28%	36%	9%	8%	20%	33%	0%	6%	8%	3%
EV/EBITDA	11.2	5.2	2.6	2.0	10.9	6.8	3.4	2.2	0.3	-1.7	-0.8	-0.3
P/E (adj.)		7.2	3.0	2.4		13.3	4.2	2.7	#####	-6.1	-1.2	-0.3



Our Estimates vs Consensus

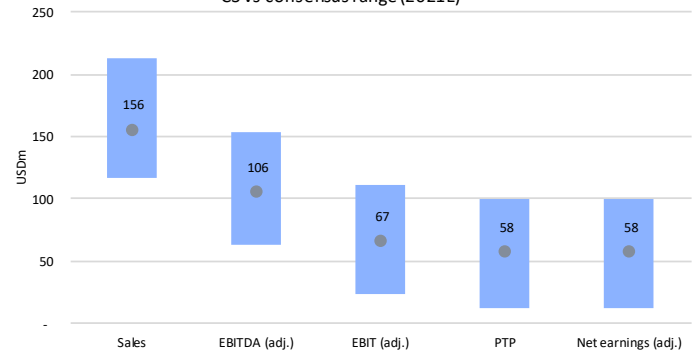
Profit & Loss, year I

CS vs consensus range (2020E)

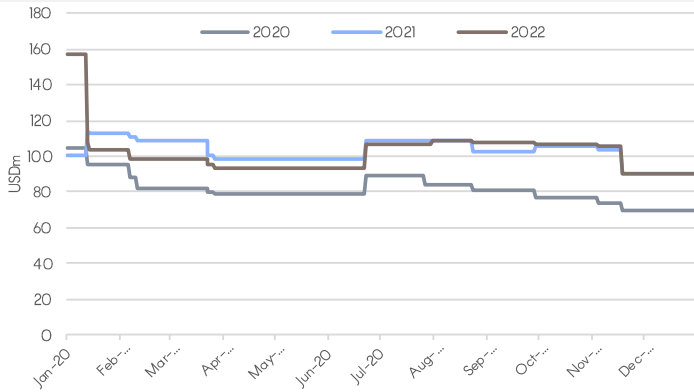


Profit & Loss, year II

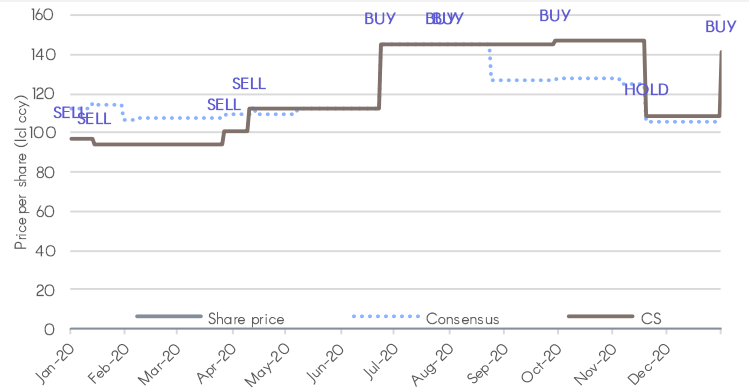
CS vs consensus range (2021E)



Consensus EBITDA development



Fair value vs share price

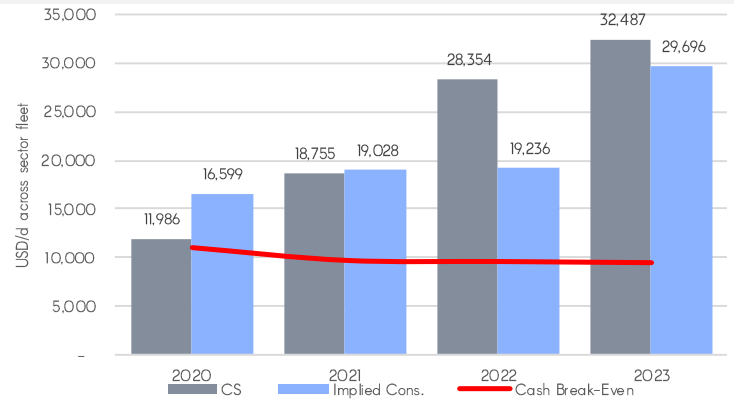


Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	100	139	-38	-28%	
Opex + G&A	52	69	-17	-25%	
Depreciation	40	41	-0	-1%	
Net finance	14	12	2	13%	
Taxes & Minorities	0	-1	1	-100%	

	2021	CS	Consensus	Diff.	Diff.
TCE revenue	156	159	-2	-1%	
Opex + G&A	51	69	-18	-26%	
Depreciation	39	40	-1	-3%	
Net finance	9	10	-1	-9%	
Taxes & Minorities	0	0	0	#DIV/O!	

Avg. TCE/day across fleet vs consensus





Cleaves Securities

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

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	45	22	18	29	31	34	34	43	45
Operational costs	-21	-14	-11	-13	-10	-12	-13	-13	-13
EBITDA	25	8	7	16	20	22	22	30	33
Depreciation/Amortization	-11	-10	-10	-10	-10	-10	-10	-10	-10
EBIT	14	-2	-3	6	10	12	12	20	23
Net financials	-3	-3	-3	-7	-2	-2	-2	-2	-2
PTP	11	-5	-6	-1	8	10	10	18	21
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	11	-5	-6	-1	8	10	10	18	21
Non-recurring items	6	0	-2	2	-3	0	0	0	0
Net earnings (adj.)	17	-5	-8	1	5	10	10	18	21
EPS	0.36	-0.17	-0.19	-0.04	0.27	0.32	0.33	0.60	0.69
EPS (adj.)	0.58	-0.17	-0.26	0.04	0.18	0.32	0.33	0.60	0.69
DPS	0.83	0.98	0.00	0.00	0.20	0.07	0.43	0.65	0.80
Balance Sheet (USDm)									
Cash & short-term investments	47	23	23	27	39	50	50	52	52
Other current assets	27	33	26	30	30	30	30	30	30
Total current assets	74	56	49	57	69	80	80	82	82
Property & equip. (incl. NBs)	552	516	510	507	492	483	475	466	457
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	552	516	510	507	492	483	475	466	457
TOTAL ASSETS	626	572	559	564	561	563	554	547	538
Total equity	384	346	340	341	343	350	347	346	343
Short-term debt	38	32	32	20	31	29	28	27	28
Other current liabilities	13	12	13	15	15	15	15	15	15
Total current liabilities	51	44	45	35	45	43	42	41	43
Long-term debt	187	177	169	183	168	164	159	155	147
Other non-current liabilities	3	6	5	5	5	5	5	5	5
Total non-current liabilities	191	183	175	188	173	170	165	160	153
TOTAL EQUITY & LIABILITIES	626	572	559	564	561	563	554	547	538
Working capital, receivables	24	22	15	16	16	16	16	16	16
Working capital, payables	8	5	6	10	10	10	10	10	10
Net working capital	16	17	9	7	7	7	7	7	7
Interest bearing debt	226	209	201	203	198	193	187	182	176
Liquidity	47	23	23	27	39	50	50	52	52
Net interest bearing debt	179	186	178	177	159	143	137	130	124
Cash Flow (USDm)									
Net income	11	-5	-6	-1	8	10	10	18	21
Depreciation	11	10	10	10	10	10	10	10	10
Other	6	0	-2	6	0	0	0	0	0
Cash earnings	28	5	2	15	18	19	20	28	30
Changes in working capital	-1	3	-2	-3	0	0	0	0	0
Net operational cash flow	27	8	0	12	18	19	20	28	30
Capex	-2	-3	-4	-5	-5	-1	-1	-1	-1
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	18	11	0	11	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-2	15	7	-5	5	-1	-1	-1	-1
Repayment of debt	-8	-17	-8	-197	-5	-6	-6	-6	-6
Proceeds from debt	0	0	0	200	0	0	0	0	0
Dividends paid	-25	-30	0	0	-6	-2	-13	-20	-24
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	-6	0	0	0	0	0
Net financing cash flow	-32	-46	-8	-3	-11	-8	-19	-25	-30
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-8	-24	-1	4	13	11	0	2	0
Cash balance	47	23	23	27	39	50	50	52	52
Free cash flow	25	23	7	7	24	18	19	27	30



Cleaves Securities

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

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales				132	144	100	156	239	273
Operational costs				-45	-54	-48	-51	-51	-51
EBITDA			13	87	90	52	106	188	223
Depreciation/Amortization			-8	-36	-43	-40	-39	-39	-39
EBIT	—	—	5	51	47	11	67	149	184
Net financials			-2	-13	-13	-16	-9	-8	-7
PTP	—	—	3	38	34	-4	58	142	177
Taxes/Minorities			0	0	0	0	0	0	0
Net earnings	—	—	3	38	34	-4	58	142	177
Non-recurring items			0	0	0	-2	0	0	0
Net earnings (adj.)	—	—	3	38	34	-6	58	142	177
EPS			0.18	1.26	1.12	-0.14	1.94	4.72	5.90
EPS (adj.)			0.18	1.26	1.12	-0.21	1.94	4.72	5.90
DPS			0.00	0.52	1.92	1.18	1.95	3.91	5.05
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	—	—	20	43	47	39	52	83	118
Other current assets			21	31	27	30	30	30	30
Total current assets	—	—	41	74	74	69	82	113	148
Property & equip. (incl. NBs)	—	—	—	—	—	492	457	428	396
Other non-current assets						0	0	0	0
Total non-current assets	—	—	245	603	552	492	457	428	396
TOTAL ASSETS	—	—	286	677	626	561	538	540	543
Total equity	—	—	194	417	384	343	343	367	392
Short-term debt	—	—	0	23	38	31	23	29	30
Other current liabilities			7	9	13	15	15	15	15
Total current liabilities	—	—	7	33	51	45	38	43	45
Long-term debt	—	—	85	226	187	168	153	125	101
Other non-current liabilities			0	2	3	5	5	5	5
Total non-current liabilities	—	—	85	227	191	173	158	130	106
TOTAL EQUITY & LIABILITIES	—	—	286	677	626	561	538	540	543
Working capital, receivables			18	29	25	16	16	16	16
Working capital, payables	—	—	2	9	3	10	10	10	10
Net working capital			16	21	22	7	7	7	7
Interest bearing debt			85	249	226	198	176	153	131
Liquidity			20	43	47	39	52	83	118
Net interest bearing debt			65	206	179	159	124	71	13
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	—	—	3	38	34	-4	58	142	177
Depreciation			8	36	43	40	39	39	39
Other			1	-5	3	4	0	0	0
Cash earnings			12	68	80	40	97	181	216
Changes in working capital	—	—	-14	-9	3	-2	0	0	0
Net operational cash flow	—	—	-2	60	83	39	97	181	216
Capex	—	—	-161	-256	-4	-17	-4	-10	-7
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	—	—	—	35	12	39	0	0	0
Other			-4	0	1	4	0	0	0
Net investing cash flow	—	—	-165	-221	9	22	-4	-10	-7
Repayment of debt	—	—	86	162	-24	-227	-22	-22	-22
Proceeds from debt	—	—	86	—	—	200	0	0	0
Dividends paid	—	—	0	-16	-58	-36	-59	-117	-152
New equity	—	—	83	42	0	0	0	0	0
Other			-90	-4	-6	4	0	0	0
Net financing cash flow	—	—	165	185	-88	-68	-81	-140	-174
Currency effect	—	—	0	0	0	0	0	0	0
Net cash flow			-3	24	4	-8	12	31	35
Cash balance		23	20	43	47	39	52	83	118
Free cash flow			-168	-161	92	61	93	171	209



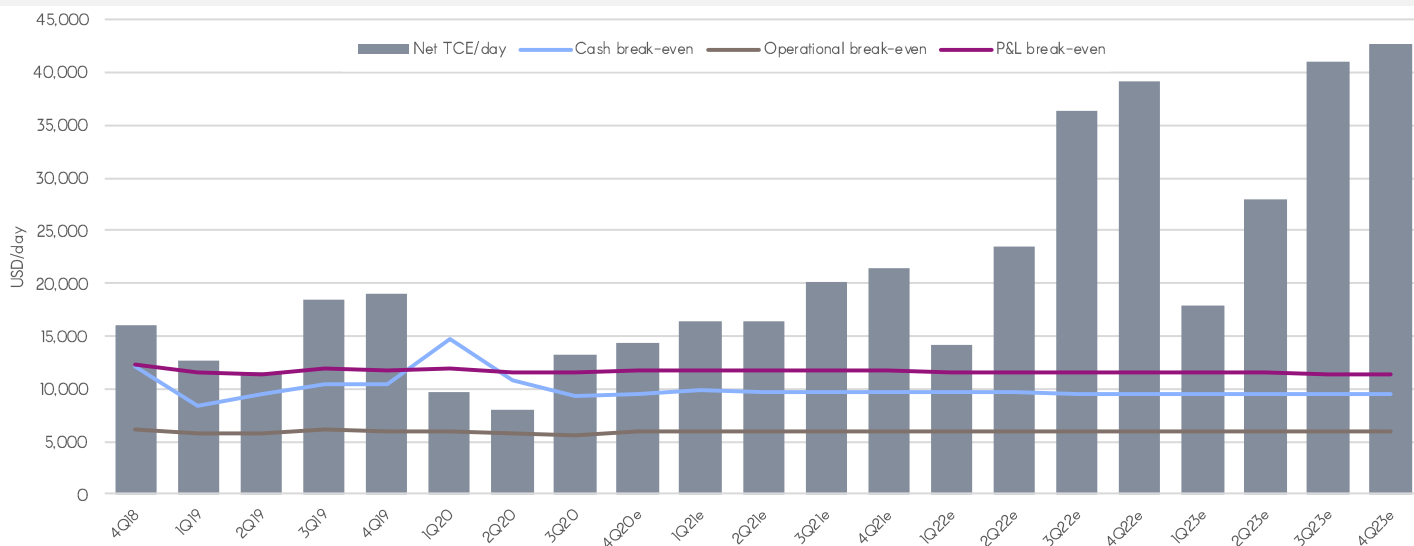
Cleaves Securities

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

	Dry Bulk			BUY					
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	—	—	17	30	30	30	30	30	30
Share price, avg (USD)			10	13	13	14	14	14	14
Share price, end (USD)	—	—	11	17	15	14	14	14	14
Market Cap.			195	522	442	422	422	422	422
NIBD			65	206	179	159	124	71	13
Minorities	—	—	0	0	0	0	0	0	0
Enterprise value			261	727	620	581	546	492	435
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)			62.1	13.8	13.1		7.2	3.0	2.4
P/E (adj.)			62.1	13.8	13.1		7.2	3.0	2.4
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales				3.9	3.1	4.2	2.7	1.8	1.5
EV/Sales				5.5	4.3	5.8	3.5	2.1	1.6
EV/EBITDA			20.0	8.4	6.9	11.2	5.2	2.6	2.0
EV/EBIT			53.7	14.3	13.3	50.7	8.1	3.3	2.4
P/B			1.0	1.2	1.1	1.2	1.2	1.1	1.1
FCF yield			-86%	-31%	21%	14%	22%	41%	50%
Dividend yield			0.0%	3.0%	13.0%	8.4%	13.9%	27.8%	35.9%
Return on equity (ROE)			1.6%	9.1%	8.8%	-1.2%	17.0%	38.6%	45.1%
Return on capital employed (ROCE)			1.9%	8.1%	8.3%	2.3%	14.4%	34.1%	45.3%
Return on assets (ROA)			1.1%	5.6%	5.4%	-0.7%	10.8%	26.2%	32.6%
Sales growth					9%	-31%	56%	53%	15%
EBITDA margin				66%	62%	52%	68%	79%	81%
EBIT margin				38%	32%	11%	43%	63%	67%
Net margin				29%	23%	-4%	37%	59%	65%
Net interest rate			0.0%	0.0%	0.0%	7.2%	7.0%	10.9%	50.5%
Tax rate			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio			68%	62%	61%	61%	64%	68%	72%
Leverage ratio			32%	38%	39%	39%	36%	32%	28%
NIBD / EBITDA (past ly)			5.0	2.4	2.0	3.1	1.2	0.4	0.1
Operating cash flow/NIBD			0.0	0.3	0.5	0.2	0.8	2.6	16.4
Net interest coverage ratio (EBITDA)						4.5	12.1	24.5	33.5
Current ratio			5.5	2.3	1.5	1.5	2.2	2.6	3.3
Adj. equity ratio						53%	70%	80%	86%
Operating assets			266	634	579	522	487	457	425
Operating liabilities			7	11	16	20	20	20	20
Net operating assets			259	623	563	502	467	437	405

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

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





Fleet Positioning

Live satellite data as of
14/01/2021 21:25 CET



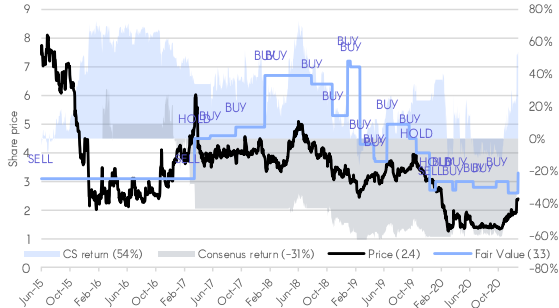


Low operational risk from extensive charter backlog. Strong cash flow potential despite high G&A

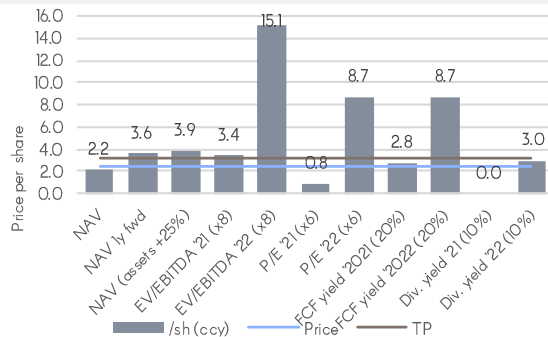
DSX-US BUY/\$3.3

Diana Shipping

Share price vs target price

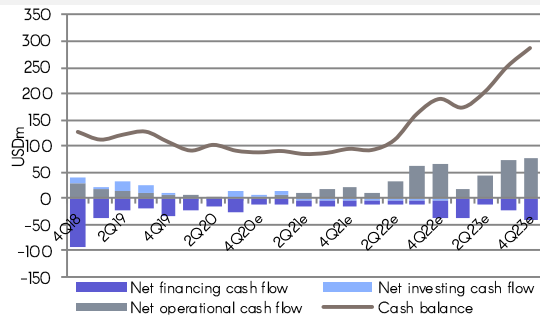


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	157	186	301	340
EBITDA (adj.)	35	73	188	225
EBIT (adj.)	-7	36	151	188
PTP (adj.)	-32	13	129	168
Net earnings (adj.)	-32	13	129	168
EPS (adj.)	-0.37	0.14	1.45	1.88
DPS	-	-	0.30	0.92
USDm	2020E	2021E	2022E	2023E
Fwd NAV	204	437	704	901
Adj. equity ratio	32%	52%	66%	73%
FCF yield	14%	23%	72%	98%
Dividend yield	0%	0%	12%	38%
EV/EBITDA		6.8	2.0	1.1
P/E (adj.)		17.0	1.7	1.3

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	16	56	173	211
Free cash flow	31	49	155	211
Net cash flow	-41	7	97	98
TCE/day	11,419	13,956	22,657	25,613
Cash break-even	15,041	16,585	16,490	21,740
Liquidity	87	94	190	289
Property & Equip. (incl. NBs)	718	688	668	630
Total equity	432	450	558	649
Total assets	872	848	925	985
Interest bearing debt	420	377	345	315
Net interest bearing debt	332	283	155	26
Market Cap.	214	214	214	214

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

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

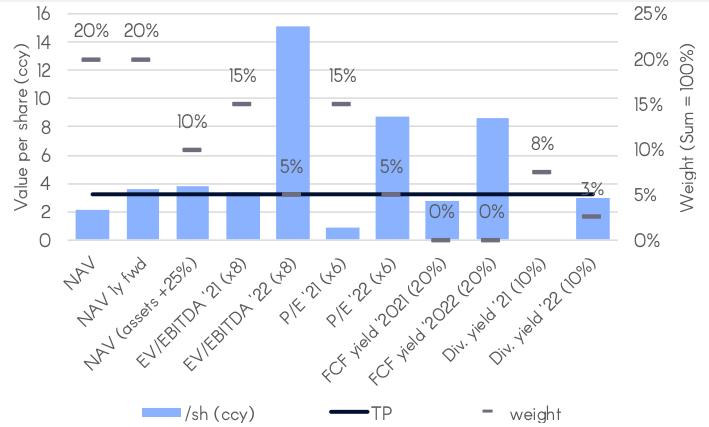


Company Valuation

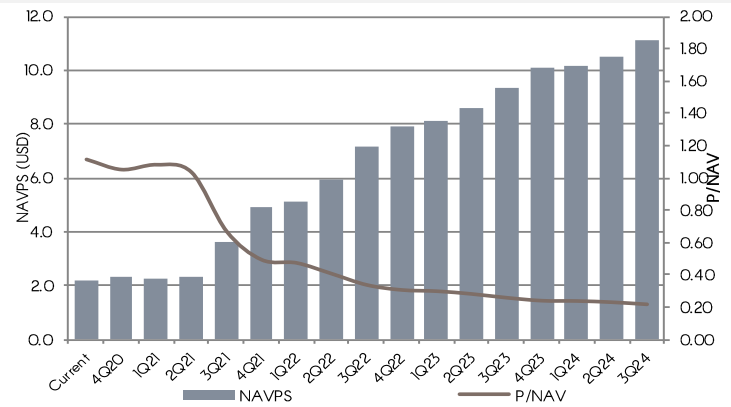
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	731	603	624
Contract value	0	-50	-52
Other	67	67	69
GAV	798	619	641
Net debt	-341	-341	-341
Capex	0	0	0
Other	-21	-86	-86
Equity	436	193	214
Shares	89	89	89
Equity/sh	4.89	2.16	2.40
ICL CCY	4.89	2.16	2.40
P/Equity	0.49	1.11	1.00
EV/GAV	0.80	1.03	1.00
Adj. Total Assets	888	760	781
Adj. Equity Ratio	49%	25%	27%
Fair Value	USD	3.3	36%

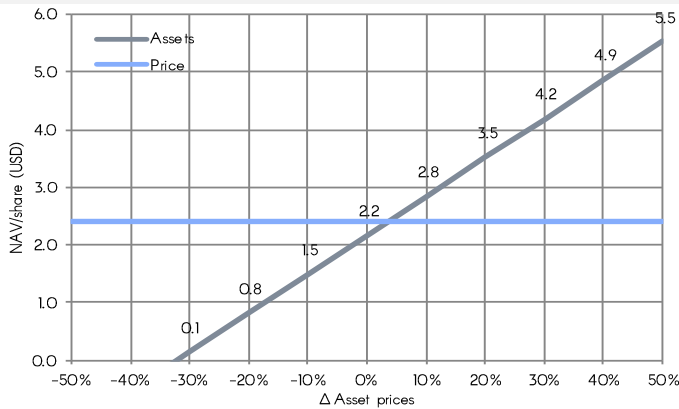
Valuation Matrix



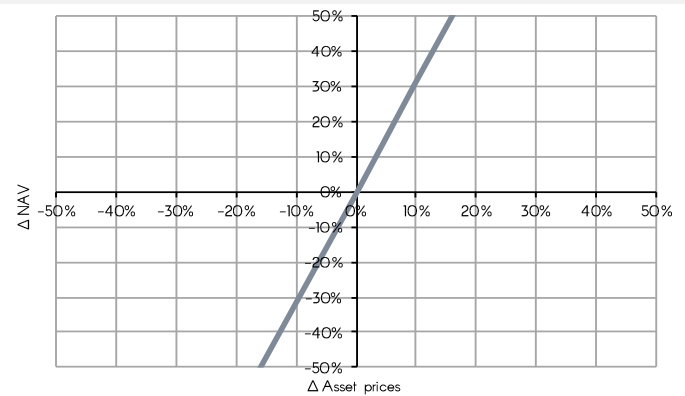
Quarterly forward NAV & P/NAV



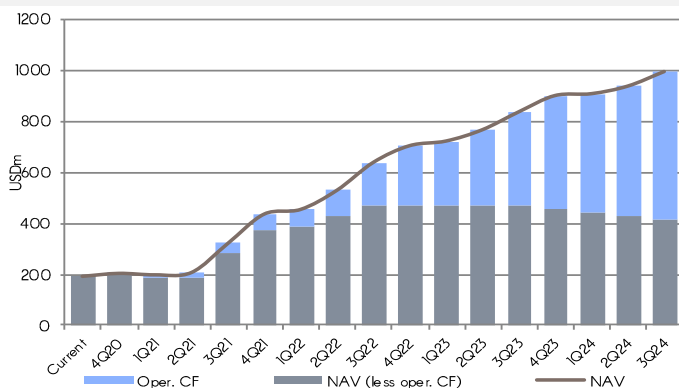
Impact on NAV/sh from % change in asset prices



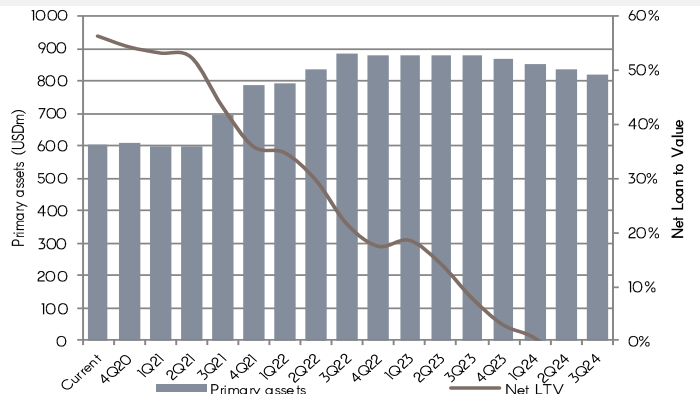
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19		3Q20		4Q20		Actuals vs		Actuals vs	
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
Net sales	47.0	39.4	40.2	40.8						
EBITDA (adj.)	15.2	8.1	9.1	11.3						
EBIT (adj.)	3.2	-1.3	-0.3	1.8						
PTP (adj.)	-4.4	-6.1	-6.4	-4.7						
Net earnings (adj.)	-4.4	-6.1	-6.4	-4.2						
EPS (adj.)	-0.05	-0.07	-0.07	-0.05						
DPS	-	-	-	-						
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	47.0	39.4	40.2	40.8						
Opex & G&A	31.8	31.3	31.1	29.5						
Depreciation	12.1	9.4	9.4	9.6						
Net finance	7.6	4.8	6.1	6.5						
Taxes & Minorities	-	-	-	-0.5						

CF & BS

4Q20 Preview USDm	4Q19		3Q20		4Q20		Actuals vs		Actuals vs	
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	5	-0	4							
Free cash flow	11	13	8							
Net cash flow	-21	-11	-3							
TCE/day	13,476	11,140	11,151	11,313						
Utilization	94.9%	96.0%	98.0%							
Fleet days	3,915	3,719	3,680							
Cash break-even	15,968	15,994	12,806							
Liquidity	107	90	87							
Interest bearing debt	475	431	420							



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	157	186	301	340	157	172	249	315	-	14	52	25	
EBITDA (adj.)	35	73	188	225	35	58	135	199	-	15	54	27	
EBIT (adj.)	-7	36	151	188	-7	20	97	161	-	15	54	27	
PTP (adj.)	-32	13	129	168	-32	-3	76	141	-	15	54	27	
Net earnings (adj.)	-32	13	129	168	-32	-3	76	141	-	15	54	27	
EPS (adj.)	-0.37	0.14	1.45	1.88	-0.37	-0.03	0.85	1.58	-	0.17	0.60	0.30	
DPS	-	-	0.30	0.92	-	-	0.19	0.72	-	-	0.11	0.20	
									2020E	2021E	2022E	2023E	
									TCE revenue	-	14	52	25
									Opex & G&A	-	-2	-2	-2
									Depreciation	-	-	-	-
									Net finance	-	-	-	-
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	16	56	173	211	16	41	119	184	-	15	54	27
Free cash flow	31	49	155	211	30	33	101	184	1	16	54	27
Net cash flow	-41	7	97	98	-42	-9	53	90	1	16	44	9
TCE/day	11,419	13,956	22,657	25,613	11,419	12,638	18,274	23,132	-	1,318	4,384	2,481
Cash break-even	15,041	16,585	16,490	21,740	15,041	16,434	16,201	21,312	-	151	289	427
Liquidity	87	94	190	289	86	77	130	220	1	17	61	69
Property & Equip. (incl. NBs)	718	688	668	630	719	689	669	632	-1	-1	-2	-2
Total equity	432	450	558	649	432	434	499	582	-	15	59	68
Total assets	872	848	925	985	872	833	866	918	-	15	59	68
Interest bearing debt	420	377	345	315	420	377	345	315	-	-	-	-
Net interest bearing debt	332	283	155	26	333	300	215	96	-1	-17	-61	-69
Market Cap.	214	214	214	214	151	151	151	151	63	63	63	63
Enterprise value	547	497	369	241	485	451	367	247	62	46	2	-6

Valuation

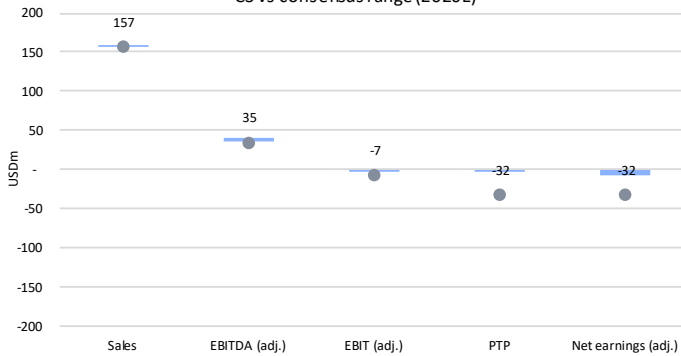
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	204	437	704	901	241	393	585	805	-36	44	119	96
Adj. equity ratio	32%	52%	66%	73%	35%	50%	61%	71%	-4%	3%	4%	2%
FCF yield	14%	23%	72%	98%	20%	22%	67%	122%	-5%	1%	6%	-23%
Dividend yield	0%	0%	12%	38%	0%	0%	11%	43%	0%	0%	1%	-4%
EV/EBITDA		6.8	2.0	1.1		7.8	2.7	1.2	#####	-1.0	-0.8	-0.2
P/E (adj.)		17.0	1.7	1.3			2.0	1.1	#####	#####	-0.3	0.2



Our Estimates vs Consensus

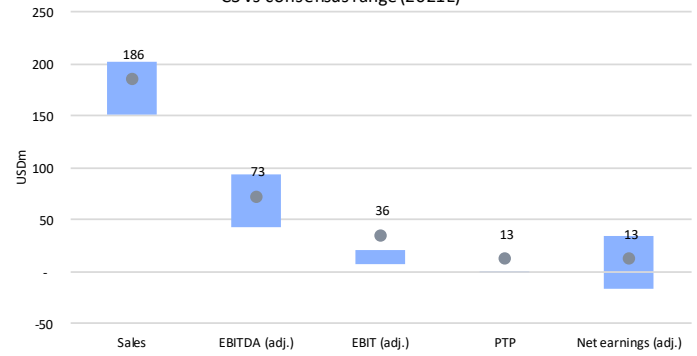
Profit & Loss, year I

CS vs consensus range (2020E)

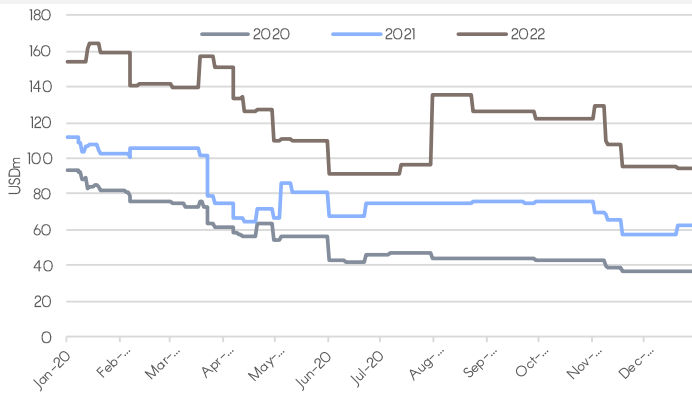


Profit & Loss, year II

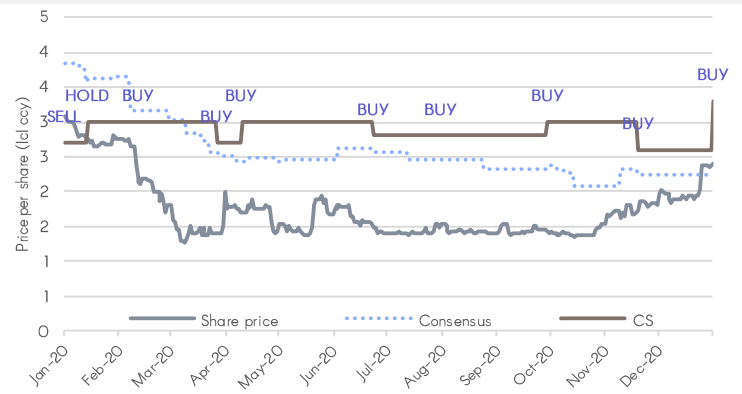
CS vs consensus range (2021E)



Consensus EBITDA development



Fair value vs share price

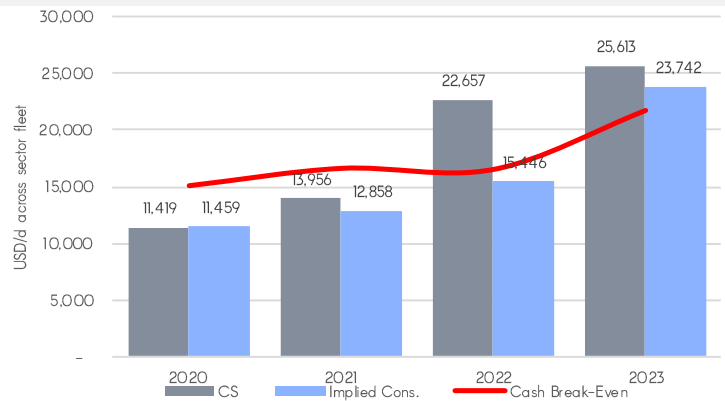


Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	157	157	157	-1	0%
Opex + G&A	122	121	121	1	1%
Depreciation	42	42	42	-0	0%
Net finance	25	130	130	-104	-80%
Taxes & Minorities	0	0	-104	104	-100%

	2021	CS	Consensus	Diff.	Diff.
TCE revenue	186	171	171	15	9%
Opex + G&A	113	113	109	4	4%
Depreciation	38	38	45	-8	-17%
Net finance	23	23	20	3	14%
Taxes & Minorities	0	0	-2	2	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

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

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	47	40	37	39	40	40	41	49	56
Operational costs	-41	-125	-31	-38	-31	-28	-28	-28	-30
EBITDA	6	-85	6	1	9	12	14	21	27
Depreciation/Amortization	-12	-12	-12	-9	-9	-9	-9	-9	-9
EBIT	-6	-97	-5	-8	0	2	4	12	17
Net financials	-8	-6	-6	-6	-5	-4	-4	-4	-4
PTP	-14	-103	-11	-15	-5	-2	0	8	13
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-14	-103	-11	-15	-5	-2	0	8	13
Non-recurring items	10	93	1	8	-1	-1	-1	-1	-1
Net earnings (adj.)	-4	-10	-10	-6	-6	-3	-2	6	12
EPS	-0.15	-1.15	-0.12	-0.16	-0.06	-0.02	0.00	0.08	0.15
EPS (adj.)	-0.05	-0.12	-0.11	-0.07	-0.07	-0.04	-0.02	0.07	0.13
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance Sheet (USDm)									
Cash & short-term investments	107	91	102	90	87	90	84	86	94
Other current assets	30	24	29	35	35	35	35	35	35
Total current assets	137	114	130	126	123	125	120	122	129
Property & equip. (incl. NBs)	904	804	785	731	718	702	697	692	688
Other non-current assets	30	26	9	31	31	31	31	31	31
Total non-current assets	934	830	795	762	749	733	729	724	719
TOTAL ASSETS	1,071	944	925	888	872	859	848	845	848
Total equity	570	458	447	436	432	430	429	437	450
Short-term debt	40	0	0	0	13	4	6	8	8
Other current liabilities	25	0	0	0	0	0	0	0	0
Total current liabilities	65	0	0	0	13	4	6	8	8
Long-term debt	435	465	454	431	406	404	392	379	369
Other non-current liabilities	1	21	24	21	21	21	21	21	21
Total non-current liabilities	436	487	478	452	427	425	413	400	390
TOTAL EQUITY & LIABILITIES	1,071	944	925	888	872	859	848	845	848
Working capital, receivables	13	0	0	0	0	0	0	0	0
Working capital, payables	23	0	0	0	0	0	0	0	0
Net working capital	-9	0	0	0	0	0	0	0	0
Interest bearing debt	475	465	454	431	420	408	398	387	377
Liquidity	107	91	102	90	87	90	84	86	94
Net interest bearing debt	368	375	353	341	332	318	314	301	283
Cash Flow (USDm)									
Net income	-14	-103	-11	-15	-5	-2	0	8	13
Depreciation	12	12	12	9	9	9	9	9	9
Other	7	99	4	5	0	0	0	0	0
Cash earnings	5	7	4	0	4	7	9	17	22
Changes in working capital	0	0	0	0	0	0	0	0	0
Net operational cash flow	5	7	4	0	4	7	9	17	22
Capex	0	0	0	0	-3	-4	-4	-4	-4
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	7	7	11	0	0	0
Other	6	-1	-1	6	0	0	0	0	0
Net investing cash flow	6	-1	-1	14	4	7	-4	-4	-4
Repayment of debt	0	0	0	-23	-11	-60	-10	-15	-10
Proceeds from debt	0	0	0	0	0	48	0	5	0
Dividends paid	0	0	0	0	0	0	0	0	0
New equity	0	0	0	0	0	0	0	0	0
Other	-32	-23	-13	-1	0	0	0	0	0
Net financing cash flow	-32	-23	-13	-25	-11	-11	-10	-10	-10
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-21	-17	-10	-11	-3	3	-6	2	8
Cash balance	107	91	102	90	87	90	84	86	94
Free cash flow	11	6	3	13	8	14	5	13	18



Cleaves Securities

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

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	142	100	153	219	207	157	186	301	340
Operational costs	-114	-107	-550	-128	-141	-226	-113	-113	-115
EBITDA	28	-7	-397	90	67	-69	73	188	225
Depreciation/Amortization	-76	-82	-87	-52	-49	-42	-38	-38	-38
EBIT	-48	-89	-484	38	18	-111	36	151	188
Net financials	-15	-76	-28	-22	-28	-22	-17	-16	-14
PTP	-63	-164	-512	17	-11	-133	18	135	173
Taxes/Minorities	-2	0	0	0	0	0	0	0	0
Net earnings	-65	-164	-512	17	-11	-133	18	135	173
Non-recurring items	-4	-6	-6	-6	-6	101	-6	-6	-6
Net earnings (adj.)	-69	-170	-517	11	-16	-32	13	129	168
EPS	-0.78	-1.94	-4.82	0.16	-0.12	-1.49	0.21	1.51	1.94
EPS (adj.)	-0.83	-2.01	-4.88	0.10	-0.18	-0.37	0.14	1.45	1.88
DPS	0.07	0.07	0.05	0.06	0.06	0.00	0.00	0.30	0.92
Balance Sheet (USDm)									
Cash & short-term investments	172	98	40	127	107	87	94	190	289
Other current assets	22	17	99	15	30	35	35	35	35
Total current assets	194	115	139	142	137	123	129	226	324
Property & equip. (incl. NBs)	1,441	1,404	1,076	1,014	904	718	688	668	630
Other non-current assets	203	149	32	32	30	31	31	31	31
Total non-current assets	1,643	1,553	1,108	1,046	934	749	719	699	661
TOTAL ASSETS	1,837	1,669	1,247	1,188	1,071	872	848	925	985
Total equity	1,218	1,057	625	628	570	432	450	558	649
Short-term debt	41	65	61	96	40	13	53	51	39
Other current liabilities	18	13	20	29	25	0	0	0	0
Total current liabilities	59	78	80	125	65	13	53	51	39
Long-term debt	559	533	541	434	435	406	324	295	276
Other non-current liabilities	1	1	1	1	1	21	21	21	21
Total non-current liabilities	560	534	542	435	436	427	345	316	297
TOTAL EQUITY & LIABILITIES	1,837	1,669	1,247	1,188	1,071	872	848	925	985
Working capital, receivables	11	12	11	9	13	0	0	0	0
Working capital, payables	15	12	16	24	23	0	0	0	0
Net working capital	-5	-1	-5	-16	-9	0	0	0	0
Interest bearing debt	600	598	601	531	475	420	377	345	315
Liquidity	172	98	40	127	107	87	94	190	289
Net interest bearing debt	428	500	561	404	368	332	283	155	26
Cash Flow (USDm)									
Net income	-65	-164	-512	17	-11	-133	18	135	173
Depreciation	76	82	87	52	49	42	38	38	38
Other	17	69	447	6	28	107	0	0	0
Cash earnings	29	-13	22	74	66	16	56	173	211
Changes in working capital	-5	-8	1	6	-16	0	0	0	0
Net operational cash flow	24	-21	23	80	50	16	56	173	211
Capex	-156	-51	-126	-3	-3	-3	-18	-18	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	13	15	41	14	11	0	0
Other	0	10	-40	88	0	-104	0	0	0
Net investing cash flow	-156	-42	-152	99	38	15	-7	-18	0
Repayment of debt	120	-3	2	-70	-57	-35	-96	-94	-166
Proceeds from debt	441	39	57	100	44	0	53	63	136
Dividends paid	-6	-6	-6	-6	-6	0	0	-27	-82
New equity	—	0	77	0	1	0	0	0	0
Other	-451	-40	-57	-118	-94	-104	0	0	0
Net financing cash flow	104	-9	74	-94	-111	-72	-42	-58	-113
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-28	-72	-55	86	-23	-41	7	97	98
Cash balance	172	98	40	127	107	66	73	169	268
Free cash flow	-132	-63	-129	179	88	31	49	155	211



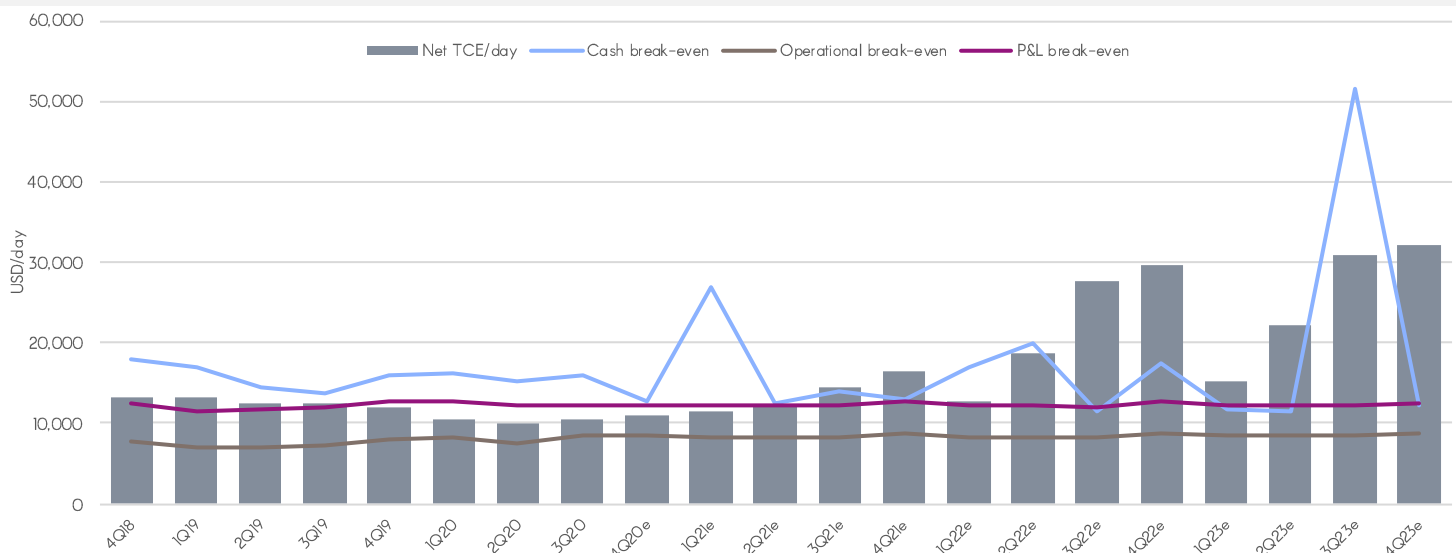
Cleaves Securities

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

	Dry Bulk			BUY					
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	83	85	106	104	91	89	89	89	89
Share price, avg (USD)	6	3	4	4	3	2	2	2	2
Share price, end (USD)	4	3	4	3	3	2	2	2	2
Market Cap.	359	256	432	330	284	214	214	214	214
NIBD	428	500	561	404	368	332	283	155	26
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	787	756	993	734	651	547	497	369	241
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)				19.9			11.6	1.6	1.2
P/E (adj.)				30.5			17.0	1.7	1.3
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	2.5	2.5	2.8	1.5	1.4	1.4	1.2	0.7	0.6
EV/Sales	5.5	7.5	6.5	3.4	3.1	3.5	2.7	1.2	0.7
EV/EBITDA	28.0			8.1	9.8		6.8	2.0	1.1
EV/EBIT				19.2	37.0		14.0	2.5	1.3
P/B	0.3	0.2	0.7	0.5	0.5	0.5	0.5	0.4	0.3
FCF yield	-37%	-24%	-30%	54%	31%	14%	23%	72%	98%
Dividend yield	1.6%	2.3%	1.3%	1.7%	2.0%	0.0%	0.0%	12.4%	38.5%
Return on equity (ROE)	-5.3%	-15.5%	-81.9%	2.6%	-1.8%	-30.9%	4.1%	24.2%	26.7%
Return on capital employed (ROCE)	-2.9%	-5.7%	-40.8%	3.7%	1.9%	-14.5%	4.9%	21.1%	27.8%
Return on assets (ROA)	-3.5%	-9.8%	-41.0%	1.4%	-1.0%	-15.3%	2.2%	14.6%	17.6%
Sales growth	-14%	-29%	53%	43%	-5%	-24%	19%	62%	13%
EBITDA margin	20%	-7%	-259%	41%	32%	-44%	39%	63%	66%
EBIT margin	-34%	-88%	-316%	17%	9%	-71%	19%	50%	55%
Net margin	-46%	-164%	-334%	8%	-5%	-85%	10%	45%	51%
Net interest rate	3.6%	4.4%	4.7%	7.6%	8.0%	6.3%	6.1%	10.1%	54.2%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	66%	63%	50%	53%	53%	49%	53%	60%	66%
Leverage ratio	34%	37%	50%	47%	47%	51%	47%	40%	34%
NIBD / EBITDA (past ly)	15.2	-71.5	-1.4	4.5	5.5	-4.8	3.9	0.8	0.1
Operating cash flow/NIBD	0.1	0.0	0.0	0.2	0.1	0.0	0.2	1.1	8.0
Net interest coverage ratio (EBIT)	1.8	-0.3	-14.9	3.0	2.3	-3.3	4.3	12.1	15.8
Current ratio	3.3	1.5	1.7	1.1	2.1	9.2	2.5	4.5	8.3
Adj. equity ratio						32%	52%	66%	73%
Operating assets	1,665	1,571	1,206	1,061	943	785	754	734	696
Operating liabilities	19	14	21	30	26	21	21	21	21
Net operating assets	1,647	1,557	1,186	1,031	917	764	733	713	676

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

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





Fleet Positioning

Live satellite data as of
14/01/2021 21:41 CET



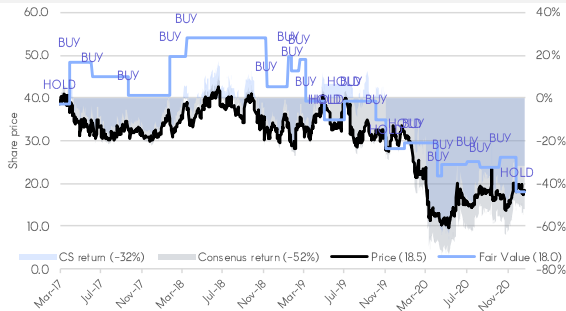


Pure-play on Supramaxes with large scrubber penetration. Lower operational elasticity and higher financial elasticity than many peers

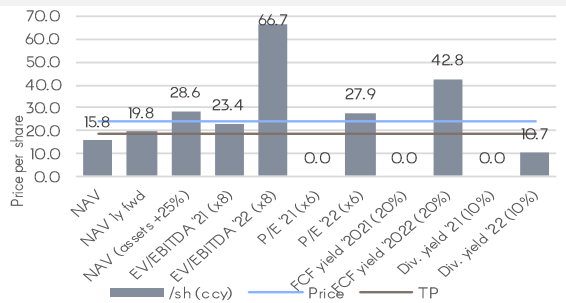
EGLE-US SELL/\$18

Eagle Bulk

Share price vs target price

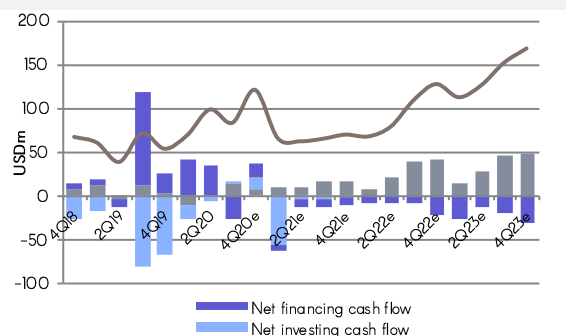


Valuation matrix



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Cash & cash flows



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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	184	221	259	281
EBITDA (adj.)	42	84	139	161
EBIT (adj.)	-8	32	88	110
PTP (adj.)	-45	-0	58	82
Net earnings (adj.)	-45	-0	58	82
EPS (adj.)	-3.26	-0.02	4.65	6.65
DPS	-	-	1.07	3.10
USDm	2020E	2021E	2022E	2023E
Fwd NAV	195	311	447	530
Adj. equity ratio	27%	38%	49%	56%
FCF yield	1%	-6%	36%	44%
Dividend yield	0%	0%	4%	13%
EV/EBITDA	16.1	8.1	4.2	3.1
P/E (adj.)	-	-	5.2	3.6

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	5	51	109	134
Free cash flow	1	-17	106	131
Net cash flow	64	-51	58	41
TCE/day	9,062	11,551	14,769	16,013
Cash break-even	11,369	12,011	21,891	11,348
Liquidity	123	72	130	170
Property & Equip. (incl. NBs)	807	824	775	727
Total equity	466	467	511	555
Total assets	1,006	972	981	973
Interest bearing debt	489	453	418	367
Net interest bearing debt	366	382	289	196
Market Cap.	298	298	298	298

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

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

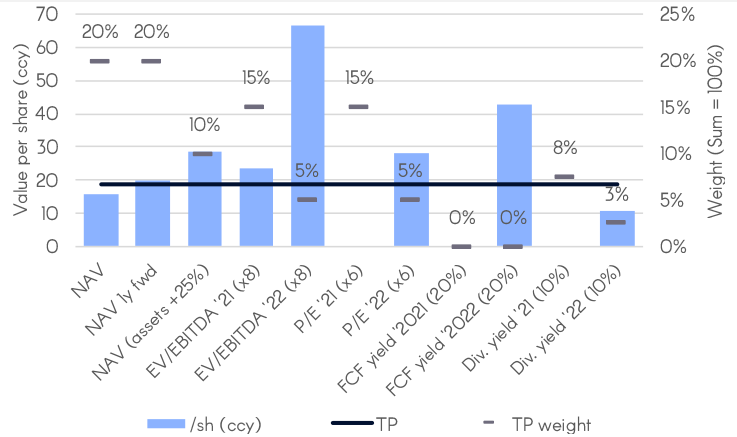


Company Valuation

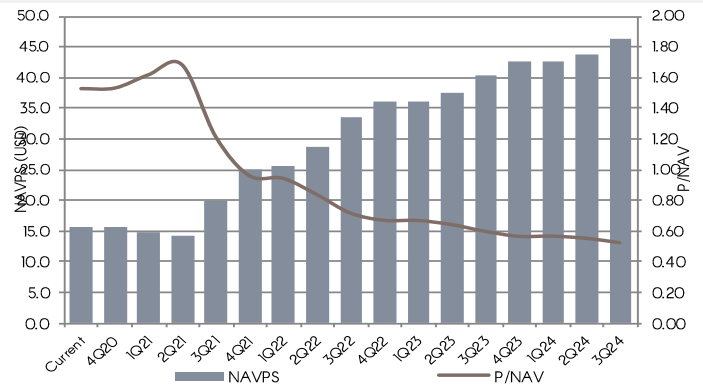
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	834	636	731
Contract value	0	0	0
Other	47	47	54
GAV	881	682	785
Net debt	-412	-412	-412
Capex	0	-53	-53
Other	-22	-22	-22
Equity	446	195	298
Shares	12	12	12
Equity/sh	36.01	15.76	24.05
ICL CCY	36.01	15.76	24.05
P/Equity	0.67	1.53	1.00
EV/GAV	0.89	1.15	1.00
Adj. Total Assets	995	797	893
Adj. Equity Ratio	45%	25%	33%
Fair Value	USD	18.5	-23%

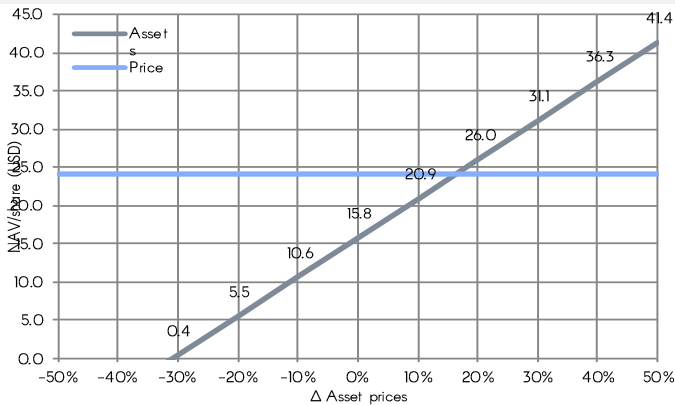
Valuation Matrix



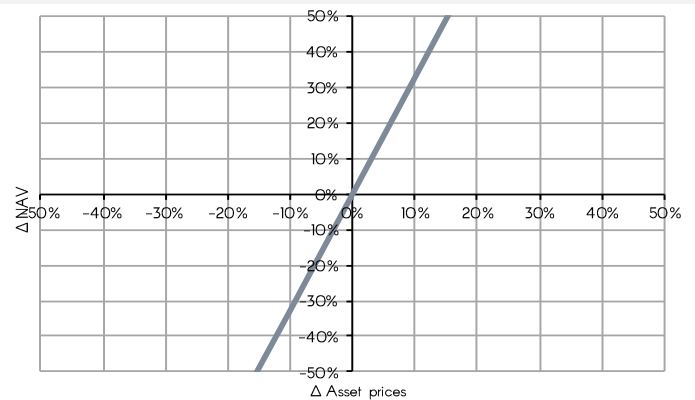
Quarterly forward NAV & P/NAV



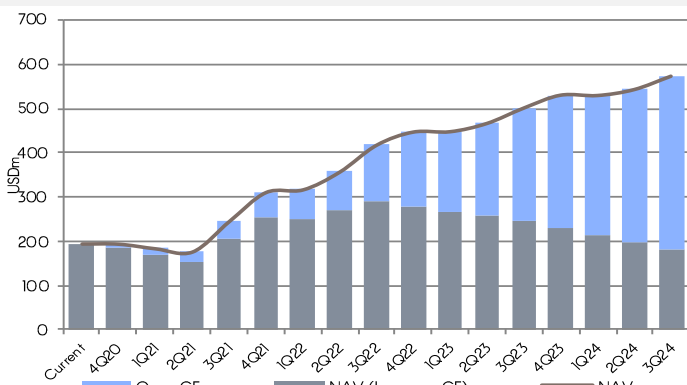
Impact on NAV/sh from % change in asset prices



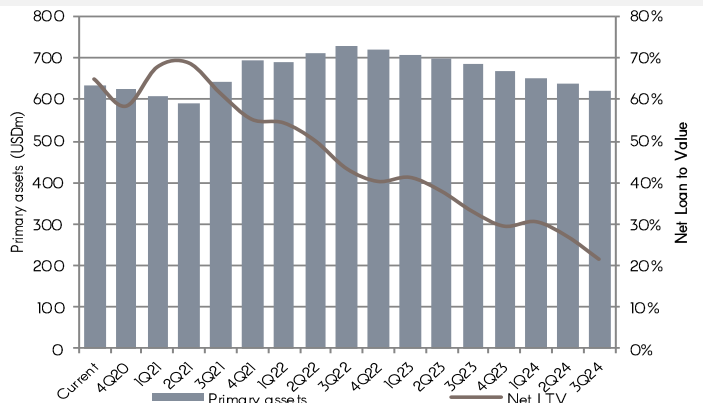
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net sales	184	221	259	281	184	201	234	274	-	20	25	7
EBITDA (adj.)	42	84	139	161	42	69	120	159	-	15	20	2
EBIT (adj.)	-8	32	88	110	-8	19	69	109	-	14	19	1
PTP (adj.)	-45	-0	58	82	-45	-14	39	81	-	14	19	1
Net earnings (adj.)	-45	-0	58	82	-45	-14	39	81	-	14	19	1
EPS (adj.)	-3.26	-0.02	4.65	6.65	-3.31	-1.26	3.54	7.39	0.05	1.23	1.11	-0.73
DPS	-	-	1.07	3.10	-	-	0.81	3.18	-	-	0.26	-0.08
									2020E	2021E	2022E	2023E
									TCE revenue	20	25	7
									Opex & G&A	5	5	5
									Depreciation	1	1	1
									Net finance	-	-	-
									Taxes & Minorities	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	5	51	109	134	5	37	89	132	-	15	20	2
Free cash flow	1	-17	106	131	1	19	86	129	-	-36	20	2
Net cash flow	64	-51	58	41	39	-16	42	42	25	-35	15	-1
TCE/day	9,062	11,551	14,769	16,013	9,062	11,133	14,236	16,627	-	417	534	-614
Cash break-even	11,369	12,011	21,891	11,348	11,369	11,019	23,023	11,778	-	992	-1,133	-430
Liquidity	123	72	130	170	98	82	124	166	25	-10	5	4
Property & Equip. (incl. NBs)	807	824	775	727	807	775	727	680	-	49	48	47
Total equity	466	467	511	555	441	428	458	504	25	39	53	51
Total assets	1,006	972	981	973	981	932	927	922	25	39	53	51
Interest bearing debt	489	453	418	367	489	453	418	367	-	-	-	-
Net interest bearing debt	366	382	289	196	391	372	294	200	-25	10	-5	-4
Market Cap.	298	298	298	298	212	212	212	212	85	86	86	86
Enterprise value	664	680	587	495	603	584	507	413	60	96	80	82

Valuation

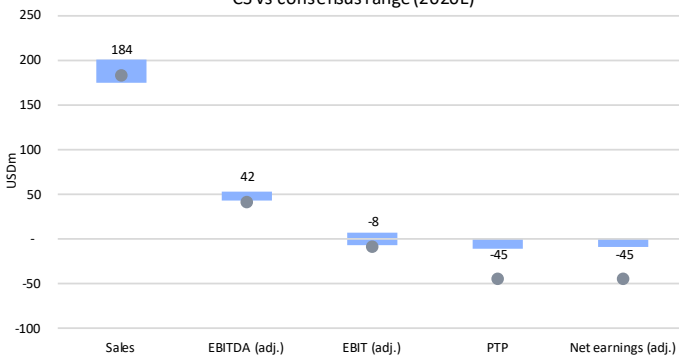
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	195	311	447	530	197	294	392	506	-2	17	55	25
Adj. equity ratio	27%	38%	49%	56%	27%	37%	45%	55%	0%	1%	3%	1%
FCF yield	1%	-6%	36%	44%	1%	9%	41%	61%	0%	-14%	-5%	-17%
Dividend yield	0%	0%	4%	13%	0%	0%	4%	16%	0%	0%	0%	-4%
EV/EBITDA	16.1	8.1	4.2	3.1	14.6	8.4	4.2	2.6	1.5	-0.3	-0.0	0.5
P/E (adj.)			5.2	3.6			5.4	2.6	#####	#####	-0.3	1.0



Our Estimates vs Consensus

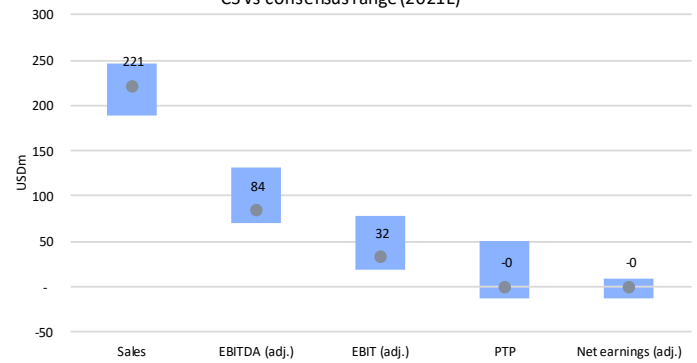
Profit & Loss, year I

CS vs consensus range (2020E)

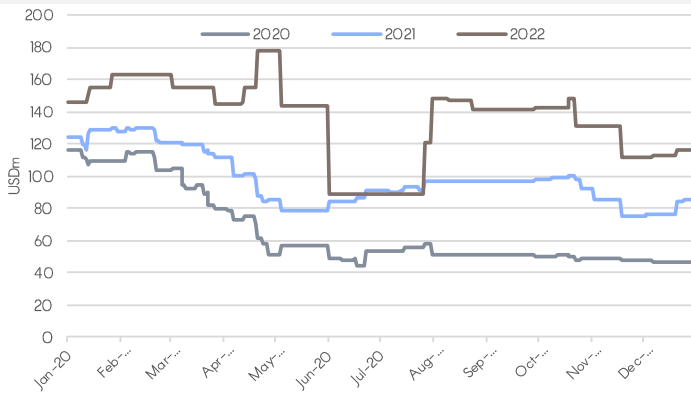


Profit & Loss, year II

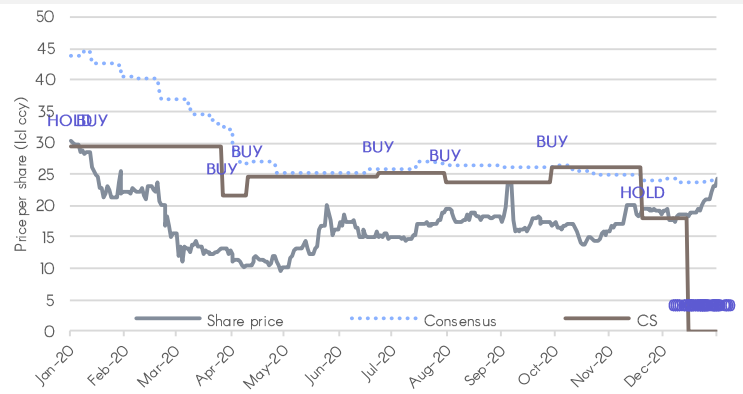
CS vs consensus range (2021E)



Consensus EBITDA development



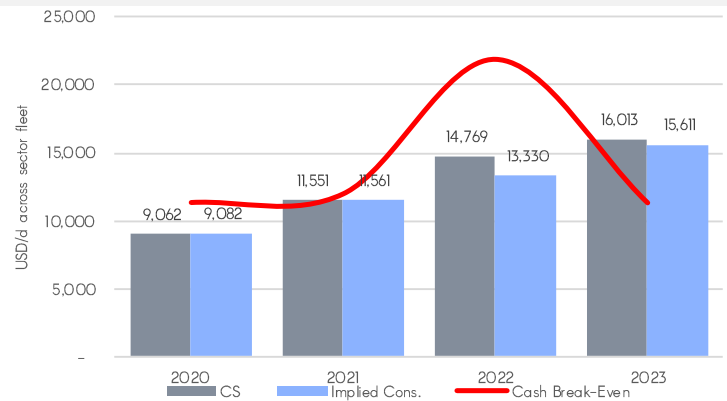
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	184	184	184	-0	0%
Opex + G&A	142	137	137	4	3%
Depreciation	50	49	49	1	2%
Net finance	36	37	37	-0	-1%
Taxes & Minorities	0	-0	-0	0	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	221	221	221	-0	0%
Opex + G&A	137	136	136	2	1%
Depreciation	52	40	40	11	27%
Net finance	33	30	30	3	10%
Taxes & Minorities	0	21	21	-21	-100%

Avg. TCE/day across fleet vs consensus





Quarterly Pre-/Review

P&L

4Q20 Preview USDm			4Q20		Actuals vs		Actuals vs	
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	50.0	48.6	53.6	50.6				
EBITDA (adj.)	9.4	13.7	16.3	18.5				
EBIT (adj.)	-1.9	1.1	3.7	6.1				
PTP (adj.)	-11.1	-7.8	-5.0	-1.4				
Net earnings (adj.)	-11.1	-7.8	-5.0	-1.7				
EPS (adj.)	-0.16	-0.71	-0.40	-0.21				
DPS	-	-	-	-				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	50.0	48.6	53.6	50.6				
Opex & G&A	40.6	34.8	37.3	32.1				
Depreciation	11.3	12.6	12.6	12.4				
Net finance	9.2	8.9	8.6	7.5				
Taxes & Minorities	-	-	-	0.2				

CF & BS

4Q20 Preview USDm			4Q20		Actuals vs		Actuals vs	
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	3	13	8					
Free cash flow	-65	15	21					
Net cash flow	-42	-13	38					
TCE/day	9,801	9,556	10,788	10,177				
Utilization	84.5%	96.5%	95.4%					
Fleet days	5,106	5,081	4,968					
Cash break-even	11,406	14,081	11,012					
Liquidity	59	85	123					
Interest bearing debt	467	497	489					



Cleaves Securities

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

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	50	48	34	49	54	51	52	60	58
Operational costs	-42	-38	-32	-35	-37	-34	-35	-35	-33
EBITDA	8	10	2	13	16	17	17	25	25
Depreciation/Amortization	-11	-12	-13	-13	-13	-13	-13	-13	-13
EBIT	-3	-2	-11	1	4	4	4	12	12
Net financials	-8	-1	-10	-12	-9	-8	-8	-8	-8
PTP	-11	-4	-20	-11	-5	-4	-4	4	4
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-11	-4	-20	-11	-5	-4	-4	4	4
Non-recurring items	0	-8	0	3	0	0	0	0	0
Net earnings (adj.)	-11	-11	-20	-8	-5	-4	-4	4	4
EPS	-0.16	-0.05	-1.99	-1.01	-0.40	-0.36	-0.31	0.34	0.30
EPS (adj.)	-0.16	-0.16	-1.99	-0.71	-0.40	-0.36	-0.31	0.34	0.30
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance Sheet (USDm)									
Cash & short-term investments	54	69	99	83	121	66	62	65	70
Other current assets	47	55	42	41	41	41	41	41	41
Total current assets	101	124	140	125	162	107	103	106	111
Property & equip. (incl. NBs)	856	876	854	834	807	850	841	833	824
Other non-current assets	45	26	38	37	37	37	37	37	37
Total non-current assets	902	902	892	870	844	887	878	870	860
TOTAL ASSETS	1,002	1,026	1,032	995	1,006	994	981	977	972
Total equity	482	477	457	446	466	463	459	463	467
Short-term debt	49	51	39	39	44	43	42	42	43
Other current liabilities	53	42	49	50	50	50	50	50	50
Total current liabilities	102	92	88	89	94	93	92	92	93
Long-term debt	418	456	484	458	444	436	429	420	411
Other non-current liabilities	0	0	3	1	1	1	1	1	1
Total non-current liabilities	418	457	487	459	445	438	431	422	412
TOTAL EQUITY & LIABILITIES	1,002	1,026	1,032	995	1,006	994	981	977	972
Working capital, receivables	36	34	29	25	25	25	25	25	25
Working capital, payables	48	35	28	29	29	29	29	29	29
Net working capital	-12	-2	1	-4	-4	-4	-4	-4	-4
Interest bearing debt	467	507	524	497	489	480	471	462	453
Liquidity	59	72	99	85	123	68	64	67	72
Net interest bearing debt	408	435	425	412	366	412	407	395	382
Cash Flow (USDm)									
Net income	-11	-4	-20	-11	-5	-4	-4	4	4
Depreciation	11	12	13	13	13	13	13	13	13
Other	-1	-7	12	3	0	0	0	0	0
Cash earnings	-1	2	4	5	8	8	9	17	17
Changes in working capital	4	-14	-7	8	0	0	0	0	0
Net operational cash flow	3	-12	-3	13	8	8	9	17	17
Capex	-70	-19	-4	-3	-5	-56	-4	-5	-3
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	5	19	0	0	0	0
Other	2	4	0	0	0	0	0	0	0
Net investing cash flow	-68	-15	-4	2	14	-56	-4	-5	-3
Repayment of debt	-9	-6	-11	-28	-9	-34	-9	-9	-9
Proceeds from debt	34	48	45	0	0	25	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
New equity	0	0	0	0	25	1	0	0	0
Other	-2	-1	0	0	0	0	0	0	0
Net financing cash flow	24	41	33	-28	16	-8	-9	-9	-9
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-42	13	26	-13	38	-55	-4	3	5
Cash balance	54	69	99	83	121	66	62	65	70
Free cash flow	-65	-27	-7	15	21	-47	5	12	14



Cleaves Securities

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

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	80	82	174	231	205	184	221	259	281
Operational costs	-173	-245	-141	-155	-155	-142	-137	-120	-120
EBITDA	-93	-162	34	75	50	41	84	139	161
Depreciation/Amortization	-43	-39	-34	-38	-41	-50	-52	-52	-52
EBIT	-136	-201	0	38	9	-9	32	88	110
Net financials	-13	-22	-44	-25	-31	-31	-33	-30	-27
PTP	-148	-224	-44	13	-22	-40	0	58	82
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-148	-224	-44	13	-22	-40	0	58	82
Non-recurring items	0	0	0	0	0	-5	0	0	0
Net earnings (adj.)	-148	-224	-44	13	-22	-45	0	58	82
EPS	-78.76	-4.65	-0.62	0.18	-0.30	-3.46	-0.02	4.65	6.65
EPS (adj.)	-78.76	-4.65	-0.62	0.18	-0.30	-3.26	-0.02	4.65	6.65
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.07	3.10
Balance Sheet (USDm)									
Cash & short-term investments	25	77	56	67	54	121	70	128	168
Other current assets	16	28	49	51	47	41	41	41	41
Total current assets	41	104	105	118	101	162	111	169	210
Property & equip. (incl. NBs)	734	568	690	683	836	807	824	775	727
Other non-current assets	12	15	13	45	66	37	37	37	37
Total non-current assets	746	582	703	728	902	844	860	812	763
TOTAL ASSETS	787	686	808	846	1,002	1,006	972	981	973
Total equity	518	400	461	480	482	466	467	511	555
Short-term debt	16	0	4	29	49	44	32	39	41
Other current liabilities	22	26	27	34	53	50	50	50	50
Total current liabilities	38	26	31	63	102	94	82	89	91
Long-term debt	226	256	314	302	302	444	422	380	326
Other non-current liabilities	5	4	3	2	117	1	1	1	1
Total non-current liabilities	230	260	316	304	418	445	423	381	327
TOTAL EQUITY & LIABILITIES	787	686	808	846	1,002	1,006	972	981	973
Working capital, receivables	13	16	31	36	36	25	25	25	25
Working capital, payables	19	19	21	26	48	29	29	29	29
Net working capital	-7	-3	10	10	-12	-4	-4	-4	-4
Interest bearing debt	241	256	318	331	351	489	453	418	367
Liquidity	25	77	56	67	59	123	72	130	170
Net interest bearing debt	216	179	261	264	291	366	382	289	196
Cash Flow (USDm)									
Net income	-148	-224	-44	13	-22	-40	0	58	82
Depreciation	43	39	34	38	41	50	52	52	52
Other	56	139	32	2	-6	9	0	0	0
Cash earnings	-50	-46	22	52	13	19	51	109	134
Changes in working capital	6	0	-15	-7	9	-14	0	0	0
Net operational cash flow	-44	-45	7	45	22	5	51	109	134
Capex	-2	-22	-177	-44	-202	-31	-68	-3	-3
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	4	13	26	21	30	24	0	0	0
Other	8	0	-5	-8	4	-1	0	0	0
Net investing cash flow	10	-9	-155	-31	-169	-4	-68	-3	-3
Repayment of debt	20	24	36	12	131	-54	-60	-235	-52
Proceeds from debt	40	75	324	16	—	93	25	200	0
Dividends paid	0	0	0	0	0	0	0	-13	-38
New equity	—	86	96	0	0	25	1	0	0
Other	-41	-78	-328	-21	-3	-1	0	0	0
Net financing cash flow	18	106	128	7	128	62	-34	-48	-90
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-15	52	-20	22	-19	64	-51	58	41
Cash balance	25	77	56	67	54	117	66	124	165
Free cash flow	-34	-55	-148	14	-147	1	-17	106	131



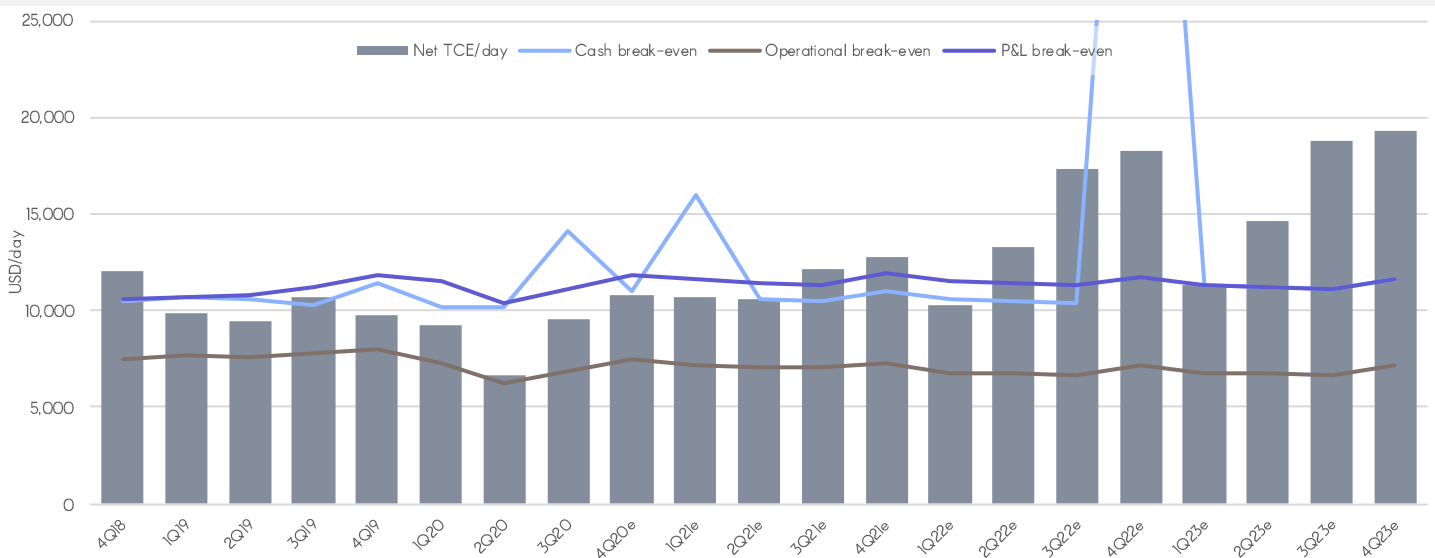
Cleaves Securities

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

	Dry Bulk			BUY						
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
Shares outstanding, end	2	48	70	71	72	12	12	12	12	
Share price, avg (USD)	156	12	5	5	5	12	24	24	24	
Share price, end (USD)	70	6	4	5	5	24	24	24	24	
Market Cap.	133	281	315	328	329	298	298	298	298	
NIBD	216	179	261	264	291	366	382	289	196	
Minorities	0	0	0	0	0	0	0	0	0	
Enterprise value	349	461	577	591	620	664	680	587	495	
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
P/E (reported)				26.0				5.2	3.6	
P/E (adj.)				26.0				5.2	3.6	
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
P/Sales	1.7	3.4	1.8	1.4	1.6	1.6	1.3	1.1	1.1	
EV/Sales	4.4	5.6	3.3	2.6	3.0	3.6	3.1	2.3	1.8	
EV/EBITDA			17.2	7.8	12.4	16.1	8.1	4.2	3.1	
EV/EBIT				15.7	65.8		21.0	6.7	4.5	
P/B	0.3	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.5	
FCF yield	-25%	-19%	-47%	4%	-45%	1%	-6%	36%	44%	
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.5%	12.9%	
Return on equity (ROE)	-28.6%	-55.8%	-9.5%	2.6%	-4.5%	-8.6%	-0.1%	11.3%	14.9%	
Return on capital employed (ROCE)	-18.5%	-34.7%	0.0%	5.1%	1.2%	-1.1%	3.8%	11.0%	14.6%	
Return on assets (ROA)	-18.9%	-32.6%	-5.4%	1.5%	-2.2%	-4.0%	0.0%	5.9%	8.5%	
Sales growth	-40%	3%	112%	32%	-11%	-10%	20%	17%	8%	
EBITDA margin	-116%	-197%	19%	33%	24%	22%	38%	54%	57%	
EBIT margin	-169%	-244%	0%	16%	5%	-5%	15%	34%	39%	
Net margin	-185%	-271%	-25%	5%	-11%	-22%	0%	22%	29%	
Net interest rate	5.5%	12.1%	11.2%	9.8%	10.5%	9.6%	8.6%	10.5%	13.9%	
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Equity ratio	66%	58%	57%	57%	48%	46%	48%	52%	57%	
Leverage ratio	34%	42%	43%	43%	52%	54%	52%	48%	43%	
NIBD / EBITDA (past ly)	-2.3	-1.1	7.8	3.5	5.8	8.9	4.5	2.1	1.2	
Operating cash flow/NIBD	-0.2	-0.3	0.0	0.2	0.1	0.0	0.1	0.4	0.7	
Net interest coverage ratio (EBIT)	-7.8	-7.4	1.1	2.9	1.6	1.2	2.6	4.6	5.9	
Current ratio	1.1	4.1	3.4	1.9	1.0	1.7	1.4	1.9	2.3	
Adj. equity ratio						27%	38%	49%	56%	
Operating assets	762	610	752	768	943	883	900	851	803	
Operating liabilities	27	30	30	36	170	51	51	51	51	
Net operating assets	735	580	723	732	773	832	848	800	751	

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

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





Fleet Positioning

Live satellite data as of
14/01/2021 21:49 CET





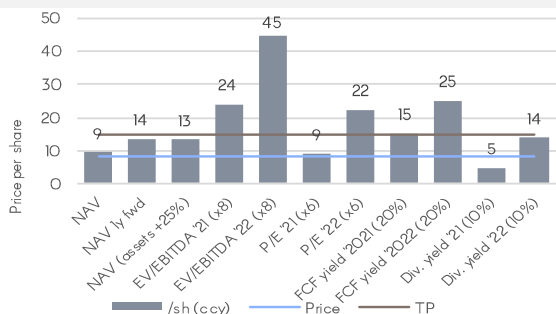
High operational leverage at an opportune time in the cycle

GNK-US BUY/\$15

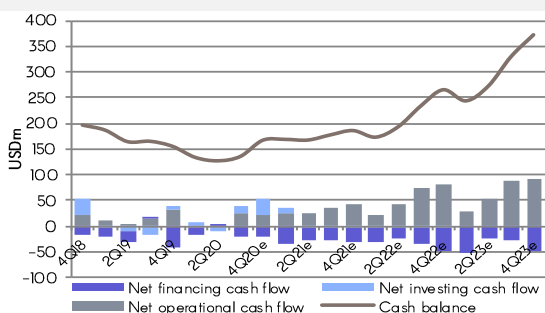
Share price vs target price



Valuation matrix



Cash & cash flows



Cleaves / Analysts

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Genco Shipping

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	194	254	333	372
EBITDA (adj.)	70	144	234	272
EBIT (adj.)	4	81	170	209
PTP (adj.)	-18	64	156	198
Net earnings (adj.)	-18	64	156	198
EPS (adj.)	-0.44	1.52	3.74	4.73
DPS	0.23	0.48	1.38	2.26
USDm	2020E	2021E	2022E	2023E
Fwd NAV	422	678	968	1,197
Adj. equity ratio	46%	63%	75%	82%
FCF yield	24%	37%	62%	77%
Dividend yield	3%	6%	17%	28%
EV/EBITDA		3.4	1.4	0.6
P/E (adj.)		5.4	2.2	1.7

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	38	127	220	261
Free cash flow	81	127	211	261
Net cash flow	30	19	80	107
TCE/day	10,182	15,305	21,098	23,548
Cash break-even	11,174	12,564	11,602	26,197
Liquidity	192	211	291	398
Property & Equip. (incl. NBs)	1,016	952	898	834
Total equity	816	860	959	1,062
Total assets	1,303	1,258	1,283	1,327
Interest bearing debt	445	356	283	223
Net interest bearing debt	252	145	-8	-175
Market Cap.	341	341	341	341

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

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

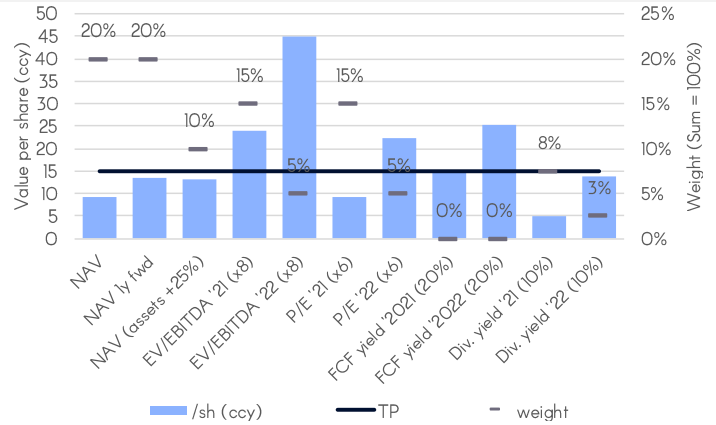


Company Valuation

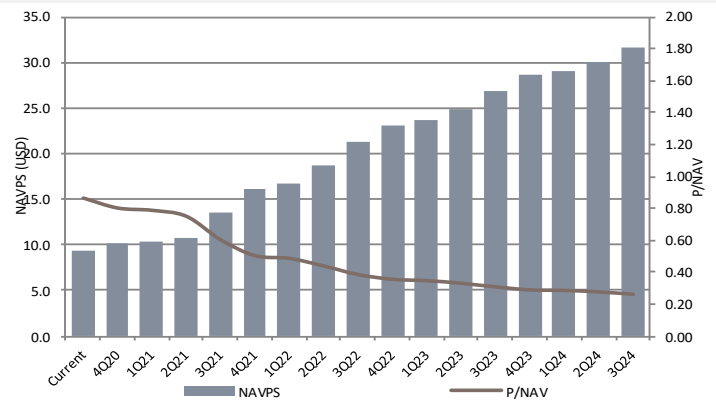
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,063	641	595
Contract value	0	2	2
Other	71	71	66
GAV	1,134	715	664
Net debt	-304	-304	-304
Capex	0	0	0
Other	-19	-19	-19
Equity	811	392	341
Shares	42	42	42
Equity/sh	19.41	9.37	8.15
Incl CCY	19.41	9.37	8.15
P/Equity	0.42	0.87	1.00
EV/GAV	0.59	0.93	1.00
Adj. Total Assets	1,318	896	850
Adj. Equity Ratio	62%	44%	40%
Fair Value	USD	15.0	84%

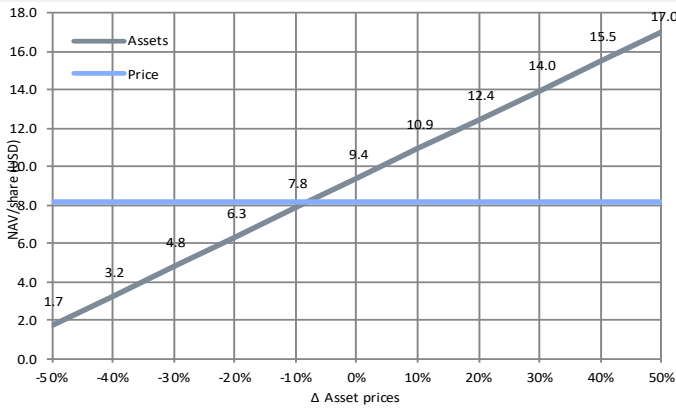
Valuation Matrix



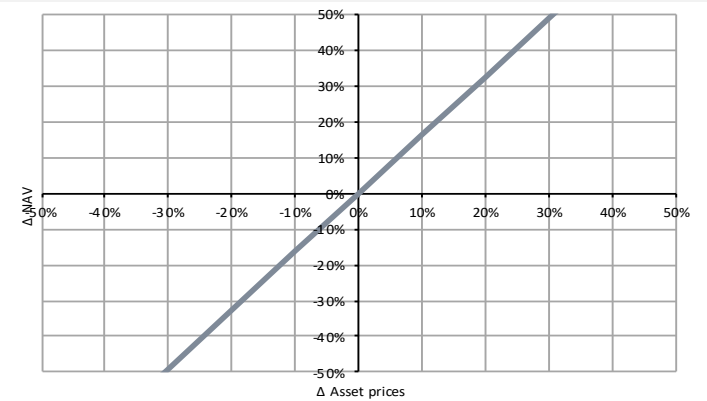
Quarterly forward NAV & P/NAV



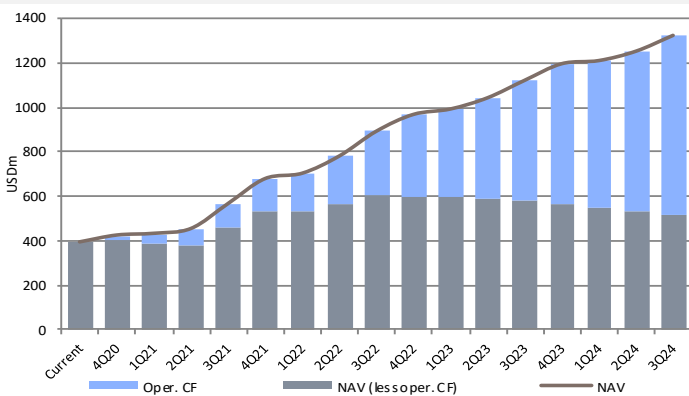
Impact on NAV/sh from % change in asset prices



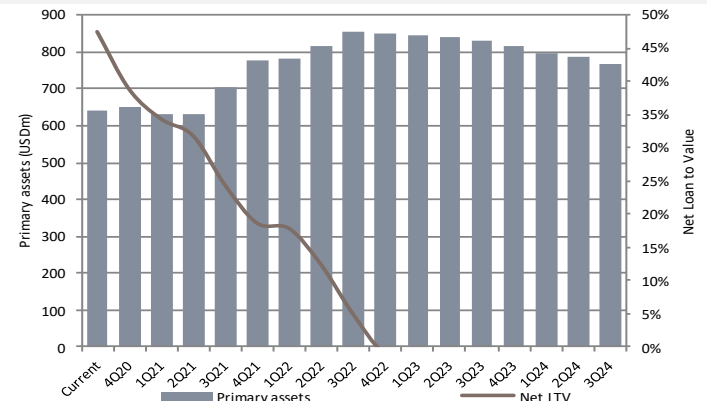
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

2Q21 Preview USDm	2Q20		1Q21		2Q21		Actuals vs		Actuals vs	
	2Q20	1Q21	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
Net sales	32.5	56.0	56.8	55.2						
EBITDA (adj.)	2.8	29.0	29.5	23.6						
EBIT (adj.)	-13.1	13.4	13.7	12.0						
PTP (adj.)	-18.2	8.7	9.3	10.0						
Net earnings (adj.)	-18.2	8.7	9.3	7.0						
EPS (adj.)	-0.44	0.21	0.22	0.08						
DPS	0.02	0.10	0.11	0.02						
Implied, line by line	2Q20	1Q21	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	32.5	56.0	56.8	55.2						
Opex & G&A	29.7	27.0	27.3	31.6						
Depreciation	15.9	15.7	15.8	11.6						
Net finance	5.1	4.6	4.4	2.0						
Taxes & Minorities	-	-	-	3.0						

CF & BS

2Q21 Preview USDm	2Q20		1Q21		2Q21		Actuals vs		Actuals vs	
	2Q20	1Q21	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	-5	24	25							
Free cash flow	-11	36	21							
Net cash flow	-7	2	-1							
TCE/day	6,646	13,702	13,744	13,349						
Utilization	96.5%	96.7%	96.7%							
Fleet days	5,072	4,230	4,277							
Cash break-even	10,535	15,347	11,703							
Liquidity	143	194	193							
Interest bearing debt	492	411	393							



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	194	254	333	372	194	239	309	378	-	15	24	-7	
EBITDA (adj.)	70	144	234	272	70	121	202	271	-	23	32	2	
EBIT (adj.)	4	81	170	209	5	60	140	209	-0	20	30	-1	
PTP (adj.)	-18	64	156	198	-18	43	126	198	-0	21	31	0	
Net earnings (adj.)	-18	64	156	198	-18	43	126	198	-0	21	31	0	
EPS (adj.)	-0.44	1.52	3.74	4.73	-0.43	1.02	3.01	4.73	-0.01	0.50	0.73	0.00	
DPS	0.23	0.48	1.38	2.26	0.23	0.36	1.15	2.14	-	0.12	0.23	0.12	
									2020E	2021E	2022E	2023E	
									TCE revenue	-	15	24	-7
									Opex & G&A	-	-8	-8	-8
									Depreciation	0	3	2	2
									Net finance	-	-1	-1	-1
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	38	127	220	261	38	103	187	259	-	24	33	2
Free cash flow	81	127	211	261	81	89	187	259	-	39	24	2
Net cash flow	30	19	80	107	30	0	66	110	-	18	14	-3
TCE/day	10,182	15,305	21,098	23,548	10,182	12,983	17,577	21,519	-	2,322	3,522	2,029
Cash break-even	11,174	12,564	11,602	26,197	11,174	11,006	10,902	24,009	-	1,558	700	2,188
Liquidity	192	211	291	398	192	193	259	369	-	18	32	29
Property & Equip. (incl. NBs)	1,016	952	898	834	1,017	970	909	848	-0	-18	-11	-13
Total equity	816	860	959	1,062	817	844	922	1,031	-0	15	36	31
Total assets	1,303	1,258	1,283	1,327	1,303	1,257	1,262	1,311	-0	0	21	16
Interest bearing debt	445	356	283	223	445	371	298	238	-	-15	-15	-15
Net interest bearing debt	252	145	-8	-175	252	179	39	-130	-	-33	-47	-44
Market Cap.	341	341	341	341	308	308	308	308	33	33	33	33
Enterprise value	593	486	333	166	560	487	347	178	33	-1	-15	-12

Valuation

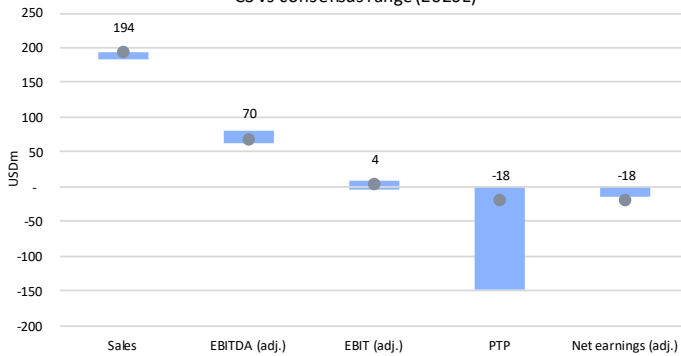
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	422	678	968	1,197	419	629	859	1,123	3	48	109	74
Adj. equity ratio	46%	63%	75%	82%	46%	60%	72%	80%	0%	3%	3%	2%
FCF yield	24%	37%	62%	77%	26%	29%	61%	84%	-3%	9%	1%	-7%
Dividend yield	3%	6%	17%	28%	3%	5%	16%	29%	0%	1%	1%	-1%
EV/EBITDA		3.4	1.4	0.6		4.0	1.7	0.7	#####	-0.6	-0.3	-0.0
P/E (adj.)		5.4	2.2	1.7		7.2	2.5	1.6	#####	-1.9	-0.3	0.2



Our Estimates vs Consensus

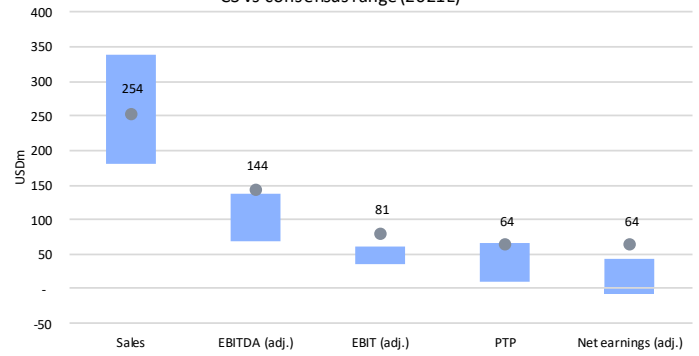
Profit & Loss, year I

CS vs consensus range (2020E)

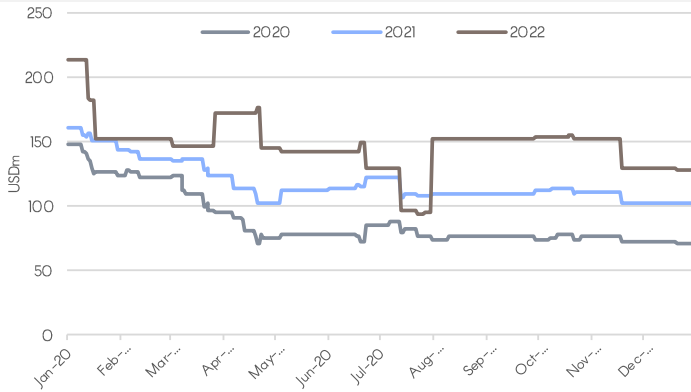


Profit & Loss, year II

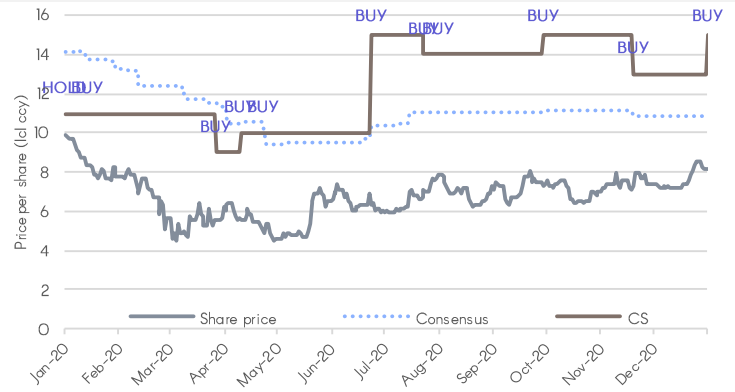
CS vs consensus range (2021E)



Consensus EBITDA development



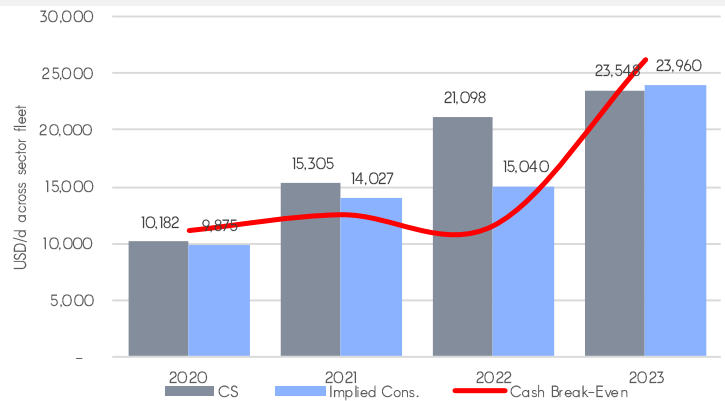
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	194		188	6	3%
Opex + G&A	124		117	7	6%
Depreciation	65		67	-2	-3%
Net finance	23		90	-67	-75%
Taxes & Minorities	0		-67	67	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	254		233	21	9%
Opex + G&A	110		131	-21	-16%
Depreciation	64		57	6	11%
Net finance	17		8	9	111%
Taxes & Minorities	0		21	-21	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

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

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	63	50	33	54	58	56	57	69	73
Operational costs	-38	-146	-30	-54	-31	-27	-27	-28	-28
EBITDA	26	-96	3	0	27	29	29	41	45
Depreciation/Amortization	-18	-18	-16	-16	-16	-16	-16	-16	-16
EBIT	8	-113	-13	-16	11	13	14	25	29
Net financials	-7	-7	-5	-5	-5	-5	-4	-4	-4
PTP	1	-120	-18	-21	6	9	9	21	25
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	1	-120	-18	-21	6	9	9	21	25
Non-recurring items	2	113	0	22	0	0	0	0	0
Net earnings (adj.)	3	-7	-18	1	6	9	9	21	25
EPS	0.02	-2.88	-0.44	-0.50	0.15	0.21	0.22	0.50	0.59
EPS (adj.)	0.07	-0.17	-0.44	0.02	0.15	0.21	0.22	0.50	0.59
DPS	0.50	0.17	0.02	0.02	0.02	0.02	0.10	0.11	0.25
Balance Sheet (USDm)									
Cash & short-term investments	156	134	128	136	168	170	168	178	187
Other current assets	67	93	83	86	86	86	86	86	86
Total current assets	223	228	211	222	254	256	255	265	273
Property & equip. (incl. NBs)	1,305	1,139	1,129	1,063	1,016	989	977	965	952
Other non-current assets	0	14	15	32	32	32	32	32	32
Total non-current assets	1,306	1,153	1,144	1,095	1,048	1,021	1,009	997	985
TOTAL ASSETS	1,529	1,381	1,355	1,318	1,303	1,277	1,264	1,262	1,258
Total equity	978	851	833	811	816	824	829	845	860
Short-term debt	71	75	80	81	77	78	79	78	78
Other current liabilities	56	42	30	33	33	33	33	33	33
Total current liabilities	128	117	110	114	110	111	112	111	111
Long-term debt	423	413	412	384	368	333	314	296	278
Other non-current liabilities	0	0	0	9	9	9	9	9	9
Total non-current liabilities	423	413	412	393	377	342	323	305	287
TOTAL EQUITY & LIABILITIES	1,529	1,381	1,355	1,318	1,303	1,277	1,264	1,262	1,258
Working capital, receivables	41	44	36	32	32	32	32	32	32
Working capital, payables	50	34	24	23	23	23	23	23	23
Net working capital	-9	10	12	9	9	9	9	9	9
Interest bearing debt	494	488	492	465	445	411	393	375	356
Liquidity	162	149	143	160	192	194	193	203	211
Net interest bearing debt	332	338	349	304	252	218	200	172	145
Cash Flow (USDm)									
Net income	1	-120	-18	-21	6	9	9	21	25
Depreciation	18	18	16	16	16	16	16	16	16
Other	1	115	2	24	0	0	0	0	0
Cash earnings	20	12	0	19	22	24	25	37	41
Changes in working capital	11	-16	-5	6	0	0	0	0	0
Net operational cash flow	31	-4	-5	25	22	24	25	37	41
Capex	-12	-9	-7	-2	-4	-4	-4	-4	-4
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	21	15	0	15	35	15	0	0	0
Other	0	0	0	-1	0	0	0	0	0
Net investing cash flow	9	6	-6	12	31	11	-4	-4	-4
Repayment of debt	-23	-18	-19	-19	-20	-33	-18	-18	-18
Proceeds from debt	0	11	24	0	0	0	0	0	0
Dividends paid	-21	-7	-1	-1	-1	-1	-4	-5	-10
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net financing cash flow	-44	-14	5	-20	-21	-34	-23	-23	-29
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-4	-13	-7	17	32	2	-1	10	8
Cash balance	156	134	128	136	168	170	168	178	187
Free cash flow	40	2	-11	37	53	36	21	33	37



Cleaves Securities

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

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	134	122	184	253	216	194	254	333	372
Operational costs	-247	-233	-142	-183	-172	-260	-110	-99	-99
EBITDA	-113	-110	42	69	44	-66	144	234	272
Depreciation/Amortization	-80	-76	-72	-69	-73	-65	-64	-64	-64
EBIT	-193	-186	-30	1	-28	-131	81	170	209
Net financials	-60	-31	-29	-33	-28	-22	-17	-14	-11
PTP	-253	-217	-59	-33	-56	-154	64	156	198
Taxes/Minorities	58	-1	0	0	0	0	0	0	0
Net earnings	-195	-218	-59	-33	-56	-154	64	156	198
Non-recurring items	0	0	0	0	0	135	0	0	0
Net earnings (adj.)	-195	-218	-59	-33	-56	-18	64	156	198
EPS	-26.74	-29.61	-1.70	-0.79	-1.34	-3.67	1.52	3.74	4.73
EPS (adj.)	-26.74	-29.61	-1.70	-0.79	-1.34	-0.44	1.52	3.74	4.73
DPS	0.00	0.00	0.00	0.00	0.50	0.23	0.48	1.38	2.26
Balance Sheet (USDm)									
Cash & short-term investments	121	133	174	197	156	168	187	267	374
Other current assets	51	39	43	73	67	86	86	86	86
Total current assets	173	173	217	270	223	254	273	353	460
Property & equip. (incl. NBs)	1,529	1,368	1,280	1,357	1,297	1,016	952	898	834
Other non-current assets	13	28	24	0	9	32	32	32	32
Total non-current assets	1,542	1,396	1,304	1,357	1,306	1,048	985	930	867
TOTAL ASSETS	1,715	1,569	1,521	1,627	1,529	1,303	1,258	1,283	1,327
Total equity	1,106	1,030	975	1,053	978	816	860	959	1,062
Short-term debt	579	5	24	66	71	77	60	69	69
Other current liabilities	29	24	28	36	56	33	33	33	33
Total current liabilities	608	29	52	102	128	110	93	102	102
Long-term debt	1	510	493	472	423	368	297	215	154
Other non-current liabilities	0	0	0	0	0	9	9	9	9
Total non-current liabilities	1	510	493	472	423	377	305	223	163
TOTAL EQUITY & LIABILITIES	1,715	1,569	1,521	1,627	1,529	1,303	1,258	1,283	1,327
Working capital, receivables	11	10	13	52	41	32	32	32	32
Working capital, payables	27	23	23	29	50	23	23	23	23
Net working capital	-17	-13	-10	23	-9	9	9	9	9
Interest bearing debt	580	515	518	539	494	445	356	283	223
Liquidity	141	142	182	202	162	192	211	291	398
Net interest bearing debt	440	373	336	336	332	252	145	-8	-175
Cash Flow (USDm)									
Net income	-195	-218	-59	-33	-56	-154	64	156	198
Depreciation	80	76	72	69	73	65	64	64	64
Other	52	90	20	56	19	141	0	0	0
Cash earnings	-64	-52	33	92	36	53	127	220	261
Changes in working capital	8	2	-9	-26	24	-15	0	0	0
Net operational cash flow	-56	-50	24	66	60	38	127	220	261
Capex	-67	-1	-1	-243	-50	-22	-15	-9	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	13	16	44	27	65	15	0	0
Other	11	-5	2	4	1	-136	0	0	0
Net investing cash flow	-57	7	17	-195	-23	43	0	-9	0
Repayment of debt	158	-65	-4	32	-56	-76	-88	-73	-311
Proceeds from debt	302	400	0	568	22	35	0	0	251
Dividends paid	0	0	0	0	-21	-10	-20	-58	-94
New equity	0	—	—	110	—	0	0	0	0
Other	-310	-280	-1	-583	-22	-136	0	0	0
Net financing cash flow	151	55	-6	127	-77	-51	-109	-131	-154
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	38	12	36	-2	-41	30	19	80	107
Cash balance	121	150	185	197	156	186	204	284	392
Free cash flow	-113	-43	41	-129	37	81	127	211	261



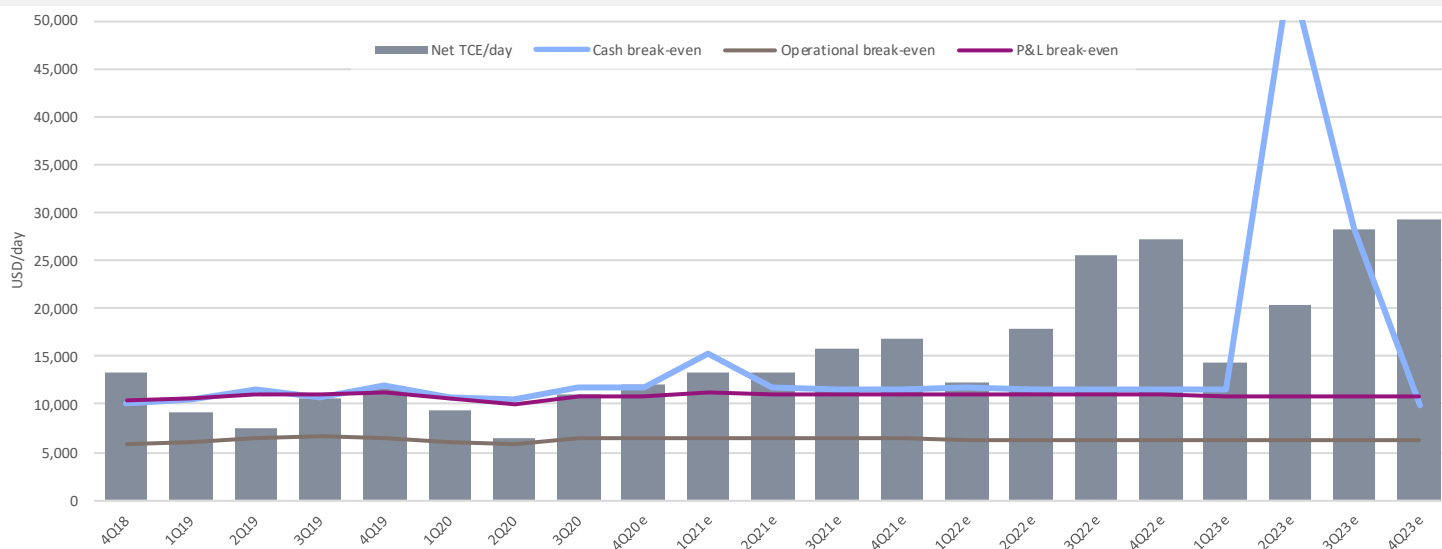
Cleaves Securities

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

	Dry Bulk			BUY						
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
Shares outstanding, end	7	7	35	42	42	42	42	42	42	
Share price, avg (USD)	62	7	11	14	9	7	8	8	8	
Share price, end (USD)	15	7	13	8	11	8	8	8	8	
Market Cap.	109	54	460	329	443	341	341	341	341	
NIBD	440	373	336	336	332	252	145	-8	-175	
Minorities	0	0	0	0	0	0	0	0	0	
Enterprise value	548	428	796	665	776	593	486	333	166	
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	
P/E (reported)							5.4	2.2	1.7	
P/E (adj.)							5.4	2.2	1.7	
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
P/Sales	0.8	0.4	2.5	1.3	2.0	1.8	1.3	1.0	0.9	
EV/Sales	4.1	3.5	4.3	2.6	3.6	3.1	1.9	1.0	0.4	
EV/EBITDA			18.9	9.6	17.5		3.4	1.4	0.6	
EV/EBIT							6.0	2.0	0.8	
P/B	0.1	0.1	0.5	0.3	0.5	0.4	0.4	0.4	0.3	
FCF yield	-104%	-79%	9%	-39%	8%	24%	37%	62%	77%	
Dividend yield	0.0%	0.0%	0.0%	0.0%	4.7%	2.9%	5.9%	16.9%	27.7%	
Return on equity (ROE)	-17.6%	-21.1%	-6.0%	-3.1%	-5.7%	-18.8%	7.4%	16.3%	18.6%	
Return on capital employed (ROCE)	-12.5%	-13.6%	-2.3%	0.0%	-2.2%	-12.3%	8.0%	17.9%	23.5%	
Return on assets (ROA)	-11.4%	-13.9%	-3.9%	-2.0%	-3.7%	-11.8%	5.1%	12.2%	14.9%	
Sales growth	-36%	-8%	51%	37%	-14%	-10%	31%	31%	12%	
EBITDA margin	-85%	-90%	23%	28%	21%	-34%	57%	70%	73%	
EBIT margin	-144%	-152%	-16%	0%	-13%	-68%	32%	51%	56%	
Net margin	-146%	-178%	-32%	-13%	-26%	-79%	25%	47%	53%	
Net interest rate	4.6%	7.6%	9.1%	9.8%	9.6%	8.5%	11.9%	-176.5%	-6.3%	
Tax rate	-0.7%	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Equity ratio	65%	66%	64%	65%	64%	63%	68%	75%	80%	
Leverage ratio	35%	34%	36%	35%	36%	37%	32%	25%	20%	
NIBD / EBITDA (past ly)	-3.9	-3.4	8.0	4.8	7.5	-3.8	1.0	0.0	-0.6	
Operating cash flow/NIBD	-0.1	-0.1	0.1	0.2	0.2	0.1	0.9	-27.8	-1.5	
Net interest coverage ratio (EBIT)	-5.7	-3.9	1.4	2.1	1.4	-3.1	8.4	16.7	24.9	
Current ratio	0.3	6.0	4.1	2.7	1.7	2.3	2.9	3.5	4.5	
Adj. equity ratio						46%	63%	75%	82%	
Operating assets	1,574	1,400	1,316	1,425	1,367	1,110	1,046	992	928	
Operating liabilities	29	24	28	36	56	42	42	42	42	
Net operating assets	1,545	1,376	1,288	1,389	1,310	1,069	1,005	950	887	

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

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





Fleet Positioning

Live satellite data as of
14/01/2021 21:57 CET

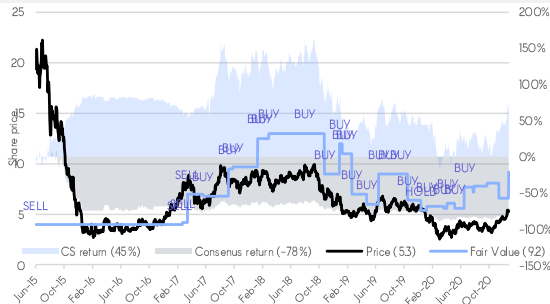




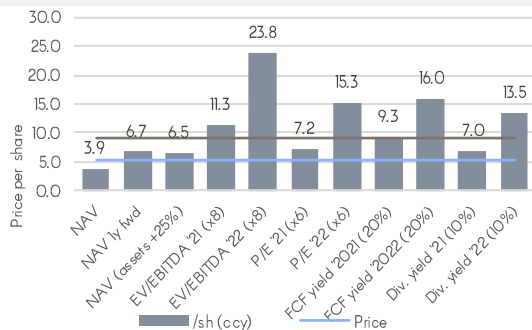
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Golden Ocean

Share price vs target price

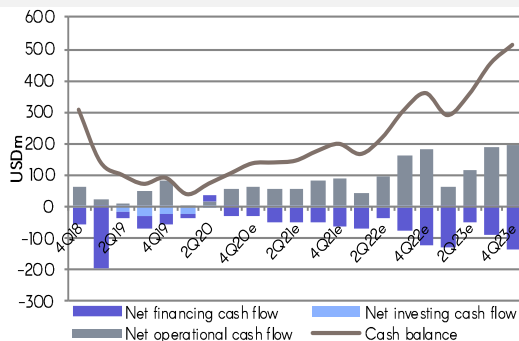


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	424	567	779	863
EBITDA (adj.)	174	318	510	596
EBIT (adj.)	63	209	401	486
PTP (adj.)	15	173	368	457
Net earnings (adj.)	15	173	367	456
EPS (adj.)	0.10	1.20	2.55	3.16
DPS	0.05	0.70	1.35	2.12
USDm	2020E	2021E	2022E	2023E
Fwd NAV	584	1,261	1,937	2,428
Adj. equity ratio	30%	50%	63%	70%
FCF yield	14%	35%	60%	74%
Dividend yield	1%	13%	25%	40%
EV/EBITDA	28.4	5.3	2.8	1.9
P/E (adj.)	52.1	4.4	2.1	1.7

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	129	282	477	566
Free cash flow	107	267	460	566
Net cash flow	58	62	161	154
TCE/day	13,291	17,886	24,718	28,063
Cash break-even	12,278	11,135	11,689	11,833
Liquidity	163	225	386	540
Property & Equip. (incl. NBs)	2,275	2,181	2,088	1,978
Total equity	1,376	1,448	1,621	1,771
Total assets	2,724	2,691	2,760	2,804
Interest bearing debt	1,241	1,136	1,032	926
Net interest bearing debt	1,079	912	645	386
Market Cap.	768	768	768	768

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

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

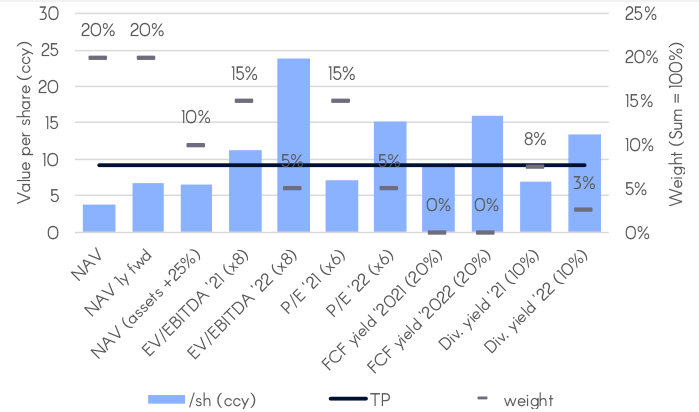


Company Valuation

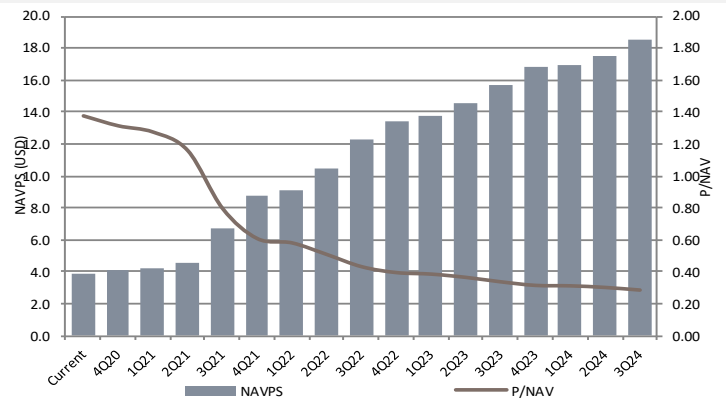
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	2,301	1,510	1,686
Contract value	0	5	6
Other	286	286	319
GAV	2,587	1,801	2,011
Net debt	-1,136	-1,136	-1,136
Capex	0	0	0
Other	-107	-107	-107
Equity	1,343	557	768
Shares	144	144	144
Equity/sh	9.31	3.86	5.32
lcl CCY	9.31	3.86	5.32
P/Equity	0.57	1.38	1.00
EV/GAV	0.78	1.12	1.00
Adj. Total Assets	2,717	1,926	2,103
Adj. Equity Ratio	49%	29%	37%
Fair Value	USD	9.2	73%
	NOK	77.7	

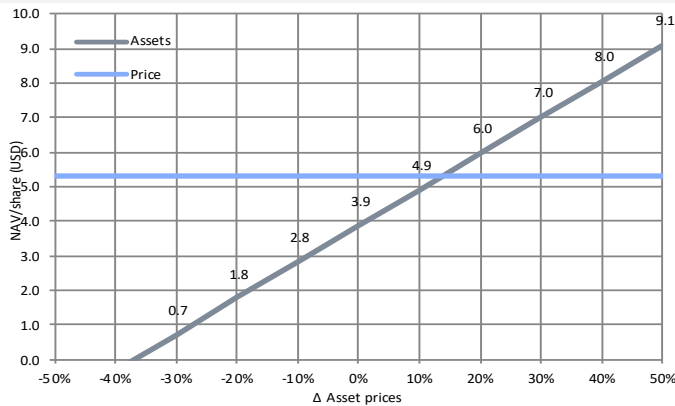
Valuation Matrix



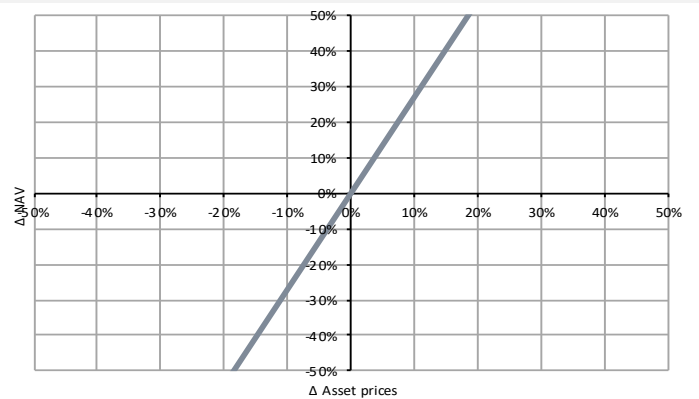
Quarterly forward NAV & P/NAV



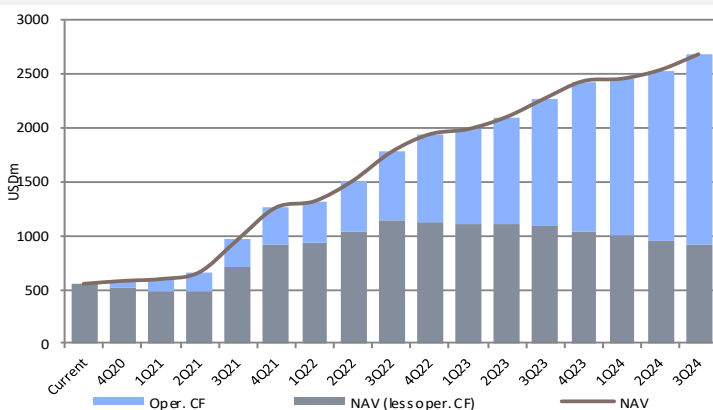
Impact on NAV/sh from % change in asset prices



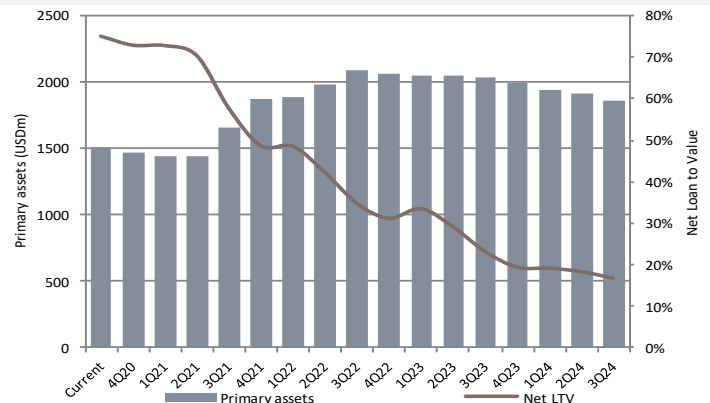
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	184.3	141.6	133.7	141.0				
EBITDA (adj.)	83.0	75.2	68.3	70.2				
EBIT (adj.)	59.4	47.5	40.7	42.0				
PTP (adj.)	36.1	38.7	29.9	37.9				
Net earnings (adj.)	36.0	38.6	29.9	34.8				
EPS (adj.)	0.25	0.27	0.21	0.20				
DPS	0.05	-	0.16	0.06				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	184.3	141.6	133.7	141.0				
Opex & G&A	101.3	66.5	65.4	70.8				
Depreciation	23.7	27.6	27.6	28.1				
Net finance	23.2	8.9	10.8	4.1				
Taxes & Minorities	0.1	0.0	0.0	3.2				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	84	58	60					
Free cash flow	62	58	58					
Net cash flow	24	27	32					
TCE/day	21,701	17,438	16,645					
Utilization	96.1%	98.1%	97.0%					
Fleet days	8,843	8,280	8,280					
Cash break-even	16,232	12,056	11,295					
Liquidity	104	131	163					
Interest bearing debt	1,339	1,267	1,241					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	424	567	779	863	424	468	637	792	0	99	142	71	
EBITDA (adj.)	174	318	510	596	175	232	384	531	-1	87	126	65	
EBIT (adj.)	63	209	401	486	63	122	275	422	-1	87	126	65	
PTP (adj.)	15	173	368	457	15	86	242	392	-1	87	126	65	
Net earnings (adj.)	15	173	367	456	15	86	241	391	-1	87	126	65	
EPS (adj.)	0.10	1.20	2.55	3.16	0.11	0.60	1.67	2.71	-0.00	0.60	0.87	0.45	
DPS	0.05	0.70	1.35	2.12	0.05	0.45	0.93	1.71	-	0.25	0.41	0.41	
									2020E	2021E	2022E	2023E	
									TCE revenue	0	99	142	71
									Opex & G&A	1	12	16	6
									Depreciation	-	-	-	-
									Net finance	-0	-	-	-
									Taxes & Minorities	-0	0	0	0

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	129	282	477	566	130	196	351	501	-1	87	126	65
Free cash flow	107	267	460	566	112	197	351	501	-5	70	109	65
Net cash flow	58	62	161	154	62	28	111	148	-5	34	50	5
TCE/day	13,291	17,886	24,718	28,063	13,287	14,737	#####	25,768	4	3,148	4,509	2,296
Cash break-even	12,278	11,135	11,689	11,833	12,261	10,804	11,249	11,664	17	332	441	169
Liquidity	163	225	386	540	167	196	307	455	-5	29	79	84
Property & Equip. (incl. NBs)	2,275	2,181	2,088	1,978	2,271	2,160	2,050	1,941	4	21	37	37
Total equity	1,376	1,448	1,621	1,771	1,376	1,398	1,505	1,649	-1	50	116	122
Total assets	2,724	2,691	2,760	2,804	2,725	2,642	2,643	2,682	-1	50	116	122
Interest bearing debt	1,241	1,136	1,032	926	1,241	1,136	1,032	926	-	-	-	-
Net interest bearing debt	1,079	912	645	386	1,074	941	724	470	5	-29	-79	-84
Market Cap.	768	768	768	768	610	610	610	610	157	157	157	157
Enterprise value	1,846	1,679	1,413	1,154	1,684	1,551	1,335	1,081	162	128	78	73

