

CCORB SS

Update

28 November 2016

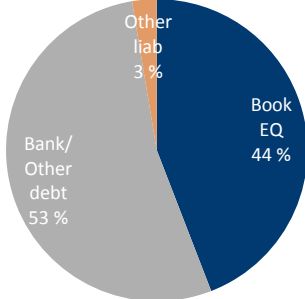
Concordia Maritime

CCORB SS / Shipping / Sweden

Product/Chemical

Equity rating
BUY / TP SEK 27

Capital structure - Last reported



Enterprise value

MCap (SEKm)	649
Net debt FQ0 (SEK)	2,005
EV FQ0 (SEKm)	2,654
Shares outst. (m)	48

Share data (price at 25 Nov 16)

Price (SEK)	13.6
Target (SEK)	27.0
Upside/Downside	99%
52 wk range (SEK)	13.6- 20.6
12m perf/OSEBX	- 33%/ 5%

Valuation

NAV/sh (SEK)	34.0
EV/GAV	0.72
P/NAV	0.40

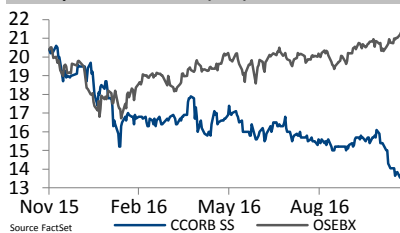
Credit Metrics

	2016e	2017e	2018e
Equity ratio	48%	51%	55%
NIBD / EBITDA	4.2	3.6	2.8
OCF/NIBD	24%	27%	35%
EBITDA/Int.	5.9	6.7	7.4
Current ratio	2.3	2.4	2.5

Stock information

Free float	48%
3 mth avg vol ('000)	29
Beta 1 yr	0.2
Spread 1 yr	1.02%
Velocity 1 yr	29%
Volatility 90 days	21%
Risk	High

Share price last 12 mth (SEK)



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All set up and ready to grow

What's new: Full debt refinancing**Our take:** Very competitive financing terms highlights importance of strong sponsor. Well capitalised and focused on growth through the trough. Maintain Buy, TP lifted to 27.

CCORB comes fresh off a comprehensive refinancing of its existing debt, with two sale and leasebacks and potential for a third, and bank refinancing for the P-MAX fleet. Terms for these deals are highly attractive, which highlights the benefit of having a strong sponsor in the Stena Group. Taken together, these developments set the company nicely up to jump on opportunities in what it sees as more challenging markets ahead. Added firepower of up toward USD 50m on top of available liquid funds of USD ~47m at the end of 3q16 and expected continued positive cash flow the company could use the next 24 months to pursue growth. We maintain our Buy recommendation, and lift our TP to SEK 27/share.

Attractive on valuation

With an updated NAV estimate for the company of SEK 34/share we find that the share trades at less than half the underlying value. With the strong show of support from banks and Japanese financing institutions giving the company attractive financing and a solid cash position we see this discount as unwarranted. Our upgraded target price is based on a lower discount than previously (20% vs. 30% previously) based on recent developments, more in line with other smaller tanker peers.

Refinancing highlights

The company has entered into sale and leaseback agreements for one of its IMOIIIMAX MR tankers and its Suezmax, in transactions freeing up USD ~35m. Additionally it is looking at a similar deal for its remaining IMOIIIMAX. For the remainder of its fleet existing debt facilities have now been fully refinanced. Despite being significantly smaller than most peers the company is able to get superior financing terms due to Stena's strong relationships and standing within the industry.

'Subdued market situation' is good for growth

The company notes that it has a subdued market outlook, based on high fleet growth and continued but lower demand growth. We share this market view for the next 12-18 months, but also believe that softer rates will lead to lower asset values which is ideal for a growth company.

