Frontline Plc: Capturing Value Amid Energy Transition and Supply Chain Disruptions

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Abstract

This work presents a comprehensive equity valuation and investment thesis for Frontline Plc within a crude tanker market influenced by global energy transition and persistent supply chain disruptions. Integrating a bottom-up revenue forecasting methodology, we draw on industry analyses (encompassing fleet aging trends, constrained shipyard capacity, evolving oil supply-demand dynamics, and geopolitical complexities) to project Frontline's performance through 2035. Employing both Discounted Cash Flow (DCF) and Net Asset Value (NAV) approaches, testing findings using sensitivity, Monte Carlo and scenario analyses, we derive a December 2025 price target of $19.07, implying a substantial upside from current trading levels.

Our findings suggest Frontline's modern fleet composition, strategic spot market focus, and disciplined capital structure position the company favorably to capitalize on anticipated long-haul crude trades and limited fleet growth, even as macroeconomic headwinds, litigation risks, and geopolitical uncertainties persist. The company's high dividend payout policy, yielding a projected total shareholder return of 42.5% by 2025, further enhances its investment appeal. Concluding with a confident "BUY" recommendation, this work underscores Frontline's capacity to deliver sustained shareholder value amid ongoing industry restructuring and future decarbonization efforts.

Keywords

Global Energy Transition, Crude Tanker Industry, Geopolitical Risk, Fleet Bottlenecks

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This report is part of the Frontline Plc: Capturing Value Amid Energy Transition and Supply Chain Disruptions report (annexed), developed by Caius Clas Runeberg and Lourenço Faria E Maia and should be read has an integral part of it.

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Tax Regime

Net Tonnage				
0-1,000	1,001-10,000	10,001-25,000	25,001-40,000	>40,000
€36.50 per 100 NT	€31.03 per 100 NT	€20.08 per 100 NT	€12.78 per 100 NT	€7.3 per 100 NT

Sample calcluation of the annual net tonnage tax for a **19.538 net tonnage vessel**

1,000 NT: 1.000/100 = 10 x €36.50 = €365.00

9,000 NT = 90 x €31.03 = €2,792.70

9,538 NT = 95.38 x €20.08 = €1,915.23

Annual tonnage tax of the vessel = €5,072.93

Table 1: Sample calculation of annual tonnage tax. Source: Cyprus Shipping Deputy Ministry (2021).

Frontline operates under the Cyprus Tonnage Tax System (TTS), under which taxes are paid based on the net tonnage of the ships that Frontline owns, charters or manages (Frontline, 2023). As a qualified maritime transport operator, the company is exempt from income taxes on profits from ship operations, vessel sales, dividends from these activities, and interest related to financing or qualified vessels (Cyprus Shipping Deputy Ministry, 2021). Frontline adopted this regime in 2023, and it is valid for ten years with an option to renew for an additional decade. Despite tonnage taxes being recorded under Ship Operating Expenses (see Table 1 for calculation example), the company does not disclose specific tax breakdowns. As a result, Frontline's income tax provision on operations has remained between 0.0% and 0.1% over the past decade.

In addition, Frontline is subject to U.S. income tax on trade conducted within the U.S., but qualifies for a Section 883 exemption, minimizing its exposure. Yet despite this, 50% of transportation revenue from voyages to or from the U.S. is subject to a 4% tax without exemptions. (Annual Report, 2023) While such tax liabilities have not been recorded in recent years, this could become more relevant in the future, as the U.S. is increasing oil production volumes.

The Aging Fleet

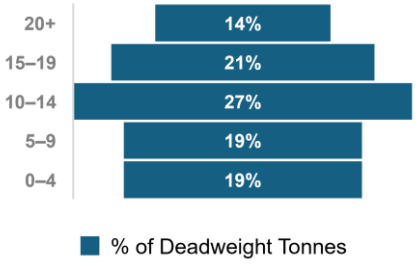

Figure 1: 2024 age hierarchy of crude tankers, as a % of DWT. Source: UNCTAD, Review of Maritime Transport 2024

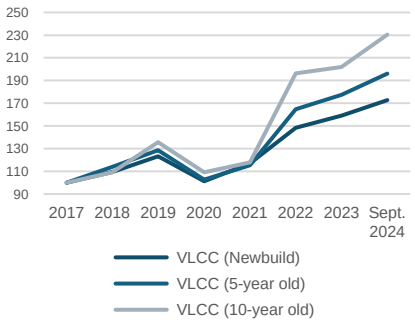

Figure 2: Indexed market price development of VLCCs. Source: Bloomberg Terminal

In recent years, the aging global fleet has emerged as a critical factor shaping the crude tanker industry, with limited newbuild deliveries forecasted until 2027-2028. As of 2024, the average crude and refined products tanker age reached 13.2 years (Figure 1 for crude specific distribution), the highest level since 2003. (S&P Global Commodity Insights, 2024) In addition, recent IMO regulations requiring zero-emission technologies have made operating vessels over 20 years economically unviable without costly upgrades (IMO, 2023). As a result, Frontline revised its useful life of vessels from 25 to 20 years in December 2022 (Annual Report, 2023). While these developments would suggest a wave of vessel scrappings in the coming years, the growing illicit dark fleet (explained in the next chapter) offsets this trend by capturing market share with aged vessels. Frontline estimates that significant scrapping activity is unlikely until the illicit market becomes oversupplied (Q2 Earnings Call).

The need for newbuilds due to an aging fleet coincides with a significant bottleneck in constructing crude tankers. Shipyards in China and South Korea have faced high demand for various vessel types, including container ships and LNG carriers. This issue has resulted in limited availability of slots specifically for large crude tankers, resulting in extended delivery times. Where shipyards once

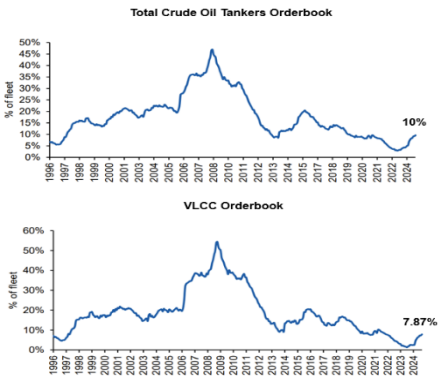

Figure 3: Total crude tankers & VLCC tankers orderbook, as a % of respective fleet. Source: SpareBank1

took 2 years to deliver a tanker, delivery times have stretched to upwards of 3 years or more. (Georgiou, 2024)

Demand for younger vessels combined with a limited number of newbuilds available has resulted in a continued price increase of new ships (Hellenic Shipping News, 2024). Due to the lack of newbuilds, secondhand prices have risen even more sharply than newbuild's prices (Figure 2), with a 5-year-old crude tanker reaching 96% of a newbuild's price (Rasmussen, 2024). These price increases and limited build capacities have resulted in the orderbook falling to historically low levels (see Figure 3, and Figure 36 (Appendix)).

Oil Supply and Demand Dynamics

The performance of Frontline is largely dependent on the complex dynamics of global oil supply and demand, affecting charter rates. This section examines both short-term market dynamics and longer-term trends of the renewable energy transition and regional consumption patterns, shaping future tanker markets.

Medium-Term Supply/Demand Mix

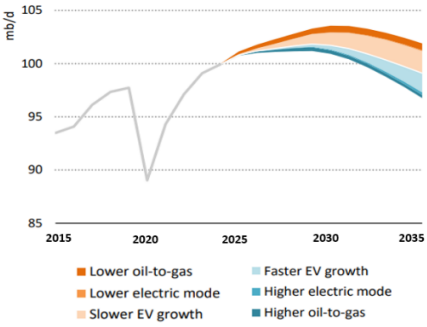

Figure 4: Oil demand sensitivity to global EV adaptation and oil-to-gas transition in the Middle East. Source: IEA, 2024b

Despite the green energy transition accelerating with global investments in clean energy nearing $2 trillion annually (IEA, 2024b), conventional fuels are expected to remain in the global energy mix through 2050 (McKinsey & Company, 2024).

In the medium-term, contrasting developments between OECD and non-OECD countries shape demand. In OECD economies, energy efficiency gains, especially in EV adoption, are expected to heavily reduce oil consumption. McKinsey estimates EV adoption alone could cut oil demand by 5–10 mb/d by 2030, driving a peak of 105 mb/d in 2027 and a decline to 102 mb/d by 2030 (McKinsey & Company, 2024). The IEA shares this view, anticipating efficiency gains in transport, fuel switching, and the buildings sector, with EV adoption reducing demand growth by up to 12 mb/d by 2035. Yet, industrialization in non-OECD regions is set to offset these declines. Significant contributors include India's and China's petrochemical sectors, and the pace of transition from oil to natural gas usage in the Middle East's electricity sector. These dynamics lead the IEA to project a demand peak of 104.7 mb/d by 2030, followed by a decline to 102.4 mb/d by 2035 (IEA, 2024b; see Figure 4 for demand sensitivity).

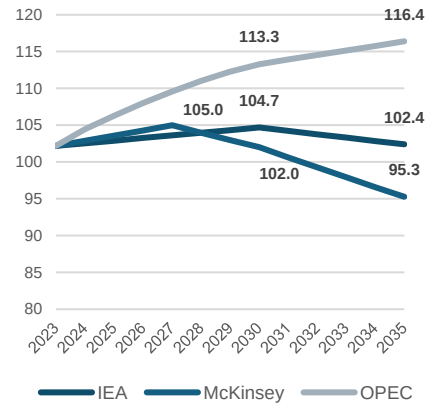

Figure 5: Oil demand estimates per agency (in mb/d)

OPEC takes a stronger stance, citing slower progress in electrification and energy efficiency in non-OECD countries. It forecasts an 11.1 mb/d increase in demand from 2023 levels, reaching 113.3 mb/d by 2030 (OPEC, 2024b). CEO Barstad supports this view, emphasizing that India's oil imports have risen from 3–4 mb/d to over 5 mb/d, with this trend expected to continue (Vonheim, 2024).

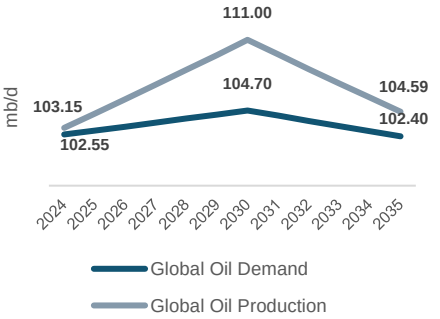

Figure 6: Selected agencies' consensus estimate of oil demand & production capacity

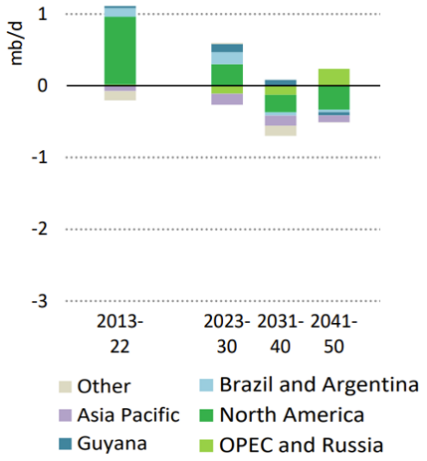

Figure 7: Regional oil production changes (mb/d) by period, highlighting key contributors to future growth. Source: IEA, 2024b

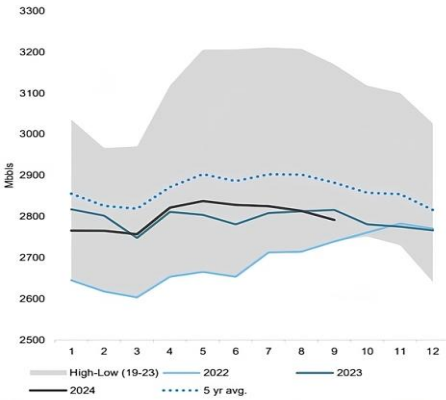

Figure 8: OECD countries crude oil and liquids fuel inventory (monthly, in million barrels). Source: SpareBank1

On the supply side, medium-term production capacity is projected to exceed demand significantly, creating an imbalance (Figure 6). The IEA forecasts global production capacity to reach 113.8 mb/d by 2030, mainly driven by rising output from the Americas (Figure 7), including the highly responsive U.S. shale industry. Brazil, Argentina and Guyana are expected to be significant producers, with recent oil discoveries foreseen to add more than 2.5 mb/d to supply by 2035. (IEA, 2024a; IEA, 2024b) Rystad Energy projects a slightly lower capacity of 108 mb/d by 2030, still pointing to oversupply (Rystad Energy, 2024). Such a surplus typically places downward pressure on oil prices, potentially stimulating higher transport volumes as nations may stockpile at lower prices**,** (further supported by OECD countries' oil inventories remaining below the 5-year average, Figure 8), while also reducing bunker fuel costs for tankers (Investopedia, 2022).

Global oil reserves impose a natural cap on production potential over the next decade (Rystad Energy, 2024). Capital investment in the sector has steadily declined since 2014, a trend worsened by the COVID-19 pandemic (Arezki & Nysveen, 2021). In 2023, only 5 billion barrels of new reserves were discovered, well below the historical average of 15 billion barrels annually (Statista, 2024). Reduced exploration activity, coupled with strong demand and production estimates, signals a structural decline in reserves through 2030. Granted, this trend will vary, depending on future demand scenarios (IEA, 2024b).

Although mid-decade oil demand forecasts have moderated due to economic headwinds in China, the trend of production surplus in the West, rising crude demand in non-OECD regions and geopolitically driven supply shifts support oil shipping companies, where vessel utilization should remain high. Longer-haul trades, especially from the Americas to Asia, present constructive medium-term conditions, including potentially improved earnings potential as voyage durations lengthen and spot charter opportunities arise.

Outlook Beyond 2030

Long-term projections are increasingly speculative. McKinsey forecasts a 28% oil demand decline to 74 mb/d by 2050, with a potential 50% drop depending on EV adoption. EVs are expected to constitute 55-80% of the light-duty fleet, reducing demand by 15-25 mb/d, while advances in battery and hydrogen technology could lower heavy-duty transport demand an additional 10 mb/d. (McKinsey & Company, 2024) Conversely, OPEC remains bullish on demand, projecting an 18 mb/d increase to 120.1 mb/d by 2050, primarily driven by non-OECD growth. OPEC expects road transport demand to remain high, with ICE-vehicles to comprise over 70% of the fleet by mid-century (OPEC 2024b).

Despite disparities, both agencies expect petrochemicals and aviation to remain strong oil consumers. McKinsey, noting limited competitiveness of decarbonization options in these sectors, projects their share of global oil demand could rise to 50% by 2050 from 22% today. OPEC quantifies increases of 4.9 mb/d (petrochemicals), 4.6 mb/d (road transport) and 4.2 mb/d (aviation), respectively, by 2050. While McKinsey is optimistic about the energy transition, OPEC reinforces its stance on demand growth in non-OECD regions. (McKinsey & Company 2024; OPEC 2024b)

Supply forecasts are equally uncertain. Rystad foresees that a significant drop in production from 108 mb/d in 2030 to 55 mb/d could occur by 2050 (Rystad Energy 2024), while the Energy Information Association (EIA) projects supply to be as high as 120 mb/d by 2050 (EIA, 2023). A “middle-ground” suggests production to adjust to the declining demand post 2030, but the consumption shift toward non-OECD countries could shorten the global shipping patterns towards 2050, if the Middle East will be able to support most of the growth in these regions.

Revenue Projection

In this section, outlines our approach to projecting Frontline PLC’s revenue, using a bottom-up methodology that combines external market factors with company-specific revenue drivers.

Figure 9: VLCC Spot market earnings versus supply/demand balance. Source: Frontline Q3 presentation.

Revenue drivers

Frontline’s revenue generation stems from an interplay of external market forces and the company’s strategic operational decisions. External factors, such as global oil supply-demand balances, the global fleet dynamic, and geopolitical shifts (altering trade routes), determine base charter rates for vessels. As earlier highlighted, relevant developments expected to impact these rates include shifting regional oil demand, evolving oil trade patterns between the West and the East (increasing ton-mile demand), and constrained fleet renewal capacity.

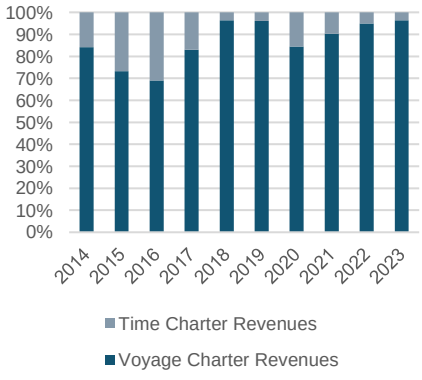

Figure 10: Voyage & Time charter revenues as a % of total ship operating revenues.

Frontline’s internal strategies enable it to capitalize on this stage. Charter type allocation, balancing spot and time markets, requires predictive decision making. Seen by the correlation between spot rates and oil supply/demand (Figure 9), prioritizing the spot market during strong oil demand periods offers higher revenue potential. This is because as voyage expenses are embedded in the spot rates, the “premium” over the expenses decreases and increases with demand. Consequently, in dampened demand outlooks, stability is found in the time charter market. Frontline’s ship operating revenue has heavily been sourced from the spot charter market in recent years (see Figure 10), and with only six vessels on time charter contracts in Q3 2024, the focus on the spot market is set to continue.

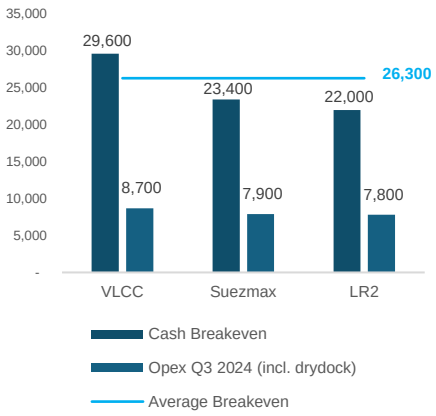

Figure 11: Fleet cash breakeven rates for the next 12 months, incl. drydock cost for 5 VLCCs and 2 Suezmaxes. Source: Frontline Q3 presentation.

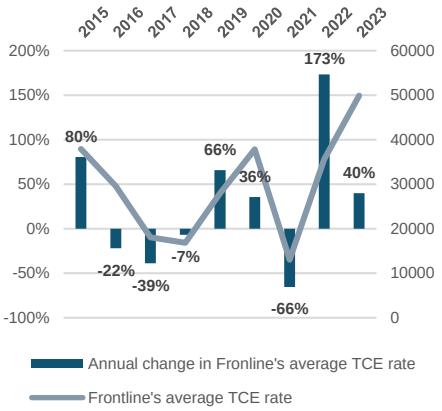

Figure 12: Annual change in Frontline's TCE rate (primary axis) and actual TCE rates (secondary axis, in $)

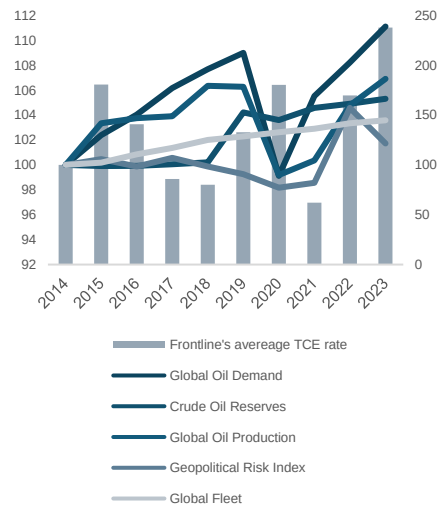

Figure 13: Non-lagged relationship between Frontline's average TCE rate and variables. (Risk, Global Fleet and Average TCE rate on secondary axis)

In the crude tanker industry, **Time Charter Equivalent** (TCE) rates are a standard metric for normalizing earnings across both spot and time charters. By adjusting for voyage-related expenses (borne by the ship owner in the spot market), TCE rates facilitate consistent comparisons across markets, routes and vessel classes. This normalization is critical as Frontline's cash breakeven rates, projected to average $26,300 per day over the next 12 months (Figure 11), set the minimum TCE rates needed to generate positive cash flow.

Frontline's fleet composition remains a pivotal advantage. With a young, ECO-fleet, the company aligns closely with demand for modern tonnage. Fleet deployment according to shifting demand patterns create opportunities for Frontline to capitalize on market dynamics, such as the anticipated increase in longer-haul routes from the Americas to Asia, and opportunities arising from medium-term ship supply constraints. Further, ECO-advantage is directly tangible, with scrubber-fitted vessels generating premiums in revenue.

Finally, disciplined route planning and fleet utilization, minimizing ballast voyages, optimize profitability operational days. Too-aggressive utilization of ships can inflate maintenance costs and reduce vessel life, possibly leading to asset impairments (Annual Report, 2023), while prudent management captures market share and maximizes revenue potential. This mix of market conditions and internal strategy sets the foundation for our revenue projections.

TCE rate forecasting methodology

To forecast Frontline's TCE rates, we initially conducted a regression analysis using annual historical TCE data from 2013 to 2023 (see Table 9, Appendix) against key external variables: global oil demand, oil production, oil reserves and geopolitical risk. All variables exhibited statistical significance, indicating that they contribute meaningfully to explaining TCE rate variations. Employing higher-frequency data (e.g., quarterly) or extending the sample period could enhance statistical power, but this is constrained by data availability of the variables. Additionally, the observed historical volatility of Frontline's TCE rates (see Figure 12) discourages the predictive stability of a pure regression-based forecast.

In response to these constraints, we adopt a composite index model to project the TCE rates. With the regression confirming the importance of the variables, the composite index capitalizes on their historical correlations with the rates. For instance, with Frontline's VLCC TCE rates, the variables showed historical correlations of production (+59%), demand (+58%), reserves (+31%), geopolitical risk index (GPR) (31%), and fleet size (-37%) (excluded from the regression to keep the focus on the oil mix). Weights were assigned based on each variable's absolute correlation as a proportion of the total absolute correlations. The

historical relationship between the variables and Frontline's average TCE rate (displayed in Figure 13) leads us to incorporate a one-year lag, as we observe that changes in most of the variables tend not to immediately impact rates.

To project annual TCE rate changes, we combine the year-over-year percentage changes of the external variables into a composite indicator applied as follows:

$$TCE\ rate_{year} = TCE\ rate_{(previous\ year)} \times (1 + Composite\ indicator)$$

This approach intuitively adjusts for industry shifts. For example, a contraction in fleet size is expected to tighten supply, exerting upward pressure on TCE rates.

- Estimating External Composite Variables

For oil demand, we adopt the IEA's 2030 forecast, closely aligned with McKinsey's. We consider OPEC's 113.3 mb/d estimate overly optimistic. Recent downward revisions in the IEA's October 2024 report, due to accelerated adoption of sustainable aviation fuel and hydrogen-based shipping fuels (IEA, 2024b) support a more cautious outlook. Our 2035 estimate aligns with IEA's set current trajectory. On the supply side, we integrate the IEA's incremental production forecasts for 2024 and 2025 (0.66 mb/d and 2.1 mb/d increases, respectively), and select a 2030 target between the IEA's and Rystad Energy's. This approach balances optimistic and conservative views. Beyond 2030, we anticipate oil production to trend within EIA and Rystad ranges, while factoring in accelerating reserve depletion by 2030 and slower declines by 2035 due to an expected supply surplus. Applied estimates are displayed in Table 2.

Supply & Demand estimate	2024	2030	2035
Demand (mb/d)	102.6	104.7	102.4
Production capacity (mb/d)	103.2	111.0	104.6
Reserves (billon barrels)	1,536.0	1,402.8	1,368.1

Table 2: Composite index oil dynamic inputs

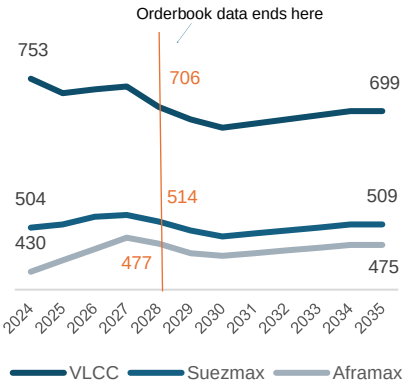

Figure 14: Global fleet size projection. Source: Frontline 2023 and analyst estimate

For global tanker fleet projections, we rely on the orderbook data from Frontline, shown in Figure 14, and Figure 36 (Appendix). Currently, 132 VLCCs, 108 Suezmaxes, and 31 LR2s exceed 20 years of age and are expected to be retired or recycled by the end of the year in accordance with the previously explained compliance requirements. Incorporating expected retirements, we estimate that by 2028, the global VLCC fleet will decrease by -6.2%, the Suezmax fleet will increase by 2.0%, and the LR2 fleet by 10.9%. After 2028, we estimate two years of further reductions based on the difference between 20+ and 15+ year-old vessels in 2024, followed by a steady 1% annual fleet growth rate.

- Estimating Internal Composite Variables

Our internal projections for Frontline cover fleet size evolution and utilization rates. Frontline reports 81 vessels in 2024, following a disclosed Suezmax sale expected to be delivered in Q4 (HY 2024 report). Management's cautious stance on fleet expansion at current TCEs, as stated in the Q2 earnings call, is supported by the limited global orderbook in large tanker segments, restricting near-term additions.

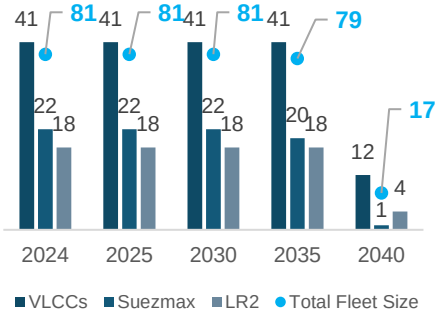

*Figure 15: Frontline's fleet size, **without** projected additions*

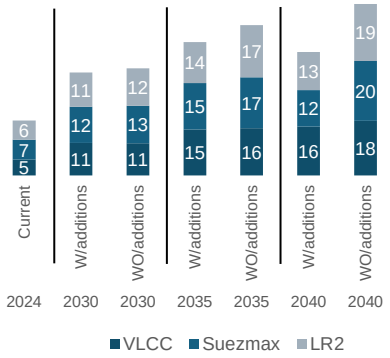

Figure 16: Frontline's average fleet age, with (W) and without (WO) projected ship additions

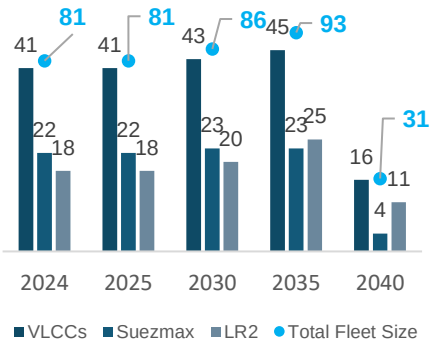

*Figure 17: Frontline's total fleet size, **with** projected additions*

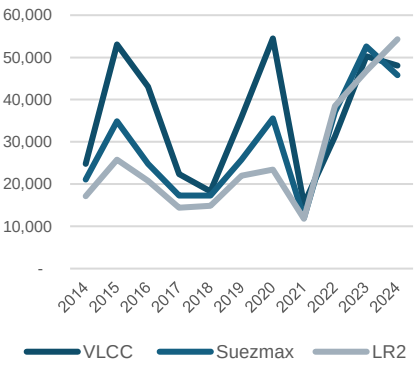

Figure 18: Frontline PLC's historical daily TCE rates, in $/d

As a significant portion of Frontline's fleet nears retirement between 2036 and 2040, we incorporate gradual fleet additions from 2029 to 2035 of four new VLCCs (2029–2032), three Suezmaxes (2029, 2031, and 2034), and seven LR2s (one annually from 2029 to 2035). Without these additions, as illustrated in Figure 15, the fleet would shrink significantly post-2035, as the average vessel ages reach unsustainable levels by 2035, seen in Figure 16. These additions stabilize fleet size through 2035 (Figure 17), yet despite the expansion, the age of the future fleet remains quite old (Figure 16). Without further expenditures beyond 2035, Frontline's fleet would decline to just 31 vessels by 2040.

To estimate future utilization of fleet, we apply historical average of 2019–2023 utilization rates: 91.5% for VLCCs, 80.8% for Suezmaxes, and 90.4% for LR2s. Efficiency gains saw VLCC utilization peak at 98% in 2023, and Suezmax utilization steadily rose from 63% to near 100%. LR2 utilization remained stable. Notably, COVID-19 did not materially distort these utilization figures. Given Frontline's relatively young fleet and the limited global fleet capacity growth over the next 2–3 years, applying these historical averages is a suitable assumption of future utilization levels. Converting utilization to operating annual days yields 334.1 days for VLCCs, 295.1 days for Suezmaxes, and 330.1 days for LR2s.

Revenue Forecast – Bottom-up methodology

With the variables and approach established, we begin forecasting Frontline's TCE rates from a 2024 base, based on reported Q1–Q3 rates and a weakened Q4 guidance due to ballast days (Frontline Q3 Report). The rates are projected to 2035 using the composite index model, factoring each estimated external variable, their weights, and the lag effects.

To account for the historical volatility in Frontline's TCE rates (Figure 18) and their long-term unpredictability, we apply conservative adjustments to rate estimates from 2030 to 2035: -5% for VLCCs, -5% for Suezmaxes, and -7.5% for LR2s. The rationale for these adjustments is twofold: TCE rates are highly cyclical, and despite our estimates of the oil dynamic variables being based on the latest market research, post-2030 rates remain highly speculative. Second, as noted by CEO Barstad, historical trends indicate that LR2 rates typically trade 30% below Aframax rates, with Aframaxes trailing VLCC rates by 30% (Vonheim, 2024), reinforcing a structural yield premium for larger vessel classes. The more significant adjustment to LR2 rates accounts for the recent Houthi attacks in the Red Sea, tightening supply of vessels used for clean oil products transport (Reuters 2024, Argus Media, 2024), bringing LR2 rates to par with larger vessel classes. While we do not speculate on geopolitical stabilization post-2030, LR2 rates are expected to gradually realign with their historical relationship to Suezmax

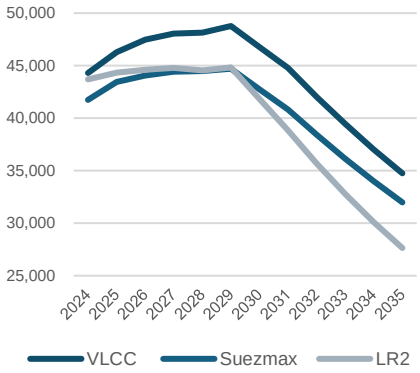

Figure 19: Frontline's projected daily TCE rates, in $/d. Source: Analyst estimate

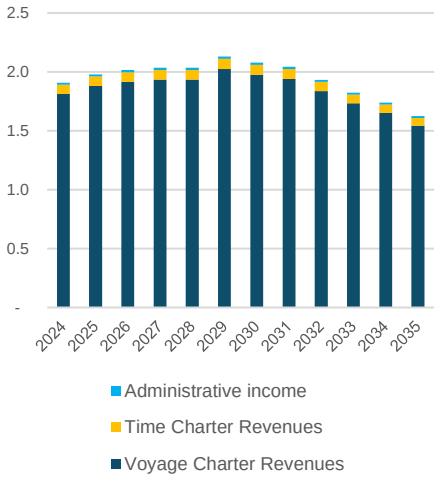

Figure 20: Total revenue, in $ billions. Source: Analyst estimate

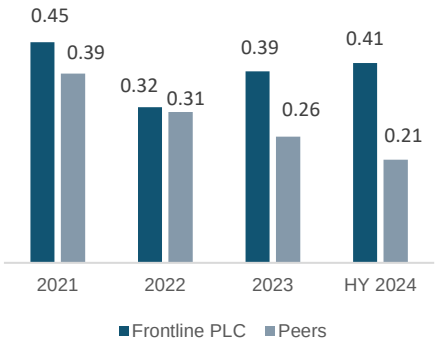

Figure 21: Net debt / EV evolution of Frontline and Peers. Source: Bloomberg Terminal

rates, seen in Figure 18. Barstad further highlights that the anticipated influx of new LR2 orders into the fleet could accelerate this normalization (Vonheim, 2024).

Short-term geopolitical risk impacts on TCE rates are incorporated into the composite index to account for ongoing conflicts increasing transit times and spot market rates (JP Morgan, 2024). We apply a +2% effect in 2024, +1.5% in 2025, +1% in 2026, and +1% in 2027, with no impact beyond 2027 due to the uncertainty of long-term geopolitical development. Figure 19 outlines our final TCE rate projections for Frontline, by vessel type.

With TCE rates established, we project revenue using a bottom-up approach. For each of Frontline's vessel classes, we estimate annual spot days available for hire by combining projected fleet size with expected utilization rates. Multiplying the spot days by the respective projected TCE rates provides Total TCE revenue for each vessel class, and combined, these yield the total net revenue. To arrive at total revenue from this cost-adjusted TCE revenue, the projected Voyage Expenses and Other non-vessel items, are added. Voyage Charter Revenues, Time Charter Revenues, and Administrative Income are split out, according to historical proportions and stable relationships observed over the past three years. This final step yields our total projected segmental revenue for Frontline, displayed in Figure 20 (see Income Statement in the Appendix for detailed figures).

Back-testing our methodology with past years shows variances of only 0.0–0.1% from reported revenue, reinforcing the model's reliability. With granular estimates of Frontline's TCE rates, utilization rates, and total fleet size, this framework offers a consistent basis for revenue projections through 2035.

Capital Structure

Future capital structure projections are highlighted as a critical component of the valuation. Divergence from the selected industry peer's capital structure (seen in Figure 21) is mainly due to Frontline's recent substantial fleet expansion. In November 2023, Frontline entered a senior secured term loan facility of up to $1.41 billion to partly finance the $2.35 billion Euronav acquisition of 24 VLCCs. By Q1 2024, the full loan was drawn ($891.3 million in 2023 and $518.7 million in Q1 2024), expanding Frontline's debt (Frontline Q3 Report).

With a newly updated fleet and no near-term CapEx requirements, Frontline is well-positioned to focus on debt reduction. However, both CEO Barstad and CFO Klemp have indicated no plans for accelerated deleveraging. In March 2024, Barstad stated that Frontline is content with its Loan-to-Value (LTV) of approximately 50% (calculated net debt to fleet market value), and was confident in asset values, suggesting that inflation adjusted, the industry is likely in a mid-cycle phase rather than at peak asset valuations (Vonheim, 2024). Despite a

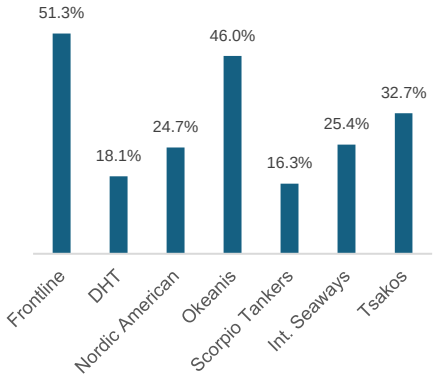

Figure 22: 2023 snapshot of Loan-to-value (LTV). Source: Analyst estimate

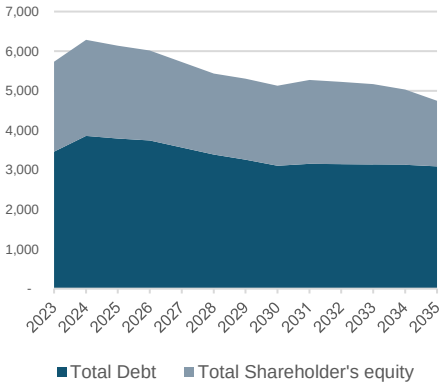

Figure 23: Projected capital structure development. Source: Analyst estimate

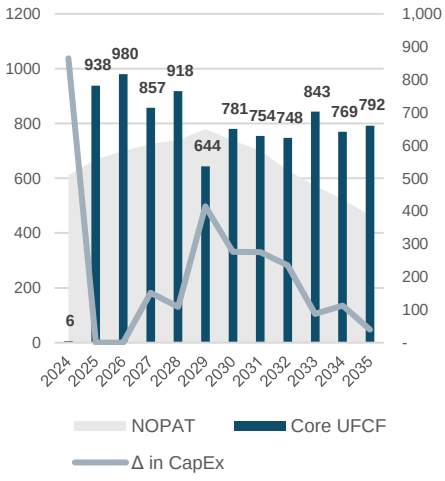

Figure 24: Core UFCF and NOPAT on primary axis, with CapEx on secondary axis. In $ millions. Source: Analyst estimate

substantially higher LTV compared to peers (see Figure 22), Klemp reaffirmed in the Q3 2024 earnings call their continuing satisfaction with maintaining an LTV of around 50%, dismissing the need to align with lower industry leverage levels.

