



BUY

Unchanged



Belships

Norway, Marine

BEL.OL (REUTERS) - www.belships.com – BEL NO (BLOOMBERG)

Share price: NOK 5.6

Target price: NOK 9.4 (9.4)

Market cap (m): NOK 261

Daily traded shares, -3m (k): 18

Forecast Changes (USD)

Year	Old		New		Old	New	
	2014	2014	2014	2015			
Sales	23	22	-1.6%	23	23	0.1%	
EBIT	5	5	-2.4%	6	6	-0.3%	
PTP	4	3	-16.3%	4	4	-2.0%	
EPS	0.08	0.07	-17.1%	0.09	0.09	-2.0%	

Source: ABG Sundal Collier

Other key data

Mkt cap. (m, NOK)	261
Mkt. cap. (m, USD)	44
Shares out. (m)	46.9
Shares dil. (m)	46.9
Free Float Shares, %	40.0
EV (m, USD)	85
NIBD (m, USD)	41

Source: ABG Sundal Collier

Trading data (NOK)

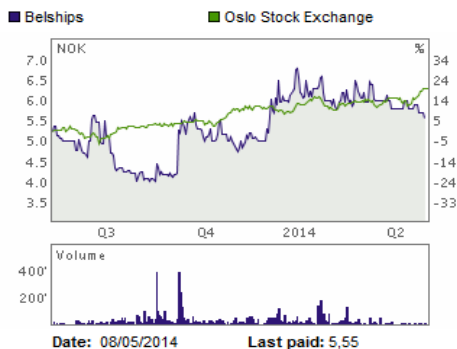
Share price	5.6
Target Price	9.4
+/- to target	69.1%
Daily traded shares (3 m, k)	18
Daily traded value (3 m, k)	100

Source: ABG Sundal Collier, company data

Performance	1m	3m	12m	YTD
Absolute	-3.1%	-4.1%	-14.5%	-13.0%

Source: Datastream

Share price



Source: SIX

On schedule

The Q1 results didn't reveal much of a surprise as all vessels are locked in on contracts. The MR product tanker has been redelivered and replaced by a supramax newbuild, meaning that Belships has successfully transformed itself into a supramax pure play. The company firmly maintains its ambition to continue to increase its fleet of high quality vessels on various charters to tier 1 clients. Although share liquidity remains thin, the cheap valuation of 0.6x NAV and 5x P/E 2016e, modern fleet and clear growth strategy should appeal to long-term investors seeking dry bulk exposure. The first dividend in six years was recently declared; a sign that a shareholder friendly strategy is a priority. We reiterate BUY with unchanged NOK 9.4 target price.

Q1: a tad on the soft side

- Q1 EBIT was USD 1.1m was below our forecast of USD 1.3m due to slightly higher vessel opex and G&A.
- The MR product tanker (Belaia) was redelivered and replaced by a brand new ECO-supramax on long-term lease from Q1'17; meaning it has streamlined into a supramax pure-play.

Earnings revisions

- We lower our forecasts to reflect slightly higher G&A and the Q1 results.

What's not to like? It's cheap, conservative, high quality

- It's cheap on multiples.** We calculate a NAV of NOK 9.3/share, meaning that this is one of the cheapest listed dry bulk companies with a P/NAV of 0.6x. Multiples will also improve once newbuilds have been delivered; P/E 2016e ~5x.
- Conservative, but with growth ambitions.** The strategy remains firm to increase its fleet of modern vessels on TC to high quality counterparts with various contract durations. Near term earnings are well protected due to 100% coverage; but offer upside to market uptick with 40% open exposure in 2016e.
- High quality.** The fleet of six vessels is one of the youngest in the industry, with average age of one year; three of the vessels have an ECO design that offers substantial fuel savings potential.

