

NORDEN**NORDEN**

Market: OMXC Large Cap

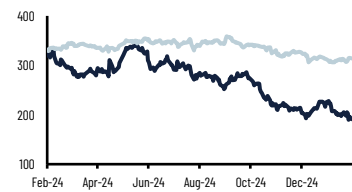
Ticker: CPSE:DNORD

Share price (DKK): 190.7

Market cap (DKK): 5.7bn

Net debt (DKK): 1.9bn

Enterprise value (DKK): 7.6bn

Share information

YTD -10.2% 1 year: -43.0%
 1 month: -15.4% 3 years: 15.0%

Note: *We apply the closing price from 10 February 2025
 Index rebased to February 2024. Source: S&P Capital IQ

Financials

USDm	2023	2024	2025E*
Revenue	3,691.9	4,040.1	N/A
Revenue growth	-30.5%	9.4%	N/A
EBITDA	678.6	432.2	N/A
EBITDA margin	18.4%	10.7%	N/A
Net income	400.1	162.7	20-100*
Net income margin	10.8%	4.0%	N/A
Cash	557.2	266.6	N/A
Interest-bearing debt	601.8	263.7	N/A

Note: *NORDEN's own 2025 guidance. Includes DKK 16m from gains on sales already agreed in Q1 2025.

Valuation multiples

	2023	2024	2025E*
P/S (x)	0.4	0.2	N/A
EV/Sales (x)	0.4	0.3	N/A
EV/EBITDA (x)	2.5	3.0	N/A
EV/EBIT (x)	3.9	6.5	N/A
P/E (x)	4.0	5.4	7.9-39.4
P/Nav (x)**	0.9	0.5	N/A
P/CF (x)	1.2	0.7	N/A

Note: Multiples for 2023 and 2024 are based on historical numbers. *Multiples in 2025 are based on NORDEN's own guidance. **Based on self reported NAV.

Company description

NORDEN is an international shipping company based in Denmark that provides global freight services in the dry cargo (Handy to Capesize) and product tanker (MR) freight markets. It operates a flexible asset-light business model; its Assets & Logistics (A&L) unit charters and trades its owned and long-term leased vessels and selected complex logistics projects. Its Freight Services & Trading (FST) trades dry bulk and tank markets on a short-term (<2 years) basis by chartering in vessels to provide global freight services.

Investment case

NORDEN's flexible asset-light model allows it to capitalize on long-term (via AL) and short-term (FST) market opportunities in the cyclical and volatile dry cargo and tanker shipping markets. The A&L unit offers exposure to the underlying markets, via owned and long-term leased (>2 yrs) vessels, that are chartered via spot and longer-term cover contracts also creating value by asset trading. The FST unit trades near-term (<2 yrs) market views by chartering vessels on a shorter-term basis with a greater degree of flexibility.

NORDEN's markets eased in 2024 following several years of very strong tanker markets, with earnings negatively impacted by mispositioning in FST dry cargo. The A&L unit delivered ongoing solid earnings and cash flow from chartering its fleet, with additional gains from vessel sales of USD 82m, as NORDEN capitalized on several in-the-money purchase options. Tanker rates have remained weaker than in previous winter markets contributing to a lower guidance outlook FY2025 of USD 20-100m, despite NORDEN expecting FST margins to improve y/y in 2025. Vessel sales of USD 16m are included in this guidance which is significantly below the 2022-2024 levels, while asset values remain high.

NORDEN has relatively stable earnings from A&L, with additional vessel sale gains potential which can support ongoing share buybacks. NORDEN currently trades below its peers on forward multiples, in part driven by negative results from FST, and lower earnings expectations FY 2025.

Key investment reasons

NORDEN has delivered a 5-year average ROIC of 25%, (14% FY2024) and returned significant value to shareholders since 2022. In 2024 it distributed 62% of its net result to shareholders via dividends (DKK 8/share) and share buybacks. Continued cash flow can support ongoing buybacks and dividends at a high payout ratio, despite lower absolute earnings guidance in 2025.

NORDEN calculates an in-house net asset value (NAV) of DKK 425/share, a significant premium to current levels. Analysts excluding the value of purchase options have a lower NAV, however, if asset values remain high significant value can be realized from A&L transactions (USD 82m in sales gains FY2024).

The A&L division has locked in coverage at profitable rates ensure cash flow to support shareholder returns in 2025. The long position in dry cargo into 2025 is supported by a low order book, ageing fleet, and improving demand from China and emerging markets.