Thus, acknowledging the Euronav acquisition-driven elevated debt levels in 2024, we assume Frontline to slowly delever towards a target Net Debt/EV structure of 0.35 by 2028, an average of their 2022 and 2023 structure. Applying this target structure, the net debt is estimated based on the DCF's implied enterprise values, resulting in an end of 2025 net debt of $3.36 billion, slightly down from $3.50 billion in Q3 2024. Estimating Frontline's end-of-2025 fleet value at $6.95 billion, equates to an LTV of 48%, consistent with the leverage guidance given by Frontline. Figure 33 displays Frontline's projected capital structure.

The excess cash balance in net debt is calculated based on Frontline's operating cash requirements, using the lowest C&CE/Revenue ratio observed among a broader set of 17 industry peers over the past three years. The minimum ratio of 5.3% aligns with the upper bound of academic guidance for operating cash needs (0.5–5%), reflecting the higher liquidity demands of the shipping industry. For Frontline, these include operating costs, working capital funding, debt repayments, and upgrading costs, which are met through cash balances, short-term investments, and customer receipts (Annual Report, 2023). The 5.3% C&CE/Revenue requirement for operating cash translates to approximately 70% of the projected C&CE being classified as excess cash, of which around 50% is tied to covenants.

Intrinsic Valuation

Core Unlevered Free Cash Flow

Frontline's unlevered free cash flow (UFCF) is heavily influenced by capital expenditures (CapEx). In 2024, residual effects of the Euronav acquisition drive CapEx to $864.9 million, limiting core UFCF to $6.1 million. CapEx is projected to remain nil in 2025 and 2026, enabling UFCF to peak in 2026. CapEx resumes in 2027 with newbuild projects, which are expected to transition into operational assets (Vessels & Equipment) two years post-initiation (according to Frontline's historically observed transitional timespan), forming the basis for projected fleet expenditures from 2029 onward. As seen in Figure 24, this reintroduction of CapEx in 2027 marks a turning point in the UFCF trend after the 2026 peak, despite core results (NOPAT) continuing its growth until 2029.

Calcualting the Credit Score	Rating	Adj. Score	Weight	Weigh. Score
Size of Fleet	B	15	10%	1.5
Business Profile	Aa	3	20%	0.6
EBIT Margin	Aa	2.2	5%	0.11
Debt / EBITDA	Ba	11.3	10%	1.13
RCF/ Net Debt	Caa	18.5	10%	1.85
(FFO + Interest Exp.) / Interest E	Baa	7.8	10%	0.78
Unencummbered Assets	B	15	15%	2.25
Financial Policy	Baa	20	20%	4
Sum	(Ba2 range: 10.5-13.5)			12.22

Table 3: Moody's shipping credit rating assessment. Source: Analyst estimate

WACC Components	
Risk-Free Rate:	**4.31%**
10-y Treasury Rate	
Market Risk Premium:	**6.28%**
30-y arithmetic average U.S. return premium	
Unlevered Beta	**0.753**
Peer group's regressed weekly 5-y beta	
Relevered Equity Beta	**1.067**
Cost of Equity	**11.01%**
Debt beta	**0.17**
Implied by credit rating	
Credit Rating	**Ba2/BB**
Moody's shipping rating methodology	
Implied Credit Spread	**2.21%**
Implied Interest Rate	**6.52%**
Risk-free + spread	
Loss given default	**58.03%**
Using 10-y average senior unsecured loans	
Annual Probability of default	**1.05%**
Based on Ba2/BB rated 10-y bond	
Cost of debt	**5.91%**
WACC	**9.23%**

Table 4: WACC calculation. Source: Analyst estimate

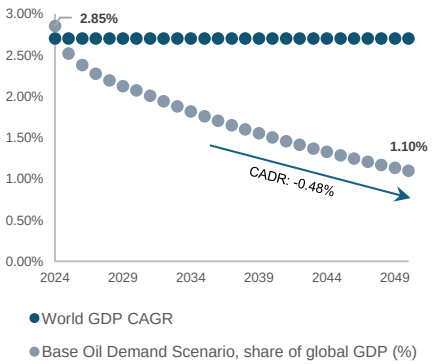

Figure 25: The oil shipping industry's estimated share (%) of total world GDP. Source: Analyst estimate

Weighted Average Cost of Capital

Frontline's stabilized Weighted Average Cost of Capital (WACC) is estimated at 9.23%, derived from a cost of debt of 5.91% and a cost of equity of 11.01%. The cost of debt reflects an implied interest rate of 6.52%, calculated using the 10-year treasury yield as a risk-free rate, adjusted by Frontline's credit spread. This spread is estimated using Moody's shipping rating methodology, indicating a Ba2/BB credit rating (Table 3). A synthetic estimate based on Frontline's interest coverage ratio suggested a higher Baa2/BBB rating, but we rely on Moody's methodology for its emphasis on the industry's risk characteristics. Notably, under the tonnage tax system, tax shields are not applicable, as taxes are based on vessel tonnage rather than taxable income, leaving the cost of debt **unaffected** by taxes.

Cost of equity is calculated using the CAPM model, incorporating a risk-free rate of 4.31%, a market risk premium of 6.28% (based on 30-year U.S. return premium data), and an equity beta of 1.07. Initially, a 5-year regression against the MSCI World ETF (URTH) yielded a beta of 0.84 (95% CI: 0.70–0.98). Given the uncertainty of this range, we adopted a peer-based approach, regressing peers against the same index, resulting in 1.02. The Blume adjustment was applied to account for beta mean reversion and reduce recent noise, ensuring greater reliability. With an unlevered median peer beta of 0.75, Frontline's equity beta of 1.07 was derived by relevering it to Frontline's target Net Debt/EV ratio of 0.35. As a final note, the transition to a target Net Debt/EV ratio of 0.35 by 2035 (from 0.4 in 2024) resulted in 2025-2027 transitional WACCs of 9.25%, 9.24%, and 9.23%.

Perpetual Growth Rate

We estimate the perpetual growth rate based on the projected contraction of the crude oil shipping industry, as using the implied Reinvestment Rate (RR) and RONIC yields an unrealistic -16.7% growth rate in 2035, due to declining projected PP&E and the unstable nature of capital expenditures in this asset-heavy sector.

The value of the crude oil transportation industry was assessed by multiplying global oil demand by crude oil prices. In 2024, with oil priced at $82.68/b and demand at 102.6 mb/d, the industry is valued at $3,095 billion. Using the IEA's high- and low-demand scenarios, with oil price targets of $75/b and $58/b, we derive an average price of $66.5/b (IEA, 2024b). Combined with the IEA's 2050 oil demand projection of 97.9 mb/d the industry's value is expected to decline at a CAGR of -0.48% post-2035, falling to $2,376 billion by 2050.

This contraction aligns with the oil shipping industry's declining share of the global economy. While global GDP is projected to grow at a 2.7% CAGR from 2023 to 2050 (IEA, 2024b), growing from $105,685 billion in 2024 (IMF, 2024) to $216,968 billion by 2050, the industry's share of GDP is expected to shrink from 2.85% in

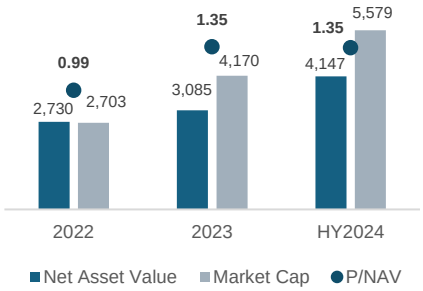

Figure 26: Frontline's historical valuation in relation to its net fleet market value (in $ millions). Source: Analyst estimate

Vessel market prices as of December 2024 (in $ millions)					
Ship age	**New**	**5y**	**10y**	**15y**	**20y**
VLCC	132,6	107,5	79,2	49,5	31,0
Suezmax	95,7	79,5	61,4	41,6	27,7
LR2	81,1	68,1	51,7	35,3	24,2

Frontline Fleet Value EOY 2025 (in $ millions)				
VLCC	Suezmax	LR2	Scrubber	**Total Fleet Value**
4 098,8	1 544,7	1 078,2	226,8	**6 948,6**

Table 5: Frontline's end of 2025 fleet value estimate. Source: Analyst estimate

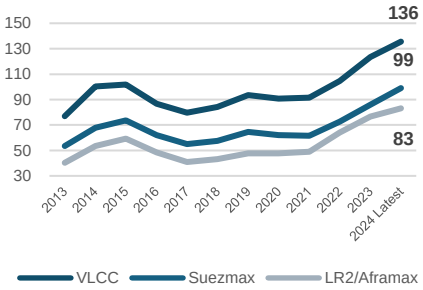

Figure 27: Market price development of vessels, in $ millions. Source: Bloomberg

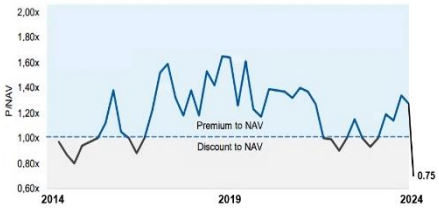

Figure 28: Frontline's historical P/NAV multiple. Source: SpareBank1 & Analyst estimate

DCF Valuation ($ thousands)	
Terminal Value	8,123,728
PV Terminal Value	3,358,699
PV Core UFCFs	5,213,370
EOY 2025 Non-operating assets	49,541
EOY 2025 Enterprise Value	**8,621,610**
EOY 2025 Net Debt	3,335,419
EOY 2025 NCI	- 472
EOY 2025 Market Cap	5,286,663
Implied Share Price	**$ 23.75**
Implied upside	**67.12%**

Table 6: DCF-valuation components

2024 to 1.1% by 2050, as illustrated in Figure 25. This declining trend directly supports our perpetual growth rate estimate of -0.48%.

Net Asset Value (NAV)

The Price-to-NAV valuation, a widely used assessment in the industry, offers a basis for future valuation by assessing historically, how the market value of a firm has traded relative to its fleet market value. To determine historical valuation, we use end-of-2022, 2023 and half-year 2024 data. Frontline's fleet market value at these dates, calculated using corresponding dates' Bloomberg vessel prices, was estimated at $4.95, $6.33 and $7.71 billion. After deducting the corresponding year's net debt, the NAVs stood at $2.73, $3.08 and $4.15 billion. Frontline's market cap (estimated using adjusted share prices at each date) stood at $2.70, $4.17 and $5.58 billion at the corresponding dates, resulting in price-to-NAV multiples of 0.990, 1.352 and 1.345, an average multiple of 1.23 (Figure 26).

Frontline's fleet's market value as of December 2025, at $6.95 billion, is estimated using December 2024 vessel prices, the projected 2025 fleet size of 81 and the corresponding vessel's future ages. Deducting the anticipated net debt of $3.36 billion, the end of 2025 NAV is estimated at $3.61 billion. Applying Frontline's historical average P/NAV multiple of 1.23 yields a projected market capitalization of $4.44 billion. This implies a share price of **$19.95** as of December 31, 2025, reflecting a 40% upside from December 12, 2024, closing price of $14.21.

The implied 40% upside potential of the NAV valuation relies on vessel price developments and the market's perception on Frontline's premium valuation. Newbuild prices have risen sharply since 2021 (see figure 27), with prices of older vessels following similar trends. Prices can be expected to remain elevated due to the restrained orderbook, yet the risk of price declines by 2025 remains an important concern. In addition, Frontline's recent share price drop has lowered its P/NAV multiple to 0.75 as of December 11th, significantly below its historical premium (Figure 28). If Frontline starts correcting towards its historically traded premium and ship prices remain stable, further share price appreciation is likely.

Discounted Free Cash Flow (DCF)

The terminal value of Frontline PLC, based on operating free cash flows beyond 2035, a perpetual growth rate (-0.48%), and a stabilized WACC (9.23%), is estimated at $8.12 billion. We discount UFCFs until 2028 using transitional WACCs for 2025-2027, aligned with the capital structure at each year's start, and apply the stabilized WACC for UFCF beyond 2028.

Discounting future cash flows and the terminal value to December 2025 yields an enterprise value (EV) of $8.62 billion. Deducting 2025 net debt and OCI of $3.36

Short-term vessel price discount (premium)	Applied P/NAV Multiple						
	1.08	1.13	1.18	1.23	1.28	1.33	1.38
10.0%	14.25	14.92	15.58	16.24	16.90	17.56	18.22
7.5%	15.07	15.77	16.47	17.16	17.86	18.56	19.26
5.0%	15.88	16.62	17.36	18.09	18.83	19.56	20.30
2.5%	16.70	17.47	18.25	19.02	19.79	20.57	21.34
0.0%	17.51	18.32	19.14	**19.95**	20.76	21.57	22.38
(2.5%)	18.33	19.18	20.03	20.87	21.72	22.57	23.42
(5.0%)	19.14	20.03	20.92	21.80	22.69	23.58	24.46
(7.5%)	19.96	20.88	21.81	22.73	23.65	24.58	25.50
(10.0%)	20.77	21.73	22.70	23.66	24.62	25.58	26.55

Table 7: NAV-Valuation sensitivity analysis. Source: Analyst estimate

Stabilized WACC	Perpetual growth rate						
	1.0%	0.5%	0.0%	(0.5%)	(1.0%)	(1.5%)	(2.0%)
7.23%	37.84	35.64	33.75	32.10	30.65	29.37	28.23
7.73%	34.47	32.63	31.04	29.64	28.40	27.29	26.30
8.23%	31.55	30.01	28.65	27.45	26.38	25.42	24.56
8.73%	29.02	27.70	26.54	25.50	24.57	23.74	22.98
9.23%	26.78	25.66	24.65	**23.75**	22.94	22.21	21.54
9.73%	24.80	23.83	22.96	22.17	21.46	20.81	20.22
10.23%	23.03	22.19	21.43	20.74	20.11	19.53	19.01
10.73%	21.44	20.71	20.04	19.43	18.87	18.36	17.89
11.23%	20.01	19.36	18.77	18.23	17.73	17.28	16.86

Table 8: DCF-Valuation sensitivity analysis with 0.5 p.p. increments. Source: Analyst estimate

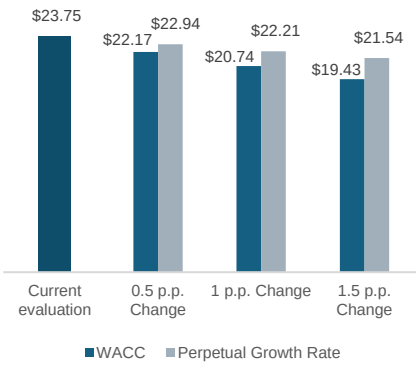

Figure 29: The incremental impact of an increasing WACC and decreasing perpetual growth rate, on the share price. Source: Analyst estimate

billion and -$472,000, results in a market capitalization of $5.29 billion. With 222.6 million shares outstanding as of 2024 (unchanged in recent years and expected to remain stable), this equates to a target price of **$23.75** per share as of December 2025 (See Table 8 for further information). This represents a 67.1% upside from the share price of $14.12 as of December 14, 2024.

Sensitivity Analysis and Monte Carlo Simulation

The sensitivity analysis of the NAV-valuation tests two key variables: potential changes in vessel market prices by the end of 2025 and the P/NAV multiple at which Frontline is expected to trade. Seen in Table 7, a 10% reduction in vessel prices, at Frontline' historical P/NAV multiple of 1.23, reduces the share price outlook by 18.6% to $16.24, while a similar increase in prices results in a share price of $23.66. However, the upside potential despite price reductions, would vanish if Frontline traded at any lower P/NAV multiple. Table 11 in the Appendix, which models larger fluctuations, illustrates that if ship prices remain at current levels but Frontline trades at a P/NAV of 0.98 (alike its multiple of 0.99 in 2022, and the median peer multiple of 0.97), the share price of $15.89 would align more closely with the current one. Conversely, if Frontline continues trading within its recent P/NAV range of 0.75-0.85, any potential upside from the current share price would be eliminated. This displays the sensitivity of the valuation to changes in both ship prices and the market's perception of Frontline's premium valuation.

The sensitivity analysis of the DCF valuation examines the impact of a constant WACC and the perpetual growth rate. The net debt of 2025 is kept constant at the projected $3.36 billion. The applied WACC range, from 7.07% to 11.90%, was derived through its own sensitivity analysis: incorporating fluctuations in the cost of equity (driven by sensitivities in the equity beta and market risk premium) and the cost of debt (considering variations in implied credit spreads and probability of default assumptions). Combined with the perpetual growth rate range of -2.3% to 1.3%, the DCF sensitivity analysis yields an implied share price between $15.36 to $40.62 (see Table 10 in Appendix). Notably, the sensitivity analysis implies no downside from the current share price of $14.21 (December 12), with upside eliminated at a WACC of 12.23% and a perpetual growth rate of -3.3%.

As shown in Table 8 and Figure 29, WACC dominates the valuation due to the higher present value of UFCFs ($5.2 billion) compared to the present terminal value ($3.4 billion). Testing one variable while keeping the other constant, a 1 percentage point (p.p.) increase/decrease in the WACC impacts the share price by -12.7% and +15.6%, compared to -6.5% and +8.0% for a similar change in the perpetual growth rate. However, a 2 p.p. increase in the WACC alone, yielding a price of $18.23, marks a significant reduction from the current estimate of $23.75.

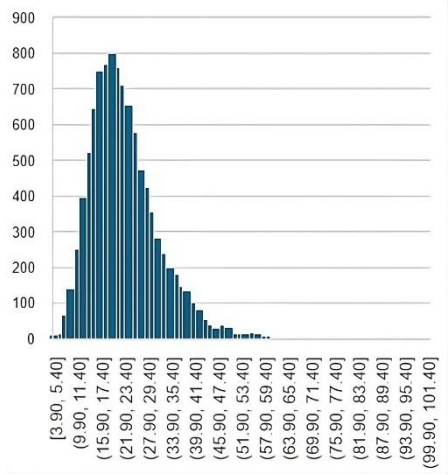

Figure 30: An outcome of a Monte Carlo simulation of 10,000 iterations

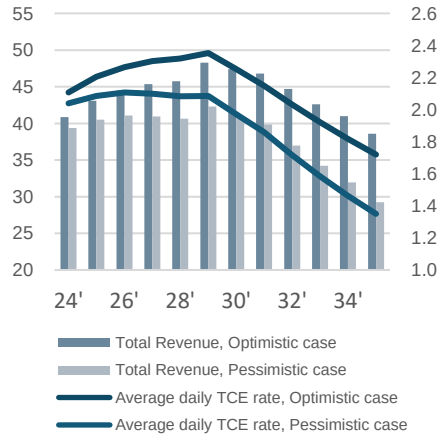

Figure 31: TCE rates (primary axis, $ thousands) and total revenue (secondary axis, $ millions)

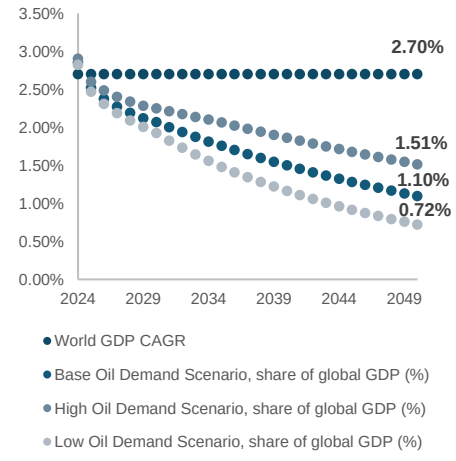

Figure 32: The oil shipping industry's projected share (%) of total world GDP, given the three scenarios. Source: Analyst estimate

Given the cyclical nature of the shipping industry, a higher WACC is arguably well-justified, making the DCF-valuation more prone to changes in risk assumptions.

A Monte Carlo simulation was performed to stress-test TCE rate estimates, operating expenses, and perpetual growth assumptions in the DCF model. TCE rates are projected to grow YoY by 2.0% (VLCC), 1.4% (Suezmax), and 0.5% (LR2) from 2025–2029, then decline annually by -5.5% (VLCC), -5.4% (Suezmax), and -7.5% (LR2) from 2030–2035. These rates were randomized using a normal distribution with a 20 p.p. standard deviation, mimicking historical volatility. For example, VLCC TCE growth fluctuates between -18% to +22% (2025–2029) and -25.5% to +14.5% (2030–2035). Revenues were calculated based on these fluctuating rates. Operating expenses averaging 50.7% of revenue with a 1.2 p.p. standard deviation, and perpetual growth, centered at -0.48% with a 1 p.p. standard deviation, were included in the simulation and randomized.

The simulation, comprising 10,000 iterations, yielded a median share price outcome of $21.76, illustrated in Figure 30. The result of this Monte Carlo simulation supports the DCF valuation even with large volatility in our TCE rate estimates, and modest variations in operating expenses and perpetual growth.

Scenario analysis

Scenario analysis extends the DCF valuation by incorporating optimistic and pessimistic assumptions about TCE rates, key financial line-items and the perpetual growth rate. The optimistic scenario assumes strong oil demand, with OPEC's 2030 and 2035 targets of 113.3 mb/d and 116.5 mb/d, and production growing toward EIA's 2050 estimate of 120 mb/d. Conversely, the pessimistic scenario aligns with IEA's low-demand case of 104.7 mb/d in 2030, declining to 89.7 mb/d by 2035, and production declining toward Rystad Energy's 2050 projection of 55 mb/d. Differences in geopolitical risks are incorporated, reflecting scenarios where disruptions in regions like the Red Sea either marginally elevate freight rates or taper off faster than expected. Together, these differences equate different TCE rate projections, consequently generating different revenue outlooks (see Figure 31).

Income statement and balance sheet adjustments reflect scenario-specific cost pressures. Voyage expenses, the largest cost component, are modeled as a percentage of total spot TCE, increasing in the optimistic scenario and decreasing in the pessimistic scenario to reflect utilization-driven cost shifts. Ship operating expenses (as a percentage of vessels and equipment) and administrative expenses (as a percentage of revenue) remain fixed in the optimistic case, as we do not anticipate proportional cost savings, but face upward pressure in the pessimistic scenario in the case of inefficiencies and/or general cost increases.

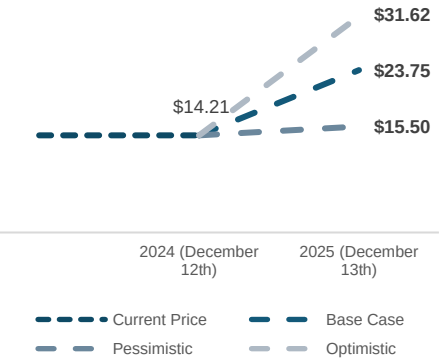

Figure 33: Implied share price per scenario. Source: Analyst estimate

NWC requirements, including operational cash, receivables, and payables, are adjusted modestly to reflect scenario-based variations, impacting balance sheet strength. However, total debt levels are set to remain constant to those of the base case, as significant deviations are unlikely by 2025.

Finally, perpetual growth rates vary with different oil demand and oil price estimates. In the optimistic case, growth rates align with OPEC's long-term oil demand target of 130 mb/d by 2050 and the IEA's higher oil price projection of $75 per barrel. In contrast, the pessimistic scenario reflects McKinsey's 2050 oil demand estimate of 74 mb/d and the IEA's lower price projection of $58 per barrel. Both scenarios imply a declining share of the oil shipping industry's percentage of global GDP (see Figure 32). These declines result in a perpetual growth rate of +0.6% in the optimistic case and -2.1% in the pessimistic case.

Discounted cash flow analysis results in a target price of $15.50 in the pessimistic scenario and $31.62 in the optimistic scenario, compared to the base case target price of $23.75 (see Figure 33). This implies 9.1% and a staggering 122.5% share appreciations from the Dec. 12th share price of $14.21, respectively. See Table 14 and 15 in the Appendix for share price sensitivity analysis of the scenarios.

Investment Risks

In addition to systemic risks outlined throughout report, such as the industry's sensitivity to macroeconomic and geopolitical volatility, challenges from the energy transition due to Frontline's reliance on crude transport and limited diversification relative to peers, and evolving fleet dynamics with the shadow fleet and potential overcapacity post-2027 impacting rates, we highlight three pressing risks.

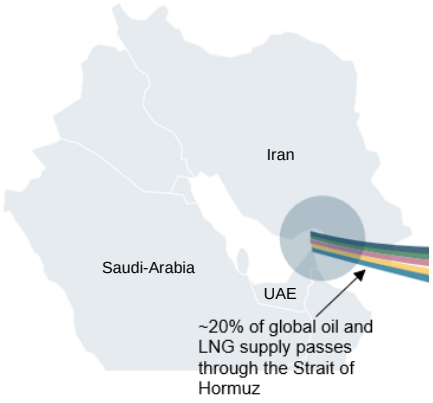

Figure 34: The Strait of Hormuz. Source: Danmarks Skibskredit

Investors should monitor the state of the Strait of Hormuz, through which 30% of global crude oil transport has passed through in 2024. Disruptions at this checkpoint (whether military, such as an Israeli attack on Iranian oil facilities, weather-related, or otherwise) could spike oil prices and sharply reduce global oil volumes, plummeting tonne-mile demand and impacting tanker profitability. (Danmarks Skibskredit, 2024) While geopolitical conflicts may temporarily boost tonne-mile demand, they can cause large volatility in the industry and increased operational costs, such as insurance premiums and crew safety risks.

Beyond systemic risks, an ongoing legal dispute with minority shareholder FourWorld Capital Management LLC represents a critical firm-specific risk. The dispute challenges Frontline's 2023 transactions with Euronav NV and Compagnie Maritime Belge NV (CMB), alleging unfair treatment of minority shareholders in the $2.35 billion acquisition of 24 Euronav tankers and the sale of its 26% Euronav stake to CMB. FourWorld seeks to cancel the transactions and claim damages, with court hearings set for May 2026 in Antwerp. (Frontline Q3 report) An adverse

ruling could disrupt Frontline's fleet expansion and impose financial liabilities, with prolonged litigation risks, undermining investor confidence and pressuring the share price. Although management disputes the claims, the uncertainty poses risks to valuation and strategic flexibility.

Finally, the introduction of the EU's 15% global minimum tax for MNC's with revenues exceeding €750 million, effective January 1, 2024, creates additional uncertainty. While Frontline benefits from Cyprus's tonnage tax system, as of Dec. 31 2023, Cyprus had not enacted the legislation. Frontline's management stated in 2023 to be evaluating the draft bill's implications, but has not provided updates since (Council of the European Union, 2022; Annual Report, 2023). As recital 17 excludes shipping income from the global minimum tax, preserving the tonnage tax regime, non-shipping income could be subject to the Income Inclusion Rule (IIR) or Undertaxed Profit Rule (UTPR) if Cyprus does not align its legislation with the directive (Council of the European Union, 2022) Thus, the primary uncertainty for investors surrounds Cyprus's compliance and Frontline's lack of updates. While shipping income is likely protected, any legislative delays or future policy shifts could introduce higher tax liabilities, and this risk, both to equity and creditors, could elevate the cost of capital.

Conclusion and Final Recommendation

Figure 35: Football field of valuation methodologies, with final share price target shown in yellow. Source: Analyst estimates

In conclusion, our analysis suggests that Frontline's current share price remains meaningfully undervalued. The combination of a strong DCF valuation, supported by conservative assumptions and sensitivity testing, a NAV valuation reflecting Frontline's premium fleet position, and a CCA evaluation, aggregately yields a price target of **$19.07** by December 2025, representing a **34.2%** upside. Despite cyclical volatility and ongoing geopolitical uncertainties, Frontline's modern fleet, strategic focus on spot markets, and disciplined capital structure position it to capitalize on rising long-haul crude trade and constrained fleet supply.

Furthermore, Frontline's commitment to an 80% payout ratio, resulting in an expected cash dividend payout of $351.5 million during the next year, yields a 42.5% total shareholder return by end of 2025. Risks, including shareholder litigation and geopolitical disruptions, are notable but remain mitigated by strong operational fundamentals and cash flow resilience. We confidently reiterate our **BUY** rating, expecting Frontline to deliver sustainable value for shareholders as the industry navigates energy transition and supply chain dynamics.

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Appendix

Cash Flow Map, in $ thousands

	Historical Period									Medium-Term							Long-Term				
	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 FY	2025 FY	2026 FY	2027 FY	2028 FY	2029 FY	2030 FY	2031 FY	2032 FY	2033 FY	2034 FY	2035 FY	
Result Core (NOPAT)		220,955	292,542	69,875	72,402	240,967	502,032	676	436,544	722,381	610,825	668,848	699,961	724,846	738,960	779,753	738,422	701,116	629,662	572,552	522,723	464,540
Depreciation		52,607	141,043	141,748	122,566	117,850	138,770	165,205	165,170	230,942	284,164	281,557	286,690	286,656	286,504	296,416	308,816	322,067	332,217	336,516	342,503	345,271
Recurrent Gross Cash Flow		273,562	433,585	211,623	194,968	358,817	640,802	165,881	601,714	953,323	894,989	950,406	986,651	1,011,502	1,025,464	1,076,168	1,047,239	1,023,182	961,879	909,068	865,227	809,811
Less: Δ in Working Capital		173,779	33,163	5,420	31,267	8,077	(21,591)	20,116	169,572	13,023	31,410	12,470	6,218	2,604	(866)	18,279	(9,894)	(6,744)	(21,085)	(21,505)	(16,944)	(22,745)
Operating Cash		11,477	15,570	(5,700)	5,109	11,430	14,022	(25,007)	36,085	19,715	5,624	3,732	1,998	992	27	4,974	(2,720)	(1,925)	(5,789)	(5,746)	(4,564)	(6,070)
Receivables from contracts with customers		*24,809*	*(4,669)*	*285*	*2,477*	*5,218*	*(7,812)*	*17,444*	*22,139*	*(19,103)*	*22,773*	*2,622*	*1,404*	*697*	*19*	*3,495*	*(1,911)*	*(1,352)*	*(4,067)*	*(4,038)*	*(3,207)*	*(4,265)*
Lease receivables		*19,234*	*(3,619)*	*221*	*1,920*	*4,045*	*(14,459)*	*5,005*	*37,443*	*8,833*	*(9,346)*	*2,033*	*1,088*	*540*	*15*	*2,710*	*(1,481)*	*(1,048)*	*(3,153)*	*(3,130)*	*(2,486)*	*(3,306)*
Related Party Receivables		*6,777*	*(5,139)*	*(27)*	*2,827*	*7,686*	*(2,326)*	*(1,579)*	*1,809*	*5,807*	*1,421*	*764*	*409*	*203*	*6*	*1,019*	*(557)*	*(394)*	*(1,185)*	*(1,177)*	*(935)*	*(1,243)*
Accounts receivable		50,820	(13,427)	479	7,224	16,949	(24,597)	20,870	61,391	(4,463)	14,848	5,419	2,902	1,440	40	7,223	(3,949)	(2,795)	(8,406)	(8,345)	(6,628)	(8,814)
Voyages in Progress		30,579	(6,829)	(7,084)	21,183	11,902	(36,634)	3,787	72,146	(577)	5,754	4,279	2,291	1,144	36	5,702	(3,110)	(2,200)	(6,621)	(6,573)	(5,220)	(6,946)
Prepaid Expenses and Accrued Income		1,387	1,426	429	1,634	3,363	(3,442)	1,174	5,356	1,498	1,977	(956)	(973)	(973)	(973)	393	(122)	171	(285)	(859)	(546)	(934)
Other Current Assets		(1,718)	(405)	10	5,346	1,167	(3,797)	1,122	1,434	1,973	(712)	84	0	(48)	(94)	275	(141)	(75)	(303)	(357)	(271)	(380)
Inventories		6,642	11,923	24,013	7,050	(2,101)	(8,806)	22,929	26,327	28,047	(5,275)	1,675	3	(948)	(1,859)	5,461	(2,805)	(1,487)	(6,021)	(7,091)	(5,369)	(7,542)
Trade and other payables		*(99,890)*	*(14,288)*	*15,909*	*6,462*	*33,185*	*(41,330)*	*(11,638)*	*38,169*	*16,699*	*634*	*1,275*	*3*	*(721)*	*(1,415)*	*4,157*	*(2,135)*	*(1,132)*	*(4,583)*	*(5,398)*	*(4,087)*	*(5,741)*
Related Party Payables		*25,298*	*(10,617)*	*(9,182)*	*9,817*	*1,448*	*(333)*	*16,397*	*(5,002)*	*16,471*	*(9,828)*	*489*	*1*	*(276)*	*(542)*	*1,593*	*(818)*	*(434)*	*(1,756)*	*(2,069)*	*(1,566)*	*(2,200)*
Accounts payable		(74,592)	(24,905)	6,727	16,279	34,633	(41,663)	4,759	33,167	33,170	(9,193)	1,764	3	(998)	(1,957)	5,750	(2,953)	(1,565)	(6,339)	(7,467)	(5,653)	(7,941)
Less: Δ in Capital Expensitures		419,069	471,331	777,761	229,843	214,814	868,439	407,496	265,880	1,165,468	864,887	0	(0)	151,626	108,540	414,223	276,472	275,459	235,397	87,478	112,905	40,235
Change in Vessels and Equipment		327,279	288,197	864,735	134,625	103,150	727,239	160,156	183,352	982,517	581,350	(281,106)	(286,252)	(286,252)	(286,252)	115,673	(35,783)	50,364	(83,794)	(252,509)	(160,526)	(274,604)
Change in Newbuildings		39,183	42,091	(228,722)	(27,348)	(6,186)	2,430	82,135	(82,642)	(47,991)	-	-	-	151,626	108,540	2,193	3,442	(96,972)	(13,025)	3,471	(69,072)	(30,432)
Less: Δ in Other non-current assets		(1,261)	(417)	-	12,593	(3,320)	(2,076)	(4,142)	(1,548)	4,822	(6,329)	-	-	-	-	-	-	-	-	-	-	-
Less: Δ in Goodwill		225,273	-	(112,821)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Δ in ROU-Assets		694,226	(157,793)	(284,735)	(161,022)	339,772	(368,504)	(13,150)	(45,686)	(872)	-	-	-	-	-	-	-	-	-	-	-	-
Less: Δ in Other non-current payables		(2,840)	(272)	1,787	142	121	(2,677)	2,747	(1,061)	1,581	(1,121)	84	86	40	53	(35)	10	14	29	74	69	91
Core Unlevered Free Cash Flow		**(1,234,684)**	**87,573**	**(175,789)**	**82,145**	**(200,647)**	**167,211**	**(247,186)**	**214,557**	**(230,699)**	**6,143**	**937,851**	**980,348**	**857,232**	**917,737**	**643,701**	**780,651**	**754,454**	**747,537**	**843,021**	**769,197**	**792,229**
			107.1%	-300.7%	146.7%	-344.3%	183.3%	-247.8%	186.8%	-207.5%	102.7%	15168.1%	4.5%	-12.6%	7.1%	-29.9%	21.3%	-3.4%	-0.9%	12.8%	-8.8%	3.0%
Result Non-Core		(72,353)	(122,435)	(264,162)	8,245	2,069	(1,029)	28,486	82,844	87,304	108,312	1,283	1,283	1,283	-	-	-	**13,684**	-	-	**12,516**	**12,516**
Change in Non-Core IC		(956,916)	(12,410)	9,300	(20,190)	41,545	(88,680)	3,659	305,937	95,572	(337,993)	(32,463)	(14,093)	252	7	1,266	(692)	(490)	(1,473)	(1,463)	(1,162)	(1,545)
Non-Core Unlevered Free Cash Flow		**884,563**	**(110,025)**	**(273,462)**	**28,435**	**(39,476)**	**87,651**	**24,827**	**(223,093)**	**(8,268)**	**446,305**	**33,746**	**15,376**	**1,031**	**(7)**	**(1,266)**	**692**	**14,174**	**1,473**	**1,463**	**13,678**	**14,061**
Total Unlevered Free Cash Flow		**(350,121)**	**(22,452)**	**(449,251)**	**110,580**	**(240,123)**	**254,862**	**(222,359)**	**(8,536)**	**(238,967)**	**452,448**	**971,598**	**995,724**	**858,262**	**917,730**	**642,434**	**781,343**	**768,627**	**749,011**	**844,483**	**782,875**	**806,290**
Financing Result		(24,222)	(52,593)	(70,035)	(89,045)	(103,050)	(87,997)	(44,123)	(43,851)	(153,271)	(269,928)	(230,812)	(163,976)	(155,181)	(148,842)	(141,352)	(143,646)	(143,196)	(143,358)	(143,353)	(141,722)	(141,351)
Δ in Net Financial Assets		(176,021)	(139,240)	(567,257)	6,425	(136,983)	(144,092)	(221,033)	89,934	(1,031,205)	(268,643)	179,418	185,054	133,244	152,016	(38,323)	6,800	(1,835)	(4,096)	28,893	5,568	14,240
Δ in Shareholder's Equity (Transactions w/ Shareholders)		198,322	(64,195)	(47,971)	(15,110)	206,190	(310,957)	45,449	142,321	(638,967)	(451,162)	(561,368)	(646,694)	(569,837)	(616,872)	(539,406)	(630,896)	(627,266)	(609,749)	(672,236)	(635,585)	(650,700)
Δ Shareholder's Equity		*322,702*	*53,319*	*(312,293)*	*(23,508)*	*346,176*	*102,049*	*30,488*	*617,858*	*17,447*	*(1,954)*	*(122,049)*	*(109,426)*	*1,111*	*(26,753)*	*98,995*	*(36,121)*	*(55,663)*	*(123,446)*	*(243,038)*	*(242,067)*	*(314,994)*
Net Income (Loss)		*124,380*	*117,514*	*(264,322)*	*(8,398)*	*139,986*	*413,006*	*(14,961)*	*475,537*	*656,414*	*449,208*	*439,319*	*537,268*	*570,948*	*590,118*	*638,401*	*594,776*	*571,603*	*486,303*	*429,198*	*393,518*	*335,705*
Financing Cash Flow		**350,121**	**22,452**	**449,251**	**(110,580)**	**240,123**	**(254,862)**	**222,359**	**8,536**	**238,967**	**(452,448)**	**(971,598)**	**(995,724)**	**(858,262)**	**(917,730)**	**(642,434)**	**(781,343)**	**(768,627)**	**(749,011)**	**(844,483)**	**(782,875)**	**(806,290)**