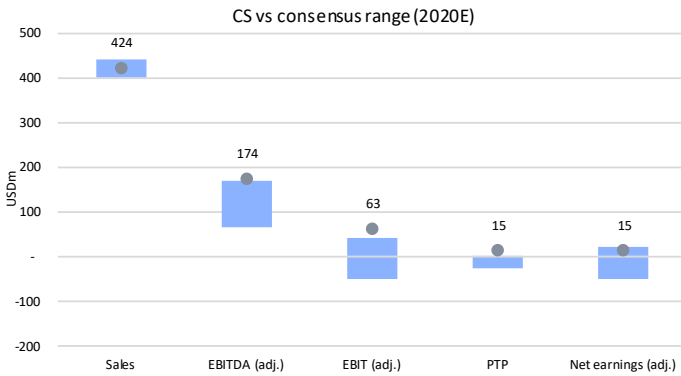
Valuation

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	584	1,261	1,937	2,428	581	1,054	1,532	2,060	3	206	405	368
Adj. equity ratio	30%	50%	63%	70%	30%	46%	57%	67%	0%	4%	6%	4%
FCF yield	14%	35%	60%	74%	18%	32%	58%	82%	-4%	2%	2%	-8%
Dividend yield	1%	13%	25%	40%	1%	11%	22%	40%	0%	3%	3%	-1%
EV/EBITDA	28.4	5.3	2.8	1.9	25.7	6.7	3.5	2.0	2.7	-1.4	-0.7	-0.1
P/E (adj.)	52.1	4.4	2.1	1.7	40.0	7.1	2.5	1.6	12.1	-2.6	-0.4	0.1

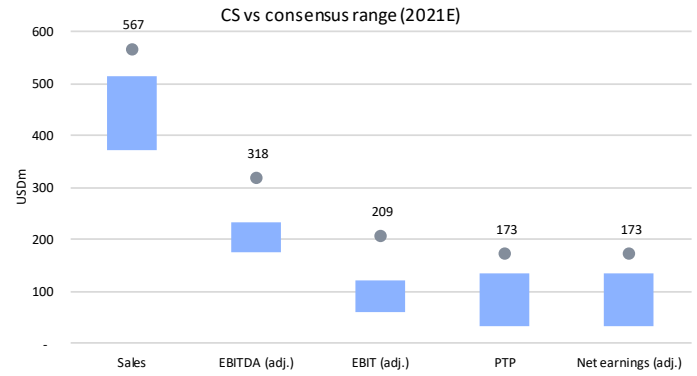


Our Estimates vs Consensus

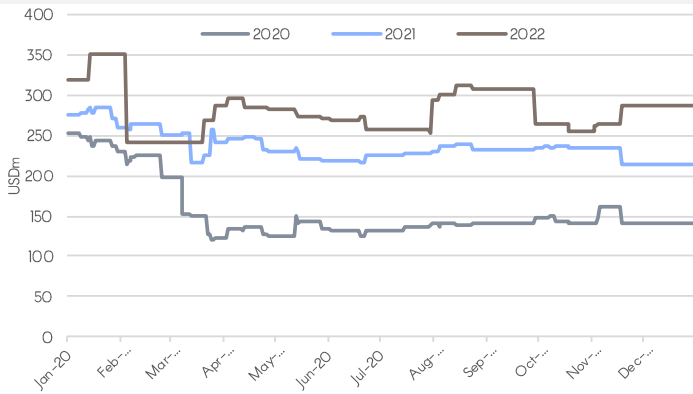
Profit & Loss, year I



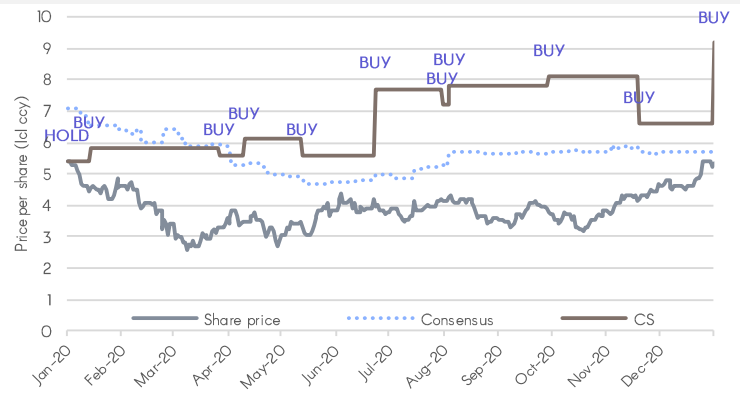
Profit & Loss, year II



Consensus EBITDA development



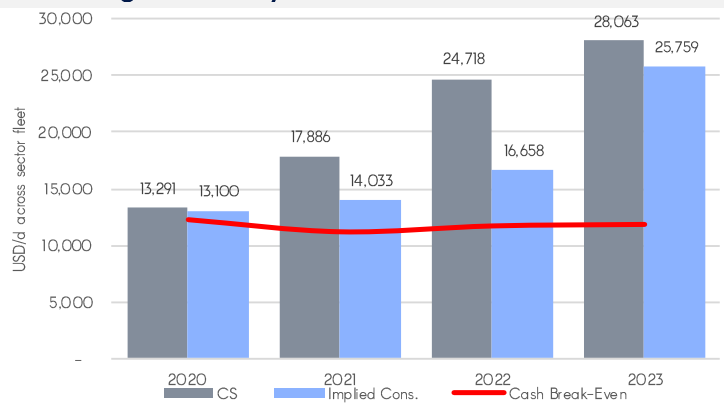
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	424		418	6	1%
Opex + G&A	250		277	-27	-10%
Depreciation	111		160	-49	-31%
Net finance	48		111	-63	-57%
Taxes & Minorities	0		-123	123	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	567		445	122	27%
Opex + G&A	249		230	19	8%
Depreciation	110		111	-1	-1%
Net finance	36		32	4	14%
Taxes & Minorities	0		-1	1	-114%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

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

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	184	81	67	142	134	124	123	156	165
Operational costs	-115	-170	-60	-66	-63	-58	-58	-66	-67
EBITDA	69	-89	7	76	71	65	65	90	98
Depreciation/Amortization	-24	-29	-27	-28	-28	-27	-27	-28	-28
EBIT	46	-118	-20	48	43	38	37	62	71
Net financials	-5	-43	-21	-9	-11	-9	-9	-9	-9
PTP	41	-161	-41	39	32	29	28	53	62
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	41	-161	-41	39	32	29	28	53	62
Non-recurring items	-5	133	15	0	-3	0	0	0	0
Net earnings (adj.)	36	-27	-26	39	30	29	28	53	62
EPS	0.28	-1.12	-0.29	0.27	0.23	0.20	0.20	0.37	0.43
EPS (adj.)	0.25	-0.19	-0.18	0.27	0.21	0.20	0.20	0.37	0.43
DPS	0.15	0.05	0.00	0.00	0.00	0.16	0.14	0.14	0.26
Balance Sheet (USDm)									
Cash & short-term investments	89	36	70	103	135	137	143	174	197
Other current assets	184	193	147	149	149	149	149	149	149
Total current assets	273	229	218	252	283	286	292	323	346
Property & equip. (incl. NBs)	2,341	2,334	2,324	2,301	2,275	2,253	2,228	2,205	2,181
Other non-current assets	352	240	174	165	165	165	165	165	165
Total non-current assets	2,693	2,574	2,498	2,466	2,441	2,418	2,394	2,370	2,346
TOTAL ASSETS	2,966	2,803	2,716	2,717	2,724	2,704	2,686	2,693	2,691
Total equity	1,513	1,345	1,304	1,343	1,376	1,382	1,390	1,423	1,448
Short-term debt	120	428	417	121	272	309	280	245	277
Other current liabilities	114	121	113	107	107	107	107	107	107
Total current liabilities	233	549	530	228	379	417	387	353	384
Long-term debt	1,219	909	882	1,146	970	906	909	917	860
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	1,219	909	882	1,146	970	906	909	917	860
TOTAL EQUITY & LIABILITIES	2,966	2,803	2,716	2,717	2,724	2,704	2,686	2,693	2,691
Working capital, receivables	74	0	0	0	0	0	0	0	0
Working capital, payables	57	0	0	0	0	0	0	0	0
Net working capital	17	0	0	0	0	0	0	0	0
Interest bearing debt	1,339	1,337	1,299	1,267	1,241	1,215	1,189	1,163	1,136
Liquidity	104	85	104	131	163	166	171	202	225
Net interest bearing debt	1,235	1,252	1,195	1,136	1,079	1,050	1,018	960	912
Cash Flow (USDm)									
Net income	41	-161	-41	39	32	29	28	53	62
Depreciation	24	29	27	28	28	27	27	28	28
Other	-3	130	12	1	0	0	0	0	0
Cash earnings	61	-2	-2	68	60	56	56	81	89
Changes in working capital	23	-3	18	-10	0	0	0	0	0
Net operational cash flow	84	-5	16	58	60	56	56	81	89
Capex	-23	-17	-7	0	-4	-4	-4	-4	-4
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	2	0	1	0	1
Other	1	-1	5	0	0	0	0	0	0
Net investing cash flow	-22	-18	-2	0	-2	-4	-3	-4	-3
Repayment of debt	-178	-41	-39	-31	-330	-26	-26	-26	-26
Proceeds from debt	164	36	0	0	304	0	0	0	0
Dividends paid	-21	-7	0	0	0	-23	-20	-20	-37
New equity	1	0	0	0	0	0	0	0	0
Other	-4	0	58	0	0	0	0	0	0
Net financing cash flow	-38	-12	20	-31	-26	-49	-47	-46	-64
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	24	-35	34	27	32	3	6	31	23
Cash balance	89	36	70	103	135	137	143	174	197
Free cash flow	62	-22	14	58	58	52	52	77	86



Cleaves Securities

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

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	112	167	341	494	521	424	567	779	863
Operational costs	-294	-174	-213	-257	-326	-359	-249	-269	-267
EBITDA	-182	-7	128	237	195	65	318	510	596
Depreciation/Amortization	-53	-63	-78	-92	-94	-111	-110	-110	-110
EBIT	-235	-70	50	145	101	-46	209	401	486
Net financials	14	-58	-52	-60	-63	-84	-36	-33	-30
PTP	-221	-128	-2	85	37	-130	173	368	457
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-221	-128	-2	85	37	-131	173	367	456
Non-recurring items	0	0	0	0	0	145	0	0	0
Net earnings (adj.)	-221	-128	-2	85	37	15	173	367	456
EPS	-6.39	-1.21	-0.02	0.59	0.26	-0.91	1.20	2.55	3.16
EPS (adj.)	-6.39	-1.21	-0.02	0.59	0.26	0.10	1.20	2.55	3.16
DPS	0.00	0.00	0.00	0.45	0.32	0.05	0.70	1.35	2.12
Balance Sheet (USDm)									
Cash & short-term investments	103	213	309	305	89	135	197	358	512
Other current assets	101	87	135	156	184	149	149	149	149
Total current assets	204	300	445	461	273	283	346	507	660
Property & equip. (incl. NBs)	1,488	1,759	2,215	2,406	2,341	2,275	2,181	2,088	1,978
Other non-current assets	481	303	211	84	352	165	165	165	165
Total non-current assets	1,969	2,062	2,426	2,490	2,693	2,441	2,346	2,253	2,143
TOTAL ASSETS	2,173	2,362	2,870	2,951	2,966	2,724	2,691	2,760	2,804
Total equity	1,159	1,239	1,494	1,524	1,513	1,376	1,448	1,621	1,771
Short-term debt	36	5	115	477	120	272	246	279	229
Other current liabilities	44	39	67	64	114	107	107	107	107
Total current liabilities	80	44	182	542	233	379	353	386	336
Long-term debt	926	1,071	1,186	879	1,219	970	891	753	697
Other non-current liabilities	9	8	8	7	0	0	0	0	0
Total non-current liabilities	934	1,079	1,194	886	1,219	970	891	753	697
TOTAL EQUITY & LIABILITIES	2,173	2,362	2,870	2,951	2,966	2,724	2,691	2,760	2,804
Working capital, receivables	25	33	44	56	74	0	0	0	0
Working capital, payables	20	21	30	34	57	0	0	0	0
Net working capital	4	12	14	21	17	0	0	0	0
Interest bearing debt	962	1,076	1,301	1,356	1,339	1,241	1,136	1,032	926
Liquidity	103	213	317	326	104	163	225	386	540
Net interest bearing debt	859	863	984	1,031	1,235	1,079	912	645	386
Cash Flow (USDm)									
Net income	-221	-128	-2	85	37	-131	173	367	456
Depreciation	53	63	78	92	94	111	110	110	110
Other	153	40	19	34	10	143	0	0	0
Cash earnings	-15	-24	95	210	141	124	282	477	566
Changes in working capital	0	1	1	-24	18	6	0	0	0
Net operational cash flow	-15	-23	95	187	159	129	282	477	566
Capex	-519	-268	-160	-158	-44	-28	-17	-17	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	382	98	134	14	0	2	2	0	0
Other	250	-6	6	3	-29	-109	0	0	0
Net investing cash flow	113	-175	-19	-141	-73	-22	-15	-17	0
Repayment of debt	-34	104	-94	23	-237	-440	-105	-105	-350
Proceeds from debt	216	142	75	270	390	340	0	0	245
Dividends paid	0	0	0	-65	-47	-7	-100	-194	-306
New equity	0	205	123	0	1	0	0	0	0
Other	-220	-143	-75	-273	-402	-109	0	0	0
Net financing cash flow	-37	309	29	-45	-295	-50	-205	-299	-412
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	60	110	105	1	-209	58	62	161	154
Cash balance	103	213	309	305	89	147	209	370	524
Free cash flow	98	-198	76	45	85	107	267	460	566



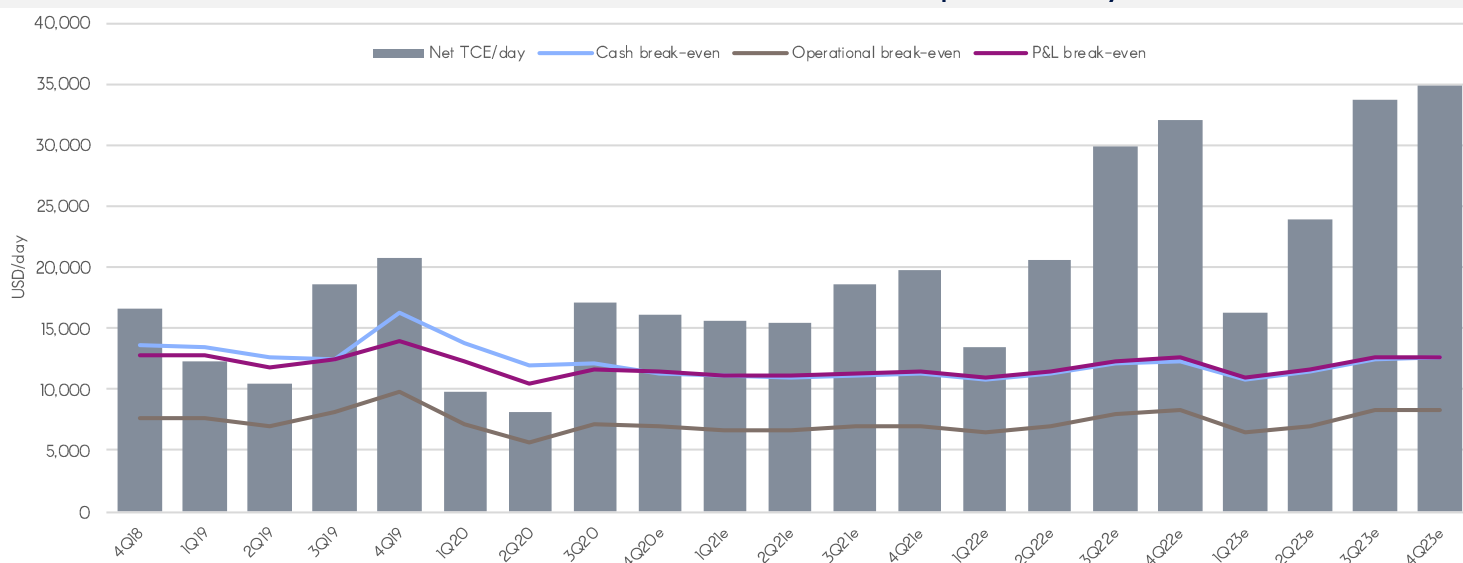
Cleaves Securities

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

	Dry Bulk			BUY					
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	35	106	142	144	144	144	144	144	144
Share price, avg (USD)	18	4	7	8	6	4	5	5	5
Share price, end (USD)	5	5	8	6	6	5	5	5	5
Market Cap.	185	499	1,159	889	838	768	768	768	768
NIBD	859	863	984	1,031	1,235	1,079	912	645	386
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	1,044	1,362	2,143	1,920	2,073	1,846	1,679	1,413	1,154
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)				10.5	22.5		4.4	2.1	1.7
P/E (adj.)				10.5	22.5	52.1	4.4	2.1	1.7
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	1.6	3.0	3.4	1.8	1.6	1.8	1.4	1.0	0.9
EV/Sales	9.3	8.2	6.3	3.9	4.0	4.4	3.0	1.8	1.3
EV/EBITDA			16.7	8.1	10.7	28.4	5.3	2.8	1.9
EV/EBIT			42.8	13.2	20.6		8.0	3.5	2.4
P/B	0.2	0.4	0.8	0.6	0.6	0.6	0.5	0.5	0.4
FCF yield	53%	-40%	7%	5%	10%	14%	35%	60%	74%
Dividend yield	0.0%	0.0%	0.0%	7.3%	5.6%	0.9%	13.1%	25.3%	39.9%
Return on equity (ROE)	-19.1%	-10.3%	-0.2%	5.5%	2.5%	-9.5%	11.9%	22.7%	25.8%
Return on capital employed (ROCE)	-11.9%	-3.4%	2.1%	5.8%	3.7%	-1.9%	8.8%	17.7%	22.5%
Return on assets (ROA)	-10.2%	-5.4%	-0.1%	2.9%	1.3%	-4.8%	6.4%	13.3%	16.3%
Sales growth	79%	49%	104%	45%	5%	-19%	34%	37%	11%
EBITDA margin	-162%	-4%	38%	48%	37%	15%	56%	65%	69%
EBIT margin	-209%	-42%	15%	29%	19%	-11%	37%	51%	56%
Net margin	-197%	-76%	-1%	17%	7%	-31%	30%	47%	53%
Net interest rate	3.3%	5.3%	6.1%	7.3%	4.8%	4.3%	4.0%	5.1%	7.7%
Tax rate	-0.1%	0.1%	-2.4%	0.3%	0.6%	-0.1%	0.1%	0.1%	0.1%
Equity ratio	53%	52%	52%	52%	51%	50%	54%	59%	63%
Leverage ratio	47%	48%	48%	48%	49%	50%	46%	41%	37%
NIBD / EBITDA (past ly)	-4.7	-126.4	7.7	4.3	6.3	16.6	2.9	1.3	0.6
Operating cash flow/NIBD	0.0	0.0	0.1	0.2	0.1	0.1	0.3	0.7	1.5
Net interest coverage ratio (EBIT)	-6.4	-0.1	2.1	3.2	3.3	1.4	8.8	15.5	20.1
Current ratio	2.5	6.9	2.4	0.9	1.2	0.7	1.0	1.3	2.0
Adj. equity ratio						30%	50%	63%	70%
Operating assets	2,021	2,095	2,498	2,579	2,803	2,561	2,467	2,374	2,264
Operating liabilities	52	47	75	71	114	107	107	107	107
Net operating assets	1,969	2,048	2,423	2,507	2,689	2,454	2,360	2,266	2,157

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

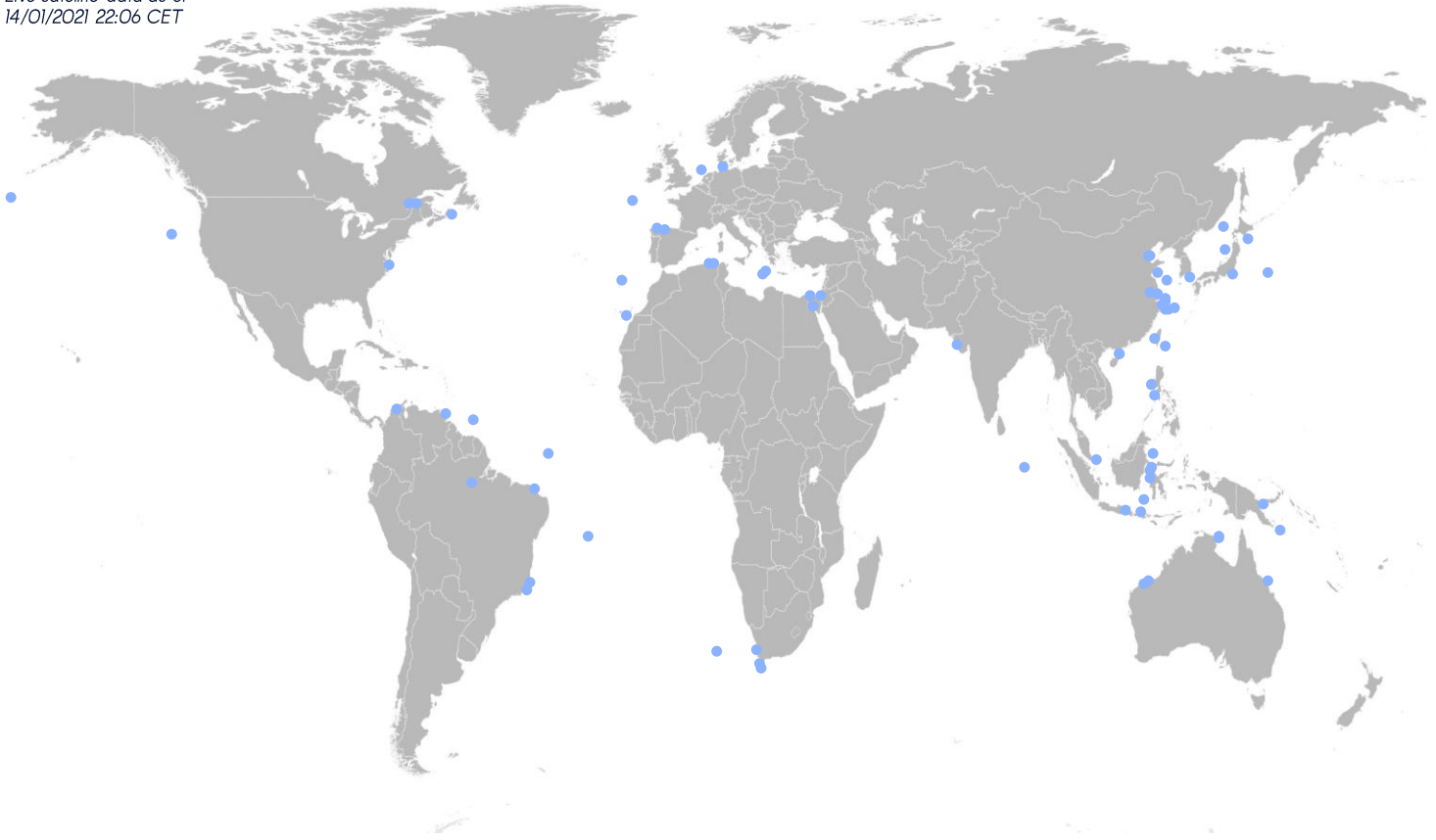
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
14/01/2021 22:06 CET



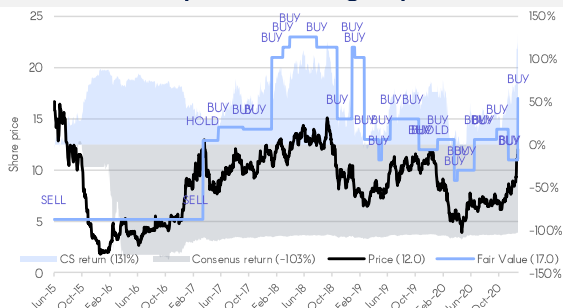


Significant earnings power makes Star Bulk a cash cow with improving fortunes

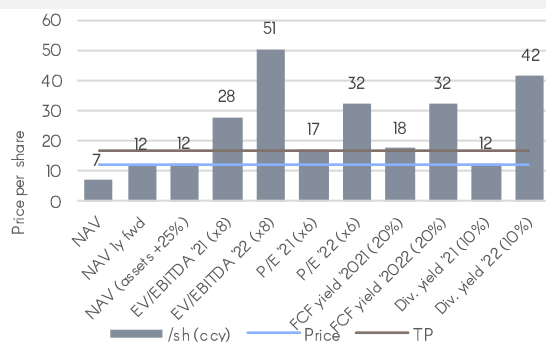
SBLK-US BUY/\$17

Star Bulk

Share price vs target price

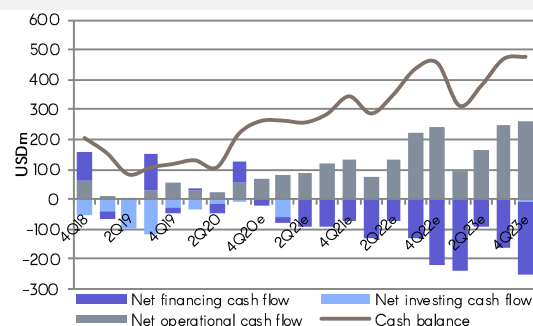


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	484	729	980	1,085
EBITDA (adj.)	232	478	720	821
EBIT (adj.)	90	333	576	677
PTP (adj.)	19	272	520	625
Net earnings (adj.)	19	272	520	625
EPS (adj.)	0.20	2.78	5.20	6.25
DPS	0.32	1.25	4.18	6.17
USDm	2020E	2021E	2022E	2023E
Fwd NAV	707	1,545	2,415	3,060
Adj. equity ratio	29%	49%	62%	69%
FCF yield	10%	29%	54%	62%
Dividend yield	3%	10%	35%	51%
EV/EBITDA	10.7	4.9	2.9	2.4
P/E (adj.)	60.7	4.3	2.3	1.9

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	179	417	665	770
Free cash flow	116	344	647	748
Net cash flow	138	83	111	21
TCE/day	11,517	16,431	22,012	24,378
Cash break-even	12,329	11,382	9,701	9,476
Liquidity	262	344	455	476
Property & Equip. (incl. NBs)	2,879	2,807	2,680	2,557
Total equity	1,524	1,690	1,794	1,802
Total assets	3,270	3,280	3,264	3,162
Interest bearing debt	1,639	1,483	1,364	1,253
Net interest bearing debt	1,378	1,139	908	778
Market Cap.	1,156	1,180	1,204	1,204

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

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

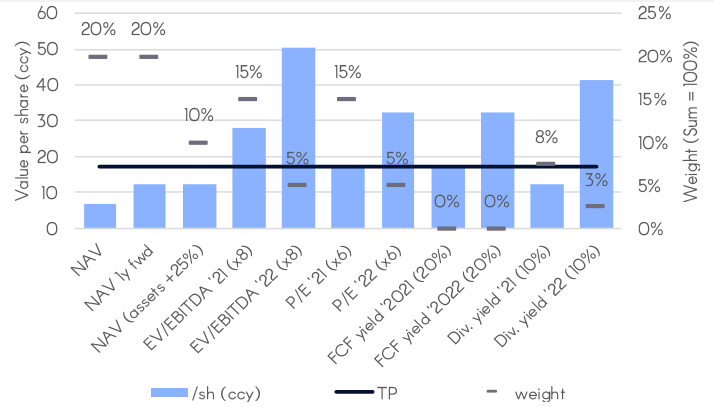


Company Valuation

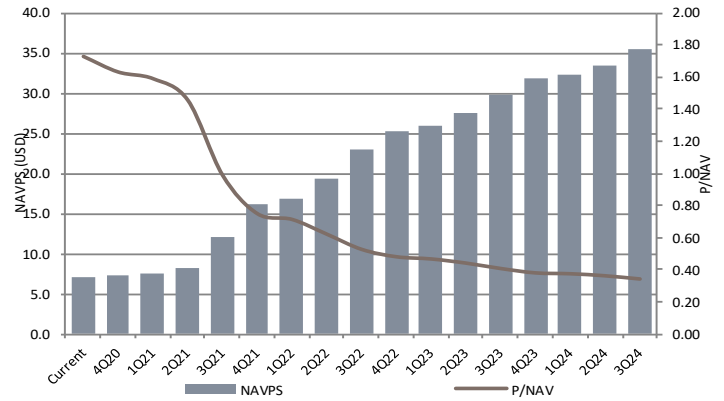
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	2,911	2,113	2,572
Contract value	0	1	1
Other	129	129	157
GAV	3,040	2,243	2,731
Net debt	-1,413	-1,413	-1,413
Capex	0	-55	-55
Other	-106	-106	-106
Equity	1,520	668	1,156
Shares	96	96	96
Equity/sh	15.82	6.95	12.03
Incl CCY	15.82	6.95	12.03
P/Equity	0.76	1.73	1.00
EV/GAV	0.90	1.22	1.00
Adj. Total Assets	3,259	2,461	2,921
Adj. Equity Ratio	47%	27%	40%
Fair Value	USD	17.0	42%

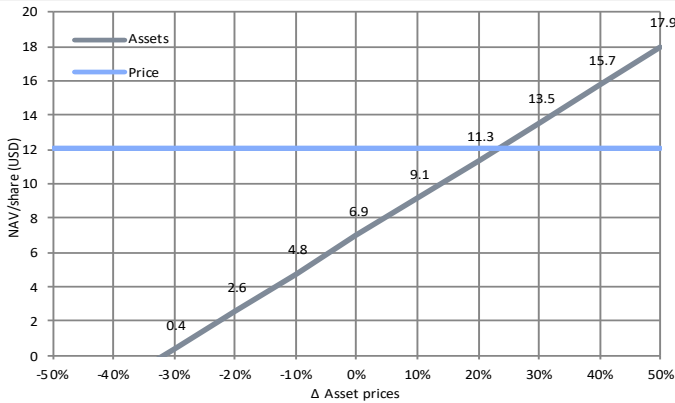
Valuation Matrix



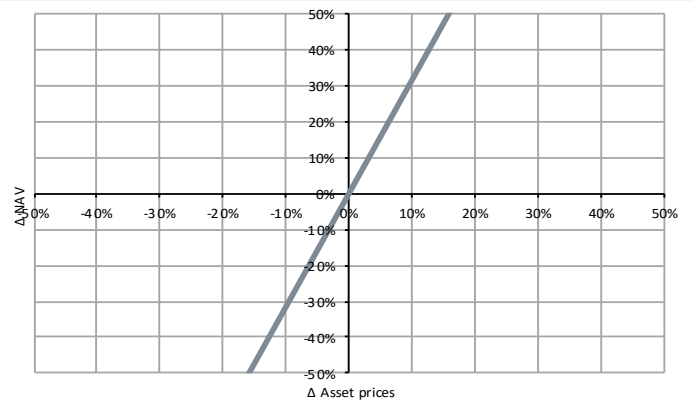
Quarterly forward NAV & P/NAV



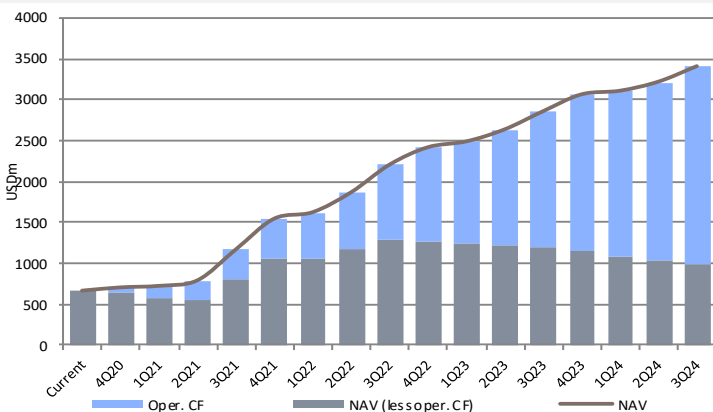
Impact on NAV/sh from % change in asset prices



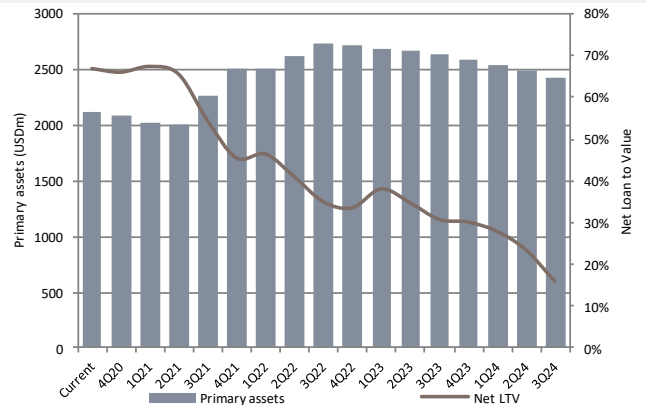
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	184.6	149.2	143.2	141.0				
EBITDA (adj.)	95.8	80.9	82.6	77.4				
EBIT (adj.)	63.6	44.7	46.4	42.9				
PTP (adj.)	42.5	28.6	30.3	26.9				
Net earnings (adj.)	42.4	28.6	30.3	24.0				
EPS (adj.)	0.44	0.30	0.32	0.26				
DPS	0.05	0.28	0.26	0.23				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	184.6	149.2	143.2	141.0				
Opex & G&A	88.8	68.3	60.5	63.6				
Depreciation	32.3	36.2	36.2	34.5				
Net finance	21.1	16.2	16.1	16.0				
Taxes & Minorities	0.0	0.0	-	2.9				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	53	57	66					
Free cash flow	27	47	62					
Net cash flow	3	115	42					
TCE/day	17,405	13,732	13,109	12,912				
Utilization	87.8%	98.6%	99.0%					
Fleet days	12,081	11,021	11,031					
Cash break-even	14,083	12,613	11,941					
Liquidity	125	219	262					
Interest bearing debt	1,583	1,632	1,639					



Estimate Changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	484	729	980	1,085	486	586	801	982	-1	143	179	103	
EBITDA (adj.)	232	478	720	821	233	343	550	725	-1	135	170	96	
EBIT (adj.)	90	333	576	677	91	199	406	580	-1	135	170	96	
PTP (adj.)	19	272	520	625	20	139	352	530	-1	133	168	95	
Net earnings (adj.)	19	272	520	625	20	139	352	530	-1	133	168	95	
EPS (adj.)	0.20	2.78	5.20	6.25	0.21	1.41	3.52	5.30	-0.01	1.37	1.69	0.95	
DPS	0.32	1.25	4.18	6.17	0.60	0.59	2.13	5.01	-0.28	0.66	2.05	1.16	
									2020E	2021E	2022E	2023E	
									TCE revenue	-1	143	179	103
									Opex & G&A	-0	8	10	7
									Depreciation	-	-	-	-
									Net finance	-	1	2	1
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	179	417	665	770	180	283	496	675	-1	133	168	95
Free cash flow	116	344	647	748	118	266	479	654	-1	78	168	95
Net cash flow	138	83	111	21	113	14	150	45	25	69	-39	-24
TCE/day	11,517	16,431	22,012	24,378	11,546	13,493	18,432	22,607	-30	2,938	3,580	1,772
Cash break-even	12,329	11,382	9,701	9,476	12,330	11,398	9,615	9,453	-1	-16	85	22
Liquidity	262	344	455	476	236	250	400	445	25	94	55	31
Property & Equip. (incl. NBs)	2,879	2,807	2,680	2,557	2,879	2,751	2,623	2,500	-	56	56	57
Total equity	1,524	1,690	1,794	1,802	1,499	1,581	1,720	1,748	25	110	74	53
Total assets	3,270	3,280	3,264	3,162	3,244	3,130	3,153	3,074	25	150	111	87
Interest bearing debt	1,639	1,483	1,364	1,253	1,639	1,443	1,327	1,219	-	40	37	34
Net interest bearing debt	1,378	1,139	908	778	1,403	1,193	926	774	-25	-54	-18	3
Market Cap.	1,156	1,180	1,204	1,204	798	815	832	832	357	365	372	372
Enterprise value	2,533	2,319	2,112	1,981	2,201	2,008	1,758	1,606	332	311	354	375

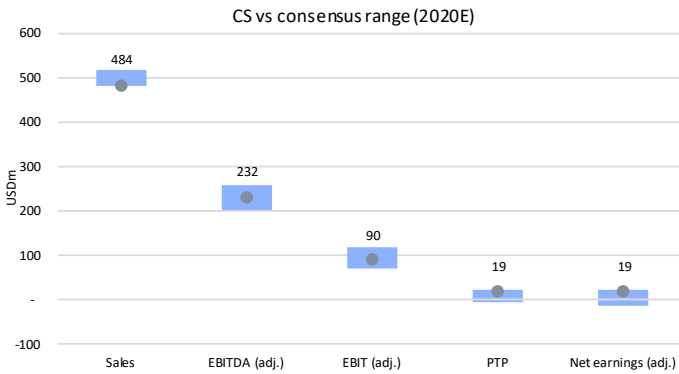
Valuation

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	707	1,545	2,415	3,060	653	1,209	1,823	2,505	55	336	591	555
Adj. equity ratio	29%	49%	62%	69%	27%	44%	56%	65%	2%	5%	6%	4%
FCF yield	10%	29%	54%	62%	15%	33%	58%	79%	-5%	-4%	-4%	-16%
Dividend yield	3%	10%	35%	51%	7%	7%	26%	60%	-5%	3%	9%	-9%
EV/EBITDA	10.7	4.9	2.9	2.4	9.2	5.9	3.2	2.2	1.4	-1.0	-0.3	0.2
P/E (adj.)	60.7	4.3	2.3	1.9	39.3	5.9	2.4	1.6	21.4	-1.5	-0.0	0.4

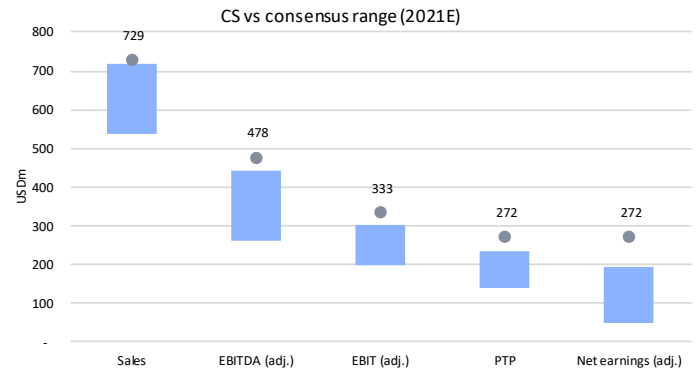


Our Estimates vs Consensus

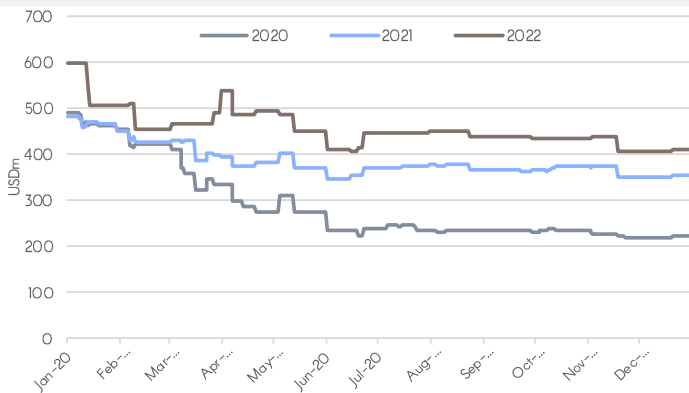
Profit & Loss, year I



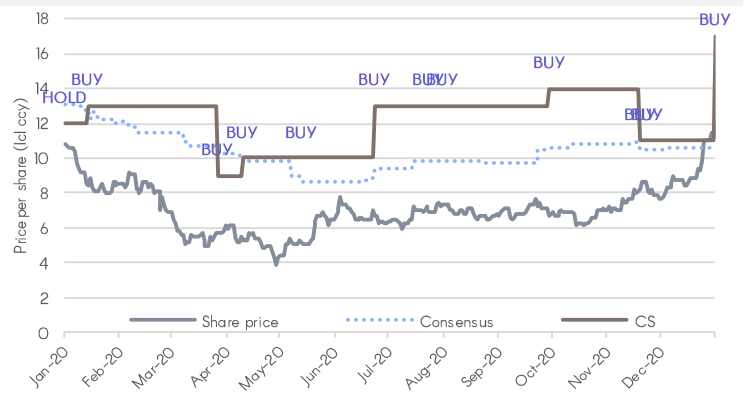
Profit & Loss, year II



Consensus EBITDA development



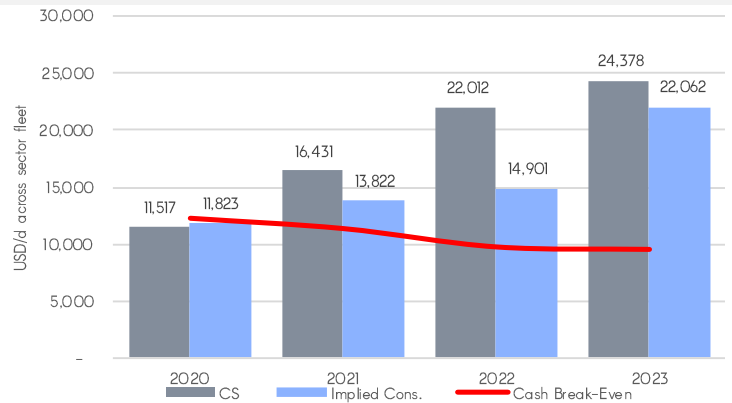
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	484	497	497	-13	-3%
Opex + G&A	252	274	274	-22	-8%
Depreciation	142	135	135	8	6%
Net finance	71	84	84	-13	-16%
Taxes & Minorities	0	1	1	-1	-99%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	729	613	613	116	19%
Opex + G&A	251	258	258	-7	-3%
Depreciation	145	129	129	16	12%
Net finance	61	63	63	-2	-2%
Taxes & Minorities	0	33	33	-33	-100%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

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

	Dry Bulk			BUY					
	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	185	106	86	149	143	160	163	197	209
Operational costs	-106	-47	-69	-70	-61	-61	-62	-64	-64
EBITDA	79	58	17	79	83	99	101	134	145
Depreciation/Amortization	-32	-35	-35	-36	-36	-36	-36	-36	-36
EBIT	46	23	-18	43	46	62	65	97	109
Net financials	-23	-21	-26	-20	-16	-16	-16	-15	-15
PTP	24	3	-44	23	30	47	49	82	94
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	24	3	-44	23	30	47	49	82	94
Non-recurring items	19	-14	16	5	0	0	0	0	0
Net earnings (adj.)	42	-11	-28	29	30	47	49	82	94
EPS	0.25	0.03	-0.46	0.24	0.32	0.49	0.50	0.84	0.96
EPS (adj.)	0.44	-0.12	-0.30	0.30	0.32	0.49	0.50	0.84	0.96
DPS	0.05	0.05	0.00	0.00	0.28	0.26	0.32	0.31	0.36
Balance Sheet (USDm)									
Cash & short-term investments	118	130	107	219	262	263	257	285	344
Other current assets	148	167	117	124	124	124	124	124	124
Total current assets	266	297	224	343	385	387	380	409	468
Property & equip. (incl. NBs)	2,967	2,969	2,940	2,911	2,879	2,902	2,870	2,839	2,807
Other non-current assets	6	4	4	5	5	5	5	5	5
Total non-current assets	2,973	2,972	2,943	2,916	2,884	2,908	2,876	2,844	2,812
TOTAL ASSETS	3,239	3,270	3,167	3,259	3,270	3,294	3,256	3,253	3,280
Total equity	1,544	1,539	1,494	1,520	1,524	1,562	1,580	1,631	1,690
Short-term debt	202	232	220	220	219	223	220	220	220
Other current liabilities	108	135	104	100	100	100	100	100	100
Total current liabilities	311	366	325	320	318	322	320	320	320
Long-term debt	1,380	1,359	1,341	1,412	1,421	1,403	1,350	1,294	1,263
Other non-current liabilities	3	6	7	7	7	7	7	7	7
Total non-current liabilities	1,384	1,364	1,349	1,419	1,427	1,410	1,356	1,301	1,270
TOTAL EQUITY & LIABILITIES	3,239	3,270	3,167	3,259	3,270	3,294	3,256	3,253	3,280
Working capital, receivables	110	0	0	0	0	0	0	0	0
Working capital, payables	90	0	0	0	0	0	0	0	0
Net working capital	20	0	0	0	0	0	0	0	0
Interest bearing debt	1,583	1,590	1,561	1,632	1,639	1,626	1,570	1,515	1,483
Liquidity	125	130	107	219	262	263	257	285	344
Net interest bearing debt	1,458	1,460	1,455	1,413	1,378	1,363	1,313	1,230	1,139
Cash Flow (USDm)									
Net income	24	3	-44	23	30	47	49	82	94
Depreciation	32	35	35	36	36	36	36	36	36
Other	-3	-3	8	-9	0	0	0	0	0
Cash earnings	53	34	-1	50	66	83	85	118	130
Changes in working capital	0	-2	24	7	0	0	0	0	0
Net operational cash flow	53	32	23	57	66	83	85	118	130
Capex	-43	-34	-17	-11	-4	-60	-4	-4	-4
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	12	0	0	0	0	0	0	0	0
Other	4	2	1	1	0	0	0	0	0
Net investing cash flow	-26	-32	-16	-10	-4	-60	-4	-4	-4
Repayment of debt	-154	-97	-73	-347	-55	-55	-56	-55	-32
Proceeds from debt	148	107	42	420	62	41	0	0	0
Dividends paid	-5	-5	0	0	-26	-25	-32	-31	-35
New equity	0	0	0	0	0	16	0	0	0
Other	-13	-1	1	-6	0	0	0	0	0
Net financing cash flow	-23	5	-31	68	-20	-22	-87	-86	-67
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	3	5	-24	115	42	1	-6	28	59
Cash balance	118	130	107	219	262	263	257	285	344
Free cash flow	27	0	7	47	62	23	81	114	126



Cleaves Securities

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

	Dry Bulk			BUY					
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	161	156	267	530	598	484	729	980	1,085
Operational costs	-505	-184	-146	-295	-400	-247	-251	-260	-264
EBITDA	-344	-27	121	235	198	237	478	720	821
Depreciation/Amortization	-82	-82	-83	-103	-124	-142	-145	-145	-145
EBIT	-426	-109	39	132	74	95	333	576	677
Net financials	-33	-45	-48	-73	-90	-83	-61	-56	-51
PTP	-458	-154	-10	58	-16	12	272	520	625
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-458	-154	-10	58	-16	12	272	520	625
Non-recurring items	0	0	0	0	0	7	0	0	0
Net earnings (adj.)	-458	-154	-10	58	-16	19	272	520	625
EPS	-10.46	-2.72	-0.15	0.63	-0.17	0.13	2.78	5.20	6.25
EPS (adj.)	-10.46	-2.72	-0.15	0.63	-0.17	0.20	2.78	5.20	6.25
DPS	0.00	0.00	0.00	0.00	0.05	0.32	1.25	4.18	6.17
Balance Sheet (USDm)									
Cash & short-term investments	208	182	258	205	118	262	344	455	476
Other current assets	44	47	55	94	148	124	124	124	124
Total current assets	252	228	313	299	266	385	468	579	600
Property & equip. (incl. NBs)	1,885	1,772	1,824	2,716	2,966	2,879	2,807	2,680	2,557
Other non-current assets	27	11	9	7	7	5	5	5	5
Total non-current assets	1,913	1,783	1,833	2,723	2,973	2,884	2,812	2,685	2,562
TOTAL ASSETS	2,165	2,012	2,146	3,022	3,239	3,270	3,280	3,264	3,162
Total equity	1,135	1,037	1,088	1,520	1,544	1,524	1,690	1,794	1,802
Short-term debt	132	6	189	167	202	219	194	196	203
Other current liabilities	35	22	30	56	108	100	100	100	100
Total current liabilities	167	28	219	223	311	318	294	295	302
Long-term debt	860	945	838	1,275	1,380	1,421	1,289	1,168	1,051
Other non-current liabilities	3	1	1	4	3	7	7	7	7
Total non-current liabilities	863	946	838	1,279	1,384	1,427	1,296	1,175	1,057
TOTAL EQUITY & LIABILITIES	2,165	2,012	2,146	3,022	3,239	3,270	3,280	3,264	3,162
Working capital, receivables	25	27	38	66	110	0	0	0	0
Working capital, payables	24	17	20	38	90	0	0	0	0
Net working capital	1	10	17	28	20	0	0	0	0
Interest bearing debt	991	951	1,027	1,442	1,583	1,639	1,483	1,364	1,253
Liquidity	212	187	265	211	125	262	344	455	476
Net interest bearing debt	779	764	762	1,231	1,458	1,378	1,139	908	778
Cash Flow (USDm)									
Net income	-458	-154	-10	58	-16	12	272	520	625
Depreciation	82	82	83	103	124	142	145	145	145
Other	363	47	10	29	23	-4	0	0	0
Cash earnings	-14	-26	83	190	131	150	417	665	770
Changes in working capital	-1	-8	0	-21	-43	29	0	0	0
Net operational cash flow	-15	-33	83	169	89	179	417	665	770
Capex	-474	-396	-144	-329	-347	-66	-73	-17	-22
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	70	380	15	0	57	0	0	0	0
Other	6	3	1	3	11	5	0	0	0
Net investing cash flow	-398	-13	-127	-325	-280	-62	-73	-17	-22
Repayment of debt	129	-29	75	113	144	-572	-197	-120	-110
Proceeds from debt	374	152	161	988	768	631	41	0	0
Dividends paid	0	0	0	0	-5	-31	-122	-416	-618
New equity	418	50	50	0	0	0	16	0	0
Other	-387	-152	-164	-1,004	-804	5	0	0	0
Net financing cash flow	534	20	122	97	104	22	-262	-536	-728
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	122	-26	78	-60	-88	138	83	111	21
Cash balance	208	182	259	205	118	256	339	450	470
Free cash flow	-412	-47	-44	-156	-191	116	344	647	748



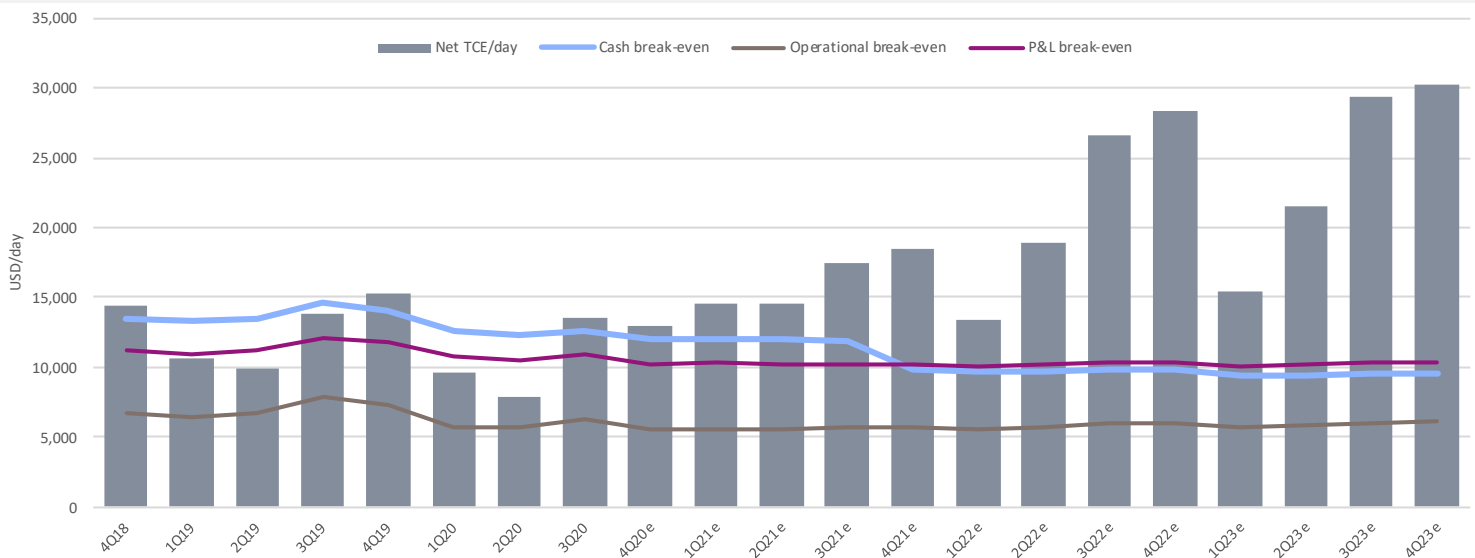
Cleaves Securities

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

	Dry Bulk			BUY					
Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	44	57	64	93	96	96	98	100	100
Share price, avg (USD)	15	4	10	12	9	8	12	12	12
Share price, end (USD)	3	5	11	9	12	12	12	12	12
Market Cap.	133	289	722	847	1,135	1,156	1,180	1,204	1,204
NIBD	779	764	762	1,231	1,458	1,378	1,139	908	778
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	912	1,054	1,485	2,077	2,592	2,533	2,319	2,112	1,981
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)				14.5		94.8	4.3	2.3	1.9
P/E (adj.)				14.5		60.7	4.3	2.3	1.9
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	0.8	1.9	2.7	1.6	1.9	2.4	1.6	1.2	1.1
EV/Sales	5.7	6.7	5.6	3.9	4.3	5.2	3.2	2.2	1.8
EV/EBITDA			12.2	8.8	13.1	10.7	4.9	2.9	2.4
EV/EBIT			38.2	15.7	35.2	26.7	7.0	3.7	2.9
P/B	0.1	0.3	0.7	0.6	0.7	0.8	0.7	0.7	0.7
FCF yield	-311%	-16%	-6%	-18%	-17%	10%	29%	54%	62%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.4%	2.7%	10.3%	34.6%	51.3%
Return on equity (ROE)	-40.4%	-14.9%	-0.9%	3.8%	-1.0%	0.8%	16.1%	29.0%	34.7%
Return on capital employed (ROCE)	-22.3%	-6.1%	2.1%	4.8%	2.5%	3.3%	11.8%	21.3%	26.3%
Return on assets (ROA)	-21.2%	-7.7%	-0.5%	1.9%	-0.5%	0.4%	8.3%	15.9%	19.8%
Sales growth	54%	-3%	71%	98%	13%	-19%	51%	34%	11%
EBITDA margin	-213%	-17%	45%	44%	33%	49%	66%	73%	76%
EBIT margin	-264%	-70%	15%	25%	12%	20%	46%	59%	62%
Net margin	-284%	-99%	-4%	11%	-3%	3%	37%	53%	58%
Net interest rate	0.0%	0.0%	0.0%	0.0%	0.0%	5.1%	5.4%	6.1%	6.6%
Tax rate	0.0%	-0.2%	-2.5%	0.1%	-0.7%	0.3%	0.0%	0.0%	0.0%
Equity ratio	52%	52%	51%	50%	48%	47%	52%	55%	57%
Leverage ratio	48%	48%	49%	50%	52%	53%	48%	45%	43%
NIBD / EBITDA (past ly)	-2.3	-28.0	6.3	5.2	7.4	5.8	2.4	1.3	0.9
Operating cash flow/NIBD	0.0	0.0	0.1	0.1	0.1	0.1	0.4	0.7	1.0
Net interest coverage ratio (EBITDA/Net interest)						3.4	7.8	12.9	16.1
Current ratio	1.5	8.1	1.4	1.3	0.9	1.2	1.6	2.0	2.0
Adj. equity ratio						29%	49%	62%	69%
Operating assets	1,943	1,816	1,872	2,808	3,112	3,005	2,933	2,806	2,683
Operating liabilities	38	23	31	60	112	106	106	106	106
Net operating assets	1,905	1,793	1,842	2,748	3,001	2,899	2,827	2,699	2,576

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

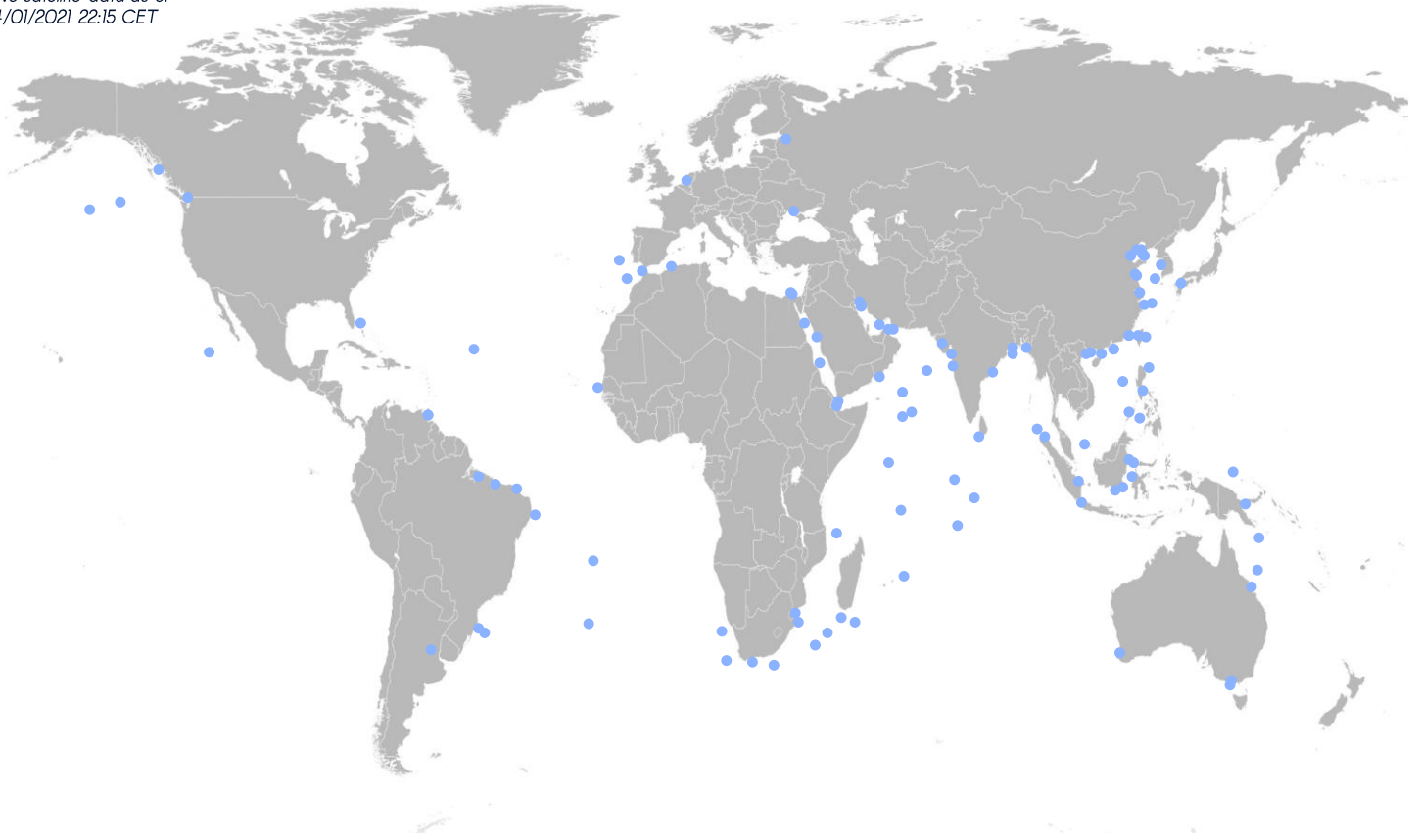
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

Live satellite data as of
14/01/2021 22:15 CET





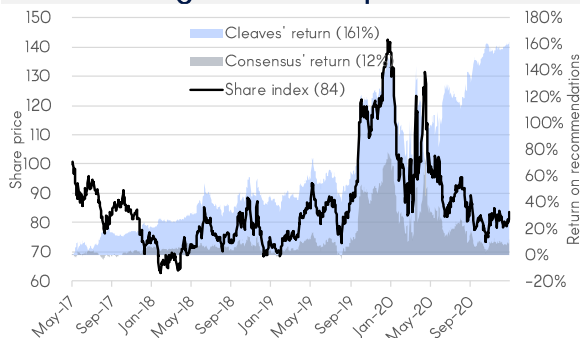
OPEC+ has pushed Oil Tanker earnings to extraordinary levels. Share prices also extraordinary, but with opposite sign

Oil Tankers

SELL

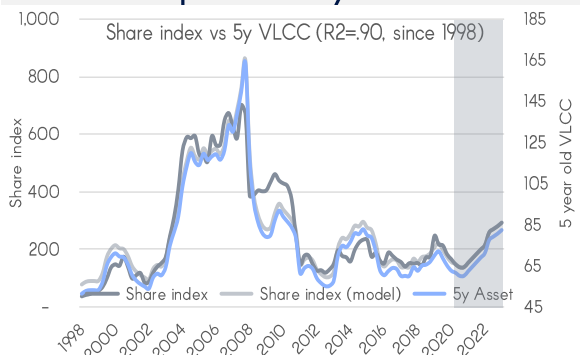
More Covid Weakens Recovery

Segment share prices



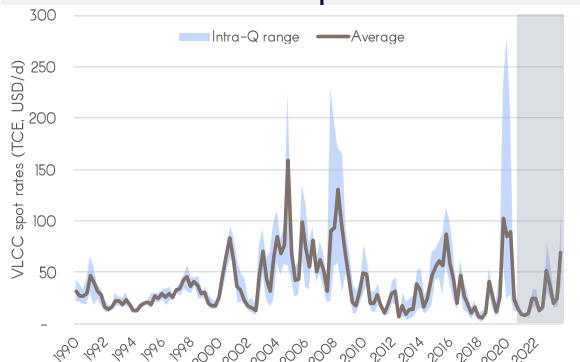
A recent surge in COVID-19 cases has led many countries to re-enter lockdown, leading us to revise down our oil tanker estimates. Global oil supply will have to stay lower for longer in order to rebalance the market and draw down inventories. We see downside to almost all our covered oil tanker companies,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

Share prices vs 5y old VLCC



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

Oil Tanker spot rates



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

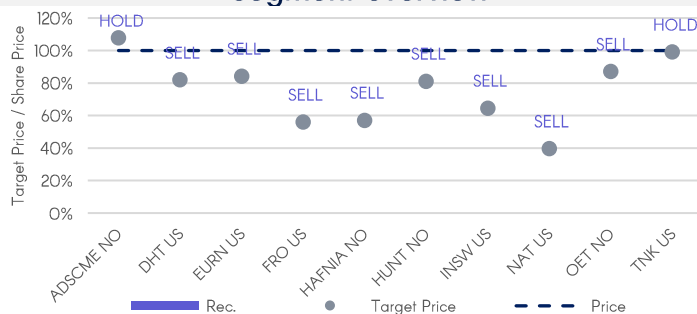
Cleaves Securities / Analysts

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Segment overview

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

Segment overview



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

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



Market Fundamentals

The quarter in review

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

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

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

¹Sum during period ²Average during period



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

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

The year in review

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

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

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

¹Sum during period ²Average during period



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

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

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

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

Market outlook

Supply

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

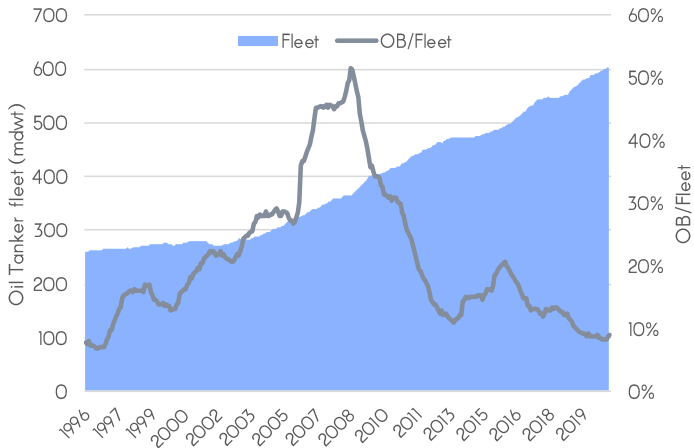
We expect that a low earnings environment, in addition to uncertainty over future regulations and technology, could keep **ordering** low going forward as well. We forecast that only 18m dwt would be contracted annually during 2021 and 2022 vs the 28m dwt average from 2017 to 2020.

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

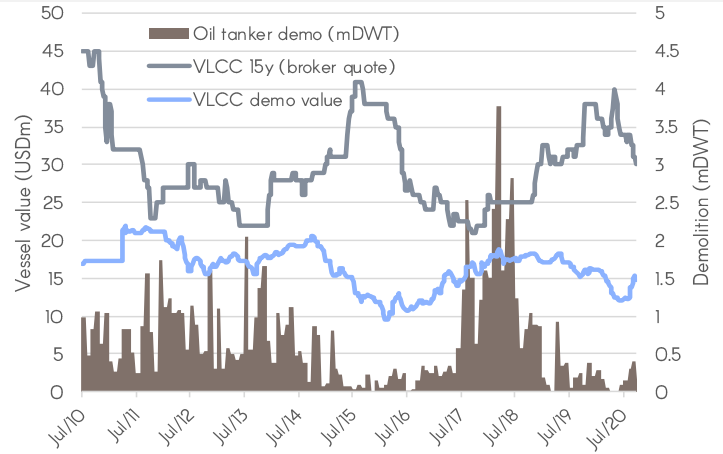


current scrap value and should significantly induce scrapping. For comparison, we currently value a 15y old VLCC at \$29m, \$12m above its scrap value. We forecast an elevated level of scrapping in the coming years at 13m dwt in 2021 and 11m dwt in 2022, vs just 3m dwt in both 2019 and 2020.

Orderbook vs fleet



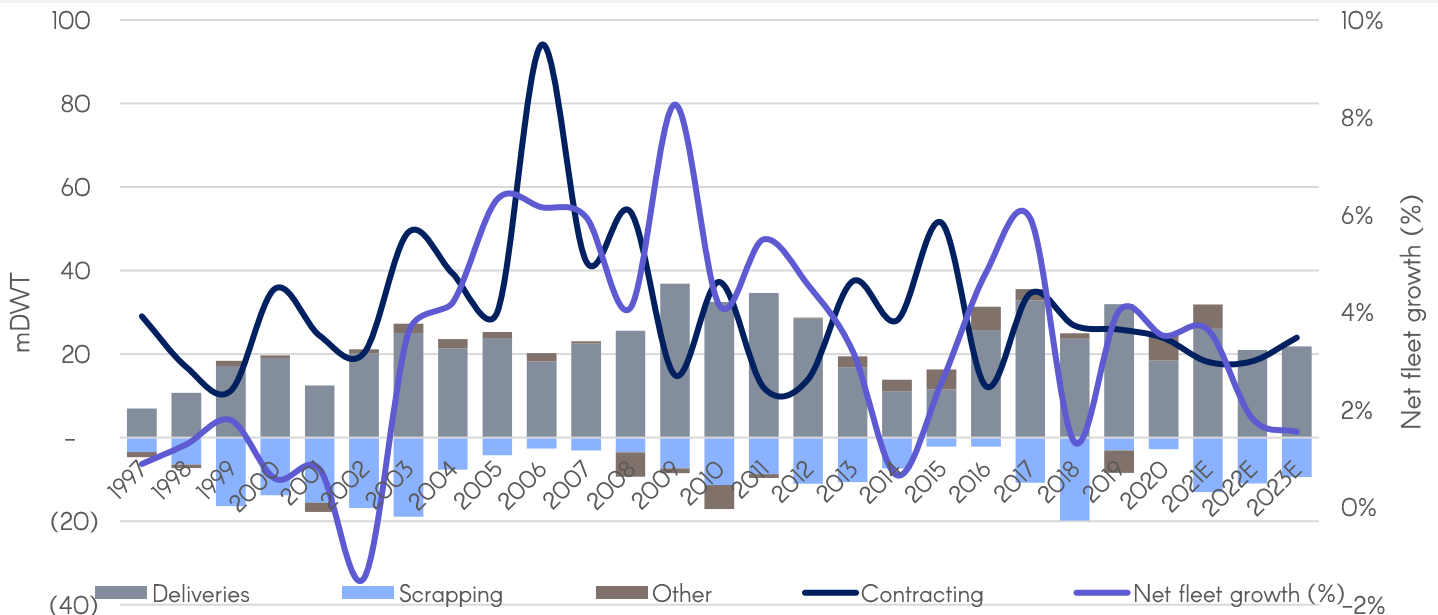
VLCC scrapping vs scrap value



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

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

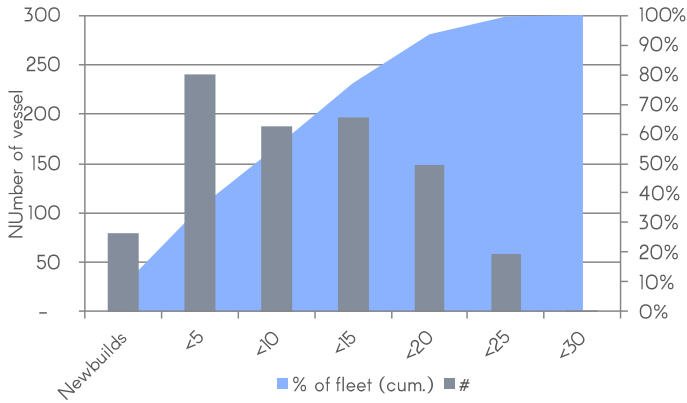
Oil tanker fleet developments



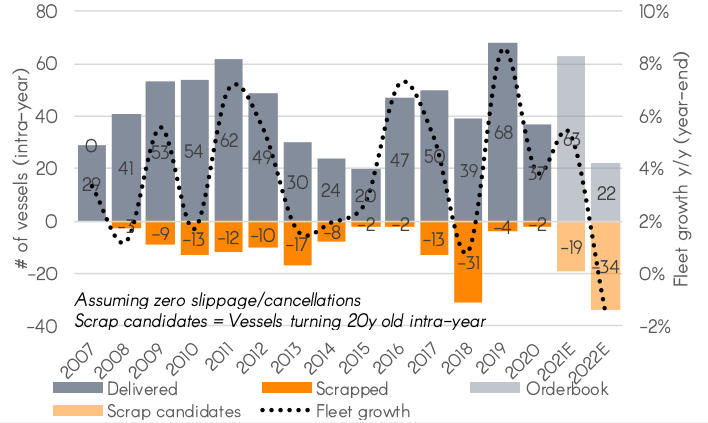


Detailed Supply Side

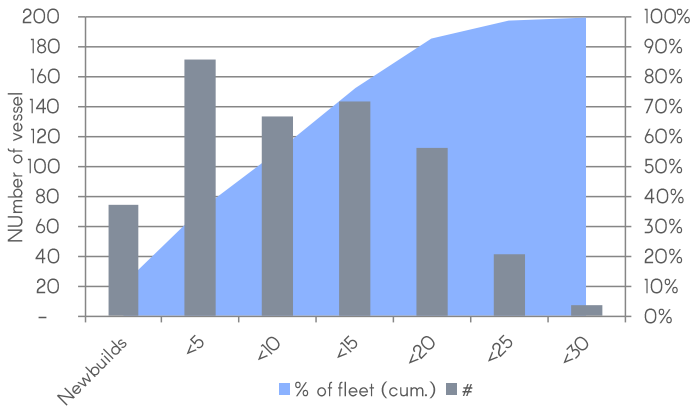
VLCC: Fleet profile



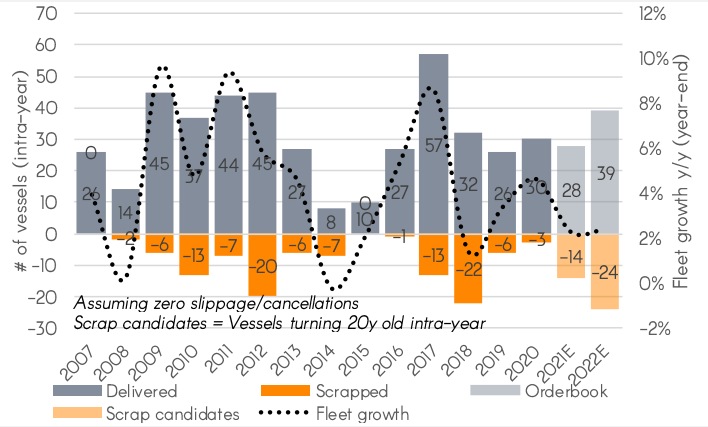
VLCC: Fleet evolution



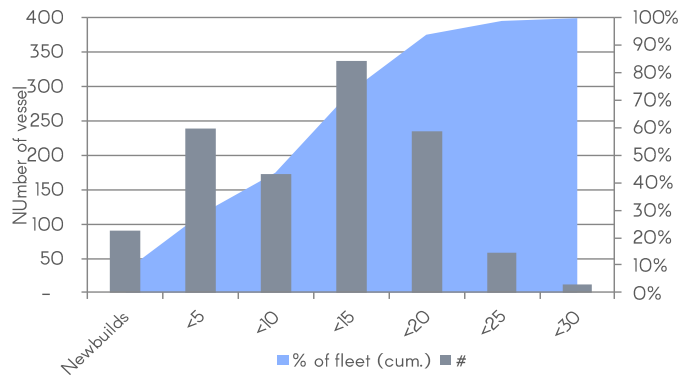
Suezmax: Fleet profile



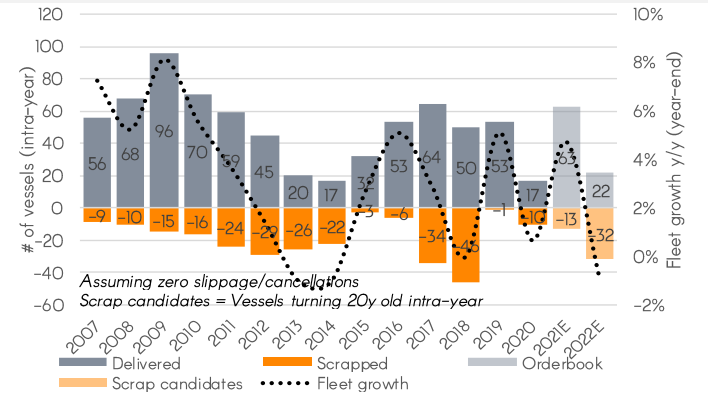
Suezmax: Fleet evolution



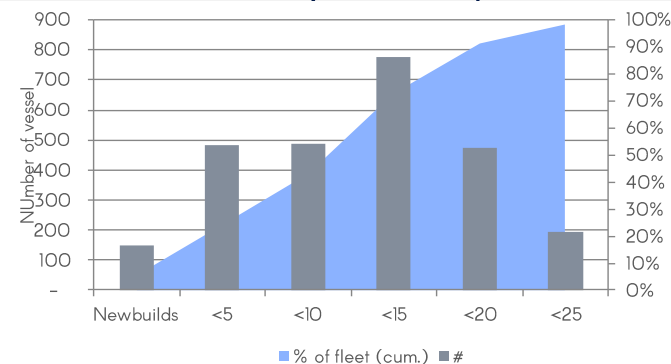
Aframax/LR2: Fleet profile



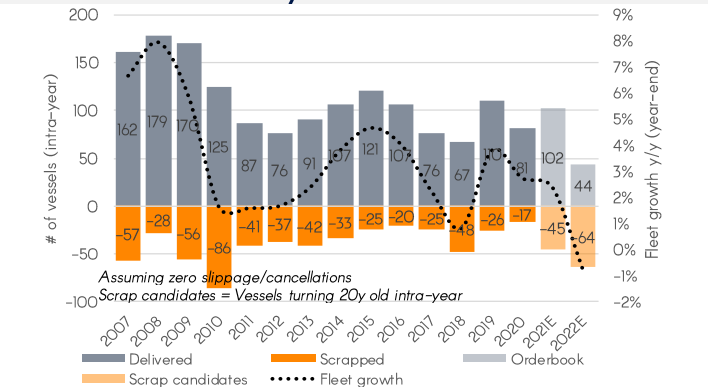
Aframax/LR2: Fleet evolution



MR & Handysize: Fleet profile



MR & Handysize: Fleet evolution





Demand

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

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

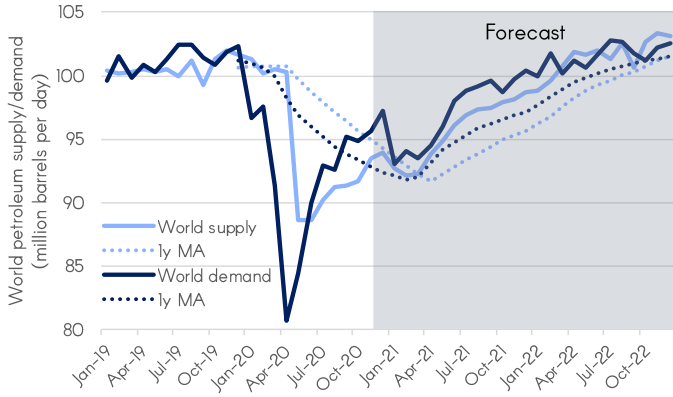
As the new stringent COVID-measures take effect, we now forecast global petroleum demand to average only 93.5m bpd in 1Q21E (vs our 97.5m bpd [forecast from October](#)) with petroleum supply forecast to average 92.3m bpd (vs 95.3m bpd). We expect the roll-out of vaccines to slowly improve the situation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

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

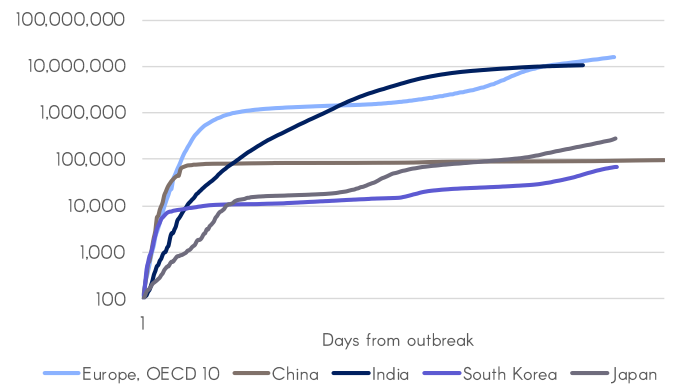
Floating storage peaked in May at 12% of the global petroleum tanker fleet. At the time of writing, 84 VLCCs, 20 Suezmaxes, 19 Aframaxs in addition to 87 other vessels are tied up in floating storage, according to Shipping Intelligence Network. This represents 6% of the global oil tanker fleet. We expect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



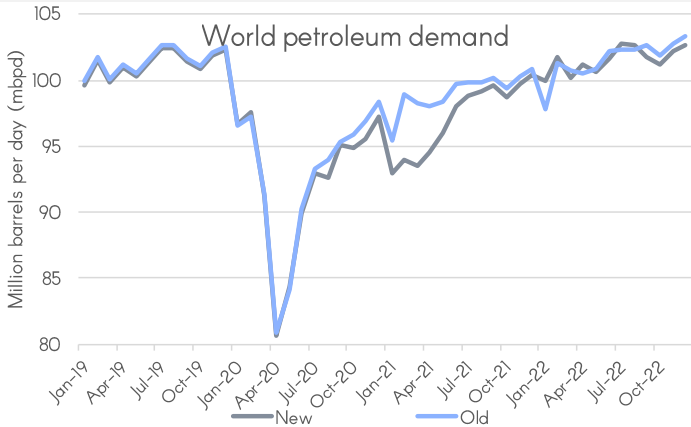
World petroleum supply & demand



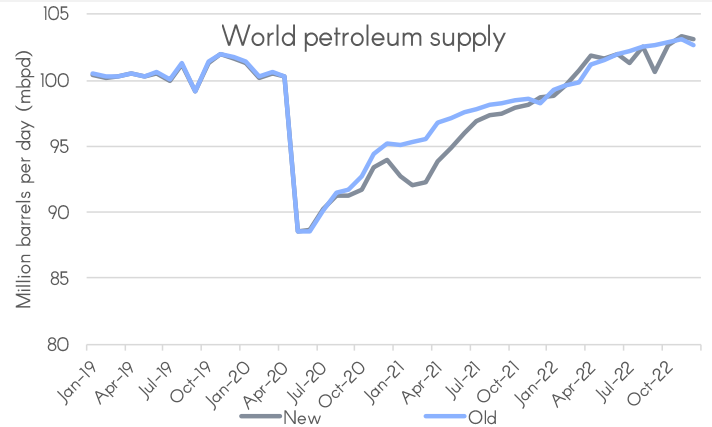
COVID-19 cases at major crude oil importers



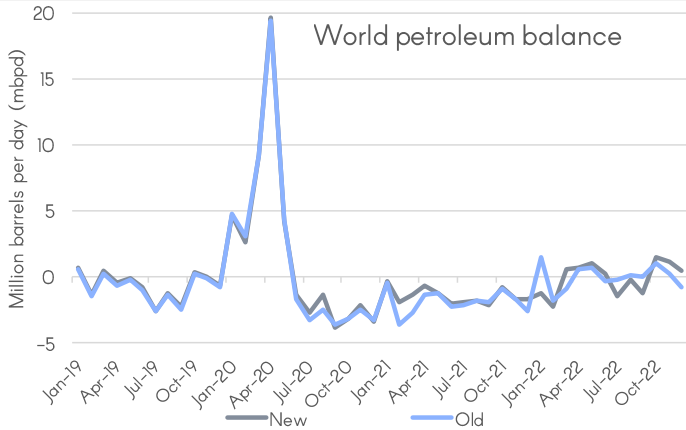
Petroleum demand: Changes to our forecast



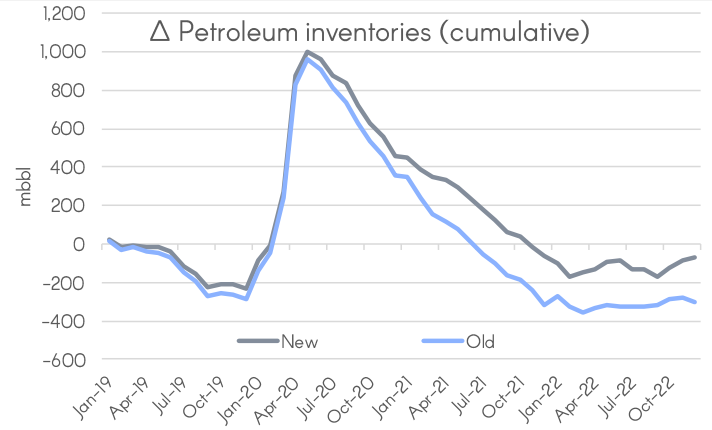
Petroleum supply: Changes to our forecast



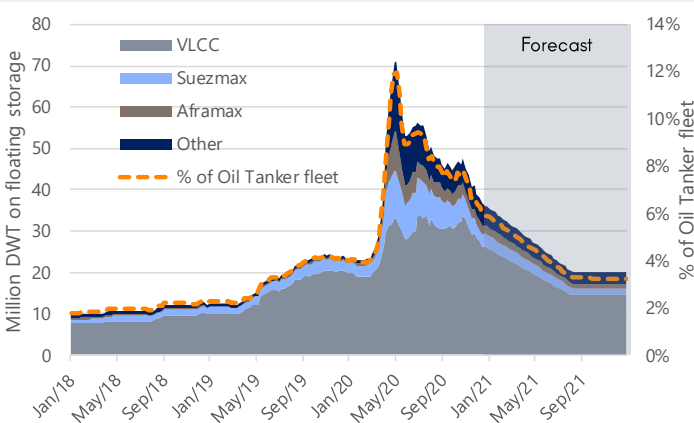
Petroleum balance: Changes to our forecast



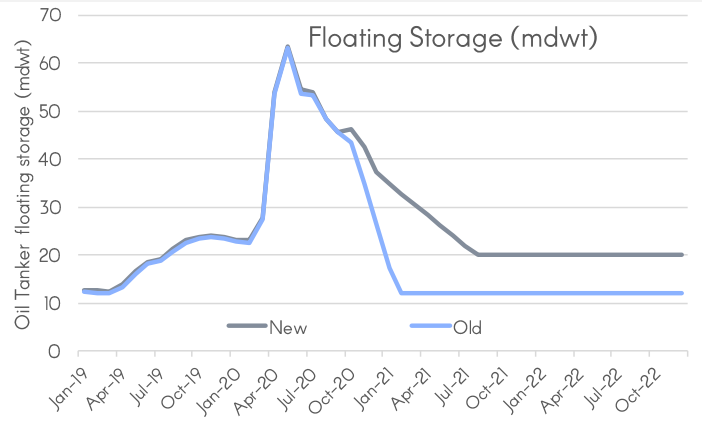
Petroleum inventories: Changes to our forecast



Oil tankers on floating storage



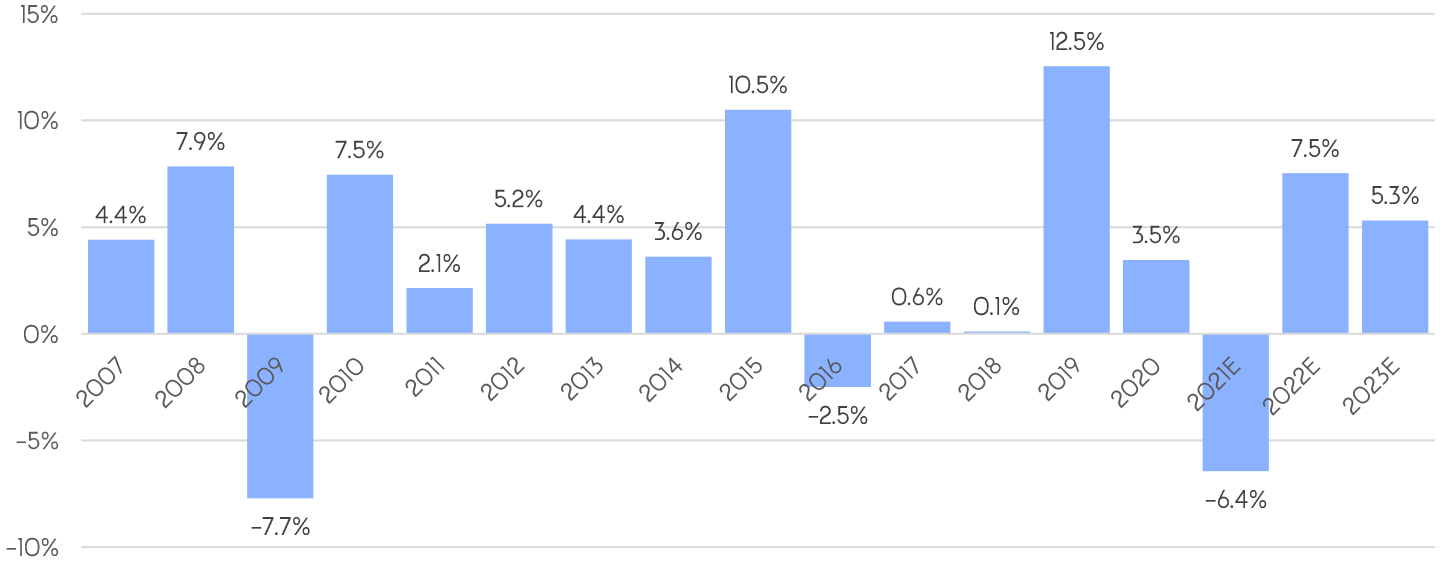
Floating storage: Changes to our forecast



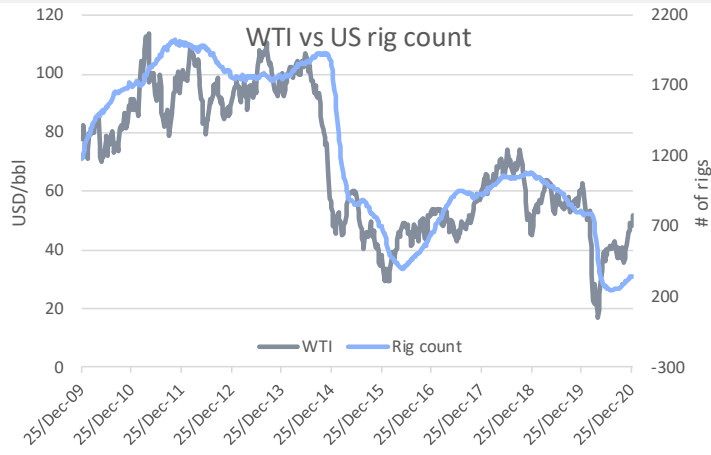


Looking at the holistic picture, we forecast oil tanker demand to contract 6.4% in 2021E as the need for seaborne oil transportation is negatively affected by lower petroleum supply and destocking of petroleum inventories. However, we forecast a massive 7.5% demand growth in 2022E as oil supply increases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

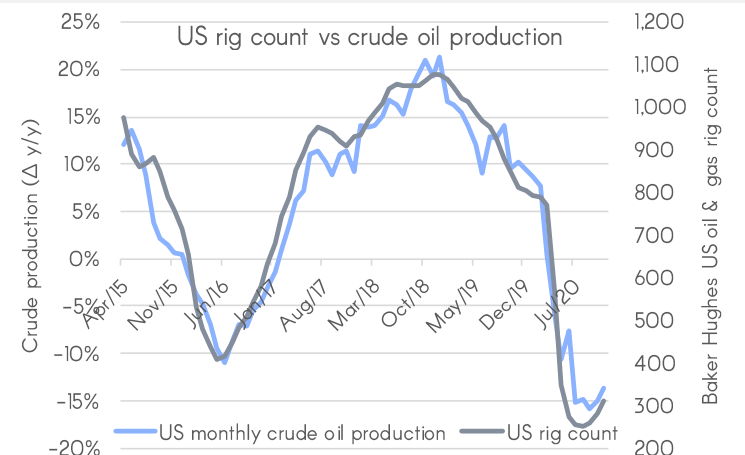
Oil Tanker demand growth (intra-year averages)



WTI oil price closely correlated with US rig count



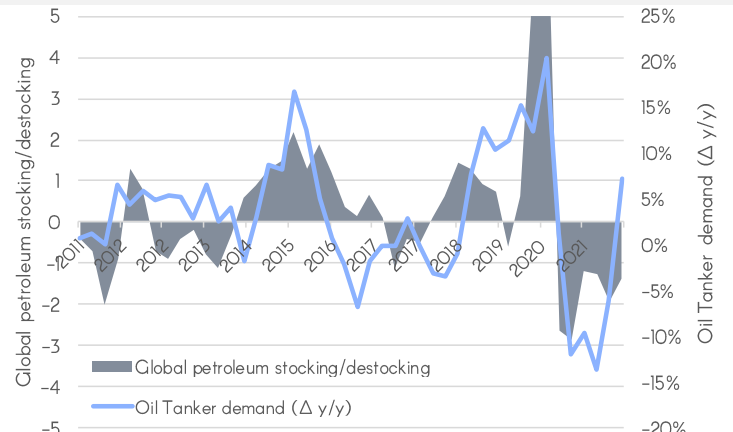
US oil production closely correlated with rig count



US crude oil production and exports



Petroleum inventory cycles vs oil tanker demand





Fleet utilization

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

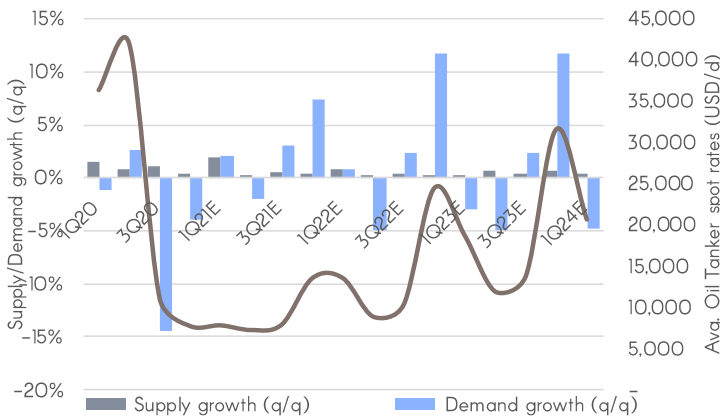
Our fleet utilization forecast implies that VLCCs could average \$13k/d in 2021E (-76% y/y) and \$26k/d in 2022E, Suezmaxes to average \$11k/d (-65% y/y) and \$19k/d, and MRs to average \$9k/d (-44% y/y) and \$11k/d, respectively.

Overview of our estimate changes

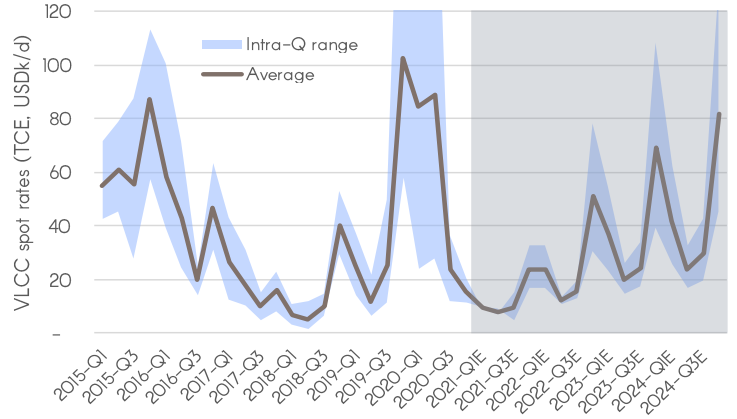
Delta table: Oil Tanker forecast summary					Average spot rate				
Δ y/y	2020	2021E	2022E	2023E		2020	2021E	2022E	2023E
Supply	3.5%	3.6%	1.8%	1.5%	VLCC, base case	53,145	12,689	25,758	37,595
Supply, old	3.6%	2.2%	1.4%	1.2%	old	54,090	20,353	42,842	51,821
Δ	-0.1%p	1.4%p	0.4%p	0.4%p	Δ	(945)	(7,665)	(17,084)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

¹Sum during period ²Average during period

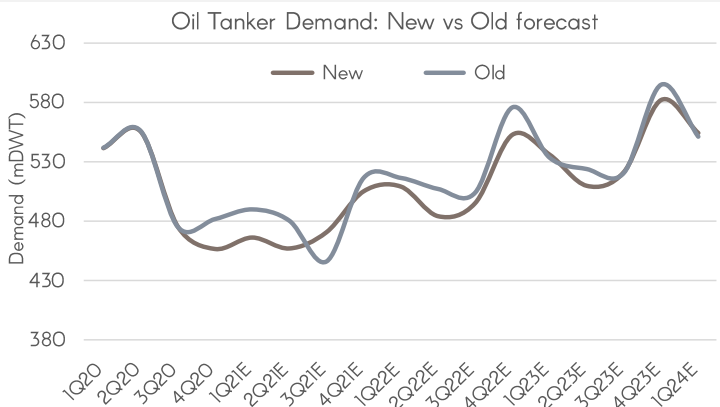
Oil tanker supply/demand & spot rates (quarterly)



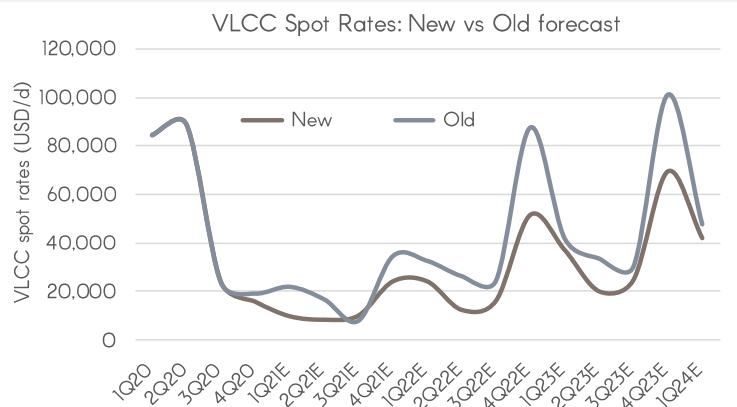
VLCC spot rates: Historical & forecast (quarterly)



Oil tanker demand forecast: New vs old (quarterly)

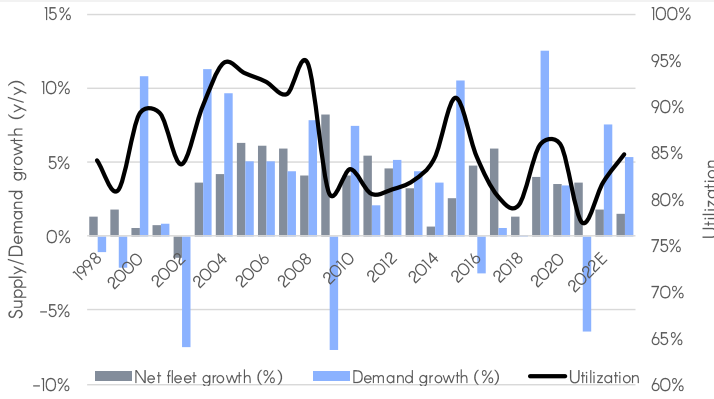


VLCC spot rate forecast: New vs old (quarterly)

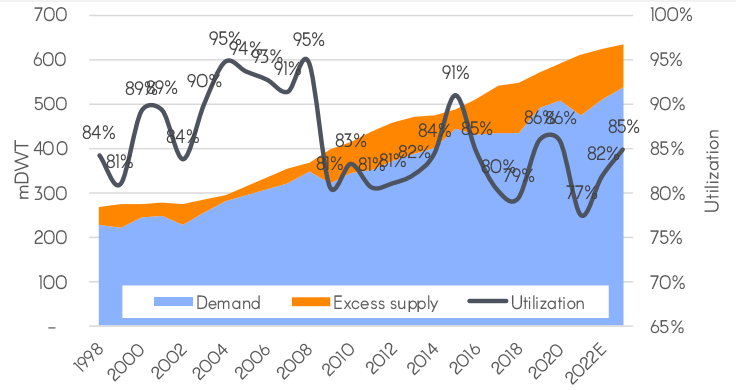




Oil tanker supply/demand & utilization (annually)



Oil tanker supply/demand & utilization (annually)



Asset & share prices

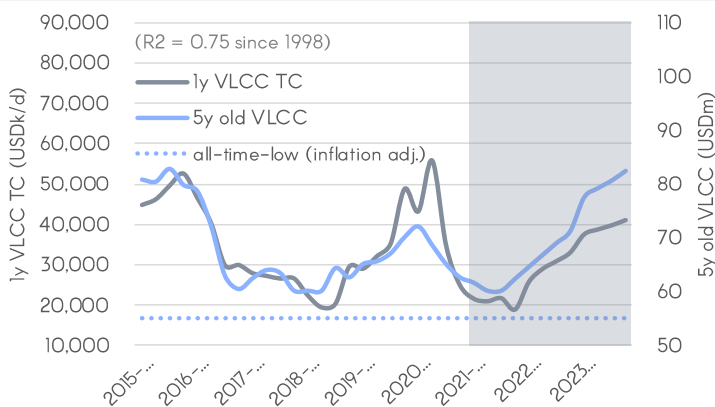
Asset values troughed in 2018 and our oil tanker asset price index rose 25% to the peak in 1Q20. Since then, our asset value index is down 14%, and we see the potential for another 6% downside to the expected mid-2021E through before potentially rising 32% by year-end 2023E.

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

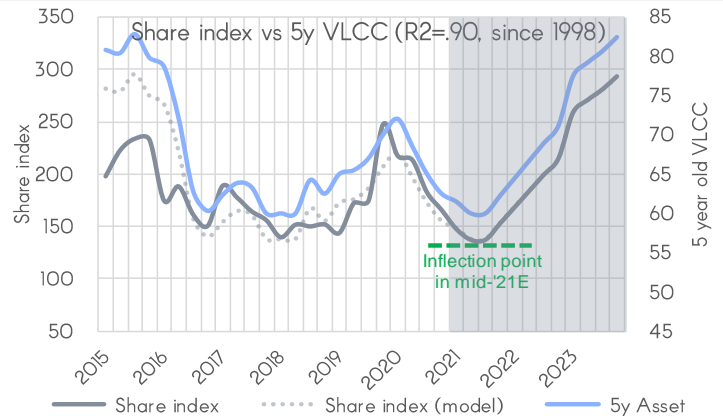
$$P_{shares} = f[P_{5y VLCC}] = f[1y TC_{5y VLCC}] = f[E(1y fwd spot revenue_{5y VLCC})], R^2 = 0.90 \text{ since 1998}$$

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

VLCC: 1y timecharter vs 5y asset price

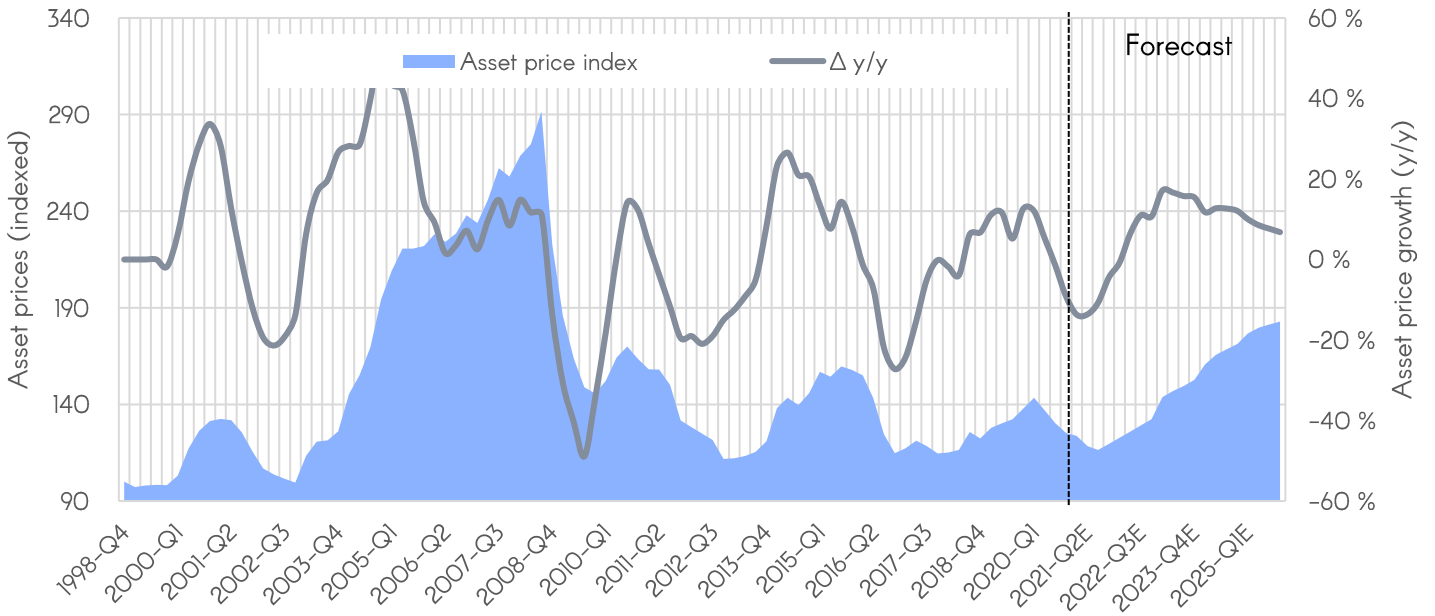


Cleaves' oil tanker share index vs 5y VLCC



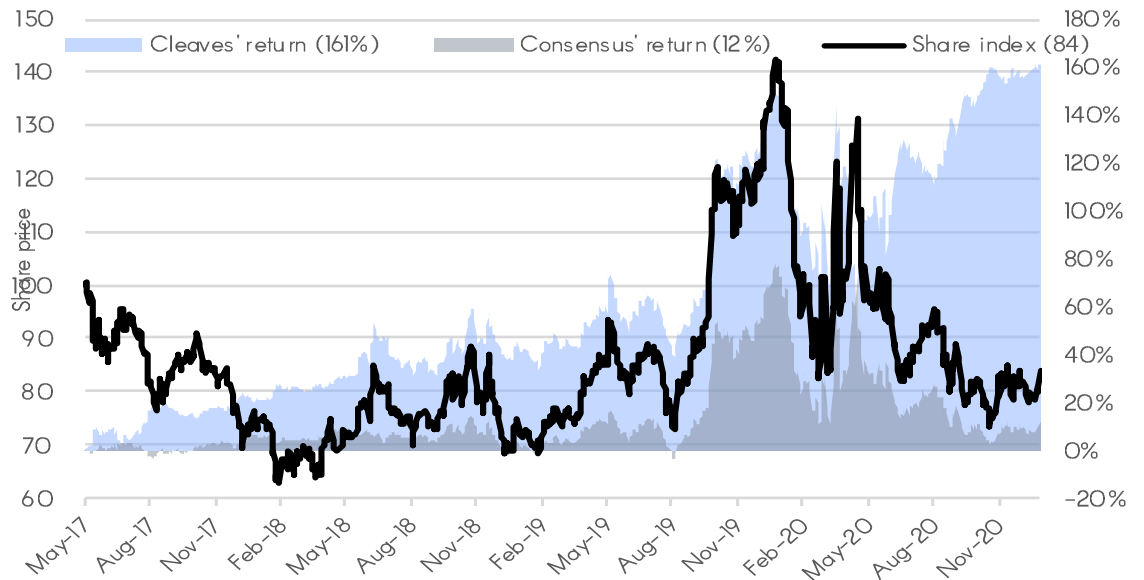


Cleaves' oil tanker asset price index



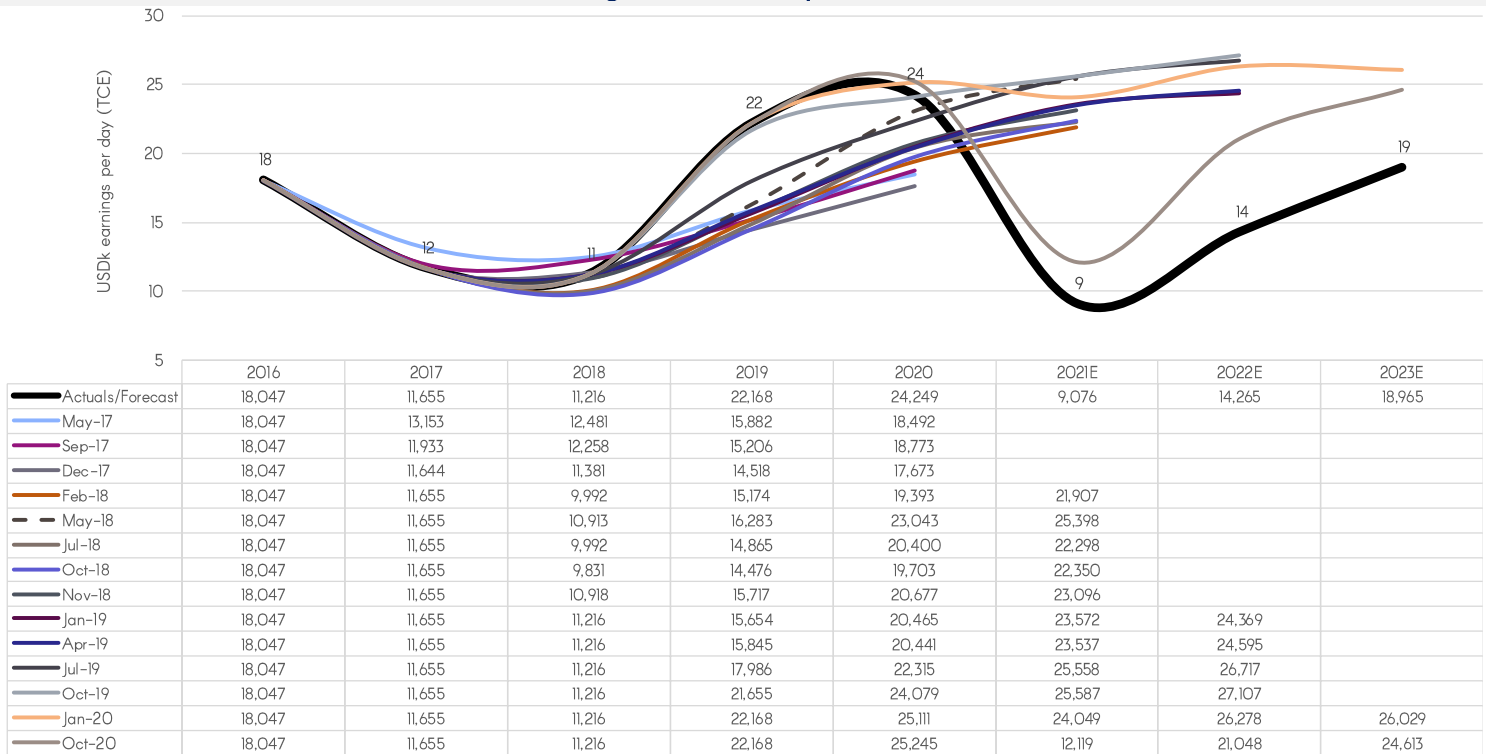
Since we reinitiated coverage on Oil Tankers in May 2017, we have a 161% return on our recommendations vs the market at -16% and consensus at +12%.

