

TORM

Leading product tanker operator with strong cash generation and fleet optionality



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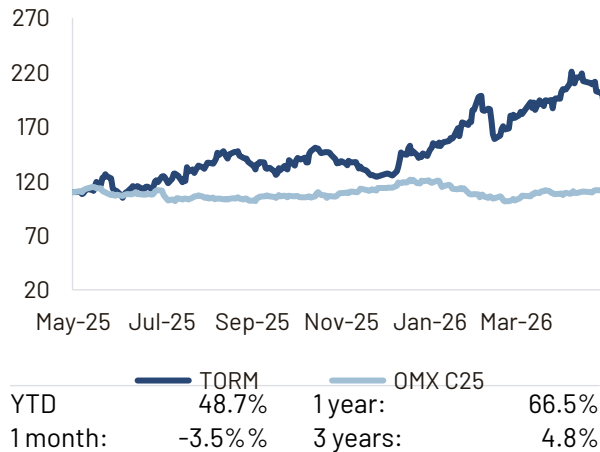


Corporate customer
Full disclaimer on back page
27 May 2026 16:00 CET



Key Financials and Valuation

Share price



Note: We apply closing price from 27 May 2026. Source: S&P Capital IQ.

Financials

USDm	2024	2025	2026E
TCE income	1,135	910	1,150 - 1,450
TCE Growth	4.7%	-19.8%	26% - 59%
EBITDA	844	578	800 - 1,100
EBITDA-%	54.1%	43.1%	70-76%
Net income	612	286	N/A
Net debt	954	845	617.79**
Market value	1.874	2,025	3,000**
EV/Sales (x)	1.7	2.0	2.5
EV/EBITDA (x)	3.1	5.1	3.7
EV/EBIT (x)	4.0	8.6	4.8
P/E (x)	3.1	7.1	4.0
NAV	2,854	2,603	3,036

2026E based on company guidance. Multiples are estimated from S&P Capital IQ.** Net debt estimate from S&P Capital IQ; closing price as of 27 May 2026.

Guidance 2026E

	TORM	Consensus
TCE income	1,150 - 1,450	N/A
TCE growth-%	26% - 59%	N/A
EBITDA	800 - 1,100	1094
EBIT	N/A	856
Net income	N/A	803

Note: Guidance is from TORM's Q1 2026 report. Consensus from S&P Capital IQ.

Valuation Perspectives

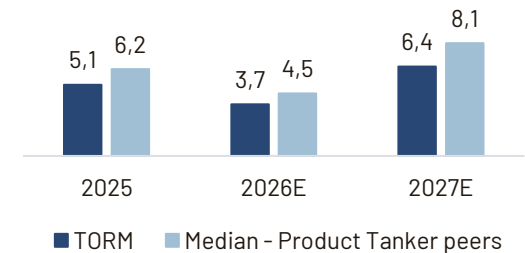
TORM trades at a discount to product tanker peers on forward earnings multiples. On 2026E consensus estimates, TORM's EV/EBITDA of 3.9x compares to a peer median of 4.5x (-13%), with the discount widening on EV/EBIT at 5.0x versus the peer median of 6.0x (-16%) for 2026E. On P/E, TORM trades at 4.3x versus the peer median of 6.0x for 2026E (-28%).

TORM stands out on shareholder returns. The estimated 2026E dividend yield of 16.0% is the highest among peers and well above the median of 13.3%, reflecting the consistent quarterly payout policy and the direct earnings leverage from strong spot rates. The Q1 2026 dividend of USD 0.70 per share (58% pay-out ratio) brings the trailing four-quarter distribution to USD 2.42 per share.

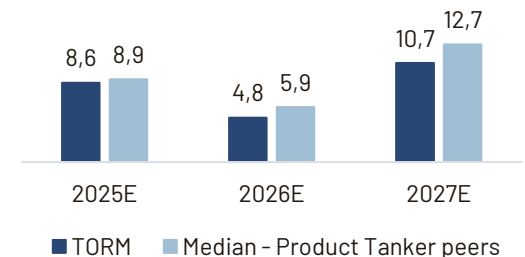
At a current share price of DKK 202.6 (~USD 30.9), TORM trades at a ~4% premium to its Q1 2026 self-reported NAV per share of USD 29.7, based on broker valuations as of 31 March 2026. The fleet's market value rose to USD 3.619m, sitting 25% above carrying value. With tanker asset prices rising further in April on record freight rates following the closure of the Strait of Hormuz, the underlying fleet value has likely appreciated, potentially eliminating the NAV premium at current levels.