Key Highlights (USDm)

Year	Sales	EBITDA	EBIT	EBITDA marg.	Net profit	EPS	EPS growth	FCFPS	EV/ EBITDA	P/E	EV/ EBIT	DPS	ROCE
2010	50	5.2	5.2	10.4%	2.3	0.09	-71.8%	-1.48	15.8	13.4	15.8	0.00	4.8%
2011	33	8.5	3.2	25.9%	-0.7	-0.03	<-100%	-0.32	8.6	neg	23.0	0.00	2.3%
2012	26	12	1.9	44.6%	-1.7	-0.07	>100%	0.34	5.9	neg	35.7	0.00	0.9%
2013	26	9.3	5.1	35.9%	2.5	0.05	<-100%	0.18	9.0	19.9	16.6	0.05	4.7%
2014e	22	9.0	5.0	40.6%	3.1	0.07	20.6%	-0.09	9.4	14.3	16.9	0.05	4.5%
2015e	23	10	6.1	44.6%	4.1	0.09	34.7%	-0.37	10.8	10.6	18.1	0.20	5.2%
2016e	32	17	12	52.5%	8.9	0.19	>100%	-0.01	6.8	4.9	9.6	0.08	9.0%

Target price: NOK 9.4

Risk: Rates, asset prices

Methodology: P/NAV, multiples

Deviation table

P&L (USDm)	Q1'13	Q2'13	Q3'13	Q4'13	Actual Q1'14	ABGSCe		
						Q1'14	%	ABS
Total operating income	6.3	6.4	6.6	6.7	6.1	6.4	-6%	-0.4
Charterhire expenses	-1.1	-1.2	-1.2	-1.2	-0.8	-1.2		0.4
Ship operating expenses	-1.3	-1.2	-1.3	-1.2	-1.4	-1.3		-0.1
General administrative expenses	-1.7	-1.6	-1.7	-1.9	-1.8	-1.7		-0.1
EBITDA	2.2	2.4	2.4	2.3	2.1	2.3	-8%	-0.2
D&A	-1.1	-1.1	-1.1	-1.0	-1.0	-1.0		
EBIT	1.1	1.3	1.3	1.3	1.1	1.3	-12%	-0.2
Net financials	-0.6	-0.6	-0.6	-0.6	-0.8	-0.4		
EAFI	0.6	0.7	0.7	0.7	0.3	0.9		
Other	0.0	0.0	0.0	0.0	0.0	0.0		
PTP	0.6	0.7	0.7	0.7	0.3	0.9	-65%	-0.6
Tax	-0.1	0.0	0.0	0.0	0.0	0.0		
Net Income	0.5	0.7	0.7	0.7	0.3	0.9	-68%	-0.6

Source: ABGSC, company

Fleet overview

Vessels	Type	Yard	Built	Stake	Capacity	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Expiry
Beleia	MR	Imabari	2007	0%	48,673	Lauritzen																Redelivered	Mar-14							
Belstar	Supramax	Dayang	2009	100%	58,000	Canpotex @ USD 16,000 per day																Aug-19								
Belnor	Supramax	Dayang	2010	100%	58,000	Canpotex @ USD 16,000 per day																May-20								
Belocean	Supramax	Dayang	2011	100%	58,000	Canpotex @ USD 16,000 per day																Mar-16								
ECO-newbuild 1	Supramax	Imabari	2015	100%	61,000																									
ECO-newbuild 2	Supramax	Imabari	2016	100%	61,000	Canpotex @ USD 17,300 per day																Mar-21								
ECO-newbuild 3	Supramax	Imabari	2017	0%	61,000																									

