NASDAQ: IMPP RESEARCH NOTE

Imperial Petroleum Inc.

Earnings and book-value discounts support substantial re-rating potential, with fleet deployment the key test

* Share price $4.34 as of 10 November 2026. Financials are based on Cashu normalised metrics, as of 2026-11-11, and issuer-reported statements, to 30 June 2026.

RATING
BUY
12-month view

TARGET PRICE
$10.85
▲ +150.0% upside*

VALUATION INDEX	TARGET INDEX	SENTIMENT INDEX
Undervalued	Extremely Attractive Target	Bearish
13.42%	66.18%	38.30%

THE CASE IN BRIEF

Buy Imperial Petroleum Inc. on valuation (Valuation Index: 13.4%; Undervalued). **The Cashu Target Price of USD 10.85 implies 150.0% upside.** Its P/E and EV/EBITDA sit **below all three peers**: Pyxis Tankers Inc., Ardmore Shipping Corporation and EuroDry Ltd. Its 0.33x Price/Book adds valuation support, and **management estimated NAV at $14.93 per share** ($11.72 fully diluted) on 19 October 2026. The Suez Enchanted disposal generated a ~$32m net gain, separate from continuing charter earnings. Bearish order flow tempers near-term conviction.

OUR READ

01 **Cheapest of its group on conventional multiples.** Imperial Petroleum trades at 2.1x P/E and 1.5x EV/EBITDA, with the lowest Valuation Index (13.42%) of the four companies compared.

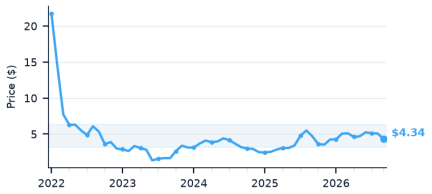
02 **Strong asset backing.** The shares trade at 0.3x Price/Book, management described the company as debt-free on 19 October 2026, and it held $237.7m of time deposits at 30 June 2026.

03 **Fleet deployment is the key test.** Conviction depends on newly delivered vessels earning enough to cover voyage costs; bearish order flow (Sentiment Index: 38.30%) leaves re-rating timing uncertain.

SNAPSHOT

Share price*	$4.34
Target price	$10.85
Implied upside	+150.0%
Market cap	$193.02m
Enterprise value	$185.61m
P/E (TTM)	2.11x
52W high / low	$6.35 / $3.22
Avg daily volume	426,388 shares

SHARE PRICE, US$



UPLIFT CATALYSTS

NAV sits well above the share price.
Management estimated NAV at $691.1m, or $14.93 per share ($11.72 fully diluted), on 19 October 2026, against a $4.34 share price.

New vessels add earning capacity.
Eco Cathar and Clean Raider arrived in late September 2026 and Eco Nemesis in early October 2026, expanding drybulk and product-tanker capacity.

One more vessel is contracted.
A ~34,000 dwt handysize carrier would expand the 24-vessel fleet to 25 on delivery; profitable charter employment would add earnings capacity.

Stronger first-half earnings.
H1 2026 income from operations reached USD 59.90m versus USD 15.99m, and net income margin rose from 35.1% to 42.2%.

FLEET AND BALANCE SHEET

At 19 October 2026 the fleet comprised 24 vessels with approximately 1,320,000 dwt across product tankers, a suezmax tanker and several drybulk classes. The Suez Enchanted sale for $48.5m completed on 7 August 2026. At 30 June 2026, cash and cash equivalents were USD 7.52m, with separately reported time deposits of USD 237.71m.

NAV PER SHARE	FLEET	SUEZ ENCHANTED SALE
$14.93	24 vessels	$48.5m
$11.72 fully diluted	25 after handysize delivery	~$32m net gain

TIME DEPOSITS	H1 2026 OPERATING CASH FLOW	DEBT
$237.7m	USD 78.27m	Debt-free
At 30 June 2026	▲ from USD 42.41m	Management, 19 Oct 2026

Source: Cashu normalised metrics and Cashu Target Price model, as of 11 November 2026; Imperial Petroleum Inc., Interim report, 30 June 2026; Net Asset Value and fleet update, 19 October 2026. Prepared by Cashu Research. Not investment advice.

FINANCIAL PERFORMANCE

CONSOLIDATED — H1 PERFORMANCE, USD M

Total revenues	H1 2025	USD 68.44m
	H1 2026	**USD 148.79m**
Income from operations	H1 2025	USD 15.99m
	H1 2026	**USD 59.90m**
Net income for the period	H1 2025	USD 24.05m
	H1 2026	**USD 62.78m**
Net income margin (revenue)	H1 2025	35.1%
	H1 2026	**42.2%**

H1 2026 improvement extended to operating earnings. Bars scaled within each metric.

CONSOLIDATED — FY PERFORMANCE, USD M

Total revenues	FY2024	USD 147.48m
	FY2025	**USD 161.00m**
Income from operations	FY2024	USD 44.14m
	FY2025	**USD 39.90m**
Net income for the year	FY2024	USD 50.16m
	FY2025	**USD 49.98m**
Net income margin (revenue)	FY2024	34.0%
	FY2025	**31.0%**

FY2025 revenue rose while operating income and net income margin eased.

INDUSTRY BENCHMARKING

Imperial Petroleum's **low relative debt burden supports its credit profile**, with debt a smaller share of enterprise value than the industry median. **Its three-year opex contraction compares favourably** with growth at the median, and above-median EBITDA profitability supports the earnings case.

