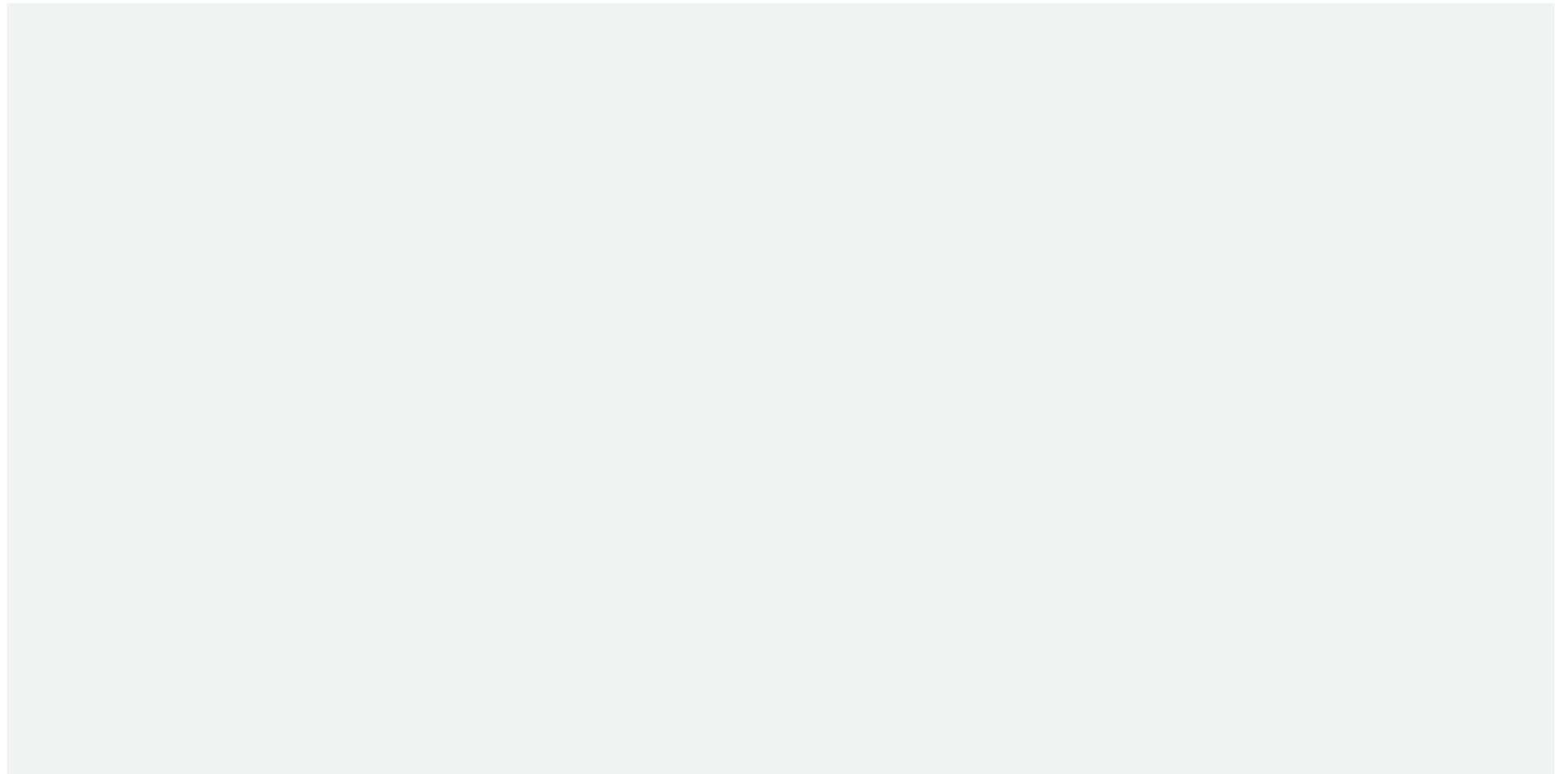


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John Fredriksen (centre) has become the biggest shareholder in International Seaways. Photo: June Essex

Analysts doubtful over Seaways takeover but Fredriksen already in the money

Fleets and asset values not seen as sensible fit, but tycoon's stake is already worth \$15m more than purchase price

28 April 2022 13:37 GMT *UPDATED* 28 April 2022 14:45 GMT

By [Gary Dixon](#)  in **London**

Leading European analysts are sceptical about whether John Fredriksen's tanker merger ambitions stretch to International Seaways as well as Euronav.