Cleaves' return vs consensus and our oil tanker index

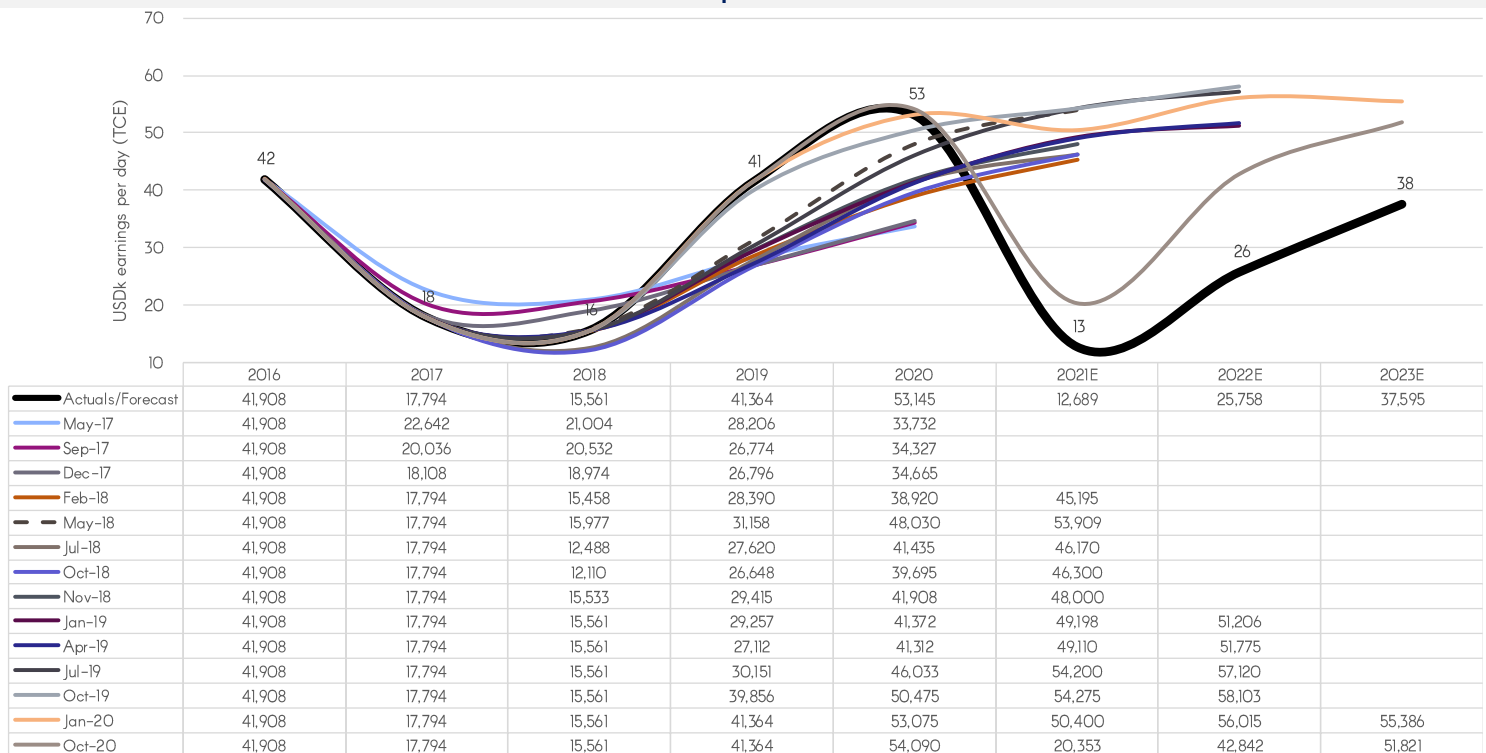




Cleaves' historical average oil tanker spot rate forecasts vs actuals



Cleaves' historical VLCC spot rate forecasts vs actuals





Asset Valuation

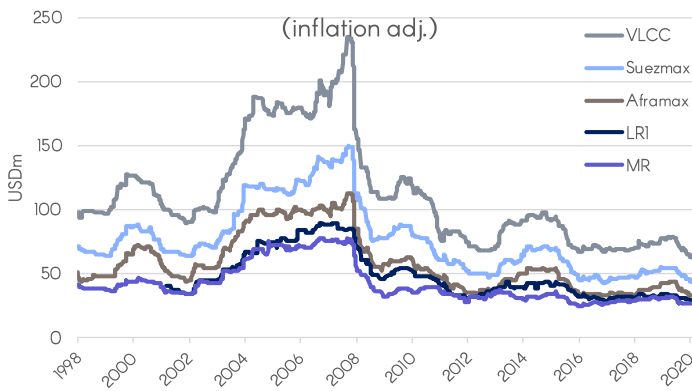
Asset valuation overview

Summary	VLCC	Suezmax	Aframax	LR2	LRI	MR	SR
NB	86.0	56.5	47.0	49.0	42.5	34.0	32.0
resale	88.0	57.5	48.0	50.0	43.5	35.0	33.0
5y	61.5	41.5	34.5	36.0	30.0	25.5	23.0
10y	41.0	29.0	22.5	23.5	19.0	16.5	14.0
15y	29.0	20.0	15.0	16.0	12.0	10.5	8.5
20y	21.0	12.8	9.7	10.2	7.7	7.2	5.1
scrap	17.0	9.1	7.1	7.1	5.4	5.0	3.3
<i>All prices are excluding scrubbers</i>							
NB parity	30,345	22,329	18,864	19,393	17,222	14,732	13,493

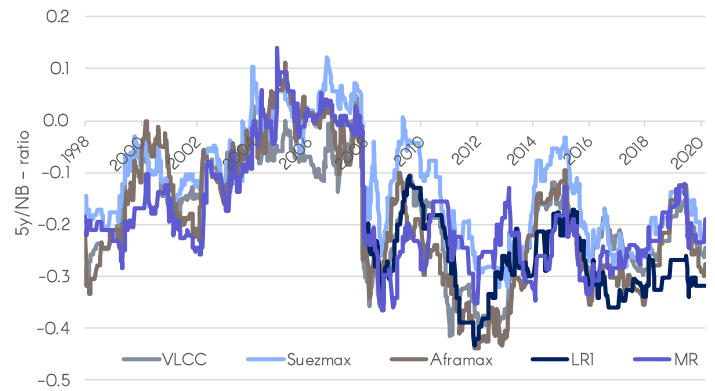
Changes to asset valuation overview

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

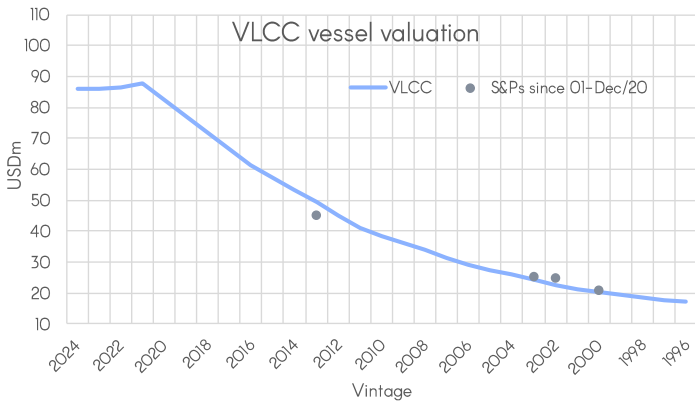
Historical 5y old vessel values



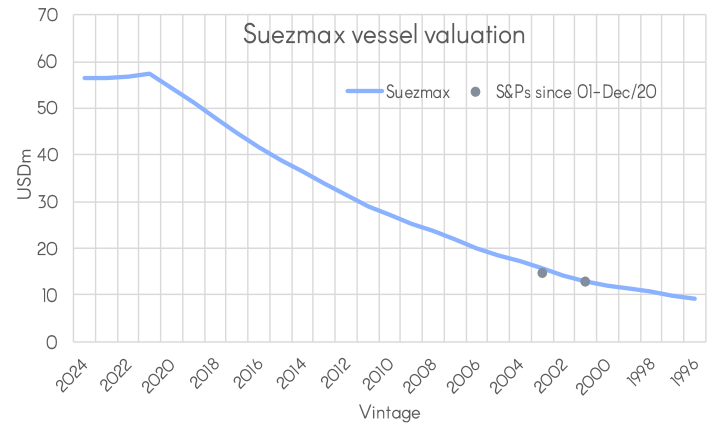
Historical price ratio, 5y/newbuild



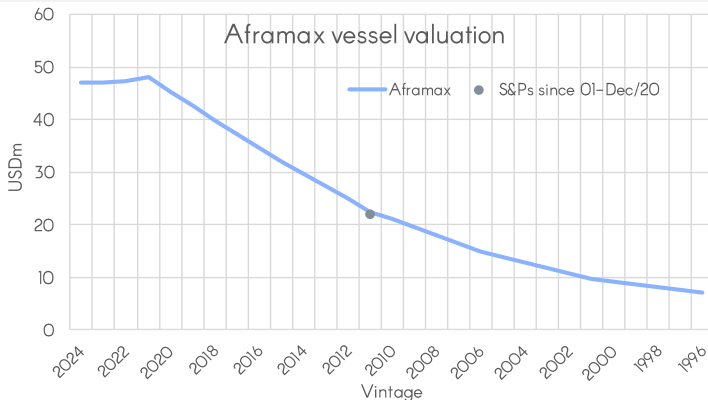
VLCC valuation vs recent S&P



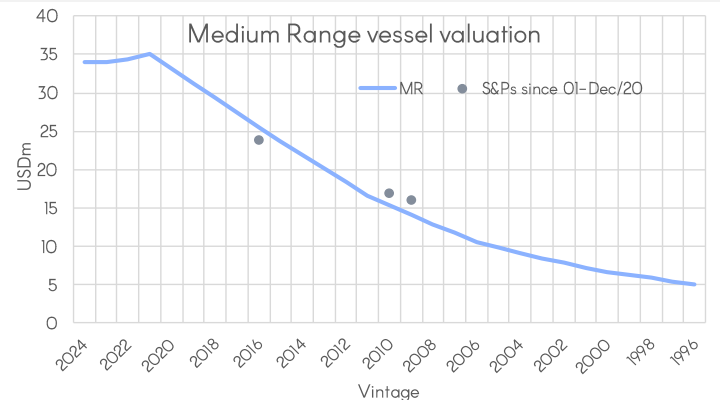
Suezmax valuation vs recent S&P



Aframax valuation vs recent S&P



MR valuation vs recent S&P





Oil Tanker Storage Economics

VLCC & Suezmax floating storage economics

Crude tanker storage arbitrage (excl. cost of carry)

	1m	4m	7m	1y	2y
Brent (USD/bbl)	56.3	55.6	54.6	51.8	51.2
Time-spread against 1m		-0.7	-1.7	-4.5	-5.1

Profit/loss from storage at current rates (USDm)

VLCC	-2.7	-7.0	-17.5	-32.9
Suezmax	-0.9	-3.4	-10.0	-21.6

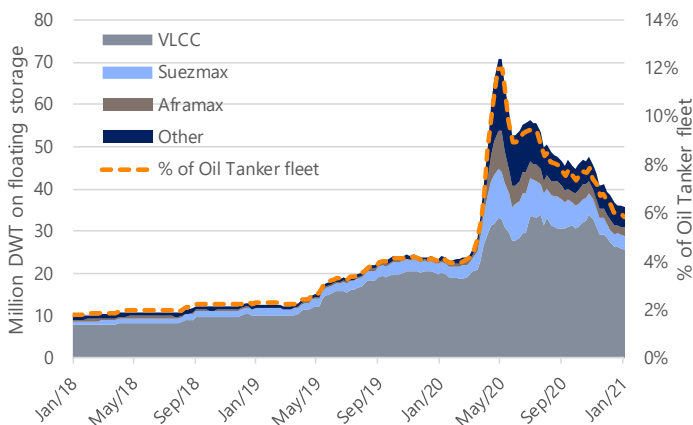
Required Brent fwd price for VLCC break-even

	1m	4m	7m	1y	2y
Brent (USD/bbl)	56.3	56.8	57.9	60.1	66.9
Time-spread against 1m		0.6	1.6	3.8	10.6

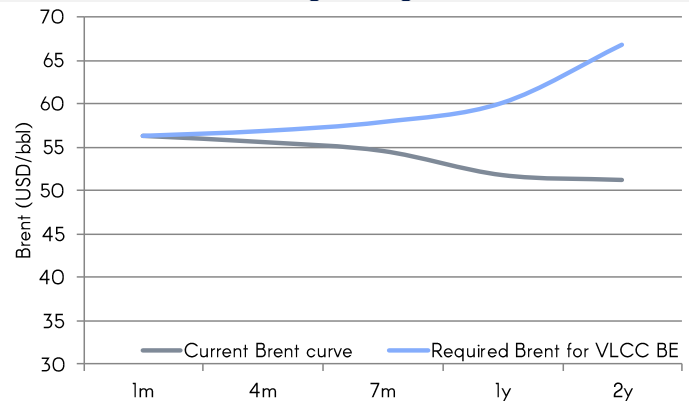
Required tanker rates for storage to break-even

VLCC	(16,349)	(19,860)	(28,228)	(15,182)
Suezmax	(7,785)	(9,457)	(13,442)	(7,230)

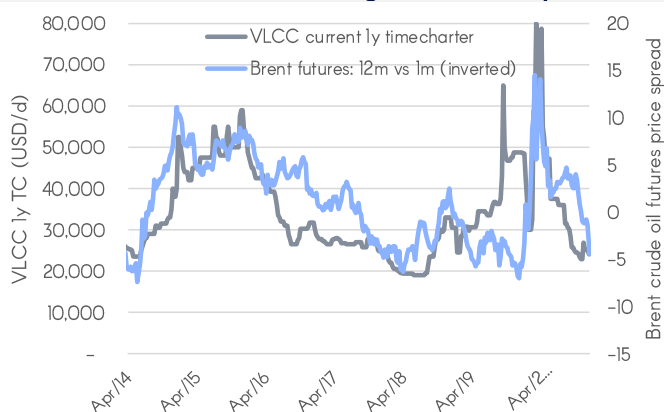
Oil Tanker floating storage



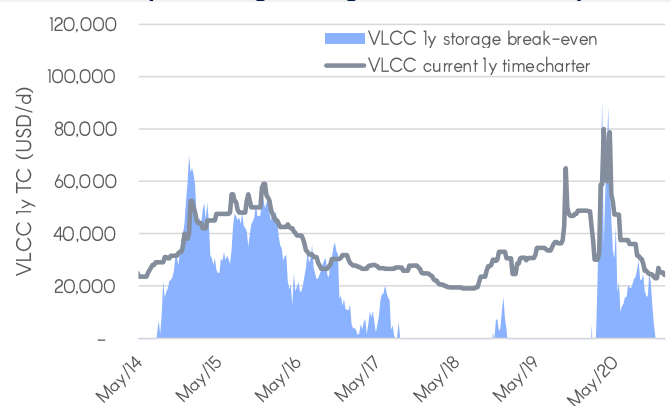
VLCC floating storage economics



Brent oil futures contango vs VLCC 1y TC



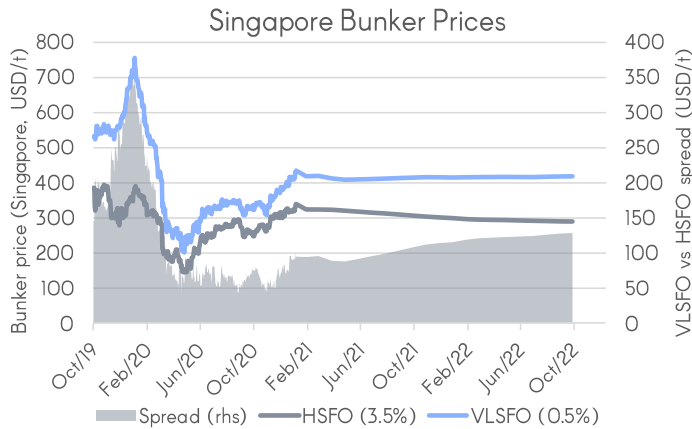
VLCC 1y floating storage breakeven vs 1y TC



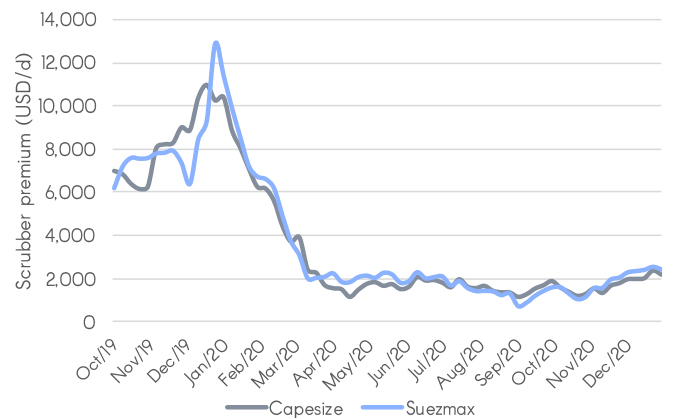


IMO 2020 Sulphur Regulations

VLSFO vs HSFO in Singapore: Spot & futures



Scrubber premium for selected vessel classes



Scrubber economics

Dry bulk scrubber economics (2010-built)

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

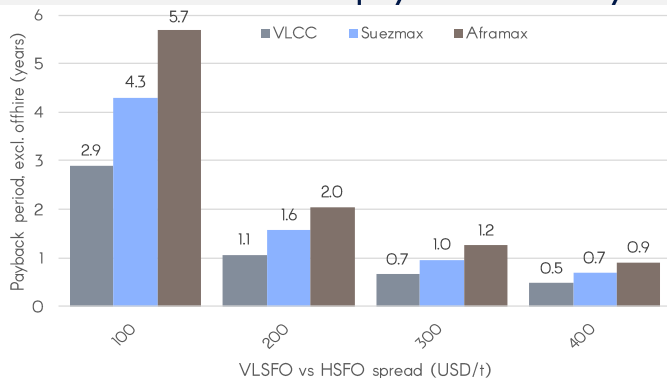
* Reflects added energy consumption & maintenance capex

Oil tanker scrubber economics (2010-built)

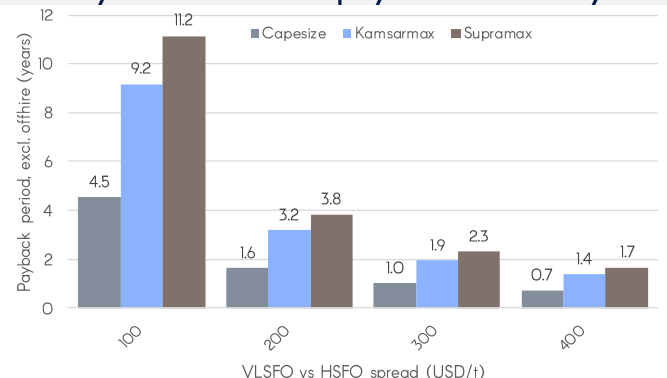
(USDm)	VLCC	Suezmax	Aframax
Cost of scrubber installation	-3.2	-3.1	-2.9
Offhire "cost"	-0.4	0.1	-0.2
Annual savings	1.1	0.7	0.5
Payback time (years)	3.2	4.1	6.0
VLSFO/HSFO spread from futures market	101		
Fuel consumption per day at sea, 2010-built (t)	65	45	35
Voyage days per annum	292	276	260
Scrubber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

* Reflects added energy consumption & maintenance capex

Oil tankers: Scrubber payback sensitivity

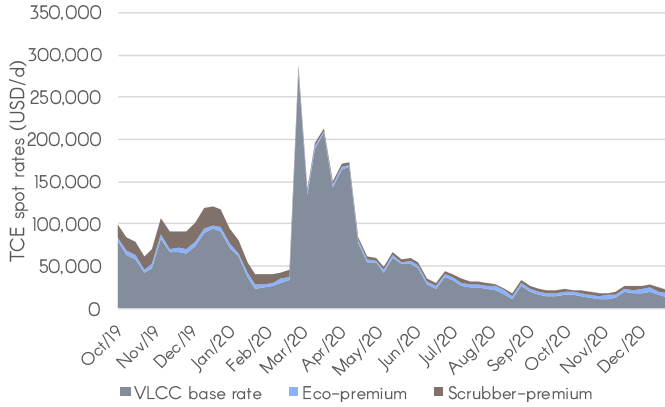


Dry bulk: Scrubber payback sensitivity

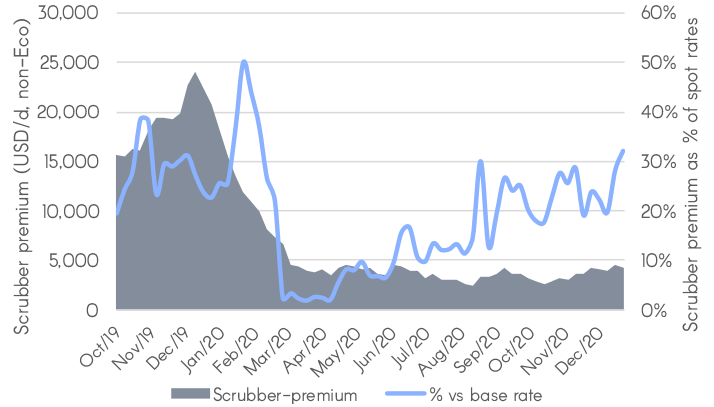




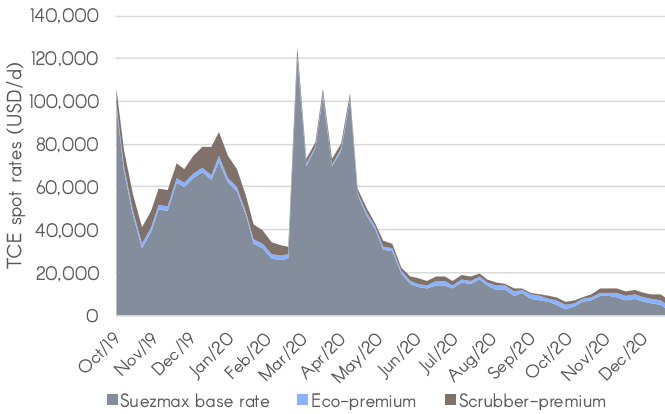
VLCC spot rate breakdown



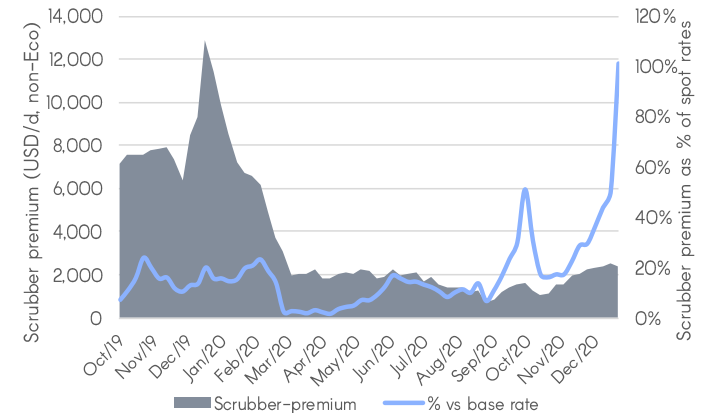
VLCC spot rate scrubber premium



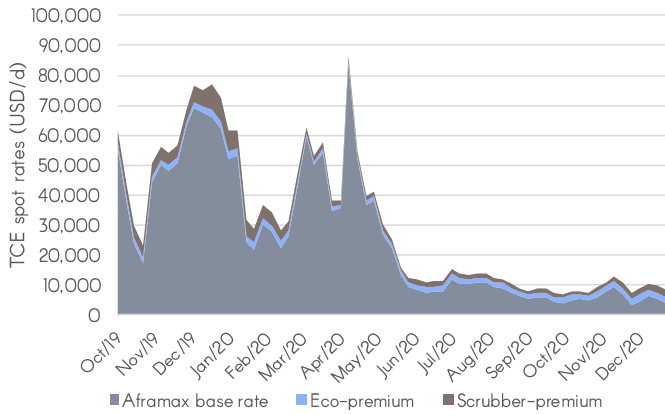
Suezmax spot rate breakdown



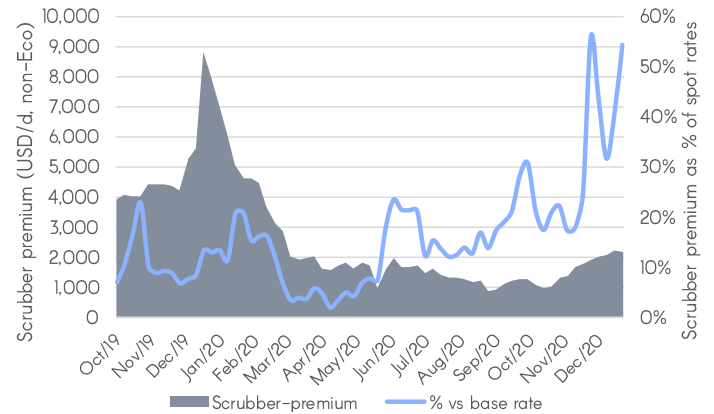
Suezmax spot rate scrubber premium



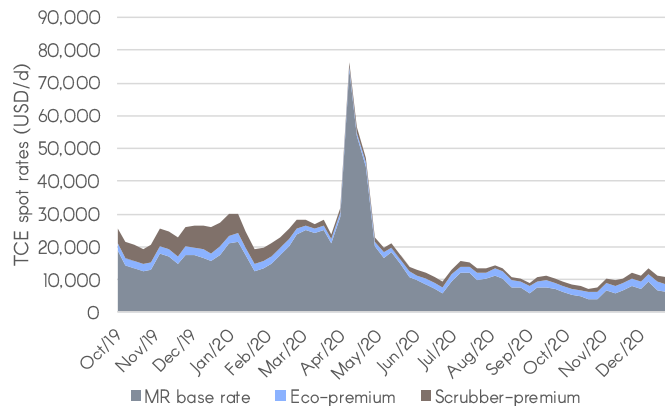
Aframax spot rate breakdown



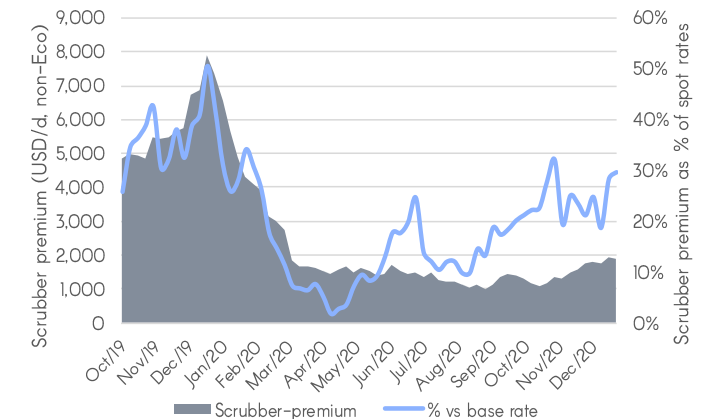
Aframax spot rate scrubber premium



MR spot rate breakdown



MR spot rate scrubber premium



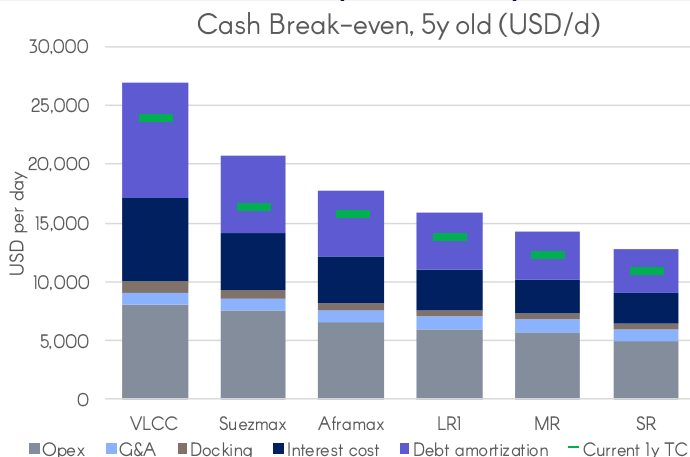


Generic Shipping Accounting

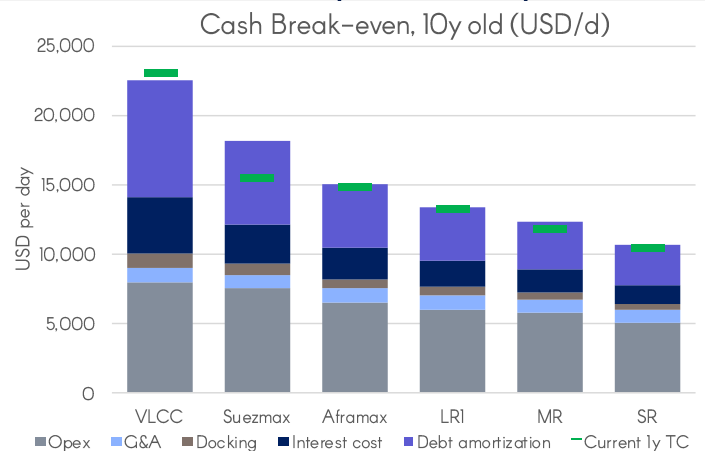
Current vessel economics (5y old)

Current vessel economics (5y old)							
Profit & Loss (USDm)	VLCC	Suezmax	Aframax	LRI	MR	SR	
Revenue	8.7	5.9	5.7	5.0	4.5	4.0	
Opex/G&A	-3.3	-3.1	-2.7	-2.6	-2.5	-2.2	
EBITDA	5.4	2.8	3.0	2.4	2.0	1.8	
Depreciation	-2.2	-1.6	-1.4	-1.2	-1.0	-1.0	
EBIT	3.2	1.2	1.6	1.2	1.0	0.8	
Financials (6% pa)	-2.6	-1.7	-1.4	-1.3	-1.1	-1.0	
Net profit	0.6	-0.5	0.2	-0.1	-0.1	-0.2	
Balance (USDm)	VLCC	Suezmax	Aframax	LRI	MR	SR	
Asset (5y)	61.5	41.5	34.5	30.0	25.5	23.0	
Equity (30%)	18.5	12.5	10.4	9.0	7.7	6.9	
Debt (70%)	43.1	29.1	24.2	21.0	17.9	16.1	
Cash Flow (USDm)	VLCC	Suezmax	Aframax	LRI	MR	SR	
Net profit	0.6	-0.5	0.2	-0.1	-0.1	-0.2	
Depreciation	2.2	1.6	1.4	1.2	1.0	1.0	
Operational CF	2.8	1.1	1.5	1.2	0.9	0.8	
Docking accruals	-0.4	-0.3	-0.3	-0.2	-0.2	-0.1	
Debt repayments	-3.6	-2.4	-2.0	-1.8	-1.5	-1.3	
Net Cash Flow	-1.1	-1.6	-0.7	-0.8	-0.7	-0.7	
Key Ratios	VLCC	Suezmax	Aframax	LRI	MR	SR	
EV/EBITDA	11.4	14.6	11.6	12.3	12.8	13.0	
EV/EBIT	19.4	34.0	21.5	24.8	26.4	29.3	
P/E	31.1	-23.8	66.2	-179.1	-72.3	-38.3	
ROE	3%	-4%	2%	-1%	-1%	-3%	
ROCE	5%	3%	5%	4%	4%	3%	
FCF yield	13%	6%	12%	11%	10%	10%	
Variables	VLCC	Suezmax	Aframax	LRI	MR	SR	
1y TC (USD/d)	24,125	16,500	15,875	13,875	12,375	11,000	
Opex (USD/d)	-8,000	-7,500	-6,500	-6,000	-5,750	-5,000	
G&A (USD/d)	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	
Docking (USD/d)	-1,000	-800	-700	-600	-500	-400	
<i>Assumptions: 25 years life, depreciated to scrap, 360 revenue days, 365 opex days, 12 years debt amortization</i>							
Cash Break-even, 5y old (USD/d)	VLCC	Suezmax	Aframax	LRI	MR	SR	
Opex	8,000	7,500	6,500	6,000	5,750	5,000	
G&A	1,000	1,000	1,000	1,000	1,000	1,000	
Docking	1,000	800	700	600	500	400	
Interest cost	7,077	4,775	3,970	3,452	2,934	2,647	
Debt amortization	9,829	6,632	5,514	4,795	4,075	3,676	
Cash Break-even	26,905	20,708	17,684	15,847	14,260	12,722	
Current 1y TC	24,125	16,500	15,875	13,875	12,375	11,000	
NB parity rate	30,345	22,329	18,864	17,222	14,732	13,493	

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

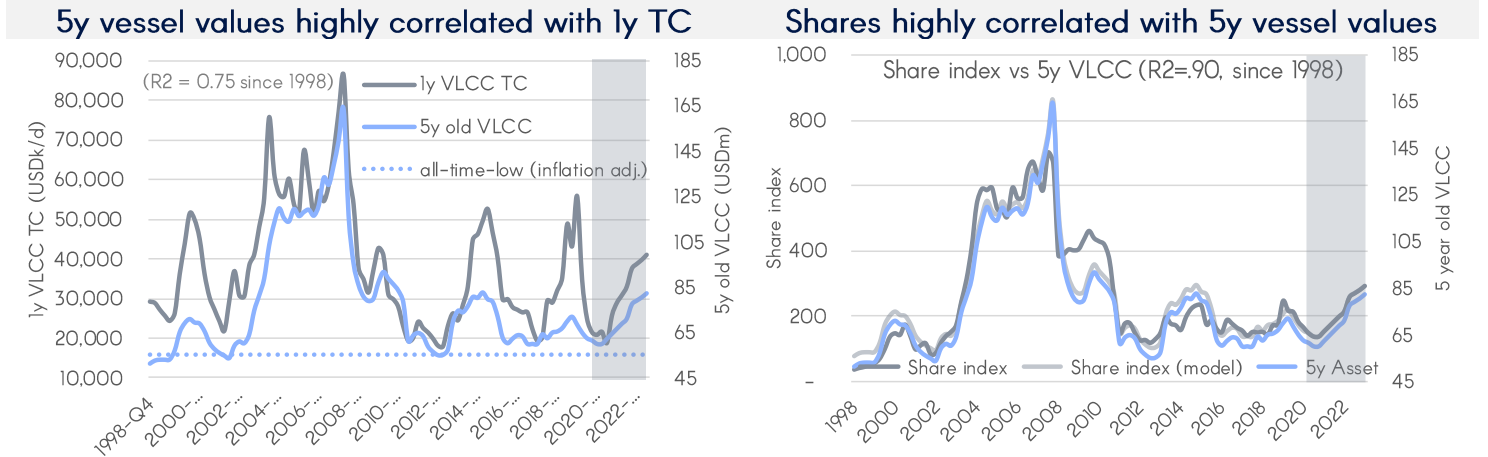
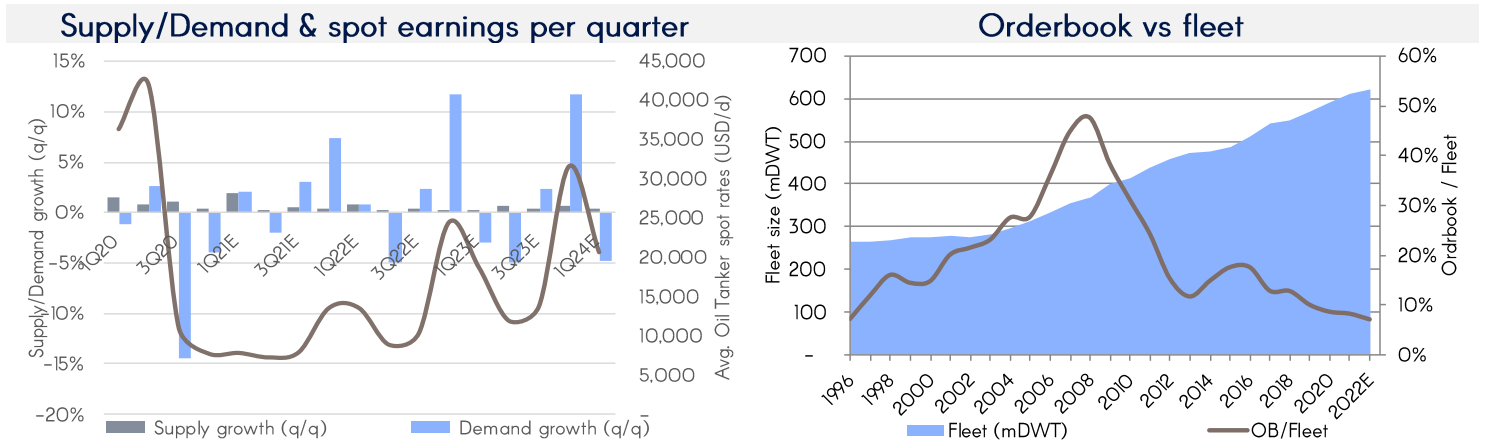
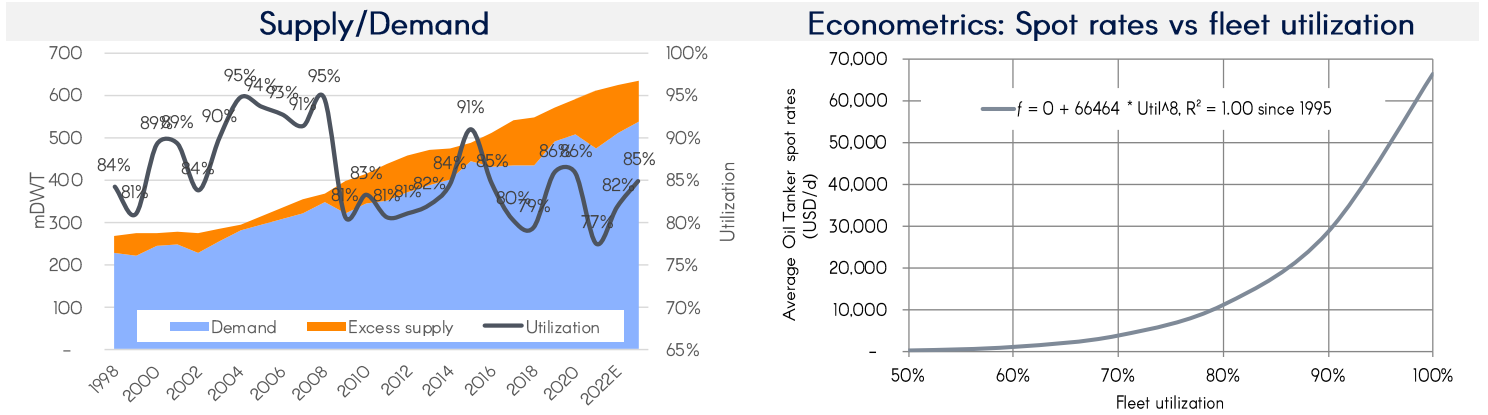
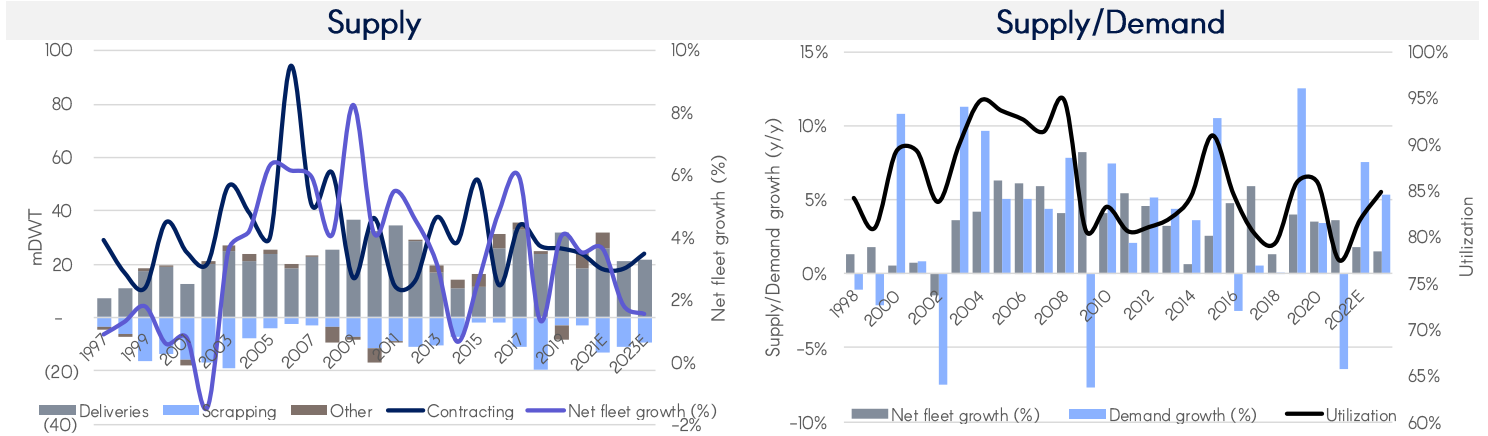


Cash break-even vs 1y TC on a 10y old vessel





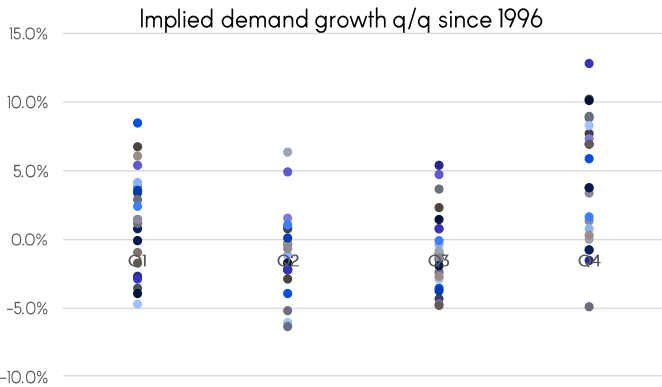
Market Fundamentals & Forecasts



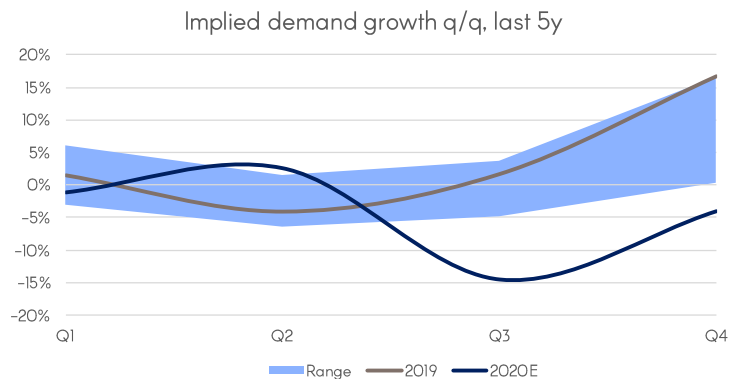


Seasonality

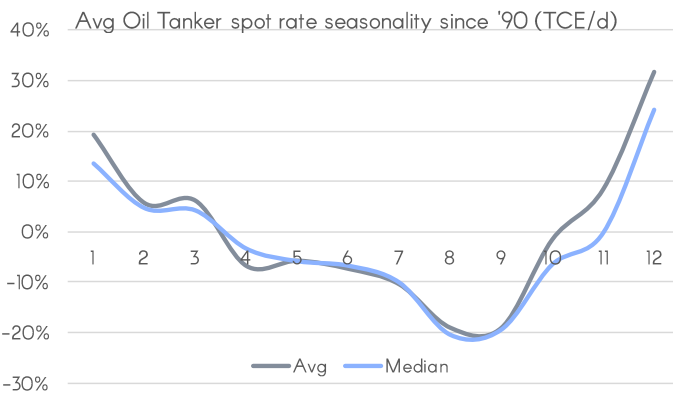
Historically strong demand growth in 4Q



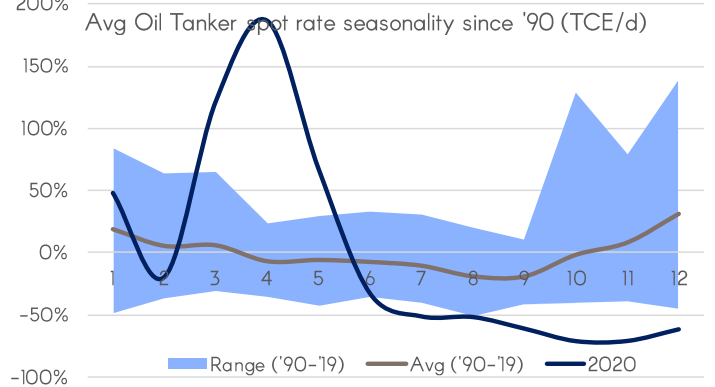
Historic demand growth vs 2019E



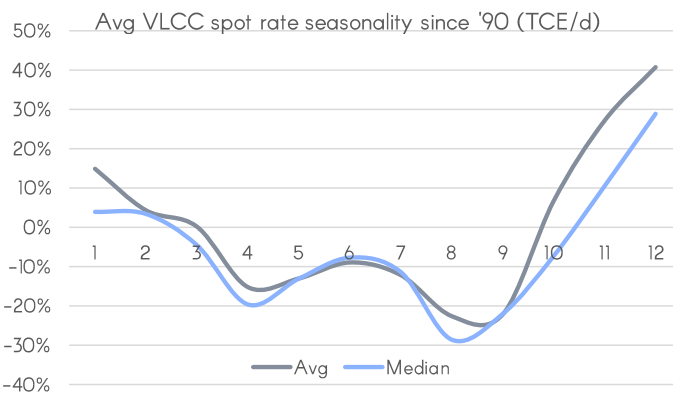
Historical Oil Tanker avg. spot rate seasonality



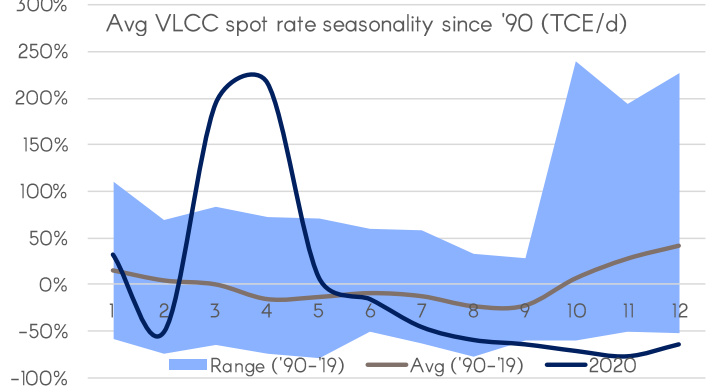
Historical Oil Tanker avg. spot rate seasonality



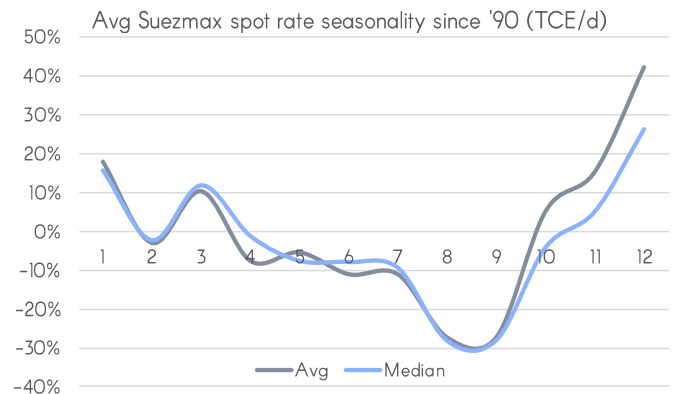
Historical VLCC spot rate seasonality



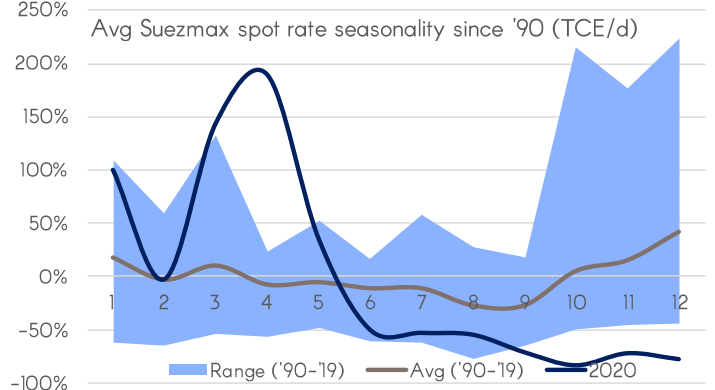
Historical VLCC spot rate seasonality



Historical Suezmax spot rate seasonality

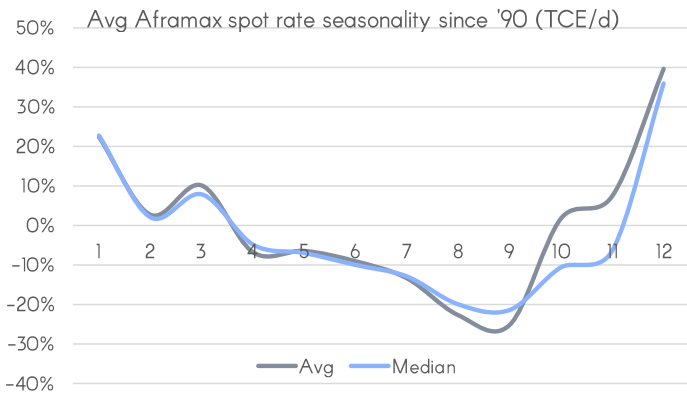


Historical Suezmax spot rate seasonality

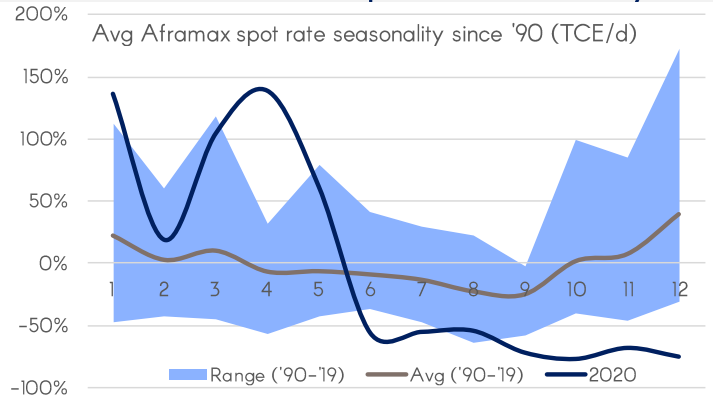




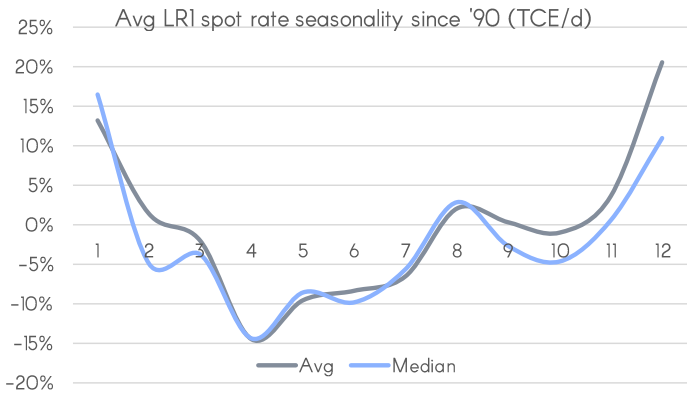
Historical Aframax spot rate seasonality



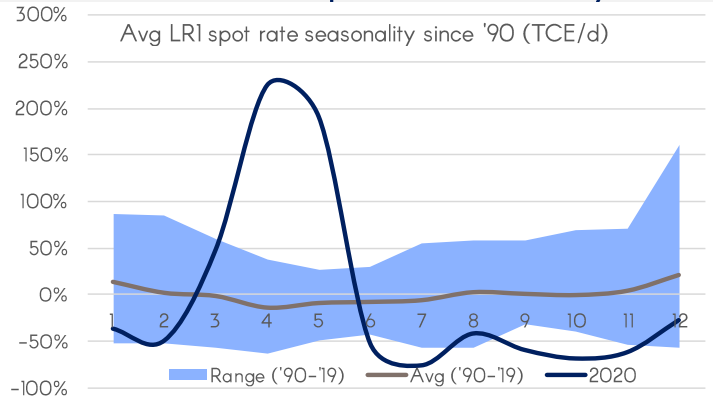
Historical Aframax spot rate seasonality



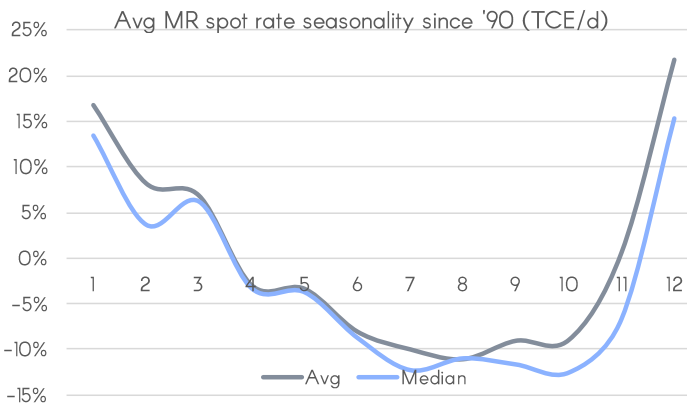
Historical LRI spot rate seasonality



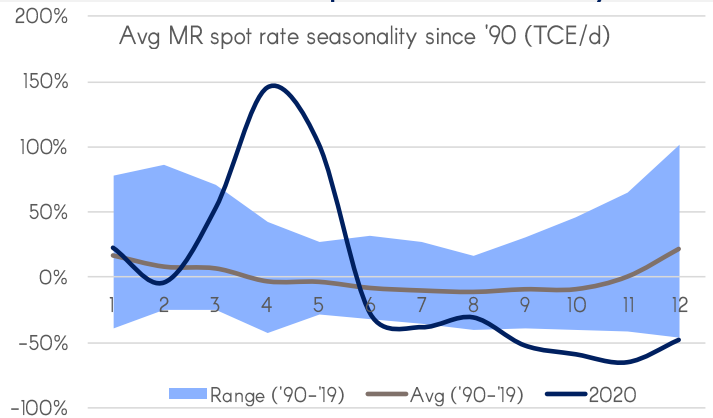
Historical LRI spot rate seasonality



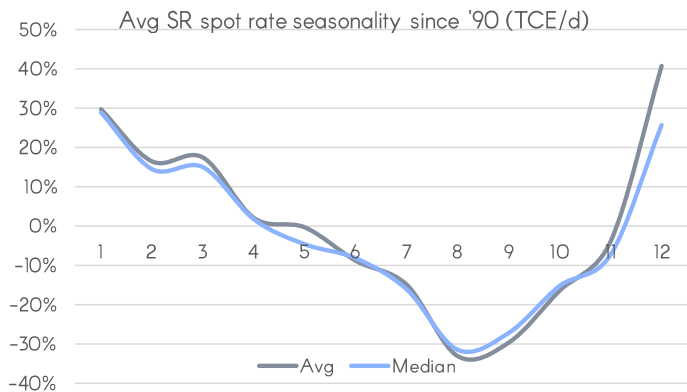
Historical MR spot rate seasonality



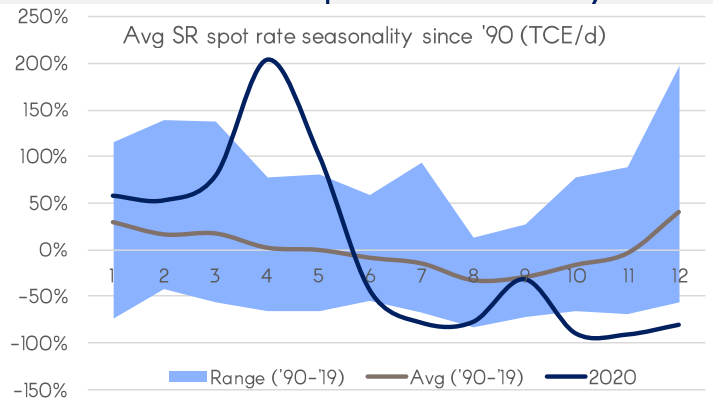
Historical MR spot rate seasonality



Historical SR spot rate seasonality



Historical SR spot rate seasonality



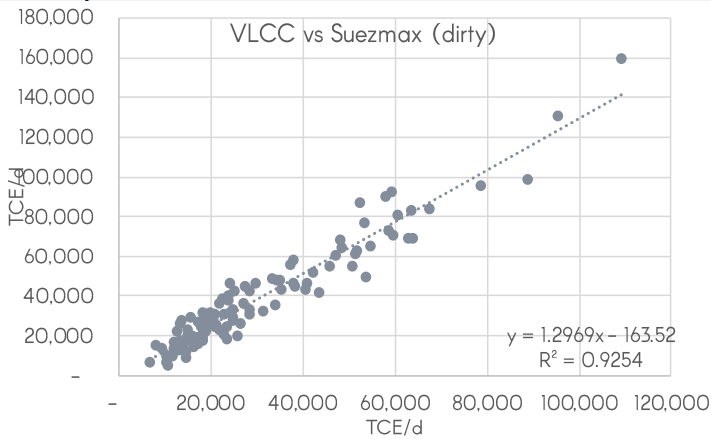


Product Tanker Dynamics

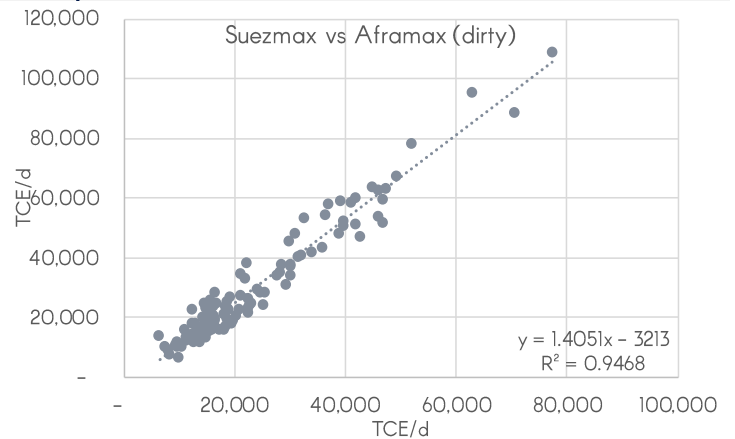
Oil Tanker spot earnings correlation matrix (quarterly since 1990)

		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		

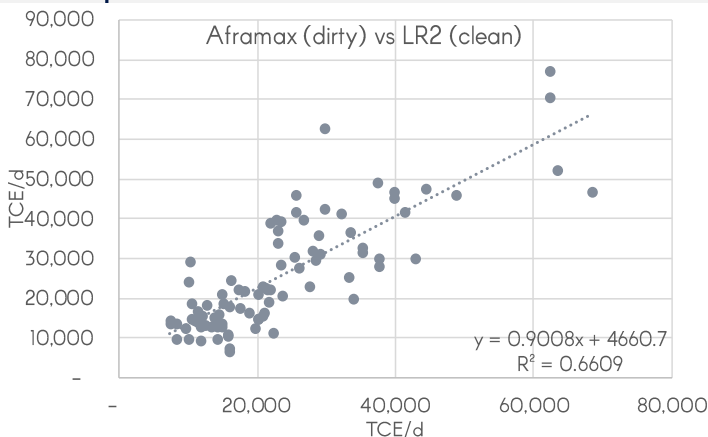
Spot rate correlation: VLCC vs Suezmax



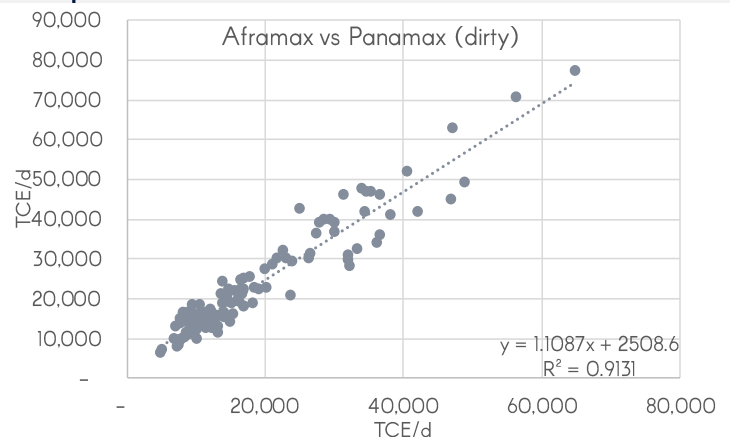
Spot rate correlation: Suezmax vs Aframax



Spot rate correlation: Aframax vs LR2



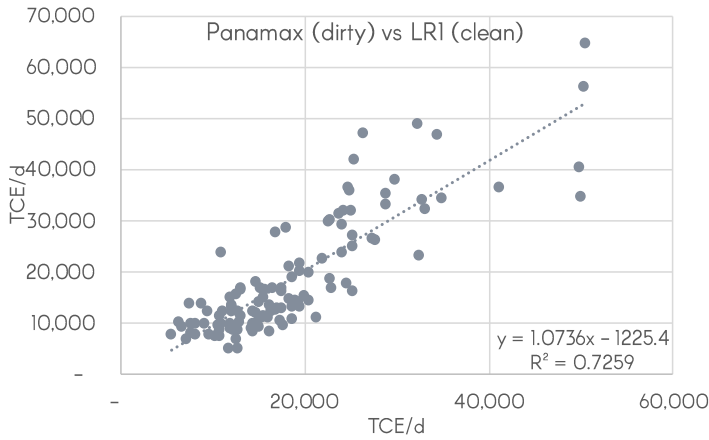
Spot rate correlation: Aframax vs Panamax



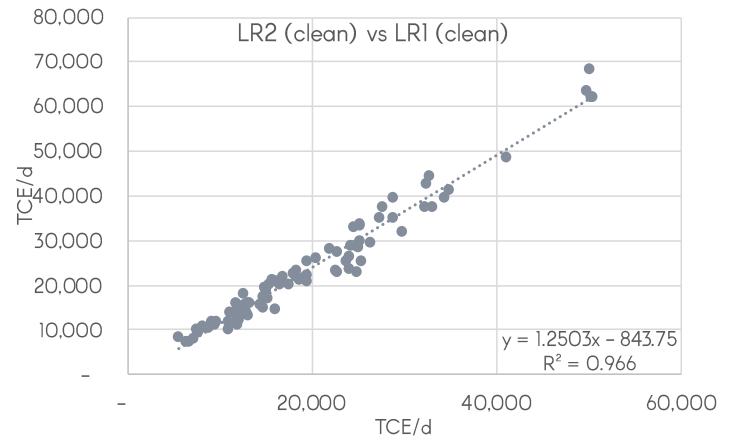


Product Tanker Dynamics (continued)

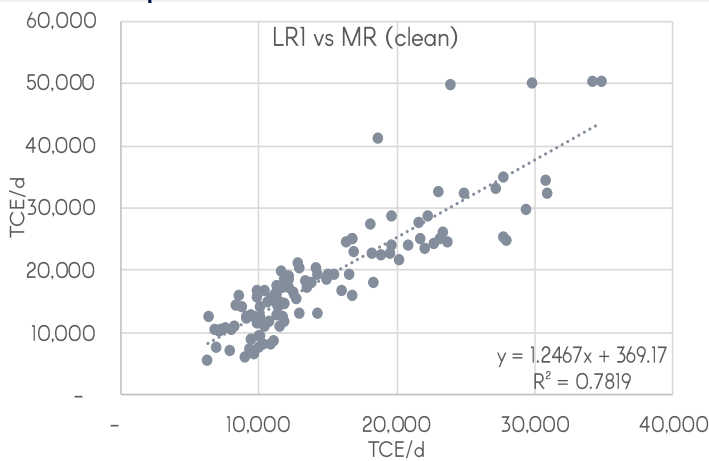
Spot rate correlation: Panamax vs LRI



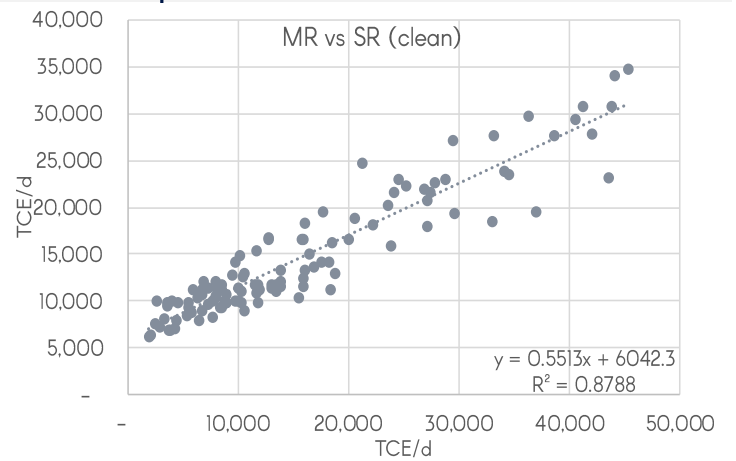
Spot rate correlation: LR2 vs LRI



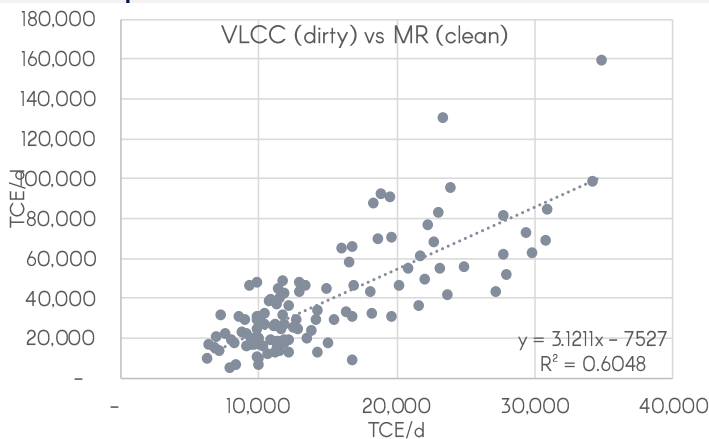
Spot rate correlation: LRI vs MR



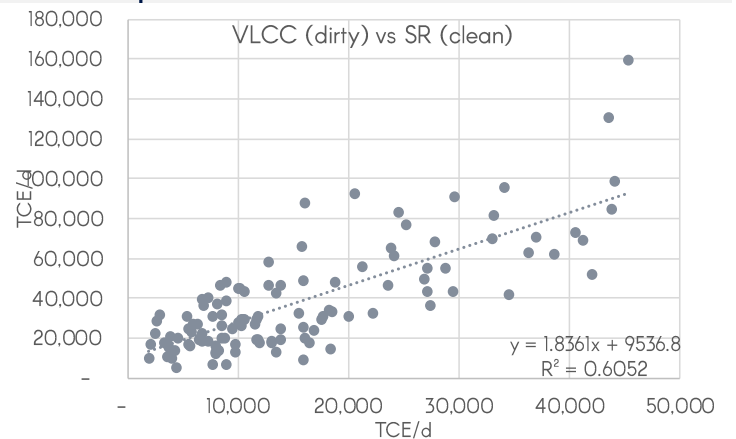
Spot rate correlation: MR vs SR



Spot rate correlation: VLCC vs MR



Spot rate correlation: VLCC vs SR

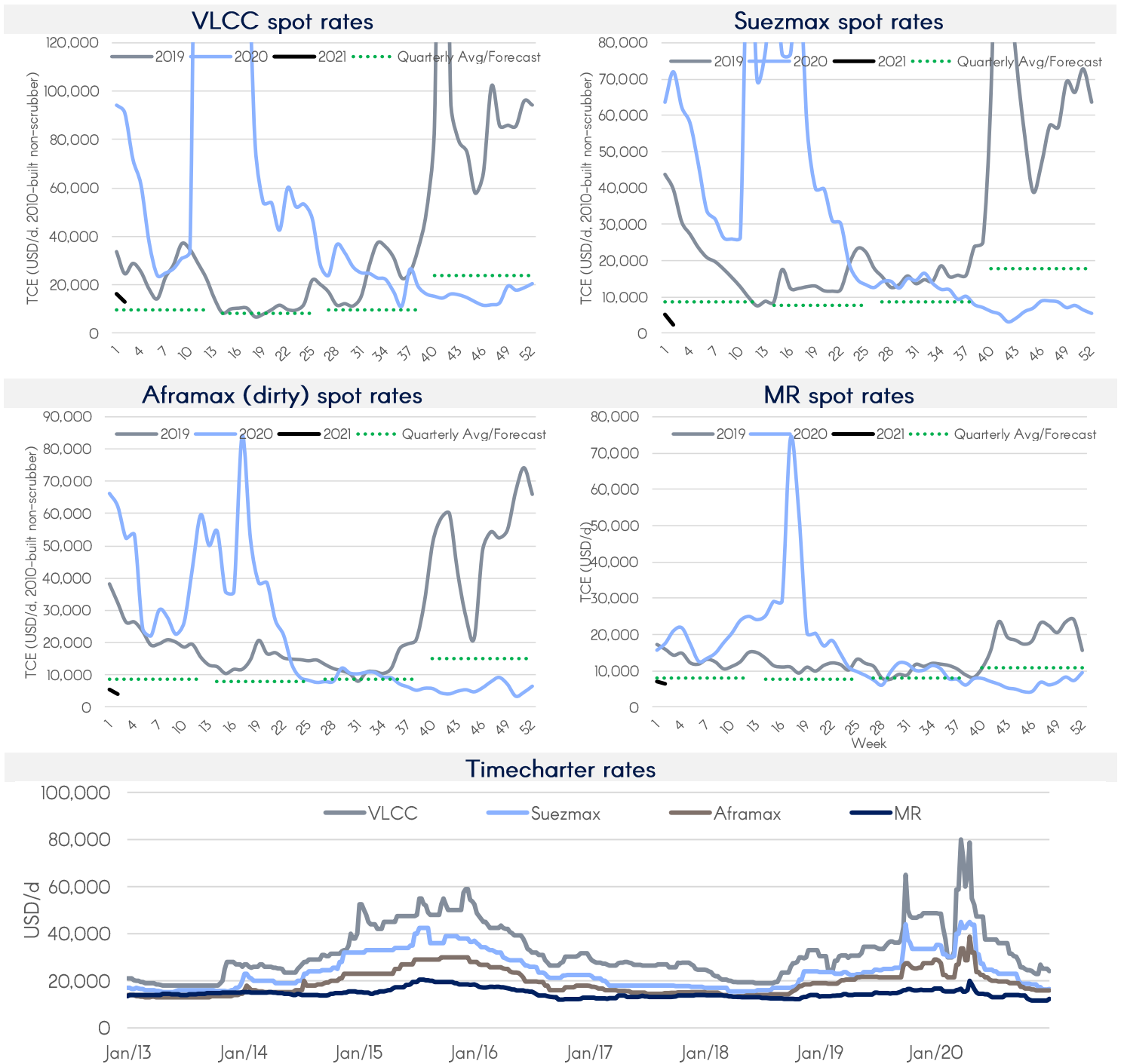




Oil Tanker Companies



Earnings



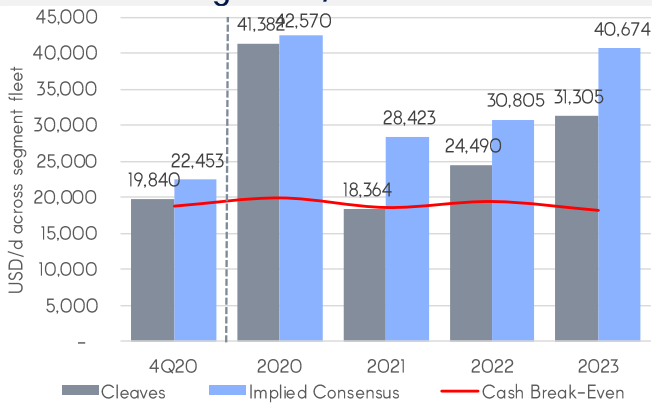


Peer Group

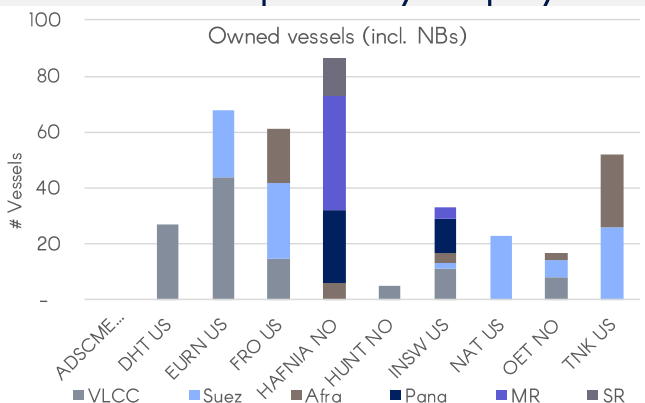
Company	M.cap	Turnover	Return ly	Rec.	Target Price	Last Price	Target/Price	NAV /sh	P/NAV ly fwd	P/NAV ϵ	EV/GAV	adj. equity	τ	
ADSCME NO	52	0.3	-19%	HOLD	20	18.6	8%	22	0.84	0.87	0.00	164%		
DHT US	979	12.6	-8%	SELL	4.7	5.7	-18%	6.2	0.92	0.91	1.27	0.95	70%	0.84
EURN US	1,956	12.2	-15%	SELL	7.5	8.9	-16%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

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

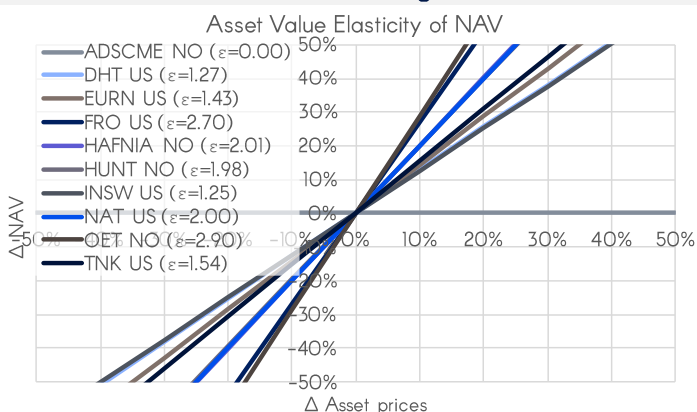
Cleaves' average TCE/d forecast vs consensus



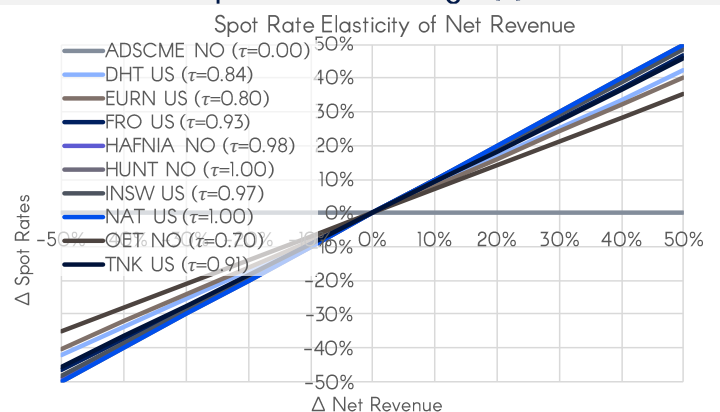
Fleet composition by company



Financial leverage (ϵ)

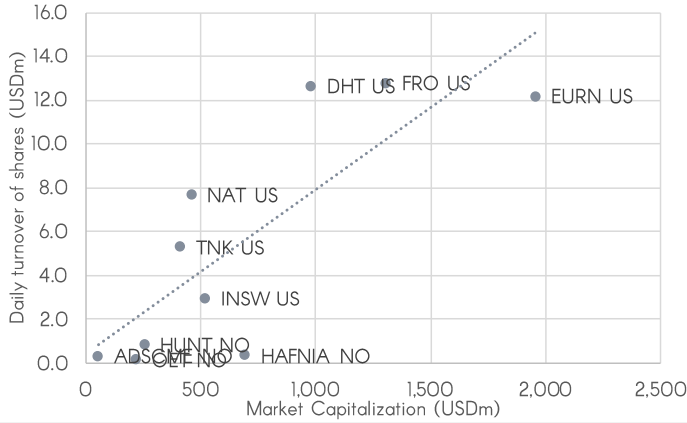


Operational leverage (τ)

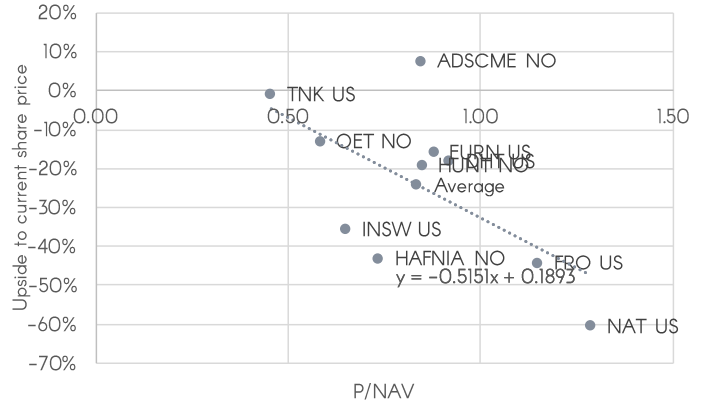




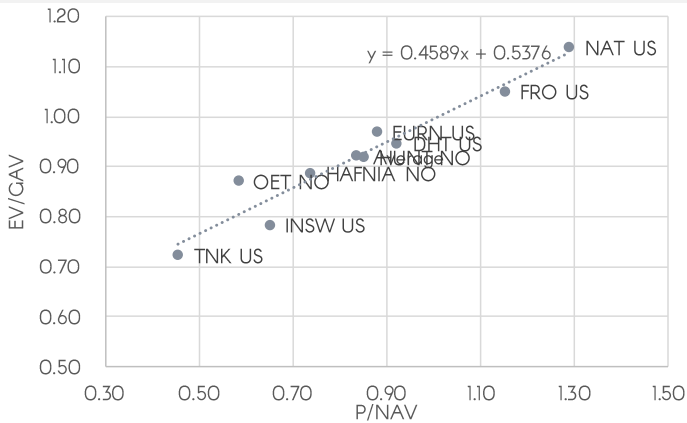
Daily share turnover vs market capitalization



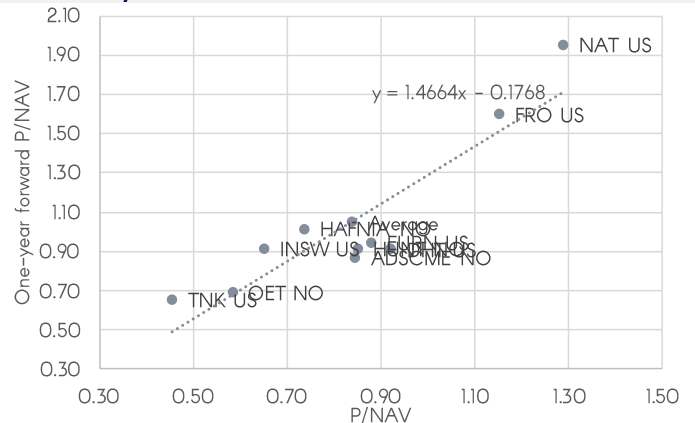
Upside to share price current P/NAV



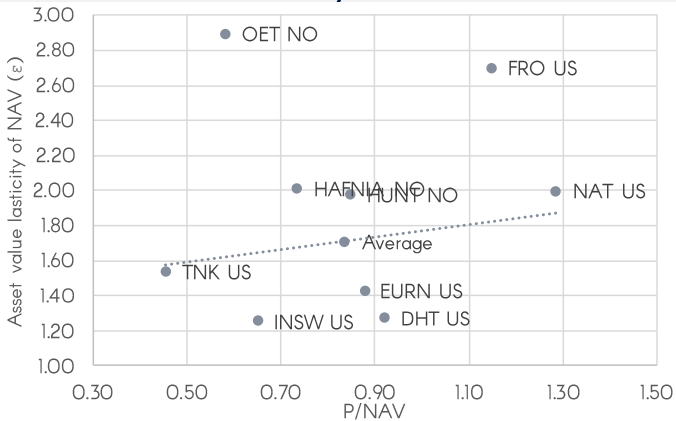
EV/GAV vs P/NAV



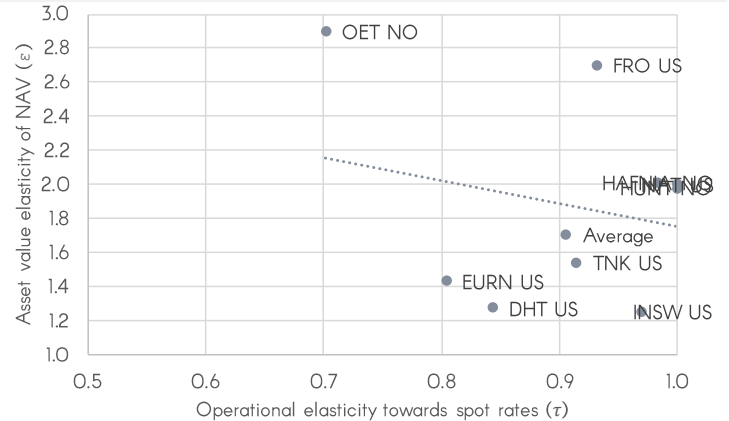
One-year forward P/NAV vs current P/NAV



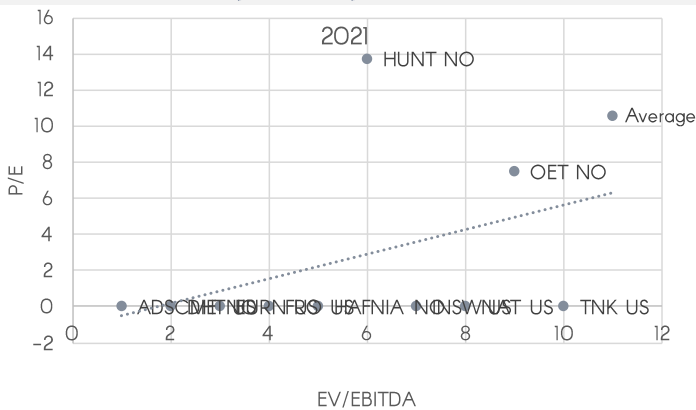
Asset value elasticity of NAV vs P/NAV



Elasticities: NAV vs net revenue



P/E vs EV/EBITDA



Dividend yield vs free cash flow yield





Company Financials (annually)

Profit & Loss

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

Balance Sheet

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

Cash Flow

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



Company Financials (quarterly estimates)

Profit & Loss

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

Balance Sheet

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

Cash Flow

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



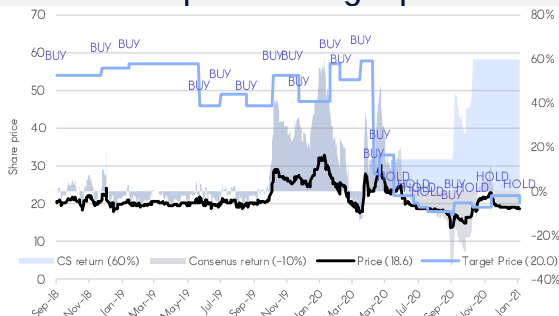
USD 51m in distributions expected shortly. Market cap tracks this closely, adjusted for changes in USDNOK

ADS-NO

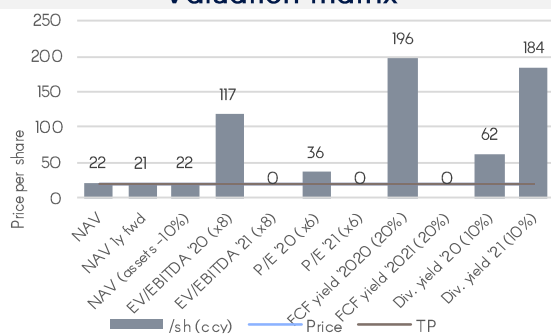
HOLD/N20

ADS Crude Carriers

Share price vs target price

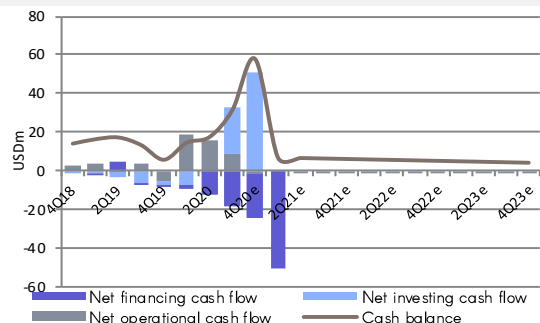


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

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

Key numbers

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

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

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

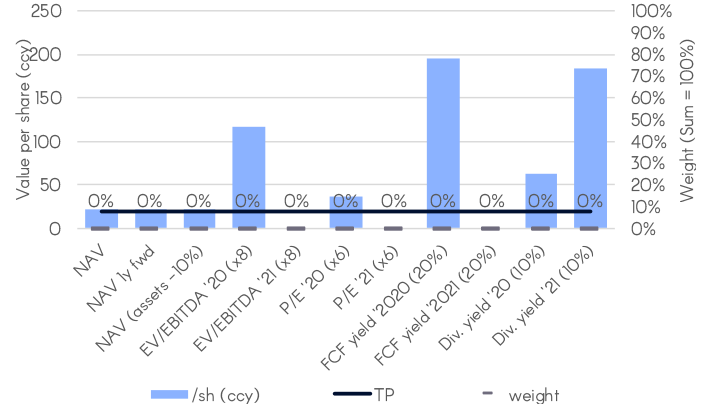


Company Valuation

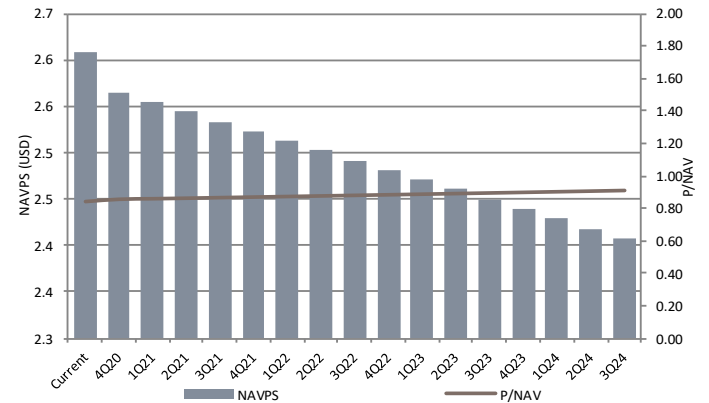
Valuation & target price

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

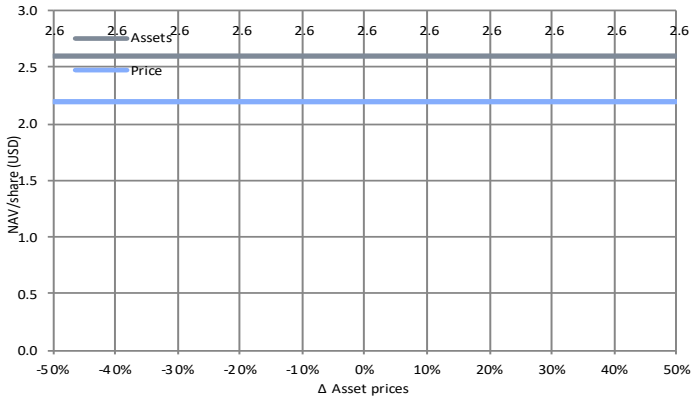
Valuation matrix



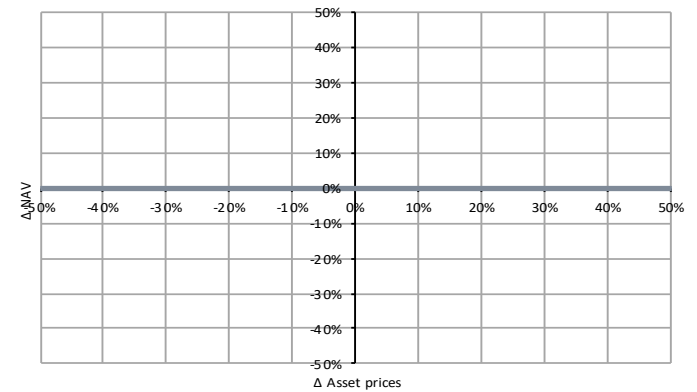
Quarterly forward NAV & P/NAV



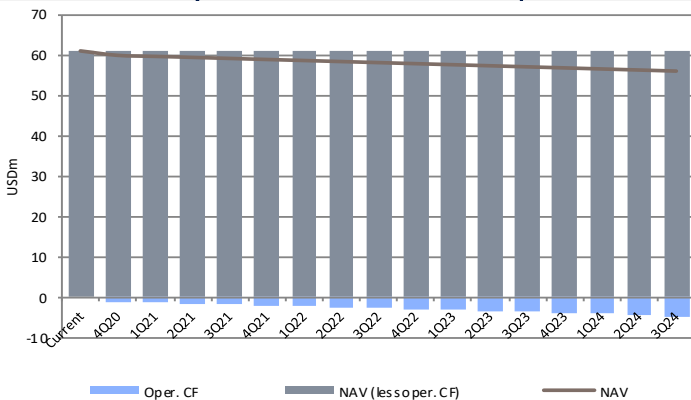
Impact on NAV/sh from % change in asset prices



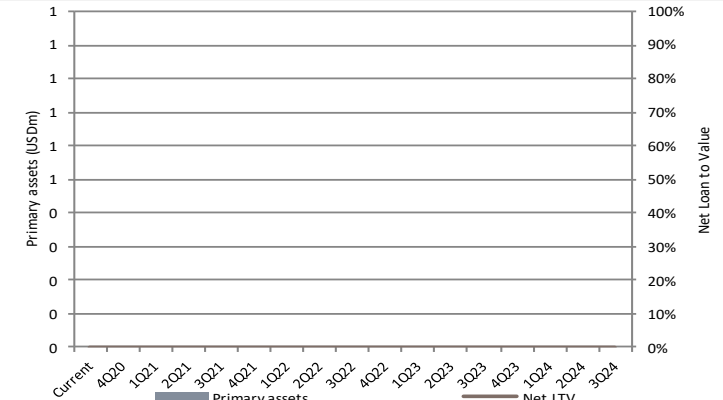
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

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

Other

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



Estimate changes

Profit & Loss

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

Cash Flows & Balance Sheet

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

Valuation

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



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



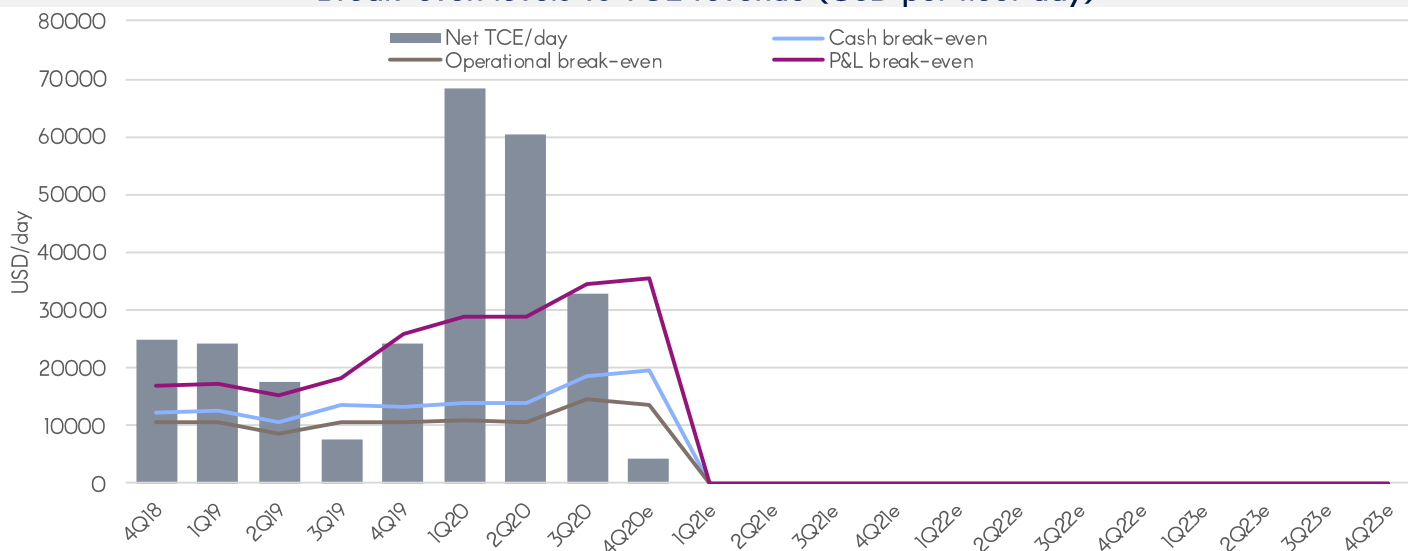
Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales				8	20	44	0	0	0
Operational costs				-5	-11	-10	-1	-1	-1
EBITDA				3	9	34	-1	-1	-1
Depreciation/Amortization				-2	-7	-13	0	0	0
EBIT	—	—	—	1	2	21	-1	-1	-1
Net financials				-1	-3	-3	0	0	0
PTP	—	—	—	0	-1	18	-1	-1	-1
Taxes/Minorities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



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

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

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





Fleet Positioning

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





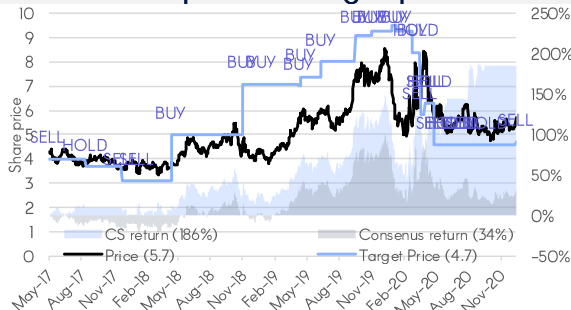
VLCC pure-play with a large fleet on the water. Very strong balance sheet. Well positioned ahead of next cyclical expansion

DHT-US

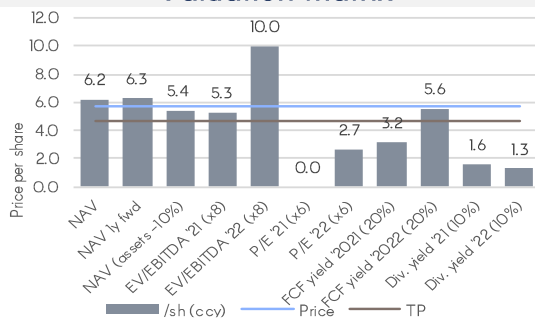
SELL/\$4.7

DHT Holdings

Share price vs target price

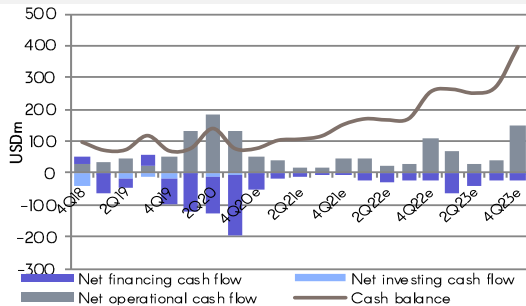


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Head of Research
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Key numbers

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

Key numbers

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

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

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



Quarterly Preview

P&L

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

CF & BS

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

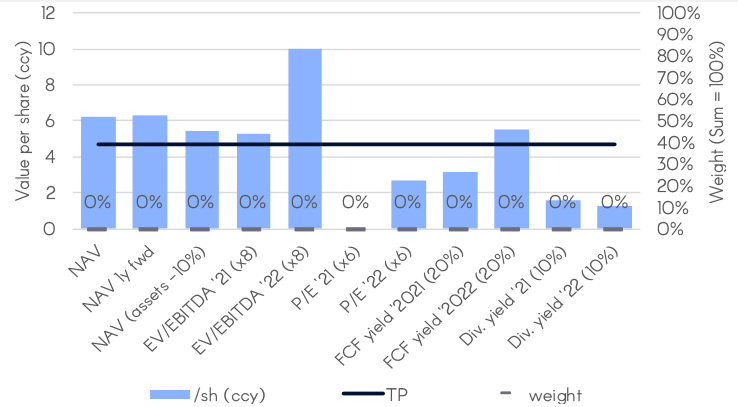


Company Valuation

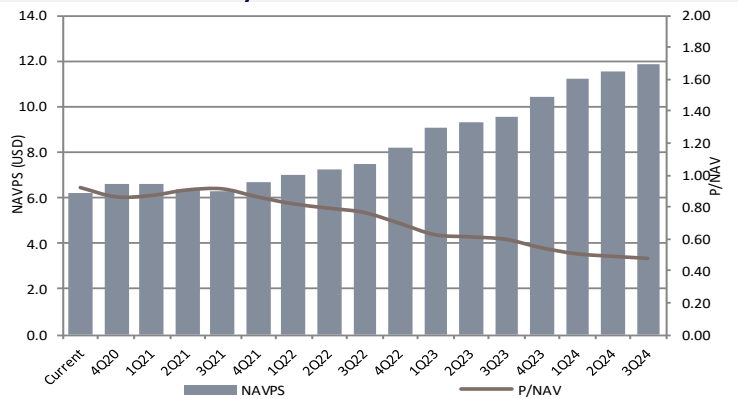
Valuation & target price

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

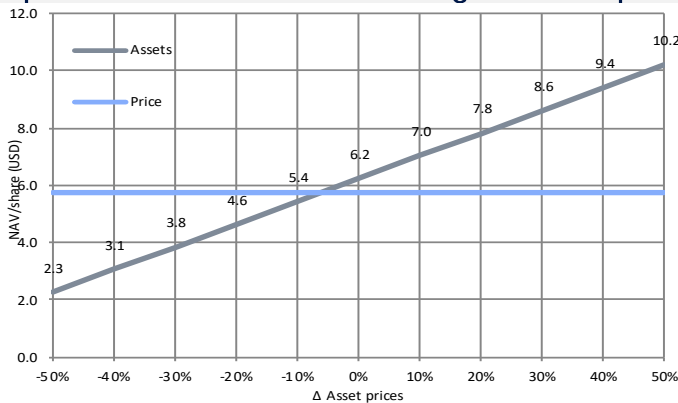
Valuation Matrix



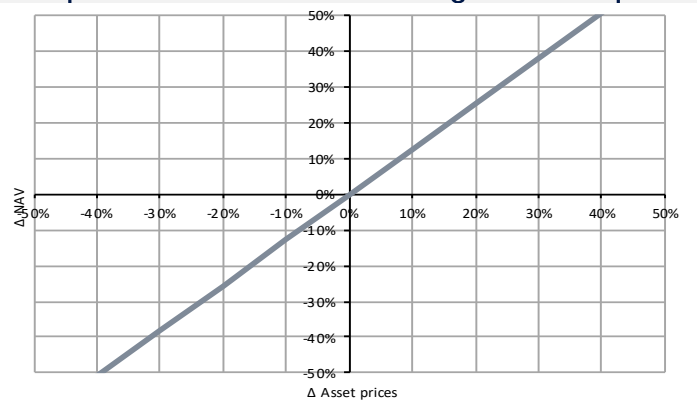
Quarterly forward NAV & P/NAV



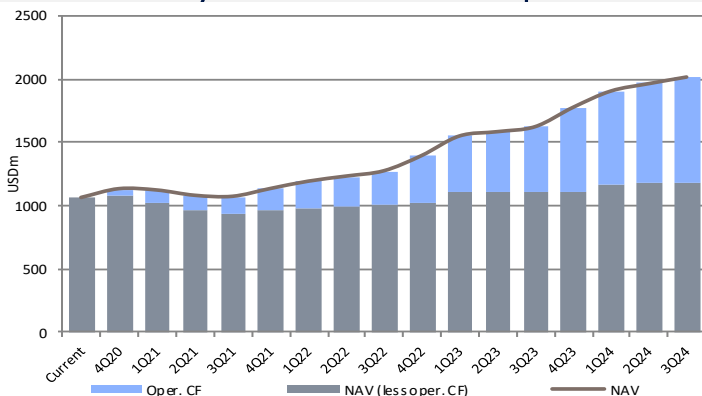
Impact on NAV/sh from % change in asset prices



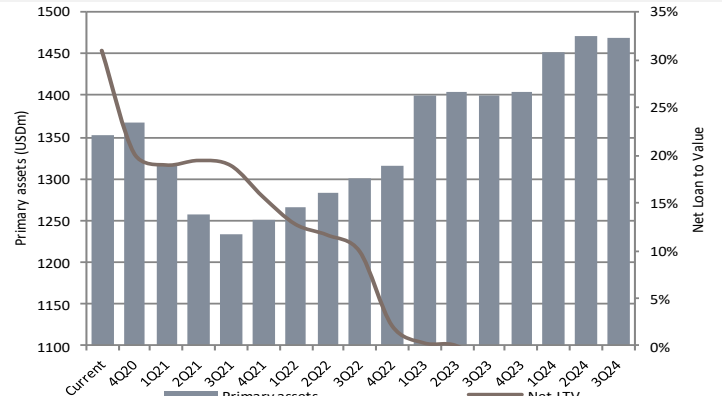
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

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

Cash Flows & Balance Sheet

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

Valuation

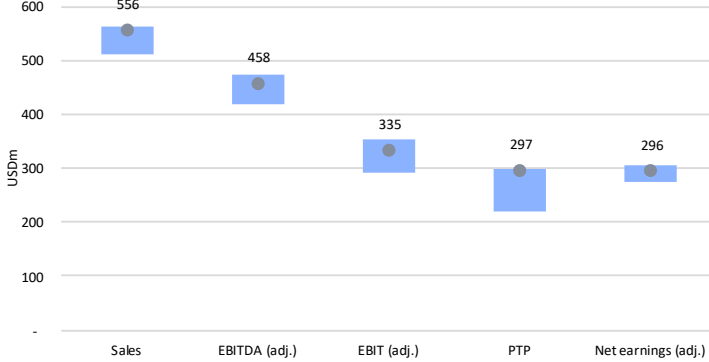
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	1,130	1,131	1,394	1,778	1,101	1,197	1,874	2,295	29	-65	-480	-517
Adj. equity ratio	73%	74%	80%	87%	65%	67%	79%	84%	8%	6%	2%	3%
FCF yield	50%	11%	19%	29%	48%	14%	35%	45%	1%	-3%	-16%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



Our Estimates vs Consensus

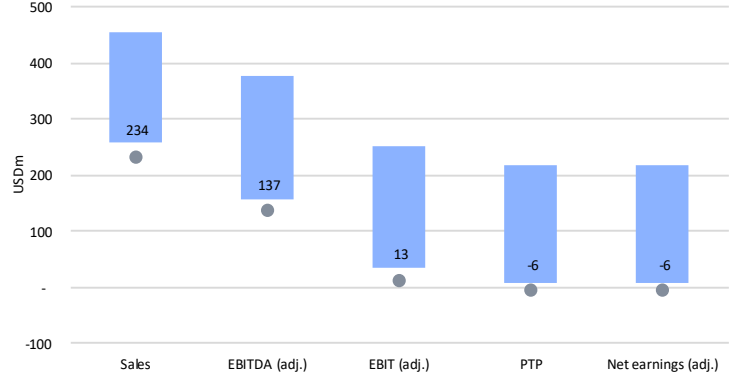
Profit & Loss, year I

CS vs consensus range (2020E)

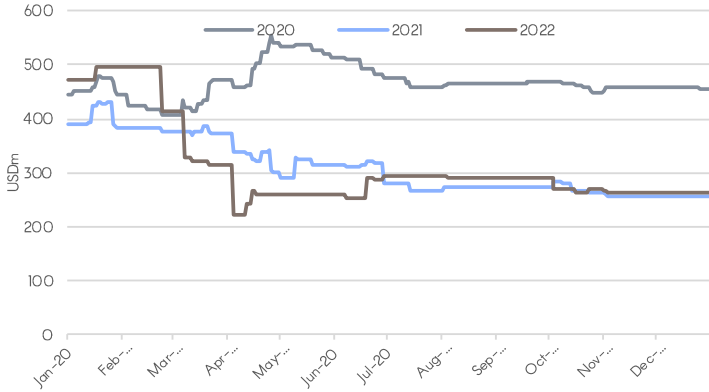


Profit & Loss, year II

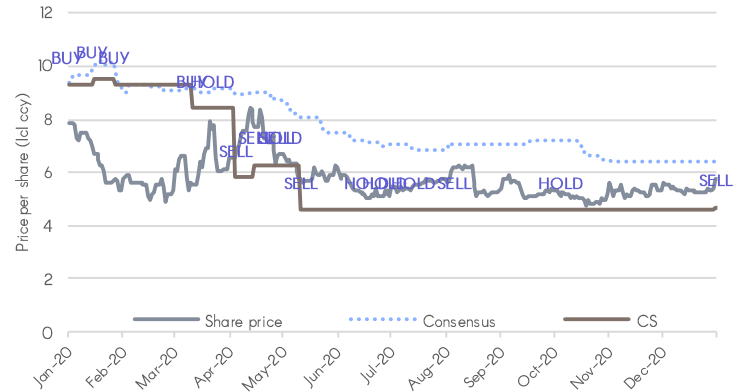
CS vs consensus range (2021E)



Consensus EBITDA development



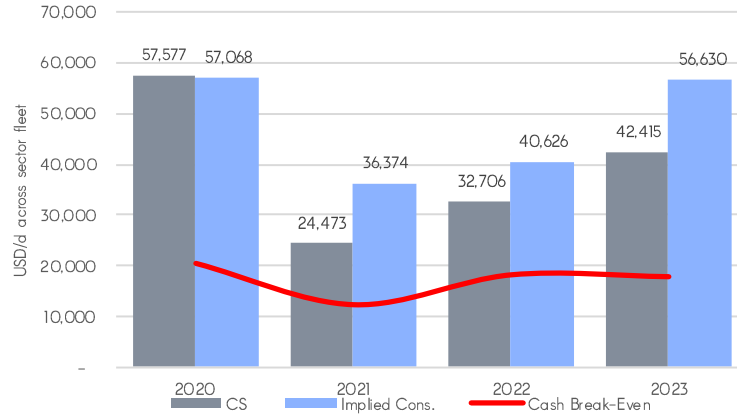
Target price vs share price (past ly)



Cleaves vs consensus: P&L break-down

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

Avg. TCE/day across fleet vs consensus





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



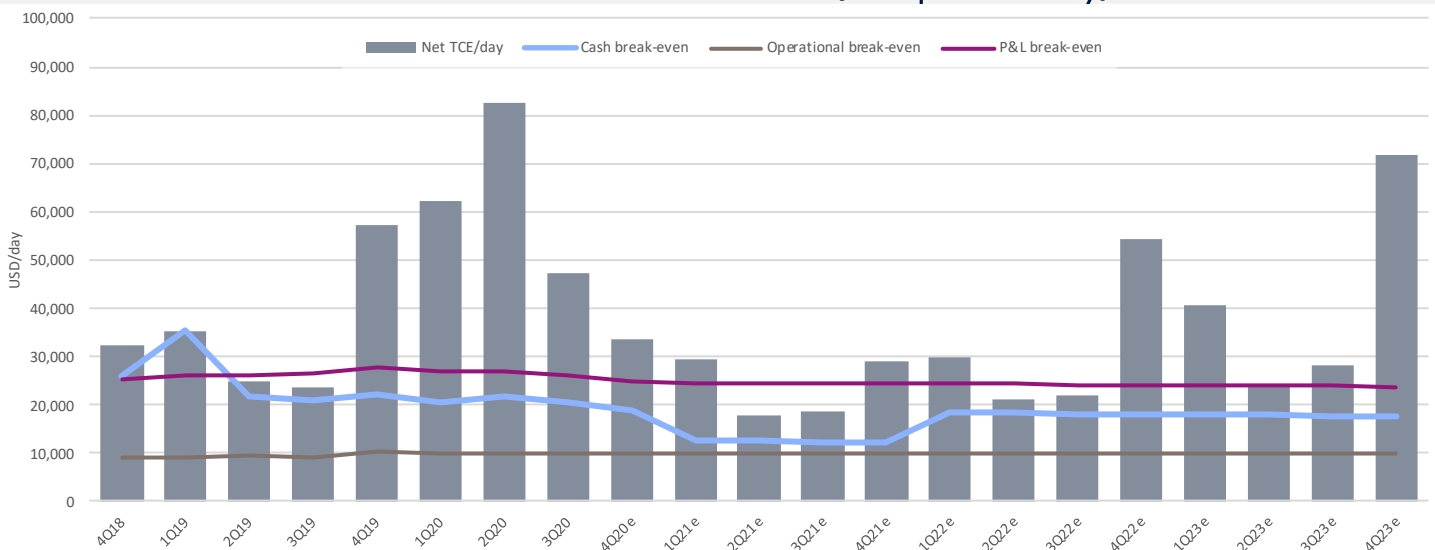
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	296	291	242	214	348	556	234	313	406
Operational costs	-82	-166	-102	-94	-93	-103	-97	-97	-97
EBITDA	214	125	140	120	254	454	137	216	309
Depreciation/Amortization	-79	-84	-97	-103	-116	-123	-123	-123	-123
EBIT	135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



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

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

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





Fleet Positioning

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



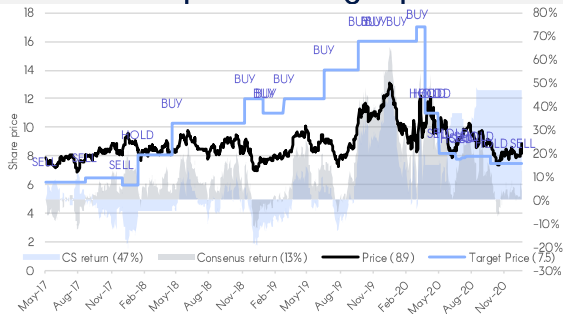


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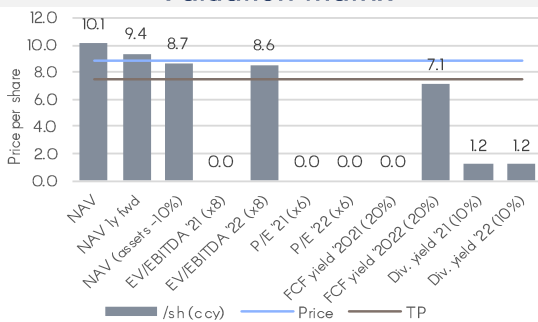
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Share price vs target price

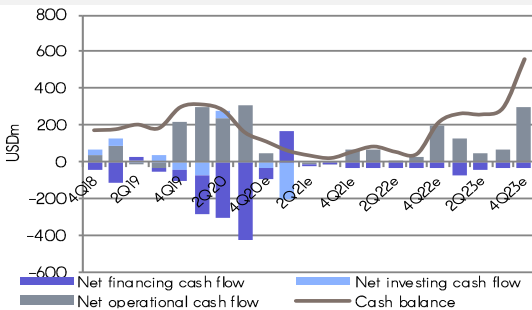


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
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Key numbers

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

Key numbers

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

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

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



Quarterly Preview

P&L

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

CF & BS

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

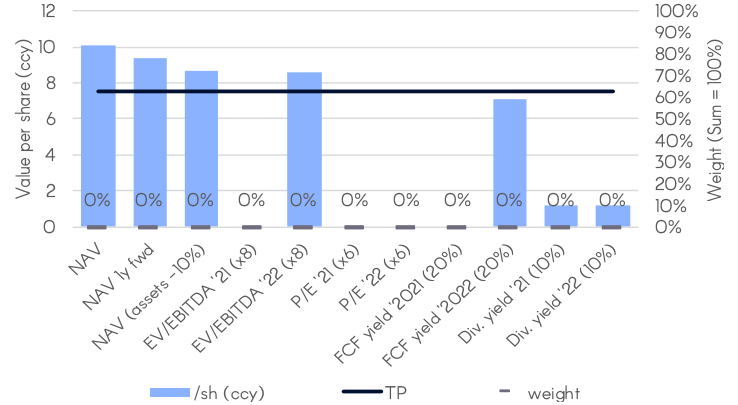


Company Valuation

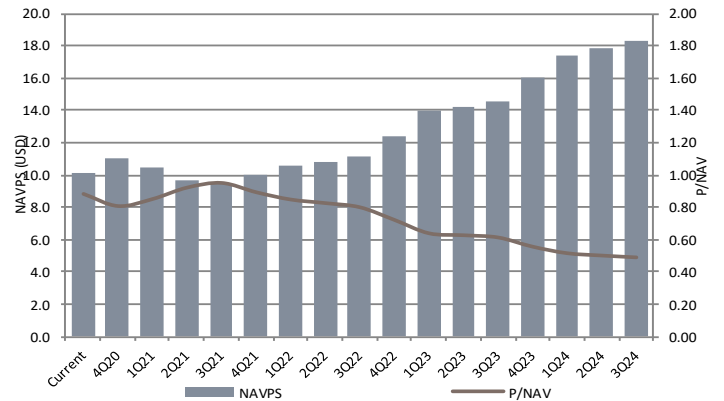
Valuation & target price

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

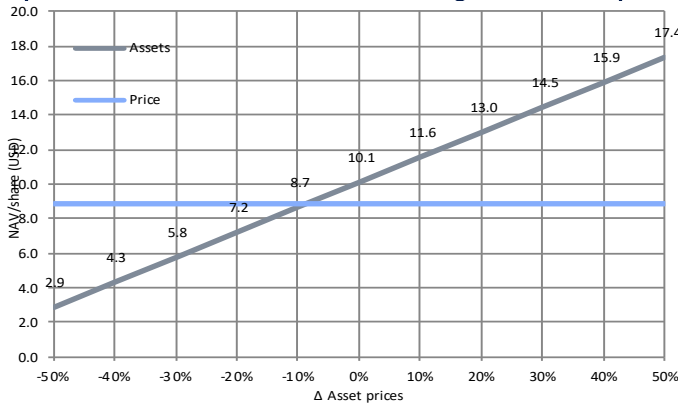
Valuation Matrix



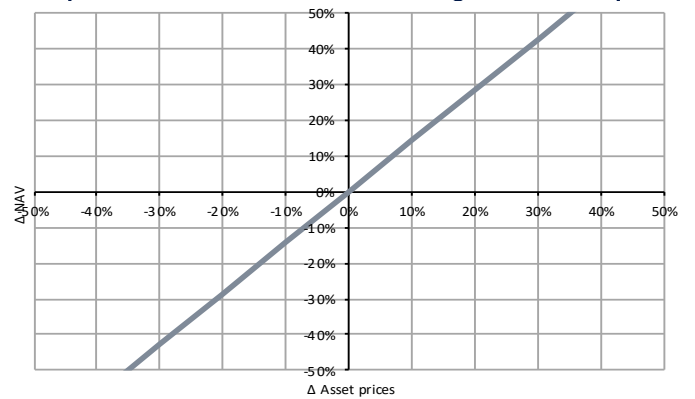
Quarterly forward NAV & P/NAV



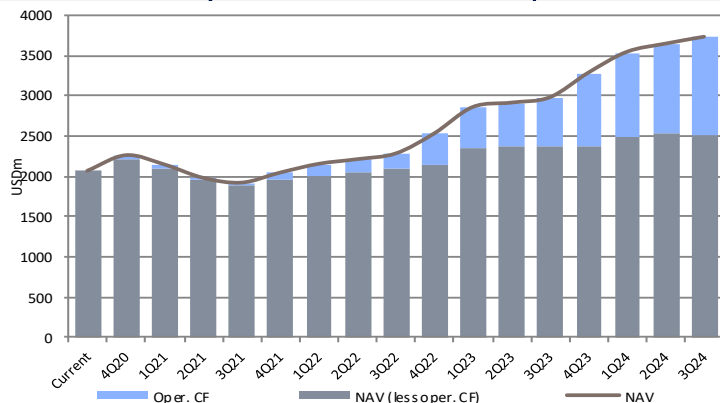
Impact on NAV/sh from % change in asset prices



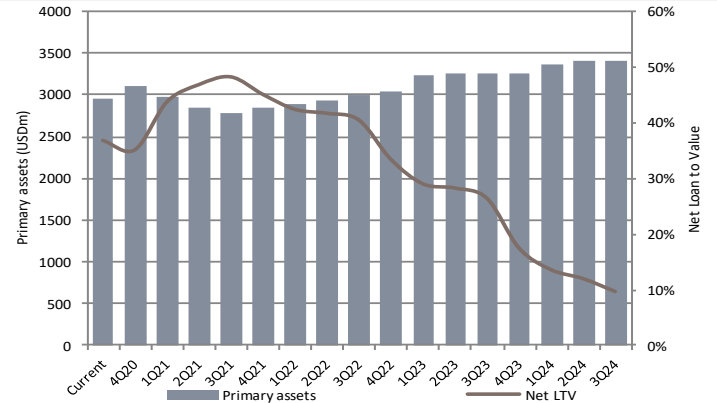
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

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

Cash Flows & Balance Sheet

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

Valuation

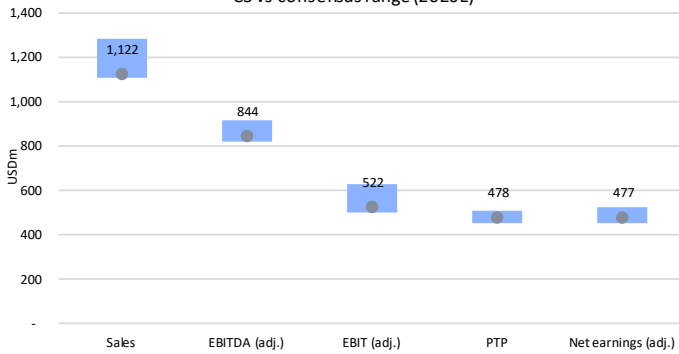
Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	2,256	2,040	2,525	3,279	2,150	2,268	3,769	4,634	106	-228	-1,244	-1,355
Adj. equity ratio	64%	59%	66%	73%	58%	58%	71%	77%	5%	0%	-6%	-4%
FCF yield	45%	-9%	16%	29%	41%	-1%	35%	46%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



Our Estimates vs Consensus

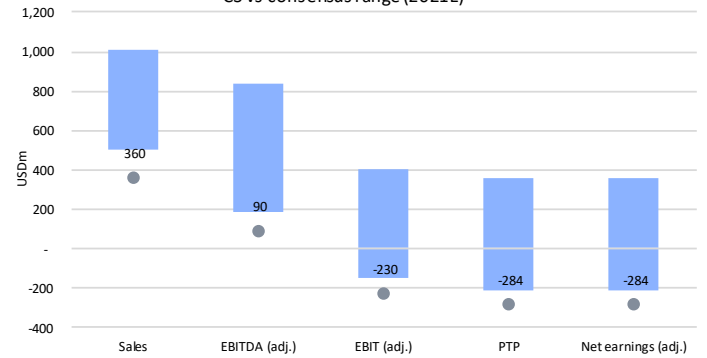
Profit & Loss, year I

CS vs consensus range (2020E)

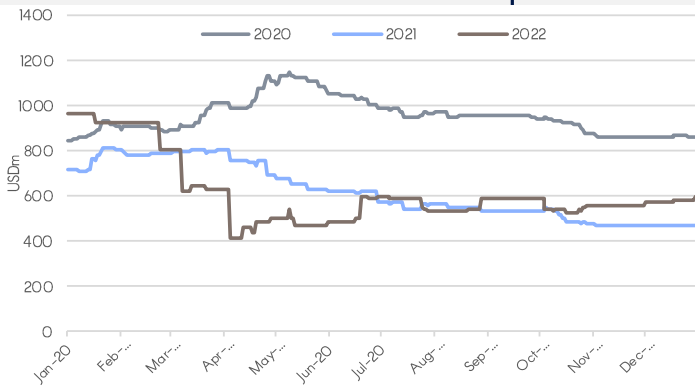


Profit & Loss, year II

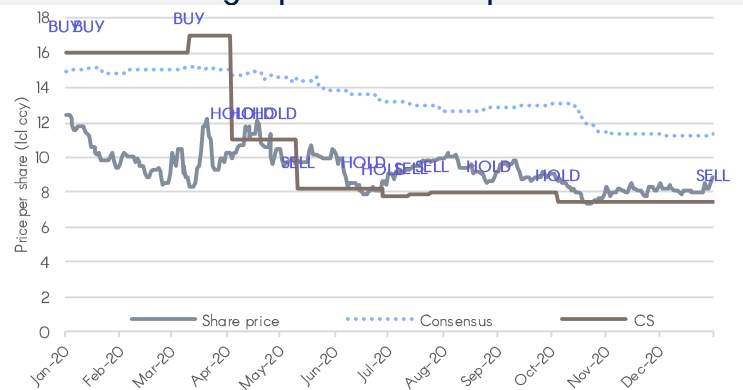
CS vs consensus range (2021E)



Consensus EBITDA development



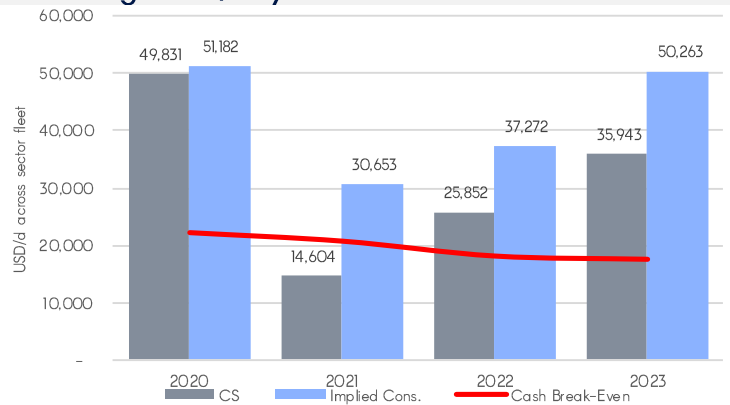
Target price vs share price



Cleaves vs consensus: P&L break-down

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

Avg. TCE/day across fleet vs consensus





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



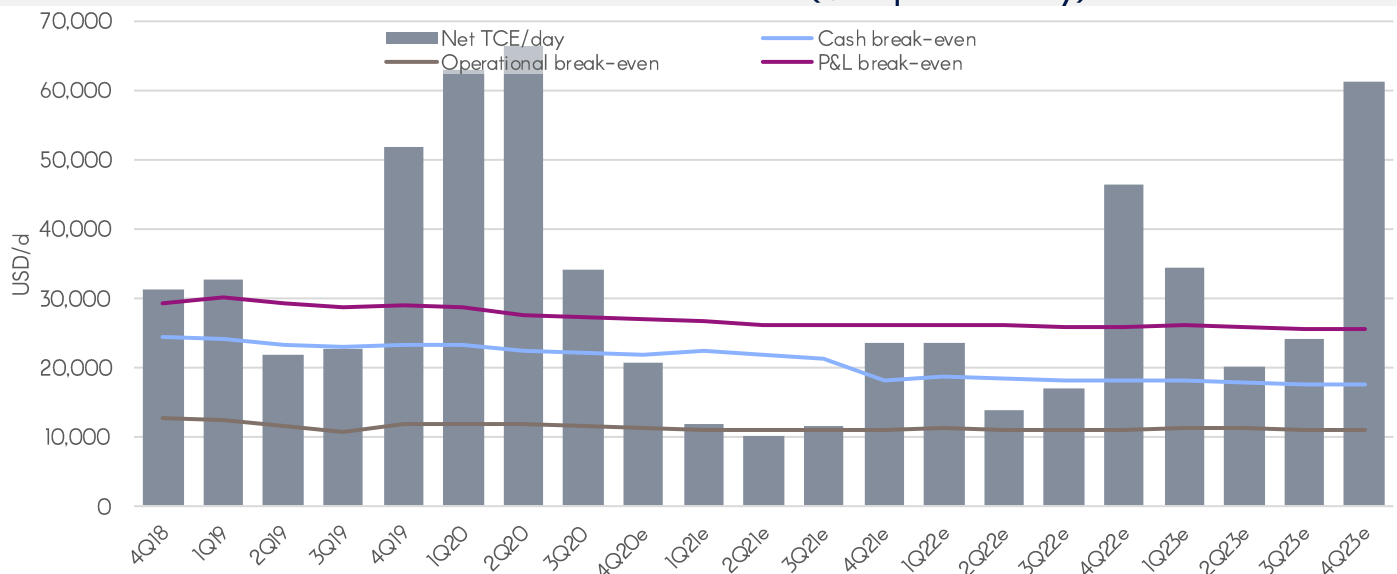
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	775	625	451	459	788	1,122	360	605	841
Operational costs	-213	-189	-209	-262	-255	-249	-270	-260	-260
EBITDA	562	436	242	196	533	872	90	345	580
Depreciation/Amortization	-210	-228	-229	-271	-338	-322	-320	-292	-292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



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

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

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





Fleet Positioning

Live satellite data as of
09/01/2021 14:24 CET





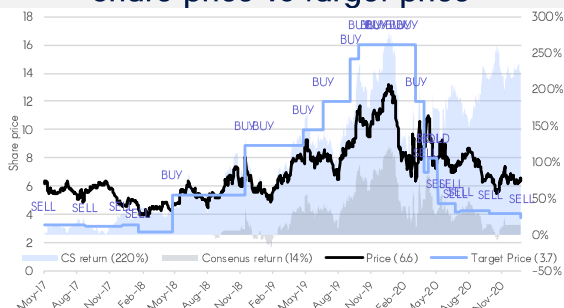
Stock listed since 1989 & with Fredriksen as main sponsor, this large oil tanker play is on of the most tradable name amongst peers

FRO-US

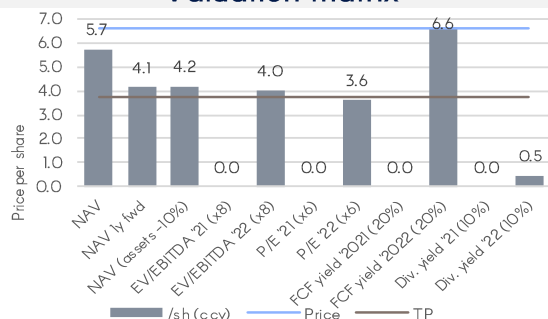
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Frontline

Share price vs target price

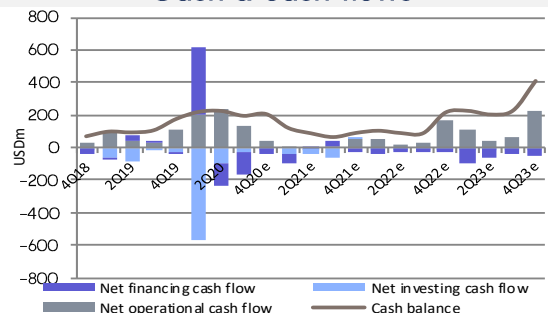


Valuation matrix



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Cash & cash flows



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Key numbers

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

Key numbers

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

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

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

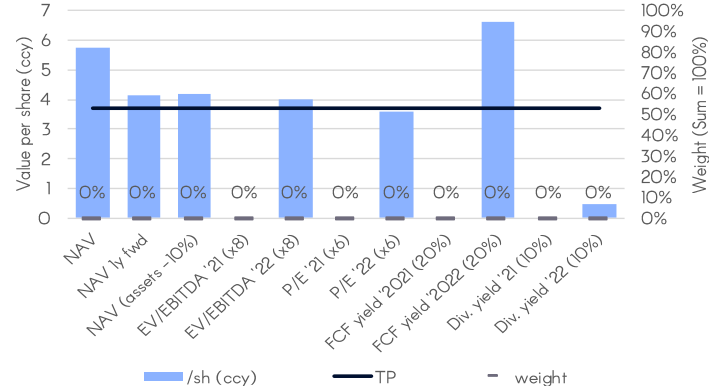


Company Valuation

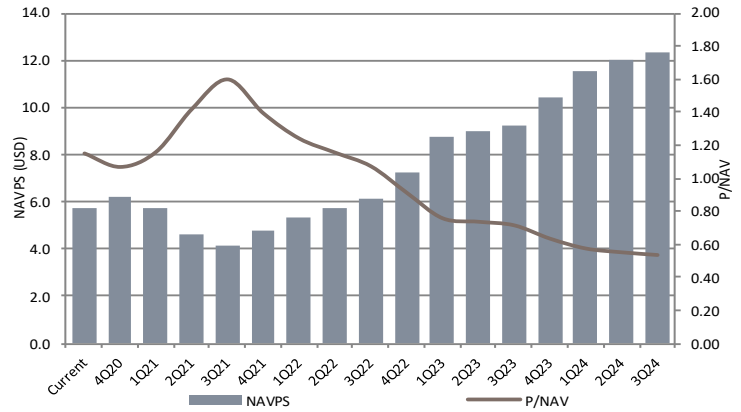
Valuation & target price

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

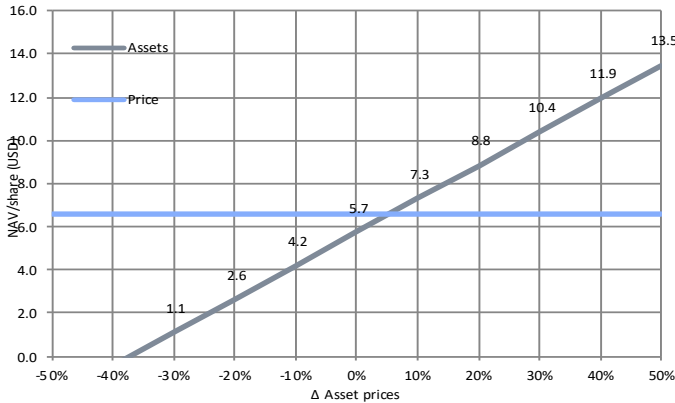
Valuation Matrix



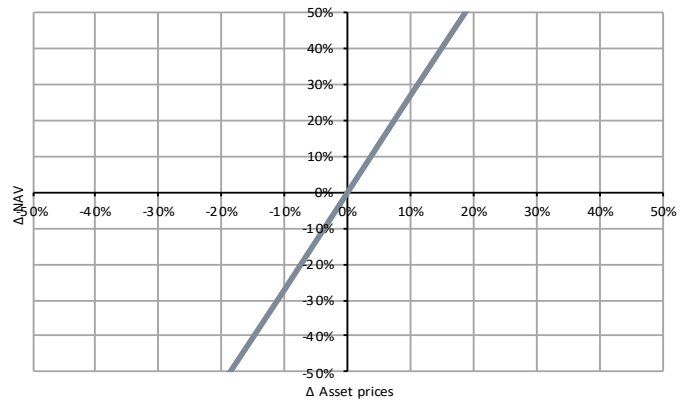
Quarterly forward NAV & P/NAV



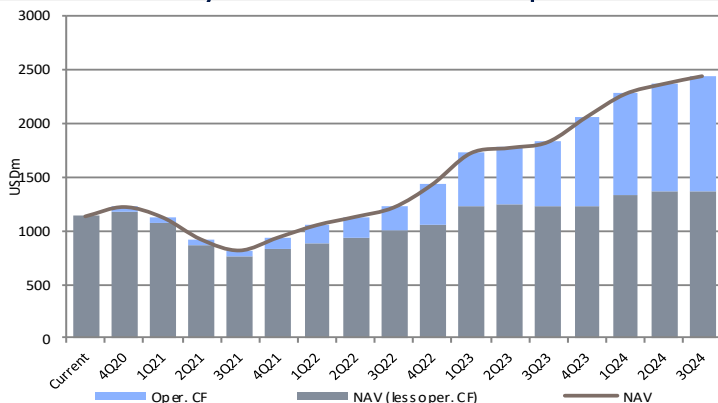
Impact on NAV/sh from % change in asset prices



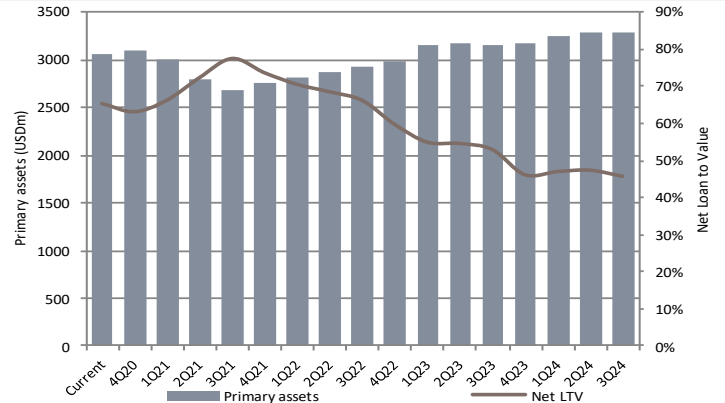
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

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

Other

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



Estimate changes

Profit & Loss

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

Cash Flows & Balance Sheet

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

Valuation

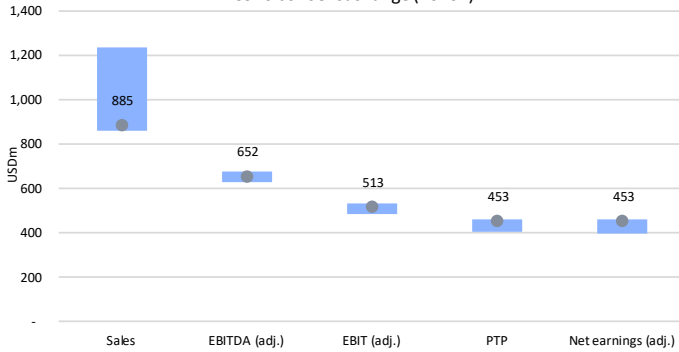
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	1,223	938	1,433	2,063	1,232	1,218	2,571	3,206	-9	-280	-1,138	-1,143
Adj. equity ratio	34%	29%	40%	50%	35%	35%	54%	62%	-1%	-6%	-14%	-11%
FCF yield	-6%	-5%	20%	33%	-5%	1%	35%	44%	-1%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



Our Estimates vs Consensus

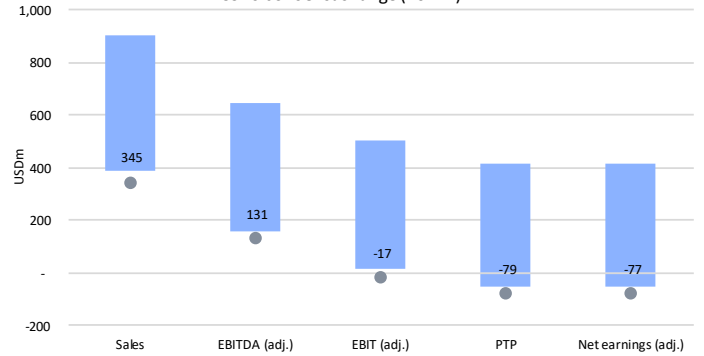
Profit & Loss, year I

CS vs consensus range (2020E)

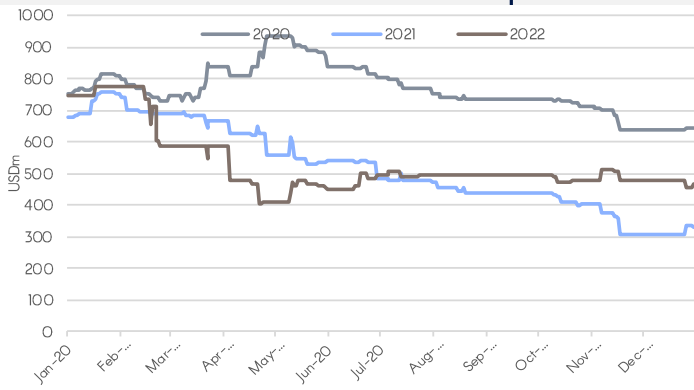


Profit & Loss, year II

CS vs consensus range (2021E)