- Long-term contract
 - Yard/Construction
 - No contract / spot

Source: ABGSC, company

NAV assessment

Vessel	Type	Size	Yard	Built	Stake	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Current	
M/S Belstar	Supramax	58,018	Dayang	2009	100%	18	21	21	24	25	26	
M/S Belnor	Supramax	58,018	Dayang	2010	100%	19	22	22	26	26	27	
M/S Belocean	Supramax	58,018	Dayang	2011	100%	21	23	24	28	28	28	
ECO-newbuild 1	Supramax	61,000	Imabari	2015	100%	29	30	31	31	33	33	
ECO-newbuild 2	Supramax	61,000	Imabari	2016	100%	29	30	30	31	31	32	
ECO-newbuild 3 - OPTION	Supramax	61,000	Imabari	2017	100%				0	0	0	
GROSS ASSET VALUES						USDm	115	124	127	139	144	146
Capex newbuildings							-57	-57	-57	-57	-57	-57
Instalments paid							0	6	6	6	6	6
Net debt							-47	-44	-36	-33	-33	-33
NAV charter free						USDm	12	29	40	55	60	63
# shares						#m	24	24	47	47	47	47
NAV charter-free						USD /share	0.5	1.2	0.9	1.2	1.3	1.3
NAV charter-free						NOK /share	2.8	7.3	5.2	7.1	7.6	7.9
Value of contracts							15	15	15	16	8	8
Value of fuel efficiency advantage							3	3	4	4	4	3
Value of contracts and fuel efficiency						USDm	18.3	18.3	19.0	20.0	12.0	11.0
Value of contracts and fuel efficiency						USD /share	0.7	0.7	0.4	0.4	0.3	0.2
Value of contracts and fuel efficiency						NOK /share	4.4	4.6	2.4	2.6	1.5	1.4
NAV						USDm	30	47	59	75	72	74
NAV						USD /share	1.2	1.9	1.3	1.6	1.5	1.6
NAV						NOK /share	7.2	11.9	7.6	9.7	9.1	9.3

Source: ABGSC, company

Quarterly income statement

(USDm)	2011				2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3e	Q4e
Net sales	12	7	7	7	6	6	6	7	6	6	7	7	6	5	5	5
Charterhire expenses	-6	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	0	0	0
Ship operating expenses	-1	-2	-2	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Admin expenses	-2	-2	-2	-2	1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
EBITDA	2	2	2	2	5	2	2	2	2	2	2	2	2	2	2	2
Depreciation & amortisation	-1	-1	-1	-1	-5	-1	-1	-2	-1	-1	-1	-1	-1	-1	-1	-1
EBIT	1	1	1	0	0	1	1	0	1	1	1	1	1	1	1	1
Net interest	-1	-1	-1	-1	-1	-1	-1	-1	-1	0	0	-1	0	0	0	0
Forex and capital gains	-1	0	1	0	-1	0	0	0	0	0	0	0	0	0	0	0
Other	1	0	-1	0	0	-1	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	0	0	0	-1	0	0	-1	1	1	1	1	0	1	1	1
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net profit	0	0	0	0	-1	0	0	-1	0	1	1	1	0	1	1	1
EPS	-0.02	-0.01	0.01	-0.01	-0.06	0.01	0.01	-0.03	0.02	0.03	0.01	0.01	0.01	0.02	0.02	0.02
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.05
Key ratios																
EBITDA margin %	17.2	29.9	34.7	27.2	77.7	36.2	34.0	31.7	34.6	37.7	36.4	35.1	34.9	43.6	44.5	40.0
EBIT margin %	7.6	10.3	15.1	7.0	-6.8	18.8	16.7	0.7	17.8	21.0	19.8	19.7	18.5	24.9	26.1	21.6
Pre-tax margin %	-3.9	-2.5	4.7	-1.9	-22.8	4.0	4.9	-9.5	9.1	11.3	10.5	10.9	5.3	18.2	18.7	14.6
Tax rate %	-9.8	n.m.	17.6	-52.9	-3.0	n.m.	9.6	-12.4	13.8	n.m.	1.4	4.4	8.1	n.m.	0.0	0.0
Quarterly +/- % (y-o-y)																
Net sales	-37	-23	-46	-26	-45	-9	-8	-5	0	-1	2	0	-4	-17	-18	-19
EBITDA	-49	58	10	90	147	11	-10	11	-55	3	9	11	-3	-4	1	-7
EBIT	-74	21	-15	1852	-149	67	1	-91	-362	10	21	2759	0	-1	9	-11
Pre-tax profit	-119	-84	-80	-79	219	-249	-5	368	-140	177	121	-214	-44	35	46	9
Net profit	-121	-74	-83	-59	200	-178	4	244	-133	199	141	-197	-40	44	49	14
Rate forecasts USDk / d																
Supramax	8.0	9.4	9.7	9.5	12.8	13.0	14.5	15.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0