Key investment risks

NORDEN's trading strategies are highly data-driven, however, as seen in H1 2024, are prone to markets moving in the opposite direction, and black swan events such as Covid-19. Diversifying its trading strategies, lessens the impact of such events as seen by positive FST tanker results offsetting dry cargo weakness.

Shipping markets are cyclical and the exceptional tanker earnings of recent years have eased. Additional easing may result if the Red Sea opens following a ceasefire between Israel and Palestine. Geopolitics impact tanker and dry cargo markets which can create uncertainty and volatility in both directions.

NORDEN currently has significant implied value in extension and purchase options, which it includes in its NAV calculations. Recognizing that value will depend on stable or improving freight rates and second-hand values, which is not guaranteed.

Peer group

Company	Price (local)	Total return YTD	Market cap (USDm)	Latest net debt (USDm)	EV/EBITDA		P/E		Div yield		
					FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	
Dry cargo	Golden Ocean Group Limited	USD 9.3	3.7%	1,852	1,354	7.0	5.6	8.5	8.9	12.9%	15.9%
	Star Bulk Carriers Corp.	USD 15.7	4.7%	1,846	1,031	5.9	4.5	5.8	5.7	9.7%	18.4%
	Diana Shipping Inc.	USD 1.9	-5.1%	222	481	3.9	5.2	9.3	3.1	0.0%	16.1%
Product tanker	TORM plc	DKK 144	4.0%	1,938	794	4.1	3.9	3.2	5.5	25.1%	22.6%
	Scorpio Tankers Inc.	USD 48.1	-3.2%	2,274	1,233	5.4	5.4	4.8	6.9	3.3%	3.3%
	Hafnia Limited	NOK 59	-2.9%	2,621	1,151	5.2	5.0	3.4	5.7	24.7%	18.5%
Median		0.4%	1,895	1,091	4.7	5.3	4.3	5.3	11.3%	17.3%	
NORDEN	DKK 190.7	-10.2%	789	45	2.2	1.8	4.9	3.0	12.2%	20.1%	
<i>Premium (+) / Discount (-) to peers</i>						-59%	-66%	-8%	-47%		

Source: S&P Capital IQ



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Investment Case One-pager

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Estimates and assumptions: The data in the peer group concerning the peer companies has not been calculated by HC Andersen Capital but is instead consensus analyst estimates from S&P Capital IQ. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers S&P Capital IQ a credible source of information.

Selected dry cargo and product tanker peers:

Golden Ocean Group: is an international owner and operator of dry bulk carrier vessels with focus on the Capesize and Panamax markets. Its vessels transport a range of major and minor bulk commodities, including ores, coal, grains and fertilisers. Golden Ocean Group owns most of its 90+ vessels, but also charters vessels from third-party owners. The vessels primarily trade in the spot market, with some chartered out on index-linked rate time charters and a few on fixed-rate time charters.

Diana Shipping Corp: Diana Shipping Inc is a Greek-based global provider of shipping transportation services within the dry bulk sector. The company is the owner and operator of around 40 dry bulk vessels across a range of vessel sizes, including Newcastlemax, Capesize, Post-Panamax, Kamsarmax and Panamax vessels. The company's vessels are employed primarily on medium to long-term time charters and transport a range of dry bulk cargoes, including such commodities as iron ore, coal, grain and other materials.

Star Bulk Carriers Corporation: is a leading international owner and operator of dry bulk carrier vessels to transport bulk cargoes, such as iron ore, coal, minerals, grain, and more. Its fleet consists of over 150 dry bulk vessels consisting of Newcastlemax, Capesize, Post Panamax, Kamsarmax, Panamax, Ultramax and Supramax vessels.

Scorpio Tankers: is a leading owner and operator of product tankers, carrying refined oil products such as gasoline, jet fuel, naphtha and diesel oil. Scorpio Tankers operates a fleet of over 100 vessels (either owned, leased or chartered) with a focus on LR2 and MR vessel segments but also operating in the LR1 and handysize segments. Scorpio tankers operates its vessels through its commercial pools on time charters or in the spot market.

Hafnia: is a leading owner and operator of product tankers, listed in Norway, transporting oil products and easy chemicals in global markets, owning over 110 vessels and operating over 200. It manages seven commercial shipping pools, which bring together self-owned and externally-owned vessels to minimise costs and reduce risk by aggregating earnings across all vessels based on a points system.

TORM: is a leading owner and operator of product tankers, listed in Norway, transporting oil products and easy chemicals in global markets, owning around 90 vessels. TORM focuses on the MR LR1 and LR2 segments and primarily employs its fleet in the spot market.