Consensus EBITDA development



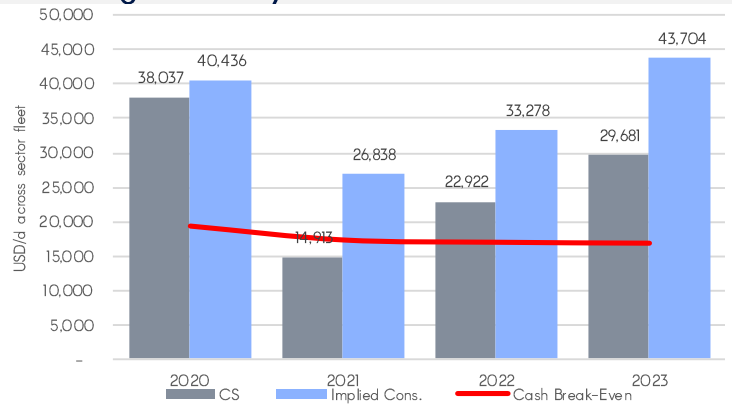
Target price vs share price



Cleaves vs consensus: P&L break-down

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

Avg. TCE/day across fleet vs consensus





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



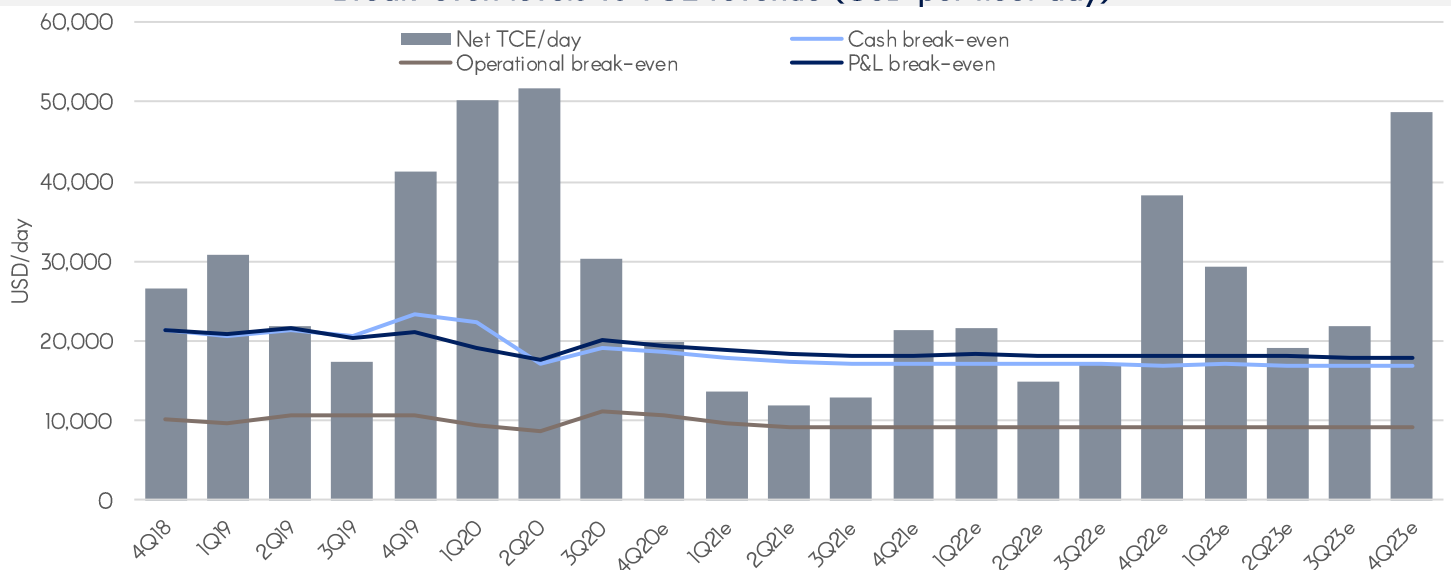
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	349	593	387	364	562	885	345	536	694
Operational costs	-9	-274	-442	-159	-204	-215	-214	-214	-215
EBITDA	340	319	-55	205	357	670	131	322	480
Depreciation/Amortization	-53	-141	-142	-123	-118	-139	-148	-151	-151
EBIT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



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

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

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





Fleet Positioning

Live satellite data as of
09/01/2021 14:41 CET





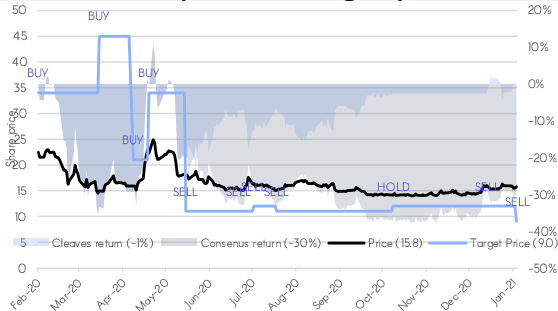
An oil product tanker behemoth, but elastic towards falling earnings and asset prices

HAFNIA- NO

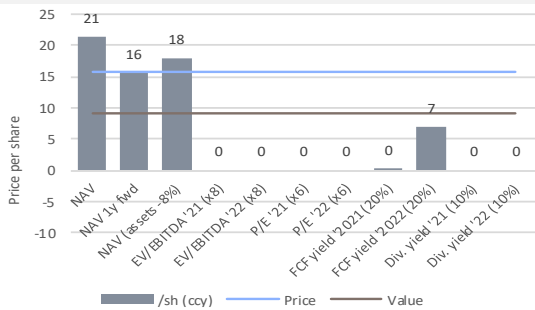
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Hafnia

Share price vs target price

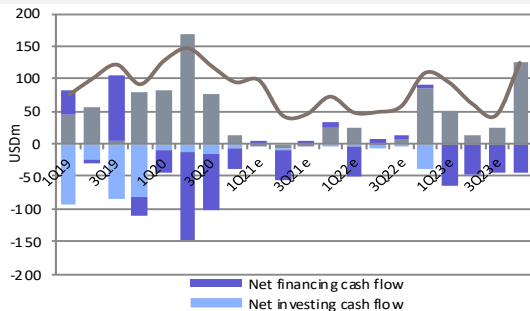


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

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

Key numbers

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

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

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

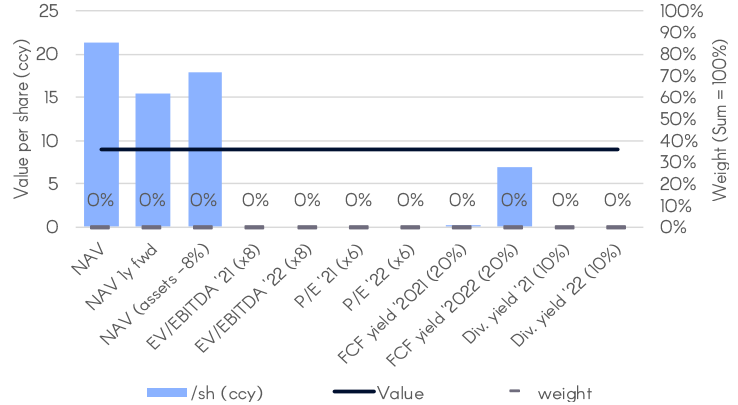


Company Valuation

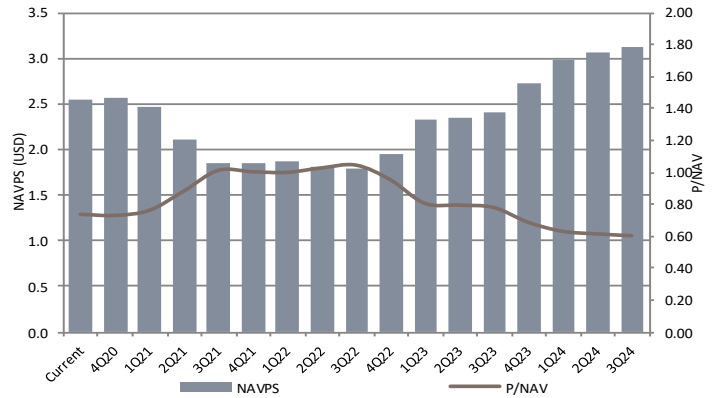
Valuation & target price

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

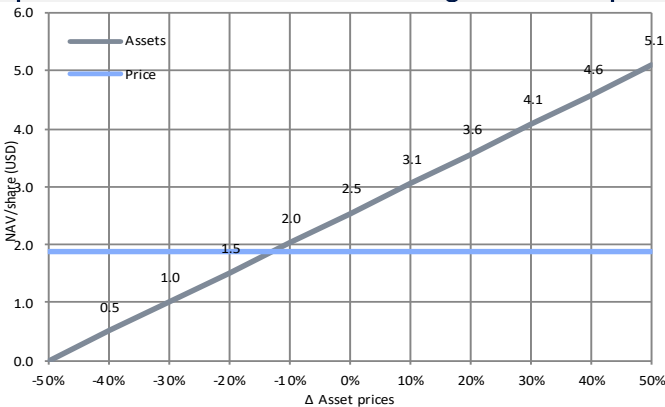
Valuation Matrix



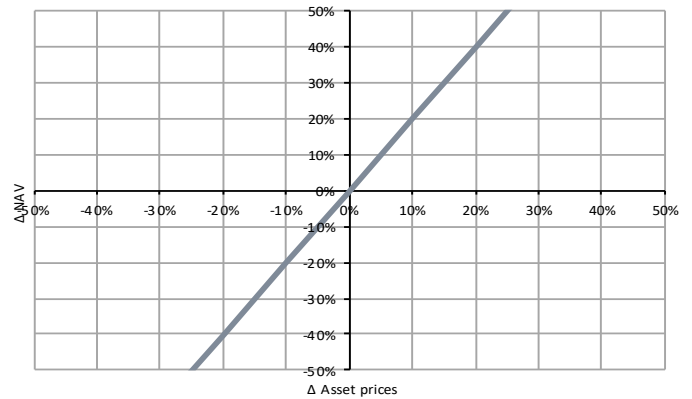
Quarterly forward NAV & P/NAV



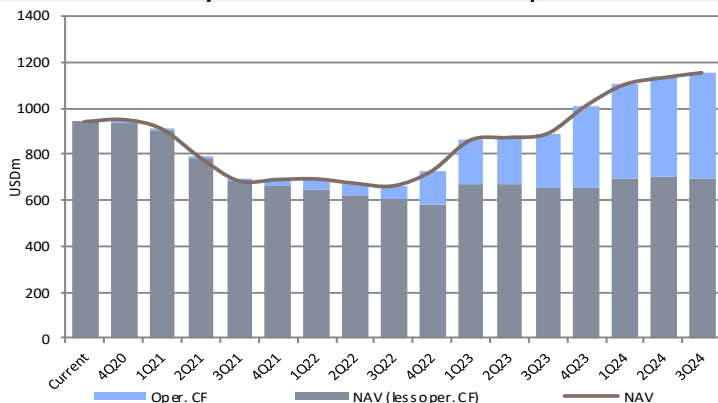
Impact on NAV/sh from % change in asset prices



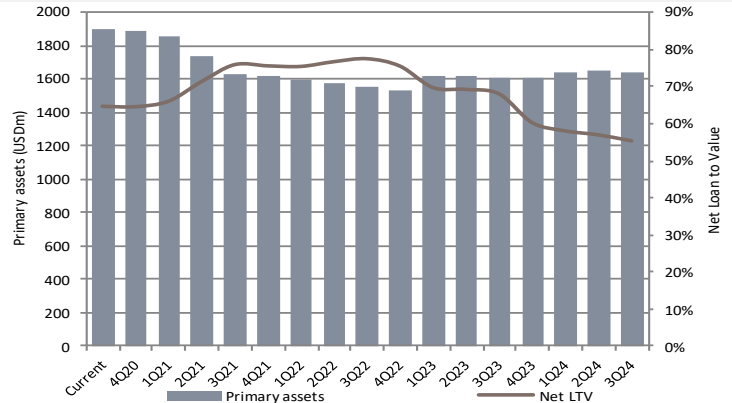
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

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

CF & BS

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



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	608	316	414	510	611	388	580	655	-3	-72	-166	-146	
EBITDA (adj.)	326	28	129	224	326	95	286	361	-1	-66	-158	-138	
EBIT (adj.)	168	-132	-32	61	171	-62	130	205	-2	-70	-162	-144	
PTP (adj.)	135	-145	-43	56	127	-105	89	168	8	-40	-132	-113	
Net earnings (adj.)	133	-147	-45	54	125	-107	87	166	8	-40	-132	-112	
EPS (adj.)	0.36	-0.40	-0.12	0.14	0.34	-0.29	0.24	0.45	0.02	-0.11	-0.36	-0.30	
DPS	0.27	-	-	0.07	0.27	-	0.00	0.19	0.00	-	-0.00	-0.12	
									2020E	2021E	2022E	2023E	
									TCE revenue	-3	-72	-166	-146
									Opex & G&A	-2	-6	-8	-8
									Depreciation	2	3	5	6
									Net finance	-10	-30	-30	-31
									Taxes & Minorities	-0	-0	-0	-0

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	339	13	116	216	291	49	244	323	47	-36	-128	-107
Free cash flow	291	2	61	216	243	49	244	323	47	-47	-183	-107
Net cash flow	6	-23	37	16	-14	-20	173	83	20	-3	-136	-67
TCE/day	17,570	9,385	12,439	15,305	17,664	11,298	16,862	19,058	-94	-1,913	-4,423	-3,753
Cash break-even	17,374	14,418	14,461	14,401	16,814	14,283	14,216	14,119	560	135	245	282
Liquidity	97	75	112	128	-70	-90	83	166	168	165	29	-39
Property & Equip. (incl. NBs)	2,081	1,932	1,826	1,663	2,089	1,933	1,777	1,620	-9	-1	49	43
Total equity	1,146	999	954	981	1,138	1,031	1,116	1,212	8	-32	-163	-231
Total assets	2,553	2,381	2,312	2,165	2,421	2,245	2,261	2,188	132	136	51	-23
Interest bearing debt	1,319	1,294	1,270	1,097	1,335	1,266	1,197	1,028	-17	28	73	69
Net interest bearing debt	1,221	1,219	1,158	969	1,405	1,356	1,114	862	-184	-137	44	107
Market Cap.	693	693	693	693	565	565	565	565	128	128	128	128
Enterprise value	1,914	1,912	1,851	1,662	1,970	1,921	1,679	1,426	-56	-8	173	236

Valuation

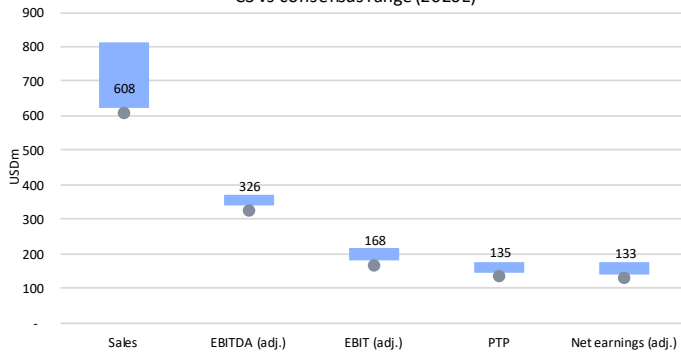
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	951	688	725	1,012	921	762	1,281	1,597	30	-74	-556	-585
Adj. equity ratio	40%	33%	35%	46%	42%	39%	53%	62%	-1%	-5%	-18%	-16%
FCF yield	42%	0%	9%	31%	43%	9%	43%	57%	-1%	-8%	-34%	-26%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



Our Estimates vs Consensus

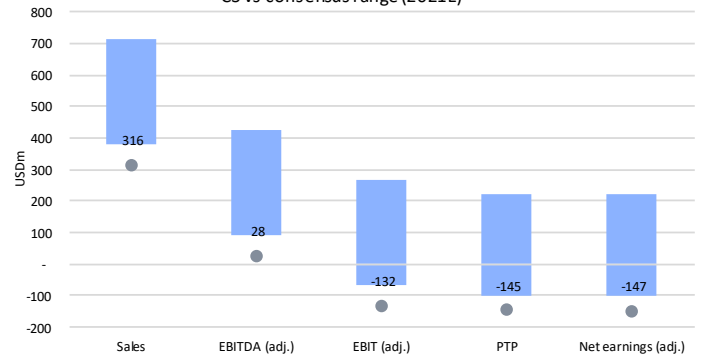
Profit & Loss, year I

CS vs consensus range (2020E)

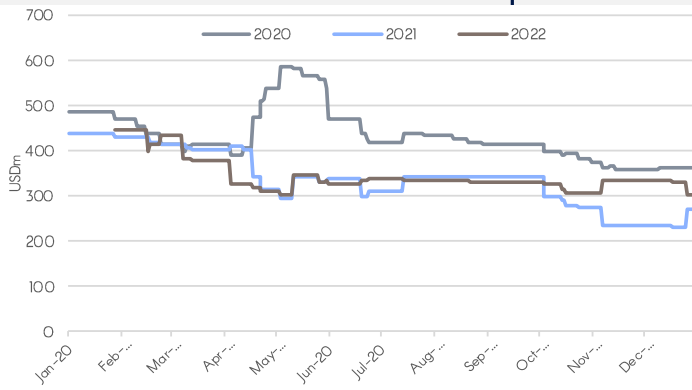


Profit & Loss, year II

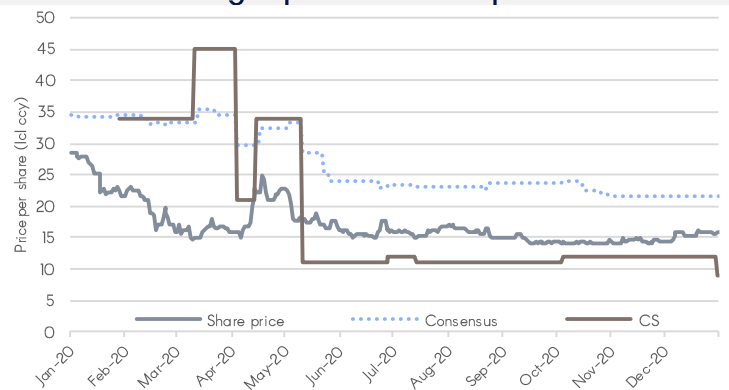
CS vs consensus range (2021E)



Consensus EBITDA development



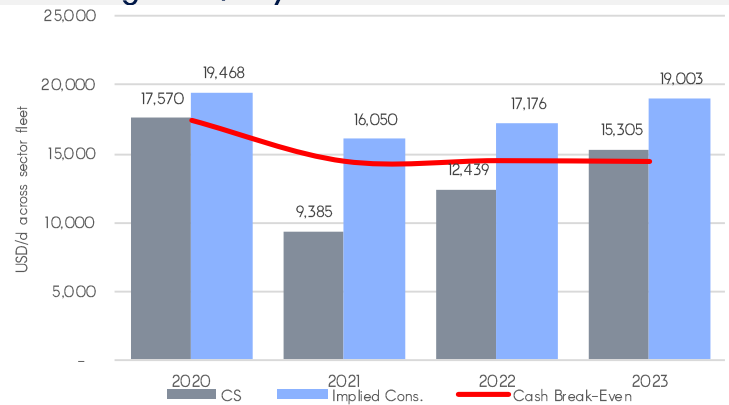
Target price vs share price



Cleaves vs consensus: P&L break-down

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

Avg. TCE/day across fleet vs consensus





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



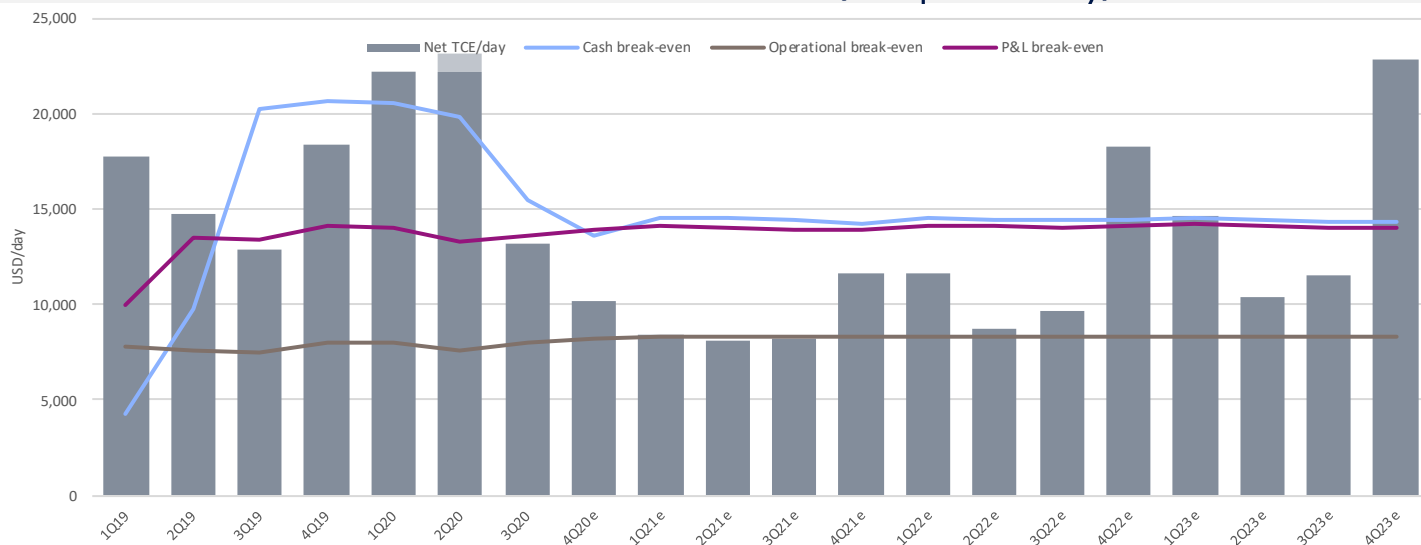
Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales		302	346	368	514	608	316	414	510
Operational costs		-409	-262	-299	-237	-259	-267	-265	-266
EBITDA		-107	84	69	277	349	49	149	244
Depreciation/Amortization		-60	-54	-57	-132	-157	-160	-161	-162
EBIT	—	-166	30	12	146	192	-111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



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

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

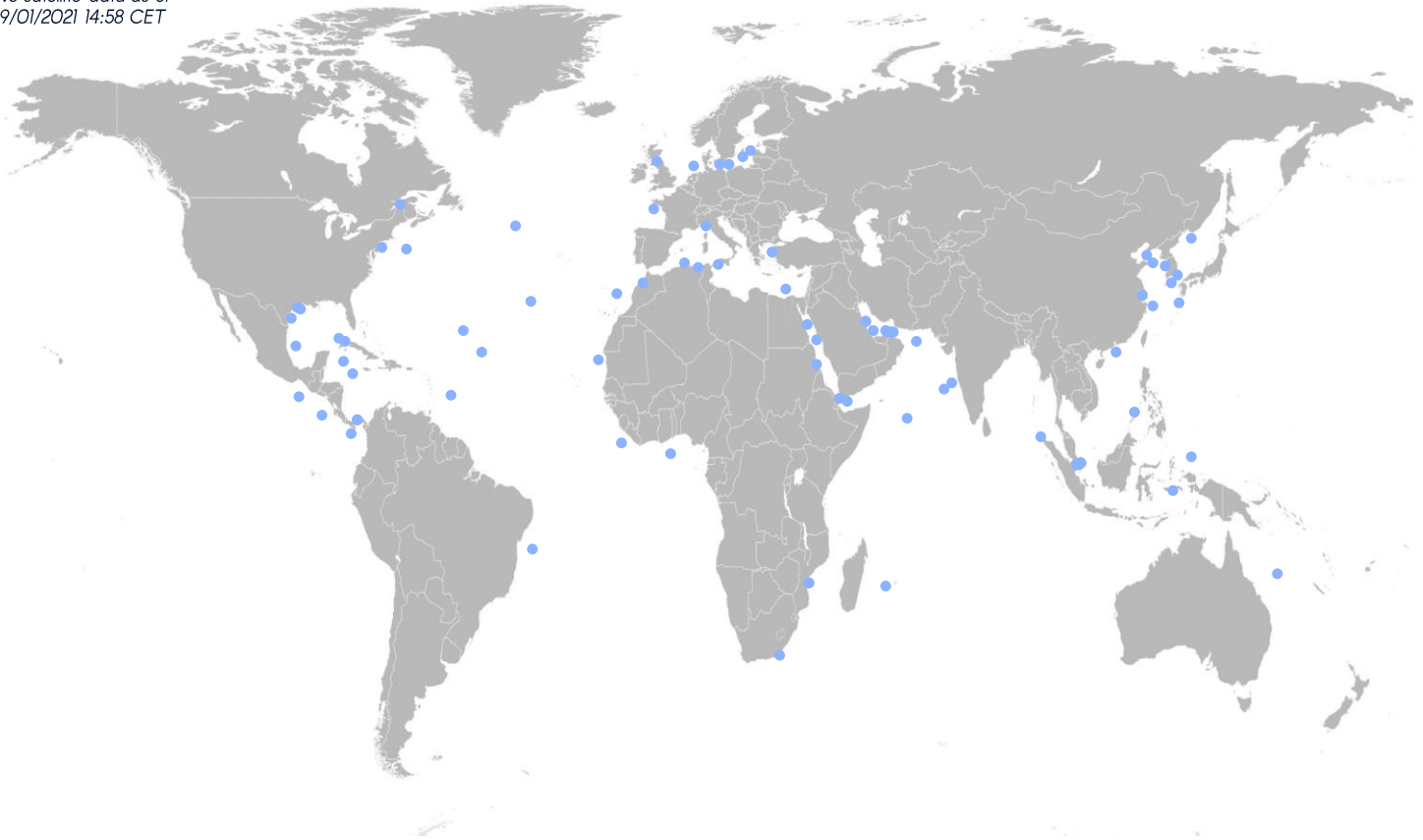
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

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





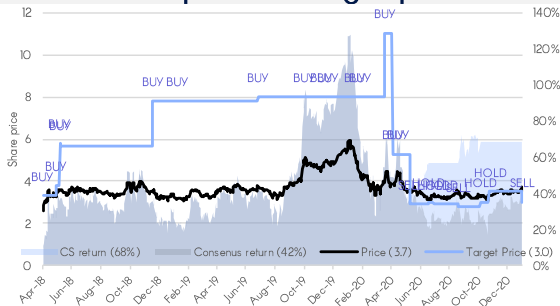
VLCC pure-play with full scrubber coverage. Well positioned for the future, but faces the same short-term headwinds as peers

HUNT-NO

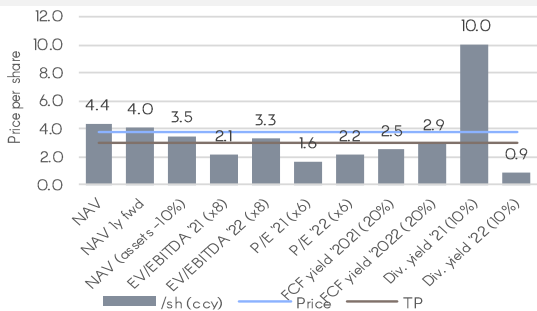
SELL/N3

Hunter Group

Share price vs target price

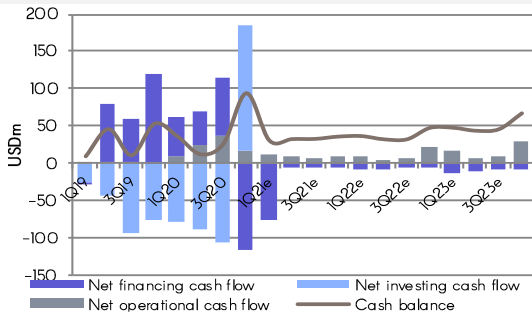


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

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

Key numbers

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

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

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



Quarterly Pre-/Review

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

CF & BS

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

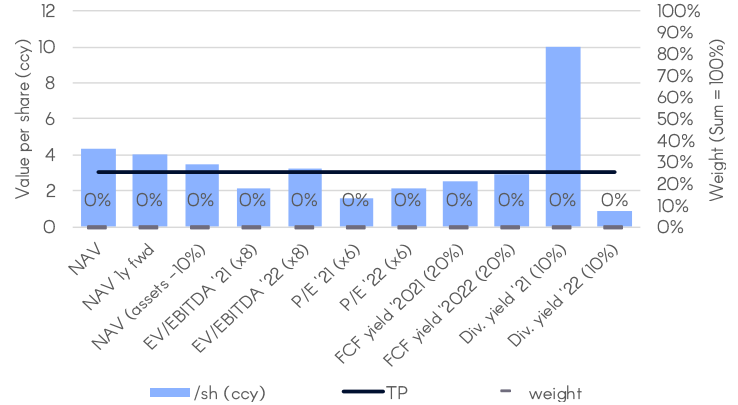


Company Valuation

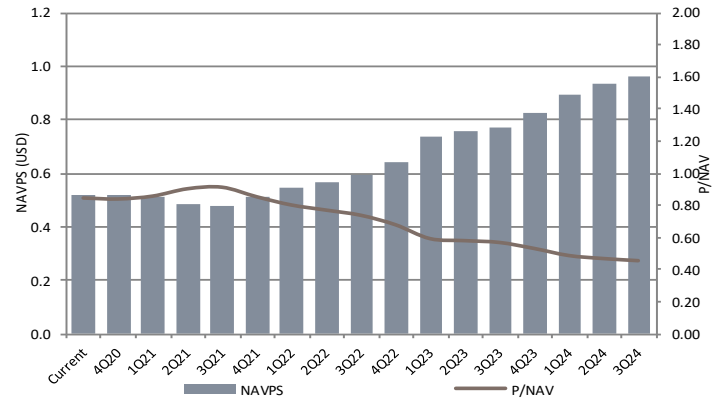
Valuation & target price

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

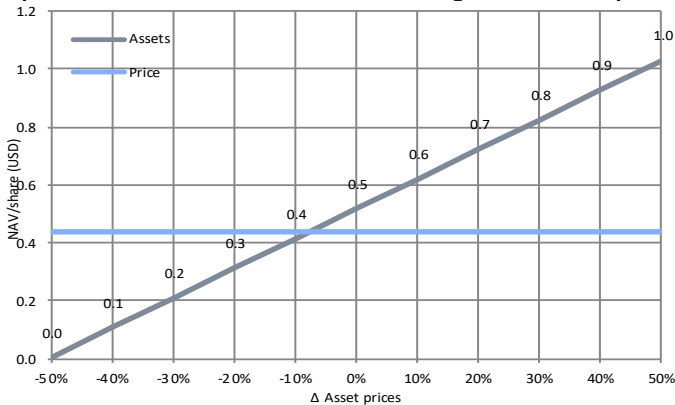
Valuation Matrix



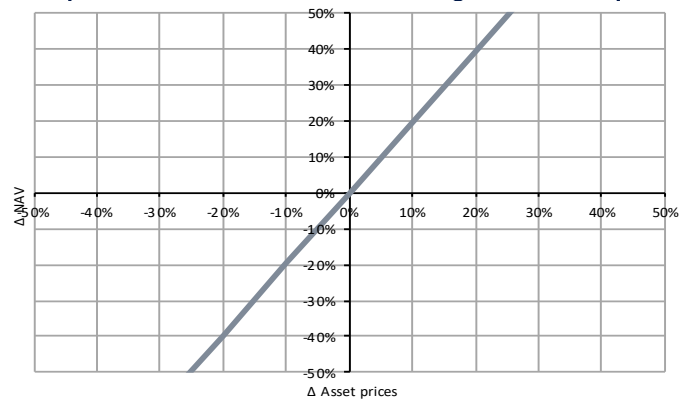
Quarterly forward NAV & P/NAV



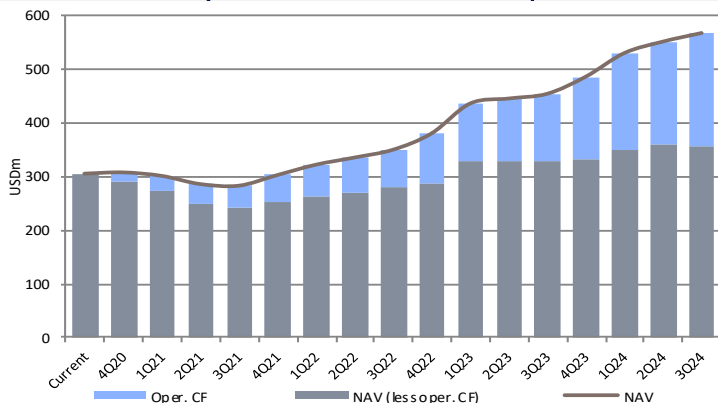
Impact on NAV/sh from % change in asset prices



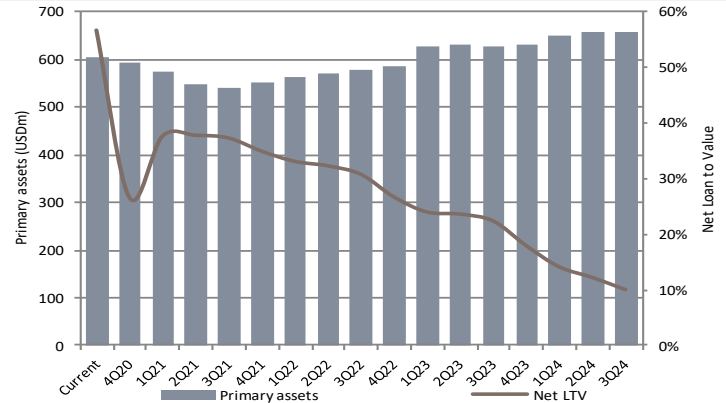
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

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

Cash Flows & Balance Sheet

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

Valuation

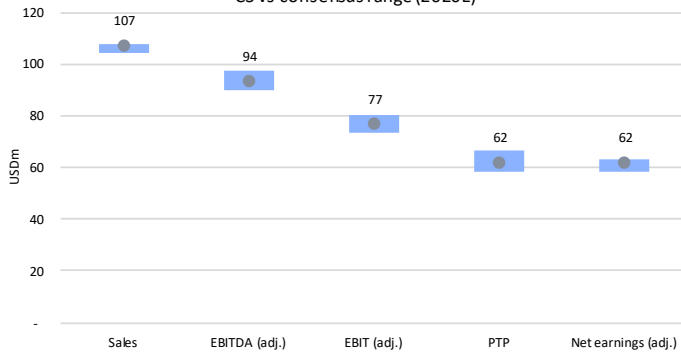
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	308	303	380	486	315	352	593	689	-7	-49	-213	-203
Adj. equity ratio	55%	57%	65%	73%	54%	59%	73%	78%	0%	-3%	-9%	-6%
FCF yield	-8%	14%	16%	24%	-13%	18%	31%	39%	5%	-4%	-15%	-15%
Dividend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



Our Estimates vs Consensus

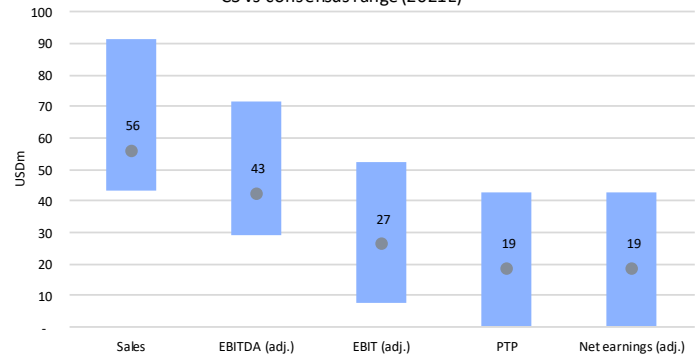
Profit & Loss, year I

CS vs consensus range (2020E)

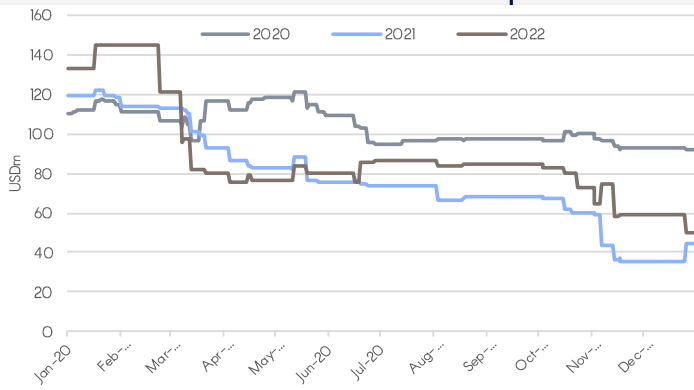


Profit & Loss, year II

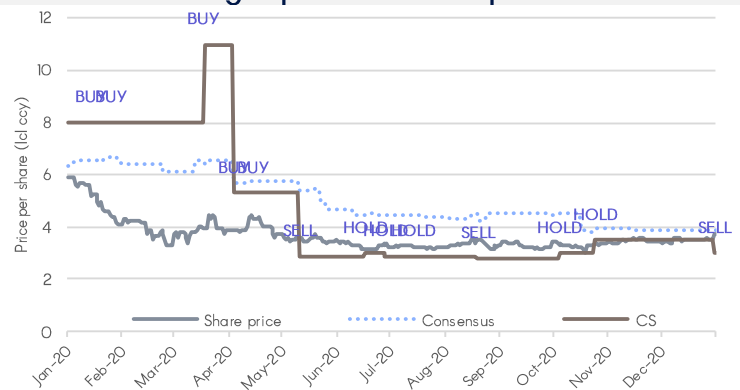
CS vs consensus range (2021E)



Consensus EBITDA development



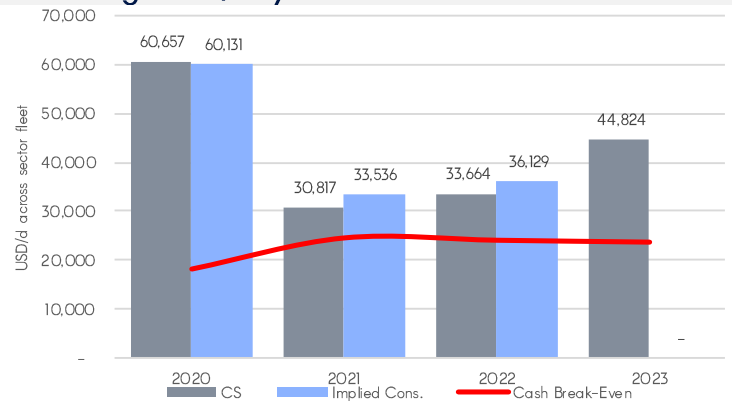
Target price vs share price



Cleaves vs consensus: P&L break-down

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

Avg. TCE/day across fleet vs consensus





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



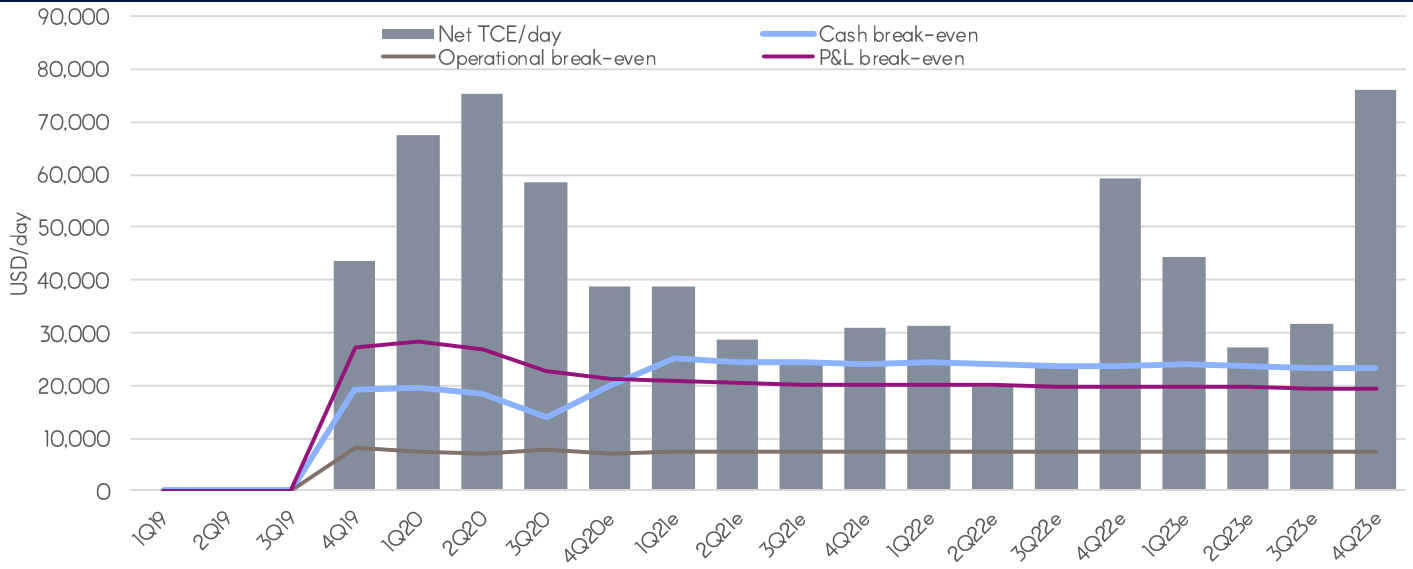
Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales		0	0	0	23	107	56	62	82
Operational costs		-1	-93	-23	-3	-13	-13	-13	-13
EBITDA		-1	-93	-22	20	94	43	48	68
Depreciation/Amortization		0	0	0	-2	-17	-16	-16	-16
EBIT	-2	-1	-93	-22	18	78	27	32	52
Net financials	0	0	2	27	-2	-15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



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

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

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



Fleet Positioning

Live satellite data as of
09/01/2021 15:16 CET





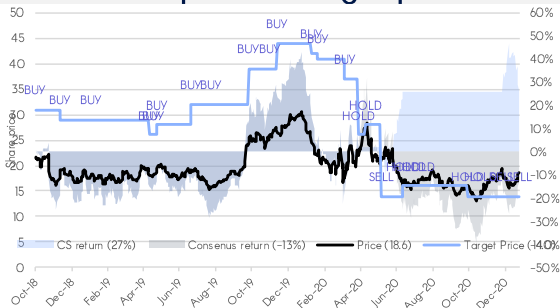


INSW-US

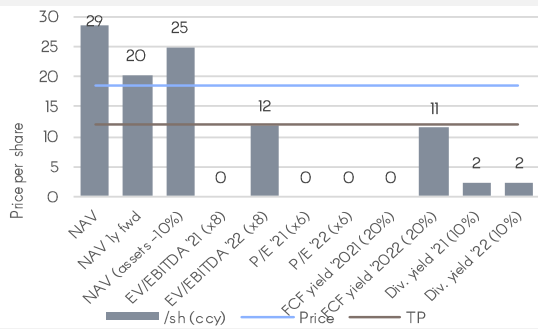
SELL/\$12

International Seaways

Share price vs target price

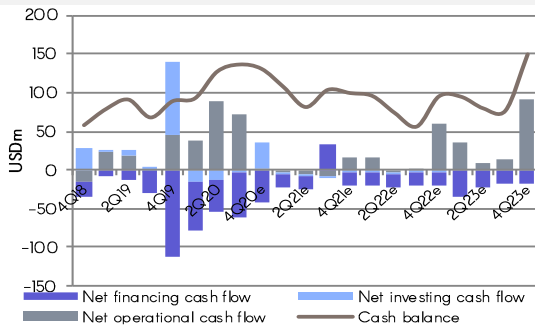


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

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

Key numbers

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

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

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



Quarterly Review

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

CF & BS

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

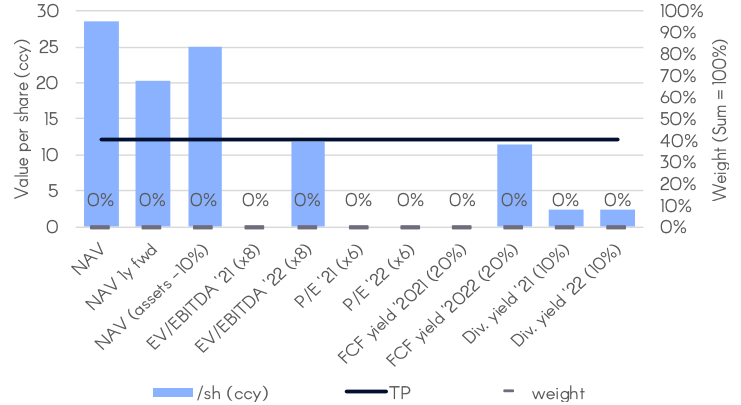


Company Valuation

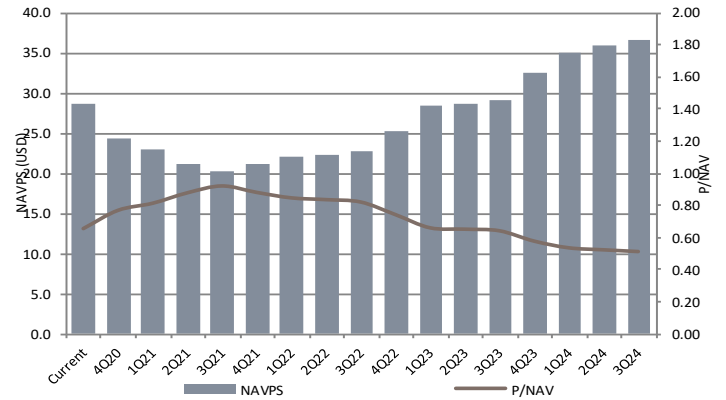
Valuation

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

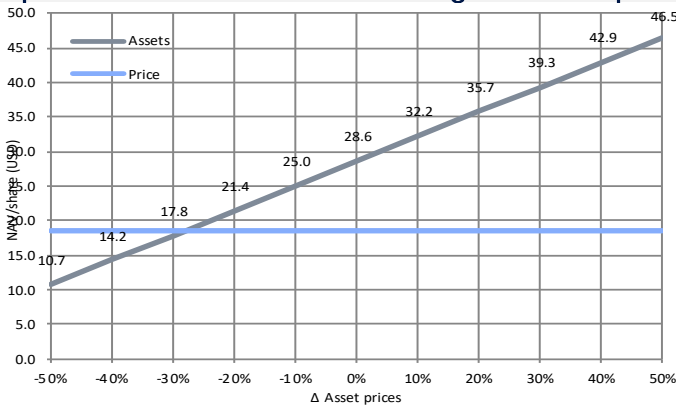
Valuation Matrix



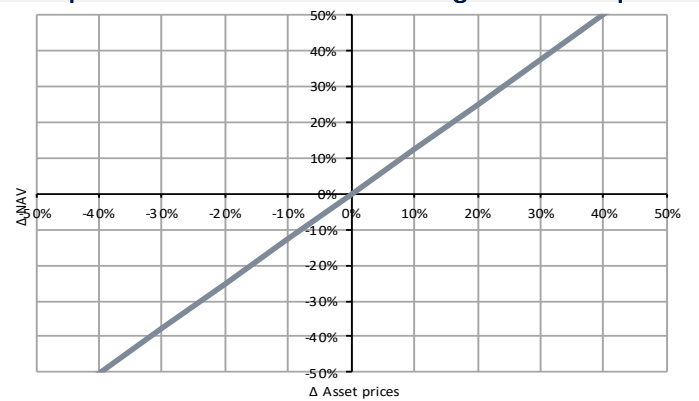
Quarterly forward NAV & P/NAV



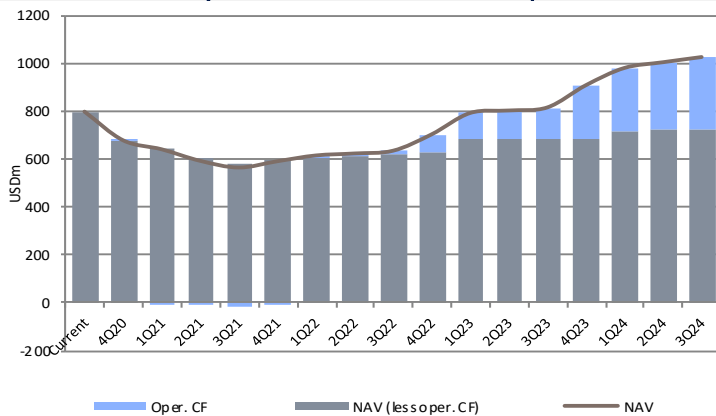
Impact on NAV/sh from % change in asset prices



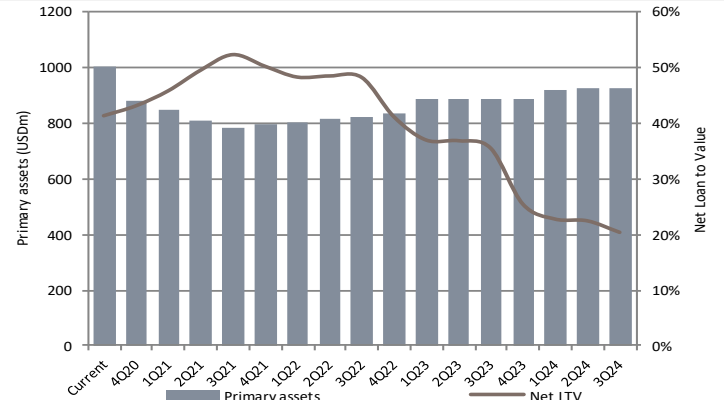
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

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

Cash Flows & Balance Sheet

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

Valuation

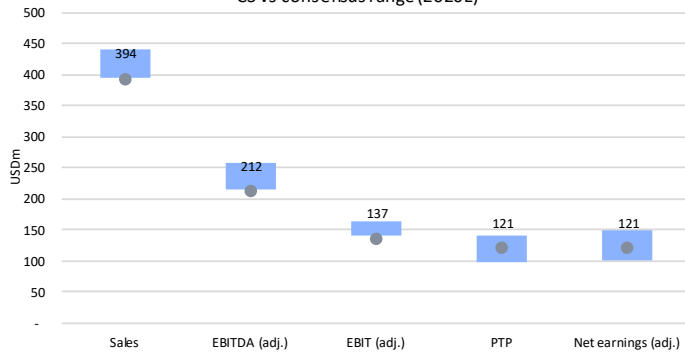
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	680	593	705	909	702	712	1,118	1,373	-22	-118	-413	-464
Adj. equity ratio	54%	51%	58%	67%	54%	56%	70%	77%	-1%	-5%	-12%	-10%
FCF yield	39%	-3%	12%	28%	45%	5%	45%	64%	-6%	-8%	-32%	-35%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



Our Estimates vs Consensus

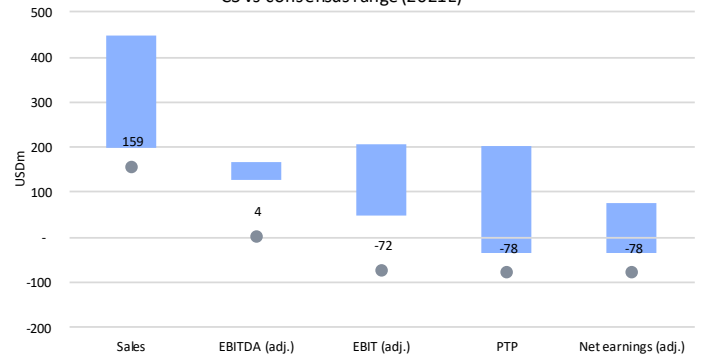
Profit & Loss, year I

CS vs consensus range (2020E)

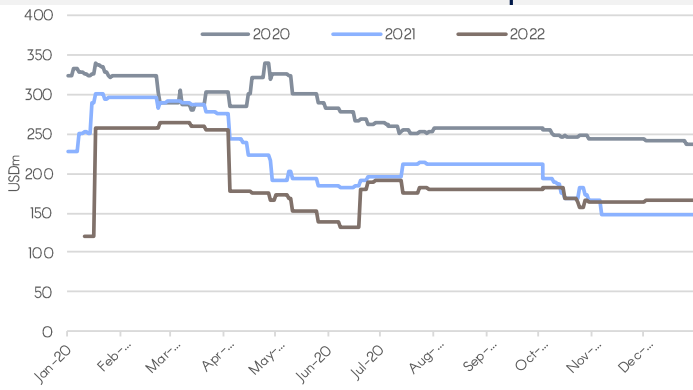


Profit & Loss, year II

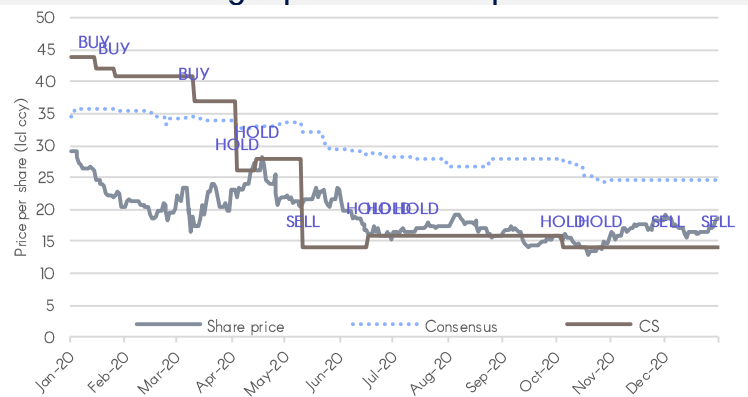
CS vs consensus range (2021E)



Consensus EBITDA development



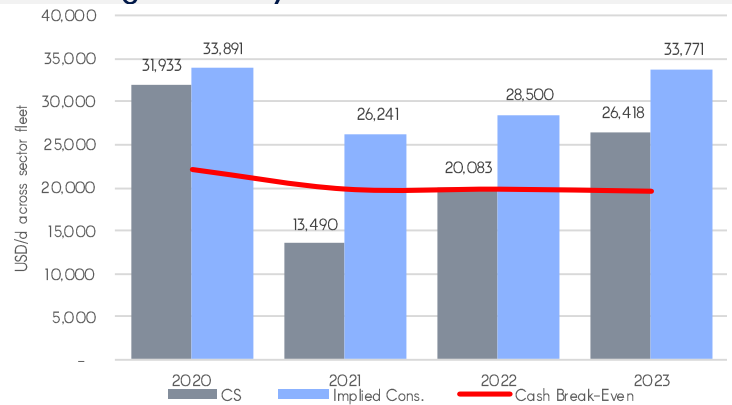
Target price vs share price



Cleaves vs consensus: P&L break-down

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

Avg. TCE/day across fleet vs consensus





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



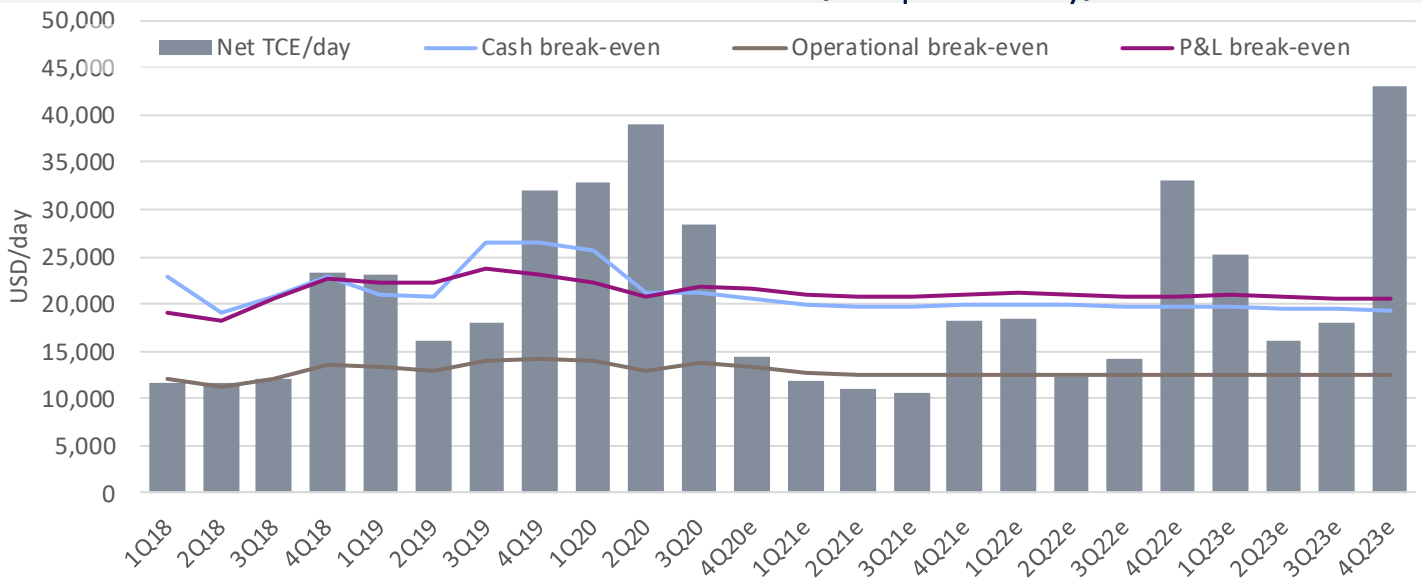
Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	476	385	275	243	340	394	159	235	309
Operational costs						-196	-154	-151	-151
EBITDA						198	4	84	158
Depreciation/Amortization						-75	-76	-76	-76
EBIT	176	6	-108	-55	55	123	-72	8	82
Net financials	-3	-24	2	-35	-56	-29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



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

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

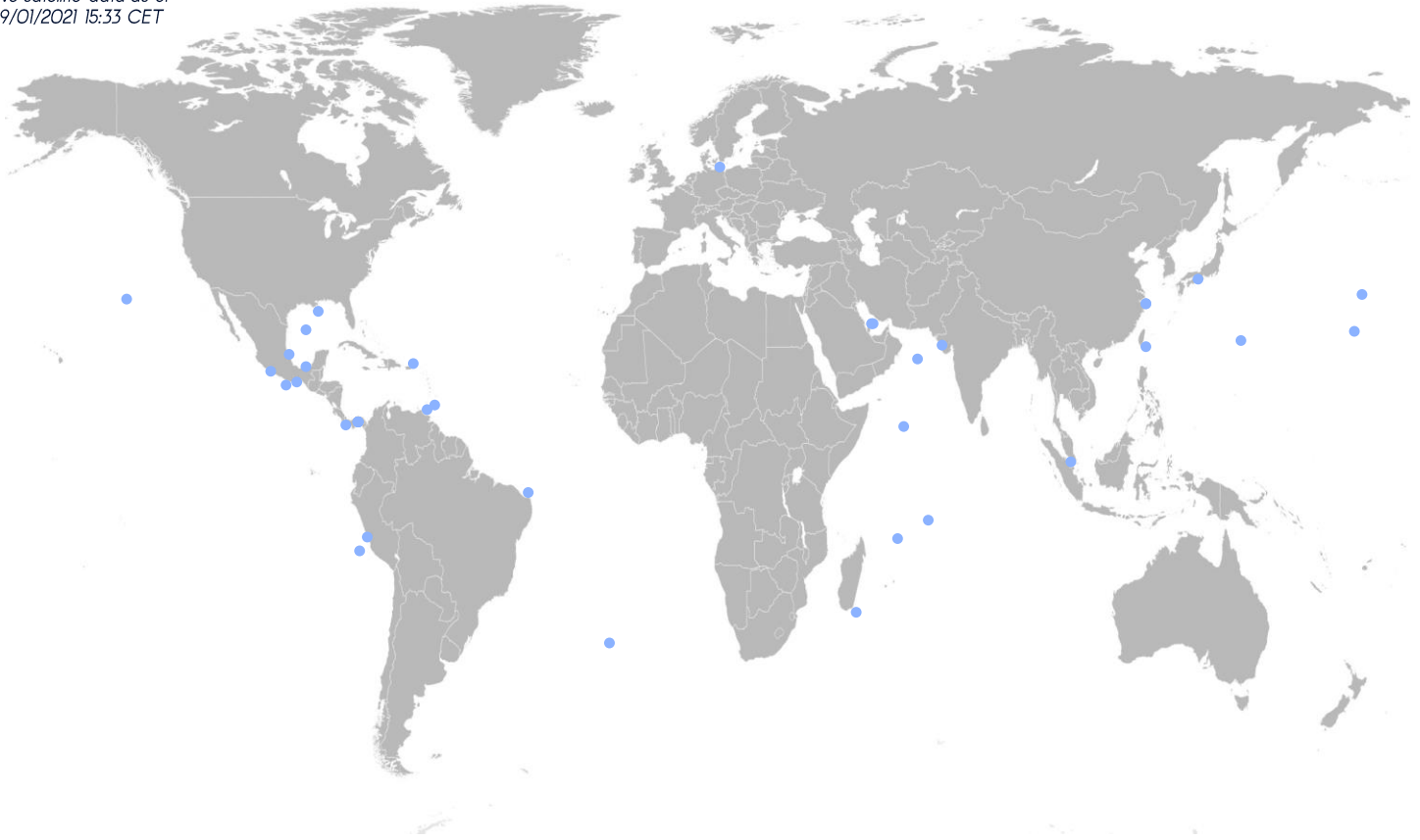
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

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





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

NAT-US

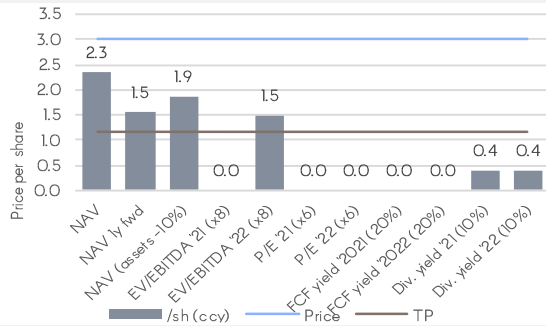
SELL/\$1.2

Nordic American Tankers

Share price vs target price

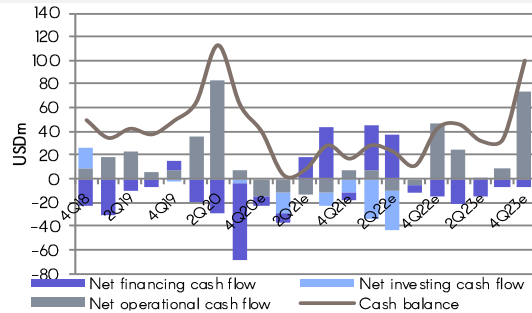


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
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Key numbers

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

Key numbers

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

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

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

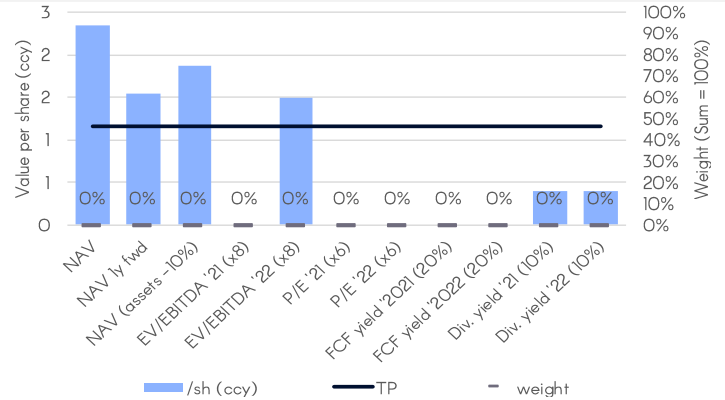


Company Valuation

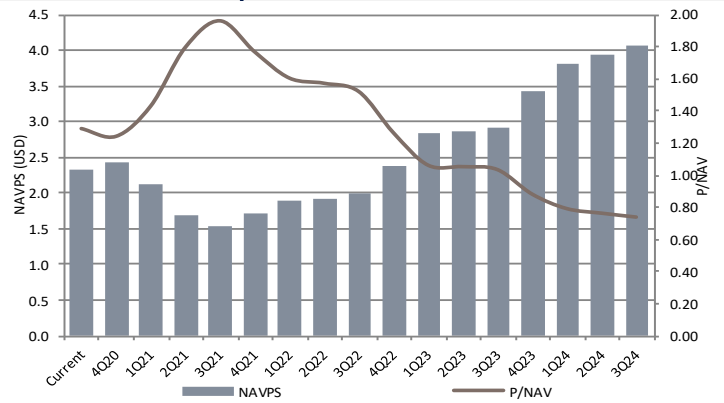
Valuation & target price

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

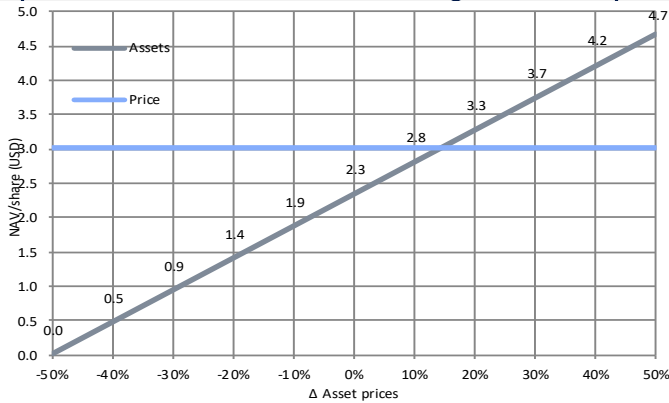
Valuation Matrix



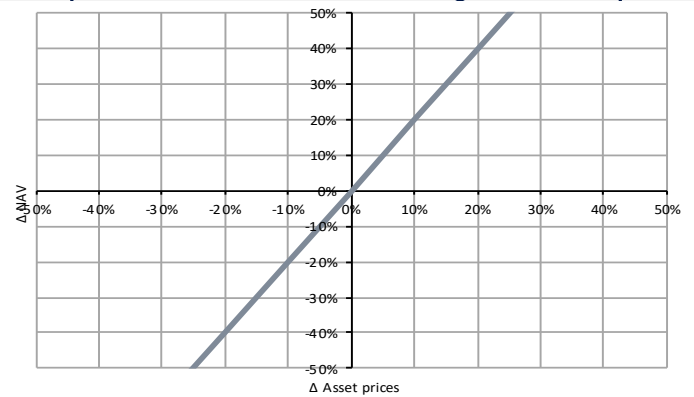
Quarterly forward NAV & P/NAV



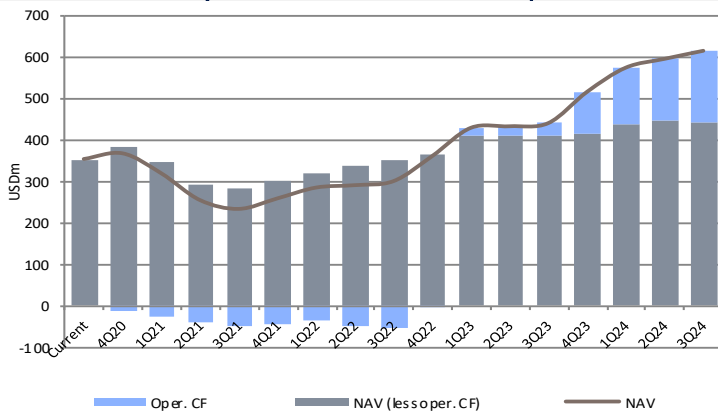
Impact on NAV/sh from % change in asset prices



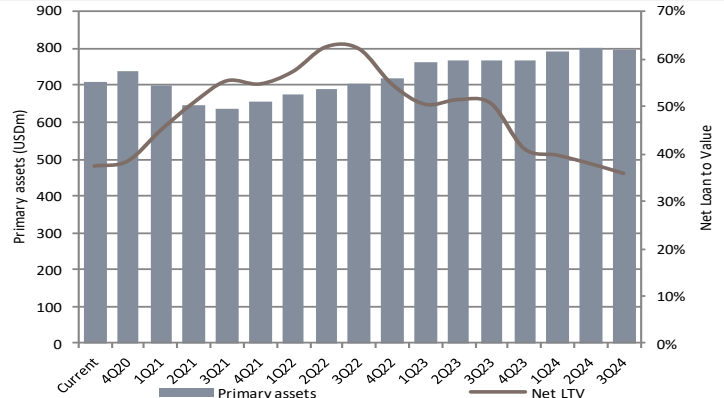
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Preview

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

CF & BS

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



Estimate changes

Profit & Loss

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

Cash Flows & Balance Sheet

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

Valuation

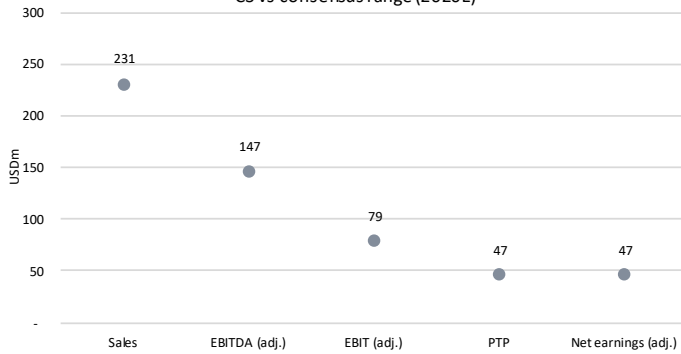
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	368	259	361	517	366	344	705	915	2	-86	-344	-399
Adj. equity ratio	51%	39%	44%	54%	51%	50%	66%	72%	0%	-11%	-22%	-19%
FCF yield	23%	-15%	-6%	24%	25%	-6%	4%	40%	-1%	-10%	-10%	-17%
Dividend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



Our Estimates vs Consensus

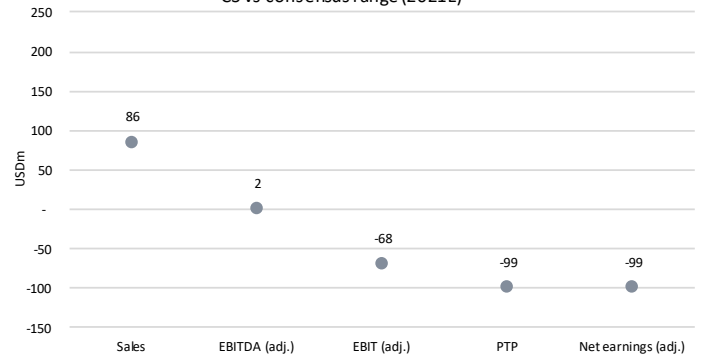
Profit & Loss, year I

CS vs consensus range (2020E)

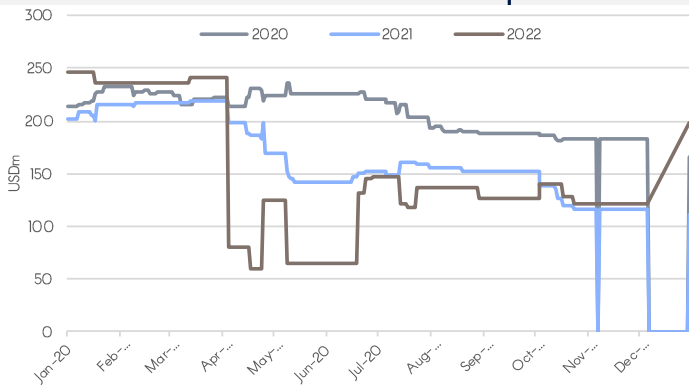


Profit & Loss, year II

CS vs consensus range (2021E)



Consensus EBITDA development



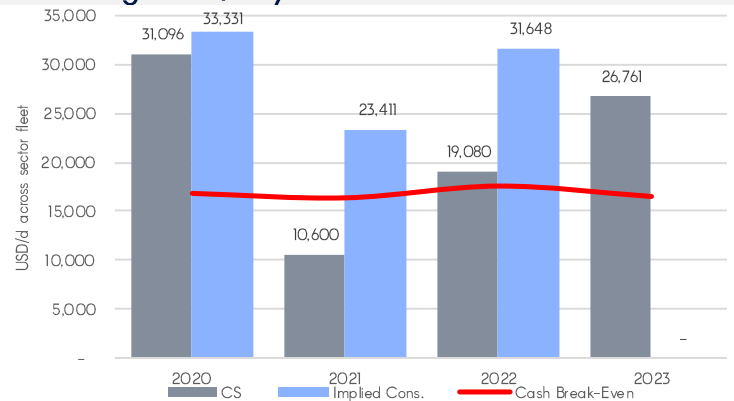
Target price vs share price



Cleaves vs consensus: P&L break-down

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

Avg. TCE/day across fleet vs consensus





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



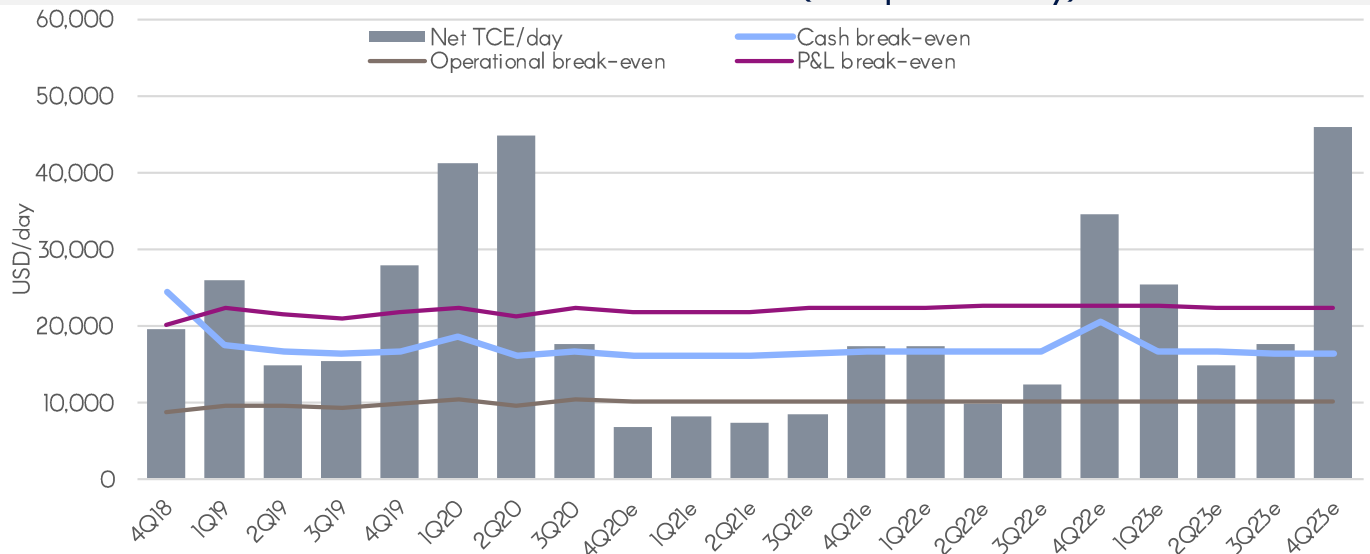
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	287	231	155	124	175	231	86	168	237
Operational costs	-76	-87	-230	-102	-80	-84	-85	-90	-91
EBITDA	211	144	-75	22	96	147	2	77	146
Depreciation/Amortization	-83	-91	-101	-61	-64	-68	-69	-74	-75
EBIT	128	53	-176	-39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



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

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

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





Fleet Positioning

Live satellite data as of
09/01/2021 15:50 CET



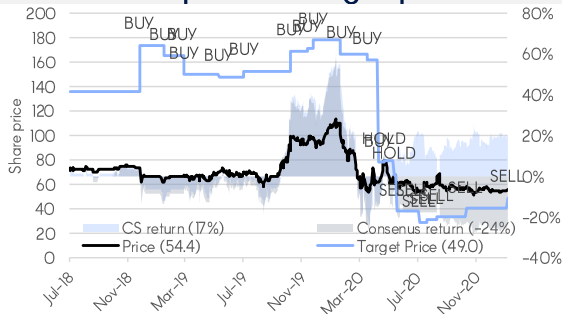


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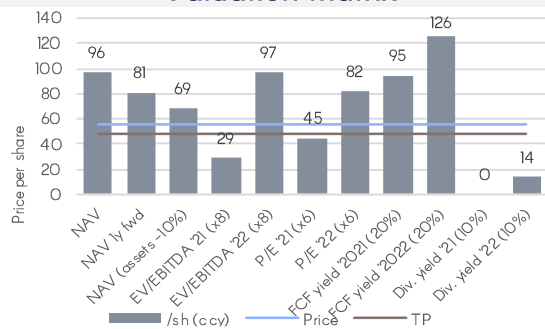
SELL/N49

Okeanis Eco Tankers

Share price vs target price

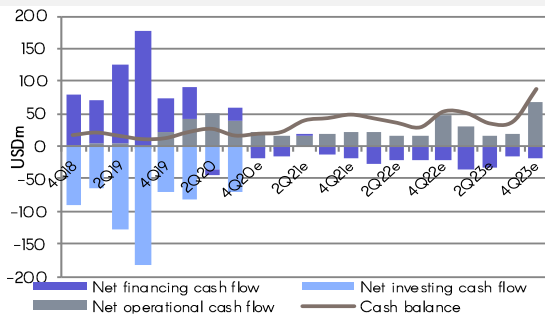


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

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

Key numbers

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

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

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



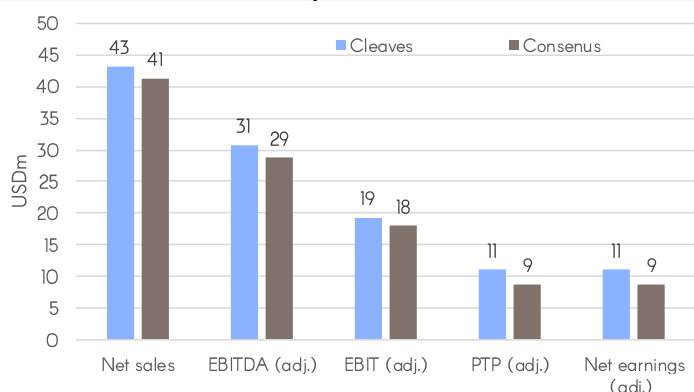
Quarterly Pre-/Review

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

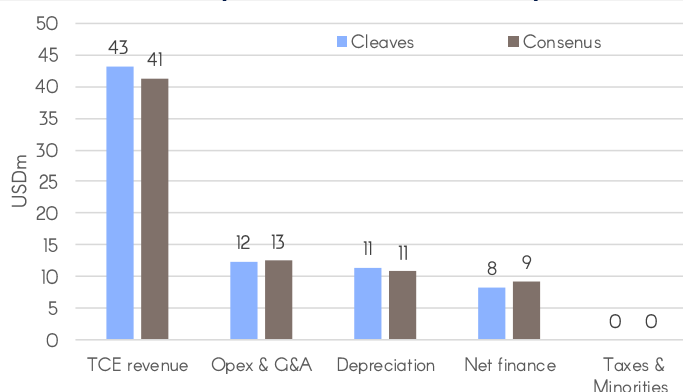
CF & BS

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

Quarterly Pre-/Review



Quarterly Pre-/Review: Line by line



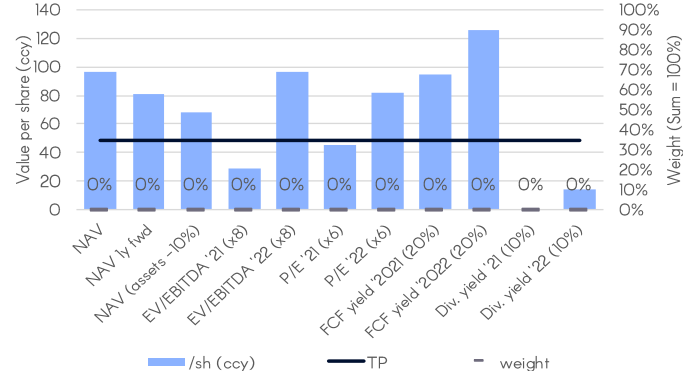


Company Valuation

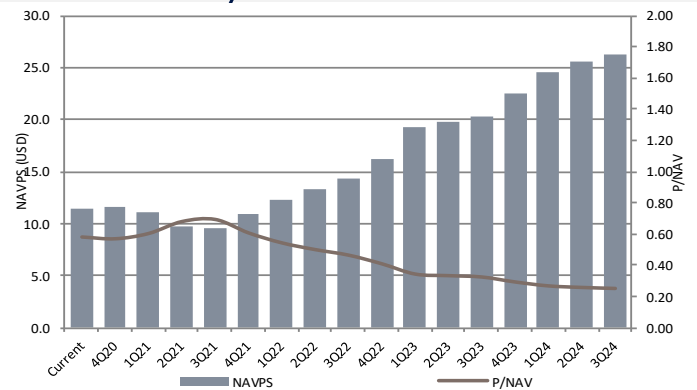
Valuation & target price

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

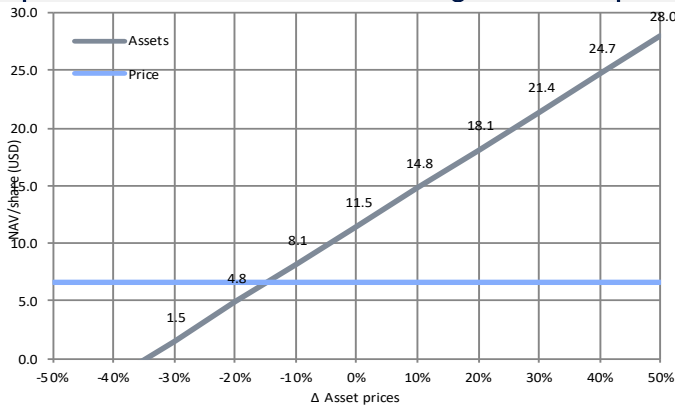
Valuation Matrix



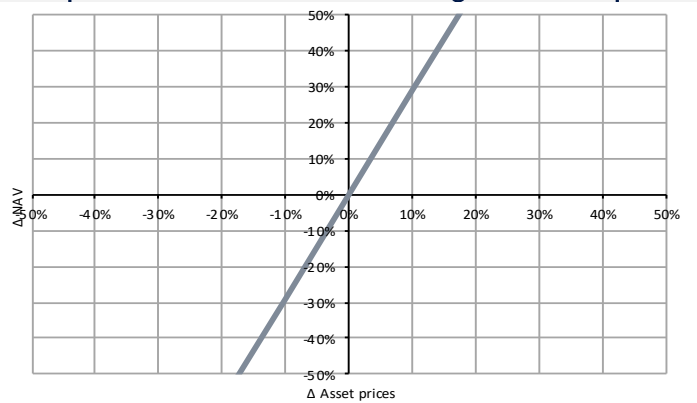
Quarterly forward NAV & P/NAV



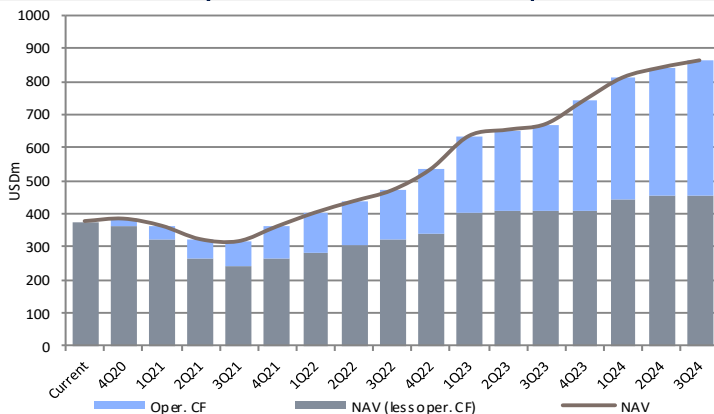
Impact on NAV/sh from % change in asset prices



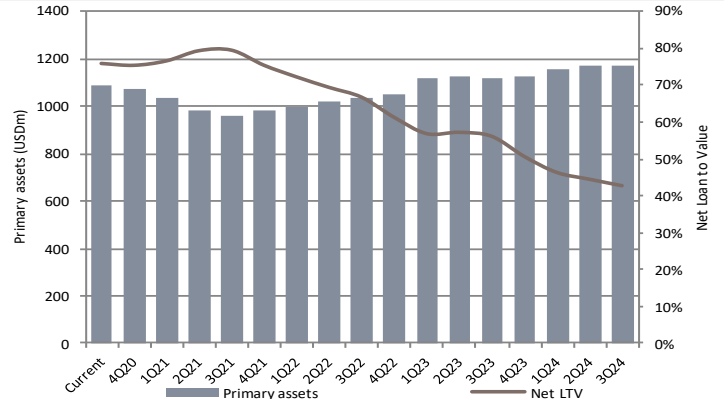
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

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

Cash Flows & Balance Sheet

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

Valuation

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

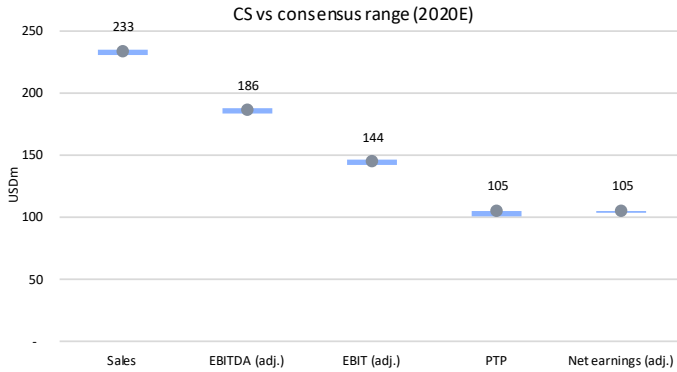
Various

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

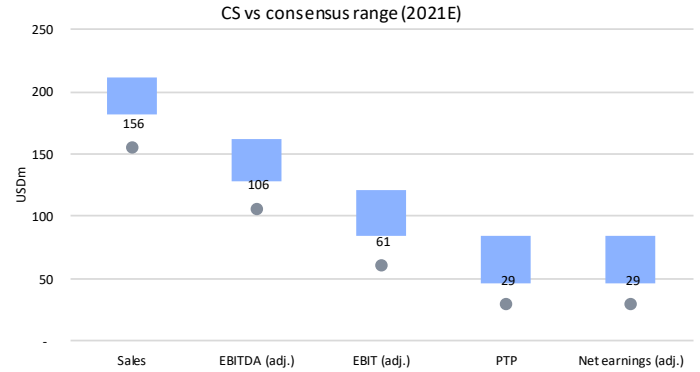


Our Estimates vs Consensus

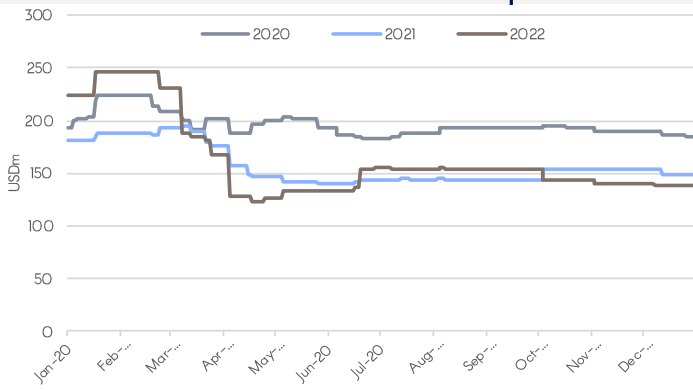
Profit & Loss, year I



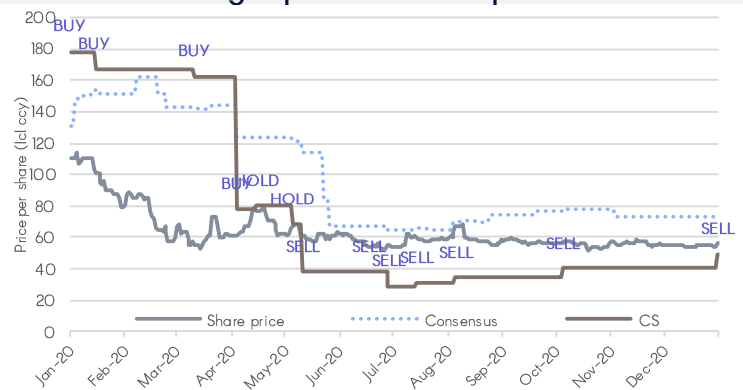
Profit & Loss, year II



Consensus EBITDA development



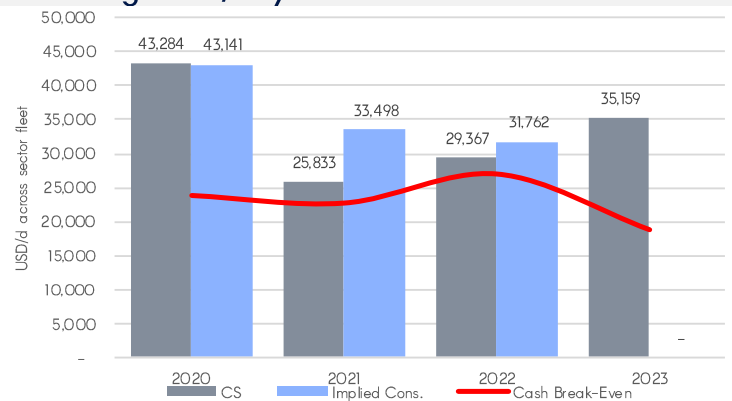
Target price vs share price



Cleaves vs consensus: P&L break-down

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

Avg. TCE/day across fleet vs consensus





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



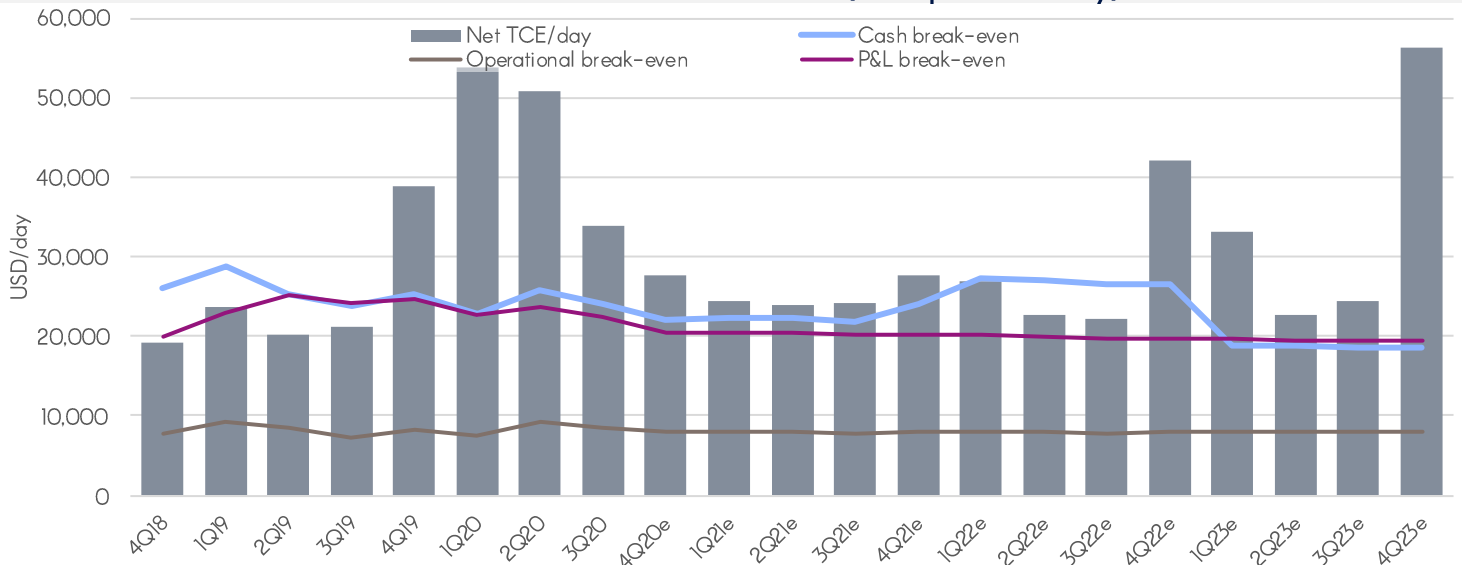
Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	0	0		22	102	233	156	177	212
Operational costs				-10	-32	-47	-49	-49	-49
EBITDA				12	70	186	106	128	163
Depreciation/Amortization				-7	-25	-42	-45	-45	-45
EBIT	—	—	—	4	46	144	61	83	118
Net financials				-7	-34	-40	-32	-29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



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

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

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

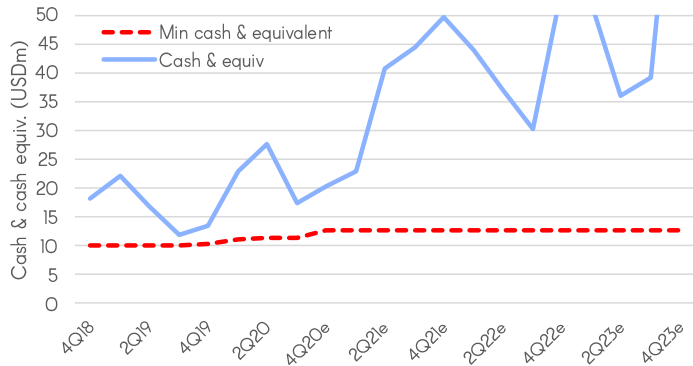




Debt Covenants Overview

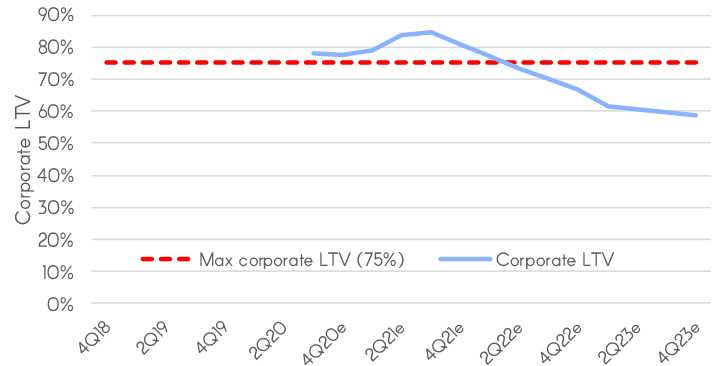
Minimum cash covenant

Min cash & equivalent



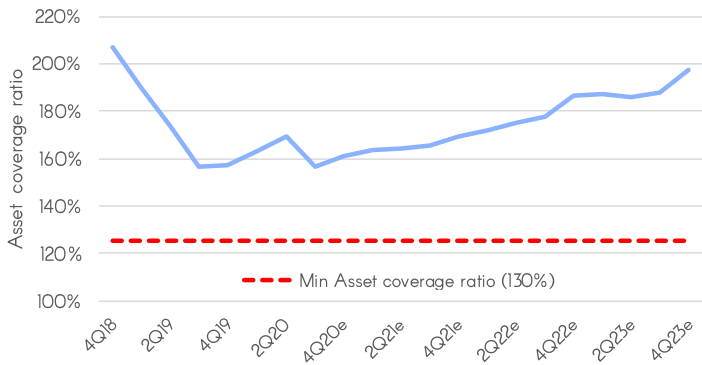
Maximum corporate LTV covenant

Max corporate LTV (75%)



Minimum asset coverage ratio covenant

Min Asset coverage ratio (130%)





Fleet Positioning

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





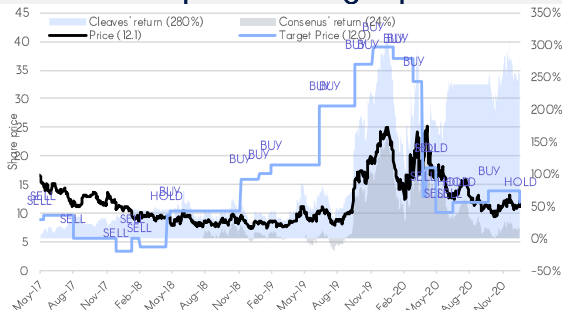
Company priced below the 2018 lows on P/NAV, but adj. equity ratio is now 52% vs 18% back then. Very robust balance sheet

TNK-US

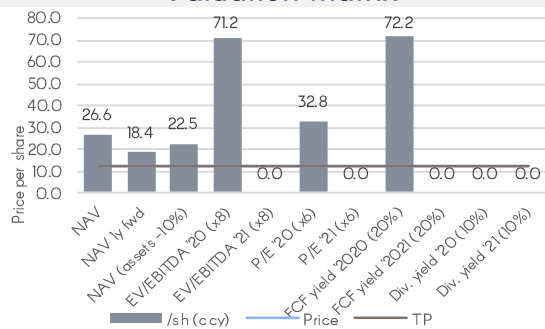
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Teekay Tankers

Share price vs target price

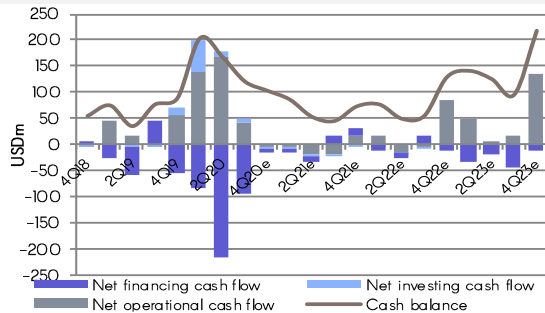


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

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

Key numbers

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

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

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



Quarterly Review

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

CF & BS

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

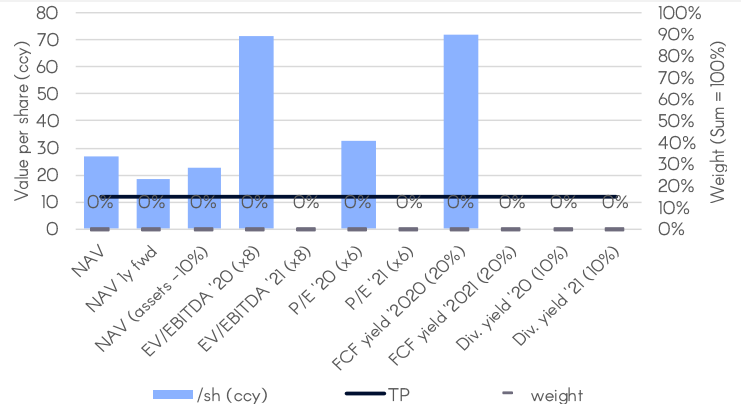


Company Valuation

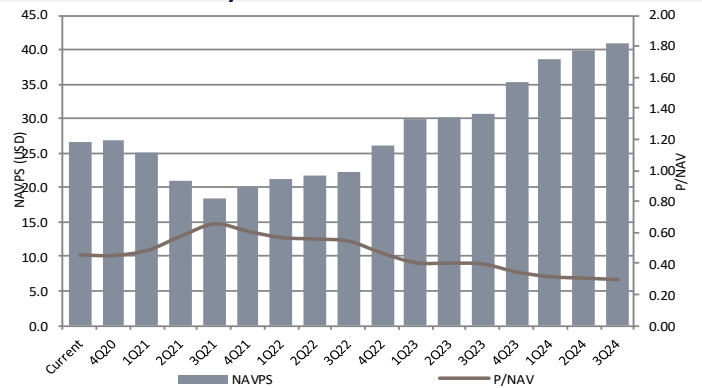
Valuation & target price

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

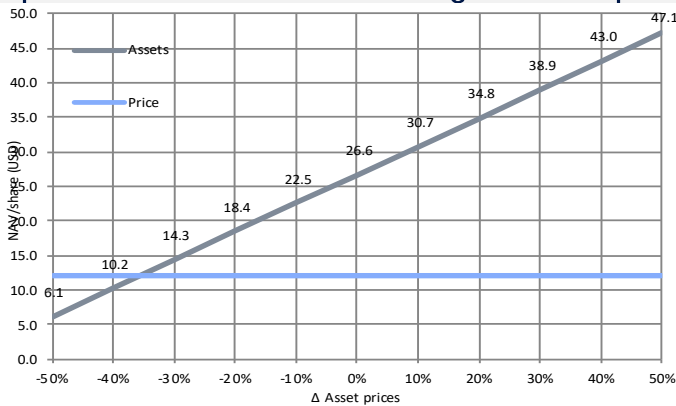
Valuation Matrix



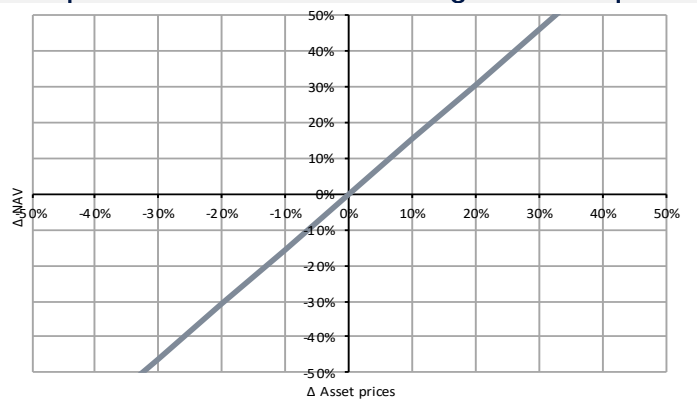
Quarterly forward NAV & P/NAV



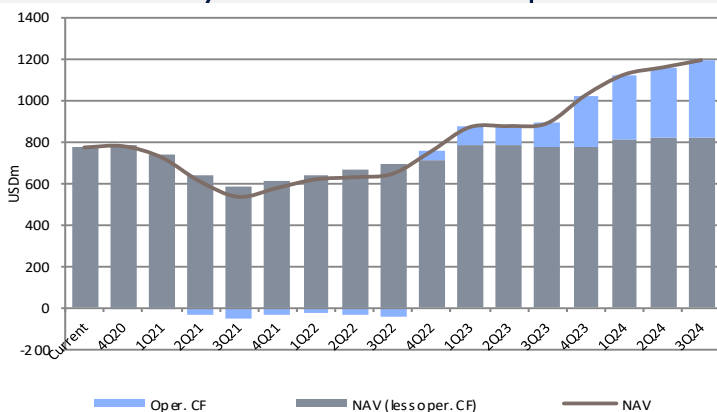
Impact on NAV/sh from % change in asset prices



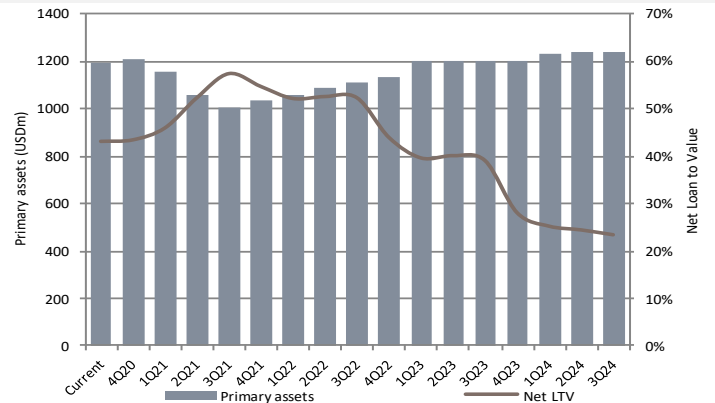
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

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

Cash Flows & Balance Sheet

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

Valuation

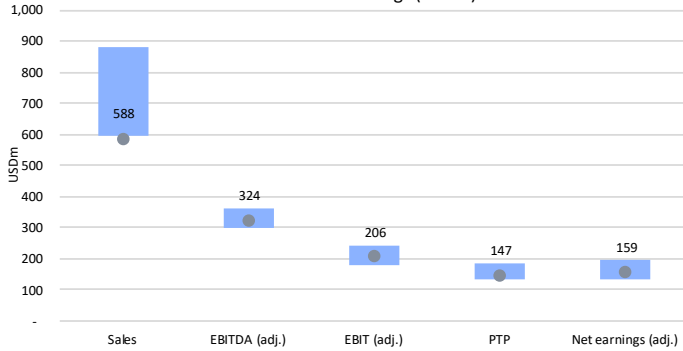
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	781	579	756	1,025	812	749	1,344	1,702	-32	-170	-588	-677
Adj. equity ratio	51%	43%	50%	60%	49%	48%	63%	72%	2%	-5%	-13%	-12%
FCF yield	119%	-12%	20%	54%	132%	8%	77%	107%	-12%	-20%	-57%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



Our Estimates vs Consensus

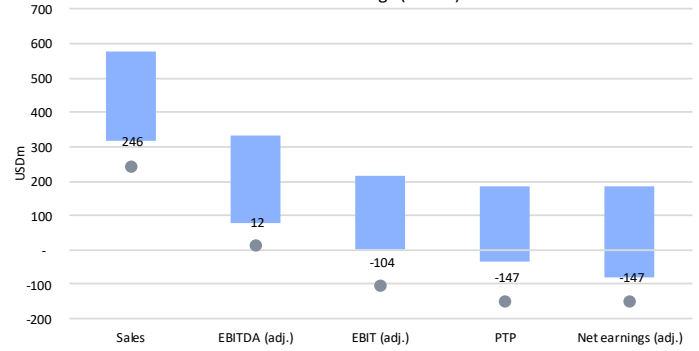
Profit & Loss, year I

CS vs consensus range (2020E)

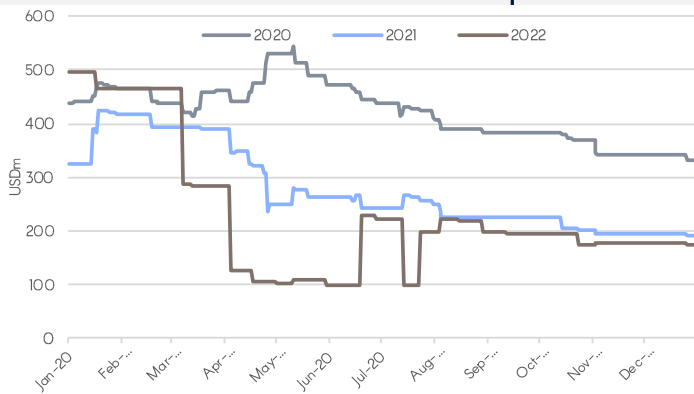


Profit & Loss, year II

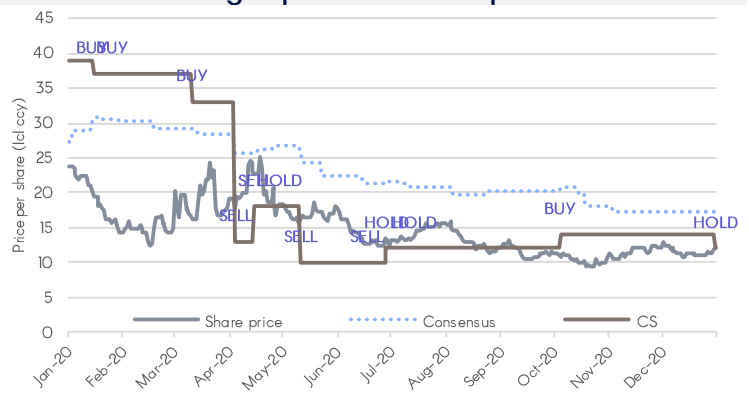
CS vs consensus range (2021E)



Consensus EBITDA development



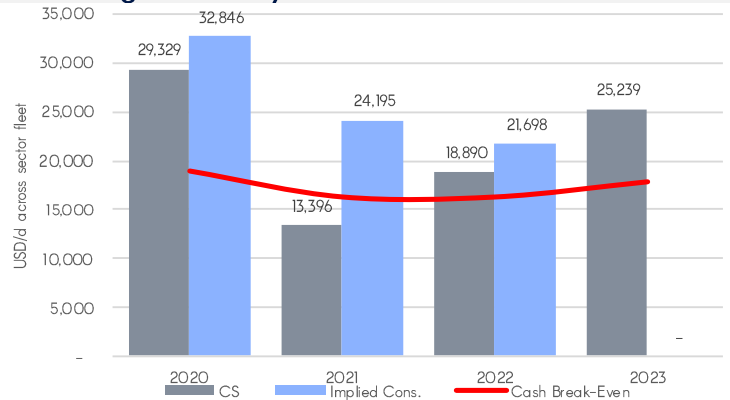
Target price vs share price



Cleaves vs consensus: P&L break-down

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

Avg. TCE/day across fleet vs consensus





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



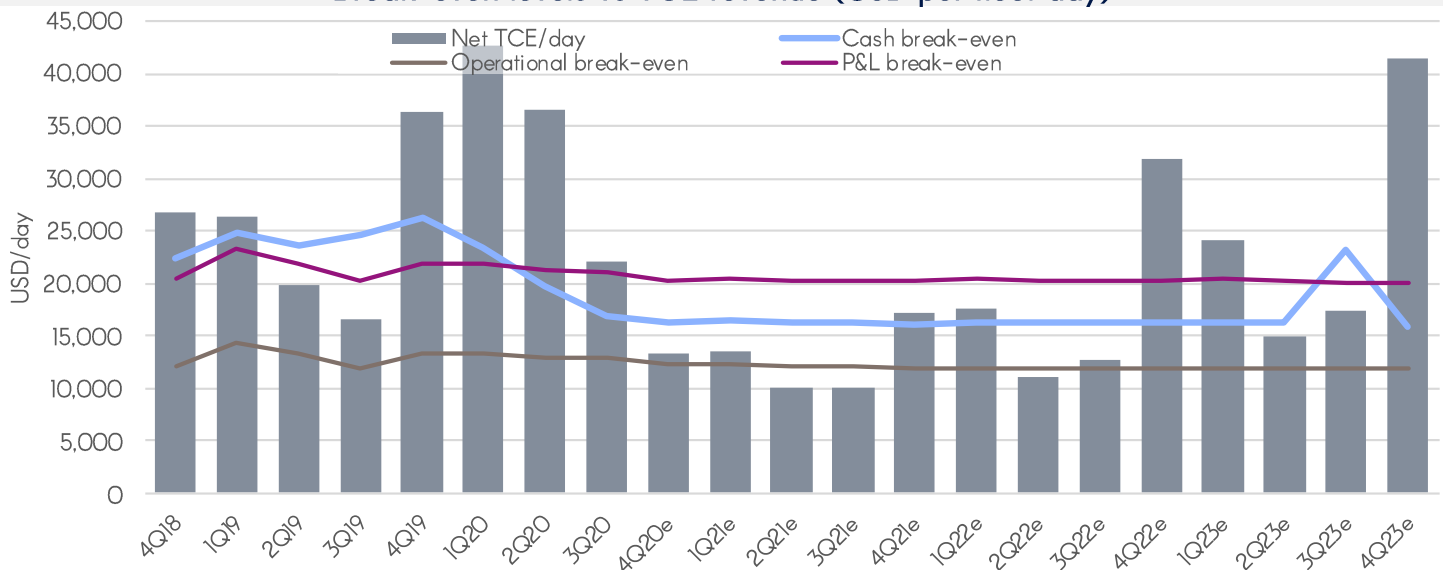
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	494	497	354	395	542	588	246	348	465
Operational costs	-233	-296	-252	-269	-294	-311	-234	-225	-226
EBITDA	261	201	102	126	248	278	12	123	240
Depreciation/Amortization	-74	-104	-100	-119	-124	-118	-116	-116	-116
EBIT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



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

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

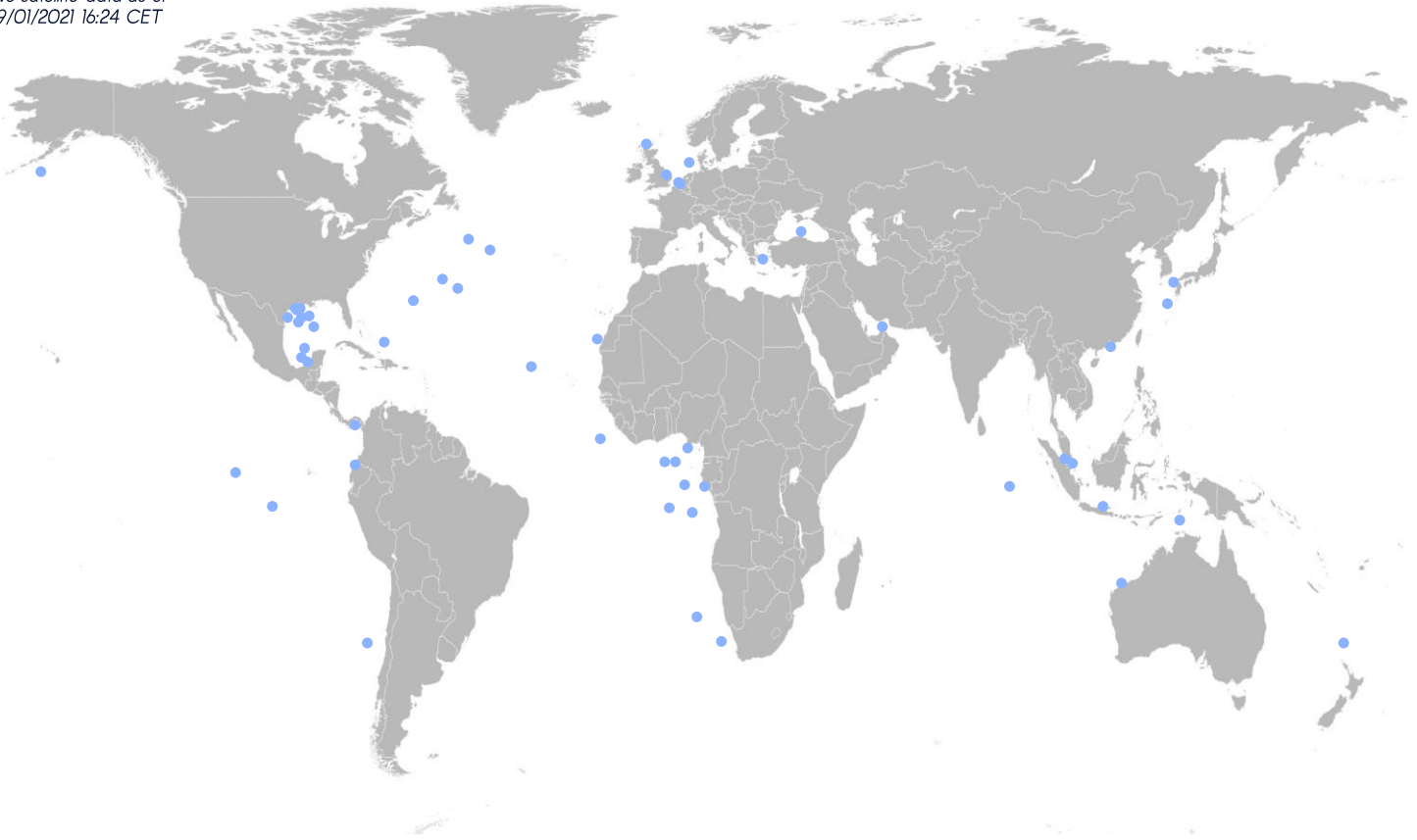
Break-even levels vs TCE revenue (USD per fleet day)





Fleet Positioning

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

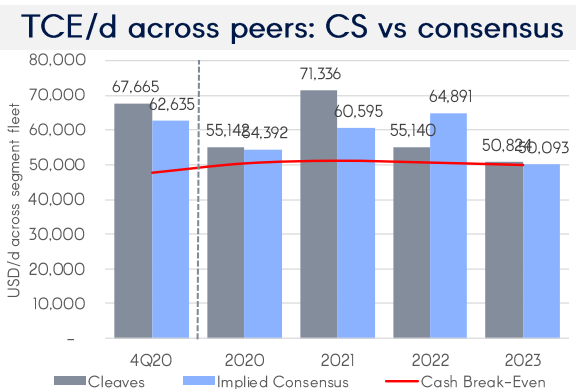
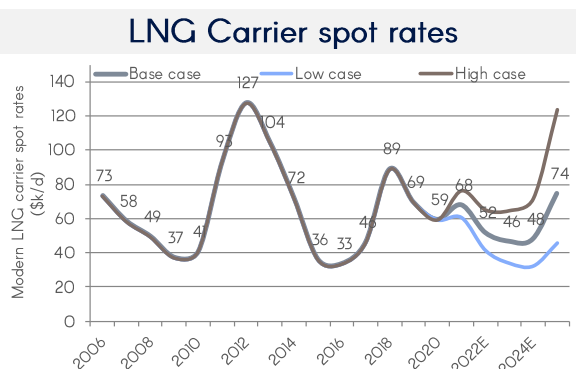
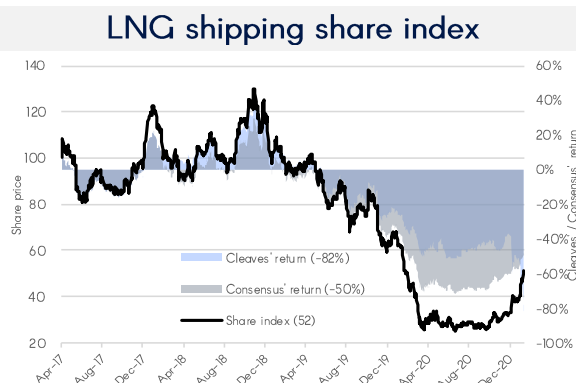


Both short- and medium-term headwinds for the shipping segment with the by far largest orderbook

LNG Carriers

SELL

All-Time-High in All-Time-Highs



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A myriad of parameters in LNG shipping are hitting all-time-highs, including US/North Asian natural gas price differentials, US feedgas flows, US LNG exports, LNGC spot rates and LNGC newbuild contracting. Although we raise our LNGC demand forecast for 2021E based on inventory replenishments, we see the same downside concerns as in our [November](#) report. We reiterate our **SELL** on LNG shipping

Market: Despite the recent cold-spell in Japan/Korea being [expected](#), gas inventories are nevertheless seemingly close to exhaustion, with in example Japanese power prices 1934% above normal winter prices on 12 January. Adding Panama Canal delays, LNG carriers have been sold-out and spot rates briefly reached all-time-highs as brokers were frantically looking for vessels to cover requirements. Although we see a decent market in 2021E based on increased utilization of US LNG export terminal capacity and replenishment of natural gas inventories at major importers, a lack of new liquefaction capacity coming online until 2024E will likely weigh on fleet utilization and earnings. Before then, we expect a collapse in LNG carrier spot rates in the coming months amidst unsupportive regional natural gas price differentials and an expected 4.9% gross fleet growth from January to April.

Investments: We raise our target prices across our coverage, mainly reflecting cash flow generation above our previous forecast due to the current stellar earnings environment. Most noteworthy is **Awilco LNG (SELL/N1.3)**, where recent developments have added NO.8 in estimated cash to our old NO.5 target price. Our liquidity concerns are thus postponed until mid-2022E. For **Flex LNG (SELL/N54)**, we also raise our target price by N12, similar to the change in our operational cash flow forecast for 4Q20E/1Q21E. Despite current stellar earnings, we remain **SELL** on LNG shipping amidst expected deteriorating market fundamentals.

Segment overview

			New		Old		Pricing/Upside		P/NAV	
	M.cap	Turnover	Rec.	TP	Rec.	TP	P	+/-	Now	1y fwd
ALNG NO	40	0.2	SELL	1.3	SELL	0.5	2.6	-50%	(3.24)	9.36
FLNG NO	523	2.1	SELL	54	SELL	60	83	-13%	0.72	0.61
GLOG US	559	4.1	SELL	3.7	SELL	2.5	5.9	-34%	2.34	1.81
Average	374	2.1						-32%	-0.06	3.93
Median	523	2.1						-34%	0.72	1.81

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



Market Fundamentals

The quarter in review

Net supply growth of 1.3% q/q (5.3% y/y) in 4Q20 was below our 2.0% [forecast from October](#), mainly due to elevated scrapping and slippage. Gross deliveries of 1.6m cbm in the quarter was below our forecast (1.9m) as deliveries slipped into 1Q, while three vessels scrapped (394m cbm) compares with our 49k cbm forecast. Newbuild contracting surged in the quarter to 5.2m cbm (vs our 1.2m cbm forecast), which represents a new quarterly all-time-high. The orderbook thus continued to grow, from 21.3 cbm (23.0% of fleet) as of end 3Q20 to 24.9m cbm (26.6% of fleet) as of now.

We estimate **demand** growth q/q at an all-time-high 21.5% (vs our 14.6% forecast), but still only +4.6% y/y as much of the q/q growth stemmed from a very low base in 3Q20. Nevertheless, demand growth outpaced our positive forecast as in example Japan is seemingly exhausting her natural gas inventories. Although everyone had expected a cold winter in South Korea and Japan due to La Niña, Japanese power prices surged to 1934% of normal winter prices on 12 January and demand for low sulphur fuel oil has risen as utilities struggle to keep the infrastructure from collapsing.

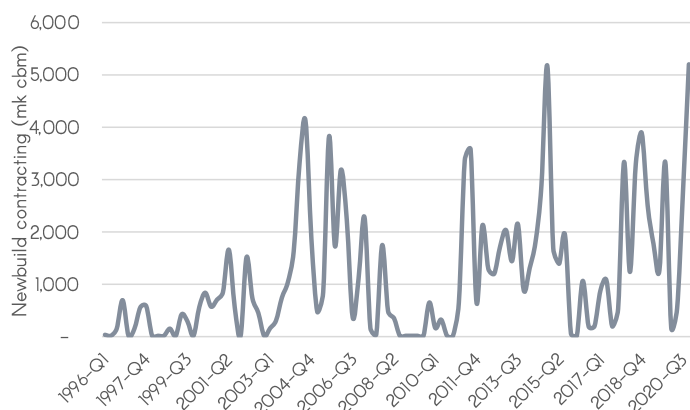
The net effect was an estimated **fleet utilization** of 91.3% (85.5% forecast) in 4Q20, +15.2%p q/q & -0.6%p y/y. The average spot earnings for a TFDE vessel were \$104k/d in the quarter, 40% above our forecast (+154% q/q, -3% y/y), while MEGI/XDF spot rates of \$119k/d was 42% below our forecast (+126% q/q, -4% y/y).

kcbm			New	Old		
	2019-Q4	2020-Q3	2020-Q4	2020-Q4	Δ	Δ %
Deliveries ¹	722	1,928	1,579	1,887	(308)	-16%
Scrapping ¹	-	-	(394)	(49)	(345)	703%
Contracting ¹	3,337	2,770	5,217	1,199	4,018	335%
Other ¹	(128)	(274)	(0)	(57)	57	
Supply²	88,817	92,323	93,508	94,104	(596)	-0.6%
Δ q/q			1.3%	2.0%		
Δ y/y			5.3%	6.0%		
Demand²	81,575	70,259	85,340	80,448	4,892	6.1%
Δ q/q			21.5%	14.6%		
Δ y/y			4.6%	-1.4%		
Utilization²	91.8%	76.1%	91.3%	85.5%	5.8%p	
Steam turbine, spot ² (TCE/a)	77,885	27,923	73,077	55,815	17,262	31%
TFDE, spot ² (TCE/d)	107,885	41,115	104,423	74,669	29,754	40%
MEGI/XDF, spot ² (TCE/d)	123,808	52,500	118,500	83,510	34,990	42%

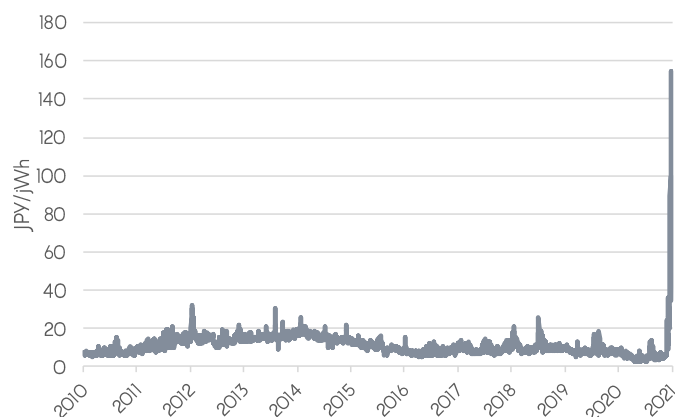
¹Sum during period ²Average during period



All-time-high newbuild contracting in 4Q20



Japanese power prices reached unprecedented levels



The year in review

For the full year 2020, net **supply** growth of 5.5% y/y was slightly lower than our 6.4% [forecast from January 2020](#). Gross deliveries of 6.0m cbm was similar to our forecast (6.1m), but higher than expected scrapping and some other minor adjustments led to a weighted average carrying capacity of the fleet at 91.4m cbm vs our 92.3m cbm forecast. Newbuild contracting posted another strong year with 8.7m cbm of orders placed at yards (5.5m forecast), leading the orderbook to grow 11% during 2020.