(USDm)	2011				2012				2013				2014			
	3m	6m	9m	12m	3m	6m	9m	12m	3m	6m	9m	12m	3m	6m	9m	12m
Net sales	12	19	26	33	6	13	19	26	6	13	19	26	6	11	17	22
Charterhire expenses	-6	-8	-9	-10	-1	-2	-3	-4	-1	-2	-3	-5	-1	-1	-1	-1
Ship operating expenses	-1	-3	-4	-6	-1	-3	-4	-5	-1	-3	-4	-5	-1	-3	-4	-5
Admin expenses	-2	-4	-6	-9	1	-1	-3	-5	-2	-3	-5	-7	-2	-3	-5	-7
EBITDA	2	4	7	8	5	7	9	12	2	5	7	9	2	4	7	9
Depreciation & amortisation	-1	-2	-4	-5	-5	-6	-8	-10	-1	-2	-3	-4	-1	-2	-3	-4
EBIT	1	2	3	3	0	1	2	2	1	2	4	5	1	2	4	5
Net interest	-1	-2	-2	-3	-1	-1	-2	-2	-1	-1	-1	-2	0	-1	-1	-2
Pre-tax profit	0	-1	0	0	-1	-1	-1	-2	1	1	2	3	0	1	2	3
Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net profit	0	-1	-1	-1	-1	-1	-1	-2	0	1	2	3	0	1	2	3
EPS	-0.02	-0.03	-0.02	-0.03	-0.06	-0.05	-0.04	-0.07	0.02	0.05	0.04	0.05	0.01	0.03	0.05	0.07
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.05
Key ratios																
EBITDA margin %	17.2	22.1	25.5	25.9	77.7	56.7	49.1	44.6	34.6	36.1	36.2	35.9	34.9	39.0	40.7	40.6
EBIT margin %	7.6	8.6	10.4	9.7	-6.8	6.2	9.7	7.4	17.8	19.4	19.5	19.6	18.5	21.5	23.0	22.6
Pre-tax margin %	-3.9	-3.4	-1.2	-1.3	-22.8	-9.2	-4.5	-5.8	9.1	10.2	10.3	10.4	5.3	11.3	13.7	13.9
Tax rate %	-9.8	n.m.	n.m.	n.m.	-3.0	n.m.	n.m.	n.m.	13.8	n.m.	n.m.	n.m.	8.1	n.m.	n.m.	n.m.
Quarterly +/- % (y-o-y)																
Net sales	-37	-33	-37	-35	-45	-31	-25	-21	0	0	0	0	-4	-10	-13	-14
EBITDA	-49	-21	-12	0	147	77	44	37	-55	-36	-26	-19	-3	-3	-2	-3
EBIT	-74	-59	-49	-40	-149	-51	-30	-40	-362	213	102	166	0	-1	3	-1
Pre-tax profit	-119	-149	-110	-119	219	89	194	249	-140	-210	-329	-280	-44	0	16	14
Net profit	-121	-165	-118	-132	200	60	89	134	-133	-193	-290	-251	-40	8	23	21