Key figures (SEKm)	2Q16	3Q16	4Q16E	1Q17E	2016E	2017E	2018E
Revenue	192	167	179	193	754	730	720
EBITDA	92	51	88	91	335	315	305
EBIT	36	-10	25	25	95	52	42
Pre-tax profit	12	-22	12	13	35	7	2
EPS adj.	0.51	-0.22	0.36	0.45	1.35	0.86	0.76
DPS	0.50	0.00	0.00	0.00	0.50	0.50	0.50
P/E adj.	4.7	7.6	10.1	12.3	10.1	15.8	17.9
EV/EBITDA (incl. wc)	6.3	7.2	5.8	5.8	5.8	5.3	4.6
EV/EBITDA	6.5	7.5	6.2	6.1	6.2	5.7	5.0
EV/EBIT (incl. wc)	13.4	20.5	20.6	24.8	20.6	32.0	33.4
P/B	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Dividend yield	3.2%	0.0%	0.0%	0.0%	3.7%	3.7%	3.7%
ROE	7.9%	4.5%	2.8%	2.1%	2.8%	2.1%	1.9%
ROCE	5.0%	3.2%	2.4%	2.0%	2.5%	1.5%	1.2%

Attractively priced quality tanker exposure

Tanker companies in general are priced at a large discount to underlying values, and Concordia is currently the cheapest of them all. Given the company's solid financial position, strong backing from its majority owner and growth focus we argue that this should not be the case. We see upside for the entire peer group and additional upside for Concordia with a repricing more in line with the peer average.

Tanker coverage	Sh. price (Icl)	MCap. (USDm)	NAV/sh (Icl)	P/NAV	EV/GAV
Ardmore Shipping Corp	6.8	225	9.9	0.68	0.86
Concordia Maritime	13.6	70	34.0	0.40	0.72
d'Amico Intl. Shipping	0.26	120	0.61	0.43	0.85
DHT Holdings	3.8	359	6.1	0.63	0.82
Euronav US	7.6	1,205	9.0	0.84	0.92
Frontline	64.6	1,178	58.7	1.10	1.04
Gener8 Maritime	4.2	351	9.7	0.43	0.81
Navios Mar. Acquisition	1.7	264	2.0	0.82	0.96
Tanker Investments Ltd	36.2	128	85.1	0.43	0.73
Teekay Tankers	2.4	382	3.7	0.66	0.86
Torm	54.5	496	87.5	0.62	0.81
Average				0.65	0.86

Refinancing

Over the last months the company has entered into sale and leaseback agreements for the IMOIIIMAX Stena Image and the Suezmax Stena Supreme. Additionally it has now refinanced the existing debt for the P-MAX fleet.

The Stena Image was sold for USD 37.5m which is above our current value estimate of USD 36m. The vessel will be chartered back for eight years with annual purchase options from year four onwards. We understand that the deal will free up around USD 13m with a cost of between 4-5%. The price for the Stena Supreme has not been revealed, but the net proceeds from the deal will be USD ~22m, taking the total liquidity from the two deals to USD ~35m. Stena Supreme will be chartered back for 12 years with annual purchase options from year three onward. We understand that the cost will be around 6%. We see financing of more than 100% of market value at a cost of 4-6% as unparalleled in terms of financing terms.

The existing debt on the P-MAX fleet which was maturing in June 2017 has now been refinanced. A total of USD 189m will be drawn down from two facilities, which after financing costs matches current debt outstanding. The company has been able to finance 67.5% of the market value for eight of the vessels from a facility organized by Handelsbanken, and 70% of the market value for two vessels from a facility with Svenska Skeppshypotek. We understand the margin to be in the low 200's which we see as highly competitive for such high financing, especially compared to what peers have announced recently.

Valuation

Based on a total fleet value of USD 373m we estimate a net asset value for Concordia of SEK 34/share. This means that the share is now trading at less than half its underlying values. While some discount is warranted given little liquidity in the share we believe that the company is now better set up than ever and hence we lower our target price discount to 20% from 30% previously.

ASSET VALUE OVERVIEW	Market values	Implied	Multiple
Ships	373	268	
Assets under construction	0	0	
Charter-adjustment	0	0	
Other	0	0	
Gross Asset Value	373	268	0.72x
Net debt	-197	-197	
Minorities	0	0	
Equity change			
Remaining Capex	0	0	
Other/Off balance			
Sum	-197	-197	
NAV	176	70	0.40x
No. of shares	48	48	
Currency (USD/SEK)	9.23	9.23	
NAV/share USD	3.69	1.47	
NAV/share SEK	34.0	13.60	
P/NAV	0.40	1.00	
EV/GAV	0.72	1.00	

What is Concordia

Concordia is the listed tanker arm of Sweden's Stena Sphere. Commercial and technical management is conducted in cooperation with other entities within the sphere which gives cost efficiency. Run-rate G&A this year is at around USD 500/day, which is by a good margin the lowest among listed tanker peers. Given its cooperation with other entities within the Stena Sphere the company also has the right to opt for participation in new transactions developed by Stena Bulk, in addition to its ability to develop transactions on its own.