We estimate **demand** growth y/y in 2020 at +1.6%, far below our +8.9% [forecast from January 2020](#) mainly due to the implications from COVID-19. The net effect was an average **fleet utilization** in 2020 of 80.6% (85.7% forecast), -3.1%p y/y. Thus, LNG carrier spot rates averaged 20-25% below our forecast, with MEG1/XDF averaging \$71k/d (-13% y/y), TFDEs \$59k/d (-15% y/y) and Steam Turbines \$41k/d (-14% y/y).

	2018	2019	Actual 2020	Forecast 2020	Δ	Δ %
kcbm						
Deliveries ¹	8,992	7,172	6,014	6,092	(78)	-1%
Scrapping ¹	(524)	(255)	(781)	(197)	(584)	296%
Contracting ¹	11,769	8,869	8,669	5,460	3,209	59%
Other ¹	(265)	(426)	(466)	(255)	(211)	
Supply²	79,841	86,647	91,414	92,287	(873)	-0.9%
Δ y/y	10.1%	8.5%	5.5%	6.4%		
Demand²	69,884	72,525	73,653	79,078	(5,425)	-6.9%
Δ y/y	24.4%	3.8%	1.6%	8.9%		
Utilization²	87.5%	83.7%	80.6%	85.7%	-5.1%p	
Steam turbine, spot ² (TCE/d)	52,000	47,695	41,048	54,367	(13,319)	-24%
TFDE, spot ² (TCE/d)	88,692	69,337	59,269	78,825	(19,556)	-25%
MEG1/XDF, spot ² (TCE/d)	107,007	81,915	71,173	88,544	(17,371)	-20%

¹Sum during period ²Average during period

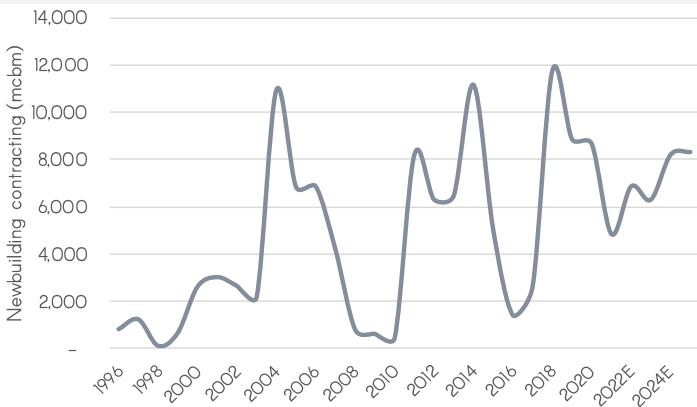


Supply

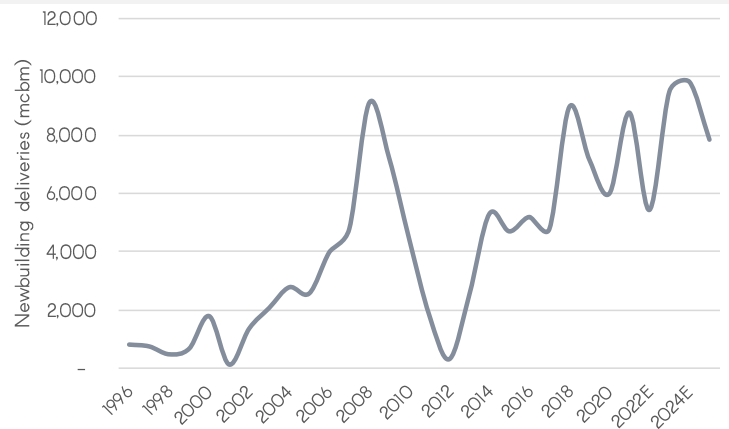
With a combined 29m cbm of LNG Carrier newbuildings having been contracted in 2018–2020 (vs current fleet at 94m cbm), we forecast strong fleet growth in the coming years. The orderbook now stands at 26.6% of the fleet, and we forecast an increase in the net effective fleet capacity by 9.0% y/y in 2021E, 5.9% in 2022E and 5.5% in 2023E. There are also newbuild orders already placed for 2024 and 2025, 16% and 4% of the current orderbook, respectively.

The question thus is if expected demand growth will be able to absorb this supply growth. We do not believe so before 2024E and see deteriorating fleet utilization in the coming years. Please see our [demand](#) segment below.

Newbuilding ordering was all-time-high in 2018

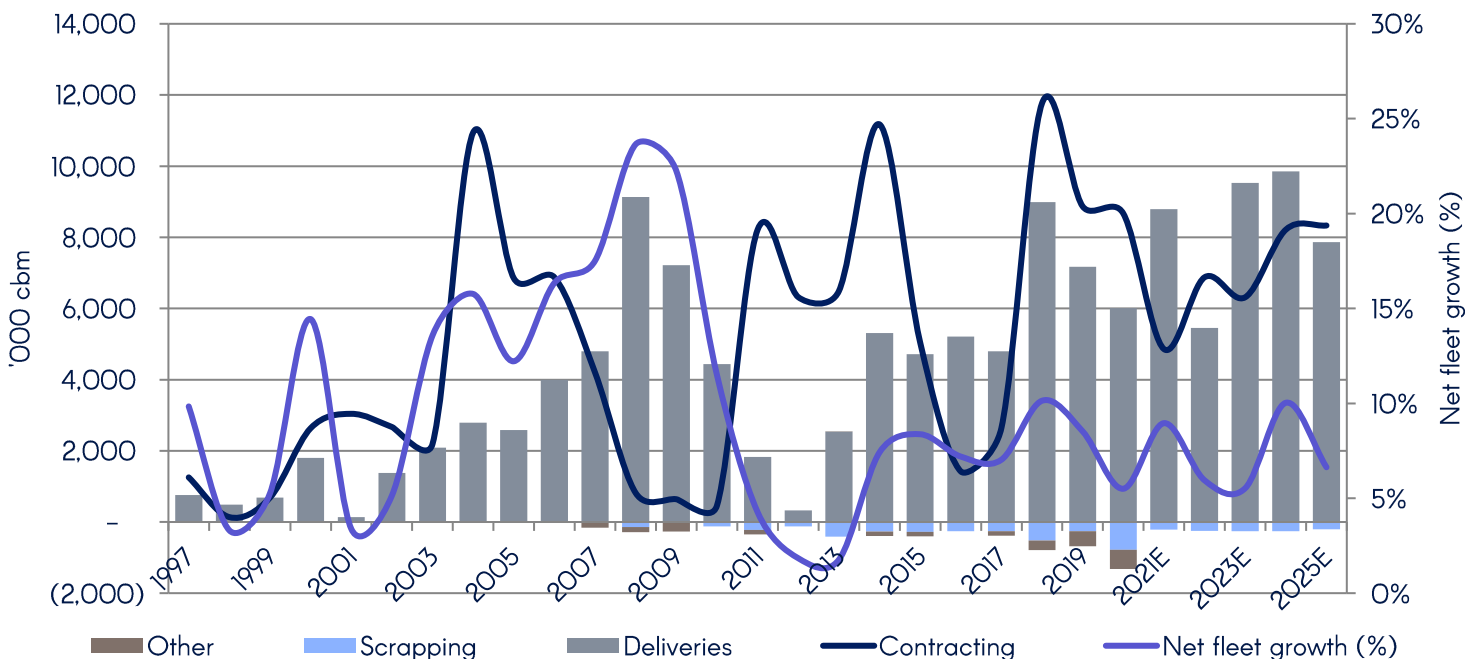


Gross deliveries expected to be all-time-high in 2021



The positive takeaway is that we expect a weaker earnings environment in 2021E–2023E could lead to an underinvestment in newbuildings, potentially laying the foundation for a strong rebound in fleet utilization in 2024E and beyond.

Detailed fleet dynamics



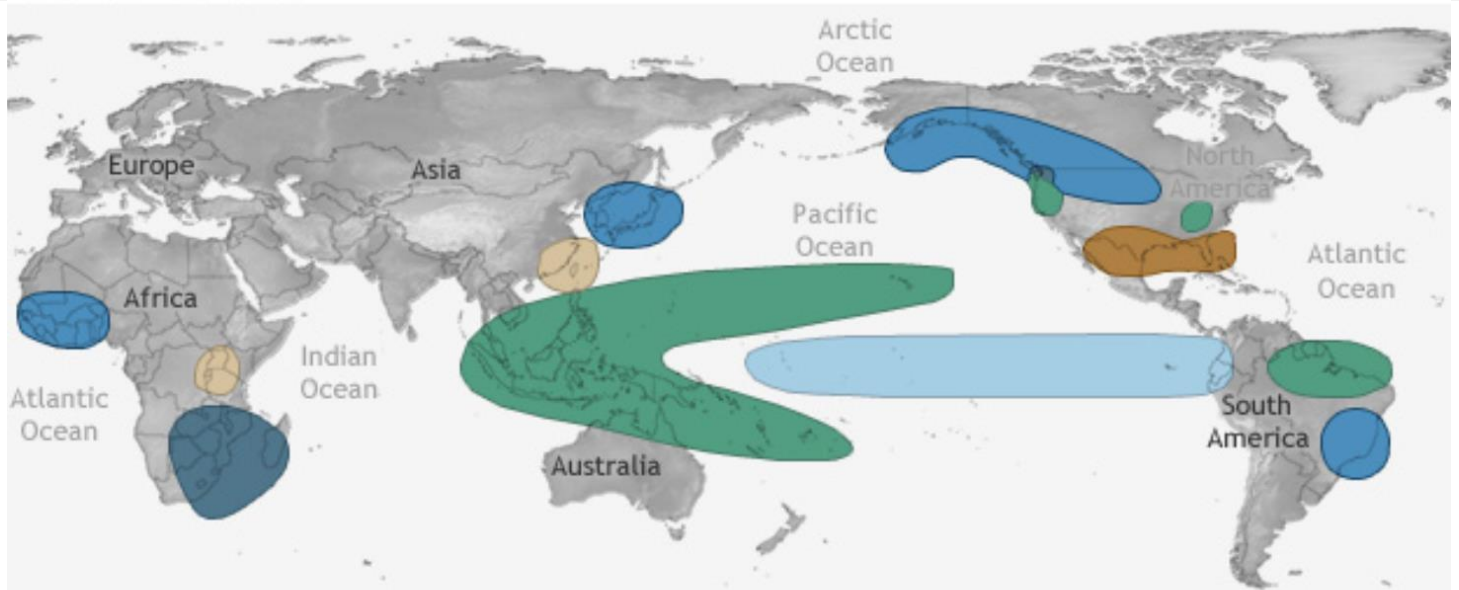


Demand

Short-term

Demand for LNG Carriers is currently extremely strong, with close to zero vessel availability. The La Niña weather system has led to unusually cold weather in the north Far East region, as [expected](#). Adding unexpected congestion in the Panama Canal, LNG Carriers have enjoyed spot rates at all-time-highs for a brief moment.

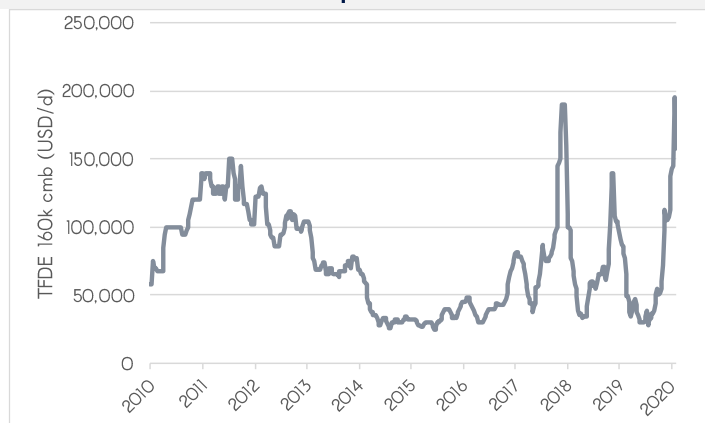
Typical La Niña climate impacts in December to February



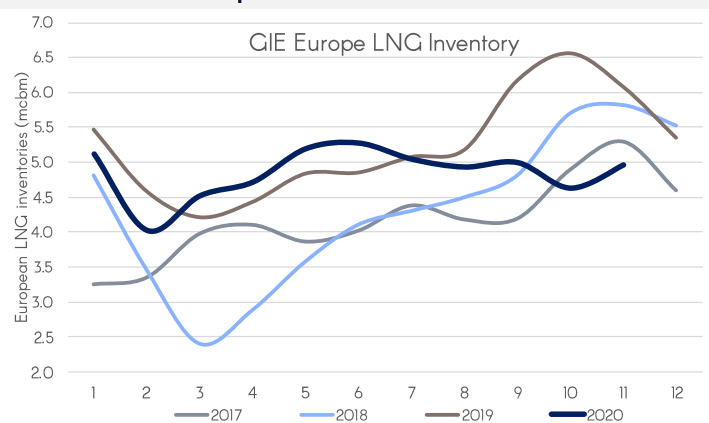
Source: noaa.gov

LNG inventories at major importers have however been drawn down more than expected, especially in the Far East. Our data for European LNG inventory levels shows 4.3m cbm at European LNG regasification terminals as of 16 January, 16% below the January 2020 average. Thus, we raise our LNG carrier demand forecast for 2021 as we see replenishment of LNG stocks a driving factor during the year.

LNG carrier spot rates (TFDE)



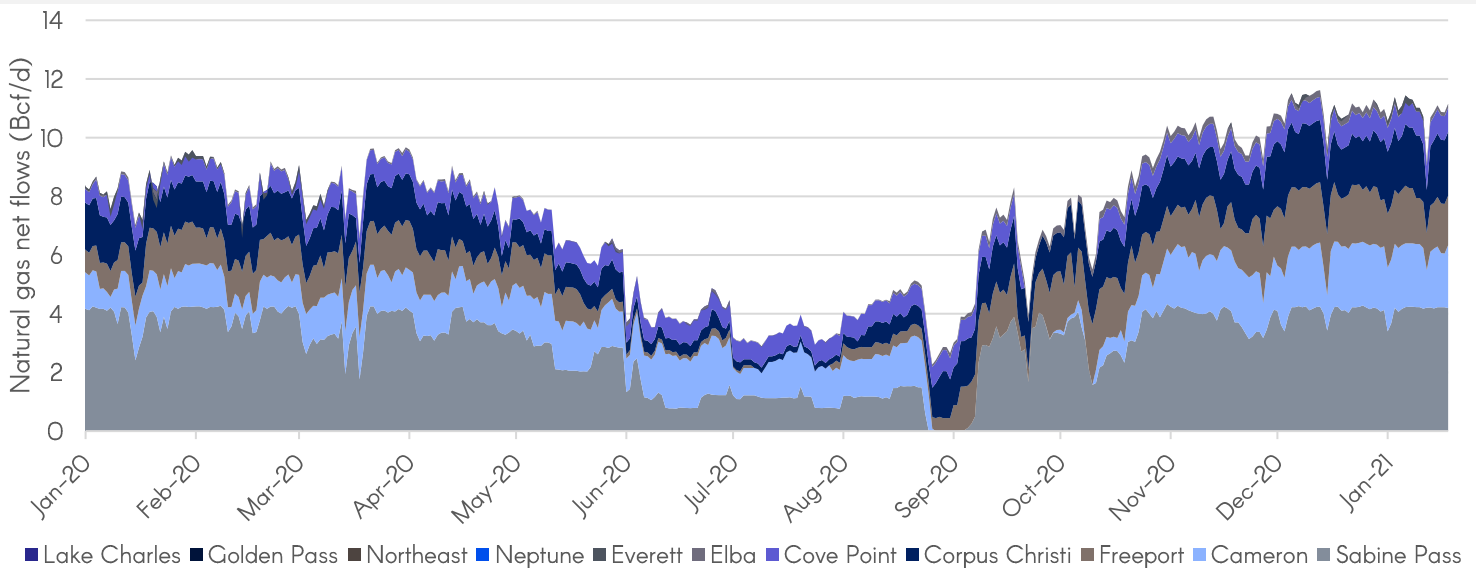
European LNG inventories





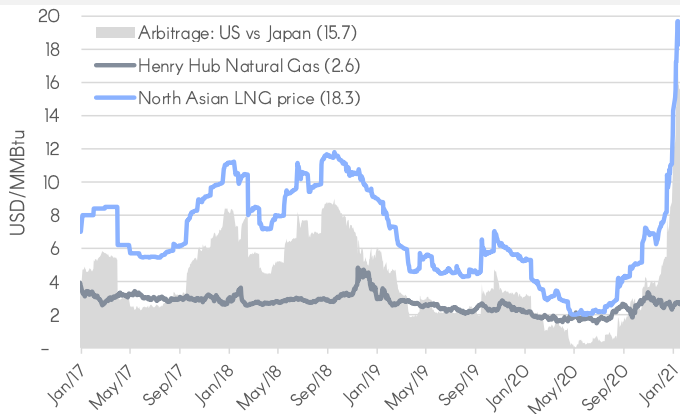
Another pivotal factor this year and next is US LNG exports. Looking towards US feedgas flows to LNG terminals shows lacklustre flows from April until October 2020: The collapse of natural gas prices in the Far East made it uneconomical to export, with LNG cargoes being cancelled as a result. From August through October, we saw several hurricanes impacting major US LNG terminals, affecting LNG exports. From November, feedgas flows reached new all-time-highs, driven by strong demand and large regional price differentials between the US and major importers.

US feedgas net flows to LNG terminals

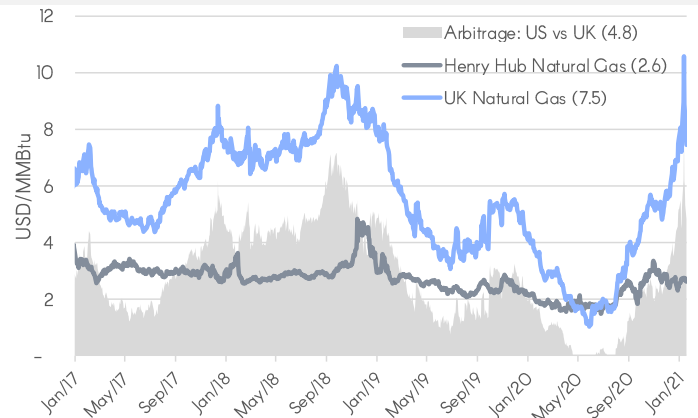


The graphs below show how the natural gas prices collapsed at major importers during 2020, first from seasonal effects into January and then further due to COVID-19. Thus, despite having to pay a significant cancellation fee, it made more economic sense for importers to cancel than to accept US cargoes. As we can also see from the graphs, the price differential between the US and major importers surged in recent months with the US/North Asian price differentials hitting a new all-time-high around 12 January 2021.

Natural gas price arbitrage: US vs North Asia



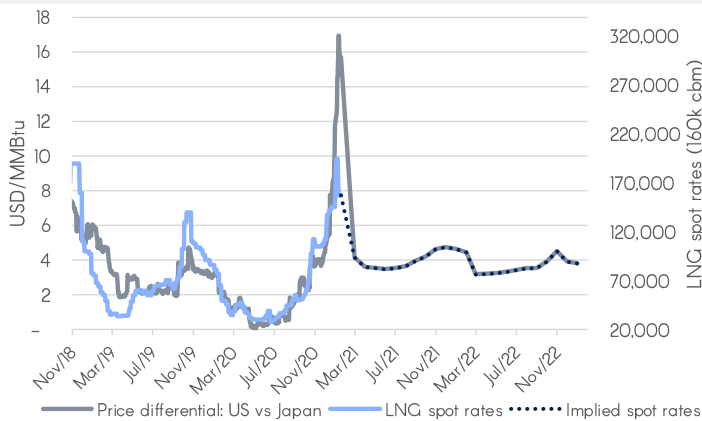
Natural gas price arbitrage: US vs UK



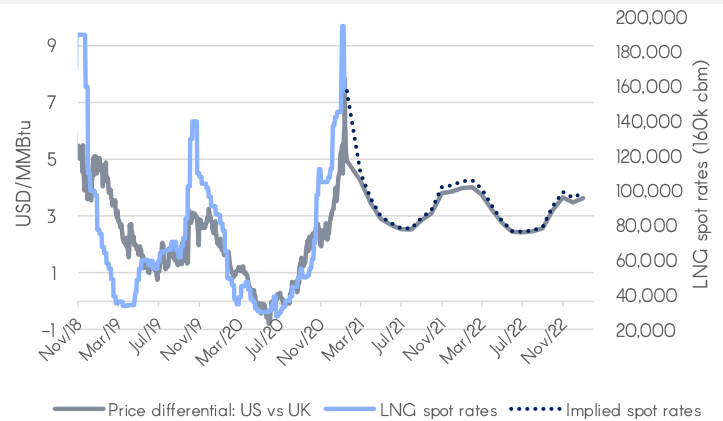


Further exploring the regional price differentials shows a significant correlation between the spread between US and ie North Asian/UK gas prices and LNG Carrier spot rates over the past years. Although simplistic in its approach, using these univariate regressions imply LNG Carrier spot rates 41% below current levels at \$94k/d in February and -47% to \$84k/d by March. For comparison, our 1Q21 forecast is \$102k/d (including a \$175k/d average so far in January), with 2Q21E at \$44k/d, 3Q21E at \$51k/d and 4Q21E at \$75k/d.

Natural gas price arbitrage: US vs North Asia

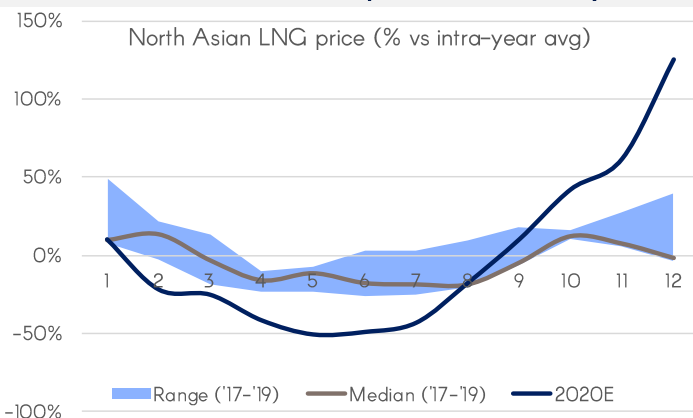


Natural gas price arbitrage: US vs UK

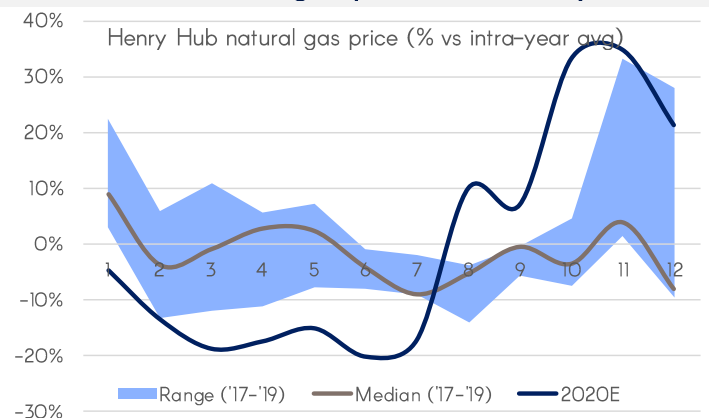


Looking further into natural gas pricing seasonality reveals that prices in North Asia tends to peak around October and usually stay subdued during the summer months when there is less demand for heating. This is in contrast to US natural gas prices, which are less volatile and tend to peak around April/May. The arbitrage expectations embedded in the futures curve above seems to reflect this historical pattern plus our expectations of extra demand from replenishment of inventories.

North Asian LNG price seasonality



US natural gas price seasonality



Looking towards LNG Carrier spot rate seasonality, the seasonal peak is usually from late October until early December, coinciding with the historical peak in regional price differentials between the US and major importers. Current spot rates are 95% above the historical median for this time of the year, with our full year 2021 forecast 8% below the median rates. Thus, we see significant downside risk to spot rates going forward.



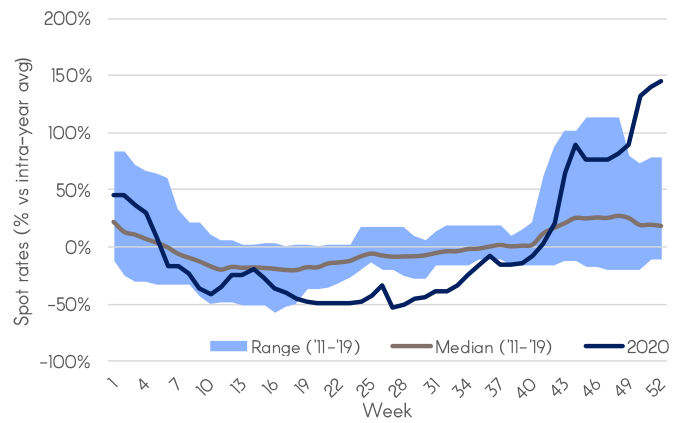
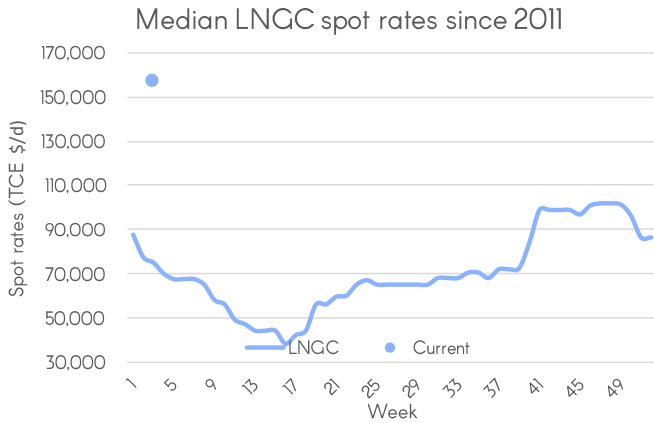
Cleaves Securities

LNG Carriers SELL

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

LNGC (160k TFDE) spot rates: Historical vs 2020

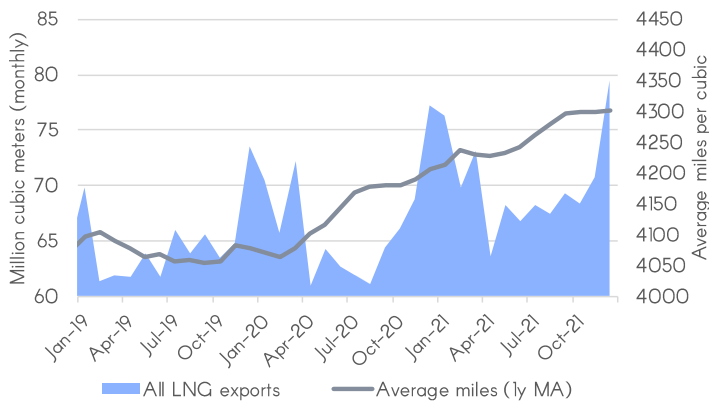
LNGC (160k TFDE) spot rates: Historical vs 2020



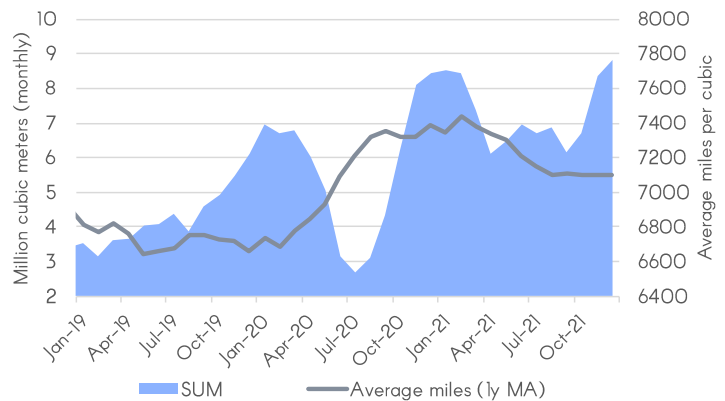
Although historical statistically significant relationships such as those presented above can be of interest, it is never given that such patterns will repeat themselves. Additionally, futures curves are often inaccurate in terms of predicting the future. Thus, we present below a deeper dive into the short-term market fundamentals.

Looking at Global LNG exports, we estimate that the monthly run-rate could average 70m cbm during 2021, up 5.7% y/y and +9.0% from 2019. Simultaneously, we have estimated a 2.3% increase in average miles per cubic transported y/y in 2021, leading to an 8.1% increase in global cubic-mile demand. Out of this, we estimate that US LNG exports constitute 48% of this increase.

Global LNG exports & average miles



US LNG exports & average miles



After falling to an annualized gross fleet growth of below 6% in August and September 2020, newbuilding deliveries are expected to surge from January 2021 and propel gross fleet growth towards 9% during 2021E. We do however forecast demand growth to keep pace at 12% in 2021E. The historical average net fleet growth has been 10% annually since 1998, but average demand growth has comparatively been 11%, thus maintaining an average fleet utilization around 82%.

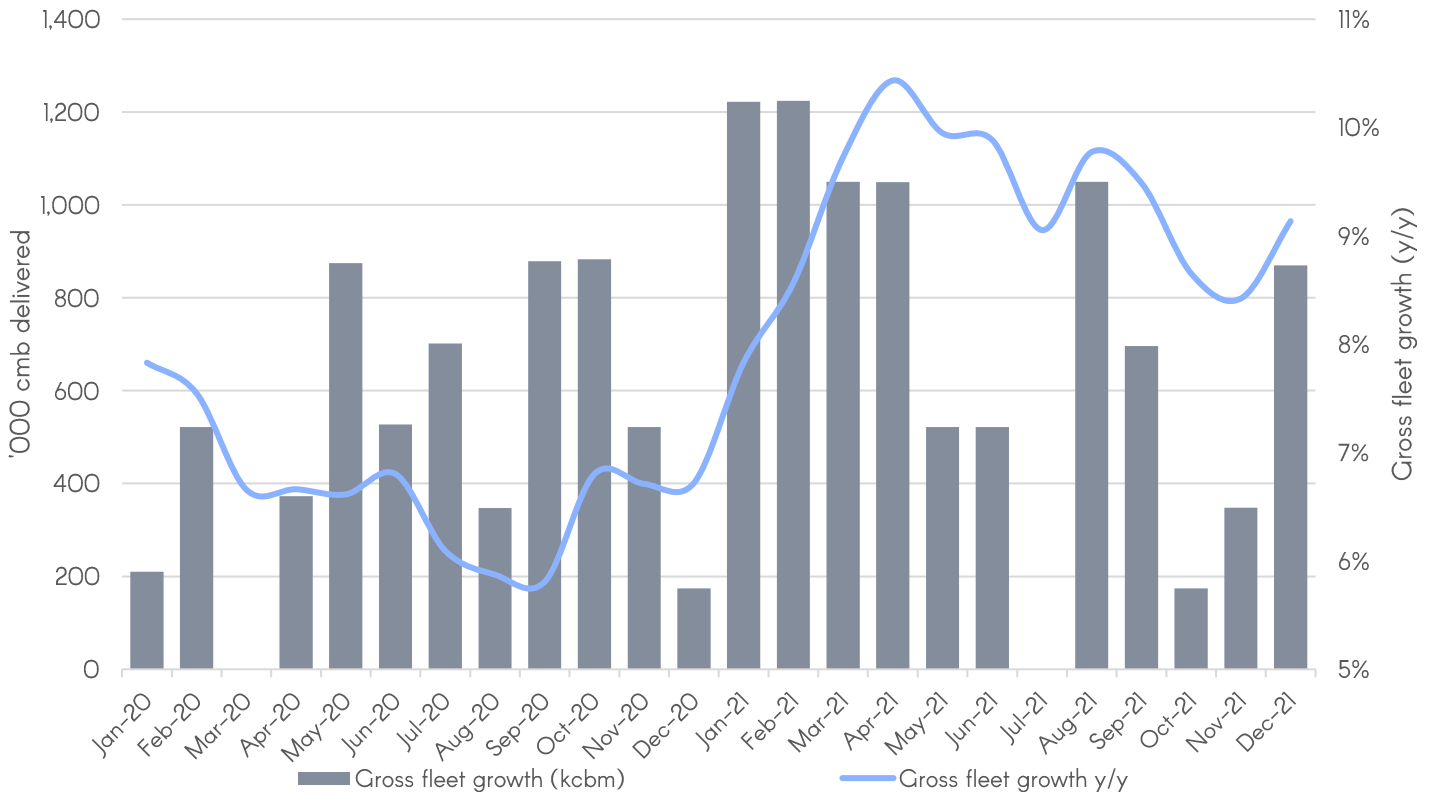


Cleaves Securities

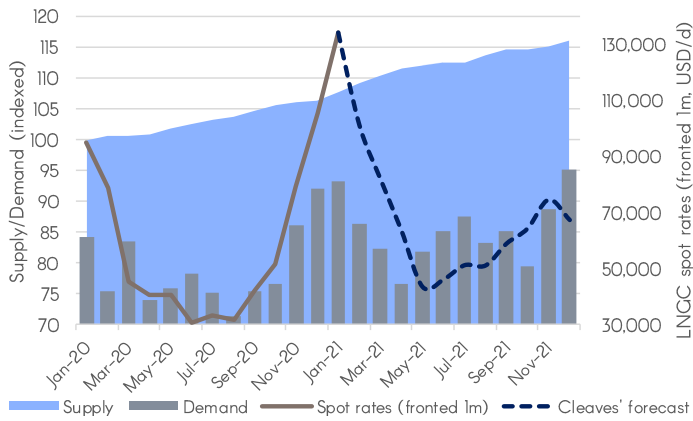
LNG Carriers SELL

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

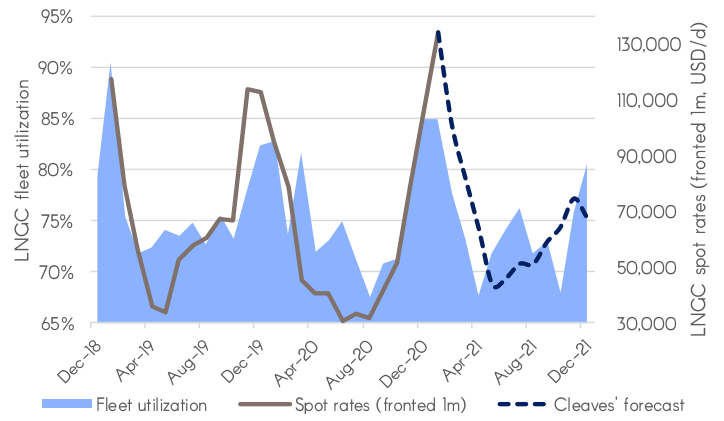
Monthly gross LNGC deliveries



LNGC supply/demand vs spot rates

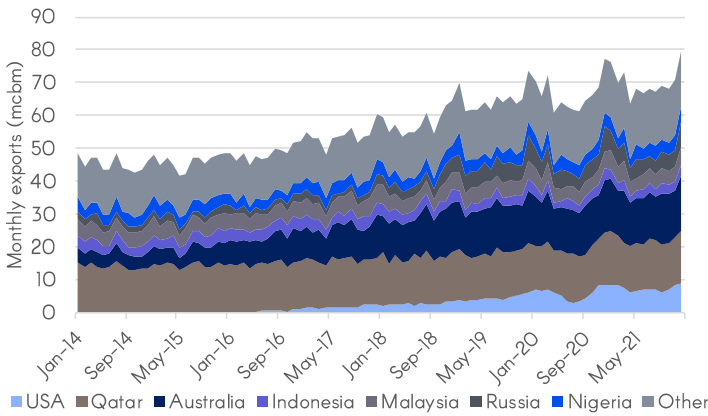


LNGC fleet utilization vs spot rates

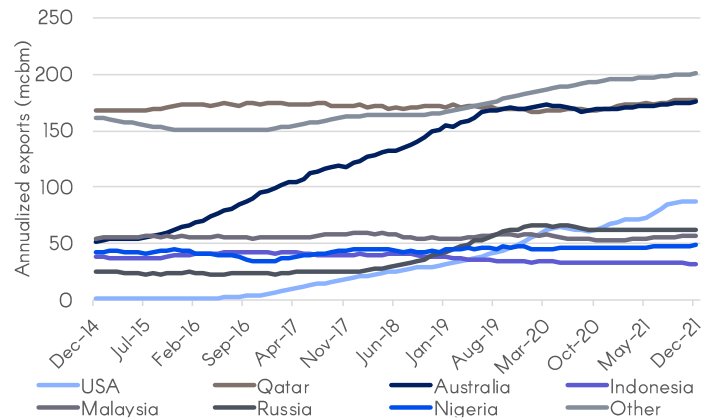




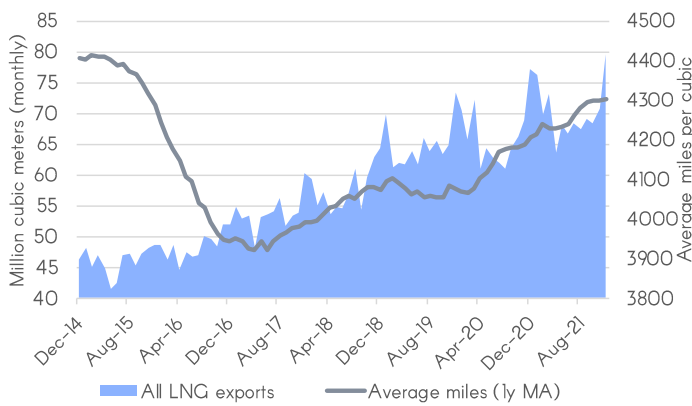
Global LNG exports by country (monthly)



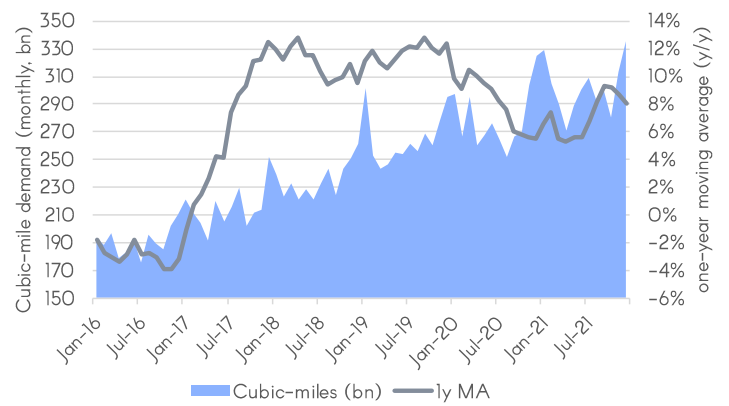
Global LNG exports by country (annualized)



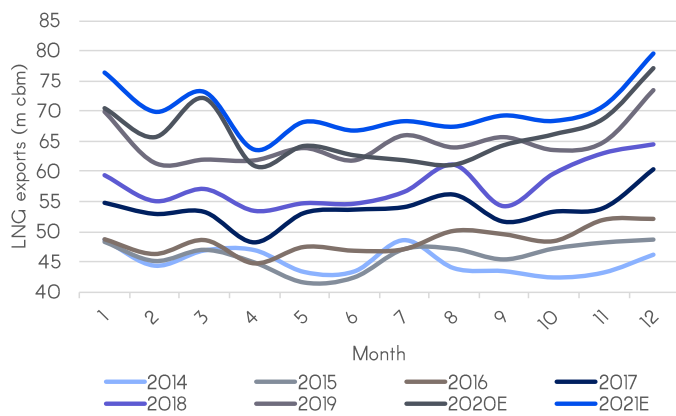
Global LNG exports & average miles



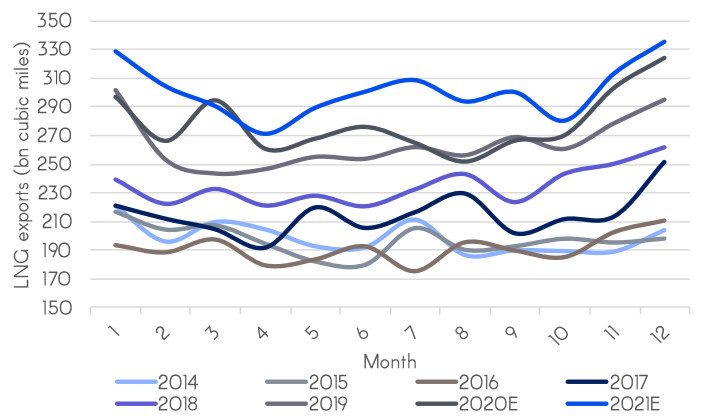
Global LNG exports (bn cubic miles)



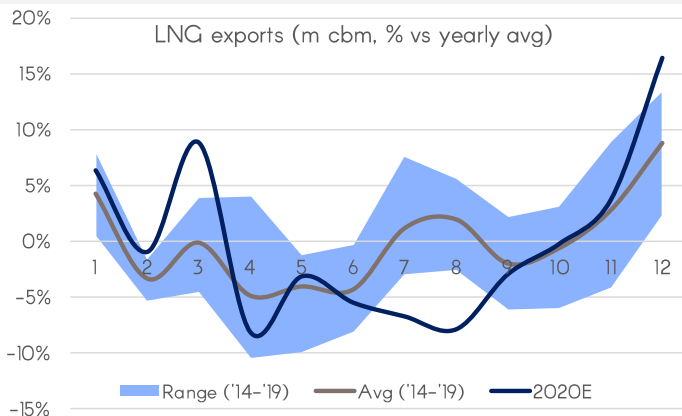
Global LNG exports (monthly, m cbm)



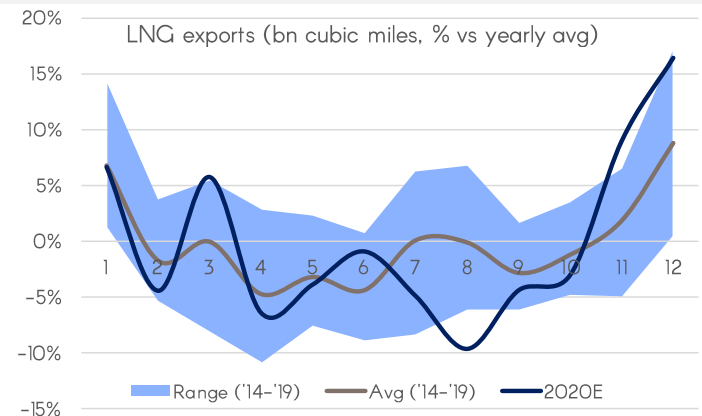
Global LNG exports (monthly, bn cubic miles)



Historical global LNG exports (monthly, m cbm)



Historical LNG exports (monthly, bn cubic miles)





Long-term

Looking at the change in expected **new liquefaction projects** from [January 2020](#) until now reveals that 2020 was close to unchanged despite COVID-19 as projects that were close to completion have largely been unaffected. Looking towards 2021E and 2022E, we see minor changes to projects currently under construction, while some FEED processes have been postponed. These years nevertheless had limited new liquefaction projects expected, so the impact on our estimates is limited.

The major changes are for 2023E and 2024E, where the total new liquefaction capacity either under construction or planned is down from 98mtpa to 22mtpa in 2023E (-78%) and down from 222mtpa to 159mtpa (-29%) in 2024E. It is however important to notice that the total new liquefaction capacity under construction or planned for the full decade is actually up 31mtpa since January 2020, implying that the expansion plans have not been cancelled, just postponed.

Overview of new liquefaction capacity and changes to our forecast [since January](#)

New liquefaction projects											
mtpa	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	20	8	17	14	9	37	17	0	0	0	121
FEED process	0	0	0	8	120	99	116	38	13	0	394
Proposed	0	0	1	0	30	39	95	46	44	41	295
SUM	20	8	18	22	159	174	227	84	57	41	809

Old, Jan 2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	23	8	16	11	44	5	7	0	0	0	114
FEED process	0	3	11	75	111	42	49	16	6	12	325
Proposed	0	0	3	11	67	135	63	38	23	0	340
SUM	23	11	30	98	222	181	119	53	29	12	778

Change	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	-3.1	-0.8	1.3	2.5	-34.9	31.3	10.4	0.0	0.0	0.0	7
FEED process	0.0	-2.9	-11.5	-67.6	8.6	57.3	66.6	22.7	7.8	-12.0	69
Proposed	-0.2	0.0	-1.7	-11.1	-37.2	-96.1	31.4	8.5	20.8	40.7	-45
SUM	-3.3	-3.7	-11.9	-76.1	-63.5	-7.4	108.4	31.2	28.6	28.7	31

Change	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	-14%	-10%	8%	23%	-79%	602%	158%	0%	0%	0%	6%
FEED process	0%	-100%	-100%	-90%	8%	138%	135%	145%	142%	-100%	21%
Proposed	-100%	0%	-64%	-97%	-55%	-71%	50%	23%	90%	100%	-13%
SUM	-14%	-33%	-40%	-78%	-29%	-4%	91%	58%	100%	239%	4%

Source: Shipping Intelligence Network, Cleaves



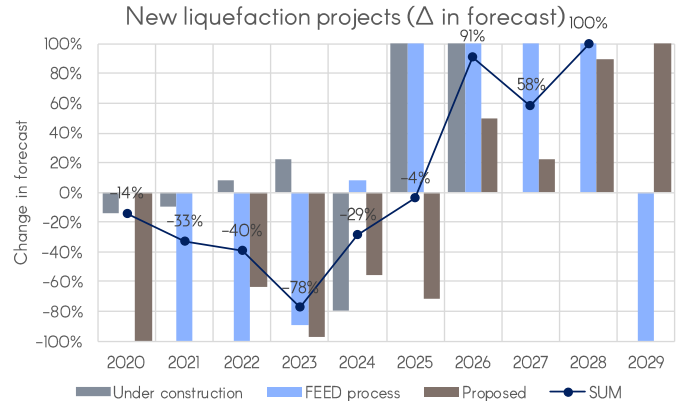
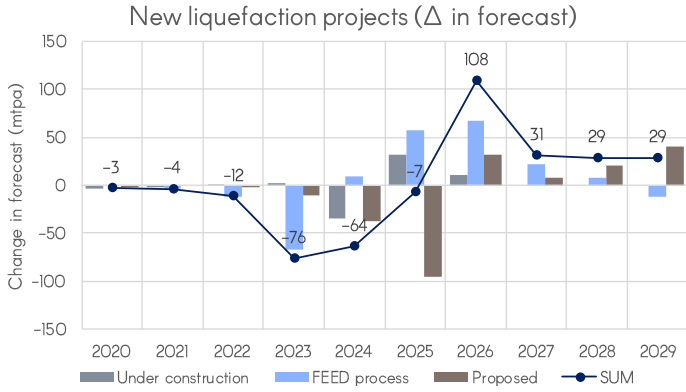
Cleaves Securities

LNG Carriers SELL

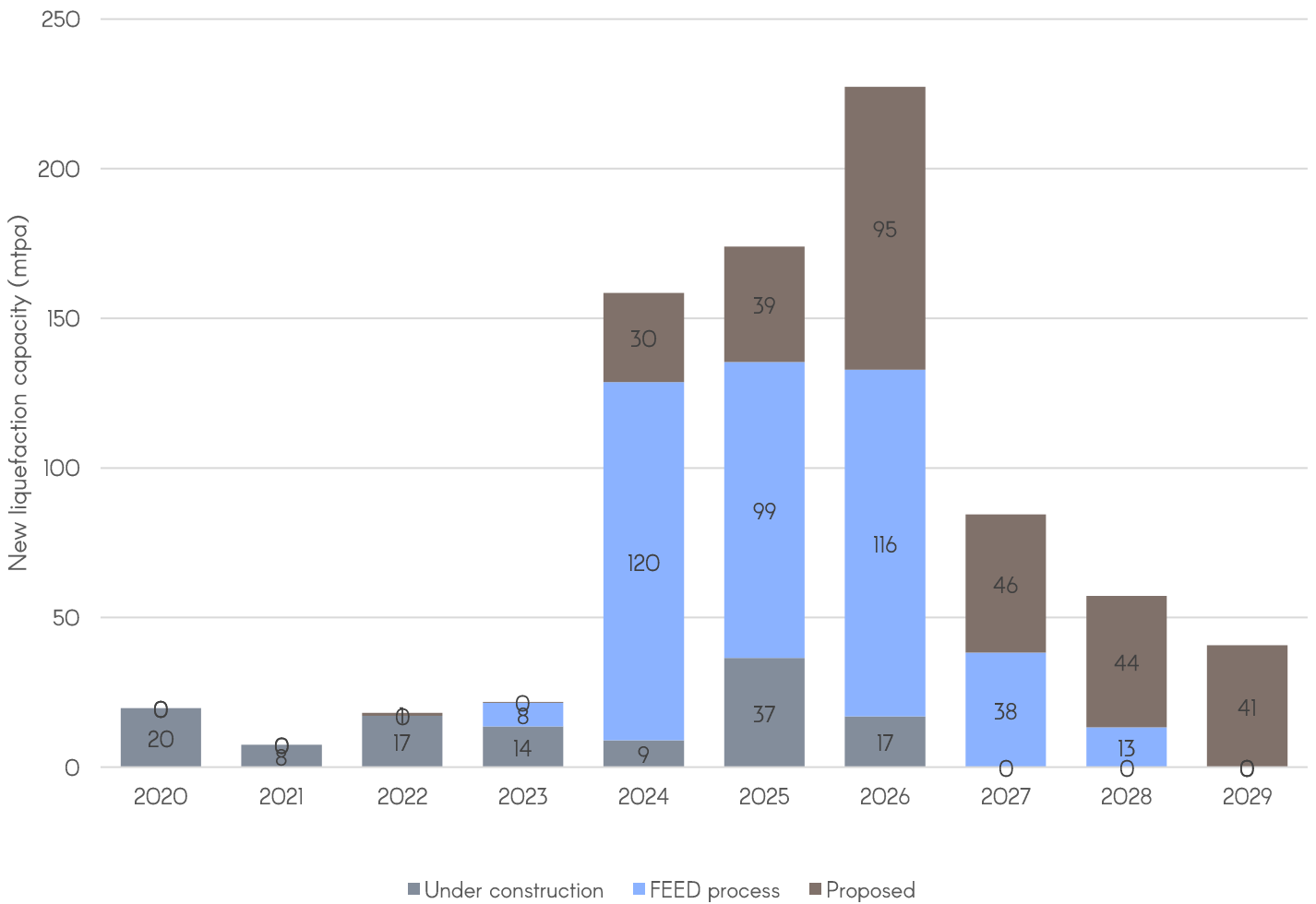
$$f(\lambda) = a_0 + \beta_1 \lambda^T, R^2 \approx 1$$

Change in our forecast since January (mtpa)

Change in our forecast since January (%)



New liquefaction projects



There has been limited change since our [November](#) report, with the most noteworthy a reduction in proposed capacity and subsequent increase in capacity under FEED process for 2026–2027E start-up.



Overview of new liquefaction capacity and changes to our forecast since November

New liquefaction projects											
mtpa	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	20	8	17	14	9	37	17	0	0	0	121
FEED process	0	0	0	8	120	99	116	38	13	0	394
Proposed	0	0	1	0	30	39	95	46	44	41	295
SUM	20	8	18	22	159	174	227	84	57	41	809

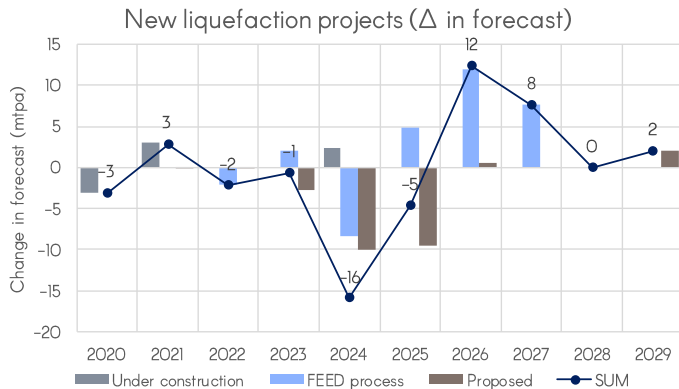
Old, Oct 2020											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	23	5	17	14	7	37	17	0	0	0	118
FEED process	0	0	2	6	128	94	104	31	13	0	378
Proposed	0	0	1	3	40	48	94	46	44	39	315
SUM	23	5	20	23	174	179	215	77	57	39	811

Change											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	-3.1	3.0	0.0	0.0	2.4	0.0	0.0	0.0	0.0	0.0	2
FEED process	0.0	0.0	-2.0	2.0	-8.3	4.9	11.9	7.6	0.0	0.0	16
Proposed	0.0	-0.2	-0.2	-2.7	-10.0	-9.5	0.5	0.0	0.0	2.0	-20
SUM	-3.1	2.9	-2.2	-0.7	-15.9	-4.6	12.4	7.6	0.0	2.0	-2

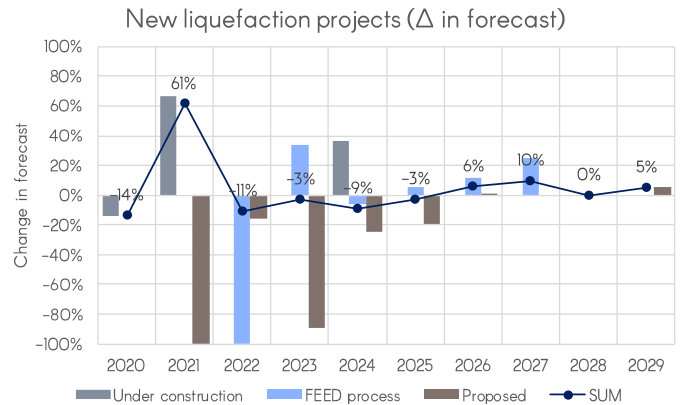
Change											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	-14%	67%	0%	0%	36%	0%	0%	0%	0%	0%	2%
FEED process	0%	0%	-100%	34%	-6%	5%	11%	25%	0%	0%	4%
Proposed	0%	-100%	-16%	-89%	-25%	-20%	1%	0%	0%	5%	-6%
SUM	-14%	61%	-11%	-3%	-9%	-3%	6%	10%	0%	5%	0%

Source: Shipping Intelligence Network, Cleaves

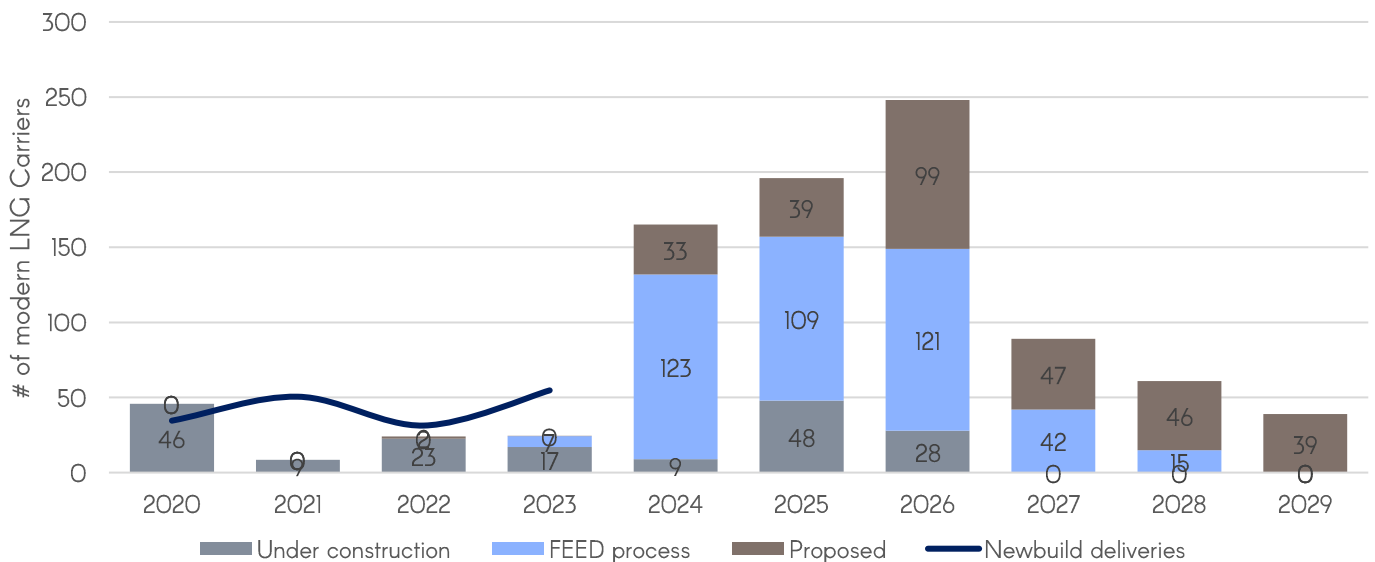
Change in our forecast since July (mtpa)



Change in our forecast since July (%)



New liquefaction projects & newbuild delivers (measures in # of LNG Carriers)



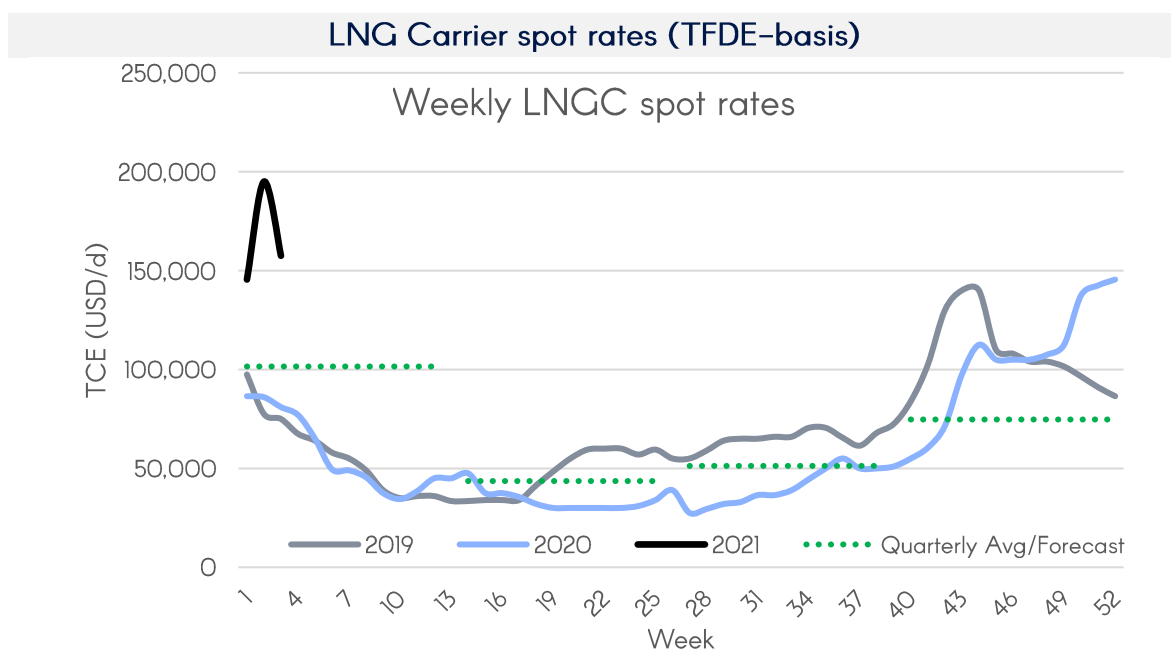


Fleet utilization

Despite strong fleet growth, we expect fleet utilization to rise 2.6%p y/y in 2021E due a 30% annualized rebound in US LNG exports and replenishment of inventories at major importers.

Against the expected 9.0% net fleet growth in 2021E and 5.9% in 2022E, representing a total of 14.2m cbm of new shipping capacity, we only see demand growth similar to ~5.7m cbm from new liquefaction capacity if all stars align perfectly. Our demand forecast is however positively impacted by an expected increase in the utilization of existing LNG export capacity, and the net effect is for LNG Carrier demand growth of 12.4% in 2021E, but only 0.9% in 2022E. Thus, the resulting LNG Carrier fleet utilization falls from 84% in 2019 to 81% in 2020, 83% in 2021E and 79% in 2022E.

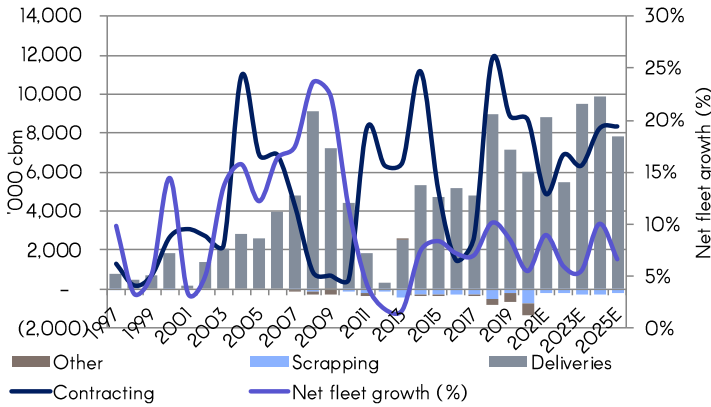
Delta table: LNG shipping forecast summary					Average spot rate				
Δ y/y	2020	2021E	2022E	2023E		2020	2021E	2022E	2023E
Supply growth	5.5%	9.0%	5.9%	5.5%	MEGI/XDF	71,173	76,206	60,050	54,923
Supply, old	5.6%	9.3%	6.0%	6.7%	old	62,426	66,799	59,936	52,453
Δ	-0.1%p	-0.4%p	0.0%p	-1.1%p	Δ	8,747	9,407	114	2,470
Demand growth	1.6%	12.4%	0.9%	3.7%	TFDE	59,269	67,770	51,613	46,487
Demand, old	0.9%	10.7%	3.0%	3.7%	old	51,831	57,958	51,095	43,612
Δ	0.6%p	1.7%p	-2.0%p	0.0%p	Δ	7,438	9,812	518	2,875
Utilization	81%	83%	79%	78%	Turbine 150k	41,048	48,916	32,760	27,633
Utilization, old	80%	81%	79%	77%	old	36,733	39,104	32,498	25,890
Δ	0.6%p	2.2%p	0.5%p	1.3%p	Δ	4,315	9,812	261	1,743



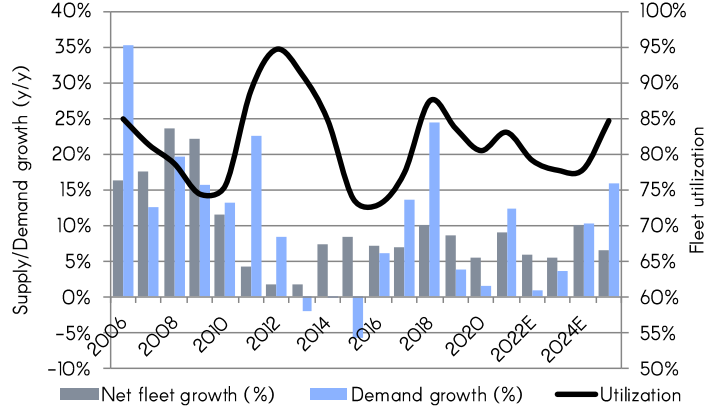


Market Fundamentals & Forecasts

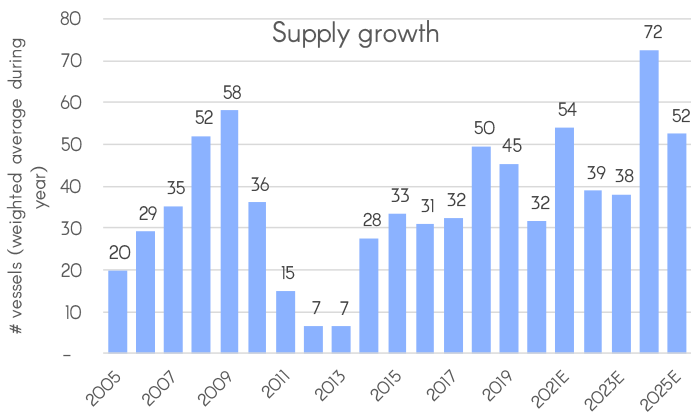
LNG Carrier supply dynamics



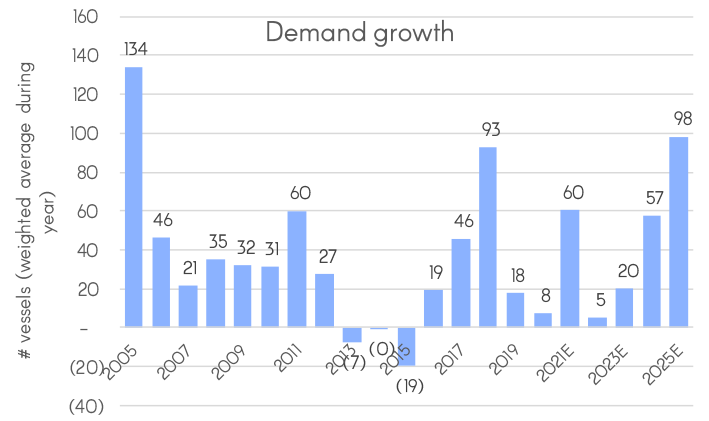
LNG Carrier supply/demand dynamics



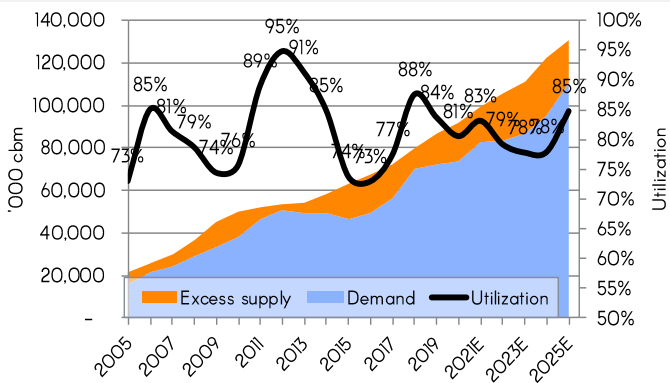
Net fleet supply growth per annum (# of vessels)



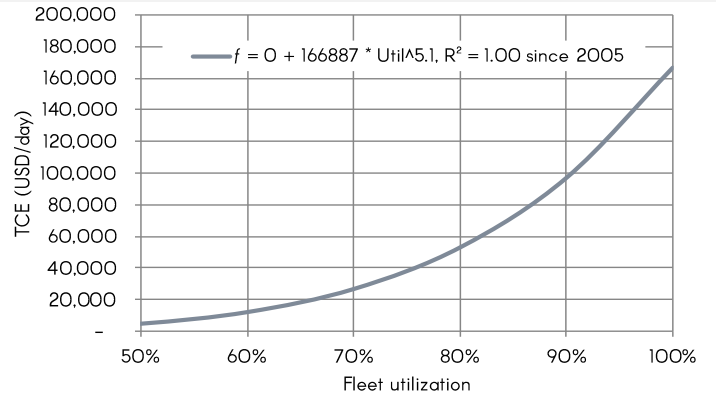
Demand growth per annum (# of vessels)



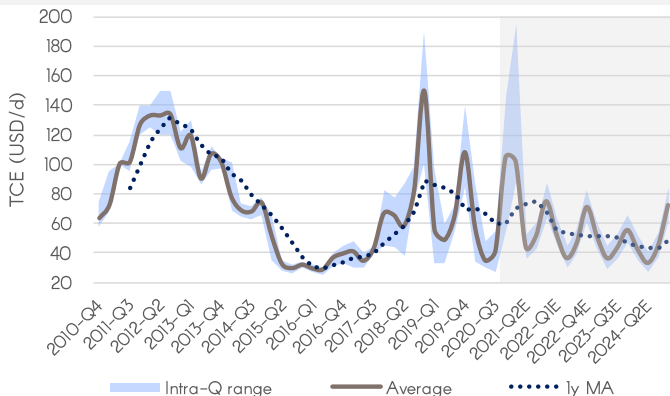
LNG Carrier supply/demand dynamics



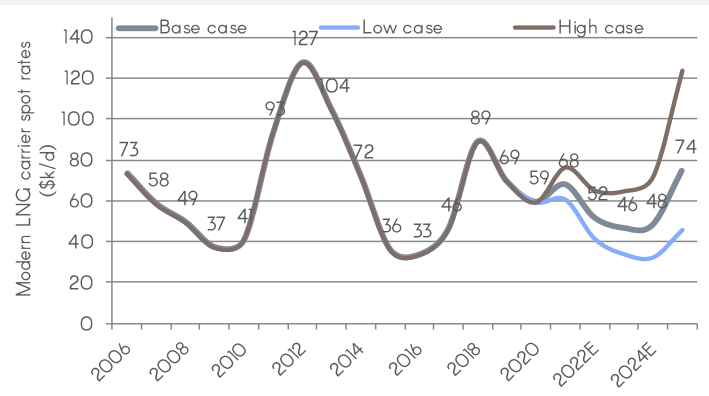
Econometrics: Spot rates vs fleet utilization



TFDE spot rates (quarterly)



LNG Carrier spot rates





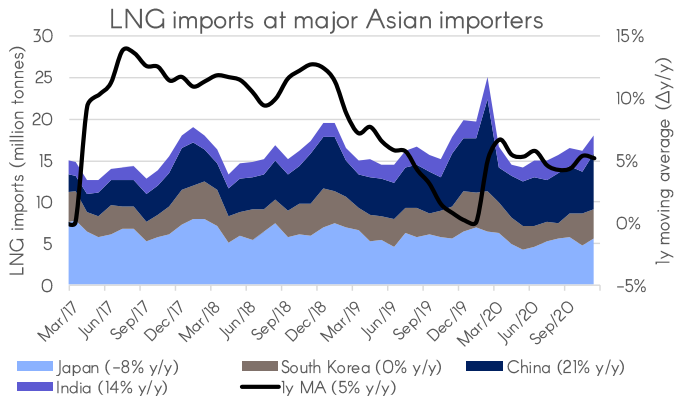
Econometric Overview

Supply/Demand (USD/ft)	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24			
Deliveries	824	761	490	664	1802	137	1376	2085	2793	2582	3994	4797	934	725	434	1830	323	239	534	474	5207	4795	8992	7172	6014	9280	5310	5210	9286	9735	8107	6434	7235	5393	5437	5352	
Contracted	9484	1130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	9484	(27)	(49)	664	1802	(3)	1376	2085	2793	2582	3994	4797	934	725	434	1830	323	239	534	474	5207	4795	8992	7172	6014	9280	5310	5210	9286	9735	8107	6434	7235	5393	5437	5352	
Supply	841	1254	137	666	2455	1300	2670	2193	10946	6649	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	21796	
Contracting	9941	10290	11281	11875	13589	14080	16772	16778	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243
Supply	9941	10290	11281	11875	13589	14080	16772	16778	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	
Other	9941	10290	11281	11875	13589	14080	16772	16778	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	19243	
Utilization	74.8%	75.5%	74.0%	73.5%	74.6%	83.6%	83.3%	84.6%	87.1%	97.9%	80.7%	78.5%	83.3%	87.1%	97.9%	80.7%	78.5%	83.3%	87.1%	97.9%	80.7%	78.5%	83.3%	87.1%	97.9%	80.7%	78.5%	83.3%	87.1%	97.9%	80.7%	78.5%	83.3%	87.1%	97.9%	80.7%	
MEI spot (USD/d)	2241	2330	2888	2735	2722	5395	7831	7350	11352	17463	22381	23003	18723	9397	5189	6772	12528	17404	20255	25287	22799	19385	18338	7183	76206	54293	60050	54293	56131	82873	128136	124373	122778	116354	12282		
MEI spot (USD/d)	2241	2330	2888	2735	2722	5395	7831	7350	11352	17463	22381	23003	18723	9397	5189	6772	12528	17404	20255	25287	22799	19385	18338	7183	76206	54293	60050	54293	56131	82873	128136	124373	122778	116354	12282		
OB/Heat	23%	21%	23%	23%	20%	39%	53%	45%	58%	81%	89%	77%	38%	22%	10%	13%	32%	35%	38%	40%	34%	27%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%		

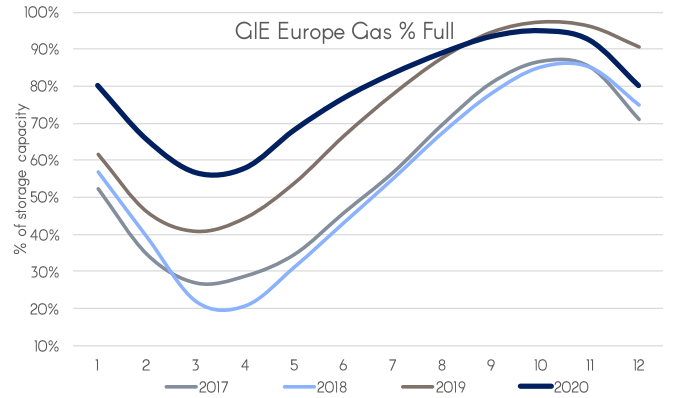


Market Snapshots

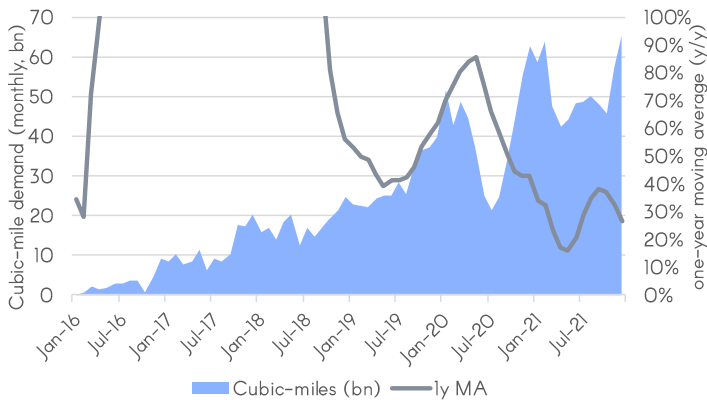
Major Asian LNG imports



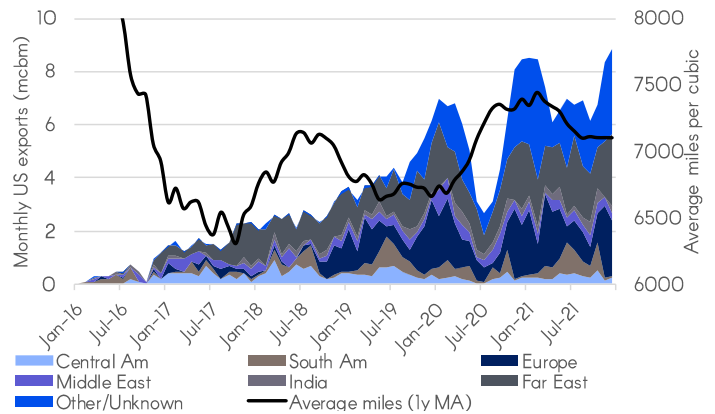
European LNG inventories: % of capacity



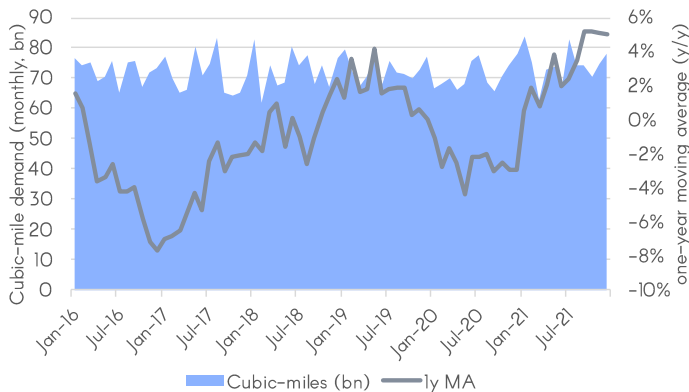
US LNG exports (cubic-miles)



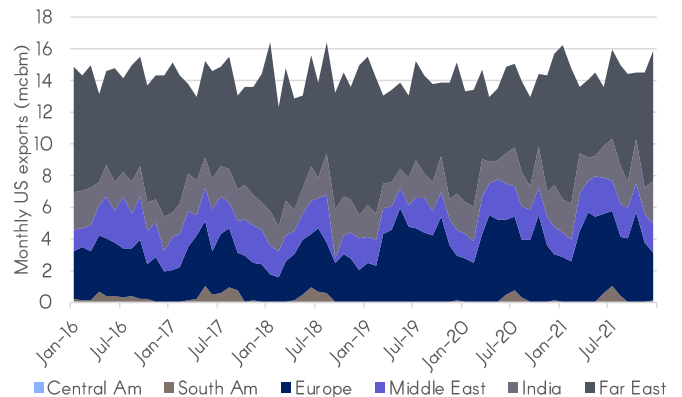
US LNG exports by import destination (mcbm)



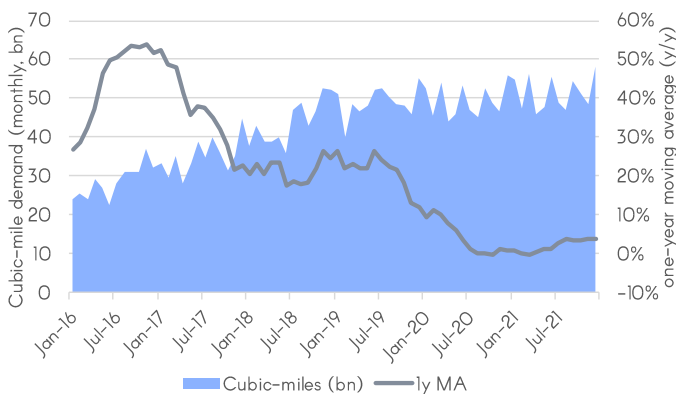
Qatari LNG exports (cubic-miles)



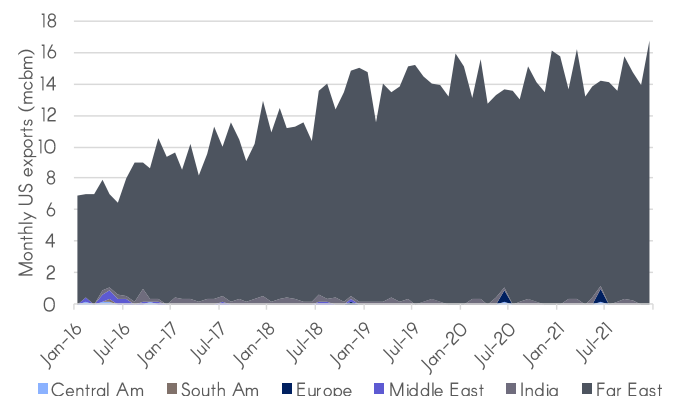
Qatari LNG exports by import destination (mcbm)



Australian LNG exports (cubic-miles)



Australian LNG exports by import destination (mcbm)



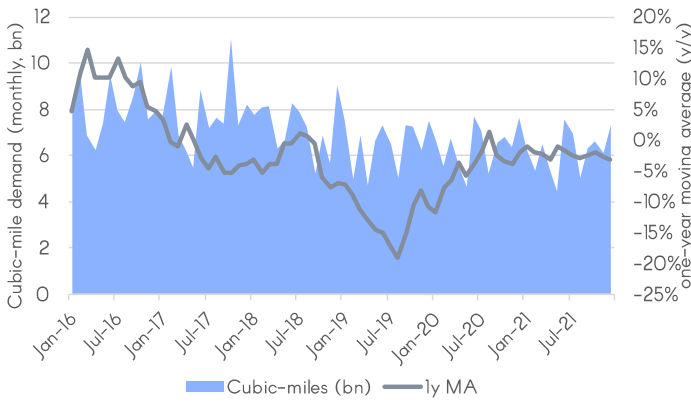


Cleaves Securities

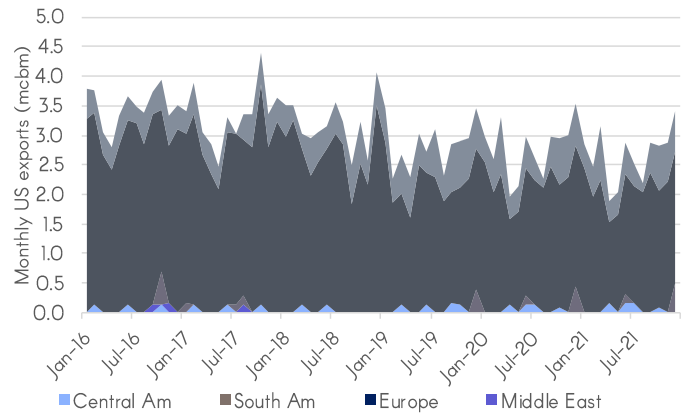
LNG Carriers SELL

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

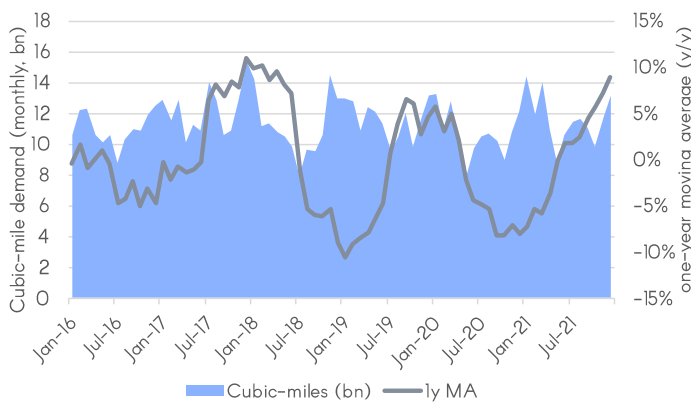
Indonesian LNG exports (cubic-miles)



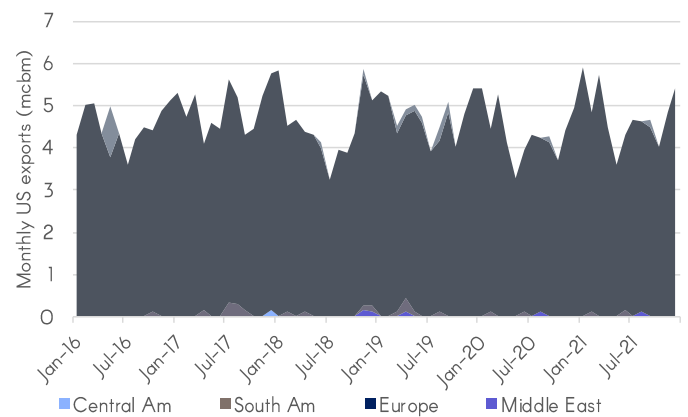
Indonesian LNG exports by import destination (mcbm)



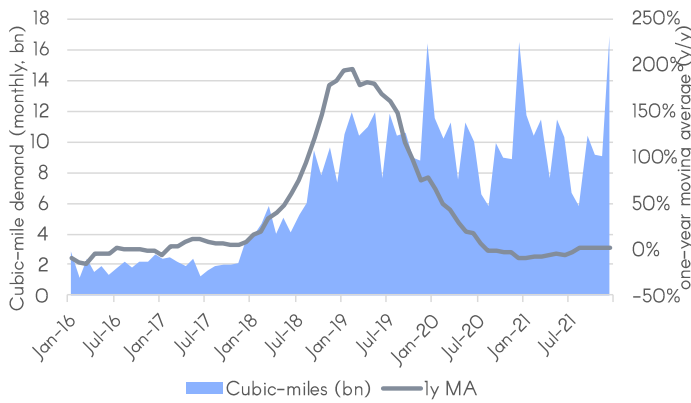
Malaysian LNG exports (cubic-miles)



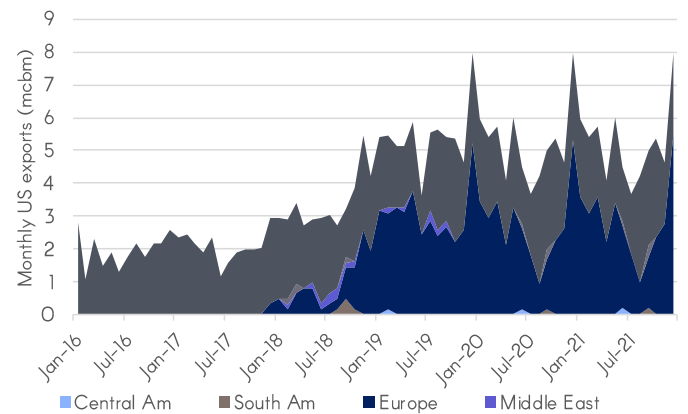
Malaysian LNG exports by import destination (mcbm)



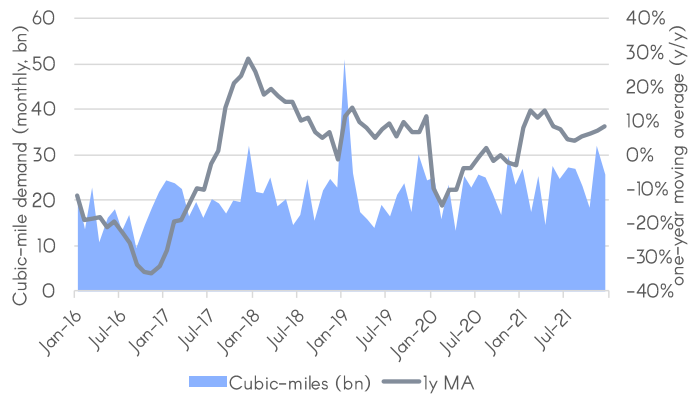
Russian LNG exports (cubic-miles)



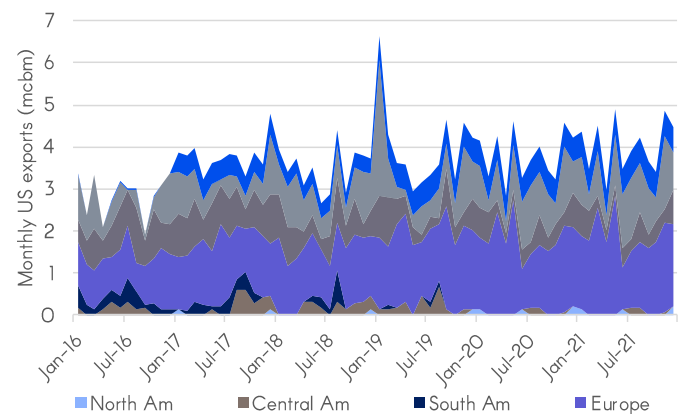
Russian LNG exports by import destination (mcbm)



Nigerian LNG exports (cubic-miles)



Nigerian LNG exports by import destination (mcbm)





Liquefaction projects under construction

Liquefaction projects under construction							
Project	Country	Expected start up	Output (mt/ya)	Required vessels (#)	Required vessels (kcbm/ya)	Started	
Cameron LNG Train 2	United States	2020	4.5	8	1.600		1Q20
Freeport LNG Train 2	United States	2020	4.6	17	3.400		1Q20
Cameron LNG Train 3	United States	2020	4.5	7	1.218		2Q20
Freeport LNG Train 3	United States	2020	4.6	8	1.392		2Q20
Sengkang LNG Train 1	Indonesia	2020	0.5	1	0.174		
Yamal LNG Train 4	Russia	2020	0.9	1	0.174		
PFLNG Dua (FLNG)	Malaysia	2021	1.5	3	0.435		
Portovaya LNG (FSU)	Russia	2021	1.5	1	0.174		
Corpus Christi LNG Train 3	United States	2021	4.5	5	0.870		
Tangguh LNG Train 3	Indonesia	2022	3.8	4	0.620		
Coral South 1 (FLNG)	Mozambique	2022	3.4	4	0.696		
Calcasieu Pass LNG	United States	2022	10.0	15	2.610		
Tortue West Ahmeyim 1 (FLNG)	Mauritania	2023	2.5	3	0.522		
Arctic LNG 2 Train 1	Russia	2023	6.6	6	1.044		
Sabine Pass LNG Train 6	United States	2023	4.5	8	1.392		
Energia Costa Azul LNG Liquefaction	Mexico	2024	2.4	3	0.522		
Arctic LNG 2 Train 2	Russia	2024	6.6	6	1.044		
LNG Canada	Canada	2025	14.0	14	2.436		
Mozambique LNG	Mozambique	2025	13.1	17	2.958		
Nigeria LNG Train 7	Nigeria	2025	4.2	5	0.870		
Golden Pass LNG Train 1	United States	2025	5.2	12	2.088		
Arctic LNG 2 Train 3	Russia	2026	6.6	5	0.870		
Golden Pass LNG Train 2	United States	2026	5.2	12	2.088		
Golden Pass LNG Train 3	United States	2026	5.2	11	1.914		
SUM			121	176	31.1		

New liquefaction capacity: Summary tables

New liquefaction projects											
mtpa	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	20	8	17	14	9	37	17	0	0	0	121
FEED process	0	0	0	8	120	99	116	38	13	0	394
Proposed	0	0	1	0	30	39	95	46	44	41	295
SUM	20	8	18	22	159	174	227	84	57	41	809

Old, Oct 2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	23	5	17	14	7	37	17	0	0	0	118
FEED process	0	0	2	6	128	94	104	31	13	0	378
Proposed	0	0	1	3	40	48	94	46	44	39	315
SUM	23	5	20	23	174	179	215	77	57	39	811

Change	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	-3.1	3.0	0.0	0.0	2.4	0.0	0.0	0.0	0.0	0.0	2
FEED process	0.0	0.0	-2.0	2.0	-8.3	4.9	11.9	7.6	0.0	0.0	16
Proposed	0.0	-0.2	-0.2	-2.7	-10.0	-9.5	0.5	0.0	0.0	2.0	-20
SUM	-3.1	2.9	-2.2	-0.7	-15.9	-4.6	12.4	7.6	0.0	2.0	-2

Change	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	-14%	67%	0%	0%	36%	0%	0%	0%	0%	0%	2%
FEED process	0%	0%	-100%	34%	-6%	5%	11%	25%	0%	0%	4%
Proposed	0%	-100%	-16%	-89%	-25%	-20%	1%	0%	0%	5%	-6%
SUM	-14%	61%	-11%	-3%	-9%	-3%	6%	10%	0%	5%	0%

New liquefaction projects: LNG Carrier demand											
mcbm of shipping pa	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	8	1	4	3	2	8	5	0	0	0	31
FEED process	0	0	0	1	21	19	21	7	3	0	73
Proposed	0	0	0	0	6	7	17	8	8	7	53
SUM	8	1	4	4	29	34	43	15	11	7	157

# of modern vessels	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	SUM
Under construction	46	9	23	17	9	48	28	0	0	0	179
FEED process	0	0	0	7	123	109	121	42	15	0	417
Proposed	0	0	2	0	33	39	99	47	46	39	305
SUM	46	9	24	24	165	196	248	89	61	39	901
Newbuild deliveries	35	51	31	55							

Source: Cleaves Securities, Shipping Intelligence Network



Liquefaction projects with FEED status and/or with agreements signed

Liquefaction projects in FEED process underway and/or agreements signed						
Project	Country	Expected start up	Output (mt/pa)	Required vessels (#)	Required vessels (kcbm/pa)	
Eagle LNG	United States	2023	0.9	1	0.040	
Port Fourchon LNG Phase 1	United States	2023	2.0	2	0.348	
West Delta LNG	United States	2023	5.0	5	0.870	
Equus (FLNG)	Australia	2024	2.0	2	0.348	
Bear Head LNG	Canada	2024	8.0	8	1.392	
Western (FLNG)	Canada	2024	0.5	2	0.348	
NewAge Congo (FLNG)	Congo	2024	1.0	1	0.174	
Leviathan (FLNG)	Israel	2024	4.5	5	0.870	
Amigo LNG Train 1	Mexico	2024	3.9	4	0.696	
Puerto Libertad LNG	Mexico	2024	4.0	3	0.522	
Baltic LNG	Russia	2024	13.0	10	1.740	
Obsky LNG	Russia	2024	4.8	5	0.870	
Commonwealth LNG	United States	2024	8.4	9	1.566	
Corpus Christi LNG Train 4	United States	2024	1.4	2	0.348	
Corpus Christi LNG Train 5	United States	2024	1.4	2	0.348	
Corpus Christi LNG Train 6	United States	2024	1.4	2	0.348	
Corpus Christi LNG Train 7	United States	2024	1.4	2	0.348	
Delta LNG Phase 1	United States	2024	10.0	10	1.740	
Driftwood LNG 1	United States	2024	5.5	6	1.044	
Driftwood LNG 2	United States	2024	5.5	6	1.044	
Plaquemines LNG	United States	2024	10.0	10	1.740	
Port Arthur LNG	United States	2024	13.5	14	2.436	
Port Delfin 1 (FLNG)	United States	2024	3.3	4	0.696	
Rio Grande LNG Phase 1	United States	2024	16.2	16	2.784	
Pluto LNG Train 2	Australia	2025	5.0	5	0.870	
Woodfibre LNG	Canada	2025	2.1	2	0.348	
North Field LNG Expansion Train 1	Qatar	2025	7.8	10	1.740	
North Field LNG Expansion Train 2	Qatar	2025	7.8	10	1.740	
North Field LNG Expansion Train 3	Qatar	2025	7.8	10	1.740	
Alaska LNG	United States	2025	20.0	20	3.480	
Annova LNG	United States	2025	6.5	6	1.044	
Corpus Christi LNG Train 10	United States	2025	1.4	2	0.348	
Corpus Christi LNG Train 8	United States	2025	1.4	2	0.348	
Corpus Christi LNG Train 9	United States	2025	1.4	2	0.348	
Delta LNG Phase 2	United States	2025	10.0	10	1.740	
Driftwood LNG 3	United States	2025	5.5	6	1.044	
Magnolia LNG Trains 1-2	United States	2025	4.4	4	0.696	
Monkey Island LNG	United States	2025	15.8	16	2.784	
Texas LNG	United States	2025	2.0	4	0.696	
Goldboro LNG	Canada	2026	9.6	10	1.740	
Amigo LNG Train 2	Mexico	2026	3.9	4	0.696	
North Field LNG Expansion Train 4	Qatar	2026	7.8	10	1.740	
Cameron LNG Trains 4-5	United States	2026	10.0	9	1.566	
Freeport LNG Train 4	United States	2026	5.1	5	0.870	
G2 Net Zero LNG	United States	2026	13.0	13	2.262	
Gulf LNG Phase 1	United States	2026	5.8	5	0.870	
Lake Charles LNG Train 1	United States	2026	5.5	5	0.870	
Magnolia LNG Trains 3-4	United States	2026	4.4	4	0.696	
Main Pass (FLNG)	United States	2026	24.0	24	4.176	
Plaquemines LNG Phase 2	United States	2026	10.0	10	1.740	
Pointe LNG	United States	2026	6.0	6	1.044	
Rio Grande LNG Phase 2	United States	2026	10.8	16	2.784	
Rovuma LNG	Mozambique	2027	7.6	10	1.740	
North Field LNG Expansion Train 5	Qatar	2027	7.8	10	1.740	
Sakhalin I LNG	Russia	2027	6.2	6	1.044	
Sakhalin II LNG Expansion	Russia	2027	5.4	6	1.044	
Gulf LNG Phase 2	United States	2027	5.8	5	0.870	
Lake Charles LNG Train 2	United States	2027	5.5	5	0.870	
North Field LNG Expansion Train 6	Qatar	2028	7.8	10	1.740	
Lake Charles LNG Train 3	United States	2028	5.5	5	0.870	
SUM			394	418	72.6	

Source: Cleaves Securities, Shipping Intelligence Network



Proposed liquefaction projects

Project	Country	Expected start up	Output (mt/pa)	Required vessels (#)	Required vessels (kcbm/pa)
WesPac LNG	Canada	2022	0.8	1	0.090
Nacala (FLNG)	Mozambique	2022	0.2	1	0.174
Vysotsk LNG Train 3	Russia	2023	0.3	1	0.011
Patagonia LNG	Argentina	2024	4.2	5	0.870
Queensland Curtis LNG Train 3	Australia	2024	3.5	4	0.696
Tallaganda/Bunyip (FLNG)	Australia	2024	1.5	2	0.348
AC LNG Canada	Canada	2024	13.5	14	2.436
Djibouti (FLNG)	Djibouti	2024	3.0	3	0.522
Donggi Senoro LNG Phase 2	Indonesia	2024	0.7	1	0.130
Palendag/Dabakan (FLNG)	Philippines	2024	1.5	2	0.348
Black Sea LNG	Russia	2024	0.5	2	0.080
Vladivostok LNG	Russia	2024	1.5	2	0.348
Gorgon LNG Train 4	Australia	2025	5.2	3	0.522
Stewart (FLNG)	Canada	2025	3.0	3	0.522
Vasiliko LNG	Cyprus	2025	5.0	5	0.870
Chabahar LNG	Iran	2025	1.5	2	0.348
Coral South 2 (FLNG)	Mozambique	2025	3.4	4	0.696
Pandora (FLNG)	Papua N. Guinea	2025	1.0	1	0.174
Driftwood LNG 4	United States	2025	5.5	6	1.044
Jordan Cove LNG	United States	2025	7.8	8	1.392
Port Delfin 2 (FLNG)	United States	2025	3.3	4	0.696
Port Fourchon LNG Phase 2	United States	2025	3.0	3	0.522
Vaca Muerta LNG	Argentina	2026	5.0	5	0.870
Arnhem/Pinhoe (FLNG)	Australia	2026	1.5	2	0.348
Cedar (FLNG)	Canada	2026	4.0	4	0.696
Energie Saguenay LNG	Canada	2026	11.0	11	1.914
Orca Trains 1-6 (FLNG)	Canada	2026	24.0	24	4.176
BirAllah Orca (FLNG)	Mauritania	2026	3.0	3	0.522
Tortue West Ahmeyim 2 (FLNG)	Mauritania	2026	2.5	3	0.522
Mamba Phase 2 (FLNG 1)	Mozambique	2026	2.0	2	0.348
Nigeria LNG Train 8	Nigeria	2026	7.1	8	1.392
Kumul (FLNG)	Papua N. Guinea	2026	1.5	2	0.348
Arctic LNG 1 Train 1	Russia	2026	6.7	7	1.218
Driftwood LNG 5	United States	2026	5.5	6	1.044
Port Arthur LNG Phase 2	United States	2026	13.5	14	2.436
Port Delfin 3 (FLNG)	United States	2026	3.3	4	0.696
Qilak LNG	United States	2026	4.0	4	0.696
Darwin LNG Phase 2	Australia	2027	6.3	7	1.218
Kwispaa LNG	Canada	2027	12.0	12	2.088
Boudji (FLNG)	Gabon	2027	2.0	2	0.348
Papua LNG	Papua N. Guinea	2027	5.4	5	0.870
Avocet 1 (FLNG)	United States	2027	4.0	4	0.696
Galveston Bay LNG	United States	2027	16.5	17	2.958
Ichthys LNG Train 3	Australia	2028	4.5	5	0.870
Abadi LNG	Indonesia	2028	9.5	10	1.740
Mamba Phase 2 (FLNG 2)	Mozambique	2028	2.0	2	0.348
Arctic LNG 1 Train 2	Russia	2028	6.7	7	1.218
Tortue West Ahmeyim 3 (FLNG)	Senegal	2028	2.0	2	0.348
Tanzania Block 1 (FLNG)	Tanzania	2028	2.0	2	0.348
Tanzania LNG	Tanzania	2028	10.0	10	1.740
Avocet 2 (FLNG)	United States	2028	4.0	4	0.696
Port Delfin 4 (FLNG)	United States	2028	3.3	4	0.696
Kitimat LNG Phase 1	Canada	2029	12.0	10	1.740
Arctic LNG 1 Train 3	Russia	2029	6.7	7	1.218
Arctic LNG 3	Russia	2029	20.0	20	3.480
Tortue West Ahmeyim 4 (FLNG)	Senegal	2029	2.0	2	0.348
Discovery LNG	Canada	2030	20.0	20	3.480
PNG LNG Expansion	Papua N. Guinea	2030	2.7	3	0.522
Greater Sunrise LNG	Timor-Leste	2030	8.0	8	1.392
Kitimat LNG Phase 2	Canada	2032	6.0	5	0.870
SUM			332	344	59.3

Source: Cleaves Securities, Shipping Intelligence Network

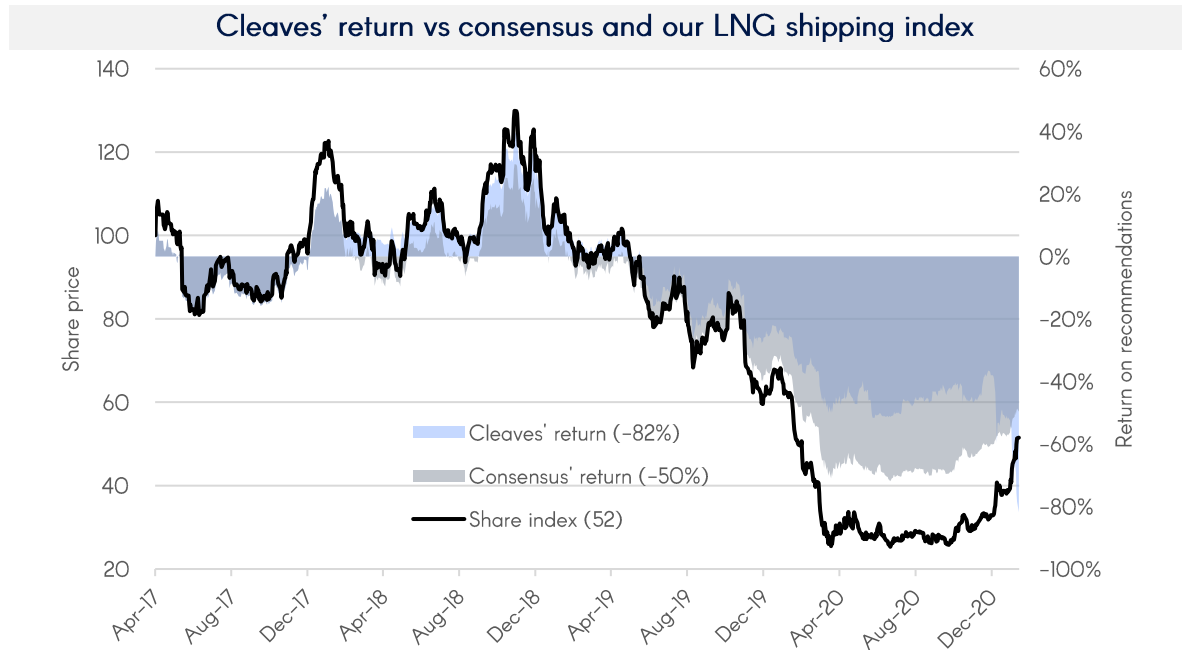


Cleaves Securities

LNG Carriers SELL

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

Since our re-initiation of LNG shipping early 2017, we have generated a -82% loss on our recommendations vs the market at -48% and consensus at -50%.





Cleaves Securities

LNG Carriers SELL

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

Detailed changes to our supply/demand balance

New Demand/Supply ('000 cbm)											
Base case	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Deliveries ¹	4,714	5,207	4,795	8,992	7,172	6,014	8,791	5,450	9,525	9,850	7,865
Scrapping ¹	(281)	(256)	(260)	(524)	(255)	(781)	(217)	(250)	(262)	(262)	(204)
Other ¹	(126)	(0)	(125)	(265)	(426)	(542)	0	0	0	(0)	0
Contracting ¹	5,047	1,421	2,640	11,769	8,869	8,669	4,860	6,877	6,315	8,216	8,332
Supply ²	63,181	67,729	72,490	79,841	86,647	91,414	99,603	105,525	111,360	122,532	130,661
Δ y/y	8.4%	7.2%	7.0%	10.1%	8.5%	5.5%	9.0%	5.9%	5.5%	10.0%	6.6%
Demand ²	46,653	49,465	56,157	69,884	72,525	73,653	82,802	83,585	86,668	95,524	110,736
Δ y/y	-5.7%	6.0%	13.5%	24.4%	3.8%	1.6%	12.4%	0.9%	3.7%	10.2%	15.9%
Utilization ²	74%	73%	77%	88%	84%	81%	83%	79%	78%	78%	85%
Steam spot ² (USD/d)	27,314	20,088	28,596	52,000	47,695	41,048	48,916	32,760	27,633	29,227	55,583
TFDE spot ² (USD/d)	36,038	33,470	46,058	88,692	69,337	59,269	67,770	51,613	46,487	47,914	74,437
MEGI spot ² (USD/d)	-	-	-	-	81,915	71,173	76,206	60,050	54,923	56,351	82,873
OB ²	25,287	22,799	19,815	18,528	20,816	21,682	23,798	22,433	23,936	19,387	18,771
OB/Fleet ²	40%	34%	27%	23%	24%	24%	24%	21%	21%	16%	14%

¹Sum during period ²Average during period

Old Demand/Supply ('000 cbm)											
Base case	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Deliveries ¹	4,714	5,207	4,795	8,992	7,172	6,137	9,209	5,218	8,641	5,909	6,654
Scrapping ¹	(281)	(257)	(260)	(524)	(255)	(429)	(235)	(256)	(275)	(245)	(177)
Other ¹	(126)	0	(125)	(137)	(418)	(414)	0	0	0	(0)	0
Contracting ¹	5,047	1,421	2,460	11,769	8,869	4,650	4,525	6,421	6,485	8,593	8,122
Supply ²	63,046	67,593	72,355	79,737	86,733	91,614	100,178	106,179	113,255	119,786	126,153
Δ y/y	8.4%	7.2%	7.0%	10.2%	8.8%	5.6%	9.3%	6.0%	6.7%	5.8%	5.3%
Demand ²	46,552	49,366	56,052	69,796	72,593	73,273	81,124	83,553	86,644	95,979	111,442
Δ y/y	-5.7%	6.0%	13.5%	24.5%	4.0%	0.9%	10.7%	3.0%	3.7%	10.8%	16.1%
Utilization ²	74%	73%	77%	88%	84%	80%	81%	79%	77%	80%	88%
Steam spot ² (USD/d)	27,314	20,088	28,596	52,000	47,695	40,883	39,003	32,074	24,960	39,138	77,587
TFDE spot ² (USD/d)	36,038	33,470	46,058	88,692	69,337	55,981	57,857	50,928	43,519	57,992	96,441
MEGI spot ² (USD/d)	-	-	-	-	81,915	66,476	66,299	59,369	51,960	66,433	104,882
OB ²	25,287	22,799	19,748	18,348	20,636	21,483	19,145	17,164	16,959	16,616	18,672
OB/Fleet ²	40%	34%	27%	23%	24%	23%	19%	16%	15%	14%	15%

¹Sum during period ²Average during period

Δ Demand/Supply ('000 cbm)											
Base case	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Deliveries ¹	(0)	(0)	(0)	0	(0)	(124)	(417)	231	884	3,941	1,211
Scrapping ¹	(0)	(0)	(0)	-	0	(352)	18	5	13	(17)	(27)
Other ¹	0	(0)	0	(127)	(8)	(127)	(0)	(0)	(0)	(0)	(0)
Contracting ¹	-	-	180	0	-	4,019	335	456	(170)	(376)	209
Supply ²	136	136	136	104	(86)	(200)	(575)	(654)	(1,895)	2,746	4,507
Δ y/y	0.0%	0.0%	0.0%	-0.1%	-0.2%	-0.1%	-0.4%	0.0%	-1.1%	4.3%	1.3%
Demand ²	100	99	105	87	(68)	380	1,678	31	23	(455)	(705)
Δ y/y	0.0%	0.0%	0.0%	-0.1%	-0.2%	0.6%	1.7%	-2.0%	0.0%	-0.6%	-0.2%
Utilization ²	0%	0%	0%	0%	0%	1%	2%	1%	1%	-2%	-4%
Steam spot ² (USD/d)	-	-	-	-	-	165	9,913	685	2,673	(9,911)	(22,004)
TFDE spot ² (USD/d)	-	-	-	-	-	3,288	9,913	685	2,969	(10,078)	(22,004)
MEGI spot ² (USD/d)	-	-	-	-	-	4,697	9,908	681	2,964	(10,083)	(22,009)
OB ²	0	0	68	181	181	199	4,653	5,270	6,978	2,771	99
OB/Fleet ²	0%	0%	0%	0%	0%	0%	5%	5%	7%	2%	0%

¹Sum during period ²Average during period

Demand/Supply ('000 cbm)											
Base case	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Deliveries ¹	0%	0%	0%	0%	0%	-2%	-5%	4%	10%	67%	18%
Scrapping ¹	0%	0%	0%	0%	0%	82%	-8%	-2%	-5%	7%	15%
Other ¹	0%	-3500%	0%	93%	2%	31%	-16%	-81%	-67%	234%	-94%
Contracting ¹	0%	0%	7%	0%	0%	86%	7%	7%	-3%	-4%	3%
Supply ²	0%	0%	0%	0%	0%	0%	-1%	-1%	-2%	2%	4%
Δ y/y	0%	0%	0%	-1%	-3%	-2%	-4%	-1%	-17%	74%	25%
Demand ²	0%	0%	0%	0%	0%	1%	2%	0%	0%	0%	-1%
Δ y/y	0%	0%	0%	0%	-6%	66%	16%	-68%	0%	-5%	-1%
Utilization ²	0%	0%	0%	0%	0%	1%	3%	1%	2%	-3%	-4%
Steam spot ² (USD/d)	0%	0%	0%	0%	0%	0%	25%	2%	11%	-25%	-28%
TFDE spot ² (USD/d)	0%	0%	0%	0%	0%	6%	17%	1%	7%	-17%	-23%
MEGI spot ² (USD/d)	0%	0%	0%	0%	0%	7%	15%	1%	6%	-15%	-21%
OB ²	0%	0%	0%	1%	1%	1%	24%	31%	41%	17%	1%
OB/Fleet ²	0%	0%	0%	1%	1%	1%	25%	32%	44%	14%	-3%

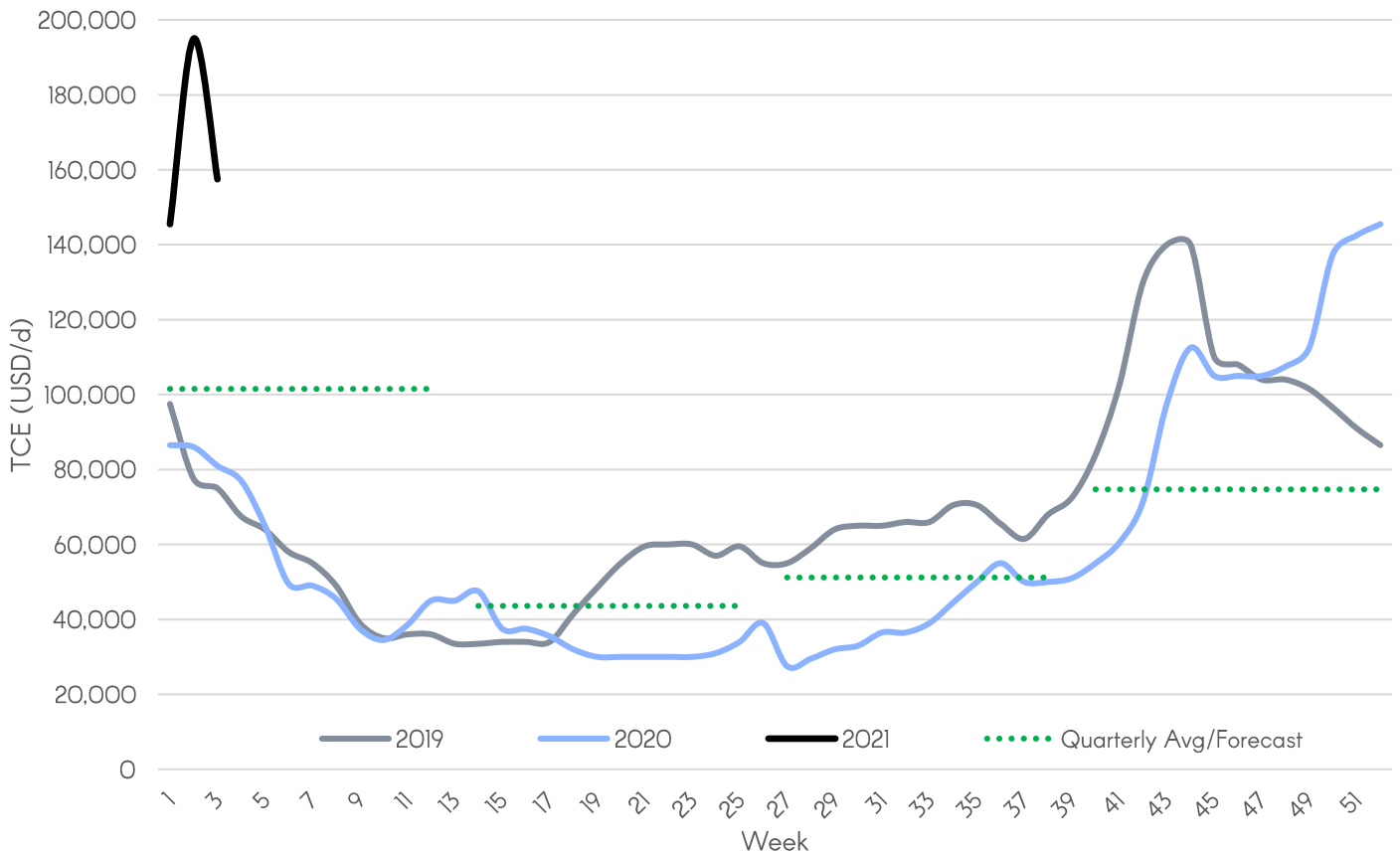
¹Sum during period ²Average during period



LNG Carrier Companies



Spot rates (Tri-Fuel Diesel Electric Propulsion, 160k cbm)



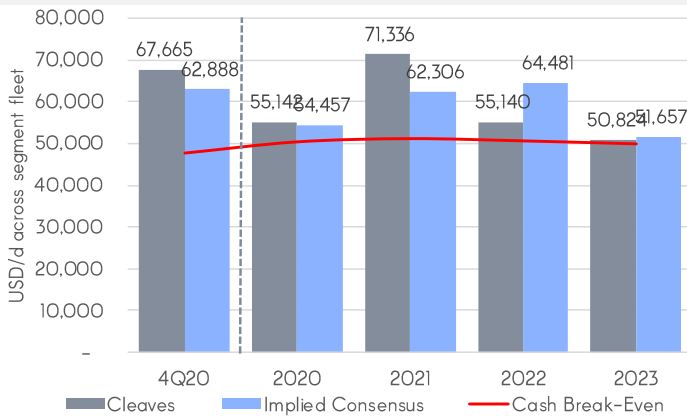


Peer Group

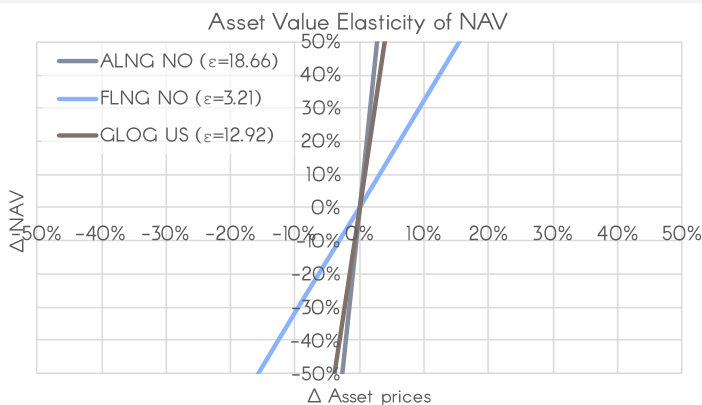
31-Jan-21	Return			Target	Last	Target/	NAV	P/NAV			EV/	adj.		
Company	M.cap	Turnover	ly	Rec.	Price	Price	Price	/sh	Now	1y fwd	ε	G/AV	equity	τ
ALNG NO	30	0.3	-18%	SELL	1.3	2.0	-33%	(0.8)	-2.44	7.06	18.66	1.18	-5%	1.00
FLNG NO	435	2.4	-5%	SELL	54	69.0	-22%	115	0.60	0.51	3.21	0.88	30%	0.92
GLOG US	390	5.3	-32%	SELL	3.7	4.1	-10%	2.4	1.70	1.28	12.92	0.94	7%	0.39
Average	285	3	-18%				-22%		-0.05	2.95	11.60	1.00	11%	0.77
Median	390	2	-18%				-22%		0.60	1.28	12.92	0.94	7%	0.92

Company	EV/EBITDA			P/E			Dividend yield			FCF yield		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
ALNG NO	14.3	7.7	15.3		6.2		0%	0%	0%	32%	70%	20%
FLNG NO	13.2	7.7	15.5	12.1	4.2		2%	14%	5%	-111%	-47%	12%
GLOG US	9.2	7.3	8.3	4.6	2.7	8.7	5%	5%	5%	-158%	12%	57%
Average	12.2	7.6	13.1	8.3	4.4	8.7	2%	6%	3%	-79%	12%	30%
Median	12.2	7.6	13.1	8.3	4.4	8.7	2%	6%	3%	-79%	12%	30%

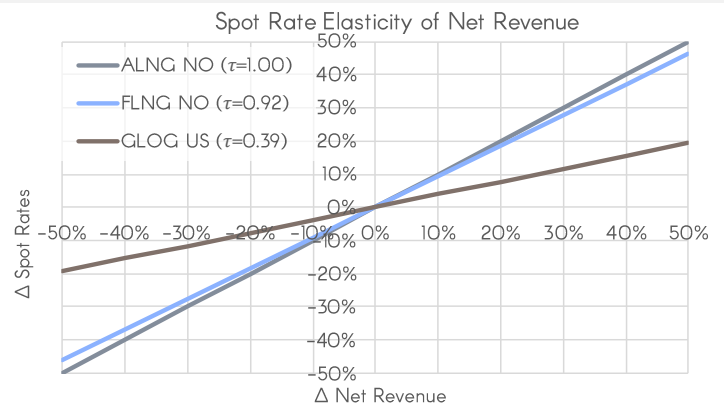
Cleaves' average TCE/d forecast vs consensus



Financial leverage (ε)

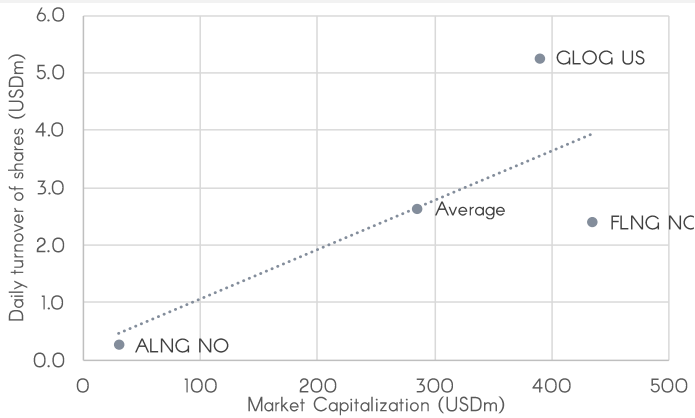


Operational leverage (τ)

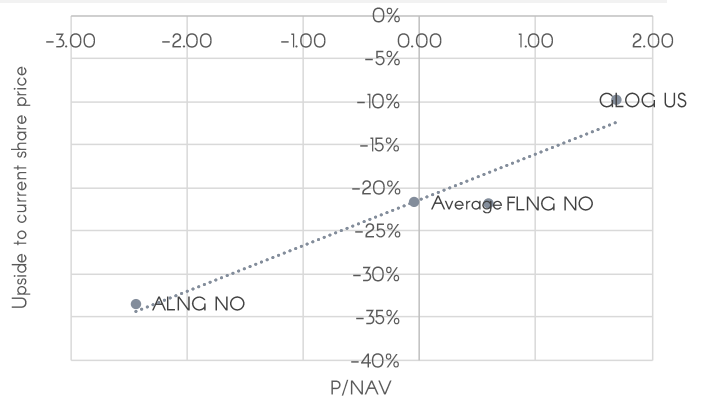




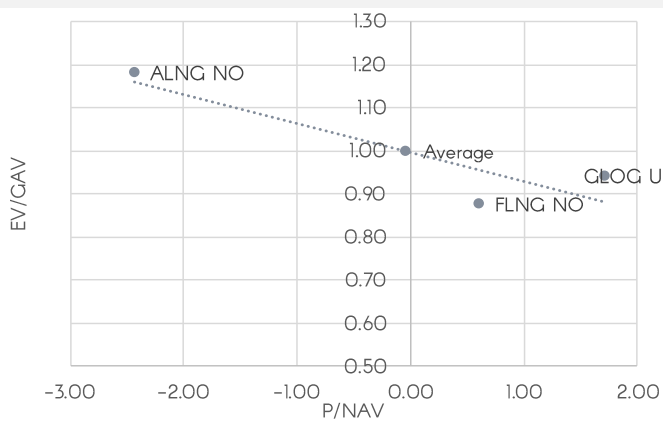
Daily share turnover vs market capitalization