Source: ABG Sundal Collier, company data

Income Statement (USDm)	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
Sales	67	85	53	50	33	26	26	22	23	32
COGS	-50	-68	-50	-45	-24	-14	-17	-13	-13	-15
Gross profit	17	17	2.3	5.2	8.5	12	9.3	9.0	10	17
Other operating items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	17	17	2.3	5.2	8.5	12	9.3	9.0	10	17
Depreciation on tangibles	-0.7	-0.3	-4.8	-3.2	-5.3	-9.6	-4.3	-4.0	-4.1	-5.0
Depreciation on intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	16	16	-2.6	2.0	3.2	1.9	5.1	5.0	6.1	12
Goodwill impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other impairment and amortisation	23	-12	10	3.2	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	39	4.7	7.5	5.2	3.2	1.9	5.1	5.0	6.1	12
Interest net	-1.0	-0.8	-0.7	-1.9	-2.8	-2.3	-1.9	-1.6	-2.0	-3.1
Dividends received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exchange differences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial items	0.4	-2.6	0.6	-1.1	-0.8	-1.1	-0.5	-0.3	0.0	0.0
Net financial items	-0.6	-3.4	-0.1	-3.0	-3.6	-3.4	-2.4	-1.9	-2.0	-3.1
Associated income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other EO items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pretax profit	38	1.3	7.4	2.3	-0.4	-1.5	2.7	3.1	4.1	8.9
Tax	-7.8	-2.1	0.9	0.0	-0.3	-0.2	-0.2	0.0	0.0	0.0
Net profit	31	-0.8	8.2	2.3	-0.7	-1.7	2.5	3.1	4.1	8.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit discontinued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit to shareholders	31	-0.8	8.2	2.3	-0.7	-1.7	2.5	3.1	4.1	8.9
EPS	1.24	-0.03	0.33	0.09	-0.03	-0.07	0.05	0.07	0.09	0.19
EPS Core	0.32	0.44	-0.07	-0.04	-0.03	-0.07	0.05	0.07	0.09	0.19
Total extraordinary items before tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total extraordinary items after tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax rate	-20.3%	-161.8%	11.8%	0.66%	67.5%	12.4%	-6.1%	-0.84%	0.00%	0.00%
Gross margin	25.6%	19.6%	4.3%	10.4%	25.9%	44.6%	35.9%	40.6%	44.6%	52.5%
EBITDA margin	25.6%	19.6%	4.3%	10.4%	25.9%	44.6%	35.9%	40.6%	44.6%	52.5%
EBITA margin	24.6%	19.3%	-4.9%	4.0%	9.7%	7.4%	19.6%	22.6%	26.7%	37.1%
EBIT margin	58.3%	5.6%	14.2%	10.4%	9.7%	7.4%	19.6%	22.6%	26.7%	37.1%
Pretax margin	57.3%	1.6%	14.0%	4.5%	-1.3%	-5.8%	10.4%	13.9%	17.9%	27.6%
Net margin	45.7%	-1.0%	15.7%	4.5%	-2.2%	-6.5%	9.8%	13.8%	17.9%	27.6%
Growth rates Y/Y	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
Sales growth	30.6%	26.8%	-38.2%	-4.5%	-34.9%	-20.6%	0.3%	-14.3%	3.6%	40.7%
EBITDA growth	>100%	-2.7%	-86.4%	>100%	61.4%	36.6%	-19.2%	-3.3%	13.8%	65.6%
EBIT growth	>100%	-87.9%	58.0%	-30.0%	-39.6%	-39.5%	>100%	-0.8%	22.0%	95.9%
Net profit growth	>100%	<-100%	>100%	-72.3%	<-100%	<-100%	>100%	20.6%	34.7%	>100%
EPS growth	>100%	<-100%	<-100%	-71.8%	<-100%	>100%	<-100%	20.6%	34.7%	>100%
Profitability	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
ROE	85.6%	-1.7%	17.1%	4.3%	-1.3%	-3.2%	4.3%	4.6%	6.4%	13.8%
ROE Core	22.5%	23.2%	-3.7%	-1.7%	-1.3%	-3.2%	4.3%	4.6%	6.4%	13.8%
ROCE	>100%	9.4%	16.2%	4.8%	2.3%	0.9%	4.7%	4.5%	5.2%	9.0%
ROCE Core	67.7%	42.3%	-3.1%	1.2%	2.3%	0.9%	4.7%	4.5%	5.2%	9.0%
ROIC	85.6%	-6.5%	14.3%	5.6%	4.7%	2.0%	4.6%	4.7%	5.1%	8.9%
ROIC Core	85.6%	-6.5%	14.3%	5.6%	4.7%	2.0%	4.6%	4.7%	5.1%	8.9%
Core earnings numbers	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
EBITDA Core	17	17	2.3	5.2	8.5	12	9.3	9.0	10	17
EBITDA Core margin	25.6%	19.6%	4.3%	10.4%	25.9%	44.6%	35.9%	40.6%	44.6%	52.5%
EBITA Core	16	16	-2.6	2.0	3.2	1.9	5.1	5.0	6.1	12
EBITA Core margin	24.6%	19.3%	-4.9%	4.0%	9.7%	7.4%	19.6%	22.6%	26.7%	37.1%
EBIT Core	16	16	-2.6	2.0	3.2	1.9	5.1	5.0	6.1	12
EBIT Core margin	24.6%	19.3%	-4.9%	4.0%	9.7%	7.4%	19.6%	22.6%	26.7%	37.1%
Pretax profit Core	16	13	-2.7	-0.9	-0.4	-1.5	2.7	3.1	4.1	8.9
Net profit Core	8.0	11	-1.8	-0.9	-0.7	-1.7	2.5	3.1	4.1	8.9
Net profit to shareholders Core	8.0	11	-1.8	-0.9	-0.7	-1.7	2.5	3.1	4.1	8.9
Net Core margin	12.0%	12.8%	-3.4%	-1.8%	-2.2%	-6.5%	9.8%	13.8%	17.9%	27.6%