[A securities filing on Wednesday revealed the Frontline owner has acquired 16.19% in the US tanker company.](#)



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This is in addition to a 10% holding in Belgium's Euronav, which is in talks over a combination with Frontline.

Clarksons Platou Securities said a potential Seaways merger would be positive in terms of an even larger market capitalisation.

But the investment bank added that in terms of stock valuations, it is important to remember that the Euronav/Frontline deal is being done on a net asset value (NAV) basis.

"This means, in our view, there is little further upside for Euronav/Frontline in merging with INSW in terms of stock valuation simply because Euronav/Frontline is already at NAV," analysts Frode Morkedal and Even Kolsgaard said, referring to Seaways by its ticker symbol.

"INSW, on the other hand, is trading at 79% to our NAV estimate of \$28 per share," they added.

As such, in a potential NAV-for-NAV merger, the Seaways stock would be the beneficiary, Clarksons Platou argues.

The Securities and Exchange Commission filing reveals Fredriksen's private company Famatown Finance spent \$163.3m on just over 8m Seaways shares.

This slice is now worth \$178m, thanks to the stock rising nearly 9% on Thursday to \$22.28.

No proposals — yet

And Famatown said it reserves the right to engage in discussions from time to time with the board or management of Seaways.



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Fredriksen is now the biggest shareholder in Seaways and ranks second to the Saverys family in Euronav. The family is opposing the merger.

One US source told TradeWinds the new investment could be used as a negotiating tool in Euronav discussions.

But Norwegian investment bank Fearnley Securities also said the move could be a pure financial investment due to the differences in NAVs.

Fearnleys also notes that Seaways, along with its VLCCs, has a “relatively old” LRI and panamax fleet, as well as about 40 MRs built on average before 2010, they added. Frontline largely holds modern eco vessels.

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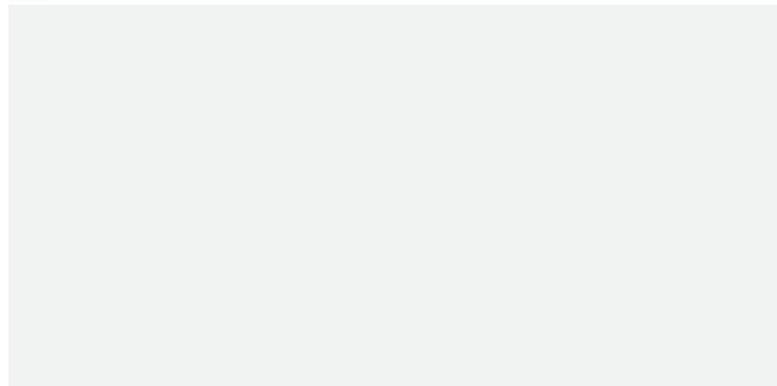
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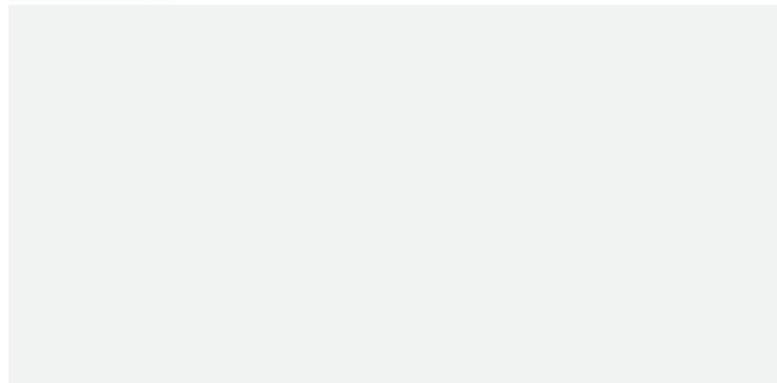
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