Fleet

The owned fleet currently consists of 13 vessels, of which ten are P-MAX product tankers, two are newly built IMOIIIMAX chemical / product tankers and one is a Suezmax tanker. The P-MAX concept was developed by Stena Bulk as shallow drafted ice class vessels with 65,000dwt which offer 30% more carrying capacity than standard MR tankers. Likewise, the IMOIIIMAXes were developed to carry chemicals and oil products with increased efficiency in terms of both consumption and cargo handling.

SAILING FLEET	Built	Dwt	Shipyard	Ownership	Employment
P-MAX					
Stena Premium	2011	65,200	Brodosplit Shipyard	Ow ned	Spot
Stena Penguin	2010	65,200	Brodosplit Shipyard	Ow ned	Spot
Stena Progress	2009	65,200	Brodosplit Shipyard	Ow ned	TC
Stena Polaris	2010	65,200	Brodosplit Shipyard	Ow ned	CVC
Stena Perros	2008	65,200	Brodosplit Shipyard	Ow ned	Spot
Stena President	2007	65,200	Brodosplit Shipyard	Ow ned	Spot
Stena Primorsk	2006	65,200	Brodosplit Shipyard	Ow ned	TC
Stena Performance	2006	65,200	Brodosplit Shipyard	Ow ned	TC
Stena Provence	2006	65,200	Brodosplit Shipyard	Ow ned	CVC
Stena Paris	2005	65,200	Brodosplit Shipyard	Ow ned	CVC
IMOIMAX					
Stena Image	2015	50,000	Guangzhou	Bareboat	Spot
Stena Important	2015	50,000	Guangzhou	Ow ned	Spot
Suezmax					
Stena Supreme	2012	158,000	Samsung H.I.	Bareboat	Stena/Sonogol pool
Total / Average	2009	910,000			13

Three of the company's vessels are employed on TCs at strong rates above USD 20k/day on average, and three are on consecutive voyage charters earning a premium to the Baltic TD7 Index based on a larger cargo size while the remainder trade spot. The IMOIMAXes are able to generate solid TCE rates with wide triangulation opportunities given the chemical/products carrying capacity.

Quarterly information									
Assumptions	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17E	2Q17E	3Q17E	4Q17E
Suezmax pool/spot rates	48,000	42,000	30,000	12,500	25,000	21,000	19,000	18,000	22,000
LR1 pool/spot rates	19,000	17,000	16,000	11,000	14,000	16,200	14,250	14,100	15,450
Coated 40-50k pool/spot rates	16,969	17,811	17,415	16,870	16,359	22,308	22,308	22,308	22,308
Eco-design IMO2MAX premium	875	583	583	1,500	1,500	1,500	1,500	1,500	1,500
Sales (SEKm)	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17E	2Q17E	3Q17E	4Q17E
Suezmax	53	46	32	14	20	17	15	15	18
P-MAX	157	144	137	115	135	148	133	134	143
IMO2MAX	30	27	24	19	25	29	26	26	28
Total	218	215	192	167	179	193	175	174	189
EBITDA (SEKm)	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17E	2Q17E	3Q17E	4Q17E
Suezmax	53	46	23	14	20	17	15	15	18
P-MAX	86	74	69	44	60	72	57	57	65
IMO2MAX	19	16	14	8	13	8	5	5	7
Total	117	103	92	51	88	91	71	70	84
EBITDA margin	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17E	2Q17E	3Q17E	4Q17E
Suezmax	100.0%	100.0%	70.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
P-MAX	55.1%	51.5%	50.3%	38.0%	44.3%	48.8%	42.7%	42.3%	45.8%
IMO2MAX	63.5%	58.8%	55.7%	41.2%	51.9%	28.2%	19.3%	18.6%	25.0%
Total margin	54.0%	48.1%	47.9%	30.4%	49.4%	46.9%	40.7%	40.0%	44.5%