Source: ABG Sundal Collier, company data

Cash Flow Statement (USDm)	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
EBITDA	17	17	2.3	5.2	8.5	12	9.3	9.0	10	17
Net financial items	-0.6	-3.4	-0.1	-3.0	-3.6	-3.4	-2.4	-1.9	-2.0	-3.1
Paid tax	7.8	2.1	-0.9	0.0	0.3	0.2	0.2	0.0	0.0	0.0
Non-cash items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow before change in WC	24	15	1.3	2.3	5.2	8.3	7.1	7.1	8.3	14
Change in WC	-2.9	1.9	0.0	0.4	2.3	-0.1	0.4	0.0	-0.3	-0.3
Operating cash flow	21	17	1.3	2.6	7.5	8.3	8.3	7.1	8.0	14
CAPEX tangible fixed assets	-39	-8.7	-40	-39	-15	0.0	0.0	-11	-25	-14
CAPEX intangible fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions and disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	-18	8.6	-39	-36	-7.7	8.3	8.3	-4.2	-17	-0.5
Dividend paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share issues and buybacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non cash items	22	-8.0	8.8	2.6	7.1	-3.7	6.7	-3.1	-8.8	-3.2
Decrease in net IB debt	4.7	0.6	-30	-33	-0.6	4.6	15	-7.3	-26	-3.7
Balance Sheet (USDm)	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indefinite intangible assets	4.4	0.8	0.7	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Definite intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tangible fixed assets	39	36	72	109	112	102	101	109	130	139
Other fixed assets	6.4	4.2	6.4	4.0	3.4	3.3	3.1	3.1	3.1	3.1
Fixed assets	50	41	79	113	115	105	104	112	133	142
Inventories	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables	3.9	4.0	4.0	3.6	1.3	1.4	1.0	1.0	1.3	1.6
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and liquid assets	49	48	20	20	15	10	14	13	-0.5	-1.9
Total assets	105	92	103	137	131	117	119	126	134	142
Shareholders equity	50	44	52	55	54	52	67	67	62	67
Minority	0.0	0.0	0.0	0.0	0.5	0.3	0.4	0.4	0.4	0.4
Total equity	50	44	52	55	54	53	67	68	62	68
Long-term debt	38	16	37	61	58	47	42	49	61	64
Pension debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convertible debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	9.4	4.8	5.9	5.8	6.3	3.5	2.5	2.3	2.3	2.3
Short-term debt	0.0	20	1.8	12	9.3	11	5.1	5.0	5.0	5.0
Accounts payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	7.8	7.2	6.0	4.0	2.7	2.6	2.4	2.0	2.6	3.2
Total liabilities and equity	105	92	103	137	131	117	119	126	134	142
Net IB debt	-11	-12	19	52	53	48	33	41	67	71
Net IB debt excl. pension debt	-11	-12	19	52	53	48	33	41	67	71
Capital invested	50	40	77	113	113	104	102	110	131	141
Working capital	5.9	4.0	4.0	3.6	1.3	1.4	1.0	1.0	1.3	1.6
EV breakdown										
Market cap. diluted (m)	115	17	37	30	19	19	51	44	44	44
Net IB debt adj.	-11	-12	19	52	53	48	33	41	67	71
Market value of minority	0.0	0.0	0.0	0.0	0.5	0.3	0.4	0.4	0.4	0.4
Reversal of shares and participations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reversal of conv. debt assumed equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV	104	5.8	56	83	73	68	84	85	111	115
Capital efficiency	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
Total assets turnover	0.82	0.86	0.54	0.42	0.24	0.21	0.22	0.18	0.18	0.24
Capital invested turnover	1.84	1.89	0.90	0.53	0.29	0.24	0.25	0.21	0.19	0.24
Capital employed turnover	2.46	2.39	1.01	0.56	0.30	0.25	0.26	0.21	0.19	0.24
Inventories / sales	2.5%	1.2%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Customer advances / sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Payables / sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Working capital / sales	6.7%	5.8%	7.6%	7.6%	7.5%	5.1%	4.5%	4.4%	4.9%	4.3%
Financial risk and debt service	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
Net debt / equity	-22%	-26%	36%	95%	97%	92%	50%	60%	107%	104%
Net debt / market cap	-9.5%	-66%	50%	171%	271%	248%	66%	92%	152%	160%
Equity ratio	47%	48%	51%	40%	42%	45%	56%	54%	47%	48%
Net IB debt adj. / equity	-22%	-26%	36%	95%	97%	92%	50%	60%	107%	104%
Current ratio	7.1	1.9	3.0	1.5	1.3	0.84	2.0	2.0	0.10	-0.04
EBITDA / net interest	16.9	20.2	3.1	2.8	3.0	4.9	4.9	5.5	5.1	5.5
Net IB debt / EBITDA	neg	neg	8.2	10.0	6.2	4.2	3.6	4.5	6.5	4.1
Interest cover	6.9	8.6	nm	1.1	1.1	0.8	2.6	3.1	3.1	3.9