Income Statement, in $ thousands

	Historical Period										Medium-Term Forecast							Long-Term Forecast				
	2014 FY	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 FY	2025 FY	2026 FY	2027 FY	2028 FY	2029 FY	2030 FY	2031 FY	2032 FY	2033 FY	2034 FY	2035 FY
Core Operations																						
Revenue																						
Voyage Charter Revenues	202,283	331,388	502,284	518,156	690,901	887,495	1,013,068	663,995	1,345,964	1,723,217	1,813,313	1,880,314	1,916,190	1,934,096	1,934,660	2,023,936	1,975,242	1,940,803	1,837,146	1,734,226	1,652,494	1,543,739
Time Charter Revenues	37,928	121,091	226,058	106,237	26,067	35,433	185,788	71,236	71,791	63,771	77,557	80,318	81,797	82,427	82,372	86,092	83,941	82,400	77,839	73,331	69,736	65,020
Administrative Income	1,615	5,878	23,770	20,185	24,005	33,704	22,331	14,150	12,453	15,196	17,432	18,075	18,419	18,590	18,595	19,452	18,984	18,652	17,654	16,664	15,877	14,831
Total Revenue	**241,826**	**458,357**	**752,112**	**644,578**	**740,973**	**956,632**	**1,221,187**	**749,381**	**1,430,208**	**1,802,184**	**1,908,302**	**1,978,708**	**2,016,406**	**2,035,113**	**2,035,627**	**2,129,480**	**2,078,167**	**2,041,855**	**1,932,639**	**1,824,221**	**1,738,108**	**1,623,590**
Growth %		*89.5%*	*64.1%*	*-14.3%*	*15.0%*	*29.1%*	*27.7%*	*-38.6%*	*90.9%*	*26.0%*	*5.9%*	*3.7%*	*1.9%*	*0.9%*	*0.0%*	*4.6%*	*-2.4%*	*-1.7%*	*-5.3%*	*-5.6%*	*-4.7%*	*-6.6%*
Expenses																						
Ship Operating Expenses	(49,607)	(64,357)	(119,515)	(135,728)	(130,623)	(157,007)	(183,063)	(164,246)	(175,164)	(176,533)	(250,201)	(236,713)	(222,978)	(209,243)	(195,508)	(201,059)	(199,342)	(201,758)	(197,738)	(185,622)	(177,920)	(164,744)
% Vessels & Equipment	*5.8%*	*5.4%*	*8.1%*	*5.8%*	*5.3%*	*6.1%*	*5.5%*	*4.7%*	*4.8%*	*3.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*
Voyage Expenses and Commission	(103,708)	(109,706)	(161,641)	(259,334)	(377,772)	(395,482)	(353,098)	(392,697)	(605,544)	(618,595)	(696,481)	(722,177)	(735,936)	(742,764)	(742,951)	(777,205)	(758,477)	(745,224)	(705,363)	(665,793)	(634,364)	(592,568)
% of Total spot TCE						*76.6%*	*47.9%*	*143.7%*	*79.4%*	*55.0%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*
Administrative Expenses	(4,943)	(10,582)	(37,026)	(37,603)	(37,294)	(45,019)	(44,238)	(26,424)	(47,374)	(53,528)	(56,680)	(65,542)	(66,791)	(67,411)	(67,428)	(70,537)	(68,837)	(67,634)	(64,016)	(60,425)	(57,573)	(53,780)
% of Total Revenue	*-2.0%*	*-2.3%*	*-4.9%*	*-5.8%*	*-5.0%*	*-4.7%*	*-3.6%*	*-3.5%*	*-3.3%*	*-3.0%*	*3.0%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*
OPEX % of revenue	*65.4%*	*40.3%*	*42.3%*	*67.1%*	*73.6%*	*62.5%*	*47.5%*	*77.8%*	*57.9%*	*47.1%*	*52.6%*	*51.8%*	*50.9%*	*50.1%*	*49.4%*	*49.3%*	*49.4%*	*49.7%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*
EBITDA	83,568	273,712	433,930	211,913	195,284	359,124	640,788	166,014	602,126	953,528	904,940	954,275	990,701	1,015,696	1,029,740	1,080,680	1,051,511	1,027,238	965,522	912,380	868,251	812,498
Depreciation	(31,845)	(52,607)	(141,043)	(141,748)	(122,566)	(117,850)	(138,770)	(165,205)	(165,170)	(230,942)	(284,164)	(281,557)	(286,690)	(286,656)	(286,504)	(296,416)	(308,816)	(322,067)	(332,217)	(336,516)	(342,503)	(345,271)
% Vessels & Equipment	*3.7%*	*4.4%*	*9.5%*	*6.1%*	*4.9%*	*4.6%*	*4.2%*	*4.8%*	*4.5%*	*5.0%*	*5.4%*	*5.7%*	*6.2%*	*6.6%*	*7.0%*	*7.1%*	*7.4%*	*7.7%*	*8.1%*	*8.7%*	*9.2%*	*10.1%*
Core Result Before Taxes	**51,723**	**221,105**	**292,887**	**70,165**	**72,718**	**241,274**	**502,018**	**809**	**436,956**	**722,586**	**620,776**	**672,718**	**704,011**	**729,040**	**743,235**	**784,264**	**742,695**	**705,172**	**633,304**	**575,864**	**525,748**	**467,228**
Provision for Income Tax	-	(150)	(345)	(290)	(316)	(307)	14	(133)	(412)	(205)	(9,951)	(3,870)	(4,050)	(4,194)	(4,275)	(4,511)	(4,272)	(4,056)	(3,643)	(3,313)	(3,024)	(2,688)
% of EBIT		*0.1%*	*0.1%*	*0.4%*	*0.4%*	*0.1%*	*0.0%*	*16.4%*	*0.1%*	*0.0%*	*1.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*
Result Core (NOPAT)	**51,723**	**220,955**	**292,542**	**69,875**	**72,402**	**240,967**	**502,032**	**676**	**436,544**	**722,381**	**610,825**	**668,848**	**699,961**	**724,846**	**738,960**	**779,753**	**738,422**	**701,116**	**629,662**	**572,552**	**522,723**	**464,540**
Non-Core and Core but Non-recurring operations																						
Finance Lease Interest Income	-	577	2,194	1,748	1,293	690	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Income	68,989	108,923	(2,683)	2,381	10,206	3,422	29,902	4,060	8,040	24,080	107,029	-	-	-	-	-	-	13,684	-	-	12,516	12,516
Charter Hire Expenses	-	(43,387)	(67,846)	(19,705)	(21,244)	(8,471)	(9,557)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Uncollectible Receivables	-	-	(4,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent Rental Income/expense	-	-	18,621	26,148	19,738	2,607	(14,568)	3,606	623	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Loss on Vessels and Vessels Held Under Fi	-	-	(61,692)	(164,187)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Loss on Goodwill	-	-	-	(112,821)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Received	(148)	320	204	1,213	506	403	109	18,367	1,579	36,852	1,283	1,283	1,283	1,283	-	-	-	-	-	-	-	-
Share of Result of Associated Companies	16,064	2,727	-	-	246	1,681	(4,424)	(724)	14,243	3,383	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Loss on Securities	-	(10,507)	(7,233)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain/loss on Marketable Securities	16,850	-	-	1,061	(2,500)	1,737	(2,491)	7,677	58,359	22,989	-	-	-	-	-	-	-	-	-	-	-	-
Non-Core Result Before Taxes	**101,755**	**58,653**	**(122,435)**	**(264,162)**	**8,245**	**2,069**	**(1,029)**	**32,986**	**82,844**	**87,304**	**108,312**	**1,283**	**1,283**	**1,283**	**-**	**-**	**-**	**13,684**	**-**	**-**	**12,516**	**12,516**
Tax Adjustments	-	-	-	-	-	-	-	(4,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings of Discontinued Operations	(51,159)	(131,006)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Result Non-Core	**50,596**	**(72,353)**	**(122,435)**	**(264,162)**	**8,245**	**2,069**	**(1,029)**	**28,486**	**82,844**	**87,304**	**108,312**	**1,283**	**1,283**	**1,283**	**-**	**-**	**-**	**13,684**	**-**	**-**	**12,516**	**12,516**
Financing Operations																						
										257,936.03												
Interest Expense	(7,421)	(17,621)	(56,687)	(69,815)	(93,275)	(94,461)	(72,160)	(61,506)	(98,712)	(178,498)	(287,803)	(237,681)	(171,221)	(162,557)	(156,271)	(148,981)	(151,351)	(150,734)	(150,616)	(150,194)	(148,194)	(147,439)
YoY growth		*137.4%*	*221.7%*	*23.2%*	*33.6%*	*1.3%*	*-23.6%*	*-14.8%*	*60.5%*	*80.8%*	*61.2%*	*-17.4%*	*-28.0%*	*-5.1%*	*-3.9%*	*-4.7%*	*1.6%*	*-0.4%*	*-0.1%*	*-0.3%*	*-1.3%*	*-0.5%*
% of previous year's Total Debt		*-3.4%*	*-4.2%*	*-5.0%*	*-5.0%*	*-5.2%*	*-3.5%*	*-2.8%*	*-4.2%*	*-7.5%*	*7.5%*	*6.4%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*
Interest Income	118	47	367	588	843	1,506	705	121	1,463	16,496	18,605	7,472	7,680	7,788	7,825	8,007	8,088	7,920	7,640	7,222	6,848	6,462
% of average C&CE		*0.0%*	*0.2%*	*0.4%*	*1.0%*	*1.3%*	*0.4%*	*0.1%*	*0.8%*	*5.9%*	*5.9%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*
Foreign currency exchange gain	18	134	9	(55)	(869)	(26)	2,035	-	16	1,569												
Foreign currency exchange loss	-	-	-	-	-	-	-	(116)	-	(335)												
Gain/loss on Derivatives	(8,779)	(6,782)	3,718	(753)	4,256	(10,069)	(18,577)	17,509	53,623	8,039												
Other Finance Expenses	-	-	-	-	-	-	-	(131)	(241)	(542)	(730)	(603)	(434)	(412)	(396)	(378)	(384)	(382)	(382)	(381)	(376)	(374)
% of Interest expense								*0.21%*	*0.24%*	*0.30%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*
Result Financing	**(16,064)**	**(24,222)**	**(52,593)**	**(70,035)**	**(89,045)**	**(103,050)**	**(87,997)**	**(44,123)**	**(43,851)**	**(153,271)**	**(269,928)**	**(230,812)**	**(163,976)**	**(155,181)**	**(148,842)**	**(141,352)**	**(143,646)**	**(143,196)**	**(143,358)**	**(143,353)**	**(141,722)**	**(141,351)**
Net Income (Loss)	**86,255**	**124,380**	**117,514**	**(264,322)**	**(8,398)**	**139,986**	**413,006**	**(14,961)**	**475,537**	**656,414**	**449,208**	**439,319**	**537,268**	**570,948**	**590,118**	**638,401**	**594,776**	**571,603**	**486,303**	**429,198**	**393,518**	**335,705**
Other comprehensive income (loss)	-	(383)	1,122	1,488	893	106	(130)	28	226	(39)												
Comprehensive income (loss)	**86,255**	**123,997**	**118,636**	**(262,834)**	**(7,505)**	**140,092**	**412,876**	**(14,933)**	**475,763**	**656,375**	**449,208**	**439,319**	**537,268**	**570,948**	**590,118**	**638,401**	**594,776**	**571,603**	**486,303**	**429,198**	**393,518**	**335,705**
Comprehensive income attributable to non-controllin	63,214	30,244	(504)	(539)	(482)	(14)	(131)	-	-	-												
Comprehensive income (loss) attributable to the Com	**149,469**	**154,241**	**118,132**	**(263,373)**	**(7,987)**	**140,078**	**412,745**	**(14,933)**	**475,763**	**656,375**	**449,208**	**439,319**	**537,268**	**570,948**	**590,118**	**638,401**	**594,776**	**571,603**	**486,303**	**429,198**	**393,518**	**335,705**

Statement of Financial Position, in $ thousands

	Historical Period											Medium-Term							Long-Term				
	2014 FY	2015 FY	2016 FY	2017 FY	2018 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 Q2	2024 Q3	2024 FY	2025 FY	2026 FY	2027 FY	2028 FY	2029 FY	2030 FY	2031 FY	2032 FY	2033 FY	2034 FY	2035 FY
Operating Invested Capital																							
Current Assets																							
Operating Cash	12,817	24,294	39,863	34,164	39,273	64,725	39,719	75,804	95,519	60,127	30,656	101,144	104,875	106,873	107,865	107,892	112,866	110,147	108,222	102,433	96,687	92,123	86,053
Receivables from contracts with customers	7,505	32,315	27,646	27,931	30,408	27,814	45,258	67,397	48,294	73,489	-	71,067	73,689	75,093	75,789	75,809	79,304	77,393	76,040	71,973	67,936	64,729	60,464
Average collection period (days)	*11*	*26*	*13*	*16*	*15*	*8*	*22*	*17*	*10*	*24*	-	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*
Lease receivables	5,819	25,052	21,433	21,654	23,574	13,160	18,165	55,608	64,441	56,973	-	55,095	57,128	58,216	58,756	58,771	61,481	59,999	58,951	55,798	52,668	50,181	46,875
Average collection period (days)	*9*	*20*	*10*	*12*	*12*	*4*	*9*	*14*	*13*	*18*		*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*
Voyages in Progress	21,588	52,167	45,338	38,254	59,437	34,705	38,492	110,638	110,061	137,845	-	115,815	120,095	122,386	123,530	123,566	129,268	126,158	123,958	117,338	110,764	105,544	98,598
% of Voyage charter revenues	*10.7%*	*15.7%*	*9.0%*	*7.4%*	*8.6%*	*3.4%*	*5.8%*	*8.2%*	*6.4%*	*12.6%*		*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*
Related Party Receivables	3,457	10,234	5,095	5,068	7,895	13,255	11,676	13,485	19,292	21,205	-	20,713	21,477	21,886	22,090	22,095	23,114	22,557	22,163	20,977	19,800	18,866	17,623
Average collection period (days)	*5*	*8*	*2*	*3*	*4*	*4*	*6*	*3*	*4*	*7*	-	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*
Inventories	19,137	25,779	37,702	61,715	68,765	57,858	80,787	107,114	135,161	148,552	-	129,886	131,561	131,564	130,616	128,758	134,219	131,414	129,927	123,906	116,815	111,446	103,904
Average Holding Period	*46*	*54*	*49*	*57*	*49*	*39*	*53*	*50*	*62*	*104*	-	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*
Prepaid Expenses and Accrued Income	2,928	4,315	5,741	6,170	7,804	7,725	8,899	14,255	15,753	17,562	-	17,730	16,774	15,801	14,827	13,854	14,247	14,126	14,297	14,012	13,153	12,608	11,674
% of Vessels and Equipment	*0.34%*	*0.36%*	*0.39%*	*0.26%*	*0.32%*	*0.23%*	*0.26%*	*0.39%*	*0.34%*	*0.32%*		*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*
Other Current Assets	2,126	408	3	13	5,359	2,729	3,851	5,285	7,258	13,111	455,930	6,546	6,630	6,630	6,583	6,489	6,764	6,623	6,548	6,245	5,887	5,617	5,236
% of COGS	*1.4%*	*0.2%*	*0.0%*	*0.0%*	*1.1%*	*0.5%*	*0.7%*	*0.7%*	*0.9%*	*2.5%*		*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*
Non-Current Assets																							
New Buildings	227,050	266,233	308,324	79,602	52,254	48,498	130,633	47,991	-	-	-	-	-	-	151,626	260,166	262,359	265,801	168,829	155,804	159,274	90,203	59,771
Right of Use Assets	-	694,226	536,433	251,698	90,676	61,944	48,794	3,108	2,236	1,864	1,643	1,609	1,157	719	314	61	3	0	0	0	0	0	0
Vessels and Equipment	861,919	1,189,198	1,477,395	2,342,130	2,476,755	3,307,144	3,467,300	3,650,652	4,633,169	5,435,574	5,354,100	5,214,519	4,933,413	4,647,161	4,360,910	4,074,658	4,190,331	4,154,548	4,204,912	4,121,118	3,868,609	3,708,083	3,433,479
Goodwill	-	225,273	225,273	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452
Other Non-current Assets	1,678	417	-	-	12,593	7,197	3,055	1,507	6,329	-	21,594	-	-	-	-	-	-	-	-	-	-	-	-
Current Liabilities																							
Trade and other payables	(154,954)	(55,064)	(40,776)	(56,685)	(63,147)	(55,002)	(43,364)	(81,533)	(98,232)	(111,128)	(144,384)	(98,866)	(100,141)	(100,144)	(99,423)	(98,008)	(102,165)	(100,030)	(98,898)	(94,315)	(88,917)	(84,831)	(79,090)
Average Payable Period	*369*	*115*	*53*	*52*	*45*	*37*	*28*	*38*	*45*	*78*		*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*
Related Party Payables	(3,422)	(28,720)	(18,103)	(8,921)	(18,738)	(19,853)	(36,250)	(31,248)	(47,719)	(54,510)	-	(37,891)	(38,380)	(38,381)	(38,104)	(37,562)	(39,155)	(38,337)	(37,903)	(36,147)	(34,078)	(32,512)	(30,312)
Average Payable Period	*8*	*60*	*24*	*8*	*13*	*14*	*24*	*15*	*22*	*38*		*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*
Non-Current Liabilities																							
Other Non-current Payables	-	(2,840)	(3,112)	(1,325)	(1,183)	(3,739)	(992)	(2,053)	(472)	(463)	(466)	(1,593)	(1,509)	(1,423)	(1,383)	(1,329)	(1,365)	(1,355)	(1,341)	(1,312)	(1,238)	(1,169)	(1,078)
% of Trade and other payables	*0.000%*	*-0.122%*	*-0.122%*	*-0.048%*	*-0.043%*	*-0.106%*	*-0.026%*	*-0.054%*	*-0.010%*	*-0.008%*	*-0.008%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*
Net Invested Capital Core	**1,007,648**	**2,463,287**	**2,668,255**	**2,913,920**	**2,904,177**	**3,680,612**	**3,928,475**	**4,150,462**	**5,103,542**	**5,912,652**	**5,831,525**	**5,708,224**	**5,439,221**	**5,158,834**	**5,026,449**	**4,847,672**	**4,983,724**	**4,941,496**	**4,888,158**	**4,770,282**	**4,499,813**	**4,253,339**	**3,925,650**
Non-Operating Invested Capital																							
Current Assets																							
Marketable Securities	-	13,853	8,428	19,231	836	8,474	2,435	236,281	7,432	8,247	5,430	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247
Other Receivables	19,545	29,121	19,416	17,294	17,068	22,950	10,109	16,462	11,912	17,291	-	25,743	26,692	27,201	27,453	27,460	28,726	28,034	27,544	26,071	24,608	23,447	21,902
% of revenue	*8.1%*	*6.4%*	*2.6%*	*2.7%*	*2.3%*	*1.9%*	*1.3%*	*1.2%*	*0.7%*	*1.5%*		*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*
Marketable Securities, Pledged to Creditor	-	-	-	10,272	8,392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Assets Held for Distribution	83,202	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Portion of investment in Finance Leases	-	9,329	9,745	9,126	10,803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Assets												-	-	-	-	-	-	-	-	-	-	-	-
Investment in Associated Companies	59,448	-	-	-	6,246	1,279	555	16,302	12,386	11,467	11,508	11,467	4,927	-	-	-	-	-	-	-	-	-	-
Derivative Instruments-receivable	-	-	4,358	4,450	7,641	-	9,675	53,993	39,117	36,548	-	36,548	9,675	-	-	-	-	-	-	-	-	-	-
Investment in Finance Leases	-	40,656	30,908	21,782	10,979	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	1,388	1,388	1,388	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Charges	4,763	3,186	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Consideration	-	-	-	-	-	-	-	-	349,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term Assets Held for Distribution	910,002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Liabilities																							
Current Liabilities Held for Distribution	(34,779)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Value of Unfavorable Time Charter Contracts	-	(6,799)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities												-	-	-	-	-	-	-	-	-	-	-	-
Derivative Instruments-payable	-	(4,081)	-	-	-	(19,261)	(5,673)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Invested Capital Non-Core	**1,042,181**	**85,265**	**72,855**	**82,155**	**61,965**	**14,830**	**18,489**	**324,426**	**419,998**	**73,553**	**16,938**	**82,005**	**49,541**	**35,448**	**35,700**	**35,707**	**36,973**	**36,281**	**35,791**	**34,318**	**32,855**	**31,694**	**30,149**
Financial Assets																							
Current Assets																							
Excess Cash	194,884	171,930	112,939	(4,019)	(10,689)	6,496	5,654	124,321	137,403	209,209	214,443	148,227	153,695	156,624	158,077	158,117	165,407	161,421	158,600	150,117	141,696	135,007	126,112
Restricted Cash	35,800	368	677	741	1,420	14,928	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Covenant Tied Cash	28,100	68,300	49,600	74,000	37,900	103,500	67,700	54,400	75,400	89,900	75,786	77,107	79,952	81,475	82,231	82,251	86,044	83,970	82,503	78,090	73,709	70,230	65,603
Current Liabilities																							
Short-term Debt and Current Portion of Long-term Di	(44,052)	(57,575)	(67,365)	(113,078)	(120,479)	(234,887)	(198,665)	(277,854)	(261,999)	(455,040)	(402,152)	(343,290)	(327,586)	(311,009)	(298,982)	(285,035)	(289,569)	(288,389)	(288,164)	(287,356)	(283,529)	(282,085)	(279,537)
% of total debt	*8.5%*	*4.3%*	*4.8%*	*6.0%*	*6.6%*	*10.6%*	*8.4%*	*11.6%*	*7.6%*	*11.8%*	*10.6%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.3%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*
Current Portion of Obligations Under Lease	-	(89,798)	(56,505)	(43,316)	(11,854)	(12,358)	(8,723)	(1,024)	(1,104)	(1,130)	(1,143)	(5,504)	(5,252)	(4,986)	(4,794)	(4,570)	(4,643)	(4,624)	(4,620)	(4,607)	(4,546)	(4,523)	(4,482)
% of total debt	*0.0%*	*6.7%*	*4.0%*	*2.3%*	*0.6%*	*0.6%*	*0.4%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
Non-Current Liabilities																							
Long-term Debt	(473,523)	(748,881)	(914,592)	(1,467,074)	(1,610,293)	(1,908,924)	(2,126,910)	(2,112,460)	(3,194,464)	(3,402,413)	(3,386,743)	(3,366,571)	(3,212,558)	(3,049,995)	(2,932,049)	(2,795,272)	(2,839,742)	(2,828,167)	(2,825,960)	(2,818,039)	(2,780,508)	(2,766,343)	(2,741,354)
% of total debt	*91.5%*	*55.8%*	*65.1%*	*78.1%*	*88.0%*	*86.4%*	*89.4%*	*88.3%*	*92.4%*	*88.2%*	*89.3%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*
Obligation Under Lease	-	(446,553)	(366,095)	(255,700)	(87,930)	(52,644)	(43,979)	(2,372)	(1,430)	(942)	(686)	(24,805)	(23,670)	(22,473)	(21,604)	(20,596)	(20,923)	(20,838)	(20,822)	(20,764)	(20,487)	(20,383)	(20,199)
% of total debt	*0.0%*	*33.3%*	*26.1%*	*13.6%*	*4.8%*	*2.4%*	*1.8%*	*0.1%*	*0.0%*	*0.0%*	*0.0%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*
Long-term Liabilities Held for Distribution	(343,688)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest	(323,770)	(61)	(168)	(321)	(417)	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Net Financial Assets	**(926,249)**	**(1,102,270)**	**(1,241,509)**	**(1,808,767)**	**(1,802,342)**	**(2,083,417)**	**(2,304,451)**	**(2,214,517)**	**(3,245,722)**	**(3,559,944)**	**(3,500,023)**	**(3,514,365)**	**(3,334,947)**	**(3,149,893)**	**(3,016,649)**	**(2,864,632)**	**(2,902,955)**	**(2,896,155)**	**(2,897,990)**	**(2,902,087)**	**(2,873,193)**	**(2,867,625)**	**(2,853,385)**
Total equity attributable to shareholders of the c	**1,123,580**	**1,446,282**	**1,499,601**	**1,187,308**	**1,163,800**	**1,612,025**	**1,642,513**	**2,260,371**	**2,277,818**	**2,426,261**	**2,348,440**	**2,275,864**	**2,153,815**	**2,044,389**	**2,045,500**	**2,018,747**	**2,117,742**	**2,081,621**	**2,025,958**	**1,902,513**	**1,659,475**	**1,417,408**	**1,102,414**
Total Debt	(861,263)	(1,342,807)	(1,404,557)	(1,879,168)	(1,830,556)	(2,208,813)	(2,378,277)	(2,393,710)	(3,458,997)	(3,859,525)	(3,790,724)	(3,740,170)	(3,569,066)	(3,388,463)	(3,257,428)	(3,105,472)	(3,154,878)	(3,142,019)	(3,139,566)	(3,130,766)	(3,089,070)	(3,073,334)	(3,045,571)
Net Debt	**(602,479)**	**(1,102,209)**	**(1,241,341)**	**(1,808,446)**	**(1,801,925)**	**(2,083,889)**	**(2,304,923)**	**(2,214,989)**	**(3,246,194)**	**(3,560,416)**	**(3,500,495)**	**(3,514,837)**	**(3,335,419)**	**(3,150,365)**	**(3,017,121)**	**(2,865,104)**	**(2,903,427)**	**(2,896,627)**	**(2,898,462)**	**(2,902,559)**	**(2,873,665)**	**(2,868,097)**	**(2,853,857)**

Nov 2024	Fleet	15 +	% above 15	20 +	% above 20	Orderbook	% of Fleet
VLCC	883	295	33.4 %	131	14.8 %	67	7.6 %
Suezmax	611	236	38.6 %	108	17.7 %	95	15.5 %
LR2	445	129	29.0 %	31	7.0 %	167	37.5 %
Aframax	679	385	56.7 %	163	24.0 %	36	5.3 %
Total Fleet	**2 618**	**1 045**	**39.9 %**	**433**	**16.5 %**	**365**	**13.9 %**

Figure 36: The global orderbook. Source: Frontline Q3 2024 presentation.

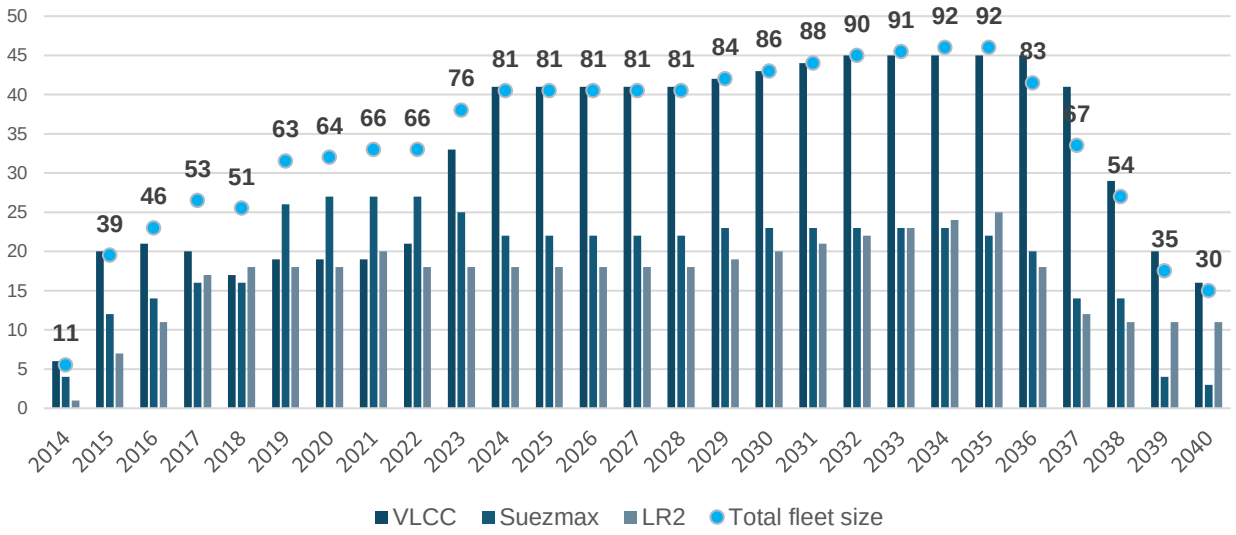

Figure 37: Frontline's fleet projection. Source: Analyst estimate

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.910066
R Square	0.828221
Adjusted R Square	0.690797
Standard Error	6490.659979
Observations	10.000000

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	4	1015600349.505290	253900087.376321	6.026777	0.037553
Residual	5	210643334.845026	42128666.969005		
Total	9	1226243684.35031000			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	-509136.682463	191357.227097	-2.660661	0.044848	-1001036.094556	-17237.270371	-1001036.094556	-17237.270371
Global Oil production, million metric tonnes	133.030392	54.462237	2.442617	0.058465	-6.969246	273.030029	-6.969246	273.030029
Crude Oil Demand mb/d	-5768.150396	1826.483651	-3.158063	0.025150	-10463.276092	-1073.024700	-10463.276092	-1073.024700
Crude Oil Reserves, billion barrels	319.352915	91.846111	3.477043	0.017715	83.254970	555.450860	83.254970	555.450860
Geopolitical Risk Index (Yearly Average)	286.713830	126.286994	2.270335	0.072408	-37.917222	611.344882	-37.917222	611.344882

Table 9: Regression output of Frontline's average TCE rate (intercept) and the oil-mix variables. Source: Analyst estimate

Stabilized WACC \ Perpetual growth rate	1.3%	1.0%	0.7%	0.4%	0.1%	(0.2%)	(0.5%)	(0.8%)	(1.1%)	(1.4%)	(1.7%)	(2.0%)	(2.3%)
7.07%	40.62	39.03	37.58	36.27	35.07	33.96	32.95	32.01	31.14	30.34	29.59	28.89	28.23
7.39%	38.09	36.69	35.41	34.24	33.17	32.18	31.27	30.42	29.63	28.90	28.22	27.58	26.98
7.72%	35.72	34.48	33.35	32.31	31.35	30.47	29.65	28.88	28.17	27.51	26.89	26.31	25.76
8.07%	33.48	32.39	31.39	30.47	29.61	28.82	28.09	27.40	26.76	26.16	25.60	25.07	24.57
8.44%	31.38	30.42	29.53	28.71	27.95	27.25	26.59	25.97	25.39	24.85	24.34	23.86	23.40
8.82%	29.40	28.55	27.77	27.04	26.36	25.73	25.14	24.59	24.07	23.58	23.12	22.68	22.27
9.23%	27.53	26.78	26.09	25.45	24.85	24.28	**23.75**	23.26	22.79	22.35	21.93	21.54	21.16
9.63%	25.84	25.18	24.57	23.99	23.45	22.95	22.48	22.03	21.61	21.21	20.83	20.47	20.13
10.04%	24.24	23.65	23.11	22.60	22.12	21.67	21.24	20.84	20.46	20.10	19.76	19.43	19.13
10.48%	22.72	22.21	21.72	21.27	20.84	20.44	20.06	19.70	19.35	19.03	18.72	18.43	18.15
10.93%	21.28	20.83	20.40	20.00	19.62	19.26	18.91	18.59	18.28	17.99	17.71	17.45	17.19
11.41%	19.91	19.51	19.14	18.78	18.44	18.12	17.81	17.52	17.25	16.99	16.73	16.49	16.27
11.90%	18.62	18.26	17.93	17.61	17.31	17.03	16.75	16.49	16.25	16.01	15.79	15.57	15.36

Table 10: DCF-analysis sensitivity table. Source: Analyst estimate

Mid-term rate view discount (premium) \ Applied P/NAV Multiple	0.93	0.98	1.03	1.08	1.13	1.18	1.23	1.28	1.33	1.38	1.43	1.48	1.53
15.0%	10.87	11.46	12.04	12.63	13.21	13.80	14.38	14.97	15.55	16.14	16.72	17.31	17.89
12.5%	11.57	12.19	12.82	13.44	14.06	14.69	15.31	15.93	16.55	17.18	17.80	18.42	19.05
10.0%	12.27	12.93	13.59	14.25	14.92	15.58	16.24	16.90	17.56	18.22	18.88	19.54	20.20
7.5%	12.97	13.67	14.37	15.07	15.77	16.47	17.16	17.86	18.56	19.26	19.96	20.66	21.35
5.0%	13.68	14.41	15.15	15.88	16.62	17.36	18.09	18.83	19.56	20.30	21.04	21.77	22.51
2.5%	14.38	15.15	15.92	16.70	17.47	18.25	19.02	19.79	20.57	21.34	22.11	22.89	23.66
0.0%	15.08	15.89	16.70	17.51	18.32	19.14	**19.95**	20.76	21.57	22.38	23.19	24.00	24.82
(2.5%)	15.78	16.63	17.48	18.33	19.18	20.03	20.87	21.72	22.57	23.42	24.27	25.12	25.97
(5.0%)	16.48	17.37	18.25	19.14	20.03	20.92	21.80	22.69	23.58	24.46	25.35	26.24	27.12
(7.5%)	17.18	18.11	19.03	19.96	20.88	21.81	22.73	23.65	24.58	25.50	26.43	27.35	28.28
(10.0%)	17.88	18.85	19.81	20.77	21.73	22.70	23.66	24.62	25.58	26.55	27.51	28.47	29.43
(12.5%)	18.58	19.58	20.58	21.58	22.59	23.59	24.59	25.59	26.59	27.59	28.59	29.59	30.59
(15.0%)	19.29	20.32	21.36	22.40	23.44	24.48	25.51	26.55	27.59	28.63	29.67	30.70	31.74