Yearly information									
Assumptions	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Suezmax pool/spot rates	16,770	13,331	16,908	15,511	25,854	45,171	27,375	20,000	20,000
LR1 pool/spot rates	0	10,638	10,589	13,277	11,527	21,859	14,500	15,000	15,000
Coated 40-50k pool/spot rates	0	0	17,000	17,850	16,161	16,969	17,114	22,308	22,308
Eco-design IMO2MAX premium	0	0	0	0	0	875	1,042	1,500	1,500
+10% TCE revenue	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
EBITDA	0%	0%	0%	0%	37%	20%	23%	0%	0%
EPS	0%	0%	0%	0%	-412%	47%	167%	0%	0%
-10% TCE revenue	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
EBITDA	0%	0%	0%	0%	-37%	-20%	-23%	0%	0%
EPS	0%	0%	0%	0%	-1,462%	-47%	-121%	0%	0%
Sales (SEKm)	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Suezmax	0	0	0	0	45	166	111	64	69
P-MAX	0	0	0	0	294	678	531	558	542
IMO2MAX	0	0	0	0	0	67	95	109	109
Total	513	560	543	468	451	810	754	730	720
EBITDA (SEKm)	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Suezmax	0	0	8	20	58	166	102	64	69
P-MAX	0	0	179	169	342	469	247	251	236
IMO2MAX	0	0	0	0	0	45	50	25	25
Total	220	243	228	145	120	407	335	315	305
EBITDA margin	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Suezmax			nm	nm	130.4%	100.0%	91.6%	100.0%	100.0%
P-MAX			nm	nm	116.3%	69.1%	46.4%	45.0%	43.5%
IMO2MAX						67.2%	52.6%	23.0%	23.0%
Total margin	42.8%	43.4%	42.0%	30.9%	26.7%	50.3%	44.4%	43.2%	42.3%

Quarterly estimates									
PROFIT & LOSS (SEKm)	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17E	2Q17E	3Q17E	4Q17E
Gross revenues	218	215	192	167	179	193	175	174	189
Voyage costs	0	0	0	0	0	0	0	0	0
Total operating revenue	218	215	192	167	179	193	175	174	189
COGS & other expenses	-83	-106	-96	-113	-87	-96	-97	-98	-98
SG&A	-18	-6	-5	-4	-4	-6	-6	-6	-6
EBITDA	117	103	92	51	88	91	71	70	84
Depr. & Amort.	-60	-59	-57	-61	-64	-66	-66	-66	-66
EBIT	58	44	36	-10	25	25	5	4	18
Income from associates /JV's	0	0	0	0	0	0	0	0	0
Net interest expense	-8	-11	-11	-13	-13	-12	-12	-11	-11
Other net financials	0	0	0	0	0	0	0	0	0
Non-recurring items	0	0	-12	0	0	0	0	0	0
Pre-tax profit	50	33	12	-22	12	13	-6	-7	7
Minority interests	0	0	0	0	0	0	0	0	0
Tax expense	-1	0	0	12	6	9	9	9	8
Net earnings	49	33	12	-11	17	22	2	2	15
Net earnings adj.	49	33	24	-11	17	22	2	2	15
BALANCE SHEET (SEKm)									
Intangibles	0	0	0	0	0	0	0	0	0
Tangible fixed assets	3,809	3,682	3,811	3,810	3,233	3,169	3,104	3,039	2,975
Deferred income tax assets	0	0	0	0	0	0	0	0	0
Other non current assets	1	2	0	0	0	0	0	0	0
Total non-current assets	3,810	3,683	3,811	3,811	3,234	3,169	3,104	3,039	2,975
Inventory	0	0	0	0	0	0	0	0	0
Receivables	271	266	242	223	223	223	223	223	223
Assets held for sale	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	274	359	291	305	584	667	596	659	624
Total current assets	545	625	533	529	808	890	819	882	848
Total assets	4,355	4,308	4,344	4,339	4,041	4,059	3,923	3,921	3,822
Shareholders equity	1,869	1,862	1,901	1,915	1,932	1,953	1,932	1,934	1,949
Minority interest	0	0	0	0	0	0	0	0	0
Interest-bearing debt	2,129	2,064	2,028	2,046	1,759	1,756	1,641	1,638	1,523
Deferred income tax liability	0	0	0	0	0	0	0	0	0
Other long-term debt	0	0	0	0	0	0	0	0	0
Total non-current debt	2,129	2,064	2,028	2,046	1,759	1,756	1,641	1,638	1,523
Interest-bearing debt	258	258	265	264	236	236	236	236	236
Trade payables	0	0	0	0	0	0	0	0	0
Other payables	0	0	0	0	0	0	0	0	0
Liability associated with assets held for sale	0	0	0	0	0	0	0	0	0
Other current liabilities	99	125	150	114	114	114	114	114	114
Total current debt	357	383	416	378	350	350	350	350	350
Total liabilities & equity	4,355	4,308	4,344	4,339	4,041	4,059	3,923	3,921	3,822
CASH FLOW (SEKm)									
Cash earnings	98	95	43	42	81	87	68	67	81
Change in working capital	-18	36	54	-4	0	0	0	0	0
Net cash from operations	80	131	97	38	81	87	68	67	81
Investments in fixed assets	-193	-27	-32	-20	-1	-1	-1	-1	-1
Proceeds from sale of asset	0	0	0	0	514	0	0	0	0
Other investments	0	0	0	0	0	0	0	0	0
Net cash from investments	-193	-27	-32	-20	513	-1	-1	-1	-1
Free cash flow	-113	104	64	18	594	86	67	66	80
Net change in Equity	0	0	-24	0	0	0	-24	0	0
Net change in Debt	102	-7	-123	-8	-315	-4	-114	-4	-114
Other items	0	0	0	0	0	0	0	0	0
Net cash from financials	102	-7	-147	-8	-315	-4	-138	-4	-114
Currency effect on cash	17	-10	14	4	0	0	0	0	0
Net change in cash	5	86	-68	14	279	83	-71	63	-34