SELECTED PEER DEVIATIONS

DEBT / ENTERPRISE VALUE	-1.0σ	**0.1%** vs 25.7% median	Favorable
AR / CURRENT ASSETS	-1.2σ	**7.1%** vs 40.3% median	Favorable
OPEX GROWTH (3Y)	-1.2σ	**-10.7%** vs 9.3% median	Favorable
DAYS RECEIVABLE	-0.9σ	**30d** vs 59d median	Favorable
EBITDA MARGIN	+0.8σ	**49.9%** vs 27.2% median	Favorable
CASHU ROE	+0.8σ	**18.4%** vs 6.3% median	Favorable

Green: favorable. Red: unfavorable. Amber: context dependent. Tick: peer median.

VALUATION AND CREDIT

Imperial Petroleum trades below all three peers on P/E and EV/EBITDA, and has the lowest Valuation Index of the group. **Asset backing reinforces the case:** at 0.3x Price/Book, and with management's NAV estimate of $14.93 per share ($11.72 fully diluted) against a $4.34 share price, the market discounts the fleet's value. Mix, scale and timing differences limit the case for converging to peer multiples.

COMPANY	EV/EBITDA	P/E
Imperial Petroleum Inc. Valuation Index 13.42%	**1.5x**	**2.1x**
Pyxis Tankers Inc. Valuation Index 17.93%	4.0x	6.7x
Ardmore Shipping Corporation Valuation Index 39.51%	5.2x	8.8x
EuroDry Ltd. Valuation Index 29.11%	6.8x	12.9x

Price/Book **0.3x** NAV per share **$14.93** EBITDA Yield **64.97%**

CREDIT RISK INDICATORS

Debt/Equity Ratio	0.00x
Net Debt / EBITDA	-0.06x
Interest Cover Ratio	60.7x
Distance to Default	4.35
Altman Z-Score	3.33
Break-up Value	2.04

Enterprise value and net debt treat the $237.7m of time deposits as non-cash; including them, cash exceeds debt by a wide margin.

KEY RISKS

Spot deployment exposes voyage economics.

H1 2026 voyage expenses reached $34.9m versus $21.2m, which management attributed to more spot days and higher bunker costs.

Acquisitions dilute per-share participation.

$3.58m of common-share consideration was issued after 30 June 2026, alongside a separate $32.22m cash settlement in Q3 2026.

Customer concentration.

Two customers generated 31% of FY2025 revenue, and management expects a limited number of customers to remain significant.

Source: Cashu normalised metrics, as of 11 November 2026 (TTM to 30 June 2026); Imperial Petroleum Inc., Form 20-F for the year ended 31 December 2025; Interim report, 30 June 2026; Net Asset Value and fleet update, 19 October 2026. Not investment advice.

CASHU METRICS, GLOSSARY

Valuation Index (0–100%)

An estimate of company value where lower = cheaper vs peers. Read in five bands: 0%–35% Undervalued, 35%–47% Moderately Under Valued, 47%–52% Fully Valued, 52%–65% Moderately Over Valued, 65%–100% Over Valued. A lower Valuation Index means the company trades at a DISCOUNT to peers.

Target Index (0–100%)

Composite estimate of M&A attractiveness as a Target based on cheapness vs. peers, leverage, ROE quality, and EVA. Higher = more attractive. Read in five bands: 0%–35% Extremely Unattractive Target, 35%–47% Unattractive Target, 47%–52% Neutral, 52%–65% Attractive Target, 65%–100% Extremely Attractive Target.

Sentiment Index (0–100%)

Order-flow sentiment estimating the buy-side share of traded volume from price and volume alone. Above 50% indicates net buying pressure, below 50% net selling pressure. Read in five bands: 0%–35% Extremely Bearish, 35%–47% Bearish, 47%–52% Neutral, 52%–65% Bullish, 65%–100% Extremely Bullish. It carries no holder information and cannot distinguish institutional from retail flow.

Cashu Target Price

Cashu's Target Price derives from the company's Valuation Index and its trajectory over time, re-rating the current price toward the level implied by the company's current position relative to its peers and its own historical valuation. The figure is deliberately bounded to a defensible range, so it is best read as a valuation-anchored reference point.

Cashu ROE

Cashu's normalised measure of profit relative to shareholder capital.

Altman Z-Score

Multi-factor bankruptcy prediction model. Z > 2.99: low insolvency risk (financially sound). Z 1.81–2.99: elevated insolvency risk. Z < 1.81: high insolvency risk (distress). Not calibrated for financial institutions.

Distance to Default

A structural credit measure of how far a company's asset value sits above the debts it would have to meet in distress, expressed in standard deviations of asset volatility. Higher is safer: a reading of 3 means asset value would need to fall roughly three standard deviations before the company reached its default point. Banks carry a sector-specific adjustment.

Break-up Value

Net tangible assets measured against market capitalisation: net assets excluding intangibles, divided by market capitalisation, less one. A positive reading means tangible assets alone exceed the company's market value. A negative reading is normal for asset-light or intangible-heavy businesses and is not by itself a distress signal.

Cashu-normalised

Metrics labelled Cashu-normalised are adjusted for cross-company comparability. Issuer-reported figures, issuer-adjusted measures and separately labelled calculations retain their stated accounting bases. Normalisation does not establish recurring earnings.

ABBREVIATIONS

52W 52-week
AP · AR accounts payable · accounts receivable
dwt deadweight tonnes (cargo-carrying capacity)
EBITDA earnings before interest, taxes, depreciation and amortisation
EV enterprise value
EVA Economic Value Added
M&A mergers and acquisitions
NAV net asset value
OpEx operating expenses
P/E price-to-earnings
ROE return on equity
TTM trailing twelve months
FY · H1 fiscal year · first half (calendar basis)
USD US dollars
VWAP volume-weighted average price
σ standard deviation

IMPORTANT DISCLOSURES

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