Table 11: Net Asset Value (NAV)-Valuation sensitivity table. Source: Analyst estimate

WACC (constant throughout) \ Perpetual growth rate	2.4%	2.1%	1.8%	1.5%	1.2%	0.9%	0.6%	0.3%	(0.0%)	(0.3%)	(0.6%)	(0.9%)	(1.2%)
7.07%	59.60	56.85	54.42	52.25	50.29	48.53	46.94	45.48	44.15	42.92	41.80	40.75	39.79
7.39%	55.00	52.66	50.56	48.69	46.99	45.45	44.04	42.76	41.58	40.49	39.48	38.55	37.68
7.72%	50.78	48.78	46.98	45.36	43.88	42.53	41.30	40.17	39.12	38.15	37.26	36.42	35.64
8.07%	46.90	45.19	43.64	42.24	40.95	39.78	38.69	37.70	36.77	35.91	35.12	34.37	33.67
8.44%	43.32	41.86	40.53	39.31	38.20	37.17	36.22	35.34	34.53	33.77	33.06	32.39	31.77
8.82%	40.02	38.76	37.62	36.57	35.60	34.70	33.87	33.10	32.38	31.71	31.08	30.49	29.93
9.23%	36.96	35.88	34.90	33.99	33.14	32.36	**31.64**	30.96	30.33	29.73	29.17	28.65	28.15
9.63%	34.23	33.31	32.45	31.66	30.93	30.24	29.60	29.01	28.45	27.92	27.42	26.96	26.51
10.04%	31.69	30.90	30.16	29.47	28.83	28.23	27.67	27.14	26.65	26.18	25.74	25.32	24.93
10.48%	29.32	28.63	27.99	27.40	26.84	26.31	25.82	25.36	24.92	24.51	24.12	23.75	23.40
10.93%	27.10	26.51	25.96	25.44	24.95	24.49	24.06	23.65	23.27	22.91	22.56	22.23	21.92
11.41%	25.02	24.51	24.03	23.58	23.16	22.76	22.38	22.03	21.69	21.37	21.06	20.77	20.50
11.90%	23.07	22.63	22.22	21.83	21.46	21.11	20.78	20.47	20.17	19.89	19.62	19.37	19.12

Table 12: Scenario analysis Optimistic case sensitivity table. Source: Analyst estimate

WACC (constant throughout) \ Perpetual growth rate	(0.3%)	(0.6%)	(0.9%)	(1.2%)	(1.5%)	(1.8%)	(2.1%)	(2.4%)	(2.7%)	(3.0%)	(3.3%)	(3.6%)	(3.9%)
7.07%	26.35	25.60	24.91	24.27	23.67	23.12	22.60	22.11	21.65	21.22	20.82	20.44	20.08
7.39%	24.71	24.04	23.42	22.85	22.31	21.81	21.34	20.90	20.48	20.09	19.72	19.37	19.04
7.72%	23.13	22.54	21.98	21.47	20.99	20.53	20.11	19.71	19.33	18.98	18.64	18.33	18.02
8.07%	21.62	21.09	20.60	20.13	19.70	19.30	18.91	18.55	18.21	17.89	17.58	17.30	17.02
8.44%	20.17	19.70	19.26	18.84	18.46	18.09	17.75	17.42	17.11	16.82	16.55	16.28	16.03
8.82%	18.77	18.35	17.96	17.60	17.25	16.92	16.61	16.32	16.04	15.78	15.53	15.29	15.07
9.23%	17.43	17.06	16.72	16.39	16.08	15.79	**15.51**	15.25	15.00	14.76	14.54	14.32	14.12
9.63%	16.20	15.87	15.56	15.27	15.00	14.73	14.48	14.25	14.02	13.81	13.61	13.41	13.22
10.04%	15.02	14.73	14.45	14.19	13.94	13.71	13.49	13.27	13.07	12.88	12.70	12.52	12.35
10.48%	13.88	13.62	13.38	13.15	12.93	12.72	12.52	12.33	12.14	11.97	11.81	11.65	11.49
10.93%	12.79	12.56	12.34	12.14	11.94	11.75	11.57	11.40	11.24	11.09	10.94	10.79	10.66
11.41%	11.73	11.53	11.34	11.16	10.98	10.82	10.66	10.51	10.36	10.22	10.09	9.96	9.84
11.90%	10.72	10.55	10.38	10.21	10.06	9.91	9.77	9.64	9.51	9.38	9.26	9.15	9.04

Table 13: Scenario analysis Pessimistic case sensitivity table. Source: Analyst estimate

NOVA SCHOOL OF BUSINESS & ECONOMICS

MASTER IN FINANCE

FRONTLINE PLC

COMPANY REPORT

SHIPPING/ MARITIME INDUSTRY

17 DECEMBER 2024

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Frontline Plc: Capturing Value Amid Energy Transition and Supply Chain Disruptions

- **Strong Upside and Solid Valuation Support**: We derive a price target of $19.07 for FY25, reflecting a **34%** premium to the current share price of $14.21. Including expected dividend payouts during 2025, this yields a total shareholder return of approximately **43%.** Our conclusion is backed by a blended valuation approach—NAV, DCF, and CCA—with the DCF implying the strongest upside under a 9.23% WACC and a -0.48% terminal growth rate, while the CCA provides a more conservative outlook.
- **Health Margins, Efficiency, and Returns**: Building on a young, ECO-rated fleet and disciplined operating cost management, we expect EBITDA margins to remain robust at 50% and ROIC to reach around 13% by 2029. A projected average ROE of 35% highlights Frontline's strong equity returns, efficient capital allocation, and ability to capitalize on favorable market dynamics.
- **Global oil trade shifts and higher ton-mile demand**, driven by geopolitical conflicts, supply imbalances, and the rebound in emerging markets, have reinforced Frontline's earnings potential. Even as traditional routes face challenges, longer voyages and steady non-OECD demand can elevate utilization and spot market rates.

Company description

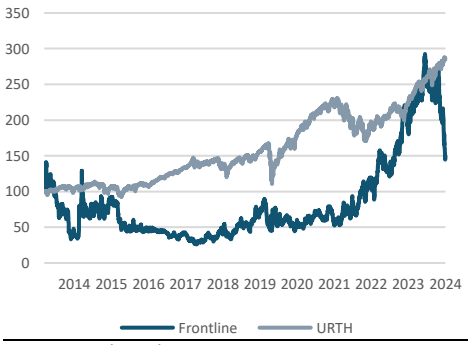
Frontline PLC is a Norwegian pure-play shipping company, engaged in the transportation of crude and oil products worldwide. It owns and operates a modern fleet of over 80 tankers, strategically designed to capitalize on market opportunities and meet stringent environmental standards.

Recommendation:	**BUY**
Price Target FY25:	**$19.07**
Price (as of 12-Dec-24)	**14.21 $**

Source: Yahoo Finance

52-week range ($)	$13.68 - $29.39
Market Cap ($bn)	3.163
Outstanding Shares (m)	222.62

Source: Yahoo Finance



Source: Yahoo Finance

(Values in $ millions)	2023	2024E	2025F
Revenues	1,802.18	1,908.30	1,978.71
Adj. EBITDA	953.53	904.95	954.28
Margin (%)	53%	47%	48%
NOPAT	722.38	610.83	668.85
Margin (%)	40%	32%	34%
Net Income	656.41	449.21	439.32
Margin (%)	36%	32%	34%
EPS	2.95	2.02	1.97
RGCF/ Share	4.28	4.02	4.27
Dividend/Share	2.87	1.82	1.78

Source: Company Data, Analyst Estimate

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Figure 1: John Fredriksen. Source: Store Norske Leksikon

Year	Event
1985	Frontline AB founded.
1989	Frontline AB listed on the Stockholm Stock Exchange.
1996	Hemen Holding became the majority shareholder of Frontline AB.
1997	Frontline AB re-domiciled to Bermuda and listed on the Oslo Stock Exchange.
1998	Merged with London & Overseas Freighters (LOF), renaming the entity as Frontline Ltd.
2001	Frontline shares began trading on the New York Stock Exchange (NYSE) under the ticker 'FRO'.
2003	Created Ship Finance Ltd. (SFL)
2004	Golden Ocean Group Limited spun off and listed on the Oslo Stock Exchange and later NASDAQ.
2006	100% of ownership in Ship Finance distributed to shareholders
2012	Restructuring during the tanker market downturn; formation of Frontline 2012 Ltd. and acquisition of 15 vessels and associated obligations.
2013	Frontline 2012 acquired a stake in Avance Gas Holding Ltd. and sold VLCC newbuildings to Avance.
2014	Frontline 2012 merged its cape-size dry bulk newbuildings with Knightsbridge Tankers, later merging with Golden Ocean Group Limited.
2022	Frontline announced a merger with Euronav to form a leading oil tanker company, aiming for significant synergies.
2023	Euronav merger cancelled due to shareholder opposition

Table 1: Table of major historical events in Frontline's history

Figure 2: Lars Barstad, CEO of Frontline PLC. Source: Valeur, 2022

Company Description

Company History

Frontline PLC, originally established as Frontline AB in 1985, was listed on the Stockholm Stock Exchange from 1989 to 1997. In 1996, Hemen Holding Ltd., controlled by Norwegian billionaire John Fredriksen, became the majority shareholder, prompting the company to re-domicile to Bermuda and list on the Oslo Stock Exchange in 1997. A year later, Frontline merged with London & Overseas Freighters and rebranded as Frontline Ltd, marking the start of a strategic expansion, during which the company acquired new and second-hand tankers, positioning itself as the world's largest tanker company. In 2001, Frontline further solidified its presence by commencing trading on the New York Stock Exchange under the ticker symbol 'FRO'. (Frontline Website)

In July 2022, Frontline planned a merger with Euronav, aimed at creating a market-leading oil tanker group with 46 vessels, annual synergies of at least $60 million, and an expected market capitalization exceeding $4 billion (Tennant, 2023). However, the deal was called off in January 2023 due to pressure from significant Euronav shareholders. Despite this setback, in October 2023, Frontline reached an agreement with CMB NV to purchase 24 ECO-VLCCs with an average age of 5.3 years for an aggregate price of $2,350 million. This transaction positioned Frontline as the largest pure-play tanker owner in the public domain, measured by Dead Weight Tonnage (DWT) (Frontline, 2023).

Corporate Structure

Frontline's operations are guided by an experienced management team and overseen by a board of directors that provides strategic direction and compliance with international maritime regulations. Leading the company is Chief Executive Officer (CEO) Lars Barstad, who has been at the helm since 2021 and brings nearly 17 years of experience in the shipping industry. Supporting him is Inger Klemp, Frontline's Chief Financial Officer (CFO) since 2006. Together, their leadership positions Frontline as a global leader in the tanker shipping sector.

Since relocating from Bermuda in 2022, Frontline is now headquartered in Cyprus, operating under Cypriot tax law. Frontline leverages a strategically decentralized management structure with subsidiaries in locations such as Bermuda, Singapore, and India, chosen for their operational advantages and global reach.

Investor	Ownership Share (%)	Number of Shares
Hemen Holding Ltd.	35.55%	79,145,703
Folketrygdfondet	5.34%	11,893,859
DNB ASA	3.28%	7,290,956
Vanguard Group Inc	2.44%	5,442,012
FMR, LLC	2.03%	4,516,011
Arrow Street capital, LP	1.96%	4,366,722

Table 2: Top institutional holders. Source: Bloomberg

Figure 3: Size of Frontline's vessels. Source: Toathang Shipping, 2024

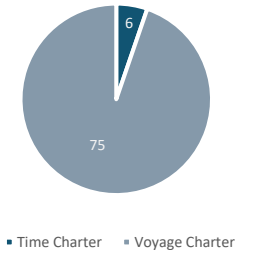

Figure 4: Number of vessels on time charters and voyage charters in 2024

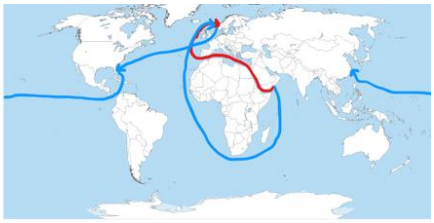

Figure 5: Map of general fleet operations. The red arrow shows routes interrupted by geopolitical instability. Source: Wikipedia

Figure 6: Operational revenue and growth rate over last 6 years

The company's ownership structure is anchored by its largest shareholder, Hemen Holding Ltd., controlled by shipping magnate John Fredriksen, with 35.55% of Frontline's outstanding shares. Fredriksen has been a steadfast supporter of Frontline, playing a pivotal role in its financing and strategic development.

Business Model

Frontline is a global leader in the transportation of crude oil and refined petroleum products, serving major oil companies and trading firms through its fleet of long-range tankers. As of Q3 2024, Frontline operated a diverse and modern fleet of 41 Very Large Crude Carriers (VLCCs), 23 Suezmax tankers, and 18 Long Range 2 (LR2) / Aframax tankers, with an average age of 6.4 years.

Additionally, Frontline's business model emphasizes returning value to shareholders through dividends, stating that it aims to "distribute quarterly dividends to shareholders equal to or close to earnings per share adjusted for non-recurring items." (Frontline's Website) The company's ability to generate significant cash flows, particularly from favorable market conditions, maintains its commitment to dividend payments, with a payout ratio of 97%, in 2023.

Frontline's strategy focuses on maximizing fleet utilization through efficient trading. VLCCs transport crude oil on long-haul routes from the Middle East Gulf to the Far East, Northern Europe, and the Americas (Figure 5). Suezmax tankers operate in the Atlantic Basin, Middle East, and Southeast Asia, while flexible LR2/Aframax tankers handle refined products, fuel, and crude oil for smaller ports with draft limitations. (Frontline 2023 Annual Report (A.R.))

Operational structure

Frontline's revenue model is built around two primary chartering strategies: voyage charters and time charters, as well as supplementary income through administrative income, vessel transactions, and strategic service agreements.

Voyage chartering, also known as spot market chartering, is the primary market for Frontline, where earnings are derived from contracts to transport crude oil at agreed rates. In this model, Frontline covers all expenses associated with each voyage, including fuel and port fees, enabling the company to earn revenue per voyage based on current market rates. This structure allows Frontline to adjust pricing dynamically in response to real-time market conditions, capturing fluctuations in demand within the oil transport sector.

In contrast, time charters provide Frontline with a more predictable revenue stream. Under these contracts, Frontline leases vessels at a fixed daily rate for a

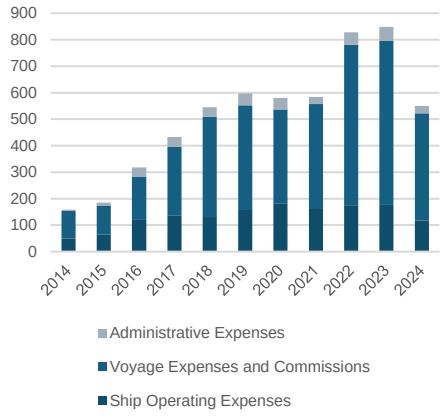

Figure 7: Breakdown of operational costs for Frontline in last 10 years

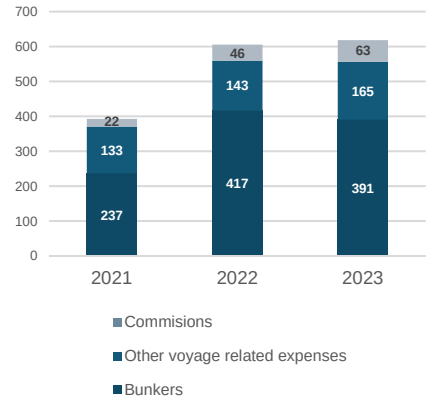

Figure 8: Breakdown of voyage expenses in the last 3 years

Net Tonnage				
0-1,000	1,001-10,000	10,001-25,000	25,001-40,000	>40,000
€36.50 per 100 NT	€31.03 per 100 NT	€20.08 per 100 NT	€12.78 per 100 NT	€7.3 per 100 NT

Sample calcluation of the annual net tonnage tax for a **19.538 net tonnage vessel**

1,000 NT: 1.000/100 = 10 x €36.50 = €365.00

9,000 NT = 90 x €31.03 = €2,792.70

9,538 NT = 95.38 x €20.08 = €1,915.23

Annual tonnage tax of the vessel = €5,072.93

Table 3: Sample calculation of annual tonnage tax. Source: Cyprus Shipping Deputy Ministry (2021).

set period, transferring voyage-related costs to the charterer. This model reduces Frontline's exposure to spot market volatility, creating a stable earnings base during periods of market downturns. Frontline also earns a small portion of its revenues through administrative income. This comprises income earned from the technical and commercial management of vessels and new building supervision fees derived from related parties, affiliated companies, and third parties.

Frontline's operating expenses are categorized into voyage expenses, ship operating expenses, and administrative expenses. Voyage expenses, constituting approximately 73% of Frontline's total expenses in 2023 (Figure 8), encompass commissions, bunkers, port costs, agency fees, and agent fees required for operating vessels in the spot market. Bunkers, the fuel costs associated with vessel operations, represent the largest portion of voyage expenses and can fluctuate depending on the price of marine fuel. Voyage expenses are factored into spot market rates, where charterers pay higher freight costs to account for the vessel operator's responsibility for voyage-related expenses; however, in time charters the charterer typically covers them (Frontline Q3 Report).

Ship operating expenses represent the direct costs of running a vessel, including crew costs, vessel supplies, repairs and maintenance, lubricating oils, and insurance. Frontline outsources the technical management of its vessels to third parties (Frontline 2023 A.R.). Notably, ship operating expenses also include tonnage tax, a tax method that relies on tonnage transported rather than income. Crew costs are generally correlated with fleet size and saw an increase in 2023 due to the introduction of Euronav vessels (Saul and Ghobari, 2024). Finally, administrative expenses include costs associated with employee and director compensation, office and administrative expenses, and professional services such as audit, legal, and consultancy fees.

Tax Regime

Frontline operates under the Cyprus Tonnage Tax System (TTS), under which taxes are paid based on the net tonnage of the ships that Frontline owns, charters or manages (Frontline 2023 A.R, 2023). As a qualified maritime transport operator, the company is exempt from income taxes on profits from ship operations, vessel sales, dividends from these activities, and interest related to financing or qualified vessels (Cyprus Shipping Deputy Ministry, 2021). Frontline adopted this regime in 2023, and it is valid for ten years with an option to renew for an additional decade. Despite tonnage taxes being recorded under Ship Operating Expenses (see Table 3 for calculation example), the company does not

disclose specific tax breakdowns. As a result, Frontline's income tax provision on operations has remained between 0.0% and 0.1% over the past decade.

In addition, Frontline is subject to U.S. income tax on trade conducted within the U.S., but qualifies for a Section 883 exemption, minimizing its exposure. Yet despite this, 50% of transportation revenue from voyages to or from the U.S. is subject to a 4% tax without exemptions. (Annual Report, 2023) While such tax liabilities have not been recorded in recent years, this could become more relevant in the future, as the U.S. is increasing oil production volumes.

Industry Analysis

The Global Crude Tanker Market

The global crude tanker market is cyclical, driven by factors like oil demand, OPEC policies, and geopolitical events. High oil consumption and production boost tanker demand, raising charter rates and earnings. Conversely, downturns in the oil industry or vessel oversupply lower market conditions. Geopolitical conflicts can disrupt trade, causing fluctuations in oil prices, but may also create longer routes benefiting oil transport markets.

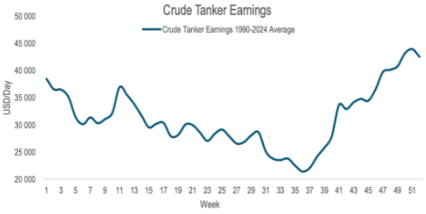

Figure 9: Average crude tanker earnings over the year displaying the winter effect (1990-2024 average) Source: Frontline Q2 presentation

Seasonality and market cyclicality significantly impact rate fluctuations, with the **winter effect** (Figure 9) typically boosting demand for crude and refined products towards the end of the year, raising spot rates (Q2 Earnings Call). Even so, this trend has yet to emerge in 2024, contributing to lower expected Q4 rates, potentially pushing rate increases into Q1 2025 (Frontline Q3 Earnings Call).

In recent years, the market has seen dramatic fluctuations in charter rates, with a sharp drop in oil demand following the COVID-19 outbreak, followed by a rapid recovery. Lately, rates for crude and product tankers have been strong; however, concerns over global oil demand weighed on rates in the third quarter of 2024 and resulted in a disappointing Q3 earnings release.

The Aging Fleet

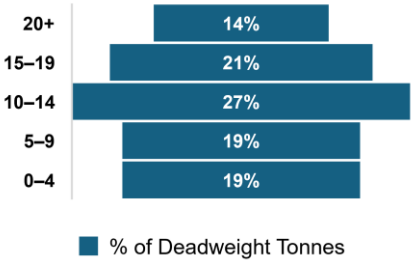

Figure 10:: 2024 age hierarchy of crude tankers, as a % of DWT. Source: UNCTAD, Review of Maritime Transport 2024

In recent years, the aging global fleet has emerged as a critical factor shaping the crude tanker industry, with limited newbuild deliveries forecasted until 2027-2028. As of 2024, the average crude and refined products tanker age reached 13.2 years (Figure 10 for crude specific distribution), the highest level since 2003. (S&P Global Commodity Insights, 2024) In addition, recent IMO regulations requiring zero-emission technologies have made operating vessels over 20 years economically unviable without costly upgrades (IMO, 2023). As a result, Frontline revised its useful life of vessels from 25 to 20 years in December 2022 (Annual

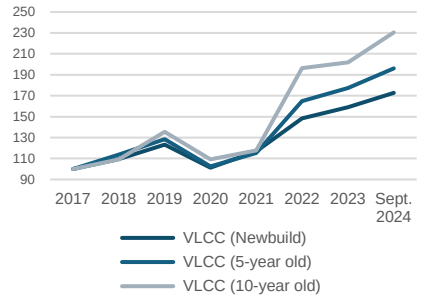

Figure 11: Indexed market price development of VLCCs. Source: Bloomberg Terminal

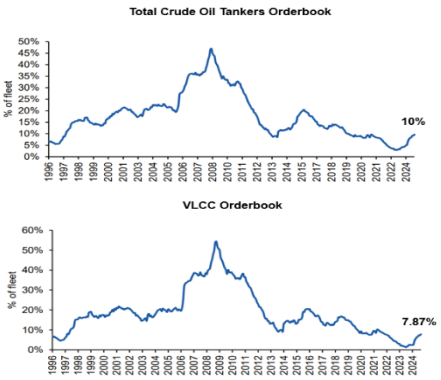

Figure 12: Total crude tankers & VLCC tankers orderbook, as a % of respective fleet. Source: SpareBank1 2024.

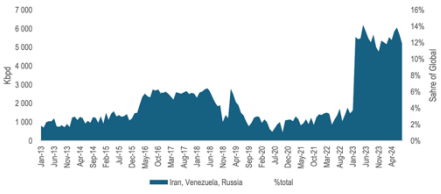

Figure 13: Sanctioned crude oil flow in last 10 years. Source: Frontline Q2 presentation

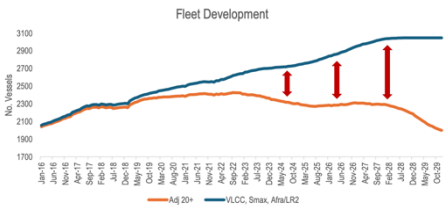

Figure 14: Number of active vessels vs. vessels which are compliant with the 20y+ scrapping rule. Source: Frontline Q2 presentation

Report, 2023). While these developments would suggest a wave of vessel scrappings in the coming years, the growing illicit dark fleet (explained in the next chapter) offsets this trend by capturing market share with aged vessels. Frontline estimates that significant scrapping activity is unlikely until the illicit market becomes oversupplied (Q2 Earnings Call).

The need for newbuilds due to an aging fleet coincides with a significant bottleneck in constructing crude tankers. Shipyards in China and South Korea have faced high demand for various vessel types, including container ships and LNG carriers. This issue has resulted in limited availability of slots specifically for large crude tankers, resulting in extended delivery times. Where shipyards once took 2 years to deliver a tanker, delivery times have stretched to upwards of 3 years or more. (Georgiou, 2024)

Demand for younger vessels combined with a limited number of newbuilds available has resulted in a continued price increase of new ships (Hellenic Shipping News, 2024). Due to the lack of newbuilds, secondhand prices have risen even more sharply than newbuild's prices (Figure 11), with a 5-year-old crude tanker reaching 96% of a newbuild's price (Rasmussen, 2024). These price increases and limited build capacities have resulted in the orderbook falling to historically low levels (see Figure 12, and (Appendix)).

Macroeconomic Conditions

Since the Russian invasion of Ukraine, a phenomenon known as the **"grey fleet"** has emerged in response to sanctions and price caps imposed on Russian crude oil. The grey fleet consists of vessels whose origins and ownership details are deliberately obscured, allowing them to bypass restrictions and transport Russian oil to countries that haven't banned trade with Russia, such as China, Turkey, and India. This tactic enables shipping companies to operate under the radar, appearing legitimate while facilitating sanctioned trade. (Christopher Vonheim, 2024; Windward, n.d.)

At the same time, a shortage of newbuilds has contributed to the growth of the **"dark fleet,"** a collection of aging vessels that often operate under false identities or flags of convenience to evade regulations and sanctions. Windward has identified as many as 1,100 vessels in the dark fleet, raising concerns over safety, maintenance, and regulatory compliance (Windward, n.d.). The U.S. has now started taking matters into its own hands, imposing sanctions on 35 entities and vessels involved in transporting illicit Iranian crude (U.S. Department of the Treasury, 2024). Sanctions on Russian oil are likely to remain in place during both

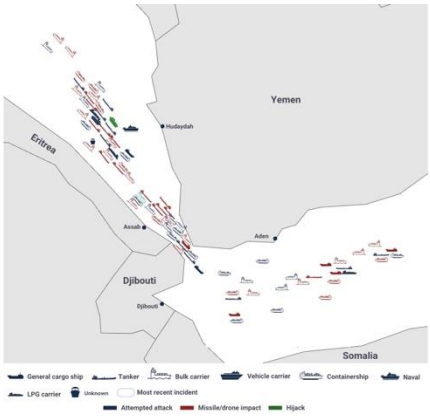

Figure 15: Map of Houthi attacks on vessels. Source: lloyds List Intelligence

2025 and 2026, lengthening the impact the dark fleet on the global crude trade (Hellenic Shipping News, 2024).

Geopolitical instability in the Red Sea has significantly impacted the crude shipping industry. Since the onset of the Gaza conflict in September 2023, over 130 attacks on commercial ships have disrupted one of the world's most critical trade routes (Aljazeera, 2024). Suez Canal traffic, which previously carried 10-15% of global trade, has been rerouted via the Cape of Good Hope due to Houthi attacks, increasing transit times by 30% (10-14 days) and driving tonne-mile growth in 2024 (JP Morgan, 2024; Aljazeera, 2024). These disruptions have also increased shipping costs, including insurance, crew pay, and about $1 million in additional fuel costs per trip (Aljazeera, 2024). If standard routing resumes in 2025-2026, shorter voyages and reduced tonne-miles could weaken the crude tanker market (Hellenic Shipping News, 2024).

Competitive Analysis

The market for the international transportation of seaborne crude oil and petroleum products is characterized by a high level of competitiveness and fragmentation, with services being offered by both major oil companies and independent shipowners. Competition hinges on factors like price, vessel location, size, age, condition, and manager reputation, with brokers matching ships to cargoes (Annual Report, 2023). Several key players compete in the transport of crude and refined oil products, each leveraging distinct strategies and operational strengths. Among Frontline's most notable peers are the following.

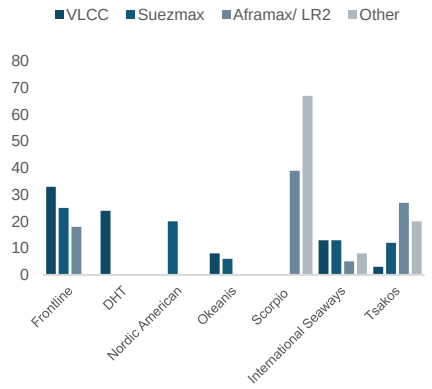

Figure 16: Number of vessels of each vessel type. Source: Company Reports

DHT Holdings (DHT) operates 24 VLCCs with a combined DWT of 7.5 million and an average fleet age of 10.2 years. Headquartered in Bermuda, DHT serves major oil companies and traders and specializes in VLCCs, excelling in long-haul transport. In 2023, DHT deployed five VLCCs on time charters and 19 in the spot market, benefiting from elevated rates. (DHT A.R., 2023)

International Seaways (INSW), registered in the Marshall Islands, operates a large fleet of tankers, including 12 VLCCs, 12 Suezmaxes, as well as some smaller tankers. The company operates crude, product, and chemical tankers around the world, leveraging its large fleet and strong reliance on the spot market to generate revenues. (International Seaways A.R., 2023)

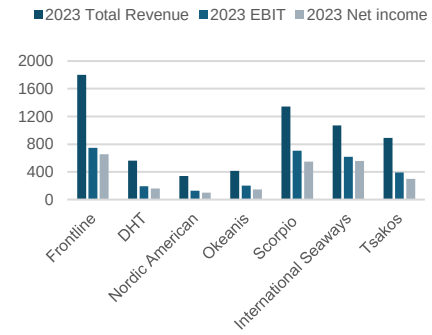

Figure 10: Revenue, non-adj. EBIT, and non-adj. net income for Frontline and peers ($millions). Source: Company Reports

Greek-based **Tsakos Energy Navigation (TEN)** owns a versatile fleet of crude, oil, product, light natural gas (LNG), and shuttle tankers. Operating one of the largest ICE-class tanker fleets, Tsakos serves state entities, and international oil majors. Tsakos looks to continue its growth via continual investments in fleet renewal and expansion, funding its healthy dividend payout. (Tsakos A.R., 2023)

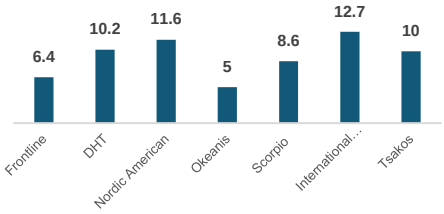

Figure 18: Average age of fleet (years). Source: Company Reports

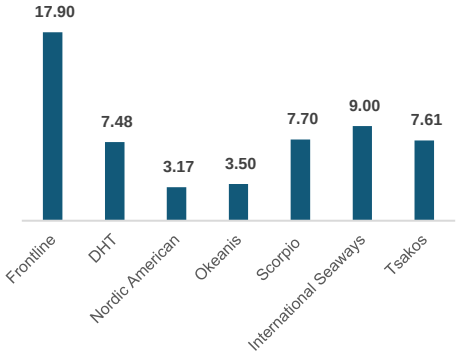

Figure 19: Total Dead Weight Tonnage (DWT) of each fleet. Source: Company Reports

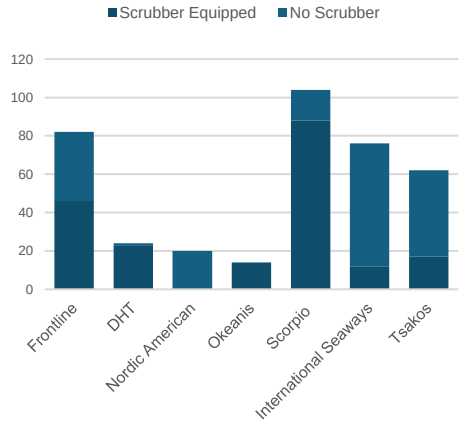

Figure 20: Number of scrubber-fitted vessels out of total vessels. Source: Company Reports

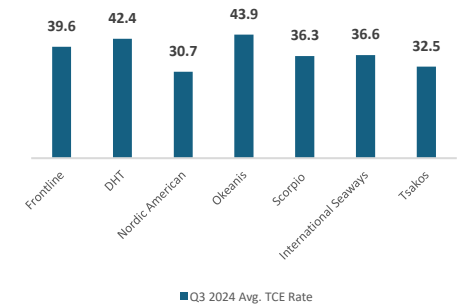

Figure 21: Average reported TCE rate per vessel per day in Q3 2024 (in $ thousands). Source: Company Reports

Monaco-based **Scorpio Tankers (STNG)** specializes in transporting refined petroleum products. Its large modern fleet of 104 vessels, including LR2, Handymax, and Medium Range (MR) tankers, averages 8.4 years in age. Scorpio emphasizes its modern fleet, with 87% of its tonnage scrubber-fitted allowing it to exceed greenhouse gas (GHG) emission-related guidelines. (Scorpio A.R., 2023)

Nordic American Tankers (NAT), based in Bermuda stands out among its peers as the only publicly listed tanker company with a Suezmax-only fleet consisting of 20 vessels. NAT maintains a sustainable business strategy in both strong and weak markets, assuring shareholders of a maximized return. This operational efficiency has allowed NAT to pay 100 consecutive quarterly dividends to shareholders. (Nordic American Tanker A.R., 2023)

Okeanis Eco Tankers (ECO) is an international crude oil tanker company with a smaller fleet of 14 vessels comprising six Suezmaxes and eight VLCCs. Okeanis operates primarily on the spot market, driven by their strong outlook of the tanker market, and desire to capture the full benefit of lower fuel oil costs due to their, 100% scrubber-equipped fleet. (Okeanis A.R., 2023)

S.W.O.T. Analysis

Frontline stands out with its modern, diverse fleet. While Okeanis has a younger fleet (5 years), its smaller scale (14 vessels) limits its market impact. Larger rivals like Tsakos and Scorpio fall behind Frontline in modernization. Frontline's fleet diversity grants access to various ports and client needs, a benefit unachievable by single-vessel-type competitors like Nordic American. Its size allows for economies of scale, better negotiation, and a competitive market position (Figure 22; DHT Holdings A.R., 2023). Additionally, Frontline's fuel-efficient fleet is prepared for potential emissions regulations, including the FuelEU Maritime Regulation, effective January 2025 (DHT Holdings A.R., 2023).

Frontline's heavy reliance on crude oil transportation limits its diversification compared to peers like Tsakos, which operates LNG tankers poised for growth with renewable energy trends (Shell, 2024). Unlike some of its more diversified peers, this narrow focus heightens its exposure to crude market fluctuations. Operating primarily in the spot market, Frontline benefits during upcycles but faces greater risk in downturns, unlike Tsakos' time-charter-focused approach, offering more stability and confidence to shareholders. Additionally, Frontline's high-leverage position increases financial risk during market disruptions, potentially limiting its ability to secure additional debt for expenses.