Yearly estimates									
PROFIT & LOSS (SEKm)	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Gross revenues	513	560	543	468	451	810	754	730	720
Voyage costs	0	0	0	0	0	0	0	0	0
Total operating revenue	513	560	543	468	451	810	754	730	720
COGS & other expenses	-257	-277	-274	-263	-275	-339	-401	-390	-390
SG&A	-37	-40	-41	-60	-55	-64	-18	-25	-25
EBITDA	220	243	228	145	120	407	335	315	305
Depr. & Amort.	-119	-135	-151	-144	-145	-197	-240	-263	-263
EBIT	100	108	78	0	-24	210	95	52	42
Income from associates /JV's	0	0	0	0	0	0	0	0	0
Net interest expense	-23	-31	-36	-39	-40	-35	-48	-46	-40
Other net financials	0	0	0	0	0	0	0	0	0
Non-recurring items	0	0	-411	0	81	0	-12	0	0
Pre-tax profit	77	76	-369	-39	16	174	35	7	2
Minority interests	0	0	0	0	0	0	0	0	0
Tax expense	4	9	13	10	-8	-1	18	34	34
Net earnings	80	85	-356	-29	9	174	52	41	36
Net earnings adj.	80	85	55	-29	-72	174	64	41	36
BALANCE SHEET (SEKm)									
Tangible fixed assets	2,919	3,290	3,065	2,916	3,130	3,809	3,233	2,975	2,712
Deferred income tax assets	0	0	0	0	0	0	0	0	0
Other non current assets	265	146	48	110	207	1	0	0	0
Total non-current assets	3,184	3,436	3,113	3,026	3,336	3,810	3,234	2,975	2,712
Inventory	0	0	0	0	0	0	0	0	0
Receivables	125	81	127	193	243	271	223	223	223
Assets held for sale	84	114	97	82	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	68	128	144	106	137	274	584	624	663
Total current assets	277	322	368	381	380	545	808	848	887
Total assets	3,461	3,758	3,481	3,407	3,716	4,355	4,041	3,822	3,599
Shareholders equity	1,715	1,778	1,331	1,292	1,575	1,869	1,932	1,949	1,961
Minority interest	0	0	0	0	0	0	0	0	0
Interest-bearing debt	1,581	1,802	1,980	1,863	2,014	2,129	1,759	1,523	1,287
Deferred income tax liability	26	16	0	0	0	0	0	0	0
Other long-term debt	2	2	0	0	0	0	0	0	0
Total non-current debt	1,609	1,820	1,980	1,863	2,014	2,129	1,759	1,523	1,287
Interest-bearing debt	15	13	23	131	25	258	236	236	236
Trade payables	1	1	1	0	0	0	0	0	0
Other payables	82	77	103	0	0	0	0	0	0
Liability associated with assets held for sale	0	0	0	0	0	0	0	0	0
Other current liabilities	39	70	43	120	102	99	114	114	114
Total current debt	137	160	170	252	127	357	350	350	350
Total liabilities & equity	3,461	3,758	3,481	3,407	3,716	4,355	4,041	3,822	3,599
CASH FLOW (SEKm)									
Cash earnings	211	231	191	124	122	392	260	304	299
Change in working capital	131	66	-23	-88	-36	-15	86	0	0
Net cash from operations	342	297	168	36	86	377	346	304	299
Investments in fixed assets	-639	-330	-428	-65	-88	-459	-80	-4	0
Proceeds from sale of asset	0	0	0	0	328	0	514	0	0
Net cash from investments	-544	-355	-419	-53	240	-459	434	-4	0
Free cash flow	-202	-58	-251	-16	326	-82	780	300	299
Net change in Equity							-24	-24	-24
Net change in Debt					-318	211	-453	-236	-236
Other items	0	0	0	0	7	0	0	0	0
Net cash from financials	187	118	267	-22	-311	211	-477	-260	-260
Currency effect on cash	1	1	0	0	16	8	8	0	0
Net change in cash	-14	60	16	-38	31	137	311	40	39