Despite recent share price appreciation, TORM continues to trade at a discount to peers across all key multiples and offers a sector-leading dividend yield, particularly if the current strong rates endure for a sustained period.

EV/EBITDA (x)



EV/EBIT (x)



Investment Case – Strong cash generation in a supportive freight market



Key Investment Reasons

- Leading ROIC among peers at 18.0% in Q1 2026 (vs. 10,3% Q1 2025), with One TORM platform delivering best-in-class TCE rates.
- Strong cash generation supports an attractive distribution profile, with USD 0,70/share declared in Q1 2026 (58% pay-out) and a solid balance sheet (LTV at 25,1%).
- Supportive market backdrop, with the closure of the Strait of Hormuz constraining ~14% of global CPP flows and pulling 50+ LR2s into dirty trades.
- Tight fleet supply as ordering has slowed (8,2m dwt 2025 vs. 22,9m 2024), reinforced by an aging fleet (21% of product tanker capacity over 20 years)

Company description: TORM is a leading international owner and operator of product tankers, transporting refined oil products globally. TORM is listed on Nasdaq Copenhagen and Nasdaq US with large shareholders Oaktree Capital Management (23.3%) and Hafnia (13.9%). Its fleet comprises 95 vessels across LR2 (22), LR1 (10), and MR (63) segments, growing to 103 vessels after deliveries through 2028. TORM operates an integrated commercial and technical platform (One TORM) that optimizes fleet deployment across spot and time charter markets. The company has a 135+ year heritage in shipping.

Investment case: TORM has upgraded its 2026 guidance to TCE earnings of USD 1.150-1.450m (previously USD 850-1.250m) and EBITDA of USD 800-1.100m (previously USD 500-900m), reflecting both the strong start to the year and the record rate levels seen in April.

The closure of the Strait of Hormuz, through which ~30% of the world's daily crude oil supply and ~14% of clean petroleum products pass, is pushing tanker rates to record levels, with strength spilling directly into the product tanker market. Over 50 LR2 vessels have shifted into crude trading since the start of the year, tightening effective CPP fleet capacity by an estimated 4%, while more than 200 crude and product tankers remain stranded within the Persian Gulf, further reducing available supply.



Key Investment Risks

- Volatile spot market exposure. A resolution to the US-Iran conflict or reopening of Hormuz could quickly reduce freight rates.
- Crude tanker cannibalization is currently suppressed by record crude rates but could return if crude markets soften.
- Orderbook at ~16% of the fleet with accelerating 2026-2027 deliveries could pressure rates if demand growth disappoints.
- Tariffs and trade policy uncertainty may weigh on global oil demand and disrupt established trade patterns

The global product tanker fleet is the oldest it has been in twenty years, with 21% of capacity now over 20 years old and ripe for scrapping. At the same time, new orders have slowed dramatically, with the orderbook currently standing at ~16% of the fleet and ordering activity halving to 8,2m dwt in 2025 from 22,9m dwt in 2024, pointing to potentially low net fleet growth toward the end of the decade. International sanctions on roughly 10% of the global fleet also reduce vessel supply in the open market, particularly relevant with the renewed conflict in the Middle East potentially lifting ton-miles as refined oil must flow along longer routes to avoid conflict zones.

TORM declared USD 0,70 per share in dividends for Q1 2026, equivalent to a 58% pay-out of net profit. Including the prior three quarters of 2025, the trailing four-quarter distribution amounts to USD 2,42 per share, underlining the consistency of the quarterly payout policy.

The balance sheet remains conservative with a loan-to-value ratio of 25,1% (down from 29,4% at year-end 2025) and over USD 655m in available liquidity, providing ample flexibility for both continued shareholder distributions and opportunistic fleet investments. Because TORM operates primarily in the spot market, any sustained rate improvement flows almost directly to the bottom line and, in turn, to dividends

Peer Group – Product tanker peers

Our TORM peer group comprises companies with significant exposure to the international refined petroleum products transportation market. We believe pure-play product tanker peers are most comparable to TORM based on fleet composition, customer base, and trading patterns. TORM's fleet comprised 95 vessels at the end of Q1 2026, spanning LR2 (22), LR1 (10), and MR (63), growing to 103 vessels following recent resale acquisitions with deliveries through 2028.