Frontline has already capitalized on many of the opportunities arising in the last months, including the rising tonne-mile demand driven by geopolitical tensions,

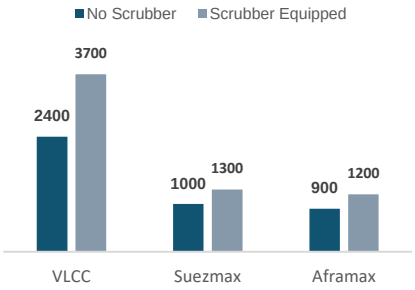

Figure 22: Frontline's scrubber premiums for Eco and Non-Eco Vessels (in $ thousands). Source: Company Reports

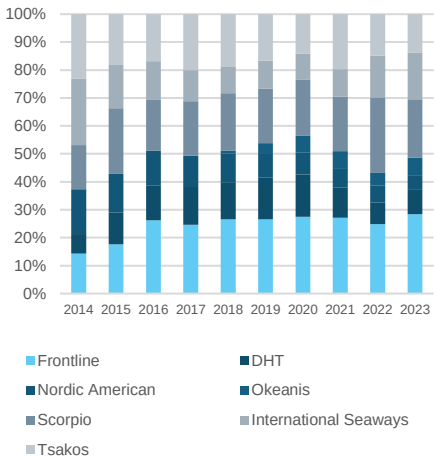

Figure 23: Frontline's percentage of total peers' revenue. Source: Company annual reports

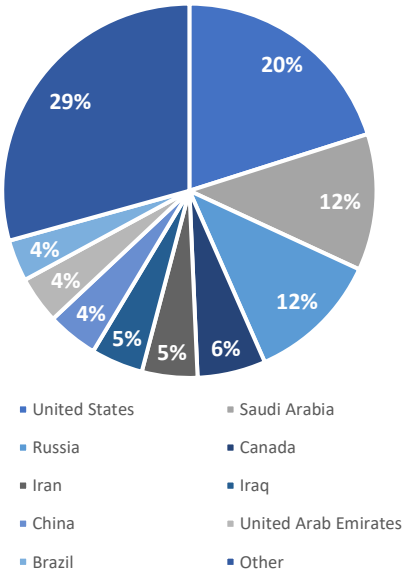

Figure 24: Distribution of crude oil production by leading country. Source: Energy Institute, 2024a

allowing it to boost its revenues. Recovery in Asian markets, particularly China's industrial growth, presents further opportunities for increased tonne-mile growth, which Frontline will look to capitalize on through its long-range fleet. Additionally, its scrubber-equipped fleet enables Frontline to charge premiums in markets where fuel spreads favor such technology (Figure 22). Proactive fleet modernization positions Frontline to capture additional market share as investors look to improve their ESG positions and demand for eco-friendly vessels grows. For the future, Frontline could consider acquiring companies with diversified fleets, such as those involved in LNG transport, to diversify its fleet portfolio and improve its positioning for the energy transition.

Regarding possible threats, Frontline looks to be in a comfortable spot sitting as a market leader with a modern fleet. That said, with the bottleneck in newbuilds expected to clear in the next years and competitors receiving newbuild deliveries, the competition for Frontline will increase in the coming years (Q4 2023 Earnings Call). Additionally, large-scale mergers by competitors, similar to the one Frontline was involved with in Euronav, could displace Frontline's market-leading position, putting increased pressure on Frontline. At the same time, modern fleets like Okeanis, with a 100% scrubber-fitted fleet, may put some additional pressure on Frontline, charging increased rates as investors look for more eco-friendly companies to do business with (Figure 21).

Oil Supply and Demand Dynamics

The performance of Frontline is largely dependent on the complex dynamics of global oil supply and demand, affecting charter rates. This section examines both short-term market dynamics and longer-term trends of the renewable energy transition and regional consumption patterns, shaping future tanker markets.

Current and Short-term Outlook

In the short term, the supply has experienced an increase, particularly in the Americas, due to surges in production from the United States (U.S.), Brazil, and Canada. In the U.S., oil output continues to rise, propelled by advancements in shale extraction technology and the relaxation of regulatory pressures. Brazil is also projected to observe an enhancement in production with the initiation of several new projects. Concurrently, Canada's liquid production is accelerating, brought on by new oil sands projects, optimization of existing facilities, and the anticipated effects of the Trans Mountain Expansion Pipeline, which is further expected to augment production in the forthcoming months. (OPEC, 2024)

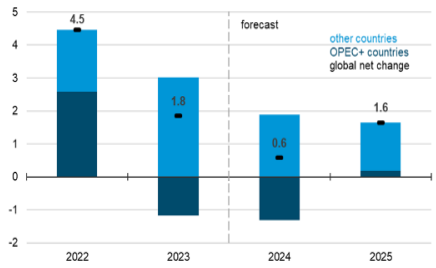

Figure 25: Short-term global liquid fuel production growth. Source: EIA, 2024

Figure 2611: Weekly price of Brent Crude in $ per barrel. Source: Yahoo Finance

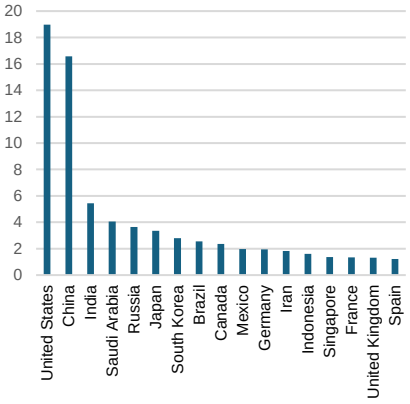

Figure 27: Leading oil consuming countries in 2023 (in million barrels per day). Source: Energy Institute, 2024b

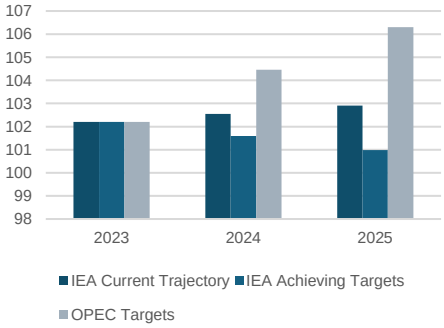

Figure 128: Global short-term oil demand forecasts depending on different rates of energy transition in mb/d. Source: Respective agency

The Organization for Petroleum Exporting Countries Plus (OPEC+), comprising OPEC members and allies like Russia, has implemented significant supply cuts to stabilize and support crude oil prices. Crude oil currently trades at around $72 per barrel, a 33% drop from its June 2022 peak (Figure 26). Since October 2022, OPEC+ has reduced output by 5.86 million barrels per day (mb/d), roughly 5.7% of global demand. This includes major cuts of 3.66 mb/d, initially set to expire in June 2024 but now extended through the end of 2025 in response to prevailing economic conditions and anticipated interest rate reductions. Additionally, OPEC+ had planned to increase output by 180,000 b/d in December 2024 but has since delayed until the end of 2026 due to weaker demand from China and rising production from alternative suppliers (Anil and Patel, 2024; Goncalves, 2024).

Global overproduction has driven oil prices down, with Iraq exceeding its production target by 500,000 b/d before cutting output by 200,000 b/d in September to stabilize prices. Maintenance at Kazakhstan's Kashagan field in October 2024 is expected to further reduce supply temporarily. However, if OPEC+ cuts production while others ramp up, oversupply could re-emerge in 2025, putting further pressure on oil prices. (CNBC, 2024)

Although the narrative surrounding oil supply has centered on oversupply, oil demand in 2024 has shown relative weakness and is anticipated to remain muted through 2025. Key forecasts from the International Energy Agency (IEA), Energy Information Administration (EIA), and OPEC have all revised their 2025 oil demand projections downward, citing lagging manufacturing performance in major markets like China and Germany, slower industrial production growth in the U.S. and Canada, and a gradual shift toward renewable energy sources (Rasmussen, 2024; Tsvetana Paraskova, 2024). The EIA now expects most of the global demand growth to come from non-Organisation for Economic Co-operation and Development (non-OECD) countries, which primarily include developing and emerging economies, where liquid fuel consumption is forecasted to rise from 1 mb/d in 2024 to 1.2 mb/d in 2025 (EIA, 2024).

According to the latest OPEC Oil Market Monthly report, U.S. economic activity is expected to remain healthy in the fourth quarter of 2024 and into the first quarter of 2025. Similarly, in Europe, increased demand for petrochemicals and transportation fuels in countries like Spain, France, and the U.K. has resulted in a projected increase of 9 thousand b/d year-on-year, reaching an average of 13.5 mb/d. OECD Asia-Pacific is also expected to see strong economic activity, led by a solid Korean economy and a rebounding Japanese market. (OPEC, 2024)

In non-OECD regions, China's recent fiscal and monetary stimulus measures were expected to rejuvenate economic activity, supporting higher oil demand

Figure 29: US Dollar Index. Source: Yahoo Finance

through late 2024 and into 2025 (OPEC, 2024). However, as stated in Frontline's most recent earnings report, this has yet to be seen, dragging down Q3 and expected Q4 2024 rates (Frontline Q3 report, 2024). India's economy is expected to remain strong and be one of the main drivers for increased demand in the coming years, with growth primarily driven by diesel and bitumen consumption. Latin America and the Middle East are also expected to see strong demand going into 2025, both supported by expanding economies (OPEC, 2024).

Donald Trump's presidential victory threatens increased tariffs on Chinese goods, which may weaken China's economy and reduce oil demand. Since then, the U.S. dollar has risen to a four-month high (Figure 29), making oil pricier for foreign buyers, further suppressing demand from non-U.S. countries. These factors limit oil price increases amid weak demand and economic uncertainty (Lloyd, 2024)

Medium-Term Supply/Demand Mix

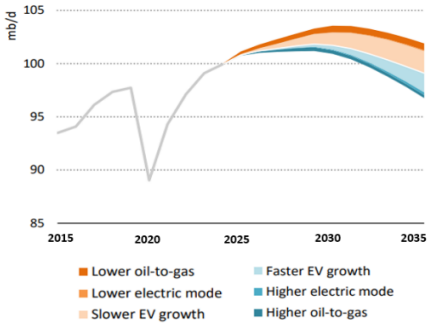

Figure 130: Oil demand sensitivity to global EV adaptation and oil-to-gas transition in the Middle East. Source: IEA, 2024b

Despite the green energy transition accelerating with global investments in clean energy nearing $2 trillion annually (IEA, 2024b), conventional fuels are expected to remain in the global energy mix through 2050 (McKinsey & Company, 2024).

In the medium-term, contrasting developments between OECD and non-OECD countries shape demand. In OECD economies, energy efficiency gains, especially in EV adoption, are expected to heavily reduce oil consumption. McKinsey estimates EV adoption alone could cut oil demand by 5–10 mb/d by 2030, driving a peak of 105 mb/d in 2027 and a decline to 102 mb/d by 2030 (McKinsey & Company, 2024). The IEA shares this view, anticipating efficiency gains in transport, fuel switching, and the buildings sector, with EV adoption reducing demand growth by up to 12 mb/d by 2035. Yet, industrialization in non-OECD regions is set to offset these declines. Significant contributors include India's and China's petrochemical sectors, and the pace of transition from oil to natural gas usage in the Middle East's electricity sector. These dynamics lead the IEA to project a demand peak of 104.7 mb/d by 2030, followed by a decline to 102.4 mb/d by 2035 (IEA, 2024b; see Figure 30 for demand sensitivity).

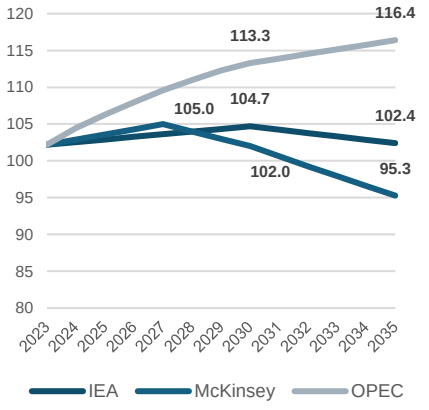

Figure 141: Oil demand estimates per agency (in mb/d)

OPEC takes a stronger stance, citing slower progress in electrification and energy efficiency in non-OECD countries. It forecasts an 11.1 mb/d increase in demand from 2023 levels, reaching 113.3 mb/d by 2030 (OPEC, 2024b). CEO Barstad supports this view, emphasizing that India's oil imports have risen from 3–4 mb/d to over 5 mb/d, with this trend expected to continue (Vonheim, 2024).

On the supply side, medium-term production capacity is projected to exceed demand significantly, creating an imbalance (Figure 32). The IEA forecasts global production capacity to reach 113.8 mb/d by 2030, mainly driven by rising output

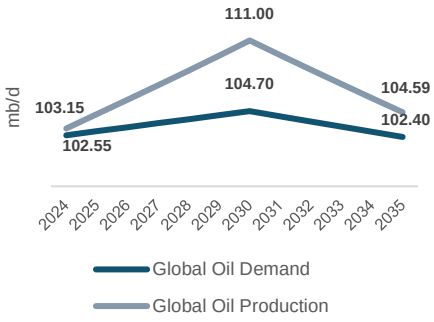

Figure 32: Selected agencies' consensus estimate of oil demand & production capacity

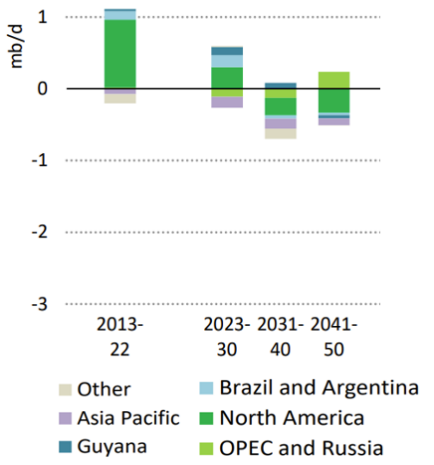

Figure 15: Regional oil production changes (mb/d) by period, highlighting key contributors to future growth. Source: IEA, 2024b

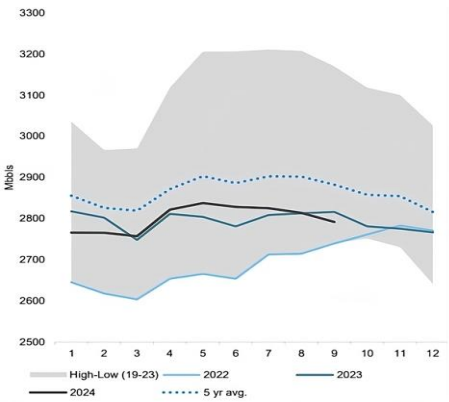

Figure 34: OECD countries crude oil and liquids fuel inventory (monthly, in million barrels). Source: SpareBank1 2024

from the Americas (Figure 33), including the highly responsive U.S. shale industry. Brazil, Argentina and Guyana are expected to be significant producers, with recent oil discoveries foreseen to add more than 2.5 mb/d to supply by 2035. (IEA, 2024a; IEA, 2024b) Rystad Energy projects a slightly lower capacity of 108 mb/d by 2030, still pointing to oversupply (Rystad Energy, 2024). Such a surplus typically places downward pressure on oil prices, potentially stimulating higher transport volumes as nations may stockpile at lower prices**,** (further supported by OECD countries' oil inventories remaining below the 5-year average, Figure 34), while also reducing bunker fuel costs for tankers (Investopedia, 2022).

Global oil reserves impose a natural cap on production potential over the next decade (Rystad Energy, 2024). Capital investment in the sector has steadily declined since 2014, a trend worsened by the COVID-19 pandemic (Arezki & Nysveen, 2021). In 2023, only 5 billion barrels of new reserves were discovered, well below the historical average of 15 billion barrels annually (Statista, 2024). Reduced exploration activity, coupled with strong demand and production estimates, signals a structural decline in reserves through 2030. Granted, this trend will vary, depending on future demand scenarios (IEA, 2024b).

Although mid-decade oil demand forecasts have moderated due to economic headwinds in China, the trend of production surplus in the West, rising crude demand in non-OECD regions and geopolitically driven supply shifts support oil shipping companies, where vessel utilization should remain high. Longer-haul trades, especially from the Americas to Asia, present constructive medium-term conditions, including potentially improved earnings potential as voyage durations lengthen and spot charter opportunities arise.

Outlook Beyond 2030

Long-term projections are increasingly speculative. McKinsey forecasts a 28% oil demand decline to 74 mb/d by 2050, with a potential 50% drop depending on EV adoption. EVs are expected to constitute 55-80% of the light-duty fleet, reducing demand by 15-25 mb/d, while advances in battery and hydrogen technology could lower heavy-duty transport demand an additional 10 mb/d. (McKinsey & Company, 2024) Conversely, OPEC remains bullish on demand, projecting an 18 mb/d increase to 120.1 mb/d by 2050, primarily driven by non-OECD growth. OPEC expects road transport demand to remain high, with ICE-vehicles to comprise over 70% of the fleet by mid-century (OPEC, 2024b).

Despite disparities, both agencies expect petrochemicals and aviation to remain strong oil consumers. McKinsey, noting limited competitiveness of decarbonization options in these sectors, projects their share of global oil demand could rise to

50% by 2050 from 22% today. OPEC quantifies increases of 4.9 mb/d (petrochemicals), 4.6 mb/d (road transport) and 4.2 mb/d (aviation), respectively, by 2050. While McKinsey is optimistic about the energy transition, OPEC reinforces its stance on demand growth in non-OECD regions. (McKinsey & Company 2024; OPEC 2024b)

Supply forecasts are equally uncertain. Rystad foresees that a significant drop in production from 108 mb/d in 2030 to 55 mb/d could occur by 2050 (Rystad Energy 2024), while the Energy Information Association (EIA) projects supply to be as high as 120 mb/d by 2050 (EIA, 2023). A “middle-ground” suggests production to adjust to the declining demand post 2030, but the consumption shift toward non-OECD countries could shorten the global shipping patterns towards 2050, if the Middle East will be able to support most of the growth in these regions.

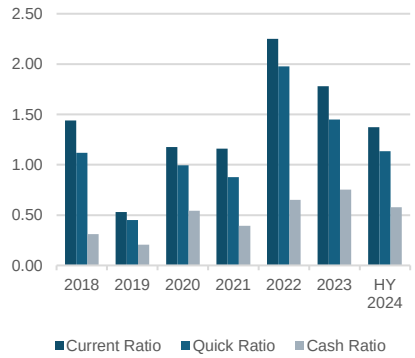

Figure 35: Frontline’s Current, Quick, and Cash Ratio over the last 10 years

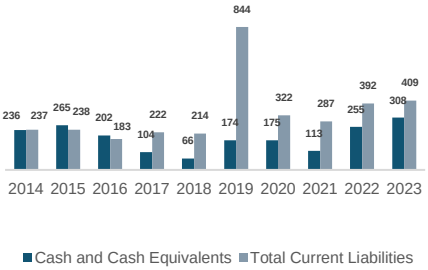

Figure 36: Frontline's C&CE and Total Current Liabilities in the last 10 years ($millions)

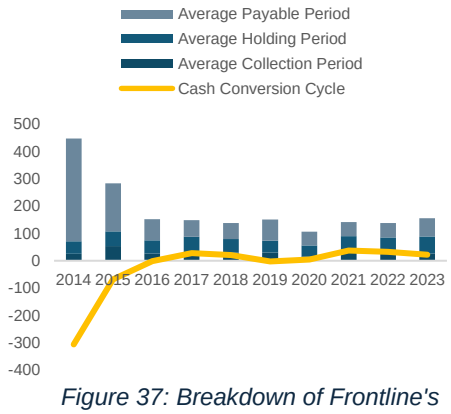

Figure 37: Breakdown of Frontline's Cash-flow management in days

Financial Analysis

Liquidity Analysis

Frontline has maintained strong liquidity, with its current and quick ratios consistently above one (Figure 35), except in 2019, impacted by the pandemic. That year, its current ratio dropped below one, due to a quadrupling of short-term debt (Figure 36) to cover operational expenses, resulting in one of the lowest liquidity levels among peers. The cash ratio also weakened in 2019 to 0.21, reflecting low reserves and highlighting the company’s vulnerability to liquidity shocks. While cash reserves have improved to a ratio of 0.75, they remain slightly below the peer median (0.83), impacted by the recent Euronav acquisition. Similarly, current and quick ratios improved slightly above the peer median in 2023. Frontline’s 2023 net working capital (NWC) of $319m also exceeds peers, reflecting effective management of current assets and liabilities. With limited newbuilds and strong rates anticipated, liquidity levels are expected to improve.

Cash Flow Management Analysis

Frontline demonstrates efficient working capital management through strong performance across key metrics. The company’s average collection period has hovered around 31 days since 2014, dropping to 26.74 days in 2023, 50% below the peer median, highlighting its strong client relationship management and efficient payment collection, likely aided by its scale and reputation. In contrast, the average holding period rose steadily to 62 days in 2023, significantly higher than peers (37). This increase likely reflects disruptions from the Russia-Ukraine conflict, as similar trends are observed among competitors. However, extended

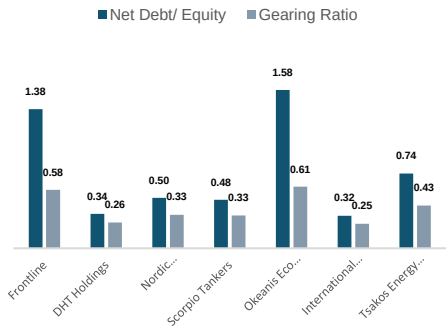

Figure 38: 2023 Net debt-to-Equity and Gearing Ratio for Frontline and peers. Source: Annual Report, Bloomberg

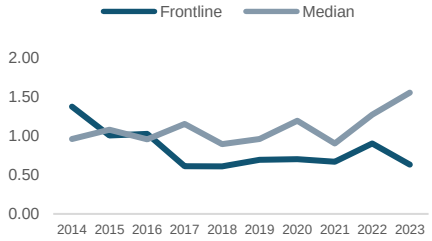

Figure 39: Frontline's Solvency Ratio vs. Median of Peers

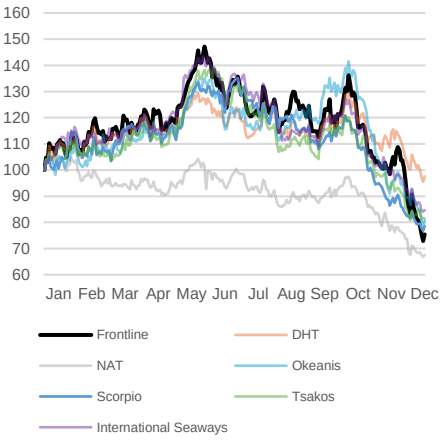

Figure 40: Indexed year-to-date performance of Frontline and peers. Source: Yahoo Finance

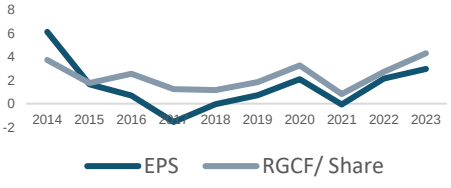

Figure 41: Earnings per share and recurrent gross cash flow per share over time

holding periods can raise costs and impact efficiency, requiring careful oversight moving forward. Meanwhile, Frontline's average payable period stood at 67 days in 2023, more than double the peer median of 32 days. This extended period underscores Frontline's ability to leverage its scale and reputation to enhance cash flow flexibility and optimize liquidity management.

Summarizing, Frontline's cash conversion cycle of approximately 22 days, significantly below the peer median (55), highlights its strong cash flow management. The company's ability to leverage its economies of scale further enhances this efficiency, optimizing cash flow and reducing operational delays.

Capital Structure Analysis

Frontline's capital structure highlights a high level of leverage that has persisted since 2017, with its net debt-to-equity ratio reaching 1.49 in 2017 and remaining elevated at 1.38 in 2023 (Figure 38). This substantial debt load is primarily a result of Frontline's aggressive expansion strategy, with significant investments in new vessels resulting in its young and modern fleet. However, this high leverage has resulted in a substantial interest expense of $178 million in 2023. The gearing ratio further reflects its reliance on debt financing to support its growth (Figure 38).

Additionally, as noted in the cash flow management section, Frontline's reliance on debt financing has significantly impacted its solvency ratio, which sits below the peer median of 0.63 compared to 1.55, respectively (Figure 39). This lower solvency ratio signals potential insolvency risk as Frontline may face challenges in covering its obligations if a black swan event were to occur. However, with a positive outlook for the tanker market and the advantage of a modern fleet, Frontline is well-positioned to reduce debt in the coming years, improving its solvency ratio and bringing it closer in line with peers.

Performance Analysis

The crude oil transportation sector faced dramatic volatility in 2024, a trend reflected across Frontline's peers (Figure 40). For Frontline, a strong Q2 brought the stock up to around $29/ share; it has collapsed in recent months, down over 50% from its 52-week high in late May, closing at $14.21 on December 12th.

To evaluate Frontline's performance over the past years, its share price was indexed and compared to the MSCI World Index (URTH), which represents developed market equity performance, serving as a benchmark to compare Frontline's results. Frontline outperformed the index in 2014 but struggled in the years following. Frontline has outperformed URTH since 2022, but has been

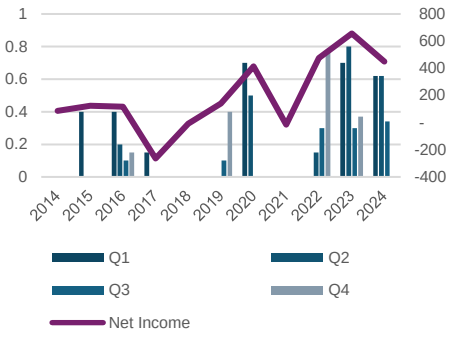

Figure 42: Quarterly dividend per share compared to net income (in $millions)

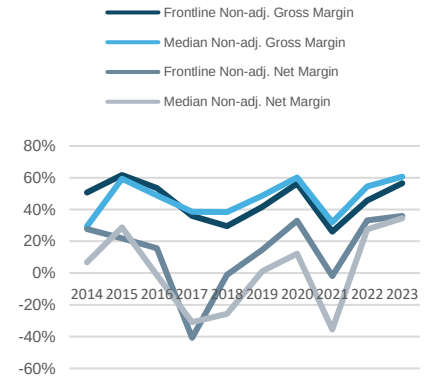

Figure 43: Frontline's Non-adj gross and net margin vs. median of peers. Source: Company Reports

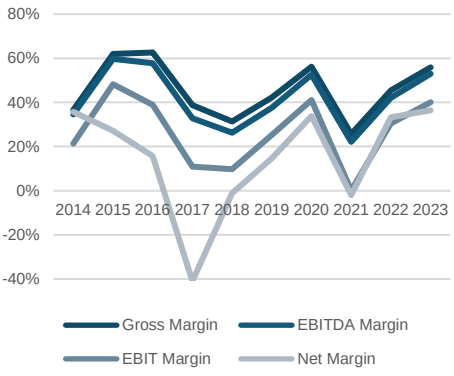

Figure 44: Frontline's adjusted margins over the last 10 years

underperforming in the second half of 2024. Since 2014, Frontline's indexed value is at 149.89 compared to the URTH's 285.12.

Frontline's EPS analysis shows strong earnings in 2014, with weaker years following (Figure 41). After a dip in 2020 due to COVID-19, Frontline returned to a positive EPS of 2.95 by the end of 2023. Frontline's P/E ratio has fluctuated due to unstable cash flows, stabilizing at 6.8x by the end of 2023. Additionally, its price-to-recurring-cash-flows (P/RGCF) has risen recently, indicating improved market confidence in cash flow generation despite shipping industry cycles (Figure 41).

Like its other financial ratios, dividends from Frontline have experienced significant volatility over recent years. That said, since 2022 the company has consistently returned value to shareholders through dividends, supported by improved charter rates and net income performance (Figure 42). With a strong free cash flow outlook, healthy dividend payments are expected to continue going forward.

Margin Analysis

Frontline's margin performance reflects the volatile nature of the crude oil transportation industry, driven by unstable rates and fluctuating operational costs (Figure 43). The company benefits from a modern fleet and scrubber premiums, enabling it to use cheaper high-sulfur fuel; however, these savings may not directly boost profitability, as spot rates often adjust downward in response to reduced industry-wide costs (Investopedia, 2022). Frontline's reliance on the spot market presents an additional challenge for margin stability, with spot rates subject to sharp and unpredictable changes. Operating costs, including voyage expenses, also vary based on market conditions, with conflicts affecting voyage lengths and bunker costs. Additionally, one-off items can significantly damage Frontline's net margin such as the significant drop observed in 2017 associated with an impairment loss of $112.8 million (Figure 42).

That said, in the last 10 years, Frontline's adjusted EBITDA and EBIT margin have averaged 46%, and 42%, respectively, highlighting its ability to manage operating costs relative to revenue (Figure 44). Looking ahead, with more stable cash flows, we forecast an adjusted EBITDA margin between 47% and 51%, and adjusted EBIT and net margins between 29% and 37%, due to minimal income tax.

Profitability Analysis

Frontline's Return on Invested Capital (ROIC) has historical volatile tendencies with the fluctuating charter rates and inconsistent fleet expenditures. Over the last 10 years Frontline has averaged a ROIC and Core ROIC of 4.9% and 10.1%, reaching 14.7% and 17.4% in 2023 as markets strengthened and charter rates

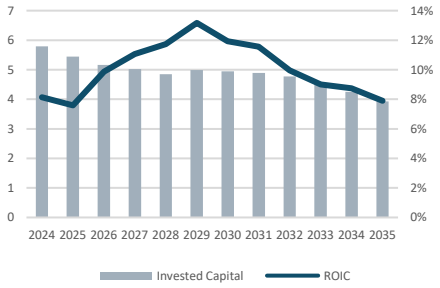

Figure 45: Frontline forecasted ROIC until 2035 compared to total invested capital (in $ millions)

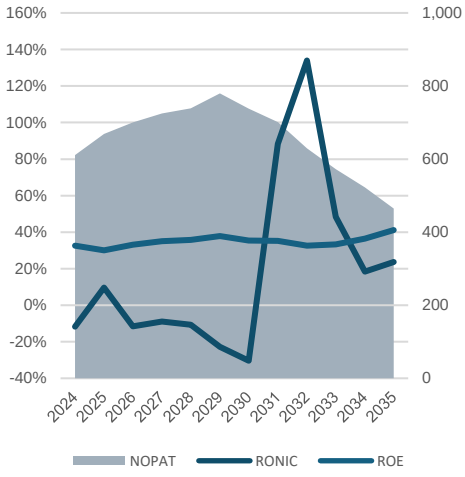

Figure 46: Forecasted RONIC and ROE for Frontline compared to NOPAT in $ millions

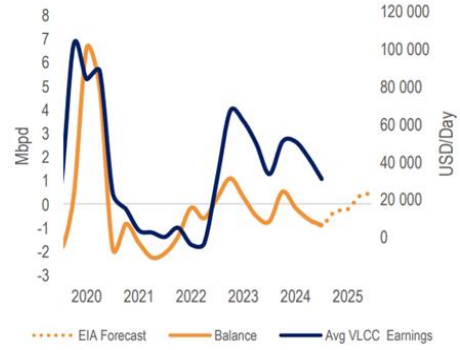

Figure 47: VLCC Spot market earnings versus supply/demand balance. Source: Frontline Q3 presentation.

improved. While cash flows have varied, invested capital steadily grew, reflecting Frontline's long-term focus. Looking ahead, invested capital is projected to decline until 2028, as the company's modern fleet necessitates minimal additional investment (Figure 45). Meanwhile, ROIC is anticipated to rise from 2025, peaking at 13.2% (Core ROIC 16.1%) in 2029 before gradually declining to 7.9% (10.9%) as return on additional CapEx is impacted by a declining oil demand.

In contrast, the RONIC exhibits greater volatility due to significant year-on-year changes in core operational results (Figure 46). An exceptionally high Core RONIC in 2031 and 2032 reflects the decreasing invested capital due to a large, aged fleet, while NOPAT remains relatively high. This phenomenon reflects Frontline's ability to generate significant NOPAT despite operating an aging fleet. However, post 2032, a declining Core RONIC signifies the challenges of optimizing returns on smaller increments of capital while navigating a challenging market environment.

Since 2013, Frontline's Return on Equity (ROE) has averaged a strong 14.79%, reflecting consistent shareholder value. ROE is projected to rise steadily, peaking in 2029, driven by a combination of increasing oil demand and subsequent charter rates as well as the company's leverage through a high net-debt-to-equity ratio (Figure 46). These factors amplify Frontline's ability to generate outsized returns during favorable market conditions, as elevated charter rates enhance profitability while leverage magnifies the returns on equity. The following years are expected to reflect weaker performance due to declining oil demand, however, Frontline's increasing net-debt-to-equity ratio, increases ROE in 2034, and 2035. The increasing ROE due to elevated net-debt-to-equity amplifies risk, but positions Frontline to maintain its ability to generate shareholder value.

Revenue Projection

In this section, we outline our approach to projecting Frontline PLC's revenue, using a bottom-up methodology that combines external market factors with company-specific revenue drivers.

Revenue drivers

Frontline's revenue generation stems from an interplay of external market forces and the company's strategic operational decisions. External factors, such as global oil supply-demand balances, the global fleet dynamic, and geopolitical shifts (altering trade routes), determine base charter rates for vessels. As earlier highlighted, relevant developments expected to impact these rates include shifting

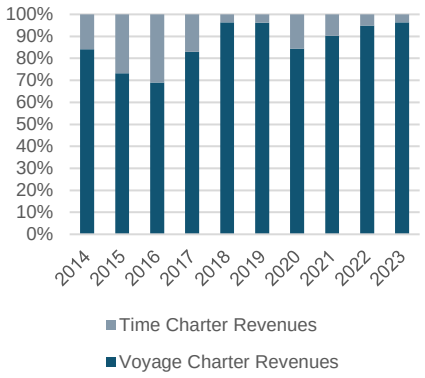

Figure 48: Voyage & Time charter revenues as a % of total ship operating revenues.

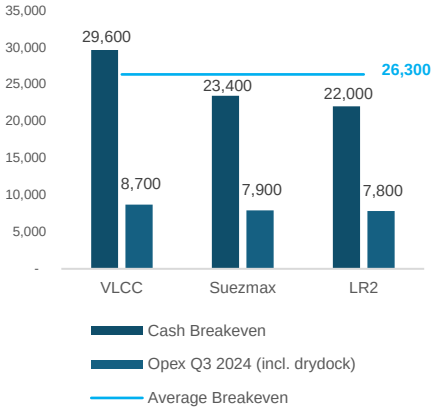

Figure 49: Fleet cash breakeven rates for the next 12 months, incl. drydock cost for 5 VLCCs and 2 Suezmaxes. Source: Frontline Q3 presentation.

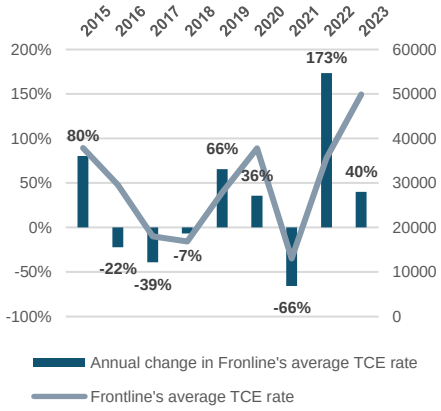

Figure 50: Annual change in Frontline's TCE rate (primary axis) and actual TCE rates (secondary axis, in $)

regional oil demand, evolving oil trade patterns between the West and the East (increasing ton-mile demand), and constrained fleet renewal capacity.

Frontline's internal strategies enable it to capitalize on this stage. Charter type allocation, balancing spot and time markets, requires predictive decision making. Seen by the correlation between spot rates and oil supply/demand (Figure 47), prioritizing the spot market during strong oil demand periods offers higher revenue potential. This is because as voyage expenses are embedded in the spot rates, the "premium" over the expenses decreases and increases with demand. Consequently, in dampened demand outlooks, stability is found in the time charter market. Frontline's ship operating revenue has heavily been sourced from the spot charter market in recent years (see Figure 48), and with only six vessels on time charter contracts in Q3 2024, the focus on the spot market is set to continue.

In the crude tanker industry, **Time Charter Equivalent** (TCE) rates are a standard metric for normalizing earnings across both spot and time charters. By adjusting for voyage-related expenses (borne by the ship owner in the spot market), TCE rates facilitate consistent comparisons across markets, routes and vessel classes. This normalization is critical as Frontline's cash breakeven rates, projected to average $26,300 per day over the next 12 months (Figure 49), set the minimum TCE rates needed to generate positive cash flow.