Quarterly valuation									
PER SHARE DATA (SEK)	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17E	2Q17E	3Q17E	4Q17E
Shares outstanding dil.	48	48	48	48	48	48	48	48	48
EPS	1.03	0.70	0.26	-0.22	0.36	0.45	0.05	0.03	0.32
EPS adj.	1.03	0.70	0.51	-0.22	0.36	0.45	0.05	0.03	0.32
CEPS	2.1	2.0	0.9	0.9	1.7	1.8	1.4	1.4	1.7
DPS	0.0	0.0	0.5	0.0	0.0	0.0	0.5	0.0	0.0
BVPS	39.2	39.0	39.8	40.1	40.5	40.9	40.5	40.5	40.8
VALUATION	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17E	2Q17E	3Q17E	4Q17E
Price (SEK)	19.5	16.7	15.8	15.3	13.6	13.6	13.6	13.6	13.6
P/E	5.4	4.4	5.1	8.6	12.4	16.0	21.1	15.1	15.8
P/E adj.	5.4	4.4	4.7	7.6	10.1	12.3	21.1	15.1	15.8
P/CE	2.4	2.0	2.0	2.6	2.5	2.6	2.3	2.1	2.1
P/Sales	1.1	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
EV/Sales, incl. wc	3.8	3.3	3.3	3.5	2.7	2.7	2.7	2.6	2.4
EV/EBITDA, incl. wc	7.1	6.1	6.3	7.2	5.8	5.8	6.1	5.5	5.3
EV/EBITDA	7.5	6.4	6.5	7.5	6.2	6.1	6.4	5.8	5.7
EV/EBIT, incl. wc	13.7	12.2	13.4	20.5	20.6	24.8	40.5	29.8	32.0
P/B	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
FCF yield	-12.2%	13.0%	8.5%	2.5%	91.5%	13.3%	10.3%	10.2%	12.3%
Dividend yield	0.0%	0.0%	3.2%	0.0%	0.0%	0.0%	3.7%	0.0%	0.0%
MARGINS AND GROWTH	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17E	2Q17E	3Q17E	4Q17E
Return on equity (ROE)	9.7%	9.8%	7.9%	4.5%	2.8%	2.1%	1.6%	2.2%	2.1%
Return on capital employed (ROCE)	5.4%	5.5%	5.0%	3.2%	2.4%	2.0%	1.2%	1.6%	1.5%
Sales growth YOY	73.1%	20.6%	-5.8%	-20.3%	-17.7%	-10.3%	-9.3%	4.3%	5.3%
EBITDA margin	54.0%	48.1%	47.9%	30.4%	49.4%	46.9%	40.7%	40.0%	44.5%
EBIT margin	26.5%	20.6%	18.5%	-5.9%	13.8%	12.8%	3.0%	2.3%	9.7%
Net margin	22.7%	15.5%	6.4%	-6.3%	9.6%	11.2%	1.4%	0.9%	8.2%
Tax rate	1.0%	0.0%	0.0%	53.1%	-49.5%	-68.7%	138.8%	122.4%	-108.7%
GEARING AND CREDIT	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17E	2Q17E	3Q17E	4Q17E
Gross interest-bearing debt (GIBD)	2,387	2,322	2,293	2,311	1,995	1,992	1,877	1,874	1,759
Net interest-bearing debt (NIBD)	2,114	1,962	2,002	2,005	1,411	1,325	1,281	1,215	1,135
Equity ratio	42.9%	43.2%	43.8%	44.1%	47.8%	48.1%	49.2%	49.3%	51.0%
GIBD / EBITDA	20.3	22.5	24.9	45.4	22.5	22.0	26.5	26.8	21.0
NIBD / EBITDA	5.2	4.6	4.8	5.5	4.2	4.1	4.3	3.8	3.6
GIBD / Total assets	54.8%	53.9%	52.8%	53.2%	49.4%	49.1%	47.9%	47.8%	46.0%
NIBD / Total assets	48.5%	45.5%	46.1%	46.2%	34.9%	32.6%	32.7%	31.0%	29.7%
OCF / GIBD	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF / GIBD	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Interest coverage ratio (EBITDA)	8.1	7.0	6.4	3.5	6.6	7.4	6.0	6.0	7.5
Current ratio	1.5	1.6	1.3	1.4	2.3	2.5	2.3	2.5	2.4