Pure-play product tanker peers: Hafnia Ltd. (~123 owned vessels, commercially operates 200+) and Scorpio Tankers Inc. (~93 owned/leased vessels) are the most directly comparable to TORM given their fleet scale and dedicated product tanker focus. All three operate primarily in the spot market through integrated commercial platforms and benefit from the same structural

tailwinds in refined product trade flows, fleet age, and orderbook dynamics. International Seaways Inc. (~74 vessels) operates a diversified fleet across crude and product tankers including VLCCs, Suezmaxes, and MRs. While not a pure product tanker play, the company offers exposure to the same dirty-up dynamics that have tightened effective CPP supply during the current Hormuz disruption, making it a relevant benchmark.

Ardmore Shipping Corp. (~26 vessels, MR and chemical tanker focused) and d'Amico International Shipping S.A. (~33 vessels, MR and LR1 focused) are smaller, more specialized operators. While their fleet scale differs materially from TORM, they share similar end-markets and provide useful reference points for MR segment dynamics

Peer group

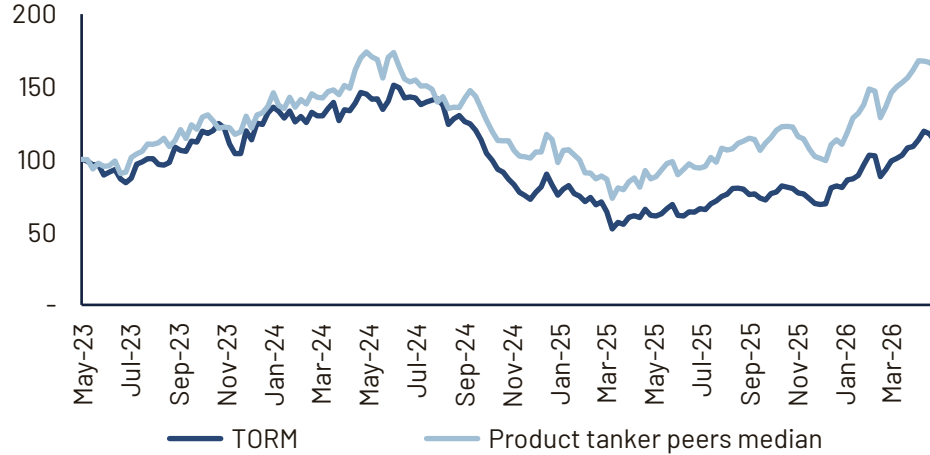
Company	Price	Total return	Market cap	EV	EV/EBITDA		EV/EBIT		P/E		Div yield	
	(local)	YTD	(USDm)	(USDm)	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Hafnia Ltd.	NOK 75.6	42.2%	4,074	4,998	5.8x	9.5x	7.3x	14.7x	6.2x	12.5x	14.7%	8.2%
Scorpio Tankers Inc.	USD 77.7	53.8%	3,560	3,157	4.1x	7.2x	5.0x	10.1x	6.1x	12.1x	2.4%	2.6%
Ardmore Shipping Corp.	USD 17.7	68.0%	722	780	4.2x	9.1x	5.7x	20.2x	5.5x	20.7x	14.1%	0.4%
International Seaways Inc.	USD 80.4	70.9%	3,981	4,214	4.3x	7.0x	5.2x	10.3x	5.8x	12.5x	15.9%	7.7%
d'Amico Intl Shipping S.A.	EUR 7.5	55.7%	1,039	1,066	6.3x	7.6x	7.8x	10.5x	9.4x	12.5x	6.5%	3.9%
Median – Product tanker peers		55.7%	3,560	3,157	4.3x	7.4x	5.7x	10.5x	6.1x	12.5x	14.1%	3.9%
TORM plc	DKK 188.7	56.2%	3,000	3,893	3.7x	6.4x	4.8x	10.7x	4.0x	7.8x	17.2%	8.8%
<i>Premium(+)/ Discount(-) to peers</i>					-15%	-15%	-15%	-2%	-34%	-37%		