Frontline's fleet composition remains a pivotal advantage. With a young, ECO-fleet, the company aligns closely with demand for modern tonnage. Fleet deployment according to shifting demand patterns create opportunities for Frontline to capitalize on market dynamics, such as the anticipated increase in longer-haul routes from the Americas to Asia, and opportunities arising from medium-term ship supply constraints. Further, ECO-advantage is directly tangible, with scrubber-fitted vessels generating premiums in revenue.

Finally, disciplined route planning and fleet utilization, minimizing ballast voyages, optimize profitability operational days. Too-aggressive utilization of ships can inflate maintenance costs and reduce vessel life, possibly leading to asset impairments (Annual Report, 2023), while prudent management captures market share and maximizes revenue potential. This mix of market conditions and internal strategy sets the foundation for our revenue projections.

TCE rate forecasting methodology

To forecast Frontline's TCE rates, we initially conducted a regression analysis using annual historical TCE data from 2013 to 2023 (see Table 11, Appendix) against key external variables: global oil demand, oil production, oil reserves and geopolitical risk. All variables exhibited statistical significance, indicating that they

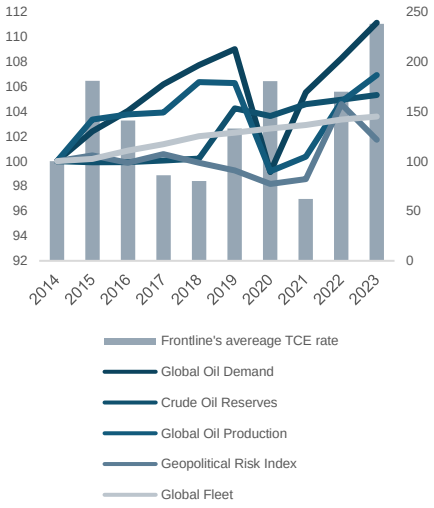

Figure 51: Non-lagged relationship between Frontline's average TCE rate and variables. (Risk, Global Fleet and Average TCE rate on secondary axis)

Supply & Demand estimate	2024	2030	2035
Demand (mb/d)	102.6	104.7	102.4
Production capacity (mb/d)	103.2	111.0	104.6
Reserves (billon barrels)	1,536.0	1,402.8	1,368.1

Table 4: Composite index oil dynamic inputs

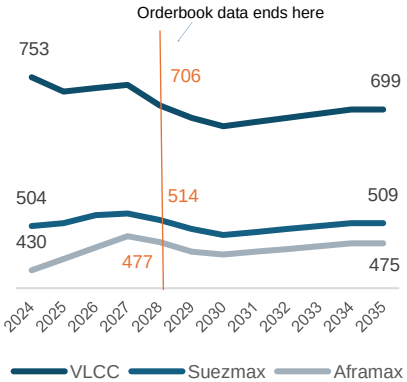

Figure 52: Global fleet size projection. Source: Frontline 2023 and analyst estimate

contribute meaningfully to explaining TCE rate variations. Employing higher-frequency data (e.g., quarterly) or extending the sample period could enhance statistical power, but this is constrained by data availability of the variables. Additionally, the observed historical volatility of Frontline's TCE rates (see Figure 50) discourages the predictive stability of a pure regression-based forecast.

In response to these constraints, we adopt a composite index model to project the TCE rates. With the regression confirming the importance of the variables, the composite index capitalizes on their historical correlations with the rates. For instance, with Frontline's VLCC TCE rates, the variables showed historical correlations of production (+59%), demand (+58%), reserves (+31%), geopolitical risk index (GPR) (31%), and fleet size (-37%) (excluded from the regression to keep the focus on the oil mix). Weights were assigned based on each variable's absolute correlation as a proportion of the total absolute correlations. The historical relationship between the variables and Frontline's average TCE rate (displayed in Figure 51) leads us to incorporate a one-year lag, as we observe that changes in most of the variables tend not to immediately impact rates.

To project annual TCE rate changes, we combine the year-over-year percentage changes of the external variables into a composite indicator applied as follows:

$$TCE\ rate_{year} = TCE\ rate_{(previous\ year)} \times (1 + Composite\ indicator)$$

This approach intuitively adjusts for industry shifts. For example, a contraction in fleet size is expected to tighten supply, exerting upward pressure on TCE rates.

- Estimating External Composite Variables

For oil demand, we adopt the IEA's 2030 forecast, closely aligned with McKinsey's. We consider OPEC's 113.3 mb/d estimate overly optimistic. Recent downward revisions in the IEA's October 2024 report, due to accelerated adoption of sustainable aviation fuel and hydrogen-based shipping fuels (IEA, 2024b) support a more cautious outlook. Our 2035 estimate aligns with IEA's set current trajectory. On the supply side, we integrate the IEA's incremental production forecasts for 2024 and 2025 (0.66 mb/d and 2.1 mb/d increases, respectively), and select a 2030 target between the IEA's and Rystad Energy's. This approach balances optimistic and conservative views. Beyond 2030, we anticipate oil production to trend within EIA and Rystad ranges, while factoring in accelerating reserve depletion by 2030 and slower declines by 2035 due to an expected supply surplus. Applied estimates are displayed in Table 4.

For global tanker fleet projections, we rely on the orderbook data from Frontline, shown in Figure 52, and Figure 82 (Appendix). Currently, 132 VLCCs, 108

Suezmaxes, and 31 LR2s exceed 20 years of age and are expected to be retired or recycled by the end of the year in accordance with the previously explained compliance requirements. Incorporating expected retirements, we estimate that by 2028, the global VLCC fleet will decrease by -6.2%, the Suezmax fleet will increase by 2.0%, and the LR2 fleet by 10.9%. After 2028, we estimate two years of further reductions based on the difference between 20+ and 15+ year-old vessels in 2024, followed by a steady 1% annual fleet growth rate.

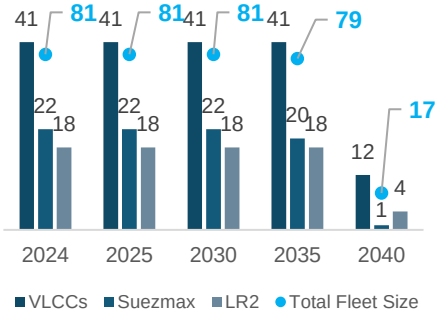

*Figure 53: Frontline's fleet size, **without** projected additions*

- Estimating Internal Composite Variables

Our internal projections for Frontline cover fleet size evolution and utilization rates. Frontline reports 81 vessels in 2024, following a disclosed Suezmax sale expected to be delivered in Q4 (HY 2024 report). Management's cautious stance on fleet expansion at current TCEs, as stated in the Q2 earnings call, is supported by the limited global orderbook in large tanker segments, restricting near-term additions.

As a significant portion of Frontline's fleet nears retirement between 2036 and 2040, we incorporate gradual fleet additions from 2029 to 2035 of four new VLCCs (2029–2032), three Suezmaxes (2029, 2031, and 2034), and seven LR2s (one annually from 2029 to 2035). Without these additions, as illustrated in Figure 53, the fleet would shrink significantly post-2035, as the average vessel ages reach unsustainable levels by 2035, seen in Figure 54. These additions stabilize fleet size through 2035 (Figure 55), yet despite the expansion, the age of the future fleet remains quite old (Figure 54). Without further expenditures beyond 2035, Frontline's fleet would decline to just 31 vessels by 2040.

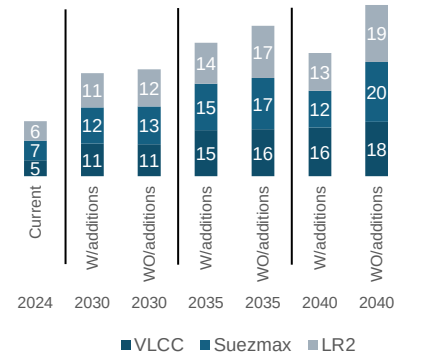

Figure 54: Frontline's average fleet age, with (W) and without (WO) projected ship additions

To estimate future utilization of fleet, we apply historical average of 2019–2023 utilization rates: 91.5% for VLCCs, 80.8% for Suezmaxes, and 90.4% for LR2s. Efficiency gains saw VLCC utilization peak at 98% in 2023, and Suezmax utilization steadily rose from 63% to near 100%. LR2 utilization remained stable. Notably, COVID-19 did not materially distort these utilization figures. Given Frontline's relatively young fleet and the limited global fleet capacity growth over the next 2–3 years, applying these historical averages is a suitable assumption of future utilization levels. Converting utilization to operating annual days yields 334.1 days for VLCCs, 295.1 days for Suezmaxes, and 330.1 days for LR2s.

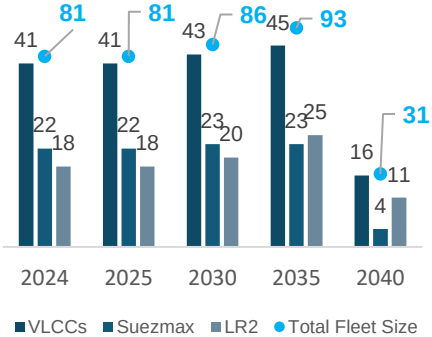

*Figure 55: Frontline's total fleet size, **with** projected additions*

Revenue Forecast – Bottom-up methodology

With the variables and approach established, we begin forecasting Frontline's TCE rates from a 2024 base, based on reported Q1–Q3 rates and a weakened Q4 guidance due to ballast days (Frontline Q3 Report). The rates are projected to

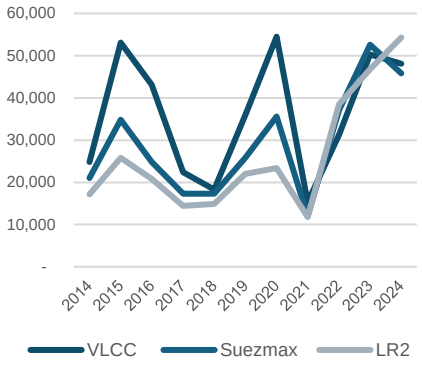

Figure 56: Frontline PLC's historical daily TCE rates, in $/d

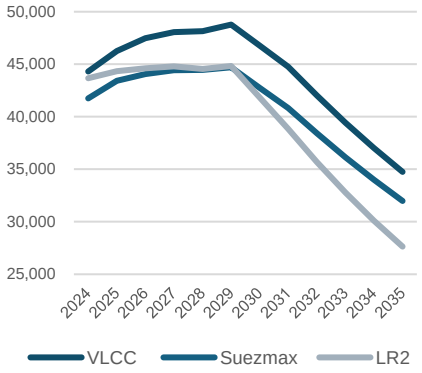

Figure 57: Frontline's projected daily TCE rates, in $/d. Source: Analyst estimate

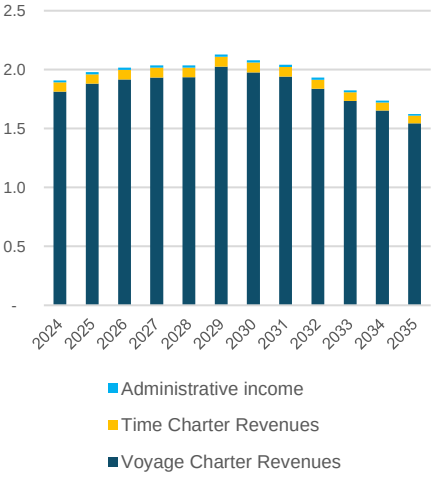

Figure 58: Total revenue, in $ billions. Source: Analyst estimate

2035 using the composite index model, factoring each estimated external variable, their weights, and the lag effects.

To account for the historical volatility in Frontline's TCE rates (Figure 56) and their long-term unpredictability, we apply conservative adjustments to rate estimates from 2030 to 2035: -5% for VLCCs, -5% for Suezmaxes, and -7.5% for LR2s. The rationale for these adjustments is twofold: TCE rates are highly cyclical, and despite our estimates of the oil dynamic variables being based on the latest market research, post-2030 rates remain highly speculative. Second, as noted by CEO Barstad, historical trends indicate that LR2 rates typically trade 30% below Aframax rates, with Aframaxes trailing VLCC rates by 30% (Vonheim, 2024), reinforcing a structural yield premium for larger vessel classes. The more significant adjustment to LR2 rates accounts for the recent Houthi attacks in the Red Sea, tightening supply of vessels used for clean oil products transport (Reuters 2024, Argus Media, 2024), bringing LR2 rates to par with larger vessel classes. While we do not speculate on geopolitical stabilization post-2030, LR2 rates are expected to gradually realign with their historical relationship to Suezmax rates, seen in Figure 56. Barstad further highlights that the anticipated influx of new LR2 orders into the fleet could accelerate this normalization (Vonheim, 2024).

Short-term geopolitical risk impacts on TCE rates are incorporated into the composite index to account for ongoing conflicts increasing transit times and spot market rates (JP Morgan, 2024). We apply a +2% effect in 2024, +1.5% in 2025, +1% in 2026, and +1% in 2027, with no impact beyond 2027 due to the uncertainty of long-term geopolitical development. Figure 57 outlines our final TCE rate projections for Frontline, by vessel type.

With TCE rates established, we project revenue using a bottom-up approach. For each of Frontline's vessel classes, we estimate annual spot days available for hire by combining projected fleet size with expected utilization rates. Multiplying the spot days by the respective projected TCE rates provides Total TCE revenue for each vessel class, and combined, these yield the total net revenue. To arrive at total revenue from this cost-adjusted TCE revenue, the projected Voyage Expenses and Other non-vessel items, are added. Voyage Charter Revenues, Time Charter Revenues, and Administrative Income are split out, according to historical proportions and stable relationships observed over the past three years. This final step yields our total projected segmental revenue for Frontline, displayed in Figure 58 (see Income Statement in the Appendix for detailed figures).

Back-testing our methodology with past years shows variances of only 0.0–0.1% from reported revenue, reinforcing the model's reliability. With granular estimates

of Frontline's TCE rates, utilization rates, and total fleet size, this framework offers a consistent basis for revenue projections through 2035.

Cost and Capital Allocation Projections

This chapter focuses on some of the other key projected variables in our model for a valuation of Frontline. Given the capital-intensive nature of the shipping industry, we also provide detailed insights into our PP&E forecasts. Finally, future capital structure projections are highlighted as a critical component of the valuation.

Costs

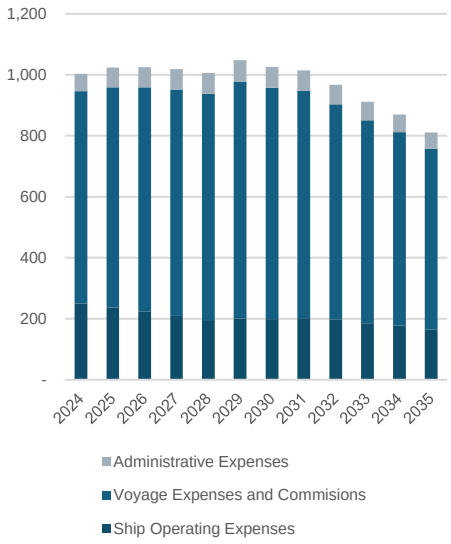

Figure 59: Operational expenses until 2035. Source: Analyst estimates

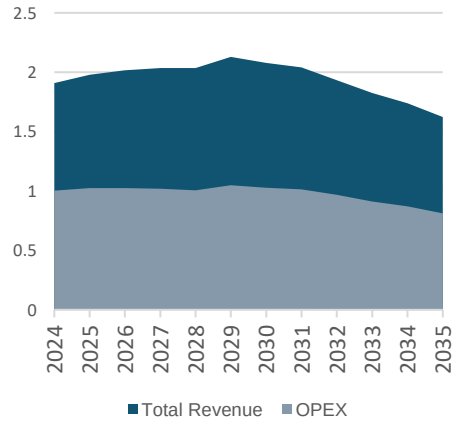

Figure 60: Total revenue and OPEX. Dark blue displays adjusted EBITDA. Source: Analyst estimates

To forecast Voyage Expenses, comprised of bunkers, commissions, and ports costs, we apply the historically observed relationship between Frontline's Voyage Expenses and the Total Net Expense Revenue (total TCE), assuming a constant relationship to continue going forward. A 4-year average of the cost in relation to total spot TCE, was used, ignoring 2021 due to a large drop in spot rates. Looking ahead, rising global trade volumes could intensify port congestion and lead to higher port fees, while geopolitical conflicts may increase agency costs in high-risk regions, further impacting Voyage Expenses (Dupuis, 2024).

Regarding Ship Operating Expenses, we opt to forecast these expenses as a 5-year median of ship operating expenses to Vessels and Equipment, assuming this ratio stays proportional going forward. Repair and maintenance costs have stayed flat in recent years, but as the fleet ages, these costs may rise due to more frequent dry-docking requirements and unscheduled maintenance needs. Additionally, vessel insurance, while a smaller portion of total expenses, has shown a gradual increase, driven by heightened geopolitical risks, as insurers charge Frontline higher premiums to cover their vessels. While these developments are possible, and tested in our scenario analysis, we utilize the recent observed trends as our assumption going forward.

Administrative Expenses are likely to remain relatively flat, accounting mainly for inflationary measures and increased compensation as the company grows. If Frontline expands its fleet or enters new markets, additional administrative costs could be incurred. Due to this relationship with the overall company size, a 3-year median of administrative costs to total revenue was used, reflecting these expenses' declining proportion to revenues since 2017.

Property, Plant & Equipment (PP&E)

Accurately projecting PP&E is critical given the asset-intensive nature of the shipping industry and its significant impact on Frontline's valuation. Our baseline

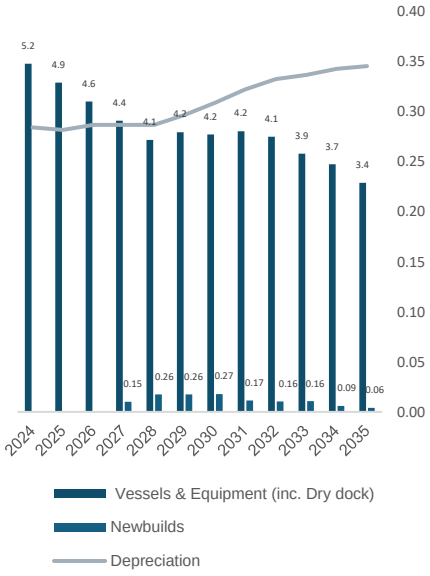

Figure 61: Frontline's Vessels & Equipment (inc. Dry Dock) evolution (in $ billions) as well as depreciation. Source: Analyst estimate

for 2023 starts with a valuation of vessels and equipment, including the dry dock component (capitalized costs relating to drydocks), based on Frontline's fleet composition across three vessel categories and their respective ages at year-end 2023. Depending on the vessel's age, we retrospectively apply historical market prices from the time each ship was purchased and calculate cumulative depreciation until the end of 2023. Frontline applies straight-line depreciation to its fleet (Annual Report, 2023), allowing us to arrive at individual book values for each vessel, yielding a combined book value of $4.12 billion by the end of 2023.

To align with Frontline's reported 2023 vessels and equipment figure of $4.63 billion, we compute the historical ratio between our vessel-only valuation and the reported vessels and equipment figure, reaching an equipment premium of 11%. Adding the consistent drydock component at 1.3% of total vessels and equipment, we match the reported total vessels and equipment value of $4.63 billion for 2023.

Using this methodology, we project Frontline's PP&E from 2024 to 2035, by rolling forward the age-specific values of the existing fleet, deducting cumulative depreciation, and incorporating projected new vessel additions and retirements (Figure 61). For fleet expansion, we factor in newbuild assets, representing vessels under construction, which transition to operational assets two years after their initiation. As per Frontline's revised useful vessel life of 20 years, vessels retirement is assumed to occur as they turn 21 years old. The final Vessels & Equipment line-item is obtained by adjusting the book value of the fleet by the 2023 and Q2 2024 average historical equity premium of 13% and historically observed dry dock premium of 1.3%. This process allows us to accurately estimate a realistic fleet evolution (projections shown in Figure 61).

As mentioned, Frontline depreciates Vessels & Equipment on a straight-line basis. With no fleet expenditures until 2029, the decreasing value of vessels & equipment (and right-of-use assets) by 2028, is a result of the depreciation expenses in the range of $281.6 to $286.5 million between 2025 and 2028. From 2029 onward, the introduction of the newbuilds into the fleet increases the depreciation expense, growing up to $345.3 million by 2035.

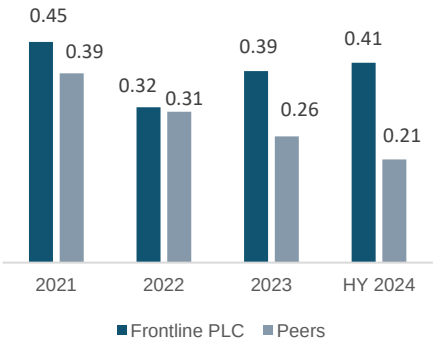

Figure 62: Net debt / EV evolution of Frontline and Peers. Source: Bloomberg Terminal

Capital Structure

Divergence from the selected industry peer's capital structure (seen in Figure 62) is mainly due to Frontline's recent substantial fleet expansion. In November 2023, Frontline entered a senior secured term loan facility of up to $1.41 billion to partly finance the $2.35 billion Euronav acquisition of 24 VLCCs. By Q1 2024, the full loan was drawn ($891.3 million in 2023 and $518.7 million in Q1 2024), expanding Frontline's debt (Frontline Q3 Report).

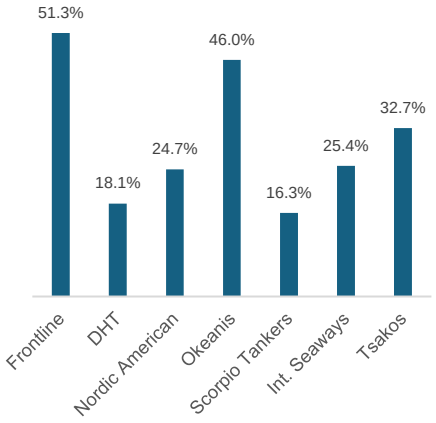

Figure 63: 2023 snapshot of Loan-to-value (LTV). Source: Analyst estimate

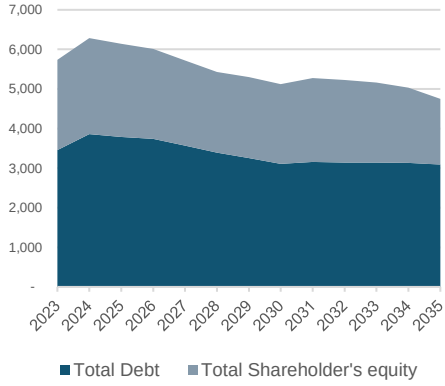

Figure 64: Projected capital structure development. Source: Analyst estimate

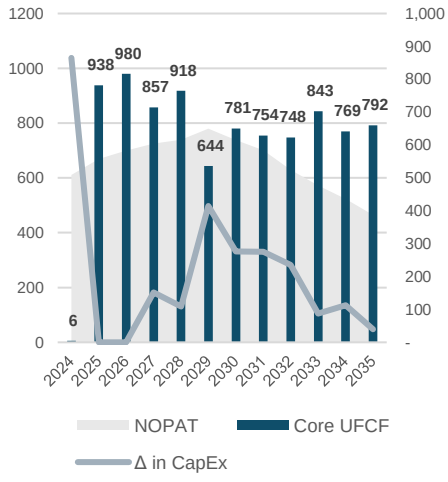

Figure 65: Core UFCF and NOPAT on primary axis, with CapEx on secondary axis. In $ millions. Source: Analyst estimate

With a newly updated fleet and no near-term CapEx requirements, Frontline is well-positioned to focus on debt reduction. However, both CEO Barstad and CFO Klemp have indicated no plans for accelerated deleveraging. In March 2024, Barstad stated that Frontline is content with its Loan-to-Value (LTV) of approximately 50% (calculated net debt to fleet market value), and was confident in asset values, suggesting that inflation adjusted, the industry is likely in a mid-cycle phase rather than at peak asset valuations (Vonheim, 2024). Despite a substantially higher LTV compared to peers (see Figure 63), Klemp reaffirmed in the Q3 2024 earnings call their continuing satisfaction with maintaining an LTV of around 50%, dismissing the need to align with lower industry leverage levels.

Thus, acknowledging the Euronav acquisition-driven elevated debt levels in 2024, we assume Frontline to slowly delever towards a target Net Debt/EV structure of 0.35 by 2028, an average of their 2022 and 2023 structure. Applying this target structure, the net debt is estimated based on the DCF's implied enterprise values, resulting in an end of 2025 net debt of $3.36 billion, slightly down from $3.50 billion in Q3 2024. Estimating Frontline's end-of-2025 fleet value at $6.95 billion, equates to an LTV of 48%, consistent with the leverage guidance given by Frontline. Figure 64 displays Frontline's projected capital structure.

The excess cash balance in net debt is calculated based on Frontline's operating cash requirements, using the lowest C&CE/Revenue ratio observed among a broader set of 17 industry peers over the past three years. The minimum ratio of 5.3% aligns with the upper bound of academic guidance for operating cash needs (0.5–5%), reflecting the higher liquidity demands of the shipping industry. For Frontline, these include operating costs, working capital funding, debt repayments, and upgrading costs, which are met through cash balances, short-term investments, and customer receipts (Annual Report, 2023). The 5.3% C&CE/Revenue requirement for operating cash translates to approximately 70% of the projected C&CE being classified as excess cash.

Intrinsic Valuation

Core Unlevered Free Cash Flow

Frontline's unlevered free cash flow (UFCF) is heavily influenced by capital expenditures (CapEx). In 2024, residual effects of the Euronav acquisition drive CapEx to $864.9 million, limiting core UFCF to $6.1 million. CapEx is projected to remain nil in 2025 and 2026, enabling UFCF to peak in 2026. CapEx resumes in 2027 with newbuild projects, which are expected to transition into operational assets (Vessels & Equipment) two years post-initiation (according to Frontline's

Calcualting the Credit Score	Rating	Adj. Score	Weight	Weigh. Score
Size of Fleet	B	15	10%	1.5
Business Profile	Aa	3	20%	0.6
EBIT Margin	Aa	2.2	5%	0.11
Debt / EBITDA	Ba	11.3	10%	1.13
RCF/ Net Debt	Caa	18.5	10%	1.85
(FFO + Interest Exp.) / Interest E	Baa	7.8	10%	0.78
Unencummbered Assets	B	15	15%	2.25
Financial Policy	Baa	20	20%	4
Sum	(Ba2 range: 10.5-13.5)			12.22

Table 5: Moody's shipping credit rating assessment. Source: Analyst estimate

WACC Components	
Risk-Free Rate:	**4.31%**
10-y Treasury Rate	
Market Risk Premium:	**6.28%**
30-y arithmetic average U.S. return premium	
Unlevered Beta	**0.753**
Peer group's regressed weekly 5-y beta	
Relevered Equity Beta	**1.067**
Cost of Equity	**11.01%**
Debt beta	**0.17**
Implied by credit rating	
Credit Rating	**Ba2/BB**
Moody's shipping rating methodology	
Implied Credit Spread	**2.21%**
Implied Interest Rate	**6.52%**
Risk-free + spread	
Loss given default	**58.03%**
Using 10-y average senior unsecured loans	
Annual Probability of default	**1.05%**
Based on Ba2/BB rated 10-y bond	
Cost of debt	**5.91%**
WACC	**9.23%**

Table 6: WACC calculation. Source: Analyst estimate

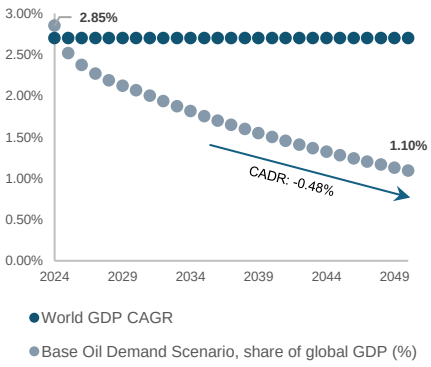

Figure 66: The oil shipping industry's estimated share (%) of total world GDP. Source: Analyst estimate

historically observed transitional timespan), forming the basis for projected fleet expenditures from 2029 onward. As seen in Figure 65, this reintroduction of CapEx in 2027 marks a turning point in the UFCF trend after the 2026 peak, despite core results (NOPAT) continuing its growth until 2029.

Weighted Average Cost of Capital

Frontline's stabilized Weighted Average Cost of Capital (WACC) is estimated at 9.23%, derived from a cost of debt of 5.91% and a cost of equity of 11.01%. The cost of debt reflects an implied interest rate of 6.52%, calculated using the 10-year treasury yield as a risk-free rate, adjusted by Frontline's credit spread. This spread is estimated using Moody's shipping rating methodology, indicating a Ba2/BB credit rating (Table 5). A synthetic estimate based on Frontline's interest coverage ratio suggested a higher Baa2/BBB rating, but we rely on Moody's methodology for its emphasis on the industry's risk characteristics. Notably, under the tonnage tax system, tax shields are not applicable, as taxes are based on vessel tonnage rather than taxable income, leaving the cost of debt **unaffected** by taxes.

Cost of equity is calculated using the CAPM model, incorporating a risk-free rate of 4.31%, a market risk premium of 6.28% (based on 30-year U.S. return premium data), and an equity beta of 1.07. Initially, a 5-year regression against the MSCI World ETF (URTH) yielded a beta of 0.84 (95% CI: 0.70–0.98). Given the uncertainty of this range, we adopted a peer-based approach, regressing peers against the same index, resulting in 1.02. The Blume adjustment was applied to account for beta mean reversion and reduce recent noise, ensuring greater reliability. With an unlevered median peer beta of 0.75, Frontline's equity beta of 1.07 was derived by relevering it to Frontline's target Net Debt/EV ratio of 0.35. As a final note, the transition to a target Net Debt/EV ratio of 0.35 by 2035 (from 0.4 in 2024) resulted in 2025-2027 transitional WACCs of 9.25%, 9.24%, and 9.23%.

Perpetual Growth Rate

We estimate the perpetual growth rate based on the projected contraction of the crude oil shipping industry, as using the implied Reinvestment Rate (RR) and RONIC yields an unrealistic -16.7% growth rate in 2035, due to declining projected PP&E and the unstable nature of capital expenditures in this asset-heavy sector.

The value of the crude oil transportation industry was assessed by multiplying global oil demand by crude oil prices. In 2024, with oil priced at $82.68/b and demand at 102.6 mb/d, the industry is valued at $3,095 billion. Using the IEA's high- and low-demand scenarios, with oil price targets of $75/b and $58/b, we derive an average price of $66.5/b (IEA, 2024b). Combined with the IEA's 2050 oil

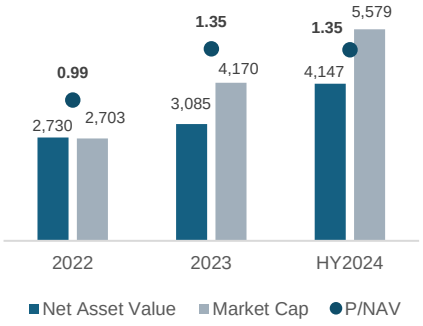

Figure 67: Frontline's historical valuation in relation to its net fleet market value (in $ millions). Source: Analyst estimate

Vessel market prices as of December 2024 (in $ millions)					
Ship age	**New**	**5y**	**10y**	**15y**	**20y**
VLCC	132,6	107,5	79,2	49,5	31,0
Suezmax	95,7	79,5	61,4	41,6	27,7
LR2	81,1	68,1	51,7	35,3	24,2

Frontline Fleet Value EOY 2025 (in $ millions)				
VLCC	Suezmax	LR2	Scrubber	**Total Fleet Value**
4 098,8	1 544,7	1 078,2	226,8	**6 948,6**

Table 7: Frontline's end of 2025 fleet value estimate. Source: Analyst estimate

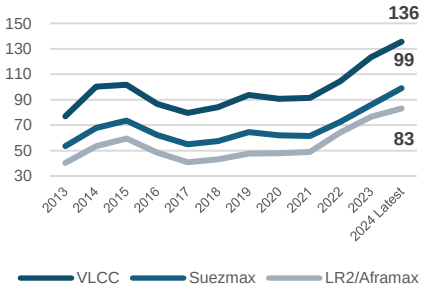

Figure 68: Market price development of vessels, in $ millions. Source: Bloomberg

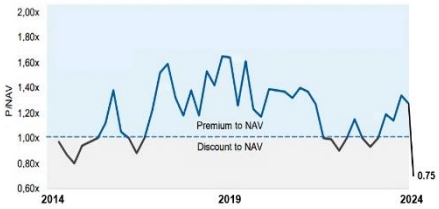

Figure 69: Frontline's historical P/NAV multiple. Source: SpareBank1 2024 & Analyst estimate

demand projection of 97.9 mb/d the industry's value is expected to decline at a CAGR of -0.48% post-2035, falling to $2,376 billion by 2050.

This contraction aligns with the oil shipping industry's declining share of the global economy. While global GDP is projected to grow at a 2.7% CAGR from 2023 to 2050 (IEA, 2024b), growing from $105,685 billion in 2024 (IMF, 2024) to $216,968 billion by 2050, the industry's share of GDP is expected to shrink from 2.85% in 2024 to 1.1% by 2050, as illustrated in Figure 66. This declining trend directly supports our perpetual growth rate estimate of -0.48%.

Net Asset Value (NAV)

The Price-to-NAV valuation, a widely used assessment in the industry, offers a basis for future valuation by assessing historically, how the market value of a firm has traded relative to its fleet market value. To determine historical valuation, we use end-of-2022, 2023 and half-year 2024 data. Frontline's fleet market value at these dates, calculated using corresponding dates' Bloomberg vessel prices, was estimated at $4.95, $6.33 and $7.71 billion. After deducting the corresponding year's net debt, the NAVs stood at $2.73, $3.08 and $4.15 billion. Frontline's market cap (estimated using adjusted share prices at each date) stood at $2.70, $4.17 and $5.58 billion at the corresponding dates, resulting in price-to-NAV multiples of 0.990, 1.352 and 1.345, an average multiple of 1.23 (Figure 67).

Frontline's fleet's market value as of December 2025, at $6.95 billion, is estimated using December 2024 vessel prices, the projected 2025 fleet size of 81 and the corresponding vessel's future ages. Deducting the anticipated net debt of $3.36 billion, the end of 2025 NAV is estimated at $3.61 billion. Applying Frontline's historical average P/NAV multiple of 1.23 yields a projected market capitalization of $4.44 billion. This implies a share price of **$19.95** as of December 31, 2025, reflecting a 40% upside from December 12, 2024, closing price of $14.21.

The implied 40% upside potential of the NAV valuation relies on vessel price developments and the market's perception on Frontline's premium valuation. Newbuild prices have risen sharply since 2021 (see figure 68), with prices of older vessels following similar trends. Prices can be expected to remain elevated due to the restrained orderbook, yet the risk of price declines by 2025 remains an important concern. In addition, Frontline's recent share price drop has lowered its P/NAV multiple to 0.75 as of December 11th, significantly below its historical premium (Figure 69). If Frontline starts correcting towards its historically traded premium and ship prices remain stable, further share price appreciation is likely.