Yearly valuation									
PER SHARE DATA (SEK)	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Shares outstanding dil.	48	48	48	48	48	48	48	48	48
EPS	1.68	1.78	-7.52	-0.60	0.18	3.64	1.10	0.86	0.76
EPS adj.	1.68	1.78	1.16	-0.60	-1.51	3.64	1.35	0.86	0.76
CEPS	4.4	4.8	4.0	2.6	2.6	8.2	5.4	6.4	6.3
DPS	1.0	1.0	0.5	0.0	0.0	0.0	0.5	0.5	0.5
BVPS	35.9	37.2	27.9	27.1	33.0	39.2	40.5	40.8	41.1
VALUATION	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Price (SEK)	20.5	13.0	10.2	11.7	12.9	19.5	13.6	13.6	13.6
P/E	12.2	7.3	nm	nm	nm	5.4	12.4	15.8	17.9
P/E adj.	12.2	7.3	8.7	nm	nm	5.4	10.1	15.8	17.9
P/CE	4.6	2.7	2.5	4.5	5.1	2.4	2.5	2.1	2.2
P/Sales	1.9	1.1	0.9	1.2	1.4	1.1	0.9	0.9	0.9
EV/Sales, incl. wc	4.9	4.2	4.3	5.1	5.3	3.5	2.6	2.3	1.9
EV/EBITDA, incl. wc	11.4	9.8	10.3	16.4	19.7	7.1	5.8	5.3	4.6
EV/EBITDA	11.4	9.5	10.3	16.9	20.9	7.5	6.2	5.7	5.0
EV/EBIT, incl. wc	25.0	22.0	30.5	nm	nm	13.7	20.6	32.0	33.4
P/B	0.6	0.3	0.4	0.4	0.4	0.5	0.3	0.3	0.3
FCF yield	-20.6%	-9.4%	-51.8%	-2.9%	52.9%	-8.8%	120.1%	46.2%	46.1%
Dividend yield	4.9%	7.7%	4.9%	0.0%	0.0%	0.0%	3.7%	3.7%	3.7%
MARGINS AND GROWTH	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Return on equity (ROE)	4.6%	4.9%	nm	nm	0.6%	10.1%	2.8%	2.1%	1.9%
Return on capital employed (ROCE)	3.0%	3.1%	2.2%	0.0%	nm	5.5%	2.5%	1.5%	1.2%
Sales growth YOY	-14.3%	9.0%	-2.9%	-13.9%	-3.6%	79.8%	-6.9%	-3.1%	-1.4%
EBITDA margin	42.8%	43.4%	42.0%	30.9%	26.7%	50.3%	44.4%	43.2%	42.3%
EBIT margin	19.5%	19.2%	14.3%	0.1%	-5.4%	25.9%	12.6%	7.2%	5.8%
Net margin	15.7%	15.2%	-65.5%	-6.2%	1.9%	21.5%	7.0%	5.6%	5.0%
Tax rate	nm	nm	3.6%	26.2%	47.8%	0.3%	nm	nm	nm
GEARING AND CREDIT	2010	2011	2012	2013	2014	2015	2016E	2017E	2018E
Gross interest-bearing debt (GIBD)	1,596	1,815	2,003	1,994	2,039	2,387	1,995	1,759	1,523
Net interest-bearing debt (NIBD)	1,528	1,687	1,859	1,888	1,902	2,114	1,411	1,135	860
Equity ratio	49.6%	47.3%	38.2%	37.9%	42.4%	42.9%	47.8%	51.0%	54.5%
GIBD / EBITDA	7.3	7.5	8.8	13.8	16.9	5.9	6.0	5.6	5.0
NIBD / EBITDA	7.0	7.0	8.1	13.0	15.8	5.2	4.2	3.6	2.8
GIBD / Total assets	46.1%	48.3%	57.5%	58.5%	54.9%	54.8%	49.4%	46.0%	42.3%
NIBD / Total assets	44.1%	44.9%	53.4%	55.4%	51.2%	48.5%	34.9%	29.7%	23.9%
OCF / GIBD	0.2	0.2	0.1	0.0	0.0	0.2	0.2	0.2	0.2
FCF / GIBD	-0.1	0.0	-0.1	0.0	0.2	0.0	0.4	0.2	0.2
Interest coverage ratio (EBITDA)	68.7	34.4	43.5	3.0	2.9	7.4	5.9	6.7	7.4
Current ratio	2.0	2.0	2.2	1.5	3.0	1.5	2.3	2.4	2.5