Note: data from 27/05/2026

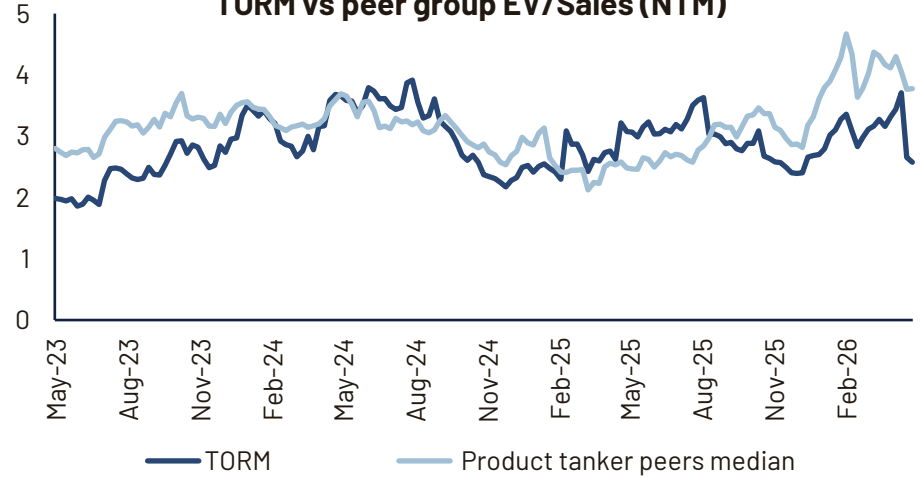
Source: S&P Capital IQ

Valuation vs. Peers

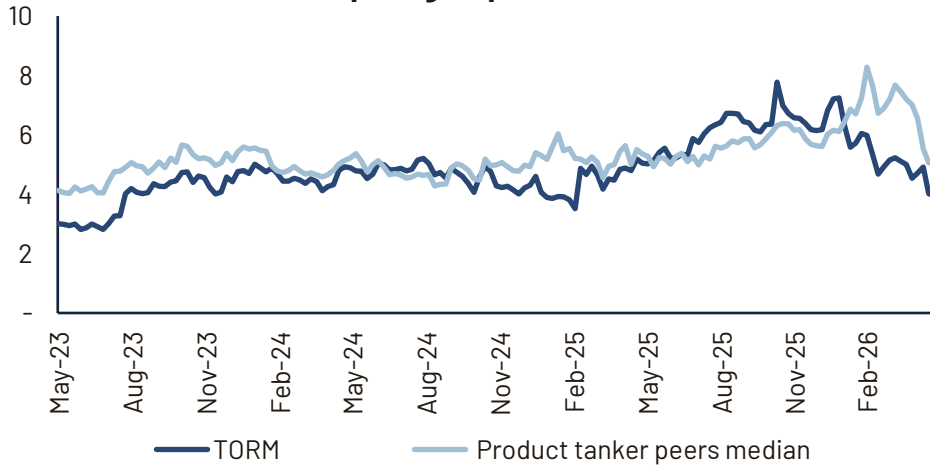
TORM price returns vs peer group median



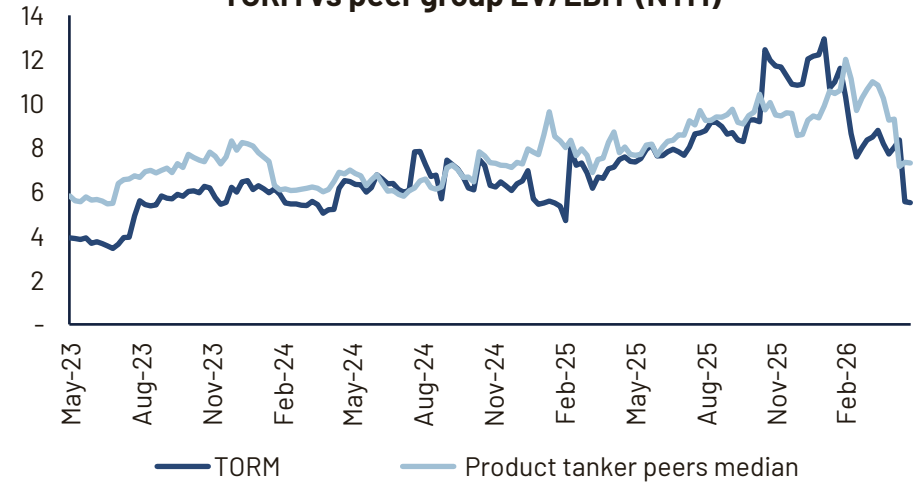
TORM vs peer group EV/Sales (NTM)



TORM vs peer group EV/EBITDA (NTM)