Source: ABG Sundal Collier, company data

Valuation and ratios (USDm)	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
Share data										
Shares outstanding adj.	24.79	24.79	24.79	24.35	24.35	24.35	46.85	46.85	46.85	46.85
Diluted shares (adj, avg)	24.79	24.79	24.79	24.35	24.35	24.35	46.85	46.85	46.85	46.85
Diluted shares adj.	24.79	24.79	24.79	24.35	24.35	24.35	46.85	46.85	46.85	46.85
Shares outstanding (adj, avg)	24.79	24.79	24.79	24.35	24.35	24.35	46.85	46.85	46.85	46.85
Sales per share	2.70	3.43	2.12	2.06	1.34	1.06	0.55	0.48	0.49	0.69
EBITDA per share	0.69	0.67	0.09	0.21	0.35	0.47	0.20	0.19	0.22	0.36
EBITA per share	0.66	0.66	-0.10	0.08	0.13	0.08	0.11	0.11	0.13	0.26
EBIT per share	1.58	0.19	0.30	0.21	0.13	0.08	0.11	0.11	0.13	0.26
EPS	1.24	-0.03	0.33	0.09	-0.03	-0.07	0.05	0.07	0.09	0.19
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.05	0.20	0.08
Operating cash flow per share, OCFPS	0.86	0.70	0.05	0.11	0.31	0.34	0.18	0.15	0.17	0.29
Free cash flow per share, FCFPS	-0.72	0.35	-1.58	-1.48	-0.32	0.34	0.18	-0.09	-0.37	-0.01
EBITDA Core per share	0.69	0.67	0.09	0.21	0.35	0.47	0.20	0.19	0.22	0.36
EBITA Core per share	0.66	0.66	-0.10	0.08	0.13	0.08	0.11	0.11	0.13	0.26
EBIT Core per share	0.66	0.66	-0.10	0.08	0.13	0.08	0.11	0.11	0.13	0.26
EPS Core	0.32	0.44	-0.07	-0.04	-0.03	-0.07	0.05	0.07	0.09	0.19
BVPS	2.00	1.78	2.11	2.25	2.22	2.15	1.42	1.44	1.32	1.44
BVPS adj.	2.00	1.78	2.11	2.25	2.22	2.15	1.42	1.44	1.32	1.44
Net IB debt / share	-0.44	-0.46	0.76	2.14	2.17	1.98	0.71	0.87	1.43	1.51
Share price	4.6	0.70	1.5	1.3	0.80	0.80	1.1	0.94	0.94	0.94
Share price (high)	6.3	4.7	1.9	1.7	1.4	0.90	1.3	1.1	1.1	1.1
Share price (low)	1.6	0.63	0.70	1.0	0.80	0.76	0.67	0.93	0.93	0.93
Market cap. (m)	115	17	37	30	19	19	51	44	44	44
Valuation	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
P/E	3.8	neg	4.6	13.4	neg	neg	19.9	14.3	10.6	4.9