Disclaimers

DISCLOSURES AND DISCLAIMERS FOR RECOMMENDATIONS (EQUITY AND FIXED INCOME)

Issued by Fearnley Securities AS on 17 October 2016

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Reduce:	When target price is +5 % to -15 % below market price.
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High risk:	beta above	1.2
Medium risk:	beta range	1.0 – 1.2
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Fearnley assess the risk in the recommendation in relation to Oslo Børs Benchmark index (OSEBX). Fearnley apply the beta as main risk assessment criterion to our recommendations. The risk assessment is in addition based on a consideration of the individual companies business and financial risk profile.

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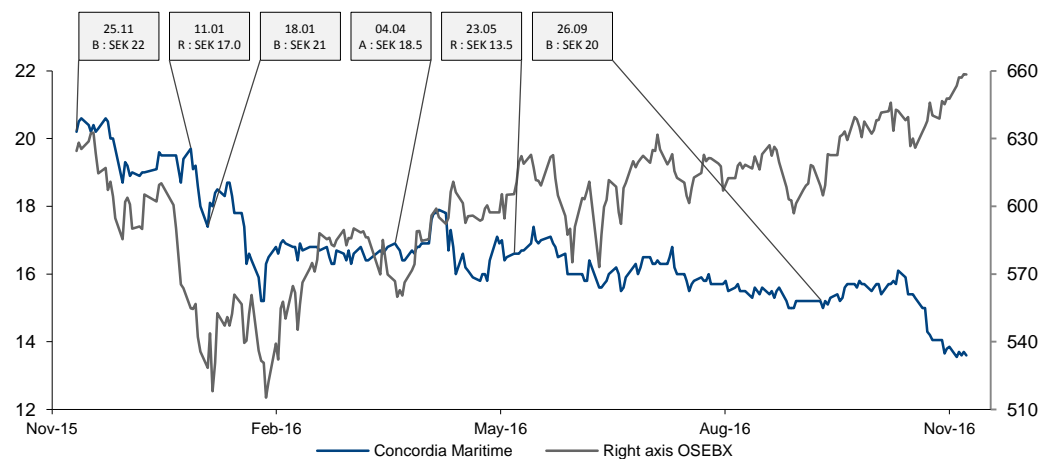
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Previous recommendations

Concordia Maritim - Equity Reco: BUY, Price Target: SEK 27.00



B=Buy, A=Accumulate, R=Reduce, S=Sell

Data source: FactSet/Fearnley Securities

Credit Recommendation changes for Concordia Maritim

Date	Credit Recommendation
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Company Name	Analyst's holding		Others		Last updated
	Equities	Bonds	Equities	Bonds	
AWILCO LNG	-	-	5 260 050	-	30.04.2016
Deep Sea Supply	880	-	-	-	30.04.2016
Statoil	33	-	-	-	30.04.2016

The shares in Awilco LNG are held by a parent company and represents 7,76% of the total equity in this issuer.

Disclosure of assignments and mandates etc.

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Last updated: 2 November 2016

- Belships ASA
- Concordia Maritime AB
- Eagle Bulk Shipping Inc
- Frontline Ltd
- Genco Shipping & Trading Ltd
- Havila Shipping ASA
- Havyard Group ASA
- Olympic Ship AS
- Prosafe SE
- Solvang ASA

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Disclosure requirements pursuant to the Investment Recommendation Regulation § 2-5 (4)

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Rating distribution				Investment banking relationship			
Buy	Accumulate	Reduce	Sell	Buy	Accumulate	Reduce	Sell
52%	21%	14%	13%	0%	0%	0%	0%

Last updated: 27 October 2016

Previous Reports

Date	Title	Reason
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