

Odfjell SE

INITIAL COMMENT

Key share data	
Sector	Industrials
Reuters	ODF.OL
Bloomberg	ODF NO
Market Cap (NOKm)	9,405
Net debt (NOKm)	11,106
EV (NOKm)	20,511
Net debt / equity	147%
Issued shares (A), m	60
Issued shares (B), m	19
Issued shares (Total), m*	79
*shares owned by Odfjell not included	
Last target price	125.00
Share price	119.50
Last recommendation	HOLD

Figures & Ratios (USDm)			
	2022	2023E	2024E
Revenues	1,318.2	1,188.4	1,136.1
EBITDA	377.3	441.2	394.5
EBIT adj.	216.0	280.3	230.1
Pre-tax profit	144.7	191.3	138.5
Net profit	141.7	182.5	131.5
EPS rep. (USD)	1.80	2.32	1.67
EPS adj. (USD)	1.65	2.31	1.67
DPS. (USD)	0.85	1.15	0.84
Div. yield	9.7%	10.5%	7.8%
NIBD	1,060	997	938
EV/Sales	1.33	1.57	1.59
EV/EBITDA	4.63	4.21	4.53
EV/EBIT (adj)	8.09	6.62	7.77
P/E (adj)	5.3	4.7	6.5
P/B (excl. gw)	0.99	1.11	1.02
ROE	20.9 %	24.7 %	16.3 %
ROCE	13.0 %	17.0 %	13.4 %

not updated

Norne Securities AS is a market maker in A and B shares of Odfjell SE

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In line with 2Q23 and beating consensus

Odfjell posted very solid 3Q23 figures yesterday evening. They have prepared the analysts for the reduction QoQ, but the figures came in very much in line with 2Q23 and beating the consensus expectations. However, although 4Q is seasonally stronger, due to more drydocking, the earnings are guided stable QoQ in 4Q23.

Another strong quarter delivered

Odfjell posted again very solid results yesterday evening, in line with 2Q23 and beating the consensus. EBITDA of USD 114m was in between 2Q23 result (USD 118m) and our USD 110m predictions, while the consensus was even more conservative at USD 107m. Adjusted net profit came in at USD 49m compared to USD 45-47m our and consensus' expectations. Terminals were stable. Rates on renewed COAs during the quarter were up 18% on average, covering 7% of estimated annual contract volume.

USDm		2Q23	3Q23	3Q23E	Deviation	Consensus*	
Segments	Tankers	Revenues	300	295	292	1%	-
		EBITDA	116	112	108	4%	-
	Terminals	Revenues	20	20	20	-2%	-
		EBITDA	9	9	9	0%	-
Equity Method	Revenues + JV		302	297	294	1%	278
	Adj. EBITDA		118	114	110	4%	107
	EBIT		79	76	70	9%	69
	Net Profit		53	52	45	16%	47

*Bloomberg

4Q23 to be stable, although 4Q is seasonally stronger period

The fourth quarter is historically stronger and both the activity levels and freight rates are projected to remain at healthy levels for the rest of the year. However, the company communicated to have more vessels than usual planned for drydocking in 4Q23, resulting in fewer commercial days. This should keep the Tanker results in line QoQ and with stable Terminals, the company guides to deliver stable earnings in 4Q23.

No major changes to estimates should follow the report, while the recommendation depends on the stock movement.

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Risk	Total return next 12 months (upside to target price)		
	Buy	Hold	Sell
Low	> 10%	2% - 10%	< 2%
Medium	> 15%	3% - 15%	< 3%
High	> 25%	5% - 25%	< 5%

Our risk assessments range from “high risk” to “medium risk” and “low risk” and are based on a subjective assessment of the following factors: 1) volatility in the share price, 2) liquidity in the share, 3) strength of the balance sheet, 4) absolute earnings level and trend and 5) estimate risk.

Share prices used in the report are as of market close on the last trading day if the report is being published before the stock market opening, or market price within 15 min. before the publication if the report is published during the trading hours of the Oslo Stock Exchange.

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This report has not been presented to the issuer before dissemination for a check of factual information.

Share holdings of Norne employees in Odfjell:

	A shares	B shares
Responsible analyst(s)	0	0
All Norne analysts	117	0
Other Norne employees	3,710	0
Norne Securities AS	0	0

The overview of share holdings is updated continuously. A list of total share holdings of the Norne Securities' employees and the date of last overview can be found on [Compliance | Norne Securities](#). Shareholdings that Norne Securities AS owns as a result of own-account trading that is part of its investment services operations (such as market making) are not included in the table above.

Distribution of Norne Securities' recommendations during three months up till September 30, 2023:

	Buy	Hold	Sell
Total	64	49	5
% of total	54%	42%	4%
Corporate clients*	31	34	1
% of corporate clients*	47%	52%	2%

* Includes publicly disclosed not immaterial investment banking services or issues of financial instruments where Norne Securities AS has been lead manager or co-lead manager, and market making clients during the 12 months prior to the overview date.

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