P/OCFPS	5.4	1.0	28.4	11.7	2.6	2.4	6.1	6.2	5.5	3.2
P/FCFPS	neg	2.0	neg	neg	neg	2.4	6.1	neg	neg	neg
EV/Sales	1.6	0.07	1.1	1.6	2.2	2.6	3.2	3.8	4.8	3.5
EV/EBITDA	6.1	0.3	24.7	15.8	8.6	5.9	9.0	9.4	10.8	6.8
EV/EBITA	6.3	0.4	neg	40.8	23.0	35.7	16.6	16.9	18.1	9.6
EV/EBIT	2.7	1.2	7.5	15.8	23.0	35.7	16.6	16.9	18.1	9.6
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.6%	5.3%	21.3%	8.5%
FCF yield	-15.4%	49.7%	-104.4%	-118.3%	-39.7%	42.3%	16.3%	-9.6%	-39.7%	-1.2%
P/BVPS	2.3	0.39	0.71	0.56	0.36	0.37	0.76	0.65	0.71	0.65
P/BVPS adj	2.3	0.39	0.71	0.56	0.36	0.37	0.76	0.65	0.71	0.65
P/E Core	14.3	1.6	neg	neg	neg	neg	19.9	14.3	10.6	4.9
EV/EBITDA Core	6.1	0.3	24.7	15.8	8.6	5.9	9.0	9.4	10.8	6.8
EV/EBITA Core	6.3	0.4	neg	40.8	23.0	35.7	16.6	16.9	18.1	9.6
EV/EBIT Core	6.3	0.4	neg	40.8	23.0	35.7	16.6	16.9	18.1	9.6
EV/cap. employed	2.7	0.18	0.79	0.77	0.68	0.67	0.84	0.79	0.86	0.83
Investment ratios	2007	2008	2009	2010	2011	2012	2013	2014e	2015e	2016e
CAPEX / sales	>50%	10.3%	>50%	>50%	47%	0.0%	0.0%	>50%	>50%	44%
CAPEX / depreciation	>1000%	>1000%	835%	>1000%	287%	0.0%	0.0%	284%	617%	284%
CAPEX tangibles / tangible fixed assets	100%	25%	56%	36%	13.6%	0.0%	0.0%	10.4%	19.6%	10.2%
CAPEX intangibles / definite intangibles	na	na	na	na	na	na	na	na	na	na
Depreciation on intangibles / definite intangibles	na	na	na	na	na	na	na	na	na	na
Depreciation on tangibles / tangibles	1.7%	0.8%	6.7%	3.0%	4.7%	9.4%	4.2%	3.7%	3.2%	3.6%

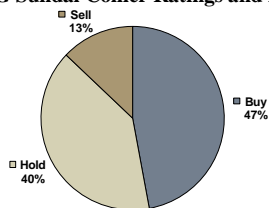
Source: ABG Sundal Collier, company data

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Stock price, company ratings and target price history

Company: Belships	Currency: NOK	Current Recommendation: BUY
Date: 08/05/2014		Current Target Price: 9.4
		Current Share Price: 5.6



Source: Datastream & ABG Sundal Collier

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