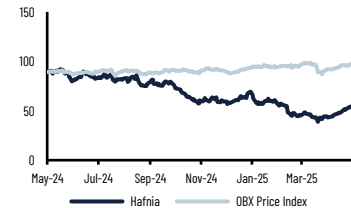


## Share information



YTD	-13.2%	1 year:	-40.7%
1 month:	19.2%	3 years:	106.0%

Note: \*We apply the closing price from 15 May 2025  
 Index rebased to 16 May 2024. Source: S&P Capital IQ

## Financials

USDm	2023	2024	2025E*
TCE income	1,366.6	1,391.3	950
TCE income growth	1.5%	1.8%	-32%
EBITDA	1,013.0	992.3	587
EBITDA margin	74.1%	71.3%	62%
Net income	793.3	774.0	349
Net income margin	58.0%	55.6%	37%
Cash and equivalents	142	195	N/A
Interest-bearing debt	1,292	1,122	N/A

Note: \*Consensus analyst estimates from S&P Capital IQ. Margins calculated against TCE income.

## Valuation multiples

	2023	2024	2025E*
P/S (x)	2.6	1.9	2.8
EV/Sales (x)	3.5	2.5	3.7
EV/EBITDA (x)	4.7	3.5	5.8
EV/EBIT (x)	5.6	4.4	9.8
P/E (x)	4.4	3.5	8.6
P/NAV (x)**	0.9	0.7	0.7
Div yield (%)	14.5	21.7	9.2

Note: Multiples for 2023 and 2024 are based on historical numbers. \*Multiples in 2025 are based on consensus estimates from S&P Capital IQ. \*\*P/NAV based on Hafnia's self-reported NAV

## Company description

Hafnia is one of the largest owners and operators of product and chemical tankers globally. Hafnia is listed in Norway, and the NYSE, as of April 2024. It provides global freight services in the product tanker market, transporting oil products and easy chemicals. It manages seven commercial shipping pools, bringing together self-owned and externally-owned vessels, and leveraging economies of scale while reducing risk for pool participants by aggregating earnings across all vessels based on a points system.

## Investment case

Product tanker markets have been exceptionally strong since 2022, when Russia invaded Ukraine and redistributed oil product flows. Despite product tanker rates easing in H2 2024, markets are stabilizing at rates still above historical average levels, which can support ongoing earnings and strong cash flow.

Hafnia trades in the spot market, occasionally taking tactical longer-term cover contracts. Hafnia retains a constructive market outlook supported by strong global oil product demand and supply dynamics, with possible positive spill-overs from rising OPEC+ supply. Vessel supply conditions are also stabilizing despite the order book having risen to around 21%, driven by renewed sanctions on an additional 183 dark-fleet, mostly offsetting 2025 newbuild deliveries<sup>[1]</sup>, low new orders in 2025, and an aging fleet which may see elevated scrapping levels as environmental regulations challenge their economic viability.

Hafnia's strong balance sheet with a loan-to-value (LTV) of around 24% at Q1'25 can support ongoing high total payout ratios (dividend plus share buyback). Analysts forecast dividend yields of 9% and 12% for 2025E and 2026E which may be supported by additional share buybacks on an opportunistic basis when shares are trading at a significant discount to net asset value (NAV).

Hafnia trades roughly in line with its peer group's earnings multiples, but with a slight premium on EV/EBIT, a slight discount on P/E and among the highest dividend yield forecasts for 2025E and 2026E. Hafnia's self-reported NAV reflects a P/NAV around 0.7x below historical levels.

Source [1]: Hafnia Q1 2025 earnings presentation

## Key investment reasons

Hafnia maintains plans to return significant cash to shareholders via dividends and/or share buybacks with a total payout ratio of 83% in 2024, and 123% in Q1'25 (80% dividend + 43% buybacks). A low leverage ratio LTV supports ongoing high payout ratios, while P/NAV <1.0 may see Hafnia buyback shares in addition to dividends.

Product tanker rates remain above historical averages and have stabilized after easing during H2 2024, with sentiment improving driven by positive spill-overs from OPEC+ supply increases, returning Chinese demand growth, low CPP inventories in Europe, and rising overall oil and CPP supply forecast for 2025.

While the product tanker orderbook stands at around 21% of the net fleet, new orders have slowed, while an ageing fleet may lead to elevated scrapping, somewhat offsetting new supply. Additionally limited shipyard capacity delays any new order deliveries to 2027/2028, slowing fleet growth.