DCF Valuation ($ thousands)	
Terminal Value	8,123,728
PV Terminal Value	3,358,699
PV Core UFCFs	5,213,370
EOY 2025 Non-operating assets	49,541
EOY 2025 Enterprise Value	**8,621,610**
EOY 2025 Net Debt	3,335,419
EOY 2025 NCI	- 472
EOY 2025 Market Cap	5,286,663
Implied Share Price	**$ 23.75**
Implied upside	**67.12%**

Table 8: DCF-valuation components

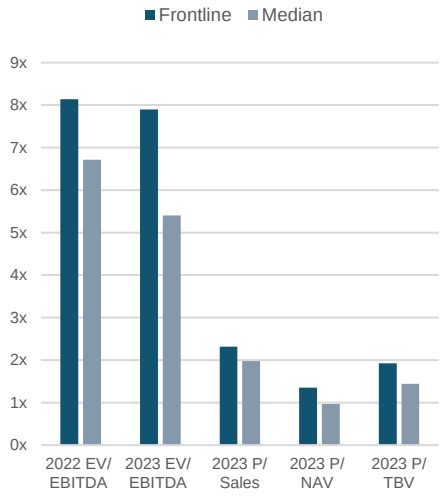

Figure 70: Frontline's CCA valuation multiples vs. median of peers

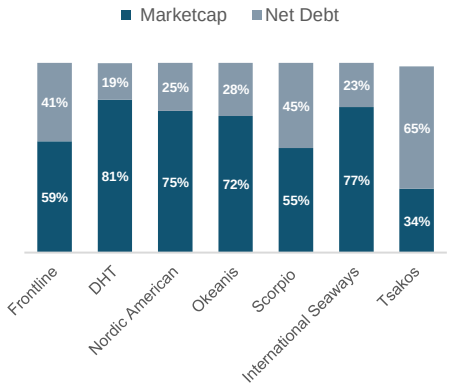

Figure 71: EV composition for Frontline and peers as a percentage

Discounted Free Cash Flow (DCF)

The terminal value of Frontline PLC, based on operating free cash flows beyond 2035, a perpetual growth rate (-0.48%), and a stabilized WACC (9.23%), is estimated at $8.12 billion. We discount UFCFs until 2028 using transitional WACCs for 2025-2027, aligned with the capital structure at each year's start, and apply the stabilized WACC for UFCF beyond 2028.

Discounting future cash flows and the terminal value to December 2025 yields an enterprise value (EV) of $8.62 billion. Deducting 2025 net debt and OCI of $3.36 billion and -$472,000, results in a market capitalization of $5.29 billion. With 222.6 million shares outstanding as of 2024 (unchanged in recent years and expected to remain stable), this equates to a target price of **$23.75** per share as of December 2025 (See Table 8 for further information). This represents a 67.1% upside from the share price of $14.12 as of December 14, 2024.

Relative valuation

Frontline's valuation is assessed using a Comparable Company Analysis (CCA), comparing its trading multiples to the peer group discussed earlier.

As discussed, the **P/NAV** ratio is a key metric in shipping, comparing a company's market capitalization to the market value of its fleet. Using vessel prices as of December 2023, Frontline's P/NAV of 1.35x at the end of 2023 was significantly above the peer median of 0.95x, reflecting its premium valuation. Utilizing the implied peer median suggests an end of 2025 share price of **$15.74**, aligning closely with the stock's current trading levels, suggesting the market recognizes Frontline's strong position brought on by its advanced fleet.

To validate this analysis, the Price-to-Tangible Book Value (**P/TBV**) ratio was also calculated. Unlike P/NAV, P/TBV uses the book value of tangible assets rather than market values. Like the P/NAV, this ratio indicated that Frontline's assets are relatively overvalued compared to peers, yielding a share price of **$13.23**. This lower implied share price compared to the P/NAV likely reflects the rallying vessel market prices in the last years.

The **EV/EBITDA** multiple was chosen for its focus on operating earnings, independent of capital structure, making it ideal for asset-heavy industries like shipping. Frontline's 2023 EV/EBITDA of 7.90x, well above the peer median of 5.41x, reflects market confidence in its young, modern fleet, operational efficiency, and favorable market positioning. However, this elevated multiple also stems from its high net debt (Figure 71), significantly increasing its enterprise value. Applying the 2023 multiple, the projected 2025 EBITDA estimates a share price of **$8.19**,

suggesting a discount to its current value. In contrast, the 2022 multiple yields a price of **$13.79**/ share, aligning more closely with the current market price.

Finally, EV/Sales (**EV/S**) was considered as it accounts for equity and debt, neutralizing the impact of different structures among peers. This approach yielded an EV/S multiple of 4.06x compared to the peer median of 3.01x. Thus, with an implied 2025 share price of **$11.76**, this multiple further supports overvaluation compared to peers.

The CCA valuation implies that Frontline appears overvalued from an EV perspective due to its higher leverage, but fairly valued from a market cap view, indicating market optimism about its debt management. Our aggregate CCA valuation indicates a share price of **$13.22** as of end of 2025.

Sensitivity Analysis and Monte Carlo Simulation

The sensitivity analysis of the NAV-valuation tests two key variables: potential changes in vessel market prices by the end of 2025 and the P/NAV multiple at which Frontline is expected to trade. Seen in Table 9, a 10% reduction in vessel prices, at Frontline' historical P/NAV multiple of 1.23, reduces the share price outlook by 18.6% to $16.24, while a similar increase in prices results in a share price of $23.66. However, the upside potential despite price reductions, would vanish if Frontline traded at any lower P/NAV multiple. Table 13 in the Appendix, which models larger fluctuations, illustrates that if ship prices remain at current levels but Frontline trades at a P/NAV of 0.98 (alike its multiple of 0.99 in 2022, and the median peer multiple of 0.97), the share price of $15.89 would align more closely with the current one. Conversely, if Frontline continues trading within its recent P/NAV range of 0.75-0.85, any potential upside from the current share price would be eliminated. This displays the sensitivity of the valuation to changes in both ship prices and the market's perception of Frontline's premium valuation.

Short-term vessel price discount (premium) \ Applied P/NAV Multiple	1.08	1.13	1.18	1.23	1.28	1.33	1.38
10.0%	14.25	14.92	15.58	16.24	16.90	17.56	18.22
7.5%	15.07	15.77	16.47	17.16	17.86	18.56	19.26
5.0%	15.88	16.62	17.36	18.09	18.83	19.56	20.30
2.5%	16.70	17.47	18.25	19.02	19.79	20.57	21.34
0.0%	17.51	18.32	19.14	**19.95**	20.76	21.57	22.38
(2.5%)	18.33	19.18	20.03	20.87	21.72	22.57	23.42
(5.0%)	19.14	20.03	20.92	21.80	22.69	23.58	24.46
(7.5%)	19.96	20.88	21.81	22.73	23.65	24.58	25.50
(10.0%)	20.77	21.73	22.70	23.66	24.62	25.58	26.55

Table 9: NAV-Valuation sensitivity analysis. Source: Analyst estimate

The sensitivity analysis of the DCF valuation examines the impact of a constant WACC and the perpetual growth rate. The net debt of 2025 is kept constant at the projected $3.36 billion. The applied WACC range, from 7.07% to 11.90%, was derived through its own sensitivity analysis: incorporating fluctuations in the cost of equity (driven by sensitivities in the equity beta and market risk premium) and the cost of debt (considering variations in implied credit spreads and probability of default assumptions). Combined with the perpetual growth rate range of -2.3% to 1.3%, the DCF sensitivity analysis yields an implied share price between $15.36 to $40.62 (see Table 12 in Appendix). Notably, the sensitivity analysis implies no downside from the current share price of $14.21 (December 12), with upside eliminated at a WACC of 12.23% and a perpetual growth rate of -3.3%.

Stabilized WACC \ Perpetual growth rate	1.0%	0.5%	0.0%	(0.5%)	(1.0%)	(1.5%)	(2.0%)
7.23%	37.84	35.64	33.75	32.10	30.65	29.37	28.23
7.73%	34.47	32.63	31.04	29.64	28.40	27.29	26.30
8.23%	31.55	30.01	28.65	27.45	26.38	25.42	24.56
8.73%	29.02	27.70	26.54	25.50	24.57	23.74	22.98
9.23%	26.78	25.66	24.65	**23.75**	22.94	22.21	21.54
9.73%	24.80	23.83	22.96	22.17	21.46	20.81	20.22
10.23%	23.03	22.19	21.43	20.74	20.11	19.53	19.01
10.73%	21.44	20.71	20.04	19.43	18.87	18.36	17.89
11.23%	20.01	19.36	18.77	18.23	17.73	17.28	16.86

Table 10: DCF-Valuation sensitivity analysis with 0.5 p.p. increments. Source: Analyst estimate

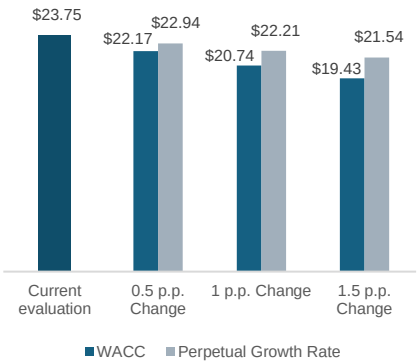

Figure 72: The incremental impact of an increasing WACC and decreasing perpetual growth rate, on the share price. Source: Analyst estimate

As shown in Table 10 and Figure 72, WACC dominates the valuation due to the higher present value of UFCFs ($5.2 billion) compared to the present terminal value ($3.4 billion). Testing one variable while keeping the other constant, a 1 percentage point (p.p.) increase/decrease in the WACC impacts the share price by -12.7% and +15.6%, compared to -6.5% and +8.0% for a similar change in the perpetual growth rate. However, a 2 p.p. increase in the WACC alone, yielding a price of $18.23, marks a significant reduction from the current estimate of $23.75. Given the cyclical nature of the shipping industry, a higher WACC is arguably well-justified, making the DCF-valuation more prone to changes in risk assumptions.

A Monte Carlo simulation was performed to stress-test TCE rate estimates, operating expenses, and perpetual growth assumptions in the DCF model. TCE rates are projected to grow YoY by 2.0% (VLCC), 1.4% (Suezmax), and 0.5% (LR2) from 2025–2029, then decline annually by -5.5% (VLCC), -5.4% (Suezmax), and -7.5% (LR2) from 2030–2035. These rates were randomized using a normal distribution with a 20 p.p. standard deviation, mimicking historical volatility. For example, VLCC TCE growth fluctuates between -18% to +22% (2025–2029) and -25.5% to +14.5% (2030–2035). Revenues were calculated based on these fluctuating rates. Operating expenses averaging 50.7% of revenue with a 1.2 p.p. standard deviation, and perpetual growth, centered at -0.48% with a 1 p.p. standard deviation, were included in the simulation and randomized.

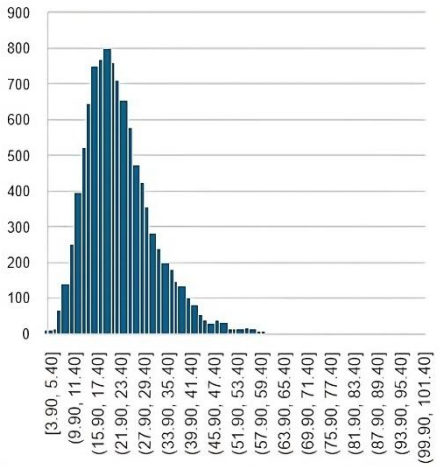

Figure 73: An outcome of a Monte Carlo simulation of 10,000 iterations

The simulation, comprising 10,000 iterations, yielded a median share price outcome of **$21.76**, illustrated in Figure 73. The result of this Monte Carlo simulation supports the DCF valuation even with large volatility in our TCE rate estimates, and modest variations in operating expenses and perpetual growth.

Scenario analysis

Scenario analysis extends the DCF valuation by incorporating optimistic and pessimistic assumptions about TCE rates, key financial line-items and the perpetual growth rate. The optimistic scenario assumes strong oil demand, with OPEC's 2030 and 2035 targets of 113.3 mb/d and 116.5 mb/d, and production growing toward EIA's 2050 estimate of 120 mb/d. Conversely, the pessimistic scenario aligns with IEA's low-demand case of 104.7 mb/d in 2030, declining to 89.7 mb/d by 2035, and production declining toward Rystad Energy's 2050 projection of 55 mb/d. Differences in geopolitical risks are incorporated, reflecting scenarios where disruptions in regions like the Red Sea either marginally elevate freight rates or taper off faster than expected. Together, these differences equate different TCE rate projections, consequently generating different revenue outlooks (see Figure 74).

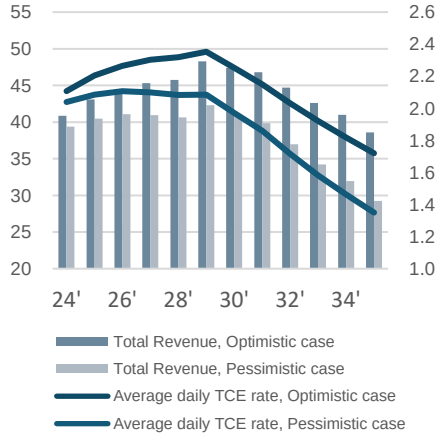

Figure 74: TCE rates (primary axis, $ thousands) and total revenue (secondary axis, $ millions)

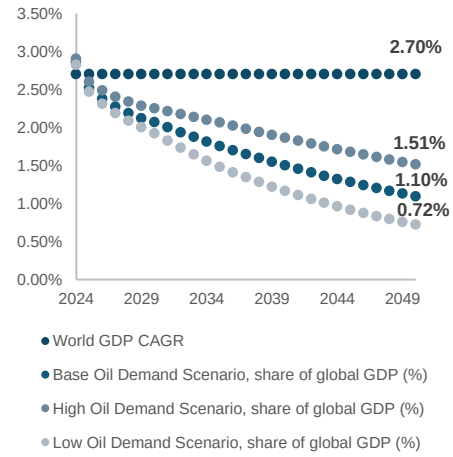

Figure 75: The oil shipping industry's projected share (%) of total world GDP, given the three scenarios. Source: Analyst estimate

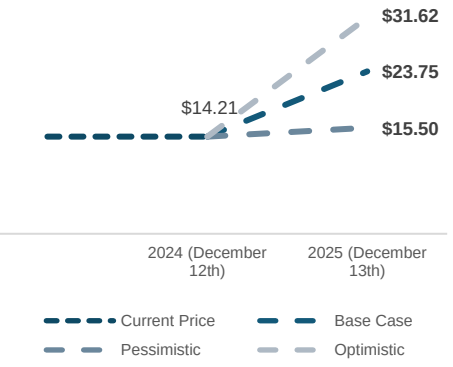

Figure 76: Implied share price per scenario. Source: Analyst estimate

Income statement and balance sheet adjustments reflect scenario-specific cost pressures. Voyage expenses, the largest cost component, are modeled as a percentage of total spot TCE, increasing in the optimistic scenario and decreasing in the pessimistic scenario to reflect utilization-driven cost shifts. Ship operating expenses (as a percentage of vessels and equipment) and administrative expenses (as a percentage of revenue) remain fixed in the optimistic case, as we do not anticipate proportional cost savings, but face upward pressure in the pessimistic scenario in the case of inefficiencies and/or general cost increases. NWC requirements, including operational cash, receivables, and payables, are adjusted modestly to reflect scenario-based variations, impacting balance sheet strength. However, total debt levels are set to remain constant to those of the base case, as significant deviations are unlikely by 2025.

Finally, perpetual growth rates vary with different oil demand and oil price estimates. In the optimistic case, growth rates align with OPEC's long-term oil demand target of 130 mb/d by 2050 and the IEA's higher oil price projection of $75 per barrel. In contrast, the pessimistic scenario reflects McKinsey's 2050 oil demand estimate of 74 mb/d and the IEA's lower price projection of $58 per barrel. Both scenarios imply a declining share of the oil shipping industry's percentage of global GDP (see Figure 75). These declines result in a perpetual growth rate of +0.6% in the optimistic case and -2.1% in the pessimistic case.

Discounted cash flow analysis results in a target price of $15.50 in the pessimistic scenario and $31.62 in the optimistic scenario, compared to the base case target price of $23.75 (see Figure 76). This implies 9.1% and a staggering 122.5% share appreciations from the Dec. 12th share price of $14.21, respectively. See Table 14 and 15 in the Appendix for share price sensitivity analysis of the scenarios.

Investment Risks

In addition to systemic risks outlined throughout report, such as the industry's sensitivity to macroeconomic and geopolitical volatility, challenges from the energy transition due to Frontline's reliance on crude transport and limited diversification relative to peers, and evolving fleet dynamics with the shadow fleet and potential overcapacity post-2027 impacting rates, we highlight three pressing risks.

Investors should monitor the state of the Strait of Hormuz, through which 30% of global crude oil transport has passed through in 2024. Disruptions at this checkpoint (whether military, such as an Israeli attack on Iranian oil facilities, weather-related, or otherwise) could spike oil prices and sharply reduce global oil volumes, plummeting tonne-mile demand and impacting tanker profitability.

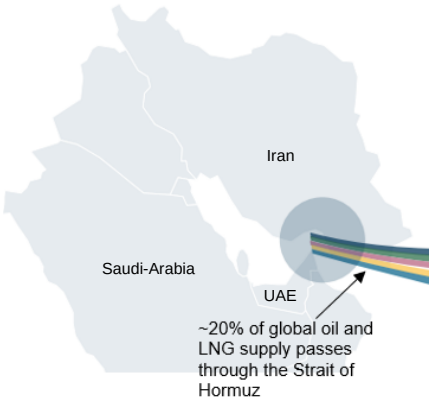

Figure 77: The Strait of Hormuz. Source: Danmarks Skibskredit

(Danmarks Skibskredit, 2024) While geopolitical conflicts may temporarily boost tonne-mile demand, they can cause large volatility in the industry and increased operational costs, such as insurance premiums and crew safety risks.

Beyond systemic risks, an ongoing legal dispute with minority shareholder FourWorld Capital Management LLC represents a critical firm-specific risk. The dispute challenges Frontline's 2023 transactions with Euronav NV and Compagnie Maritime Belge NV (CMB), alleging unfair treatment of minority shareholders in the $2.35 billion acquisition of 24 Euronav tankers and the sale of its 26% Euronav stake to CMB. FourWorld seeks to cancel the transactions and claim damages, with court hearings set for May 2026 in Antwerp. (Frontline Q3 report) An adverse ruling could disrupt Frontline's fleet expansion and impose financial liabilities, with prolonged litigation risks, undermining investor confidence and pressuring the share price. Although management disputes the claims, the uncertainty poses risks to valuation and strategic flexibility.

Finally, the introduction of the EU's 15% global minimum tax for MNC's with revenues exceeding €750 million, effective January 1, 2024, creates additional uncertainty. While Frontline benefits from Cyprus's tonnage tax system, as of Dec. 31 2023, Cyprus had not enacted the legislation. Frontline's management stated in 2023 to be evaluating the draft bill's implications, but has not provided updates since (Council of the European Union, 2022; Annual Report, 2023). As recital 17 excludes shipping income from the global minimum tax, preserving the tonnage tax regime, non-shipping income could be subject to the Income Inclusion Rule (IIR) or Undertaxed Profit Rule (UTPR) if Cyprus does not align its legislation with the directive (Council of the European Union, 2022) Thus, the primary uncertainty for investors surrounds Cyprus's compliance and Frontline's lack of updates. While shipping income is likely protected, any legislative delays or future policy shifts could introduce higher tax liabilities, and this risk, both to equity and creditors, could elevate the cost of capital.

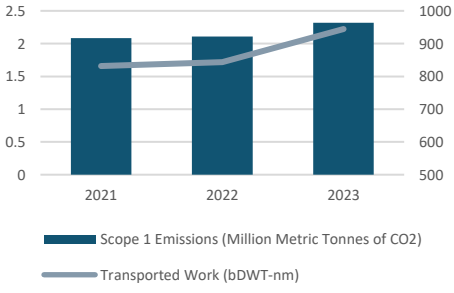

Figure 78: Scope 1 Emissions (Million Metric Tonnes of CO2) vs. Transported work (billion dead weight tonnes). Source: 2023 ESG Report

Environment, Social, Governance

In Frontline's sector, environmental, social, and governance (ESG) considerations are critical to its reputation and operational efficiency. By the end of 2023, Frontline achieved a fully "ECO-rated" fleet, featuring advanced technologies like optimized hull designs and fuel-efficient practices such as hull cleaning and weather routing. These efforts reduce CO2 emissions by over 100,000 tonnes annually for the VLCC fleet, surpassing IMO and Poseidon Principles trajectories by 20% and 10%, respectively. However, the company reported Scope 1 emissions of 2,317,363 metric tonnes of CO_2, a 9.8% increase from 2022,

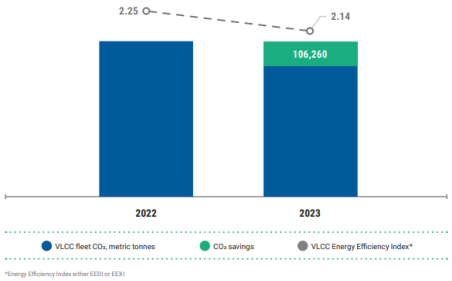

Figure 79: Effects of Frontline's energy efficiency measures from 2022 to 2023. Source: 2023 ESG Report

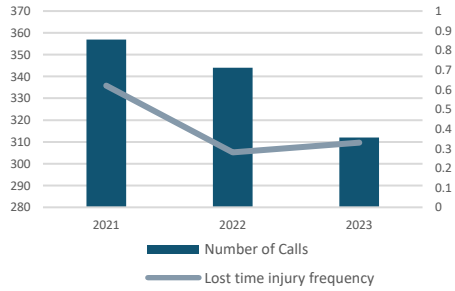

Figure 80: Number of calls at ports in countries that have the 20 lowest rankings in the Transparency International's Corruption Perceptions Index (left axis) and lost time injury frequency (right axis). Source: 2023 ESG Report

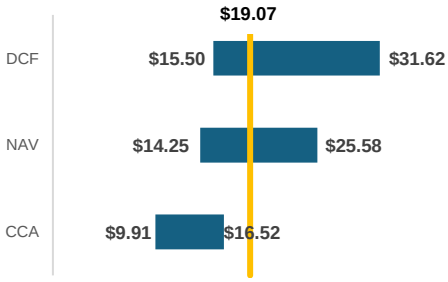

Figure 81: Football field of valuation methodologies, with final share price target shown in yellow. Source: Analyst estimates

alongside rises in NOx and SOx emissions. Frontline aims to sustain its C.I.I. "A" rating and cut waste by 3% in 2025 compared to 2024. (2023 ESG Report)

Regarding Social impact, Frontline employs 88 onshore and 1,896 offshore workers, prioritizing health and safety in the high-risk maritime shipping industry. In 2023, the company achieved a lost time injury frequency (LTIF) below 0.46 for the second consecutive year (Figure 80). Additionally, Frontline ensures its commitment to fair working conditions and ethical treatment by aiming for 100% of its seafarers to be covered by collective bargaining agreements. (2023 ESG Report)

Frontline's governance is led by a Compliance Officer and uses tools like the Transparency International CPI. In 2023, port calls to the lowest 20 CPI-ranked countries dropped from 344 to 213 (Figure 80), with no corruption or compliance cases reported. Collaborating with Agenda Risk, Frontline tackled risks like bribery and sanctions breaches, strengthening its commitment to ethical practices.

Conclusion and Final Recommendation

In conclusion, Frontline's current share price appears undervalued. Our DCF and NAV valuations indicate a meaningful upside from the current share price, with the CCA implying a more conservative one. Combining the three methodologies with a slightly higher weight applied to the NAV valuation yields our conclusive share price target of **$19.07** by December 31st, 2025 (Figure 81). Despite cyclical and geopolitical risks, Frontline's strong operational profile and healthy dividend policy suggest a valuation not fully reflected today. A 34.2% share price upside and an expected 80% payout ratio during 2025, generates a total shareholder return of 42.5%. Therefore, we confidently reiterate our **BUY** rating.

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Appendix

Cash Flow Map, in $ thousands

	Historical Period									Medium-Term							Long-Term				
	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 FY	2025 FY	2026 FY	2027 FY	2028 FY	2029 FY	2030 FY	2031 FY	2032 FY	2033 FY	2034 FY	2035 FY	
Result Core (NOPAT)		220,955	292,542	69,875	72,402	240,967	502,032	676	436,544	722,381	610,825	668,848	699,961	724,846	738,960	779,753	738,422	701,116	629,662	572,552	522,723	464,540
Depreciation		52,607	141,043	141,748	122,566	117,850	138,770	165,205	165,170	230,942	284,164	281,557	286,690	286,656	286,504	296,416	308,816	322,067	332,217	336,516	342,503	345,271
Recurrent Gross Cash Flow		273,562	433,585	211,623	194,968	358,817	640,802	165,881	601,714	953,323	894,989	950,406	986,651	1,011,502	1,025,464	1,076,168	1,047,239	1,023,182	961,879	909,068	865,227	809,811
Less: Δ in Working Capital		173,779	33,163	5,420	31,267	8,077	(21,591)	20,116	169,572	13,023	31,410	12,470	6,218	2,604	(866)	18,279	(9,894)	(6,744)	(21,085)	(21,505)	(16,944)	(22,745)
Operating Cash		11,477	15,570	(5,700)	5,109	11,430	14,022	(25,007)	36,085	19,715	5,624	3,732	1,998	992	27	4,974	(2,720)	(1,925)	(5,789)	(5,746)	(4,564)	(6,070)
Receivables from contracts with customers		*24,809*	*(4,669)*	*285*	*2,477*	*5,218*	*(7,812)*	*17,444*	*22,139*	*(19,103)*	*22,773*	*2,622*	*1,404*	*697*	*19*	*3,495*	*(1,911)*	*(1,352)*	*(4,067)*	*(4,038)*	*(3,207)*	*(4,265)*
Lease receivables		*19,234*	*(3,619)*	*221*	*1,920*	*4,045*	*(14,459)*	*5,005*	*37,443*	*8,833*	*(9,346)*	*2,033*	*1,088*	*540*	*15*	*2,710*	*(1,481)*	*(1,048)*	*(3,153)*	*(3,130)*	*(2,486)*	*(3,306)*
Related Party Receivables		*6,777*	*(5,139)*	*(27)*	*2,827*	*7,686*	*(2,326)*	*(1,579)*	*1,809*	*5,807*	*1,421*	*764*	*409*	*203*	*6*	*1,019*	*(557)*	*(394)*	*(1,185)*	*(1,177)*	*(935)*	*(1,243)*
Accounts receivable		50,820	(13,427)	479	7,224	16,949	(24,597)	20,870	61,391	(4,463)	14,848	5,419	2,902	1,440	40	7,223	(3,949)	(2,795)	(8,406)	(8,345)	(6,628)	(8,814)
Voyages in Progress		30,579	(6,829)	(7,084)	21,183	11,902	(36,634)	3,787	72,146	(577)	5,754	4,279	2,291	1,144	36	5,702	(3,110)	(2,200)	(6,621)	(6,573)	(5,220)	(6,946)
Prepaid Expenses and Accrued Income		1,387	1,426	429	1,634	3,363	(3,442)	1,174	5,356	1,498	1,977	(956)	(973)	(973)	(973)	393	(122)	171	(285)	(859)	(546)	(934)
Other Current Assets		(1,718)	(405)	10	5,346	1,167	(3,797)	1,122	1,434	1,973	(712)	84	0	(48)	(94)	275	(141)	(75)	(303)	(357)	(271)	(380)
Inventories		6,642	11,923	24,013	7,050	(2,101)	(8,806)	22,929	26,327	28,047	(5,275)	1,675	3	(948)	(1,859)	5,461	(2,805)	(1,487)	(6,021)	(7,091)	(5,369)	(7,542)
Trade and other payables		*(99,890)*	*(14,288)*	*15,909*	*6,462*	*33,185*	*(41,330)*	*(11,638)*	*38,169*	*16,699*	*634*	*1,275*	*3*	*(721)*	*(1,415)*	*4,157*	*(2,135)*	*(1,132)*	*(4,583)*	*(5,398)*	*(4,087)*	*(5,741)*
Related Party Payables		*25,298*	*(10,617)*	*(9,182)*	*9,817*	*1,448*	*(333)*	*16,397*	*(5,002)*	*16,471*	*(9,828)*	*489*	*1*	*(276)*	*(542)*	*1,593*	*(818)*	*(434)*	*(1,756)*	*(2,069)*	*(1,566)*	*(2,200)*
Accounts payable		(74,592)	(24,905)	6,727	16,279	34,633	(41,663)	4,759	33,167	33,170	(9,193)	1,764	3	(998)	(1,957)	5,750	(2,953)	(1,565)	(6,339)	(7,467)	(5,653)	(7,941)
Less: Δ in Capital Expensitures		419,069	471,331	777,761	229,843	214,814	868,439	407,496	265,880	1,165,468	864,887	0	(0)	151,626	108,540	414,223	276,472	275,459	235,397	87,478	112,905	40,235
Change in Vessels and Equipment		327,279	288,197	864,735	134,625	103,150	727,239	160,156	183,352	982,517	581,350	(281,106)	(286,252)	(286,252)	(286,252)	115,673	(35,783)	50,364	(83,794)	(252,509)	(160,526)	(274,604)
Change in Newbuildings		39,183	42,091	(228,722)	(27,348)	(6,186)	2,430	82,135	(82,642)	(47,991)	-	-	-	151,626	108,540	2,193	3,442	(96,972)	(13,025)	3,471	(69,072)	(30,432)
Less: Δ in Other non-current assets		(1,261)	(417)	-	12,593	(3,320)	(2,076)	(4,142)	(1,548)	4,822	(6,329)	-	-	-	-	-	-	-	-	-	-	-
Less: Δ in Goodwill		225,273	-	(112,821)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Δ in ROU-Assets		694,226	(157,793)	(284,735)	(161,022)	339,772	(368,504)	(13,150)	(45,686)	(872)	-	-	-	-	-	-	-	-	-	-	-	-
Less: Δ in Other non-current payables		(2,840)	(272)	1,787	142	121	(2,677)	2,747	(1,061)	1,581	(1,121)	84	86	40	53	(35)	10	14	29	74	69	91
Core Unlevered Free Cash Flow		**(1,234,684)**	**87,573**	**(175,789)**	**82,145**	**(200,647)**	**167,211**	**(247,186)**	**214,557**	**(230,699)**	**6,143**	**937,851**	**980,348**	**857,232**	**917,737**	**643,701**	**780,651**	**754,454**	**747,537**	**843,021**	**769,197**	**792,229**
			107.1%	-300.7%	146.7%	-344.3%	183.3%	-247.8%	186.8%	-207.5%	102.7%	15168.1%	4.5%	-12.6%	7.1%	-29.9%	21.3%	-3.4%	-0.9%	12.8%	-8.8%	3.0%
Result Non-Core		(72,353)	(122,435)	(264,162)	8,245	2,069	(1,029)	28,486	82,844	87,304	108,312	1,283	1,283	1,283	-	-	-	**13,684**	-	-	**12,516**	**12,516**
Change in Non-Core IC		(956,916)	(12,410)	9,300	(20,190)	41,545	(88,680)	3,659	305,937	95,572	(337,993)	(32,463)	(14,093)	252	7	1,266	(692)	(490)	(1,473)	(1,463)	(1,162)	(1,545)
Non-Core Unlevered Free Cash Flow		**884,563**	**(110,025)**	**(273,462)**	**28,435**	**(39,476)**	**87,651**	**24,827**	**(223,093)**	**(8,268)**	**446,305**	**33,746**	**15,376**	**1,031**	**(7)**	**(1,266)**	**692**	**14,174**	**1,473**	**1,463**	**13,678**	**14,061**
Total Unlevered Free Cash Flow		**(350,121)**	**(22,452)**	**(449,251)**	**110,580**	**(240,123)**	**254,862**	**(222,359)**	**(8,536)**	**(238,967)**	**452,448**	**971,598**	**995,724**	**858,262**	**917,730**	**642,434**	**781,343**	**768,627**	**749,011**	**844,483**	**782,875**	**806,290**
Financing Result		(24,222)	(52,593)	(70,035)	(89,045)	(103,050)	(87,997)	(44,123)	(43,851)	(153,271)	(269,928)	(230,812)	(163,976)	(155,181)	(148,842)	(141,352)	(143,646)	(143,196)	(143,358)	(143,353)	(141,722)	(141,351)
Δ in Net Financial Assets		(176,021)	(139,240)	(567,257)	6,425	(136,983)	(144,092)	(221,033)	89,934	(1,031,205)	(268,643)	179,418	185,054	133,244	152,016	(38,323)	6,800	(1,835)	(4,096)	28,893	5,568	14,240
Δ in Shareholder's Equity (Transactions w/ Shareholders)		198,322	(64,195)	(47,971)	(15,110)	206,190	(310,957)	45,449	142,321	(638,967)	(451,162)	(561,368)	(646,694)	(569,837)	(616,872)	(539,406)	(630,896)	(627,266)	(609,749)	(672,236)	(635,585)	(650,700)
Δ Shareholder's Equity		*322,702*	*53,319*	*(312,293)*	*(23,508)*	*346,176*	*102,049*	*30,488*	*617,858*	*17,447*	*(1,954)*	*(122,049)*	*(109,426)*	*1,111*	*(26,753)*	*98,995*	*(36,121)*	*(55,663)*	*(123,446)*	*(243,038)*	*(242,067)*	*(314,994)*
Net Income (Loss)		*124,380*	*117,514*	*(264,322)*	*(8,398)*	*139,986*	*413,006*	*(14,961)*	*475,537*	*656,414*	*449,208*	*439,319*	*537,268*	*570,948*	*590,118*	*638,401*	*594,776*	*571,603*	*486,303*	*429,198*	*393,518*	*335,705*
Financing Cash Flow		**350,121**	**22,452**	**449,251**	**(110,580)**	**240,123**	**(254,862)**	**222,359**	**8,536**	**238,967**	**(452,448)**	**(971,598)**	**(995,724)**	**(858,262)**	**(917,730)**	**(642,434)**	**(781,343)**	**(768,627)**	**(749,011)**	**(844,483)**	**(782,875)**	**(806,290)**