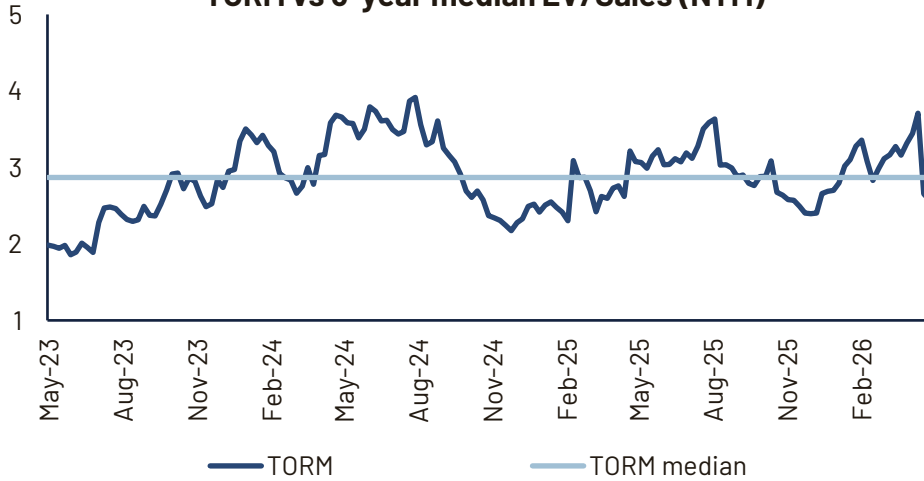


TORM vs peer group EV/EBIT (NTM)

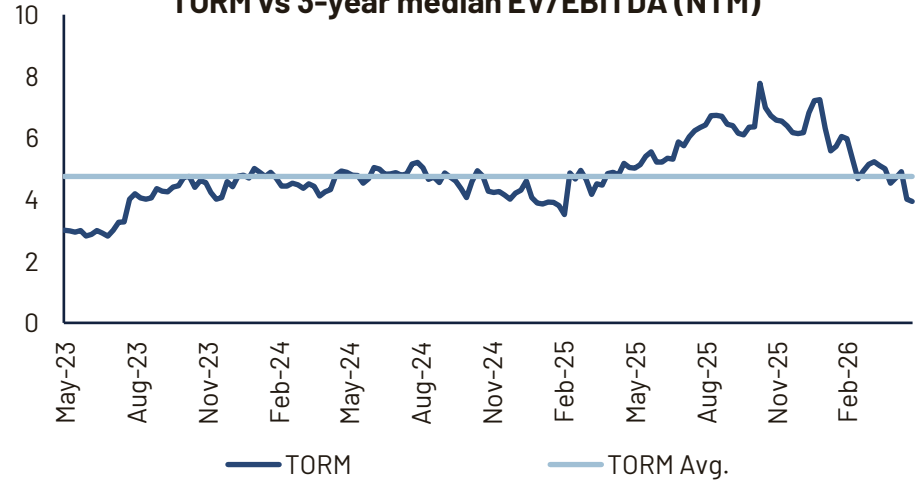


Valuation vs. Historical

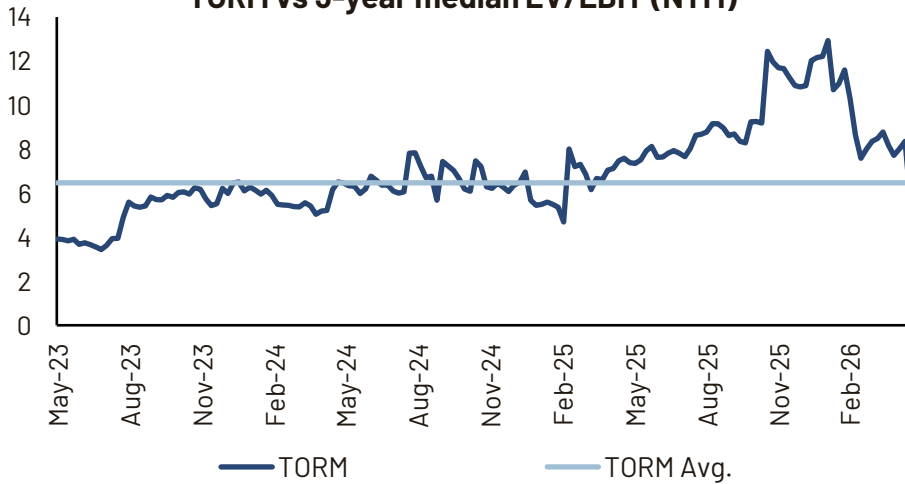
TORM vs 3-year median EV/Sales (NTM)



TORM vs 3-year median EV/EBITDA (NTM)



TORM vs 3-year median EV/EBIT (NTM)



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