## Key investment risks

Hafnia operates in volatile markets with spot rates prone to significant fluctuations, rising rapidly in 2022, but also declining since H2 2024. A demand shock or shift in the market, such as an end to the sanctions on Russia and the dark fleet, would likely reduce forward analyst estimates. Tariffs can also have an uncertain impact, despite Trump's positive oil industry outlook.

Following the effective closure of the Red Sea due to Houthi attacks on vessels, the oil product trade has shifted. Efficiencies have since reduced the positive impact of redirecting vessels via the Cape of Good Hope. A Red-Sea re-opening and other geopolitical developments in the Middle-East can impact product tanker rates.

There is a risk that an orderbook above expected scrapping leads to vessel supply growth outpacing demand growth. Environmental regulations and aging fleets may increase scrapping from very low levels, however, this has not yet materialized.

## Peer group

Company	Price	Total return	Market cap	EV	EV/EBITDA	EV/EBIT	P/E	Div yield	
	(local)	YTD	(USDm)	(USDm)	2025E	2026E	2025E	2026E	2025E
TORM plc	DKK 118.1	-12.0%	1,731	2,573	5.1	5.3	8.3	8.1	8.9
Scorpio Tankers Inc.	USD 41.7	-15.3%	1,969	2,402	4.8	4.9	7.6	7.0	7.7
Ardmore Shipping Corp.	USD 9.9	-17.6%	403	407	5.3	5.1	10.3	9.7	11.6
International Seaways Inc.	USD 38.3	8.8%	1,890	2,369	5.7	5.6	8.8	8.2	8.4
d'Amico Intl Shipping S.A.	EUR 3.4	-8.5%	453	570	4.1	5.2	6.6	9.1	6.1
<b>Median</b>		<b>-12.0%</b>	<b>1,731</b>	<b>2,369</b>	<b>5.1</b>	<b>5.2</b>	<b>8.3</b>	<b>8.2</b>	<b>8.4</b>
<b>Hafnia Ltd.</b>	<b>NOK 52.7</b>	<b>-12.6%</b>	<b>2,518</b>	<b>3,527</b>	<b>5.8</b>	<b>5.9</b>	<b>9.8</b>	<b>9.3</b>	<b>8.4</b>
Premium (+) / Discount (-) to peers					12%	14%	18%	13%	0%

Note: data from 15/05/2025

Note: Dividend yield 2025E includes dividend declared in connection with Q1 2025 results of USD 0.1015/share (ex. dividend date: 22 May 2025).

Source: S&P Capital IQ

# Appendix

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 CapitalIQ. 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 product tanker peers overview:**

Peer group overview: Hafnia's peer group consists of peers engaged in the ownership and operation of product tankers. The selected peers operate at a similar scale to Hafnia, with Torm also listed in the Nordics.

Scorpio Tankers: Scorpio Tankers is an international owner and operator of product tankers, carrying refined oil products and chemicals worldwide. Scorpio Tankers' owns a combination of LR2, MR and Handymax tankers, with a greater share of its vessels fixed with or plans to be fitted with scrubbers. Scorpio Tanker operates its vessels through commercial pools, together with other shipowners, to benefit from greater vessel utilization. Activities are primarily positioned towards the spot market.

Torm: is an international owner and operator of product tankers, carrying refined oil products and chemicals worldwide. Torm is listed in Copenhagen and on the US Nasdaq, with a focus on the LR2, LR1, and MR vessel segments.

International Seaways Inc: is an international owner and operator of crude tanker and product tanker vessels, transporting dirty and clean petroleum products globally. The company owns or operates a fleet of over 70 vessels across crude tanker and product vessel segments, including, crude tankers: VLCC, Suezmax, Aframax, product tankers: LR2, LR1, and MR. International Seaways is listed on the New York Stock Exchange (NYSE).

Ardmore Shipping Corp: is an international owner and operator of product tankers, carrying refined oil products and chemicals worldwide. Ardmore Shipping is listed on the New York Stock Exchange (NYSE) and focuses on the MR vessel segment, also operating its vessels in commercial shipping pools.

d'Amico International Shipping SA: is an international owner and operator of product tanker vessels, transporting refined crude products globally. The company is listed on the Milan Stock Exchange and owns and charters vessels, operating over 30 vessels, across product tanker vessel segments, including LR1, MR, and Handysize.