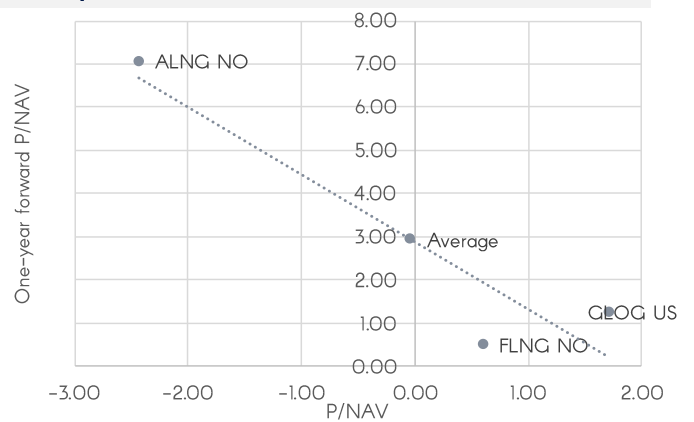
Upside to share price current P/NAV



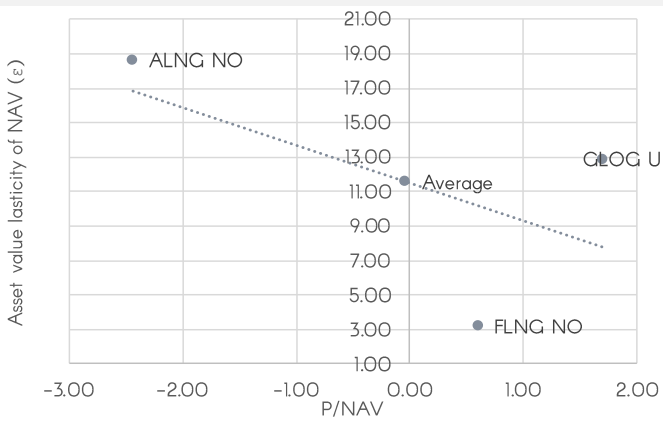
EV/GAV vs P/NAV



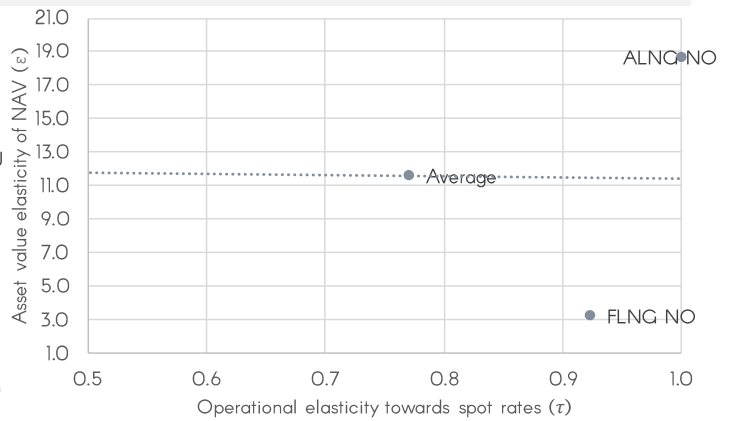
One-year forward P/NAV vs current P/NAV



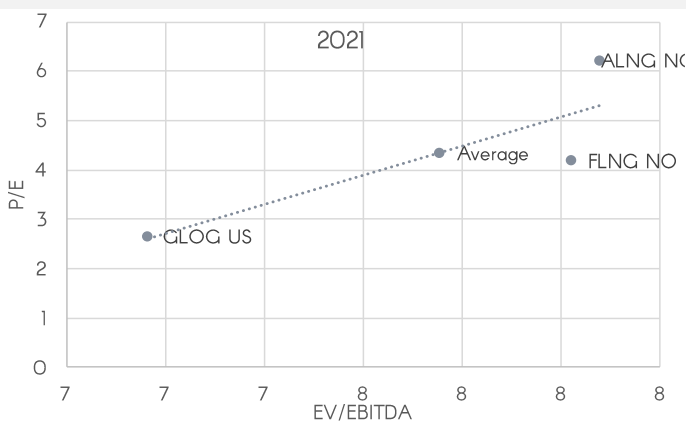
Asset value elasticity of NAV vs P/NAV



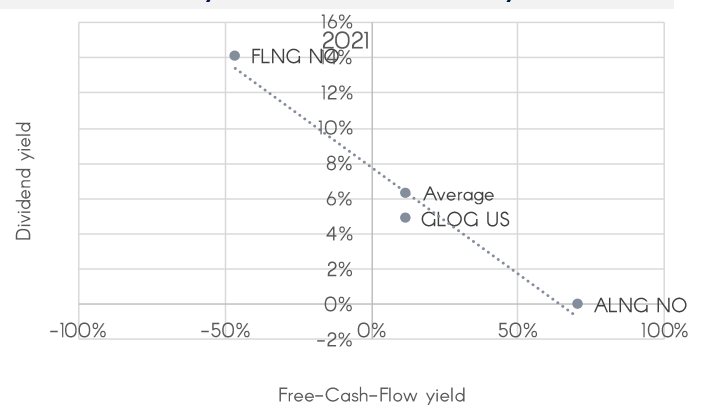
Elasticities: NAV vs net revenue



P/E vs EV/EBITDA



Dividend yield vs free cash flow yield





Company Financials (annual estimates)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
USDm																
ALNG NO	30	44	28	24	19	32	16	13	6	19	3	0	-7	9	-7	-9
FLNG NO	160	305	183	150	120	241	117	84	78	168	44	10	36	104	-21	-53
GLOG US	666	783	692	656	470	558	463	426	292	358	252	229	80	143	39	24
Average	285	377	301	277	203	277	199	174	125	182	99	80	36	85	4	-13
Median	160	305	183	150	120	241	117	84	78	168	44	10	36	104	-7	-9

Balance Sheet

BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
USDm																
ALNG NO	338	325	313	300	8	10	-2	-17	352	341	316	289	100	109	102	93
FLNG NO	2,018	2,326	2,252	2,178	122	158	159	89	2,162	2,507	2,434	2,290	837	880	837	773
GLOG US	5,336	5,437	5,257	5,060	190	255	188	281	5,842	6,009	5,762	5,657	1,603	1,727	1,748	1,710
Average	2,564	2,696	2,607	2,513	107	141	115	117	2,785	2,952	2,837	2,745	847	905	896	859
Median	2,018	2,326	2,252	2,178	122	158	159	89	2,162	2,507	2,434	2,290	837	880	837	773

Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2021	2022	2021	2022
USDm																
ALNG NO	10	21	6	4	9	21	6	4	-15	2	-13	-15	67,789	49,549	56,490	55,249
FLNG NO	78	177	52	21	-485	-204	52	21	-6	36	1	-70	81,439	60,050	43,749	44,377
GLOG US	259	344	251	221	-619	42	219	221	-74	65	-68	93	64,780	55,821	53,338	52,373
Average	116	181	103	82	-365	-47	92	82	-32	34	-26	3	71,336	55,140	51,192	50,666
Median	78	177	52	21	-485	21	52	21	-15	36	-13	-15	67,789	55,821	53,338	52,373

Company Financials (quarterly estimates)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21
USDm																
ALNG NO	11	17	9	7	8	14	6	4	5	11	3	1	2	8	1	-2
FLNG NO	66	132	46	49	53	117	30	32	39	100	11	14	26	86	-5	-3
GLOG US	202	238	168	175	149	184	112	117	101	136	63	66	43	82	12	12
Average	93	129	74	77	70	105	49	51	48	83	26	27	24	59	3	2
Median	66	132	46	49	53	117	30	32	39	100	11	14	26	82	1	-2

Balance Sheet

BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21
USDm																
ALNG NO	338	335	332	329	8	15	14	11	352	356	351	345	100	108	109	107
FLNG NO	2,018	2,255	2,363	2,345	122	189	141	135	2,162	2,467	2,527	2,502	837	910	862	856
GLOG US	5,336	5,287	5,389	5,489	190	226	240	220	5,842	5,829	5,946	6,026	1,603	1,681	1,688	1,696
Average	2,564	2,626	2,695	2,721	107	143	132	122	2,785	2,884	2,941	2,957	847	900	886	886
Median	2,018	2,255	2,363	2,345	122	189	141	135	2,162	2,467	2,527	2,502	837	910	862	856

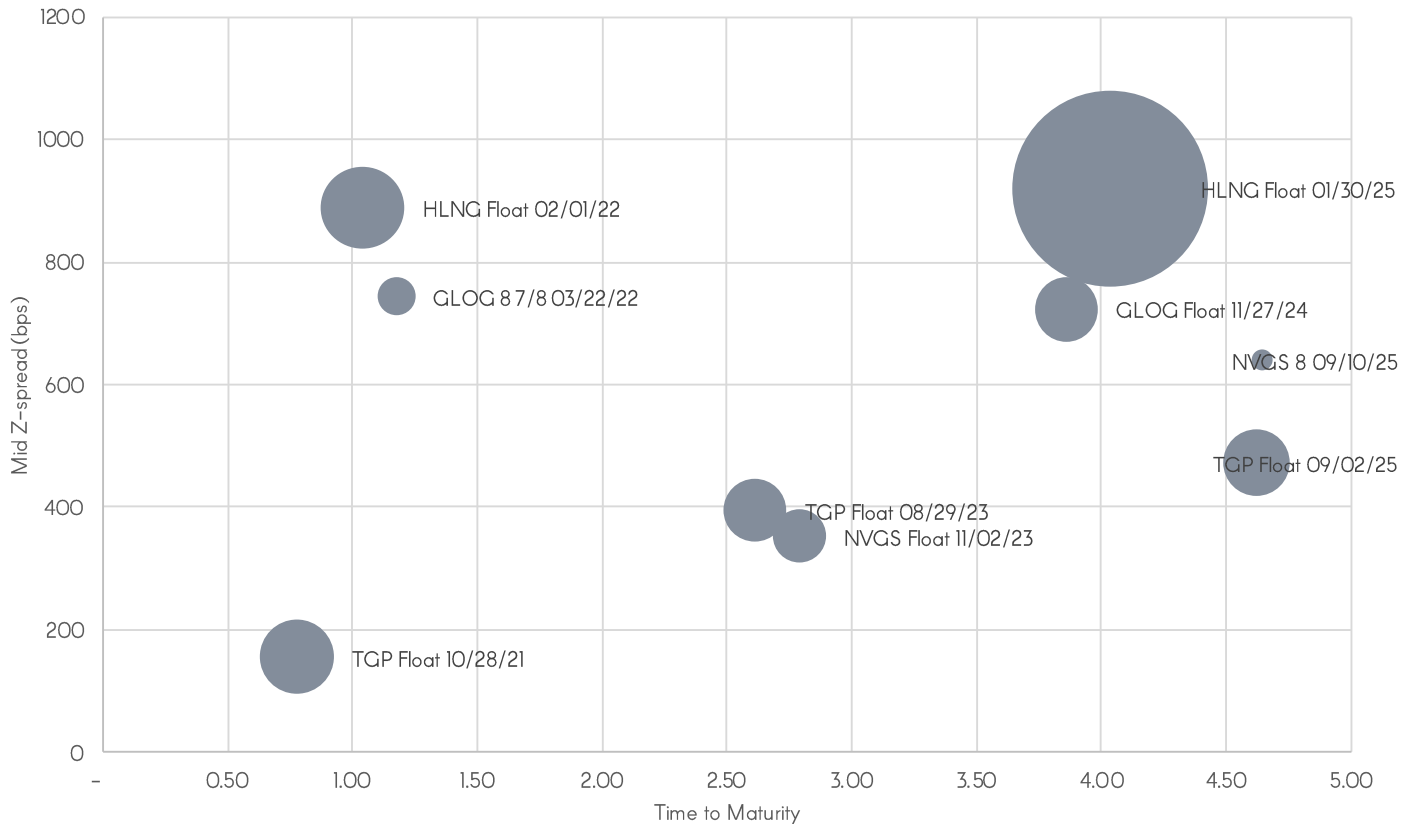
Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	1Q21	2Q21	1Q21	2Q21
USDm																
ALNG NO	5	12	4	1	5	12	4	1	0	7	-1	-3	97,000	53,237	57,377	56,389
FLNG NO	40	103	14	16	-90	-151	-113	16	46	67	-48	-6	122,433	59,674	44,556	43,391
GLOG US	91	131	62	63	-248	131	-89	-87	16	36	15	-20	82,494	55,844	62,828	46,393
Average	45	82	26	27	-111	-3	-66	-24	21	36	-12	-10	100,642	56,251	54,920	48,724
Median	40	103	14	16	-90	12	-89	1	16	36	-1	-6	97,000	55,844	57,377	46,393



The Credit Market

Gas Carrier bond pricing (by amount outstanding)





Recent stellar market has been a godsend for Awilco LNG. Our liquidity concerns have been postponed until mid-2022E

ALNG-NO

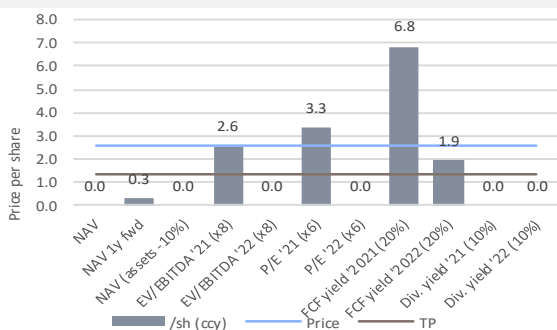
SELL/NI.3

Awilco LNG

Share price vs target price

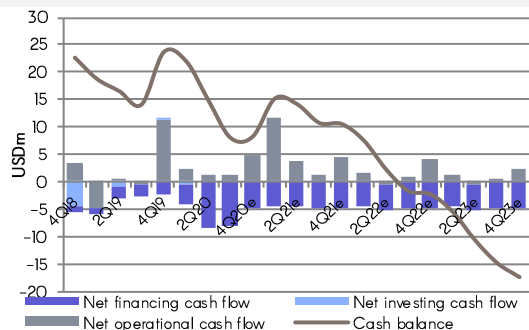


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	30	44	28	24
EBITDA (adj.)	19	32	16	13
EBIT (adj.)	6	19	3	0
PTP (adj.)	-7	9	-7	-9
Net earnings (adj.)	-7	9	-7	-9
EPS (adj.)	-0.06	0.06	-0.05	-0.07
DPS	-	-	-	-
USDm	2020E	2021E	2022E	2023E
Fwd NAV	-7	7	6	-2
Adj. equity ratio	-0	0	0	-0
FCF yield	24%	53%	15%	9%
Dividend yield	0%	0%	0%	0%
EV/EBITDA	14.8	8.0	15.9	19.5
P/E (adj.)		4.7		

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	10	21	6	4
Free cash flow	9	21	6	4
Net cash flow	-15	2	-13	-15
TCE/day	41,700	67,789	49,549	44,628
Cash break-even	60,021	56,490	55,249	54,139
Liquidity	8	10	-2	-17
Property & Equip. (incl. NBs)	338	325	313	300
Total equity	100	109	102	93
Total assets	352	341	316	289
Interest bearing debt	244	225	206	187
Net interest bearing debt	235	214	208	205
Market Cap.	40	40	40	40
Enterprise value	275	254	248	245

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

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



Quarterly Preview

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	16.3	2.4	10.8	9.4				
EBITDA (adj.)	12.5	-0.5	7.8	5.9				
EBIT (adj.)	9.2	-3.6	4.6	2.8				
PTP (adj.)	4.7	-6.5	1.8	0.0				
Net earnings (adj.)	4.7	-6.5	1.8	-0.6				
EPS (adj.)	0.04	-0.05	0.01	-0.01				
DPS	-	-	-	-				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	16.3	2.4	10.8	9.4				
Opex & G&A	3.7	2.9	3.1	3.5				
Depreciation	3.3	3.1	3.2	3.1				
Net finance	4.5	2.8	2.8	2.8				
Taxes & Minorities	-	-	-	0.6				

Other

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	11	1	5					
Free cash flow	12	1	5					
Net cash flow	9	-7	0					
TCE/day	93,061	13,312	59,500	51,751				
Utilization	95.0%	99.0%	99.0%					
Fleet days	184	184	184					
Cash break-even	59,946	57,103	57,750					
Liquidity	24	8	8					
Interest bearing debt	260	248	244					

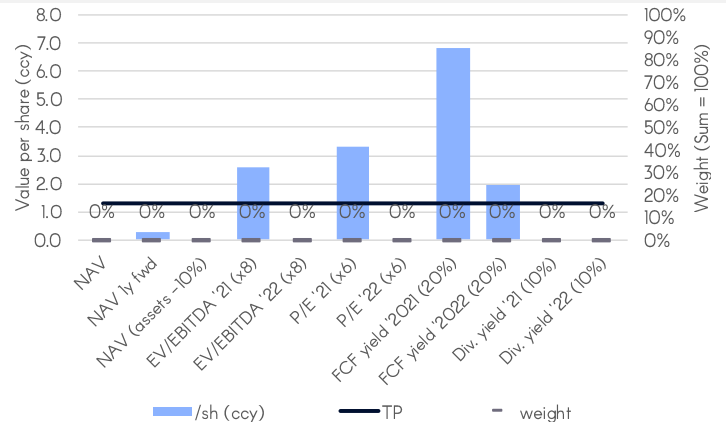


Company Valuation

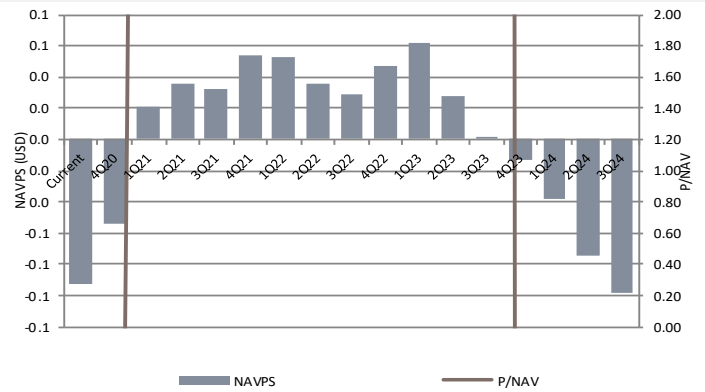
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	341	230	282
Contract value	0	0	0
Other	5	5	6
GAV	346	235	288
Net debt	-240	-240	-240
Capex	0	0	0
Other	-7	-7	-7
Equity	98	-12	40
Shares	133	133	133
Equity/sh	0.74	-0.09	0.30
lcl CCY	6.37	-0.80	2.59
P/Equity	0.41	-3.23	1.00
EV/GAV	0.83	1.22	1.00
Adj. Total Assets	355	244	295
Adj. Equity Ratio	28%	-5%	14%
Fair Value	NOK	1.30	-50%
	USD	0.15	

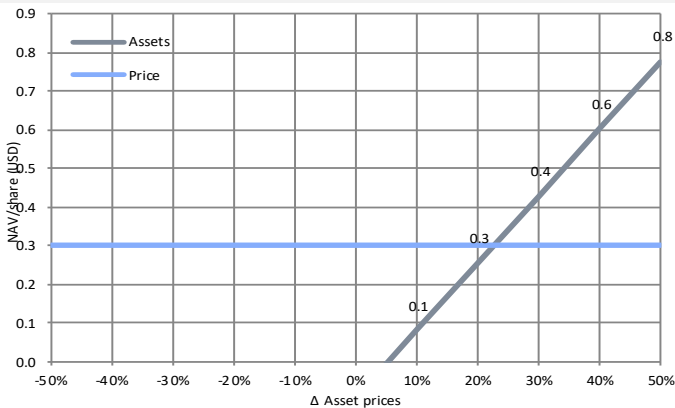
Valuation Matrix



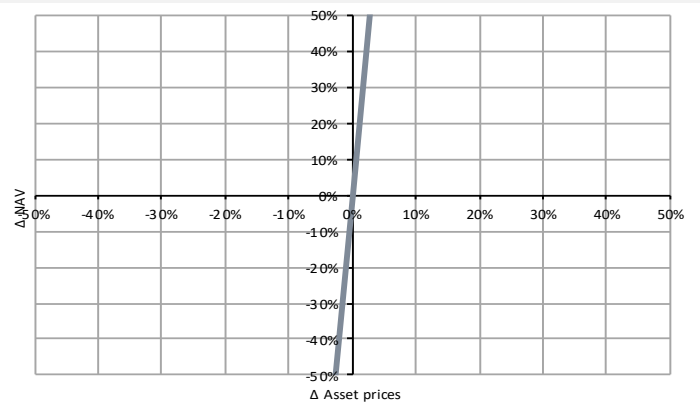
Quarterly forward NAV & P/NAV



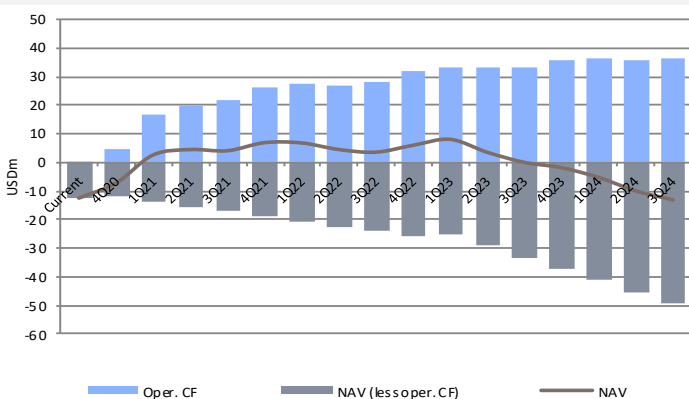
Impact on NAV/sh from % change in asset prices



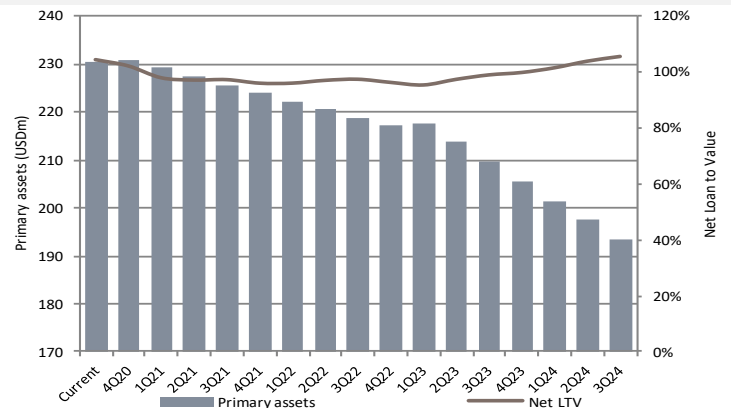
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E	
Net sales	30	44	28	24	30	33	27	23	0	10	0	2	
EBITDA (adj.)	19	32	16	13	18	21	15	11	0	10	0	2	
EBIT (adj.)	6	19	3	0	6	9	3	-2	0	10	0	2	
PTP (adj.)	-7	9	-7	-9	-8	-2	-7	-10	0	10	0	2	
Net earnings (adj.)	-7	9	-7	-9	-8	-2	-7	-10	0	10	0	2	
EPS (adj.)	-0.06	0.06	-0.05	-0.07	-0.06	-0.01	-0.05	-0.08	0.00	0.08	0.00	0.01	
DPS	-	-	-	-	-	-	-	-	-	-	-	-	
									2020E	2021E	2022E	2023E	
									TCE revenue	0.4	10.3	0.4	1.5
									Opex & G&A	-	-	-	-
									Depreciation	-	-	-	-
									Net finance	-	-	-	-
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	10	21	6	4	9	11	6	2	0	10	0	2
Free cash flow	9	21	6	4	9	11	6	2	0	10	0	2
Net cash flow	-15	2	-13	-15	-16	-8	-13	-17	0	10	0	2
TCE/day	41,700	67,789	49,549	44,628	42,238	59,446	48,891	41,778	-538	8,343	658	2,850
Cash break-even	60,021	56,490	55,249	54,139	60,021	56,490	55,249	54,139	-	-	-	-
Liquidity	8	10	-2	-17	8	-0	-13	-30	0	11	11	13
Property & Equip. (incl. NBs)	338	325	313	300	338	325	313	300	-	-	-	-
Total equity	100	109	102	93	100	98	91	81	0	11	11	13
Total assets	352	341	316	289	351	331	305	276	0	11	11	13
Interest bearing debt	244	225	206	187	244	225	206	187	-	-	-	-
Net interest bearing debt	235	214	208	205	236	225	220	217	-0	-11	-11	-13
Market Cap.	40	40	40	40	16	16	16	16	24	24	24	24
Enterprise value	275	254	248	245	252	241	235	233	24	13	13	11
Capex	0	-	-	-	0	-	-	-	-	-	-	-
Utilization	99%	95%	88%	82%	98%	92%	87%	82%	2%	2%	1%	0%
Fleet days	732	730	730	730	732	730	730	730	-	-	-	-

Valuation

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	-7	7	6	-2	-7	-4	-5	-14	0	11	11	13
Adj. equity ratio	-0	0	0	-0	-3%	-2%	-2%	-8%	0%	5%	5%	7%
FCF yield	24%	53%	15%	9%	57%	68%	35%	14%	-34%	-15%	-20%	-4%
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
EV/EBITDA	14.8	8.0	15.9	19.5	13.8	11.2	15.4	21.2	1.0	-3.2	0.4	-1.7
P/E (adj.)		4.7							#VALUE!	#VALUE!	#VALUE!	#VALUE!

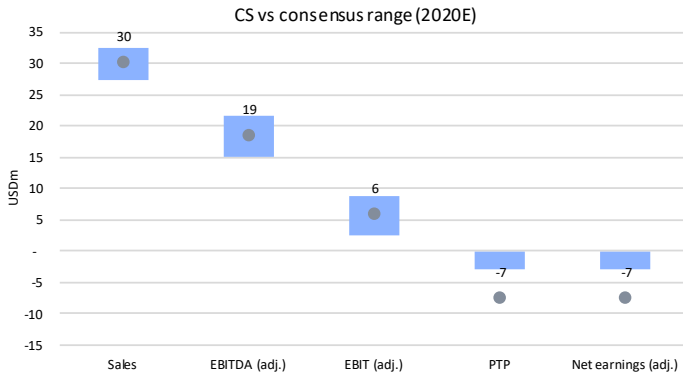
Various

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Opex/day (excl. TC-in)	-11,838	-12,000	-12,000	-12,000	-11,838	-12,000	-12,000	-12,000	-	-	-	-
G&A/day	-4,114	-4,186	-4,246	-4,294	-4,114	-4,186	-4,246	-4,294	-	-	-	-
Depreciation/day	-17,149	-17,174	-17,169	-17,171	-17,149	-17,174	-17,169	-17,171	-	-	-	-
Net interest/day	-18,309	-14,604	-13,303	-12,145	-18,309	-14,604	-13,303	-12,145	-	-	-	-
Amort./day	-25,759	-25,700	-25,700	-25,700	-25,759	#####	#####	#####	-	-	-	-

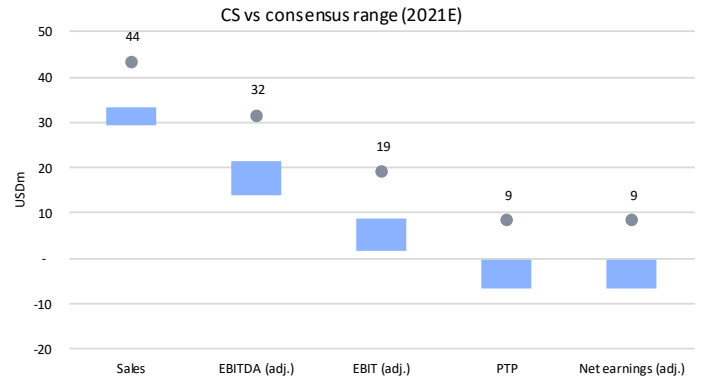


Our Estimates vs Consensus

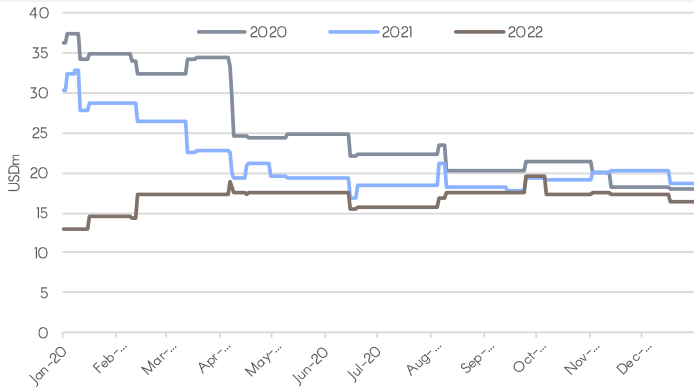
Profit & Loss, year I



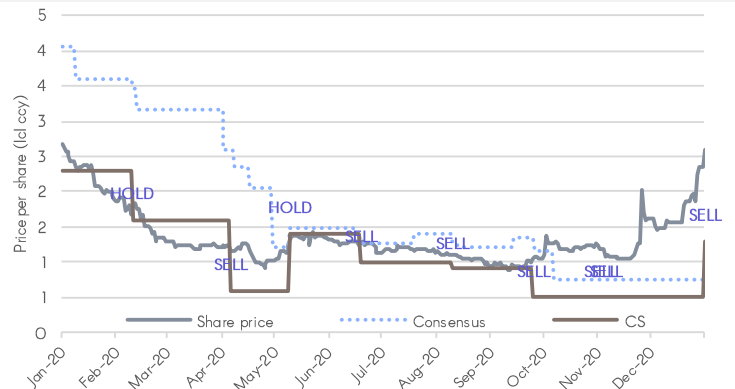
Profit & Loss, year II



Consensus EBITDA development



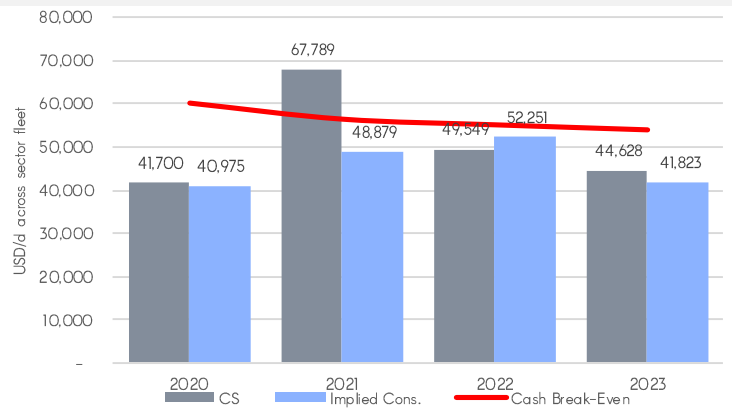
Fair value vs share price past ly



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	30	30	30	1	2%
Opex + G&A	12	12	12	-0	-1%
Depreciation	13	13	13	-0	0%
Net finance	13	14	14	-1	-7%
Taxes & Minorities	0	0	0	0	#DIV/O!
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	44	31	31	12	39%
Opex + G&A	12	13	13	-1	-7%
Depreciation	13	13	13	-0	-1%
Net finance	11	11	11	0	0%
Taxes & Minorities	0	0	0	0	#DIV/O!

Avg. TCE/day across fleet vs consensus





Cleaves Securities

LNG Carriers SELL

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

Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	16	13	4	2	11	17	9	7	10
Operational costs	-3	-3	-3	-3	-3	-3	-3	-3	-3
EBITDA	13	10	1	0	8	14	6	4	7
Depreciation/Amortization	-3	-3	-3	-3	-3	-3	-3	-3	-3
EBIT	10	7	-2	-4	5	11	3	1	4
Net financials	-5	-4	-4	-3	-3	-3	-3	-3	-3
PTP	5	3	-5	-6	2	8	1	-2	1
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	5	3	-5	-6	2	8	1	-2	1
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	5	3	-5	-6	2	8	1	-2	1
EPS	0.04	0.02	0.02	-0.05	0.01	0.06	0.00	-0.01	0.01
EPS (adj.)	0.04	0.02	-0.04	-0.05	0.01	0.06	0.00	-0.01	0.01
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	24	22	15	8	8	15	14	11	10
Other current assets	4	7	4	5	5	5	5	5	5
Total current assets	27	28	19	13	13	20	19	16	16
Property & equip. (incl. NBs)	350	347	344	341	338	335	332	329	325
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	350	347	345	341	338	335	332	329	326
TOTAL ASSETS	377	376	363	355	352	356	351	345	341
Total equity	107	110	105	98	100	108	109	107	109
Short-term debt	260	19	19	248	19	76	90	108	73
Other current liabilities	9	8	5	8	8	8	8	8	8
Total current liabilities	270	27	24	256	26	84	98	116	81
Long-term debt	0	238	234	0	225	163	144	121	151
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	239	234	1	225	163	144	122	152
TOTAL EQUITY & LIABILITIES	377	376	363	355	352	356	351	345	341
Working capital, receivables	1	4	2	4	4	4	4	4	4
Working capital, payables	2	1	1	1	1	1	1	1	1
Net working capital	-1	3	2	3	3	3	3	3	3
Interest bearing debt	260	257	253	248	244	239	234	230	225
Liquidity	24	22	15	8	8	15	14	11	10
Net interest bearing debt	237	235	238	240	235	224	220	219	214
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	5	3	-5	-6	2	8	1	-2	1
Depreciation	3	3	3	3	3	3	3	3	3
Other	0	4	4	3	0	0	0	0	0
Cash earnings	8	10	1	-1	5	12	4	1	5
Changes in working capital	4	-7	0	2	0	0	0	0	0
Net operational cash flow	11	2	1	1	5	12	4	1	5
Capex	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0
Repayment of debt	-2	-256	-5	-5	-5	-5	-5	-5	-5
Proceeds from debt	0	263	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
New equity	0	0	0	0	0	0	0	0	0
Other	0	-10	-4	-3	0	0	0	0	0
Net financing cash flow	-2	-4	-8	-8	-5	-5	-5	-5	-5
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	9	-2	-7	-7	0	7	-1	-3	0
Cash balance	24	22	15	8	8	15	14	11	10
Free cash flow	12	-2	1	1	5	12	4	1	5



Cleaves Securities

LNG Carriers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales					34	30	44	28	24
Operational costs					-8	-12	-12	-12	-12
EBITDA	4	13	2	22	25	19	32	16	13
Depreciation/Amortization	-17	-13	-12	-13	-13	-13	-13	-13	-13
EBIT	-12	0	-11	9	12	6	19	3	0
Net financials	-24	-23	-21	-21	-20	-13	-11	-10	-9
PTP	-36	-23	-32	-11	-8	-7	9	-7	-9
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-36	-23	-32	-11	-8	-7	9	-7	-9
Non-recurring items	0	0	0	0	0	0	0	0	0
Net earnings (adj.)	-36	-23	-32	-11	-8	-7	9	-7	-9
EPS	-0.54	-0.34	-0.24	-0.09	-0.06	0.01	0.06	-0.05	-0.07
EPS (adj.)	-0.54	-0.34	-0.24	-0.09	-0.06	-0.06	0.06	-0.05	-0.07
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	17	30	29	23	24	8	10	-2	-17
Other current assets	6	6	7	9	4	5	5	5	5
Total current assets	23	36	36	31	27	13	16	3	-12
Property & equip. (incl. NBs)	—	372	—	—	—	338	325	313	300
Other non-current assets		0				0	0	0	0
Total non-current assets	423	372	364	362	350	338	326	313	301
TOTAL ASSETS	445	408	400	394	377	352	341	316	289
Total equity	156	133	127	116	107	100	109	102	93
Short-term debt	35	14	3	267	260	19	137	171	147
Other current liabilities	4	3	4	11	9	8	8	8	8
Total current liabilities	39	16	6	278	270	26	145	178	154
Long-term debt	251	259	264	0	0	225	88	35	41
Other non-current liabilities	0	0	2	0	0	0	0	0	0
Total non-current liabilities	251	259	266	0	0	225	88	36	41
TOTAL EQUITY & LIABILITIES	445	408	400	394	377	352	341	316	289
Working capital, receivables	4	2	4	4	1	4	4	4	4
Working capital, payables	0	1	0	1	2	1	1	1	1
Net working capital	4	1	4	3	-1	3	3	3	3
Interest bearing debt	286	273	267	267	260	244	225	206	187
Liquidity	17	30	29	23	24	8	10	-2	-17
Net interest bearing debt	268	243	238	244	237	235	214	208	205
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	-36	-23	-32	-11	-8	-7	9	-7	-9
Depreciation	17	13	12	13	13	13	13	13	13
Other	36	30	22	22	21	10	0	0	0
Cash earnings	16	20	3	23	26	16	21	6	4
Changes in working capital	-4	0	-1	3	4	-6	0	0	0
Net operational cash flow	12	20	2	27	29	10	21	6	4
Capex	0	0	-2	-11	-1	0	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	18	32	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	18	32	-2	-11	-1	0	0	0	0
Repayment of debt	-11	-14	-6	-3	-8	-270	-19	-19	-19
Proceeds from debt	—	0	0	0	0	263	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
New equity	—	—	27	0	0	0	0	0	0
Other	-22	-25	-22	-19	-20	0	0	0	0
Net financing cash flow	-33	-39	-1	-22	-27	-25	-19	-19	-19
Currency effect	—	0	0	0	0	0	0	0	0
Net cash flow		13	-1	-6	1	-15	2	-13	-15
Cash balance	17	30	29	23	24	8	10	-2	-17
Free cash flow	29	52	0	15	28	9	21	6	4



Cleaves Securities

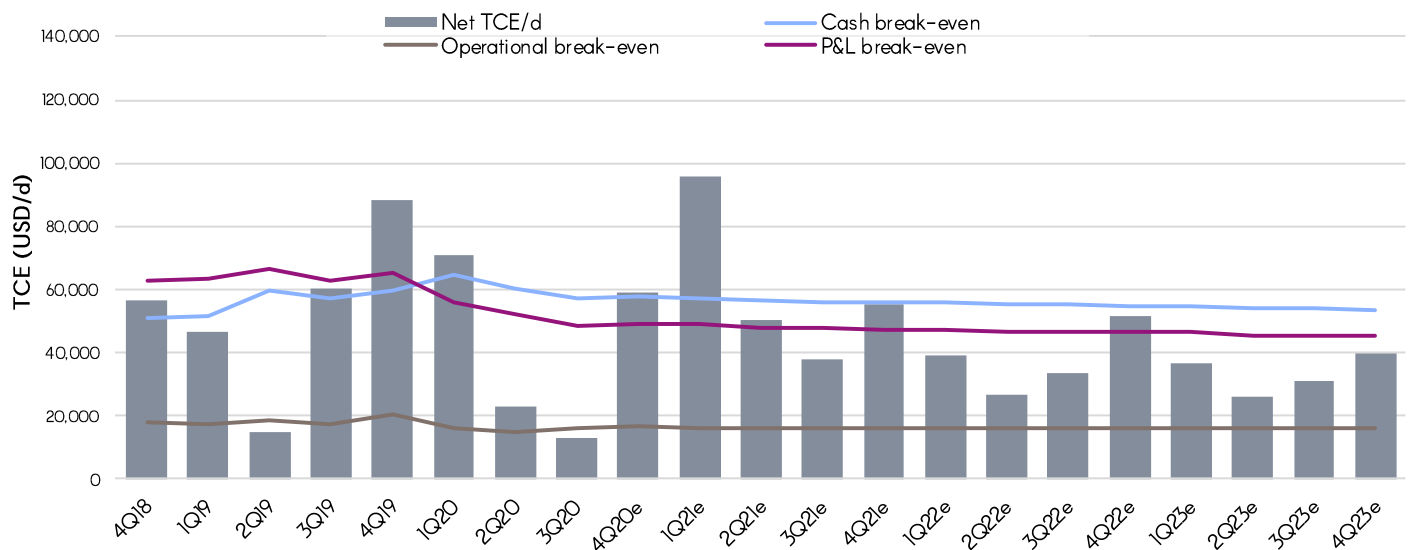
$$f(\lambda) = a_0 + \beta_1 \lambda^2, R^2 \approx 1$$

LNG Carriers SELL

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	68	68	133	133	133	133	133	133	133
Share price, avg (USD)	1	1	1	0	0	0	0	0	0
Share price, end (USD)	0	1	1	1	0	0	0	0	0
Market Cap.	30	54	82	76	48	40	40	40	40
NIBD	268	243	238	244	237	235	214	208	205
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	298	297	319	320	285	275	254	248	245
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)							4.7		
P/E (adj.)							4.7		
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales					1.4	1.3	0.9	1.5	1.6
EV/Sales					8.5	9.1	5.8	9.0	10.0
EV/EBITDA	69.6	22.4		14.3	11.3	14.8	8.0	15.9	19.5
EV/EBIT				33.9	23.5	45.2	13.3	79.3	
P/B	0.2	0.4	0.6	0.7	0.4	0.4	0.4	0.4	0.4
FCF yield	98%	96%	0%	20%	59%	24%	53%	15%	9%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Return on equity (ROE)	-23.3%	-17.2%	-25.0%	-9.9%	-7.7%	-7.3%	7.9%	-6.4%	-9.5%
Return on capital employed (ROCE)	-2.9%	0.1%	-2.9%	2.6%	3.5%	1.8%	5.9%	1.0%	0.0%
Return on assets (ROA)	-8.1%	-5.6%	-8.0%	-2.9%	-2.2%	-2.1%	2.5%	-2.1%	-3.1%
Sales growth						-10%	44%	-37%	-11%
EBITDA margin					75%	61%	73%	57%	51%
EBIT margin					36%	20%	44%	11%	0%
Net margin					-25%	-24%	20%	-24%	-36%
Net interest rate	0.0%	0.0%	0.0%	0.0%	0.0%	5.7%	5.0%	4.7%	4.3%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	35%	33%	32%	29%	28%	28%	32%	32%	32%
Leverage ratio	65%	67%	68%	71%	72%	72%	68%	68%	68%
NIBD / EBITDA (past 1y)	62.6	18.3	140.6	10.9	9.4	12.6	6.8	13.3	16.3
Operating cash flow/NIBD	0.0	0.1	0.0	0.1	0.1	0.0	0.1	0.0	0.0
Net interest coverage ratio (EBITDA)						1.4	3.0	1.6	1.4
Current ratio	0.6	2.2	5.6	0.1	0.1	0.5	0.1	0.0	-0.1
Adj. equity ratio						-3%	3%	3%	-1%
Operating assets	428	378	371	371	354	344	331	318	306
Operating liabilities	4	3	6	11	10	8	8	8	8
Net operating assets	424	376	365	360	344	336	323	310	298

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

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





Fleet Positioning

Live satellite data as of
18/01/2021 23:26 CET





An attractive fleet of modern LNG Carriers, but exposed to the same potential earnings headwinds as everyone else

FLNG-NO

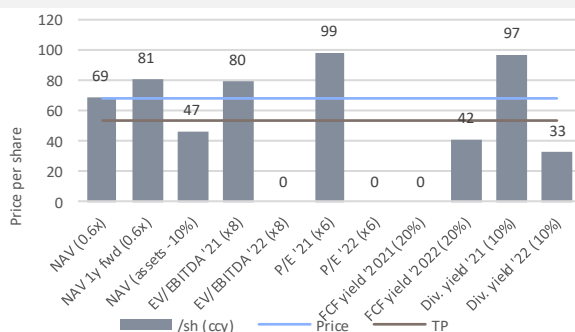
SELL/N54

Flex LNG

Share price vs target price

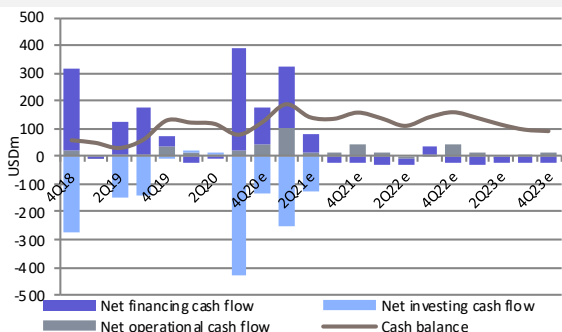


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	160	305	183	150
EBITDA (adj.)	120	241	117	84
EBIT (adj.)	78	168	44	10
PTP (adj.)	36	104	-21	-53
Net earnings (adj.)	36	104	-21	-53
EPS (adj.)	0.67	1.92	-0.39	-0.97
DPS	0.20	1.14	0.39	0.21
USDm	2020E	2021E	2022E	2023E
Fwd NAV	755	882	879	844
Adj. equity ratio	36%	35%	35%	36%
FCF yield	-111%	-47%	12%	5%
Dividend yield	2%	14%	5%	3%
EV/EBITDA	13.2	7.7	15.5	21.6
P/E (adj.)	12.1	4.2		

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	78	177	52	21
Free cash flow	-485	-204	52	21
Net cash flow	-6	36	1	-70
TCE/day	58,423	81,439	60,050	54,923
Cash break-even	46,912	43,749	44,377	43,964
Liquidity	122	158	159	89
Property & Equip. (incl. NBs)	2,018	2,326	2,252	2,178
Total equity	837	880	837	773
Total assets	2,162	2,507	2,434	2,290
Interest bearing debt	1,276	1,577	1,547	1,467
Net interest bearing debt	1,154	1,419	1,388	1,378
Market Cap.	436	436	436	436

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

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

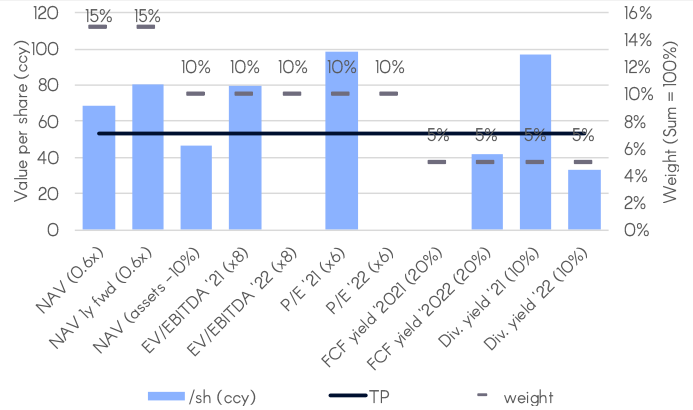


Company Valuation

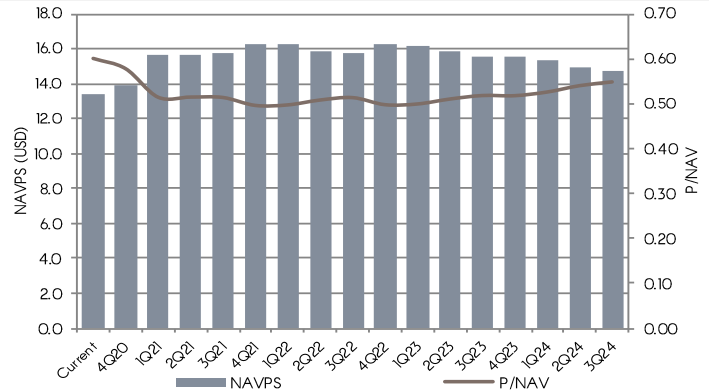
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,901	2,330	2,042
Contract value	0	-8	-7
Other	21	21	18
GAV	1,922	2,342	2,053
Net debt	-1,058	-1,058	-1,058
Capex	0	-512	-512
Other	-48	-48	-48
Equity	816	726	436
Shares	54	54	54
Equity/sh	15.09	13.41	8.06
Icl CCY	129.22	114.84	69.00
P/Equity	0.53	0.60	1.00
EV/GAV	1.07	0.88	1.00
Adj. Total Assets	1,999	2,428	2,140
Adj. Equity Ratio	41%	30%	20%
Fair Value	NOK	54	-22%
	USD	6	

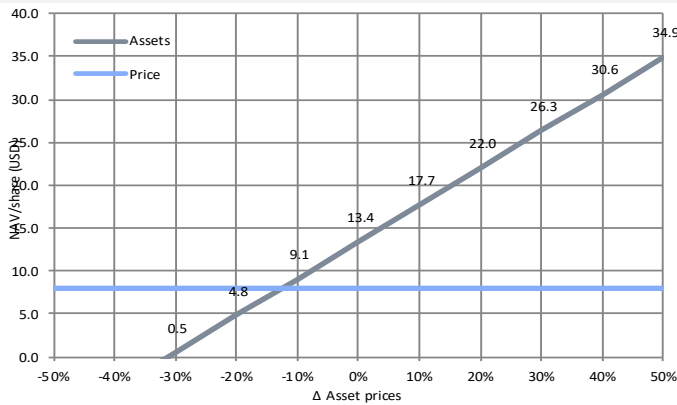
Valuation Matrix



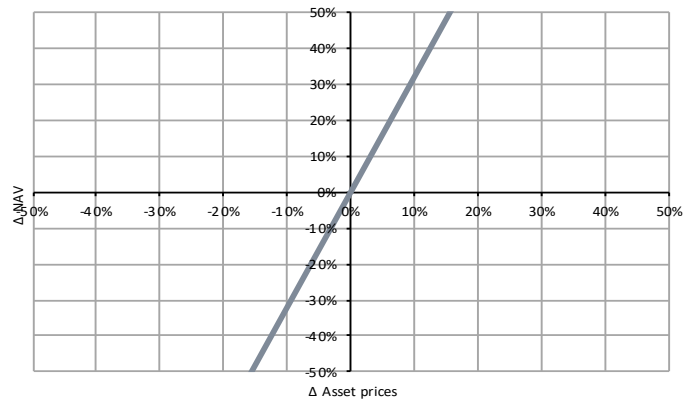
Quarterly forward NAV & P/NAV



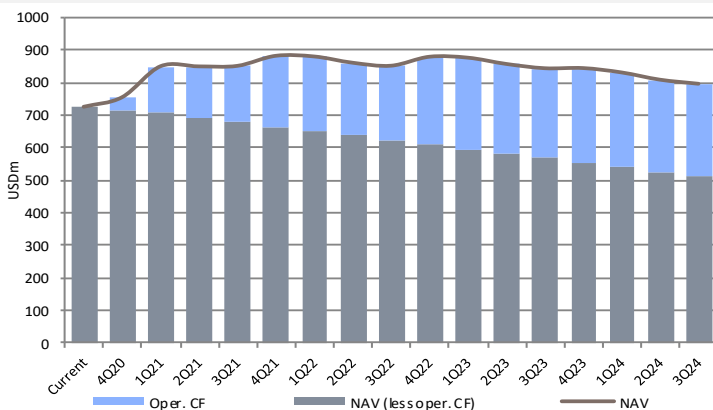
Impact on NAV/sh from % change in asset prices



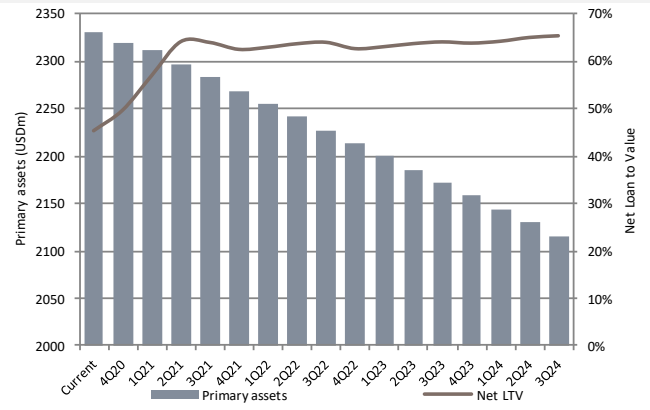
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Preview

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	51.6	32.0	65.9	65.6				
EBITDA (adj.)	41.6	21.9	52.9	51.1				
EBIT (adj.)	33.0	11.2	38.9	37.8				
PTP (adj.)	22.2	1.2	26.2	26.4				
Net earnings (adj.)	22.0	1.2	26.2	25.5				
EPS (adj.)	0.41	0.02	0.48	0.47				
DPS	0.10	0.10	0.24	0.10				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	51.6	32.0	65.9	65.6				
Opex & G&A	10.0	10.1	13.0	14.4				
Depreciation	8.7	10.7	14.1	13.3				
Net finance	10.7	10.0	12.6	11.4				
Taxes & Minorities	0.2	0.0	0.1	1.0				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	37	20	40					
Free cash flow	37	-412	-90					
Net cash flow	73	-40	46					
TCE/day	94,000	46,549	72,814	72,431				
Utilization	99.5%	100.0%	100.0%					
Fleet days	552	688	905					
Cash break-even	53,018	42,721	43,845					
Liquidity	129	76	122					
Interest bearing debt	779	1,134	1,276					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	
Net sales	160	305	183	150	160	305	183	150	-	-	-	-	
EBITDA (adj.)	120	241	117	84	120	241	117	84	-	-	-	-	
EBIT (adj.)	78	168	44	10	78	168	44	10	-	-	-	-	
PTP (adj.)	36	104	-21	-53	36	104	-21	-53	-	-	-	-	
Net earnings (adj.)	36	104	-21	-53	36	104	-21	-53	-	-	-	-	
EPS (adj.)	0.67	1.92	-0.39	-0.97	0.67	1.92	-0.39	-0.97	-	-	-	-	
DPS	0.20	1.14	0.39	0.21	0.20	1.14	0.39	0.21	-	-	-	-	
									2020E	2021E	2022E	2023E	
									TCE revenue	-	-	-	-
									Opex & G&A	-	-	-	-
									Depreciation	-	-	-	-
									Net finance	-	-	-	-
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Net operational cash flow	78	177	52	21	78	177	52	21	-	-	-	-
Free cash flow	-485	-204	52	21	-485	-204	52	21	-	-	-	-
Net cash flow	-6	36	1	-70	-6	36	1	-70	-	-	-	-
TCE/day	58,423	81,439	60,050	54,923	58,423	81,439	60,050	54,923	-	-	-	-
Cash break-even	46,912	43,749	44,377	43,964	46,912	43,749	44,377	43,964	-	-	-	-
Liquidity	122	158	159	89	122	158	159	89	-	-	-	-
Property & Equip. (incl. NBs)	2,018	2,326	2,252	2,178	2,018	2,326	2,252	2,178	-	-	-	-
Total equity	837	880	837	773	837	880	837	773	-	-	-	-
Total assets	2,162	2,507	2,434	2,290	2,162	2,507	2,434	2,290	-	-	-	-
Interest bearing debt	1,276	1,577	1,547	1,467	1,276	1,577	1,547	1,467	-	-	-	-
Net interest bearing debt	1,154	1,419	1,388	1,378	1,154	1,419	1,388	1,378	-	-	-	-
Market Cap.	436	436	436	436	522	522	522	522	-86	-86	-86	-86
Enterprise value	1,589	1,855	1,824	1,814	1,676	1,942	1,910	1,901	-86	-86	-86	-86
Capex	563	381	-	-	563	381	-	-	-	-	-	-
Utilization	100%	78%	62%	57%	100%	78%	62%	57%	0%	0%	0%	0%
Fleet days	2,685	4,655	4,745	4,745	2,685	4,655	4,745	4,745	-	-	-	-

Valuation

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	755	882	879	844	755	882	879	844	-0	-0	-0	-0
Adj. equity ratio	36%	35%	35%	36%	36%	35%	35%	36%	0%	0%	0%	0%
FCF yield	-111%	-47%	12%	5%	-93%	-39%	10%	4%	-18%	-8%	2%	1%
Dividend yield	2%	14%	5%	3%	2%	12%	4%	2%	0%	2%	1%	0%
EV/EBITDA	13.2	7.7	15.5	21.6	14.0	8.1	16.3	22.6	-0.7	-0.4	-0.7	-1.0
P/E (adj.)	12.1	4.2			14.5	5.0			-2.4	-0.8	#VALUE!	#VALUE!

Various

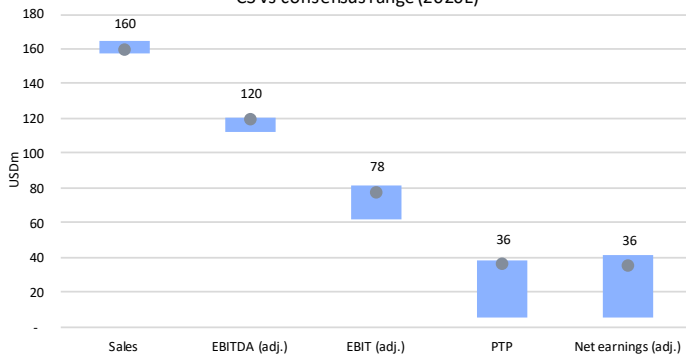
Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Opex/day (excl. TC-in)	-12,641	-12,500	-12,500	-12,500	-12,641	-12,500	-12,500	-12,500	-	-	-	-
G&A/day	-2,464	-1,388	-1,375	-1,389	-2,464	-1,388	-1,375	-1,389	-	-	-	-
Depreciation/day	-15,641	-15,558	-15,558	-15,558	-15,641	-15,558	-15,558	-15,558	-	-	-	-
Net interest/day	-16,010	-13,720	-13,641	-13,214	-16,010	-13,720	-13,641	-13,214	-	-	-	-
Amort./day	-15,798	-16,141	-16,861	-16,861	-15,798	-16,141	-16,861	-16,861	-	-	-	-



Our Estimates vs Consensus

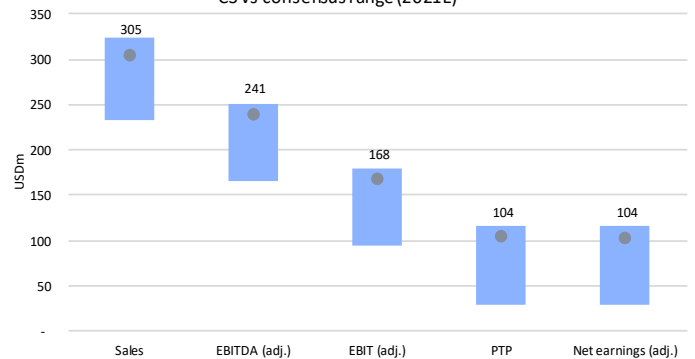
Profit & Loss, year I

CS vs consensus range (2020E)

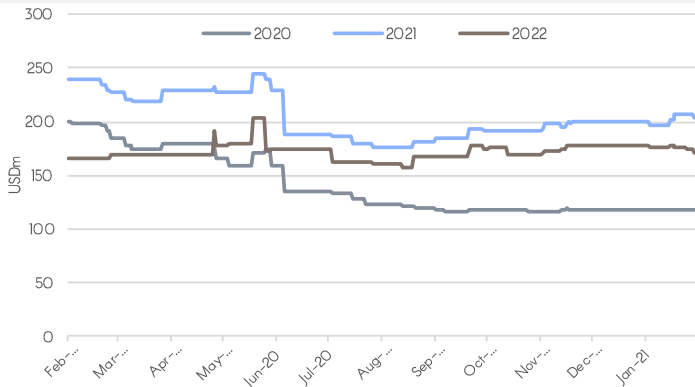


Profit & Loss, year II

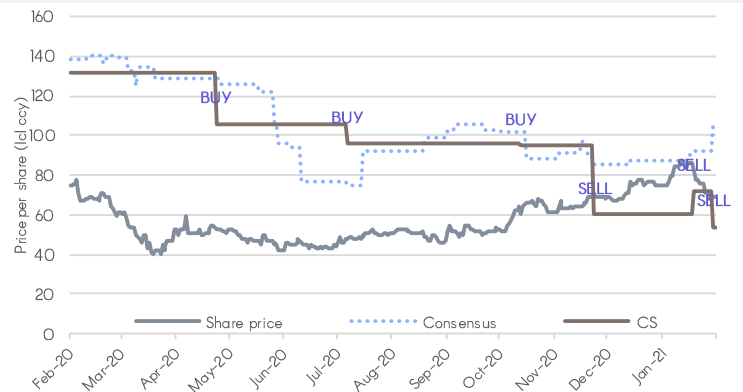
CS vs consensus range (2021E)



Consensus EBITDA development



Fair value vs share price past ly

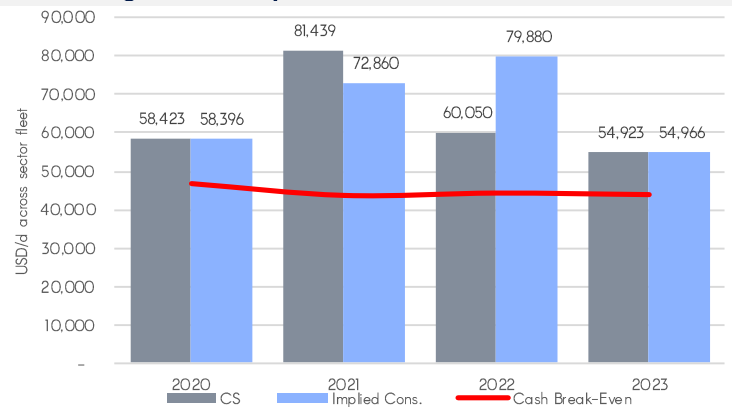


Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	160	160	160	0	0%
Opex + G&A	40	43	43	-2	-6%
Depreciation	42	42	42	-0	-1%
Net finance	42	62	62	-20	-33%
Taxes & Minorities	0	-11	-11	11	-101%

	2021	CS	Consensus	Diff.	Diff.
TCE revenue	305	273	273	32	12%
Opex + G&A	65	69	69	-4	-6%
Depreciation	72	66	66	7	10%
Net finance	64	58	58	6	10%
Taxes & Minorities	0	0	0	-0	-39%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

LNG Carriers SELL

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

	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	52	37	25	32	66	132	46	49	78
Operational costs	-10	-9	-8	-10	-13	-15	-16	-17	-17
EBITDA	42	28	17	22	53	117	30	32	61
Depreciation/Amortization	-9	-9	-9	-11	-14	-17	-18	-19	-19
EBIT	33	19	9	11	39	100	11	14	43
Net financials	-9	-34	-15	-7	-13	-14	-16	-17	-17
PTP	24	-15	-7	4	26	86	-5	-3	26
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	24	-15	-7	4	26	86	-5	-3	26
Non-recurring items	-2	24	6	-3	0	0	0	0	0
Net earnings (adj.)	22	9	-1	1	26	86	-5	-3	26
EPS	0.44	-0.27	-0.12	0.07	0.48	1.59	-0.09	-0.06	0.48
EPS (adj.)	0.41	0.17	-0.01	0.02	0.48	1.59	-0.09	-0.06	0.48
DPS	0.10	0.10	0.00	0.00	0.10	0.24	0.79	0.05	0.05
Balance Sheet (USDm)									
Cash & short-term investments	129	121	116	76	122	189	141	135	158
Other current assets	15	19	20	23	23	23	23	23	23
Total current assets	144	140	136	98	145	212	163	157	181
Property & equip. (incl. NBs)	1,497	1,488	1,479	1,901	2,018	2,255	2,363	2,345	2,326
Other non-current assets	1	0	0	0	0	0	0	0	0
Total non-current assets	1,497	1,488	1,479	1,901	2,018	2,255	2,363	2,345	2,326
TOTAL ASSETS	1,641	1,628	1,616	1,999	2,162	2,467	2,527	2,502	2,507
Total equity	839	819	812	816	837	910	862	856	880
Short-term debt	35	36	36	54	40	41	43	44	42
Other current liabilities	23	38	41	50	50	50	50	50	50
Total current liabilities	58	74	77	103	90	91	92	94	92
Long-term debt	744	735	726	1,080	1,236	1,466	1,572	1,552	1,535
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	744	735	726	1,080	1,236	1,466	1,572	1,552	1,535
TOTAL EQUITY & LIABILITIES	1,641	1,628	1,616	1,999	2,162	2,467	2,527	2,502	2,507
Working capital, receivables	3	2	4	5	5	5	5	5	5
Working capital, payables	1	3	1	2	2	2	2	2	2
Net working capital	2	-1	3	3	3	3	3	3	3
Interest bearing debt	779	771	762	1,134	1,276	1,507	1,615	1,596	1,577
Liquidity	129	121	116	76	122	189	141	135	158
Net interest bearing debt	650	650	646	1,058	1,154	1,318	1,474	1,461	1,419
Cash Flow (USDm)									
Net income	24	-15	-7	4	26	86	-5	-3	26
Depreciation	9	9	9	11	14	17	18	19	19
Other	-1	31	6	-4	0	0	0	0	0
Cash earnings	32	25	8	10	40	103	14	16	45
Changes in working capital	5	-11	-4	10	0	0	0	0	0
Net operational cash flow	37	14	4	20	40	103	14	16	45
Capex	0	0	0	-432	-131	-254	-127	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	0	0	0	-432	-131	-254	-127	0	0
Repayment of debt	-9	-63	-9	-9	-14	-19	-19	-19	-19
Proceeds from debt	49	49	0	387	156	250	127	0	0
Dividends paid	-5	-5	0	0	-5	-13	-43	-3	-3
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	-6	0	0	0	0	0
Net financing cash flow	35	-20	-9	372	137	218	65	-21	-21
Currency effect	0	-2	1	1	0	0	0	0	0
Net cash flow	73	-8	-5	-40	46	67	-48	-6	23
Cash balance	129	121	116	76	122	189	141	135	158
Free cash flow	37	8	4	-412	-90	-151	-113	16	45



Cleaves Securities

LNG Carriers SELL

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

Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales					114	160	305	183	150
Operational costs					-30	-40	-65	-66	-66
EBITDA		-1	-13	46	84	120	241	117	84
Depreciation/Amortization		0	0	-17	-29	-42	-72	-74	-74
EBIT	-2	-1	-13	29	55	78	168	44	10
Net financials	0	0	2	-17	-38	-70	-64	-65	-63
PTP	-2	-2	-10	12	17	9	104	-21	-53
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	-2	-2	-10	12	17	8	104	-21	-53
Non-recurring items	0	0	0	0	0	28	0	0	0
Net earnings (adj.)	-2	-2	-10	12	17	36	104	-21	-53
EPS	-0.18	-0.13	-0.28	0.22	0.31	0.16	1.92	-0.39	-0.97
EPS (adj.)	-0.18	-0.13	-0.28	0.22	0.31	0.67	1.92	-0.39	-0.97
DPS	0.00	0.00	0.00	0.00	0.10	0.20	1.14	0.39	0.21
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	4	1	10	55	129	122	158	159	89
Other current assets	0	0	8	5	15	23	23	23	23
Total current assets	4	2	18	60	144	145	181	182	112
Property & equip. (incl. NBs)	211	212	667	1,234	1,497	2,018	2,326	2,252	2,178
Other non-current assets	0	0	0	0	1	0	0	0	0
Total non-current assets	211	212	667	1,234	1,497	2,018	2,326	2,252	2,178
TOTAL ASSETS	215	214	685	1,294	1,641	2,162	2,507	2,434	2,290
Total equity	208	206	520	827	839	837	880	837	773
Short-term debt	0	0	0	23	35	40	24	31	32
Other current liabilities	1	1	4	12	23	50	50	50	50
Total current liabilities	1	1	4	35	58	90	74	80	82
Long-term debt	7	7	160	432	744	1,236	1,553	1,517	1,435
Other non-current liabilities	0	0	0	0	0	0	0	0	0
Total non-current liabilities	7	7	160	432	744	1,236	1,553	1,517	1,435
TOTAL EQUITY & LIABILITIES	215	214	685	1,294	1,641	2,162	2,507	2,434	2,290
Working capital, receivables		0	1	1		5	5	5	5
Working capital, payables	0	1	0	0	1	2	2	2	2
Net working capital		-1	1	1		3	3	3	3
Interest bearing debt	7	7	160	455	779	1,276	1,577	1,547	1,467
Liquidity	4	1	10	55	129	122	158	159	89
Net interest bearing debt	3	6	150	400	650	1,154	1,419	1,388	1,378
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	-2	-2	-10	12	17	8	104	-21	-53
Depreciation		0	0	17	29	42	72	74	74
Other		0	-2	0	2	33	0	0	0
Cash earnings	-2	-2	-13	29	47	83	177	52	21
Changes in working capital	0	1	-5	7	-1	-5	0	0	0
Net operational cash flow	-3	-1	-18	36	47	78	177	52	21
Capex	0	-1	-6	-232	-292	-563	-381	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	-72	-352	0	0	0	0	0
Net investing cash flow	0	-1	-78	-584	-292	-563	-381	0	0
Repayment of debt	0	0	-117	299	324	-96	-75	-80	-80
Proceeds from debt	—	0	0	585	698	593	377	50	0
Dividends paid	0	0	0	0	-5	-11	-62	-21	-11
New equity	0	0	221	295	—	0	0	0	0
Other	0	0	0	-585	-698	0	0	0	0
Net financing cash flow	0	0	104	594	319	479	240	-51	-91
Currency effect	—	—	0	0	0	-1	0	0	0
Net cash flow			9	45	74	-6	36	1	-70
Cash balance	4	1	10	55	129	123	158	160	90
Free cash flow	-3	-2	-95	-549	-245	-485	-204	52	21



Cleaves Securities

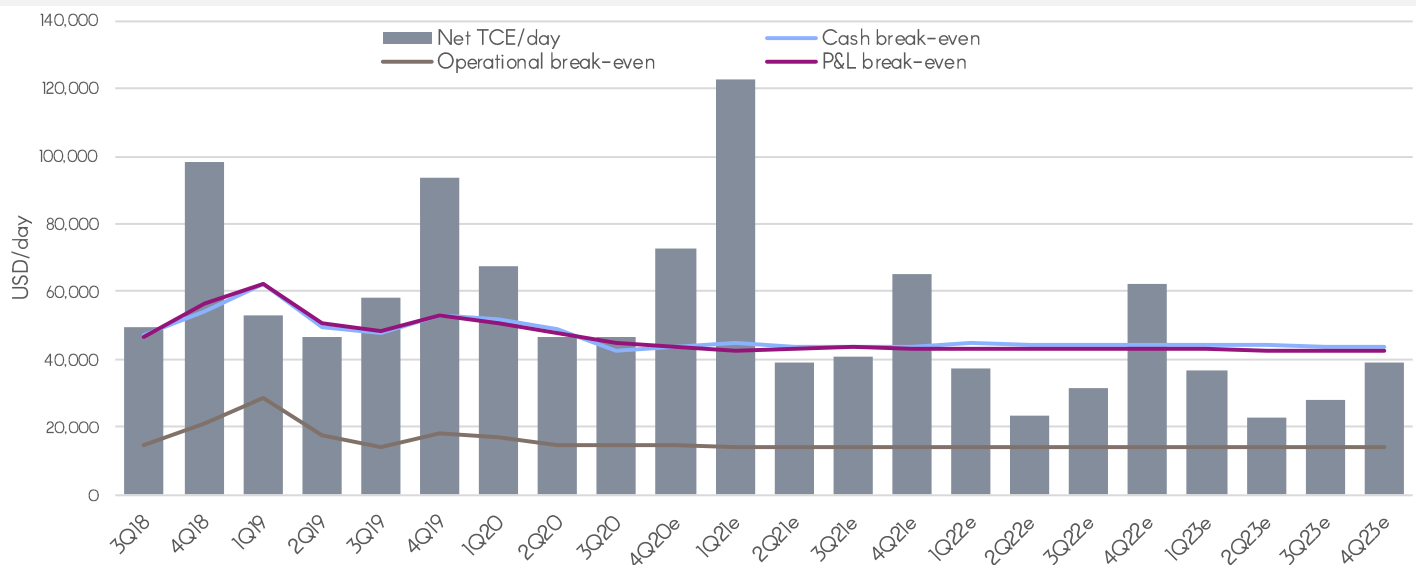
$$f(x) = a_0 + \beta_1 x^2, R^2 \approx 1$$

LNG Carriers SELL

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	14	14	37	54	54	54	54	54	54
Share price, avg (USD)	10	10	11	13	11	6	8	8	8
Share price, end (USD)	11	12	16	14	10	8	8	8	8
Market Cap.	160	163	582	765	559	436	436	436	436
NIBD	3	6	150	400	650	1,154	1,419	1,388	1,378
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	163	169	732	1,165	1,209	1,589	1,855	1,824	1,814
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)				65.0	32.9	51.6	4.2		
P/E (adj.)				65.0	32.9	12.1	4.2		
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales					4.9	2.7	1.4	2.4	2.9
EV/Sales					10.6	9.9	6.1	10.0	12.1
EV/EBITDA				25.1	14.4	13.2	7.7	15.5	21.6
EV/EBIT				40.2	22.0	20.3	11.0	41.9	
P/B	0.8	0.8	1.1	0.9	0.7	0.5	0.5	0.5	0.6
FCF yield	-2%	-1%	-16%	-72%	-44%	-111%	-47%	12%	5%
Dividend yield	0.0%	0.0%	0.0%	0.0%	1.0%	2.5%	14.1%	4.8%	2.6%
Return on equity (ROE)	-1.2%	-0.9%	-2.0%	1.4%	2.0%	1.0%	11.8%	-2.6%	-6.8%
Return on capital employed (ROCE)	-1.1%	-0.7%	-1.9%	2.4%	3.7%	3.9%	7.3%	2.0%	0.5%
Return on assets (ROA)	-1.2%	-0.8%	-1.5%	0.9%	1.0%	0.4%	4.2%	-0.9%	-2.3%
Sales growth						41%	90%	-40%	-18%
EBITDA margin					74%	75%	79%	64%	56%
EBIT margin					48%	49%	55%	24%	7%
Net margin					15%	5%	34%	-12%	-35%
Net interest rate	0.0%	0.0%	0.0%	0.0%	5.2%	3.6%	4.5%	4.7%	4.5%
Tax rate	-0.3%	0.1%	-0.2%	-0.1%	1.1%	1.4%	0.2%	-0.8%	-0.3%
Equity ratio	96%	96%	76%	64%	51%	39%	35%	34%	34%
Leverage ratio	4%	4%	24%	36%	49%	61%	65%	66%	66%
NIBD / EBITDA (past ly)		-3.7	-11.9	8.6	7.8	9.6	5.9	11.8	16.4
Operating cash flow/NIBD	-0.9	-0.2	-0.1	0.1	0.1	0.1	0.1	0.0	0.0
Net interest coverage ratio (EBITDA)					2.5	2.9	3.8	1.8	1.3
Current ratio	6.5	1.4	4.0	1.7	2.5	1.6	2.4	2.3	1.4
Adj. equity ratio						36%	35%	35%	36%
Operating assets	212	213	675	1,239	1,512	2,040	2,349	2,275	2,201
Operating liabilities	1	1	4	12	23	50	50	50	50
Net operating assets	211	212	670	1,227	1,489	1,991	2,299	2,225	2,151

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

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





Fleet Positioning

Live satellite data as of
30/01/2021 10:18 CET



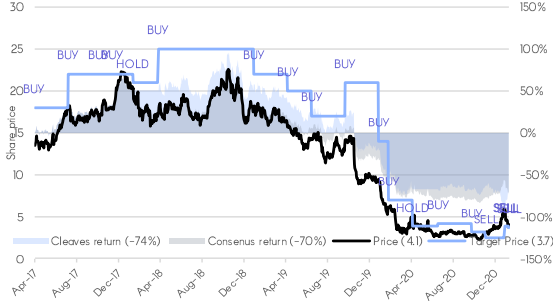


With the MLP structure in tatters, GLOG is facing same pricing reality as peers. Good backlog somewhat bridges the trough

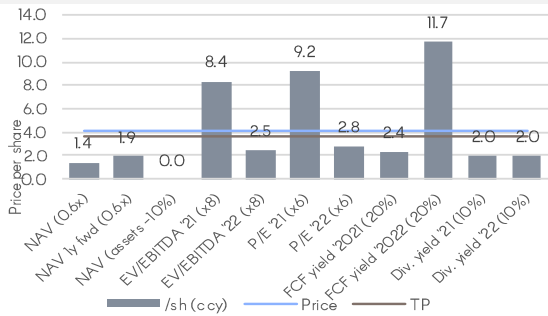
GLOG-US SELL/\$3.7

GasLog

Share price vs target price

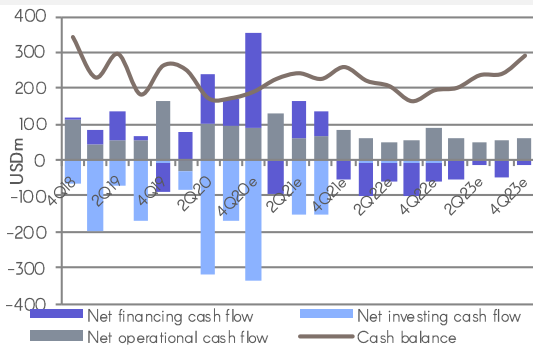


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2033E
Net sales	666	783	692	656
EBITDA (adj.)	476	565	469	433
EBIT (adj.)	297	365	261	235
PTP (adj.)	130	187	88	70
Net earnings (adj.)	85	147	45	27
EPS (adj.)	0.96	1.54	0.47	0.29
DPS	0.20	0.20	0.20	0.65
USDm	2020E	2021E	2022E	2033E
Fwd NAV	246	321	356	375
Adj. equity ratio	0	0	0	0
FCF yield	-158%	12%	57%	58%
Dividend yield	5%	5%	5%	16%
EV/EBITDA	9.2	7.3	8.3	8.7
P/E (adj.)	4.6	2.7	8.7	14.3

Key numbers

USDm	2020E	2021E	2022E	2033E
Net operational cash flow	261	347	254	225
Free cash flow	-617	45	222	225
Net cash flow	-72	68	-64	96
TCE/day	65,301	64,780	55,821	52,922
Cash break-even	43,905	52,836	51,867	51,317
Liquidity	191	260	195	291
Property & Equip. (incl. NBs)	5,336	5,437	5,260	5,063
Total equity	1,605	1,732	1,758	1,724
Total assets	5,844	6,013	5,772	5,671
Interest bearing debt	3,940	3,982	3,715	3,647
Net interest bearing debt	3,748	3,722	3,519	3,356
Market Cap.	390	390	390	390
Enterprise value	4,138	4,112	3,909	3,746
Capex	885	302	32	-

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

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



Quarterly Preview

P&L

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	177.9	151.6	202.4	182.6				
EBITDA (adj.)	123.9	100.9	150.3	128.0				
EBIT (adj.)	80.0	55.8	102.3	82.3				
PTP (adj.)	29.4	15.4	59.2	32.9				
Net earnings (adj.)	7.2	4.9	44.6	20.6				
EPS (adj.)	0.09	0.05	0.47	0.19				
DPS	0.05	0.05	0.05	0.05				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	177.9	151.6	202.4	182.6				
Opex & G&A	54.1	50.7	52.2	54.6				
Depreciation	43.9	45.1	47.9	45.7				
Net finance	50.7	40.4	43.1	49.4				
Taxes & Minorities	22.1	10.5	14.6	12.4				

CF & BS

4Q20 Preview USDm	4Q19	3Q20	4Q20		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	164	96	93					
Free cash flow	157	-73	-246					
Net cash flow	73	1	18					
TCE/day	72,179	57,697	70,682	63,751				
Utilization	95.7%	92.6%	97.3%					
Fleet days	2,576	2,837	2,944					
Cash break-even	51,549	49,351	41,374					
Liquidity	264	173	191					
Interest bearing debt	3,352	3,670	3,940					

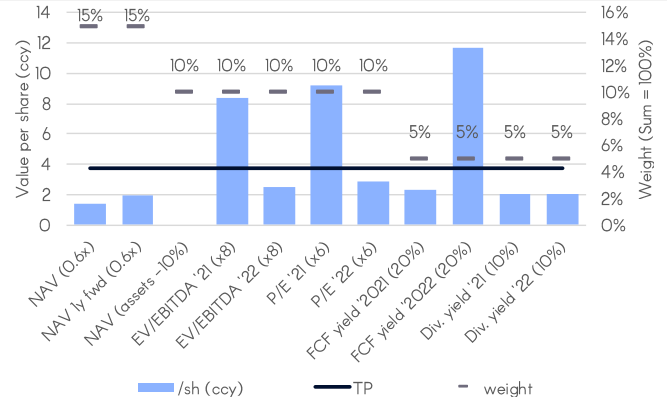


Company Valuation

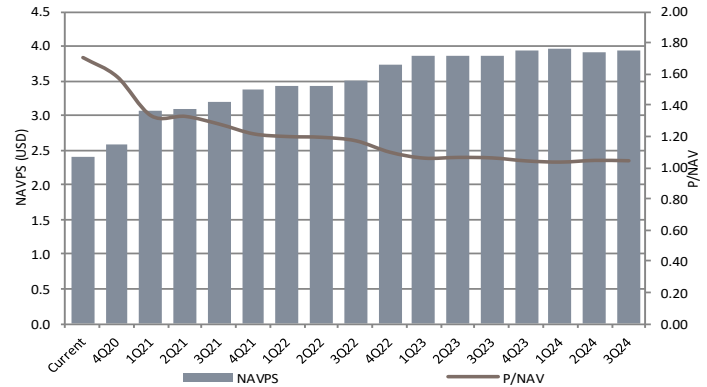
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	2,819	2,958	3,496
Contract value	0	190	224
Other	252	252	-518
GAV	3,070	3,399	3,202
Net debt	-2,272	-2,272	-2,272
Capex	0	-641	-641
Other	-183	-258	101
Equity	616	229	390
Shares	95	95	95
Equity/sh	6.47	2.40	4.10
lcl CCY	6.47	2.40	4.10
P/Equity	0.63	1.71	1.00
EV/GAV	1.04	0.94	1.00
Adj. Total Assets	3,201	3,340	3,879
Adj. Equity Ratio	19%	7%	10%
Fair Value	USD	3.7	-10%

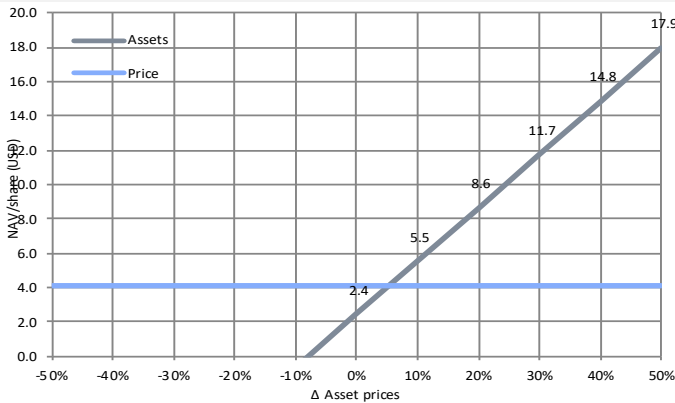
Valuation Matrix



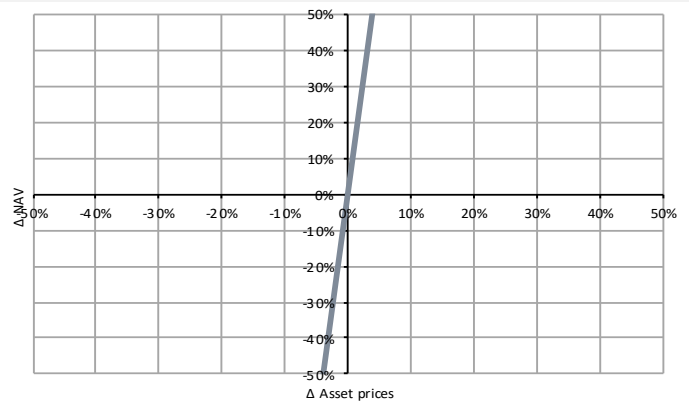
Quarterly forward NAV & P/NAV



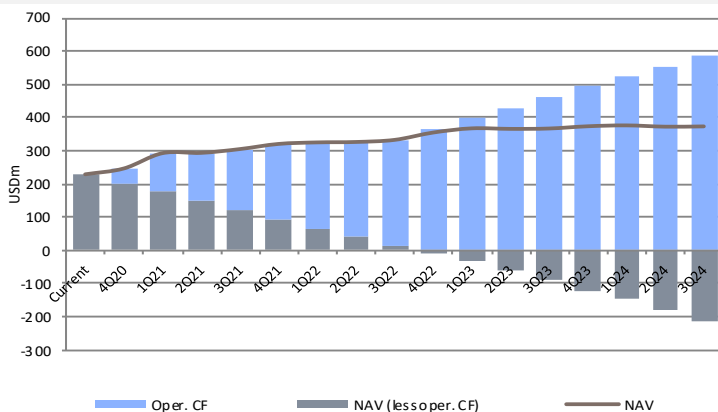
Impact on NAV/sh from % change in asset prices



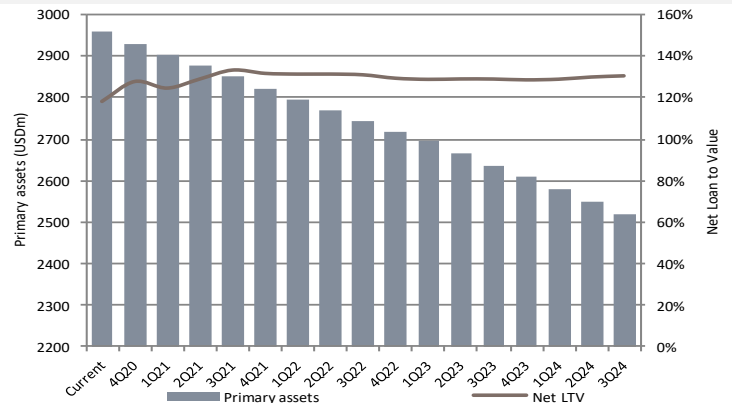
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net sales	666	783	692	656	666	783	692	656	-	-	-	-
EBITDA (adj.)	476	565	469	433	476	565	469	433	-	-	-	-
EBIT (adj.)	297	365	261	235	297	364	258	235	-	0	3	-
PTP (adj.)	130	187	88	70	130	187	85	70	-	0	3	-
Net earnings (adj.)	85	147	45	27	85	150	46	30	1	-3	-1	-3
EPS (adj.)	0.96	1.54	0.47	0.29	0.96	1.57	0.48	0.32	0.01	-0.03	-0.01	-0.03
DPS	0.20	0.20	0.20	0.65	0.20	0.20	0.20	0.65	-	-	-	-0.00
									2020E	2021E	2022E	2023E
									TCE revenue	-	-	-
									Opex & G&A	-	-	-
									Depreciation	-	-0	-3
									Net finance	-	-	-
									Taxes & Minorities	-1	4	3
											3	3

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	261	347	254	225	260	350	257	228	1	-4	-3	-3
Free cash flow	-617	45	222	225	-618	48	225	228	1	-4	-3	-3
Net cash flow	-72	68	-64	96	-73	72	-61	99	1	-4	-3	-3
TCE/day	65,301	64,780	55,821	52,922	65,301	64,780	55,821	52,922	-	-	-	-
Cash break-even	43,905	52,836	51,867	51,317	43,905	52,836	51,867	51,317	-	-	-	-
Liquidity	191	260	195	291	191	263	201	300	1	-3	-6	-9
Property & Equip. (incl. NBs)	5,336	5,437	5,260	5,063	5,336	5,437	5,257	5,060	-	0	3	3
Total equity	1,605	1,732	1,758	1,724	1,604	1,735	1,761	1,730	1	-3	-3	-6
Total assets	5,844	6,013	5,772	5,671	5,843	6,016	5,775	5,677	1	-3	-3	-6
Interest bearing debt	3,940	3,982	3,715	3,647	3,940	3,982	3,715	3,647	-	-	-	-
Net interest bearing debt	3,748	3,722	3,519	3,356	3,749	3,719	3,513	3,347	-1	3	6	9
Market Cap.	390	390	390	390	484	484	484	484	-94	-94	-94	-94
Enterprise value	4,138	4,112	3,909	3,746	4,233	4,204	3,998	3,831	-95	-91	-88	-85
Capex	885	302	32	-	885	302	32	-	-	-	-	-
Utilization	92%	97%	97%	97%	92%	97%	97%	97%	0%	0%	0%	0%
Fleet days	11,018	12,504	12,775	12,775	11,018	12,504	12,775	12,775	-	-	-	-

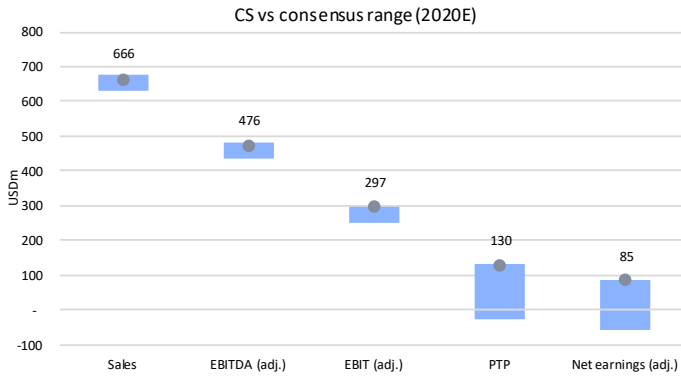
Valuation

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	246	321	356	375	254	332	370	392	-8	-11	-14	-17
Adj. equity ratio	0	0	0	0	6%	7%	8%	9%	0%	0%	0%	0%
FCF yield	-158%	12%	57%	58%	-128%	10%	46%	47%	-31%	2%	10%	11%
Dividend yield	5%	5%	5%	16%	4%	4%	4%	13%	1%	1%	1%	3%
EV/EBITDA	9.2	7.3	8.3	8.7	9.4	7.4	8.5	8.9	-0.2	-0.2	-0.2	-0.2
P/E (adj.)	4.6	2.7	8.7	14.3	5.7	3.2	10.6	15.9	-1.1	-0.6	-1.9	-1.6

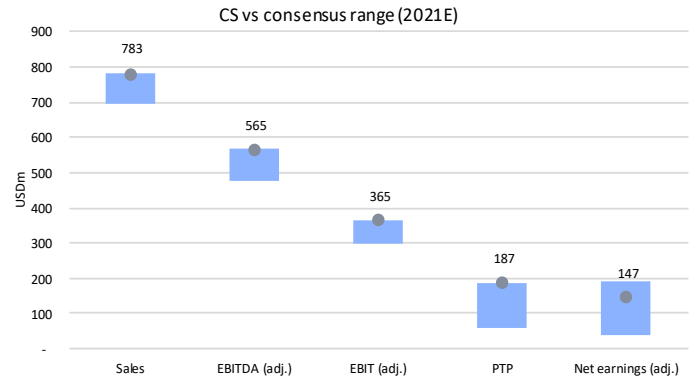


Our Estimates vs Consensus

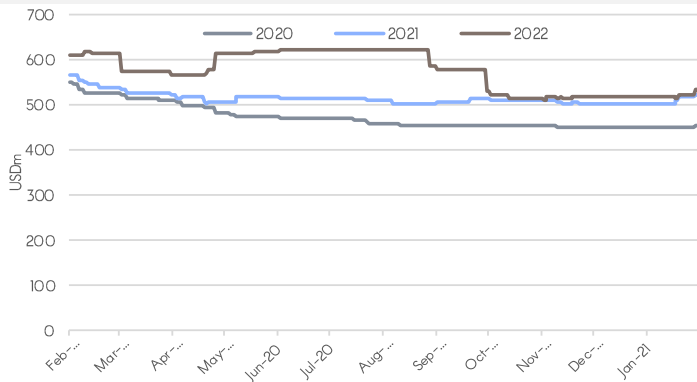
Profit & Loss, year I



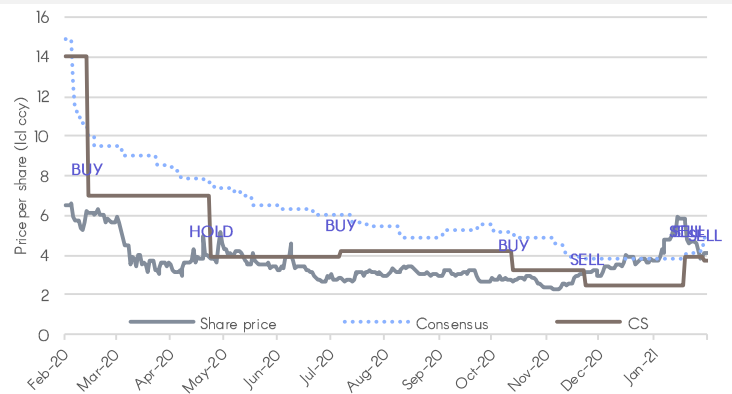
Profit & Loss, year II



Consensus EBITDA development



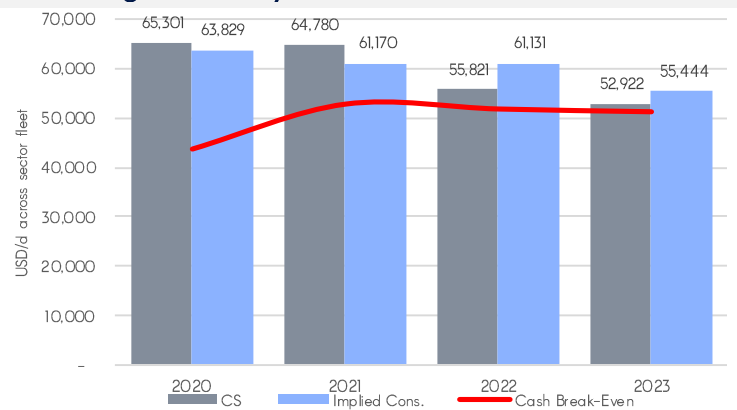
Fair value vs share price past ly



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	666	651	651	15	2%
Opex + G&A	190	198	198	-8	-4%
Depreciation	178	182	182	-4	-2%
Net finance	167	265	265	-98	-37%
Taxes & Minorities	45	-14	-14	60	-414%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	783	739	739	44	6%
Opex + G&A	218	216	216	2	1%
Depreciation	200	199	199	1	0%
Net finance	178	203	203	-25	-13%
Taxes & Minorities	40	25	25	16	63%

Avg. TCE/day across fleet vs consensus





Cleaves Securities

LNG Carriers SELL

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

	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Profit & Loss (USDm)									
Net sales	178	158	153	152	202	238	168	175	203
Operational costs	-216	-45	-67	-54	-52	-52	-54	-56	-56
EBITDA	-38	114	87	98	150	186	114	118	147
Depreciation/Amortization	-44	-41	-44	-45	-48	-48	-49	-51	-52
EBIT	-82	72	43	53	102	137	65	68	95
Net financials	-38	-112	-56	-43	-43	-43	-44	-45	-45
PTP	-120	-39	-13	10	59	94	21	22	50
Taxes/Minorities	70	-12	-8	-10	-15	-12	-7	-5	-15
Net earnings	-50	-51	-21	0	45	82	14	17	34
Non-recurring items	57	71	38	5	0	0	0	0	0
Net earnings (adj.)	7	20	16	5	45	82	14	17	34
EPS	-0.62	-0.64	-0.27	0.00	0.47	0.86	0.14	0.18	0.36
EPS (adj.)	0.09	0.24	0.20	0.05	0.47	0.86	0.14	0.18	0.36
DPS	0.53	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Balance Sheet (USDm)									
Cash & short-term investments	264	252	173	173	191	227	242	227	260
Other current assets	52	68	77	68	68	68	68	68	68
Total current assets	316	321	250	242	260	295	311	295	328
Property & equip. (incl. NBs)	4,652	4,675	4,922	5,044	5,336	5,287	5,389	5,489	5,437
Other non-current assets	255	286	270	248	248	248	248	248	248
Total non-current assets	4,907	4,961	5,192	5,293	5,584	5,536	5,637	5,737	5,686
TOTAL ASSETS	5,223	5,282	5,442	5,535	5,844	5,830	5,948	6,032	6,013
Total equity	1,650	1,564	1,571	1,565	1,605	1,682	1,690	1,703	1,732
Short-term debt	265	224	475	231	299	307	328	291	306
Other current liabilities	173	157	188	194	194	194	194	194	194
Total current liabilities	438	381	663	426	493	502	522	486	501
Long-term debt	3,088	3,222	3,099	3,439	3,641	3,542	3,630	3,739	3,675
Other non-current liabilities	48	114	110	105	105	105	105	105	105
Total non-current liabilities	3,136	3,336	3,208	3,544	3,746	3,647	3,735	3,844	3,781
TOTAL EQUITY & LIABILITIES	5,223	5,282	5,442	5,535	5,844	5,830	5,948	6,032	6,013
Working capital, receivables	18	39	36	32	32	32	32	32	32
Working capital, payables	28	39	37	27	27	27	27	27	27
Net working capital	-10	0	-2	5	5	5	5	5	5
Interest bearing debt	3,352	3,446	3,574	3,670	3,940	3,849	3,958	4,030	3,982
Liquidity	264	252	173	173	191	227	242	227	260
Net interest bearing debt	3,089	3,194	3,401	3,497	3,748	3,623	3,716	3,803	3,722
Cash Flow (USDm)									
Net income	-50	-51	-21	0	45	82	14	17	34
Depreciation	44	41	44	45	48	48	49	51	52
Other	127	67	58	0	0	0	0	0	0
Cash earnings	121	57	80	44	93	130	63	68	86
Changes in working capital	43	-87	23	51	0	0	0	0	0
Net operational cash flow	164	-30	103	96	93	130	63	68	86
Capex	-33	-60	-315	-172	-339	0	-151	-151	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	2	0	0	0	0	0
Other	25	5	-1	1	0	0	0	0	0
Net investing cash flow	-7	-55	-316	-168	-339	0	-151	-151	0
Repayment of debt	81	-24	-26	-1,268	-22	-90	-32	-72	-48
Proceeds from debt	0	153	149	1,377	292	0	140	144	0
Dividends paid	-43	-4	-4	-5	-5	-5	-5	-5	-5
New equity	0	0	0	0	0	0	0	0	0
Other	-120	-48	11	-31	0	0	0	0	0
Net financing cash flow	-81	76	134	73	264	-95	104	67	-53
Currency effect	-3	-2	0	0	0	0	0	0	0
Net cash flow	73	-12	-79	1	18	35	16	-16	33
Cash balance	264	252	173	173	191	227	242	227	260
Free cash flow	157	-85	-213	-73	-246	130	-88	-83	86



Cleaves Securities

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

LNG Carriers SELL

	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	415	466	525	618	669	666	783	692	656
Operational costs	-154	-166	-170	-173	-377	-217	-218	-223	-223
EBITDA	261	300	355	446	291	448	565	469	433
Depreciation/Amortization	-107	-123	-137	-153	-168	-178	-200	-209	-198
EBIT	154	177	218	293	123	270	365	261	235
Net financials	-101	-149	-133	-166	-239	-254	-178	-173	-165
PTP	54	28	84	126	-116	17	187	88	70
Taxes/Minorities	-43	-50	-69	-79	15	-45	-40	-43	-43
Net earnings	11	-21	16	48	-101	-29	147	45	27
Non-recurring items	-7	-10	-10	-10	-10	114	0	0	0
Net earnings (adj.)	3	-32	5	38	-111	85	147	45	27
EPS	0.13	-0.27	0.19	0.59	-1.24	-0.44	1.54	0.47	0.29
EPS (adj.)	0.04	-0.39	0.07	0.47	-1.37	0.96	1.54	0.47	0.29
DPS	0.56	0.56	0.56	0.59	0.98	0.20	0.20	0.20	0.65
Balance Sheet (USDm)									
Cash & short-term investments	303	227	384	343	264	191	260	195	291
Other current assets	95	43	33	96	52	68	68	68	68
Total current assets	398	270	417	439	316	260	328	264	359
Property & equip. (incl. NBs)	3,579	3,985	3,939	4,483	4,630	5,336	5,437	5,260	5,063
Other non-current assets	63	260	279	253	277	248	248	248	248
Total non-current assets	3,641	4,245	4,218	4,736	4,907	5,584	5,686	5,509	5,311
TOTAL ASSETS	4,040	4,515	4,635	5,175	5,223	5,844	6,013	5,772	5,671
Total equity	1,508	1,510	1,763	1,983	1,650	1,605	1,732	1,758	1,724
Short-term debt	637	153	186	527	265	299	319	353	309
Other current liabilities	97	109	109	142	173	194	194	194	194
Total current liabilities	734	263	295	669	438	493	513	547	503
Long-term debt	1,738	2,719	2,575	2,507	3,088	3,641	3,663	3,362	3,339
Other non-current liabilities	60	24	2	15	48	105	105	105	105
Total non-current liabilities	1,797	2,743	2,577	2,522	3,136	3,746	3,768	3,467	3,444
TOTAL EQUITY & LIABILITIES	4,040	4,515	4,635	5,175	5,223	5,844	6,013	5,772	5,671
Working capital, receivables	23	18	8	9	18	32	32	32	32
Working capital, payables	12	7	12	12	28	27	27	27	27
Net working capital	10	10	-4	-3	-10	5	5	5	5
Interest bearing debt	2,374	2,872	2,761	3,035	3,352	3,940	3,982	3,715	3,647
Liquidity	366	227	384	343	264	191	260	195	291
Net interest bearing debt	2,009	2,645	2,377	2,692	3,089	3,748	3,722	3,519	3,356
Cash Flow (USDm)									
Net income	11	-21	16	48	-101	-29	147	45	27
Depreciation	107	123	137	153	168	178	200	209	198
Other	36	147	69	80	248	124	0	0	0
Cash earnings	154	249	222	281	316	274	347	254	225
Changes in working capital	8	8	2	3	2	-13	0	0	0
Net operational cash flow	162	257	224	284	317	261	347	254	225
Capex	-728	-762	-82	-674	-480	-885	-302	-32	0
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	10	2	0	0	0
Other	24	-10	8	-19	26	-27	0	0	0
Net investing cash flow	-704	-771	-75	-693	-443	-878	-302	-32	0
Repayment of debt	502	505	-118	292	358	-1,341	-243	-582	-267
Proceeds from debt	606	—	—	—	—	1,970	285	315	200
Dividends paid	-45	-45	-45	-48	-79	-18	-19	-19	-62
New equity	173	0	1	1	0	0	0	0	0
Other	-602	-20	170	123	-229	-27	0	0	0
Net financing cash flow	634	440	7	368	50	547	23	-286	-129
Currency effect	-1	-1	1	0	-3	-2	0	0	0
Net cash flow	91	-76	157	-41	-79	-72	68	-64	96
Cash balance	303	227	384	343	264	191	260	195	291
Free cash flow	-542	-515	149	-409	-126	-617	45	222	225



Cleaves Securities

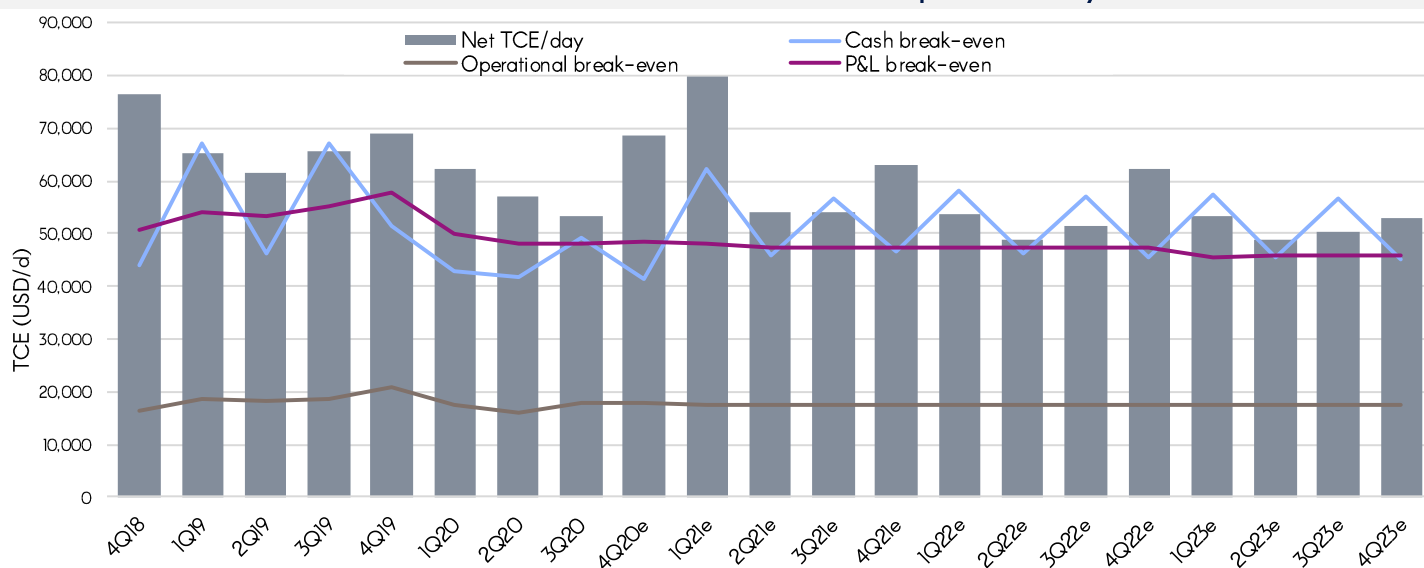
$$f(\lambda) = a_0 + \beta_1 \lambda^2, R^2 \approx 1$$

LNG Carriers SELL

Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	80	81	81	81	81	95	95	95	95
Share price, avg (USD)	16	13	16	19	14	4	4	4	4
Share price, end (USD)	8	16	22	16	10	4	4	4	4
Market Cap.	668	1,297	1,796	1,331	792	390	390	390	390
NIBD	2,009	2,645	2,377	2,692	3,089	3,748	3,722	3,519	3,356
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	2,677	3,942	4,173	4,023	3,880	4,138	4,112	3,909	3,746
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)	61.7			27.9			2.7	8.7	14.3
P/E (adj.)				35.4		4.6	2.7	8.7	14.3
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	1.6	2.8	3.4	2.2	1.2	0.6	0.5	0.6	0.6
EV/Sales	6.4	8.5	7.9	6.5	5.8	6.2	5.3	5.7	5.7
EV/EBITDA	10.3	13.2	11.8	9.0	13.3	9.2	7.3	8.3	8.7
EV/EBIT	17.3	22.3	19.2	13.8	31.5	15.3	11.3	15.0	15.9
P/B	0.7	1.4	2.0	1.5	1.2	0.6	0.5	0.5	0.6
FCF yield	-81%	-40%	8%	-31%	-16%	-158%	12%	57%	58%
Dividend yield	6.7%	3.5%	2.5%	3.6%	10.0%	4.5%	4.9%	4.9%	15.8%
Return on equity (ROE)	1.1%	-2.3%	1.7%	5.4%	-14.6%	-4.4%	19.9%	6.3%	4.3%
Return on capital employed (ROCE)	4.4%	4.3%	5.3%	6.3%	2.6%	5.0%	6.7%	4.9%	4.6%
Return on assets (ROA)	0.3%	-0.5%	0.3%	0.9%	-1.9%	-0.5%	2.4%	0.8%	0.5%
Sales growth	26%	12%	13%	18%	8%	0%	18%	-12%	-5%
EBITDA margin	63%	64%	68%	72%	44%	67%	72%	68%	66%
EBIT margin	37%	38%	41%	47%	18%	41%	47%	38%	36%
Net margin	3%	-5%	3%	8%	-15%	-4%	19%	7%	4%
Net interest rate	4.6%	0.0%	0.0%	0.0%	0.0%	4.5%	4.8%	4.9%	4.9%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	37%	33%	38%	38%	32%	27%	29%	30%	30%
Leverage ratio	63%	67%	62%	62%	68%	73%	71%	70%	70%
NIBD / EBITDA (past ly)	7.7	8.8	6.7	6.0	10.6	8.4	6.6	7.5	7.8
Operating cash flow/NIBD	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Net interest coverage ratio (EBITDA)	2.8					2.7	3.2	2.7	2.6
Current ratio	0.5	1.0	1.4	0.7	0.7	0.5	0.6	0.5	0.7
Adj. equity ratio						5%	6%	7%	7%
Operating assets	3,674	4,288	4,251	4,832	4,959	5,652	5,754	5,577	5,379
Operating liabilities	157	133	111	157	221	300	300	300	300
Net operating assets	3,517	4,155	4,140	4,675	4,738	5,353	5,454	5,277	5,080

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

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





Fleet Positioning

Live satellite data as of
30/01/2021 10:22 CET



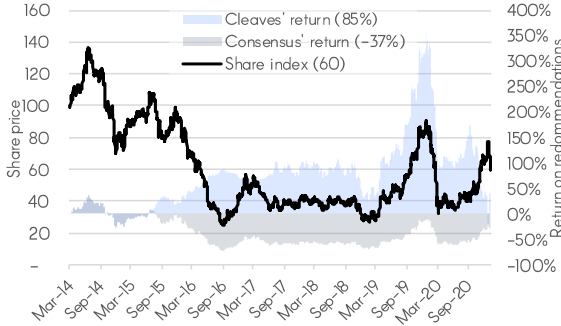
As expected, VLGC spot rates have collapsed and our TPs have been reached. We upgrade VLGCs to BUY amidst improved outlook

LPG Carriers

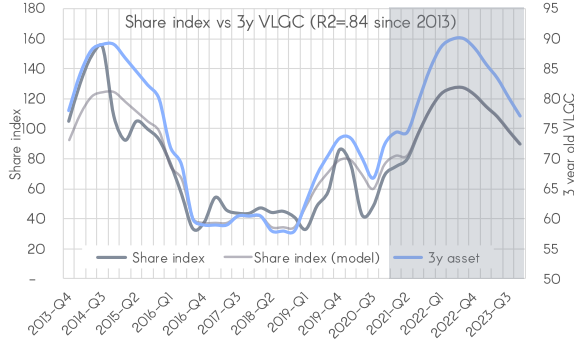
BUY

Icarus Has Learned

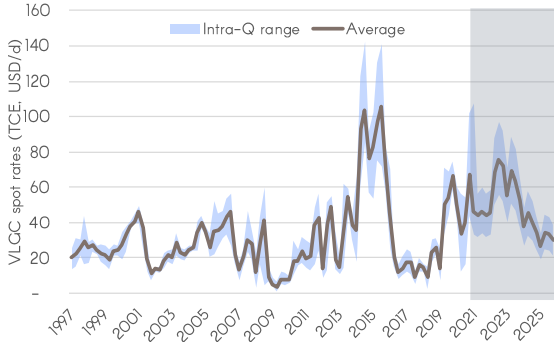
Segment share prices



Share prices vs 3y old VLGC



VLGC spot rates



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After having warned of the tale of Icarus in our [December report](#), VLGC spot rates are down \$61k/d (-59%) and our target prices have been met. In concert with an improving outlook for earnings, asset and share prices, we now raise our TPs by 64% on average and upgrade the VLGC segment to BUY (from SELL).

Market: VLGC spot rates have collapsed from recent highs, down from \$111k/d at the peak 11 January and to \$42k/d as of today. This is very much in-line with our [report](#) from 14 December. Spot rates at \$42k/d are still strong, far above cash break at ~\$22k/d and historical median spot rates at \$26k/d since 1997. Although we are uncertain regarding the 1H21E outlook amidst high effective fleet growth, weak AG exports and a potential decline in US exports, we see a strong 2H21E and raise our forecast for 2022E to a \$65k/d spot rate equivalent. With an orderbook of only 12% of the fleet, and 10% of this already expected to have been delivered in January, we see limited fleet growth supporting our positive stance on the segment.

Investments: Although we still see near-term risk to earnings and share prices from a rising tonnage list and a regional LPG pricing differential now supporting only \$10k/d for February, we find the VLGC shares very attractive at current levels. Our target prices from [December](#) have largely been met, and we now increase them by 64% on average in concert with an upgrade of our 2022E forecast and a rollover to mid-cycle NAV multiples at ~0.70x (from ~0.50x). Hence, we upgrade all our covered companies from SELL to BUY. Our top pick is Avance Gas (BUY/N55), exhibiting the highest financial and operational elasticity towards potentially improving fundamentals. We also see substantial upside in both BW LPG (BUY/N78) and Dorian LPG (BUY/\$16). Since we started covering VLGCs in 2014, we have 85% return on our recommendations vs the market at -40% & consensus at -37%.

Segment overview

			New		Old		Pricing/Upside		P/NAV	
	M.cap	Turnover	Rec.	TP	Rec.	TP	P	+/-	Now	1y fwd
AVANCE NO	254	5.0	BUY	55	SELL	30	34	63%	0.59	0.45
BWLPG NO	901	4.2	BUY	78	SELL	52	55	43%	0.64	0.50
LPG US	568	5.6	BUY	16	SELL	10	11.2	43%	0.55	0.39
Average	574	4.9						50%	0.59	0.45
Median	568	5.0						43%	0.59	0.45

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



Market Fundamentals

The quarter in review

Net VLGC supply growth of 1.0% q/q in 4Q20 was marginally above our 0.7% [forecast from October](#), with y/y growth at 7.7%. Gross deliveries of 252k cbm was similar to our forecast (258k), while zero vessels scrapped was below our 96k cbm forecast. With contracting in the quarter similar to our forecast at 451k cbm, the VLGC orderbook grew by 199k cbm in the quarter, now standing at 12.2% of the fleet (20% historical average).

We estimate a 7.8% demand growth q/q (+7.8% y/y), far above our -0.1% forecast. The main reasons behind our miss were US LPG exports +11% q/q (23% y/y) and significant fleet inefficiencies due to congestion at the Panama Canal and discharge delays. In our [December](#) report, we estimated these fleet inefficiencies at 6.7% above normal levels. However, after EIA's +8% revision of its 4Q20 US LPG export actuals in the January [STEO](#), the actual impact from fleet inefficiencies is likely lower. For modelling purposes, fleet inefficiencies are included in our implied demand calculations.

The net effect in the quarter was a fleet utilization of 94.7% (88.1% forecast), +5.9%p q/q and +0.1%p y/y. The average spot earnings for a VLGC of \$67k/d in the quarter was 79% above our \$37k/d [forecast from October](#) (+69% q/q, +1% y/y) for the reasons explained above. A three-year-old VLGC averaged around \$72m in the quarter (\$67m forecast) +8% q/q and -1% y/y. Our VLGC share index averaged +42% q/q and -20% y/y at 69, above our 51 forecast due to stronger than expected earnings and asset prices. Our share index currently stands at 76, and we forecast that the index could potentially end 2021E at around 118 (+55%).

kcbm			New	Old	Δ	Δ %
	2019-Q4	2020-Q3	2020-Q4	2020-Q4		
Deliveries ¹	331	253	252	258	(6)	-2%
Scrapping ¹	-	-	-	(96)	96	-100%
Contracting ¹	698	342	451	436	15	3%
Other ¹	(5)	60	1	0	1	#####
Supply²	22,975	24,490	24,742	24,651	91	0.4%
Δ q/q			1.0%	0.7%	0.4%	
Δ y/y			7.7%	7.3%	0.4%	
Demand²	21,722	21,730	23,420	21,711	1,709	7.9%
Δ q/q			7.8%	-0.1%	7.9%	
Δ y/y			7.8%	-0.1%	7.9%	
Utilization²	94.5%	88.7%	94.7%	88.1%	6.6%p	
VLGC, spot ² (TCE/d)	66,290	39,680	66,926	37,361	29,565	79%
VLGC, 3y ² (USDm)	73	67	72	67	5.6	8%
Share index ²	86	49	69	51	18	36%

¹Sum during period ²Average during period



The year in review

For the full year 2020, net **supply** growth of 8.3% y/y was close to our 7.3% [forecast from January 2020](#). Gross deliveries of 1,748k cbm were slightly below our 1,866k cbm forecast, while scrapping at zero came in below our forecast of 386k cbm. Adjusting for other minor impacts, we estimate the gross carrying capacity of the VLGC fleet in 2020 at 24,257k cbm, slightly above our 24,036k cbm forecast. The year saw only 1,136k cbm ordered (2,647k cbm forecast), thus reducing the orderbook by 17% y/y, from 3,648k cbm to 3,036k cbm by year-end.

We estimate **demand** growth y/y in 2020 at +9.9%, below our +11.7% [forecast from January 2020](#), mainly due to COVID-19 implications. Please see the [demand](#) section for more details.

kcbm	2018	2019	Actual 2020	Forecast 2020	Δ	Δ %
Deliveries ¹	829	1,394	1,748	1,866	(118)	-6%
Scrapping ¹	(391)	-	-	(386)	386	-100%
Contracting ¹	1,879	2,067	1,136	2,647	(1,511)	-57%
Other ¹	(78)	0	105	153	(48)	-31%
Supply²	21,520	22,404	24,257	24,036	220	0.9%
Δ y/y	4.4%	4.1%	8.3%	7.3%		
Demand²	17,208	19,961	21,937	22,302	(365)	-1.6%
Δ y/y	6.6%	16.0%	9.9%	11.7%		
Utilization²	80.0%	89.1%	90.4%	92.8%	-2.3%p	
VLGC, spot ² (TCE/d)	18,326	46,009	47,657	57,377	(9,720)	-17%
VLGC, 3y ² (USDm)	59	69	71	76	(6)	-7%
Share index ²	45	57	59	103	(43)	-42%

¹Sum during period ²Average during period

In sum, we estimate an average **fleet utilization** in 2020 of 90.4% (92.8% forecast), +1.3% y/y. VLGC spot rates averaged \$48k/d in 2020 (+3.6% y/y), lower than our \$57k/d forecast. We assess the average price of a three year old VLGC at \$71m during 2020 (+3.2% y/y) vs our \$76m forecast.

Our VLGC **share index** averaged 59 in 2020 (+4.5% y/y), 42% below our 103 [forecast from January 2020](#). VLGC share prices were depressed during parts of 2020 due to sentiment surrounding COVID-19, but sky-rocketed in 4Q20 in concert with rising earnings and asset prices. With actual asset prices inserted into our share index forecast model ($R^2=0.84$), we get 71 for 2020E in a back-test.



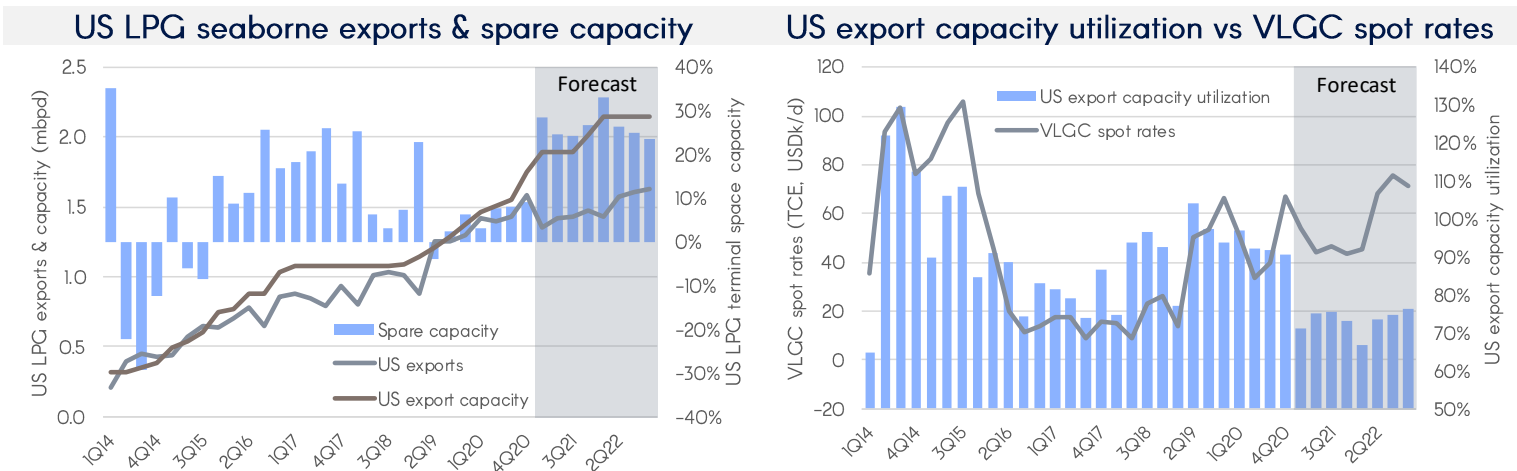
Brief history

The Middle East was historically the main exporter of seaborne LPG cargoes, stemming from oil/gas production and refining. The LPG industry was primarily supply driven, as prices were set as to clear available LPG to avoid expensive storage or environmentally unfriendly (and sometimes prohibited) flaring.

The US shale revolution from the mid-2000s and onwards has transformed the industry. LPG (mainly propane) is a by-product of US shale production and huge amounts were left stranded in the grid. In Canada, propane prices actually turned negative for a short period in 2015 as suppliers scrambled to offload excess volumes.

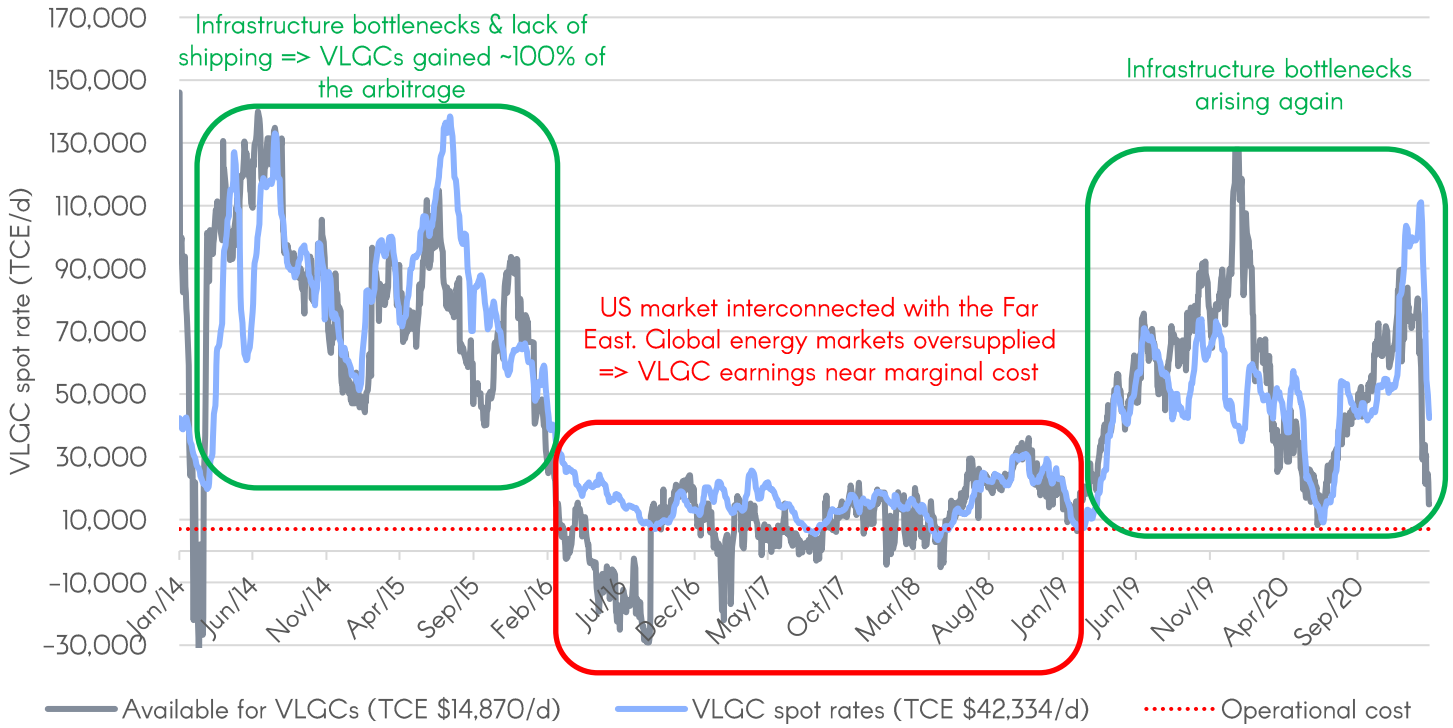
During this period, waterborne LPG export capacity was a bottleneck, and the VLGCs on the water were able to capture close to 100% of the huge price differential between export markets and the main importers. Then followed a period from 2016 where a massive increase in US export facilities took place, and exports was running below full capacity utilization. Also, the VLGC fleet nearly doubled, interconnecting regional markets across the globe. The result was a shipping segment where supply/demand dynamics were normalized, mirroring the dynamics seen in established commodity shipping such as dry bulk and oil tankers.