Income Statement, in $ thousands

	Historical Period										Medium-Term Forecast							Long-Term Forecast				
	2014 FY	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 FY	2025 FY	2026 FY	2027 FY	2028 FY	2029 FY	2030 FY	2031 FY	2032 FY	2033 FY	2034 FY	2035 FY
Core Operations																						
Revenue																						
Voyage Charter Revenues	202,283	331,388	502,284	518,156	690,901	887,495	1,013,068	663,995	1,345,964	1,723,217	1,813,313	1,880,314	1,916,190	1,934,096	1,934,660	2,023,936	1,975,242	1,940,803	1,837,146	1,734,226	1,652,494	1,543,739
Time Charter Revenues	37,928	121,091	226,058	106,237	26,067	35,433	185,788	71,236	71,791	63,771	77,557	80,318	81,797	82,427	82,372	86,092	83,941	82,400	77,839	73,331	69,736	65,020
Administrative Income	1,615	5,878	23,770	20,185	24,005	33,704	22,331	14,150	12,453	15,196	17,432	18,075	18,419	18,590	18,595	19,452	18,984	18,652	17,654	16,664	15,877	14,831
Total Revenue	**241,826**	**458,357**	**752,112**	**644,578**	**740,973**	**956,632**	**1,221,187**	**749,381**	**1,430,208**	**1,802,184**	**1,908,302**	**1,978,708**	**2,016,406**	**2,035,113**	**2,035,627**	**2,129,480**	**2,078,167**	**2,041,855**	**1,932,639**	**1,824,221**	**1,738,108**	**1,623,590**
Growth %		*89.5%*	*64.1%*	*-14.3%*	*15.0%*	*29.1%*	*27.7%*	*-38.6%*	*90.9%*	*26.0%*	*5.9%*	*3.7%*	*1.9%*	*0.9%*	*0.0%*	*4.6%*	*-2.4%*	*-1.7%*	*-5.3%*	*-5.6%*	*-4.7%*	*-6.6%*
Expenses																						
Ship Operating Expenses	(49,607)	(64,357)	(119,515)	(135,728)	(130,623)	(157,007)	(183,063)	(164,246)	(175,164)	(176,533)	(250,201)	(236,713)	(222,978)	(209,243)	(195,508)	(201,059)	(199,342)	(201,758)	(197,738)	(185,622)	(177,920)	(164,744)
% Vessels & Equipment	*5.8%*	*5.4%*	*8.1%*	*5.8%*	*5.3%*	*6.1%*	*5.5%*	*4.7%*	*4.8%*	*3.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*
Voyage Expenses and Commission	(103,708)	(109,706)	(161,641)	(259,334)	(377,772)	(395,482)	(353,098)	(392,697)	(605,544)	(618,595)	(696,481)	(722,177)	(735,936)	(742,764)	(742,951)	(777,205)	(758,477)	(745,224)	(705,363)	(665,793)	(634,364)	(592,568)
% of Total spot TCE						*76.6%*	*47.9%*	*143.7%*	*79.4%*	*55.0%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*	*61.2%*
Administrative Expenses	(4,943)	(10,582)	(37,026)	(37,603)	(37,294)	(45,019)	(44,238)	(26,424)	(47,374)	(53,528)	(56,680)	(65,542)	(66,791)	(67,411)	(67,428)	(70,537)	(68,837)	(67,634)	(64,016)	(60,425)	(57,573)	(53,780)
% of Total Revenue	*-2.0%*	*-2.3%*	*-4.9%*	*-5.8%*	*-5.0%*	*-4.7%*	*-3.6%*	*-3.5%*	*-3.3%*	*-3.0%*	*3.0%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*	*3.3%*
OPEX % of revenue	*65.4%*	*40.3%*	*42.3%*	*67.1%*	*73.6%*	*62.5%*	*47.5%*	*77.8%*	*57.9%*	*47.1%*	*52.6%*	*51.8%*	*50.9%*	*50.1%*	*49.4%*	*49.3%*	*49.4%*	*49.7%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*
EBITDA	83,568	273,712	433,930	211,913	195,284	359,124	640,788	166,014	602,126	953,528	904,940	954,275	990,701	1,015,696	1,029,740	1,080,680	1,051,511	1,027,238	965,522	912,380	868,251	812,498
Depreciation	(31,845)	(52,607)	(141,043)	(141,748)	(122,566)	(117,850)	(138,770)	(165,205)	(165,170)	(230,942)	(284,164)	(281,557)	(286,690)	(286,656)	(286,504)	(296,416)	(308,816)	(322,067)	(332,217)	(336,516)	(342,503)	(345,271)
% Vessels & Equipment	*3.7%*	*4.4%*	*9.5%*	*6.1%*	*4.9%*	*4.6%*	*4.2%*	*4.8%*	*4.5%*	*5.0%*	*5.4%*	*5.7%*	*6.2%*	*6.6%*	*7.0%*	*7.1%*	*7.4%*	*7.7%*	*8.1%*	*8.7%*	*9.2%*	*10.1%*
Core Result Before Taxes	**51,723**	**221,105**	**292,887**	**70,165**	**72,718**	**241,274**	**502,018**	**809**	**436,956**	**722,586**	**620,776**	**672,718**	**704,011**	**729,040**	**743,235**	**784,264**	**742,695**	**705,172**	**633,304**	**575,864**	**525,748**	**467,228**
Provision for Income Tax	-	(150)	(345)	(290)	(316)	(307)	14	(133)	(412)	(205)	(9,951)	(3,870)	(4,050)	(4,194)	(4,275)	(4,511)	(4,272)	(4,056)	(3,643)	(3,313)	(3,024)	(2,688)
% of EBIT		*0.1%*	*0.1%*	*0.4%*	*0.4%*	*0.1%*	*0.0%*	*16.4%*	*0.1%*	*0.0%*	*1.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*
Result Core (NOPAT)	**51,723**	**220,955**	**292,542**	**69,875**	**72,402**	**240,967**	**502,032**	**676**	**436,544**	**722,381**	**610,825**	**668,848**	**699,961**	**724,846**	**738,960**	**779,753**	**738,422**	**701,116**	**629,662**	**572,552**	**522,723**	**464,540**
Non-Core and Core but Non-recurring operations																						
Finance Lease Interest Income	-	577	2,194	1,748	1,293	690	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Income	68,989	108,923	(2,683)	2,381	10,206	3,422	29,902	4,060	8,040	24,080	107,029	-	-	-	-	-	-	13,684	-	-	12,516	12,516
Charter Hire Expenses	-	(43,387)	(67,846)	(19,705)	(21,244)	(8,471)	(9,557)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Uncollectible Receivables	-	-	(4,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent Rental Income/expense	-	-	18,621	26,148	19,738	2,607	(14,568)	3,606	623	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Loss on Vessels and Vessels Held Under Fi	-	-	(61,692)	(164,187)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Loss on Goodwill	-	-	-	(112,821)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Received	(148)	320	204	1,213	506	403	109	18,367	1,579	36,852	1,283	1,283	1,283	1,283	-	-	-	-	-	-	-	-
Share of Result of Associated Companies	16,064	2,727	-	-	246	1,681	(4,424)	(724)	14,243	3,383	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Loss on Securities	-	(10,507)	(7,233)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain/loss on Marketable Securities	16,850	-	-	1,061	(2,500)	1,737	(2,491)	7,677	58,359	22,989	-	-	-	-	-	-	-	-	-	-	-	-
Non-Core Result Before Taxes	**101,755**	**58,653**	**(122,435)**	**(264,162)**	**8,245**	**2,069**	**(1,029)**	**32,986**	**82,844**	**87,304**	**108,312**	**1,283**	**1,283**	**1,283**	**-**	**-**	**-**	**13,684**	**-**	**-**	**12,516**	**12,516**
Tax Adjustments	-	-	-	-	-	-	-	(4,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings of Discontinued Operations	(51,159)	(131,006)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Result Non-Core	**50,596**	**(72,353)**	**(122,435)**	**(264,162)**	**8,245**	**2,069**	**(1,029)**	**28,486**	**82,844**	**87,304**	**108,312**	**1,283**	**1,283**	**1,283**	**-**	**-**	**-**	**13,684**	**-**	**-**	**12,516**	**12,516**
Financing Operations																						
										257,936.03												
Interest Expense	(7,421)	(17,621)	(56,687)	(69,815)	(93,275)	(94,461)	(72,160)	(61,506)	(98,712)	(178,498)	(287,803)	(237,681)	(171,221)	(162,557)	(156,271)	(148,981)	(151,351)	(150,734)	(150,616)	(150,194)	(148,194)	(147,439)
YoY growth		*137.4%*	*221.7%*	*23.2%*	*33.6%*	*1.3%*	*-23.6%*	*-14.8%*	*60.5%*	*80.8%*	*61.2%*	*-17.4%*	*-28.0%*	*-5.1%*	*-3.9%*	*-4.7%*	*1.6%*	*-0.4%*	*-0.1%*	*-0.3%*	*-1.3%*	*-0.5%*
% of previous year's Total Debt		*-3.4%*	*-4.2%*	*-5.0%*	*-5.0%*	*-5.2%*	*-3.5%*	*-2.8%*	*-4.2%*	*-7.5%*	*7.5%*	*6.4%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*	*4.8%*
Interest Income	118	47	367	588	843	1,506	705	121	1,463	16,496	18,605	7,472	7,680	7,788	7,825	8,007	8,088	7,920	7,640	7,222	6,848	6,462
% of average C&CE		*0.0%*	*0.2%*	*0.4%*	*1.0%*	*1.3%*	*0.4%*	*0.1%*	*0.8%*	*5.9%*	*5.9%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*
Foreign currency exchange gain	18	134	9	(55)	(869)	(26)	2,035	-	16	1,569												
Foreign currency exchange loss	-	-	-	-	-	-	-	(116)	-	(335)												
Gain/loss on Derivatives	(8,779)	(6,782)	3,718	(753)	4,256	(10,069)	(18,577)	17,509	53,623	8,039												
Other Finance Expenses	-	-	-	-	-	-	-	(131)	(241)	(542)	(730)	(603)	(434)	(412)	(396)	(378)	(384)	(382)	(382)	(381)	(376)	(374)
% of Interest expense								*0.21%*	*0.24%*	*0.30%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*	*0.25%*
Result Financing	**(16,064)**	**(24,222)**	**(52,593)**	**(70,035)**	**(89,045)**	**(103,050)**	**(87,997)**	**(44,123)**	**(43,851)**	**(153,271)**	**(269,928)**	**(230,812)**	**(163,976)**	**(155,181)**	**(148,842)**	**(141,352)**	**(143,646)**	**(143,196)**	**(143,358)**	**(143,353)**	**(141,722)**	**(141,351)**
Net Income (Loss)	**86,255**	**124,380**	**117,514**	**(264,322)**	**(8,398)**	**139,986**	**413,006**	**(14,961)**	**475,537**	**656,414**	**449,208**	**439,319**	**537,268**	**570,948**	**590,118**	**638,401**	**594,776**	**571,603**	**486,303**	**429,198**	**393,518**	**335,705**
Other comprehensive income (loss)	-	(383)	1,122	1,488	893	106	(130)	28	226	(39)												
Comprehensive income (loss)	**86,255**	**123,997**	**118,636**	**(262,834)**	**(7,505)**	**140,092**	**412,876**	**(14,933)**	**475,763**	**656,375**	**449,208**	**439,319**	**537,268**	**570,948**	**590,118**	**638,401**	**594,776**	**571,603**	**486,303**	**429,198**	**393,518**	**335,705**
Comprehensive income attributable to non-controllin	63,214	30,244	(504)	(539)	(482)	(14)	(131)	-	-	-												
Comprehensive income (loss) attributable to the Com	**149,469**	**154,241**	**118,132**	**(263,373)**	**(7,987)**	**140,078**	**412,745**	**(14,933)**	**475,763**	**656,375**	**449,208**	**439,319**	**537,268**	**570,948**	**590,118**	**638,401**	**594,776**	**571,603**	**486,303**	**429,198**	**393,518**	**335,705**

Statement of Financial Position, in $ thousands

	Historical Period											Medium-Term							Long-Term				
	2014 FY	2015 FY	2016 FY	2017 FY	2018 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 Q2	2024 Q3	2024 FY	2025 FY	2026 FY	2027 FY	2028 FY	2029 FY	2030 FY	2031 FY	2032 FY	2033 FY	2034 FY	2035 FY
Operating Invested Capital																							
Current Assets																							
Operating Cash	12,817	24,294	39,863	34,164	39,273	64,725	39,719	75,804	95,519	60,127	30,656	101,144	104,875	106,873	107,865	107,892	112,866	110,147	108,222	102,433	96,687	92,123	86,053
Receivables from contracts with customers	7,505	32,315	27,646	27,931	30,408	27,814	45,258	67,397	48,294	73,489	-	71,067	73,689	75,093	75,789	75,809	79,304	77,393	76,040	71,973	67,936	64,729	60,464
Average collection period (days)	*11*	*26*	*13*	*16*	*15*	*8*	*22*	*17*	*10*	*24*	-	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*	*14*
Lease receivables	5,819	25,052	21,433	21,654	23,574	13,160	18,165	55,608	64,441	56,973	-	55,095	57,128	58,216	58,756	58,771	61,481	59,999	58,951	55,798	52,668	50,181	46,875
Average collection period (days)	*9*	*20*	*10*	*12*	*12*	*4*	*9*	*14*	*13*	*18*	-	*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*	*11*
Voyages in Progress	21,588	52,167	45,338	38,254	59,437	34,705	38,492	110,638	110,061	137,845	-	115,815	120,095	122,386	123,530	123,566	129,268	126,158	123,958	117,338	110,764	105,544	98,598
% of Voyage charter revenues	*10.7%*	*15.7%*	*9.0%*	*7.4%*	*8.6%*	*3.4%*	*5.8%*	*8.2%*	*6.4%*	*12.6%*		*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*
Related Party Receivables	3,457	10,234	5,095	5,068	7,895	13,255	11,676	13,485	19,292	21,205	-	20,713	21,477	21,886	22,090	22,095	23,114	22,557	22,163	20,977	19,800	18,866	17,623
Average collection period (days)	*5*	*8*	*2*	*3*	*4*	*4*	*6*	*3*	*4*	*7*	-	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*	*4*
Inventories	19,137	25,779	37,702	61,715	68,765	57,858	80,787	107,114	135,161	148,552	-	129,886	131,561	131,564	130,616	128,758	134,219	131,414	129,927	123,906	116,815	111,446	103,904
Average Holding Period	*46*	*54*	*49*	*57*	*49*	*39*	*53*	*50*	*62*	*104*	-	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*	*50*
Prepaid Expenses and Accrued Income	2,928	4,315	5,741	6,170	7,804	7,725	8,899	14,255	15,753	17,562	-	17,730	16,774	15,801	14,827	13,854	14,247	14,126	14,297	14,012	13,153	12,608	11,674
% of Vessels and Equipment	*0.34%*	*0.36%*	*0.39%*	*0.26%*	*0.32%*	*0.23%*	*0.26%*	*0.39%*	*0.34%*	*0.32%*		*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*	*0.34%*
Other Current Assets	2,126	408	3	13	5,359	2,729	3,851	5,285	7,258	13,111	455,930	6,546	6,630	6,630	6,583	6,489	6,764	6,623	6,548	6,245	5,887	5,617	5,236
% of COGS	*1.4%*	*0.2%*	*0.0%*	*0.0%*	*1.1%*	*0.5%*	*0.7%*	*0.7%*	*0.9%*	*2.5%*		*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*
Non-Current Assets																							
New Buildings	227,050	266,233	308,324	79,602	52,254	48,498	130,633	47,991	-	-	-	-	-	-	151,626	260,166	262,359	265,801	168,829	155,804	159,274	90,203	59,771
Right of Use Assets	-	694,226	536,433	251,698	90,676	61,944	48,794	3,108	2,236	1,864	1,643	1,609	1,157	719	314	61	3	0	0	0	0	0	0
Vessels and Equipment	861,919	1,189,198	1,477,395	2,342,130	2,476,755	3,307,144	3,467,300	3,650,652	4,633,169	5,435,574	5,354,100	5,214,519	4,933,413	4,647,161	4,360,910	4,074,658	4,190,331	4,154,548	4,204,912	4,121,118	3,868,609	3,708,083	3,433,479
Goodwill	-	225,273	225,273	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452	112,452
Other Non-current Assets	1,678	417	-	-	12,593	7,197	3,055	1,507	6,329	-	21,594	-	-	-	-	-	-	-	-	-	-	-	-
Current Liabilities																							
Trade and other payables	(154,954)	(55,064)	(40,776)	(56,685)	(63,147)	(55,002)	(43,364)	(81,533)	(98,232)	(111,128)	(144,384)	(98,866)	(100,141)	(100,144)	(99,423)	(98,008)	(102,165)	(100,030)	(98,898)	(94,315)	(88,917)	(84,831)	(79,090)
Average Payable Period	*369*	*115*	*53*	*52*	*45*	*37*	*28*	*38*	*45*	*78*		*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*	*38*
Related Party Payables	(3,422)	(28,720)	(18,103)	(8,921)	(18,738)	(19,853)	(36,250)	(31,248)	(47,719)	(54,510)	-	(37,891)	(38,380)	(38,381)	(38,104)	(37,562)	(39,155)	(38,337)	(37,903)	(36,147)	(34,078)	(32,512)	(30,312)
Average Payable Period	*8*	*60*	*24*	*8*	*13*	*14*	*24*	*15*	*22*	*38*		*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*	*15*
Non-Current Liabilities																							
Other Non-current Payables	-	(2,840)	(3,112)	(1,325)	(1,183)	(3,739)	(992)	(2,053)	(472)	(463)	(466)	(1,593)	(1,509)	(1,423)	(1,383)	(1,329)	(1,365)	(1,355)	(1,341)	(1,312)	(1,238)	(1,169)	(1,078)
% of Trade and other payables	*0.000%*	*-0.122%*	*-0.122%*	*-0.048%*	*-0.043%*	*-0.106%*	*-0.026%*	*-0.054%*	*-0.010%*	*-0.008%*	*-0.008%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*	*-0.03%*
Net Invested Capital Core	**1,007,648**	**2,463,287**	**2,668,255**	**2,913,920**	**2,904,177**	**3,680,612**	**3,928,475**	**4,150,462**	**5,103,542**	**5,912,652**	**5,831,525**	**5,708,224**	**5,439,221**	**5,158,834**	**5,026,449**	**4,847,672**	**4,983,724**	**4,941,496**	**4,888,158**	**4,770,282**	**4,499,813**	**4,253,339**	**3,925,650**
Non-Operating Invested Capital																							
Current Assets																							
Marketable Securities	-	13,853	8,428	19,231	836	8,474	2,435	236,281	7,432	8,247	5,430	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247	8,247
Other Receivables	19,545	29,121	19,416	17,294	17,068	22,950	10,109	16,462	11,912	17,291	-	25,743	26,692	27,201	27,453	27,460	28,726	28,034	27,544	26,071	24,608	23,447	21,902
% of revenue	*8.1%*	*6.4%*	*2.6%*	*2.7%*	*2.3%*	*1.9%*	*1.3%*	*1.2%*	*0.7%*	*1.5%*		*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*
Marketable Securities, Pledged to Creditor	-	-	-	10,272	8,392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Assets Held for Distribution	83,202	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Portion of investment in Finance Leases	-	9,329	9,745	9,126	10,803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Assets												-	-	-	-	-	-	-	-	-	-	-	-
Investment in Associated Companies	59,448	-	-	-	6,246	1,279	555	16,302	12,386	11,467	11,508	11,467	4,927	-	-	-	-	-	-	-	-	-	-
Derivative Instruments-receivable	-	-	4,358	4,450	7,641	-	9,675	53,993	39,117	36,548	-	36,548	9,675	-	-	-	-	-	-	-	-	-	-
Investment in Finance Leases	-	40,656	30,908	21,782	10,979	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Notes Receivable	-	-	-	-	-	1,388	1,388	1,388	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Charges	4,763	3,186	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Consideration	-	-	-	-	-	-	-	-	349,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term Assets Held for Distribution	910,002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Liabilities																							
Current Liabilities Held for Distribution	(34,779)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Value of Unfavorable Time Charter Contracts	-	(6,799)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities												-	-	-	-	-	-	-	-	-	-	-	-
Derivative Instruments-payable	-	(4,081)	-	-	-	(19,261)	(5,673)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Invested Capital Non-Core	**1,042,181**	**85,265**	**72,855**	**82,155**	**61,965**	**14,830**	**18,489**	**324,426**	**419,998**	**73,553**	**16,938**	**82,005**	**49,541**	**35,448**	**35,700**	**35,707**	**36,973**	**36,281**	**35,791**	**34,318**	**32,855**	**31,694**	**30,149**
Financial Assets																							
Current Assets																							
Excess Cash	194,884	171,930	112,939	(4,019)	(10,689)	6,496	5,654	124,321	137,403	209,209	214,443	148,227	153,695	156,624	158,077	158,117	165,407	161,421	158,600	150,117	141,696	135,007	126,112
Restricted Cash	35,800	368	677	741	1,420	14,928	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Covenant Tied Cash	28,100	68,300	49,600	74,000	37,900	103,500	67,700	54,400	75,400	89,900	75,786	77,107	79,952	81,475	82,231	82,251	86,044	83,970	82,503	78,090	73,709	70,230	65,603
Current Liabilities																							
Short-term Debt and Current Portion of Long-term Di	(44,052)	(57,575)	(67,365)	(113,078)	(120,479)	(234,887)	(198,665)	(277,854)	(261,999)	(455,040)	(402,152)	(343,290)	(327,586)	(311,009)	(298,982)	(285,035)	(289,569)	(288,389)	(288,164)	(287,356)	(283,529)	(282,085)	(279,537)
% of total debt	*8.5%*	*4.3%*	*4.8%*	*6.0%*	*6.6%*	*10.6%*	*8.4%*	*11.6%*	*7.6%*	*11.8%*	*10.6%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.3%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*	*9.2%*
Current Portion of Obligations Under Lease	-	(89,798)	(56,505)	(43,316)	(11,854)	(12,358)	(8,723)	(1,024)	(1,104)	(1,130)	(1,143)	(5,504)	(5,252)	(4,986)	(4,794)	(4,570)	(4,643)	(4,624)	(4,620)	(4,607)	(4,546)	(4,523)	(4,482)
% of total debt	*0.0%*	*6.7%*	*4.0%*	*2.3%*	*0.6%*	*0.6%*	*0.4%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
Non-Current Liabilities																							
Long-term Debt	(473,523)	(748,881)	(914,592)	(1,467,074)	(1,610,293)	(1,908,924)	(2,126,910)	(2,112,460)	(3,194,464)	(3,402,413)	(3,386,743)	(3,366,571)	(3,212,558)	(3,049,995)	(2,932,049)	(2,795,272)	(2,839,742)	(2,828,167)	(2,825,960)	(2,818,039)	(2,780,508)	(2,766,343)	(2,741,354)
% of total debt	*91.5%*	*55.8%*	*65.1%*	*78.1%*	*88.0%*	*86.4%*	*89.4%*	*88.3%*	*92.4%*	*88.2%*	*89.3%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*	*90.0%*
Obligation Under Lease	-	(446,553)	(366,095)	(255,700)	(87,930)	(52,644)	(43,979)	(2,372)	(1,430)	(942)	(686)	(24,805)	(23,670)	(22,473)	(21,604)	(20,596)	(20,923)	(20,838)	(20,822)	(20,764)	(20,487)	(20,383)	(20,199)
% of total debt	*0.0%*	*33.3%*	*26.1%*	*13.6%*	*4.8%*	*2.4%*	*1.8%*	*0.1%*	*0.0%*	*0.0%*	*0.0%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*
Long-term Liabilities Held for Distribution	(343,688)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest	(323,770)	(61)	(168)	(321)	(417)	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472	472
Net Financial Assets	**(926,249)**	**(1,102,270)**	**(1,241,509)**	**(1,808,767)**	**(1,802,342)**	**(2,083,417)**	**(2,304,451)**	**(2,214,517)**	**(3,245,722)**	**(3,559,944)**	**(3,500,023)**	**(3,514,365)**	**(3,334,947)**	**(3,149,893)**	**(3,016,649)**	**(2,864,632)**	**(2,902,955)**	**(2,896,155)**	**(2,897,990)**	**(2,902,087)**	**(2,873,193)**	**(2,867,625)**	**(2,853,385)**
Total equity attributable to shareholders of the c	**1,123,580**	**1,446,282**	**1,499,601**	**1,187,308**	**1,163,800**	**1,612,025**	**1,642,513**	**2,260,371**	**2,277,818**	**2,426,261**	**2,348,440**	**2,275,864**	**2,153,815**	**2,044,389**	**2,045,500**	**2,018,747**	**2,117,742**	**2,081,621**	**2,025,958**	**1,902,513**	**1,659,475**	**1,417,408**	**1,102,414**
Total Debt	(861,263)	(1,342,807)	(1,404,557)	(1,879,168)	(1,830,556)	(2,208,813)	(2,378,277)	(2,393,710)	(3,458,997)	(3,859,525)	(3,790,724)	(3,740,170)	(3,569,066)	(3,388,463)	(3,257,428)	(3,105,472)	(3,154,878)	(3,142,019)	(3,139,566)	(3,130,766)	(3,089,070)	(3,073,334)	(3,045,571)
Net Debt	**(602,479)**	**(1,102,209)**	**(1,241,341)**	**(1,808,446)**	**(1,801,925)**	**(2,083,889)**	**(2,304,923)**	**(2,214,989)**	**(3,246,194)**	**(3,560,416)**	**(3,500,495)**	**(3,514,837)**	**(3,335,419)**	**(3,150,365)**	**(3,017,121)**	**(2,865,104)**	**(2,903,427)**	**(2,896,627)**	**(2,898,462)**	**(2,902,559)**	**(2,873,665)**	**(2,868,097)**	**(2,853,857)**

Nov 2024	Fleet	15 +	% above 15	20 +	% above 20	Orderbook	% of Fleet
VLCC	883	295	33.4 %	131	14.8 %	67	7.6 %
Suezmax	611	236	38.6 %	108	17.7 %	95	15.5 %
LR2	445	129	29.0 %	31	7.0 %	167	37.5 %
Aframax	679	385	56.7 %	163	24.0 %	36	5.3 %
Total Fleet	**2 618**	**1 045**	**39.9 %**	**433**	**16.5 %**	**365**	**13.9 %**

Figure 82: The global orderbook. Source: Frontline Q3 2024 presentation.

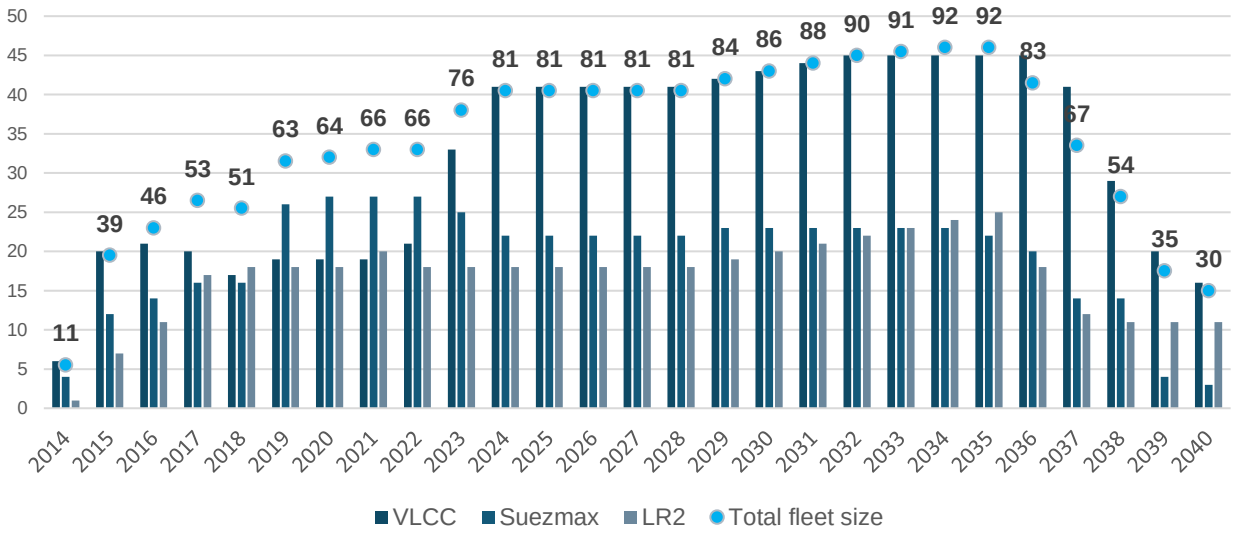

Figure 83: Frontline's fleet projection. Source: Analyst estimate

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.910066
R Square	0.828221
Adjusted R Square	0.690797
Standard Error	6490.659979
Observations	10.000000

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	4	1015600349.505290	253900087.376321	6.026777	0.037553
Residual	5	210643334.845026	42128666.969005		
Total	9	1226243684.35031000			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	-509136.682463	191357.227097	-2.660661	0.044848	-1001036.094556	-17237.270371	-1001036.094556	-17237.270371
Global Oil production, million metric tonnes	133.030392	54.462237	2.442617	0.058465	-6.969246	273.030029	-6.969246	273.030029
Crude Oil Demand mb/d	-5768.150396	1826.483651	-3.158063	0.025150	-10463.276092	-1073.024700	-10463.276092	-1073.024700
Crude Oil Reserves, billion barrels	319.352915	91.846111	3.477043	0.017715	83.254970	555.450860	83.254970	555.450860
Geopolitical Risk Index (Yearly Average)	286.713830	126.286994	2.270335	0.072408	-37.917222	611.344882	-37.917222	611.344882

Table 11: Regression output of Frontline's average TCE rate (intercept) and the oil-mix variables. Source: Analyst estimate

Stabilized WACC \ Perpetual growth rate	1.3%	1.0%	0.7%	0.4%	0.1%	(0.2%)	(0.5%)	(0.8%)	(1.1%)	(1.4%)	(1.7%)	(2.0%)	(2.3%)
7.07%	40.62	39.03	37.58	36.27	35.07	33.96	32.95	32.01	31.14	30.34	29.59	28.89	28.23
7.39%	38.09	36.69	35.41	34.24	33.17	32.18	31.27	30.42	29.63	28.90	28.22	27.58	26.98
7.72%	35.72	34.48	33.35	32.31	31.35	30.47	29.65	28.88	28.17	27.51	26.89	26.31	25.76
8.07%	33.48	32.39	31.39	30.47	29.61	28.82	28.09	27.40	26.76	26.16	25.60	25.07	24.57
8.44%	31.38	30.42	29.53	28.71	27.95	27.25	26.59	25.97	25.39	24.85	24.34	23.86	23.40
8.82%	29.40	28.55	27.77	27.04	26.36	25.73	25.14	24.59	24.07	23.58	23.12	22.68	22.27
9.23%	27.53	26.78	26.09	25.45	24.85	24.28	**23.75**	23.26	22.79	22.35	21.93	21.54	21.16
9.63%	25.84	25.18	24.57	23.99	23.45	22.95	22.48	22.03	21.61	21.21	20.83	20.47	20.13
10.04%	24.24	23.65	23.11	22.60	22.12	21.67	21.24	20.84	20.46	20.10	19.76	19.43	19.13
10.48%	22.72	22.21	21.72	21.27	20.84	20.44	20.06	19.70	19.35	19.03	18.72	18.43	18.15
10.93%	21.28	20.83	20.40	20.00	19.62	19.26	18.91	18.59	18.28	17.99	17.71	17.45	17.19
11.41%	19.91	19.51	19.14	18.78	18.44	18.12	17.81	17.52	17.25	16.99	16.73	16.49	16.27
11.90%	18.62	18.26	17.93	17.61	17.31	17.03	16.75	16.49	16.25	16.01	15.79	15.57	15.36

Table 12: DCF-analysis sensitivity table. Source: Analyst estimate

Mid-term rate view discount (premium)	Applied P/NAV Multiple												
	0.93	0.98	1.03	1.08	1.13	1.18	1.23	1.28	1.33	1.38	1.43	1.48	1.53
15.0%	10.87	11.46	12.04	12.63	13.21	13.80	14.38	14.97	15.55	16.14	16.72	17.31	17.89
12.5%	11.57	12.19	12.82	13.44	14.06	14.69	15.31	15.93	16.55	17.18	17.80	18.42	19.05
10.0%	12.27	12.93	13.59	14.25	14.92	15.58	16.24	16.90	17.56	18.22	18.88	19.54	20.20
7.5%	12.97	13.67	14.37	15.07	15.77	16.47	17.16	17.86	18.56	19.26	19.96	20.66	21.35
5.0%	13.68	14.41	15.15	15.88	16.62	17.36	18.09	18.83	19.56	20.30	21.04	21.77	22.51
2.5%	14.38	15.15	15.92	16.70	17.47	18.25	19.02	19.79	20.57	21.34	22.11	22.89	23.66
0.0%	15.08	15.89	16.70	17.51	18.32	19.14	**19.95**	20.76	21.57	22.38	23.19	24.00	24.82
(2.5%)	15.78	16.63	17.48	18.33	19.18	20.03	20.87	21.72	22.57	23.42	24.27	25.12	25.97
(5.0%)	16.48	17.37	18.25	19.14	20.03	20.92	21.80	22.69	23.58	24.46	25.35	26.24	27.12
(7.5%)	17.18	18.11	19.03	19.96	20.88	21.81	22.73	23.65	24.58	25.50	26.43	27.35	28.28
(10.0%)	17.88	18.85	19.81	20.77	21.73	22.70	23.66	24.62	25.58	26.55	27.51	28.47	29.43
(12.5%)	18.58	19.58	20.58	21.58	22.59	23.59	24.59	25.59	26.59	27.59	28.59	29.59	30.59
(15.0%)	19.29	20.32	21.36	22.40	23.44	24.48	25.51	26.55	27.59	28.63	29.67	30.70	31.74

Table 13: Net Asset Value (NAV)-Valuation sensitivity table. Source: Analyst estimate

WACC (constant throughout)	Perpetual growth rate												
	2.4%	2.1%	1.8%	1.5%	1.2%	0.9%	0.6%	0.3%	(0.0%)	(0.3%)	(0.6%)	(0.9%)	(1.2%)
7.07%	59.60	56.85	54.42	52.25	50.29	48.53	46.94	45.48	44.15	42.92	41.80	40.75	39.79
7.39%	55.00	52.66	50.56	48.69	46.99	45.45	44.04	42.76	41.58	40.49	39.48	38.55	37.68
7.72%	50.78	48.78	46.98	45.36	43.88	42.53	41.30	40.17	39.12	38.15	37.26	36.42	35.64
8.07%	46.90	45.19	43.64	42.24	40.95	39.78	38.69	37.70	36.77	35.91	35.12	34.37	33.67
8.44%	43.32	41.86	40.53	39.31	38.20	37.17	36.22	35.34	34.53	33.77	33.06	32.39	31.77
8.82%	40.02	38.76	37.62	36.57	35.60	34.70	33.87	33.10	32.38	31.71	31.08	30.49	29.93
9.23%	36.96	35.88	34.90	33.99	33.14	32.36	**31.64**	30.96	30.33	29.73	29.17	28.65	28.15
9.63%	34.23	33.31	32.45	31.66	30.93	30.24	29.60	29.01	28.45	27.92	27.42	26.96	26.51
10.04%	31.69	30.90	30.16	29.47	28.83	28.23	27.67	27.14	26.65	26.18	25.74	25.32	24.93
10.48%	29.32	28.63	27.99	27.40	26.84	26.31	25.82	25.36	24.92	24.51	24.12	23.75	23.40
10.93%	27.10	26.51	25.96	25.44	24.95	24.49	24.06	23.65	23.27	22.91	22.56	22.23	21.92
11.41%	25.02	24.51	24.03	23.58	23.16	22.76	22.38	22.03	21.69	21.37	21.06	20.77	20.50
11.90%	23.07	22.63	22.22	21.83	21.46	21.11	20.78	20.47	20.17	19.89	19.62	19.37	19.12

Table14: Scenario analysis Optimistic case sensitivity table. Source: Analyst estimate

WACC (constant throughout)	Perpetual growth rate												
	(0.3%)	(0.6%)	(0.9%)	(1.2%)	(1.5%)	(1.8%)	(2.1%)	(2.4%)	(2.7%)	(3.0%)	(3.3%)	(3.6%)	(3.9%)
7.07%	26.35	25.60	24.91	24.27	23.67	23.12	22.60	22.11	21.65	21.22	20.82	20.44	20.08
7.39%	24.71	24.04	23.42	22.85	22.31	21.81	21.34	20.90	20.48	20.09	19.72	19.37	19.04
7.72%	23.13	22.54	21.98	21.47	20.99	20.53	20.11	19.71	19.33	18.98	18.64	18.33	18.02
8.07%	21.62	21.09	20.60	20.13	19.70	19.30	18.91	18.55	18.21	17.89	17.58	17.30	17.02
8.44%	20.17	19.70	19.26	18.84	18.46	18.09	17.75	17.42	17.11	16.82	16.55	16.28	16.03
8.82%	18.77	18.35	17.96	17.60	17.25	16.92	16.61	16.32	16.04	15.78	15.53	15.29	15.07
9.23%	17.43	17.06	16.72	16.39	16.08	15.79	**15.51**	15.25	15.00	14.76	14.54	14.32	14.12
9.63%	16.20	15.87	15.56	15.27	15.00	14.73	14.48	14.25	14.02	13.81	13.61	13.41	13.22
10.04%	15.02	14.73	14.45	14.19	13.94	13.71	13.49	13.27	13.07	12.88	12.70	12.52	12.35
10.48%	13.88	13.62	13.38	13.15	12.93	12.72	12.52	12.33	12.14	11.97	11.81	11.65	11.49
10.93%	12.79	12.56	12.34	12.14	11.94	11.75	11.57	11.40	11.24	11.09	10.94	10.79	10.66
11.41%	11.73	11.53	11.34	11.16	10.98	10.82	10.66	10.51	10.36	10.22	10.09	9.96	9.84
11.90%	10.72	10.55	10.38	10.21	10.06	9.91	9.77	9.64	9.51	9.38	9.26	9.15	9.04

Table 15: Scenario analysis Pessimistic case sensitivity table. Source: Analyst estimate

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Report Recommendations

Buy	Expected total return (including expected capital gains and expected dividend yield) of more than 10% over a 12-month period.
Hold	Expected total return (including expected capital gains and expected dividend yield) between 0% and 10% over a 12-month period.
Sell	Expected negative total return (including expected capital gains and expected dividend yield) over a 12-month period.

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