Since 2019, the situation has once again reversed, with US terminal spare capacity close to zero and VLGC fleet utilization periodically far above 90%. Thus, VLGC owners have been able to capture ~100% of the regional LPG price differentials. Despite an expected rise in US terminal spare capacity, we still forecast shipping to be tight in the coming years, leading to a strong earnings environment.





VLGC rates vs theoretical from price differential



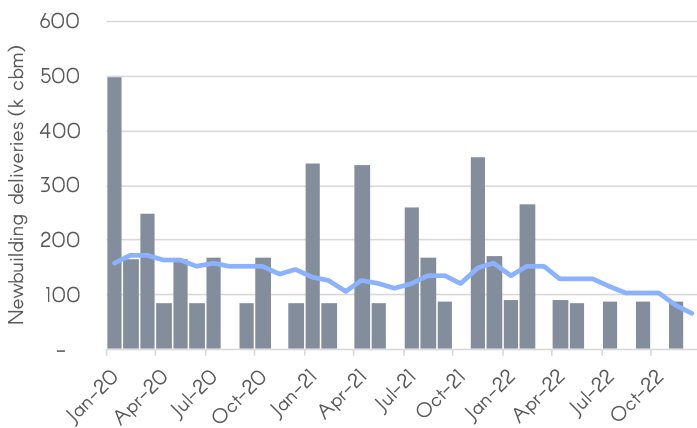


Supply

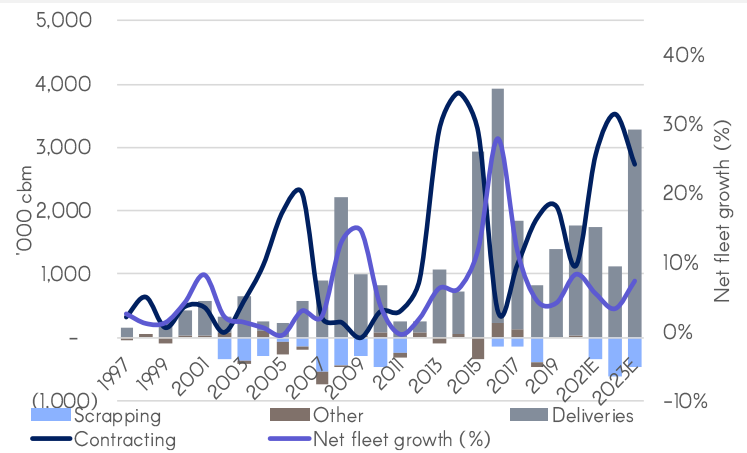
With only 1.1m cbm of VLGC newbuildings having been ordered during 2020 vs gross deliveries at 1.7m cbm, the orderbook has fallen from 16% of the fleet at the beginning of the year to 12% at present. This is lower than the historical average of 20%, and means that only moderate demand growth is needed to improve fleet utilization.

For 2021E, we forecast net supply growth at 5.4%, marginally above our 5.1% demand growth forecast. Looking further afield, we see a 3.3% net supply growth in 2022E, 7.3% in 2023E and 11.6% in 2024E.

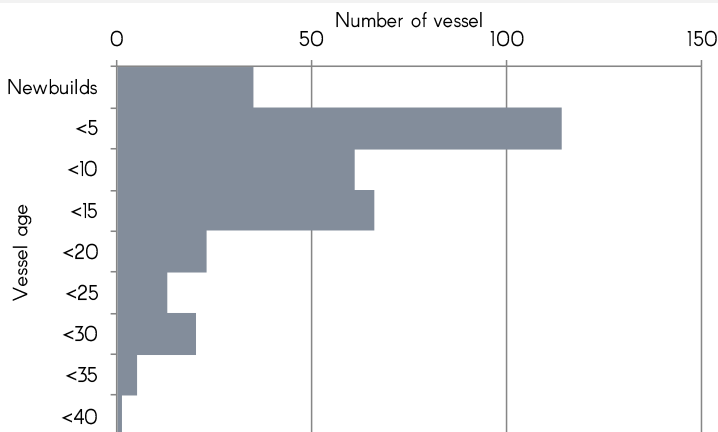
VLGC monthly delivery schedule



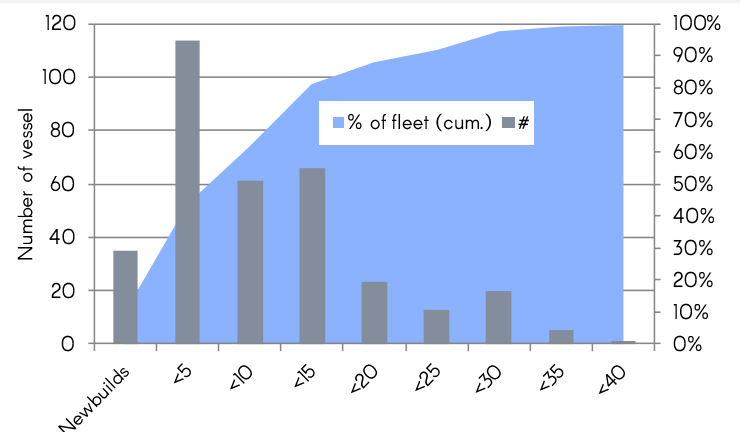
VLGC fleet developments



VLGC fleet distribution by age



VLGC distribution by age





Fleet inefficiencies

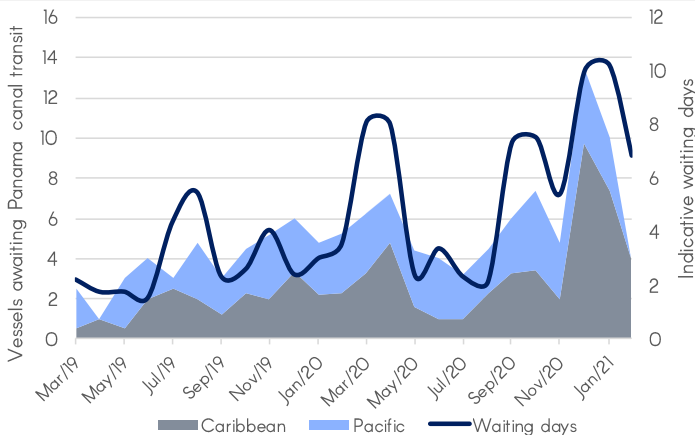
Our satellite data shows that only four VLGCs are awaiting Panama Canal transit at the time of writing, all laden vessels on the Caribbean side. This compares with the total of 14 vessels waiting on average in December, and is a positive development given [recent news flow](#) from the Panama Canal Authorities. Waiting days are still high, with in example Vitol's *Vivit Dubhe* having waited 7 days (vs normally ~2.5 days), but likely to abate with reduced congestion.

Although it is too early to discharge Panama Canal congestion, our [expectation](#) that congestion would abate during 1Q21 seems to have been correct, having a negative impact on VLGC spot rates.

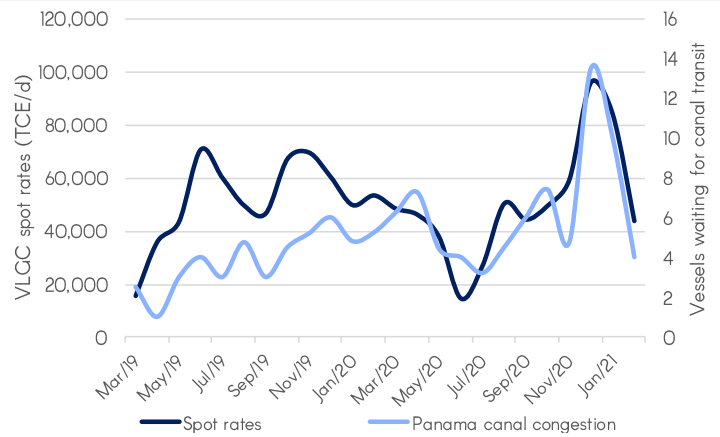
Looking at the overall picture, our satellite data shows that only 28% of the VLGC fleet is now stationary, the lowest level since November 2019. This is down from 40% in medio October, and implies an increase in fleet efficiency.

We have also seen a speed response over the past week, were the elevated ballast speed observed since August seems to be reverting. Average ballast speed at the time of writing is 14.8kn, down from a 15.0kn average since August. This 0.2kn decrease represents a ~0.7% decrease in fleet capacity.

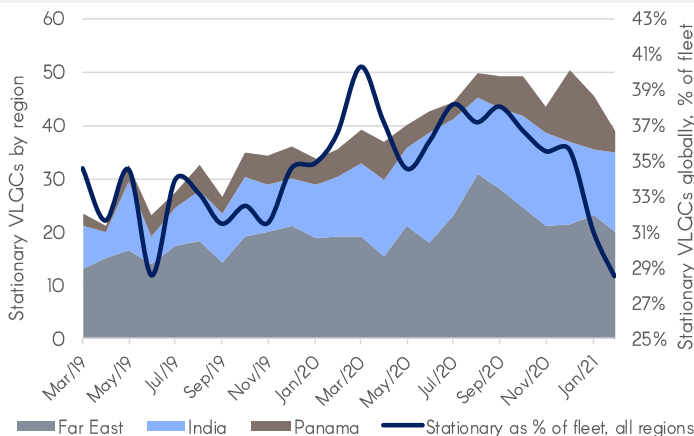
VLGCs waiting to transit the Panama Canal



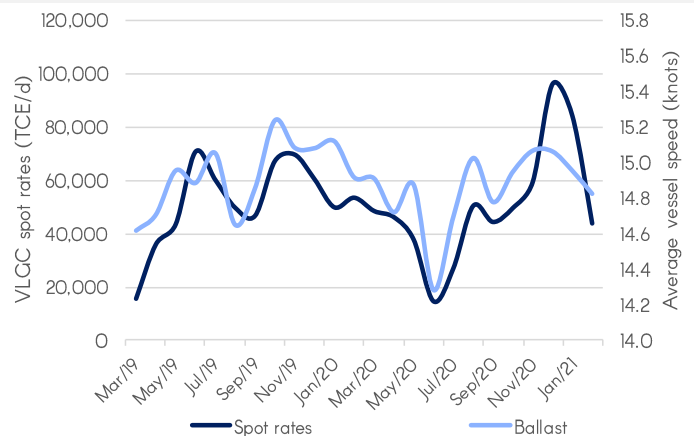
VLGCs ballast speed vs Panama congestion



Stationary VLGCs by region



VLGCs ballast speed vs spot rates



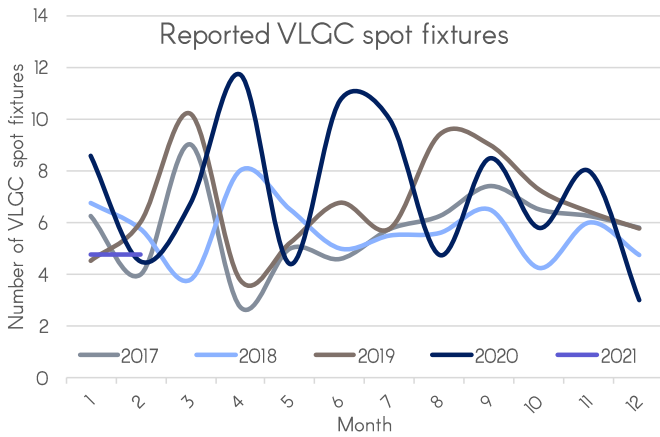


Very few spot fixtures

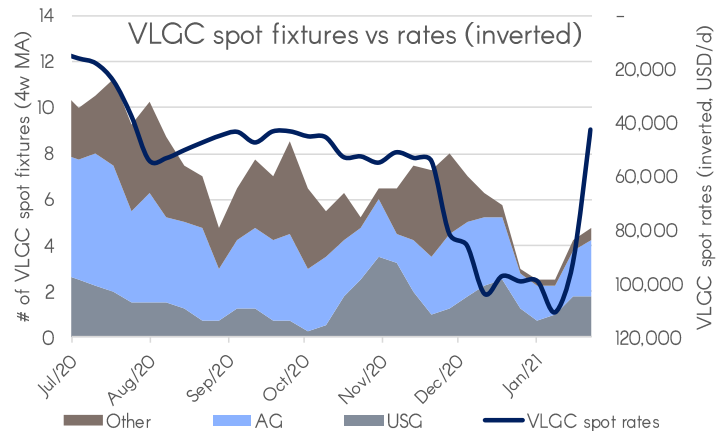
As VLGC availability fell towards zero in late November, spot rates surged, but few vessels have been able to cash in on the stellar earnings. Shipping Intelligence Network reports only 12 spot fixtures for December, comparative to 32 in November and 23 in December 2019.

With a falling LPG pricing differential between the US and major importers, a number of trader relets have emerged, in addition to VLGC owners' vessels organically returning from discharge. Thus, tonnage availability is rising and spot rates have collapsed from recent 5-year-highs.

of reported VLGC spot fixtures



VLGC spot fixtures vs spot rates (by region)



Offhire from surveys

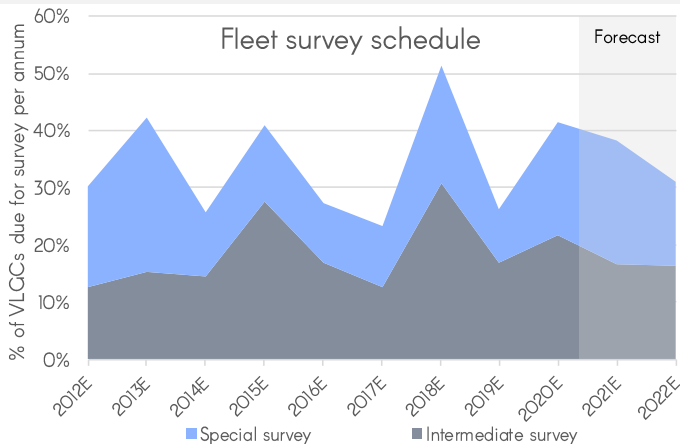
Looking at the docking schedule for 2021E, we estimated that 68 VLGCs should go through a special survey during the year with another 52 estimated to go through intermediate survey. This compares with similar numbers for 2020E at 59 and 64, respectively. In terms of relative fleet portion, 38% of the fleet is estimated to go through a survey during 2021E (17% intermediate & 22% special), comparable to 42% in 2020E (22% intermediate & 20% special). A generic year should see 40% of the fleet go through some form of survey, and thus survey offhire days should be slightly below average during 2021E.

Assuming 20 days offhire for intermediate survey and 30 days for special survey, we estimated 3,080 offhire days in 2021E (vs 3,050 in 2020E), representing 2.7% of the total fleet days for 2021E (2.8% for 2020E).

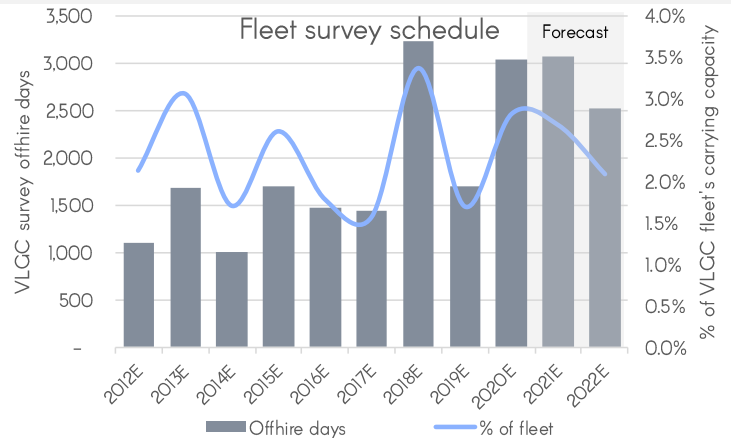
For 2022E, we forecast that only 31% of the fleet will go through a survey during (16% intermediate & 15% special), representing an estimated 2,520 fleet days or 2.1% of total fleet days for the year.



Estimated VLGC survey schedule



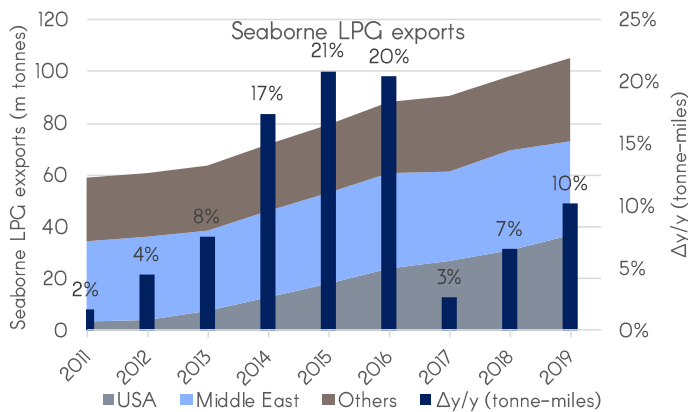
Estimated VLGC survey offshore



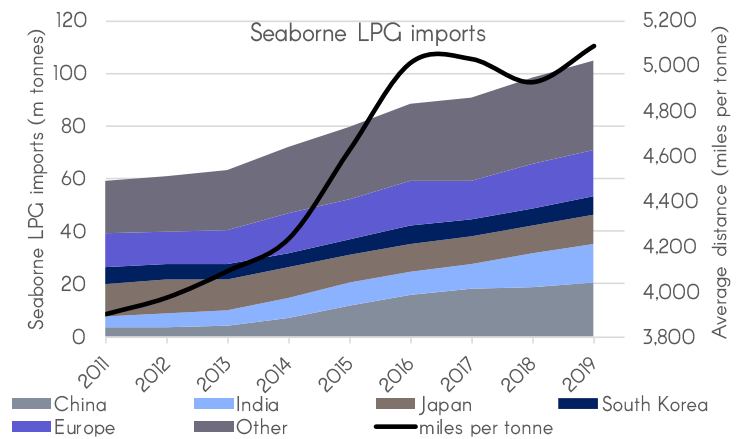
Demand

Looking at total demand for seaborne LPG transportation, the Middle East has traditionally been the main supplier but US exports have risen significantly over the past ten years. While Middle Eastern exports made up 53% of all seaborne volumes in 2011 and the US a mere 5%, the split is now around 32% ME and 40% US in terms of tonnes transported. Adjusting for the longer sailing distances attributable to US exports, the importance of the immense growth in US exports is even higher than what the tonne picture initially paints.

Seaborne LPG exports



Seaborne LPG imports



Looking ahead, we expect that **Middle Eastern exports** decreased 8% y/y in 2020E to 33mt with a +6% reversal in 2021E to 35mt and another +3% in 2022E to 36mt. This is still down from the peak LPG exports of 39mt in 2018.

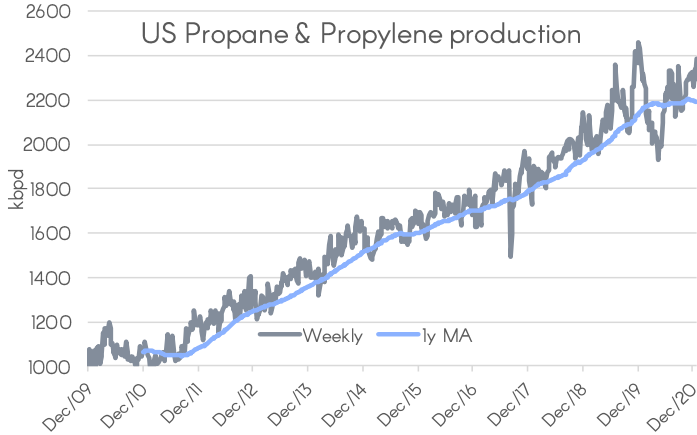
The single most important demand growth driver for LPG shipping demand is however **US LPG exports**, where volumes rose a massive 24% y/y in 2020 to 1.46m bpd. This strong 29k bpd growth y/y in exports comes despite an only 12k bpd growth in US LPG production, as consumption fell 13k bpd and spurred on by a 5k bpd net draw on inventory. Looking ahead, we expect US LPG exports to average -3% y/y to 1.42m bpd in 2021E before rising 10% to 1.57m bpd in 2022E. We also expect that



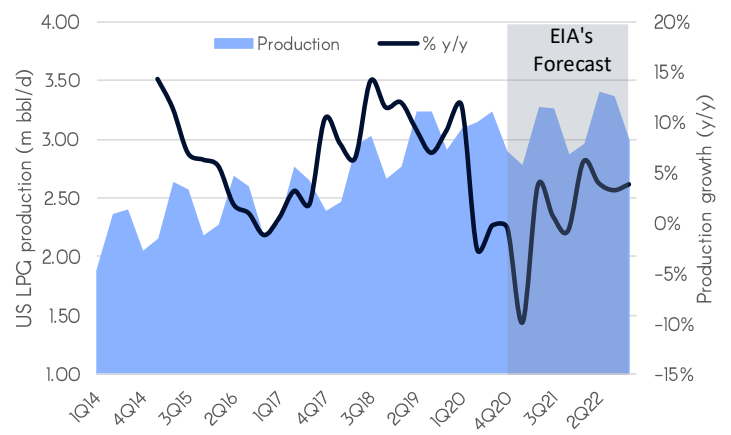
1H21 could be weaker than 2H21, at 1.39m bpd (-1% y/y) and 1.45m bpd (-4% y/y), respectively.

We forecast that seaborne LPG exports from other sources contracted 8% in 2020E at 29mt, but to rise 9% in 2021E to 32mt and to stay flat y/y in 2022E.

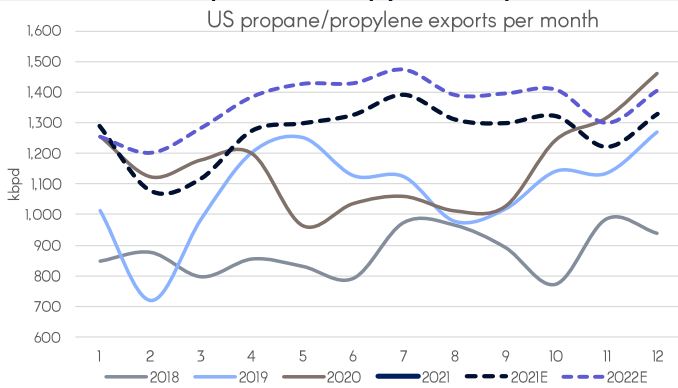
US Propane & Propylene production



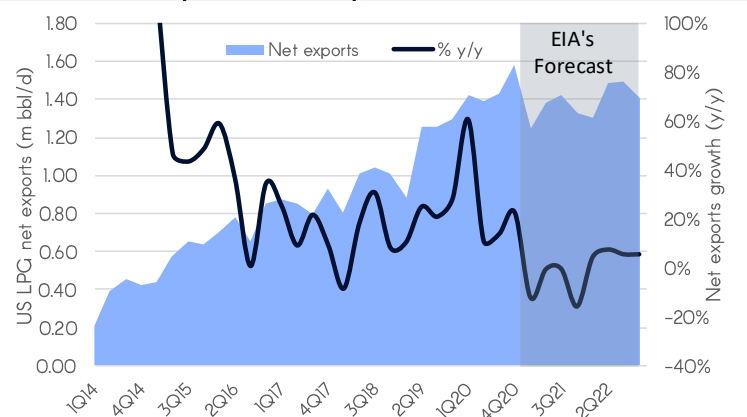
US LPG production & EIA's forecast



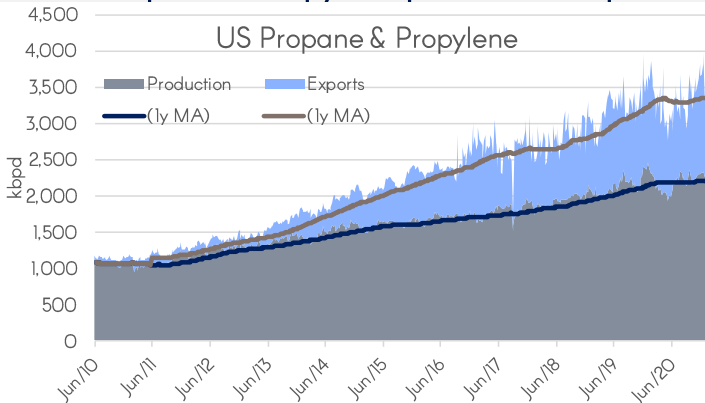
US Propane & Propylene exports



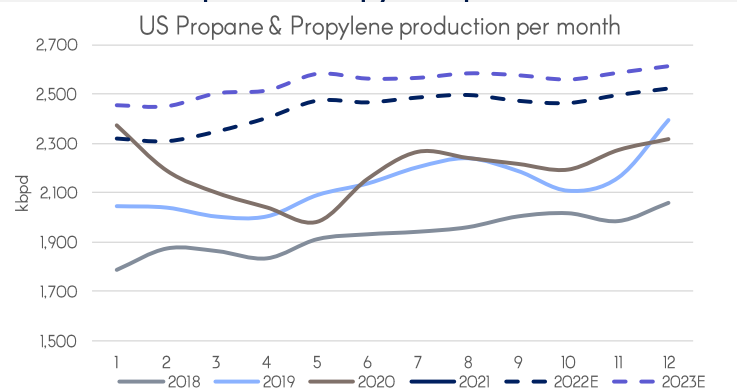
US Propane net exports & EIA's forecast



US Propane & Propylene production/exports

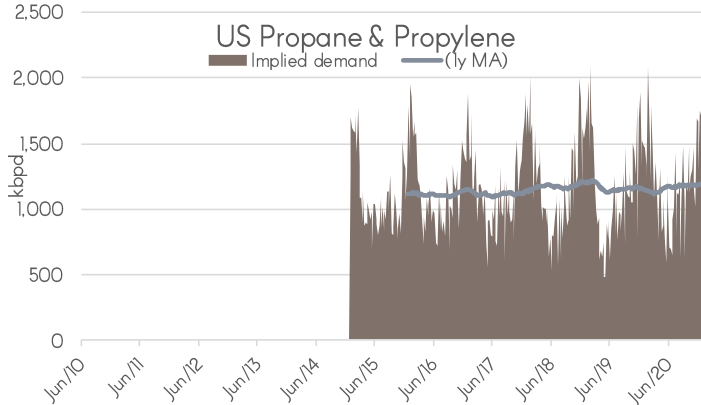


US Propane & Propylene production

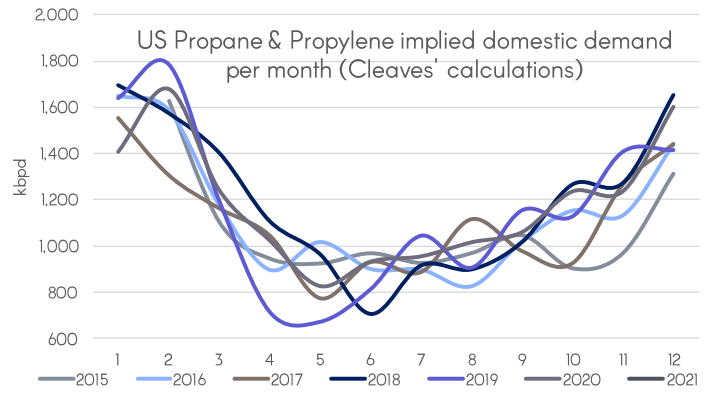




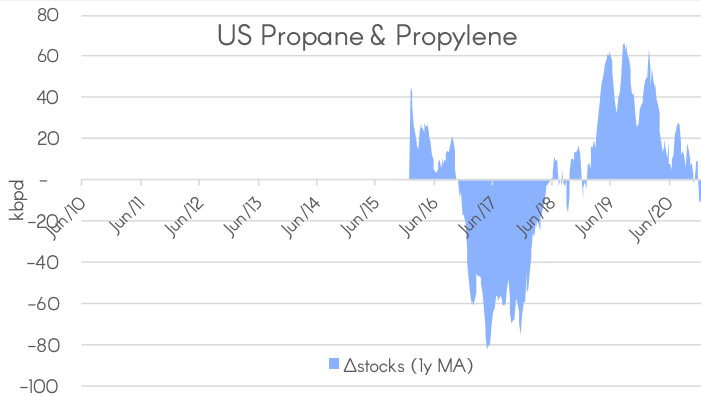
US Propane & Propylene: Domestic demand



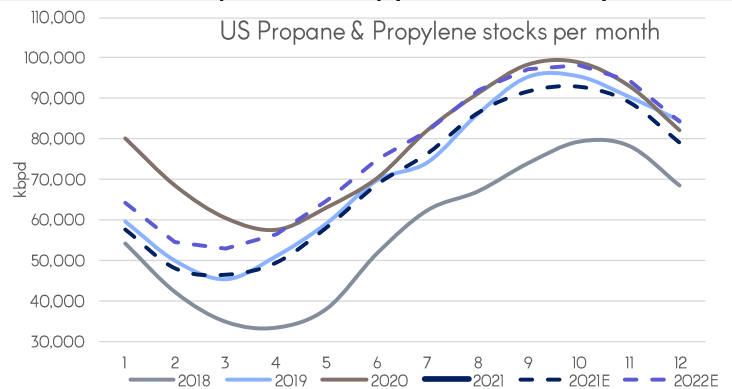
US Propane & Propylene: Domestic demand



US Propane & Propylene: Net inventory Δ y/y

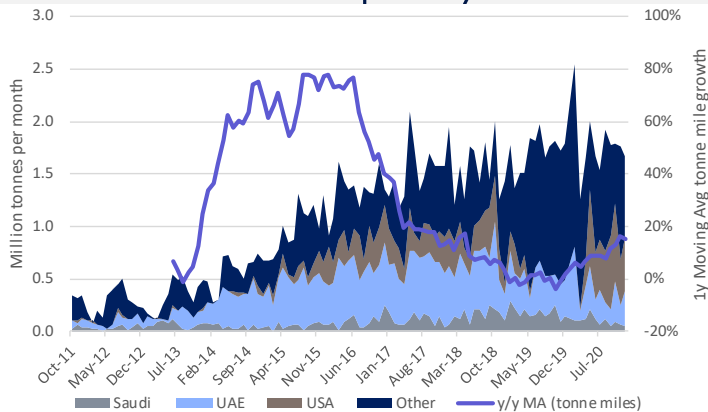


US Propane & Propylene: Inventory

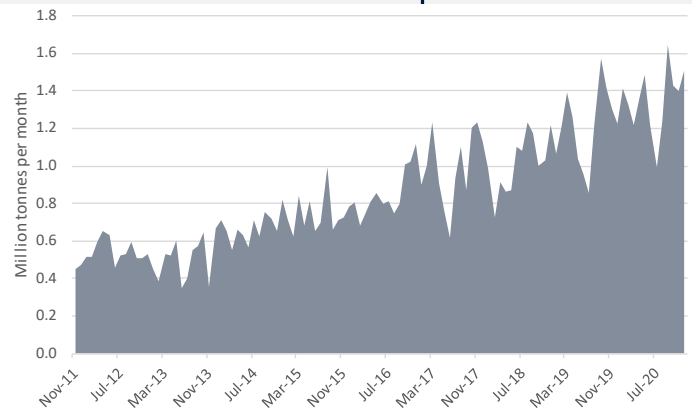


On the LPG demand side, we believe in a general recovery in global energy demand in addition to a preference for LPG and LNG over coal and oil. The latter is evident in the massive increase of imports into China and India in recent years, which again can be viewed as proxies for a wider movement in developing economies at present and in the future. A positive development since April 2020 is the resumption of Chinese LPG imports from the US, after the trade war led China to import zero US LPG from May 2019. The resurgence of this tonne-mile heavy trade is welcomed news for VLGC owners, especially with volumes averaging a very strong 0.53mt per month since April (peak 0.74mt in October) vs the previous monthly peak of 0.48mt in September 2018.

Chinese LPG imports by source



Indian LPG imports



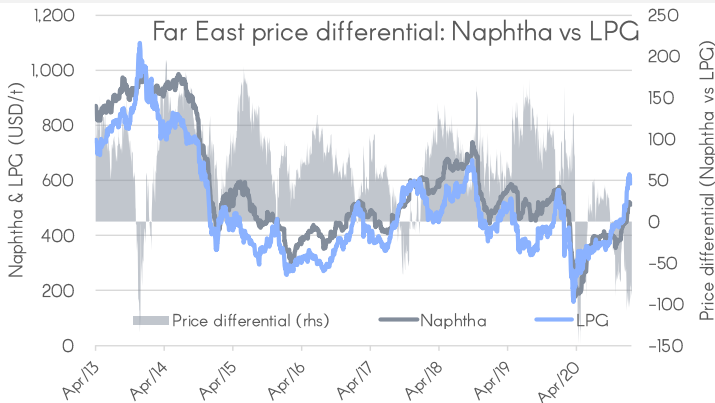


In addition to a general move towards LPG as a cleaner and energy rich fuel for the retail market, another important driver for LPG demand is the relative pricing towards other energy sources, and especially naphtha which many crackers can use interchangeably to a certain degree. This effect is even more important when analysing short term demand fluctuations and potential arbitrage opportunities for LPG shipping.

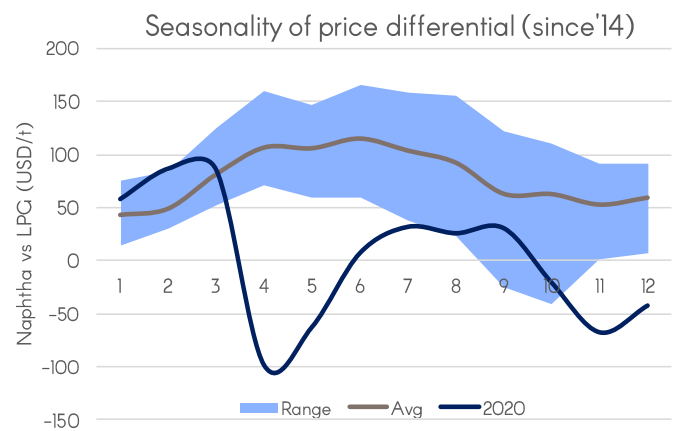
In our analysis, we find that a switch from naphtha to LPG in the Far East occurs at around a \$50–100 price differential. At the time of writing, the price differential stands at $-\$78/t$, and we would likely need to replenish LPG inventories at major importers and potentially higher oil prices for the situation to swing in favour of LPG consumption.

Looking to historical patterns, the price differential tends to rise in April and stay elevated throughout August. This fits well with the seasonal spike in demand and shipping earnings we have observed historically. This seasonality has however been highly diluted in recent years by the ramp-up in US exports, and last year's COVID-19 outbreak means seasonality has diminished even further in importance. Please see the section on [Seasonality](#) below for additional details.

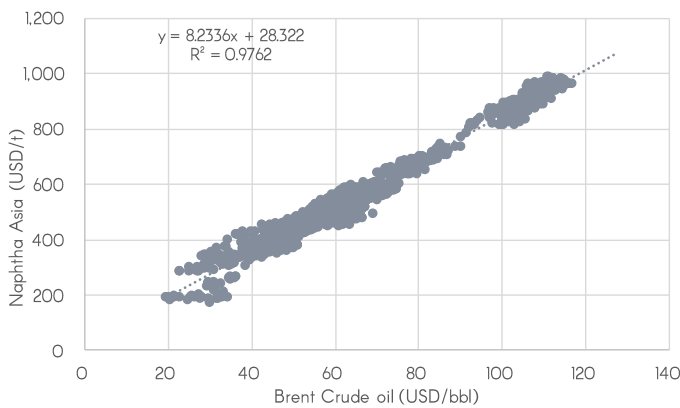
Far Eastern feedstock switch occurs ~\$50–100



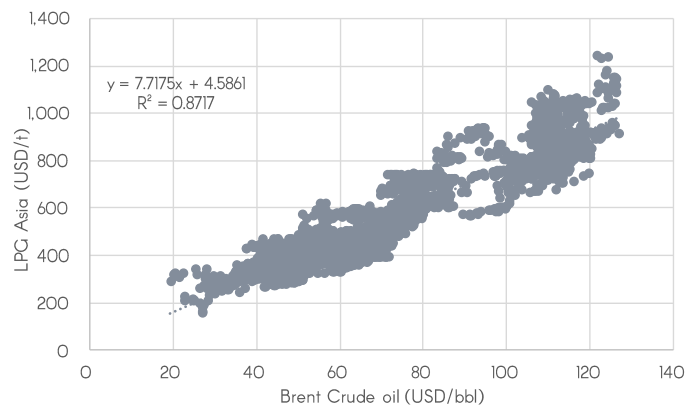
Seasonality of Far Eastern price differential



Correlation: Far East naphtha vs Brent Crude



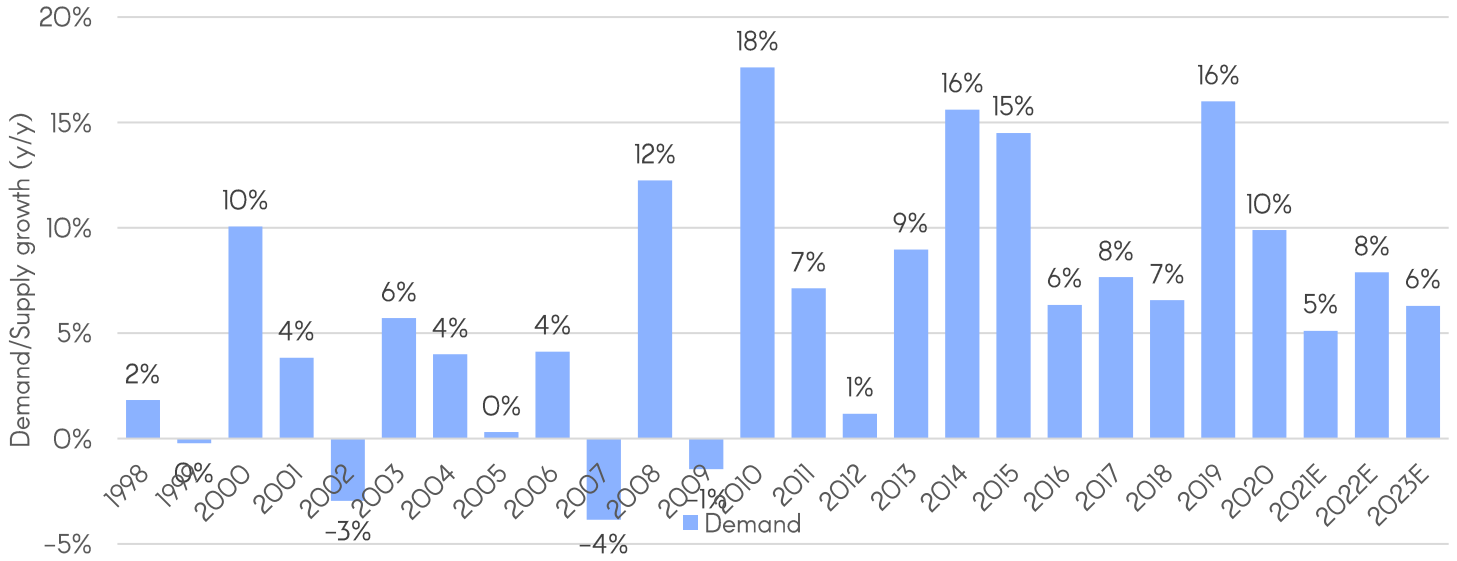
Correlation: Far East LPG vs Brent Crude





In sum, we forecast demand growth of 5.1% y/y in 2021E, 7.9% in 2022E and 6.3% in 2023E.

Historically (implied) and Cleaves' VLGC demand growth forecast





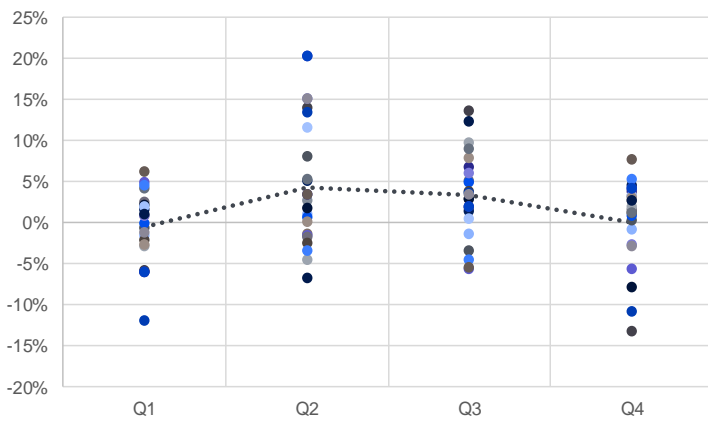
Seasonality

Demand growth & spot rates

Looking at the history, demand for LPG shipping has exhibited strong seasonal properties. Since 1997, demand has on average grown by 4.2% q/q in 2Q and 3.2% in 3Q, vs -0.6% in 1Q and 0.0% in 4Q. This has partly been driven by seasonal refinery runs and stock building in the northern hemisphere ahead of the winter season. The increase in US LPG exports has however led to a significantly dilution of this seasonality, with the ramp-up of new US export infrastructure often more important than traditional seasonality.

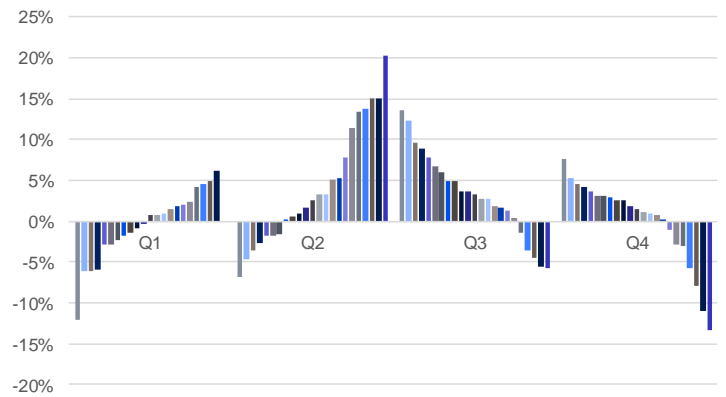
Historically strong demand growth in 2Q/3Q

Implied q/q demand growth since 1997



Historically strong demand growth in 2Q/3Q

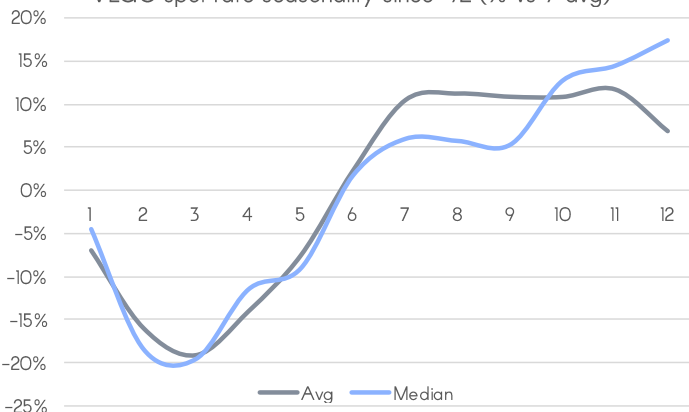
Implied q/q demand growth since 1997



We can find a similar seasonal pattern in historical VLGC spot earnings. Since 1992, spot rates have averaged 10-20% below the yearly average in February to April, and 0-15% above in June to December. One significant difference to the demand seasonality is the bigger decline in 1Q and higher trend in 4Q. This can be explained by supply growth which across shipping tends to be higher in 1Q than in 4Q as owners push delivery into the new year to get a better "timestamp" on their asset.

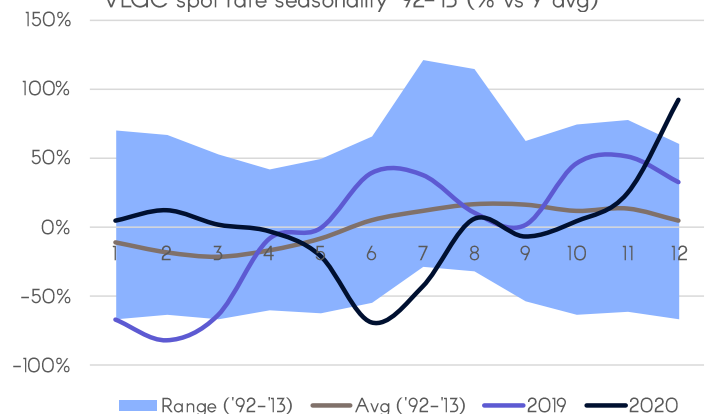
Historical VLGC spot rate seasonality

VLGC spot rate seasonality since '92 (% vs Y avg)



Historical VLGC spot rate seasonality

VLGC spot rate seasonality '92-'13 (% vs Y avg)



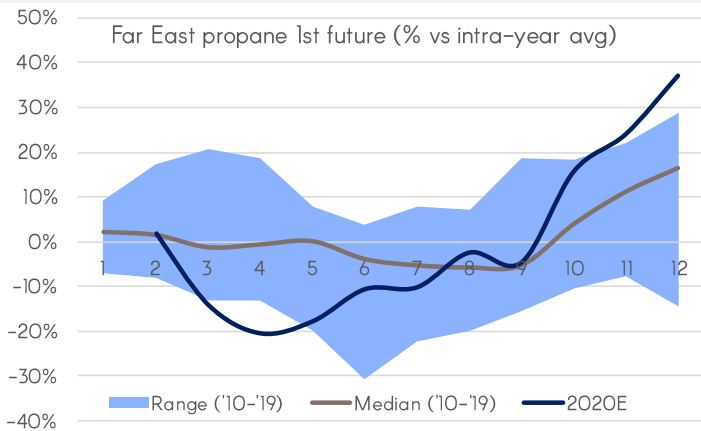


LPG pricing

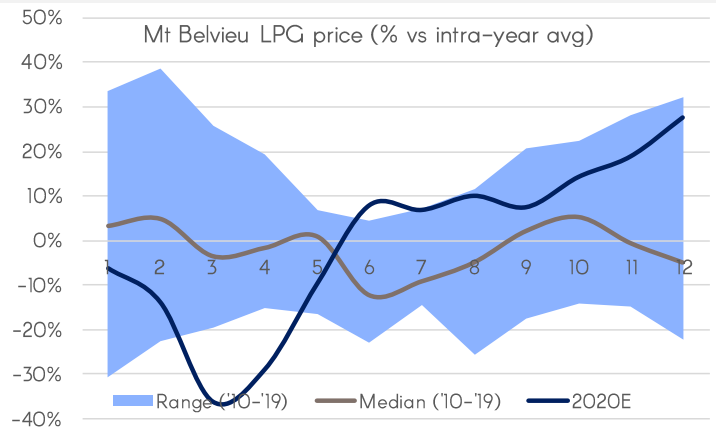
As we extensively argued in our 14 December VLGC report [Flying too close to the sun](#), we expected VLGC spot rates to fall significantly during 1Q21E, potentially “-70% to \$30k/d by March”. So far, VLGC spot rates have collapsed -59% since our report, from \$103k/d to \$42k/d. Our argument was partly based on seasonality, futures curves and La Niña weather patterns:

“Far Eastern LPG prices could fall in the coming months with the regional LPG price differential subsequently contracting. This could be negative for VLGC spot rates”.

Far Eastern LPG price



US LPG price



“Looking to history, Far Eastern LPG prices tend to be strong during 4Q in a La Niña year, with prices averaging 8% higher in October (vs the intra-year average price), 14% higher in November and 21% higher in December”.

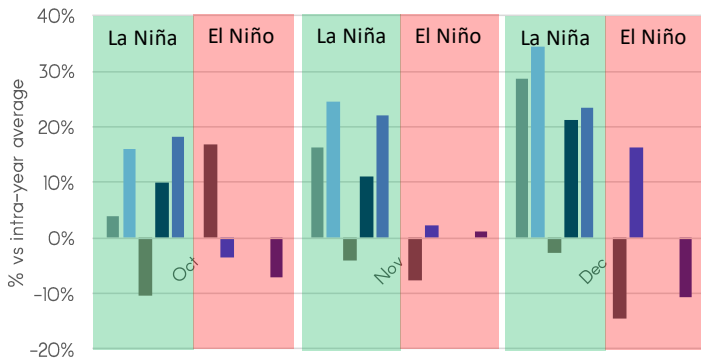
“Looking towards 1Q, we find no pattern in Far Eastern LPG prices corresponding to a La Niña nor an El Niño weather system. This further supports our view of downside risk to Far Eastern LPG prices and the regional LPG price differential as we move into 1Q21”.

Since the peak 4 January, US LPG prices (1st month futures, FOB) have risen \$30/t to \$445/t, while Far Eastern LPG prices (2nd month futures, CIF) have fallen \$62/t to \$509/t. Thus, the US/FE regional LPG price differential has fallen 59% to \$64/t, equivalent to VLGC spot rates of ~\$15k/d on a timecharter equivalent basis.



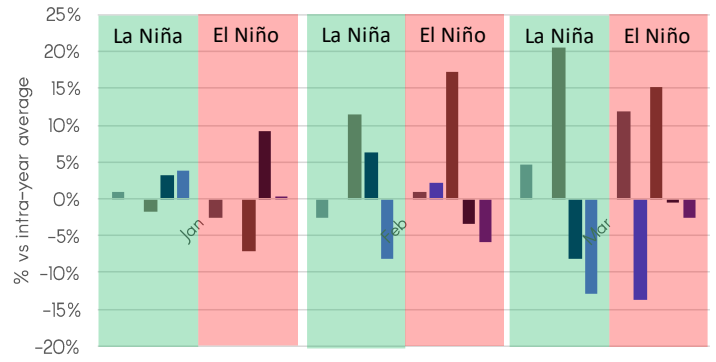
Far Eastern 4Q LPG prices: La Niña vs El Niño

Far East LPG price per month sorted by La Niña / El Niño



Far Eastern 1Q LPG prices: La Niña vs El Niño

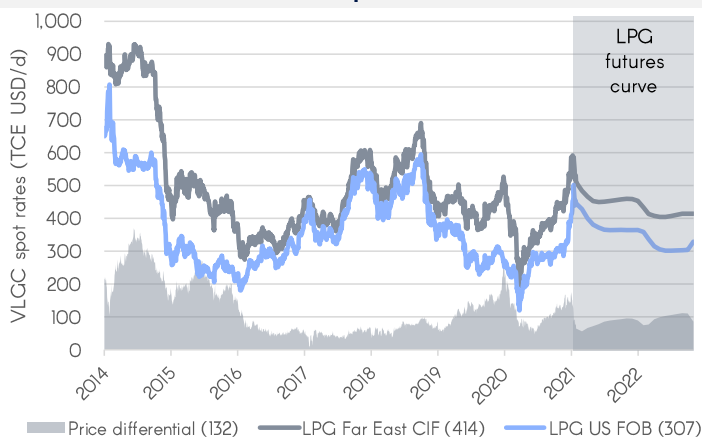
Far East LPG price per month sorted by La Niña / El Niño



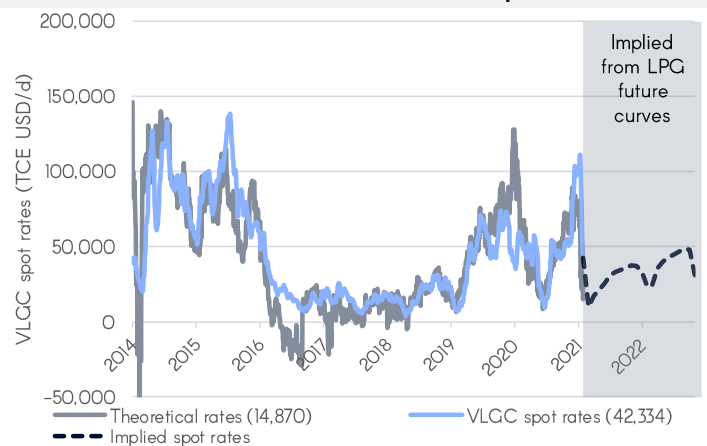
We have [previously](#) shown how the VLGC spot rates closely tracks the LPG pricing differential between the US and the Far East when US terminal utilization is close to full capacity at the same time as shipping is tight. Whenever VLGC spot rates move above this economic constrain, traders being long shipping find it more profitable to relet their vessels than to transport the LPG. Vessel availability then rises and spot rates usually falls, all-else-equal.

Although simplistic in its approach, using the LPG futures curves implies VLGC spot rates down to \$10k/d for February, before gradually rising above \$30k/d by mid-year. In contrast, our spot rate forecast for February is \$34k/d rising towards \$45k/d by mid-year.

US vs FE LPG prices & futures



Actual vs theoretical VLGC spot rates

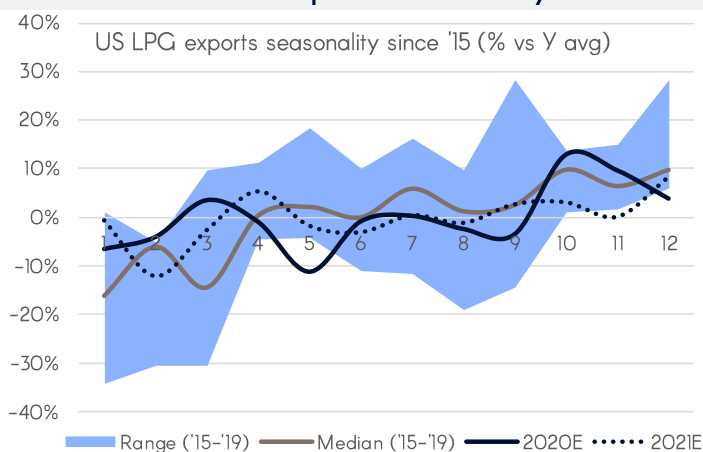




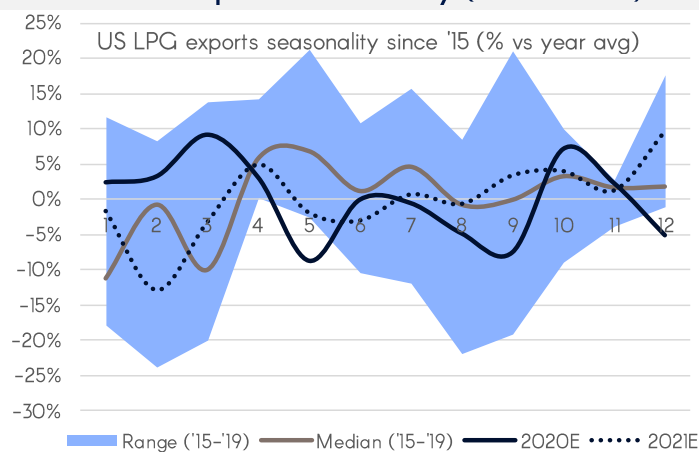
US LPG exports

It is challenging to draw any conclusions when looking towards seasonality in US LPG exports. The weakest period for US exports appears to be in 1Q, with strength during the summer months as domestic consumption is low.

US LPG exports seasonality



US LPG exports seasonality (de-trended)



Fleet utilization

After a massive surge in fleet utilization from 80.0% in 2018 to 89.1% in 2019, fleet utilization for 2020 was on average close to unchanged at 90.4%. Against our 5.4% net fleet growth forecast for 2021E, we see demand growth of 5.1%, with average spot rates of \$45k/d vs 48k/d in 2020.

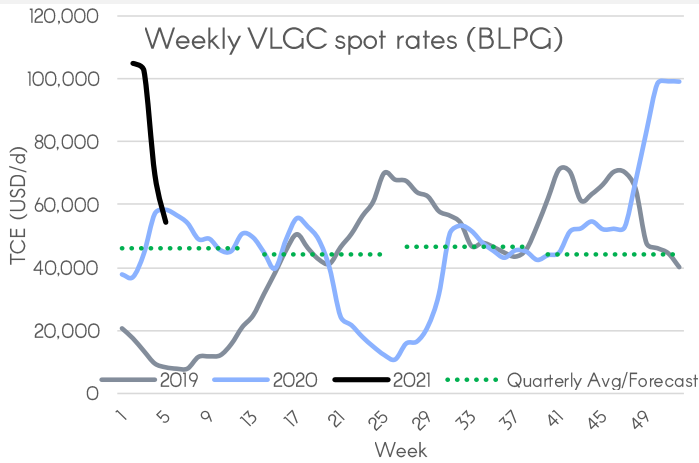
Looking further afield, we expect that the conservative newbuild contracting in 2020 will lead to a manageable fleet growth of 3.3% in 2022E. Against a forecast demand growth of 7.9%, we expect a surge in VLGC spot rates to a potential \$65k/d average.

Delta table: VLGC Carrier forecast summary

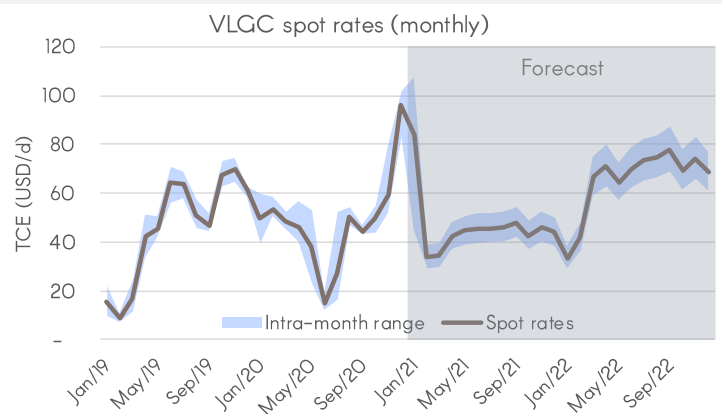
Δ y/y	2020	2021E	2022E	2023E	Avg spot	2020	2021E	2022E	2023E
Supply	8.3%	5.4%	3.3%	7.3%	VLGC spot	47,657	45,161	65,382	59,997
Supply, old	8.2%	4.8%	3.2%	5.5%	old	47,710	41,610	48,732	52,194
Δ	0.0%	0.6%	0.0%	1.9%	Δ	(53)	3,551	16,650	7,803
Demand	9.9%	5.1%	7.9%	6.3%	VLGC 3y	71	78	89	82
Demand, old	9.9%	3.4%	5.3%	6.3%	old	71	76	81	77
Δ	0.0%	1.8%	2.6%	0.0%	Δ	-	2.6	7.8	4.6
Utilization	90.4%	90.2%	94.2%	93.3%	Share index	59	91	125	103
Utilization, old	90.4%	89.2%	91.0%	91.7%	old	59	80	103	90
Δ	0.0%	0.9%	3.2%	1.6%	Δ	0%	14%	22%	15%



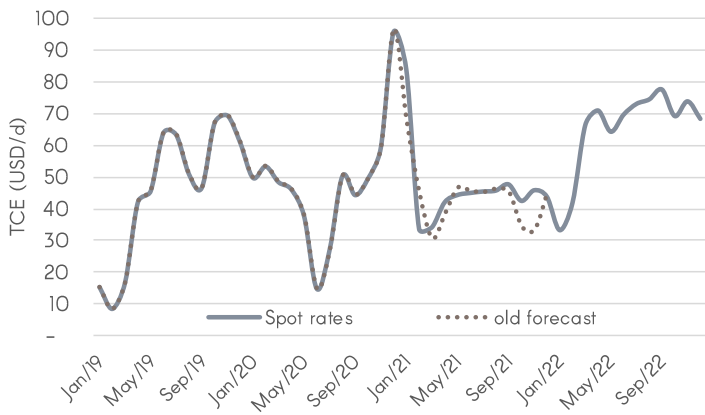
VLGC spot rates: Historical & forecast



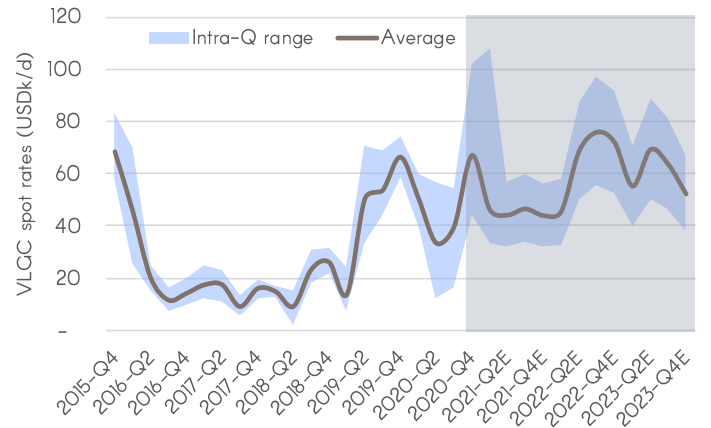
VLGC spot rates (monthly): Historical & forecast



VLGC spot rates (monthly): New vs Old forecast



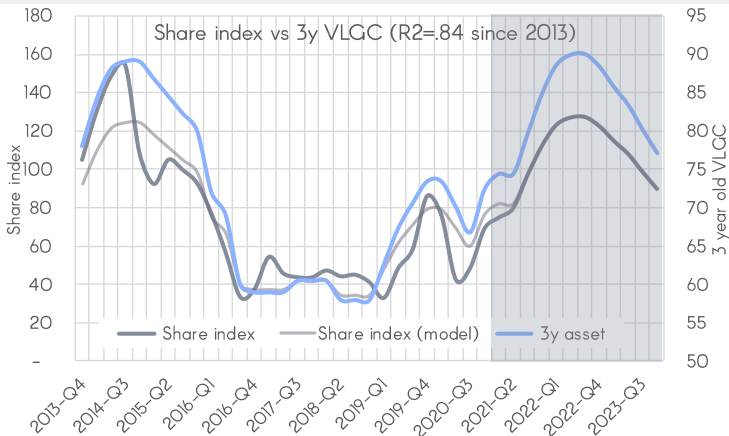
VLGC spot rates (quarterly): Historical & forecast



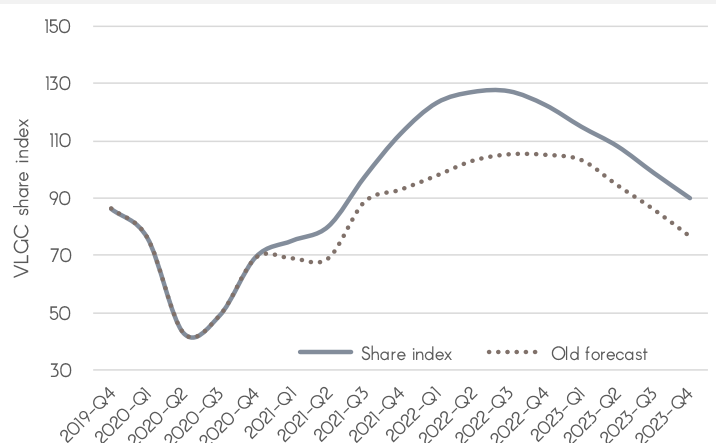
Share index

Our VLGC share index currently stands at 76 after having peaked at 103 in early January. Although we are uncertain on the direction over the next few months, we see our share index potentially 55% higher by year-end 2021E and peaking 68% higher during 2022E.

Shares highly correlated with vessel values

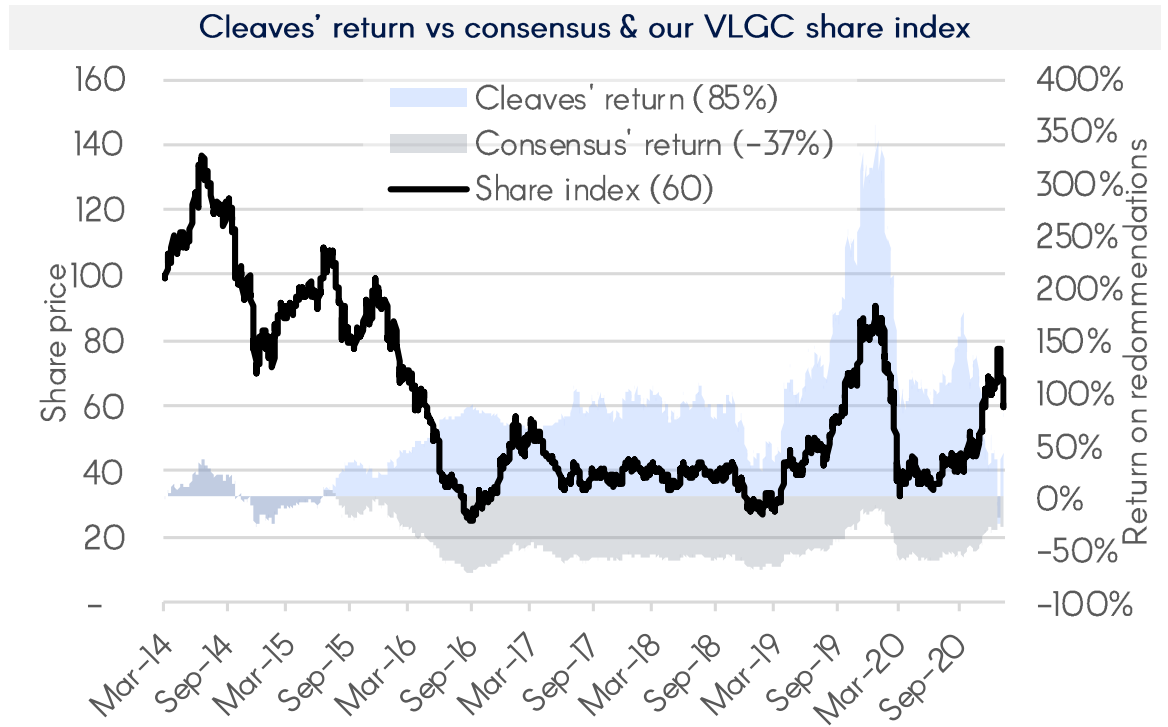


Cleaves' VLGC share index

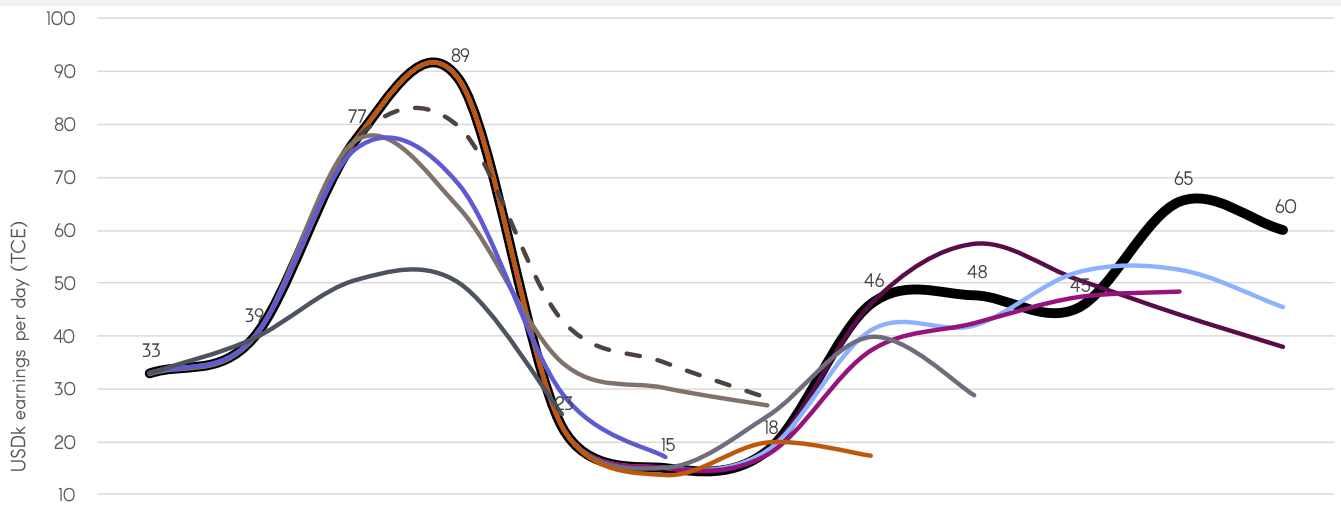




Since we started covering VLGC shipping shares in 2014, we have 85% return on our recommendations vs the market at -40% & consensus at -37%.



Cleaves' historical VLGC forecasts vs actuals



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Actuals/Forecast	32,890	39,437	77,070	88,508	22,859	14,990	18,326	46,009	47,657	45,161	65,382	59,997
Jan-20	32,890	39,437	77,070	88,508	22,859	14,990	18,326	46,009	57,377	50,677	43,972	37,907
Jul-19	32,890	39,437	77,070	88,508	22,859	14,990	18,326	40,988	41,895	51,925	52,436	45,383
Oct-18	32,890	39,437	77,070	88,508	22,859	14,990	17,482	37,129	42,312	47,223	48,318	
Mar-18	32,890	39,437	77,070	88,508	22,859	14,990	24,819	39,744	28,705			
Feb-17	32,890	39,437	77,070	88,508	22,859	13,572	19,737	17,221				
Jun-15	32,890	39,437	77,070	79,557	43,082	34,967	28,264					
Jan-15	32,890	39,437	77,070	64,463	35,206	30,292	26,995					
Aug-14	32,890	39,437	75,300	68,475	29,081	17,095						
Mar-14	32,890	39,437	50,647	50,107	25,086							



Changes to our econometric model

New Demand/Supply ('000 cbm)												
Base case	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	162	1,073	669	2,935	3,688	1,730	829	1,394	1,748	1,731	1,122	3,281
Scrapping ¹	-	-	-	-	(161)	(154)	(391)	-	-	(351)	(627)	(464)
Other ¹	82	(104)	62	(357)	231	122	(78)	0	20	0	(0)	(0)
Contracting ¹	913	3,271	3,857	3,232	417	1,151	1,879	2,067	1,136	2,890	3,531	2,732
Supply ²	11,426	12,137	12,885	14,424	18,461	20,608	21,520	22,404	24,257	25,576	26,412	28,342
Δ y/y	1.9%	6.2%	6.2%	11.9%	28.0%	11.6%	4.4%	4.1%	8.3%	5.4%	3.3%	7.3%
Demand ²	9,777	10,654	12,317	14,104	14,998	16,148	17,208	19,961	21,937	23,059	24,879	26,447
Δ y/y	1.2%	9.0%	15.6%	14.5%	6.3%	7.7%	6.6%	16.0%	9.9%	5.1%	7.9%	6.3%
Utilization ²	85.6%	87.8%	95.6%	97.8%	81.2%	78.4%	80.0%	89.1%	90.4%	90.2%	94.2%	93.3%
Spot rate ² (USD/day)	32,890	39,437	77,070	88,508	22,859	14,990	18,326	46,009	47,657	45,161	65,382	59,997
VLGC value, 3y ² (USDm)	71	73	88	83	65	60	59	69	71	78	89	82
Share index ²	-	-	135	98	51	47	45	57	59	91	125	103
OB ²	1,454	2,490	6,524	6,776	4,602	2,617	3,243	3,158	2,948	3,614	5,668	6,280
OB/Fleet ²	13%	21%	51%	47%	25%	13%	15%	14%	12%	14%	21%	22%

¹Sum during period ²Average during period

Old Demand/Supply ('000 cbm)												
Base case	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	162	1,073	669	2,935	3,688	1,730	829	1,394	1,755	1,817	1,004	2,496
Scrapping ¹	-	-	-	-	(161)	(154)	(391)	-	-	(468)	(627)	(464)
Other ¹	0	(0)	-	-	-	-	-	-	-	-	-	-
Contracting ¹	913	3,271	3,857	3,232	417	1,151	1,879	2,067	1,136	2,323	2,830	2,152
Supply ²	11,446	12,292	12,979	14,760	18,933	20,811	21,574	22,588	24,451	25,623	26,453	27,895
Δ y/y	2.0%	7.4%	5.6%	13.7%	28.3%	9.9%	3.7%	4.7%	8.2%	4.8%	3.2%	5.5%
Demand ²	9,794	10,788	12,410	14,433	15,399	16,307	17,254	20,124	22,115	22,857	24,069	25,585
Δ y/y	1.3%	10.1%	15.0%	16.3%	6.7%	5.9%	5.8%	16.6%	9.9%	3.4%	5.3%	6.3%
Utilization ²	85.6%	87.8%	95.6%	97.8%	81.3%	78.4%	80.0%	89.1%	90.4%	89.2%	91.0%	91.7%
Spot rate ² (USD/day)	32,890	39,437	77,070	88,508	22,859	14,990	18,326	46,009	47,710	41,610	48,732	52,194
VLGC value, 3y ² (USDm)	71	73	88	83	65	60	59	69	71	76	81	77
Share index ²	-	-	135	98	51	47	45	57	59	80	103	90
OB ²	1,454	2,490	6,524	6,776	4,602	2,617	3,243	3,158	2,984	3,427	4,717	5,245
OB/Fleet ²	13%	20%	50%	46%	24%	13%	15%	14%	12%	13%	18%	19%

¹Sum during period ²Average during period

Δ Demand/Supply ('000 cbm)												
Base case	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	-	-	-	-	-	-	-	-	(8)	(87)	118	785
Scrapping ¹	-	-	-	-	-	-	-	-	-	117	-	-
Other ¹	82	(104)	62	(357)	231	122	(78)	0	20	0	(0)	(0)
Contracting ¹	-	-	-	-	-	-	-	0	-	567	701	580
Supply ²	(20)	(155)	(94)	(336)	(472)	(203)	(55)	(184)	(194)	(46)	(41)	447
Δ y/y	-0.1%	-1.2%	0.6%	-1.8%	-0.3%	1.7%	0.8%	-0.6%	0.0%	0.6%	0.0%	1.9%
Demand ²	(17)	(134)	(92)	(329)	(401)	(159)	(46)	(163)	(178)	202	810	861
Δ y/y	-0.1%	-1.2%	0.6%	-1.8%	-0.4%	1.8%	0.8%	-0.6%	0.0%	1.8%	2.6%	0.0%
Utilization ²	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.9%	3.2%	1.6%
Spot rate ² (USD/day)	-	-	-	-	-	-	-	-	(53)	3,551	16,650	7,803
VLGC value, 3y ² (USDm)	-	-	-	-	-	-	-	-	-	3	8	5
Share index ²	-	-	-	-	-	-	-	-	0	12	23	13
OB ²	-	-	-	-	-	-	-	0	(36)	186	951	1,035
OB/Fleet ²	0%	0%	0%	1%	1%	0%	0%	0%	0%	1%	4%	3%

¹Sum during period ²Average during period

Δ Demand/Supply ('000 cbm)												
Base case	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deliveries ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	-5%	12%	31%
Scrapping ¹	-	-	-	-	0%	0%	0%	-	-	-25%	0%	0%
Other ¹	#####	#####	-	-	-	-	-	-	-	-	-	-
Contracting ¹	0%	0%	0%	0%	0%	0%	0%	0%	0%	24%	25%	27%
Supply ²	0%	-1%	-1%	-2%	-2%	-1%	0%	-1%	-1%	0%	0%	2%
Δ y/y	-6%	-16%	10%	-13%	-1%	17%	21%	-13%	0%	14%	1%	34%
Demand ²	0%	-1%	-1%	-2%	-3%	-1%	0%	-1%	-1%	1%	3%	3%
Δ y/y	-9%	-12%	4%	-11%	-5%	30%	13%	-4%	0%	52%	49%	0%
Utilization ²	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	4%	2%
Spot rate ² (USD/day)	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%	34%	15%
VLGC value, 3y ² (USDm)	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	10%	6%
Share index ²	-	-	0%	0%	0%	0%	0%	0%	0%	14%	22%	15%
OB ²	0%	0%	0%	0%	0%	0%	0%	0%	-1%	5%	20%	20%
OB/Fleet ²	0%	1%	1%	2%	3%	1%	0%	1%	0%	6%	20%	18%

¹Sum during period ²Average during period



Asset Valuation

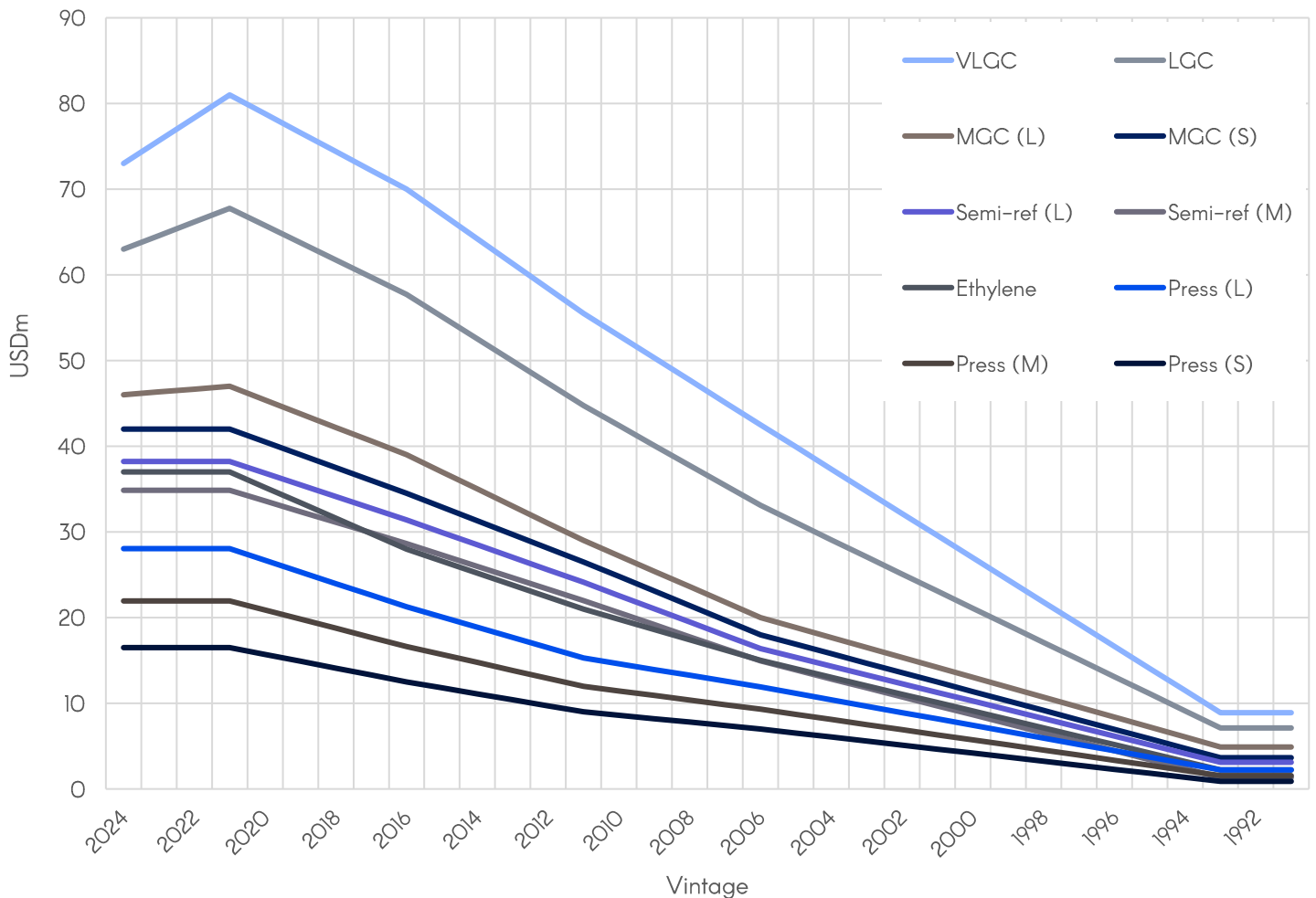
Asset valuation overview

Current	VLGC	LGC	MGC (L)	MGC (S)	Semi-ref (L)	Semi-ref (M)	Ethylene	Press (L)	Press (M)	Press (S)
NB	73.0	63.0	46.0	42.0	38.2	34.9	37.0	28.1	21.9	16.5
resale	81.0	67.8	47.0	42.0	38.2	34.9	37.0	28.1	21.9	16.5
5y	70.0	57.7	39.0	34.5	31.4	28.6	28.0	21.3	16.6	12.5
10y	55.5	44.7	29.0	26.5	24.1	22.0	21.0	15.3	12.0	9.0
15y	42.5	33.1	20.0	18.0	16.4	14.9	15.0	11.9	9.3	7.0
20y	29.6	23.1	14.2	12.5	11.3	9.7	10.1	8.2	6.3	4.7
scrap	16.7	13.1	8.4	7.0	6.2	4.5	5.2	4.5	3.3	2.3

Changes to our asset valuation

Delta	VLGC	LGC	MGC (L)	MGC (S)	Semi-ref (L)	Semi-ref (M)	Ethylene	Press (L)	Press (M)	Press (S)
NB	2.0	1.0	1.0	1.0	0.9	0.8	1.0	0.9	0.7	0.5
resale	2.0	0.4	0.0	0.0	0.0	0.0	1.0	0.9	0.7	0.5
5y	2.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10y	2.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15y	1.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20y	1.3	0.6	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0
scrap	1.0	0.7	0.4	0.3	0.2	0.1	0.2	0.2	0.1	0.1

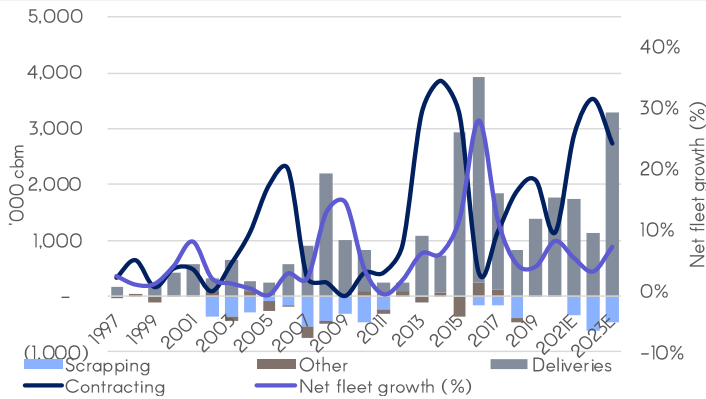
Asset valuation overview



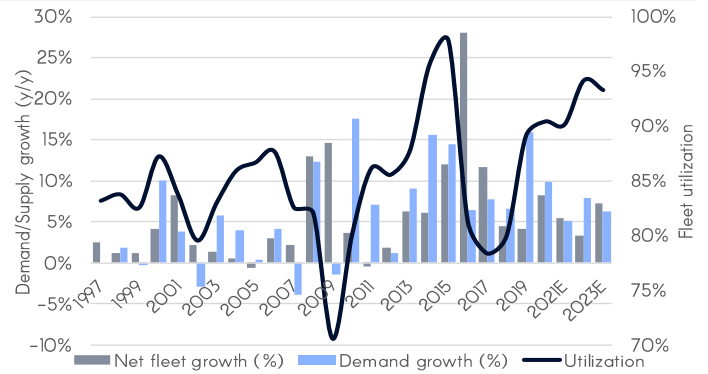


Various Market Graphs

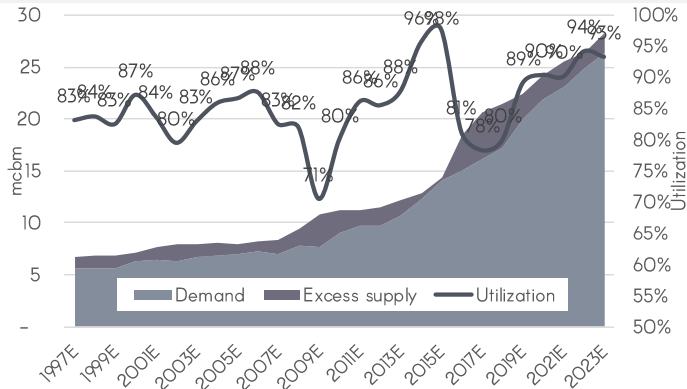
Supply



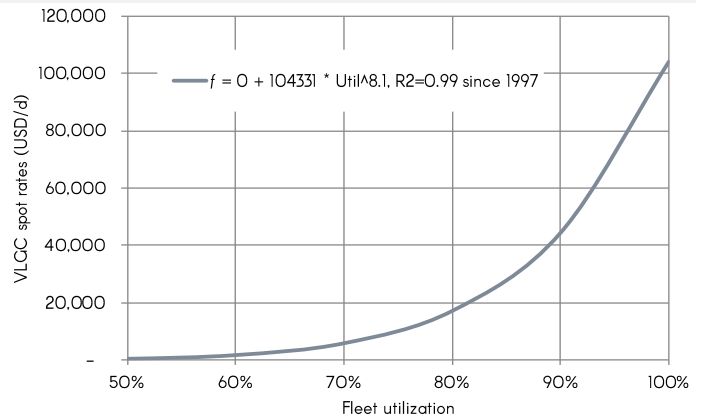
Supply/Demand



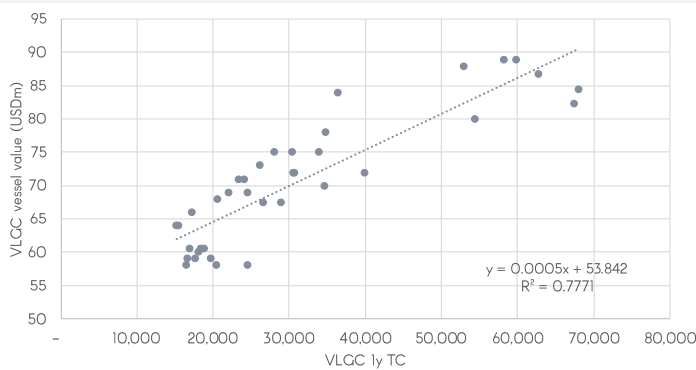
Supply/Demand



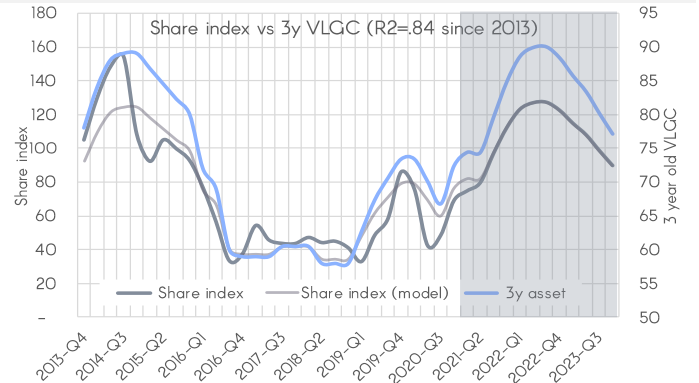
Econometrics: Spot rates vs fleet utilization



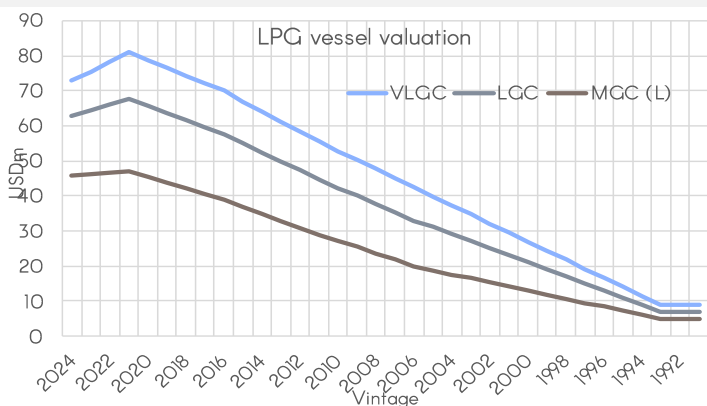
1y TC vs 3y VLGC value (since 2009)



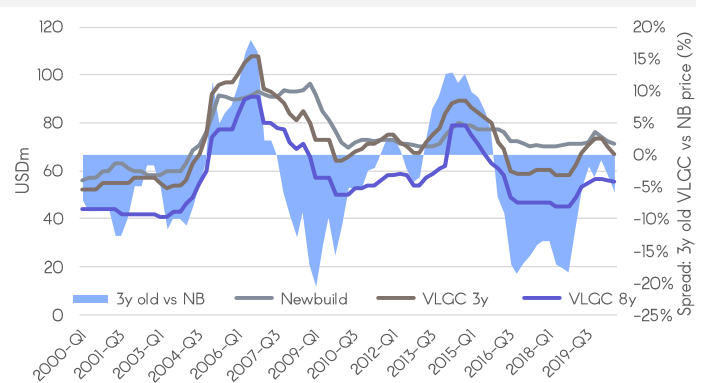
Shares highly correlated w 3y old vessel values



Cleaves' asset valuation overview



Historical asset values



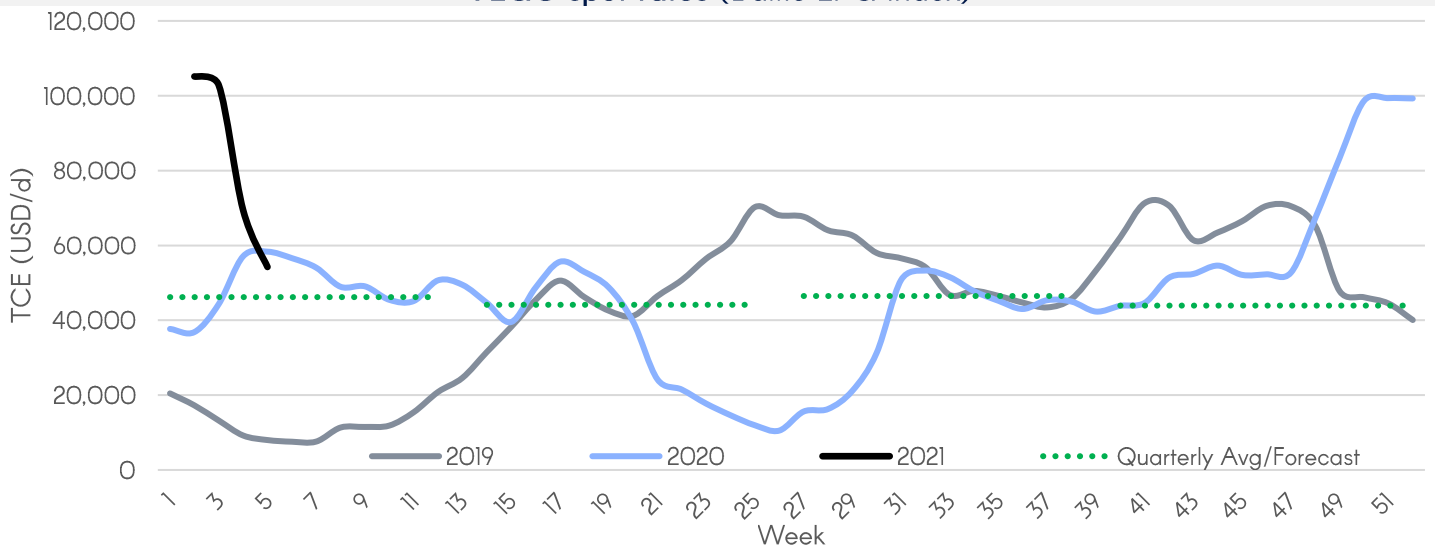


VLGC Companies



Earnings

VLGC spot rates (Baltic LPG Index)



VLGC one-year timecharter rates



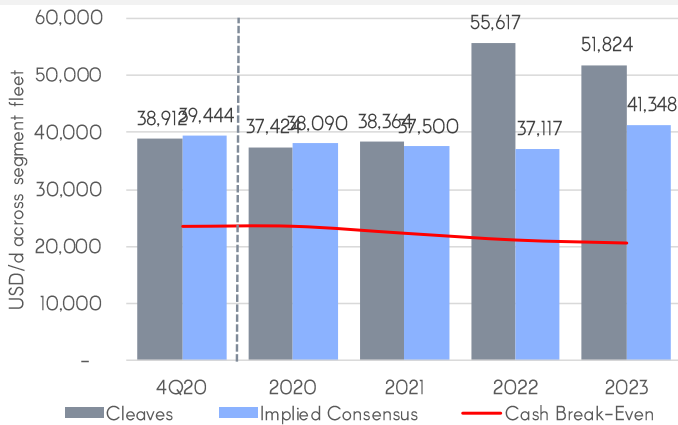


Peer Group

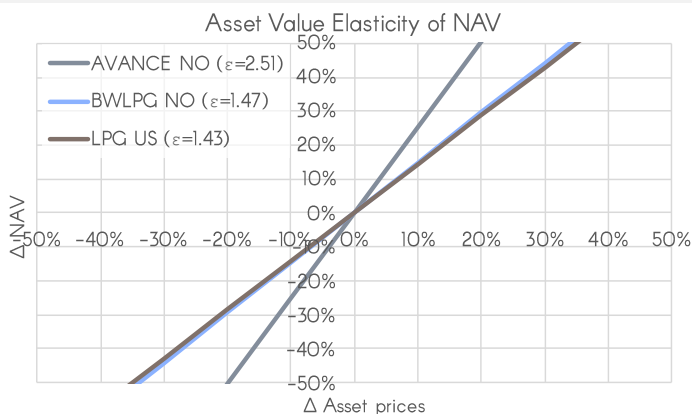
Company	M.cap	Turnover	Return ly	Rec.	Target Price	Last Price	Target/Price	NAV /sh	P/NAV Now	P/NAV 1y fwd	ϵ	EV/GAV	adj. equity	τ
AVANCE NO	254	5.0	-28%	BUY	55	33.8	63%	58	0.59	0.45	2.51	0.84	36%	1.00
BWLPG NO	901	4.2	-13%	BUY	78	54.6	43%	85	0.64	0.50	1.47	0.79	54%	0.96
LPG US	568	5.6	-20%	BUY	16	11.2	43%	20	0.55	0.39	1.43	0.70	59%	0.96
Average	574	4.9	-20%				50%		0.59	0.45	1.81	0.78	50%	0.97
Median	568	5.0	-20%				43%		0.59	0.45	1.47	0.79	54%	0.96

Company	EV/EBITDA			P/E			Dividend yield			FCF yield		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
AVANCE NO	5.6	4.8	2.3	7.3	3.8	1.5	8%	6%	26%	25%	-3%	38%
BWLPG NO	4.1	4.4	2.0	4.2	4.9	2.1	14%	11%	19%	61%	27%	61%
LPG US	5.4	4.0	1.8	7.5	4.6	2.1	0%	5%	19%	27%	32%	58%
Average	5.0	4.4	2.0	6.3	4.4	1.9	7%	8%	21%	38%	19%	52%
Median	5.0	4.4	2.0	6.3	4.4	1.9	7%	8%	21%	38%	19%	52%

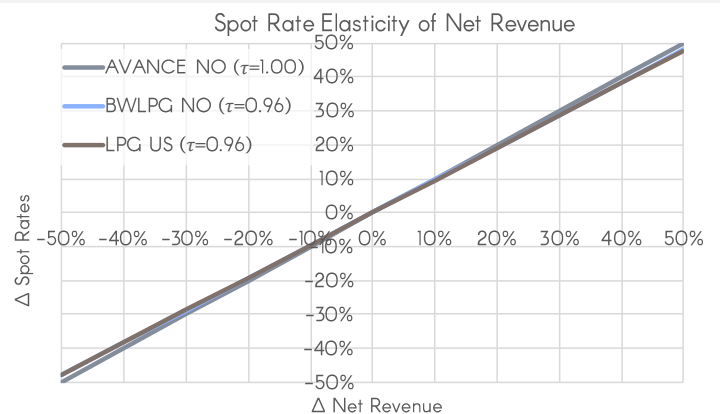
Cleaves' average TCE/d forecast vs consensus



Financial leverage (ϵ)

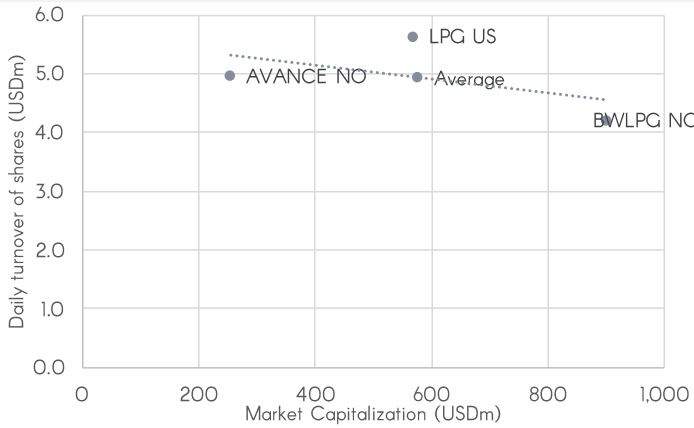


Operational leverage (τ)

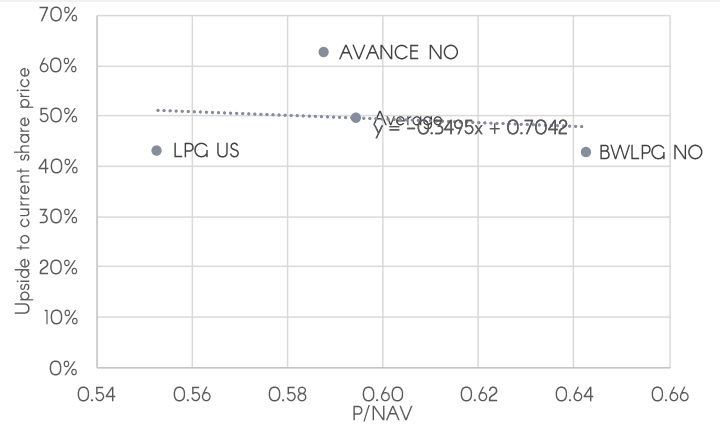




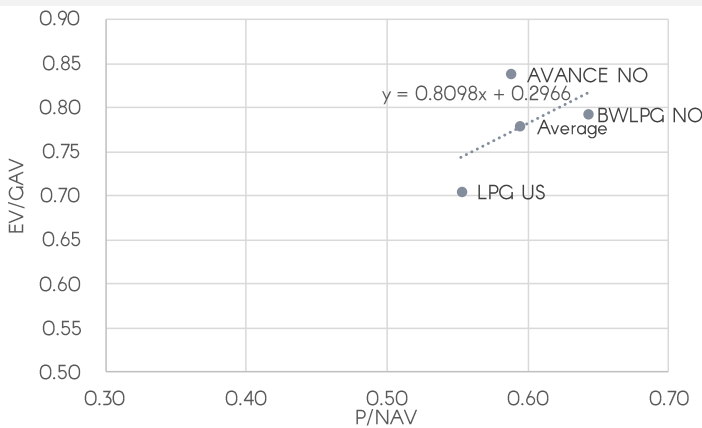
Daily share turnover vs market capitalization



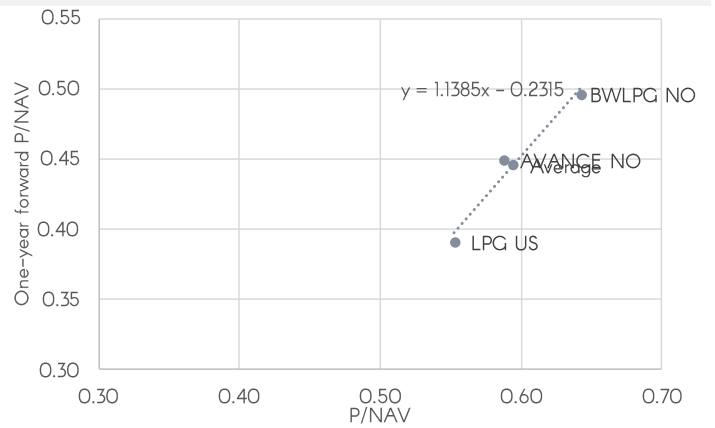
Upside to share price current P/NAV



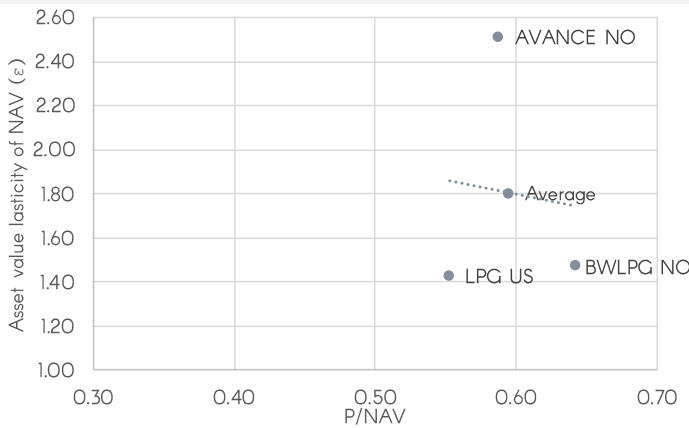
EV/GAV vs P/NAV



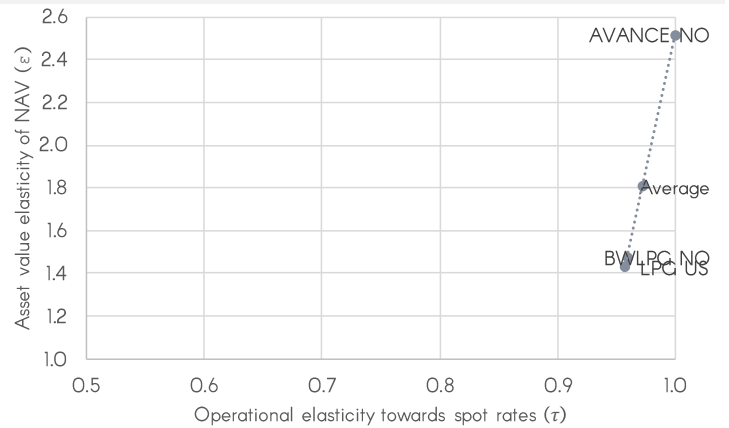
One-year forward P/NAV vs current P/NAV



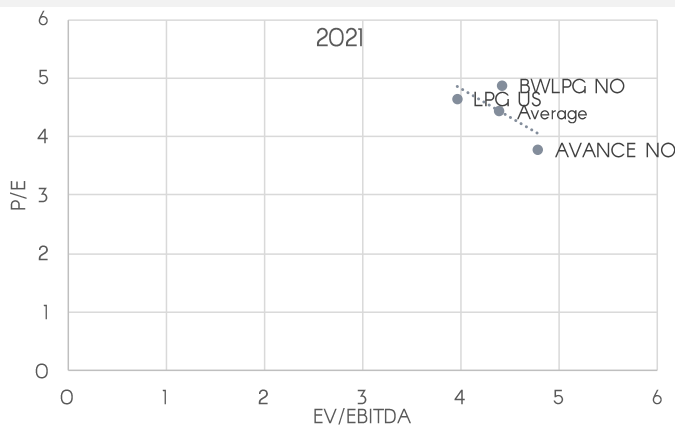
Asset value elasticity of NAV vs P/NAV



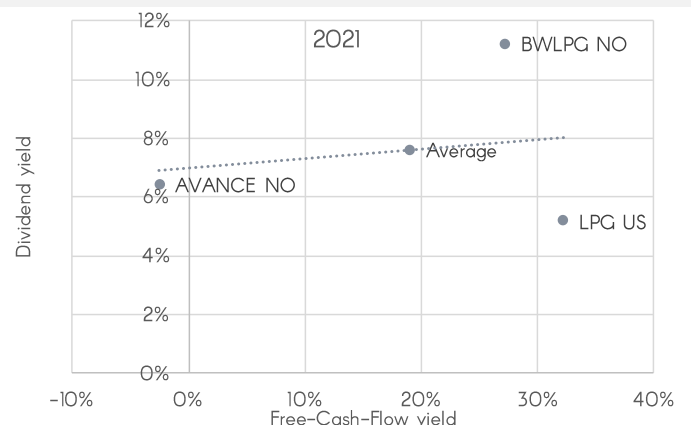
Elasticities: NAV vs net revenue



P/E vs EV/EBITDA



Dividend yield vs free cash flow yield





Company Financials (annual estimates)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
USDm																
AVANCE NO	146	169	291	298	97	125	242	245	57	87	197	197	35	67	175	172
BWLPG NO	549	487	716	666	405	355	591	540	252	209	445	394	217	186	426	382
LPG US	308	326	463	420	186	213	356	320	118	145	287	252	76	122	267	233
Average	334	327	490	461	229	231	396	368	142	147	310	281	109	125	289	262
Median	308	326	463	420	186	213	356	320	118	145	287	252	76	122	267	233

Balance Sheet

BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
USDm																
AVANCE NO	752	825	904	910	93	79	167	241	869	929	1,095	1,176	420	470	580	657
BWLPG NO	1,735	1,675	1,553	1,432	119	181	398	517	2,295	2,298	2,392	2,390	1,235	1,320	1,574	1,739
LPG US	1,394	1,334	1,272	1,203	181	288	472	606	1,695	1,741	1,862	1,928	1,025	1,118	1,276	1,376
Average	1,293	1,278	1,243	1,182	131	183	345	455	1,620	1,656	1,783	1,831	893	969	1,144	1,257
Median	1,394	1,334	1,272	1,203	119	181	398	517	1,695	1,741	1,862	1,928	1,025	1,118	1,276	1,376

Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2021	2022	2021	2022
USDm																
AVANCE NO	88	106	220	220	64	-6	96	166	7	-13	87	75	36,174	53,739	22,173	20,604
BWLPG NO	444	331	572	528	547	245	548	504	13	62	216	119	38,455	54,567	23,255	23,113
LPG US	168	191	335	301	151	183	329	301	79	107	184	134	40,461	58,545	21,489	19,783
Average	233	209	376	350	254	141	324	324	33	52	163	109	38,364	55,617	22,306	21,167
Median	168	191	335	301	151	183	329	301	13	62	184	119	38,455	54,567	22,173	20,604

Company Financials (quarterly estimates)

Profit & Loss

P&L	TCE Revenue				EBITDA				EBIT				Net Profit			
	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21
USDm																
AVANCE NO	43	39	41	43	31	28	31	33	22	19	21	23	17	14	16	19
BWLPG NO	136	123	119	127	100	90	85	93	62	54	49	56	55	48	43	50
LPG US	88	84	81	83	59	55	47	57	41	39	30	40	35	33	24	34
Average	89	82	80	84	63	58	54	61	42	37	33	40	36	31	28	34
Median	88	84	81	83	59	55	47	57	41	39	30	40	35	33	24	34

Balance Sheet

BS	Property & Equip. (incl. NBs)				Liquidity				Total Assets				Total Equity			
	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21
USDm																
AVANCE NO	752	769	767	781	93	75	78	68	869	868	870	873	420	429	442	457
BWLPG NO	1,735	1,720	1,705	1,690	119	161	156	161	2,295	2,323	2,303	2,292	1,235	1,252	1,271	1,300
LPG US	1,394	1,379	1,364	1,349	181	217	244	269	1,695	1,715	1,727	1,737	1,025	1,058	1,082	1,105
Average	1,293	1,289	1,279	1,273	131	151	159	166	1,620	1,635	1,633	1,634	893	913	932	954
Median	1,394	1,379	1,364	1,349	119	161	156	161	1,695	1,715	1,727	1,737	1,025	1,058	1,082	1,105

Cash Flow

CF	Net Operational CF				Free Cash Flow				Net Cash Flow				TCE/d		Cash B/E	
	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	4Q20	1Q21	2Q21	3Q21	1Q21	2Q21	1Q21	2Q21
USDm																
AVANCE NO	26	23	26	28	16	-3	18	5	15	-18	3	-10	35,523	35,696	23,283	22,199
BWLPG NO	100	84	79	87	147	62	58	66	7	42	-5	5	39,129	37,371	23,513	23,367
LPG US	53	50	41	52	51	48	39	50	36	35	27	25	41,147	39,511	21,649	24,029
Average	60	52	49	56	71	36	38	40	19	20	8	7	38,600	37,526	22,815	23,198
Median	53	50	41	52	51	48	39	50	15	35	3	5	39,129	37,371	23,283	23,367



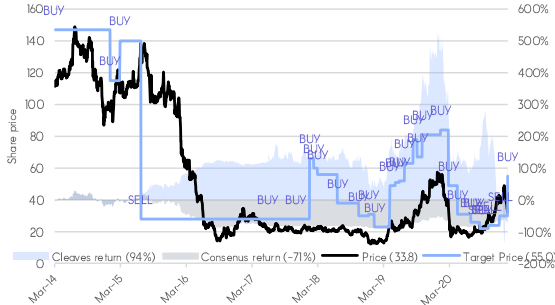
Highest elasticity towards the cyclical expansion. Newbuild contracting reduces free cash flow

AVANCE-
NO

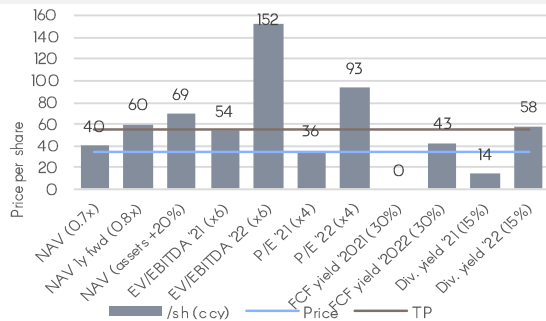
BUY/N55

Avance Gas

Share price vs target price

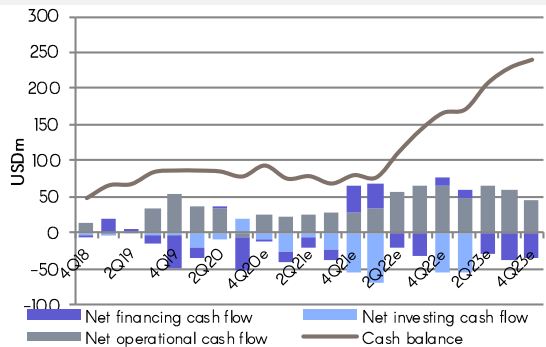


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Head of Research
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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	146	169	291	298
EBITDA (adj.)	97	125	242	245
EBIT (adj.)	57	87	197	197
PTP (adj.)	35	67	175	172
Net earnings (adj.)	35	67	175	172
EPS (adj.)	0.54	1.04	2.71	2.67
DPS	0.30	0.25	1.01	1.49

USDm	2020E	2021E	2022E	2023E
Fwd NAV	436	659	886	911
Adj. equity ratio	49%	59%	63%	64%
FCF yield	25%	-3%	38%	65%
Dividend yield	8%	6%	26%	38%
EV/EBITDA	5.6	4.8	2.3	2.0
P/E (adj.)	7.3	3.8	1.5	1.5

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	88	106	220	220
Free cash flow	64	-6	96	166
Net cash flow	7	-13	87	75
TCE/day	34,349	36,174	53,739	49,593
Cash break-even	23,238	22,173	20,604	19,684
Liquidity	93	79	167	241
Property & Equip. (incl. NBs)	752	825	904	910
Total equity	420	470	580	657
Total assets	869	929	1,095	1,176
Interest bearing debt	415	425	481	485
Net interest bearing debt	323	345	314	244
Market Cap.	254	254	254	254

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

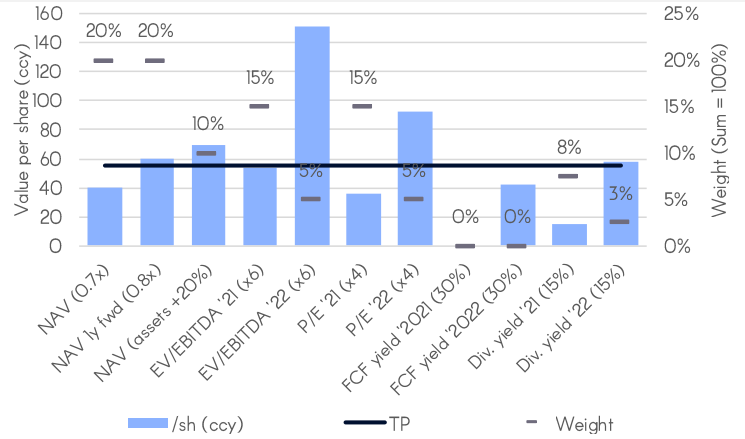


Company Valuation

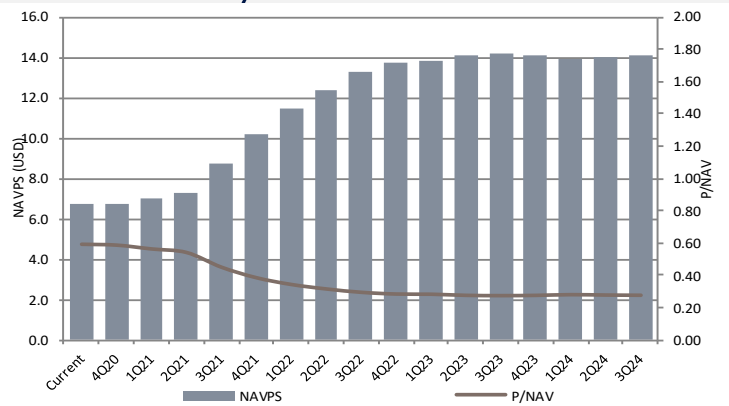
Valuation & target price

Valuation	Book Value	Net Asset Value	Market cap.
USDm			
Primary assets	751	1,086	910
Contract value	0	-7	-6
Other	18	18	15
GAV	770	1,097	919
Net debt	-339	-339	-339
Capex	0	-299	-299
Other	-28	-28	-28
Equity	403	432	254
Shares	65	65	65
Equity/sh	6.24	6.70	3.94
lcl CCY	53.60	57.47	33.80
P/Equity	0.63	0.59	1.00
EV/GAV	1.19	0.84	1.00
Adj. Total Assets	854	1,189	1,012
Adj. Equity Ratio	47%	36%	25%
Fair Value	NOK	55	63%
	USD	6.4	

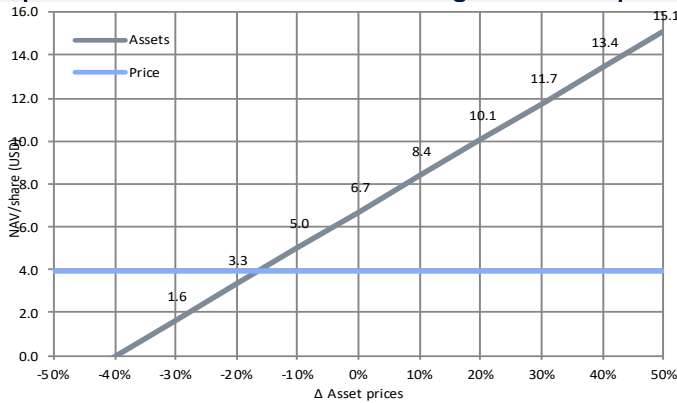
Valuation Matrix



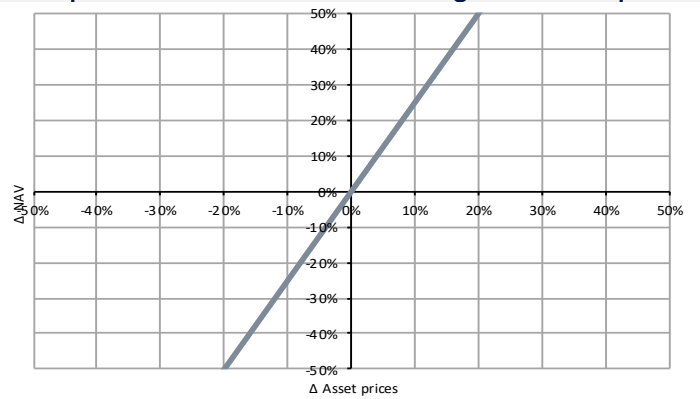
Quarterly forward NAV & P/NAV



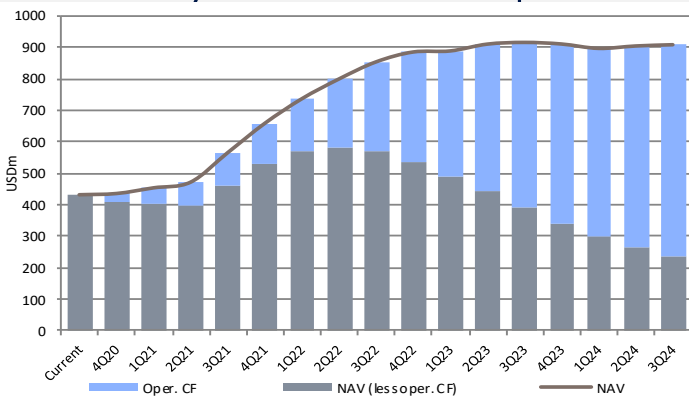
Impact on NAV/sh from % change in asset prices



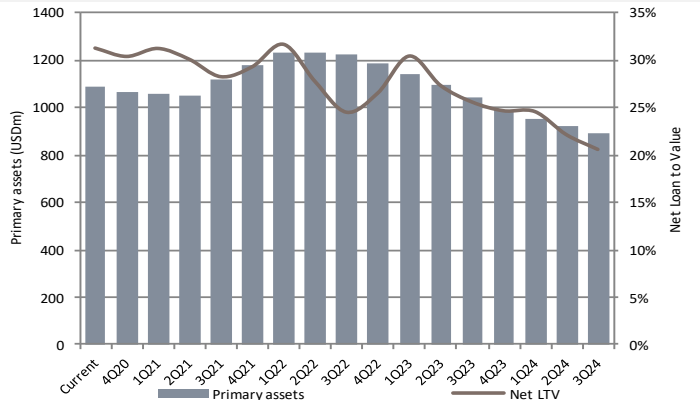
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

P&L

4Q20 Preview USDm	4Q20		Actuals vs		Actuals vs			
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	65.0	24.5	42.8	42.3				
EBITDA (adj.)	53.6	11.7	31.1	30.6				
EBIT (adj.)	43.2	1.6	21.7	20.6				
PTP (adj.)	36.8	-3.6	16.6	19.8				
Net earnings (adj.)	36.7	-3.6	16.6	17.7				
EPS (adj.)	0.57	-0.06	0.26	0.25				
DPS	0.30	-	0.13	0.06				
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	65.0	24.5	42.8	42.3				
Opex & G&A	11.4	12.8	11.7	11.7				
Depreciation	10.4	10.1	9.5	9.9				
Net finance	6.5	5.3	5.1	0.8				
Taxes & Minorities	0.0	-	-	2.1				

CF & BS

4Q20 Preview USDm	4Q20		Actuals vs		Actuals vs			
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	52	-8	26					
Free cash flow	48	11	16					
Net cash flow	2	-33	15					
TCE/day	51,039	21,987	37,791	37,338				
Utilization	98.9%	87.2%	94.7%					
Fleet days	1,288	1,278	1,196					
Cash break-even	22,543	23,425	23,407					
Liquidity	86	78	93					
Interest bearing debt	453	416	415					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E	
Net sales	146	169	291	298	146	157	215	231	-	11	76	67	
EBITDA (adj.)	97	125	242	245	97	114	167	183	-	11	75	61	
EBIT (adj.)	57	87	197	197	57	75	122	138	-	11	75	58	
PTP (adj.)	35	67	175	172	35	56	101	118	-	11	74	54	
Net earnings (adj.)	35	67	175	172	35	56	101	118	-	11	74	54	
EPS (adj.)	0.54	1.04	2.71	2.67	0.54	0.87	1.56	1.84	-	0.18	1.15	0.83	
DPS	0.30	0.25	1.01	1.49	0.30	0.47	0.67	0.95	-	-0.22	0.34	0.54	
DPS (NOK)	2.54	2.17	8.68	12.76	2.556	4.064	5.804	8.2					
									2020E	2021E	2022E	2023E	
									TCE revenue	-	11	76	67
									Opex & G&A	-	-	1	6
									Depreciation	-	-	1	3
									Net finance	-	0	0	5
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	88	106	220	220	88	94	145	164	-	11	75	57
Free cash flow	64	-6	96	166	64	-18	21	109	-	11	75	57
Net cash flow	7	-13	87	75	7	-40	-17	4	-	27	105	71
TCE/day	34,349	36,174	53,739	49,593	34,349	33,800	40,444	43,564	-	2,374	13,295	6,030
Cash break-even	23,238	22,173	20,604	19,684	23,238	22,171	20,728	20,401	-	2	-123	-717
Liquidity	93	79	167	241	93	53	35	39	-	27	131	202
Property & Equip. (incl. NBs)	752	825	904	910	752	825	905	914	-	-	-1	-4
Total equity	420	470	580	657	420	445	502	559	-	25	78	97
Total assets	869	929	1,095	1,176	869	903	965	978	-	27	131	198
Interest bearing debt	415	425	481	485	415	423	428	384	-	1	53	101
Net interest bearing debt	323	345	314	244	323	371	393	345	-	-25	-79	-101
Market Cap.	254	254	254	254	241	241	241	241	13	13	13	13
Enterprise value	577	599	569	498	563	611	634	586	13	-12	-65	-88

Valuation

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	436	659	886	911	556	683	835	848	-120	-24	51	63
Adj. equity ratio	49%	59%	63%	64%	55%	60%	64%	67%	-6%	-1%	-1%	-3%
FCF yield	25%	-3%	38%	65%	27%	-7%	9%	45%	-1%	5%	29%	20%
Dividend yield	8%	6%	26%	38%	8%	13%	18%	25%	0%	-6%	8%	12%
EV/EBITDA	5.6	4.8	2.3	2.0	5.5	5.4	3.8	3.2	0.1	-0.6	-1.5	-1.2
P/E (adj.)	7.3	3.8	1.5	1.5	6.9	4.3	2.4	2.0	0.4	-0.5	-0.9	-0.6

Various

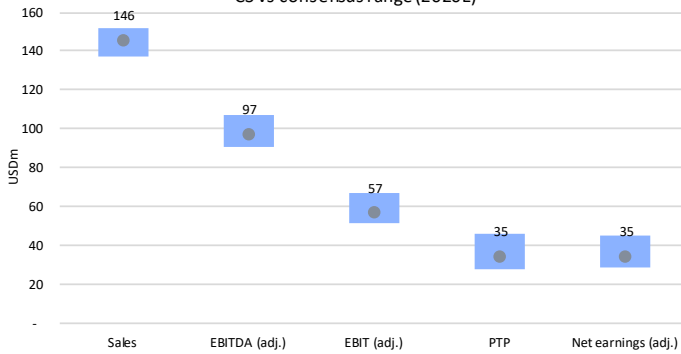
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Opex/day (excl. TC-in)	-8,820	-8,200	-8,000	-8,000	-8,820	-8,200	-8,000	-8,000	-	-	-	-
G&A/day	-835	-855	-752	-681	-835	-855	-764	-772	-	-	12	91
Depreciation/day	-8,023	-7,929	-8,171	-7,754	-8,023	-7,929	-8,171	-8,239	-	-	-	485
Net interest/day	-4,411	-4,008	-3,940	-3,912	-4,411	-4,006	-3,927	-3,592	-	-2	-13	-320
Amort./day	-9,172	-9,109	-7,913	-7,092	-9,172	-9,109	-8,037	-8,037	-	-	125	946



Our Estimates vs Consensus

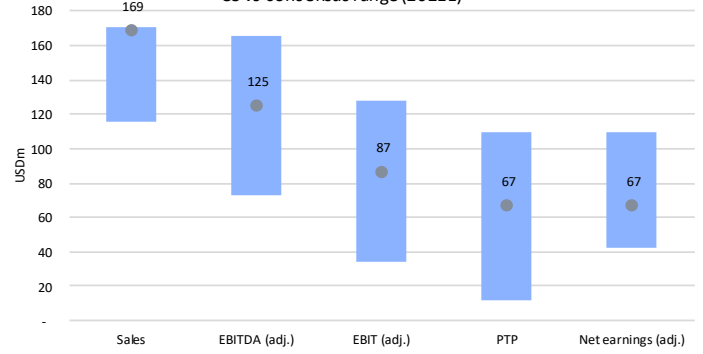
Profit & Loss, year I

CS vs consensus range (2020E)

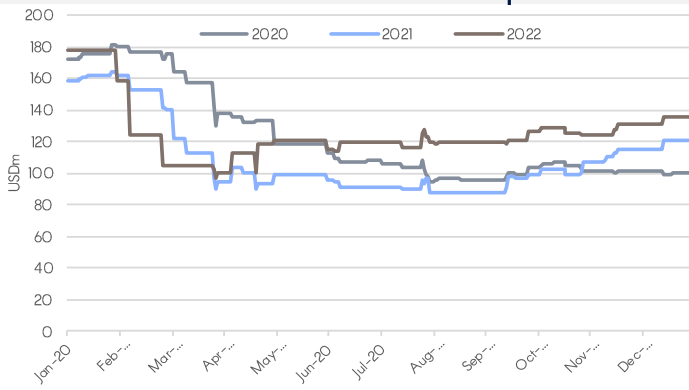


Profit & Loss, year II

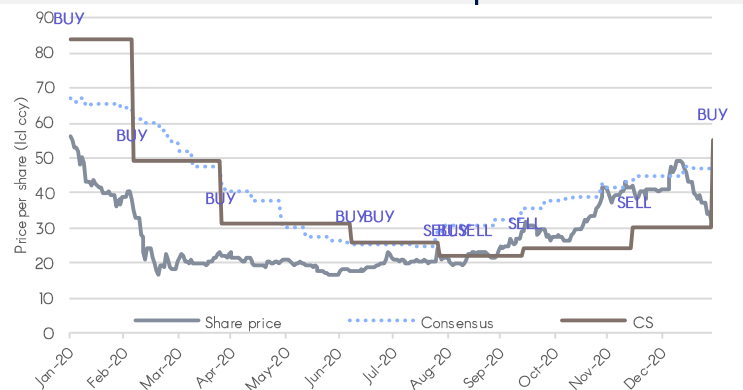
CS vs consensus range (2021E)



Consensus EBITDA development



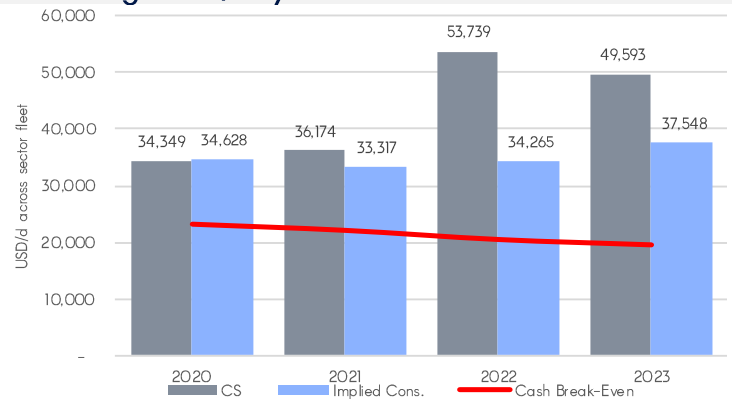
Fair value vs share price



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	146	147	147	-1	-1%
Opex + G&A	48	47	47	1	3%
Depreciation	40	40	40	0	1%
Net finance	22	20	20	2	12%
Taxes & Minorities	0	1	1	-1	-100%
	2021	CS	Consensus	Diff.	Diff.
TCE revenue	169	155	155	13	9%
Opex + G&A	44	34	34	10	28%
Depreciation	38	40	40	-2	-4%
Net finance	19	20	20	-1	-3%
Taxes & Minorities	0	-6	-6	6	-100%

Avg. TCE/day across fleet vs consensus





Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	65	44	34	24	43	39	41	43	45
Operational costs	-11	-12	-12	-7	-12	-11	-10	-11	-11
EBITDA	54	32	23	18	31	28	31	33	34
Depreciation/Amortization	-10	-10	-10	-10	-9	-9	-9	-9	-10
EBIT	43	21	12	7	22	19	21	23	23
Net financials	-6	-6	-6	-5	-5	-5	-5	-5	-5
PTP	37	15	7	2	17	14	16	19	18
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	37	15	7	2	17	14	16	19	18
Non-recurring items	0	0	0	-6	0	0	0	0	0
Net earnings (adj.)	37	15	7	-4	17	14	16	19	18
EPS	0.57	0.23	0.10	0.04	0.26	0.21	0.25	0.29	0.29
EPS (adj.)	0.57	0.24	0.10	-0.06	0.26	0.21	0.25	0.29	0.29
DPS	0.00	0.30	0.00	0.00	0.00	0.06	0.05	0.06	0.07
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	86	86	85	78	93	75	78	68	79
Other current assets	50	33	27	25	25	25	25	25	25
Total current assets	136	119	111	102	118	99	103	92	104
Property & equip. (incl. NBs)	763	773	774	751	752	769	767	781	825
Other non-current assets	0	0	0	0	0	0	0	0	0
Total non-current assets	763	773	774	751	752	769	767	781	825
TOTAL ASSETS	899	893	885	854	869	868	870	873	929
Total equity	411	394	399	403	420	429	442	457	470
Short-term debt	43	43	46	46	44	45	45	45	45
Other current liabilities	24	23	21	17	17	17	17	17	17
Total current liabilities	67	66	67	63	61	62	62	62	62
Long-term debt	410	414	399	371	371	360	348	337	380
Other non-current liabilities	11	19	20	17	17	17	17	17	17
Total non-current liabilities	421	433	419	388	388	377	365	355	397
TOTAL EQUITY & LIABILITIES	899	893	885	854	869	868	870	873	929
Working capital, receivables	35	25	20	16	16	16	16	16	16
Working capital, payables	23	16	11	6	6	6	6	6	6
Net working capital	12	9	9	10	10	10	10	10	10
Interest bearing debt	453	457	446	416	415	404	393	382	425
Liquidity	86	86	85	78	93	75	78	68	79
Net interest bearing debt	367	371	361	339	323	330	315	315	345
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	37	15	7	2	17	14	16	19	18
Depreciation	10	10	10	10	9	9	9	9	10
Other	0	1	11	-17	0	0	0	0	0
Cash earnings	47	26	28	-5	26	23	26	28	29
Changes in working capital	5	10	4	-3	0	0	0	0	0
Net operational cash flow	52	36	33	-8	26	23	26	28	29
Capex	-4	-21	-11	-16	-10	-26	-8	-23	-55
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	34	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net investing cash flow	-4	-21	-11	19	-10	-26	-8	-23	-55
Repayment of debt	-46	-11	-12	-29	-46	-11	-11	-11	-11
Proceeds from debt	0	0	15	0	45	0	0	0	53
Dividends paid	0	-19	0	0	0	-4	-3	-4	-5
New equity	0	0	0	0	0	0	0	0	0
Other	0	15	0	0	0	0	0	0	0
Net financing cash flow	-46	-15	3	-44	-1	-15	-14	-15	38
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	2	0	25	-33	15	-18	3	-10	12
Cash balance	86	86	85	78	93	75	78	68	79
Free cash flow	48	15	22	11	16	-3	18	5	-26



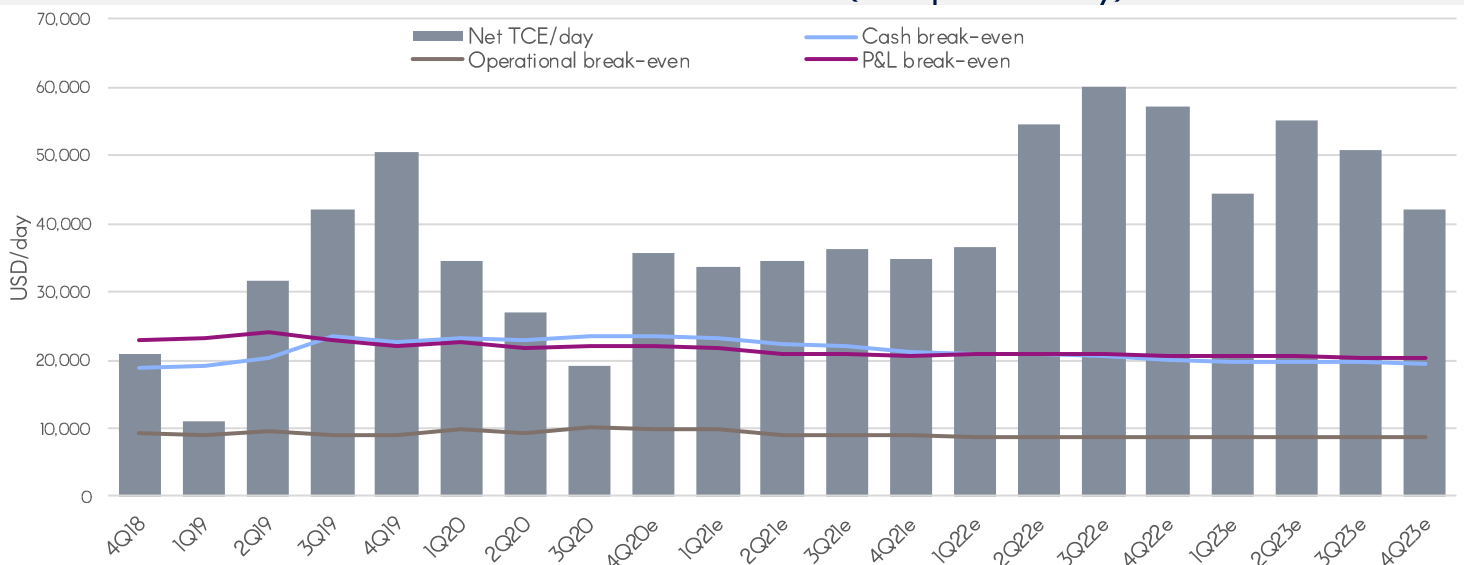
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	265	93	54	70	174	146	169	291	298
Operational costs	-37	-100	-44	-45	-46	-43	-44	-49	-54
EBITDA	228	-7	9	25	127	103	125	242	245
Depreciation/Amortization	-31	-42	-40	-41	-42	-40	-38	-45	-48
EBIT	196	-48	-31	-16	85	63	87	197	197
Net financials	-13	-20	-24	-27	-29	-22	-19	-22	-24
PTP	183	-68	-55	-43	56	41	67	175	172
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	183	-68	-55	-43	56	41	67	175	172
Non-recurring items	0	0	0	0	0	-6	0	0	0
Net earnings (adj.)	183	-68	-55	-43	56	35	67	175	172
EPS	5.04	-1.07	-0.86	-0.68	0.88	0.63	1.04	2.71	2.67
EPS (adj.)	5.04	-1.07	-0.86	-0.68	0.88	0.54	1.04	2.71	2.67
DPS	4.74	0.51	0.00	0.00	0.00	0.30	0.25	1.01	1.49
Balance Sheet (USDm)									
Cash & short-term investments	70	149	62	47	86	93	79	167	241
Other current assets	81	23	22	28	50	25	25	25	25
Total current assets	151	172	84	75	136	118	104	191	266
Property & equip. (incl. NBs)	966	861	823	795	763	752	825	904	910
Other non-current assets	2	0	0	0	0	0	0	0	0
Total non-current assets	968	861	824	795	763	752	825	904	910
TOTAL ASSETS	1,119	1,033	908	871	899	869	929	1,095	1,176
Total equity	500	457	402	365	411	420	470	580	657
Short-term debt	93	21	21	32	43	44	35	38	40
Other current liabilities	10	11	14	12	24	17	17	17	17
Total current liabilities	103	32	35	44	67	61	52	55	57
Long-term debt	508	537	467	461	410	371	390	443	445
Other non-current liabilities	8	7	5	2	11	17	17	17	17
Total non-current liabilities	516	544	472	462	421	388	407	460	463
TOTAL EQUITY & LIABILITIES	1,119	1,033	908	871	899	869	929	1,095	1,176
Working capital, receivables	76	19	16	20	35	16	16	16	16
Working capital, payables	9	8	10	11	23	6	6	6	6
Net working capital	67	11	6	9	12	10	10	10	10
Interest bearing debt	601	558	488	492	453	415	425	481	485
Liquidity	70	149	62	47	86	93	79	167	241
Net interest bearing debt	531	409	425	445	367	323	345	314	244
Cash Flow (USDm)									
Net income	183	-68	-55	-43	56	41	67	175	172
Depreciation	31	42	40	41	42	40	38	45	48
Other	1	54	2	2	-4	-5	0	0	0
Cash earnings	216	28	-12	-1	94	76	106	220	220
Changes in working capital	-48	57	1	-5	-11	12	0	0	0
Net operational cash flow	167	85	-12	-6	83	88	106	220	220
Capex	-492	-1	-3	-12	-9	-58	-112	-124	-54
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	34	0	0	0
Other	0	13	0	0	0	6	0	0	0
Net investing cash flow	-492	12	-3	-12	-9	-23	-112	-124	-54
Repayment of debt	417	-44	-72	3	-36	-98	-44	-44	-44
Proceeds from debt	450	0	0	0	540	60	53	100	48
Dividends paid	-172	-33	0	0	0	-19	-16	-65	-96
New equity	0	59	—	0	—	0	0	0	0
Other	-462	0	0	0	-540	6	0	0	0
Net financing cash flow	232	-18	-72	3	-36	-57	-7	-9	-91
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	-92	79	-87	-15	39	7	-13	87	75
Cash balance	70	149	62	47	86	93	79	167	241
Free cash flow	-324	97	-15	-18	75	64	-6	96	166



Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	36	64	64	64	64	65	65	65	65
Share price, avg (USD)	12	4	3	2	3	3	4	4	4
Share price, end (USD)	12	3	3	1	6	4	4	4	4
Market Cap.	445	196	182	90	362	254	254	254	254
NIBD	531	409	425	445	367	323	345	314	244
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	977	604	607	535	729	577	599	569	498
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)	2.4				6.5	6.2	3.8	1.5	1.5
P/E (adj.)	2.4				6.5	7.3	3.8	1.5	1.5
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	1.7	2.1	3.4	1.3	2.1	1.7	1.5	0.9	0.9
EV/Sales	3.7	6.5	11.3	7.7	4.2	4.0	3.6	2.0	1.7
EV/EBITDA	4.3		64.0	21.4	5.7	5.6	4.8	2.3	2.0
EV/EBIT	5.0				8.5	9.2	6.9	2.9	2.5
P/B	0.9	0.4	0.5	0.2	0.9	0.6	0.5	0.4	0.4
FCF yield	-73%	50%	-8%	-20%	21%	25%	-3%	38%	65%
Dividend yield	38.7%	16.7%	0.0%	0.0%	0.0%	7.5%	6.4%	25.7%	37.8%
Return on equity (ROE)	36.6%	-14.9%	-13.6%	-11.9%	13.6%	9.7%	14.3%	30.2%	26.2%
Return on capital employed (ROCE)	19.0%	-5.6%	-3.7%	-1.9%	11.0%	8.4%	10.6%	22.0%	21.8%
Return on assets (ROA)	16.4%	-6.6%	-6.0%	-5.0%	6.2%	4.7%	7.2%	16.0%	14.6%
Sales growth	91%	-65%	-42%	29%	150%	-16%	16%	72%	3%
EBITDA margin	86%	-7%	18%	36%	73%	71%	74%	83%	82%
EBIT margin	74%	-52%	-57%	-23%	49%	43%	51%	68%	66%
Net margin	69%	-73%	-101%	-62%	32%	28%	40%	60%	58%
Net interest rate	0.0%	0.0%	0.0%	0.0%	0.0%	6.9%	5.6%	7.0%	9.9%
Tax rate	0.0%	-0.2%	-0.1%	-0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Equity ratio	45%	44%	44%	42%	46%	48%	51%	53%	56%
Leverage ratio	55%	56%	56%	58%	54%	52%	49%	47%	44%
NIBD / EBITDA (past ly)	2.3	-59.8	44.8	17.8	2.9	3.1	2.8	1.3	1.0
Operating cash flow/NIBD	0.3	0.2	0.0	0.0	0.2	0.3	0.3	0.7	0.9
Net interest coverage ratio (EBIT)						4.6	6.5	11.1	10.1
Current ratio	1.5	5.4	2.4	1.7	2.0	1.9	2.0	3.5	4.7
Adj. equity ratio						49%	59%	63%	64%
Operating assets	1,049	884	846	824	813	776	850	929	935
Operating liabilities	17	18	19	14	35	34	34	34	34
Net operating assets	1,031	866	827	809	778	742	816	895	901

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

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





Fleet Positioning

Live satellite data as of
28/01/2021 21:34 CET





Well managed and positioned as the cycle expands

**BWLPG-
NO**

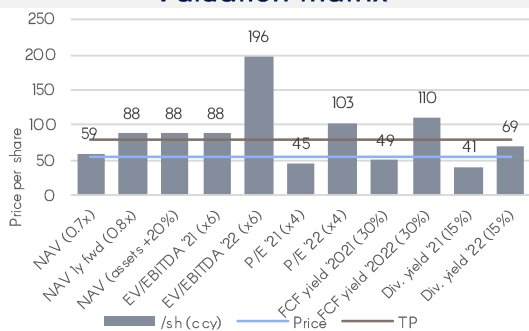
BUY/N78

BW LPG

Share price vs target price

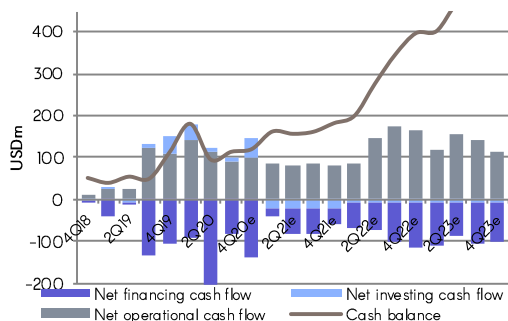


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

Joakim Hannisdahl
Head of Research
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Key numbers

USDm	2020E	2021E	2022E	2033E
Net sales	549	487	716	666
EBITDA (adj.)	405	355	591	540
EBIT (adj.)	252	209	445	394
PTP (adj.)	218	186	428	384
Net earnings (adj.)	217	186	426	382
EPS (adj.)	1.53	1.31	3.00	2.69
DPS	0.90	0.71	1.21	1.53
USDm	2020E	2021E	2022E	2033E
Fwd NAV	1,497	2,012	2,562	2,709
Adj. equity ratio	59%	67%	76%	81%
FCF yield	61%	27%	61%	56%
Dividend yield	14%	11%	19%	24%
EV/EBITDA	4.1	4.4	2.0	1.7
P/E (adj.)	4.2	4.9	2.1	2.4

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	444	331	572	528
Free cash flow	547	245	548	504
Net cash flow	13	62	216	119
TCE/day	38,592	38,455	54,567	50,859
Cash break-even	23,600	23,255	23,113	23,278
Liquidity	119	181	398	517
Property & Equip. (incl. NBs)	1,735	1,675	1,553	1,432
Total equity	1,235	1,320	1,574	1,739
Total assets	2,295	2,298	2,392	2,390
Interest bearing debt	935	853	693	526
Net interest bearing debt	816	672	295	9

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

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

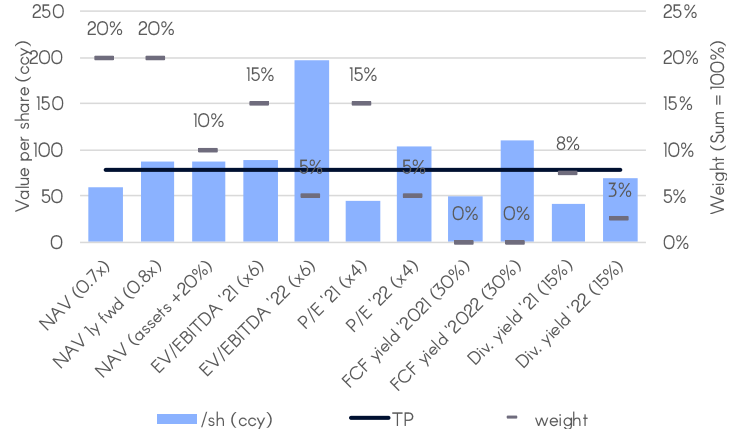


Company Valuation

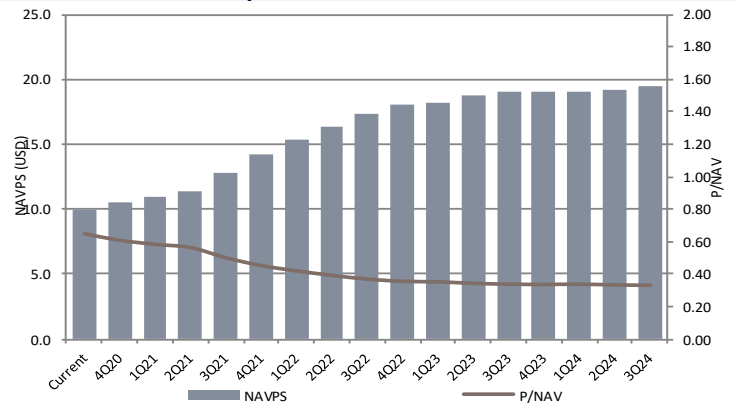
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,820	2,068	1,638
Contract value	0	-39	-31
Other	378	378	299
GAV	2,198	2,406	1,906
Net debt	-941	-941	-941
Capex	0	0	0
Other	-63	-63	-63
Equity	1,194	1,403	903
Shares	142	142	142
Equity/sh	8.41	9.88	6.36
Icl CCY	72.2	84.8	54.6
P/Equity	0.76	0.64	1.00
EV/GAV	0.87	0.79	1.00
Adj. Total Assets	2,374	2,622	2,192
Adj. Equity Ratio	50%	54%	41%
Fair Value	NOK	78	43%
	USD	9.1	

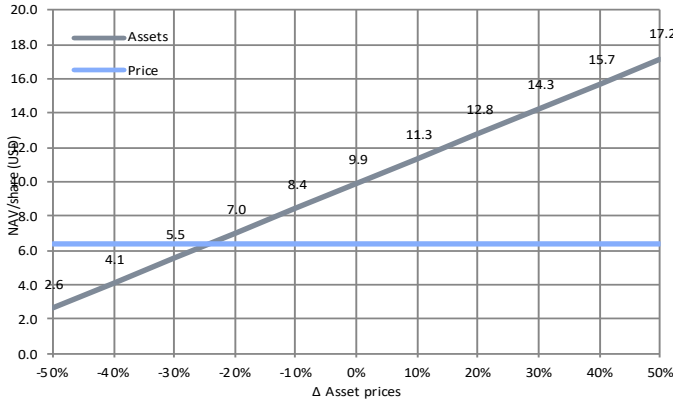
Valuation Matrix



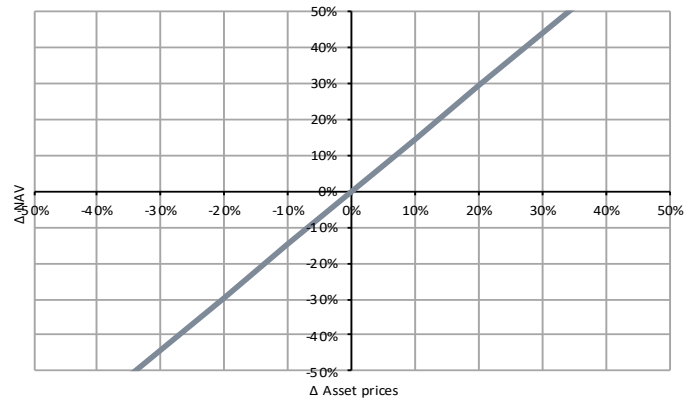
Quarterly forward NAV & P/NAV



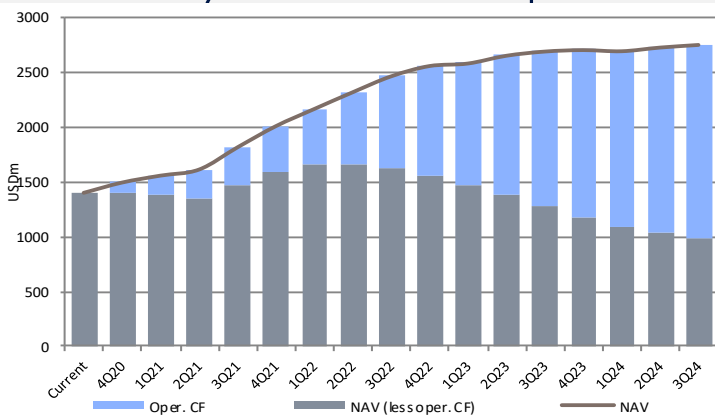
Impact on NAV/sh from % change in asset prices



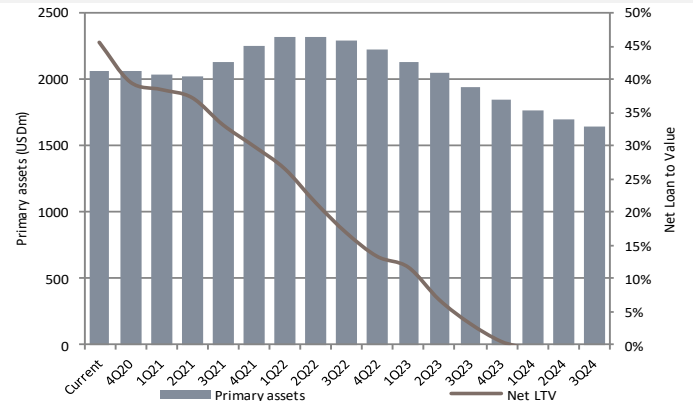
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Pre-/Review

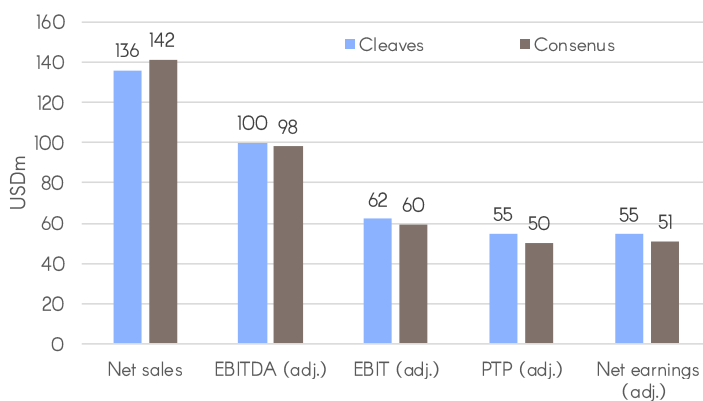
P&L

4Q20 Preview USDm	4Q19		3Q20		4Q20		Actuals vs		Actuals vs	
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
Net sales	191.6	101.5	136.3	141.5						
EBITDA (adj.)	152.8	67.3	100.3	98.3						
EBIT (adj.)	121.9	28.1	62.0	59.5						
PTP (adj.)	110.8	20.2	54.7	50.4						
Net earnings (adj.)	109.3	20.2	54.5	51.1						
EPS (adj.)	0.77	0.14	0.38	0.36						
DPS	0.40	0.15	0.22	0.20						
Implied, line by line	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	191.6	101.5	136.3	141.5						
Opex & G&A	38.8	34.1	36.0	43.2						
Depreciation	30.9	39.2	38.3	38.8						
Net finance	11.0	7.9	7.3	9.2						
Taxes & Minorities	1.5	0.1	0.2	-0.8						

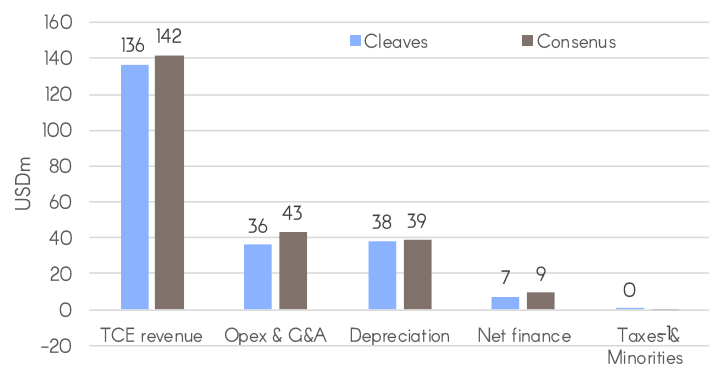
CF & BS

4Q20 Preview USDm	4Q19		3Q20		4Q20		Actuals vs		Actuals vs	
	4Q19	3Q20	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	110	89	100							
Free cash flow	151	100	147							
Net cash flow	47	17	7							
TCE/day	50,149	28,572	40,033	41,550						
Utilization (incl. TCs and COAs)	96.4%	93.8%	91.7%							
Fleet days	3,963	3,786	3,713							
Cash break-even	24,366	23,349	23,528							
Liquidity	112	113	119							
Interest bearing debt	1,282	1,054	935							

Quarterly Pre-/Review



Quarterly Pre-/Review: Line by line





Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E	
Net sales	549	487	716	666	549	453	536	580	-	34	180	87	
EBITDA (adj.)	405	355	591	540	405	321	411	454	-	34	180	87	
EBIT (adj.)	252	209	445	394	252	175	265	308	-	34	180	87	
PTP (adj.)	218	186	428	384	218	152	248	297	-	34	180	87	
Net earnings (adj.)	217	186	426	382	217	151	247	296	-	34	179	86	
EPS (adj.)	1.53	1.31	3.00	2.69	1.53	1.07	1.74	2.09	-	0.24	1.26	0.61	
DPS	0.90	0.71	1.21	1.53	0.90	0.66	0.73	1.08	-	0.05	0.47	0.45	
									2020E	2021E	2022E	2023E	
									TCE revenue	-	34	180	87
									Opex & G&A	-	-	-	-
									Depreciation	-	-	-	-
									Net finance	-	-	-	-
									Taxes & Minorities	-	0	1	0

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	444	331	572	528	444	297	393	442	-	34	179	86
Free cash flow	547	245	548	504	547	211	369	418	-	34	179	86
Net cash flow	13	62	216	119	13	35	105	97	-	27	112	22
TCE/day	38,592	38,455	54,567	50,859	38,592	35,736	40,914	44,283	-	2,719	13,653	6,575
Cash break-even	23,600	23,255	23,113	23,278	23,600	23,255	23,113	23,278	-	-	-	-
Liquidity	119	181	398	517	119	155	259	356	-	27	139	161
Property & Equip. (incl. NBs)	1,735	1,675	1,553	1,432	1,735	1,675	1,553	1,432	-	-	-	-
Total equity	1,235	1,320	1,574	1,739	1,235	1,293	1,436	1,578	-	27	139	161
Total assets	2,295	2,298	2,392	2,390	2,295	2,271	2,254	2,229	-	27	139	161
Interest bearing debt	935	853	693	526	935	853	693	526	-	-	-	-
Net interest bearing debt	816	672	295	9	816	698	434	170	-	-27	-139	-161
Market Cap.	903	903	903	903	1,025	1,025	1,025	1,025	-123	-123	-123	-123
Enterprise value	1,718	1,574	1,198	911	1,841	1,723	1,459	1,195	-123	-149	-261	-284

Valuation

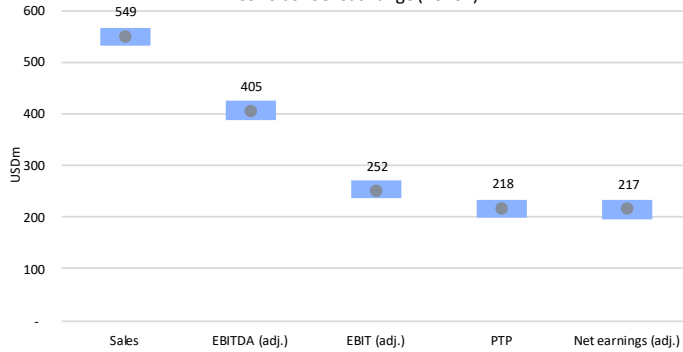
Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	1,497	2,012	2,562	2,709	1,445	1,798	2,194	2,296	52	214	368	412
Adj. equity ratio	59%	67%	76%	81%	58%	65%	73%	78%	1%	3%	3%	3%
FCF yield	61%	27%	61%	56%	53%	21%	36%	41%	7%	7%	25%	15%
Dividend yield	14%	11%	19%	24%	12%	9%	10%	15%	2%	2%	9%	9%
EV/EBITDA	4.1	4.4	2.0	1.7	4.4	5.4	3.5	2.6	-0.3	-0.9	-1.5	-0.9
P/E (adj.)	4.2	4.9	2.1	2.4	4.7	6.8	4.1	3.5	-0.6	-1.9	-2.0	-1.1



Our Estimates vs Consensus

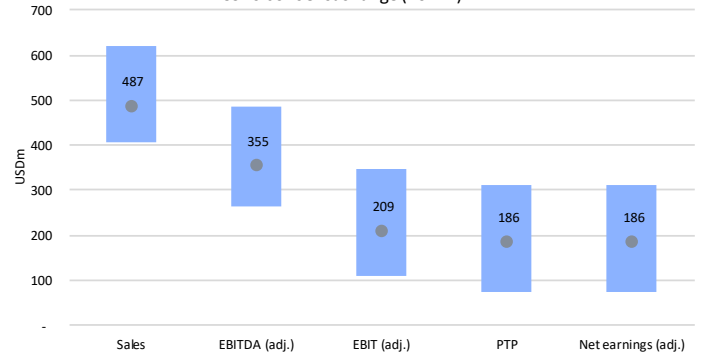
Profit & Loss, year I

CS vs consensus range (2020E)

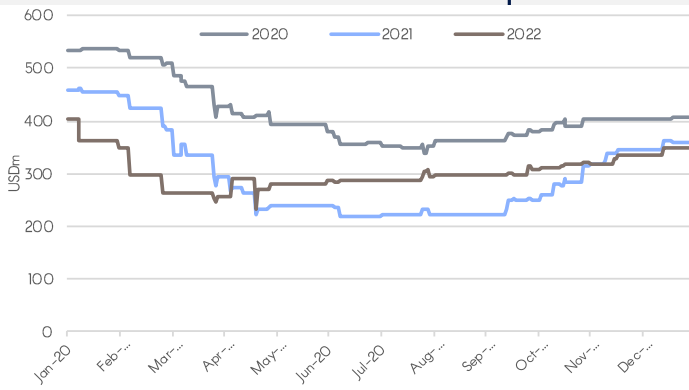


Profit & Loss, year II

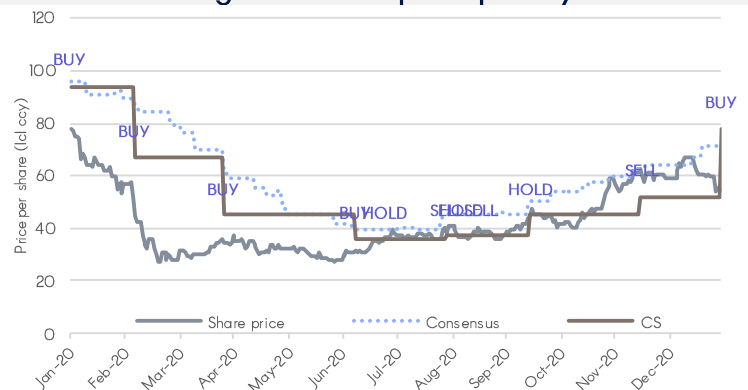
CS vs consensus range (2021E)



Consensus EBITDA development



Target vs share price past 1y



Cleaves vs consensus: P&L break-down

	2020	CS	Consensus	Diff.	Diff.
TCE revenue	549	546	546	3	1%
Opex + G&A	144	140	140	4	3%
Depreciation	154	151	151	3	2%
Net finance	33	36	36	-3	-7%
Taxes & Minorities	1	3	3	-2	-72%

	2021	CS	Consensus	Diff.	Diff.
TCE revenue	487	503	503	-16	-3%
Opex + G&A	132	142	142	-10	-7%
Depreciation	146	153	153	-7	-4%
Net finance	23	30	30	-7	-22%
Taxes & Minorities	1	1	1	-0	-2%

Avg. TCE/day across fleet vs consensus





Profit & Loss (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net sales	192	162	149	101	136	123	119	127	118
Operational costs	6	-30	-41	-30	-29	-33	-34	-34	-31
EBITDA	197	132	109	72	107	90	85	93	87
Depreciation/Amortization	-31	-38	-38	-39	-38	-36	-36	-37	-37
EBIT	166	93	71	33	69	54	49	56	50
Net financials	-11	-13	-8	-8	-7	-6	-6	-6	-5
PTP	155	81	62	25	62	48	43	51	45
Taxes/Minorities	-2	0	0	0	0	0	0	0	0
Net earnings	154	81	62	25	62	48	43	50	45
Non-recurring items	-44	-3	3	-4	-7	0	0	0	0
Net earnings (adj.)	109	77	65	20	55	48	43	50	45
EPS	1.08	0.57	0.44	0.17	0.43	0.34	0.30	0.35	0.32
EPS (adj.)	0.77	0.55	0.46	0.14	0.38	0.34	0.30	0.35	0.32
DPS	0.32	0.40	0.20	0.15	0.15	0.22	0.17	0.15	0.18
Balance Sheet (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash & short-term investments	112	180	94	113	119	161	156	161	181
Other current assets	276	278	293	217	217	217	217	217	217
Total current assets	388	458	387	330	337	379	373	378	399
Property & equip. (incl. NBs)	1,904	1,881	1,848	1,820	1,735	1,720	1,705	1,690	1,675
Other non-current assets	257	258	239	224	224	224	224	224	224
Total non-current assets	2,161	2,139	2,086	2,044	1,958	1,944	1,929	1,914	1,899
TOTAL ASSETS	2,549	2,597	2,474	2,374	2,295	2,323	2,303	2,292	2,298
Total equity	1,177	1,156	1,190	1,195	1,235	1,252	1,271	1,300	1,320
Short-term debt	191	161	170	155	169	164	165	163	165
Other current liabilities	79	120	137	87	87	87	87	87	87
Total current liabilities	270	281	308	242	256	251	252	250	252
Long-term debt	1,091	1,122	935	899	765	782	742	704	688
Other non-current liabilities	11	39	41	38	38	38	38	38	38
Total non-current liabilities	1,102	1,161	976	937	804	820	780	742	726
TOTAL EQUITY & LIABILITIES	2,549	2,597	2,474	2,374	2,295	2,323	2,303	2,292	2,298
Working capital, receivables	198	269	229	166	166	166	166	166	166
Working capital, payables	61	98	109	62	62	62	62	62	62
Net working capital	138	171	120	104	104	104	104	104	104
Interest bearing debt	1,282	1,283	1,106	1,054	935	946	906	867	853
Liquidity	112	180	94	113	119	161	156	161	181
Net interest bearing debt	1,170	1,103	1,012	941	816	784	750	706	672
Cash Flow (USDm)	4Q19	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net income	154	81	62	25	62	48	43	50	45
Depreciation	31	38	38	39	38	36	36	37	37
Other	-55	4	14	4	0	0	0	0	0
Cash earnings	130	123	114	67	100	84	79	87	81
Changes in working capital	-20	19	-1	22	0	0	0	0	0
Net operational cash flow	110	142	113	89	100	84	79	87	81
Capex	0	-7	-1	-10	-21	-22	-22	-22	-22
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	32	32	0	9	40	0	0	0	0
Other	8	10	10	13	28	0	0	0	0
Net investing cash flow	40	36	10	11	47	-22	-22	-22	-22
Repayment of debt	-91	-186	-223	-145	-119	-39	-39	-39	-39
Proceeds from debt	0	164	47	92	0	50	0	0	25
Dividends paid	-46	-57	-28	-21	-21	-31	-24	-21	-25
New equity	0	0	0	0	0	0	0	0	0
Other	33	-13	-15	-10	0	0	0	0	0
Net financing cash flow	-104	-92	-218	-83	-140	-20	-63	-61	-39
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	47	85	-96	17	7	42	-5	5	21
Cash balance	112	180	94	113	119	161	156	161	181
Free cash flow	151	177	123	100	147	62	58	66	60



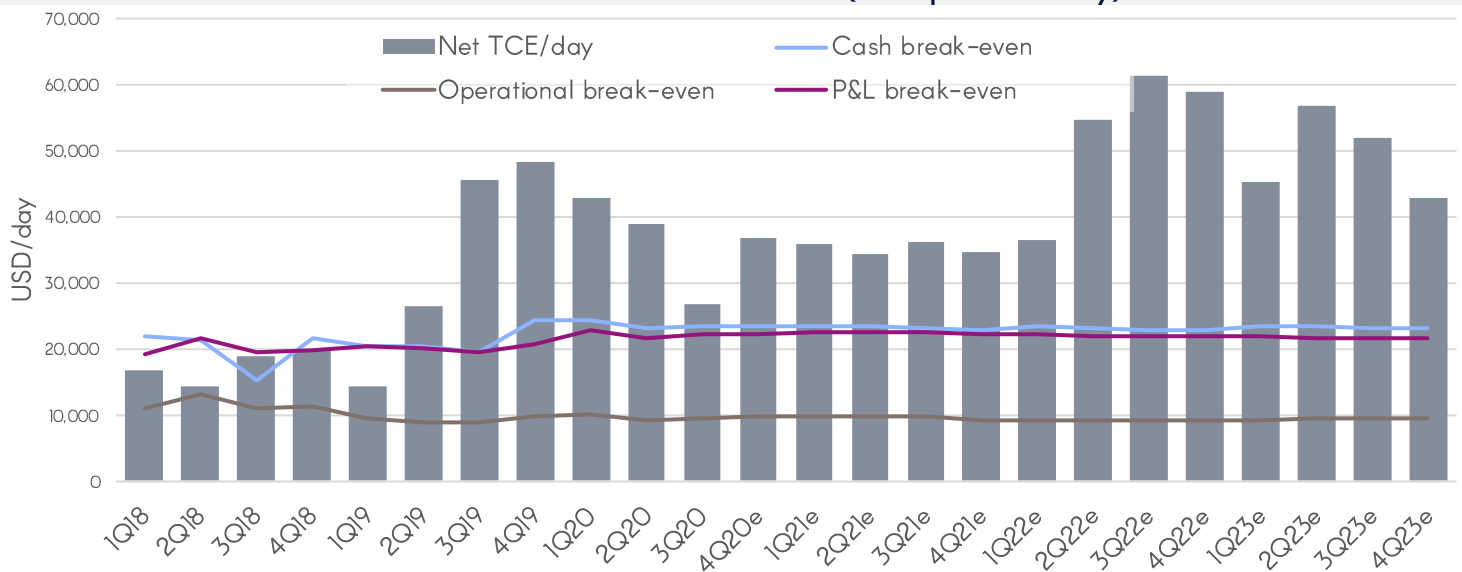
	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Profit & Loss (USDm)									
Net sales	626	407	335	301	547	549	487	716	666
Operational costs	-196	-254	-204	-225	-92	-130	-132	-125	-126
EBITDA	430	153	131	76	455	420	355	591	540
Depreciation/Amortization	-85	-99	-127	-101	-127	-154	-146	-146	-146
EBIT	346	53	4	-24	328	266	209	445	394
Net financials	-19	-29	-48	-48	-52	-36	-23	-17	-11
PTP	327	24	-44	-72	276	230	186	428	384
Taxes/Minorities	-3	0	2	1	-2	-1	-1	-2	-1
Net earnings	324	24	-43	-71	274	229	186	426	382
Non-recurring items	0	0	0	0	0	-12	0	0	0
Net earnings (adj.)	324	24	-43	-71	274	217	186	426	382
EPS	2.38	0.17	-0.30	-0.50	1.93	1.61	1.31	3.00	2.69
EPS (adj.)	2.38	0.17	-0.30	-0.50	1.93	1.53	1.31	3.00	2.69
DPS	1.88	0.74	0.00	0.00	0.42	0.90	0.71	1.21	1.53
Balance Sheet (USDm)									
Cash & short-term investments	94	81	57	50	112	119	181	398	517
Other current assets	107	85	219	139	276	217	217	217	217
Total current assets	201	166	276	189	388	337	399	615	734
Property & equip. (incl. NBs)	1,864	2,413	2,136	2,006	2,069	1,735	1,675	1,553	1,432
Other non-current assets	45	15	44	65	92	224	224	224	224
Total non-current assets	1,909	2,428	2,179	2,071	2,161	1,958	1,899	1,777	1,655
TOTAL ASSETS	2,110	2,594	2,455	2,260	2,549	2,295	2,298	2,392	2,390
Total equity	1,171	1,117	1,074	984	1,177	1,235	1,320	1,574	1,739
Short-term debt	120	431	265	133	191	169	190	171	180
Other current liabilities	51	65	41	40	79	87	87	87	87
Total current liabilities	171	497	305	173	270	256	277	258	267
Long-term debt	767	980	1,076	1,101	1,091	765	663	522	346
Other non-current liabilities	1	0	0	2	11	38	38	38	38
Total non-current liabilities	768	980	1,076	1,103	1,102	804	702	560	384
TOTAL EQUITY & LIABILITIES	2,110	2,594	2,455	2,260	2,549	2,295	2,298	2,392	2,390
Working capital, receivables	91	64	93	98	198	166	166	166	166
Working capital, payables	44	60	40	39	61	62	62	62	62
Net working capital	47	5	53	59	138	104	104	104	104
Interest bearing debt	887	1,411	1,341	1,235	1,282	935	853	693	526
Liquidity	94	81	57	50	112	119	181	398	517
Net interest bearing debt	793	1,330	1,285	1,185	1,170	816	672	295	9
Cash Flow (USDm)									
Net income	324	24	-43	-71	274	229	186	426	382
Depreciation	85	99	127	101	127	154	146	146	146
Other	9	58	-2	33	-66	21	0	0	0
Cash earnings	417	182	82	62	335	404	331	572	528
Changes in working capital	-11	35	-53	-15	-62	40	0	0	0
Net operational cash flow	407	217	29	47	272	444	331	572	528
Capex	-467	-230	-89	-12	-10	-39	-86	-24	-24
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	43	152	114	39	81	0	0	0
Other	-37	-46	-38	-32	15	14	0	0	0
Net investing cash flow	-505	-233	24	70	44	103	-86	-24	-24
Repayment of debt	359	118	-67	-110	-208	-673	-157	-160	-167
Proceeds from debt	—	—	—	—	—	303	75	0	0
Dividends paid	-256	-105	0	0	-60	-127	-101	-171	-218
New equity	27	0	—	—	—	0	0	0	0
Other	-8	-11	-10	-15	-6	14	0	0	0
Net financing cash flow	122	3	-77	-124	-273	-534	-183	-331	-385
Currency effect	0	0	0	0	—	0	0	0	0
Net cash flow	24	-13	-24	-6	—	13	62	216	119
Cash balance	94	81	57	50	112	125	187	404	523
Free cash flow	-98	-16	53	118	316	547	245	548	504



Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	136	142	142	142	142	142	142	142	142
Share price, avg (USD)	6	4	4	4	5	5	6	6	6
Share price, end (USD)	8	4	5	3	8	6	6	6	6
Market Cap.	1,129	598	670	424	1,191	903	903	903	903
NIBD	793	1,330	1,285	1,185	1,170	816	672	295	9
Minorities	10	7	3	0	0	0	0	0	0
Enterprise value	1,912	1,921	1,951	1,608	2,361	1,718	1,574	1,198	911
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)	3.5	24.6			4.3	3.9	4.9	2.1	2.4
P/E (adj.)	3.5	24.6			4.3	4.2	4.9	2.1	2.4
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	1.8	1.5	2.0	1.4	2.2	1.6	1.9	1.3	1.4
EV/Sales	3.1	4.7	5.8	5.3	4.3	3.1	3.2	1.7	1.4
EV/EBITDA	4.4	12.6	14.9	21.1	5.2	4.1	4.4	2.0	1.7
EV/EBIT	5.5	36.0			7.2	6.5	7.5	2.7	2.3
P/B	1.0	0.5	0.6	0.4	1.0	0.7	0.7	0.6	0.5
FCF yield	-9%	-3%	8%	28%	27%	61%	27%	61%	56%
Dividend yield	22.7%	17.5%	0.0%	0.0%	5.0%	14.1%	11.2%	19.0%	24.1%
Return on equity (ROE)	27.9%	2.2%	-4.0%	-7.3%	23.3%	18.5%	14.1%	27.1%	22.0%
Return on capital employed (ROCE)	17.6%	2.2%	0.2%	-1.1%	14.0%	13.0%	10.6%	23.9%	22.7%
Return on assets (ROA)	15.4%	0.9%	-1.7%	-3.2%	10.7%	10.0%	8.1%	17.8%	16.0%
Sales growth	16%	-35%	-18%	-10%	82%	0%	-11%	47%	-7%
EBITDA margin	69%	38%	39%	25%	83%	76%	73%	83%	81%
EBIT margin	55%	13%	1%	-8%	60%	48%	43%	62%	59%
Net margin	52%	6%	-13%	-24%	50%	42%	38%	60%	57%
Net interest rate	2.1%	2.1%	3.7%	4.3%	4.9%	4.8%	4.7%	9.1%	236.7%
Tax rate	0.2%	1.0%	-1.2%	-0.2%	0.8%	0.4%	0.4%	0.4%	0.4%
Equity ratio	55%	43%	44%	44%	46%	54%	57%	66%	73%
Leverage ratio	45%	57%	56%	56%	54%	46%	43%	34%	27%
NIBD / EBITDA (past ly)	1.8	8.7	9.8	15.5	2.6	1.9	1.9	0.5	0.0
Operating cash flow/NIBD	0.5	0.2	0.0	0.0	0.2	0.5	0.5	1.9	59.0
Net interest coverage ratio (EBIT)	25.5	5.5	2.8	1.5	7.9	10.7	11.3	22.0	25.5
Current ratio	1.2	0.3	0.9	1.1	1.4	1.3	1.4	2.4	2.7
Adj. equity ratio						59%	67%	76%	81%
Operating assets	2,016	2,513	2,399	2,210	2,437	2,169	2,109	1,988	1,866
Operating liabilities	52	66	41	42	90	125	125	125	125
Net operating assets	1,964	2,448	2,358	2,168	2,347	2,044	1,984	1,862	1,741

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

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





Fleet Positioning

Live satellite data as of
28/01/2021 21:52 CET

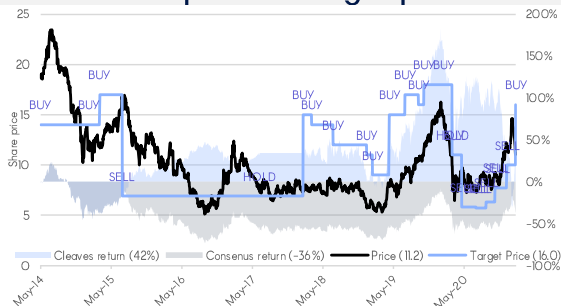


LPG-US

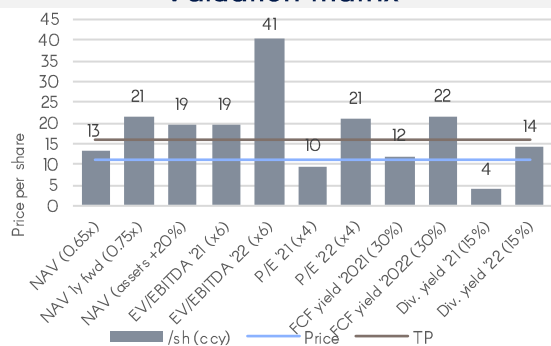
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Dorian LPG

Share price vs target price

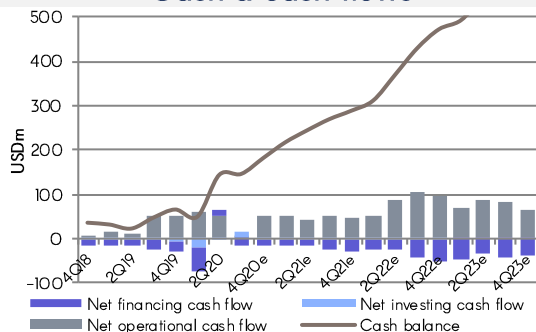


Valuation matrix



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Cash & cash flows



Cleaves / Analysts

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Key numbers

USDm	2020E	2021E	2022E	2023E
Net sales	308	326	463	420
EBITDA (adj.)	186	213	356	320
EBIT (adj.)	118	145	287	252
PTP (adj.)	76	122	267	233
Net earnings (adj.)	76	122	267	233
EPS (adj.)	1.49	2.41	5.25	4.57
DPS	-	0.58	2.14	2.62
USDm	2020E	2021E	2022E	2023E
Fwd NAV	1,167	1,484	1,568	1,658
Adj. equity ratio	64%	70%	73%	75%
Dividend yield	0%	5%	19%	23%
EV/EBITDA	5.4	4.0	1.8	1.4
P/E (adj.)	7.5	4.6	2.1	2.4

Key numbers

USDm	2020E	2021E	2022E	2023E
Net operational cash flow	168	191	335	301
Free cash flow	151	183	329	301
Net cash flow	79	107	184	134
TCE/day	39,332	40,461	58,545	55,019
Cash break-even	23,604	21,489	19,783	19,011
Liquidity	181	288	472	606
Property & Equip. (incl. NBs)	1,394	1,334	1,272	1,203
Total equity	1,025	1,118	1,276	1,376
Total assets	1,695	1,741	1,862	1,928
Interest bearing debt	620	573	536	503
Net interest bearing debt	438	285	64	-103
Market Cap.	569	569	569	569

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

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

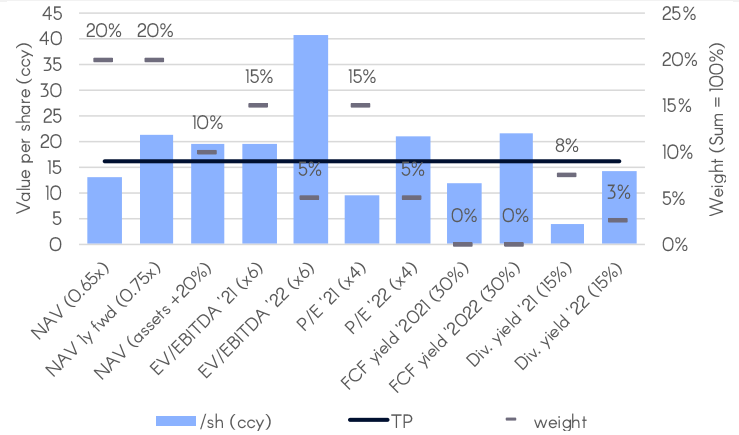


Company Valuation

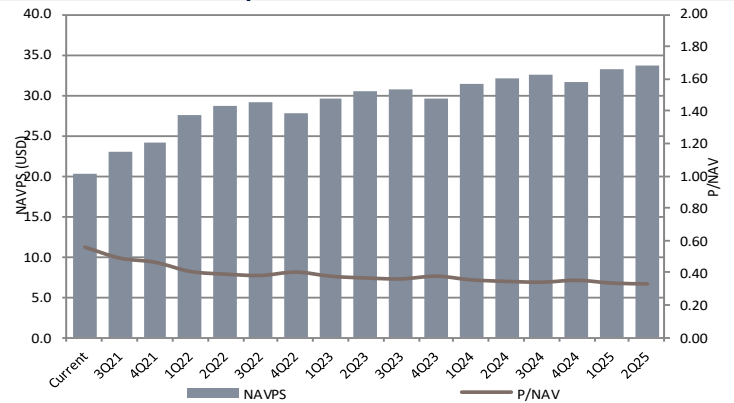
Valuation & target price

Valuation			
USDm	Book Value	Net Asset Value	Market cap.
Primary assets	1,410	1,470	1,036
Contract value	0	-22	-15
Other	107	107	75
GAV	1,516	1,555	1,096
Net debt	-489	-489	-489
Capex	0	0	0
Other	-38	-38	-38
Equity	990	1,028	569
Shares	51	51	51
Equity/sh	19.45	20.21	11.18
lcl CCY	19.45	20.21	11.18
P/Equity	0.57	0.55	1.00
EV/GAV	0.72	0.70	1.00
Adj. Total Assets	1,674	1,735	1,300
Adj. Equity Ratio	59%	59%	44%
Fair Value	USD	16.1	44%

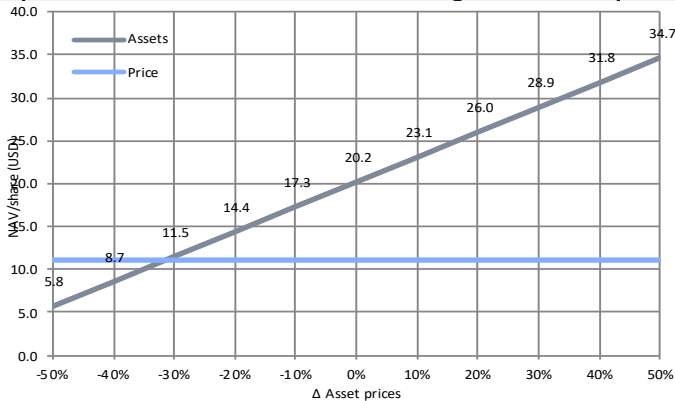
Valuation Matrix



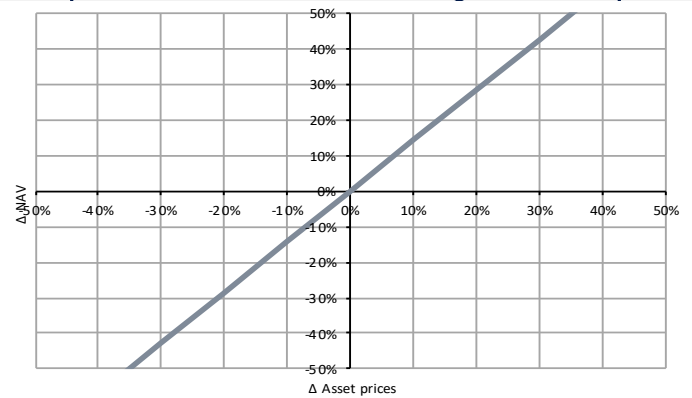
Quarterly forward NAV & P/NAV



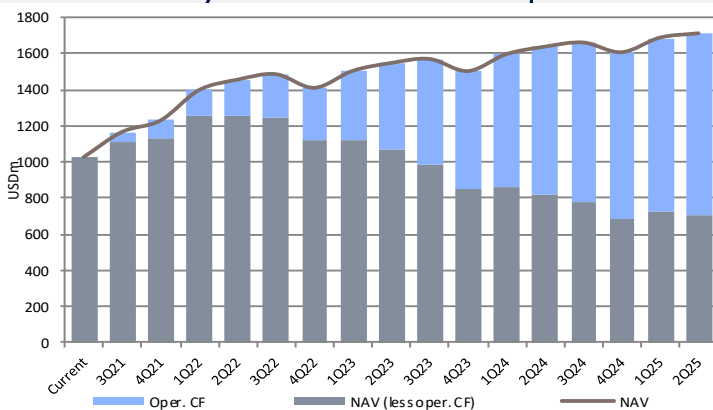
Impact on NAV/sh from % change in asset prices



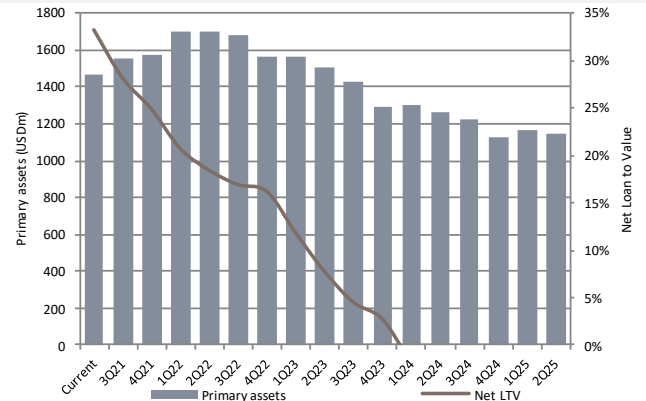
% Impact on NAV from % change in asset prices



Quarterly forward NAV decomposition



Forward fleet value & net loan to value





Quarterly Preview

P&L

3Q21 Preview USDm	3Q20	2Q21	3Q21		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net sales	84.3	53.9	87.7	82.0				
EBITDA (adj.)	58.0	22.0	58.6	53.3				
EBIT (adj.)	41.3	4.8	41.4	37.3				
PTP (adj.)	35.6	-1.2	35.5	22.1				
Net earnings (adj.)	35.6	-1.2	35.5	29.6				
EPS (adj.)	0.65	-0.02	0.70	0.65				
DPS	-	-	-	-				
Implied, line by line	3Q20	2Q21	Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
TCE revenue	84.3	53.9	87.7	82.0				
Opex & G&A	26.2	31.9	29.1	28.7				
Depreciation	16.7	17.2	17.2	16.1				
Net finance	5.7	5.9	5.9	15.2				
Taxes & Minorities	-	-	-	-7.5				

CF & BS

3Q21 Preview USDm	3Q20	2Q21	3Q21		Actuals vs		Actuals vs	
			Cleaves	Consensus	Cleaves	Cons.	Cleaves	Cons.
Net operational cash flow	50	4	53					
Free cash flow	43	15	51					
Net cash flow	18	-0	36					
TCE/day	43,410	26,015	42,297	39,513				
Utilization	91.7%	93.8%	93.9%					
Fleet days	2,116	2,208	2,208					
Cash break-even	23,921	21,981	22,898					
Liquidity	66	145	181					
Interest bearing debt	650	634	620					



Estimate changes

Profit & Loss

Estimate changes USDm	New				Old				Change				
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E	
Net sales	308	326	463	420	316	312	360	378	-8	14	102	41	
EBITDA (adj.)	186	213	356	320	194	199	253	279	-8	14	102	41	
EBIT (adj.)	118	145	287	252	125	131	185	210	-8	14	102	41	
PTP (adj.)	76	122	267	233	84	109	164	191	-8	14	102	41	
Net earnings (adj.)	76	122	267	233	84	109	164	191	-8	14	102	41	
EPS (adj.)	1.49	2.41	5.25	4.57	1.65	2.14	3.23	3.76	-0.15	0.27	2.01	0.81	
DPS	-	0.58	2.14	2.62	-	0.55	1.39	1.96	-	0.03	0.75	0.65	
									2020E	2021E	2022E	2023E	
									TCE revenue	-8	14	102	41
									Opex & G&A	0	-	-	-
									Depreciation	-0	-	-	-
									Net finance	0	-	-	-
									Taxes & Minorities	-	-	-	-

Cash Flows & Balance Sheet

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020	2021	2022	2023	2020E	2021E	2022E	2023E
Net operational cash flow	168	191	335	301	176	177	233	260	-8	14	102	41
Free cash flow	151	183	329	301	160	169	227	260	-8	14	102	41
Net cash flow	79	107	184	134	88	94	120	126	-8	12	64	8
TCE/day	39,332	40,461	58,545	55,019	39,899	37,541	44,216	47,996	-567	2,921	14,329	7,023
Cash break-even	23,604	21,489	19,783	19,011	23,547	21,489	19,783	19,011	57	-	-	-
Liquidity	181	288	472	606	189	276	395	521	-8	12	76	85
Property & Equip. (incl. NBs)	1,394	1,334	1,272	1,203	1,394	1,334	1,272	1,203	-0	-	-	-
Total equity	1,025	1,118	1,276	1,376	1,033	1,106	1,200	1,291	-8	12	76	85
Total assets	1,695	1,741	1,862	1,928	1,703	1,728	1,786	1,844	-8	12	76	85
Interest bearing debt	620	573	536	503	620	573	536	503	-	-	-	-
Net interest bearing debt	438	285	64	-103	430	297	141	-19	8	-12	-76	-85
Market Cap.	569	569	569	569	590	590	590	590	-21	-21	-21	-21
Enterprise value	1,007	853	633	465	1,020	887	731	571	-13	-33	-98	-106

Valuation

Estimate changes USDm									Change			
	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020E	2021E	2022E	2023E
Fwd NAV	1,167	1,484	1,568	1,658	1,001	1,326	1,370	1,400	166	158	197	259
Adj. equity ratio	64%	70%	73%	75%	59%	68%	70%	72%	4%	2%	3%	3%
Dividend yield	0%	5%	19%	23%	0%	5%	12%	17%	0%	0%	7%	6%
EV/EBITDA	5.4	4.0	1.8	1.4	5.2	4.4	2.9	2.0	0.2	-0.4	-1.1	-0.6
P/E (adj.)	7.5	4.6	2.1	2.4	7.1	5.4	3.6	3.1	0.4	-0.8	-1.5	-0.6



Profit & Loss (USDm)	3Q20	4Q20	1Q21	2Q21	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E
Net sales	84	94	72	54	88	84	81	83	79
Operational costs	-26	-28	-33	-31	-29	-28	-34	-25	-25
EBITDA	58	67	39	23	59	56	47	58	54
Depreciation/Amortization	-17	-17	-17	-17	-17	-17	-17	-17	-17
EBIT	42	50	23	5	42	39	30	41	37
Net financials	-6	-20	-10	-5	-6	-6	-6	-6	-6
PTP	36	29	12	1	35	33	24	34	31
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	36	29	12	1	35	33	24	34	31
Non-recurring items	0	0	0	-2	0	0	0	0	0
Net earnings (adj.)	36	29	12	-1	35	33	24	34	31
EPS	0.65	0.58	0.24	0.01	0.70	0.65	0.48	0.68	0.60
EPS (adj.)	0.65	0.58	0.24	-0.02	0.70	0.65	0.48	0.68	0.60
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.24	0.34
<i>Please note that Dorian LPG has diverging accounting year. i.e. FY 2017 ended 31/03/2017</i>									
Balance Sheet (USDm)	3Q20	4Q20	1Q21	2Q21	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E
Cash & short-term investments	65	48	143	145	181	216	243	268	287
Other current assets	79	91	73	64	64	64	64	64	64
Total current assets	144	140	216	209	245	281	308	333	352
Property & equip. (incl. NBs)	1,447	1,438	1,425	1,410	1,394	1,379	1,364	1,349	1,334
Other non-current assets	67	95	56	55	55	55	55	55	55
Total non-current assets	1,514	1,532	1,481	1,465	1,449	1,435	1,419	1,404	1,389
TOTAL ASSETS	1,658	1,672	1,697	1,674	1,695	1,715	1,727	1,737	1,741
Total equity	982	977	990	990	1,025	1,058	1,082	1,105	1,118
Short-term debt	64	53	53	70	60	59	61	63	61
Other current liabilities	22	32	33	28	28	28	28	28	28
Total current liabilities	86	85	87	98	88	87	88	90	88
Long-term debt	586	582	594	564	559	548	534	520	512
Other non-current liabilities	3	28	26	22	22	22	22	22	22
Total non-current liabilities	590	610	620	587	582	570	557	542	534
TOTAL EQUITY & LIABILITIES	1,658	1,672	1,697	1,674	1,695	1,715	1,727	1,737	1,741
Working capital, receivables	3	3	2	2	2	2	2	2	2
Working capital, payables	14	14	12	12	12	12	12	12	12
Net working capital	-11	-11	-9	-10	-10	-10	-10	-10	-10
Interest bearing debt	650	635	648	634	620	607	595	582	573
Liquidity	66	52	146	145	181	217	244	269	288
Net interest bearing debt	584	583	502	489	438	390	351	313	285
Cash Flow (USDm)	3Q20	4Q20	1Q21	2Q21	3Q21E	4Q21E	1Q22E	2Q22E	3Q22E
Net income	36	29	12	1	35	33	24	34	31
Depreciation	17	17	17	17	17	17	17	17	17
Other	-1	16	7	0	0	0	0	0	0
Cash earnings	52	62	36	17	53	50	41	52	48
Changes in working capital	-2	-4	17	-14	0	0	0	0	0
Net operational cash flow	50	59	53	4	53	50	41	52	48
Capex	-8	-8	-4	-4	-2	-2	-2	-2	-2
Other investments	0	0	0	0	0	0	0	0	0
Proceeds from sales	0	0	0	0	0	0	0	0	0
Other	1	-15	0	15	0	0	0	0	0
Net investing cash flow	-7	-22	-4	11	-2	-2	-2	-2	-2
Repayment of debt	-16	-16	-45	-10	-15	-12	-12	-13	-10
Proceeds from debt	0	0	55	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	-12	-17
New equity	0	0	0	0	0	0	0	0	0
Other	-9	-35	-1	-5	0	0	0	0	0
Net financing cash flow	-25	-51	9	-15	-15	-12	-12	-25	-27
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	18	-15	59	0	36	35	27	25	19
Cash balance	65	48	143	145	181	216	243	268	287
Free cash flow	43	0	49	15	51	48	39	50	46



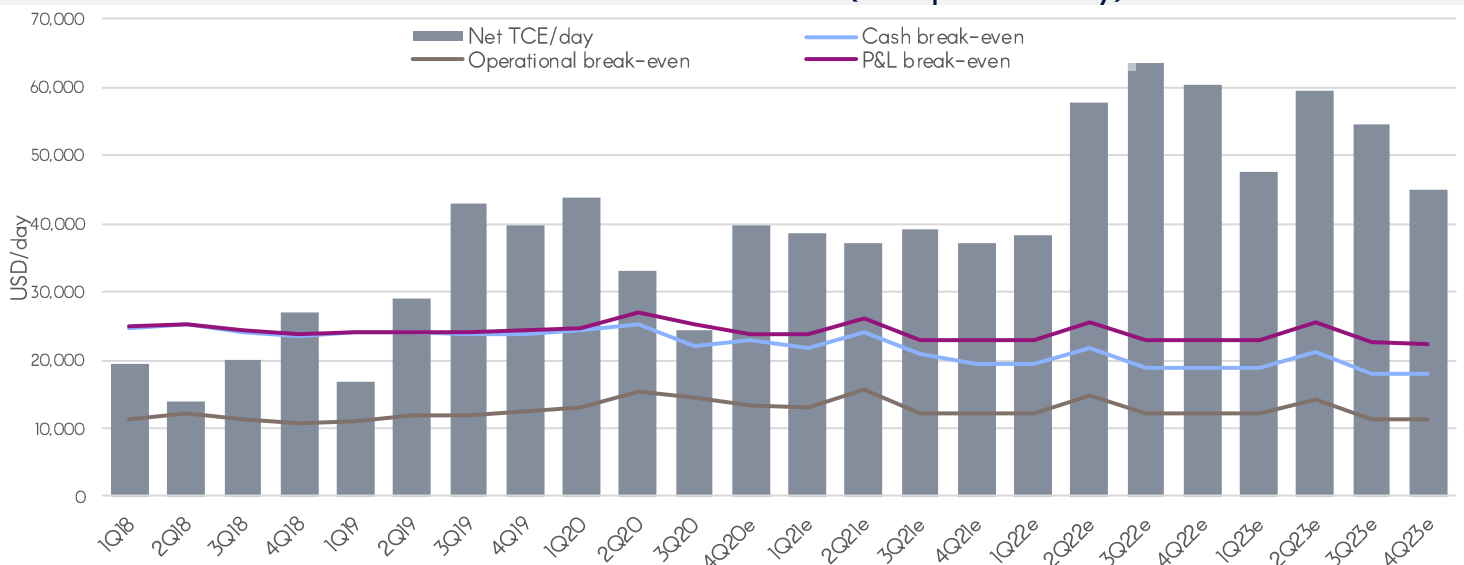
Profit & Loss (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net sales	0	0	0	161	269	308	326	463	420
Operational costs	0	0	0	-90	-96	-121	-111	-105	-98
EBITDA	0	0	0	72	173	188	215	358	322
Depreciation/Amortization	0	0	0	-65	-66	-68	-68	-68	-68
EBIT	0	0	0	7	108	120	147	289	254
Net financials	0	0	0	-35	-41	-42	-24	-23	-21
PTP	0	0	0	-28	66	78	122	267	233
Taxes/Minorities	0	0	0	0	0	0	0	0	0
Net earnings	0	0	0	-28	66	78	122	267	233
Non-recurring items	0	0	0	-16	0	-2	0	0	0
Net earnings (adj.)	0	0	0	-45	66	76	122	267	233
EPS	0.00	0.00	0.00	-0.52	1.20	1.52	2.41	5.25	4.57
EPS (adj.)	0.00	0.00	0.00	-0.81	1.20	1.49	2.41	5.25	4.57
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.58	2.14	2.62
<i>Please note that Dorian LPG has diverging accounting year. I.e. FY 2017 ended 31/03/2017. This table shows calendar years</i>									
Balance Sheet (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Cash & short-term investments	0	0	0	35	65	181	287	471	606
Other current assets	0	0	0	63	79	64	64	64	64
Total current assets	0	0	0	98	144	245	352	536	670
Property & equip. (incl. NBs)	0	0	0	1,493	1,447	1,394	1,334	1,272	1,203
Other non-current assets	0	0	0	69	67	55	55	55	55
Total non-current assets	0	0	0	1,562	1,514	1,449	1,389	1,327	1,258
TOTAL ASSETS	0	0	0	1,660	1,658	1,695	1,741	1,862	1,928
Total equity	0	0	0	927	982	1,025	1,118	1,276	1,376
Short-term debt	0	0	0	64	64	60	63	63	62
Other current liabilities	0	0	0	20	22	28	28	28	28
Total current liabilities	0	0	0	84	86	88	90	90	90
Long-term debt	0	0	0	647	586	559	510	474	440
Other non-current liabilities	0	0	0	1	3	22	22	22	22
Total non-current liabilities	0	0	0	649	590	582	532	496	463
TOTAL EQUITY & LIABILITIES	0	0	0	1,660	1,658	1,695	1,741	1,862	1,928
Working capital, receivables	0	0	0	2	3	2	2	2	2
Working capital, payables	0	0	0	5	14	12	12	12	12
Net working capital	0	0	0	-3	-11	-10	-10	-10	-10
Interest bearing debt	0	0	0	711	650	620	573	536	503
Liquidity	0	0	0	35	66	181	288	472	606
Net interest bearing debt	0	0	0	676	584	438	285	64	-103
Cash Flow (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Net income	0	0	0	-28	66	78	122	267	233
Depreciation	0	0	0	65	66	68	68	68	68
Other	0	0	0	-6	15	22	0	0	0
Cash earnings	0	0	0	31	147	168	191	335	301
Changes in working capital	0	0	0	-17	-24	0	0	0	0
Net operational cash flow	0	0	0	14	124	168	191	335	301
Capex	0	0	0	-3	-14	-17	-8	-6	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	2	2	2	2	2	2
Net investing cash flow	0	0	0	23	-12	-17	-8	-6	0
Repayment of debt	0	0	0	-318	-64	-86	-47	-36	-33
Proceeds from debt	0	0	0	326	0	55	0	0	0
Dividends paid	0	0	0	0	0	0	-29	-109	-133
New equity	0	0	0	0	0	0	0	0	0
Other	0	0	0	2	2	2	2	2	2
Net financing cash flow	0	0	0	15	-80	-72	-76	-145	-167
Currency effect	0	0	0	0	0	0	0	0	0
Net cash flow	0	0	0	52	31	79	107	184	134
Cash balance	0	0	0	52	83	163	269	453	587
Free cash flow	0	0	0	37	111	151	183	329	301



Share Data & Valuation (USDm)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Shares outstanding, end	0	0	0	55	55	51	51	51	51
Share price, avg (USD)	0	0	0	8	9	10	11	11	11
Share price, end (USD)	0	0	0	8	6	11	11	11	11
Market Cap.	0	0	0	453	322	569	569	569	569
NIBD	0	0	0	676	584	438	285	64	-103
Minorities	0	0	0	0	0	0	0	0	0
Enterprise value	0	0	0	1,130	906	1,007	853	633	465
Key Figures & Ratios	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
P/E (reported)	0.0	0.0	0.0		4.8	7.3	4.6	2.1	2.4
P/E (adj.)	0.0	0.0	0.0		4.8	7.5	4.6	2.1	2.4
P/CE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
P/Sales	0.0	0.0	0.0	2.8	1.2	1.8	1.7	1.2	1.4
EV/Sales	0.0	0.0	0.0	7.0	3.4	3.3	2.6	1.4	1.1
EV/EBITDA	0.0	0.0	0.0	15.7	5.2	5.4	4.0	1.8	1.4
EV/EBIT	0.0	0.0	0.0		8.4	8.4	5.8	2.2	1.8
P/B	0.0	0.0	0.0	0.5	0.3	0.6	0.5	0.4	0.4
FCF yield	0%	0%	0%	8%	35%	27%	32%	58%	53%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.2%	19.1%	23.4%
Return on equity (ROE)	0.0%	0.0%	0.0%	-3.1%	6.8%	7.6%	11.0%	20.9%	16.9%
Return on capital employed (ROCE)	0.0%	0.0%	0.0%	0.4%	7.0%	8.2%	10.5%	21.6%	19.9%
Return on assets (ROA)	0.0%	0.0%	0.0%	-1.7%	4.0%	4.6%	7.0%	14.3%	12.1%
Sales growth	0%	0%	0%		67%	14%	6%	42%	-9%
EBITDA margin	0%	0%	0%	44%	64%	61%	66%	77%	77%
EBIT margin	0%	0%	0%	4%	40%	39%	45%	63%	60%
Net margin	0%	0%	0%	-18%	25%	25%	38%	58%	55%
Net interest rate	0.0%	0.0%	0.0%	5.9%	6.2%	6.8%	8.5%	35.0%	-20.5%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity ratio	0%	0%	0%	56%	59%	60%	64%	69%	71%
Leverage ratio	0%	0%	0%	44%	41%	40%	36%	31%	29%
NIBD / EBITDA (past 1y)	0.0	0.0	0.0	9.4	3.4	2.3	1.3	0.2	-0.3
Operating cash flow/NIBD	0.0	0.0	0.0	0.0	0.2	0.4	0.7	5.2	-2.9
Net interest coverage ratio (EBITDA)	0.0	0.0	0.0	1.8	4.8	6.3	8.9	15.9	15.2
Current ratio	0.0	0.0	0.0	1.2	1.7	2.8	3.9	5.9	7.4
Adj. equity ratio	0%	0%	0%			64%	70%	73%	75%
Operating assets	0	0	0	1,589	1,556	1,513	1,453	1,391	1,322
Operating liabilities	0	0	0	21	26	50	50	50	50
Net operating assets	0	0	0	1,568	1,530	1,463	1,403	1,340	1,272

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

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





Fleet Positioning

Live satellite data as of
28/01/2021 22:11 CET





Portfolio Allocation

Method

We use a variant of [Markowitz' portfolio optimization method](#) including the use of a covariance matrix between our covered segments, calculating the efficient frontier and the capital market line (CML). We use a generic US treasury note with one-year tenor as a proxy for the risk-free rate as our goal is to allocate capital efficiently over a one-year horizon.

Portfolio optimization

Our data inputs are our Cleaves' share index for each segment we cover, with history from 1990 for Dry Bulk, 1998 for Oil Tankers, 2003 for LNG Carriers and 2014 for VLGCs. We calculate annualized standard deviation based on quarterly returns and use our forecast return for each segment to reach the [Sharpe Ratio](#).

Key statistics from time series					
(annualized)	Oil Tankers	Dry Bulk	LNG Carriers	VLGCs	Cash
Mean	9.1%	11.2%	13.9%	-1.1%	0.1%
Var	0.12	0.13	0.16	0.18	-
sigma	0.3529	0.3569	0.4045	0.4191	-
E(r) 1y	1%	85%	-16%	52%	0.1%
Sharpe Ratio	0.01	2.39	-0.39	1.24	-
Beta	1.03	1.28	1.90	2.08	-
E(r) 2y	55%	156%	-31%	42%	0.2%

The next step is to calculate the covariance between the segments in order to optimize the risk/return through efficient portfolio allocation. As we can see below, the segments are not highly correlated, which is a good thing in terms of optimizing risk/return. We note that our VLGC share index has a relatively short history, which undermines the statistical significance in the correlation matrix.

Covariance matrix					
	S&P 500	Oil Tankers	Dry Bulk	LNG Carriers	VLGCs
S&P 500	0.03	0.03	0.02	0.03	0.03
Oil Tankers	0.03	0.13	0.05	0.05	0.06
Dry Bulk	0.02	0.05	0.12	0.05	0.06
LNG Carriers	0.03	0.05	0.05	0.16	0.07
VLGCs	0.03	0.06	0.06	0.07	0.18

Correlation matrix					
(R ²)	S&P 500	Oil Tankers	Dry Bulk	LNG Carriers	VLGCs
S&P 500	1.00	0.17	0.06	0.19	0.14
Oil Tankers	0.17	1.00	0.17	0.15	0.19
Dry Bulk	0.06	0.17	1.00	0.13	0.16
LNG Carriers	0.17	0.15	0.13	1.00	0.23
VLGCs	0.14	0.19	0.16	0.23	1.00

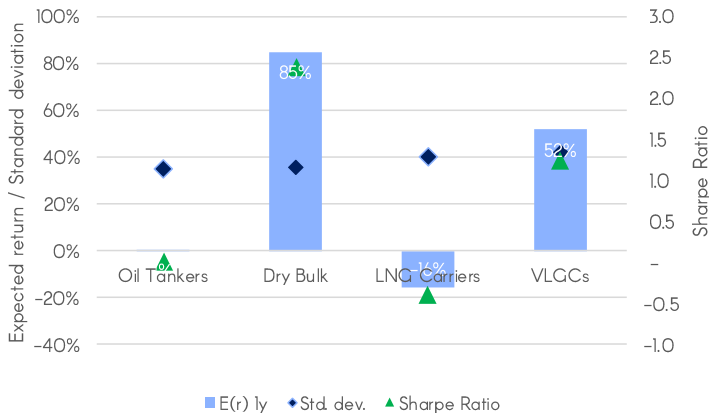


The last step is to calculate the efficient frontier, summarized in the table below.

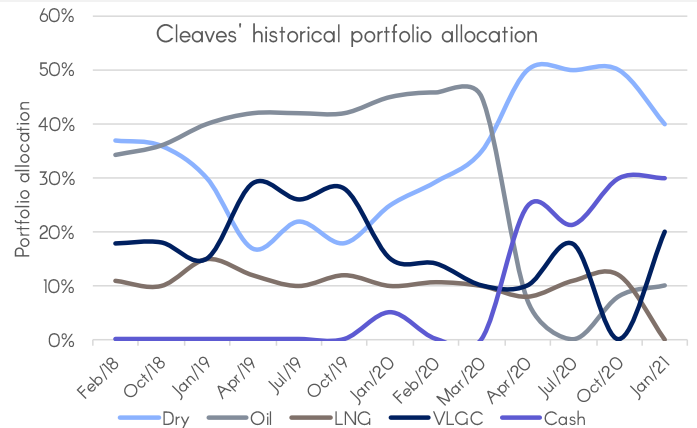
	Portfolios												
Weights	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	#12	#13
Oil	0%	10%	20%	31%	20%	10%	0%	0%	0%	0%	0%	0%	0%
Dry	0%	11%	23%	34%	52%	70%	88%	92%	96%	100%	100%	100%	100%
LNG	100%	74%	47%	21%	14%	7%	0%	0%	0%	0%	0%	0%	0%
VLGC	0%	5%	10%	14%	13%	13%	12%	8%	4%	0%	0%	0%	0%
Cash	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
SUM	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Return	-16%	1%	17%	34%	49%	65%	81%	83%	84%	85%	85%	85%	85%
sigma	0.40	0.34	0.29	0.28	0.28	0.30	0.33	0.34	0.35	0.35	0.35	0.35	0.35
Sharpe	-0.39	0.02	0.58	1.21	1.74	2.15	2.44	2.43	2.43	2.41	2.41	2.41	2.41

Portfolio #1 is obtained by minimizing return. Not the best portfolio allocation strategy, but merely to produce the minimum point of our efficient frontier with the constraint of no short selling. The result is 100% allocation to LNGCs as can be seen in the graph below. Next, we calculate portfolio #7 which is the “Optimal Portfolio” which maximizes the Sharpe Ratio. Lastly, we solve for the portfolio with the highest return, which is 100% allocation to the Dry Bulk segment in portfolio #13. The intermediate portfolios are intended to produce a smooth efficient frontier in the graph below.

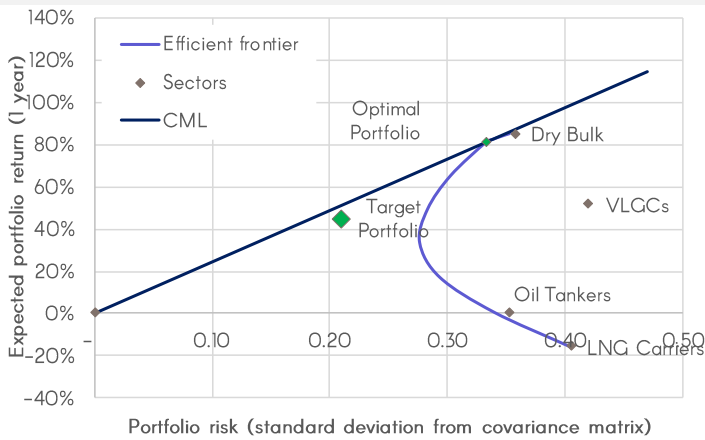
Segment details



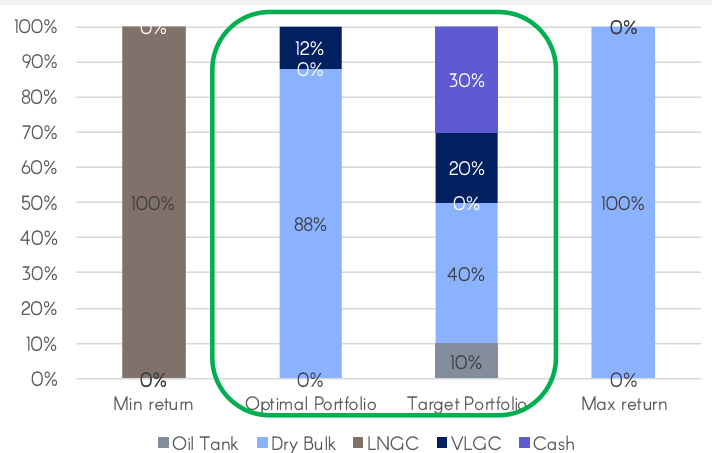
Historical allocation per segment



Portfolio optimization



Portfolio allocation between segments





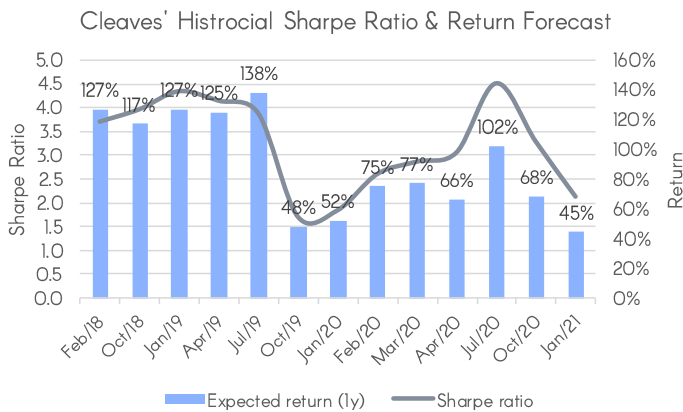
The attentive reader has noticed the “Target Portfolio” in the graphs above deviates somewhat from the model generated optimal portfolio. There are several reasons:

- 1) The model suggests an 88% portfolio allocation towards Dry Bulk, far above any reasonable concentration risk. We cap the allocation at 40%, but could increase to a 50% maximum if shares show weakness.
- 2) We allocate 10% towards Oil Tankers. Although we see a mid-2021E inflection point, it is always challenging to predict the exact moment that equities could pivot. Thus, given the large potential upside over the coming years, we find it prudent to start building a position during 1H21E.
- 3) We allocate 20% towards VLGCs, slightly higher than the 12% optimal level as we don't want to hold too much cash.
- 4) We keep 30% in cash in order to take advantage of potential opportunities.

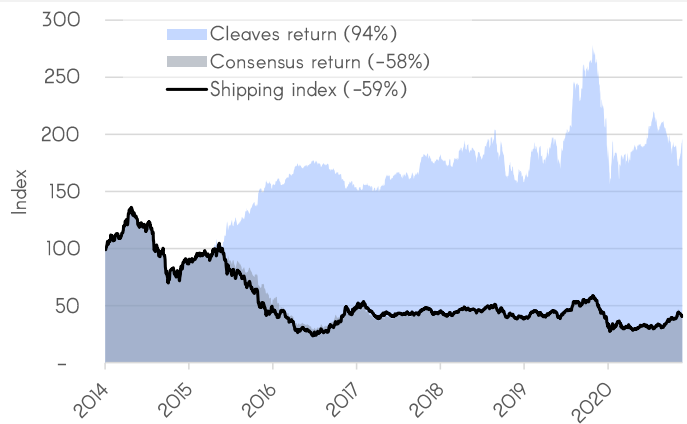
Thus, we have adjusted our allocation as per the “Target Portfolio” in the graphs above, but leave it to our readers to find the correct capital allocation for themselves.

We also want to caution our readers of the inherent uncertainty in forward share price predictions & extrapolating historical statistical patterns into the future. Nevertheless, besides having a sound theoretical foundation, it has proven a valuable tool for our view on efficient capital allocation in the past, where we have outperformed our shipping index by a factor of 4.73x since 2014.

Historical portfolio: Sharpe ratio & expected return

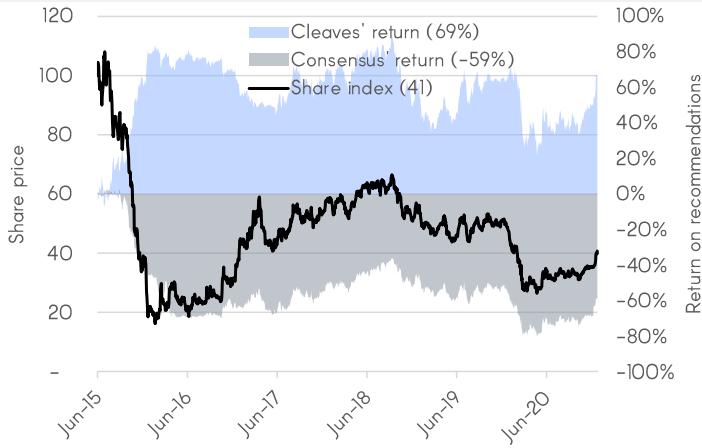


Shipping share index: Cleaves vs Consensus

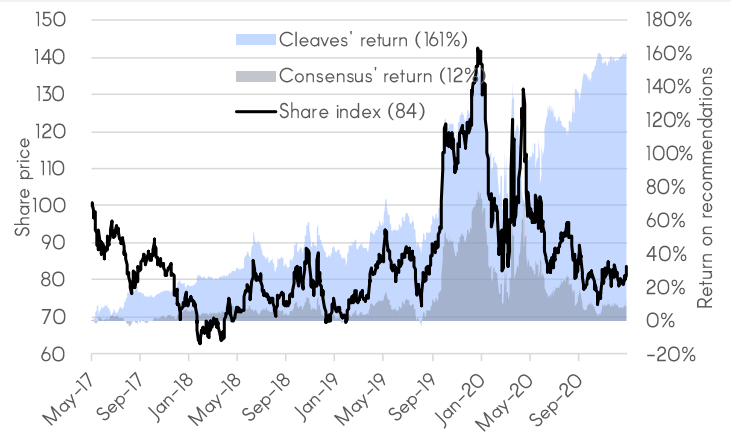




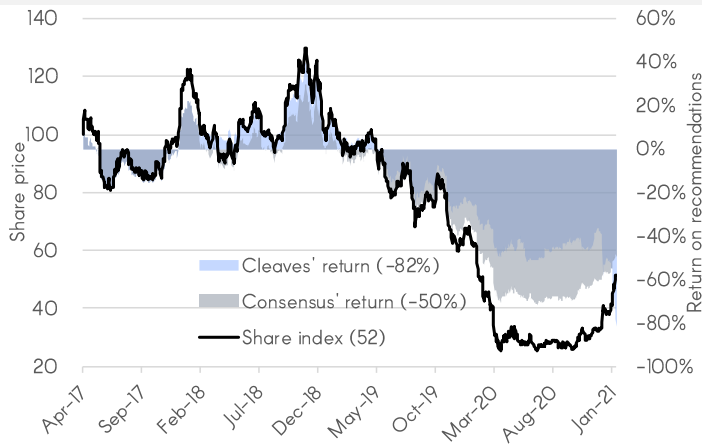
Dry Bulk share index: Cleaves vs Consensus



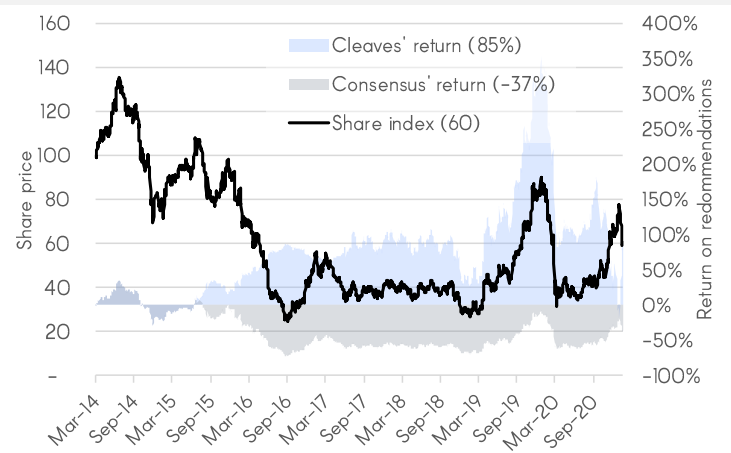
Oil Tanker share index: Cleaves vs Consensus



LNG Carrier share index: Cleaves vs Consensus



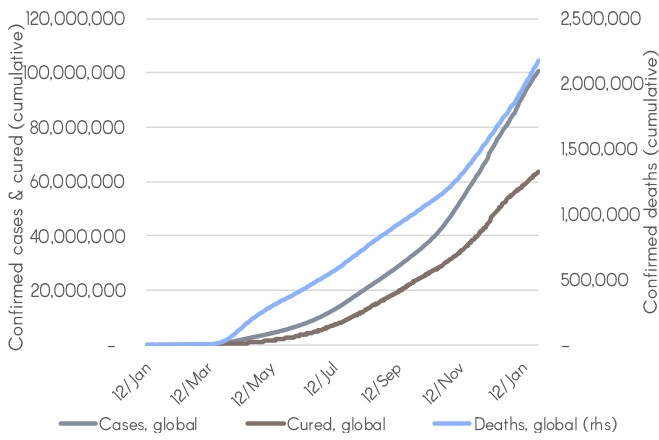
VLGC share index: Cleaves vs Consensus



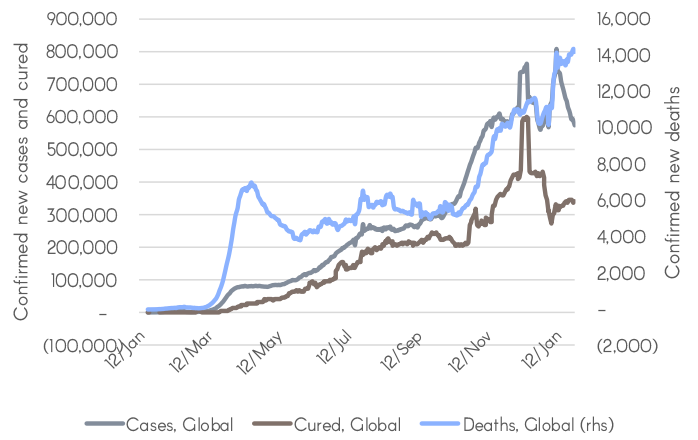


Coronavirus Monitor (COVID-19)

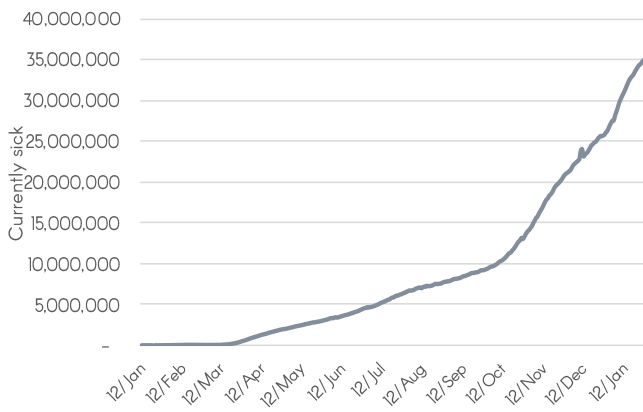
Infected, cured & dead, globally (cumulative)



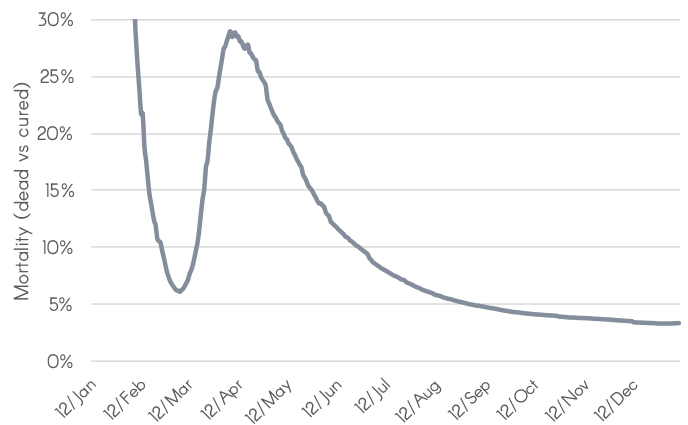
New infected, cured & dead globally (1w MA)



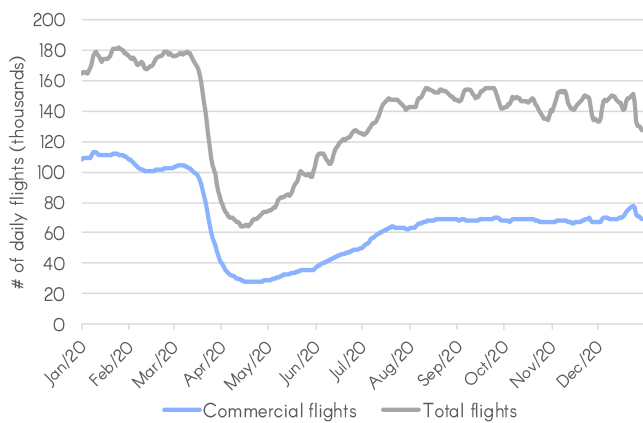
Currently infected globally



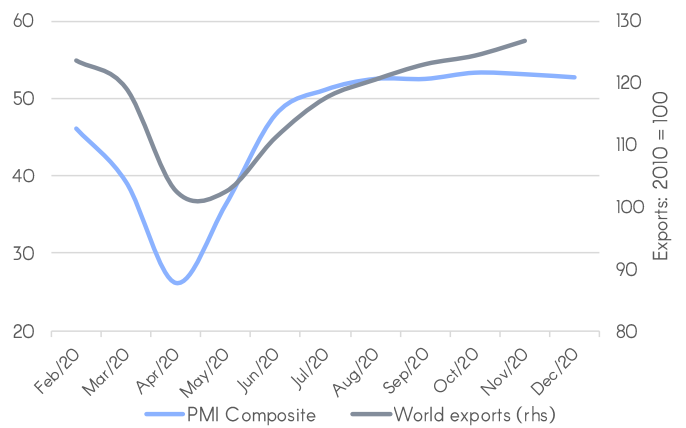
Mortality (dead vs cured)



Flight tracking statistics (7-day MA)



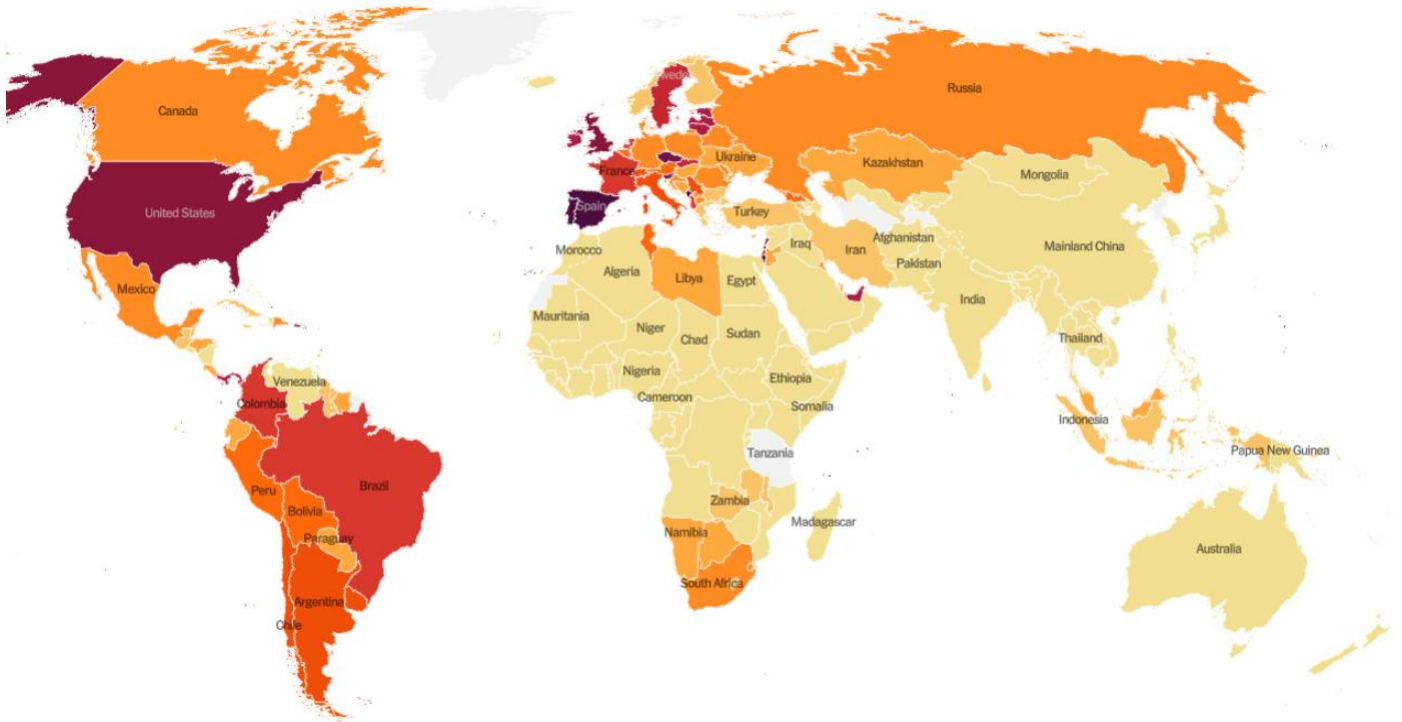
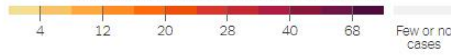
Confidence and trade





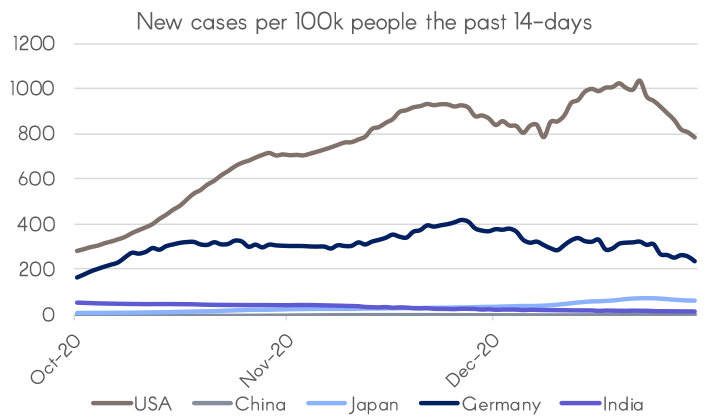
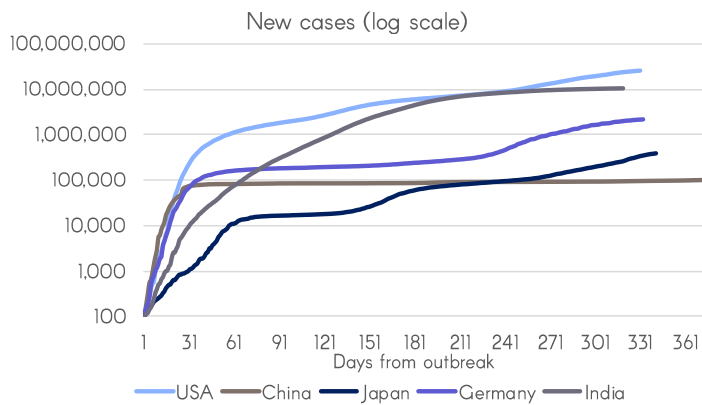
Current COVID-19 Hot Spots

Average daily cases per 100,000 people in past week

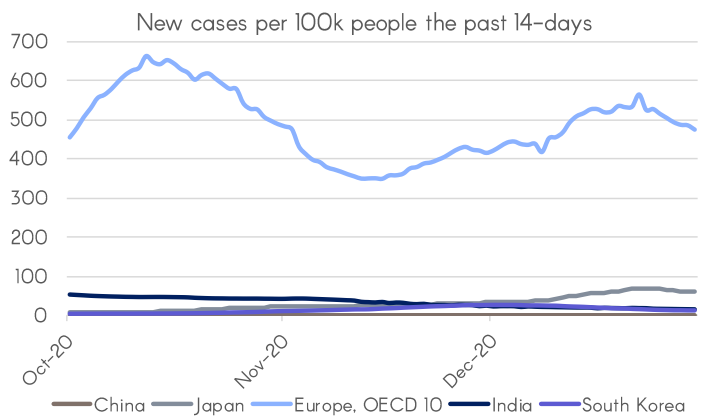
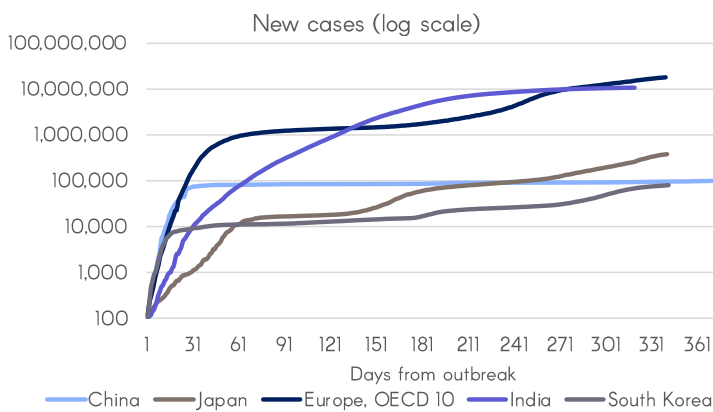


Source: The New York Times: [Covid World Map](#)

Top 5 Gross Domestic Product

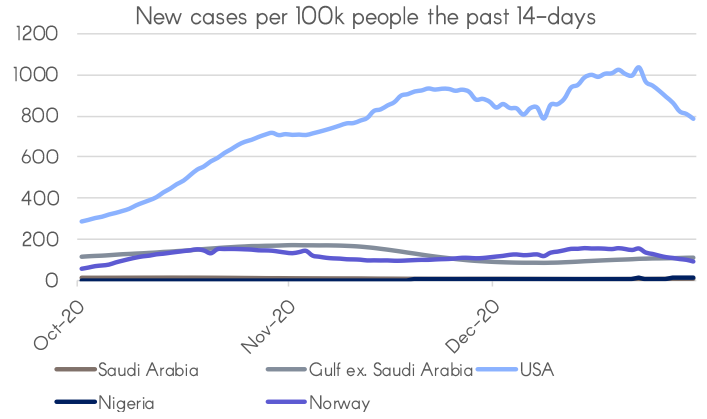
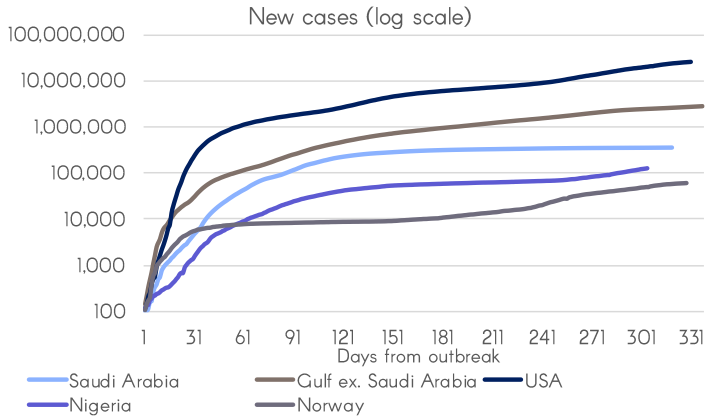


Major Commodity Importers

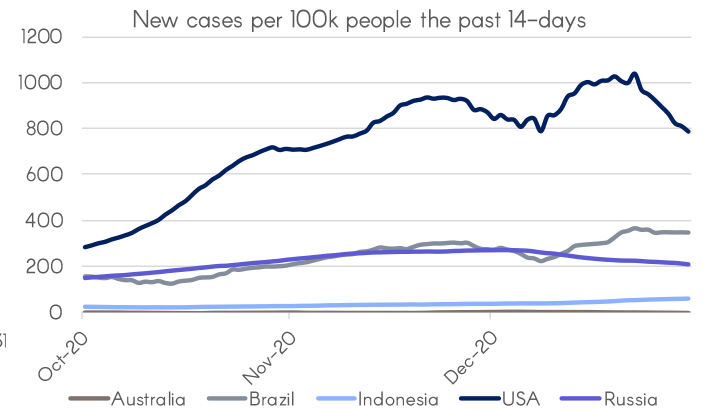
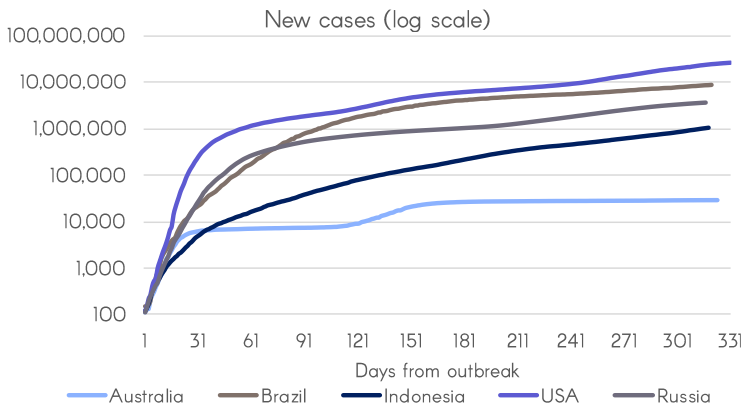




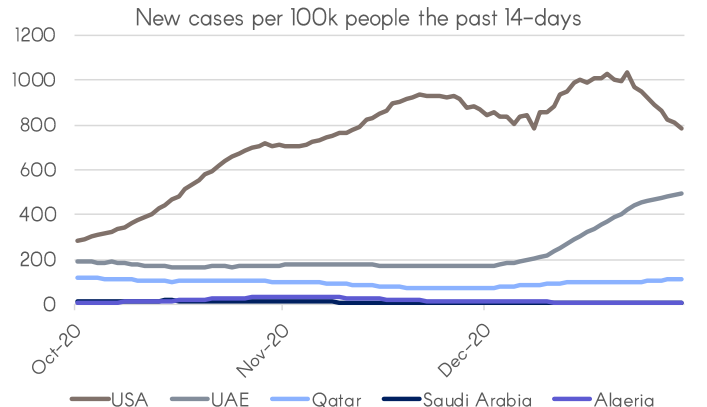
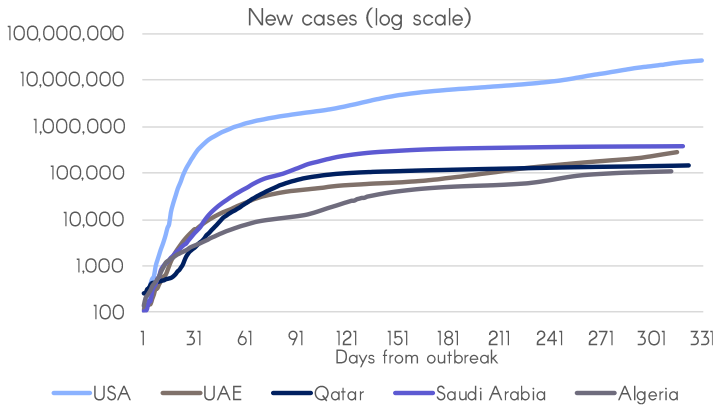
Major Crude Oil Exporters



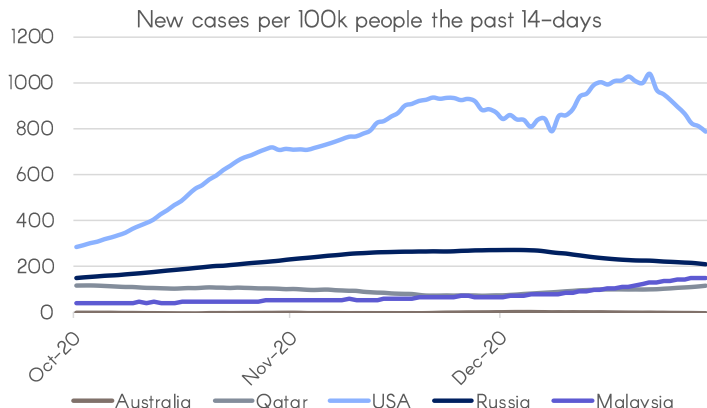
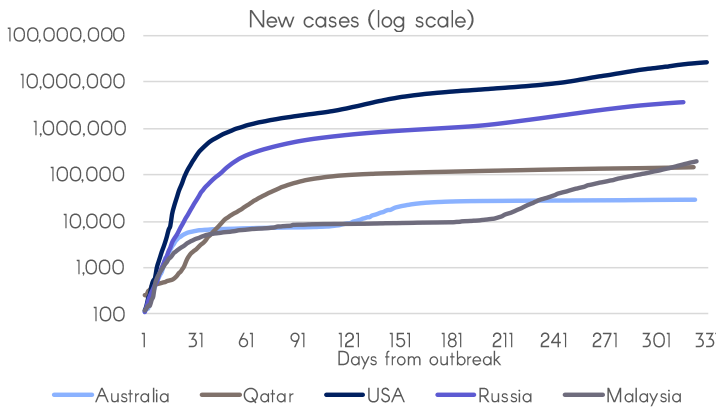
Major Dry Bulk Exporters



Major LPG Exporters

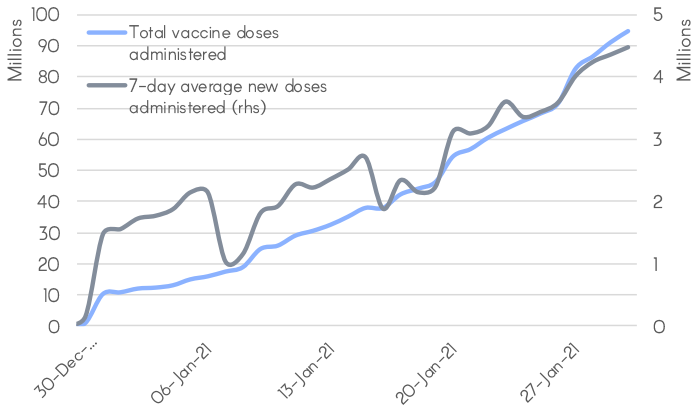


Major LNG Exporters

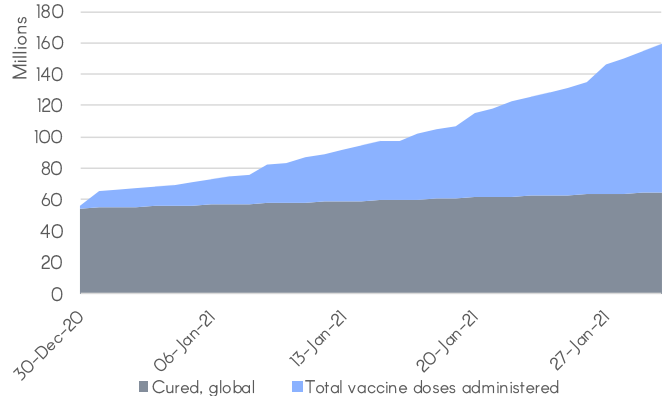




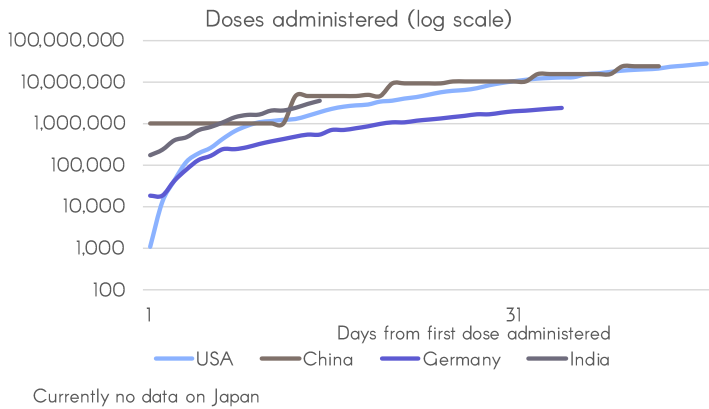
Vaccinations, globally



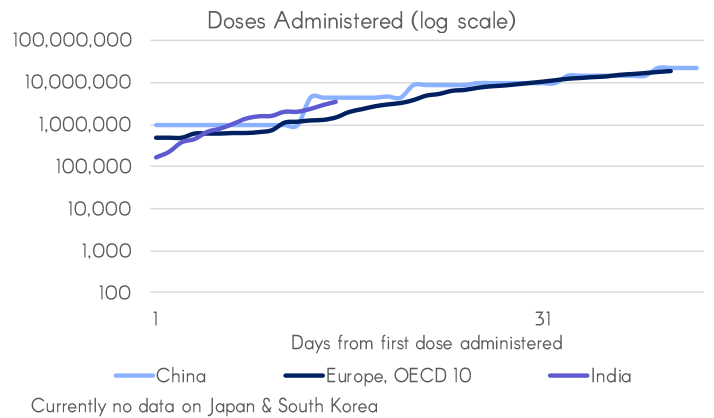
Cured & vaccinated, globally



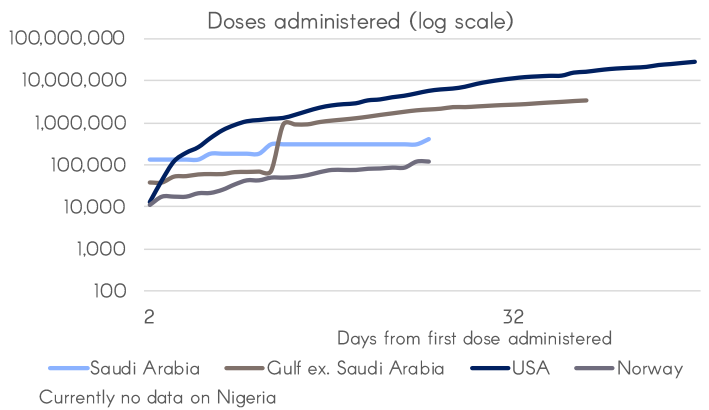
Vaccinations, Top 5 GDP



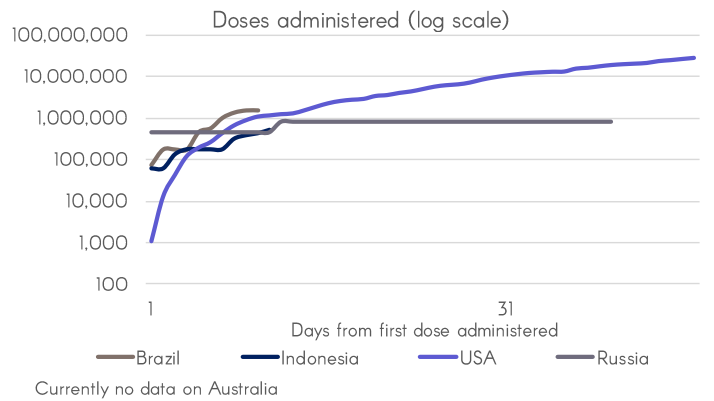
Vaccinations, Major Commodity Importers



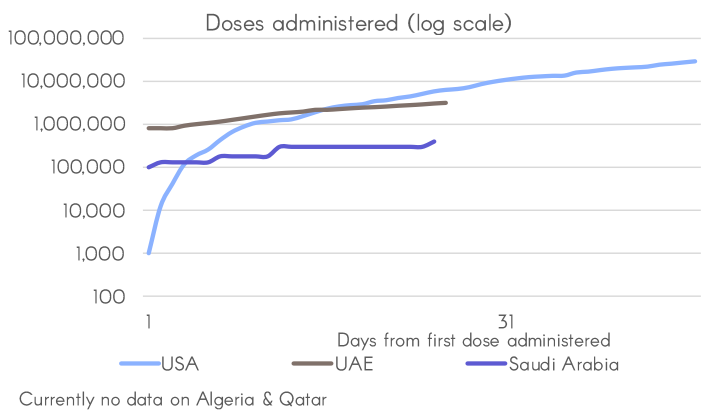
Vaccinations, Major Crude Oil Exporters



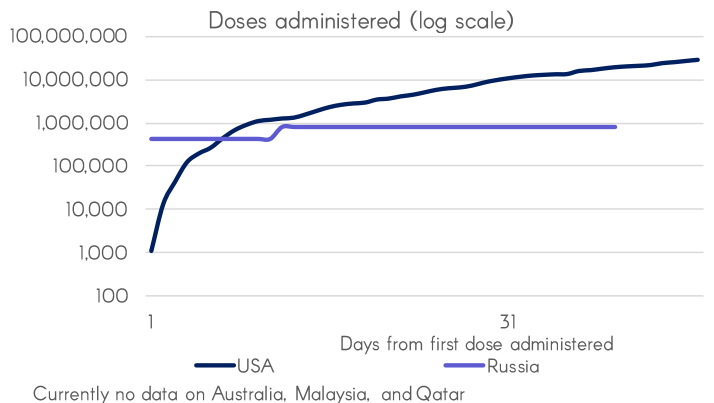
Vaccinations, Major Dry Bulk Exporters



Vaccinations, Major LPG Exporters



Vaccinations, Major LNG Exporters





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

Ticker	Company name
2020 NO	2020 Bulkers
GNK US	Genco Shipping
BULK NO	GoodBulk

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 31/01/2021)

Recommendation Percent

BUY	39%
HOLD	9%
SELL	52%

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